

May 13, 2026

**SANKYO CO., LTD.**

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

Shares listed: TSE Prime Market

Code number: 6417

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Planned Date for Annual Meeting of Shareholders: June 26, 2026

Planned Date for Start of Dividend Payment: June 29, 2026

Planned Date for Submittal of the Financial Statements Report: June 25, 2026

Supplementary materials for the financial statements: Yes

Presentation to explain for the financial statements: Yes

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

**1. Results for the fiscal year (From April 1, 2025, to March 31, 2026)**

(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	
Year ended March 31, 2026	179,211	(6.6%)	62,484	(15.1%)	63,991	(14.2%)	46,752	(13.4%)
Year ended March 31, 2025	191,821	(3.7%)	73,605	1.5%	74,587	1.9%	53,992	0.4%
(Note) Comprehensive income	Year ended March 31, 2026		¥47,517 million [(10.8%)]		Year ended March 31, 2025		¥53,262 million [4.0%]	

	Net income per share	Fully diluted net income per share	Return on equity (net income)	Return on assets (recurring income)	Return on sales (operating income)			
	Yen	Yen	%	%	%			
Year ended March 31, 2026	227.65	224.70	17.6	20.5	34.9			
Year ended March 31, 2025	245.93	242.71	20.2	23.7	38.4			
(Reference) Equity in earnings of affiliates	Year ended March 31, 2026		- million		Year ended March 31, 2025		- million	

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2026	287,458	250,155	86.5	1,259.04
As of March 31, 2025	336,709	285,004	84.2	1,290.54
(Reference) Shareholders' Equity	As of March 31, 2026	¥248,677 million	As of March 31, 2025	¥283,414 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2026	51,828	(17,085)	(82,354)	192,439
Year ended March 31, 2025	58,036	(3,580)	(19,846)	240,050

**2. Dividends**

(Base date)	Cash dividend per share					Amount of dividends	Dividend payout ratio	Dividend rate of net assets
	1st quarter	2nd quarter	3rd quarter	Year-end	Full Year			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2025	-	40.00	-	60.00	100.00	22,092	40.7	8.2
Year ended March 31, 2026	-	45.00	-	45.00	90.00	18,138	39.5	7.1
Year ended March 31, 2027 (forecast)	-	-	-	-	80.00		39.5	

(Note) As for the dividends for the fiscal year ending March 31, 2027 (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, 2027 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. For more details, please refer to "1. Overview of Operating Results (5) Basic policy on profit sharing and cash dividends for fiscal 2026 and fiscal 2027" in the attached document.

**3. Forecast for FY2027 (From April 1, 2026, to March 31, 2027)**

(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, 2027	174,000	(2.9%)	56,000	(10.4%)	58,000	(9.4%)	40,000	(14.4%)	202.52	

SANKYO Group manages its business plan on a full-year basis and thus only discloses full-year figures. For details, please refer to "1. Overview of Operating (4) Future outlook" of the attached documents.

**\* Notes**

(1) Changes for important subsidiaries during the fiscal year ended March 31, 2026: Not applicable

(2) 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 |

(3) Outstanding shares (common shares)

- |  |                    |
|--|--------------------|
| a. Number of shares outstanding (including treasury stock) |                    |
| As of March 31, 2026:                                      | 230,000,000 shares |
| As of March 31, 2025:                                      | 260,000,000 shares |
| b. Number of treasury stock                                |                    |
| As of March 31, 2026:                                      | 32,486,271 shares  |
| As of March 31, 2025:                                      | 40,391,071 shares  |
| c. Average number of shares issued and outstanding         |                    |
| As of March 31, 2026:                                      | 205,368,905 shares |
| As of March 31, 2025:                                      | 219,541,528 shares |

(Note) The No. of treasury stock includes the Company's shares held by Share Benefit Trust for Directors (1,247,500 shares As of March 31, 2026, 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 (1,265,376 shares As of March 31, 2026, 1,327,397 shares As of March 31, 2025)

**(Reference) Non-consolidated results****1. Non-consolidated results for the fiscal year (From April 1, 2025, to March 31, 2026)****(1) Non-consolidated operating results**

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

	<b>Net sales</b>		<b>Operating income</b>		<b>Recurring income</b>		<b>Net income</b>	
	Millions of yen		Millions of yen		Millions of yen		Millions of yen	
Year ended March 31, 2026	153,669	(14.3%)	45,174	(29.2%)	56,946	(25.8%)	44,994	(23.9%)
Year ended March 31, 2025	179,338	11.0%	63,806	37.0%	76,763	33.8%	59,138	28.9%

	<b>Net income per share</b>	<b>Fully diluted net income per share</b>
	Yen	Yen
Year ended March 31, 2026	219.09	216.25
Year ended March 31, 2025	269.37	265.84

**(2) Non-consolidated financial position**

	<b>Total assets</b>	<b>Net assets</b>	<b>Capital adequacy ratio</b>	<b>Net assets per share</b>
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2026	252,544	223,241	87.8	1,122.77
As of March 31, 2025	306,123	260,235	84.5	1,177.76

(reference) Shareholders' Equity      As of March 31, 2026      ¥221,763 million      As of March 31, 2025      ¥258,645 million

\* This document is not subject to audit procedures

**\* 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 (4) Forecast of Consolidated Results and Other Forecast Information" in the accompanying material.

