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Summary of Consolidated Financial Statements for the Year Ended March 31, 2025 (Japanese GAAP)

May 9, 2025

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Scheduled date of shareholders' meeting: June 19, 2025
Scheduled date of release of Securities Report: June 18, 2025
Scheduled date of dividend payment: June 20, 2025
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 2024 (April 1, 2024 to March 31, 2025)

(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 2024	15,244	(13.2)	1,461	(39.8)	1,542	(37.0)	978	(44.8)
FY 2023	17,570	21.4	2,426	50.3	2,449	35.1	1,771	30.9

(Note) Comprehensive income: FY 2024: 971 million yen [(49.4)%] FY 2023: 1,918 million yen [33.3%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit / Total assets	Operating profit / Net sales
	Yen	Yen	%	%	%
FY 2024	89.37	89.12	7.6	10.1	9.6
FY 2023	162.38	161.49	14.6	16.6	13.8

(Reference) Equity in earnings (losses) of non-consolidated subsidiaries and affiliates: – million yen (FY 2024); – million yen (FY 2023)

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	millions of yen	millions of yen	%	Yen
FY 2024	15,042	13,015	85.6	1,174.61
FY 2023	15,574	12,891	81.9	1,166.82

(Reference) Equity capital FY 2024: 12,878 million yen FY 2023: 12,759 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 2024	(1,575)	(766)	(873)	6,600
FY 2023	653	(811)	(755)	9,816

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 2023	—	0.00	—	81.00	81.00	885	49.9	7.3
FY 2024	—	0.00	—	45.00	45.00	493	50.4	3.8
FY 2025 (Projection)	—	0.00	—	33.00	33.00		49.6	

(Note) The year-end dividend per share for fiscal year 2024 has been changed from 41 yen to 45 yen. For information on dividend payments, please refer to “Notice on Dividends from Surplus (Increase)” released today (May 9, 2025).

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

(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	6,200	(23.9)	500	(46.7)	510	(48.8)	350	(49.5)	31.92
Full year	12,000	(21.3)	1,000	(31.6)	1,020	(33.9)	730	(25.4)	66.58

* Matters of Note

(1) Significant changes in the scope of consolidation during the period: 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 2024	11,211,989 shares	FY 2023	11,211,989 shares
2) The number of treasury shares at end of year	FY 2024	247,772 shares	FY 2023	276,712 shares
3) Average number of common shares during year	FY 2024	10,951,359 shares	FY 2023	10,910,838 shares

(Reference) Overview of Non-Consolidated Business Results

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

(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 2024	14,918	(13.2)	1,367	(39.8)	1,434	(37.4)	818	(47.8)
FY 2023	17,189	22.5	2,272	67.1	2,293	47.2	1,568	30.4

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
FY 2024	74.71	74.50
FY 2023	143.79	143.00

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	millions of yen	millions of yen	%	Yen
FY 2024	13,952	12,458	89.1	1,133.66
FY 2023	14,512	12,501	85.9	1,140.44

(Reference) Equity capital

FY 2024: 12,429 million yen

FY 2023: 12,471 million yen

2. Non-Consolidated Forecast Results for Fiscal Year 2025 (April 1, 2025 to March 31, 2026)

(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	6,000	(25.0)	480	(50.8)	350	(51.4)	31.92
Full year	11,700	(21.6)	1,030	(28.2)	760	(7.2)	69.31

*** 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.

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1. Overview of Business Results, etc.

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

During fiscal 2024, the Japanese economy showed signs of a pick-up in overall economic conditions despite sluggishness remaining in some parts of consumer spending, and moderate recovery is expected to continue. Nevertheless, the future economic outlook still remains uncertain because continued rise in prices poses a risk to the economy by negatively affecting personal consumption through a decline in consumer sentiment, along with potential impacts from U.S. policy trends, including trade policies.

