



Presentation on Business Results
for the First Quarter of FY 3/2022
(April 1, 2021 to June 30, 2021)

August 5, 2021

SANKYO CO., LTD.

1st Sec. of the TSE #6417

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- ✓ Progress is virtually in line with the plan despite great decreases in both net sales and profits compared with the same period of the previous year because of the absence of major titles.
- ✓ The Group will proceed with preparations in anticipation of replacement demand, which should get into full swing from the second quarter onward.

Consolidated Financial Results

Net Sales	10,932	million yen	YoY	-39.1 %
Operating Income	768	million yen		-79.5 %
Net Income attributable to owners of parent	944	million yen		-71.0 %
Net Income per share	15.42	yen		-37.86 yen

Pachinko Machines Business

Net Sales	9,189	million yen	YoY	-45.8 %
Operating Income	1,981	million yen		-63.4 %
Sales of Unit	22,300	unit		-33.1 %

Pachislot Machines Business

Net Sales	1,029	million yen	YoY	+390.0 %
Operating Income	(338)	million yen		+384 million yen
Sales of Unit	2,367	unit		+653.8 %

Pachinko Pachislot Market

- ✓ There has been no significant change in the trend of machine utilization, and the progress of COVID-19 vaccination is anticipated.
- ✓ The sales volume of pachinko machines is returning to normal as their gaming performance is being enriched, with several models compliant with the new regulations becoming hit products.
- ✓ A challenging situation persists regarding pachislot machines as powerful new models have been in short supply because of the low format inspection pass rate.

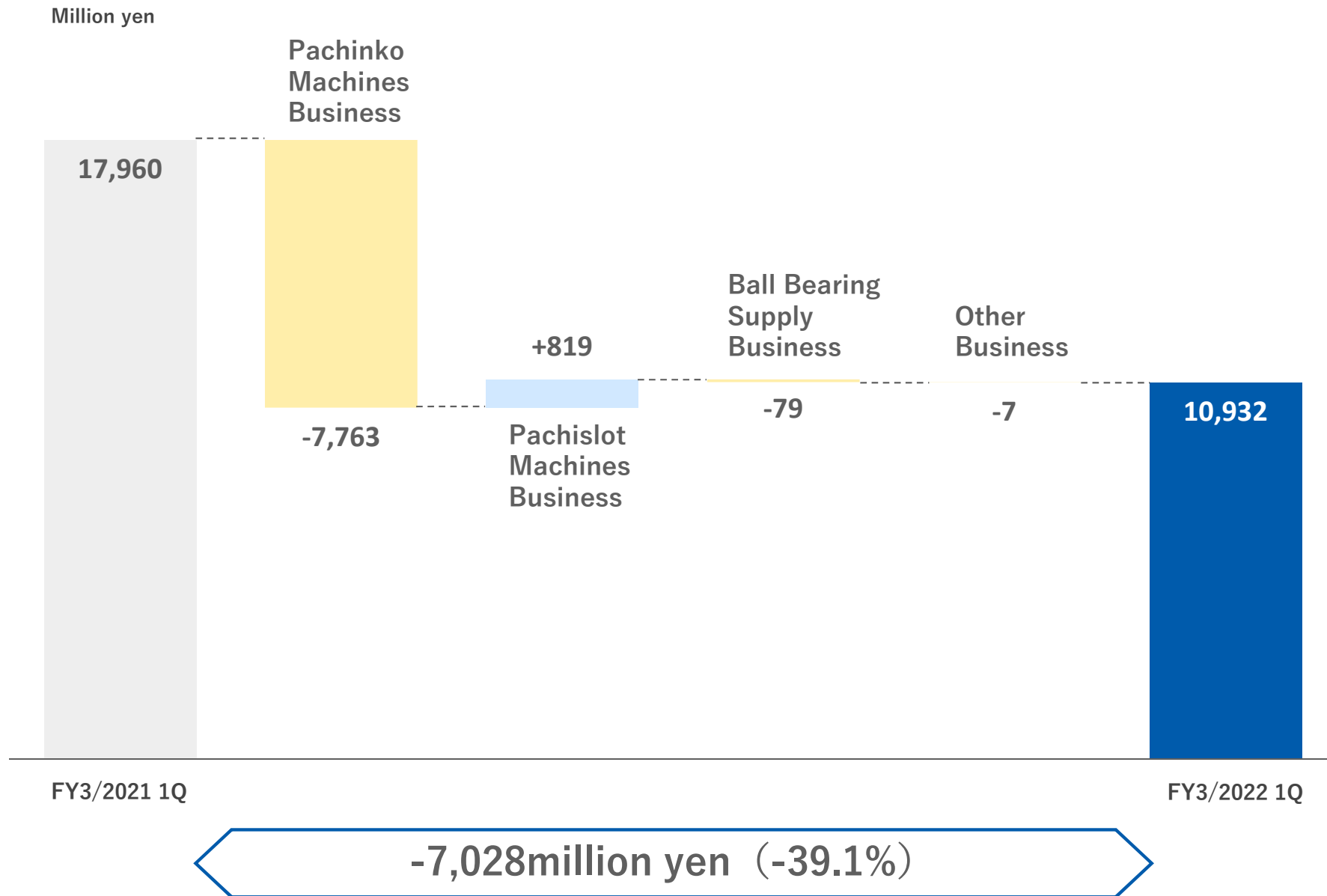
SANKYO Group

- Number of New Titles of Pachinko machine released, except for reused models : Two
- Number of New Titles of Pachislot machine released : One
- ✓ The Group adjusted the number of titles released in view of the COVID-19 pandemic and demand for replacement with machines compliant with the new regulations.
- ✓ In anticipation of demand for replacement with machines compliant with the new regulations, which should get into full swing from the second quarter onward, the Group proceeded with preparations for launch of a major title.

