

April 1, 2025

For Immediate Release

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

Notice concerning Conclusion of Business Alliance with CommSeed Corporation

SANKYO Co., Ltd. announces that it decided on and concluded today an agreement with CommSeed Corporation (Chiyoda-ku, Tokyo; President and CEO: Kenji Tsukahara; Securities code: 3739; hereinafter “CommSeed”) to form a business alliance for an online content business centering on pachinko/pachislot machine simulator applications.

1. Purpose and reasons for the business alliance

Guided by the corporate motto, “Ingenuity,” the SANKYO Group has achieved development together with the industry as a leading pachinko manufacturer, having launched numerous hit models. The Group has also established its presence as a pachislot manufacturer, having enhanced its brand power in the pachislot market in recent years. The Group is also deploying content for secondary use in pachinko/pachislot machines and is implementing new initiatives focused on the creation and deployment of content IP, including manga and animation, to seek synergies by linking the content IP it has created with its pachinko/pachislot business.

Meanwhile, CommSeed, with its management philosophy, “Continue to sow the seeds of fun, creating a wonderful world,” aims to contribute to a richer and more vibrant society through the creation of entertainment content linked to diverse leisure pursuits. Under this background, in cooperation with various pachinko and pachislot manufacturers, CommSeed has been offering “Greepachi” since 2012, a social game platform where players can play on mobile devices pachinko and pachislot titles that are in operation in bricks-and-mortar pachinko parlors as well as famous titles from previous generations. Greepachi has grown into a popular virtual parlor with the cumulative total number of users exceeding 6.8 million. In addition, development of a new online virtual parlor game service, “Slopachi Spirit,” is underway, with release targeted for summer 2025.

SANKYO and CommSeed entered into an agreement because the alliance will enable the partners to offer higher added value and new value with their services by creating online content centering on pachinko/pachislot machine simulator applications, utilizing the partners’ respective areas of expertise and management resources, leading to further development of each partner’s businesses.

2. Details of the alliance

The partners will chiefly consider the scope of the business alliance concerning the following matters and proceed to implementation.

The specific details, conditions, timing, etc. will be determined separately between the partners.

- (1) Collaboration to expand each partner’s businesses related to the pachinko/pachislot machine simulator application business
Simulator applications using the pachinko/pachislot machines to be released by the Company will be preferentially distributed to services operated by and related to CommSeed.
- (2) Examination and discussion on creation of new content
Following the conclusion of this business alliance, the two parties will examine and discuss the creation of new content that will lead to development of each partner’s businesses.

This material is an English translation of Japanese announcement made on April 1, 2025. Although the Company intended to faithfully translate the Japanese document into English, the accuracy and correctness of this translation are not guaranteed.

3. Summary of CommSeed Corporation

Summary of CommSeed Corporation				
(1)	Name	CommSeed Corporation		
(2)	Location	2-3 Kanda Surugadai, Chiyoda-ku, Tokyo		
(3)	Name and position of representative	President & CEO Kenji Tsukahara		
(4)	Description of business	Planning, development and operation of smartphone applications Planning, development and operation of social games Game publishing business		
(5)	Capital	1,199,639 thousand yen		
(6)	Date of Establishment	December 13, 1991		
(7)	Major Shareholders and Shareholding Ratio (As of September 30, 2024.)	Cykan Holdings Co., Ltd.		50.89%
		Takeo Ureshino International Country Club Co., Ltd.		2.80%
(8)	Relationship between the Company and the relevant company	Capital relationship	Not applicable	
		Personnel relationship	Not applicable	
		Business relationship	CommSeed has a business relationship with the Company.	
		Status as a related party	Not applicable	
(9) Operating results and financial position over the past three years (Consolidated)				
Fiscal year		Fiscal year ended March 2022	Fiscal year ended March 2023	Fiscal year ended March 2024
Net assets (thousand yen)		861,638	751,915	794,974
Total assets (thousand yen)		1,235,500	1,385,950	1,744,619
Net assets per share (yen)		64.99	56.42	57.90
Net sales (thousand yen)		1,915,036	1,985,899	2,094,559
Operating income (thousand yen)		92,301	60,007	35,899
Recurring income (thousand yen)		75,004	48,991	18,135
Net income attributable to owners of parent (thousand yen)		83,962	(115,776)	(60,390)
Net income per share (yen)		6.40	(8.82)	(4.53)
Dividends per share (yen)		-	-	-

4. Schedule

- (1) Execution date of agreement April 1, 2025
(2) Business alliance commencement date April 1, 2025

5. Future Outlook

The Company believes that the impact of this business alliance on consolidated financial results for the fiscal year ending March 31, 2026 will be immaterial. Any matters requiring disclosure will be announced promptly.