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Securities Code 6417  
June 9, 2021

**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 56<sup>th</sup> ORDINARY GENERAL MEETING OF SHAREHOLDERS**

You are cordially invited to the 56<sup>th</sup> 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 Monday, June 28, 2021.

- 1. Date and Time:** Tuesday, June 29, 2021 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 56<sup>th</sup> Fiscal Term (from April 1, 2020 to March 31, 2021) 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 56<sup>th</sup> Fiscal Term (from April 1, 2020 to March 31, 2021)
  - Proposals to be resolved:**
    - Proposal No. 1:** Appropriation of Surplus
    - Proposal No. 2:** Election of Five 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 56th 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.

#### 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 ¥4,588,869,375

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 30, 2021

**Proposal No. 2: Election of Five Directors**

All six Directors of the Company will complete their terms of office at the closing of this General Meeting of Shareholders. Accordingly, the Company proposes to reduce the number of Directors by one for the election of five Directors, in line with the revision of the management system.

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	100% (16/16)
2	Reappointment Akihiko Ishihara	Representative Director & Senior Executive Vice President General Manager of Corporate Planning Division (Supervising Manufacturing Division and Administration Division)	100% (11/11)
3	Reappointment Ichiro Tomiyama	Director & Senior Executive Vice President Head of Sales & Marketing Division & Head of Product Management Division	100% (16/16)
4	Reappointment Outside Director Independent Director Taro Kitani	Outside Director	100% (16/16)
5	Reappointment Outside Director Independent Director Hiroyuki Yamasaki	Outside Director	100% (16/16)

Note:1. Attendance at meetings of the Board of Directors indicated for Mr. Akihiko Ishihara pertains to the meetings of the Board of Directors held following his assumption of office as Director on June 26, 2020.

Note:2. The Company has entered into a directors and officers liability insurance contract, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with an insurance company. The said insurance contract covers damages including compensation for damages and litigation expenses to be borne by the insured. If candidates for Director assume the office of Director, they will become the insured under the said insurance contract, which is scheduled for renewal during their terms of office.

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

#### 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 expects that his continuous performance of duties will contribute to sustainable enhancement of the Group's corporate value. Therefore, the Company has nominated Mr. Busujima as a candidate for Director.

Note: Marf Corporation 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.

No.	Name (Date of birth)	Career summary, position, assignment	Number of shares of the Company held
2	Reappointment  Akihiko Ishihara (September 9, 1962)	<p>April 2008      Operating Officer &amp; General Manager of Sales Planning Department of the Company</p> <p>April 2010      Executive Operating Officer, Head of Administration Division &amp; General Manager of General Affairs Department of the Company</p> <p>April 2011      Senior Executive Operating Officer, Head of Administration Division &amp; General Manager of General Affairs Department of the Company</p> <p>June 2012      Director &amp; Senior Executive Operating Officer, Head of Administration Division &amp; 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</p> <p>June 2020      Director &amp; Senior Executive Vice President, General Manager of Corporate Planning Division (Supervising Manufacturing Division and Administration Division)</p> <p>April 2021      Representative Director &amp; 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 Company's management, including manufacturing, sales, administration, and corporate planning 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. After that, he assumed office as Director & Senior Executive Vice President of the Company in 2020 and has been responsible for the Corporate Planning Division.

The Company expects that his continuous performance of duties will contribute to sustainable enhancement of the Group's corporate value as he is well-versed in the frontline of the business. 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 and significant concurrent positions	Number of shares of the Company held
3	Reappointment  Ichiro Tomiyama (March 13, 1958)	<p>April 2008      Operating Officer &amp; Deputy Head of Sales &amp; Marketing Division &amp; Regional General Manager for the Kinki &amp; Shikoku Region &amp; General Manager of Osaka Branch of the Company</p> <p>April 2009      Operating Officer &amp; Deputy Head of Sales &amp; Marketing Division &amp; Regional General Manager for the Kinki Region &amp; General Manager of Osaka Branch of the Company</p> <p>April 2010      Operating Officer &amp; Deputy Head of Sales &amp; Marketing Division of the Company</p> <p>April 2011      Operating Officer &amp; Regional General Manager for the Kinki Region &amp; General Manager of Osaka Branch of the Company</p> <p>April 2012      Executive Operating Officer, Head of Sales &amp; Marketing Division &amp; General Manager of Sales Strategy Department &amp; Senior General Manager of Head Office Sales Department of the Company</p> <p>April 2014      Executive Operating Officer, Head of Sales &amp; Marketing Division &amp; General Manager of Sales Strategy Department of the Company</p> <p>June 2014      Director &amp; Executive Operating Officer, Head of Sales &amp; Marketing Division &amp; General Manager of Sales Strategy Department of the Company</p> <p>April 2015      Director &amp; Senior Executive Operating Officer, Head of Sales &amp; Marketing Division &amp; General Manager of Sales Strategy Department of the Company</p> <p>February 2016      Director &amp; Senior Executive Operating Officer, Head of Sales &amp; Marketing Division &amp; Senior General Manager of Parlor Business Division &amp; General Manager of Sales Strategy Department of the Company</p> <p>April 2016      Director &amp; Senior Executive Operating Officer, Head of Sales &amp; Marketing Division &amp; Senior General Manager of Parlor Business Division of the Company</p> <p>April 2018      Director &amp; Senior Executive Vice President, Head of Sales &amp; Marketing Division &amp; Head of Product Management Division (to present)</p> <p>(Significant concurrent positions) Representative Director, President 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 expects that his continuous performance of duties will contribute to sustainable enhancement of the Group's corporate value. Therefore, the Company has nominated Mr. Tomiyama as a candidate for 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	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 and expected role**

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, for the reasons stated above, the Company believes that 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. The Company expects him to continue to fulfill the role stated above following his election.

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 six year at the closing of this General Meeting of Shareholders.

No.	Name (Date of birth)	Career summary, position, assignment and significant concurrent positions	Number of shares of the Company held
5	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 &amp; Co. (current Ernst &amp; Young ShinNihon LLC)</p> <p>August 2008    Managing Director, Ernst &amp; 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) Director &amp; Vice President of LAND BUSINESS CO., LTD. Outside Auditor of UACJ Corporation</p>	-

#### Reasons for nomination as a candidate for Outside Director and expected role

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. He is providing advice and suggestions on overall management from an independent, objective standpoint based on his expertise, including experience as a manager of a listed company, and is contributing to strengthening the effectiveness of the decision-making function and the oversight function of the Company's Board of Directors.

For the reasons stated above, the Company believes that he will continue to be able to adequately perform decision-making on important matters of the Company's management and oversight of business execution as an Outside Director. 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. Hiroyuki Yamasaki as a candidate for Outside Director. The Company expects him to continue to fulfill the role stated above following his election.

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 three year at the closing of this General Meeting of Shareholders.