Summary of Financial Results

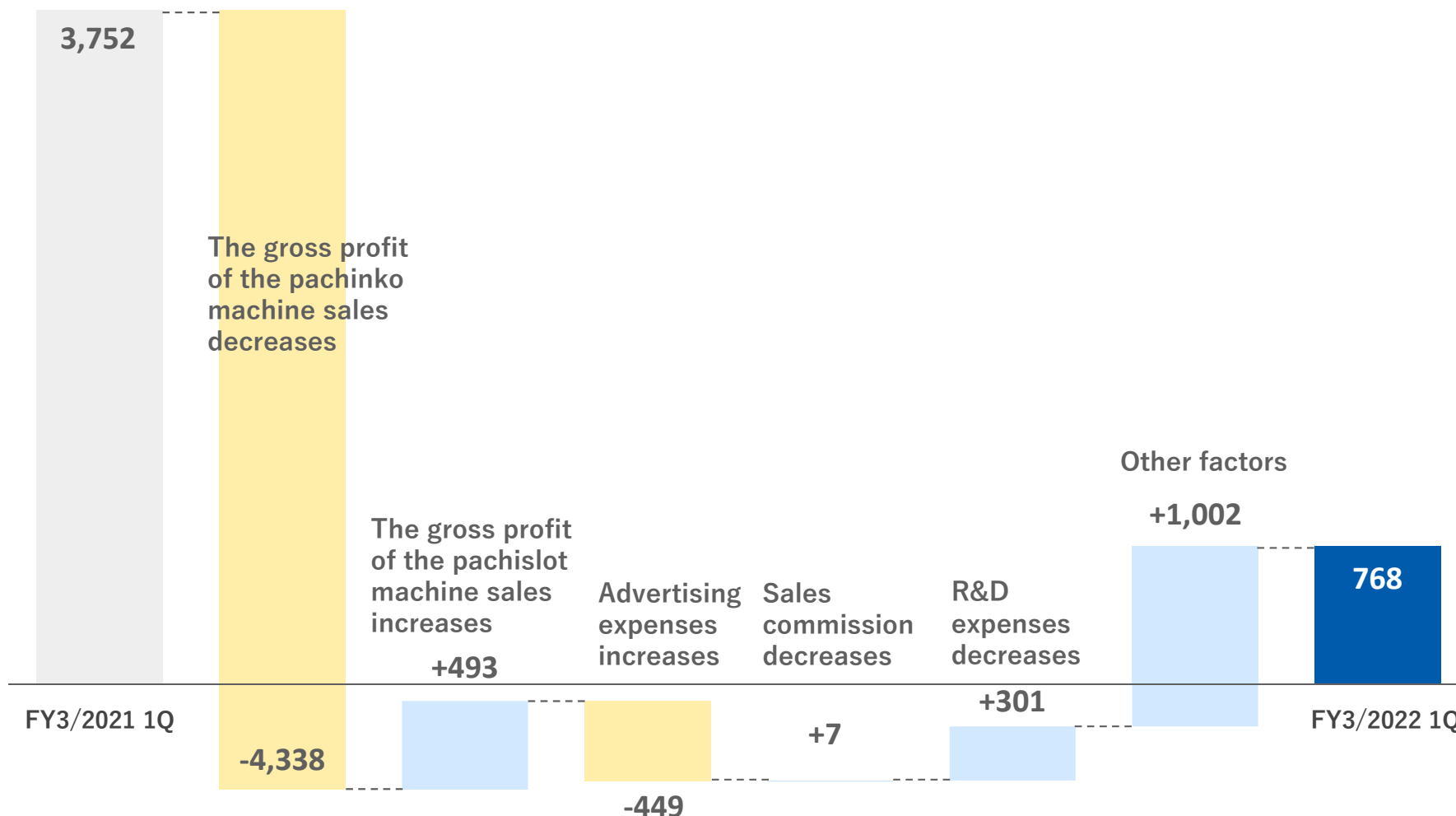
million yen	FY 3/2021 1Q	FY 3/2022 1Q	YoY		FY 3/2022 Forecast
Net Sales	17,960	10,932	-7,028	-39.1%	73,000
Pachinko Machines Business	16,952	9,189	-7,763	-45.8%	56,700
Pachislot Machines Business	210	1,029	+819	+390.0%	11,500
Cost of Sales	8,809	4,779	-4,030	-45.7%	34,500
Gross Profit	9,151	6,153	-2,998	-32.8%	38,500
Percentage	51.0%	56.3%	+5.3pt		52.7%
SG & A Expenses	5,399	5,385	-14	-0.3%	29,600
Operating Income	3,752	768	-2,984	-79.5%	8,900
Percentage	20.9%	7.0%	-13.9pt		12.2%
Pachinko Machines Business	5,408	1,981	-3,427	-63.4%	10,900
Pachislot Machines Business	(722)	(338)	+384		2,000
Recurring Income	4,181	1,192	-2,989	-71.5%	9,600
Net Income attributable to owners of parent	3,259	944	-2,315	-71.0%	6,600

Factors of Change in Consolidated Net Sales



Factors of Change in Consolidated Operating Income

Million yen



-2,984million yen (-79.5%)

Costs and Expenses

million yen	FY 3/2021 1Q	FY 3/2022 1Q	YoY		FY 3/2022 Forecast
SG & A Expenses	5,399	5,385	-14	-0.3%	29,600
Advertising Expenses	122	571	+449	+368.0%	2,032
Sales Commission	292	285	-7	-2.4%	3,901
R&D Expenses	2,859	2,558	-301	-10.5%	14,859
Salaries & Wages	640	573	-67	-10.5%	2,785
Depreciation & Amortization	465	416	-49	-10.5%	2,268
Capital Expenditure	250	431	+181	+72.4%	3,743

Summary of Balance Sheet

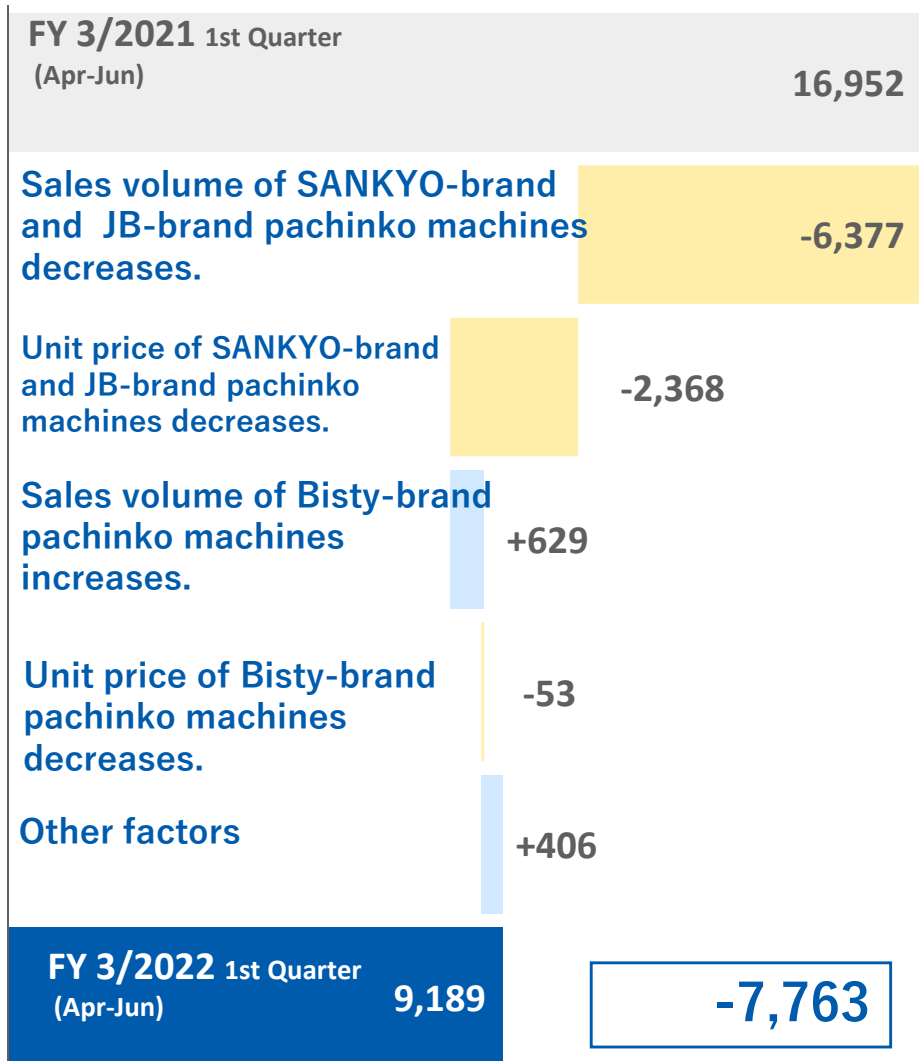
million yen	As of 31-Mar-21	As of 30-Jun-21	YoY	Factors of Change
Total current assets	243,343	242,351	-992	
Quick assets	234,738	227,982	-6,756	Decrease in cash and deposits and notes and accounts receivable-trade, and contract assets
Total fixed assets	48,761	49,442	+681	
Investment securities	15,599	16,892	+1,293	Fair value evaluation of specific investment equities
Total assets	292,104	291,794	-310	
Total current liabilities	14,815	17,129	+2,314	
Total long-term liabilities	8,401	8,219	-182	
Total liabilities	23,216	25,348	+2,132	
Total net assets	268,887	266,445	-2,442	Deduction of cash dividends paid and addition of net income
Total liabilities and total net assets	292,104	291,794	-310	

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Factors of Change in Net sales

Million yen



Data

million yen	FY 3/2021 1Q	FY 3/2022 1Q	YoY
Net Sales	16,952	9,189	-7,763
Operating Income	5,408	1,981	-3,427
Percentage	31.9%	21.6%	
units			
Machines sales	33,327	22,300	-11,027
SANKYO+JB	32,409	19,728	-12,681
Frame	30,870	16,095	-14,775
Gauge	1,539	3,633	+2,094
Bisty	918	2,572	+1,654
Frame	864	1,904	+1,040
Gauge	54	668	+614

Pachinko Machines Business



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1Q

2Q

3Q-

New Title
x 9

SANKYO
Fever Valvrave the Liberator 2

JB
Fever Powerful

SANKYO
Fever Golgo13 Shippu
Machine Gun ver.

