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Securities Code 6417
June 8, 2020

To Those Shareholders with Voting Rights

Kimihisa Tsutsui
Representative Director, President & COO
SANKYO CO., LTD.
3-29-14 Shibuya, Shibuya-ku, Tokyo, Japan

NOTICE OF THE 55th ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to the 55th Ordinary General Meeting of Shareholders of the Company. The meeting will be held as stated below.

If you are unable to attend the meeting, you can exercise your voting rights in writing or via the Internet. Please review the Reference Documents for the General Meeting of Shareholders as described hereinafter, and exercise your voting rights by no later than 6:00 p.m. on Thursday, June 25, 2020.

- 1. Date and Time:** Friday, June 26, 2020 at 10:00 a.m.
- 2. Place:** Star Room, The Westin Tokyo, B2F, 1-4-1 Mita, Meguro-ku, Tokyo (located within Yebisu Garden Place)
- 3. Agenda of the Meeting:**
 - Matters to be reported:**
 1. Business Report, Consolidated Financial Statements for the 55th Fiscal Term (from April 1, 2019 to March 31, 2020) and results of audits by the Accounting Auditor and the Board of Statutory Auditors of the Consolidated Financial Statements
 2. Non-Consolidated Financial Statements for the 55th Fiscal Term (from April 1, 2019 to March 31, 2020)

Proposals to be resolved:

- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Partial Amendments to the Articles of Incorporation
- Proposal No. 3:** Election of Six Directors

Reference Documents for the General Meeting of Shareholders

Proposals and references

Proposal No. 1: Appropriation of Surplus

The Company regards the return of profits to shareholders as one of the most important management priorities. The Company's dividend policy is to continue stable dividend payments, taking into consideration financial results, the financial position, the payout ratio, and other factors comprehensively.

The Company will effectively utilize retained earnings, such as for investment that contributes to the strengthening of product capabilities to ensure competitiveness is maintained in the persistently challenging pachinko and pachislot industry, with a view to enhancing corporate value.

For the 55th fiscal term, based on the above dividend policy, the Company proposes to pay a year-end dividend of ¥75 per share. Including the interim dividend of ¥75 per share, the amount of full-year dividends will be ¥150 per share.

Additionally, the Company proposes reversal of part of the general reserve in order to enable implementation of a flexible capital policy, such as shareholder returns in response to change in the operating environment in the future.

Matters concerning the year-end dividends

(1) Type of dividend property

Dividends will be paid in cash.

(2) Appropriation of dividend property to shareholders and total amount

¥75 per share of the Company's common stock, for a total amount of ¥4,587,779,625

As a result, the annual dividend for this term, including interim dividend, would be ¥150 per share.

(3) Effective date of dividends from surplus

June 29, 2020

2. Matters concerning the appropriation of other surplus

(1) Decreased account item and its amount

General reserve	¥80,000,000,000
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(2) Increased account item and its amount

Retained earnings brought forward	¥80,000,000,000
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Proposal No. 2: Partial Amendments to the Articles of Incorporation

1. Reason for Amendments

The Company will shorten the terms of office of Directors from two years to one year in order to establish a management structure responding promptly to changes in the business environment by further defining the management responsibility of Directors, and at the same time strengthening corporate governance by increasing opportunities for gaining the confidence of shareholders. Accordingly, necessary amendments will be made to Article 22 (Term of Office of Directors) of the current Articles of Incorporation.

2. Details of the Proposed Amendments

The details of the proposed amendments are stated below.

(Underlined parts are amended.)

Current Articles of Incorporation	Proposed Amendment
<p>(Term of Office of Directors)</p> <p>Article 22. The term of office of a Director shall expire at the closing of the Ordinary General Meeting of Shareholders pertaining to the last fiscal year ending within <u>two (2) years</u> after his/her appointment.</p> <p><u>2</u> <u>The term of office of a Director elected as a substitute or as an additional Director shall be until the expiration of the term of office of other Directors in office.</u></p>	<p>(Term of Office of Directors)</p> <p>Article 22. The term of office of a Director shall expire at the closing of the Ordinary General Meeting of Shareholders pertaining to the last fiscal year ending within <u>one (1) year</u> after his/her appointment.</p> <p>(Deleted)</p>

Proposal No. 3: Election of Six Directors

All five Directors of the Company will complete their terms of office at the closing of this General Meeting of Shareholders.

The Board of Directors of the Company is composed of a small number of persons with excellent capabilities to swiftly respond to change in the regulatory framework to which the Company's pachinko and pachislot machine businesses are subject. However, in view of the recent business environment, in order to strengthen the management system and to achieve greater segregation of duties among Directors so as to establish an efficient management system composed of a small number of persons with excellent capabilities, the Company proposes to increase the number of Directors by one for the election of six Directors.

