

**SANKYO CO., LTD.**

<https://www.sankyo-fever.co.jp/>

Shares listed: Tokyo Stock Exchange  
Code number: 6417

Representative: Akihiko Ishihara, President & CEO & COO  
Contact: Hiroshi Takahashi, Senior Executive Operating Officer & Head of Administration Div.  
Telephone: +81-3-5778-7777  
Supplementary materials for the quarterly financial statements: Yes  
Presentation to explain for the quarterly financial statements: No

(Figures less than 1 million yen have been omitted.)

**1. Consolidated results for the first nine months of FY2025 (From April 1, 2024, to December 31, 2024)**

(1) Consolidated operating results

(Percentage figures denote year-over-year changes.)

	Net sales	Operating income	Recurring income	Profit attributable to owners of parent
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
1st nine months of FY2025	153,700 (9.9%)	62,442 (4.3%)	63,187 (4.1%)	45,508 (5.7%)
1st nine months of FY2024	170,588 33.2%	65,264 35.9%	65,879 35.1%	48,244 24.8%
(note) Comprehensive income	1st nine months of FY2025	¥45,021 million [0.2%]	1st nine months of FY2024	¥44,937 million [20.6%]

	Net income per share	Fully diluted net income per share
	Yen	Yen
1st nine months of FY2025	207.31	204.58
1st nine months of FY2024	174.43	172.47

(Note) The Company carried out a share split at a ratio of five shares for one share of common stock, effective March 1, 2024. Net income per share and fully diluted net income per share are calculated assuming that the share split was carried out at the beginning of the fiscal year ended March 31, 2024.

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of December 31, 2024	333,938	276,763	82.4
As of March 31, 2024	292,119	251,579	85.5

(reference) Shareholders' Equity	As of December 31, 2024	¥275.173 million	As of March 31, 2024	¥249.863 million
----------------------------------	-------------------------	------------------	----------------------	------------------

**2. Dividends**

	Cash dividend per share				
(Base date)	1st quarter	2nd quarter	3rd quarter	Year-end	Full Year
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2024	-	150.00	-	50.00	-
Year ended March 31, 2025	-	40.00	-	-	-
Year ended March 31, 2025 (Forecast)	-	-	-	60.00	100.00

(Note) 1. Changes in the projected cash dividends in this quarter : Yes

2. The Company carried out a share split at a ratio of five shares for one share of common stock, effective March 1, 2024. For the end of the second quarters of the fiscal year ended March 31, 2024, the actual dividend amounts before the share split are presented. For the end of the fiscal year ended March 31, 2024, the figures are presented after the share split, while the total amount of dividends for the full year is stated as " - ". The dividend for the full year of the fiscal year ended March 31, 2024 taking into account the share split is 80.00 yen.

**3. Forecast for FY2025 (From April 1, 2024, to March 31, 2025)**

(Percentage figures denote year-over-year changes.)

	Net sales	Operating income	Recurring income	Profit attributable to owners of parent	Net income per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Year ending March 31, 2025	190,000 (4.6%)	71,000 (2.1%)	72,000 (1.6%)	51,500 (4.3%)	234.58

Note: Changes in the forecasts of consolidated Financial results in this quarter : Yes

**\* Notes**

- (1) Changes for important subsidiaries during the 1st Nine Months of FY2025: Not applicable
- (2) Application of peculiar accounting methods: Not applicable
- (3) Changes in accounting procedures
- a. Related to accounting standard revisions etc.: Applicable
  - b. Other changes: Not applicable
  - c. Changes in accounting estimates: Not applicable
  - d. Retrospective restatements: Not applicable

(Note) For more details, please refer to "2.Quarterly Consolidated Financial Statements and Primary Notes (3)Notes to the quarterly Consolidated Financial Statements (Notes to Changes in Accounting Policy)" in the attached material.

