

FOR IMMEDIATE RELEASE  
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Adoption of Resolution for the Partial Revision and Continuation of  
the "Policy for Protection of the Company's Corporate Value and Common Interests of  
Shareholders" (Countermeasures Against Takeovers)

On April 25, 2018, Eisai Co., Ltd. (the "Company") announced in a news release that at a meeting held on the same day, its Board of Directors had adopted a resolution for the continuation of the "Policy for Protection of the Company's Corporate Value and Common Interests of Shareholders" (the "Policy") after adopting revisions to shorten the effective period of the current Policy from five years, ending on June 30, 2021, to a period of one year, and to increase the standard of acquisitions subject to the Policy from "15% or more" of the outstanding shares of the Company to "20% or more" of such shares.

Today, the Company's Board of Directors (Chair: Yasuhiko Katoh) received a proposal from the Board's Independent Committee of Outside Directors ("ICOD;" Chair: Daiken Tsunoda) to continue the Policy after adoption of these revisions, as per the Board's resolution of April 25th. The matter was deliberated on and unanimously adopted by the Board of Directors, as proposed by the ICOD.

The revised Policy will come into effect on July 1, 2018, and the current Policy will no longer be operative after June 30, 2018.

The full text of the revised Policy is as per the attachment. The only change to its content from the Policy revision disclosed on April 25, 2018 is in "Appendix 4: Members of the Independent Committee of Outside Directors."

At present, the Company has not received any specific proposals concerning a large-scale purchase of the Company's shares.

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## Policy for Protection of Company's Corporate Value and Common Interests of Shareholders

### 1. Background of Adoption and Continuation

As a human health care (*hhc*) company, the Company believes that its mission of highest priority, securing and enhancing our corporate value and the common interests of our shareholders, will be achieved by creating value for patients. To create value for patients, it is necessary to undertake research and development of new drugs, to manufacture and distribute high quality products, and to manage and provide information to achieve the safe use of pharmaceutical products. To do this the Company must implement long-term corporate measures. To strengthen shareholder value, it is essential that the Company grow steadily and continuously. Furthermore, to fulfill its corporate social responsibility and accomplish the mission set out above, the Company, in 2004, adopted a "Company with Committees System" (currently "Company with a Nomination Committee, etc. System") and established a highly transparent governance structure.

In order to realize the above mission, the Company plans to increase its corporate value and strengthen shareholder value by introducing and implementing a variety of long-term measures such as the Medium-term Strategic Plan. However, considering the escalating competition surrounding the Company, and the changes, content, etc. 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 reject any and all acquisitions that are intended to obtain a large volume of shares of the Company or that permit a third party to participate in the Company's business management, if such acquisitions will substantially increase the corporate value of the Company. However, among acquisitions of large shareholding positions, there are acquisitions that are inappropriate, in view of their purpose and the business policy after such acquisitions, such as those that cause obvious and irreparable damage to the shareholders' common interests, that are structured to coerce other shareholders to sell their shares under unfavorable conditions, that do not give sufficient time and information to the Company and shareholders for their examination of the substance of the proposed acquisition and consideration of alternatives, or that offer terms and conditions that are insufficient or inappropriate from the perspective of protecting the Company's corporate value and the common interests of the shareholders. Furthermore, in order to realize value for patients, and thereby to increase the corporate value and the common interests of the shareholders, research and development systems of new drugs, a stable supply of high quality products, and proper management and provision of information on safety and efficacy of drugs are essential. If the Company fails to secure these

processes, the Company's corporate value and the common interests of the shareholders will be harmed.

Therefore, the Company has determined that the adoption of this Policy for Protection of Company's Corporate Value and Common Interests of Shareholders (the "Policy") is essential to deter acquisitions, including the above types of acquisitions, that are inconsistent with the Company's corporate value and the common interests of the shareholders, and at a meeting of the Independent Committee of Outside Directors, which consists solely of seven outside directors, held in February 2006, it was decided to adopt this Policy.

For any acquisition of a 15% or greater stake, this Policy will first require the acquirer or the person proposing the acquisition (hereinafter, together with a tender offer bidder (TOB) or one proposing a TOB, collectively referred to as an "Acquirer") to provide information to the Company about the intended acquisition in advance of such acquisition. By doing this, the Company will be able to secure a period to collect and review information regarding the purchase, explain the business plan to the shareholders, and, if necessary, propose alternatives to and negotiate with the Acquirer. On the contrary, if an Acquirer enters into an acquisition without providing information in advance, or if the acquisition is not determined to be an acquisition that will not substantially harm the Company's corporate value and the common interests of the shareholders, as mentioned below, the Company will issue, as necessary, by allocation to all shareholders at that time, new share subscription rights conditioned such that the Acquirer and certain related parties may not exercise such rights (collectively the "Rights," pertaining to any single share a "Right"). This Policy will decrease the relative percentage of voting rights held by the Acquirer by issuing the Rights and will aim to prevent any acquisition that will substantially harm the Company's corporate value and the common interests of the shareholders.

The adoption of this Policy, and the process for the evaluation of a proposed acquisition of a 15% or greater stake, any discussions and negotiations with the Acquirer, and the judgment of whether or not the issuance of the Rights is required based on the results of said discussions and negotiations, are required to be objective and reasonable to prevent the possibility that management could manipulate this Policy to protect its own interests. The Board of Directors of this Company consists of directors, the majority of whom are outside directors. These outside directors, who are independent from the Company Management, include a corporate manager, an academic expert, a CPA, an attorney, etc., with abundant experience and excellent records of achievement. Of the four (4) other directors who are not outside directors only one (1) is engaged in day-to-day business operations. Therefore, the Company believes that the Board of Directors will be able to make an objective and reasonable decision for the shareholders' interests.

