



Presentation on Business Results
for the First Nine Months of FY 3/2023
(April 1, 2022 to December 31, 2022)

February 8, 2023

SANKYO CO., LTD.

Prime Market of the TSE #6417

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- ✓ Substantial increases in both net sales and profits compared with the same period of the previous year due to steady increases in sales volumes, maintaining the momentum of the first half.
- ✓ Recording of extraordinary gains amounting to 6,068 million yen , partly owing to the recording of gain on sales of investment securities.

Consolidated Financial Results

Net Sales	128,065	million yen	YoY	+82.1 %
Operating Income	48,039	million yen		+139.8 %
Net Income attributable to owners of parent	38,670	million yen		+128.2 %
Net Income per share	665.89	yen		+388.47 yen

Pachinko Machines Business

Net Sales	103,570	million yen	YoY	+67.7 %
Operating Income	45,164	million yen		+101.1 %
Sales of Unit	222,224	unit		+60.5 %

Pachislot Machines Business

Net Sales	14,176	million yen	YoY	+151.6 %
Operating Income	6,338	million yen		+5,799 million yen
Sales of Unit	30,058	unit		+138.4 %

Pachinko Pachislot Market

- ✓ Although the pachinko market remains stable machine utilization and purchasing demand, a short-term shift in demand to pachislot machines has been seen against the backdrop of an improvement in the pachislot market.
- ✓ Pachislot market have been improving clearly because of the spread of #6.5 models and the launch of smart pachislot.

SANKYO Group

- Number of New Titles of Pachinko machine released : Seven (Reused models etc. : Six)
- Number of New Titles of Pachislot machine released : Two
- ✓ Against the backdrop of the enhanced brand power, we have been increasing a sales volume at a pace not seen in recent years, achieving planned sales volume for all titles sold.
- ✓ Upward revision of the forecast of financial results for the full year for the second time in the current fiscal year because brisk sales of pachinko and pachislot machines are continuing in the fourth quarter. Upward revision of the year-end dividend forecast.

- ✓ Sales volume of pachinko machines remained brisk up to the third quarter. Moreover, sales volume of pachinko machines in the fourth quarter, which has been cautiously estimated, is expected to exceed the forecast. (Forecast of sales volume of pachinko machines revised from 250,000 to 268,000 units)
- ✓ L Pachislot Valvrave the leverator launched in November, 2022 is a big hit, keeping high utilization at parlors. we sell that additionally in Q4. (Forecast of sales volume of pachislot machines revised from 40,000 to 51,000 units)

	FY 3/2022 Results	FY 3/2023 Revised Forecast (Oct. 17, 2022)	FY 3/2023 Revised Forecast (Feb. 8, 2023)	Variance from FY 3/2022	Variance from Previous Forecast
million yen					
Net Sales	84,857	135,000	155,000	+70,143 (+82.7%)	+20,000 (+14.8%)
Operating Income	21,357	45,000	55,000	+33,643 (+157.5%)	+10,000 (+22.2%)
Percentage	25.2%	33.3%	35.5%	+10.3pt	+2.2pt
Recurring Income	22,257	46,000	56,000	+33,743 (+151.6%)	+10,000 (+21.7%)
Net Income attributable to owners of parent	18,466	35,000	45,000	+26,534 (+143.7%)	+10,000 (+28.6%)

- ✓ The company 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.

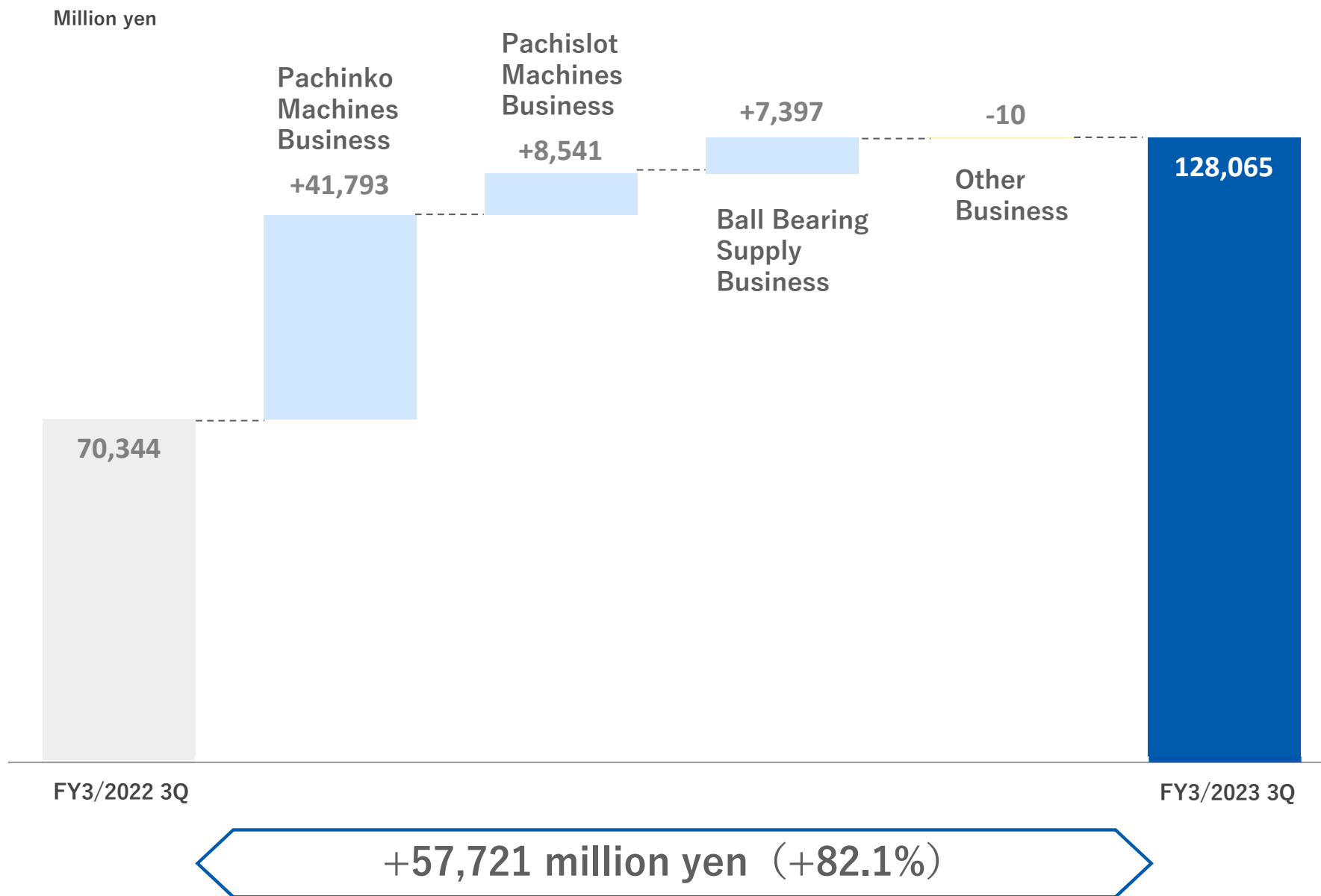
Dividend per share

(yen)	FY 3/2021 Results	FY 3/2022 Results	FY 3/2023 Previous Forecast	FY 3/2023 Revised Forecast
Interim dividend	75	50	60	60
year-end dividend	75	50	60	90
Total	150	100	120	150

