

September 5, 2019

For Immediate Release

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Notice concerning Results of the Tender Offer of Own Shares and Completion of Repurchase Thereof

SANKYO CO., LTD. (the “Company”), at its Board of Directors’ meeting held on August 6, 2019, resolved to repurchase the Company’s shares through a tender offer (the “Tender Offer”) pursuant to the provisions of Article 156, Paragraph 1 of the Companies Act as amended (Law No. 86 of 2005; the “Companies Act”) as applied by replacing the terms pursuant to the provisions of Article 165, Paragraph 3 of the Act and the Company’s Articles of Incorporation, and implemented the Tender Offer from August 7, 2019. The Company hereby announces that the Tender Offer was completed on September 4, 2019, as detailed below.

The Company also announces that, with the completion of the Tender Offer, the Company has completed the repurchase of its own shares based on the resolution at the Board of Directors’ meeting held on August 6, 2019.

- I. Results of the Tender Offer
 1. Outline of purchase, etc.
 - (1) Name and address of the tender offeror
SANKYO CO., LTD. 29-14, Shibuya 3-chome, Shibuya-ku, Tokyo
 - (2) Class of listed share certificates, etc. subject to purchase, etc.
Common stock
 - (3) Period of purchase, etc.
 - 1) Period of purchase, etc. (the “Tender Offer Period”)
From Wednesday, August 7, 2019 to Wednesday, September 4, 2019 (20 business days)
 - 2) Date of public notice on commencement of tender offer
Wednesday, August 7, 2019
 - (4) Price of purchase, etc.
3,426 yen per share of common stock
 - (5) Settlement method
 - 1) Name and location of head office of the financial institution or bank, etc. handling the settlement of the purchase, etc.
(Tender offer agent)
SMBC Nikko Securities Inc. 3-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo
 - 2) Commencement date of settlement
Monday, September 30, 2019

3) Settlement method

After the completion of the Tender Offer Period, the Company shall promptly mail a notice of purchase, etc. through the Tender Offer to the address or location of the tendering shareholders, etc. (or standing proxies in case of non-resident shareholders, etc.).

Purchase shall be carried out in cash. The amount of payment for the purchase less applicable withholding tax (Note) shall be remitted by the tender offer agent without delay following the commencement date of settlement, to the location designated by the tendering shareholders, etc. (or their standing proxies in case of non-resident shareholders, etc.).

Note: Taxation on the shares purchased through a tender offer

* For specific questions concerning taxation, each shareholder is kindly advised to consult professionals such as tax accountants and make decisions at his/her discretion.

i. In case of individual shareholders who are either residents in Japan or non-residents with permanent establishments in Japan

If the amount of money to be delivered in return for the acceptance of the Tender Offer exceeds the portion of the amounts of the Company's paid-in capital, etc. (the amount of consolidated individual paid-in capital, etc., in the case of a consolidated entity) corresponding to the shares that gave rise to the aforementioned delivery, the amount of such excess will be deemed as dividend income and be taxed. For the amount of deemed dividend income, tax will be withheld at source at the amount applying 20.315% tax rate in principle (income tax and special income tax for reconstruction at 15.315% plus inhabitant tax at 5%); provided, however, that shareholders who fall under major shareholders, etc. (the "Major Shareholders, etc.") as provided for in Article 4-6-(2), Paragraph 12 of the Order for Enforcement of the Act on Special Measures Concerning Taxation as amended (Cabinet Order No. 43, 1957), shall be taxed at source at the amount applying 20.42% tax rate (for income tax and special income tax for reconstruction only).

The amount of money to be delivered excluding the aforementioned portion shall be treated as revenue pertaining to capital gains, etc. from shares, etc., whereby the difference compared to the acquisition cost, etc. of such shares shall, in principle, be subject to separate self-assessment taxation.