- (4) Outstanding shares (common shares)
- a. No. of shares outstanding (including treasury stock) As of Dec. 31, 2024: 260,000,000 shares As of March 31, 2024: 260,000,000 shares
  - b. No. of treasury stock As of Dec. 31, 2024: 40,390,996 shares As of March 31, 2024: 40,651,855 shares
  - c. Average number of shares issued and outstanding 1st 9M of FY2025: 219,519,460 shares 1st 9M of FY2024: 276,591,039 shares

(Note) 1. The No. of treasury stock includes the Company's shares held by Share Benefit Trust for Directors (1,320,000 shares as of December 31, 2024, 1,350,000 shares As of March 31, 2024). The treasury stock deducted to calculate the Average number of shares issued and outstanding includes the Company's shares held by Share Benefit Trust for Directors (1,329,818 shares as of December 31, 2024, 643,091 shares As of December 31, 2023)

2. The Company carried out a share split at a ratio of five shares for one share of common stock, effective March 1, 2024. Average number of shares issued and outstanding are calculated assuming that the share split was carried out at the beginning of the fiscal year ended March 31, 2024.

\*Review of the attached quarterly consolidated financial statements by Certified Public Accountants or Audit Firm: Not applicable

**\* Disclaimer regarding Forward-looking Statements**

The statements concerning future performance that are presented in this document are based on judgments using information available to the Company and which are deemed reasonable as of the release date of this material, and they are not intended to assure the achievement of such forecasts presented herein. Actual results may differ due to various factors. For information regarding performance forecasts, please refer to "1.Overview of Operating Results (3)Forecast of Consolidated Results and Other Forecast Information" in the accompanying material.

## 1. Overview of Operating Results

### (1) Overview of Operating Results

During the first nine months of the fiscal year ending March 31, 2025 (from April 1, 2024 to December 31, 2024), employment and incomes trended upward, and this moderate recovery of the Japanese economy is expected to continue. However, the outlook of the economy remains uncertain in light of concerns about price increases, and the situation in the Middle East.

In the pachinko and pachislot industry, amid gradual diffusion of Smart Pachinko machines began with the enhancement of their gaming performance, titles with strong machine utilization track records have started to emerge. In the rather sluggish pachinko market, the ongoing introduction of Smart Pachinko machines is expected to spur revitalization of the market going forward. On the other hand, the pachislot market has been relatively robust due to the continuing rollout of hit titles and the steady diffusion of Smart Pachislot machines, although sales seem to have been somewhat lower than the previous fiscal year's level mainly owing to the reaction to the launch of major popular titles in the previous fiscal year.

In these circumstances, viewing the enhancement of gaming performance of Smart Pachinko machines as a key sales opportunity, the Group has launched an aggressive marketing campaign since the third quarter with a lineup centering on Smart Pachinko machines. *e Fever Karakuri Sākasu 2 Maō ver.* introduced in November has been maintaining high machine utilization since its introduction. Moreover, with regard to the pachislot machines business, the Group has continued to increase its presence in the market thanks to the ongoing popularity of our Smart Pachislot machines. We responded to the needs for the manufacture of additional units of multiple titles and sales of new titles have been strong, leading to higher sales volume.

As a result, on a consolidated basis, net sales were ¥153.7 billion, a decrease of 9.9% compared with the same period of the previous year, operating income was ¥62.4 billion, a decrease of 4.3%, recurring income was ¥63.1 billion, a decrease of 4.1%. Profit attributable to owners of parent amounted to ¥45.5 billion, a decrease of 5.7%.

Results of segments are presented below:

#### Pachinko Machines Business

Regarding the pachinko machines business, sales amounted to ¥80.2 billion, a decrease of 38.2% compared with the same period of the previous year, and operating income amounted to ¥33.7 billion, a decrease of 40.5%. Sales of pachinko machines amounted to 167,000 units compared with 260,000 units for the same period of the previous fiscal year.