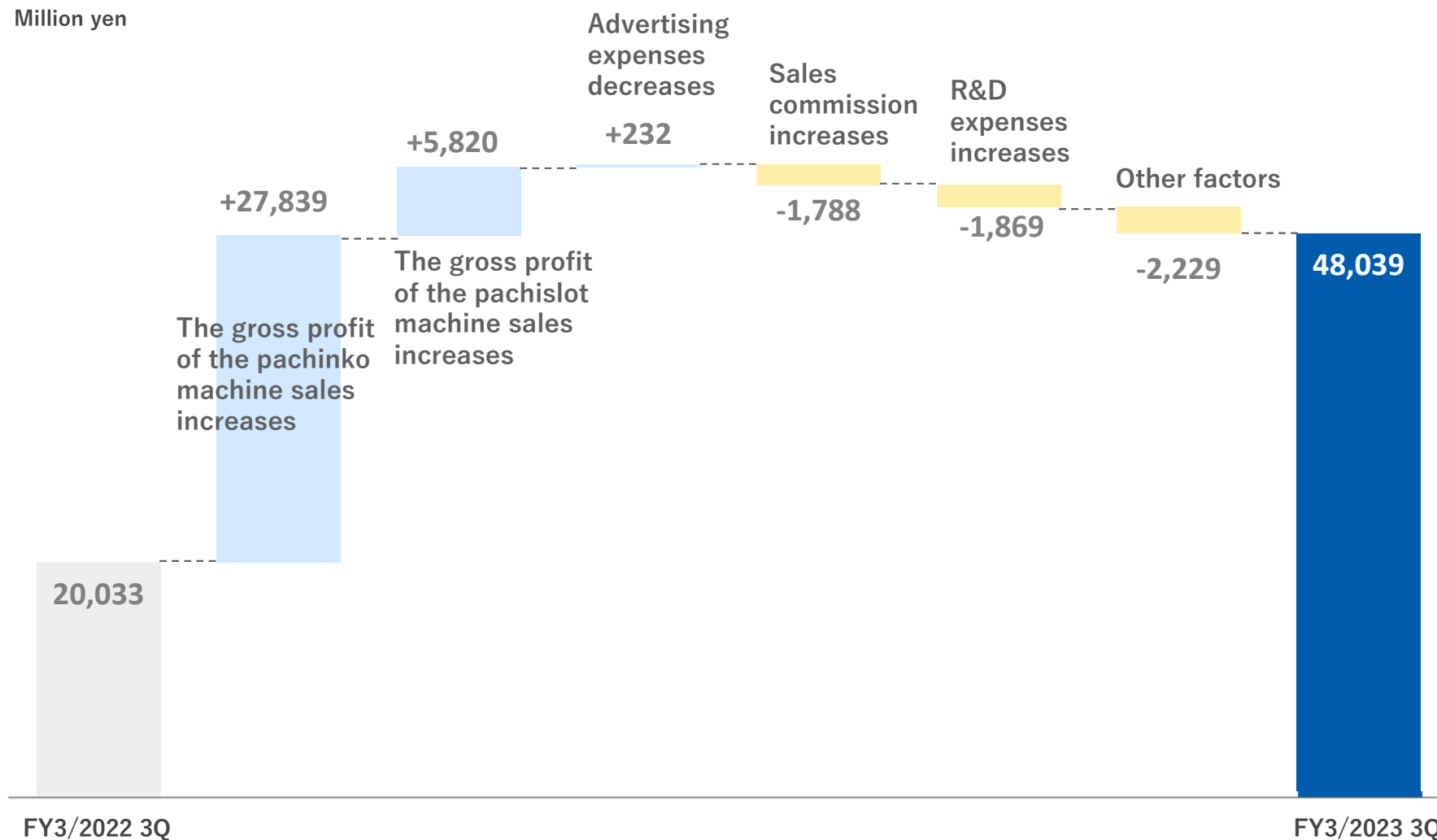
Summary of Financial Results

million yen	FY 3/2022 3Q	FY 3/2023 3Q	YoY	FY 3/2023 Forecast	
Net Sales	70,344	128,065	+57,721	+82.1%	155,000
Pachinko Machines Business	61,777	103,570	+41,793	+67.7%	121,600
Pachislot Machines Business	5,635	14,176	+8,541	+151.6%	22,100
Cost of Sales	30,471	55,374	+24,903	+81.7%	67,000
Gross Profit	39,872	72,690	+32,818	+82.3%	88,000
Percentage	56.7%	56.8%	+0.1pt		56.8%
SG & A Expenses	19,838	24,651	+4,813	+24.3%	33,000
Operating Income	20,033	48,039	+28,006	+139.8%	55,000
Percentage	28.5%	37.5%	+9.0pt		35.5%
Pachinko Machines Business	22,459	45,164	+22,705	+101.1%	50,900
Pachislot Machines Business	539	6,338	+5,799		8,900
Recurring Income	20,851	48,774	+27,923	+133.9%	56,000
Net Income attributable to owners of parent	16,949	38,670	+21,721	+128.2%	45,000

Factors of Change in Consolidated Net Sales



Factors of Change in Consolidated Operating Income



+28,006 million yen (+139.8%)

Costs and Expenses

million yen	FY 3/2022 3Q	FY 3/2023 3Q	YoY		FY 3/2023 Forecast
SG & A Expenses	19,838	24,651	+4,813	+24.3%	33,000
Advertising Expenses	1,443	1,211	-232	-16.1%	1,876
Sales Commission	3,801	5,589	+1,788	+47.0%	6,064
R&D Expenses	8,332	10,201	+1,869	+22.4%	14,614
Salaries & Wages	2,134	2,350	+216	+10.1%	3,116
Depreciation & Amortization	1,522	1,233	-289	-19.0%	1,822
Capital Expenditure	1,462	1,554	+92	+6.3%	

