

Consolidated Financial Results for the First Quarter Ended June 30, 2020 [J-GAAP] Heiwa Corporation

August 6, 2020

Stock code: 6412
 URL: <https://www.heiwanet.co.jp/>
 Shares listed: Tokyo Stock Exchange
 Representative: Katsuya Minei, Representative Director and President
 Contact: Takashi Koiwai, General Manager of Management Planning Group
 TEL: +81-3-3839-0701

Scheduled date of the filing of the quarterly report: August 7, 2020

Preparation of supplementary briefing materials for the quarterly financial results: Yes

Holding of any briefing session for the quarterly financial results: No

I. Financial Highlights

As of and for the three months ended June 30, 2019 and 2020

(Amounts less than one million yen are omitted.)

1. Consolidated Operating Results

	Three months ended June 30, 2019	YoY	Three months ended June 30, 2020	YoY
	(million yen)	(%)	(million yen)	(%)
(1) Consolidated financial results				
Net sales	36,809	(11.6)	16,173	(56.1)
Operating income	8,102	(33.8)	(4,415)	-
Ordinary income	8,172	(33.1)	(4,491)	-
Profit attributable to owners of parent	5,857	(28.5)	(5,813)	-
Earnings per share (yen)	59.38		(58.94)	
Diluted earnings per share (yen)	-		-	

(Note) Comprehensive income: Three months ended June 30, 2020: (¥ 5,591) million, -% YoY
 Three months ended June 30, 2019: ¥ 5,895 million, (28.1)% YoY

	As of March 31, 2020	As of June 30, 2020
	(million yen)	(million yen)
(2) Consolidated financial position		
Total assets	436,762	418,725
Net assets	232,575	223,038
Shareholders' equity ratio (%)	53.2	53.3
Net assets per share (yen)	2,357.91	2,261.22

(Reference) Shareholders' equity: As of June 30, 2020: ¥223,038 million
 As of March 31, 2020: ¥232,575 million

2. Dividends

	Annual dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	(yen)				
FY3/2020	—	40.00	—	40.00	80.00
FY3/2021	—				
FY3/2021 (Forecast)		—	—	—	—

3. Consolidated Results Forecast for Year Ending March 31, 2021

As it is still extremely difficult to reasonably assess the impact of the spread of the novel coronavirus (COVID-19), the consolidated results forecast for the fiscal year ending March 31, 2021 remains “to be determined” at this time. A forecast will be posted as soon as it is possible to disclose reasonable figures.

* This quarterly statement of financial results is not subject to quarterly review procedures.

* Explanations about the appropriate use of the consolidated results forecasts and other noteworthy points:

The financial results briefing materials distributed at the briefing will be posted on the Company’s website after the statement of financial results is released.

II. Consolidated financial statements

1. Consolidated balance sheet

(Million yen)

	As of March 31, 2020	As of June 30, 2020
Assets		
Current assets		
Cash and deposits	36,208	29,858
Notes and accounts receivable - trade	12,489	4,102
Electronically recorded monetary claims - operating	1,151	535
Securities	47,087	42,382
Merchandise and finished goods	1,982	1,858
Raw materials and supplies	5,464	9,264
Other	9,543	9,978
Allowance for doubtful accounts	(341)	(328)
Total current assets	113,587	97,652
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	64,754	64,079
Land	208,567	205,645
Other, net	14,677	15,846
Total property, plant and equipment	287,998	285,571
Intangible assets		
Goodwill	4,685	4,617
Other	4,529	4,527
Total intangible assets	9,214	9,144
Investments and other assets		
Investment securities	12,689	11,919
Other	13,800	14,967
Allowance for doubtful accounts	(528)	(529)
Total investments and other assets	25,961	26,357
Total non-current assets	323,174	321,073
Total assets	436,762	418,725
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,896	2,374
Electronically recorded obligations - operating	7,846	8,803
Current portion of long-term borrowings	22,078	21,746
Income taxes payable	4,069	4,180
Provisions	3,344	2,102
Other	13,847	12,242
Total current liabilities	56,083	51,449
Non-current liabilities		
Long-term borrowings	93,756	90,743
Retirement benefit liability	5,166	5,255
Other	49,181	48,238
Total non-current liabilities	148,103	144,237
Total liabilities	204,186	195,686

(Million yen)

	As of March 31, 2020	As of June 30, 2020
Net assets		
Shareholders' equity		
Share capital	16,755	16,755
Capital surplus	54,863	54,863
Retained earnings	162,620	152,861
Treasury shares	(1,337)	(1,338)
Total shareholders' equity	232,900	223,141
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(158)	40
Remeasurements of defined benefit plans	(166)	(143)
Total accumulated other comprehensive income	(325)	(103)
Non-controlling interests	0	0
Total net assets	232,575	223,038
Total liabilities and net assets	436,762	418,725

2. Consolidated statements of income and comprehensive income

(Million yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Net sales	36,809	16,173
Cost of sales	21,991	15,065
Gross profit	14,818	1,107
Selling, general and administrative expenses	6,716	5,522
Operating profit (loss)	8,102	(4,415)
Non-operating income		
Interest income	43	47
Dividend income	20	20
Insurance claim income	63	10
Subsidy income	—	54
Electricity sale income	47	49
Other	76	53
Total non-operating income	251	236
Non-operating expenses		
Interest expenses	107	98
Commission expenses	4	131
Other	69	81
Total non-operating expenses	180	312
Ordinary profit (loss)	8,172	(4,491)
Extraordinary income		
Gain on sales of shares of subsidiaries and associates	752	—
Total extraordinary income	752	—
Extraordinary losses		
Impairment loss	—	3,048
Total extraordinary losses	—	3,048
Profit (loss) before income taxes	8,924	(7,540)
Income taxes	3,067	(1,727)
Profit (loss)	5,857	(5,813)
Profit attributable to		
Profit (loss) attributable to owners of parent	5,857	(5,813)
Profit attributable to non-controlling interests	0	—
Other comprehensive income		
Valuation difference on available-for-sale securities	21	198
Remeasurements of defined benefit plans, net of tax	16	23
Total other comprehensive income	37	222
Comprehensive income	5,895	(5,591)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,895	(5,591)
Comprehensive income attributable to non-controlling interests	0	—

3. Segment Information

A. Previous consolidated cumulative first quarter (April 1, 2019 to June 30, 2019)

(Million yen)

	Reporting segment			Adjustments	Amount recorded in quarterly consolidated statements of income and consolidated statements of comprehensive income
	Pachinko and pachislot machine business	Golf business	Total		
Net sales					
Net sales to external customers	13,021	23,788	36,809	-	36,809
Internal net sales and transfers between segments	-	4	4	(4)	-
Total	13,021	23,792	36,814	(4)	86,809
Segment profit	3,294	5,661	8,955	(853)	8,102

B. Consolidated cumulative first quarter under review (April 1, 2020 to June 30, 2020)

(Million yen)

	Reporting segment			Adjustments	Amount recorded in quarterly consolidated statements of income and consolidated statements of comprehensive income
	Pachinko and pachislot machine business	Golf business	Total		
Net sales					
Net sales to external customers	1,171	15,001	16,173	-	16,173
Internal net sales and transfers between segments	-	0	0	(0)	-
Total	1,171	15,001	16,173	(0)	16,173
Segment profit	(3,301)	(503)	(3,804)	(611)	(4, 415)