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February 27, 2026

To whom it may concern:

Company name	KISSEI PHARMACEUTICAL CO., LTD.
Representative	Mutsuo Kanzawa, Chairman and CEO (Stock code 4547; Prime Market, Tokyo Stock Exchange)
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Notice Concerning Disposal of Treasury Shares as Restricted Stock for Employee Shareholding Association

KISSEI PHARMACEUTICAL CO., LTD. (the “Company”) hereby announces that, at the Board of Directors meeting held on February 27, 2026, it resolved to dispose of the Company’s treasury shares as restricted stock (the “Treasury Shares Disposal”), with Kissei Group Employee Shareholding Association (the “ESA”) as the scheduled allottee, under a system (the “System”) to provide restricted stock through the ESA , as described below.

1. Overview of the Disposal

(1) Due date of payment	August 10, 2026
(2) Class and number of shares to be disposed of	504,300 shares of the common shares of the Company (Note 1)
(3) Disposal price	¥4,790 per share
(4) Total disposal amount	¥2,415,597,000 (Note 2)
(5) Disposal method	Third-party allotment
(6) Scheduled allottee(s)	Kissei Group Employee Shareholding Association 504,300 shares
(7) Other matters	An Extraordinary Report regarding this Treasury Shares Disposal has been submitted in accordance with the Financial Instruments and Exchange Act.

(Note 1) Allowing a sufficient notice period following the resolution at the Board of Directors meeting held on February 27, 2026, the ESA will promote enrollment for employees of the Company and its subsidiaries and invite applications for membership. For this purpose, the maximum number of shares is listed in “(2) Class and number of shares to be disposed of” above, and the actual number of shares to be disposed of will vary depending on factors such as the number of Eligible Employees (defined in 2. below; the same applies hereinafter) following the completion of the enrollment promotion and the confirmation of consent to the System from the members. In addition, the amount of the Monetary Claims (defined in 2. below; the same applies hereinafter) to be provided to each Eligible Employee shall be determined by the Company based on factors such as the length of service of each Eligible Employee.

(Note 2) The amount shown is the number of shares specified in “(2) Class and number of shares to be disposed of” above

multiplied by the price specified in “(3) Disposal price” above. As described in (Note 1) above, the actual number of shares to be disposed of and the total disposal amount will vary depending on factors such as the number of Eligible Employees following the completion of the enrollment promotion and the confirmation of consent to the System from the members.

2. Purpose and Reason for the Disposal

At the Board of Directors meeting held on December 19, 2025, the Company resolved to introduce the System for the employees of the Company and its subsidiaries, with the aim of providing employees of the Company and its subsidiaries the opportunity to acquire the Company’s common shares as restricted stock disposed of by the Company through the ESA, thereby increasing the motivation of employees of the Company and its subsidiaries to contribute toward the enhancement of corporate value and further promote value sharing with shareholders, as well as encouraging further membership in the ESA and helping employees of the Company and its subsidiaries to build their assets. In addition, the Monetary Claims intended to be used for the in-kind contribution of the restricted stocks by the ESA will be provided only to members of the ESA who are employees of the Company and its subsidiaries and who have agreed to acquire an interest in the shares allocated to the ESA and who are not non-residents of Japan (the “Eligible Employees”).

An overview of the System is as follows.

Overview of the System

Under the System, the Eligible Employees will receive monetary claims (the “Monetary Claims”) as a special incentive for the provision of restricted stock, and the Eligible Employees will contribute the Monetary Claims to the ESA. Then, the ESA will receive an issuance or disposal of the Company’s common shares as restricted stock by contributing to the Company, in kind, the Monetary Claims that the Eligible Employees contributed.

If the Company newly issues or disposes of its common shares under the System, the payment amount per share shall be determined by the Board of Directors within a range that is not particularly favorable to the ESA (and, by extension, the Eligible Employees), based on the closing price of the Company’s common shares on the Prime Market of the Tokyo Stock Exchange on the business day preceding the date of each Board of Directors resolution related to the issuance or disposal (if no trading occurs on that day, the closing price on the most recent trading day prior to that).