If this proposal is approved as originally proposed, the ratio of Outside Directors will decrease as a result of the increase in the number of Directors. However, the ratio of Independent Outside Directors at the Board of Directors will remain at one-third or more, and therefore the Company believes that the oversight function of Outside Directors over the Board of Directors will be maintained.

The candidates for Directors are as follows:

No.	Name	Current position and assignment at the Company	Attendance at meetings of the Board of Directors
1	Reappointment Hideyuki Busujima	Representative Director, Chairman of the Board & CEO	94% (17/18)
2	Reappointment Kimihisa Tsutsui	Representative Director, President & COO	94% (17/18)
3	Reappointment Ichiro Tomiyama	Director & Senior Executive Vice President Head of Sales & Marketing Division & Head of Product Management Division	100% (18/18)
4	New candidate Director Akihiko Ishihara	Senior Executive Vice President General Manager of Corporate Planning Division (Supervising Manufacturing Division and Administration Division)	-
5	Reappointment Outside Director Independent Director Taro Kitani	Outside Director	100% (18/18)
6	Reappointment Outside Director Independent Director Hiroyuki Yamasaki	Outside Director	100% (18/18)

No.	Name (Date of birth)	Career summary, position, assignment and significant concurrent positions	Number of shares of the Company held
1	Reappointment Hideyuki Busujima (September 30, 1952)	<p>June 1985 Executive Director of the Company</p> <p>January 1988 Senior Executive Director of the Company</p> <p>February 1992 Representative Senior Executive Director of the Company</p> <p>June 1992 Representative Director & Senior Executive Vice President of the Company</p> <p>June 1996 Representative Director, President & CEO of the Company</p> <p>April 2008 Representative Director, Chairman of the Board & CEO of the Company (to present)</p>	2,031,400

Reasons for nomination as a candidate for Director

Ever since his appointment as Representative Director, President & CEO of the Company in 1996, Mr. Hideyuki Busujima has concentrated resources on the pachinko and pachislot machines businesses and contributed to the Company's development. As well as leading development, manufacturing, and sales of innovative models that set the pace in the industry, he launched the strategy to expand SANKYO as a group and established the foundation for the current three-brand structure. Since his appointment as Representative Director, Chairman of the Board & CEO in 2008, he has demonstrated his leadership for maintaining the Company's position as an industry leader and establishing a stable financial and management foundation despite the industry's challenging operating environment, and has strived to enhance shareholder value.

The Company has nominated Mr. Busujima as a candidate for Director because the Company believes that Mr. Busujima will contribute to sustainable enhancement of the Group's corporate value by continuing to perform his duties as a Director.

Note: Marf 2 Co., Ltd. where Mr. Hideyuki Busujima serves as Representative Director has a transactional relationship with the Company pertaining to real estate leasing. Yoshii Country Club Co., Ltd. where Mr. Hideyuki Busujima serves as Representative Director has a transactional relationship with the Company pertaining to a tie-up for usage of shareholder benefit coupons.
Marf 2 Co., Ltd. merged with Marf Corporation where Mr. Hideyuki Busujima serves as Representative Director on June 1, 2020.

No.	Name (Date of birth)	Career summary, position, assignment and significant concurrent positions	Number of shares of the Company held
2	Reappointment Kimihiisa Tsutsui (April 1, 1953)	<p>June 1998 Director & Office Manager of the President's Office of the Company</p> <p>June 2002 Executive Director & Office Manager of the President's Office of the Company</p> <p>July 2002 Executive Director & Office Manager of Corporate Planning Office of the Company</p> <p>April 2005 Executive Director & General Manager of Corporate Planning Division of the Company</p> <p>April 2008 Director & Senior Executive Operating Officer, Head of Administration Division & General Manager of Accounting & Finance Department and General Manager of Corporate Planning Division of the Company</p> <p>April 2010 Director & Senior Executive Vice President, Supervising Administration Division, Manufacturing Division, Intellectual Property Division and Corporate Planning Division & Head of Intellectual Property Division of the Company</p> <p>April 2011 Director & Senior Executive Vice President, Supervising Administration Division, Manufacturing Division, Intellectual Property Division and Corporate Planning Division of the Company</p> <p>April 2012 Representative Director, President & COO of the Company (to present)</p> <p>(Significant concurrent positions) Outside Director of Gamecard-Joyco Holdings, Inc.</p>	12,000

Reasons for nomination as a candidate for Director

Mr. Kimihiisa Tsutsui has many years of experience in corporate planning. He was also engaged in constructive dialogue with shareholders and investors as a Director responsible for IR. Since his appointment as Representative Director, President & COO in 2012, he has been exercising leadership and supervising performance of duties by Directors and Operating Officers in order to achieve growth of the Group's business. In addition, serving as the President of the Japan Pachinko Machine Industry Association (NIKKOSO) since 2017, he has been promoting vitalization of the pachinko and pachislot industry and improvement of its social status.

