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November 14, 2025

Consolidated Financial Results for the Six Months Ended September 30, 2025 (Under Japanese GAAP)



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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Scheduled date to file semi-annual securities report: November 14, 2025

Scheduled date to commence dividend payments: December 5, 2025

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes

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 six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

(1) Consolidated operating results (cumulative)

(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	%
Six months ended September 30, 2025	30,372	(12.0)	6,985	(23.3)	7,038	(23.0)	4,736	(23.7)
September 30, 2024	34,504	-	9,102	-	9,135	15.1	6,210	12.9

Note: Comprehensive income For the six months ended September 30, 2025: ¥ 4,756 million [(23.3)%]
For the six months ended September 30, 2024: ¥ 6,202 million [12.7%]

	Basic earnings per share	Diluted earnings per share
Six months ended September 30, 2025	Yen 325.95	Yen -
September 30, 2024	420.00	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of September 30, 2025	Millions of yen 61,635	Millions of yen 49,058	% 79.6

March 31, 2025

57,266

45,287

79.1

Reference: Equity

As of September 30, 2025: ¥ 49,058 million

As of March 31, 2025: ¥ 45,287 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year ended March 31, 2025	Yen -	Yen 40.00	Yen -	Yen 80.00	Yen 120.00
Fiscal year ending March 31, 2026	-	30.00			
Fiscal year ending March 31, 2026 (Forecast)			-	70.00	100.00

Note: Revisions to the forecast of cash dividends most recently announced: Yes

Note: Breakdown of the second quarter dividend for the fiscal year ending March 31, 2026 :

Commemorative dividend - yen
Special dividend - yen

3. Consolidated financial result forecasts for the fiscal year ending March 31, 2026 (from 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	51,000	(11.3)	7,500	(38.7)	7,500	(38.7)	4,700	(39.2)	323.40	

Note: Revisions to the financial result forecast most recently announced: Yes

* Notes

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

Newly included: - companies ()
Excluded: - companies ()

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

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

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of September 30, 2025	14,818,175 shares
As of March 31, 2025	14,797,232 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2025	258,353 shares
As of March 31, 2025	314,879 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2025	14,533,070 shares
Six months ended September 30, 2024	14,787,595 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

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1. Qualitative Information on Semi-annual Financial Results

(1) Overview of operating results, etc.

During the six months ended September 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 impact of U.S. trading policy and continued price increases.

In the pachinko industry, in which our Group operates, it will soon be three 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 56.3% of all pachislot machines installed (up 1.8 percentage points from the end of the first quarter), and Smart Pachinko machines accounted for 23.3% of all pachinko machines installed (up 6.1 percentage points from the end of the first quarter) (based on our DK-SIS data).

Next, the average utilization status of games machines during the period from July to September 2025 was 98.7% compared to the same period of the previous year. In terms of utilization status by machine type, pachislot machines and pachinko machines stood at 99.2% and 98.5%, respectively, compared to 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 122.2% relative to non-smart AT type machines while Smart Pachinko machines were utilized at a rate of 121.7% 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 data).

With regard to trends relating to smart games machines, the introduction of machines with new gameplay features began during the period, including Smart Pachislot machines with “Bonus Trigger” in June 2025 and Smart Pachinko machines with “Lucky Trigger 3.0 Plus” in July 2025. We expect the installation rate of smart games machines to continue to increase 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 have worked to expand sales of the VEGASIA card unit in order to meet the demand for capital investment arising from the shift to smart games machines.

In addition, we have also made efforts to increase sales of (1) “BiGMO XCEL,” a terminal with an industry-leading 21.5 inch vertical LCD screen and (2) “TJ-01,” a compactly designed self-service terminal combining checkout and POS (prize exchange) machines and expand introduction of (3) “SITE SEVEN FAN+,” an AI-driven marketing support service. These three are new products we announced at the exhibitions we held in the first quarter.

Furthermore, in order to respond to changes in the market due to the introduction of smart games machines, we are aiming to further expand the MIRAI GATE 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 Replacement Operation Option is another key product that contributes to operational efficiency, completing the complicated work involved in replacing models in a short time.

Moreover, in July, we published the 22nd edition of the DK-SIS White Paper 2025 (based on 2024 data). The DK-SIS White Paper series, which serves as an industry white paper for the pachinko sector, was first launched in 2003. This publication aggregates and analyzes operational data transmitted daily from approximately 1.40 million machines (representing a 42.1% market share) and annual sales of ¥8.9 trillion from pachinko halls, and it is widely utilized by industry stakeholders as a key reference for assessing future market trends.

