

Results for the 1st Quarter of Fiscal Year Ending March 31, 2021

August 6, 2021
Heiwa Corporation

Securities Code : 6412

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【Market Environment】

- Pachinko and Pachislot Machine Business
- Golf Business

【Pachinko and Pachislot Machine Business】

- Regulations on Pachinko and Pachislot Machines
- Number of Machines Sold

【Golf Business】

- Trends of Golf Course Users and Revenue per Customer 1
- Trends of Golf Course Users and Revenue per Customer 2
- Golf Course Portfolio

【Consolidated Results】

- Financial Performance Trend
- Key Financial Indicators

Consolidated results

- Net sales: 16.1 billion yen, -56.1% year on year
- Operating loss: 4.4 billion yen (operating income of 8.1 billion yen in the same period of the previous fiscal year)
 - Income and profit decreased due to impacts of COVID-19 such as fewer units sold in the pachinko and pachislot machine business and fewer golf course users in the golf business.

Pachinko and pachislot machine business

- Net sales: 1.1 billion yen, -91.0% year on year
- Operating loss: 3.3 billion yen (operating income of 3.2 billion yen in the same period of the previous fiscal year)
 - ✓ The number of Pachinko machines sold in 1Q: 1k units (-25k units YoY)
 - ✓ The number of Pachislot machines sold in 1Q: 1k units (-6k units YoY)

Golf business

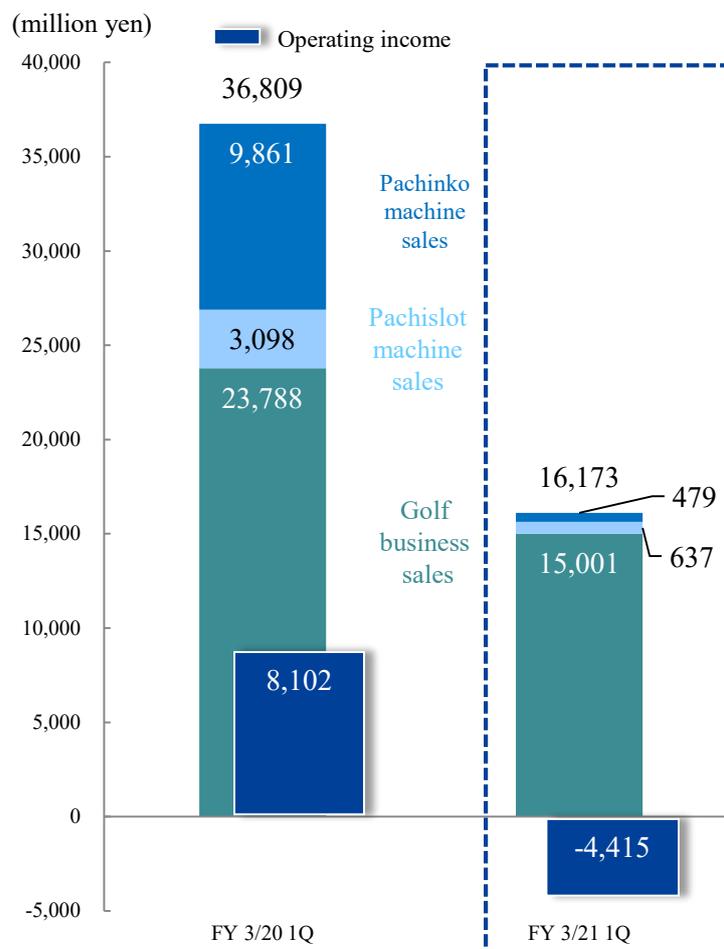
- Net sales: 15.0 billion yen, -36.9% year on year
- Operating loss: 0.5 billion yen (operating income of 5.6 billion yen in the same period of the previous fiscal year)
 - Income and profit decreased due to impacts of COVID-19 such as a decline in the number of golf course users.

Results for the 1st Quarter of FY ending March 31, 2021

Consolidated Statements of Income (Results)

1st Quarter Results

- Income and profit were down year on year (net sales -56.1% YoY and operating loss in comparison with operating income in the same period of the previous fiscal year).
 - Income and profit decreased due to impacts of COVID-19 such as fewer units sold in the pachinko and pachislot machine business and fewer golf course users in the golf business.



(million yen)	FY 3/20 1Q Results	FY 3/2021 1Q Results	YoY
Net sales	36,809	16,173	-56.1%
Pachinko and Pachislot machine business	13,021	1,171	-91.0%
Pachinko machines	9,861	479	-95.1%
Pachislot machines	3,098	637	-79.4%
Golf business	23,788	15,001	-36.9%
Operating income	8,102	-4,415	-
Pachinko and Pachislot machine business	3,294	-3,301	-
Pachinko machines	2,127	-2,442	-
Pachislot machines	1,150	-859	-
Golf business	5,661	-503	-
Eliminations & corporate expenses	-853	-611	-28.4%
Operating income ratio	22.0%	-27.3%	-49.3pt
Ordinary income	8,172	-4,491	-
Profit attributable to owners of parent	5,857	-5,813	-
EBITDA*	10,159	-2,420	-

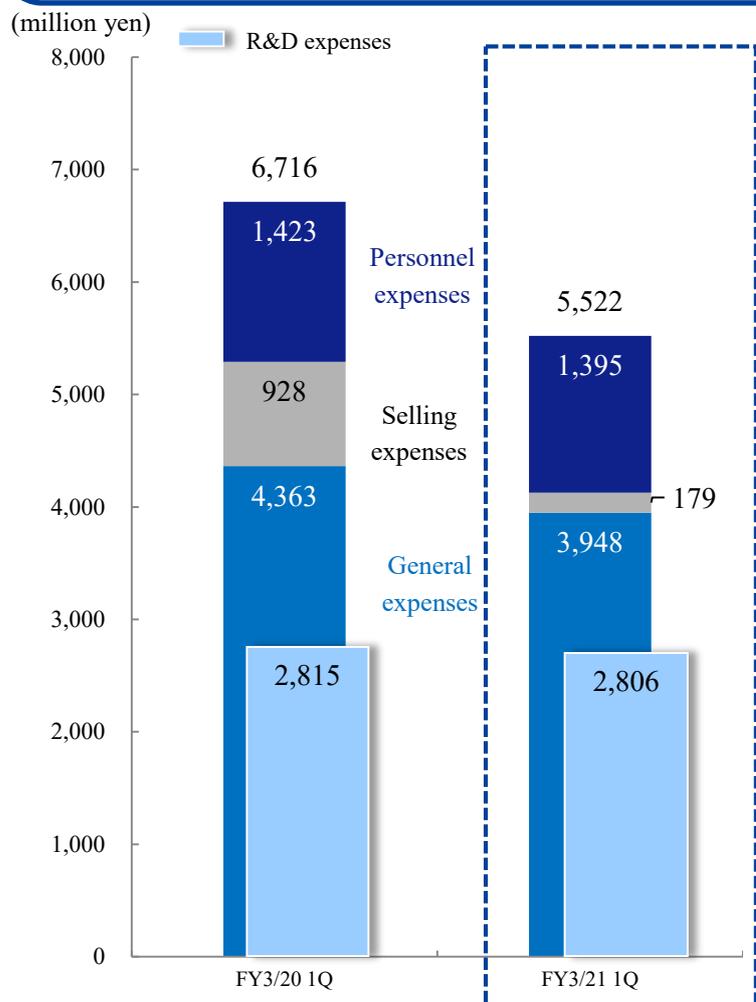
* EBITDA = Operating income + depreciation + amortization of goodwill

SGA Expenses / Depreciation & Amortization / Capital Investment (Results)



1st Quarter Results

- SGA expenses were down year on year (-17.8% YoY)
 - Releases of new titles were postponed due to the impact of COVID-19, resulting in lower advertising expenses.
 - Variable expenses such as sales commissions fell due to fewer units sold.



(million yen)	FY 3/2020 1Q Results	FY 3/2021 1Q Results	YoY
SGA expenses	6,716	5,522	-17.8%
Personnel expenses	1,423	1,395	-2.0%
Selling expenses	928	179	-80.7%
Advertising expenses	288	107	-62.8%
Sales commissions	316	38	-87.9%
General expenses	4,363	3,948	-9.5%
R&D expenses	2,815	2,806	-0.3%

