

Results for the Fiscal Year Ended March 31, 2021

May 14, 2021
Heiwa Corporation

Securities Code : 6412

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【Pachinko and Pachislot Machine Business】

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- Golf Course Portfolio

【Consolidated Results】

- Financial Performance Trend
- Key Financial Indicators

Consolidated results

- Net sales: 107.7 billion yen, -25.5% year on year
- Operating income: 5.3 billion yen, -77.4% year on year
 - Income and profit decreased due to impacts of COVID-19 such as fewer units sold in the pachinko and pachislot machine business and a decline in revenue per customer in the golf business.

Pachinko and pachislot machine business

- Net sales: 33.2 billion yen, -46.0% year on year
- Operating income: 0.2 billion yen, -98.4% year on year
- ✓ The number of Pachinko machines sold in FY 3/2021: 49k units (-45k units YoY)
- ✓ The number of Pachislot machines sold in FY 3/2021: 35k units (-33k units YoY)

Golf business

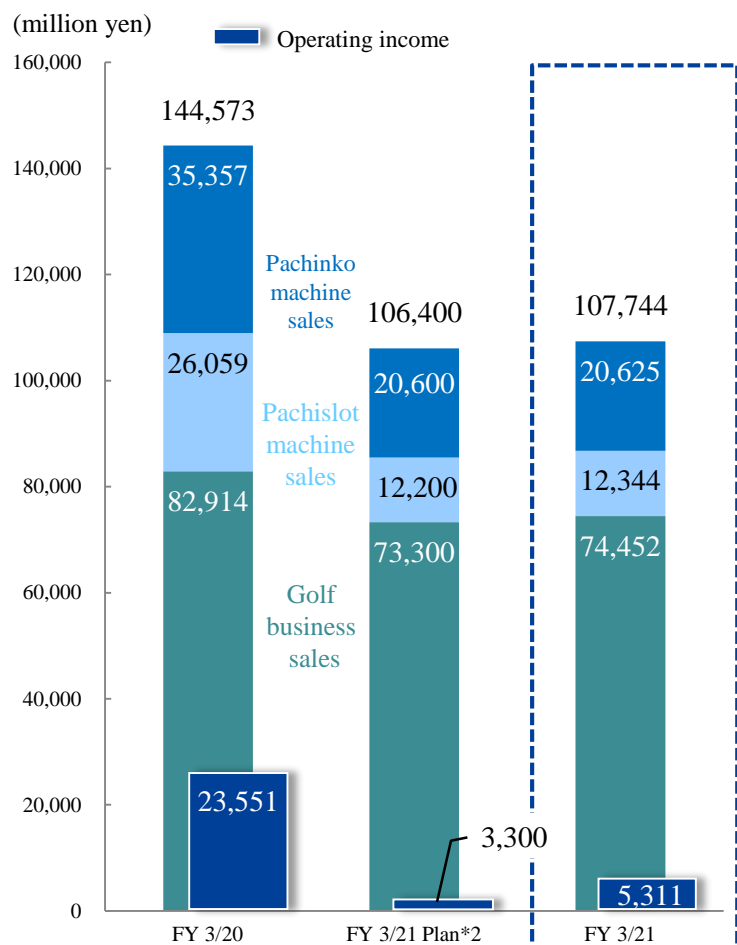
- Net sales: 74.4 billion yen, -10.2% year on year
- Operating income: 7.6 billion yen, -17.9% year on year
 - Income and profit decreased due to impacts of COVID-19 such as a decline in revenue per customer, etc.

Results for the FY ended March 31, 2021

Consolidated Statements of Income (Results)

FY3/21 Results

- Income and profit were down year on year (net sales -25.5% YoY and operating income -77.4% YoY).
 - Income and profit decreased due to impacts of COVID-19 such as fewer units sold in the pachinko and pachislot machine business and a decline in revenue per customer in the golf business.



(million yen)	FY 3/2020 Results	FY 3/2021 Plan*2	FY 3/2021 Results	YoY	Cf. Plan
Net sales	144,573	106,400	107,744	-25.5%	1.3%
Pachinko and Pachislot machine business	61,658	33,100	33,292	-46.0%	0.6%
Pachinko machines	35,357	20,600	20,625	-41.7%	0.1%
Pachislot machines	26,059	12,200	12,344	-52.6%	1.2%
Golf business	82,914	73,300	74,452	-10.2%	1.6%
Operating income	23,551	3,300	5,311	-77.4%	61.0%
Pachinko and Pachislot machine business	17,450	-800	287	-98.4%	-
Pachinko machines	5,120	-2,100	-2,332	-	-11.1%
Pachislot machines	12,293	1,200	2,570	-79.1%	114.2%
Golf business	9,286	6,800	7,624	-17.9%	12.1%
Eliminations & corporate expenses	-3,185	-2,700	-2,600	-18.4%	-3.7%
Operating income ratio	16.3%	3.1%	4.9%	-11.4pt	1.8pt
Ordinary income	23,278	3,800	5,799	-75.1%	52.6%
Profit attributable to owners of parent	15,872	-1,200	865	-94.5%	-
EBITDA*1	32,841	12,900	14,496	-55.9%	12.4%

*1 EBITDA = Operating income + depreciation + amortization of goodwill

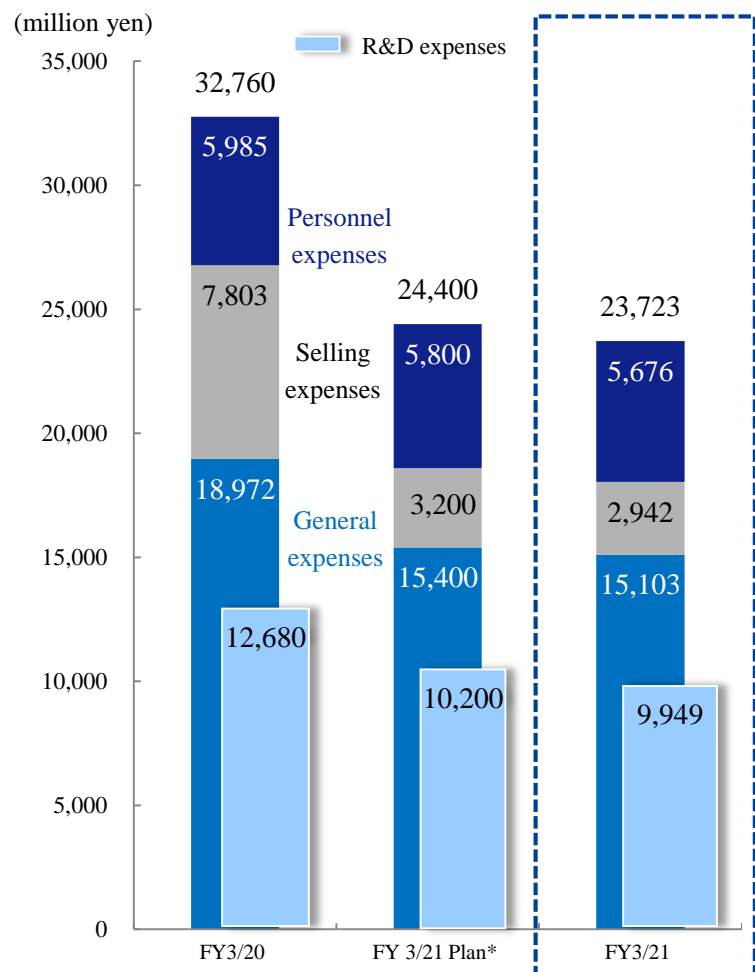
*2 Announced February 9, 2021

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

FY3/21 Results

■ SGA expenses were down year on year (-27.6% YoY).

- In selling expenses, variable expenses fell with fewer units sold and shareholder-benefit-related costs decreased accompanying changes to the shareholder benefit system.
- General expenses fell due to condensation of development costs and a delay in the timing of recording under R&D expenses.



