



Presentation on Business Results
for the First Six Months of FY 3/2021
(April 1, 2020 to September 30, 2020)

November 10, 2020

SANKYO CO., LTD.

1st Sec. of the TSE #6417

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Financial Highlights

- ✓ The Group secured profits for the first six months of FY 3/2021, even in a challenging business environment of the COVID-19 pandemic.
- ✓ Both net sales and profits decreased from the same period of the previous fiscal year due to a decrease in the number of pachinko/pachislot titles sold.

Consolidated Financial Results

Net Sales	25,332	million yen	YoY	-24.4 %
Operating Income	1,084	million yen		-64.8 %
Net Income attributable to owners of parent	1,407	million yen		-35.5 %
Net Income per share	23.01	yen		-3.92 yen

Pachinko Machines Business

Net Sales	22,384	million yen	YoY	-17.9 %
Operating Income	4,737	million yen		-15.3 %
Sales of Unit	47,119	unit		-30.0 %

Pachislot Machines Business

Net Sales	1,513	million yen	YoY	-50.0 %
Operating Income	(1,319)	million yen		-1,326 million yen
Sales of Unit	3,845	unit		-47.9 %

Pachinko Pachislot Market

- ✓ Machine utilization at pachinko parlors, having hit bottom in May, the month in which the state of emergency was lifted, is on a recovery trend. Consequently, there are signs of an upturn in pachinko parlor operators' willingness to purchase new models.
- ✓ Introduction of pachinko machines equipped "Yu-Time" compliant with the new Standards for Interpretation of Technical Standards has gained momentum, and players' and pachinko parlor operators' expectations of these new pachinko machines are rising.
- ✓ New models of pachislot machines have been in short supply because the format inspection pass rate has remained low.

SANKYO Group

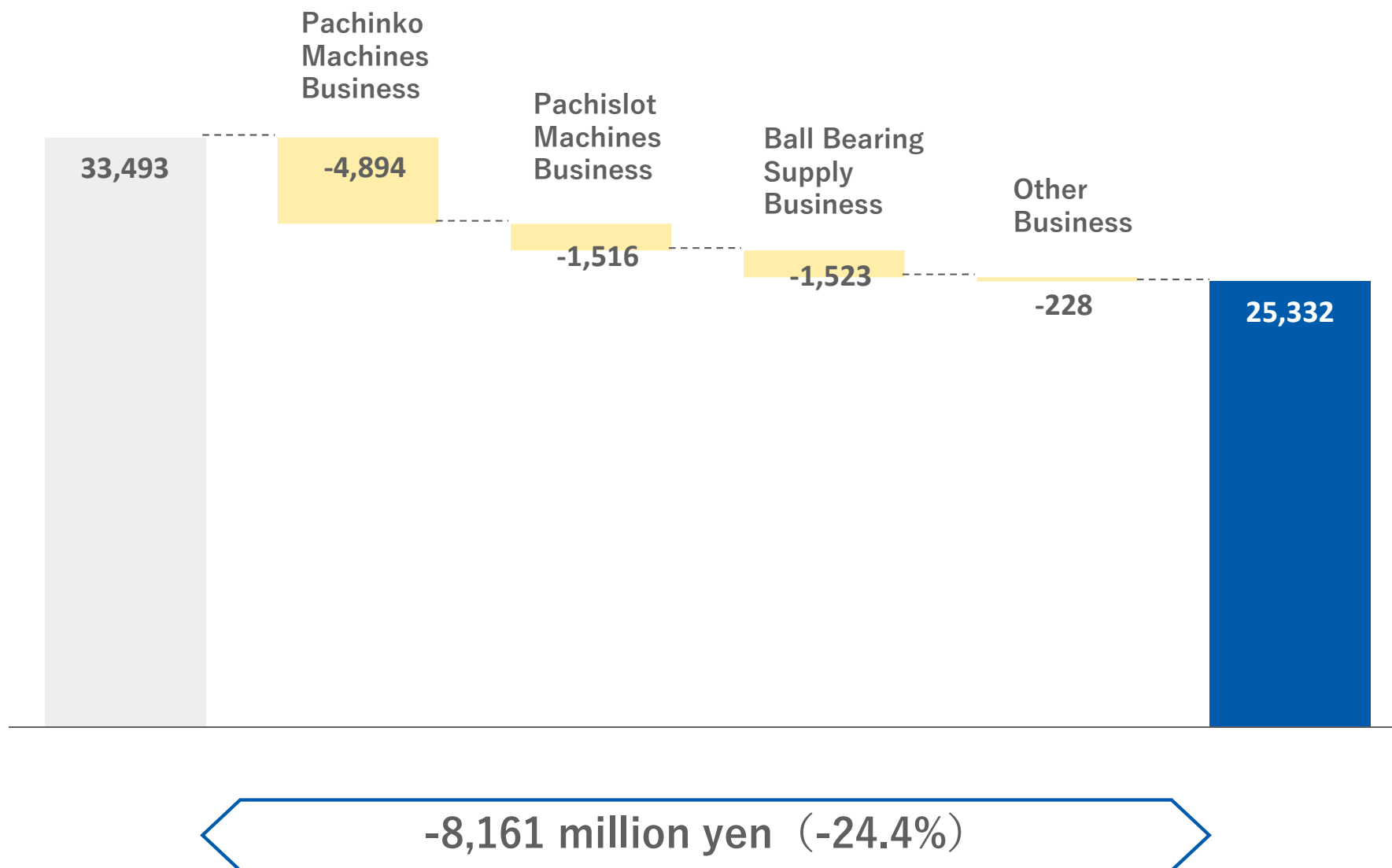
- Number of New Titles of Pachinko machine released, except for reused models : Two
- Number of New Titles of Pachislot machine released : One
- ✓ Fewer titles were introduced than in a typical year because the Group minimized the number of titles for launch in light of an assessment of pachinko parlor operators' willingness to purchase new models during the COVID-19 pandemic.
- ✓ Fever Symphogear 2 introduced in April became a hit product. We have received additional orders for Fever Symphogear 2 and it became a driving force of the Group's financial performance.

Summary of Financial Results

million yen	FY 3/2020 2Q	FY 3/2021 2Q	YoY	FY 3/2021 Forecast	
Net Sales	33,493	25,332	-8,161	-24.4%	73,500
Pachinko Machines Business	27,278	22,384	-4,894	-17.9%	57,000
Pachislot Machines Business	3,029	1,513	-1,516	-50.0%	10,000
Cost of Sales	15,771	12,788	-2,983	-18.9%	38,000
Gross Profit	17,722	12,544	-5,178	-29.2%	35,500
Percentage	52.9%	49.5%	-3.4pt		48.3%
SG & A Expenses	14,644	11,459	-3,185	-21.7%	27,500
Operating Income	3,077	1,084	-1,993	-64.8%	8,000
Percentage	9.2%	4.3%	-4.9pt		10.9%
Pachinko Machines Business	5,594	4,737	-857	-15.3%	13,500
Pachislot Machines Business	7	(1,319)	-1,326		(700)
Recurring Income	3,606	1,588	-2,018	-56.0%	8,700
Net Income attributable to owners of parent	2,183	1,407	-776	-35.5%	6,200

