



Presentation on Business Results
for the First Nine Months of FY 3/2021
(April 1, 2020 to December 31, 2020)

February 8, 2021

SANKYO CO., LTD.

1st Sec. of the TSE #6417

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Financial Highlights

- ✓ Both net sales and profits decreased from the same period of the previous fiscal year because of a decrease in the number of pachinko/pachislot titles sold in the first six months of FY 3/2021.
- ✓ The Group has been accelerating introduction of new titles since the third quarter.

Consolidated Financial Results

Net Sales	41,000	million yen	YoY	-33.6 %
Operating Income	4,253	million yen		-59.7 %
Net Income attributable to owners of parent	4,104	million yen		-68.3 %
Net Income per share	67.08	yen		-106.89 yen

Pachinko Machines Business

Net Sales	37,052	million yen	YoY	-22.0 %
Operating Income	9,799	million yen		-16.5 %
Sales of Unit	86,266	unit		-26.2 %

Pachislot Machines Business

Net Sales	1,698	million yen	YoY	-82.2 %
Operating Income	(2,157)	million yen		-4,558 million yen
Sales of Unit	4,145	unit		-82.5 %

Pachinko Pachislot Market

- ✓ Whereas machine utilization at pachinko parlors, having hit bottom in May, the month in which the first state of emergency was lifted, is on a recovery trend, it has not returned to the level prior to the COVID-19 pandemic.
- ✓ Pachinko parlor operators are becoming more willing to purchase new models and the number of units sold in the period from October to December 2020 trended upward for both pachinko and pachislot machines.
- ✓ The due date for removal of machines compliant with the former regulations in line with the amendment of the Pachinko and Pachislot Machines Regulations is in less than a year and thus Parlors have an urgent need to expedite replacement with machines compliant with the new regulations.

SANKYO Group

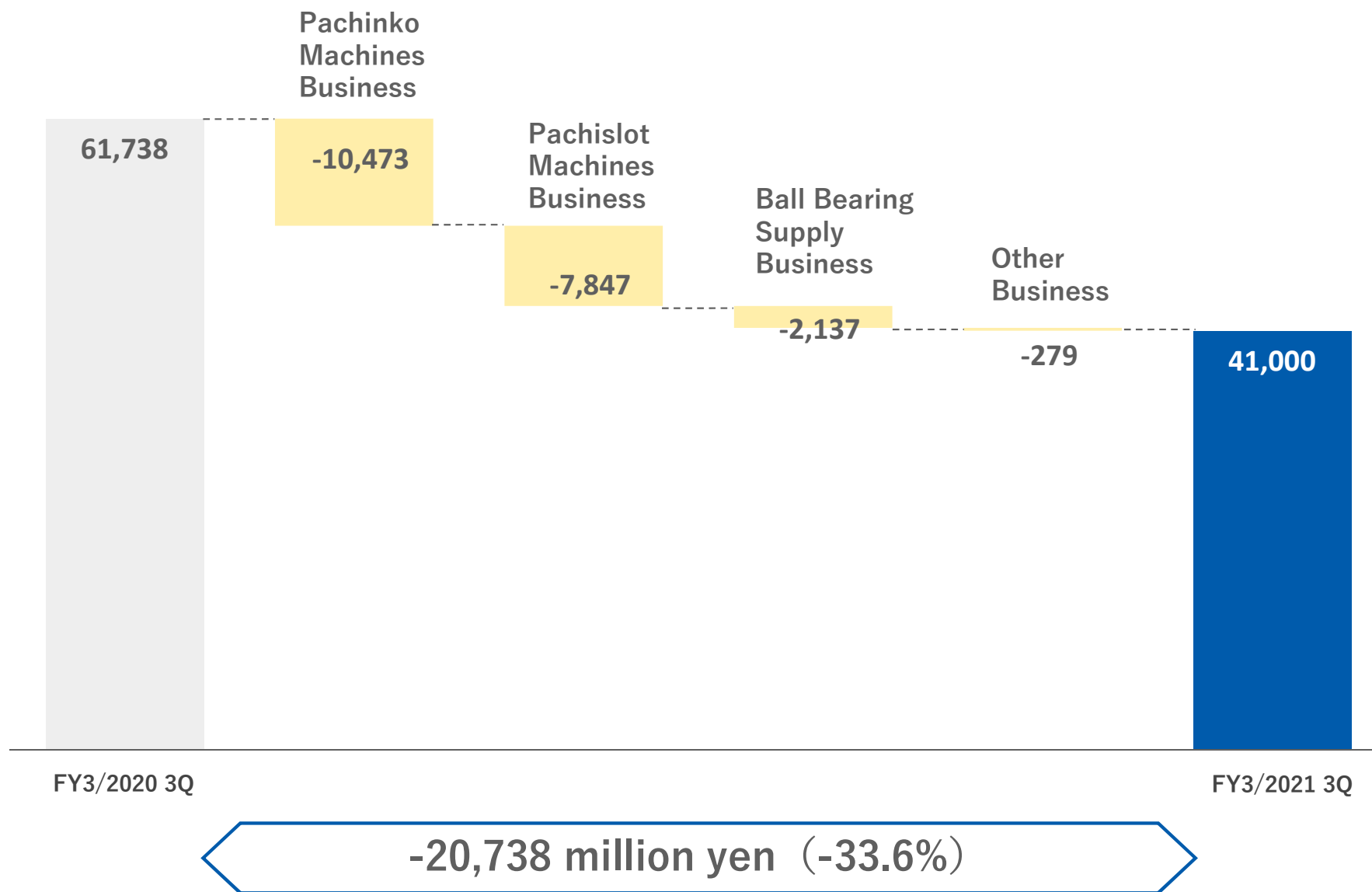
- Number of New Titles of Pachinko machine released, except for reused models : Five
- Number of New Titles of Pachislot machine released : One
- ✓ Although the Group has been accelerating introduction of new titles since the third quarter in expectation of a recovery in pachinko parlor operators' willingness to purchase new models, fewer titles were introduced than in the same period of a typical year because the Group minimized the number of titles for launch during the first half.
- ✓ Capture pachinko parlor operators' replacement demand by introducing diverse new models.

Summary of Financial Results

million yen	FY 3/2020 3Q	FY 3/2021 3Q	YoY	FY 3/2021 Forecast	
Net Sales	61,738	41,000	-20,738	-33.6%	73,500
Pachinko Machines Business	47,525	37,052	-10,473	-22.0%	57,000
Pachislot Machines Business	9,545	1,698	-7,847	-82.2%	10,000
Cost of Sales	28,409	19,428	-8,981	-31.6%	38,000
Gross Profit	33,329	21,572	-11,757	-35.3%	35,500
Percentage	54.0%	52.6%	-1.4pt		48.3%
SG & A Expenses	22,780	17,319	-5,461	-24.0%	27,500
Operating Income	10,548	4,253	-6,295	-59.7%	8,000
Percentage	17.1%	10.4%	-6.7pt		10.9%
Pachinko Machines Business	11,738	9,799	-1,939	-16.5%	13,500
Pachislot Machines Business	2,401	(2,157)	-4,558		(700)
Recurring Income	11,376	5,061	-6,315	-55.5%	8,700
Net Income attributable to owners of parent	12,945	4,104	-8,841	-68.3%	6,200

