

# FY2023 Consolidated Financial Results

## Q1 - Three Months ended June 30, 2023

### 1 Performance Overview (Q1 FY2023)

- 1) Financial Results ... P. 3
- 2) Factors of Operating Income Change ... P. 4
- 3) Sales & Operating Income by Business Segment ... P. 5

### 2 Performance Detail (Q1 FY2023)

- 1) Sales & Operating Income by Business Segment ... P. 7

### 3 Financial Forecast (FY2023)

- 1) Q2 FY2023 Forecast
  - Forecast ... P. 14
  - Sales & Operating Income by Business Segment ... P. 15
  - Sales by Geographical Segment of Overseas Market ... P. 16
- 2) FY2023 Forecast ... P. 17

### 4 News & Topics

- 1) Work associated with New Banknote Issuance ... P. 21
- 2) Retail Media Business ... P. 22
- 3) Acrelec Solutions ... P. 23

### Reference

#### Q1 FY2023 Results

- Consolidated Statement of Income ... P. 27
- Statement of Comprehensive Income ... P. 28
- Consolidated Balance Sheet ... P. 29
- CAPEX, Depreciation & Amortization and R&D

#### FY2023 Forecast

- ... P. 31
- Sales & Operating Income by Business Segment ... P. 32
- Sales by Geographical Segment of Overseas Market ... P. 33
- CAPEX, Depreciation & Amortization, R&D and Dividends





# **Performance Overview**

**Q1 - Three Months ended June 30, 2023**

## Sales

Recorded the highest Q1 sales (products & maintenance) as we recover from prolonged production/shipping delays caused by parts shortages and soaring material prices, and start the machine replacement and system modifications associated with the new banknote issuance.

## Operating Income

Increased thanks to higher sales and lower material prices (e.g., semiconductors)

FX Impact: +2.3 billion yen (Sales) / 0.4 billion yen (Operating Income)

(Millions of yen)	Three months ended		Three months ended		Three months ended		Y-on-Y
	June 30, 2021	Ratio	June 30, 2022	Ratio	June 30, 2023	Ratio	
<b>Net Sales</b>	<b>48,215</b>	100.0%	<b>52,980</b>	100.0%	<b>69,680</b>	100.0%	<b>+16,700</b> +31.5%
Maintenance Services	<b>19,282</b>	40.0%	<b>24,132</b>	45.5%	<b>28,558</b>	41.0%	<b>+4,426</b> +18.3%
<b>Operating Income</b>	<b>2,030</b>	4.2%	<b>-986</b>	-	<b>4,150</b>	6.0%	<b>+5,136</b> -
<b>Ordinary Income</b>	<b>2,097</b>	4.3%	<b>-1,358</b>	-	<b>4,318</b>	6.2%	<b>+5,676</b> -
Net Income Attributable to Owners of Parent	<b>631</b>	1.3%	<b>-1,972</b>	-	<b>2,005</b>	2.9%	<b>+3,977</b> -
<b>EBITDA *</b>	<b>5,971</b>	12.4%	<b>3,577</b>	6.8%	<b>8,922</b>	12.8%	<b>+5,345</b> +149.4%

Exchange rate	US\$	¥ 110	¥ 130	¥ 137
	Euro		¥ 132	¥ 138

\*EBITDA = Operating income (Loss) + Depreciation & Amortization + Goodwill amortization

# Operating Income (Factors of Change)

- Sales - **Increased**

Recovering from production/shipping delays caused by parts procurement problems (e.g., semiconductors)

- Cost of Sales ratio – **Decreased**

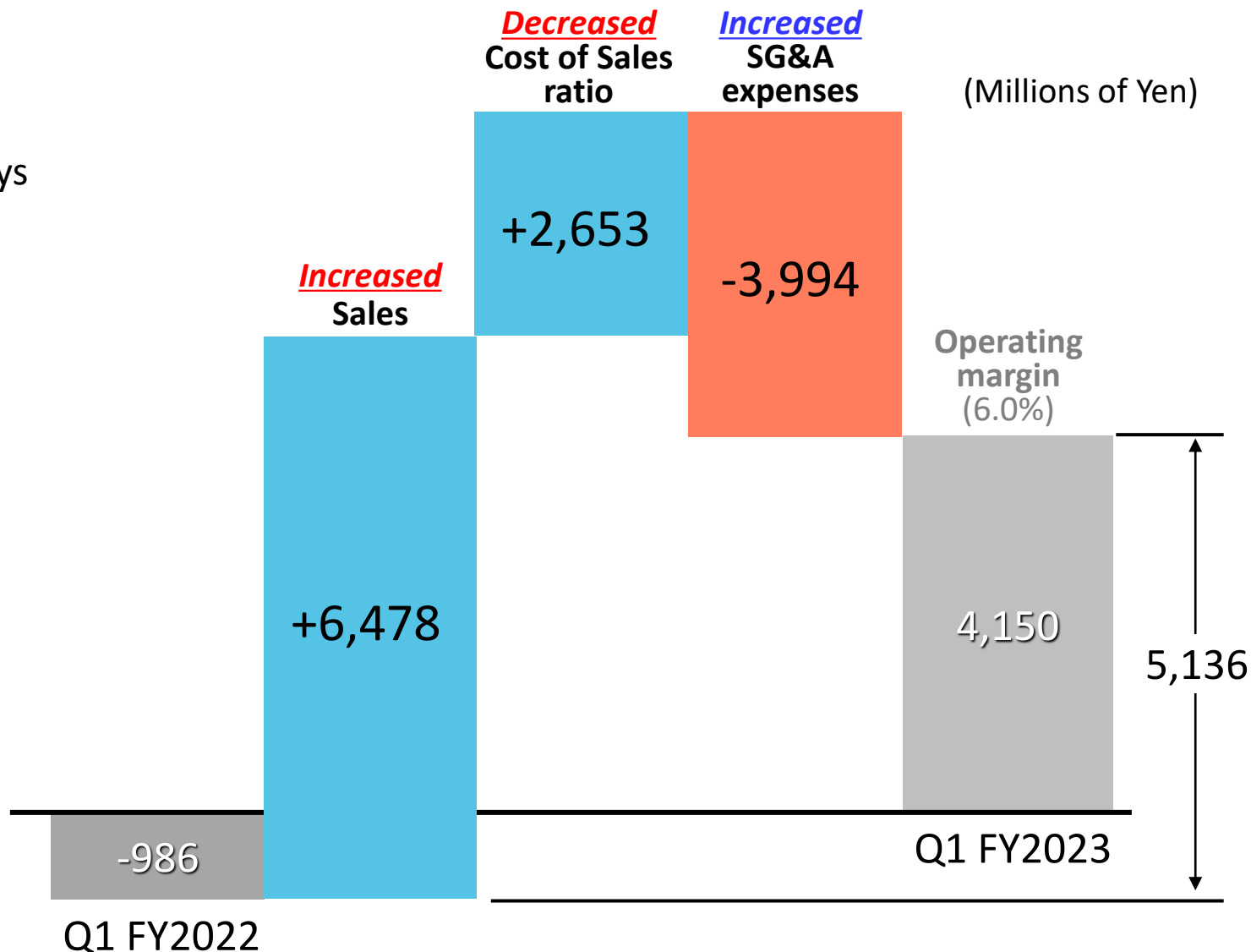
- Improved product mix
- Easing of high parts prices

- SG&A expenses - **Increased**

Due to higher costs at overseas affiliates caused by depreciation of the yen

- FX impact – **Increased**

+0.4 billion yen  
(Sales, Cost of Sales ratio, and SG&A)



# Sales & Operating Income by Business Segment



Confidence Enabled

(Millions of yen)	Sales				Operating Income			
	Three months ended June 30, 2021	Three months ended June 30, 2022	Three months ended June 30, 2023	Y-on-Y	Three months ended June 30, 2021	Three months ended June 30, 2022	Three months ended June 30, 2023	Y-on-Y
Overseas Market	25,262	33,519	38,974	+5,455 +16.3 %	135	-1,699	240	+1,939 - %
Financial Market	8,252	6,463	9,487	+3,024 +46.8 %	1,480	1,210	1,243	+33 +2.7 %
Retail & Transportation Market	11,573	9,936	13,414	+3,478 +35.0 %	844	-206	765	+971 - %
Amusement Market	2,592	2,518	6,759	+4,241 +168.4 %	-78	64	2,078	+2,014 +3,146.9 %
Others	533	543	1,045	+502 +92.4 %	-351	-355	-178	+177 - %
<b>Total</b>	<b>48,215</b>	<b>52,980</b>	<b>69,680</b>	<b>+16,700</b> <b>+31.5 %</b>	<b>2,030</b>	<b>-986</b>	<b>4,150</b>	<b>+5,136</b> <b>- %</b>

