

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

May 9, 2024

Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (Under Japanese GAAP)

Company name: Japan Cash Machine Co., Ltd.
Listing: Tokyo Stock Exchange
Securities code: 6418
URL: <https://www.jcm-hq.co.jp>
Representative: Yojiro Kamihigashi, President and Representative Director
Inquiries: Tsuyoshi Takagaki, Executive Director and Senior Executive Officer,
Executive General Manager of Corporate Planning Division
Telephone: +81-6-6643-8400
Scheduled date of Ordinary General Meeting of Shareholders: June 25, 2024
Scheduled date to commence dividend payments: June 4, 2024
Scheduled date to file annual securities report: June 25, 2024
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for Institutional Investors)

(All amounts are rounded down to the nearest millions)

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

(1) Consolidated operating results

(% indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year Ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	31,610	25.1	2,839	356.0	3,568	181.5	3,281	4.3
March 31, 2023	25,258	26.0	622	9.5	1,267	(8.5)	3,146	419.7

Note: Comprehensive income For the fiscal year ended March 31, 2024: 3,855 million yen [(16.6)%]
For the fiscal year ended March 31, 2023: 4,624 million yen [342.6%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2024	112.59	—	11.8	8.2	9.0
March 31, 2023	106.24	—	12.5	3.5	2.5

Reference: Share of profit (loss) of entities accounted for using equity method
For the fiscal year ended March 31, 2024: (275) million yen
For the fiscal year ended March 31, 2023: — million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2024	47,698	28,655	60.1	1,018.44
March 31, 2023	38,816	27,163	70.0	925.68

Reference: Equity
As of March 31, 2024: 28,655 million yen
As of March 31, 2023: 27,163 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2024	(4,925)	(402)	4,116	12,522
March 31, 2023	(799)	522	(1,422)	13,204

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2023	—	3.00	—	7.00	10.00	294	9.4	1.2
Fiscal year ended March 31, 2024	—	7.00	—	19.00	26.00	740	23.1	2.7
Fiscal year ending March 31, 2025 (Forecast)	—	14.00	—	14.00	28.00		30.3	

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

(% indicate the changes from the corresponding period of the previous year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2024	17,500	31.4	1,900	106.6	1,800	2.5	1,500	9.4	53.31
Full year	35,100	11.0	3,400	19.8	3,300	(7.5)	2,600	(20.8)	92.41

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) 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 other than (i): None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

Note: Please refer to the section “(5) Notes to Consolidated Financial Statements” on page 15 for further information.

(3) Number of issued shares (common shares)

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

As of March 31, 2024	29,672,651 shares
As of March 31, 2023	29,672,651 shares

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

As of March 31, 2024	1,535,927 shares
As of March 31, 2023	328,364 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2024	29,149,252 shares
Fiscal year ended March 31, 2023	29,612,372 shares

(Reference) Summary of Non-consolidated Financial Results**Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2024
(April 1, 2023 to March 31, 2024)****(1) Non-consolidated operating results**

(% indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	11,248	77.6	824	—	2,289	348.1	3,157	73.7
March 31, 2023	6,334	15.5	(302)	—	510	—	1,818	—

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2024	108.33	—
March 31, 2023	61.40	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2024	31,798	17,734	55.8	630.30
March 31, 2023	23,736	16,868	71.1	574.84

Reference: Equity

As of March 31, 2024: 17,734 million yen

As of March 31, 2023: 16,868 million yen

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

* Explanation regarding the proper use of earnings forecasts and other special matters
(Caution concerning forward-looking statements)

The forward-looking statements in this report are based on currently available information and certain assumptions judged to be reasonable. Actual results may differ significantly from these forecasts for a number of factors. Please refer to the section “(4) Outlook” on page 6 regarding preconditions or other related matters for the forecast shown above.

Contents of Attachments

Index

1. Overview of Operating Results.....	2
(1) Overview of Operating Results for the fiscal year ended March 31, 2024.....	2
(2) Overview of Financial Position for the fiscal year ended March 31, 2024	4
(3) Overview of Cash Flows for the fiscal year ended March 31, 2024.....	5
(4) Outlook.....	6
(5) Basic Policy on Profit Distribution, and Dividend Plans for the Current and Next Fiscal Years.....	7
2. Basic Approach for the Selection of Accounting Standards.....	7
3. Consolidated Financial Statements and Notes.....	8
(1) Consolidated Balance Sheet.....	8
(2) Consolidated Statements of Income and Comprehensive Income.....	10
Consolidated Statements of Income.....	10
Consolidated Statements of Comprehensive Income.....	11
(3) Consolidated Statements of Changes in Equity.....	12
(4) Consolidated Statements of Cash Flows.....	14
(5) Notes to Consolidated Financial Statements	15
Notes on premise of a going concern.....	15
Consolidated Statements of Income.....	15
Segment Information, etc.....	16
Per Share Information	20
Significant subsequent events.....	21

1. Overview of Operating Results

(1) Overview of Operating Results for the fiscal year ended March 31, 2024

During the fiscal year that ended in March 2024, the global economy saw a more pronounced normalization of social and economic activities due to the recovery from the COVID-19 pandemic. At the same time, it is necessary to constantly monitor the economic outlook such as the protracted conflict between Russia and Ukraine, the situation in the Middle East, prolonged global inflation and monetary tightening in various countries.

