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## Consolidated Financial Results for the Year Ended March 31, 2025 [Japanese GAAP]

May 15, 2025

Company name: DAIKOKU DENKI CO., LTD.

Listing: Tokyo Stock Exchange, Nagoya Stock Exchange

Securities code: 6430

URL: <https://www.daikoku.co.jp/>

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President and Representative Director

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Scheduled date of annual general meeting of shareholders: June 26, 2025

Scheduled date to commence dividend payments: June 12, 2025

Scheduled date to file annual securities report: June 27, 2025

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

#### (1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2025	57,415	6.6	12,212	1.8	12,231	1.1	7,727	(8.7)
March 31, 2024	53,861	69.2	12,001	198.6	12,102	184.1	8,464	189.1

(Note) Comprehensive income: Fiscal year ended March 31, 2025: ¥ 7,739 million [ (9.0)%]

Fiscal year ended March 31, 2024: ¥ 8,503 million [ 190.9%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2025	526.84	-	18.0	21.0	21.3
March 31, 2024	572.60	-	22.8	22.5	22.3

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2025: ¥ - million

Fiscal year ended March 31, 2024: ¥ - million

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2025	57,266	45,287	79.1	3,127.07
March 31, 2024	59,281	40,720	68.7	2,754.60

(Reference) Equity: As of March 31, 2025: ¥ 45,287 million

As of March 31, 2024: ¥ 40,720 million

#### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2025	7,666	(7,845)	(3,295)	16,960
March 31, 2024	8,429	(1,734)	(3,183)	20,434

## 2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2024	-	20.00	-	100.00	120.00	1,773	21.0	4.8
March 31, 2025	-	40.00	-	80.00	120.00	1,775	22.8	4.1
Fiscal year ending								
March 31, 2026 (Forecast)	-	30.00	-	50.00	80.00		33.1	

(Note) Breakdown of the year-end dividend for the fiscal year ended March 31, 2025 :

Commemorative dividend	- yen
Special dividend	- yen

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2025									
Full year	44,000	(23.4)	5,300	(56.6)	5,300	(56.7)	3,500	(54.7)	241.67

\* Notes:

(1) Significant changes in the scope of consolidation during the period:

Yes

Newly included:	-	(Company name: NISHIMOTO INDUSTRY CO., LTD., LILIUM CO., LTD., Stadd Inc., LOGON SYSTEM CO., LTD., Hakone Glass Forest Resorts Co., Ltd.)
Excluded:	-	(Company name: )

(2) Changes in accounting policies, changes in accounting estimates, and restatement

- 1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- 2) Changes in accounting policies due to other reasons: None
- 3) Changes in accounting estimates: None
- 4) Restatement: None

(3) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

March 31, 2025:	14,797,232 shares
March 31, 2024:	14,783,900 shares

2) Number of treasury shares at the end of the period:

March 31, 2025:	314,879 shares
March 31, 2024:	1,238 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2025:	14,667,567 shares
Fiscal Year ended March 31, 2024:	14,782,761 shares

(Reference) Overview of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(1) Non-consolidated Operating Results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	54,741	3.9	12,232	(3.8)	12,308	(4.4)	7,634	(11.9)
March 31, 2024	52,695	73.6	12,721	203.0	12,870	188.1	8,666	188.2

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2025	520.49	-
March 31, 2024	586.24	-

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2025	55,601	44,310	79.7	3,059.63
March 31, 2024	58,421	39,846	68.2	2,695.50

(Reference) Equity: As of March 31, 2025: ¥ 44,310 million  
As of March 31, 2024: ¥ 39,846 million

\* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

\* Proper use of earnings forecasts, and other special matters

○ Table of Contents of Attachments

1. Overview of Operating Results, etc. ....	2
(1) Overview of operating results for the fiscal year under review .....	2
(2) Overview of the financial position for the fiscal year under review .....	4
(3) Overview of cash flows for the fiscal year under review .....	4
(4) Future outlook .....	5
(5) Basic policy on profit sharing and dividends for the fiscal year under review and the following fiscal year.....	6
2. Basic Approach Towards Selection of Accounting Standard .....	6
3. Consolidated Financial Statements and Key Notes .....	7
(1) Consolidated balance sheets .....	7
(2) Consolidated statements of income and comprehensive income .....	9
Consolidated statements of income .....	9
Consolidated statements of comprehensive income .....	11
(3) Consolidated statements of changes in equity .....	12
(4) Consolidated statements of cash flows .....	14
(5) Notes to consolidated financial statements .....	16
(Notes to going concern assumptions) .....	16
(Notes on significant changes in the amount of shareholders' equity) .....	16
(Significant matters as the basis for preparation of consolidated financial statements) .....	16
(Changes in presentation method) .....	20
(Segment information, etc.) .....	21
(Per-share information) .....	24
(Significant subsequent events) .....	24

## 1. Overview of Operating Results, etc.

### (1) Overview of operating results for the fiscal year under review

#### [1] Operating results for the fiscal year under review

During the fiscal year under review (from April 1, 2024 to March 31, 2025), the Japanese economy showed a gradual recovery trend against the backdrop of a recovery in personal consumption, a revival in inbound demand, and a resurgence in capital expenditure, among other factors. However, the outlook remained uncertain primarily due to elevated energy prices, a weakening yen, slowing overseas economies, and persistent geopolitical risks.

In the pachinko industry, in which our Group operates, according to the National Police Agency (announced in April 2025), the number of pachinko halls in operation as of December 31, 2024, was 6,706 (94.7% year on year), and the number of installed games machines was 3,325,890 units (97.1% year on year), which broke down into 1,969,913 pachinko machines (94.8% year on year), which remained on a downward trend, and 1,355,839 pachislot machines (100.6% year on year), which increased for the first time in eight years. In addition, the number of machines installed per pachinko hall increased to 496.0 units, up 12.4 units year on year, and pachinko halls continued to grow in size. More than two years have passed since the introduction of smart games machines to the market. Looking at the introduction of smart games machines as of the end of the period under review, smart pachislot machines accounted for 52.1% of all pachislot machines installed (up 2.0 percentage points from the end of the 3rd quarter; up 15.7 percentage points year on year), and smart pachinko machines accounted for 14.1% of all pachinko machines installed (up 2.7 percentage points from the end of the 3rd quarter; up 9.4 percentage points year on year) (see our DK-SIS data).

Further, the average utilization status of games machines during the period from January to March 2025 was 99.7% compared to the same period of the previous fiscal year, and 102.0% compared to the previous fiscal year (from April 1, 2023 to March 31, 2024). In terms of utilization status by machine type, the utilization of pachislot machines was strong at 100.2% compared to the same period of the previous fiscal year, and 104.2% year on year. The utilization of pachinko machines remained largely flat at 99.0% compared to the same period of the previous fiscal year, and 100.1% year on year (see the same data).

