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Securities Code 6417  
June 9, 2022

## To Those Shareholders with Voting Rights

Akihiko Ishihara  
Representative Director, President & CEO  
SANKYO CO., LTD.  
3-29-14 Shibuya, Shibuya-ku, Tokyo, Japan

## NOTICE OF THE 57<sup>th</sup> ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to the 57<sup>th</sup> Ordinary General Meeting of Shareholders of the Company. The meeting will be held as stated below.

If you are unable to attend the meeting, you can exercise your voting rights in writing or via the Internet. Please review the Reference Documents for the General Meeting of Shareholders as described hereinafter, and exercise your voting rights by no later than 6:00 p.m. on Tuesday, June 28, 2022.

1. **Date and Time:** Wednesday, June 29, 2022 at 10:00 a.m.
2. **Place:** Star Room, The Westin Tokyo, B2F, 1-4-1 Mita, Meguro-ku, Tokyo (located within Yebisu Garden Place)
3. **Agenda of the Meeting:**
  - Matters to be reported:**
    1. Business Report, Consolidated Financial Statements for the 57<sup>th</sup> Fiscal Term (from April 1, 2021 to March 31, 2022) and results of audits by the Accounting Auditor and the Board of Statutory Auditors of the Consolidated Financial Statements
    2. Non-Consolidated Financial Statements for the 57<sup>th</sup> Fiscal Term (from April 1, 2021 to March 31, 2022)

**Proposals to be resolved:**

- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Partial Amendments to the Articles of Incorporation
- Proposal No. 3:** Election of Five Directors

## Reference Documents for the General Meeting of Shareholders

### Proposals and references

#### **Proposal No. 1: Appropriation of Surplus**

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.

The Company will effectively utilize retained earnings, such as for investment that contributes to the strengthening of product capabilities to ensure competitiveness is maintained in the persistently challenging pachinko and pachislot industry, with a view to enhancing corporate value.

For the 57th fiscal term, based on the above dividend policy, the Company proposes to pay a year-end dividend of ¥50 per share. Including the interim dividend of ¥50 per share, the amount of full-year dividends will be ¥100 per share.

#### Matters concerning the year-end dividends

(1) Type of dividend property

Dividends will be paid in cash.

(2) Appropriation of dividend property to shareholders and total amount

¥50 per share of the Company's common stock, for a total amount of ¥2,912,846,750

As a result, the annual dividend for this term, including interim dividend, would be ¥100 per share.

(3) Effective date of dividends from surplus

June 30, 2022

**Proposal No. 2: Partial Amendments to the Articles of Incorporation**

1. Reason for Amendments

The amended provisions stipulated in the proviso of Article 1 of the Supplementary Provisions to the Act Partially Amending the Companies Act (Act No. 70 of 2019) will come into force on September 1, 2022. Accordingly, in order to prepare for the introduction of the system for electronic provision of materials for general meetings of shareholders, the Articles of Incorporation of the Company shall be amended as follows.

- (1) The proposed Article 19, Paragraph 1 provides that information contained in the reference materials for the general meeting of shareholders, etc. shall be provided electronically.
- (2) The purpose of the proposed Article 19, Paragraph 2 is to establish a provision to limit the scope of matters to be included in the paper copy to be delivered to shareholders who have requested it.
- (3) The provisions related to the internet disclosure and deemed provision of the reference materials for the general meeting of shareholders, etc. (Article 19 of the current Articles of Incorporation) will become unnecessary and will therefore be deleted.
- (4) In line with the above establishment and deletion of the provisions, supplementary provisions related to the effective date, etc. shall be established.

2. Details of the Proposed Amendments

The details of the proposed amendments are stated below.

(Underlined parts are amended.)