In the adoption of this Policy, a "Special Committee" consisting of three (3) outside directors was first established. The Special Committee received opinions from independent outside advisors and examined whether or not this Policy should be adopted. As a result of the examination, the Special Committee

determined that the adoption of a policy was essential to prevent acquisitions that could substantially harm the Company's corporate value and the common interests of the shareholders. This Policy was proposed to the Independent Committee of Outside Directors, which consists of all seven (7) outside directors (please see Attachment No. 1, "Outline of the Independent Committee of Outside Directors," regarding requirements for resolutions and matters to be resolved), and the Independent Committee of Outside Directors examined whether or not it should be adopted. As a result of the examination, the Independent Committee of Outside Directors decided that this Policy was essential and appropriate to prevent acquisitions that could substantially harm the Company's corporate value and the common interests of the shareholders, and recommended to the Board of Directors to adopt this Policy. The Board of Directors, after examination of this Policy, resolved to adopt it. Thus, this Policy has been adopted for the common interests of the shareholders by the initiative of the Independent Committee of Outside Directors.

In addition, in order to ensure that the operation of the Policy is objective and reasonable, the Independent Committee of Outside Directors will be primarily responsible for the operation of this Policy. In case of an actual proposed acquisition of a 15% or greater shareholding, the Independent Committee of Outside Directors will, acting on their own initiative, determine whether or not all the criteria set forth in Article 4 below have been satisfied

Unless the Independent Committee of Outside Directors determines that the acquisition satisfies all the criteria set forth in Article 4 below, in principle, it will propose that the Board of Directors issue the Rights. The Board of Directors will then determine ultimately whether or not the issuance of the Rights will be necessary. If the Independent Committee of Outside Directors decides that the Rights are not to be issued, the Board of Directors will make neither an examination nor a determination of the issuance of the Rights. By adopting this system, this Policy will prevent arbitrary decisions by Management with respect to the judgment of whether the Rights should be issued, and make it difficult to issue the Rights.

Since the adoption of the Policy, the Independent Committee of Outside Directors has considered whether to maintain, revise, or abolish the Policy each year. Based on the Independent Committee of Outside Director's recommendation, the Board of Directors determines to continue the Policy.

## 2. Acquisitions Subject to This Policy

Under this Policy, the Rights may be issued in accordance with the procedures stipulated in this Policy in the event of an acquisition or proposal of acquisition as set forth below in 2.1) or 2.2) below (hereinafter collectively referred to as an "Acquisition"):

- 1) A purchase or other acquisition, that, if completed, would make a person's<sup>1</sup> shareholding percentage<sup>2</sup> of shares issued by the Company<sup>3</sup> 20% or more; or
- 2) A TOB<sup>4</sup> that, if successful, will make a TOB Acquirer's, plus its special affiliated persons'<sup>5</sup> shareholding percentages<sup>6</sup> of shares<sup>7</sup> issued by the Company<sup>8</sup>, 20% or more in total.

### 3. Process for the Issuance of the Rights

- 1) Submission of Information in Advance from Acquirer to the Independent Committee of Outside Directors

The Acquirer, who proposes to make an Acquisition set forth in Article 2 above, shall prior to publicly announcing any proposed Acquisition or launching a TOB, submit in writing to the Independent Committee of Outside Directors the information set forth in Appendix 2 which is necessary to examine the content of the Acquisition (the "Necessary Information") and a declaration that the Acquirer will comply with the procedures stipulated in this Policy (together with the Necessary Information, the "Acquisition Description").

If the Independent Committee of Outside Directors determines that the content of the relevant Acquisition Description is insufficient to meet the requirements set forth for the Necessary Information, the Independent Committee of Outside Directors may request the Acquirer to submit additional Necessary Information, setting a specific deadline if appropriate. In this circumstance, the Acquirer will submit the remaining Necessary Information by the deadline.

If the Independent Committee of Outside Directors believes that the Acquirer started the Acquisition without complying with the procedures stipulated in this Policy, the Independent Committee of Outside Directors, in principle, will propose to the Board of Directors to issue the Rights in

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<sup>1</sup> Including holders under the Financial Instruments and Exchange Act, Article 27-23(3)

<sup>2</sup> Defined in the Financial Instruments and Exchange Act, Article 27-23(4), the same applies below unless otherwise specified

<sup>3</sup> Defined in the Financial Instruments and Exchange Act, Article 27-23(1), the same applies below unless otherwise specified

<sup>4</sup> Defined in the Financial Instruments and Exchange Act, Article 27-2(6)

<sup>5</sup> Defined in the Financial Instruments and Exchange Act, Article 27-2(7), provided that the persons stipulated in item 1 of such Article 27-2(7) are excluded except for those persons provided for under the Cabinet Order Article 3(2) regarding disclosure of the TOB by persons other than the issuer

<sup>6</sup> Defined in the Financial Instruments and Exchange Act, Article 27-2(8), the same applies below unless otherwise specified

<sup>7</sup> Defined in the Financial Instruments and Exchange Act, Article 27-2(1)

<sup>8</sup> Defined in the Financial Instruments and Exchange Act, Article 27-2(1)

accordance with 3.3)(1) below, unless there is a special situation in which the Independent Committee of Outside Directors may continue to discuss and negotiate with the Acquirer who is requested to submit the Acquisition Description (including the Necessary Information).

- 2) Examination of the Acquisition Content of the Relevant Acquirer, Negotiation with Acquirer, and Presentation of an Alternative Proposal to All of the Shareholders by the Independent Committee of Outside Directors

If the Acquirer submits an Acquisition Description and sufficient Necessary Information including additional Necessary Information requested by the Independent Committee of Outside Directors, the Independent Committee of Outside Directors of the Company may, as necessary, also request the Representative Corporate Officer and CEO of the Company to submit, within thirty (30) days, opinions on the content of the Acquisition by the Acquirer and materials that show the grounds for such opinions, alternatives and other necessary information, and materials that the Independent Committee of Outside Directors appropriately regards as necessary.

