



Good luck. Good life.

SANKYO

Presentation on Business Results
for the First Nine Months of FY 3/2024
(April 1, 2023 to December 31, 2023)

February 7, 2024

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	P24

- ✓ Substantial increases in both net sales and profits compared with the same period of the previous year due to increases in sales volumes of Pachinko and Pachislot machines.
- ✓ Substantial increase in income of pachislot machines business compared with the previous fiscal year against the backdrop of brisk pachislot machines market.

Consolidated Financial Results

Net Sales	170,588	million yen	YoY	+33.2 %
Operating Income	65,264	million yen		+35.9 %
Net Income attributable to owners of parent	48,244	million yen		+24.8 %
Net Income per share	872.13	yen		+206.24 yen

Pachinko Machines Business

Net Sales	129,840	million yen	YoY	+25.4 %
Operating Income	56,700	million yen		+25.5 %
Sales of Unit	260,363	unit		+17.2 %

Pachislot Machines Business

Net Sales	23,176	million yen	YoY	+63.5 %
Operating Income	11,075	million yen		+74.7 %
Sales of Unit	51,020	unit		+69.7 %

Pachinko Pachislot Market

- ✓ The overall pachinko market, comprising conventional pachinko machines and Smart Pachinko machines, has remained somewhat sluggish compared to the pachislot market because of a lack of new titles capable of raising machine utilization, as the shift to Smart Pachinko machines is not yet in full swing, although several Smart Pachinko machine titles have become hits.
- ✓ The pachislot market has continued to be favorable as machine utilization remains high thanks to the emergence of a stream of hit titles of Smart Pachislot machines. Indeed, Smart Pachislot machines account for an increasing proportion of both the Pachislot titles introduced and the installed base of Pachislot machines.

SANKYO Group

- Number of New Titles of Pachinko machine released : Eight (Reused models etc. : Seven)
- Number of New Titles of Pachislot machine released : Three
- ✓ The sales volumes increased due to brisk sales of series products, led by titles “Fever MOBILE SUIT GUNDAM SEED” and “EVANGELION:3.0+ 1.0 Type Rei / Type Kaworu”.
- ✓ SANKYO Group increases its presence also in the pachislot market, obtaining popularity in the Smart Pachislot titles “L Pachislot Valvrave the Liberator” and “L Pachislot Karakuri Circus”.

Revision of the Forecast of the Financial Results for the Year Ending March 31, 2024

(Disclosed in February 7, 2024)

- ✓ Buoyed by increased production, re-release models, and mainstay series machines, the sales unit prices remained firm.
- ✓ Results of the Ball Bearing Supply Business are also expected to exceed the initial plan, reflecting increased demand for replacement of parlor facilities ever since the introduction of Smart Pachislot machines got into full swing.

million yen	FY 3/2023 Results	FY 3/2024 Previous Forecast (May. 11, 2023)	FY 3/2024 Revised Forecast (Feb. 7, 2024)	Variance from FY 3/2023	Variance from Previous Forecast
Net Sales	157,296	175,000	197,000	+39,704 (+25.2%)	+22,000 (+12.6%)
Operating Income	58,532	59,500	71,000	+12,468 (+21.3%)	+11,500 (+19.3%)
Percentage	37.2%	34.0%	36.0%	-1.2pt	+2.0pt
Recurring Income	59,341	60,000	72,000	+12,659 (+21.3%)	+12,000 (+20.0%)
Net Income attributable to owners of parent	46,893	41,500	52,500	+5,607 (+12.0%)	+11,000 (+26.5%)

In line with the revision of the business results forecast, revised the amount of the year-end dividend based on the dividend policy of paying dividends with a consolidated dividend payout ratio of 40% as a benchmark
 As the Company will carry out a share split, calculated based on the number of shares after the share split.

Revision of Dividend Forecast

Previous forecast of year-end dividend : 150 yen

▼ Reflecting a five-for-one share split
 A dividend increase of 100 yen in real terms from the previous forecast

New forecast of year-end dividend : 50yen (250 yen)^{*}

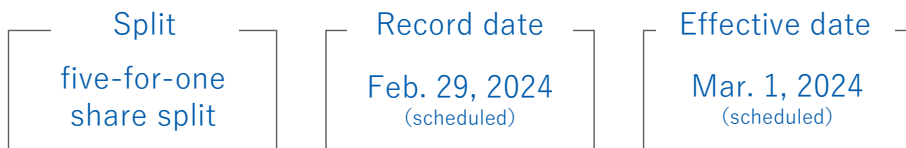
※figure in parentheses show pre-split conversion

Annual dividend per share (pre-split conversion) : 400 yen (Interim: 150 yen)

Share Split

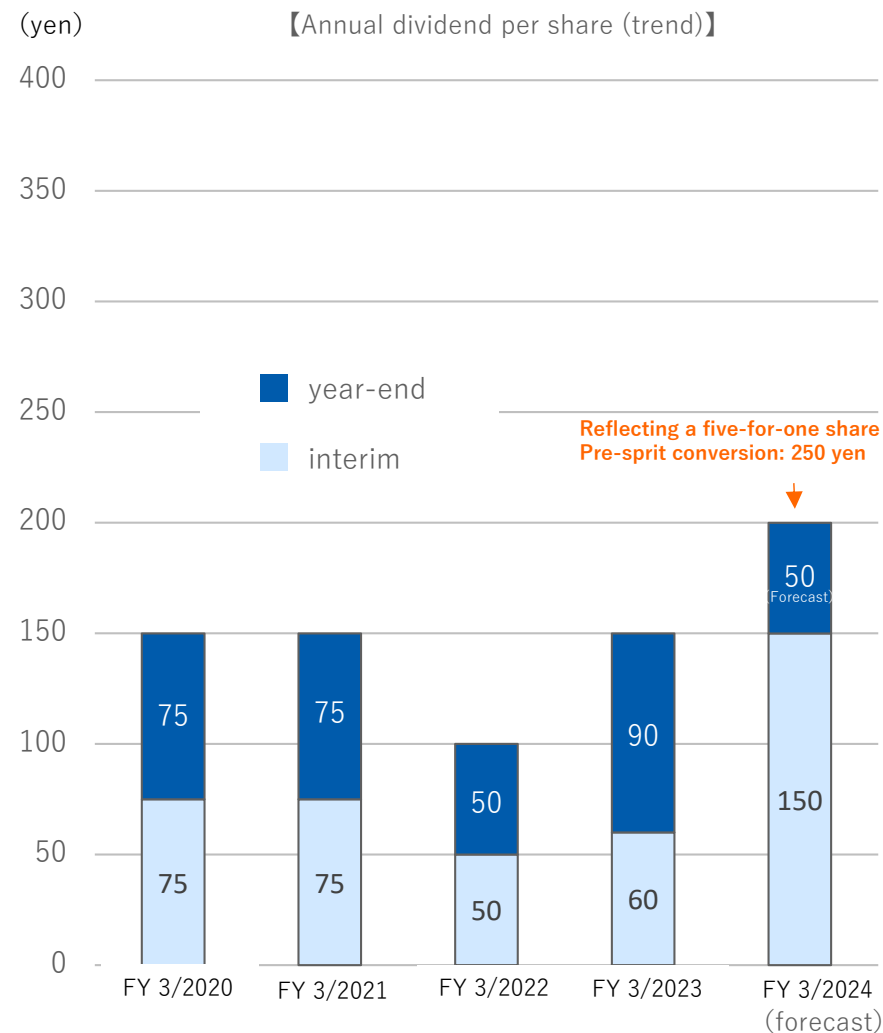
【Purpose of share split】

By lowering the amount required per investment unit through a stock split, we aim to create an environment that further facilitates investment, improving the liquidity of the Company's shares and expanding the range of potential investors.



※For details, please refer to the "Notice concerning Share Split, Amendments to the Articles of Incorporation, and Partial Change to the Matters related to Repurchase of the Company's Own Shares" (announced Feb. 7, 2024).

※In line with the share split, the criteria for offering shareholder benefits will be changed. For details, please refer to the "Notice concerning Partial Change to Shareholder Benefit Program" (announced Feb. 7, 2024).



1. In line with the share split, a partial change to the matters related to repurchase of the Company's own shares will be carried out.

