



Presentation on Business Results
for the First Half of FY 3/2023
(April 1, 2022 to September 30, 2022)

November 7, 2022

SANKYO CO., LTD.

Prime Market of the TSE #6417

Contents

| | |
|---|-----|
| ➤ Overview of Financial Results | P3 |
| Overview of Business | P14 |
| Surroundings of Pachinko and Pachislot Industry, And Initiatives of SANKYO | P19 |
| Appendix | P23 |

- ✓ Substantial increases in both net sales and profits compared with the same period of the previous year due to substantial increases in the sales volume of both pachinko machines and pachislot machines.
- ✓ Recording of extraordinary gains amounting to 3.3 billion yen , partly owing to the recording of gain on sales of investment securities.

Consolidated Financial Results

| | | | | |
|---|--------|-------------|-----|-------------|
| Net Sales | 69,963 | million yen | YoY | +149.3 % |
| Operating Income | 26,415 | million yen | | +806.4 % |
| Net Income attributable to owners of parent | 21,306 | million yen | | +365.7 % |
| Net Income per share | 366.86 | yen | | +292.16 yen |

Pachinko Machines Business

| | | | | |
|------------------|---------|-------------|-----|----------|
| Net Sales | 63,021 | million yen | YoY | +145.5 % |
| Operating Income | 28,275 | million yen | | +334.9 % |
| Sales of Unit | 144,304 | unit | | +137.6 % |

Pachislot Machines Business

| | | | | |
|------------------|--------|-------------|-----|--------------------|
| Net Sales | 4,751 | million yen | YoY | +320.1 % |
| Operating Income | 1,039 | million yen | | +2,508 million yen |
| Sales of Unit | 10,090 | unit | | +323.2 % |

Pachinko Pachislot Market

- ✓ The continuing difficulty in procuring electronic components and other parts has been a drag on pachinko and pachislot machine manufacturers, affecting the total number of pachinko and pachislot machines sold.
- ✓ Despite stable demand in the pachinko market, demand is shifting to pachislot machines because of brisk performance of #6.5 models.
- ✓ In the pachislot market, #6.5 models show strong machine utilization in parlors and business conditions in the pachislot market have been improving.

SANKYO Group

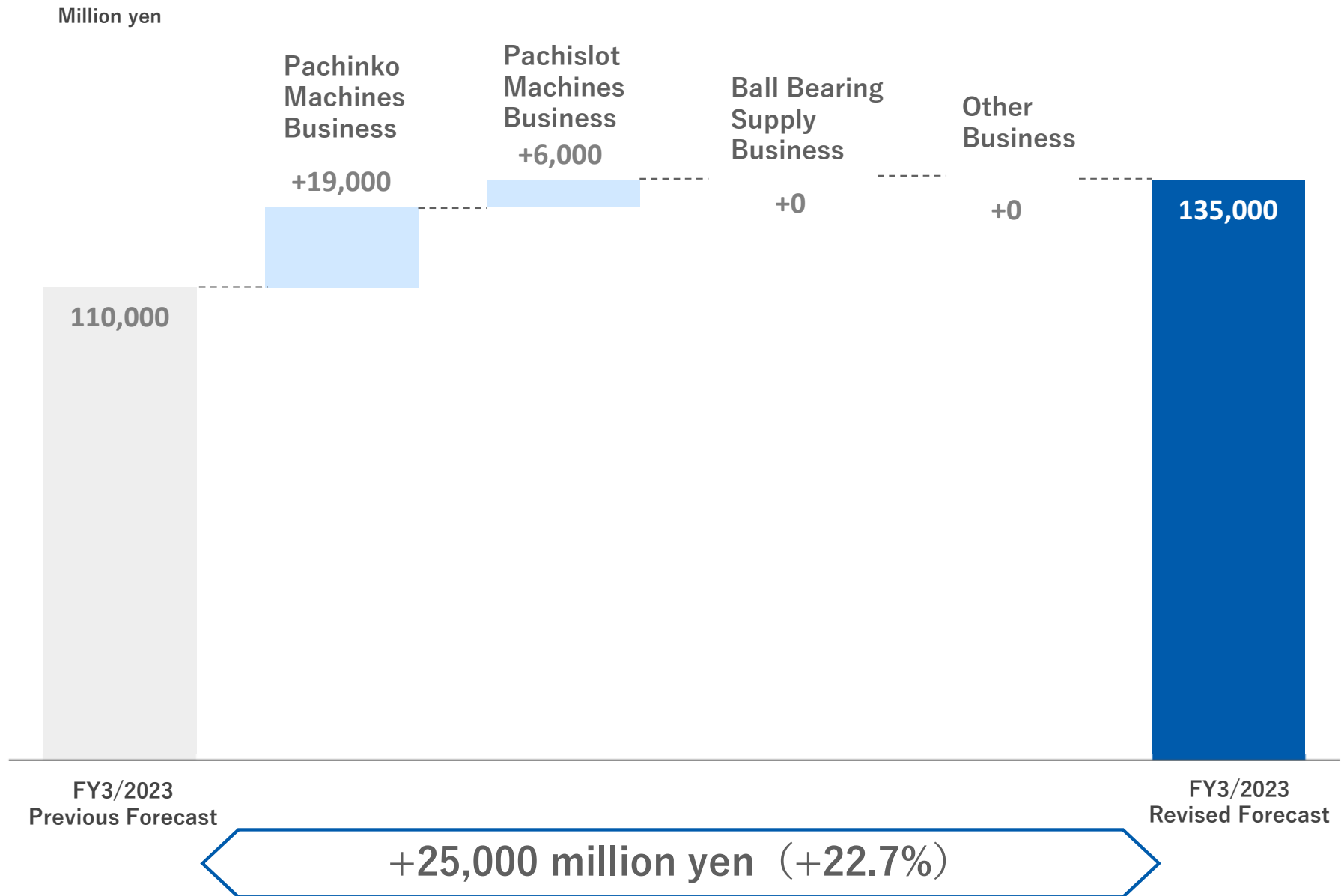
- Number of New Titles of Pachinko machine released : Five (Reused models etc. : Four)
- Number of New Titles of Pachislot machine released : One
- ✓ Against the backdrop of the enhanced brand power, the Group has received many inquiries about its products launched during the first six months of the fiscal year under review in general. Therefore, we were able to increase sales volumes at a pace not seen in recent years.
- ✓ Announced upward revision of the forecast of financial results for the full year based on strong performance up to the second quarter and expectation of continued strong performance in the second half. (disclosed in October 17, 2022)

Revision of the Forecast of the Financial Results for the Year Ending March 31, 2023

(Disclosed in October 17, 2022)

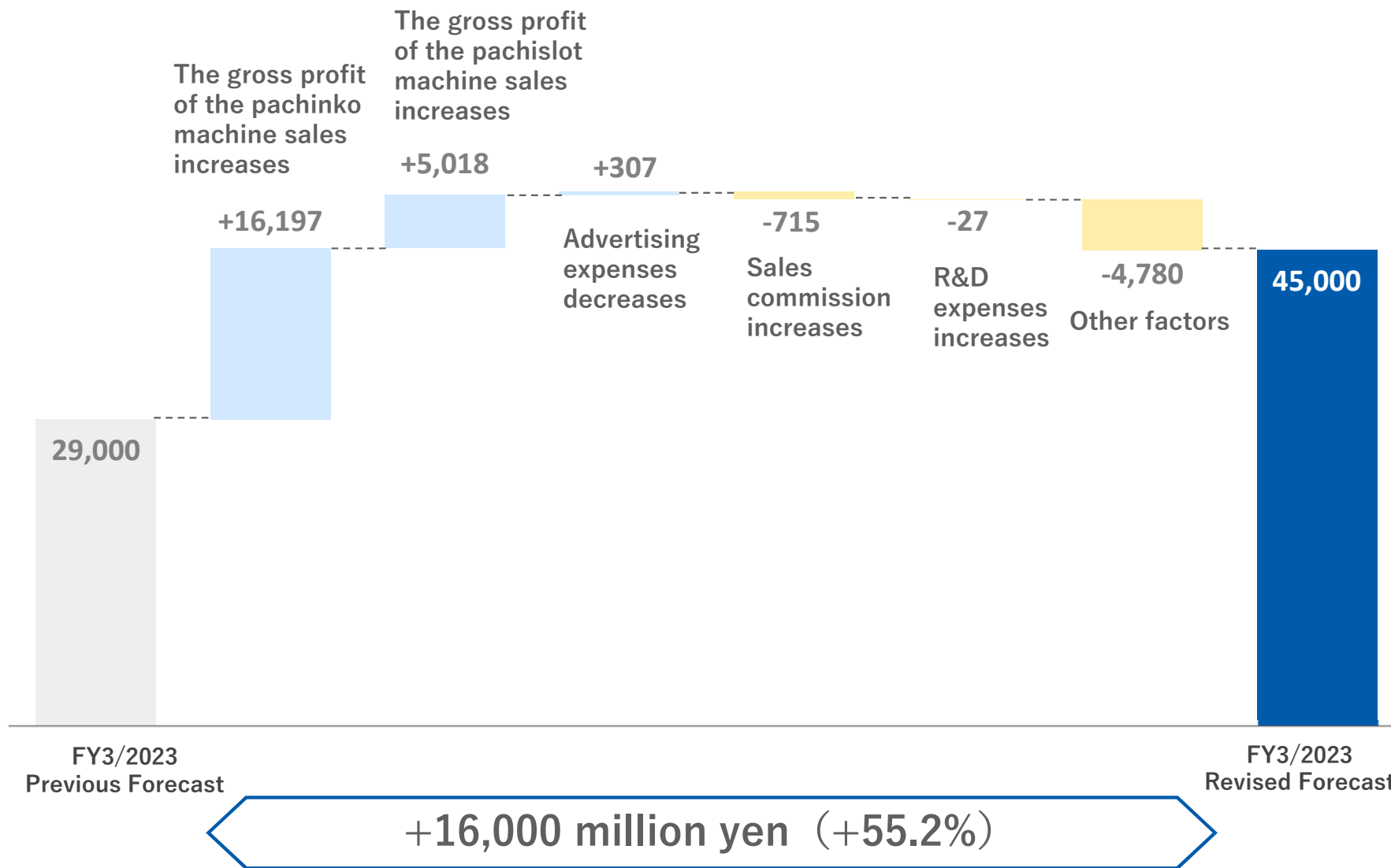
| million yen | FY 3/2022 Results | FY 3/2023 Forecast | FY 3/2023 Revised Forecast | Variance from FY 3/2022 | Variance from Previous Forecast |
|--|----------------------|-----------------------|-------------------------------|----------------------------|------------------------------------|
| Net Sales | 84,857 | 110,000 | 135,000 | +50,143 (+59.1%) | +25,000 (+22.7%) |
| Operating Income | 21,357 | 29,000 | 45,000 | +23,643 (+110.7%) | +16,000 (+55.2%) |
| Percentage | 25.2% | 26.4% | 33.3% | +8.1pt | +6.9pt |
| Recurring Income | 22,257 | 29,500 | 46,000 | +23,743 (+106.7%) | +16,500 (+55.9%) |
| Net Income attributable to owners of parent | 18,466 | 20,000 | 35,000 | +16,534 (+89.5%) | +15,000 (+75.0%) |
| Pachinko machine Sales of Unit (unit) | 164,590 | 210,000 | 250,000 | +85,410 (+51.9%) | +40,000 (+19.0%) |
| Pachislot machine Sales of Unit (unit) | 22,433 | 30,000 | 40,000 | +17,567 (+78.3%) | +10,000 (+33.3%) |