Prior to the issuance or disposal of the Company’s common shares under the System, a restricted stock allocation agreement shall be concluded between the Company and the ESA, which shall include the following provisions: (1) The prohibition of the transfer of allocated shares to a third party, the establishment of security interests, or any other form of disposal for a certain period (the “Transfer Restriction”); (2) The Company’s right to acquire the allocated shares without compensation in the event that certain conditions arise. In addition, the provision of the Monetary Claims to the Eligible Employees shall be subject to the execution of the restricted stock allocation agreement between the Company and the ESA.

Moreover, until the Transfer Restriction is lifted, the Eligible Employees shall be subject to restrictions on the withdrawal of their membership interest in the restricted stock (the “RS Equity Interest”) acquired upon issuance or disposal to the ESA in accordance with the ESA rules (the “ESA Rules”).

Overview of the Treasury Shares Disposal

Based on this, the Company has resolved to provide a total of ¥2,415,597,000 (maximum) in monetary claims as a special incentive to the Eligible Employees from the Company and its subsidiaries, and to allocate a maximum of 504,300 shares

(the “Allocated Shares”) of its common shares to the ESA, in exchange for the ESA providing the monetary claims, which have been contributed by the Eligible Employees, to the Company as property contributed in kind.

With respect to the Treasury Shares Disposal, the Company’s treasury stock will be disposed of by third-party allotment to the ESA, in exchange for the in-kind contribution of the monetary claims provided by the Company and its subsidiaries to the members of the ESA and in turn contributed to the ESA. The number of shares to be disposed of is described in (Note 1) under “1. Overview of the Disposal” and is to be fixed at a later date, but the maximum number of shares to be disposed of to the ESA is expected to be 504,300 shares.

Assuming this number of shares, the scale of dilution resulting from the Treasury Shares Disposal will be 1.08% of the total number of issued shares, 46,541,985 shares (rounded to the third decimal place; the same rounding method applies to all percentages below), as of September 30, 2025, and 1.22% of the total number of voting rights, 414,104 units, as of September 30, 2025.

Overview of the Restricted Stock Allocation Agreement

The Company will conclude a restricted stock allocation agreement with the ESA. An overview of the allocation agreement is as follows.

(1) Transfer Restriction Period

The ESA may not transfer, grant a security interest in, or otherwise dispose of the Allocated Shares from August 10, 2026 (the due date of payment) until June 2, 2031 (the “Transfer Restriction Period”).

(2) Conditions for Lifting the Transfer Restriction

The Transfer Restriction on the number of Allocated Shares corresponding to the RS Equity Interest held by the Eligible Employees will be lifted upon the expiration of the Transfer Restriction Period on condition that the Eligible Employees remain members of the ESA continuously during the Transfer Restriction Period. However, if an Eligible Employee withdraws from the ESA during the Transfer Restriction Period due to mandatory retirement, expiration of the contract period, death, promotion to an executive position, overseas assignment, or other reasons deemed justifiable by the Company’s Board of Directors, the Company will lift the Transfer Restriction on the first business day of the month including date of settlement for the Eligible Employee’s withdrawal from the ESA (the “Settlement Release Date”) on all of the Allocated Shares, the number of which corresponds to the RS Equity Interest held by the Eligible Employee as of the Settlement Release Date.

If the Transfer Restriction is lifted, the Company shall inform the ESA of the lifting of the Transfer Restriction and the number of Allocated Shares for which the Transfer Restriction is lifted. The ESA shall, in accordance with the provisions of the ESA Rules, transfer the portion of RS Equity Interest held by the Eligible Employee who meets the conditions corresponding to the Allocated Shares for which the Transfer Restriction has been lifted, to the Eligible Employee’s membership interest (the “Ordinary Equity Interest”), with respect to the shares acquired by the ESA outside of the System.

