

For Immediate Release

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Notice concerning Revision of the Forecast of Financial Results for Fiscal 2008

SANKYO Co., Ltd. today announced the revision of the forecast of financial results for fiscal 2008 (from April 1, 2007, to March 31, 2008), in view of the recent trend of the Company's financial performance. The initial forecast for fiscal 2008 was announced on May 17, 2007, at the time of the announcement of the closing of accounts for fiscal 2007. The Company also today issued another press release titled "Notice concerning Change of the Dividend Policy and the Revision of the Cash Dividend Forecast".

1. Revision of consolidated financial results (from April 1, 2007, to March 31, 2008)

						(Millions of yen)
		Net sales	Operating income	Recurring income	Net income	Net income per share (yen)
Previous forecast	(A)	240,000	62,000	65,000	40,000	410.54
Revised forecast	(B)	280,000	70,000	74,000	44,000	451.61
Difference	(B-A)	40,000	8,000	9,000	4,000	-
% change		16.7	12.9	13.8	10.0	-
FY2007 results		197,723	54,909	58,466	35,578	365.26

2. Revision of non-consolidated financial results (from April 1, 2007, to March 31, 2008)

						(Millions of yen)
		Net sales	Operating income	Recurring income	Net income	Net income per share (yen)
Previous forecast	(A)	210,000	56,000	59,000	36,000	369.34
Revised forecast	(B)	250,000	65,000	68,000	41,000	420.64
Difference	(B-A)	40,000	9,000	9,000	5,000	-
% change		19.0	16.1	15.3	13.9	-
FY2007 results		186,016	50,307	54,344	33,567	344.38

3. Reasons for the revision

During fiscal 2008, in a drive to enhance product capabilities of pachinko machines, SANKYO Group has introduced SANKYO-brand models using the *Crystella* pachinko machine casing as strategic products. Vigorous advertising and sales promotion centering on TV commercials helped propel sales of “KODA KUMI FEVER LIVE IN HALL” (July 2007) and “Fever Aquarion” (November 2007), both of which use *Crystella*, above 100,000 units each, and order-taking for “Fever Spring Waltz” (March 2008), the third product using *Crystella*, has been brisk.

Also, sales of the fourth title of the popular Bisty-brand *Neon Genesis Evangelion*, “*The Angels are back again*” (January 2008), introduced in the fourth quarter of fiscal 2008, have been in line with expectations and comparable to those of the past three titles in the series. The number of pachinko machines sold is expected to greatly exceed 620,000, the figure on which the forecast of financial results was based.

Meanwhile, performance of the pachislo machines business and the ball bearing supply systems business has been virtually in accordance with the plan. Therefore, results for fiscal 2008 are expected to exceed the plan announced at the time of the announcement of the closing of accounts for fiscal 2007, and thus, the forecast of financial results of the Company for the full year has been revised both on a consolidated basis and a non-consolidated basis.

The above forecast is based on information currently available to management. Actual results may differ from the forecast owing to various factors.