



FY Ended March 2015

Full Year Results Presentation

May 28th, 2015

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Related News on Financial Results

■ 2014

- Aug. 8 Financial Results for the 1st Quarter of FY2014
- Sep. 22 Building and site acquisition for the expansion of distribution bases
- Oct. 27 Revision of earnings estimates
- Nov. 12 Financial Results for the 2nd Quarter of FY2014
- Nov. 12 Dividend of surplus (Interim dividend)

■ 2015

- Feb. 10 Financial Results for the 3rd Quarter of FY2014
- Mar. 16 Revision of dividend estimates
- May 1 Operating loss due to bankruptcy proceedings of a trading game machine manufacturer
Revision of earnings estimates
- May 11 Financial Results of FY2014
Dividend of surplus
Introduction of a shareholder special benefit plan

Related News on Business and New Products

■ 2014

- Aug. 1 Began sales of “Sasami san Ganbaranai Slot”(a pachislot game machine)made by Daxel Co., Ltd.
- Aug. 25 Joined as a member of Japan Business Federation(KEIDANREN)

■ 2015

- Feb. 20 Began sales of “Majikaru Sweet Prism Nana Ace” (a pachislot game machine)made by Daxel Co., Ltd.

FY Ended March 2015 Full Year Results

FY Ended March 2015 Full Year Results

Consolidated Statements of Income (Summary)

Net sales **¥54,043 Million**

Operating income **¥1,425 Million**

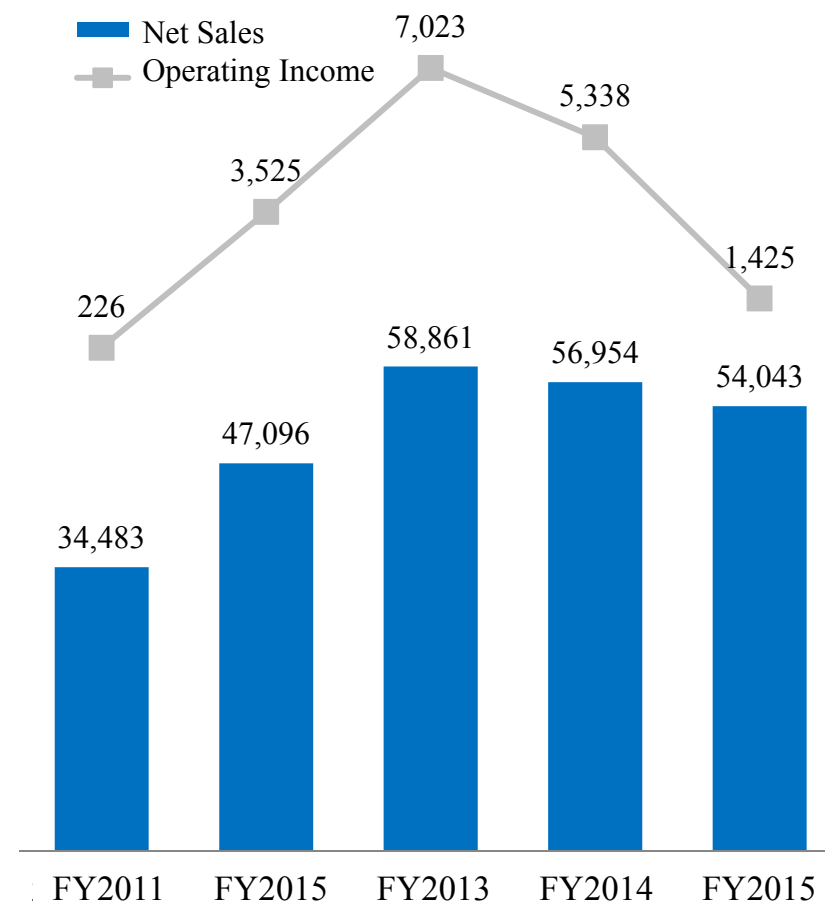
Ordinary income **¥1,566 Million**

Net income attributable to owners of the parent **¥874 Million**

(Millions ¥)	FY Ended March 2014	FY Ended March 2015	YoY Change	Vs. Forecasts Change
Net sales	56,954	54,043	-2,911	-957
Gross profit-net	18,691	15,659	-3,032	-2,341
Selling, general and administrative expenses	13,353	14,233	880	-767
Operating income	5,338	1,425	-3,913	-1,575
Ordinary income	5,474	1,566	-3,908	-1,434
Net income attributable to owners of the parent	3,278	874	-2,404	-1,126
Research and development expenditure	3,656	3,834	178	-866

(Note) The planned ratio is the value of earnings projection for the term ending in March 2015 announced on November 12, 2014, as well as the planned ratio described in the materials for the briefing of the second quarter closing of the term ending in March 2015 held on November 27, 2014 targeting institutional investors and analysts.

Net Sales and Operating Income

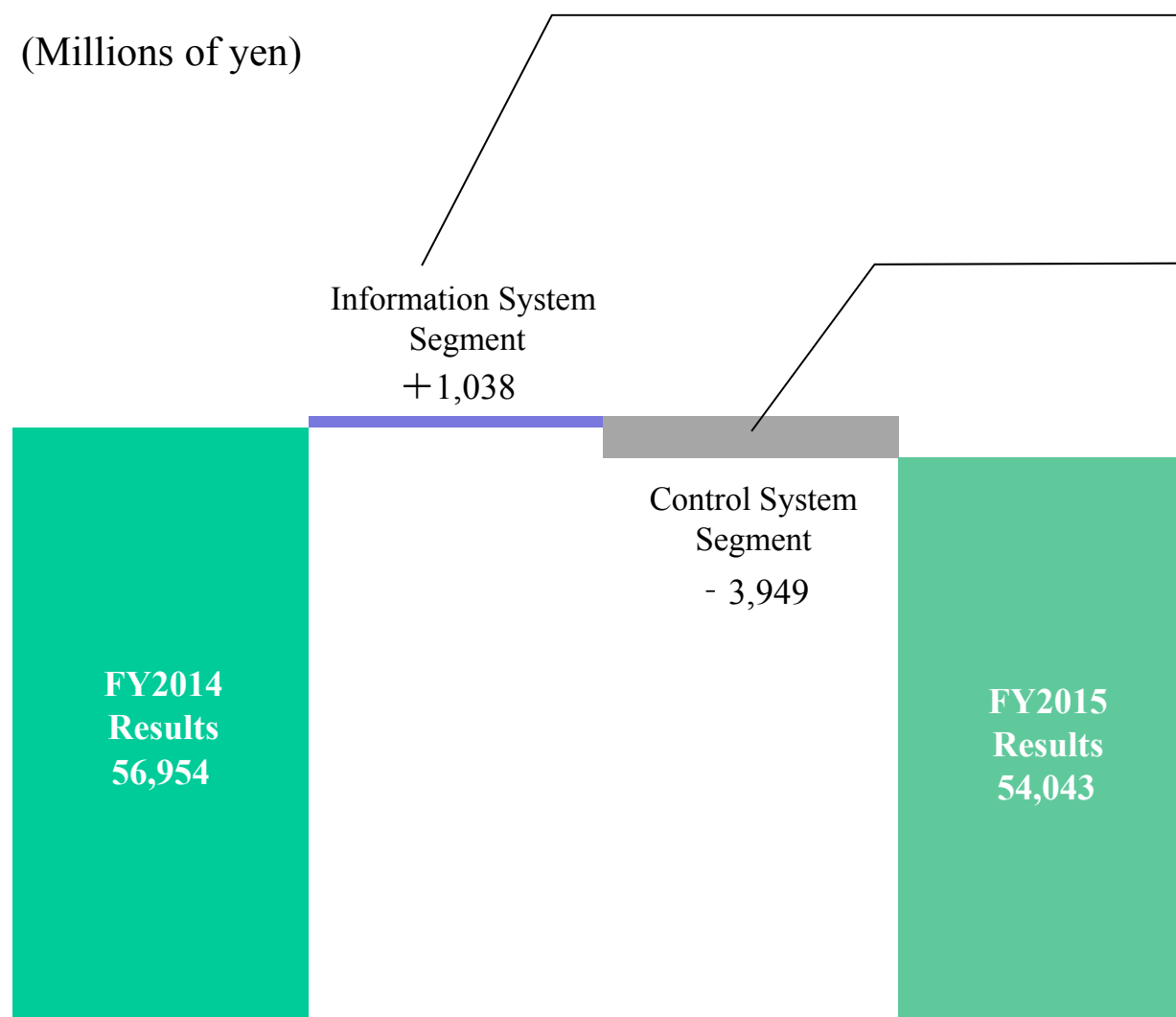


Net Sales

YoY Change

-¥2,911 Million

(Millions of yen)



Information System Segment

“VEGASIA” (CR unit) greatly contributed to the sales, and “BiGMO PREMIUM” (call-out lamp) also sold steadily.

Control System Segment

Amid a decrease in the number of display unit models sold, the reuse rate has been increasing.

Information System Segment

“VEGASIA” (CR unit)

77,200 units → 109,500 units

“BiGMO PREMIUM” (call-out lamp)

48,000 units → 58,500 units

Control System Segment

Number of display unit models

18 models → 14 models

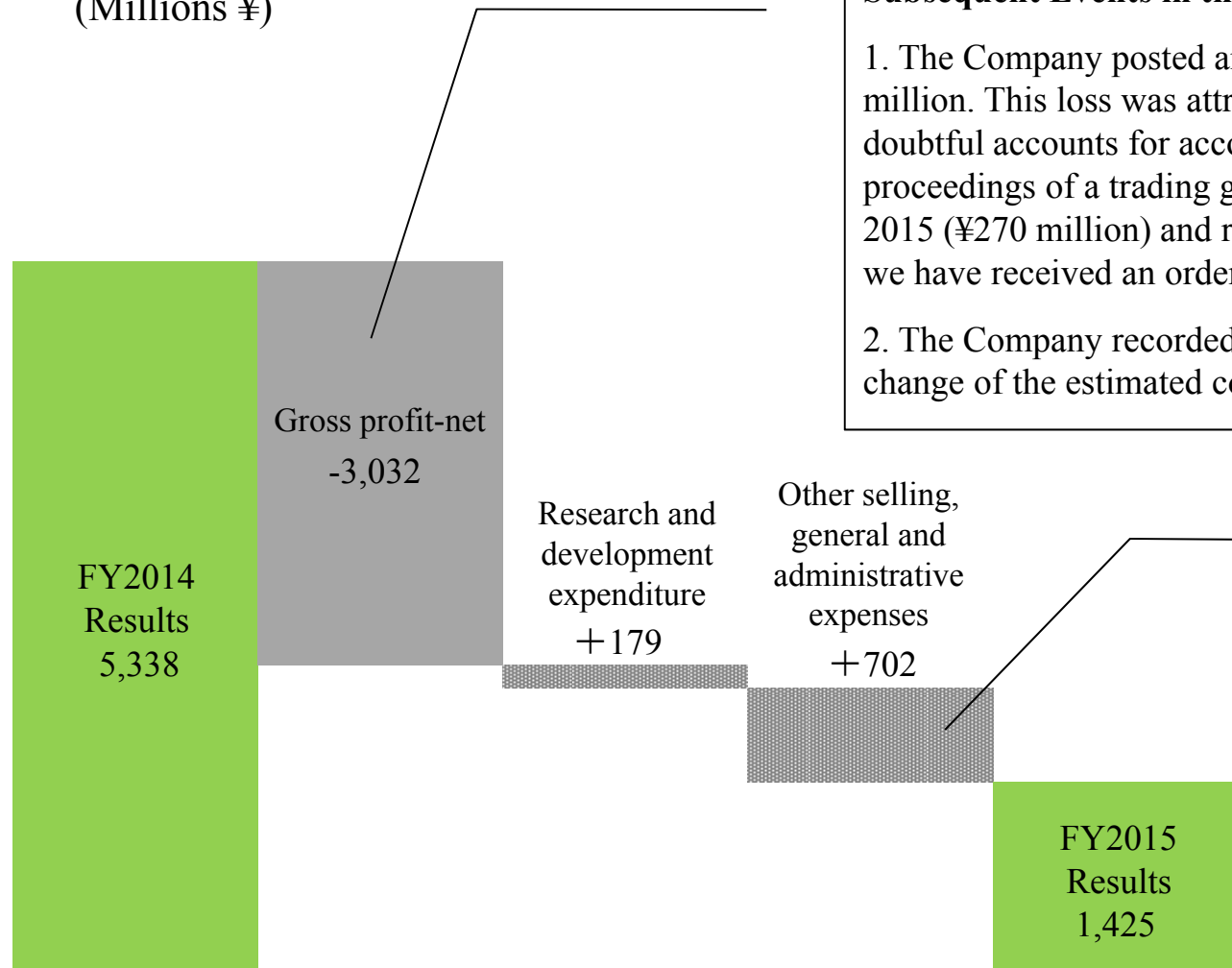
The reuse rate

24.4% → 66.8%

Operating Income

YoY Change - ¥3,913 Million

(Millions ¥)