Note : This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

## 1. Overview of Operating Results

### (1) Overview of business results, etc. for the fiscal year under review

In the pachinko market, the debut of models featuring “LUCKY TRIGGER 3.0 PLUS,” a new type of gaming performance, has spurred the adoption of Smart Pachinko machines. Nevertheless, the market as a whole has yet to be fully revitalized, and total sales volume fell below the previous fiscal year’s level. Meanwhile, in the pachislot market, although the format inspection pass rate remains low—constraining the supply of new models—several hit models were successively launched, maintaining solid machine utilization.

Under these circumstances, the Group’s pachinko machines business captured the top market share for the fourth consecutive year, achieving its market share target of 30% or more in terms of sales volume. This success was driven by the strategic rollout of LUCKY TRIGGER 3.0 PLUS-equipped models and new tie-up machines in addition to mainstay titles. In the pachislot machines business, while the Group released only four new titles due to delays in passing format inspections in some titles, each title sold over 10,000 units; notably, “*L Pachislot Valvrave the Liberator 2*” surpassed 30,000 units. As a result, the Group secured a double-digit market share in sales volume for the second consecutive year, consolidating its position among the market’s leading players.

As a result, net sales were ¥179.2 billion, a decrease of 6.6% year on year. Operating income was ¥62.4 billion, a decrease of 15.1%, and recurring income was ¥63.9 billion, a decrease of 14.2%. Profit attributable to owners of parent amounted to ¥46.7 billion, a decrease of 13.4%.

Results of segments are presented below:

#### Pachinko Machines Business

Regarding the pachinko machines business, the Group released a grand total of 9 pachinko titles (excluding reuse models etc.). Major titles released included *e Fever ENN ENN NO SHOUBOUTAI 2* (introduced in July 2025) and *e Fever BLUE ROCK* (introduced in September 2025) under the SANKYO brand, *e Tokyo Ghoul* (introduced in April 2025) and *NEON GENESIS EVANGELION -Memories of the beginning-* (introduced in December 2025) under the Bisty brand.

As a result, segment sales amounted to ¥119.8 billion, an increase of 11.2% compared with the same period of the previous year, and operating income was ¥49.3 billion, an increase of 12.7%. Sales of pachinko machines amounted to 251,000 units.

#### Pachislot Machines Business

Regarding the pachislot machines business, four new titles released included *L Pachislot Valvrave the Liberator 2* (introduced in November 2025) and *L Pachislot ENN ENN NO SHOUBOUTAI 2* (introduced in February 2026) under the SANKYO brand, *L Pachislot MOBILE SUIT GUNDAM SEED* (introduced in May 2025) and *LB Pachislot Evangelion -The Door of Promises-* (introduced in July 2025) under the Bisty brand. In addition, we manufactured additional units of *Pachislot Karakuri Sākasu* and *L Pachislot Kaguya-sama ha Kokurasetai* under the SANKYO brand, both of which have long been popular.

As a result, segment sales amounted to ¥43.4 billion, a decrease of 31.6% compared with the same period of the previous year, and operating income was ¥18.9 billion, a decrease of 47.0%. Sales of pachislot machines amounted to 90,000 units.

#### Ball Bearing Supply Systems Business

Sales of the ball bearing supply systems business were ¥15.5 billion, a decrease of 22.9% year on year, and operating income was ¥1.1 billion, a decrease of 24.4%.

#### Other Businesses

Sales of other businesses were ¥0.4 billion, a decrease of 9.3% year on year, and operating income was ¥0.1 billion, an increase of 6.3%.

### (2) Overview of financial position for the fiscal year under review

Total assets at the end of the fiscal year ended March 31, 2026 amounted to ¥287.4 billion, having decreased ¥49.2 billion compared with the figure at the previous fiscal year-end. This decrease was mainly attributable to a ¥47.6 billion decrease in cash and deposits, a ¥8.2 billion decrease in accounts receivable-trade, a ¥5.0 billion decrease in accounts receivable for provision of parts and materials for value, and a ¥2.9 billion decrease in notes receivable-trade, despite a ¥13.8 billion increase in tangible fixed assets resulting from the acquisition of “SANKYO Head Office Building”, which had been leased property.

Total liabilities amounted to ¥37.3 billion, having decreased ¥14.4 billion compared with the figure at the previous fiscal year-end. This decrease was mainly attributable to a ¥7.1 billion decrease in accrued income taxes, a ¥4.8 billion decrease in notes and accounts payable-trade, and a ¥1.5 billion decrease in liabilities related to transactions involving provision of parts and materials for value (included in “Other” of Current liabilities).