(3) Acquisition by the Company without Compensation

The Company will automatically acquire, without compensation, any Allocated Shares for which the Transfer Restriction has not been lifted at the time of expiration of the Transfer Restriction Period or other times set forth in the agreement.

In the event of acquisition without compensation, the Company shall inform the ESA regarding the acquisition of the Allocated Shares without compensation and the number of Allocated Shares to be acquired without compensation. The

ESA shall, in accordance with the ESA Rules, deduct the from the Eligible Employee’s RS Equity Interest as of the time the notification is received the portion corresponding to the Allocated Shares subject to such acquisition without compensation.

(4) Management of Shares

During the Transfer Restriction Period, the Allocated Shares will be managed in an exclusive account for the restricted stock opened by the ESA with Daiwa Securities Co. Ltd. to prevent the transfer, granting a security interest in, or any other disposition during the Transfer Restriction Period. In addition, in accordance with the ESA Rules, the ESA will register and manage the RS Equity Interest to be held by the Eligible Employees with respect to the Allocated Shares separately from the Ordinary Equity Interest held by the Eligible Employees with respect to shares acquired by the ESA outside of the System.

(5) Treatment in Organizational Restructuring, Etc.

In the event that a merger agreement in which the Company is the disappearing company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or any other matter related to reorganization, etc. is approved at the Company’s General Meeting of Shareholders (or at the Company’s Board of Directors in cases where approval by the Company’s General Meeting of Shareholders is not required for such reorganization) during the Transfer Restriction Period, the Company shall, by the Board of Directors’ resolution, lift the Transfer Restriction on all Allocated Shares, the number of which corresponds to the RS Equity Interest held by the Eligible Employees on the Settlement Release Date, effective immediately before the close of business on the business day preceding the effective date of the organizational restructuring or the like.

3. Basis of Calculation and Specific Details of the Disposal Price

The Treasury Shares Disposal is conducted through a contribution in kind from the ESA to the Company, using the Monetary Claims contributed to the ESA by the Eligible Employees, who were provided the Monetary Claims by the Company or its subsidiaries as a special incentive for the provision of restricted stock under the System. To eliminate arbitrariness in determining the disposal price, it has been set as ¥4,790, which is the closing price of the Company’s common shares on the Prime Market of the Tokyo Stock Exchange on February 26, 2026 (the business day preceding the date of the Board of Directors’ resolution). This is the market price of the stock immediately before the date of the Board of Directors’ resolution, and in the absence of any special circumstances indicating that the most recent stock price cannot be relied upon, the Company believes that this is a reasonable price that appropriately reflects the Company’s corporate value and is not a price that is particularly favorable to the ESA.

The deviation rate of this disposal price from the average closing price of the Company’s shares on the Prime Market of the Tokyo Stock Exchange (rounded to the third decimal place) is as follows:

Period	Average closing price (rounded down to the nearest yen)	Deviation rate
1 Month (January 27, 2026 – February 26, 2026)	¥4,657	2.86%
3 Months (November 27, 2025 – February 26, 2026)	¥4,650	3.01%
6 Months (August 27, 2025 – February 26, 2026)	¥4,462	7.35%

All four Audit & Supervisory Board Members (including two outside Audit & Supervisory Board Members) who attended the Board of Directors meeting held on February 27, 2026 expressed the opinion that the above disposal price is not

particularly favorable to the ESA, which is the scheduled allottee, given that the Treasury Shares Disposal is intended to provide an incentive to the Eligible Employees and that the disposal price was set at the closing price on the business day preceding the date of the Board of Directors' resolution, and that such a determination was lawful.