【Before Change】		【After Change】	
(Details of the resolution of the Board of Directors, held on November 7, 2023)		(Details of the resolution of the Board of Directors, held on February 7, 2024)	
Period of repurchase: From November 8, 2023 to April 30, 2024		Period of repurchase: From November 8, 2023 to April 30, 2024	
Aggregate number of shares eligible for repurchase:	<u>Up to 10 million shares</u>	Aggregate number of shares eligible for repurchase:	<u>Up to 50 million shares</u>
Aggregate amount of repurchase cost:	Up to 70 billion yen	Aggregate amount of repurchase cost:	Up to 70 billion yen
Cumulative number of own shares repurchased (As of January 31, 2024)		Cumulative number of own shares repurchased (As of January 31, 2024) (After adjustment by reflecting the share split)	
Aggregate number of shares repurchased: (Progress)	Aggregate amount of repurchase cost: (Progress)	Aggregate number of shares repurchased: (Progress)	Aggregate amount of repurchase cost: (Progress)
<u>8,381,600 shares</u> (83.8%)	54,656,638,100 yen (78.1%)	<u>41,908,000 shares</u> (83.8%)	54,656,638,100 yen (78.1%)

Because of the share split at a ratio of five shares for one share, the number of shares to be repurchased will be changed from 10 million shares to 50 million shares.

2. Cancellation of Treasury Stock

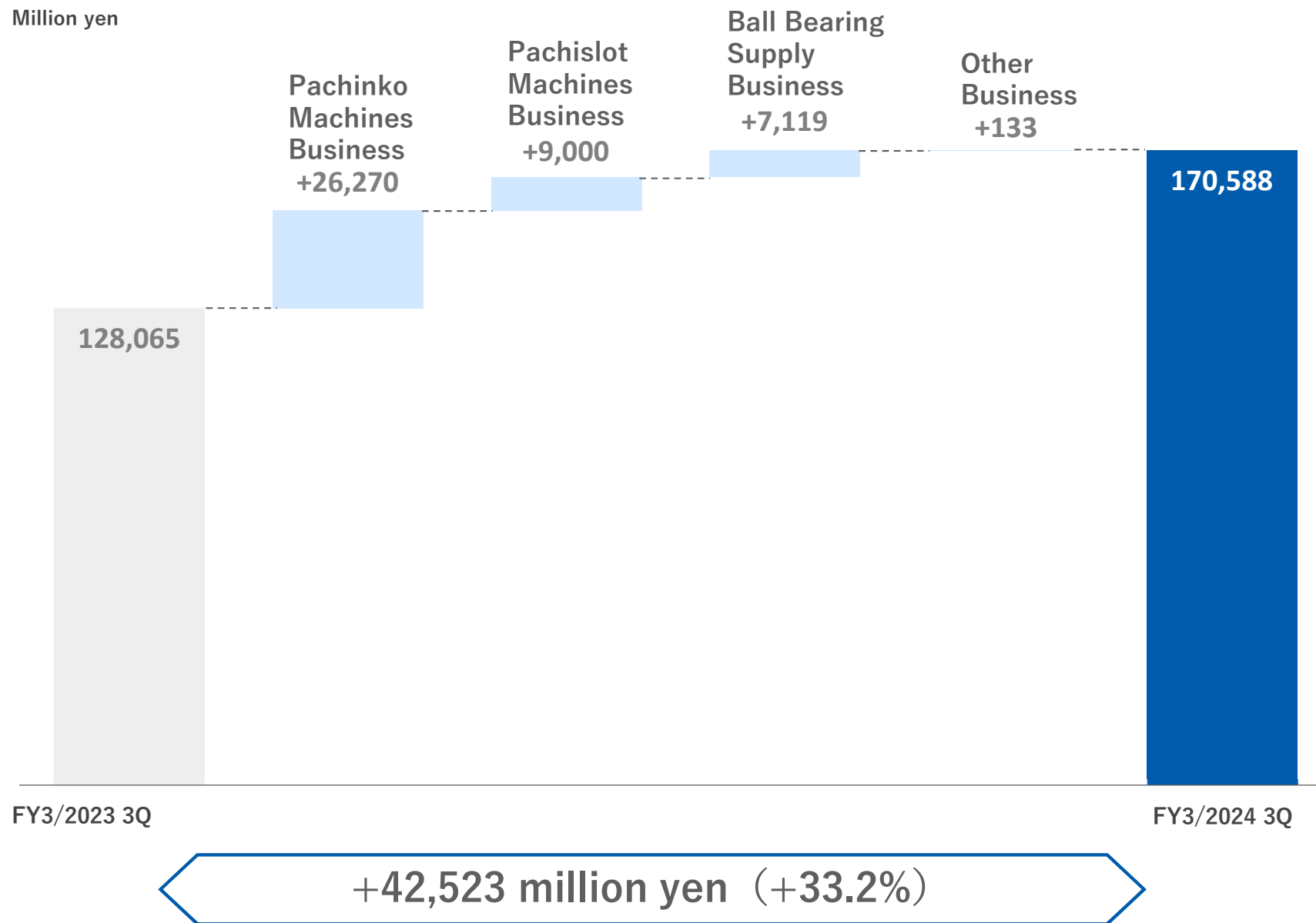
Planned cancellation date: : February 20, 2024

Number of shares to be cancelled: 10,116,700 shares (16.29% of total issued shares before cancellation)

Summary of Financial Results

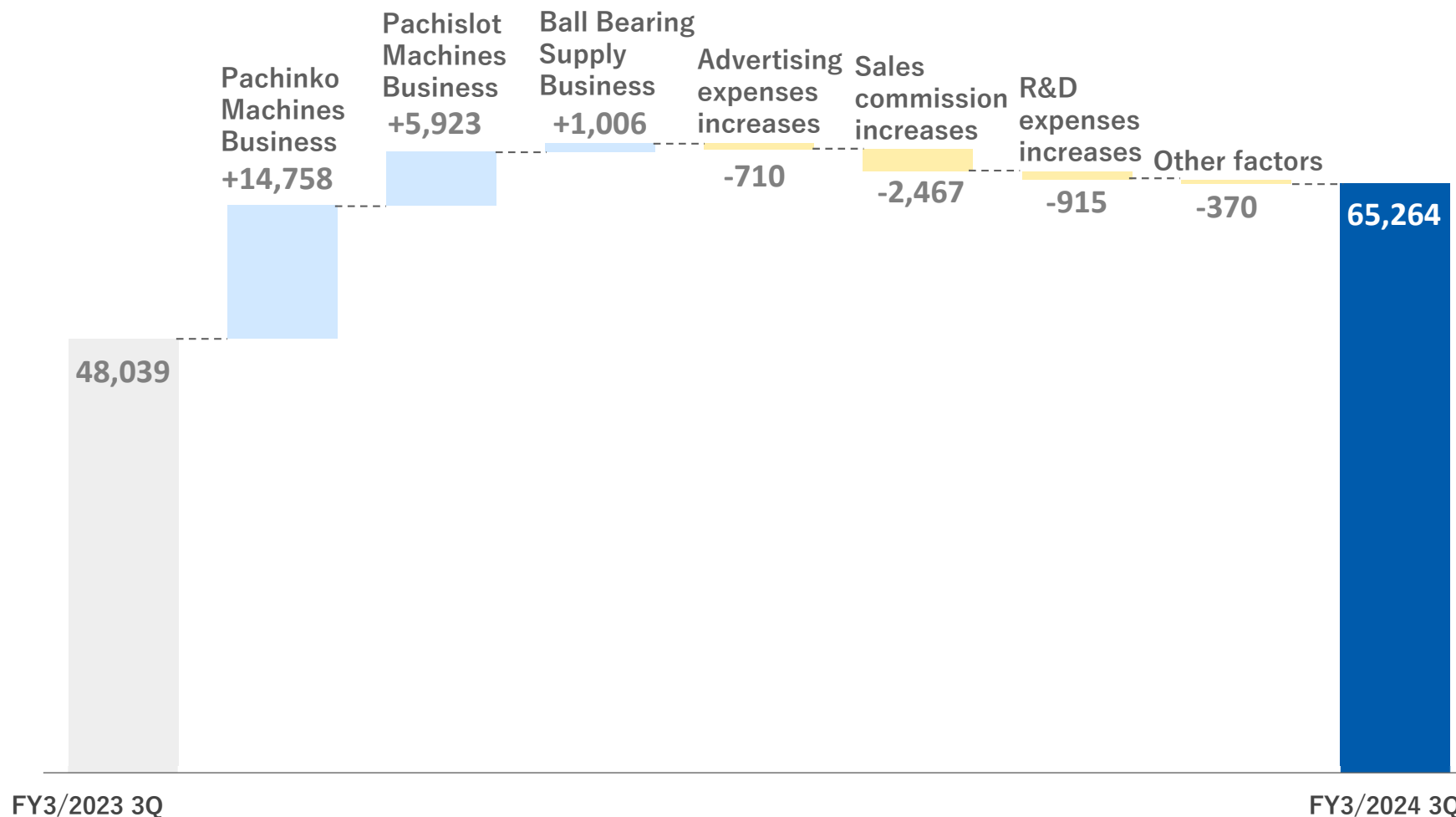
million yen	FY 3/2023 3Q	FY 3/2024 3Q	YoY	FY 3/2024 Forecast	
Net Sales	128,065	170,588	+42,523	+33.2%	197,000
Pachinko Machines Business	103,570	129,840	+26,270	+25.4%	146,200
Pachislot Machines Business	14,176	23,176	+9,000	+63.5%	32,100
Cost of Sales	55,374	76,102	+20,728	+37.4%	87,500
Gross Profit	72,690	94,485	+21,795	+30.0%	109,500
Percentage	56.8%	55.4%	-1.4pt		55.6%
SG & A Expenses	24,651	29,221	+4,570	+18.5%	38,500
Operating Income	48,039	65,264	+17,225	+35.9%	71,000
Percentage	37.5%	38.3%	+0.7pt		36.0%
Pachinko Machines Business	45,164	56,700	+11,536	+25.5%	59,200
Pachislot Machines Business	6,338	11,075	+4,737	+74.7%	15,600
Recurring Income	48,774	65,879	+17,105	+35.1%	72,000
Net Income attributable to owners of parent	38,670	48,244	+9,574	+24.8%	52,500

