



Securities Code: 4523
Japanese booklet shipping date:
May 28, 2024

hvc
human health care

Notice of Convocation of the 112th Ordinary General Meeting of Shareholders

Date and Time June 14, 2024 (Friday)
10 A.M. (Reception opens at 9 A.M.)

Venue Tokyo Garden Theater
2-1-6 Ariake, Koto-ku, Tokyo
**Please note that the venue has
changed from the last time.**

Resolutions

Proposal: Appointment of 11 Directors

Deadline for exercising voting rights by postal mail or via the Internet

5 P.M. on June 13, 2024 (Thursday)

**On the day of the General Meeting of
Shareholders, each attendee will receive 1
souvenir gift at the reception.**

To Our Shareholders

I see 2023 as having been a watershed year in the treatment of Alzheimer's disease (AD) and its community building. This is because it saw the approval in Japan and the United States of LEQEMBI (generic name: lecanemab), discovered in Japan as the world's first pharmaceutical agent associated with the underlying pathology of AD. Additionally, the Basic Act on Dementia to Promote an Inclusive Society was enacted in Japan that year. These can be said to have cleared a highly promising outlook for AD patients and their families in 2 important areas—treatment and community building. After commencing research on Aricept in the 1980s, Eisai continued its AD-related efforts for roughly 40 years before achieving success in LEQEMBI's development. During that time, through socialization with patients and their families, we were afforded opportunities to not only glimpse their joys, needs and anxieties but also experience their expectations on us—when will a drug be discovered that will close in on the cause of AD, and what kind of drug will it be? Not a day passed in which I did not want the Company to fulfill those expectations, and we have kept close to our heart that our mission is to make AD a curable disease. We will steadily continue our new drug discovery challenge, which we have maintained through Aricept and LEQEMBI, on into the future.

Municipalities will be promoting their response plans under the Basic Act on Dementia. We, too, would like to work with local governments in related projects such as those for health checkups. Creating communities in which people with dementia can live feeling safe and secure, and realizing a society that leaves no one behind will be high-priority initiatives in modern society, with its rapidly aging populations.

In conclusion, I would like to thank shareholders for your continual support and express my sincere desire to solidly meet your expectations.

May 2024

Representative Corporate Officer and CEO



Corporate Concept

We give first thought to patients and the people in the daily living domain, and increase the benefits that healthcare provides to them as well as meet their diversified healthcare needs worldwide.



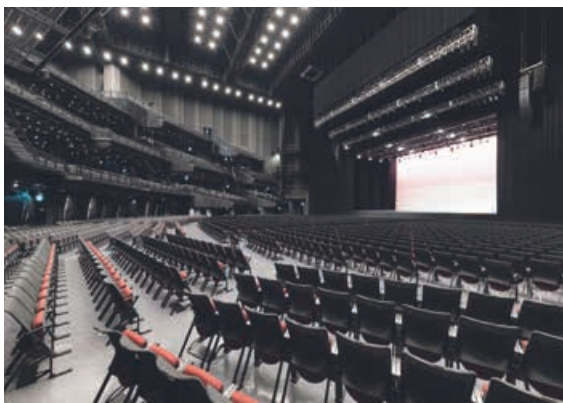
human health care

The Concept 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*” concept. This logomark is modeled on the signature of this prominent figure in the history of modern-day nursing.



About the Change in Format for Our General Meeting of Shareholders

Having taken into consideration the changes in society accompanying the shift to the post-COVID era, along with the increase in the number of attendees and questions asked by those present at the previous (111th) Ordinary General Meeting of Shareholders, we decided to change the meeting format to one that places greater emphasis on direct dialogue with shareholders in attendance at the venue. Additionally we have changed the General Meeting of Shareholders venue to Tokyo Garden Theater (2-1-6 Ariake, Koto-ku, Tokyo) to enable more shareholders to attend the meeting in person. We intend to provide sufficient explanations and a full Q&A at the new venue.



At the same time, we will also broadcast a live stream on the day of the Meeting in Japanese and stream a video of the CEO business report in Japanese and English after the Meeting so that our shareholders who are unable to attend in person can still stay up on the proceedings of our Company's General Meeting of Shareholders (see page 4). We will also provide an opportunity for shareholders who are unable to attend in person to be able to ask questions in advance via the Internet. On the Company's website, we will then post responses to advance questions from shareholders which we find particularly pertinent before the Meeting (see page 8). Please exercise your voting rights in advance, either by mail or over the Internet (see pages 5 and 6).

(Reference)

Proceedings at the previous (111th) Ordinary General Meeting of Shareholders (June 21, 2023, Bellesalle Takadanobaba)

The previous Ordinary General Meeting of Shareholders had 1,422 shareholders in attendance (1,194 attending at the venue, 228 attending virtually), a substantial increase from 117 attendees at the Meeting before that (110th). Corporate executives of the Company provided responses to 20 questions in total (15 asked at the venue, 5 asked online), a substantial increase from 7 questions (3 asked at the venue, 4 asked in advance) at the Meeting before that. As a result, the time required was 2 hours and 2 minutes, significantly more than the 1 hour and 14 minutes at the Meeting before that.

Notice of Convocation of the 112th Ordinary General Meeting of Shareholders

Date and time: 10 A.M. June 14, 2024 (Friday)
Reception opens at 9 A.M.

Venue: Tokyo Garden Theater
2-1-6 Ariake, Koto-ku, Tokyo

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 112th Fiscal Year (from April 1, 2023, to March 31, 2024)
2. The contents of the financial statements for the 112th Fiscal Year (from April 1, 2023, to March 31, 2024)

Resolutions Proposal: Appointment of 11 Directors

▶ Please refer to pages 9 through 35

- The Company has adopted measures for electronic provision in convening this General Meeting of Shareholders, and the following websites on the Internet contain a “Notice of Convocation of the 112th Ordinary General Meeting of Shareholders” with the matters for electronic provision.
- Some of the matters in the measures for electronic provision are not included in the documents delivered to shareholders who have requested delivery of documents (hereinafter referred to as “delivered documents”). The relevant matters are described in “Matters omitted from the delivered documents” on page 3, the contents of which are posted on the websites below.
- In the event of any corrections to the measures for electronic provision, they will be posted on the websites below.
- This Notice of Convocation of the General Meeting of Shareholders including the English version is posted on the websites below.



The Company's website

<https://www.eisai.com/ir/stock/meeting/index.html>



The Tokyo Stock Exchange website (The Tokyo Stock Exchange Listed Company Search)

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

In “Issue name (company name),” enter “Eisai,” or in “Code,” enter “4523,” and search. In “Basic information,” select “Documents for public inspection/PR information”



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40 Frequently Asked Shareholder Questions !



Detailed Information (electronic version)



Business Report for the 112th Fiscal Year

I. Current Status of the Group

- 1 Basic Management Policy
 - 1. Corporate Concept
 - 2. Issues that Need to be Addressed
 - 3. Basic Policy for Capital Strategy
- 2 Business Progress and Results
 - 1. Status of Major R&D Pipeline
 - 2. Overview of Consolidated Performance (International Financial Reporting Standards)
 - 3. Financial Position and Profit/Loss Status
 - 4. Major Topics
- Environment
- Social
- Governance

- 3 Status of Major Subsidiaries
- 4 Major Affiliated Companies and Sites
- 5 Other Significant Items

II. Status of Shares and Stock Acquisition Rights

- 1 Status of Shares
- 2 Stock Price Trends
- 3 Status of Stock Acquisition Rights

III. Status of Corporate Executives

- 1 Items Pertaining to Directors
- 2 Items Pertaining to Corporate Officers
- 3 Overview of Directors and Officers Liability Insurance Contract Content

Consolidated Financial Statements for the 112th Fiscal Year Appendix

Pursuant to an amendment to the Companies Act, the full-text materials for the General Meeting of Shareholders are not sent out as a rule, and shareholders are asked to read the detailed information posted on the website.

Matters omitted from the delivered documents (other measures for electronic provision)

Of the matters for measures for electronic provision, the following matters are not included in the documents delivered to shareholders who have requested the delivery of documents in accordance with the provisions of laws and regulations and Article 15 of the Articles of Incorporation of the Company.

Accordingly, documents delivered to shareholders who requested the delivery of documents are part of the documents audited by the Audit Committee when preparing audit reports.

Business Report

- Status of Accounting Auditor
- Status of Establishment and Operation of Systems for Ensuring Proper Business Operations
- Basic Policies Regarding Persons to Control the Determination of Financial and Business Policies
- Risk Factors
- Status of Major Contracts

Consolidated Financial Statements

- Consolidated Statement of Changes in Equity
- Notes to Consolidated Financial Statements

Financial Statements

Audit Reports

Appendix

- Corporate Governance Principles
- Rules Concerning Items Necessary for the Execution of Duties by the Audit Committee
- Rules for Preparing Necessary Systems for Ensuring the Suitability of the Execution of Duties by Corporate Officers

Steps of the General Meeting of Shareholders

Here are the main steps for participation from before the Meeting until after.

Before the General Meeting of Shareholders

1. Check the materials for the General Meeting of Shareholders

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

2. Exercise voting rights in advance

Mail



▶ Details on page 5

Internet



▶ Details on page 6

Exercise deadline By **5 P.M. June 13**, 2024 (Thursday)

If you wish to ask advance questions,

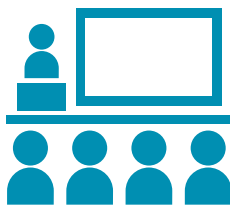
▶ Details on page 8

we will accept them until the deadline **5 P.M. on June 6, 2024 (Thursday)**.

On the Company's website we plan to post responses to advance questions from shareholders which we find particularly pertinent on June 11 (Tuesday).

At the General Meeting of Shareholders

For Those **Attending at the Venue**



For Those **Watching the Live Stream**



Date and time of the General Meeting of Shareholders

Date and Time **June 14**, 2024 (Friday)
10 A.M. (Reception opens at 9 A.M.)

Venue Tokyo Garden Theater

Streaming date and time

Date and Time **June 14**, 2024 (Friday)
10 A.M. until the close of the Meeting

▶ Details on page 7

Simultaneous translation in English is available through a receiver at the venue.

We plan to post the CEO business report video and the voting results on the Company's website after the close of this General Meeting of Shareholders.
<https://www.eisai.com//ir/stock/meeting/index.html>

Guide to Exercising Voting Rights, Live Streaming, and Advance Questions

The right to vote at the General Meeting of Shareholders is an important right allowing shareholders to participate in the management of the Company.
We encourage shareholders to exercise their voting rights.



Exercising voting rights by **attending at the venue**

Date and Time

June 14, 2024 (Friday) **10** A.M. (Reception starts at 9 A.M.)

Venue

Tokyo Garden Theater

Please submit the enclosed Voting Rights Exercise Form at the reception.

- Please bring this Notice of Convocation with you.

Proxy attendance

If you wish to exercise your voting rights by proxy, you may appoint 1 other shareholder holding voting rights in the Company as your proxy. However, it is necessary to submit at the reception a letter of proxy signed or stamped with the name and seal of the shareholder who has given the proxy, together with the Voting Rights Exercise Form and a document that enables identification (a copy of the seal registration certificate, driver's license, etc.).

Stamps
are not
needed



Exercising voting rights by **mail**

Please indicate your approval or disapproval of the proposal on the enclosed Voting Rights Exercise Form, and mail it to us.

Exercise deadline

Effective if received by
5 P.M. June 13, 2024 (Thursday)

Please indicate your vote in the “Vote for or against the Proposal” section of the Voting Rights Exercise Form.

To vote for all candidates

▶ Place a circle in the “**For**” column

To vote against all candidates

▶ Place a circle in the “**Against**” column

* If you wish to cast a different vote for certain candidates, please indicate the number of such candidate(s).

Voting Rights Exercise Form



Please cut along the perforated lines and mail this part.



Precautions

If neither approval nor disapproval of a proposal is indicated when exercising voting rights by mail, the vote exercised will be treated as an approval.

[Handling of voting rights exercised more than once]

- In the event that voting rights are exercised both over the Internet and by mail, the vote exercised over the Internet will be treated as valid.
- In the event that voting rights are exercised more than once over the Internet and the votes on the same proposal are different, the last vote will be treated as valid.



Exercising voting rights over the Internet

To exercise voting rights over the Internet, access the **voting website**, and follow the on-screen instructions to exercise your voting rights.

Exercise deadline

Effective if received by
5 P.M. June 13, 2024 (Thursday)

When scanning the QR code

- 1 Scan the QR code with your smartphone or another device.

Voting Rights Exercise Form



* QR Code is a registered trademark of Denso Wave Incorporated.

- 2 From here on, enter your vote following the on-screen instructions.

When entering login ID and temporary password

- 1 Access the website for exercising voting rights.

<https://evote.tr.mufg.jp/> (Japanese only)

Exercising voting rights Mitsubishi UFJ Trust

- 2 Log in by entering the “login ID” and “temporary password” shown in the lower right of your Voting Rights Exercise Form.
- 3 From here on, enter your vote following the on-screen instructions.

Precautions for exercising voting rights over the Internet

- Service will be unavailable from 2:30 A.M. to 4:30 A.M. daily.
- Any costs incurred in accessing the website for exercising voting rights (such as Internet connection fees) shall be borne by the shareholder.
- Depending on the shareholder’s Internet environment, the website for exercising voting rights may not be available.

Receipt of Notice of Convocation by Email

Shareholders who wish to receive the Notice of Convocation by email from the next General Meeting of Shareholders are requested to complete the procedures on the website for exercising voting rights.

<https://evote.tr.mufg.jp/> (Japanese only)

Inquiries regarding the Exercise of Voting Rights

If you have any questions about how to use the voting website in regard to your computer or smartphone, please contact the toll-free number on the right.

Mitsubishi UFJ Trust and Banking Corporation Stock Agent
Department (Help Desk)

0120-173-027

(Hours: 9 A.M. to 9 P.M. toll-free in Japan)

To institutional investors

If you have applied in advance to use the voting platform operated by ICJ Inc., you may exercise your rights using the platform.



Guide to Live Streaming

Proceedings on the day of the Meeting will be streamed live on our dedicated shareholder site “Engagement Portal.”

Streaming date and time

From 10 A.M. until the close of this Ordinary General Meeting of Shareholders on **June 14, 2024** (Friday)

* The page for viewing the live stream on the day of the Meeting will be accessible from 9:30 A.M., 30 minutes before the starting time.

Shareholder website URL (Japanese only)

<https://engagement-portal.tr.mufg.jp/>
(Japanese only)



1 Log in to the shareholder website.

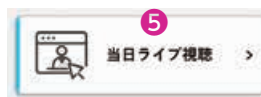
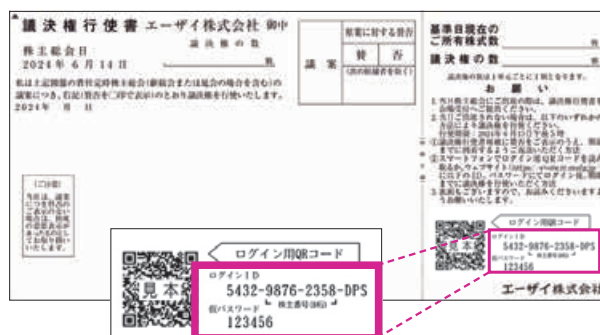
2 Enter the **Login ID** and **temporary password** shown on the right of the Voting Rights Exercise Form.

3 Read the Terms of Use, and check “I agree to the Terms of Use.”

4 Click the **“Login”** button.

Make sure to prepare either your login ID or temporary password before submitting your Voting Rights Exercise Form.

5 Click the **“Live Viewing”** button to watch.



Please note the following points

- Pursuant to the Companies Act, watching the live stream is not considered being in attendance at the General Meeting of Shareholders. For that reason, questions, exercise of voting rights, and motions allowed to shareholders are not possible via live stream of the General Meeting of Shareholders. We therefore ask that you exercise voting rights in advance through the mail, Internet, or other means.
- We may end up unable to live stream due to inevitable circumstances. In such an event, notification will be posted on the Company's website.
- Only the shareholders themselves may watch the live stream or submit advance questions.
- You might not be able to watch the live stream due to the device you are using or your connection environment.
- Please refrain from filming or recording a video or audio of the live stream, saving it on memory, or reposting it on social media, etc.
- Internet connection fees and other costs for viewing shall be borne by the shareholder.
- If you have lost the enclosed Voting Rights Exercise Form, you can request a re-issuance at the “Inquiries regarding the Shareholder Website” on page 8. However, please note that we may not be able to reissue the form depending on the timing of your inquiry, for example, if it is received approximately less than 1 week prior to the date of the General Meeting of Shareholders.

Guide to Advance Questions

Deadline for advance questions

By 5 P.M. **June 6**, 2024 (Thursday)

If you have questions about proposals or reported matters, please log in to the shareholder website, click “Advance Questions,” and enter your question.

- On the Company’s website we plan to post responses to advance questions from shareholders which we find particularly pertinent on June 11 (Tuesday).
- Not all questions submitted will receive a response. We appreciate your understanding.
- We will withhold response if your question does not relate to the purpose of the General Meeting of Shareholders, is the same as another question received, or if answering the question could potentially harm the rights or interests of any client, employee, or another party. Responses also cannot be provided on a separate or individual basis. We appreciate your understanding.

Inquiries regarding the Shareholder Website

Mitsubishi UFJ Trust and Banking Corporation
Dedicated Support Line: General Meeting of Shareholders Website

Phone: **0120-676-808**

(Toll-free, 9 A.M. to 5 P.M. weekdays except Saturdays, Sundays, and holidays)

Reference Documents for 112th Ordinary General Meeting of Shareholders

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 based on the decision of the Nomination Committee.

Information on each of the director candidates is provided on pages 10 through 35.

The Company is a company with a nomination committee, etc., system. The Nomination Committee determines the proposals to the General Meeting of Shareholders regarding the election and termination of directors.

1. Selection Criteria for Director Candidates

The Nomination Committee establishes the criteria for the selection of candidates for outside directors and inside directors, respectively.

Outside director candidates






- ① Is independent of the Company both personally and financially, and satisfies the “Requirements for the Independence and Neutrality of Outside Directors” set forth by the Nomination Committee.
- ② Understands and shares the corporate concept, corporate vision, and goals of the Company.
- ③ As a director of a company with a nomination committee, etc., system, the candidate can be expected to exercise an oversight function over the management of the Company.
- ④ Can be expected to take initiatives to achieve the best possible corporate governance by enhancing the fairness and transparency of the Company’s Board of Directors and each committee’s decisions and execution of their duties.
- ⑤ Possesses diverse values and inclusiveness as well as a high sense of ethics and compliance in carrying out decision-making and oversight of management.

Inside director candidates

- ① Holds an important position as a director, corporate officer, group officer, or similar position in the Company.
- ② Has a strong insight into the business and specific expertise and technology of the pharmaceutical industry.
- ③ Is well versed in the Company’s management and business environment, and can be expected to contribute to the oversight of management by the Board of Directors from the standpoint of having extensive knowledge of the characteristics and specialty of the Company’s operations, etc.
- ④ Possesses diverse values and inclusiveness as well as a high sense of ethics and compliance in carrying out decision-making and oversight of management.

2. Diversity of the Board of Directors

The Nomination Committee believes that the Board of Directors, when composed of directors with diverse backgrounds, experience, etc., will enable management decision-making from a broader perspective and improve the management oversight function. The Committee also believes that eliminating homogeneity in gender, nationality and age, etc., will allow for more effective management oversight and risk management.

Candidate No./ Name				Current position and primary area of responsibility in the Company
	1 Haruo Naito	Reappointment	Male	Director, Representative Corporate Officer and CEO
	2 Yumiko Miwa	Reappointment Outside Independent	Female	Director <ul style="list-style-type: none"> ■ Member of the Audit Committee ■ Member of the <i>hhc</i> Governance Committee
	3 Fumihiko Ike	Reappointment Outside Independent	Male	Chair of the Board of Directors <ul style="list-style-type: none"> ■ Chair of the <i>hhc</i> Governance Committee
	4 Yoshiteru Kato	Reappointment	Male	Director <ul style="list-style-type: none"> ■ Member of the Audit Committee
	5 Ryota Miura	Reappointment Outside Independent	Male	Director <ul style="list-style-type: none"> ■ Member of the Audit Committee ■ Member of the <i>hhc</i> Governance Committee
	6 Hiroyuki Kato	Reappointment	Male	Director
	7 Richard Thornley	Reappointment Outside Independent	Male	Director <ul style="list-style-type: none"> ■ Member of the Nomination Committee ■ Chair of the Compensation Committee ■ Member of the <i>hhc</i> Governance Committee
	8 Toru Moriyama	Reappointment Outside Independent	Male	Director <ul style="list-style-type: none"> ■ Chair of the Nomination Committee ■ Member of the Compensation Committee ■ Member of the <i>hhc</i> Governance Committee
	9 Yuko Yasuda	Reappointment Outside Independent	Female	Director <ul style="list-style-type: none"> ■ Member of the Nomination Committee ■ Member of the Compensation Committee ■ Member of the <i>hhc</i> Governance Committee
	10 Takuji Kanai	New Outside Independent	Male	New director candidate
	11 Kenta Takahashi	New	Male	Executive Vice President General Counsel, Chief Compliance Officer in charge of Internal Control, Internal Audit, and Intellectual Property (New director candidate)

(Note) 1 See pages 95 through 97 and 110 through 117 of the electronic version for the activities of the Board of Directors and each committee.

2 Only candidate number **1** is serving as an executive director.

Reappointment

Director candidate for reappointment

New

New director candidate

Outside

Outside director candidate

Independent

Independent director for notification to stock exchanges

	Corporate management/ global business	Pharmaceutical industry/ medicine/pharmaceutics	Finance/accounting/ financing	Legal/ risk management
Skills and expertise required of director candidates	Decision-making/ problem-solving ability	Deep insight of the pharmaceutical industry	Expertise in financial management	Legal expertise
	Knowledge of global corporate management	Medical and pharmaceutical expertise	Analytical ability of financial data and management indicators	Risk management knowledge
	Communication ability		Expertise in financial and managerial accounting	Knowledge of overseas rules and regulations
	Leadership/organizational management ability		Accounting/audit standards Knowledge of financial regulations and other relevant laws and regulations	
	Understanding of different cultures and diversity			

	Diversity of backgrounds, including expertise and experience					Other diversity			
	Corporate management/global business	Pharmaceutical industry/medicine/pharmaceutics	Finance/accounting/financing	Legal/risk management	ESG/corporate governance/capital markets	Gender Percentage of women: 18%	Foreign nationality Foreign nationality ratio: 9%	Age	No. of years served as director
	☉	○						76	41
			○		☉	○		58	4
	☉		○					72	3
	○	☉						64	3
				☉	○			50	3
	○	☉						66	2
	☉						○	59	2
	☉							69	1
	☉				○	○		62	1
	○		☉	○				65	0
	○	☉		○				64	0

(Note) 1 The ☉ mark indicates the primary reason the Nomination Committee selected the director candidate.

2 The number of years in office as director is the number of years as of the close of this Ordinary General Meeting of Shareholders.

ESG/corporate governance/capital markets	Gender	Foreign nationality	Age	No. of years served as director
Knowledge and expertise of ESG and sustainability	Different values and point of view	Global cultural diversity and inclusiveness	Different values and view of life	Honest opinions based on new ideas and point of view
Knowledge and expertise of corporate governance	Diverse communication styles	Global values and experience	Diverse communication styles	Comments and opinions based on past experience or discussions
Knowledge and expertise of capital markets				

Candidate

1

Haruo Naito

Reappointment

December 27, 1947 (76 years of age) * as of June 14, 2024



Current position and primary area of responsibility in the Company

Director, Representative Corporate Officer and CEO

No. of years served as director

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

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

661,841 * as of March 31, 2024

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

▶ Yes*

* 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 and summary of expected roles

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 expects the candidate to continue serving as director with concurrent duties as a corporate officer.

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. In addition, he attends meetings of the *hnc* Governance Committee and, in regard to the Representative Corporate Officer and CEO succession plan, gives continued detailed reports on the status of overall management and the status and evaluation of candidates for the next CEO, etc. Mr. Naito is not a member of any of the committees.

Based on the above and stipulations in the Company's Corporate Governance Principles that the representative corporate officer and CEO serves concurrently as a director, the Nomination Committee has nominated the candidate to continue from the previous year serving as a director.

Dear Shareholders,

Increasing the Company's corporate value is fundamental to fulfilling the expectations of our shareholders. Here, in addition to financial value, the expansion of non-financial value is also of importance. Amidst a tide of ESG investing, we commenced initiatives for the elimination of neglected tropical diseases in 2010 for the achievement of social good, and contributed to such accomplishments as the reduction of countries in which lymphatic filariasis is endemic. What is more, in launching LEQEMBI (generic name: lecanemab), we calculated and announced its social impact (social value) in monetary terms. We carried out pricing on the basis of this social impact, and we believe that we have obtained the understanding of stakeholders. In regard to creating a society that coexists with dementia, we will cooperate with local governments and contribute to the realization of such a society. Today's companies are expected by society to engage proactively with solutions for social issues. As such, I believe that it is of import that we look at our business activities in a social context and show and report their monetary value to society as well as chronological trends.

We look forward to the continued guidance and support of our shareholders.



Personal history and concurrent employment, etc.

* The notation "(current)" is shown for positions held as officers, etc., as of May 15, 2024. The date of retirement is shown if the individual has already retired as an officer, etc.

- 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)

Attendance (FY2023)

Board of Directors	Nomination Committee	Audit Committee	Compensation Committee	hhc Governance Committee
11/11 (100%)	—	—	—	—

Candidate

2

Yumiko Miwa

October 12, 1965 (58 years of age) * as of June 14, 2024

Reappointment

Outside

Independent



Current position and primary area of responsibility in the Company

Director

- Member of the Audit Committee
- Member of the *hhc* Governance Committee

No. of years served as director

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

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

1,224 * as of March 31, 2024

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

▶ None

Reasons for nomination as a director candidate and summary of expected roles

The candidate is a specialist in ESG and corporate governance. The candidate possesses deep knowledge of fields ranging from research (securities market theory, institutional investor theory) to engagement with institutional investors in corporations, corporate governance, ESG investments, and socially responsible investments. She also has a high level of expertise in finance and accounting, as well as a keen understanding and supervisory ability in management. The Nomination Committee expects that the candidate will use this knowledge and experience to contribute to decision-making regarding management as well as executing management oversight duties objectively.

Activity on the Board of Directors and Committees

In the Board of Directors, the candidate fulfills her responsibility in overseeing management based on specialized and extensive knowledge of ESG and corporate governance, providing opinions with reference to other companies' cases, and seeking explanations, etc. In the *hhc* Governance Committee, she heads a subcommittee to inspect efforts toward sustainability and points out issues and makes recommendations, etc., from a medium- to-long-term perspective. As a member of the Audit Committee as well, she formulates audit plans and requests explanations regarding the results of investigations and subsequent follow-up actions, while also presenting her opinions at meetings of the Audit Committee, as needed, thereby fulfilling her expected role. In addition, she actively participates in dialogue with female employees and engages in activities such as exchanging various opinions from a female perspective.

Independence and neutrality

There is no transactional relationship between Pigeon Corporation and the Company.

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.

Based on the above, the Nomination Committee has determined that the candidate is suitable as a director of the Company, and has nominated the candidate to continue from the previous year serving as an outside director.

Dear Shareholders,

The Company encourages its global workforce of approximately 10,000 employees to spend 1% of all business hours (approximately 2.5 days) with patients and the people in the daily living domain. These efforts are referred to as *hhc* activities. Every year, I participate in these *hhc* activities with fellow employees. In the past 2 years, I had the opportunity to interact with individuals living with early-onset dementia, and I gained significant insight. Witnessing the anxiety of individuals and families affected by dementia in their 40s, as well as the societal prejudice and discrimination against dementia, and observing their recovery from despair through the support of understanding communities and peers, and their ability to contribute to societal awareness by sharing their experiences with dementia, allowed me to share in the joys and sorrows of patients and the people in the daily living domain. Through this experience, I gained a renewed recognition of the importance of building a dementia ecosystem as well as the extremely important role that the Company plays in these efforts. As an outside director, I hope to contribute to connecting Eisai's significance to society with the improvement of corporate value.

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Personal history and concurrent employment, etc.

* The notation "(current)" is shown for positions held as officers, etc., as of May 15, 2024. The date of retirement is shown if the individual has already retired as an officer, etc.

Apr.	1988	Nomura Securities Co., Ltd.
Apr.	1996	Full-time Research Associate, School of Commerce, Meiji University
Apr.	1997	Full-time Lecturer, School of Commerce, Meiji University
Apr.	2000	Assistant Professor, School of Commerce, Meiji University
Apr.	2002	Member of Fund Management Committee, Pension Fund Association for Local Government Officials
Oct.	2005	Professor, School of Commerce, Meiji University (current)
Apr.	2006	Visiting Researcher, Stephen M. Ross School of Business, University of Michigan
Apr.	2013	Part-time Lecturer, College of Economics, Rikkyo University
Apr.	2020	Part-time Lecturer, College of Commerce, Nihon University
Apr.	2020	Member of Fund Management Committee, National Federation of Mutual Aid Associations for Municipal Personnel (current)
Jun.	2020	Director of the Company (current), Member of the Audit Committee (current), Member of the <i>hhc</i> Governance Committee (current), and Member of the Independent Committee of Outside Directors
Apr.	2021	Member, Pension Asset Management Review Committee, The Mutual Aid Association of Prefectural Government Personnel (current)
Mar.	2022	Outside Director, Pigeon Corporation (current)

Attendance (FY2023)

Board of Directors	Nomination Committee	Audit Committee	Compensation Committee	<i>hhc</i> Governance Committee
10/11 (91%)	—	11/12 (92%)	—	8/8 (100%)

Candidate

3

Fumihiko Ike

May 26, 1952 (72 years of age) * as of June 14, 2024

Reappointment

Outside

Independent



Current position and primary area of responsibility in the Company	Chair of the Board of Directors	Chair of the <i>hhc</i> Governance Committee
No. of years served as director	3	* as of the close of this Ordinary General Meeting of Shareholders
No. of the Company's shares held by the candidate	1,000	* as of March 31, 2024

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

None

Reasons for nomination as a director candidate and summary of expected roles

The candidate has experience being responsible for overseas operations and IT, serving as CFO and chairman at Honda Motor Co., Ltd., as well as extensive experience in management of a company that conducts operations globally and serving as the chair of an industry association, giving him a high level of insight and supervisory capabilities in management. The Nomination Committee expects that the candidate will use this knowledge and experience to contribute to decision-making regarding management as well as executing management oversight duties objectively.

Activity on the Board of Directors and Committees

As the chair of the Board of Directors, the candidate constantly strives to enhance the effectiveness of the Board of Directors by demonstrating leadership through implementation of new initiatives rather than adhering only to conventional approaches and methods. In addition, the candidate makes requests and points out issues to operational divisions from a medium- to long-term perspective, and expresses candid opinions to the management team. As chair of the *hhc* Governance Committee, he leads discussions aimed at improving the management oversight function, and strives for continuous enhancement of corporate governance. Further, he actively listens to frank opinions from institutional investors, employees, and others, and takes the initiative in dialogue with stakeholders, such as carefully explaining the activities of the Board of Directors, etc.

Independence and neutrality

Although there is a history of transactions between the Company and NTT Data Group Corporation, as well as a group bank of Resona Holdings, Inc., the amount was less than 2% of the consolidated sales of the Company and those 2 companies. Moreover, although the Company also has borrowings from a group bank of Resona Holdings, Inc., the amount is less than 2% of the consolidated net assets of the Group. As indicated above, 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.

Based on the above, the Nomination Committee has determined that the candidate is suitable as a director of the Company, and has nominated the candidate to continue from the previous year serving as an outside director.

Dear Shareholders,

In FY2023, the Company launched LEQEMBI (generic name: lecanemab), a groundbreaking drug in the field of dementia, in Japan as well, following its launch in the United States. This drug is not simply administered to patients upon prescription in healthcare facilities. It requires various processes to be established, such as building the infrastructure for administration in healthcare facilities and establishing systems to identify appropriate patients for administration. There are many challenges that the Company alone cannot overcome in order to achieve this. While there are high expectations for this drug, it will require several years of corporate effort to establish a system that can deliver it to patients as soon as possible. As the Board of Directors, we will continue to monitor the creation of the medical pathway, which is the key challenge in promoting the dissemination of this drug, which is expected to be the source of the Company's significant growth, as well as the development of new drugs following LEQEMBI in the field of dementia, along with the construction of an ecosystem centered on dementia, as our major themes.

As the Chair of the Board of Directors of a company with a nomination committee, etc., system, I am committed to deepening the role of the Board of Directors through constructive discussions in a diverse Board of Directors, in order to enhance the effectiveness of its oversight function, contributing to the improvement of the Company's corporate value.



Personal history and concurrent employment, etc.

* The notation "(current)" is shown for positions held as officers, etc., as of May 15, 2024. The date of retirement is shown if the individual has already retired as an officer, etc.

Feb. 1982	Joined Honda Motor Co., Ltd.
Jun. 2003	Director and Chief Director of Multi-purpose Business, Honda Motor Co., Ltd.
Apr. 2006	Director and Chief Director of Business Administration, Honda Motor Co., Ltd.
Jun. 2007	Managing Director and Chief Director of Business Administration, Honda Motor Co., Ltd.
Apr. 2008	Managing Director and Chief Director of Asia and Pacific, Honda Motor Co., Ltd.; President and Director of Asian Honda Motor Co., Ltd. (resigned in Mar. 2011)
Apr. 2011	Director, Senior Managing Officer, and Chief Director of Business Administration concurrently serving as Risk Management Officer and General Supervisor of Information Systems, Honda Motor Co., Ltd.
Apr. 2012	Director, Senior Managing Officer, and Chief Director of Business Administration concurrently serving as Chief Director of IT, Risk Management Officer, and Liaison Manager, Honda Motor Co., Ltd.
Apr. 2013	Chairman and Representative Director of Honda Motor Co., Ltd. (resigned in June 2016)
May 2014	Chairman of Japan Automobile Manufacturers Association (resigned in May 2016)
Jun. 2020	Outside Director, NTT DATA Corporation (currently NTT DATA Group Corporation) (current)
Jun. 2021	Director of the Company, Member of the Nomination Committee, Member of the Compensation Committee, Member of the <i>hhc</i> Governance Committee, and Member of the Independent Committee of Outside Directors
	Outside Director, Resona Holdings, Inc.
Jun. 2022	Chair of the Compensation Committee of the Company Outside Director/Chair of the Board of Directors, Resona Holdings, Inc. (current)
Jun. 2023	Chair of the Board of Directors of the Company (current), Chair of the <i>hhc</i> Governance Committee of the Company (current)

Attendance (FY2023)

Board of Directors	Nomination Committee	Audit Committee	Compensation Committee	<i>hhc</i> Governance Committee
11/11 (100%)	1/1 (100%)	—	5/5 (100%)	8/8 (100%)

*Outside director Fumihiko Ike assumed the position of Chair of the Board of Directors on June 21, 2023. Therefore, his attendance record at meetings of the Nomination Committee and the Compensation Committee held on or after that date is provided.

Candidate

4

Yoshiteru Kato

Reappointment

February 8, 1960 (64 years of age) * as of June 14, 2024



Current position and primary area of responsibility in the Company

Director ■ Member of the Audit Committee

No. of years served as director

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

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

10,681 * as of March 31, 2024

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

▶ None

Reasons for nomination as a director candidate and summary of expected roles

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. The Company appoints non-executive inside directors to improve the management oversight function of the Board of Directors. In addition, the Company appoints inside directors who have abundant experience working within the Company to serve as members of the Audit Committee, in accordance with the stipulations of the Company's Corporate Governance Principles. The candidate has worked as a corporate officer to ensure the manufacturing of pharmaceuticals and stable supply, and to improve quality. In addition, he has taken the lead in moving forward with large-scale investment projects and problems with the quality of pharmaceuticals, guiding efforts toward resolution, and has otherwise displayed leadership.

The Nomination Committee expects the candidate to contribute to management decision-making and perform management oversight, from the standpoint of having extensive knowledge of the Company's management and business environment, as well as his deep understanding of the characteristics, specialty, etc., of the execution of business.

Activity on the Board of Directors and Committees

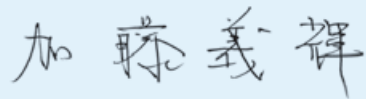
At meetings of the Board of Directors, Mr. Kato utilizes the abundant experience he has acquired within the Company and a high level of management expertise and supervisory capabilities as he requests explanations and presents his opinions and advice as needed. In particular, he contributes to the oversight of management by the Board of Directors from the standpoint of having extensive knowledge of the characteristics and specialty, etc., of the business of the pharmaceutical industry and execution of business. As a member of the Audit Committee, he also directs the daily operations of the Management Audit Department, works to enhance the quality of audit activities, and monitors the performance status of audits by personally attending important meetings and individual audits conducted by the Accounting Auditor. At Audit Committee meetings, he not only provides explanations on his own audit activities but also offers his own opinions on resolutions and reporting items as necessary, thereby fulfilling his expected role on the Committee.

Based on the above, the Nomination Committee has determined that the candidate is suitable as a director of the Company, and has nominated the candidate to continue from the previous year serving as a director.

Dear Shareholders,

The Company will create social impact in the 3 areas of dementia, oncology, and global health, efficiently achieving the social good of relieving people's anxiety over health and reducing health disparities through the establishment of the *hhc* ecosystem. Further, we will pursue the enhancement of value for patients and the people in the daily living domain, shareholders, and employees. Last fiscal year, we obtained approval for the eagerly awaited new Alzheimer's disease treatment, LEQEMBI (generic name: lecanemab), in the United States, Japan, and China, and placed it on the market in the United States and Japan. This fiscal year is crucial for delivering this groundbreaking new drug, LEQEMBI, to early Alzheimer's disease patients worldwide and achieving maximum value.

Based on the experience I have gained through my duties as an inside director and member of the Audit Committee, I will focus on overseeing management and auditing to ensure further improvement in governance, ensure sound management, and enhance corporate value through achievement of the *hhc* concept. I will strive to meet the expectations of our shareholders and many other stakeholders.



Personal history and concurrent employment, etc.

* The notation "(current)" is shown for positions held as officers, etc., as of May 15, 2024. The date of retirement is shown if the individual has already retired as an officer, etc.

- Apr. 1988 Joined the Company
- Jun. 2009 Head of Manufacturing Department, Kawashima Plant, Demand Chain Headquarters of the Company
- Jun. 2010 Officer of the Company
- Oct. 2012 President, New Chemical Entity Demand Chain Unit, Eisai Demand Chain Systems of the Company
- Oct. 2012 Managing Director, Eisai Manufacturing Ltd.
- Apr. 2014 Group Officer of the Company
- Apr. 2014 Head of Kawashima Industrial Park and Kawashima Plant, Eisai Demand Chain Systems of the Company
- Apr. 2016 President, Neurology Demand Chain Unit, Eisai Demand Chain Systems of the Company
- May 2017 Deputy President, Eisai Demand Chain Systems of the Company
- Jun. 2017 Vice President of the Company
- Jun. 2017 President, Eisai Demand Chain Systems of the Company
- Jun. 2020 Senior Vice President of the Company
- Jun. 2021 Director of the Company (current) and Member of the Audit Committee (current)

Attendance (FY2023)

Board of Directors	Nomination Committee	Audit Committee	Compensation Committee	<i>hhc</i> Governance Committee
11/11 (100%)	—	12/12 (100%)	—	—

Candidate

5

Ryota Miura

May 14, 1974 (50 years of age) * as of June 14, 2024

Reappointment

Outside

Independent



Current position and primary area of responsibility in the Company

Director ■ Member of the Audit Committee
■ Member of the *hhc* Governance Committee

No. of years served as director

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

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

916 * as of March 31, 2024

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

▶ None

Reasons for nomination as a director candidate and summary of expected roles

The candidate is an expert in law and the Companies Act, and has abundant experience and a history of working as an attorney focusing on corporate legal affairs. In addition, the candidate has a high level of knowledge of corporate governance, risk management, and compliance, etc., and experience as an outside officer at other companies. The Nomination Committee expects that the candidate will use this knowledge and experience to contribute to decision-making regarding management as well as executing management oversight duties.

Activity on the Board of Directors and Committees

At meetings of the Board of Directors, Mr. Miura utilizes his broad knowledge as an expert in law and the Companies Act, as well as deep insight regarding corporate governance, to point out issues and provide his opinions as necessary. In addition, he organizes, ethically and logically, thinking regarding the direction of discussion in situations in which discussions cross each other, providing highly convincing opinions that contribute to consensus-building and decision-making within the Board of Directors. As a member of the Audit Committee as well, he formulates audit plans, requests explanations regarding the results of investigations and subsequent follow-up actions, while also presenting his opinions and advice at meetings of the Audit Committee as needed, fulfilling his expected role. On the *hhc* Governance Committee, the candidate leads a subcommittee that conducts information gathering on activism trends and institutional investors' exercise of voting rights, as well as examining various responses by operational divisions. He provides specialized and timely recommendations to ensure the continuous improvement of corporate value and the protection of stakeholders' interests.

Independence and neutrality

There is no transactional relationship between Miura & Partners, TechMatrix Corporation, Tokyo Electron Ltd., and the Company.

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.

Based on the above, the Nomination Committee has determined that the candidate is suitable as a director of the Company, and has nominated the candidate to continue from the previous year serving as an outside director.

Dear Shareholders,

With the complete lifting of restrictions related to the COVID-19 pandemic, we were able to engage in in-person interaction, such as exchanging experiences with those affected by early-onset dementia, holding meetings with institutional investors and employees, and visiting the Kawashima Plant in person, rather than online. Based on the knowledge gained from those opportunities, I endeavored in the Board of Directors, Audit Committee, *hhc* Governance Committee, and other activities to increase the Company's corporate value.

The Company is committed to obtaining approval for LEQEMBI (generic name: lecanemab) as a treatment for Alzheimer's disease in key regions worldwide, while also dedicating efforts to establish diagnosis and treatment pathways in various healthcare facilities. In the Board of Directors, discussions not only revolve around the placement of LEQEMBI on the market but also encompass a wide range of topics, including each area of ESG, human capital, intellectual property strategy, capital policy, and information security. I intend to contribute toward increasing the Company's corporate value in the areas of corporate governance, compliance, and internal control, which are my areas of expertise.

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Personal history and concurrent employment, etc.

* The notation "(current)" is shown for positions held as officers, etc., as of May 15, 2024. The date of retirement is shown if the individual has already retired as an officer, etc.

- Apr. 2000 Admitted to the bar association
Joined Mori Sogo (Law Firm) (currently Mori Hamada & Matsumoto)
- Jan. 2007 Partner, Mori Hamada & Matsumoto (resigned in Oct. 2018)
- Jun. 2008 Outside Director and Corporate Auditor, TechMatrix Corporation (current)
- Jan. 2019 Established Miura & Partners (current)
- Jun. 2020 Outside Audit & Supervisory Board Member, Tokyo Electron Ltd. (current)
- Jun. 2021 Director of the Company (current), Member of the Audit Committee (current), Member of the *hhc* Governance Committee (current), and Chair of the Independent Committee of Outside Directors

Attendance (FY2023)

Board of Directors	Nomination Committee	Audit Committee	Compensation Committee	<i>hhc</i> Governance Committee
11/11 (100%)	—	12/12 (100%)	—	8/8 (100%)

Candidate

6

Hiroyuki Kato

Reappointment

September 8, 1957 (66 years of age) * as of June 14, 2024



Current position and primary area of responsibility in the Company

Director

No. of years served as director

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

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

8,462 * as of March 31, 2024

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

None

Reasons for nomination as a director candidate and summary of expected roles

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. The Company appoints non-executive inside directors to improve the management oversight function of the Board of Directors. In addition, the Company appoints inside directors, who are familiar with the Company, to provide support for the management of the Board of Directors, with the aim of further improving corporate governance. In this regard, the candidate has demonstrated leadership as a corporate officer, overseeing a wide range of responsibilities including research and development, pharmaceutical manufacturing quality control, clinical development trial quality control, regulatory affairs, and the management of diverse human assets with different areas of expertise.

The Nomination Committee expects the candidate to contribute to the decision-making process of management and to perform objective management oversight, from the perspective of his familiarity with the Company's management and business environment, as well as his in-depth understanding of the characteristics and expertise required for executing the responsibilities.

Activity on the Board of Directors and Committees

At meetings of the Board of Directors, Mr. Kato utilizes the abundant experience he has acquired within the Company and a high level of corporate governance expertise and supervisory capabilities as he requests explanations and presents his opinions and advice as needed. He contributes to the oversight of management by the Board of Directors from the standpoint of having extensive knowledge of the characteristics and specialty, etc., of the business of the pharmaceutical industry and execution of business. In addition, the candidate supports the Board of Directors' Secretariat on a daily basis, providing advice and guidance to improve the quality of discussions by the Board of Directors, the *hbc* Governance Committee, the Nomination Committee, and the Compensation Committee. He also attends committee meetings when requested and provides advice, etc., as needed.

Based on the above, the Nomination Committee has determined that the candidate is suitable as a director of the Company, and has nominated the candidate to continue from the previous year serving as a director.

Dear Shareholders,

As the global approval process progresses for LEQEMBI (generic name: lecanemab), the world's first treatment targeting the root cause of Alzheimer's disease and slowing its progression, the Company is fully committed to contributing to the alleviation of concerns for patients and their families as soon as possible in each country. We are working tirelessly to increase awareness of the disease, improve access to cognitive function assessments, establish and simplify diagnostic procedures, and streamline the initiation and continuation of treatment, collaborating closely with healthcare professionals and other industries. In addition, we are engaged diligently in development of further groundbreaking new drugs in this field.

As an inside director, I will strive to draw on my experience in my assigned duties up to this point and contribute to further innovation and improvement of corporate value by overseeing that these initiatives are executed reliably under an appropriate plan. Further, I am committed to maximizing the use of our corporate governance system and to enhancing further the effectiveness of the management oversight function.



Personal history and concurrent employment, etc.

* The notation "(current)" is shown for positions held as officers, etc., as of May 15, 2024. The date of retirement is shown if the individual has already retired as an officer, etc.

Apr.	1982	Joined the Company
Jun.	2010	Executive Director, Special Associate to Chief Product Creation Officer of the Company
Jun.	2011	Officer of the Company
Apr.	2012	Executive Director, Strategic Operations Department, Product Creation Headquarters of the Company
Jun.	2012	Group Officer of the Company
Jun.	2012	Executive Director, Portfolio Strategy & Strategic Operations Department, Product Creation Headquarters of the Company
Apr.	2016	Vice President of the Company
Apr.	2016	Head of Medicine Development Center of the Company
Jun.	2017	Head of Medicine Development Center, <i>hhc</i> Data Creation, and Global Product Emergency Management of the Company
Jan.	2018	Chief Quality Officer and Global Product Emergency Management of the Company
Jun.	2019	Senior Vice President of the Company
Jun.	2019	Chief Clinical Quality Officer, Chief Product Quality Officer, Global Product Emergency Management, and Pharmaceutical Affairs of the Company
Jun.	2022	Director of the Company (current)

Attendance (FY2023)

Board of Directors	Nomination Committee	Audit Committee	Compensation Committee	<i>hhc</i> Governance Committee
11/11 (100%)	—	—	—	—

Candidate

7

Richard Thornley

November 25, 1964 (59 years of age) * as of June 14, 2024

Reappointment

Outside

Independent



Current position and primary area of responsibility in the Company

Director

- Member of the Nomination Committee
- Chair of the Compensation Committee
- Member of the *hhc* Governance Committee

No. of years served as director

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

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

0 * as of March 31, 2024

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

▶ None

Reasons for nomination as a director candidate and summary of expected roles

The candidate has abundant global experience as a corporate manager in the aerospace and defense industries. Currently, he holds a position of responsibility in a consulting firm, providing support for the entry of foreign companies into the Japanese market, demonstrating a high level of business acumen and supervisory capabilities in management. The Nomination Committee expects that the candidate will use this knowledge and experience to contribute to decision-making regarding management as well as executing management oversight duties objectively.

Activity on the Board of Directors and Committees

At meetings of the Board of Directors, Mr. Thornley utilizes his abundant experience and knowledge of international business and risks as a corporate manager and his unique values and perspective as a foreigner as he offers candid observations and opinions, etc., as needed. He also provides opinions on IT security and other areas of expertise, and contributes by setting up opportunities to gather information from outside experts, etc. Further, as the chair of the Compensation Committee, he strives to ensure the appropriate operation of the new compensation system for officers, identify operational issues, demonstrate leadership in improving and enhancing the system, report the results to the Board of Directors, and respond to questions during meetings of the Board of Directors. In the *hhc* Governance Committee and the Nomination Committee, the candidate makes various proposals and provides opinions and advice as needed, fulfilling the expected role.

Independence and neutrality

The candidate is not concurrently employed by any company or organization with a relationship of interest.

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.

Based on the above, the Nomination Committee has determined that the candidate is suitable as a director of the Company, and has nominated the candidate to continue from the previous year serving as an outside director.

Dear Shareholders,

After almost two years on the board, I have gained a better understanding of the pharmaceutical industry, in particular the regulatory environment and the drug development pipeline.

No matter the best drugs are, it can only be delivered to those who need it when it has been submitted and approved in accordance with the actual conditions in the target country or region. The launch of LEQEMBI in the US and Japan was made possible through transparent communication with regulatory authorities and by building understanding and trust. It has also increased trust in our company among patients awaiting treatment, shareholders, other government agencies and Alzheimer's-related societies around the world. Every country and its regulatory is unique, and as a British, I am closely monitoring the progress of LEQEMBI's review in the UK.

A steady barrage of new product launches is necessary to sustain and grow the company. I am encouraged that the company continues to take on the challenge of creating a pipeline to meet society's expectations.

On a personal note, as someone with a father who has recently been diagnosed with Alzheimer's disease and cancer, I am more convinced than ever of the need for Eisai's drugs. I was relieved when he was prescribed an Eisai formulation and understood once again the difficulties and stress faced by patients and their families could be alleviated.

While the Board still exercises a high level of oversight, I pledge once again to use my experience in international business, negotiations with foreign governments and risk response to ensure that, as a Director, I will properly oversee the executive departments and lead the Company to success for the benefit of all stakeholders.



Brief personal history and concurrent positions

* The notation "(current)" is shown for positions held as officers, etc., as of May 15, 2024. The date of retirement is shown if the individual has already retired as an officer, etc.

Sept	1983	Joined Westland Helicopters Inc.
Dec	1997	General Manager – Japan, AgustaWestland
Jan	2003	Regional Director – NE Asia (Japan, South Korea and Taiwan), AgustaWestland
Jan	2004	President, Rolls-Royce Japan and Regional Director, Rolls-Royce Korea
Jan	2014	Representative Managing Director – Japan, Bell Helicopter Co., Ltd. (resigned in 3/2018)
March	2018	Chief Executive Officer, Thornley International (current)
June	2019	Member Of The Supervisory Board, International Security Industry Council of Japan
June	2022	Director of the Company (current), member of the Nomination Committee (current), member of the Compensation Committee, member of the <i>hhc</i> Governance Committee (current), member of the Independent Committee of Outside Directors
June	2023	Chair of the Compensation Committee (current)

Attendance (FY2023)

Board of Directors	Nomination Committee	Audit Committee	Compensation Committee	<i>hhc</i> Governance Committee
11/11 (100%)	9/9 (100%)	—	15/15 (100%)	8/8 (100%)

Candidate

8

Toru Moriyama

August 9, 1954 (69 years of age) * as of June 14, 2024

Reappointment

Outside

Independent



Current position and primary area of responsibility in the Company

Director

- Chair of the Nomination Committee
- Member of the Compensation Committee
- Member of the *hhc* Governance Committee

No. of years served as director

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

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

450 * as of March 31, 2024

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

▶ None

Reasons for nomination as a director candidate and summary of expected roles

The candidate has extensive global experience in management, including leading efforts to utilize M&A, etc., to enter new sectors and activities to transform a business from an intermediate food distribution into a comprehensive food trading company that involves business investment, during his tenure at Mitsubishi Shokuhin Co., Ltd. He also demonstrated leadership in promoting digital transformation (DX) by utilizing vast amounts of data in food wholesale and establishing data distribution for reducing food loss. He possesses a high level of insight into management and strong supervisory capabilities. The Nomination Committee expects that the candidate will use this knowledge and experience to contribute to decision-making regarding management as well as executing management oversight duties objectively.

Activity on the Board of Directors and Committees

On the Board of Directors, the candidate utilizes abundant experience and knowledge gained working in management of a company that implements business related to comprehensive trading companies and the food industry globally to point out issues and provide opinions, etc., with an understanding of the essence and key points of issues, as necessary, thereby contributing to management oversight. Further, as the chair of the Nomination Committee, the candidate demonstrates leadership by reconstructing fundamental thinking regarding the election of director candidates and exploring a roadmap for increasing the ratio of female directors. He reports the results to the Board of Directors and responds to questions, etc., during the Board's meetings. In the *hhc* Governance Committee and the Compensation Committee, the candidate makes various proposals and provides opinions and advice as needed, fulfilling the expected role.

Independence and neutrality

Although there is a history of transactions between the Company and Mitsubishi Shokuhin Co., Ltd., the amount was less than 2% of the consolidated sales of both companies. As indicated above, 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.

Based on the above, the Nomination Committee has determined that the candidate is suitable as a director of the Company, and has nominated the candidate to continue from the previous year serving as an outside director.

Dear Shareholders,

The Company seeks to achieve our Corporate Concept of *human health care (hhc)* with priority given to the security and peace of mind of all stakeholders. While our *hhc* concept sets forth giving first thought to delivering increased benefits to patients and the people in the daily living domain, the “EWAY Future & Beyond” medium-term business plan seeks to expand the scope of value provision to include support for people’s entire lives. Over the years, the Company has continued to explore and research in the field of dementia, and last year, we were able to introduce LEQEMBI (generic name: lecanemab), a groundbreaking treatment following the era of Aricept in the 1990s. While approvals have already been obtained in the United States, Japan, and China, we anticipate further approvals in Europe, Asia, the Americas, and other regions worldwide. However, despite being a revolutionary new drug, there are numerous challenges to overcome before it can reach patients widely, from diagnosing the disease to administering the medication. Addressing such issues requires collaboration with various stakeholders, making it the most crucial focus for the coming years. As an outside director of the Company, I will strive to utilize my experiences up to this point to fulfill my oversight and supervision responsibilities and contribute to the further enhancement of the Company’s corporate value in order to ensure that the Company’s business strategy based on the Company’s *hhc* concept is solidly executed.



Personal history and concurrent employment, etc.

* The notation “(current)” is shown for positions held as officers, etc., as of May 15, 2024. The date of retirement is shown if the individual has already retired as an officer, etc.

Apr.	1977	Joined Mitsubishi Corporation
Apr.	2001	Unit Manager, Marine Products Unit, Foods Division, Mitsubishi Corporation
Apr.	2004	General Manager, Living Essentials Group of Chubu Branch, Mitsubishi Corporation
Sep.	2005	Senior Vice President, Lawson, Inc.
May	2006	Director, Senior Executive Managing Officer, Lawson, Inc.
Apr.	2008	Senior Vice President, Mitsubishi Corporation
Apr.	2009	Deputy Group CEO (Next Generation Business Development) of Living Essentials Group, Mitsubishi Corporation
Apr.	2010	Executive Vice President, Group COO of Living Essentials Group, Mitsubishi Corporation
Apr.	2011	Executive Vice President, Group CEO of Living Essentials Group, Mitsubishi Corporation
Jun.	2011	Outside Director, Mitsubishi Shokuhin Co., Ltd.
Mar.	2013	Resigned as Outside Director, Mitsubishi Shokuhin Co., Ltd.
Apr.	2013	Executive Vice President, Regional Chief Executive Officer of Asia & Oceania, Mitsubishi Corporation
Apr.	2016	President and Chief Executive Officer, Mitsubishi Shokuhin Co., Ltd.
Jun.	2016	President and Representative Director, Mitsubishi Shokuhin Co., Ltd.
Jun.	2021	Senior Advisor, Mitsubishi Shokuhin Co., Ltd. (resigned in Jun. 2022)
Jun.	2023	Director of the Company (current), Member of the Nomination Committee (current), Member of the Compensation Committee (current), and Member of the <i>hhc</i> Governance Committee (current)

Attendance (FY2023)

Board of Directors	Nomination Committee	Audit Committee	Compensation Committee	<i>hhc</i> Governance Committee
9/9 (100%)	8/8 (100%)	—	10/10 (100%)	7/7 (100%)

* Because Toru Moriyama was newly appointed to be a director and assumed his post at the 111th Ordinary General Meeting of Shareholders held on June 21, 2023, his attendance at meetings of the Board of Directors and each Committee indicates attendance at meetings beginning on June 21, 2023.

Candidate

9

Yuko Yasuda

September 16, 1961 (62 years of age) * as of June 14, 2024

Reappointment

Outside

Independent


Current position and primary area of responsibility in the Company

Director

- Member of the Nomination Committee
- Member of the Compensation Committee
- Member of the *hhc* Governance Committee

No. of years served as director

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

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

56 * as of March 31, 2024

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

None

Reasons for nomination as a director candidate and summary of expected roles

The candidate has served as the Japan representative for a foreign executive search firm for many years, accumulating rich experience in executive development and talent assessment. Currently, the candidate works for a consulting firm and is engaged in activities such as board of directors evaluation of the boards of directors and management teams, support for nomination committee activities, and CEO succession planning for Japanese companies. She possesses abundant global experience in corporate management, as well as a high level of insight into management and excellent supervisory capabilities. The Nomination Committee expects that the candidate will use this knowledge and experience to contribute to decision-making regarding management as well as executing management oversight duties objectively.