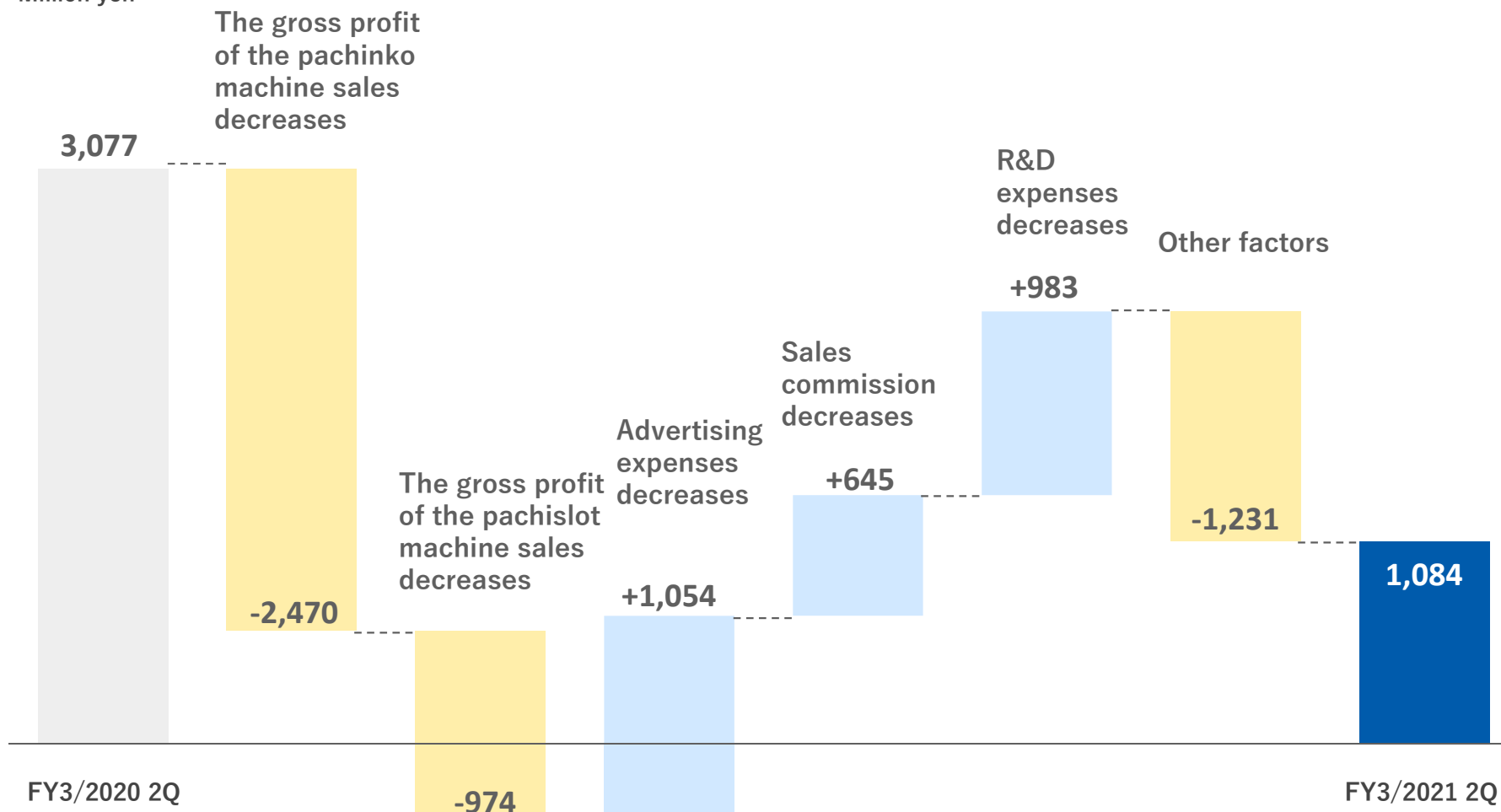
Factors of Change in Consolidated Net Sales

Million yen



Factors of Change in Consolidated Operating Income

Million yen



-1,993 million yen (-64.8%)

Costs and Expenses

million yen	FY 3/2020 2Q	FY 3/2021 2Q	YoY	FY 3/2021 Forecast	
SG & A Expenses	14,644	11,459	-3,185	-21.7%	27,500
Advertising Expenses	1,299	245	-1,054	-81.1%	1,233
Sales Commission	1,082	437	-645	-59.6%	2,579
R&D Expenses	6,952	5,969	-983	-14.1%	13,380
Salaries & Wages	1,274	1,248	-26	-2.0%	3,114
Depreciation & Amortization	1,493	1,014	-479	-32.1%	2,729
Capital Expenditure	1,741	511	-1,230	-70.6%	3,407

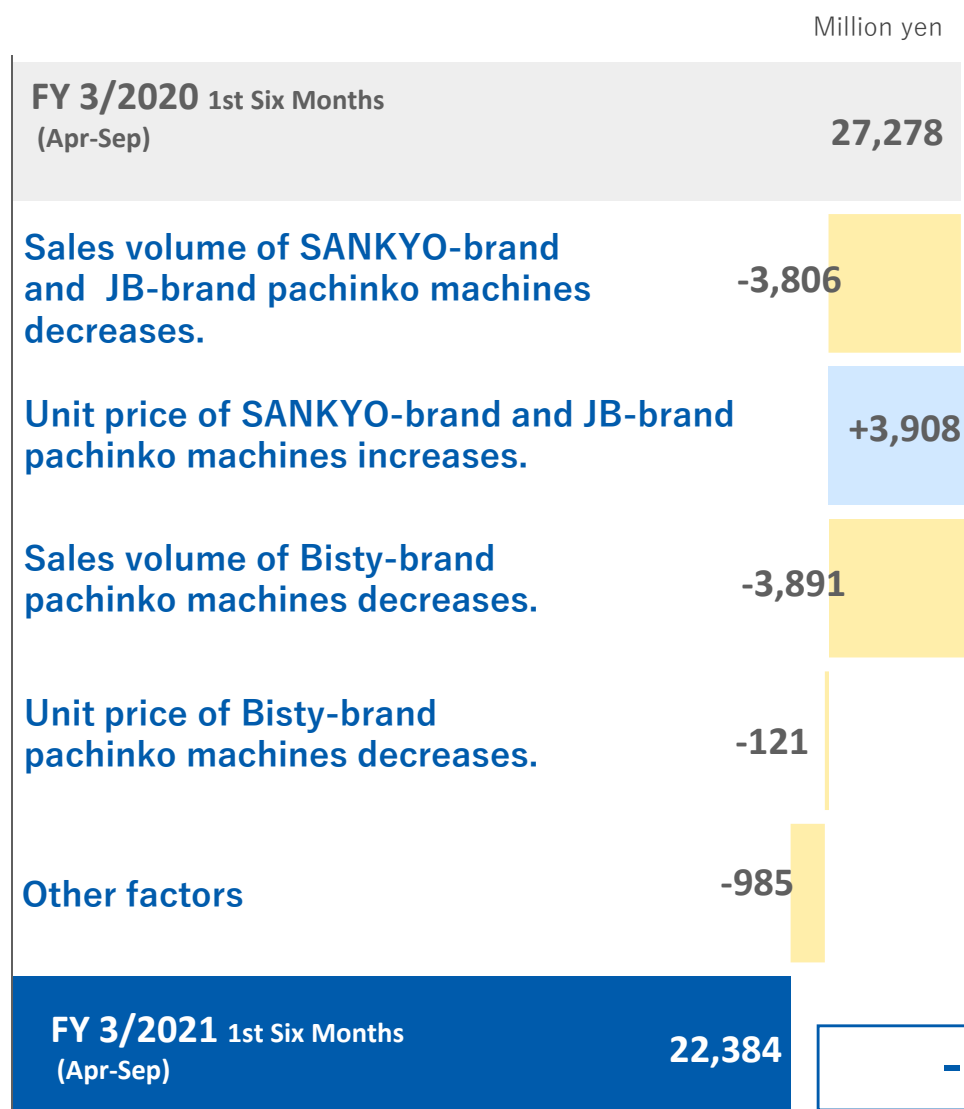
Summary of Balance Sheet

million yen	As of 31-Mar-20	As of 30-Sep-20	YoY	Factors of Change
Total current assets	276,041	243,135	-32,906	
Quick assets	259,589	229,552	-30,037	Decrease in cash and deposits, marketable securities and notes and accounts receivable-trade
Total fixed assets	49,190	49,121	-69	
Investment securities	13,035	13,982	+947	Fair value evaluation of specific investment equities
Total assets	325,232	292,256	-32,976	
Total current liabilities	47,224	15,652	-31,572	Decreases in notes and accounts payable-trade and bonds with subscription rights to shares
Bonds with subscription rights to shares	20,006	-	-20,006	Maturity redemption
Total long-term liabilities	8,486	8,568	+82	
Total liabilities	55,711	24,221	-31,490	
Total net assets	269,521	268,035	-1,486	Deduction of cash dividends paid and addition of net income
Total liabilities and total net assets	325,232	292,256	-32,976	