In the gaming market, which is the Group's primary market, demand for capital investment in casino hotels and other facilities increased against a backdrop of expanding global travel demand. In the domestic and overseas commercial markets, demand for various products for contactless and non-face-to-face payment methods, which became mainstream in the wake of the COVID-19 pandemic, became more active.

Under these circumstances, in the gaming market, we strove to provide a stable supply of products to meet the increasing demand for our products, and conducted multifaceted marketing activities, including various product proposals such as system products in line with customer needs and sales promotion activities for new products. In the international commercial market, we focused on sales activities that contribute to business expansion through expansion of local distributors, including the expansion of sales channels for new products with a focus on new bases in North, Central and South America, and product proposal activities that meet the diverse needs of each country and market. In the domestic commercial market, in addition to aggressive sales activities of mainstay products such as bill recycler units to customers in the retail and transportation markets against the backdrop of an increase in the number of tourists visiting Japan, and focusing on the development of new products to expand market share in the future, we also strove to stimulate demand following the scheduled reprinting of banknotes in July of this year.

Furthermore, in the amusement industry equipment market, we focused on sales of products that are in particularly high demand, such as related equipment for smart gaming machines. This was because pachinko parlors made aggressive capital investments in line with the growing popularity of smart gaming machines (especially smart slot machines in pachinko parlors).

For the fiscal year that ended in March 2024, in addition to the various factors noted above, the effects of shortages in the supply of components such as semiconductors, which had continued since the second half of the previous fiscal year, were largely resolved in the second half of the current fiscal year, resulting in net sales of 31,610 million yen (up 25.1% YoY). In terms of profit, operating profit was 2,839 million yen (up 356.0% YoY) due to an increase in net sales, as well as increased sales of profitable products especially in the Global Gaming and Equipment for the Amusement Industry segment and an improvement in profit margins due to the resolution of parts supply shortages. In addition, Ordinary profit was 3,568 million yen (up 181.5% YoY), this was mainly because the Company recorded foreign exchange gains resulting from the depreciation of yen. Profit attributable to owners of the parent was 3,281 million yen (up 4.3% YoY) due to the recording of deferred tax assets resulting from the recovery in business performance.

During the fiscal year that ended in March 2024, the average exchange rates were 141.20 yen to the U.S. dollar (132.08 yen in the previous fiscal year) and 153.20 yen to the euro (138.58 yen in the previous fiscal year). Furthermore, the exchange rate on the final day of the fiscal year applied to the market valuation at the end of the fiscal year was 151.42 yen per U.S. dollar (133.54 yen at the end of the previous fiscal year).

Net sales by segment are as follows.

(Millions of yen)

		Fiscal Year ended	Fiscal Year ended	Change	
		March 31, 2023	March 31, 2024	Amount	Percentage (%)
Global Gaming	Net Sales	14,583	17,279	2,695	18.5
	Segment profit	1,646	2,794	1,148	69.8
International Commercial	Net Sales	4,471	5,915	1,444	32.3
	Segment profit (loss)	37	(175)	(213)	—
Domestic Commercial	Net Sales	1,857	2,692	834	44.9
	Segment profit	102	523	421	412.8
Equipment for the Amusement Industry	Net Sales	4,345	5,723	1,377	31.7
	Segment profit (loss)	(125)	1,001	1,127	—
Adjustments	Net Sales	—	—	—	—
	Segment loss	(1,038)	(1,305)	(266)	—
Total	Net Sales	25,258	31,610	6,351	25.1
	Operating Profit	622	2,839	2,216	356.0

(Note) “Adjustments” include the elimination of inter-segment sales and expenses that cannot be directly allocated to reportable segments.

Global Gaming

Net sales in this segment totaled 17,279 million yen (up 18.5% YoY). This was because an increase in sales of mainstay products such as bill validator units and printer units for casino gaming due to expansion of demand for capital investment in casino hotels against the backdrop of booming casino hotels resulting from the global recovery and expansion of travel demand, and the difficulty in procuring materials that had continued until the first half of the current fiscal year has largely been resolved in the second half of the current fiscal year. In term of profit, segment profit was 2,794 million yen (up 69.8% YoY.) This was mainly due to the penetration of product price revisions in response to rising component and raw material prices.

International Commercial

Net sales in this segment totaled 5,915 million yen (up 32.3% YoY). This was mainly because an increase in sales of bill recycler units installed in self-checkout machines for contactless and non-face-to-face payments, which became the standard after the COVID-19 pandemic. On the other hand, in term of profit, segment loss was 175 million yen (the previous year saw a 37-million-yen gain) due to soaring material costs and, unlike the Global Gaming segment, the penetration of higher material and component prices into product prices did not proceed smoothly.

