

**Final Update: June 21, 2023**

**Eisai Co., Ltd.**

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**Securities Code: 4523**

**<https://www.eisai.com/>**

**The status of Eisai's corporate governance is described below.**

## **I. Basic philosophy of corporate governance, capital structure, corporate profile, and other basic information**

### **1. Basic philosophy**

Eisai has adopted the following Corporate Philosophy and incorporated it into the Company's Articles of Incorporation as a commitment to our stakeholders, beginning with our shareholders.

(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:

- (i) 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;
- (ii) Contributing to a sustainable society with a long-term perspective;
- (iii) 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
- (iv) Ensuring stable employment, respecting human rights and diversity, providing full opportunities for growth in support of self-fulfillment, and creating an employee-friendly environment.

This Corporate Philosophy is shared as common knowledge among Eisai's Japanese and overseas Group companies (Eisai Network Companies).

While developing Eisai's global business through their respective operations, they work as one toward the realization of this Corporate Philosophy. To realize the corporate Philosophy, corporate measures and policies must be executed with long-term vision. Such implementation is made possible only with the trust of the Company's stakeholders. Therefore, the Company is always aiming for good corporate governance, and to continually enhance it.

The core of corporate governance is to ensure fair and transparent management and to enhance corporate vitality by respecting the rights of all our stakeholders and clearly separating the supervision of management and the execution of business. The Company will maximize the role of its Outside Directors, starting with their supervision of management and aiming at good corporate governance. In order to increase its corporate value and to increase the common interests and long-term value of stakeholders, 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.

#### (1) Shareholder 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 properly disclosing Company information in a timely manner; and

- (v) Proactively contribute to achieving 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 laws and regulations, and it shall fulfill 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 held by different people.
  - (vi) The Nomination Committee and the Compensation Committee shall be entirely composed of Outside Directors, and the majority of the Audit Committee shall consist of Outside Directors.
  - (vii) The Chairs of the Nomination Committee, the Audit Committee and the Compensation Committee shall be Outside Directors.
  - (viii) The Company shall have an *h/c* Governance Committee consisting solely of Outside Directors.
  - (ix) The internal control system and its operation shall be enhanced to ensure the credibility of financial reports.

Detailed information regarding Eisai’s corporate governance is available on the corporate website (<https://www.eisai.com/company/governance/index.html>), along with the Company’s Corporate Governance Principles\*, Rules of the Board of Directors, Rules of the Nomination Committee, Rules of the Audit Committee, and Rules of the Compensation Committee.

\* From March 2021, the “Company’s Corporate Governance Guidelines” were revised and renamed “Company’s Corporate Governance Principles”.

[The reason why the Company does not implement each principle of the Corporate Governance Code]

The Company implements all the principles established in the Corporate Governance Code.

[Disclosure based on each principle of the Corporate Governance Code] **(Update)**

[Principle 1-3 Basic Guidelines for Capital Policy]

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

\* 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

#### (1) Medium- to Long-term ROE Management

The Group views ROE as an important indicator related to the creation of sustained shareholder value. In terms of medium- to long-term ROE management, the Group aims for an ROE that exceeds the cost of capital to create a truly positive equity spread\* by continually improving profit margins, financial leverage, and asset turnover in the medium to long term.

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

#### (2) Stable and Sustainable 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\*), and free cash flow, as well as taking into consideration the signaling effect, the Group implements the stable and sustainable 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.

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

#### (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.

#### [Principle 1-4 Cross-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 FY2022, the Company sold its strategic shareholding shares in 2 listed stocks (of which all its shares of 1 of the stocks). In addition, the Company sold all of its shares in 3 unlisted stocks, and all of its deemed shareholding in 2 stocks.

[Principle 1-7 Transactions between Related Parties]

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

\* ENW (Eisai Network Companies) refers to the corporate group comprised of Eisai Co., Ltd., and its consolidated subsidiaries and affiliates.

The existence of transactions between the Company and its major shareholders as well as the nature of such transactions are appropriately supervised by the Company's Board of Directors, and subjected to periodic audits by the Audit Committee. In an effort to prevent 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 transactions competitive to the Company and transactions that conflict with the interests of the Company by Directors and Corporate Officers require the approval of the Board of Directors. Furthermore, with regard to such transactions, Directors and Corporate Officers are required to report material facts appropriately to the Board of Directors.

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

[Principle 2-4-1 Policies and Goals to Ensure Diversity in the Appointment of Core Human Resources]

Acceleration of diversity and inclusion (D&I) is one of the most important themes for our company in order to achieve the *h/hc* philosophy. Since the Representative Corporate Officer and CEO issued the Eisai Diversity Declaration in 2012, we have developed a work environment that allows employees with a wide range of values to play active roles regardless of their nationality, gender, age, or other characteristics.

Furthermore, we have established a compliance policy that provides an equal and non-discriminatory work environment for all employees, and we have made it known to more than 10,000 employees globally.

The Company strives to ensure the diversity of Directors and Corporate Officers. The Company appointed a foreign national as a Director in 2002, a foreign national as a Corporate Officer in 2006, a female employee as a Director in 2009, and a female employee as a Corporate Officer in 2013. As of March 31, 2023, five of the Company's 29 officers are foreign nationals and five are female. As a global company the Company appoints local human resources to the management of local subsidiaries. In the Americas, EMEA, and China, the citizens of the respective areas were appointed as Corporate Officers. Globally, approximately 30% of all managers are female.

However, there are still more diversity-related issues, such as gender issues, in Japan than in other countries. There is an urgent need for measures to address these issues from various perspectives. We have formulated and have been working on the following goals and action plans, which are collectively referred to as “Diversity & Inclusion 2021,” and which cover the period up to fiscal 2030. Our target is to form autonomous professional groups, achieve the spiral of knowledge generated by diversity, and connect it to the global advancement of innovation, regardless of differences in nationality, gender, age, etc.

<The goals>

(1) Increase the ratio of female employees and managers to 30% or more.

We will become an organization that enables decision-making and human resource development based on a wide range of values and leadership, and develop an environment in which the individuality and strength of each employee is reflected in management and daily operations. (As of the end of March 2023, the ratio of female employees is 26.6%, and the ratio of female employees in management positions is 11.9%.)

(2) Increase opportunities for employees to challenge themselves in ways appropriate for veteran employees.

Not only to convey the experience and knowledge accumulated over many years to young employees, but also to fulfill the roles expected from inside and outside the Company, we will develop veteran employees who contribute to the revitalization of organizations and the achievement of a spiral of knowledge as a “shining TAKUMI\*.” (Career training for middle and senior level employees: 5 times in total in FY2021)

\* Veteran employees who find their own significance in taking on the challenge of creating new value and developing next-generation human resources as a frontrunner to embody the *hhc* philosophy

(3) Increase the ratio of managers in their 30s or younger to 20% or more.

We will achieve management diversity more effectively and accelerate the development of an environment where new ideas can be utilized in decision-making. (As of March 2023, 11.5% of organization heads under 30)

In FY2022, the Company have established the following action plan and are working on it.

<The action plans>

(1) Improvement of the working environment and work style reform

- Expanding employee discretion in choosing a work location: The Company increases the choices of work location for employees, such as shared offices and workations, and is working to realize creative and productive workplaces through an optimal mix of office and remote locations.
- Expanding employee discretion in choosing working hours: The Company considers transitioning to a discretionary labor system that contributes to the development of self-reliant talent.

(2) Facilitating communication in the workplace

- The Company provides training on unconscious bias for all employees.
- The Company provides guidelines and conducts training for managers for improving engagement and maximizing business performance by visualizing the activities of each employee and vitalizing internal communication, in accordance with recent circumstances under which remote work (work from home) is becoming normal.
- The Company provides managers with a training program on childcare support systems and “IKUBOSS” (a boss sympathetic to male employees spending time with their children and/or taking leave for long-term care, etc.) to create a workplace culture that makes it easier for staff members to take childcare leave.
- The Company have set a goal of achieving 50% of male employees taking spousal maternity leave and childcare leave as soon as possible, and is working to foster a workplace culture that facilitates the use of childcare and nursing care leave for both male and female employees.

(3) Achieving diverse career paths and developing diverse talent

- The Company is shifting to providing its employees with proactive career development support based on the diverse values and willingness of each employee to take on challenges, instead of company-led career development, through improving the system,

conducting various training, and enhancing career enlightenment and education utilizing e-learning.

- The Company is expanding opportunities for each employee to engage in business beyond their departments within the Company as well as to gain work experience outside the Company, and hence provide employees with new opportunities that will lead to their growth and their career development.
- When an employee takes childcare leave, the Company provides them with information on nursery schools, etc., and support their self-development during the leave so that the employee can return to work smoothly.

#### (4) Developing diverse leadership

- Early development of younger/female leaders: The Company cultivates and develops diverse leaders by expanding career development programs for younger and female employees and by providing opportunities for them to take on the challenge of career advancement.
- Encouraging the individuality of senior employees: The Company offers opportunities for senior employees to demonstrate their unique abilities, and create a working environment where they can continue to take on challenges regardless of age.

To maximize the human resources base for executing management strategies, we will use People Analytics\* to visualize employee engagement, in addition to qualitative information utilization. Moreover, we will provide opportunities for each employee to maximize his or her performance by executing effective personnel strategies backed by human resources portfolio analysis and an optimum arrangement analysis based on the quantitative information obtained.

\* Data collection and analysis of employees and organizations

To achieve the digital transformation (DX) strategy, which is the core of our new business model, we have been actively hiring specialists such as data scientists and engineers to strengthen our human resources base. Furthermore, we focus on developing leaders who can promote our DX strategy.

In regard to the hiring of foreigners in Japan, we began hiring international students in 2013. The Company aims to continuously secure foreign nationals as human resources. International students have been hired each year since then except in 2014 and 2017. Although there are no specific numerical targets for appointment of mid-career hires to managerial positions, the Company conducts reviews fairly without subjecting them to any disadvantages in promotion/rank advancement. The Company implements a succession planning process annually to select, train, and promote next-generation leaders who ensure diversity in nationality, gender, age, and so on.



[Principle 2-6 Fulfill Function as Corporate Pension Asset Owner]

Given the importance of human capital, the “Eisai Corporate Pension Fund” (“the Fund”) adopted the Corporate Stewardship Code in February 2018. In December 2019, it became a signatory to the Principles for Responsible Investment (PRI) and is making ESG investments that are based on global standards.

Going forward, the Fund will strive to maximize pension returns, and improve the Fund by enhancing human capital, etc. Currently, the Fund does not have sufficient resources for distribution, and there is a framework for the Finance Department to provide support to the Fund. In the future, the Company will work to distribute sufficient resources including the deployment of staff members who have the requisite experience and qualities, and striving to develop such staff, etc., in order for the Fund to be able to fulfill its expected function as asset owner.

Major decision-making on asset management is conducted and approved by a representative committee in light of deliberation by an Asset Management Committee. While the Finance Department provides support as a member of the Asset Management Committee, the representative committee has the Talent Management Department as its core member, and since the Finance Department has no authority to make decisions, the Company believes that this system is able to appropriately manage conflicts of interest.

(Principles related to Welfare Pension Plan "Responsible Institutional Investor")

<https://www.eisai-kikin.or.jp/pop.html>

\* Principles of conduct required for institutional investors to fulfill their responsibilities as consignees of the operation of assets

[Principle 3-1 Full Disclosure]

In regard to Items (i) through (v) given in Principle 3-1, we provide information carefully and in an easy-to-understand manner in the General Meeting of Shareholders reference documents and Business Reports, etc. English-language versions of the Notice of Convocation of the General Meeting of Shareholders, Business Reports, the Integrated Report, etc., are also created. In addition to these materials, we have also created an English-language version of our website.

(i) In addition to establishing a corporate philosophy in its Articles of Incorporation, the Company has established the Corporate Objective and the Charter of Business Conduct of Eisai Network Companies, and has released them on the website.

<https://www.eisai.com/company/philosophy/index.html>

We strive to share the corporate philosophy through broad, general release, including to shareholders, by including it in the Notice of Convocation of the General Meeting of Shareholders, Business Reports, the Integrated Report, etc. In addition, we proactively

disclose and release the medium-term and annual business strategy and business plan through financial statement releases, individual shareholder explanation meetings, media press conferences, and information meetings for financial analysts and financial institutions.

- (ii) Through the Board of Directors, the Company has established the Company's "Corporate Governance Principles," which stipulate the Company's basic thinking regarding corporate governance, and has disclosed it on the Company's website.

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

- (iii) The Company is a Company with a Nomination Committee, etc., system. The Compensation Committee has the authority to determine the content of compensation of individual directors and corporate officers of the Company. It determines (1) policy concerning decisions on the content of compensation of individual directors and corporate officers, (2) the content of compensation of individual directors and corporate officers, and (3) the evaluation of the level of attainment of Company-wide performance targets and the individual performance targets of each corporate officer for the performance-based compensation of corporate officers. The Compensation Committee may also deliberate on compensation, etc., for directors and corporate officers separately and take exceptional measures in cases where it deems such action necessary. The process for determining compensation, etc., has been disclosed in the Notice of Convocation of the 110th Ordinary General Meeting of Shareholders (the Business Report). In addition, in order to further enhance management transparency, the Compensation Committee annually deliberates on the content of appropriate information disclosure regarding compensation, etc., and makes proposals to the Representative Corporate Officer and CEO, as stipulated in the bylaws.

- (iv) The Company is a Company with a Nomination Committee, etc., system. The Nomination Committee has the authority to determine General Meeting of Shareholders proposals related to the election and dismissal of Directors, as well as the basic policy, rules, and procedures, etc., required for the election and dismissal of Directors. The Nomination Committee determines proposals regarding the composition of the Board of Directors for the next fiscal year and the requirements, etc., for the independence and neutrality of Outside Directors and selects candidates for directorship. The duties, contents of activities, etc., of the Nomination Committee have been disclosed in the Notice of Convocation of the 110th Ordinary General Meeting of Shareholders (the Business Report).

The election and dismissal of Corporate Officers is an agenda item to be resolved by the Board of Directors. Regarding the election of Corporate Officers, the Representative Corporate Officer and CEO proposes candidates to the Board of Directors (including the reasons for those candidates), and the Board of Directors elects

the individuals

- (v) In regard to the election of Directors, the reference documents of the Notice of Convocation for the General Meeting of Shareholders include the reasons for proposal of each candidate for directorship decided by the Nomination Committee. In addition, matters related to the independence and neutrality of Outside Directors confirmed by the Nomination Committee are also included. In regard to the election of Corporate Officers, the reasons for election are included in the agenda items of the Board of Directors, and the Representative Corporate Officer and CEO (the proposer) provides the Board of Directors with sufficient explanation for each selection. In the Reference Document, the Nominating Committee discloses the diversity of director candidates in the form of a "skills matrix," including the principal reasons for nomination as director candidates.

[Supplementary Principles 3-1-3 Initiatives on Sustainability]

The Board of Directors has adopted Article 9 of the Corporate Governance Principles, "Working on Realization of a Sustainable Society," and supervises management in accordance with this provision. The contents of this provision are as follows;

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 Philosophy of the Company.

[Initiatives to Improve Access to Medicines]

The Group considers making efforts to resolve the global issue of access to medicines to be its duty as well as a long-term investment for the future. It is promoting such undertakings proactively under public- private partnerships with governments, international organs, private non-profit organizations and others.

(1) Elimination of lymphatic filariasis (LF)

LF is one of the neglected tropical diseases (NTDs) that is endemic in developing and emergent nations. We manufacture its treatment, diethylcarbamazine (DEC) tablets, at our Vizag Plant in India. Until LF is eliminated in all endemic countries requiring DEC,

we will continue to provide the tablet to the World Health Organization (WHO) free of charge. As of the end of March, 2023, we had supplied

2.13 billion tablets to 29 countries. Through the WHO “Global programme to eliminate lymphatic filariasis,” LF has been eliminated in 17 out of 72 endemic countries (of the 17, we have been providing DEC tablets to 4 countries). From 2000 to 2018, the number of patients infected with LF globally fell by 74%.

(2) The development of new drugs for the treatment of NTDs and malaria

Through partnerships with international research agencies and others, the Company is proactively undertaking the development of new drugs for the treatment of NTDs and malaria. We are continuing the development of new drugs for the treatment of NTDs through partnerships that make the most of the respective specializations of those involved. In joint efforts with non-profit research organizations, including the Drugs for Neglected Diseases initiative (DNDi) and Medicines for Malaria Venture (MMV), investments by the Global Health Innovative Technology Fund (GHIT Fund) and others are being used in addition to ideas input by researchers from academia, etc.

(3) Awareness-building in Sudan for Mycetoma

Starting in 2019, we engaged in activities to combat mycetoma through cooperation with the Association for Aid and Relief, Japan (AAR Japan) an international NGO based in Japan. In addition to efforts such as building awareness about the illness and offering treatment and surgeries, we are also working to provide even more comprehensive and sustainable solutions that include offering psychological care after surgeries and building the capabilities of local groups and communities. In 2022, the project “Capacity Building and Awareness Raising Project for Mycetoma Infection Control in Sudan” which we are working on in collaboration with AAR Japan, was selected for “Projects for global growth of medical technologies, systems and services through human resource development” in 2022 by the Ministry of Health, Labour and Welfare, Japan. As part of this project, we are conducting online training for cooperative organizations and healthcare professionals involved in efforts to combat mycetoma in Sudan with the cooperation of the Institute of Tropical Medicine, Nagasaki University.

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

(4) Ongoing support to tackle NTDs

The “Kigali Declaration\*” on the elimination of NTDs was announced at the Kigali Summit held on June 23, 2022 in Kigali, the capital of the Republic of Rwanda, as a step on the path to achieving the UN’s SDGs and the WHO’s road map for NTDs 2021-2030. Eisai signed on to the declaration, and announced that its efforts to support the elimination of NTDs will continue going forward.

<https://www.eisai.com/news/2022/news202250.html>

\* The Kigali Declaration is the successor to the London Declaration international public-private partnership announced in 2012, representing a stronger collective commitment from stakeholders to eliminating NTDs. It aims to eradicate 2 NTDs, eliminate at least 1 NTD in 100 countries, and decrease the number of people requiring interventions for NTDs by 90% by 2030.

