

# News Release



(For reference purpose only – Japanese version prevails in case of any discrepancy)

May 12, 2025

## **Update on Actions to Implement Management that is Conscious of Cost of Capital and Stock Price**

Kaken Pharmaceutical Co., Ltd. (Head Office: Bunkyo-ku, Tokyo; President and Representative Director, Hiroyuki Horiuchi), announces that it has updated its previously disclosed information regarding “Actions to Implement Management that is Conscious of Cost of Capital and Stock Price”.

For further details, please refer to the attached document titled:

“Update on Actions to Implement Management that is Conscious of Cost of Capital and Stock Price”.

Attachment: Update on Actions to Implement Management that is Conscious of Cost of Capital and Stock Price

## Updates on “Actions to Implement Management that is Conscious of Cost of Capital and Stock Price”

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# What Kaken Aim for

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Kaken aim to increase mid- to long-term corporate value through execution of strategies to achieve VISION for Long-Term Business Plan 2031

- ❑ Achieve ROE target of 10% through allocating cash as priority source for strategic investments and continuous launch of revolutionary drugs
- ❑ Reduce cost of capital and expand pipelines to improve PER



**Realize PBR of 1.0x or higher**

# Target and Initiatives

From Public Materials  
(May 2024)

## ■ Target and Initiatives to achieve PBR of 1.0x or higher

|     | Target  | Initiatives   |
|-----|---|---|
| ROE | 10% or higher                                     | A) Pursue 3Xs strategy to expand pipelines and increase net sales and profits |
|     |   | B) Prioritize strategic investment based on cash flow allocation              |
|     |   | C) Set reduction policy of cross-shareholding                                 |
| PER | Further improvement<br>(lowering cost of capital) | D) Communication with investors by Corporate Communications Department        |
|     |   | E) Reset materiality issues and hold investors' meeting on sustainability     |
| PBR | 1.0x or higher                                    | F) Revision of stock compensation plan and director's compensation plan       |

# Progress on Initiatives

## Initiatives

A) Pursue 3Xs strategy to expand pipelines and increase net sales and profits

**Revision** Increase pipelines

B) Prioritize strategic investment based on cash flow allocation

**Revision** Increase strategic investment

**Revision** Enhance shareholder return

C) Set reduction policy of cross-shareholding

D) Communication with investors by Corporate Communications Department

E) Reset materiality issues and investors' meeting on sustainability

F) Revision of stock compensation plan and director's compensation plan

## Major progress

◆ Revision of Initiatives  
◆ Achievement

- ◆ Increased number of pipelines in Phase I or later phases from six to eight.
- ◆ Pipelines: 10; In-licensing: Four
- ◆ IP transfer and commercial option agreement for NM26 and license agreement for STAT6 inhibitors; acquisition of Aadi.
- ◆ Increased strategic investment amount to ¥260 billion over the 10 years of the plan.
- ◆ Minimum of ¥190 per share dividend annually.
- ◆ Spent ¥38.5 billion for strategic investment in FY2024.
- ◆ Reduced cross-shareholdings based on the reduction policy.
- ◆ Details in "Communication with Shareholders and Investors"
- ◆ Increased relevance of the Long-Term Business Plan 2031
- ◆ Held Sustainability Meeting in May 2024
- ◆ Revision of stock compensation plan and director's compensation plan.
- ◆ Resolved introduction of ESOP.

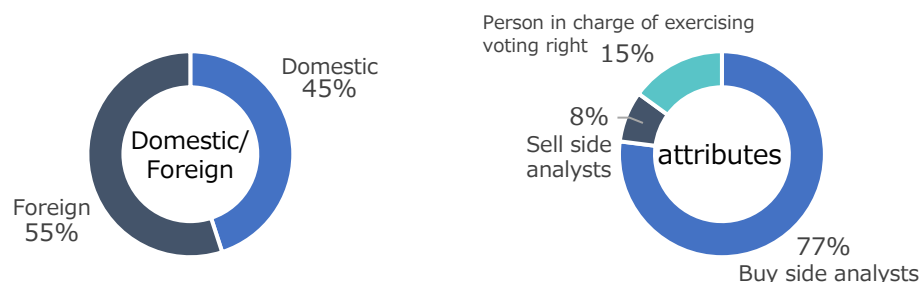
# Communication with Shareholders and Investors

- Conducted communication with shareholders and investors through investor meeting and individual meeting.

## Number of investors meeting conducted

FY2024: 80 times (47 investors)  
(reference) FY2023: 38 times (28 investors)

## Attribute of investors \*



## Main attendants

### Investor meetings

All directors  
(excluding outside directors)

### Individual meetings

Director in charge of investor relations  
GM of Corporate Communications  
Department

### Shareholders meeting

All directors and audit & supervisory  
board members

## Topics and themes in the meeting

- ✓ Current business situation
  - Financial performance and external and market environment
  - Progress on development of pipelines
  - Countermeasures for Clenafin patent cliff
- ✓ Corporate actions in FY2024
  - Acquisition of Aadi, third-party allotment of treasury shares
  - Out-licensed STAT6 and transferred IP, NM26
- ✓ Mid- to long-term management principles
  - Progress on Long-Term Business Plan 2031
  - Growth and R&D strategies
  - Progress on strategic investment and cash spending including shareholder return
  - Thoughts about financial discipline
- ✓ About disclosure
  - Expectation on expansion of disclosures and IR activities
  - Status on ESG activities

\* Include sell side analysts

# Progress on Targets

- ROE has improved to 9.4% and PBR exceeded 1.0x