Summary of Balance Sheet

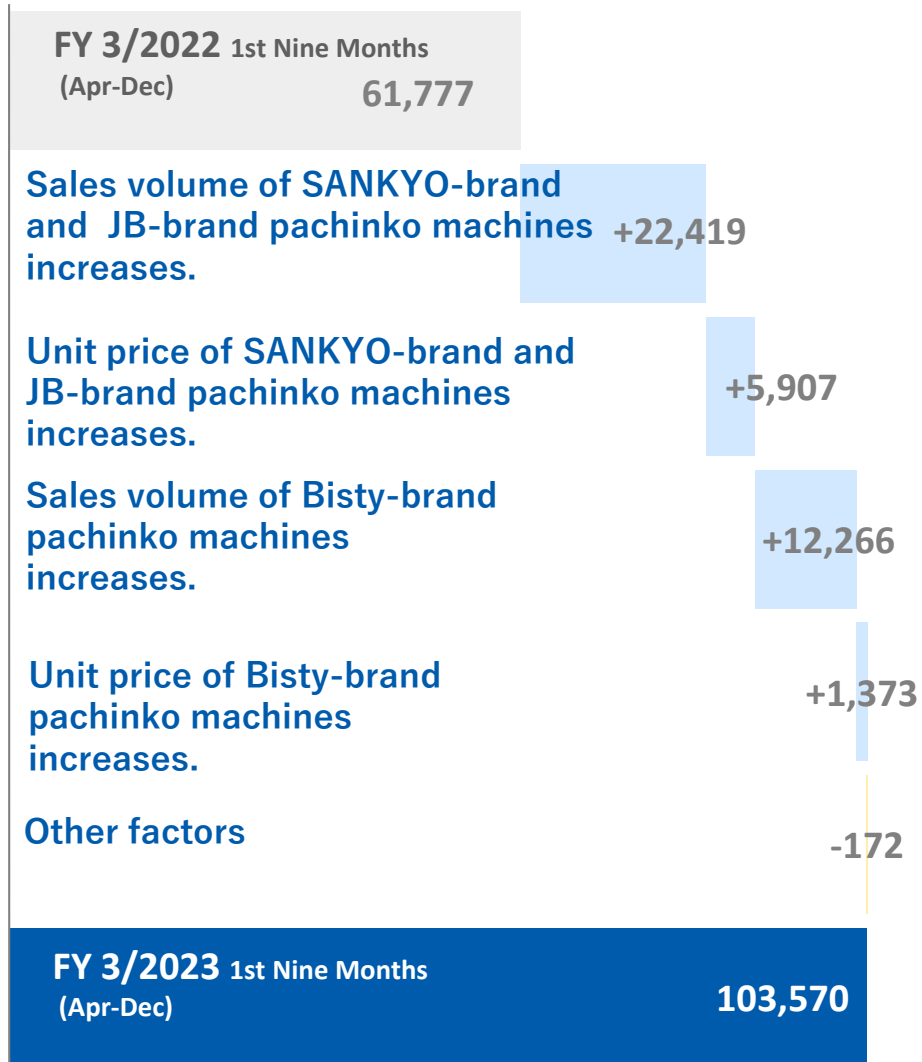
million yen	As of 31-Mar-22	As of 30-Dec-22	YoY	Factors of Change
Total current assets	264,859	317,349	+52,490	
Quick assets	250,242	295,989	+45,747	Increases in cash and deposits and notes and accounts receivable-trade, and contract assets
Total fixed assets	44,353	41,766	-2,587	
Investment securities	13,288	9,463	-3,825	Sales of a portion of the investment securities
Total assets	309,213	359,115	+49,902	
Total current liabilities	30,946	50,265	+19,319	Increases in accrued income taxes etc.
Total long-term liabilities	8,147	8,327	+180	
Total liabilities	39,093	58,593	+19,500	
Total net assets	270,120	300,522	+30,402	Deduction of cash dividends paid and addition of net income
Total liabilities and total net assets	309,213	359,115	+49,902	

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Factors of Change in Net sales

Million yen



Data

million yen	FY 3/2022 3Q	FY 3/2023 3Q	YoY
Net Sales	61,777	103,570	+41,793
Operating Income	22,459	45,164	+22,705
Percentage	36.4%	43.6%	
units			
Machines sales	138,494	222,224	+83,730
SANKYO+JB	83,362	142,990	+59,628
Frame	61,847	81,125	+19,278
Gauge	21,515	61,865	+40,350
Bisty	55,132	79,234	+24,102
Frame	52,659	71,829	+19,170
Gauge	2,473	7,405	+4,932

+41,793

Pachinko Machines Business



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1Q



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2Q



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3Q



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4Q

New Title
x 10

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 Fever How Heavy Are the Dumbbells You Lift?
- SANKYO Fever Aquarion Kiwami Gattai
- Bisty Fever Star Blazers: Space Battleship Yamato 2202 -ONLY ONE- Light Ver.

Sales of Unit

62,991 units

81,313 units

77,920 units

- units

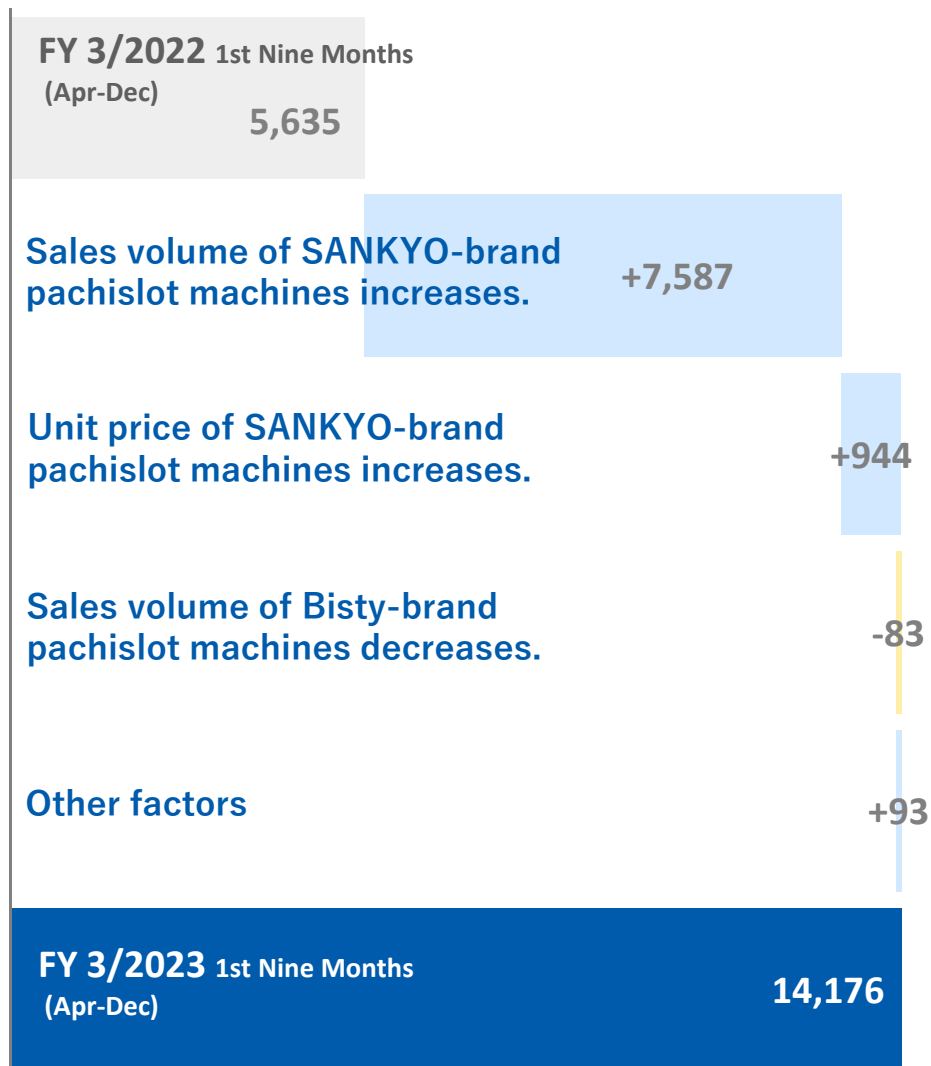
Progress

222,224 units (82.9%)

