

November 29, 2019

For Immediate Release

Listed company name: **SANKYO CO., LTD.**
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Notice concerning Dissolution and Liquidation of a Consolidated Subsidiary

SANKYO CO., LTD. (the Company) today announced that, at the meeting of the Company's board of directors held on November 29, 2019, it was resolved to dissolve and liquidate its consolidated subsidiary, SANKYO CREATE CO., LTD. The details are as follows.

1. Reason for the dissolution and liquidation

SANKYO CREATE CO., LTD., a wholly-owned subsidiary of the Company, was established in March 1998 to principally operate real property leasing and management businesses of SANKYO Group (the Group), and has been mainly engaged in leasing of real property to the Company and its Group companies. The Company has been pursuing an efficient way of managing assets held by the Group, and it decided to dissolve and liquidate SANKYO CREATE CO., LTD. Going forward, the Company is to receive a distribution of residual assets (in-kind distribution of real property) and to take over the businesses.

2. Overview of the subsidiary to be dissolved and liquidated

(1)	Name	SANKYO CREATE CO., LTD.
(2)	Location	29-14 Shibuya 3 chome Shibuya-ku Tokyo
(3)	Name and position of representative	Hideyuki Busujima, Representative Director
(4)	Description of business	Leasing and management of real property
(5)	Paid-in capital	24 Millions of yen
(6)	Date of Establishment	March 6, 1998
(7)	Principal shareholder and percentage of shareholding	SANKYO CO., LTD., 100%

This material is an English translation of Japanese announcement made on November 29, 2019. Although the Company intended to faithfully translate the Japanese document into English, the accuracy and correctness of this translation are not guaranteed.

(8)	Relationship between the Company and the subsidiary to be dissolved and liquidated	Capital relationship	SANKYO CREATE CO., LTD. is a wholly-owned subsidiary of the Company.	
		Personnel relationship	Two directors of the Company concurrently serve as directors at SANKYO CREATE CO., LTD., and one statutory auditor of the Company concurrently serves as a statutory auditor at SANKYO CREATE CO., LTD.	
		Business relationship	SANKYO CREATE CO., LTD. leases real property to the Company.	
		Status as a related party	SANKYO CREATE CO., LTD. is a consolidated subsidiary of the Company, and therefore, is a related party of the Company.	
(9) Operating results and financial position in the past three years				
Accounting period		FY 3/2017	FY 3/2018	FY 3/2019
Net assets		50,856	43,910	44,326
Total assets		53,231	46,454	46,696
Net sales		2,687	2,782	2,824
Operating income		857	1,076	998
Recurring income		871	1,083	1,018
Net income		545	▲ 1,946	416

(Millions of yen)

3. Schedule of the dissolution and liquidation

(1) November 29, 2019	Resolution at a meeting of the Company's board of directors
(2) November 29, 2019	Resolution at an extraordinary general meeting of shareholders of SANKYO CREATE CO., LTD.
(3) November 30, 2019 (scheduled)	Date of dissolution
(4) March 15, 2020 (scheduled)	Completion of liquidation

4. Future prospects

As a result of the dissolution and liquidation of SANKYO CREATE CO., LTD., the Company is to take over the real property which SANKYO CREATE CO., LTD. leases and manages. Accordingly, the Company believes at this point in time that the impact on consolidated financial results for the fiscal year ending March 31, 2020 is immaterial. Any matters requiring disclosure will be announced promptly.

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