

SANKYO CO., LTD.

<https://www.sankyo-fever.co.jp/>

Shares listed: TSE Prime Market

Code number: 6417

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Planned Date for Submittal of the Semi-annual Securities Report: November 13, 2025

Planned Date for Start of Dividend Payment: December 1, 2025

Supplementary materials for the financial statements: Yes

Presentation to explain for the financial statements: Yes

(Figures less than 1 million yen have been omitted.)

1. Results for the first six months of FY2026 (From April 1, 2025, to September 30, 2025)

(1) Consolidated operating results

(Percentage figures denote year-over-year changes.)

	Net sales		Operating income		Recurring income		Profit attributable to owners of parent
	Millions of yen		Millions of yen		Millions of yen		Millions of yen
1st six months of FY2026	100,409	10.7%	39,038	7.6%	39,949	8.7%	28,773
1st six months of FY2025	90,729	(21.9%)	36,288	(20.2%)	36,740	(19.9%)	26,235
(Note) Comprehensive income	1st six months of FY2026		¥29,446 million [14.4%]		1st six months of FY2025		¥25,734 million [(21.9%)]

	Net income per share	Fully diluted net income per share
	Yen	Yen
1st six months of FY2026	135.62	133.89
1st six months of FY2025	119.54	117.94

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of September 30, 2025	298,683	256,032	85.2
As of March 31, 2025	336,709	285,004	84.2
(Reference) Shareholders' Equity	As of September 30, 2025	¥254,554 million	As of March 31, 2025

2. Dividends

	Cash dividend per share				
(Base date)	1st quarter	2nd quarter	3rd quarter	Year-end	Full Year
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2025	-	40.00	-	60.00	100.00
Year ended March 31, 2026	-	45.00	-	-	-
Year ended March 31, 2026(Forecast)	-	-	-	45.00	90.00

Note: Changes in the projected cash dividends in this quarter : No

3. Forecast for FY2026 (From April 1, 2025, to March 31, 2026)

(Percentage figures denote year-over-year changes.)

	Net sales	Operating income	Recurring income	Profit attributable to owners of parent	Net income per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Year ending March 31, 2026	185,000 (3.6%)	63,000 (14.4%)	64,000 (14.2%)	44,000 (18.5%)	214.26

Note: Changes in the forecasts of consolidated Financial results in this quarter : No

*** Notes**

(1) Changes for important subsidiaries during the 1st six months of FY2026: Not applicable

(2) Application of peculiar accounting methods: Not applicable

(3) Changes in accounting procedures

a. Related to accounting standard revisions etc.: Not applicable

b. Other changes: Not applicable

c. Changes in accounting estimates: Not applicable

d. Retrospective restatements: Not applicable

(4) Outstanding shares (common shares)

a. No. of shares outstanding (including treasury stock) As of Sep. 30, 2025: 260,000,000 shares As of March 31, 2025: 260,000,000 shares

b. No. of treasury stock As of Sep. 30, 2025: 56,939,471 shares As of March 31, 2025: 40,391,071 shares

c. Average number of shares issued and outstanding 1st 6M of FY2026: 212,155,796 shares 1st 6M of FY2025: 219,474,433 shares

(Note) 1. The No. of treasury stock includes the Company's shares held by Share Benefit Trust for Directors (1,247,500 shares as of Sep 30, 2025, 1,320,000 shares As of March 31, 2025). The treasury stock deducted to calculate the Average number of shares issued and outstanding includes the Company's shares held by Share Benefit Trust for Directors (1,283,154 shares as of September 30, 2025, 1,334,754 shares as of Sep 30, 2025)

*Review of the attached semi-annual consolidated financial statements by Certified Public Accountants or Audit Firm: Not applicable

*** Disclaimer regarding Forward-looking Statements**

The statements concerning future performance that are presented in this document are based on judgments using information available to the Company and which are deemed reasonable as of the release date of this material, and they are not intended to assure the achievement of such forecasts presented herein. Actual results may differ due to various factors. For information regarding performance forecasts, please refer to "1. Overview of Operating Results (3)Forecast of Consolidated Results and Other Forecast Information" in the accompanying material.