Current Articles of Incorporation	Proposed Amendment
<p><u>(Disclosure via Internet and deemed provision of reference materials, etc. for General Meeting of Shareholders)</u></p> <p><u>Article 19. When convening the General Meeting of Shareholders, the Company may be deemed to have provided shareholders with necessary information that should be described or presented in statutory documents, including reference materials for the General Meeting of Shareholders, business reports, non-consolidated and consolidated financial statements, if they are disclosed via the Internet in accordance with the ministerial ordinance of Ministry of Justice.</u></p> <p>(Newly established)</p>	<p>(Deleted)</p> <p><u>(Measures for providing information in electronic format, etc.)</u></p> <p><u>Article 19. When the Company convenes a General Meeting of Shareholders, it shall take measures for providing information that constitutes the content of reference materials for the General Meeting of Shareholders, etc. in electronic format.</u></p> <p><u>2 Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by the Ministry of Justice Order from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</u></p>

Current Articles of Incorporation	Proposed Amendment
(Newly established)	<p style="text-align: center;">SUPPLEMENTARY PROVISIONS</p> <ol style="list-style-type: none"> <li>1 <u>The deletion of the current Article 19 (Disclosure via Internet and deemed provision of reference materials, etc. for General Meeting of Shareholders) of the Articles of Incorporation and the new establishment of the proposed amendment in Article 19 (Measures for providing information in electronic format, etc.) shall be effective from September 1, 2022, the date of enforcement of the amended provisions stipulated in the proviso of Article 1 of the Supplementary Provisions to the Act Partially Amending the Companies Act (Act No. 70 of 2019) (hereinafter referred to as the "Date of Enforcement").</u></li> <li>2 <u>Notwithstanding the preceding paragraph, the current Article 19 of the Articles of Incorporation shall be still effective for the General Meeting of Shareholders held on a date within six months from the Date of Enforcement.</u></li> <li>3 <u>These supplementary provisions shall be deleted on the date when six months have elapsed from the Date of Enforcement or three months have elapsed from the date of the General Meeting of Shareholders in the preceding paragraph, whichever is later.</u></li> </ol>

**Proposal No. 3: Election of Five Directors**

All five Directors of the Company will complete their terms of office at the closing of this General Meeting of Shareholders. Consequently, the Company proposes the election of five Directors.

The candidates for Directors are as follows:

No.	Name	Current position and assignment at the Company	Attendance at meetings of the Board of Directors
1	Reappointment Hideyuki Busujima	Director & Chairman	94% (15/16)
2	Reappointment Akihiko Ishihara	Representative Director, President & CEO	100% (16/16)
3	Reappointment Ichiro Tomiyama	Representative Director & Senior Executive Vice President & COO Supervising Sales & Marketing Division & Product Management Division	100% (16/16)
4	Reappointment Outside Director Independent Director Taro Kitani	Outside Director	100% (16/16)
5	Reappointment Outside Director Independent Director Hiroyuki Yamasaki	Outside Director	100% (16/16)

Note: The Company has entered into a directors and officers liability insurance contract, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with an insurance company. The said insurance contract covers damages including compensation for damages and litigation expenses to be borne by the insured. If candidates for Director assume the office of Director, they will become the insured under the said insurance contract, which is scheduled for renewal during their terms of office.

No.	Name (Date of birth)	Career summary, position, assignment	Number of shares of the Company held
1	Reappointment Hideyuki Busujima (September 30, 1952)	<p>June 1985 Executive Director of the Company</p> <p>January 1988 Senior Executive Director of the Company</p> <p>February 1992 Representative Senior Executive Director of the Company</p> <p>June 1992 Representative Director &amp; Senior Executive Vice President of the Company</p> <p>June 1996 Representative Director, President &amp; CEO of the Company</p> <p>April 2008 Representative Director, Chairman of the Board &amp; CEO of the Company</p> <p>April 2022 Director &amp; Chairman of the Company (to present)</p>	1,976,400

### Reasons for nomination as a candidate for Director

Ever since his appointment as Representative Director, President & CEO of the Company in 1996, Mr. Hideyuki Busujima has concentrated resources on the pachinko and pachislot machines businesses and contributed to the Company's development. As well as leading development, manufacturing, and sales of innovative models that set the pace in the industry, he launched the strategy to expand SANKYO as a group and established the foundation for the current three-brand structure. From 2008, as Representative Director, Chairman of the Board & CEO, he demonstrated his leadership for maintaining the Company's position as an industry leader and establishing a stable financial and management foundation despite the industry's challenging operating environment, and strove to enhance shareholder value. Having assumed the office of Director & Chairman in April 2022, he is supervising management based on a wealth of experience and knowledge of management.

The Company expects that his continuous performance of duties will contribute to sustainable enhancement of the Group's corporate value. Therefore, the Company has nominated Mr. Busujima as a candidate for Director.