Factors of Change in Consolidated Net Sales



Factors of Change in Consolidated Operating Income

Million yen



+17,225 million yen (+35.9%)

Costs and Expenses

million yen	FY 3/2023 3Q	FY 3/2024 3Q	YoY		FY 3/2024 Forecast
SG & A Expenses	24,651	29,221	+4,570	+18.5%	38,500
Advertising Expenses	1,211	1,921	+710	+58.6%	2,444
Sales Commission	5,589	8,056	+2,467	+44.1%	9,344
R&D Expenses	10,201	11,116	+915	+9.0%	15,477
Salaries & Wages	2,350	2,561	+211	+9.0%	3,331
Depreciation & Amortization	1,233	2,002	+769	+62.4%	2,825
Capital Expenditure	1,554	1,878	+324	+20.8%	

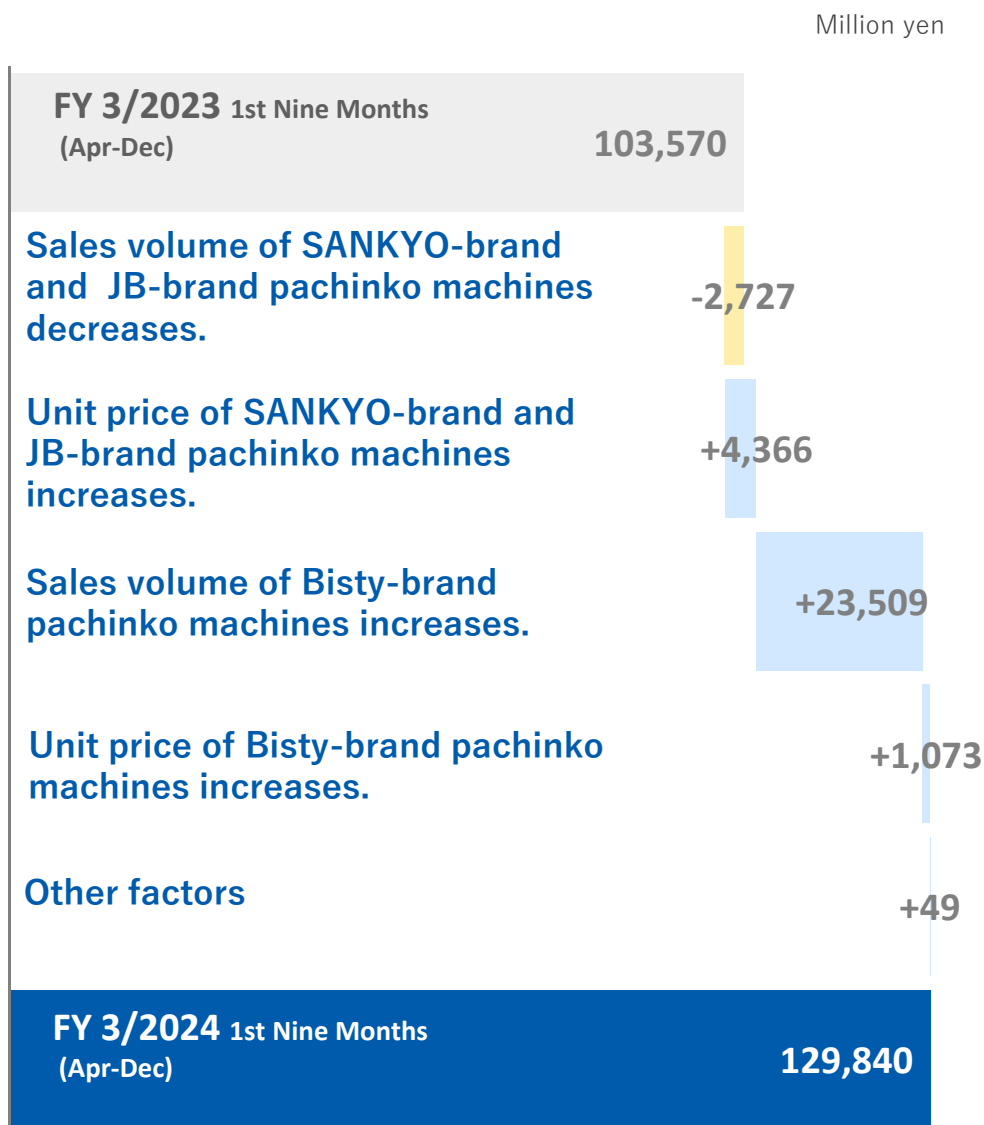
Summary of Balance Sheet

million yen	As of 31-Mar-23	As of 31-Dec-23	YoY	Main Factors of Change
Total current assets	321,797	279,101	-42,696	
Quick assets	295,715	252,098	-43,617	Decrease due to the repurchase of treasury stock
Total fixed assets	44,153	39,796	-4,357	
Investment securities	11,436	6,069	-5,367	
Total assets	365,950	318,898	-47,052	
Total current liabilities	47,180	42,807	-4,373	Decrease in accrued income taxes
Total long-term liabilities	8,510	8,655	+145	
Total liabilities	55,691	51,462	-4,229	
Total net assets	310,259	267,435	-42,824	Addition of net income Deduction of cash dividends paid and the repurchase of treasury stock
Total liabilities and total net assets	365,950	318,898	-47,052	

Contents

Overview of Financial Results	P3
➤ Overview of Business	P14
Surroundings of Pachinko and Pachislot Industry, And Initiatives of SANKYO	P19
Appendix	P24

Factors of Change in Net sales



Data

million yen	FY 3/2023 3Q	FY 3/2024 3Q	YoY
Net Sales	103,570	129,840	+26,270
Operating Income	45,164	56,700	+11,536
Percentage	43.6%	43.7%	
units			
Machines sales	222,224	260,363	+38,139
SANKYO+JB	142,990	136,456	-6,534
Frame	81,125	77,307	-3,818
Gauge	61,865	59,149	-2,716
Bisty	79,234	123,907	+44,673
Frame	71,829	110,191	+38,362
Gauge	7,405	13,716	+6,311

+26,720

Pachinko Machines Business



©大久保篤 / 講談社
 ©大久保篤 / 講談社 / 特殊消防隊動画広報課

1Q



©創通・サンライズ

2Q



©カラー

3Q



©SUNRISE/VVV Committee

4Q

New Title
x 10

Reused
Models etc.

- SANKYO**
Fever ENN ENN NO SHOUBOUTAI
- Bisty**
CODE GEASS Lelouch of the Rebellion
-Rebellion to Re; surrection-
- SANKYO**
Fever SPLASH×SPLASH
- SANKYO**
Fever MOBILE SUIT GUNDAM
UNICORN LIGHT ver.
- Bisty**
NEON GENESIS EVANGELION
(Resale) -Roar for tomorrow-
- SANKYO**
Fever Fafner Dead Aggressor 3
EXODUS "Orihime" Light ver.