Activity on the Board of Directors and Committees

On the Board of Directors, the candidate actively engages in questioning with positivity and candor, drawing on her specialized knowledge in leadership development, organizational management, human resources, and corporate governance, along with rich experience and knowledge as a member of a corporate management team. The candidate contributes to management oversight by pointing out issues and, as necessary, providing opinions, etc., that sometimes challenge fundamental principles and ideologies.

In addition, as a member of the Nomination Committee and the Compensation Committee, the candidate offers opinions and recommendations based on her experience in director appointments and provides specialized opinions and advice on compensation systems for corporate executives. On the *hhc* Governance Committee, she fulfills the expected role by providing various proposals, opinions, and advice, as needed, based on a high level of expertise in corporate governance.

Independence and neutrality

The Company has no transactional relationship with Board Advisors Japan, Inc., Murata Manufacturing Co., Ltd., or Nissui Corporation.

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.

Based on the above, the Nomination Committee has determined that the candidate is suitable as a director of the Company, and has nominated the candidate to continue from the previous year serving as an outside director.

Dear Shareholders,

In my first year as an outside director of the Company, I had the opportunity to engage in activities on the Board of Directors and various committees, visit our business sites, and engage in dialogue with stakeholders such as patients, institutional investors, shareholders, and employees. Through these interactions, I was able to confirm the current state of our business and the continuity of our *hhc* concept. While the separation of authority between the Board of Directors and management is a characteristic of our organizational design, opportunities for attending executive meetings, etc., were provided this year, allowing me to gain a sense of the strong commitment of our management team to the business. Currently, as we face significant challenges in the full-scale rollout of LEQEMBI (generic name: lecanemab), I believe that we are steadfastly progressing toward solving Alzheimer's disease, a significant issue for humanity and society. I am committed to contributing to the achievement of our growth strategy, which contributes to the continuous improvement of the Company's corporate value. I will contribute from my expertise in corporate governance and personnel development.

安田 結子

Personal history and concurrent employment, etc.

* The notation "(current)" is shown for positions held as officers, etc., as of May 15, 2024. The date of retirement is shown if the individual has already retired as an officer, etc.

Apr.	1985	Joined IBM Japan Ltd.
Sep.	1991	Joined Booz Allen Hamilton Inc.
Sep.	1993	Joined Russell Reynolds Associates Japan, Inc.
Jun.	1996	Managing Director, Russell Reynolds Associates Japan, Inc.
Apr.	2003	Japan Branch Representative & Executive Committee Member, Russell Reynolds Associates Japan, Inc.
Apr.	2013	Executive Committee Member, Russell Reynolds Associates Japan, Inc.
Jun.	2015	Outside Director, SCSK Corporation
Jun.	2016	Outside Director (Audit and Supervisory Committee Member), SCSK Corporation
Mar.	2017	Outside Director, Showa Shell Sekiyu K. K. (currently Idemitsu Kosan Co., Ltd.)
Jun.	2018	Outside Director (Audit and Supervisory Committee Member), Murata Manufacturing Co., Ltd.
Apr.	2019	Outside Director, Idemitsu Kosan Co., Ltd.
Jun.	2020	Outside Director, Nippon Suisan Kaisha, Ltd. (currently Nissui Corporation)
Jun.	2020	Outside Director, Murata Manufacturing Co., Ltd. (current)
Jul.	2020	Senior Partner, Corporate Governance Promotion Organization Inc. (currently Board Advisors Japan, Inc.)
May	2023	Director and Executive Vice President, Board Advisors Japan, Inc. (current)
Jun.	2023	Director of the Company (current), Member of the Nomination Committee (current), Member of the Compensation Committee (current), and Member of the <i>hhc</i> Governance Committee of the Company (current)

Attendance (FY2023)

Board of Directors	Nomination Committee	Audit Committee	Compensation Committee	<i>hhc</i> Governance Committee
9/9 (100%)	8/8 (100%)	—	10/10 (100%)	7/7 (100%)

* Because Yuko Yasuda was newly appointed to be a director and assumed her post at the 111th Ordinary General Meeting of Shareholders held on June 21, 2023, her attendance at meetings of the Board of Directors and each Committee indicates attendance at meetings beginning on June 21, 2023.

Candidate

10

Takuji Kanai

March 5, 1959 (65 years of age) * as of June 14, 2024

New

Outside

Independent



Current position and primary area of responsibility in the Company	—
No. of years served as director	0 * as of the close of this Ordinary General Meeting of Shareholders
No. of the Company's shares held by the candidate	0 * as of March 31, 2024

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

▶ None

Reasons for nomination as a director candidate and summary of expected roles

The candidate has experience as a certified public accountant and an auditor who has conducted audits in the telecommunications, automobile, pharmaceutical, heavy machinery, food, retail, railroad, and other industries. In addition, he has abundant experience gained working in management of an audit firm and a global professional firm. He also has a high level of insight into management as well as excellent supervisory ability. The Nomination Committee expects that the candidate will use this knowledge and experience to contribute to decision-making regarding management as well as executing management oversight duties objectively.

Independence and neutrality

There is no transactional relationship between KPMG Asia Pacific and the Company. Although there is a history of transactions between the Company and KPMG AZSA LLC, the amount was less than 2% of the consolidated sales of both companies.

As indicated above, 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.

Based on the above, the Nomination Committee has determined that the candidate is suitable as a director of the Company, and has nominated the candidate as a new outside director.

Dear Shareholders,

As a certified public accountant, I have been engaged in corporate auditing for many years, accumulating experience in corporate finance, accounting, internal control, and risk management. Through this, I have gained insights into the management of numerous global companies. Additionally, through managing global firms and auditing firms, I have had the opportunity to consider the ideal nature of management and put into action the management practices necessary for sustainable growth.

The Company prioritizes giving first thought to patients and the people in the daily living domain under the *hhc* concept, aiming to contribute to the increase of the benefit they receive. As a result, we strive for management that leads to increased sales, profits, and growth. I intend to supervise and advise activities toward the achievement of the Company's management philosophy from an objective standpoint, leveraging the experience and insights I have gained so far, and endeavor to meet the expectations of all stakeholders.

金井 沢 治

Personal history and concurrent employment, etc.

* The notation "(current)" is shown for positions held as officers, etc., as of May 15, 2024. The date of retirement is shown if the individual has already retired as an officer, etc.

- Apr. 1981 Joined the Tokyo Office of Asahi Accounting Company (currently KPMG AZSA LLC)
- Mar. 1984 Registered as Certified Public Accountant
- Sep. 1985 Worked at the New York Office of Asahi Accounting Company (until Aug. 1990)
- Aug. 1996 Employee, Asahi Accounting Company
- Aug. 2001 Representative Partner (currently Partner), Asahi Accounting Company (current)
- Jun. 2008 Board Member, KPMG AZSA LLC
- Sep. 2009 Chair, Upper Review Board, KPMG AZSA LLC
- Jul. 2011 Head, Division 4, Tokyo Office of KPMG AZSA LLC
- Jul. 2015 Executive Board Member, KPMG AZSA LLC
Director, Auditing Division, KPMG Japan
- Apr. 2016 Director, Auditing Division, KPMG Asia Pacific (current)
- Jun. 2019 Deputy Chairman, KPMG AZSA LLC

* Takuji Kanai, as a certified public accountant, has considerable knowledge and experience related to financial accounting and auditing.

Candidate

11

Kenta Takahashi

New

September 22, 1959 (64 years of age) * as of June 14, 2024

**Current position and primary area of responsibility in the Company**

—

No. of years served as director

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

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

11,025 * as of March 31, 2024

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

▶ None

Reasons for nomination as a director candidate and summary of expected roles

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. The Company appoints non-executive inside directors to improve the management oversight function of the Board of Directors. In addition, the Company appoints inside directors who have abundant experience working within the Company to serve as members of the Audit Committee, in accordance with the stipulations of the Company's Corporate Governance Principles. In this regard, the candidate has demonstrated leadership as a corporate officer, addressing a wide range of management issues, including Company-wide disputes and risk management, intellectual property, compliance, internal control, and internal audits.

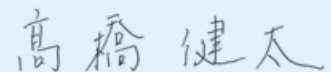
The Nomination Committee expects the candidate to contribute to management decision-making and perform management oversight, from the standpoint of having extensive knowledge of the Company's management and business environment, as well as his deep understanding of the characteristics, specialty, etc., of the execution of business.

Based on the above, the Nomination Committee has determined that the candidate is suitable as a director of the Company, and has nominated the candidate as a new director.

Dear Shareholders,

In the face of significant environmental changes, such as wars and conflicts worldwide, frequent earthquakes, super typhoons due to global warming, and the advent of an aging society, our living environment is undergoing a profound transformation. In addition, the business environment of the Company is rapidly evolving with the rise of ESG and SDGs, the promotion of Diversity, Equity & Inclusion (DE&I), advancements in AI, and cyberattacks. Amidst such environmental changes, the Company embarked on the full-scale launch of LEQEMBI (generic name: lecanemab) sales in Japan and the United States last year, aiming to achieve our Corporate Concept of relieving anxiety over health and reducing health disparities as a Japanese innovation company.

As a corporate officer of the Company, I have primarily been responsible for risk management, including legal affairs, intellectual property, compliance, internal control, and internal audits. Leveraging this knowledge and experience, I am committed to cooperating with other directors to ensure that the Company can enhance its corporate value soundly, even in a rapidly changing business environment.



Personal history and concurrent employment, etc.

* The notation "(current)" is shown for positions held as officers, etc., as of May 15, 2024. The date of retirement is shown if the individual has already retired as an officer, etc.

Apr.	1983	Joined the Company
Jun.	2001	Director, Legal Department of the Company
Jun.	2007	Vice President of the Company
Jun.	2007	General Counsel of the Company (current)
Jun.	2009	Assigned to Intellectual Property of the Company (current)
Jun.	2011	Senior Vice President of the Company
Apr.	2016	President, Eisai R&D Management Co., Ltd. (current)
Jun.	2019	Executive Vice President of the Company (current)
Jun.	2021	Assigned to Internal Auditing of the Company (current)
Jun.	2023	Chief Compliance Officer of the Company (current)
Jun.	2023	Assigned to Internal Control of the Company (current)

◆ Conclusion of Limitation of Liability Contracts with Director Candidates (Overview of Contract Content)

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.

◆ Conclusion of Directors and Officers Liability Insurance Contracts

The Company has concluded directors and officers liability insurance contracts, the general outline of which is as follows, and is scheduled to renew said contracts during FY2024. Director candidates for re-election are already insured under this contract and will likewise be insured after re-election. The director candidates who are scheduled to be newly elected at this Ordinary General Meeting of Shareholders will be insured under this contract after election as directors.

- **Practical proportion of insurance premiums to be borne by the insured persons**

The insurance premium, inclusive of its special provisions, is borne by the Company, and there is no practical insurance premium payment to be borne by the insured person.

- **Outline of covered insured events**

The insurance, inclusive of the special provisions, covers liabilities related to the execution of duties by the insured officer, etc., or claims for damages that may arise in the pursuit of said liability.

Provided, however, that there are certain exemptions from obligation, such as that the acts were performed with an awareness that they were in violation of law.

◆ 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	Nomination Committee	Audit Committee	Compensation Committee	hmc Governance Committee
Haruo Naito	Director, Representative Corporate Officer and CEO				
Yumiko Miwa	Director (outside)		Member		Member
Fumihiko Ike	Chair of the Board of Directors (outside)				Member
Yoshiteru Kato	Director		Member		
Ryota Miura	Director (outside)		Member		Member
Hiroyuki Kato	Director				
Richard Thornley	Director (outside)	Member		Chair	Member
Toru Moriyama	Director (outside)	Chair		Member	Member
Yuko Yasuda	Director (outside)	Member		Member	Member
Takuji Kanai	Director (outside)		Chair		Member
Kenta Takahashi	Director		Member		

(Note) This list does not show the chair of the hmc Governance Committee as he/she will be determined through mutual vote at committee meetings scheduled to be held after the close of this Ordinary General Meeting of Shareholders.

● Requirements for the Independence and Neutrality of Outside Directors ●

(Revised: August 2, 2017)

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 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 (i) 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, to or from, as applicable, the Eisai Group, and (ii) a financial institution which has outstanding loans to the Eisai Group whose principal aggregate amount equals or exceeds 2% of the Eisai Group's consolidated total assets.

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.

The Story of Eisai's Medium- to Long-Term Growth

The Group seeks to maximize medium- to long-term corporate value through growth centered on the Alzheimer's disease (AD) treatment drug LEQEMBI (generic name: lecanemab). In addition, we anticipate that new product lines in the areas of dementia and oncology will make new contributions over the medium to long term.

Dementia

Having developed the anti-Alzheimer's agent Aricept in the late 1990s, we are **"pioneers in the area of dementia"** with **approximately 40 years' knowledge and experience in drug discovery activities**. Company-wide efforts to develop a drug to treat the underlying pathology of AD have resulted in our successful development of LEQEMBI, marking a significant step forward in the treatment of AD. The drug received traditional approval in the United States in July 2023, and was launched in Japan in December of the same year. In addition, Phase III trials for preclinical (asymptomatic) AD are also underway.

LEQEMBI has the potential to have a truly meaningful impact on the lives of many people with dementia and their families. **With its indications for early AD (mild cognitive impairment and mild AD) and preclinical (asymptomatic) AD, we see the potential for it to achieve global revenues at the 1.6 trillion yen level by FY2032.**

Furthermore, development on the anti-microtubule binding region (MTBR) tau antibody E2814 and other products is making progress as we aim **to develop new treatments for dementia to follow LEQEMBI.**

Oncology

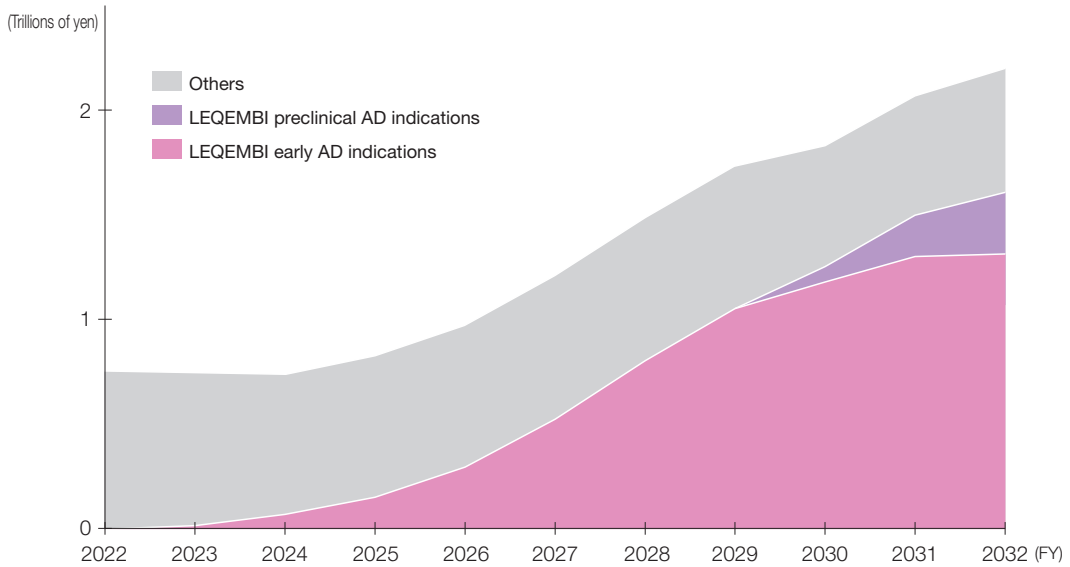
When it comes to oncology, the Group possesses **approximately 35 years of knowledge and experience in drug discovery activities** and has brought the 2 drugs of Lenvima and Halaven—both developed in-house—to the world. By leveraging our significant drug discovery capabilities backed by our strengths in drug discovery science and synthetic organic chemistry, we aim to **develop new treatments for refractory cancers to follow Lenvima**. Development is underway for products such as the antibody drug conjugate BB-1701, which targets HER2, the CBP/ β -catenin interaction inhibitor E7386, and the antibody drug conjugate MORAb-202, which targets the folic acid receptor α .

Financial KPIs

We intend to maximize our core corporate value amidst growth centered on LEQEMBI, aiming for consolidated revenues exceeding 2 trillion yen, operating profit margin at the 20% level, ROE at the 25% level, and DOE at the 15% level in FY2032.

The Story of Eisai's Medium- to Long-Term Growth

Revenue Simulation*¹ up to FY2032



Goals for FY2032

Dementia

- LEQEMBI revenue at the **1.6 trillion yen level***¹
- Development of new treatments for dementia to follow LEQEMBI

Oncology

- Development of new treatments for refractory cancers to follow Lenvima

Financial targets*¹

Revenue	Over 2 trillion yen
Operating profit margin	20% level
ROE	25% level
DOE	15% level

*¹ This simulation is based on internal estimates following adjustments for the probability of success. A success probability of 50% has been applied to the revenue for LEQEMBI for preclinical AD. In addition, the simulation assumes the addition of new indications for Lenvima and its LoE (loss of exclusivity) being pushed back*² to a certain extent. It is not an official financial results forecast. Please refer to the consolidated financial reports released each year for the official financial results forecasts.

*² Since November 2019, the Company has filed patent infringement lawsuits in the U.S. District Court for the District of New Jersey against 2 generic drug manufacturers that had filed Abbreviated New Drug Applications for generic versions of Lenvima. On March 25, 2024, however, the Company announced that it had concluded a settlement agreement with one of the companies on March 21, 2024. A lawsuit is pending with the other company.

The Story of Eisai's Medium- to Long-Term Growth

Efforts to Get **LEQEMBI** Into the Hands of the People Who Need It and Their Families **Without Delay**

1. Building a Pathway for Alzheimer's Disease Diagnosis and Treatment

LEQEMBI (generic name: lecanemab) was released in the United States and Japan in 2023, and is expected to be launched in other countries around the world in the future. The Group is engaged in building optimal pathways from diagnosis to treatment for each region, so that people and families who notice the symptoms of early stages of the disease can receive diagnoses and treatment as smoothly as possible.

2. Promoting Simple Amyloid- β Blood Tests

In order to receive LEQEMBI, one must first test positive for amyloid- β . Amyloid PET tests and cerebrospinal fluid tests are currently used to test for amyloid- β , but development is now underway for a simpler amyloid- β blood test that uses blood biomarkers. In cooperation with its partner diagnostic device manufacturers and others, the Group is engaged in efforts to promote amyloid- β blood testing.

We envision that in FY2024, amyloid- β blood tests will come into widespread use as a triage test to detect amyloid- β in people with early AD. Amyloid PET and cerebrospinal fluid tests would only be used on people who have already tested positive on the amyloid- β blood test, reducing the need to administer these tests. Furthermore, we anticipate that amyloid- β blood tests will come to replace expensive amyloid PET tests and invasive cerebrospinal fluid tests as confirmation tests in FY2026. Such developments would result in a substantial simplification of diagnostics, increasing access to treatment with LEQEMBI.

Promoting simple Amyloid- β blood tests



3. Developing New Indications and Methods of Administering LEQEMBI

The currently approved method of administration is via intravenous infusion once every 2 weeks, but development is currently underway for subcutaneous formulation with auto injector (SC-AI) in order to improve convenience. We hope that in addition to shortening administration times, SC-AI will make it possible to administer treatment at home. We are also developing a new method of administration to be used once every 4 weeks as maintenance treatment. We expect that maintenance treatment with the intravenous infusion formulation will be approved in the United States in FY2024. We are also making progress in the development of SC-AI maintenance treatment.

Furthermore, as described below, Phase III trials for preclinical (asymptomatic) AD are also underway.

The Story of Eisai's Medium- to Long-Term Growth

Efforts to Develop New Treatments for Dementia

Alzheimer's disease (AD) accounts for more than half of all cases of dementia, and we now know that 10 to 20 years before the first symptoms of memory impairment appear—if not earlier—a protein called amyloid- β begins to agglutinate and accumulate within the brain. It is also believed that the agglutination and accumulation of amyloid- β in the brain triggers the intracellular build-up (neurofibrillary tangles) of the protein tau, which is present in neurons and other cells, causing neuron death. Given the current advances in biomarker development and understanding of disease progression, amyloid- β (A), tau (T), and neurodegeneration (N) have become biomarkers that characterize the pathology of AD, making it possible to evaluate neuropathologic changes.

The Group has a comprehensive pipeline of new drugs to cover all of these (A, T and N), and is working to develop even more new dementia drugs.

Product under development focused on amyloid- β (A): LEQEMBI (generic name: lecanemab)

LEQEMBI removes amyloid- β protofibrils, which are reported to be toxic to neurons. The Phase III AHEAD 3-45 study is currently underway for the use of LEQEMBI in the earlier stage of preclinical (asymptomatic) AD. We are aiming for approval in FY2028.

Product under development focused on tau (T): Anti-microtubule binding region (MTBR) tau antibody E2814

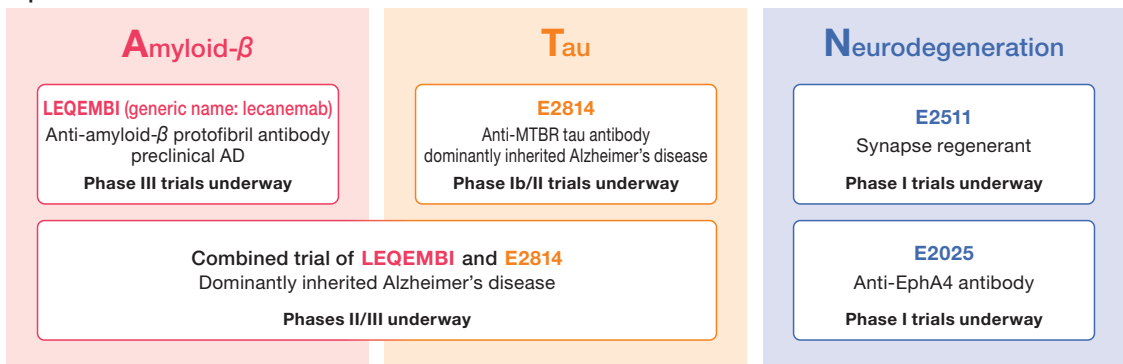
E2814 is an anti-microtubule binding region (MTBR) tau antibody developed through collaborative research between the Company and University College London. We expect it to prevent the spreading of tau seeds within the brain. A Phase Ib/II study (single agent) and a Phase II/III Tau NexGen study (in combination with LEQEMBI) for the treatment of dominantly inherited AD are currently underway. We are aiming for approval in the U.S. in FY2030.

Products under development focused on neurodegeneration (N): Synapse regnerant E2511, anti-EphA4 antibody E2025

E2511 is expected to promote recovery and synaptic* remodeling of damaged cholinergic neurons, while inhibiting brain atrophy caused by neurodegeneration. E2025 is expected to restore synaptic function by inhibiting the activation of EphA4, which contributes to synaptic regression and the progression of tau phosphorylation. Phase I trials are currently underway for both agents.

* The ends of neuron axons are called synapses. These are thought to be dysfunctional in the brains of people suffering from dementia.

Pipeline in the Area of Dementia



Frequently Asked
Shareholder Questions !



● About Our Performance ●



How was Eisai's performance in FY2023?

Although there was continued growth in revenue for anticancer agent Lenvima and insomnia treatment Dayvigo, in addition to other factors such as the recording of upfront payments for transferring the rights to receive future economic rights for selective estrogen receptor degrader elacestrant (generic name), revenue remained at the same level as in the previous fiscal year due to factors such as the upfront payments for the transfer of U.S. rights for the antiepileptic agent Fycompa recorded the previous year. Sales milestone payments from U.S. Merck were also recorded (¥18.9 billion this fiscal year, ¥16.7 billion the previous fiscal year).

While expenses related to Alzheimer's disease (AD) treatment Aduhelm, and Fycompa in the U.S. were no longer incurred, selling, general and administrative expenses increased year on year due to increased selling expenses following the launch of AD treatment LEQEMBI (generic name: lecanemab) in the U.S. and Japan, and an increase in shared profit paid to U.S. Merck in line with greater sales for Lenvima. Although we aggressively devoted resources to LEQEMBI, research and development expenses decreased as a result of enhanced efficiency including through use of the partnership model and investments of resources according to priority levels. In addition to the above factors, operating profit increased significantly as a result of increase in gross profit due to improvement in product mix, and recording of profit in other income for divestiture of rights mainly in France for antipsychotic Loxapac and the Parkinson's disease treatment Parkinane LP.

Profit for the year declined due to the influence of decreased tax expenses occurring in the previous fiscal year due to one-off factors, although profit before income taxes increased significantly.

[Details are available here](#)



Overview of Consolidated Income

(Billions of yen)	FY2022	FY2023	Change from previous year (%)
Revenue	744.4	741.8	100
Cost of sales	177.8	155.3	87
Selling, general and administrative expenses	358.3	374.4	105
R&D expenses	173.0	169.0	98
Operating profit	40.0	53.4	133
Profit before income taxes	45.0	61.8	137
Profit for the year	56.8	43.8	77
Profit for the year attributable to owners of the parent	55.4	42.4	77



Why is ROE that is lower than the expected cost of shareholders' equity continuing to occur?

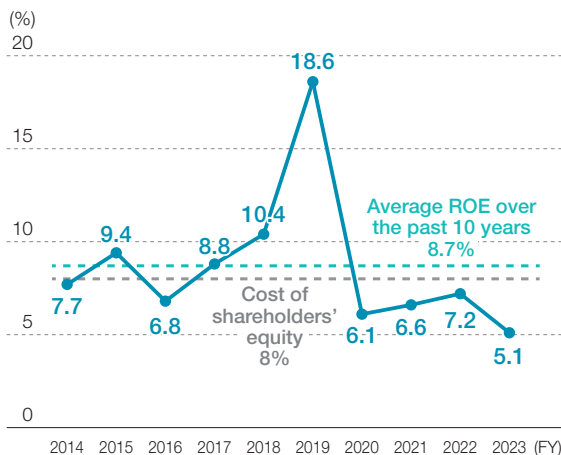
The Group views ROE (profit ratio to equity attributable to owners of the parent) as an important indicator related to the creation of sustained shareholder value. We therefore aim to generate ROE that exceeds the costs of shareholders' equity in the medium to long term. With cost of shareholders' equity assumed to be a conservative 8%, in the past 10 years, we generated an average ROE of 8.7%, which exceeded the cost of shareholders' equity.

Although ROE was less than 8% in the most recent 4 years, the major reason for this is that we have **actively invested in the R&D and commercialization of next-generation anti-Alzheimer's agents** without giving in to short-term thinking. When it comes to R&D in particular, it is said that the chances of successfully developing a new drug are approximately 1 in 22,000, it takes over 10 years, and it requires research and development expenses of between tens of billions to hundreds of billions of yen or more*. The pharmaceutical industry is a peculiar business with an extremely high level of risk, but the Group is attempting to create innovative new drugs in the fields of dementia and oncology.

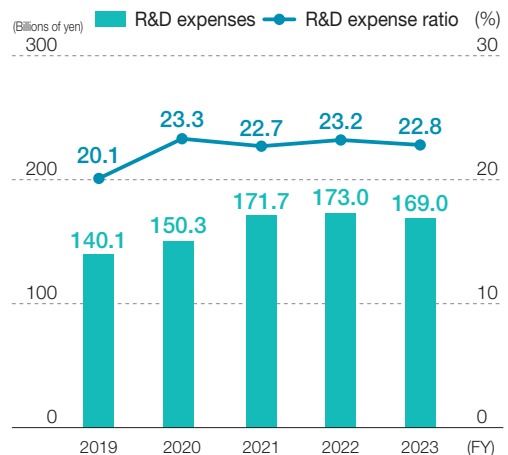
The Group's research and development expense ratio (the percentage of research and development expenses compared to revenue) remains over 20%. This is a high level for a global pharmaceutical company. As a result of continued aggressive investments in R&D, we have been able to create LEQEMBI (generic name: lecanemab), a treatment drug for Alzheimer's disease.

Going forward, as LEQEMBI grows, we expect to generate ROE that exceeds the cost of shareholders' equity in the medium to long term. Among other initiatives, we are building diagnosis and treatment pathways for Alzheimer's disease in every country around the world where LEQEMBI will be launched. Furthermore, by promoting simple blood-based amyloid-β tests and obtaining indications for preclinical (asymptomatic) AD, we intend to achieve ROE at the 25% mark in FY2032.

ROE trends



Research and development expense trends



* Source: "The industry transforms itself to increase its power to create innovation." Newsletter No. 215 of the Japan Pharmaceutical Manufacturers Association, May 2023

● Shareholder Returns ●

Q What is the future outlook of **dividends**?

The Company returns dividends to our shareholders in a stable and sustainable way through maintaining a healthy balance sheet and comprehensive consideration of the consolidated financial results, DOE (dividends on equity attributable to owners of the parent ratio), and free cash flow. The Group has set the year-end dividend for FY2023 to ¥80 per share. Combined with the interim dividend of ¥80 per share, the Group intends to pay a total dividend of ¥160 per share for the year (same amount as the previous year). Regarding the annual dividend for FY2024, we are forecasting a dividend of ¥160 per share.

[Details are available here](#) 



Q Do you have any plans to lower your equity investment units through a **stock split**?

The Company believes that lowering equity investment units is an effective measure to increase liquidity in the stock market and also encourages participation from a broad spectrum of investors. When it comes to reducing investment units, we comprehensively consider factors such as the future stock price level, the number of shareholders, trends in shareholder composition, the status of stock liquidity, and cost-effectiveness, and we intend to continue to carefully consider whether to carry it out or not and when to do it if we decide to.

Q What are your thoughts on **acquisition of treasury shares**?

According to the “Basic Policy on Capital Strategy,” acquisition of treasury shares will be carried out appropriately after factors such as the market environment and capital efficiency are taken into account. The Company’s basic policy for returning profits to shareholders has been to pay dividends, but the Company will consider and implement acquisition of treasury shares with an eye to medium- to long-term management of ROE, taking into account the balance between the Company’s financial outlook and shareholder returns, among other factors.

The Board of Directors has resolved at its meeting on May 15, 2024, on matters pertaining to the acquisition of treasury shares. The maximum total number of shares that can be acquired is 6.5 million shares (2.3% of the total number of shares issued (excluding treasury shares)), the maximum total acquisition amount is 30.0 billion yen, and the acquisition period is from May 16, 2024, to November 15, 2024.

● Alzheimer's disease (AD) treatment drug LEQEMBI (generic name: lecanemab) ●

Please refer to Eisai's medium- to long-term growth story on pages 36-39 for more details about LEQEMBI.

Q What kind of disease is **Alzheimer's disease (AD)**?
 What stage of AD does the administration of **LEQEMBI** target?

AD is a progressive and fatal neurodegenerative disease which is said to make up approximately 70% of dementia in the elderly. It moves from the asymptomatic preclinical AD stage to mild cognitive impairment (MCI) to stages that are accompanied by cognitive impairment (mild, intermediate, severe) that hinders everyday life.

LEQEMBI has been approved in the U.S., Japan and China to be administered for early AD, in other words mild cognitive impairment caused by AD or mild AD. Phase III trials for preclinical AD are also underway.



Q Please tell us how **LEQEMBI** is administered.

The approved method of administration in the U.S., Japan and China is via intravenous infusion once every 2 weeks. We are proceeding with the development of subcutaneous injections with auto injectors (SC-AI) in order to increase convenience. We hope that in addition to shortening administration times, SC-AI will make it possible to administer treatment at home. We are also developing a new method of administration to be used once every 4 weeks as maintenance treatment, and we expect that maintenance treatment with the intravenous infusion formulation will be approved in the United States in FY2024. We are also making progress in the development of SC-AI maintenance treatment.



Intravenous infusion of LEQEMBI
 200 mg sold in Japan



Pen-type auto injector
 Co-development with Terumo Corporation
 (Auto injector supplied by Ypsomed)

● Dementia Ecosystem ●

Q What is the *hhc ecosystem*?

The *hhc ecosystem* is where we use data the Company possesses to create R&D, digital and AI solutions which we deliver to people active in the area of daily life and the medical field in packages that are ideal for each person at their current stage.

The collaboration of various partners (other industries, academia, startups, etc.) is essential for efficiently creating these solutions. For example, when it comes to creating solutions in the area of dementia, we can give examples of cooperating with the insurance industry on the issue of dementia insurance, working together with financial corporations to lower the risk of financial assets being frozen, and collaborating with the automotive industry to formulate programs aimed at helping the elderly drive safely. It is also important for us to work with local governments to try to create communities where persons living with dementia can live in safety with peace of mind. We intend to leverage the strengths we used to create LEQEMBI (generic name: lecanemab) to enhance our dementia ecosystem by strengthening our partnerships with other industries, and thereby have a major impact on society by using it as a platform to deliver a variety of solutions in the area of dementia.



Q Please tell us the status of progress of the *dementia ecosystem*.

In Japan, we are promoting various collaborations with other industries such as telecommunications, food, insurance, finance, automotive, and fitness to expand the dementia ecosystem, including through the use of the digital tool “NouKNOW”^{*} (a non-medical device) to promote the monitoring of cognitive function.

Additionally, as part of a plan to accelerate the building of the dementia ecosystem, we established a digital business company known as Theoria technologies Co., Ltd. as a wholly owned subsidiary of the Company in September 2023.

Together with Eisai, Theoria technologies will develop and provide Sasaeru, an application that helps facilitate communication between people living with dementia, doctors, and caregivers by recording Activities of Daily Living (ADL) of the people living with dementia.



^{*} A self-checking tool for checking brain performance (brain health levels)



The “NouKNOW”
digital tool



Q How much growth in the revenue of the anticancer agent Lenvima do you foresee in the future?

Lenvima has currently obtained 6 indications for 5 types of cancer (thyroid cancer, hepatocellular carcinoma, endometrial cancer, renal cell carcinoma and thymic carcinoma) and is making growing contributions to patients. Its revenue continued to grow and reached ¥297.6 billion in FY2023 (119% year on year). On the other hand, it was announced that LEAP studies for its combined use with the anti-PD-1 antibody pembrolizumab aimed at finding new indications would be discontinued or failed to meet its primary endpoint, or that development would be terminated for trials* including non-small cell lung cancer in 2023 and later.

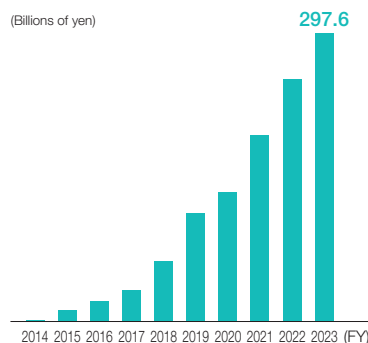
Phase III trials in a LEAP study for hepatocellular carcinoma 1L (first line), esophageal cancer 1L, and gastric cancer 1L are still ongoing. Additionally, the Group is carrying out various patent strategies in order to maximize the value of Lenvima.

We are currently carefully assessing the medium- to long-term growth potential of Lenvima based on these factors.

* Discontinued trials: LEAP-010 trial (craniocervical cancer 1L); failed to meet primary endpoint : LEAP-001 trial (endometrial cancer 1L), LEAP-003 trial (melanoma 1L), LEAP-006 trial (non-small cell lung cancer 1L), LEAP-008 trial (non-small cell lung cancer 2L (second line)), LEAP-017 trial (colorectal cancer 3L (third line)); terminated development: LEAP-004 trial (melanoma), LEAP-005 trial (solid cancer)



Lenvima revenue trends



Q What is the development status of new anticancer agents after Lenvima?

In December 2023, we filed for a new drug approval for anticancer agent tasurgratinib as an indication for biliary tract cancer with the *FGFR2* fusion gene in Japan. Additionally, Phase II trials for breast cancer began in the United States for the antibody drug conjugate BB-1701 that we are co-developing with Bliss Biopharmaceutical (Hangzhou) Co., Ltd. (China).

Development is also underway for products such as antibody drug conjugate MORAb-202 which targets folic acid receptor α , and the CBP/ β -catenin interaction inhibitor E7386.

Details are available here [↗](#)



● Environment ●

Q Please tell us about any new initiatives to **reduce greenhouse gases**.

Since FY2019, the Group has set a science-based target (SBT) of 2.0°C (reducing greenhouse gas emissions by 30% by FY2030 compared to FY2016). Up until FY2022, we met our targets for 3 years running, and we had successfully reduced our greenhouse gas emissions by over 60% compared to FY2016. Therefore we set an even stricter SBT 1.5°C target which was approved by the Science Based Targets initiative in November 2023. Furthermore, in December 2023, we received approval from the Japan Climate Initiative (JCI) to participate in the JCI Race to Zero Circle which is committed to achieving net zero by 2050.

Details are available here [↗](#)



● Social ●

Q Please tell us about your initiatives against **neglected tropical diseases**.

In order to eliminate lymphatic filariasis (LF), one of the neglected tropical diseases that is endemic in developing and emergent nations, the Group manufactures diethylcarbamazine (DEC) tablets, a treatment for the disease, at the Group's Vizag Plant in India, and provides them to the World Health Organization (WHO) at "price zero" (free of charge) until the disease has been eliminated in all countries in which it is endemic and which need the drug. As of March 2024, we had supplied 2.28 billion tablets to 30 countries. We will also engage in new drug development and disease awareness raising activities for mycetoma and other neglected tropical diseases and for tuberculosis and malaria.



DEC (Diethylcarbamazine) tablets

Details are available here [↗](#)





Please tell us about the status of **employee engagement.**

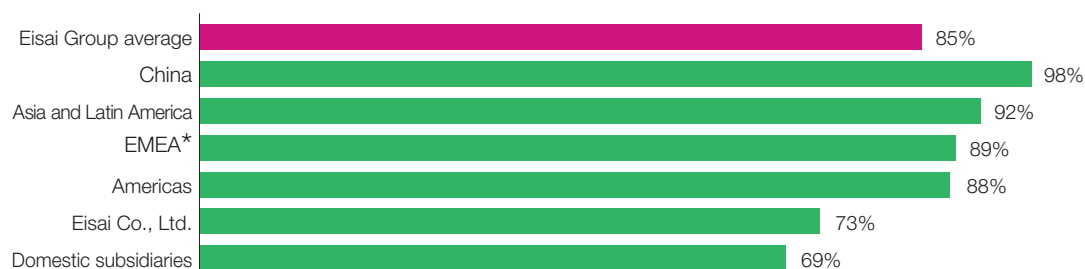
Every year, we conduct the Global Engagement Survey of all our Group employees throughout the world. In FY2022, the Group's total score for "ratio of employees with high engagement" indicated by positive responses in attachment to the Company and their work, factors that drive engagement, and vitality, was roughly the same as the previous year at 85% on a global scale, which was a good result exceeding the average of global pharmaceutical companies.

On the other hand, even when considering the cultural trend for lower scores domestically in Japan, the Company (73%) and our domestic subsidiaries (69%) have lots of room for improvement, and we believe that serious actions are necessary.

[Details are available here](#)



Ratio of employees with high engagement in the FY2022 Global Engagement Survey



* Europe, the Middle East, Africa, Russia, and Oceania

● Governance ●



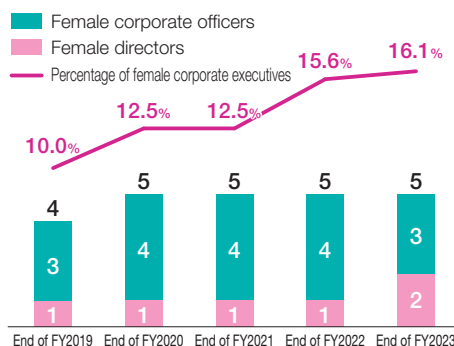
Please tell us the status of **the percentage of female corporate executives.**

Since the Company's Nomination Committee first selected a female director candidate in 2009, we have continued to select female director candidates and had multiple female directors in FY2023.

Additionally, the Board of Directors selects corporate officers and there were 3 female corporate officers by the end of FY2023. Trends in the percentage of female corporate executives (directors + corporate officers) are shown on the graph and stood at 16.1 as of the end of FY2023.

We will continue to consider how to achieve a female corporate executives ratio of 30% before 2030.

[Details are available here](#)





Could you tell us how the **CEO's successor** is selected?

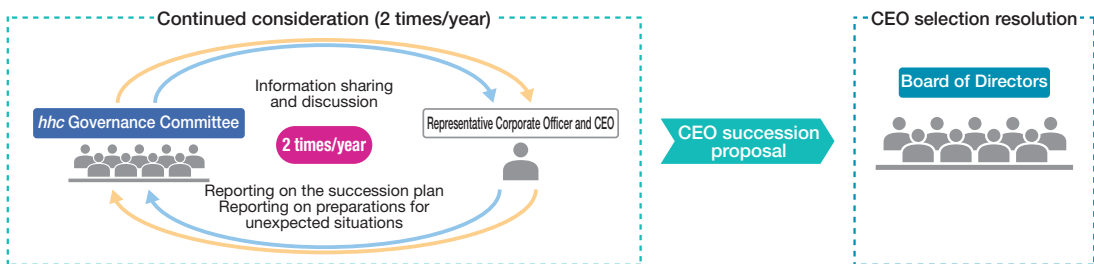
The Company considers the selection of the CEO to be one of the most important decisions to be made by the Board of Directors. The CEO's duty is to exhibit strong leadership while also nurturing a successor. The Company believes that having outside directors participate in this process with such recognition and having them offer advice increases the objectivity of the selection of successor candidates. It rationally ensures the fairness of the CEO selection process.

Therefore, in preparation for future CEO succession, *hmc* Governance Committee shares information on and considers the succession plan proposed by the CEO twice a year. We have formulated rules that stipulate preparations for unexpected situations and how information on the succession plan, etc., should be shared.

[Details are available here](#)



Continued consideration of selection of a CEO and resolution by the Board of Directors



Are there any **medical or pharmacological experts** on the Board of Directors?

The Company has 3 inside directors who do not engage in business execution and who have thorough knowledge of the pharmaceutical industry as well as medical science and pharmacology. These directors contribute to the oversight of management by the Board of Directors from the standpoint of having extensive knowledge of the characteristics and specialty, etc., of the business of the pharmaceutical industry and execution of business. When it comes to outside directors as well, based on the assumption that their independence and neutrality are guaranteed and there are no issues with conflicts of interest, we will continue to consider selecting medical and pharmacological experts who can be expected to contribute to improving the management oversight function of the Board of Directors.

In the operational divisions, there is a Scientific Advisory Board made up of renowned professors and researchers and a Sustainability Advisory Board comprised of outside experts from Japan and abroad who are well-versed in international policies.

As a company with a nomination committee, etc., system, the Company employs a system where operational divisions make decisions about business execution with a focus on expert knowledge while directors with diverse backgrounds and experiences oversee, and carry out risk management for, that process and decision-making.

[Details are available here](#)

Business Report for the 112th Fiscal Year

(from April 1, 2023, to March 31, 2024)

I. Current Status of the Group

1 Basic Management Policies

1. Corporate Concept

(1) The efficient achievement of the social good

We give first thought to patients and the people in the daily living domain, and increase the benefits that healthcare provides to them as well as meet their diversified healthcare needs worldwide.

In light of the SDGs and from the aspects of purpose-driven and visionary management, there is a need today for companies to merge their business activities with the resolution of social issues. Executing the Company's business based on a clear understanding that patients and the people in the daily living domain are the key players in health care, and increasing the benefits provided to them, is the Company's *human health care (hhc)* concept. The Company has championed this *hhc* concept since 1992. Having obtained approval at the 2005 General Meeting of Shareholders, the Corporate Concept was clearly incorporated into the Company's Articles of Incorporation. This *hhc* concept is deeply ingrained throughout the Group and is the source of our business activities.

Furthermore, in 2022 we significantly expanded the key players of the health care to which we should contribute from "patients and their families" to "people in the daily living and medical domains" and declared our evolution to an *hhceco* (*hhc* concept + ecosystem) Company, a platform business. We have clearly inscribed our goal to "effectively achieve social good in the form of relieving anxiety over health and reducing health disparities" in our Articles of Incorporation as we aim to maximize our impact (initiatives to address social issues), empowering the people in the daily living and medical domains to realize their fullest life based on our *hhc* concept.

Evolution to an *hhceco* Company based on the *hhc* concept

"An *hhceco* Company"

Empower the people in the daily living and medical domains to realize their fullest life based on the *hhc* concept
Build the Eisai Universal Platform (EUP)
Create an ecosystem with EUP at the core

(2) *hhc* Activities

Our Corporate Concept guides us in our decision-making. It expresses whom we value and why we do our work. In other words, it indicates the reason we have come together as a company, and the Company's purpose. For each employee to realize the Corporate Concept of "giving first thought to patients and the people in the daily living domain, and increase the benefits that healthcare provides to them as well as meeting their diversified healthcare needs worldwide," we believe it is important that each employee first gets close to patients and sees the situation through their eyes.

For this reason, the Group recommends that all of its employees carry out socialization* and spend 1% of their working hours (or about 2.5 days per year) with patients. Although it may be difficult to speak and interact directly with patients, activities (*hhc* activities) through which employees pick up on the thoughts and feelings of patients that might not necessarily be expressed in words continue to be carried out around the world on the basis of direct interpersonal interactions and in various creative ways under 500 or more themes each year. Here is just a sampling of such activities.

* An original activity of the Group implemented in compliance with the laws and regulations of each country to pick up on the true *hhc* needs of patients and the people in the daily living domain (such as their dreams, hopes, yearning, and issues requiring solving). This is done by spending time with patients, their families, and the people in the daily living domain, sharing experiences with them, and empathizing with their tacit knowledge (such as their emotions, thoughts and feelings that cannot necessarily be expressed, and the actual environment in which they spend their daily lives).

Interacting With People With Intellectual Disabilities (Japan)

Patrons of "L'Arche Kana no ie," a social welfare corporation and gathering place of persons with intellectual disabilities, came to the Company and sold handmade soap with employees. Chief executive officer Haruo Naito also participated in the socialization with the patrons of "Kana no ie," not only buying soap but also helping with the selling. The soap brought over from "Kana no ie" sold out successfully.

The patrons of "Kana no ie" were incredibly happy, exclaiming "a dream has come true!" and "I'm so happy!" as they had hoped to visit the Eisai headquarters and sell soap. They stayed for lunch and participated in an activity in which they drew pictures together with employees. By spending time and drawing pictures together, participating employees were able to perceive the "Kana no ie" patrons' "thoughts and feelings that cannot necessarily be expressed."



Participants

Creation of a Booklet With AI Technology That Hews Close to the Hearts of People Seeking Consultation on Dementia (Japan)

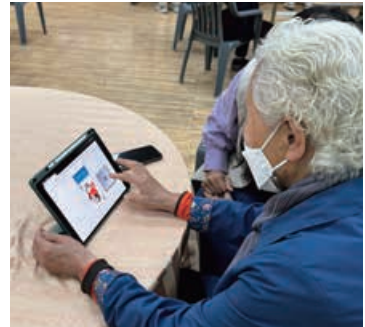
In Japan, the Company actively interacts with members of the "Alzheimer's Association Japan" (AAJ). The AAJ informed us of a challenge they faced with their telephone consultation service, namely that they "wished they could provide answers that reflected the multifaceted content of consultations, regardless of the length of experience of the counselor." We therefore used AI to analyze more than 1,000 printed consultation records. Hand-in-hand with our experienced counselors, we then created the booklet "The Actual Situation of Callers Captured by AI and Hints for Future Consultation Responses" to closely reflect the thoughts and feelings of the counselors. In May 2023, this booklet was distributed to counselors across the entire country and made available to the public on the AAJ's website.



The booklet distributed to telephone counselors across the country

Development of a New Solution to Reduce Loneliness Among Regional Residents (South Korea)

Through socialization with the elderly, employees in South Korea learned that the loneliness of isolation was linked to a strong fear of dementia. We therefore worked with the local dementia reassurance center, welfare centers, and other companies to develop solutions to reduce loneliness. This resulted in the development of an application in which an AI character named Sammy “listens” to the user’s feelings and offers encouragement through a chat function. We also launched “Itta,” a dementia platform cafe that allows people to go and connect with each other and alleviate loneliness through games and other activities that strengthen cognitive function. “Itta” is Korean and means “to connect.”



Participants enjoying games with “Itta”

Promotion of Clinical Trials Originating From Empathy With Patients With Systemic Erythematoses (Japan)

In Japan, development of a new drug to treat systemic erythematoses was underway, and employees from a number of departments interacted with the patients. Through these efforts, we learned that although patients are eagerly awaiting new drugs, they hesitate to participate in clinical trials due to concerns that their physical health may become unstable. We therefore embarked on a new initiative to share and talk about the protocols used in the clinical trials (the clinical trial plans) with patients. The insights gained from these conversations were reflected in a proposed clinical trial design so that the steroid dosage could be adjusted if a patient’s condition worsened during the trial. Going forward, the Company will continue to promote clinical trials that set out from the starting point of empathizing with patients.



Interactions between patients and employees

Development of Individual Exercise Programs for Cancer Patients (Spain)

Cancer patients often face health concerns whereby their physical activity and independence are limited by fatigue. To help alleviate such concerns, employees in Spain have worked with patient groups, oncologists, and academic associations to develop the personalized exercise program “Plan ACTIVO” as an online tool. Elderly patients who have difficulty accessing the Internet were provided with booklets. In the future, we will expand our exercise program for cancer patients and include key aspects related to patient health, such as nutrition and psycho-oncology, in the programs.



Practicing and developing the exercise program

2. Issues that Need to be Addressed

(1) Medium-Term Business Plan “EWAY Future & Beyond”

The Group’s Medium-Term Business Plan, “EWAY Future & Beyond” commenced in April 2021. Under “EWAY Future & Beyond,” the 5 years from FY2021 are “EWAY Future,” while the term from FY2026 is “EWAY Beyond.” At the same time, the key players to whom the Group should make a contribution have been expanded from “patients and their families” to “patients and the people in the daily living domain.” In addition to the desire of empowering them to realize their fullest life, we will aim to evolve into an *hhc*o (*hhc* concept + ecosystem) company through the construction of an ecosystem by collaborating with other industries and groups and the creation of solutions based on science and data, focusing around the Group’s biggest strengths in the areas of dementia and oncology, where unmet medical needs are extremely high.

In 2023, we formulated new materialities to efficiently achieve social good through the *hhc* ecosystem. In addition to achieving social good in the areas of dementia, oncology and global health, we identified maximizing the value of our human assets and financial strategy as key materialities, and we identified and set long-term targets and KPIs and risk with FY2030 in mind. We will work toward the efficient realization of social good using these materialities as a compass.

(2) Major Progress and Initiatives of the Medium-Term Business Plan “EWAY Future & Beyond”

Under the Deep Human Biology Learning (DHBL) R&D system, which regards disease as a continuum based on pathophysiology and carries out drug discovery research in accordance with human biology evidence, we will focus on 5 drug discovery areas (domains) in which the Group can gain the earliest and deepest access to the human biology of the relevant area and we promote research from the formation and validation of drug discovery hypotheses to obtaining regulatory approval. More specifically, the drug discovery areas comprise “microenvironments,” “proteostasis disruption,” “cell lineage and cell differentiation,” “inflammation, hypoxia, and oxidative stress associated with cellular senescence,” and “elimination of neglected tropical diseases and pandemics.” We aim to become a leader in the fields of neurodegenerative diseases such as Alzheimer’s disease (AD) and refractory cancers, while also making ongoing contributions in the area of global health.

We also aim to create value by working together with our partners in academia, corporations and local governments, etc. to build an ecosystem to support people at all stages of life, from the everyday to the medical field.

1) Dementia

In July 2023, Alzheimer’s disease (AD) treatment LEQEMBI (generic name: lecanemab) was fully approved by the United States Food and Drug Administration (FDA) for the treatment of early AD. It also obtained approval in Japan in September 2023 and in China in January 2024. It currently has pending applications in 14 countries and regions in Europe, the UK (excluding Northern Ireland) and Canada. AD is a progressive disease that requires early diagnosis and treatment, and as a pioneer in the field of AD in the U.S. and Japan, where we have already launched this product, we are working to build consecutive pathways for diagnosis and treatment that move from cognitive function testing to amyloid- β ($A\beta$) testing (PET, CSF), APOE4 testing, medication and ARIA monitoring. Furthermore, we are working with several partners on the joint development of a blood-based $A\beta$ test as well as joint research aimed at the development of a dementia diagnostic workflow



using blood biomarkers with the aim of simplifying the diagnosis and treatment pathways.

Development of other projects based on the AD continuum is also in progress. When it comes to lecanemab, AHEAD 3-45, a Phase III clinical study for preclinical (asymptomatic) AD, is also currently underway. Additionally, Tau NexGen (Phase II/III clinical study), being executed by the Dominantly Inherited Alzheimer Network Trials Unit (DIAN-TU), is currently underway in Japan the U.S., and Europe to evaluate the effect of E2814, the anti-microtubule binding region (MTBR) tau antibody. Lecanemab has been selected for the anti-amyloid therapy, which is the basic treatment method of this study. A Phase II clinical study of E2814 targeting sporadic AD is also planned. As for E2511, the selective tropomyosin receptor kinase A (TrkA) synapse binding regenerant, a Phase I clinical study, is underway in the U.S. E2511 is expected to help the restoration of damaged cholinergic nerves to functional neurons, and prevent the degeneration of cholinergic nerves. In Japan, the Eisai-Keio Innovation Lab for Dementia (EKID), the industry-medicine collaborative base established jointly with Keio University, is carrying out exploratory research and drug discovery research on a drug discovery target related to the protective mechanism inherent in a brain and the maintenance and strengthening of the brain's robustness.

2) Dementia Ecosystem

Through the dementia ecosystem, we aim to provide solutions ranging from the maintenance of health status, disease awareness and prevention in the area of everyday life before the onset of dementia, to accurate diagnosis, confirmation of the effectiveness of treatment (drug and non-drug), and measures that contribute to improving Quality of Life (QOL) in the medical field after the onset of dementia. Theoria technologies Co., Ltd., a digital company, was established as a wholly-owned subsidiary of Eisai Co., Ltd. and commenced business activities in September 2023. Theoria technologies will develop and provide Sasaeru, an application that helps facilitate communication between people with dementia, doctors, and caregivers. It will also engage in other businesses such as the development of a cognitive decline risk prediction AI for the early detection of mild cognitive impairment (MCI) and dementia.

We are working to expand that dementia ecosystem through a variety of partnerships with other industries and local governments such as insurance, finance and automotive, centered around the use of NouKnow, our digital tool (a non-medical device). In China, we are working to reduce health disparities through the use of digital technology, offering online medical services through Yin Fa Tong, a one-stop online health platform that covers everything from daily life to medical care. In Asia, we are expanding our ecosystem creation with other industries and non-profit organizations to increase dementia recognition rates and facilitate early detection, early diagnosis, and expanded access to dementia treatments.

3) Oncology

With regard to the anticancer agent Lenvima (co-developed with Merck & Co., Inc., Rahway, NJ, USA), we continue to endeavor to maximize the value of the drug for existing indications, including the treatment of thyroid cancer, hepatocellular carcinoma, and thymic carcinoma (in Japan) as a monotherapy, and the treatment of renal cell carcinoma and endometrial carcinoma as a combination therapy with the anti-PD-1 antibody pembrolizumab. A clinical trial (LEAP study) is also currently underway that aims to add many more indications such as for hepatocellular carcinoma in combination with transcatheter arterial chemoembolization, gastric cancer and



esophageal carcinoma. Moreover, when it comes to the development of next-generation oncology products, the Group is focused on the development of E7386, a first-in-class medium-molecular therapy that counteracts refractory cancers that are resistant to Lenvima and pembrolizumab as well as unique antibody drug conjugates (ADC) possessing eribulin mesylate, splicing modulators and protein degradation inducing agents as payloads as a modality that embodies the “chemistry power” that is one of the Group’s strengths. We are developing MORAb-202 and BB-1701, which are ADCs with eribulin mesylate as the payload, in collaboration with external partners.

4) Global Health Domain

Along with considering efforts to resolve the global issue of access to medicines to be its duty as well as a long-term investment for the future, the Group is promoting such undertakings proactively under public-private partnerships with governments, international organs, private non-profit organizations and others. In order to eliminate lymphatic filariasis, one of the neglected tropical diseases (NTDs) endemic to developing and emerging nations, the Group is committed to manufacturing DEC (generic name: diethylcarbamazine) tablets, a treatment for the disease, at the Vizag Plant in India, and providing them to the World Health Organization (WHO) at “price zero” (free of charge) until the disease has been eliminated in all countries in which it is endemic and which need the drug. As of the end of March 2024, we had supplied 2.28 billion tablets to 30 countries.

Additionally, in partnership with the Global Health Innovative Technology Fund (GHIT Fund) as well as Japan-based nonprofit and non-governmental organizations with much experience in the development of new drugs for NTDs, we are working to develop new drugs for mycetoma and other NTDs, tuberculosis and malaria, and we are also engaged in activities to raise awareness of these diseases. In June 2022, the Group signed on to “Kigali Declaration” which is dedicated to the elimination of NTDs, and announced that it would continue its efforts going forward to support the elimination of NTDs.