Factors of Change in Consolidated Net Sales (Variance from Previous Forecast)



Factors of Change in Consolidated Operating Income (Variance from Previous Forecast)

Million yen

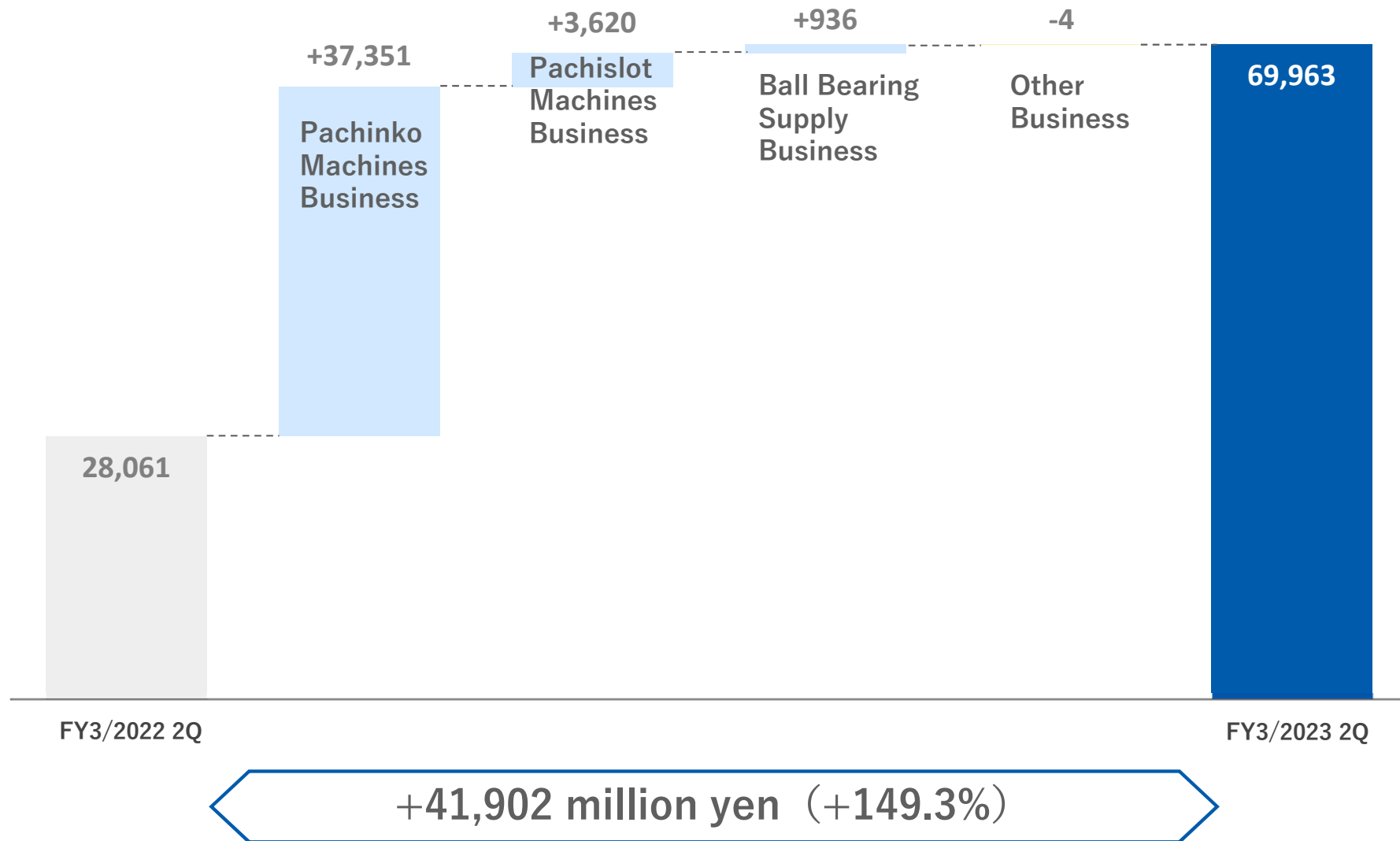


Summary of Financial Results

| million yen | FY 3/2022 2Q | FY 3/2023 2Q | YoY | FY 3/2023 Forecast | |
|--|---------------|---------------|----------------|--------------------|----------------|
| Net Sales | 28,061 | 69,963 | +41,902 | +149.3% | 135,000 |
| Pachinko Machines Business | 25,670 | 63,021 | +37,351 | +145.5% | 112,400 |
| Pachislot Machines Business | 1,131 | 4,751 | +3,620 | +320.1% | 17,300 |
| Cost of Sales | 13,132 | 29,238 | +16,106 | +122.6% | 56,000 |
| Gross Profit | 14,928 | 40,724 | +25,796 | +172.8% | 79,000 |
| Percentage | 53.2% | 58.2% | +5.0pt | | 58.5% |
| SG & A Expenses | 12,014 | 14,308 | +2,294 | +19.1% | 34,000 |
| Operating Income | 2,914 | 26,415 | +23,501 | +806.4% | 45,000 |
| Percentage | 10.4% | 37.8% | +27.4pt | | 33.3% |
| Pachinko Machines Business | 6,501 | 28,275 | +21,774 | +334.9% | 43,700 |
| Pachislot Machines Business | (1,469) | 1,039 | +2,508 | | 6,200 |
| Recurring Income | 3,409 | 26,842 | +23,433 | +687.3% | 46,000 |
| Net Income attributable to owners of parent | 4,575 | 21,306 | +16,731 | +365.7% | 35,000 |