Net assets decreased ¥34.8 billion compared with the figure at the previous fiscal year-end. This decrease was mainly attributable to purchase of treasury stock amounted to ¥60.0 billion, cash dividends paid amounting to ¥22.4 billion, while recording of profit attributable to owners of parent amounted to ¥46.7 billion. The cancellations of treasury stock, the resolutions for which had been

passed at the Board of Directors' meeting held on February 5, 2026, pursuant to the provisions of Article 178 of the Companies Act, were carried out on February 27, 2026. As a result, net assets amounted to ¥250.1 billion and the shareholders' equity ratio increased 2.3 percentage points to 86.5%.

### (3) Overview of cash flows for the fiscal year under review

Cash and cash equivalents (hereinafter "cash") at the fiscal year-end were ¥192.4 billion, having decreased ¥47.6 billion from the previous fiscal year-end.

Net cash provided by operating activities decreased ¥6.2 billion from the previous fiscal year-end to ¥51.8 billion. Principal cash inflow items were income before income taxes amounting to ¥63.9 billion, a ¥10.4 billion decrease in notes and accounts receivable-trade, a ¥5.0 billion decrease in accounts receivable for provision of parts and materials for value, and a ¥3.9 billion decrease in inventories. Principal cash outflow items were income taxes paid amounting to ¥25.1 billion, a ¥4.8 billion decrease in notes and accounts payable-trade.

Cash flows from investing activities decreased ¥13.5 billion from the figure at the previous fiscal year-end and, as a result, net cash used in investing activities amounted to ¥17.0 billion. Principal cash outflow items was payment for purchase of property, plant and equipment and intangible fixed assets amounting to ¥16.8 billion.

Cash flows from financing activities decreased ¥62.5 billion from the figure at the previous fiscal year-end and, as a result, net cash used in financing activities amounted to ¥82.3 billion. Principal cash outflow items were payment for purchase of treasury stock amounting to ¥60.0 billion, and cash dividends paid amounting to ¥22.4 billion.

For fiscal 2027, the Company forecasts an increase in net cash provided by operating activities of ¥36.0 billion, a decrease in net cash used in investing activities of ¥6.0 billion attributable to capital investment, and a decrease in net cash used in financing activities of ¥17.0 billion attributable to payment of cash dividends.

As a result, the Company forecasts an increase of ¥13.0 billion in the cash balance at the end of fiscal 2027 compared to the end of fiscal 2026.

### (Reference) Change in cash flow indicators

	March 31, 2023	March 31, 2024	March 31, 2025	March 31, 2026
Shareholders' equity ratio (%)	84.3	85.5	84.2	86.5
Shareholders' equity ratio at market value (%)	87.7	125.7	141.8	133.3

- Notes:
- Shareholders' equity ratio: Shareholders' equity / Total assets
  - Shareholders' equity ratio at market value: Market capitalization / Total assets
  - 1. All indices are calculated using consolidated financial figures.
  - 2. Market capitalization is calculated using the number of shares issued and outstanding excluding treasury stock.
  - 3. Figures are rounded up or down to the nearest single decimal place.

### (4) Future outlook

Regarding the market environment for the fiscal year ending March 31, 2027, the Group expects the pachislot market to remain robust, supported by strong machine utilization. In contrast, the sales market in pachinko machines is anticipated to fall short of the previous fiscal year's levels. This is due to parlor operators becoming increasingly selective regarding new models and installation volumes amid continued sluggishness in machine utilization.

Under these conditions, despite an expected year-on-year decrease in the sales volume of pachinko machines, the Group is committed to creating hit models that will serve as a catalyst for market recovery. Furthermore, the Group will work to invigorate the market by implementing a new pricing policy for pachinko machines, with the goal of securing the top market share for the fifth consecutive year. In the pachislot market, the Group intends to boost sales volume by expanding its title lineup and increasing the number of titles released, thereby consolidating its leading position.

Accordingly, the Group's plan calls for sales volumes for the fiscal year ending March 31, 2027, of 225,000 units for pachinko machines and 127,000 units for pachislot machines. Net sales and earnings are projected to be lower than the previous fiscal year, primarily due to the impact of the new pricing policy on the unit selling price, along with an expected decrease in the sales volume of pachinko machines.

The consolidated business results forecast for the fiscal year ending March 31, 2027, are as follows:

	Forecast	Year-on-year change	FY 2026 results
Net sales	¥174.0 billion	2.9% decrease	¥179.2 billion
Operating income	¥56.0 billion	10.4% decrease	¥62.4 billion

Recurring income	¥58.0 billion	9.4% decrease	¥63.9 billion
Profit attributable to owners of parent	¥40.0 billion	14.4% decrease	¥46.7 billion

\*Caution regarding Forward-looking Statements

The forecasts and other forward-looking statements contained in this report are based on information currently available to the Company and on certain assumptions deemed rational. The company does not guarantee their realization. Actual results, performance or achievements may differ materially from those expressed in forward-looking statements owing to various factors.

