

For Immediate Release

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## Notice concerning Revision of the Forecast of the Financial Results for the Year Ending March 31, 2012

SANKYO Co., Ltd. today announced the revision of the forecast of financial results for fiscal 2012 (from April 1, 2011, to March 31, 2012) in view of the recent trend of the Company's financial performance. The previous forecast for fiscal 2012 was announced on May 13, 2011.

### [Revision of the forecast of consolidated financial results for the first six months of the year ending March 31, 2012] (From April 1, 2011, to September 30, 2011)

(Millions of yen)

	Net sales	Operating income	Recurring income	Net income	Net income per share (yen)
Previous forecast (A)	55,000	2,000	4,000	2,000	21.40
Revised forecast (B)	70,000	11,000	13,000	6,000	64.21
Difference (B-A)	15,000	9,000	9,000	4,000	-
% change	27.3	450.0	225.0	200.0	-
1st half of FY2011 (results)	118,502	33,691	36,217	22,547	235.02

### (Reference) [The forecast of consolidated financial results for the year ending March 31, 2012] (From April 1, 2011, to March 31, 2012)

(Millions of yen)

	Net sales	Operating income	Recurring income	Net income	Net income per share (yen)
Previous forecast	182,000	40,000	43,000	26,000	278.24
FY2011 results	201,606	51,923	55,909	34,733	364.09

This material is an English translation of Japanese announcement made on August 4, 2011. Although the Company intended to faithfully translate the Japanese document into English, the accuracy and correctness of this translation are not guaranteed.

## [Reasons for the revision]

The Company has revised its forecast of financial results as stated above in light of the brisk sales that the Group's mainstay pachinko machines business is experiencing and for the reasons described below.

No revision has been made to the forecast of financial results for the full year in view of the uncertain prospects.

### 1. Pachinko Machines Business

Major products sold under the SANKYO brand include *Fever Macross Frontier* (introduced in May 2011) and *X-FILES* (introduced in July 2011). The sales volume of Sankyo-brand products is expected to reach 71,000 units in the first six months of fiscal 2012, whereas the plan envisaged a sales volume of 55,000 units.

Regarding Bisty-brand products, order-taking for *CR ayumi hamasaki-Introduction* (introduced in July 2011) has been upbeat with orders exceeding 70,000 units. Consequently, the sales volume of Bisty-brand products is expected to reach 72,500 units in the first six months of fiscal 2012, whereas the plan envisaged a sales volume of 40,000 units.

As a result, the forecast sales volume of pachinko machines is as follows:

First six months: Revised from 95,000 units to 143,500 units

Full year: Unchanged at 369,000 units

### 2. Pachislot Machines Business

The sales volume of SANKYO-brand pachislot machines is expected to be 9,000 units in the first six months of fiscal 2012, centering on *Mumu World DXII* (to be introduced in September 2011) for which the Company is now taking orders. As a result of postponement of the introduction of a model initially scheduled within the second quarter to the third quarter or later, it is difficult to achieve the sales plan of 22,000 units originally envisaged for the first six months of fiscal 2012.

The sales volume of Bisty-brand products is expected to be 34,500 units in the first six months of fiscal 2012, whereas the plan envisaged a sales volume of 32,000 units. The principal factors prompting the revision were the receipt of successive orders for *MOBASLO Evangelion—for your own wish* (introduced in March 2011), a title introduced in the previous fiscal year and a sales volume for *SAMURAI 7* (introduced in May 2011) exceeding the plan.

As a result, the forecast sales volume of pachislot machines is as follows:

First six months: Revised from 54,000 units to 43,500 units

Full year: Unchanged at 169,000 units

### 3. Extraordinary Loss Expected to Be Incurred

The Company expects to incur an extraordinary loss of ¥2,358 million for the first six months of fiscal 2012 in line with a decrease in the Company's equity in Gamecard-Joyco Holdings, Inc. (JASDAQ Standard: stock code 6249), an affiliate accounted for by the equity method. The breakdown of the extraordinary loss is as follows: a loss of ¥1,602 million as a result of a decrease in the Company's equity in Gamecard-Joyco Holdings in line with the establishment of Gamecard-Joyco Holdings on April 1, 2011, and a loss of ¥755 million as a result of the transfer of shares of Gamecard-Joyco Holdings as announced in the Notice regarding Extraordinary Loss (Loss on Change in Equity) issued on July 8, 2011.

An extraordinary loss of ¥1,602 million was recorded at the financial closing for the first quarter of fiscal 2012 and is reflected in the forecast of financial results announced previously.

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

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