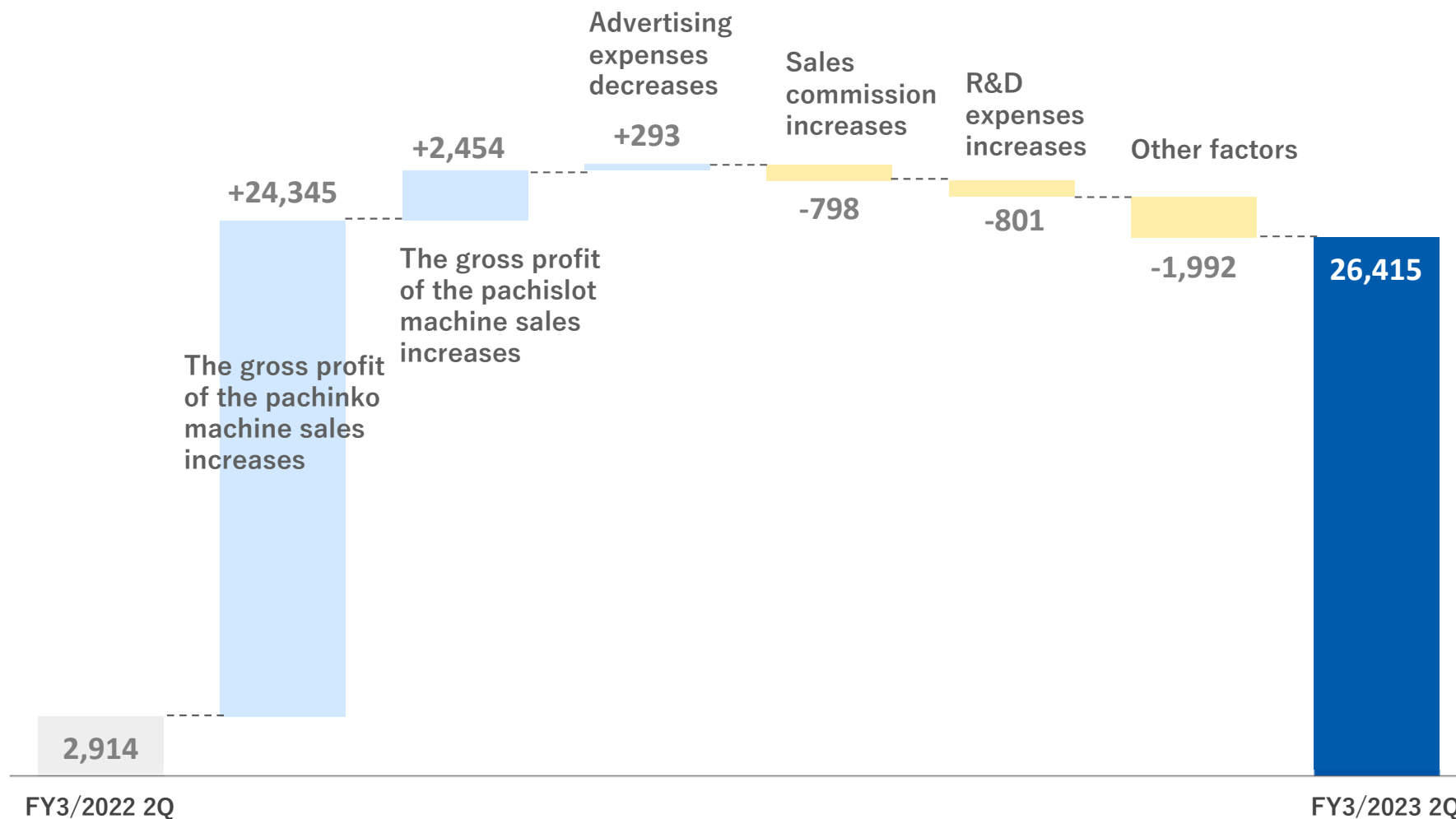
Factors of Change in Consolidated Net Sales

Million yen



Factors of Change in Consolidated Operating Income

Million yen



+23,501 million yen (+806.4%)

Costs and Expenses

| million yen | FY 3/2022 2Q | FY 3/2023 2Q | YoY | | FY 3/2023 Forecast |
|-----------------------------|--------------|--------------|--------|--------|--------------------|
| SG & A Expenses | 12,014 | 14,308 | +2,294 | +19.1% | 34,000 |
| Advertising Expenses | 1,204 | 911 | -293 | -24.3% | 1,999 |
| Sales Commission | 949 | 1,747 | +798 | +84.1% | 5,953 |
| R&D Expenses | 5,647 | 6,448 | +801 | +14.2% | 14,997 |
| Salaries & Wages | 1,139 | 1,265 | +126 | +11.1% | 2,986 |
| Depreciation & Amortization | 960 | 707 | -253 | -26.4% | 1,854 |
| Capital Expenditure | 969 | 889 | -80 | -8.3% | 3,472 |

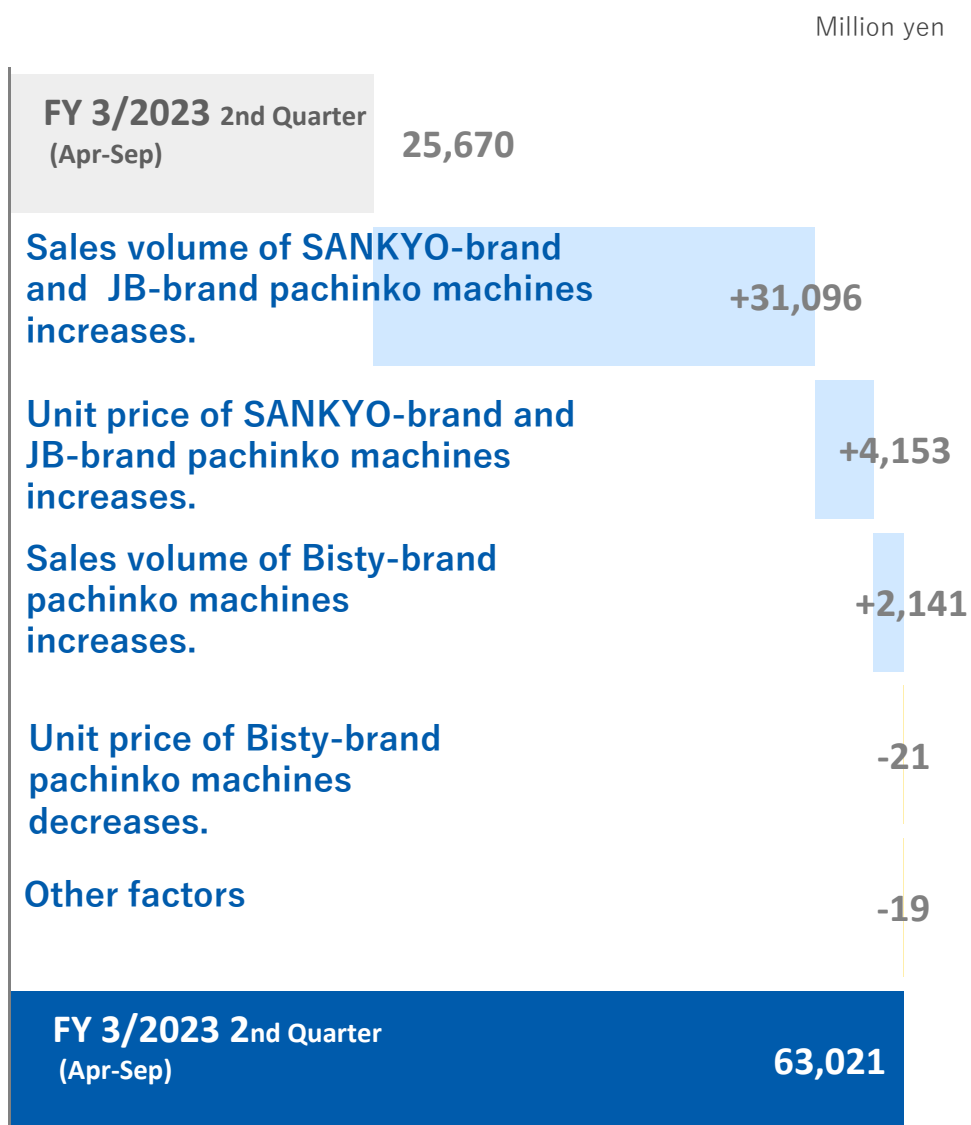
Summary of Balance Sheet

| million yen | As of 31-Mar-22 | As of 30-Sep-22 | YoY | Factors of Change |
|---|-----------------|-----------------|----------------|---|
| Total current assets | 264,859 | 276,779 | +11,920 | |
| Quick assets | 250,242 | 262,558 | +12,316 | Increases in cash and deposits and notes and accounts receivable-trade, and contract assets |
| Total fixed assets | 44,353 | 42,499 | -1,854 | |
| Investment securities | 13,288 | 10,220 | -3,068 | Sales of a portion of the investment securities |
| Total assets | 309,213 | 319,278 | +10,065 | |
| Total current liabilities | 30,946 | 24,412 | -6,534 | Decreases in electronically recorded obligations-operating and notes and accounts payable-trade |
| Total long-term liabilities | 8,147 | 8,153 | +6 | |
| Total liabilities | 39,093 | 32,565 | -6,528 | |
| Total net assets | 270,120 | 286,712 | +16,592 | Decreases in cash dividends paid and retained earnings (purchase and cancellation of treasury stock) and addition of net income |
| Total liabilities and total net assets | 309,213 | 319,278 | +10,065 | |

Contents

| | |
|---|------------|
| Overview of Financial Results | P3 |
| ➤ Overview of Business | P14 |
| Surroundings of Pachinko and Pachislot Industry, And Initiatives of SANKYO | P19 |
| Appendix | P23 |

Factors of Change in Net sales



Data

| million yen | FY 3/2022 2Q | FY 3/2023 2Q | YoY |
|------------------|--------------|--------------|---------|
| Net Sales | 25,670 | 63,021 | +37,351 |
| Operating Income | 6,501 | 28,275 | +21,774 |
| Percentage | 25.3% | 44.9% | +19.5pt |
| units | | | |
| Machines sales | 60,740 | 144,304 | +83,564 |
| SANKYO+JB | 46,857 | 125,060 | +78,203 |
| Frame | 42,156 | 72,053 | +29,897 |
| Gauge | 4,701 | 53,007 | +48,306 |
| Bisty | 13,883 | 19,244 | +5,361 |
| Frame | 11,812 | 12,162 | +350 |
| Gauge | 2,071 | 7,082 | +5,011 |

+37,351

Pachinko Machines Business



©大森藤ノ・SBクリエイティブ/ダンまち2製作委員会

1Q



原作/藤田和日郎「からくりサーカス」(小学館少年サンデーコミックス刊) / ©藤田和日郎・小学館/ツインエンジン Licensed by Sony Music Labels Inc.