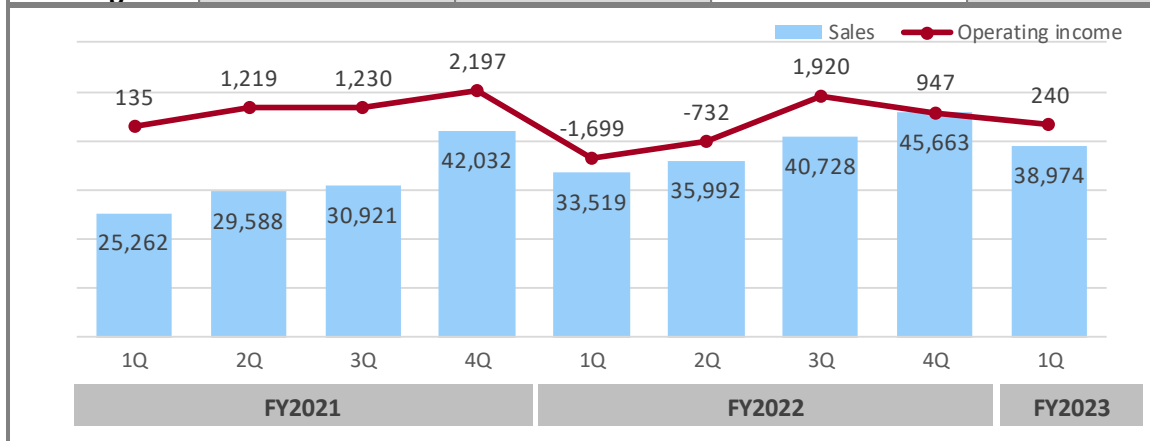


# **Performance Details**

**Q1 - Three Months ended June 30, 2023**

# Overseas Market

(Millions of yen)	Three months ended June 30, 2021	Three months ended June 30, 2022	Three months ended June 30, 2023	Y-on-Y
Sales	25,262	33,519	38,974	+5,455 +16.3 %
Ratio to total net sales	52.4%	63.3%	55.9%	-7.3 pt
Operating income	135	-1,699	240	+1,939 - %
Operating margin	0.5 %	- %	0.6 %	- pt



## Overview

### Sales

- **Financial Institutions**  
Increased for TCR\*<sup>1</sup> mainly in the U.S.
- **Retail Industry**  
Increased for CI-series\*<sup>2</sup> for major retailers in the U.S. and EMEA  
Increased for Acrelec products

### Operating Income

Return to profit thanks to higher sales and lower material prices

\*<sup>1</sup> TCR: Teller cash recycler

\*<sup>2</sup> CI-series: Cash management solution

## Products & Services

### Solutions for Automation & Operational Efficiency

- Self-service solutions
- Cash management solutions
- Electronic payment solutions
- Solutions with biometric/image-recognition technologies etc.

Products	Services

## Outline of the Segment

Sales and maintenance services to overseas financial institutions, Cash-in-Transit companies (CITs), retail stores etc.

# Sales by Geographical Segment

(Millions of yen)	Three months ended June 30, 2021	Three months ended June 30, 2022	Three months ended June 30, 2023	Y-on-Y	Local currency basis
<b>Americas</b>	<b>7,959</b>	<b>14,132</b>	<b>18,385</b>	<b>+4,253</b> <b>+30.1 %</b>	<b>+22.7%</b>
Acrelec	515	442	827	+385	-
Revolution	-	4,450	4,446	-4	-5.8%
<b>EMEA</b>	<b>13,967</b>	<b>16,118</b>	<b>17,715</b>	<b>+1,597</b> <b>+9.9 %</b>	<b>+1.6%</b>
Acrelec	2,947	3,710	4,214	+504	-
<b>Asia</b>	<b>3,336</b>	<b>3,268</b>	<b>2,873</b>	<b>-395</b> <b>-12.1 %</b>	<b>-</b>
Acrelec	181	170	215	+45	-
<b>Total overseas sales</b>	<b>25,262</b>	<b>33,519</b>	<b>38,974</b>	<b>+5,455</b> <b>+16.3 %</b>	<b>-</b>
Acrelec	3,643	4,322	5,256	+934	-
Revolution	-	4,450	4,446	-4	-

## Americas

- **Financial institutions** – TCR sales increased
- **Retail industry** – CI -series sales increased
- **Revolution** – As per the forecast

## EMEA

- **Financial institutions** – TCR sales remained moderate
- **Retail industry** – CI -series sales increased
- **Acrelec** – Sales increased

## Asia

- **Financial institutions** – TCR sales increased
- **Retail industry** – CI-series sales increased
- **Acrelec** – Sales increased

- Acrelec P&L included in the scope of consolidation since Q2 FY2020.
- Revolution P&L included in the scope of consolidation (the Americas) since Q3 FY2021.
- Sales of OEM included in regional sales since FY2022. (FY2020 and FY2021 also adjusted)
- China included in Asia since FY2022.





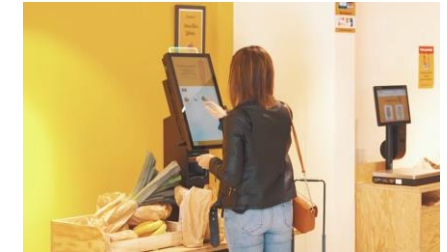
(Millions of yen)		Three months ended June 30, 2021		Three months ended June 30, 2022		Three months ended June 30, 2023		Y-on-Y
Sales		3,643		4,322		5,256		+934
	Americas	515	14%	442	10%	827	16%	+385
	EMEA	2,947	81%	3,710	86%	4,214	80%	+504
	Asia	181	5%	170	4%	215	4%	+45
Operating income	Before goodwill amortization	-122		-646		-276		+370
	After goodwill amortization	-313		-847		-463		+384

## Americas

Sales to leading F&B companies increased

### Synergy

Business with leading F&B companies gained through Glory's sales channels



## EMEA

Sales to leading F&B companies increased in France

## Asia

Sales increased mainly in the Philippines and Taiwan

## Revolution Retail Systems

(Millions of yen)		Three months ended June 30, 2021		Three months ended June 30, 2022		Three months ended June 30, 2023		Y-on-Y
Sales		Ref (Before acquisition) 2,911		4,450		4,446		-4
	Ratio (Revolution /Americas)	Ref (Before acquisition)		31%		24%		-7 pt
Operating income	Before goodwill amortization	1,072		-368		145		+513
	After goodwill amortization	0		-916		-173		+743

Note: Revolution's P&L has been included in the scope of consolidation since Q3 FY2021.

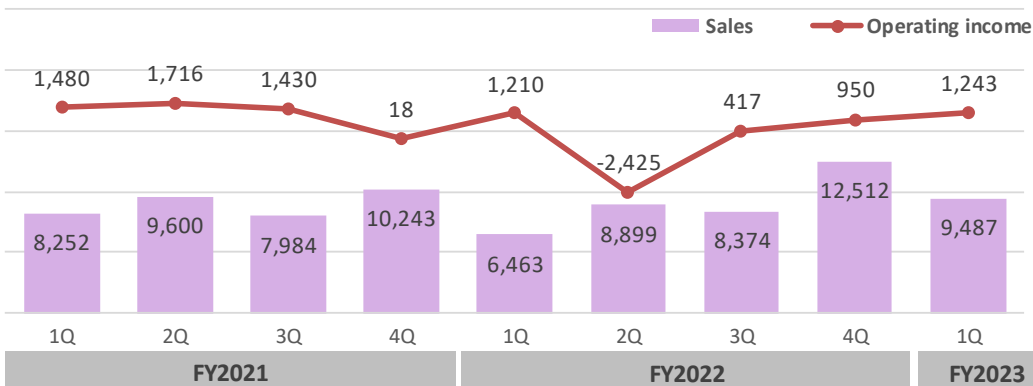
- CI-10 introduced at convenience stores of Revolution's customers
- Cross-selling to Glory/Revolution customers increased

### Synergy

Maintenance centers and production bases of Glory and Revolution to be integrated for improved productivity



(Millions of yen)	Three months ended June 30, 2021	Three months ended June 30, 2022	Three months ended June 30, 2023	Y-on-Y
Sales	8,252	6,463	9,487	+3,024 +46.8 %
Ratio to total net sales	17.1%	12.2%	13.6%	+1.4 pt
Operating income	1,480	1,210	1,243	+33 +2.7 %
Operating margin	17.9 %	18.7 %	13.1 %	-5.6 pt



## Overview

### Sales

- Increased for main products, open teller system and coin and banknote recyclers for tellers
- Increased for maintenance services associated with system modifications for the new banknote issuance

### Operating Income

- Increased thanks to higher sales of main products and maintenance services

## Products & Services

### Solutions for Automation & Operational Efficiency

- Self-service solutions
- Cash management solutions
- Electronic payment solutions
- Solutions with biometric/image-recognition technologies etc.

