

**Notification regarding Introduction of “Employee Shareholding Incentive Plan (E-Ship®)”**

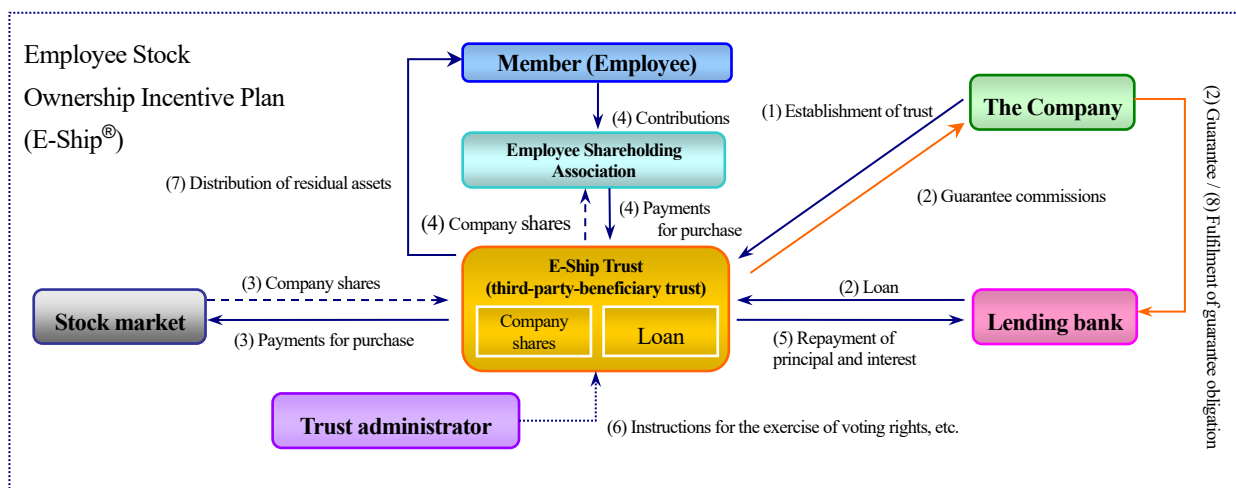
The Company is pleased to announce that the Board of Directors Meeting, held on October 10, 2024, resolved the introduction of a “Employee Shareholding Incentive Plan (E-Ship®)” (hereafter “the Plan”) with the aim of giving employees an incentive to raise the Company’s medium- to long-term corporate value, as follows.

1. Overview of the Plan

The Plan is an incentive plan available to all employees who are members of the "Hisamitsu Pharmaceutical Employee Shareholding Association" (hereafter the "Shareholding Association"). Under the Plan, the Company will set up an “Exclusive Trust for Hisamitsu Pharmaceutical Employee Shareholding Association” in a trust bank (hereafter “E-Ship Trust”), and E-Ship Trust will acquire, in advance, the number of company shares that the Shareholding Association is expected to acquire over the next five years. Subsequently, E-Ship Trust will continuously sell shares of the Company to the Shareholding Association and, if an amount equivalent to net gains on the sale of shares of the Company has accumulated in E-Ship Trust when the trust period comes to an end, such money will be distributed as residual assets to those who meet beneficiary eligibility criteria. Note that the Company will guarantee loans taken for E-Ship Trust to acquire shares of the Company. Therefore, if, due to a drop in the market price of company shares, a loan amount equivalent to the loss on the sale of shares remains in E-Ship Trust when the trust period comes to an end, the Company will repay the remaining loan amount.

The Plan is intended to provide employees with an incentive to increase corporate value over the medium- to long-term and, at the same time, to help employees build wealth by facilitating employee stock acquisition and holding as the Company will expand and reinforce the Shareholding Association as a measure to step up employee welfare.

## 2. Plan framework



- (1) The Company will establish an E-Ship Trust (third-party-beneficiary trust) in which Shareholding Association members who have fulfilled beneficiary eligibility criteria are the beneficiaries.
- (2) E-Ship Trust will borrow funds necessary for acquiring company shares from a lending bank, and the Company will guarantee the loan amount. The Company will receive guarantee commissions for assuming the guarantee obligation from E-Ship Trust.
- (3) E-Ship Trust will acquire the number of shares in the company from the stock market that the Shareholding Association is expected to purchase over the trust period.
- (4) Throughout the trust period, E-Ship Trust will continuously sell the company shares acquired in accordance with (3) above at the market price to the Shareholding Association, in line with an established plan (conditions and methods).
- (5) E-Ship Trust will use proceeds from the sale of company shares to the Shareholding Association and dividends on company shares it holds to repay the loan principal and interest.
- (6) Voting rights associated with the company shares held by E-Ship Trust will be exercised according to instructions from the trust administrator, which has been selected to act on behalf of beneficiaries.
- (7) Any residual assets held in the trust when the trust period ends will be distributed to those who meet beneficiary eligibility criteria.
- (8) Any loans outstanding when the trust period ends will be repaid by the Company, based on the guarantee obligations, as described in (2) above.

## 3. Overview of E-Ship Trust

- (1) Name: Exclusive Trust for Hisamitsu Pharmaceutical Employee Shareholding Association
- (2) The Trustor: The Company
- (3) The Trustee: The Nomura Trust and Banking Co., Ltd.
- (4) Beneficiaries: Those who fulfill beneficiary eligibility criteria (employees who have satisfied conditions for eligibility and have completed the necessary procedures)
- (5) Date of trust contract: October 10, 2024
- (6) Trust period: From October 10, 2024 to October 30, 2029
- (7) Purpose of trust: Stable and continuous supply of shares to the Shareholding Association and distribution of trust assets to those who meet beneficiary eligibility criteria.

(8) Beneficiary eligibility criteria: Beneficiaries must be alive and remain members of the Shareholding Association – (including those who had to withdraw from the Shareholding Association due to mandatory age retirement, job transfers, or promotion to executive officer on or after the date the trust contract was signed [October 10, 2024] and up to the date when procedures for confirming beneficiaries begin) – on the date that procedures for confirming beneficiaries starts – (such as the date on which the trust period ended and the conversion to cash of all trust assets was completed and the date in which all company shares held as trust assets were sold to the Shareholding Association).

4. Details of acquisition of company shares by E-Ship Trust

(1) Type of shares to be acquired: Common stock of the Company

(2) Total acquisition price of shares: 1,830 million yen or less

(3) Stock acquisition period: From October 16, 2024 to January 20, 2025

(4) Stock acquisition method: Acquire from the stock market

(Reference)

E-Ship® is a registered trademark of Nomura Securities Co., Ltd.

E-Ship® (an abbreviation for Employee Shareholding Incentive Plan) is an employee incentive plan modeled after the employee stock ownership plans widely used in the United States. It was jointly developed by Nomura Securities Co. Ltd. and Nomura Trust & Banking Co., Ltd. by applying the scheme of an employee shareholding association.