In addition, looking at the utilization status of smart games machines during the period from January to March 2025, the utilization of smart pachinko machines was 121.2% compared to conventional machines, and that of smart pachislot machines was 127.0% compared to other AT-type machines. Smart games machines thus outperformed other machines in both the pachinko and pachislot categories.

The installation rate of smart games machines is expected to continue to increase steadily as they gain support from fans, and demand for capital investment in smart games machines is expected to remain strong.

In this market environment, in the information systems business, we have worked to expand sales of the VEGASIA card unit and update card units in an effort to meet the capital investment demand arising from the shift to smart games machines and the circulation of new banknotes. Furthermore, to accommodate growing equipment demand from customers for facilities that enhance the appeal of smart games machines to fans, we initiated the sale expansion of two new products, REVOLA II and DUALINA, which were unveiled at an exhibition in the previous period. In order to respond to changes in the market due to the introduction of smart games machines, we are aiming to further expand the MIRAIGATE service. To this end, we are actively promoting the spread of the cloud-based chain store management system, ClarisLink, and the Market-SIS commercial area analysis service, which provides valuable information on the state of customer attraction in surrounding areas. The Raku Raku Replacement Operation Option is another key product that contributes to operational efficiency, completing the complicated work involved in replacing models in a short time.

In the Amusement Business, we announced in February 2025 a planned release of a new smart pachislot machine “Classroom of the Elite” manufactured by DAXEL INC. We started taking orders for the machine in March and launched it on May 7.

Furthermore, we made strategic investments in multiple companies in order to expand the business domain of our Group and strengthen its revenue foundation. To be specific, we made our subsidiaries NISHIMOTO INDUSTRY CO., LTD., a company engaged in a display business, and Stadd Inc., a company involved in system development. In addition, we subscribed to a third-party allotment of shares in Nanaha Co., Ltd., which operates matcha tea cafés, to enter the restaurant industry and acquired real estate of the Hakone Venetian Glass Museum to gain a foothold in the tourism industry. Through these efforts, we aim to strengthen the business foundation of the entire Group and create new opportunities to generate revenue.

As a result, the performance for the fiscal year under review recorded net sales of ¥57,415 million (up 6.6% year on year) and an operating profit of ¥12,222 million (up 1.8% year on year). We achieved an ordinary profit of ¥12,242 million (up 1.2% year on year), with a profit attributable to owners of parent of ¥7,735 million (down 8.6% year on year).

The results by segment are as follows:

(Information Systems Business)

In terms of business during the fiscal year under review, pachinko hall operators demonstrated consistent demand for capital investment to introduce smart games machines and the need for capital investment to change card units in response to the circulation of new banknotes.

In this market environment, sales of products for pachinko halls, etc. remained robust although the sales volume of the VEGASIA card unit was lower year on year. Revisions of card units and large sales volumes of the new REVOLA II and DUALINA information disclosure terminals also contributed to sales. Consequently, sales increased year on year. Sales of services increased year on year due to steady performance in major services and an increase in the number of member stores using the MIRAIGATE service in response to market changes with the launch of smart games machines.

As a result, the business recorded net sales of ¥52,126 million (up 5.5% year on year) and a segment profit of ¥14,515 million (down 0.6% year on year).

(Amusement Business)

During the fiscal year under review, while sales of display units and other products decreased year on year as the pachinko hardware business of the Company was discontinued, orders of pachinko content and software exceeded year on year. In addition, the game business of Genki Co., Ltd. posted strong sales due to the release of a new title of TokyoXtremeRacer. Consequently, sales grew year on year.

As a result, the business recorded net sales of ¥4,451 million (down 1.1% year on year) and a segment profit of ¥380 million (compared with a segment loss of ¥390 million in the previous fiscal year).

(Other Business)

In the Other Business segment, net sales reached ¥889 million and segment loss amounted to ¥177 million.

(Million yen)				
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Change	Change (%)
Net sales	53,861	57,468	3,556	6.6%
Information Systems Business	49,412	52,126	2,714	5.5%
Amusement Business	4,499	4,451	(47)	(1.1%)
Other	-	889	889	-
Operating profit	12,001	12,222	221	1.8%
Ordinary profit	12,102	12,242	140	1.2%
Profit attributable to owners of parent	8,464	7,735	(729)	(8.6%)

(Note) Intersegment transactions are included in the results by segment.

## (2) Overview of the financial position for the fiscal year under review

In terms of total assets during the period under review, we saw a decrease in inventories, which was in part due to the strong performance. In addition, we have aimed to expand our business areas to enhance corporate value. Non-current assets increased as a result of the recording of goodwill associated with the increased number of subsidiaries through the execution of share transfer agreements, the recording of shares of subsidiaries and associates following the underwriting of a third-party allotment, and the acquisition of non-current assets operated as the Hakone Venetian Glass Museum during the consolidated fiscal period under review. Cash and deposits showed a decrease as a result of these investments and other factors. As a result, total assets amounted to ¥57,262 million, down ¥2,019 million from the end of the previous consolidated fiscal year.

Liabilities at the end of the consolidated fiscal year under review decreased by ¥6,594 million compared to the end of the previous fiscal year reaching ¥11,967 million. This was primarily due to a year-on-year decrease in trade payables recorded in the 4th quarter.

Despite an increase in the number of treasury shares through the stock distribution trust for employees (RS Trust) and dividend payments, etc., net assets at the end of the fiscal year under review increased by ¥4,575 million from the end of the previous fiscal year to ¥45,295 million due to the recording of profit attributable to owners of parent. The capital adequacy ratio was 79.1%, up 10.4 points from the end of the previous fiscal year.

## (3) Overview of cash flows for the fiscal year under review

Cash and cash equivalents (hereinafter referred to as “funds”) at the end of the fiscal year under review decreased by ¥33,474 million to ¥16,960 million compared to the end of the previous fiscal year.

The state of each category of cash flows during the fiscal year under review was as follows:

### (Cash flows from operating activities)

Funds obtained from operating activities were ¥7,666 million (income of ¥8,429 million in the previous fiscal year. The main factors in payments included a decrease in trade payables (¥5,889 million), while income included profit before income taxes (¥11,457 million), depreciation (¥1,561 million), a decrease in trade receivables (¥1,954 million), and a decrease in inventories (¥2,258 million).

### (Cash flows from investing activities)

Funds used due to investing activities were ¥7,845 million (payments of ¥1,734 million in the previous fiscal year). The main factors affecting expenses were the purchase of non-current assets such as the land, buildings, and works of art at Hakone Venetian Glass Museum, and the purchase of shares in Nanaha Co., Ltd.