5) Maximizing the Value of Human Assets

The Company’s Articles of Incorporation define employees as one of our key stakeholders, and clearly state that the Company will “ensure stable employment,” in addition to which it will also “respect human rights and diversity,” “provide full opportunities for growth in support of self-fulfillment,” and “create an employee-friendly environment.” Additionally, we have formulated an “integrated human resource strategy” with the pillars of “the health and well-being of employees,” “diverse workstyles,” “growth of employees,” and “organizational and business growth.” Through these means, we are implementing human resource measures that aim for the mutual growth of both individuals and the organization. DE&I (Diversity, Equity, & Inclusion) is the wellspring of the Company’s innovation creation, and it is also an important approach for the realization of our Corporate Concept. Therefore, we have built a global promotion system and are working to create a culture where human assets with diverse values can flourish regardless of their age, gender or nationality. We also endeavor to maximize the value of human assets in the medium to long term through means such as conducting a Global Engagement Survey and using it to verify and enhance our human resource strategy. Starting in 2023, we have been publishing a Human Capital Report where we disclose human capital-related initiatives and KPIs connected to our human resource strategy and strive continually to improve them.

3. Basic Policy on Capital Strategy

The Group's capital strategy revolves around "medium- to long-term Return on Equity (ROE)^{*1} management," "sustainable and stable shareholder returns," and "value-creative investment criteria," which contribute to increasing shareholder value while ensuring financial soundness.

(1) Medium- to Long-term ROE Management

The Group views ROE as an important indicator related to the creation of sustained shareholder value. Under "medium- to long-term ROE management," we aim to constantly improve profit margins, financial leverage, and asset turnover to create a positive equity spread^{*2} over the medium- to long-term, with the goal of achieving ROE that exceeds the cost of capital.

(2) Continuous and Stable Shareholder Returns

The Company stipulates under its Articles of Incorporation that matters related to dividends of surplus will be resolved by the Board of Directors. 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, the Group implements the stable and continuous return of profits to its shareholders. Because DOE indicates the ratio of dividends to consolidated net assets, the Group 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 Group uses the ratio of equity attributable to owners of the parent and net debt ratio (Net DER) as indicators to measure a healthy balance sheet.

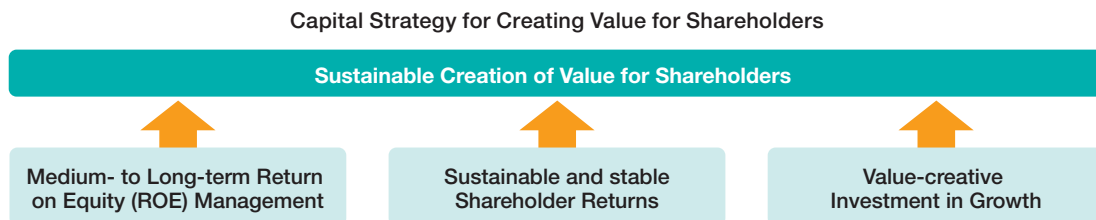
(3) Value-creative Investment Criteria

To ensure that strategic investments create shareholder value, the Group 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 shareholders' equity

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



4. Dividends

Based on the basic policy described above aiming to provide sustainable and stable dividends to its shareholders, the Group has set the year-end dividend for FY2023 at ¥80 per share. With the interim dividend of ¥80 per share, the Group intends to pay a total dividend of ¥160 per share for the year (same amount as the previous year).

2 Business Progress and Results

1. Status of Major R&D Pipeline

An overview of the status as of the end of April 2024 in regard to the Group's major R&D pipeline (in Phase II or later phase) is given below.

Neurology

Product name: **LEQEMBI** Generic name: **lecanemab** Development product code: **BAN2401**

Indication and mechanism of action: Treatment for Alzheimer's disease / Anti-A β protofibril antibody **Injection**

LEQEMBI is an IgG1 antibody against amyloid beta (A β) protofibrils. By eliminating A β protofibrils, which have been reported to exhibit neurotoxicity, the drug suppresses the progression of Alzheimer's disease (AD) and slows the deterioration of cognitive functions and daily living functions. In July 2023, we obtained approval from the U.S. Food and Drug Administration (FDA) in the United States for indication for the treatment of AD, based on the Phase III testing for Clarity AD, with the aim of changing from accelerated approval to traditional approval. In September 2023, we obtained manufacturing and marketing approval in Japan for indication for inhibiting the progression of mild cognitive impairment due to AD and of mild AD. In January 2024, we obtained approval in China for indication for the treatment of mild cognitive impairment due to AD and of mild AD. We have submitted applications for approval of indication related to early AD in Europe, Canada, the United Kingdom (excluding Northern Ireland), Australia, Switzerland, South Korea, Israel, Taiwan, Singapore, Brazil, Hong Kong, Russia, Saudi Arabia, and India. In Israel, it has been designated for priority review, and in the United Kingdom, it has been designated for the Innovative Licensing and Access Pathway aimed at shortening the time to market for innovative drugs. In March 2024, we submitted a supplemental biologics license application in the United States, for partial changes related to intravenous maintenance therapy. We are proceeding with the development of subcutaneous injections in order to increase convenience. Furthermore, we are collaborating with the Alzheimer's Clinical Trials Consortium (ACTC) to advance the Phase III trials of AHEAD 3-45 for preclinical AD. We are co-developing with Biogen Inc.



Condition	Region	Development status			
		Phase II	Phase III	Application	Approval
Early AD	US				Traditional approval 2023.07
	Japan				2023.09
	China				2024.01
	EU			2023.01 Accepted	
	Asia (South Korea)			2023.06	
Intravenous maintenance dosing for Early AD (Additional dosage and administration)	US			2024.03	
Preclinical AD	JP/US/EU				

Background of the name "LEQEMBI"

We combined the generic name "lecanemab" and the imagery of health and beauty (*kenbi* in Japanese) to create "LEQEMBI." The "L" in lecanemab represents the initial of Professor Lars Lannfelt, co-founder of BioArctic*, and the "e" is derived from Eisai.

* Since 2005, Eisai and BioArctic AB (headquartered in Sweden) have built a long-term collaboration in the development and commercialization of AD therapies. Eisai acquired rights for research, development, manufacturing, and marketing targeting AD globally through a licensing agreement with BioArctic in December 2007.

Product name: **Fycompa** Generic name: **perampanel** Development product code: **E2007**

Indication and mechanism of action: Antiepileptic agent / AMPA receptor antagonist **Oral** **Injection**

Fycompa is a selective antagonist against the activation of AMPA-type glutamate receptors by glutamate. It is approved as combination therapy for partial-onset seizures in over 75 countries, including Japan, China, and countries in Europe and Asia. Further, in Japan and China, it is approved as a monotherapy. It is also approved as an adjunctive therapy for primary generalized tonic-clonic seizures in over 70 countries, including Japan, China and countries in Europe and Asia. It is approved as an oral suspension formulation in Europe and China. In Japan, it is approved as fine granules and an injection. Rights in the U.S. were transferred in January 2023.



Condition	Region	Development status			
		Phase II	Phase III	Application	Approval
Injection formulation (Additional formulation)	Japan				2024.01
Adjunctive therapy for primary generalized tonic-clonic seizures (Additional indication)	China				2024.04

Regarding the study for the treatment of Lennox-Gastaut syndrome, which was in Phase III in the United States and Europe, development was discontinued.

Product name: **Dayvigo** Generic name: **lemborexant** Development product code: **E2006**

Indication and mechanism of action: Insomnia treatment / Orexin receptor antagonist **Oral**

By antagonizing the orexin receptors that are involved in the regulation of sleep and wakefulness, Dayvigo is expected to alleviate wakefulness, thereby facilitating onset and maintenance of sleep. It is approved in more than 15 countries including Japan, the United States, and countries in Asia for use in the treatment of insomnia.



Condition	Region	Development status			
		Phase II	Phase III	Application	Approval
Insomnia disorder	China			2024.01 Accepted	

Regarding the study for the treatment of irregular sleep-wake rhythm disorder associated with Alzheimer's disease and dementia, which was in Phase II in Japan and the United States, development was discontinued.

Generic name: **mecobalamin** Development product code: **E0302**

Indication and mechanism of action: Treatment for amyotrophic lateral sclerosis (ALS) **Injection**

This is a high-dose formulation, 100 times the approved single dose of mecobalamin, which is widely used as a peripheral neuropathy treatment. We have applied for new drug approval in Japan for indication for ALS, based on the results of the physician-led clinical testing for JETALS.

Condition	Region	Development status			
		Phase II	Phase III	Application	Approval
ALS	Japan			2024.01	

Generic name: **lorcaserin** Development product code: **E2023**

Indication and mechanism of action: Treatment for Dravet syndrome / Serotonin 2C receptor antagonist **Oral**



By selectively stimulating serotonin 2C receptors in the brain, it is expected to activate GABAergic inhibitory interneurons and increase synaptic inhibition through GABA to suppress seizures in patients with Dravet syndrome. Although the approval for the obesity indication was withdrawn, an extended access program has been continued in the U.S. in response to a request from a Dravet syndrome patient group, and a Phase III study is ongoing for indication approval. The FDA has granted an orphan drug designation for Dravet syndrome.

Condition	Region	Development status			
		Phase II	Phase III	Application	Approval
Dravet syndrome	US				

Development product code: **E2814**

Indication and mechanism of action: Anti-microtubule binding region (MTBR) tau antibody **Injection**

E2814 is an anti-microtubule binding region (MTBR) tau antibody developed through collaborative research between the Company and University College London. We expect it to prevent the spreading of tau seeds within the brain. In clinical trials conducted by the Dominantly Inherited Alzheimer Network Trials Unit (DIAN-TU), it was selected as the first candidate drug to be evaluated as an anti-tau medication. Phase Ib/II testing targeting dominantly inherited AD and Phase II/III testing for Tau NexGen are currently underway.

Condition	Region	Development status			
		Phase II	Phase III	Application	Approval
Alzheimer's disease	JP/US/EU				
	US/EU				

(Note) Regarding the phosphodiesterase 9 (PDE) inhibitor E2027, development was discontinued for the treatment of dementia with Lewy bodies and Parkinson's disease dementia, which was in Phase II in the United States.

The Names of Drugs

Pharmaceuticals often have several names even when the ingredients are the same. Taking "LEQEMBI" as an example, the product name after approval is "LEQEMBI," the generic name for the substance itself is "lecanemab," and the development product code at the development stage is "BAN2401."

Creating something from scratch through basic research and developing products that can contribute to patients typically takes a long time, ranging from 10 to 20 years. Due to the various names assigned at different stages during this period, pharmaceuticals may have multiple designations.

Product name	LEQEMBI	Product name after approval
Generic name	lecanemab	A unique name of the substance itself
Development product code	BAN2401	Name at the development stage

Oncology

Product name: **Lenvima** Generic name: **lenvatinib** Development product code: **E7080**

Indication and mechanism of action: Anticancer agent / Kinase inhibitor Oral

Developed in-house, the agent is an orally administered multi-kinase inhibitor that selectively inhibits the activities of vascular endothelial growth factor receptors (VEGFRs)—VEGFR1, VEGFR2, and VEGFR3—and fibroblast growth factor receptors (FGFRs)—FGFR1, FGFR2, FGFR3, and FGFR4—in addition to other proangiogenic and oncogenic pathway-related receptor tyrosine kinases (including the platelet-derived growth factor receptor alpha (PDGFR α), KIT, and RET).

It is approved as a monotherapy in the treatment of thyroid cancer in over 80 countries, including Japan, the United States, China, and countries in Europe and Asia. It is approved for use in the (first-line) treatment of hepatocellular carcinoma in over 80 countries, including Japan, the United States, China, and countries in Europe and Asia, and approved in Japan for use in the treatment of thymic carcinoma. It is also approved in combination with everolimus for use in the (second-line) treatment of renal cell carcinoma in over 65 countries, including the United States and countries in Europe and Asia. It is approved for use in combination with pembrolizumab for (first-line) treatment of renal cell carcinoma in more than 50 countries, including Japan, the United States, and countries in Europe and Asia, and for treatment of endometrial cancer (after systemic therapy) in more than 50 countries, including Japan, the United States, and countries in Europe and Asia (including some countries with conditional approval). The agent is marketed under the product name Kisplyx for the treatment of renal cell carcinoma in Europe. Co-development is being conducted with Merck & Co., Inc., Rahway, N.J., U.S.A. (U.S. Merck).



Condition	Region	Development status			
		Phase II	Phase III	Application	Approval
Hepatocellular carcinoma / First-line (Additional indication)*1, *2	JP/US/EU/CN		▶		
Esophageal carcinoma / First-line (Additional indication)*1, *3	JP/US/EU/CN		▶		
Gastric cancer / First-line (Additional indication)*1, *3	JP/US/EU/CN		▶		
Head and neck cancer / Second-line (Additional indication)*1	US/EU	▶			

*1 In combination with anti-PD-1 antibody pembrolizumab; co-development with U.S. Merck

*2 In combination with transcatheter arterial chemoembolization

*3 In combination with chemotherapy

(Note) · Regarding the LEAP-003 study for the treatment of melanoma (first-line; combination with pembrolizumab), which was in Phase III in the United States, Europe, and China, the decision was made to discontinue the study in accordance with the recommendation of the Independent Data Monitoring Committee.

- Regarding the LEAP-017 study for the treatment of colorectal cancer (third-line; combination with pembrolizumab), which was in Phase III in the United States and Europe, the primary endpoint was not achieved.
- Regarding the LEAP-010 study for the treatment of head and neck cancer (first-line; combination with pembrolizumab), which was in Phase III in Japan, the United States, Europe, and China, the decision was made to discontinue the study.
- Regarding the LEAP-006 study for the treatment of non-small cell lung cancer (first-line; combination with pembrolizumab), which was in Phase III in Japan, the United States, Europe, and China, and the LEAP-008 study for the treatment of non-small cell lung cancer (second-line), which was in Phase III in Japan, the United States, and Europe, the primary endpoints were not achieved.
- Regarding the LEAP-001 study for the treatment of endometrial cancer (first-line; combination with pembrolizumab), which was in Phase III in Japan, the United States, Europe, and China, the primary endpoint was not achieved.
- Regarding the LEAP-004 study for the treatment of melanoma (second-line; combination with pembrolizumab), which was in Phase II in the United States and Europe, development was discontinued.
- Regarding the LEAP-005 study for the treatment of solid tumors (combination with pembrolizumab), which was in Phase II in the United States and Europe, development was discontinued.
- Regarding the 307 study for the treatment of renal cell carcinoma (first-line; combination with everolimus), which was in Phase III in Japan, the United States, and Europe, development was discontinued.

Product name: **Halaven** Generic name: **eribulin** Development product code: **E7389**

Indication and mechanism of action: Anticancer agent / microtubule dynamics inhibitor **Injection**

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 85 countries, including Japan, the United States, China, and countries in Europe and Asia, for use in the treatment of breast cancer. Approved in over 85 countries, including Japan, the United States, and countries in Europe and Asia, for use in the treatment of liposarcoma (soft tissue sarcoma in Japan).



Condition	Region	Development status			
		Phase II	Phase III	Application	Approval
Liposome formulation (Additional formulation) (in combination with anti-PD-1 antibody nivolumab) [Co-development with Ono Pharmaceutical]	Japan	I/II			

Generic name: **tasurgratinib** Development product code: **E7090**

Indication and mechanism of action: Anticancer agent / FGFR1, FGFR2, FGFR3 inhibitor **Oral**

This is an orally administered fibroblast growth factor (FGF) receptor (FGFR1, FGFR2, FGFR3) selective tyrosine kinase inhibitor. It has been designated as an orphan drug by the Ministry of Health, Labour and Welfare for the intended use or effect of unresectable biliary tract cancer with FGFR2 fusion genes.

Condition	Region	Development status			
		Phase II	Phase III	Application	Approval
Biliary tract cancer with FGFR2 gene fusion	Japan			2023.12	

Generic name: **farletuzumab ecteribulin (FZEC)** Development product code: **MORAb-202**

Indication and mechanism of action: Anticancer agent / Folate receptor α targeted antibody drug conjugate (ADC) **Injection**

This is an antibody-drug conjugate (ADC) that combines an anti-folate receptor α antibody with the approved anticancer agent eribulin via a linker. It is expected to have therapeutic effect for folate receptor α -positive endometrial cancer, ovarian cancer, lung cancer, and breast cancer by concentrating eribulin on tumor sites. Co-development is being conducted with Bristol Myers Squibb.

Condition	Region	Development status			
		Phase II	Phase III	Application	Approval
Non-small cell lung cancer	US/EU				
Ovarian cancer, peritoneal cancer, fallopian tube cancer	JP/US/EU				
Solid tumors	US/EU	I/II			

Development product code: **BB-1701**

Indication and mechanism of action: Anticancer agent / HER2 targeted ADC **Injection**

This is an antibody-drug conjugate (ADC) that combines an anti-HER2 antibody with the approved anticancer agent eribulin via a linker. It is expected to have therapeutic effect for HER2 positive breast cancer, etc., by concentrating eribulin on tumor sites. We have concluded a co-development agreement with an option for a strategic partnership with Bliss Biopharmaceutical (Hangzhou) Co., Ltd.

Condition	Region	Development status			
		Phase II	Phase III	Application	Approval
Breast cancer	JP/US				

Development product code: **E7386**

Indication and mechanism of action: Anticancer agent / CBP / β -catenin interaction inhibitor **Oral**

It inhibits the protein-protein interaction between CREB-binding protein (CBP) and β -catenin, regulating gene expression dependent on the Wnt signal. Expectations include the suppression of tumor growth dependent on the Wnt signal.

Condition	Region	Development status			
		Phase II	Phase III	Application	Approval
Solid tumors (combination therapy with pembrolizumab)	JP/US/EU	I/II			

(Note) Regarding the anticancer agent H3B-6545, study was discontinued for the treatment of breast cancer, which was in Phase I and II in the United States and Europe.

Gastrointestinal and Other Disorders

Product name: **Movicol** Development product code: **AJG555**

Indication and mechanism of action: Chronic constipation treatment / polyethylene glycol formulation **Oral**

This is an oral constipation medication that promotes bowel movements by controlling osmotic pressure in the intestines using a polyethylene glycol formulation. It has been approved in Japan for the treatment of chronic constipation in children aged 2 and older as well as adults. Development is being conducted by EA Pharma.

Condition	Region	Development status			
		Phase II	Phase III	Application	Approval
Chronic constipation in children under 2 years of age (Additional dosage and administration)	Japan				

Generic name: **dotinurad** Development product code: **FYU-981**

Indication and mechanism of action: Treatment for hyperuricemia and gout / Selective URAT1 inhibitor **Oral**

It selectively inhibits URAT1, a uric acid transporter, thereby preventing the reabsorption of uric acid in the kidneys and promoting its excretion into the urine. Due to minimal effect on other transporters, it is expected to lower serum uric acid levels with fewer doses and lower risks of side effects and drug interactions. In Japan, Fuji Yakuhin obtained manufacturing and marketing approval in January 2020. In February 2020, we concluded a licensing agreement with Fuji Yakuhin for development and sale in China and in August 2021 for 5 ASEAN countries.

Condition	Region	Development status			
		Phase II	Phase III	Application	Approval
Gout, hyperuricemia	Asia (Philippines)			2023.09	
Gout	China			2024.01 Accepted	

Development product code: **E6742**

Indication and mechanism of action: Treatment for systemic erythematodes / TLR7/8 inhibitors **Oral**

Toll-like receptors (TLRs), which are receptors of the innate immune system, trigger an inflammatory response or antiviral response when activated. This drug is an oral selective inhibitor of TLR7 and TLR8, which are said to be related to the mechanism underlying the onset of systemic lupus erythematosus (SLE). It is selected for the Cyclic Innovation for Clinical Empowerment (CiCLE) program of the Japan Agency for Medical Research and Development (AMED).

Condition	Region	Development status			
		Phase II	Phase III	Application	Approval
Systemic lupus erythematosus	Japan	I/II			

2. Overview of Consolidated Performance (International Financial Reporting Standards)

(1) Status of Revenue and Profit

Revenue was at the same level as the previous year due to factors such as the following. While sales of anticancer agent Lenvima and insomnia treatment Dayvigo continued to grow, and an upfront payment for transferring the future economic rights for the selective estrogen receptor degrader elacestrant (generic name) was recorded, an upfront payment for the transfer of the U.S. rights for the antiepileptic agent Fycompa was recorded in the previous year. Sales milestone payments (¥18.9 billion in this fiscal year and ¥16.7 billion in the previous fiscal year) were recorded from Merck & Co., Inc., Rahway, NJ, USA (U.S. Merck). Revenue of pharmaceutical business increased to ¥691.5 billion (101.0% year on year).

Regarding revenue from global brands, revenue for Lenvima was ¥297.6 billion (119.3% year on year), Dayvigo was ¥41.8 billion (142.3% year on year), anticancer agent Halaven was ¥37.5 billion (90.7% year on year), and Fycompa was ¥25.9 billion (69.7% year on year). Revenue for Alzheimer's disease (AD) treatment LEQEMBI (generic name: lecanemab) was ¥4.3 billion (¥20 million in the previous fiscal year).

Selling, general and administrative expenses increased due to an increase in selling expenses resulting from the launch of LEQEMBI in the U.S. and Japan, and an increase in the profit sharing payment to U.S. Merck as a result of increased sales of Lenvima, while expenses related to the AD treatment Aduhelm, and Fycompa in the U.S., were no longer recorded.

R&D expenses decreased as a result of increased efficiency through the use of the partnership model and resource allocation based on priorities, while aggressively allocating resources to LEQEMBI.

In addition to the above, operating profit increased significantly due to increased gross profit from an improved product mix, and gains from the transfer of rights in France and other countries related to Loxapac, a drug for psychiatric disorders, and Parkinane LP, a Parkinson's disease treatment, which were recorded under other income. Profit of the pharmaceutical business segment increased to ¥343.6 billion (105.5% year on year).

Profit for the period declined because although profit for the period before tax increased significantly, tax expenses decreased due to the influence of one-off factors that occurred in the previous fiscal year.

Overview of Consolidated Income

(Billions of yen)

	FY2022	FY2023	Change from previous year (%)	Value change
Revenue	744.4	741.8	99.6	(2.7)
Cost of sales	177.8	155.3	87.3	(22.5)
Selling, general and administrative expenses	358.3	374.4	104.5	16.1
R&D expenses	173.0	169.0	97.7	(4.0)
Operating profit	40.0	53.4	133.4	13.4
Profit before income taxes	45.0	61.8	137.3	16.8
Profit for the year	56.8	43.8	77.0	(13.1)
Profit for the year attributable to owners of the parent	55.4	42.4	76.5	(13.0)



Consolidated Performance Indicators

		FY2022	FY2023	Change from previous fiscal year (%)
Dividend on equity attributable to owners of the parent ratio (DOE)	(%)	5.9	5.5	(0.4)
Profit ratio to equity attributable to owners of the parent (ROE)	(%)	7.2	5.1	(2.1)
Dividend payout ratio (DPR)	(%)	82.8	108.2	25.4
Dividend per share (DPS)	(Yen)	160.0	160.0	—
Earnings per share attributable to owners of the parent (basic) (EPS)*	(Yen)	193.3	147.9	(45.4)

* 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 the period amounted to ¥1,393.8 billion (up ¥130.4 billion from the end of the previous fiscal year). In addition to an increase in the assets of overseas consolidated subsidiaries due to the depreciation of the Japanese yen, inventories increased due to the proceeding production of LEQEMBI (generic name: lecanemab) as well as accounts receivables from partners, etc.

Total liabilities as of the end of the period amounted to ¥494.8 billion (up ¥54.0 billion from the end of the previous fiscal year). While trade and other payables decreased, borrowings and accrued expenses increased due to the execution of the Sustainability Linked Loan.

Total equity as of the end of the period amounted to ¥899.0 billion (up ¥76.4 billion from the end of the previous fiscal year). Exchange differences on translation of foreign operations increased following the depreciation of the Japanese yen.

As a result of the above, the ratio of equity attributable to owners of the parent was 62.8% (down 0.5 percentage points from the end of the previous fiscal year).

Consolidated Statement of Financial Position

(Billions of yen)

	End of FY2022	Ratio (%)	End of FY2023	Ratio (%)	Value change
Total assets	1,263.4	100.0	1,393.8	100.0	130.4
Total liabilities	440.8	34.9	494.8	35.5	54.0
Borrowings	126.1	10.0	159.4	11.4	33.3
Total equity	822.6	65.1	899.0	64.5	76.4
Equity attributable to owners of the parent	800.0	63.3	875.6	62.8	75.7

(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 research and development capabilities.

Capital expenditures in FY2023 amounted to ¥15.2 billion (down ¥10.0 billion year on year) mainly due to the expansion of research facilities and production facilities in Japan.

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

Borrowings ended the fiscal year at ¥159.4 billion (up ¥33.3 billion on year). The main suppliers of loans to the Group are as follows.

Long-term borrowings

(Billions of yen)

Company name	Lender	End of FY2023
Eisai Co., Ltd.	Syndicated Loan	130.0
	Saitama Resona Bank, Limited	5.0

(5) Cash Flows

Net cash from operating activities amounted to an inflow of ¥56.0 billion (outflow of ¥1.8 billion in the previous fiscal year). Working capital increased mainly due to an increase in inventories with respect to LEQEMBI (generic name: lecanemab).

Net cash used in investing activities amounted to an outflow of ¥25.3 billion (up ¥2.6 billion from the previous fiscal year). There were capital expenditures following the expansion of research facilities and production facilities.

Net cash used in financing activities amounted to an outflow of ¥22.7 billion (down ¥1.8 billion from the previous fiscal year). This was mainly due to dividend payments.

As a result of the above, cash and cash equivalents as of the end of the year stood at ¥304.7 billion (up ¥37.3 billion from the end of the previous fiscal year). Free cash flow (cash flow from operating activities excluding capital expenditures) for the year was an inflow of ¥30.4 billion.

Highlights from Consolidated Cash Flow

(Billions of yen)

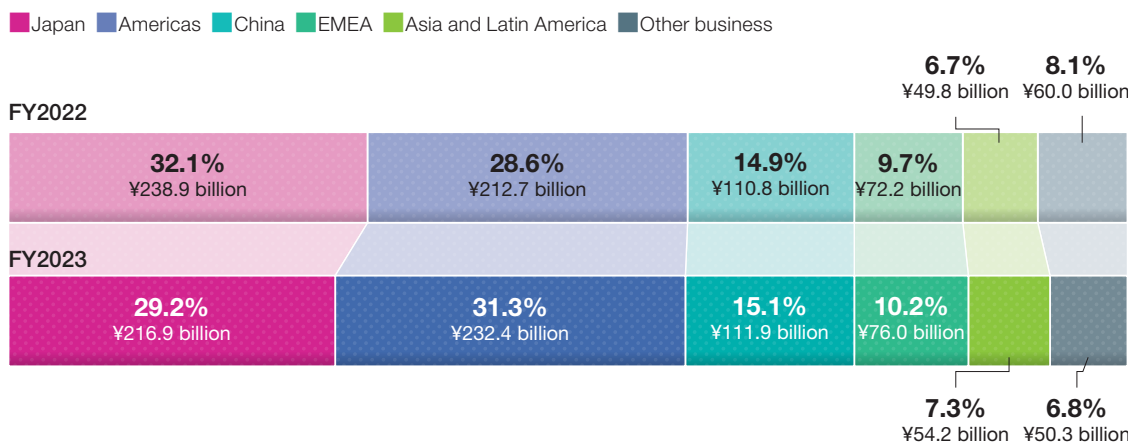
	FY2022	FY2023	Value change
Net cash provided by operating activities	(1.8)	56.0	57.8
Net cash used in investing activities	(22.7)	(25.3)	(2.6)
Net cash used in financing activities	(24.5)	(22.7)	1.8
Cash and cash equivalents at end of year	267.4	304.7	37.3
Free cash flow*	(24.3)	30.4	54.8

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

(6) Segment Information

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, Americas (North America), China, EMEA (Europe, the Middle East, Africa, Russia and Oceania), and Asia and Latin America (South Korea, Taiwan, India, ASEAN, Central and South America).

Revenue by Segment



(Billions of yen)

	FY2022	Ratio (%)	FY2023	Ratio (%)	Change from previous year (%)	Value change
Pharmaceutical businesses (reporting segments)	684.4	91.9	691.5	93.2	101.0	7.0
■ Japan pharmaceutical business*	238.9	32.1	216.9	29.2	90.8	(22.0)
■ Americas pharmaceutical business	212.7	28.6	232.4	31.3	109.2	19.6
■ China pharmaceutical business	110.8	14.9	111.9	15.1	101.0	1.2
■ EMEA pharmaceutical business	72.2	9.7	76.0	10.2	105.3	3.8
■ Asia and Latin America pharmaceutical business	49.8	6.7	54.2	7.3	108.8	4.4
■ Other business	60.0	8.1	50.3	6.8	83.9	(9.7)
Consolidated revenue	744.4	100.0	741.8	100.0	99.6	(2.7)
Overseas sales ratio (%)	66.4		69.5			3.1

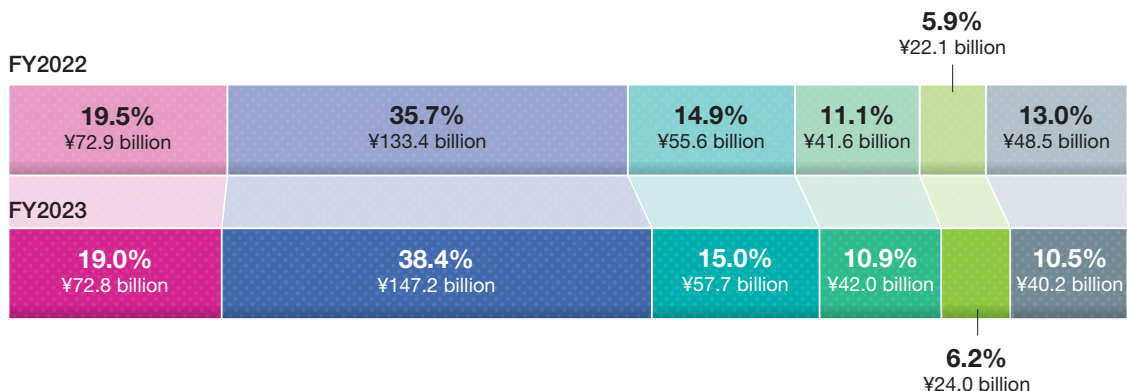
(Note) Revenues by segment are to external customers.

* In accordance with the reorganization of the Japan business in FY2023, the OTC and other pharmaceuticals business is integrated into the Japan pharmaceutical business.

As a result, these changes for the FY2022 have been reflected in Segment Information.

Segment Profit

Japan Americas China EMEA Asia and Latin America Other business

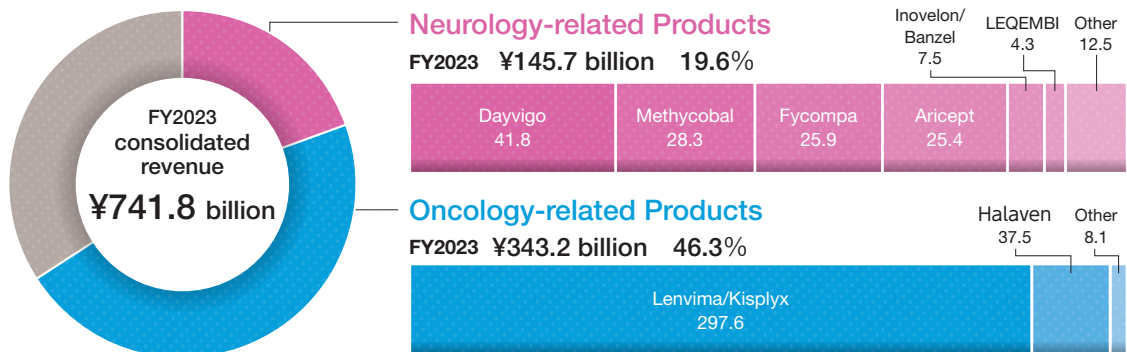


(Billions of yen)

	FY2022	Ratio (%)	FY2023	Ratio (%)	Change from previous year (%)	Value change
Pharmaceutical businesses (reporting segments)	325.6	87.0	343.6	89.5	105.5	18.0
Japan pharmaceutical business	72.9	19.5	72.8	19.0	99.9	(0.1)
Americas pharmaceutical business	133.4	35.7	147.2	38.4	110.3	13.8
China pharmaceutical business	55.6	14.9	57.7	15.0	103.7	2.1
EMEA pharmaceutical business	41.6	11.1	42.0	10.9	101.0	0.4
Asia and Latin America pharmaceutical business	22.1	5.9	24.0	6.2	108.4	1.9
Other business	48.5	13.0	40.2	10.5	82.9	(8.3)
R&D expenses	(173.0)		(169.0)		97.7	4.0
Head office management expenses of parent company*	(161.0)		(161.4)		100.2	(0.3)
Consolidated operating profit	40.0		53.4		133.4	13.4

* The profit and expense sharing amount with respect to strategic alliances with partners is included in the "Head office management expenses of parent company."

(7) Revenue of Major Products



3. Financial Position and Profit/Loss Status

The Company prepares its consolidated financial statements under International Financial Reporting Standards (IFRS). The table below uses IFRS-based accounting terms^(note).

Consolidated Management Indicators

Category		FY2020	FY2021	FY2022	FY2023
Revenue	(Billions of yen)	645.9	756.2	744.4	741.8
Operating profit	(Billions of yen)	51.5	53.7	40.0	53.4
Profit for the year	(Billions of yen)	42.3	45.7	56.8	43.8
Profit for the year attributable to owners of the parent	(Billions of yen)	41.9	48.0	55.4	42.4
Total equity	(Billions of yen)	726.4	771.5	822.6	899.0
Total assets	(Billions of yen)	1,088.4	1,239.3	1,263.4	1,393.8
Equity per share attributable to owners of the parent*1	(Yen)	2,447.45	2,611.82	2,789.32	3,052.99
Dividend per Share (DPS) (of which, interim dividends per share)	(Yen) (Yen)	160 (80)	160 (80)	160 (80)	160 (80)
Earnings per share (basic)*2 (EPS)	(Yen)	146.34	167.27	193.31	147.86
Earnings per share (diluted)*2	(Yen)	146.29	167.25	193.31	147.86
Ratio of equity attributable to owners of the parent	(%)	64.5	60.4	63.3	62.8
Profit ratio to equity attributable to owners of the parent (ROE)	(%)	6.1	6.6	7.2	5.1
Price-to-earnings ratio (PER)	(Times)	50.70	33.90	38.82	42.04
Dividend payout ratio (DPR)	(%)	109.3	95.7	82.8	108.2
Dividend on equity attributable to owners of the parent ratio (DOE)	(%)	6.6	6.3	5.9	5.5
Net debt equity ratio*3 (Net DER)	(Times)	(0.27)	(0.32)	(0.21)	(0.19)
Net cash provided by operating activities	(Billions of yen)	73.1	117.6	(1.8)	56.0
Net cash used in investing activities	(Billions of yen)	(36.1)	(28.8)	(22.7)	(25.3)
Net cash used in financing activities	(Billions of yen)	(55.9)	(49.0)	(24.5)	(22.7)
Cash and cash equivalents at end of year	(Billions of yen)	248.7	309.6	267.4	304.7
Free cash flows	(Billions of yen)	36.4	88.7	(24.3)	30.4

(Note) The equivalents of IFRS-based terms under accounting principles generally accepted in Japan are as follows: Revenue = Net Sales; 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 Net debt equity ratio (Net DER) = (interest-bearing debt (borrowings) - cash and cash equivalents - time deposits exceeding 3 months, etc. - investment securities held by the parent) ÷ Total equity attributable to owners of the parent.

4. Major Topics

Alzheimer's Treatment LEQEMBI (Generic Name: Lecanemab) & Dementia-Related Topics

2023

● LEQEMBI-related ● Dementia-related

Jan.

- Received accelerated approval in the U.S.
- Application in Japan
- Application in Europe

May

- Application in Canada
- Application in the U.K. (excluding Northern Ireland)

Jun.

- Application in South Korea
- Launched NEURii collaboration with Gates Ventures, Health Data Research UK, LifeArc, and the University of Edinburgh aiming to develop digital solutions that help to solve problems for dementia.

Jul.

- Received traditional approval and Centers for Medicare & Medicaid Services (CMS) announced provision of broad insurance applicability in the U.S.

Sep.

- Established digital business company Theoria technologies Co., Ltd. for development of a dementia ecosystem.
- Received approval in Japan.
- First in the industry: Co-developed "Dementia Care Support Insurance" with Tokio Marine & Nichido Fire Insurance.

Oct.

- Selected as one of TIME Magazine's Best Inventions of 2023

Nov.

- Won Best New Drug and Clinical Advance of the Year at the Scrip Awards 2023
- Reached an agreement on collaboration in the area of dementia with Thailand's Ministry of Public Health.

Dec.

- Launched in Japan
- Signed a sustainability-linked loan agreement with Mizuho Bank.
- Together with Oita University, developed the world's first machine learning model to predict amyloid beta (A β) accumulation in the brain using a wristband sensor.

2024

Jan.

- Received approval in China
- Invested in C2N Diagnostics LLC, aided in the simplification of diagnosing early-onset Alzheimer's disease.

Mar.

- Co-developed dementia insurance "be" with Lifenet Insurance Company to support early detection and treatment of dementia and mild cognitive impairment (MCI).
- Postponed oral explanation scheduled for the Committee for Medicinal Products for Human Use (CHMP) for approval application in Europe due to procedural reasons at the European Medicines Agency (EMA).

Apr.

- "Research on Treatments for Alzheimer's Disease Based on its Pathological Mechanisms" received the Award for Science and Technology (Research Category) in the FY2024 Commendation for Science and Technology by the Minister of Education, Culture, Sports, Science and Technology.
- Submitted a supplemental Biologics License Application for intravenous (IV) maintenance dosing to the U.S. FDA.



LEQEMBI (U.S.)

Kickoff meeting for LEQEMBI in Japan
(January 2024)

Other Topics

2023
Apr.

- Completed major renovation of Tsukuba Research Laboratories as a global drug discovery center

May

- Entered into a joint development agreement with option rights for a strategic collaboration with Bliss Biopharmaceutical (Hangzhou) Co., Ltd. for antibody-drug conjugate BB-1701.
- Granted funding to the Global Health Innovative Technology Fund for the third phase of its new drug development activities for neglected tropical diseases and malaria.



Tsukuba Research Laboratories after renovation

Aug.

- Selected for the FTSE4Good Index Series socially responsible investment index for the 22nd consecutive year.

Nov.

- Named by the Japan Investor Relations Association (JIRA) as one of the “Greatest IR Improvement Premium Company” and “Best Continual IR Efforts Premium Company” at the JIRA 30th Anniversary Commemorative Awards.



Dec.

- Submitted a new drug approval application in Japan for anticancer agent tasurgratinib for biliary tract cancer with *FGFR2* gene fusion.

2024

Jan.

- Offered a donation and provided aid supplies such as anti-microbial spray to medical associations and pharmaceutical associations in regions afflicted by the 2024 Noto Peninsula Earthquake
- Listed in the Global 100 Most Sustainable Corporations in the World for the eighth time.
- Obtained authorization in Japan for the injection formulation of antiepileptic drug Fycompa.
- Submitted a new drug application in Japan for ultrahigh-dose mecobalamin indication of amyotrophic lateral sclerosis (ALS).
- Submission of new drug application for the treatment of insomnia received in China for orexin receptor antagonist Dayvigo (generic name: lemborexant).
- Submitted a new drug application for dotinurad in China for treatment of gout.

Feb.

- Began full-fledged operations at a pharmaceutical sales subsidiary in South Africa.
- Selected for “Human Capital Leaders 2023” and “Human Capital Management Gold Quality” as a company making outstanding efforts in human capital management and information disclosures.
- Bolstered initiatives to reduce greenhouse gas (GHG) emissions aimed at achieving net zero by 2050.

Mar.

- Selected as a Nadeshiko Brand as a listed company excelling at promoting active participation by women in the workplace.
- Reached a settlement with one of the companies in the patent infringement lawsuit in the U.S. regarding lenvatinib.



Apr.

- Won Pharmaceutical Society of Japan Award for Drug Research and Development 2024 for drug discovery research on lemborexant.
- Divested rights for Merislon and Myonal in Japan to Kaken Pharmaceutical.
- French sales subsidiary transferred the rights for Loxapac and Parkinane LP in France to CNX Therapeutics.

Environment

Consideration for the Environment

As a *human health care (hhc)* company, the Group strives to accomplish the 2 social goods of “relieving anxiety over health” and “reducing health disparities.” There is a relationship between people’s health and the global environment, and we view the global environment as the foundation of business activities aimed at achieving social good. Based on these ideas, the Group has established the “Eisai Network Companies (ENW^{*1}) Environmental Protection Policy,” and all Group companies are making concerted efforts to protect the environment. Additionally, we have formulated the “Eisai Environmental Management Vision” to work towards both the social good and global environmental protection at the same time, and we are engaged in activities in 5 major categories, namely climate change countermeasures, sustainable use of water, recycling of resources, preservation of biodiversity, and proper management of chemical substances.



ENW Environmental Protection Policy and Eisai Environmental Management Vision
<https://www.eisai.com/sustainability/environment/management/vision/index.html>

(1) Climate Change Countermeasures

● Reduction of Greenhouse Gas Emissions

The mitigation of climate change is a pressing issue shared by all humankind, and is an indispensable element in the realization of a sustainable society. The Group is engaged in initiatives aimed at achieving the globally-shared goal of “Keeping the rise in the average global temperature to 1.5°C or less compared to pre-industrial levels” which is the 1.5°C reduction goal, as well as the achievement of “2050 Net Zero^{*2}.” which is an extension of the first goal.

Since FY2019, the Group has set an SBT^{*3} of 2.0°C (reducing greenhouse gas (GHG) emissions by 30% by FY2030 compared to FY2016). Up until FY2022, we met our targets for 3 years running, and we have successfully reduced our GHG emissions by over 60% compared to FY2016. Therefore we set an even stricter SBT 1.5°C target which was approved by the SBT Initiative^{*4} in November 2023. Furthermore, in December 2023, we received approval from the JCI^{*5} (Japan Climate Initiative) to participate in the JCI Race to Zero Circle which is committed to achieving net zero by 2050.

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

*2 Net Zero (as defined by the Science Based Targets initiative’s Corporate Net-Zero Standard)

- Either reduce Scope 1, 2 and 3 emissions to zero or reduce them to a residual volume of emissions consistent with the achievement of net zero emissions on a global or sector level in line with the eligible 1.5°C target.
- Neutralize residual emissions at the time of the net zero target and all GHG emissions released into the atmosphere from that point onwards.

*3 SBT (Science Based Targets) are medium- to long-term greenhouse gas emission reduction targets based on scientific grounds and reviewed and certified by the SBT initiative. It is currently the de facto international standard.

*4 The SBT initiative is an international joint initiative between the CDP (an international NGO that manages information disclosure programs in the environmental sector), the United Nations Global Compact (UNGC), the Worldwide Fund for Nature (WWF), and the World Resources Institute (WRI).

*5 Japan Climate Initiative (JCI) is a loose network of diverse bodies outside the national government, such as corporations, local governments and NGOs, which are actively involved in taking measures against climate change. Eisai Co., Ltd. joined in December 2020.

2050 Greenhouse Gas Emissions Net Zero Targets

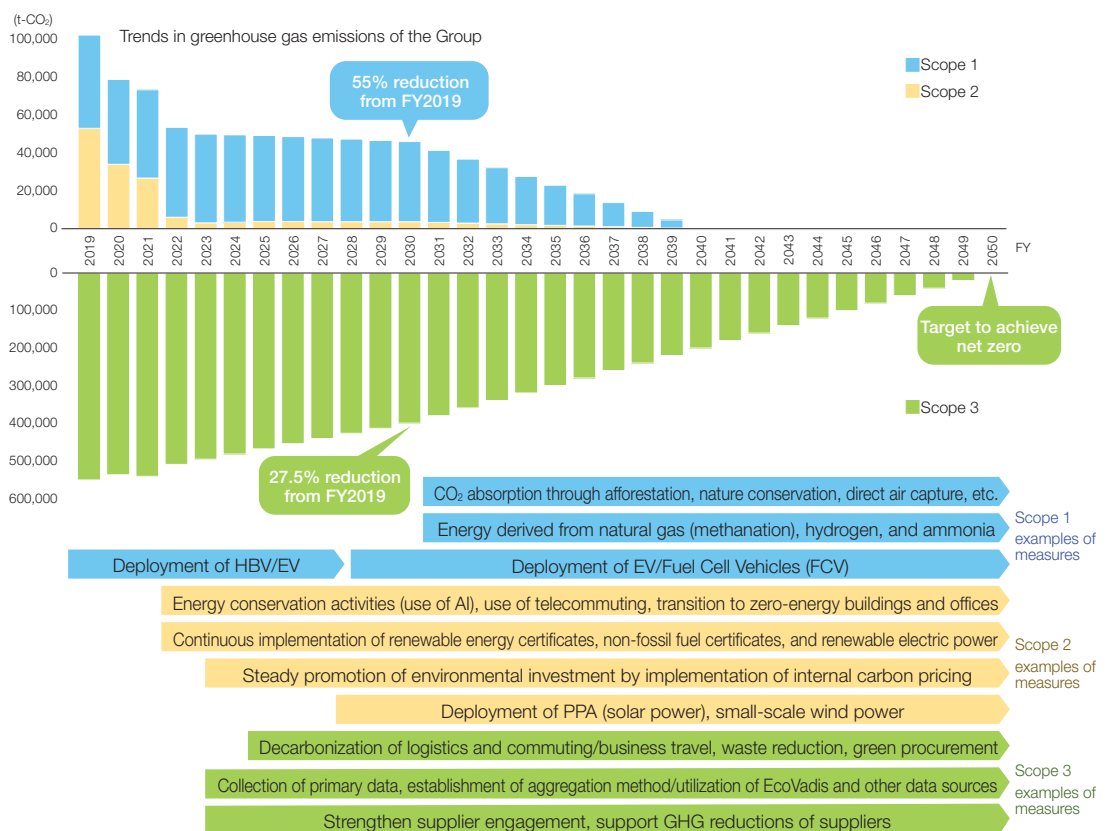
- Net zero achievement target year: 2050
- Greenhouse gas reduction target by 2030 (SBT1.5°C target)
 - Reduce GHG emissions (Scope 1+2) by 55% from FY2019 level by FY2030.
 - Reduce GHG emissions (Scope 3 emissions originating from purchased products and services) by 27.5% from FY2019 level by FY2030.

Scope 1: Direct greenhouse gas emissions released into the atmosphere from the use of fossil fuels.

Scope 2: Indirect greenhouse gas emissions from the use of electricity and steam supplied by other parties.

Scope 3: Indirect greenhouse gas emissions in the supply chain other than the Company.

Roadmap For Achieving the Target of Net Zero in 2050



Going forward, in addition to continuing efforts to save energy, we will engage in a variety of initiatives including increasing the adoption of renewable energy, reducing and eliminating carbon emissions from sales vehicles, and actively promoting the introduction of advanced technology. The Company joined the RE100 initiative, which aims to switch all electrical energy used for business activities to renewable energy, and we aim to achieve this target by FY2030. We also introduced Internal Carbon Pricing (ICP) to promote investments that are effective at reducing CO₂ emissions by converting and visualizing the volume of CO₂ emission reductions into monetary amounts. We are also making steady progress with reducing GHG emissions in our supply chains by strengthening engagement to better understand emission volumes and set appropriate targets.

● Information Disclosures Based on TCFD Recommendations

In June 2019, we declared support for the recommendations made by the Task Force on Climate-related Financial Disclosures (TCFD^{*}), carried out the recommended analysis of climate scenarios, and disclosed the results in FY2020. With the purpose of reassessing the potential impact of climate change-related risks and opportunities on the Group, we carried out another analysis considering multiple climate scenarios in FY2022. An overview of the climate-related risks and opportunities we identified is presented to the right. Based on our risk management system, we are striving to prevent these risks from materializing while working to realize opportunities through our business activities.

* The Task Force on Climate-related Financial Disclosures (TCFD): A working group of the Financial Stability Board (FSB) made up of central bank governors and finance ministers from various countries. Led by the private sector, the task force encourages the efficient disclosure of climate-related financial information in order to promote appropriate investment decisions by investors and others.

Overview of Climate-Related Risks and Opportunities

Category	Risks and Opportunities
Physical risks	Production stoppages
	Damage from natural disasters
	Increased health risks
Transition risks	Increased costs from carbon taxes
	Additional capital expenditures
	Responding to the demand for low-carbon products
Opportunities	Reduced trust
	Responding to health care needs resulting from climate change



Information Disclosures Based on TCFD Recommendations

<https://www.eisai.com/sustainability/environment/climate-countermeasure/tcfd-disclosure/index.html>

(2) Formation of a Recycling-Oriented Society

We aim to contribute to the formation of a recycling-oriented society through the sustainable use of resources, including water.

● Sustainable Use of Water

As a medium-term target, we seek to reduce the use of water by 7% (by revenue intensity) by FY2030 compared to FY2023 levels by promoting the reduction of water usage through recycling and other efficient ways of using water resources. In addition, we aim to maintain high-quality wastewater treatment that contributes to the preservation of water quality, thereby complying with environmental standards related to water and continuing our record of zero legal violations by FY2030 as another medium-term target. In FY2023, we established Internal Water Pricing (IWP), which incorporates water usage reduction into investment judgment criteria by converting the volume of water usage reductions into monetary amounts, in each country where we have major sites. We will use it in all companies together with Internal Carbon Pricing.

● Recycling of Resources

Group companies in Japan are endeavoring to reduce the volume of waste they generate, increase their recycling rates and reduce the amount of waste sent to landfills. Their aim is to achieve zero emissions by reducing the percentage of waste generated that is sent to landfill to less than 0.5%. In FY2023, we expect to achieve zero emissions for the 17th year in a row thanks to the active promotion of measures such as thorough waste separation, the selection of waste disposal contractors who actively recycle resources, the recycling of organic solvents used in the chemical synthesis of pharmaceutical ingredients, and the valuable sale of waste solvents as combustion improvers. We have also set the following medium-term targets for all companies in order to encourage resource recycling globally.

Medium-Term Targets Until FY2030

- Volume of waste generated: 7% reduction compared to FY2023 (Indicator: waste generated [t] / revenue [hundreds of millions of yen])
- Recycling rate: 50% or more (including valuable sales)
- Final landfill rate: 2% or less
- Volume of hazardous waste generated: 7% reduction compared to FY2023 (Indicator: hazardous waste generated [t] / (research and development expenses + cost of sales [hundreds of millions of yen])

(3) Initiatives to Protect Biodiversity

We have established “Biodiversity Guidelines” in order to take the impact of our business activities on biodiversity into account and contribute to the realization of a society coexisting with nature based on harmony with the global environment. As a medium-term target, all business sites are aiming to identify an important species and engage in activities to preserve it by FY2030. In FY2023, we identified the following as medium- to long-term risks that our business activities pose to biodiversity.

① The impact of the emission of hazardous substances into the water and atmosphere on biodiversity in the neighboring areas of places where we operate, and ② The impact of waste generated from the use of our products on the environment as a whole. On the grounds of the Kawashima Plant (Gifu Prefecture), we maintain a Japanese garden, rich with nature, and we cultivate and conserve about 700 types of medicinal and otherwise beneficial plants in the Medicinal Herbal Garden at the Naito Museum of Pharmaceutical Science and Industry. The Fukushima Business Office of EA Pharma Co., Ltd. preserves planted forests such as Somei Yoshino cherries and weeping cherries on its premises. Since FY2020, the Vizag site (India) has undertaken a tree-planting program to promote environmental awareness, and they have planted a total of approximately 11,000 trees to date.



Preservation of planted forest on the premises
(EA Pharma Co., Ltd. Fukushima Business Office)



Promotion of tree-planting program to raise environmental awareness
(Vizag site)

(4) Information Disclosure related to Environmental Activities

● Environmental Report 2023

The Group discloses information on its environmental activities and performance together with detailed data on the Company’s website.

 <https://www.eisai.com/ir/library/annual/index.html>



Environmental Report 2023

● CDP Climate Change Report 2023, CDP Water Security Report 2023

CDP is an international NGO that evaluates the “efforts of companies related to environmental risks” (climate change, water security, forests) and discloses the information at the request of institutional investors around the world. In the CDP Climate Change Report 2023 and CDP Water Security Report 2023 it responded to in 2023, the Group received a score of A- (the second highest on an 8-rank scale).



CDP Report 2023

Social

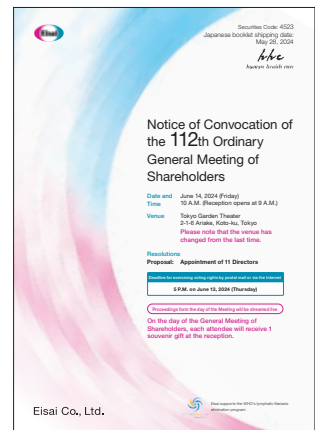
Ties with Shareholders and Investors

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

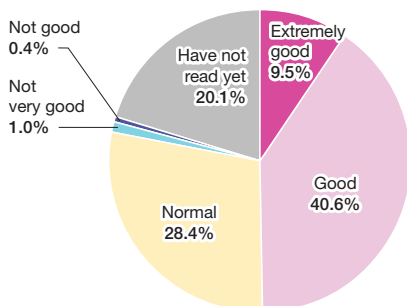
(1) Notice of Convocation of the Ordinary General Meeting of Shareholders (May)

The notice is content rich and presents information, including non-financial items such as ESG initiatives, in an easily comprehensible manner. The notice is sent as early as possible to allow plenty of time for shareholders to consider the proposals. Additionally, it can be viewed online at the Tokyo Stock Exchange website and the Company's website, from about a week before the notice is sent out. We also produce an English version of the entire Notice of Convocation, including the Business Report. The Company sends a summary version of the Notice of Convocation, except to shareholders who have requested the delivery of written documents.

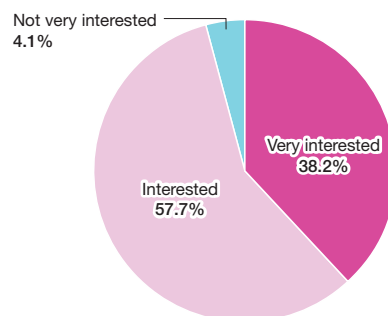
Moreover, to further enhance the Notice of Convocation, we carried out a questionnaire survey on last year's notice at the individual shareholder briefing mentioned later. Many of the shareholders praised the extensiveness of the contents, but only about half of them responded that it was "extremely good" or "good." Therefore, for this Notice of Convocation, we have moved sections such as "Status of Major R&D Pipeline" which many people are interested in to the earlier half to create a structure that is easier for individual shareholders to read. Furthermore, since there was a lot of interest in our medium- to long-term growth story, we included it in this Notice of Convocation as well. Please refer to pages 36 to 39.



Overall evaluation of the Notice of Convocation
(n=548)



Interest in including the medium- to long-term growth story in the Notice of Convocation
(n=548)



(2) Briefing for Individual Shareholders (December, January)

The Company holds briefings every year to enable as many shareholders as possible to better understand the current state of the Company and its initiatives, and provide a forum for responding to shareholders' questions through dialogue.

In December 2023, we held face-to-face briefings in Osaka, Nagoya and Fukuoka which were attended by a total of 288 shareholders. We also held an online briefing on January 13, 2024 which was viewed by 376 shareholders. On the day of the event, after Senior Vice President Masatomi Akana had explained the Company's current status and future outlook, a lively question and answer session was held that mainly focused on LEQEMBI (generic name: lecanemab).



Osaka briefing

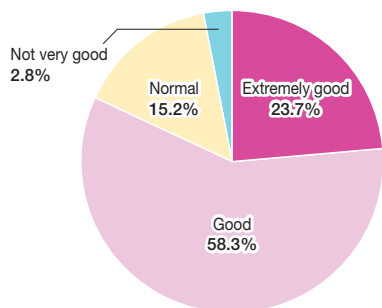


Online briefing

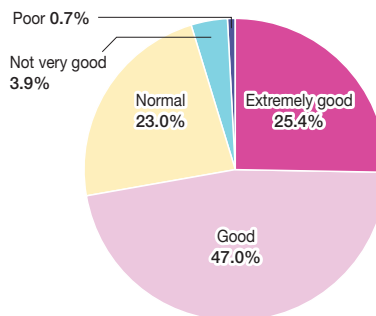
According to the questionnaire administered after it was over, the number of shareholders whose overall evaluation was "extremely good" or "good" was 82% for the face-to-face briefings and 72% for the online briefing. The opinions and requests that we received will be utilized in future plans and operations.

