Results for the 2nd Quarter of Fiscal Year Ending March 31, 2021

November 13, 2021

Heiwa Corporation

Securities Code : 6412

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Overview

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Consolidated results

- Net sales: 37.7 billion yen, -48.9% year on year
- Operating income: -4.6 billion yen (operating income of 13.5 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: 2.8 billion yen, -90.2% year on year
- Operating income: -5.7 billion yen (operating income of 7.9 billion yen in the same period of the previous fiscal year)

✓The number of Pachinko machines sold in 2Q: 4k units (-40k units YoY)

✓The number of Pachislot machines sold in 2Q: 3k units (-28k units YoY)

Golf business

- Net sales: 34.8 billion yen, -21.3% year on year
- Operating income: 2.4 billion yen, -65.8% year on year
  - Income and profit decreased due to impacts of COVID-19 such as a decline in the number of golf course users.

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Results for the 2nd Quarter of FY ending March 31, 2021

Consolidated Statements of Income (Results)

2nd Quarter Results

■ Income and profit were down year on year (net sales -48.9% 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 3/2020 2Q Results	FY 3/2021 2Q Results	YoY
Net sales	73,911	37,781	-48.9%
Pachinko and Pachislot machine business	29,568	2,893	-90.2%
Pachinko machines	17,243	1,280	-92.6%
Pachislot machines	12,189	1,513	-87.6%
Golf business	44,342	34,888	-21.3%
Operating income	13,550	-4,680	-
Pachinko and Pachislot machine business	7,946	-5,795	-
Pachinko machines	1,874	-4,837	-
Pachislot machines	6,037	-968	-
Golf business	7,194	2,460	-65.8%
Eliminations & corporate expenses	-1,590	-1,346	-15.4%
Operating income ratio	18.3%	-12.4%	-30.7pt
Ordinary income	13,532	-4,694	-
Profit attributable to owners of parent	9,407	-6,179	-
EBITDA*	17,782	-554	-

* EBITDA = Operating income + depreciation + amortization of goodwill

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

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2nd Quarter Results

■ SGA expenses were down year on year (-33.1% YoY)

- Variable expenses such as sales commissions fell due to fewer units sold.
- Shareholder-benefit-related costs decreased as a result of changes to the shareholder benefit system.

(million yen)	FY 3/2020 2Q Results	FY 3/2021 2Q Results	YoY
SGA expenses	16,698	11,176	-33.1%
Personnel expenses	2,864	2,804	-2.1%
Selling expenses	3,544	815	-77.0%
Advertising expenses	698	338	-51.6%
Sales commissions	886	104	-88.2%
Shareholder benefit-related costs	1,264	169	-86.6%
General expenses	10,290	7,556	-26.6%
R&D expenses	7,303	5,176	-29.1%

Depreciation & Amortization / Capital Investment

(million yen)	FY 3/2020 2Q Results	FY 3/2021 2Q Results	YoY
Depreciation & amortization	4,171	4,052	-2.9%
Capital investment	5,360	4,167	-22.3%

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Factors Contributing to Change in Operating Income (Consolidated Basis)

2nd Quarter Results

<Selling expenses>
- Decrease in sales commissions: -782 million yen
- Decrease in advertising expenses: -360 million yen
- Decrease shareholder benefit-related costs: -1,095 million yen

<General expenses>
- Decrease in R&D expenses: -2,127 million yen
- Decrease in tax and dues: -342 million yen

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Pachinko and Pachislot Machine Business (Results)

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2nd 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 -90.2% 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 2Q Results	FY 3/2021 2Q Results	YoY
Net sales	29,568	2,893	-90.2%
Pachinko machines	17,243	1,280	-92.6%
Pachislot machines	12,189	1,513	-87.6%
Gross profit	19,129	1,576	-91.8%
Pachinko machines	9,500	622	-93.4%
Pachislot machines	9,590	931	-90.3%
Gross profit ratio	64.7%	54.5%	-10.2pt
Operating income	7,946	-5,795	-
Pachinko machines	1,874	-4,837	-
Pachislot machines	6,037	-968	-
Operating income ratio	26.9%	-200.3%	-227.2pt

Breakdown of Machine Sales

(Units)	FY 3/2020 2Q Results	FY 3/2021 2Q Results	YoY
Total	77,851	8,379	-69,472
Pachinko machines	45,182	4,410	-40,772
Body	23,060	585	-22,475
Gauge board	22,122	3,825	-18,297
Pachislot machines	32,669	3,969	-28,700
Chassis	4,337	914	-3,423
Combined unit	28,332	3,055	-25,277

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Golf Business (Topics)

2nd Quarter Results

- Golf courses are operating with thorough implementation of measures to prevent COVID-19 infections.
  - Players have been informed of the details of measures to prevent infection, encouraged playing styles, etc.
- The number of golf course users decreased, and revenue per customer also fell significantly.
  - The number of golf course users has gradually recovered since the lifting of the state of emergency declaration. During the period from July to September, when there was little poor weather, the number of golf course users grew 4.1% year on year.
  - In the breakdown of revenue per customer, F&B revenue declined substantially due to factors such as an increase in playing the whole course in one session and fewer competitions.