Reused
Models

Bisty
Fever Star Blazers: Space
Battleship Yamato 2202

SANKYO
Fever Mobile Suit Gundam Unicorn

Bisty
CODE GEASS Lelouch of the Rebellion
Light middle ver.

SANKYO
Fever Macross Frontier 4

**SANKYO
JB** x 2

Bisty x 2

SANKYO
Fever Tiger Mask W Y

Sales of Unit

22,300 units

- units

- units

Progress

22,300 units (14.5 %)

FY 3/2022 Forecast
154,000 units

Factors of Change in Net sales

Million yen



Data

million yen	FY 3/2021 1Q	FY 3/2022 1Q	YoY
Net Sales	210	1,029	+819
Operating Income	(722)	(338)	+384
Percentage	(343.8%)	(32.8%)	
units			
Machines sales	314	2,367	+2,053
SANKYO	0	2,344	+2,344
Bisty	314	23	-291

Pachislot Machines Business



©2015 BIGWEST/MACROSS DELTA PROJECT

1Q

2Q-

New Title
x 4

SANKYO

Pachislot Macross DELTA

SANKYO

x 2

Bisty

x 1

Sales of
Unit

2,367 units

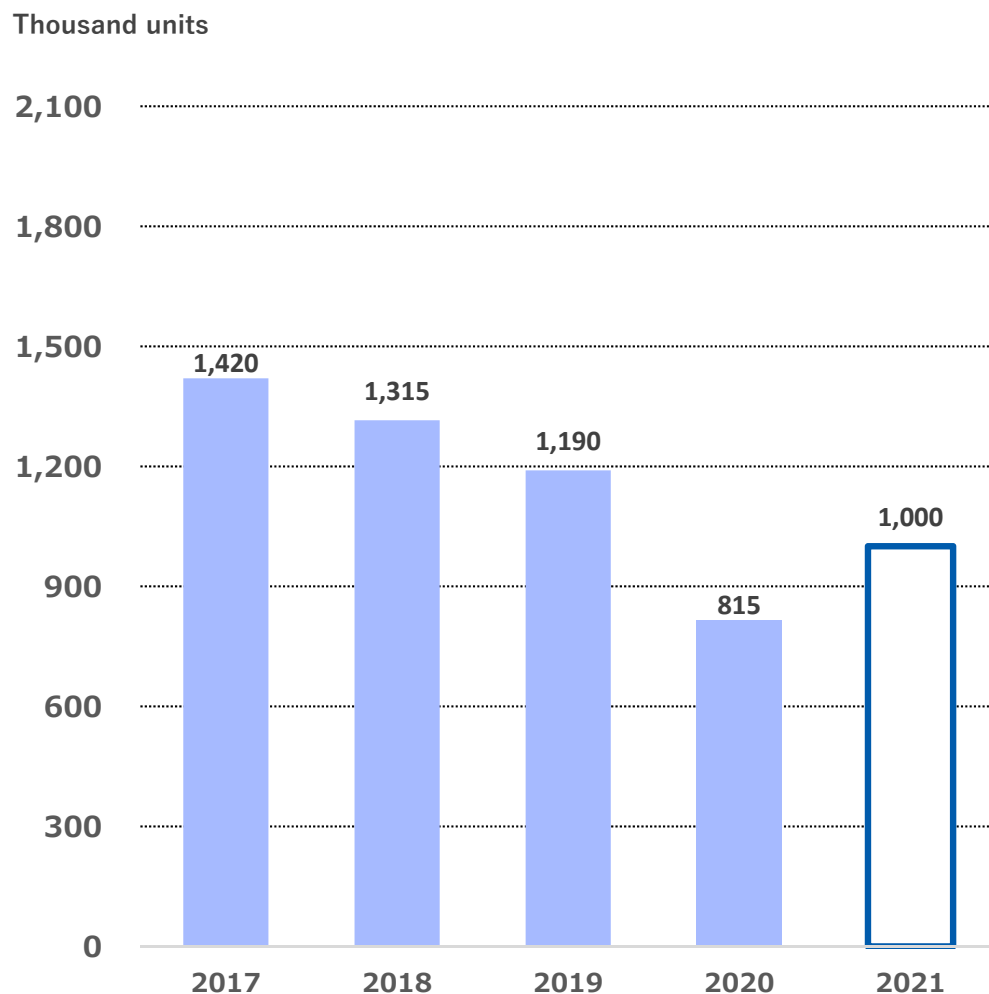
- units

Progress

2,367 units (7.9 %)

FY 3/2022 Forecast
30,000 units

Sales Volume



※ Estimates of SANKYO

Sales volume forecast FY2022 : 1,000^{thousand units}

(April 1, 2021 to March 31, 2022)

Total number of units sold

Approx. 290^{thousand units} YoY Approx. +203%

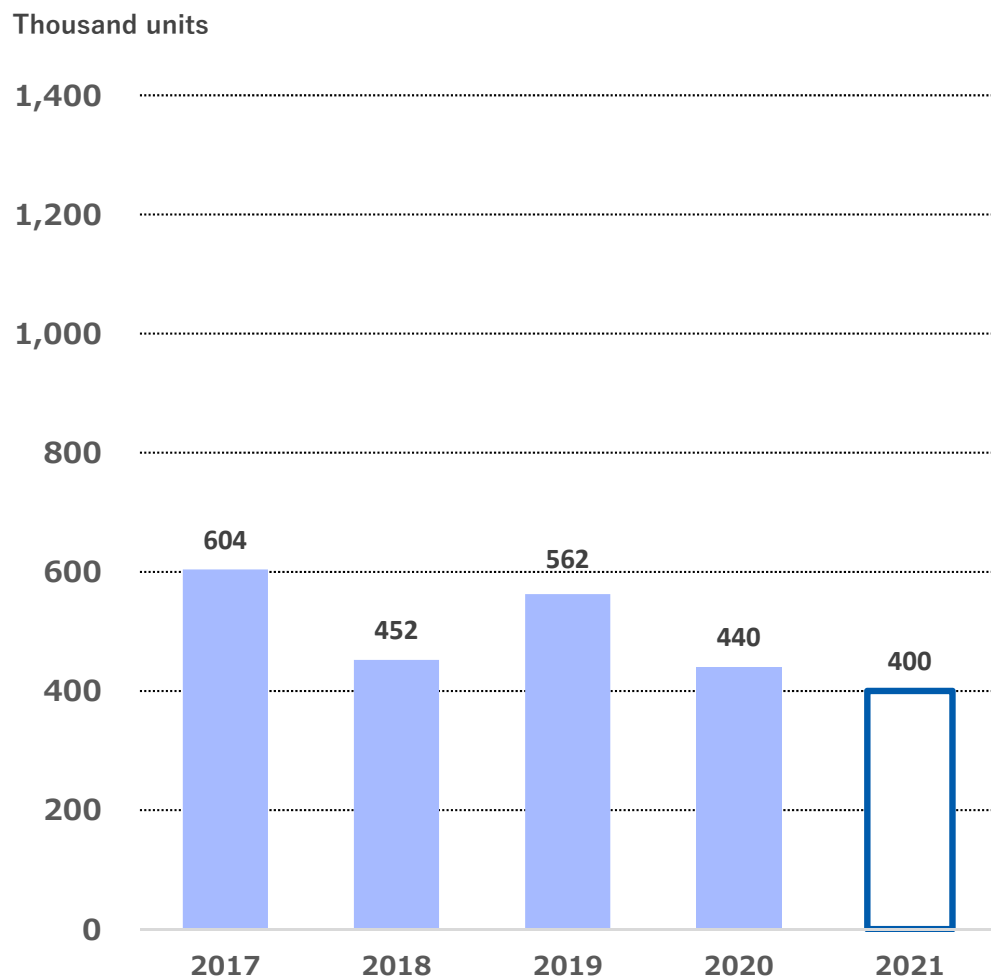
(April to June, 2021)