### Products



### Services

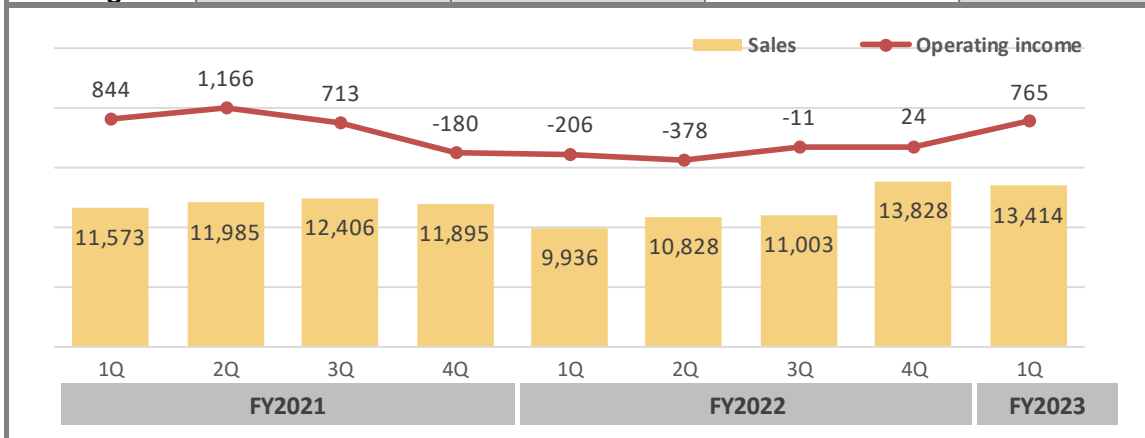


## Outline of the Segment

Sales and maintenance services to financial institutions in Japan.

# Retail and Transportation Market

(Millions of yen)	Three months ended June 30, 2021	Three months ended June 30, 2022	Three months ended June 30, 2023	Y-on-Y
Sales	11,573	9,936	13,414	+3,478 +35.0 %
Ratio to total net sales	24.0%	18.8%	19.3%	+0.5 pt
Operating income	844	-206	765	+971 - %
Operating margin	7.3 %	- %	5.7 %	- pt



## Overview

### Sales

- Increased for main products (coin and banknote recycler for cashiers and sales decreased for deposit machines)
- Increased for maintenance services with the start of system modifications associated with the new banknote issuance

### Operating Income

Return to profit thanks to higher sales of main products and maintenance services

## Products & Services

### Solutions for Automation & Operational Efficiency

- Self-service solutions
- Cash management solutions
- Electronic payment solutions
- Solutions with biometric and image-recognition technologies etc.

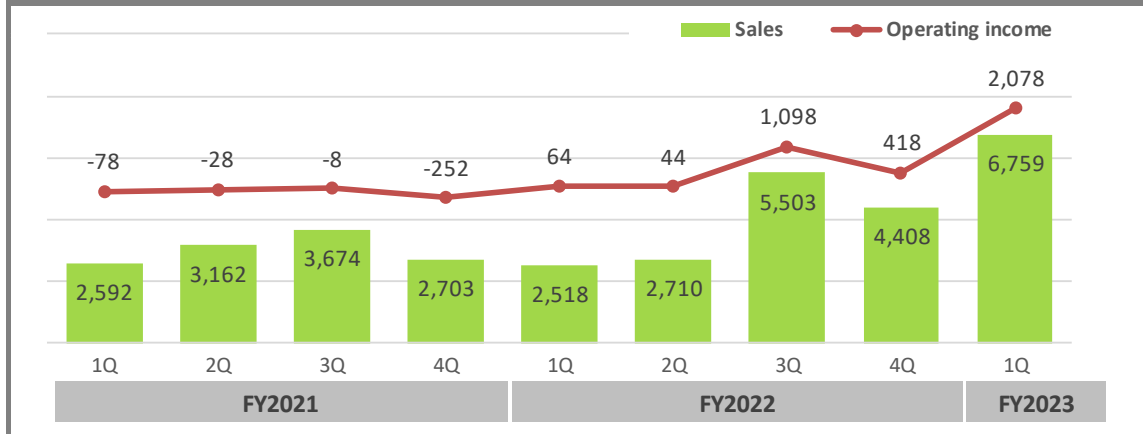
Products	Services

## Outline of the Segment

Sales and maintenance services to supermarkets, department stores, Cash-in-Transit companies (CITs), railroad companies, hospitals and local governments in Japan.

# Amusement Market

(Millions of yen)	Three months ended June 30, 2021	Three months ended June 30, 2022	Three months ended June 30, 2023	Y-on-Y
Sales	2,592	2,518	6,759	+4,241 +168.4 %
Ratio to total net sales	5.4%	4.8%	9.7%	+4.9 pt
Operating income	-78	64	2,078	+2,014 +3,146.9 %
Operating margin	- %	2.5 %	30.7 %	+28.2 pt



## Overview

### Sales

Increased for smart amusement machine units for the main products (card systems)

### Operating Income

Increased thanks to higher sales of smart amusement machine units

## Number of Card Systems Sold

(units)

30,000

■ For current machines ■ For smart machines

20,000

10,000

0

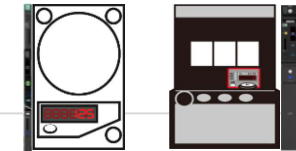
2023/3(1Q)

2023/3(2Q)

2023/3(3Q)

2023/3(4Q)

2024/3(1Q)



## Outline of the Segment

Sales and maintenance services to amusement halls (pachinko parlors and others) in Japan.



## **FY2023 Financial Forecast**

# Q2 FY2023 Forecast

## Sales

Revised upward expecting greater demand for the machine replacement and system modifications associated with the new Japanese banknote issuance scheduled for FY2024. Demand for card systems for smart amusement machines is also expected to continue in the domestic amusement market.

## Operating Income

Revised upward expecting higher sales and lower material prices.

(Millions of yen)	Six months ended		Six months ended		Six months ending September		Y-on-Y
	September 30, 2021	Ratio	September 30, 2022	Ratio	30, 2023 (Forecast)	Ratio	
Net Sales	103,154	100.0%	112,142	100.0%	142,000 155,000	100.0%	+42,858 +38.2%
Maintenance Services	39,100	37.9%	48,809	43.5%	50,000 57,000	36.8%	+8,191 +16.8%
Operating Income	5,735	5.6%	-4,711	-	6,000 13,500	8.7%	+18,211 -
Ordinary Income	5,725	5.5%	-5,359	-	5,000 13,000	8.4%	+18,359 -
Net Income Attributable to Owners of Parent	2,443	2.4%	-6,195	-	2,000 6,500	4.2%	+12,695 -
EBITDA *	13,785	13.4%	4,477	4.0%	15,200 22,700	10.7%	+18,223 407.0%
Exchange rate	¥ 110		¥ 134		¥ 130		
	¥ 131		¥ 139		¥ 135		

\*EBITDA = Operating income (Loss) + Depreciation & Amortization + Goodwill amortization

Forecasts  
 Upper row: Released on May 11, 2023  
 Lower row: Released on August 4, 2023

## Sales & Operating Income by Business Segment

(Millions of yen)	Sales				Operating Income			
	Six months ended September 30, 2021	Six months ended September 30, 2022	Six months ending September 30, 2023 (Forecast)	Y-on-Y	Six months ended September 30, 2021	Six months ended September 30, 2022	Six months ending September 30, 2023 (Forecast)	Y-on-Y
Overseas Market	54,850	69,511	75,000 78,000	+8,489 +12.2 %	1,354	-2,431	2,500	+4,931 - %
Financial Market	17,852	15,362	25,000 28,000	+12,638 +82.3 %	3,196	-1,215	1,500 4,500	+5,715 - %
Retail & Transportation Market	23,558	20,764	30,000 32,000	+11,236 +54.1 %	2,010	-584	500 2,200	+2,784 - %
Amusement Market	5,754	5,228	10,000 15,000	+9,772 +186.9 %	-106	108	2,000 4,800	+4,692 +4,344.4 %
Others	1,138	1,274	2,000	726 +57.0 %	-720	-589	-500	+89 - %
<b>Total</b>	<b>103,154</b>	<b>112,142</b>	<b>142,000 155,000</b>	<b>+42,858 +38.2 %</b>	<b>5,735</b>	<b>-4,711</b>	<b>6,000 13,500</b>	<b>+18,211 - %</b>

Forecasts	Upper row: Released on May 11, 2023 Lower row: Released on August 4, 2023
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# Q2 FY2023 Forecast



Confidence Enabled

## Overseas Market - Sales by Geographical Segment

Sales to retail industry expected to increase in EMEA.

