



September 21, 2023

For Immediate Release

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## Notice of Change in Dividend Policy (Performance-linked Dividend) and Revision of Dividend Forecast (Dividend Increase)

SANKYO CO., LTD. (the Company) announced that it resolved at the meeting of the Board of Directors held today to change the dividend policy as described below and to revise interim and year-end dividends for the fiscal year ending March 31, 2024.

### 1. Change in the Dividend Policy

#### (1) Reasons for Change in the Dividend Policy

The purpose is to pay dividends according to financial performance by establishing a dividend payout ratio benchmark, while maintaining stable dividends, which was the previous policy, so as to enhance shareholder returns.

#### (2) Details of the Dividend Policy

(Before the change)

The Company regards the return of profits to shareholders as one of the most important management priorities. The Company's dividend policy is to continue stable dividend payments, taking into consideration financial results, the financial position, the payout ratio, and other factors comprehensively.

(After the change)

The Company regards the return of profits to shareholders as one of the most important management priorities.

The Company's basic policy is to pay performance-linked dividends with a consolidated dividend payout ratio of 40% as a benchmark. However, the minimum annual dividend per share shall be set at ¥100 to maintain stable dividends.

For the interim dividend, a consolidated dividend payout ratio of 40% for the first six months of the fiscal year shall be the benchmark for the total dividend amount, but the interim dividend shall be no more than 50% of the forecast full-year dividend per share at the time the interim dividend amount is determined.

#### (3) Timing of the Change

The new dividend policy will be applied from the interim dividend at the end of the second quarter of the current fiscal year.

This material is an English translation of Japanese announcement made on September 21, 2023. Although the Company intended to faithfully translate the Japanese document into English, the accuracy and correctness of this translation are not guaranteed.

## 2. Revision of the Forecast of Dividends

### (1) Revision of the Forecast of Dividends for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Base date)	Cash dividend per share		
	2nd quarter	Year-end	Full Year
	Yen	Yen	Yen
Previous forecast (May 11, 2023)	75.00	75.00	150.00
Revised forecast	150.00	150.00	300.00
Results for the year ending March 31, 2024	-	-	-
Results for the year ended March 31, 2023	60.00	90.00	150.00

### (2) Reasons for the Revision

Based on the new dividend policy mentioned above and the figures of the financial forecast disclosed in the “Notice concerning Earnings Forecast for the First Six Months of the Fiscal Year Ending March 31, 2024” separately announced today, the interim dividend at the end of the second quarter has been revised to ¥150 per share, an increase of ¥75 from the previous forecast.

In view of the above dividend policy and the full-year earnings forecast announced at the beginning of the fiscal year, the Company has revised its full-year dividend forecast for the fiscal year ending March 31, 2024, to ¥300 per share, an increase of ¥150 per share from the previous forecast. The year-end dividend, after deducting the interim dividend of ¥150 per share, is forecast to be ¥150 per share.

The above forecast is based on information currently available to management. Actual results may differ from the forecast owing to various factors.

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