### (Cash flows from financing activities)

Funds used due to financing activities were ¥3,295 million (payments of ¥3,183 million in the previous fiscal year). In breakdown, the main factors include the purchase of treasury shares and dividend payments.

### (Reference) Cash flow related indicators

	50th term FY2023/3	51st term FY2024/3	52nd term FY2025/3
Capital adequacy ratio (%)	69.2	68.7	79.1
Capital adequacy ratio on a market value basis (%)	98.6	95.4	66.3
Cash flow-to-debt ratio (%)	67.1	0.0	0.02
Interest coverage ratio (times)	440.9	1,298.2	14,096.7

(Notes) Capital adequacy ratio: shareholders' equity/total assets

Capital adequacy ratio on a mark-to-market basis: total market capitalization/total assets

Cash flows to interest-bearing liabilities ratio: interest-bearing liabilities/operating cash flows

Interest coverage ratio: operating cash flows/interest paid

\* Total market capitalization is calculated as the closing price of the company stock at the end of the period × total number of shares issued at the end of the period (after subtracting treasury stock).

\* Cash flows used above are “cash flows from operating activities” in the statements of cash flows. Interest-bearing liabilities denote all the liabilities that are stated in the consolidated balance sheets and for which interest is paid.

#### (4) Future outlook

In the pachinko industry in the next fiscal year, more than two years have passed since the introduction of smart games machines, and the number of smart games machines installed in pachinko halls is steadily increasing while gaining approval from pachinko fans. It is expected that capital investment by pachinko hall operators, especially large companies, will remain strong as smart games machines continue to spread further.

In addition, models with a new game style are scheduled to be introduced; Smart pachislot machines with “Bonus Trigger” will be launched in June this year, and smart pachinko machines with “Lucky Trigger 3.0 Plus” will be launched in July this year. Accordingly, expectations for smart games machines are soaring.

In this environment, our Group has formulated the “Medium-term Management Plan 2025–2027,” whose first year is the fiscal year ending March 31, 2026, and outlined the following key strategies.

##### (Information Systems Business)

We aim to become a DX leader in the industry by utilizing AI and big data and work to optimize and innovate hall management processes, start customer attraction support services, realize data-driven management, and improve productivity.

##### (Amusement Business)

Starting with the smart pachislot machine “Classroom of the Elite” launched in May 2025, we will strengthen our pachislot planning and development capabilities to gain recognition and capture and grow market share with our proprietary pachislot machines. We will also grow content businesses, maintain revenue through pachinko software contracts, and establish a repeat business model with our proprietary game titles.

##### (New businesses)

With the aim of venturing into new business domains and establishing multiple drivers of growth, we will utilize AI and interactive technologies to create new entertainment experiences in various fields, such as food entertainment business and tourism business.

Through these key strategies, our Group will make active upfront investments and expand the business foundation with the aim of achieving sustainable growth and enhancing corporate value.

(Million yen)

	Results for Current Fiscal Year (FY2025/3)	Forecast for Next Fiscal Year (FY2026/3)	Changes from Previous Fiscal Year
Net sales	57,415	44,000	(23.4%)
Operating profit	12,222	5,300	(56.6%)
Ordinary profit	12,242	5,300	(56.7%)
Profit attributable to owners of parent	7,735	3,500	(54.8%)

Our Group’s business is greatly affected by the capital investment trends of pachinko hall management companies and the sales plan trends of our client companies, manufacturers of games machines. Our Group strives to avoid risks by forecasting demands while keeping abreast of games machines market trends and by gathering the latest information from our transaction partners. However, in order to avoid any delays throughout the term, it is necessary to manage the business plan on an annual basis, so the forecast for the first half of the fiscal year is not disclosed.

- \* All forward-looking statements in this document including results forecasts were prepared based on the information available as of the date of presentation of the document and actual results may differ from the forecasts due to various factors.

(5) Basic policy on profit sharing and dividends for the fiscal year under review and the following fiscal year

The Company considers returning profits to shareholders while enhancing its corporate value as the most important management imperative. Under the basic policy of providing stable dividends after comprehensively taking into account the business environment, business results, payout ratio, etc., the Company returns profits according to its business performance. The Company has a basic policy of paying dividends of surplus twice a year as interim dividends and year-end dividends, both of which are determined by the Board of Directors.

Regarding dividends for the fiscal year under review (FY2025/3), the Company has decided, as per the announcement made on May 15, 2024, to pay a year-end dividend of 80 yen per share, combined with an interim dividend of 40 yen already paid, for a total annual dividend of 120 yen per share.

For the next fiscal year (ending March 31, 2026), we plan to pay an interim dividend of 30 yen and a year-end dividend of 50 yen, for a total of 80 yen per share for the full year, based on the above policy.

2. Basic Approach Towards Selection of Accounting Standard

The Company intends to employ the Japanese standards for the time being as its group operations are limited to the Japanese market, with no overseas activities. However, it will explore the application of IFRS (International Financial Reporting Standards) in view of the trends of introducing IFRS by other domestic peer companies.

### 3. Consolidated Financial Statements and Key Notes

#### (1) Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	20,434,496	16,960,449
Notes receivable - trade	359,192	350,833
Electronically recorded monetary claims - operating	4,042,301	3,220,853
Accounts receivable - trade	4,551,481	3,607,467
Contract assets	244,437	203,755
Merchandise and finished goods	13,162,491	10,670,773
Work in process	69,200	33,541
Raw materials and supplies	613,604	570,549
Other	782,981	780,616
Allowance for doubtful accounts	(304,316)	(275,881)
<b>Total current assets</b>	<b>43,955,870</b>	<b>36,122,959</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures	9,261,051	10,342,590
Accumulated depreciation	(6,214,037)	(5,771,416)
Buildings and structures, net	3,047,013	4,571,173
Machinery, equipment and vehicles	614,297	514,356
Accumulated depreciation	(571,440)	(459,908)
Machinery, equipment and vehicles, net	42,857	54,448
Tools, furniture and fixtures	6,259,494	6,047,348
Accumulated depreciation	(5,483,417)	(5,244,026)
Tools, furniture and fixtures, net	776,076	803,321
Land	4,162,117	5,739,993
Construction in progress	36,824	16,043
<b>Total property, plant and equipment</b>	<b>8,064,889</b>	<b>11,184,981</b>
Intangible assets		
Software	2,587,605	3,714,756
Goodwill	772,019	1,072,257
Other	32,566	70,332
<b>Total intangible assets</b>	<b>3,392,191</b>	<b>4,857,345</b>
Investments and other assets		
Investment securities	292,932	296,151
Shares of subsidiaries and associates	-	766,137
Retirement benefit asset	-	159,185
Deferred tax assets	783,385	863,420
Investment property	1,201,751	1,201,751
Accumulated depreciation	(352,889)	(369,004)
Investment property, net	848,861	832,746
Membership	230,926	230,393
Leasehold and guarantee deposits	423,503	489,436
Other	1,470,834	1,621,936
Allowance for doubtful accounts	(181,419)	(158,418)
<b>Total investments and other assets</b>	<b>3,869,025</b>	<b>5,100,990</b>
<b>Total non-current assets</b>	<b>15,326,106</b>	<b>21,143,317</b>
<b>Total assets</b>	<b>59,281,977</b>	<b>57,266,276</b>