In the Amusement Business, following the market introduction in May 2025 of “Classroom of the Elite,” the new Smart Pachislot machine, as a starting point, we have been proceeding with the development of the next model. We are also making efforts to strengthen our planning and development framework for pachislot machines with the goal of gaining and expanding our market share in the medium term.

In addition, on September 25, our group company Genki Co., Ltd. released the Steam version of its proprietary game title, “TokyoXtremeRacer (full release).” On the same day, it also announced the decision to develop a PlayStation 5 version, and we will work toward increasing profit in the gaming field as well.

As a result, the performance for the six months ended September 30, 2025 recorded net sales of ¥30,372 million (down 12.0% year on year) and an operating profit of ¥6,985 million (down 23.3% year on year). We achieved an ordinary profit of ¥7,038 million (down 23.0% year on year), with a profit attributable to owners of parent of ¥4,736 million (down 23.7% year on year).

From the beginning of the period 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. Semi-annual Consolidated Financial Statements and Primary Notes, (4) Notes to Semi-annual Consolidated Financial Statements (Changes in presentation method).

The results by segment are as follows:

(Information Systems Business)

In terms of business during the six months ended September 30, 2025, pachinko hall operators continued to demonstrate consistent demand for capital investment associated with the introduction of smart games machines.

In this market environment, sales of products for pachinko halls, etc. decreased year on year as special procurement demand for new card units in response to the circulation of new banknotes had subsided. On the other hand, the sales volume of the VEGASIA card unit increased year on year, and sales of new products, including BiGMO XCEL, TJ-01, and information-disclosure-related products, remained strong.

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 ¥25,449 million (down 21.8% year on year) and a segment profit of ¥7,123 million (down 31.0% year on year).

(Amusement Business)

During the six months ended September 30, 2025, the introduction of Smart Pachinko machines progressed in the market. In this environment, sales of control parts for pachinko machines exceeded those of the same period of the previous fiscal year.

In addition, sales of “Classroom of the Elite,” a Smart Pachislot machine developed in the first quarter by our group company DAXEL INC., and “TokyoXtremeRacer,” a proprietary game title developed by Genki Co., Ltd. contributed positively to the performance of this business segment.

As a result, the business recorded net sales of ¥4,292 million (up 132.9% year on year) and a segment profit of ¥1,063 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 ¥659 million (up 353.0% year on year), while segment loss was ¥12 million (down 89.8% year on year).

(Million yen)				
	For the six months ended September 30, 2024	For the six months ended September 30, 2025	Change	Change (%)
Net sales	34,504	30,372	(4,132)	(12.0)
Information Systems Business	32,529	25,449	(7,080)	(21.8)
Amusement Business	1,842	4,292	2,450	132.9
Other	145	659	513	353.0
Operating profit	9,102	6,985	(2,116)	(23.3)
Ordinary profit	9,135	7,038	(2,096)	(23.0)
Profit attributable to owners of parent	6,210	4,736	(1,473)	(23.7)

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

(2) Overview of the financial position

As of September 30, 2025, total assets decreased in inventories, but increased in trade receivables and cash and deposits, also reflecting the strong performance during the period under review. As a result, total assets amounted to ¥61,635 million, up ¥4,368 million from the end of the previous fiscal year.

As of September 30, 2025, liabilities increased in trade payables, mainly due to higher purchases of materials for games machine development in the Amusement Business. As a result, total liabilities increased by ¥598 million compared to the end of the previous fiscal year to ¥12,577 million.

Despite dividend payments, etc., net assets as of September 30, 2025 increased ¥3,770 million from the end of previous fiscal year to ¥49,058 million due to recording of profit attributable to owners of parent. The capital adequacy ratio was 79.6%, up 0.5 percentage 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 of Earnings Forecast, Determination of Interim Dividend from Retained Earnings, and Revision (Increase) of Year-End Dividend Forecast" announced on November 14, 2025. Should the necessity arise to revise the earnings forecasts in the future, we will duly disclose the relevant information in a timely manner.

