

**SANKYO CO., LTD.**

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

Shares listed: TSE Prime Market

Code number: 6417

Representative: Toshio Ogura, President & CEO & COO

Contact: Masahiro Akaishi, 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. Results for the first quarter of FY2026 (From April 1, 2025, to June 30, 2025)**

(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 quarter of FY2026	55,185 30.7%	23,851 38.1%	24,391 38.8%	17,447 39.5%
1st quarter of FY2025	42,210 (16.9%)	17,273 (10.0%)	17,575 (9.8%)	12,503 (11.2%)
(note) Comprehensive income	1st quarter of FY2026	¥17,431 million [40.0%]	1st quarter of FY2025	¥12,449 million [(14.1%)]

	Net income per share	Fully diluted net income per share
	Yen	Yen
1st quarter of FY2026	80.36	79.32
1st quarter of FY2025	57.00	56.21

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	
	Millions of yen	Millions of yen	%	
As of June 30, 2025	311,913	269,752	86.0	
As of March 31, 2025	336,709	285,004	84.2	
(reference) Shareholders' Equity	As of June 30, 2025	¥268,187 million	As of March 31, 2025	¥283,414 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, 2025	-	40.00	-	60.00	100.00
Year ending March 31, 2026	-	-	-	-	-
Year ending March 31, 2026 (Forecast)	-	-	-	-	90.00

(Note) 1. Changes in the projected cash dividends in this quarter : No

2. As for the dividends for the fiscal year ending March 31, 2026 (forecast), it is our basic policy to pay performance-linked dividends targeting at the consolidated payout ratio of 40%. The business plan for the fiscal year ending March 31, 2026 is managed on an annual basis, and the interim dividend and the year-end dividend cannot be projected separately. Therefore, only the sum of the dividends for the full year is presented.

**3. Forecast for FY2026 (From April 1, 2025, to March 31, 2026)**

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

	Net sales	Operating income	Recurring income	Profit attributable to owners of	Net income per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Year ending March 31, 2026	185,000 (3.6%)	63,000 (14.4%)	64,000 (14.2%)	44,000 (18.5%)	214.42

Note: Changes in the forecasts of consolidated Financial results in this quarter : No

SANKYO Group manages its business plan on a full-year basis and thus only discloses full-year figures.

**\* Notes**

- (1) Significant changes in the scope of consolidation during the period: Not applicable
- (2) Application of peculiar accounting methods: Not applicable
- (3) Changes in accounting procedures
- a. Related to accounting standard revisions etc.: Not applicable
  - b. Other changes: Not applicable
  - c. Changes in accounting estimates: Not applicable
  - d. Retrospective restatements: Not applicable
- (4) Outstanding shares (common shares)
- a. No. of shares outstanding (including treasury stock) As of June 30, 2025: 260,000,000 shares As of March 31, 2025: 260,000,000 shares
  - b. No. of treasury stock As of June 30, 2025: 48,122,296 shares As of March 31, 2025: 40,391,071 shares
  - c. Average number of shares issued and outstanding 1st quarter of FY2026: 217,122,696 shares 1st quarter of FY2025: 219,348,937 shares

(Note) The No. of treasury stock includes the Company's shares held by Share Benefit Trust for Directors (1,283,700 shares as of June 30, 2025, 1,320,000 shares As of March 31, 2025). 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 (1,318,005 shares as of June 30, 2025, 1,349,176 shares as of June 30, 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

In the pachinko market, although machine utilization remains somewhat sluggish, the rollout of new Smart Pachinko titles from various companies increased, spurred by the enhancement of the gaming performance of Smart Pachinko machines, and the diffusion of these machines is gradually gaining traction. Furthermore, the introduction of new models equipped with “LUCKY TRIGGER 3.0 PLUS,” a new type of gaming performance, began in July, which is expected to invigorate the pachinko market from now on. Meanwhile, in the pachislot market, purchasing demand from parlor operators has been somewhat subdued because the rate of diffusion of Smart Pachislot machines is already high, although machine utilization has remained solid due to the continuous advent of machines that achieve high utilization. Also, in the pachislot market, the future trends of new pachislot machines—including “BONUS TRIGGER,” a new genre of pachislot that has been gaining attention since its introduction in June—are expected to stimulate demand.

In these circumstances, during the first quarter of the current fiscal year, the Group introduced seven titles, including three new titles and reuse models, steadily accumulating sales volumes. Sales and machine utilization of the tie-up machine with the popular “Tokyo Ghoul” anime, which was introduced in April, have been favorable. Furthermore, in July, the Group launched “e Fever ENN ENN NO SHOUBOUTAI 2,” the industry’s first model equipped with “LUCKY TRIGGER 3.0 PLUS.” Meanwhile, in the pachislot machines business, the Group launched one new title and responded to the needs for the manufacture of additional units of two titles that have long been popular. In addition, the Group launched “LB Pachislot Evangelion -The Door of Promises-” equipped with “BONUS TRIGGER” in July. The Group is vigorously promoting product development incorporating new gaming features for both pachinko and pachislot machines.