Major titles released included *Fever MOBILE SUIT GUNDAM UNICORN Sairai -Shiroki Ikkakujū to Kuroki Shishi-* (introduced in August 2024) and *Fever Karakuri Sākasu 2* (introduced in November 2024) under the SANKYO brand, *Uchū Senkan Yamato 2202 Super Wave* (introduced in October 2024) and *Godzilla vs EVANGELION Second impact G* (introduced in December 2024) under the Bisty brand.

#### Pachislot Machines Business

Regarding the pachislot machines business, sales amounted to ¥55.2 billion, an increase of 138.5% compared with the same period of the previous year, and operating income amounted to ¥32.5 billion, an increase of 194.3%. Sales of pachislot machines amounted to 113,000 units compared with 51,000 units for the same period of the previous fiscal year.

Major new titles released included *L Pachislot Kaguya-sama ha Kokurasetai* (introduced in September 2024) and *L Pachislot How Heavy Are the Dumbbells You Lift?* (introduced in December 2024) under the SANKYO brand. In addition, the Group has manufactured additional units of multiple titles, including *Pachislot Karakuri Sākasu*, which has been enjoying strong, long-running sales since its launch in July 2023.

#### Ball Bearing Supply Systems Business

Sales of the ball bearing supply systems business were ¥17.8 billion, an increase of 3.2% compared with the same period of the previous year, and operating income amounted to ¥1.4 billion, a decrease of 8.2% compared with the same period of the previous year.

#### Other Businesses

Sales of other businesses were ¥0.3 billion, an increase of 34.6% compared with the same period of the previous year, and operating income was ¥0.1 billion, an increase of 12.5% compared with the same period of the previous year.

**(2) Overview of Financial Position**

Total assets at the end of the first nine months of the fiscal year ending March 31, 2025 amounted to ¥333.9 billion, having increased ¥41.8 billion compared with the figure at the previous fiscal year-end. This increase was mainly attributable to a ¥24.7 billion increase in notes and accounts receivable-trade, and contract assets, a ¥17.0 billion increase in cash and deposits, a ¥9.7 billion increase in accounts receivable for provision of parts and materials for value (included in "Other" of Current assets), and ¥5.0 billion increase in merchandise and finished goods, despite a ¥15.0 billion decrease in marketable securities.

Total liabilities amounted to ¥57.1 billion, having increased ¥16.6 billion compared with the figure at the previous fiscal year-end. This increase was mainly attributable to a ¥13.1 billion increase in notes and accounts payable-trade, a ¥2.4 billion increase in accrued income taxes, a ¥0.8 billion increase in accounts payable (included in "Other" of Current liabilities).

Net assets increased ¥25.1 billion compared with the figure at the previous fiscal year-end. This increase was mainly attributable to profit attributable to owners of parent amounted to ¥45.5 billion, while cash dividends paid amounting to ¥19.8 billion. As a result, net assets amounted to ¥276.7 billion and the shareholders' equity ratio decreased 3.1 percentage points to 82.4%.

**(3) Forecast of Consolidated Results and Other Forecast Information**

In view of the recent trend, the Company revised the forecast of consolidated financial results for the full year of fiscal 2025 that was announced on May 9, 2024. Forecast of the sales volumes of pachinko machines and pachislot machines for the full year of fiscal 2025 were revised from 247,000 units to 223,000 units and from 119,000 units to 131,000 units, respectively. Also, the Company revised the forecast for year-end dividend per share to 60 yen, an increase of 20 yen from the previous forecast (40 yen). For details, please refer to the Notice concerning Revision of Consolidated Earnings Forecast and Dividend Forecast for the Fiscal Year Ending March 31, 2025 announced today.

## 2. Quarterly Consolidated Financial Statements and Primary Notes

### (1) Quarterly Consolidated Balance Sheets

(Figures less than 1 million yen have been omitted.)

