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[Translation]

July 31, 2026

To whom it may concern

Company name: Sankyu Inc.
Representative: Kimihiro Nakamura, President and CEO (Representative Director)
Securities code: 9065; TSE Prime and FSE
Contact: Masahiro Kaneko, General Manager, Corporate Communication Department
Phone: +81-3-4334-1050

Notice Regarding Business Succession to Subsidiary Through Company Split (Simplified Absorption-Type Split)

Sankyu Inc. (the “Company”) hereby announces that it has resolved, at a meeting of the Board of Directors held on July 31, 2026, to transfer its leased properties to a subsidiary, Sankyu Asset Management Co., Ltd., through a company split (simplified absorption-type split).

Please note that this announcement omits certain disclosure items and details because this company split is a company split, in which a business division is transferred to a wholly owned subsidiary of the Company.

1. Purpose of the company split

As stated in the “Notice Regarding Establishment of Real Estate Management Company (Subsidiary)” dated May 28, 2026, the Company established Sankyu Asset Management Co., Ltd. (headquarters: Chuo-ku, Tokyo; Representative Director: Tsuyoshi Kukihara, hereinafter “Sankyu Asset Management”) effective July 1, 2026. The Company intends to transfer its real estate business to Sankyu Asset Management through the company split.

The Company plans to implement the transfer of properties via a simplified absorption-type company split to improve the profitability of its warehousing business and increase the efficiency of its logistics assets. The Company implements the company split as part of the measures outlined in the Company’s Medium-Term Management Plan.

2. Summary of the company split

(1) Schedule of the company split

Date of the Board of Directors resolution	July 31, 2026
Date of the execution of the absorption-type split agreement	July 31, 2026
Effective date of the absorption-type split agreement	October 1, 2026 (planned)

*Since the company split constitutes a simplified absorption-type split as set forth in Article 784, Paragraph 2 of the Companies Act and Article 796, Paragraph 1 of the same act, the absorption-type split agreement will not be submitted for approval at the Company's General Meeting of Shareholders.

(2) Method of the company split

This is an absorption-type company split in which the Company will be the split company and Sankyu Asset Management will be the succeeding company.

(3) Details of the allocation related to the company split

Since the company split will be conducted between the Company and its wholly-owned subsidiary, it will be a split without consideration. The succeeding company will not issue shares or deliver cash or other assets.

(4) Treatment of share acquisition rights and bonds with share acquisition rights of the split company accompanying the company split

This item does not apply since the Company has not issued any share acquisition rights or bonds with such rights.

(5) Change in capital resulting from the Company Split

There will be no change in the Company's capital as a result of the company split.

(6) Rights and obligations transferred to the succeeding company

Sankyu Asset Management will succeed to rights and obligations, including assets, liabilities, and contract positions, necessary for conducting the business to be transferred through the company split.

(7) Outlook on the fulfillment of obligations

The obligations to be borne by the Company and Sankyu Asset Management are assessed to have no concerns regarding the fulfillment.

3. Overview of the company split

	Split company	Succeeding company
(1) Company name	Sankyu Inc.	Sankyu Asset Management Co., Ltd.
(2) Address	6-5-23, Kachidoki, Chuo-ku, Tokyo	6-5-23, Kachidoki, Chuo-ku, Tokyo
(3) Title and name of representative	Kimihiro Nakamura, Representative Director, President and CEO	Tsuyoshi Kukiwara, Representative Director, President (Director, Senior Managing Executive Officer, Business Operations CSO and Head of Technology& Development, CTO, Sankyu Inc.)
(4) Description of business	Logistics and plant engineering businesses	Property management
(5) Capital	28,619 million yen	100 million yen
(6) Date of establishment	October 1, 1918	July 1, 2026
(7) Number of issued shares	52,901,000 shares	2,000 shares
(8) Fiscal year-end	March 31	March 31
(9) Major shareholders and shareholding ratio	The Master Trust Bank of Japan, Ltd. (Trust Account), 15.15% Custody Bank of Japan, Ltd. (Trust Account), 9.68%	Sankyu Inc., 100%
(10) Financial position and operating results for the most recent fiscal year	Fiscal year ended March 31, 2026 (consolidated)	At the time of establishment on July 1, 2026
Net assets	306,988 million yen	100 million yen
Total assets	559,746 million yen	100 million yen
Net assets per share	6047.98 yen	50,000 yen
Operating revenue	631,573 million yen	—
Operating profit	43,240 million yen	—
Ordinary profit	43,385 million yen	—
Profit attributable to owners of parent	31,505 million yen	—
Basic earnings per share	614.05 yen	—

* Data for the split company is as of March 31, 2026, and data for the succeeding company is as of July 1, 2026.

* Since the succeeding company was established on July 1, 2026, it has no financial results for the most recent fiscal year.

4. Overview of the business to be split

(1) Details of the business to be split

Lease agreements for leased warehouses used for the logistics business of the Company

(2) Operating results of the business to be split (for the fiscal year ended March 31, 2026)

No net sales were recorded for the division to be split.

(3) Items and amounts of assets and liabilities to be split (as of March 31, 2026)

Assets		Liabilities	
Items	Book value	Items	Book value
Current assets	213 million yen	Current liabilities	—
Non-current assets	860 million yen	Non-current liabilities	—
Total	1,073 million yen	Total	—

* The actual assets to be split will be the amounts with adjustments made for any increases or decreases to the amounts listed above, up to the effective date.

5. Status after the company split

There will be no changes to the trade names, business descriptions, head office locations, representatives, capital, or fiscal year-end of the Company or Sankyu Asset Management as a result of the company split.

6. Future Outlook

The company split will have a minimal impact on the Company's consolidated financial results. As part of the company split, the Company plans to transfer its leased properties to the succeeding company on October 1, 2026. The total area of these properties is approximately 70,000 tsubo (231,405 square meters), slightly less than 30% of the Company's total floor area of domestic warehouses, including both company-owned and leased facilities.

The Company also plans to transfer its own properties to the succeeding company around April 1, 2027. These properties total approximately 100,000 tsubo (330,578 square meters), slightly less than 40% of the Company's total domestic warehouse floor area.

Since the company split constitutes an intra-group transaction, it will not be affected by the new Accounting Standards for Leases scheduled to take effect on April 1, 2027.

As announced on May 28, 2026, the Company intends to achieve further business growth by offering integrated services, including leasing, administration, and asset management of logistics real estate, in collaboration with CRE, Inc.