Number of Golf Course Users / Revenue per Customer

【2Q (6 months)】	FY 3/2020 Results	FY 3/2021 Results	YoY
Number of golf course users (thousand people)	4,359	3,883	-10.9%
Revenue per customer (yen)	9,078	7,873	-13.3%

【2Q (3months)】	FY 3/2020 Results	FY 3/2021 Results	YoY
Number of golf course users (thousand people)	2,091	2,177	4.1%
Revenue per customer (yen)	8,722	8,097	-7.2%

Breakdown of Revenue per Customer

*Includes internal net sales

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Golf Business (Results)

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2nd Quarter Results

■ Income and profit were down year on year (net sales -21.3% YoY and operating income -65.8% YoY).

- Revenue from golf course operation decreased as a result of a decline in revenue per customer accompanying factors such as an increase in playing the whole course in one session and fewer competitions in addition to a decrease in the number of golf course users in line with the impact of COVID-19.
- Profit decreased substantially as well because of the decline in net sales.

(million yen)	FY 3/2020 2Q Results	FY 3/2021 2Q Results	YoY
Net sales	44,342	34,888	-21.3%
Net sales before eliminations	44,347	34,888	-21.3%
Eliminations	-4	-0	-94.6%
Gross profit	11,120	4,919	-55.8%
Gross profit ratio	25.1%	14.1%	-11.0pt
Operating income	7,194	2,460	-65.8%
Operating income ratio	16.2%	7.1%	-9.1pt

Breakdown of Sales

(million yen)	FY 3/2020 2Q Results	FY 3/2021 2Q Results	YoY
Revenue from golf course operation	39,579	30,579	-22.7%
Membership-related sales	4,196	3,999	-4.7%

Breakdown of Costs

(million yen)	FY 3/2020 2Q Results	FY 3/2021 2Q Results	YoY
Cost of Sales	33,226	29,969	-9.8%
SGA expenses	3,925	2,458	-37.4%

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Consolidated Balance Sheets (Summary)

(million yen)	As of March 31, 2020	As of September 30, 2020	Change	Remarks
Current assets	113,587	94,029	-19,558	■ Decrease in cash and deposits ■ Decrease in Notes and accounts receivable - trade ■ Decrease in securities
Non-current assets	323,174	320,327	-2,847	
Total assets	436,762	414,356	-22,406	
Current liabilities	56,083	37,079	-19,003	
Non-current liabilities	148,103	154,448	+6,344	
Total liabilities	204,186	191,528	-12,658	
Total net assets	232,575	222,827	-9,747	
Total liabilities and net assets	436,762	414,356	-22,406	

(million yen)	As of March 31, 2019	As of September 30, 2020
Cash and deposits, and securities	83,296	66,367
Interest-bearing debt	115,834	118,145
Shareholders' equity	232,575	222,827
Shareholders' equity ratio	53.2%	53.8%

■ D/E ratio (interest-bearing debt/shareholders' equity)
49.8%→53.0%

■ Net D/E ratio (net interest-bearing debt/shareholders' equity)
14.0%→23.2%

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Full-year Plan for FY ending March 31, 2021

Consolidated Statements of Income (Plan)

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FY 3/21 Plan

■ No change to full-year plans

- Despite sluggishness in the pachinko and pachislot machine business, the aim is to achieve plans through the release of multiple titles starting in the second half.
- Progress in the golf business is as planned. The aim is to achieve plans while thoroughly implementing measures against COVID-19 infections.