#### [Consideration for the Environment]

As a human health care (hhc) company, the Group strives to accomplish the social goods of “relieving anxiety over health” and “reducing health disparities.” We view the global environment as the foundation of business activities aimed at achieving social good. There is a relationship between the global environment and people’s health. Based on these ideas, the Group has established the “Eisai Network Companies (ENW) Environmental Protection Policy,” and has made concerted efforts to protect the environment.

And so in April 2022, because it is our responsibility as an hhc company to simultaneously address social good and environmental protection, we established the “Eisai Environmental Management Vision.” Based on this Vision, in addition to climate change countermeasures aimed at achieving

carbon neutrality\* by FY2040, we have established medium-term targets to address the environmental issues established as major activities in the “ENW Environmental Protection Policy”

including sustainable use of water, recycling of resources, preservation of biodiversity, and proper management of chemical substances. We are systematically advancing our efforts in these areas in our aim to efficiently meet the Company’s target of achieving social good.

\* A state in which emissions of carbon dioxide (CO<sub>2</sub>), methane, fluorocarbons, and other greenhouse gases that promote global warming are offset by absorption.

#### <Eisai Environmental Management Vision>

(1) We will work sincerely to realize the Company’s 2 goals for social good, and at the same time to protect the global environment as set forth in the basic policy and action guidelines of the Eisai Network Companies (ENW) Environmental Protection Policy.

(2) We will become a leader in environmental protection activities, clearly demonstrating our significance to society.

(3) As leaders in environmental protection activities, each of us will pursue the most efficient ways of achieving social good by changing the way we work and the structure of our business.

(4) We will contribute to society’s sustainability through our environmental protection efforts, which will also lead to increased non-financial value.

(1) Business activities that give consideration to the global environment

(i) Initiatives for the Formation of a Recycling-Oriented Society

The Company's domestic group strives to dispose of waste properly and use resources efficiently in order to protect the environment. Aiming to reduce the amount of waste generated, improve the recycling rate, and decrease the amount of waste sent to landfills, we are making an effort to enhance our waste-disposal measures. FY2022 will mark the 15th consecutive year that we have attained zero emissions.\*

\* To reduce the percentage of waste sent to landfills to less than 0.5%.

(ii) Initiatives for the Sustainable Use of Water

We aim to contribute to the formation of a recycling-oriented society through the sustainable use of resources, including 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, as another medium-term target, 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.

(iii) Initiatives to Protect Biodiversity

We aim to contribute to the realization of a society coexisting with nature in accordance with harmony with the global environment through the sustainable use of biological resources and the preservation of biodiversity. Having established the "Biodiversity Guidelines" in August 2020, we are striving to not only comply with laws and regulations, but also to monitor and improve the impact of our business activities on biodiversity at all stages. Each business site is making efforts for the environmental conservation of forests, woodlands, rivers, oceans, etc. As a medium-term target by FY2030, almost all of the business sites are aiming to identify an important species and engage in activities to preserve it.

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. These plants include 38 endangered species (including near- endangered species) included on the Ministry of the Environment's Red List, all of which we are making efforts to preserve. Since FY2020, the Vizag site (India) has undertaken a tree-planting program to promote environmental awareness. In FY2022, about 2,000 trees were planted in the state of Andhra Pradesh, where the office is located, bringing the total number of trees planted through this program to about 9,000.

## (2) Climate Change-related Activities

### (i) Governance Structure for Climate Change Risks and Opportunities

The Board of Directors has established "Rules for Preparing Necessary Systems for Ensuring the Suitability in the Performance of Duties by Corporate Officers," under which the Corporate Officer in charge of environment-related risks (Corporate Officer in charge of General Affairs and Environmental & Safety Affairs) establishes and operates internal controls concerning such risks. "Rules of the Board of Directors" stipulate matters related to ESG and SDGs as reportable items, and the Board of Directors receive quarterly progress reports from the corporate officer in charge on the status of company-wide initiatives and issues related to sustainability, including climate change, and monitor them. Under this system, the Corporate Officer in charge of General Affairs and Environmental & Safety Affairs works with the Executive Officer in charge of Stakeholder Communication to identify and address risks and opportunities related to climate change. In addition, significant business risks, including climate-related risks, are managed by the Risk Management Committee, chaired by the Corporate Officer in charge of Internal Control, which reports to the Board of Directors.

### (ii) Information Disclosures Based on TCFD Recommendations

In June 2019, the Group 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. This table presents an overview of the climate-related risks and opportunities we identified. 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) is 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.

### (iii) Reduction of greenhouse gas emissions

Climate change caused by greenhouse gas emissions is a pressing issue shared by all humankind, and addressing it has become indispensable for the achievement of a sustainable society. Until now, the Group has made concerted efforts to reduce CO2 emissions, having set its Science Based Targets (SBT: science-based medium- to

long-term targets for the reduction of greenhouse gas emissions) of 2.0°C (reducing CO2 emissions by 30% from FY2016 levels by FY2030)\*2. In May 2021, the Group issued a “Statement of Commitment for Carbon Neutrality by 2040” and has been engaged in efforts to achieve the following medium- to long-term targets.

- Medium-term target: Achieving RE100 (100% renewable energy usage) by 2030  
Eisai will switch all electrical energy used for business activities across the entire Eisai Group to renewable energy.

- Long-term target: Achieving carbon neutrality by 2040  
Eisai will achieve state in which CO2 emissions are offset by absorption across the entire Eisai Group.

We have also created a roadmap outlining the measures and plans for achieving carbon neutrality by 2040. In addition to continuing efforts to save energy, we are increasing the use of renewable energy, reducing and eliminating carbon emissions from sales vehicles, and actively promoting the introduction of advanced technology through active investment in decarbonization. With regard to investments, we introduced Internal Carbon Pricing (ICP: a method to promote effective investments in CO2 emission reductions) in FY2022 by converting the volume of CO2 emission reductions into monetary amounts and incorporating this information in investment judgment criteria as a way to show the impact that investments can have.

Through these efforts, CO2 emissions for FY2022 are expected to have been reduced by around 50% (compared to FY2016), significantly exceeding our target for SBT 2.0°C. Therefore, in March 2023 we filed an application to transition to the even more ambitious target of SBT 1.5°C (reducing CO2 emissions by 55% by FY2030 compared to FY2019). In addition, we are making steady progress with reducing CO2 emissions in our supply chains by strengthening cooperation with our business partners to better understand emission volumes and set appropriate targets.

#### (iv) Promotion of the introduction of renewable energy

The Group is actively introducing renewable energy and engaging in efforts to reduce CO2 emissions. We switched part of our electricity supply to green power\* at the Head Office, Kawashima Plant, Tsukuba Research Laboratories, Sunplanet, and EA Pharma, while at Kashima

Business Office, we have installed small-scale solar power generation equipment. Overseas, we purchase solar power at the Vizag site (India), and generate solar energy for captive consumption and source green power at the Exton site (U.S.). We also use green power at the European Knowledge Centre (U.K.). These are some of our main overseas business sites where we have achieved 100% renewable energy usage.



Through these initiatives, we expect renewable energy to constitute approximately 95% of total power consumption in FY2022 and CO<sub>2</sub> emissions to be reduced by approximately 50% (compared to FY2016). In FY2023, we plan to switch all electrical energy used for business activities to renewable energy and achieve RE100.

The Company has joined RE100, an international initiative that leads efforts by companies to switch electricity used in business activities to 100% renewable energy. In August 2022, the Company was nominated as a finalist in the RE100 Leadership Awards (Best Newcomer Category) that recognizes excellent initiatives by member companies.

\* Electric power generated from sunlight, wind power, hydraulic power, and other renewable energy sources.

#### [Respect for Human Rights]

In 2019, the Company formulated the ENW Human Rights Policy which complies with international standards. On this basis, 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, and we carry out human rights due diligence on an ongoing basis to avoid or minimize these risks, monitor them, and disclose the results.

Within the Company, we conduct training sessions, offer e-learning, and make calls for slogans. Through these and other awareness-building activities, we endeavor to prevent any kind of discrimination or harassment as well as ensure the thorough enforcement of personal information management. In regard to our supply chain, we try to understand through sustainable procurement, any human rights-related issues that may be present through the state of human rights-related initiatives being undertaken by our business partners.

#### [Sustainable Procurement]

Companies are required to carry out procurement activities that emphasize sustainability (sustainable procurement) throughout their supply chain. This includes the sustainability of such matters as human rights, labor and safety, the environment and ethics. Sustainable procurement preemptively prevents, in the supply chain, the occurrence of human rights violations as well as issues related to the environment. It also enables the building of a robust and sustainable supply chain. 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. Explanations of the Company's policy to primary business partners supplying direct materials to plants in

Japan have almost entirely been completed (over 98% of total transaction volume), and in FY2022 this will be expanded to direct materials business partners of the Vizag Plant in India and the Suzhou Plant in China.

[Investments in human capital]

The Group's Articles of Incorporation also define employees as important stakeholders in the realization of the corporate concept (hhc concept), and state that the Group 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."

The hhc concept states that we aim to "empower every individual to realize their fullest life" by identifying individual anxieties through empathy with people in the daily living and medical domains. This hhc concept forms the backbone of all of our activities. The Company's greatest strength is that our management policies and strategies, which are based on the hhc concept, are held in common and deeply ingrained in all employees across the globe. The basis of our human asset development is also rooted in a strong will to understand and realize the hhc concept, as evidenced by our ongoing global implementation of more than 500 annual patient contribution activities aimed at promoting the hhc concept.

The Group aims to contribute broadly, not just to patients and people in the daily living domain but to global society, by becoming a collective company made up of diverse human assets that evolve by maximizing their strengths and characteristics under the Articles of Incorporation and the hhc concept.

In addition, the promotion of diversity & inclusion (D&I) is one of the most important themes for the Company as it seeks to achieve even greater social good and evolve into an hhceco company that manages to contribute broadly to both patients and people in the daily living domain. Since the Representative Corporate Officer and CEO announced the Eisai Diversity Declaration in 2012, we have promoted the development of a culture that enables human assets with diverse values to play active roles, regardless of their nationality, gender, age, or other characteristics. Furthermore, we have set out a compliance policy that provides an equal and non-discriminatory work environment for all employees, and have made this known to more than 10,000 employees globally.

1. Businesses/Organizations (Achievement of a corporate culture/organizational structure that embraces change and praises the taking on of challenges)

Eisai is striving to improve employee engagement aimed at the growth of employees, development of a sense that their efforts are worthwhile, and the creation of value. The Group implemented a yearly survey of all employees globally in FY2021. As was the

case the previous year, the FY2022 survey indicated that employees with a high level of engagement constituted 85%, which exceeded the benchmark. Further, in Japan, we have continued to conduct monthly surveys since FY2020, and are promoting discussion based on the results of the survey. In addition, we have strengthened side-by-side support through one-on-one meetings with supervisors, etc. In the future as well, we will recognize and respect the dreams and values of each employee, learn together and continue efforts that cultivate an organizational climate that facilitates the continued pursuit of better results through successes and failures as a result of taking on challenges. In addition, we will implement human resource strategy that leads to maximization of the human resources infrastructure that promotes management strategy through conducting multifaceted analysis of the results of each type of survey and human resources data, verifying the measures and making the issues that the Company face visible.

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

For the Company to maximize its contribution to patients on a global scale, maintaining the good health of employees, who will be responsible for this, and their families is paramount. The Company carries out activities to drive the maintenance and promotion of the good health of employees. We work to raise the health awareness of each employee, such as by promoting efforts to have 100% of employees undergo annual health checkups and by achieving no-smoking at all offices as well as no-smoking during work hours. Further, currently, we are considering measures such as implementing simulations to forecast the results of medical exams, expanding subsidies for comprehensive medical checkups, and utilizing the new service “Cradle”\* to respond to diverse healthcare needs, in collaboration with the Eisai Health Insurance Society. We aim to make it possible for employees and their families to live with peace of mind, by enhancing measures related to annual health checkups, strengthening/enhancing the prevention of dementia, and early discovery of the risk of cancer, etc.

\* A service that provides seminars and healthcare support, etc., for employees

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

In order to pursue the maximization of performance through flexible workstyles that are not restricted by time or location, pursue the best work-life balance, and further accelerate autonomy of workstyles and careers, we began implementation of 3 measures in April 2023.

(i) Side-job System

In addition to support for achievement of the diverse values and workstyles of each employee and of careers that employees thought of themselves, we created a side-job

system that assumes the creation of careers, in order to broaden and expand the range of searching for knowledge aimed at the creation of innovation.

(ii) Workcation System

As part of measures to promote the acquisition of paid vacation in multiple continuous days, this system makes it possible to engage in remote work at a vacation destination on a trip, etc., while using paid vacation.

(iii) Discretionary Work System

In order to increase the self-reliance and self-discretion of each employee, we have transitioned from a flex-time system that is limited to time-discretion to a discretionary work system in which decisions regarding time and the execution of business are delegated to self-reliant individuals, on a foundation of orderly ownership, and the production of results is encouraged.

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

Eisai places importance on each employee taking the initiative to think about his or her own career. Accordingly, we have assembled a diverse lineup of career design opportunities and are putting effort into establishing an environment in which employees can engage in the program at their desired time and in their desired manner. As measures to support the achievement of the careers employees are aiming for, we provide learning style reform programs, inter-regional programs, and other on-demand learning tools. It is a system of training in which employees themselves create opportunities and take on the challenges, with the aim of acquiring new knowledge and skills and cultivating a mindset.

In addition, we are preparing the environment in terms of systems, such as enhancing the Job Challenge system to achieve personnel changes for which employees themselves volunteer and introducing the special paid vacation system that can be used when carrying out self-development or social contribution activities.

5. Promotion of diversity that maximizes the strengths of diverse human assets

In order to respond to the increasingly diverse needs of patients and the people in the daily living domain, we are further strengthening the efforts of the entire Company to promote diversity, equity, and inclusion (DE&I) by positioning DE&I as the one and only strategy that makes it possible to share the strength of capable individuals and the overall organization. We are striving to support organizational management and cultivate an organizational climate that can generate a synergistic effect through the sincere exchange of opinions by diverse individuals and through constructive dialogue and collaboration, in addition to supporting employees in continued self-directed growth aimed at achievement of hhc and self-fulfillment, as they keep a clear eye toward their own future. In Japan, we have adopted the promotion of the active participation of women as the first step in promoting diversity, and are working to

resolve issues related to the recruitment, hiring, retention, and promotion, etc., of female employees. In addition, we are putting effort into the promotion of the active participation of middle- and senior-generation employees.

Further, overseas (U.S., Europe, China, etc.), we are engaged in a broad range of efforts suited to the circumstances in each country, such as creating a governance structure, conducting training, and implementing new policies.

(i) 2023 J-Win Diversity Award

Reception of the “Basic Achievement Grand Prize” in the “Basic Category” Eisai received the “Basic Achievement Grand Prize” in the Basic Category of the Company Prize of the 2023 J-Win Diversity Award hosted by the Specified Non-profit Corporation Japan Women’s Innovative Network (NPO J-Win), the highest award given to advanced companies that continue to produce female leaders. We are also putting effort into fostering the career awareness of female employees, and the ratio of female management-level employees has reached 12%.

(ii) Establishment of the E-papa E-mama Community

We launched a community mainly for parents, individuals soon to be parents, and individuals on childcare leave. Get-togethers are held regularly (monthly) online to enable individuals to discuss things that “veteran” parents have done to balance work and childcare, and preparation for male employees to take childcare leave, etc. The rate of acquisition of childcare leave by male employees (including time off for a spouse giving birth and childcare leave when the child is born) in FY2022 was 88.7%.

[Investments in intellectual properties]

The legal protection and effective utilization of the proprietary technologies and products we have developed through our investments in R&D and business activities are indispensable to the sustainable growth and development of the Group and the stable delivery of pharmaceuticals to patients. For this reason, the Group is strategically pursuing various activities related to intellectual property, such as patent acquisition.

For more on the Group’s intellectual property investment initiatives, see “(1) Medium-Term Business Plan ‘EWAY Future & Beyond’” and “(2) Primary Initiatives of the Medium-Term Business Plan ‘EWAY Future & Beyond’ and Their Progress” in “2) The Management Environment, Management Policies & Strategies, and Priority Business and Financial Challenges That Should Be Addressed” from the section “1[Management Policies, the Management Environment, and Challenges That Should Be Addressed]” in the “Business Status II” of the Securities Report for the 111th term. Alternatively, visit our website at the following address:

<https://www.eisai.com/company/business/research/ip/index.html>

[Supplementary Principles 4-1-1 Roles and Responsibilities of the Board (1)]

The Company is a Company with a Nomination Committee, etc., system. The Company's Board of Directors delegates to Corporate Officers a significant amount of decision-making related to the execution of business, to the extent allowed by relevant laws and regulations, to invigorate operation, and focuses on management oversight.

The main duties, etc. of the Board are as follows;

1. 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.
2. 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, the *hhc* Governance Committee and the Corporate Officers.

The specific matters to be resolved by the Board of Directors and the specific matters that are to be reported to the Board of Directors are stipulated in the Detailed Rules of the Board of Directors. The Rules of the Board of Directors and the Detailed Rules have been disclosed on the Company's website.