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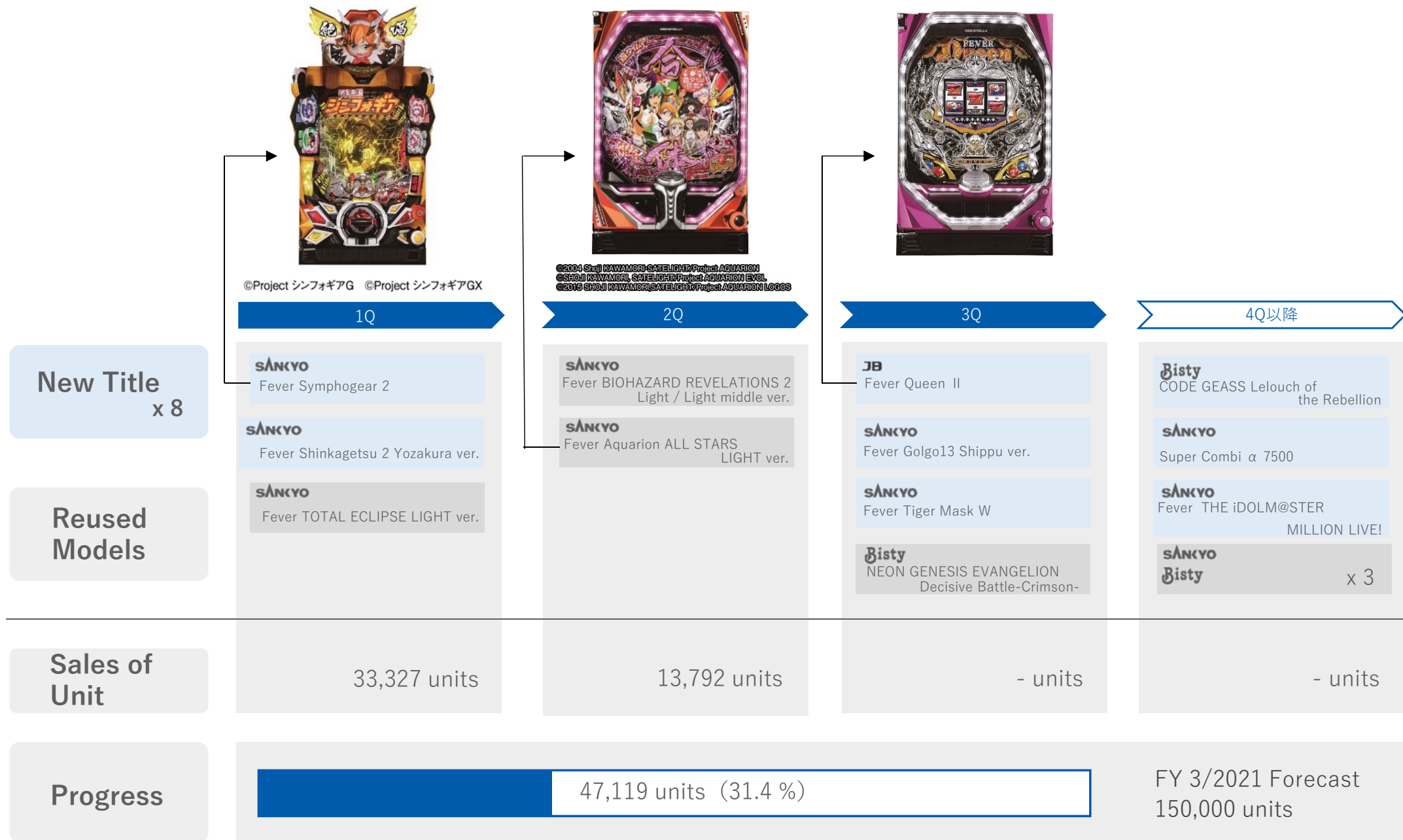
Factors of Change in Net sales



Data

million yen	FY 3/2020 2Q	FY 3/2021 2Q	YoY
Net Sales	27,278	22,384	-4,894
Operating Income	5,594	4,737	-857
Percentage	20.5%	21.2%	
units			
Machines sales	67,321	47,119	-20,202
SANKYO+JB	54,648	44,528	-10,120
Frame	30,914	40,392	+9,478
Gauge	23,734	4,136	-19,598
Bisty	12,673	2,591	-10,082
Frame	7,777	1,361	-6,416
Gauge	4,896	1,230	-3,666

Pachinko Machines Business



Factors of Change in Net sales

Million yen

FY 3/2020 1st Six Months
(Apr-Sep)

3,029

Sales volume of SANKYO-brand pachislot machines decreases.

-2,240

Unit price of SANKYO-brand pachislot machines was not changed
(Sales of SANKYO-brand pachislot was none)

+507

Sales volume of Bisty-brand pachislot machines increases.

+245

Unit price of Bisty-brand pachislot machines increases.

-29

Other factors

FY 3/2021 1st Six Months
(Apr-Sep)

1,513

-1,516

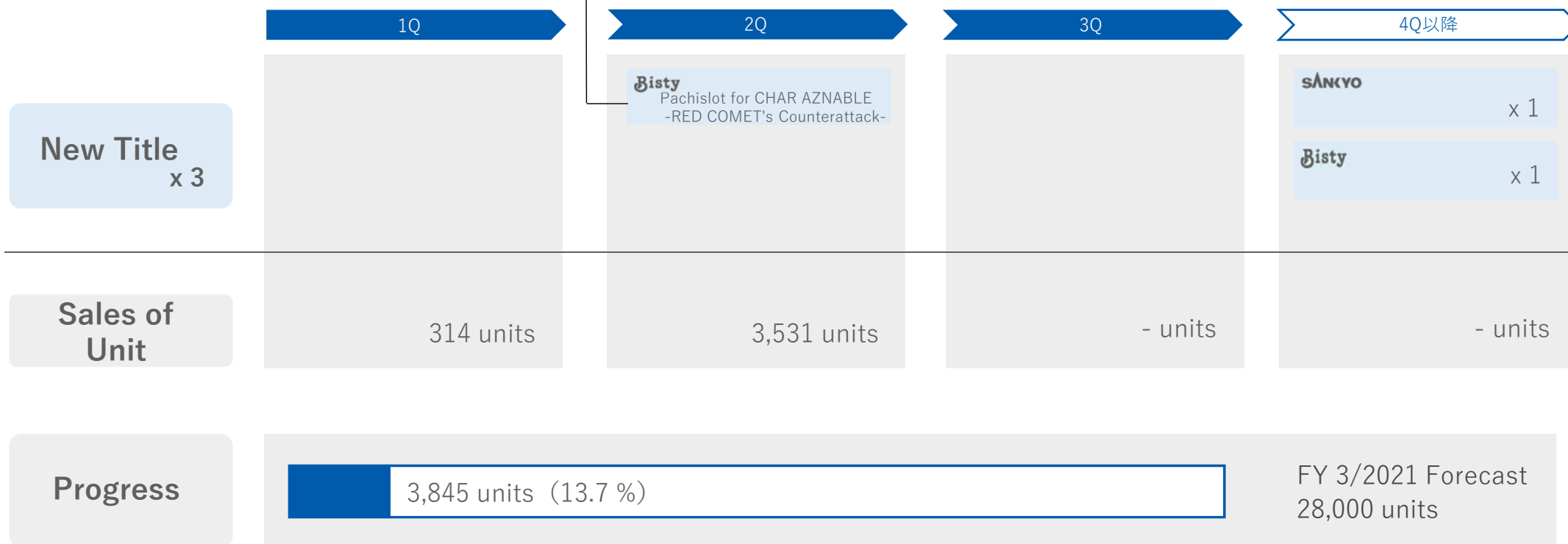
Data

million yen	FY 3/2020 2Q	FY 3/2021 2Q	YoY
Net Sales	3,029	1,513	-1,516
Operating Income	7	(1,319)	-1,326
Percentage	0.2%	(87.2%)	
units			
Machines sales	7,377	3,845	-3,532
SANKYO	5,245	0	-5,245
Bisty	2,132	3,845	+1,713

