



Summary of Consolidated Financial Statements for the Year Ended March 31, 2024 (Japanese GAAP)

May 9, 2024

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Scheduled date of shareholders' meeting: June 20, 2024
Scheduled date of release of Securities Report: June 21, 2024
Scheduled date of dividend payment: June 21, 2024
Availability of supplementary explanatory materials prepared for financial results: Available
Briefing session on financial results to be held: None

(Figures are rounded down to the nearest million yen.)

1. Consolidated Business Results for Fiscal Year 2023 (April 1, 2023 to March 31, 2024)

(1) Consolidated Operating Results

(Percentage figures indicate the rate of year-on-year increase (decrease).)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
FY 2023	17,570	21.4	2,426	50.3	2,449	35.1	1,771	30.9
FY 2022	14,474	35.7	1,614	92.4	1,813	81.0	1,353	56.4

(Note) Comprehensive income: FY 2023: 1,918 million yen [33.3 %] FY 2022: 1,438 million yen [75.0%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit / Total assets	Operating profit / Net sales
	Yen	Yen	%	%	%
FY 2023	162.38	161.49	14.6	16.6	13.8
FY 2022	124.75	124.41	12.2	13.9	11.2

(Reference) Equity in earnings (losses) of non-consolidated subsidiaries and affiliates: – million yen (FY 2023); – million yen (FY 2022)

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	millions of yen	millions of yen	%	Yen
FY 2023	15,574	12,891	81.9	1,166.82
FY 2022	13,883	11,695	83.5	1,064.72

(Reference) Equity capital FY 2023: 12,759 million yen FY 2022: 11,587 million yen

(3) Status of Consolidated Cash Flows

	Operating cash flow	Investment cash flow	Financing cash flow	Cash and cash equivalent at end of year
	millions of yen	millions of yen	millions of yen	millions of yen
FY 2023	653	(811)	(755)	9,816
FY 2022	1,885	135	(408)	10,709

2. Dividend Payments

	Annual Dividend					Total dividend cost (Annual)	Dividend payout ratio (consolidated)	Dividend / Net assets (consolidated)
	1Q	2Q	3Q	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	millions of yen	%	%
FY 2022	—	0.00	—	78.00	78.00	848	62.5	7.7
FY 2023	—	0.00	—	81.00	81.00	885	49.9	7.3
FY 2024 (Projection)	—	0.00	—	35.00	35.00		49.7	

(Note) Breakdown of the dividends for fiscal year 2022: Ordinary dividend of 62 yen and commemorative dividend of 16 yen (for the 20th anniversary of public listing).

The year-end dividend per share for fiscal year 2023 has been changed from 72 yen to 81 yen. For information on dividend payments, please refer to “Notice on Dividends from Surplus (Increase)” released today (May 9, 2024).

3. Consolidated Forecast Results for Fiscal Year 2024 (April 1, 2024 to March 31, 2025)

(Percentage figures indicate the rate of year-on-year increase (decrease).)

	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
First half	6,500	(29.6)	600	(59.4)	600	(59.3)	420	(60.1)	38.40
Full year	13,300	(24.3)	1,100	(54.7)	1,100	(55.1)	770	(56.5)	70.41

* Matters of Note

(1) Changes in significant subsidiaries during the year under review (changes in specified subsidiaries resulting in changes in scope of consolidation): None

New inclusion: —

Exclusion: —

(2) Changes to accounting policies, changes to accounting estimates, and restatements

1) Changes to accounting policies accompanying the revision of accounting standards, etc.: None

2) Changes to accounting policies other than 1) above: None

3) Changes to accounting estimates: None

4) Restatements: None

(3) Number of shares issued (common shares)

1) The number of shares issued at end of year (including treasury shares)	FY 2023	11,211,989 shares	FY 2022	11,211,989 shares
2) The number of treasury shares at end of year	FY 2023	276,712 shares	FY 2022	328,917 shares
3) Average number of common shares during year	FY 2023	10,910,838 shares	FY 2022	10,853,009 shares

(Reference) Overview of Non-Consolidated Business Results**1. Non-Consolidated Business Results for Fiscal Year 2023 (April 1, 2023 to March 31, 2024)****(1) Non-Consolidated Operating Results**

(Percentage figures indicate the rate of year-on-year increase (decrease).)