2Q



©Project シンフォギア G X ©Project シンフォギア AXZ

3Q



©カラー TM & © TOHO CO., LTD.

4Q

New Title
x 9 ⇒ 10*

*Revise on No. of titles

Reused
Models etc.

SANKYO
Fever Danmachi

SANKYO
Fever Fafner Dead Aggressor 3
EXODUS "Chou Soukyu" 3800 ver.

SANKYO
Fever THE iDOLM@STER
MILLION LIVE! 39 fes / Light ver.

(Resale)

SANKYO
Fever Mobile Suit Gundam Unicorn

Bisty
Fever Star Blazers: Space Battleship
Yamato 2202 -ONLY ONE-

SANKYO
Fever Karakuri Circus

SANKYO
Fever Symphogear 3 Ogon Zessho

Bisty
Fever Star Blazers: Space Battleship
Yamato 2202 Light ver.

JB
Fever Queen RUSH

Bisty
GODGILLA vs EVANGELION
-G-cells awakening-

SANKYO
Fever Macross Frontier 4 88 ver.

(Resale)

Bisty
NEON GENESIS EVANGELION
-Roar for tomorrow-

JB
DAI-KAI-OH

SANKYO
x 2

Sales of Unit

62,991 units

81,313 units

- units

- units

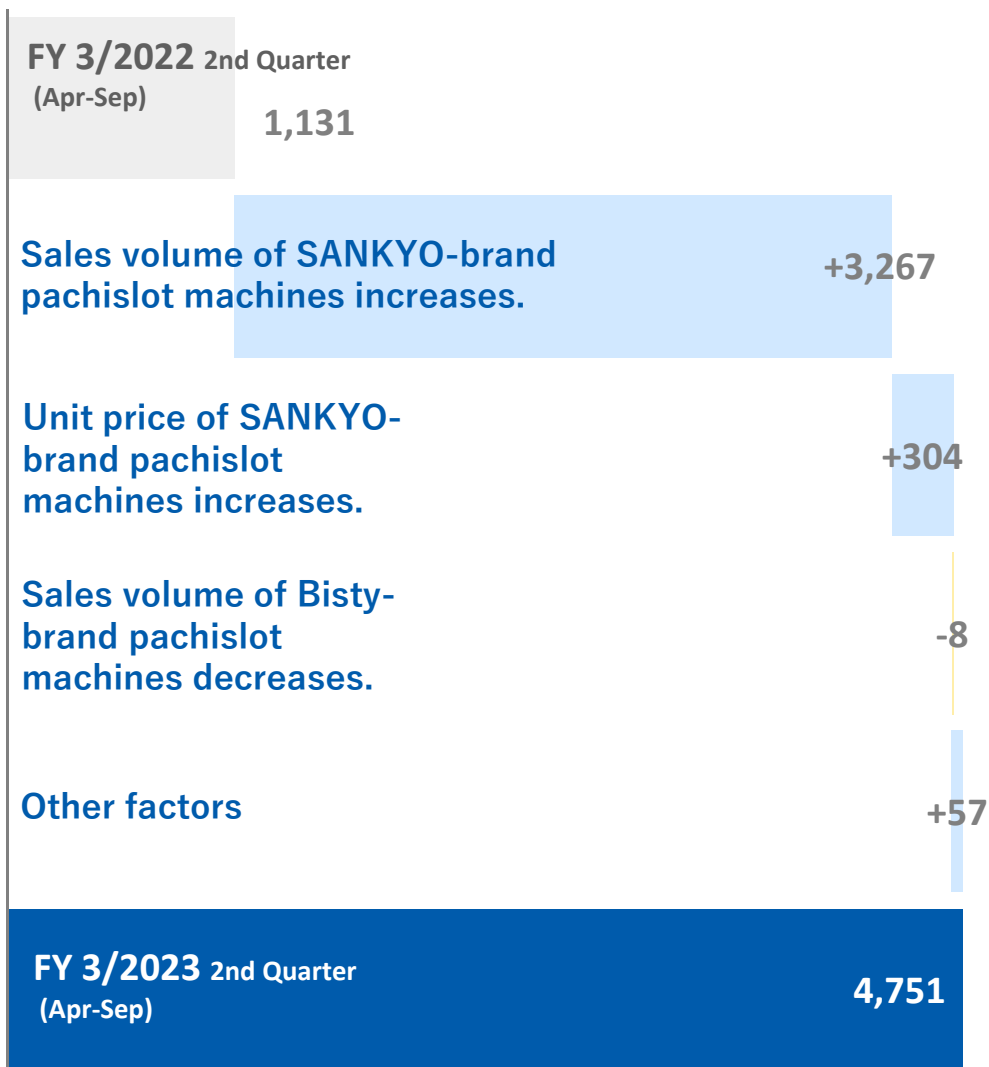
Progress

144,304 units (57.7%)

FY 3/2023 Forecast
250,000 units

Factors of Change in Net sales

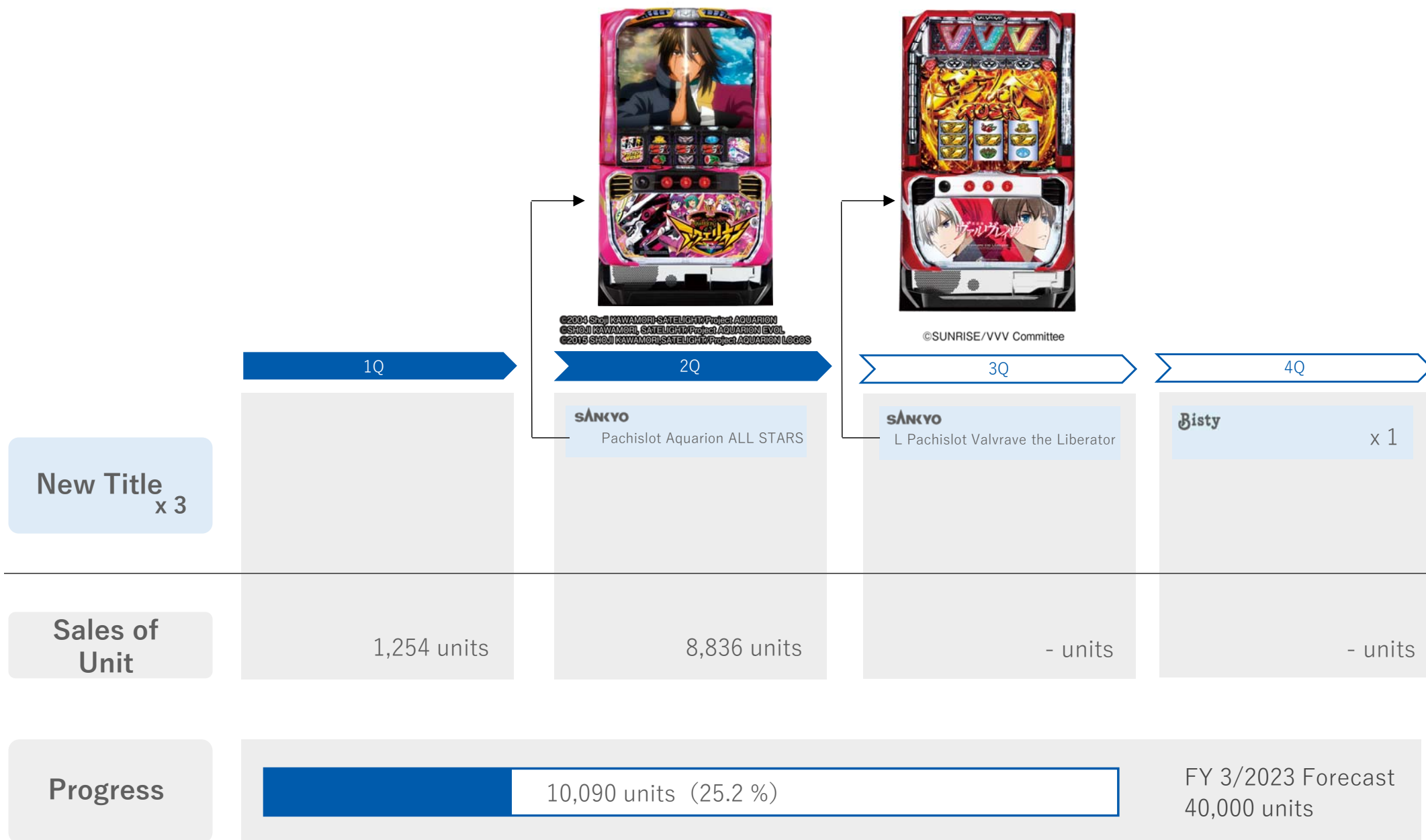
Million yen



Data

| million yen | FY 3/2022 2Q | FY 3/2023 2Q | YoY |
|------------------|--------------|--------------|--------|
| Net Sales | 1,131 | 4,751 | +3,620 |
| Operating Income | (1,469) | 1,039 | +2,508 |
| Percentage | (129.9%) | 21.9% | |
| units | | | |
| Machines sales | 2,384 | 10,090 | +7,706 |
| SANKYO | 2,361 | 10,090 | +7,729 |
| Bisty | 23 | 0 | -23 |