(million yen)	FY 3/2020 Results	FY 3/2021 Plan*	FY 3/2021 Results	YoY	Cf. Plan
SGA expenses	32,760	24,400	23,723	-27.6%	-2.8%
Personnel expenses	5,985	5,800	5,676	-5.2%	-2.1%
Selling expenses	7,803	3,200	2,942	-62.3%	-8.0%
Advertising expenses	1,950	800	795	-59.2%	-0.6%
Sales commissions	1,885	1,000	921	-51.1%	-7.8%
Shareholder benefit-related costs	2,564	400	383	-85.1%	-4.2%
General expenses	18,972	15,400	15,103	-20.4%	-1.9%
R&D expenses	12,680	10,200	9,949	-21.5%	-2.5%

Depreciation & Amortization / Capital Investment

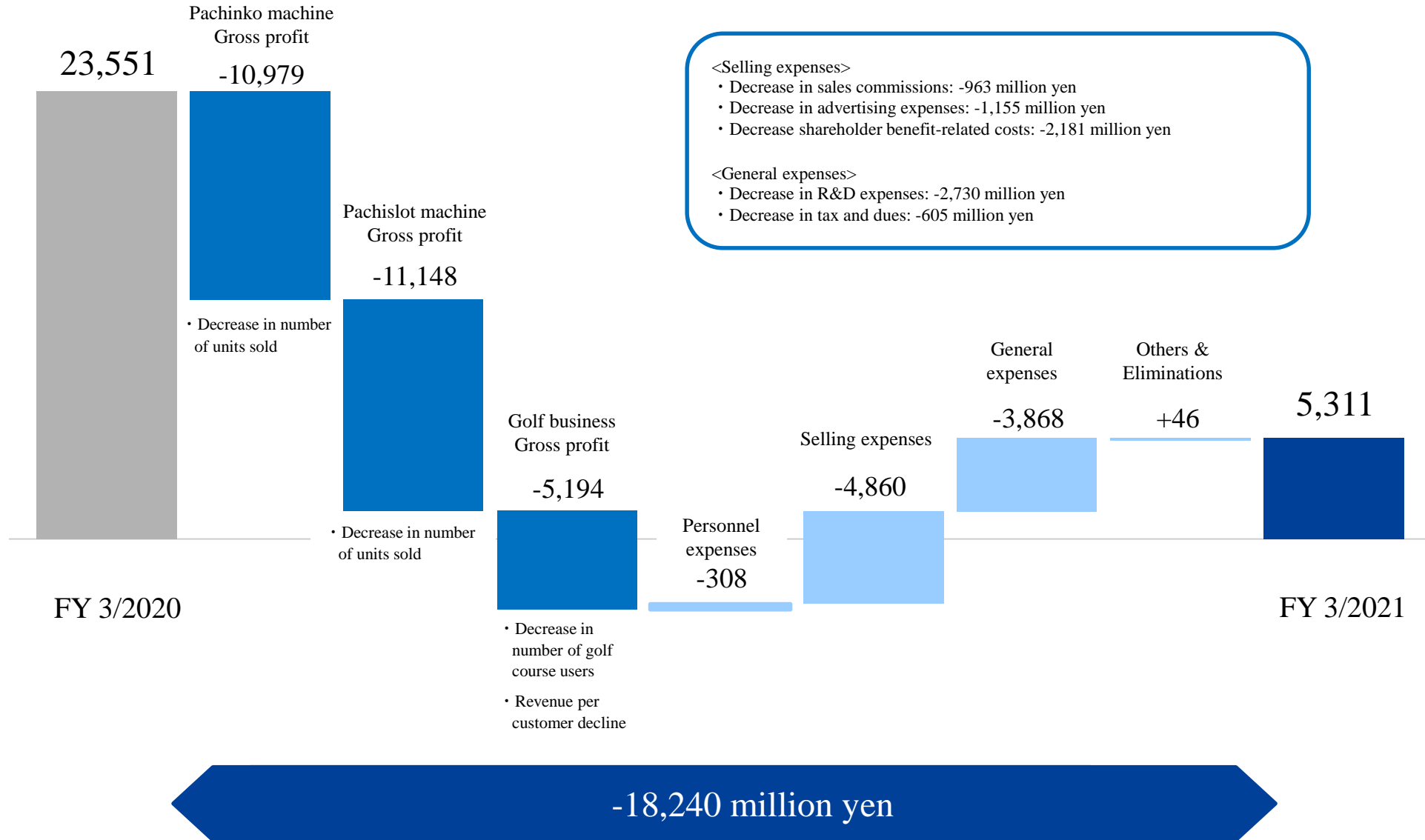
(million yen)	FY 3/2020 Results	FY 3/2021 Plan*	FY 3/2021 Results	YoY	Cf. Plan
Depreciation & amortization	8,745	9,400	9,016	3.1%	-4.1%
Capital investment	9,667	8,000	6,921	-28.4%	-13.5%

* Announced February 9, 2021

Factors Contributing to Change in Operating Income (Consolidated Basis)

FY3/21 Results

(million yen)



Pachinko and Pachislot Machine Business (Machine Sales Results)

FY3/21 Results

(Units)	FY 3/2020 Results	FY 3/2021 Plan*2	FY 3/2021 Results	YoY	Cf. Plan
Number of machines sold*1	164,400	84,000	85,283	-79k units	+1k units
Pachinko machines	95,483	49,000	49,890	-45k units	+0k units
Number of titles released	10	4	4	-6	-
Pachislot machines	68,917	35,000	35,393	-33k units	+0k units
Number of titles released	8	6	6	-2	-

*1 Total includes units of titles released in FY 3/2020

*2 Announced February 9, 2021

Major pachinko titles

Titles	Sales (units)	Release
<i>Sengoku Otome6: Akatsuki no Sekigahara</i>	16,014	Oct. 2020
<i>Lupin the Third: Fukkatsu no Mamo</i>	16,040	Nov. 2020
<i>JAWS3</i>	4,078	Feb. 2021

Major pachislot titles

Titles	Sales (units)	Release
<i>Nangokusodachi30</i>	17,733	Jan. 2021
<i>Sengoku Otome3: Tenken wo Tsugumono</i>	6,200	Jan. 2021
<i>Pachislot KING Koumon Chama</i>	2,900	Feb. 2021

ルパン三世
復讐のママ

Pachinko Machine
Lupin the Third: Fukkatsu no Mamo

©モンキー・パンチ/TMS・NTV



南国育ち 30

Pachislot Machine
Nangokusodachi30

©HEIWA



Pachinko and Pachislot Machine Business (Results)



FY3/21 Results

Pachinko

- The numbers of units sold fell short of the previous fiscal year, resulting in decreased income and profit.
- Although releases of new titles began in earnest during the 2nd half, sales of key titles encountered difficulties and fewer titles were released than in the previous fiscal year. Accordingly, fewer units were sold, resulting in decreased income and profit.

Pachislot

- The numbers of units sold fell short of the previous fiscal year, resulting in decreased income and profit.
- Demand for new titles was sluggish due to poor market evaluation of Model 6 and fewer titles were released than in the previous fiscal year. Accordingly, fewer units were sold, resulting in decreased income and profit.

Total

- Income and profit were down year on year (net sales -46.0% YoY and operating income -98.4% YoY).
- Income decreased as the number of units sold declined due to factors such as the dispersion of replacement demand accompanying the extension of the transitional measure period for the removal of machines under the previous regulations.
- Although SGA expenses decreased, the decline in net sales had a greater impact, resulting in decreased profit.

