



# FY2022 Third Quarter Financial Results

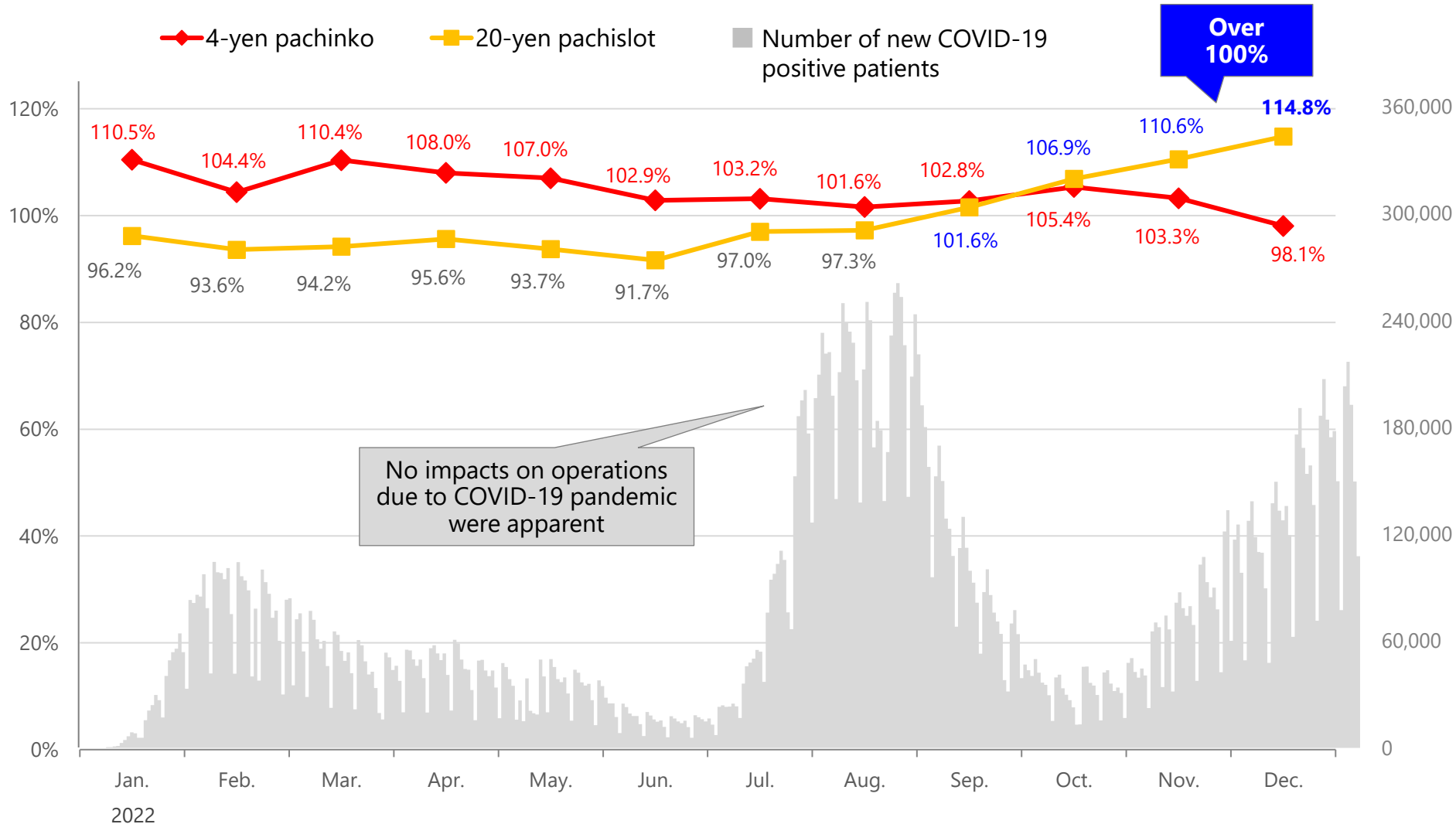
DAIKOKU DENKI Co., Ltd.  
(The Prime Market of the Tokyo Stock Exchange,  
The Premier Market of the Nagoya Stock Exchange, 6430)

# **Consolidated Financial Highlights**

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

# Operation (based on out) Monthly trend in YoY change

For pachislot machines, the introduction of No. 6.5 machines and smart pachislot machines began steadily in June and November, the results showed a significant increase.



\*Operation (out) is based on DK-SIS data.