In the case where a shareholder accepts the Tender Offer for his/her shares in a tax-exempt account as provided for in Article 37-14 (Tax exemption for capital gains, etc. from small amounts of listed shares in a tax-exempt account) of the Act on Special Measures Concerning Taxation (Law No. 26 of 1957, as amended) (the "Tax-exempt Account"), if the financial institution in which such Tax-exempt Account is held happens to be SMBC Nikko Securities Inc., capital gain, etc. resulting from the acceptance of the Tender Offer shall, in principle, be tax-exempt; provided, however, that if such Tax-exempt Account is held at a financial institution other than SMBC Nikko Securities Inc., the treatment described above may not apply.

ii. In case of individual shareholders who are non-residents without permanent establishments in Japan

The amount deemed as dividend income shall be taxed at source, in principle, at the amount applying 15.315% (for income tax and special income tax for reconstruction only); provided, however, that shareholders who fall under the Major Shareholders, etc. shall be taxed at source at the amount applying 20.42% (for income tax and special income tax for reconstruction only).

iii. In case of corporate shareholders

If the amount of money to be delivered in return for the acceptance of the Tender Offer exceeds the portion of the amounts of the Company's paid-in capital, etc. (the amount of consolidated individual paid-in capital, etc., in the case of a consolidated entity) corresponding to the shares that gave rise to the aforementioned delivery, the amount of such excess will be deemed as dividend and be taxed at source at the amount applying 15.315% (for income tax and special income tax for reconstruction only).

Non-resident shareholders, etc. who, pursuant to an applicable tax treaty, wish to enjoy the benefit of reduction or exemption of income tax and special income tax for reconstruction on such deemed dividend shall submit a written notification on such tax treaty to the tender offer agent by the end of the Tender Offer Period.

2. Results of purchase, etc.

(1) Number of share certificates, etc. subject to purchase, etc.

Since the total number of share certificates, etc. accepted in the Tender Offer (the "Tendered Shares, etc.") (20,006,500 shares) did not exceed the number scheduled to be purchased (22,000,000 shares), the Company shall purchase, etc. all of the Tendered Shares, etc.

Class of share certificates, etc.	Number of share certificates scheduled to be purchased	Number of share certificates scheduled to be in excess	Number of shares tendered	Number of shares purchased
Common stock	22,000,000 shares	— shares	20,006,500 shares	20,006,500 shares

(2) Calculation in the case the pro rata method is used in the purchase, etc.

Not applicable.

3. Locations where copies of the tender offer report are available for public inspection

SANKYO CO., LTD. 29-14, Shibuya 3-chome, Shibuya-ku, Tokyo
Tokyo Stock Exchange, Inc. 2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo

II. Completion of repurchase of own shares

1. Details of repurchase

(1) Class of shares repurchased

Common stock

(2) Total number of shares repurchased

20,006,500 shares

(Note) Ratio against the total number of shares outstanding: 22.33% (rounded off to the second decimal place)

(3) Total purchase price of shares

68,542,269,000 yen

(Note) The above amount does not include the commissions paid to the tender offer agent and other expenses.

(4) Period of purchase

From Wednesday, August 7, 2019 to Wednesday, September 4, 2019

(5) Method of purchase

Through a tender offer

With the completion of the Tender Offer, the Company has completed the repurchase of its own shares pursuant to the provisions of Article 156, Paragraph 1 of the Companies Act as amended, as applied by replacing the terms pursuant to the provisions of Article 165, Paragraph 3 of the Act and the Company's Articles of Incorporation, based on the resolution at the Board of Directors' meeting held on August 6, 2019.

(Reference)

Details of the resolution of the Board of Directors' meeting held on August 6, 2019 on the repurchase of own shares

(1) Class of shares to be repurchased

Common stock

(2) Total number of shares to be repurchased

22,000,100 shares (maximum)

(Note) Ratio against the total number of shares outstanding: 24.55% (rounded off to the second decimal place)

(3) Total purchase price of shares

75,372,342,600 yen (maximum)

(4) Period of purchase

From Wednesday, August 7, 2019 to Thursday, October 31, 2019

Treasury stock acquired by the Company via the Tender Offer are scheduled to be cancelled after the completion of the Tender Offer, and the detail of such cancellation shall be notified to all concerned promptly after it is decided.

This material is an English translation of Japanese announcement made on September 5, 2019. Although the Company intended to faithfully translate the Japanese document into English, the accuracy and correctness of this translation are not guaranteed.