Subsequent Events in the Control System Segment

1. The Company posted an operating loss in the amount of ¥950 million. This loss was attributable to the allocation of allowance for doubtful accounts for accounts receivable from bankruptcy proceedings of a trading game machine manufacturer on April 14, 2015 (¥270 million) and revaluation of exclusive material for which we have received an order (¥680 million).
2. The Company recorded an operating loss of ¥350 million due to the change of the estimated costs in contract software development.

Main items of other selling, general and administrative expenses are:

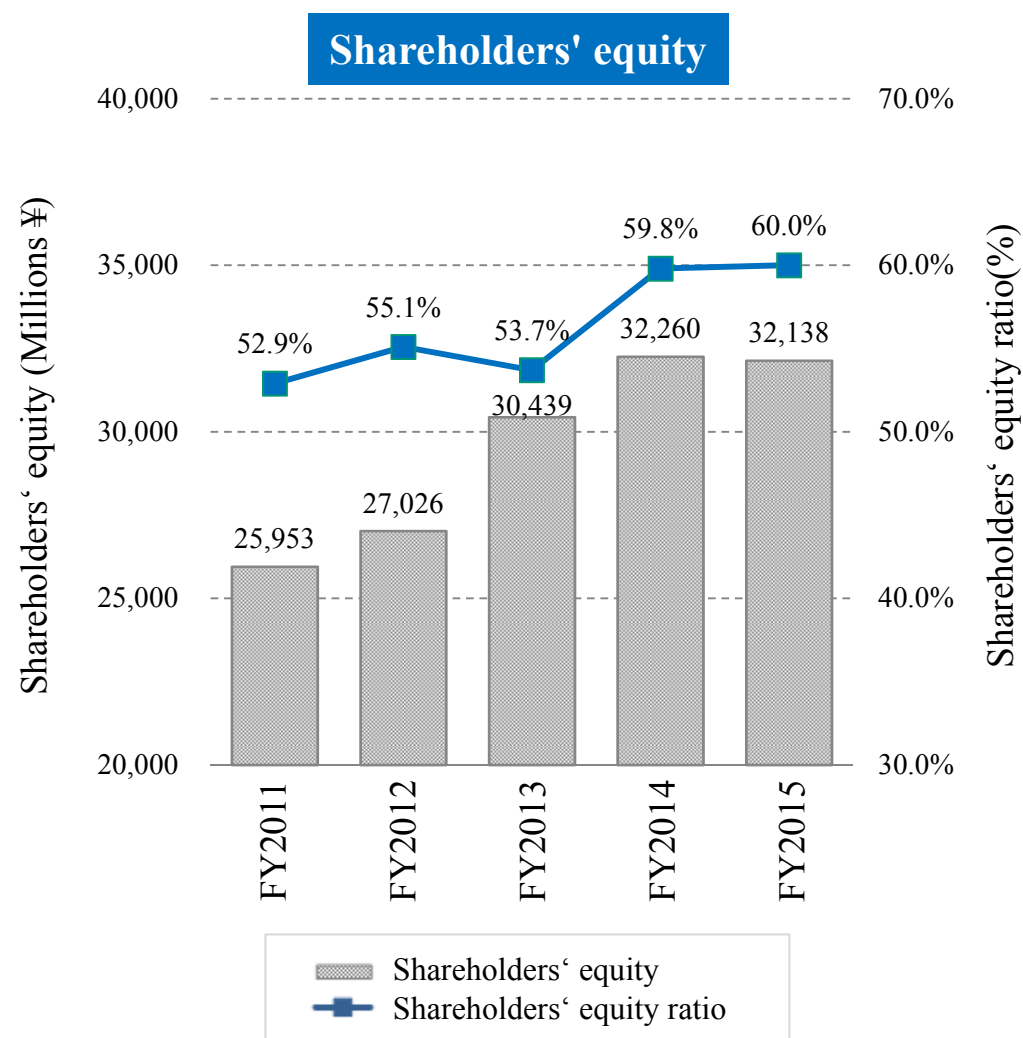
1. due to an increase in sales commissions resulting from an increase in sales units of pachislot game machines
2. due to an increase in exhibition expenses in the Information System Segment (¥147 million)

FY Ended March 2015 Full Year Results

Consolidated Balance Sheets (Summary)

Total liabilities and net assets	¥53,528 Million
Total liabilities	¥21,389 Million
Total net assets	¥32,138 Million

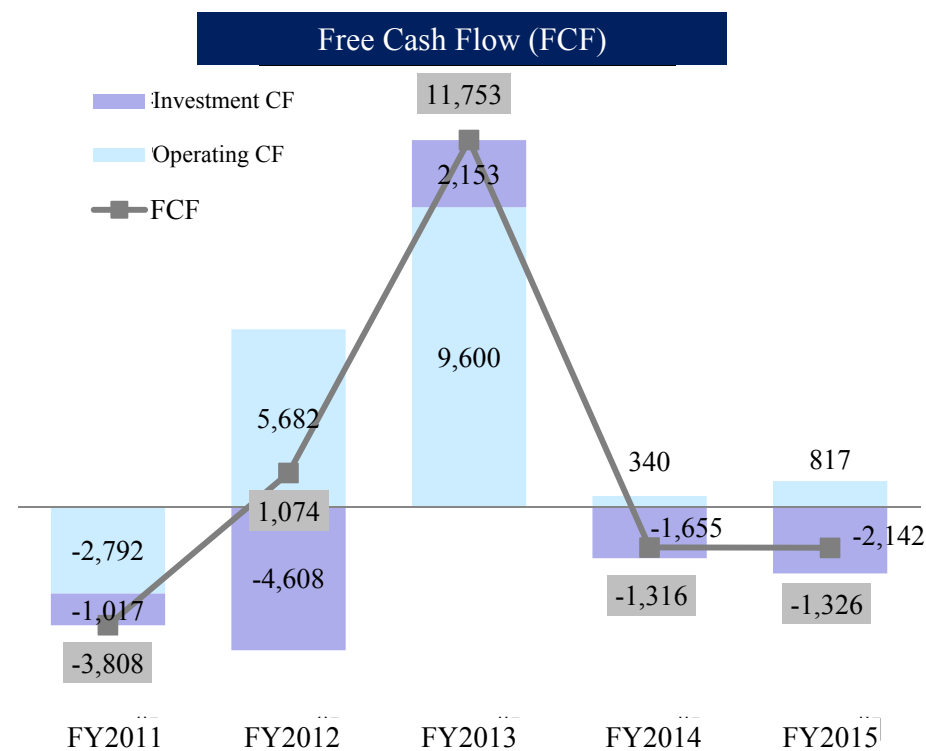
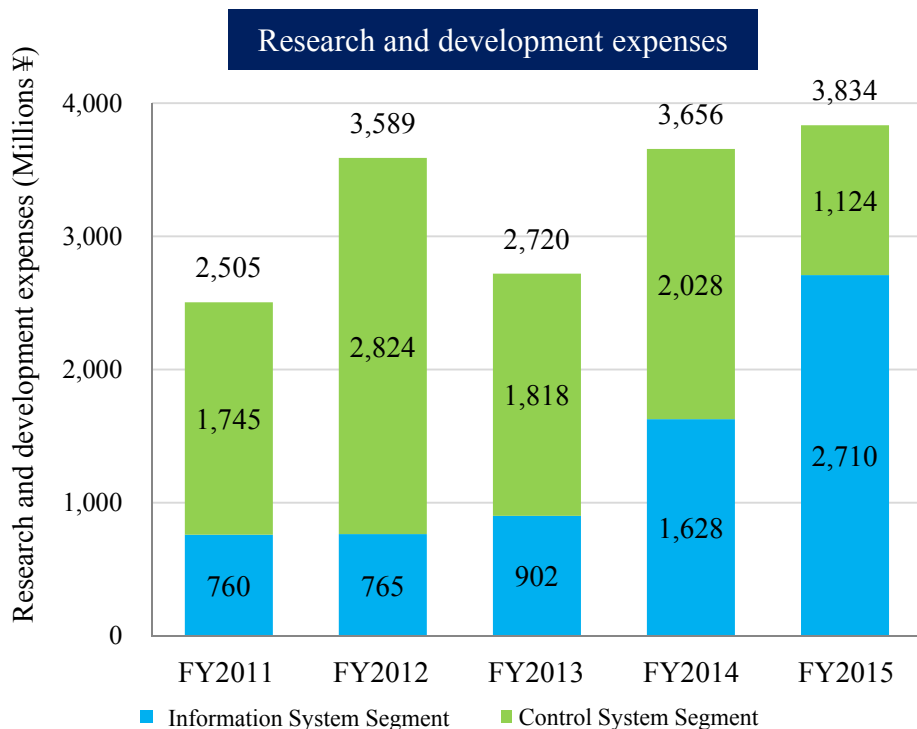
(Millions ¥)	2014/3	2015/3	YoY Change
Current assets	37,045	35,935	- 1,110
Noncurrent assets	16,884	17,592	+ 708
Total assets	53,929	53,528	- 401
Current liabilities	20,159	20,473	+ 314
Noncurrent liabilities	1,509	915	- 594
Total liabilities	21,669	21,389	△ 280
Total Net assets	32,260	32,138	△ 122
Total liabilities and net assets	53,929	53,528	△ 401
Debt	800	400	△ 400
Debt equity ratio	0.02times	0.01times	- 0.01times
Shareholders' equity ratio	59.8%	60.0%	+ 0.2%
Receivables turnover period	73.5days	79.6days	+ 6.1days
Inventory turnover period	55.8days	62.9days	+ 7.1days
Payable turnover period	105.8days	98.8days	- 7.0days
Number of shares outstanding	14,783,322	14,783,272	-



FY Ended March 2015 Full Year Results

Consolidated Statements of Cash Flows

(Millions ¥)	FY2014	FY2015	YoY Change
Operating CF	340	817	+ 477
Investment CF	- 1,655	- 2,142	- 487
Financing CF	- 1,809	- 1,441	+ 368
Cash and cash equivalents	15,281	12,515	- 2,766
Time deposits that have more than three months until maturity	100	600	+ 500



