



February 8, 2022

For Immediate Release

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## Notice concerning Revision of the Forecast of the Financial Results for the Year Ending March 31, 2022

SANKYO Co., Ltd. today announced the revision of the forecast of financial results for fiscal 2022 (from April 1, 2021, to March 31, 2022) in view of the recent trend of the Company's financial performance. The previous forecast for fiscal 2022 was announced on May 13, 2021.

### [Revision of the forecast of consolidated financial results for the year ending March 31, 2022] (from April 1, 2021 to March 31, 2022)

(Millions of yen)

	Net sales	Operating income	Recurring income	Profit attributable to owners of parent	Net income per share (yen)
Previous forecast (A)	73,000	8,900	9,600	6,600	107.87
Revised forecast (B)	83,600	20,500	21,400	17,200	283.79
Difference (B-A)	10,600	11,600	11,800	10,600	-
% change	14.5	130.3	122.9	160.6	-
FY2021 results	58,129	6,587	7,488	5,749	93.97

### [Reasons for the revision]

The pachinko and pachislot industry is confronted by a challenging business environment because of some impacts of the worldwide semiconductor shortages, such as postponing the release of certain new models and restrictions on sales quantities in addition to the slow recovery of machine utilization at pachinko parlors due to the protracted pandemic. On the other hand, as the deadline for the removal of machines compliant with the former regulations was January 31, 2022, in line with the amendment of the Pachinko and Pachislot Machines Regulations, the complete shift to machines compliant with the new regulations reached the final phase.

In these circumstances, aiming to capture replacement demand with machines compliant with the new regulations, the Group focused on placing purchase orders for semiconductors and other parts in advance and procuring alternatives in order to minimize the impact of parts procurement difficulties, making an all-out effort to achieve sales targets. Regarding pachinko machines, the Group accumulated sales as planned. *Fever Mobile Suit Gundam Unicorn* introduced in the second quarter and *NEON GENESIS EVANGELION -Roar for tomorrow-* introduced in the third quarter both gained the enthusiastic support of players, and the machine utilization of these two titles was brisk, leading the pachinko market. They greatly contributed to the enhancement of the Group's brand power and their orders received and sales exceeded the forecasts. In the fourth quarter, while replacement demand is expected to slow down, additional sales of the above-mentioned major titles will underpin the Group's sales of pachinko machines. Regarding pachislot machines, on the other

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hand, the Group strategically postponed the introduction schedule for certain titles after the next fiscal year in order to refine them so as to ensure compliance with the new regulations.

As a result, the Group's forecast sales of pachinko machines and pachislot machines were revised from 154,000 units to 163,000 units and from 30,000 units to 22,000 units, respectively. Net sales and profits are expected to exceed the initial forecasts as indicated above mainly due to strong sales of the above-mentioned major titles. Profit attributable to owners of parent is expected to amount to ¥17.2 billion, reflecting the recording of gain on sales of investment securities due to the sales of a portion of the shares held by the Company for strategic shareholdings as announced on August 6, 2021.

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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