

For Immediate Release

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Notice concerning Revision of the Forecast of the Financial Results for the Year Ending March 31, 2015

SANKYO Co., Ltd. today announced the revision of the forecast of financial results for fiscal 2015 (from April 1, 2014, to March 31, 2015) in view of the recent trend of the Company's financial performance. The previous forecast for fiscal 2015 was announced on May 8, 2014.

[Revision of the forecast of consolidated financial results for the year ending March 31, 2015]

		(Millions of yen)				
		Net sales	Operating income	Recurring income	Net income	Net income per share (yen)
Previous forecast	(A)	172,000	19,200	20,900	14,200	151.92
Revised forecast	(B)	145,000	12,000	13,500	8,300	89.84
Difference	(B-A)	(27,000)	(7,200)	(7,400)	(5,900)	-
% change		(15.7)	(37.5)	(35.4)	(41.5)	-
FY2014 results		158,453	28,023	30,144	22,400	239.65

Note: Net income per share for the revised forecast (B) is calculated by using the average number of shares of 92,386,726 shares during the period in consideration of 8 million shares of treasury stocks acquired during the fiscal year ending March 31, 2015.

[Reasons for the revision]

In view of the sluggish increase in the sales volume of a major title introduced by the Group's mainstay pachinko business in the fourth quarter, the Group has postponed the launch of titles that were originally scheduled for introduction during the current fiscal year. Consequently, management judged that it would be difficult for the Group to achieve the previously announced forecasts of financial results.

Specifically, sales of *Fever Mobile Suit Gundam—Operation V* (hereinafter referred to as Gundam), a SANKYO brand pachinko title which is positioned as a flagship model and is scheduled to debut at pachinko parlors throughout Japan in March 2015, are likely to fall short of the sales plan. Gundam was developed and marketed under the concept of offering a gaming performance allowing for greater opportunities for jackpot experience so that players can enjoy a wider range of presentations than ever before and is intended to address the decline in the pachinko player population. However, there is a clear distinction between parlor operators that endorse our concept and those whose stance is more cautious regarding introduction of Gundam even though they recognize our concept, and consequently order-taking has been sluggish.

This material is an English translation of Japanese announcement made on February 24, 2015. Although the Company intended to faithfully translate the Japanese document into English, the accuracy and correctness of this translation are not guaranteed.

We focused on emphasizing our concept for Gundam in sales & marketing initiatives and continuing sales of Gundam throughout March 2015 even after its debut at parlors. Accordingly, we have decided to postpone the release of one pachinko title and one pachislot title, which were initially scheduled for introduction during the current fiscal year.

In view of these circumstances, the Company's forecast sales volumes of pachinko machines and pachislot machines were revised from 396,000 units to 328,000 units and from 63,000 units to 48,000 units, respectively.

The Company does not intend to change the year-end cash dividend for fiscal 2015 from the initial forecast of ¥75 per share (annual dividends of ¥150).

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