As a result, on a consolidated basis, net sales were ¥55.1 billion, an increase of 30.7% compared with the same period of the previous year, operating income was ¥23.8 billion, an increase of 38.1%, and recurring income was ¥24.3 billion, an increase of 38.8%. Profit attributable to owners of parent amounted to ¥17.4 billion, an increase of 39.5%.

Results of segments are presented below:

#### Pachinko Machines Business

Regarding the pachinko machines business, sales amounted to ¥36.7 billion, an increase of 105.5% compared with the same period of the previous year, and operating income amounted to ¥17.6 billion, an increase of 117.3%. Sales of pachinko machines amounted to 79,000 units, compared with 40,000 units for the same period of the previous fiscal year.

Three titles released included *Fever Utawarerumono* (introduced in April 2025) and *e Fever Kanojo, Okarishimasu* (introduced in June 2025) under the SANKYO brand, *e Tokyo Ghoul* (introduced in April 2025) under the Bisty brand.

#### Pachislot Machines Business

Regarding the pachislot machines business, sales amounted to ¥15.0 billion, a decrease of 9.5% compared with the same period of the previous year, and operating income was ¥7.6 billion, a decrease of 21.0%. Sales of pachislot machines amounted to 35,000 units, compared with 35,000 units for the same period of the previous fiscal year.

Although *L Pachislot MOBILE SUIT GUNDAM SEED* (introduced in May 2025) under the Bisty brand was the only new title introduced during the first three months of the fiscal year ending March 31, 2026, the Group manufactured additional units of *L Pachislot Kaguya-sama ha Kokurasetai* and *Pachislot Karakuri Sākasu* under the SANKYO brand, both of which have long been popular.

#### Ball Bearing Supply Systems Business

Sales of the ball bearing supply systems business were ¥3.3 billion, a decrease of 56.0% compared with the same period of the previous year, and operating income was ¥0.2 billion, a decrease of 61.1%.

#### Other Businesses

Sales of other businesses were ¥97 million, a decrease of 30.8% compared with the same period of the previous year, and operating income was ¥29 million, a decrease of 36.5%.

### (2) Overview of Financial Conditions

Total assets at the end of the first three months of the fiscal year ending March 31, 2026 amounted to ¥311.9 billion, having decreased ¥24.7 billion compared with the figure at the previous fiscal year-end. This decrease was mainly attributable to a ¥28.9 billion decrease in cash and deposits, and a ¥3.1 billion decrease in raw materials and supplies, despite a ¥7.2 billion increase in notes and accounts receivable-trade, and contract assets.

Total liabilities amounted to ¥42.1 billion, having decreased ¥9.5 billion compared with the figure at the previous fiscal year-end. This decrease was mainly attributable to a ¥10.0 billion decrease in accrued income taxes, and a ¥1.8 billion decrease in liabilities related to transactions involving provision of parts and materials for value (included in “Other” of Current liabilities), despite a ¥1.1 billion increase in notes and accounts payable-trade, and a ¥0.4 billion increase in allowance for bonuses.

Net assets decreased ¥15.2 billion compared with the figure at the previous fiscal year-end. This decrease was mainly attributable

to purchase of treasury stock amounting to ¥19.4 billion, and cash dividends paid amounting to ¥13.2 billion, while recording of profit attributable to owners of parent amounted to ¥17.4 billion. As a result, net assets amounted to ¥269.7 billion and the shareholders' equity ratio increased 1.8 percentage points to 86.0%.

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

No revision has been made to the forecasts of financial results for fiscal 2026 announced on May 12, 2025.

**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, 2025	As of June 30, 2025
	Millions of yen	Millions of yen
Assets:		
Current assets:		
Cash and deposits	180,064	151,143
Notes and accounts receivable-trade, and contract assets	15,993	23,287
Electronically recorded monetary claims - operating	6,400	5,257
Marketable securities	59,985	59,984
Merchandise and finished goods	3,441	4,667
Work in process	133	434
Raw materials and supplies	15,934	12,799
Other	12,601	12,304
Allowance for doubtful accounts	(13)	(10)
Total current assets	294,541	269,869
Fixed assets:		
Tangible fixed assets	27,482	27,722
Intangible fixed assets:		
Other	327	309
Total intangible fixed assets	327	309
Investments and other assets:		
Investment securities	5,349	5,320
Other	9,029	8,711
Allowance for doubtful accounts	(22)	(20)
Total investments and other assets	14,357	14,011
Total fixed assets	42,167	42,044
Total assets	336,709	311,913