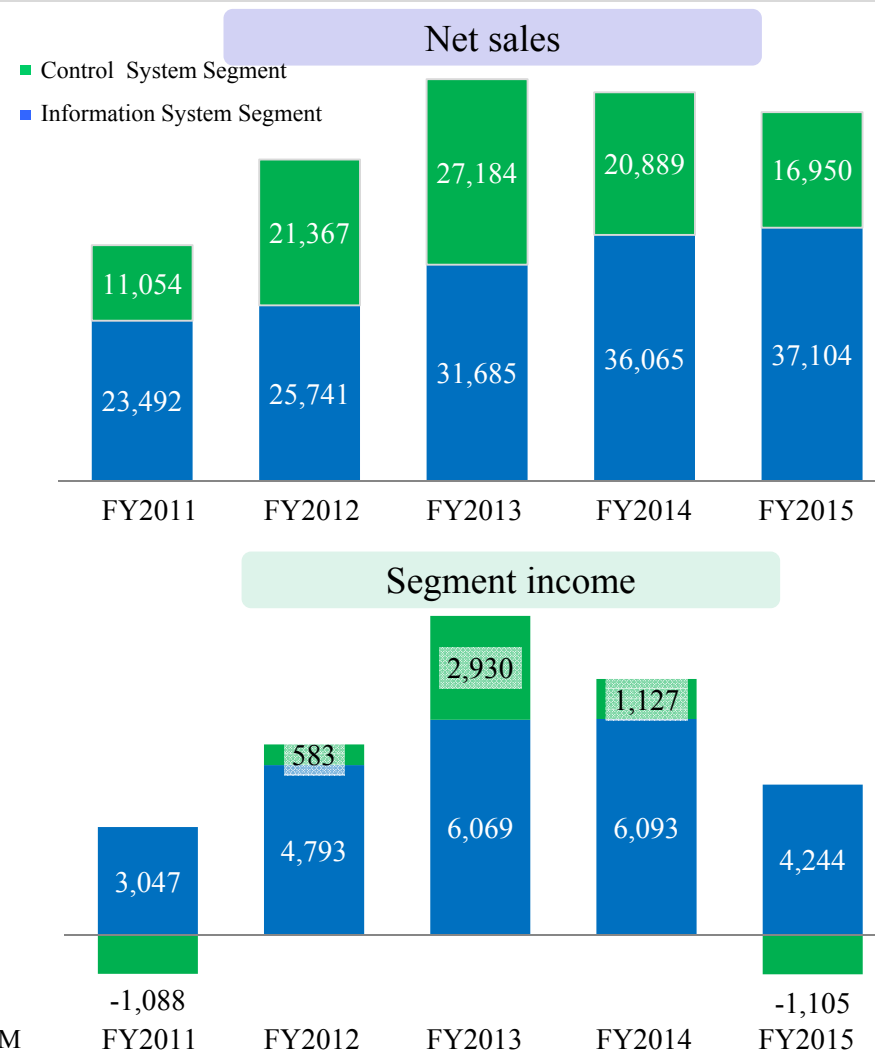
Business results by segment

YoY Change

(Millions ¥)	FY2014	FY2015	YoY Change	Vs. Forecasts Change
Information System Segment	36,065	37,104	+1,039	+4,104
Hardware	25,965	26,531	+566	
System	10,100	10,573	+473	
Subtotal	36,065	37,104	+1,039	+4,104
Control System Segment	20,889	16,950	-3,939	-5,050
Units and Parts	18,597	14,217	-4,380	
Pachislot and Others	2,292	2,733	+441	
Subtotal	20,889	16,950	-3,939	-5,050
Segment sales	56,954	54,054	-2,900	-946
Information System Segment	6,093	4,244	-1,849	-56
Control System Segment	1,127	-1,105	-2,232	-1,605
Segment income	7,221	3,139	-4,082	-1,661
Corporate expenses	-1,883	-1,713	+170	+87
Net sales	56,954	54,043	-2,911	-957
Operating income	5,338	1,425	-3,913	-1,575

(Note) In the sales composition of the Information System Segment, the term “hard” represents total sales revenue of products, whereas the term “system” represents sales revenues of systems and services, such as MG service.

Similarly, in the Control Systems Segment, the term “units and parts” suggests revenues from sales of OEM boards and parts for pachinko game machines. The term “pachislot and others” indicates revenues of our group companies Genki Co., Ltd. (revenues of consumer game machines) and DAXEL Inc. (revenues of pachislot game machines).



Business Environment

Recent industry trends

1. According to our DK-SIS data, while the business performance of pachinko halls has shown a gradual downward trend continuously in the past years, it fell to a new low in terms of operating rate and gross margin in 2014 successively from 2013.
The operation of pachinko game machines has declined constantly, especially for rental balls at 4-yen pachinko. Currently, the slump in pachinko game machines cannot be sufficiently offset by the operation of pachislot game machines, which had been in a favorable trend since 2009 but has shown signs of leveling off. As a result, the business environment remains tough.
 2. The pachinko business, in which the Daikoku Denki Group (“the Group”) is engaged, has not suffered a decrease in visitors due to the consumption tax hike. The operation of pachinko game machines with a playing cost of rental balls at 4-yen pachinko showed a slight downward trend, together with a declining trend in operations of pachislot game machines since September 2014 due to a change in test procedure, putting our customers in a tough business environment.
 3. The number of pachinko and pachislot halls throughout the nation in 2014 was 11,627, a decrease of 266 year-on-year, and a drop for 19 consecutive years. As for the number of game machines installed throughout the nation, the number of pachinko game machines dropped 55,029 units year-on-year, while the number of pachislot game machines increased 41,142 units year-on-year, which totaled 4,597,819 units, a decrease of 13,895 units year-on-year.
- * The number of game machines installed per store increased to 395.4 units (+7.6 units), which suggests that the size of the halls has become larger.

(Data) According to the 2014 White Paper on Adult Entertainment Business issued by the Community Safety Bureau of the National Police Agency

Industry trends in the present

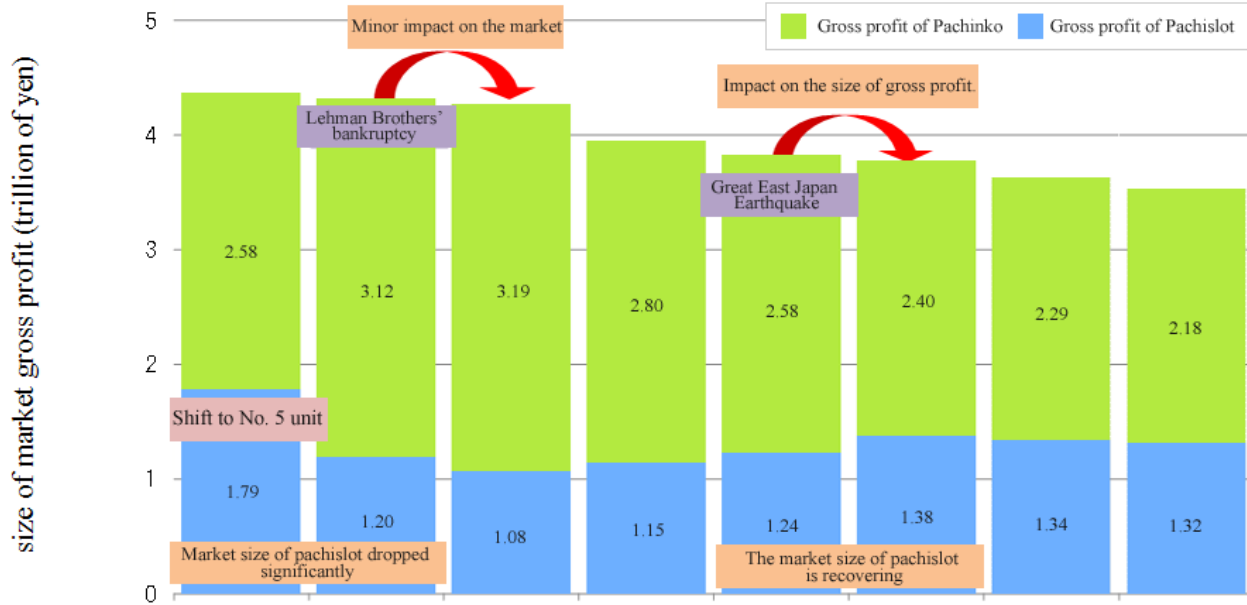
1. The impact of the reaction of the last-minute demand by the consumption tax hike has eased, and improvement of corporate performance will lead to improvements in employment and personal income, and accordingly, growth in consumer expenditure is expected in the Japanese economy.
2. In our pachinko industry, in which the Group is engaged, self-regulation of pachinko game machines is scheduled in November 2015, likewise, that of pachislot game machines is scheduled in December 2015. The impact on the market and our company is unpredictable and requires caution.

Changes in the size of market total gross profit and shifts in performance by year

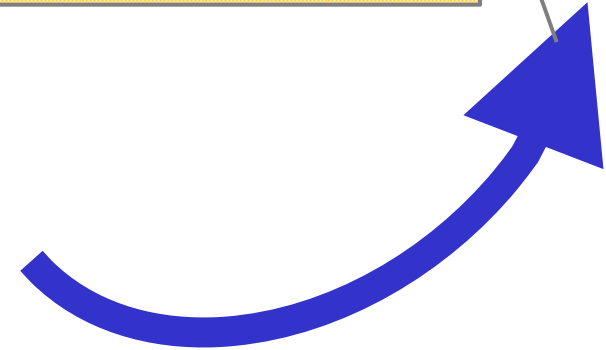
Although market conditions are projected to be severe in the short term, it is expected to recover towards a ¥4 trillion market size in the medium term

Pachinko business scale
 [Changes in the size of total gross profit and performance by year]
 (Note) Source of survey materials: Daikoku Denki "DK-SIS"

Market trends in the present envisioned by the Company
 (estimate of the Company)