(2 titles sold 30,000 units or more.)

(April to June)

- ✓ Total sales volume in the period from April to June 2021 was a level exceeding that of the same period of the previous year.
 - The sales volume is returning to normal in contrast to the same period of the previous year when it was greatly affected by the COVID-19 pandemic.
 - Gaming performance of pachinko machines is being enriched, with several models of pachinko machines compliant with the new regulations becoming hit products.
- ✓ The pace exceeding that of the previous year is also expected to continue after July 2021.
 - Replacement with machines compliant with the new regulations is proceeding smoothly because of introduction of successor series models with high installation shares.
 - Parlor operators' sentiment for investment in pachinko machines continues to improve, with several models compliant with the new regulations becoming hit products.

Sales Volume



Source: Yano Research Institute

※2020・2021 : Estimate of SANKYO

Sales volume forecast FY2022 : **400** thousand units

(April 1, 2021 to March 31, 2022)

Total number of units sold

Approx. **90** thousand units YoY Approx. -20%

(April to June, 2021)

(0 titles sold 20,000 units or more.)

(April to June)

- ✓ Total sales volume in the period from April to June 2021 fell short of the same period of the previous year.
 - Powerful new models are in short supply because of the low format inspection pass rate.
 - Parlor operators' sentiment for investment in pachislot machines remains weak, reflecting low machine utilization.
- ✓ It is assumed that a level of sales volume will increase after July, 2021.
 - The sales volume will increase because of the release of successor series models with good track records.
 - Development of so-called #6.2 models subject to less exacting regulations is underway and it is expected that products equipped with new gaming performance will be released.

- The Group will capture parlor operators' demand for replacement with machines compliant with the new regulations, which should get into full swing from the second quarter onward.
- Stimulate parlor operators' demand by offering diverse products including main titles.

Q1

- ✓ The Group will proceed with preparations in anticipation of replacement demand, which should get into full swing from the second quarter onward.
 - Response to the sales schedule in anticipation of replacement demand.
- ✓ Execution of TV commercial for “Fever Mobile Suit Gundam Unicorn”
 - TV commercials are helping increase players' recognition and parlor operators' willingness to purchase products.

From Q2 onward

- ✓ The group accelerates introduction of new Pachinko and Pachislot machine titles.
 - Capture of parlor operators' demand, which should get into full swing from the second quarter onward.
- ✓ Stimulation parlor operators' demand by offering diverse products.
 - Launch of major titles.
 - The group will vigorously offer reuse models, whose impact is expected to be comparable to that of new models but at lower cost.
- ✓ Utilization of TV commercial of machines.
 - Application to those models that are expected to be highly cost-effective so as to increase sales volume and support higher machine utilization at parlors.

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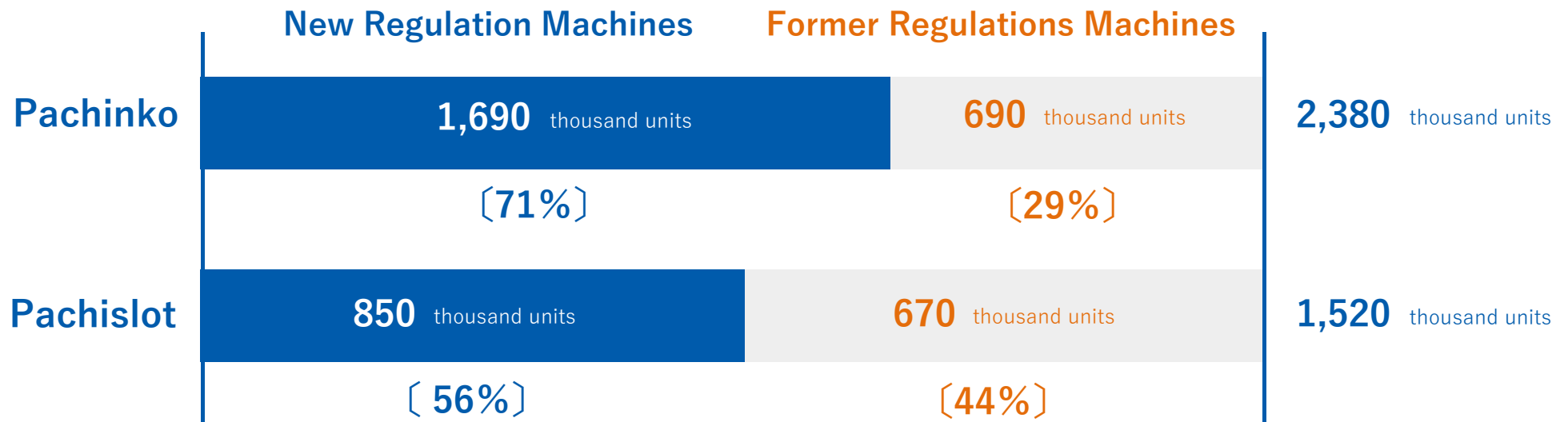
Schedule of Removal of the Machines with the former regulations

- Parlors are going to remove all the machines with the former regulations by January, 2022 in stages.