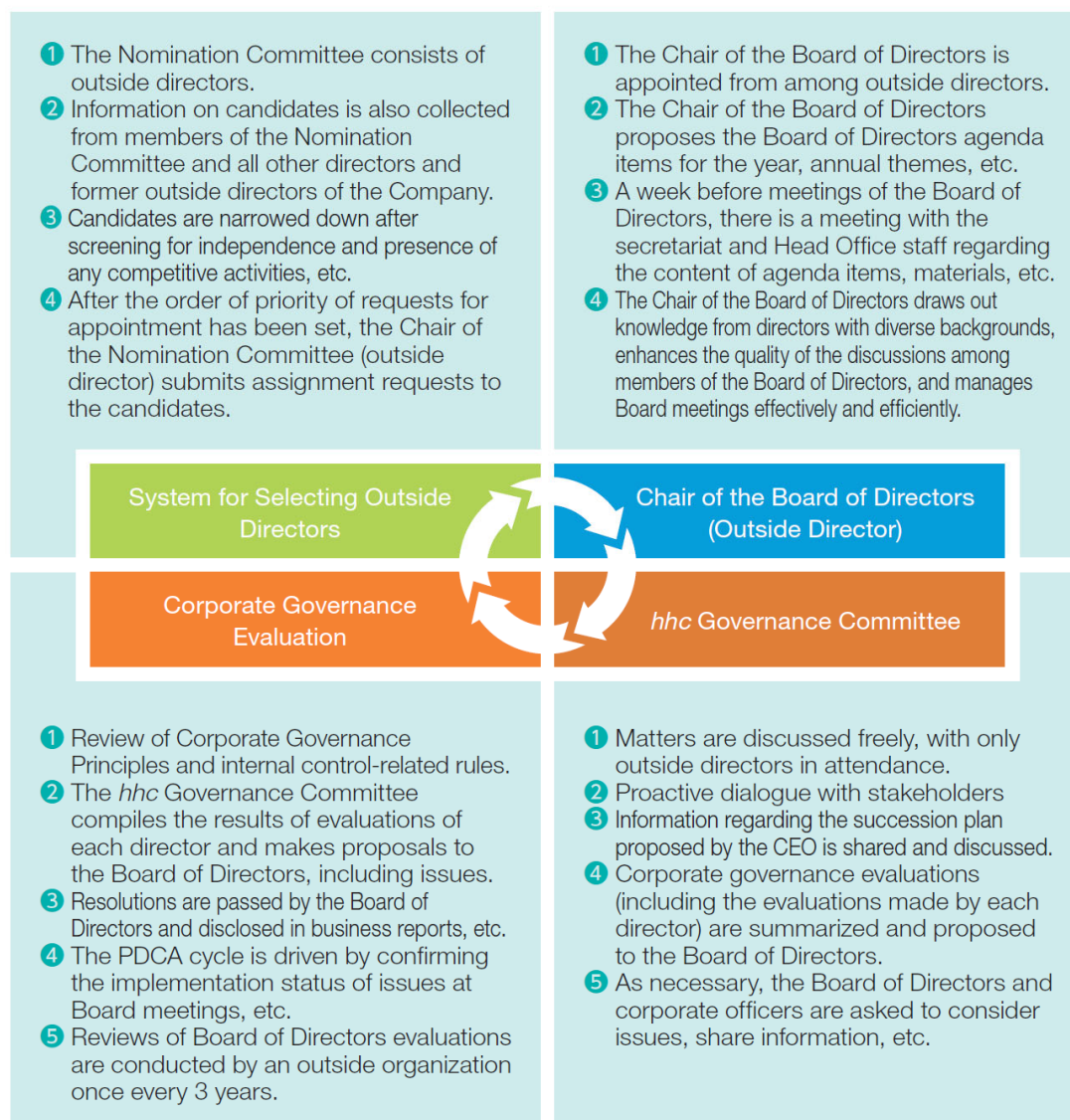
<https://www.eisai.com/company/governance/cgregulations/boardmtg/index.html>

[Principle 4-8 Effective Use of Independent Directors]

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

The presence of 8 independent Outside Directors, who account for the majority of the Board of Directors, supports the effectiveness of the Company's corporate governance structure. The Company has established and is operating a mechanism to enhance sustained, autonomous corporate governance centered on Outside Directors, including (1) a system of electing 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 a succession plan, etc., and (4) corporate governance evaluations that drive the Plan-Do-Check-Act (PDCA) cycle of the Board of Directors and each committee. We will continue to work to enhance the content of each of those efforts.

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



#### (2) *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.

The main duties, etc. of *hhc* Governance Committee are as follows;

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.

In FY2022, we were able to implement opportunities for dialogue with stakeholders (patients, shareholders, institutional investors, employees) that had been suspended due to the impact of COVID-19. In addition, the hhc Governance Committee discussed diverse matters, including matters such as consideration of the CEO succession plan, gathering the latest corporate governance information, and consideration of the various issues addressed by the Nomination Committee, the Audit Committee, and the Compensation Committee. Lively discussions were held each time.

Further, beginning this fiscal year, we established a subcommittee in the Committee in order to ensure sufficient time to discuss important themes, to enhance discussions, and to operate the Committee efficiently, in a context of the yearly expansion of the role of the hhc Governance Committee, an increase in the number of themes that are addressed, and expansion of the range of outside director activities. The subcommittee includes a mechanism in which it receives information and reports from each assigned corporate officer regarding themes related to sustainability and ESG, etc., and after considering the information and reports, provides the hhc Governance Committee with a report of the important points.

Continuing from last year, we set up opportunities to reflect on dialogue with stakeholders at the end of the fiscal year, and discussed the matter. In this way, we reconfirmed the issues that we should continue to address, and exchanged opinions on how we should leverage the knowledge we gained through dialogue in management oversight in the next fiscal year.

### (3) Dialogues with Stakeholders

In FY2022, 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. Further, in FY2021, we reflected on and discussed such dialogues in order to apply the results in the oversight function of the Board of Directors.



a Dialogues with Patients

- Cancer survivors shared their real-life experiences of fighting cancer and the thoughts and feelings they gained through the experience. Through the dialogue, employees learned about the great impact that cancer has on the body and mind, reaffirming the Company's mission for society. 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.

b Dialogues with Institutional Investors

- An opinion exchange session was held with approximately 60 institutional investors etc. and others through an online conferencing system, featuring 2 hours of questions and answers, as well as discussions.
- Individual dialogues with institutional investors were held via online conferencing and in person. Twelve of these sessions were held, sharing information and exchanging opinions with about 8 companies overall.
- Discussions with institutional investors offered the opportunity to hear candid opinions from various perspectives. The matters pointed out and knowledge gained from these dialogues are now being utilized in discussions and management oversight by the Board of Directors.

c Dialogues with Employees

- Dialogues were held with labor union representatives on behalf of employees for the third time, and face-to-face for the first time, sharing information and exchanging opinions on “ compensation (wages) and investing in human assets, ” “strengthening and reinforcing policies and human resources systems regarding employees, workstyles, and health,” and more.
- Directors visited Tsukuba Research Laboratories to view the facilities and receive a briefing of the new research and development system Deep Human Biology Learning (DHBL), deepening their understanding of the concept of drug discovery and the organizational system. A dialogue session was held with the domain heads and young department managers in positions of responsibility in the execution of drug discovery, from the development of the drug discovery hypothesis to its approval. Directors commented on their expectations for the organization and its employees, offering advice based on their own experience, which led to a lively discussion.
- Directors visited the Kawashima Plant and received an overview of the plant and the Formulation Research Department, as well as a briefing on the latest topics from the Analytical Technology Section and Formulation Research Department. A question and answer session was held, and opinions were exchanged. In addition to viewing the Naito Museum of Pharmaceutical Science and Industry and formulation and packaging processes, directors visited the state-of-the-art injection and research

buildings of Eisai Medicine Innovation Technology Solutions (EMITS), deepening their understanding of the Company's production environment and production system.

- Director Yumiko Miwa participated in a gathering of (young and middle-ranking) female employees of Eisai Japan (Japan pharmaceuticals business), engaging in lively exchanges of opinions. She discussed the environment, culture, systems, and workstyles with middle-ranking employees, while touching on the themes of balancing work with family life, careers, and mindsets (values) with the young employees.

#### (4) Information Sharing and Discussion Regarding the Succession Plan

##### a) View Regarding Selection of the Chief Executive Officer (CEO)

The Company considers the selection of the CEO 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 the next CEO. The Company believes that having outside directors participate in this process with such recognition and having them offer advice, etc., increases the objectivity of the CEO's proposal of successor candidates. It rationally ensures the fairness of the CEO selection process as the Board of Directors.

##### b) Procedures Regarding CEO Selection

Even after becoming a company with a nomination committee, etc., system in 2004, discussions had been repeated under a consistently optimal corporate governance system regarding the CEO succession process. In FY2016, with consideration given to developments up to that point, discussions were held in the Outside Directors Meeting (now the hhc Governance Committee) on how information should be shared by the Board of Directors in relation to a succession plan formulated by the CEO and how to prepare for unexpected situations. These procedures and other considerations were set out as rules. The outline of the procedures is as follows.

##### i) Sharing of Information on the Succession Plan

- Information about the succession plan proposal by the CEO is shared in 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.

##### ii) Discussion of the Succession Plan

- The criteria for evaluating candidates are expected to change in accordance with the business environment, etc. 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.

c) Preparations for Unexpected Situations

Circumstances, 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.

(5) Consideration and Implementation of Efficient Operation of the hhc Governance Committee

As the role of the hhc Governance Committee continues to expand in its efforts to improve the Company's corporate governance, the number of themes it addresses, the frequency of its meetings, and the time required by its activities have increased over the years, while the scope of activities of the outside directors has also grown. We therefore considered efficient operation of the Committee in order to ensure sufficient time for more important deliberation.

- Securing Sufficient Time for the Deliberation of Important Matters

As the business environment changes, there will be more opportunities for outside directors to communicate closely and deliberate important matters with all members in attendance. The challenge will be how to secure sufficient time for deliberation. In order to ensure the efficient operation of the hhc Governance Committee, our top priority was to ensure sufficient time for deliberation.

- Establishment of a Subcommittee to Inspect the Status of Sustainability Initiatives

In addition to being a key management issue, sustainability initiatives present a risk that could affect corporate value. Therefore, in addition to regular reports related to ESG, the Board of Directors receives reports from the assigned corporate officers regarding individual topics and monitors the efforts. The hhc Governance Committee has established a subcommittee to inspect the status of sustainability initiatives in order to enhance discussions on sustainability at meetings of the Board of Directors.

This subcommittee has shared information and held discussions on the following topics, led by the committee members delegated to operate them.

1) Policy and Issues Related to TCFD\* Disclosure and the Orientation Toward Enhanced Disclosure

\* Task Force on Climate-related Financial Disclosures

2) Eco-friendly business activities (evaluation results of water security reports, systems for promoting environmental management, the status of CO2 reductions

[Scopes 1, 2, and 3], the status of the introduction and operation of internal carbon pricing, etc.)

3) Reports related to general sustainability disclosures (CSR\*1, DJSI\*2, ATM\*3 Index, human rights and sustainable procurement, etc.)

\*1 Corporate Sustainability Reporting Directive

\*2 The Dow Jones Sustainability Indices

\*3 Access to Medicine

4) Reports on Women's Participation and Advancement

The status of the subcommittee discussions was promptly reported to the hhc Governance Committee.

- Information-Sharing Measures to Deepen Discussions at Meetings of the Board of Directors

In preparing the agenda for meetings of the Board of Directors and the hhc Governance Committee in FY2022, we divided and organized the topics into 3 categories, namely, (1) discussion with the participation of all members, (2) action by subcommittees, and (3) information necessary to Deepen. Regarding (3), we also considered how to share the information.

As a result, efforts were made to improve the convenience of information sharing through a new measure that makes it possible to record or film the exchanges of opinions on the Value Creation Report, subcommittee meetings, and training sessions for new outside directors, and make both the sessions and documents available for later viewing on-demand.

[Principle 4-9 Independence Standards and Qualification for Independent Directors]

After the Company transitioned to a Company with Committees system (currently "Company with a Nomination Committee, etc., system") in 2004, the Nomination Committee held repeated discussions, and in 2006, disclosed the "Requirements for the Independence of Outside Directors" (currently "Requirements for the Independence and Neutrality of Outside Directors").

When electing Outside Directors, the Nomination Committee places the utmost importance on ensuring the independence and neutrality of Outside Directors. The work of selecting candidates for Outside Directorships begins with creating a list of candidates. In addition to directors who are currently serving, the Nomination Committee asks the Company's former Outside Directors, who have extensive personal networks, to create a list of candidates, and updates the candidate list every year. The Nomination Committee screens the candidate lists for independence, competition, and other related matters, narrows down the candidates in accordance with the requirements for new candidates for the relevant fiscal year, then determines the candidates for whom requests for

appointment will be submitted. After the decision is made, the Chair of the Nomination Committee promptly meets with the candidates and submits requests for appointment to the Company's directors. The Company's Nomination Committee consists of only 3 members, all of whom are Outside Directors. Utilizing the process described above, they select director candidates with fairness and transparency. In addition, the Nomination Committee strictly applies the "Requirements for the Independence and Neutrality of Outside Directors," stipulated by the Committee, for the selection of candidates for Outside Directors. Every year, the Nomination Committee examines each outside director candidate, whether for new election or re-election, to determine whether he or she meets the Requirements and to assess his or her independence and neutrality.

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

[Supplementary Principles 4-10-1 Use of Optional Approach]

The Company has adopted a Company with a Nomination Committee, etc., System. The majority of the Board shall be independent and neutral Outside Directors. 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.

[Supplementary Principles 4-11 Preconditions for Ensuring the Effectiveness of the Board of Directors and Board of Auditors]

[Supplementary Principles 4-11-1 Preconditions for Ensuring the Effectiveness of the Board of Directors and Board of Auditors]

- Clear Separation of Functions Between the 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 relevant 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 dramatic 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 shall 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 management oversight and business execution in this manner enhances corporate vitality, including business execution by Corporate Officers, while the Board of Directors exercises the function of oversight from the perspective of stakeholders to ensure fairness and transparency in management. At the same time, 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 important characteristics of the Company's corporate governance.

- Diversity of Directors

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.

The majority of the Board shall be independent and neutral Outside Directors.

Currently, the 11 Directors include 7 Outside Directors.

The Nomination Committee places the highest priority on independence and neutrality, and at the same time, Outside Directors who sympathize with the *hhc* philosophy are selected. The background of 7 Outside Directors were experienced in corporate management, financial accounting specialists, legal specialists, corporate governance specialists, etc., and one Outside Director is a nationality other than Japan, and one is a female. The reason of nominating Directors and the diversity of directors, such as the background of their expertise and experience, and their age, is disclosed on page 13 of the reference materials for the convocation of the 110th Ordinary General Meeting of Shareholders.

[https://www.eisai.com/ir/stock/meeting/pdf/inv111\\_all.pdf](https://www.eisai.com/ir/stock/meeting/pdf/inv111_all.pdf)

- Selection and Assignment of Corporate Officers

The Board of Directors takes a global perspective in selecting the Corporate Officers who will implement our corporate philosophy and improve our corporate value, and assigns them in ways that allow them to effectively, efficiently harness their capabilities. People who are well-versed in the operations in each field of administration, including those with advanced expertise in R&D, science, 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, are selected as Corporate Officers.

- 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 Scientific Advisory Board (comprised of professors and researchers from world renowned research institutions to consider on medium-to-long-term R&D planning and general portfolio strategies and tactics) and the Sustainability Advisory Board (comprised of external 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) ). Based on authority delegated from the Board of Directors, other meeting bodies include the Compliance Committee, the Risk Management Committee, the Company-Wide Environment and Safety Committee, and the Human Rights Awareness Committee, which report to the Board of Directors on decisions made in the Executive Board as well as the status of their business execution.

- Building and Operating a Global Internal Control System

The Board of Directors determined the Rules for Preparing Necessary Systems for Ensuring the Suitability in the Performance of Duties by Corporate Officers, based on which Corporate Officers ensure independence by establishing, preparing and operating an internal control system within the scope of their assigned allocation of duties.

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.

- Instilling Management with Accountability and Stakeholder Consciousness

Once every three months, all Corporate Officers attend a Board of Directors meeting and report to the Board of Directors on decisions made in the Executive Board as well as the status of their business execution. 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.

- Management Oversight by the Board of Directors

The Board of Directors has the authority to select and dismiss Corporate Officers. The Board of Directors delegates a large portion of the decision-making authority over business execution to Corporate Officers, and Corporate Officers are responsible for reporting to the Board of Directors in a timely, appropriate fashion.

The Board of Directors 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.

The Board of Directors also delegates important management oversight functions of the Board of Directors to the Nomination Committee, Audit Committee and Compensation Committee, and oversees the business execution of these committees based on their respective reports. The fairness and transparency of the Board of Directors are also ensured through oversight of each individual director to verify whether they are making fair judgments, exercising their authority in a way that lives up to the confidence placed in them by all shareholders, and executing their business functions appropriately.

The Company's Board of Directors has codified the Company's thinking regarding diversity in the composition of the Board of Directors in the "Corporate Governance Principles," which stipulate the Company's basic thinking regarding corporate governance, and has disclosed it on the Company's website.

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

The Nomination Committee elects candidates for Outside Director in accordance with the basic thinking stipulated in the "Corporate Governance Principles." In order to enable all shareholders to understand the activities of the Nomination Committee, the Company has disclosed the duties of the Nomination Committee, the details of activities throughout the year and the procedures for electing candidates for directorship, etc., in Notice of Convocation of the 111th Ordinary General Meeting of Shareholders (the Business Report).

[Supplementary Principles 4-11-2 Preconditions for Ensuring the Effectiveness of the Board of Directors and Board of Auditors]

The Company's Board of Directors has specified the role of Directors, including Outside Directors, in the "Corporate Governance Principles" as indicated below, such as putting to use their ability to meet the expectations of stakeholders, spending sufficient time on their duties and executing their duties as Directors, so that all Directors, including Outside Directors, will respond to the confidence placed in them by shareholders. The Company's Directors comply with these stipulations and execute their duties as Directors.

- Directors shall assume the duty of care and the duty of loyalty.
- 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.
- 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.



- 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.
- The Directors will receive sufficient information and request additional information, if necessary, concerning the status of adherence to the Corporate Philosophy 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.

In addition, in regard to the location of concurrent assignments of Directors, each year, the Nomination Committee confirms the executives of listed companies and confirms that there are no problems executing duties as a Director of the Company, and in the case of an Outside Director, confirms that there are no problems related to the independence and neutrality as an Outside Director. The status of the main concurrent assignments of Directors is disclosed in the reference documents accompanying the Notice of Convocation for the Ordinary General Meeting of Shareholders and annual securities reports, etc.

[Supplementary Principles 4-11-3 Preconditions for Ensuring the Effectiveness of the Board of Directors and Board of Auditors]

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.