(5) Basic policy on profit sharing and cash dividends for fiscal 2026 and fiscal 2027

The Company regards the return of profits to shareholders as one of the most important management priorities. The Company's basic policy is to pay performance-linked dividends with a consolidated dividend payout ratio of 40% as a benchmark. However, the minimum annual dividend per share shall be set at ¥20 to maintain stable dividends.

For the interim dividend, a consolidated dividend payout ratio of 40% for the first six months of the fiscal year shall be the benchmark for the total dividend amount, but the interim dividend shall be no more than 50% of the forecast full-year dividend per share at the time the interim dividend amount is determined.

The Company plans to pay an interim dividend of ¥45 per share and year-end dividend ¥45 per share for fiscal 2026 (of which, the annual dividend is ¥90; the consolidated payout ratio is 39.5%). For the fiscal year ending March 31, 2027, the Company plans to pay a dividend for the full year of ¥80 per share (the breakdown for the interim and year-end dividends are not yet determined; the consolidated payout ratio is 39.5%).

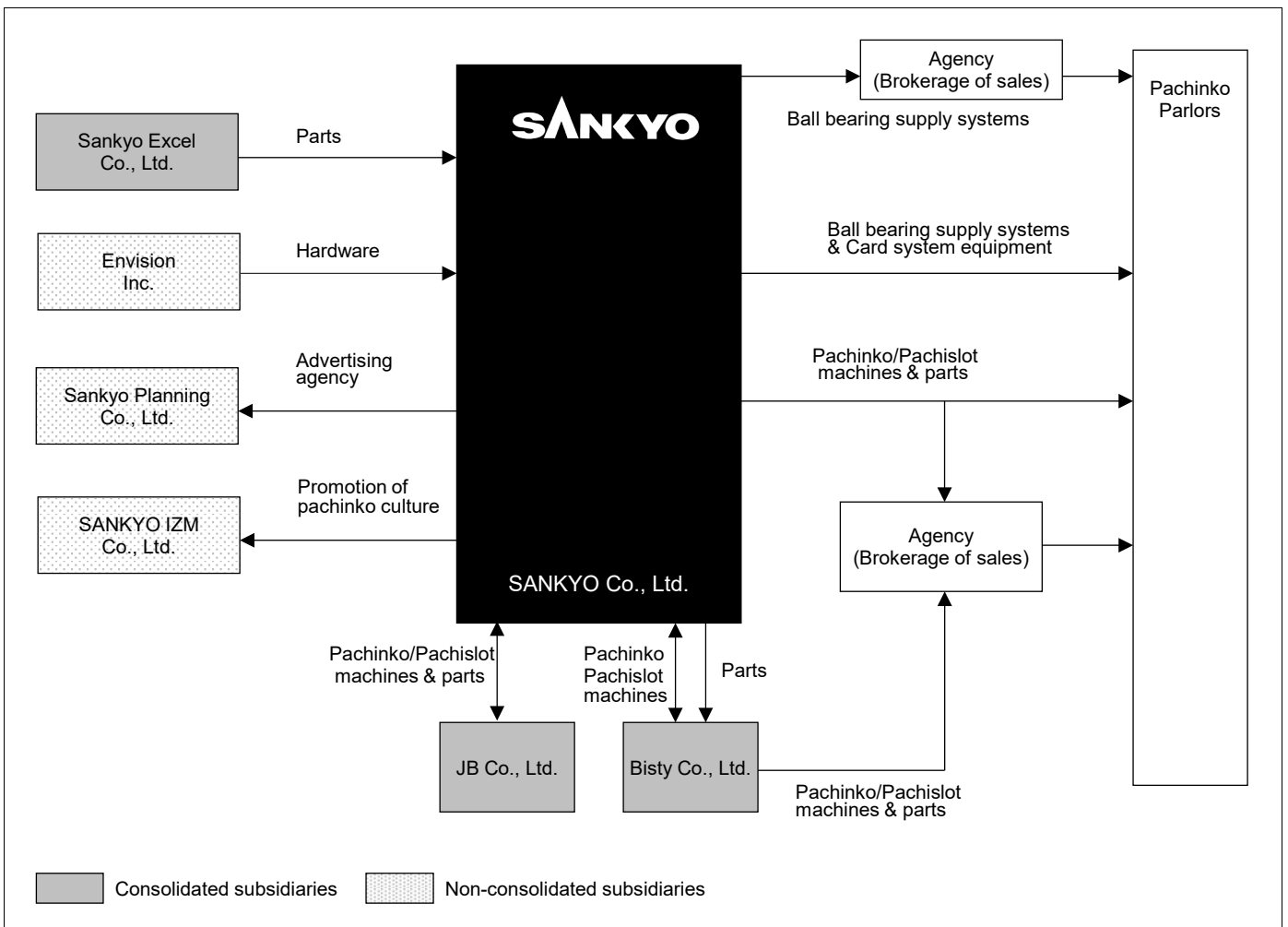
In regard to future profit sharing and use of retained earnings, while maintaining performance-based dividend payments as the basic policy, the Company will effectively utilize retained earnings, such as in business investment for growth and repurchase of own shares for flexible shareholder returns, through appropriate allocation.