Target : **Pachinko** : About **690** thousand units **Pachislot** : About **670** thousand units

(as of June 2021)

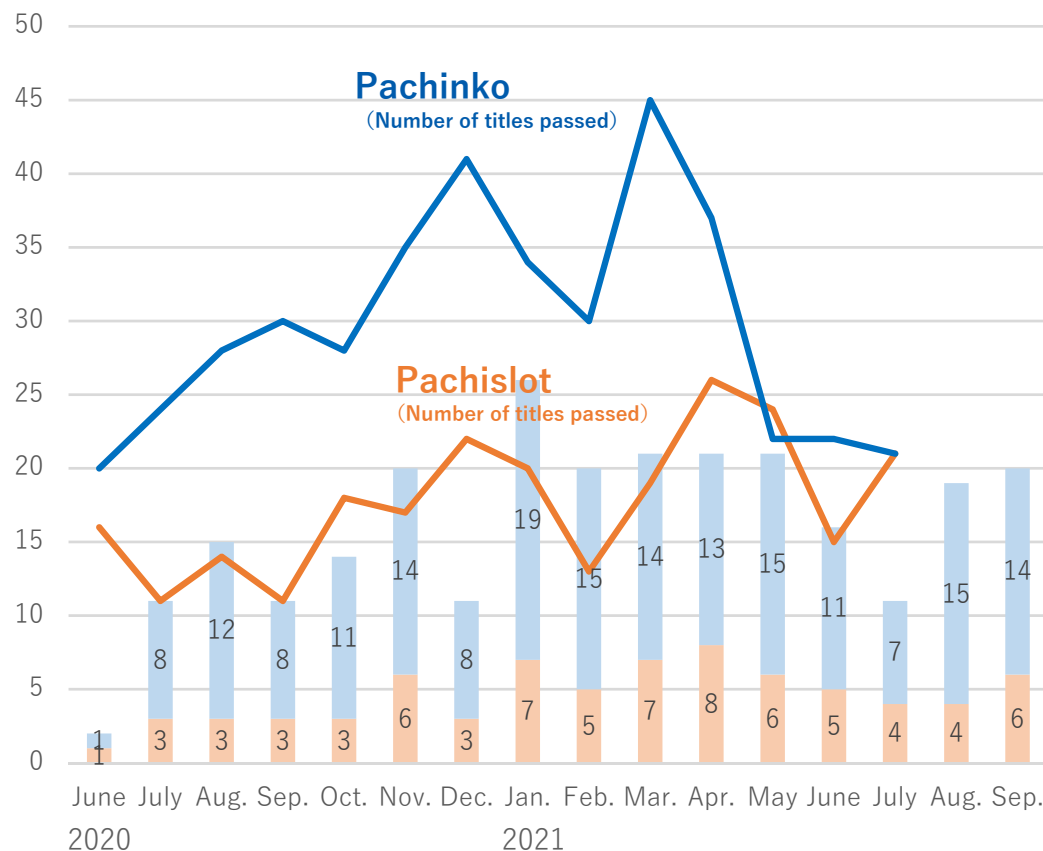
Ratio of machines compliant with the new regulations (as of June 2021)



※Estimates of SANKYO

- Pachinko : Although the pass rate of the last three months in format inspection has depressed, and manufacturers have been able to secure a definite number of pachinko titles for launch.
- Pachislot : The format inspection pass rate remains low, and the supply of new models remains tight.

Number of titles passed format inspection And Number of titles released or expected to be released to markets



2021

Apr. – June

Number of Pachinko titles passed format inspection

81 units (2020 Apr.-June: 48 units)

Number of Pachislot titles passed format inspection

65 units (2020 Apr.-June: 39 units)

■ Pachinko (Number of titles released or expected to be released to markets)

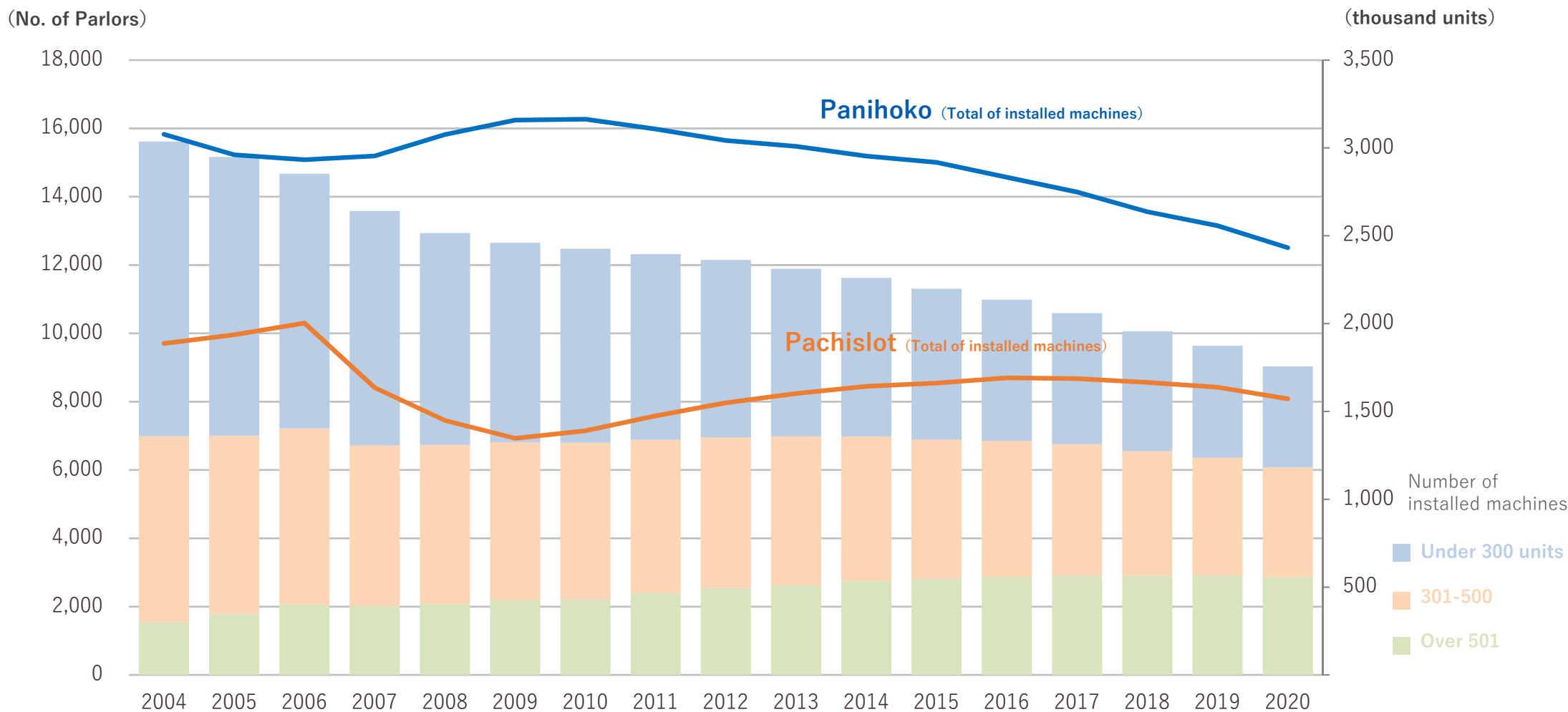
■ Pachislot (Number of titles released or expected to be released to markets)

※Source Number of titles passed format inspection : Security Electronics and Communications Technology Association, GLI Japan
 Number of titles released or expected to be released to markets : Estimates of SANKYO

Number of Parlors and installed Machines

- Whereas the downward trend of the total number of pachinko parlors continues, business restructuring proceeded, such as a sharp increase in the number of M&A deals in fiscal 2020.

Number of Parlors and machines installed



Source: National Police Agency

Pachinko

2018

Aug. Advent of pachinko machines with payout settings

Nov. Pachinko new internal regulations
 (Apply : November, 2018~)

- Removal of the upper limit (65%) of the probability change continuation rate

2019

May Pachinko new internal regulations
 (Apply : May, 2019~)

- Removal of the “base 30” requirement (The minimum return during a normal mode must be 30 %.)
- Removal of the limit on the number of prize balls per rotation, per electric tulip, etc.

2020

Jan. Change in the “Standards for Interpretation of Technical Standards”
 (Apply : January, 2020~)

- New requirements for entering a time - shortening mode

Apr. Advent of pachinko machines equipped with “Yu-Time”

2018

Apr. Pachislot #6.0 models (Apply : April, 2018~)

- Removal of upper limit of expected value of token payout during AT, ART, etc.
- Enable to develop AT.