On April 27, 2022, the Board of Directors deliberated on the Board of Directors evaluation, Self-review of the Corporate Governance Guidelines, and Self-review of Internal Control Regulations compiled by the *hhc* Governance Committee, and approved the FY2021 Corporate Governance Evaluation.

#### 1. Board of Directors evaluation

- (1) The Board of Directors evaluation assesses the Board's overall effectiveness, etc., in performing its management oversight functions.
- (2) The scope of the Board of Directors evaluation also includes the Nomination Committee, Audit Committee, Compensation Committee, and the *hhc* Governance Committee.

(3) The Board of Directors evaluation is based on self-evaluations by individual directors.

\* Each director evaluates and records the discussions, operations, etc., of the Board of Directors at each of its meetings, and the Board of Directors Secretariat compiles the records.

(4) The results of the Board of Directors evaluation are compiled and summarized by the *hhc* Governance Committee to ensure the objectivity of the evaluation, and the evaluation is determined in a meeting of the Board of Directors.

## 2. Self-Review of the Corporate Governance Principles

(1) The Corporate Governance Principles are a code of conduct for corporate governance established by the Board of Directors.

(2) The Board of Directors conducts reviews each year to evaluate whether the execution of duties by the Board of Directors, etc., is maintained and operated in accordance with these Principles.

## 3. Self-Review of the Internal Control Regulations

(1) The Internal Control Regulations were established by the Board of Directors to stipulate matters required for the execution of duties by the Audit Committee and ensure suitable performance of duties by Corporate Officers.

(2) The Board of Directors conducts reviews each year to evaluate whether systems are established and operated in accordance with the rules.

## 4. Mechanism Utilizing Outside Organizations to Ensure of the Improvement and the Appropriateness 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) The *hhc* Governance Committee and Board of Directors strive to improve the systems and their operation in accordance with the findings and recommendations of the outside organization.

- (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 determines the corporate governance evaluation for the applicable fiscal year based on the evaluation compiled by the *hhc* Governance Committee and in reference to the report from the outside organization.

\* Review was conducted by an outside organization in FY2023.

## 5. FY2022 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.

In regard to the Board of Directors evaluation, the state of response in FY2022 to the issues identified in the FY2021 Board of Directors evaluation as issues for FY2022 was checked and evaluated, and the issues, etc., for the next fiscal year were recognized.

Board of Directors evaluation have been disclosed on the Company's website.

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

### (1) The Role and Operations, etc., of the Board of Directors

#### (a) Plan "Issues in FY2022"

1. In its deliberations on important resolutions such as the business plan outline for the fiscal year and capital strategy including dividends, the Board of Directors is provided with the necessary information and takes sufficient time for deliberation.
2. The Board of Directors agenda items and content of business execution reports are established after considering the priorities based on issues and matters deemed necessary by reflecting on key issues (materiality), risk maps, and dialogues carried out with stakeholders.
3. The Board of Directors continues seeking to improve the quality and efficiency of its deliberations this policy, which will be seeking early submission of proposals and materials, better prior explanations, and clear, concise supplemental explanations and other information on the day of Board of Directors meetings. Additionally, effort must be made to create the proposals and materials for the Board of Directors and other management meetings to present the key points accurately and communicate the information in a highly effective, visual, clear, concise and easy-to-understand manner.
4. Establish paperless operations in the Board of Directors and other management meetings. Board of Directors and other management meetings can be held either online or in-person by choice depending on the circumstances. Consistent efforts are

being made in particular to run online meetings more efficiently with smoother communication.

(b) Do and Check “Confirmation and Evaluation of the Status of Response in FY2022”

1. Regarding deliberations on important resolutions such as the business plan outline for the fiscal year and capital strategy including dividends, the Board of Directors was provided with the necessary information and took sufficient time for deliberation.
2. The major agenda items of the Board of Directors were decided through discussion in the hhc Governance Committee.
  - Reports were given on (1) the hhceco Declaration, (2) the medium- to long-term outlook for business, and (3) lecanemab (U.S. brand name LEQEMBI)
  - In regard to reports on the status of creation/establishment and operation of internal control by corporate officers, we implemented measures to make it possible to compare and confirm matters in an easy-to-understand manner, such as showing the changes to key risks over time, using risk maps and charts that gave a visualization of an overview of key risks and the status of addressing them.
  - Utilizing the Board of Directors, the hhc Governance Committee and the subcommittee of the hhc Governance Committee, we received and discussed reports regarding (1) investment efficiency of research and development, (2) the long-term product development pipeline, (3) portfolio strategy, and (4) the human resources systems and degree of satisfaction, etc., of employees, as matters deemed necessary based on reflection on dialogue with stakeholders, etc.
3. In some important agenda items, there were cases in which the drafting and submittal of proposals were delayed and no advance explanation was given. In regard to quarterly business execution reports, efforts have been made each year toward improvement, but in order to enhance discussions and improve the efficiency of deliberations by the Board of Directors, it is necessary to indicate precisely the main points of reports, as well as to implement measures to ensure that explanations on the day of meetings of the Board of Directors are more concise and to-the-point in the future as well.
4. Beginning in April 2022, we implemented a transition to paperless proposals and materials for agenda items for meetings of the Board of Directors, etc., and since August 2022, minutes of meetings of the Board of Directors and each committee have been kept digitally, and we switched from written signatures to digital signatures.
  - Meetings of the Board of Directors, etc., were conducted in an efficient and stable manner, through entrenchment of a hybrid format combining face-to-face and remote meetings, as well as the use of a simultaneous interpreting function using teleconferencing tools, etc.

(c) Act “Issues for 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 improved early submittal of agenda items/materials and 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. 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.

(2) Outside Directors & the *hhc* Governance Committee

(a) Plan “Issues in FY2022”

1. Forums will 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.
2. Free discussions with no set topics will be regularly held in the hhc Governance Committee with the aim of making our corporate governance more effective through closer communication from outside directors and frank exchanges of opinions.
3. Regarding issues related to non-financial capital such as sustainability and ESG, key issues such as promoting active participation by women will continue to be addressed and forums will be provided for sharing information about these issues and discussing them. Measures for improving the value of human capital, which were not implemented the previous fiscal year, and actions to address the status of

compliance with the Task Force on Climate-Related Financial Disclosures (TCFD) will be prioritized.

4. Information sharing and consideration of the succession plan proposal by the CEO will continue to take place in the hhc Governance Committee. Directors will be given more opportunities to engage with candidates so they can gather information about candidates themselves, while ingenuity will also be exercised as in the previous fiscal year to ensure and improve the transparency and objectivity of the process as the hhc Governance Committee is continuously involved in grooming candidates for the next CEO.

(b) Do and Check “Confirmation and Evaluation of the Status of Response in FY2022”

1.
  - We provided forums for dialogue between stakeholders and outside directors in order to apply the results in management oversight.
  - We invited breast cancer survivors and discussed with them how to face the disease and treatment, etc., and conducted Q&A.
  - We conducted individual dialogue on a total of 12 occasions at 8 companies, including institutional investors, and shared information and exchanged opinions regarding Eisai’s corporate governance and other matters. There was also a large meeting in December 2022, with approximately 60 institutional investors participating, who engaged in discussions with outside directors to exchange opinions.
  - As for dialogue with employees, we exchanged opinions with labor union representatives, created opportunities to visit Kawashima Plant and Tsukuba Research Laboratories for dialogue with the site’s management team, middle-ranking employees, and young employees, and engaged in other related efforts. In addition, we held get-togethers with female directors and female employees in domestic sales divisions.
  - We confirmed that it was necessary to reflect on dialogue with stakeholders (patients, shareholders, employees), discuss the matters, and utilize the knowledge gained through that dialogue to continue improving the management oversight function of the Board of Directors.
2.
  - Free discussions were held at the hhc Governance Committee meeting on August 4, 2021. Priorities of proposals to be taken up in the hhc Governance Committee must be made clearer, and time needs to be set aside to provide opportunities for free discussions with no set topics.
2. We established a forum for free discussion without any set themes. As a result, we requested reports from the operational division regarding (1) initiatives to bolster our cyber defense systems, (2) China business risk related to economic security, and (3) the review of the status of progress of the medium-term business plan

EWAY Future & Beyond. The reports were given by the assigned corporate officer in a meeting of the Board of Directors.

3. Due to the diversity and increased number of themes discussed by the hhc Governance Committee as well as the increasing length of meetings of the Committee, we established a subcommittee to efficiently and effectively gather information related to major themes and inspect the status of efforts related to the sustainability of ESG, etc., in order to enhance the contents of discussions by the hhc Governance Committee.
  - The subcommittee received reports from each assigned corporate officer, including (1) reports related to business activities that take into consideration the global environment, including TCFD, (2) reports related to disclosure of sustainability overall, and (3) reports related to promotion of the active participation of women and employee engagement. The reports were discussed and an overview was reported to the hhc Governance Committee.
  - Efforts were made to improve convenience using the recording function of teleconferencing to make events such as exchanges of opinions on the Value Creation Report, subcommittee meetings, and the training sessions for new outside directors available for viewing on-demand.
4. Discussions on the CEO succession plan took place in December 2022 and March 2023. Information about the succession plan submitted by the CEO was shared with all directors and discussions took place in the hhc Governance Committee.
  - We established a variety of opportunities to interact with potential future leaders, such as explanations of assigned business in training meetings and meetings of the Board of Directors and face-to-face discussion.

(c) Act “Issues for FY2023”

1. Information sharing and consideration of the succession plan proposal 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 subcommittee 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.

(3) Nomination, Audit, and Compensation Committees

(a) Plan “Issues in FY2022”

1. To continuously secure outstanding outside director candidates suitable for the management oversight of the Company, the Nomination Committee will continue its considerations on various issues in director candidate selection. From the perspective of diversity of directors in particular, considerations will also proceed on increasing the ratio of female directors and devising methods and other means for selecting director candidates who are knowledgeable in the medical field and for the Board of Directors to acquire knowledge in pharmaceuticals and healthcare.
2. The Audit Committee will continue efforts to make substantial improvements in the contents of reports to the Board of Directors and will provide reports in a timely manner, in order to contribute to improving further the management oversight function of the Board of Directors.
3. The Compensation Committee will incorporate non- financial KPIs such as for ESG in performance metrics (KPIs) for determining FY2022 performance-based compensation, while also proceeding with considerations to revise the corporate officer compensation system for FY2023 and onward, with the aim of developing a concrete proposal by the end of FY2022.

(b) Do and Check “Confirmation and Evaluation of the Status of Response in FY2022”

1. The hhc Governance Committee shared information and held discussions related to disclosure of the basic thinking and skill matrix related to the composition of the Board of Directors and election of candidates for directorships, etc., and other issues related to the election of candidates for directorships, and those issues were considered by the Nomination Committee in light of those discussions.



- In the Nomination Committee, improving the ratio of female directors was recognized as a priority and it was decided to select multiple female director candidates.
  - In addition to continued discussion regarding the election of outside director candidates who are familiar with medical ethics, etc., we discussed the proactive utilization of the knowledge and insight of non-executive inside directors regarding the medical and pharmaceutical industries in the oversight of management.
2. For its report to the Board of Directors, the Audit Committee continued to clarify the main points in its deliberation and strived to provide better supplemental information. Further, after approval of important audit working papers, etc., by the Audit Committee, information was shared with all directors, and risk- related information obtained through reports from operational divisions, etc., that was judged to be important, was shared with the Board of Directors as occasion arose, and other efforts were strengthened.
  3. The hhc Governance Committee shared and discussed information related to reforming the officer compensation system, which is one of the issues of the Compensation Committee, and the Compensation Committee considered reforming the system in light of that discussion. As a result, the Compensation Committee decided to implement a new director compensation system and corporate officer compensation system as of FY2023.
  - The Compensation Committee decided to use 4 indicators--relative PBR, R&D metrics, access to medicines, and employee engagement--as performance indicators (KPIs) for Company-wide performance targets (non-financial) in stock-based compensation, which is one type of performance- related compensation, and to pay stock-based compensation to corporate officers based on the degree of attainment (0% to 150%) of those KPIs.

(c) Act “Issues for FY2023”

1. The Nomination Committee will again make the roles expected of outside directors and inside directors clear, and otherwise continue considering the basic thinking related to the election of candidates for directorships in Eisai, which is a company with a nomination committee, etc., system. In the future as well, the Committee will strive to ensure diverse candidates for outside directorships who have a variety of experience and backgrounds.
2. The Audit Committee will continue efforts to make substantial improvements in the contents of reports to the Board of Directors and will provide reports in a timely manner, and will request separate reports according to theme in meetings of the Board of Directors, etc., in order to improve further the management oversight function of the Board of Directors.

3. The Compensation Committee will strive to operate the new director compensation system and corporate officer compensation system appropriately, and will inspect issues related to operation, which will be to further improve and enhance the system.

(4) Internal Controls, Risks and Other Matters Related to Corporate Governance

(a) Plan “Issues in FY2022”

1. In addition to compliance and quality control, methodologies and other means for evaluating vulnerability to cyberattacks are also considered in oversight and auditing of manufacturing and other subcontractor companies.
2. Opportunities are continuously provided for information sharing and discussion in order to facilitate communication between directors and corporate officers and establish deeper mutual understanding, and attendance by outside directors as observers at meetings and committees held in operational divisions is also being considered. Information will continuously be shared with corporate officers assigned to the Company’s various regions, with a focus on risk and establishing and operating internal control systems.
3. Experts were invited to the hhc Governance Committee in FY2021 to gather the latest information on corporate governance. With active conversation taking place on the topic of corporate governance around the world in recent years, opportunities such as these will be continuously provided, the latest information will regularly be acquired, and revisions and improvements pertaining to corporate governance will be ongoing.
4. Efforts will be made to engage in dialogues with employees, who are principal stakeholders as advocated in the Company’s Corporate Concept. Employee-oriented measures will be reviewed and supervised based on the Company’s HR strategies and systems.

(b) Do and Check “Confirmation and Evaluation of the Status of Response in FY2022”

1. Reports on key risks in the execution of business were received from the assigned corporate officers in meetings of the Board of Directors or the hhc Governance Committee.
  - The Report on the Status of Efforts to Strengthen Cybersecurity was received from the assigned corporate officer at a meeting of the Board of Directors, and it was recognized that it was necessary to consider methods of assessing vulnerabilities.
  - The hhc Governance Committee received a report on the “Status of Compliance and Quality Control at Contractor Companies Handling Operations such as Manufacturing and Related Issues” from the assigned corporate officer and the matter was discussed.

2. We established opportunities for information sharing and discussion in order to facilitate communication between directors and corporate officers and to establish deeper mutual understanding.
  - Directors other than new directors were also able to attend training for new outside directors if they desired to, and received explanations of the status of business in all regions (Japan, Americas, EMEA, China, Asia and Latin America) and the risks faced by each region, from the presidents.
  - Outside directors attended, as observers, a meeting of the Sustainability Advisory Board comprised of outside specialists, from Japan and overseas, who are familiar with international policy.
  - We held a face-to-face meeting with the top management team in China to exchange opinions, and received a report on risks present in the region, such as government-centralized purchasing of pharmaceuticals.
3. The hhc Governance Committee invited an outside expert and received a lecture on public benefit corporations.
4. We engaged in dialogue with employees, who are major stakeholders.
  - We established a forum for dialogue with representative members of the labor union, and mutually shared candid opinions.
  - We visited Kawashima Plant and Tsukuba Research Laboratories for dialogue with the site's management team, middle-ranking employees, and young employees.
  - We held a get-together with female outside directors and female employees in domestic sales divisions.
  - The hhc Governance Committee received a report on reforms to the employee human resources systems from the assigned corporate officer and discussed the matter

(c) Act "Issues for FY2023"

1. We will continue requesting reports on issues related to cybersecurity and the handling of those issues.
2. We will establish many opportunities for face-to-face dialogue, including not only meetings of the Board of Directors and each Committee, but also training meetings and onsite visits, etc., to facilitate communication between directors and corporate officers and to establish deeper mutual understanding.
3. We will continue to request that assigned corporate officers share information regarding efforts related to human capital, including the active participation of women.
  - We will continue to establish opportunities for dialogue with employees.
  - We will gain a sufficient understanding of the status of employee engagement in meetings of the Board of Directors or the hhc Governance Committee.

4. In regard to the oversight of management by outside directors, the Board of Directors will, as necessary, consider holding lectures, etc., on individual themes by outside experts.

[Supplementary Principles 4-14-2 Director and Auditor Training]

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

- Before beginning their terms as newly appointed outside directors, these directors were provided with an overview of the Company and explanations of the Company's Corporate Concept, state of business, important matters concerning corporate governance, various stipulations related to officers, and more.
- After the new directors began their terms, the assigned corporate officers and department managers held briefing sessions (17 times in total) in order to deepen the new directors' understanding of the Company. Subject matters included the Company's business activities, trends in the pharmaceutical industry, the current business environment, and concrete examples of hhc activities, etc. Directors other than those just beginning their terms also voluntarily joined these briefing sessions to get the latest information.
- Sessions were conducted by outside experts to share and discuss the latest information about benefit corporations.
- Compliance training for inside directors and corporate officers was carried out. Outside directors also voluntarily participated in this training.

2. Communication with Corporate Officers

- Training for newly appointed outside directors was based on in-person 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 in-person briefings, these training sessions utilized online conferences. Outside directors besides the newly appointed ones also voluntarily participated. In addition, by filming the corporate officers' briefings and Q&A sessions, we have made the sessions available for on-demand viewing by directors.
- The corporate officer in charge of the China region visited Japan together with the local top management team to share information and hold discussions on the risks present in the region, such as government-concentrated purchasing.

- Director Richard Thornley paid a visit to Eisai Europe Ltd. in Hatfield, U.K., where in addition to viewing the facilities, he also held a dialogue with the corporate officer in charge of the EMEA region.

[Principle 5-1 Policy for Constructive Dialogue with Shareholders]

The Board of Directors has stipulated the necessity of endeavoring to maintain favorable and smooth relationships with stakeholders in order to enhance a long-term corporate value, in the Company's "Corporate Governance Principles" which stipulates the basic guidelines regarding its corporate governance. Based on these basic guidelines, in order to deepen the mutual understanding, the Company continues to implement measures such as visit by Outside Directors for a dialogue with institutional investors, in addition to the regular meetings to exchange opinions between institutional investors and Outside Directors.