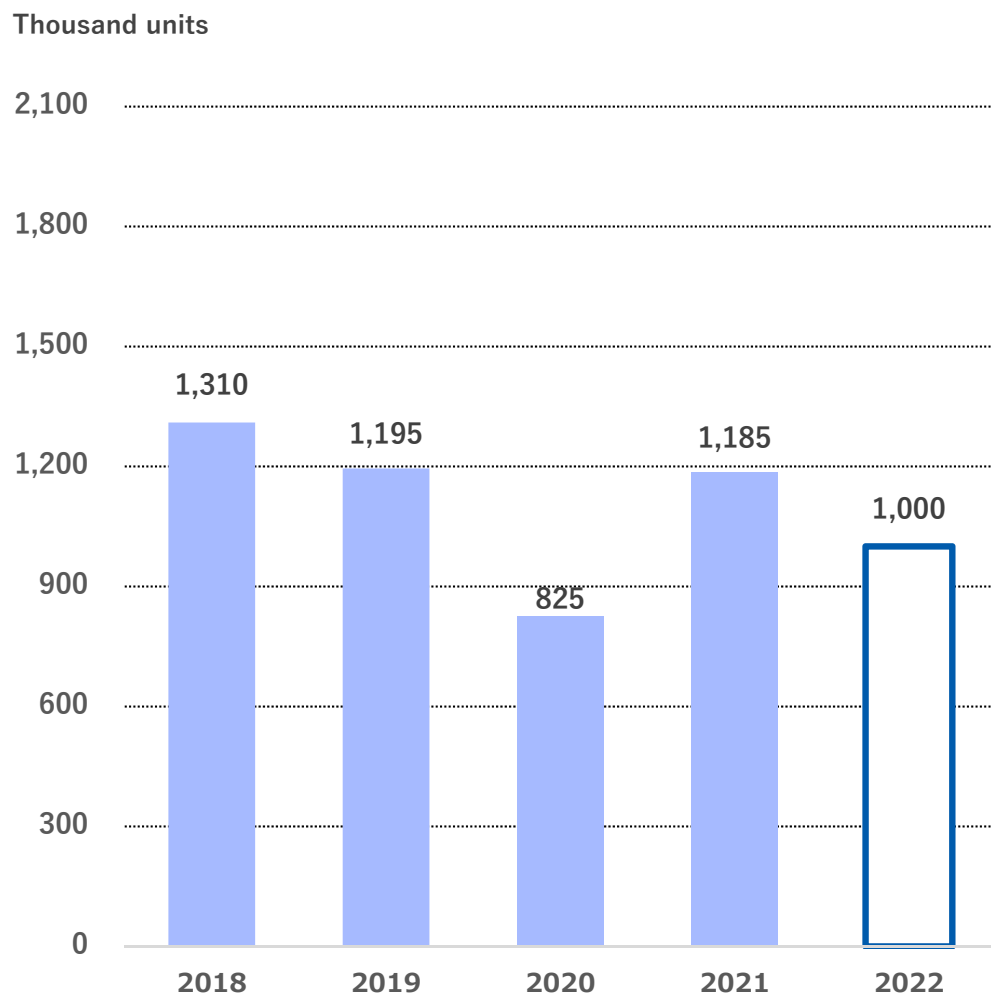
Pachislot Machines Business



Contents

| | |
|---|------------|
| Overview of Financial Results | P3 |
| Overview of Business | P14 |
| ➤ Surroundings of Pachinko and Pachislot Industry, And Initiatives of SANKYO | P19 |
| Appendix | P23 |

Sales Volume



※ Estimates of SANKYO

Sales volume forecast FY2023 : 1,000^{thousand units}

(April 1, 2022 to March 31, 2023)

Total number of units sold

Approx. 530^{thousand units} YoY Approx. -13%

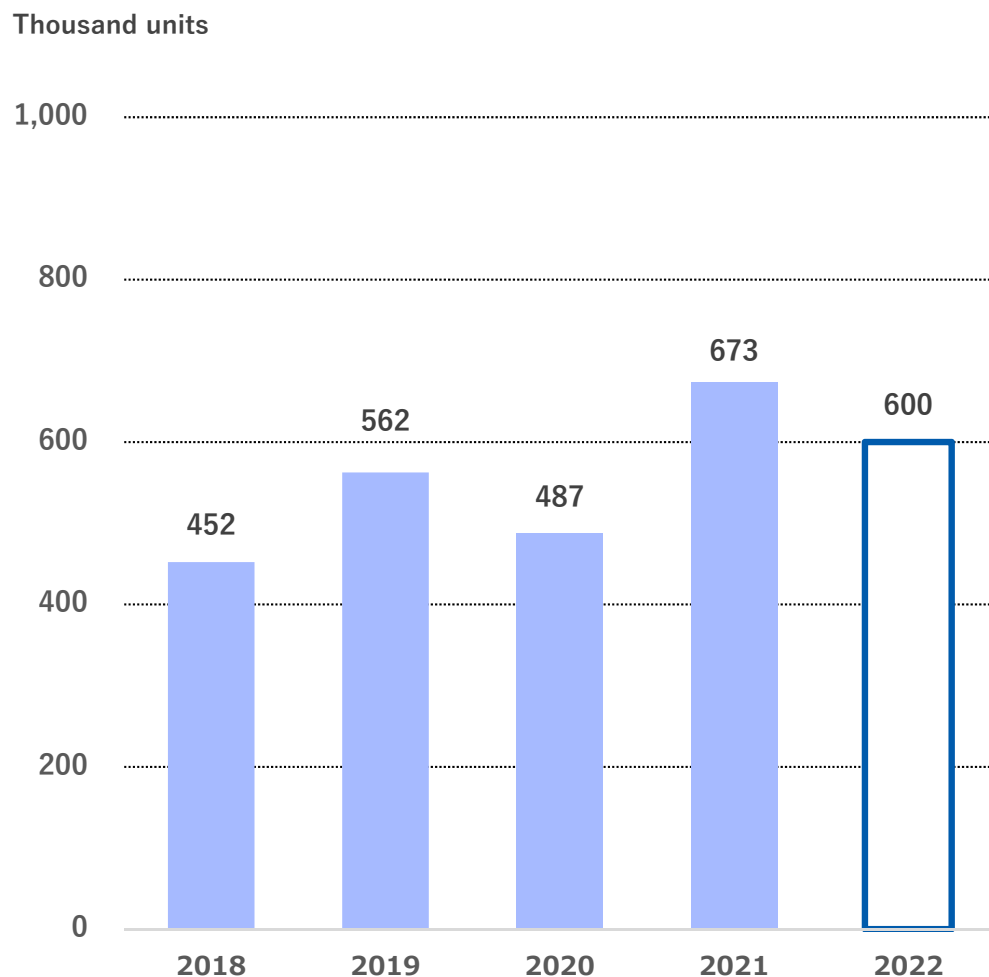
(April to September, 2022)

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

(April to September)

- ✓ Total sales volume in the period from April to September, 2022 fell short of the same period of the previous year.
 - The continuing difficulty in procuring electronic components and other parts has been a drag on pachinko and pachislot machine manufacturers.
- ✓ It is assumed that there is also stable demand after third quarter.
 - Given the favorable reception of #6.5 models of pachislot machines, demand is expected to shift to pachislot machines for the time being, but stable demand for pachinko machines is expected to continue.
 - Smart pachinko is expected to be released after April, 2023

Sales Volume



Source: Yano Research Institute ※2022 : Estimate of SANKYO

Sales volume forecast FY2023 : **600** thousand units

(April 1, 2022 to March 31, 2023)

Total number of units sold

Approx. **240** thousand units YoY Approx. +9%

(April to September, 2022)

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

(April to September)

- ✓ Total sales volume in the period from April to September, 2022 exceeds the same period of the previous year.
 - Although the sales volume for first quarter was in low level, total sales volume until second quarter have recovered to the level that exceeds the same period of the previous year due to the full-scale introduction of #6.5 models.
- ✓ Strong demand is expected to continue from the third quarter onward.
 - Strong demand is expected to continue because #6.5 models have obtained popularity from players.
 - In view of the scheduled introduction of Smart Pachislot machines in November, business conditions in the pachislot market are expected to further improve.

- Aim to increase the Group's share of sales in the pachinko market and improve the Group's presence in the pachislot market
- Implement all possible measures to deal with the shortage of electronic components and achieve business progress as planned

Q1-Q2

- ✓ Launch of main pachinko machine titles and pachinko machine titles equipped with new IP
 - Release of main pachinko title "Fever Symphogear 3 Ogon Zessho".
 - Release of the new IP titles including "Fever Danmachi" and "Fever Karakuri Circus".
- ✓ Additional sales of "Fever Mobile Suit Gundam Unicorn" that released in the previous year.
 - Maintaining high machine utilization ever since its release in August 2021. Additional sales for the third time
- ✓ Having kept to a minimum in the impact of the shortage of electronic components
 - The group have met demand exceeding initially planned sales units as much as possible, and achieved results exceeding the initial sales forecast.

From Q3 onward

- ✓ Strive to minimize the impact of the shortage of electronic components continuously
 - The group secures parts by measures, such as advance procurement, expansion of procurement channels.
- ✓ Launch of smart pachislot title
 - Release of SANKYO Group's first smart pachislot "L Pachislot Valvrave the Liberator" in November, 2022.
- ✓ Launch of several new models featuring new IPs that the Group hopes to make into future main product series.
 - The Group plan to release pachinko title "GODGILLA vs EVANGELION -G-cells awakening-" in December, 2022 and are ready to release other new IP title.