Recovery of ¥4 trillion size of market gross profit



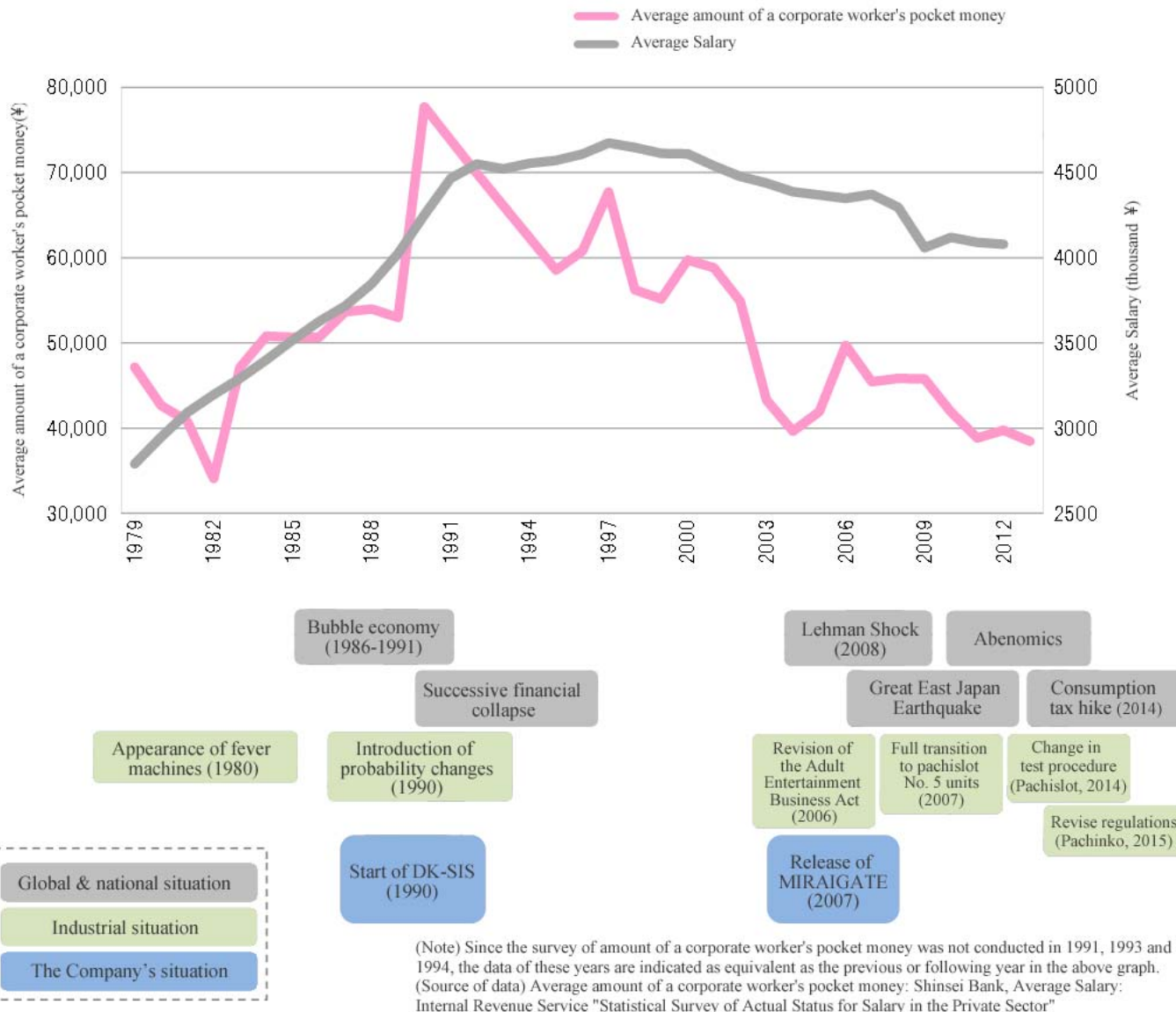
Consumption tax hike

Hosting of Tokyo Olympics

	2007	2008	2009	2010	2011	2012	2013	2014
Market Scale								
Size of market gross profit (Trillion ¥)	4.37	4.32	4.27	3.95	3.82	3.78	3.63	3.50
Number of total game machines (million machines)	4.59	4.53	4.51	4.55	4.58	4.59	4.61	460
Number of halls (halls)	13,585	12,937	12,600	12,479	12,323	12,149	11,893	11,627
performance								
Operating time per day (hour)	5.1	5.0	4.9	4.7	4.7	4.6	4.4	4.3
Net sales per machine (¥)	29,500	27,300	26,700	24,200	23,700	23,400	22,700	22,100
Gross profit per machine (¥)	3,960	4,130	4,120	3,780	3,670	3,560	3,400	3,290
Gross profit per hour (¥)	780	830	340	800	780	770	770	760

※The gross profit size data is the value obtained by inference based on the market data from DK-SIS data
 ※Running time per hour is calculated by 5000 balls for pachinko and 2000 coins for pachislot

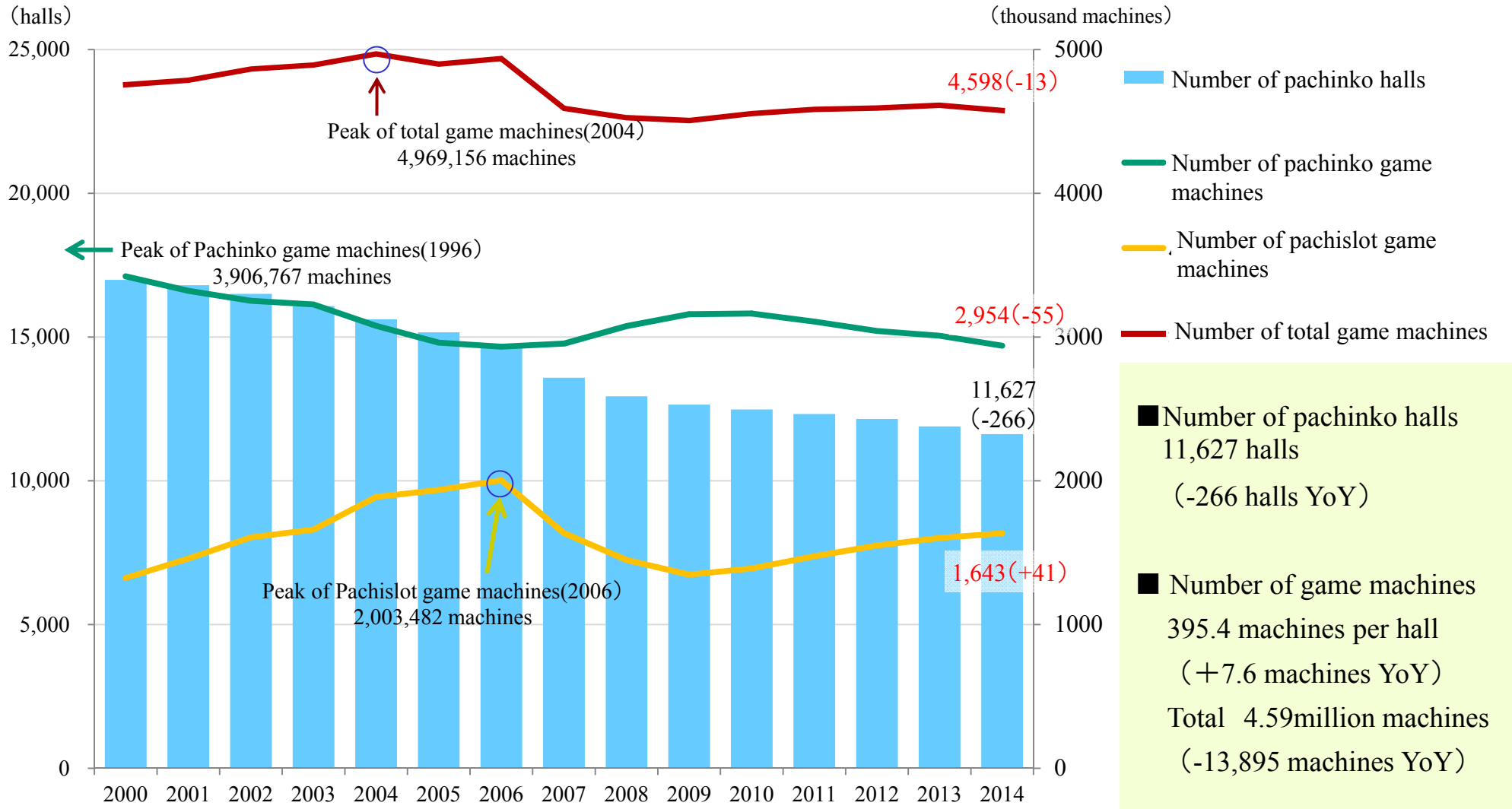
Reference) Shifts in the average amount of a corporate worker's pocket money



- ❑ Since the 1990s, pocket money of a corporate worker in Japan has shifted in a downward trend.
- ❑ Trend of increase of the base amount is expanding. Partly due to the shortage of manpower, it is highly assumed that the salaries at Japanese companies will continue to grow for the time being
- ❑ In the short term, due to the impact of the consumption tax hike, the amount of pocket money may decline, but in the medium term, it is anticipated to increase.

Pachinko business scale

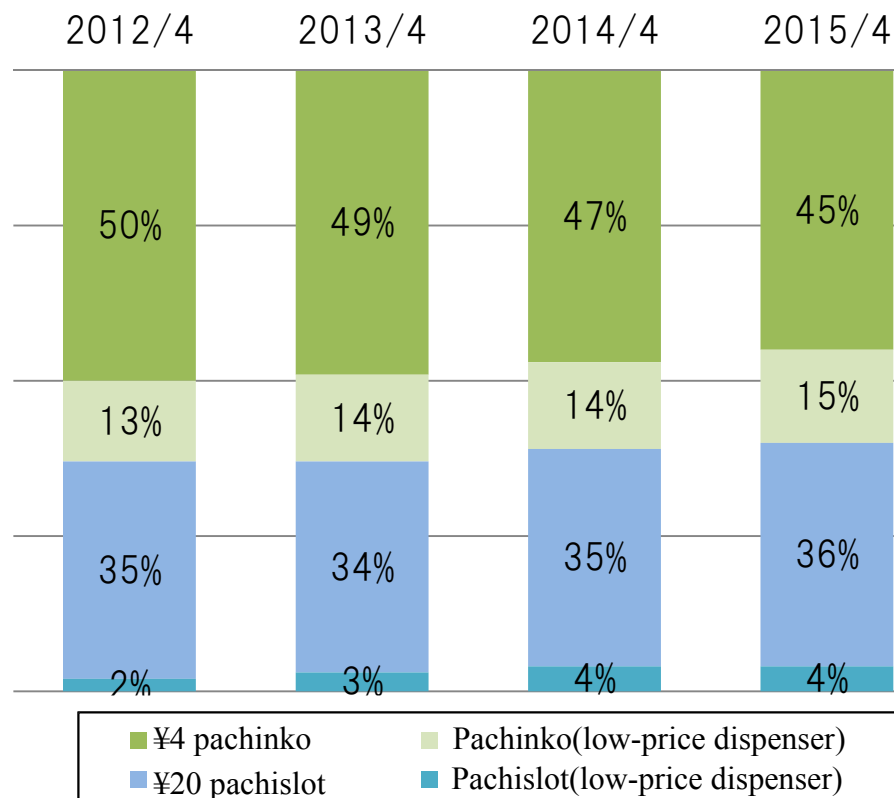
Shifts in the number of pachinko halls and installed pachinko and pachislot game machines



(Source of data) The 2014 White Paper on Adult Entertainment Business issued by the Community Safety Bureau of the National Police Agency

Changes in gross profit structure

(Comparison of April 2012 - 2015)



(Source of data)

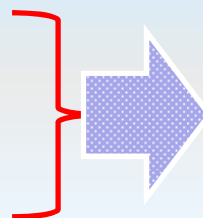
“DK-SIS White paper” Daikoku Denki

gross profit share				
	2012	2013	2014	2015
¥4 pachinko	50%	49%	47%	45%
Pachinko(low-price dispenser)	13%	14%	14%	15%
¥20 pachislot	35%	34%	35%	36%
Pachislot(low-price dispenser)	2%	2%	4%	4%

number of machines share				
	2012	2013	2014	2015
¥4 pachinko	45%	42%	40%	38%
Pachinko(low-price dispenser)	22%	23%	24%	26%
¥20 pachislot	29%	28%	29%	29%
Pachislot(low-price dispenser)	4%	7%	7%	7%

<Reading and understanding from gross profit share>

- 4-yen pachinko to decrease
- 20-yen pachislot to flat from increasing
- Pachinko and Pachislot at low rental costs to increase gradually



