



May 24, 2024



For Immediate Release

Listed company name: **SANKYO CO., LTD.**
Representative: Akihiko Ishihara
President & CEO
(Code:6417,TSE Prime Market)
Contact: Hiroshi Takahashi
Senior Executive Operating Officer
Head of Administration Div.
TEL.: +81-3-5778-7777

Notice concerning Partial Amendments to the Articles of Incorporation

SANKYO Co., Ltd. today announced that at a meeting of the board of directors of the Company held on May 24, 2024, it was decided to propose partial amendments to the Articles of Incorporation to the 59th ordinary general meeting of shareholders to be held on June 27, 2024. Details are described below.

1. Purpose of amending the Articles of Incorporation

(1) The Company has decided to transition to a company with an Audit and Supervisory Committee, subject to approval at the 59th Ordinary General Meeting of Shareholders to be held on June 27, 2024, as separately announced in the press release dated January 18, 2024, "Notice concerning Transition to Company with Audit and Supervisory Committee and Establishment of Nomination and Remuneration Committee and Sustainability Committee," to further strengthen the audit and supervisory function of the Board of Directors and further enhance governance, as well as to increase managerial fairness, transparency, and efficiency by accelerating decision-making and business execution through delegation of authority. Accordingly, relevant amendments shall be made to the Articles of Incorporation, including the establishment of new provisions concerning the Audit and Supervisory Committee and its Members and the deletion of provisions concerning the Statutory Auditors and the Board of Statutory Auditors.

(2) To enable flexible implementation of capital and dividend policies, the Company shall become able to flexibly pay dividends from surplus, etc. without a resolution of a general meeting of shareholders even in the event of a disaster or other contingencies that would make it difficult to convene a general meeting of shareholders, with respect to the matters that may be resolved by the Board of Directors if stipulated as such in the Articles of Incorporation and for the primary purpose of using a part of general reserve, while following the principle that year-end dividends shall continue to be determined at a general meeting of shareholders. Accordingly, Article 38 (Declaration of dividends, etc.) shall be established, and associated necessary amendments shall be made, including the deletion of Article 7 (Acquisition of treasury shares) and Article 43 (Record date for interim dividends) of the current Articles of Incorporation, which are overlapping in content, in accordance with the proposed amendments to the Articles of Incorporation.

(3) Other necessary amendments shall be made, including changes to article numbers and the format.

2. Details of the amendments to the Articles of Incorporation

Details of the amendments are described in the attachment.

3. Schedule

Date on which the general meeting of shareholders for amendments to the Articles of Incorporation is to be held:

June 27, 2024 (Thursday)

Date on which the amendments to the Articles of Incorporation are expected to take effect:

June 27, 2024 (Thursday)

This material is an English translation of Japanese announcement made on May 24, 2024. Although the Company intended to faithfully translate the Japanese document into English, the accuracy and correctness of this translation are not guaranteed.

Current Articles of Incorporation	Proposed Amendment
<p>Articles 1 to 3. (Omitted) (Organizational bodies)</p> <p>Article 4. The Company shall have the following organizational bodies, in addition to the General Meeting of Shareholders and Directors: (1) Board of Directors (2) <u>Statutory Auditors</u> (3) <u>Board of Statutory Auditors</u> (4) Accounting Auditor</p> <p>Articles 5 to 6. (Omitted) <u>(Acquisition of treasury shares)</u></p> <p><u>Article 7.</u> <u>The Company may, pursuant to the provisions of Article 165, Paragraph 2 of the Companies Act, acquire treasury shares by a resolution of the Board of Directors.</u></p> <p>Articles <u>8</u> to <u>19</u>. (Omitted) (Number of Directors)</p> <p>Article <u>20</u>. The Company shall have <u>not more than 10 Directors.</u> (Newly established)</p> <p>(Election of Directors)</p> <p>Article <u>21</u>. The Company's Directors shall be elected by a resolution of the General Meeting of Shareholders which shall be adopted by an affirmative vote of a majority of the voting rights of the shareholders in attendance who hold voting rights representing in the aggregate one-third or more of the total number of voting rights of all shareholders who are entitled to vote. 2 (Omitted)</p> <p>(Term of office of Directors)</p>	<p>Articles 1 to 3. (Unchanged) (Organizational bodies)</p> <p>Article 4. The Company shall have the following organizational bodies, in addition to the General Meeting of Shareholders and Directors: (1) Board of Directors (2) <u>Audit and Supervisory Committee</u> (Deleted) (3) Accounting Auditor</p> <p>Articles 5 to 6. (Unchanged) (Deleted)</p> <p>Articles <u>7</u> to <u>18</u>. (Unchanged) (Number of Directors)</p> <p>Article <u>19</u>. The Company shall have <u>not more than nine Directors (excluding Directors who are Audit and Supervisory Committee Members).</u> <u>2</u> <u>The Company shall have not more than five Directors who are Audit and Supervisory Committee Members.</u></p> <p>(Election of Directors)</p> <p>Article <u>20</u>. The Company's Directors shall be elected, <u>in a manner that differentiates between Directors who are Audit & Supervisory Committee Members and the other Directors,</u> by a resolution of the General Meeting of Shareholders which shall be adopted by an affirmative vote of a majority of the voting rights of the shareholders in attendance who hold voting rights representing in the aggregate one-third or more of the total number of voting rights of all shareholders who are entitled to vote. 2 (Unchanged)</p> <p>(Term of office of Directors)</p>