	As of March 31, 2024	As of Dec. 31, 2024
	Millions of yen	Millions of yen
Assets:		
Current assets:		
Cash and deposits	130,441	147,493
Notes and accounts receivable-trade, and contract assets	23,350	48,054
Marketable securities	74,999	59,990
Merchandise and finished goods	510	5,523
Work in process	705	356
Raw materials and inventories	14,553	14,293
Other	6,913	17,529
Allowance for doubtful accounts	(9)	(13)
Total current assets	251,465	293,228
Fixed assets:		
Tangible fixed assets	26,630	27,115
Intangible fixed assets		
Other	185	226
Total Intangible fixed assets	185	226
Investments and other assets:		
Investment securities	6,601	5,617
Other	7,286	7,773
Allowance for doubtful accounts	(48)	(23)
Total investments and other assets	13,838	13,367
Total fixed assets	40,654	40,710
Total assets	292,119	333,938

## Quarterly Consolidated Balance Sheets

(Figures less than 1 million yen have been omitted.)

	As of March 31, 2024	As of Dec. 31, 2024
	Millions of yen	Millions of yen
<b>Liabilities:</b>		
<b>Current liabilities:</b>		
Notes and accounts payable-trade	7,444	20,563
Accrued income taxes	10,311	12,747
Allowance for bonuses	847	438
Provision for shareholder benefit program	162	162
Other	12,586	14,009
<b>Total current liabilities</b>	<b>31,352</b>	<b>47,921</b>
<b>Long-term liabilities:</b>		
Provision for share awards for directors (and other officers)	489	454
Net defined benefit liabilities	5,128	5,132
Asset retirement obligations	76	76
Other	3,493	3,590
<b>Total long-term liabilities</b>	<b>9,187</b>	<b>9,253</b>
<b>Total liabilities</b>	<b>40,539</b>	<b>57,175</b>
<b>Net Assets:</b>		
<b>Shareholders' equity:</b>		
Common stock	14,840	14,840
Capital surplus	23,750	23,750
Retained earnings	256,751	282,237
Less: treasury stock, at cost	(48,686)	(48,375)
<b>Total shareholders' equity</b>	<b>246,654</b>	<b>272,452</b>
<b>Accumulated other comprehensive income:</b>		
Net unrealized gain on other securities	3,240	2,743
Remeasurements of defined benefit plans	(32)	(22)
<b>Total accumulated other comprehensive income</b>	<b>3,208</b>	<b>2,721</b>
<b>Subscription rights to shares</b>	<b>1,716</b>	<b>1,590</b>
<b>Total net assets</b>	<b>251,579</b>	<b>276,763</b>
<b>Total liabilities and total net assets</b>	<b>292,119</b>	<b>333,938</b>

**(2) Quarterly Consolidated Statements of Income and Consolidated Statements of Comprehensive Income**

## Quarterly Consolidated Statements of Income

(Figures less than 1 million yen have been omitted.)

	1st Nine Months of FY2024	1st Nine Months of FY2025
	Millions of yen	Millions of yen
Net sales	170,588	153,700
Cost of sales	76,102	62,687
Gross profit	94,485	91,012
Selling, general and administrative expenses	29,221	28,570
Operating income	65,264	62,442
Non-operating income:		
Interest income	44	108
Dividend income	327	370
Other	259	271
Total non-operating income	631	750
Non-operating expenses:		
Loss on management of investment partnership	14	1
Other	1	3
Total non-operating expenses	16	5
Recurring income	65,879	63,187
Extraordinary gains:		
Gain on sales of fixed assets	8	1
Gain on sales of investment securities	2,196	539
Total extraordinary gains	2,205	540
Extraordinary losses:		
Loss on sales of fixed assets	7	-
Loss on disposal of fixed assets	98	10
Impairment loss	-	113
Total extraordinary losses	105	123
Income before income taxes and minority interests	67,978	63,604
Income taxes:		
Current income taxes	19,136	18,409
Deferred income taxes	598	(313)
Total income taxes	19,734	18,095
Profit	48,244	45,508
Profit attributable to owners of parent	48,244	45,508

## Quarterly Consolidated Statements of Comprehensive Income

(Figures less than 1 million yen have been omitted.)