FY 3/2023 Forecast
268,000 units

Factors of Change in Net sales

Million yen

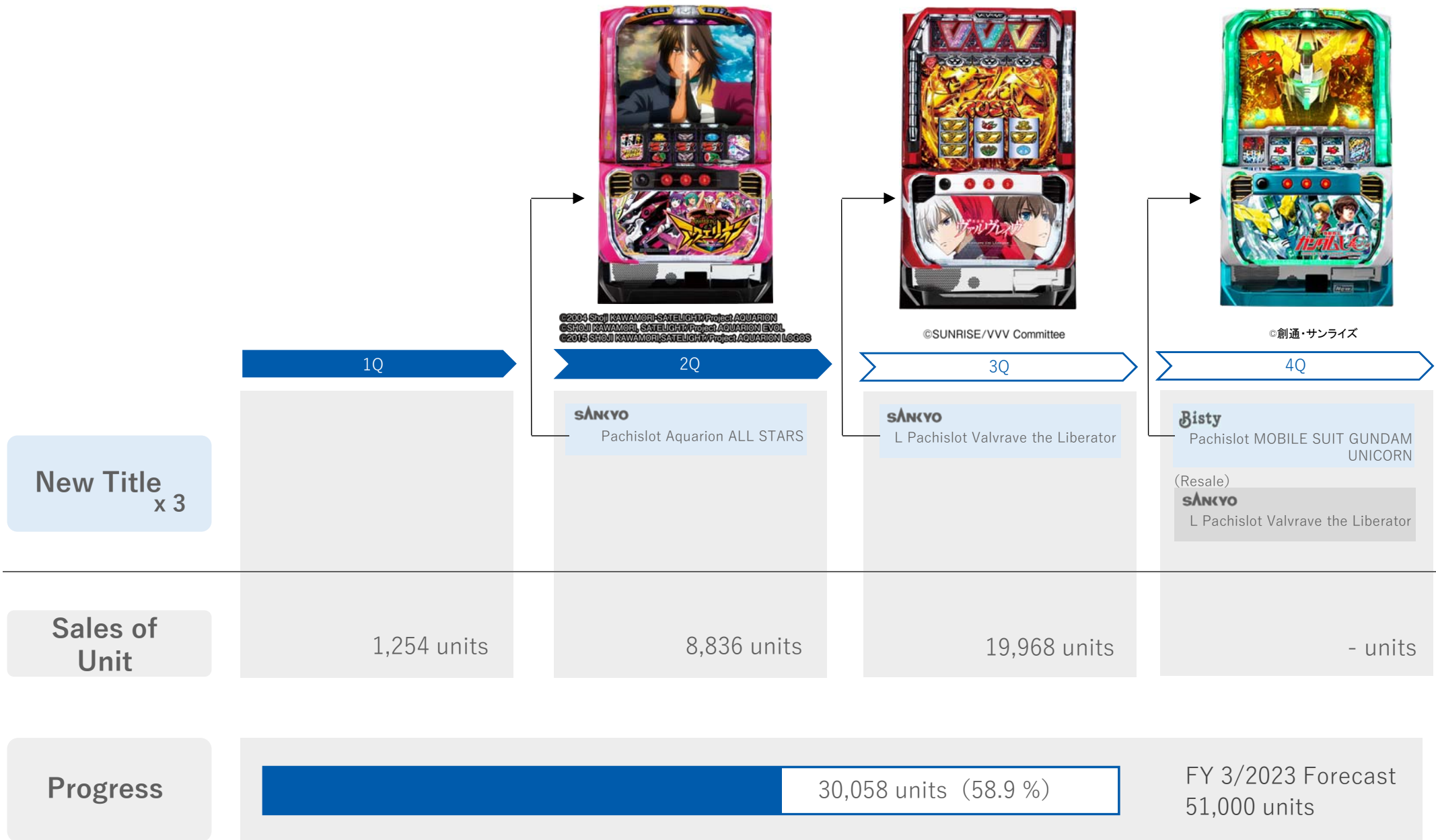


Data

million yen	FY 3/2022 3Q	FY 3/2023 3Q	YoY
Net Sales	5,635	14,176	+8,541
Operating Income	539	6,338	+5,799
Percentage	9.6%	44.7%	
units			
Machines sales	12,608	30,058	+17,450
SANKYO	12,353	30,058	+17,705
Bisty	255	0	-255

