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Consolidated Financial Results for the Three Months Ended June 30, 2025 [Japanese GAAP]

August 8, 2025

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Listing: Tokyo Stock Exchange, Nagoya Stock Exchange
Securities code: 6430
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Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: None

President and Representative Director
Representative Senior Managing Director; General Manager,
Corporate Management Division

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

1. Consolidated Financial Results for the Three Months Ended June 30, 2025 (April 1, 2025 to June 30, 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	%
Three months ended June 30, 2025	15,331	(17.7)	3,526	(36.9)	3,552	(36.6)	2,424	(37.6)
June 30, 2024	18,619	-	5,591	-	5,605	15.5	3,883	15.3

(Note) Comprehensive income: Three months ended June 30, 2025: ¥ 2,444 million [(37.0)%]
Three months ended June 30, 2024: ¥ 3,881 million [15.2%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2025	167.06	-
June 30, 2024	262.68	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of June 30, 2025	57,718	46,701	80.9
March 31, 2025	57,266	45,287	79.1

(Reference) Equity: As of June 30, 2025: ¥ 46,701 million
As of March 31, 2025: ¥ 45,287 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	40.00	-	80.00	120.00
Fiscal year ending March 31, 2026	-				
Fiscal year ending March 31, 2026 (Forecast)		30.00	-	50.00	80.00

(Note) Revision to the forecast for dividends announced most recently: None

(Note) Breakdown of the 1st quarter dividend for the fiscal year ending March 31, 2026 :

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
Full year	48,500	(15.5)	5,300	(56.6)	5,300	(56.7)	3,500	(54.7)	241.67

(Note) Revision to the financial results forecast announced most recently: Yes

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - (Company name:)
Excluded: - (Company name:)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

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

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

(4) Number of issued shares (common shares)

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

June 30, 2025: 14,797,232 shares

March 31, 2025: 14,797,232 shares

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

June 30, 2025: 258,353 shares

March 31, 2025: 314,879 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2025: 14,511,547 shares

Three months ended June 30, 2024: 14,782,662 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes(voluntary)

* Proper use of earnings forecasts, and other special matters

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1. Overview of Operating Results, etc.

(1) Overview of operating results for the period under review

During the three months ended June 30, 2025, the Japanese economy continued on the path of a gradual recovery thanks to the improvements in the employment and income environment, as well as the effects of various policy measures. On the other hand, the outlook remains uncertain owing to factors, including the uncertainty brought about by U.S. trading policy on the global economy and the downward pressure of continued price increases on personal consumption.

In the pachinko industry, in which our Group operates, it has been around two and a half years since the introduction of smart games machines. Regarding the introduction of smart games machines as of the end of the period under review, Smart Pachislot machines accounted for 54.5% of all pachislot machines installed (up 2.4 percentage points from the end of previous fiscal year), and Smart Pachinko machines accounted for 17.2% of all pachinko machines installed (up 3.1 percentage points from the end of previous fiscal year) (based on our DK-SIS data).

Further, the average utilization status of games machines during the period from April to June 2025 was strong at 101.7% compared to the same period of the previous year. In terms of utilization status by machine type, pachislot machines and pachinko machines achieved 103.0% and 100.4%, respectively, with both exceeding the figures in the same period of the previous year (based on our DK-SIS data).

Also, with regard to the average utilization status of smart games machines during the same period, Smart Pachislot machines were utilized at a rate of 127.3% relative to non-smart AT type machines while Smart Pachinko machines were utilized at a rate of 116.3% relative to non-Smart Pachinko machines (conventional machines). Smart games machines thus outperformed other machines in both the pachinko and pachislot categories (based on our DK-SIS date).

With regard to trends relating to smart games machines, we have introduced Smart Pachislot machines with “Bonus Trigger” in June 2025, and plan to launch Smart Pachinko machines with new gameplay features such as “Lucky Trigger 3.0 Plus” scheduled in July 2025.

We expect the installation rate of smart games machines to continue to increase steadily as they gain support from pachinko fans. In line with this growth, demand for capital investment with the aim of meeting demand for smart games machines is expected to remain strong.

In this market environment, in the Information Systems Business, we held exhibitions and seminars in major cities across Japan between May and June 2025, which were attended by many pachinko hall operators. At the exhibitions, we announced the following gaming machines: (1) “BiGMO XCEL,” a terminal with an industry-leading 21.5-inch vertical LCD screen; (2) “TJ-01,” a compactly designed self-service terminal combining checkout and POS (prize exchange) machines; and (3) “SITE SEVEN FAN+,” an Ai-driven marketing support service that helps pachinko halls attract customers and respond to fan needs.