2. Semi-annual Consolidated Financial Statements and Primary Notes

(1) Semi-annual Consolidated Balance Sheet

(Thousands of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	16,960,449	21,111,327
Notes and accounts receivable - trade, and contract assets	4,162,056	5,919,823
Electronically recorded monetary claims - operating	3,220,853	3,635,534
Merchandise and finished goods	10,670,773	8,912,457
Work in process	33,541	10,133
Raw materials and supplies	570,549	360,406
Other	780,616	1,495,532
Allowance for doubtful accounts	(275,881)	(204,233)
Total current assets	<u>36,122,959</u>	<u>41,240,981</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,898,640	4,768,032
Land	6,232,980	6,232,980
Other, net	886,106	767,036
Total property, plant and equipment	<u>12,017,727</u>	<u>11,768,050</u>
Intangible assets		
Software	3,714,756	4,104,264
Goodwill	1,072,257	992,825
Other	70,332	69,794
Total intangible assets	<u>4,857,345</u>	<u>5,166,884</u>
Investments and other assets		
Deferred tax assets	863,420	813,974
Other	3,563,240	2,802,091
Allowance for doubtful accounts	(158,418)	(156,732)
Total investments and other assets	<u>4,268,243</u>	<u>3,459,333</u>
Total non-current assets	<u>21,143,317</u>	<u>20,394,268</u>
Total assets	<u>57,266,276</u>	<u>61,635,249</u>

(Thousands of yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,970,627	2,590,337
Electronically recorded obligations - operating	2,025,046	2,941,857
Income taxes payable	2,104,801	2,298,794
Provision for product warranties	59,058	47,822
Provision for bonuses for directors (and other officers)	266,219	23,460
Reserve for quality assurance	558,049	326,333
Provision for share awards for employee	152,956	-
Other	3,837,682	3,318,362
Total current liabilities	<u>10,974,440</u>	<u>11,546,967</u>
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	498,270	509,828
Retirement benefit liability	295,330	282,978
Other	210,801	237,277
Total non-current liabilities	<u>1,004,402</u>	<u>1,030,084</u>
Total liabilities	<u>11,978,843</u>	<u>12,577,052</u>
Net assets		
Shareholders' equity		
Share capital	700,530	723,128
Capital surplus	706,538	729,136
Retained earnings	44,557,149	48,110,464
Treasury shares	(851,463)	(698,277)
Total shareholders' equity	<u>45,112,755</u>	<u>48,864,451</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,612	32,306
Remeasurements of defined benefit plans	167,969	161,316
Total accumulated other comprehensive income	<u>174,581</u>	<u>193,622</u>
Non-controlling interests	<u>94</u>	<u>122</u>
Total net assets	<u>45,287,432</u>	<u>49,058,197</u>
Total liabilities and net assets	<u>57,266,276</u>	<u>61,635,249</u>

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income

Semi-annual Consolidated Statement of Income

(Thousands of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Net sales	34,504,609	30,372,607
Cost of sales	18,143,591	16,511,125
Gross profit	16,361,018	13,861,481
Selling, general and administrative expenses	7,258,675	6,875,641
Operating profit	9,102,342	6,985,839
Non-operating income		
Interest income	798	7,590
Dividend income	6,552	27,531
Royalty income	13,097	12,848
Other	13,537	14,810
Total non-operating income	33,986	62,781
Non-operating expenses		
Interest expenses	174	2,013
Foreign exchange losses	-	3,105
Other	516	4,591
Total non-operating expenses	690	9,710
Ordinary profit	9,135,638	7,038,910
Extraordinary income		
Gain on sale of non-current assets	2,353	357
Gain on sale of investment securities	1,152	-
Total extraordinary income	3,505	357
Extraordinary losses		
Loss on sale of non-current assets	2,764	-
Loss on retirement of non-current assets	959	193
Impairment losses	400	4,295
Loss on valuation of investment securities	50,530	28,288
Other	2,409	-
Total extraordinary losses	57,064	32,778
Profit before income taxes	9,082,078	7,006,490
Income taxes - current	3,260,760	2,226,249
Income taxes - deferred	(389,535)	43,245
Total income taxes	2,871,224	2,269,495
Profit	6,210,854	4,736,994
Profit (loss) attributable to non-controlling interests	(6)	3
Profit attributable to owners of parent	6,210,861	4,736,991

Semi-annual Consolidated Statement of Comprehensive Income

(Thousands of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Profit	6,210,854	4,736,994
Other comprehensive income		
Valuation difference on available-for-sale securities	(6,334)	25,700
Remeasurements of defined benefit plans, net of tax	(2,491)	(6,653)
Total other comprehensive income	<u>(8,826)</u>	<u>19,047</u>
Comprehensive income	<u>6,202,028</u>	<u>4,756,042</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,202,043	4,756,032
Comprehensive income attributable to non-controlling interests	(15)	10