(million yen)	FY 3/2020 Results	FY 3/2021 Results	YoY
Net sales	61,658	33,292	-46.0%
Pachinko machines	35,357	20,625	-41.7%
Pachislot machines	26,059	12,344	-52.6%
Gross profit	38,046	15,962	-58.0%
Pachinko machines	19,488	8,508	-56.3%
Pachislot machines	18,505	7,356	-60.2%
Gross profit ratio	61.7%	47.9%	-13.8pt
Operating income	17,450	287	-98.4%
Pachinko machines	5,120	-2,332	-
Pachislot machines	12,293	2,570	-79.1%
Operating income ratio	28.3%	0.9%	-27.4pt

Breakdown of Machine Sales

(Units)	FY 3/2020 Results	FY 3/2021 Results	YoY
Total	164,400	85,283	-79,117
Pachinko machines	95,483	49,890	-45,593
Body	41,887	39,455	-2,432
Gauge board	53,596	10,435	-43,161
Pachislot machines	68,917	35,393	-33,524
Chassis	29,288	27,423	-1,865
Combined unit	39,629	7,970	-31,659

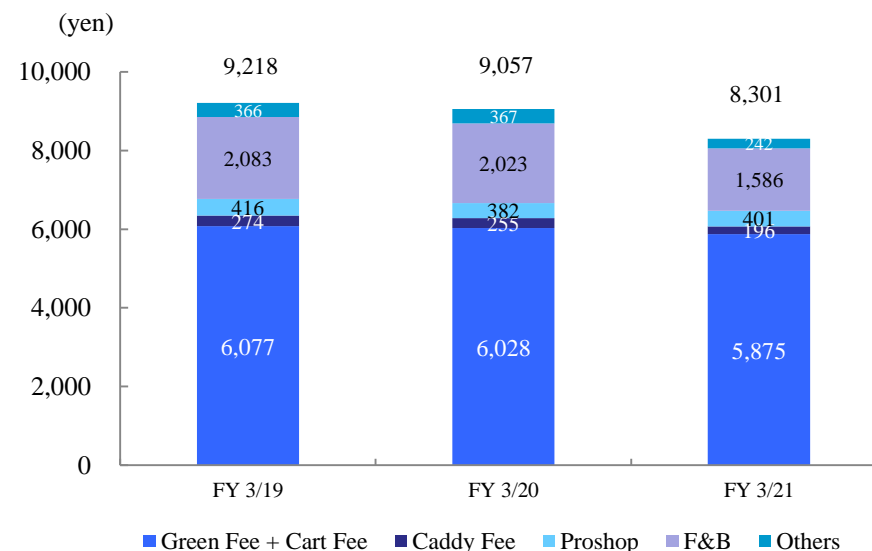
FY3/21 Results

- 5 new golf courses were acquired (5.5 courses on a per 18H basis).
- Revisions were made to the portfolio of golf courses. (On a per 18H basis, 1 course was sold, and management outsourcing was terminated for 1.5 courses.)
- The number of golf course users decreased, and revenue per customer also fell significantly.
 - Golf course users declined significantly in 1Q due to the impact of COVID-19 but have been on a recovery trend since 2Q.
 - 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

【Full Year (12 months)】	FY 3/2020 Results	FY 3/2021 Results	YoY
Number of golf course users (thousand people)	8,154	7,902	-3.1%
Revenue per customer (yen)	9,057	8,301	-8.3%
【4Q (3months)】	FY 3/2020 Results	FY 3/2021 Results	YoY
Number of golf course users (thousand people)	1,688	1,759	4.2%
Revenue per customer (yen)	8,323	8,220	-1.2%

Breakdown of Revenue per Customer



*Includes internal net sales

Golf Business (Results)

FY3/21 Results

- Income and profit were down year on year (net sales -10.2% YoY and operating income -17.9% YoY).
 - Although golf course users have been recovering since 2Q, revenue from golf course operation decreased due to a decline in revenue per customer.
 - Profit decreased substantially as well because of the decline in net sales.

(million yen)	FY 3/2020 Results	FY 3/2021 Results	YoY
Net sales	82,914	74,452	-10.2%
Net sales before eliminations	82,919	74,452	-10.2%
Eliminations	-4	-0	-93.8%
Gross profit	18,266	13,072	-28.4%
Gross profit ratio	22.0%	17.6%	-4.4pt
Operating income	9,286	7,624	-17.9%
Operating income ratio	11.2%	10.2%	-1.0pt

Breakdown of Sales			
(million yen)	FY 3/2020 Results	FY 3/2021 Results	YoY
Revenue from golf course operation	73,858	65,605	-11.2%
Membership-related sales	7,905	8,187	3.6%

Breakdown of Costs			
(million yen)	FY 3/2020 Results	FY 3/2021 Results	YoY
Cost of Sales	64,652	61,380	-5.1%
SGA expenses	8,980	5,447	-39.3%

Consolidated Balance Sheets (Summary)

(million yen)	As of March 31, 2020	As of March 31, 2021	Change	Remarks
Current assets	113,587	101,184	-12,403	
Non-current assets	323,174	328,886	5,711	<ul style="list-style-type: none"> ■ Decrease in securities ■ Acquisition of golf courses
Total assets	436,762	430,070	-6,691	
Current liabilities	56,083	66,864	10,781	
Non-current liabilities	148,103	136,963	-11,140	
Total liabilities	204,186	203,827	-359	
Total net assets	232,575	226,242	-6,332	
Total liabilities and net assets	436,762	430,070	-6,691	

(million yen)	As of March 31, 2020	As of March 31, 2021
Cash and deposits, and securities	83,296	70,083
Interest-bearing debt	115,834	121,454
Shareholders' equity	232,575	226,242
Shareholders' equity ratio	53.2%	52.6%

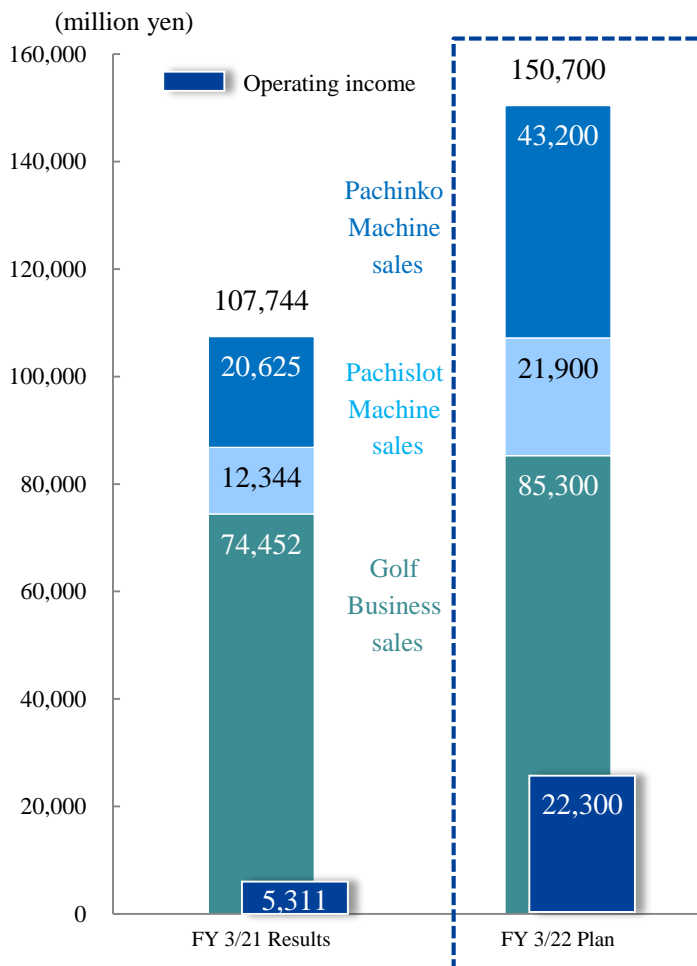
- D/E ratio (interest-bearing debt/shareholders' equity)
49.8%→53.7%
- Net D/E ratio (net interest-bearing debt/shareholders' equity)
14.0%→22.7%

Full-year Plan for FY ending March 31, 2022

Consolidated Statements of Income (Plan)

FY 3/22 Plan

- Income and profit are expected to increase from the previous fiscal year (net sales +39.9% YoY and operating income +319.8% YoY).
- Income and profit are expected to increase in the number of machines sold in the pachinko and pachislot machine business, and a full-year contribution from golf courses acquired in FY 3/2021 in the golf business.