Pachislot Machines Business

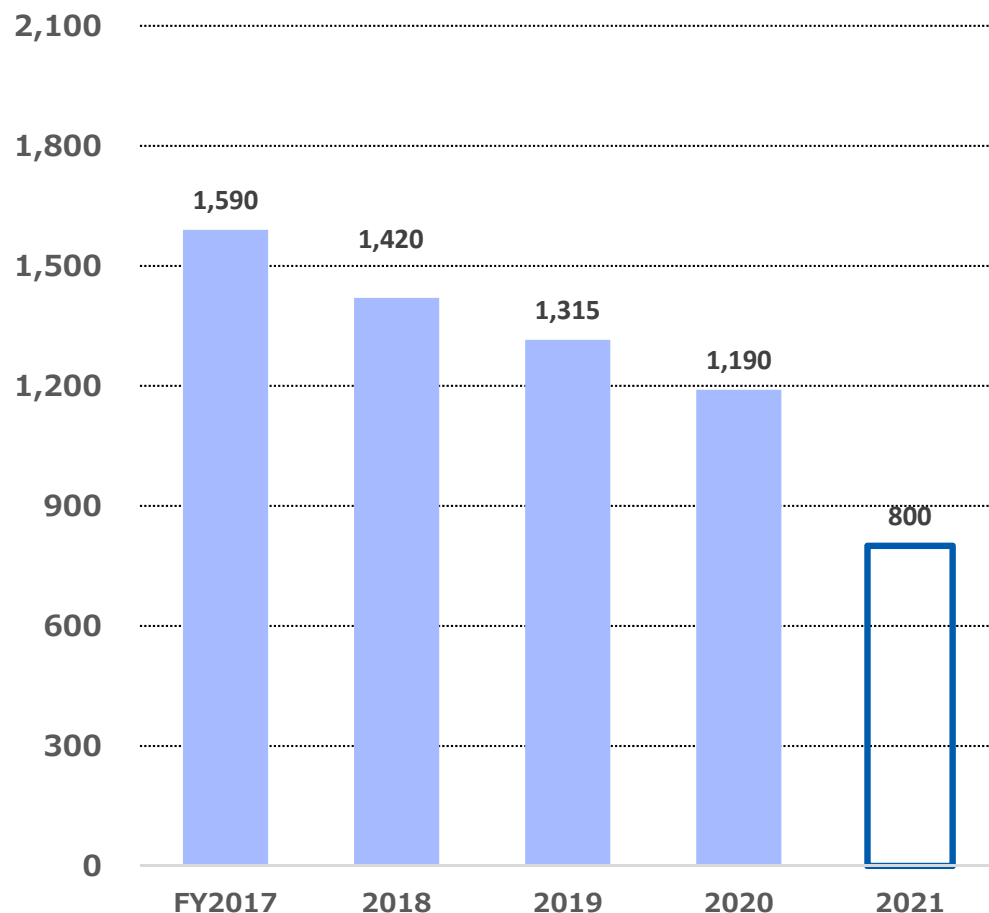


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Sales Volume

Thousand units



※ Estimates of SANKYO

Sales volume forecast FY2021 : **800** thousand units

(April 1, 2020 to March 31, 2021)

Total number of units sold

Approx. 240 thousand units YoY Approx. -60%

(April to September, 2020)

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

(April to September)

✓ Sales volume of pachinko machines in the first half has been low.

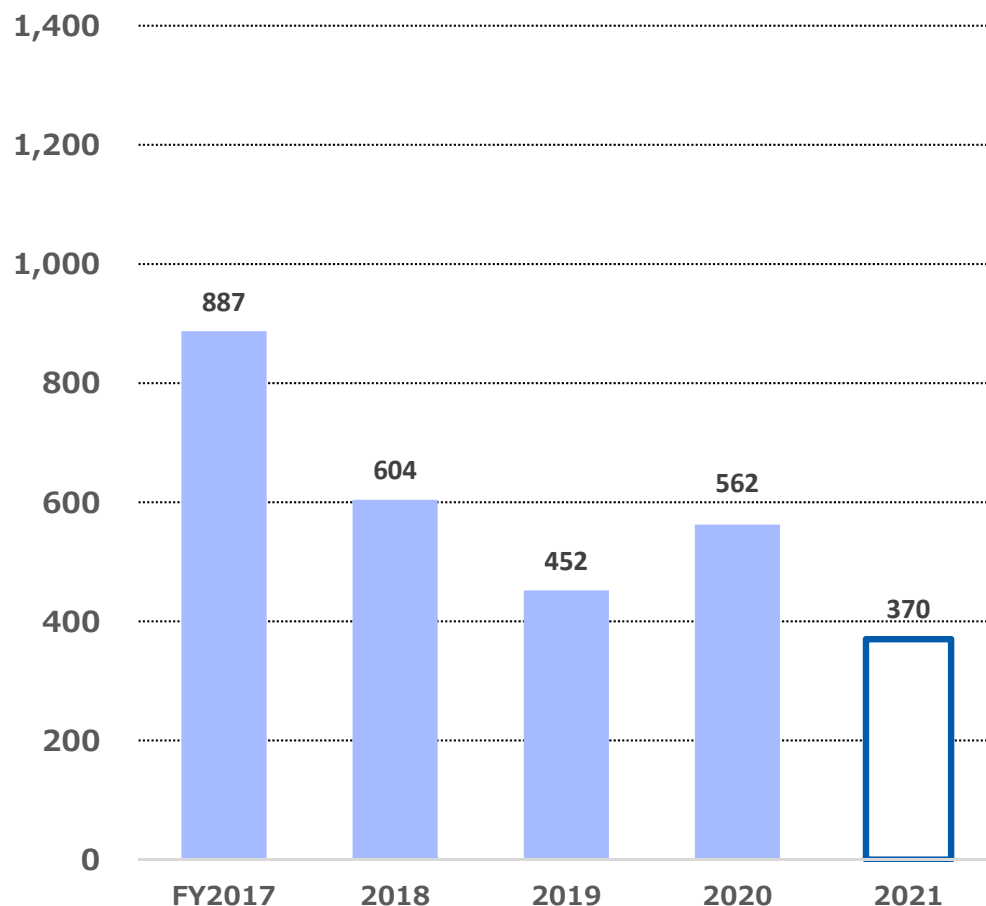
- Pachinko parlor operators' willingness to purchase new models was declined owing to suspending their business operation and decline of utilization of machines.
- Release of machines was temporary stagnate owing to delay of development of manufactures and supply of parts.

✓ Sales volume in the second half is expected to recover to the previous year's level.

- Pachinko parlor operators' willingness to purchase new models is expected to recover due to recovering of utilization of machines.
- Systematic removal of pachinko machines compliant with the former regulations. And, introduction of pachinko machines with the new Standards for Interpretation of Technical Standards has gained momentum.