- Overall evaluation (Respondents - Osaka: 141, Nagoya: 93, Fukuoka: 31, online: 283)

Individual shareholder briefings in Osaka, Nagoya, Fukuoka (n=265)



Online individual shareholder briefing (n=283)



● Some Comments Received in the Free Comment Section

- They gave very thoughtful answers during the Q&A and I understood everything well. They gave detailed explanations of the issues concerning LEQEMBI, which deepened my understanding. (Man in his 60s, Fukuoka)
- I participated because I was interested in your company's Alzheimer's disease therapeutic drug, and the contents of the briefing were extremely good. I could tell that the company has a lot of confidence in LEQEMBI. I hope you will carefully nurture this wonderful product that you have successfully developed. (Woman in her 60s, Osaka)
- There are no other companies that provide platforms like this briefing, so I hope you continue doing them in the future as well. (Man in his 70s, Nagoya)
- Thank you very much for holding these regularly. It is easier to understand things when the event is held in person, but since I can no longer attend shareholder meetings because I can't leave the house due to my age, I look forward to this briefing every year. (Woman over 80, online)
- I'm worried because of a drop in the share price, but I'm looking forward to a rise in valuation after amyloid PET is covered by insurance in the USA. (Man in his 60s, Osaka)

(3) Dialogue with Institutional Investors

The Company provides appropriate information on its management policy and initiatives toward sustainable growth and the medium- to long-term enhancement of its corporate value and gives easy-to-understand explanations on a continual basis. Our basic policy is to endeavor to build trust and reflect institutional investors' opinions appropriately in management through dialogues with them.

- **Financial results presentation**

The Company holds briefings every quarter in a hybrid face-to-face and online format where it explains such matters as the state of progress in the development of pharmaceuticals and the future outlook.

- **Individual interviews by outside directors**

To appropriately reflect the opinions of our institutional investors in management, our outside directors held 6 individual interviews with institutional investors in FY2023.

- **Information Meeting (March)**

We have been holding annual Information Meetings since 1995 to serve as a place for the CEO to explain the Company's medium- to long-term management strategy to institutional investors.

In March 2024, he explained matters such as events leading to an expansion in the value of LEQEMBI and a simulation of consolidated revenue until FY2032.



- **Individual interviews with the IR Department**

The IR Department actively engages in dialogue with institutional investors from Japan and overseas and provides the results of these dialogues to the Board of Directors regularly as feedback.



Briefing materials & videos <https://www.eisai.com/ir/library/presentations/index.html>

(4) Value Creation Report 2023 (issued in September)

The Value Creation Report is a communication tool for sharing the Group's medium- to long-term value creation story with a wide range of stakeholders. The current edition mainly focuses on introducing materialities (important matters) for effectively achieving the social good in line with the amendments to the Articles of Incorporation in June 2022.

We also held an exchange of opinions on the Value Creation Report and ESG in October. The corporate officers responsible explained long-term targets and KPIs for the 5 materialities especially important for medium- to long-term value creation (namely ①Achieving social good in the area of dementia, ②Achieving social good in the area of oncology, ③Achieving social good in the area of global health, ④Maximizing human asset value, and ⑤Financial strategy) and held an exchange of opinions with institutional investors and analysis.



Value Creation Report 2023



<https://www.eisai.com/ir/library/annual/index.html>

Ties with People throughout Society

As a company with a far-reaching involvement in the field of medicine and health, the Company not only provides pharmaceuticals but also conducts a variety of activities that place value on forging stronger ties with patients and the people in the daily living domain, medical professionals, and local communities.

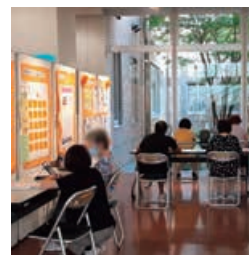
(1) Forging Ties with Local Communities to Achieve a Dementia-Inclusive Society (Japan)

The Company has been concluding regional collaborative agreements with local governments and medical associations, etc., throughout Japan and promoting initiatives aimed at realizing a dementia-inclusive society where people living with dementia and people in the daily living domain can live in their own way (167 organizations across Japan as of March 31, 2024).

Here is a sample of such initiatives.

Raising Awareness of Brain Health and Consulting Services through “Checking Your Brain Health with a Touch” (Sanda City, Hyogo)

To encourage interest in brain health from an early stage in Sanda City, Hyogo Prefecture, the city launched a “Checking Your Brain Health with a Touch” business there in FY2022 using the Company’s NouKnow^{*1}. In FY2023, the Sanda City Regional Comprehensive Support Center started “Orange Line,” its official LINE account, and along with periodically sharing information about dementia and brain health, it made the “Brain Performance Exercise”^{*2} videos with brain-stimulating exercises supervised by the Company available for watching.



“Check Your Brain Health with an On-Site Touch” at a community center

Felt Our Ties to the Community Through Participation in “Run Tomo + Bunkyo City 2023”^{*3} (Bunkyo City, Tokyo)

The Company and Bunkyo City, Tokyo, where our Head Office is located, concluded a “Community-Building Partnership Agreement to Promote Local Dementia Support Initiatives for Dementia Patients and Their Families” in June 2015. To raise awareness of dementia and health, the 2 parties organize events such as dementia cafes for residents of Bunkyo City and lectures by invited physicians. In November 2023, they held “Run Tomo + Bunkyo-ku 2023,” event where people living with dementia, their families and people in the community passed sashes to each other while running. It was the first time it had been held in 4 years, and many runners raced through Bunkyo City. The Company interacted with the people in the community not only by running but also by conducting brain health checks using NouKnow.



“Run Tomo + Bunkyo City 2023” runners passing in front of the Company

*1 A self-checking tool for checking brain performance (brain health levels)

*2 A dual-tasking exercise program that stimulates both the brain and the body by moving the hands and feet in time with music while also incorporating the implementation of intellectual challenges.

*3 Organized by Run Tomo + Bunkyo City 2023 Executive Committee; sponsored by Bunkyo City and the Bunkyo Council of Social Welfare

(2) Eisai *hhc* Hotline

Since its launch in April 1990, the Hotline has been responding to inquiries 365 days a year under the belief that “there are no days off for the environment surrounding patients.” In FY2023, it received approximately 60,000 inquiries. The questions and comments it receives are shared within the Company as important information. We use them in product development, making improvements, and for the provision of information and services.



A 1-minute 25-second video describing the Company's thoughts



Video: Considering the Feelings of Patients and Their Families
<https://www.eisai.com/company/video/index.html>

(3) Naito Museum of Pharmaceutical Science and Industry

Established in 1971 as Japan's first comprehensive museum of medicine, it provides opportunities for anyone and everyone to learn about medical science and pharmacy for free. It currently houses approximately 65,000 historical materials and 62,000 related documents. Apart from permanent exhibits, it also organizes special exhibitions themed around information society is seeking every year. Additionally, the neighboring botanical garden grows roughly 700 species of medicinal herbs and other useful plants and protects endangered and threatened species.

We launched an official Instagram account (@kusuri_museum.official) in 2023 and began to share information more widely. Please visit the page to learn which medicinal herbs are in season and which materials are on display.



Naito Museum of Pharmaceutical Science and Industry Instagram
https://www.instagram.com/kusuri_museum.official/
 (Japanese only)



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

(4) The Naito Foundation

The purpose of the Foundation is to promote basic natural sciences research related to the prevention and treatment of disease, and thereby contribute to the promotion of science and human welfare. The Foundation's activities include hosting workshops and providing subsidies for research and overseas study. It was established with shares held by Toyoji Naito, the founder of the Company, and is managed through donations of shares from the second president, Yuji Naito, and his relatives.



<https://www.naito-f.or.jp/en/>

(5) The Health Care Science Institute

The purpose of the Institute is to conduct interdisciplinary research related to medical issues, with a focus on research in medical economics, and thereby contribute to the development of welfare and medical fields in Japan. The Institute's activities include hosting workshops and symposia, and providing young researchers with a place to conduct research.



<https://www.iken.org/en/index.html>

Achieving Social Good in the Global Health Domain

In order to efficiently achieve the social good of “relieving anxiety over health” and “reducing health disparities” in the global health domain, we are working to eliminate neglected tropical diseases (NTDs). NTDs is the general term for the 21 diseases which the World Health Organization (WHO) has designated as “tropical diseases that humanity must eliminate.” Approximately 1.7 billion people around the world are at risk of being infected by NTDs, primarily in impoverished communities in tropical areas. Among those diseases, we are focusing our attention on lymphatic filariasis (LF) and providing free medicines to eliminate it. Through partnerships with the Global Health Innovative Technology (GHTI) Fund, DNDi, and academia, we are actively pushing forward with development of drugs to treat NTDs and malaria.

(1) Elimination of lymphatic filariasis (LF)

Lymphatic filariasis (LF) is an NTD that is a parasitic disease transmitted to humans by mosquitoes. When infection occurs, it severely damages the lymphatic system and may result in physical disabilities such as elephantiasis which causes the legs to enlarge resembling the legs of an elephant. LF is endemic in 47 tropical and subtropical countries. It is estimated that 51 million people in the world are infected and 880 million are at risk of infection. We have been engaged in activities to eliminate LF since 2010, and based on an agreement with the World Health Organization (WHO) we are manufacturing diethylcarbamazine (DEC) tablets for the treatment of LF at our Vizag Plant in India and have been providing them free of charge to endemic countries through the WHO since 2013. We have dispensed a total of 2.28 billion tablets in 30 countries as of March 2024, including DEC tablets in the 5 countries of Sri Lanka, Thailand, Egypt, Kiribati, and Laos as part of our contributions to eliminating the disease.

In addition, we appointed employees of local subsidiaries in 8 countries as “DEC Project Managers” who head up efforts to eliminate LF in their own countries. Working together with government agencies and local officials, they are now engaged in comprehensive efforts to help eliminate the disease including mass drug administrations and educating people about the disease in endemic countries. For example, in Yarada village in the state of Andhra Pradesh in the center of India’s eastern region, they have been working with the state government since 2013 to teach residents about diseases, improve their sanitation, implement anti-mosquito measures, and support LF patients.



Socializing with an elephantiasis patient (spending time together)



Diethylcarbamazine (DEC) tablets

Eliminating Lymphatic Filariasis: Results and Targets

FY2023 results	Target for FY2030
<ul style="list-style-type: none"> ◆ Dispensed a total of 2.28 billion tablets in 30 countries and completed mass drug administrations*¹ in a total of 10 countries as of the end of March 2024. 	<ul style="list-style-type: none"> ◆ Completed mass drug administrations in a total of 30 countries including India by dispensing a total of 3.9 billion DEC tablets. ◆ Approximately 31 million people have benefited from the DEC tablets, and approximately 280 billion yen/year of social impact*² has been generated.

- *1 Completing mass drug administrations means to complete mass drug administrations spanning multiple years for the residents of endemic regions to eliminate LF, and enter a phase to verify whether infections have been brought under control.
- *2 Social impact is calculated as the social value generated taking into consideration factors such as the income earned from the work hours that could be recovered by people and patients who avoided LF infection as a result of LF drugs provided free of charge, and reduced healthcare costs.

Message from a DEC Project Manager in Myanmar

Saw Thandar Hlaing

In February 2023, the WHO and Myanmar’s Ministry of Health conducted mass administrations of LF treatment drugs in Western Myanmar. Improving the participation rates of residents in mass drug administrations is an important key to successfully eliminating diseases, so we worked together with officials from the country’s Ministry of Health, local medical professionals, and volunteers on awareness-raising activities to teach residents about the importance of all residents in the region having the drugs administered. For the volunteers, we also prepared t-shirts emblazoned with a message encouraging participation in the mass drug administrations. In addition to examinations of patients by medical professionals, we also conducted educational activities on hygiene management and provided care kits including disinfectants and bandages from Eisai. Spending time with the patients, we were further able to get a sense of their heartfelt desires to be relieved from that disease.



DEC Project Managers in front of the regional health office



Drug administration guidance at the home of a community resident



Patient guidance from doctors on caring for leg symptoms

<https://www.eisai.com/sustainability/atm/ntds/activity/047.html>

(2) New Drug Development and Disease Awareness Activities for Mycetoma

Mycetoma is a disease transmitted through the skin, which can cause swelling masses in the feet as well as hands and other parts of the body if left untreated. Basic information such as transmission routes and affected patient numbers is currently lacking and treatment methods are also limited, so it is considered one of the most neglected tropical diseases. Aiming to produce the world’s first treatment for mycetoma, we are working cooperatively with the Mycetoma Research Centre, DNDi, and the Global Health Innovative Technology Fund (GHIT Fund) in Sudan where the disease is endemic to conduct clinical trials and file for approval of in-house developed fosravuconazole antifungal drug E1224.

In 2019 we entered into a partnership with Japanese international non-profit organization (NPO) AAR Japan, through which we have been supporting activities to combat mycetoma in Sudan. Since these activities started, we have provided treatment and operations to at least 190 patients and conducted disease awareness-raising activities for at least 2,800 residents, pushing forward with a comprehensive, sustainable approach that includes bolstering the capabilities of local partner organizations. In FY2022, we enlisted the cooperation of the Institute of Tropical Medicine at Nagasaki University to conduct 2 online training sessions for partner organizations and health care professionals involved in combating mycetoma in Sudan. Lively discussions on the topic of eliminating NTDs took place at these sessions. However, the activities are currently suspended due to turmoil in Sudan that broke out in April 2023. We earnestly hope that we can resume these local activities someday soon.

 <https://www.eisai.com/sustainability/atm/ntds/mycetoma/index.html>



Swelling in a mycetoma patient



Online training to combat mycetoma

Mycetoma Initiatives: Results and Targets

FY2023 results

- ◆ Preparing approval filing based on clinical trials for E1224 in Sudan
- ◆ Continuing dialogues with stakeholders on future contributions to patients, including epidemiological studies

Target for FY2030

- ◆ Engaging in collaboration across sectors to establish the patient journey
- ◆ Acquiring approval for E1224 and establishing sustainable provision methods in Sudan
- ◆ Helping to provide E1224 in endemic countries other than Sudan

Two Project Leaders Share their Sentiments on New Drug Creation to Eliminate Mycetoma

Project Engagement Driven by the *hhc* Concept

Nakano: Our engagement in mycetoma initiatives is possible particularly because we have the *hhc* concept. Our mission is to improve patients' situations, and I think the *hhc* concept is what has motivated us to push forward with the optimism that we should give it a try since we have drugs that could likely be effective, which has brought about sales and profit as a result of this mission. Sudan is currently facing a dire situation, and we are steadily making preparations for approval of the new drug while the patients' harsh circumstances are not changing.

Hata: The fact that our initiatives for NTDs including mycetoma are positioned in the Company as a business domain driven by the concept is a tremendous aid in our efforts. Having actually met the patients in Sudan is also raising motivation to tackle this project.



(Left) Katsura Hata, Deep Human Biology Learning (DHBL) Microbes & Host Defense Domain (MHD) Discovery Lead
(Right) Kyoko Nakano, Director Sustainability Department



<https://www.eisai.com/sustainability/atm/ntds/activity/048.html>

Human Rights Initiatives

According to the ENW Human Rights Policy which the Company formulated in compliance with international standards in 2019, we have identified risks within our business and supply chain wherein the Group's business activities may have a negative impact on the human rights of our stakeholders. We also carried out human rights due diligence on an ongoing basis to avoid or minimize risks, monitor them, and disclose the results. In regard to our supply chain, through sustainable procurement (see the next item) we analyze the state of human rights-related initiatives undertaken by our business partners and strive to understand any human rights-related issues that may be present.



https://www.eisai.com/sustainability/society/human_rights/index.html

Sustainable Procurement

We are engaged in procurement activities (sustainable procurement) that aim both to achieve a sustainable society in terms of human rights, labor and safety, the environment, ethics, and other factors throughout our supply chain, and to mutually improve the corporate value of the Company and our business partners. We explain sustainable procurement to our business partners and urge them to comply with our Code of Conduct for Business Partners which lists our expectations. We also conduct sustainability evaluations through self-assessment questionnaires and provide the evaluation results as feedback. At briefings for domestic business partners in FY2023, we raised awareness through speeches on respecting human rights and the environment delivered by world-class outside experts. We are also engaged in sustainable procurement at overseas plants including the Vizag Plant in India and Suzhou Plant in China.



<https://www.eisai.com/sustainability/society/partner/sustainableprocurement/index.html>

Maximizing the Value of Human Assets

At the Ordinary General Meeting of Shareholders held in 2022, we stipulated the concepts of “respecting human rights and diversity,” “providing full opportunities for growth to support self-fulfillment,” and “creating an employee-friendly environment” as pillars of human capital in the Articles of Incorporation. On the occasion of amending our Articles of Incorporation, we formulated our “integrated human resource strategy” and have set out to maximize the value of human assets in the Group. Ever since it was made mandatory to include human capital-related metrics in the securities reports of all listed companies, we have been actively disclosing this information, and in July 2023 we disclosed a report on our management of human capital called the Human Capital Report on the Company’s website. We have disclosed multifaceted, diverse initiatives and main evaluation parameters concerning human assets to many stakeholders, including our shareholders. As a result, we were rated first among the Nikkei 225 companies in the “Human Capital Disclosures Ranking by the Human Capital and Corporate Value Study Group,” took silver in the Nikkei Business Publications Human Capital Disclosure Awards, and were selected as Human Capital Leaders 2023 and Human Capital Management Gold Quality in 2023. Then in March 2024, we were selected as a Nadeshiko Brand as a listed company excelling at promoting active participation by women in the workplace.



Human Capital Report <https://www.eisai.com/ir/library/annual/index.html>

(1) Maximizing the Medium-Term Value of Human Assets

Toward the final goal of improving our corporate value, we have set the main evaluation parameters related to targets for FY2030 as shown in the table below.

Final Goal	Increased corporate value attributable to the solutions and innovations brought about by maximizing the characteristics and strengths of diverse human assets
FY2030 Targets and Main Evaluation Parameters	<p>Instilling the <i>hhc</i> Concept</p> <ul style="list-style-type: none"> ● Corporate Concept instilled at a 100% level (result in FY2022: 96%) ● Implementing & energizing <i>hhc</i> activities: 500 or more topics every year among annual <i>hhc</i> Activities Report topics <p>Improving employee engagement</p> <ul style="list-style-type: none"> ● Ratio of employees with high engagement scores in the Global Engagement Survey: 90% or higher (result in FY2022: 85%) <p>Promoting active participation by women to secure diversity</p> <ul style="list-style-type: none"> ● Ratio of female managers at the Company: 30% (result in FY2022: 11.9%) <p>Employee impact Efficiency of investment in human assets: 87%</p>

Current initiatives toward the respective goals are as follows.

● Instilling the *hhc* Concept

Through ongoing initiatives, we are maintaining the level of our Corporate Concept being instilled at 96%. The number of report topics on *hhc* activities is also increasing each year, and there were more than 500 topics in FY2023.

● Improving Employee Engagement

Every year, we conduct the Global Engagement Survey of all our Group employees throughout the world. In FY2022, the Group’s average score for “ratio of employees with high engagement”

indicated by positive responses in attachment to the Company and their work, factors that drive engagement, and vitality, was roughly the same as the previous year at 85%, which was a good result exceeding the average of global pharmaceutical companies.

Ratio of employees with high engagement in the FY2022 Global Engagement Survey



* Europe, the Middle East, Africa, Russia, and Oceania

On the other hand, even when considering the cultural trend for lower scores domestically in Japan, the Company (73%) and our domestic subsidiaries (69%) have lots of room for improvement, and we believe that serious actions are necessary. We are sharing these results with corporate executives and employees in each region as we consider and implement countermeasures according to the nature of the region and organization.

As we bolster our usage of the Wevox tool to visualize issues based on employee comments each month, we are also striving to improve the Company's corporate culture through dialogue such as by holding workshops specifically for each business site and department.

● Promoting active participation by women to secure diversity, employee impact

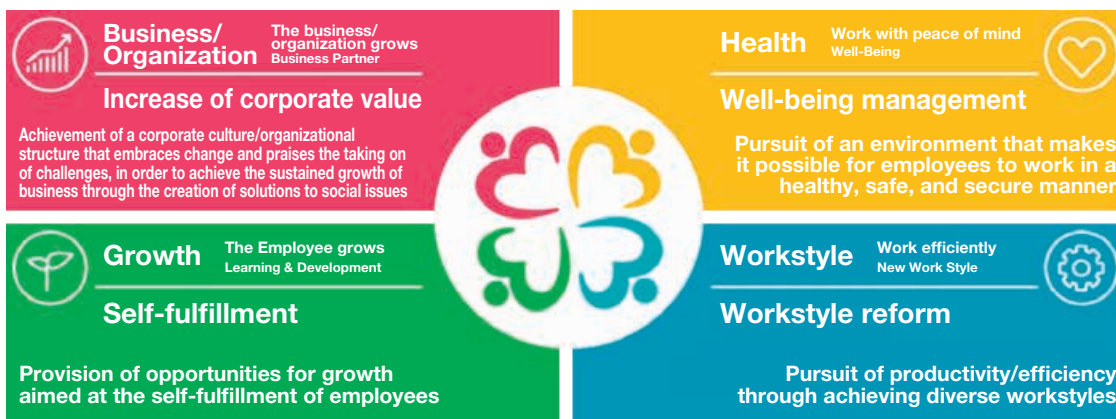
Since making the "Eisai Diversity Declaration" in 2012, we have been promoting global Diversity, Equity and Inclusion (DE&I) and striving to secure diversity and fairness in the Group. Considering our global ratio of female management-level employees to be an important main evaluation parameter, we set a target of 30% in FY2030. The ratio was 12.8% as of the end of FY2023, and we are continuously implementing measures such as the following to promote active participation by women in the Company.

- Holding the E-Win action learning program including sessions with multiple outside female business leaders on an ongoing basis and organizing regular E-Win alumni events
- Raising awareness of health issues particular to women and bolstering support (premenstrual syndrome, pregnancy, etc.)
- Bolstering follow-up systems for those who wish to take childcare leave from the time they take leave through their return to work from leave, and providing career assistance by forming communities among employees raising children

As a result of initiatives to promote active participation by women, our efficiency of investment in human assets (impact employee wages had on society/total wages) improved from 75% in FY2019 to 81% in FY2023. We will be working specifically on improving our ratio of female employees and management-level employees, and the number of females promoted to department manager, with the aim of achieving our target of 87% in FY2030.

(2) Integrated Human Resource Strategy That Supports Business Strategy

Our integrated human resource strategy is a strategy with conviction that “if the employees who congregate at the Company can be healthy and pursue the optimal work environment, it will accelerate the development of human assets including more in-depth autonomous learning, leading to maximum performance and dramatic growth for the business and the organization.” This is summarized in the four sections of the chart below.



Initiatives representative of those implemented in FY2023 are as follows.



Health (pursuit of an environment that makes it possible for employees to work in a healthy, safe, and secure manner)

To promote employee health, we lowered the applicable starting age for comprehensive health checkups from 40 to 35 and also introduced health forecasting simulations starting in FY2024.



Workstyle (Pursuit of productivity/efficiency through achieving diverse workstyles)

We introduced a side-job system to support diverse workstyles and values (now in use by approx. 50 employees).

In order to also allocate time for employees’ personal lives and activities such as reskilling, we expanded our discretionary work system and also introduced a workcation working system to promote taking of paid leave.



Growth (Provision of opportunities for growth aimed at the self-fulfillment of employees)

We introduced a leadership program for department managers that emphasizes effectiveness based on a cycle of learning, practical workplace application, and review, with the aim of having department managers exercise creative management.

To bolster our career assistance, we also introduced a mentoring program for department managers.



Leadership program for department managers



Business/Organization (Achievement of a corporate culture/organizational structure that embraces change and praises the taking on of challenges)

To motivate employees toward higher-level roles and accelerate their self-growth, we introduced a human resources system based on the concept of “Pay for Performance & Pay for Role,” which rewards results and roles served. As a framework with market competitiveness that strongly reflects the size of the job, we designated compensation levels according to roles using the top tier of Japanese and foreign-owned pharmaceutical companies as a benchmark.

We also launched a project to turn the Company in a positive direction by holding direct dialogues with management in a friendly, relaxed environment (Project Aka-Chochin), with a total of 10 sessions held thus far. The comments received are being reflected in various human resources measures.



Project Aka-Chochin

(3) Status of Employees

● The Group

(Number of employees)

	End of FY2022	End of FY2023
Japan	4,490	4,311
Americas	1,755	1,920
China	2,002	1,948
EMEA*	1,234	1,305
Asia and Latin America	1,595	1,583
Total	11,076	11,067

* Europe, the Middle East, Africa, Russia, and Oceania

● Eisai Co., Ltd

	End of FY2022	End of FY2023
Number of employees	3,043	2,984
Average age (Years old)	43.6	44.2
Average years of service (years)	17.9	18.5

(Note) 1 The number of Group 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 to the Group).

2 The number of Company 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 to the Company).

(4) Initiatives for More Sophisticated Pension Asset Management

The Company's corporate pension is operated by the Eisai Corporate Pension Fund, which is a corporate entity independent of the Company; it monitors the asset balance for the pursuit of stable assets and profits to support the stable lives of employees in their retirement years. As the owner of the assets, the Fund announced its acceptance of the Japanese version of the Stewardship Code* in February 2018. In December 2019, the Fund became a signatory to the United Nations Principles for Responsible Investment (PRI), and is making ESG investments that are based on global standards.

* Principles of behavior required of institutional investors to fulfill their responsibility as asset management trustees.

1. Basic Approach to Corporate Governance

The Company always aims to exercise the best corporate governance and strives continually to enhance it as well. The Company believes that the focus of corporate governance is to ensure fairness and transparency of management through clear separation of functions between management oversight and business execution, while enhancing corporate vitality. In order to enhance corporate governance, the Company also fully utilizes the functions of outside directors including management oversight.

The Company strives to enhance corporate governance by stipulating the following basic points of view and code of conduct in its “Corporate Governance Principles” and implementing these principles accordingly.



Corporate Governance Principles

<https://www.eisai.com/company/governance/cgregulations/cguideline/index.html>

Basic Approach to Corporate Governance

1) Co-creating Value with Stakeholders

- ① The Company respects the rights of stakeholders.
- ② The Company strives to expand and create value together with stakeholders.
- ③ The Company maintains positive and smooth relations and builds trust through dialogues with stakeholders.
- ④ The Company ensures transparency by properly disclosing company information in a timely manner.
- ⑤ The Company actively contributes to the achievement of a sustainable society.

2) Corporate Governance System

- ① The Company has adopted the system of being a company with a nomination committee, etc.
- ② 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 laws and regulations, and it shall exercise the function of management oversight.
- ③ The majority of the Board shall be 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 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 individuals.
- ⑥ 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.
- ⑦ The Chairs of the Nomination Committee, the Audit Committee and the Compensation Committee shall be outside directors.
- ⑧ The Company shall have an *hbc* Governance Committee consisting solely of outside directors.
- ⑨ The internal control system and its operation shall be enhanced to ensure the credibility of financial reportings.

2. Features of the Company's Corporate Governance

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

The Company fully leverages its system of being a company with a nomination committee, etc., with the Board of Directors entrusting a large portion of the decision-making authority over business execution to corporate officers to the extent permitted by laws and regulations in order to devote its attention to the oversight of management.

This enables prompt, flexible decision-making and business execution by corporate officers even in environments undergoing turbulent changes. Additionally, in order to achieve a clear separation between the oversight of management and the execution of business, the Company has established that the Chair of the Company's Board of Directors be an outside director and that the Representative Corporate Officer and CEO shall be the only individual to concurrently serve as a corporate officer and a director.

Clearly separating the oversight of management and the execution of business enhances corporate vitality.

The Board of Directors exercises the function of oversight from the perspective of stakeholders to ensure fairness and transparency in management.

Also, the Board of Directors passes resolutions on rules related to "systems for ensuring proper business operations," and establishes the specific rules for internal controls that should be put in place and operated by corporate officers, in accordance with the stipulations of the Companies Act (see pages 149–151 for the "Status of Establishment and Operation of Systems for Ensuring Proper Business Operations" [Items Omitted from Delivered Documents]). In addition to the matters stipulated in those rules, corporate officers ensure their autonomy by establishing and operating internal control in their assigned duties, thereby increasing 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.

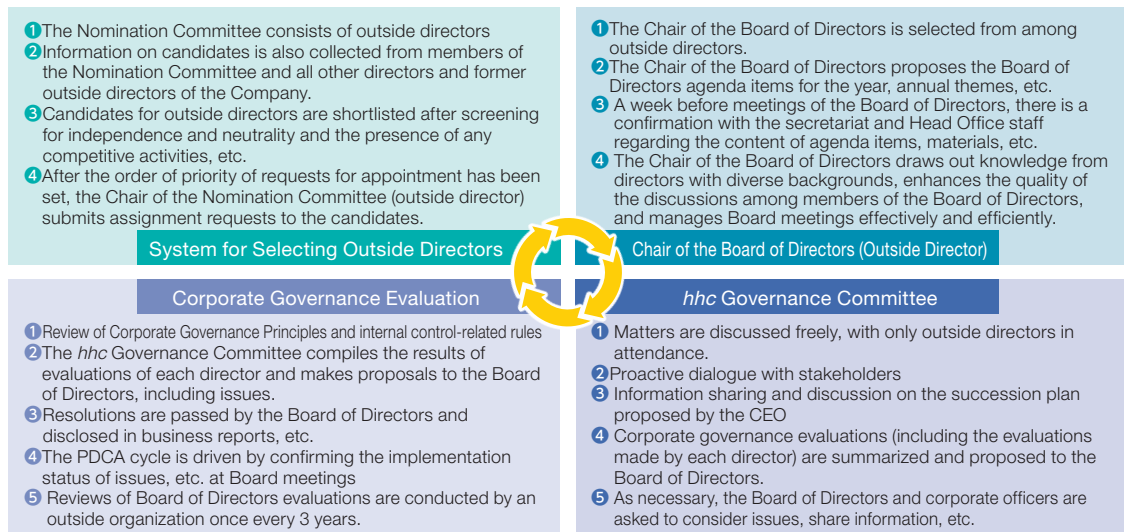
Directors and corporate officers communicate with each other and build trust in executing their respective duties and fulfilling their responsibilities, working together to increase corporate value and contribute to the creation of social value. Mechanisms such as these are the characteristics of the Company's corporate governance.

(2) A Sustained, Autonomous Mechanism for Enhancement of Corporate Governance Centered on Independent Outside Directors

The presence of independent outside directors, who account for the majority of the Board of Directors, supports the effectiveness of the Company's corporate governance structure. Therefore, in order to meet stakeholders' expectations and enhance management oversight functions, we place the highest priority on independence and neutrality when selecting outside directors.

With independent outside directors at the center, the Company has established and is operating a mechanism to enhance sustained, autonomous corporate governance, including (1) a system of selecting neutral and independent outside directors by a Nomination Committee, (2) operating the Board of Directors, etc., through the leadership of a chair who is an outside director, (3) an *hhc* Governance Committee for broad discussion of corporate governance, including dialogues with stakeholders and the consideration of succession plans, etc., and (4) corporate governance evaluations through Plan-Do-Check-Act (PDCA) cycles of the Board of Directors and each committee.

A Sustained, Autonomous Mechanism for Enhancement of Corporate Governance Centered on Outside Directors



(3) Diversity of the Directors and Corporate Officers

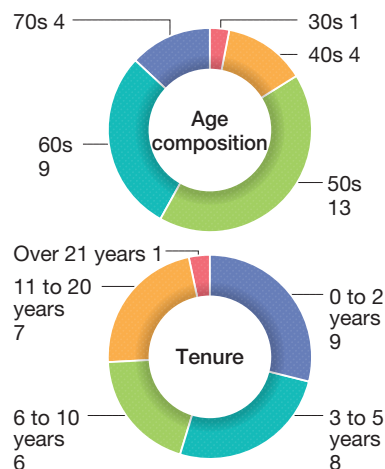
The corporate executives in a company with a nomination committee, etc., system comprise directors who perform management oversight and corporate officers who execute business operations. The table below describes the diversity among the corporate executives (directors and corporate officers) in FY2023.

The Nominating Committee believes that in order for the Board of Directors to exercise management oversight from the broad perspectives of stakeholders and external viewpoints, enhance corporate value and contribute to the creation of social value, it is of utmost importance that the Company be managed by corporate executives (directors and corporate officers) possessing a diversity of skills, experience and backgrounds, as well as nationality, gender, age, years in office and other characteristics.

The Board of Directors takes a global perspective in selecting the corporate officers who will implement our Corporate Concept and improve our corporate value, and assigns them in ways that allow them to effectively, efficiently harness their capabilities. As a pharmaceutical company, the Company selects its corporate officers among people who are well-versed in the operations in each field of business administration, including those with advanced expertise in R&D and the production, quality, safety, and other aspects of pharmaceuticals, as well as those with extensive knowledge in the medical systems and health care markets in particular regions of the world.

Diversity of Corporate Executives (Directors and Corporate Officers) (Number of corporate executives)

Skills, experience, background	Total	Directors	Corporate Officers
Corporate management & global business	8	6	2
R&D	4	1	3
Manufacturing, quality, safety, etc.	4	1	3
Legal affairs & risk management	2	1	1
Finance, accounting & financial services	2	1	1
Marketing	5	–	5
ESG/Sustainability	2	1	1
IT/Digital	1	–	1
Female	5	2	3
Foreign nationality	4	1	3



(4) System of Operational Divisions for Flexible Decision-Making and Business Execution

1) The Executive Board, Advisory Boards, Etc.

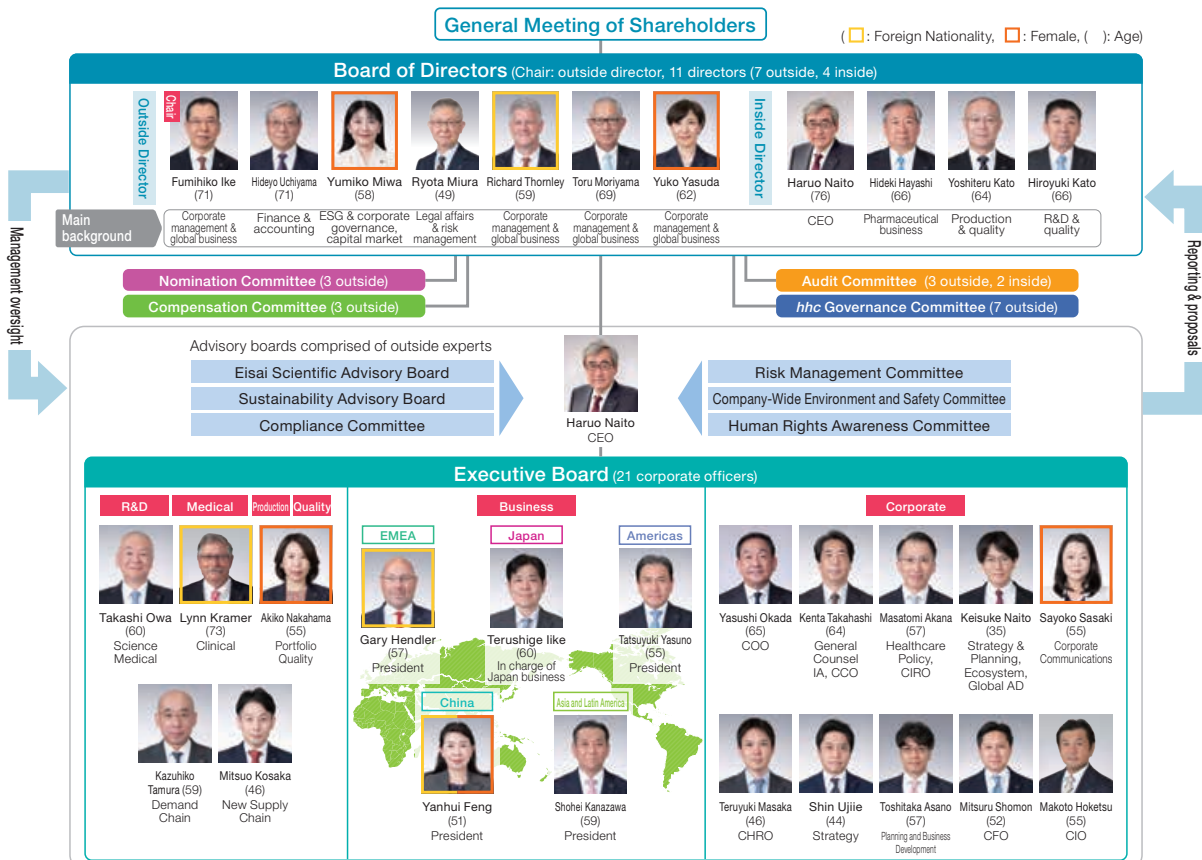
The Company has established mechanisms to support the decision-making of the CEO, including the Executive Board as the highest decision-making body of business execution, the Eisai Scientific Advisory Board (comprised of professors and researchers from world-renowned research institutions) for consideration of the direction of medium- to long-term R&D and general portfolio strategies and tactics, and the Sustainability Advisory Board (comprised of outside specialists from Japan and abroad who are well-versed in international policies) in order to improve our non-financial capital initiatives focused mainly on ESG and the Sustainable Development Goals (SDGs). Other meeting bodies include the Compliance Committee, the Risk Management Committee, the Company-Wide Environment and Safety Committee, and the Human Rights Awareness Committee.

2) Building and Operating a Global Internal Control System

The Board of Directors has established the “Rules for Preparing Necessary Systems for Ensuring the Suitability of the Execution of Duties by Corporate Officers.” The corporate officers implement, maintain, and operate internal control systems in their assigned duties in accordance with the Rules. The Company also assigns global corporate officers, with the corporate officers who are in charge directly building and operating internal control systems at overseas subsidiaries.

3) Instilling Management with Accountability and Stakeholder Consciousness

Once every 3 months, all corporate officers attend a Board of Directors meeting and report to the Board of Directors on decisions made in operational divisions, as well as the status of their business execution. Any other important matters or matters requiring reporting are presented to the Board of Directors on an as-needed basis. Corporate officers having accountability and reporting to the Board of Directors improves the rationality and transparency of decision-making, policies, and initiatives of operational divisions, while instilling stakeholder consciousness in management.



(5) Decision-Making and Management Oversight by the Board of Directors

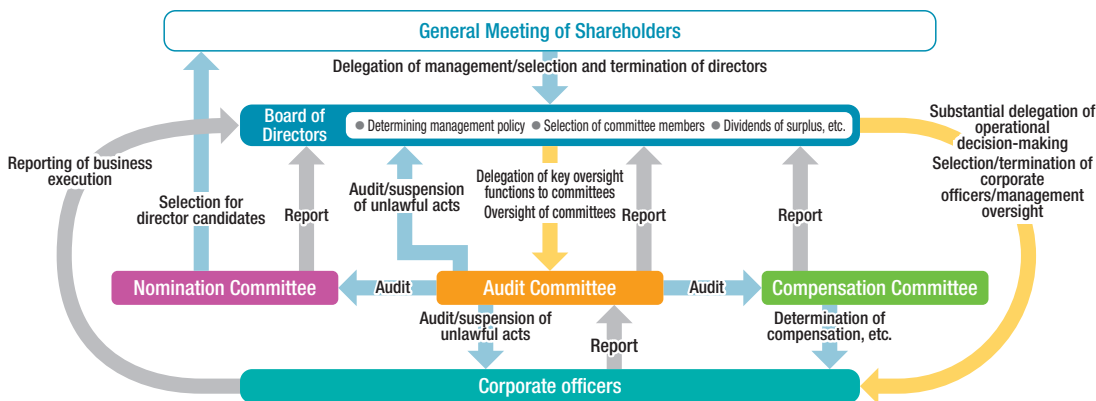
Through the establishment of the best possible corporate governance and with the aim of realizing our Corporate Concept, the Board of Directors is entrusted with exercising its oversight functions and making the best decisions based on fair judgments.

The Board of Directors makes decisions on basic management policies, the selection and dismissal of corporate officers, dividends, and other important matters as stipulated by laws and regulations, the Company's Articles of Incorporation, and the Regulations of the Board of Directors. Meanwhile, in order to boost the agility and flexibility of business execution and increase management dynamism, the authority to make decisions on matters of business execution besides the aforementioned topics has largely been delegated to corporate officers.

The corporate officers tasked with business execution have the duty to present the Board of Directors with appropriate reports in a timely manner. The Board of Directors in turn confides in corporate officers by verifying the appropriateness and efficiency of business execution processes based on their reports while also evaluating the performance results of the business execution, thus fulfilling the role of management oversight by ensuring the appropriateness and efficiency of management.

In addition, the Nomination Committee, Audit Committee and Compensation Committee of the company with a nomination committee, etc., system have the right and responsibility to exercise oversight with respect to important management decisions such as the selection and termination of directors, audits and compensation for corporate executives. Furthermore, the Board of Directors exercises oversight over the execution of the duties of the committees based on reports from each of the committees.

Transfers of Authority and Management Oversight by the Board of Directors



[Roles of the 3 Committees]

- **Nomination Committee:** Determining the content of proposals to General Meetings of Shareholders related to the selection or termination of directors.
- **Audit Committee:** Auditing the execution of duties by directors and corporate officers, determining the content of proposals to General Meetings of Shareholders related to the selection and termination of accounting auditors, and carrying out accounting audits and other matters as stipulated by laws and regulations
- **Compensation Committee:** Determining policies on the compensation, etc., of directors and corporate officers, as well as determining the compensation, etc., of individuals

1) Decision-Making Matters of the Board of Directors

The "Regulations and Detailed Rules of the Board of Directors," which are disclosed below, prescribe the resolutions of the Board of Directors.



Regulations and Detailed Rules of the Board of Directors
<https://www.eisai.com/company/governance/cgregulations/boardmtg/index.html>

The Board of Directors determines important matters required by law, the Articles of Incorporation, and the Regulations of the Board of Directors, including basic management policies, the selection and termination of corporate officers, and dividends, etc. Depending on the proposal, some decisions are made following multiple meetings of the Board of Directors.

For example, decisions on annual business plans are made after a review of the progress made in the medium- to long-term business plan, a report on the basic policy of the business plan and its interim report, and other matters necessary for the resolution of the business plan outline. Furthermore, decisions on dividends are made after deliberations and resolutions are made on the basic policy of capital strategy, which revolves around securing ROE that exceeds the medium- to long-term cost of capital, stable and sustainable shareholder returns, and investment criteria for growth. Decisions on other matters, such as those related to financial results and the selection of corporate officers, are made after thorough discussions, with an awareness of accountability to our stakeholders.

2) Management Oversight by the Board of Directors

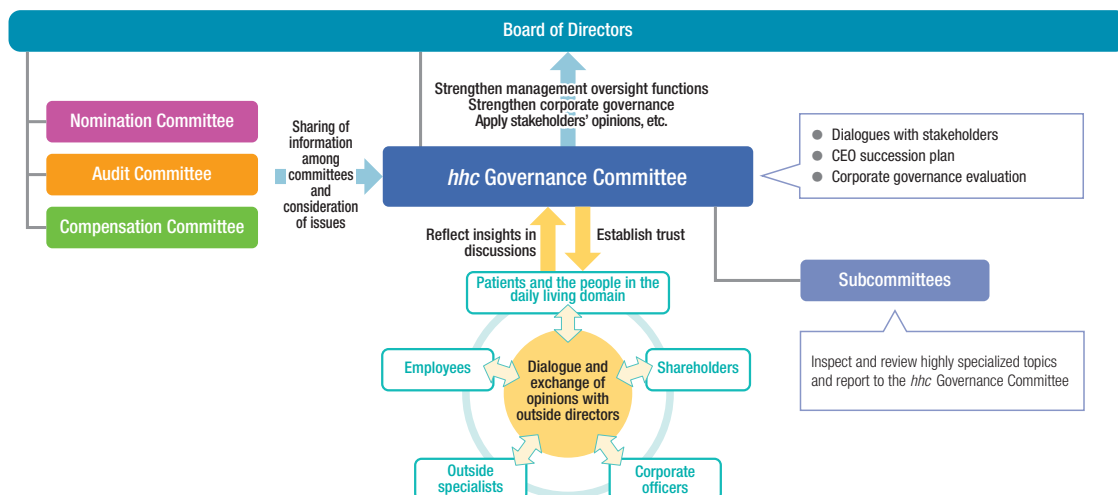
1 A framework for overseeing the flexible decision-making of operational divisions

The Board of Directors is presented with timely and appropriate reports from operational divisions on decision-making matters related to the execution of their business and practices management oversight based on these reports. In addition, in order to further enhance the management oversight functions of the Board of Directors, the Company has introduced a system to enable directors to observe important decision-making bodies in the operational divisions, such as the Executive Board. This allows the Board of Directors to understand the decision-making process of operational divisions in a timely manner, even in situations requiring unplanned or emergency decision-making, enabling its oversight. In addition, the Board of Directors has a framework for gathering opinions and information from outside experts and organizations for the purpose of obtaining the information and bases necessary for the Board of Directors to make judgments and exercise its management oversight.

2 Management oversight via committees

In addition to the 3 committees required by law of a company with a nomination committee, etc., system (the Nomination Committee, Audit Committee and Compensation Committee), the Company has established the *hmc* Governance Committee—composed solely of outside directors—as a committee within the Board of Directors.

The *hmc* Governance Committee plays an important role in the Company’s corporate governance by sharing information and holding discussions on the succession plan, as well as preparing evaluation of the effectiveness of the Board of Directors. The committee also shoulders the responsibility of ensuring the continual enhancement of the Company’s corporate governance, strengthening the oversight functions of the Board of Directors by holding broad discussions on matters related to the Company’s corporate governance.



The *hhc* Governance Committee also works to eliminate information gaps between the members of the Nominating Committee, Audit Committee, and Compensation Committee by sharing information among the 3 committees in a timely manner, for example, by examining various issues raised by each of the committees.

In addition, with a view toward improving the efficiency and effectiveness of discussions at the Board of Directors and the *hhc* Governance Committee, subcommittees are established within the *hhc* Governance Committee to examine highly specialized topics.

- Inspection of the status of sustainability initiatives
- Collecting information about trends in activism and the exercise of voting rights by institutional investors, as well as inspection of the status of various measures taken by operational divisions

③ Applying stakeholders' opinions, etc., to management oversight

Outside directors play a central role in proactively engaging in dialogue with Eisai's main stakeholders of patients and the people in the daily living domain, shareholders and employees. Once each year, the *hhc* Governance Committee reflects on its dialogue and engagement with stakeholders and deliberates on and confirms issues and matters to be addressed for the next fiscal year, while also incorporating insights gained from stakeholders into discussions and oversight by the Board of Directors.

Corporate Governance Principles

Chapter 2 Joint Creation of Value with Stakeholders (Relations with Principal Stakeholders)

Article 4 With respect to the relations with principal stakeholders, the Company will utilize the following basic tenets:

① Relations with Patients and the People in the Daily Living Domain

1. The Company will respect the various rights of patients and the people in the daily living domain.
2. The Company will give first thought to increasing the benefits of patients and the people in the daily living domain and making efforts to provide high quality solutions matching their needs.
3. Directors and Corporate Officers will make use of "knowledge" obtained from "empathy" with patients and the people in the daily living domain in the execution of duties and making decisions.

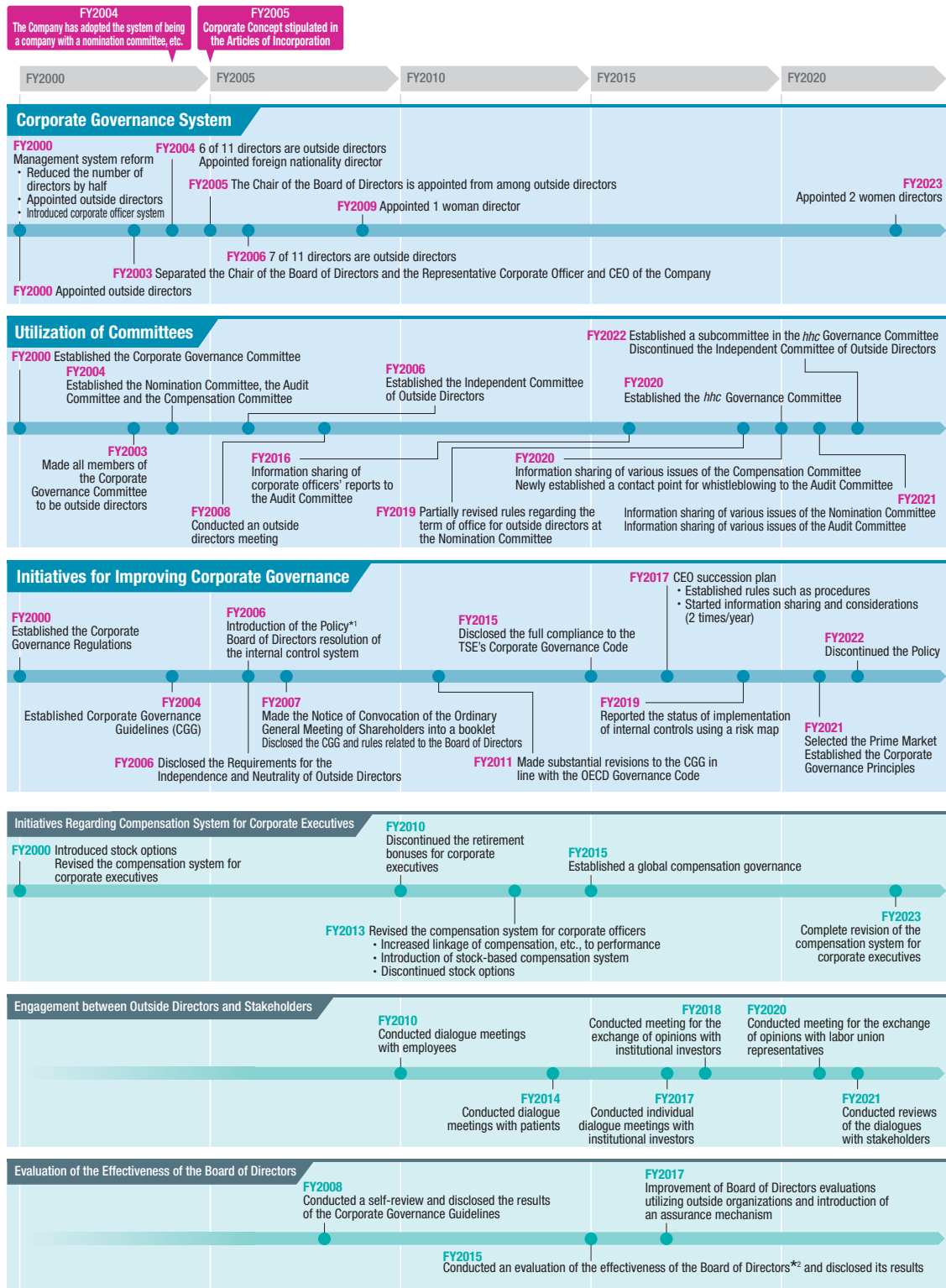
② Relations with Shareholders

1. The Company will protect shareholders' rights guaranteed by law and the Articles of Incorporation and ensure equality of treatment.
2. The Company will take measures to increase the common interests of shareholders on a long-term basis to make it possible for shareholders to hold the Company's shares with a sense of assurance for the long term.
3. The Company will make efforts to obtain trust from shareholders through dialogue. The Board will properly reflect the voice of shareholders to management and the Directors will respond to shareholders' expectations as a fiduciary.

③ Relations with Employees

1. The Company will recognize the dignity and value of each employee and respect human rights and diversity.
2. The Company will make efforts to enrich the opportunities of employees' human resource development and demonstration of ability, and to facilitate health management based on the recognition that employees are stakeholders who can proactively create corporate value.
3. The Company will respect proposals and opinions from employees working together and handle them properly and fairly. The Board will proactively work on dialogue with employees and reflect the results of such interaction in its oversight function.

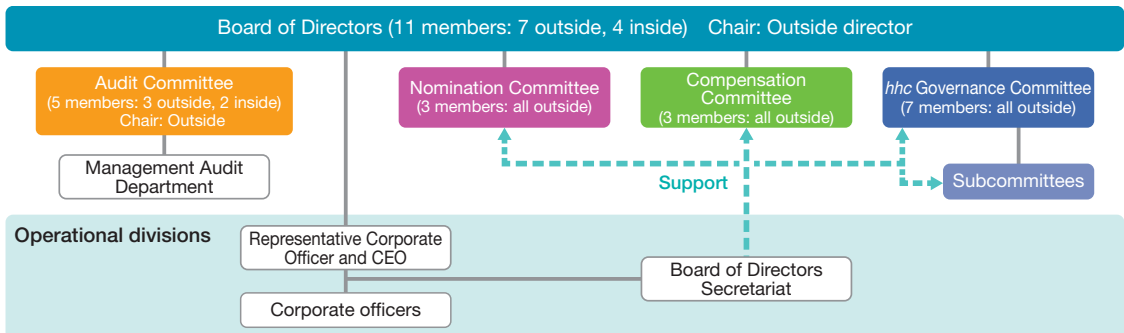
3. History of Enhancing the Company's Corporate Governance



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

*2 Conducted a self-review of the Corporate Governance Principles and the Internal Control Regulations, as well as a Board of Directors evaluation by each director

4. Support Structure for the Board of Directors and Committees



(1) Board of Directors

The Board of Directors Secretariat has been established as a department dedicated to the support of the Board of Directors. The Board of Directors Secretariat performs a broad range of duties to support the smooth operation of the Board of Directors.

Its main duties are as follows.

- Preparing agenda items and related materials for the Board of Directors and holding prior discussions with the Chair of the Board of Directors
- Providing information to directors in a prompt manner and explaining agenda items in advance
- Drafting, keeping, and controlling the minutes from meetings of the Board of Directors
- Appropriately managing confidential information related to the Board of Directors and ensuring its security

(2) Nomination Committee, Compensation Committee, hhc Governance Committee

The Board of Directors Secretariat carries out the following administrative duties for the Nomination Committee, Compensation Committee, and hhc Governance Committee.

- Preparing agenda items and related materials for the Committees and holding prior discussions with the Chairs of the Committees
- Explaining agenda items to committee members and meeting attendees in advance
- Drafting, keeping, and controlling the minutes from meetings of the Committees
- Implementation of measures, etc., in accordance with instructions from Committees and Committee members (requesting corporate officers to give reports to Committees and receiving such reports, supporting the use of external consultants, external experts, etc. and acting as a point of contact)

(3) Audit Committee

The Management Audit Department, which is independent of operational divisions and has been established as a dedicated department to support the Audit Committee. It is responsible for the following duties.

- Carrying out surveys, etc. in accordance with instructions from the Audit Committee and members of the Audit Committee (requesting corporate officers to give reports to the Audit Committee and receiving such reports, attending important meetings, monitoring and verification of the activities of the auditing team from the Accounting Auditor, drafting audit plan proposals, etc.)
- Preparing agenda items and related materials for the Audit Committee and holding prior discussions with the Chair of the Audit Committee
- Providing information to members of the Audit Committee in a prompt manner and explaining agenda items to them in advance
- Drafting, keeping, and controlling the minutes from meetings of the Audit Committee
- Providing the necessary information on matters for deliberation by the Audit Committee to directors who are not members of the Audit Committee

Independence of the Management Audit Department from the Operational Divisions

- The Management Audit Department shall be organized independent of the vice presidents of the Company.
- The director and staff of the Management Audit Department shall perform their duties under the direction of the Company's Audit Committee and members of the Audit Committee.
- 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.
- 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.

Excerpt from the "Rules Concerning Items Necessary for the Execution of Duties by the Audit Committee"

5. FY2023 Efforts Related to Corporate Governance

(1) Operation of the *hhc* Governance Committee

Members	7 directors (7 outside directors) Chair: Outside director
Duties, etc.	<ol style="list-style-type: none"> 1. Actively engage in dialogue with stakeholders and use the knowledge gained to improve discussions in the Board of Directors. 2. Share information and provide advice and other recommendations regarding the Representative Corporate Officer and CEO's proposed plans for grooming candidates to fill the role of Representative Corporate Officer and CEO in the future. 3. Evaluate the effectiveness of the management oversight function of the Board of Directors. If any issues emerge in the operations of the Board of Directors or other boards or committees, propose the relevant improvements to the Board of Directors. 4. Carry out broad discussions on the Company's corporate governance and business matters, and work to make continuing improvements to the Company's corporate governance.
Status of holding of meetings	<p>FY2023: Held 8 times</p> <p>Attendance rate*: 100%, for all committee members</p> <p>Of the 2 committee members who retired on June 21, 2023, both attended 1 out of 1 meeting held.</p>

* The attendance rate of the 2 individuals who were newly appointed as directors at the 111th Ordinary General Meeting of Shareholders held on June 21, 2023, and were subsequently appointed to serve on the *hhc* Governance Committee, was calculated based on their rate of attendance at the 7 meetings of the *hhc* Governance Committee subsequent to that date.

FY2023 Activity status of the *hhc* Governance Committee

1) Dialogues with stakeholders

Once each year, the *hhc* Governance Committee reflects on its implementation of dialogue with stakeholders and deliberates on and confirms measures for the next fiscal year and items for consideration, etc., in preparation for implementation. We implemented the following efforts in FY2023.