Domestic Commercial

Net sales in this segment totaled 2,692 million yen (up 44.9% YoY) and segment profit was 523 million yen (up 412.8% YoY). This was mainly because we are engaged in activities that narrow down the application for domestic commercial, and sales of bill recycler units for self-service gas stations' payment machines and restaurant ticket vending machines and bill validator units for payment machines for buses, remained strong. In addition to demand for renewal of our products such as bill validator units, increased in the second half of the current fiscal year due to the reprinting of banknotes.

Equipment for the Amusement Industry

Net sales in this segment totaled 5,723 million yen (up 31.7% YoY). This was because a significant increase in sales of peripheral devices and installation, particularly the dedicated units for smart gaming machines, in line with the full-scale introduction of smart gaming machines in pachinko parlors. Segment profit also increased significantly to 1,001 million yen (the previous year saw a 125-million-yen loss). This was because the dedicated smart gaming machine units, unlike pachinko-balls and token lender, were rarely sold at low prices.

(2) Overview of Financial Position for the fiscal year ended March 31, 2024

Total assets at the end of the current fiscal year increased by 8,881 million yen from the end of the previous fiscal year to 47,698 million yen.

Total current assets increased by 7,870 million yen from the end of the previous fiscal year to 40,143 million yen. "Notes and accounts receivable - trade, and contract assets" increased by 2,058 million yen and "Inventories" increased by 7,953 million yen. At the same time, "Cash and deposits" decreased by 701 million yen and "Securities" decreased by 428 million yen, as well as "Other current assets" decreased by 999 million yen mainly due to a decrease in advance payments to suppliers.

Total non-current assets increased by 923 million yen from the end of the previous fiscal year to 7,431 million yen. "Property, plant and equipment" increased by 611 million yen due to the acquisition of production molds, etc. and "Total investments and other assets" increased by 235 million yen due to the recording of "deferred tax assets".

Total deferred assets increased by 88 million yen from the end of the previous fiscal year to 123 million yen due to the deferred recording of expenses related to the issuance of bonds.

Total current liabilities increased by 1,635 million yen from the end of the previous fiscal year to 9,260 million yen. "Notes and accounts payable - trade" increased by 1,024 million yen and "Current portion of long-term borrowings" increased by 660 million yen.

Total non-current liabilities increased by 5,754 million yen from the end of the previous fiscal year to 9,782 million yen. "Bonds payable" increased by 4,000 million yen due to the issuance of bonds and "Long-term borrowings" increased by 2,040 million yen.

Total net assets increased by 1,492 million yen from the end of the previous fiscal year to 28,655 million yen. "Treasury shares" increased by 1,951 million yen due to the purchase of treasury shares, etc. "Retained earnings" increased by 2,871 million yen due to the recording of profit attributable to owners of parent and "Foreign currency translation adjustment" increased by 501 million yen due to the revaluation of overseas subsidiaries to fair value.

(3) Overview of Cash Flows for the fiscal year ended March 31, 2024

Cash and cash equivalents (hereinafter referred to as "Net cash") at the end of the current fiscal year decreased by 681 million yen from the end of the previous fiscal year to 12,522 million yen.

Cash flows from operating activities

Net cash used in operating activities amounted to 4,925 million yen (Expenditure of 799 million yen in the previous fiscal year). This was mainly because funds increased due to profit before income taxes of 3,634 million yen and an increase in trade payables of 665 million yen and other factors, while funds decreased due to an increase in trade receivables of 1,641 million yen, an increase in inventories of 7,416 million yen and income taxes paid of 587 million yen, etc.

Cash flows from investing activities

Net cash used in investing activities totaled 402 million yen (Revenue of 522 million yen in the previous fiscal year). This was mainly because funds increased due to a net decrease in short-term investment securities of 482 million yen and other factors, while funds decreased due to purchase of property, plant and equipment of 885 million yen, etc.

Cash flows from financing activities

Net cash provided by financing activities totaled 4,116 million yen (Expenditure of 1,422 million yen in the previous fiscal year). This was mainly because funds increased due to proceeds from repayment of Long-term borrowings of 3,300 million yen and issuance of bonds of 3,903 million yen and other factors, while funds decreased due to repayments of long-term borrowing of 600 million yen, purchase of treasury shares of 1,966 million yen, and dividends paid of 409 million yen, etc.

In addition to these items, there was an increase in funds due to effect of exchange rate change on cash and cash equivalents of 529 million yen.

Cash flow indicators are as follows.