Also, the Company has established an Information Disclosure Guidelines. In addition, as persons in charge of information disclosure, the Company has appointed the CEO, CFO, Corporate Officers and responsible persons for IR/PR, as well as the Company group's officers and employees designated by these persons in order to ensure the consistency and uniformity of the Company's information disclosure.

The Company discloses information on the Company's business and financial situations to shareholders and investors in an active, fair, impartial, and timely manner, and promotes IR activities that contribute to further improvement of corporate value. The IR Department collaborates with relevant departments for daily operations, and holds quarterly financial result announcements and a yearly information meeting led by CEO in addition to meetings with individuals, analysts and institutional investors. Furthermore, the IR Department has been issuing the Integrated Report since FY2015 as a tool for constructive dialogue. IR activities, including feedback from investors, are reported to the Board of Directors on a regular basis, and results of periodic investigations of shareholder composition are also reported to the Board of Directors.

We thoroughly conduct information management of insider information when holding dialogues with shareholders, through internal training, non-disclosure agreements and other means.

[Principle 5-2 Determination/Announcement of Management Strategy and Management Plans]

In order to enhance corporate value through the realization of our corporate concept of efficiently achieving the social goods of "relieving anxiety over health" and "reducing health disparities," we endeavor to build relationships of trust with a broad range of stakeholders, including customers, shareholders, and members of the community. In

addition, we conduct our corporate activities by treating both the practice of corporate social responsibility and the maximization of shareholder value, employee value, and value for patients and people in the daily living domain as material issues for management. Furthermore, under the “EWAY Future & Beyond” medium-term business plan, we have expanded the key players of the healthcare to which we must contribute to include not only those in the medical domain, but also the people in the daily living domain. With the desire to “empower people to realize their fullest life” as our vision, we endeavor to offer science-based solutions.

Moreover, we consider equity spread (ROE in excess of the cost of owners’ equity) as a KPI of corporate value, and aim to generate a positive equity spread on average over 10 years in the medium- to long-term. Although pharmaceutical companies are often considered defensive stocks in the stock market, the Company conservatively estimates an 8% cost of owners’ equity. With the aim of achieving these goals, our capital policy revolves around “medium- to long-term Return on Equity (ROE) management,” “stable and sustainable shareholder returns,” and “value-creative investment criteria.” With regard to strategic investments in particular, the Company has established Value-Creative Investment Criteria (VCIC), with net present value (NPV) and internal rate of return (IRR) spreads using approximately 200 different risk-adjusted hurdle rates as the KPIs to ensure value creation.

In addition, as we maximize long-term shareholder value, we believe it is important to emphasize not only “financial capital” but also the “non-financial capital” that leads to expanded value-add in the market, and to strengthen disclosures regarding non-financial capital. Accordingly, we will strive to increase market value-add by quantifying and carefully disclosing the many social impacts produced by our diverse business activities through impact-weighted accounting and other methods.

Through these activities, we will pursue the creation of a positive equity spread over the medium- to long-term and value creation in excess of the cost of shareholders’ equity, with a conscious effort to achieve an ROE level of 15% and an equity spread of 7% by FY2025.

## 2. Capital structure

**Percentage of Foreign Shareholders:** 30% or more

**[Status of Major Shareholders] (Update)**

Name/Company name	Number of shares held	Percentage held of all shareholder voting rights (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	<b>55,397,200</b>	19.31
Custody Bank of Japan, Ltd. (Trust Account)	<b>36,175,700</b>	12.61
State Street Bank and Trust Company 505001	<b>20,512,790</b>	7.15
Nippon Life Insurance Company	<b>8,597,245</b>	3.00
Saitama Resona Bank Limited	<b>5,300,000</b>	1.85
State Street Bank West Client-Treaty 505234	<b>4,606,015</b>	1.61
Goldman, Sachs & Co. Reg	<b>4,269,456</b>	1.49
The Naito Foundation	<b>4,212,169</b>	1.47
MSCO Customer Securities	<b>3,968,303</b>	1.38
JP Morgan Chase Bank 385781	<b>3,480,323</b>	1.21

**Predominant Shareholders (excluding parent company):** -----

**Parent Company:** None

**Supplementary explanation (Update):**

- 1 Numbers of shares are rounded down to the nearest thousand.
- 2 The shareholding ratio is the percentage of the total number of shares issued (excluding treasury shares).
- 3 Treasury shares amounted to 9,667,000 shares (3.26% 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, but are not shown in the table 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 issued shares including treasury stock (rounded down).

- (1) 18,308,000 shares (6.17%) held jointly by 11 companies including BlackRock Japan Co., Ltd. as of August 15, 2017 (Change report dated August 21, 2017)
- (2) 18,380,000 shares (6.20%) jointly held by 3 companies including Nomura Securities Co., Ltd. as of July 15, 2020 (Change report dated July 21, 2020)
- (3) 14,945,000 shares (5.04%) held as Banks' Shareholdings Purchase Corporation as of September 15, 2020 (Large shareholding report dated September 23, 2020)
- (4) 19,442,000 shares (6.56%) held jointly by 3 companies including Sumitomo Mitsui Trust Bank, Ltd. as of October 29, 2021 (Change report dated November 5, 2021)
- (5) 20,752,000 shares (7.00%) held as Wellington Management Company, LLP as of August 31, 2022 (Change report dated September 5, 2022)
- (6) 13,073,000 shares (4.41%) held jointly by 2 companies including Mitsubishi UFJ Trust and Banking Corporation as of October 31, 2022 (Change report dated November 8, 2022)

### **3. Corporate profile**

**Listed stock markets and market section:** Tokyo, Prime market

**Accounting period:** Ends in March

**Type of business:** Pharmaceuticals

**Employees (consolidated):** 1,000 or more

**Sales (consolidated):** ¥100 billion or more, less than ¥1 trillion

**Consolidated subsidiaries:** more 10, less than 50 **(Update)**

### **4. Indicator concerning strategy of protection of minority stockholders when having dealings with predominant stockholders**

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### **5. Other circumstances that may significantly affect corporate governance**

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## **II. The status of management decisions, business management organization related to administration and oversight, and other corporate governance systems**

### **1. Organizational composition and operation**

**Organization type:** Company with a Committees System

#### **[Directors]**

**Number of directors stipulated in the Articles of Incorporation:** 15

**Term of office stipulated in the Articles of Incorporation:** 1 year

**Chair of Board of Directors:** Outside Director

**Number of directors:** 11

#### **[Outside Directors]**

**Number of Outside Directors:** 7

**Number of independent directors who are Outside Directors:** 7

#### **Relationship to the company (1) (Update)**

Name	Characteristics	Relationship to the Company [*1]
Hideyo Uchiyama	Certified public accountant	--
Yumiko Miwa	Academic	--
Fumihiko Ike	Came from another company	--
Ryota Miura	Attorney	--
Richard Thornley	Came from another company	--
Toru Moriyama	Came from another company	--
Yuko Yasuda	Came from another company	--

[\*1] Types of relationship to the company

- Person who executes business of a listed company or its subsidiary
- Person who executes business or a non-executive director of a listed company's parent company
- Person who executes business of a fellow listed company
- Person/entity for which a listed company is a major client or a person who executes business for such person/entity
- Major client of a listed company or a person who executes business for such client
- Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets other than director/auditor compensation from a listed company
- Major shareholder of a listed company (in cases where the shareholder is a corporation, a person who executes business of the corporation)

- h. Person who executes business for a client of a listed company  
(excluding persons categorized as d, e, or f above)
- i. Person who executes business for another company holding cross-directorships/cross-auditorships with the company
- j. Person who executes business for an entity receiving contributions from a listed company
- k. Other

**Relationship to the company (2) (Update)**

Name	Supplementary Explanation of Conforming Items	Supplementary Explanation of Conforming Items
Hideyo Uchiyama (Independent officer for notifications to stock exchanges)	Meeting “Requirements for the Independence and Neutrality of Outside Directors” that were stipulated by the Nomination Committee. (See the final page for details.)	<p><b>&lt;Reason for Selection&gt;</b></p> <p>As can be seen from his personal history, the candidate has expertise and experience as a certified public accountant. At the same time, he has abundant experience as the head of an audit firm and a top executive of a global consulting 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 his experience and abilities to objectively execute his management oversight duties.</p> <p>In addition to constructing a Board of Directors composed of diverse members with a variety of specialized knowledge and experience, etc., the Nomination Committee has considered such factors as the candidate’s (1) practical accomplishments as a director and chair of the Audit Committee, (2) qualifications and capabilities as a director, (3) career background, and (4) number of years in office. Having determined that the candidate is capable of objectively executing his management oversight duties and is suitable as a director of the Company, the Nomination Committee has nominated the candidate to continue from the previous year serving as an outside director.</p>

Name	Supplementary Explanation of Conforming Items	Supplementary Explanation of Conforming Items
		<p><b>&lt;Policy for Independence and Neutrality&gt;</b></p> <p>The candidate has experience serving as an officer of KPMG Japan. Although there is a history of transactions between the Company and KPMG AZSA LLC, KPMG Consulting, and KPMG Tax Corporation, which are all group companies of KPMG Japan, the amount was negligible (less than 2% of the consolidated sales of KPMG Japan). The candidate currently serves as advisor to Asahi Tax Corporation. However, there is no transactional relationship between said company and the Company.</p> <p>The candidate serves as an outside director of Sampo Holdings, Inc. The Company has insurance policy transactions with an insurance company affiliated with said company. However, the value of said transactions is negligible (less than 2% of said insurance company's net premium income). The candidate also serves as an outside audit &amp; supervisory board member of OMRON Corporation.</p> <p>However, there is no regular transactional relationship between said company and the Company.</p> <p>As explained 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, and that there is no related obstacle, problem or other circumstance that would impair the candidate's ability to execute his duties as an outside director.</p> <p>In addition, he does not fall under any of the requirements of Article 211 Paragraph 4 Item 6 of the Ordinance for Enforcement of Securities Listing Regulations.</p>

Name	Supplementary Explanation of Conforming Items	Supplementary Explanation of Conforming Items
Yumiko Miwa (Independent officer for notifications to stock exchanges)	Meeting “Requirements for the Independence and Neutrality of Outside Directors” that were stipulated by the Nomination Committee. (See the final page for details.)	<p><b>&lt;Reason for Selection&gt;</b></p> <p>As can be seen from her personal history, the candidate is a specialist in ESG and corporate governance. Although she has not been directly involved with management, her field of research has given her deep knowledge of ESG, corporate governance, and socially responsible investment, and she has a high level of insight into management and excellent supervisory capabilities. The Nomination Committee expects that the candidate will use her knowledge and abilities to objectively execute her management oversight duties.</p> <p>In addition to constructing a Board of Directors composed of diverse members with a variety of specialized knowledge and experience, etc., the Nomination Committee has considered such factors as the candidate’s (1) practical accomplishments as a director and member of the Audit Committee,</p> <p>(2) qualifications and capabilities as a director, (3) career background, and (4) number of years in office. Having determined that the candidate is capable of objectively executing her management oversight duties and is suitable as a director of the Company, the Nomination Committee has nominated the candidate to continue from the previous year serving as an outside director.</p> <p><b>&lt;Policy for Independence and Neutrality&gt;</b></p> <p>The candidate serves as an outside director of Pigeon Corporation. However, there is no transactional relationship between said company and the Company.</p> <p>The Nomination Committee has confirmed that</p>

Name	Supplementary Explanation of Conforming Items	Supplementary Explanation of Conforming Items
		the candidate meets the conditions for outside directors stipulated by the Companies Act and the “Requirements for the Independence and Neutrality of Outside Directors” established by the Nomination Committee, and that there is no related obstacle, problem or other circumstance that would impair the candidate’s ability to execute her duties as an outside director. In addition, he does not fall under any of the requirements of Article 211 Paragraph 4 Item 6 of the Ordinance for Enforcement of Securities Listing Regulations.
Fumihiko Ike (Independent officer for notifications to stock exchanges)	Meeting “Requirements for the Independence and Neutrality of Outside Directors” that were stipulated by the Nomination Committee. (See the final page for details.)	<p><b>&lt;Reason for Selection&gt;</b></p> <p>As can be seen from his personal history, the candidate has a wealth of experience as the top executive of a global corporation in the automobile industry, as well as a high level of insight into management and excellent supervisory ability. The Nomination Committee expects that the candidate will use his experience and abilities to objectively execute his management oversight duties.</p> <p>In addition to constructing a Board of Directors composed of diverse members with a variety of specialized knowledge and experience, etc., the Nomination Committee has considered such factors as the candidate’s (1) practical accomplishments as a director, member of the Nomination Committee, and chair of the Compensation Committee, (2) qualifications and capabilities as a director, (3) career background, and (4) number of years in office, etc. Having determined that the candidate is capable of objectively executing his management oversight duties and is suitable as a director of the Company, the Nomination Committee has nominated the candidate to continue from the previous year serving as an outside director.</p>

Name	Supplementary Explanation of Conforming Items	Supplementary Explanation of Conforming Items
		<p><b>&lt;Policy for Independence and Neutrality&gt;</b></p> <p>The candidate has experience serving as an officer of Honda Motor Co., Ltd. While the Company has concluded a collaborative research agreement with this company, there is no history of transactions or other dealings which could influence the independence or neutrality of the candidate as an outside director.</p> <p>The candidate currently serves as outside director of NTT DATA Corporation. Although there is a history of transaction between the Company and said company, the amount was negligible (less than 2% of the consolidated sales of said company). Furthermore, the candidate currently serves as outside director of Resona Holdings, Inc. Although there is a history of transaction between the Company and a group bank of said company, the amount was negligible (less than 2% of the consolidated sales of said company).</p> <p>Furthermore, although the Company also has borrowings from a group bank of said company, the amount is negligible (less than 2% of the consolidated net assets of the Group).</p> <p>As explained 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, and that there is no related obstacle, problem or other circumstance that would impair the candidate’s ability to execute his duties as an outside director. In addition, he does not fall under any of the requirements of Article 211 Paragraph 4 Item 6 of the Ordinance for Enforcement of Securities Listing Regulations.</p>

Name	Supplementary Explanation of Conforming Items	Supplementary Explanation of Conforming Items
Ryota Miura (Independent officer for notifications to stock exchanges)	Meeting “Requirements for the Independence and Neutrality of Outside Directors” that were stipulated by the Nomination Committee. (See the final page for details.)	<p><b>&lt;Reason for Selection&gt;</b></p> <p>As can be seen from his personal history, the candidate is a legal expert and a specialist in the Companies Act. Although he has not been directly involved with management, he has served as an outside officer for another company and has abundant experience related to corporate law, giving him a high level of insight into management and excellent supervisory ability. The Nomination Committee expects that the candidate will use his experience and abilities to objectively execute his management oversight duties.</p> <p>In addition to constructing a Board of Directors composed of diverse members with a variety of specialized knowledge and experience, etc., the Nomination Committee has considered such factors as the candidate’s (1) practical accomplishments as a director and member of the Audit Committee,</p> <p>(2) qualifications and capabilities as a director, (3) career background, and (4) number of years in office, etc. Having determined that the candidate is capable of objectively executing his management oversight duties and is suitable as a director of the Company, the Nomination Committee has nominated the candidate to continue from the previous year serving as an outside director.</p> <p><b>&lt;Policy for Independence and Neutrality&gt;</b></p> <p>The candidate is a partner at the law firm Miura &amp; Partners, but there is no transactional relationship between said firm and the Company.</p> <p>He also serves as an outside director and corporate auditor of TechMatrix Corporation and an outside audit &amp; supervisory board member of Tokyo</p>

Name	Supplementary Explanation of Conforming Items	Supplementary Explanation of Conforming Items
		<p>Electron Limited, but there is no transactional partnership between either company and the Company.</p> <p>The Nomination Committee has confirmed that the candidate meets the conditions for outside directors stipulated by the Companies Act and the “Requirements for the Independence and Neutrality of Outside Directors” established by the Nomination Committee, and that there is no related obstacle, problem or other circumstance that would impair the candidate’s ability to execute his duties as an outside director.</p> <p>In addition, she does not fall under any of the requirements of Article 211 Paragraph 4 Item 6 of the Ordinance for Enforcement of Securities Listing Regulations.</p>
Richard Thornley (Independent officer for notifications to stock exchanges)	Meeting “Requirements for the Independence and Neutrality of Outside Directors” that were stipulated by the Nomination Committee. (See the final page for details.)	<p><b>&lt;Reason for Selection&gt;</b></p> <p>As can be seen from his personal history, the candidate has abundant global experience as a corporate manager, primarily in the aerospace industry, as well as a high level of insight into management and excellent supervisory ability. The Nomination Committee expects that the candidate will use his experience and knowledge to objectively execute his management oversight duties.</p> <p>In addition to constructing a Board of Directors composed of diverse members with a variety of specialized knowledge and experience, etc., the Nomination Committee has considered such factors as the candidate’s (1) practical accomplishments as a director and member of the Nomination Committee and the Compensation Committee, (2) qualifications and capabilities as a director, (3) career background, and (4) number of</p>



Name	Supplementary Explanation of Conforming Items	Supplementary Explanation of Conforming Items
		<p>years in office, etc. Having determined that the candidate is capable of objectively executing his management oversight duties and is suitable as a director of the Company, the Nomination Committee has nominated the candidate to continue from the previous year serving as an outside director.</p> <p><b>&lt;Policy for Independence and Neutrality&gt;</b></p> <p>The candidate is not concurrently employed by any company or organization with a relationship of interest with the Company or its subsidiaries and associated companies.</p> <p>The Nomination Committee has confirmed that the candidate meets the conditions for outside directors stipulated by the Companies Act and the “Requirements for the Independence and Neutrality of Outside Directors” established by the Nomination Committee, and that there is no related obstacle, problem or other circumstance that would impair the candidate’s ability to execute his duties as an outside director.</p> <p>In addition, he does not fall under any of the requirements of Article 211 Paragraph 4 Item 6 of the Ordinance for Enforcement of Securities Listing Regulations.</p>
Toru Moriyama (Independent officer for notifications to stock exchanges)	Meeting “Requirements for the Independence and Neutrality of Outside Directors” that were stipulated by the Nomination Committee. (See	<p><b>&lt;Reason for Selection&gt;</b></p> <p>As can be seen from his personal history, the candidate has abundant global experience as a corporate manager at a general trading company and in global corporate operations related to the food industry, as well as a high level of insight into management and excellent supervisory ability. The Nomination Committee expects that the candidate will use his experience and knowledge to objectively execute his management</p>