- Dialogues with patients with early-onset Alzheimer's disease
- Dialogues between institutional investors (6 companies total) and outside directors
- Information sharing and discussions between labor union representatives and outside directors
- Visits to plants, laboratories, and sales offices, and information sharing and discussions between employees and outside directors

2) Consideration of the CEO succession plan

- Sharing and consideration of information related to the succession plan (3 times)

3) Evaluation of the effectiveness of the Board of Directors

- The *hhc* Governance Committee conducted a corporate governance evaluation (a self-review of the Corporate Governance Principles and the Internal Control Regulations, as well as a Board of Directors evaluation by individual directors)
- Review by an outside organization of the Board of Directors evaluation process over the past 2 years (once every 3 years) and inspection and analysis of the summary of the FY2023 Board of Directors evaluation

4) Consideration and implementation of measures aimed at enhancing the management oversight function of the Board of Directors

In the FY2022 Board of Directors' evaluation, it was confirmed that "strengthening the management oversight (monitoring) function" is a consistent issue, and discussions were held multiple times to explore the direction of enhancing the management oversight function for the future. This included receiving lectures from outside lecturers (lawyers) to further consider the matter.

5) Subcommittee activities

In the subcommittee of the *hhc* Governance Committee, reports were received from operational divisions on the following themes, and discussions were held to enhance the *hhc* Governance Committee.

- Inspection of the status of efforts toward sustainability
- Information gathering on activism trends and institutional investors' exercise of voting rights, as well as examining various responses by operational divisions

6) Other

- Selection of agenda items for the Board of Directors and the *hhc* Governance Committee
- Discussion and sharing of information on various issues in meetings of the Nomination Committee (expected roles of outside and inside directors, basic thinking regarding the election of candidates for directorships, the number of directors and the composition of each committee, considerations for achieving 30% female corporate executives, diversity and background of directors, and requirements for the independence and neutrality of outside directors, etc.)
- Invitation of outside experts and discussion and sharing of information related to “acquisition of insights regarding cybersecurity” and “management oversight”

Message from the Chair of the *hhc* Governance Committee

The *hhc* Governance Committee is a subcommittee of the Board of Directors, and is composed exclusively of outside directors. It works to enhance corporate governance.

For FY2023, we decided to consider the direction of strengthening the management oversight function under the theme of “enhancement of the management oversight (monitoring) function,” which had been identified as an issue in last year’s Board of Directors evaluation. The *hhc* Governance Committee deliberated on the matter on multiple occasions.

While we will continue to work on improvement of governance and resolution of issues through the “PDCA cycle” based on the Board of Directors evaluation, we also examined mechanisms needed for further strengthening of the management oversight function. This included discussions on how to establish and operate such mechanisms.

One result of consideration of this matter is that, in order to further enhance the management oversight function of the Board of Directors, we have introduced a system that allows directors to observe important decision-making bodies in the operational divisions, such as the Executive Board. In addition, the Board of Directors introduced mechanisms to collect opinions and information from outside experts and outside organizations to obtain information and decision-making materials needed for management oversight. We believe that this initiative has enabled us to progress in strengthening the management oversight (monitoring) function.

Further, the *hhc* Governance Committee conducted discussions and examinations aimed at improving corporate governance, such as considering CEO succession plans, evaluating the effectiveness of the Board of Directors, and sharing and considering various issues in the Nomination Committee.

We will continue our efforts to revitalize the activities of the *hhc* Governance Committee, composed solely of outside directors, while elevating the management oversight function of the Board of Directors and striving to improve corporate governance and the Company’s corporate value.

Chair of the *hhc* Governance Committee (outside director)

Fumihiko Ike



(2) Dialogues with stakeholders

In FY2023, the Company engaged in dialogue with patients and the people in the daily living domain, shareholders and institutional investors, and employees, who together constitute Eisai's main stakeholders, as follows. Further, in the *hhc* Governance Committee meeting held at the end of the year, we reflected on and discussed such dialogues in order to apply the results in the oversight function of the Board of Directors.

1) Dialogues with Patients

- We conducted individual dialogues with individuals with early-onset Alzheimer's disease, during which we specifically asked about their experiences and emotions at various times. Through these dialogues, we came to recognize the difficult situations and societal realities faced by people with dementia, that cannot be understood just from appearances, as well as the joys and hopes they hold in such environments, which reinforced our Company's social mission. Such dialogue provided a deeper understanding of the importance of empathy with the patient's emotions, as well as the *hhc* Corporate Concept and its practical application.



Group work after dialogue with patients

2) Dialogues with Institutional Investors

- In FY2023, we held individual dialogues with institutional investors to deepen discussions aimed at enhancing the management oversight function. We shared information and exchanged opinions with 6 companies, primarily analysts and fund managers, via online conferencing.
- We were able to exchange deep opinions on management issues, the roles that institutional investors expect outside directors to play, and other matters. The insights and observations obtained through these dialogues are utilized to enrich discussions in Board of Directors meetings and to enhance the management oversight function.

3) Dialogues with Employees

- We held a face-to-face dialogue session with representative members of the labor union, who represent the employees, to share information and exchange opinions on various topics such as the status in the first year of the personnel system changes, employee working conditions, corporate culture, and expectations and requests for management.
- During a visit to the Kashima Business Office, we received an overview of the business office and explanations of the activities of API research and development, efforts toward stable supply in the API Manufacturing Department, and the data integrity measures of the Quality Control Department's QC Lab. Following a question and answer session, we toured the facility to deepen our understanding of the API base with research, development, and commercial production capabilities.



Dialogue with labor union representatives



Tour of the API manufacturing equipment at the Kashima Business Office

- Directors visited Tsukuba Research Laboratories to view the facilities and receive a briefing on the research and development system Deep Human Biology Learning (DHBL), deepening their understanding of the concept of drug discovery and the organizational system. In addition, during dialogues with domain heads responsible for drug discovery execution from hypothesis building to approval, research and development functions supporting domains efficiently, and heads of foundations responsible for identifying drug discovery targets and building biological hypotheses through data analysis, each director provided comments on expectations for the organization and employees, along with advice based on experience, leading to lively discussions. Further, Director Yumiko Miwa exchanged frank opinions on issues faced by female employees, with 5 women in management positions.
- Directors visited the Kawashima Plant and received an overview of the plant and the Formulation Research Department, as well as a briefing on the clinical sample injection formulation manufacturing area and the launch of the secondary packaging process for LEQEMBI (generic name: lecanemab). A question and answer session was held, and opinions were exchanged. Then, in addition to viewing the formulation and packaging processes, the directors visited the state-of-the-art injection and research buildings of Eisai Medicine Innovation Technology Solutions (EMITS) and the Naito Museum of Pharmaceutical Science and Industry, deepening their understanding of the Company's production environment and production system.
- Directors visited the Tokyo Communication Office and received explanations of the current status of dementia treatment and the issues concerning the administration of LEQEMBI and the status of efforts to address them to contribute to patient welfare. Further, we were briefed on various training and project activities aimed at enhancing organizational capabilities conducted at the Tokyo Metropolitan Area Headquarters. Through question and answer sessions and discussions, we deepened our understanding of Eisai Japan's MR activities.



Tour inside the facilities at Tsukuba Research Laboratories



Tour inside Formulation Wing No. 4 at the Kawashima Plant



Interacting with frontline sales personnel at the Tokyo Communication Office

(3) The CEO succession plan

Selection of a CEO is a resolution item for the Board of Directors. To ensure the fairness, appropriateness, and smoothness of resolutions at Board of Directors meetings, the Company continues to discuss CEO succession plans within the *hhc* Governance Committee, which is composed of 7 outside directors.

1) View Regarding Selection of the Chief Executive Officer (CEO)

The Company considers the selection of the Chief Executive Officer (CEO) to be one of the most important decisions to be made by the Board of Directors. In particular, independent outside directors play a crucial role in appropriately exercising oversight over the succession plan formulated by the CEO. They also provide advice and guidance in nurturing potential future CEOs, thus enhancing the objectivity of CEO candidate proposals by the CEO himself and ensuring the fairness of CEO selection resolutions in Board of Directors meetings in a reasonable manner.

2) Procedures Regarding CEO Selection

The Company has established rules, including procedures, for sharing information between the CEO and directors regarding the succession plan formulated by the CEO and for preparing for unforeseen events. The outline of the procedures is as follows.

① Sharing of Information about the Succession Plan

- Information about the succession plan proposed by the CEO is shared in meetings of the *hhc* Governance Committee twice each year.
- The CEO and inside directors also participate in the *hhc* Governance Committee, and information on the succession plan is shared among all directors.

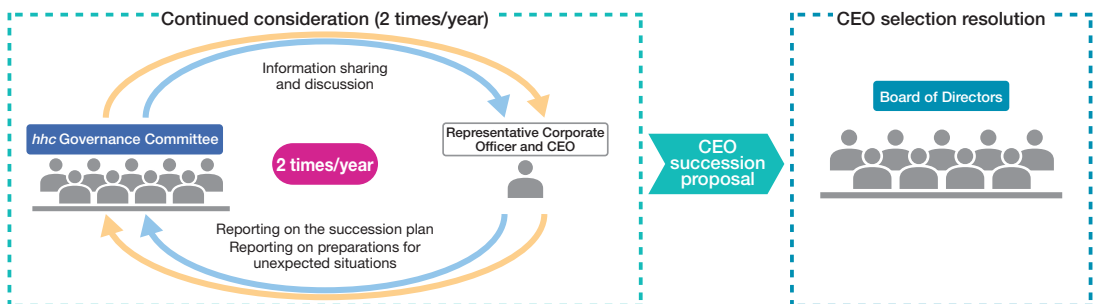
② Discussion on the Succession Plan

- Criteria for evaluating candidates are expected to change in accordance with the business environment and other factors. For this reason, criteria will be set appropriately when the CEO proposes candidates.
- The CEO evaluates candidates on the criteria that have been set, and presents evaluation results in the succession plan.
- Directors provide advice on the succession plan. The CEO considers the advice provided by directors, and reflects it in the succession plan as appropriate.

3) Preparations for Unexpected Situations

Situations, such as unforeseen accidents, that necessitate the sudden selection of a new CEO by the Board of Directors are also possible. Contingency plans for such unexpected situations are also confirmed when considering the aforementioned succession plan.

Continued consideration of selection of a CEO and resolution by the Board of Directors



Message from the Chair of the Board of Directors on the Implementation of the Succession Plan

1. History of the Consideration of the Succession Plan

After the transition to a company with a nomination committee, etc., system in 2004, the succession plan was set as one of the annual performance goals of the CEO, and all directors shared information about the goal. In addition, detailed reports were provided by the CEO to the outside directors meetings (currently called the *hhc* Governance Committee) from time to time as requested by the outside directors. Subsequently, in 2017, rules for the implementation of the succession plan were compiled under the lead of the then Chair of the Board of Directors (outside director), and based on these rules, information sharing and discussions on the succession plan are held twice a year on an ongoing basis.

In addition, the Company continues to consciously expand opportunities for contact and dialogue among candidates and directors, as well as conduct interviews and discussions regarding objective evaluations of candidates by third parties outside the Company.

2. Current Status of Information Sharing and Discussions on the Succession Plan

The *hhc* Governance Committee is presented with a detailed report on an ongoing basis from the CEO, describing the overall status of the Company's management, the status and evaluation of candidates for the next CEO (multifaceted evaluation with multiple evaluation items), and the story toward succession. Since the current CEO has led the entire company as the top executive for more than 30 years, the directors expect the CEO not only to develop candidates, but also to make suggestions on the ideal management structure under the new CEO, and discussions are underway.

In addition, the Board is also taking steps to provide directors with direct access to information on candidates by increasing contact with candidates at various venues, including Board of Directors meetings, *hhc* Governance Committee meetings, and training sessions, as well as observing Executive Board and other meetings. Through these efforts, the Board also provides advice and requests to the CEO regarding the development of candidates.

3. The Role of Outside Directors

I understand that the CEO Succession Plan is an important issue with a significant impact on the Company's corporate value, that it is highly confidential and sensitive, and that fairness is required in its determination. In particular, as all of the Company's outside directors are independent outside directors, their strong involvement in the process of the succession plan developed by the CEO will reasonably ensure the fairness of the CEO selection process to be resolved by the Board in the future. Therefore, I am aware that each and every one of the outside directors must meet the expectations of the Company's stakeholders by providing candid opinions and advice with a view to the further growth of the Company.

Chair of the Board of Directors

Fumihiko Ike



(4) Study and Implementation to Strengthen “Management Oversight” Functions

For FY2023, “strengthening the management oversight (monitoring) function” has been adopted as a theme, as it was identified as an issue in the evaluation of the Board of Directors. The *hhc* Governance Committee met multiple times to discuss the direction for strengthening the “management oversight” function with an eye to the future.

In order to further enhance the fairness and transparency of decision-making in the execution of business operations, we have introduced a mechanism to observe the decision-making meetings of the Executive Board and other operational divisions, to further enhance the content of reports made to the Board of Directors on business execution, and to hear the opinions of outside experts and others as necessary.

In addition, we confirmed that we will continue to inspect other areas such as risk management and internal control enhancement.

(5) Subcommittee Activities

Information sharing and discussions were held on the following 2 topics in FY2023. The contents of deliberations were reported to the *hhc* Governance Committee, and reports on the activities were made to the Board of Directors as well.

1) Inspection of the Status of Sustainability Initiatives

Regarding environmentally friendly business activities including the status of actions on TCFD (Task Force on Climate-Related Financial Disclosures) recommendations and biodiversity, disclosure of sustainability-related efforts in general, promotion of women’s activities, and status of compliance with CSRD (Corporate Sustainability Reporting Directive), reports were made by the corporate officer in charge, and discussions were conducted.

2) Gathering Information on Trends in Activism and the Exercise of Voting Rights by Institutional Investors, and Inspection of the Status of Various Measures Taken by Operational Divisions

With respect to efforts to continuously enhance corporate value and ensure the interests of shareholders, we inspected the status of efforts in operational divisions and preparedness for contingencies, as well as collected information through outside organizations and held discussions.

(6) Execution of Various Training Sessions, etc.

In order to deepen the understanding of the Company's business activities and business environment further, enhance deliberations by the Board of Directors, and fully utilize the oversight function, outside directors plan and carry out various training sessions as well as opportunities to interact with operational divisions (corporate officers, employees, etc.).

1) Training Sessions for Outside Directors

New Outside Director Candidates	Newly Appointed Outside Directors	Outside Directors (other than newly appointed)
<p>Explain the following matters based on disclosed information before assuming office</p> <ul style="list-style-type: none"> • Corporate overview including the Corporate Concept • Overview of the financial results • History of the Company's initiatives for improving corporate governance and its status • Various director-related regulations • Other matters related to assuming office 	<p>Assigned corporate officers and department managers conducted briefing sessions (18 times in total). Subject matters included the Company's business activities, trends in the pharmaceutical industry, the current business environment, and concrete examples of <i>hhc</i> activities, etc.</p> <div data-bbox="536 749 1212 919" style="background-color: #e0f2f1; padding: 10px; border: 1px solid #c8e6c9;"> <ul style="list-style-type: none"> • Seminars by outside experts and specialists <ul style="list-style-type: none"> • Themes that were deemed necessary by the Board of Directors evaluation FY2023 "Acquiring knowledge on cybersecurity" and "management oversight" • Directors briefing sessions on compliance • Visits to plants, laboratories, and sales offices and discussions with employees </div>	<p>Directors other than those just beginning their terms also voluntarily joined these briefing sessions to get the latest information (also available online)</p>

2) Communication with Corporate Officers

- Training for newly appointed outside directors was based on face-to-face briefings, with corporate officers providing individual explanations of their areas of responsibility and sharing information on the Company's business contents and activities. Lively discussions were also held.
- In addition to the face-to-face briefings, these training sessions also utilized web conferences. Outside directors other than newly appointed directors also participated on a voluntary basis. In addition, by filming the corporate officers' briefings and Q&A sessions, we have made the sessions available for on-demand viewing by directors.

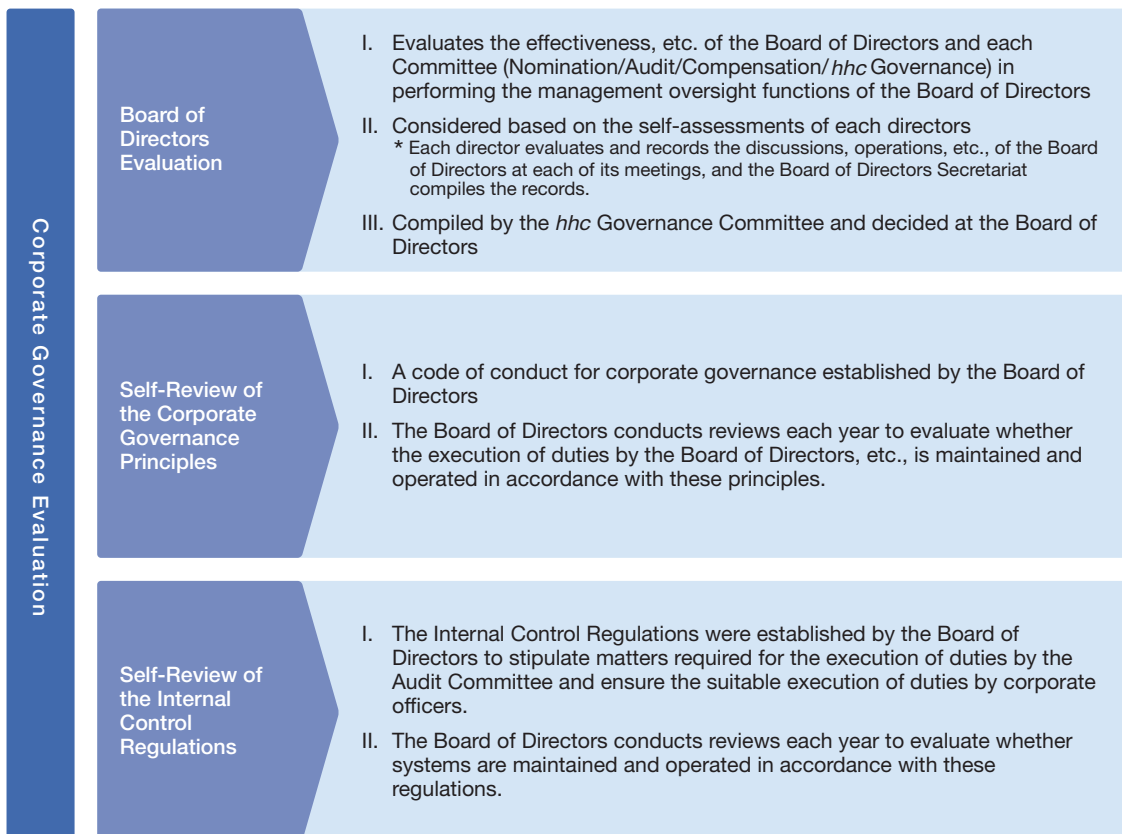
(7) Implementation of Corporate Governance Evaluation

The effectiveness of the Board of Directors' management oversight function is evaluated each year by the *hhc* Governance Committee. If any issues related to the operation of the Board of Directors, etc., are identified, a request and proposal for improvement are submitted to the Board of Directors and operational divisions. In the corporate governance evaluation, the status of the activities of the Board of Directors and other management councils is inspected and evaluated based on the recognition of issues in the previous fiscal year, issues are identified for the next fiscal year, and improvement measures are presented, thereby implementing the Plan-Do-Check-Act (PDCA) cycle. In FY2017, it was decided that an outside organization would conduct an inspection and review of the processes and evaluation results once every 3 years to ensure the appropriateness of corporate governance evaluation in a continuous and stable manner. Such an inspection and review were carried out in FY2023.

FY2023 Corporate Governance Evaluation

On April 25, 2024, the Board of Directors discussed the Board of Directors evaluation, Self-review of the Corporate Governance Principles, and Self-review of Internal Control Regulations* compiled by the *hhc* Governance Committee, and approved the FY2023 Corporate Governance Evaluation.

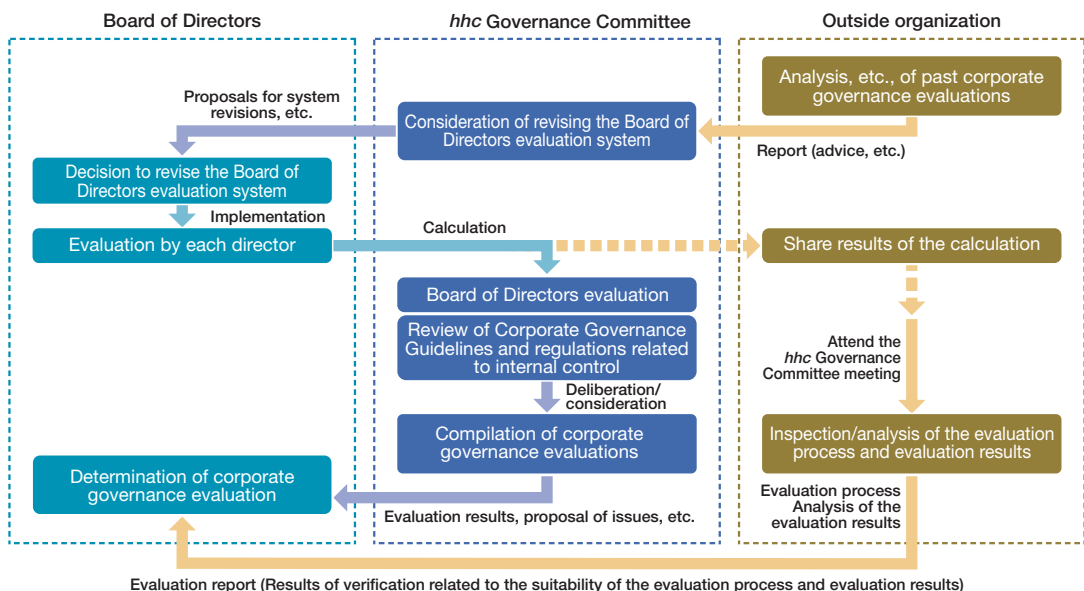
* For the Rules Concerning Items Necessary for the Execution of Duties by the Audit Committee and Rules for Preparing Necessary Systems for Ensuring Suitability of the Execution of Duties by Corporate Officers, see pages 197 through 201 of the electronic version.



Mechanism for Utilizing Outside Organizations to Improve and Ensure Suitability of the Board of Directors Evaluation

1. The Company has implemented a mechanism in which an outside organization examines the evaluation process, evaluates it, proposes improvements, and inspects the evaluation results, etc., once every 3 years, with the aim of ensuring the suitability of the Board of Directors evaluation and improving the evaluation.
2. After analyzing the Company’s past evaluation methods, evaluation decision process, evaluations of each director, and final evaluation, etc., the outside organization points out issues and makes recommendations regarding the systems and their operation.
3. Based on the recommendations and what was pointed out by the outside organization, the *hhc* Governance Committee and Board of Directors will improve the systems and their operations.
4. The outside organization inspects the evaluation process, evaluation results, and other aspects of the Board of Directors evaluation compiled by the *hhc* Governance Committee, and submits a report to the Board of Directors.
5. The Board of Directors decides the corporate governance evaluation for the applicable fiscal year based on the evaluation compiled by the *hhc* Governance Committee and the report by the outside organization.

* A review by an outside organization was carried out in FY2023.



FY2023 Corporate Governance Evaluation Results

In regard to the Corporate Governance Principles and Internal Control Regulations, no evidence was found of any operation, etc., that deviates from the rules. It was confirmed that the directors and corporate officers, etc., are executing their duties appropriately to improve corporate governance.

With respect to the Board of Directors evaluation, the state of response in FY2023 to the issues identified in the FY2022 Board of Directors evaluation as issues for FY2023 was checked and evaluated, and the issues, etc., for the next fiscal year were recognized.

Third-Party Review Report on Board of Directors Evaluations by Human Resources Governance Leaders Co., Ltd. (Overview)

A review of Eisai Co., Ltd.'s self-administered Board of Directors evaluation was undertaken from the following perspectives.

- Examination of the completeness of the questionnaire items used in the Board of Directors evaluation
- Examination of the fairness and appropriateness of the evaluation methods
- Examination of the fairness and appropriateness of the discussions held within the *hhc* Governance Committee
- Examination of the fairness and appropriateness of the disclosed results of the Board of Directors evaluation

In addition to analyzing materials and disclosure documents provided by Eisai Co., Ltd. related to Board of Directors evaluations from the preceding 2 years, the third party attended *hhc* Governance Committee meetings to secure the necessary information to conduct the review.

Review Results

- The current Board of Directors evaluation is a framework capable of comprehensively identifying issues and considering tangible solutions to them through discussions in the *hhc* Governance Committee. Ways to improve the evaluation process are also being sought, such as regularly utilizing checks performed by third-party organizations and changing systems as necessary according to their recommendations. We can therefore judge that this framework ensures the appropriateness of the Board of Directors evaluation and makes improvements to the evaluation.
- Having long been engaged in serious efforts to strengthen governance, the Board of Directors evaluation established throughout this company's long history ensures the practical application of its fundamental approach, the Corporate Governance Principles. This framework to improve governance has been continuously functioning in a stable manner while undergoing improvements.
- From the results of this year's third-party evaluation, the overall Board of Directors evaluation for FY2023 can be judged to have been properly conducted from the standpoint of comprehensiveness, fairness, and appropriateness.
- At the same time, since the framework has been implemented in a steady manner, we can also anticipate concerns that the evaluation could devolve into a formality-type proceeding in certain cases. To make the Board of Directors evaluation more effective going forward, it would be desirable to work on ensuring the appropriateness of the evaluation while improving evaluation methods according to the circumstances by providing explanations of the intention and approach of your company's Board of Directors evaluation to directors and stakeholders in an ongoing manner to gain their full understanding.

The Role and Operations, Etc., of the Board of Directors

Plan Issues in FY2023

- 1 In its deliberations on important resolutions, the Board of Directors is provided with the necessary information at an early stage and takes sufficient time for deliberation. When examining important matters, the Board of Directors will implement measures to conduct management oversight, which is the role of a monitoring board, effectively and efficiently.
- 2 We will achieve early submittal of agenda items/materials and improved advance explanations particularly for important matters, in order to strengthen discussions and make deliberation more efficient in meetings of the Board of Directors. In regard to reports in meetings of the Board of Directors, we will request explanations that are concise and to-the-point.
- 3 The Board of Directors agenda items will continue to be established in light of the order of priority, after consideration of legally stipulated items as well as timely important issues, matters requested by the *hhc* Governance Committee, and matters deemed necessary based on reflection on dialogue with stakeholders, etc., in order to enable the Board of Directors to increase the effectiveness of its management oversight. Even in cases in which discussions by the Board of Directors extend into the details of business execution, the Board of Directors will strive to engage in discussions that contribute to management oversight.
- 4 As for reports regarding the execution of business, we will precisely show the important points and make the content concise and easy to understand, in order to enable the Board of Directors to exercise its management oversight function.

Do (Execute) & Check (Evaluate) Confirmation and Evaluation of the Status of Response in FY2023

- 1 Some agenda items were provided just before the Board meeting. We have introduced a system to enable directors to observe important decision-making bodies in the operational divisions.
- 2 In some cases, Board meetings were lengthy due to many explanations of proposals given on the day of the meeting. From the next fiscal year, we will change to a group format for advance explanations to make further improvements.
- 3 The agenda for Board of Directors' meetings was decided based on the consideration of the direction to strengthen the management oversight function. The Board of Directors deliberately conducted discussions that contributed to management oversight.
- 4 Further work needs to be done to improve both the format and content of reports.

Action (Improvement) Issues for FY2024

- 1 The Chair of the Board of Directors will select a timely agenda for the Board of Directors' meetings to be reviewed and decided upon by the *hhc* Governance Committee, along with an annual agenda schedule.
- 2 Observation of important meetings of operational divisions by directors is extremely useful for directors to monitor the execution of duties of corporate officers, and will be continued. In addition, video/audio recordings of the meetings will be shared for the benefit of directors who were unable to attend.
- 3 The reporting on business execution will be oriented toward concise reporting focused on the essentials. The content of materials should be of uniform granularity, organized in terms of issues, and designed to clarify the issues to be discussed.
- 4 Ensure early distribution of the agenda for the Board of Directors meetings. The advance explanations of the agenda items will be conducted in a group format, and the corporate officer or department manager who submits the agenda item will provide the explanation. This will secure sufficient time for substantial deliberations at the Board of Directors meetings.
- 5 After a Board of Directors meeting, the *hhc* Governance Committee will review the Board of Directors meeting of the day, confirm items to be followed up, and request reports from corporate officers as necessary, in order to improve the effectiveness of management oversight.



Outside Directors and the *hhc* Governance Committee

Plan Issues in FY2023

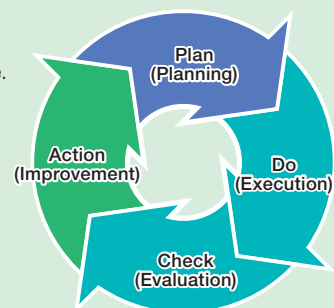
- 1 Information sharing and consideration of the succession plan proposed by the CEO will continue to take place in the *hhc* Governance Committee with all directors participating in the discussion. Outside directors will play the central role in being deeply involved in developing members of the management team, including candidates for the next period's CEO. We will establish more opportunities for face-to-face interaction, such as exchanging opinions with candidates. In addition, we will consider objective and transparent ways to evaluate candidates.
- 2 Forums will continue to be provided for dialogues between stakeholders (patients, shareholders, and employees) and outside directors, while also continuing the cycle of reflecting on forums for engagement and leveraging these for the oversight function of the Board of Directors.
- 3 We will systematically establish multiple opportunities for free discussion without set themes in meetings of the *hhc* Governance Committee. We will proactively request reports from operational divisions to the Board of Directors and the *hhc* Governance Committee, etc., regarding important matters necessary for the oversight of management, based on the things discussed in free discussions.
- 4 The subcommittees of the *hhc* Governance Committee will not only gather information, but will also examine the contents of reports from operational divisions, identify issues, etc., and monitor progress, thereby contributing to enhancement of discussions regarding the themes that are handled. Moreover, we will establish a process that leads effectively to better discussions in meetings of the *hhc* Governance Committee and monitoring of business by the Board of Directors.

Do (Execute) & Check (Evaluate) Confirmation and Evaluation of the Status of Response in FY2023

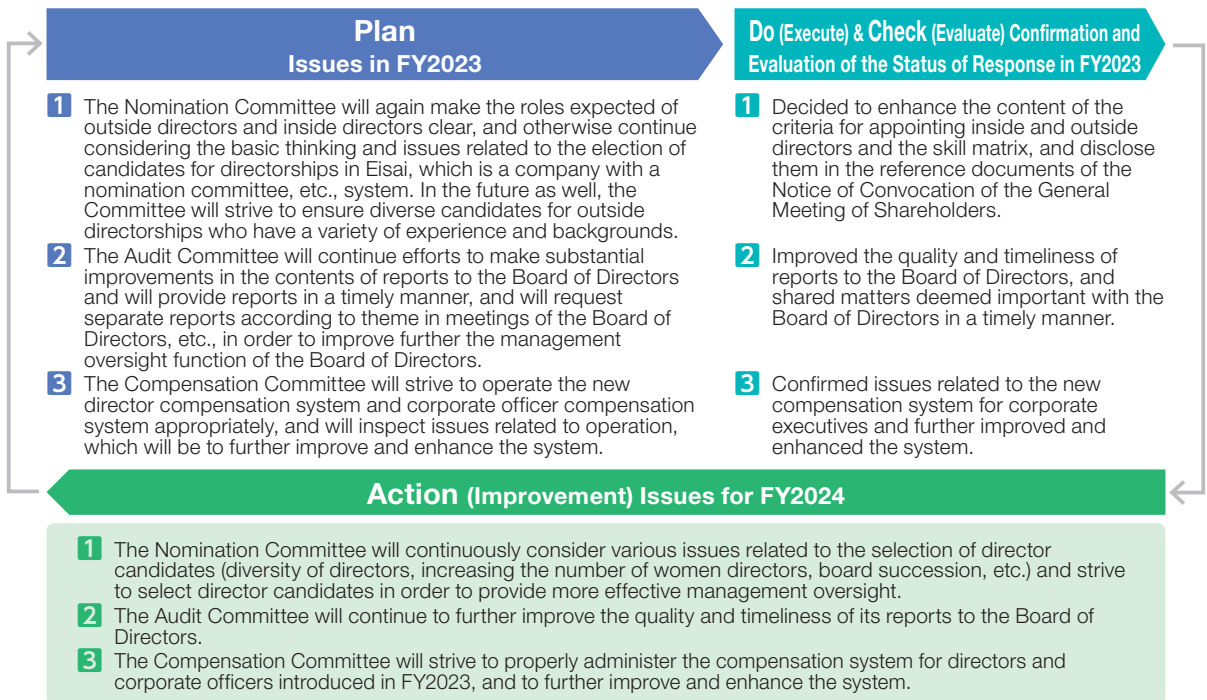
- 1 Information sharing and review of the CEO succession plan was conducted 3 times.
It was confirmed that there is a need to devise ways to be more involved in the development of future management team members, and to consider objective and transparent methods of evaluating candidates.
- 2 Organized opportunities for dialogue with stakeholders and established opportunities to reflect on the forum for engagement.
- 3 Free discussion was conducted at the *hhc* Governance Committee.
Only 1 meeting was held, as there was no need to hold multiple meetings.
- 4 It was confirmed that further enhancement of the operation of the subcommittee and clarification of its role in relation to the *hhc* Governance Committee should be considered.

Action (Improvement) Issues for FY2024

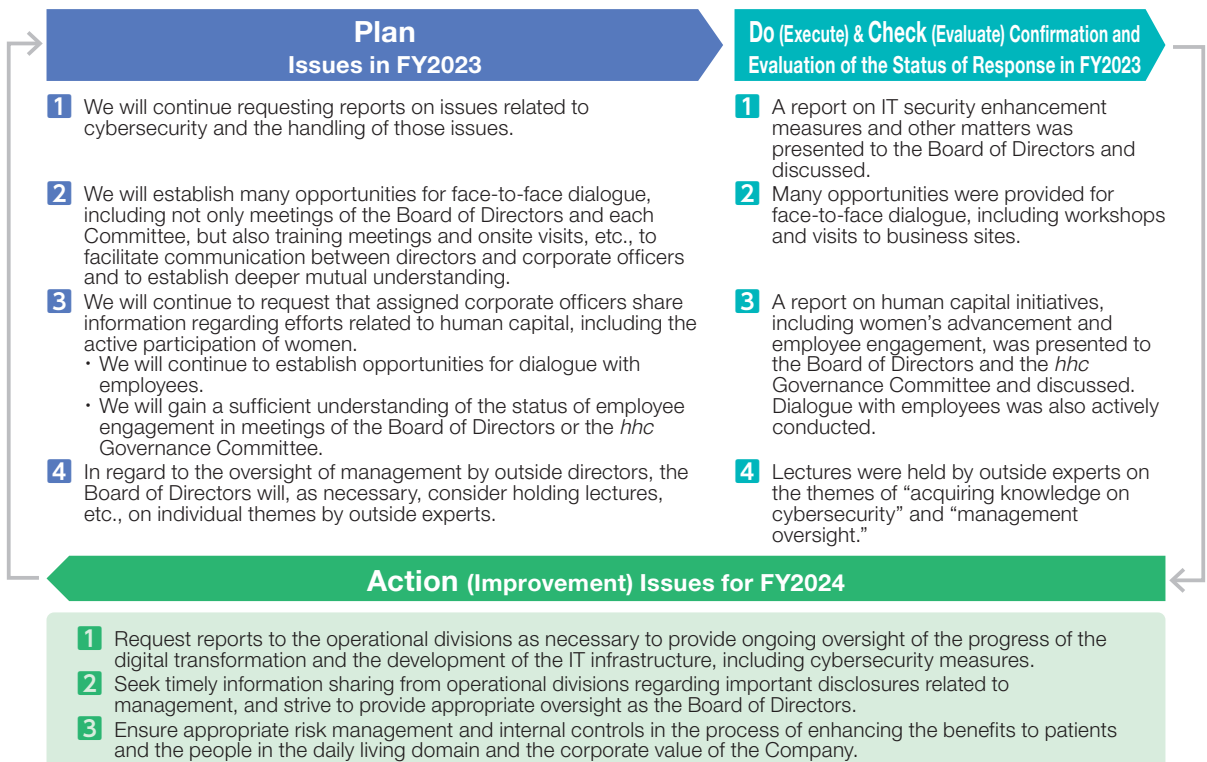
- 1 Regarding the CEO succession plan, the *hhc* Governance Committee will continue to share information and review the succession plan proposed by the CEO. In addition, opportunities will be provided for directors to engage in direct dialogue with candidates for the purpose of developing and evaluating future management team members.
- 2 Dialogue with stakeholders (patients and the people in the daily living domain, shareholders, and employees) will continue to be planned and conducted, and the cycle of reflecting on the dialogue and reflecting insights obtained to the management oversight of the Board of Directors will be maintained and continued.
- 3 The subcommittees of the *hhc* Governance Committee will strive to enhance their activities. All of the subcommittees are tasked with important themes, and the roles and operations of the subcommittees will be considered, including how they should be organized in the future.
- 4 With regard to the evaluation of corporate governance, the Company will improve the system by reviewing the routine and uniform operation of the system as it becomes more established.
- 5 A forum will be provided for outside directors to freely discuss issues without setting a theme, as necessary.
- 6 Outside directors will utilize the knowledge of inside directors to further deepen their understanding of the details pertaining to business execution.



Nomination, Audit, and Compensation Committees



Internal Controls, Risks and Other Matters Related to Corporate Governance



6. Activities of the Board of Directors and Committees

(1) Board of Directors Proceedings

Personnel	11 (7 outside directors/4 inside directors) Chair: Outside director
Duties, etc.	<ol style="list-style-type: none"> 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. Oversee the execution of duties by directors and corporate officers on the basis of reports from corporate officers, as well as reports from the Nomination Committee, the Audit Committee, the Compensation Committee, and the <i>hhc</i> Governance Committee.
Status of holding of meetings	<p>FY2023: Held 11 times Attendance rate*: 100% for 10 directors, 91% for 1 director (10/11 meetings) Of the 2 directors who retired on June 21, 2023, both attended 2 out of the 2 meetings held.</p>
Support Structure	<p>The Board of Directors Secretariat is established as an administrative office for the Board of Directors. In addition, the “Board of Directors Liaison Group,” formed by the corporate officers or department managers in charge of the following organizations, provides support for holding Board of Directors meetings according to the timeline shown in the figure.</p> <p>Board of Directors Liaison Group members: ● Corporate Planning ● Finance & Accounting ● Legal Affairs & Compliance ● HR ● General Affairs ● Internal Audit ● PR ● Audit Committee Secretariat ● Attorneys at law ● Internal director in charge of governance</p>

* The attendance rates of the 2 directors who were newly appointed as directors at the 111th Ordinary General Meeting of Shareholders on June 21, 2023 and subsequently assumed their posts as directors have been calculated based on their attendance at the 9 meetings of the Board of Directors held on and after the date of their appointment.

Status of Board of Directors Activities in FY2023

Business Strategy-Related, Including the Medium to Long Term

- The Board of Directors was presented with detailed reports from the operational divisions on the Alzheimer’s disease treatment drug LEQEMBI (generic name: lecanemab) throughout the year and on an as-needed basis from time to time. In particular, the Board was presented with reports on the status and issues, such as the status of preparations for the new product launch in Japan and the U.S., the processes required before LEQEMBI could be administered, and the progress of sales. Vigorous discussions were held on how to deliver LEQEMBI to the patients who need it, including determining the number of patients who can receive the drug and whether the target number of patients to receive the drug in a given fiscal year was appropriate.
- The Board of Directors was presented with reports on the progress review of the medium- to long-term plan “EWAY Future & Beyond” and the “*hhc*eco system promotion plan and progress confirmation.” Directors exchanged opinions on and discussed the initiatives for the pre-clinical AD (healthy individuals who do not show any symptoms but already have amyloid buildup in the brain), the overall concept and future vision of the *hhc*eco system, the role of Theoria technologies Co., Ltd., a digital business company established with the aim of creating a dementia ecosystem, the monetization of the platform business, and other issues.
- The Board of Directors was presented with reports on sustainable and stable shareholder returns and capital strategy, including the sale of strategically held shares. Opinions were expressed and discussions were held regarding the state of the risk asset ratio and the concept of free cash flow.
- Other matters on which reports were presented and discussions were held
 - Regarding the anticancer agent Lenvima, the results of clinical trials intended to expand its indications, as well as patents for a high-purity formulation
 - The status of Company-wide sustainability initiatives (on a quarterly basis)

- Initiatives in the management of human capital, including employee engagement
- Items considered by subcommittees of the *hhc* Governance Committee (disclosures on business activities that give consideration to the global environment and general sustainability, including the status of responses to the Task Force on Climate-related Financial Disclosures (TCFD) and biodiversity, the promotion of active participation by women, and the status of responses to the Corporate Sustainability Reporting Directive (CSRD)

Corporate Governance, Internal Control and Risk Management-Related

- 1 In response to a ransomware attack, the Board of Directors was presented with detailed reports from operational divisions whenever necessary with summaries of the damage, the status of responses, and measures taken to strengthen cyber security. Directors expressed their opinions and discussed countermeasures such as strengthening the global IT system, securing human resources and thoroughly training employees, as well as the costs associated with such countermeasures.
- 2 The Board of Directors was presented with reports on the status of the construction, development, and operation of internal controls, the status of responses based on a sequential risk map based on the likelihood and impact of risks and their characteristics (i.e., controlled risks and risks that need to be reduced).
- 3 The Board of Directors was presented with a report on “the current status of and issues with respect to Internal Control and the Company’s orientation toward its own Internal Control.” Amidst rising societal interest in the topic, directors expressed opinions and held discussions on the importance of ensuring the permeation of integrity at all levels of the Company, from the corporate executives to front line employees.
- 4 The Board of Directors was presented with reports on the analysis of the results of the exercise of voting rights at the 111th Ordinary General Meeting of Shareholders, the results of the transition to an electronic provision system of convocation notices, and the direction for holding the 112th Ordinary General Meeting of Shareholders. Based on the results of the exercise of voting rights and the response to the electrification of convocation notices, the directors expressed their opinions and held discussions on proceeding with considerations that would improve shareholder satisfaction.
- 5 Discussions were held on the FY2023 Corporate Governance Evaluation and a resolution was passed.

Message from the Chair of the Board of Directors

In FY2023, the Board of Directors spent sufficient time discussing the Alzheimer’s disease treatment drug LEQEMBI (generic name: lecanemab), which has extremely significant social value, with detailed reports presented by corporate officers as needed, ranging from the status of preparations for its launch to the current status and issues, including updates to the status of progress after the launch. In particular, vigorous discussions were held on the appropriateness of pricing and how to deliver LEQEMBI to the patients who need it as quickly as possible.

In addition, the Board of Directors was presented with a report on the review of the progress of the medium- to long-term plan “EWAY Future & Beyond,” as well as a plan on the promotion of the *hhceco* system and confirmation of the plan’s progress. The Board of Directors then worked to oversee management from a diverse and broad perspective, from urgent issues to the medium- to long-term ones.

Furthermore, starting from this fiscal year, in order to further enhance the management oversight function of the Board of Directors, we have introduced a system that allows directors to observe important decision-making bodies in the operational divisions, such as the Executive Board.

In the future as well, the outside directors will lead the way in always striving for the best governance, while aiming to improve corporate value and meet the expectations of stakeholders.

Chair of the Board of Directors (Outside Director)

Fumihiko Ike



(2) Nomination Committee

Members	3 directors (3 outside directors) Chair: Outside director
Duties, etc.	<ol style="list-style-type: none"> 1. Determine the content of the proposals related to the selection or retirement of directors made to the General Meeting of Shareholders. 2. Based on the awareness that the viability of the Company's corporate governance system is supported by the presence of outside directors who constitute a majority of the Board of Directors, establish the "Requirements for the Independence and Neutrality of Outside Directors" for the selection of independent and neutral outside directors. 3. Decide on director candidates with diverse backgrounds to enable the Board of Directors to meet the expectations of various stakeholders as well as demonstrate oversight functions. 4. Establish basic policies, rules, and procedures necessary for the execution of duties by the Nomination Committee.
Status of holding of meetings	<p>FY2023: Held 9 times</p> <p>Attendance rate*: 100% for all committee members</p> <p>Of the 2 committee members who retired or ceased to be a member on June 21, 2023, both attended 1 out of 1 meeting held.</p>

* The attendance rates of the 2 directors who were newly appointed as directors at the 111th Ordinary General Meeting of Shareholders on June 21, 2023 and subsequently assumed their posts as members of the Nomination Committee have been calculated based on their attendance at the 8 meetings of the Nomination Committee held on and after the date of their appointment.

Status of Nomination Committee Activities in FY2023

- 1 As part of the various issues related to the selection of director candidates, the *hbc* Governance Committee shared information and held discussions on the expected roles of inside and outside directors, the basic approach to the number of directors and the composition of each committee, considerations for achieving a female corporate executive ratio of 30% by 2030, and the approach to the diversity and backgrounds of directors. The Nomination Committee then discussed the same issues.
- 2 The Nomination Committee sought to fulfill their accountability even further regarding the selection of director candidates by expanding statements about the criteria for selecting director candidates and the approach to director diversity in the Reference Documents of the Notice of Convocation of the General Meeting of Shareholders, while also writing content on the director candidates' individual pages that better reflect each candidate's merits and individual personalities.
- 3 The Committee researched and studied the selection of medical and pharmacological experts as outside director candidates, and confirmed as a result of discussions that it would continue to consider the selection of experts in medicine, pharmaceutical science, and other relevant fields who can be expected to help improve the Board of Directors' management oversight functions, based on the assumptions that their independence and neutrality as outside directors can be ensured, and that there are no conflicts of interest.
- 4 The Nomination Committee conducted simulations of the appointment and resignation of outside directors with an eye toward the future. In conducting the simulations, we considered such aspects as ensuring that the succession of the Chair of the Board of Directors will be smooth in the future, that not too many outside directors will be replaced at the same time from the perspective of continuity of the Board of Directors and committees. We also considered the matter of selecting multiple female outside directors on an ongoing basis.
- 5 The Nomination Committee held reviews on the independence and neutrality of the 6 outside director candidates for reappointment and 1 new outside director candidate and confirmed that there were no issues with any of the candidates.
- 6 The Nomination Committee decided on the 11 director candidates including 2 new appointments (1 outside director candidate, 1 inside director candidate), and the proposed composition of the Board for FY2024.
- 7 The Nomination Committee also held concrete discussions and deliberations and decided on outside director candidates for FY2025 and beyond.

Message from the Chair of the Nomination Committee

Independent outside directors, who account for the majority of the Board of Directors, support the effectiveness of the Company’s corporate governance structure. In selecting candidates for those crucial director positions, the Nomination Committee has 2 key missions: (1) Selecting outside director candidates with rigorous independence and neutrality and (2) Making sure that the composition of the Board of Directors reflects a diverse range of backgrounds in order to meet the expectations of a wide variety of stakeholders and enhance management oversight functionality.

The Company’s Nomination Committee operates under established procedures and rules for selecting outside directors who are independent of the Company management. In creating lists of outside director candidates, the Committee gathers information not only from the Company’s current outside directors but also from the Company’s directors, former directors, and a broad range of other resources—a process that Committee members are always working to enhance. The Committee then narrows down the lists and provides the selected candidates with information on the Company’s Corporate Concept, stance on corporate governance, and other items. At an early stage, the Committee also begins identifying the potential for the candidates’ appointment to director positions. Management has no involvement in any part of the outside director selection process, and we believe the role of the Nomination Committee is extremely important for supporting the effectiveness of our corporate governance.

In FY2023, the *hhc* Governance Committee shared information and held discussions once again considering the expected roles of inside and outside directors, as well as on issues such as the basic approach to the number of directors and the composition of each committee, considerations for achieving a female corporate executive ratio of 30% by 2030, after which these matters were considered by the Nomination Committee.

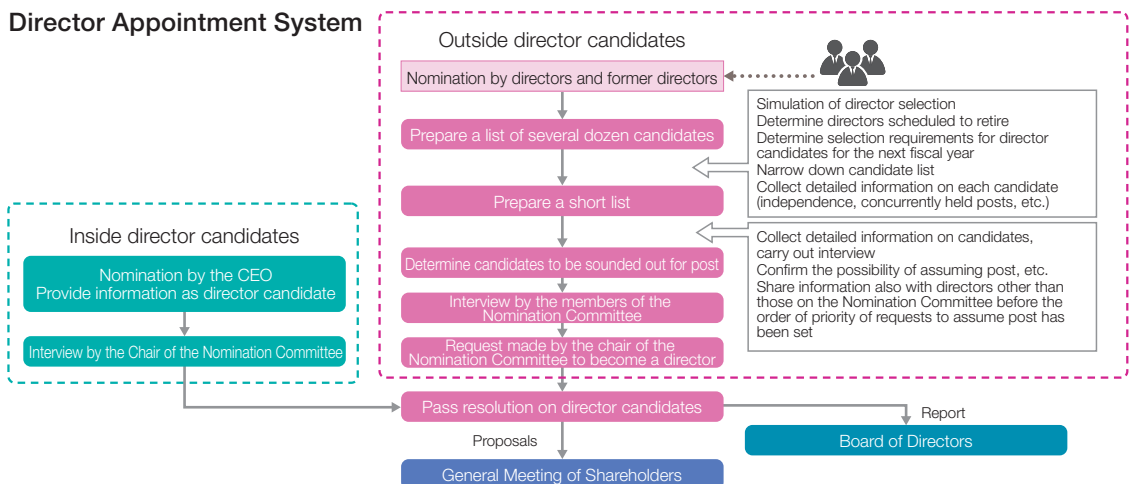
Additionally, the Nomination Committee considered how to make disclosures unique to the Company in order to fulfill their accountability even further when it comes to the selection of director candidates, such as by expanding statements in reference documents about the criteria for selecting director candidates and the approach to director diversity while also writing content that allows people to imagine each director candidate’s merits and individual personalities.

Aiming to better the Company’s corporate governance structure, the Nomination Committee will continue to perform medium- to long-term simulations of terms for outside directors, discuss the composition and diversity of the Board of Directors, etc., and select director candidates with the right qualities for enhancing the Board’s functions.



Chair of the Nomination Committee (Outside Director)
Toru Moriyama

Director Appointment System



(3) Audit Committee Proceedings

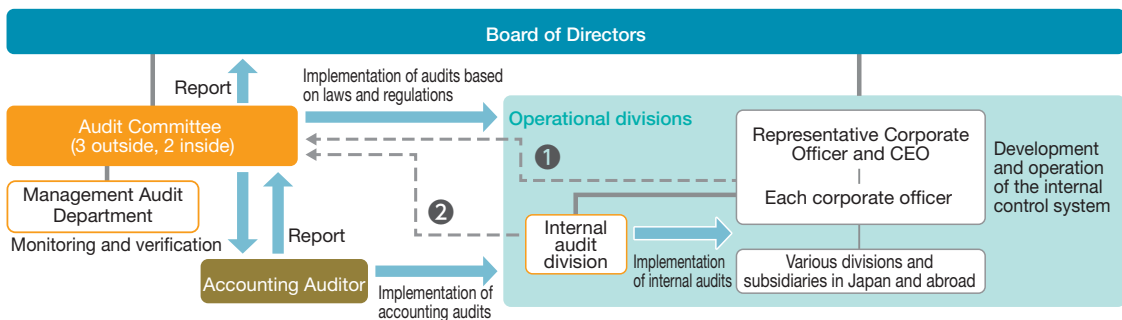
Members	5 directors (3 outside directors/2 inside directors) Chair: Outside director
Duties, etc.	<ol style="list-style-type: none"> 1. Conduct audits in accordance with laws and regulations, the Articles of Incorporation, and rules established by the Board of Directors and the Audit Committee. 2. Primarily conduct the following audits and create audit reports. <ol style="list-style-type: none"> (1) Audits of the execution of duties by directors and corporate officers (2) Audits of business reports and annexed detailed statements (3) Accounting audits of financial statements (including confirmation of the appropriateness of audit methods and results by monitoring and verifying the activities of the Accounting Auditor) (4) Audits of the status of the maintenance and operation of internal controls conducted by corporate officers in accordance with the rules adopted by the Board of Directors (5) Audits of the adequacy of internal audit activities performed by the internal audit departments (6) Audits of the status of business, operations, and assets of Group companies other than the Company (audits of the corporate officers in charge) 3. Determine proposals related to the selection, dismissal, and non-reappointment of accounting auditors to be submitted to the General Meeting of Shareholders. In addition, give consent to the amount of compensation and other conditions for the Accounting Auditor. 4. Conduct audits in accordance with the audit plan established for each fiscal year by directing the Management Audit Department, an organization independent of corporate officers.
Status of holding of meetings	FY2023: Held 12 times
	Attendance rate: 100%, 4 committee members. 92%, 1 committee member (11/12)

Status of Audit Committee Activities in FY2023

① Audit Activities in Relation to the Execution of Duties by Directors and Corporate Officers

- Monitored and verified the status of the execution of duties by the directors through deliberation of proposals at the Board of Directors meetings and other means.
- Received reports from corporate officers on a monthly and ad hoc basis in accordance with the rules established by the Board of Directors. In addition, requested reports from corporate officers by requesting them to attend the Audit Committee meetings as necessary.
- Attended meetings hosted by corporate officers, such as the Executive Board meetings, to observe their deliberations and other aspects of the meetings.
- Monitored and verified the status of preparation, maintenance, and operation of internal control by corporate officers through annual and semi-annual reports from corporate officers regarding risk management and other systems based on rules established by the Board of Directors, as well as audit activities related to the status of the execution of duties by corporate officers as described above.
- Received business reports and annexed detailed statements, and the financial statements from the corporate officers in charge, received explanations from them, and confirmed the appropriateness of the contents of the reports.

Structure of the Audit Committee



① Matters for reporting based on the regulations established by the Board of Directors reported to the Audit Committee (monthly or as needed)

② Results of implementing the internal audit are reported to the Audit Committee (monthly)

Message from the Chair of the Audit Committee

The Audit Committee reviews the significant risks for each fiscal year, establishes an audit plan for the risks, and conducts audits in accordance with the plan. Major audits and other activities during the current fiscal year are as follows:

1. As part of the audit of the corporate officers' execution of their duties, received monthly reports based on the rules established by the Board of Directors from all corporate officers. With regard to individual important matters, invited the relevant corporate officers to Audit Committee meetings to receive reports. In addition, we received reports on the following 3 priority audit themes that are set each fiscal year from the corporate officers in charge of each of the following 3 issues, and conducted audits: (1) Management of manufacturing subcontractors, issues arising and responses, (2) Portfolio management and short- to medium-term plan management for prescription medicine business, and (3) The global compliance promotion structure.
2. Monitored and verified the activities of the Accounting Auditor to confirm the implementation status of mechanisms to ensure the independence and quality of the Accounting Auditor, and shared necessary information with the Accounting Auditor.
3. Periodic reports on the activities of the Group's internal audit departments were presented on a regular basis to confirm the appropriateness of such activities.

After conducting its activities, the Audit Committee found no problems in any of the audits.

Furthermore, the Audit Committee contributed to the improvement of governance by sharing with the Board of Directors as necessary matters that were recognized as particularly important from reports and other information from operational divisions.



Chair of the Audit Committee (Outside Director) **Hideyo Uchiyama**

2 Monitoring and Verification Activities in Relation to the Accounting Auditor

- The Audit Committee received the yearly accounting audit plans of the Accounting Auditor, confirmed the contents, and deliberated on whether to approve audit compensation, etc.
- The Audit Committee received explanations of the results of audits, etc., conducted by the Accounting Auditor regarding quarterly and year-end financial statements, and confirmed the contents. In addition, the Audit Committee obtained information concerning internal control audits.
- As necessary, the Audit Committee attended the individual audits conducted by the Accounting Auditor and confirmed the status of implementation of the audit.
- The Audit Committee received reports on matters related to the execution of duties of accounting auditors as stipulated in Article 131 of the Rules of Company Accounting, and confirmed the contents.
- In accordance with the stipulations of Auditing Standards Statement 260, a document issued by the Japanese Institute of Certified Public Accountants, the Audit Committee obtained regular reports from the Accounting Auditor and exchanged opinions regarding important audit procedures and other matters. The Audit Committee also discussed "Key Audit Matters" (KAM) listed as required by the Financial Instruments and Exchange Act of Japan, and requested explanations of the contents as necessary.
- The Audit Committee evaluated the auditing firm to which the Accounting Auditor belongs, as well as the quality of the audits conducted by the Company's engagement partners and the audit team in charge of the Company, in light of the various activities of the Accounting Auditor, the results of investigations by regulatory authorities, and other information.

3 Auditing Activities in Relation to Internal Audit Departments, etc.

The Audit Committee conducted the following audit activities in relation to the corporate officer responsible for internal audits and the internal audit department (see page 127), as well as the corporate officer responsible for internal control and the Risk Management and Corporate Internal Control Departments (see pages 124 through 127).

- The Audit Committee obtained annual audit plans and reports on the results of individual audits carried out by the internal audit departments of the Group, confirmed their suitability, and shared information related to Audit Committee activities through monthly meetings with the corporate officer responsible for internal audits and the Corporate Internal Audit Department. Individual audits include evaluation of internal control over financial reporting under the Financial Instruments and Exchange Act of Japan.
- The Audit Committee obtained information on risk-management activities and efforts to promote internal controls through regular meetings with the corporate officer responsible for internal control and the Corporate Compliance and Risk Management Department.