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	3,109,936	1,970,627
Electronically recorded obligations - operating	6,768,531	2,025,046
Accounts payable - other	1,798,516	1,642,273
Accrued expenses	908,645	926,822
Income taxes payable	3,229,015	2,104,801
Contract liabilities	103,859	57,472
Provision for product warranties	13,900	59,058
Reserve for quality assurance	90,106	558,049
Provision for share awards for employee	-	152,956
Provision for bonuses for directors (and other officers)	287,346	266,219
Other	1,358,474	1,211,113
<b>Total current liabilities</b>	<b>17,668,331</b>	<b>10,974,440</b>
<b>Non-current liabilities</b>		
Provision for retirement benefits for directors (and other officers)	473,593	498,270
Retirement benefit liability	199,491	295,330
Other	220,252	210,801
<b>Total non-current liabilities</b>	<b>893,338</b>	<b>1,004,402</b>
<b>Total liabilities</b>	<b>18,561,669</b>	<b>11,978,843</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	674,000	700,530
Capital surplus	680,008	706,538
Retained earnings	39,206,726	44,557,149
Treasury shares	(2,713)	(851,463)
<b>Total shareholders' equity</b>	<b>40,558,021</b>	<b>45,112,755</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	22,111	6,612
Remeasurements of defined benefit plans	140,174	167,969
<b>Total accumulated other comprehensive income</b>	<b>162,285</b>	<b>174,581</b>
Non-controlling interests	-	94
<b>Total net assets</b>	<b>40,720,307</b>	<b>45,287,432</b>
<b>Total liabilities and net assets</b>	<b>59,281,977</b>	<b>57,266,276</b>

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

(Thousands of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net sales	53,861,539	57,415,710
Cost of sales	28,879,583	30,722,622
Gross profit	24,981,956	26,693,087
Selling, general and administrative expenses		
Salaries and wages	2,157,661	2,356,451
Bonuses	1,673,720	1,756,125
Provision for retirement benefits for directors (and other officers)	20,120	20,030
Provision for bonuses for directors (and other officers)	287,346	267,671
Provision of allowance for doubtful accounts	9,121	(33,228)
Provision for product warranties	1,191	80,435
Provision for quality assurance	90,106	467,943
Depreciation	978,441	854,379
Retirement benefit expenses	163,115	187,120
Other	7,599,622	8,523,804
Total selling, general and administrative expenses	12,980,445	14,480,733
Operating profit	12,001,510	12,212,354
Non-operating income		
Interest income	15,233	3,008
Dividend income	6,691	7,342
Royalty income	18,418	23,440
Rental income from real estate	85,238	77,016
Other	40,722	51,184
Total non-operating income	166,304	161,992
Non-operating expenses		
Interest expenses	6,553	543
Commission expenses	-	21,260
Rental expenses on real estate	47,255	46,604
Commission for disposal of treasury stock	-	58,347
Other	11,836	15,795
Total non-operating expenses	65,645	142,550
Ordinary profit	12,102,168	12,231,796
Extraordinary income		
Gain on sale of non-current assets	340	6,419
Gain on sale of investment securities	-	1,551
Total extraordinary income	340	7,971
Extraordinary losses		
Loss on sale of non-current assets	-	8,169
Loss on retirement of non-current assets	19,945	39,770
Impairment losses	158,346	686,250
Loss on valuation of investment securities	1,546	52,772
Other	769	6,270
Total extraordinary losses	180,608	793,234
Profit before income taxes	11,921,900	11,446,533
Income taxes - current	3,641,431	3,808,772
Income taxes - deferred	(184,130)	(89,711)
Total income taxes	3,457,300	3,719,061
Profit	8,464,599	7,727,472

Profit attributable to non-controlling interests	-	44
Profit attributable to owners of parent	8,464,599	7,735,555

## Consolidated Statements of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit	8,464,599	7,727,472
Other comprehensive income		
Valuation difference on available-for-sale securities	5,238	(15,516)
Remeasurements of defined benefit plans, net of tax	34,035	27,795
Total other comprehensive income	39,274	12,278
Comprehensive income	8,503,873	7,739,751
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,503,873	7,739,724
Comprehensive income attributable to non-controlling interests	-	26

## (3) Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	674,000	680,008	31,924,756	(1,897)	33,276,867
Changes during period					
Dividends of surplus			(1,182,629)		(1,182,629)
Issuance of new shares					-
Profit attributable to owners of parent			8,464,599		8,464,599
Purchase of treasury shares				(815)	(815)
Disposal of treasury shares					-
Transfer of loss on disposal of treasury shares					-
Increase in consolidated subsidiaries - non-controlling interests					-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	7,281,970	(815)	7,281,154
Balance at end of period	674,000	680,008	39,206,726	(2,713)	40,558,021

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	16,872	106,139	123,011	-	33,399,879
Changes during period					
Dividends of surplus					(1,182,629)
Issuance of new shares					-
Profit attributable to owners of parent					8,464,599
Purchase of treasury shares					(815)
Disposal of treasury shares					-
Transfer of loss on disposal of treasury shares					-
Increase in consolidated subsidiaries - non-controlling interests					-
Net changes in items other than shareholders' equity	5,238	34,035	39,274	-	39,274
Total changes during period	5,238	34,035	39,274	-	7,320,428
Balance at end of period	22,111	140,174	162,285	-	40,720,307

For the fiscal year ended March 31, 2025

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	674,000	680,008	39,206,726	(2,713)	40,558,021
Changes during period					
Dividends of surplus			(2,070,104)		(2,070,104)
Issuance of new shares	26,530	26,530			53,061
Profit attributable to owners of parent			7,727,428		7,727,428
Purchase of treasury shares				(3,100,552)	(3,100,552)
Disposal of treasury shares		(306,901)		2,251,803	1,944,901
Transfer of loss on disposal of treasury shares		306,901	(306,901)		-
Increase in consolidated subsidiaries - non-controlling interests					-
Net changes in items other than shareholders' equity					
Total changes during period	26,530	26,530	5,350,422	(848,749)	4,554,734
Balance at end of period	700,530	706,538	44,557,149	(851,463)	45,112,755