	Net sales		Operating profit		Ordinary profit		Profit	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
FY 2023	17,189	22.5	2,272	67.1	2,293	47.2	1,568	30.4
FY 2022	14,033	35.6	1,359	60.1	1,557	53.8	1,203	33.2

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
FY 2023	143.79	143.00
FY 2022	110.87	110.57

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	millions of yen	millions of yen	%	Yen
FY 2023	14,512	12,501	85.9	1,140.44
FY 2022	13,157	11,579	87.8	1,061.16

(Reference) Equity capital

FY 2023: 12,471 million yen

FY 2022: 11,548 million yen

2. Non-Consolidated Forecast Results for Fiscal Year 2024 (April 1, 2024 to March 31, 2025)

(Percentage figures indicate the rate of year-on-year increase (decrease).)

	Net sales		Ordinary profit		Profit		Basic earnings per share
	millions of yen	%	millions of yen	%	millions of yen	%	Yen
First half	6,300	(30.4)	580	(58.5)	420	(58.8)	38.40
Full year	12,900	(25.0)	1,030	(55.1)	750	(52.2)	68.58

*** These financial results are outside the scope of audit by certified public accountants or an audit firm.***** Explanation of appropriate use of results forecasts, other matters of note:****(Note on forward-looking statements, etc.)**

The earnings forecasts and other forward-looking statements herein are based on information available to the Company and certain assumptions deemed reasonable as at the date of publication of this document. Actual results may differ significantly from these forecasts due to various factors. For assumed conditions of the earnings forecasts and precautions, etc. in using the earnings forecasts, please refer to [Appendix] P. 4 “1. Overview of Business Results, etc. (4) Future outlook.”

(Method of obtaining supplementary explanatory materials and a video of the briefing session on financial results)

The explanatory materials on financial results and a video of the briefing will be posted on the Company’s website.

Contents of Appendix

1. Overview of Business Results, etc	2
(1) Overview of business results for the fiscal year under review	2
(2) Overview of financial position for the fiscal year under review	3
(3) Overview of cash flows for the fiscal year under review	3
(4) Future outlook	4
2. Basic Policy on Selection of Accounting Standards	5
3. Consolidated Financial Statements and Primary Notes	6
(1) Consolidated Balance Sheets	6
(2) Consolidated Statements of Income and Comprehensive Income.....	8
Consolidated Statements of Income	8
Consolidated Statements of Comprehensive Income.....	9
(3) Consolidated Statements of Changes in Net Assets	10
(4) Consolidated Statements of Cash Flows	12
(5) Notes to Consolidated Financial Statements	13
(Notes regarding going concern assumption)	13
(Segment information)	13
(Per share information)	15
(Major subsequent events)	15

1. Overview of Business Results, etc.

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

During fiscal 2023, the Japanese economy maintained a moderate recovery trend along with a further normalization of socioeconomic activities, as COVID-19 was reclassified as Class V infectious disease and the behavioral restrictions were relaxed. Nevertheless, the future economic outlook remains uncertain due to concerns about soaring resource and raw material prices, and downside risks to the economy resulting from global monetary tightening.

The pachinko and pachislot machine market, which is the main market for the Group, has remained solid with the introduction of next-generation amusement machines including smart slot. As a result, the yearly sales volume for pachinko and pachislot machines, which is a measure of the market size of the Company, is estimated to have been around 1.61 million units compared with 1.58 million units sold in the previous fiscal year.

Under such circumstances, the Group worked on sales expansion for graphics LSI products for customers in the embedded system market (Note 1), in addition to initiatives for securing stable profits in the pachinko and pachislot market, and also focused on activities for early commercialization in new business areas adopting cutting-edge technologies including AI and blockchain. Furthermore, with a view to accelerating new business development, the Group actively considered initiatives including restructuring, alliances and investments.

As a result, for fiscal 2023, the Company recorded net sales of 17,570 million yen, up 3,095 million yen from the previous fiscal year (year-on-year increase of 21.4%), and gross profit of 5,597 million yen, up 1,051 million yen from the previous fiscal year (year-on-year increase of 23.1%). Gross profit margin increased by 0.5 percentage points year-on-year to 31.9%, driven by factors including a change in the product mix.