The Independent Committee of Outside Directors will collect, compare, etc., the information related to the investigation and examination of the content of the Acquisition of the Acquirer, the investigation and examination of any alternative proposal submitted by the Representative Corporate Officer and CEO of the Company, and the business plans, etc., of the Acquirer and the Representative Corporate Officer and CEO of the Company, in principle, for sixty (60) days (however, the Independent Committee of Outside Directors can extend the period up to ninety (90) days in accordance with 3.3)(3) below) after the receipt of the Necessary Information and materials from the Acquirer and the Representative Corporate Officer and CEO (the "Examination Period"). The Independent Committee of Outside Directors will, if necessary, directly or indirectly, negotiate with the Acquirer, and present to all of the shareholders of the Company the alternative proposal submitted by the Representative Corporate Officer and CEO of the Company.

The Independent Committee of Outside Directors can, at its discretion, obtain advice from third parties independent from the Company Management (including financial advisors, CPAs, lawyers, consultants and other specialists) at the Company's expense in order to ensure that the decision of the Independent Committee of Outside Directors is reasonable.

The Acquirer shall not initiate an Acquisition before the end of the Examination Period.

- 3) Resolution of the Independent Committee of Outside Directors

The Independent Committee of Outside Directors will take the following procedures:

- (1) In such case that an Acquirer has not complied with the procedures set forth in 3.1) and 2) above, unless the Independent Committee of Outside Directors determines that 3.3)(2) or (3) below is applicable, the Independent Committee of Outside Directors will, in principle, propose to the Board of Directors to issue the Rights without regard to whether it is during or after the Examination Period.

However, if there is a change in the facts relating, etc., to the premises of the decision, the Independent Committee of Outside Directors may revise its decision including the cancellation of the issuance of the Rights.

- (2) If the Independent Committee of Outside Directors finds, as a result of the examination of the Acquisition content of the Acquirer and negotiation with the Acquirer, that the purchase by the Acquirer will meet all of the criteria stipulated in 4.1) through 9) below, the Independent Committee of Outside Directors will resolve not to issue the Rights without regard to whether it is during or after the Examination Period. In connection with such resolution of non-issuance of the Rights, the Board of Directors will not examine whether or not the Rights are to be issued.

If the facts underlying the determination change, the Independent Committee of Outside Directors may revise its decision including proposing to issue the Rights.

- (3) If the Independent Committee of Outside Directors does not advise the Board of Directors either to issue or not to issue the Rights by the end of the original Examination Period, the Independent Committee of Outside Directors may resolve that the Examination Period will be extended to the extent necessary to examine the content of the Acquisition of the Acquirer, negotiate with the Acquirer, request the submission of and examine an alternative proposal, etc. (after such extension, the same procedure will apply to subsequent extensions).

If the Examination Period is extended based on the above resolution, the Independent Committee of Outside Directors will continue to examine the content of the Acquisition of the Acquirer, and, if necessary, negotiate with the Acquirer, request the submission of and examine an alternative proposal, etc., and will endeavor to propose to issue the Rights or determine not to issue them, or present to all of the shareholders of the Company an alternative proposal, etc., during the extended period.

#### 4) Resolution of the Board of Directors

If the Board of Directors receives the above-mentioned proposal from the Independent Committee of Outside Directors to issue the Rights, it shall make such resolution without delay.

However, if the facts underlying the determination change, the Board of Directors may make another determination.

If the Independent Committee of Outside Directors resolves to not issue the Rights, as stated in 3.3)(2) above, the Board of Directors will not examine whether or not the Rights are to be issued.

#### 5) Disclosure of Information

In adopting this Policy, the Company will disclose on a timely basis the information with respect to the following items relating to the status of the progress of each of the procedures of this Policy as well as to matters the Independent Committee of Outside Directors and the Board of Directors of the Company think to be appropriate, in accordance with the laws and regulations or the financial instruments exchanges' rules, regulations, etc.

- (1) The relevant acquisition under the above 2.1) or 2.2);
- (2) The submission of the Acquisition Description from the Acquirer, and matters within the Necessary Information and other information that the Independent Committee of Outside Directors determine as appropriate;
- (3) The commencement of the examination by the Independent Committee of Outside Directors, and the extension of the Examination Period (including the period and the reason);
- (4) The proposal of the Independent Committee of Outside Directors to issue the Rights, the summary thereof, the reasons for the decision that the Rights should be issued, and other items determined as appropriate by the Independent Committee of Outside Directors;
- (5) The Board of Directors' resolution to issue the Rights, the summary thereof, the reasons for such decision, and other items determined as appropriate by the Board of Directors;
- (6) The Independent Committee of Outside Directors' resolution that the rights would not be issued, the summary thereof, the reasons for the decision that the Rights should not be issued, and other items determined as appropriate by the Independent Committee of Outside Directors;
- (7) The items recognized as necessary by the Independent Committee of Outside Directors in the event of the occurrence of changes to the



facts related, etc., to the premises of the decision for the resolution in the above (4) or (6) and the Independent Committee of Outside Directors revises its decision, including the cancellation of the issuance of the Rights or the proposal to issue the Rights; and

- (8) The items recognized as necessary by the Board of Directors in the event of the occurrence of changes to the facts related, etc., to the premises of the decision for the resolution in the above (5) and the Board of Directors revises its decision.