Sales Volume

Thousand units



Source: Yano Research Institute ※FY2021 : Estimate of SANKYO

Sales volume forecast FY2021 : **370** thousand units

(April 1, 2020 to March 31, 2021)

Total number of units sold

Approx. **160** thousand units YoY Approx. -47%

(April to September)

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

(April to September)

- ✓ Sales volume of pachislot machines in the first half has been low.
 - The format inspection pass rate has remained low.
 - Parlors depend on the pachislot machines compliant with the former regulations.
- ✓ Removal of high gambling machines will advance.
 - Main high gambling machines is going to be removed within this year.

- In the first half, the Group minimized the number of titles for launch in light of an assessment of pachinko parlor operators' willingness to purchase new models during the COVID-19 pandemic. In the second half, the group accelerates introduction of new Pachinko and Pachislot machine titles.
- Development of a wide variety of products including machines which capitalized on the characteristics of the new Standards for Interpretation of Technical Standards is promoted.

Q1 – Q2

✓ Swift response to the new regulations

- Introduction of “Fever Shinkagetsu 2 Yozakura ver.”

✓ Introduction of hit models' successors

- Introduction of “Fever Symphogear 2”

✓ Flexibly adjust the sales schedule by grasping pachinko parlor operators' willingness to purchase.

- The Group minimized the number of new titles for launch, and mainly sold pachinko titles of reused models for the second quarter.

From Q3 onward

✓ The group accelerates introduction of new Pachinko and Pachislot machine titles.

- Pachinko parlor operators' willingness to purchase new models is expected to recover.

✓ Diffusion and entrenchment of machines compliant with the new Standards for Interpretation of Technical Standards

- Building up a successful record of format inspection passes for machines compliant with the new Standards for Interpretation of Technical Standards
- Introduction of machines which capitalized on the characteristics of the new Standards for Interpretation of Technical Standards

About dividend

- 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
- No dividend cut since the listing

Cash dividend

Results for FY 3/2020

Annual cash dividend per share: **150 yen**
(interim: 75 yen year-end: 75 yen)

Forecasts for FY 3/2021

Annual cash dividend per share: **150 yen**
(interim: 75 yen year-end: 75 yen)

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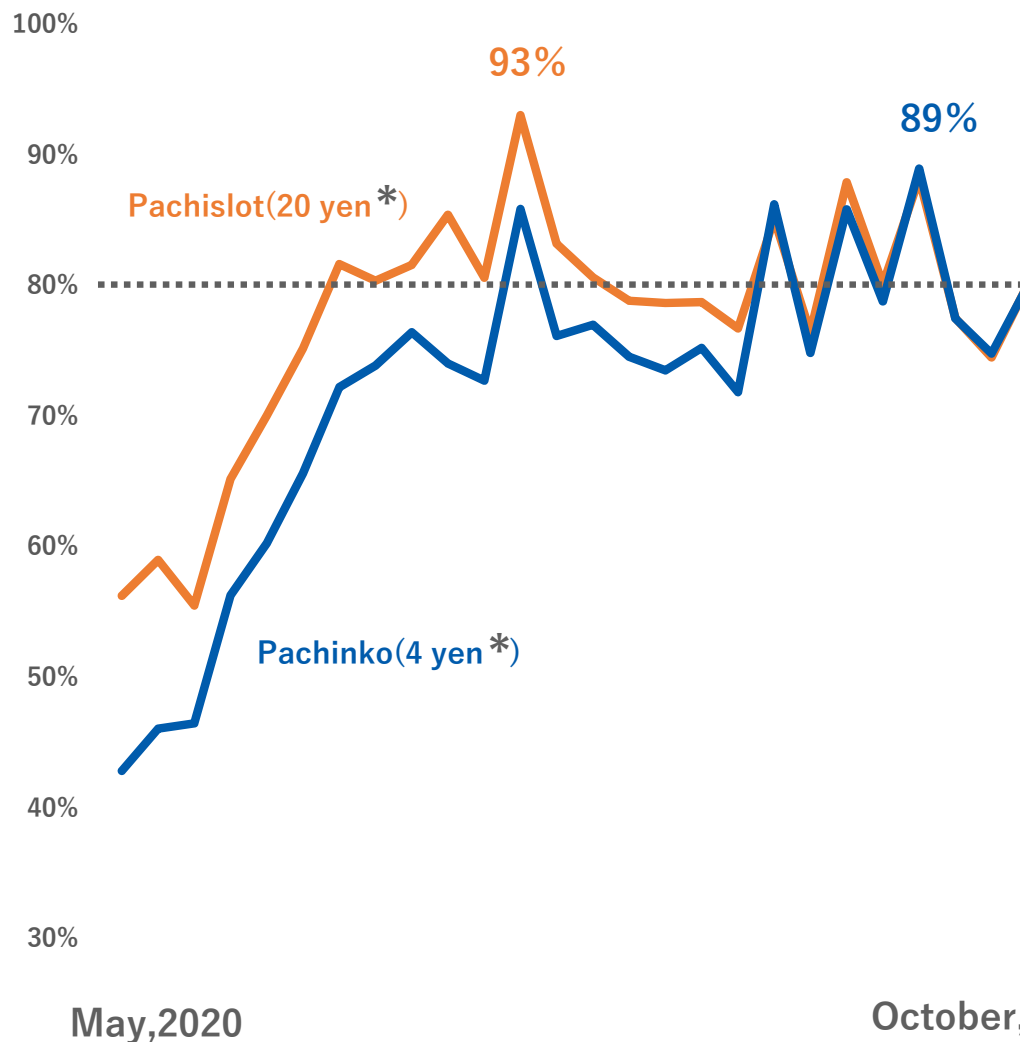
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Dealing with Pachinko/Pachislot Machines with the Former Regulations

		2020	2021
Type		Target (Thousand units)	May June July Aug. Sep. Oct. Nov. Dec. Jan. Feb. Mar. Apr. May June July Aug. Sep. Oct. Nov.
Pachinko	Machines whose initial certification and inspection expired before December 31, 2020	① Amadeji, Hanemono Choi-Pachi Approx. 80	Removal within 7 months (210 days) from the initial date of expiry of validity of inspection and certification (excluding July-September period corresponding to Olympics)
		② Pachinko except for pachinko(①) Approx. 200	Remove every month 15% of the pachinko machines installed as of May 20. (By January 11, 2021)
	Machines whose initial certification and inspection expired after January 1, 2021	③ Any type Approx. 1,020	Remove every month 15% of the pachinko machines installed as of January 31. (excluding July-September period corresponding to Olympics)
Pachislot	Machines whose initial certification and inspection expired before December 31, 2020	① High gambling machines Approx. 100	Removal by the initial date of expiry of validity of certification
		② Normal type machines Approx. 170	Removal within 7 months (210 days) from the initial date of expiry of validity of inspection and certification (excluding July-September period corresponding to Olympics)
		③ Pachislot except for pachislot (①and②) Approx. 100	Remove every month 15% of the pachislot machines installed as of May 20. (By January 11, 2021)
	Machines whose initial certification and inspection expired after January 1, 2021	④ Any type Approx. 680	Remove every month 15% of the pachislot machines installed as of January 31. (excluding July-September period corresponding to Olympics)

Pachinko and Pachislot Machine Utilization in Parlors

Pachinko(4 yen*) and Pachislot(20yen*) Machine Utilization Rate in Parlors (YoY)



- ✓ Machine utilization level at pachinko parlors has been gradually up after lifting of the state of emergency.
- ✓ Recovery of utilization of pachislot machines was preceding that of pachinko machines because average age of pachislot players are relatively younger than that of pachinko players.
- ✓ The pace of release of new pachinko machine titles from each manufacture has been gradually normalized, and utilization of pachinko machines at parlors has been promoted.
- ✓ Utilization rate of machines was recovered to 89% at most for pachinko, and 93% for pachislot at most for the period from May, 2020 to October, 2020.