Selling, general and administrative expenses amounted to 3,171 million yen, an increase of 239 million yen from the previous fiscal year (year-on-year increase of 8.2%) due to an increase in labor cost such as performance-linked bonuses and aggressive promotion and advertising to improve corporate recognition in the new business area. Of this, research and development expenses accounted for 1,579 million yen, up 26 million yen (year-on-year increase of 1.7%).

Consequently, for fiscal 2023, the Company recorded an operating profit of 2,426 million yen, an increase of 811 million yen from the previous fiscal year (year-on-year increase of 50.3%). Ordinary profit rose by 636 million yen (year-on-year increase of 35.1%) to 2,449 million yen, and profit attributable to owners of parent rose by 417 million yen (year-on-year increase of 30.9%) to 1,771 million yen.

The business performance by segment is as follows. In addition, besides the following segments, company-wide expenses not allocated to each segment amounted to 880 million yen.

1) LSI Business for Japanese Entertainment Machines

The LSI Business for Japanese Entertainment Machines segment deals with products for pachinko and pachislot machines, the existing businesses of the Company. For fiscal 2023, the Company recorded net sales of 16,937 million yen, an increase of 3,085 million yen from the previous fiscal year (year-on-year increase of 22.3%), and a segment profit of 3,688 million yen, an increase of 903 million yen from the previous fiscal year (year-on-year increase of 32.4%). By product, for graphics LSI products for pachinko and pachislot machines, the Company's mainstay products, the Company sold approximately 640,000 units, up approximately 129,000 units from the same period of the previous fiscal year. On the other hand, sales of products including memory-module products (Note 2) fell below that of the previous fiscal year in terms of new sales. However, sales amount surpassed that of the previous fiscal year because the sales ratio of high unit price products with large memory capacity has increased. The order backlog for the segment on March 31, 2024 stood at 14,543 million yen.

2) Middleware (AI, Block Chain and Other) and LSI Business for New Business

This segment is a start-up business targeting the areas adopting cutting-edge technologies such as AI and block chain, in addition to graphics LSI products for embedded systems. The Company recorded net sales of 632 million yen, up 10 million yen, or 1.6% from the previous fiscal year, mainly from sales in the AI areas, and a segment loss of 381 million yen, down 24 million yen from a loss of 405 million yen reported in the previous fiscal year.

- (Note 1) “Embedded system market” refers to the market relating to the manufacture of embedded systems, excluding pachinko and pachislot machines. Embedded systems refer to electronic devices that have a computer embedded that carries out a particular processing specific to a certain application. Embedded systems include devices of various types and in various areas, ranging from medical devices, vending machines, to home electric appliances.
- (Note 2) “Memory-module” refers to the mechanism of the part that retains the image data installed in the graphics-rendering circuit boards of pachinko and pachislot machines.

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

Total assets as of the end of fiscal 2023 stood at 15,574 million yen, up 1,690 million yen, or 12.2%, from the end of the previous fiscal year. Main factors contributing to this outcome included an increase in merchandise and finished goods (1,694 million yen), an increase in securities (300 million yen), and an increase in investment securities (832 million yen), despite a decrease in cash and deposits (1,193 million yen), and a decrease in trade receivables and contract asset (135 million yen).

Total liabilities as of the end of fiscal 2023 stood at 2,682 million yen, up 495 million yen, or 22.6%, from the end of the previous fiscal year. Main factors contributing to this outcome included an increase in income taxes payable (339 million yen).

Total net assets as of the end of fiscal 2023 stood at 12,891 million yen, up 1,195 million yen, or 10.2%, from the end of the previous fiscal year. Main factors contributing to this outcome included an increase in retained earnings (922 million yen).

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

Cash and cash equivalents (hereinafter “funds”) as of the end of fiscal 2023 amounted to 9,816 million yen. The status of cash flows and their contributing factors are as follows.

(Cash flows from operating activities)

Funds provided by operating activities for fiscal 2023 amounted to 653 million yen (compared with funds provided of 1,885 million yen in fiscal 2022). This was mainly attributable to factors such as profit before income taxes (2,446 million yen), a decrease in trade receivables (135 million yen) and an increase in other current liabilities (256 million yen), despite an increase in inventories (1,701 million yen) and income taxes paid (415 million yen).