2019

Dec. Pachislot #6.1 models
 (Apply : December, 2019~)

- Easing of the penalty regulations
- Easing of regulations restricting performance effects using starting levers and buttons
- Easing of regulations restricting video reel performance effects

2021

May. Pachislot #6.2 models
 (Apply : May, 2021~)

- Relaxation of the upper limit (1,500 games) of the advantageous section in pachislot machines

Pachislot

- TV commercial for “Fever Mobile Suit Gundam Unicorn” have been executed.
- TV commercials are helping increase players’ recognition and parlor operators’ willingness to purchase products.



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- ✓ Execution of TV commercials for pachinko/pachislot machines for the first time in about 10 years stimulated a big response.
- ✓ Succeeded in steering viewers of TV commercials to the website.
 - Following the broadcasting of the TV commercials, access to the website surged and the commercials created a buzz on social media.
 - Optimum timing of the broadcast of TV commercials will be clarified; their impact in terms of attracting players to parlors and increasing machine utilization at parlors is expected, too.

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Business Results for the First Quarter of FY 3/2022

Consolidated: million yen	FY 3/2022		Forecast	FY 3/2020					FY 3/2021				
	Q1	YoY	Full Year	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Net Sales	10,932	-7,028	73,000	11,351	22,142	28,245	16,678	78,416	17,960	7,372	15,668	17,129	58,129
Pachinko	9,189	-7,763	56,700	7,064	20,214	20,247	12,989	60,514	16,952	5,432	14,668	15,258	52,310
Pachislot	1,029	+819	11,500	2,635	394	6,516	1,896	11,441	210	1,303	185	1,324	3,022
Ball Bearing Supply	663	-79	4,500	1,448	1,381	1,357	1,714	5,900	742	564	743	484	2,533
Other Business	49	-7	300	203	152	124	80	559	56	71	73	62	262
Cost of Sales	4,779	-4,030	34,500	5,279	10,492	12,638	8,262	36,671	8,809	3,979	6,640	7,975	27,403
Gross Profit	6,153	-2,998	38,500	6,071	11,651	15,607	8,416	41,745	9,151	3,393	9,028	9,154	30,726
SG & A Expenses	5,385	-14	29,600	6,667	7,977	8,136	6,413	29,193	5,399	6,060	5,860	6,819	24,138
Operating Income	768	-2,984	8,900	(596)	3,673	7,471	2,003	12,551	3,752	(2,668)	3,169	2,334	6,587
Pachinko	1,981	-3,427	10,900	(238)	5,832	6,144	3,066	14,804	5,408	(671)	5,062	3,117	12,916
Pachislot	(338)	+384	2,000	718	(711)	2,394	48	2,449	(722)	(597)	(838)	267	(1,890)
Ball Bearing Supply	(22)	+0	200	88	62	85	91	326	(22)	(34)	4	(37)	(89)
Other Business	4	-6	0	(74)	(58)	(17)	13	(136)	10	5	6	5	26
Elimination/Corporate	(857)	+65	(4,200)	(1,089)	(1,453)	(1,135)	(1,215)	(4,892)	(922)	(1,370)	(1,064)	(1,019)	(4,375)
Recurring Income	1,192	-2,989	9,600	(155)	3,761	7,770	2,100	13,476	4,181	(2,593)	3,473	2,427	7,488
Extra ordinary Gains	13	-132	0	0	66	3,562	1	3,629	145	145	0	0	290
Extra ordinary Losses	6	-14	0	0	142	399	2,115	2,656	20	0	17	14	51
Net Income	944	-2,315	6,600	(93)	2,276	10,762	100	13,045	3,259	(1,852)	2,697	1,645	5,749
EPS: yen	15.42	-37.86	107.87					183.43	53.28				93.97

Machines sales: units

Pachinko	22,300	-11,027	154,000	18,997	48,324	49,545	32,654	149,520	33,327	13,792	39,147	40,299	126,565
SANKYO+JB	19,728	-12,681	94,000	16,401	38,247	14,281	26,640	95,569	32,409	12,119	25,002	24,489	94,019
Bisty	2,572	+1,654	60,000	2,596	10,077	35,264	6,014	53,951	918	1,673	14,145	15,810	32,546
Pachislot	2,367	+2,053	30,000	6,531	846	16,314	5,178	28,869	314	3,531	300	3,534	7,679
SANKYO	2,344	+2,344	20,000	5,244	1	8,771	21	14,037	0	0	0	3	3
Bisty	23	-291	10,000	1,287	845	7,543	5,157	14,832	314	3,531	300	3,531	7,676

GP Margin/OP Margin

Consolidated	FY 3/2022		Forecast Full Year	FY 3/2020				FY	FY 3/2021				
	Q1	YoY		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	FY
GP Margin	56.3%	+5.3pt	52.7%	53.5%	52.6%	55.3%	50.5%	53.2%	51.0%	46.0%	57.6%	53.4%	52.9%
OP Margin	7.0%	-13.9pt	12.2%	(5.3%)	16.6%	26.5%	12.0%	16.0%	20.9%	(36.2%)	20.2%	13.6%	11.3%

Expenses etc.

Consolidated: million yen	FY 3/2022		Forecast Full Year	FY 3/2020				FY	FY 3/2021				
	Q1	YoY		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	FY
Sales Commission	285	-7	3,901	309	773	1,952	475	3,509	292	145	757	978	2,172
Advertising Expenses	571	+449	2,032	374	925	397	246	1,942	122	123	266	360	871
R&D Expenses	2,558	-301	14,859	3,555	3,397	3,580	3,315	13,847	2,859	3,110	2,818	3,346	12,133
Salaries & Wages	573	-67	2,785	632	642	1,105	638	3,017	640	608	1,057	632	2,937
Others	1,398	-88	6,023	1,797	2,240	1,102	1,739	6,878	1,486	2,074	962	1,503	6,025

Consolidated: million yen

Capital Expenditure	431	+181	3,743	652	1,089	647	443	2,831	250	261	332	867	1,710
Depreciation&Amortization	416	-49	2,268	664	829	929	1,054	3,476	465	549	645	739	2,398

Consolidated

No. of Employees	935	-52	942	990	979	950	957	957	987	979	973	964	964
No. of R&D Staff	300	-2	304	297	293	293	289	289	302	302	300	298	298

Indirect Sales Ratio

SANKYO+JB Pachinko	28.0%	+0.6pt	27.6%	26.1%	27.1%	26.4%	26.5%	26.5%	27.4%	27.0%	27.1%	27.9%	27.9%
SANKYO Pachislot	34.0%	-	35.2%	35.3%	35.3%	35.1%	35.1%	35.1%	-	-	-	33.3%	33.3%

Pachinko Machines Business

Consolidated: million yen	FY 3/2022		Forecast		FY 3/2020				FY 3/2021				
	Q1	YoY	Full Year	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Net Sales	9,189	-7,763	56,700	7,064	20,214	20,247	12,989	60,514	16,952	5,432	14,668	15,258	52,310
Operating Income	1,981	-3,427	10,900	(238)	5,832	6,144	3,066	14,804	5,408	(671)	5,062	3,117	12,916
Percentage	21.6%	-10.3pt	19.2%	(3.4%)	28.9%	30.3%	23.6%	24.5%	31.9%	(12.4%)	34.5%	20.4%	24.7%