(million yen)	FY 3/2021 Results	FY 3/2022 Plan	YoY
Net sales	107,744	150,700	39.9%
Pachinko and Pachislot machine business	33,292	65,400	96.4%
Pachinko machines	20,625	43,200	109.4%
Pachislot machines	12,344	21,900	77.4%
Golf business	74,452	85,300	14.6%
Operating income	5,311	22,300	319.8%
Pachinko and Pachislot machine business	287	13,000	-
Pachinko machines	-2,332	6,900	-
Pachislot machines	2,570	6,100	137.3%
Golf business	7,624	12,300	61.3%
Eliminations & corporate expenses	-2,600	-3,000	15.4%
Operating income ratio	4.9%	14.8%	9.9pt
Ordinary income	5,799	21,400	269.0%
Profit attributable to owners of parent	865	13,900	-
EBITDA*	14,496	33,000	127.6%

* EBITDA = Operating income + depreciation + amortization

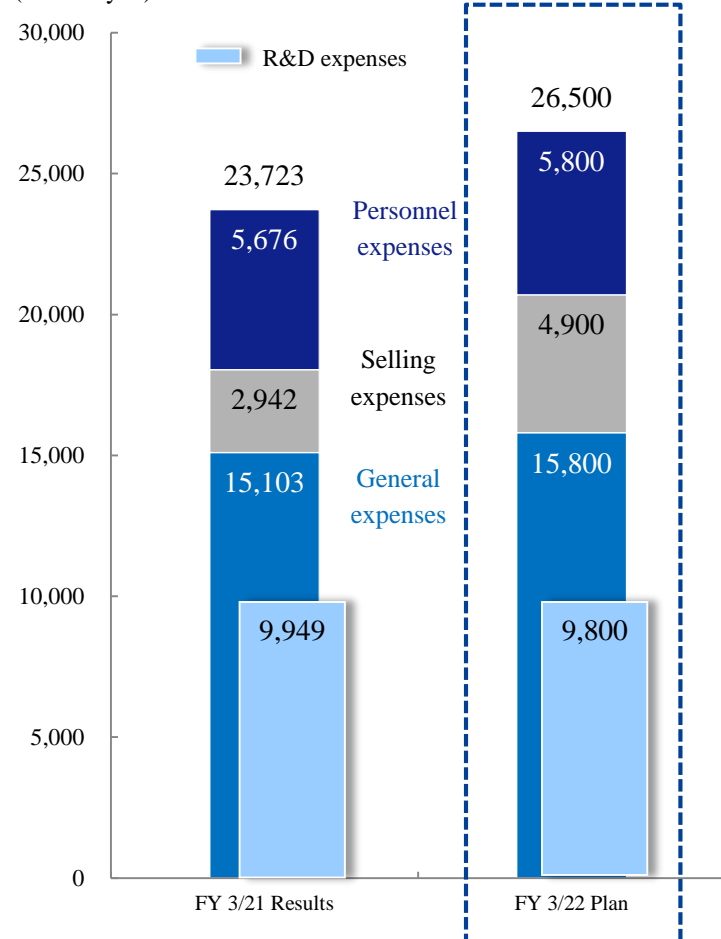
SGA Expenses / Depreciation & Amortization / Capital Investment (Plan)

FY 3/22 Plan

■ Increase in SGA expenses over the previous fiscal year (+11.7% YoY).

- In selling expenses, advertising expenses are expected to rise with an increase in the number of titles released and sales commissions are expected to rise with an increase in the number of units sold.
- General expenses are planned to be brought in line with the previous fiscal year's level by modulating investment of R&D expenses.

(million yen)



(million yen)	FY 3/2021 Results	FY 3/2022 Plan	YoY
SGA expenses	23,723	26,500	11.7%
Personnel expenses	5,676	5,800	2.2%
Selling expenses	2,942	4,900	66.5%
Advertising expenses	795	1,600	101.2%
Sales commissions	921	1,600	73.5%
Shareholder benefit-related costs	383	400	4.4%
General expenses	15,103	15,800	4.6%
R&D expenses	9,949	9,800	-1.5%

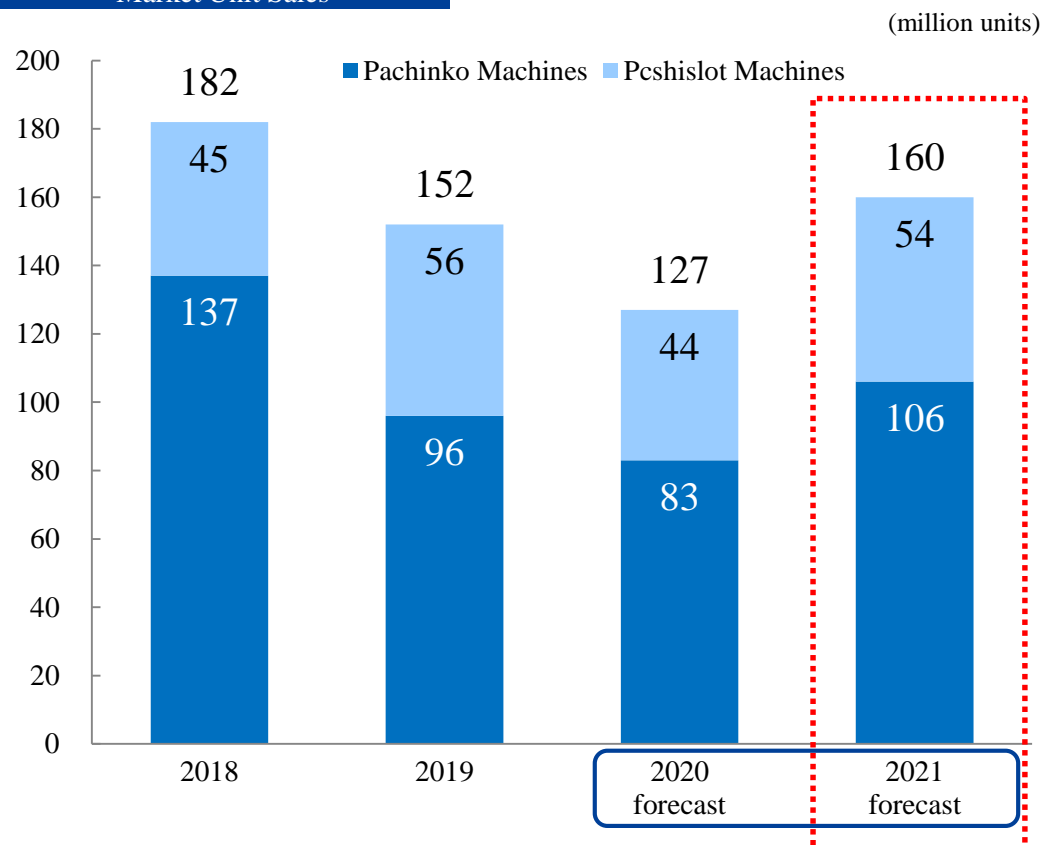
Depreciation & Amortization / Capital Investment

(million yen)	FY 3/2021 Results	FY 3/2022 Plan	YoY
Depreciation & amortization	9,016	10,500	16.5%
Capital investment	6,921	9,900	43.0%

Market Trends

- Replacement demand is expected to rise even further from FY 3/2021 due to the arrival of the removal deadline for machines under the previous regulations.
- Total market unit sales for pachinko and pachislot machines are forecasted to be 1,600,000 units in FY 3/2022.
- Pachislot machines compliant with revised voluntary regulations are expected to be launched on the market within FY 3/2022.