**2. Overview of the Consolidated Group**

(1) SANKYO Group consists of SANKYO Co., Ltd. (the Company) and its 6 subsidiaries (as of March 31, 2026) and one affiliate. Details of the Group's business and the positioning of major affiliated companies concerning the business are shown below. The classification of businesses is the same as that in the segment information.

Business segment (Details of the Business)	Company name
Pachinko machines business Manufacturing and sales of pachinko machines and pachinko machine gauge boards, sales of related parts, and pachinko machine-related royalty income	SANKYO Co., Ltd. Sankyo Excel Co., Ltd. Bisty Co., Ltd. JB Co., Ltd.
Pachislot machines business Manufacturing and sales of pachislot machines, sales of related parts, and pachislot machine-related royalty income	Sankyo Planning Co., Ltd. Envision Inc. SANKYO IZM Co., Ltd.
Ball bearing supply systems business Sales of ball bearing supply systems, card systems, and related equipment for parlors, and ball bearing supply system-related royalty income	SANKYO Co., Ltd. Sankyo Excel Co., Ltd.
Other business Real estate rental revenues, Sales of general molded parts	SANKYO Co., Ltd. Sankyo Excel Co., Ltd. Envision Inc. SANKYO IZM Co., Ltd.

(2) The business structure is shown below.



### 3. Management Policies

#### (1) Management policy, management strategy, etc.

##### 1) Management policy

The basic philosophy of SANKYO Co., Ltd. (the Company) and its consolidated subsidiaries and affiliates (SANKYO Group) is to fulfill its mission, namely, to contribute to the sound development of pachinko and pachislot, which are popular leisure activities in Japan, and to the quality of life in society as a leading company in the pachinko and pachislot industry. Moreover, by concentrating its resources on the game machines business (pachinko machines business, pachislot machines business, and ball bearing supply systems business), which are expected to be highly profitable, the Group aims to revitalize the pachinko and pachislot industry and achieve sustainable enhancement of corporate value. Furthermore, to achieve further growth of the Group, we are deploying content for secondary use in pachinko/pachislot machines and are working to create new businesses focused on the creation and deployment of content IP, including manga and animation, to seek synergies with the existing businesses.

##### 2) Business strategy by segment

###### i. Pachinko Machines Business and Pachislot Machines Business

By offering highly competitive innovative products imbued with the spirit of “ingenuity,” which is our company motto, we aim to earn the trust and support of players and parlor operators so as to increase our market share of pachinko and pachislot machines in terms of sales volume. In addition, as initiatives to strengthen profitability, we will focus on the sharing of parts, improvement of the recycling rate, and improvement of development efficiency to achieve cost reduction as well as improvement of the top line through increased sales volumes.

Regarding the pachinko machines business, the Group has been securing a top-tier share in the pachinko machines market for a quarter century. To further increase market share, we will continue to offer products that earn the support of players and parlor operators by developing diverse products and creating popular series of products.

As for the pachislot machines business, we recognize that the Group has ample room for growth, and we will work to secure resources, strengthen alliances, offer a stable number of titles slated for introduction, and create hit titles, with the aim of securing a formidable presence similar to that in the pachinko market.

###### ii. Ball Bearing Supply Systems Business

We handle ball bearing supply systems and various products necessary for the interiors and operations of pachinko parlors. Capitalizing on our system capable of providing one-stop services combined with supply of pachinko and pachislot machines, we are committed to meeting the needs of parlor operators to the fullest extent possible.

#### (2) Performance indicators

SANKYO Group aims to achieve sustainable growth by establishing a solid position in the industry through increasing its share of the pachinko and pachislot markets. The Company believes that the results of this effort are reflected in the ratio of operating income to net sales and formulates and implements various measures to increase competitive advantage in product planning, development, production, and marketing with the objective of increasing this ratio. The Group will continuously engage in cost reduction measures, including improvement of the efficiency of advertising and sales promotion, the sharing of parts and materials, and the streamlining of logistics.

The table below depicts change in the ratio of operating income to net sales for the most recent three-year period. The Group achieved a ratio of operating income to net sales that was high compared with the ratio owing to a significant increase in net sales, mainly attributable to growth in the Group’s market share in both the pachinko machines business and the pachislot machines business. Going forward, the Group will continue striving to increase its shares of pachinko and pachislot machine markets while aiming to maintain and enhance the ratio of operating income to net sales.

	FY2024	FY2025	FY2026
Ratio of operating income to net sales (%)	36.4	38.4	34.9

On May 9, 2024, the Group announced its three-year Mid-term Management Plan which started from the fiscal year ending March 31, 2025. In this plan, in addition to three-year targets for sales and profits, we have set a target of achieving return on equity (ROE) at a level between 15% and 20%, which is considerably higher than the level of the capital cost recognized by the Group or the capital cost required by investors.

