November 9, 2026

To Whom It May Concern:

Company Name: Kaken Pharmaceutical Co., Ltd.
Representative: Hiroyuki Horiuchi, President and Representative Director
(Code Number: 4521, Tokyo Stock Exchange Prime Market)
Contact: Gaku Kametsu, Corporate Communications Department
(TEL. 03-5977-5002)

Notice Regarding Absorption-Type Merger (Simplified Merger/Short-Form Merger) of a Consolidated Subsidiary

Kaken Pharmaceutical Co., Ltd. (the "Company"; Head Office: Bunkyo-ku, Tokyo; President and Representative Director: Hiroyuki Horiuchi) hereby announces that, at a meeting of its Board of Directors held today, it resolved to implement an absorption-type merger (the "Merger") of ARTham Therapeutics Inc. ("ARTham"; Head Office: Bunkyo-ku, Tokyo; President and Representative Director: Masaki Mikajiri), which is a consolidated subsidiary of the Company, with an effective date of December 31, 2026.

Since the Merger is a simplified absorption-type merger involving a consolidated subsidiary, please note that certain disclosure items and details have been omitted.

1. Purpose of the merger

The purpose of the Merger is to concentrate management resources within the Company's group and improve organizational efficiency.

2. Outline of the merger

(1) Merger schedule

Date of Board of Directors' resolution approving the merger agreement	November 9, 2026
Date of execution of the merger agreement	November 9, 2026
Effective date of the merger	December 31, 2026 (scheduled)

(Note) The Merger constitutes a simplified merger as prescribed in Article 796, Paragraph 2 of the Companies Act with respect to the Company, and a short-form merger as prescribed in Article 784, Paragraph 1 of the Companies Act with respect to ARTham. Accordingly, both the Company and ARTham will implement the Merger without obtaining approval of the merger agreement at a shareholders' meeting.

(2) Method of the merger

The Merger will be an absorption-type merger in which the Company will be the surviving company and ARTham will be the disappearing company, and ARTham will be dissolved.

(3) Details of allotment in connection with the merger

Because the Company holds all of the issued shares of each class of ARTham's shares (excluding treasury shares), no shares, cash, or other consideration will be allotted in connection with the Merger.

(4) Treatment of the disappearing company's stock acquisition rights and bonds with stock acquisition rights

In connection with the Merger, no stock acquisition rights, cash, or other consideration of the Company will be delivered to the holders of ARTham's stock acquisition rights in lieu of such stock acquisition rights. Furthermore, ARTham has not issued any bonds with stock acquisition rights.

3. Outline of the parties involved in the merger (as of September 30, 2026)

(1) Company surviving the absorption-type merger

(1) Name	Kaken Pharmaceutical Co., Ltd.	
(2) Location	28-8, Honkomagome 2-chome, Bunkyo-ku, Tokyo	
(3) Name and title of representative	Hiroyuki Horiuchi, President and Representative Director	
(4) Business description	Manufacturing and marketing of pharmaceuticals, medical devices, agrochemicals, feed additives and drugs for animals as well as real estate leasing	
(5) Paid-in capital	23,853,383,907 yen	
(6) Date of incorporation	March 1, 1948	
(7) Number of shares issued	44,139,730 shares	
(8) Fiscal year-end	March 31	
(9) Major shareholders and shareholding ratios	The Master Trust Bank of Japan, Ltd. (Trust Account)	10.09%
	Custody Bank of Japan, Ltd. (Trust Account)	5.27%
	The Norinchukin Bank	4.84%
	Goldman Sachs & Co. Regular Account (Standing proxy: Goldman Sachs Japan Co., Ltd.)	4.75%
	Mizuho Bank, Ltd.	3.87%
	State Street Bank and Trust Company 505103 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	3.05%
	Toray Industries, Inc.	3.01%
	State Street Bank and Trust Company 505001 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	2.43%
	KYORIN Pharmaceutical Co., Ltd.	2.24%
	JPMorgan Securities Japan	1.85%

(10) Financial condition and operating results for the most recent fiscal year (million yen)

Fiscal year	Fiscal year ended March 2026 (consolidated)
Total assets	178,217
Net assets	147,619
Net assets per share (yen)	3,898.24
Net sales	76,871
Operating profit	△899
Ordinary profit	△206
Profit	2,144
Per share profit (yen)	56.57

(Note) The shareholding ratios are calculated after deducting treasury shares.

(2) Company disappearing in the absorption-type merger

(1) Name	ARTham Therapeutics Inc.	
(2) Location	28-8, Honkomagome 2-chome, Bunkyo-ku, Tokyo	
(3) Name and title of representative	Masaki Mikajiri, President and Representative Director	
(4) Business description	Research and development of pharmaceuticals	
(5) Paid-in capital	100 million yen	
(6) Date of incorporation	June 4, 2018	
(7) Number of shares issued	Common stock	40,525 shares
	Class A stock	75,230 shares
	Class B stock	31,463 shares
	Non-voting common shares (i)	4,256 shares
	Non-voting common shares (ii)	2,839 shares
	Non-voting common shares (iii)	5,676 shares
	Non-voting common shares (iv)	22,704 shares
	Non-voting class A shares (i)	7,903 shares
	Non-voting class A shares (ii)	5,268 shares
	Non-voting class A shares (iii)	10,538 shares
	Non-voting class A shares (iv)	42,148 shares
	Non-voting class B shares (i)	3,304 shares
	Non-voting class B shares (ii)	2,203 shares
	Non-voting class B shares (iii)	4,406 shares
	Non-voting class B shares (iv)	17,624 shares
(8) Fiscal year-end	March 31	
(9) Major shareholders and shareholding ratios	100% owned by the Company	
(10) Financial condition and operating results for the most recent fiscal year (million yen)		
Fiscal year	Fiscal year ended March 2026 (non-consolidated)	
Total assets	101	
Net assets	100	
Net assets per share (yen)	329.77	
Net sales	0	
Operating profit	△15	
Ordinary profit	△16	
Profit	△17	
Per share profit (yen)	△55.99	

(Note) The shareholding ratios are calculated after deducting treasury shares.

4. Post-merger status

Following the Merger, there will be no change to the Company's name, location, name and title of representative, business description, paid-in capital, or fiscal year-end.

5. Future outlook

Since the Merger is with a consolidated subsidiary in which the Company holds 100% equity interest, the impact on the Company's consolidated results will be immaterial.

End