

# FY2022 First Quarter Financial Results

DAIKOKU DENKI Co., Ltd.  
(The Prime Market of the Tokyo Stock Exchange,  
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# **Consolidated Financial Highlights**

## **FY2022(2022/4~2023/3)**

# Consolidated Statements of Income (Summary)

Sales increased but profit decreased YoY, despite exceeding plan

(Million yen)	FY2021 Q1	FY2022 Q1	YoY Change	Rate of change(%)
Net sales	5,363	5,818	+455	+8.5%
Gross profit-net	2,475	2,433	-42	-1.7%
Selling, general and administrative expenses	2,099	2,205	+105	+5.0%
Operating income	375	227	-148	-39.4%
Ordinary income	398	306	-91	-23.0%
Net income attributable to owners of the parent	264	191	-73	-27.7%

Information System Segment sales decreased YoY,  
Control System Segment sales increased YoY

## Information System Segment

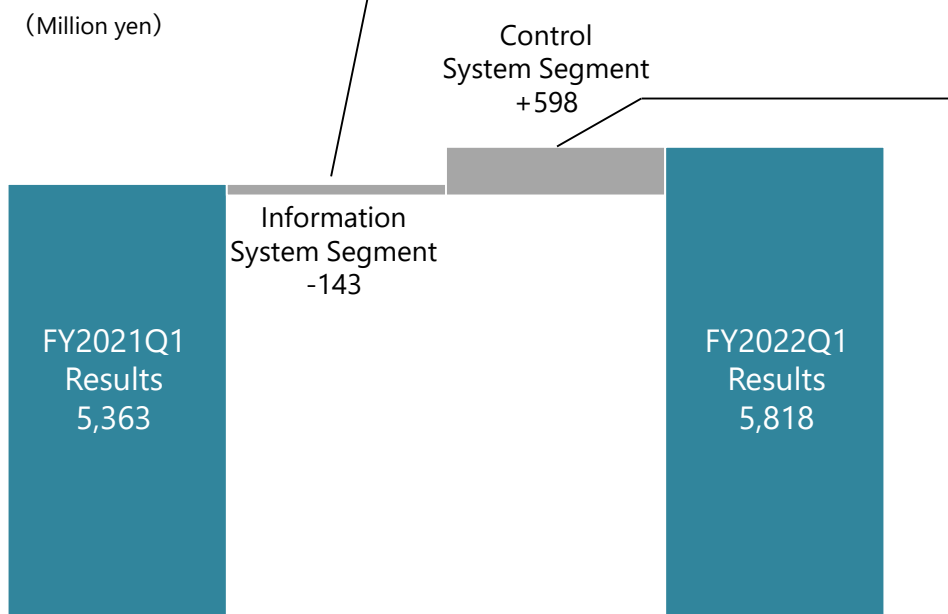
**Net sales in this segment were 4,200 million yen** →YoY Change -143 million yen (-3.3%)

Sales of products for pachinko parlors decreased YoY; the supply of popular products could not keep up with strong customer demand due to the global semiconductor shortage, and we had to adjust the number of units for sale unfortunately. Sales of services fell YoY due to decreases in work revenue, etc. despite an increase in the number of member parlors signing up for the new services such as ClarisLink and Market-SIS.

## Control System Segment

**Net sales in this segment were 1,620 million yen**  
→YoY Change +598 million yen (+58.5%)

Sales of display units and control units decreased YoY, whereas sales of parts increased YoY.



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

# Operating Income

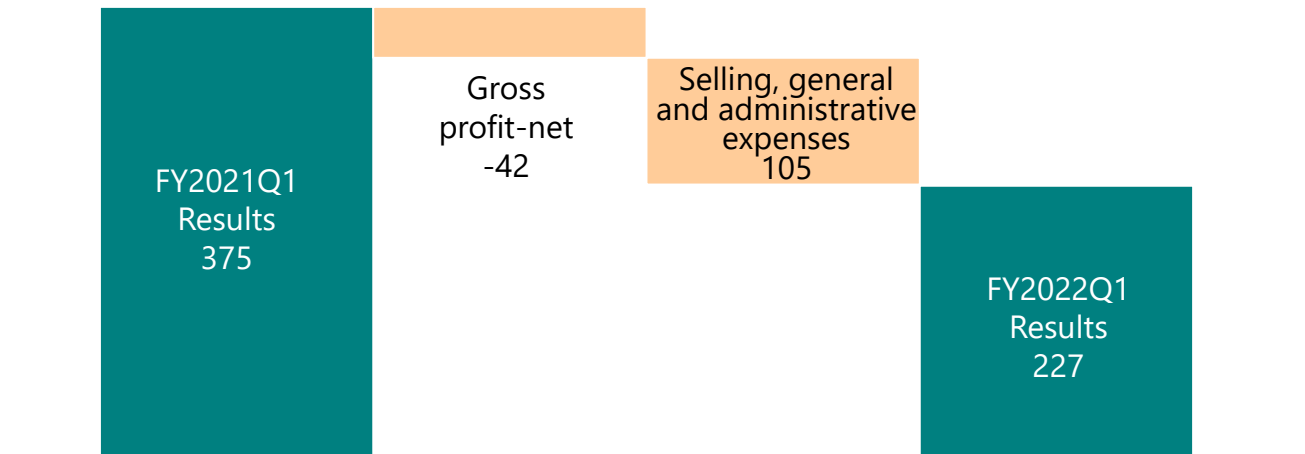
Incomes decreased YoY in both Information System Segment and Control System Segment