(Millions of yen)	Six months ended September 30, 2021	Six months ended September 30, 2022	Six months ending September 30, 2023 (Forecast)	Y-on-Y	Local currency basis
<b>Americas</b>	<b>17,069</b>	<b>29,496</b>	<b>36,500</b>	<b>+7,004</b> <b>+23.7 %</b>	<b>+27.5%</b>
Acrelec	1,179	1,052	2,000	+948 <b>+90.1 %</b>	-
Revolution	0	8,576	8,800	+224 <b>+2.6 %</b>	<b>+5.8%</b>
<b>EMEA</b>	<b>31,569</b>	<b>32,559</b>	<b>32,500</b>	<b>+2,941</b> <b>+9.0 %</b>	<b>+12.1%</b>
Acrelec	7,032	8,393	8,400	+7 <b>+0.1 %</b>	-
<b>Asia</b>	<b>6,211</b>	<b>7,455</b>	<b>6,000</b>	<b>-1,455</b> <b>-19.5 %</b>	-
Acrelec	260	398	800	+402 <b>+101.0 %</b>	-
<b>Total overseas sales</b>	<b>54,850</b>	<b>69,511</b>	<b>75,000</b>	<b>+8,489</b> <b>+12.2 %</b>	-
Acrelec	8,470	9,843	11,200	+1,357 <b>+13.8 %</b>	-
Revolution	0	8,576	8,800	+224 <b>+2.6 %</b>	<b>+5.8%</b>



(Millions of yen)	Six months ended September 30, 2021		Six months ended September 30, 2022		Six months ending September 30, 2023 (Forecast)		Y-on-Y
<b>Sales</b>	<b>8,470</b>		<b>9,843</b>		<b>11,200</b>		<b>+1,357</b>
Americas	1,179	14%	1,052	11%	2,000	18%	<b>+948</b>
EMEA	7,032	83%	8,393	85%	8,400	75%	<b>+7</b>
Asia	260	3%	398	4%	800	7%	<b>+402</b>
Operating income	Before goodwill amortization		-1,022		400		<b>+1,422</b>
	After goodwill amortization		-1,427		10		<b>+1,437</b>

## Revolution Retail Systems

(Millions of yen)	Six months ended September 30, 2021		Six months ended September 30, 2022		Six months ending September 30, 2023 (Forecast)		Y-on-Y
<b>Sales</b>	<b>Ref (Before acquisition)</b>		<b>8,576</b>		<b>8,800</b>		<b>+224</b>
	5,494						
<b>Ratio (Revolution /Americas)</b>	<b>Ref (Before acquisition)</b>		<b>29%</b>		<b>24%</b>		<b>-5 pt</b>
Operating income	Before goodwill amortization		231		1,000		<b>+769</b>
	After goodwill amortization		-365		400		<b>+765</b>

\*Revolution P&L included in the scope of consolidation (the Americas) since Q3 FY2021.



## Sales

Expected to increase with the work associated with the new banknote issuance and stable product delivery as we anticipate significant improvements in parts procurement

## Operating Income

Expecting a significant rise with increased sales, easing of high material prices, product price revisions etc.

(Millions of yen)	FY2020		FY2021		FY2022		Y-on-Y
	Full Year	Ratio	Full Year	Ratio	Full Year (Forecast)	Ratio	
Net Sales	226,562	100.0%	255,857	100.0%	335,000 345,000	100.0%	+89,143 +34.8%
Maintenance Services	83,894	37.0%	100,793	39.4%	112,000 117,000	33.9%	+16,207 +16.1%
Operating Income	10,195	4.5%	522	0.2%	35,000 40,000	11.6%	+39,478 +7,562.8%
Ordinary Income	10,404	4.6%	-2,720	-1.1%	33,000 38,500	11.2%	+41,220 -
Net Income Attributable to Owners of Parent	6,410	2.8%	-9,538	-3.7%	20,000 23,000	6.7%	+32,538 -
EBITDA	27,505	12.1%	18,988	7.4%	53,500 58,500	17.0%	39,512 208.1%
Exchange rate	US\$	¥ 112	¥ 135		¥ 130		
	Euro	¥ 131	¥ 141		¥ 135		

\*EBITDA = Operating income (Loss) + Depreciation & Amortization + Goodwill amortization

Forecasts

Upper row: Released on May 11, 2023  
Lower row: Released on August 4, 2023

## Sales & Operating Income by Business Segment

(Millions of yen)	Sales				Operating Income			
	FY2021	FY2022	FY2023	Y-on-Y	FY2021	FY2022	FY2023	Y-on-Y
	Full Year	Full Year	Full Year(Forecast)		Full Year	Full Year	Full Year(Forecast)	
Overseas Market	127,803	155,902	165,000	+9,098 +5.8 %	4,781	436	7,500	+7,064 +1,620.2 %
Financial Market	36,079	36,248	70,000 72,500	+36,252 +100.0 %	4,644	152	15,500 17,500	+17,348 +11,413.2 %
Retail & Transportation Market	47,859	45,595	70,000 72,000	+26,405 +57.9 %	2,543	-571	6,000 6,500	+7,071 - %
Amusement Market	12,131	15,139	25,500 30,500	+15,361 +101.5 %	-366	1,624	7,000 9,500	+7,876 +485.0 %
Others	2,688	2,971	4,500 5,000	+2,029 +68.3 %	-1,408	-1,118	-1,000	+118 - %
Total	226,562	255,857	335,000 345,000	+89,143 +34.8 %	10,195	522	35,000 40,000	+39,478 +7,562.8 %

Forecasts	Upper row: Released on May 11, 2023 Lower row: Released on August 4, 2023
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## Increasing PBR by improving ROE/ROIC/ROA

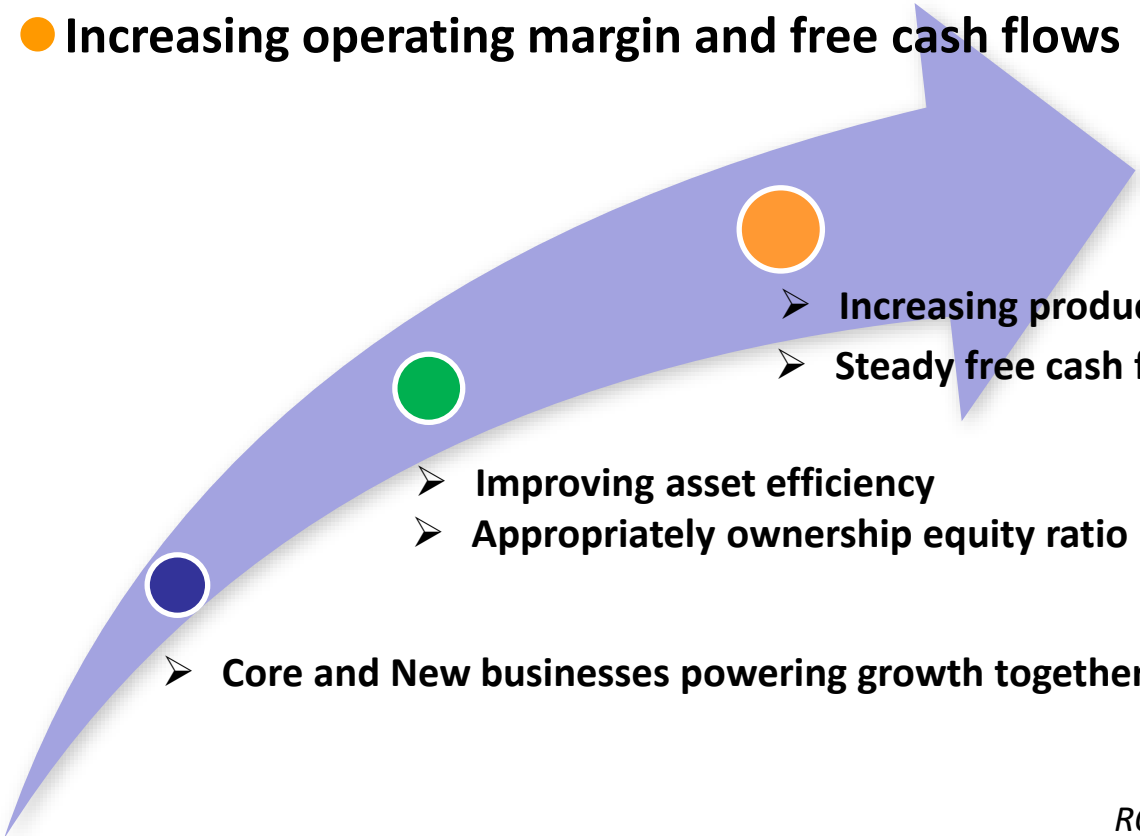
### Approaches to improve ROE/ROIC/ROA

- Accelerating business growth
- Optimizing the balance of liabilities & assets
- Increasing operating margin and free cash flows



