

FOR IMMEDIATE RELEASE

May 30, 2022



Company Name: Eisai Co., Ltd.
Representative: Haruo Naito, Representative Corporate Officer and CEO
(Code: 4523, Tokyo Stock Exchange Prime Market)
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Announcement of a Summary Share Exchange (*kan'i kabushiki kokan*) to Make Sunplanet Co., Ltd. a Wholly Owned Subsidiary

Eisai Co., Ltd. (Head office: Tokyo, Representative Corporate Officer and CEO: Haruo Naito, hereinafter “Eisai”) and its consolidated subsidiary Sunplanet Co., Ltd. (Head office: Tokyo, hereinafter “Sunplanet”) resolved to execute a share exchange (hereinafter “Share Exchange”) under which Eisai is a wholly owning parent company in share exchange and Sunplanet is a wholly owned subsidiary in share exchange, and the companies have executed today the share exchange agreement (hereinafter “Share Exchange Agreement”).

1. Purpose of the Share Exchange

The Eisai Group defines its corporate mission as “giving first thought to patients and their families, and to increasing the benefits that health care provides.” The Eisai Group calls it the *human health care (hhc)* philosophy. Under its new mid-term business plan, “EWAY Future & Beyond”, which started in April 2021, the Eisai Group has shifted its perspective from the conventional “patients and their families” to “patients and the general public”, and has been working on creating solutions beyond pharmaceutical products to contribute to them with the vision of “empowering people to realize their fullest life.” Through these activities, the Eisai Group aims to effectively realize social good in the form of relieving people’s anxieties over health and reducing health disparities.

Sunplanet was formed in April 2002 through the merger of six domestic Eisai Group companies and provides Eisai with business services in the medical, health, and environmental fields as its core business.

In light of the current challenging environment surrounding the global pharmaceutical industry and other factors, the Eisai Group has determined that it is necessary to make Sunplanet a wholly owned subsidiary in order to realize the above vision thereby strengthening the coherence of the Group, quickly selecting and focusing Sunplanet’s business and expanding its service support functions to the Group.

(1) Schedule for the Share Exchange

Executive Committee meeting for Resolution of the Share Exchange Agreement (Eisai)	May 27, 2022
Board of Directors meeting for Resolution of the Share Exchange Agreement (Sunplanet)	May 27, 2022
Share Exchange Agreement execution date (Eisai and Sunplanet)	May 30, 2022
Ordinary general meeting of shareholders to approve the Share Exchange Agreement (Sunplanet)	June 24, 2022 (scheduled)
Effective date of the Share Exchange	September 1, 2022 (scheduled)

(2) Method of the Share Exchange

Through the Share Exchange, Eisai shall become the wholly owning parent company and Sunplanet shall become the wholly owned subsidiary. The Share Exchange is subject to approval by a resolution of the ordinary general meeting of shareholders of Sunplanet to be held on June 24, 2022. In accordance with Article 796, Paragraph 2 of the Companies Act, Eisai plans to implement the Share Exchange in the form of a summary share exchange which does not require obtaining approval by resolution at a general meeting of shareholders.

(3) Allotment in the Share Exchange

	Eisai (wholly owning parent company in the share exchange)	Sunplanet (wholly owned subsidiary company in the share exchange)
Ratio of allotment in the Share Exchange	1	52
Number of shares to be delivered upon the Share Exchange	Common stock of Eisai: 71,105 shares (scheduled)	

(Note 1) Share allotment ratio

52 shares of Eisai common stock will be allotted and delivered in exchange for each share of Sunplanet common stock. No share of Sunplanet common stock (7,694.93 shares as of today) will be allotted in the Share Exchange held by Eisai.

(Note 2) Number of shares Eisai delivers upon Share Exchange

Upon the Share Exchange, Eisai plans to allot and deliver Eisai shares in the amount calculated by applying the Share Exchange Ratio of this Share Exchange to the total number of Sunplanet shares held by shareholders (excluding Eisai) as of the time immediately preceding the time ("Base Time") when all issued Sunplanet shares (excluding Sunplanet shares held by Eisai) are acquired through the Share Exchange. Eisai plans to allocate its treasury shares for the Share Exchange and will not issue new shares upon the allotment in the Share Exchange.

Sunplanet will cancel all treasury shares it holds at the Base Time (including shares to be acquired through the exercise of the dissenters' appraisal right to request purchase of their shares in accordance with Article 785, Paragraph 1 of the Companies Act in relation to this Share Exchange) by resolution of the Board of Directors meeting to be held by the day before the effective date of this Share Exchange. The number of shares to be delivered upon the Share Exchange may be subject to change in the future due to events such as the acquisition or cancellation of the treasury shares by Sunplanet.