(3) Semi-annual Consolidated Statement of Cash Flows

(Thousands of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Cash flows from operating activities		
Profit before income taxes	9,082,078	7,006,490
Depreciation	765,877	791,392
Impairment losses	400	4,295
Amortization of goodwill	62,102	79,431
Increase (decrease) in allowance for doubtful accounts	47,955	(73,334)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	4,405	11,558
Increase (decrease) in provision for employee stock ownership plan trust	-	(152,956)
Share-based payment expenses	17,256	15,333
Interest and dividend income	(7,351)	(35,122)
Interest expenses	174	2,013
Loss on retirement of non-current assets	959	193
Loss on valuation of membership	1,200	-
Decrease (increase) in trade receivables	(1,856,705)	(2,172,447)
Decrease (increase) in inventories	1,560,572	1,821,289
Increase (decrease) in trade payables	(1,268,705)	1,536,521
Decrease (increase) in other assets	(95,829)	(725,442)
Increase (decrease) in other liabilities	187,604	(773,070)
Other, net	55,312	16,109
Subtotal	8,557,306	7,352,254
Interest and dividends received	7,353	35,197
Interest paid	(174)	(2,013)
Income taxes paid	(3,066,775)	(2,028,307)
Net cash provided by (used in) operating activities	5,497,710	5,357,131
Cash flows from investing activities		
Purchase of investment securities	(434)	(702)
Purchase of property, plant and equipment	(296,795)	(139,274)
Proceeds from sale of investment securities	2,332	-
Purchase of intangible assets	(796,178)	(840,771)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,266,576)	-
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	45,642	-
Other, net	(169,754)	787,830
Net cash provided by (used in) investing activities	(2,481,766)	(192,916)
Cash flows from financing activities		
Redemption of bonds	(5,000)	(5,000)
Purchase of treasury shares	(165)	-
Dividends paid	(1,476,765)	(1,183,820)
Proceeds from sale of treasury shares	-	153,185
Other, net	(589)	22,297
Net cash provided by (used in) financing activities	(1,482,520)	(1,013,337)
Net increase (decrease) in cash and cash equivalents	1,533,424	4,150,877
Cash and cash equivalents at beginning of period	20,434,496	16,960,449
Cash and cash equivalents at end of period	21,967,921	21,111,327

(4) Notes to Semi-annual Consolidated Financial Statements

(Notes to going concern assumptions)

Not applicable.

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

Not applicable.

(Additional information)

(Issuance of new shares as restricted stock compensation)

At the Board of Directors meeting held on June 26, 2025, the Company resolved to issue new shares as restricted stock compensation.

1. Overview of the issuance

(1) Payment date	July 25, 2025
(2) Class and number of issued shares	20,943 shares of the Common's common stock
(3) Issue price	¥2,158 per share
(4) Total issue amount	¥45,194,994
(5) Allottees, the number of such persons, and the number of allotted shares	Directors of the Company (excluding External Directors): four persons / 13,464 shares Executive Officers who do not concurrently serving as Directors of the Company: eight persons / 7,479 shares
(6) Other	A securities report pursuant to the Financial Instruments and Exchange Act has been filed in connection this issuance.

2. Purpose and reason for the issuance

At the meeting of the Board of Directors held on May 15, 2024, the Company resolved to introduce a restricted stock compensation plan as a new compensation system for the Company's Directors (excluding External Directors; hereinafter referred to as "Eligible Directors"), Executive Officers who do not concurrently serve as Directors and the Directors of the Company's subsidiaries (hereinafter collectively referred to as "Eligible Directors, etc." together with Eligible Directors). The purpose of the plan is to provide incentives that contribute to the sustainable enhancement of the Company's corporate value and to further promote value sharing with all shareholders. Furthermore, at the 51st Ordinary General Meeting of Shareholders held on June 26, 2024, it was approved that, under this plan, monetary claims of up to ¥160 million per year shall be granted to the Eligible Directors, that up to 40,000 shares of the Company's common stock shall be issued or disposed of annually as restricted stock compensation, and that the restricted stock shall be subject to a transfer restriction period of 30 years.

(Changes in presentation method)

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. 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, we have made changes to the presentation method to more accurately reflect the reality of our business.

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.

In addition, 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 period under review, these items are now recorded as net sales and cost of sales, respectively.

As a result, in the consolidated statement of income for the six months ended September 30, 2024, ¥37,853 thousand previously presented as rental income from real estate under non-operating income and ¥22,231 thousand previously presented as rental expenses on real estate under non-operating expenses are now presented as net sales and cost of sales, respectively.

In the consolidated statements of cash flows for the six months ended September 30, 2024, ¥(321 thousand) previously presented as other under cash flows from investing activities are now presented as purchase of property, plant and equipment,

and ¥(15,622 thousand) presented as other non-operating expenses (income in parenthesis) under cash flows from operating activities and ¥15,622 thousand presented as other under cash flows from investing activities are now presented as profit before income taxes.