The pachinko and pachislot machine market, which is the main market for the Group, experienced a year marked by a sense of deceleration in some areas, despite continued expectations for next-generation models amid the growing adoption of smart gaming machines. The pachislot machine market saw a decline in the number of units sold in fiscal 2024 compared to the previous year, partly due to a reactionary decrease following the market expansion driven by the popularity of smart slot machines in the previous year. Meanwhile, the pachinko machine market has remained firm, maintaining sales volumes on par with the previous year, supported by the continued introduction of models featuring new rules specific to smart pachinko machines. 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 1.53 million units compared with 1.61 million units sold in the previous fiscal year.

Under such circumstances, the Group focused on efforts to secure stable profits in the pachinko and pachislot machine market, to expand sales of graphics LSI products for the embedded system market (Note 1), and to expand the scale of new businesses centered on the AI area. Furthermore, with a view to accelerating new business development, the Group actively considered initiatives including alliances and investments.

As a result, for fiscal 2024, the Company recorded net sales of 15,244 million yen, down 2,325 million yen from the previous fiscal year (year-on-year decrease of 13.2%), and gross profit of 4,388 million yen, down 1,209 million yen from the previous fiscal year (year-on-year decrease of 21.6%). Gross profit margin decreased by 3.1 percentage points year-on-year to 28.8%, due to factors including a change in the product mix. Selling, general and administrative expenses amounted to 2,926 million yen, a decrease of 244 million yen from the previous fiscal year (year-on-year decrease of 7.7%) due to a decrease in labor cost associated with reduced performance-linked bonuses, along with a decrease in advertising and promotion expenses. Of this, research and development expenses accounted for 1,547 million yen, down 31 million yen (year-on-year decrease of 2.0%).

Consequently, for fiscal 2024, the Company recorded an operating profit of 1,461 million yen, a decrease of 965 million yen from the previous fiscal year (year-on-year decrease of 39.8%). Ordinary profit decreased by 906 million yen (year-on-year decrease of 37.0%) to 1,542 million yen, and profit attributable to owners of parent decreased by 792 million yen (year-on-year decrease of 44.8%) to 978 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 654 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 2024, the Company recorded net sales of 14,804 million yen, a decrease of 2,133 million yen from the previous fiscal year (year-on-year decrease of 12.6%), and a segment profit of 2,610 million yen, a decrease of 1,077 million yen from the previous fiscal year (year-on-year decrease of 29.2%). By product, for graphics LSI products for pachinko and pachislot machines, the Company's mainstay products, the Company sold approximately 510,000 units, down approximately 130,000 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. The order backlog for the segment on March 31, 2025 stood at 10,992 million yen.

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

This segment is a start-up business targeting the new business 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 440 million yen, down 192 million yen, or 30.4% from the previous fiscal year, mainly from sales in the AI areas, and a segment loss of 495 million yen, up 113 million yen from a loss of 381 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 2024 stood at 15,042 million yen, down 531 million yen, or 3.4%, from the end of the previous fiscal year. Main factors contributing to this outcome included an increase in trade receivables and contract asset (380 million yen), an increase in merchandise and finished goods (1,476 million yen), and an increase in investment securities (583 million yen), despite a decrease in cash and deposits (3,315 million yen).

Total liabilities as of the end of fiscal 2024 stood at 2,026 million yen, down 655 million yen, or 24.4%, from the end of the previous fiscal year. Main factors contributing to this outcome included a decrease in income taxes payable (539 million yen).

Total net assets as of the end of fiscal 2024 stood at 13,015 million yen, up 124 million yen, or 1.0%, from the end of the previous fiscal year. Main factors contributing to this outcome included an increase in retained earnings (93 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 2024 amounted to 6,600 million yen. The status of cash flows and their contributing factors are as follows.