Note: 1. Marf Corporation where Mr. Hideyuki Busujima serves as Representative Director has a transactional relationship with the Company pertaining to real estate leasing. Yoshii Country Club Co., Ltd. where Mr. Hideyuki Busujima serves as Representative Director has a transactional relationship with the Company pertaining to a tie-up for usage of shareholder benefit coupons.

Note: 2. Mr. Hideyuki Busujima and the Company had transactions for the purchase and sale of equipment in fiscal 2021. The transaction amount was determined based on the appraisal value.

No.	Name (Date of birth)	Career summary, position, assignment	Number of shares of the Company held	
2	Reappointment  Akihiko Ishihara (September 9, 1962)	April 2008	Operating Officer & General Manager of Sales Planning Department of the Company	17,700
		April 2010	Executive Operating Officer, Head of Administration Division & General Manager of General Affairs Department of the Company	
		April 2011	Senior Executive Operating Officer, Head of Administration Division & General Manager of General Affairs Department of the Company	
		June 2012	Director & Senior Executive Operating Officer, Head of Administration Division & General Manager of General Affairs Department of the Company	
		April 2015	Representative Director, President of Sankyo Excel Co., Ltd.	
		April 2020	Senior Executive Vice President, General Manager of Corporate Planning Division of the Company	
		June 2020	Director & Senior Executive Vice President, General Manager of Corporate Planning Division of the Company (Supervising Manufacturing Division and Administration Division)	
		April 2021	Representative Director & Senior Executive Vice President, General Manager of Corporate Planning Division of the Company(Supervising Manufacturing Division and Administration Division)	
		June 2021	Representative Director, President & COO of the Company	
April 2022	Representative Director, President & CEO of the Company (to present)			

#### Reasons for nomination as a candidate for Director

Since he joined the Company, Mr. Akihiko Ishihara has cultivated a wealth of business experience through his engagement in sales planning, administration, and corporate planning. He has been involved in wide-ranging aspects of the Group's management, including his service as Representative Director of SANKYO EXCEL CO., LTD., a consolidated subsidiary of the Company that plays a role in manufacturing, for five years from 2015, and has been striving to enhance corporate value. He assumed the office of Representative Director, President & Chief Operating Officer (COO) in June 2021. Having assumed the office of Representative Director, President & Chief Executive Officer (CEO) in April 2022, he is leading management, including implementation of a business strategy to increase market share and promotion of organizational reform.

The Company expects that his continuous performance of duties will contribute to sustainable enhancement of the Group's corporate value. Therefore, the Company has nominated Mr. Ishihara as a candidate for Director.

Note: No conflict of interest exists between the Company and Mr. Ishihara.

No.	Name (Date of birth)	Career summary, position, assignment and significant concurrent positions	Number of shares of the Company held
3	<p style="text-align: center;">Reappointment</p> <p>Ichiro Tomiyama (March 13, 1958)</p>	<p>April 2008      Operating Officer &amp; Deputy Head of Sales &amp; Marketing Division &amp; Regional General Manager for the Kinki &amp; Shikoku Region &amp; General Manager of Osaka Branch of the Company</p> <p>April 2009      Operating Officer &amp; Deputy Head of Sales &amp; Marketing Division &amp; Regional General Manager for the Kinki Region &amp; General Manager of Osaka Branch of the Company</p> <p>April 2010      Operating Officer &amp; Deputy Head of Sales &amp; Marketing Division of the Company</p> <p>April 2011      Operating Officer &amp; Regional General Manager for the Kinki Region &amp; General Manager of Osaka Branch of the Company</p> <p>April 2012      Executive Operating Officer, Head of Sales &amp; Marketing Division &amp; General Manager of Sales Strategy Department &amp; Senior General Manager of Head Office Sales Department of the Company</p> <p>April 2014      Executive Operating Officer, Head of Sales &amp; Marketing Division &amp; General Manager of Sales Strategy Department of the Company</p> <p>June 2014      Director &amp; Executive Operating Officer, Head of Sales &amp; Marketing Division &amp; General Manager of Sales Strategy Department of the Company</p> <p>April 2015      Director &amp; Senior Executive Operating Officer, Head of Sales &amp; Marketing Division &amp; General Manager of Sales Strategy Department of the Company</p> <p>February 2016    Director &amp; Senior Executive Operating Officer, Head of Sales &amp; Marketing Division &amp; Senior General Manager of Parlor Business Division &amp; General Manager of Sales Strategy Department of the Company</p> <p>April 2016      Director &amp; Senior Executive Operating Officer, Head of Sales &amp; Marketing Division &amp; Senior General Manager of Parlor Business Division of the Company</p> <p>April 2018      Director &amp; Senior Executive Vice President, Head of Sales &amp; Marketing Division &amp; Head of Product Management Division of the Company</p> <p>April 2022      Representative Director, Senior Executive Vice President &amp; COO of the Company Supervising Sales &amp; Marketing Division &amp; Product Management Division (to present)</p> <p>(Significant concurrent positions) Representative Director, President of JB Co., Ltd.</p>	13,300