+8,541

Pachislot Machines Business

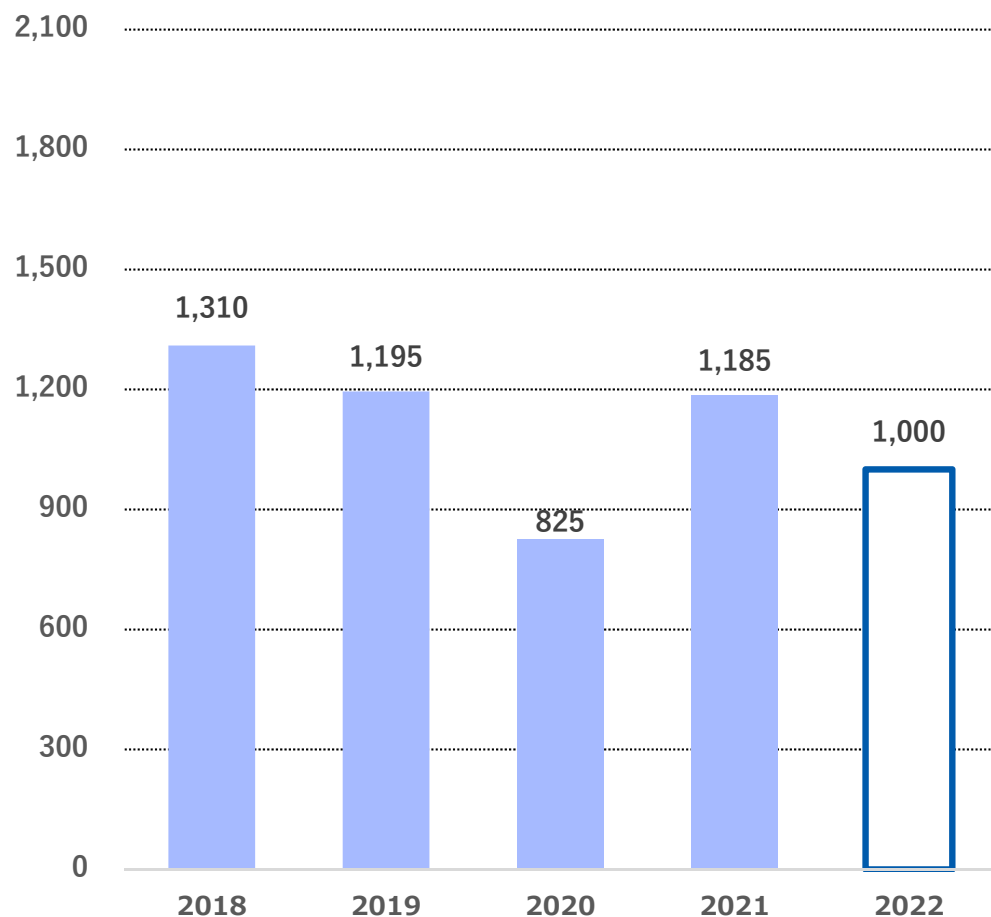


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Sales Volume

Thousand units



※ Estimates of SANKYO

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

(April 1, 2022 to March 31, 2023)

Total number of units sold

Approx. 760^{thousand units} YoY Approx. -16%

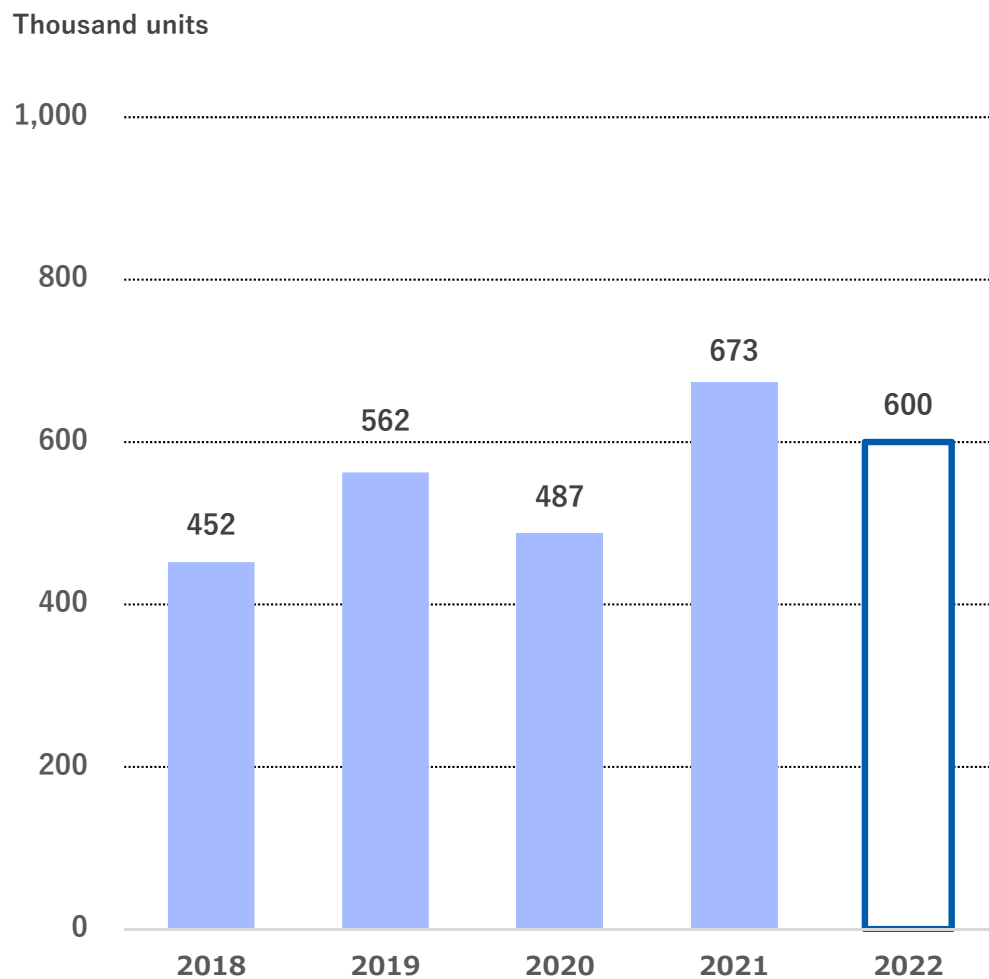
(April to December, 2022)

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

(April to December)

- ✓ Total sales volume in the period from April to December, 2022 fell short of the same period of the previous year.
 - A dip in sales volume following the end of the replacement demand to new regulation machines and the continuing difficulty in procuring electronic components and other parts has been a drag on pachinko and pachislot machine manufacturers.
 - A short-term shift in demand to pachislot machines has been seen against the backdrop of an improvement in the pachislot market.
- ✓ Stable demand is expected from fourth quarter onwards.
 - A continuing stable demand is expected because of a steady machine utilization .
 - Smart pachinko is expected to be released after April, 2023, and multiple titles will be launched from manufacturers.

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. 480** thousand units YoY Approx. +3%

(April to December, 2022)

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

(April to December)

- ✓ Total sales volume in the period from April to December, 2022 exceeds the same period of the previous year.
 - Pachislot market have been improving clearly because of the spread of #6.5 models and the launch of Smart Pachislot.
- ✓ Strong demand is expected to continue from the third quarter onwards.
 - Each manufacturer advances with the development of #6.5 models and smart pachislot, and strong machine utilization is expected to continue.
 - For the time being, #6.5 models and smart pachislot machines will coexist. The sales and installation ratio of smart pachislot machines in the pachislot market is expected to increase gradually.

- 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-Q3

- ✓ Launch of mainstay pachinko machine title and pachinko machine titles equipped with new IP.
 - Mainstay pachinko title "Fever Symphogear 3 Ogon Zessho"
 - New IP titles "Fever Danmachi"
 "Fever Karakuri Circus"
 "GODGILLA vs EVANGELION -G-cells awakening-"
- ✓ Additional sales of the high machine utilization titles.
 - "Fever Mobile Suit Gundam Unicorn"
 - "NEON GENESIS EVANGELION-Roar for tomorrow-"
- ✓ Launch of SANKYO Group's first smart pachislot.
 - "L Pachislot Valvrave the Liberator"
- ✓ Having kept to a minimum in the impact of the shortage of electronic components.