(million yen)	FY 3/2020 Results	FY 3/2021 2Q Results	FY 3/2021 Plan	YoY
Net sales	144,573	37,781	124,800	-13.7%
Pachinko and Pachislot machine business	61,658	2,893	54,400	-11.8%
Pachinko machines	35,357	1,280	34,300	-3.0%
Pachislot machines	26,059	1,513	19,800	-24.0%
Golf business	82,914	34,888	70,400	-15.1%
Operating income	23,551	-4,680	6,900	-70.7%
Pachinko and Pachislot machine business	17,450	-5,795	5,500	-68.5%
Pachinko machines	5,120	-4,837	700	-86.3%
Pachislot machines	12,293	-968	4,800	-61.0%
Golf business	9,286	2,460	4,300	-53.7%
Eliminations & corporate expenses	-3,185	-1,346	-2,900	-9.0%
Operating income ratio	16.3%	-12.4%	5.5%	-10.8pt
Ordinary income	23,278	-4,694	6,300	-72.9%
Profit attributable to owners of parent	15,872	-6,179	1,000	-93.7%
EBITDA*	32,841	-554	16,500	-49.8%

* EBITDA = Operating income + depreciation + amortization

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

FY 3/21 Plan

■ No change to full-year plans

- Although the rate of progress in SGA expenses is low, they are expected to be absorbed as planned because multiple titles are scheduled to be released in the second half.
- Under general expenses, R&D expenses are expected to be absorbed according to plan thanks to smooth progress in the development of titles for the next period and later.

(million yen)	FY 3/2020 Results	FY 3/2021 2Q Results	FY 3/2021 Plan	YoY
SGA expenses	32,760	11,176	27,900	-14.8%
Personnel expenses	5,985	2,804	5,900	-1.4%
Selling expenses	7,803	815	4,200	-46.2%
Advertising expenses	1,950	338	1,200	-38.5%
Sales commissions	1,885	104	1,400	-25.7%
Shareholder benefit-related costs	2,564	169	400	-84.4%
General expenses	18,972	7,556	17,800	-6.2%
R&D expenses	12,680	5,176	12,200	-3.8%

Depreciation & Amortization / Capital Investment

(million yen)	FY 3/2020 Results	FY 3/2021 2Q Results	FY 3/2021 Plan	YoY
Depreciation & amortization	8,745	4,052	9,400	7.5%
Capital investment	9,667	4,167	8,800	-9.0%

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Pachinko and Pachislot Machine Business (Market Trends & Company's Response)

Revised Regulations (enforced May 20, 2020)

Estimates for Numbers of Machines under Previous Regulations Removed

*Company estimates as of May 31, 2020

Market Trends

- Operation of pachinko parlors has recovered to about 80% of levels prior to the declaration of a state of emergency.
- As full-scale removal of machines under the previous regulations will not start until 3Q or later, demand was sluggish in 2Q.

Response

- Begin full-scale release of new titles in 3Q or later, when greater demand is expected.
- In addition to new titles, pachinko machines with different specifications are also scheduled to be released.

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Pachinko and Pachislot Machine Business (Machine Sales Plan)

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FY 3/21 Plan

(Units)	FY 3/2020 Results	FY 3/2021 2Q Results	FY 3/2021 Plan	Change the previous year
Number of machines sold	164,400	8,379	130,000	-34k units
Pachinko machines	95,483	4,410	78,000	-17k units
Number of titles released	10	-	6	-4
Pachislot machines	68,917	3,969	52,000	-16k units
Number of titles released	8	1	7	-1

Pachinko Machine
Lupin the Third: Fukkatsu no Mamo

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Titles to Release / Pachinko Machine

Title	Release Date
Sengoku Otome6: Akatsuki no Sekigahara	Oct. 2020
Lupin the Third: Fukkatsu no Mamo	Nov. 2020

Pachislot Machine
Nangokusodachi30

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Titles to Release / Pachislot Machine

Title	Release Date
Nangokusodachi30	Jan. 2021
Sengoku Otome3: Tenken wo Tsugumono	Jan. 2021

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Golf Business (Market Trends & New Acquisitions)

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

YoY

(location-wide basis)

Market Trends

- The number of golf course users and revenue per customer are on a recovery trend. The number of golf course users in particular has room to recover in the future.
- Achieving positive year-on-year growth in revenue per customer is thought to be difficult for the time being due to an increase in playing the whole course in one session as well as a decline in competition demand.

Acquisition of New Golf Courses

- Four new golf courses were acquired and are scheduled to commence operation on December 1, 2020. The aim is to expand the scale of revenue.
  - Ishioka Golf Club (Omitama City, Ibaraki Prefecture – 18H)
  - Minamiichihara Golf Club (Ichihara City, Chiba Prefecture – 18H)
  - Musashi Golf Club (Hiki District, Saitama Prefecture – 18H)
  - Kimisarazu Golf Links (Kisarazu City, Chiba Prefecture – 18H)
- One course for which a basic sponsorship agreement was concluded on January 30, 2020 is scheduled to be acquired in 4Q.
  - Ikeda Country Club (Ikeda City, Osaka Prefecture – 27H)

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Dividends

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

In view of the above dividend policy and financial conditions, 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.