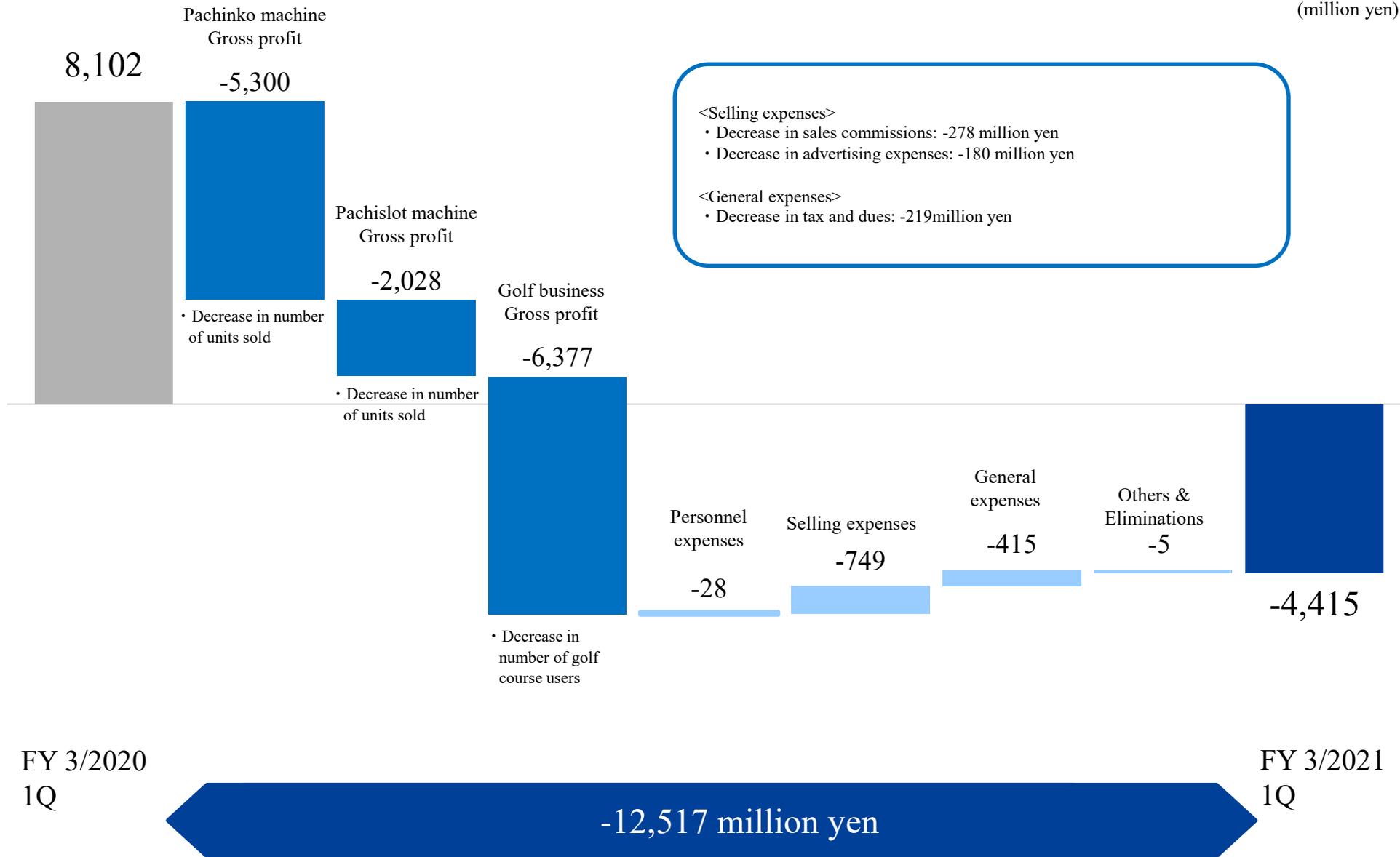
Depreciation & Amortization / Capital Investment

(million yen)	FY 3/2020 1Q Results	FY 3/2021 1Q Results	YoY
Depreciation & amortization	2,016	1,958	-2.9%
Capital investment	2,943	2,631	-10.6%

Factors Contributing to Change in Operating Income (Consolidated Basis)

1st Quarter Results

(million yen)



Pachinko and Pachislot Machine Business (Results)



1st Quarter Results

Pachinko

- The numbers of units sold fell short of the previous fiscal year, resulting in decreased income and profit.
 - Releases of new titles were postponed due to the impact of COVID-19, resulting in decreased income due to fewer units sold.
 - Although SGA expenses decreased, the decline in number of units sold had a greater impact, resulting in decreased profit.

Pachislot

- The numbers of units sold fell short of the previous fiscal year, resulting in decreased income and profit.
 - Releases of new titles were postponed due to the impact of COVID-19, resulting in decreased income and profit due to fewer units sold.

Total

- Income and profit were down year on year (net sales -91.0% YoY and operating loss in comparison with operating income in the same period of the previous fiscal year).
 - Releases of new titles were postponed due to the impact of COVID-19, resulting in decreased income and profit due to fewer units sold.

(million yen)	FY 3/2020 1Q Results	FY 3/2021 1Q Results	YoY
Net sales	13,021	1,171	-91.0%
Pachinko machines	9,861	479	-95.1%
Pachislot machines	3,098	637	-79.4%
Gross profit	7,802	467	-94.0%
Pachinko machines	5,386	86	-98.4%
Pachislot machines	2,397	368	-84.6%
Gross profit ratio	59.9%	39.9%	-20.0pt
Operating income	3,294	-3,301	-
Pachinko machines	2,127	-2,442	-
Pachislot machines	1,150	-859	-
Operating income ratio	25.3%	-281.7%	-307.0pt

Breakdown of Machine Sales

(Units)	FY 3/2020 1Q Results	FY 3/2021 1Q Results	YoY
Total	34,929	2,644	-32,285
Pachinko machines	26,724	1,235	-25,489
Body	12,024	267	-11,757
Gauge board	14,700	968	-13,732
Pachislot machines	8,205	1,409	-6,796
Chassis	588	587	-1
Combined unit	7,617	822	-6,795

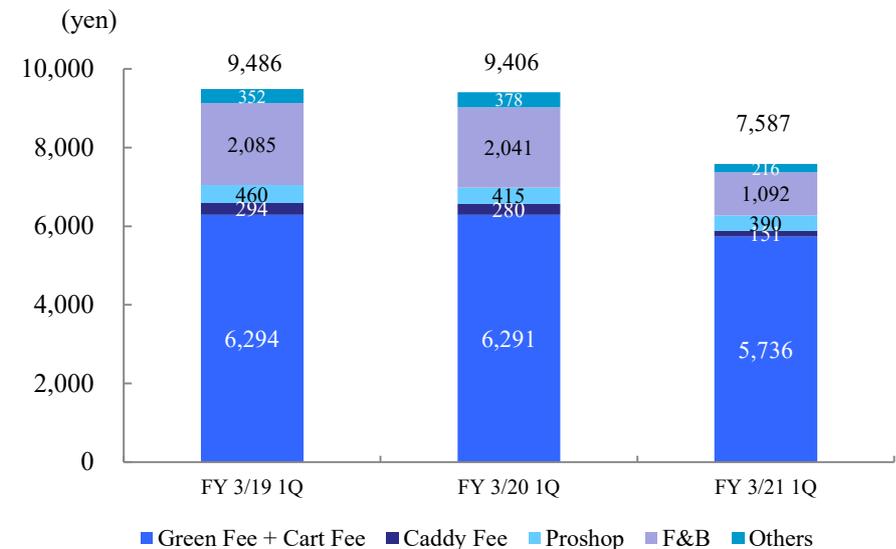
1st Quarter Results

- Operation with thorough implementation of measures to prevent COVID-19 infections and adjustments to playing styles, etc.
 - Encouragement of playing all 18 holes without a break to avoid use of clubhouses.
 - Maintenance of sufficient spacing between seats in restaurants, bathroom use restricted to showers only, etc.
- The number of golf course users decreased, and revenue per customer declined as well.
 - The number of golf course users decreased significantly due to the impact of factors such as requests to voluntarily refrain from outings accompanying the spread of COVID-19 infections.
 - In the breakdown of revenue per customer, F&B revenue declined substantially due to the cancellation of competitions and other factors.

Number of Golf Course Users / Revenue per Customer

【1Q (3 months)】	FY 3/2020 1Q Results	FY 3/2021 1Q Results	YoY
Number of golf course users (thousand people)	2,268	1,706	-24.8%
Revenue per customer (yen)	9,406	7,587	-19.3%

Breakdown of Revenue per Customer



*Includes internal net sales

Golf Business (Results)

1st Quarter Results

- Income and profit were down year on year (net sales -36.9% YoY and operating loss in comparison with operating income in the same period of the previous fiscal year).
- Revenue from golf course operation decreased significantly as a result of a decline in revenue per customer accompanying the cancellation of competitions, etc. and fewer golf course users due to the impact of COVID-19.
- Profit decreased substantially as well because of the decline in net sales.

(million yen)	FY 3/2020 1Q Results	FY 3/2021 1Q Results	YoY
Net sales	23,788	15,001	-36.9%
Net sales before eliminations	23,792	15,001	-36.9%
Eliminations	-4	-0	-94.6%
Gross profit	7,016	639	-90.9%
Gross profit ratio	29.5%	4.3%	-25.2pt
Operating income	5,661	-503	-
Operating income ratio	23.8%	-3.4%	-27.2pt

Breakdown of Sales			
(million yen)	FY 3/2020 1Q Results	FY 3/2021 1Q Results	YoY
Revenue from golf course operation	21,337	12,949	-39.3%
Membership-related sales	2,163	1,940	-10.3%

Breakdown of Costs			
(million yen)	FY 3/2020 1Q Results	FY 3/2021 1Q Results	YoY
Cost of Sales	16,775	14,361	-14.4%
SGA expenses	1,355	1,143	-15.7%

Consolidated Balance Sheets (Summary)



(million yen)	As of March 31, 2020	As of June 30, 2020	Change	Remarks
Current assets	113,587	97,652	-15,935	
Non-current assets	323,174	321,073	-2,101	<ul style="list-style-type: none"> ■ Decrease in cash and deposits ■ Decrease in securities
Total assets	436,762	418,725	-18,036	
Current liabilities	56,083	51,449	-4,633	
Non-current liabilities	148,103	144,237	-3,866	<ul style="list-style-type: none"> ■ Repayment of loans payable
Total liabilities	204,186	195,686	-8,499	
Total net assets	232,575	223,038	-9,536	
Total liabilities and net assets	436,762	418,725	-18,036	

(million yen)	As of March 31, 2019	As of June 30, 2020
Cash and deposits, and securities	83,296	72,241
Interest-bearing debt	115,834	112,489
Shareholders' equity	232,575	223,038
Shareholders' equity ratio	53.2%	53.3%