(Note 3) Treatment of shares constituting less than one (1) unit (*tangen miman kabushiki*)

Sunplanet shareholders who will hold shares of Eisai constituting less than one (1) unit (shares less than 100 shares) as a result of the Share Exchange may use the following systems concerning Eisai. Please note that shareholders cannot sell shares constituting less than one (1) unit in the financial instruments exchange market.

(1) Purchase (*kaitori*) of shares constituting less than one (1) unit (sale by a shareholder of shares less than 100 shares)

A system whereby shareholders holding shares of Eisai constituting less than one (1) unit may request Eisai to purchase the shares constituting less than one (1) unit held by such shareholders pursuant to the provisions of Article 192, Paragraph 1 of the Companies Act.

(2) Further purchase (*kaimashi*) of shares constituting less than one (1) unit (purchase to reach a total of 100 shares)

A system whereby shareholders holding shares of Eisai constituting less than one (1) unit may purchase additional shares of Eisai by requesting Eisai to sell them the number of shares that, together with the number of shares constituting less than one (1) unit held by such shareholders, will constitute one (1) unit, pursuant to the provisions of Article 194, Paragraph 1 of the Companies Act and the Articles of Incorporation of Eisai.

(Note 4) Treatment of any fractions of less than one (1) share

With respect to Sunplanet shareholders who will receive fractions of less than one (1) share of Eisai upon the Share Exchange, Eisai will sell Eisai shares equivalent to the total number of such fractions (fractions of less

than one (1) share in the total number to be rounded down to the nearest whole number) and pay the proceeds of such sale to each of such shareholders in cash in an amount corresponding to the value of such fractional shares, pursuant to the provisions of Article 234 of the Companies Act and other relevant laws and regulations.

(4) Treatment of share options and bonds with share options in relation to the Share Exchange

Sunplanet, which will become a wholly owned subsidiary of Eisai, has not issued any share options or bonds with share options upon the Share Exchange.

2. Basis for Calculation of the Allotment Concerning the Share Exchange

(1) Basis and Reason for Calculation of the Allotment Concerning the Share Exchange

In order to ensure the fairness and appropriateness of the calculation of the Share Exchange Ratio to be applied upon the Share Exchange described in 1. (3) "Allotment in the Share Exchange" above, Eisai requested EY Strategy and Consulting (hereinafter "EYSC"), a third-party valuation institution independent from Eisai and Sunplanet, to evaluate the share value of Sunplanet and Eisai and the Share Exchange Ratio of the shares of Sunplanet and Eisai.

After careful discussion and review, using as reference the results of the assessment of the share value of Sunplanet and Eisai and the Share Exchange Ratio received from EYSC, Eisai has concluded that the above Share Exchange Ratio is appropriate.

The Share Exchange Ratio may be subject to change upon consultation between Eisai and Sunplanet in the event of any material changes in the conditions on which the calculation is based.

(2) Matters Concerning Calculation

i. Names of the Valuation Institution and Its Relationship with Eisai and Sunplanet

EYSC is a third-party valuation institution independent from Eisai and Sunplanet, is not a related party of Eisai and Sunplanet, and does not have any material interest to be noted in connection with the Share Exchange.

ii. Outline of Calculation

With regard to Sunplanet shares, valuation methods were examined considering the facts that Sunplanet is not a listed company on a financial instruments exchange so market share price does not exist and its business activities to third parties other than Eisai group are limited. Upon comprehensive consideration of various valuation methods centering on income approaches, the dividend discount method was adopted to appropriately evaluate the share value attributable to the shareholders of Sunplanet. In evaluating the value of the shares of Sunplanet using the dividend discount method, we took into consideration the past dividend performance of Sunplanet and distributable dividend amounts based on objective external data. Based on the results of this valuation, we negotiated and discussed with Sunplanet and determined that 295,000 JPY per share is an appropriate value for Sunplanet shares. Although the agreed price is higher than the mean of the upper and lower limits of this valuation, it is considered to be within a reasonable range.

With regard to Eisai shares, since Eisai is listed on the financial instruments exchange and has a market stock price, the market share price standard method was used in the evaluation. Since the market price fluctuates daily, the calculation is based not only on the closing price of the stock price at a certain point in time, but also on the average stock price in the past. As a result of considering the economic environment after the beginning of 2022 and our business performance for the most recent fiscal year (including earnings forecast), with setting the valuation base date at May 16, 2022, which is the business day following the announcement of financial results for the fiscal year ending March 2022, (i) the closing price on the valuation base date (5,582 JPY per share), (ii) the simple average of the closing price for the most recent one-month period until the valuation base date (5,620 JPY per share), and (iii) the simple average of the closing price for the most recent 3-month period (5,724 JPY per share) were used as the basis of such calculation.