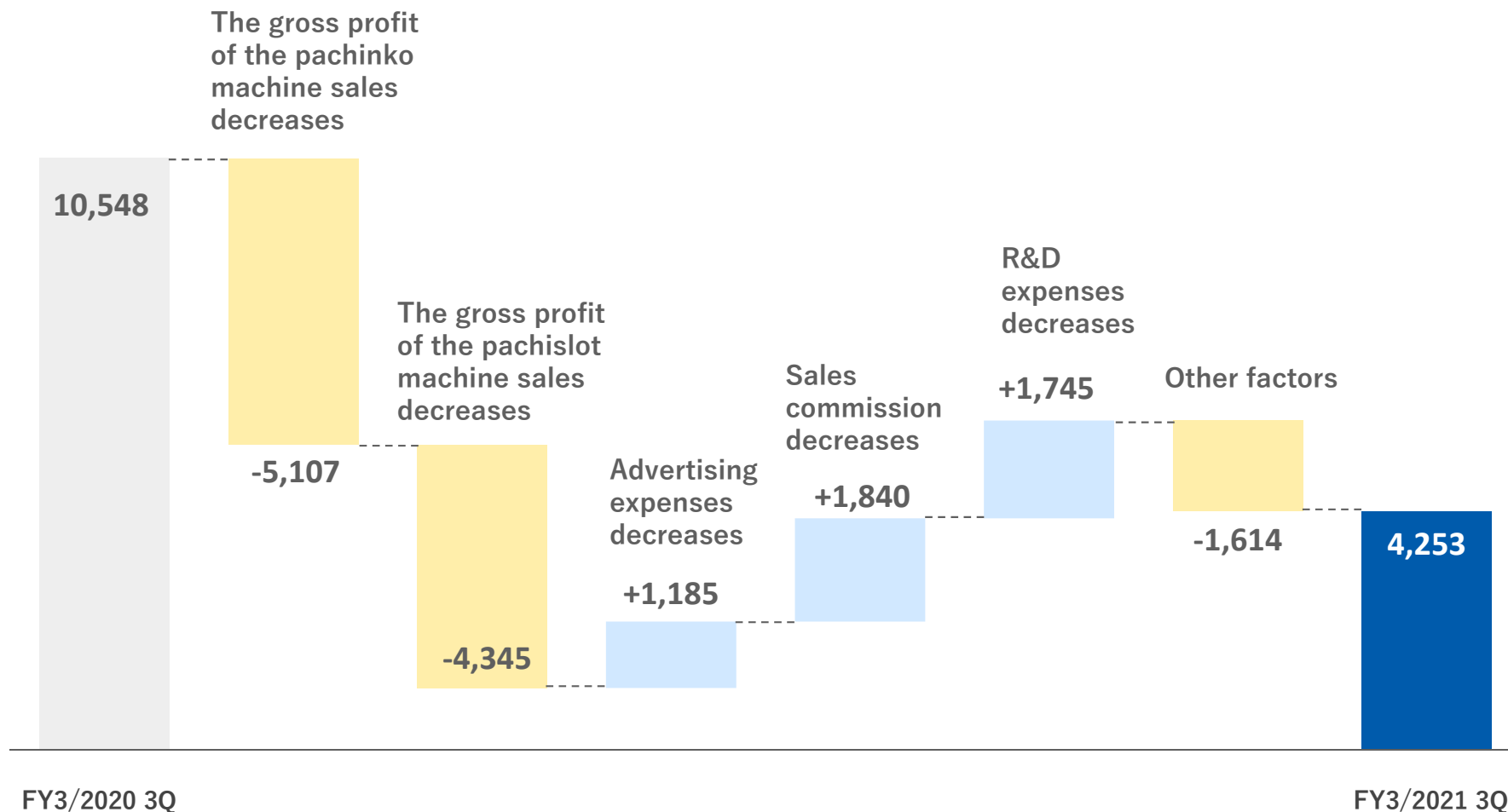
Factors of Change in Consolidated Net Sales

Million yen



Factors of Change in Consolidated Operating Income

Million yen



-6,295 million yen (-59.7%)

Costs and Expenses

million yen	FY 3/2020 3Q	FY 3/2021 3Q	YoY	FY 3/2021 Forecast	
SG & A Expenses	22,780	17,319	-5,461	-24.0%	27,500
Advertising Expenses	1,696	511	-1,185	-69.9%	1,233
Sales Commission	3,034	1,194	-1,840	-60.6%	2,579
R&D Expenses	10,532	8,787	-1,745	-16.6%	13,380
Salaries & Wages	2,379	2,305	-74	-3.1%	3,114
Depreciation & Amortization	2,422	1,659	-763	-31.5%	2,729
Capital Expenditure	2,388	843	-1,545	-64.7%	3,407