Name	Supplementary Explanation of Conforming Items	Supplementary Explanation of Conforming Items
	the final page for details.)	<p>oversight duties.</p> <p>In addition to constructing a Board of Directors composed of diverse members with a variety of specialized knowledge and experience, etc., the Nomination Committee has considered such factors as the candidate's (1) qualifications and capabilities as a director and (2) career background, etc.</p> <p>Having determined that the candidate is capable of objectively executing his management oversight duties and is suitable as a director of the Company, the Nomination Committee has nominated the candidate as a new outside director.</p> <p><b>&lt;Policy for Independence and Neutrality&gt;</b></p> <p>The candidate has experience serving as an officer of Mitsubishi Shokuhin Co., Ltd. Although there is a history of transaction between the Company and said company, the amount was negligible (less than 2% of the consolidated sales of said company).</p> <p>As explained 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, and that there is no related obstacle, problem or other circumstance that would impair the candidate's ability to execute his duties as an outside director.</p> <p>In addition, he does not fall under any of the requirements of Article 211 Paragraph 4 Item 6 of the Ordinance for Enforcement of Securities Listing Regulations.</p>

Name	Supplementary Explanation of Conforming Items	Supplementary Explanation of Conforming Items
Yuko Yasuda (Independent officer for notifications to stock exchanges)	Meeting “Requirements for the Independence and Neutrality of Outside Directors” that were stipulated by the Nomination Committee. (See the final page for details.)	<p><b>&lt;Reason for Selection&gt;</b></p> <p>As can be seen from her personal history, the candidate has abundant global experience in corporate management, primarily in the consulting industry, as well as a high level of insight into management and excellent supervisory ability. The Nomination Committee expects that the candidate will use her experience and knowledge to objectively execute her management oversight duties.</p> <p>In addition to constructing a Board of Directors composed of diverse members with a variety of specialized knowledge and experience, etc., the Nomination Committee has considered such factors as the candidate’s (1) qualifications and capabilities as a director and (2) career background, etc.</p> <p>Having determined that the candidate is capable of objectively executing her management oversight duties and is suitable as a director of the Company, the Nomination Committee has nominated the candidate as a new outside director.</p> <p><b>&lt;Policy for Independence and Neutrality&gt;</b></p> <p>The candidate currently serves as a senior partner of Board Advisors Japan, Inc. However, there is no transactional partnership between said company and the Company.</p> <p>The candidate serves as an outside director of Murata Ltd., Ltd. and Nissui Corporation. However, there is no transactional partnership between said companies and the Company.</p> <p>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</p>

Name	Supplementary Explanation of Conforming Items	Supplementary Explanation of Conforming Items
		<p>Neutrality of Outside Directors” established by the Nomination Committee, and that there is no related obstacle, problem or other circumstance that would impair the candidate’s ability to execute his duties as an outside director.</p> <p>In addition, he does not fall under any of the requirements of Article 211 Paragraph 4 Item 6 of the Ordinance for Enforcement of Securities Listing Regulations.</p>

**[Individual Committees]**

**Committee composition and attributes of chair**

	All Members	Full-time Members	Inside Directors	Outside Directors	Committee Chair
Nomination Committee	3	0	0	3	Outside Director
Compensation Committee	3	0	0	3	Outside Director
Audit Committee	5	0	2	3	Outside Director

**[Corporate Officers]**

**Number of Corporate Officers: 19**

**Status of additional duties (Update)**

Name	Representative Authority	Additional Duties as Director			Additional Duties as Employee
			Nomination Committee Member	Compensation Committee Member	
Haruo Naito	Yes	Yes	No	No	No
Yasushi Okada	Yes	No	No	No	No
Kenta Takahashi	No	No	No	No	No
Terushige Iike	No	No	No	No	No
Gary Hendler	No	No	No	No	No
Ivan Cheung	No	No	No	No	No
Tatsuyuki Yasuno	No	No	No	No	No
Yanhui Feng	No	No	No	No	No
Masatomi Akana	No	No	No	No	No
Takashi Owa	No	No	No	No	No
Keisuke Naito	No	No	No	No	No
Lynn Kramer	No	No	No	No	No
Sayoko Sasaki	No	No	No	No	No
Shohei Kanazawa	No	No	No	No	Yes
Akiko Nakahama	No	No	No	No	No
Kazuhiko Tamura	No	No	No	No	Yes
Akiyuki Masaka	No	No	No	No	No
Mitsuo Kosaka	No	No	No	No	No
Shin Ujiie	No	No	No	No	Yes

**[Auditing Structure]**

**Directors and employees responsible for assisting in execution of the duties of the Audit Committee: Yes**

**Independence of said directors and employees from Corporate Officers**

The Management Audit Department has been established as a department specializing in assisting in execution of the duties of the Audit Committee, and maintains its independence from Corporate Officers through the following setup.

- The Management Audit Department shall be organized independent of the Corporate Officers of the Company.
- 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.
- 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.
- Decisions on personnel evaluation of the director and staff of the Management Audit Department will be conducted by the Audit Committee of the Company.

## **Status of link between the Audit Committee, Accounting Auditors and Internal Auditors (Update)**

### **<Auditing Activities of the Audit Committee in Relation to the Accounting Auditor>**

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

- The Audit Committee 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 Committee 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 findings concerning auditing 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, etc., in light of the various activities of the Accounting Auditor, the results of investigations by regulatory authorities, and other information.

### **<Auditing Activities of the Audit Committee 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[\*1] Department, as well as the Corporate Officer responsible for internal control and the Risk Management and Corporate Internal Control Departments.

- The Audit Committee obtained annual audit plans and reports on the results of individual audits carried out by the internal audit departments of the Company and Group companies, 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\*<sup>1</sup>. 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. In addition, the Audit Committee received monthly reports on the state of operation of the Compliance Counter.

[\*1] In order to strengthen independence, the Company has assigned executive internal auditors who manage the internal auditing of the Company as a whole, 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 Japan, the United States, Europe, China, and Asia to perform internal audits globally. These internal audits are intended to evaluate objectively from an independent standpoint whether the duties conducted under the direction of each corporate officer are executed properly and efficiently. The audit results are regularly reported to the Board of Directors, Audit Committee, and Executive Board. Further, in addition to 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 laboratories, plants, and other facilities from the perspective of compliance with the Industrial Safety and Health Act and other various laws and regulations. COVID-19 also impacted FY2021, but we were able to conduct internal audit activities according to plan by implementing remote audits using video and utilizing local outside specialized organizations overseas. In addition, we have established opportunities to share information with the Accounting Auditor on a regular basis and are striving to collaborate toward accurate and efficient internal audits.

The internal audit departments receive evaluations by an external evaluation committee composed of outside experts. These evaluations found that the departments were conducting high-quality internal audit activities compatible with the global standards developed by The Institute of Internal Auditors (IIA), which is headquartered in the United States.

Please see Compliance, Risk Management and Internal Audit on our website.

<https://www.eisai.com/sustainability/management/compliance/index.html>



## **[Independent directors]**

**Number of independent directors: 7**

### **Other matters regarding independent directors**

Our 7 outside directors satisfy the “Requirements for the Independence and Neutrality of Outside Directors” set forth by the Nomination Committee. (Please see the final page of this document.) The Nomination Committee has determined the “independence and neutrality” of each outside director by checking matters related to the requirements based on interviews of the individuals in question as well as investigations of the transactional relationships between the Company and the companies and organizations with which they are affiliated. In addition, the Nomination Committee has selected outside directors based on the “selection criteria for outside directors” established by the Nomination Committee. All 7 outside directors fulfill the requisites for outside director as specified in Article 2, Paragraph 3, Item 7, of the Ordinance for Enforcement of the Companies Act and the criteria for independent officers as established by the Tokyo Stock Exchange.

## **[Incentives]**

### **Status of the implementation of measures to give incentives to directors and Corporate Officers**

Performance-based compensation system implemented.

### **Supplementary explanation of the above (Update)**

As a company that offers performance-based compensation, we grant bonuses and stock-based compensation to corporate officers.

The Company’s stock-based compensation system is a medium- to long-term incentive plan that annually provides company stock to corporate officers through a trust based on the achievement level of ESG EBIT, relative P/B ratio, and non-financial Company-wide performance targets.

Moreover, the performance-based compensation for corporate officers who have been appointed from overseas subsidiaries consists of a medium- to long-term incentive system instead of stock-based compensation.

The process for determining bonuses and stock-based compensation is given on the page [Director/Corporate Officer Compensation].

### **Stock option recipients**

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### **Supplementary explanation of the above**

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## **[Director/Corporate Officer Compensation]**

**Disclosure status of compensation of individual directors:** Not disclosed

**Disclosure status of compensation of individual Corporate Officer:** Only a part of compensation is disclosed

## **Supplementary explanation of the above (Update)**

The officers for whom consolidated compensation, etc., was ¥100 million or more in FY2021 are the following 5 individuals. The amounts for each are given below.

- Haruo Naito, Representative Corporate Officer and CEO ¥157 million
- Gary Hendler, Senior Vice President ¥159 million
- Yanhui Feng, Senior Vice President ¥198 million
- Lynn Kramer, Vice President ¥211 million

\* Gary Hendler receives compensation from Eisai Europe Ltd. (U.K.), while Lynn Kramer each receive compensation from Eisai Inc. (U.S.A.). Yanhui Feng receives compensation from Eisai China Inc. (China). The compensation for each is based on the decision of the Compensation Committee. The total amount of compensation received is shown for these individuals.

## **Policy regarding the determination of compensation and method of calculation**

Yes (Update)

### **Disclosures of policy regarding the determination of compensation and method of calculation**

#### **1) Determination of Compensation, etc.**

Compensation paid to directors and corporate officers is determined by the Compensation Committee. All 3 members of the Company's Compensation Committee, including the chair, are outside directors, and the Compensation Committee places emphasis on an objective perspective and transparency. The Compensation Committee has the authority to determine the content of compensation of individual directors and corporate officers of the Company. It determines (1) policy concerning decisions on the content of compensation of individual directors and corporate officers, (2) the content of compensation of individual directors and corporate officers, and (3) the evaluation of the degree of attainment of Company-wide performance targets and the individual performance targets of each corporate officer for the performance-based compensation of corporate officers. The Compensation Committee may also deliberate on compensation, etc., for directors and corporate officers separately and take exceptional measures in cases where it deems such action necessary.

#### **2) Basic Policy Regarding the Determination of Compensation**

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. In regard to consideration of issues related to compensation, etc., and the level of compensation, etc., the Compensation Committee shares information during meetings of the hhc Governance Committee, which consists of all outside directors, considers the issues in light of the discussions held in that setting. In addition, the Committee proactively incorporates and utilizes data, etc., from outside specialized organizations.

## I. Compensation System for Directors

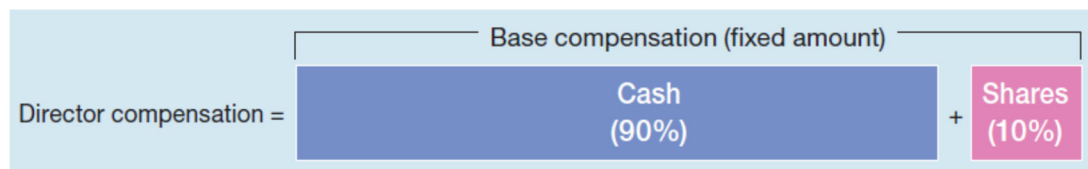
### 1) Basic policy concerning compensation, etc., paid to directors

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.

Pay compensation, etc., to directors with a portion of it consisting of stock, from the perspective of sharing profit-consciousness that is the same as shareholders.

### 2) Overview of the compensation system for directors

i Although it is only a fixed amount base compensation, pay compensation, etc., to directors in the form of cash for 90% of the base compensation and 10% as stock (granted at the time of resignation).



ii. Aim to set the level of base compensation of outside directors and inside directors at the upper middle range for the industry.

iii. The chair of the Board of Directors and each Committee chair receive additional compensation for their service as chair.

## II. Compensation System 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 hhc 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 hhceco 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 fair and transparent 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)

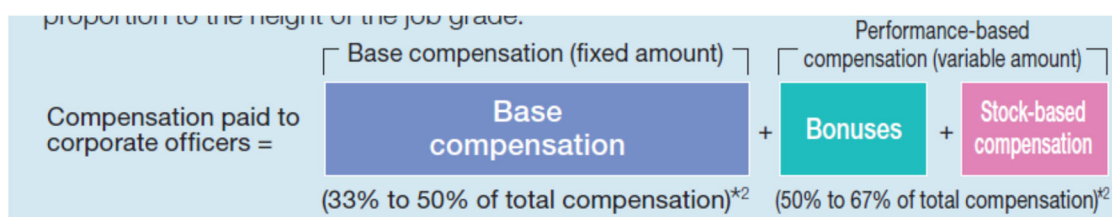
## 2) Overview of the new compensation system for corporate officers

i. Compose the compensation, etc., of corporate officers with base compensation (fixed amount), performance-based compensation (variable amount) in the form of bonuses, and stock-based compensation.

ii. Set the contents of the compensation, etc., of corporate officers 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.

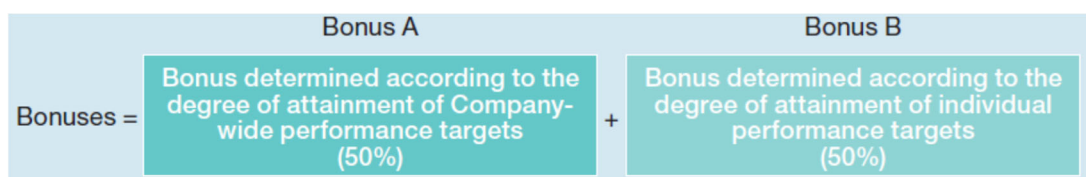
\* An indicator of the size of the required duties and the standard for determining compensation, etc.

iii. Performance-based compensation is set to be a higher ratio of total compensation in proportion to the height of the job grade.



\*2 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.

- iv. Aim for performance-based compensation that constitutes at least 50% of total compensation, using a mechanism that sufficiently reflects company-wide performance as management team compensation. In the case of performance-based compensation, we will adopt a system in which the results of the performance of duties by corporate officers are evaluated using new indicators, in accordance with the concept of evaluating those results from the perspectives of risk, return, and impact.
- v. 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 5:5



- The degree of attainment of Company-wide performance targets for Bonus A is determined based on an evaluation of risk, return, and impact, and the bonus is paid in a range of 0% to 250%.
  - The degree of attainment of individual performance targets for Bonus B is determined based on an evaluation of the individual performance targets, including targets related to achievement of the corporate image stipulated in the Articles of Incorporation, as represented by the achievement of social good, and the bonus is paid in the range of 0% to 150%.
  - In accordance with the above, bonuses will be paid to corporate officers in the range of 0% to 200%.
- vi. We will implement a stock-based compensation system in which stock-based compensation consists of a portion that is linked to medium- to long-term performance and paid during the individual's term of office and a portion that is paid at the time of the individual's resignation. The ratio of the portion of the base number of shares to be delivered that are granted during the term of office and the portion granted at the time of resignation shall be 7:3.

Stock-based compensation =	Portion granted during the term of office	+	Portion granted at the time of resignation
	Base number of shares to be delivered x 70% x Degree of attainment of performance targets		Base number of shares to be delivered x 30%

The number of shares in the portion granted during the term of office shall be determined based on ESG EBIT\*3, relative PBR, and non-financial Company-wide performance targets, and will be paid in the range of 0% to 150%.

\*3 An important indicator for measuring corporate value, which incorporates ESG value (non-financial capital)

#### 6) Total Amount of Compensation Paid to Directors and Corporate Officers

The grand total of compensation paid to directors and corporate officers in FY2022 (from April 1, 2022, to March 31, 2023) was as indicated below.

#### Total FY2022 Officer Compensation

	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)
			Bonuses		Stock-based compensation			
	Number of recipients (No. of officers)	Amount (Millions of yen)	Number of recipients (No. of officers)	Amount (Millions of yen)	Number of recipients (No. of officers)	Amount (Millions of yen)		
Directors (inside)	4	113	—	—	—	—	113	—
Directors (outside)	9	97	—	—	—	—	97	—
Corporate officers	27	600	27	318	27	87	1,004	43
Total	40	810	27	318	27	87	1,215	43

(Notes) 1. As the compensation of directors also serving as corporate officers is only the compensation for corporate officers, the compensation of the Director, Representative Corporate Officer and CEO is included in the amount for corporate officers.

2. Figures for base compensation are the total figures for base compensation paid to each applicable director and corporate officer for the respective terms in FY2022.

3. Figures for bonus payments to corporate officers are the total figures representing the total value of planned accrued bonuses to be paid in July 2023 to eligible corporate officers for the period from April 2022 to March 2023, together with the total value of bonus payments paid in July 2022 to eligible corporate officers for the period from April 2021 to March 2022, less the value of the reserve for bonus payments disclosed in the business report for FY2021.

4. Figures for stock-based compensation paid to corporate officers are the total figures representing the total value of planned stock-based compensation payments to be paid in July 2023 to eligible corporate officers for the period from April 2022 to March 2023, together with the total value of stock-based compensation and other amounts paid in July 2022 for the period from April 2021 to March 2022, less the value of the reserve for stock-based compensation disclosed in the business report for FY2021. The stock-based compensation of corporate officers indicated is based on the total amount obtained by multiplying the total number of the Company's common stock granted or scheduled to be granted to the relevant corporate officer by the unit price of the

Company's shares held by a trust.

