

June 5, 2026

For Immediate Release

Listed company name: **SANKYO CO., LTD.**
 Representative: Toshio Ogura
 President & CEO & COO
 (Code: 6417, TSE Prime Market)
 Contact: Masahiro Akaishi
 Senior Executive Operating Officer
 Head of Administration Div.
 TEL.: +81-3-5778-7777

Notice concerning Establishment of Subsidiary

SANKYO CO., LTD. (the “Company”) hereby announces that, at the Board of Directors’ meeting held today, it has resolved to establish a subsidiary whose primary business will be 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. The details are as follows.

1. Purpose of establishing the subsidiary

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 these changes in the business environment, we have decided to establish a subsidiary whose primary business will be 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, with the aim of strengthening video production capabilities, accelerating development speed, and reducing costs.

In addition, the subsidiary plans to acquire the video production and component development and design businesses for pachinko and pachislot machines operated by the Company’s business partner. By integrating the business foundation, production know-how, and personnel, we expect to establish a highly effective development structure from the early stages following the subsidiary’s establishment. This will further accelerate the in-house development of video production capabilities, leading to shorter development lead times and reduced costs, while also strengthening the Group’s competitiveness and enhancing sustainable corporate value. We will provide further details regarding the business transfer as soon as they are finalized.

2. Outline of Subsidiary to be established

(1) Name	SAN ART CO., LTD.
(2) Location	Shibuya-ku, Tokyo, Japan
(3) Name and position of representative	Shingo Takabayashi, Representative Director and President
(4) Description of 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
(5) Capital	10 million yen
(6) Date of Establishment	June 12, 2026 (Scheduled)
(7) Major Shareholders and Shareholding Ratio	SANKYO Co., Ltd. 100%

(8) Relationship with the Company	Capital relationship	The subsidiary will be established as a wholly owned subsidiary of the Company.
	Personnel relationship	One of the Operating Officers of the Company is scheduled to concurrently serve as a director of the subsidiary.
	Business relationship	The Company plans to outsource certain operations to the subsidiary.

3. 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.

This material is an English translation of Japanese announcement made on June 5, 2026. Although the Company intended to faithfully translate the Japanese document into English, the accuracy and correctness of this translation are not guaranteed.