- ✓ Strategic investment
- ✓ Stable dividend
- ✓ Optimum shareholder returns

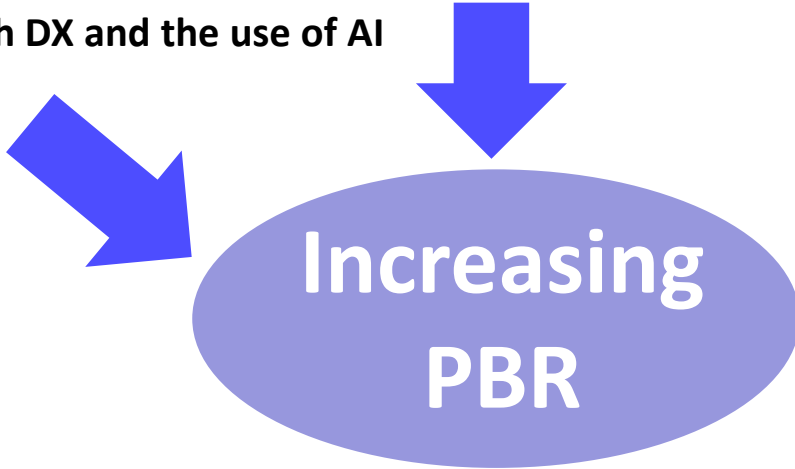
**FY2023 annual dividend forecast** **¥72**



- Increasing productivity with DX and the use of AI
- Steady free cash flows

- Improving asset efficiency
- Appropriately ownership equity ratio

- Core and New businesses powering growth together



*ROE, ROIC, & ROA targets are currently being discussed along with the 2026 MTP*

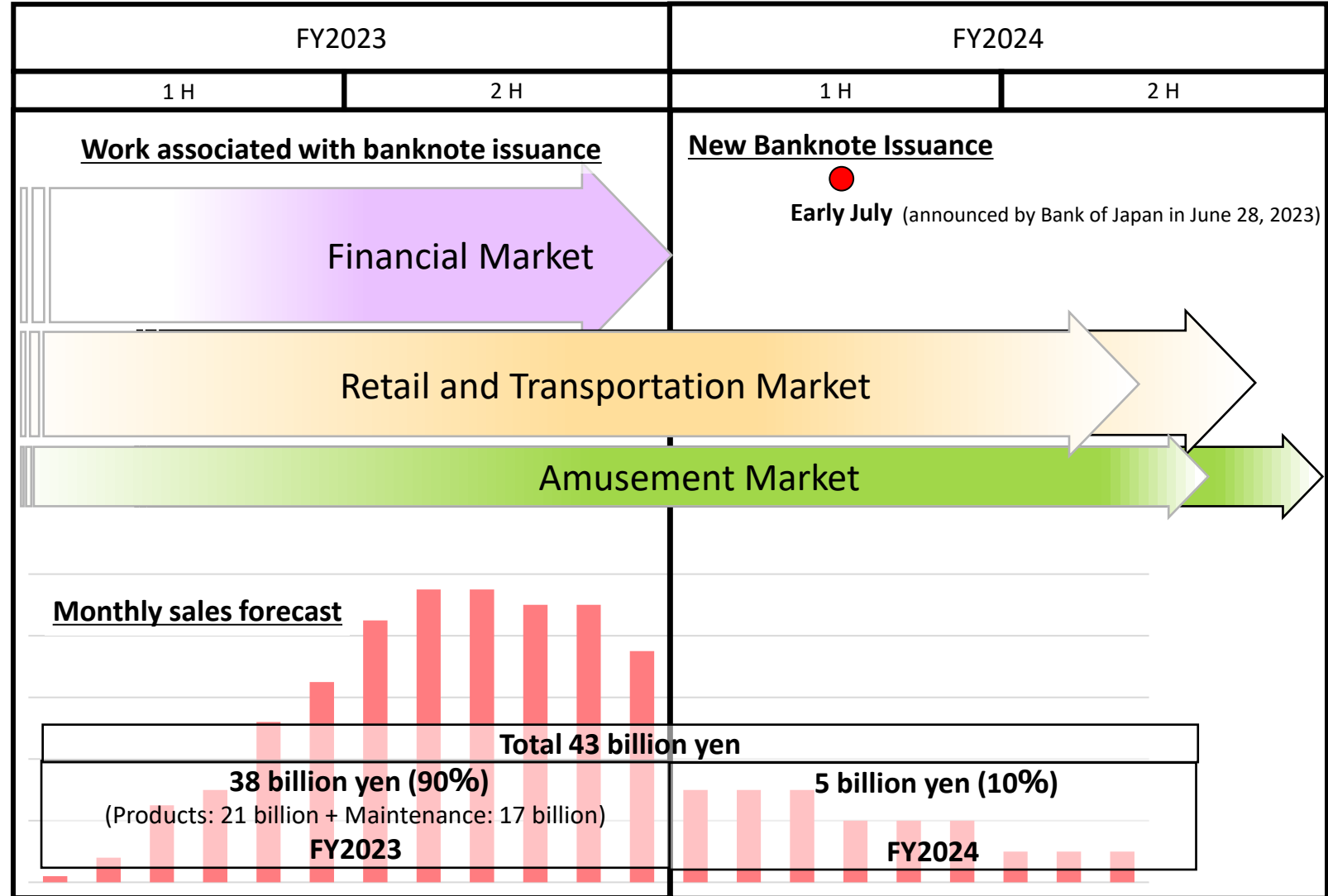
## **4** News & Topics

# Work associated with New Banknote Issuance

## Sales volume forecast by segment

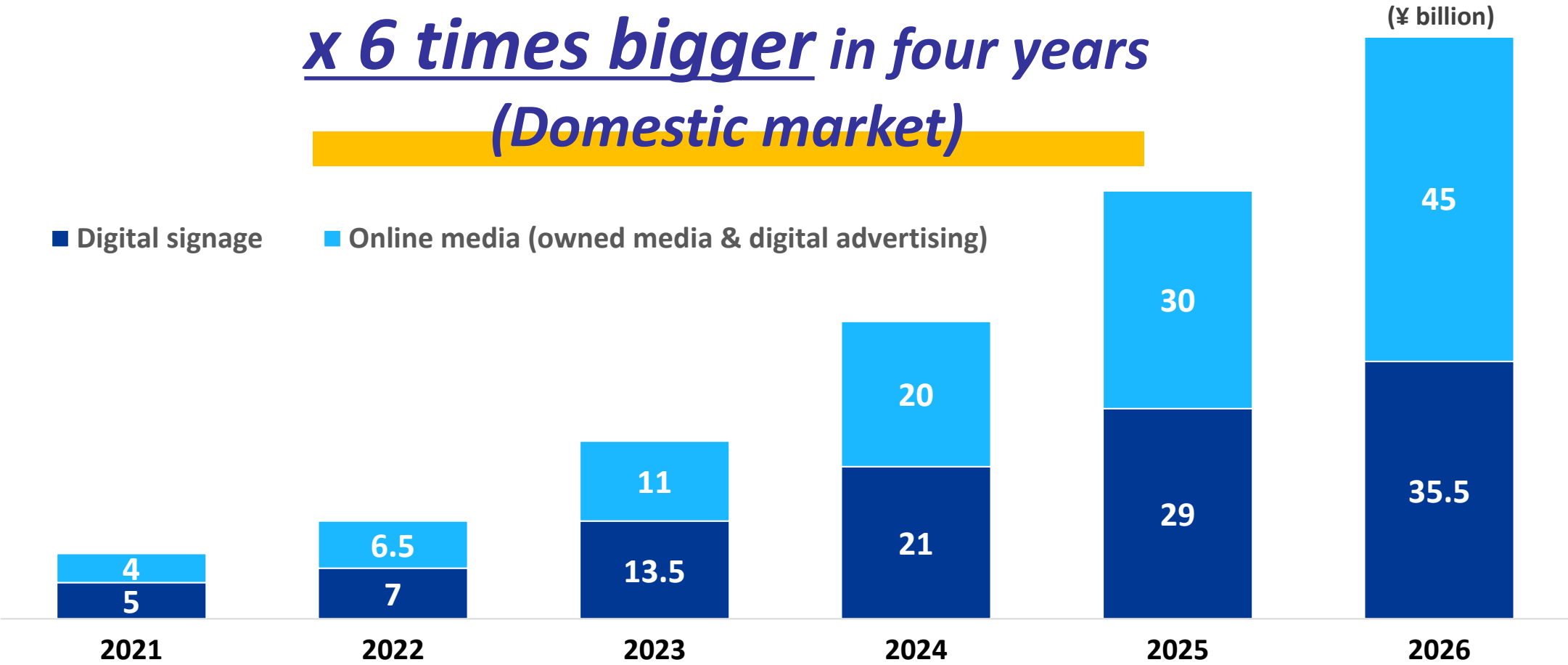
Number of installed base & Glory's products in the domestic market (thousand)