Machines sales: units

	FY 3/2022	YoY	Forecast	FY 3/2020	Q1	Q2	Q3	Q4	FY	FY 3/2021	Q1	Q2	Q3	Q4	FY
Pachinko	22,300	-11,027	154,000	18,997	48,324	49,545	32,654	149,520	33,327	13,792	39,147	40,299	126,565		
SANKYO+JB	19,728	-12,681	94,000	16,401	38,247	14,281	26,640	95,569	32,409	12,119	25,002	24,489	94,019		
Frame	16,095	-14,775	47,300	4,000	26,914	3,017	19,280	53,211	30,870	9,522	19,443	13,581	73,416		
Gauge	3,633	+2,094	46,700	12,401	11,333	11,264	7,360	42,358	1,539	2,597	5,559	10,908	20,603		
Bisty	2,572	+1,654	60,000	2,596	10,077	35,264	6,014	53,951	918	1,673	14,145	15,810	32,546		
Frame	1,904	+1,040	51,500	2,559	5,218	35,147	3,457	46,381	864	497	4,020	12,604	17,985		
Gauge	668	+614	8,500	37	4,859	117	2,557	7,570	54	1,176	10,125	3,206	14,561		

Titles to Release

FY 3/2022	Series name	Brand	Release Date	No. of Models	Unit Sales	
Q1	Fever Valvrave the Liberator 2	SANKYO	(Apr-21)	1	11,100	Total 22,300
	Fever Powerful	JB	(May-21)	2	5,800	
	Fever Golgo13 Shippu Machine Gun ver.	SANKYO	(Jun-21)	1	--	
Q2	Fever Star Blazers: Space Battleship Yamato 2202	Bisty	(Jul-21)	1	--	
	Fever Mobile Suit Gundam Unicorn	SANKYO	(Aug-21)	1	--	
	CODE GEASS Lelouch of the Rebellion Light middle ver.	Bisty	(Sep-21)	1	--	
Q3	Fever Macross Frontier 4	SANKYO	(Oct-21)	1	--	
	Fever Tiger Mask W Y	SANKYO	(Oct-21)	1	--	

Pachislot Machines Business

Consolidated:million yen	FY 3/2022		Forecast		FY 3/2020				FY 3/2021				
	Q1	YoY	Full Year	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Net Sales	1,029	+819	11,500	2,635	394	6,516	1,896	11,441	210	1,303	185	1,324	3,022
Operating Income	(338)	+384	2,000	718	(711)	2,394	48	2,449	(722)	(597)	(838)	267	(1,890)
Percentage	(32.8%)	+311.0pt	17.4%	27.2%	(180.5%)	36.7%	2.5%	21.4%	(343.8%)	(45.8%)	(453.0%)	20.2%	(62.5%)

Machines sales: units

	FY 3/2022	YoY	Forecast	FY 3/2020	Q1	Q2	Q3	Q4	FY	FY 3/2021	Q1	Q2	Q3	Q4	FY
Pachislot	2,367	+2,053	30,000	6,531	846	16,314	5,178	28,869	314	3,531	300	3,534	7,679		
SANKYO	2,344	+2,344	20,000	5,244	1	8,771	21	14,037	0	0	0	3	3		
Bisty	23	-291	10,000	1,287	845	7,543	5,157	14,832	314	3,531	300	3,531	7,676		

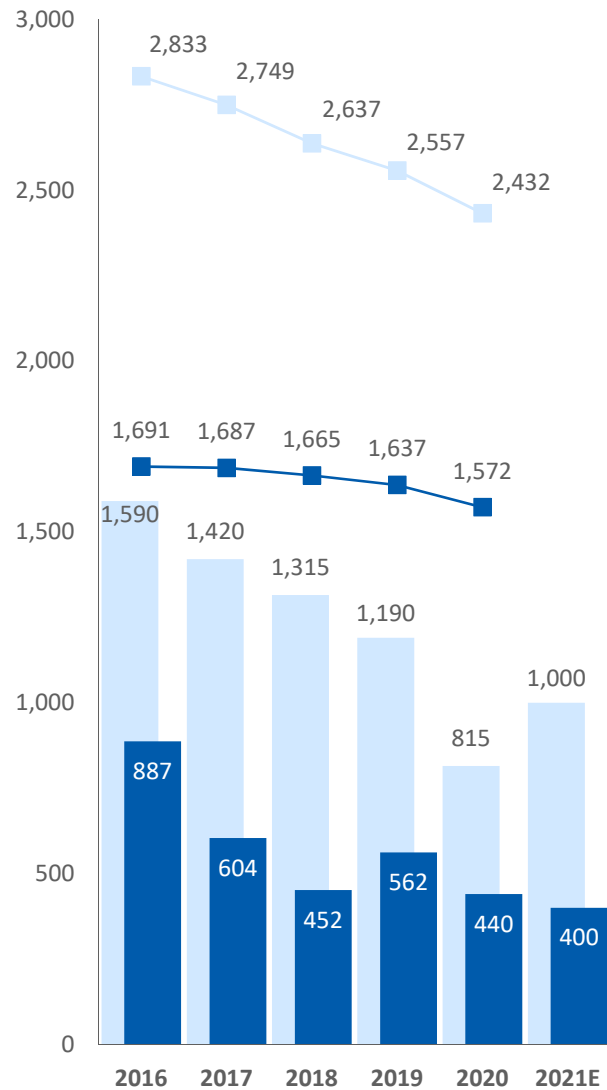
Titles to Release

FY 3/2022	Series name	Brand	Release Date	Unit Sales	Total
Q1	Pachislot Macross DELTA	SANKYO	(Apr-21)	--	2,367