Note : This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

1. Overview of Operating Results

(1) Overview of Operating Results

In the pachinko market, the introduction of models equipped with “LUCKY TRIGGER 3.0 PLUS,” a new type of gaming performance, has spurred the spread of Smart Pachinko machines, and models that enjoy high machine utilization have appeared, indicating positive signs of market revitalization. Meanwhile, in the pachislot market, several “BONUS TRIGGER” machines—a new genre of pachislot—have been introduced. Widening of the variety of pachislot machines is expected to reinforce an already robust market.

In these circumstances, in the pachinko machines business, the Group vigorously rolled out new tie-up titles featuring popular anime series, such as “*Tokyo Ghoul*” and “*BLUE LOCK*.” Among these titles, “*e Tokyo Ghoul*,” which was launched in April, has become a hit, driving performance of the entire market, and we responded to the needs for the manufacture of additional units of this title several times. Furthermore, the Group launched “*e Fever ENN ENN NO SHOUBOUTAI 2*,” the industry’s first model equipped with “LUCKY TRIGGER 3.0 PLUS.” Thanks to the extensive line-up, sales volume increased strongly. Meanwhile, in the pachislot machines business, we launched two new titles, including “*LB Pachislot EVANGELION -The Door of Promises-*,” our first model equipped with “BONUS TRIGGER,” and responded to the needs for the manufacture of additional units of two existing titles that were launched in the previous fiscal year and have been maintaining strong machine utilization.

As a result, on a consolidated basis, net sales were ¥100.4 billion, an increase of 10.7% compared with the same period of the previous year, operating income was ¥39.0 billion, an increase of 7.6%, recurring income was ¥39.9 billion, an increase of 8.7%. Profit attributable to owners of parent amounted to ¥28.7 billion, an increase of 9.7%.

Results of segments are presented below:

Pachinko Machines Business

Regarding the pachinko machines business, sales amounted to ¥74.8 billion, an increase of 97.1% compared with the same period of the previous year, and operating income amounted to ¥35.3 billion, an increase of 122.9%. Sales of pachinko machines amounted to 160,000 units compared with 83,000 units for the same period of the previous fiscal year.

Major titles released included *e Fever ENN ENN NO SHOUBOUTAI 2* (introduced in July 2025) and *e Fever BLUE ROCK* (introduced in September 2025) under the SANKYO brand, *e Tokyo Ghoul* (introduced in April 2025) under the Bisty brand.

Pachislot Machines Business

Regarding the pachislot machines business, sales amounted to ¥17.3 billion, a decrease of 55.8% compared with the same period of the previous year, and operating income was ¥6.7 billion, a decrease of 71.0%. Sales of pachislot machines amounted to 40,000 units compared with 80,000 units for the same period of the previous fiscal year.

Major new titles released included *L Pachislot MOBILE SUIT GUNDAM SEED* (introduced in May 2025) and *LB Pachislot Evangelion -The Door of Promises-* (introduced in July 2025) under the Bisty brand. In addition, we manufactured additional units of *Pachislot Karakuri Sakasu* and *L Pachislot Kaguya-sama ha Kokurasetai* under the SANKYO brand, both of which have long been popular.

Ball Bearing Supply Systems Business

Sales of the ball bearing supply systems business were ¥8.0 billion, a decrease of 39.6% compared with the same period of the previous year, and operating income was ¥0.6 billion, a decrease of 42.4%.

Other Businesses

Sales of other businesses were ¥100 million, a decrease of 26.0% compared with the same period of the previous year, and operating income was ¥83 million, a decrease of 0.9% compared with the same period of the previous year.

(2) Overview of Financial Conditions

Total assets at the end of the first six months of the fiscal year ending March 31, 2026 amounted to ¥298.6 billion, having decreased ¥38.0 billion compared with the figure at the previous fiscal year-end. This decrease was mainly attributable to a ¥54.8 billion decrease in cash and deposits, a ¥3.9 billion decrease in accounts receivable for provision of parts and materials for value (included in “Other” of Current assets), a ¥3.1 billion decrease in merchandise and finished goods, despite a ¥13.6 billion increase in tangible fixed assets, a ¥10.3 billion increase in notes and accounts receivable-trade, and contract assets.

