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For Immediate Release

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Notice concerning Forecast of Consolidated Financial Results and Dividends for the Fiscal Year Ending March 31, 2021

SANKYO CO., LTD. (the "Company") hereby announces its consolidated financial results forecasts and dividends forecasts for the fiscal year ending March 31, 2021 which were yet to be decided when the "Consolidated Financial Statements Results for the fiscal year ended March 31, 2020" was announced on May 12, 2020.

1. Forecast of consolidated financial results

(1) Forecast of consolidated financial results for the year ending March 31, 2021
(from April 1, 2020 to March 31, 2021)

(Millions of yen)

		Net sales	Operating income	Recurring income	Profit attributable to owners of parent	Net income per share (yen)
Previous forecast	(A)	-	-	-	-	-
Revised forecast	(B)	73,500	8,000	8,700	6,200	101.34
Difference	(B-A)	-	-	-	-	-
% change		-	-	-	-	-
FY2020 results		78,416	12,551	13,476	13,045	183.43

(2) Reasons for the forecast of consolidated financial results

Whereas the forecasts of consolidated financial results for the fiscal year ending March 31, 2021 had been "undecided" because of the difficulty in making reasonable estimates of financial forecasts in view of the COVID-19 pandemic, we are announcing the forecasts of consolidated financial results for the current fiscal year as follows based on judgments made in light of the information currently available.

In the pachinko and pachislot industry, a large number of pachinko parlors were compelled to temporarily suspend operations nationwide because of the request for voluntary closure under the declaration of the state of emergency. As a result, the pachinko parlors faced a challenging business environment and are refraining from purchasing new pachinko and pachislot machines. On the other hand, the Amended Pachinko and Pachislot Machines Regulations enforced in February 2018 were again amended and enforced in May 2020, and the due date for removal of pachinko and pachislot machines compliant with the former regulations was extended for one year. As a result of this amendment and enforcement, pachinko parlor operators, having been compelled to temporarily suspend operations and postpone capital investment in the wake of

This material is an English translation of Japanese announcement made on August 7, 2020. Although the Company intended to faithfully translate the Japanese document into English, the accuracy and correctness of this translation are not guaranteed.

COVID-19, can now systematically proceed with replacement with machines compliant with the new regulations and intend to put their businesses on a new footing.

In these circumstances, replacement demand will likely gain traction from the third quarter onward amid rising expectations of products, equipped with the new “Yu-Time” gaming performance, whose development has become possible in line with the change in the “Standards for Interpretation of Technical Standards” issued by the National Police Agency in early 2020. The Group will introduce pachinko and pachislot machines with diverse gaming performance in a bid to promote wider adoption of machines compliant with the new Standards for Interpretation of Technical Standards. While emphasizing cost control, the Group will also invest appropriately to boost sales and increase its market share.

The Group’s plan calls for sales volumes for the fiscal year ending March 31, 2021, of 150,000 pachinko machines and 28,000 pachislot machines.

These forecasts, which are based on the assumption that the COVID-19 pandemic will abate, albeit moderately, and adaptation to the new normal will gradually proceed, are subject to change depending on the timing of the abatement of the COVID-19 pandemic.

2. Forecast of Dividends

- (1) Forecast of dividends for the year ending March 31, 2021
(from April 1, 2020 to March 31, 2021)

	Cash dividend per share				
(Base date)	1st quarter	2nd quarter	3rd quarter	Year-end	Full Year
	Yen	Yen	Yen	Yen	Yen
Previous forecast	-	-	-	-	-
Revised forecast	-	75.00	-	75.00	150.00
FY2020	-	75.00	-	75.00	150.00

- (2) Reasons for the forecast of dividends

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.

Whereas the forecasts of dividends for the fiscal year ending March 31, 2021 had been “undecided” in the “Consolidated Financial Statements Results for the fiscal year ended March 31, 2020” announced on May 12, 2020, the Company plans to pay an interim dividend of ¥75 per share and a year-end dividend of ¥75 per share, based on above the dividend policy and the forecast of consolidated financial results.

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