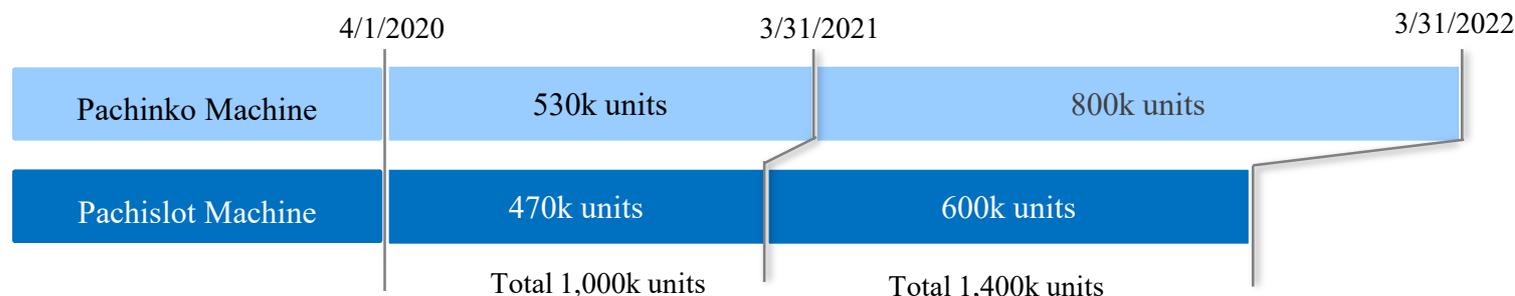
■ D/E ratio (interest-bearing debt/shareholders' equity)
 49.8%→50.4%
 ■ Net D/E ratio (net interest-bearing debt/shareholders' equity)
 14.0%→18.0%

Full-year Plan for FY ending March 31, 2021

Regulations on Pachinko and Pachislot Machines

Revised Regulations (enforced May 20, 2020)

Estimates for Numbers of Machines under Previous Regulations Removed

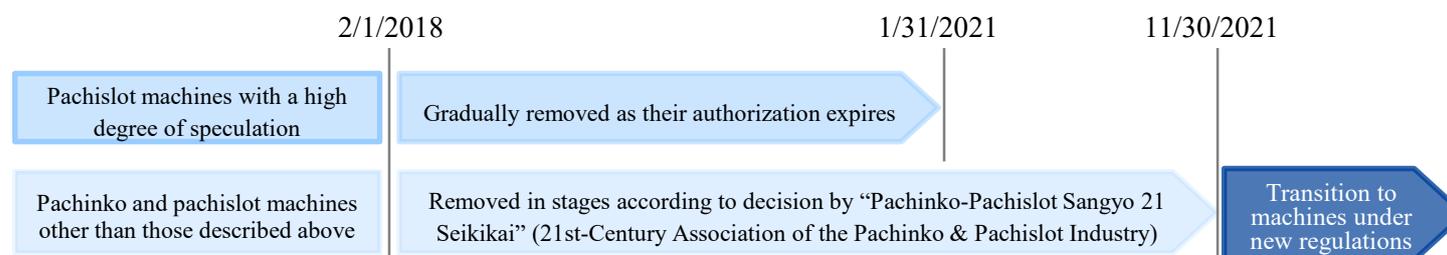


*Company estimates as of May 31, 2020

Forecast for No. of Units Sold on the Market

	3/2021 forecast
Pachinko Machine	660k units
Pachislot Machine	440k units
Total	1,100k units

Removal Schedule for Machines under Previous Regulations



Internal Plans for No. of Units Sold

	3/2021 Plan
Pachinko Machine (Number of titles released)	78k units (6)
Pachislot Machine (Number of titles released)	52k units (7)
Total	130k units

Market Outlook for This Fiscal Year

- Operation of pachinko parlors recovered to about 80% of levels prior to the spread of COVID-19, and further recovery is expected in the future.
- As the removal deadline for machines under the previous regulations was extended by up to one year according to the revised regulations, the demand period is dispersed across this fiscal year and the next fiscal year.
- Well-utilized machines under the previous regulations are expected to remain installed until just before their authorization expires.
- There will be demand accompanying the removal of approx. 1 million units this fiscal year, but due to the strained financial state of pachinko parlors, demand beyond this is expected to be low.

YoY Comparison of Number of Golf Course Users/Revenue per Customer

Number of Golf Course Users

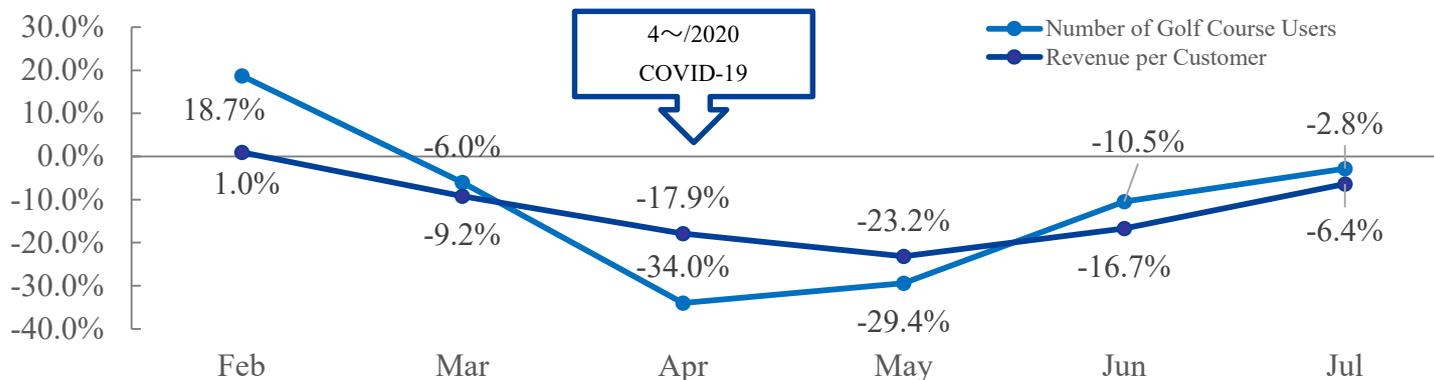
(persons)	Apr	May	Jun	Jul
FY 3/2020	713,508	825,693	729,264	692,419
FY 3/2021	470,829	582,920	652,979	673,184
YoY	-242,679	-242,773	-76,285	-19,235

Revenue per Customer

(yen)	Apr	May	Jun	Jul
FY 3/2020	9,463	9,438	9,314	8,588
FY 3/2021	7,768	7,245	7,761	8,037
YoY	-1,695	-2,193	-1,553	-551

YoY

(location-wide basis)



Internal Plans for No. of Golf Course Users/Revenue per Customer

	3/2021 Plan
Number of golf course users (thousand people)	7,568
Revenue per customer (yen)	8,220

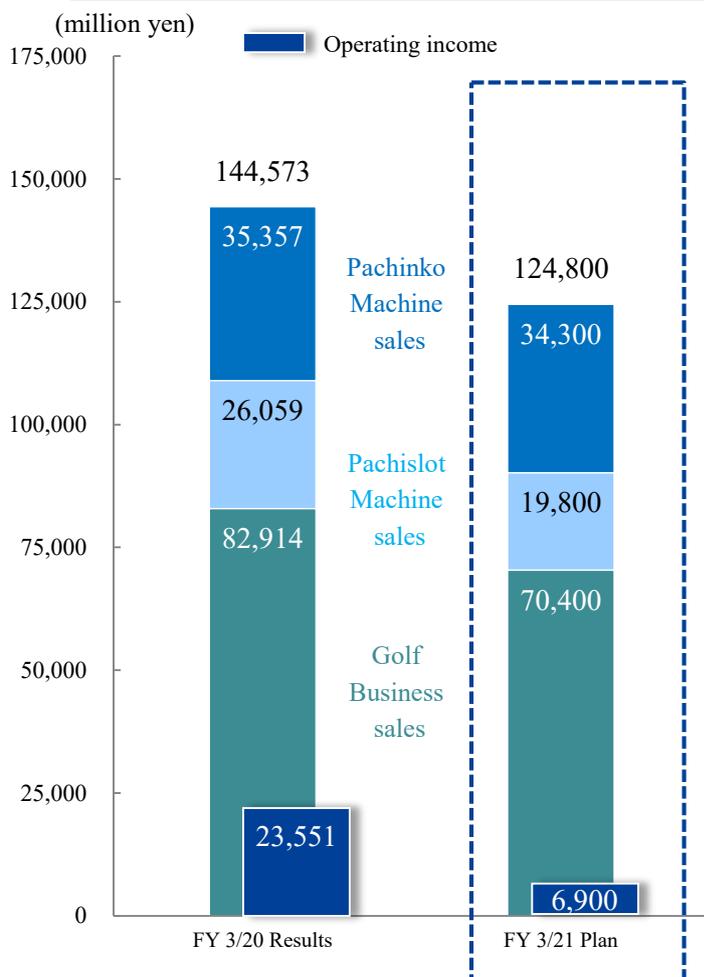
Recent Market Environment

- The number of golf course users decreased significantly in 1Q as people voluntarily refrained from leisure activities due to the spread of COVID-19.
- Revenue per customer fell due to the encouragement of playing all 18 holes without a break in line with measures to prevent infection as well as a decline in competition demand.
- Despite the impact of the Kyushu floods in July 2020, the number of golf course users and revenue per customer are gradually recovering.