**Information System Segment** ⇒ Decrease in profit due to decrease in sales  
**Segment-operating income in this segment were 625 million yen** →YoY Change -17 million yen(-2.8%)

**Control System Segment** ⇒ Decrease in profit due to allowance for doubtful accounts for restructuring due to civil rehabilitation proceedings of business partners  
**Segment-operating loss in this segment were 32 million yen** →YoY Change -138 million yen

**The whole company cost : 364 million yen** → YoY Change -10 million yen(-2.7%)

(Million yen)



# Consolidated Balance Sheets (Summary)

D/E ratio (interest-bearing debts / net worth) secures 0.07 and enough soundness

(Million yen)	FY2021	FY2022 Q1	YoY Change
Current assets	26,764	25,882	-882
Noncurrent assets	14,725	14,401	-323
Total assets	41,489	40,284	-1,205
Current liabilities	9,419	8,533	-885
Noncurrent liabilities	928	934	+5
Total liabilities	10,348	9,467	-880
Total net assets	31,141	30,816	-325
Total liabilities and net assets	41,489	40,284	-1,205
Debt	2,001	2,001	0
Shareholders' equity ratio	75.1%	76.5%	+1.4%
D/E ratio	0.06	0.07	+0.01

## ■ Total assets

Total assets at the end of the first quarter of the current consolidated fiscal year decreased by ¥1,205 million from the end of the previous consolidated fiscal year to ¥40,284 million. This is a result of increases in goods and products, decrease due to collection of trade receivables, etc., and decreases in tangible and intangible fixed assets due to factors including the recording of depreciation expenses.

## ■ Total liabilities

Liabilities at the end of the first quarter were ¥9,467 million, ¥880 million lower than at the end of the previous fiscal year due to the fact that capital investment made in June 2022 was smaller than in March 2022 and the payment of consumption tax reduced Other in current liabilities, among other factors.

## ■ Total net assets

Our net assets at the end of the first quarter of the current consolidated fiscal year were ¥30,816 million, ¥325 million lower than at the end of the previous consolidated fiscal year due to the payment of dividends and other factors.

## ■ Shareholders' equity ratio

The shareholders' equity ratio was 76.5%, 1.4 points up from the end of the previous consolidated fiscal year.

# FY2022 Full Year Forecasts

\*There are no changes in the consolidated business performance forecasts for 1st half of FY2022 and full year of FY2022 , which were announced on May 26, 2022.

# FY2022 Full Year Forecasts

We expect increase for sales but decrease for profit,  
we will promote investment for the future

(Million yen)	FY2021	FY2022 (Forecasts)		YoY Change
	Total	1st half	Total	
Net sales	24,390	11,000	26,000	+1,609
Gross profit-net	10,143	4,400	10,400	+256
Selling, general and administrative expenses	8,952	4,440	9,550	+597
Operating income	1,191	50	850	-341
Ordinary income	1,367	130	950	-417
Net income attributable to owners of the parent	1,228	100	650	-578

Research and development expenses	627	236	725	+98
Depreciation expense	1,762	805	1,669	-93
Capital investment	881	539	1,779	+898

\*We have been applying the "Accounting Standard for Revenue Recognition," etc., since the start of the current consolidated fiscal year and each figure is after applying that accounting standard, etc.

\*Due to the change in the presentation method from the current consolidated fiscal year, the figures and YoY changes for net sales and operating profit are values that have been modified to reflect the new presentation method.



# FY Ending March 2022 Full Year Forecasts by segment

Both segments posted higher sales, but lower incomes.

(Million yen)		FY2021	FY2022 (Forecasts)		YoY Change
		Total	1st half	Total	
Information System Segment		18,647	8,000	19,500	+852
Control System Segment		5,759	3,000	6,500	+740
Segment sales		24,407	11,000	26,000	+1,592
Information System Segment		2,171	750	1,950	-221
Control System Segment		537	10	450	-87
Segment income		2,709	760	2,400	-309
Corporate expenses		-1,524	-710	-1,550	-25
Net sales		24,390	11,000	26,000	+1,609
Operating income		1,191	50	850	-341

\*We are applying the "Accounting Standard for Revenue Recognition," etc., and each figure is after applying that accounting standard, etc.

\*Results forecast figures are based on the financial results materials for the fiscal year ending March 2021 disclosed on May 27, 2021

# 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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