	FY2024	FY2025	FY2026
Return on equity (ROE) (%)	19.3	20.2	17.6

### (3) Management issues

In the pachinko and pachislot industry, the pachislot market environment remains strong. This trend has been driven by the successive rollout of hit models, robust machine utilization, and the increasing adoption of machines since the debut of Smart Pachislot machines. Meanwhile, the pachinko market continues to face a challenging environment. While the introduction of models featuring “LUCKY TRIGGER 3.0 PLUS,” a new type of gaming performance, raised expectations for a market revival, it has yet to significantly improve machine utilization. Additionally, parlor operators have become increasingly selective regarding new models and installation volumes following the slump in machine utilization in the pachinko market. Furthermore, although there are signs that the decline in the player population is bottoming out, accompanied by a positive trend of the younger generation entering the player base, a full recovery has yet to be realized. The Group recognizes that expanding the player base and creating an accessible, user-friendly gaming environment are critical issues for sustainable market growth.

Under these conditions, the Group identifies the recovery of the pachinko market and the expansion of the player base as its key priorities. To address these, the Group will work to enhance product competitiveness, and to ease the financial burden of new machine introductions for parlor operators through price revisions and revitalize the market by introducing its new pricing policy for pachinko machines, “SANKYO YELL PRICE.” Furthermore, the Group aims to maintain and strengthen profitability by achieving cost savings through reductions in manufacturing costs and improved efficiency in development and production, while increasing sales volume and market share through enhanced price competitiveness. As part of its initiatives to expand the player base, the Group will promote the “KUGITAMA” project. This project strives to attract new fans and re-engage lapsed players through digital initiatives, the operation of cafes where visitors can casually enjoy Hanemono (traditional-style) type machines, and a rental plan that enables parlors to introduce Hanemono type machines at lower costs.

Through these efforts, the Group endeavors to increase the player population and improve the overall market climate. The Group is committed to maintaining the top market share in the pachinko machines business and consolidating its leading position in the pachislot machines business. Simultaneously, the Group will focus on creating and deploying content IPs that offer synergies with existing businesses, aiming for the sustainable enhancement of corporate value.

#### **4. Basic Approach to the Selection of Accounting Standards**

The Group intends to prepare consolidated financial statements in conformity with the generally accepted accounting principles in Japan (Japanese GAAP) for the time being, taking into consideration comparability of consolidated financial statements over time and comparability among companies.

With regard to adoption of the International Financial Reporting Standards (IFRS), the Group intends to make an appropriate response, taking into consideration situations in Japan and abroad.

## 5. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

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

	As of March 31, 2025	As of March 31, 2026
	Millions of yen	Millions of yen
Assets:		
Current assets:		
Cash and deposits	180,064	132,463
Notes receivable-trade	5,662	2,735
Accounts receivable-trade	10,331	2,096
Electronically recorded monetary claims - operating	6,400	7,152
Marketable securities	59,985	59,976
Finished goods and merchandise	3,441	1,518
Work in process	133	230
Raw materials and supplies	15,934	13,804
Accounts receivable for provision of parts and materials for value	9,881	4,872
Other	2,720	5,114
Allowance for doubtful accounts	(13)	(8)
<b>Total current assets</b>	<b>294,541</b>	<b>229,956</b>
Fixed assets, at cost:		
Tangible fixed assets:		
Buildings and structures	14,851	16,628
Less accumulated depreciation	(8,969)	(9,134)
Subtotal	5,881	7,493
Machinery and equipment	7,420	7,591
Less accumulated depreciation	(6,360)	(6,527)
Subtotal	1,060	1,064
Furniture and fixtures	13,328	14,743
Less accumulated depreciation	(10,229)	(10,631)
Subtotal	3,099	4,112
Land	17,335	28,612
Construction in progress	105	-
<b>Total tangible fixed assets</b>	<b>27,482</b>	<b>41,283</b>
Intangible fixed assets		
Other	327	364
<b>Total Intangible fixed assets</b>	<b>327</b>	<b>364</b>
Investments and other assets:		
Investment securities	5,349	6,351
Long-term advances	24	18
Deferred tax assets	7,740	8,560
Other	1,264	999
Allowance for doubtful accounts	(22)	(76)
<b>Total investments and other assets</b>	<b>14,357</b>	<b>15,852</b>
<b>Total fixed assets</b>	<b>42,167</b>	<b>57,501</b>
<b>Total assets</b>	<b>336,709</b>	<b>287,458</b>