(Cash flows from operating activities)

Funds used in operating activities for fiscal 2024 amounted to 1,575 million yen (compared with funds provided of 653 million yen in fiscal 2023). This was mainly attributable to factors such as profit before income taxes (1,404 million yen), an increase in trade payables (184 million yen), despite an increase in trade receivables (380 million yen), an increase in inventories (1,472 million yen), an increase in other current assets (218 million yen), a decrease in other current liabilities (311 million yen), and income taxes paid (964 million yen).

(Cash flows from investing activities)

Funds used in investing activities for fiscal 2024 amounted to 766 million yen (compared with funds used of 811 million yen in fiscal 2023). This was mainly attributable to factors such as proceeds from distributions from investment partnerships (61 million yen), despite purchase of property, plant and equipment (101 million yen) and purchase of investment securities (717 million yen).

(Cash flows from financing activities)

Funds used in financing activities for fiscal 2024 amounted to 873 million yen (compared with funds used of 755 million yen in fiscal 2023). This was mainly attributable to dividends paid (884 million yen).

(Cash flow-related indicators)

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Ratio of shareholders' equity to total assets (%)	90.1	86.0	83.5	81.9	85.6
Ratio of market capitalization to total assets (%)	95.6	93.9	140.4	136.8	79.4
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 2025, the introduction of new models is expected to progress, supported by the deregulation related to smart pachinko machines. In addition, steady demand is anticipated to continue in the pachislot machine market. Overall, the Company projects that the total number of units sold will remain at a level comparable to that of fiscal year 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 2025 to be 1,550,000 units (estimated around 1,530,000 units for fiscal 2024) 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 400,000 units, a decrease of approximately 110,000 units year-on-year, in anticipation of expected increase in reuse ratio, based on analysis including interviews with customers. As for memory-module 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, and that the sales of LED driver products to outperform 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 2025 are forecast to decrease by 3,244 million yen from the previous fiscal year to 12,000 million yen (down 21.3% year-on-year). Gross profit is expected to decrease by 638 million yen from the previous fiscal year to 3,750 million yen (down 14.5% year-on-year). Gross profit margin is forecast to increase by 2.5 percentage points year-on-year to 31.3%, mostly due to the impact of the product mix. In addition, selling, general and administrative expenses are projected to decrease by 176 million yen from the previous fiscal year to 2,750 million yen (down 6.0% year-on-year), mainly in anticipation of decline in prototype development costs.

Based on the above financial projections, the Company's forecasts for fiscal 2025 are for operating profit to decrease by 461 million yen from the previous fiscal year to 1,000 million yen (down 31.6% year-on-year), ordinary profit to decrease by 522 million yen from the previous fiscal year to 1,020 million yen (down 33.9% year-on-year), and profit attributable to owners of parent to decrease by 248 million yen from the previous fiscal year to 730 million yen (down 25.4% 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 2023 (As of March 31, 2024)	FY 2024 (As of March 31, 2025)
Assets		
Current assets		
Cash and deposits	8,316	5,000
Trade receivables and contract asset	1,107	1,488
Securities	1,500	1,600
Merchandise and finished goods	2,431	3,908
Work in process	7	3
Raw materials and supplies	0	0
Other	225	410
Allowance for doubtful accounts	(0)	(0)
Total current assets	13,588	12,411
Non-current assets		
Property, plant and equipment		
Buildings	206	206
Accumulated depreciation	(143)	(149)
Buildings, net	62	57
Tools, furniture and fixtures	737	799
Accumulated depreciation	(625)	(665)
Tools, furniture and fixtures, net	111	133
Total property, plant and equipment	174	191
Intangible assets		
Goodwill	5	–
Other	33	29
Total intangible assets	38	29
Investments and other assets		
Investment securities	1,596	2,179
Deferred tax assets	56	67
Other	119	162
Total investments and other assets	1,772	2,410
Total non-current assets	1,985	2,631
Total assets	15,574	15,042