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Supplementary Information

【Market Environment】
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Market Environment
(Pachinko and Pachislot Machine Business) 1

Pachinko and Pachislot Machine Business

Market Size

Player Population and Average Annual Spending

	2011	2012	2013	2014	2015	2016	2017	2018	2019
Market size (trillion yen)	25.48	25.67	25.00	24.50	23.22	22.70	21.40	20.70	20.00
Player population (million)	12.6	11.1	9.7	11.5	10.7	9.4	9.0	9.5	8.9
Average annual spending (thousand yen)	93.7	97.1	73.2	85.2	99.8	88.9	85.1	81.8	103.4

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

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Market Environment (Pachinko and Pachislot Machine Business) 2

Pachinko and Pachislot Machine Business

Number of Pachinko Parlors / Number of Machines Installed per Parlor

Pachinko Machine Installations / Pachislot Machine Installations

	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.

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Market Environment (Pachinko and Pachislot Machine Business) 3

Pachinko machine sales

Pachislot machine sales

Number of machines sold (million units)	2012	2013	2014	2015	2016	2017	2018	2019	2020 Forecast
Pachinko machines	2.49	2.06	2.01	1.88	1.54	1.40	1.37	0.96	0.86
Pachislot machines	1.32	1.39	1.23	0.96	0.88	0.60	0.45	0.56	0.38

Note: Data source: Yano Research Institute. Data on a fiscal year basis (from April to March of the next year). Data for 2020 is the Company's forecast.

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Market Environment (Golf Business)

Golf Business

Market Size

Golfer Population / Average Annual Spending

	2011	2012	2013	2014	2015	2016	2017	2018	2019
Market size (trillion yen)	0.92	0.91	0.90	0.88	0.87	0.87	0.87	0.85	0.88
Golfer population (million)	8.0	7.9	8.6	7.2	7.6	5.5	6.7	6.7	5.8
Average annual spending (thousand yen)	168.6	173.2	134.3	164.1	145.8	170.3	140.5	143.3	143.6

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

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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.

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Number of Machines Sold
Titles Released in FY ended March 31, 2020

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Pachinko and Pachislot Machine Business

Number of machines sold

(units)	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	Full year	2Q cumulative	Full year	1Q	2Q cumulative	3Q cumulative	Full year	1Q	2Q cumulative	3Q cumulative	Full year	1Q	2Q cumulative
Total	344,866	348,613	273,714	47,867	138,626	48,059	97,832	121,297	166,124	34,929	77,851	124,148	164,400	2,644	8,379
Pachinko machines	252,103	234,616	192,761	36,557	117,774	28,774	58,482	76,647	118,880	26,724	45,182	63,381	95,483	1,235	4,410
Body	200,813	179,197	167,951	26,858	72,185	22,549	39,541	50,363	60,946	12,024	23,060	31,996	41,887	267	585
Gauge board	51,290	55,419	24,810	9,699	45,589	6,225	18,941	26,284	57,934	14,700	22,122	31,385	53,596	968	3,825
Pachislot machines	92,763	113,997	80,953	11,310	20,852	19,285	39,350	44,650	47,244	8,205	32,669	60,767	68,917	1,409	3,969
Chassis	36,146	89,453	36,001	1,032	1,344	2,742	11,213	11,513	14,093	588	4,337	25,255	29,288	587	914
Combined unit	56,617	24,544	44,952	10,278	19,508	16,543	28,137	33,137	33,151	7,617	28,332	35,512	39,629	822	3,055

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Trends of Golf Course Users and Revenue per Customer 1

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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	796,668	707,324							3,883,904

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	7,913	8,362							7,873

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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.

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Golf Course Portfolio

Golf Business

	As of March 31, 2020		As of September 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】

December 1, 2020	Ishioka Golf Club to commence operation (Omitama City, Ibaraki Prefecture – 18H)
December 1, 2020	Minamiichihara Golf Club to commence operation (Ichihara City, Chiba Prefecture – 18H)
December 1, 2020	Musashi Golf Club to commence operation (Hiki District, Saitama Prefecture – 18H)
December 1, 2020	Kimisarazu Golf Links to commence operation (Kisarazu City, Chiba Prefecture – 18H)
4Q	Ikeda Country Club to commence operation (Ikeda City, Osaka Prefecture – 27H)