## Consolidated Balance Sheets

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

	As of March 31, 2025	As of March 31, 2026
	Millions of yen	Millions of yen
Liabilities:		
Current liabilities:		
Notes and accounts payable-trade	12,623	7,769
Accrued income taxes	16,769	9,613
Contract liabilities	16	157
Allowance for bonuses	870	903
Provision for shareholder benefit program	154	144
Other	11,426	9,229
Total current liabilities	41,860	27,817
Long-term liabilities:		
Provision for share awards for directors (and other officers)	933	1,177
Net defined benefit liabilities	5,254	4,550
Asset retirement obligations	76	63
Other	3,580	3,693
Total long-term liabilities	9,844	9,484
Total liabilities	51,704	37,302
Net Assets:		
Shareholders' equity:		
Common stock	14,840	14,840
Capital surplus	23,750	23,750
Retained earnings	290,721	262,639
Less: treasury stock, at cost	(48,375)	(55,795)
Total shareholders' equity	280,936	245,434
Accumulated other comprehensive income:		
Net unrealized gain on other securities	2,524	2,902
Remeasurements of defined benefit plans	(46)	340
Total accumulated other comprehensive income	2,478	3,243
Subscription rights to shares	1,590	1,478
Total net assets	285,004	250,155
Total liabilities and total net assets	336,709	287,458

## (2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

## Consolidated Statements of Income

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

	Year ended March 31, 2025	Year ended March 31, 2026
	Millions of yen	Millions of yen
Net sales	191,821	179,211
Cost of sales	79,492	74,541
Gross profit	112,328	104,670
Selling, general and administrative expenses	38,723	42,185
Operating income	73,605	62,484
Non-operating income:		
Interest income	236	535
Dividend income	405	588
Royalty income	139	201
Other	209	286
Total non-operating income	991	1,612
Non-operating expenses:		
Loss on management of investment partnership	2	40
Provision of allowance for doubtful accounts	(0)	59
Other	5	4
Total non-operating expenses	8	105
Recurring income	74,587	63,991
Extraordinary gains:		
Gain on sales of fixed assets	1	1
Gain on sales of investment securities	539	-
Total extraordinary gains	540	1
Extraordinary losses:		
Loss on disposal of fixed assets	10	67
Impairment loss	113	-
Total extraordinary losses	124	67
Income before income taxes	75,003	63,925
Income taxes:		
Current income taxes	22,281	18,344
Deferred income taxes	(1,270)	(1,171)
Total income taxes	21,010	17,172
Net income	53,992	46,752
Profit attributable to owners of parent	53,992	46,752

## Consolidated Statements of Comprehensive Income

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

	Year ended March 31, 2025	Year ended March 31, 2026
	Millions of yen	Millions of yen
Net income	53,992	46,752
Other comprehensive income:		
Net unrealized gain (loss) on other securities	(716)	377
Remeasurements of defined benefit plans	(14)	387
Total other comprehensive income	(730)	764
Comprehensive income	53,262	47,517
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	53,262	47,517
Comprehensive income attributable to minority interests	-	-

## (3) Consolidated Statements of Changes in Shareholder's Equity

Year ended March 31, 2025 (From April 1, 2024, to March 31, 2025)

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

	Shareholders' equity					Accumulated other comprehensive income			Subscription rights to shares	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gain on other securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of the period	14,840	23,750	256,751	(48,686)	246,654	3,240	(32)	3,208	1,716	251,579
Change during the fiscal year										
Dividends of surplus			(19,872)		(19,872)					(19,872)
Profit attributable to owners of parent			53,992		53,992					53,992
Acquisition of treasury stocks				(0)	(0)					(0)
Sales of treasury stocks			(150)	276	126					126
Disposal of treasury stocks by the share benefit trust				34	34					34
Retirement of treasury stock					-					-
Net changes of items other than shareholder's equity						(716)	(14)	(730)	(126)	(856)
Total changes during the fiscal year	-	-	33,970	310	34,281	(716)	(14)	(730)	(126)	33,424
Balance at end of the period	14,840	23,750	290,721	(48,375)	280,936	2,524	(46)	2,478	1,590	285,004

Year ended March 31, 2026 (From April 1, 2025, to March 31, 2026)

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

	Shareholders' equity					Accumulated other comprehensive income			Subscription rights to shares	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gain on other securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of the period	14,840	23,750	290,721	(48,375)	280,936	2,524	(46)	2,478	1,590	285,004
Change during the fiscal year										
Dividends of surplus			(22,449)		(22,449)					(22,449)
Profit attributable to owners of parent			46,752		46,752					46,752
Acquisition of treasury stocks				(60,000)	(60,000)					(60,000)
Sales of treasury stocks			(184)	296	112					112
Disposal of treasury stocks by the share benefit trust				83	83					83
Retirement of treasury stock			(52,200)	52,200	-					-
Net changes of items other than shareholder's equity						377	387	764	(111)	653
Total changes during the fiscal year	-	-	(28,081)	(7,420)	(35,501)	377	387	764	(111)	(34,848)
Balance at end of the period	14,840	23,750	262,639	(55,795)	245,434	2,902	340	3,243	1,478	250,155