	(Millions of yen)	
	FY 2023 (As of March 31, 2024)	FY 2024 (As of March 31, 2025)
Liabilities		
Current liabilities		
Accounts payable - trade	1,387	1,571
Income taxes payable	616	76
Accrued consumption taxes	8	—
Other	629	336
Total current liabilities	2,641	1,984
Non-current liabilities		
Asset retirement obligations	41	42
Total non-current liabilities	41	42
Total liabilities	2,682	2,026
Net assets		
Shareholders' equity		
Share capital	1,028	1,028
Capital surplus	969	987
Retained earnings	10,621	10,714
Treasury shares	(217)	(195)
Total shareholders' equity	12,401	12,535
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	357	343
Total accumulated other comprehensive income	357	343
Share acquisition rights	30	28
Non-controlling interests	101	108
Total net assets	12,891	13,015
Total liabilities and net assets	15,574	15,042

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

	(Millions of yen)	
	FY 2023 (From April 1, 2023 to March 31, 2024)	FY 2024 (From April 1, 2024 to March 31, 2025)
Net sales	17,570	15,244
Cost of sales	11,972	10,856
Gross profit	5,597	4,388
Selling, general and administrative expenses	3,171	2,926
Operating profit	2,426	1,461
Non-operating income		
Interest income	1	3
Dividend income	20	54
Gain on investments in investment partnerships	6	49
Other	5	9
Total non-operating income	33	116
Non-operating expenses		
Foreign exchange losses	9	34
Other	0	0
Total non-operating expenses	10	34
Ordinary profit	2,449	1,542
Extraordinary income		
Gain on reversal of share acquisition rights	—	0
Total extraordinary income	—	0
Extraordinary losses		
Impairment losses	1	9
Loss on sale of investment securities	—	125
Other	1	4
Total extraordinary losses	2	139
Profit before income taxes	2,446	1,404
Income taxes - current	749	430
Income taxes - deferred	(87)	(11)
Total income taxes	662	418
Profit	1,784	985
Profit attributable to non-controlling interests	12	6
Profit attributable to owners of parent	1,771	978

Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY 2023 (From April 1, 2023 to March 31, 2024)	FY 2024 (From April 1, 2024 to March 31, 2025)
Profit	1,784	985
Other comprehensive income		
Valuation difference on available-for-sale securities	134	(14)
Total other comprehensive income	134	(14)
Comprehensive income	1,918	971
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,906	964
Comprehensive income attributable to non-controlling interests	12	6

(3) Consolidated Statements of Changes in Net Assets

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

FY 2024 (From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,028	969	10,621	(217)	12,401
Changes during period					
Dividends of surplus			(885)		(885)
Profit attributable to owners of parent			978		978
Disposal of treasury shares		17		22	40
Net changes in items other than shareholders' equity					
Total changes during period	–	17	93	22	133
Balance at end of period	1,028	987	10,714	(195)	12,535

	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	357	357	30	101	12,891
Changes during period					
Dividends of surplus					(885)
Profit attributable to owners of parent					978
Disposal of treasury shares					40
Net changes in items other than shareholders' equity	(14)	(14)	(1)	6	(9)
Total changes during period	(14)	(14)	(1)	6	124
Balance at end of period	343	343	28	108	13,015