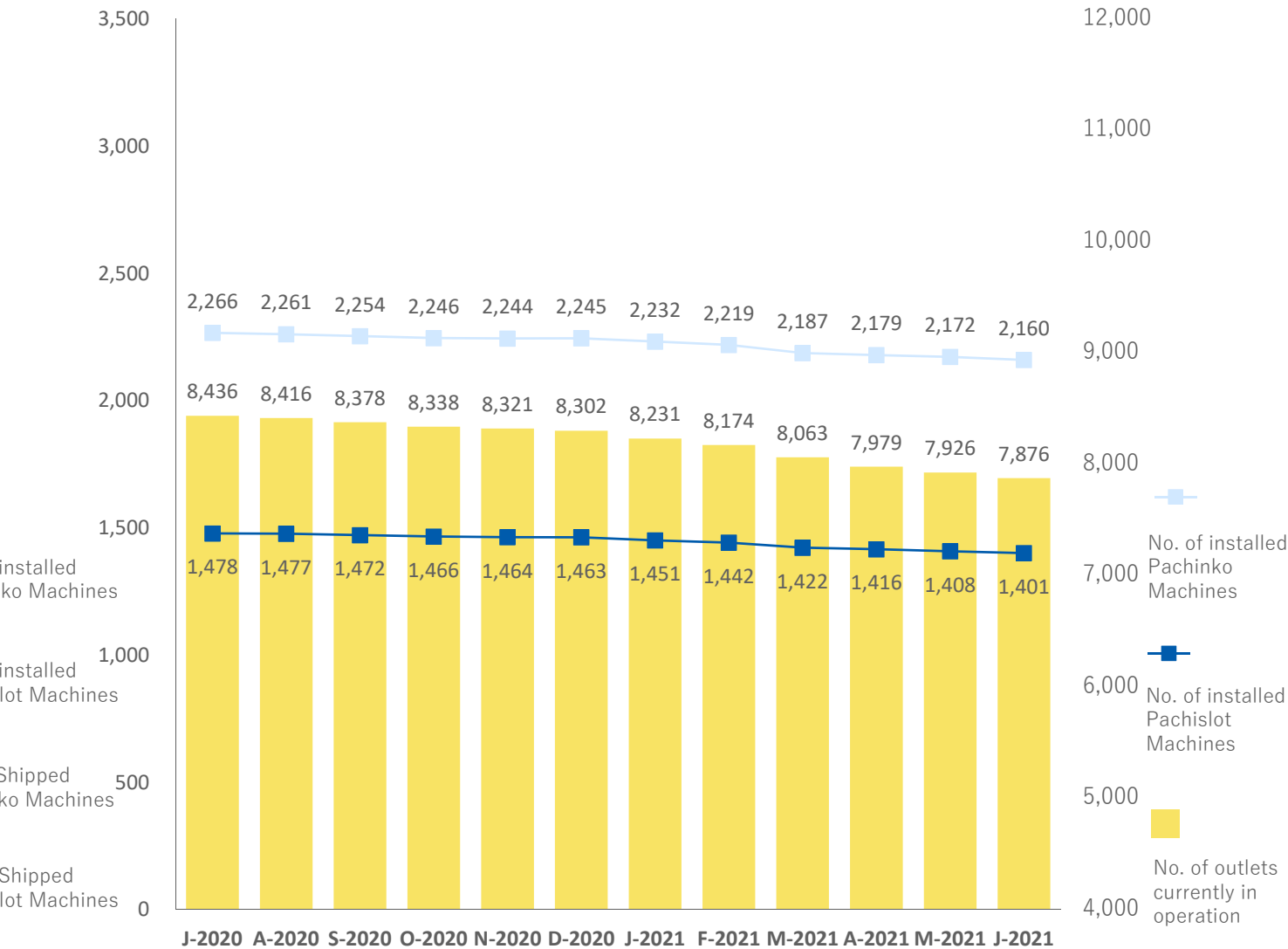
million yen	FY 3/2015	FY 3/2016	FY 3/2017	FY 3/2018	FY 3/2019	FY 3/2020	FY 3/2021	FY 3/2022E
Net Sales	146,579	137,130	81,455	86,220	88,558	78,416	58,129	73,000
Operating Income	13,233	18,826	5,059	10,181	21,286	12,551	6,587	8,900
Recurring Income	14,870	19,965	3,832	11,319	22,300	13,476	7,488	9,600
Net Income	8,728	10,485	1,777	5,550	13,384	13,045	5,749	6,600
Total Assets	434,648	414,183	390,585	396,291	399,585	325,232	292,104	
Total Net Assets	371,670	348,941	340,287	337,242	337,377	269,521	268,887	
DPS (Yen)	150.00	150.00	150.00	150.00	150.00	150.00	150.00	100.00
Return on Equity	2.2%	2.9%	0.5%	1.6%	4.0%	4.3%	2.1%	
Average ROE of five consecutive	4.5%	3.4%	2.5%	2.6%	2.3%	2.7%	2.5%	
Net Income Ratio	6.0%	7.6%	2.2%	6.4%	15.1%	16.6%	9.9%	
Total Asset Turnover	0.33	0.32	0.20	0.22	0.22	0.22	0.19	
Financial Leverage	1.13	1.18	1.17	1.16	1.18	1.19	1.15	

Pachinko/Pachislot Machine Market

Market size



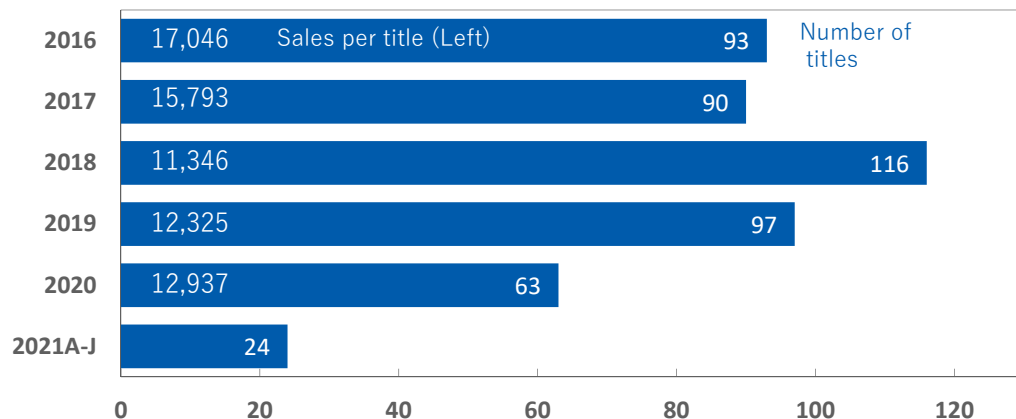
Situation of Parlors that Are Members of Zennichiuren for recent a year



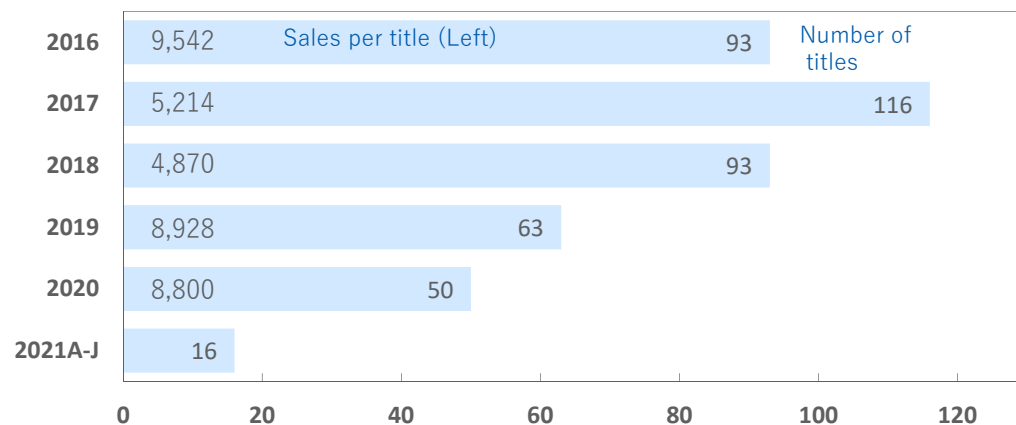
Source: National Police Agency, Yano Research Institute, Zennichiuren

Number of Titles Sold (All Manufacturers)

Pachinko machines



Pachislot machines



※ Estimates of SANKYO

Compliance with Format Inspection

	2016	2017	2018	2019	2020	2021J-J
Applicant	864	875	711	945	912	510
Pass	396	361	336	430	295	175
Fail	458	463	333	560	499	298
SANKYO+JB	39	34	30	28	37	10
Bisty	8	6	9	19	8	5
SANKYO Group Total	47	40	39	47	45	15

including Arrange Ball, Jong-Kyu

	2016	2017	2018	2019	2020	2021J-J
Applicant	736	913	596	982	917	495
Pass	300	326	203	191	185	117
Fail	444	494	444	721	665	341
SANKYO	7	15	6	9	2	2
Bisty	8	3	3	3	8	2
SANKYO Group Total	15	18	9	12	10	4

including Palot

Source: Security Electronics and Communications Technology Association

Investor Relations Office Corporate Planning Division



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<https://www.sankyo-fever.co.jp/corporate/ir/>

【Notes of forecasts】

The Company's plans, strategies and forecasts, except historical facts, contained in this document may be subject to change due to factors of risk and uncertainty. Therefore, the Company does not guarantee their attainability explicitly or implicitly.

The Company assumes that the 'factors of potential risk and uncertainty' may include the economic climate, especially concerning the pachinko and pachislot markets which constitute the Company's main business field, competition in the market and competitiveness of the Company's products, and also include other unpredictable factors.