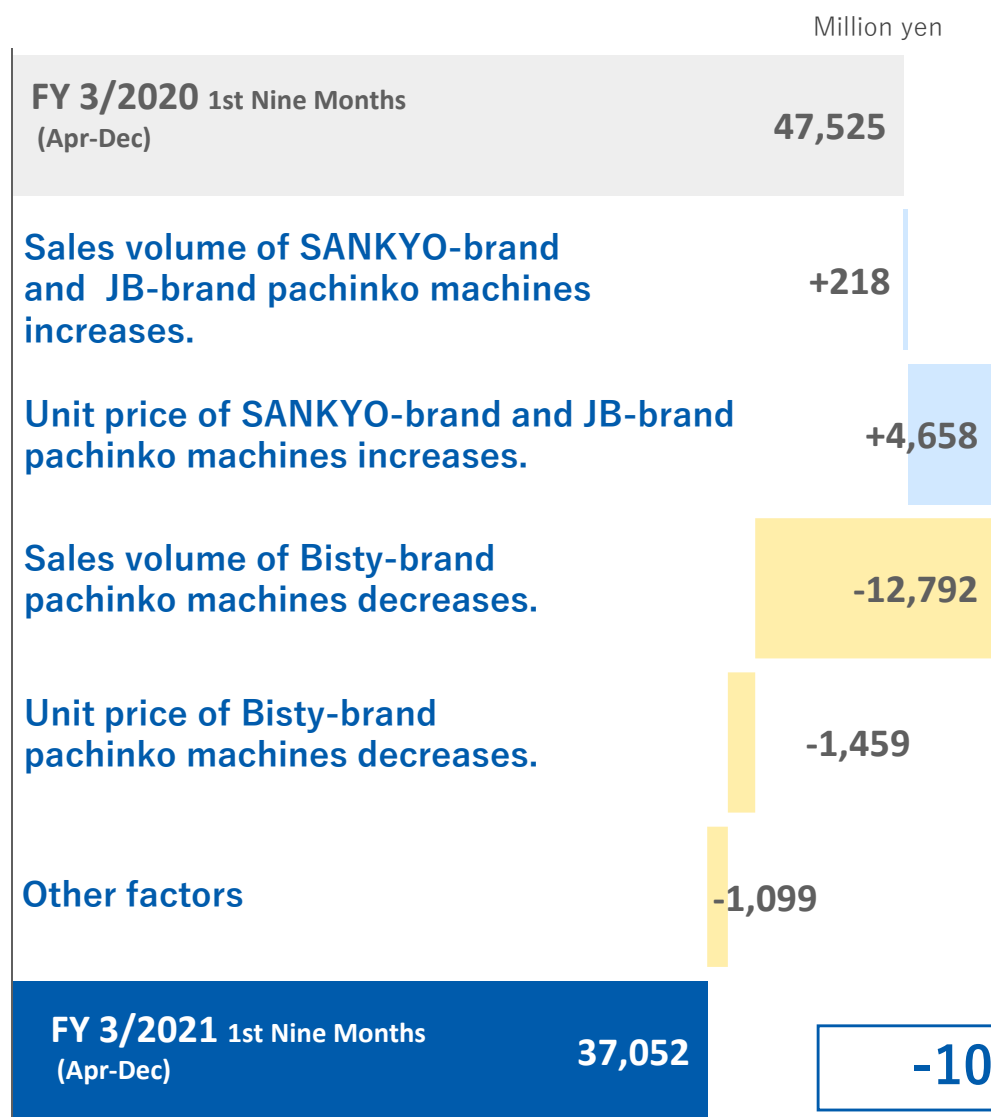
Summary of Balance Sheet

million yen	As of 31-Mar-20	As of 30-Dec-20	YoY	Factors of Change
Total current assets	276,041	243,098	-32,943	
Quick assets	259,589	230,683	-28,906	Decrease in cash and deposits, marketable securities and notes and accounts receivable-trade
Total fixed assets	49,190	48,587	-603	
Investment securities	13,035	14,727	+1,692	Fair value evaluation of specific investment equities
Total assets	325,232	291,685	-33,547	
Total current liabilities	47,224	16,406	-30,818	Decreases in notes and accounts payable-trade
Bonds with subscription rights to shares	20,006	-	-20,006	Maturity redemption
Total long-term liabilities	8,486	8,623	+137	
Total liabilities	55,711	25,030	-30,681	
Total net assets	269,521	266,655	-2,866	Deduction of cash dividends paid and addition of net income
Total liabilities and total net assets	325,232	291,685	-33,547	

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Factors of Change in Net sales



Data

million yen	FY 3/2020 3Q	FY 3/2021 3Q	YoY
Net Sales	47,525	37,052	-10,473
Operating Income	11,738	9,799	-1,939
Percentage	24.7%	26.4%	
units			
Machines sales	116,866	86,266	-30,600
SANKYO+JB	68,929	69,530	+601
Frame	33,931	59,835	+25,904
Gauge	34,998	9,695	-25,303
Bisty	47,937	16,736	-31,201
Frame	42,924	5,381	-37,543
Gauge	5,013	11,355	+6,342

Pachinko Machines Business

New Title
x 8 → 9

Reused
Models



©Project シンフォギアG ©Project シンフォギアGX



JB
Fever Queen II



©SANKYO PROJECT GEASS Character Design ©GMO CLAMP-ST
©SANKYO PROJECT GEASS Character Design ©GMO CLAMP-ST
©BANDAI NAMCO Entertainment Inc.

Bisty
CODE GEASS Lelouch of
the Rebellion



©BANDAI NAMCO Entertainment Inc.
©BANDAI NAMCO Sevens Inc.

Bisty
NEON GENESIS EVANGELION
Decisive Battle Premium Model

SANKYO
Fever Symphogear LIGHT VER.

1Q

2Q

3Q

4Q

SANKYO
Fever Symphogear 2

SANKYO
Fever BIOHAZARD REVELATIONS 2
Light / Light middle ver.

SANKYO
Fever Aquarion ALL STARS
LIGHT ver.

SANKYO
Fever Golgo13 Shippu ver.

SANKYO
Fever Tiger Mask W

Bisty
NEON GENESIS EVANGELION
Decisive Battle-Crimson-

SANKYO
Super Combi α 7500

SANKYO
Fever THE iDOLM@STER
MILLION LIVE!

JB
PATRUSH V

Sales of
Unit 33,327 units

13,792 units

39,147 units

- units

Progress

86,266 units (57.5 %)

FY 3/2021 Forecast
150,000 units

Factors of Change in Net sales

Million yen

Data

FY 3/2020 1st Nine Months
(Apr-Dec)

9,545

-6,022

Sales volume of SANKYO-brand pachislot machines decreases.

0

Unit price of SANKYO-brand pachislot machines was not changed
(Sales of SANKYO-brand pachislot was none)

-1,870

Sales volume of Bisty-brand pachislot machines decreases.

+90

Unit price of Bisty-brand pachislot machines increases.

-45

Other factors

1,698

FY 3/2021 1st Nine Months
(Apr-Dec)

-7,847

million yen

FY 3/2020 3Q

FY 3/2021 3Q

YoY

Net Sales

9,545

1,698

-7,847

Operating Income

2,401

(2,157)

-4,558

Percentage

25.2%

(127.0%)

units

Machines sales

23,691

4,145

-19,546

SANKYO

14,016

0

-14,016

Bisty

9,675

4,145

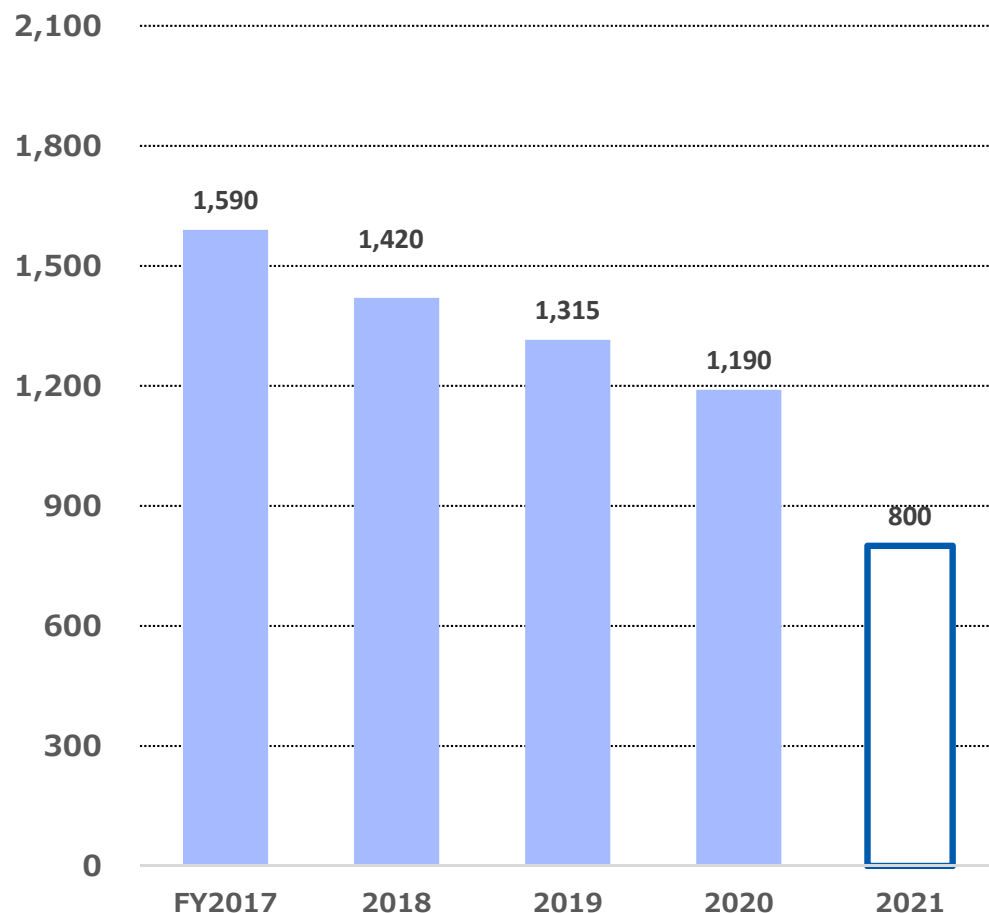
-5,530

Pachislot Machines Business



Sales Volume

Thousand units



※ Estimates of SANKYO

Sales volume forecast FY2021 : **800** thousand units

(April 1, 2020 to March 31, 2021)