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	22,111	140,174	162,285	-	40,720,307
Changes during period					
Dividends of surplus					(2,070,104)
Issuance of new shares					53,061
Profit attributable to owners of parent					7,727,428
Purchase of treasury shares					(3,100,552)
Disposal of treasury shares					1,944,901
Transfer of loss on disposal of treasury shares					-
Increase in consolidated subsidiaries - non-controlling interests				67	67
Net changes in items other than shareholders' equity	(15,499)	27,795	12,296	26	12,322
Total changes during period	(15,499)	27,795	12,296	94	4,567,125
Balance at end of period	6,612	167,969	174,581	94	45,287,432

## (4) Consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
<b>Cash flows from operating activities</b>		
Profit before income taxes	11,921,900	11,446,533
Depreciation	1,647,499	1,561,108
Impairment losses	158,346	686,250
Amortization of goodwill	94,082	182,783
Share-based payment expenses	-	43,786
Increase (decrease) in allowance for doubtful accounts	(4,530)	(51,898)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	20,120	14,839
Increase (decrease) in provision for employee stock ownership plan trust	-	152,956
Interest and dividend income	(21,925)	(10,350)
Interest expenses	6,553	543
Other non-operating expenses (income)	(37,982)	(28,666)
Loss on retirement of non-current assets	19,945	39,770
Loss (gain) on sale of non-current assets	(340)	1,751
Loss (gain) on sale of investment securities	-	(1,551)
Loss on valuation of membership	-	1,200
Decrease (increase) in trade receivables	(2,118,473)	1,954,298
Decrease (increase) in inventories	(5,433,624)	2,258,876
Increase (decrease) in trade payables	1,919,306	(5,889,795)
Decrease (increase) in other assets	64,606	(38,623)
Increase (decrease) in other liabilities	1,857,267	100,449
Other, net	9,491	121,150
Subtotal	10,102,243	12,545,413
Interest and dividends received	21,925	10,277
Interest paid	(6,493)	(543)
Income taxes paid	(1,688,417)	(4,888,455)
Income taxes refund	-	10
Net cash provided by (used in) operating activities	8,429,256	7,666,702
<b>Cash flows from investing activities</b>		
Proceeds from redemption of securities	500,000	-
Purchase of property, plant and equipment	(801,874)	(3,830,625)
Proceeds from sale of property, plant and equipment	6,813	7,681
Purchase of intangible assets	(1,326,426)	(1,752,776)
Purchase of investment securities	-	(5,114)
Proceeds from sale of investment securities	-	3,836
Purchase of shares of subsidiaries and associates	-	(766,137)
Proceeds from refund of leasehold and guarantee deposits	43,549	4,329
Payments of leasehold and guarantee deposits	(11,024)	(66,794)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(50,661)	(1,266,576)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	-	45,642
Other, net	(94,589)	(218,920)
Net cash provided by (used in) investing activities	(1,734,212)	(7,845,454)

(Thousands of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(2,000,000)	-
Redemption of bonds	-	(10,000)
Purchase of treasury shares	(815)	(3,100,552)
Proceeds from disposal of treasury shares	-	1,944,901
Dividends paid	(1,181,836)	(2,068,852)
Other, net	(697)	(60,790)
Net cash provided by (used in) financing activities	(3,183,349)	(3,295,294)
Net increase (decrease) in cash and cash equivalents	3,511,695	(3,474,046)
Cash and cash equivalents at beginning of period	16,922,801	20,434,496
Cash and cash equivalents at end of period	20,434,496	16,960,449

## (5) Notes to consolidated financial statements

(Notes to going concern assumptions)

Not applicable.

(Notes on significant changes in the amount of shareholders' equity)

Following the issuance of new shares as restricted stock compensation on July 25, 2024, the Company's total number of outstanding shares increased by 13,332 shares, and share capital and legal capital surplus increased by ¥26,530 thousand each. The Company purchased 683,400 treasury shares for ¥2,251,803 thousand during the consolidated fiscal year under review through the Impact Neutralization Trust (hereinafter called the "Trust") introduced in accordance with the resolution adopted at the Board of Directors meeting held on December 2, 2024. The Company had also completed the sale of all 683,400 of these shares on the market as of the end of the consolidated fiscal year under review. In addition, the Company purchased 313,600 treasury shares for ¥848,584 thousand during the fiscal year under review through the stock distribution trust for employees (hereinafter called the "RS Trust") introduced in accordance with the resolution adopted at the Board of Directors meeting held on February 13, 2025.

As a result, share capital, capital surplus, and treasury shares as of the end of the consolidated fiscal year under review stood at ¥700,530 thousand, ¥706,538 thousand, and ¥851,463 thousand, respectively.

(Significant matters as the basis for preparation of consolidated financial statements)

## 1. Scope of consolidation

(1) Number of consolidated subsidiaries: 11

Company name: Genki Co., Ltd.  
 DAXEL INC.  
 Daikoku Denki Communication PLUS Corporation  
 ALOFT Co., Ltd.  
 GLOBAL WISE Co.  
 LAIRI Inc.  
 LILIUM CO., LTD.  
 NISHIMOTO INDUSTRY CO., LTD.  
 Stadd Inc.  
 LOGON SYSTEM CO., LTD.  
 Hakone Glass Forest Resorts Co., Ltd.

On April 1, 2024, Daikoku Sangyo Co., Ltd. changed its name to Daikoku Denki Communication PLUS Corporation.

LILIUM CO., LTD. became a consolidated sub-subsidiary from the consolidated fiscal year under review following the acquisition of shares by ALOFT Co., Ltd. on April 1, 2024.

NISHIMOTO INDUSTRY CO., LTD. became a consolidated subsidiary from the consolidated fiscal year under review following the acquisition of shares on April 2, 2024.

Stadd Inc. and its subsidiary LOGON SYSTEM CO., LTD. became a consolidated subsidiary and a consolidated sub-subsidiary, respectively, from the consolidated fiscal year under review following the acquisition of shares on August 2, 2024.

Hakone Glass Forest Resorts Co., Ltd. became a consolidated subsidiary from the consolidated fiscal year under review following its establishment on August 8, 2024.

(2) Names, etc., of major non-consolidated subsidiaries

Not applicable.

## 2. Application of the equity method

Number and names of affiliates not subject to equity method

One (1) company

Nanaha Co., Ltd.

Reason for not applying equity method

Considering the extent of the net loss (profit) (amount corresponding to equity) and retained earnings (amount corresponding to equity), the impact on the Company's consolidated financial statements of not subjecting Nanaha Co., Ltd. to the equity method is immaterial. Furthermore, the company itself is, overall, only of minor importance. For this reason, it has not been subjected to application of the equity method.

## 3. Matters regarding fiscal years, etc., of consolidated subsidiaries

The account closing dates of the consolidated subsidiaries fall on the account closing date of the Company.