Total number of units	7,320	Number of Glory's products (including OEM)
<b>For financial institutions</b>	<b>330</b>	<b>75</b>
Coin and Banknote recycler for tellers	74	53
Teller machine	21	17
Money changer	10	5
Others	227	-
<b>Change machine</b>	<b>550</b>	<b>270</b>
<b>Vending machine</b>	<b>2,440</b>	<b>62</b>
<b>Gaming peripherals</b>	<b>4,000</b>	<b>563</b>



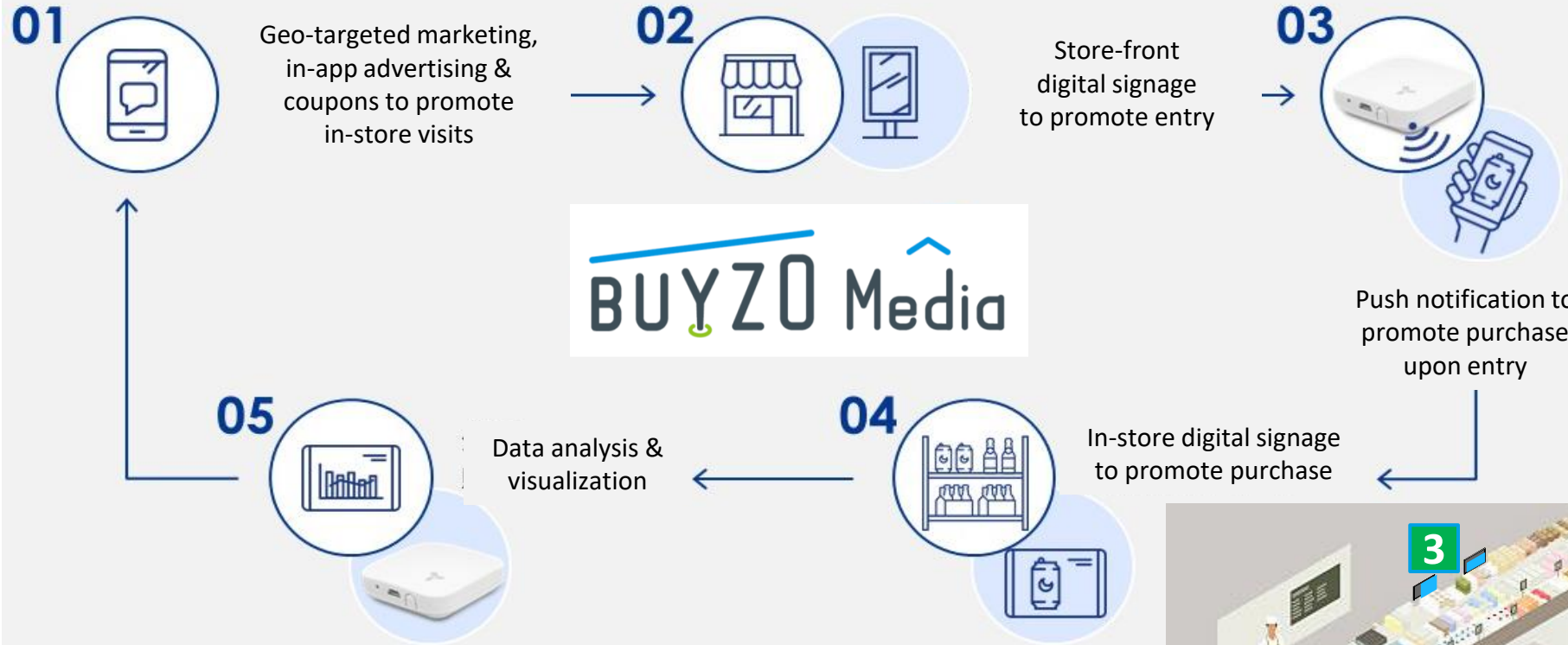
## Advertising Market Size Estimates (2021-2026)

*x 6 times bigger in four years*  
*(Domestic market)*



Source: CARTA HOLDINGS, INC. (September 2022)

# Retail Media Solution “BUYZO Media”



**AIBeacon**

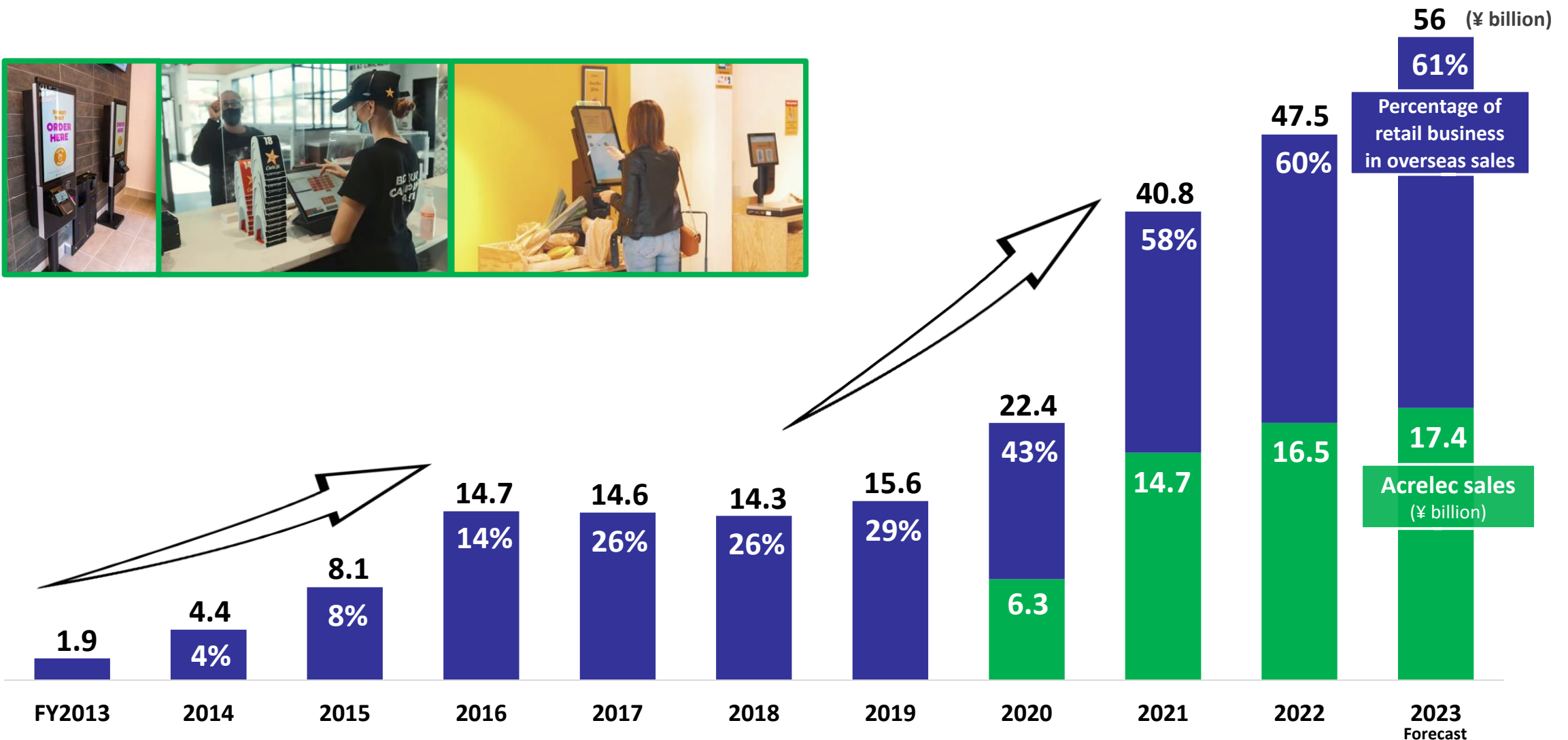
- ✓ IoT sensor developed by Adinte
- ✓ Collects customer data

## In-Store Digital Signage

- 1** Entrance
- 2** Wall
- 3** Shelves
- 4** Checkout counter
- 5** Packing space



## Sales of Acrelec products in overseas retail business (¥ billion)





## Next generation end-to-end solutions (orders, payment & pick-ups)

by Acrelec - a global technology partner focused on reinventing the customer experience for QSR brands

### Drive-Thru

#### ● Digital Menu Boards

Enables flexible menu proposals



#### ● QTimer 2.0®

Redefines speed of service. Monitors traffic flow at drive-thru and order duration with the customizable dashboard. Anticipates bottlenecks and reduces wait.