Q4

- ✓ Additional sales of smart pachislot title "L Pachislot Valvrave the Liberator".
 - This title is a big hit, keeping high utilization at parlors. we sell that additionally.
 - This title makes the Group to enhance its presence in the pachislot market.
- ✓ Launch of pachinko machine titles equipped with new IP
 - "Fever How Heavy Are the Dumbbells You Lift?"
- ✓ Starting a promotion of the big IP pachinko and pachislot machine titles "Enn Enn NO SHOUBOUTAI", firstly equipped with pachinko and pachislot title.
 - Pachinko machine title "Fever Enn Enn NO SHOUBOUTAI" ※
 - Pachislot #6.5 models machine title "Pachislot Enn Enn NO SHOUBOUTAI" ※
 - ※ The pachinko and pachislot machine title is planned to be launched in mid-April and early May respectively.

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Business Results for the First Nine Months of FY 3/2023

Consolidated: million yen	FY 3/2022	FY 3/2023	YoY	Forecast	FY 3/2022				FY 3/2023			
	9 Months	9 Months		Full Year	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
Net Sales	70,344	128,065	+57,721	155,000	10,932	17,129	42,283	14,513	84,857	27,763	42,200	58,102
Pachinko	61,777	103,570	+41,793	121,600	9,189	16,481	36,107	10,083	71,860	26,431	36,590	40,549
Pachislot	5,635	14,176	+8,541	22,100	1,029	102	4,504	3,256	8,891	628	4,123	9,425
Ball Bearing Supply	2,782	10,179	+7,397	11,100	663	500	1,619	1,113	3,895	660	1,439	8,080
Other Business	149	139	-10	200	49	46	54	61	210	42	49	48
Cost of Sales	30,471	55,374	+24,903	67,000	4,779	8,353	17,339	6,566	37,037	12,221	17,017	26,136
Gross Profit	39,872	72,690	+32,818	88,000	6,153	8,775	24,944	7,947	47,819	15,541	25,183	31,966
SG & A Expenses	19,838	24,651	+4,813	33,000	5,385	6,629	7,824	6,624	26,462	6,086	8,222	10,343
Operating Income	20,033	48,039	+28,006	55,000	768	2,146	17,119	1,324	21,357	9,455	16,960	21,624
Pachinko	22,459	45,164	+22,705	50,900	1,981	4,520	15,958	1,683	24,142	10,963	17,312	16,889
Pachislot	539	6,338	+5,799	8,900	(338)	(1,131)	2,008	646	1,185	(289)	1,328	5,299
Ball Bearing Supply	89	633	+544	700	(22)	(23)	134	26	115	(12)	16	629
Other Business	28	15	-13	0	4	12	12	13	41	1	5	9
Elimination/Corporate	(3,083)	(4,112)	-1,029	(5,500)	(857)	(1,232)	(994)	(1,045)	(4,128)	(1,207)	(1,702)	(1,203)
Recurring Income	20,851	48,774	+27,923	56,000	1,192	2,217	17,442	1,406	22,257	9,827	17,015	21,932
Extra ordinary Gains	2,686	6,068	+3,382	7,000	13	2,668	5	644	3,330	1,305	1,996	2,767
Extra ordinary Losses	30	99	+69	100	6	4	20	34	64	1	4	94
Net Income	16,949	38,670	+21,721	45,000	944	3,631	12,374	1,517	18,466	7,931	13,375	17,364
EPS: yen		665.89		774.91					305.06			

Machines sales: units

Pachinko	138,494	222,224	+83,730	268,000	22,300	38,440	77,754	26,096	164,590	62,991	81,313	77,920
SANKYO+JB	83,362	142,990	+59,628	183,000	19,728	27,129	36,505	12,910	96,272	62,152	62,908	17,930
Bisty	55,132	79,234	+24,102	85,000	2,572	11,311	41,249	13,186	68,318	839	18,405	59,990
Pachislot	12,608	30,058	+17,450	51,000	2,367	17	10,224	9,825	22,433	1,254	8,836	19,968
SANKYO	12,353	30,058	+17,705	36,000	2,344	17	9,992	57	12,410	1,254	8,836	19,968
Bisty	255	0	-255	15,000	23	0	232	9,768	10,023	0	0	0

GP Margin/OP Margin

Consolidated	FY 3/2022	FY 3/2023	YoY	Forecast	FY 3/2022				FY 3/2023			
	9 Months	9 Months		Full Year	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
GP Margin	56.7%	56.8%	+0.1pt	56.8%	56.3%	51.2%	59.0%	54.8%	56.4%	56.0%	59.7%	55.0%
OP Margin	28.5%	37.5%	+9.0pt	35.5%	7.0%	12.5%	40.5%	9.1%	25.2%	34.1%	40.2%	37.2%

Expenses etc.

Consolidated: million yen	FY 3/2022	FY 3/2023	YoY	Forecast	FY 3/2022				FY 3/2023			
	9 Months	9 Months		Full Year	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
Sales Commission	3,801	5,589	+1,788	6,064	285	664	2,852	696	4,497	450	1,297	3,842
Advertising Expenses	1,443	1,211	-232	1,876	571	633	239	292	1,735	201	710	300
R&D Expenses	8,332	10,201	+1,869	14,614	2,558	3,089	2,685	3,650	11,982	2,969	3,479	3,753
Salaries & Wages	2,134	2,350	+216	3,116	573	566	995	544	2,678	622	643	1,085
Others	4,128	5,300	+1,172	7,330	1,398	1,677	1,053	1,442	5,570	1,844	2,093	1,363

Consolidated: million yen

Capital Expenditure	1,462	1,554	+92		431	538	493	413	1,875	569	320	665
Depreciation & Amortization	1,522	1,233	-289	1,822	416	544	562	591	2,113	304	403	526

Consolidated

No. of Employees	913	873	-40		935	923	913	906	906	887	878	873
No. of R&D Staff	292	271	-21		300	298	292	291	291	276	274	271

Indirect Sales Ratio

SANKYO+JB Pachinko	27.3%	20.2%	-7.1pt	19.6%	28.0%	26.1%	27.3%	26.9%	26.9%	23.9%	20.8%	20.2%
SANKYO Pachislot	34.6%	22.8%	-11.8pt	21.0%	34.0%	34.0%	34.6%	34.6%	34.6%	6.1%	27.5%	22.8%

Pachinko Machines Business

Consolidated: million yen	FY 3/2022	FY 3/2023	YoY	Forecast	FY 3/2022				FY 3/2023			
	9 Months	9 Months		Full Year	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
Net Sales	61,777	103,570	+41,793	121,600	9,189	16,481	36,107	10,083	71,860	26,431	36,590	40,549
Operating Income	22,459	45,164	+22,705	50,900	1,981	4,520	15,958	1,683	24,142	10,963	17,312	16,889
Percentage	36.4%	43.6%	+7.3pt	41.9%	21.6%	27.4%	44.2%	16.7%	33.6%	41.5%	47.3%	41.7%