- JB**
Fever Queen II
30th ANNIVERSARY EDITION
- SANKYO**
Fever MOBILE SUIT GUNDAM SEED
- SANKYO**
Fever Symphogear 3
Ogon Zessho LIGHT VER.
- Bisty**
NEON GENESIS EVANGELION
-Roar for tomorrow- SPECIAL EDITION
- Bisty**
NEON GENESIS EVANGELION
(Resale) -Roar for tomorrow-

- SANKYO**
Fever Kaguya-sama: Love Is War
- SANKYO**
Fever ARIFURETA SYOKUGYOU DE
SEKAISAIKYOU
- Bisty**
EVANGELION:3.0+1.0
Type Rei / Type Kaworu
- Bisty**
Godzilla vs EVANGELION
-G-cells awakening- PREMIUM MODEL
- SANKYO**
Fever Karakuri Circus Light ver.

- SANKYO**
Fever Valvrave the Liberator 3
- JB**
Fever Powerful
- SANKYO**
Fever How Heavy Are the Dumbbells
You Lift? Light ver.
- Bisty**
NEON GENESIS EVANGELION
-Roar for tomorrow- PREMIUM MODEL
- Bisty**
EVANGELION:3.0+1.0 Type Gendou
- Bisty**
CODE GEASS Lelouch of the Rebellion
-Rebellion to Re; surrection- Light ver.

Sales of Unit

77,458 units

90,360 units

92,545 units

- units

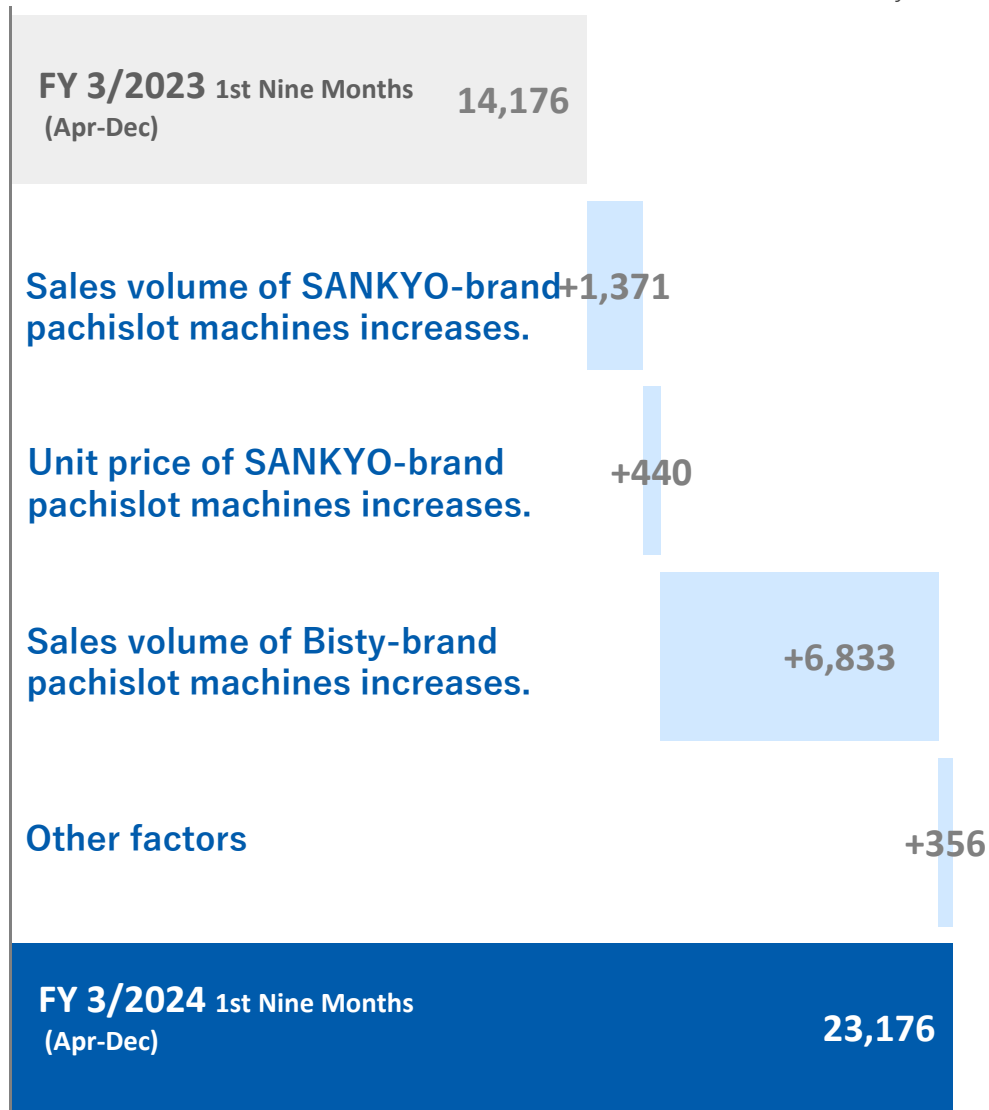
Progress

260,363 units (88.0%)

FY 3/2024 Forecast
296,000 units

Factors of Change in Net sales

Million yen



Data

million yen	FY 3/2023 3Q	FY 3/2024 3Q	YoY
Net Sales	14,176	23,176	+9,000
Operating Income	6,338	11,075	+4,737
Percentage	44.7%	47.8%	
units			
Machines sales	30,058	51,020	+20,962
SANKYO	30,058	33,038	+2,980
Bisty	0	17,982	+17,982

+9,000

Pachislot Machines Business



©大久保篤/講談社
 ©大久保篤・講談社/特殊消防隊動画広報課



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.



©2009,2011 BIGWEST/MACROSS F PROJECT



©カラー TM & © TOHO CO., LTD.

1Q

2Q

3Q

4Q

New Title
x 5

- SANKYO** Pachislot ENN ENN NO SHOUBOUTAI
- SANKYO** (Resale) L Pachislot Valvrave the Liberator

- SANKYO** L Pachislot Karakuri Circus
- Bisty** L Evangelion -Genesis of Destiny-

※It was introduced in October, but its sales was recognized in Q2 financial results

- SANKYO** L Pachislot Macross Frontier 4
- Bisty** L Godzillla vs EVANGELION

Sales of Unit

19,155 units

29,242 units

2,623 units

- units

Progress

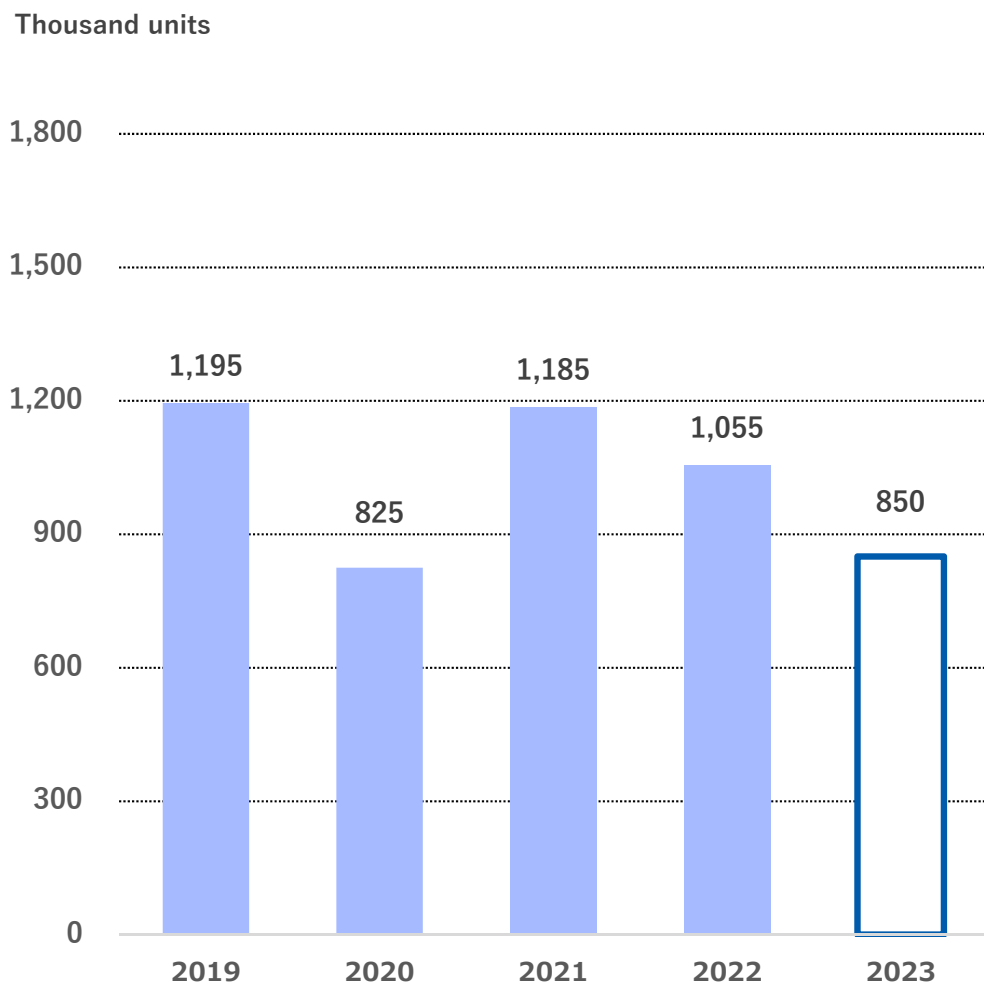
51,020 units (72.9 %)