Total number of units sold

Approx. **600** thousand units YoY Approx. -32%

(April to December, 2020)

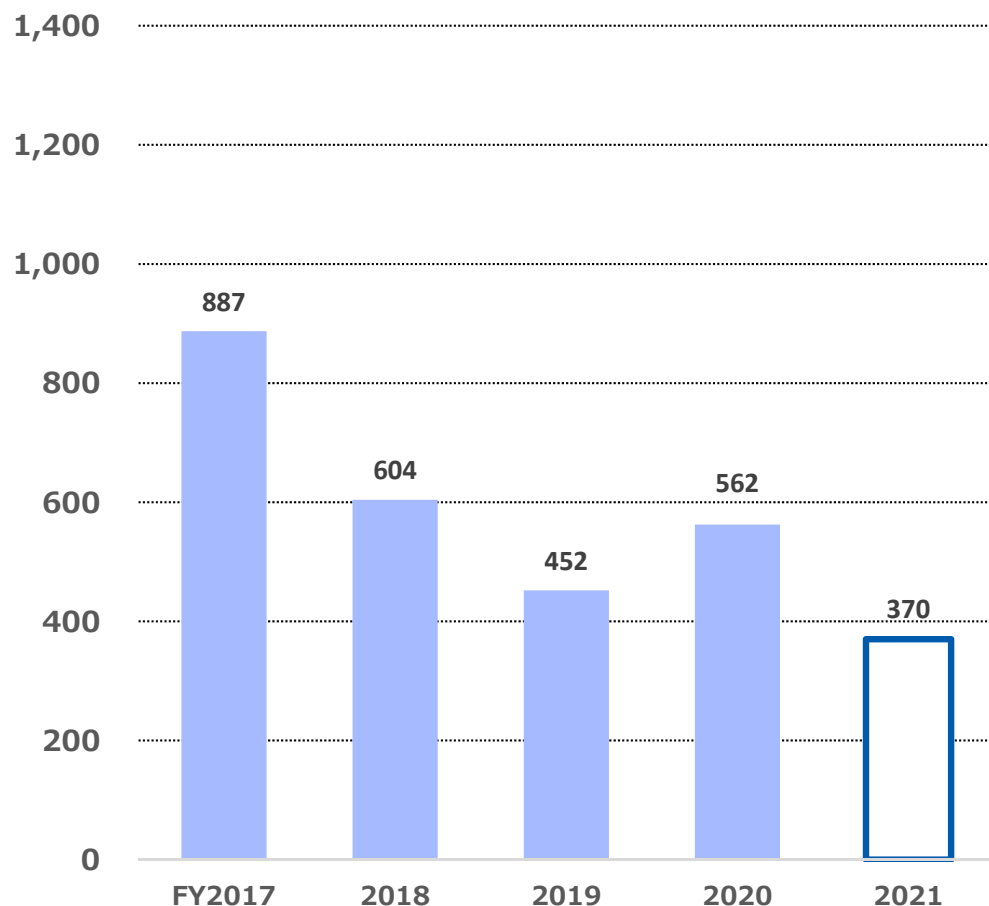
(5 titles sold 30,000 units or more.)

(April to December)

- ✓ Total sales volume in the period from October to December 2020 recovered to a level exceeding that of the same period of the previous year.
 - Pachinko parlor operators' willingness to purchase new models has tendency to recover.
 - Manufacturers have extensive lineups of pachinko titles accompanying with the recovery of the format inspection pass rate.
- ✓ It is assumed that replacement with machines compliant with the new regulations will get into full swing.
 - Expectations of an increase in demand for replacement with machines compliant with the new regulations in the final year for removal of machines compliant with the former regulations.

Sales Volume

Thousand units



Source: Yano Research Institute ※FY2021 : Estimate of SANKYO

Sales volume forecast FY2021 : **370** thousand units

(April 1, 2020 to March 31, 2021)

Total number of units sold

Approx. **280** thousand units YoY Approx. -38%

(April to December, 2020)

(4 titles sold 20,000 units or more.)

(April to December)

✓ Total sales volume in the period from October to December 2020 trended upward

- The removal of main machines compliant with the former regulations generated demand for replacement.
- Despite indications of an improvement in the format inspection pass rate, the supply of new models remains tight.

✓ It is assumed that replacement with machines compliant with the new regulations will get into full swing.

- Expectations of an increase in demand for replacement with machines compliant with the new regulations in the final year for removal of machines compliant with the former regulations.
- Expectation that manufacturers will have extensive lineups of pachislot titles

- The Group has been accelerating introduction of new titles since the third quarter in expectation of a recovery in pachinko parlor operators' willingness to purchase new models
- Capture pachinko parlor operators' replacement demand by introducing diverse new models.

Q1 – Q2

- ✓ Swift response to the new regulations
 - Introduction of “Fever Shinkagetsu 2 Yozakura ver.”
- ✓ Introduction of hit models' successors
 - Introduction of “Fever Symphogear 2”
- ✓ Flexibly adjust the sales schedule by grasping pachinko parlor operators' willingness to purchase.
 - The Group minimized the number of new titles for launch, and mainly sold pachinko titles of reused models for the second quarter.

Q3 – Q4

- ✓ The group accelerates introduction of new Pachinko and Pachislot machine titles.
 - Pachinko parlor operators' willingness to purchase new models is expected to recover.
- ✓ Diffusion and entrenchment of machines compliant with the new Standards for Interpretation of Technical Standards.
 - Building up a successful record of format inspection passes for machines compliant with the new Standards for Interpretation of Technical Standards.
 - Introduction of machines which capitalized on the characteristics of the new Standards for Interpretation of Technical Standards.
- ✓ Stimulation of pachinko parlor operators' replacement demand by introducing diverse new models.
 - Introduction of a variety of type such as drum, hanemono and dot.
 - The group plan to introduce a model equipped the first new spec in the industry.

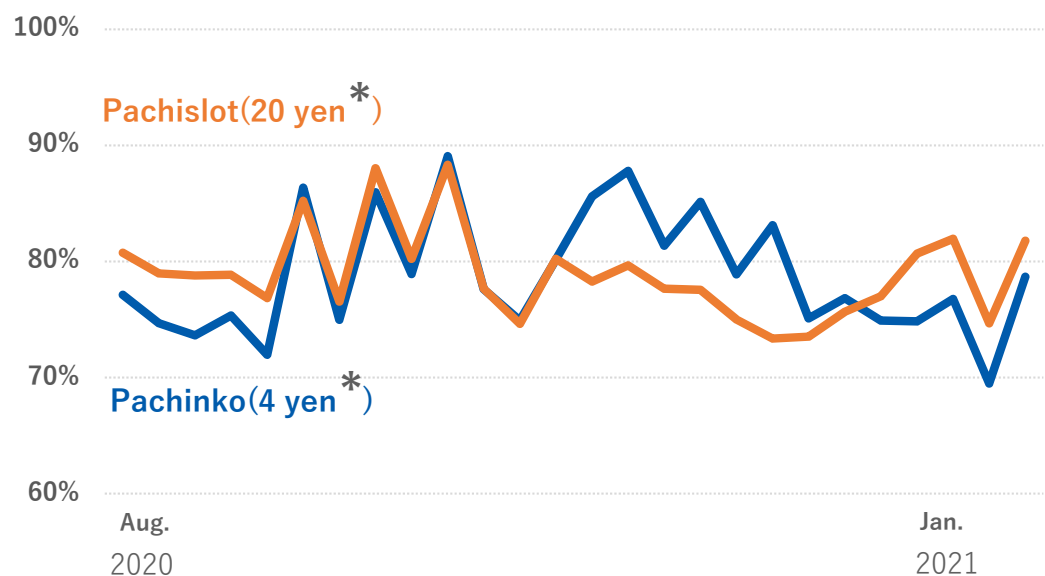
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Influence to the Operation of Parlors

- Requested by the government and municipalities to cooperate by introducing shorter business hours (to close by 20:00).
 - The influence is smaller than that under the state of emergency under which parlors were compelled to suspend business operation nationwide, in April-May 2020.
- Correspondence of Parlors by another state of emergency
 - Taking thorough countermeasures of prevention of infection
 - Putting the lighting such as signboard out after 8 p.m.
 - Refraining from advertising and sales promotion designed attract players. etc.