Total liabilities amounted to ¥42.6 billion, having decreased ¥9.0 billion compared with the figure at the previous fiscal year-end. This decrease was mainly attributable to a ¥4.8 billion decrease in accrued income taxes, ¥3.6 billion decrease in notes and accounts payable-trade, a ¥0.7 billion decrease in liabilities related to transactions involving provision of parts and materials for value (included in “Other” of Current liabilities).

Net assets decreased ¥28.9 billion compared with the figure at the previous fiscal year-end. This decrease was mainly attributable to purchase of treasury stock amounting to ¥45.2 billion, and cash dividends paid amounting to ¥13.2 billion, while recording of profit attributable to owners of parent amounted to ¥28.7 billion. As a result, net assets amounted to ¥256.0 billion and the shareholders’ equity ratio increased 1.0 percentage points to 85.2%.

(3) Forecast of Consolidated Results and Other Forecast Information

No revision has been made to the forecasts of financial results for fiscal 2026 announced on May 12, 2025.

2. Semi-annual Consolidated Financial Statements and Primary Notes**(1) Consolidated Balance Sheets**

(Figures less than 1 million yen have been omitted.)

	As of March 31, 2025	As of Sep. 30, 2025
	Millions of yen	Millions of yen
Assets:		
Current assets:		
Cash and deposits	180,064	125,206
Notes and accounts receivable-trade, and contract assets	15,993	26,312
Electronically recorded monetary claims - operating	6,400	5,950
Marketable securities	59,985	59,984
Merchandise and finished goods	3,441	298
Work in process	133	471
Raw materials and inventories	15,934	15,063
Other	12,601	9,353
Allowance for doubtful accounts	(13)	(2)
Total current assets	294,541	242,638
Fixed assets:		
Tangible fixed assets	27,482	41,131
Intangible fixed assets		
Other	327	289
Total Intangible fixed assets	327	289
Investments and other assets:		
Investment securities	5,349	6,321
Other	9,029	8,323
Allowance for doubtful accounts	(22)	(19)
Total investments and other assets	14,357	14,624
Total fixed assets	42,167	56,045
Total assets	336,709	298,683

Consolidated Balance Sheets

(Figures less than 1 million yen have been omitted.)

	As of March 31, 2025 Millions of yen	As of Sep. 30, 2025 Millions of yen
Liabilities:		
Current liabilities:		
Notes and accounts payable-trade	12,623	8,927
Accrued income taxes	16,769	11,874
Allowance for bonuses	870	879
Provision for shareholder benefit program	154	154
Other	11,442	10,974
Total current liabilities	41,860	32,809
Long-term liabilities:		
Provision for share awards for directors (and other officers)	933	850
Net defined benefit liabilities	5,254	5,286
Asset retirement obligations	76	63
Other	3,580	3,641
Total long-term liabilities	9,844	9,841
Total liabilities	51,704	42,650
Net Assets:		
Shareholders' equity:		
Common stock	14,840	14,840
Capital surplus	23,750	23,750
Retained earnings	290,721	306,054
Less: treasury stock, at cost	(48,375)	(93,240)
Total shareholders' equity	280,936	251,403
Accumulated other comprehensive income:		
Net unrealized gain on other securities	2,524	3,190
Remeasurements of defined benefit plans	(46)	(39)
Total accumulated other comprehensive income:	2,478	3,151
Subscription rights to shares	1,590	1,478
Total net assets	285,004	256,032
Total liabilities and total net assets	336,709	298,683

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

(Figures less than 1 million yen have been omitted.)

	1st Six Months of FY2025	1st Six Months of FY2026
	Millions of yen	Millions of yen
Net sales	90,729	100,409
Cost of sales	36,516	40,871
Gross profit	54,212	59,537
Selling, general and administrative expenses	17,924	20,499
Operating income	36,288	39,038
Non-operating income:		
Interest income	50	265
Dividend income	208	337
Other	198	313
Total non-operating income	457	916
Non-operating expenses:		
Loss on management of investment partnership	0	2
Other	4	2
Total non-operating expenses	4	4
Recurring income	36,740	39,949
Extraordinary losses:		
Loss on disposal of fixed assets	1	-
Impairment loss	113	-
Total extraordinary losses	114	-
Income before income taxes and minority interests	36,626	39,949
Income taxes:		
Current income taxes	11,054	11,312
Deferred income taxes	(663)	(135)
Total income taxes	10,391	11,176
Profit	26,235	28,773
Profit attributable to owners of parent	26,235	28,773

Consolidated Statements of Comprehensive Income

(Figures less than 1 million yen have been omitted.)