### Self-Order Kiosks

- ✓ Unmanned orders and payment
- ✓ Supports various ordering methods
- ✓ Cashless payment (Cash payment soon to be available)



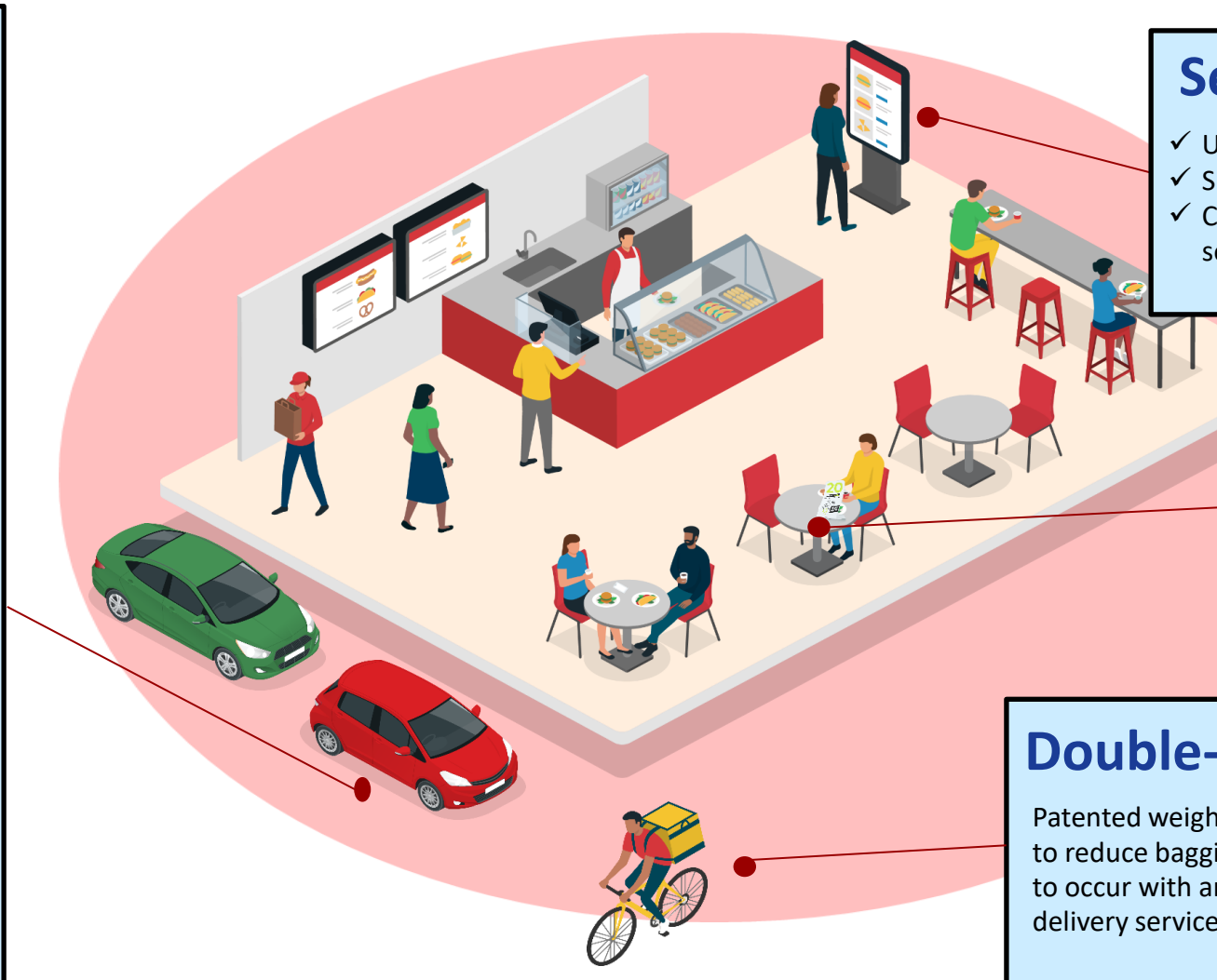
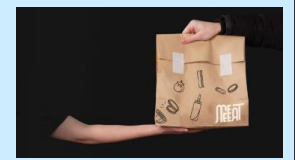
### Table Service



Identifies customer location and supports efficient food delivery. Eliminate crowded order counter, increase customer satisfaction, and reduce wait.

### Double-Check - Prevents bagging errors

Patented weight prediction algorithm to reduce bagging errors, which tend to occur with an increased number of delivery services.



# References

# Q1 FY2023 Financial Results

## Consolidated Statement of Income & Statement of Comprehensive Income

(Millions of yen)	Three months ended		Three months ended		Three months ended		Y-on-Y
	June 30, 2021	Ratio	June 30, 2022	Ratio	June 30, 2023	Ratio	
<b>Net sales</b>	<b>48,215</b>	<b>100.0%</b>	<b>52,980</b>	<b>100.0%</b>	<b>69,680</b>	<b>100.0%</b>	<b>+16,700</b>
Cost of sales	27,889	57.8%	32,430	61.2%	39,999	57.4%	+7,569
Selling, general and administrative expenses	18,296	37.9%	21,536	40.6%	25,530	36.6%	+3,994
<b>Operating income</b>	<b>2,030</b>	<b>4.2%</b>	<b>-986</b>	<b>-</b>	<b>4,150</b>	<b>6.0%</b>	<b>+5,136</b>
Non-operating income	303	0.6%	295	0.6%	829	1.2%	+534
Non-operating expenses	235	0.5%	666	1.3%	661	0.9%	-5
<b>Ordinary income</b>	<b>2,097</b>	<b>4.3%</b>	<b>-1,358</b>	<b>-</b>	<b>4,318</b>	<b>6.2%</b>	<b>+5,676</b>
Extraordinary income	5	0.0%	0	0.0%	109	0.2%	+109
Extraordinary loss	228	0.5%	6	0.0%	8	0.0%	+2
Income before income taxes and minority interests	1,874	3.9%	-1,364	-	4,420	6.3%	+5,784
Income taxes	1,121	2.3%	443	0.8%	2,205	3.2%	+1,762
<b>Net Income</b>	<b>753</b>	<b>1.6%</b>	<b>-1,808</b>	<b>-3.4%</b>	<b>2,214</b>	<b>3.2%</b>	<b>+4,022</b>
Net income attributable to owners of parent	631	1.3%	-1,972	-	2,005	2.9%	+3,977

<b>Net Income</b>	<b>753</b>	<b>1.6%</b>	<b>-1,808</b>	<b>-3.4%</b>	<b>2,214</b>	<b>3.2%</b>	<b>+4,022</b>
Valuation difference on available-for-sale securities	-132		35		347		+312
Foreign currency translation adjustment	605		10,422		9,857		-565
Remeasurements of defined benefit plans	-135		57		-198		-255
<b>Total other comprehensive income</b>	<b>336</b>	<b>0.7%</b>	<b>10,532</b>	<b>19.9%</b>	<b>10,014</b>	<b>14.4%</b>	<b>-518</b>
<b>Comprehensive income</b>	<b>1,089</b>	<b>2.3%</b>	<b>8,724</b>	<b>16.5%</b>	<b>12,229</b>	<b>17.6%</b>	<b>+3,505</b>

# Q1 FY2023 Financial Results



Confidence Enabled

## Consolidated Balance Sheet

(Millions of yen)	As of June 30, 2022	As of March 31, 2023	As of June 30, 2023	Increase/Decrease	(Millions of yen)	As of June 30, 2022	As of March 31, 2023	As of June 30, 2023	Increase/Decrease
Cash, deposits and Securities	48,102	37,586	36,289	-1,297	Notes and accounts payable-trade	25,614	25,473	25,790	+317
Notes and accounts receivable-trade	45,872	61,608	63,690	+2,082	Short-term loans payable	25,982	47,104	46,494	-610
Inventories	88,154	94,998	108,614	+13,616	Other	55,854	66,924	75,922	+8,998
Other	10,454	9,285	7,027	-2,258	<b>Total current liabilities</b>	<b>107,450</b>	<b>139,501</b>	<b>148,206</b>	<b>+8,705</b>
<b>Current assets</b>	<b>192,582</b>	<b>203,477</b>	<b>215,620</b>	<b>+12,143</b>	Long-term loans payable	13,806	12,055	11,599	-456
Property, plant and equipment	40,751	42,517	43,782	+1,265	Other	43,977	33,732	34,374	+642
Customer relationships	22,924	26,428	27,965	+1,537	<b>Noncurrent liabilities</b>	<b>57,783</b>	<b>45,787</b>	<b>45,973</b>	<b>+186</b>
Goodwill	70,968	55,528	58,434	+2,906	<b>Total liabilities</b>	<b>165,233</b>	<b>185,288</b>	<b>194,180</b>	<b>+8,892</b>
Other	9,626	9,769	9,946	+177	Capital stock	12,892	12,892	12,892	0
Intangible assets	103,518	91,725	96,345	+4,620	Retained earnings	162,700	141,522	142,384	+862
Total investments and other assets	38,356	43,552	44,151	+599	Other	34,383	41,570	50,442	+8,872
<b>Total noncurrent assets</b>	<b>182,626</b>	<b>177,795</b>	<b>184,278</b>	<b>+6,483</b>	<b>Total netassets</b>	<b>209,975</b>	<b>195,984</b>	<b>205,718</b>	<b>+9,734</b>
<b>Total assets</b>	<b>375,208</b>	<b>381,273</b>	<b>399,899</b>	<b>+18,626</b>	<b>Total liabilities and net assets</b>	<b>375,208</b>	<b>381,273</b>	<b>399,899</b>	<b>+18,626</b>