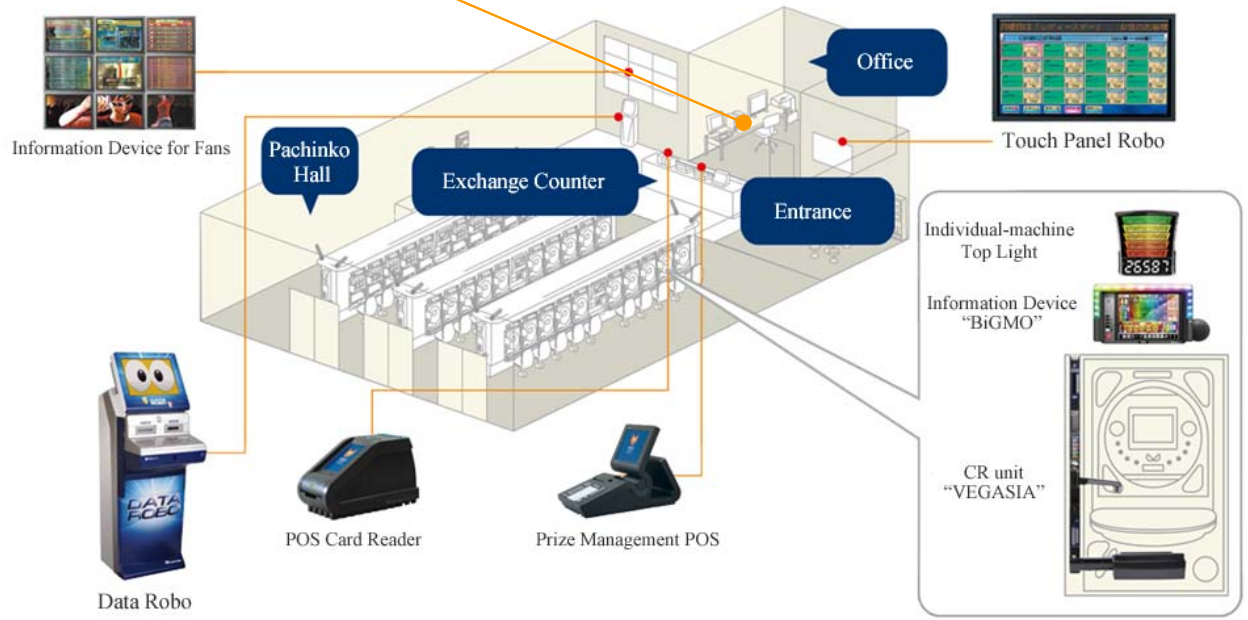
Advance indicators of pachinko hall creation (configuration of the number of machines)

- Share of ¥4 pachinko to decline continually
- Share of low rental pachinko balls to flat or slightly increase
- Share of ¥20 pachislot to increase slightly
- Share of low rental pachislot to increase



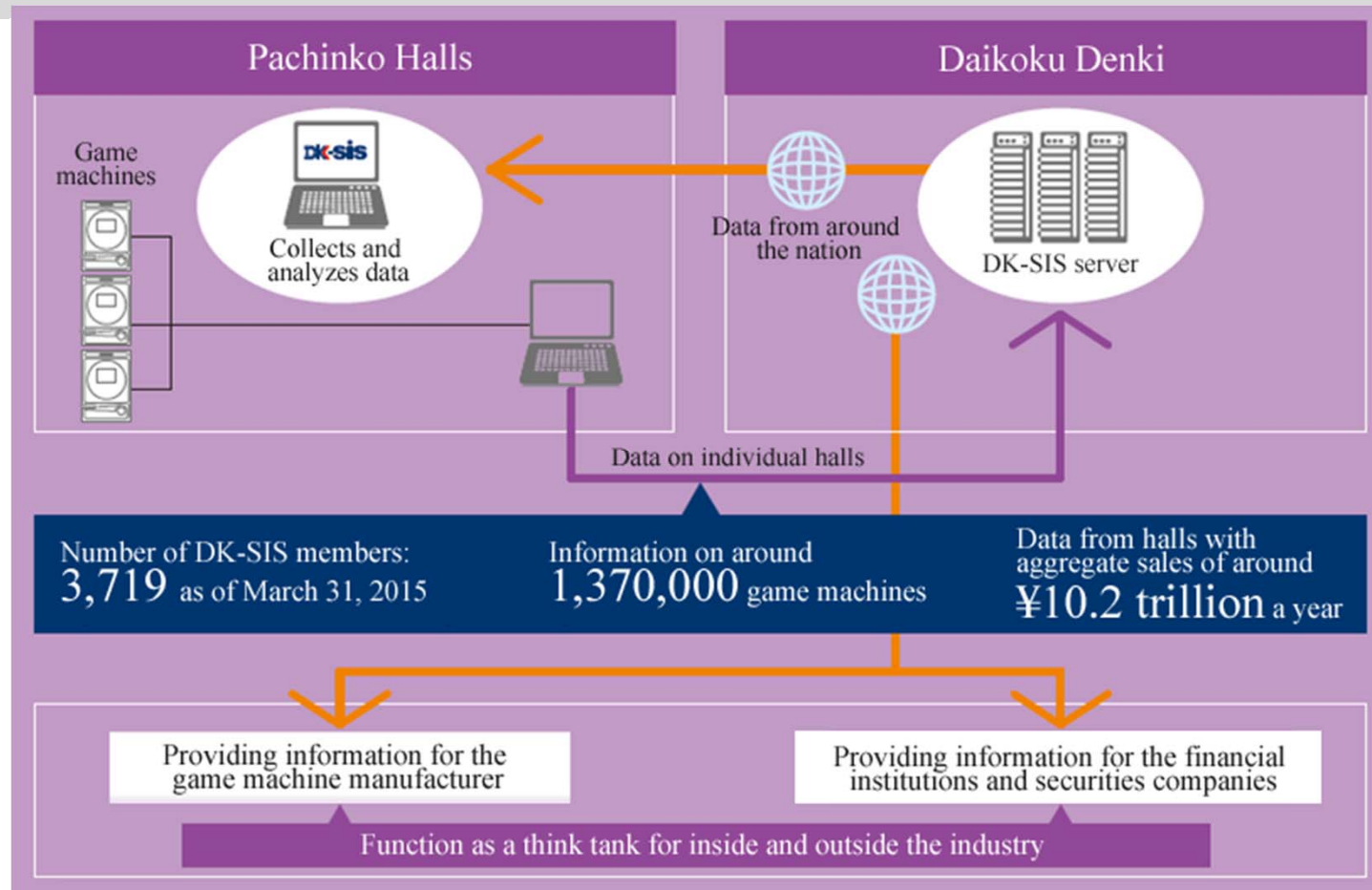
= Accounts for the top share of the market at 35%

Daikoku Denki excelled in the production of electric circuits at its inauguration, and developed a device to count pachinko balls by utilizing this knowledge and technology. Later, the Company was the first in the industry to provide new products and services such as through a proprietary system to collect and manage the data of each machine, in addition to the development of "Data Robot", an information terminal that displays game machine data to customers, and "DK-SIS", a service to provide information that supports hall management, as well as the launch of the "MIRAIGATE" brand.



DK-SIS Daikoku Denki Strategic Information System

"DK-SIS"—an industry-leading strategic information tool that helps to realize improved hall performance

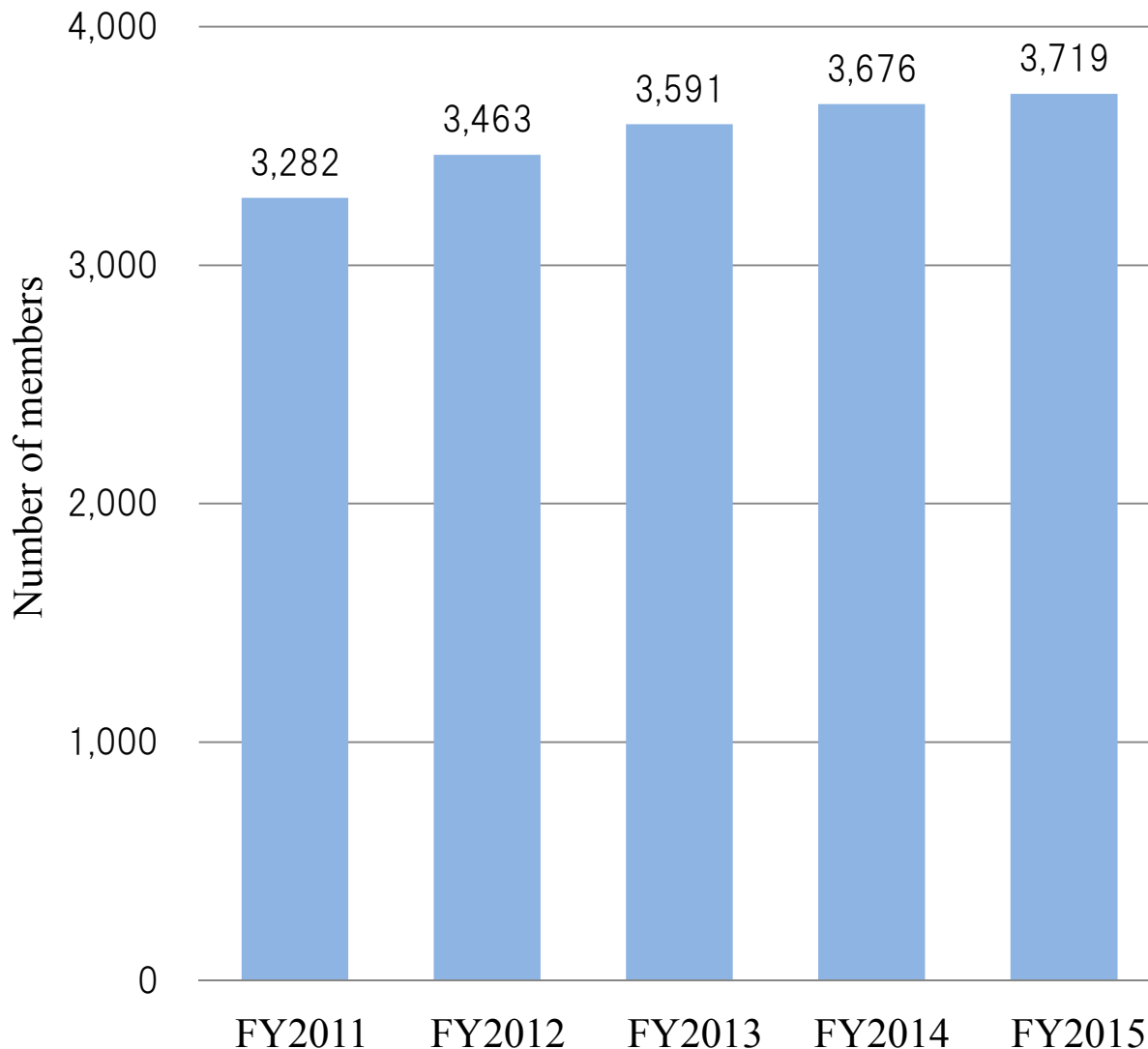


Strengths of DK-SIS

- Accumulation of business know-how with a core of data on approximately 1.37 million game machines and ¥10.2 trillion scale of annual sales
- Provision of various consulting services with DK-SIS data as the backbone
- Strategic proposals and sales activities to game machine manufacturers utilizing DK-SIS data

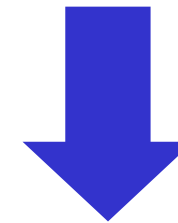
Trends in the Number of DK-SIS Members

Transition graph of the number of DK-SIS members



Performance for the term ending in March 2015

Number of members **3,719**
Number of managed machines **1.37 million machines**
Sales volume **Data corresponding to ¥10.2 trillion**



The only information strategy tool in the pachinko industry that possesses data on about **30%** of the number of pachinko and pachislot game machines nationwide

FY Ending March 2016 Full Year Forecasts

FY Ending March 2016 Full Year Forecasts

(Millions ¥)	FY2015			FY2016(Projected)			YoY Change
	1st half	2nd half	Total	1st half	2nd half	Total	
Net sales	27,892	26,151	54,043	27,000	33,000	60,000	+11.0%
Gross profit-net	8,551	7,108	15,659	9,300	10,700	20,000	+27.7%
Selling, general and administrative expenses	6,380	7,853	14,233	7,800	10,200	18,000	+26.5%
Operating income	2,170	△ 745	1,425	1,500	500	2,000	+40.4%
Ordinary income	2,235	△ 669	1,566	1,500	500	2,000	+27.7%
Net income attributable to owners of the parent	1,472	△ 598	874	1,000	400	1,400	+60.2%

Research and development expenses	1,636	2,198	3,834	1,700	3,900	5,600	+46.1%
Depreciation expense	689	720	1,409	800	900	1,700	+20.7%
Capital investment	152	1,193	1,345	700	1,100	1,800	+33.8%

FY Ending March 2016 Full Year Forecasts

○ Net Sales [+¥5,957 million]

■ Information System Segment

¥37,104 million → ¥35,000 million (- ¥ 2,104 million)

The Information System segment will continuously promote the sales of "VEGASIA" (a CR unit) following the previous consolidated fiscal year, improve the function of data display tools so that the fans could enjoy pachinko and pachislot more, and extend the sales as a tool to attract customers to pachinko halls. Furthermore, we will enhance the proposal of "C II -FACE"(the next-generation data management that combines face authentication data and game machine data, which is expected as new analysis method). We will also keep enhancing the active investment for next-generation product development in order to build future business model.