(Cash flows from investing activities)

Funds used investing activities for fiscal 2023 amounted to 811 million yen (compared with funds provided of 135 million yen in fiscal 2022). This was mainly attributable to factors such as proceeds from distributions from investment partnership (71 million yen), despite purchase of property, plant and equipment (108 million yen) and purchase of investment securities (752 million yen).

(Cash flows from financing activities)

Funds used in financing activities for fiscal 2023 amounted to 755 million yen (compared with funds used of 408 million yen in fiscal 2022). This was mainly attributable to dividends paid (848 million yen).

(Cash flow-related indicators)

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Ratio of shareholders' equity to total assets (%)	88.0	90.1	86.0	83.5	81.9
Ratio of market capitalization to total assets (%)	63.9	95.6	93.9	140.4	136.8
Ratio of interest-bearing liabilities to cash flow (%)	—	—	—	—	—
Interest coverage ratio (%)	—	—	—	—	—

Ratio of shareholders' equity to total assets: Shareholders' equity / total assets

Ratio of market capitalization to total assets: Market capitalization of stock / total assets

Ratio of interest-bearing liabilities to cash flow: Interest-bearing liabilities / cash flow

Interest coverage ratio: Cash flow / interest expense

(Note 1) The market capitalization of stock was calculated based on the number of shares issued, excluding treasury shares.

(Note 2) Operating cash flow is used for "cash flow" in the above calculations.

(Note 3) "Interest-bearing liabilities" in the above calculation refers to all liabilities recorded on the balance sheets for which the Company pays interests.

(4) Future outlook

As for the pachinko and pachislot machine market for fiscal 2024, the Company forecasts that while yearly sales volume of smart slots will remain solid, pachinko hall operators may have reduced investment appetite for new machines because of a need for a large-scale capital investment in response to an introduction of new banknotes scheduled for July 2024. Taking into consideration this outlook of the market and as a result of conducting detail market analysis including interviews with customers, the Company has estimated yearly sales volume for pachinko and pachislot machines during fiscal 2024 to be 1,400,000 units (estimated around 1,610,000 units for fiscal 2023) as the basis for calculating its earnings forecasts.

As for the Company's mainstay graphics LSI products targeted at the pachinko and pachislot machine market, the Company has made plans to sell 470,000 units, a decrease of approximately 170,000 units year-on-year, based on its assumptions on the market size as well as analysis including interviews with customers. As for other products targeted at the pachinko and pachislot machine market, the Company expects that the sales of memory-module products to decrease year-on-year in anticipation of expected increase in reuse ratio under the unfavorable market environment, and that the sales of LED driver products to fall below that of the previous fiscal year in anticipation of expected demand from customers adopting these products. In addition, the Company plans an increase in sales compared to the previous fiscal year in the new businesses in anticipation of a growth mainly in the area of AI.

Based on the foregoing analysis, the Company's net sales for fiscal 2024 are forecast to decrease by 4,270 million yen from the previous fiscal year to 13,300 million yen (down 24.3% year-on-year). Gross profit is expected to decrease by 1,547 million yen from the previous fiscal year to 4,050 million yen (down 27.7% year-on-year). Gross profit margin is forecast to decline by 1.4 percentage points year-on-year to 30.5%, mostly due to the impact of the product mix and foreign exchange. In addition, selling, general and administrative expenses are projected to decrease by 221 million yen from the previous fiscal year to 2,950 million yen (down 7.0% year-on-year), in anticipation of decline in performance-linked bonuses in line with a decrease in profit and reduced advertising expenses compared to that of the previous fiscal year when the Company actively invested in advertising such as TV commercials.

Based on the above financial projections, the Company's forecasts for fiscal 2024 are for operating profit to decrease by 1,326 million yen from the previous fiscal year to 1,100 million yen (down 54.7% year-on-year), ordinary profit to decrease by 1,349 million yen from the previous fiscal year to 1,100 million yen (down 55.1% year-on-year), and profit attributable to owners of parent to decrease by 1,001 million yen from the previous fiscal year to 770 million yen (down 56.5% year-on-year).

(Note) All forward-looking statements contained herein are based on information currently available to the Company and certain assumptions deemed to be reasonable by the Company, and are subject to a

number of uncertainties. The Company does not give assurances that these statements will come to fruition. Please be aware that actual results may differ significantly from these forecasts due to various factors.