Article 22. The term of office of Directors shall expire upon the closing of the Ordinary General Meeting of Shareholders held with respect to the last business year ending within one year after their election to the office.

(Newly established)

(Newly established)

(Newly established)

(Representative Directors and Directors with titles)

Article 23. The Board of Directors shall, by its resolution, appoint one or more Representative Directors.

- 2 The Board of Directors may, by its resolution, appoint Director & Chairman, Director & President, Director & Senior Executive Vice President, Senior Executive Director, and Executive Director.

3 (Omitted)

Article 24. (Omitted)

(Convocation and chairperson of the Board of Directors)

Article 25. (Omitted)

- 2 A notice to convene a meeting of the Board of Directors shall be issued to each Director and each Statutory Auditor three days prior to the date of the meeting; provided, however, that such period of advance notice may be shortened in case of an emergency.

Article 26. (Omitted)

(Newly established)

Article 21. The term of office of Directors (excluding Directors who are Audit and Supervisory Committee Members) shall expire at the closing of the Ordinary General Meeting of Shareholders held with respect to the last business year ending within one year after their election to the office.

2 The term of office of Directors who are Audit and Supervisory Committee Members shall expire at the closing of the Ordinary General Meeting of Shareholders held with respect to the last business year ending within two years after their election to the office.

3 The term of office of Directors who are Audit and Supervisory Committee Members elected to fill a vacancy caused by the resignation of Directors who are Audit and Supervisory Committee Members prior to the expiration of such Directors' term of office shall expire at the time the term of office of their predecessor expires.

4 A resolution to elect a substitute Director who is an Audit and Supervisory Committee Member pursuant to Article 329, Paragraph 3 of the Companies Act shall remain effective until the beginning of the Ordinary General Meeting of Shareholders for the last business year ending within two years after his or her election unless the effective period is shortened by the said resolution.

(Representative Directors and Directors with titles)

Article 22. The Board of Directors may, by its resolution, appoint one or more Representative Directors from among Directors (excluding Directors who are Audit and Supervisory Committee Members).

- 2 The Board of Directors may, by its resolution, appoint Director & Chairman, Director & President, Director & Senior Executive Vice President, Senior Executive Director, and Executive Director from among Directors (excluding Directors who are Audit and Supervisory Committee Members).

3 (Unchanged)

Article 23. (Unchanged)

(Convocation and chairperson of the Board of Directors)

Article 24. (Unchanged)

- 2 A notice to convene a meeting of the Board of Directors shall be issued to each Director three days prior to the date of the meeting; provided, however, that such period of advance notice may be shortened in case of an emergency.