# Q1 FY2023 Financial Results



Confidence Enabled

## CAPEX, Depreciation & Amortization, and R&D

(Millions of yen)	Three months ended June 30, 2021	Three months ended June 30, 2022	Three months ended June 30, 2023	Y-on-Y	Quarterly trend
Capital expenditures	2,363	1,924	2,631	+707 +36.7 %	<p>FY21 (1Q) FY21 (2Q) FY21 (3Q) FY21 (4Q) FY22 (1Q) FY22 (2Q) FY22 (3Q) FY22 (4Q) FY23 (1Q)</p>
Depreciation and amortization	2,724	2,631	3,078	+447 +17.0 %	<p>FY21 (1Q) FY21 (2Q) FY21 (3Q) FY21 (4Q) FY22 (1Q) FY22 (2Q) FY22 (3Q) FY22 (4Q) FY23 (1Q)</p>
R&D investment	3,344	3,532	3,957	+425 +12.0 %	<p>FY21 (1Q) FY21 (2Q) FY21 (3Q) FY21 (4Q) FY22 (1Q) FY22 (2Q) FY22 (3Q) FY22 (4Q) FY23 (1Q)</p>

# FY2023 Forecast

(Millions of yen)	1st Harf			2nd Harf			Full Year				
	FY2021	FY2022	FY2023 (Forecast)	FY2021	FY2022	FY2023 (Forecast)	FY2021	FY2022	FY2023 (Forecast)	Y-on-Y	
Net Sales	103,154	112,142	142,000 155,000	123,408	143,715	193,000 190,000	226,562	255,857	335,000 345,000	+89,143 34.8%	
Maintenance Services	39,100	48,809	50,000 57,000	44,794	51,984	62,000 60,000	83,894	100,793	112,000 117,000	+16,207 16.1%	
Operating Income	5,735	-4,711	6,000 13,500	4,460	5,233	29,000 26,500	10,195	522	35,000 40,000	+39,478 6,605.0%	
Ordinary Income	5,725	-5,359	5,000 13,000	4,679	2,639	28,000 25,500	10,404	-2,720	33,000 38,500	+41,220 -	
Net Income Attributable to Owners of Parent	2,443	-6,195	2,000 6,500	3,967	-3,343	18,000 16,500	6,410	-9,538	20,000 23,000	+32,538 -	
EBITDA	13,785	4,477	15,200 22,700	13,720	14,511	38,300 35,800	27,505	18,988	53,500 58,500	+39,512 208.1%	
Exchange rate	US\$	¥ 110	¥ 134	¥ 130	¥ 115	¥ 137	¥ 130	¥ 112	¥ 135	¥ 130	¥ -5
	Euro	¥ 131	¥ 139	¥ 135	¥ 130	¥ 143	¥ 135	¥ 131	¥ 141	¥ 135	¥ -6

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\*EBITDA = Operating income (Loss) + Depreciation & Amortization + Goodwill amortization

Forecasts	Upper row: Released on May 11, 2023 Lower row: Released on August 4, 2023
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## Sales & Operating Income by Business Segment

Upper row: Sales  
Lower row: Operating income

(Millions of yen)	First Half			Second Half			Full Year			
	FY2021	FY2022	FY2023 (Forecast)	FY2021	FY2022	FY2023 (Forecast)	FY2021	FY2022	FY2023 (Forecast)	Y-on-Y
Overseas Market	54,850	69,511	78,000	72,953	86,391	87,000	127,803	155,902	165,000	+9,098
	1,354	-2,431	2,500	3,427	2,867	5,000	4,781	436	7,500	+7,064
Financial Market	17,852	15,362	28,000	18,227	20,886	44,500	36,079	36,248	72,500	+36,252
	3,196	-1,215	4,500	1,448	1,367	13,000	4,644	152	17,500	+17,348
Retail & Transportation Market	23,558	20,764	32,000	24,301	24,831	40,000	47,859	45,595	72,000	+26,405
	2,010	-584	2,200	533	13	4,300	2,543	-571	6,500	+7,071
Amusement Market	5,754	5,228	15,000	6,377	9,911	15,500	12,131	15,139	30,500	+15,361
	-106	108	4,800	-260	1,516	4,700	-366	1,624	9,500	+7,876
Others	1,138	1,274	2,000	1,550	1,697	3,000	2,688	2,971	5,000	+2,029
	-720	-589	-500	-688	-529	-500	-1,408	-1,118	-1,000	+118
Total	103,154	112,142	155,000	123,408	143,715	190,000	226,562	255,857	345,000	+89,143
	5,735	-4,711	13,500	4,460	5,233	26,500	10,195	522	40,000	+39,478

Overseas Market

Expected to increase, opportunities with leading retailers and F&Bs in the U.S. and Europe which have high interest in capital investment

Financial Market

- Expand the sales of self-service solutions addressing the demand for machine replacement

Retail and Transportation Market

Complete the work associated with banknote issuance

- Expand the sales of self-service products addressing the ongoing need for self-service solutions

Amusement Market

- Expand the sales of card systems with ongoing need for newly introduced amusement machines

## Sales by Geographical Segment of Overseas Market



(Millions of yen)	Full Year			Y-on-Y	Local currency basis
	FY2021	FY2022	FY2023 (Forecast)		
<b>Americas</b>	44,684	69,336	<b>80,000</b>	+10,664 +15.4 %	+20.2%
Acrelec	2,716	3,050	<b>5,000</b>	+1,950 +63.9 %	-
Revolution	3,774	17,758	<b>18,500</b>	+742 +4.2 %	+8.6%
<b>EMEA</b>	68,967	70,758	<b>71,000</b>	+242 +0.3 %	+4.8%
Acrelec	16,479	18,663	<b>16,500</b>	-2,163 -11.6 %	-
<b>Asia</b>	14,151	15,806	<b>14,000</b>	-1,806 -11.4 %	-
Acrelec	614	751	<b>2,200</b>	+1,449 +193.1 %	-
<b>Total overseas sales</b>	127,803	155,902	<b>165,000</b>	+9,098 +5.8 %	-
Acrelec	19,809	22,464	<b>23,700</b>	+1,236 +5.5 %	-
Revolution	3,774	17,758	<b>18,500</b>	+742 +4.2 %	+8.6%

- Acrelec P&L included in the scope of consolidation since Q2 FY2020.
- Revolution P&L included in the scope of consolidation (the Americas) since Q3 FY2021.
- Sales of OEM included in regional sales since FY2022. (FY2020 and FY2021 also adjusted)
- China included in Asia since FY2022.

(Millions of yen)	Full Year			Y-on-Y
	FY2021	FY2022	FY2023 (Forecast)	
<b>Sales</b>	<b>19,809</b>	<b>22,464</b>	<b>23,700</b>	+1,236
Americas	2,716	3,050	5,000	+1,950
EMEA	16,479	18,663	16,500	-2,163
Asia	614	751	2,200	+1,449
Operating income	95	-1,326	900	+2,226
Before goodwill	-284	-2,122	130	+2,252

### Revolution Retail Systems

(Millions of yen)	Full Year			Y-on-Y
	FY2021	FY2022	FY2023 (Forecast)	
<b>Sales</b>	<b>11,741</b>	<b>17,758</b>	<b>18,500</b>	+742
Ratio (Revolution /Americas)	-	26%	23%	-2 pt
Operating income	4,378	-692	2,100	+2,792
Before goodwill	-	-1,947	900	+2,847

Revolution P&L included in the scope of consolidation (the Americas) since Q3 FY2021.



## CAPEX, Depreciation & Amortization, and R&D

(Millions of yen)	FY2021	FY2022	FY2023 (Forecast)	Y-on-Y	Changes by six-month periods
Capital expenditures	11,423	11,064	10,000	-1,064 -9.6 %	
Depreciation and amortization	11,952	11,762	12,000	+238 +2.0 %	
R&D investment	14,743	14,466	15,000	+534 +3.7 %	
Dividend (Yen)	66	68	72	+4	

## **Notes**

1. The forward-looking statements, including operational forecasts, contained in this document are based on the information currently available to the company and on certain assumptions which the company regards as legitimate. Results may differ from forecasts due to changes in the economic conditions in the company's principal markets, demand for the company's products, and exchange rate fluctuations, and impacts of changes in regulations, accounting principles and practices. The forecasts may change without prior notice unless required by laws.
2. Amounts are rounded down to the nearest million yen for the calculation of year-on-year percentage difference and composition ratios.