	FY3/20	FY3/21	FY3/22	FY3/23	FY3/24
Shareholders' equity ratio (%)	81.7	69.6	69.6	70.0	60.1
Shareholders' equity ratio based on market prices (%)	43.3	57.0	60.4	90.7	77.4
Interest-bearing debt to cash flow ratio (years)	—	—	3.8	—	—
Interest coverage ratio (times)	—	—	47.2	—	—

*Shareholders' equity ratio: Shareholders' equity/ Total assets

Shareholders' equity ratio based on market prices: Market capitalization/ Total assets

Interest-bearing debt to cash flow ratio: Interest-bearing debt/ Operating cash flows

Interest coverage ratio: Operating cash flows/ Interest payments

1. Each indicator is calculated based on consolidated financial values.

2. Market capitalization is calculated based on total number of issued shares excluding treasury shares.

3. Cash flow is calculated using the figures for operating cash flow.

4. Interest-bearing debt includes all liabilities on the consolidated balance sheet that incur interest.

(4) Outlook

Regarding the business environment surrounding the Group in the next fiscal year (fiscal year ending March 31, 2025), while there are growing expectations for economic recovery in various regions of the world, including improvement in employment and income conditions, the outlook is expected to remain uncertain due to the prolonged conflict between Russia and Ukraine, deteriorating conditions in the Middle East, high resource and raw material prices, and the continued depreciation of the yen.

In the Group's related industries, the difficulty in procuring materials, especially semiconductors, that had continued until the beginning of the previous fiscal year has largely been resolved. In addition, economic sentiment among customers in each market is generally favorable and their appetite for capital investment remains high, the Company expects our business activities to remain strong.

Under these circumstances, in the gaming market, we will strive to expand the scale of sales and market share by diversifying our product lineup to include system products that contribute to labor saving and automation of operations in casino halls, as well as the existing unit products for casino gaming machines.

In the commercial market, in addition to the full-scale launch of new products for new applications, we will strive to further expand the scale of sales in this market by focusing on discovering potential needs in new sales regions, markets and customers, particularly in the North American and Latin American regions. Furthermore, in the amusement industry equipment market, we expect the spread of smart gaming machines to continue in the next fiscal year (we expect the spread of smart pachinko machines in the next fiscal year), and we will continue our efforts on expanding sales of unites dedicated to smart gaming machines.

Based on the above, the consolidated earnings forecast for the fiscal year ending 2025 is expected to be as follows.

The consolidated earnings forecast for the fiscal year ending 2025

(Millions of yen)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
Forecast for FY ending March 2025	35,100	3,400	3,300	2,600
Results for FY ended March 2024	31,610	2,839	3,568	3,281
Change	3,489	560	(268)	(681)
Change (%)	11.0	19.8	(7.5)	(20.8)

Since the above consolidated earnings forecast for the next fiscal year (ending March 31, 2025) exceeds the numerical targets for the final year (ending March 31, 2026) of the medium-term management plan "JCM Global Vision 2032", which was formulated and announced in May last year, we are currently considering revising the medium-term management plan or updating it on a rolling basis. New target figures will be announced as soon as they are formulated.

In addition, the exchange rates for the next fiscal year are assumed to be 140 yen to the U.S. dollar and 150 yen to the euro.

(5) Basic Policy on Profit Distribution, and Dividend Plans for the Current and Next Fiscal Years

The Group's basic policy on profit distribution is to strike a balance between two aspects; to increase dividend payment amount as a result of a profit increase through the realization of growth strategies and to return a profit to shareholders through the payment of stable dividends. The Company has decided a consolidated dividend payout ratio of 30% or more by taking into account the dividends on net assets.

With respect to profit distribution for the fiscal year ended March 31, 2024, in addition to the profit distribution based on the above policy, the Company purchased treasury share totaling 1,966 million yen in order to implement a flexible capital policy in response to changes in the business environment.

In determining the amount of profit dividends, the Company have decided to exclude transient factors such as foreign exchanges gains and losses, and to comprehensively consider other shareholder return measures such as the purchase of treasury shares.

As a result, the Company plans to pay a year-end dividend of 19 yen per share for the fiscal year ended March 31, 2024, as previously forecasted. The annual dividends for the fiscal year under review will be 26 yen per share, including the interim dividend.

For the next year, based on the basic policy on profit distribution, the Company also plans to pay a dividend of 28 yen per share (a consolidated dividend payout ratio of 30.3%).

2. Basic Approach for the Selection of Accounting Standards

The Group has its policy to apply Japanese accounting standards for the time being taking into account the comparability of consolidated financial statement from prior years and the comparability among companies.

With respect to the application of IFRS, the Group its policy to take appropriate actions taking into account the circumstances both in Japan and overseas.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheet

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	13,224,447	12,522,582
Notes and accounts receivable - trade, and contract assets	4,516,570	6,575,455
Electronically recorded monetary claims - operating	488,474	481,028
Securities	487,201	58,404
Merchandise and finished goods	5,826,025	12,209,054
Work in process	1,083,263	1,195,138
Raw materials and supplies	4,701,398	6,159,975
Other	2,135,230	1,135,852
Allowance for doubtful accounts	(189,281)	(193,922)
Total current assets	32,273,329	40,143,568
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,171,662	1,307,940
Machinery, equipment and vehicles, net	58,338	112,247
Land	1,515,704	1,524,397
Leased assets, net	0	6,872
Other, net	592,852	998,917
Total property, plant and equipment	3,338,558	3,950,375
Intangible assets		
Software	29,838	48,075
Software in progress	—	3,266
Other	113,994	168,429
Total intangible assets	143,833	219,772
Investments and other assets		
Investment securities	1,168,845	1,010,160
Retirement benefit asset	604,335	745,251
Deferred tax assets	896,193	1,078,961
Other	434,298	499,629
Allowance for doubtful accounts	(77,846)	(72,611)
Total investments and other assets	3,025,828	3,261,392
Total non-current assets	6,508,219	7,431,539
Deferred assets		
Bond issuance costs	35,076	123,098
Total deferred assets	35,076	123,098
Total assets	38,816,625	47,698,207

