

For Immediate Release

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Notice concerning Revision of the Forecast of the Financial Results for the Year Ending March 31, 2014

SANKYO Co., Ltd. today announced the revision of the forecast of financial results for fiscal 2014 (from April 1, 2013, to March 31, 2014) in view of the recent trend of the Company's financial performance. The previous forecast for fiscal 2014 was announced on May 9, 2013.

[Revision of the forecast of consolidated financial results for the year ending March 31, 2014]

		(Millions of yen)				
		Net sales	Operating income	Recurring income	Net income	Net income per share (yen)
Previous forecast	(A)	200,000	32,000	34,000	25,000	267.46
Revised forecast	(B)	160,000	28,000	30,000	23,000	246.06
Difference	(B-A)	(40,000)	(4,000)	(4,000)	(2,000)	-
% change		(20.0)	(12.5)	(11.8)	(8.0)	-
FY2013 results		104,150	7,023	9,488	5,853	62.62

[Reasons for the revision]

Sales of the Group's mainstay pachinko machine and pachislot machine businesses for the third quarter onward are likely to fall short of the initial sales plan and the Company judged it would be difficult to achieve the announced forecast.

The market for pachinko machines remains challenging as the industry's shipments continue to decline. Since the third quarter of the current fiscal year, the Group has emphasized the introduction of products featuring new content and innovative gaming performance. However, because parlor operators favored well-established products, such as competitors' popular series, sales of the Group's new products were sluggish.

The market for pachislot machines has been robust and the industry's shipments have been at the same level as the previous year. However, parlor operators increasingly tend to keep the volume of an initial purchase of a given pachislot machine low and only consider additional purchases once its popularity among players has been confirmed. This trend is evident in the Group's most recent sales and the number of pachislot machines introduced per parlor has been decreasing.

In view of these circumstances, the Company's forecast sales volumes of pachinko machines and pachislot machines were revised from 373,000 units to 311,000 units and from 180,000 units to 116,000 units, respectively.

The Company does not intend to change the year-end cash dividend for fiscal 2014 from the initial forecast of ¥75 per share (annual dividends of ¥150).

This material is an English translation of Japanese announcement made on February 5, 2014. Although the Company intended to faithfully translate the Japanese document into English, the accuracy and correctness of this translation are not guaranteed.