Article 25. (Unchanged)

(Delegation of decisions on important business execution)

<p>Article 27. (Omitted)</p> <p>(Compensation, etc. for Directors)</p> <p>Article 28. Financial benefits that Directors receive from the Company as consideration for their execution of duties, such as director compensation and bonuses, shall be determined by a resolution of the General Meeting of Shareholders.</p> <p>(Exemption of Directors' liabilities)</p> <p>Article 29. Pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act, the Company may, by a resolution of the Board of Directors, exempt Directors (including former Directors) from liability for damages resulting from failure to discharge duties to the extent permitted by laws and regulations.</p> <p>2 Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into agreements with Directors (excluding those serving as executive directors, etc.) which limit their liability for damages resulting from failure to discharge duties; provided, however, that the limit of liability pursuant to such agreements shall be the amount provided for in laws and regulations.</p> <p><u>Chapter 5. Statutory Auditors and the Board of Statutory Auditors</u></p> <p>(Number of Statutory Auditors)</p> <p>Article 30. <u>The Company shall have not more than four Statutory Auditors.</u></p> <p>(Election of Statutory Auditors)</p> <p>Article 31. <u>The Company's Statutory Auditors shall be elected by a resolution of the General Meeting of Shareholders which shall be adopted by an affirmative vote of a majority of the voting rights of the shareholders in attendance who hold voting rights representing in the aggregate one-third or more of the total number of voting rights of all shareholders who are entitled to vote.</u></p> <p>(Term of office of Statutory Auditors)</p>	<p>Article 26. <u>Pursuant to the provisions of Article 399-13, Paragraph 6 of the Companies Act, the Company may, by a resolution of the Board of Directors, delegate all or part of the decisions on important business execution (excluding the matters listed in each item of Paragraph 5 of the said Article) to Directors.</u></p> <p>Article 27. (Unchanged)</p> <p>(Compensation, etc. for Directors)</p> <p>Article 28. Financial benefits that Directors receive from the Company as consideration for their execution of duties, such as director compensation and bonuses, shall be determined by a resolution of the General Meeting of Shareholders <u>in a manner that differentiates between Directors who are Audit and Supervisory Committee Members and the other Directors.</u></p> <p>(Exemption of Directors' liabilities)</p> <p>Article 29. Pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act, the Company may, by a resolution of the Board of Directors, exempt Directors (including former Directors) from liability for damages resulting from failure to discharge duties to the extent permitted by laws and regulations.</p> <p>2 Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into agreements with Directors (excluding those serving as executive directors, etc.) which limit their liability for damages resulting from failure to discharge duties; provided, however, that the limit of liability pursuant to such agreements shall be the amount provided for in laws and regulations.</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p>
--	--

This material is an English translation of Japanese announcement made on May 24, 2024. Although the Company intended to faithfully translate the Japanese document into English, the accuracy and correctness of this translation are not guaranteed.

Article 32. The term of office of Statutory Auditors shall expire upon the closing of the Ordinary General Meeting of Shareholders held with respect to the last business year ending within four years after their election to the office.

2 The term of office of Statutory Auditors elected to fill a vacancy caused by the resignation of Statutory Auditors prior to the expiration of such Statutory Auditors' term of office shall expire at the time the term of office of their predecessor expires.

(Authority of the Board of Statutory Auditors)

(Deleted)

Article 33. The Board of Statutory Auditors shall make decisions on the matters prescribed in laws and regulations or the Articles of Incorporation, as well as on the Company's audit policies, methods for investigating the Company's operational and financial status, and other matters regarding the performance of Statutory Auditors' duties.

(Convocation of the Board of Statutory Auditors)

(Deleted)

Article 34. Meetings of the Board of Statutory Auditors shall be convened by any Statutory Auditor.

2 A notice to convene a meeting of the Board of Statutory Auditors shall be issued to each Statutory Auditor three days prior to the date of the meeting; provided, however, that such period of advance notice may be shortened in case of an emergency.

(Regulations on the Board of Statutory Auditors)

(Deleted)

Article 35. Other matters regarding the Board of Statutory Auditors shall comply with the regulations on the Board of Statutory Auditors separately established by the Board of Statutory Auditors.

(Standing Statutory Auditors)

(Deleted)

Article 36. The Board of Statutory Auditors shall appoint Standing Statutory Auditors by its resolution.

(Compensation, etc. for Statutory Auditors)

(Deleted)

Article 37. Financial benefits that Statutory Auditors receive from the Company as consideration for their execution of duties, such as compensation and bonuses, shall be determined by a resolution of the General Meeting of Shareholders.

(Exemption of Statutory Auditors' liabilities)

(Deleted)

Article 38. Pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act, the Company may, by a resolution of the Board of Directors, exempt Statutory Auditors (including former Statutory Auditors) from liability for damages resulting from failure to discharge duties to the extent permitted by laws and regulations.