■ Control System Segment

¥16,950 million → ¥25,000 million (+¥8,050 million)

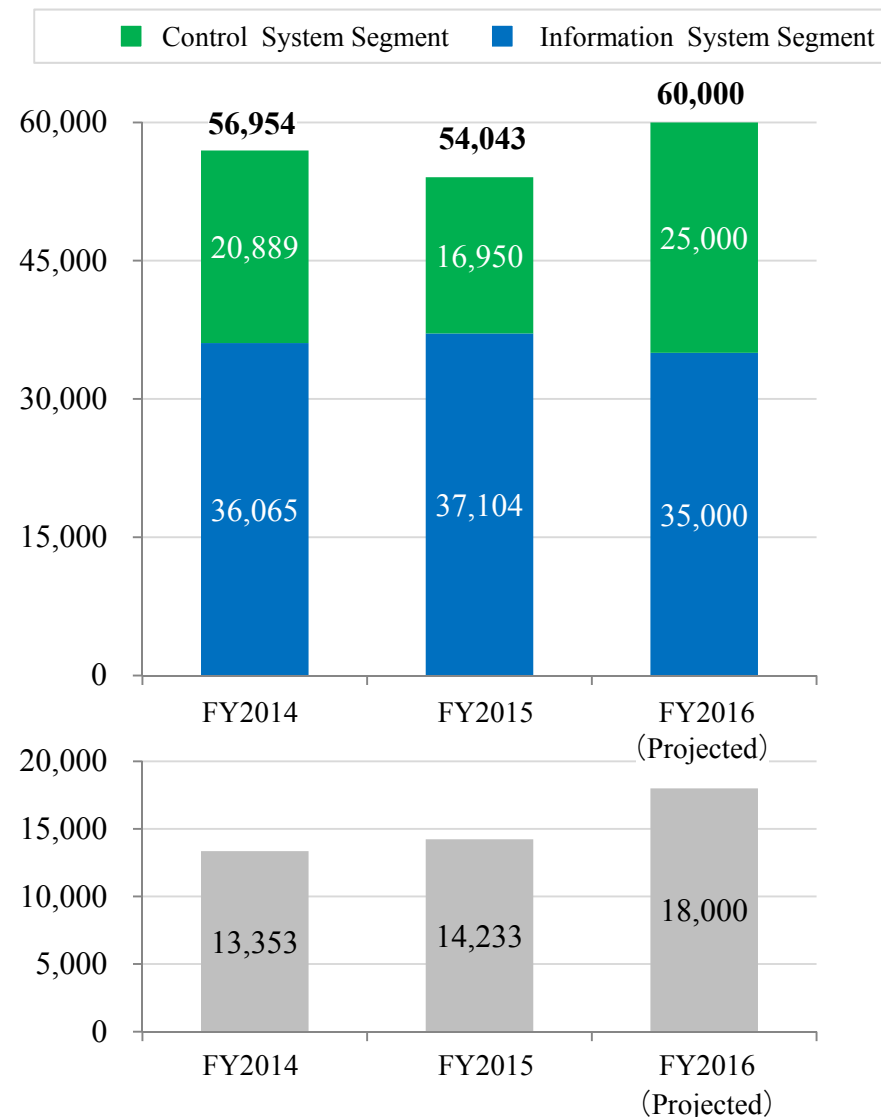
The Group forecasts the Control System Segment to achieve sales of ¥25 billion (up 47.5% year on year). We will engage in "the model development aiming to improve operating performance" following the previous consolidated fiscal year. Additionally, the segment will strengthen the development system and increase market valuation by carrying out human resources reinforcement and a change of management system.

○ Selling, general and administrative expenses

¥14,233 million → ¥18,000 million (+¥3,767 million)

The main factors of the increase are research and development cost for next-generation product development, and business consignment expense, sales promotion expense, and sales commission due to an increase in the number of the pachislot game machines sold.

(note) Business segment sales and income figures include intersegment transactions.



Forecast for FY2016 by segment

		(Millions ¥)			FY2015			FY2016 (Projected)		
		1st half	2nd half	Total	1st half	2nd half	Total			
Information System Segment	Net sales	18,217	18,887	37,104	16,000	19,000	35,000			
	Segment income	2,618	1,626	4,244	1,900	1,000	2,900			
Control System Segment	Net sales	9,675	7,275	16,950	11,000	14,000	25,000			
	Segment income	369	△1,474	△1,105	500	500	1,000			
Corporate expenses		△817	△896	△1,713	△900	△1,000	△1,900			
Corporate	Net sales	27,892	26,151	54,043	27,000	33,000	60,000			
	Operating income	2,170	△745	1,425	1,500	500	2,000			
		FY2015			FY2016 (Projected)					
Sales ratio (1st half : 2nd half)		50.0%	50.0%	100%	45%	55%	100%			
Information System Segment	Hall computing system 「C」(unit)	72	59	131	70	80	150			
	Data display system	4,508	4,463	8,971	3,900	5,000	8,900			
	Prize management system	1,449	1,519	2,968	1,200	1,600	2,800			
	Network services	1,627	1,753	3,380	1,800	1,900	3,700			
Control System Segment	Display unit (Number of models)	8	6	14	6	8	14			
	Display unit	4,837	2,938	7,775	2,500	4,900	7,400			
	Sales of parts	2,990	2,528	5,518	2,700	1,700	4,400			

(note) Business segment sales and income figures include intersegment transactions.

Reference data) The performance by segment

		FY2012			FY2013			FY2014		
		1st half	2nd half	Total	1st half	2nd half	Total	1st half	2nd half	Total
(Millions ¥)										
Information System Segment	Net sales	11,553	14,187	25,741	16,724	14,960	31,685	15,562	20,503	36,065
	Segment income	1,765	3,028	4,793	4,030	2,039	6,069	2,950	3,143	6,093
Control System Segment	Net sales	16,552	4,814	21,367	10,947	16,236	27,184	10,320	10,569	20,889
	Segment income	1,325	- 741	583	549	2,381	2,930	508	619	1,127
Corporate expenses		- 972	- 879	- 1,852	- 976	- 1,000	- 1,976	- 970	- 913	- 1,883
Corporate	Net sales	28,100	18,995	47,096	27,665	31,195	58,861	25,882	31,072	56,954
	Operating income	2,118	1,407	3,525	3,603	3,420	7,023	2,487	2,851	5,338
		FY2012			FY2013			FY2014		
Sales ratio (1st half : 2nd half)		59.7%	40.3%	100%	47.0%	53.0%	100%	45.4%	54.6%	100%
Information System Segment	Hall computing system 「C」(unit)	120	123	243	118	87	205	90	113	203
	Data display system	2,493	4,051	6,544	4,310	3,847	8,157	3,741	5,821	9,562
	Prize management system	2,525	2,721	5,246	2,252	1,795	4,047	1,901	1,937	3,838
	Network services	732	948	1,680	1,113	1,294	2,407	1,363	1,499	2,862
Control System Segment	Display unit (Number of models)	6	3	9	9	11	20	6	12	18
	Display unit	11,036	1,492	12,528	5,933	9,906	15,839	2,958	7,125	10,083
	Sales of parts	3,485	2,481	5,966	4,365	5,053	9,418	4,659	2,584	7,243

(note) Business segment sales and income figures include intersegment transactions.

Future Activities

I

Make efforts towards stable performance through the sales promotion of data display tools for each machine centering on "VEGASIA", a CR unit, and "BiGMO PREMIUM" as well as the expansion of MIRAIGATE services.

II

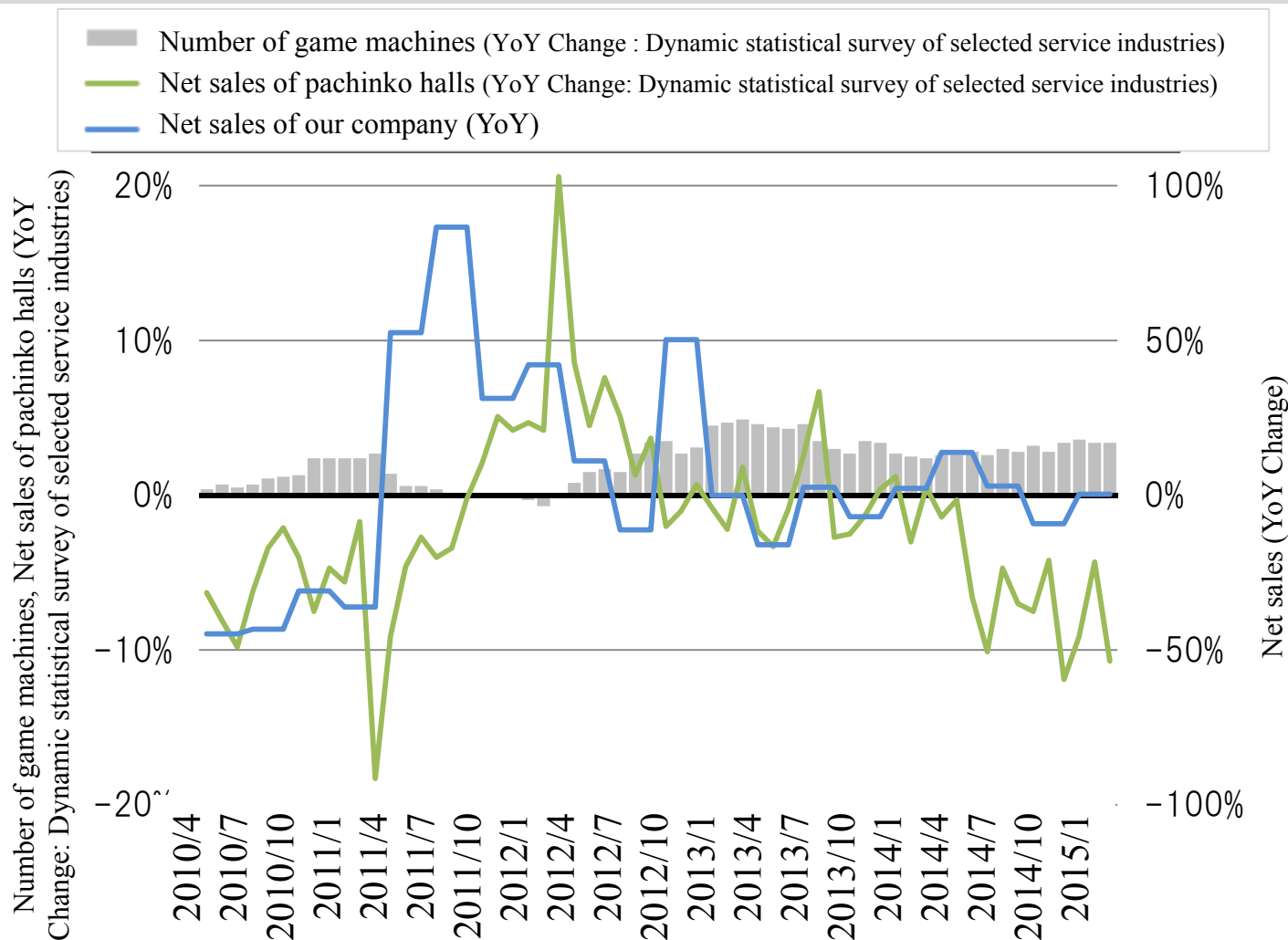
Improve profitability over the medium term through new businesses such as the strengthening of the development system of pachislot game machines.