Pachinko(4 yen) and Pachislot(20yen) Machine Utilization Rate in Parlors (YoY)



- ✓ Influence of another state of emergency is limited
- ✓ TV commercial of pachinko/pachislot machines titles is resumed from April 2021
 - Contribution to the utilization of machines can be expected

* A game fee per ball

※ SANKYO made based on “DK-SIS Data” of Daikoku Denki Co., Ltd.

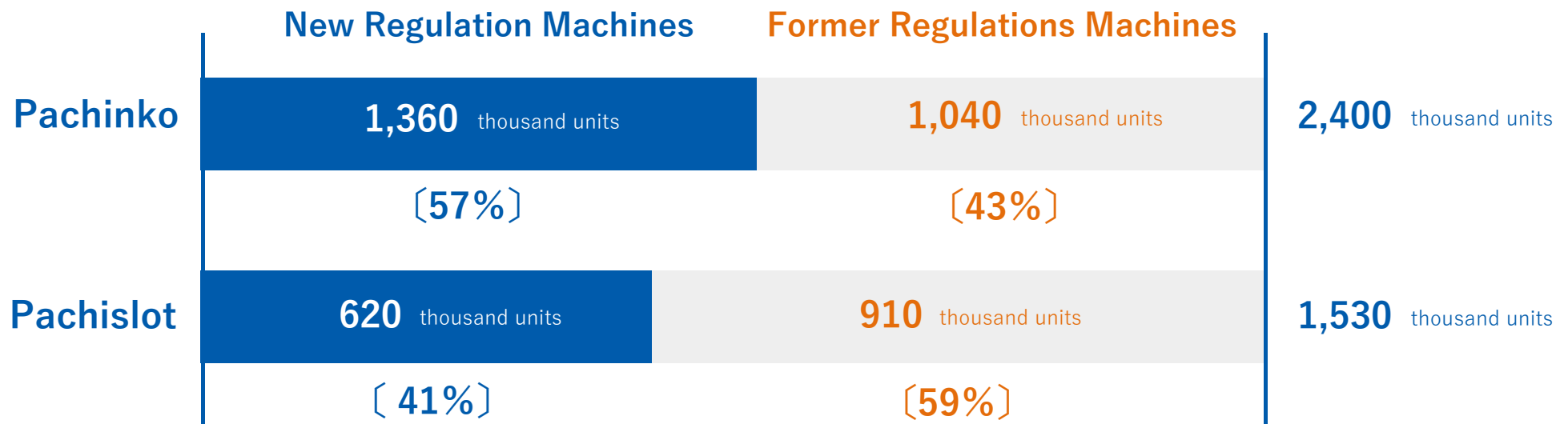
Schedule of Removal of the Machines with the former regulations

- Parlors are going to remove all the machines with the former regulations by November, 2021 in stages

Target : **Pachinko :** About **1,040** thousand units **Pachislot :** About **910** thousand units

(as of December 2020)

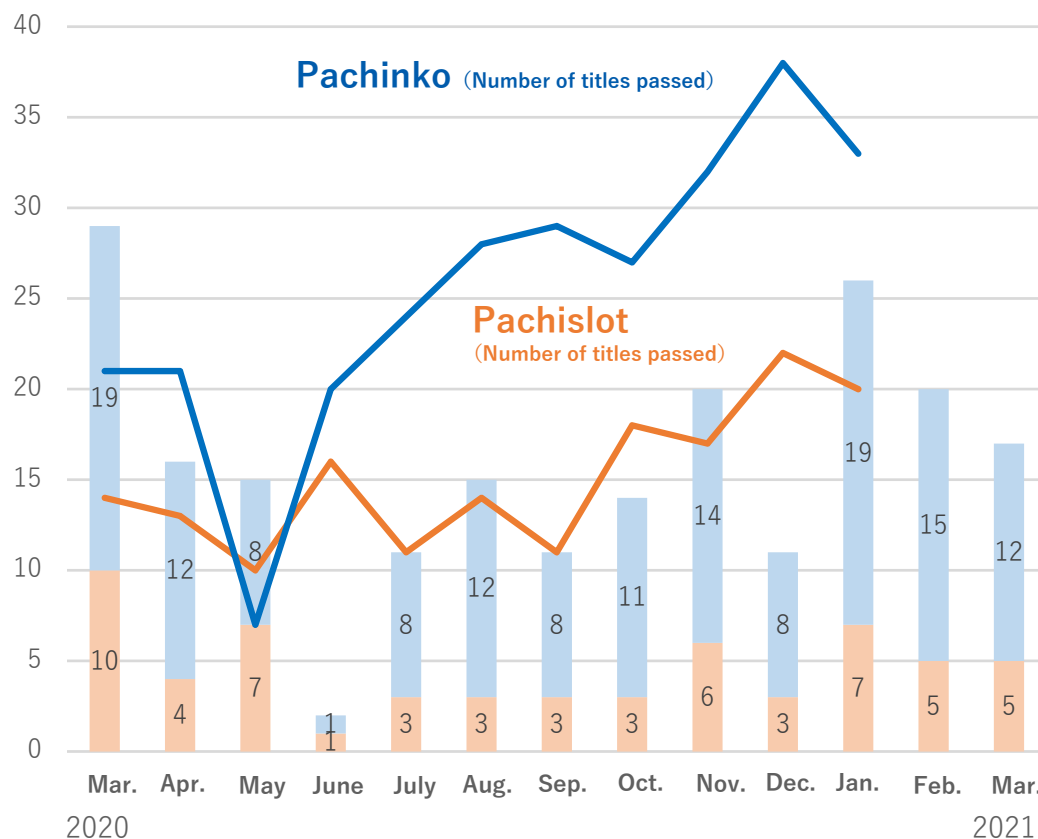
Ratio of machines compliant with the new regulations (as of December 2020)



※Estimates of SANKYO

- Pachinko : The pass rate in format inspection has improved, and manufacturers have been able to secure a definite number of pachinko titles for launch.
- Pachislot : Despite indications of an improvement in the format inspection pass rate, the supply of new models remains tight.

Number of titles passed format inspection And Number of titles released or expected to be released to markets



2020

Jan. – Dec.