(4) Compensation Committee

Members	3 directors (3 outside directors) Chair: Outside director
Duties, etc.	<ol style="list-style-type: none"> 1. Determine the policy related to deciding the content of the compensation, etc., of directors and corporate officers and the content of the compensation, etc., for each individual with fairness and transparency. 2. Determine the compensation, etc., of directors so that the contents are suitable to motivate them to fully carry out their management oversight function, which is their duty, in order to improve the common interests of stakeholders and increase long-term corporate value. 3. Determine the compensation, etc., of corporate officers to be competitive, fully reflecting the importance of the duties and weight of responsibility of corporate officers, to enhance the acceptability of the compensation as management compensation, and to strongly motivate corporate officers to improve the medium- to long-term corporate value of the Company, realize social good, and contribute to the sustainability of society. 4. Actively utilize outside research data, etc., as well as examine the adequacy of the process for determining compensation, etc., in order to ensure objectivity in the compensation, etc., of directors and corporate officers. 5. Establish basic policies, rules, procedures, etc., necessary for the execution of the duties of the Compensation Committee.
Status of Holding of Meetings	<p>FY2023: Held 15 times</p> <p>Attendance rate:* 100%, 3 committee members</p> <p>Of the 2 committee members who retired on June 21, 2023, both attended 5 out of 5 meetings held.</p>

* For the 2 committee members who were newly elected as directors at the 111th Ordinary General Meeting of Shareholders held on June 21, 2023 and subsequently became members of the Compensation Committee, the attendance rate was calculated based on their attendance at the 10 Compensation Committee meetings held after the same date.

Status of Compensation Committee Activities in FY2023

- 1 In FY2023, the Compensation Committee began implementing a new compensation system for directors and corporate officers, inspected issues related to its implementation, and worked to develop and revise the system, including the following internal rules.
 - To promote understanding of the corporate officers' stock-based compensation system, the message was conveyed that stock-based compensation is a Long-Term Incentive (LTI) designed to demonstrate commitment to improving corporate value, including medium- to long-term performance and ESG contributions.
 - The Compensation Committee decided that the portion granted during the term of office (performance-linked portion) would be based on ESG EBIT, relative PBR, and Company-wide materiality as its evaluation indicators, and that the evaluation and issuance mechanism would be highly incentivized, with at least 100% of the stock-based compensation available only when the requirements determined by the Compensation Committee are met.
 - As conditions for the grant upon retirement portion (fixed grant portion), it was decided that the service as a corporate executive shall be at least 3 years, and that no grant shall be made to a corporate executive who retires less than 3 years in office, and malus and clawback clauses were included.
 - The stock-based compensation system was changed (Officers' Compensation BIP Trust), and the stock issuance rules were revised.
- 2 At its May 2023 meeting, the Compensation Committee discussed the process for evaluating the performance of each corporate officer for FY2022 and the appropriateness of the content of the evaluation results, and determined the level of attainment of Company-wide performance targets (financial and non-financial) for FY2022. Based on the Company-wide performance and individual performance evaluation of each corporate officer, the Committee determined the bonuses and

stock-based compensation, both of which are performance-based compensation, for corporate officers. The Committee also discussed and decided on the evaluation and payout amount of Special LTI (Long-Term Incentive) for corporate officers from overseas subsidiaries, applicable for the 3-year period from FY2020 to FY2022.

- 3 At the Compensation Committee meeting held in June 2023, the Committee determined the individual compensation and other matters for directors. The job grades of all corporate officers appointed on June 21, 2023 were determined. Based on the determination of these job grades, the individual compensation of the corporate officers was resolved.
- 4 At the Compensation Committee meeting held in September 2023, for the purpose of determining the performance-based compensation for corporate officers, the Committee reviewed the process by which performance targets were established and deliberated and decided on the appropriateness of individual performance targets for FY2023.
- 5 At the Compensation Committee meeting held in December 2023, the Committee reviewed the compensation system for corporate executives and confirmed that it will establish and review the criteria for reviewing the level of compensation and other items.
- 6 At the Compensation Committee meeting held in March 2024, the Committee considered the criteria for reviewing the level of compensation and deliberated and decided on the disclosure of information on compensation system for corporate executives in the Business Report (the Notice of Convocation of the 112th Ordinary General Meeting of Shareholders).

Message from the Chair of the Compensation Committee

The Compensation Committee focuses on its role in “ensuring fairness and transparency” and “accountability to shareholders and other stakeholders” in determining the compensation, etc., of the Company’s directors and corporate officers, which represents a vital oversight responsibility in corporate management.

In addition, the Compensation Committee determines appropriate compensation, etc. for directors in order to fully exercise its management oversight function, and for corporate officers, the Compensation Committee has determined that compensation, etc., should be sufficiently competitive to attract outstanding global talent while strongly motivating them to enhance the Company’s medium- to long-term corporate value and contribute to the benefit and sustainability of society.

In FY2023, the Compensation Committee began implementing a new compensation system for directors and corporate officers, inspected issues related to its implementation, and worked to develop and revise the system.

In particular, a written message was issued to each corporate officer explaining the concept and mechanism of the performance-related stock-based compensation system to promote their understanding that the system was designed so that they will demonstrate their commitment to improving corporate value over the medium to long term.

However, since the new compensation system has just been introduced, we will continue to implement and improve the compensation system in FY2024.

The Compensation Committee will continue to ensure the fairness and transparency of its compensation-related decisions by deliberating thoroughly on the relevant issues and further enhancing its disclosure activities, thereby fulfilling its accountability to Company shareholders and other stakeholders.

Chair of the Compensation Committee (Outside Director)

Richard Thornley



7. 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. All members of the Company's Compensation Committee are outside directors, and the Committee places emphasis on an objective perspective and transparency. The Compensation Committee has the authority to determine the details of the individual compensation of the Company's directors and corporate officers, primarily with respect to the following matters

- ① Basic policy concerning details of individual compensation paid to directors and corporate officers
- ② Details of individual compensation paid to directors and corporate officers
- ③ Determination of evaluation based on the attainment of Company-wide performance targets and the individual performance targets of each corporate officer with respect to the determination of performance-based compensation for corporate officers

(2) Process of Determining the Compensation System

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 and other information from external professional organizations (such as the "Executive Compensation Database" of Willis Towers Watson) in examining various issues related to compensation, etc., and in researching and examining the level of compensation, etc.

(3) Compensation, etc., for Directors

1) Basic Policy Concerning Compensation, etc., Paid to Directors

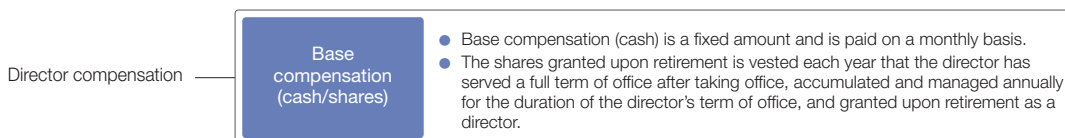
The basic policy concerning compensation, etc., paid to directors shall be as follows.

Set the compensation, etc., of directors so that the contents are suitable to motivate them to fully carry out their management oversight function, which is their duty, in order to improve the common interests of stakeholders and increase long-term corporate value.

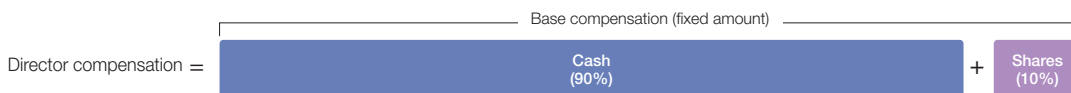
A portion of compensation, etc., paid to directors consists of stock, from the perspective of sharing the same profit-consciousness as our Shareholders.

2) Compensation System for Directors

- Compensation, etc., paid to directors is only a fixed base compensation (cash and stock).



- The level of base compensation of outside directors and inside directors is aimed at the upper middle range for the industry.
- The Chair of the Board of Directors and each Committee Chair receive additional compensation for their service as Chair.
- The proportion of compensation, etc., for directors is as shown below.



(4) Compensation, etc., for corporate officers

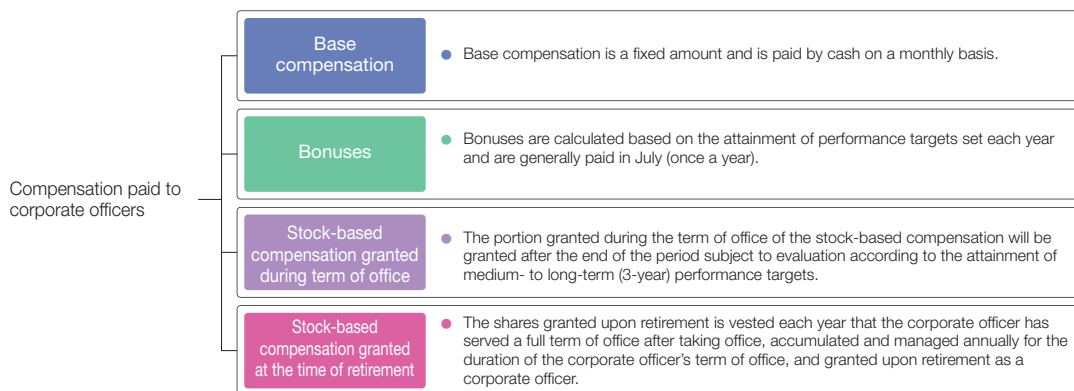
1) Basic policy concerning compensation, etc., paid to corporate officers

The basic policy concerning compensation, etc., paid to corporate officers shall be as follows.

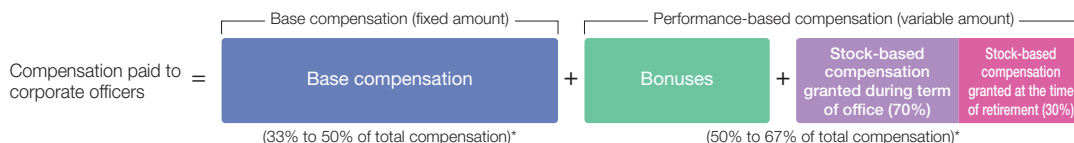
1. Set the contents of the compensation, etc., of corporate officers to be competitive, with the importance and heaviness of the duties assigned to the corporate officer sufficiently reflected. This will make it possible to contribute to achievement of the *h/c* concept, attract excellent human resources that can play an active role globally, and improve the morale of corporate officers regarding execution of business.
 2. Determine the compensation, etc., of corporate officers with weight placed on performance/ outcomes obtained as a result of fulfilling the Company's Charter of Business Conduct as an *hhcco* company as stipulated in the Articles of Incorporation. This will increase the convincingness of the compensation of members of the management team.
 3. Set the contents of the compensation, etc., of corporate officers so that they are strongly motivated to contribute not only to short-term performance based on the results of each fiscal year, but also to improvement of the Company's medium- to long-term corporate value, achievement of social good, and the sustainability of society. This will respond broadly to the expectations of stakeholders and contribute to achievement of the Corporate Concept.
 4. Determine compensation, etc., of corporate officers using objective and suitable evaluation criteria and a transparent and fair process, after setting appropriate performance targets and incentives that strike a balance between "risk, return, and impact."* Through this, set fair and convincing contents of compensation and motivate corporate officers to take on challenges, while being accountable to stakeholders.
- * Risk (aggressive investment of resources, etc., in research and development, etc.), return (Company-wide financial performance indicators), and impact (the social impact of business activities)

2) Compensation System for Corporate Officers

The compensation, etc., of corporate officers consists of base compensation (fixed amount) and performance-based compensation (variable amount) in the form of bonuses and stock-based compensation (portion granted during the term of office and portion granted upon retirement).



The proportion of compensation, etc., for directors is as shown below.



* The ratio of the base compensation and performance-based compensation of corporate officers from overseas subsidiaries is set in accordance with the market data for each country, so actual amounts may differ from those given in the figure.

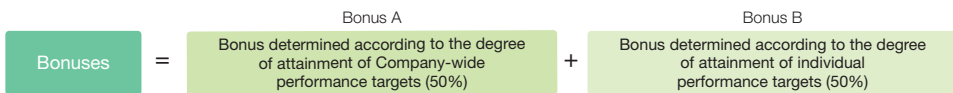
The contents of the compensation, etc., of corporate officers are set by global job grade and at a level intended to be in the upper middle range for the industry, in order to make the contents of compensation, etc., competitive, with the importance of corporate officers' duties and the size of their responsibilities reflected.

Job Grade of Corporate Officers

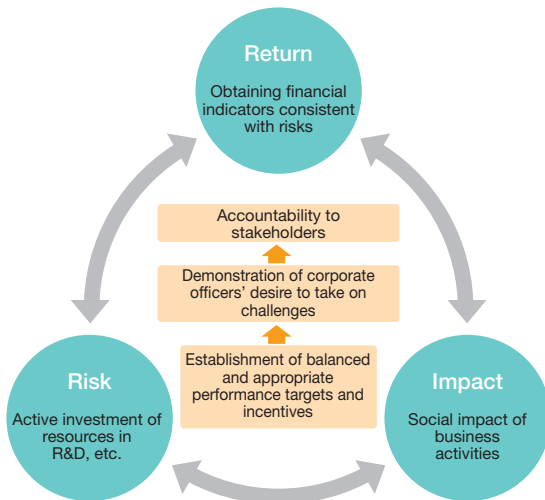
- An indicator of the size of the required duties and the standard for determining compensation, etc.
- The job grades of corporate officers are determined by using the Willis Towers Watson Global Grading System to measure job grades in an objective manner, and reflecting the Company's own evaluation of job responsibilities, etc., on the objectively measured job grades.

In order to sufficiently reflect Company-wide performance in management compensation, performance-based compensation is aimed to constitute at least 50% of total compensation, using a mechanism that increases its percentage of total compensation as the job grade gets higher.

Bonuses consist of bonuses that are determined based on the degree of attainment of Company-wide performance targets (Bonus A) and bonuses that are calculated based on the degree of attainment of individual performance targets (Bonus B). The ratio of the base amount for calculation of Bonus A and Bonus B shall be 50:50.



The degree of attainment of Company-wide performance targets for Bonus A is determined based on an evaluation of financial indicators (return) and non-financial indicators (risk and impact), and Bonus A is paid in a range of 0% to 250%.



Reasons for selection and evaluation points

Return (Financial Indicator)	Evaluation of management indicators that are shared with shareholders by disclosing numerical values as Company-wide financial performance targets
Risk (Non-Financial Indicator)	Evaluation of continued growth through aggressive investment of resources (appropriate risk-taking) in R&D and <i>hhcæco</i> themes.
Impact (Non-Financial Indicator)	Evaluation of the social impact of the LEQEMBI (generic name: lecanemab) business activity.

《Company-wide Performance Targets, etc.》

	Target Item	Weight	Basic Concept of Calculating the Degree of Attainment of Plan and Evaluation Points
Return (Financial Indicator)	Consolidated revenue	2/3	<p>Actual performance</p>
	Consolidated operating profit		
	Consolidated profit for the year (Ratio attributable to of the parent)		
	Consolidated ROE		
Risk (Non-Financial Indicator)	R&D themes <i>hhæco</i> themes	1/3	<p>(Basic Concept of Calculating the Degree of Attainment of Plan and Evaluation Points)</p> <ul style="list-style-type: none"> • 100 points for achieving 100% • 0 points for achieving less than 50% • Incentives kick in at achievement of 100% • 250 points for achieving 150%
Impact (Non-Financial Indicator)	Contribution to patients with LEQEMBI		

The degree of attainment of individual performance targets for Bonus B is determined based on an evaluation of the individual performance targets, and the bonus is paid in the range of 0% to 150%. The individual performance targets of all corporate officers include at least 20% of the targets in the following aspects as social good targets for the realization of the corporate image stipulated in the Articles of Incorporation.

- DE&I (Diversity, Equity, & Inclusion) initiatives
- Ensuring cyber security to protect patient information and ensure a stable supply
- Contributing to social impact through improved access to pharmaceuticals

Corporate officers' stock-based compensation is linked to medium- to long-term (3-year) performance, and consists of a portion to be granted at the end of the period subject to evaluation (portion granted during the term of office) and a portion that vests at the end of each 1-year term of office and is granted upon retirement (portion to be granted upon retirement).

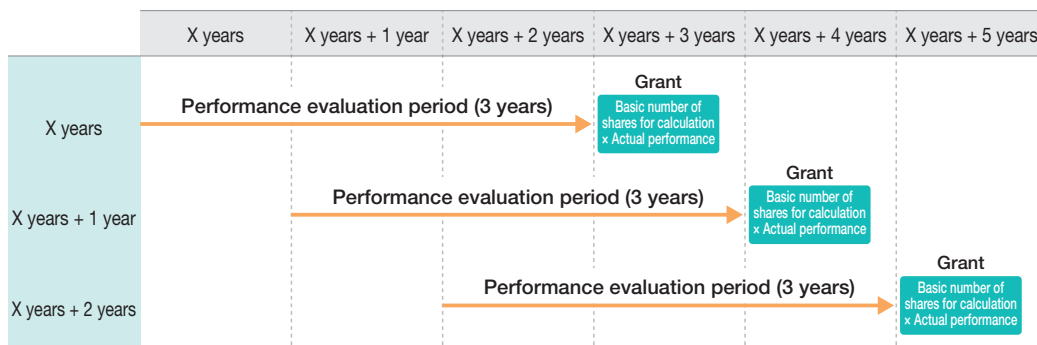
$$\text{Stock-based compensation} = \left[\text{Base number of shares to be delivered} \times 70\% \times \text{Degree of achievement of performance targets} \right] + \left[\text{Base number of shares to be delivered} \times 30\% \right]$$

Portion granted during the term of office
Portion granted at the time of resignation

The portion granted during the term of office is performance-based compensation that can reflect medium- to long-term performance and contributions to ESG. The 3 evaluation indicators are listed in the table below, and are designed to ensure objectivity and transparency by balancing the concept of performance targets of “risk, return, and impact” as stated in the Basic Policy on Compensation, etc. for Corporate Officers, and by reflecting medium- to long-term performance in a simple and appropriate manner. The evaluation period is set at 3 years. The portion granted during the term of office will range from 0% to 150% based on the attainment of these goals.

	Target Item	Weight	Concept of Each KPI and Evaluation Points
ESG EBIT	ESG, EBIT for 3 years including the subject year Average of (operating profit before personnel expenses and R&D expenses)	1/3	ESG EBIT: R&D expenses (investment risk) + personnel expenses (investment risk) + operating profit (return) Evaluation point: evaluate by growth rate
Relative PBR	Average of relative price-to-book ratios (PBR) compared to TOPIX at the end of each of the 3 years including the subject fiscal year	1/3	PBR 1 or below: return (financial book value) PBR 1 or above: impact (non-financial value) Evaluation point: evaluate by growth rate
Company-wide materiality (Non-financial)	Number of medium- to long-term Company-wide materiality targets achieved	1/3	Company-wide materiality: Consists of 5 items: realizing social good in the areas of dementia, oncology, and global health; maximizing the value of human assets; and financial strategy, which encompass all aspects of risk, return, and impact. Evaluation point: evaluate by number of achievements in each item

《Shares issued for the portion granted during the term of office》



* Each year, the number of shares that will form the basis for the granting of shares (the basic number of shares for calculation) is determined, and the shares are granted after the completion of the 3-year evaluation period, reflecting the evaluation of performance.

The portion granted upon retirement is vested each year that the corporate officer has served a full term of office after taking office, accumulated and managed annually for the duration of the corporate officer's term of office, and granted upon retirement as an officer. If the term of office as an officer is less than 3 years, the officer is not eligible.

(5) Total Amount of Compensation Paid to Directors and Corporate Officers

The grand total of compensation paid to directors and corporate officers in FY2023 (from April 1, 2023, to March 31, 2024) was as indicated below.

Total Amount of Compensation Paid to Corporate Executives in FY2023

	Base compensation		Performance-based compensation				Total (Millions of yen)	Portion of the figures to the left that consists of non-monetary compensation, etc. (Millions of yen)
	Number of recipients	Amount (Millions of yen)	Bonuses		Stock-based compensation			
Number of recipients			Amount (Millions of yen)	Number of recipients	Amount (Millions of yen)	Number of recipients	Amount (Millions of yen)	
Directors (inside)	3	129	—	—	—	—	129	5
Directors (outside)	9	134	—	—	—	—	134	5
Corporate officers	21	591	22	282	22	291	1,164	146
Total	33	855	22	282	22	291	1,428	156

- (Note) 1 As directors also serving as a corporate officer are only compensated as a corporate officer, the compensation of the Director, Representative Corporate Officer and CEO is included in the amount for corporate officers.
- 2 The base compensation amount is the total amount of base compensation paid to each applicable director and corporate officer for their term in office in FY2023. The base compensation for directors includes shares to be granted upon retirement.
- 3 The amount of bonus shown for corporate officers is the sum of the total amount of accrued bonuses to be paid to eligible corporate officers in July 2024 for the period from April 2023 to March 2024, and the difference between the total amount of bonuses paid to eligible corporate officers in July 2023 for the period from April 2022 to March 2023 and the amount of bonus allowance disclosed in the FY2022 business report. The degree of attainment of Company-wide performance targets (financial) used for stock-based compensation granted in July 2023 was 135%, and the average of the degree of attainment of individual targets was 101%.
- 4 The amount of stock-based compensation shown for corporate officers is the sum of “(1) one-third of the total amount of accrued stock-based compensation to be granted to eligible corporate officers in July 2026 for the period from April 2023 to March 2026,” “(2) the total amount of accrued stock-based compensation to be granted in July 2024 for the period from April 2023 to March 2024 as a transitional measure in connection with the change in the stock-based compensation system,” “(3) one-half of the total amount of accrued stock-based compensation to be granted in July 2025 for the period from April 2023 to March 2025, similarly as a transitional measure,” and “(4) the difference between the total amount of stock-based compensation and other compensation granted in July 2023 for the period from April 2022 to March 2023 and the amount of stock-based compensation allowance disclosed in the FY2022 business report” ((1) + (2) + (3) + (4)). The degree of attainment of Company-wide performance targets (non-financial) used for the stock-based compensation granted in July 2023 was 88%. The stock-based compensation of corporate officers includes the shares to be granted upon retirement. The amount 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 had been recorded since FY2015, and are therefore not shown in the table.
- 6 A total of 6,953 shares of the Company's stock were granted during the fiscal year to 17 corporate officers as compensation for the execution of duties during the period from April 2022 to March 2023, in accordance with the decision of the Compensation Committee. In regard to the stock-based compensation of corporate officers, half of the shares granted based on the decision of the Compensation Committee according to the degree of attainment of Company-wide performance targets (non-financial) is granted as stock, and half is converted within the trust then paid as a monetary amount equivalent to the shares converted to cash.
- 7 See page 121 for the performance indicators (Company-wide performance targets, etc.) used to calculate performance-based compensation during this fiscal year.
- 8 Three outside directors who are members of the Compensation Committee examined and reviewed the contents of the individual compensation, etc., for directors and corporate officers related to the current fiscal year and confirmed that they conform to the basic policy for compensation, etc., determined by the Committee.

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

The officers for whom consolidated compensation, etc., was ¥100 million or more in FY2023 are the following 5 individuals. The amounts for each are given below.

● Haruo Naito, Representative Corporate Officer and CEO	¥211 million
● Yasushi Okada, Representative Corporate Officer and COO	¥120 million
● Gary Hendler, Senior Vice President	¥218 million
● Yanhui Feng, Senior Vice President	¥189 million
● Lynn Kramer, Vice President	¥297 million

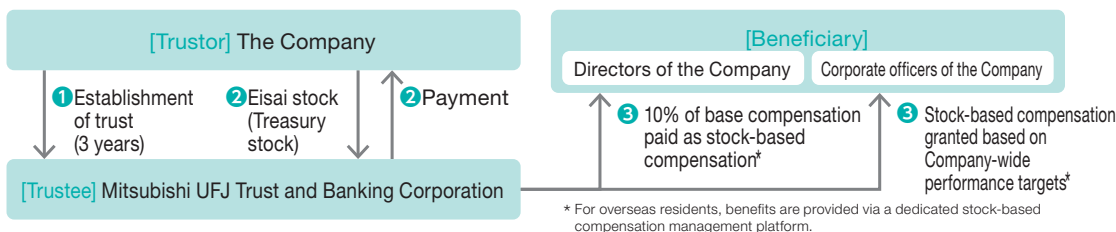
* Gary Hendler receives compensation from Eisai Europe Ltd. (U.K.), while Yanhui Feng receives compensation from Eisai China Holdings Ltd. Lynn Kramer receives compensation from Eisai Inc. (U.S.A.). The compensation for each corporate officer is based on the decision of the Compensation Committee, and the total amount is shown.

(7) Other Matters Relating to the Compensation System

1) Performance-based stock-based compensation system

The Company's performance-based stock-based compensation system allocates treasury shares through a third-party allocation by resolution of the Board of Directors to the Officer's Compensation BIP (Board Incentive Plan) Trust account.

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



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

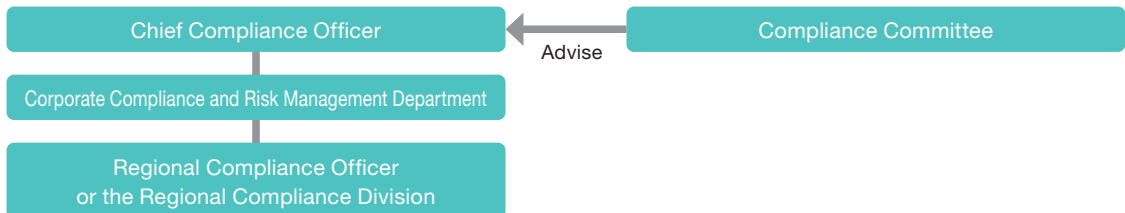
2) Malus and Clawback Clause

In the event that a director or corporate officer violates relevant laws, regulations, or internal rules and on certain other grounds, the Compensation Committee may, based on a resolution of the Compensation Committee, reduce its base compensation and performance-based compensation, suspend payment of such compensation, or demand a refund.

8. Compliance Risk Management

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.

Compliance Promotion Structure Chart



(1) Promoting Compliance

We implement the Group's compliance program, delivering the message of top management, developing a code of conduct and rules, running educational activities, and establishing and operating a training structure and consultation and whistleblowing hotline services.

This compliance program periodically undergoes objective reviews by a Compliance Committee made up of external experts.

1) Development of a Code of Conduct and Rules and Implementation of Educational Activities to Foster an Awareness of Compliance

In order to foster an awareness of compliance, we have created a "Compliance Handbook" (including the Eisai Charter of Business Conduct and the Code of Conduct) in 16 languages and presented it to all corporate executives and employees.

Further, in order to improve awareness of compliance and prevent incidents from occurring, we continue to provide education and training in various formats that interweave both in-person education with remote learning, including diverse workshops, such as compliance workshops designed for corporate executives, e-learning, and provision of training materials to each department.



2) Utilization of the Compliance Counter and the Business Partner Compliance Whistleblowing Hotline and Reports to the Audit Committee

The Compliance Counter serves as a point of contact for the Whistleblowing Compliance Management System in ENW. The Compliance Counter receives not only internal reports but also questions about the interpretation of laws, regulations, and rules, concerns about daily activities, and other types of consultation related to compliance.

In Japan, it has been set up at Eisai's Head Office and at each of the other ENW companies. It is also possible for employees of each ENW company to contact Compliance Counter at the Head Office directly. For employees who are not comfortable reporting to the internal consultation desk, the Company has also established outside consultation desks staffed by independent outside attorneys. It has also established outside consultation desks operated by neutral ombudspersons to handle problems related to work and the workplace, not limited to compliance-related matters, in an environment that makes it easy to promote compliance.

Globally as well, whistleblowing hotlines were established in each region. In addition, a direct whistleblowing hotline to the Eisai Head Office was established for Asia, and related matters are being handled in accordance with the laws and regulations, etc., of each country.

Compliance hotlines have also been set up for the corporate executives and employees of business partners to consult regarding or report misconduct and violations of laws and regulations by parties related to Eisai, as well as misconduct and violations of laws and regulations related to Eisai's business occurring at the business partner's company.

Individuals who are involved in responding to the reports made to the hotlines and counters are placed under a duty to observe confidentiality regarding information that could be used to identify the whistleblower in order to protect the whistleblower in accordance with the stipulations of the Whistleblower Protection Act.

The numbers of consultations and notifications received by the Compliance Counter and Business Partner Compliance Whistleblowing Hotlines are reported to the Audit Committee each month. We are also building a system to ensure that information of high importance which is reported to the Chief Compliance Officer and/or the Compliance Counter is immediately and anonymously reported to the Audit Committee.

The Compliance Counter at Eisai's Head Office publishes cases that are recognized as violations of compliance on an internal website while ensuring that readers cannot identify the perpetrators and the victims. This is done so that corporate executives and employees can personalize the incident and reflect on their own actions so that they do not engage in the same or similar non-compliant conduct. The number of accesses within the company is high, and it is showing an effect in preventing actions that violate compliance.

3) Implementation of an Employee Awareness Survey to Understand the Status of Compliance and Organizational Climate

Every year, the Company conducts a compliance-related awareness survey of all employees at Group companies inside Japan and overseas, in order to gain an understanding of the status of compliance and the organizational climate, and to determine whether or not there are individual issues. Based on the results of the survey, we identify issues for the entire Company and the individual issues of each department, and consider efforts to cultivate an awareness of compliance. Further, we share those issues with the management and administrative teams of each company and each division, leading to self-initiated action to resolve issues.

4) Anti-Bribery and Anti-Corruption Measures

We established the "Anti-Bribery and Anti-Corruption Policy of Eisai Network Companies" in January 2012 (comprehensively revised in October 2018) based on our strong desire to conduct our business activities with integrity. This is a rule that is common to all ENW companies for interaction with people outside the company, and business activities free from bribery and corruption are being promoted at all ENW companies. In addition, we newly established rules related to the prevention of bribery based on that policy in 2022, and have strengthened the due diligence function globally toward business partners.

One concrete example of such efforts is that we have implemented an Anti-Bribery and Anti-Corruption (ABAC) due diligence system. Using a web-based system, Eisai receives, in advance, responses to a questionnaire regarding the globally shared possibility of bribery/corruption, from companies with which Eisai plans to newly engage in transactions. This has led to a certain degree of success in reducing risks related to new transactions. Under the risk approach concept, the system has been put into operation in the Americas, including Mexico, Brazil, and Canada, in Europe, including Russia and Eastern Europe, and in the countries of Asia, including China and India. As a result of due diligence, we ask that our business partners implement a level of efforts to prevent bribery/corruption similar to that of Eisai in their own business as well. If these standards are not met, we will not engage in the transaction, or we will devise measures, such as beginning transactions

after the necessary measures have been implemented by the business partner. Eisai's employees are required to undergo training related to the prevention of bribery/corruption each year, and we are increasing awareness of the prevention of bribery/corruption in business.

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. Furthermore, in an effort to prevent conduct that runs 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 self-dealing and transactions that conflict with the interests of the Company by corporate executives require the approval of the Board of Directors. Material facts related to such transactions must also be reported appropriately to the Board of Directors.

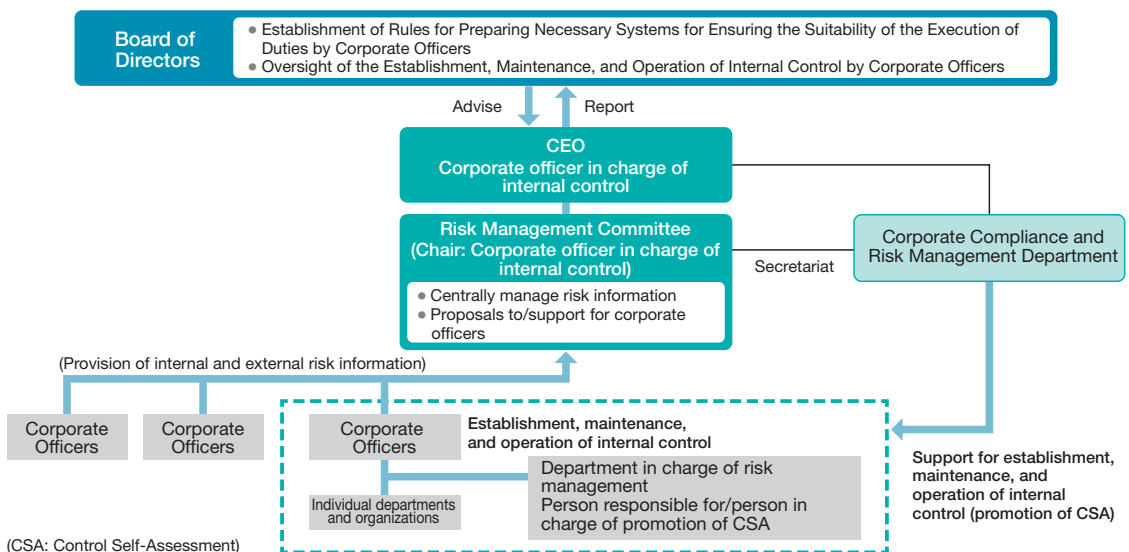
5) Promotions that Follow Compliance

We conduct promotional activities that follow compliance globally. Further, in order to gain the broad understanding of society that our corporate activities are conducted according to the highest ethical standards, we disclose payments to medical institutions, etc., and patient groups in accordance with laws and regulations and guidelines stipulated by the Japan Pharmaceutical Manufacturers Association (JPMA) and each country.

(2) Promoting Risk Management

Eisai's Board of Directors has established the "Rules for Preparing Necessary Systems for Ensuring the Suitability of the Execution 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 controls. The corporate officer responsible for internal control has established globally common "ENW internal control policies," promotes the creation, maintenance, and operation of internal controls throughout the Group, and works to manage risks within the allowable range.

Eisai Risk Management Structure



To manage risk suitably throughout the Company, the Company conducts a Control Self-Assessment (CSA) as one of the tools for risk management. Under the CSA, department managers at ENW companies identified and evaluated risks in their own organizations and took action to address those risks each year. Moreover, we are increasing the effectiveness of risk management by having all corporate officers identify and evaluate risks to understand key risks for the entire Company, and confirming the status of implementation of measures to deal with those risks. In addition, from the 2024 fiscal year onwards, by implementing CSA with corporate officers taking the lead, we will dig deeper into each identified risk and enhance the formulation and implementation of measures pertaining to them.

Out of the risks identified through this CSA, the Risk Management Committee discusses those risks that are shared company-wide. The Risk Management Committee is a committee chaired by the corporate officer responsible for internal control which receives advice from the Board of Directors and shares and discusses measures to risks in Eisai that are particularly important and concern the whole company. Further, in addition to identifying risks through the CSA and addressing them quickly and efficiently, the Risk Management Committee strives to detect potential risks in the Company at an early stage, in light of incidents such as outside corporate scandals, etc., and implements measures to prevent those risks from being actualized. Additionally, the Committee deliberates and decides on measures for dealing with risks which are being actualized within the Company, and also manages the progress of said measures.



Charter of Business Conduct <https://www.eisai.com/company/philosophy/index.html>

Compliance Risk Management <https://www.eisai.com/sustainability/governance/compliance/index.html>

9. Internal Audit Activities

In order to strengthen independence, the Company has assigned executive internal auditors who manage the internal auditing of the Group, overseen by the corporate officer responsible for internal audits. These auditors work with the Corporate Internal Audit Department, as well as internal audit departments in each region including the United States, Europe, and China to perform internal audits globally. In regard to global audits, the manner in which key risks to achievement of the Corporate Concept are being managed for the Group and the locations of issues are being managed centrally, efforts are being made to encourage improvements, and the results are reported to the Board of Directors, the Audit Committee, and the Executive Board. Further, in addition to being responsible for evaluating the establishment and operation of internal control related to financial reports required by the Financial Instruments and Exchange Act of Japan, we conduct environment and safety audits at major laboratories, plants, and other facilities in Japan and overseas from the perspective of sustainability and compliance with the Industrial Safety and Health Act and other various laws and regulations.

Moreover, in order to improve the quality of the Group's audits, we have established multiple opportunities to share information with the independent auditor on a regular basis and are striving to collaborate toward accurate and efficient internal audits. In addition, an external evaluation committee composed of outside experts meets regularly for wide-ranging evaluation of major internal audit reports and the results of self-evaluation of internal audit activities, etc.

Furthermore, we have published the mission statement and characteristics, etc., of the Company's internal audit departments on the Eisai website.



<https://www.eisai.com/company/governance/audit/index.html>

3 Status of Major Subsidiaries (as of March 31, 2024)

Company name	Location	Capital	Percentage of voting rights held (%)	Main business lines
KAN Research Institute, Inc.*	Chuo-ku, Kobe City	¥70 million	100.00	Pharmaceutical research and development
Sunplanet Co., Ltd.*	Bunkyo-ku, Tokyo	¥455 million	100.00	Business services, etc.
EA Pharma Co., Ltd.	Chuo-ku, Tokyo	¥9,145 million	60.00	Research and development/ production/sales of pharmaceuticals
Eisai Corporation of North America	New Jersey, U.S.A.	US\$1,767 million	100.00	U.S. holding company
Eisai Inc.	New Jersey, U.S.A.	US\$152 million	100.00 (100.00)	Research and development/ production/sales of pharmaceuticals
Eisai China Holdings Ltd.	Jiangsu Province, China	RMB 664 million	100.00 (100.00)	China headquarters and holding company
Eisai China Inc.	Jiangsu Province, China	RMB 576 million	100.00 (100.00)	Production/sales of pharmaceuticals
Eisai (Suzhou) Trading Co., Ltd.	Jiangsu Province, China	RMB 70 million	100.00 (100.00)	Sales of pharmaceuticals
Eisai Europe Ltd.	Hertfordshire, U.K.	GBP 184 million	100.00	European regional headquarters/ holding company, sales of pharmaceuticals
Eisai Ltd.	Hertfordshire, U.K.	GBP 46 million	100.00 (100.00)	Research and development/sales of pharmaceuticals
Eisai Manufacturing Ltd.	Hertfordshire, U.K.	GBP 39 million	100.00 (100.00)	Research and development/ production of pharmaceuticals
Eisai GmbH	Frankfurt, Germany	EUR 8 million	100.00 (100.00)	Sales of pharmaceuticals
Eisai S.A.S.	Paris, France	EUR 20 million	100.00 (100.00)	Sales of pharmaceuticals
Eisai Farmaceutica S.A.	Madrid, Spain	EUR 4 million	100.00 (100.00)	Sales of pharmaceuticals
Eisai S.r.l	Milan, Italy	EUR 4 million	100.00 (100.00)	Sales of pharmaceuticals
Eisai Asia Regional Services Pte. Ltd.	Singapore	S\$34 million	100.00	Asia holding company
Eisai Taiwan Inc.	Taipei, Taiwan	T\$270 million	100.00	Sales of pharmaceuticals
Eisai (Thailand) Marketing Co., Ltd.	Bangkok, Thailand	THB 103 million	100.00 (100.00)	Sales of pharmaceuticals
Eisai Korea Inc.	Seoul, South Korea	KRW 3,512 million	100.00	Sales of pharmaceuticals
Eisai Pharmaceuticals India Pvt. Ltd.	Andhra Pradesh, India	INR 2,708 million	100.00 (11.08)	Research and development/ production/sales of pharmaceuticals

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

* In April 2024, the company was dissolved in an absorption-type merger with the Company as the surviving company.

4 Major Affiliated Companies and Sites (as of March 31, 2024)

The Group is made up of the Company, 48 consolidated subsidiaries, and 1 equity-method affiliate. An outline of businesses segment, major affiliated companies, and sites are given below.

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

S...Sales site P...Production site R...R&D site H...Headquarters company

5 Other Significant Items

In April 2024, KAN Research Institute, Inc. (Hyogo Prefecture), a wholly owned subsidiary of the Company was dissolved in an absorption-type merger, with the Company as the surviving company.

II. Status of Shares and Stock Acquisition Rights

1 Status of Shares (as of March 31, 2024)

1. Authorized (common stock)	1,100,000,000 shares
2. Total Number of Shares Issued	296,566,949 shares (including 9,531,401 shares of treasury stock)
3. Number of Shareholders	100,496

Trends in Number of Shareholders over the Past 5 Years

Fiscal year	FY2019	FY2020	FY2021	FY2022	FY2023
Number of shareholders	53,282	61,040	74,737	80,531	100,496

4. Status of Shareholders

(1) Principal Shareholders

Shareholders	Number of shares held (Thousands of shares)	Percentage of shares (%)
The Master Trust Bank of Japan, Ltd. (trust account)	52,017	18.12
Custody Bank of Japan, Ltd. (trust account)	33,473	11.66
State Street Bank and Trust Company 505001	20,080	7.00
Nippon Life Insurance Company	6,500	2.26
State Street Bank West Client - Treaty 505234	5,081	1.77
SSBTC Client Omnibus Account	4,713	1.64
Saitama Resona Bank, Limited	4,300	1.50
The Naito Foundation	4,212	1.47
JP Morgan Chase Bank 385781	3,673	1.28
JP Morgan Securities Japan Co., Ltd.	3,543	1.23

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

2 The percentage of shares is the percentage of the total number of shares issued (excluding treasury shares).

3 Treasury shares amounted to 9,531 thousand shares (3.21% of the total number of shares issued) and are not shown in the table because they have no voting rights.

4 The following large shareholding reports (change reports) were submitted by the end of the current fiscal year.

Shareholders are not shown on the list if they cannot be confirmed in the shareholders' register as of the end of the current fiscal year, or if the number of shares held does not fall into the top 10 shareholders. The holding percentage enclosed in parentheses is the percentage of the total number of shares issued including treasury stock (rounded down).

(1) 18,308 thousand shares (6.17%) held jointly by 11 companies including BlackRock Japan K.K. as of August 15, 2017 (Change report dated August 21, 2017)

(2) 18,380 thousand shares (6.20%) held jointly by 3 companies including Nomura Securities Co., Ltd. as of July 15, 2020 (Change report dated July 21, 2020)

(3) 14,945 thousand shares (5.04%) held as Banks' Shareholdings Purchase Corporation as of September 15, 2020 (Large shareholding report dated September 23, 2020)

(4) 20,752 thousand shares (7.00%) held as Wellington Management Company, LLP as of August 31, 2022 (Change report dated September 5, 2022)

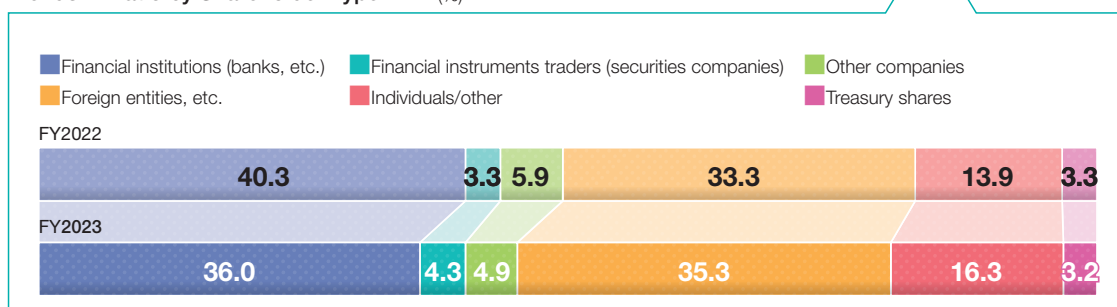
(5) 16,353 thousand shares (5.51%) held jointly by Sumitomo Mitsui Trust Asset Management Co., Ltd. and Nikko Asset Management Co., Ltd. as of September 29, 2023 (Change report dated October 5, 2023)

(2) Shareholder Composition

	Number of shareholders			Number of shares		
	(Shareholders)	(%)	Change from the previous year (Shareholders)	(Thousands of shares)	(%)	Change from the previous year (Thousands of shares)
Financial institutions (banks, etc.)	89	0.1	3	106,809	36.0	(12,824)
Financial instruments traders (securities companies)	77	0.1	7	12,714	4.3	2,983
(Other companies)	1,070	1.1	90	14,459	4.9	(2,928)
Foreign entities, etc.	1,022	1.0	112	104,731	35.3	5,909
Individuals, other	98,237	97.8	19,753	48,320	16.3	6,996
Treasury stock	1	0.0	0	9,531	3.2	(136)
Total	100,496	100.0	19,965	296,566	100.0	—

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

Trends in Ratio by Shareholder Type (%)



(3) Status of Treasury Stock

● Trends in Treasury Stock Holdings over the Past 5 Years

Fiscal year	FY2019	FY2020	FY2021	FY2022	FY2023
Treasury stock (shares)	9,903,184	9,839,021	9,801,133	9,667,799	9,531,401

● 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	9,667,799	—
Acquisition of odd-lot shares	b	2,602	21
Disposed shares	c	—	—
Exercise of stock options (stock acquisition rights)	c	—	—
Third-party allocation in connection with the continuation of performance-related share-based compensation system	d	139,000	478
Share increase for odd-lot shares	e	—	—
Shares held at the end of the fiscal year (a + b - c - d - e)		9,531,401	—

(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, Paragraph 1, Item 1 of the Companies Act.”

(4) Status of Stock Issued to Corporate Executives as Compensation for the Execution of Duties

Based on the decision of the Compensation Committee, 6,953 shares of treasury stock were granted to 17 corporate officers during this fiscal year as compensation for the execution of duties for the period from April 2022 to March 2023. For details, see “Total Amount of Compensation Paid to Corporate Executives in FY2023” on pages 122 through 123.

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

1) Fundamental Policy Regarding Strategic Shareholding

Our fundamental policy regarding strategic shareholding is to use cross-shareholdings only as a means of enhancing cooperation with other companies in ways that promote an increase in corporate value. Shareholdings are kept to the minimum necessary, and the benefits of shareholding are weighed against the corresponding risks via estimates of Net Present Value (NPV), etc. Such verification will be carried out every year, and from the perspective of corporate governance, the balance of shares held will be decreased as a general rule.

In addition, when exercising voting rights related to strategically held shares, the Company will vote in favor of proposals it judges will contribute to an increase in the value of shares held by the Company, and vote against proposals it judges will damage the value. In cases where companies holding strategically held Company stock (strategically holding shareholders) express an intention to sell, etc., said Company stock, the Company does not, as a general rule, prohibit said sale, etc.

In FY2023, the Company sold its strategic shareholding shares in 3 listed stocks (of which all its shares of 2 of the stocks). In addition, the Company sold all of its shares in 1 unlisted stock, and all of its deemed shareholding in 4 stocks.

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

As of March 31, 2024, the Company had cross-shareholding relationships with 11 listed companies, with those companies holding a total of 3,159,000 shares in the Company (1.07% of total shares issued).

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

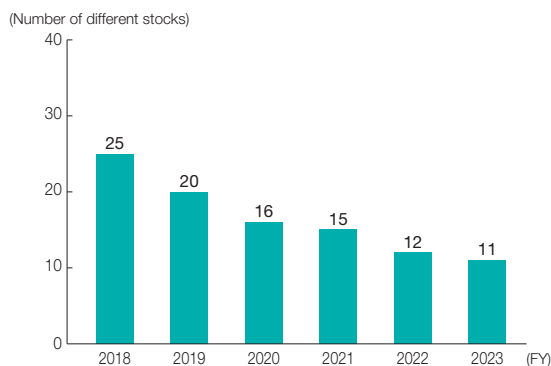
Shareholders	Industry	Shareholding		The Company's holdings of the corporate shareholder's stock		Purpose of holding shares
		Number of shares held (Thousands of shares)	Percentage of shares (%)	Number of shares held (Thousands of shares)	Percentage of shares (%)	
Santen Pharmaceutical Co., Ltd.	Pharmaceuticals	474	0.16	3,431	0.94	To strengthen business partnerships
Nihon Kohden Corporation	Electronic medical equipment	231	0.08	815	0.92	To strengthen business partnerships
Hisamitsu Pharmaceutical Co., Inc.	Pharmaceuticals	251	0.08	390	0.46	To strengthen business partnerships
MatsukiyoCocokara & Co.	Retail	819	0.28	8,445	1.97	To strengthen transactional partnerships
Medipal Holdings Corporation	Wholesale	701	0.24	2,845	1.29	To strengthen transactional partnerships
Total		2,479	0.84	—	—	

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

2 The above 5 companies consented to the disclosure of this information.

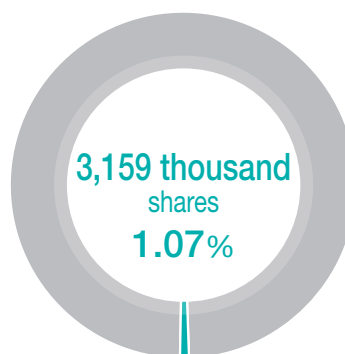
3 The shares of companies held by the Company include deemed shareholdings for retirement benefit trust purposes.

Trends in Number of Strategic Shareholding Stocks (Listed) Held by the Company



(Note) Number of stocks held includes deemed shareholdings, but excludes CVC and other such shares.

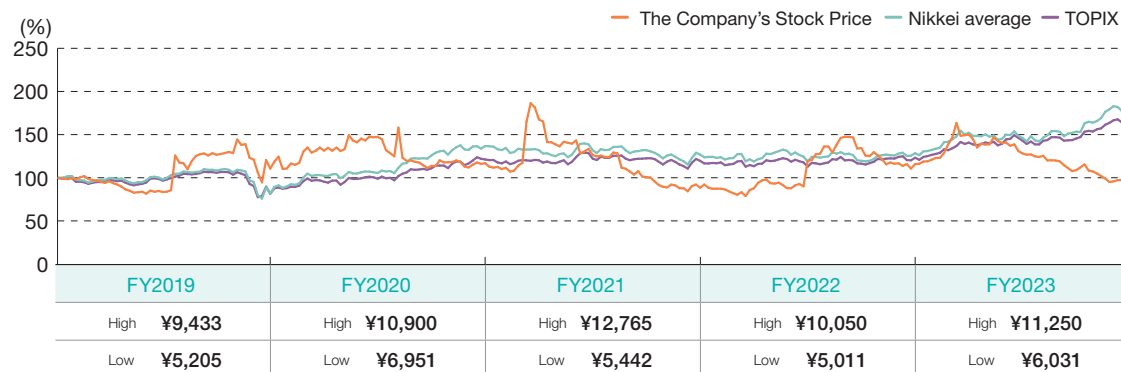
Status of the Company's Shares Held by the 11 Listed Business Corporations



Industry	Number of shares held (Thousands of shares)	Ratio
Wholesale	1,210	38.3%
Pharmaceuticals	726	23.0%
Electronic medical equipment	231	7.3%
Retail	819	26.0%
Other business corporations	170	5.4%

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 March 31, 2019 closing prices of the Company's stock price, Nikkei Stock Average, and TOPIX, respectively.

TSR (Total Shareholder Return, %)

Holding period	1 year	2 years	3 years	4 years	5 years
The Company	130.2	124.6	99.0	131.1	112.9
Nikkei average	90.8	141.8	137.3	141.0	205.9
TOPIX	90.5	128.6	131.2	138.8	196.2

(Note) Holding period reference date: March 31, 2019

3 Status of Stock Acquisition Rights

None

III. Status of Corporate Executives

Of the 11 directors, 7 are outside directors as stipulated in Article 2, Item 15 of the Companies Act. The Representative Corporate Officer and CEO is the only director who is concurrently a corporate officer.

1 Items Pertaining to Director

1. Directors

(as of March 31, 2024)

Name	Position and primary area of responsibility	Main concurrent employment, etc.
Haruo Naito	Director, Representative Corporate Officer and CEO	Chair, The Naito Foundation
Hideyo Uchiyama	Outside Director ■ Chair of the Audit Committee ■ Member of the <i>hhc</i> Governance Committee	Executive Advisor, Asahi Tax Corporation Audit & Supervisory Board Member (Outside), OMRON Corporation * Hideyo Uchiyama, as a certified public accountant, has considerable knowledge and experience related to financial accounting and auditing.
Hideki Hayashi	Director ■ Member of the Audit Committee	
Yumiko Miwa	Outside Director ■ Member of the Audit Committee ■ Member of the <i>hhc</i> Governance Committee	Professor, School of Commerce, Meiji University Member, Fund Management Committee, National Federation of Mutual Aid Associations for Municipal Personnel Member, Pension Asset Management Review Committee, The Mutual Aid Association of Prefectural Government Personnel Outside Director, Pigeon Corporation
Fumihiko Ike	Outside Director Chair of the Board of Directors ■ Member of the <i>hhc</i> Governance Committee	Outside Director, NTT DATA Group Corporation Outside Director, Resona Holdings, Inc.
Yoshiteru Kato	Director ■ Member of the Audit Committee	
Ryota Miura	Outside Director ■ Member of the Audit Committee ■ Member of the <i>hhc</i> Governance Committee	Partner of Miura & Partners (Law Firm) Outside Director and Corporate Auditor, TechMatrix Corporation Outside Audit & Supervisory Board Member, Tokyo Electron Limited
Hiroyuki Kato	Director	
Richard Thornley	Outside Director ■ Member of the Nomination Committee ■ Chair of the Compensation Committee ■ Member of the <i>hhc</i> Governance Committee	Chief Executive Officer, Thornley International
Toru Moriyama	Outside Director ■ Chair of the Nomination Committee ■ Member of the Compensation Committee ■ Member of the <i>hhc</i> Governance Committee	
Yuko Yasuda	Outside Director ■ Member of the Nomination Committee ■ Member of the Compensation Committee ■ Member of the <i>hhc</i> Governance Committee	Director and Executive Vice President, Board Advisors Japan, Inc. Outside Director, Murata Manufacturing Co., Ltd.

(Note) There is no particular conflict of interest between the Company and the concurrent employer of each outside director that would be an issue or obstacle that would impair his/her ability to execute his/her duties as an outside director. Each outside director fulfills "Requirements for the Independence and Neutrality of Outside Directors" established by the Company's Nomination Committee (see page 35).

2. Activities of Directors

Name	Primary Activities	Attendance
Hideyo Uchiyama	At Board of Directors meetings, Mr. Uchiyama has utilized his specialized knowledge as a certified public accountant as well as his high level of management expertise and oversight capabilities as the top leader of an audit firm, as he requests explanations and presents his opinions and advices, as appropriate. He also has a great deal of experience as an executive at other companies, and he provides balanced opinions based on his various experience and insights. Based on his 6 years of experience as an outside director of the Company, he has contributed by informing other directors of the history of discussions and past events, and providing direction for discussions. As the Chair of the Audit Committee, he also fulfills his expected role by providing leadership in audit activities, such as reviewing important risks for each fiscal year, developing audit plans according to those risks, and conducting audits accordingly, reporting the results to the Board of Directors, and answering questions, etc., at Board meetings. Furthermore, he observes the audits of the independence and appropriateness of the Accounting Auditor. Also, as a member of the <i>hhc</i> Governance Committee, he provides various recommendations and answers to other Committee members. He requests explanations regarding the opinions of other members, while also presenting his own opinions and advice as needed, fulfilling his expected role.	Board of Directors 100% (11/11) Audit Committee 100% (12/12) <i>hhc</i> Governance Committee 100% (8/8)
Hideki Hayashi	At Board of Directors meetings, he utilizes his abundant experience within the Company in fields such as business development, R&D, management planning, information systems, and Japan business, as well as his high level of management expertise and oversight capabilities as he requests explanations and presents his opinions and advice as necessary. In particular, he contributes to the Board's oversight of management from a position of expertise and familiarity with the business, the business execution characteristics, and specialties of the pharmaceutical industry. As a member of the Audit Committee, he also directs the daily operations of the Management Audit Department, works to enhance the quality of audit activities, and monitors the performance status of audits by personally attending important meetings and individual audits conducted by the Accounting Auditor. At Audit Committee meetings, he not only provides explanations on his own audit activities but also offers his own opinions on resolutions and reporting items as necessary, thereby fulfilling his expected role on the Committee.	Board of Directors 100% (11/11) Audit Committee 100% (12/12)

(Note) Details on the primary activities and attendance at the Board of Directors and at committee meetings of Haruo Naito, Yumiko Miwa, Fumihiko Ike, Yoshiteru Kato, Ryota Miura, Hiroyuki Kato, Richard Thornley, Toru Moriyama, and Yuko Yasuda (9 individuals) are listed on the individuals' corresponding candidate pages in the Reference Documents.

3. Changes in Directors

- (1) Toru Moriyama and Yuko Yasuda were newly appointed as directors and assumed their posts at the 111th Ordinary General Meeting of Shareholders held on June 21, 2023.
- (2) Yasuhiko Katoh and Shuzo Kaihori retired from their director posts upon expiration of their terms of office at the end of the 111th Ordinary General Meeting of Shareholders held on June 21, 2023.

4. 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.

5. Submittal of "Independent Directors/Auditors Notifications" to Stock Exchanges

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

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

The Company has limitation of liability contracts in force with 10 directors (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. In the event that any of the Company's directors 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.

2 Items Pertaining to Corporate Officers

1. Corporate Officers

The number of corporate officers of the Company at the end of March 2024 is 21, including 3 female corporate officers.