#### 4. Criteria for Advice on the Issuance of the Rights

The Independent Committee of Outside Directors will, in principle, advise the Board of Directors to issue the Rights unless the Independent Committee of Outside Directors decides that the Acquisition subject to this Policy satisfies all the criteria described below:

- 1) The Acquisition is conducted in accordance with procedures stipulated in this Policy;
- 2) The Acquisition will not cause damage to the Company's corporate value and the common interests of the shareholders by the following:
  - (1) Accumulating shares with the intent of requiring the Company to buy them back at a higher price;
  - (2) Temporarily taking control of the management of the Company and running the Company in the interests of the Acquirer at the expense of the Company, such as acquiring the Company's important assets at low prices;
  - (3) Pledging assets of the Company as collateral for debts of the Acquirer or its group companies or using the Company's funds to repay such debts; or
  - (4) Temporarily taking control of management of the Company and selling valuable assets that are currently not related to the Company's businesses and declaring temporarily high dividends with profits from the disposition, or selling the shares at a higher price after the share price rose due to temporarily high dividends;
- 3) The Acquisition would not coerce shareholders into selling their shares in situations such as two-tiered takeovers (takeovers that coerce shareholders into accepting a higher priced front-end tender offer by setting unfavorable terms or not specifically indicating terms for the back end of the transaction, without offering to buy all shares at the front end);

- 4) The Acquisition gives the Company a reasonable period of time to make proposals for alternatives to the subject Acquisition;
- 5) The Acquisition provides, or sufficiently provides, in light of the current or future shareholding rate or other relevant information of such Acquirer, the shareholders of the Company with information to examine the substance of the Acquisition, such as summary information of the Acquirer (including the information set forth in Appendix 2, Section 1), how the price for the Acquisition was calculated (including the information set forth in Appendix 2, Section 3), evidence of the funds for the Acquisition (including the information set forth in Appendix 2, Section 4), and management policy, business plan, capital policy and dividend policy after the Acquisition (including the information set forth in Appendix 2, Section 5);
- 6) The conditions of the Acquisition (including the information set forth in Appendix 2, Sections 2 and 6) are not insufficient or inadequate, taking into consideration the intrinsic value of the Company;
- 7) The Acquisition will not violate the applicable laws and the Company's articles of incorporation;
- 8) The acts of the Acquirer as shareholder will not adversely affect the management of the Company and will not materially harm the Company's corporate value and the common interests of the shareholders; and
- 9) The Acquisition will not materially harm the Company's corporate value and the common interests of the shareholders in accordance with the applicable laws, administrative advice, court decisions or rules of the stock exchanges.

## 5. Effective Period of This Policy

The effective period of the Policy will be one year, starting on July 1, 2018 and ending on June 30, 2019.

The Independent Committee of Outside Directors will review the continuation, revision, or abolishment of the Policy each year, in March and after the Ordinary General Meeting of Shareholders. The Independent Committee of Outside Directors will propose the result of that review to the Board of Directors, who will accordingly determine to continue, revise or abolish the Policy. The term of each Company director is one (1) year. Each director is appointed at the ordinary shareholders meeting held every June. Since the Company does not have a staggered board or restrictions on dismissing directors, any director may be appointed or dismissed at a shareholders meeting, and the Board of Directors made up of the directors appointed at such shareholders meeting will receive proposals of the Independent Committee of Outside Directors, and it will be

possible for the Board of Directors to resolve to abolish this Policy that the Rights will not be issued.

In this regard, the Company believes that this Policy can fully reflect the shareholders' intentions with regard to adopting, maintaining, continuing or abolishing this Policy.

Even during the effective period of this Policy, if necessary, the Company may review or abolish this Policy, or adopt different measures based on the Independent Committee of Outside Directors' examination.

## 6. Major Terms of the Rights

The major terms of the Rights to be issued based on this Policy are as stated below. The Company registers the issuance of Rights in advance to expedite the issuance.

### 1) Shareholders Subject to the Allocation

The Company will allocate one (1) Right per share held by the shareholders (excluding those held by the Company) who are described or recorded on the last shareholders' list as of the date that the Board of Directors designates as the allocation date (the "Allocation Date") in the issuance resolution for the Rights (the "Issuance Resolution").

### 2) Type and Number of the Shares to Be the Object of the Rights

The type of the shares to be the object of the Rights will be common shares of the Company. The number of the shares to be the object of one (1) Right will be one (1) share or a number of shares that the Board of Directors designates in the Issuance Resolution.

### 3) Total Number of the Rights

The maximum number of the Rights will be the same as the total number of the last outstanding shares as of the Allocation Date (excluding the number of common shares held by the Company).

### 4) Price of Issuing the Rights

Free of charge

### 5) Amount Payable upon the Exercise of Rights

The amount payable per Right will be one (1) Japanese Yen.

### 6) Exercise Period of the Rights

The exercise period of the Rights will start on the issuance date of the Rights, as designated by the Board of Directors in the Issuance Resolution, and last for a period between one (1) month and two (2) months as designated by the Board of Directors in the Issuance Resolution.

## 7) Conditions to Exercise the Rights

(1) ① Specific large volume holders [i.e., (A) the holders<sup>9</sup> of shares issued by the Company<sup>10</sup> whose shareholding ratio<sup>11</sup> exceeds 20% or more or who are approved to be the holders of 20% or more by the Board of Directors, or (B) the persons who purchase<sup>12</sup> the shares issued by the Company<sup>13</sup> by TOB<sup>14</sup> and whose shareholding<sup>15</sup> ratio<sup>16</sup> after the purchase plus the shareholding ratio of his/her special interested persons<sup>17</sup> will be 20% or more; but excluding persons defined in any of the items (a) through (d) below] as of the date that the Rights are exercised or the Allocation Date; ② his or her co-owner<sup>18</sup> (when stipulated in item (A) above); ③ his or her special interested persons (when stipulated in item (B) above); ④ persons who succeeded to the Rights from the persons under ① through ③ above without the approval of the Board of Directors; or ⑤ persons deemed by the Board of Directors to be substantially the same as the persons under ① through ④ above, or controlled by such persons, or under the same control of such persons (hereinafter ① through ⑤, collectively called "Specific Large Volume Holders"), are not allowed to exercise the Rights.

