

February 26, 2021

For Immediate Release

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## Notice concerning Revision of the Forecast of the Financial Results for the Year Ending March 31, 2021

SANKYO Co., Ltd. today announced the revision of the forecast of financial results for fiscal 2021 (from April 1, 2020, to March 31, 2021) in view of the recent trend of the Company's financial performance. The previous forecast for fiscal 2021 was announced on August 7, 2020.

### [Revision of the 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)	73,500	8,000	8,700	6,200	101.34
Revised forecast (B)	58,000	6,000	6,700	5,200	84.99
Difference (B-A)	(15,500)	(2,000)	(2,000)	(1,000)	-
% change	(21.1)	(25.0)	(23.0)	(16.1)	-
FY2020 results	78,416	12,551	13,476	13,045	183.43

### [Reasons for the revision]

Regarding the pachinko and pachislot industry, machine utilization at pachinko parlors and manufacturers' total sales volumes of pachinko and pachislot machines had been on a recovery trend since May 2020 when the state of emergency was lifted. However, declaration of another state of emergency by the Japanese government in January 2021 following the surge in the number of COVID-19 cases halted the recovery of the number of pachinko and pachislot players and the upward trend of machine utilization at pachinko parlors, curbing pachinko parlor operators' willingness to undertake capital investment.

The Group accelerated introduction of new models from the third quarter onward in line with the improvement of the market environment. However, in view of the change in the market environment in early 2021, the Group's sales volume of pachinko and pachislot machines in the fourth quarter are expected to fall short of the initial forecast. Moreover, the number of pachislot titles introduced by the Group in the current fiscal year will be smaller because the Group postponed the rollout of *Pachislot Macross DELTA*, a SANKYO-brand title, which was initially scheduled for introduction in the current fiscal year, until the next fiscal year in order to avoid competition with the Group's other titles.

As a result, The Group's forecast sales of pachinko machines and pachislot machines were revised from 150,000 units to 126,000 units and from 28,000 units to 8,000 units, respectively. Net sales and profits are expected to fall short of the initial forecast as indicated above.

This material is an English translation of Japanese announcement made on February 26, 2021. Although the Company intended to faithfully translate the Japanese document into English, the accuracy and correctness of this translation are not guaranteed.

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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