(as of March 31, 2024)

Name	Age	Position and primary area of responsibility	Shares of Company stock owned
Haruo Naito	76	Director, Representative Corporate Officer and CEO	661,841
Yasushi Okada	65	Representative Corporate Officer, COO Industry Affairs, China Business, and Data Integrity	30,739
Kenta Takahashi	64	Executive Vice President General Counsel, Chief Compliance Officer, Internal Control, Internal Audit, and Intellectual Property	11,025
Terushige Iike	60	Executive Vice President Japan Business	15,058
Keisuke Naito	35	Senior Vice President Chief Strategy and Planning Officer, Chief Ecosystem Officer, Global Alzheimer's Disease Officer	970
Gary Hendler	57	Senior Vice President President, EMEA Region; and Chairman & CEO, Eisai Europe Ltd.	0
Tatsuyuki Yasuno	55	Senior Vice President President, Americas Region and Chairman & CEO, Eisai Inc.	7,187
Yanhui Feng	51	Senior Vice President President, Eisai China Holdings Ltd. and President, Eisai China Inc. Yanhui Feng resigned as President of Eisai China Inc. as of April 1, 2024.	0
Masatomi Akana	57	Senior Vice President Chief Government Relations Officer, Chief IR Officer, Global Value & Access, General Affairs, Environmental and Safety Affairs, and Japan Subsidiaries	2,642
Takashi Owa	60	Senior Vice President Chief Scientific Officer, Japan and Asia Medical, and Safety	10,392
Lynn Kramer	73	Vice President Chief Clinical Officer	0
Sayoko Sasaki	55	Vice President Corporate Communications and ESG	8,452
Shohei Kanazawa	59	Vice President President, Asia and Latin America Region; and API Solutions	8,838
Akiko Nakahama	55	Vice President Chief Portfolio Officer, Japan/Asia Filing and Registration, Chief Quality Officer, Japan Regulatory Affairs	1,889
Kazuhiko Tamura	59	Vice President President, Eisai Demand Chain Systems	10,725
Teruyuki Masaka	46	Vice President Chief HR Officer	2,190

Name	Age	Position and primary area of responsibility	Shares of Company stock owned
Mitsuo Kosaka	46	Vice President New Supply Chain Strategy	5,366
Shin Ujiie	44	Vice President Corporate Strategy	1,348
Toshitaka Asano	57	Vice President Head of Corporate Planning and Business Development HQs	0
Mitsuru Shomon	52	Vice President Chief Financial Officer	2,250
Makoto Hoketsu	55	Vice President Chief Information Officer	200

2. Changes to Corporate Officers

- (1) Effective June 21, 2023, Vice Presidents Yosuke Akita and Eriko Naito resigned.
- (2) The promotion of Senior Vice President Terushige Iike to Executive Vice President and the promotion of Vice President Keisuke Naito to Senior Vice President were approved at the meeting of the Board of Directors held on June 21, 2023.
- (3) Toshitaka Asano and Mitsuru Shomon were newly appointed as corporate officers at the meeting of the Board of Directors held on July 7, 2023, and assumed office effective July 10, 2023.
- (4) Effective July 31, 2023, Senior Vice President Ivan Cheung resigned.
- (5) Makoto Hoketsu was newly appointed as a corporate officer at the meeting of the Board of Directors held on September 12, 2023, and assumed office effective October 1, 2023.

3 Overview of Directors and Officers Liability Insurance Contract Content

At the meeting of the Board of Directors held in August 2023, the Company passed resolution on directors and officers liability insurance contracts, the general outline of which is as follows.

(1) Scope of the insured

Corporate executives, group officers, and all employees (including retired corporate executives) who have general management or oversight responsibilities in the Company or its applicable subsidiaries.

(2) Overview of the insurance contract content

If a claim for damage compensation arises from an insured person as the result of actions performed (including omissions) in their duties as a corporate executive of the companies indicated in (1) above, we shall compensate the insured person for the damages suffered and related administrative expenses. However, the Company will take measures to ensure that executives and others in a position of authority maintain propriety in the performance of their duties by not providing compensation for damages or other loss suffered by corporate executives themselves resulting from their own criminal conduct or willful legal or regulatory violations. The entire amount of the insurance premiums is borne by the Company.

Consolidated Financial Statements for the 112th Fiscal Year

Consolidated Statement of Financial Position (as of March 31, 2024)

(Millions of yen)

Account Items	As of March 31, 2024 (The 112th Fiscal Year)	(Reference) As of March 31, 2023 (The 111th Fiscal Year)	Account Items	As of March 31, 2024 (The 112th Fiscal Year)	(Reference) As of March 31, 2023 (The 111th Fiscal Year)
(Assets)			(Equity)		
Non-current assets			Equity attributable to owners of the parent		
Property, plant and equipment	164,894	166,633	Share capital	44,986	44,986
Goodwill	236,366	208,817	Capital surplus	78,863	78,813
Intangible assets	85,493	89,230	Treasury shares	(33,612)	(33,638)
Other financial assets	57,674	52,463	Retained earnings	526,490	522,774
Other assets	25,564	21,412	Other components of equity	258,886	187,024
Deferred tax assets	100,826	102,592	Total equity attributable to owners of the parent	875,614	799,959
Total non-current assets	670,816	641,148	Non-controlling interests	23,361	22,612
Current assets			Total equity	898,975	822,571
Inventories	174,651	140,417	(Liabilities)		
Trade and other receivables	217,208	187,256	Non-current liabilities		
Other financial assets	445	540	Borrowings	134,773	84,904
Other assets	26,001	26,639	Other financial liabilities	38,548	36,989
Cash and cash equivalents	304,678	267,350	Provisions	1,413	1,299
Subtotal	722,983	622,202	Other liabilities	14,915	17,978
Total assets	1,393,799	1,263,350	Deferred tax liabilities	704	664
			Total non-current liabilities	190,352	141,834
			Current liabilities		
			Borrowings	24,632	41,201
			Trade and other payables	72,249	86,826
			Other financial liabilities	34,250	34,668
			Income taxes payable	8,718	2,223
			Provisions	31,195	22,994
			Other liabilities	133,428	111,033
			Total current liabilities	304,472	298,945
			Total liabilities	494,825	440,779
			Total equity and liabilities	1,393,799	1,263,350

(Note) FY2022 (111th fiscal period) is included for reference (not audited).

Consolidated Statement of Income (from April 1, 2023, to March 31, 2024) (Millions of yen)

Account Items	Fiscal year ended March 31, 2024 <small>(The 112th Fiscal Year)</small>	(Reference) Fiscal year ended March 31, 2023 <small>(The 111th Fiscal Year)</small>
Revenue	741,751	744,402
Cost of sales	(155,333)	(177,837)
Gross profit	586,417	566,566
Selling, general and administrative expenses	(374,421)	(358,292)
Research and development expenses	(169,021)	(172,999)
Other income	11,998	8,313
Other expenses	(1,566)	(3,548)
Operating profit	53,408	40,040
Financial income	10,804	7,239
Financial costs	(2,388)	(2,266)
Profit before income taxes	61,823	45,012
Income taxes	(18,040)	11,824
Profit for the year	43,784	56,836
Profit for the year attributable to		
Owners of the parent	42,406	55,432
Non-controlling interests	1,377	1,404

(Note) FY2022 (111th fiscal period) is included for reference (not audited).

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 sells its products online.

* 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

Fatigue, rough skin, stomatitis



Chocola BB Plus

Class III drug

Mouth ulcers, sore throat



Chocola BB Pure

Class III drug

Blotches, freckles



Chocola BB Mouth Ulcer Repair Shot

Class III drug



Chocola BB Lucent C

Class III drug

Increases the moisture retention of skin



Chocola BB Rich Ceramide

Food with function claims

For iron supplement



Chocola BB Fe Charge

Food with nutrient function claims (Iron)

Fatigue recovery and prevention



Chocola BB Light

Designated quasi-drug product



Chocola BB Royal 2

Designated quasi-drug product



Chocola BB Hyper

Designated quasi-drug product

For refreshment



Chocola BB Sparkling
Grapefruit and peach flavor

Food with nutrient function claims (Niacin)



Chocola BB Sparkling
Muscat flavor

Food with nutrient function claims (Niacin)

Travelmin

Prevention and alleviation of dizziness, nausea, and headaches associated with motion sickness



Travelmin

Class II drug



Travelmin R

Class II drug



Travelmin Family

Class II drug



Travelmin Churup Grape Flavor

Class II drug



Travelmin Support
Marketing name: Deofrenz

Quasi-drug product Oral refreshment

Selbelle

Upset stomach, over-eating, heartburn



Selbelle Stomach Medicine (tablet)

Class II drug



New Selbelle Stomach Medicine Premium (tablet)

Class II drug

Saclon

Heartburn, over-drinking



Saclon

Class II drug

Nausea, stomach pain



Saclon Q

Class II drug

Sacloph

Eliminates bad breath, hangover



Sacloph tablets

Class III drug

Nabolin

Eye fatigue, stiff shoulders



Nabolin S

Class III drug

Juvelux

Cold hands and feet, stiff shoulders



Juvelux

Class III drug



Juvelux alpha 2

Class III drug

Sahne

Rough, dry or chapped skin



Sahne Cream

Marketing name: Sahne Cream E

Quasi-drug product

Veraris

Conditions skin



Veraris

Marketing name: Medicated Veraris

Quasi-drug product

Asthphyllin S

Cough, phlegm



Asthphyllin S

Class II drug

Etak

One week lasting antimicrobial action



Etak Antimicrobial Spray (for face masks)



Etak Antimicrobial Spray alpha Alcohol-free



Etak Antimicrobial Wet Wipes Alcohol-free



Etak Antimicrobial Spray alpha Alcohol-type



Etak Antimicrobial Wet Wipes Alcohol-type

Online Products

Bi Chocola Series

A superior, rich beauty supplement formulated with 5-ALA



Bi Chocola Enrich

Food with nutrient function claims (Vitamin C/Vitamin B2/ Niacin)

A balanced blend of 7 ingredients that make you beautiful from the inside out



Bi Chocola

Food with nutrient function claims (Vitamin C/Vitamin B2/ Niacin)

Domestically produced young barley leaves + low-molecular collagen compound



Bi Chocola Collagen Green Juice*

Food with nutrient function claims (Vitamin C)

Lifestyle Support Series

For high blood pressure



Helcare

Food for specified health uses

For those concerned about postprandial blood sugar and triglycerides



Blocks sugar and fat

Food with function claims

For those concerned about uric acid levels



Uric acid guard

Food with function claims

* This and other green juice products contain a large amount of Vitamin K. Please do not drink this product if you are taking Warfarin K (Warfarin, etc.).

Online shop direct phone number (for inquiries)

0120-831-260 (toll free in Japan)

Calls accepted between 9:00 A.M. - 6:00 P.M.

* Open daily except between Dec. 30 and Jan. 3

Online shop website

<https://shop.eisai.jp> (Japanese)

Eisai Online Shop

Search



(Japanese)

ARTICLES OF INCORPORATION (Revised on June 17, 2022)

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 Concept)

- Article 2. (1) The Company's Corporate Concept is to give first thought to patients and the people in the daily living domain, and to increase the benefits that health care provides to them. Under this Concept, the Company endeavors to become a human health care (*hhc*) company.
- (2) The Company seeks to effectively achieve social good in the form of relieving anxiety over health and reducing health disparities as an innovative Japanese company.
- (3) The Company's mission is to increase the satisfaction of patients and the people in the daily living domain, and to empower them to realize their fullest life through an *hhc* ecosystem developed through collaboration with other industries and groups. The Company believes that revenues and earnings will be generated by first fulfilling this mission. The Company places importance on this sequence.
- (4) 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.
- (5) The Company's principal stakeholders are patients and the people in the daily living domain, shareholders, and employees. The Company endeavors to develop and maintain a good relationship with stakeholders and to enhance the value thereof through:
1. Satisfying unmet medical needs, providing information and services that contribute to the awareness and prevention of diseases, ensuring a stable supply of high-quality products, and providing useful information on a range of topics, such as drug safety and effectiveness;
 2. Contributing to a sustainable society with a long-term perspective;
 3. Enhancing the common interests of shareholders, improving long-term corporate value, providing a positive return to shareholders, and disclosing corporate management information in a timely manner; and
 4. Ensuring stable employment, respecting human rights and diversity, providing full opportunities for growth in support of self-fulfillment, and creating an employee- friendly environment.

(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. However, it shall be possible to change the location of the venue if it is deemed to be difficult to hold the meeting 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.

(Electronic Provision Measures, etc.)

Article 15. (1) When convening a General Meeting of Shareholders, the Company shall implement measures to provide the information contained in General Meeting of Shareholders Reference Materials, etc., electronically.
 (2) The Company may choose not to include all or part of the matters for which electronic provision measures are implemented, which have been stipulated by Ordinance of the Ministry of Justice, in written documents provided to shareholders who have requested them by the record date for voting rights.

(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 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 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.

Notice of Convocation Online Survey

The Company's Notice of Convocation presents rich information, including non-financial items such as ESG initiatives, in an easily comprehensible manner. Based on the results of last year's survey regarding the Notice of Convocation, we have included a "medium- to long-term growth story" in this year's Notice of Convocation, which many respondents expressed interest in. In addition, to make the structure easier for individual shareholders to read, we have moved the "Status of Major R&D Pipeline" and other sections they are particularly interested in to the first half of the notice.

We would appreciate your cooperation in filling out the survey so we may hear your opinions and feedback to further enhance the Notice of Convocation.

Shareholder website URL

<https://engagement-portal.tr.mufg.jp/>
(Japanese only)



(Japanese)

After logging in to the shareholder website from the URL or QR code above, please click the "Survey" button to answer the survey. (See page 7 for how to log in)
Response Period: from May 28, 2024 (Tue), to June 30, 2024 (Sun)



Notes on Shares

Fiscal Year	From April 1 to March 31 of the following year
Ordinary General Meeting of Shareholders	June
Dividend Record Date (Twice a Year)	Year-end dividend: March 31, Interim dividend: September 30
Administrator of Shareholder Registry Special Account* Management Institution	Mitsubishi UFJ Trust and Banking Corporation (Contact) Stock Transfer Agency Department, Mitsubishi UFJ Trust and Banking Corporation 0120-232-711 (Toll free in Japan) (Operator service weekdays from 9 A.M. to 5 P.M.) (Mailing address) Stock Transfer Agency Department, Mitsubishi UFJ Trust and Banking Corporation P.O. Box No. 29, New Tokyo Post Office, 137-8081
Listed Stock Exchange	Tokyo Stock Exchange, Prime Market (Securities Code: 4523)
Method of Public Notice	Electronic Publication (https://www.eisai.com/ir/index.html) (In the event of unavoidable circumstances, the information will be published in the Nihon Keizai Shimbun)
Inquiries	[Change of name/address, specifying the method of receiving dividends, requesting buyback/additional purchase of odd-lot shares] Please contact your securities company. In case of a special account,* please contact Mitsubishi UFJ Trust and Banking Corporation [Sending and returning mail, and general inquiries about our stock administration] Please contact Mitsubishi UFJ Trust and Banking Corporation

*Shares that were not deposited with Japan Securities Depository Center, Inc. (JASDEC) prior to the transition to electronic share certificates are recorded and managed by the Company by opening a "special account" with Mitsubishi UFJ Trust and Banking Corporation, the administrator of the shareholder registry.

[Forward-looking statements and risk factors]

The information provided in this notice includes current forecasts, targets, evaluations, estimates, assumptions that are accompanied by risks, and other matters that are based on uncertain factors. Accordingly, it is possible that actual results will deviate significantly from forecasts, etc., due to changes to a variety of factors.

Risks and uncertainties that could cause significant fluctuations in the results of the Group or have a material effect on investment decisions are described in "Risk Factors" (see pages 154 through 162 in the electronic version of the Matters Omitted from the Delivered Documents). However, these do not cover all of the risks and uncertainties faced by the Group, and it is possible that they will be affected in the future by other factors that cannot be foreseen, or are not deemed to be important, at this point in time.

These are judgments as of the present, and statements in the text regarding the future are not guarantees that they will occur or be achieved.

Other Measures for Electronic Provision

(Matters Omitted from the Delivered Documents)

Business Report

Status of Accounting Auditor

1 Name of Accounting Auditor

Deloitte Touche Tohmatsu LLC (Continuous audit period: 33 years)

The accounting audit operations of the Company have been performed by the following 3 certified public accountants, with the assistance of 12 certified public accountants and 45 others.

Name	Position	No. of years as auditor for the Company
Yasuteru Miura	Designated limited liability partner, engagement partner	4 years
Tepei Yamamoto	Designated limited liability partner, engagement partner	3 years
Mikihiko Okabe	Designated limited liability partner, engagement partner	1 year

2 Amount of compensation paid to Accounting Auditor

(Millions of yen)

	Previous fiscal year			Current fiscal year		
	The Company	Consolidated subsidiary	Total	The Company	Consolidated subsidiary	Total
Amount of compensation paid to Accounting Auditor	153	29	182	160	29	189
① 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*	148	29	177	156	29	185
② Compensation, etc., 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)	5	—	5	4	—	4

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

All but a few of the major subsidiaries (see page 128), with the exception of some overseas subsidiaries, are audited by audit firms belonging to the Deloitte Tohmatsu Group, which is part of the same network as the Company's accounting auditors. The Group pays compensation, etc., as shown below for the audit work and non-audit work conducted by the Deloitte Tohmatsu Group (excluding the "Amount of compensation paid to Accounting Auditor" shown above).

(Millions of yen)

	Previous fiscal year			Current fiscal year		
	The Company	Consolidated subsidiary	Total	The Company	Consolidated subsidiary	Total
Amount of compensation paid to those belonging to the same network as Accounting Auditor	3	562	564	1	538	539
① Compensation, etc., paid for audit work	—	465	465	—	484	484
② Compensation, etc., paid for non-audit work	3	97	99	1	53	54

The non-audit services provided to the Company and its consolidated subsidiaries mainly consist of tax-related advisory and other services, and the Audit Committee has confirmed that the provision of non-audit services does not affect the independence of the Accounting Auditor.

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 based on the audit plan.

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 and other conditions for the Accounting Auditor are appropriate. After completing its assessments, the Audit Committee approved the amount of compensation and other conditions for the Accounting Auditor.

4 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 April 2023 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 involve examining the content of the Accounting Auditor's audit plan, the audit fees and other considerations 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 the Items in 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 each item 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.

5 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.

On the other hand, in the evaluation of certified public accountants, the independence and expertise of the engagement partners in charge are confirmed by the Audit Committee through “Monitoring and Verification Activities in Relation to the Accounting Auditor” (please refer to page 115).

6 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 4 meetings each year with its engagement partners in accordance with the “Auditing Standards 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.

7 Provision Concerning the Suspension of Audit Operations of Accounting Auditor

None

8 Provision Concerning Limitation of Liability Contracts with Accounting Auditor

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

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 Regulations for Enforcement of the Companies Act, the Company's Board of Directors has passed a resolution on the "Rules Concerning Items Necessary for the Execution of Duties by the Audit Committee" and "Rules for Preparing Necessary Systems for Ensuring the Suitability of the Execution of Duties by Corporate Officers." See pages 197 through 201 for both rules.

① Status of Operation of the "Rules Concerning Items Necessary for the Execution 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.

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 corporate executives 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 (see pages 124 through 127). In addition, matters related to the Company's corporate officers can be reported directly to the whistleblowing hotline that has been established by the Audit Committee. In addition, the Audit Committee obtains information related to the internal control of ENW companies from their 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 corporate 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 operation 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 of the Execution 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 that information is handled correctly. The “ENW Confidential Information Security Policy,” “Information Security Regulations,” 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), corporate officer assigned to general affairs and environmental affairs (environment, disasters), Chief Quality Officer (product quality), corporate officer responsible for safety (side effects) bear the responsibility. Accordingly, they have created and operate necessary documents and rules, including rules concerning consolidated accounting, rules for the prevention of insider trading, a business continuity plan, a procedure manual for guaranteeing product quality, and rules relating to the management of side-effect information. By posting them on the Company’s internal website and holding workshops for the relevant parties, they take countermeasures, operate the rules, and ensure that the appropriate parties are thoroughly familiar with the rules.

In addition, the Risk Management Committee, chaired 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 HR 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 as needed. 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 corporate executives in charge of the execution of business and employees of ENW companies other than the Company is in accordance with laws and the 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.

Compliance is promoted by establishing and putting into practice a compliance program. The Company lists its policies of opposing anti-social forces in its Charter of Business Conduct and Compliance Handbook and ensures that ENW is familiar with the policies through compliance training and other measures.

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 assesses important Company-wide risks by CSA through interviews with all corporate officers, picks up risks that are common across all departments including external factors, and has the Risk Management Committee deliberate them and follow up as a system to reduce everyday operational risks. Eisai has established a regional management organization or appointed a regional manager in each of the Japan, Americas, Europe, Asia, and China 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 of the audited organization. The results of all internal audits are periodically reported to the Board of Directors, Audit Committee, and Executive Board (for more on internal audits, see page 127).

A corporate officer who confirms that ENW are 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 corporate executives 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 and the Audit Committee as needed.

Basic Policies Regarding Persons to Control the Determination of Financial and Business Policies

At its meeting held on April 27, 2022, the Company's Board of Directors resolved to discontinue the "Policy for Protection of the Company's Corporate Value and Common Interests of Shareholders," and the Policy was abolished as of the end of its effective period on June 30, 2022. In conjunction with the abolishment of the Policy, the content stipulated in Article 118, Item 3 of the Regulations for Enforcement of the Companies Act ("basic policies regarding individuals who control decisions on financial and business policies") is as follows.

1 Eisai's Basic Policy Regarding Individuals Who Control Decisions on Financial and Business Policies

The Company had previously stipulated a corporate concept "to give first thought to patients and their families, other natural benefits that health care provides to them" (*hhc* concept: *human health care*), and we shared this concept with our stakeholders.

In our "EWAY Future & Beyond" medium-term business plan launched in April 2021, the Company shifted perspectives to greatly expand the scope of the beneficiaries of our social contributions, from "patients and their families" to "patients and the people in the daily living domain." As such, we are striving to create solutions that help people, with our vision of "empowering The People to realize their fullest life."

We see the ecosystem model as our business model to put this concept and approach into practice. An ecosystem is a framework in which various living organisms coexist in a set environment and develop by cooperating with each other. As the nucleus of ecosystems such as these, we collaborate with academia and startups on drug discovery, and we are also building the Eisai Universal Platform (EUP) on which many different solutions can be created and provided based on clinical data as well as data on biomarkers and more.

The solutions generated by EUP are also producing major synergy effects with other industries. We believe that by greatly expanding the scope of people to whom we contribute by providing value directly and building an ecosystem, we can help increase the sophistication of products and improve services offered not only by the Company but in other industries as well, leading to even more contributions by providing value. Our ambition is to be an *hnceco* company, which operates on a business model that integrates our Corporate Concept of *hhc* with these ecosystems.

Furthermore, the Company focuses on the reduction of health disparities and continues to engage in initiatives to improve access to medicines, including the free-of-charge provision of drugs for the treatment of lymphatic filariasis. In research and development of drugs for the treatment of tropical diseases as well, we are building rich pipelines through various partnerships. The Company will not spare any efforts to deliver hope and our products to people in the daily living and medical domains.

However, considering the escalating competition surrounding the Company, and the changes and transformations 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.

The Company does not necessarily reject acquisitions that are intended to obtain a large volume of our shares or that permit a third party to participate in the management of our business, if such acquisitions will substantially increase the corporate value of the Company.

Based on this perspective, as a company generating made-in-Japan innovation the Company considers the sources of our corporate value to include our *hhc* concept and the employees motivated to deliver it, as well as our knowledge creation activities (*hhc* activities) that put our concept into practice, and business operations to efficiently deliver the social good (to relieve anxiety over health and reduce health disparities). Individuals who control decisions on the Company's

financial and business policies must therefore sufficiently understand these sources of value in order to strive toward securing and increasing the Company's corporate value and the common interests of our shareholders over the medium to long term.

② Initiatives Contributing to Implementation of the Basic Policy and to Prevent Decisions on the Applicable Company's Financial and Business Policies from Being Controlled by Individuals Who are Improper in Light of the Basic Policy

a Initiatives Contributing to Implementation of the Basic Policy

As stated in ① above, we are moving forward with initiatives based on our "EWAY Future & Beyond" medium-term business plan. For specific details, please see "2. Issues that Need to be Addressed" on pages 52 through 54.

Additionally, in 2004 the Company adopted a "Company with Committees System" (currently "Company with a Nomination Committee, etc. System") and believes that the focus of corporate governance is to ensure fairness and transparency of management through clear separation of functions between management oversight and business execution, while also increasing the vitality of business. The Company always aims to exercise the best corporate governance and strives continually to enhance it as well.

b Initiatives to Prevent Decisions on the Applicable Company's Financial and Business Policies from Being Controlled by Individuals Who are Improper in Light of the Basic Policy

At its April 27, 2022 meeting, the Board of Directors resolved to discontinue the "Policy for Protection of the Company's Corporate Value and Common Interests of Shareholders" effective June 30, 2022, when the Policy expires. However, when there are acquisition proposals or share purchases that risk damaging the Company's corporate value and the common interests of shareholders, we secure sufficient time and information for examination by shareholders, and when necessary, we take any available measures (so-called takeover defense measures) deemed appropriate at that point in time in order to secure the Company's corporate value and the common interests of shareholders.

③ Decisions by Our Board of Directors on Initiatives in ② and the Reasons

As indicated in ① above, we believe that improving our corporate value and the common interests of shareholders is achieved by increasing the benefits to patients and the people in the daily living domain, and that the initiatives indicated in ②a above contribute to increasing these benefits to patients and the people in the daily living domain. There are acquisitions that are inappropriate, including those that do not give sufficient time and information to the Company and shareholders to examine the substance of the proposed acquisition and consider alternatives.

There are also acquisitions that obstruct bold long-term business measures, including research and development systems for new drugs essential for the Company to deliver increased benefits for patients and the people in the daily living domain, provision of information and services that aid awareness and prevention of diseases, stable supply of high-quality products, and ensuring the management and provision of information on the safety and efficacy of drugs. Such acquisitions will damage the Company's corporate value and the common interests of our shareholders. For this reason, we consider it appropriate from the perspectives of our corporate value and the common interests of shareholders to take the measures indicated in ②b above to prevent such acquisitions.

Based on this reasoning, the Company's Board of Directors concluded that the initiatives indicated in ② above are aligned with the basic policy indicated in ① above, serve the purpose of securing our corporate value and the common interests of our shareholders, and are not intended to maintain the position of the Company's corporate executives.

Risk Factors

The materials and information provided in this announcement include current forecasts, targets, evaluations, estimates, assumptions that are accompanied by risks, and other matters that are based on uncertain factors. Accordingly, it is possible that actual results will deviate significantly from forecasts, etc., due to changes to a variety of factors. These risks and uncertainties include general industry and market conditions, fluctuation of interest rates and currency exchange rates, and other aspects of economic conditions in Japan and internationally.

Risks and uncertainties that could cause significant fluctuations in the results of the Group or have a material effect on investment decisions are as follows. However, these do not cover all of the risks and uncertainties faced by the Group, and it is possible that they will be affected in the future by other factors that cannot be foreseen, or are not deemed to be important, at this point in time. These are judgments as of the time of the announcement, and statements in the text regarding the future are not guarantees that they will occur or be achieved.

Corporate Concept

Management based on the Corporate Concept

The Company has redefined the key players in our corporate concept of *human health care (hhc)* as “people in the daily living and medical domains” and expanded the key players we should contribute to from “patients and their families” to “patients and the people in the daily living domain.” In June 2022, the Articles of Incorporation were partially amended to stipulate that the Company’s corporate concept is to give first thought to patients and the people in the daily living domain, and to increase the benefits that health care provides to them. These aims are shared with stakeholders and considered as our “Purpose.” We also believe that the increased benefit to patients and the people in the daily living domain resulting from achievement of these aims will lead to improved performance of the Group and increased corporate value in the long term. The strategic intent of the medium-term business plan “EWAY Future & Beyond,” which started in April 2021, and the establishment of a business model that promotes collaboration with other industries in the *hhceco* (*hhc* concept + ecosystem) Declaration issued in May 2022, are also based on the *hhc* corporate concept. As a company that seeks to effectively achieve social good in the form of relieving anxiety over health and reducing health disparities, our strong motivation based on our understanding of the true needs of patients becomes the source of the Group’s innovation. In addition, we view the importance of promoting the information management/provision, etc., needed to promote further the research and development of new drugs, produce and sell high-quality products, and achieve safe use of pharmaceuticals, on a foundation of controls, aimed at creating patient value, as “Integrity.” This concept is also the building block of our ESG efforts, such as activities for improving access to medicines including free provision of a lymphatic filariasis treatment, and building of a community that coexists with dementia.

Accordingly, insufficient permeation of the corporate concept throughout the Group, stagnation of the implementation of management aimed at implementing the concept, and other factors that hinder the full increase of benefit to patients and the people in the daily living domain may have

significant impact not only on the Group's business performance, but also on the improvement of corporate value, including non-financial value.

Business Strategy

Maximizing the value of LEQEMBI and next-generation AD treatments

The Group has determined that maximizing the value of next-generation Alzheimer's disease (AD) treatments including the AD treatment LEQEMBI (generic name: lecanemab) is one of the most important strategies in the medium-term business plan "EWAY Future & Beyond." As part of that, we are building diagnostic and treatment pathways that lead from the start of the patient's examination through to their diagnosis, treatment and monitoring. We are also aiming to simplify these pathways along with advancements in blood biomarkers and the development of maintenance treatment and subcutaneous injection formulations. If these cannot be completed, next-generation AD treatments might not sufficiently reach patients and it may not be possible to earn the revenue anticipated in the future.

In the United States, the Group also aims to promote access for a wider range of parties, reduce financial burdens, and contribute to the sustainability of the healthcare system by setting prices with transparent explanations based on the concept of value-based pricing. However, if patients' access to LEQEMBI is limited by various factors, we may not be able to earn revenue anticipated in the future.

Maximizing the value of Lenvima

The Group and Merck & Co., Inc., Rahway, NJ, USA are conducting multiple clinical trials for the combined treatment of the anticancer agent Lenvima and the anti-PD-1 antibody pembrolizumab for multiple cancer types. However, if we are unable to obtain the expected results in those combination therapy clinical trials, or if the positioning of Lenvima changes resulting from unanticipated trial results for competing products or their approval timing, it is possible that additional indications for Lenvima will not be achieved at the originally expected timing, the competitiveness of Lenvima will be weakened, and the sales plan for Lenvima will not be achieved. Sales milestones have been established for the revenue obtained through the partnership model for Lenvima, and if these are not achieved due to a failure to achieve sales targets, it may not be possible to earn the revenue anticipated in the future.

Partnership model

The Group considers partnerships to be an effective means of improving business efficiency and productivity. Partnerships are established with the aim of accelerating new drug development through utilization of the latest science and technology, or for efficient resource usage, maximizing business value, and co-developing new solutions with collaborative partners in each region.

If differences of opinion arise with partners or changes in the business environment make it difficult for partners to continue their business or to collaborate in pharmaceutical research and

development, production, and sales activities that utilize partnerships to deliver pharmaceuticals as well as new solutions for people in the daily living and medical domains, the aforementioned activities may be delayed or become inefficient. It is also possible that unanticipated partnership expenses will be generated due to the impact of foreign exchange fluctuations or other factors, thereby reducing the planned and anticipated profits, or otherwise hindering maximization of business value. In addition, in the event of differences in interpretation of contracts, it is possible that such differences will develop into litigation or mediation between the Group and partners, ultimately leading to dissolution of the partnership. In such cases, business performance may be significantly affected, including the prevention of the creation of new drugs or achievement of revenue in the future as expected.

Digital transformation

The Group has incorporated the major theme of implementing a digital transformation in all activities in the medium-term business plan “EWAY Future & Beyond,” with the aim of linking the thoughts and feelings of all stakeholders, accelerating problem solving, and executing solid management efficiently based on data. One of our key challenges will be to cause a paradigm shift in all aspects, from dramatically improving the speed of drug discovery and the probability of success through new technologies to providing people in the daily living and medical domains with drugs and other solutions, and achieve a digital transformation by building collaborative ecosystems (*hhceco*) that pool our special capabilities with those of other industries. The Company will accelerate the Group-wide digital strategy, with the Chief Ecosystem Officer and Chief Information Officer taking the lead.

The changes in the business environment caused by the evolution of IT has made the need for digital transformation clear. Any delays in efforts to achieve digital transformation or factors that hinder its achievement may have significant impact not only on the Group’s business performance, but also on the improvement of corporate value, including non-financial value.

Pharmaceutical Research and Development, Production, and Sales Activities

New drug development

The Group is developing a host of new drugs, including those in the neurology and oncology fields.

Drug development requires long periods of time and large investments of capital. Further, it is possible that development of a drug candidate compound will be discontinued or interrupted from the perspective of efficacy or safety. For example, a Phase III study into combination therapy using Lenvima and pembrolizumab (co-developed by the Group and Merck & Co., Inc., Rahway, NJ, USA) for the treatment of metastatic non-small cell lung cancer did not meet the primary endpoint.

Moreover, even if clinical trials yield expected results, it is possible that the new drug approval may not be granted due to stringent regulatory processes of a country, or it may be delayed by requests for additional data. Or, even if approval is granted, it could still be revoked later if safety and efficacy cannot be verified in additional clinical trials requested as conditions for approval.

With the uncertainty inherent to this type of new drug development, it may not be possible to obtain the anticipated future profit if the originally envisioned development plan is discontinued or delayed.

Side effects

Even when pharmaceuticals have been approved and sold, subsequent data and events may cause the benefit and risk profiles of the pharmaceuticals to differ from those at the time when they were approved. Changes to product package inserts, suspension of sales, recall of products, or implementation of other measures in response to the discovery and collection of serious side effects, may significantly impact business performance.

The Company has established a Safety Executive Committee consisting of the safety administrators, etc., of all regions, and a Global Safety Board consisting of the persons responsible for medical evaluation of safety for each product, etc., as a structure for scientific and medical evaluation of information on all adverse events and safety related to products, and to report on such to the regulatory authorities. The Group has established a global product safety monitoring structure with these structures at the center, and are working to thoroughly ensure proper use of products.

Product quality and stable supply

It is necessary to provide patients with high-quality pharmaceutical products in a stable manner. However, if problems arise with product quality due to the raw materials used in products, the manufacturing process at the Group's plants or a manufacturing subcontractor or other factors, or if plant operations cease or supply chain issues arise due to disturbances such as suspended supply of those raw materials, technical problems in the manufacturing process, a pandemic, conflict between countries and other geopolitical issues, serious disasters, or economic security problems, not only is it possible that the health of patients may be adversely affected, but product recalls, suspension of sales, or other events may also impact business performance. In addition, it is possible that sudden, sharp fluctuations in demand due to some cause could impact the stable supply of products. Compliance with the economic security legislation that the Japanese government and the U.S. government are currently pursuing could also impose legal obligations requiring reinforcements to the stable supply systems of the Group's products, or changes in supply chains.

The Group is working to build a stable supply system and a quality assurance system that make it possible to provide high-quality pharmaceuticals that can be used without concern, and implementing manufacturing control and quality control that comply with the GMP global standards (related to manufacturing control and quality control). In regard to manufacturing subcontractors as well, the Group performs confirmation of stable supply and quality assurance systems at their facilities, periodic GMP audits, dispatch of technicians to check manufacturing sites, and so on. In addition, the Group conducts sustainability assessments of its manufacturing subcontractors and raw material suppliers and asks them to comply with the "Eisai's Global Code of Conduct for Business Partners," thereby requiring the same respect for human rights and anti-corruption initiatives as our Group. The Group is also working to ensure quality at the distribution stage. In addition, the Group has its own plants in major regions around the world and supplies products from each plant in a stable manner. Moreover, the Group is striving to maintain a structure that ensures stable supply even in the case of a pandemic, serious disaster, conflict, or sudden, sharp fluctuation

in demand by ensuring adequate inventories of critical raw materials and finished products as stipulated in the business continuity plan (BCP), as well as establishing a multiple-sourcing system for raw materials and a multiple-factory manufacturing system for products in consideration of geopolitical risks.

Intellectual property

Ordinarily, it is possible for generic manufacturers to launch generics upon the expiration of the patent and data protection period of the originator drug. However, if an acquired patent cannot be properly protected due to dismissal of a patent application or as a result of an invalidation trial after the patent has been issued, generics and biosimilar products may enter the market earlier than expected, which could potentially lead to a decrease in revenue. For example, an invalidation trial is currently being requested regarding Lenvima patents in China.

In addition, there are some countries such as the United States in which drug applications for generics and biosimilar products can be submitted even during the patent period. In such countries, it is possible that there will be patent infringement lawsuits against companies that submit drug applications for generics or biosimilar products. Depending on the results of such patent infringement lawsuits, it is possible that generics or biosimilar products will be placed on the market prior to the end of the patent period, thereby significantly and rapidly shrinking the Group's share of the market in that country. In addition, if a substance patent that protects the Group's pharmaceuticals is judged to be invalid, the product's market value in that country may be lost, resulting in a significant impact on the Group's business performance.

Meanwhile, although the Group always uses caution to avoid infringing upon the intellectual property rights of third parties, in the unlikely event that the Group's business activities do violate the intellectual property rights of a third party, it is possible that the third party will request termination of those business activities or demand compensation for damage.

Litigations

In the ordinary course of the Group's business activities, the Group is and may be, from time to time, involved in litigations, arbitrations or other legal, regulatory, or administrative proceedings in connection with various matters, including product liability and other product-related matters (e.g., personal injury), consumer protection, regulation of trade, securities law, data protection, breach of contract, violation of laws and regulations and environmental regulation that arise through claims, investigations, or other actions by third parties, including governments. Litigation and other legal proceedings are inherently unpredictable. Although the Group believes that its defenses and counterclaims in matters in which it is or may become a defendant are substantial, it could in the future be the subject of judgments or enter into settlements, and such developments could have a material adverse effect on the Group's business, financial condition, results of operations or reputation.

Data reliability

One of the most critical concerns for a pharmaceutical company is ensuring the integrity (completeness, consistency, and accuracy) of its research data, production data, and data related to post-marketing surveillance and drug safety monitoring, etc., which establishes a basis for the safety and reliability of the company's products. If the Company cannot guarantee the integrity of those key data sets, it could find itself grappling with delays and suspensions in new drug development, product recalls, suspensions of product sales, and other circumstances with the potential to devastate business performance.

The Group has created a Data Integrity Promotion Committee and is setting up a systematic framework for the recording, verification, approval, and storage of data. By also establishing, maintaining, and operating appropriate internal controls, the Group is bolstering the integrity of its data that supports product quality, data on clinical trials, and data related to post-marketing surveillance and other drug safety monitoring, in addition to conducting ongoing training programs for employees who work with important data. In addition, to ensure data integrity, the data management structure at potential new contractors is verified prior to the start of transactions.

Trends to contain medical costs

Governments around the world are exploring and implementing a variety of measures to contain drug costs in hopes of controlling rising medical expenses. In Japan, the government has taken steps to reduce prices of prescription drugs and promote the use of generic drugs. In China as well, significant price reductions accompanying placement on the National Reimbursement Drug List and the use of inexpensive generics in the centralized procurement system are being encouraged. For example, we lowered the sales price of Lenvima when it was placed on the National Reimbursement Drug List. In addition, the peripheral neuropathy treatment Methycobal became subject to the government's centralized procurement, so we lowered the sales price. In Europe, a product that has already obtained a new drug approval may not be eligible for health insurance reimbursement at the expected price in some cases. The promotion of these types of policies and implementation of new measures may prevent the Group from earning the revenue that it originally anticipated.

While the Group continues to track changes in governmental systems and policy trends worldwide, it is advancing efforts to conduct appropriate evaluation of innovation based on an assessment of the societal value of drugs, such as alleviating nursing-care needs and addressing the severity of target diseases, in addition to ensuring their efficacy and safety.

Other Risks

Succession

For over 30 years, the Group's current Representative Corporate Officer and CEO has used his strong leadership skills to help the Group develop its business activities and grow on a global scale.

In addition to the Representative Corporate Officer and CEO formulating a succession plan and grooming a future successor, it will also be important to prepare as thoroughly as possible for any disruptions that may occur and ensure that the Board of Directors selects the future Representative Corporate Officer and CEO from an objective, fair perspective. Failure to do so may have a significant

impact on the management of the Group and the realization of the Group's corporate concept.

For this reason, the Board of Directors has positioned the selection of the Representative Corporate Officer and CEO as one of the most important decision-making matters of the Board of Directors, and has established rules and procedures for the succession plan, and believes that the objectivity and fairness of the CEO selection process can be reasonably ensured through the involvement of independent outside directors in the process, including the development of the future CEO. The *hhc* Governance Committee shares information twice a year with all directors on the succession plan proposed by the Representative Corporate Officer and CEO, and confirms the preparedness for unexpected situations.

If the Company is unable to appoint the most suitable talent as corporate officers and to key global positions, it may have a significant impact on the management of the Group.

In addition to pursuing the initiatives for succession of the CEO, the Group also engages in succession planning once a year to facilitate the transfer of leadership for corporate officer posts and other important positions around the world by selecting candidates for positions, helping those potential future leaders develop their skills, monitoring the progress of retention measures, and carrying out other relevant tasks.

Acquiring and developing human resources

The strength of the Company lies in its corporate concept being deeply instilled. With deep understanding and empathy for the corporate concept (*hhc* concept) as the core, the Company aims for all its employees to succeed as autonomous professionals who take initiative in their work. The Company's Articles of Incorporation also define employees as important stakeholders in the realization of the *hhc* concept, and state that the Company will "ensure stable employment," "respect human rights and diversity," "provide full opportunities for growth in support of self-fulfillment," and "create an employee-friendly environment." If the Company is unable to acquire diverse talent who share the *hhc* concept, and if each employee is unable to demonstrate his or her individuality and strengths in a variety of environments and work toward the realization of *hhc* over the medium- to long-term, the creation of innovation and the realization of the corporate concept may be significantly impacted.

The basis of the Company's talent development is to understand the true needs of patients through socialization, in which each employee spends time with patients, and this socialization motivates each employee. The Company is strengthening its talent development by promoting the *hhc* concept through sessions that include socialization with patients in various internal training programs, such as the Global Leader Development Program. In addition, based on the concept of "Work in Life" for employees, the Company promotes employee health management, time management, and reduction of long working hours, and provides a working environment where diverse employees can work productively, healthily, and in their own way even under various environments. The Company is introducing various systems to support employee health and diverse work styles and improving the workplace environment to become a more attractive company, thereby securing talent.

Information security

While the use of IT and digital technology is advancing, cyber attacks are becoming more sophisticated and devious year by year, increasing the possibility of shutdowns and other disruptions to business activities.

Considering the personal information, undisclosed information, and other types of important information in its possession, the Group could see its credibility and competitive advantages suffer if a data breach were to result in a leak of sensitive information. In recent years, the corporate community is also dealing with the growing need to respond appropriately to global demands for the protection of personal information. The Group is also fully aware that leaks of unreleased structural formulas for projects in the drug discovery phase would have a negative impact on the processes for filing and acquiring patents. For the Group, a loss of credibility or competitive advantage could have a major impact on business results.

To prevent the interruption of important business operations and the leakage of personal and confidential information due to cyber attacks and other incidents, we newly appointed a Chief Information Officer and are enhancing of our IT functions and the accelerating the development of our global structure. Furthermore, in addition to strengthening the security of system infrastructure, we have established regulations and other guidelines related to information management, provided corporate executives and employees with education on management of information in daily work and learning opportunities such as training on cyber security, and are working to further enhance governance related to global information security and implement related measures.

Climate change

The Group recognizes that climate change is a crucial issue with a substantial impact on corporate activities.

After declaring support for the recommendations made by the Task Force on Climate-Related Financial Disclosures (TCFD) in June 2019, the Group conducted a scenario analysis as recommended by the TCFD and disclosed the results in FY2020. In FY2022, the Group conducted a reassessment of the potential impact of climate change-related risks and opportunities on the Group by conducting another analysis that considered multiple climate scenarios.

As a result, we reaffirmed that physical risks include the possibility of increased investments and costs required to maintain and improve access to drugs due to the increased risk of infectious diseases associated with climate change, as well as the possibility of natural disasters resulting in the slowdown of production activities and damage to assets and employees. To address these risks, the Company is striving to maintain and improve access to drugs by developing drugs against tropical infectious diseases and supplying drugs to endemic areas. In addition, the Company is taking measures such as introducing backup systems for production sites, securing inventories of products and raw materials, and identifying natural disaster risks and implementing preventive measures at production sites and warehouses.

In terms of transition risks, the Company reaffirmed that if greenhouse gas emission reductions and their disclosure are inadequate, stakeholders will lose trust in the Company, and that there is a risk of higher energy and procurement costs due to higher carbon tax prices. The Company also

identified as a risk the possibility of incurring additional costs for additional capital investment to reduce greenhouse gas emissions or for switching packaging and other materials to products with lower greenhouse gas emissions. To address these risks, in accordance with the Company's roadmap for achieving carbon neutrality, we are actively introducing renewable energy electricity with a view to achieving our 2030 RE100 goal ahead of schedule, promoting investments to reduce greenhouse gas emissions through the introduction of internal carbon pricing, adopting bioplastics for packaging for some of our products, and considering the introduction of low-environmental-impact packaging materials for other products. Furthermore, our change from an SBT 2°C target to an SBT 1.5°C was approved in November 2023, and in December of the same year, we received approval from the Japan Climate Initiative (JCI) to participate in the JCI Race to Zero Circle which is committed to achieving net zero by 2050.

The financial impact of these risks on the Group and the status of countermeasures are posted on the Company's website.

▶ <https://www.eisai.com/sustainability/environment/climate-countermeasure/tcf-disclosure/index.html>

Impairment of goodwill and intangible assets

The Group records goodwill and intangible assets obtained as a result of mergers and acquisitions and the licensing-in of products and pipelines. If the recoverable amount of these types of assets fall below the corresponding carrying amounts due to deviations in plans and actual performance, market changes, or other factors, the Group needs to book impairment losses accordingly. Such circumstances may have a negative impact on the Group's financial results and financial positions.

For example, the Group's goodwill (¥236.4 billion as of the end of FY2023) is mainly allocated to the Americas pharmaceutical business. Recoverable amounts are calculated using a variety of assumptions such as projected cash flows and growth rates for the Americas pharmaceutical business, determined based on management-approved business plans. These assumptions are affected by factors ranging from the possibility of future approvals and additional indications for new drugs to the timing of those changes, as well as post-marketing drug prices, sales volumes, competing products, and interest-rate fluctuations.

Status of Major Contracts

As of March 31, 2024, major contracts are as follows. The product names indicated are those under which the products are sold in major countries.

Strategic Collaboration

Company name	Party to contract	Date of conclusion	Contract content	Contract period	Considerations
Eisai Co., Ltd.	Biogen Inc. (U.S.A.)	Mar. 4 2014	Co-development and co-promotion of the Alzheimer's disease treatment LEQEMBI (generic name: lecanemab) developed by Eisai	On a product-by-product/country-by-country basis as follows, whichever is the later of 1) or 2) 1) 12 years from the date of the first commercial sales 2) The earlier of the patent expiration date or the launch date of a generic product	Upfront payments, etc.
	U.S. Merck	Mar. 7 2018	Co-development/co-promotion of Eisai's anticancer agent Lenvima as monotherapy and in combination with U.S. Merck's anti-PD-1 antibody pembrolizumab (generic name) for a number of cancer types	From conclusion of the contract until March 31, 2036	Upfront payments, development and sales milestone payments, etc.
	Bristol Myers Squibb (U.S.A.)	Jun. 17 2021	Co-development/co-promotion, etc., for anticancer agent MORAb-202 developed by Eisai	From conclusion of the contract until co-development/co-promotion activities are completed	Upfront payments, development and sales milestone payments, etc.

(Note 1) In September 2023, the contract we had signed with Nichi-Iko Pharmaceutical Co., Ltd. for collaboration in building the Company's Total Inclusive Ecosystem came to an end. While the contract concerning partnership with the company in the active pharmaceutical ingredient business is still ongoing, it is not included here as we determined that it does not qualify as a major contract based on our judgment criteria.

Licensing

Company name	Party to contract	Date of conclusion	Contract content	Contract period	Considerations
Eisai Co., Ltd.	Novartis (Switzerland)	Feb. 6 2004	License for worldwide development, manufacturing, and sale of the antiepileptic agent Inovelon (generic name: rufinamide)	In each country, from conclusion of the contract until the patent expiration date or until 10 years from the start of marketing, whichever is later	Upfront payments, etc. Flat-rate royalties
	BioArctic AB (Sweden)	Dec. 3 2007	Exclusive license for worldwide research and development, manufacturing and sales involving lecanemab (generic name) for Alzheimer's disease	From conclusion of the contract until 15 years following the commencement of sales in each country	Upfront payments, etc. Flat-rate royalties

Company name	Party to contract	Date of conclusion	Contract content	Contract period	Considerations
Eisai Co., Ltd.	Prism BioLab Co., Ltd.	Apr. 1 2011	Exclusive license for worldwide development, manufacturing, and sale of the anticancer agent E7386	From conclusion of the contract until the day on which the patent expires or until the day on which 10 years have passed following the commencement of sales in each country	Development milestone payments, flat-rate sales royalties
	University College London (U.K.)	Oct. 16 2015	Collaborative research and co-development of the anti-tau antibody E2814	Until December 5, 2025*	Development milestone payments, sales royalties
	Meiji Seika Pharma Co., Ltd.	Mar. 31 2017	Licenses related to exclusive sales rights in Japan and exclusive development and sales rights in 7 Asian countries for the anti-Parkinson's disease agent Equfina (generic name: safinamide)	From conclusion of the contract until 15 years following the commencement of sales in each country	Upfront payments, development milestone payments, flat-rate sales royalties
	Harvard University (U.S.A.)	Jun. 15 2018	Exclusive license for worldwide development, manufacturing, and sale of anticancer agent E7130	From conclusion of the contract until the day on which the patent expires or until the day on which 15 years have passed following the commencement of sales, whichever is later	Upfront payments, development milestone payments, flat-rate sales royalties
Eisai Co., Ltd., EA Pharma Co., Ltd.	1. Gilead Sciences Inc. 2. Gilead Sciences Inc. (U.S.A.)	Dec. 24 2019	1. Sales partnership contract for JAK inhibitor Jyseleca (generic name: filgotinib) in Japan 2. Sales partnership contract for Jyseleca (named above) in South Korea, Taiwan, Hong Kong, and Singapore	From conclusion of the contract until 12 years following the first NHI price listing	Upfront payments, development and sales milestone payments
	Minophagen Pharmaceutical Co., Ltd.	Feb. 29 2016	1. Exclusive development and sales rights for the liver disease/allergic disease agents Stronger Neo-Minophagen C (glycyrrhizic acid, compound formulation) and Glycyron Tablets (glycyrrhizic acid, compound tablet) in China and other parts of Asia 2. License for exclusive sales rights to Stronger Neo-Minophagen C (named above) and Glycyron Tablets (named above) in Japan	1. From conclusion of the contract until March 31, 2033 2. From conclusion of the contract until March 31, 2025	Upfront payments, etc.

* The duration of the contract with University College London (U.K.) for collaborative research and co-development of the anti-tau antibody E2814 was extended to December 5, 2025.

(Note 2) The contract for the development and sale of Humira (generic name: adalimumab) in Japan came to an end.

(Note 3) The license contract for the exclusive development and marketing of the insomnia treatment Lunesta (generic name: eszopiclone) in Japan is still ongoing, but it is not included here as we determined that it does not qualify as a major contract based on our judgment criteria.

Joint Venture

Company name	Party to contract	Date of conclusion	Contract content	Contract period
Eisai Co., Ltd.	Ajinomoto Co., Inc.	Oct. 15 2015	Integration contract concerning the splitting off of a portion of Eisai's business and its subsequent succession by Ajinomoto Pharmaceuticals Co., Ltd. via an absorption-type split, etc.	—

Other Contracts Important for Business

Company name	Party to contract	Date of conclusion	Contract content	Contract period
Eisai Co., Ltd.	World Health Organization (WHO) (Switzerland)	Jan. 30 2012	Provision of DEC (generic name: diethylcarbamazine) tablets to the WHO free of charge to support its program to eliminate lymphatic filariasis	Until December 31, 2025

Consolidated Financial Statements

Consolidated Statement of Changes in Equity (from April 1, 2023, to March 31, 2024)

(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 (loss)	Remeasurements of defined benefit plans
As of April 1, 2023	44,986	78,813	(33,638)	522,774	—	—
Profit for the year	—	—	—	42,406	—	—
Other comprehensive income (loss)	—	—	—	—	1,707	5,518
Comprehensive income (loss) for the year	—	—	—	42,406	1,707	5,518
Dividends	—	—	—	(45,915)	—	—
Acquisition of treasury shares	—	—	(21)	—	—	—
Disposal of treasury shares	—	50	48	—	—	—
Reclassification	—	—	—	7,224	(1,707)	(5,518)
Total transactions with owners	—	50	27	(38,691)	(1,707)	(5,518)
As of March 31, 2024	44,986	78,863	(33,612)	526,490	—	—

	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, 2023	186,988	37	187,024	799,959	22,612	822,571
Profit for the year	—	—	—	42,406	1,377	43,784
Other comprehensive income (loss)	71,867	(5)	79,086	79,086	(108)	78,978
Comprehensive income (loss) for the year	71,867	(5)	79,086	121,493	1,269	122,762
Dividends	—	—	—	(45,915)	(520)	(46,435)
Acquisition of treasury shares	—	—	—	(21)	—	(21)
Disposal of treasury shares	—	—	—	98	—	98
Reclassification	—	—	(7,224)	—	—	—
Total transactions with owners	—	—	(7,224)	(45,838)	(520)	(46,359)
As of March 31, 2024	258,855	32	258,886	875,614	23,361	898,975

Notes to Consolidated Financial Statements

SIGNIFICANT BASIC ITEMS FOR CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of preparing Consolidated Financial Statements

Consolidated financial statements of Eisai Co., Ltd. ("the Company") and its affiliates (collectively referred to as "the Group") 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 certain disclosures, which are required by IFRS, based on Article 120, the latter 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: 48 companies

Major subsidiaries:

EA Pharma Co., Ltd.

Eisai Inc.

Eisai China Inc.

(2) Change in scope of consolidation

Increase: 1 company (due to new establishment)

3. Equity method

The number of the associated companies accounted for using the equity method (associated company and equity in joint ventures): 1 company

Names of the associated companies accounted for using the equity method

Unlimit Health Limited

4. Fiscal year-end of subsidiaries

The fiscal year-end for Eisai China Inc. and six other subsidiaries is December 31. The fiscal year-end for Arteryex Inc. is February 29. The provisional financial statements available at the consolidated fiscal year-end date are used when preparing the consolidated financial statements.

5. Accounting policies and methods

(1) Measurement and valuation of significant assets

① Financial assets

All financial assets are classified at initial recognition as financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income (FVTOCI financial assets) or financial assets measured at fair value through profit or loss (FVTPL financial assets).

(a) Financial assets measured at amortized cost

Debt financial assets that meet the conditions below are classified as financial assets measured at amortized cost.

- The assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows
- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely related to 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.

(b) FVTOCI financial assets (Debt financial assets)

Debt financial assets that meet the conditions below are classified as FVTOCI financial assets.

- The assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets
- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely related to payments of principal and interest on the principal amount outstanding

The financial assets are initially recognized as the sum of fair value and transaction costs. Movements of fair value as well as gains/losses on their sale are recognized in other comprehensive income.

(c) FVTOCI financial assets (Equity financial assets)

All equity instruments are classified as FVTOCI financial assets.

The financial assets are initially recognized as the sum of fair value and transaction costs. Movements of fair value as well as gains/losses on their sale are recognized in other comprehensive income, while the cumulative amounts are reclassified to retained earnings after they are recognized as other components of equity.

Dividends on the financial assets are recognized as financial income when a right to receive dividends is vested except for the case that the dividend obviously indicates the collection of acquisition cost of investment.

(d) FVTPL financial assets

Debt financial assets that are not classified as financial assets measured at amortized cost or FVTOCI financial assets are classified as FVTPL financial assets.

FVTPL financial assets are initially recognized at fair value, and any movements of fair value as well as gains/losses on their sale are recognized as financial income/expenses after initial recognition.

The Group estimates expected credit losses on financial assets measured at amortized cost as well as FVTOCI financial assets (debt financial assets) and recognizes the loss allowance. The loss allowance for these financial assets is measured at an amount equal to 12-month expected credit losses if the credit risk of a financial asset has not increased significantly since initial recognition. As for trade receivables that do not contain a significant financing component, the allowance is measured at an amount equal to lifetime expected credit losses, regardless of whether the credit risk of a financial asset has not increased significantly since initial recognition.

The allowance is recognized as profit or loss. The reversal of loss allowance is recognized in profit or loss when a certain event occurs to reduce the allowance amount in latter periods.

The Group derecognizes financial assets only when the contractual right to the cash flows from the financial assets expire or the Group transfers the financial assets and almost all the risks and rewards of ownership of the assets to counterparty. Gains/losses on derecognition relating to financial assets measured at amortized cost and FVTPL financial assets are recognized as financial income/expenses. Gains/losses on derecognition relating to FVTOCI financial assets are recognized as a component of other comprehensive income.

② Inventories

Inventories are measured at the lower of cost or net realizable value. The costs are determined using the weighted-average cost 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 significant property, plant and equipment are as follows:

Buildings	15 to 50 years
Machinery and equipment	5 to 20 years
Right-of-use assets	3 to 20 years

② Intangible assets

Amortization is recognized by 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 consolidated fiscal year-end date, and the effects of any changes in estimation are reflected on a prospective basis.