(a) The Company, the subsidiaries of the Company (defined in Article 8(3) of the Regulations for the Terminology,

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<sup>9</sup> Including holders under the Financial Instruments and Exchange Act, Article 27-23(3)

<sup>10</sup> Defined in the Financial Instruments and Exchange Act, Article 27-23(1), the same applies below unless otherwise specified

<sup>11</sup> Defined in the Financial Instruments and Exchange Act, Article 27-23(4)

<sup>12</sup> Defined in the Financial Instruments and Exchange Act, Article 27-2(1), the same applies below

<sup>13</sup> Defined in the Financial Instruments and Exchange Act, Article 27-2(1)

<sup>14</sup> Defined in the Financial Instruments and Exchange Act, Article 27-2(6)

<sup>15</sup> Including those stipulated in the Order for Enforcement of the Financial Instruments and Exchange Act, Article 7(1)

<sup>16</sup> Defined in the Financial Instruments and Exchange Act, Article 27-2(8), the same applies below

<sup>17</sup> Defined in the Financial Instruments and Exchange Act, Article 27-2(7), provided that the persons stipulated in item 1 of such Article 27-2(7) are excluded except for those persons provided for under the Cabinet Order Article 3(2) regarding disclosure of the TOB by persons other than the issuer, the same applies below

<sup>18</sup> Defined in the Financial Instruments and Exchange Act, Article 27-23(5), including the persons deemed to be a co-owner under Article 27-23(6) of the Law

Format and Method of Preparation of Financial Statements) or the affiliated companies of the Company (defined in Article 8(5) of the Regulations for the Terminology, Format and Method of Preparation of Financial Statements);

- (b) A person who has acquired a 15% or greater shareholding without the intent to control the business activities of the Company and is deemed by the Board of Directors to be subject to item (A) or (B) above, and who has become not subject to item (A) or (B) above by disposing of shares of the Company within ten (10) days after becoming subject to item (A) or (B) above (which period may be extended by the Board of Directors);
- (c) A person who is deemed by the Board of Directors to be subject to item (A) or (B) above for a reason not attributable to the person, such as a purchase of that person's own shares by the Company (excluding such person who additionally and intentionally purchased shares afterward); and
- (d) A person whose position as a shareholder, according to the Board of Directors, will not be against the interests of the Company (provided that when a certain requirement that deems the person not to be against the interests of the Company is established by the Company, such requirement is fulfilled).

(2) In addition to the provisions stipulated in (1) above, the Rights may not be exercised by those who do not represent that they are not Specific Large Volume Holders or who fail to submit documents that pledge the matters designated by the Board of Directors.

#### 8) Cancellation of the Rights

There are no provisions for reasons or conditions for cancelling the Rights.

#### 9) Assignment of the Rights

The assignment of the Rights will require the approval of the Board of Directors.

Based on 6.7) above, Specific Large Volume Holders may not exercise the Rights. If Specific Large Volume Holders are able to freely assign the Rights to third parties, the Company would not be able to achieve the purpose of preventing any purchase that will harm the Company's corporate value and the common interests of the shareholders.

Therefore, the transfer of the Rights under this Policy is restricted. However, Specific Large Volume Holders may assign the Rights to a third party approved by the Board of Directors.

## 7. Impact on Shareholders

### 1) Impact on Shareholders at the Adoption of This Policy

Since the Rights will not be issued at the adoption of this Policy, there will be no specific direct impact on the shareholders' rights and interests.

### 2) Impact on Shareholders upon the Issuance of the Rights

If the Rights are issued, one (1) Right per share of the Company's common stock will be allocated, free of charge, to the shareholders as of the Allocation Date that will be separately stipulated in the Board of Directors' Issuance Resolution. If a shareholder fails to make the relevant payment or to take other relevant procedures regarding the exercise of the Rights during the exercise period, that shareholder's percentage of shares will be diluted by the other shareholders' exercise of the Rights.

Further, the issuance of the Rights will become non-cancellable as of four (4) business days prior to the Allocation Date (including the Allocation Date). The reason for making the Rights non-cancellable as of the Allocation Date is to avoid any loss to shareholders besides the Acquirer due to confusion in the markets or loss of liquidity of the stock. By making the issuance of Rights non-cancellable there is no substantial doubt as to the amount and timing of the dilution of each share. Each share will be diluted but each shareholder will receive at least enough additional shares to offset such dilution. The shareholding percentage of each individual shareholder will either not change or slightly increase.

Even after the Independent Committee of Outside Directors decide on the issuance of the Rights, as mentioned in 3.3)(1) above, if changes occur to the facts related, etc., that were the premises for the decision on the offer from the Acquirer, the Independent Committee of Outside Directors may revise its decision, including the cancellation of the issuance of the Rights. If the issuance of the Rights is cancelled, since there would then be no dilution of the value of each of the Company's shares, investors who purchased or sold shares on the assumption that there would be such a dilution may incur losses depending on the change of the value of the shares.

### 3) Necessary Procedures for Shareholders after the Issuance of the Rights

#### (1) Recording or Describing in the List of Shareholders

If the Board of Directors resolves that the Rights will be issued, the Company will publish the Allocation Date of the Rights. The Rights will be allocated to all shareholders who are described or recorded on the final list of shareholders as of the Allocation Date.

