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May 30, 2025

## Notice of Implementation of Share Benefit Rules and Disposal of Treasury Stock by Third-Party Allotment

Kaken Pharmaceutical Co., Ltd. (“Kaken” or the “Company”, Head Office: Bunkyo-ku, Tokyo; President and Representative Director, Hiroyuki Horiuchi) announces that, at its Board of Directors meeting held today, the Board of Directors resolved the establishment of Share Benefit Rules (the “Rule”) and to dispose of treasury stock through a third-party allotment (hereinafter referred to as the “disposition of treasury stock”) to the “Employee Stock Ownership Plan (J-ESOP)” (the “Plan” and a trust established based on trust agreement entered into with Mizuho Trust & Banking Co., Ltd. (“MHTB”), the “Trust”).

Please refer to the news release “Notice of Introduction of Employee Stock Ownership Plan (J-ESOP)” dated March 27, 2025, for more detail.

### 1. Implementation of the Rule

In accordance with the Rule, the Company grants points to eligible employees based on the individual contributions and company performance, etc. One point will be converted into one share of the Company when providing the Company shares, etc. to eligible employees. However, when stock split, stock consolidation and allotment of share without contribution, etc. are made, points will be adjusted reasonably depending on the conversion ratio.

When employees meet the requirements for beneficiaries set forth in the Rule, eligible employees will be provided with the Company stocks and a certain percentage of monies, besides the Company stocks, based on the points granted to such employees.

Until eligible employees receive benefit, the Company stock allotted to Trust Account E at Custody Bank of Japan, Ltd. through disposition of treasury stock will be held in trust and will not be able to transfer or dispose

### 2. Outline of the disposition

(1) Date of disposal	June 17, 2025
(2) Type and number of shares subject to disposition	110,000 shares of common stock
(3) Price of disposition	3,811 yen per share
(4) Total amount of disposition	419,210,000 yen
(5) Intended recipient	eligible employees who meet the requirements for beneficiary requirement (“Beneficiaries”): 1,127; 110,000 shares (note 1, 2)
(6) Other	This disposal of treasury stock is subject to the extraordinary report, filed in accordance with the Financial Instruments and Exchange Act, coming into effect.

(note 1) Intended recipient is described as Beneficiaries because the disposition of treasury stock is for and provided to the Beneficiaries in accordance with the Plan while shares will be held in trust (other benefit trust) to MHTB.

(note 2) The Company grant employees points in accordance with their individual contributions and company performance, etc., and provide the Company’s shares, etc., corresponding to the applicable points when they acquire the right to receive benefits under certain conditions. Therefore, the above number of shares is

maximum and the actual shares to be provided may vary depending on the individual contributions and company performance, etc.

### 3. Purpose of and reason for the disposition

The disposition of treasury stock will involve the disposal of treasury stock through a third-party allotment to Trust Account E, which will be established at Custody Bank of Japan, Ltd. (the sub-trustee of MHTB), in order to hold and dispose of the Company shares in the operation of the Plan. The number of shares to be disposed of corresponds to the number of shares expected to be granted to employees of the company during the trust period based on the Share Benefit Rules (for the three fiscal years ending March 2026 to March 2028), and as of March 31, 2025, it represents 0.25% of 44,139,730 shares, the total number of issued shares as of that date (0.29% of 383,593 which is the total number of voting rights as of March 31, 2025 (both rounded to the third decimal place)). The Company has judged that the scale of the shares disposed of and the dilution are reasonable.

### 4. Outline of the Trust

(1) Name	Employee Stock Ownership Plan (J-ESOP)
(2) Trustor	The Company
(3) Trustee	Mizuho Trust & Banking Co., Ltd. (Re-trustee: Custody Bank of Japan, Ltd.)
(4) Beneficiaries	Eligible employees who meet the beneficiary requirement
(5) Trust administrator	Selected from the Company's employees
(6) Type of trust	Money held in trust other than a money trust (third-party benefit trust)
(7) Purpose of trust	To provide Company shares, which are the trust assets, to beneficiaries in accordance with the Stock Benefit Rules
(8) Contract date of the trust	June 17, 2025
(9) Date of placing money in trust	June 17, 2025
(10) Trust period	From June 17, 2025 to the day of termination of the trust (No specific termination date will be determined; the trust will continue as long as the Plan continues.)

### 5. Basis for calculation of the price of disposition and specific details thereof

The price of disposition has been fixed at 3,811 yen per share, which represents the closing price of the Company's common stock on the Tokyo Stock Exchange, Inc. on the business day immediately prior to the date of the Board of Directors' resolution on the disposition of treasury stock. The Company deemed the closing price on the business day immediately prior to the date of the Board of Directors' resolution to be reasonable, as the price represents the Company's appropriate corporate value in the stock market.

The price of disposition of 3,811 yen represents the amount obtained by multiplying the average closing price of 3,839 yen (rounded down to the nearest yen) of the Company's shares for the one-month period immediately prior to the date of the Board of Directors' resolution by 99.27%, and the amount obtained by multiplying the average closing price of 4,238 yen (rounded down to the nearest yen) of the Company's shares for the three-month period immediately prior to the date of the Board of Directors' resolution by 89.92%. In addition, the amount obtained by multiplying the average closing price of 4,280 yen (rounded down to the nearest yen) of the Company's shares for the six-month period immediately prior to the date of the Board of Directors' resolution by 89.04%. Taking the preceding into consideration, the Company believes that the price of disposition in the disposition of treasury stock is not especially favorable, but is reasonable.

In addition, four Audit & Supervisory Board members (two of which are outside members of the Audit & Supervisory Board), who attended the Board of Directors meeting, expressed that the

aforementioned price of disposition is not especially favorable.

6. Matters concerning procedures under the Code of Corporate Conduct

The disposition of treasury stock does not require the receipt of an opinion from an independent third party or confirmation of the intent of shareholders, which are provided under Rule 432 of the Securities Listing Regulations of the Tokyo Stock Exchange, Inc., because (i) the dilution ratio is less than 25% and (ii) the disposition does not involve a change in controlling shareholders.