Consolidated Statements of Income (Plan)

FY 3/21 Plan

- Income and profit are expected to decrease year on year (net sales -13.7% YoY and operating income -70.7% YoY).
- Income and profit down due to factors such as fewer units sold in the pachinko and pachislot machine business and fewer golf course users in the golf business



(million yen)	FY 3/2020 Results	FY 3/2021 Plan	YoY
Net sales	144,573	124,800	-13.7%
Pachinko and Pachislot machine business	61,658	54,400	-11.8%
Pachinko machines	35,357	34,300	-3.0%
Pachislot machines	26,059	19,800	-24.0%
Golf business	82,914	70,400	-15.1%
Operating income	23,551	6,900	-70.7%
Pachinko and Pachislot machine business	17,450	5,500	-68.5%
Pachinko machines	5,120	700	-86.3%
Pachislot machines	12,293	4,800	-61.0%
Golf business	9,286	4,300	-53.7%
Eliminations & corporate expenses	-3,185	-2,900	-9.0%
Operating income ratio	16.3%	5.5%	-10.8pt
Ordinary income	23,278	6,300	-72.9%
Profit attributable to owners of parent	15,872	1,000	-93.7%
EBITDA*	32,841	16,500	-49.8%

* EBITDA = Operating income + depreciation + amortization

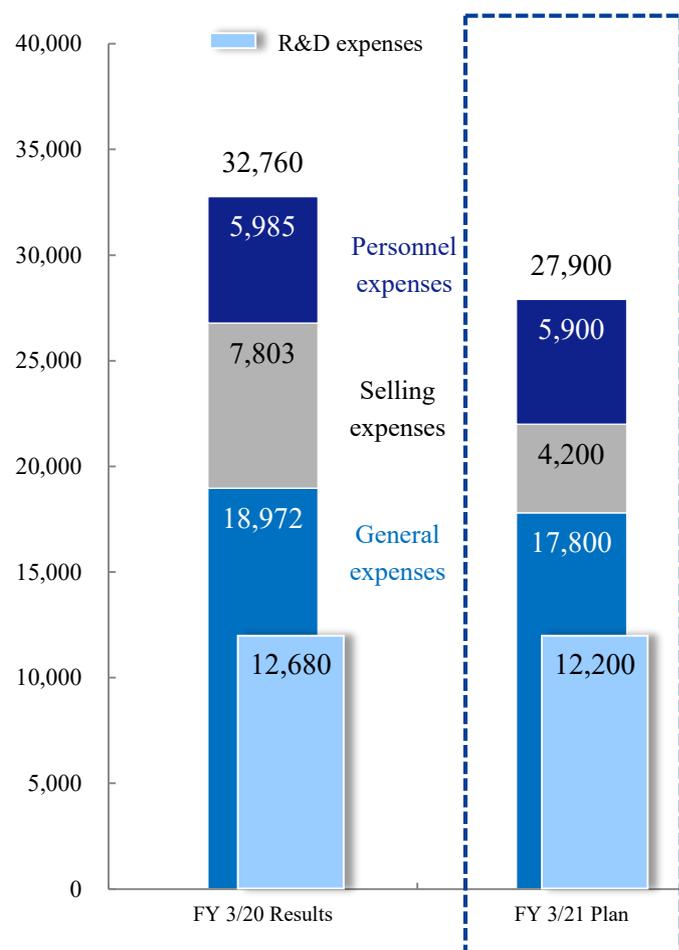
SGA Expenses / Depreciation & Amortization / Capital Investment (Plan)

FY 3/21 Plan

■ SGA expenses down year on year

- Advertising expenses were lower because the hosting of golf tournaments ended last year.
- Shareholder-benefit-related expenses fell as a result of changes to the shareholder benefit system.

(million yen)



(million yen)	FY 3/2020 Results	FY 3/2021 Plan	YoY
SGA expenses	32,760	27,900	-14.8%
Personnel expenses	5,985	5,900	-1.4%
Selling expenses	7,803	4,200	-46.2%
Advertising expenses	1,950	1,200	-38.5%
Sales commissions	1,885	1,400	-25.7%
General expenses	18,972	17,800	-6.2%
R&D expenses	12,680	12,200	-3.8%

Depreciation & Amortization / Capital Investment

(million yen)	FY 3/2020 Results	FY 3/2021 Plan	YoY
Depreciation & amortization	8,745	9,400	7.5%
Capital investment	9,667	8,800	-9.0%

Pachinko and Pachislot Machine Business (Machine Sales Plan)

FY 3/20 Plan

(Units)	FY 3/2020 Results	FY 3/2021 Plan	Change the previous year
Number of machines sold	164,400	130,000	-34k units
Pachinko machines	95,483	78,000	-17k units
Number of titles released	10	6	-4
Pachislot machines	68,917	52,000	-16k units
Number of titles released	8	7	-1



Pachinko Machine
Sengoku Otome6: Akatsuki no Sekigahara



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Titles to Release / Pachinko Machine

Title	Release Date
<i>Sengoku Otome6: Akatsuki no Sekigahara</i>	Oct. 2020

Titles to Release / Pachislot Machine

Title	Release Date
<i>Pachislot Taimadougakuen 35 shiken shoutai</i>	Sep. 2020



Pachislot Machine
Pachislot Taimadougakuen 35 shiken shoutai



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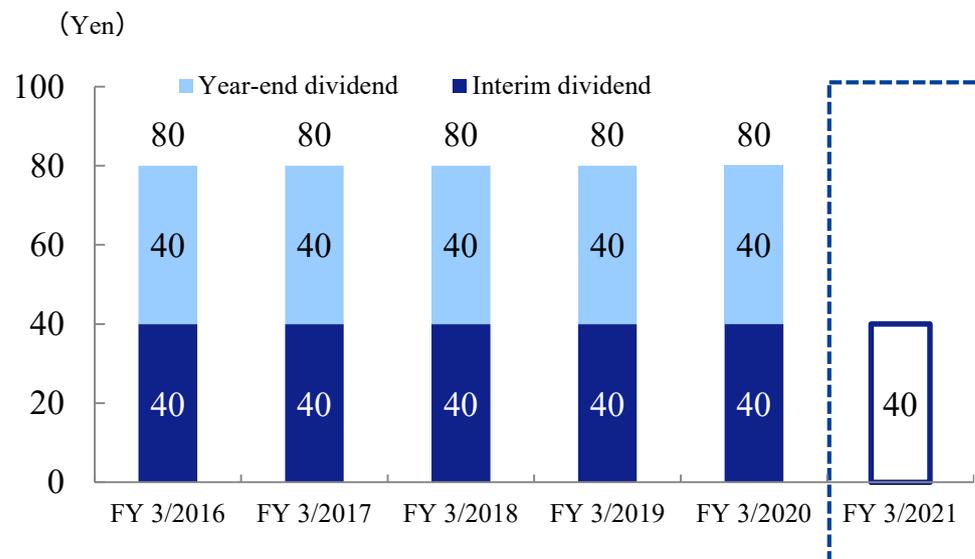
Dividend policy

- Stable dividends are paid, giving consideration to the totality of the business plan, financial conditions, and operating results, etc.
- Internal reserves are allocated to investment in enhancement of research and development capabilities, plant and equipment, and M&A of golf courses, etc.

FY 2021 (Plan)

Interim dividend 40 yen
Year-end dividend TBD

Trend of dividend per share



The dividend forecast for the fiscal year ending March 31, 2021, was initially undetermined due to the difficulty of calculating the results forecast. However, in light of the above dividend policy and the results forecast, the interim dividend for the fiscal year ending March 31, 2021, has been fixed at 40 yen per share.

The year-end dividend remains to be determined.

Supplementary Information

【Market Environment】

- Pachinko and Pachislot Machine Business
- Golf Business

【Pachinko and Pachislot Machine Business】

- Regulations on Pachinko and Pachislot Machines
- Number of Machines Sold

【Golf Business】

- Trends of Golf Course Users and Revenue per Customer 1
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- Golf Course Portfolio