* A game fee per ball

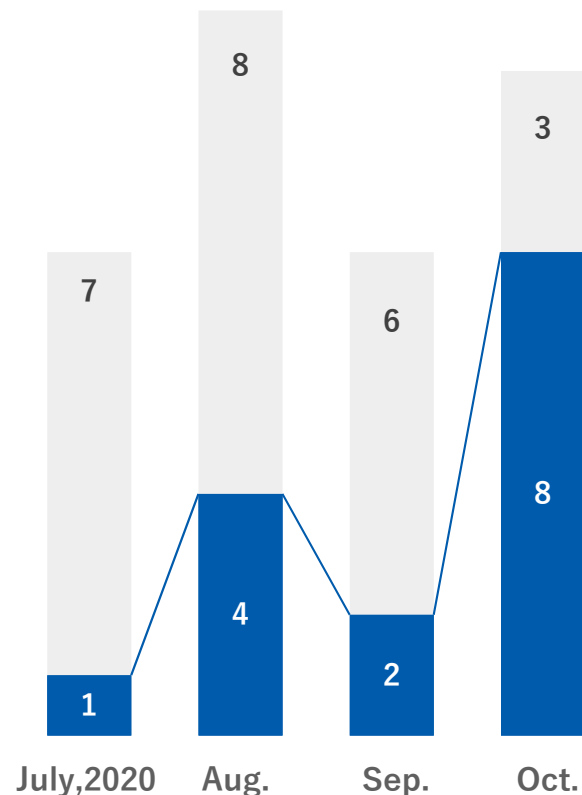
※ SANKYO made based on “DK-SIS Data” of Daikoku Denki Co., Ltd.

Point



- ✓ New pachinko gaming performance “Yu-Time” is that entering a time-shortening mode “Jitan” if you cannot hit a jackpot within the predetermined number of spins. Its installation has been possible from April, 2020.
- ✓ “Sense of relief,” new value added to playing.

Number of Pachinko machine titles equipped “Yu-Time” of new titles released per month

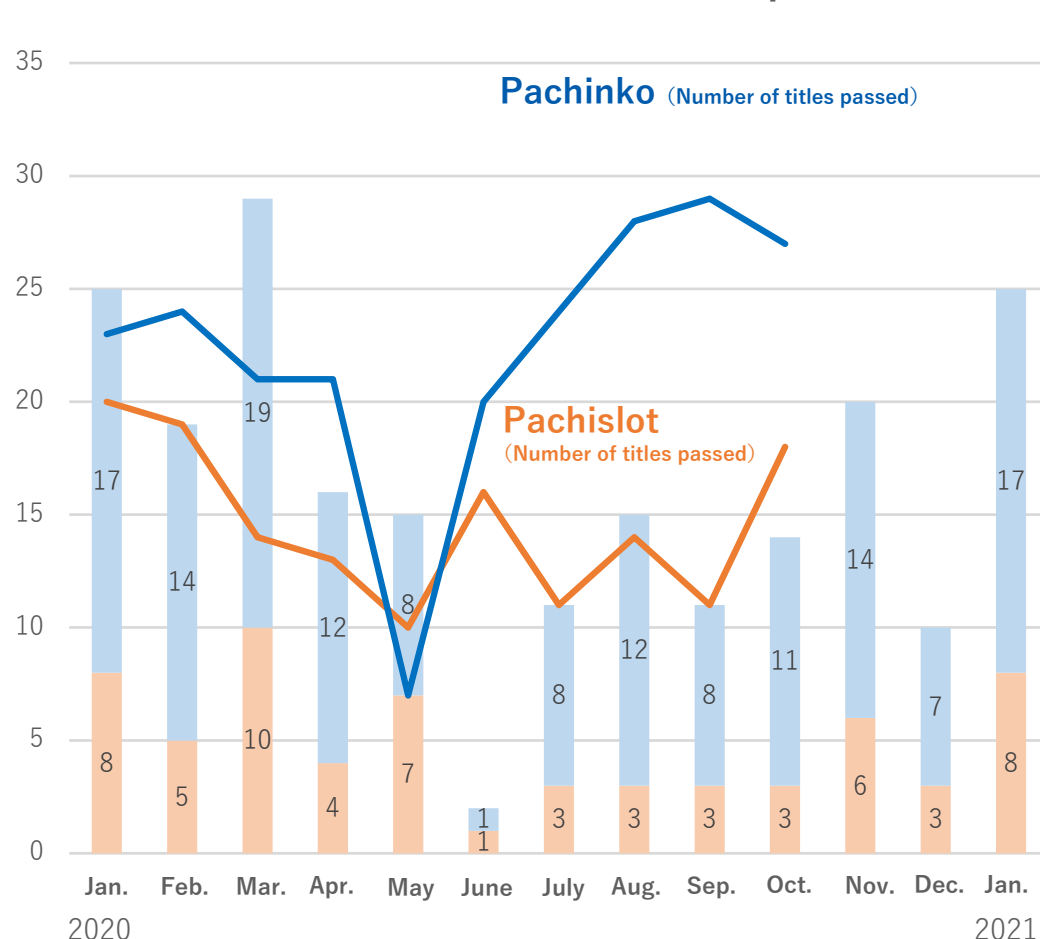


※ Estimates of SANKYO

- ✓ More than half of the new pachinko machine titles launched in October was equipped “Yu-Time”.
 - Number of installed Pachinko machines equipped “Yu-Time” gradually increased, and player’s recognition have been advanced.
- ✓ The utilization of pachinko machine titles equipped “Yu-Time” has been better than these without “Yu-Time”.
 - Players of pachinko machines with “Yu-Time” favor “Expectation of jackpot during “Yu-Time”” and “Sense of relief”.
 - “Yu-Time” has contributed to raise utilization of machines because players played until they entered “Yu-Time”.
 - Number of pachislot players that also plays pachinko machine with “Yu-Time” is increasing.

- The number of titles compliant with the new regulations and that of titles sold are on the increase after temporary stagnation.

Number of titles passed format inspection And Number of titles released or expected to be released to markets



2020

Jan. – Oct.

Number of Pachinko titles passed format inspection

224 units

Number of Pachislot titles passed format inspection

146 units

- ✓ Manufacturers accumulated knowhow on development of models compliant with the new regulations.
- ✓ GLI Japan I.S.H. began format inspections of pachinko/pachislot machines.
 - A new inspecting institution created after the establishment of Hotsukyo

■ Pachinko (Number of titles released or expected to be released to markets)

■ Pachislot (Number of titles released or expected to be released to markets)

※Source Number of titles passed format inspection : Security Electronics and Communications Technology Association
Number of titles released or expected to be released to markets : Estimates of SANKYO

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Business Results for the First Six Months of FY 3/2021