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,559,318	4,583,516
Current portion of long-term borrowings	600,000	1,260,000
Lease liabilities	80,242	105,242
Income taxes payable	356,207	392,121
Provision for bonuses	277,200	366,624
Provision for bonuses for directors (and other officers)	20,000	36,000
Provision for business restructuring	154,756	—
Other	2,577,597	2,517,213
Total current liabilities	7,625,321	9,260,718
Non-current liabilities		
Bonds payable	2,000,000	6,000,000
Long-term borrowings	1,500,000	3,540,000
Lease liabilities	173,125	189,215
Deferred tax liabilities	302,163	—
Other	52,621	52,802
Total non-current liabilities	4,027,910	9,782,017
Total liabilities	11,653,232	19,042,736
Net assets		
Shareholders' equity		
Share capital	2,220,316	2,220,316
Capital surplus	2,765,896	2,764,839
Retained earnings	21,699,807	24,570,828
Treasury shares	(402,481)	(2,353,842)
Total shareholders' equity	26,283,539	27,202,141
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	215,273	287,152
Foreign currency translation adjustment	664,579	1,166,175
Total accumulated other comprehensive income	879,853	1,453,328
Total net assets	27,163,392	28,655,470
Total liabilities and net assets	38,816,625	47,698,207

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

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	*1 25,258,580	*1 31,610,569
Cost of sales	*2, *4 16,268,572	*2, *4 19,422,282
Gross profit	8,990,008	12,188,287
Selling, general and administrative expenses	*3, *4 8,367,374	*3, *4 9,349,092
Operating profit	622,633	2,839,195
Non-operating income		
Interest income	5,121	19,254
Dividend income	35,991	40,056
Foreign exchange gains	521,229	810,146
Other	127,181	183,658
Total non-operating income	689,524	1,053,115
Non-operating expenses		
Interest expenses	27,382	30,240
Amortization of bond issuance costs	7,015	8,160
Share of loss of entities accounted for using equity method	—	275,708
Other	10,192	10,165
Total non-operating expenses	44,590	324,275
Ordinary profit	1,267,567	3,568,035
Extraordinary income		
Gain on sale of non-current assets	*5 1,587,839	*5 2,984
Gain on sale of investment securities	—	65,563
Total extraordinary income	1,587,839	68,548
Extraordinary losses		
Loss on retirement of non-current assets	*6 1,492	*6 2,133
Loss on valuation of investment securities	9,568	—
Total extraordinary losses	11,060	2,133
Profit before income taxes	2,844,346	3,634,449
Income taxes - current	564,902	819,494
Income taxes - deferred	(866,703)	(466,973)
Total income taxes	(301,801)	352,521
Profit	3,146,147	3,281,928
Profit attributable to owners of parent	3,146,147	3,281,928

(Consolidated Statement of Comprehensive Income)

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	3,146,147	3,281,928
Other comprehensive income		
Valuation difference on available-for-sale securities	63,484	71,879
Foreign currency translation adjustment	1,415,119	482,445
Share of other comprehensive income of entities accounted for using equity method	—	19,151
Total other comprehensive income	1,478,603	573,475
Comprehensive income	4,624,751	3,855,404
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,624,751	3,855,404
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statements of Changes in Equity
Fiscal Year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,216,945	2,762,525	18,790,970	(2,379)	23,768,061
Changes during period					
Dividends of surplus			(237,310)		(237,310)
Profit (loss) attributable to owners of parent			3,146,147		3,146,147
Purchase of treasury shares				(400,101)	(400,101)
Disposal of treasury shares					—
Issuance of new shares	3,371	3,371			6,742
Net changes in items other than shareholders' equity					—
Total changes during period	3,371	3,371	2,908,837	(400,101)	2,515,478
Balance at end of period	2,220,316	2,765,896	21,699,807	(402,481)	26,283,539

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	151,789	(750,540)	(598,750)	23,169,310
Changes during period				
Dividends of surplus				(237,310)
Profit (loss) attributable to owners of parent				3,146,147
Purchase of treasury shares				(400,101)
Disposal of treasury shares				—
Issuance of new shares				6,742
Net changes in items other than shareholders' equity	63,484	1,415,119	1,478,603	1,478,603
Total changes during period	63,484	1,415,119	1,478,603	3,994,082
Balance at end of period	215,273	664,579	879,853	27,163,392