2. Basic Policy on Selection of Accounting Standards

In view of the Company's financial statements being utilized for calculation of possible dividend amounts under the Companies Act and calculation of taxation amounts for income taxes, concerning accounting standards, the Group applies Japanese accounting standards.

3. Consolidated Financial Statements and Primary Notes**(1) Consolidated Balance Sheets**

(Millions of yen)

	FY 2022 (As of March 31, 2023)	FY 2023 (As of March 31, 2024)
Assets		
Current assets		
Cash and deposits	9,509	8,316
Trade receivables and contract asset	1,243	1,107
Securities	1,200	1,500
Merchandise and finished goods	736	2,431
Work in process	0	7
Raw materials and supplies	0	0
Other	108	225
Allowance for doubtful accounts	(0)	(0)
Total current assets	12,798	13,588
Non-current assets		
Property, plant and equipment		
Buildings	206	206
Accumulated depreciation	(136)	(143)
Buildings, net	69	62
Tools, furniture and fixtures	662	737
Accumulated depreciation	(598)	(625)
Tools, furniture and fixtures, net	64	111
Total property, plant and equipment	133	174
Intangible assets		
Goodwill	17	5
Other	25	33
Total intangible assets	43	38
Investments and other assets		
Investment securities	763	1,596
Deferred tax assets	28	56
Other	116	119
Total investments and other assets	908	1,772
Total non-current assets	1,084	1,985
Total assets	13,883	15,574

(Millions of yen)

	FY 2021 (As of March 31, 2023)	FY 2022 (As of March 31, 2024)
Liabilities		
Current liabilities		
Accounts payable - trade	1,372	1,387
Income taxes payable	276	616
Accrued consumption taxes	111	8
Other	385	629
Total current liabilities	2,145	2,641
Non-current liabilities		
Asset retirement obligations	40	41
Other	1	—
Total non-current liabilities	42	41
Total liabilities	2,187	2,682
Net assets		
Shareholders' equity		
Share capital	1,028	1,028
Capital surplus	896	969
Retained earnings	9,698	10,621
Treasury shares	(258)	(217)
Total shareholders' equity	11,364	12,401
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	222	357
Total accumulated other comprehensive income	222	357
Share acquisition rights	30	30
Non-controlling interests	77	101
Total net assets	11,695	12,891
Total liabilities and net assets	13,883	15,574

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

	(Millions of yen)	
	FY 2022 (From April 1, 2022 to March 31, 2023)	FY 2023 (From April 1, 2023 to March 31, 2024)
Net sales	14,474	17,570
Cost of sales	9,928	11,972
Gross profit	4,546	5,597
Selling, general and administrative expenses	2,931	3,171
Operating profit	1,614	2,426
Non-operating income		
Interest income	0	1
Dividend income	8	20
Subsidy income	114	–
Gain on investments in investment partnerships	77	6
Other	2	5
Total non-operating income	202	33
Non-operating expenses		
Foreign exchange losses	3	9
Other	0	0
Total non-operating expenses	4	10
Ordinary profit	1,813	2,449
Extraordinary income		
Gain on sale of membership	2	–
Other	0	–
Total extraordinary income	2	–
Extraordinary losses		
Impairment losses	4	1
Loss on valuation of investment securities	45	–
Loss on valuation of membership	5	–
Loss on liquidation of subsidiaries	17	–
Other	1	1
Total extraordinary losses	74	2
Profit before income taxes	1,741	2,446
Income taxes - current	327	749
Income taxes - deferred	31	(87)
Total income taxes	359	662
Profit	1,381	1,784
Profit attributable to non-controlling interests	28	12
Profit attributable to owners of parent	1,353	1,771

Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY 2022 (From April 1, 2022 to March 31, 2023)	FY 2023 (From April 1, 2023 to March 31, 2024)
Profit	1,381	1,784
Other comprehensive income		
Valuation difference on available-for-sale securities	56	134
Total other comprehensive income	56	134
Comprehensive income	1,438	1,918
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,410	1,906
Comprehensive income attributable to non-controlling interests	28	12

(3) Consolidated Statements of Changes in Net Assets

FY 2022 (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,028	882	8,777	(301)	10,386
Changes during period					
Dividends of surplus			(433)		(433)
Profit attributable to owners of parent			1,353		1,353
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		13		43	57
Net changes in items other than shareholders' equity					
Total changes during period	—	13	920	42	977
Balance at end of period	1,028	896	9,698	(258)	11,364