Machines sales: units

	FY 3/2022	FY 3/2023	YoY	Forecast	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
Pachinko	138,494	222,224	+83,730	268,000	22,300	38,440	77,754	26,096	164,590	62,991	81,313	77,920
SANKYO+JB	83,362	142,990	+59,628	183,000	19,728	27,129	36,505	12,910	96,272	62,152	62,908	17,930
Frame	61,847	81,125	+19,278		16,095	26,061	19,691	2,806	64,653	49,531	22,522	9,072
Gauge	21,515	61,865	+40,350		3,633	1,068	16,814	10,104	31,619	12,621	40,386	8,858
Bisty	55,132	79,234	+24,102	85,000	2,572	11,311	41,249	13,186	68,318	839	18,405	59,990
Frame	52,659	71,829	+19,170		1,904	9,908	40,847	8,924	61,583	292	11,870	59,667
Gauge	2,473	7,405	+4,932		668	1,403	402	4,262	6,735	547	6,535	323

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	26,900	
	Fever Star Blazers: Space Battleship Yamato 2202 Light ver.	Bisty	(Sep-22)	1	--	
Q3	Fever Macross Frontier 4 88 ver.	SANKYO	(Oct-22)	1	7,100	
	Fever Queen RUSH	JB	(Nov-22)	1	10,000	
	GODGILLA vs EVANGELION -G-cells awakening-	Bisty	(Dec-22)	1	50,000	Total
	NEON GENESIS EVANGELION -Roar for tomorrow- (Resale)	Bisty	(Dec-22)	1	10,000	222,224
Q4	DAI-KAI-OH	JB	(Jan-23)	1	--	
	Fever How Heavy Are the Dumbbells You Lift?	SANKYO	(Feb-23)	1	--	
	Fever Star Blazers: Space Battleship Yamato 2202 -ONLY ONE- Light Ver.	SANKYO	(Feb-23)	1	--	
	Fever Aquarion Kiwami Gattai	SANKYO	(Mar-23)	1	--	

Pachislot Machines Business

Consolidated: million yen	FY 3/2022	FY 3/2023	YoY	Forecast	FY 3/2022				FY 3/2023			
	9 Months	9 Months		Full Year	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
Net Sales	5,635	14,176	+8,541	22,100	1,029	102	4,504	3,256	8,891	628	4,123	9,425
Operating Income	539	6,338	+5,799	8,900	(338)	(1,131)	2,008	646	1,185	(289)	1,328	5,299
Percentage	9.6%	44.7%	+35.1pt	40.3%	(32.8%)	(1108.8%)	44.6%	19.8%	13.3%	(46.0%)	32.2%	56.2%

Machines sales: units

	FY 3/2022	FY 3/2023	YoY	Forecast	FY 3/2022				FY 3/2023			
	9 Months	9 Months		Full Year	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
Pachislot	12,608	30,058	+17,450	51,000	2,367	17	10,224	9,825	22,433	1,254	8,836	19,968
SANKYO	12,353	30,058	+17,705	36,000	2,344	17	9,992	57	12,410	1,254	8,836	19,968
Bisty	255	0	-255	15,000	23	0	232	9,768	10,023	0	0	0

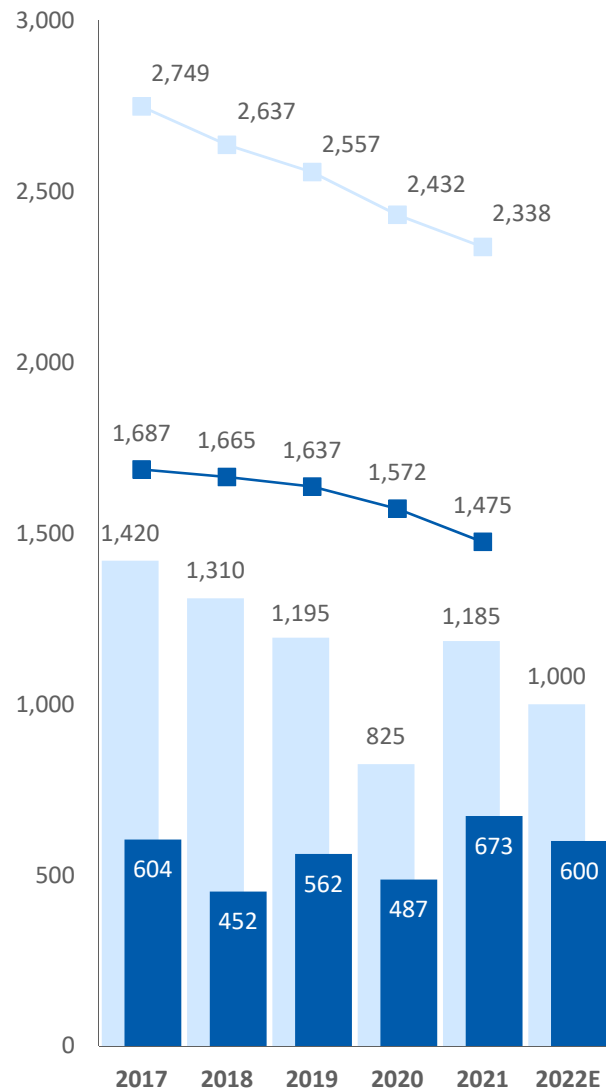
Titles to Release

FY 3/2023	Series name	Brand	Release Date	Unit Sales	
Q1	--			--	
Q2	Pachislot Aquarion ALL STARS	SANKYO	(Jul-22)	10,000	Total
Q3	L Pachislot Valvrave the Liberator	SANKYO	(Nov-22)	19,900	30,058
Q4	Pachislot MOBILE SUIT GUNDAM UNICORN	Bisty	(Mar-23)	--	

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	155,000
Operating Income	18,826	5,059	10,181	21,286	12,551	6,587	21,357	55,000
Recurring Income	19,965	3,832	11,319	22,300	13,476	7,488	22,257	56,000
Net Income	10,485	1,777	5,550	13,384	13,045	5,749	18,466	45,000
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	150.00
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	