(2) Procedure of Application for the Rights

The Company will send the allocation notification of the Rights and the application form for the Rights to the shareholders who are described or recorded on the final list of shareholders as of the Allocation Date. The shareholders will be required to apply for the subscription of the Rights by properly filling in the form, placing a seal and submitting the form to the application-handling agent during the application period that was separately decided by the resolution of the Board of Directors. If the shareholders fail to make an application during the application period, they will lose the application rights and will not be able to subscribe for the Rights.

(3) Procedure for Exercise of the Rights

The Company will send the Rights exercise document (its form will be as specified by the Company and will contain the pledge by the shareholder that the shareholder is not a Specific Large Volume Holder) and other documents that are necessary to exercise the Rights to the shareholders who applied for the Rights during the application period. After exercising the Rights, one (1) common share or another number of common shares that is separately designated by the Issuance Resolution per Right will be issued, on the condition that during the exercise period, the shareholders will submit the Rights exercise document designated by the Company and pay one (1) Japanese Yen per Right to the payment-handling agent.

In addition to the above, the details of the methods for the application, the transfer of the registration of shares, payment, etc., will be published or notified to the shareholders after the resolution to issue the Rights. Please confirm the contents of such publication or notification.

The procedures of issuance and exercise of the Rights are, in principle, as stated above. However, the Board of Directors may take other procedures for issuance and exercise to the extent permitted by the laws and regulations at the time of issuance or exercise in order to avoid disadvantages to shareholders who do not subscribe to or exercise the Rights. In this case, the details of the necessary items will be also published or notified to the shareholders. Please confirm the contents of such publication or notification.

8. Satisfaction of the Requirements of Guidelines related to Takeover Defense

## Measures

This Policy is in accordance with the three (3) principles ((i) the principle of the protection and enhancement of the common interests of shareholders, (ii) the principle of prior disclosure and shareholder intent, and (iii) the principle of ensuring necessity and appropriateness) established by the “Guidelines related to Takeover Defense Measures to Protect and Enhance Corporate Value and the Common Interests of Shareholders” promulgated by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005. This Policy is also based on “Regarding the Existence of Takeover Defense Measures based on Various Recent Changes in the Environment” announced in the Corporate Value Conference held on June 30, 2008.

End



## Outline of the Independent Committee of Outside Directors

### 1. Members

All outside directors of the Company

### 2. Resolution Requirements

Resolutions of the Independent Committee of Outside Directors shall be made, in principle, by the majority of all members, who are all required to attend the meeting of the Independent Committee of Outside Directors. In the event that any of the members cannot attend the meeting of the Independent Committee of Outside Directors, resolutions of the Independent Committee of Outside Directors can be made by the majority of present members whose number shall be a majority of all members.

### 3. Matters to Be Resolved, etc.

The Independent Committee of Outside Directors, in principle, shall decide the following matters and advise the Board of Directors on the content of the resolution together with its reason. However, with respect to the resolution for the non-issuance of the Rights and the extension of the Examination Period, the Independent Committee of Outside Directors will not give any advice to the Board of Directors, and the Independent Committee of Outside Directors will decide those matters. Each member of the Independent Committee of Outside Directors shall make their decision from the viewpoint of whether or not the matter will achieve the Company's corporate value and the common interests of the shareholders, and shall not take into consideration the member's personal interests or the interests of other directors or Corporate Officers of the Company:

- (i) Determination of whether an Acquisition is subject to this Policy;
- (ii) The information to be provided by the Acquirer and the Representative Corporate Officer and CEO to the Independent Committee of Outside Directors;
- (iii) Investigation and examination of the content of the Acquisition of the Acquirer;
- (iv) Negotiation with the Acquirer;
- (v) Examination of a proposed alternative to the Acquisition of the Acquirer submitted by the Representative Corporate Officer and CEO and presentation thereof to all of the shareholders;
- (vi) Issuance or non-issuance of the Rights, or an extension of the Examination Period by the Independent Committee of Outside

Directors;

- (vii) Adoption, continuance, review, or abolition of this Policy;
- (viii) Examination and adoption of measures other than this Policy; and
- (ix) Other matters to be determined by the Board of Directors relating to this Policy or the Rights.

In making judgments regarding the above matters, the Independent Committee of Outside Directors will make efforts to sufficiently collect the necessary information in order to ensure appropriate judgments. Furthermore, the Independent Committee of Outside Directors may obtain advice from third parties independent from the Company Management, including without limitation financial advisors, CPAs, lawyers, consultants and other experts at the Company's expense.

## The Necessary Information

- (1) A profile of the Acquirer and its group (including its joint holders, its special affiliated persons, cooperators or other members of the partner if the Acquirer is a fund) including its specific name, capital relationship and financial details.

For Acquirers who are natural persons, provide such persons' principal occupation or employment for the past five years through the present, including the principal business and address of any corporation or other organization ("Entity") in which the occupation or employment is or was conducted, giving the applicable starting and ending dates for each employment, and the age and citizenship of such persons.

For Acquirers which are Entities, provide the following for such Entity and each of its significant subsidiaries: principal business of such Entity, the jurisdiction of organization, description of its capital stock and long-term debt financial statements for the past three years, description of any material pending legal proceedings to which such Entity or any of its properties is subject, a brief description of the business conducted, names of all directors and officers.