The estimated useful lives of significant intangible assets are as follows:

Sales rights	5 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 when the effect of the time value of money is material. When 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 obligations

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, a provision for asset retirement obligations 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 restructuring and has raised a valid expectation to those affected that it will carry out the restructuring by starting to implement that plan or announcing its scheme.

(4) Accounting for employee benefits

① Post-employment 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 amounts are reclassified to retained earnings after they are recognized as other components of equity. Retirement benefit liabilities or assets recognized in the consolidated financial statements are the defined benefit plan obligations less the fair value of the plan assets. If the defined benefit plan has a surplus, the net defined benefit asset is limited to the present value of any future economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

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 case that the Group decides to terminate an employee 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 when the Group can no longer withdraw the offer of the benefits or the restructuring costs related to termination benefits are recognized, whichever comes first. Termination benefits are measured based on the number of employees expected to accept the offer if the Group offers incentives to early voluntary retirement to employees.

(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. However, the 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 Company's functional currency using exchange rates at the date of the transactions or approximations of rates at the date 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 expense 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 reduces the risks related to changes in interest and exchange rates by utilizing derivatives including interest rate swap contracts and forward foreign exchange contracts and other factors. 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 for the purpose of hedging risks of changes in fair value of hedged items, these changes in fair value are immediately recognized in profit or loss. At the same time, the changes in fair value on the hedged items attributable to the hedged risk adjust the carrying amount of the hedged items, and are 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 amounts recognized as other components of equity are 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 holds at the date the Group obtains control of the acquiree exceeds the net amount of identifiable assets and liabilities. If the sum of the acquisition costs is lower than the net amount of identifiable assets and liabilities, the difference is directly recognized as profit or loss.

Goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the business combinations. Goodwill is not amortized; however, an impairment test is performed for cash-generating units or 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 case that the recoverable amount of cash-generating units or groups of cash-generating units is lower than the carrying amount, the reduction is recognized as an impairment loss.

(8) Revenue

The Group recognizes revenue from contracts with customers based on the following five-step approach. Considerations of revenue recognized by the Group are usually received within one year from satisfaction of performance obligations and do not include any significant financing component.

Step 1: Identify the contract with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

① Revenue from pharmaceutical goods sales

The Group usually recognizes revenue from pharmaceutical goods sales on delivery of the goods as the Group judges that its performance obligations are satisfied when the customer obtains control of the goods on delivery. The amount of revenue is measured as the promised considerations in the contract with the customer less discounts, rebates and returned goods estimated by the most likely amount method, based on the contract conditions and past results.

② License revenue

The Group recognizes license revenue such as upfront payments, milestone payments and sales-based royalties for its developing or developed products.

For revenue related to upfront payments and milestone payments, in case that the Group judges the performance obligations are satisfied when the customer obtains control of the license at the point in time that the license is granted, the Group recognizes the revenue at that point in time.

The Group recognizes revenue from sales-based royalties when the subsequent sales occur or the performance obligations allocated to sales-based royalties are satisfied, whichever is later.

③ Co-promotion revenue (provision of services)

The Group recognizes co-promotion revenue when it provides co-promotion activities to the customer as the Group judges that its performance obligations are satisfied at the point in time. The Group recognizes its portion of the expenses incurred from the co-promotion activities as selling, general and administrative expenses.

(9) 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.

6. Changes in accounting policies

Below are the accounting policies and interpretations the Group applied from the fiscal year ended March 31, 2024. None of the following accounting standards and interpretations applied by the Group had any major impact on the consolidated financial statements for the fiscal year ended March 31, 2024.

Accounting standards and interpretations		Description
IAS 1	Presentation of Financial Statements	Amendments to disclosure of material accounting policy information
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	Clarifying the distinction between changes in accounting policies and changes in accounting estimates
IAS 12	Income Taxes	Clarifying the accounting treatments of recognizing deferred tax assets and deferred tax liabilities
IAS 12	Income Taxes	Disclosure of income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organization for Economic Co-operation and Development

7. Notes on accounting estimates

Significant items that require management estimates and assumptions are as follows. Underlying assumptions for estimation are continuously reviewed. Effects of changes in estimates are recognized in that period and future periods. Furthermore, significant revisions to carrying amounts of assets and liabilities may be required in the future as a result of uncertainties related to these estimates and assumptions.

(1) Impairment test of goodwill and intangible assets

The amounts of goodwill and intangible assets recognized in the consolidated financial statements at the end of the fiscal year ended March 31, 2024 were ¥236,366 million and ¥85,493 million, respectively.

Impairment test of goodwill and intangible assets is performed based on the method of estimating future cash flows expected to arise from cash-generating units or groups of cash-generating units, growth rates and discount rates for measuring present value.

(2) Evaluation of fair value of financial instruments

The amount of financial assets measured at fair value recognized in the consolidated financial statements at the end of the fiscal year ended March 31, 2024 was ¥52,441 million.

Evaluation methods including input that are not based on observable market data are used in order to estimate the fair value of specific financial assets.

(3) Post-employment benefits

The amounts of assets related to post-employment benefits and liabilities related to post-employment benefits recognized in the consolidated financial statements at the end of the fiscal year ended March 31, 2024 were ¥23,784 million and ¥6,852 million, respectively.

Defined benefit obligations are affected by assumptions used for actuarial calculation. Discount rate, future payroll level, turnover and mortality rates and other factors used for assumptions are determined based on the latest market data and statistics.

(4) Income taxes

The amounts of deferred tax assets and deferred tax liabilities recognized in the consolidated financial statements at the end of the fiscal year ended March 31, 2024 were ¥100,826 million and ¥704 million, respectively.

Current income taxes are recognized as the amount expected to be paid to each tax authority by reasonable estimates in accordance with tax laws and regulations.

Deferred tax liabilities are recognized based on the estimates of revised current income taxes as a result of the tax audit. The Group offsets deferred tax assets and deferred tax liabilities levied on the same taxable entity. If the actual amount settled by the tax audit is different from the estimated amount, the difference is recognized in the period in which the actual amount is settled.

Furthermore, deferred tax assets are recognized only when it is probable that taxable profit will be available against which the deductible temporary differences and tax loss carryforwards can be utilized. Based on its business plan and other factors, the Group makes reasonable estimates of the period and the amount of taxable profit will be available in future period, and evaluates the potential taxable profit.

NOTES TO CONSOLIDATED STATEMENT OF FINANCIAL POSITION

1. Loss allowance directly reducing the carrying amount of the assets

Trade and other receivables	¥783 million
Other financial assets	¥819 million

2. Accumulated depreciation of assets (including accumulated loss on impairment)

Accumulated depreciation of property, plant and equipment	¥254,777 million
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NOTES TO CONSOLIDATED STATEMENT OF INCOME

1. Revenue

(1) Disaggregation of revenue

The Group disaggregates revenue by type of goods or services. Disaggregation of revenue by reporting segment is as follows.

(Millions of yen)

	Revenue from pharmaceutical goods sales	License revenue	Other revenue	Total
Pharmaceutical business				
Japan	213,412	1,878	1,645	216,935
Americas	231,904	476	—	232,381
China	111,921	6	—	111,928
EMEA	75,989	—	—	75,989
Asia and Latin America	54,072	154	—	54,226
Reporting segment total	687,298	2,515	1,645	691,458
Other business (Note 1)	—	37,652	12,641	50,293
Total	687,298	40,167	14,285	741,751

(Note1) "Other business" mainly includes the license revenue and pharmaceutical ingredient business of the parent company. For the fiscal year ended March 31, 2024, license revenue included milestone payments of ¥18,926 million from Merck & Co., Inc., Rahway, NJ, USA under the strategic collaboration for anticancer agent Lenvima.

(Note2) All revenue for the fiscal year ended March 31, 2024 was recognized from contracts with customers.

(2) Contract balances

Receivables arising from contracts with customers and contract liabilities at the end of the fiscal year ended March 31, 2024 were as follows. The Group does not have any significant contract assets.

(Millions of yen)

	As of March 31, 2024	As of April 1, 2023
Receivables arising from contracts with customers	169,082	161,164

For variable consideration such as milestone payments, the Group judges the performance obligations are satisfied when a customer obtains control of the license at the point in time that the license is granted. The Group recognizes the revenue when the performance obligations are satisfied and the uncertainty associated with the variable consideration is subsequently resolved.

For the fiscal year ended March 31, 2024, revenue recognized from performance obligations satisfied in prior periods was ¥33,261 million.

(3) Transaction price allocated to remaining performance obligations

The Group does not have any significant contracts with an expected term of more than one year. In addition, there are no significant amounts of consideration arising from contracts with customers that are not included in the transaction price.

2. Selling, general and administrative expenses

For the fiscal year ended March 31, 2024, the Group recorded shared profit of ¥141,586 million for anticancer agent Lenvima paid by the Group to Merck & Co., Inc., Rahway, NJ, USA as selling, general and administrative expenses.

3. Research and Development expenses

For the fiscal year ended March 31, 2024, due to the idle operation of some parts of the research facilities at the Company's consolidated U.S. subsidiary Eisai Inc.'s former headquarters, for which a lease agreement was concluded, the Group estimated the recoverable amount of right-of-use assets for those facilities zero, and recorded impairment losses of ¥2,248 million related to right-of-use assets as R&D expenses.

4. Other Income

For the fiscal year ended March 31, 2024, the Group recorded a gain on sale of fixed assets of ¥8,859 million due to the transfer of the rights in France, French Overseas Territories and Algeria to the antipsychotic "Loxapac" and the Parkinson's disease treatment "Parkinane LP" by its French subsidiary Eisai SAS.

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, 2024

Common shares 296,566,949 shares

2. Dividends

(1) Dividends paid in the fiscal year ended March 31, 2024

- ① The following was resolved by the Board of Directors on May 15, 2023.

Items related to dividends on common shares

a) Total amount of dividends paid	¥22,952 million
b) Cash dividends per share	¥80.00
c) Record date	March 31, 2023
d) Effective date	May 29, 2023

- ② The following was resolved by the Board of Directors on November 7, 2023.

Items related to dividends on common shares

a) Total amount of dividends paid	¥22,963 million
b) Cash dividends per share	¥80.00
c) Record date	September 30, 2023
d) Effective date	November 17, 2023

(2) Dividends to be paid in the following fiscal year, for which the record date is within the fiscal year ended March 31, 2024

- ① The following will be resolved at the Board of Directors' meeting on May 15, 2024.

Items related to dividends on common shares

a) Total amount of dividends to be paid	¥22,963 million
b) Source of dividends to be paid	Retained earnings
c) Cash dividends per share	¥80.00
d) Record date	March 31, 2024
e) Effective date	May 29, 2024

3. Type and number of treasury shares owned as of the end of the fiscal year ended March 31, 2024

Common shares 9,761,658 shares

(Note) Of the Company's treasury shares, 230,257 shares are held through a trust.

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. In order to hedge interest rate risks in relation to long-term borrowings, the Group may use 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 significant financial assets and liabilities is as follows:

1 Securities

Securities are consisted mainly of listed securities. The fair value of listed securities is measured based on market values. The fair value of non-listed securities is measured by using the book value net asset method, multiple method and profit return method. In the multiple method, similar listed companies of the target company are selected and the fair value of the target company is calculated using the stock index of the similar listed companies. In the profit return method, the cost of shareholders' equity of the target company is used as the profit return rate, and the fair value is calculated from the profit amount of the target company. However, for investment in venture companies, the fair value is calculated based on the latest independent third-party transaction prices and the information on finance prices.

2 Derivative assets and liabilities

Derivative assets and liabilities are measured using price information provided by correspondent financial institutions.

3 Borrowings

The carrying amount of variable interest rate borrowings is deemed to be the fair value 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 of financial instruments as of the end of the fiscal year ended March 31, 2024, corresponds to or approximates the fair value.

3. Breakdown of Financial instruments

The level of fair value measurement in the Group is divided into the following three levels according to the observability in the market.

Level 1: Fair value is measured by quoted prices in active markets

Level 2: Fair value is measured by using inputs other than Level 1 that are observable, either directly or indirectly

Level 3: Fair value is measured by using unobservable inputs

Breakdown of the fair value by level within the fair value hierarchy of financial instruments for the fiscal year ended March 31, 2024 is as follows.

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets measured at fair value through profit or loss				
Securities	—	721	8,775	9,496
Guarantee deposits	—	3,306	—	3,306
Other	—	606	—	606
Financial assets measured at fair value through other comprehensive income				
Securities	23,571	—	15,463	39,033
Total	23,571	4,633	24,238	52,441
Financial liabilities				
Financial liabilities measured at fair value through profit or loss				
Derivative liabilities	—	349	—	349
Total	—	349	—	349

(Millions of yen)

PER SHARE INFORMATION

Equity per share attributable to owners of the parent	¥3,052.99
Earnings per share attributable to owners of the parent (basic)	¥147.86
Earnings per share attributable to owners of the parent (diluted)	¥147.86

(Note) The Company's shares held through a trust are included in the treasury shares that are deducted from the calculation of per share information above.

SIGNIFICANT SUBSEQUENT EVENTS

Not applicable

Financial Statements

Nonconsolidated Balance Sheet As of March 31, 2024

(Millions of Yen)

Account Items	Amount	Account Items	Amount
(Assets)		(Liabilities)	
Current assets	265,299	Current liabilities	172,011
Cash and deposits	34,547	Accounts payable-trade	18,716
Notes receivable-trade	68	Short-term borrowings	24,632
Accounts receivable-trade	125,219	Lease obligations	176
Merchandise and finished goods	29,705	Accounts payable-other	46,531
Work-in-process	23,734	Accrued expenses	8,698
Raw materials and supplies	24,730	Accrued income tax	3,956
Other	27,537	Deposits received	66,732
Allowance for doubtful accounts	(240)	Refund liabilities	1,687
		Other	883
Non-current assets	478,588	Non-current liabilities	141,696
Property, plant and equipment	73,579	Long-term borrowings	135,000
Buildings	44,480	Lease obligations	303
Structures	1,311	Liability for retirement benefits	4,967
Machinery and equipment	9,689	Asset retirement obligations	649
Vehicles and delivery equipment	14	Other	777
Tools, furniture and fixtures	7,835	Total liabilities	313,707
Land	7,938	(Equity)	
Leased assets	479	Shareholders' equity	414,911
Construction in progress	1,833	Common stock	44,986
Intangible assets	38,435	Capital surplus	59,161
Software	17,248	Capital reserve	55,223
Sales rights	21,058	Other capital surplus	3,938
Other	128	Retained earnings	345,203
Investments and other assets	366,575	Legal reserve	7,900
Investment securities	34,389	Other	337,304
Investments in subsidiaries and associated companies	253,753	Reserve for advanced depreciation of non-current assets	68
Capital contribution	6,609	Reserve for specified asset acquisition	75
Long-term loans receivable	1	General reserve	337,880
Long-term prepaid expenses	894	Unappropriated retained earnings	(719)
Deferred tax assets	50,500	Treasury stock	(34,440)
Other	21,248	Valuation difference and translation adjustments	15,270
Allowance for doubtful accounts	(820)	Valuation difference on available-for-sale securities	15,239
Total assets	743,887	Deferred gain (loss) on derivatives under hedge accounting	32
		Total equity	430,181
		Total liabilities and equity	743,887

Nonconsolidated Statement of Income

(from April 1, 2023, to March 31, 2024)

(Millions of Yen)

Account Items	Amount	
Net sales		367,407
Cost of sales		132,931
Gross profit		234,476
Selling, general and administrative expenses		211,440
Operating profit		23,036
Non-operating income		
Interest income	1,204	
Dividend income	1,617	
Foreign exchange gain	76	
Entrusted research income	752	
Other	248	3,896
Non-operating expenses		
Interest expense	444	
Entrusted research expense	719	
Loss on investments in capital	438	
Other	854	2,455
Ordinary income		24,477
Extraordinary gains		
Gain on sales of fixed assets	975	
Gain on sales of investment securities	1,493	2,467
Extraordinary losses		
Loss on disposal of fixed assets	93	
Loss on sales of investment securities	539	632
Income before income taxes		26,313
Income taxes-current	3,824	
Income taxes-deferred	2,178	6,002
Net income		20,311

Nonconsolidated Statement of Changes in Equity (from April 1, 2023, to March 31, 2024)

(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 advanced depreciation of non-current assets	Reserve for specified asset acquisition	General reserve	Unappropriated retained earnings	
As of April 1, 2023	44,986	55,223	3,309	58,532	7,900	141	75	337,880	24,811	370,808
Changes in the year										
Reversal of reserve for advanced depreciation of non-current assets	—	—	—	—	—	(73)	—	—	73	—
Dividends	—	—	—	—	—	—	—	—	(45,915)	(45,915)
Net income	—	—	—	—	—	—	—	—	20,311	20,311
Disposal of treasury stock	—	—	629	629	—	—	—	—	—	—
Acquisition of treasury stock	—	—	—	—	—	—	—	—	—	—
Changes in items other than shareholders' equity-net	—	—	—	—	—	—	—	—	—	—
Net changes in the year	—	—	629	629	—	(73)	—	—	(25,531)	(25,604)
As of March 31, 2024	44,986	55,223	3,938	59,161	7,900	68	75	337,880	(719)	345,203

	Shareholders' equity		Valuation difference and translation adjustments			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, 2023	(33,887)	440,438	14,072	37	14,108	454,547
Changes in the year						
Reversal of reserve for advanced depreciation of non-current assets	—	—	—	—	—	—
Dividends	—	(45,915)	—	—	—	(45,915)
Net income	—	20,311	—	—	—	20,311
Disposal of treasury stock	576	1,206	—	—	—	1,206
Acquisition of treasury stock	(1,129)	(1,129)	—	—	—	(1,129)
Changes in items other than shareholders' equity-net	—	—	1,167	(5)	1,162	1,162
Net changes in the year	(553)	(25,528)	1,167	(5)	1,162	(24,366)
As of March 31, 2024	(34,440)	414,911	15,239	32	15,270	430,181

Notes to Nonconsolidated Financial Statements

NOTES ON MATTERS RELATED TO SIGNIFICANT ACCOUNTING POLICIES

1. Measurement and cost basis for marketable and investment securities

(1) Investment in subsidiaries and associated companies

Measured at cost determined by the moving-average method

(2) Available-for-sale securities

Securities except ones without market price

Measured 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.)

Securities without market price

Measured at cost determined by the moving-average method.

Investments in partnership considered as securities in accordance with Article 2, paragraph 2 of the Financial Instruments and Exchange Act of Japan are stated at the amount of net shares based on their financial statements at reporting dates designated by partnership agreements.

2. Measurement and cost formula for derivatives

Measured 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 cost method. (The carrying amount of inventories is written down in cases of a decrease in net realizable value.)

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 significant property, plant and equipment 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 significant intangible assets are as follows:

Software for internal use	5 years
Sales rights	5 to 15 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) 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 attributed 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. Accounting for revenue and costs

(Accounting for revenue)

The Company applies Accounting Standards Board of Japan (“ASBJ”) statement No. 29 “Accounting Standard for Revenue Recognition” (March 31, 2020) and ASBJ Guidance No. 30 “Implementation Guidance on Accounting Standard for Revenue Recognition” (March 26, 2021). Revenue from contracts with customers is recognized based on the following five-step approach. Considerations of revenue recognized by the Company are usually received within one year from satisfaction of performance obligations and do not include any important financing component.

Step 1: Identify the contract with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

1 Revenue from pharmaceutical goods sales

The Company usually recognizes revenue from pharmaceutical goods sales on delivery of the goods as the Company judges that its performance obligations are satisfied when the customer obtains control of the goods on delivery. The amount of revenue is measured as the promised considerations in the contract with the customer less discounts, rebates and returned goods estimated by the most likely amount method, based on the contract conditions and past results.

2 License revenue

The Company recognizes license revenue such as upfront payments, milestone payments and sales-based royalties for its developing or developed products.

For revenue related to upfront payments and milestone payments, the Company judges the performance obligations are satisfied when the customer obtains control of the license at the point in time that the license is granted, and the Company recognizes the revenue at that point in time.

The Company recognizes revenue from sales-based royalties when the subsequent sales occur or the performance obligations allocated to sales-based royalties are satisfied, whichever is later.

3 Co-promotion revenue (provision of services)

The Company recognizes co-promotion revenue when it provides co-promotion activities to the customer as the Company judges that its performance obligations are satisfied at the point in time. The Company recognizes its portion of the expenses incurred from the co-promotion activities as selling, general and administrative expenses.

8. 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, currency options 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 fluctuations in foreign currency exchange rates (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.

9. Other significant accounting policies for nonconsolidated financial statements**(1) Application of the group tax sharing system**

The Company has applied the group tax sharing system.

The Company has complied with ASBJ the Practical Solution No.42 "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (August 12, 2021) that stipulates the accounting treatment of corporate tax, local corporate tax, and tax effect accounting.

(2) Presentation unit

Figures less than ¥1 million are rounded to the nearest million yen.

NOTES ON ACCOUNTING ESTIMATES

Items that required management estimates and assumptions were as follows. Underlying assumptions for estimation were continuously reviewed. Effects of changes in estimates were recognized in that period and future periods. Furthermore, significant revisions to carrying amounts of assets and liabilities may be required in the future as a result of uncertainties related to these estimates and assumptions.

1. Impairment test of Sales rights

The amount of sales rights recorded in the financial statements at the end of the fiscal year ended March 31, 2024 was ¥21,058 million.

If the impairment indicator exists, the asset and asset group are reviewed for impairment. If the carrying value of the asset and asset group exceed its estimated undiscounted future cash flows, the asset and asset group are considered impaired. The impairment loss is recorded for the amount by which the carrying value of the asset exceeds its recoverable amount that is the present value of estimated net cash flows.

2. Liability for retirement benefits

The amount of liability for retirement benefits and prepaid pension costs recorded in the financial statements at the end of the fiscal year ended March 31, 2024 were ¥4, 967 million and ¥18, 783 million, respectively.

Liability for retirement benefit and prepaid pension costs are affected by assumptions used for actuarial calculation. Discount rate, future payroll level, turnover and mortality rates used for assumptions are determined based on the latest market data and statistics.

3. Recoverability of deferred tax assets

The amount of deferred tax assets recorded in the financial statements at the end of the fiscal year ended March 31, 2024 was ¥50,500 million. Deferred tax assets are recognized only when it is probable that taxable profit will be available against which the deductible temporary differences, tax loss carryforwards can be utilized. Based on its business plan and other factors, the Company makes reasonable estimates of the period and the amount of taxable profit will be available in future period, and evaluates the potential taxable profit.

NOTES TO NONCONSOLIDATED BALANCE SHEET**1. The amount of accumulated depreciation of property, plant and equipment (including accumulated loss on impairment)**

¥150,094 million

2. Guarantee obligations

(Millions of yen)

Guarantee	Details	Amount
Eisai Manufacturing Ltd.	Commitment to guarantee payables relating to the strategic collaboration with Merck & Co., Inc., Rahway, NJ, USA	39,344

3. Monetary receivables/payables from/to subsidiaries and associated companies

Short-term monetary receivables

¥66,767 million

Short-term monetary payables

¥83,238 million

4. Monetary payables to directors and corporate officers

¥777 million

(Note) The monetary payables represent the unpaid provision for retirement allowances for directors and corporate officers, which was abolished in June 2010.

NOTES TO NONCONSOLIDATED STATEMENT OF INCOME**1. Related-party transactions with subsidiaries and associated companies**

Operating transactions

Net sales

¥151,427 Million

Purchases

¥51,848 Million

Other operating transactions

¥140,882 Million

Non-operating transactions

¥4,614 Million

2. Main components of selling, general and administrative expenses

Research and development (R&D) expenses

¥142,766 Million

NOTES TO NONCONSOLIDATED 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, 2024:**

Common stock 9,761,658 Shares

(Note) Of the Company's treasury shares, 230,257 shares are held through a trust.

TAX EFFECT ACCOUNTING**1. Main items included in deferred tax assets and liabilities**

Deferred tax assets

Tax loss carryforwards

¥22,209 Million

Entrusted R&D expenses

13,854

Deferred charges for tax purposes

7,702

Liability for retirement benefits

4,398

Others

11,032

Subtotal

59,196

Valuation allowance

(1,979)

Total deferred tax assets

57,217

Deferred tax liabilities

Valuation difference on available-for-sale securities

¥(6,687)

Others

(30)

Total deferred tax liabilities

(6,717)

Net deferred tax assets

50,500

2. Reconciliation between the statutory tax rate and the effective income tax rate

Statutory tax rate	30.5 %
(Reconciliation)	
Expenses not permanently deductible for income tax purposes, such as entertainment expenses	0.8
Income not permanently taxable for income tax purposes, such as dividend income	(1.6)
Tax credit for experiment and research expenses	(8.3)
Valuation allowances	3.5
Others	(2.1)
Effective income tax rate	22.8 %

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 the end of period (Millions of yen)
Subsidiary	Eisai Inc.	Indirect 100.00	Entrusting R&D and selling products	Product sales and receiving royalties	15,326	Accounts receivable-trade	8,087
				Payments of entrusted R&D expenses (Note 1)	110,930	Accounts payable-other	13,630
	Eisai Europe Ltd.	Direct 100.00	Holding company of EMEA's region	Settlement within intercompany transactions (Note 2)	—	Accounts payable-other	11,215
	Eisai Manufac-turing Ltd.	Indirect 100.00	Selling and Purchasing products	Product sales and receiving royalties	59,603	Accounts receivable-trade	32,732
				Pharmaceutical purchasing	39,293	Accounts payable-trade	8,911
				Guarantee obligations (Note 3)	39,344	—	—
Eisai (Suzhou) Trading Co., Ltd.	Indirect 100.00	Selling products	Product sales and receiving royalties (Note 4)	30,872	Accounts receivable-trade	9,301	
EA Pharma Co., Ltd.	Direct 60.00	Selling products	Deposits of cash	31,135	Deposits received	31,935	
			Payments of interests (Note 5)	21	—	—	

(Note 1) The terms and conditions of the transaction for pharmaceutical selling and receiving royalties are negotiated with reference to the market price, and other factors. Transaction prices for entrusting 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.

(Note 2) Netting settlements of receivables and payables related to intercompany transactions are made. The balance of accounts payable-other at the end of period is the balance of liability attributable to the Company after netting receivables and payables.

(Note 3) The terms and conditions of the transaction for pharmaceutical selling, purchasing, and receiving royalties are negotiated with reference to the market price, and other factors. Payables relating to the strategic collaboration with Merck & Co., Inc., Rahway, NJ, USA are guaranteed.

(Note 4) The terms and conditions of the transaction for pharmaceutical selling and receiving royalties are negotiated with reference to the market price, and other factors.

(Note 5) 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

Shareholders' equity per share	¥1,499.91
Basic earnings per share	¥70.82
Diluted earnings per share	¥70.82
(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 this per share information.	

REVENUE RECOGNITION**1. Information to enable users of financial statements to understand revenue**

The note is stated on "7. Accounting for revenue and costs" under [NOTES ON MATTERS RELATED TO SIGNIFICANT ACCOUNTING POLICIES].

SIGNIFICANT SUBSEQUENT EVENTS

Not applicable.

Audit Reports

Independent Auditor's Report (Consolidated)

INDEPENDENT AUDITOR'S REPORT

May 10, 2024

To Mr. Haruo Naito
Representative Corporate Officer and CEO of Eisai Co., Ltd.:

Deloitte Touche Tohmatsu LLC
Tokyo office

Designated Engagement Partner, Certified Public Accountant:	Yasuteru Miura
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Designated Engagement Partner, Certified Public Accountant:	Tepei Yamamoto
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Designated Engagement Partner, Certified Public Accountant:	Mihihiko Okabe
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Opinion

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements of Eisai Co., Ltd. and its consolidated subsidiaries (the "Group"), namely, the consolidated statement of financial position as of March 31, 2024, and the consolidated statement of income and consolidated statement of changes in equity for the fiscal year from April 1, 2023 to March 31, 2024, and the related notes.

In our opinion, the accompanying consolidated financial statements prepared with the omission of a part of the disclosures required under International Financial Reporting Standards ("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 consolidated financial position of the Group as of March 31, 2024, and its consolidated financial performance for the year then ended.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The Audit Committee is responsible for overseeing the Officers and Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the Business Report and the accompanying supplemental schedules.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the 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 IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern 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 IFRS.

The Audit Committee is responsible for overseeing the Officers and Directors execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are 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 IFRS, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with it all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader. The other information in "the accompanying supplemental schedules" referred to in the "Other Information" section of this English translation is not translated.

Independent Auditor's Report (Nonconsolidated)**INDEPENDENT AUDITOR'S REPORT**

May 10 2024

To Mr. Haruo Naito
Representative Corporate Officer and CEO of Eisai Co., Ltd.:

Deloitte Touche Tohmatsu LLC
Tokyo office

Designated Engagement Partner,
 Certified Public Accountant: **Yasuteru Miura**

Designated Engagement Partner,
 Certified Public Accountant: **Teppei Yamamoto**

Designated Engagement Partner,
 Certified Public Accountant: **Mikihiko Okabe**

Opinion

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the nonconsolidated financial statements of Eisai Co., Ltd. (the "Company"), namely, the nonconsolidated balance sheet as of March 31, 2024, and the nonconsolidated statement of income and nonconsolidated statement of changes in equity for the 112th fiscal year from April 1, 2023 to March 31, 2024, and the related notes and the accompanying supplementary schedules.

In our opinion, the accompanying nonconsolidated financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2024, and its financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Nonconsolidated Financial Statements section of our report. We are independent of the Company in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The Audit Committee is responsible for overseeing the Officers and Directors execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the Business Report and the accompanying supplementary schedules.

Our opinion on the nonconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the nonconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the nonconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Audit Committee for the Nonconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the nonconsolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of nonconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the nonconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The Audit Committee is responsible for overseeing the Officers and Directors' execution of duties relating to the design and operating effectiveness of the controls over the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Nonconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the nonconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these nonconsolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the nonconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the nonconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the nonconsolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the nonconsolidated financial statements, including the disclosures, and whether the nonconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with it all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader. The accompanying supplementary schedules" referred to in the "Opinion" section of this English translation are not included in the attached financial documents. In addition, the other information in "the accompanying supplementary schedules" referred to in the "Other Information" section of this English translation is not translated.

Audit Committee Report

Audit Report

The Audit Committee has audited the execution of duties by Directors and Executive Officers for the 112th fiscal year from April 1, 2023 to March 31, 2024. We report the methods and results of the audit as follows.

1. Methods and Content of Audits

The Audit Committee periodically received reports on the content 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 reports on the status of the internal control system established and operated under such resolution, and monitored and verified the internal control system. In addition to that, the Audit Committee conducted audits with the methods described below.

- i) The Audit Committee 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 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. With respect to the subsidiary companies, the Audit Committee took steps to facilitate communication and the exchange of information with Directors and Company Statutory Auditors, etc., of the subsidiary companies, and received reports from the subsidiary companies on the status of their operations, as necessary.
- ii) 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 considered contents of them taking into consideration the status, etc., of deliberations of the Board of Directors, etc.
- iii) While observing and verifying whether the external accounting auditor was maintaining its independence and was conducting audits in an appropriate manner, the Audit Committee received reports from the external accounting auditor on the execution of its duties and, when necessary, requested further explanation. The Audit Committee also received notification from the external accounting 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 November 16, 2021), etc., requesting further explanation when necessary.

Based on the foregoing methods, the Audit Committee examined the Business Report and the Annexed Detailed Statement, and 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 (nonconsolidated balance sheet, nonconsolidated statement of income, nonconsolidated statement of changes in equity, and notes to nonconsolidated 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:

- i) 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.
- ii) 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.
- iii) 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.
- iv) "Basic Policies regarding the Way a Person is to Control the Decisions on Financial and Business Policies of the Company" 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 accounting 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 accounting auditor, are appropriate and reasonable.

May 13, 2024

Audit Committee, Eisai Co., Ltd.

Audit Committee Member: **Hideyo Uchiyama**

Audit Committee Member: **Hideki Hayashi**

Audit Committee Member: **Yoshiteru Kato**

Audit Committee Member: **Yumiko Miwa**

Audit Committee Member: **Ryota Miura**

Note: Audit Committee members Hideyo Uchiyama, Yumiko Miwa and Ryota Miura 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.

Appendix

Corporate Governance Principles

Chapter 1 General Provisions

Article 1 (Purpose)

These Principles provide for the good corporate governance of Eisai Co., Ltd. (“the Company”), in order to increase its corporate value and to increase the common interest and long-term value of stakeholders, and thereby to contribute to the creation of social value through the realization of the following “Corporate Concept” set forth by the Company in its Articles of Incorporation.

(Corporate Concept)

1. The Company’s Corporate Concept is to give first thought to patients and the people in the daily living domain, and to increase the benefits that health care provides to them. Under this Concept, the Company endeavors to become a *human health care (hhc)* company.
2. The Company seeks to effectively achieve social good in the form of relieving anxiety over health and reducing health disparities as an innovative Japanese company.
3. The Company’s mission is to increase the satisfaction of patients and the people in the daily living domain, and to empower them to realize their fullest life through an *hhc* ecosystem developed through collaboration with other industries and groups. The Company believes that revenues and earnings will be generated by first fulfilling this mission. The Company places importance on this sequence.
4. 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.
5. The Company’s principal stakeholders are patients and the people in the daily living domain, shareholders, and employees. The Company endeavors to develop and maintain a good relationship with stakeholders and to enhance the value thereof through:
 - (1) Satisfying unmet medical needs, providing information and services that contribute to the awareness and prevention of diseases, ensuring a stable supply of high-quality products, and providing useful information on a range of topics, such as drug safety and effectiveness;
 - (2) Contributing to a sustainable society with a long-term perspective;
 - (3) Enhancing the common interests of shareholders, improving long-term corporate value, providing a positive return to shareholders, and disclosing corporate management information in a timely manner; and
 - (4) Ensuring stable employment, respecting human rights and diversity, providing full opportunities for growth in support of self-fulfillment, and creating an employee-friendly environment.

Article 2 (Basic Framework of Corporate Governance)

The Company is always aiming for good corporate governance, and strives continually to achieve it.

2. The core of the Company’s corporate governance is to ensure fair and transparent management and to enhance corporate vitality by clearly separating the supervision of management and the execution of business.
3. The Company will maximize the role of its Outside Directors, starting with their supervision of management and aiming at good corporate governance.
4. The Company aims to achieve good corporate governance on the following bases:
 - (1) Joint Creation of Value with Stakeholder Relations
The Company shall:
 - (i) Respect the rights of all stakeholders;
 - (ii) Work on increasing and creating corporate value with stakeholders;
 - (iii) Keep positive and smooth relations and develop trust with the Company’s stakeholders through dialogue;
 - (iv) Ensure transparency by timely and properly disclosing Company information; and
 - (v) Proactively contribute to realize a sustainable society.
 - (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 *hbc* Governance Committee entirely composed of Outside Directors shall be established.
- (ix) The internal control system and its operation shall be implemented to ensure the credibility of financial reports.

Article 3 (Establishment of These Principles)

These Principles 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 Joint Creation of Value with Stakeholders

Article 4 (Relations with Principal Stakeholders)

With respect to the relations with major stakeholders, the Company will utilize the following basic tenets:

- (1) Relations with Patients and Customers
 - (i) The Company will respect the various rights of patients and customers.
 - (ii) The Company will give first thought to improvement of the benefits to patients and customers and make efforts to provide high quality solutions matching their needs.
 - (iii) Directors and Corporate Officers will make use of “knowledge” obtained from “empathy” with patients and customers in executing their duties and making decisions.
- (2) Relations with Shareholders
 - (i) The Company will protect shareholders’ rights guaranteed by law and the Articles of Incorporation and ensure equality of treatment.
 - (ii) The Company will take measures to increase the common interests of shareholders on a long-term basis to make it possible for shareholders to hold the Company’s shares with a sense of assurance for the long term.
 - (iii) The Company will make efforts to obtain trust from shareholders through dialogue. The Board will properly reflect the voice of shareholders to management and the Directors will respond to shareholders’ expectations as a fiduciary.
- (3) Relations with Employees
 - (i) The Company will recognize the dignity and value of each employee and respect human rights and diversity.
 - (ii) The Company will make efforts to enrich the opportunities of employees’ human resource development and demonstration of ability, and to facilitate sound management based on the recognition that employees are stakeholders who can proactively create corporate value.
 - (iii) The Company will respect proposals and opinions from employees working together and handle them properly and fairly. The Board will proactively work on dialogue with employees and reflect the results of such interaction in supervising management.

Article 5 (General Meeting of Shareholders and Respect for Voting Rights)

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 method, date and venue so that as many shareholders as possible will be able to vote their rights on matters brought before the General Meeting of Shareholders, so that resolutions adopted by the General Meeting of Shareholders will reflect the views of shareholders.
3. Exercising voting rights at the General Meeting of Shareholders is a fundamental shareholder right and the Company will establish an environment where not only shareholders present at the General Meeting of Shareholders but all other shareholders can exercise their voting rights properly.

4. In order to enable shareholders to exercise their voting rights appropriately, the Company shall include sufficient information in the Notices of Convocation of the General Meeting of Shareholders and reference documents and other materials, and will send such information to shareholders at an early stage, so as to ensure that there is enough time for shareholders to consider the information.
5. 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 (Protection of Shareholders' Rights and Interests)

1. The Company will treat each shareholder equally based on each shareholder's equity stake and not provide any special benefits, including profits from assets, to any particular shareholder.
2. The Company will give sufficient consideration to the rights of minority shareholders, including rights related to the enjoinder of illegal acts, derivative actions and similar matters.
3. In order to protect shareholders' interests, the Company will endeavor to prevent any 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.
4. Directors and Corporate Officers shall not engage in any transactions that have a conflict of interest or are in competition with the Company unless approval of the Board pursuant to the Companies Act has been obtained. Material facts concerning said transactions approved by the Board shall be appropriately disclosed.
5. 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 7 (Capital Policy)

1. The Company will decide on and announce its basic guidelines for capital policy, including shareholder returns.
2. Decisions on distribution of retained earnings will be the subject of resolutions at Board Meetings in accordance with the Articles of Incorporation, and such decisions are to be implemented efficiently.
3. When the Company (i) allocates new shares to particular third parties and changes the Company's shareholder composition or (ii) implements a capital policy which will affect corporate value, such as issuing stock acquisition rights, the Company will have the Board oversee such actions appropriately and disclose relevant information in order not to unfairly harm shareholders.

Article 8 (Disclosure and Transparency)

1. The Company will actively, and in a timely and appropriate manner, disclose material information related to management, regardless of whether the content is positive or negative.
2. The Company will determine its policy for disclosing material information related to management, etc. and create a structure to implement it.
3. The Company shall disclose information in a way that is easy to understand and through a variety of methods that are easy to access it.
4. The Company will make efforts to communicate with stakeholders by establishing an inquiries contact system for shareholders and patients and through other methods.
5. The Company recognizes that dialogue with stakeholders is an opportunity for creative mutual understanding which will mutually produce empathy and changes in consciousness and behavior, and the Directors and Corporate Officers will proactively engage in this dialogue and contribute to ensure the gaining of trust and the transparency of management.

Article 9 (Working on Realization of a Sustainable Society)

1. The Company will consistently pursue the best corporate governance and proactively work on solving issues related to the environment and society.
2. The Company will carefully monitor trends of global activities which aim at the realization of a sustainable society, and will strengthen the effectiveness of the Company's efforts and endeavor to disclose information proactively.
3. The Company will respect various stakeholders worldwide and make efforts to maintain positive and smooth relations with them, and will contribute to the creation of social value with stakeholders through the Company's business.
4. The Directors and Corporate Officers will respect stakeholders' rights and provide leadership to develop a corporate culture of creating value together with its stakeholders based on the Corporate Concept of the Company.

Chapter 3 Corporate Governance System**Article 10 (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 an appropriate number of Directors shall be maintained 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 Company shall establish an *hnc* Governance Committee comprised of Outside Directors only for continued enhancement of corporate governance.
8. 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.
9. The Chairs of the Nomination Committee, the Audit Committee and the Compensation Committee shall be Outside Directors.
10. Outside Directors who are the Audit Committee members 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.
11. 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.
12. 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 11 (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 Concept.
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, the appointment and dismissal of Corporate Officers and surplus dividends.
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 will make efforts to apply a multi-dimensional risk management approach to the business execution by the Corporate Officers, and will oversee the system design and operation of internal control measures by the Corporate Officers.
5. 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.
6. The Board will strive to realize the Corporate Concept, 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.
7. 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.

8. 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.
9. The Board and the Corporate Officers shall maintain mutual understanding while fulfilling their respective responsibilities of executing duties.

Article 12 (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 13 (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.
6. The Directors will receive sufficient information and request additional information if necessary concerning the status of adherence to the Corporate Concept of the Company and the current management environment in order to fully perform their duties. The Company will provide the Directors with various training and opportunities for information sharing which will aid in the Board's duty of oversight of management.

Article 14 (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.

Article 15 (Nomination Committee)

1. The Nomination Committee shall determine the content of the proposals to be submitted to 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 based on the recognition that it is the fact that Outside Directors hold a majority of the Board representation that supports the effectiveness of the Company's corporate governance.
3. The Nomination Committee shall select Director candidates with diverse backgrounds in order for the Board to meet the various expectations of stakeholders and to fully perform its oversight function.
4. The Nomination Committee shall establish the basic policies, rules, procedures, etc., necessary for the execution of its duties.
5. The Nomination Committee shall report on the status of execution of its duties to the Board.

Article 16 (Audit Committee)

1. The Audit Committee shall audit the execution of the Directors' and Corporate Officers' duties, prepare audit reports, and conduct accounting audits and other matters required by laws and regulations.
2. The Audit Committee shall determine the contents of proposals related to the election, dismissal and non-reappointment of the Accounting Auditors to be submitted to the General Meeting of Shareholders.
3. The Audit Committee shall confirm that the Accounting Auditors' independence is assured and the quality control of audits is managed systematically, and shall make efforts to collect relevant information regarding an audit corporation other than the Company's Accounting Auditors.
4. The Audit Committee shall endeavor to achieve efficient and higher quality auditing, e.g., (i) by receiving timely and appropriate reports from the officers and employees of the Company and the ENW Entities and the Accounting Auditors of the Company related to the execution of their duties, (ii) by conducting relevant research on the status of the business and assets of the Company and the ENW Entities and (iii) by sharing necessary information with the Accounting Auditors and internal audit department.
5. The Audit Committee shall establish the basic policies, rules, procedures, etc., necessary for the execution of its duties.
6. 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.
7. The Audit Committee shall report on the status of execution of its duties to the Board.

Article 17 (Compensation Committee)

1. The Compensation Committee shall determine both the policies for deciding the compensation of Directors and Corporate Officers, and their individual compensation, with fairness and transparency.
2. The Compensation Committee shall determine the remuneration of Directors, to appropriately compensate them for their performance of management oversight, and the remuneration of Corporate Officers, to provide them with strong motivation for their responsibilities of business execution and which takes into consideration the level of achievement measured against their performance benchmark(s).
3. When deciding the compensation of the Directors and Corporate Officers, the Compensation Committee shall make decisions after making active use of external research data in order to ensure the objectivity of its decisions and deliberating the appropriateness of the decision-making process on compensation.
4. The Compensation Committee shall establish the basic policies, rules, procedures, etc. necessary for the execution of its duties.
5. The Compensation Committee shall report on the status of execution of its duties to the Board.

Article 18 (hhc Governance Committee)

1. The *hhc* Governance Committee shall be composed of all of the Outside Directors.
2. The *hhc* Governance Committee shall engage in proactive dialogue with the Company's stakeholders and use the insights gained to enhance discussions by the Board.
3. The *hhc* Governance Committee shall share information about the succession plan for a future Representative Corporate Officer and CEO proposed by the Representative Corporate Officer and CEO, and provide relevant advice. The *hhc* Governance Committee shall reasonably ensure impartiality in the selection of the CEO by the Board by having Outside Directors take part in the process.
4. The *hhc* Governance Committee shall evaluate the effectiveness of the supervision function of the management of the Board every year. If there are issues related to the operation of the Board, etc., the *hhc* Governance Committee may make proposals to the Board for addressing such issues.
5. The *hhc* Governance Committee is held to discuss a broad range of matters related to the Company's corporate governance and business, and thereby strive for continued enhancement of corporate governance.
6. The matters discussed at the *hhc* Governance Committee shall be reported to the Board or notified to the Corporate Officers as necessary.

Article 19 (Evaluation of Corporate Governance)

1. Every year, the Board shall evaluate the state of the Company's corporate governance and shall seek to enhance the effectiveness of corporate governance in accordance with the Board's review of Board resolutions relating to these Principles, the Board's review of the internal control system, and the evaluation by each Director of the Board of Directors.
2. The Board will ensure the appropriateness of the results of the annual evaluation of corporate governance, and will maintain and seek to improve the objectiveness and reasonableness of its evaluation methods by implementing a periodic review by an outside organization.

Article 20 (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 Concept, 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 a succession plan for the Representative Corporate Officer and CEO and develop relevant candidates.
4. The Representative Corporate Officer and CEO shall establish, prepare and operate an internal control system, including a legal compliance system and risk management system, and continually evaluate its effectiveness and strive to improve it.
5. 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 21 (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 Concept, 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 establish, prepare and operate an internal control system within the scope of their assigned division of duties, 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 make efforts to obtain necessary knowledge and to enhance their skills continuously in order to perform their duties. The Company will provide relevant knowledge related to compliance and risk management as well as educational opportunities for Corporate Officers so that they may efficiently execute their duties in compliance with applicable laws, regulations and the Articles of Incorporation.
6. 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).
7. An appropriate number of Corporate Officers shall be maintained so that their duties concerning business execution with which they have been entrusted by the Board can be performed most effectively/efficiently.

Article 22 (Internal Control)

1. The achievement of thorough internal control of the whole Company group is an important element in 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. In order to ensure the compliance with applicable laws, regulations and ethical standards, the Company shall establish and maintain an internal whistle blowing reporting system, and will develop this system to ensure that it appropriately and fairly handles information from whistle blowers and that a whistle blower will never be subject to unfair treatment.
3. 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 23 (Accounting Auditors)

1. The Accounting Auditors shall ensure the reliability of financial statements through their audits of such 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.

Article 24 (Exceptional Measures)

In case it is necessary to make exceptions to these Principles, the Board shall clarify the reason for the exception, and make it clear that the purpose of these Principles was taken into account and that reasonable measures were taken.

Article 25 (Revisions)

These Principles may be revised only by resolution of the Board.

Supplementary Provisions

(Enforcement)

Article 1 The Principles were established on March 23, 2001 as the Corporate Governance Regulations of the Company and were revised into and became the Corporate Governance Guidelines of the Company, and were then subsequently revised thereafter. The revision history of these Principles 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
- June 21, 2017: Revision made
- June 20, 2018: Revision made
- April 24, 2020: Revision made
- March 1, 2021: Revision made (Corporate Governance Principles)
- June 17, 2022: Revision made

(End)

Rules Concerning Items Necessary for the Execution of Duties by the Audit Committee

(Objective)

- Article 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 within ENW.

(Items regarding the Directors and employees of the Company who assist in the duties of the Audit Committee of the Company)

- Article 2 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.

(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)

- Article 3 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.

(The system for Officers and employees of the ENW Entity to report to the Audit Committee)

- Article 4 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 oversight^{*1}, supervision^{*2} or management^{*3}, 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) Matters or information other than the above (1) through (7) that may cause the ENW Entity serious damage or have significant effect ;
 - (9) Facts that Officers and employees of the ENW Entity, who made reports or provided information pursuant to Sections through 2 to 6 of this Article, were treated disadvantageously because they made the reports or provided the information; and
 - (10) Other matters to be reported as stipulated by the Audit Committee of the Company.
- ^{*1} "oversight" shall mean having the general oversight responsibility as the head of the reporting line.
^{*2} "supervision" shall mean having supervision of the relevant organization or business not as the head of the reporting line.
^{*3} "management" shall mean having a grasp of the situation by receiving report(s) from the relevant business or organization.

- 2 If the Officers and employees of the ENW Entity become aware of any item provided in each item of Section 1 of this Article, they shall immediately report to the Corporate Officer of the Company who oversees, supervises or manages such item. In the case where it would be inappropriate to report to the Corporate Officer of the Company because the Corporate Officer himself/herself is concerned in the event, for example, the Officers and employees of the ENW Entity shall report to (i) the Corporate Officer of the Company other than the Corporate Officer at issue or (ii) the Compliance Counter.
- 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 Officers and employees of the ENW Entity may report to the Audit Committee of the Company concerning the above item (4) of Section 1 of this Article, which is related to the Corporate Officers of the Company.
- 5 The Auditors or the Audit Committee of the ENW Entity in Japan, the People's Republic of China, Korea and Taiwan, except for the Company, shall periodically report information regarding audit results by the auditors, etc. in such ENW Entity to the Audit Committee of the Company.
- 6 The Officers and employees of the ENW Entity 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.
- 7 The Corporate Officers and employees of the Company shall inform the Audit Committee of the Company of the schedules of important meetings.

(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)

Article 5 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 Entity 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.

(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)

Article 6 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.

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

- Article 7 The Representative Corporate Officer and CEO of the Company shall prepare a system between the ENW Entity under which the Audit Committee of the Company enables the investigation, etc., of the accounting and operations of the ENW Entity.
- 2 Departments and officers in charge of audits, including the internal audits of the ENW Entity, 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.

(Familiarization with these rules)

Article 8 The Representative Corporate Officer and CEO of the Company shall take measures to familiarize the Officers and employees of the ENW Entity with the content of these rules.

(Revisions)

Article 9 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 shall be 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.
Article 6 These rules shall be revised June 21, 2017.
Article 7 These rules shall enter into force on June 19, 2020.

Rules for Preparing Necessary Systems for Ensuring the Suitability of the Execution of Duties by Corporate Officers

(Objective)

- Article 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 within 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*¹, supervise*² and manage*³ each ENW Entity other than the Company; and “Officers of ENW Entities, who execute business operations” shall mean Corporate Officers of the Company and directors of the ENW Entities other than the Company.
- *1 “oversee” shall mean having the general oversight responsibility as the head of the reporting line.
- *2 “supervise” shall mean having supervision of the relevant organization or business not as the head of the reporting line.
- *3 “manage” shall mean having a grasp of the situation by receiving report(s) from the relevant business or organization.

(Authority)

- Article 2 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 for such assigned duties.
- 3 The Corporate Officer of the Company shall perform such 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.

(The system for storage and management of information related to the performance of duties of Corporate Officers)

- Article 3 The Representative Corporate Officer and CEO of the Company shall appoint a Corporate Officer, from among the Corporate Officers of the Company, who shall supervise ENW with respect to and be in charge of storage and management of information related to the performance of duties of Corporate Officers of the Company, and shall have such Corporate Officer establish a system and necessary rules on storage and management of information.
- 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 information, and report the status thereof to the Board of Directors and the Audit Committee of the Company.

(The rules and other systems regarding management of the risks of loss in ENW)

- Article 4 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, product quality and adverse effect, 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 set forth 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.

(The system for ensuring that the duties of Directors, Corporate Officers and employees of ENW are conducted efficiently)

- Article 5 The Board of Directors of the Company shall delegate to the Representative Corporate Officer and CEO 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 establish and operate 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 and operate 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.

(The system for ensuring that performance of duties by Officers of ENW Entities, who execute business operations, and employees of ENW Entities is in accordance with laws and the Articles of Incorporation)

- Article 6 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 Officers of ENW Entities, who execute business operations, and employees of ENW Entities is in accordance with laws and the 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 Officers of ENW Entities, who execute business operations, and employees of ENW Entities take actions in compliance with laws and the Articles of Incorporation, and promote compliance by taking necessary measures such as training of Officers of ENW Entities, who execute business operations, 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 and reporting of compliance matters both inside and outside the Company to strive for the prevention and early resolution of risks related to compliance, and shall cooperate and perform the foregoing 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 with respect to ENW Entities other than the Company.
 - 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 Officers of ENW Entities, who execute business operations, and employees of ENW Entities strictly observe such policy and use their best efforts on a daily basis in their conduct in this regard.
 - 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 and operation 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 and operation 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 and operation of an internal control system, and shall cooperate and perform the foregoing 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 with respect to ENW Entities other than the Company.

- 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, and 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 with respect to ENW Entities other than the Company.
- 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.

(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)

Article 7 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 Directors and the Audit Committee of the Company.

(Familiarization with these Rules)

Article 8 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.

(Revisions)

Article 9 These Rules may be revised only by resolution by the Board of Directors.

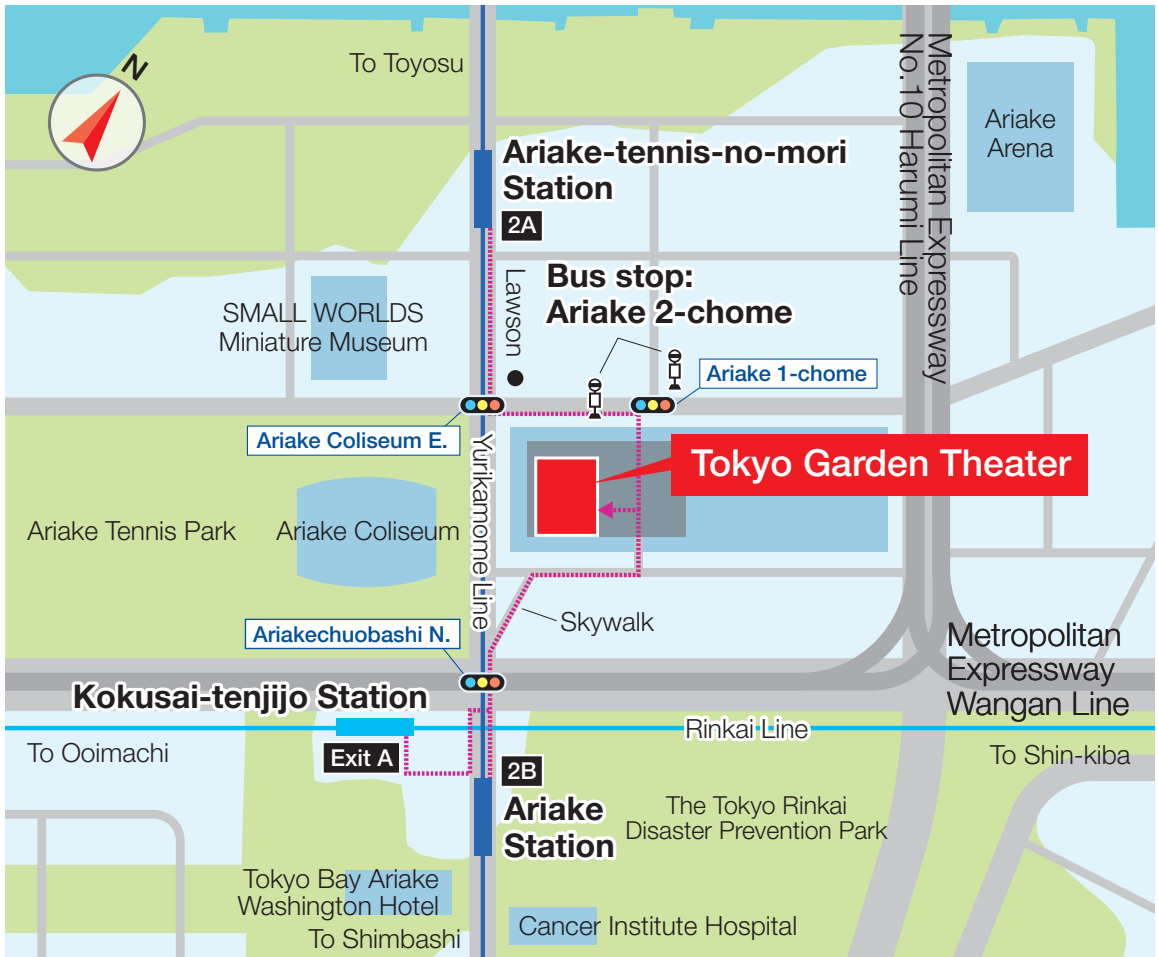
Supplementary Provisions

(History of Revisions)

- Article 1 These rules shall come into effect April 27, 2006.
Article 2 These rules shall come into effect on June 20, 2014.
Article 3 These rules shall come into effect on May 1, 2015.
Article 4 These rules shall come into effect on June 21, 2017.
Article 5 These rules shall come into effect on June 19, 2020.
Article 6 These rules shall take effect on June 18, 2021.

(End)

Map of the General Meeting of Shareholders Venue



Site

Tokyo Garden Theater

2-1-6 Ariake, Koto-ku, Tokyo

Transportation

Yurikamome Line Ariake Station 4 minutes on foot from Exit 2B

Yurikamome Line Ariake-tennis-no-mori Station 5 minutes on foot from Exit 2A

Rinkai Line Kokusai-tenjijo Station 7 minutes on foot from Exit A

Toei Bus number: Umi 01 (KM01) , 05-2, or Higashi 16, bus stop: Ariake 2-chome



Tokyo Garden Theater area map

Scan the 2D code below from your smartphone or tablet to access Google Maps.



(Japanese)

On the day of the General Meeting of Shareholders, each attendee will receive 1 souvenir gift at the reception.

This General Meeting of Shareholders will be held with virtually zero CO₂ emissions by utilizing the Green Power Certificate System and replacing electricity used at the venue with renewable energy.



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An easy-to-read universal design font is used.