# Consolidated Statements of Income (Summary)

Strong market demand for smart game machines related products led to a significant increase in sales and profit

(Million yen)	FY2021 Q3	FY2022 Q3	YoY change	Rate of change
Net sales	19,058	23,286	+4,227	+22.2%
Gross profit-net	7,925	10,796	+2,871	+36.2%
Selling, general and administrative expenses	6,410	6,847	+436	+6.8%
Operating income	1,515	3,949	+2,434	+160.7%
Ordinary income	1,583	4,144	+2,560	+161.7%
Net income attributable to owners of the parent	1,272	2,832	+1,560	+122.6%

# Net sales

Although Information System Segment significantly increased in sales, Control System Segment decreased in sales.

## Information System Segment

**Net sales in this segment were 19,220 million yen** → YoY Change +4,493 million yen (+30.5%)

Products for pachinko halls, etc.: 14,414 million yen    Service: 4,805 million yen

Sales of products for pachinko halls, etc. increased significantly year on year as a result of strong sales of the Company's VEGASIA card unit, which includes a dedicated unit for smart games machines, and the BiGMO PREMIUM information disclosure terminal for fans, with high pachislot demand accompanying the introduction of smart pachislot.

Sales of services increased year on year due to steady sales of major services, new services such as ClarisLink and Market-SIS, and an increase in the number of member stores of MIRAIGATE service in response to market changes.

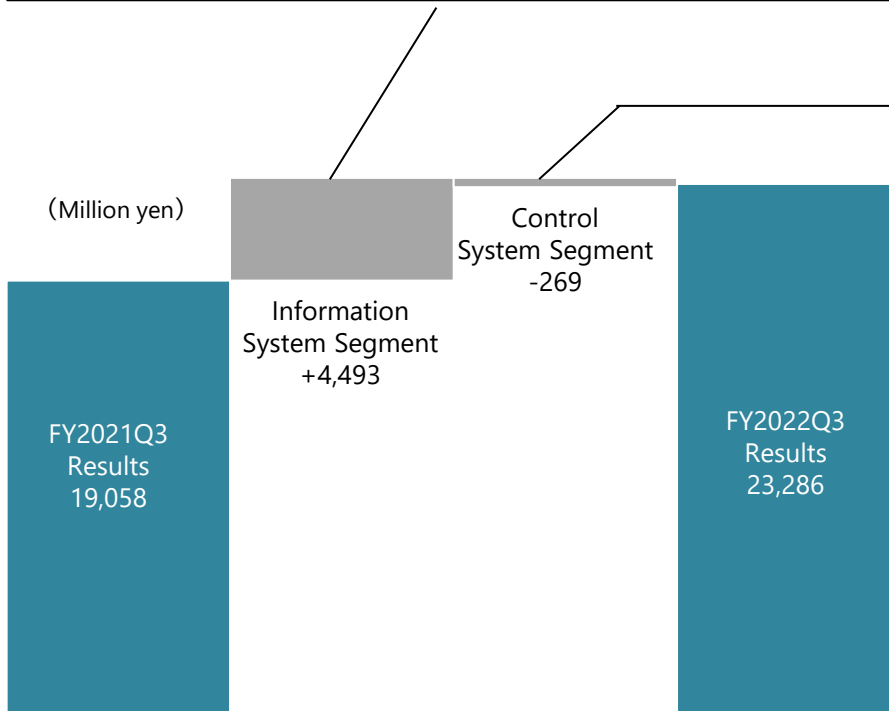
## Control System Segment

**Net sales in this segment were 4,071 million yen** → YoY Change -269 million yen (-6.2%)

Display and control units for games machine manufacturers : 1,820 million yen  
Parts and others : 2,244 million yen

The number of pachislot and pachinko machines sold in the market as a whole declined in reaction to the completion of the replacement with new machines in the previous fiscal year, and the continued search for trends in smart games machines.

In this market environment, sales of display units and control units fell below those for the same period last year, whereas sales of parts were strong and increased year on year.



\*Business segment sales and income figures include intersegment transactions.

# Operating Income

Although Information System Segment significantly increased in profits, Control System Segment decreased in profits.

## Information System Segment

**Segment-operating income in this segment were 4,667 million yen**

→YoY Change +2,515 million yen (+117.0%)