### Reasons for nomination as a candidate for Director

Mr. Ichiro Tomiyama has gained a wealth of experience and a track record of achievements in the course of his career at the frontline of sales for many years. Since his appointment as Director & Senior Executive Operating Officer, he played a leading role in the continuous improvement of market share by strengthening marketing and promoting enhancement of the brand value of the Group in order to establish a position as a leading enterprise. He assumed the office of Director & Senior Executive Vice President in April 2018. Having assumed the office of Representative Director, Senior Executive Vice President & Chief Operating Officer (COO) in April 2022, he is supervising sales & marketing, product planning, and R&D divisions and promoting the sales strategy and strengthening of product capabilities.

The Company expects that his continuous performance of duties will contribute to sustainable enhancement of the Group's corporate value. Therefore, the Company has nominated Mr. Tomiyama as a candidate for Director.

Note: No conflict of interest exists between the Company and Mr. Tomiyama.

No.	Name (Date of birth)	Career summary, position, assignment	Number of shares of the Company held
4	Reappointment Outside Director Independent Director  Taro Kitani (May 4, 1976)	October 2004 Registered as attorney at law. Joined KOHWA SOHGOH LAW OFFICES (to present)  June 2015 Director of the Company (to present)	-

### Reasons for nomination as a candidate for Outside Director and expected role

Mr. Taro Kitani is well versed in corporate legal affairs as an attorney at law and has sufficient insight into corporate governance. He has been stating objective and fair opinions at meetings of the Board of Directors from a third-party perspective, considering the achievement of both economic performance and social performance. He is overseeing the Company's management appropriately and is contributing to strengthening of the Company's corporate governance.

Although Mr. Kitani has never been directly involved in corporate management, for the reasons stated above, the Company believes that he will continue to be able to adequately perform decision-making on important matters of the Company's management and oversight of business execution. He also meets the standards for Independent Directors defined by Tokyo Stock Exchange, Inc. and is unlikely to cause conflict of interest with general shareholders. Therefore, the Company has nominated Mr. Kitani as a candidate for Outside Director. The Company expects him to continue to fulfill the role stated above following his election.

Note:1. No conflict of interest exists between the Company and Mr. Kitani.

Note:2. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has entered into a liability limitation agreement with Mr. Kitani. The limit of his liability for damages in accordance with the said liability limitation agreement is the amount stipulated by laws and regulations. If his reelection is approved, the Company intends to continue the said liability limitation agreement with him.

Note:3. Mr. Kitani is a candidate for Outside Director. He is an Independent Director as defined in the Securities Listing Regulations of Tokyo Stock Exchange, Inc. If his election is approved, the Company intends to appoint him as Independent Director.

Note:4. Mr. Kitani has never been the Company's legal advisor.

Note:5. Mr. Kitani will have served as an Outside Director of the Company for seven years at the closing of this General Meeting of Shareholders.