Number of Pachinko titles passed format inspection

294 units

Number of Pachislot titles passed format inspection

185 units

- ✓ Manufacturers accumulated knowhow on development of models compliant with the new regulations.
- ✓ Number of the format inspections of pachinko/pachislot machines of GLI Japan I.S.H. is rising.
 - A new inspecting institution created after the establishment of Hotsukyo

■ Pachinko (Number of titles released or expected to be released to markets)

■ Pachislot (Number of titles released or expected to be released to markets)

※Source Number of titles passed format inspection : Security Electronics and Communications Technology Association
Number of titles released or expected to be released to markets : Estimates of SANKYO

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Business Results for the First Nine Months of FY 3/2021

	FY 3/2020	FY 3/2021		Forecast	FY 3/2020					FY 3/2021		
Consolidated: million yen	9 Months	9 Months	YoY	Full Year	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
Net Sales	61,738	41,000	-20,738	73,500	11,351	22,142	28,245	16,678	78,416	17,960	7,372	15,668
Pachinko	47,525	37,052	-10,473	57,000	7,064	20,214	20,247	12,989	60,514	16,952	5,432	14,668
Pachislot	9,545	1,698	-7,847	10,000	2,635	394	6,516	1,896	11,441	210	1,303	185
Ball Bearing Supply	4,186	2,049	-2,137	6,200	1,448	1,381	1,357	1,714	5,900	742	564	743
Other Business	479	200	-279	300	203	152	124	80	559	56	71	73
Cost of Sales	28,409	19,428	-8,981	38,000	5,279	10,492	12,638	8,262	36,671	8,809	3,979	6,640
Gross Profit	33,329	21,572	-11,757	35,500	6,071	11,651	15,607	8,416	41,745	9,151	3,393	9,028
SG & A Expenses	22,780	17,319	-5,461	27,500	6,667	7,977	8,136	6,413	29,193	5,399	6,060	5,860
Operating Income	10,548	4,253	-6,295	8,000	(596)	3,673	7,471	2,003	12,551	3,752	(2,668)	3,169
Pachinko	11,738	9,799	-1,939	13,500	(238)	5,832	6,144	3,066	14,804	5,408	(671)	5,062
Pachislot	2,401	(2,157)	-4,558	(700)	718	(711)	2,394	48	2,449	(722)	(597)	(838)
Ball Bearing Supply	235	(52)	-287	200	88	62	85	91	326	(22)	(34)	4
Other Business	(149)	21	+170	0	(74)	(58)	(17)	13	(136)	10	5	6
Elimination/Corporate	(3,677)	(3,356)	+321	(5,000)	(1,089)	(1,453)	(1,135)	(1,215)	(4,892)	(922)	(1,370)	(1,064)
Recurring Income	11,376	5,061	-6,315	8,700	(155)	3,761	7,770	2,100	13,476	4,181	(2,593)	3,473
Extra ordinary Gains	3,628	290	-3,338	145	0	66	3,562	1	3,629	145	145	0
Extra ordinary Losses	541	37	-504	20	0	142	399	2,115	2,656	20	0	17
Net Income	12,945	4,104	-8,841	6,200	(93)	2,276	10,762	100	13,045	3,259	(1,852)	2,697
EPS: yen		67.08		101.34					183.43			

Machines sales: units

Pachinko	116,866	86,266	-30,600	150,000	18,997	48,324	49,545	32,654	149,520	33,327	13,792	39,147
SANKYO+JB	68,929	69,530	+601	111,000	16,401	38,247	14,281	26,640	95,569	32,409	12,119	25,002
Bisty	47,937	16,736	-31,201	39,000	2,596	10,077	35,264	6,014	53,951	918	1,673	14,145
Pachislot	23,691	4,145	-19,546	28,000	6,531	846	16,314	5,178	28,869	314	3,531	300
SANKYO	14,016	0	-14,016	10,000	5,244	1	8,771	21	14,037	0	0	0
Bisty	9,675	4,145	-5,530	18,000	1,287	845	7,543	5,157	14,832	314	3,531	300

GP Margin/OP Margin

	FY 3/2020	FY 3/2021		Forecast	FY 3/2020					FY 3/2021		
Consolidated	9 Months	9 Months	YoY	Full Year	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
GP Margin	54.0%	52.6%	-1.4pt	48.3%	53.5%	52.6%	55.3%	50.5%	53.2%	51.0%	46.0%	57.6%
OP Margin	17.1%	10.4%	-6.7pt	10.9%	(5.3%)	16.6%	26.5%	12.0%	16.0%	20.9%	(36.2%)	20.2%

Expenses etc.

	FY 3/2020	FY 3/2021		Forecast	FY 3/2020					FY 3/2021		
Consolidated: million yen	9 Months	9 Months	YoY	Full Year	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
Sales Commission	3,034	1,194	-1,840	2,579	309	773	1,952	475	3,509	292	145	757
Advertising Expenses	1,696	511	-1,185	1,233	374	925	397	246	1,942	122	123	266
R&D Expenses	10,532	8,787	-1,745	13,380	3,555	3,397	3,580	3,315	13,847	2,859	3,110	2,818
Salaries & Wages	2,379	2,305	-74	3,114	632	642	1,105	638	3,017	640	608	1,057
Others	5,139	4,522	-617	7,194	1,797	2,240	1,102	1,739	6,878	1,486	2,074	962

Consolidated: million yen

Capital Expenditure	2,388	843	-1,545	3,407	652	1,089	647	443	2,831	250	261	332
Depreciation & Amortization	2,422	1,659	-763	2,729	664	829	929	1,054	3,476	465	549	645

Consolidated

No. of Employees	950	973	+23	990	990	979	950	957	957	987	979	973
No. of R&D Staff	293	300	+7	307	297	293	293	289	289	302	302	300

Indirect Sales Ratio

SANKYO+JB Pachinko	26.4%	27.1%	+0.7pt	26.6%	26.1%	27.1%	26.4%	26.5%	26.5%	27.4%	27.0%	27.1%
SANKYO Pachislot	35.1%	-	-	35.3%	35.3%	35.3%	35.1%	35.1%	35.1%	-	-	-

Pachinko Machines Business

	FY 3/2020	FY 3/2021		Forecast	FY 3/2020					FY 3/2021		
Consolidated: million yen	9 Months	9 Months	YoY	Full Year	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
Net Sales	47,525	37,052	-10,473	57,000	7,064	20,214	20,247	12,989	60,514	16,952	5,432	14,668
Operating Income	11,738	9,799	-1,939	13,500	(238)	5,832	6,144	3,066	14,804	5,408	(671)	5,062
Percentage	24.7%	26.4%	+1.7pt	23.7%	(3.4%)	28.9%	30.3%	23.6%	24.5%	31.9%	(12.4%)	34.5%

Machines sales: units

Pachinko	116,866	86,266	-30,600	150,000	18,997	48,324	49,545	32,654	149,520	33,327	13,792	39,147
SANKYO+JB	68,929	69,530	+601	111,000	16,401	38,247	14,281	26,640	95,569	32,409	12,119	25,002
Frame	33,931	59,835	+25,904	92,000	4,000	26,914	3,017	19,280	53,211	30,870	9,522	19,443
Gauge	34,998	9,695	-25,303	19,000	12,401	11,333	11,264	7,360	42,358	1,539	2,597	5,559
Bisty	47,937	16,736	-31,201	39,000	2,596	10,077	35,264	6,014	53,951	918	1,673	14,145
Frame	42,924	5,381	-37,543	22,100	2,559	5,218	35,147	3,457	46,381	864	497	4,020
Gauge	5,013	11,355	+6,342	16,900	37	4,859	117	2,557	7,570	54	1,176	10,125

