



August 17, 2023

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## Notice Regarding the Issuance of New Shares as Restricted Stock Remuneration

At a meeting held August 17, 2023, the Sanrio Company, Ltd. (“Company”) board of directors resolved the Issuance of New Shares as Restricted Stock Remuneration (“Issuance”). The details are as follows:

### 1. Overview of the Issuance of New Shares

(1)	Payment Date	January 17, 2024
(2)	Class and number of shares to be Issued	Common Shares of the Company: 46,800 shares
(3)	Issuance Price	JPY 8,060 per share
(4)	Total Issuance Price	JPY 377,208,000
(5)	Scheduled Recipients	Company Managing Executive Officers 3 persons 1,500 shares Company Executive Officers and General Managers (employees) 44 persons 13,200 shares Company Senior Managers (employees) 97 persons 19,400 shares Company D/G4-grade general employees and above 127 persons 12,700 shares
(6)	Other	With respect to this issuance of new shares, the Company has submitted an extraordinary report in accordance with the Financial Instruments and Exchange Act.

### 2. Purpose and Reason for Issuance

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 and 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.

The following is an overview of the Plan.

#### Overview of the Plan

Eligible Employees shall make in-kind contribution of all the monetary compensation claims they received from the Company under the Plan and shall, in return, receive common shares of the Company that have been issued or disposed of by the Company.

The amount to be paid per share of stock issued or disposed of under the Plan shall be based on the closing price of common shares of the company on the Tokyo Stock Exchange on the business day

immediately preceding the resolution by the Company's Board of Directors concerning the allotment of the allotted shares. (If no transactions occur on that day, the closing price of the most recent trading day shall be used.) The Company's Board of Directors shall set a range of amounts that is not particularly advantageous to Eligible Employees for the receipt of this restricted stock.

In addition, an allocation agreement for restricted stock (hereinafter, the "Allocation Agreement") shall be concluded between the Company and the Eligible Employees with regard to the issuance or disposal of common shares of the Company under the Plan. The Allocation Agreement shall contain the following matters.

- a. Eligible Employees shall not assign, grant a security interest in, or otherwise dispose of the common shares of the Company allocated to them pursuant to the Allocation Agreement for a pre-determined period of time.
- b. The Company may acquire such common shares without consideration in the case of certain events.

Today, by resolution of the Board of Directors, the Company has decided to pay a total of ¥377,208,000 in monetary claims (hereinafter, the "Monetary Claims") to 271 Eligible Employees and to allocate 46,800 common shares of the Company as restricted stock to the Eligible Employees when they make in-kind contribution of all the Monetary Claims. The amount of monetary claims for Eligible Employees is determined on the basis of comprehensive consideration of the Company's business performance, each Eligible Employee's job responsibilities, and various other factors. In addition, the Monetary Claims will be paid to Eligible Employees subject to conclusion between the Company and Eligible Employees of an Allocation Agreement, which shall contain the following items.

### 3. Overview of the Allocation Agreement

- a) Restricted Transfer Period                      January 17, 2024 to January 16, 2027

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 Alloted 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 Alloted 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 Issuance Price

In order to eliminate any arbitrariness in the issuance price, said issuance price has been set as 8,060 yen, which is the closing price of the common stock of the Company on the Tokyo Stock Exchange as of August 16, 2023 (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.