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	FY 2023 (From April 1, 2023 to March 31, 2024)	FY 2024 (From April 1, 2024 to March 31, 2025)
Cash flows from operating activities		
Profit before income taxes	2,446	1,404
Depreciation	73	94
Amortization of goodwill	10	5
Impairment losses	1	9
Increase (decrease) in allowance for doubtful accounts	(0)	(0)
Share-based payment expenses	34	27
Interest and dividend income	(21)	(57)
Loss (gain) on investments in investment partnerships	(6)	(49)
Loss (gain) on sale of investment securities	—	125
Decrease (increase) in trade receivables	135	(380)
Decrease (increase) in inventories	(1,701)	(1,472)
Decrease (increase) in other current assets	(36)	(218)
Increase (decrease) in trade payables	14	184
Increase (decrease) in other current liabilities	256	(311)
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	(147)	8
Other, net	(12)	(35)
Subtotal	1,047	(667)
Interest and dividends received	21	56
Income taxes refund (paid)	(415)	(964)
Net cash provided by (used in) operating activities	653	(1,575)
Cash flows from investing activities		
Purchase of property, plant and equipment	(108)	(101)
Purchase of intangible assets	(22)	(11)
Purchase of investment securities	(752)	(717)
Proceeds from sale of investment securities	—	24
Proceeds from distributions from investment partnerships	71	61
Purchase of membership	—	(20)
Other, net	—	(0)
Net cash provided by (used in) investing activities	(811)	(766)
Cash flows from financing activities		
Dividends paid	(848)	(884)
Proceeds from exercise of employee share options	32	11
Proceeds from share issuance to non-controlling shareholders	60	—
Other, net	(0)	(0)
Net cash provided by (used in) financing activities	(755)	(873)
Effect of exchange rate change on cash and cash equivalents	19	0
Net increase (decrease) in cash and cash equivalents	(893)	(3,215)
Cash and cash equivalents at beginning of period	10,709	9,816
Cash and cash equivalents at end of period	9,816	6,600

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

N/A

(Notes regarding 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 2023 (April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segment		Total	Adjustments (Note 1)	Amount recorded in consolidated financial statements (Note 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 losses	—	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.

FY 2024 (April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable segment		Total	Adjustments (Note 1)	Amount recorded in consolidated financial statements (Note 2)
	LSI Business for Japanese Entertainment Machines	Middleware (AI, Block Chain and Other) and LSI Business for New Business			
Sales					
Revenues from external customers	14,804	440	15,244	—	15,244
Transactions with other segments	—	—	—	—	—
Net sales	14,804	440	15,244	—	15,244
Operating profit (loss)	2,610	(495)	2,115	(654)	1,461
Other items					
Depreciation	70	11	81	13	95
Amortization of goodwill	—	5	5	—	5
Impairment losses	—	9	9	—	9

- (Notes) 1. The (654) 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.

(Notes regarding per share information)

	FY 2023 (From April 1, 2023 to March 31, 2024)	FY 2024 (From April 1, 2024 to March 31, 2025)
Net assets per share	1,166.82 yen	1,174.61 yen
Basic earnings per share	162.38 yen	89.37 yen
Diluted earnings per share	161.49 yen	89.12 yen

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

	FY 2023 (As of March 31, 2024)	FY 2024 (As of March 31, 2025)
Total amount of net assets (millions of yen)	12,891	13,015
Amount to be deducted from the total amount of net assets (millions of yen)	131	136
(Of which, share acquisition rights (millions of yen))	(30)	(28)
(Of which, non-controlling interests (millions of yen))	(101)	(108)
Net assets as of the end of the period associated with common stock (millions of yen)	12,759	12,878
Number of common stocks as of the end of the period used for calculating the net assets per share (shares)	10,935,277	10,964,217

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

	FY 2023 (From April 1, 2023 to March 31, 2024)	FY 2024 (From April 1, 2024 to March 31, 2025)
Basic earnings per share		
Profit attributable to owners of parent (millions of yen)	1,771	978
Amount not attributable to common shareholders (millions of yen)	—	—
Profit attributable to owners of parent on common stock (millions of yen)	1,771	978
Average number of shares of common stock during the period (shares)	10,910,838	10,951,359
Diluted earnings per share		
Adjustments of profit attributable to owners of parent (millions of yen)	—	—
Increase in number of shares of common stock (shares)	60,523	31,553
(Of which, share acquisition rights (millions of yen))	(60,523)	(31,553)
Outline of residual shares not included in the calculation of diluted earnings per share due to not having dilutive effects	—	—

(Notes regarding major subsequent events)

N/A