Contents

| | |
|---|------------|
| Overview of Financial Results | P3 |
| Overview of Business | P14 |
| Surroundings of Pachinko and Pachislot Industry, And Initiatives of SANKYO | P19 |
| ➤ Appendix | P23 |

Business Results for the Second Quarter of FY 3/2023

| Consolidated: million yen | FY 3/2022 | FY 3/2023 | YoY | Forecast | FY 3/2022 | | | | FY 3/2023 | | |
|---------------------------|-----------|-----------|---------|-----------|-----------|---------|--------|---------|-----------|---------|---------|
| | 6 Months | 6 Months | | Full Year | Q1 | Q2 | Q3 | Q4 | FY | Q1 | Q2 |
| Net Sales | 28,061 | 69,963 | +41,902 | 135,000 | 10,932 | 17,129 | 42,283 | 14,513 | 84,857 | 27,763 | 42,200 |
| Pachinko | 25,670 | 63,021 | +37,351 | 112,400 | 9,189 | 16,481 | 36,107 | 10,083 | 71,860 | 26,431 | 36,590 |
| Pachislot | 1,131 | 4,751 | +3,620 | 17,300 | 1,029 | 102 | 4,504 | 3,256 | 8,891 | 628 | 4,123 |
| Ball Bearing Supply | 1,163 | 2,099 | +936 | 5,100 | 663 | 500 | 1,619 | 1,113 | 3,895 | 660 | 1,439 |
| Other Business | 95 | 91 | -4 | 200 | 49 | 46 | 54 | 61 | 210 | 42 | 49 |
| Cost of Sales | 13,132 | 29,238 | +16,106 | 56,000 | 4,779 | 8,353 | 17,339 | 6,566 | 37,037 | 12,221 | 17,017 |
| Gross Profit | 14,928 | 40,724 | +25,796 | 79,000 | 6,153 | 8,775 | 24,944 | 7,947 | 47,819 | 15,541 | 25,183 |
| SG & A Expenses | 12,014 | 14,308 | +2,294 | 34,000 | 5,385 | 6,629 | 7,824 | 6,624 | 26,462 | 6,086 | 8,222 |
| Operating Income | 2,914 | 26,415 | +23,501 | 45,000 | 768 | 2,146 | 17,119 | 1,324 | 21,357 | 9,455 | 16,960 |
| Pachinko | 6,501 | 28,275 | +21,774 | 43,700 | 1,981 | 4,520 | 15,958 | 1,683 | 24,142 | 10,963 | 17,312 |
| Pachislot | (1,469) | 1,039 | +2,508 | 6,200 | (338) | (1,131) | 2,008 | 646 | 1,185 | (289) | 1,328 |
| Ball Bearing Supply | (45) | 4 | +49 | 200 | (22) | (23) | 134 | 26 | 115 | (12) | 16 |
| Other Business | 16 | 6 | -10 | 0 | 4 | 12 | 12 | 13 | 41 | 1 | 5 |
| Elimination/Corporate | (2,089) | (2,909) | -820 | (5,100) | (857) | (1,232) | (994) | (1,045) | (4,128) | (1,207) | (1,702) |
| Recurring Income | 3,409 | 26,842 | +23,433 | 46,000 | 1,192 | 2,217 | 17,442 | 1,406 | 22,257 | 9,827 | 17,015 |
| Extra ordinary Gains | 2,681 | 3,301 | +620 | 3,301 | 13 | 2,668 | 5 | 644 | 3,330 | 1,305 | 1,996 |
| Extra ordinary Losses | 10 | 5 | -5 | 5 | 6 | 4 | 20 | 34 | 64 | 1 | 4 |
| Net Income | 4,575 | 21,306 | +16,731 | 35,000 | 944 | 3,631 | 12,374 | 1,517 | 18,466 | 7,931 | 13,375 |
| EPS: yen | | 366.86 | | 602.71 | | | | | 305.06 | | |

Machines sales: units

| | | | | | | | | | | | |
|-----------|--------|---------|---------|---------|--------|--------|--------|--------|---------|--------|--------|
| Pachinko | 60,740 | 144,304 | +83,564 | 250,000 | 22,300 | 38,440 | 77,754 | 26,096 | 164,590 | 62,991 | 81,313 |
| SANKYO+JB | 46,857 | 125,060 | +78,203 | 168,000 | 19,728 | 27,129 | 36,505 | 12,910 | 96,272 | 62,152 | 62,908 |
| Bisty | 13,883 | 19,244 | +5,361 | 82,000 | 2,572 | 11,311 | 41,249 | 13,186 | 68,318 | 839 | 18,405 |
| Pachislot | 2,384 | 10,090 | +7,706 | 40,000 | 2,367 | 17 | 10,224 | 9,825 | 22,433 | 1,254 | 8,836 |
| SANKYO | 2,361 | 10,090 | +7,729 | 30,000 | 2,344 | 17 | 9,992 | 57 | 12,410 | 1,254 | 8,836 |
| Bisty | 23 | 0 | -23 | 10,000 | 23 | 0 | 232 | 9,768 | 10,023 | 0 | 0 |

GP Margin/OP Margin

| Consolidated | FY 3/2022 | FY 3/2023 | YoY | Forecast | FY 3/2022 | FY 3/2023 | | | | | |
|--------------|-----------|-----------|---------|-----------|-----------|-----------|-------|-------|-------|-------|-------|
| | 6 Months | 6 Months | | Full Year | Q1 | Q2 | Q3 | Q4 | FY | Q1 | Q2 |
| GP Margin | 53.2% | 58.2% | +5.0pt | 58.5% | 56.3% | 51.2% | 59.0% | 54.8% | 56.4% | 56.0% | 59.7% |
| OP Margin | 10.4% | 37.8% | +27.4pt | 33.3% | 7.0% | 12.5% | 40.5% | 9.1% | 25.2% | 34.1% | 40.2% |

Expenses etc.

| Consolidated: million yen | FY 3/2022 | FY 3/2023 | YoY | Forecast | FY 3/2022 | FY 3/2023 | | | | | |
|---------------------------|-----------|-----------|------|-----------|-----------|-----------|-------|-------|--------|-------|-------|
| | 6 Months | 6 Months | | Full Year | Q1 | Q2 | Q3 | Q4 | FY | Q1 | Q2 |
| Sales Commission | 949 | 1,747 | +798 | 5,953 | 285 | 664 | 2,852 | 696 | 4,497 | 450 | 1,297 |
| Advertising Expenses | 1,204 | 911 | -293 | 1,999 | 571 | 633 | 239 | 292 | 1,735 | 201 | 710 |
| R&D Expenses | 5,647 | 6,448 | +801 | 14,997 | 2,558 | 3,089 | 2,685 | 3,650 | 11,982 | 2,969 | 3,479 |
| Salaries & Wages | 1,139 | 1,265 | +126 | 2,986 | 573 | 566 | 995 | 544 | 2,678 | 622 | 643 |
| Others | 3,075 | 3,937 | +862 | 8,065 | 1,398 | 1,677 | 1,053 | 1,442 | 5,570 | 1,844 | 2,093 |

Consolidated: million yen

| | | | | | | | | | | | |
|-----------------------------|-----|-----|------|-------|-----|-----|-----|-----|-------|-----|-----|
| Capital Expenditure | 969 | 889 | -80 | 3,472 | 431 | 538 | 493 | 413 | 1,875 | 569 | 320 |
| Depreciation & Amortization | 960 | 707 | -253 | 1,854 | 416 | 544 | 562 | 591 | 2,113 | 304 | 403 |

Consolidated

| | | | | | | | | | | | |
|------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| No. of Employees | 923 | 878 | -45 | 899 | 935 | 923 | 913 | 906 | 906 | 887 | 878 |
| No. of R&D Staff | 298 | 274 | -24 | 284 | 300 | 298 | 292 | 291 | 291 | 276 | 274 |

Indirect Sales Ratio

| | | | | | | | | | | | |
|--------------------|-------|-------|--------|-------|-------|-------|-------|-------|-------|-------|-------|
| SANKYO+JB Pachinko | 26.1% | 20.8% | -5.3pt | 21.6% | 28.0% | 26.1% | 27.3% | 26.9% | 26.9% | 23.9% | 20.8% |
| SANKYO Pachislot | 34.0% | 27.5% | +6.5pt | 27.5% | 34.0% | 34.0% | 34.6% | 34.6% | 34.6% | 6.1% | 27.5% |

Pachinko Machines Business

| Consolidated: million yen | FY 3/2022 | FY 3/2023 | YoY | Forecast | FY 3/2022 | | | | FY 3/2023 | | |
|---------------------------|-----------|-----------|---------|-----------|-----------|--------|--------|--------|-----------|--------|--------|
| | 6 Months | 6 Months | | Full Year | Q1 | Q2 | Q3 | Q4 | FY | Q1 | Q2 |
| Net Sales | 25,670 | 63,021 | +37,351 | 112,400 | 9,189 | 16,481 | 36,107 | 10,083 | 71,860 | 26,431 | 36,590 |
| Operating Income | 6,501 | 28,275 | +21,774 | 43,700 | 1,981 | 4,520 | 15,958 | 1,683 | 24,142 | 10,963 | 17,312 |
| Percentage | 25.3% | 44.9% | +19.5pt | 38.9% | 21.6% | 27.4% | 44.2% | 16.7% | 33.6% | 41.5% | 47.3% |