Fiscal Year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,220,316	2,765,896	21,699,807	(402,481)	26,283,539
Changes during period					
Dividends of surplus			(410,907)		(410,907)
Profit (loss) attributable to owners of parent			3,281,928		3,281,928
Purchase of treasury shares				(1,966,950)	(1,966,950)
Disposal of treasury shares		(1,057)		15,589	14,532
Issuance of new shares					—
Net changes in items other than shareholders' equity					—
Total changes during period		(1,057)	2,871,020	(1,951,361)	918,602
Balance at end of period	2,220,316	2,764,839	24,570,828	(2,353,842)	27,202,141

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	215,273	664,579	879,853	27,163,392
Changes during period				
Dividends of surplus				(410,907)
Profit (loss) attributable to owners of parent				3,281,928
Purchase of treasury shares				(1,966,950)
Disposal of treasury shares				14,532
Issuance of new shares				—
Net changes in items other than shareholders' equity	71,879	501,596	573,475	573,475
Total changes during period	71,879	501,596	573,475	1,492,077
Balance at end of period	287,152	1,166,175	1,453,328	28,655,470

(4) Consolidated Statements of Cash Flows

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	2,844,346	3,634,449
Depreciation	244,859	388,167
Increase (decrease) in provisions	(38,680)	(195,728)
Interest and dividend income	(41,113)	(59,310)
Interest expenses	27,382	30,240
Amortization of bond issuance costs	7,015	8,160
Foreign exchange losses (gains)	(349,575)	(897,152)
Loss (gain) on sale and retirement of property, plant and equipment	(1,586,347)	(850)
Loss (gain) on sale of investment securities	—	(65,563)
Loss (gain) on valuation of investment securities	9,568	—
Share of loss (profit) of entities accounted for using equity method	—	275,708
Decrease (increase) in trade receivables	(499,831)	(1,641,072)
Decrease (increase) in inventories	(1,745,950)	(7,416,281)
Increase (decrease) in trade payables	1,070,634	665,199
Decrease (increase) in consumption taxes refund receivable	(105,045)	(336,800)
Increase/decrease in other assets/liabilities	(268,929)	1,259,166
Subtotal	(431,667)	(4,351,668)
Interest and dividends received	40,425	58,621
Interest paid	(28,367)	(44,625)
Income taxes paid	(380,094)	(587,543)
Net cash provided by (used in) operating activities	(799,703)	(4,925,216)
Cash flows from investing activities		
Payments into time deposits	—	(73,105)
Proceeds from withdrawal of time deposits	—	95,370
Purchase of property, plant and equipment	(557,256)	(885,967)
Proceeds from sale of property, plant and equipment	1,936,809	5,505
Purchase of intangible assets	(21,124)	(36,599)
Net decrease (increase) in short-term investment securities	(484,925)	482,479
Purchase of investment securities	(2,074)	(2,359)
Purchase of shares of subsidiaries and associates	(240,556)	—
Proceeds from sale of investment securities	45,567	100,886
Payments of guarantee deposits	(154,588)	—
Long-term loan advances	—	(54,062)
Other, net	200	(34,831)
Net cash provided by (used in) investing activities	522,051	(402,683)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(119,552)	—
Proceeds from long-term borrowings	—	3,300,000
Repayments of long-term borrowings	(600,000)	(600,000)
Proceeds from issuance of bonds	—	3,903,817
Dividends paid	(236,504)	(409,666)
Repayments of lease liabilities	(66,719)	(110,357)
Purchase of treasury shares	(400,101)	(1,966,950)
Net cash provided by (used in) financing activities	(1,422,876)	4,116,842
Effect of exchange rate change on cash and cash equivalents	663,010	529,192
Net increase (decrease) in cash and cash equivalents	(1,037,518)	(681,864)
Cash and cash equivalents at beginning of period	14,241,965	13,204,447
Cash and cash equivalents at end of period	13,204,447	12,522,582

(5) Notes to Consolidated Financial Statements

Notes on premise of a going concern

Not applicable.

Consolidated statement of income

- * 1. Revenue from contracts with customers

Net sales do not present revenue from contracts with customers and other revenue separately.

- * 2. The amount of inventories at the end of the period is the amount after writing down the carrying value due to the decline in profitability. The following are the losses on the valuation of inventories included in cost of sales.

	(Thousands of yen)	
	Fiscal Year ended March 31, 2023 (April 1, 2022 to March 31, 2023)	Fiscal Year ended March 31, 2024 (April 1, 2023 to March 31, 2024)
	205,447	354,165

- *3. Major items and amounts of selling, general and administrative expenses are shown below.