## 4. Accounting policies

### (1) Standards and methods for valuation of significant assets

#### 1. Securities

Other securities

Items other than stock, etc., with no market value

Fair value method (Valuation differences are recognized directly into net assets; the cost of items sold is calculated based on the moving average method.)

Stock, etc., with no market value

Valuation at cost, with cost determined by the moving average method

#### 2. Inventories

Valuation at cost (method of lowering carrying amount due to decline in profitability)

Merchandise, finished goods, raw materials, work in process

Valuation at cost, with cost determined primarily by the weighted average method

Supplies

Valuation at cost, based on the last purchase cost method

### (2) Method of depreciation for significant depreciable assets

#### 1. Property, plant and equipment (excluding leased assets)

Declining-balance method

However, the buildings acquired on and after April 1, 1998 (excluding facilities attached to buildings) and facilities attached to buildings and structures acquired on and after April 1, 2016 are depreciated on a straight-line basis.

The useful life of major items is as follows:

Buildings and structures 3–50 years

Tools, furniture and fixtures 2–20 years

## 2. Intangible assets

Straight-line method

However, software is depreciated for sale over the marketable period (3 years) and for internal use over the internal availability period (5 years), on a straight-line basis

## 3. Investment property, etc.

Buildings      Straight-line method

Other            Declining-balance method

The useful life of major items is as follows:

Buildings      15–47 years

Other            3–15 years

## (3) Accounting standards for significant allowances and provisions

## 1. Allowance for doubtful accounts

To provide for losses from doubtful accounts including doubtful receivables, the Company accounts for the estimated amounts considered to be uncollectible based on a historical rate of credit losses for normal receivables or after reviewing individual collectability for specific doubtful receivables.

## 2. Provision for share awards for employee

To provide for share-based remuneration for employees, etc. under the share distribution rules, the Company accounts for its obligations regarding share-based remuneration at the end of the consolidated fiscal year under review based on the estimated amounts for such.

## 3. Provision for bonuses for directors (and other officers)

To provide for expenditure on directors' bonuses, the Company accounts for the corresponding amounts at the end of the fiscal year under review based on the estimated amounts to be paid.

## 4. Provision for retirement benefits for directors (and other officers)

To provide for expenditure on retirement benefits for directors, the Company accounts for the amounts to be paid at the end of the fiscal year under review in accordance with the internal rules.

## 5. Provision for product warranties

To provide for product warranty costs accrued after sales, the Company accounts for the estimated amount of the costs.

## 6. Provisions for quality warranties

To provide for quality assurance expenses incurred after the sale of products, the estimated amount of such expenses is recorded.

## (4) Accounting methods for retirement benefits

## 1. Method of attributing expected benefits to periods of service

In calculating the retirement benefit obligation, the Company attributes expected retirement benefits to periods of service up to the fiscal year under review, on a plan benefit formula basis.

## 2. Actuarial gains and losses and past service costs

Past service costs are recognized on the straight-line method over a certain number of years (10 years) within the average remaining service period of employees and allocated proportionally at the time of accrual.

Actuarial gains and losses are recognized in the respective succeeding years on a straight-line basis over a certain number of years (10 years) within the average remaining service period of employees at the time of accrual in each fiscal year.

## (5) Accounting standards for significant revenues and expenses

Relating to revenue from contracts with customers of the Company and its consolidated subsidiaries, major performance obligations and the normal time for satisfying the performance obligations (the normal time of recognizing revenue) in the main businesses are as follows:

## [1] Information Systems Business

The Information Systems Business engages primarily in the development, manufacturing, and distribution of computer systems, prize and customer management systems, and information disclosure systems for pachinko halls.

Among these, for a performance obligation involving product installation, the Company recognizes revenue at the time of inspection as a performance obligation is generally judged to have been met at the time of inspection when the customer obtains control of the service.

For a performance obligation involving no product installation, the Company recognizes revenue at the time of shipment of merchandise since control of goods is judged to be transferred to the customer at the time of shipment because of the normal period of time from shipment to inspection when control of merchandise is transferred to the customer.

## [2] Amusement Business

The Amusement Business engages in the development, manufacture, and sale of display and control units for pachinko machines, the design, development, manufacture, and sale of pachislot machines, and the sale of parts used for games machines.

Among these, for the sale of merchandise, mainly in the sale of products, the Company recognizes revenue at the time of shipment of merchandise since control is judged to be transferred to the customer at the time of shipment because of the normal period of time from shipment to inspection when control of products is transferred to the customer.

For development projects, the Company recognizes revenue when a performance obligation is satisfied since control over customers is continuously transferred.

## (6) Accounting methods for significant hedge transactions

### 1. Method of hedge accounting

In principle, the Company applies deferral hedge accounting. If a hedge against foreign exchange fluctuation risk satisfies the requirements for designated hedge accounting, the Company adopts the designated hedge accounting; if interest rate swaps satisfy the requirements for exceptional accounting treatment, the Company adopts the exceptional accounting treatment.

### 2. Hedging instruments and hedged assets

Assets and instruments recognized on a hedge accounting basis are as follows:

Hedging instruments: Forward exchange contracts, interest rate swaps

Hedged assets: Trade payables for product import and anticipated transactions in foreign currencies, borrowings

### 3. Hedging policy

In foreign currency-denominated transactions, the Company hedges foreign exchange fluctuation risk based on its internal rules, the “foreign exchange risk hedging operation rules” and others. The Company uses interest rate swaps to hedge interest-rate fluctuation risk. The Company is not engaged in hedging activities for speculation purposes.

### 4. Method of evaluating hedge effectiveness

The Company evaluates the effectiveness by comparing fluctuations in the exchange rates of the hedged asset and the hedging instrument to get the ratio of these fluctuations.

## (7) Amortization method and period of goodwill

Goodwill is amortized using the straight-line method over a period of 5 to 10 years.

## (8) Scope of funds in consolidated statements of cash flows

The funds (cash and cash equivalents) in the consolidated statements of cash flows consist of cash on hand, demand deposits and short-term investments that are highly liquid, have maturities of three months or less, are readily convertible into cash and are subject to an insignificant risk of changes in value.

## (Changes in accounting policies)

### (Application of Accounting Standard for Income Taxes - Current, Etc.)

The Accounting Standard for Income Taxes - Current, Etc. (ASBJ No. 27, October 28, 2022; hereinafter referred to as the “2022 Revised Standard”), etc. were applied from the beginning of the consolidated fiscal year under review.

The change in classification of income taxes (taxation of other comprehensive income) is in accordance with the transitional treatment prescribed in the proviso of paragraph 20-3 of the 2022 Revised Accounting Standard and the proviso of paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the “2022 Revised Guidance”). This change in accounting policy has no impact on the quarterly consolidated financial statements.

