

For Immediate Release

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Notice of Discrepancy between the Forecast and Results for the First Six Months of the Year Ending March 31, 2013 and Revision of the Forecast for the Full Year

SANKYO CO., LTD. today announced that there is a discrepancy between the forecast of financial results for the first six months of fiscal 2013 (from April 1, 2012 to September 30, 2012) announced on September 13, 2012 and the actual results announced today.

The Group also revised the forecast of financial results for the full year of fiscal 2013 (from April 1, 2012, to March 31, 2013) based on the recent trend of its financial performance.

[Discrepancy of the forecast of consolidated financial results for the first six months of fiscal 2013] (From April 1, 2012, to September 30, 2012)

						(Millions of yen)
		Net sales	Operating income	Recurring income	Net income	Net income per share (yen)
Previous forecast	(A)	52,500	5,200	6,200	3,700	39.58
Actual results	(B)	53,782	6,952	7,668	4,607	49.29
Difference	(B-A)	1,282	1,752	1,468	907	-
% change		2.4	33.7	23.7	24.5	-
1st half of FY2012 (results)		71,535	11,841	13,928	6,754	72.20

[Reason for the discrepancy]

The main reason for this discrepancy is that parts of the research and development expenses that were speculated for the second quarter of fiscal 2013 were postponed to a later date starting from the third quarter of fiscal 2013.

**[Revision of the forecast of consolidated financial results for the year ending March 31, 2013]
(From April 1, 2012, to March 31, 2013)**

(Millions of yen)

	Net sales	Operating income	Recurring income	Net income	Net income per share (yen)
Previous forecast (A)	210,000	50,000	53,000	35,000	374.44
Revised forecast (B)	123,000	12,000	14,000	8,000	85.59
Difference (B-A)	(87,000)	(38,000)	(39,000)	(27,000)	-
% change	(41.4)	(76.0)	(73.6)	(77.1)	-
FY2012 results	173,682	40,315	44,396	20,182	215.85

[Reasons for the revision]

As a result of the revision to the sales plan for the third quarter of fiscal 2013 onward in view of the sales trends in the first six months of fiscal 2013 of the pachinko machines business and the pachislot machines business, which are the Group's mainstay businesses, the Group concluded that it would be difficult to achieve the financial results forecast that the Group had announced in May 2012.

Consequently, forecast sales volumes of pachinko machines and pachislot machines for the full year of fiscal 2013 were revised from 432,000 units to 190,000 units and from 188,000 units to 138,000 units, respectively.

The Company does not intend to change the year-end cash dividend for fiscal 2013 from the initial forecast of ¥75 per share (annual dividends of ¥150).

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

This material is an English translation of Japanese announcement made on November 5, 2012. Although the Company intended to faithfully translate the Japanese document into English, the accuracy and correctness of this translation are not guaranteed.