2 Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into agreements with Statutory Auditors which limit their liability for damages resulting from failure to discharge duties; provided, however, that the limit of liability pursuant to such agreements shall be the amount provided for in laws and regulations.

(Newly established)

(Newly established)

(Newly established)

(Newly established)

(Newly established)

(Newly established)

Articles 39 to 41. (Omitted)

(Newly established)

Chapter 5. Audit and Supervisory Committee

(Standing Audit and Supervisory Committee Members)

Article 30. The Audit and Supervisory Committee may, by its resolution, appoint Standing Audit and Supervisory Committee Members from among the Audit and Supervisory Committee Members.

(Authority of the Audit and Supervisory Committee)

Article 31. The Audit and Supervisory Committee shall make decisions on the matters prescribed in laws and regulations or the Articles of Incorporation and exercise authority needed to perform its duties.

(Convocation of the Audit and Supervisory Committee)

Article 32. A notice to convene a meeting of the Audit and Supervisory Committee shall be issued to each Audit and Supervisory Committee Member three days prior to the date of the meeting; provided, however, that such period of advance notice may be shortened in case of an emergency.

(Method of adopting resolution of the Audit and Supervisory Committee)

Article 33. A resolution of the Audit and Supervisory Committee shall be adopted by a majority of the votes of Audit and Supervisory Committee Members in attendance who represent a majority of the total Audit and Supervisory Committee Members who are entitled to vote.

(Regulations on the Audit and Supervisory Committee)

Article 34. Other matters regarding the Audit and Supervisory Committee shall comply with the regulations on the Audit and Supervisory Committee separately established by the Audit and Supervisory Committee.

Articles 35 to 37. (Unchanged)

(Declaration of dividends, etc.)

<p>(Record date for distribution of dividends from surplus)</p> <p>Article <u>42</u>. (Omitted)</p> <p style="padding-left: 100px;">(Newly established)</p> <p style="padding-left: 100px;">(Newly established)</p> <p>(Record date for interim dividends)</p> <p>Article <u>43</u>. <u>The Company may, by a resolution of the Board of Directors, distribute interim dividends, the record date for which shall be September 30 of each year.</u></p> <p>Article <u>44</u>. (Omitted)</p> <p style="padding-left: 100px;">(Newly established)</p> <p style="padding-left: 100px;">(Newly established)</p>	<p>Article <u>38</u>. <u>Unless otherwise provided by laws or regulations, the Company may determine matters stipulated in each item of Article 459, Paragraph 1 of the Companies Act, such as distribution of dividends from surplus, by a resolution of the Board of Directors.</u></p> <p>(Record date for distribution of dividends from surplus)</p> <p>Article <u>39</u>. (Unchanged)</p> <p style="padding-left: 20px;"><u>2</u> <u>The record date for the Company's interim dividends shall be September 30 of each year, provided that the Company decides to distribute such dividends.</u></p> <p style="padding-left: 20px;"><u>3</u> <u>The Company may set other record dates than those provided for in the two preceding paragraphs to distribute dividends from surplus.</u></p> <p style="padding-left: 100px;">(Deleted)</p> <p>Article <u>40</u>. (Unchanged)</p> <p><u>SUPPLEMENTARY PROVISIONS</u> <u>(Transitional measures regarding exemption of Statutory Auditors' liabilities)</u></p> <p style="padding-left: 20px;"><u>1</u> <u>Pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act, the Company may, by a resolution of the Board of Directors, exempt to the extent permitted by laws and regulations Statutory Auditors (including former Statutory Auditors) from liability for damages resulting from failure to discharge duties prior to the entry into effect of the partial amendments to Articles of Incorporation resolved at the 59th Ordinary General Meeting of Shareholders.</u></p> <p style="padding-left: 20px;"><u>2</u> <u>Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, with respect to agreements with Statutory Auditors to limit their liability for damages resulting from failure to discharge duties which were reached before the partial amendments to the Articles of Incorporation resolved at the 59th Ordinary General Meeting of Shareholders become effective, the prior Articles of Incorporation shall still apply.</u></p>
---	--

This material is an English translation of Japanese announcement made on May 24, 2024. Although the Company intended to faithfully translate the Japanese document into English, the accuracy and correctness of this translation are not guaranteed.