At the seminars, in addition to making proposals on the criteria for selecting ¥20 pachislot machines, which are currently in a stagnant phase, proposals were also made regarding the long-term management of machines through the making of improvements to the survival rate of Smart Pachinko machines so as to improve the performance of ¥4 pachinko machines. We also made proposals on optimizing the entire pachinko business through a reconsideration of the use of ¥1 pachinko machines.

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 launched on May 7, 2025 “Classroom of the Elite,” a new Smart Pachislot machine manufactured by DAXEL INC., a consolidated subsidiary of the Company.

As a result, the performance for the three months ended June 30, 2025 recorded net sales of ¥15,331 million (down 17.7% year on year) and an operating profit of ¥3,526 million (down 36.9% year on year). We achieved an ordinary profit of ¥3,552 million (down 36.6% year on year), with a profit attributable to owners of parent of ¥2,424 million (down 37.6% year on year).

From the beginning of the first quarter of the fiscal year under review, the Company has changed from recording real estate lease revenue and real estate lease expenses as non-operating income and non-operating expenses to net sales and cost of sales, respectively. Comparative analyses are provided using figures that reflect the retrospective application of such change in presentation method. For details, please refer to “2. Quarterly Consolidated Financial Statements and Key Notes, (3) Notes to

quarterly consolidated financial statements (Changes in presentation method).

The results by segment are as follows:

(Information Systems Business)

In terms of business during the three months ended June 30, 2025, pachinko hall operators continued to demonstrate consistent demand for capital investment to introduce smart games machines.

In this market environment, sales of products for pachinko halls, etc. decreased year on year due to the end of special procurement demand for new card units in response to the circulation of new banknotes. However, the VEGASIA card unit continued to sell at a steady pace, with sales volume increasing 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 of June 30, 2025, the number of stores covered by “Market-SIS” was the highest in the industry (according to our survey), with adoption steadily expanding.

As a result, the business recorded net sales of ¥11,552 million (down 35.1% year on year) and a segment profit of ¥3,166 million (down 48.2% year on year).

(Amusement Business)

During the three months ended June 30, 2025, amid a shift from the pachinko business to the pachislot business, our newly launched “Classroom of the Elite” Smart Pachislot machine helped deliver sales in excess of our initial projections. Sales of existing products were also steady, increasing year on year.

As a result, the business recorded net sales of ¥3,486 million (up 335.3% year on year) and a segment profit of ¥947 million (compared with a segment loss of ¥2 million in the same period of the previous fiscal year).

(Other Business)

In the other business segment, net sales reached ¥300 million (compared with net sales of ¥18 million in the same period in the previous fiscal year), while segment loss was ¥28 million (compared with a segment profit of ¥8 million in the same period in the previous fiscal year).

(Million yen)					
		For the three months ended June 30, 2024	For the three months ended June 30, 2025	Change	Change (%)
Net sales		18,619	15,331	(3,287)	(17.7)
	Information Systems Business	17,801	11,552	(6,248)	(35.1)
	Amusement Business	800	3,486	2,685	335.3
	Other	18	300	281	-
Operating profit		5,591	3,526	(2,065)	(36.9)
Ordinary profit		5,605	3,552	(2,053)	(36.6)
Profit attributable to owners of parent		3,883	2,424	(1,458)	(37.6)

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

(2) Overview of the financial position for the period under review

As of June 30, 2025, total assets saw a decrease in inventories and an increase in trade receivables, which was in part due to the strong performance. In the Amusement Business in particular, the main factor behind the increase in trade receivables was that the newly launched “Classroom of the Elite” Smart Pachislot machine that helped deliver sales in excess of our initial projections. As

a result, total assets amounted to ¥57,718 million, up ¥452 million from the end of the previous fiscal year.

Liabilities as of June 30, 2025 decreased by ¥962 million compared to the end of the previous fiscal year to ¥11,016 million. This was primarily due to decreases in income taxes payable resulting from the estimated payment of income taxes, etc. and in other current liabilities as a result of the payment of consumption taxes, etc.

Despite dividend payments, etc., net assets as of June 30, 2025 increased ¥1,414 million from the end of previous fiscal year to ¥46,701 million due to recording of profit attributable to owners of parent. The capital adequacy ratio was 80.9%, up 1.8 points from the end of the previous fiscal year.

(3) Explanation of future prospects information including consolidated earnings forecasts

For information on the consolidated earnings forecast for the fiscal year ending March 31, 2026, please refer to “Notice Regarding Revision to Earnings Forecast” announced on August 8, 2025. Should the necessity arise to revise the earnings forecasts in the future, we will duly disclose the relevant information in a timely manner.

