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October 7, 2026

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Notice Concerning the Disposal of Treasury Shares in Connection with the Introduction of a Share-Based Remuneration System

Sankyo Tateyama, Inc. (the "Company") hereby announces that it has resolved, at a meeting of the Board of Directors held today, to dispose of treasury shares as share-based remuneration (the "Disposal of Treasury Shares") as described below.

1. Overview of the Disposal

(1)	Date of disposal	October 23, 2026
(2)	Class and number of shares for disposal	115,000 common shares of the Company
(3)	Disposal price	636 yen per share
(4)	Total disposal amount	73,140,000 yen
(5)	Scheduled allottee	Sumitomo Mitsui Trust Bank, Limited (trust account) (Re-entrustment trustee: Custody Bank of Japan, Ltd. (trust account))
(6)	Other	No securities registration statements, securities notification forms, or extraordinary reports have been filed.

2. Purpose and Reason for disposal

At a meeting of the Board of Directors held on July 28, 2026, the Company resolved to introduce a stock-based remuneration system(the "System") that aims to enhance awareness of contributions to improved medium- and long-term business performance and increased corporate value, by more clearly linking the remuneration of the Company's directors (excluding (i) Directors who are Audit & Supervisory Committee Members and (ii) External Directors) and Executive Officers (collectively, the "Directors, etc.") and the Company's share value, while having the Directors, etc. share the benefits and risks of share price fluctuations with shareholders and this system is designed to provide directors with an incentive to continuously enhance corporate value even after the shares are issued, by imposing transfer restrictions on the shares issued to them until their retirement. The introduction of this System, which will apply to the Company's Directors, was approved by resolution at the 81st Annual General Meeting of Shareholders held on August 27, 2026.

For an overview of the System, please refer to the "Notice of Introduction of a Share-Based Remuneration System for Officers" dated July 28, 2026.

The Disposal of treasury shares will be made to Sumitomo Mitsui Trust Bank, Limited (trust account) (re-entrustment trustee: Custody Bank of Japan, Ltd. (trust account)), as the trustee for the trust (the "Trust") established by the Company for the operation of the System.

The quantity of shares for disposal corresponds to the number of shares expected to be delivered to the Directors etc., taking into consideration factors such as the positions of the Company's Directors, and changes their composition, etc. during the trust period, based on the share delivery rules established by the Company upon the introduction of the System. The scale of dilution is calculated to be 0.36% of the total number of shares issued as of May 31, 2026 (31,554,629 shares)(and 0.37% of the total number of voting rights as of May 31, 2026 (308,238 votes), with all values rounded to the nearest second decimal place).The Company believes that the System will clarify the linkage between the remuneration of the Company's Directors, etc. and the Company's share value, and therefore lead to enhancement of the Company's corporate value over the medium- to long-term. The Company has determined that the disposal quantity and the scale of dilution resulting from the Disposal of Treasury Shares are reasonable, and that the impact on the trading market will be negligible.

(For Reference) Overview of the Trust Agreement Pertaining to This Trust	
Trustor	The Company
Trustee	Sumitomo Mitsui Trust Bank, Limited (Re-entrustment trustee: Custody Bank of Japan, Ltd.)
Beneficiaries	Directors, etc. of the Company who satisfy the beneficiary requirements
Trust administrator	A third party to be selected that is independent of the Company and its officers
Exercise of voting rights	The voting rights of the shares held in the Trust will not be exercised at any time during the trust period.
Type of trust	Trust of money other than "money trust"　(third-party-benefit trust)
Date of trust agreement	October 23, 2026
Trust period	From October 23, 2026, to October 2030 (scheduled)
Trust purpose	To deliver the Company Shares to the beneficiaries based on the share delivery rules

3.　Basis for Calculating the Disposition Price and Specific Details

The disposal price is set at 636 yen, the closing price of the Company's shares on the Tokyo Stock Exchange, Inc. on the business day immediately prior to the date of the Board of Directors' resolution October 6, 2026, in order to eliminate arbitrariness in pricing. The Company the closing price of the business day immediately preceding the date of the Board of Directors' resolution because it reflects the market value immediately prior to the Board of Director's resolution date, which the Company has determined to be a highly objective and reasonable basis for calculation.

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