FY 3/2024 Forecast
70,000 units

Contents

Overview of Financial Results	P3
Overview of Business	P14
➤ Surroundings of Pachinko and Pachislot Industry, And Initiatives of SANKYO	P19
Appendix	P24

Sales Volume



※ Estimates of SANKYO

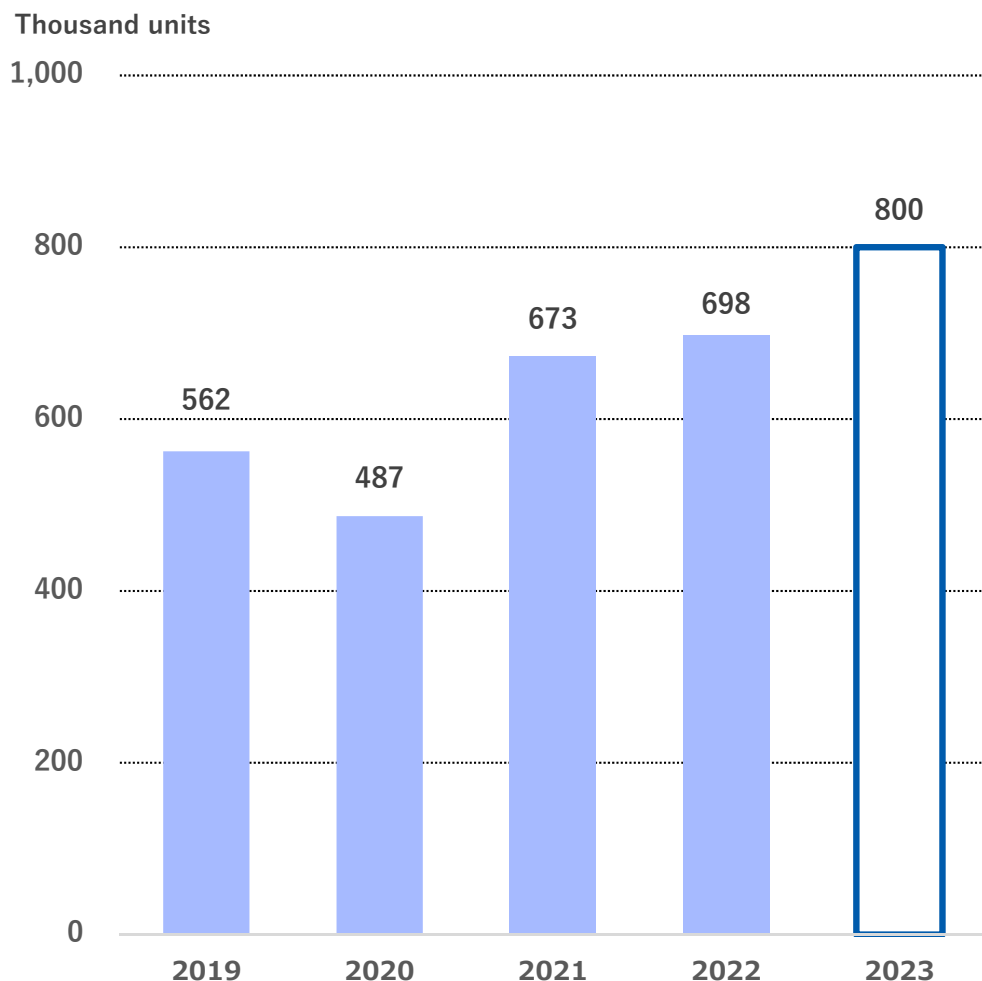
Sales volume forecast FY2024 : 1,000^{thousand units}

850^{thousand units}
 (April 1, 2023 to March 31, 2024)

Total number of units sold **Approx. 700^{thousand units}** YoY Approx. -8%
 (April to December, 2023) (4 titles sold 30,000 units or more.)
 (April to December)

- ✓ Total sales volume in the period from April to December, 2023 fell short of the same period of the previous year.
 - Remained sluggish as demand is shifting to the brisk pachislot market.
 - We revise the forecast of the total sales volume in pachinko market from 1,000 thousand units, assumed at initial forecast, to 850 thousand units,
- ✓ Increasing the number of hit titles to drive machine utilization becomes the key.
 - After March 2024, pachinko titles with new function (Lucky Trigger) are scheduled to be released.
 - Hit titles of Smart Pachinko machines have started to emerge and it is hoped that the pachinko market will gain momentum.

Sales Volume



Source: Yano Research Institute

Sales volume forecast FY2024 : **800** thousand units

(April 1, 2023 to March 31, 2024)

Total number of units sold

Approx. **640** thousand units YoY Approx. +25%

(April to December, 2023)

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

(April to December)

- ✓ Total sales volume in the period from April to December, 2023 exceeds the same period of the previous year.
 - The pachislot market has continued to be favorable as machine utilization remains high thanks to the emergence of a stream of hit titles of Smart Pachislot machines.
 - Smart Pachislot machines account for an increasing proportion of both the Pachislot titles introduced and the installed base of Pachislot machines.
- ✓ Sales competition intensified owing to the introduction of a stream of Smart Pachislot machines by various manufacturers.
 - The pachislot market is continuously expected to be favorable. On the other hand, sales competition is expected to remain intense owing to enrichment of Smart Pachislot titles.

- Aim to maintain and enhance brand power and share of sales in the pachinko market.
- Aim to ensure the Group forges ahead in the pachislot market.

Q1-Q3

- ✓ Launch of mainstay pachinko machine title and pachinko machine titles equipped with new IP.
 - Mainstay pachinko title: “Fever MOBILE SUIT GUNDAM SEED”
“EVANGELION:3.0 + 1.0 Type Rei / Type Kaworu”
 - New IP titles: “ENN ENN NO SHOUBOUTAI” (Pachinko/ Pachislot)
“Fever Kaguya-sama: Love Is War”
“Fever ARIFURETA SYOKUGYOU DE SEKAISAIKYOU”
- ✓ Additional sales of the high machine utilization titles.
 - “NEON GENESIS EVANGELION-Roar for tomorrow-”
 - ” L Pachislot Valvrave the Liberator”
- ✓ Launch of SANKYO Group’s second smart pachislot title.
 - Smart Pachislot title ”L Pachislot Karakuri Circus” obtained popularity.

Q4

- ✓ Launch of series titles
 - “Fever Valvrave the Liberator 3”
 - ” Fever Powerful”
- ✓ Launch of another type title of Smart Pachinko “EVANGELION:3.0 + 1.0 “
 - Scheduled to release of ”EVANGELION:3.0 + 1.0 Type Gendou” equipped gaming nature unique to Smart Pachislot.
- ✓ Vigorous introduction of Smart Pachislot machines.
 - “L Pachislot Macross Frontier 4”
 - ” L Godgilla vs EVANGELION”
 - Scheduled to release of 4 titles of Smart Pachislot among 5 titles, scheduled to release during this fiscal year.

The Company resolved to transition to a company with an audit and supervisory committee. (announced January 18, 2024)

The Company also resolved to establish a Nomination and Remuneration Committee and a Sustainability Committee, which are voluntary committees.

1. Transition to a Company with an Audit and Supervisory Committee

Purpose: By making Audit and Supervisory Committee Members, who are responsible for auditing Directors' execution of duties, members of the Board of Directors, the Company intends to strengthen the supervisory functions of the Board of Directors so as to further enhance the corporate governance system. The Company also intends to accelerate decision-making and business execution through delegation of authority so as to achieve continuous enhancement of corporate value.

Transition schedule: The Company plans to request approval for the necessary amendments to the Articles of Incorporation at the 59th Ordinary General Meeting of Shareholders to be held in June 2024 and transition to a company with an audit and supervisory committee.

2. Establishment of Nomination and Remuneration Committee

Purpose: The Company will establish a voluntary Nomination and Remuneration Committee for the purpose of ensuring objectivity, transparency, and fairness in evaluation and decision-making procedures concerning nomination and remuneration of Directors etc. through appropriate involvement of independent Outside Directors so as to further enhance the corporate governance system.