(Million yen)		
	Result of the three months ended June 30, 2025	Full-year forecast for the fiscal year ending March 31, 2026
Net sales	15,331	48,500
Operating profit	3,526	5,300
Ordinary profit	3,552	5,300
Profit attributable to owners of parent	2,424	3,500

2. Quarterly Consolidated Financial Statements and Key Notes

(1) Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	16,960,449	17,448,126
Notes and accounts receivable - trade, and contract assets	4,162,056	5,246,889
Electronically recorded monetary claims - operating	3,220,853	2,605,617
Merchandise and finished goods	10,670,773	9,822,409
Work in process	33,541	5,253
Raw materials and supplies	570,549	350,554
Other	780,616	2,289,572
Allowance for doubtful accounts	(275,881)	(247,836)
Total current assets	36,122,959	37,520,587
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,898,640	4,826,978
Land	6,232,980	6,232,980
Other, net	886,106	816,550
Total property, plant and equipment	12,017,727	11,876,509
Intangible assets		
Software	3,714,756	3,768,095
Goodwill	1,072,257	1,032,541
Other	70,332	70,063
Total intangible assets	4,857,345	4,870,699
Investments and other assets		
Deferred tax assets	863,420	843,080
Other	3,563,240	2,765,088
Allowance for doubtful accounts	(158,418)	(157,573)
Total investments and other assets	4,268,243	3,450,595
Total non-current assets	21,143,317	20,197,804
Total assets	57,266,276	57,718,392

(Thousands of yen)

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,970,627	1,858,712
Electronically recorded obligations - operating	2,025,046	3,317,173
Income taxes payable	2,104,801	1,107,246
Provision for product warranties	59,058	57,564
Provision for bonuses for directors (and other officers)	266,219	12,355
Reserve for quality assurance	558,049	466,756
Provision for share awards for employee	152,956	-
Other	3,837,682	3,134,818
Total current liabilities	10,974,440	9,954,626
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	498,270	504,387
Retirement benefit liability	295,330	287,658
Other	210,801	269,817
Total non-current liabilities	1,004,402	1,061,863
Total liabilities	11,978,843	11,016,489
Net assets		
Shareholders' equity		
Share capital	700,530	700,530
Capital surplus	706,538	706,538
Retained earnings	44,557,149	45,797,706
Treasury shares	(851,463)	(698,277)
Total shareholders' equity	45,112,755	46,506,498
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,612	30,664
Remeasurements of defined benefit plans	167,969	164,643
Total accumulated other comprehensive income	174,581	195,307
Non-controlling interests	94	96
Total net assets	45,287,432	46,701,903
Total liabilities and net assets	57,266,276	57,718,392

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

For the three months ended June 30, 2025

(Thousands of yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Net sales	18,619,526	15,331,812
Cost of sales	9,601,457	8,280,846
Gross profit	9,018,069	7,050,965
Selling, general and administrative expenses	3,426,330	3,524,684
Operating profit	5,591,738	3,526,280
Non-operating income		
Interest income	133	3,143
Dividend income	6,533	12,911
Other	12,059	13,802
Total non-operating income	18,725	29,856
Non-operating expenses		
Interest expenses	13	2,011
Foreign exchange losses	4,428	-
Other	158	1,362
Total non-operating expenses	4,600	3,373
Ordinary profit	5,605,863	3,552,763
Extraordinary income		
Gain on sale of non-current assets	579	356
Total extraordinary income	579	356
Extraordinary losses		
Loss on sale of non-current assets	2,766	-
Loss on retirement of non-current assets	259	0
Impairment losses	-	4,295
Loss on valuation of investment securities	-	26,128
Total extraordinary losses	3,025	30,424
Profit before income taxes	5,603,417	3,522,695
Income taxes - current	1,822,593	1,086,378
Income taxes - deferred	(102,263)	12,103
Total income taxes	1,720,329	1,098,482
Profit	3,883,087	2,424,213
Profit (loss) attributable to non-controlling interests	-	(19)
Profit attributable to owners of parent	3,883,087	2,424,233

Quarterly Consolidated Statements of Comprehensive Income
For the three months ended June 30, 2025

	(Thousands of yen)	
	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Profit	3,883,087	2,424,213
Other comprehensive income		
Valuation difference on available-for-sale securities	(17)	24,056
Remeasurements of defined benefit plans, net of tax	(1,245)	(3,326)
Total other comprehensive income	(1,263)	20,730
Comprehensive income	3,881,824	2,444,943
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,881,824	2,444,959
Comprehensive income attributable to non-controlling interests	-	(15)

(3) Notes to quarterly consolidated financial statements

(Notes to going concern assumptions)

Not applicable.

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

Not applicable.

(Changes in presentation method)

The Company has previously recorded real estate lease revenue and real estate lease expenses as non-operating income and non-operating expenses. However, from the beginning of the first quarter of the fiscal year under review, these items are now recorded as net sales and cost of sales respectively.