In addition, as of the beginning of the fiscal year under review, the 2022 Revised Guidance has been applied with respect to

the change related to the review of the treatment in the consolidated financial statements of gains or losses associated with the sale of shares of subsidiaries and other securities between consolidated entities for tax deferral purposes. The change in accounting policy has been applied retrospectively. As a result, the figures for the consolidated financial statements in the previous fiscal year have been restated in the consolidated financial statements. The change in accounting policy has no impact on the consolidated financial statements for the previous fiscal year.

(Changes in presentation method)

(Consolidated statements of income)

“Foreign exchange losses,” which had previously been presented separately under “Non-operating expenses” in the previous consolidated fiscal year, has become less significant in monetary terms and is now included in “Other” under “Non-operating expenses” in the current consolidated fiscal year under review. The consolidated financial statements for the previous consolidated fiscal year have been adjusted to reflect this change in presentation.

As a result, the figures of ¥11,088 thousand previously presented as “Foreign exchange losses” and ¥748 thousand presented as “Other” under “Non-operating expenses” have been reorganized and presented as ¥11,836 thousand in “Other” under “Non-operating expenses” for the previous consolidated fiscal year.

(Additional information)

(Stock distribution trust for employees)

At the Board of Directors meeting held on February 13, 2025, the Company resolved on the introduction of an employee share-based incentive plan (hereinafter called the “Plan,” and a trust to be established for the Plan shall be referred to as the “RS Trust”) for its employees and the employees of some of its subsidiaries (hereinafter collectively called the “Employees”).

The Plan is introduced for the purposes of improving employee engagement and increasing the Company’s corporate value over the medium to long term by enhancing employee benefit programs, fostering employees’ sense of belonging, giving them a sense of participation in management, and boosting their awareness of the strong performance of the Company and its stock price.

The Plan is an incentive plan, whereby the Company establishes the RS Trust with the money contributed by the Company, and under this RS Trust, the Company’s common shares (hereinafter called the “Company Shares”) are purchased and distributed based on the points granted to Employees who meet certain requirements. These points will be granted to Employees according to their positions, etc. as prescribed in the share distribution rules set down by the Board of Directors of the Company. The number of the Company Shares to be distributed to each Employee will be determined by the number of the points granted. In addition, for the Company Shares distributed, their transfer will be restricted until each Employee retires with a transfer restriction agreement signed between each Employee and the Company.

The accounting treatment pertaining to the said trust agreement shall be in accordance with “Practical Solution on Transactions of Delivering the Company’s Own Stock to Employees etc. through Trusts.” (ASBJ PITF No. 30, March 26, 2015).

As a result, the Company Shares purchased by the RS Trust are stated as “treasury shares” of ¥848,584 thousand in the consolidated balance sheets as of the end of the consolidated fiscal year under review.

In addition, the impact of trust fees and other expenses associated with the establishment of the RS Trust during the consolidated fiscal year under review on the profit (loss) is immaterial.

As the Company Shares held under the RS Trust (313,600 shares) are accounted for as “treasury shares,” they are included in the number of treasury shares to be deducted in the calculation of the average number of shares during the period, for the purpose of per-share basic earnings calculation.

(Segment information, etc.)

(Segment information)

## 1. Overview of reportable segments

## (1) Method of determining reportable segments

The reportable segments of the Company are components of the Company for which separate financial information is available and reviewed by the Board of Directors on a regular basis for the purpose of making decisions on management resources allocation and evaluating business results.

The Company is organized into business segments, with the two reportable segments being the Information Systems Business and the Amusement Business.

## (2) Types of products and services by reportable segment

The Information Systems Business engages primarily in the development, manufacturing, and distribution of computer systems, prize and customer management systems, and information disclosure systems for pachinko halls.

The Amusement Business engages in the development, manufacture, and sale of display and control units for pachinko machines, the design, development, manufacture, and sale of pachislot machines, and the sale of parts used in games machines.

## 2. Calculation methods for net sales, income or losses, assets, liabilities, and other items by reportable segment

The accounting methods for the reported business segments are largely the same as stated in (Significant matters as the basis for preparation of consolidated financial statements).

## 3. Amounts of net sales, income or losses, assets, liabilities, and other items by reportable segment

Reportable segment income is stated on an operating profit basis.

Previous fiscal year (From April 1, 2023 to March 31, 2024)

	Reportable segments			Other (Note 1)	Total	Adjustments (Note 2)	Amount stated in consolidated financial statements
	Information Systems Business	Amusement Business	Total				
Net sales							
Sales to external customers	49,412,082	4,449,456	53,861,539	—	53,861,539	—	53,861,539
Intersegment sales or transfers	—	50,340	50,340	—	50,340	(50,340)	—
Total	49,412,082	4,499,796	53,911,879	—	53,911,879	(50,340)	53,861,539
Segment income (losses)	14,603,626	(390,347)	14,213,279	—	14,213,279	(2,211,769)	12,001,510
Segment assets	29,975,365	4,282,704	34,258,069	—	34,258,069	25,023,907	59,281,977
Other items							
Depreciation	1,425,805	75,902	1,501,708	—	1,501,708	128,877	1,630,585
Amortization of goodwill	83,303	10,778	94,082	—	94,082	—	94,082
Impairment losses	—	69,076	69,076	—	69,076	89,270	158,346
Increases in property, plant and equipment and intangible assets	1,902,219	204,903	2,107,122	—	2,107,122	126,344	2,233,467

(Notes)

1. "Other" refers to a business segment category that is not included in the reportable segments.
2. Adjustments are as follows:
  - (1) The adjustment of segment income (losses) of ¥(2,211,769 thousand) includes the elimination of intersegment transactions of ¥7,108 thousand and corporate expenses unallocated to any reportable segments of ¥(2,218,877 thousand). Unallocated corporate expenses mostly include general and administrative expenses which are not attributable to any reportable segments.
  - (2) The adjustment of segment assets of ¥25,023,907 thousand includes the elimination of intersegment transactions of ¥(1,051 thousand) and corporate assets unallocated to any reportable segments of ¥25,024,959 thousand. Unallocated corporate assets mostly include the funds (cash and deposits) of the company submitting consolidated financial statements and assets associated with the control/administration department.
  - (3) The adjustment of ¥126,344 thousand for the increase in property, plant and equipment and intangible assets is mainly due to capital investments in the head office and other facilities.