	FY 3/2020	FY 3/2021		Forecast	FY 3/2020				FY 3/2021		
Consolidated: million yen	6 Months	6 Months	YoY	Full Year	Q1	Q2	Q3	Q4	FY	Q1	Q2
Net Sales	33,493	25,332	-8,161	73,500	11,351	22,142	28,245	16,678	78,416	17,960	7,372
Pachinko	27,278	22,384	-4,894	57,000	7,064	20,214	20,247	12,989	60,514	16,952	5,432
Pachislot	3,029	1,513	-1,516	10,000	2,635	394	6,516	1,896	11,441	210	1,303
Ball Bearing Supply	2,829	1,306	-1,523	6,200	1,448	1,381	1,357	1,714	5,900	742	564
Other Business	355	127	-228	300	203	152	124	80	559	56	71
Cost of Sales	15,771	12,788	-2,983	38,000	5,279	10,492	12,638	8,262	36,671	8,809	3,979
Gross Profit	17,722	12,544	-5,178	35,500	6,071	11,651	15,607	8,416	41,745	9,151	3,393
SG & A Expenses	14,644	11,459	-3,185	27,500	6,667	7,977	8,136	6,413	29,193	5,399	6,060
Operating Income	3,077	1,084	-1,993	8,000	(596)	3,673	7,471	2,003	12,551	3,752	(2,668)
Pachinko	5,594	4,737	-857	13,500	(238)	5,832	6,144	3,066	14,804	5,408	(671)
Pachislot	7	(1,319)	-1,326	(700)	718	(711)	2,394	48	2,449	(722)	(597)
Ball Bearing Supply	150	(56)	-206	200	88	62	85	91	326	(22)	(34)
Other Business	(132)	15	+147	0	(74)	(58)	(17)	13	(136)	10	5
Elimination/Corporate	(2,542)	(2,292)	+250	(5,000)	(1,089)	(1,453)	(1,135)	(1,215)	(4,892)	(922)	(1,370)
Recurring Income	3,606	1,588	-2,018	8,700	(155)	3,761	7,770	2,100	13,476	4,181	(2,593)
Extra ordinary Gains	66	290	+224	145	0	66	3,562	1	3,629	145	145
Extra ordinary Losses	142	20	-122	20	0	142	399	2,115	2,656	20	0
Net Income	2,183	1,407	-776	6,200	(93)	2,276	10,762	100	13,045	3,259	(1,852)
EPS: yen		23.01		101.34					183.43		

Machines sales: units

Pachinko	67,321	47,119	-20,202	150,000	18,997	48,324	49,545	32,654	149,520	33,327	13,792
SANKYO+JB	54,648	44,528	-10,120	111,000	16,401	38,247	14,281	26,640	95,569	32,409	12,119
Bisty	12,673	2,591	-10,082	39,000	2,596	10,077	35,264	6,014	53,951	918	1,673
Pachislot	7,377	3,845	-3,532	28,000	6,531	846	16,314	5,178	28,869	314	3,531
SANKYO	5,245	0	-5,245	10,000	5,244	1	8,771	21	14,037	0	0
Bisty	2,132	3,845	+1,713	18,000	1,287	845	7,543	5,157	14,832	314	3,531

GP Margin/OP Margin

	FY 3/2020	FY 3/2021		Forecast	FY 3/2020					FY 3/2021		
Consolidated	6 Months	6 Months	YoY	Full Year	Q1	Q2	Q3	Q4	FY	Q1	Q2	
GP Margin	52.9%	49.5%	-3.4pt	48.3%	53.5%	52.6%	55.3%	50.5%	53.2%	51.0%	46.0%	
OP Margin	9.2%	4.3%	-4.9pt	10.9%	(5.3%)	16.6%	26.5%	12.0%	16.0%	20.9%	(36.2%)	

Expenses etc.

	FY 3/2020	FY 3/2021		Forecast	FY 3/2020					FY 3/2021		
Consolidated: million yen	6 Months	6 Months	YoY	Full Year	Q1	Q2	Q3	Q4	FY	Q1	Q2	
Sales Commission	1,082	437	-645	2,579	309	773	1,952	475	3,509	292	145	
Advertising Expenses	1,299	245	-1,054	1,233	374	925	397	246	1,942	122	123	
R&D Expenses	6,952	5,969	-983	13,380	3,555	3,397	3,580	3,315	13,847	2,859	3,110	
Salaries & Wages	1,274	1,248	-26	3,114	632	642	1,105	638	3,017	640	608	
Others	4,037	3,560	-477	7,194	1,797	2,240	1,102	1,739	6,878	1,486	2,074	

Consolidated: million yen

Capital Expenditure	1,741	511	-1,230	3,407	652	1,089	647	443	2,831	250	261	
Depreciation & Amortization	1,493	1,014	-479	2,729	664	829	929	1,054	3,476	465	549	

Consolidated

No. of Employees	979	979	+0	990	990	979	950	957	957	987	979	
No. of R&D Staff	293	302	+9	307	297	293	293	289	289	302	302	

Indirect Sales Ratio

SANKYO+JB Pachinko	27.1%	27.0%	-0.1pt	26.6%	26.1%	27.1%	26.4%	26.5%	26.5%	27.4%	27.0%	
SANKYO Pachislot	35.3%	-	-	35.3%	35.3%	35.3%	35.1%	35.1%	35.1%	-	-	

Pachinko Machines Business

	FY 3/2020	FY 3/2021		Forecast	FY 3/2020				FY 3/2021		
Consolidated: million yen	6 Months	6 Months	YoY	Full Year	Q1	Q2	Q3	Q4	FY	Q1	Q2
Net Sales	27,278	22,384	-4,894	57,000	7,064	20,214	20,247	12,989	60,514	16,952	5,432
Operating Income	5,594	4,737	-857	13,500	(238)	5,832	6,144	3,066	14,804	5,408	(671)
Percentage	20.5%	21.2%	+0.7pt	23.7%	(3.4%)	28.9%	30.3%	23.6%	24.5%	31.9%	(12.4%)

Machines sales: units

Pachinko	67,321	47,119	-20,202	150,000	18,997	48,324	49,545	32,654	149,520	33,327	13,792
SANKYO+JB	54,648	44,528	-10,120	111,000	16,401	38,247	14,281	26,640	95,569	32,409	12,119
Frame	30,914	40,392	+9,478	92,000	4,000	26,914	3,017	19,280	53,211	30,870	9,522
Gauge	23,734	4,136	-19,598	19,000	12,401	11,333	11,264	7,360	42,358	1,539	2,597
Bisty	12,673	2,591	-10,082	39,000	2,596	10,077	35,264	6,014	53,951	918	1,673
Frame	7,777	1,361	-6,416	22,100	2,559	5,218	35,147	3,457	46,381	864	497
Gauge	4,896	1,230	-3,666	16,900	37	4,859	117	2,557	7,570	54	1,176

Titles to Release

FY 3/2021	Series name	Brand	Release Date	No. of Models	Unit Sales	
Q1	Fever Shinkagetsu 2 Yozakura ver.	SANKYO	(Apr-20)	1	--	
	Fever Symphogear 2	SANKYO	(Apr-20)	1	32,100	
	Fever TOTAL ECLIPSE LIGHT ver.	SANKYO	(May-20)	1	--	
Q2	Fever BIOHAZARD REVELATIONS 2 Light / Light middle ver.	SANKYO	(Jul-20)	2	--	Total
	Fever Aquarion ALL STARS LIGHT ver.	SANKYO	(Aug-20)	1	--	47,119
Q3	Fever Queen II	JB	(Oct-20)	2		
	NEON GENESIS EVANGELION Decisive Battle -Crimson-	Bisty	(Oct-20)	1		
	Fever Golgo13 Shippu ver.	SANKYO	(Oct-20)	1		
	Fever Tiger Mask W	SANKYO	(Dec-20)	1		
Q4	CODE GEASS Lelouch of the Rebellion	Bisty	(Jan-21)	1		
	Super Combi α 7500	SANKYO	(Jan-21)	1		
	Fever Shinkagetsu 2 Y	SANKYO	(Feb-21)	1		
	Fever THE iDOLM@STER MILLION LIVE!	SANKYO	-	-		

Pachislot Machines Business

	FY 3/2020	FY 3/2021		Forecast	FY 3/2020					FY 3/2021		
Consolidated: million yen	6 Months	6 Months	YoY	Full Year	Q1	Q2	Q3	Q4	FY	Q1	Q2	
Net Sales	3,029	1,513	-1,516	10,000	2,635	394	6,516	1,896	11,441	210	1,303	
Operating Income	7	(1,319)	-1,326	(700)	718	(711)	2,394	48	2,449	(722)	(597)	
Percentage	0.2%	(87.2%)	-87.4pt	(7.0%)	27.2%	(180.5%)	36.7%	2.5%	21.4%	(343.8%)	(45.8%)	