These changes were made to more accurately reflect the reality of our business. At the Ordinary General Meeting of Shareholders held in June 2025, we amended the Articles of Incorporation to position our real estate leasing business as a key business of the Company. This was done in recognition of the fact that real estate lease revenue is a stable source of profit, and that the relevant department must appropriately manage its profitability.

As a result, in the consolidated statement of income for the three months ended June 30, 2024, ¥18,958 thousand previously presented as rental income from real estate under non-operating income and ¥10,905 thousand previously presented as rental expenses on real estate under non-operating expenses are now presented as net sales and cost of sales, respectively.

Further, in the consolidated statement of income for the fiscal year ended March 31, 2025, ¥832,746 thousand previously presented as investment property under investments and other assets are now presented as ¥327,466 thousand in buildings and structures, ¥492,987 thousand in land and ¥12,292 thousand in other, all under property, plant and equipment.

(Notes on segment information, etc.)

[Segment information]

I. Three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

1. Amounts of net sales and profit or losses by reportable segment

(Thousand yen)

	Reportable segments			Other (Note 1)	Total	Adjustments (Note 2)	Amount stated in quarterly consolidated statement of income (Note 3)
	Information Systems Business	Amusement Business	Total				
Net sales							
Sales to external customers	17,801,124	799,442	18,600,567	18,958	18,619,526	-	18,619,526
Intersegment sales or transfers	-	1,458	1,458	-	1,458	(1,458)	-
Total	17,801,124	800,901	18,602,026	18,958	18,620,985	(1,458)	18,619,526
Segment profit (losses)	6,112,122	(2,847)	6,109,274	8,053	6,117,328	(525,589)	5,591,738

(Notes)

1. “Other” refers to a business segment category that is not included in the reportable segments.
2. The adjustments of segment profit (losses) of (¥525,589 thousand) include the elimination of intersegment transactions of ¥3,769 thousand and corporate expenses unallocated to reportable segments of (¥529,358 thousand). Unallocated corporate expenses mostly include general and administrative expenses which are not attributable to any reportable segments.
3. Segment profit (losses) is adjusted to operating profit recorded in the quarterly consolidated statement of income.

2. Impairment losses of non-current assets or goodwill by reportable segment

Not applicable.

II. Three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

1. Amounts of net sales and profit or losses by reportable segment

(Thousand yen)

	Reportable segments			Other (Note 1)	Total	Adjustments (Note 2)	Amount stated in quarterly consolidated statement of income (Note 3)
	Information Systems Business	Amusement Business	Total				
Net sales							
Sales to external customers	11,550,554	3,480,842	15,031,396	300,415	15,331,812	-	15,331,812
Intersegment sales or transfers	1,864	5,770	7,634	-	7,634	(7,634)	-
Total	11,552,418	3,486,612	15,039,030	300,415	15,339,446	(7,634)	15,331,812
Segment profit (losses)	3,166,738	947,639	4,114,377	(28,158)	4,086,219	(559,938)	3,526,280

(Notes)

1. “Other” refers to a business segment category that is not included in the reportable segments.
2. The adjustments of segment profit (losses) of (¥559,938 thousand) include the elimination of intersegment transactions of ¥1,452 thousand and corporate expenses unallocated to reportable segments of (¥561,391 thousand). Unallocated corporate expenses mostly include general and administrative expenses which are not attributable to any reportable segments.
3. Segment profit (losses) is adjusted to operating profit recorded in the quarterly consolidated statement of income.

2. Changes in reportable segments

As stated in “2. Quarterly Consolidated Financial Statements and Key Notes, (3) Notes to quarterly consolidated financial statements (Changes in presentation method),” the Company has previously recorded real estate lease revenue and real estate lease expenses as non-operating income and non-operating expenses, however, from the beginning of the first quarter of the

fiscal year under review, these items are now recorded as net sales and cost of sales respectively.

In line with such change, segment information for the three months ended June 30, 2024 has been prepared using the changed accounting method.

3. Impairment losses of non-current assets or goodwill by reportable segment

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

Impairment losses of ¥4,295 thousand are recorded for the three months ended June 30, 2025.

(Notes on quarterly consolidated statement of cash flows)

The quarterly consolidated statements of cash flows for the three months ended June 30, 2025 is not prepared. The amounts of depreciation (including amortization of intangible assets, except goodwill) and amortization of goodwill for the three months ended June 30 are as follows:

	For the three months ended June 30, 2024 (From April 1, 2024 to June 30, 2024)	For the three months ended June 30, 2025 (From April 1, 2025 to June 30, 2025)
Depreciation	400,123 thousand yen	388,914 thousand yen
Amortization of goodwill	23,520 thousand yen	39,715 thousand yen

(Significant subsequent events)

Not applicable.