OTSUKA
TOTAL**REWARDS**

Surrogacy Assistance Program

Effective January 1, 2025

Program Overview

The Otsuka Surrogacy Assistance Program (the "Program") offers Eligible Employees financial assistance with some of the expenses associated with a live birth via a surrogate.

The Surrogacy Assistance Program policy is applicable to the Otsuka companies listed in Appendix A.

Employee Eligibility

To be eligible for the Program, an Employee either must be an active, regular, full-time Employee of the Company, or a part-time Employee of the Company regularly scheduled to work at least fifteen (15) to thirty (30) hours per week.

Exclusions from eligibility to the Program include:

- Employees regularly scheduled to work fewer than 15 hours per week
- Short-Term, Inpat, and Intern Employees
- Expenses that were approved and reimbursed under the Otsuka Adoption Assistance Program

Employees must be actively employed, or on approved paid or unpaid leave when surrogacy expenses are incurred and at the time of the live birth. A surrogacy expense is incurred when the services relating to that expense are provided. Employees must be actively employed on the disbursement date.

Surrogacy Benefit

The Program provides reimbursement up to $20,000 per year per live birth via a surrogate event for qualified, eligible surrogacy expenses. If both parents are employees of Otsuka, only one employee is eligible for reimbursement per birth via surrogate.

All surrogacy event expenses that qualify under the Otsuka Surrogacy Assistance Program and the Otsuka Adoption Assistance Program must be submitted solely for one or the other program, but not both. By submitting expenses for a surrogacy event to the Otsuka Surrogacy Assistance Program, an employee agrees and acknowledges that they understand that they cannot submit any other expenses for that same surrogacy event to the Otsuka Adoption Assistance Program.

Qualified, Eligible Surrogacy Expenses

A qualified, eligible surrogacy expense is incurred when the services relating to that expense are provided. Benefits paid under the Program for a qualified, eligible surrogacy expense generally will **not** be excluded from an eligible employee's income for federal tax purposes.

The following are qualified, eligible surrogacy expenses under the Program and are eligible for reimbursement subject to the limits in this Program:

- Public or private surrogacy fees;
- Legal fees and court fees associated with the surrogacy arrangement;
- Healthcare expenses for the surrogate mother related to the conception, pregnancy and delivery of the baby pursuant to the surrogacy agreement;
- Surrogacy agency and legal fees
- Travel expenses, including lodging and meals while away from home after the surrogacy arrangement has been executed.
- Please note that no expenses shall be submitted prior to the birth of the child.

Non-Qualified, Non-Eligible Surrogacy Expenses

The following are non-qualified, non-eligible surrogacy expenses under the Program and will not be reimbursed:

- expenses paid or incurred before the execution of the surrogacy agreement;
- expenses reimbursed or reimbursable under a federal, state, or local program;
- expenses reimbursed under another employer-sponsored program;
- expenses submitted later than one (1) year following the date of the live birth;
- expenses incurred after the individual no longer meets the eligibility requirements;
- expenses incurred by the employee's spouse or domestic partner;
- expenses associated with the surrogacy of the child who the employee has legal parental rights of;
- expenses that were approved and reimbursed under the Otsuka Adoption Assistance Program;
- expenses incurred with respect to a surrogacy not finalized while the individual meets the eligibility requirements; or
- expenses determined to be not qualified surrogacy expenses by Otsuka

Procedure for Reimbursement

Once the surrogacy agreement is complete and a live birth has occurred, you may file for reimbursement of qualified, eligible surrogacy expenses under the Program. You must apply for reimbursement within one (1) year of the date of the live birth.

When you are ready to submit your reimbursement request, please login to Workday, complete the Adoption & Surrogacy Assistance Reimbursement Request Form, and upload the required supporting documentation into Workday.

To navigate to the request form, login to Workday > View All Apps > Requests > Actions: Create Request > Request Type: Adoption & Surrogacy Assistance Reimbursement Request Form.

Your reimbursement will be processed by the second regular payroll following the final approval of the request in Workday.

The Program may recover any overpayments or payments made in error.

Tax Impact to Employee

It is Otsuka's understanding of the tax laws currently in effect that amounts reimbursed under this Program will be treated as taxable income for Federal income tax purposes. However, Otsuka does not provide tax advice. For additional tax information, please consult your individual tax advisor. You are responsible for understanding the tax treatment of reimbursements under this Program.

Note that Otsuka is required to withhold applicable federal employment taxes from reimbursements (e.g., Social Security, Medicare, and federal unemployment tax) and to report the total amount of reimbursements to the IRS on a Form W-2. Your withholding may not be enough to cover the tax on these payments so you may need to adjust your withholding by filing a new Form W-4 through Otsuka's payroll administrator, ADP.

State taxes may also apply to reimbursements under this Program.

Amendment to Program

The Company reserves the right to amend, modify, or terminate the Program, in whole or in part, at any time. The Company may also set such rules and procedures as it determines necessary to operate the Program.

Appendix A

Participating Companies:

- Otsuka America Pharmaceutical, Inc.
- Otsuka Pharmaceutical Development & Commercialization, Inc.
- Otsuka Precision Health, Inc.
- Jnana Therapeutics, Inc.

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