July 15, 2026

For Immediate Release

Listed company name:	**SANKYO CO., LTD.**
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Notice concerning Acquisition of Business by Subsidiary

SANKYO CO., LTD. (the "Company") hereby announces that, as disclosed in the "Notice concerning Establishment of Subsidiary" in June 5, 2026, it has decided to have SAN ART CO., LTD. (hereinafter "SAN ART"), a subsidiary of the Company, enter into a business transfer agreement with Data Art, Inc. (hereinafter "Data Art") today regarding the acquisition of the business related to the planning and production of effect control software and video content for pachinko and pachislot machine development, as well as the development and design of pachinko and pachislot machine components, currently operated by Data Art and that the business transfer agreement has been concluded. The details are as follows.

1. Reason for the business acquisition

In the Company's pachinko and pachislot machines business, visual expressions are becoming increasingly sophisticated and diverse, including LCD effects, 3D CG, and collaborations with IPs such as animation, and the importance of video production in the development process is increasing further.

In light of this business environment, the Company established the subsidiary SAN ART with the aim of strengthening the development structure in the field, shortening development lead times, and reducing costs. The business acquisition is intended to quickly establish SAN ART's business base and build a highly effective development structure from the early stages of its establishment by taking over the production know-how and personnel held by Data Art, a business partner of the Company. The Company currently expects SAN ART to take on more than 100 employees.

Through the business acquisition, the Company will promote the in-house planning and production of effect control software and video content and development and design of pachinko and pachislot machine components, thereby strengthening the Group's competitiveness and enhancing corporate value on a sustainable basis.

2. Outline of the business acquisition

(1) Details of the acquired business

Planning and production of effect control software and video content for pachinko and pachislot machine development; development and design of pachinko and pachislot machine components

(2) Operating results of the acquired business (Results for the fiscal year ended May 2025)

Net sales	8,942 million yen
Operating income	583 million yen

(3) Purchase price and payment method

The purchase price is 1,930 million yen, and payment is scheduled to be made in cash.

3. Outline of the business partner

(1)	Name	Data Art, Inc.	
(2)	Location	Shibuya Property Tower 11F, 1-32-12 Higashi, Shibuya-ku, Tokyo, Japan	
(3)	Name and position of representative	Hiromi Akutsu, Representative Director and President	
(4)	Description of business	Development of image display software Development of products related to amusement machines	
(5)	Capital	100 million yen	
(6)	Date of Establishment	June 25, 1984	
(7)	Net assets	10,218 million yen, Fiscal year ended May 2025	
(8)	Total assets	14,058 million yen, Fiscal year ended May 2025	
(9)	Relationship with the Company	Capital relationship	Not applicable
		Personnel relationship	Not applicable
		Business relationship	The Company has business transactions related to pachinko and pachislot machine development.
		Status as a related party	Not applicable

4. Schedule

(1)	Date of resolution by the Board of Directors	July 15, 2026
(2)	Date of agreement execution	July 15, 2026
(3)	Date of business acquisition	July 31, 2026 (Scheduled)

5. Outline of accounting treatment

This matter is expected to qualify as an “acquisition” under the Accounting Standard for Business Combinations. While the amount of goodwill to be recognized as a result of the accounting treatment is currently under review, the Company expects the impact to be immaterial.

6. Future Outlook

The Company believes that the impact of this matter on consolidated financial results for the fiscal year ending March 31, 2027 will be immaterial. Any matters requiring disclosure will be announced promptly.