(Segment information, etc.)

[Segment information]

I. Six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

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

	Reportable segments			Other (Note 1)	Total	Adjustments (Note 2)	Amount stated in semi-annual consolidated statement of income (Note 3)
	Information Systems Business	Amusement Business	Total				
Net sales							
Sales to external customers	32,529,826	1,829,304	34,359,130	145,479	34,504,609	-	34,504,609
Intersegment sales or transfers	-	13,536	13,536	-	13,536	(13,536)	-
Total	32,529,826	1,842,840	34,372,666	145,479	34,518,146	(13,536)	34,504,609
Segment profit (losses)	10,320,759	(2,660)	10,318,099	(119,137)	10,198,961	(1,096,619)	9,102,342

(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 ¥(1,096,619 thousand) include the elimination of intersegment transactions of ¥5,755 thousand and corporate expenses unallocated to reportable segments of ¥(1,102,374 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 semi-annual consolidated statement of income.

2. Changes in reportable segments

From the six months ended September 30, 2024, the Company has newly added Hakone Glass Forest Resorts Co., Ltd., which was newly established, and has included NISHIMOTO INDUSTRY CO., LTD. and LILIUM CO., LTD., acquired through share purchases, within the scope of consolidation. Accordingly, a new business segment not previously included in the reportable segments, “Other,” has been added.

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 ¥400 thousand are recorded for the six months ended September 30, 2024.

II. Six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

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

	Reportable segments			Other (Note 1)	Total	Adjustments (Note 2)	Amount stated in semi-annual consolidated statement of income (Note 3)
	Information Systems Business	Amusement Business	Total				
Net sales							
Sales to external customers	25,446,697	4,268,522	29,715,220	657,386	30,372,607	-	30,372,607
Intersegment sales or transfers	2,438	24,339	26,778	1,649	28,427	(28,427)	-
Total	25,449,136	4,292,862	29,741,998	659,035	30,401,034	(28,427)	30,372,607
Segment profit (losses)	7,123,830	1,063,210	8,187,041	(12,139)	8,174,902	(1,189,062)	6,985,839

(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 ¥(1,189,062 thousand) include the elimination of intersegment transactions of ¥(1,091 thousand) and corporate expenses unallocated to reportable segments of ¥(1,187,971 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 semi-annual consolidated statement of income.

2. Changes in reportable segments

As stated in “2. Semi-annual Consolidated Financial Statements and Primary Notes, (4) Notes to Semi-annual 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 period under review, these items are now recorded as net sales and cost of sales, respectively, and are presented in the “Other” segment.

In line with such change, segment information for the six months ended September 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 six months ended September 30, 2025.

(Revenue recognition)

Breakdown of revenue from contracts with customers

Six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(Thousand yen)

	Reportable segments			Other (Note)	Total
	Information Systems Business	Amusement Business	Total		
Products etc. for pachinko halls	29,145,561	-	29,145,561	-	29,145,561
Services	3,384,264	-	3,384,264	-	3,384,264
Display/control units, etc. for games machine manufacturers	-	873,733	873,733	-	873,733
Parts/other	-	955,570	955,570	-	955,570
Other	-	-	-	107,625	107,625
Revenue from contracts with customers	32,529,826	1,829,304	34,359,130	107,625	34,466,755
Other revenue	-	-	-	37,853	37,853
Sales to external customers	32,529,826	1,829,304	34,359,130	145,479	34,504,609

(Notes) 1. "Other" refers to a business segment category that is not included in the reportable segments.

2. "Other revenue" represents rental income and the like according to the Accounting Standard for Lease Transactions.

Six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

(Thousand yen)

	Reportable segments			Other (Note)	Total
	Information Systems Business	Amusement Business	Total		
Products etc. for pachinko halls	21,905,188	-	21,905,188	-	21,905,188
Services	3,541,508	-	3,541,508	-	3,541,508
Display/control units, etc. for games machine manufacturers	-	3,331,916	3,331,916	-	3,331,916
Parts/other	-	936,606	936,606	-	936,606
Other	-	-	-	520,658	520,658
Revenue from contracts with customers	25,446,697	4,268,522	29,715,220	520,658	30,235,879
Other revenue	-	-	-	136,728	136,728
Sales to external customers	25,446,697	4,268,522	29,715,220	657,386	30,372,607

(Notes) 1. "Other" refers to a business segment category that is not included in the reportable segments.

2. "Other revenue" represents rental income and the like according to the Accounting Standard for Lease Transactions.

(Significant subsequent events)

Not applicable.