III

Promote aggressive investments towards the development of "next-generation flagship product lines" for pachinko halls.

[Reference] Pachinko business scale

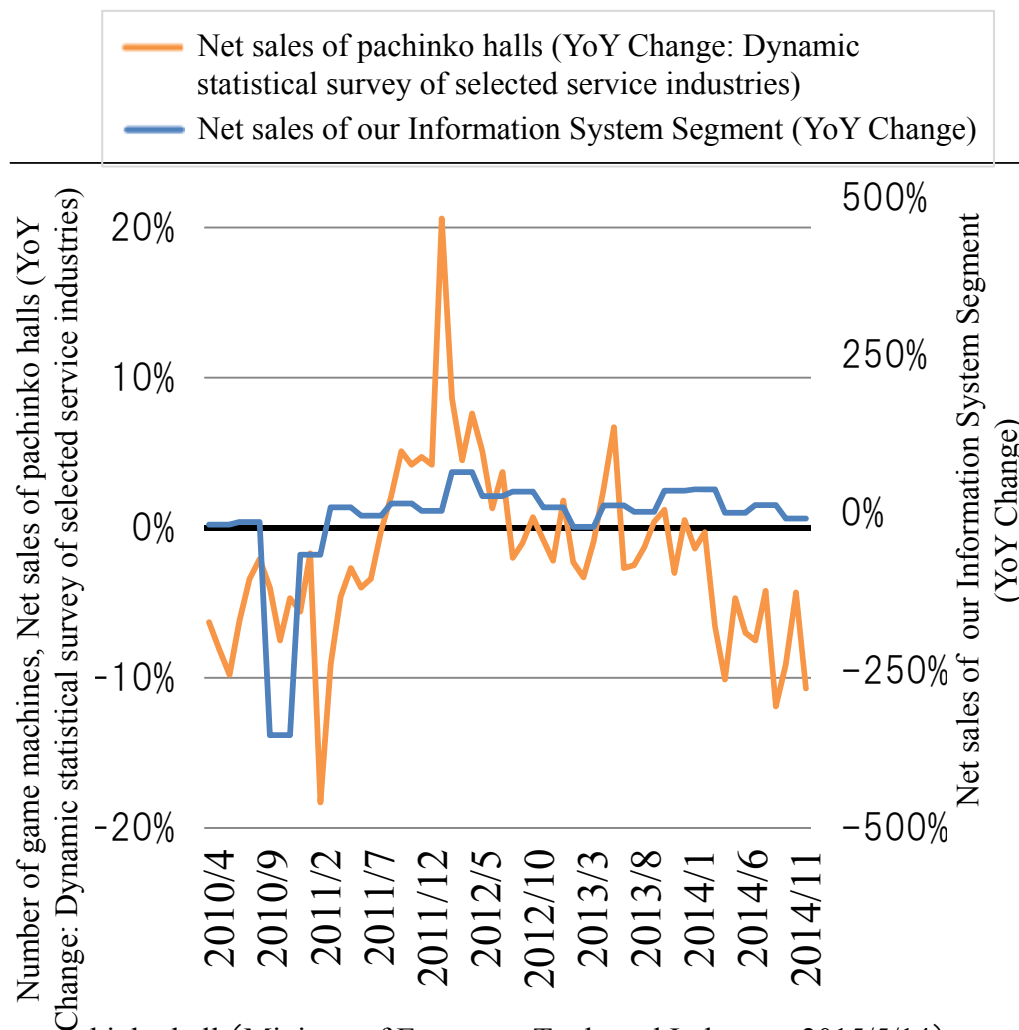
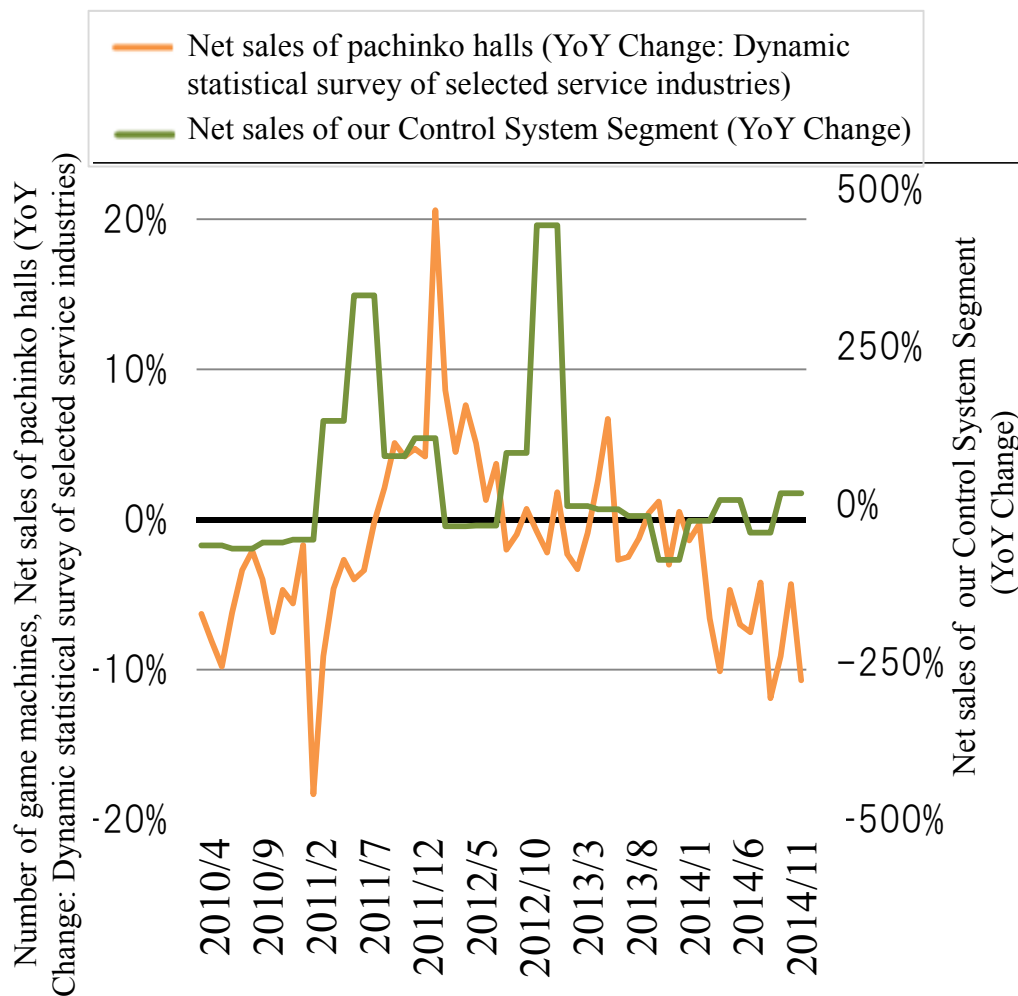
Dynamic statistical survey of selected service industries - pachinko hall



(Source of data) Dynamic statistical survey of selected service industries - pachinko hall (Ministry of Economy, Trade and Industry : 2015/5/14)

Reference) Pachinko business scale

Dynamic statistical survey of selected service industries - pachinko hall



(Source of data) Dynamic statistical survey of selected service industries - pachinko hall (Ministry of Economy, Trade and Industry : 2015/5/14)

Business strategy

Information System Segment

The Next Generation



The Group will strengthen the partnership with pachinko halls.

The Group aims to improve its profitability by expanding sales of “VEGASIA” (CR unit) and enhancing MIRAIGATE service.

The Group is striving for an early realization of the next-generation systems.

Investment in next-generation product development in full scale

In this fiscal year, continuing investment in next-generation product development commenced in FY ended March 2014, aiming at an early release.

< Medium-term goal >

Achieve a 50% share of the hall computer market with the new generation system

Information System Segment	FY2014			FY2015			FY2016 (Projected)		
	1st half	2nd half	Total	1st half	2nd half	Total	1st half	2nd half	Total
Net sales	15,562	20,503	36,065	18,217	18,887	37,104	16,000	19,000	35,000
Operating income	2,950	3,143	6,093	2,618	1,626	4,244	1,900	1,000	2,900
R&D expenses	517	1,111	1,628	916	1,794	2,710	1,000	2,700	3,700
(Millions ¥)	YoY Change + ¥700 million			YoY Change + ¥1,000 million			YoY Change + ¥1,000 million		

⇒ Until the fiscal year ending March 2016, the Group plans to implement next-generation system development investment with the amount of ¥8 billion.

<Our Hall Computer>

In October 2001, the Group launched Hall Computing System “C,” an integrated operation management system. Then, we launched the current system “C II” in October 2007.

* Our Hall Computers are installed in approximately 4,100 pachinko halls (35% market share) across the country.

Expanding product market share with a focus on “VEGASIA” and “BiGMO”



Developing a product with competitive strength to market the new products in a timely manner

<i>Actual sales results and projections</i>		FY2013	FY2014	FY2015	FY2016 (Projected)
Hall computer		205	203	131	150
Call-out Lamp	BiGMO Series	70,493	45,924	17,125	20,000
	BiGMO PREMIUM	0	48,046	58,587	60,000
	IL-X Series	97,805	104,873	82,747	85,000
CR unit “VEGASIA”		56,942 /99 halls	77,223 /125 halls	109,561/172 halls	90,000
Face authentication system		8,334 /13 halls	15,427 /23 halls	9,522 /11 halls	30 halls

Call-out Lamp
”IL-X2”



Data Display Tool
“BiGMO”



Data Display Terminal
“BiGMO PREMIUM”



CR Unit “VEGASIA”



Creating value-added services through enhanced network solutions

Focusing on further strengthening MG services to achieve stabilized support systems for pachinko hall management

(* The number of contracts is the cumulative value)

<i>Enhanced network solutions</i>	FY2013	FY2014	FY2015	FY2016 (Projected)
C II Standard	2,209	2,493	2,668	2,950
Contents library	972	1,236	1,449	1,560
DK-SIS members	3,591	3,676	3,719	3,780
C II-SIS members	485	730	874	1,000
CR unit (pachinko halls)	99	218	393	545
Third-party stored ball management	505	589	685	770
Annual sales of MG service	¥2,407 million	¥2,862 million	¥3,380 million	¥3,720 million

MG service name	Overview of Service	Monthly service fee
C II Standard	Basic contract of MG services. The main services include "C II Desk Info Access," "IP Phone," "MG School" and others.	¥20,000
Contents library	Auto configuration services (image, text and audio) on data display terminal models (BiGMO, etc.)	¥10,000
DK-SIS	The industry's only membership information services (3,676 pachinko halls and 1,290,000 units as of March 2014): In the services, day-to-day operating data is collected from each pachinko hall, then high value-added data is provided to each customer after analysis and processing.	¥30,000 to ¥35,000
C II-SIS	Individual consulting services to DK-SIS members for the improvement of business performance	¥30,000
CR unit	Management fee on sales data of CR unit (changeable depending on sales)	¥120,000 or more
Third-party stored ball management	Management fee on data of balls and medals stored by pachinko fans at each pachinko hall	¥80,000

Business strategy

Control System Segment

Making a contribution to the operations of pachinko halls



Making a thorough review of the development management system and the development process, with the aim of hastening the development and strengthening the quality

Selling plural pachislot machine models to achieve a surplus in a single year



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CR COBRA THE DRUM

Newgin Corporation



© AKS© KYORAKU

CR PACHINKO AKB48

Bara no Gishiki

Kyoraku Industrial Co., Ltd



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・NTV・D.N.dreampartners

CR KAIJI3

Takao Co., Ltd

	FY2015		FY2016			
	2Q (Actual)	Full Year (Actual)	2Q (Projected)	YoY Change	Full Year (Projected)	YoY Change
Numbers of display unit models	8	14	6	- 2	14	±0
Numbers of units sold	152,370	247,649	76,000	49.8%	238,000	96.1%

Note: The numbers of display unit models and units sold do not include those of pachislot game machines provided by Daxel Co., Ltd., a consolidated company.