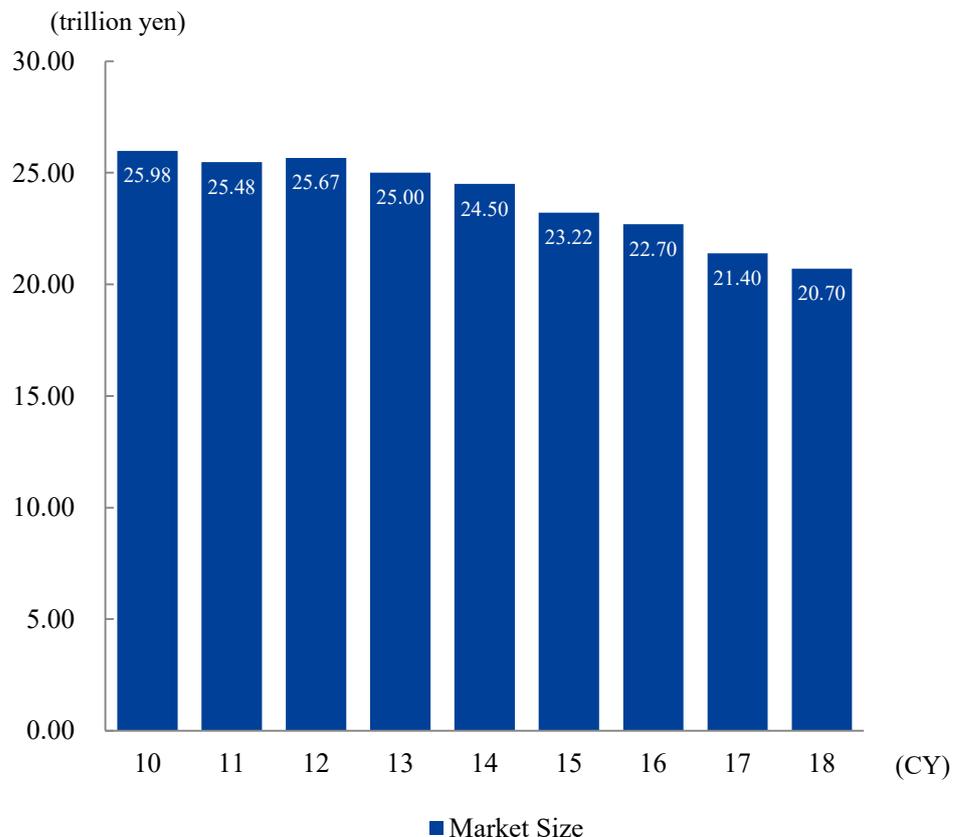
【Consolidated Results】

- Financial Performance Trend
- Key Financial Indicators

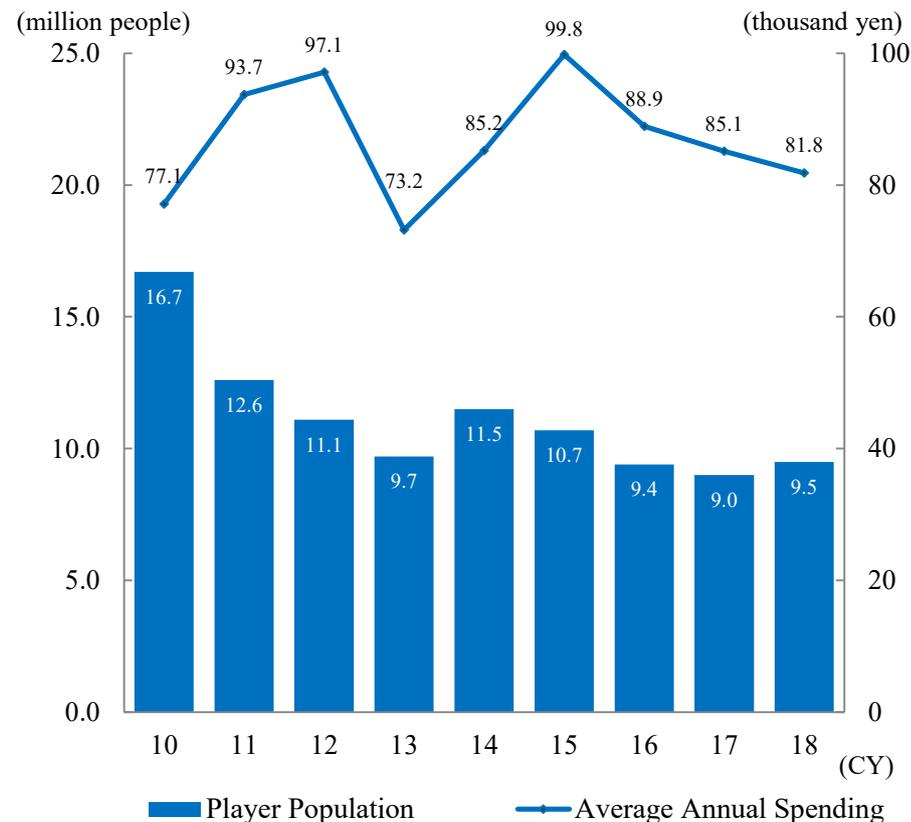
Market Environment (Pachinko and Pachislot Machine Business) 1

Pachinko and Pachislot Machine Business

Market Size



Player Population and Average Annual Spending

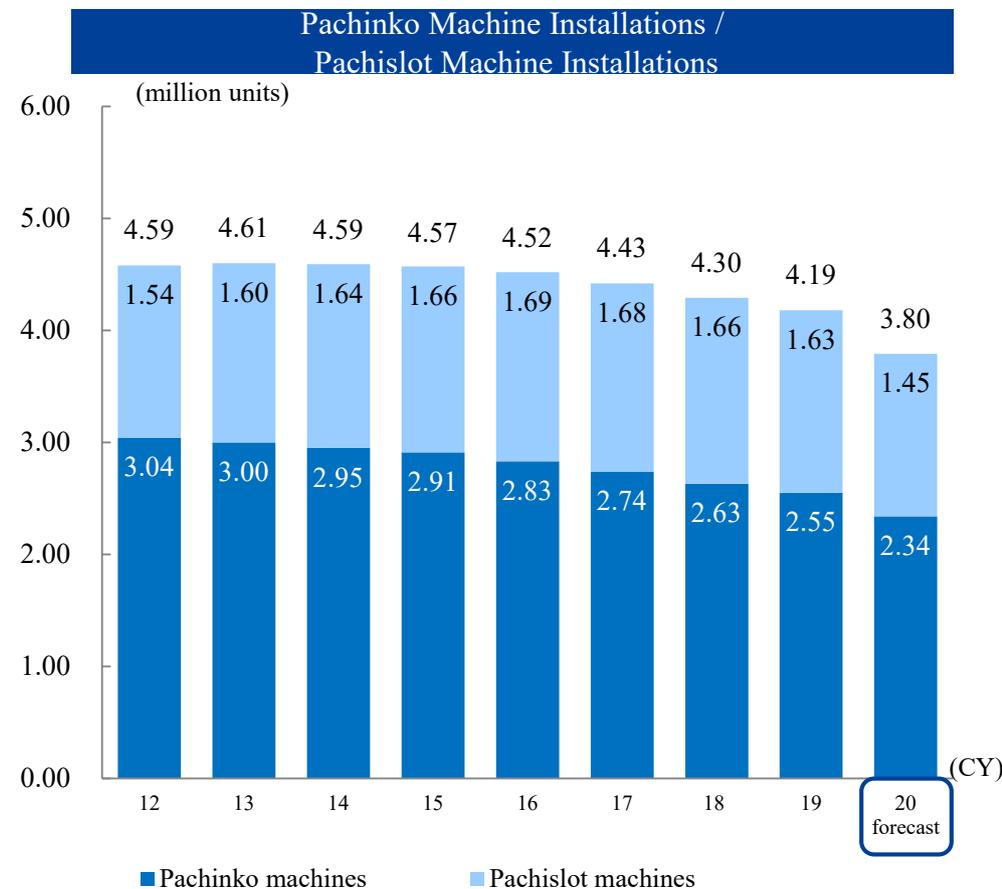
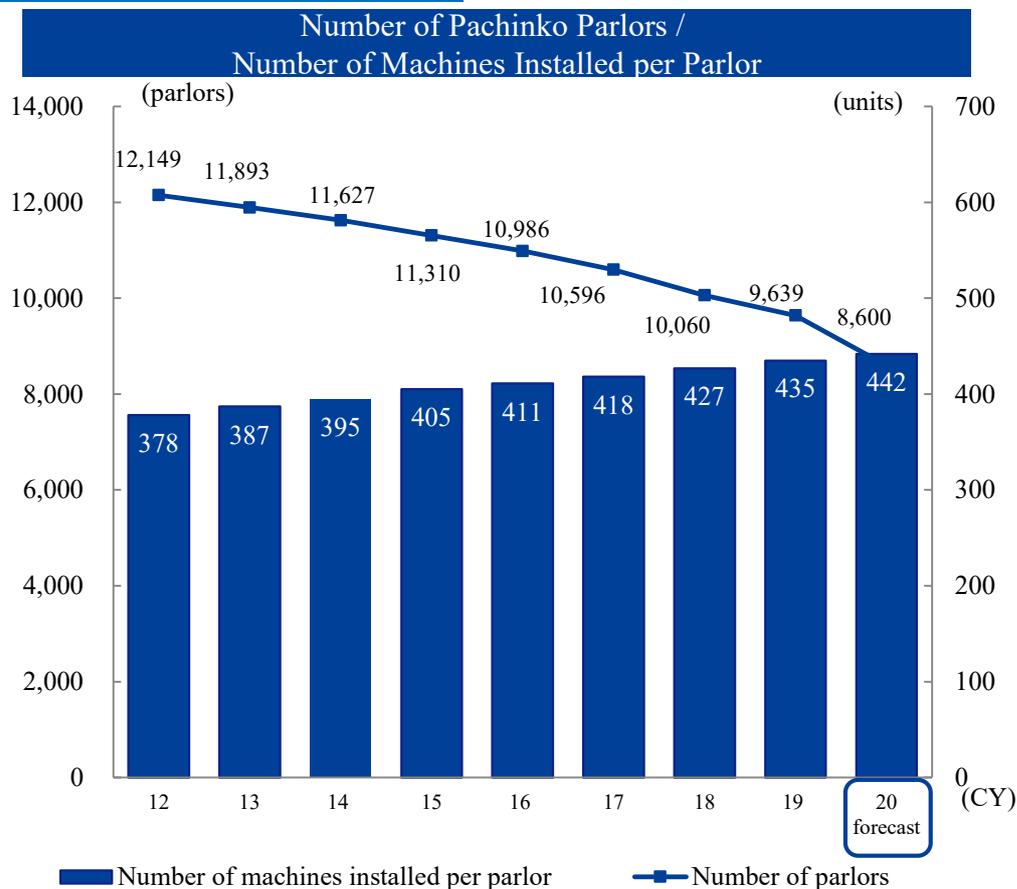


	2010	2011	2012	2013	2014	2015	2016	2017	2018
Market size (trillion yen)	25.98	25.48	25.67	25.00	24.50	23.22	22.70	21.40	20.70
Player population (million)	16.7	12.6	11.1	9.7	11.5	10.7	9.4	9.0	9.5
Average annual spending (thousand yen)	77.1	93.7	97.1	73.2	85.2	99.8	88.9	85.1	81.8

Note: Data source: Japan Productivity Center. Data on a calendar year basis (from January to December).