4. Matters Related to Procedures Under the Corporate Code of Conduct

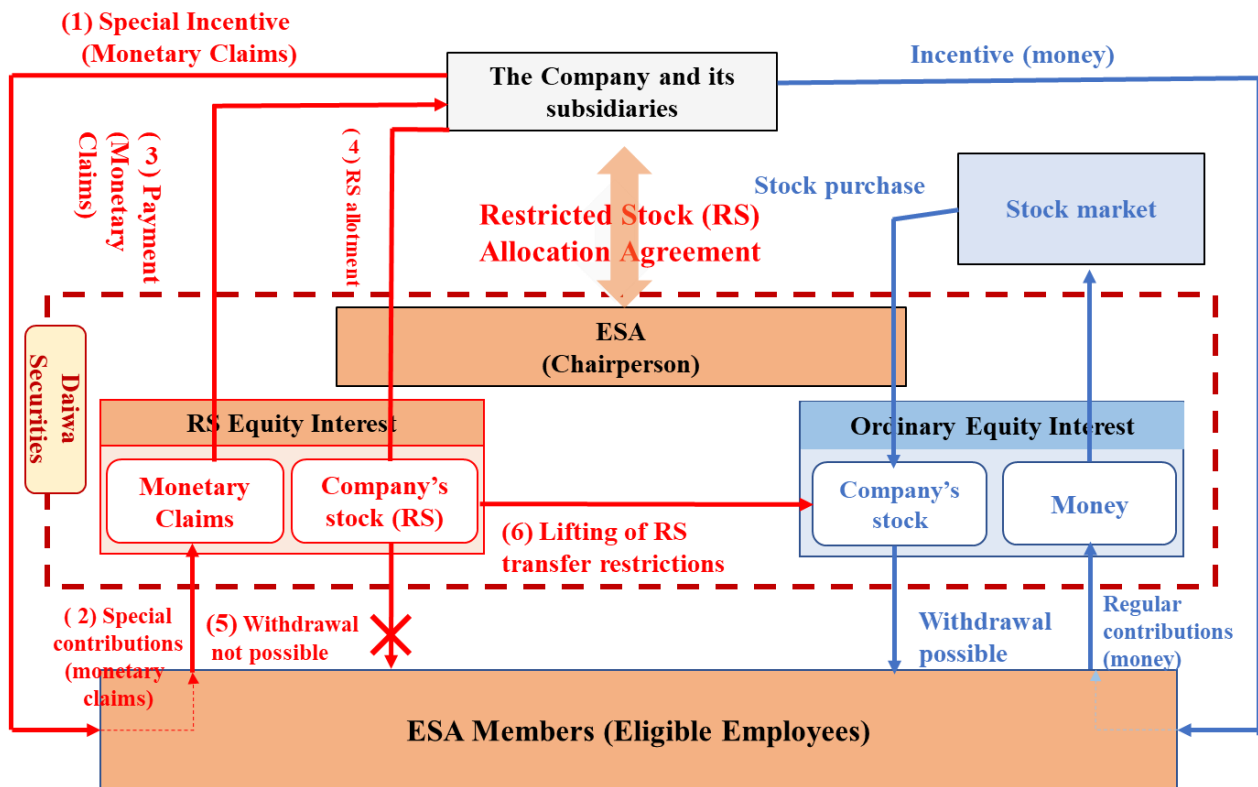
The Treasury Shares Disposal does not require obtaining an opinion from an independent third party or confirming shareholders' intent, as stipulated in Article 432 of the Securities Listing Regulations set by the Tokyo Stock Exchange, because (i) the dilution ratio is less than 25% and (ii) the disposal does not involve a change in the controlling shareholder.

(Reference)

Structure of the System

- (1) The Company and its subsidiaries provide the Eligible Employees with monetary claims as a special incentive for the provision of restricted stock.
- (2) The Eligible Employees contribute the monetary claims received in (1) above to the ESA.
- (3) The ESA consolidates the monetary claims contributed in (2) above and pays the total amount to the Company.
- (4) The Company allocates the Allocated Shares as restricted stock to the ESA.
- (5) The Allocated Shares are deposited into a dedicated account established by the ESA with Daiwa Securities Co., Ltd., with withdrawal restrictions imposed during the Transfer Restriction Period.
- (6) When the Transfer Restriction is lifted, the Allocated Shares are transferred to Ordinary Equity Interest and can be withdrawn by the Eligible Employees.

Schematic Diagram of the System



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