Towards the full-scale expansion of pachislot business

Increase in sales volume to contribute to the operation of pachinko halls



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ササミさん
@
がんばらないすって

About the performance contribution of Sasami san Ganbaranai Slot

Sales volume :

about 6,000

Pachislot model contribution ranking:

15th/72 models (Released in 2014)

Operational contribution

11 weeks achieved

Gross profit of cumulative total machines:

¥508,000 (gross profit contribution achieved)

* "Gross profit of cumulative total machines" indicates: The total of "machine gross profit" during the period from its launch to the point where it falls below the DK-SIS average operation

Achieving an increase in sales volume with plural models with the goal of making a contribution to the operations of the halls

Commencing a sales of plural pachislot game machine models in FY ending March 2016

Focusing on “Heart to Heart (To Heart 2)” receiving attention from the “animation generation”

	FY2014	FY2015	FY2016
	Results	Results	Forecast
Number of models	1	2	4
Sales volume	4,000	7,000	30,000

Creating high-operation pachislot machines demanded by “fans” and “halls,” making Daikoku Denki more reliable and trustworthy for animation fans.

Mid-term business plan

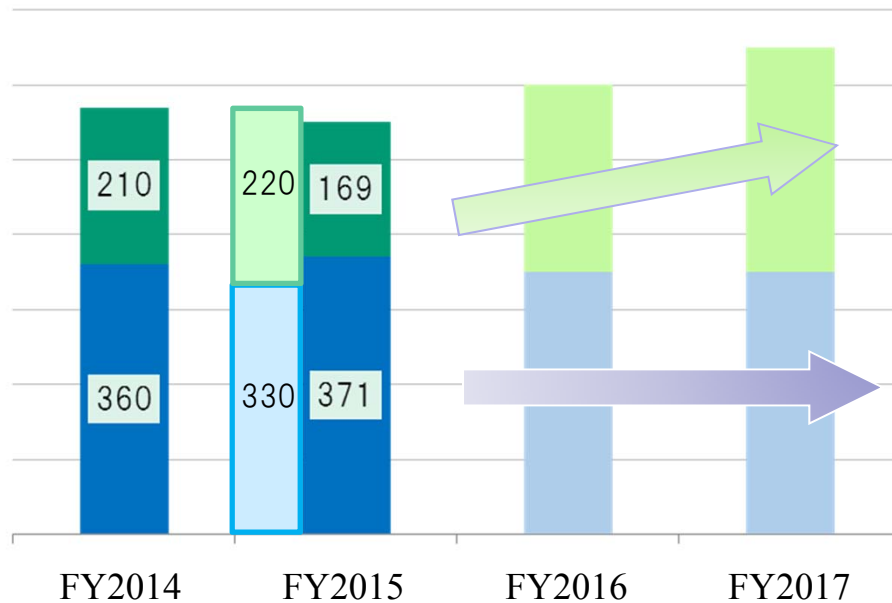
Information System Segment

Positioning the next three years as an important period to lead into the following years when next-generation systems will be completed, the Company will further enhance our brand evaluation through the proposal of new services and products, while laying the foundation for our services as a pachinko hall management company.

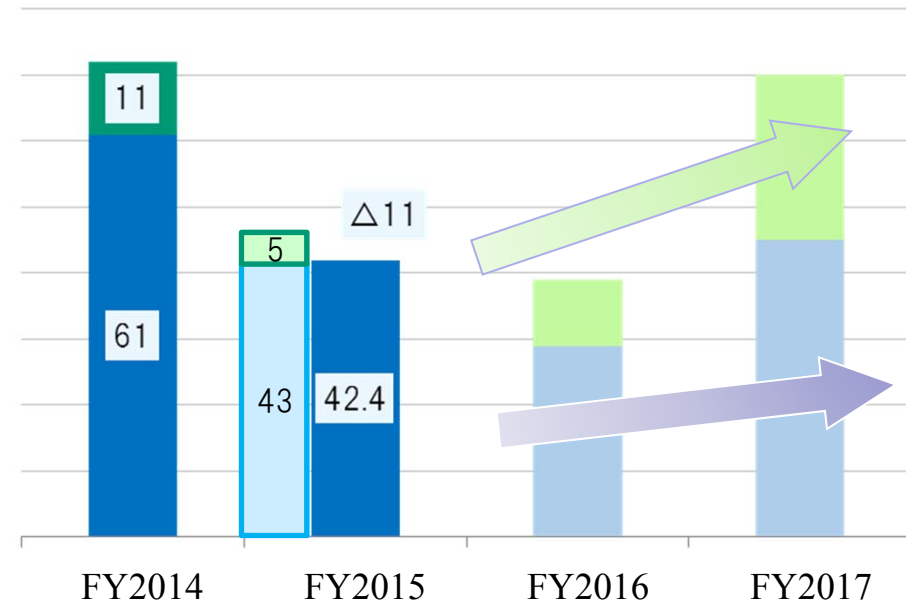
Control System Segment

- (1) In order to efficiently develop models that win support from many pachinko fans, the Company will strengthen our relationships of trust with game machine manufacturers.
- (2) Improvement of earnings by turning the pachislot business into the black

Net sales



Segment income



(※) Business segment sales and income figures include intersegment transactions.

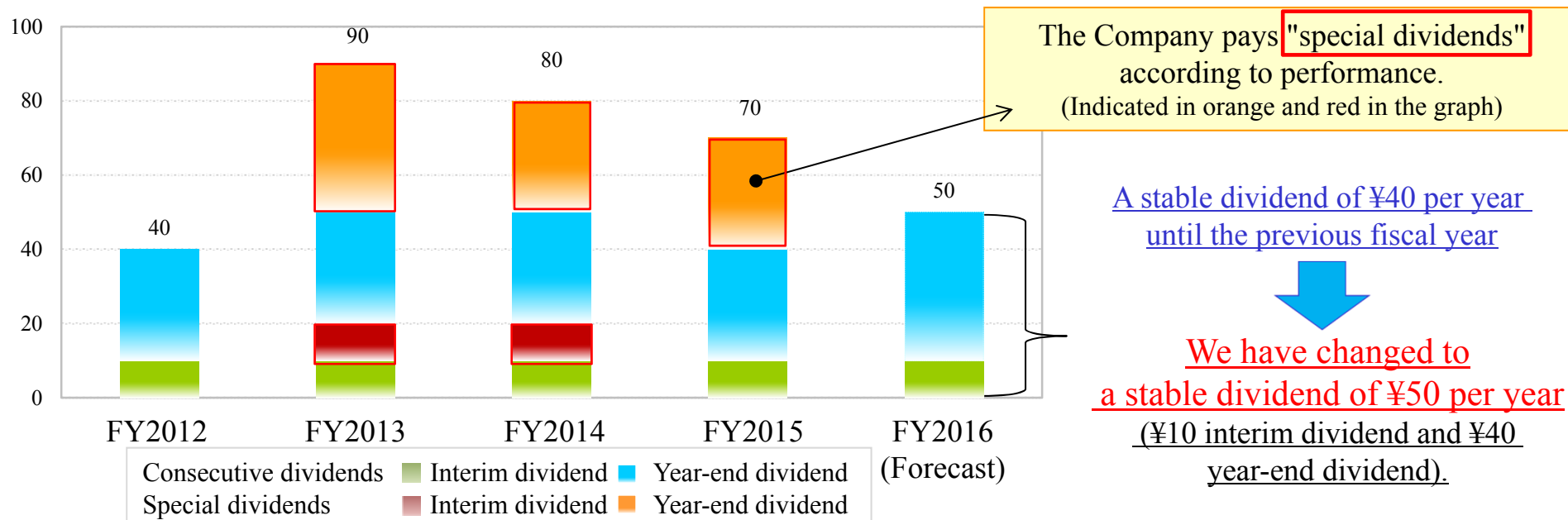
Returning earnings to shareholders

Policy for returning earnings to shareholders

1. We believe that the most important management task is to return profits to shareholders while achieving an increase in enterprise value. Accordingly, we have a basic policy of placing an emphasis on **stable and continuous dividends** to all shareholders, taking account of the business environment and revenue, dividend payout ratio and so on in a comprehensive manner. The dividend amount and date will be determined by the Board of Directors.
2. We provide “**special dividend**” in accordance with the business results.
3. Considering that our measures enhancing the management foundation have developed steadily, especially for strong sales of the CR unit "VEGASIA" under the aggressive upfront investments, **we plan to increase the stable dividend portion by ¥10 to ¥50 per share in this fiscal year.**
4. In order to enhance the attractiveness of investment in the Company's shares and encourage as many investors as possible to hold the shares on a medium- to long-term perspective, **we have decided to introduce a shareholder special benefit plan**, which will be applicable annually to shareholders whose names are recorded and registered in the shareholders' register as of September 30 of each fiscal year.
5. Equity ratio is stable around **60%**. Our financial standing has developed in a sound state.

Trends in the development of dividends and payout ratio

Millions ¥	2012/3	2013/3	2014/3	2015/3	2016/3 (Forecast)
Net sales	47,096	58,861	56,954	54,043	60,000
Operating income	3,525	7,023	5,338	1,425	2,000
Net income	1,663	4,161	3,278	874	1,400
Dividends	¥40	¥90	¥80	¥70	¥50
Payout ratio	35.6%	32.0%	36.1%	118.3%	52.8%



We have established a new shareholder special benefit plan!

**We will present points that can be exchanged for goods,
depending on the number of shares and the amount of values held.**

Eligible shareholders

Shareholders holding
100 shares or more
as of September 30
of each fiscal year

The number of shares	Present points
100 ~ 299 shares	3,000 points (worth 3,000 yen)
300 ~ 599 shares	6,000 points (worth 6,000 yen)
500 ~ 699 shares	12,000 points (worth 12,000 yen)
700 ~ 999 shares	15,000 points (worth 15,000 yen)
1,000 shares ~	20,000 points (worth 20,000 yen)

- Eligible shareholders can select an item among 400 attractive goods, such as gourmets, travel and consumer electronics.
- Points can be carried forward to another year, and the points will be counted 1.1 times from the second year!

Shareholder special benefit plan

Examples of goods for the shareholder special benefit plan that can be selected among about 400 items

3,000 points

Raw ham of tuna



Hotel's ice cream



6,000 points

Special Rice (5kg)



Broiled eels (kabayaki)



12,000 points

Matsusaka beef



Fine wine



20,000 points

Hotel vouchers



Puffer (fugu) dishes (4 servings)



※ Points also can be donated to social contribution activities.

Disclaimer

The contents in this material and comments made during the questions and answers etc. of this briefing session are the judgment and forecasts of the Company's management based on the currently available information.

These contents involve risk and uncertainty, and the actual results may differ materially from these contents/comments.

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