Market Environment (Pachinko and Pachislot Machine Business) 2

Pachinko and Pachislot Machine Business



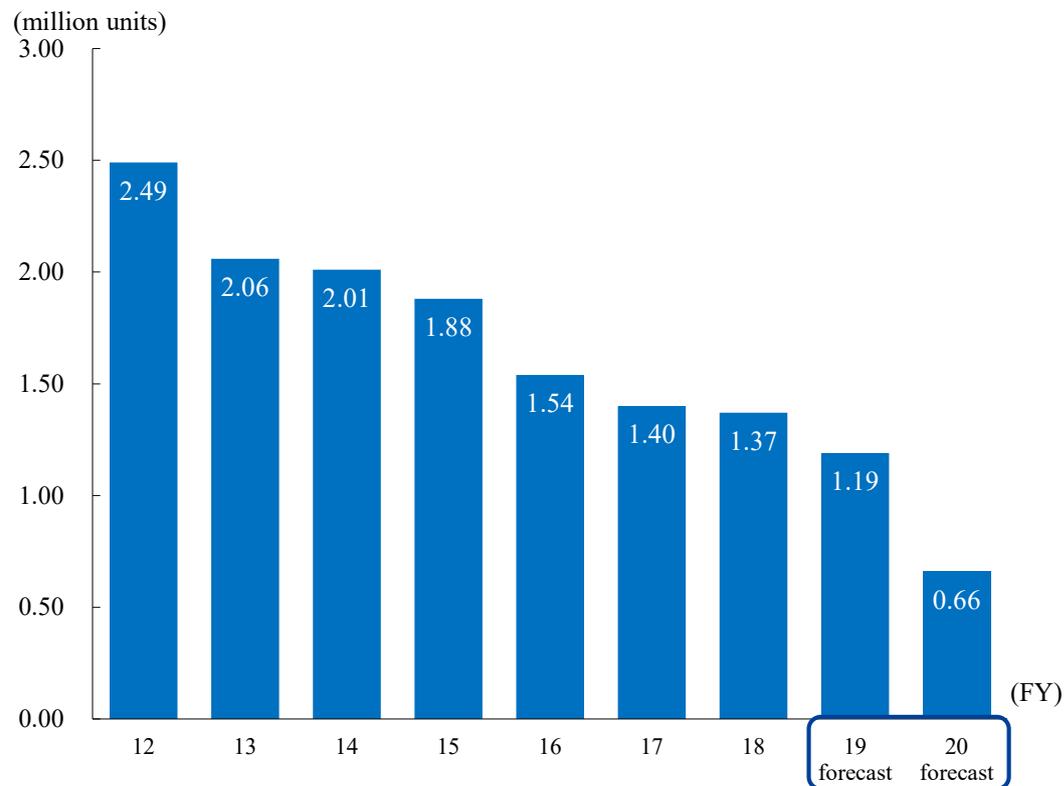
	2012	2013	2014	2015	2016	2017	2018	2019	2020 forecast
Number of parlors	12,149	11,893	11,627	11,310	10,986	10,596	10,060	9,639	8,600
Number of machines installed per parlor (units)	378	387	395	405	411	418	427	435	442
Pachinko machine installations (million units)	3.04	3.00	2.95	2.91	2.83	2.74	2.63	2.55	2.34
Pachislot machine installations (million units)	1.54	1.60	1.64	1.66	1.69	1.68	1.66	1.63	1.45

Note: Data source: National Police Agency. Data on a calendar year basis (from Jan to Dec). Figures for 2020 is the Company's estimates.

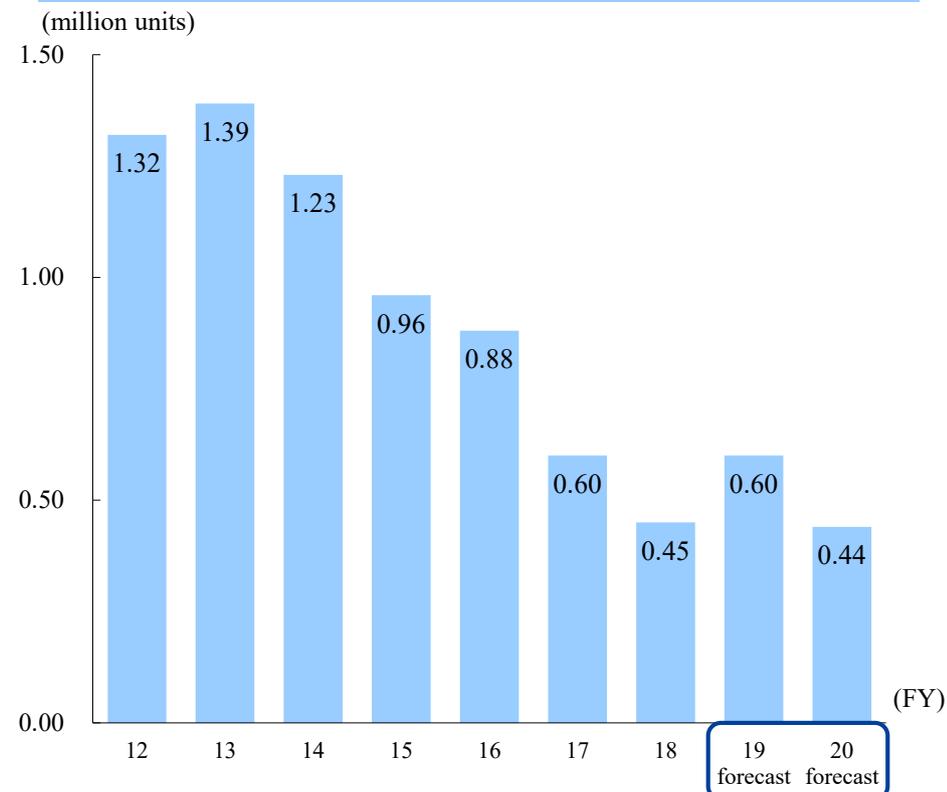
Market Environment (Pachinko and Pachislot Machine Business) 3

Pachinko and Pachislot Machine Business

Pachinko machine sales



Pachislot machine sales



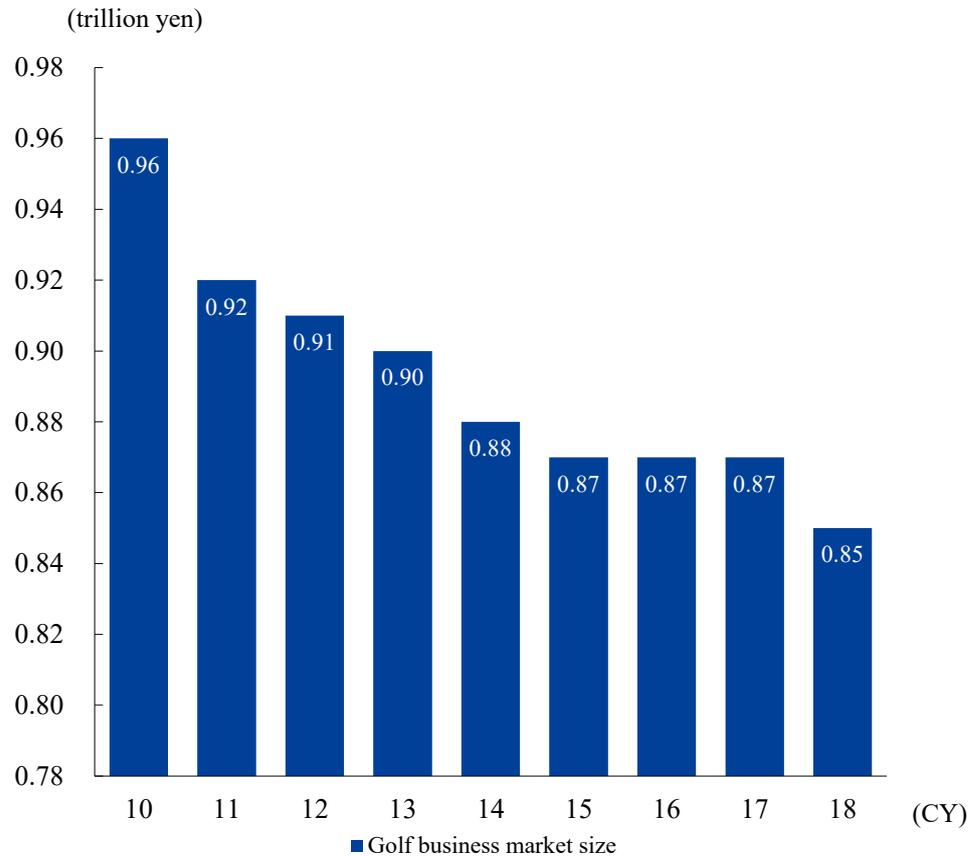
Number of machines sold (million units)	2012	2013	2014	2015	2016	2017	2018	2019 forecast	2020 Forecast
Pachinko machines	2.49	2.06	2.01	1.88	1.54	1.40	1.37	1.19	0.66
Pachislot machines	1.32	1.39	1.23	0.96	0.88	0.60	0.45	0.60	0.44

Note: Data source: Yano Research Institute. Data on a fiscal year basis (from April to March of the next year). Data for 2019 is the Company's forecast.