The Company has nominated Mr. Tsutsui as a candidate for Director because the Company believes that Mr. Tsutsui will contribute to sustainable enhancement of the Group's corporate value by continuing to perform his duties as a Director.

Note: No conflict of interest exists between the Company and Mr. Tsutsui.

No.	Name (Date of birth)	Career summary, position, assignment	Number of shares of the Company held
3	Reappointment Ichiro Tomiyama (March 13, 1958)	<p>April 2008 Operating Officer & Deputy Head of Sales & Marketing Division & Regional General Manager for the Kinki & Shikoku Region & General Manager of Osaka Branch of the Company</p> <p>April 2009 Operating Officer & Deputy Head of Sales & Marketing Division & Regional General Manager for the Kinki Region & General Manager of Osaka Branch of the Company</p> <p>April 2010 Operating Officer & Deputy Head of Sales & Marketing Division of the Company</p> <p>April 2011 Operating Officer & Regional General Manager for the Kinki Region & General Manager of Osaka Branch of the Company</p> <p>April 2012 Executive Operating Officer, Head of Sales & Marketing Division & General Manager of Sales Strategy Department & Senior General Manager of Head Office Sales Department of the Company</p> <p>April 2014 Executive Operating Officer, Head of Sales & Marketing Division & General Manager of Sales Strategy Department of the Company</p> <p>June 2014 Director & Executive Operating Officer, Head of Sales & Marketing Division & General Manager of Sales Strategy Department of the Company</p> <p>April 2015 Director & Senior Executive Operating Officer, Head of Sales & Marketing Division & General Manager of Sales Strategy Department of the Company</p> <p>February 2016 Director & Senior Executive Operating Officer, Head of Sales & Marketing Division & Senior General Manager of Parlor Business Division & General Manager of Sales Strategy Department of the Company</p> <p>April 2016 Director & Senior Executive Operating Officer, Head of Sales & Marketing Division & Senior General Manager of Parlor Business Division of the Company</p> <p>April 2018 Director & Senior Executive Vice President, Head of Sales & Marketing Division & Head of Product Management Division (to present)</p> <p>(Significant concurrent positions) Representative Director of JB Co., Ltd.</p>	5,300

Reasons for nomination as a candidate for Director

Mr. Ichiro Tomiyama has gained a wealth of experience and a track record of achievements in the course of his career at the frontline of sales for many years. Since his appointment as Director & Senior Executive

Operating Officer, he played a leading role in the continuous improvement of market share by strengthening marketing and promoting enhancement of the brand value of the Group in order to establish a position as a leading enterprise. Since April 2018, as Director & Senior Executive Vice President and Head of Sales & Marketing Division & Head of Product Management Division, he has also been supervising pachinko and pachislot product planning and R&D divisions.

The Company has nominated Mr. Tomiyama as a candidate for Director because the Company believes that Mr. Tomiyama will contribute to sustainable enhancement of the Group's corporate value by continuing to perform his duties as a Director.

Note: No conflict of interest exists between the Company and Mr. Tomiyama.

No.	Name (Date of birth)	Career summary, position, assignment	Number of shares of the Company held
4	New candidate Director Akihiko Ishihara (September 9, 1962)	<p>April 2008 Operating Officer & General Manager of Sales Planning Department of the Company</p> <p>April 2010 Executive Operating Officer, Head of Administration Division & General Manager of General Affairs Department of the Company</p> <p>April 2011 Senior Executive Operating Officer, Head of Administration Division & General Manager of General Affairs Department of the Company</p> <p>June 2012 Director & Senior Executive Operating Officer, Head of Administration Division & General Manager of General Affairs Department of the Company</p> <p>April 2015 Representative Director, President of Sankyo Excel Co., Ltd.</p> <p>April 2020 Senior Executive Vice President, General Manager of Corporate Planning Division (Supervising Manufacturing Division and Administration Division) (to present)</p>	4,400

Reasons for nomination as a candidate for Director

Mr. Akihiko Ishihara has been involved in wide-ranging aspects of the Group's management, including manufacturing, sales, and administration, and has been striving to enhance corporate value. The positions in which he served at the Company include Operating Officer responsible for Sales Planning Department and Director & Senior Executive Operating Officer, Head of Administration Division. From 2015 he served as President & Representative Director of SANKYO EXCEL CO., LTD., a consolidated subsidiary of the Company that plays a role in manufacturing.