No.	Name (Date of birth)	Career summary, position, assignment and significant concurrent positions	Number of shares of the Company held
5	Reappointment Outside Director Independent Director  Hiroyuki Yamasaki (September 5, 1954)	<p>October 1982    Joined Chuo Audit Corporation</p> <p>September 1994    Partner, Chuo Audit Corporation</p> <p>August 2000    Representative Partner, ChuoAoyama Audit Corporation</p> <p>October 2005    Executive Officer, ChuoAoyama Audit Corporation</p> <p>May 2006    Acting Chief Executive Officer, ChuoAoyama Audit Corporation</p> <p>November 2007    Senior Partner, Shin Nihon &amp; Co. (current Ernst &amp; Young ShinNihon LLC)</p> <p>August 2008    Managing Director, Ernst &amp; Young ShinNihon LLC</p> <p>July 2013    Auditor, Japan Venture Capital Association</p> <p>July 2017    President, CPA Hiroyuki Yamasaki Office (to present)</p> <p>June 2018    Director of the Company (to present)</p> <p>(Significant concurrent positions) Director &amp; Vice President of LAND BUSINESS CO., LTD. Outside Auditor of UACJ Corporation</p>	-

#### Reasons for nomination as a candidate for Outside Director and expected role

Mr. Hiroyuki Yamasaki has a wealth of professional knowledge on finance and accounting cultivated through his career as a certified public accountant. He also has many years of experience in conducting accounting audits of companies at audit firms. He is providing advice and suggestions on overall management from an independent, objective standpoint based on his expertise, including experience as a manager of a listed company, and is contributing to strengthening the effectiveness of the decision-making function and the oversight function of the Company's Board of Directors.

For the reasons stated above, the Company believes that he will continue to be able to adequately perform decision-making on important matters of the Company's management and oversight of business execution as an Outside Director. He also meets the standards for Independent Directors defined by Tokyo Stock Exchange, Inc. and is unlikely to cause conflict of interest with general shareholders. Therefore, the Company has nominated Mr. Hiroyuki Yamasaki as a candidate for Outside Director. The Company expects him to continue to fulfill the role stated above following his election.

Note:1. No conflict of interest exists between the Company and Mr. Yamasaki.

Note:2. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has entered into a liability limitation agreement with Mr. Yamasaki. The limit of his liability for damages in accordance with the said liability limitation agreement is the amount stipulated by laws and regulations. If his reelection is approved, the Company intends to continue the said liability limitation agreement with him.

Note:3. Mr. Yamasaki is a candidate for Outside Director. He is an Independent Director as defined in the Securities Listing Regulations of Tokyo Stock Exchange, Inc. If his election is approved, the Company intends to appoint him as Independent Director.

Note:4. Mr. Yamasaki will have served as an Outside Director of the Company for four years at the closing of this General Meeting of Shareholders.

**(Reference) Directors' and Statutory Auditors' Skills Matrix**

The Company's Board of Directors consists of a small number of Directors in order to be able to swiftly respond to change in the laws and regulations to which the Company's pachinko and pachislot machines businesses are subject, change in the environment of the industry, and so forth.

Regarding candidates for Director, the Company considers the important requirements for candidates for internal Director are that, in addition to their management judgment and executive ability, the persons have made contributions to the Company and have a track record of achievements and have experience and knowledge in the pachinko and pachislot machines businesses. As for candidates for Outside Director, in order to ensure diversity, the Company selects persons who have a high level of expertise in accounting, law, etc. and who can be expected to provide management advice, supervision, etc. from a neutral standpoint and from a broad perspective.

If Proposal No. 3 is approved and passed as originally proposed, the composition of the Board of Directors and the Board of Statutory Auditors will be as follows.

	Name	Position	Corporate Management	Insight into the Industry	Administration/ Corporate Planning/ Finance	Development	Manufacturing	Sales & Marketing	Legal Affairs / Compliance
Director	Hideyuki Busujima	Director & Chairman	●	●	●				●
	Akihiko Ishihara	Representative Director, President & CEO	●	●	●		●		
	Ichiro Tomiyama	Representative Director, Senior Executive Vice President & COO Supervising Sales & Marketing Division & Product Management Division	●	●		●		●	
	Taro Kitani	Outside Director		●					●
	Hiroyuki Yamasaki	Outside Director	●		●				●
Statutory Auditor	Takafumi Okubo	Standing Statutory Auditor		●	●				●
	Toshiaki Ishiyama	Statutory Auditor			●				
	Yoshiro Sanada	Outside Statutory Auditor							●
	Fumiyoshi Noda	Outside Statutory Auditor			●				

Note:1. Based on the expertise and experience of each person, up to four areas are marked for which the Company has particular expectations.

Note:2. The above list does not represent all the skills, etc. possessed by each person.