	1st Six Months of FY2025	1st Six Months of FY2026
	Millions of yen	Millions of yen
Profit	26,235	28,773
Other comprehensive income:		
Net unrealized gain (loss) on other securities	(507)	665
Remeasurements of defined benefit plans	6	7
Total other comprehensive income	(501)	672
Comprehensive income	25,734	29,446
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	25,734	29,446
Comprehensive income attributable to non-controlling interests	-	-

(3) Consolidated Statements of Cash Flows

(Figures less than 1 million yen have been omitted.)

	1st Six Months of FY2025	1st Six Months of FY2026
	Millions of yen	Millions of yen
Cash flows from operating activities:		
Income before income taxes and minority interests	36,626	39,949
Depreciation and amortization	1,074	1,225
Impairment loss	113	-
Increase (decrease) in allowance for doubtful accounts	(43)	(87)
Increase (decrease) in net defined benefit liabilities	(25)	42
Interest and dividend income	(258)	(602)
(Increase) decrease in notes and accounts receivable-trade	1,360	(9,869)
(Increase) decrease in inventories	(4,065)	3,675
Increase (decrease) in notes and accounts payable-trade	6,601	(3,695)
Other	(8,308)	2,700
Subtotal	33,074	33,338
Interest and dividend income received	233	529
Income taxes paid	(9,683)	(15,980)
Net cash (used in) provided by operating activities	23,624	17,887
Cash flows from investing activities:		
Payment for purchase of tangible fixed assets and intangible fixed assets	(2,158)	(14,884)
Proceeds from collection of long-term loans	2	22
Other	0	519
Net cash (used in) provided by investing activities	(2,155)	(14,342)
Cash flows from financing activities:		
Payment for purchase of treasury stock, net	(0)	(45,245)
Proceeds from sale of treasury stock, net	25	95
Cash dividends paid	(11,034)	(13,255)
Net cash (used in) provided financing activities	(11,009)	(58,405)
Net increase (decrease) in cash and cash equivalents	10,459	(54,859)
Cash and cash equivalents at beginning of the period	205,440	240,050
Cash and cash equivalents at end of the period	215,900	185,190

(4) Notes to the Semi-annual Consolidated Financial Statements**Notes on premise of a going concern**

Not applicable

Notes on significant changes in shareholders' equity

1st Six Months of FY2026 (From April 1, 2025, to September 30, 2025)

The Company repurchased 16,831,200 shares of the Company based on the resolution at the Board of Directors' meeting held on May 12, 2025. As a result, treasury stock increased ¥45,244 million in the first six months of the current fiscal year to ¥93,240 million at September 30, 2025.

Segment Information

(Segment information by business category)

1st Six Months of FY2025 (From April 1, 2024, to September 30, 2024)

(Figures less than 1 million yen have been omitted.)

	1st Six Months of FY2025 (Millions of yen)							
	Reportable segments				Other	Total	Adjustments	Consolidated
	Pachinko machines business	Pachislot machines business	Ball bearing supply systems business	Subtotal				
Sales								
Customers	37,981	39,200	13,285	90,467	261	90,729	-	90,729
Intersegment	-	-	-	-	-	-	-	-
Total	37,981	39,200	13,285	90,467	261	90,729	-	90,729
Segment income	15,841	23,272	1,074	40,187	84	40,272	(3,984)	36,288

1st Six Months of FY2026 (From April 1, 2025, to September 30, 2025)

(Figures less than 1 million yen have been omitted.)

	1st Six Months of FY2026 (Millions of yen)							
	Reportable segments				Other	Total	Adjustments	Consolidated
	Pachinko machines business	Pachislot machines business	Ball bearing supply systems business	Subtotal				
Sales								
Customers	74,853	17,334	8,026	100,215	193	100,409	-	100,409
Intersegment	-	-	-	-	-	-	-	-
Total	74,853	17,334	8,026	100,215	193	100,409	-	100,409
Segment income	35,311	6,740	618	42,670	83	42,754	(3,716)	39,038