Market Unit Sales



Note: Data source: Yano Research Institute. Data on a fiscal year basis (from April to March of the next year).

Data for 2020 and 2021 are the Company's forecast.

Revisions to Voluntary Regulations for Pachislot

- Current Standards
 - AT (ART) continuous play capped at 1,500 games
- Revisions to Current Standards
 - Relaxation of AT (ART) continuous play cap to 3,000 games
 - Wider range of game elements
 - Applications begin on May 20 → Launched on the market within FY 3/2022

Controlled Machines and Token-less Machines

- “Controlled Machines” (“Smart Pachinko” / Pachinko Machines)
 - Wider range of game elements than current machines
 - Expected to be launched on the market within FY 3/2023
- “Token-less Machines” (“Smart Pachislot” / Pachislot Machines)
 - Elimination of AT (ART) continuous play cap
 - Even wider range of game elements
 - Expected to be launched on the market within FY 3/2023

Pachinko and Pachislot Machine Business (Machine Sales Plan)

FY 3/22 Plan

(Units)	FY 3/2021 Results	FY 3/2022 Plan	Change the previous year
Number of machines sold	85,283	160,000	+74k units
Pachinko machines	49,890	108,000	+58k units
Number of titles released	4	8	+4
Pachislot machines	35,393	52,000	+16k units
Number of titles released	6	5	-1

Titles to Release / Pachinko Machine

Title	Release Date
<i>Pink Lady</i>	Apr. 2021
<i>GIRLS und PANZER der FILM</i>	May 2021
<i>Maison Ikkoku: Wedding Story</i>	Jul. 2021

Titles to Release / Pachislot Machine

Title	Release Date
<i>Pachislot GIRLS und PANZER der FILM</i>	Jun. 2021



Pachinko Machine
GIRLS und PANZER der FILM

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Pachislot Machine
Pachislot GIRLS und PANZER der FILM

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1. Product development capturing market needs

- Product development capturing user needs and market trends
- Pursuit of a faster development schedule

2. Maximization of unit sales and rehabilitation of image as a manufacturer

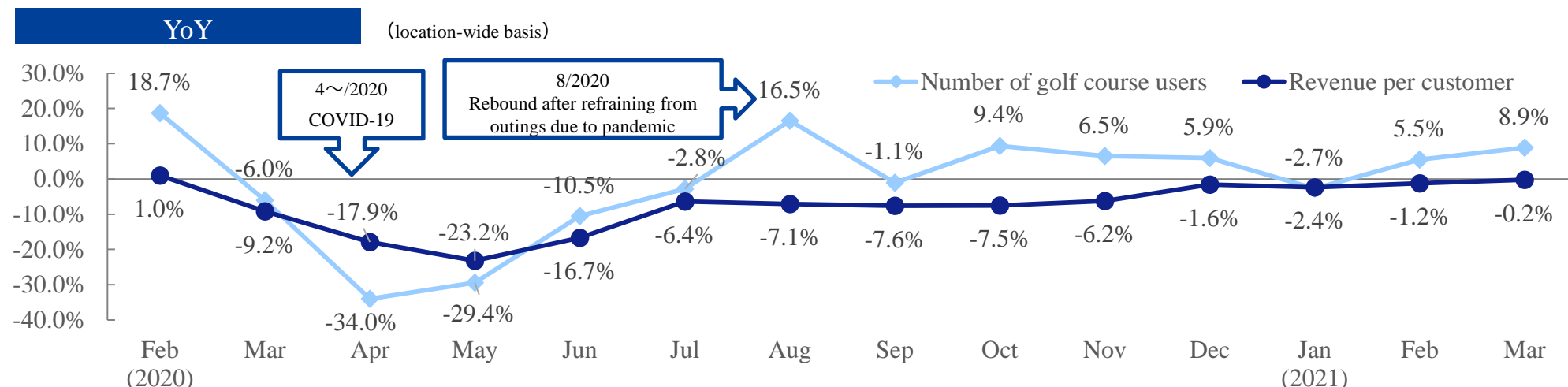
- Accurate sales planning based on market trends
- Expansion of both sales and installation share
- Implementation of measures to increase users' understanding of products

3. Establishment of a high-earning structure via thorough cost management

- Company-wide cost-reduction efforts
- Improvements to operational efficiency through IT and digitization

Golf Business (Market Trends & New Acquisitions)

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



Market Trends

- The number of golf course users and revenue per customer are on a recovery trend. The number of golf course users has room to recover further in the future.
- Revenue per customer is not expected to return to pre-pandemic levels in the immediate future due to a decline in competition demand.

Acquisition of New Golf Courses

- 5 new golf courses were acquired
 - This brings the total number of owned and operated golf courses to 145 (18H equivalent: 177.5).
 - Golf courses acquired in FY 3/2021 will contribute to full-year performance in FY 3/2022.

Plan Number of Golf Course Users/Revenue per Customer

【Full Year (12 months)】	FY 3/2020 Results	FY 3/2021 Results	FY 3/2022 Plan
Number of golf course users (thousand people)	8,154	7,902	8,512
Revenue per customer (yen)	9,057	8,301	9,001

1 . Increasing the value of golf services

- Revisions to manner of operations, etc. gauging the impacts of the COVID-19 pandemic
- Differentiation from competitors through improvements to the level of customer service and course quality
- Well-planned capital investment and repairs

2 . Promotion of administrative innovation

- Promotion of operational streamlining through application of core system “Teela”
- Automation, streamlining, and visualization of operations
- Thorough reinforcement of cost awareness

3 . Continued acquisition of high-quality golf courses

- Proactive acquisition of golf courses in the suburbs of 4 large metropolitan areas
- Portfolio revisions and consideration of substitutions

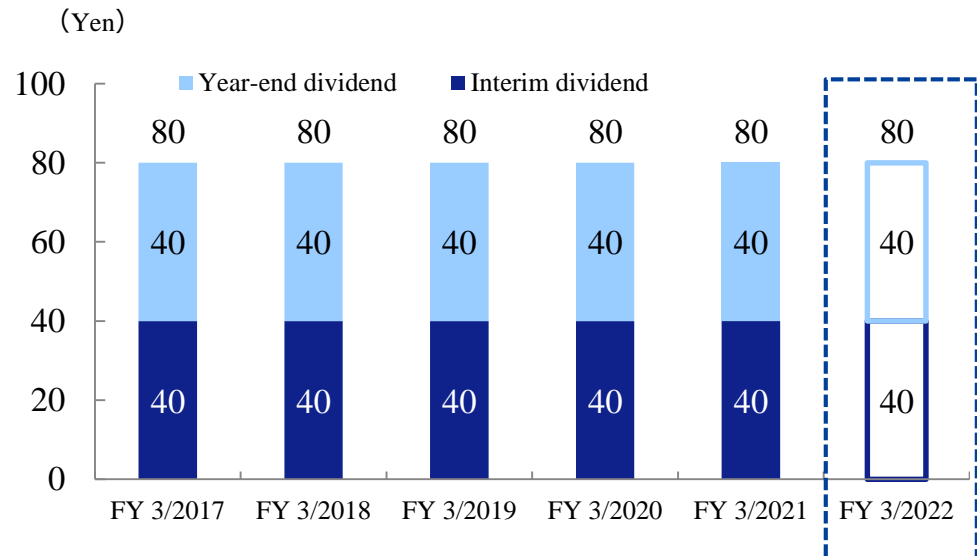
Dividend policy

- 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 3/2022 (Plan)

Interim dividend	40 yen
Year-end dividend	40 yen
Total	80 yen

Trend of dividend per share



Shareholder return is a key management issue.
We will do our utmost to maintain a high level of dividend payment.