For all Acquirers, disclose if they have been (i) charged or convicted in a criminal proceeding in the past five years (excluding traffic violations or similar misdemeanors), and if any, the crime committed, the penalty (or other disposition) imposed, and the court involved, or (ii) a party to a judicial or administrative proceeding in the past five years that resulted in, or where the relief sought is, a judgment, decree or final order finding such person in violation of, or enjoining future violations or prohibiting activities related to, the Financial Instruments and Exchange Act or the Commercial Code of Japan, and shall disclose the terms of any such judgment, decree or order;

- (2) The purpose, method and terms of the Acquisition (including the type and amount of consideration to be offered, the expected timing of the Acquisition, any related transactions, legality of the Acquisition, and the Acquirer's belief as to the probability of success of the Acquisition);
- (3) The basis of the calculation for the price of the Acquisition (including the facts and assumptions that underlie the calculation, the calculation method, the numerical information which was used for the calculation, the amount of the synergy to be expected from any series of transactions relating to the Acquisition and the basis for such calculations);
- (4) The evidence of the funds for the Acquisition (including the specific name of the provider of the funds (including the substantial provider), the manner in which funds will be raised, and the terms of related transactions);

- (5) The proposed business policy, business plan, capital policy and dividend policy for the Company after the Acquisition (including a share transfer, transfer of business, merger, demerger, stock-for-stock exchange or stock-for-stock transfer, a sale of assets, a reorganization or liquidation, any change in present capital, dividend rates or policy, indebtedness or capitalization, any change in the present management of the Company, any change in the Company's corporate structure, business, business policy or business plan, the acquisition or deposition of securities of the Company, any delisting from a stock exchange, or any change in the Company's constituent documents or any extraordinary transaction);
- (6) The proposed policies regarding employees, business partners, customers, local communities in which the Company operates, and other stakeholders after the Acquisition;
- (7) Situation regarding necessary government approvals, business approvals, and regulatory compliance measures, consents, agreements and approvals necessary to be obtained from third parties, the potential application of anti-trust and/or other competition law and other material laws of jurisdictions in which the Company operates or sells products related to the Acquisition; and
- (8) Other information that the Independent Committee of Outside Directors reasonably deems necessary.

## Status of Major Shareholders

The status of major shareholders as of March 31, 2018 is as follows:

Shareholders	Number of shares held (1,000)	Percentage held of all shareholders voting rights (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	32,484	11.35
The Master Trust Bank of Japan, Ltd. (Trust Account)	28,872	10.09
JP MORGAN CHASE BANK 385147	16,719	5.84
Nippon Life Insurance Company	12,281	4.29
Saitama Resona Bank, Limited	7,300	2.55
Trust & Custody Services Bank, Ltd. as trustee for Mizuho Bank, Ltd. Retirement Benefit Trust Account re-entrusted by Mizuho Trust and Banking Co., Ltd.	5,437	1.90
STATE STREET BANK WEST CLIENT - TREATY 505234	5,249	1.83
Japan Trustee Services Bank, Ltd. (Trust Account 5)	4,574	1.59
The Naito Foundation	4,207	1.47
Japan Trustee Services Bank, Ltd. (Trust Account 7)	3,805	1.33

(Note) The 10,228 thousand shares of treasury stock are not included in this table as they do not have voting rights.

(End)

## Members of the Independent Committee of Outside Directors

The Eisai Co., Ltd. Independent Committee of Outside Directors is comprised entirely of outside directors. All outside directors of the Company satisfy the Requirements for Independence and Neutrality of Outside Directors set forth by the Nomination Committee. The following is a list of members of the Independent Committee of Outside Directors on June 20, 2018.

### Yasuhiko Katoh

Apr. 1973	Joined Mitsui Engineering & Shipbuilding Co., Ltd.
Jun. 2001	President, Mitsui Zosen Europe Ltd.
Apr. 2004	CEO, Mitsui Babcock Energy Limited
Jun. 2004	Director, in charge of Mitsui Babcock Energy Limited (stay in the United Kingdom)
Dec.2006	Director, in charge of Special Mission, Mitsui Engineering & Shipbuilding Co., Ltd.
Jun. 2007	President, Representative Director, Mitsui Engineering & Shipbuilding Co., Ltd.
Jun. 2013	Chairman and Representative Director, Mitsui Engineering & Shipbuilding Co., Ltd.
Jun. 2016	Director of the Company (current), Member of the Independent Committee of Outside Directors (current), Member of the Nomination Committee, and Member of the Compensation Committee
Apr. 2017	Director and Senior Advisor, Mitsui Engineering & Shipbuilding Co., Ltd.
Jun. 2017	Chair of the Compensation Committee of the Company
Jun. 2017	Senior Advisor, Mitsui Engineering & Shipbuilding Co., Ltd. (currently Mitsui E&S Holdings Co., Ltd.) (current)
June 2018	Chair of the Board of Directors of the Company (current)

### Tamaki Kakizaki

Apr. 2002	Associate Professor, Atomi University, Faculty of Management
Apr. 2008	Professor, Toyo University, Graduate School of Law
Apr. 2012	Professor, Yokohama National University, Graduate School of International Social Sciences

Apr. 2014	Professor, Meiji University, School of Law (current)
Jun. 2016	Director of the Company (current), Member of the Audit Committee (current), and Member of the Independent Committee of Outside Directors (current)
Jun. 2016	Outside Director, Mitsubishi Shokuhin Co., Ltd (current)
Jun. 2017	Outside Auditor, Japan Airport Terminal Co., Ltd (current)