Machines sales: units

| | FY 3/2022 | FY 3/2023 | YoY | Forecast | FY 3/2022 | | | | FY 3/2023 | | |
|-----------|-----------|-----------|---------|-----------|-----------|--------|--------|--------|-----------|--------|--------|
| | 6 Months | 6 Months | | Full Year | Q1 | Q2 | Q3 | Q4 | FY | Q1 | Q2 |
| Pachinko | 60,740 | 144,304 | +83,564 | 250,000 | 22,300 | 38,440 | 77,754 | 26,096 | 164,590 | 62,991 | 81,313 |
| SANKYO+JB | 46,857 | 125,060 | +78,203 | 168,000 | 19,728 | 27,129 | 36,505 | 12,910 | 96,272 | 62,152 | 62,908 |
| Frame | 42,156 | 72,053 | +29,897 | 96,600 | 16,095 | 26,061 | 19,691 | 2,806 | 64,653 | 49,531 | 22,522 |
| Gauge | 4,701 | 53,007 | +48,306 | 71,400 | 3,633 | 1,068 | 16,814 | 10,104 | 31,619 | 12,621 | 40,386 |
| Bisty | 13,883 | 19,244 | +5,361 | 82,000 | 2,572 | 11,311 | 41,249 | 13,186 | 68,318 | 839 | 18,405 |
| Frame | 11,812 | 12,162 | +350 | 72,000 | 1,904 | 9,908 | 40,847 | 8,924 | 61,583 | 292 | 11,870 |
| Gauge | 2,071 | 7,082 | +5,011 | 10,000 | 668 | 1,403 | 402 | 4,262 | 6,735 | 547 | 6,535 |

Titles to Release

| FY 3/2023 | Series name | Brand | Release Date | No. of Models | Unit Sales | |
|-----------|--|--------|--------------|---------------|------------|---------|
| Q1 | Fever Mobile Suit Gundam Unicorn (Resale) | SANKYO | (Apr-22) | 1 | 11,100 | |
| | Fever THE iDOLM@STER MILLION LIVE! 39 fes / Light ver. | SANKYO | (Apr-22) | 2 | 16,200 | |
| | Fever Danmachi | SANKYO | (May-22) | 1 | 23,000 | |
| | Fever Fafner Dead Aggressor 3 EXODUS "Chou Soukyu" 3800 ver. | SANKYO | (Jun-22) | 1 | 12,000 | |
| Q2 | Fever Star Blazers: Space Battleship Yamato 2202 -ONLY ONE- | Bisty | (Jul-22) | 1 | 15,000 | |
| | Fever Karakuri Circus | SANKYO | (Aug-22) | 1 | 30,000 | |
| | Fever Symphogear 3 Ogon Zessho | SANKYO | (Sep-22) | 1 | 26,800 | Total |
| | Fever Star Blazers: Space Battleship Yamato 2202 Light ver. | Bisty | (Sep-22) | 1 | -- | 144,304 |
| Q3 | Fever Macross Frontier 4 88 ver. | SANKYO | (Oct-22) | 1 | -- | |
| | Fever Queen RUSH | JB | (Nov-22) | 1 | -- | |
| | GODGILLA vs EVANGELION -G-cells awakening- | Bisty | (Dec-22) | 1 | -- | |
| | NEON GENESIS EVANGELION -Roar for tomorrow- (Resale) | Bisty | (Dec-22) | 1 | -- | |
| Q4 | DAI-KAI-OH | JB | (Jan-23) | 1 | -- | |

Pachislot Machines Business

| Consolidated: million yen | FY 3/2022 | FY 3/2023 | YoY | Forecast | FY 3/2022 | | | | FY 3/2023 | | |
|---------------------------|-----------|-----------|--------|-----------|-----------|-----------|-------|-------|-----------|---------|-------|
| | 6 Months | 6 Months | | Full Year | Q1 | Q2 | Q3 | Q4 | FY | Q1 | Q2 |
| Net Sales | 1,131 | 4,751 | +3,620 | 17,300 | 1,029 | 102 | 4,504 | 3,256 | 8,891 | 628 | 4,123 |
| Operating Income | (1,469) | 1,039 | +2,508 | 6,200 | (338) | (1,131) | 2,008 | 646 | 1,185 | (289) | 1,328 |
| Percentage | (129.9%) | 21.9% | - | 35.8% | (32.8%) | (1108.8%) | 44.6% | 19.8% | 13.3% | (46.0%) | 32.2% |

Machines sales: units

| | FY 3/2022 | FY 3/2023 | YoY | Forecast | FY 3/2022 | | | | FY 3/2023 | | |
|-----------|-----------|-----------|--------|-----------|-----------|----|--------|-------|-----------|-------|-------|
| | 6 Months | 6 Months | | Full Year | Q1 | Q2 | Q3 | Q4 | FY | Q1 | Q2 |
| Pachislot | 2,384 | 10,090 | +7,706 | 40,000 | 2,367 | 17 | 10,224 | 9,825 | 22,433 | 1,254 | 8,836 |
| SANKYO | 2,361 | 10,090 | +7,729 | 30,000 | 2,344 | 17 | 9,992 | 57 | 12,410 | 1,254 | 8,836 |
| Bisty | 23 | 0 | -23 | 10,000 | 23 | 0 | 232 | 9,768 | 10,023 | 0 | 0 |

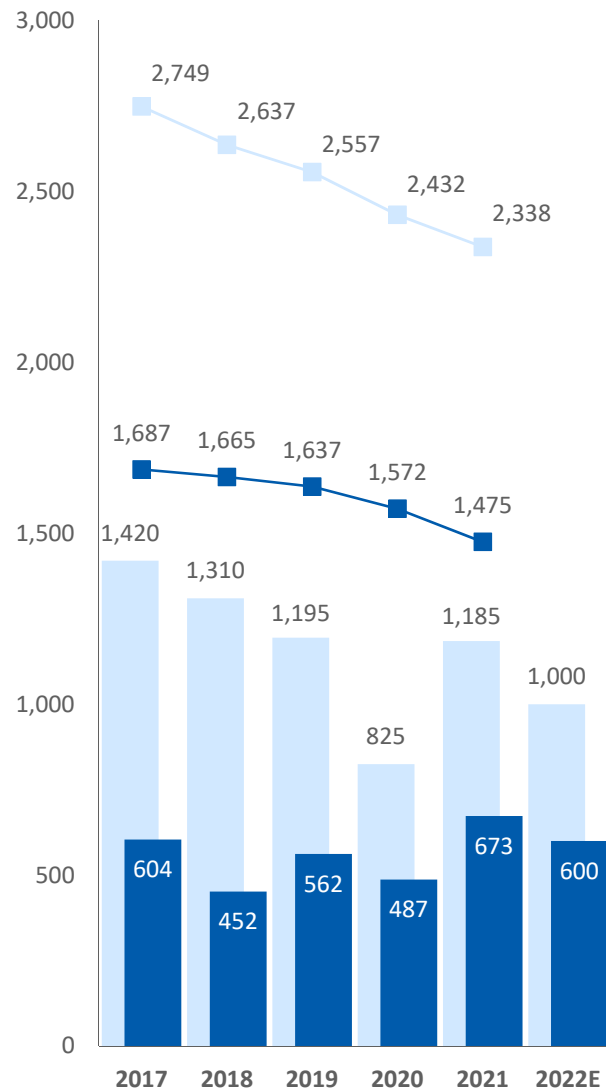
Titles to Release

| FY 3/2023 | Series name | Brand | Release Date | Unit Sales | |
|-----------|------------------------------------|--------|--------------|------------|--------|
| Q1 -- | | | | -- | Total |
| Q2 | Pachislot Aquarion ALL STARS | SANKYO | (Jul-22) | 10,000 | 10,090 |
| Q3 | L Pachislot Valvrave the Liberator | SANKYO | (Nov-22) | -- | |
| Q4 -- | | | | -- | |

| million yen | FY 3/2016 | FY 3/2017 | FY 3/2018 | FY 3/2019 | FY 3/2020 | FY 3/2021 | FY 3/2022 | FY 3/2023E |
|---------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
| Net Sales | 137,130 | 81,455 | 86,220 | 88,558 | 78,416 | 58,129 | 84,857 | 135,000 |
| Operating Income | 18,826 | 5,059 | 10,181 | 21,286 | 12,551 | 6,587 | 21,357 | 45,000 |
| Recurring Income | 19,965 | 3,832 | 11,319 | 22,300 | 13,476 | 7,488 | 22,257 | 46,000 |
| Net Income | 10,485 | 1,777 | 5,550 | 13,384 | 13,045 | 5,749 | 18,466 | 35,000 |
| Total Assets | 414,183 | 390,585 | 396,291 | 399,585 | 325,232 | 292,104 | 309,213 | |
| Total Net Assets | 348,941 | 340,287 | 337,242 | 337,377 | 269,521 | 268,887 | 270,120 | |
| DPS (Yen) | 150.00 | 150.00 | 150.00 | 150.00 | 150.00 | 150.00 | 100.00 | 120.00 |
| Return on Equity | 2.9% | 0.5% | 1.6% | 4.0% | 4.3% | 2.1% | 6.9% | |
| Average ROE of five consecutive | 3.4% | 2.5% | 2.6% | 2.3% | 2.7% | 2.5% | 3.8% | |
| Net Income Ratio | 7.6% | 2.2% | 6.4% | 15.1% | 16.6% | 9.9% | 21.8% | |
| Total Asset Turnover | 0.32 | 0.20 | 0.22 | 0.22 | 0.22 | 0.19 | 0.28 | |
| Financial Leverage | 1.18 | 1.17 | 1.16 | 1.18 | 1.19 | 1.15 | 1.12 | |