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

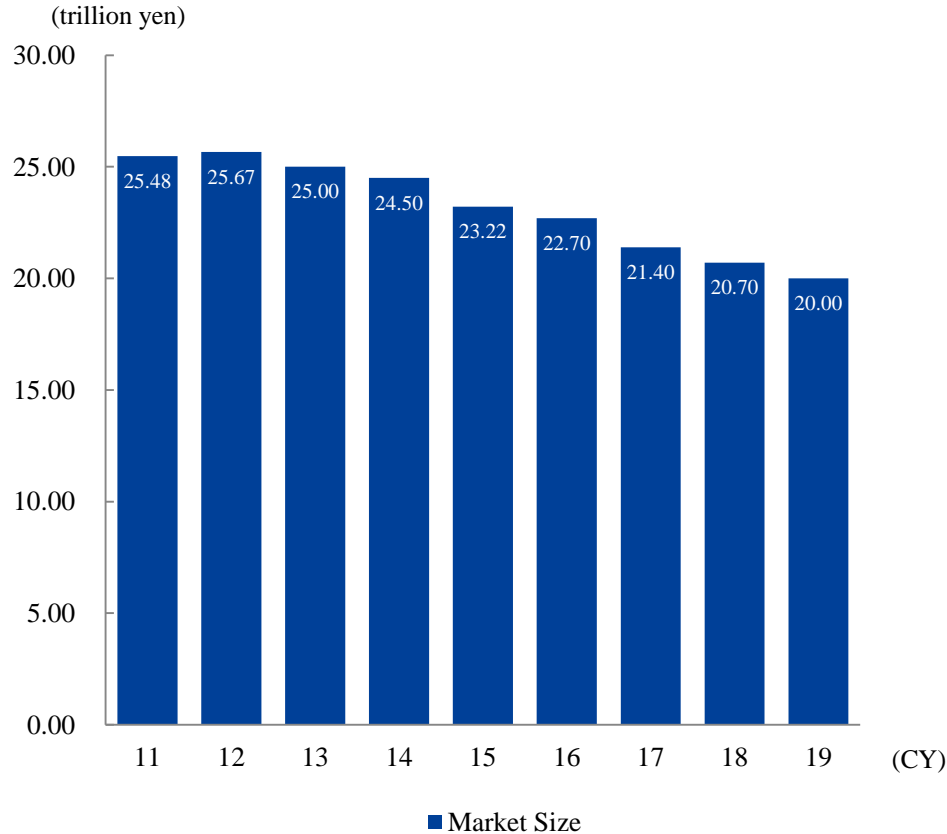
【Consolidated Results】

- Financial Performance Trend
- Key Financial Indicators

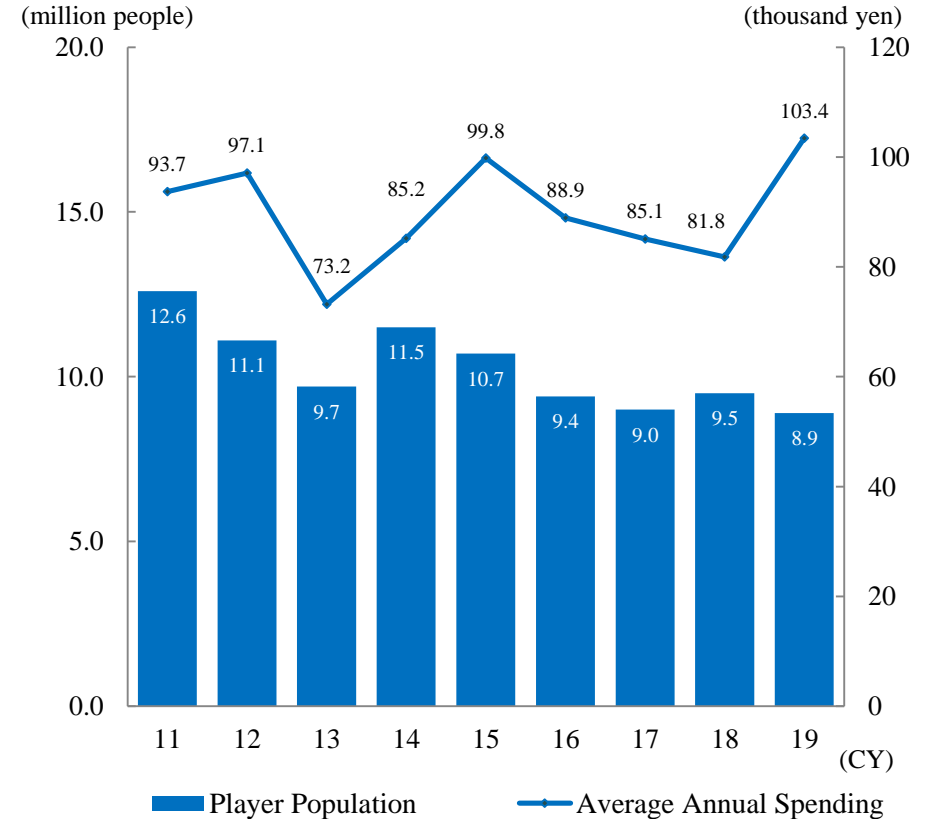
Market Environment (Pachinko and Pachislot Machine Business) 1