#### Daiken Tsunoda

Apr. 1994	Admitted to the Tokyo Bar Association Joined Mori Sogo (currently Mori Hamada & Matsumoto)
Jan. 2001	Partner, Mori Sogo
Mar. 2003	Partner, Joined Nakamura Tsunoda (currently Nakamura Tsunoda & Matsumoto) (current)
Jun. 2004	Outside Auditor, Atlus Co., Ltd. (retired in June 2010)
Sep. 2004	Outside Director, Polaris Principal Finance Co., Ltd. (Non-listed; currently Polaris Capital Group Co., Ltd.) (retired in June 2007)
Jun. 2005	Outside Auditor, INES Corporation (retired in June 2013)
Jul. 2007	Outside Auditor, Sealy Japan Co., Ltd. (Non-listed; currently Sleep Select Co., Ltd.) (current)
Apr. 2008	Outside Auditor, Mitsui Sumitomo Insurance Group Holdings, Incorporated (currently MS&AD Insurance Group Holdings, Inc.) (retired in March 2010)
Apr. 2008	Outside Auditor, Japan Stockholders Data Service Company, Limited (retired in June 2016)
Apr. 2010	Outside Director, MS&AD Insurance Group Holdings, Inc. (current)
Mar. 2012	Outside Auditor, BILCOM, Inc.(Non-listed) (retired in March 2013)
Apr. 2014	Outside Director, Culture Convenience Club Co., Ltd. (Non-listed) (current)
Mar. 2015	Outside Auditor, BILCOM, Inc. (Non-listed) (current)
Jun. 2016	Director of the Company (current), Member of the Audit Committee (current), and Chair of the Independent Committee of Outside Directors (current)

#### Bruce Aronson

Jun. 1978	Foreign Associate, Nagashima Ohno & Tsunematsu
Sep. 1983	Associate, Hill, Betts& Nash LLP
Aug. 1986	Partner, Hughes Hubbard & Reed LLP
May 2004	Visiting Associate Professor, Institute of Business Law and Comparative Law& Politics, Graduate Schools for Law and Politics, The University of

	Tokyo
Jul. 2004	Professor, Creighton University School of Law
Jun. 2010	Visiting Scholar, Institute for Monetary and Economic Studies, Bank of Japan
Jun. 2013	Professor, Hitotsubashi University Graduate School of international Corporate Strategy
Jun. 2017	Director of the Company (current), Member of the Nomination Committee (current), Member of the Independent Committee of Outside Directors (current), and Member of the Compensation Committee,
Mar. 2018	Research Associate, School of Oriental and African Studies, University of London, Japan Research Centre (current)
Apr. 2018	Visiting Lecturer, Hitotsubashi University Graduate School of Law (Business Law Department) (current)
Jun. 2018	Chair of the Compensation Committee of the Company (current)

#### Shuzo Kaihori

Apr. 1973	Joined Yokogawa Electric Works Ltd. (currently Yokogawa Electric Corporation)
Apr. 2005	Vice President, Head of IA Business Headquarters, Yokogawa Electric Corporation
Apr. 2006	Senior Vice President, Head of IA Business Headquarters, Yokogawa Electric Corporation
Jun. 2006	Director and Senior Vice President, Head of IA Business Headquarters, Yokogawa Electric Corporation
Apr. 2007	President and Chief Operating Officer, Yokogawa Electric Corporation
Apr. 2008	President and Chief Executive Officer, Yokogawa Electric Corporation
Apr. 2013	Chairman and Chief Executive Officer, Yokogawa Electric Corporation
Apr. 2013	Outside Director, MIP (Non-listed) (current)
Apr. 2015	Chairman, Yokogawa Electric Corporation
Jun. 2015	Outside Director, HOYA Corporation (current)
Jun. 2016	Director and Chairman of the Board, Yokogawa Electric Corporation (current)
Jun. 2018	Director of the Company (current), Chair of the Nomination Committee (current), Member of the Compensation Committee (current), and Member of the Independent Committee of Outside Directors (current)



## Ryuichi Murata

Apr. 1971	Joined The Mitsubishi Bank, Ltd.
Jan. 2006	Senior Managing Director, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (currently MUFG Bank, Ltd.)
May 2006	Deputy President, The Bank of Tokyo-Mitsubishi UFJ, Ltd.
May 2007	Deputy President resided in West Japan, The Bank of Tokyo- Mitsubishi UFJ, Ltd. (retired: Jun. 2009)
Jun. 2009	Deputy President, Mitsubishi UFJ Lease & Finance Company Limited Concurrently served as Executive Officer, Mitsubishi UFJ Lease & Finance Company Limited
Jun. 2010	President & CEO (Representative Director), Mitsubishi UFJ Lease & Finance Company Limited
Jun. 2012	Chairman (Representative Director), Mitsubishi UFJ Lease & Finance Company Limited
Jun. 2016	Audit & Supervisory Board Member (Outside), NORITAKE CO., LIMITED (current)
Jun. 2017	External Director, Kintetsu Group Holdings Co., Ltd. (current)
Jun. 2017	Advisor to the Board, Mitsubishi UFJ Lease & Finance Company Limited (current)
Jun. 2018	Director of the Company (current), Member of the Nomination Committee (current), Member of the Compensation Committee (current), and Member of the Independent Committee of Outside Directors (current)

## Hideyo Uchiyama

Nov. 1975	Joined Arthur Young & Company
Dec. 1979	Joined Asahi Accounting Company (currently KPMG AZSA LLC)
Mar. 1980	Registered as Certified Public Accountant
Jul. 1999	Representative Partner, KPMG AZSA LLC
May 2002	Board Member, KPMG AZSA LLC
Jun. 2006	Executive Board Member, KPMG AZSA LLC
Jun. 2010	Managing Partner, KPMG AZSA LLC; Chairman, KPMG Japan
Sep. 2011	Chairman, KPMG Asia Pacific
Oct. 2013	CEO, KPMG Japan (retired: Jun. 2015)
Sep. 2015	Executive Advisor, ASAHI Tax Corporation (current)
Jun. 2016	Audit & Supervisory Board Member (Outside), OMRON Corporation

(current)

Jun. 2017 Audit & Supervisory Board Member (Outside), Sampo Holdings, Inc.

(current)

Jun. 2018 Director of the Company (current), Chair of the Audit Committee (current), and  
Member of the Independent Committee of Outside Directors (current)

(End)