## (4) Consolidated Statements of Cash Flows

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

	Year ended March 31, 2025	Year ended March 31, 2026
	Millions of yen	Millions of yen
Cash flows from operating activities:		
Income before income taxes	75,003	63,925
Depreciation and amortization	2,800	3,031
Increase (decrease) in allowance for doubtful accounts	(22)	49
Increase (decrease) in allowance for bonuses	23	32
Increase (decrease) in provision for shareholder benefit program	(8)	(10)
Increase (decrease) in provision for share awards for directors (and other officers)	444	244
Increase (decrease) in net defined benefit liabilities	105	(139)
Interest and dividend income	(641)	(1,123)
Loss (gain) on sales of property, plant and equipment and intangible assets	(1)	(1)
Disposal of fixed assets	10	67
Impairment loss	113	-
(Gain) loss on sales of investment securities	(539)	-
(Increase) decrease in notes and accounts receivable-trade	956	10,409
(Increase) decrease in inventories	(3,739)	3,955
Increase (decrease) in notes and accounts payable-trade	5,178	(4,854)
(Increase) decrease in accounts receivable for provision of parts and materials for value	(4,944)	5,008
Increase (decrease) in accounts payable	(148)	(78)
Increase (decrease) in accrued consumption tax	(1,556)	(622)
Other	398	(3,883)
Subtotal	73,434	76,010
Interest and dividend income received	516	935
Income taxes paid	(15,913)	(25,118)
Net cash (used in) provided by operating activities	58,036	51,828
Cash flows from investing activities:		
Payment for purchase of property, plant and equipment and intangible fixed assets	(4,242)	(16,892)
Proceeds from sale of investment securities	806	-
Purchase of shares of subsidiaries and associates	-	(450)
Proceeds from collection of long-term loans	5	25
Other	(150)	231
Net cash (used in) provided by investing activities	(3,580)	(17,085)
Cash flows from financing activities:		
Payment for purchase of treasury stock, net	(0)	(60,000)
Proceeds from sale of treasury stock	25	95
Cash dividends paid	(19,872)	(22,449)
Net cash (used in) provided financing activities	(19,846)	(82,354)
Net increase (decrease) in cash and cash equivalents	34,609	(47,610)
Cash and cash equivalents at beginning of the period	205,440	240,050
Cash and cash equivalents at end of the period	240,050	192,439

**(5) Notes to the Consolidated Financial Statements**

**Notes on premise of a going concern**

Not applicable

**Changes in presentation method**

(Consolidated Statements of Income)

“Provision of allowance for doubtful accounts,” which was included in “Other” of “Non-operating expenses,” in the fiscal year ended March 31, 2025, have been presented separately in the fiscal year ended March 31, 2026, due to an increase in materiality. The financial statements for the fiscal year ended March 31, 2025 have been changed to reflect these changes in presentation method.

As a result, in the consolidated statements of income for the fiscal year ended March 31, 2025, “Other” of “Non-operating expenses” of ¥5 million have been reclassified as “Provision of allowance for doubtful accounts” of -¥0 million and “Other” of ¥5 million.

Notes on Segment Information  
(Segment information by business category)

Year ended March 31, 2025 (From April 1, 2024, to March 31, 2025)

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

	Year ended March 31, 2025 (Millions of yen)							
	Reportable segments				Other	Total	Adjustments	Consolidated
	Pachinko machines business	Pachislot machines business	Ball bearing supply systems business	Subtotal				
Sales								
Customers	107,725	63,462	20,161	191,349	472	191,821	-	191,821
Intersegment	-	-	-	-	-	-	-	-
Total	107,725	63,462	20,161	191,349	472	191,821	-	191,821
Segment income	43,815	35,686	1,463	80,966	181	81,147	(7,542)	73,605
Segment assets	186,312	62,537	8,451	257,302	2,778	260,080	76,628	336,709
Other items								
Depreciation	2,428	204	18	2,651	27	2,679	121	2,800
Increase in tangible fixed assets and intangible fixed assets								
	2,890	407	53	3,351	14	3,365	639	4,005

Year ended March 31, 2026 (From April 1, 2025, to March 31, 2026)

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

	Year ended March 31, 2026 (Millions of yen)							
	Reportable segments				Other	Total	Adjustments	Consolidated
	Pachinko machines business	Pachislot machines business	Ball bearing supply systems business	Subtotal				
Sales								
Customers	119,809	43,435	15,537	178,783	428	179,211	-	179,211
Intersegment	-	-	-	-	-	-	-	-
Total	119,809	43,435	15,537	178,783	428	179,211	-	179,211
Segment income	49,386	18,924	1,106	69,417	192	69,609	(7,125)	62,484
Segment assets	149,116	35,753	7,838	192,707	2,679	195,387	92,071	287,458
Other items								
Depreciation	2,429	362	23	2,815	28	2,844	187	3,031
Increase in tangible fixed assets and intangible fixed assets								
	3,056	719	5	3,781	15	3,796	13,145	16,941