	(Thousands of yen)	
	Fiscal Year ended March 31, 2023 (April 1, 2022 to March 31, 2023)	Fiscal Year ended March 31, 2024 (April 1, 2023 to March 31, 2024)
Salaries and bonuses	2,892,208	3,333,818
Provision of allowance for doubtful accounts	11,648	(4,902)
Provision for bonuses	146,570	190,325
Provision for bonuses for directors (and other officers)	20,000	36,000
Retirement benefit expenses	79,949	(44,729)
Commission fee	712,216	871,326

- * 4. Total research and development expenses included in general and administrative expenses and manufacturing costs for the current fiscal year

	(Thousands of yen)	
	Fiscal Year ended March 31, 2023 (April 1, 2022 to March 31, 2023)	Fiscal Year ended March 31, 2024 (April 1, 2023 to March 31, 2024)
	1,396,188	1,526,012

- * 5. The main details of gain on sale of non-current assets are shown below.

	(Thousands of yen)	
	Fiscal Year ended March 31, 2023 (April 1, 2022 to March 31, 2023)	Fiscal Year ended March 31, 2024 (April 1, 2023 to March 31, 2024)
Buildings and structures	—	149
Land	1,584,502	—
Machinery, equipment and vehicles	2,509	2,834
Other	827	—

- * 6. The main details of loss on retirement of non-current assets are shown below.

	(Thousands of yen)	
	Fiscal Year ended March 31, 2023 (April 1, 2022 to March 31, 2023)	Fiscal Year ended March 31, 2024 (April 1, 2023 to March 31, 2024)
Buildings and structures	0	828
Other	1,491	1,305

Segment Information, etc.

Segment Information

1. Overview of reportable segments

The Company's reportable segments are components of the Company for which separate financial information is available and are subject to periodic review by the Board of Directors for the purpose of determining the allocation of management resources and evaluating performance.

The Group formulates comprehensive strategies for its products and services on a business-by-business basis and develops its business activities accordingly.

Consequently, the Company is composed of segments based on business units and has four reportable segments, which are "Global Gaming," "International Commercial," "Domestic Commercial," and "Equipment for the Amusement Industry."

The Global Gaming segment sells bill validator units, bill recycler units, and gaming printer products to casinos and OEM customers. The International Commercial segment sells bill validator units, bill recycler units, and other products to the overseas financial, retail, and transportation markets. The Domestic Commercial segment sells bill and coin recycler units, and other products to the Japanese financial, retail, and transportation markets. The Equipment for the Amusement Industry segment sells peripheral equipment including automatic token dispensing systems and bill transport systems for pachinko parlors.

2. Method of calculating amounts of net sales, profit and loss, assets and other items for each reportable segment

The accounting method for reportable business segments is accordance with the accounting policies used for the preparation of the consolidated financial statements.

Intersegment revenues and transfers are based on prevailing market prices.

3. Information on amounts of net sales, profit and loss, assets and other items for each reportable segment
Fiscal Year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(Thousands of yen)

	Reportable segments					Adjustments (Note)	Amount recorded on consolidated financial statements
	Global Gaming	International Commercial	Domestic Commercial	Equipment for the Amusement Industry	Total		
Net sales							
Sales to external customers	14,583,988	4,471,034	1,857,867	4,345,690	25,258,580	—	25,258,580
Inter-segment sales and transfers	—	—	—	—	—	—	—
Total	14,583,988	4,471,034	1,857,867	4,345,690	25,258,580	—	25,258,580
Segment profit (loss)	1,646,303	37,751	102,132	(125,024)	1,661,161	(1,038,528)	622,633
Segment assets	14,822,018	6,321,863	1,749,436	3,663,845	26,557,164	12,259,460	38,816,625
Other items							
Depreciation	151,883	29,279	3,465	21,740	206,368	38,490	244,859
Investments in companies accounted for using the equity method	107,353	138,307	—	—	245,660	—	245,660
Increase in property, plant and equipment and intangible assets	179,820	60,696	15,925	160,514	416,957	181,306	598,263

(Note) The details of “Adjustments” are as follows.

- (1) Adjustment on segment profit (loss) amounting to (1,038,528) thousand yen reflects corporate-wide expenses not allocated to each reportable segment.
- (2) Adjustment on segment assets amounting to 12,259,460 thousand yen reflects corporate-wide assets not allocated to each reportable segment.
- (3) Adjustment on depreciation amounting to 38,490 thousand yen reflects depreciation associated with corporate-wide assets not allocated to each reportable segment.
- (4) Adjustment on increase in property, plant and equipment and intangible assets amounting to 181,306 thousand yen reflects capital investment associated with corporate-wide assets not allocated to each reportable segment.

Fiscal Year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(Thousands of yen)

	Reportable segments					Adjustments (Note)	Amount recorded on consolidated financial statements
	Global Gaming	International Commercial	Domestic Commercial	Equipment for the Amusement Industry	Total		
Net sales							
Sales to external customers	17,279,315	5,915,955	2,692,078	5,723,219	31,610,569	—	31,610,569
Inter-segment sales and transfers	—	—	—	—	—	—	—
Total	17,279,315	5,915,955	2,692,078	5,723,219	31,610,569	—	31,610,569
Segment profit (loss)	2,794,890	(175,881)	523,716	1,001,985	4,144,710	(1,305,515)	2,839,195
Segment assets	19,290,610	8,862,548	3,031,959	3,586,493	34,771,611	12,926,595	47,698,207
Other items							
Depreciation	225,610	48,251	9,550	33,155	316,568	71,598	388,167
Investments in companies accounted for using the equity method	12,523	17,099	—	—	29,622	—	29,622
Increase in property, plant and equipment and intangible assets	567,532	100,941	33,990	125,938	828,403	206,812	1,035,215

(Note) The details of “Adjustments” are as follows.

