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For Immediate Release

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

Notice of Announcement of the Earnings Forecast for the first Six Months of the Fiscal Year Ending March 31, 2025 and Dividend Forecast

In view of recent performance trends, SANKYO Co., Ltd. hereby announces the forecast of the financial results for the first six months of the fiscal year ending March 31, 2025, which had been undisclosed, as below. In addition, in accordance with the Company's dividend policy, the Company announces the second quarter and year-end dividend forecasts that had been undetermined.

[Announcement of the forecast of consolidated financial results for the first six months of the fiscal year ending March 31, 2025]

(from April 1, 2024 to September 30, 2024)

					(Millions of yen)
	Net sales	Operating income	Recurring income	Profit attributable to owners of parent	Net income per share (yen)
Previous forecast (A)	-	-	-	-	-
Current forecast (B)	90,000	35,000	35,000	25,000	113.91
Difference (B-A)	-	-	-	-	-
% change	-	-	-	-	-
Results for the first six months of fiscal year ended March 31, 2024	116,190	45,460	45,863	32,787	113.11

(Note) The Company carried out a share split at a ratio of five shares for one share of common stock, effective March 1, 2024. Net income per share for the first six months of fiscal year ended March 31, 2024 is calculated assuming that the share split was carried out at the beginning of the fiscal year ended March 31, 2024.

[Reasons for the announcement of the forecast of consolidated financial results for the first six months of the fiscal year ending March 31, 2025]

The SANKYO Group manages its business plan on an annual basis and only discloses forecasts of financial results for the full year. However, since the forecast for the quantities of products to be delivered by the mainstay pachinko and pachislot machines businesses by the end of September 2024 has been almost finalized, we have calculated the final estimate for the second quarter and thus we are disclosing the forecast for the first six months of the fiscal year ending March 31, 2025.

During the first six months of the current fiscal year, although the sales volume of the pachinko machines business is expected to decrease compared with the same period of the previous fiscal year, "e Fever MOBILE SUIT GUNDAM UNICORN Returns -The White Unicorn and the Black Lion-" introduced in August 2024 became the first hit title of the

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Company's Smart Pachinko machines. Our expectation is that this will provide impetus for the spread of Smart Pachinko machines from now on.

Regarding the pachislot machines business, in addition to the introduction of three new titles, including "L Pachislot Symphogear "Seigi no Uta"", increased production of several titles sold in the previous fiscal year or earlier resulted in a significant increase in sales volume. Benefitting from the market's transition to Smart Pachislot machines, the Group's presence in the pachislot machines market has also increased.

As a result, the total sales volume of pachinko machines is expected to be 83,000 units (167,000 units in the same period of the previous fiscal year) and that of pachislot machines is expected to be 81,000 units (48,000 units in the same period of the previous fiscal year). Although decreases in sales and profit are expected, progress is in step with the plan.

As for the forecast of consolidated financial results for the full year of the fiscal year ending March 31, 2025, there is no change at this time to the figures announced on May 9, 2024. We will promptly announce revisions if they become necessary in the future.

2. Announcement of the Forecast of Dividends

(1) Forecast of dividends for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Base date)	Cash dividend per share		
	2nd quarter	Year-end	Full Year
	Yen	Yen	Yen
Previous forecast (May 9, 2024)	-	-	80.00
Current forecast	40.00	40.00	80.00
Results for the previous fiscal year ended March 31, 2024	150.00	50.00	-

(Note) The Company carried out a share split at a ratio of five shares for one share of common stock, effective March 1, 2024. For the end of the second quarters of the fiscal year ended March 31, 2024, the actual dividend amounts before the share split are presented. For the end of the fiscal year ended March 31, 2024, the figures are presented after the share split, while the total amount of dividends for the full year is stated as "—" The dividend for the full year of the fiscal year ended March 31, 2024 taking into account the share split is 80.00 yen.

(2) Reasons for the announcement of the forecast of dividends

The Company's basic policy is to pay performance-linked dividends with a consolidated dividend payout ratio of 40% as a benchmark. For the interim dividend, a consolidated dividend payout ratio of 40% for the first six months of the fiscal year shall be the benchmark for the total dividend amount, but the interim dividend shall be no more than 50% of the forecast full-year dividend per share at the time the interim dividend amount is determined.

In view of the above dividend policy and earnings forecast for the first six months of fiscal year ending March 31, 2025 announced today, the Company has announced its interim dividend forecast for the fiscal year ending March 31, 2025, to ¥40 per share. The forecast for the full-year dividend of ¥80 per share is unchanged and the year-end dividend will be ¥40. If it becomes necessary to revise the earnings forecast in the future, the Company will review the dividend forecast based on the above dividend policy.

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

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