Pachinko and Pachislot Machine Business

Market Size



Player Population and Average Annual Spending



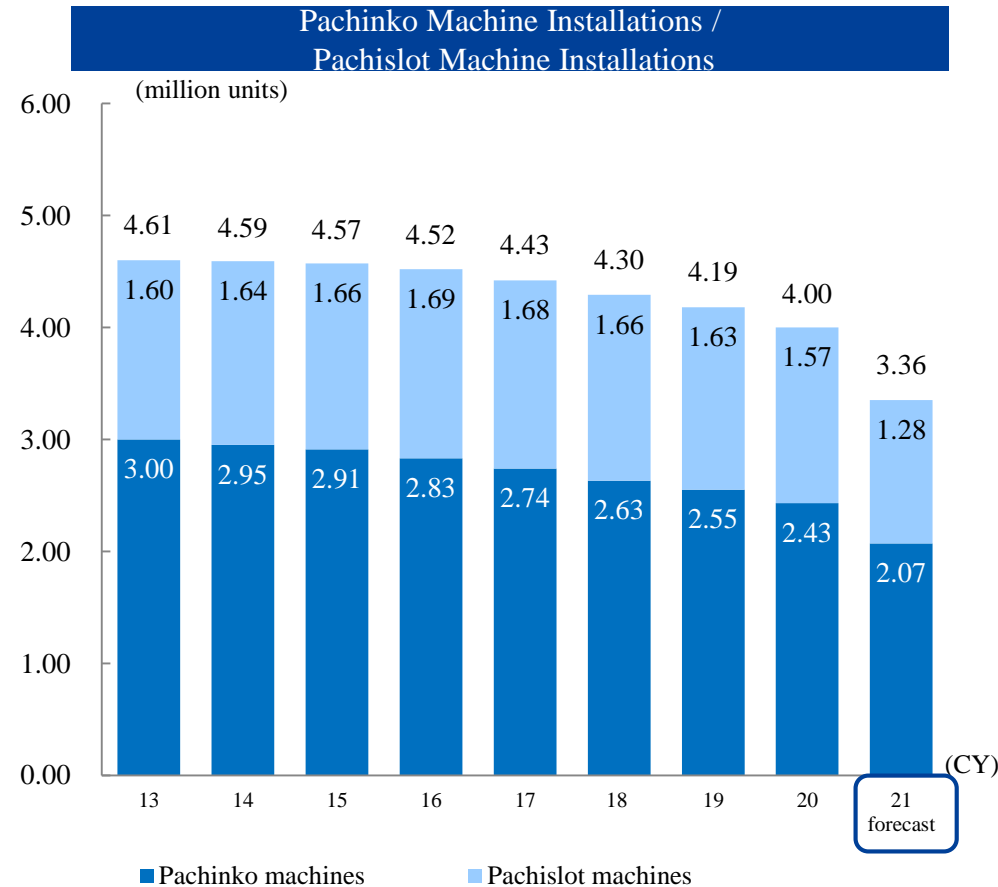
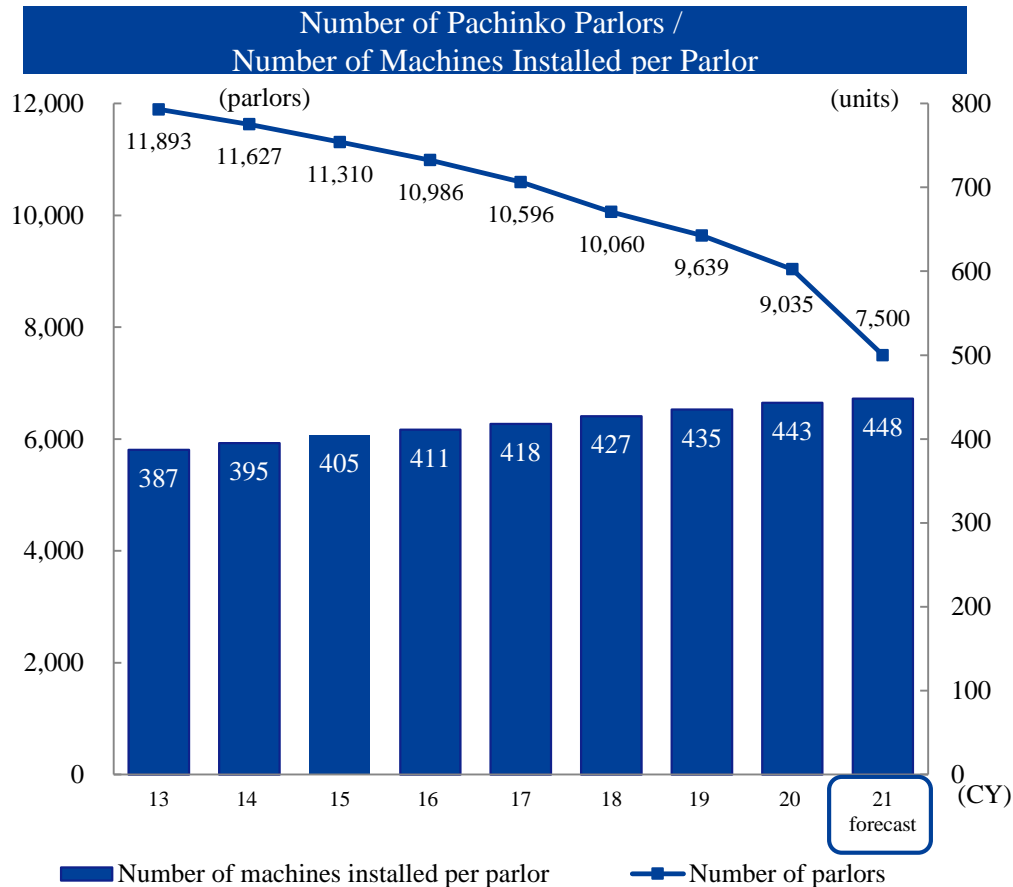
	2011	2012	2013	2014	2015	2016	2017	2018	2019
Market size (trillion yen)	25.48	25.67	25.00	24.50	23.22	22.70	21.40	20.70	20.00
Player population (million)	12.6	11.1	9.7	11.5	10.7	9.4	9.0	9.5	8.9
Average annual spending (thousand yen)	93.7	97.1	73.2	85.2	99.8	88.9	85.1	81.8	103.4

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

Market Environment

(Pachinko and Pachislot Machine Business) 2

Pachinko and Pachislot Machine Business



	2013	2014	2015	2016	2017	2018	2019	2020	2021 forecast
Number of parlors	11,893	11,627	11,310	10,986	10,596	10,060	9,639	9,035	7,500
Number of machines installed per parlor (units)	387	395	405	411	418	427	435	443	448
Pachinko machine installations (million units)	3.00	2.95	2.91	2.83	2.74	2.63	2.55	2.43	2.07
Pachislot machine installations (million units)	1.60	1.64	1.66	1.69	1.68	1.66	1.63	1.57	1.28

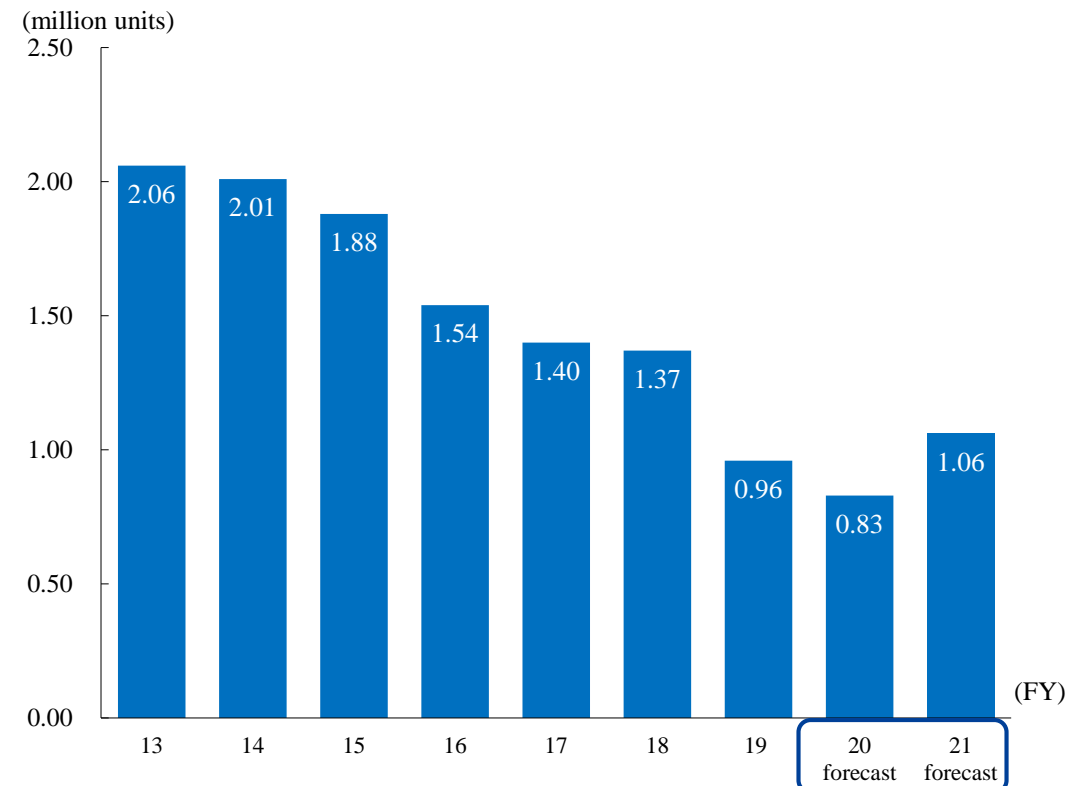
Note: Data source: National Police Agency. Data on a calendar year basis (from Jan to Dec). Figures for 2021 is the Company's estimates.