5. Stock options have been abolished since the transition to the stock-based compensation system in June 2013, and no necessary expenses for accounting were recorded beginning in FY2015, and are therefore not shown in the table.
6. A total of 8,666 shares of the Company's stock were granted during the fiscal year to 22 corporate officers as compensation for the execution of duties during the period from April 2021 to March 2022, 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 the tables on page 110 and page 111 of the digital version for the performance indicators (consolidated revenue, consolidated operating profit, consolidated profit for the year (attributable to the parent company), and consolidated ROE) 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.

### **[Outside Director Support System]**

Support Structure for the Board of Directors and Committees

#### **(1) Board of Directors**

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

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

#### **(2) Nomination Committee, Compensation Committee, and *hhc* Governance Committee**

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

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

#### **(3) Audit Committee**

The Company has established a Management Audit Department independent of operational divisions as a specialized organization to provide support for the Audit

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

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

**[Status of Persons retired from the office of President & Representative Director, etc.]**

Name, etc., of the Senior Advisor, Advisor, etc. who was President & Representative Director, etc.

Name	Title/ Position	Job	Working Style/Conditions (Full-time/Part-time, Remuneration, etc.)	Date of retirement from office, such as President	Term of Office
-	-	-	-	-	-

Total number of Senior Advisors, Advisors, etc., who were President & Representative Director, etc.: None (0)

**Other matters**

We sometimes appoint our former Corporate Officers/Directors to Senior Advisor/Advisor positions. Their role is to give advice as needed in accordance with requests from the management and to engage in specific duties.



## **2. Business execution, auditing/oversight, nomination, compensation determination, etc., functions (Update)**

### **1) Overview of the Company's corporate governance system**

The core aspect of Eisai's corporate governance is the clear separation between the management oversight function and the management implementation function, through which maximum benefit is obtained from Eisai's status as a Company with a Nomination Committee, etc., System. To ensure that this is carried out as thoroughly as possible, the Company appoints independent, neutral Outside Directors. That is to say, while the Board of Directors grants wide discretionary authority to the Company's Corporate Officers, in order to enhance the effectiveness and flexibility of operational execution, at the same time, while ensuring autonomy and enhancing management vitality through the establishment of internal controls by Corporate Officers, the whole of the execution of operation by the Corporate Officers is supervised by the Board of Directors (more than half of whose members are Outside Directors), which enjoys the trust of shareholders, thereby ensuring that management is conducted fairly through the best possible decision-making.

Please refer to the "Requirements for the Independence and Neutrality of Outside Directors" prescribed by the Company's Nomination Committee, which are presented on the final page of this document.

### **2) About the Company's corporate organs**

As a Company with a Nomination Committee, etc., System, Eisai has established the Board of Directors and Nomination, Audit, and Compensation Committees required by law, with the Corporate Officers required by law being appointed by the Board of Directors. Furthermore, although such a committee is not required by law, the Company has also established *hhc* Governance Committee the membership of it is composed of the company's Outside Directors. The chairman of the company's Board of Directors and the chairs of the Nomination, Audit, and Compensation Committees are all appointed from among the Outside Directors, creating an organizational framework that permits highly transparent operation. The makeup and main responsibilities of the Company's corporate organs are as described below.

(1) Board of Directors (11 directors (including 2 woman); 7 Outside Directors and 4 internal directors; the Chairman of the Board of Directors shall be appointed from among the Outside Directors, for a term of one year)

a. Determine the important matters required by law, the Articles of Incorporation, and the Regulations of the Board of Directors, including basic management policies, the appointment of corporate officers, and determination of dividends, etc.

- b. 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 hhc Governance Committee.
- (2) Nomination Committee (3 Members (including 1 woman); all of whom must be Outside Directors; the chairman shall be an Outside Director, appointed for a term of one year)
  - a. Determine the content of the proposals related to the selection or retirement of directors made to the General Meeting of Shareholders.
  - b. 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.
  - c. 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.
  - d. Establish basic policies, rules, and procedures necessary for the execution of duties by the Nomination Committee.
- (3) Audit Committee (5 Members (including 1 woman), of which 3 shall be Outside Directors and 2 shall be internal directors; the chairman shall be an Outside Director, appointed for a term of one year)
  - a. Conduct audits in accordance with laws and regulations, the Articles of Incorporation, and rules established by the Board of Directors and the Audit Committee.
  - b. Primarily conduct the following audits and create audit reports.
    - Audits of the execution of duties by directors and corporate officers
    - Audits of business reports and annexed detailed statements
    - 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)
    - 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
    - Audits of the adequacy of internal audit activities performed by the internal audit departments
    - Audits of the status of business, operations, and assets of Group companies other than the Company (Audit of the corporate officer in charge)

- c. 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.
  - d. Conduct audits in accordance with the audit plan established for each fiscal year by directing the Management Audit Department, an organization independent from corporate officers.
- (4) Compensation Committee (3 Members (including 1 woman); all of whom must be Outside Directors; the chairman shall be an Outside Director, appointed for a term of one year)
- a. 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.
  - b. Make the compensation, etc., of directors suitable for directors who can sufficiently execute the oversight functions of management, and determine the content of the compensation, etc., of Corporate Officers such that it will strongly motivate Corporate Officers in the performance of their duties and by giving consideration to the degree of attainment of performance indexes.
  - c. 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.
  - d. Establish basic policies, rules, procedures, etc., necessary for the execution of the duties of the Compensation Committee.
- (5) *hhc* Governance Committee (7 Members (including 2 woman), all of whom shall be Outside Directors, appointed for terms of one year)
- The composition and roles of the *hhc* Governance Committee are as follows.
- a. Actively engage in dialogue with stakeholders and use the knowledge gained to improve discussions in the Board of Directors.
  - b. 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.
  - c. 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.
  - d. 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.

### **3. The reasons for choosing the current corporate governance system**

In June 2004, the Company revised its Articles of Incorporation at the Ordinary General Meeting of Shareholders and adopted the Company with Committees System (the current Company with a Nomination Committee, etc., System) in order to further enhance corporate governance.

With the adoption of the Company with Committees System, the Company increased the number of Outside Directors to comprise more than half of the Board of Directors. The Company aimed to increase the transparency and fairness of management, strengthen the supervisory function of the Board of Directors for overall management, enhance the quality of management, and improve benefits to shareholders, customers, employees, and other stakeholders. Meanwhile, by granting Corporate Officers the authority to make wide-ranging decisions related to management, the Company aimed to promote flexible management, heighten competitiveness, create a structure that enables the achievement of *human health care (hhc)*, which is the Company's Corporate Philosophy, and revitalize corporate management by securing autonomy through internal control by Corporate Officers.

### III. Status of the implementation of measures related to shareholders and other interested parties

#### 1. Status of implementation of measures for revitalization of the general meeting of shareholders and smoothing of the execution of voting rights

	Supplementary Explanation
Early notification of convocation of general meeting of shareholders	As a rule, we strive to send notification of convocation at least four weeks prior to the meeting. Since FY2015, the Japanese version has been published on the Tokyo Stock Exchange and Company websites prior to mailing.
Scheduling of general meeting of shareholders away from “concentrated days”	We avoid “concentrated days” to make it possible for as many shareholders as possible to attend.
Electronic execution of voting rights	Electronic execution of voting rights from PC, mobile phone, etc., via a voting website
Implementation of a voting rights execution platform and effort to improve the exercising a voting rights system	A voting rights execution platform for institutional investors has been implemented since the regular general meeting of shareholders held in June 2006.
Offer in English of Notice of Convocation (summary)	The notice of convocation is made in English, and made public on our website.
Other	To provide a thorough explanation at the General Meeting of Shareholders, the Chairperson himself makes a presentation on performance reports and business strategies. Furthermore, shareholders may actively engage in discussions and a Q&A session is also included in this regard. In order to ensure an environment in which each shareholder is able to exercise his or her voting rights, a voting website with a shareholder registry system is provided by a shareholder registry administrator as well as other electronic voting platforms. In addition, the notices of convocation are thorough in conveying the relevant information, are distributed in both English and Japanese versions, and are published on the Company’s website.

## 2. Status of activities related to IR (Update)

	Supplementary Explanation	Explanation from the Representative
Establishment and publication of disclosure policy	Management information is disclosed proactively, fairly, impartially and in a timely manner to ensure corporate transparency. In this way, we hope to meet the expectations of our stakeholders, including patients, families, caregivers, consumers, medical professionals, payers, shareholders, and employees, gain their understanding of the Group, and maintain and improve their trust. This basic stance has been established and disclosed as the Eisai Group Information Disclosure Policy.	
Hold regular meeting for personal investors.	The Eisai Group holds explanatory meetings as needed, in cooperation with securities firms, etc. Then, through an IR-style presentation, we explain the content of those meetings to shareholders at the General Shareholder Meeting.	Yes
Hold regular meetings for analysts and institutional investors.	The Eisai Group settles accounts quarterly. In conjunction with this, a settlement explanation meeting for analysts and institutional investors is held four times annually. Further, a yearly information meeting is held separately from the settlement explanation meeting to explain the Group's strategy. After issuing the integrated report, a roundtable discussion about the integrated report in which CFO mainly gives explanations is held for analysts, institutional investors, and the media with high interest in ESG. In addition, the Group holds specialized explanation meetings when appropriate to explain R&D issues. At this meeting, the Corporate Officer in charge of research and development explains the status and results of research and development, as well as	Yes

	Supplementary Explanation	Explanation from the Representative
	strategy, and answers questions.	
Hold regular meetings for investors outside Japan.	We conduct regular visits to investors outside Japan. In addition, Eisai representatives actively participate in conferences, large meetings, and small meetings organized by individual securities companies for institutional investors outside Japan, providing explanations and answering questions.	Yes
Post IR materials on the website.	A website for shareholders and investors has been created on the company website. Along with posting the articles of incorporation, financial statements, reference materials, and materials of explanation meetings for analysts and institutional investors, videos of representatives from explanation meetings are posted in both Japanese and English as soon as they are released. In addition, performance highlights/research and development status summarizing the status of business performance and research and development, the Integrated Report, yearly IR schedules, stock procedures/stock prices, announcement of financial statements / electronic announcements, etc., are posted on the website. Moreover, a system has been set up making it possible to send questions related to IR directly to the IR Department via the Internet. <a href="http://www.eisai.com/ir/index.html">http://www.eisai.com/ir/index.html</a>	Yes
Establish departments (responsible parties) for IR.	Investor Relations Department is set up under the Corporate Officer of Investor Relations. IR activities are being conducted with the cooperation of the Research and Development Section, the Corporate Management Planning	-

	Supplementary Explanation	Explanation from the Representative
	Department, the Finance & Accounting Division and the General Affairs Department as well as other related departments.	



### 3. Status of efforts to consider the standpoint of stakeholders (Update)

	Supplementary Explanation
Rules regarding consideration of the standpoint of stakeholders through company regulations, etc.	<p>Consideration of the standpoint of stakeholders is clearly prescribed in Eisai's corporate philosophy which has been established in the text of the articles of incorporation. A summary is given below.</p> <p>Eisai believes that its stakeholders are patients and their families, shareholders, and our employees. Through the following activities, Eisai strives to increase the value for our stakeholders as well as develop and maintain good relationships.</p> <ol style="list-style-type: none"> <li>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;</li> <li>2. Contributing to a sustainable society with a long-term perspective;</li> <li>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</li> <li>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.</li> </ol> <p>The Company aims to nurture human assets who can continually generate innovation even under a rapidly-changing business environment. (The Company sees employees as important assets and refers to human resources as "human assets.") The foundation of the Company's human resources development is having each employee gain an understanding of the true needs of patients through sharing time with them. This generates motivation to know the joys and sorrows of patients and to create solutions to eliminate their anxieties. The Company has incorporated sharing with patients in a variety of internal training programs and is strengthening human resources development.</p> <p>To open the way for the vision of the medium-term business plan</p>

	Supplementary Explanation
	<p>“EWAY Future &amp; Beyond,” the Company promotes self-innovation and works to develop independent human resources with a sense of ownership.</p> <p>In FY2020, as group, in-person training became difficult due to the COVID-19 pandemic, we executed various training online. Utilizing the benefits of online sessions, each training session was short and the content was given continuity, with sessions being held regularly. Furthermore, due to an increase in those working remotely from home, we needed to implement a reform of our management style. In FY2020, we held practical management courses with a focus on department managers, and we are promoting initiatives to revitalize communication within organizations.</p> <p>In addition, in October 2012, the Eisai Group released the “Eisai Diversity Declaration” and worked to familiarize all officers and employees with the Declaration. We have established the Diversity Committee, and will promote the provision of a workplace in which women are able to flourish, the establishment of an environment in which the human resources who support global development can play an active role, and the creation of a system under which middle-aged individuals, senior citizens, and young people work together to create new value.</p>
Implementation of environmental protection activities, CSR activities, etc.	<p>Non-financial value, such as ESG (Environment, Social and Governance) must be taken into account in addition to financial value when determining a company’s value. As the Group expands business based on the <i>hhc</i> philosophy, it has been strengthening its ESG initiatives, such as reducing the burden on the global environment (Environment), improving access to medicines and developing human resources of the Company (Social), and ensuring fairness and transparency of management (Governance). In addition, the Company positions initiatives for ESG as consistent with the SDGs (Sustainable Development Goals), which are international goals adopted at the United Nations summit.</p> <p>Among ESGs, in particular, Eisai considers making efforts to resolve the global issue of access to medicines to be its duty as well as a long-term investment for the future. Eisai is promoting</p>

	Supplementary Explanation
	<p>such efforts proactively under public-private partnerships with governments, international organizations, private non-profit organizations and others. For the elimination of lymphatic filariasis, a neglected tropical disease endemic in developing and emerging countries, the Group is providing the lymphatic filariasis treatment diethylcarbamazine (DEC) tablets to the World Health Organization (WHO) for price zero (free of charge). These DEC tablets are manufactured at the Group's Vizag Plant in India. The Group will continue to supply DEC tablets until lymphatic filariasis is eliminated in all endemic countries that need DEC tablets. As of the end of March 2021, 2.01 billion tablets had been supplied to 28 countries.</p> <p>Furthermore, the Group is carrying out new drug development for tuberculosis, malaria and other neglected tropical diseases such as mycetoma. The Group is also supporting activities to raise awareness and enable early detection of non-infectious diseases, such as dementia and cancer. Affordable pricing, which makes it easier for patients to purchase medication, and tiered pricing, which sets prices according to income levels, are also being implemented as part of activities carried out by the Group to improve access to medicines around the world.</p> <p>Regarding the environment, Eisai has set a scientifically based greenhouse gas reduction target for FY2030 and obtained approval from the Science Based Targets (SBT) initiative. In addition, the entire Group is actively working for the formation of a low-carbon society with initiatives such as systematically increasing the rate of renewable energy. Furthermore, the Group has endorsed the Task Force on Climate-related Financial Disclosure (TCFD), an international framework for analyzing the risks and opportunities of climate change impacts on companies, and disclosed the results of our analysis of the financial impact of climate change based on this framework. The Company have also set medium- and long-term goals of achieving 100% renewable energy use by 2030 and carbon neutrality by 2040. In the future, the Company will promote the effort to achieve carbon neutrality and disclose the results.</p> <p>Regarding human rights, the Group has been working on further</p>

	Supplementary Explanation
	<p>to improve non-financial value by creating a human rights policy and constructing a due diligence mechanism based on the United Nations' "Guiding Principles on Business and Human Rights," which is internationally recognized as a guideline.</p> <p>Information regarding non-financial value of the Group, including ESG, is disclosed in the Integrated Report and Environmental Report, based on the framework of the IIRC (International Integrated Reporting Council).</p> <p><a href="https://www.eisai.com/ir/library/annual/index.html">https://www.eisai.com/ir/library/annual/index.html</a></p>
Establishment and publication of disclosure policy	<p>Management information is disclosed proactively, fairly, impartially and in a timely manner to ensure corporate transparency. In this way, we hope to meet the expectations of our stakeholders, including patients, families, caregivers, consumers, medical professionals, payers, shareholders, and employees, gain their understanding of the Group, and maintain and improve their trust. This basic stance has been established and disclosed as the Eisai Group Information Disclosure Policy.</p>

#### **IV. Basic philosophy and status of preparation of internal control systems**

##### **1. The system for assurance of appropriate business operations**

The Company, in accordance with Article 416 of the Companies Act and Article 112 of the Ordinance for Enforcement of the Companies Act, stipulated “Rules Concerning Matters Necessary for the Performance of Duties by the Audit Committee” and “Rules for Preparing Necessary Systems for Ensuring the Suitability in the Performance of Duties by Corporate Officers” at the Eisai Board of Directors meeting. Both rules are given below.

##### **1) Rules Concerning Matters Necessary for the Performance of Duties by the Audit Committee**

###### **(Objective)**

Article 1 The purpose of these rules is to establish matters 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 company” means each entity that is part of the ENW.

(Matters 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 matters not established by these rules.

(Matters regarding the independence of the employees in the preceding article from the Corporate Officers of the Company and matters 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 ENW companies 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 matters related to their assignments and organization under their oversight, supervision or management, including whether or not such relevant matters 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 measures 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 company serious damage or have significant effect
- (9) Facts that Officers and employees of the ENW company, 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
- (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 companies become aware of any item provided in each item of Paragraph 1 of this Article (except for (4)), they shall immediately report to the Corporate Officer of the Company who supervises, controls or manages such item and contact the Compliance Counter when they become aware of an item in Paragraph 1 (4) of this Article.
  - 3 The Corporate Officer who supervises the promotion of ENW’s compliance shall immediately make a report to the Audit Committee of the Company in the case of highly important matters, out of the matters which are reported to the Compliance Counter, such as incidents that cause or may cause ENW significant damage, or that violate or may violate laws or the Articles of Incorporation.
  - 4 The Auditors or the Audit Committee of the ENW companies in Japan, the People’s Republic of China, South Korea, and Taiwan, except for the Company, shall periodically report information regarding internal audits, compliance and risk management, etc., in such ENW company to the Audit Committee of the Company.
  - 5 The officers and employees of the ENW companies shall promptly make a proper report when a report on matters regarding the execution of business is requested by the Audit Committee of the Company.
  - 6 The Corporate Officers and employees of the Company shall inform the Audit Committee of the Company of the schedules of important meetings.

