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For Immediate Release

Listed company name: **SANKYO CO., LTD.**
 Representative: Akihiko Ishihara
 President & CEO
 (Code: 6417, TSE Prime Market)
 Contact: Hiroshi Takahashi
 Executive Operating Officer
 TEL.: +81-3-5778-7777

Notice concerning Revision of Consolidated Earnings Forecast and Dividend Forecast for the Fiscal Year Ending March 31, 2023

SANKYO Co., Ltd. today announced that its consolidated earnings forecast for the fiscal year 2023 (from April 1, 2022, to March 31, 2023, hereinafter "FY2023"), which was announced on October 17, 2022, and the year-end dividend forecast for FY2023, which was announced on May 12, 2022, have been revised based on the recent trend of the Company's financial performance.

1. Forecast of consolidated earnings

(1) Forecast of consolidated earnings for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

					(Millions of yen)	
		Net sales	Operating income	Recurring income	Profit attributable to owners of parent	Net income per share (yen)
Previous forecast	(A)	135,000	45,000	46,000	35,000	602.71
Revised forecast	(B)	155,000	55,000	56,000	45,000	774.91
Difference	(B-A)	20,000	10,000	10,000	10,000	-
% change		14.8	22.2	21.7	28.6	-
FY2022 results		84,857	21,357	22,257	18,466	305.06

(2) Reasons for the revision

Regarding the pachinko machines business, the trend that enhanced brand power expanded the Group's market share significantly until the first six months of the fiscal year continued, and *GODGILLA vs EVANGELION -G-cells awakening-* under the Bisty brand, launched in the third quarter, recorded sales of approximately 50,000 units thanks to the high popularity of two major content collaborations. Thus, sales of the pachinko machines business remained strong. In the following fourth quarter, the Group forecasted sales volume of pachinko machines carefully, expecting the impact of electronic component shortages and the short-term shift of demand to pachislot machines due to the improvement of the pachislot market. The sales, however, have been strong, with minimal impact from those factors. The Group therefore expects sales of 268,000 units of pachinko machines, exceeding the previous forecast of 250,000 units.

Meanwhile, regarding the pachislot machines business, *L Pachislot Valvrave the Liberator* under the SANKYO brand, the first smart pachislot machine introduced in the third quarter, has been keeping a high level of utilization and gaining enormous popularity that resulted in a production increase in the fourth quarter, and contributed significantly to the Group's enhanced presence in the pachislot market. In addition, orders received for Bisty brand pachislot machine *Pachislot Mobile Suit Gundam Unicorn*, scheduled to be introduced in March 2023, are increasing steadily. The Group therefore forecasts

This material is an English translation of Japanese announcement made on February 8, 2023. Although the Company intended to faithfully translate the Japanese document into English, the accuracy and correctness of this translation are not guaranteed.

sales of 51,000 units of pachislot machines, up from 40,000 units. The sales volumes for both pachinko machines and pachislot machines are thus expected to exceed the previous forecast.

As a result, net sales and profits are expected to exceed the previous forecast, as described above.

2. Forecast of Dividends

(1) Forecast of dividends for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Base date)	Cash dividend per share				
	1st quarter	2nd quarter	3rd quarter	Year-end	Full Year
	Yen	Yen	Yen	Yen	Yen
Previous forecast (May 12, 2022)	-	60.00	-	60.00	120.00
Revised forecast	-	-	-	90.00	150.00
Results for the year ending March 31, 2023	-	60.00	-		
Results for the year ended March 31, 2022	-	50.00	-	50.00	100.00

(2) Reasons for the revision

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.

Following our policy and based on the revision of earnings forecasts as described above, SANKYO Co., Ltd. revises dividend forecast for year-end dividend per share to 90 yen, an increase of 30 yen from the previous forecast. Annual total cash dividends per share for the fiscal year ending March 31, 2023, which includes interim cash dividend of 60 yen, will be 150 yen.

The above forecast is based on information currently available to management. Actual results may differ from the forecast owing to various factors.