

For Immediate Release

Listed company name: **SANKYO CO., LTD.**  
 Representative: Kimihisa Tsutsui  
 President & COO  
 (TSE 1<sup>st</sup> Sec. Code 6417)  
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## Notice concerning Conversion of JB CO., LTD. into a Wholly Owned Subsidiary through Additional Acquisition of Shares and Change of Representative Directors

SANKYO CO., LTD. (the Company) announced today that, at the meeting of the board of directors of the Company held on January 23, 2015, it was resolved to convert consolidated subsidiary JB CO., LTD. (JB) into a wholly owned subsidiary through additional acquisition of outstanding shares of JB. Details are described below.

The Company also made a provisional decision concerning changes of JB's directors as described below. A formal decision will be made at an extraordinary meeting of JB shareholders and at a meeting of JB's board of directors to be held on January 30, 2015.

### 1. Conversion of JB into a wholly owned subsidiary through acquisition of shares

#### (1) Purpose of conversion of JB into a wholly owned subsidiary

The Company made JB a consolidated subsidiary in March 2012 and has steadily enhanced the JB brand's presence in the pachinko and pachislot industry. However, competition in the pachinko and pachislot industry is intensifying. Considering that closer business collaboration with the Company would be effective for enhancing JB's brand power, the Company reached an agreement with other shareholders of JB concerning conversion of JB into the Company's wholly owned subsidiary. Henceforth, the Company will further enhance operational efficiency and accelerate decision-making while strengthening Group management systems.

#### (2) Profile of JB

1) Name	JB CO., LTD.	
2) Address	1-32-12 Higashi, Shibuya-ku, Tokyo	
3) Representative	Shigeru Tozawa, Representative Director & President	
4) Business	Planning, development, manufacturing, and sales of pachinko and pachislot machines	
5) Paid-in capital	364 million yen	
6) Establishment	August 1, 1997	
7) Shareholders	SANKYO CO., LTD.	40.0%
	Shigeru Tozawa	35.7%
	Keiichi Isobe	24.3%

#### (3) Shares acquired from

(Name)	(Address)	(Number of shares)
Shigeru Tozawa	Bunkyo-ku, Tokyo	2,500 shares
Keiichi Isobe	Hiki-gun, Saitama Prefecture	1,700 shares

#### (4) Number of shares acquired and ownership of shares before and after the acquisition

- 1) Number of shares owned by the Company before acquisition: 2,800 shares (ownership 40.0%)
- 2) Number of shares acquired: 4,200 shares
- 3) Number of shares owned by the Company after acquisition: 7,000 shares (ownership 100.0%)

This material is an English translation of Japanese announcement made on January 23, 2015. Although the Company intended to faithfully translate the Japanese document into English, the accuracy and correctness of this translation are not guaranteed.

(5) Schedule

- 1) Conclusion date of share transfer agreement      January 26, 2015 (plan)  
2) Acquisition date of shares      January 26, 2015 (plan)

2. Change of representative directors (scheduled for February 1, 2015)

(New position)	(Name)	(Former position)
Representative Director & President	Ritoku Kotabe	Executive Director
-	Shigeru Tozawa	Representative Director & President
-	Keiichi Isobe	Representative Director & Senior Executive Vice President

\* Mr. Shigeru Tozawa and Mr. Keiichi Isobe will retire from their positions as directors as of January 31, 2015.

(Reference) Directors and Officers of JB after February 1, 2015 (plan)

Representative Director & President	Ritoku Kotabe
Senior Executive Director	Hideki Kotsuji
Director	Yoshitaka Naito
Statutory Auditor	Hotaka Makita

3. Outlook

Conversion of JB into a wholly owned subsidiary will have an impact on net income in the Company's consolidated results because minority interests in JB will no longer exist. However, such impact is expected to be negligible.