	1st Nine Months of FY2024	1st Nine Months of FY2025
	Millions of yen	Millions of yen
Profit	48,244	45,508
Other comprehensive income:		
Net unrealized gain (loss) on other securities	(3,316)	(497)
Remeasurements of defined benefit plans	8	9
Total other comprehensive income	(3,307)	(487)
Comprehensive income	44,937	45,021
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	44,937	45,021
Comprehensive income attributable to non-controlling interests	-	-



**(3) Notes to the Quarterly Consolidated Financial Statements****Notes on premise of a going concern**

Not applicable

**Notes on significant changes in shareholders' equity**

1st Nine Months of FY2025 (From April 1, 2024, to December 31, 2024)

Not applicable

**Notes to Changes in Accounting Policy**

(Application of Accounting Standard for Current Income Taxes)

The "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022; hereinafter, "Revised Accounting Standard 2022"), etc. has been applied since the beginning of the first quarter of the fiscal year ending March 31, 2025.

Revisions concerning the categories in which current income taxes should be recorded (taxes on other comprehensive income) are subject to the transitional treatment set forth in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment set forth in the proviso of paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter, "Revised Guidance 2022"). The change in accounting policies had no impact on the quarterly consolidated financial statements.

With regard to revisions related to changes in the accounting treatment for consolidated financial statements when gains/losses on sale of shares, etc. in subsidiaries resulting from transactions between consolidated subsidiaries are deferred for tax purposes, the Company has applied the Revised Guidance 2022 from the beginning of the the first quarter of the fiscal year ending March 31, 2025. The change in accounting policy has been applied retrospectively, and the quarterly consolidated financial statements and consolidated financial statements for the previous quarter and the previous fiscal year have been prepared on a retrospective basis. The change in the accounting policies had no impact on the quarterly consolidated financial statements for the previous quarter and the consolidated financial statements for the previous fiscal year.

**Notes to Quarterly Consolidated Statement of Cash Flows**

The Company has not prepared a quarterly consolidated statement of cash flows for the first nine months of the fiscal year ending March 31, 2025.

Depreciation, including amortization related to intangible assets, for the first nine months of the fiscal year ending March 31, 2025 is as shown below.

	1st Nine Months of FY2024 (April 1, 2023 to December 31, 2023)	1st Nine Months of FY2025 (April 1, 2024 to December 31, 2024)
Depreciation and amortization	¥2,002 million	¥1,873 million

## Notes on Segment Information

(Segment information by business category)

1st Nine Months of FY2024 (From April 1, 2023, to December 31, 2023)

(Figures less than 1 million yen have been omitted.)

	1st Nine Months of FY2024 (Millions of yen)							
	Reportable segments				Other	Total	Adjustments	Consolidated
	Pachinko machines business	Pachislot machines business	Ball bearing supply systems business	Subtotal				
Sales								
Customers	129,840	23,176	17,298	170,315	272	170,588	-	170,588
Intersegment	-	-	-	-	-	-	-	-
Total	129,840	23,176	17,298	170,315	272	170,588	-	170,588
Segment income	56,700	11,075	1,531	69,308	122	69,431	(4,166)	65,264

1st Nine Months of FY2025 (From April 1, 2024, to December 31, 2024)

(Figures less than 1 million yen have been omitted.)

	1st Nine Months of FY2025 (Millions of yen)							
	Reportable segments				Other	Total	Adjustments	Consolidated
	Pachinko machines business	Pachislot machines business	Ball bearing supply systems business	Subtotal				
Sales								
Customers	80,212	55,275	17,845	153,333	367	153,700	-	153,700
Intersegment	-	-	-	-	-	-	-	-
Total	80,212	55,275	17,845	153,333	367	153,700	-	153,700
Segment income	33,755	32,595	1,405	67,756	137	67,894	(5,451)	62,442