



August 17, 2022

Company Name: Sanrio Company, Ltd.
President and Chief Executive Officer: Tomokuni Tsuji
Securities Code: 8136, TSE Prime Section
Inquiries: Jiro Kishimura, Senior Managing Director
Tel.: +81-3-3779-8058

Notice Regarding the Disposal of Treasury Shares for Restricted Stock Remuneration Plan

At a meeting held August 17, 2022, the Sanrio Company, Ltd. ("Company") board of directors resolved to dispose of treasury shares for the restricted stock remuneration ("Disposal"). The details are as follows:

1. Overview of the Disposal of Treasury Shares

(1)	Disposal date	November 17, 2022
(2)	Class and number of shares to be disposed	Common Shares of the Company: 32,900 shares
(3)	Disposal price of shares to be disposed	3,375 JPY per share
(4)	Total disposal value	111,037,500 JPY
(5)	Recipients of disposal	Company Managing Executive Officers 4 persons 2,000 shares Company Executive Officers and General Managers (employees) 41 persons 12,300 shares Company Senior Managers (employees) 93 persons 18,600 shares
(6)	Other	With respect to this disposal of treasury shares, the Company has submitted an extraordinary report in accordance with the Financial Instruments and Exchange Act.

2. Purpose and Reason for Disposal

At a meeting held August 17, 2022, the Company's board of directors resolved to adopt a restricted stock-based remuneration plan ("Plan") as a new remuneration plan allocating restricted stock to Managing Executive Officers, Executive Officers, General Managers (employees), and Senior Managers (employees) (collectively, "Eligible Employees") as an incentive for the sustained improvement of Sanrio company value, as well as to align the values of Eligible Officers and shareholders to a greater degree.

3. Overview of the Agreement

a) Restricted Transfer Period November 17, 2022 to November 16, 2025

During the period of transfer restriction determined above ("Transfer Restriction Period"), the Eligible Employees may not, for the allocated restricted stock ("Restricted Stock"), transfer said stock to a third party, pledge, assign as security rights, use as inter vivo gifts, bequest, or engage in any other act of disposal ("Transfer Restriction").

b) Release of Transfer Restriction

The Company shall release Transfer Restriction of all Stock Allotments upon conclusion of Transfer Restriction Period, provided that the Eligible Employee to whom Stock Allotments have been made has held the position of director, executive officer, or employee of the Company or any of its subsidiaries on a continued basis during the Restriction Period. Provided, however, that in the event that the Eligible Employee retires from his or her title or position prior to the conclusion of Restriction Period due to reasons recognized as valid by the Company board of directors, the number of Stock Allotments to be released and the timing of the release of Transfer Restriction shall be adjusted rationally as necessary. Further, if, as of the time that Transfer Restriction is released, no more than three months have elapsed subsequent to the end of the fiscal year of Stock Allotments subject to Transfer Restriction, said restriction shall be released after the elapse of three months from the end of said fiscal year.

c) Acquisition of Restricted Stock Without Consideration

In the event that Eligible Employees who have received Stock Allotments of Restricted Shares resigns or retires from his or her position as director, executive officer, or employee of the Company or any Company subsidiary before the expiration of the Restricted Period, the Company shall, except where deemed as a justifiable reason to the contrary by the board of directors, the Company shall acquire said Stock Allotments automatically and without payment of consideration. Further, in the event that there are certain Restricted Stocks for which Transfer Restriction has not been released upon completion of (1) Period of Transfer Restriction, and based on reasons for Release of Transfer Restriction in (2) Overview of the Agreement, the Company may acquire said shares automatically and without payment of consideration.

d) Reorganizations, etc.

If, during the period of Transfer Restriction, the Company enters into a merger agreement by which the Company becomes the non-surviving company, or the Company enters into a stock exchange agreement or stock transfer plan with the Company becoming a wholly owned subsidiary, or if the Company engages in any other reorganization that is approved by a general shareholders' meeting (provided, however, when such reorganization does not require approval by the general meeting of shareholders, then upon approval by the Company board of directors), the Transfer Restriction shall be released prior to the effective date of said reorganization in accordance with a Company board of director resolution for a number of shares of Restricted Stock determined to be rational based on the period between the date of the start of the Restriction Period and the day of approval of said reorganization, etc. In this case, the Company shall acquire automatically and without consideration Restricted Stock for which the Transfer Restriction has not been released as of the time immediately following the release of Transfer Restriction.

Notwithstanding the preceding, if the business day preceding the effective date of said reorganization is not more than three months after the end of the fiscal year that includes the date of delivery of the Restricted Shares, the Company shall acquire all Allotted Shares for which Transfer Restriction has not been released without payment of consideration as of the time immediately preceding the business day preceding the effective date of said Reorganization.

e) Management of Allotted Shares

To prevent Allotted Shares are not assigned as security rights or otherwise disposed of during the Transfer Restriction Period, the Eligible Employee shall open a dedicated bank account at the financial instruments business operator designated in advance by the Company (Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.), and manage the shares in this account until the Transfer Restriction has been released.

4. Basis and Details for Calculating Disposal Price

In order to eliminate any arbitrariness in the disposal price, said disposal price has been set as 3,375yen, which is the closing price of the common stock of the Company on the Tokyo Stock Exchange as of August 16, 2022 (business day prior to the resolution in question passed by the Company board of directors). This is the market price of the common stock immediately before the resolution by the Company board of directors, and we consider that this is reasonable and does not constitute a particularly advantageous price.