Machines sales: units

Pachislot	7,377	3,845	-3,532	28,000	6,531	846	16,314	5,178	28,869	314	3,531
SANKYO	5,245	0	-5,245	10,000	5,244	1	8,771	21	14,037	0	0
Bisty	2,132	3,845	+1,713	18,000	1,287	845	7,543	5,157	14,832	314	3,531

Titles to Release

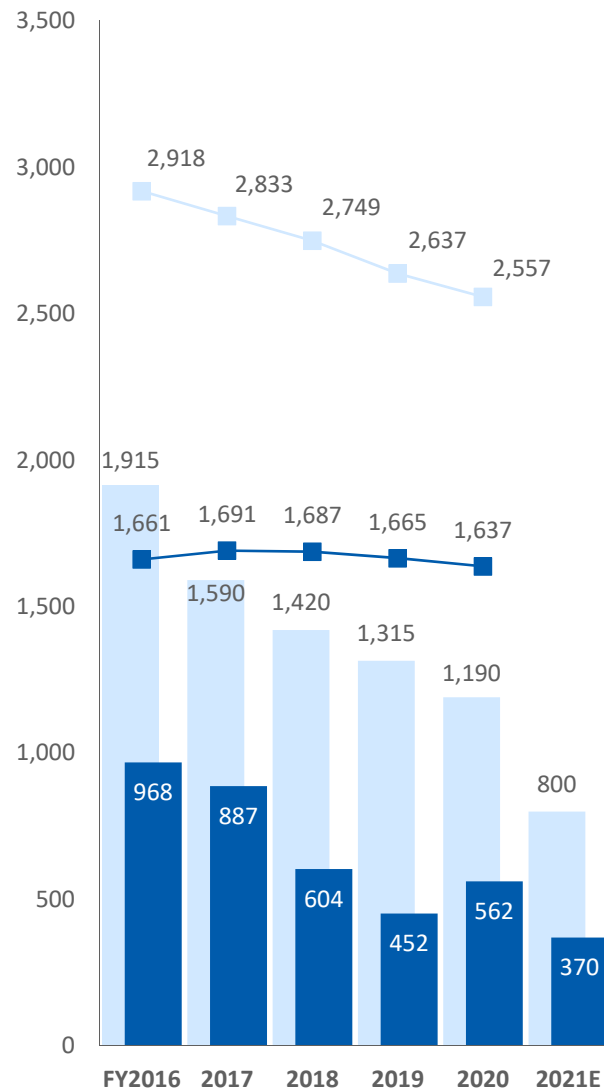
FY 3/2021	Series name	Brand	Release Date	Unit Sales	
Q1					
--					Total
Q2	Pachislot for CHAR AZNABLE -RED COMET's Counterattack-	Bisty	(Aug-20)	--	3,845

Financial Indicators

million yen	FY 3/2014	FY 3/2015	FY 3/2016	FY 3/2017	FY 3/2018	FY 3/2019	FY 3/2020	FY 3/2021E
Net Sales	158,453	146,579	137,130	81,455	86,220	88,558	78,416	73,500
Operating Income	28,023	13,233	18,826	5,059	10,181	21,286	12,551	8,000
Recurring Income	30,144	14,870	19,965	3,832	11,319	22,300	13,476	8,700
Net Income	22,400	8,728	10,485	1,777	5,550	13,384	13,045	6,200
Total Assets	451,149	434,648	414,183	390,585	396,291	399,585	325,232	
Total Net Assets	413,096	371,670	348,941	340,287	337,242	337,377	269,521	
DPS (Yen)	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00
Return on Equity	5.5%	2.2%	2.9%	0.5%	1.6%	4.0%	4.3%	
Average ROE of five consecutive	5.8%	4.5%	3.4%	2.5%	2.6%	2.3%	2.7%	
Net Income Ratio	14.1%	6.0%	7.6%	2.2%	6.4%	15.1%	16.6%	
Total Asset Turnover	0.35	0.33	0.32	0.20	0.22	0.22	0.22	
Financial Leverage	1.12	1.13	1.18	1.17	1.16	1.18	1.19	

Pachinko/Pachislot Machine Market

Market size



(thousand units)

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

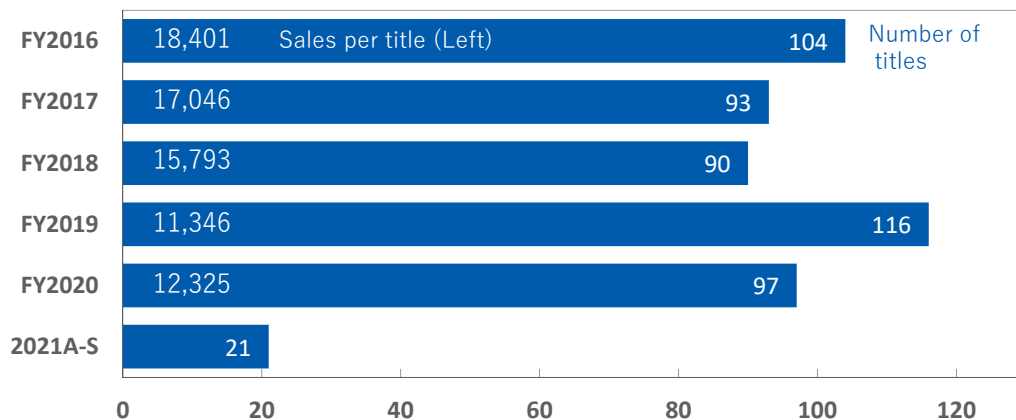


(thousand units)

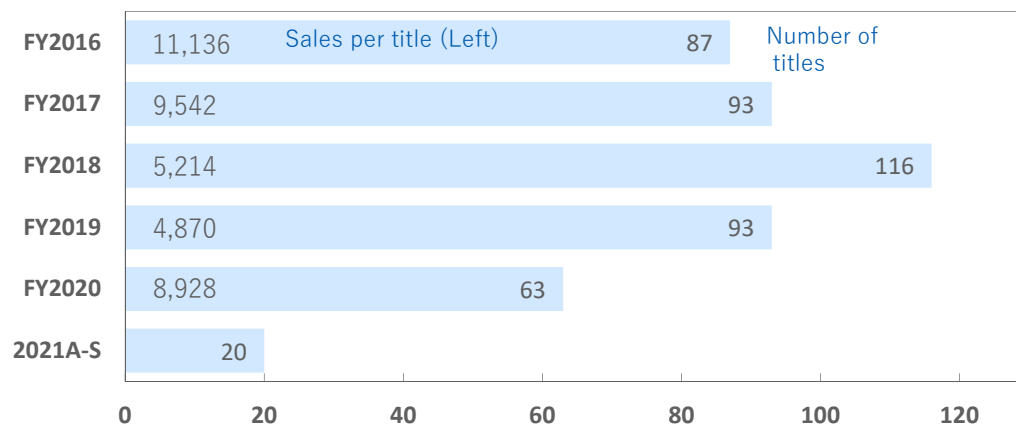
Source: National Police Agency, Yano Research Institute, Zennichiuren

Number of Titles Sold (All Manufacturers)

Pachinko machines



Pachislot machines



※ Estimates of SANKYO

Compliance with Format Inspection

	2015	2016	2017	2018	2019	2020J-S
Applicant	731	864	875	711	945	652
Pass	519	396	361	336	430	198
Fail	172	458	463	333	560	378
SANKYO+JB	38	39	34	30	28	25
Bisty	8	8	6	9	19	5
SANKYO Group Total	46	47	40	39	47	30

including Arrange Ball, Jong-Kyu

	2015	2016	2017	2018	2019	2020J-S
Applicant	650	736	913	596	982	665
Pass	250	300	326	203	191	128
Fail	328	444	494	444	721	479
SANKYO	21	7	15	6	9	0
Bisty	11	8	3	3	3	7
SANKYO Group Total	32	15	18	9	12	7

including Palot

Source: Security Electronics and Communications Technology Association

Investor Relations Office Corporate Planning Division



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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.