Date of establishment: January 18, 2024

3. Establishment of Sustainability Committee

Purpose: Deepen initiatives to address sustainability issues, including environmental activities, social contribution and community contribution activities, and human capital strategy, to realize both a “sustainable society” and “continuous corporate growth” with the aim of achieving continuous enhancement of corporate value.

Date of establishment: April 1, 2024

Contents

Overview of Financial Results	P3
Overview of Business	P14
Surroundings of Pachinko and Pachislot Industry, And Initiatives of SANKYO	P19
➤ Appendix	P24

Business Results for the First Nine Months of FY 3/2024

Consolidated: million yen	FY 3/2023	FY 3/2024	YoY	Forecast	FY 3/2023				FY 3/2024			
	9 Months	9 Months		Full Year	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
Net Sales	128,065	170,588	+42,523	197,000	27,763	42,200	58,102	29,231	157,296	50,777	65,413	54,398
Pachinko	103,570	129,840	+26,270	146,200	26,431	36,590	40,549	19,006	122,576	34,887	47,220	47,733
Pachislot	14,176	23,176	+9,000	32,100	628	4,123	9,425	8,375	22,551	9,056	12,630	1,490
Ball Bearing Supply	10,179	17,298	+7,119	18,300	660	1,439	8,080	1,814	11,993	6,734	5,481	5,083
Other Business	139	272	+133	400	42	49	48	36	175	97	83	92
Cost of Sales	55,374	76,102	+20,728	87,500	12,221	17,017	26,136	11,006	66,380	22,450	29,237	24,415
Gross Profit	72,690	94,485	+21,795	109,500	15,541	25,183	31,966	18,226	90,916	28,326	36,176	29,983
SG & A Expenses	24,651	29,221	+4,570	38,500	6,086	8,222	10,343	7,732	32,383	9,137	9,905	10,179
Operating Income	48,039	65,264	+17,225	71,000	9,455	16,960	21,624	10,493	58,532	19,188	26,272	19,804
Pachinko	45,164	56,700	+11,536	59,200	10,963	17,312	16,889	9,059	54,223	14,997	21,518	20,185
Pachislot	6,338	11,075	+4,737	15,600	(289)	1,328	5,299	2,942	9,280	4,818	6,665	(408)
Ball Bearing Supply	633	1,531	+898	1,500	(12)	16	629	109	742	595	514	422
Other Business	15	122	+107	100	1	5	9	6	21	32	42	48
Elimination/Corporate	(4,112)	(4,166)	-54	(5,400)	(1,207)	(1,702)	(1,203)	(1,622)	(5,734)	(1,255)	(2,466)	(445)
Recurring Income	48,774	65,879	+17,105	72,000	9,827	17,015	21,932	10,567	59,341	19,482	26,381	20,016
Extra ordinary Gains	6,068	2,205	-3,863	2,205	1,305	1,996	2,767	1,011	7,079	434	0	1,771
Extra ordinary Losses	99	105	+6	200	1	4	94	63	162	7	0	98
Net Income	38,670	48,244	+9,574	52,500	7,931	13,375	17,364	8,223	46,893	14,080	18,707	15,457
EPS: yen		872.13		198.91 ※					807.52			

※ The Company plans to carry out a share split at a ratio of five shares for one share of common stock, effective March 1, 2024. Therefore, the amount presented for net income per share for the full year in the forecast of consolidated financial results for the fiscal year ending March 31, 2024 is the amount in which the impact of the share split is reflected.
 Net income per share without reflecting the share split would be ¥994.53.

Machines sales: units

Pachinko	222,224	260,363	+38,139	296,000	62,991	81,313	77,920	46,502	268,726	77,458	90,360	92,545
SANKYO+JB	142,990	136,456	-6,534	154,000	62,152	62,908	17,930	39,095	182,085	47,353	67,689	21,414
Bisty	79,234	123,907	+44,673	142,000	839	18,405	59,990	7,407	86,641	30,105	22,671	71,131
Pachislot	30,058	51,020	+20,962	70,000	1,254	8,836	19,968	21,523	51,581	19,155	29,242	2,623
SANKYO	30,058	33,038	+2,980	47,000	1,254	8,836	19,968	6,524	36,582	19,153	11,538	2,347
Bisty	0	17,982	+17,982	23,000	0	0	0	14,999	14,999	2	17,704	276

GP Margin/OP Margin

Consolidated	FY 3/2023	FY 3/2024	YoY	Forecast	FY 3/2023				FY 3/2024			
	9 Months	9 Months		Full Year	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
GP Margin	56.8%	55.4%	-1.4pt	55.6%	56.0%	59.7%	55.0%	62.4%	57.8%	55.8%	55.3%	55.1%
OP Margin	37.5%	38.3%	+0.7pt	36.0%	34.1%	40.2%	37.2%	35.9%	37.2%	37.8%	40.2%	36.4%

Expenses etc.

Consolidated: million yen	FY 3/2023	FY 3/2024	YoY	Forecast	FY 3/2023				FY 3/2024			
	9 Months	9 Months		Full Year	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
Sales Commission	5,589	8,056	+2,467	9,344	450	1,297	3,842	506	6,095	2,026	1,802	4,228
Advertising Expenses	1,211	1,921	+710	2,444	201	710	300	528	1,739	1,045	582	294
R&D Expenses	10,201	11,116	+915	15,477	2,969	3,479	3,753	4,094	14,295	3,505	3,643	3,968
Salaries & Wages	2,350	2,561	+211	3,331	622	643	1,085	638	2,988	722	737	1,102
Others	5,300	5,567	+267	7,904	1,844	2,093	1,363	1,966	7,266	1,839	3,141	587

Consolidated: million yen

Capital Expenditure	1,554	1,878	+324	569	320	665	1,327	2,881	709	707	462	
Depreciation & Amortization	1,233	2,002	+769	2,825	304	403	526	605	1,838	503	669	830

Consolidated

No. of Employees	873	876	+3	887	878	873	864	864	878	877	876
No. of R&D Staff	271	268	-3	276	274	271	270	270	275	270	268

Indirect Sales Ratio

SANKYO+JB Pachinko	20.2%	16.0%	-4.2pt	16.0%	23.9%	20.8%	20.2%	19.3%	19.3%	15.9%	15.8%	16.0%
SANKYO Pachislot	22.8%	21.1%	-1.7pt	21.2%	6.1%	27.5%	22.8%	21.5%	21.5%	20.0%	21.1%	21.1%

Pachinko Machines Business

Consolidated: million yen	FY 3/2023	FY 3/2024	YoY	Forecast	FY 3/2023				FY 3/2024			
	9 Months	9 Months		Full Year	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
Net Sales	103,570	129,840	+26,270	146,200	26,431	36,590	40,549	19,006	122,576	34,887	47,220	47,733
Operating Income	45,164	56,700	+11,536	59,200	10,963	17,312	16,889	9,059	54,223	14,997	21,518	20,185
Percentage	43.6%	43.7%	+0.1pt	40.5%	41.5%	47.3%	41.7%	47.7%	44.2%	43.0%	45.6%	42.3%

Machines sales: units

	FY 3/2023	FY 3/2024	YoY	Forecast	FY 3/2023				FY 3/2024			
	9 Months	9 Months		Full Year	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
Pachinko	222,224	260,363	+38,139	296,000	62,991	81,313	77,920	46,502	268,726	77,458	90,360	92,545
SANKYO+JB	142,990	136,456	-6,534	154,000	62,152	62,908	17,930	39,095	182,085	47,353	67,689	21,414
Frame	81,125	77,307	-3,818		49,531	22,522	9,072	15,000	96,125	22,595	52,218	2,494
Gauge	61,865	59,149	-2,716		12,621	40,386	8,858	24,095	85,960	24,758	15,471	18,920
Bisty	79,234	123,907	+44,673	142,000	839	18,405	59,990	7,407	86,641	30,105	22,671	71,131
Frame	71,829	110,191	+38,362		292	11,870	59,667	368	72,197	24,075	22,645	63,471
Gauge	7,405	13,716	+6,311		547	6,535	323	7,039	14,444	6,030	26	7,660