## Quarterly Consolidated Balance Sheets

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

	As of March 31, 2025	As of June 30, 2025
	Millions of yen	Millions of yen
Liabilities:		
Current liabilities:		
Notes and accounts payable-trade	12,623	13,733
Accrued income taxes	16,769	6,757
Allowance for bonuses	870	1,362
Provision for shareholder benefit program	154	154
Other	11,442	10,192
Total current liabilities	41,860	32,198
Long-term liabilities:		
Provision for share awards for directors (and other officers)	933	933
Net defined benefit liabilities	5,254	5,258
Asset retirement obligations	76	76
Other	3,580	3,694
Total long-term liabilities	9,844	9,962
Total liabilities	51,704	42,161
Net Assets:		
Shareholders' equity:		
Common stock	14,840	14,840
Capital surplus	23,750	23,750
Retained earnings	290,721	294,875
Less: treasury stock, at cost	(48,375)	(67,740)
Total shareholders' equity	280,936	265,725
Accumulated other comprehensive income:		
Net unrealized gain on other securities	2,524	2,504
Remeasurements of defined benefit plans	(46)	(42)
Total accumulated other comprehensive income	2,478	2,462
Subscription rights to shares	1,590	1,564
Total net assets	285,004	269,752
Total liabilities and total net assets	336,709	311,913

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

## Quarterly Consolidated Statements of Income

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

	1st quarter of FY2025	1st quarter of FY2026
	Millions of yen	Millions of yen
Net sales	42,210	55,185
Cost of sales	17,127	21,289
Gross profit	25,083	33,896
Selling, general and administrative expenses	7,810	10,044
Operating income	17,273	23,851
Non-operating income:		
Interest income	14	100
Dividend income	192	259
Other	97	182
Total non-operating income	304	541
Non-operating expenses:		
Loss on management of investment partnership	-	1
Other	2	0
Total non-operating expenses	2	2
Recurring income	17,575	24,391
Extraordinary losses:		
Loss on disposal of fixed assets	1	-
Total extraordinary losses	1	-
Income before income taxes and minority interests	17,574	24,391
Income taxes:		
Current income taxes	4,932	6,454
Deferred income taxes	138	489
Total income taxes	5,070	6,943
Profit	12,503	17,447
Profit attributable to owners of parent	12,503	17,447

## Quarterly Consolidated Statements of Comprehensive Income

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

	1st quarter of FY2025	1st quarter of FY2026
	Millions of yen	Millions of yen
Profit	12,503	17,447
Other comprehensive income:		
Net unrealized gain (loss) on other securities	(56)	(19)
Remeasurements of defined benefit plans	3	3
Total other comprehensive income	(53)	(16)
Comprehensive income	12,449	17,431
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	12,449	17,431
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 Three Months of FY2026 (From April 1, 2025, to June 30, 2025)

The Company repurchased 7,812,500 shares of the Company based on the resolution at the Board of Directors' meeting held on May 12, 2025. As a result, treasury stock increased ¥19,469 million in the first three months of the current fiscal year to ¥67,740 million at June 30, 2025.

**Notes to Consolidated Statement of Cash Flows**

The Company has not prepared a quarterly consolidated statement of cash flows for the first three months of the fiscal year ending March 31, 2026.

Depreciation, including amortization related to intangible assets, for the first three months of the fiscal year ending March 31, 2026 is as shown below.

	1st Three Months of FY2025 (April 1, 2024 to June 30, 2024)	1st Three Months of FY2026 (April 1, 2025 to June 30, 2025)
Depreciation and amortization	¥440 million	¥543 million

**Notes on Segment Information**

(Segment information by business category)

1st quarter of FY2025 (From April 1, 2024, to June 30, 2024)

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

	1st quarter 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	17,866	16,610	7,592	42,070	140	42,210	-	42,210
Intersegment	-	-	-	-	-	-	-	-
Total	17,866	16,610	7,592	42,070	140	42,210	-	42,210
Segment income	8,118	9,729	600	18,448	46	18,495	(1,222)	17,273

1st quarter of FY2026 (From April 1, 2025, to June 30, 2025)

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

	1st quarter of FY2026 (Millions of yen)							
	Reportable segments				Other	Total	Adjustments	Consolidated
	Pachinko machines business	Pachislot machines business	Ball bearing supply systems business	Subtotal				
Sales								
Customers	36,712	15,037	3,337	55,088	97	55,185	-	55,185
Intersegment	-	-	-	-	-	-	-	-
Total	36,712	15,037	3,337	55,088	97	55,185	-	55,185
Segment income	17,644	7,686	233	25,564	29	25,594	(1,742)	23,851