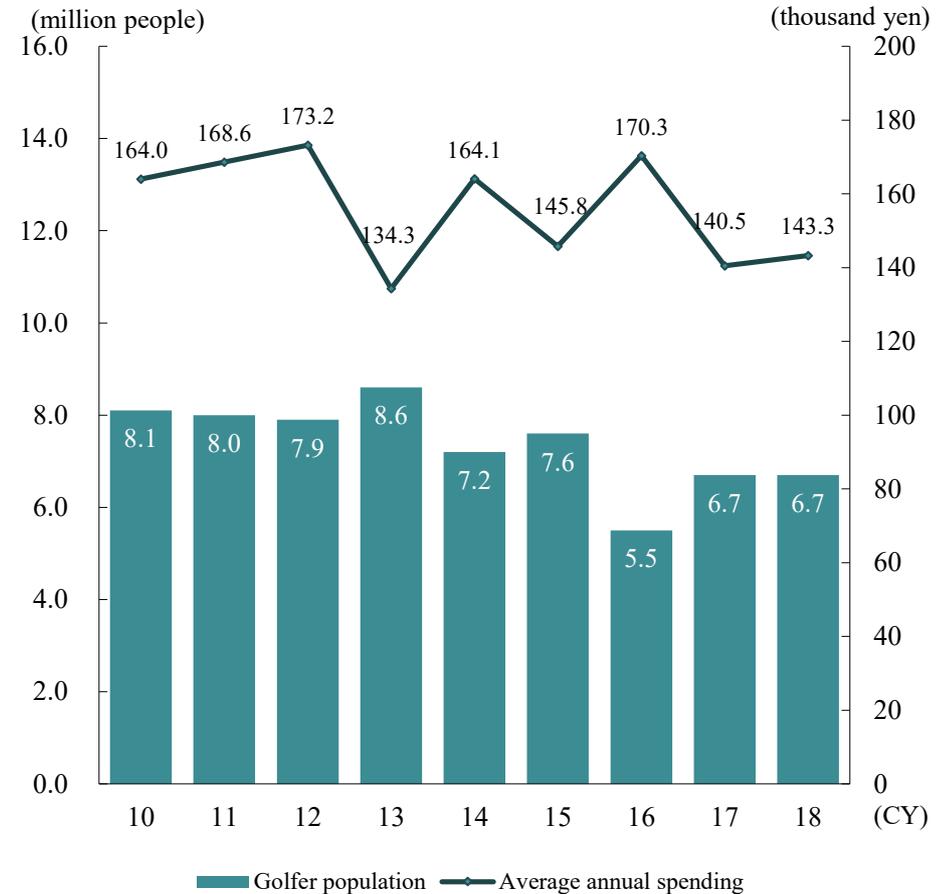
Market Environment (Golf Business)

Golf Business

Market Size



Golfer Population / Average Annual Spending



	2010	2011	2012	2013	2014	2015	2016	2017	2018
Market size (trillion yen)	0.96	0.92	0.91	0.90	0.88	0.87	0.87	0.87	0.85
Golfer population (million)	8.1	8.0	7.9	8.6	7.2	7.6	5.5	6.7	6.7
Average annual spending (thousand yen)	164.0	168.6	173.2	134.3	164.1	145.8	170.3	140.5	143.3

Note: Data source: Japan Productivity Center. Data on a calendar year basis (from January to December).

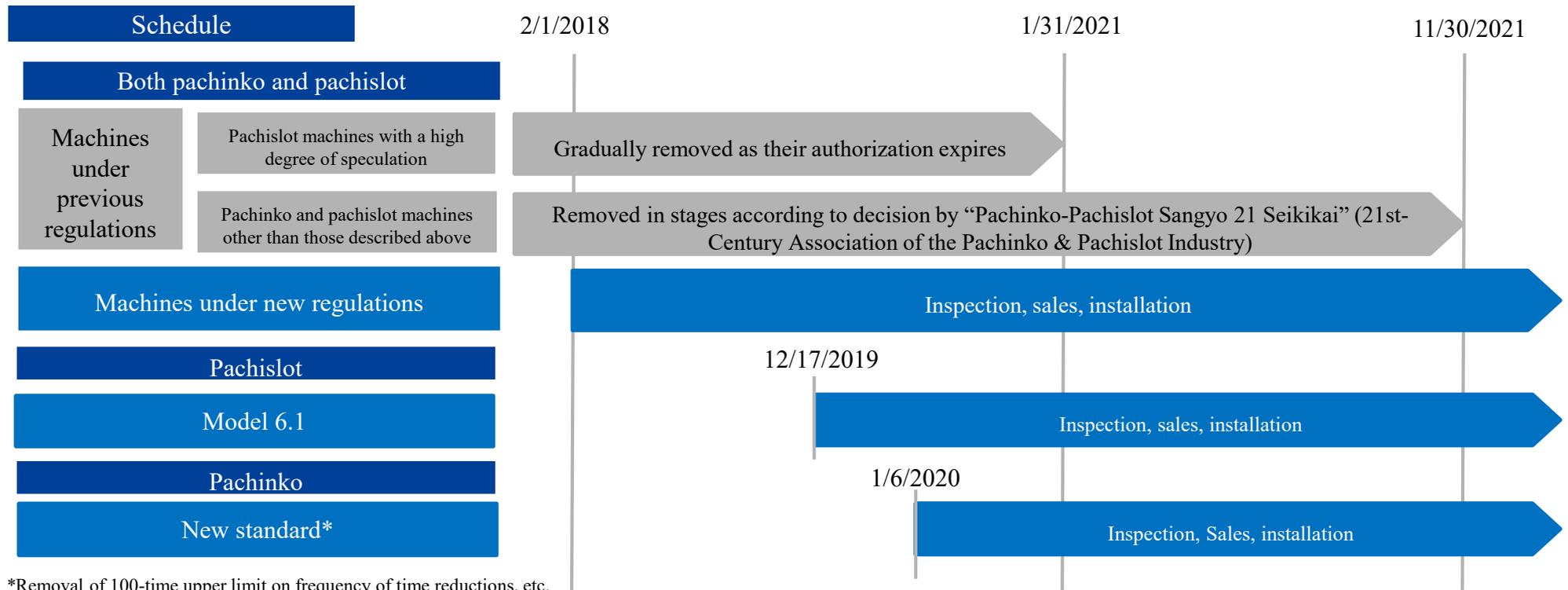
Regulations on Pachinko and Pachislot Machines

Overview of revised regulations

Enforcement date: February 1, 2018

Overview of revised regulations

- (1) Payout regulations (tightening payout regulations, reinforcement of regulations on payout per jackpot)
- (2) Addition of specifications for machines enabling payout information to be easily verified
- (3) Introduction of settings for pachinko machines
- (4) Additional operations for managers



*Removal of 100-time upper limit on frequency of time reductions, etc.

Number of Machines Sold

Titles Released in FY ended March 31, 2020



Pachinko and Pachislot Machine Business

Number of machines sold

	FY 3/2015	FY 3/2016	FY 3/2017	FY 3/2018		FY 3/2019			FY 3/2020					FY 3/2021	
	(units) Full year	Full year	2Q cumulative	Full year	2Q cumulative	Full year	1Q	2Q cumulative	3Q cumulative	Full year	1Q	2Q cumulative	3Q cumulative	Full year	1Q
Total	344,866	348,613	133,904	273,714	47,867	138,626	48,059	97,832	121,297	166,124	34,929	77,851	124,148	164,400	2,644
Pachinko machines	252,103	234,616	70,550	192,761	36,557	117,774	28,774	58,482	76,647	118,880	26,724	45,182	63,381	95,483	1,235
Body	200,813	179,197	55,214	167,951	26,858	72,185	22,549	39,541	50,363	60,946	12,024	23,060	31,996	41,887	267
Gauge board	51,290	55,419	15,336	24,810	9,699	45,589	6,225	18,941	26,284	57,934	14,700	22,122	31,385	53,596	968
Pachislot machines	92,763	113,997	63,354	80,953	11,310	20,852	19,285	39,350	44,650	47,244	8,205	32,669	60,767	68,917	1,409
Chassis	36,146	89,453	34,458	36,001	1,032	1,344	2,742	11,213	11,513	14,093	588	4,337	25,255	29,288	587
Combined unit	56,617	24,544	28,896	44,952	10,278	19,508	16,543	28,137	33,137	33,151	7,617	28,332	35,512	39,629	822

Trends of Golf Course Users and Revenue per Customer 1



Golf Business

Number of Golf Course Users

(persons)	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
FY 3/2015	651,067	757,367	659,662	670,460	652,429	695,852	671,206	681,167	548,032	430,098	403,316	569,843	7,390,499
FY 3/2016	619,519	765,614	672,004	655,011	657,753	641,672	732,172	668,507	624,894	447,276	441,305	603,777	7,529,504
FY 3/2017	639,909	751,256	658,871	726,699	649,334	631,137	726,674	662,099	626,216	471,345	413,167	595,830	7,552,537
FY 3/2018	675,659	792,244	711,469	750,806	704,955	715,606	647,910	730,972	644,083	447,133	403,933	614,892	7,839,662
FY 3/2019	720,160	792,127	718,087	654,188	663,134	642,742	757,904	735,408	647,213	519,678	453,613	659,749	7,964,003
FY 3/2020	713,508	825,693	729,264	692,419	683,759	715,039	694,209	737,238	674,769	529,682	538,524	620,360	8,154,464
FY 3/2021	470,829	582,920	652,979	673,184									2,379,912