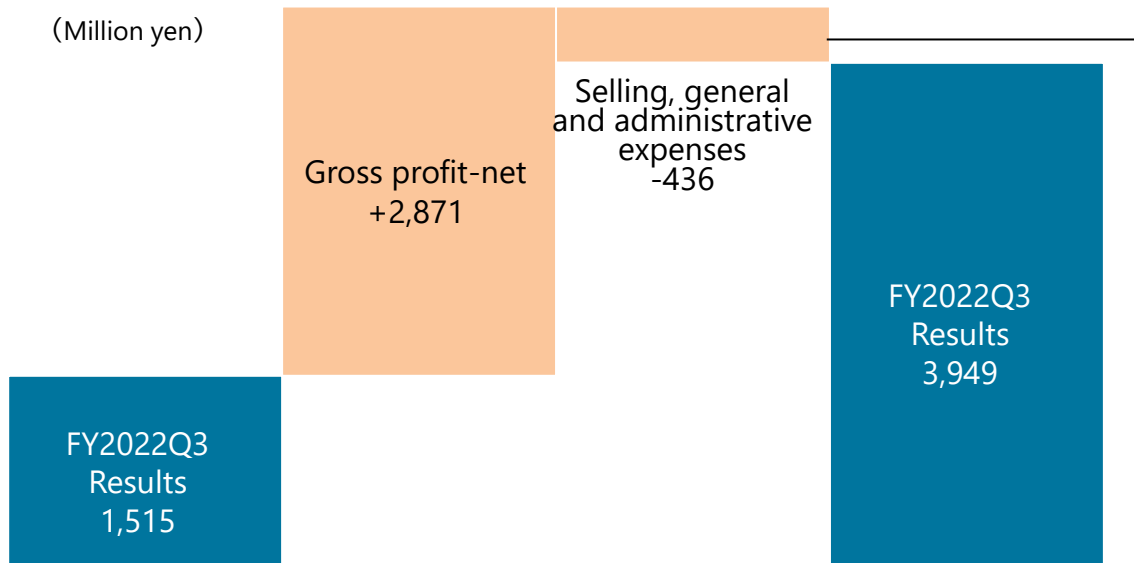
## Control System Segment

**Segment-operating income in this segment were 404 million yen**

→YoY Change -80 million yen (-16.6%)

**The whole company cost : 1,127 million yen** → YoY Change -0 million yen (-0.0%)

(Million yen)



## ■ Selling, general and administrative expenses

→YoY Change +436 million yen

- Sales promotion expenses : +97 million yen
- Allowance for doubtful accounts : +119 million yen
- Bad debt expenses : +148 million yen

# Consolidated Balance Sheets (Summary)

D/E ratio (interest-bearing debts / net worth) secures 0.06 and enough soundness

(Million yen)	FY2021	FY2022 Q3	YoY change
Current assets	26,764	30,743	+3,979
Noncurrent assets	14,725	14,738	+12
Total assets	41,489	45,482	+3,992
Current liabilities	9,419	11,252	+1,832
Noncurrent liabilities	928	919	-8
Total liabilities	10,348	12,171	+1,823
Total net assets	31,141	33,310	+2,168
Total liabilities and net assets	41,489	45,482	+3,992
Debt	2,001	2,001	0
Shareholders' equity ratio	75.1%	73.2%	-1.9%
D/E ratio	0.06	0.06	0

## ■ Total assets

Total assets at the end of the third quarter under review decreased in cash and deposits accompanying the settlement of operating debt but increased in products as a result of efforts to procure units and related products needed for smart games machines to meet increased demand for these products. In addition, an increase in trade receivables as a result of strong sales in the third quarter for the period under review resulted in an increase of ¥3,992 million year on year to ¥45,482 million

## ■ Total liabilities

Liabilities at the end of the third quarter for the period under review showed an increase in trade payables accompanying an increase in product purchases. In addition, an increase in income taxes payable with the income increase resulted in an increase of ¥1,823 million from the end of the previous fiscal year to ¥12,171 million

## ■ Total net assets

Despite dividend payments, our net assets at the end of the third quarter increased ¥2,168 million to ¥33,310 million due to recording of profit attributable to owners of parent

## ■ Shareholders' equity ratio

The shareholders' equity ratio was 73.2%, 1.9 points down from the end of the previous consolidated fiscal year.

# **FY Ending March 2023 Full Year Forecasts**



# FY Ending March 2023 Full Year Forecasts

The full-year forecast for both sales and profits has been revised upwards due to strong sales of equipment for smart game machines

(Million yen)	FY2021	FY2022		YoY change
	Total	1st half	Total (Forecasts)	
Net sales	24,390	11,289	30,000	+5,609
Gross profit-net	10,143	5,233	13,500	+3,357
Selling, general and administrative expenses	8,952	4,483	10,500	+1,548
Operating income	1,191	749	3,000	+1,808
Ordinary income	1,367	871	3,200	+1,832
Net income attributable to owners of the parent	1,228	570	2,100	+871

Research and development expenses	627	268	724	+97
Depreciation expense	1,762	795	1,668	-94
Capital investment	881	197	1,779	+898

\*Capital investment includes investments in tangible and intangible non-current assets.