Titles to Release

FY 3/2024						FY 3/2024						Total		
Series name	Brand	Release Date	No. of Models	Unit Sales	Titles to Release	Series name	Brand	Release Date	No. of Models	Unit Sales				
Q1 Fever ENN ENN NO SHOUBOUTAI	SANKYO	(Apr-23)	1	30,000	Q3 Fever Kaguya-sama: Love Is War	SANKYO	(Oct-23)	1	14,200					
CODE GEASS Lelouch of the Rebellion -Rebellion to Re; surrection-	Bisty	(May-23)	1	20,000	Godzilla vs EVANGELION -G-cells awakening- PREMIUM MODEL	Bisty	(Oct-23)	1	7,800					
NEON GENESIS EVANGELION -Roar for tomorrow- (Resale)	Bisty	(May-23)	1	10,000	Fever ARIFURETA SYOKUGYOU DE SEKAISAIKYOU	SANKYO	(Nov-23)	1	5,400					
Fever MOBILE SUIT GUNDAM UNICORN LIGHT ver.	SANKYO	(May-23)	1	9,300	Fever Karakuri Circus Light ver.	SANKYO	(Dec-23)	1	--					
Fever SPLASH x SPLASH	SANKYO	(Jun-23)	1	5,900	EVANGELION:3.0+1.0 Type Rei / Type Kaworu	Bisty	(Dec-23)	2	61,000	260,363				
Fever Fafner Dead Aggressor 3 EXODUS "Orihime" Light ver.	SANKYO	(Jun-23)	1	--	Q4 Fever Valvrave the Liberator 3	SANKYO	(Jan-24)	1	--					
Q2 Fever Queen II 30th ANNIVERSARY EDITION	JB	(Jul-23)	1	8,000	Fever How Heavy Are the Dumbbells You Lift? Light ver.	SANKYO	(Feb-24)	1	--					
Fever MOBILE SUIT GUNDAM SEED	SANKYO	(Aug-23)	1	50,100	NEON GENESIS EVANGELION -Roar for tomorrow- PREMIUM MODEL	Bisty	(Feb-24)	1	--					
Fever Symphogear 3 Ogon Zessho LIGHT VER.	SANKYO	(Sep-23)	1	6,000	Fever Powerful	JB	(Mar-24)	1	--					
NEON GENESIS EVANGELION -Roar for tomorrow- SPECIAL EDITION	Bisty	(Sep-23)	1	10,000	EVANGELION:3.0+1.0 Type Gendou	Bisty	(Mar-24)	1	--					
NEON GENESIS EVANGELION -Roar for tomorrow- (Resale)	Bisty	(Sep-23)	1	14,900	CODE GEASS Lelouch of the Rebellion -Rebellion to Re; surrection- Light ver.	Bisty	(Mar-24)	1	--					

Pachislot Machines Business

Consolidated: million yen	FY 3/2023	FY 3/2024	YoY	Forecast	FY 3/2023	FY 3/2024						
	9 Months	9 Months		Full Year	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
Net Sales	14,176	23,176	+9,000	32,100	628	4,123	9,425	8,375	22,551	9,056	12,630	1,490
Operating Income	6,338	11,075	+4,737	15,600	(289)	1,328	5,299	2,942	9,280	4,818	6,665	(408)
Percentage	44.7%	47.8%	+3.1pt	48.6%	(46.0%)	32.2%	56.2%	35.1%	41.2%	53.2%	52.8%	(27.4%)

Machines sales: units

	FY 3/2023	FY 3/2024	YoY	Forecast	FY 3/2023	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
Pachislot	30,058	51,020	+20,962	70,000	1,254	8,836	19,968	21,523	51,581	19,155	29,242	2,623	
SANKYO	30,058	33,038	+2,980	47,000	1,254	8,836	19,968	6,524	36,582	19,153	11,538	2,347	
Bisty	0	17,982	+17,982	23,000	0	0	0	14,999	14,999	2	17,704	276	

Titles to Release

FY 3/2024	Series name	Brand	Release Date	Unit Sales	
Q1	L Pachislot Valvrave the Liberator (Resale)	SANKYO	(Apr-23)	--	Total
	Pachislot ENN ENN NO SHOUBOUTAI	SANKYO	(May-23)	15,000	
Q2	L Pachislot Karakuri Circus	SANKYO	(Jul-23)	14,900	Total
	L Evangelion -Genesis of Destiny-	Bisty	(Oct-23)※	17,900	
Q3	--	--	--	--	51,020
Q4	L Pachislot Macross Frontier 4	SANKYO	(Jan-24)	--	Total
	L Godzilla vs EVANGELION	Bisty	(Feb-24)	--	

※ It was introduced in October, but its sales was recognized in Q2 financial results

Financial Indicators

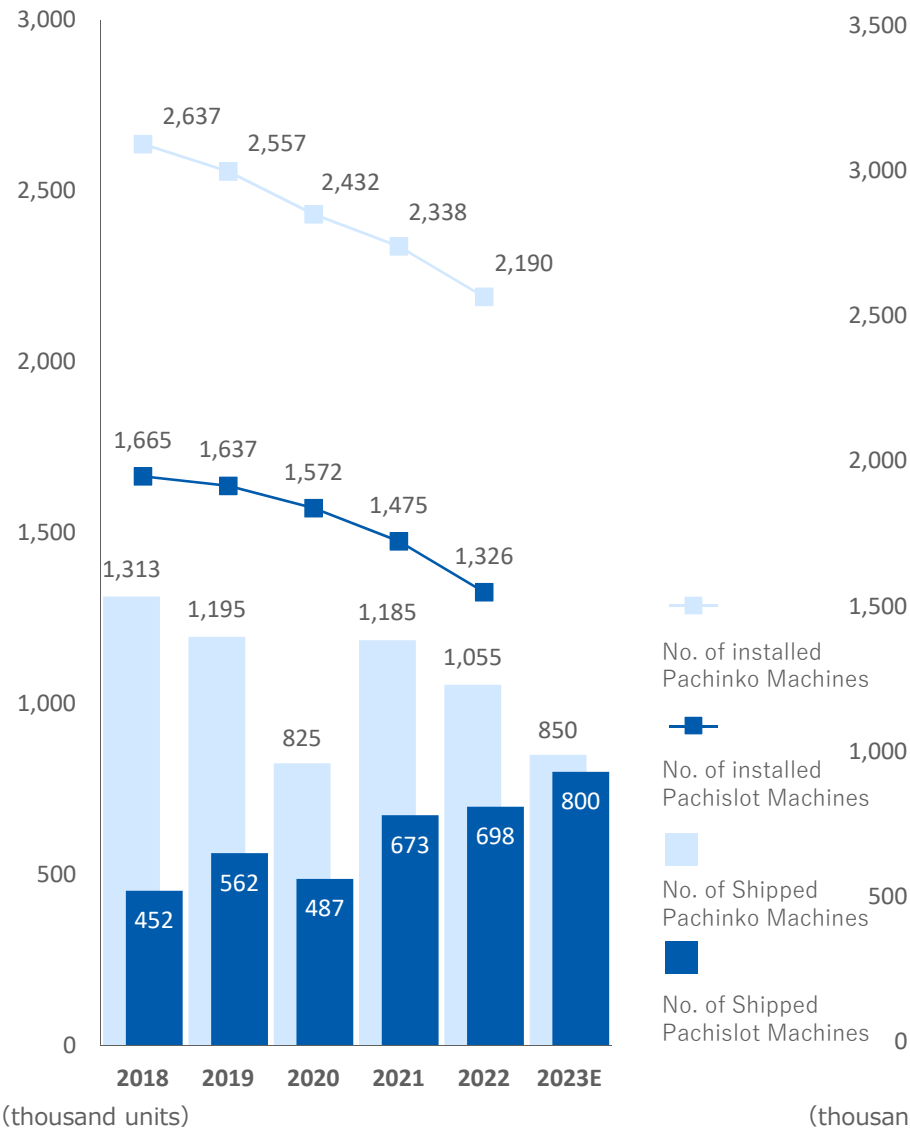
million yen	FY 3/2017	FY 3/2018	FY 3/2019	FY 3/2020	FY 3/2021	FY 3/2022	FY 3/2023	FY 3/2024E
Net Sales	81,455	86,220	88,558	78,416	58,129	84,857	157,296	197,000
Operating Income	5,059	10,181	21,286	12,551	6,587	21,357	58,532	71,000
Recurring Income	3,832	11,319	22,300	13,476	7,488	22,257	59,341	72,000
Net Income	1,777	5,550	13,384	13,045	5,749	18,466	46,893	52,500
Total Assets	390,585	396,291	399,585	325,232	292,104	309,213	365,950	
Total Net Assets	340,287	337,242	337,377	269,521	268,887	270,120	310,259	
DPS (Yen)	150.00	150.00	150.00	150.00	150.00	100.00	150.00	200.00 [※] (400.00)

※ The Company plans to carry out a share split at a ratio of five shares for one share of common stock, effective March 1, 2024. Therefore, the amount presented for the year-end dividend per share for the fiscal year ending March 31, 2024 (forecast) is the amount (50 yen) after the share split. Without reflecting the share split, the year-end dividend for the fiscal year ending March 31, 2024 (forecast) would be ¥250.00 and the dividends for the full year would be ¥400.00.