	Accumulated other comprehensive income		Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income			
Balance at beginning of period	166	166	27	49	10,629
Changes during period					
Dividends of surplus					(433)
Profit attributable to owners of parent					1,353
Purchase of treasury shares					(0)
Disposal of treasury shares					57
Net changes in items other than shareholders' equity	56	56	3	28	88
Total changes during period	56	56	3	28	1,066
Balance at end of period	222	222	30	77	11,695

FY 2023 (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,028	896	9,698	(258)	11,364
Changes during period					
Dividends of surplus			(848)		(848)
Profit attributable to owners of parent			1,771		1,771
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		26		41	67
Capital increase of consolidated subsidiaries		46			46
Net changes in items other than shareholders' equity					
Total changes during period	—	73	922	41	1,037
Balance at end of period	1,028	969	10,621	(217)	12,401

	Accumulated other comprehensive income		Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income			
Balance at beginning of period	222	222	30	77	11,695
Changes during period					
Dividends of surplus					(848)
Profit attributable to owners of parent					1,771
Purchase of treasury shares					(0)
Disposal of treasury shares					67
Capital increase of consolidated subsidiaries					46
Net changes in items other than shareholders' equity	134	134	(0)	24	158
Total changes during period	134	134	(0)	24	1,195
Balance at end of period	357	357	30	101	12,891

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	FY 2022 (From April 1, 2022 to March 31, 2023)	FY 2023 (From April 1, 2023 to March 31, 2024)
Cash flows from operating activities		
Profit before income taxes	1,741	2,446
Depreciation	42	73
Amortization of goodwill	11	10
Impairment losses	4	1
Increase (decrease) in allowance for doubtful accounts	(0)	(0)
Share-based payment expenses	35	34
Interest and dividend income	(8)	(21)
Loss (gain) on valuation of investment securities	45	–
Loss (gain) on liquidation of subsidiaries	17	–
Loss (gain) on investments in investment partnerships	(77)	(6)
Decrease (increase) in trade receivables	(203)	135
Decrease (increase) in inventories	34	(1,701)
Decrease (increase) in other current assets	(2)	(36)
Increase (decrease) in trade payables	278	14
Increase (decrease) in other current liabilities	140	256
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	2	(147)
Other, net	8	(12)
Subtotal	2,071	1,047
Interest and dividends received	8	21
Income taxes refund (paid)	(194)	(415)
Net cash provided by (used in) operating activities	1,885	653
Cash flows from investing activities		
Purchase of property, plant and equipment	(86)	(108)
Purchase of intangible assets	(3)	(22)
Purchase of investment securities	(32)	(752)
Proceeds from distributions from investment partnerships	217	71
Purchase of membership	(6)	–
Proceeds from sale of membership	10	–
Proceeds from liquidation of subsidiaries	35	–
Net cash provided by (used in) investing activities	135	(811)
Cash flows from financing activities		
Dividends paid	(432)	(848)
Proceeds from exercise of employee share options	24	32
Proceeds from share issuance to non-controlling shareholders	–	60
Other, net	(0)	(0)
Net cash provided by (used in) financing activities	(408)	(755)
Effect of exchange rate change on cash and cash equivalents	0	19
Net increase (decrease) in cash and cash equivalents	1,612	(893)
Cash and cash equivalents at beginning of period	9,097	10,709
Cash and cash equivalents at end of period	10,709	9,816

(5) Notes to Consolidated Financial Statements**(Notes regarding going concern assumption)**

N/A

(Segment information)**1. Outline of reportable segments**

The Group's reportable segments are the components of the Group's organization for which separate financial information is available and for which the Board of Directors regularly conducts a review for the purpose of making decisions about resources to be allocated to the segments and assess the segments' performance.

The Group's main business is the LSI Business for Japanese Entertainment Machines segment, an existing business. However, the Middleware (AI, Block Chain and Other) and LSI Business for New Business segment, which will support the growth of the Company from now on, is now also recognized as a reportable segment. The LSI Business for Japanese Entertainment Machines segment consists of development and sales of products for pachinko and pachislot machines. The Middleware (AI, Block Chain and Other) and LSI Business for New Business segment consists of development and sales of products for embedded systems, and product development and sales, as well as solution provision, in the areas of middleware, machine learning/AI, blockchain, and security.