Titles to Release

FY 3/2021	Series name	Brand	Release Date	No. of Models	Unit Sales	
Q1	Fever Shinkagetsu 2 Yozakura ver.	SANKYO	(Apr-20)	1	--	
	Fever Symphogear 2	SANKYO	(Apr-20)	1	32,100	
	Fever TOTAL ECLIPSE LIGHT ver.	SANKYO	(May-20)	1	--	
Q2	Fever BIOHAZARD REVELATIONS 2 Light / Light middle ver.	SANKYO	(Jul-20)	2	--	
	Fever Aquarion ALL STARS LIGHT ver.	SANKYO	(Aug-20)	1	--	
Q3	Fever Queen II	JB	(Oct-20)	2	12,200	
	NEON GENESIS EVANGELION Decisive Battle -Crimson-	Bisty	(Oct-20)	1	14,500	
	Fever Golgo13 Shippu ver.	SANKYO	(Oct-20)	1	9,600	Total
	Fever Tiger Mask W	SANKYO	(Dec-20)	1	--	86,266
Q4	CODE GEASS Lelouch of the Rebellion	Bisty	(Jan-21)	1		
	Super Combi α 7500	SANKYO	(Jan-21)	1		
	Fever Shinkagetsu 2 Yozakura ver. Light Ver.	SANKYO	(Feb-21)	1		
	Fever THE iDOLM@STER MILLION LIVE!	SANKYO	(Feb-21)	1		
	NEON GENESIS EVANGELION Decisive Battle Premium Model	Bisty	(Feb-21)	1		
	Fever Symphogear LIGHT VER.	SANKYO	(Mar-21)	1		
	PATRUSH V	JB	(Mar-21)	2		

Pachislot Machines Business

	FY 3/2020	FY 3/2021		Forecast	FY 3/2020					FY 3/2021		
Consolidated: million yen	9 Months	9 Months	YoY	Full Year	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
Net Sales	9,545	1,698	-7,847	10,000	2,635	394	6,516	1,896	11,441	210	1,303	185
Operating Income	2,401	(2,157)	-4,558	(700)	718	(711)	2,394	48	2,449	(722)	(597)	(838)
Percentage	25.2%	(127.0%)	-152.2pt	(7.0%)	27.2%	(180.5%)	36.7%	2.5%	21.4%	(343.8%)	(45.8%)	(453.0%)

Machines sales: units

Pachislot	23,691	4,145	-19,546	28,000	6,531	846	16,314	5,178	28,869	314	3,531	300
SANKYO	14,016	0	-14,016	10,000	5,244	1	8,771	21	14,037	0	0	0
Bisty	9,675	4,145	-5,530	18,000	1,287	845	7,543	5,157	14,832	314	3,531	300

Titles to Release

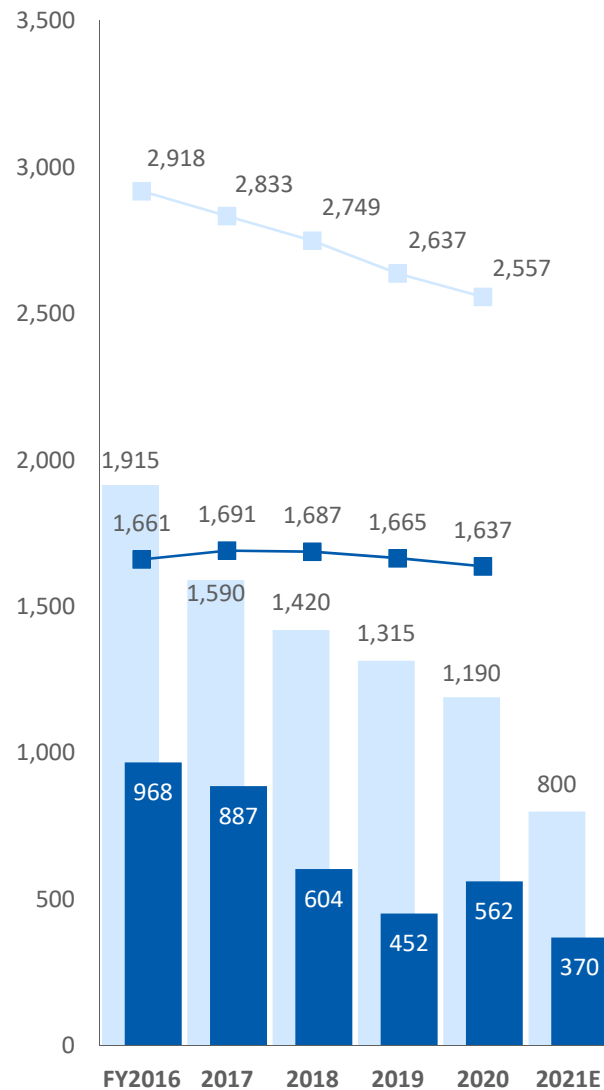
FY 3/2021	Series name	Brand	Release Date	Unit Sales	
Q1 --					
Q2	Pachislot for CHAR AZNABLE -RED COMET's Counterattack-	Bisty	(Aug-20)	--	Total
Q3 --					4,145
Q4	Pachislot THE iDOLM@STER MILLION LIVE!	Bisty	(Mar-21)		

Financial Indicators

million yen	FY 3/2014	FY 3/2015	FY 3/2016	FY 3/2017	FY 3/2018	FY 3/2019	FY 3/2020	FY 3/2021E
Net Sales	158,453	146,579	137,130	81,455	86,220	88,558	78,416	73,500
Operating Income	28,023	13,233	18,826	5,059	10,181	21,286	12,551	8,000
Recurring Income	30,144	14,870	19,965	3,832	11,319	22,300	13,476	8,700
Net Income	22,400	8,728	10,485	1,777	5,550	13,384	13,045	6,200
Total Assets	451,149	434,648	414,183	390,585	396,291	399,585	325,232	
Total Net Assets	413,096	371,670	348,941	340,287	337,242	337,377	269,521	
DPS (Yen)	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00
Return on Equity	5.5%	2.2%	2.9%	0.5%	1.6%	4.0%	4.3%	
Average ROE of five consecutive	5.8%	4.5%	3.4%	2.5%	2.6%	2.3%	2.7%	
Net Income Ratio	14.1%	6.0%	7.6%	2.2%	6.4%	15.1%	16.6%	
Total Asset Turnover	0.35	0.33	0.32	0.20	0.22	0.22	0.22	
Financial Leverage	1.12	1.13	1.18	1.17	1.16	1.18	1.19	