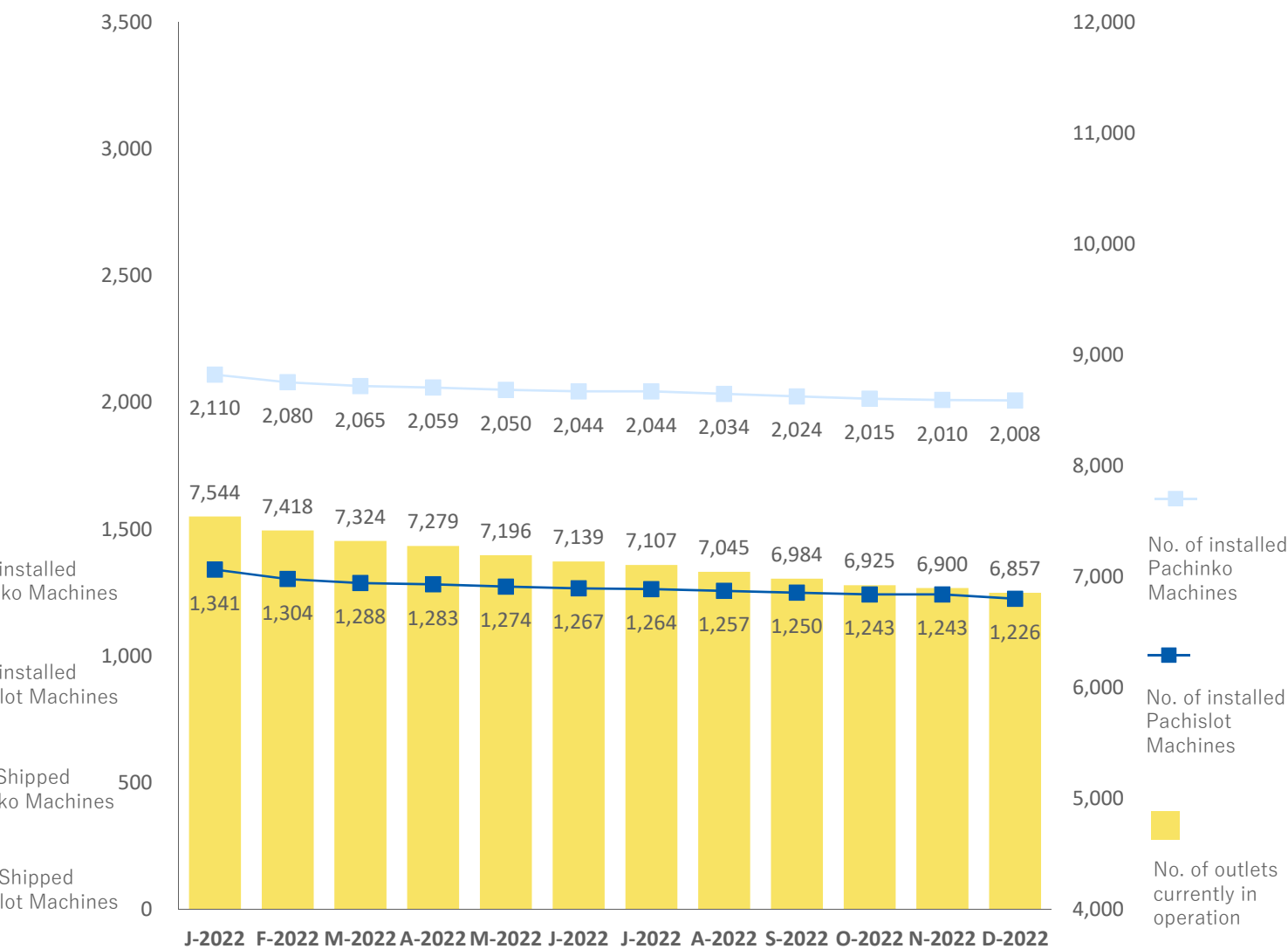
Pachinko/Pachislot Machine Market

Market size



(thousand units)

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

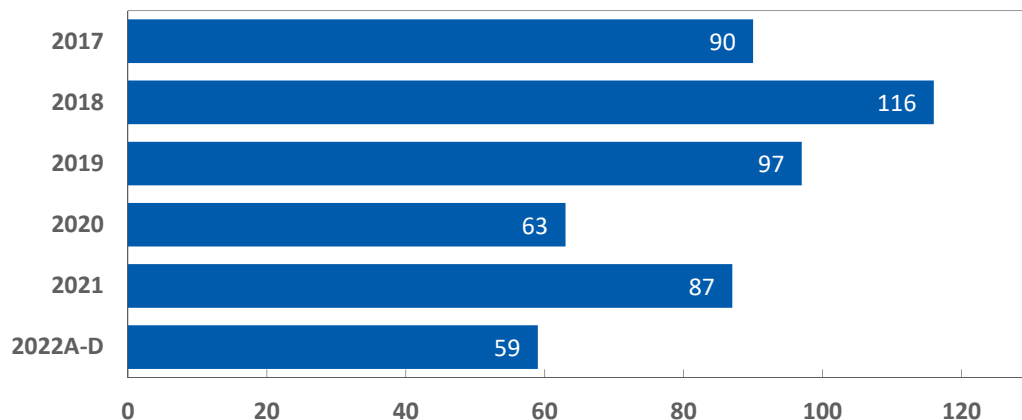


(thousand units)

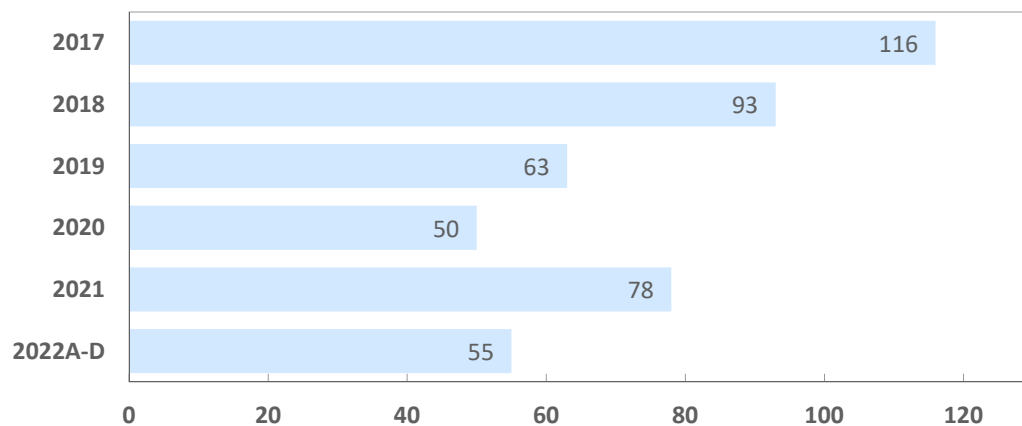
Source: National Police Agency, Yano Research Institute, Zennichiuren

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-D
Applicant	875	711	945	912	990	910
Pass	361	336	430	295	313	230
Fail	463	333	560	499	598	669

SANKYO Group (Number of Pass)

SANKYO+JB	34	30	28	37	23	25
Bisty	6	9	19	8	9	10
Total	40	39	47	45	32	35

including Arrange Ball, Jong-Kyu

	2017	2018	2019	2020	2021	2022J-D
Applicant	913	596	982	917	985	972
Pass	326	203	191	185	263	194
Fail	494	444	721	665	694	721

SANKYO Group (Number of Pass)

SANKYO	15	6	9	2	9	10
Bisty	3	3	3	8	7	1
Total	18	9	12	10	16	11

including Palot

Source: Security Electronics and Communications Technology Association

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【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.