July 14, 2021

Company Name: Sanrio Company, Ltd.
President and Chief Executive Officer: Tomokuni Tsuji
Securities Code: 8136, First Section of Tokyo Stock Exchange
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Notice Regarding the Disposal of Treasury Shares for Restricted Stock Compensation

At a meeting held July 14, 2021, the Sanrio Company, Ltd. (“Company”) board of directors resolved to dispose of treasury shares for the restricted stock compensation (“Disposal” or “Plan”). The details are as follows:

1. Overview of the Disposal of Treasury Shares

(1)	Disposal date	August 10, 2021
(2)	Class and number of shares to be disposed	Common Shares of the Company: 20,000 shares
(3)	Disposal price of shares to be disposed	1,996 JPY per share
(4)	Total disposal value	39,920,000 JPY
(5)	Recipients of disposal	Sanrio Managing Executive Officers 2 persons 20,000 shares
(6)	Other	With respect to this disposal of treasury shares, the Company has submitted a securities notice in accordance with the Financial Instruments and Exchange Act.

2. Purpose and Reason for Disposal

The restricted stock-based compensation plan (“Plan”) was adopted by the Company as a new compensation plan allocating restricted stock to managing executive officers (“Eligible Officers”) as an incentive for the sustained improvement of Sanrio company value, as well as to align the values of Eligible Directors and shareholders to a greater degree.

Today, through a resolution by the Company's board of directors meeting, the Company decided to pay a total of 39,920,000 yen in monetary compensation claims ("Monetary Compensation Claims") to the two recipient executive officers, and to allot 20,000 shares of common stock of the Company as restricted stock as shares with restrictions on transfer by paying all of the monetary compensation claims to the Eligible Officers by way of contribution in kind. The amount of monetary compensation for these is determined after a comprehensively taking into consideration Company performance and the circumstances of each Eligible Officer's duties. Additionally, these monetary compensation claims will be paid on the condition that Eligible Directors have concluded with the Company a restricted stock allotment agreement which includes the details set forth below.

3. Overview of the Agreement

(1) Period of Transfer Restriction

August 10, 2021 until the date that said Director or Eligible Officer retires from their position in the Company. During the period of transfer restriction determined above ("Transfer Restriction Period"), the Eligible Officers may not, for the allocated Restricted Stock ("Restricted Stock"), transfer this to a third party, pledge, assign as security rights, use as inter vivo gift, bequest, or engage in any other act of disposal (“Transfer Restriction”).

(2) Release of Transfer Restriction

The Company shall release the Transfer Restriction of all Stock Allotments upon the conclusion of Transfer Restriction Period upon the condition that the Eligible Officer receiving an allotment of Restricted Stock has served continuously for a period of time from June 24, 2021 (date of the 61st Ordinary General Meeting of Shareholders) to the date of the subsequent year's Ordinary General Meeting of Shareholders (“Term of Service”). Provided, however, that in the event that the Eligible Director retires from his or her position during the Term of Service due to reasons recognized as valid by the Company board of directors, the number of Restricted Stocks to be released and the timing of the release of Transfer Restriction shall be adjusted rationally as necessary.

(3) Acquisition of Restricted Stock Without Consideration

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.

(4) 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 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 Term of Service 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.

(5) Management of Restricted Stock

In order that the Restricted Stock is not assigned as security rights or otherwise disposed of during the Transfer Restriction Period, the Eligible Officer shall open a dedicated 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, this has been set as 1,996 yen, which is the closing price of the common stock of the Company on the Tokyo Stock Exchange as of July 13, 2021 (business day prior to this resolution 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.