Revenue per Customer

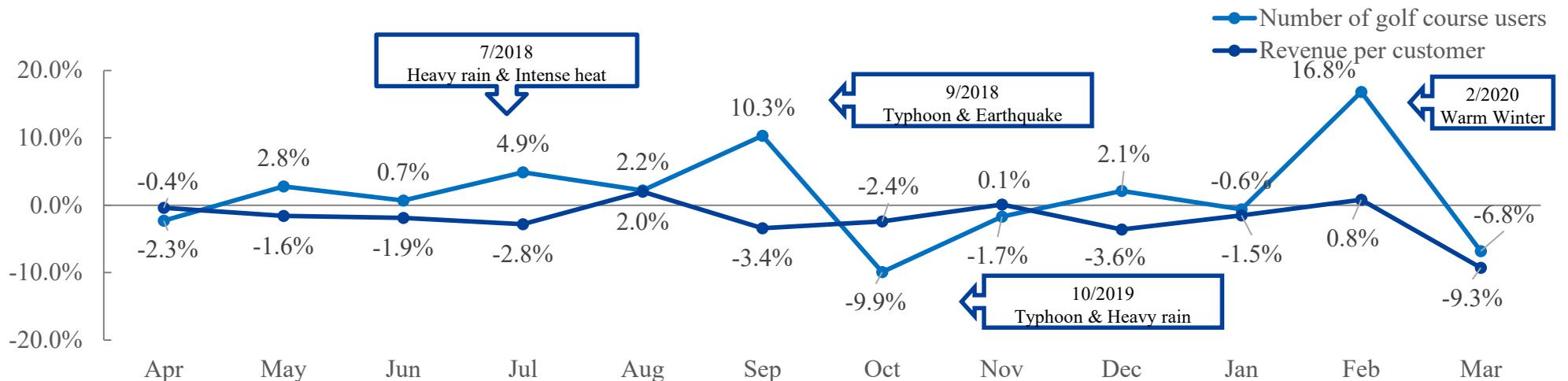
(yen)	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Average
FY 3/2015	9,215	9,422	9,180	8,703	8,300	8,964	9,477	10,122	9,440	8,591	8,077	8,797	9,076
FY 3/2016	9,278	9,485	9,071	8,668	8,279	9,073	9,609	10,038	9,343	8,556	8,002	8,780	9,070
FY 3/2017	9,397	9,572	9,213	8,792	8,176	9,050	9,781	10,014	9,429	8,545	8,011	8,868	9,129
FY 3/2018	9,363	9,408	9,162	8,871	8,241	9,045	9,721	9,993	9,590	8,953	8,372	9,143	9,188
FY 3/2019	9,458	9,548	9,446	8,804	8,313	9,319	9,623	9,915	9,639	8,631	8,046	9,149	9,218
FY 3/2020	9,463	9,438	9,314	8,588	8,515	9,051	9,448	9,981	9,344	8,544	8,123	8,310	9,057
FY 3/2021	7,768	7,245	7,761	8,037									7,714

Trends of Golf Course Users and Revenue per Customer 2

Monthly result comparison – FY 3/2021 vs FY 3/2020



Monthly result comparison – FY 3/2020 vs FY 3/2019



* Based on operating golf courses since previous year.

Golf Course Portfolio

Golf Business

	As of March 31, 2020		As of June 30, 2020	
	Courses	18H equivalent	Courses	18H equivalent
Owned Golf Courses	140	171.0	140	171.0
Leased Golf Courses	1	2.0	1	2.0
Contracted Golf Courses	1	1.5	1	1.5
Total	142	174.5	142	174.5
Hokkaido	6	9.5	6	9.5
Tohoku	8	10.5	8	10.5
Kanto, Koushinetsu	62	73.5	62	73.5
Tokai, Hokuriku	12	13.0	12	13.0
Kansai	20	26.0	20	26.0
Chugoku	11	13.0	11	13.0
Shikoku	6	6.5	6	6.5
Kyusyu, Okinawa	17	22.5	17	22.5
Total	142	174.5	142	174.5

State of affairs in the fiscal year ending March 31, 2021

【Acquisition】

None

【Sponsorship agreements, etc.】

None

【Sale】

None

Financial Performance Trend



Consolidated

(million yen)	FY 3/2015	FY 3/2016	FY 3/2017		FY 3/2018		FY 3/2019			FY 3/2020				FY 3/2021	
	Full year	Full year	2Q cumulative	Full year	2Q cumulative	Full year	1Q	2Q cumulative	3Q cumulative	Full year	1Q	2Q cumulative	3Q cumulative	Full year	1Q
Net sales	198,605	214,954	93,633	186,218	62,177	132,765	41,628	80,211	111,451	144,980	36,809	73,911	114,334	144,573	16,173
Pachinko and Pachislot machine Business	121,380	135,388	52,243	108,139	18,310	51,552	17,979	37,027	45,135	62,407	13,021	29,568	47,542	61,658	1,171
Pachinko machines	89,589	89,200	26,737	75,823	13,698	44,428	10,752	22,199	29,229	45,569	9,861	17,243	24,227	35,357	479
Pachislot machines	31,791	46,188	25,113	31,607	4,379	6,702	7,148	14,639	15,642	16,509	3,098	12,189	23,129	26,059	637
Golf Business	74,807	77,071	41,390	78,078	43,866	81,213	23,649	43,183	66,316	82,573	23,788	44,342	66,791	82,914	15,001
Other	2,417	2,494	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating income	42,870	38,967	23,275	36,599	5,199	13,931	12,240	20,743	26,007	28,014	8,102	13,550	22,805	23,551	-4,415
Pachinko and Pachislot machine Business	34,310	30,088	17,754	29,602	-749	7,149	7,523	15,666	16,982	20,791	3,294	7,946	14,075	17,450	-3,301
Pachinko machines	21,582	16,467	7,184	17,609	-1,278	7,025	4,077	8,585	10,452	15,260	2,127	1,874	2,212	5,120	-2,442
Pachislot machines	12,728	13,620	10,518	11,869	486	26	3,420	7,057	6,483	5,474	1,150	6,037	11,844	12,293	-859
Golf Business	12,127	12,427	7,449	10,935	7,530	9,930	5,593	6,761	11,524	10,599	5,661	7,194	11,153	9,286	-503
Other	140	151	-	-	-	-	-	-	-	-	-	-	-	-	-
Eliminations & corporate expenses	-3,708	-3,699	-1,928	-3,937	-1,580	-3,147	-875	-1,684	-2,499	-3,376	-853	-1,590	-2,423	-3,185	-611
Operating income ratio	21.6%	18.1%	24.9%	19.7%	8.4%	10.5%	29.4%	25.9%	23.3%	19.3%	22.0%	18.3%	19.9%	16.3%	-27.3%
Ordinary income	42,059	37,444	22,819	35,655	5,009	13,105	12,219	20,350	25,783	27,451	8,172	13,532	22,590	23,278	-4,491
Profit attributable to owners of parent	26,235	28,143	14,758	27,058	2,122	6,799	8,190	13,489	16,857	16,341	5,857	9,407	15,296	15,872	-5,813
SGA expenses	36,517	39,873	17,843	37,447	15,001	30,652	5,945	12,939	19,418	27,822	6,716	16,698	24,686	32,760	5,552
Personnel expenses	7,700	7,334	3,261	7,207	3,049	6,211	1,531	3,052	4,498	6,356	1,423	2,864	4,288	5,985	1,395
Selling expenses	8,632	10,241	4,716	9,898	2,926	6,928	1,364	3,680	5,199	7,294	928	3,544	5,570	7,803	179
Advertising expenses	3,560	3,155	1,192	2,842	849	2,368	366	742	1,801	2,179	288	698	1,699	1,950	107
Sales commissions	3,675	3,701	1,679	2,858	436	1,135	543	1,131	1,315	1,660	316	886	1,529	1,885	38
General expenses	20,184	22,297	9,865	20,341	9,025	17,512	3,049	6,207	9,720	14,171	4,363	10,290	14,827	18,972	3,948
R&D expenses	13,624	15,590	6,015	12,841	5,576	10,832	1,338	2,972	4,962	7,881	2,815	7,303	10,268	12,680	2,806
Depreciation & amortization	9,478	11,027	5,070	11,098	5,017	10,740	2,270	4,773	7,292	9,868	2,016	4,171	6,428	8,745	1,958
Capital investment	11,877	13,354	6,127	14,050	10,044	14,166	2,006	4,038	5,518	7,091	2,943	5,360	7,257	9,667	2,631

Key Financial Indicators



Consolidated

(million yen)	FY 3/2015	FY 3/2016	FY 3/2017	FY 3/2018	FY 3/2019	FY 3/2020	Formula
Net Sales	198,605	214,954	186,218	132,765	144,980	144,573	
Operating Income	42,870	38,967	36,599	13,931	28,014	23,551	
Ordinary Income	42,059	37,444	35,655	13,105	27,451	23,278	
Profit attributable to owners of parent	26,235	28,143	27,058	6,799	16,341	15,872	
Total Assets	447,833	450,715	449,152	430,287	442,845	436,762	
Cash, Deposits and Securities	122,259	106,503	106,576	86,245	93,180	83,296	
Interest Bearing Debt	156,213	141,935	132,917	123,116	120,756	115,834	
Net Assets	178,269	198,873	217,405	216,701	225,052	232,575	
Shareholders' Equity	163,116	198,841	217,381	216,690	225,052	232,575	
ROE	17.2%	15.6%	13.0%	3.1%	7.4%	6.9%	
Operating Income Ratio	21.6%	18.1%	19.7%	10.5%	19.3%	16.3%	Operating income/Net sales
Net Income Ratio	13.2%	13.1%	14.5%	5.1%	11.3%	11.0%	Net income/Net sales
Asset Turnover	0.45	0.48	0.41	0.30	0.33	0.33	Net sales/Total assets *1
Financial Leverage	2.90	2.48	2.16	2.03	1.98	1.92	Total assets/Shareholders' equity *1,2
Net Debt Equity Ratio	20.8%	17.8%	12.1%	17.0%	12.3%	14.0%	Net interest-bearing debt/Shareholders' equity
Shareholders' Equity Ratio	36.4%	44.1%	48.4%	50.4%	50.8%	53.2%	Shareholders' equity/Total assets

*1 Total Assets = (Total Assets at beginning of period + Total Assets at end of period) / 2

*2 Shareholders' Equity = (Shareholders' Equity at beginning of period + Shareholders' Equity at end of period) / 2

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2. These materials contain statements about the future, such as plans, outlooks, targets, and forecast figures; however said statements are based on judgements and assumptions that are based on information that is currently available, and do not account for latent risks and uncertainties. Therefore, please be aware that actual future results may differ greatly from the aforementioned statements about the future due to the future business environment, economic conditions, financial market conditions, and a number of other factors.
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