Fiscal year under review (From April 1, 2024 to March 31, 2025)

(Thousand yen)

	Reportable segments			Other (Note 1)	Total	Adjustments (Note 2)	Amount stated in consolidated financial statements
	Information Systems Business	Amusement Business	Total				
Net sales							
Sales to external customers	52,126,762	4,401,060	56,527,822	887,887	57,415,710	—	57,415,710
Intersegment sales or transfers	—	50,871	50,871	1,676	52,548	(52,428)	120
Total	52,126,762	4,451,931	56,578,694	889,564	57,468,258	(52,428)	57,415,830
Segment income (losses)	14,515,366	380,285	14,895,652	(177,081)	14,718,570	(2,371,392)	12,347,177
Segment assets	26,006,833	4,287,687	30,294,520	5,135,275	35,429,795	21,672,280	57,102,076
Other items							
Depreciation	1,286,548	84,615	1,371,164	40,754	1,411,918	132,905	1,544,824
Amortization of goodwill	83,303	10,778	94,082	88,701	182,783	—	182,783
Impairment losses	599,194	76,086	675,280	—	675,280	10,970	686,250
Increases in property, plant and equipment and intangible assets	2,156,356	440,374	2,596,731	3,153,061	5,749,792	91,077	5,840,870

(Notes)

1. “Other” refers to a business segment category that is not included in the reportable segments.
2. Adjustments are as follows:
  - (1) The adjustment of segment income (losses) of ¥(2,371,392 thousand) includes the elimination of intersegment transactions of ¥5,220 thousand and corporate expenses unallocated to any reportable segments of ¥(2,376,613 thousand). Unallocated corporate expenses mostly include general and administrative expenses which are not attributable to any reportable segments.
  - (2) The adjustment of segment assets of ¥21,672,280 thousand includes the elimination of intersegment transactions of ¥1,109 thousand and corporate assets unallocated to any reportable segments of ¥21,671,171 thousand. Unallocated corporate assets mostly include the funds (cash and deposits) of the company submitting consolidated financial statements and assets associated with the control/administration department.
  - (3) The adjustment of ¥91,077 thousand for the increase in property, plant and equipment and intangible assets is mainly due to capital investments in the head office and other facilities.

[Relevant information]

I. Previous Fiscal Year (From April 1, 2023 to March 31, 2024)

1. Information by product and service

Omitted as similar information is disclosed in segment information.

2. Information by region

(1) Net sales

Omitted as sales to domestic external customers account for more than 90% of the net sales recorded in the consolidated statements of income.

(2) Property, plant and equipment

Not applicable as the Company does not have any property, plant and equipment outside Japan.

3. Information by major customer

Omitted as none of the net sales to external customers account for more than 10% of the net sales recorded in the consolidated statements of income.

## II. Fiscal Year Under Review (From April 1, 2024 to March 31, 2025)

## 1. Information by product and service

Omitted as similar information is disclosed in segment information.

## 2. Information by region

## (1) Net sales

Omitted as sales to domestic external customers account for more than 90% of the net sales recorded in the consolidated statements of income.

## (2) Property, plant and equipment

Not applicable as the Company does not have any property, plant and equipment outside Japan.

## 3. Information by major customer

Omitted as none of the net sales to external customers account for more than 10% of the net sales recorded in the consolidated statements of income.

## [Impairment losses of non-current assets by reportable segment]

Previous fiscal year (From April 1, 2023 to March 31, 2024)

In the Amusement Business segment, the carrying amount of business assets of consolidated subsidiaries was reduced to the recoverable amount after reviewing the recoverability of future cash flows.

Impairment losses of ¥69,076 thousand were recorded for the period under review.

In Adjustments, the carrying value of the assets was reduced to the selling price in accordance with the decision to sell the recreation facility.

Impairment losses of ¥89,270 thousand were recorded for the fiscal year under review.

Fiscal year under review (From April 1, 2024 to March 31, 2025)

In the Information Systems Business segment, we recorded impairment losses on goodwill. These impairment losses amounted to ¥599,194 thousand.

In the Amusement Business segment, the carrying amount of held business assets was reduced to the recoverable amount after reviewing the recoverability of future cash flows.

Impairment losses of ¥87,056 thousand were recorded for the period under review.

## [Information on amortization of goodwill and unamortized balance by reportable segment]

Previous fiscal year (From April 1, 2023 to March 31, 2024)

	Reporting segment			Other (Note)	Companywide/ Write-off	Total
	Information Systems Business	Amusement Business	Total			
Amortization for current year	83,303	10,778	94,082	—	—	94,082
Balance at end of period	728,903	43,115	772,019	—	—	772,019

Fiscal year under review (From April 1, 2024 to March 31, 2025)

	Reporting segment			Other (Note)	Companywide/ Write-off	Total
	Information Systems Business	Amusement Business	Total			
Amortization for current year	83,303	10,778	94,082	88,701	—	182,783
Balance at end of period	46,406	16,784	63,190	1,009,066	—	1,072,257

(Note) Impairment losses on goodwill of ¥599,194 thousand were recorded in Information Systems Business and ¥15,552 thousand in Amusement Business.

(Per-share information)

	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)
Net assets per share	2,754.60 yen	3,127.63 yen
Profit amount per share	572.60 yen	527.39 yen

(Notes) 1. Diluted profit per share is not stated as there are no dilutive shares.

2. In the current consolidated fiscal year under review, the Company introduced a stock distribution trust for employees (RS Trust). The Company Shares held by the stock distribution trust for employees (RS Trust) are included in the number of treasury shares to be deducted in the calculation of the total number of shares issued at the end of the period and the average number of shares outstanding during the period for the purpose of calculating net assets per share and profit amount per share. During the current consolidated fiscal year under review, the number of deducted treasury shares in the calculation of the shares issued at the end of the period was 313,600 shares when calculating net assets per share. Also, the number of deducted treasury shares in the calculation of the average number of shares outstanding during the period was 25,463 shares when calculating the profit amount per share.

In addition, the Company Shares purchased by the "Impact Neutralization Trust®" are included in the treasury shares that are deducted as part of the calculations for the average number of shares outstanding during the period. The number of deducted treasury shares among the average number of shares outstanding during the period was 98,733.

3. The basis for the calculation of profit per share is as follows:

Item	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)
Profit attributable to owners of parent (thousand yen)	8,464,599	7,735,555
Not attributable to common shareholders (thousand yen)	-	-
Profit attributable to owners of parent - applicable to common stock shares (thousand yen)	8,464,599	7,735,555
Average number of common stock shares during the period (thousand shares)	14,782	14,667

3. The basis for the calculation of net assets per share is as follows:

Item	Fiscal year ended March 31, 2024 (As of March 31, 2024)	Fiscal year ended March 31, 2025 (As of March 31, 2025)
Total amount of net assets (thousand yen)	40,720,307	45,295,559
Net assets applicable to common stock shares at end of period (thousand yen)	40,720,307	45,295,423
Number of common stock shares at end of period used for calculating net assets per share (thousand shares)	14,782	14,482

(Significant subsequent events)

Not applicable.