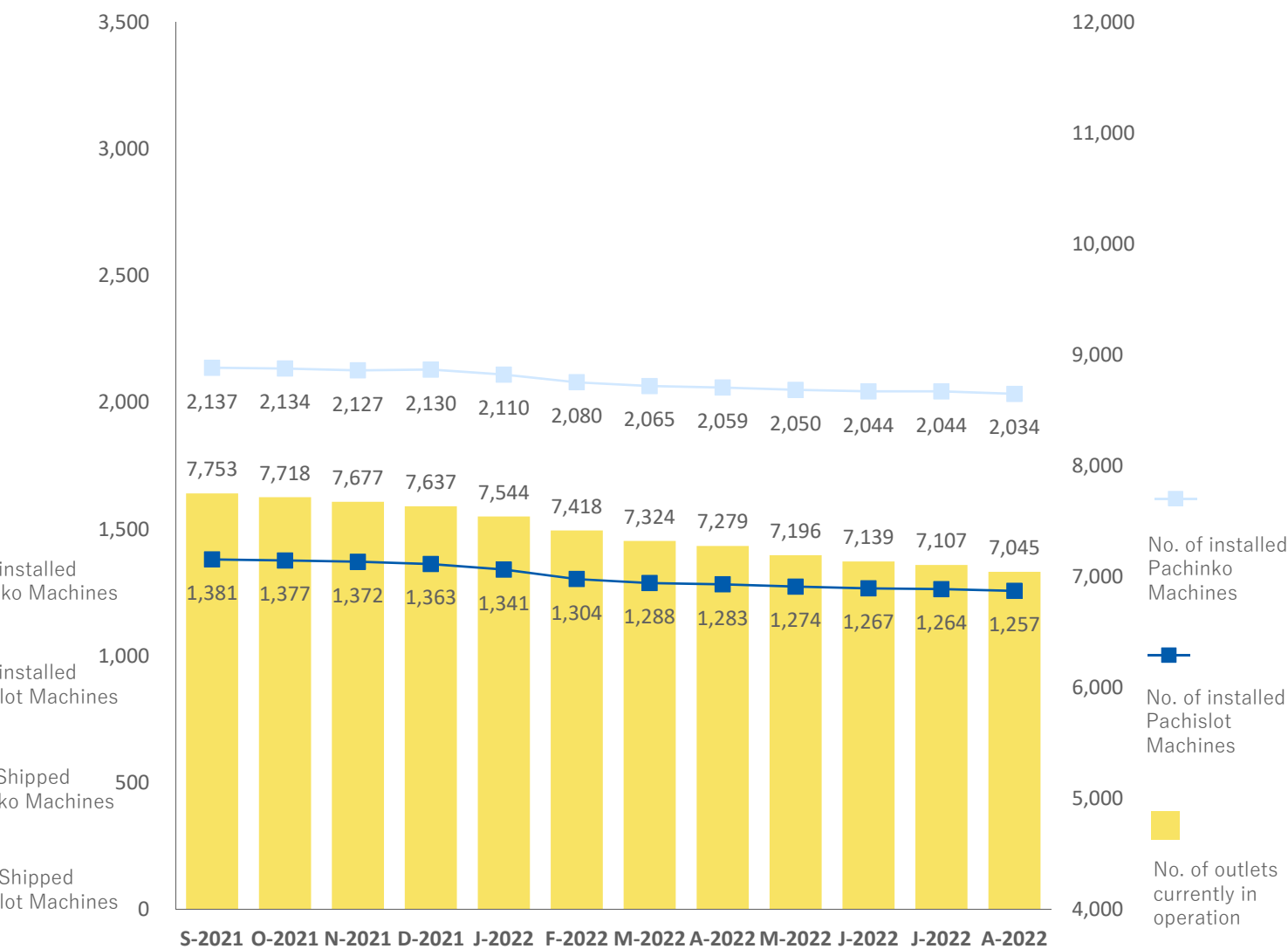
Pachinko/Pachislot Machine Market

Market size



(thousand units)

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

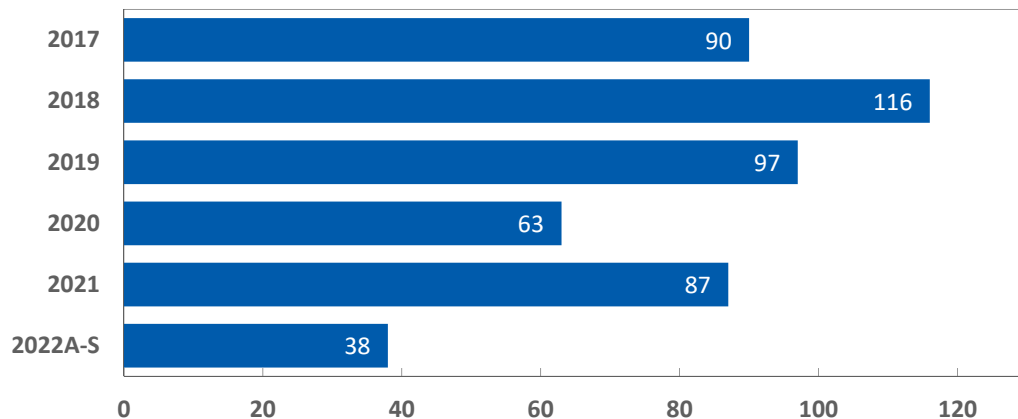


(thousand units)

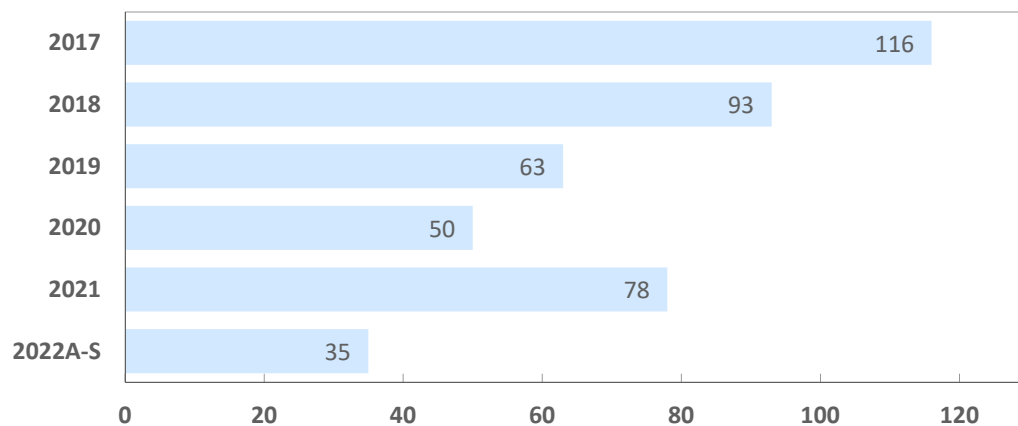
Source: National Police Agency, Yano Research Institute, Zennichiuren

Number of Titles Sold (All Manufacturers)

Pachinko machines



Pachislot machines



※ Estimates of SANKYO

※ Except for reuse and sub spec models

Compliance with Format Inspection

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022J-S |
|-----------|------|------|------|------|------|---------|
| Applicant | 875 | 711 | 945 | 912 | 990 | 686 |
| Pass | 361 | 336 | 430 | 295 | 313 | 180 |
| Fail | 463 | 333 | 560 | 499 | 598 | 487 |

SANKYO Group (Number of Pass)

| | | | | | | |
|-----------|----|----|----|----|----|----|
| SANKYO+JB | 34 | 30 | 28 | 37 | 23 | 18 |
| Bisty | 6 | 9 | 19 | 8 | 9 | 7 |
| Total | 40 | 39 | 47 | 45 | 32 | 25 |

including Arrange Ball, Jong-Kyu

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022J-S |
|-----------|------|------|------|------|------|---------|
| Applicant | 913 | 596 | 982 | 917 | 985 | 734 |
| Pass | 326 | 203 | 191 | 185 | 263 | 148 |
| Fail | 494 | 444 | 721 | 665 | 694 | 545 |

SANKYO Group (Number of Pass)

| | | | | | | |
|--------|----|---|----|----|----|---|
| SANKYO | 15 | 6 | 9 | 2 | 9 | 8 |
| Bisty | 3 | 3 | 3 | 8 | 7 | 1 |
| Total | 18 | 9 | 12 | 10 | 16 | 9 |

including Palot

Source: Security Electronics and Communications Technology Association

Investor Relations Office Corporate Planning Division



03-5778-7773



ir-desk@sankyo-fever.co.jp



<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.

This material is an English translation of Japanese material made on November 7, 2022. Although the Company intended to faithfully translate the Japanese document into English, the accuracy and correctness of this translation are not guaranteed.