2. Methods for calculating net sales, profit and loss, assets, liabilities, and amounts of other items by reportable segment

Methods of accounting used for the reportable business segments comply with the accounting policies adopted to prepare the consolidated financial statements.

Profit or loss figures for the reportable segments are on an operating profit basis.

3. Information about amounts of net sales, profit and loss, assets, liabilities, and other items by reportable segment

FY 2022 (April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable segment		Total	Adjustments (Notes 1)	Amount recorded in consolidated financial statement (Notes 2)
	LSI Business for Japanese Entertainment Machines	Middleware (AI, Block Chain and Other) and LSI Business for New Business			
Sales					
Revenues from external customers	13,852	622	14,474	—	14,474
Transactions with other segments	—	—	—	—	—
Net sales	13,852	622	14,474	—	14,474
Operating profit (loss)	2,785	(405)	2,379	(765)	1,614
Other items					
Depreciation	29	5	34	8	43
Amortization of goodwill	—	11	11	—	11
Impairment loss	—	4	4	—	4

(Notes) 1. The (765) million yen adjustments to operating profit (loss) are company-wide expenses not distributed to each reportable segment, mainly general expenses not attributable to reportable segments.

2. Operating profit (loss) is adjusted with operating profit in Consolidated Financial Statements.

3. Assets and liabilities are not presented as they are not distributed to business segments, while depreciation is distributed to each segment based on reasonable standards.

FY 2023 (April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segment		Total	Adjustments (Notes 1)	Amount recorded in consolidated financial statement (Notes 2)
	LSI Business for Japanese Entertainment Machines	Middleware (AI, Block Chain and Other) and LSI Business for New Business			
Sales					
Revenues from external customers	16,937	632	17,570	—	17,570
Transactions with other segments	—	—	—	—	—
Net sales	16,937	632	17,570	—	17,570
Operating profit (loss)	3,688	(381)	3,307	(880)	2,426
Other items					
Depreciation	52	9	61	11	73
Amortization of goodwill	—	10	10	—	10
Impairment loss	—	1	1	—	1

- (Notes) 1. The (880) million yen adjustments to operating profit (loss) are company-wide expenses not distributed to each reportable segment, mainly general expenses not attributable to reportable segments.
2. Operating profit (loss) is adjusted with operating profit in Consolidated Financial Statements.
3. Assets and liabilities are not presented as they are not distributed to business segments, while depreciation is distributed to each segment based on reasonable standards.

(Per share information)

	FY 2022 (From April 1, 2022 to March 31, 2023)	FY 2023 (From April 1, 2023 to March 31, 2024)
Net assets per share	1,064.72 yen	1,166.82 yen
Basic earnings per share	124.75 yen	162.38 yen
Diluted earnings per share	124.41 yen	161.49 yen

(Note) 1. The basis of calculation of the net assets per share is as follows:

	FY 2022 (As of March 31, 2023)	FY 2023 (As of March 31, 2024)
Total amount of net assets (millions of yen)	11,695	12,891
Amount to be deducted from the total amount of net assets (millions of yen)	108	131
(Of which, share acquisition rights (millions of yen))	(30)	(30)
(Of which, non-controlling interests (millions of yen))	(77)	(101)
Net assets as of the end of the period associated with common stock (millions of yen)	11,587	12,759
Number of common stocks as of the end of the period used for calculating the net assets per share (shares)	10,883,072	10,935,277

2. The basis of calculation of the basic earnings per share and diluted earnings per share is as follows:

	FY 2022 (From April 1, 2022 to March 31, 2023)	FY 2023 (From April 1, 2023 to March 31, 2024)
Basic earnings per share		
Profit attributable to owners of parent (millions of yen)	1,353	1,771
Amount not attributable to common shareholders (millions of yen)	—	—
Profit attributable to owners of parent on common stock (millions of yen)	1,353	1,771
Average number of shares of common stock during the period (shares)	10,853,009	10,910,838
Diluted earnings per share		
Adjustments of profit attributable to owners of parent (millions of yen)	—	—
Increase in number of shares of common stock (shares)	29,688	60,523
(Of which, share acquisition rights (millions of yen))	(29,688)	(60,523)
Outline of residual shares not included in the calculation of diluted earnings per share due to not having dilutive effects	—	—

(Major subsequent events)

N/A