# FY Ending March 2023 Full Year Forecasts by Segment

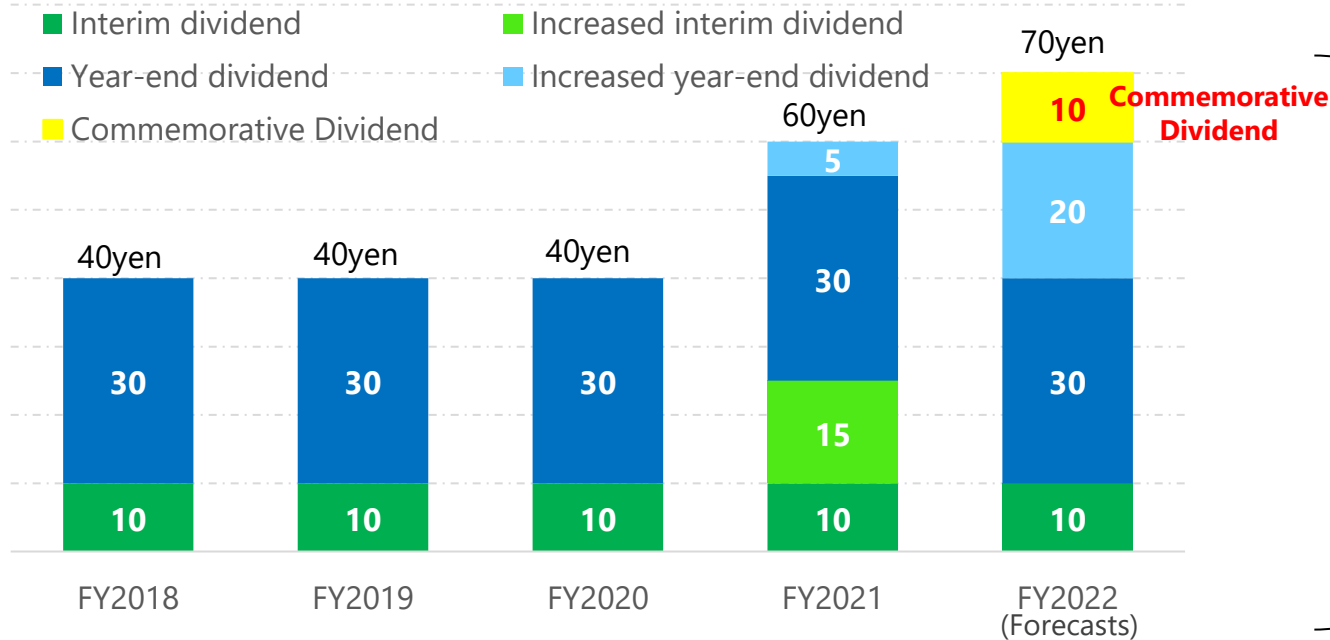
- In Information System Segment, sales and profits are expected to increase due to strong sales of equipment for smart game machines.
- In Control System Segment, sales and profits are expected to decline due to sales of display units, etc., to game machine manufacturers being delayed to next fiscal year and increased in investment in pachislot machines.

(Million yen)		FY2021	FY2022		YoY change
		Total	1st half	Total (Forecasts)	
	Information System Segment	18,647	8,505	24,700	+6,052
	Control System Segment	5,759	2,788	5,300	-459
	Segment sales	24,407	11,293	30,000	+5,592
	Information System Segment	2,171	1,406	4,700	+2,528
	Control System Segment	537	48	200	-337
	Segment sales	2,709	1,454	4,900	+2,190
	Corporate expenses	-1,524	-706	-1,900	-375
	Net sales	24,390	11,289	30,000	+5,609
	Operating income	1,191	749	3,000	+1,808

\*Business segment sales and income figures include intersegment transactions.

# Dividends

- Stable dividends(40yen) are our basic policy and we will return profits in accordance with results
- This fiscal year, we marked our 50th anniversary and paid a commemorative dividend to thank shareholders for their ongoing support



## Annual dividends 70yen

### Stable Dividend(40yen)

- 10yen interim dividend
- 30yen year-end dividend

$$\begin{aligned}
 &+ \\
 &\star \text{Increased year-end dividend } 20\text{yen} \\
 &+ \\
 &\star \text{Commemorative Dividend } 10\text{yen}
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Interim dividend

Year-end dividend

Total (yen)

Payout ratio

Fiscal Year	Interim dividend (yen)	Year-end dividend (yen)	Total (yen)	Payout ratio
FY2018	10	30	40	46.8%
FY2019	10	30	40	55.7%
FY2020	10	30	40	96.5%

FY2021      10+15 (increased dividend)      30+5 (increased dividend)      60      72.2%

FY2022 (Forecasts)	10	30+20 (increased dividend) + 10 (Commemorative Dividend)	70	49.3%
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■ Contact details for inquiries

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