As a result of the above valuation analysis, the calculation results of the Share Exchange Ratio, assuming that the share value per share of Eisai's common stock is set at one (1), is as follows.:

Valuation methodology		Range of calculation of Share Exchange Ratio
Eisai	Sunplanet	
Market price method	Dividend discount method	51.53 to 52.85

3. Outline of Relevant Parties (as of March 31, 2022)

	Wholly owning parent company in share exchange	Wholly owned subsidiary company in share exchange										
(1) Corporate name	Eisai Co., Ltd.	Sunplanet Co., Ltd.										
(2) Head office	4-6-10, Koishikawa, Bunkyo-ku, Tokyo	3-5-10, Otsuka, Bunkyo-ku, Tokyo										
(3) Name and title of representative	Representative Corporate Officer and CEO Haruo Naito	President and Representative Director Kazuo Hirai										
(4) Description of business	Research and development, manufacture, sale and import and export of pharmaceuticals	Sale of products and provision of services related to medical, health and environmental fields										
(5) Stated capital	JPY44,986 million	JPY455 million										
(6) Date of incorporation	December 6, 1941	April 2, 2001 (Founded April 1, 2002)										
(7) Number of shares issued	296,566,949 shares	9,100 shares										
(8) Fiscal year end	March 31	March 31										
(9) Number of employees	11,322 (Consolidated)	530 (Separate)										
(10) Major shareholders and shareholding ratio (Note)	<table border="0"> <tr> <td>The Master Trust Bank of Japan, Ltd. (trust account)</td> <td>20.01%</td> </tr> <tr> <td>Custody Bank of Japan, Ltd. (trust account)</td> <td>11.48%</td> </tr> <tr> <td>STATE STREET BANK AND TRUST COMPANY 505001</td> <td>6.47%</td> </tr> <tr> <td>Nippon Life Insurance Company</td> <td>3.41%</td> </tr> <tr> <td>Saitama Resona Bank Ltd</td> <td>2.20%</td> </tr> </table>	The Master Trust Bank of Japan, Ltd. (trust account)	20.01%	Custody Bank of Japan, Ltd. (trust account)	11.48%	STATE STREET BANK AND TRUST COMPANY 505001	6.47%	Nippon Life Insurance Company	3.41%	Saitama Resona Bank Ltd	2.20%	Eisai Co., Ltd. 84.91%
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(11) Relationships between the parties	<table border="1"> <tr> <td>Capital relationship</td> <td>Eisai holds 85.07% (7,694.93 shares) of the voting rights in the number of issued shares of Sunplanet and is the parent company.</td> </tr> <tr> <td>Personnel relationship</td> <td>Not applicable.</td> </tr> <tr> <td>Transaction relationship</td> <td>Sunplanet sells products and provides services to Eisai related to medical, health, and environmental fields.</td> </tr> <tr> <td>Status as a related party</td> <td>Sunplanet is a consolidated subsidiary of Eisai, and therefore, Eisai and Sunplanet are related parties of each other.</td> </tr> </table>		Capital relationship	Eisai holds 85.07% (7,694.93 shares) of the voting rights in the number of issued shares of Sunplanet and is the parent company.	Personnel relationship	Not applicable.	Transaction relationship	Sunplanet sells products and provides services to Eisai related to medical, health, and environmental fields.	Status as a related party	Sunplanet is a consolidated subsidiary of Eisai, and therefore, Eisai and Sunplanet are related parties of each other.		
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(12) Operational results and financial conditions for the most recent three 2 years (Unit: JPY million)				
	Wholly owning parent company in share exchange		Wholly owned subsidiary company in share exchange	
Company	Eisai Co., Ltd. (Consolidated)		Sunplanet Co.,Ltd. (Separate)	
Fiscal year ended	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022
Equity attributable to parent entity owners/net assets	701,601	748,821	9,505	9,842
Total assets	1,088,427	1,239,315	14,091	14,180
Attributable to owners of the parent per share/Net asset value per share (JPY)	2,447.45	2,611.82	1,051,432.32	1,085,926.90
Sales revenue	645,942	756,226	16,133	15,564
Operating profit	51,511	53,750	451	556
Profit before tax/Net profit before tax	52,296	54,458	456	558
Profit attributable to owners of parent company/Net profit	41,942	47,954	305	376
Basic net profit per share/Net profit per share (JPY)	146.34	167.27	33,853.77	41,586.17

(Note) Percentage of shareholding is calculated excluding treasury shares (5,466 shares).

4. State after the Share Exchange

There will be no deviation from the description of Eisai's name, head office address, title and name of the representative, business activities, and fiscal year end in "3. Outline of Relevant Parties".

5. Outline of Accounting Treatment

The Share Exchange is expected to fall under the category of a transaction under common control, etc. in Eisai's consolidated financial statements under accounting standards for business combinations.

6. Future outlook

The impact of this Share Exchange on the operating results of both Eisai and Sunplanet is minimal since Sunplanet is already a consolidated subsidiary of Eisai.

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