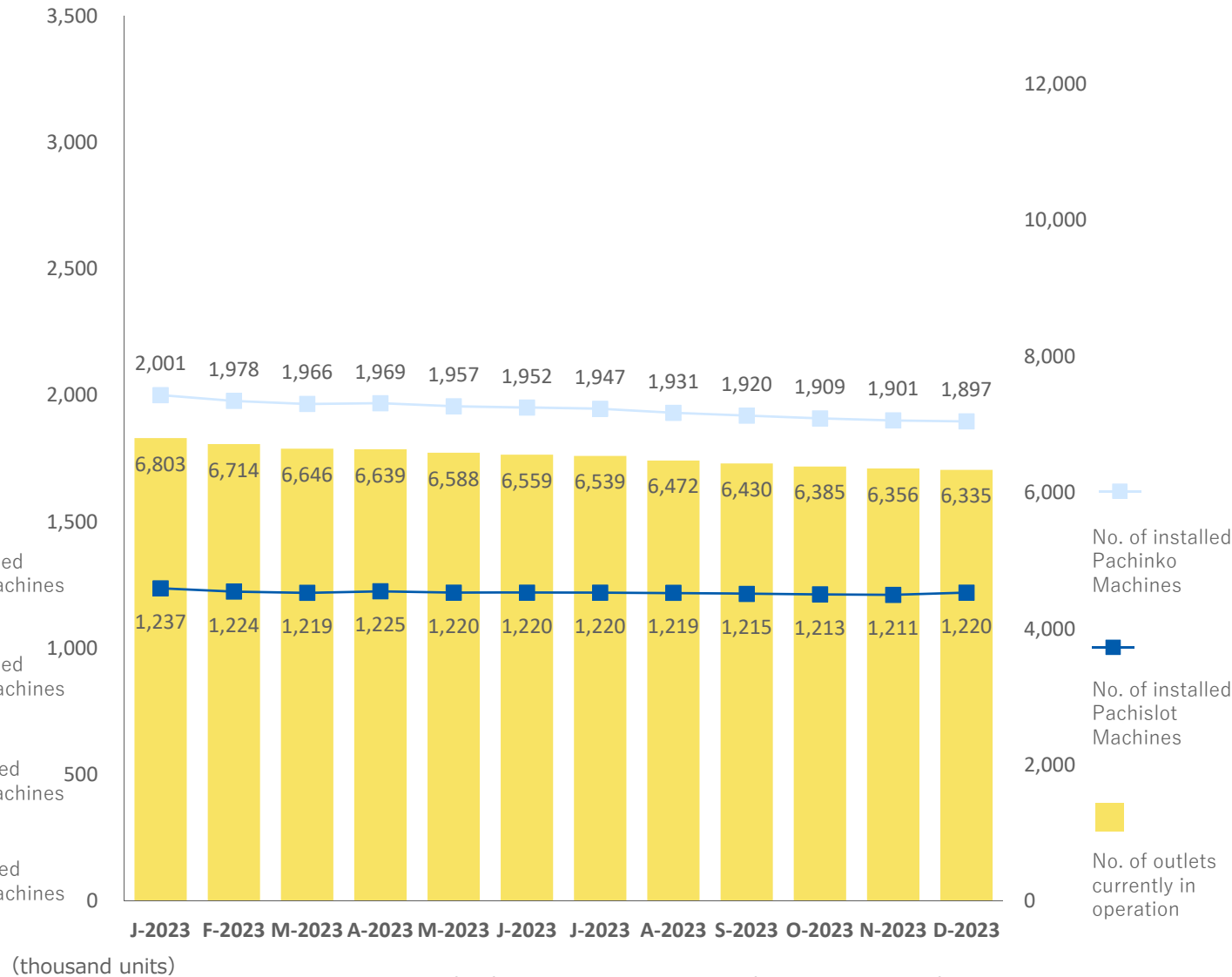
Return on Equity	0.5%	1.6%	4.0%	4.3%	2.1%	6.9%	16.3%	
Average ROE of five consecutive	2.5%	2.6%	2.3%	2.7%	2.5%	3.8%	6.7%	
Net Income Ratio	2.2%	6.4%	15.1%	16.6%	9.9%	21.8%	29.8%	
Total Asset Turnover	0.20	0.22	0.22	0.22	0.19	0.28	0.47	
Financial Leverage	1.17	1.16	1.18	1.19	1.15	1.12	1.16	

Pachinko/Pachislot Machine Market

Market size



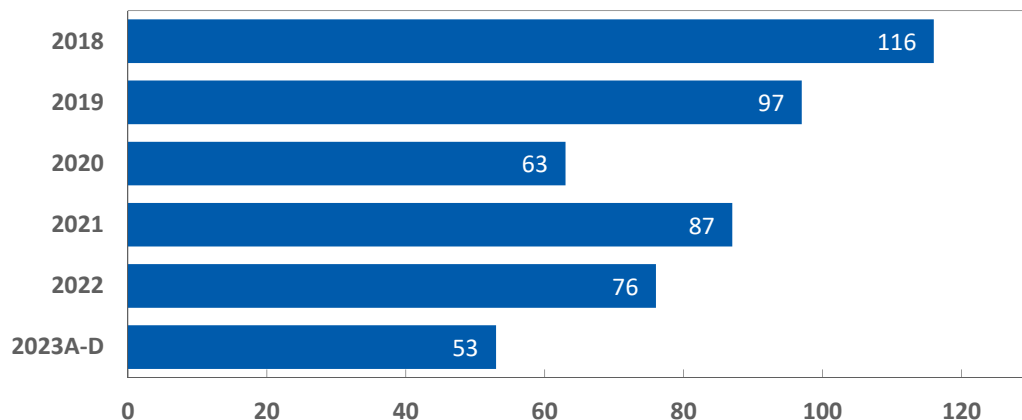
Situation of Parlors that Are Members of Zennichiuren for recent a year



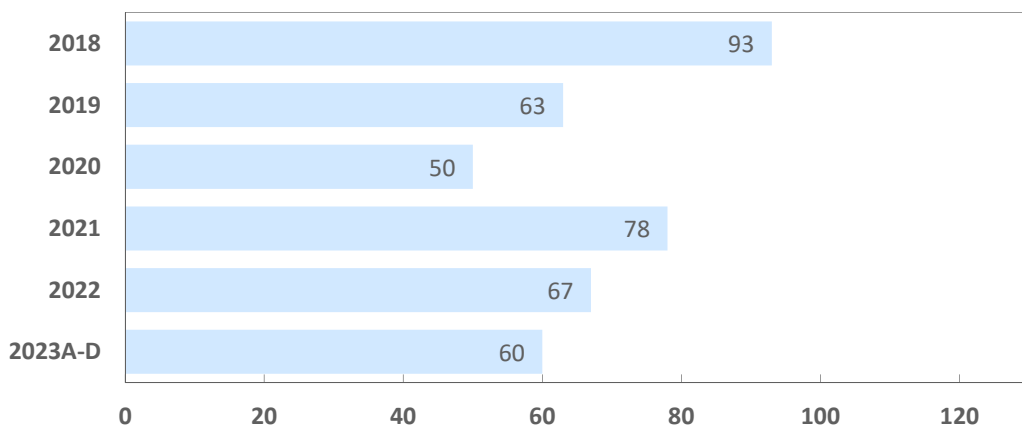
Source: National Police Agency, Yano Research Institute, Zennichiuren

Number of Titles Sold (All Manufacturers)

Pachinko machines



Pachislot machines



※ Estimates of SANKYO ※ Except for reuse and sub spec models

Compliance with Format Inspection

	2018	2019	2020	2021	2022	2023J-D
Applicant	711	945	912	990	910	912
Pass	336	430	295	313	230	186
Fail	333	560	499	598	669	666

SANKYO Group (Number of Pass)

SANKYO+JB	30	28	37	23	25	38
Bisty	9	19	8	9	10	14
Total	39	47	45	32	35	52

including Arrange Ball, Jong-Kyu

	2018	2019	2020	2021	2022	2023J-D
Applicant	596	982	917	985	972	1,008
Pass	203	191	185	263	194	196
Fail	444	721	665	694	721	765

SANKYO Group (Number of Pass)

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

Source: Security Electronics and Communications Technology Association

Investor Relations Office Corporate Planning Division



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 February 7, 2024. Although the Company intended to faithfully translate the Japanese document into English, the accuracy and correctness of this translation are not guaranteed.