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For Immediate Release

Listed company name: **SANKYO CO., LTD.**
Representative: Akihiko Ishihara
President & CEO & COO
(Code: 6417, TSE Prime Market)
Contact: Hiroshi Takahashi
Senior Executive Operating Officer
Head of Administration Div.
TEL.: +81-3-5778-7777

Notice concerning Revision of Consolidated Earnings Forecast and Dividend Forecast for the Fiscal Year Ending March 31, 2025

SANKYO Co., Ltd. today announces that its consolidated earnings forecast for the fiscal year 2025 (from April 1, 2024, to March 31, 2025, hereinafter “FY2025”), which was announced on May 9, 2024, and the year-end dividend forecast for FY2025, which was announced on September 19, 2024, have been revised based on the recent trend of the Company’s financial performance.

1. Revision of Forecast of consolidated earnings

(1) Forecast of consolidated earnings for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

	Net sales	Operating income	Recurring income	Profit attributable to owners of parent	Net income per share (yen)
Previous forecast (A)	180,000	61,000	62,000	42,000	191.48
Revised forecast (B)	190,000	71,000	72,000	51,500	234.58
Difference (B-A)	10,000	10,000	10,000	9,500	-
% change	5.6	16.4	16.1	22.6	-
FY2024 results	199,099	72,495	73,182	53,791	203.81

(2) Reasons for the revision

With regard to the pachinko machines business, viewing the enhancement of gaming performance of Smart Pachinko machines as a good sales opportunity, the Group has launched an aggressive marketing campaign since the third quarter, with a lineup centering on Smart Pachinko machines, and sales volume increased strongly. However, considering factors such as compliance with format inspection and the competitive landscape, the Group decided to postpone the introduction of one new title, which was originally scheduled for introduction in the current fiscal year, to the next fiscal year. Consequently, the sales volume of pachinko machines is expected to be 223,000 units whereas the initial plan was 247,000 units. On the other hand, with regard to the pachislot machines business, the Group’s Smart Pachislot machines have enjoyed their popularity ever since their launch. As we responded to the need for the manufacture of additional units of multiple titles and sales of new titles have been strong, the sales volume of pachislot machines is expected to be 131,000 units, exceeding the initial plan of 119,000 units.

As a result, while the total sales volumes of pachinko and pachislot machines are expected to be largely in accordance with the plan, unit sales prices were robust, especially for major pachinko titles and the pachislot titles for which additional

This material is an English translation of Japanese announcement made on February 4, 2025. Although the Company intended to faithfully translate the Japanese document into English, the accuracy and correctness of this translation are not guaranteed.

units were manufactured. Moreover, in the ball bearing supply systems business, triggered by the response to new money bills and the diffusion of Smart Pachinko and Pachislot machines, demand for equipment renewal at parlors was brisk. As a result, net sales and profit items are expected to exceed the previous forecasts as shown above.

2. Revision of Forecast of Dividends

(1) Forecast of dividends for the year ending March 31, 2025

	Cash dividend per share		
(Base date)	2nd quarter	Year-end	Full Year
	Yen	Yen	Yen
Previous forecast (September 19, 2024)	-	40.00	80.00
Revised forecast	-	60.00	100.00
Results for the year ending March 31, 2025	40.00	-	-
Results for the year ended March 31, 2024	150.00	50.00	-

(Note) 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.

(2) Reasons for the revision

In line with the revision of the financial results forecast, we will revise the year-end dividend forecast to ¥60, an increase of ¥20, based on the dividend policy of paying dividends with a consolidated dividend payout ratio of 40% as a benchmark. Annual total cash dividends per share for the fiscal year ending March 31, 2025, which includes interim cash dividend of ¥40, will be ¥100.

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