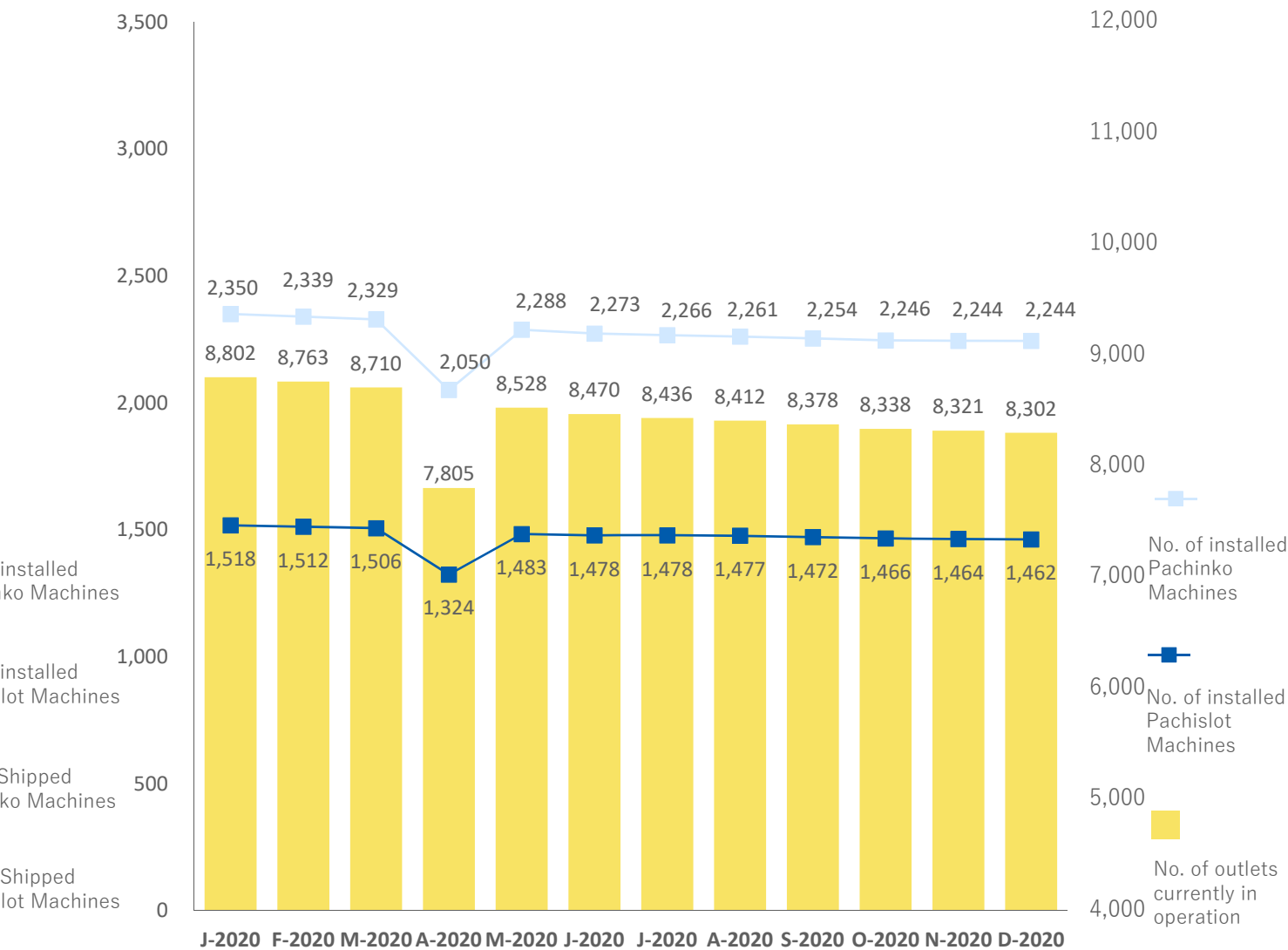
Pachinko/Pachislot Machine Market

Market size



(thousand units)

Situation of Parlors that Are Members of Zennichiuren for recent a year

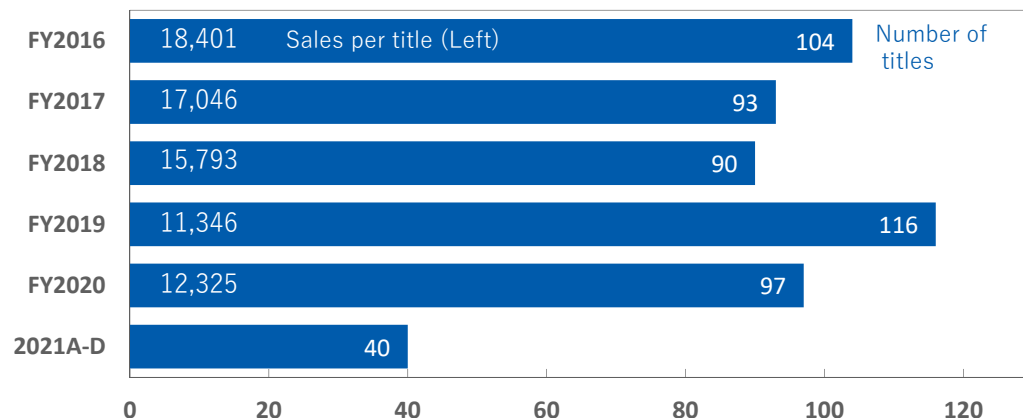


(thousand units)

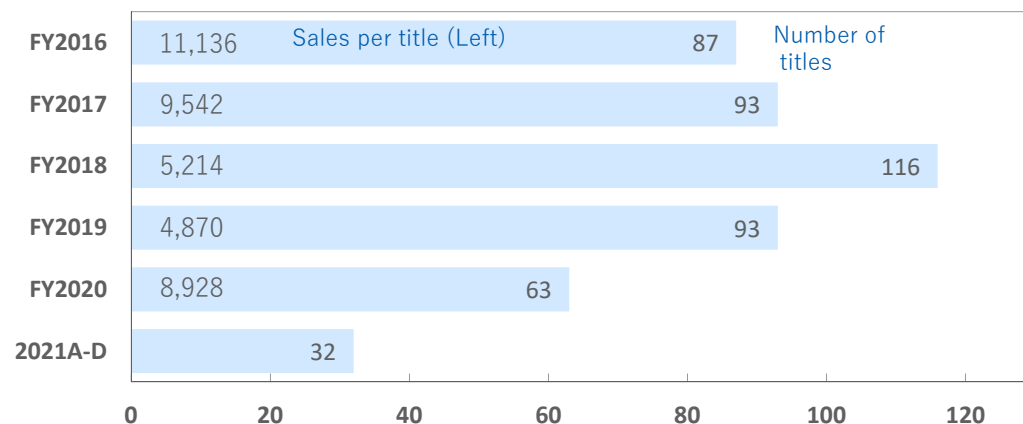
Source: National Police Agency, Yano Research Institute, Zennichiuren

Number of Titles Sold (All Manufacturers)

Pachinko machines



Pachislot machines



※ Estimates of SANKYO

Compliance with Format Inspection

	2015	2016	2017	2018	2019	2020J-D
Applicant	731	864	875	711	945	912
Pass	519	396	361	336	430	295
Fail	172	458	463	333	560	498
SANKYO+JB	38	39	34	30	28	25
Bisty	8	8	6	9	19	5
SANKYO Group Total	46	47	40	39	47	30

including Arrange Ball, Jong-Kyu

	2015	2016	2017	2018	2019	2020J-D
Applicant	650	736	913	596	982	917
Pass	250	300	326	203	191	185
Fail	328	444	494	444	721	665
SANKYO	21	7	15	6	9	0
Bisty	11	8	3	3	3	7
SANKYO Group Total	32	15	18	9	12	7

including Palot

Source: Security Electronics and Communications Technology Association

Investor Relations Office Corporate Planning Division



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【Notes of forecasts】

The Company's plans, strategies and forecasts, except historical facts, contained in this document may be subject to change due to factors of risk and uncertainty. Therefore, the Company does not guarantee their attainability explicitly or implicitly.

The Company assumes that the 'factors of potential risk and uncertainty' may include the economic climate, especially concerning the pachinko and pachislot markets which constitute the Company's main business field, competition in the market and competitiveness of the Company's products, and also include other unpredictable factors.