- (1) Adjustment on segment profit (loss) amounting to (1,305,515) thousand yen reflects corporate-wide expenses not allocated to each reportable segment.
- (2) Adjustment on segment assets amounting to 12,926,595 thousand yen reflects corporate-wide assets not allocated to each reportable segment.
- (3) Adjustment on depreciation amounting to 71,598 thousand yen reflects depreciation associated with corporate-wide assets not allocated to each reportable segment.
- (4) Adjustment on increase in property, plant and equipment and intangible assets amounting to 206,812 thousand yen reflects capital investment associated with corporate-wide assets not allocated to each reportable segment.

Related information

Fiscal Year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

1. Information by product and service

This information has been omitted because sales to external customers in a single product/service category exceed 90% of net sales on the consolidated statement of income.

2. Information by region

(1) Net sales

(Thousands of yen)

Japan	North America	Europe	Other regions	Total
6,204,621	11,327,336	6,264,803	1,461,819	25,258,580

(Note) Net sales are based on the location of customers and are classified by country or region.

(2) Property, plant and equipment

(Thousands of yen)

Japan	North America	Europe	Other regions	Total
2,515,032	384,697	58,973	379,853	3,338,558

3. Information by major customer

(Thousands of yen)

Name or designation of customers	Net sales	Related segment names
Aristocrat Technologies Inc.	2,584,290	Global Gaming

Fiscal Year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

1. Information by product and service

This information has been omitted because sales to external customers in a single product/service category exceed 90% of net sales on the consolidated statement of income.

2. Information by region

(1) Net sales

(Thousands of yen)

Japan	North America	Europe	Other regions	Total
8,420,780	12,222,030	8,567,162	2,400,596	31,610,569

(Note) Net sales are based on the location of customers and are classified by country or region.

(2) Property, plant and equipment

(Thousands of yen)

Japan	North America	Europe	Other regions	Total
2,830,397	437,968	59,164	622,845	3,950,375

3. Information by major customer

(Thousands of yen)

Name or designation of customers	Net sales	Related segment names
Aristocrat Technologies Inc.	3,460,657	Global Gaming

Information regarding impairment loss on non-current assets by reportable segment

Fiscal Year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

Not applicable.

Fiscal Year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

Not applicable.

Information regarding amortization of goodwill and unamortized balance by reportable segment

Fiscal Year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

Not applicable.

Fiscal Year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

Not applicable.

Information regarding gains on negative goodwill by reportable segment

Fiscal Year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

Not applicable.

Fiscal Year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

Not applicable.

Per share information

	Fiscal Year ended March 31, 2023 (April 1, 2022 to March 31, 2023)	Fiscal Year ended March 31, 2024 (April 1, 2023 to March 31, 2024)
Net assets per share (yen)	925.68	1,018.44
Basic earnings per share (yen)	106.24	112.59

(Notes) 1. Diluted earnings per share is not shown in the above table, as there were no potential shares.

2. The basis for calculation of basic earnings per share is shown below.

	Fiscal Year ended March 31, 2023 (April 1, 2022 to March 31, 2023)	Fiscal Year ended March 31, 2024 (April 1, 2023 to March 31, 2024)
Profit attributable to owners of parent (thousands of yen)	3,146,147	3,281,928
Amount not attributable to common shareholders (thousands of yen)	—	—
Profit attributable to owners of parent with respect to common shares (thousands of yen)	3,146,147	3,281,928
Average number of common shares during the fiscal year (shares)	29,612,372	29,149,252

Significant subsequent events

Purchase of treasury shares:

At the meeting of the Board of Directors held on May 9, 2024, the Company resolved to purchase its treasury shares and the specific method of purchase, pursuant to Article 459, paragraph 1 of the companies Act of Japan and Article 41 of the Company's Articles of Incorporation, as described below.

1. Reason for the purchase of treasury shares

To implement a flexible capital policy in response to changes in the business environment.

2. Details of matters relating to purchase

(1) Class of shares to be purchased:

Common stock of the Company

(2) Total number of shares to be purchased:

1,220,000 shares (maximum)
(Ratio to total shares issued (excluding treasury shares): 4.34%)

(3) Total amount for share purchase:

1,579,900,000 million yen (maximum)

(4) Date of purchase:

May 10, 2024

(5) Method of purchase:

Purchases through Off-Auction Own Share Repurchase Trading System (ToSTNeT-3) on the Tokyo Stock Exchange

(Reference) Number of treasury share held as of April 30, 2024:

Total number of shares issued (excluding treasury shares):

28,136,724 shares

Total number of treasury shares

1,535,927 shares