August 6, 2026

For Immediate Release

Listed company name:	**SANKYO CO., LTD.**
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Notice concerning Change in Dividend Policy (Increase in Dividend Payout Ratio and Introduction of DOE) and Revision of Projected Cash Dividends (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, 2027.

1. Change in the dividend policy

(1) Reasons for change in the dividend policy

SANKYO CO., LTD. (the “Company”) positions the return of profits to shareholders as one of its most important management priorities. While continuing to base itself on its existing performance-linked dividend policy, the Company will increase the dividend payout ratio so that profit growth is more directly reflected in shareholder returns, while also introducing a dividend on equity ratio (DOE; consolidated dividend rate of net assets) to create a framework that makes it easier to maintain a certain level of dividends through periods of earnings fluctuation. In addition, with a view to enhancing the stability and predictability of dividends, the Company will, in principle, set the lower limit for the annual dividend at the forecast annual dividend amount announced at the beginning of each fiscal year. By achieving both enhanced shareholder returns and greater dividend stability through these initiatives, the Company aims to increase shareholder value over the medium to long term.

(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 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.

(After the change)

Reflecting the Company’s positioning of the return of profits to shareholders as one of its most important management priorities, dividends will be set at whichever is higher of the level calculated using a consolidated dividend payout ratio of 50% or DOE (consolidated dividend rate of net assets) of 5% as a guideline. However, in principle, the dividend forecast announced at the beginning of each fiscal year will serve as the lower limit.

(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.

2. Forecast of Dividends

(1) Forecast of dividends for the year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

	Cash dividend per share		
(Base date)	2nd quarter	Year-end	Full Year
	Yen	Yen	Yen
Previous forecast (May 13, 2026)	-	-	80.00
Revised forecast	50.00	50.00	100.00
Results for the year ending March 31, 2027	-	-	-
Results for the year ended March 31, 2026	45.00	45.00	90.00

(2) Reasons for the revision

Based on the new dividend policy described above, the Company has determined the second-quarter-end dividend and the year-end dividend, which had previously been undecided. The second-quarter-end dividend will be 50 yen per share and the year-end dividend will be 50 yen per share, and the annual dividend per share will be revised from the previous forecast of 80 yen to 100 yen, an increase of 20 yen.

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