(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 companies 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.

(Matters 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 ENW companies under which the Audit Committee of the Company enables the investigation, etc., of the accounting and operations of ENW companies.

2 Departments and officers in charge of audits, including the internal audits of ENW companies, shall share necessary information regarding audit activities with the Audit Committee, Audit Committee members, and the Management Audit Department of the Company through regular meetings, etc., in order to operate an efficient and suitable auditing system.

3 The Company's accounting auditor shall report to the Audit Committee regarding audits by the accounting auditor, as well as other investigations, on a regular basis or as requested by the Audit Committee.

(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 companies with the content of these rules.

(Revisions)

Article 9 These rules can be revised through resolution by the Board of Directors.

\* ENW (Eisai Network Companies) refers to the corporate group comprised of Eisai Co., Ltd., and its consolidated subsidiaries and affiliates.

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

(Objective)

Article 1 The purpose of these rules is to establish matters 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 company” means each entity within the ENW. “Corporate Officer in Charge of ENW companies” 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 company other than the Company. “Officers of ENW companies, who execute business operations” shall mean Corporate Officers of the Company and directors of the ENW companies 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 companies shall establish and operate a system to manage risk of loss in ENW depending on the type, size, significance and other aspects of the businesses of ENW companies 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 as stipulated in Article 6, shall establish and promote the operation of a system for the Corporate Officers and employees of the Company to self-evaluate risks related to their assigned duties.

(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 a

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 in the ENW and establish and operate a system under which duties are executed 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 executed 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 companies, who execute business operations, and employees of ENW companies 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 companies, who execute business operations, and employees of ENW companies 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 companies, who execute business operations, and employees of ENW companies 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 companies, who execute business operations, and employees of ENW companies.
- 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. With respect to ENW companies other than the Company, the Corporate Officer, who has been assigned to be in charge of promoting compliance, shall cooperate and perform above with each Corporate Officer in charge of ENW companies, each officer in charge of compliance at each ENW company and the department in charge of compliance.

- 4 The Corporate Officer who has been assigned to be in charge of promoting compliance shall implement a policy of opposing anti-social forces in the ENW business behavior charter, and shall take necessary measures so that the officers of ENW companies, who execute business operations, and employees of ENW companies strictly observe such policy and give their best effort 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 their duties.
- 6 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. With respect to ENW companies other than the Company, the Corporate Officers who have been assigned to be in charge of promoting establishment and operation of an internal control system shall cooperate and perform above with each Corporate Officer in charge of ENW companies, each officer in charge of internal control at each ENW company and the department in charge of internal control.
- 7 Corporate Officers who have been assigned to be in charge of executing internal audits, shall establish rules for internal audits applicable to ENW, devise a plan for internal audits, and execute appropriate and efficient internal audits. With respect to ENW companies other than the Company, Corporate Officers who have been assigned to be in charge of executing internal audits shall have each Corporate Officer in charge of ENW

companies, each officer in charge of internal audits at each ENW company, and the department in charge of internal audits perform the audit of each ENW company and receive reports.

- 8 With respect to professional fields, the Representative Corporate Officer and CEO of the Company shall appoint a Corporate Officer, from among the Corporate Officers of the Company, to be in charge, as necessary, of ensuring compliance with laws and the Articles of Incorporation in such field, and shall establish a department, etc., to support such Corporate Officer in the performance of his or her duties.

(The system for reporting to the Company about matters related to execution of duties of officers and employees of ENW companies other than the Company)

Article 7 The Corporate Officer in charge of ENW companies shall establish a system under which the Company receives reports from ENW companies about important managerial matters and the matters set forth in Articles 4, 5, and 6 of these rules depending on the type, size, significance, and other aspects of the businesses of ENW companies, with respect for the autonomy and the independence of ENW companies which the Corporate Officer has been assigned to oversee, supervise, and manage.

- 2 The Corporate Officer in charge of ENW companies shall report important matters contained in the report received from ENW companies to the Board of Director 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 companies with the content of these rules.

(Revisions)

Article 9 These rules shall be revised through resolution by the Board of Directors.

### 3) Status of Establishment and Operation of Systems for Ensuring Proper Business Operations

The status of establishment and operation of both sets of rules are given below.

#### 1. Status of Operation of the “Rules Concerning Items Necessary for the Performance of Duties by the Audit Committee” (hereinafter the “Rules”)

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

of the Audit Committee of the Company

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

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

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

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

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

A system is established to ensure highly important compliance-related matters reported to the Chief Compliance Officer and/or the Compliance Counter are immediately reported to the Audit Committee. In addition, 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 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 in the Performance of Duties by Corporate Officers”

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

A corporate officer in charge of the storage and management of information has been appointed. Said corporate officer has taken steps to ensure confidential information is handled correctly. Rules for the Protection of Personal Information and the Company-wide Standard Work Procedures 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), Quality (product quality), and 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 Talent Officer has established and thoroughly implemented decision-making procedures for important matters at ENW. These procedures define the drafter, parties to be consulted, person responsible for implementation, person responsible for the outcome, etc., related to important matters at ENW to establish a system that enables such decision-making to be conducted efficiently. The procedures are reviewed and revised 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 directors of ENW other than the Company and corporate officers and employees of ENW companies is in accordance with laws and Articles of Incorporation

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

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



works to reduce everyday operational risks (1) by assessing important company-wide risks through interviews with all corporate officers and (2) by implementing CSA for all ENW department managers. For CSA, 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.

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 officers and employees of ENW companies other than the Company

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

## **2. The basic philosophy and status of preparation for elimination of any form of organized criminal activity**

The Eisai Group established the Charter of Business Conduct to carry out their compliance activities. We stand firm against any form of organized criminal activity as provided in Article 9 of the ENW Charter of Business Conduct.

All directors, officers, and employees of ENW shall at all times and in all daily activities act strictly in accordance with the Charter, and work towards achieving the corporate goals that the Charter defines. Specifically, we educate our directors, officers, and employees on the following points regarding groups engaged in organized criminal activity, such as corporate racketeers and organized crime groups. ENW should never provide any kind of benefit or advantage to such groups.

- Under the Japanese Companies Act, it is prohibited to provide benefit or any kind of benefit or advantage to such groups.
- ENW should not associate with or enter into any kind of relationship with any form

of advantage to any specific shareholders. Depending on the circumstances, there are various forms of requirements for benefit or advantage. The request for such benefit or advantage is in itself prohibited under the law.

- To entertain any form of request from any organized crime group is a violation of the Charter and any director, officer, or employee found to be entertaining such requests may be charged with breach of trust.
- If any of the aforementioned situations come to the knowledge or attention of an officer or employee, it shall be reported promptly to the Compliance Counter (a tool designated to help employees seeking compliance advice and reporting).

The Company collects information about any form of organized criminal activity and establishes internal systems in cooperation with outside institutions.

\* ENW (Eisai Network Companies) refers to the corporate group comprised of Eisai Co., Ltd., and its consolidated subsidiaries and affiliates.

## V. Other

### 1. Adoption of takeover prevention (Update)

No

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 related to the way a person is to 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 hhceco 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 54 through 56 of the digital version.

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.

③Decisions 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 officers.

## **2. Other matters related to the corporate governance system**

### **1. About the Eisai articles of incorporation**

1) Number of directors, qualifications and restrictions, and requirements for resolutions for election and dismissal stipulated by the articles of incorporation

(1) Number of directors (Article 20)

The Company shall have no more than fifteen (15) directors

(2) Requirements for resolutions for the election of directors (Article 21 Paragraph 2)

Resolutions for the election of directors shall be approved by an affirmative vote of a majority of the voting rights held by shareholders present, where such shareholders present hold shares representing one-third (1/3) or more of the exercisable voting rights of shareholders.

(3) Elimination of cumulative voting (Article 21 Paragraph 3)

Cumulative voting shall not be used for a resolution to elect directors.

Moreover, no stipulations of the articles of incorporation applicable to resolutions regarding qualifications and restrictions for directors, or for their dismissal, differ from the Companies Act.

2) Decision to allow resolution of General Meeting of Shareholders resolution items by the Board of Directors and stipulations in the Articles of Incorporation to forbid resolution of Board of Directors resolution items by the General Meeting of Shareholders

(1) Exemption of directors and Corporate Officers from liability (Article 38 Paragraph 1)

Within the legally stipulated limitations, the Company may, by resolution of the Board of Directors, exempt directors and Corporate Officers (including former Corporate Officers) from liability for damages due to negligence of their duties, as per Article 426, Paragraph 1, of the Companies Act.

(2) Dividend (Article 40)

The Company shall determine the matters listed in each item of Article 459, Paragraph 1, of the Companies Act, including dividend, by the Board of Directors, without a resolution by a General Meeting of Shareholders, unless otherwise stipulated by law.

3) Modification of requirements for special resolutions of the general meeting of shareholders

(1) Special resolutions of the general meeting of shareholders (Article 17 Paragraph 2)

Resolutions stipulated in Article 309, Paragraph 2, of the Companies Act shall be adopted by an affirmative vote of two-thirds (2/3) of the voting rights held by shareholders present, where such shareholders present hold shares representing one-third (1/3) or more of the exercisable voting rights of the shareholders.

## **2. Outline of disclosure systems**

Our internal system for timely disclosure of Eisai information is as follows.

### **1) Financial Information**

Every quarter, after the Chief Financial Officer has approved the financial statements on which the disclosure will be based, said statements are submitted to the CEO and approved by the Board of Directors.

Accounting

Chief Financial

Board of

section → Officer → CEO → Directors

The financial information is disclosed via the following procedure. The Corporate Officer in charge of public relations prepares disclosure documents based on financial information from the section(s) in charge of settling accounts as submitted through a committee set up for disclosures on the financial statements and, after the Chief Financial Officer has reviewed the documents, the documents are proposed to the CEO, who then approves the disclosure following a Board of Directors resolution.

Committee set up for disclosure of financial statements → Corporate Officer in charge of public relations → CEO → Disclosure

#### **[Members of committee on disclosure of financial statements]**

- Chief Financial Officer
- Corporate Officer in charge of investor relations
- Corporate Officer in charge of public relations
- Corporate Officer in charge of general affairs
- Investor relations section
- Public relations section
- Corporate planning and strategy section
- Accounting section
- Financing section
- General affairs section
- Product creation section

#### **2) Submission of securities reports, etc.**

Securities reports, etc. are disclosed via the following procedure. After related sections draft the reports and the accounting section compiles them, the Chief Financial Officer reviews the proposal and the CEO approves the report, etc.

Related sections → Accounting section → Chief Financial Officer → CEO → Submission

#### **[Members attending meetings for related sections on securities reports, etc.]**

- Corporate Officer in charge of investor relations
- Corporate Officer in charge of public relations

- Corporate Officer in charge of legal affairs
- Corporate Officer in charge of general affairs
- Board of Directors Secretariat
- Investor relations section
- Public relations section
- Legal section
- Accounting section
- Financing section
- General affairs section

### **3) Other Information (other than in “1.” and “2.” above)**

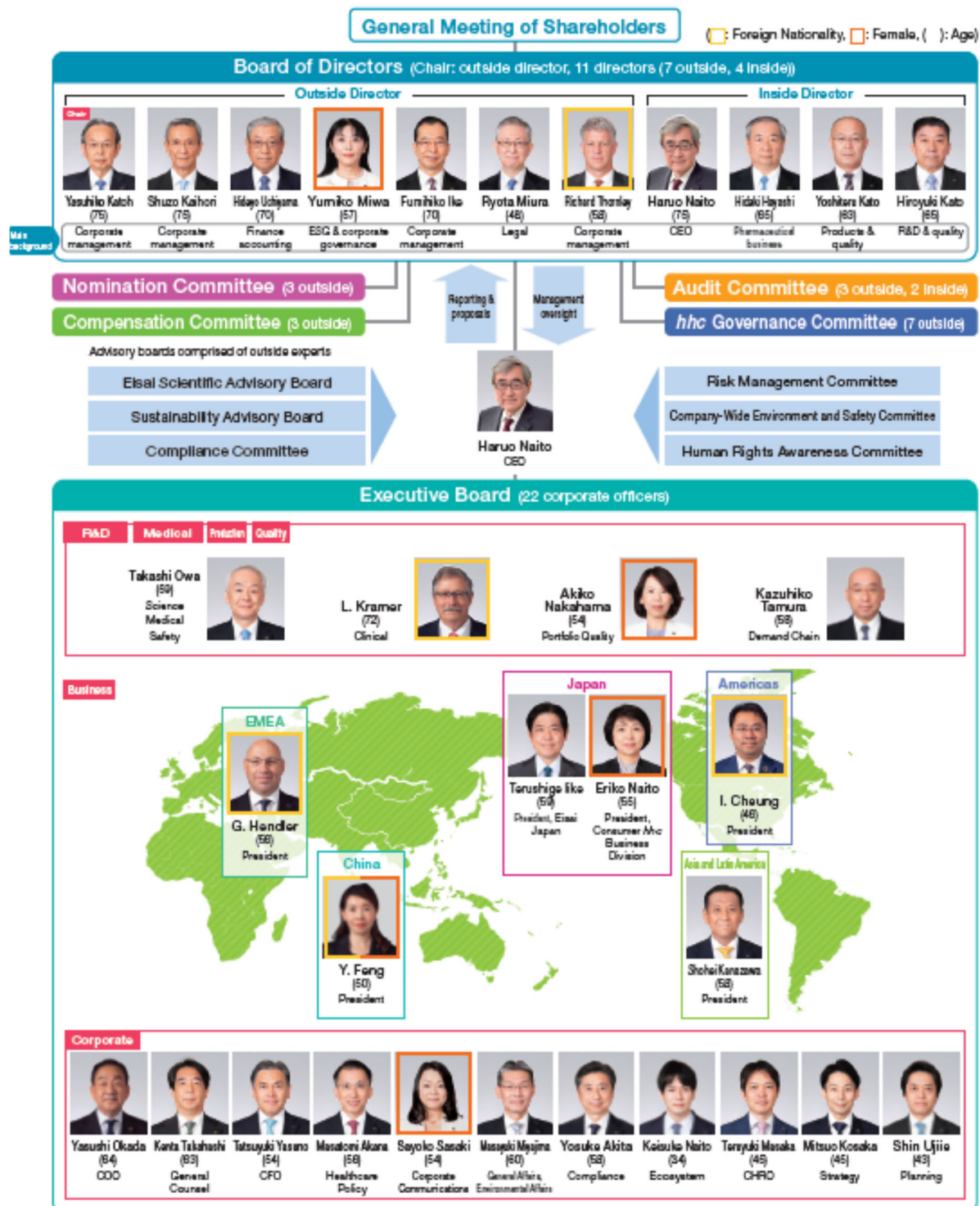
All other information is disclosed via the following procedure. The Public Relations Section gathers information for potential disclosure and reports it to the Corporate Officer in charge of public relations. In addition, when internal sections (including subsidiaries) become aware of or possess information for disclosure, they notify the public relations section. The Corporate Officer in charge of public relations reviews whether disclosure of the information received is appropriate, including regarding information from other meetings such as the Executive Committee, and sets a date and procedure to be discussed with related Corporate Officers. The Public Relations Section is responsible for the disclosure, and the Corporate Officer in charge of public relations manages the timely and appropriate disclosure of information in accordance with regulations and the guidelines of the Tokyo Stock Exchange.

In addition, in case of any information that may pertain to important facts, an information management supervisor will hold an Information Management Committee meeting and decide on how to manage internal information while working to prevent insider trading issues.

Sections	Public	Corporate Officer			
with the	Relations	in charge of			
information ⇔	section →	public relations	→	CEO	→ Disclosure



## Global Governance Structure to Enhance Corporate Vitality and Exercise Highly Effective Oversight



as of March 31, 2023

## [Appendices]

### **Requirements for the Independence and Neutrality of Outside Directors**

(Revised on 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 the 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. The individual has been an officer or employee of an enterprise, etc., of a major business partner (see Note 2 below) of the Eisai Group, or otherwise an officer or employee of an enterprise, etc., conducted by a major business partner of the Eisai Group.
    - b. Regardless of the value of the transaction, the individual has been an officer or employee of an enterprise, etc., with which Eisai conducts necessary transactions, Eisai’s audit corporation, or any other enterprise, etc., that has a relationship of substantive interest with the Eisai Group.
    - c. The individual has been an officer or employee of a corporate person or an enterprise, etc., that is a major shareholder (see Note 3 below) of Eisai or of an enterprise, etc., of which the Eisai Group is a major shareholder.
    - d. Excluding officer compensation from the Eisai Group, the individual has received a direct payment of 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. The individual has received a large amount of money or other property from the Eisai Group as a contribution or has been an officer or employee of an entity, organization, etc., that has received such a contribution.
    - f. The individual has 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 the 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 are ensured.
  - 3) In addition, from the perspectives of independence and neutrality, there must not be any other reason that would impede the performance of 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 his or her sole livelihood through a relationship with, any of the following persons.

- 1) An officer or important employee (see Note 7 below) of the Eisai Group
- 2) Individuals whose independence and neutrality from the Eisai Group or from specified enterprises, etc., are not ensured, as determined by the Nomination Committee, based on the requirements of Paragraph 2 of this Article 13 above.
4. An Outside Director must not have the possibility of a significant conflict of interest in the performance of duties as a director, and the judgment of an Outside Director must not be in danger of being affected by a relationship of interest.
5. The requirements for the independence and neutrality of Outside Directors provided in this Article continue to apply after the appointment as Director.

Note 1: “Officer” means director, Corporate Officer, statutory auditor, and other officers, etc.

Note 2: “Major business partner” means an enterprise, etc., for which 2% or more of its or the Eisai Group’s sales in any of the past five fiscal years have been sales, or compensation for work or transactions, to or from, as applicable, the Eisai Group, and 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 corporate person or an enterprise, etc., that directly or indirectly held 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 ¥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, in any of the past five fiscal years.

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 option ownership in the relevant enterprise, etc.
- 2) Post-retirement remuneration, company pension, etc., from the relevant enterprise, etc.
- 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.