【Sponsorship agreements, etc.】

None

【Sale】

None

【Termination of management outsourcing】

September 30, 2020	Hiroshima Kouyou Country Club (Hatsukaichi City, Hiroshima Prefecture 27H)

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Financial Performance Trend

HEIWA

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	Full year	2Q cumulative	Full year	1Q	2Q cumulative	3Q cumulative	Full year	1Q	2Q cumulative	3Q cumulative	Full year	1Q	2Q cumulative
Net sales	198,605	214,954	186,218	62,177	132,765	41,628	80,211	111,451	144,980	36,809	73,911	114,334	144,573	16,173	37,781
Pachinko and Pachislot machine Business	121,380	135,388	108,139	18,310	51,552	17,979	37,027	45,135	62,407	13,021	29,568	47,542	61,658	1,171	2,893
Pachinko machines	89,589	89,200	75,823	13,698	44,428	10,752	22,199	29,229	45,569	9,861	17,243	24,227	35,357	479	1,280
Pachislot machines	31,791	46,188	31,607	4,379	6,702	7,148	14,639	15,642	16,509	3,098	12,189	23,129	26,059	637	1,513
Golf Business	74,807	77,071	78,078	43,866	81,213	23,649	43,183	66,316	82,573	23,788	44,342	66,791	82,914	15,001	34,888
Other	2,417	2,494	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating income	42,870	38,967	36,599	5,199	13,931	12,240	20,743	26,007	28,014	8,102	13,550	22,805	23,551	-4,415	-4,680
Pachinko and Pachislot machine Business	34,310	30,088	29,602	-749	7,149	7,523	15,666	16,982	20,791	3,294	7,946	14,075	17,450	-3,301	-5,795
Pachinko machines	21,582	16,467	17,609	-1,278	7,025	4,077	8,585	10,452	15,260	2,127	1,874	2,212	5,120	-2,442	-4,837
Pachislot machines	12,728	13,620	11,869	486	26	3,420	7,057	6,483	5,474	1,150	6,037	11,844	12,293	-859	-968
Golf Business	12,127	12,427	10,935	7,530	9,930	5,593	6,761	11,524	10,599	5,661	7,194	11,153	9,286	-503	2,460
Other	140	151	-	-	-	-	-	-	-	-	-	-	-	-	-
Eliminations & corporate expenses	-3,708	-3,699	-3,937	-1,580	-3,147	-875	-1,684	-2,499	-3,376	-853	-1,590	-2,423	-3,185	-611	-1,346
Operating income ratio	21.6%	18.1%	19.7%	8.4%	10.5%	29.4%	25.9%	23.3%	19.3%	22.0%	18.3%	19.9%	16.3%	-27.3%	-12.4%
Ordinary income	42,059	37,444	35,655	5,009	13,105	12,219	20,350	25,783	27,451	8,172	13,532	22,590	23,278	-4,491	-4,694
Profit attributable to owners of parent	26,235	28,143	27,058	2,122	6,799	8,190	13,489	16,857	16,341	5,857	9,407	15,296	15,872	-5,813	-6,179
SGA expenses	36,517	39,873	37,447	15,001	30,652	5,945	12,939	19,418	27,822	6,716	16,698	24,686	32,760	5,552	11,176
Personnel expenses	7,700	7,334	7,207	3,049	6,211	1,531	3,052	4,498	6,356	1,423	2,864	4,288	5,985	1,395	2,804
Selling expenses	8,632	10,241	9,898	2,926	6,928	1,364	3,680	5,199	7,294	928	3,544	5,570	7,803	179	815
Advertising expenses	3,560	3,155	2,842	849	2,368	366	742	1,801	2,179	288	698	1,699	1,950	107	338
Sales commissions	3,675	3,701	2,858	436	1,135	543	1,131	1,315	1,660	316	886	1,529	1,885	38	104
General expenses	20,184	22,297	20,341	9,025	17,512	3,049	6,207	9,720	14,171	4,363	10,290	14,827	18,972	3,948	7,556
R&D expenses	13,624	15,590	12,841	5,576	10,832	1,338	2,972	4,962	7,881	2,815	7,303	10,268	12,680	2,806	5,176
Depreciation & amortization	9,478	11,027	11,098	5,017	10,740	2,270	4,773	7,292	9,868	2,016	4,171	6,428	8,745	1,958	4,052
Capital investment	11,877	13,354	14,050	10,044	14,166	2,006	4,038	5,518	7,091	2,943	5,360	7,257	9,667	2,631	4,167

*Reporting segments have been changed from the FY ending March 31, 2017, and items previously included under "Other" have been reallocated to "Pachinko and pachislot machine business" and "Golf business."

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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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