The Company believes that having him serve again as a member of the Board of Directors of the Company, involved in management from a broad perspective as a person responsible for the Corporate Planning Division, will contribute to sustainable enhancement of the Group's corporate value. Therefore, the Company has nominated Mr. Ishihara as a candidate for Director.

Note: No conflict of interest exists between the Company and Mr. Ishihara.

No.	Name (Date of birth)	Career summary, position, assignment	Number of shares of the Company held
5	Reappointment Outside Director Independent Director Taro Kitani (May 4, 1976)	October 2004 Registered as attorney at law. Joined KOHWA SOHGOH LAW OFFICES (to present) June 2015 Director of the Company (to present)	-

Reasons for nomination as a candidate for Outside Director

Mr. Taro Kitani is well versed in corporate legal affairs as an attorney at law and has sufficient insight into corporate governance. He has been stating objective and fair opinions at meetings of the Board of Directors from a third-party perspective, considering the achievement of both economic performance and social performance. He is overseeing the Company's management appropriately and is contributing to strengthening of the Company's corporate governance.

Although Mr. Kitani has never been directly involved in corporate management, the Company believes that, based on his professional knowledge and experience as an attorney at law, he will continue to be able to adequately perform decision-making on important matters of the Company's management and oversight of business execution. He also meets the standards for Independent Directors defined by Tokyo Stock Exchange, Inc. and is unlikely to cause conflict of interest with general shareholders. Therefore, the Company has nominated Mr. Kitani as a candidate for Outside Director.

Note:1. No conflict of interest exists between the Company and Mr. Kitani.

Note:2. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has entered into a liability limitation agreement with Mr. Kitani. The limit of his liability for damages in accordance with the said liability limitation agreement is the amount stipulated by laws and regulations. If his reelection is approved, the Company intends to continue the said liability limitation agreement with him.

Note:3. Mr. Kitani is a candidate for Outside Director. He is an Independent Director as defined in the Securities Listing Regulations of Tokyo Stock Exchange, Inc. If his election is approved, the Company intends to appoint him as Independent Director.

Note:4. Mr. Kitani has never been the Company's legal advisor.

Note:5. Mr. Kitani will have served as an Outside Director of the Company for five year at the closing of this General Meeting of Shareholders.

No.	Name (Date of birth)	Career summary, position, assignment	Number of shares of the Company held
6	Reappointment Outside Director Independent Director Hiroyuki Yamasaki (September 5, 1954)	<p>October 1982 Joined Chuo Audit Corporation</p> <p>September 1994 Partner, Chuo Audit Corporation</p> <p>August 2000 Representative Partner, ChuoAoyama Audit Corporation</p> <p>October 2005 Executive Officer, ChuoAoyama Audit Corporation</p> <p>May 2006 Acting Chief Executive Officer, ChuoAoyama Audit Corporation</p> <p>November 2007 Senior Partner, Shin Nihon & Co. (current Ernst & Young ShinNihon LLC)</p> <p>August 2008 Managing Director, Ernst & Young ShinNihon LLC</p> <p>July 2013 Auditor, Japan Venture Capital Association</p> <p>July 2017 President, CPA Hiroyuki Yamasaki Office (to present)</p> <p>June 2018 Director of the Company (to present)</p> <p>(Significant concurrent positions) Outside Auditor of UACJ Corporation</p>	-

Reasons for nomination as a candidate for Outside Director

Mr. Hiroyuki Yamasaki has a wealth of professional knowledge on finance and accounting cultivated through his career as a certified public accountant. He also has many years of experience in conducting accounting audits of companies at audit firms and is engaged in a variety of activities such as serving as an outside director of a listed company.

Although Mr. Yamasaki has never been directly involved in corporate management, the Company believes that, based on his professional knowledge and experience as a certified public accountant, he will continue to be able to adequately perform decision-making on important matters of the Company's management and oversight of business execution. He also meets the standards for Independent Directors defined by Tokyo Stock Exchange, Inc. and is unlikely to cause conflict of interest with general shareholders. Therefore, the Company has nominated Mr. Yamasaki as a candidate for Outside Director.

Note:1. No conflict of interest exists between the Company and Mr. Yamasaki.

Note:2. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has entered into a liability limitation agreement with Mr. Yamasaki. The limit of his liability for damages in accordance with the said liability limitation agreement is the amount stipulated by laws and regulations. If his reelection is approved, the Company intends to continue the said liability limitation agreement with him.

Note:3. Mr. Yamasaki is a candidate for Outside Director. He is an Independent Director as defined in the Securities Listing Regulations of Tokyo Stock Exchange, Inc. If his election is approved, the Company intends to appoint him as Independent Director.

Note:4. Mr. Yamasaki will have served as an Outside Director of the Company for two year at the closing of this General Meeting of Shareholders.