Market Environment

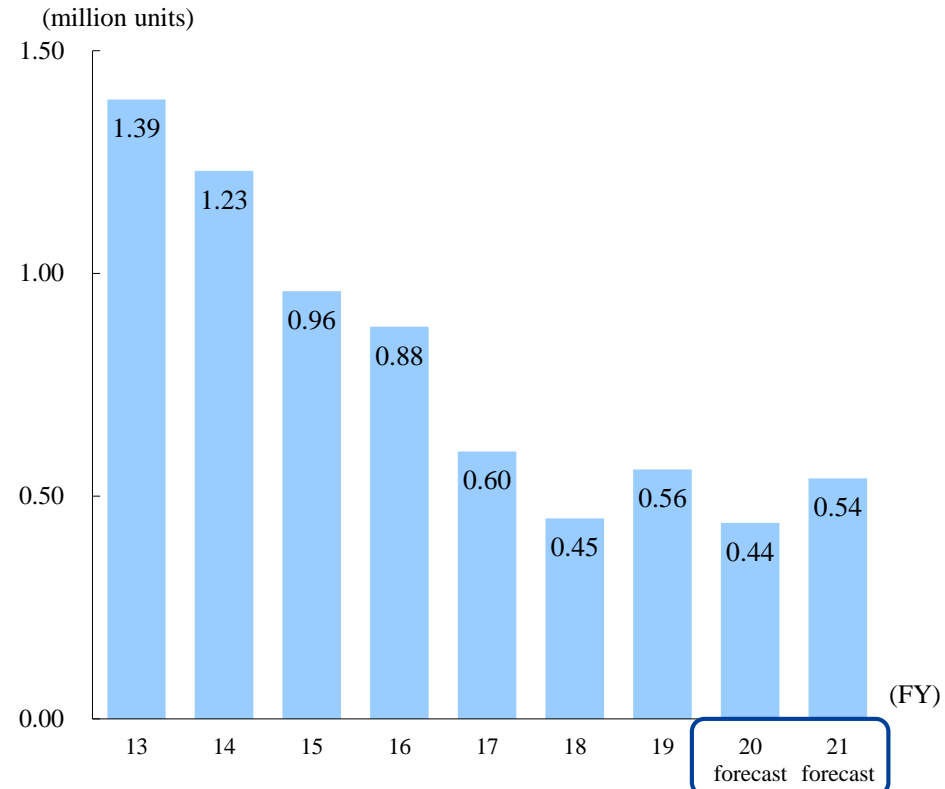
(Pachinko and Pachislot Machine Business) 3

Pachinko and Pachislot Machine Business

Pachinko machine sales



Pachislot machine sales



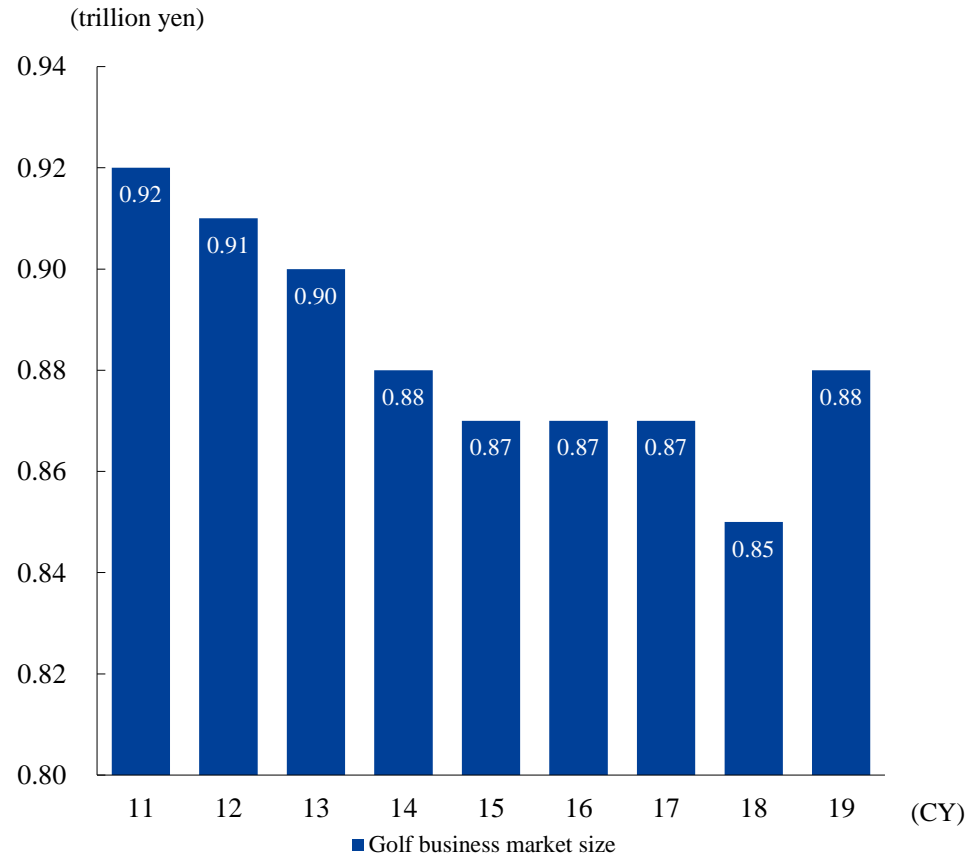
Number of machines sold (million units)	2013	2014	2015	2016	2017	2018	2019	2020 Forecast	2021 Forecast
Pachinko machines	2.06	2.01	1.88	1.54	1.40	1.37	0.96	0.83	1.06
Pachislot machines	1.39	1.23	0.96	0.88	0.60	0.45	0.56	0.44	0.54

Note: Data source: Yano Research Institute. Data on a fiscal year basis (from April to March of the next year). Data for 2020 and 2021 are the Company's forecast.

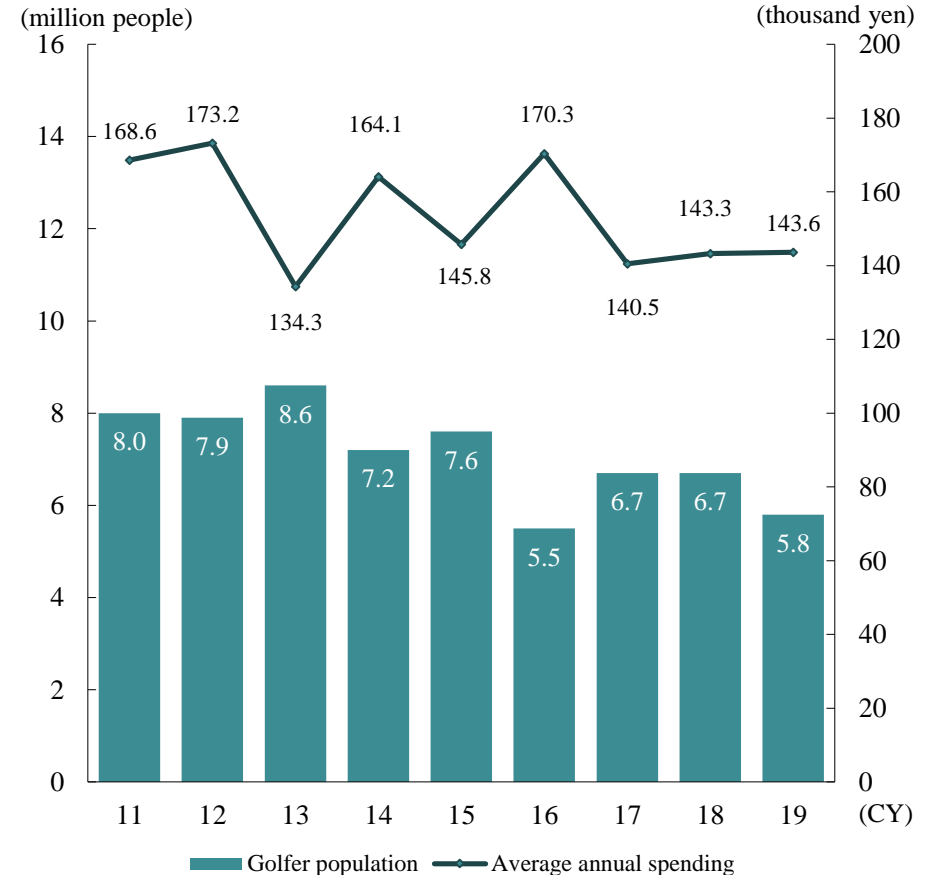
Market Environment (Golf Business)

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).

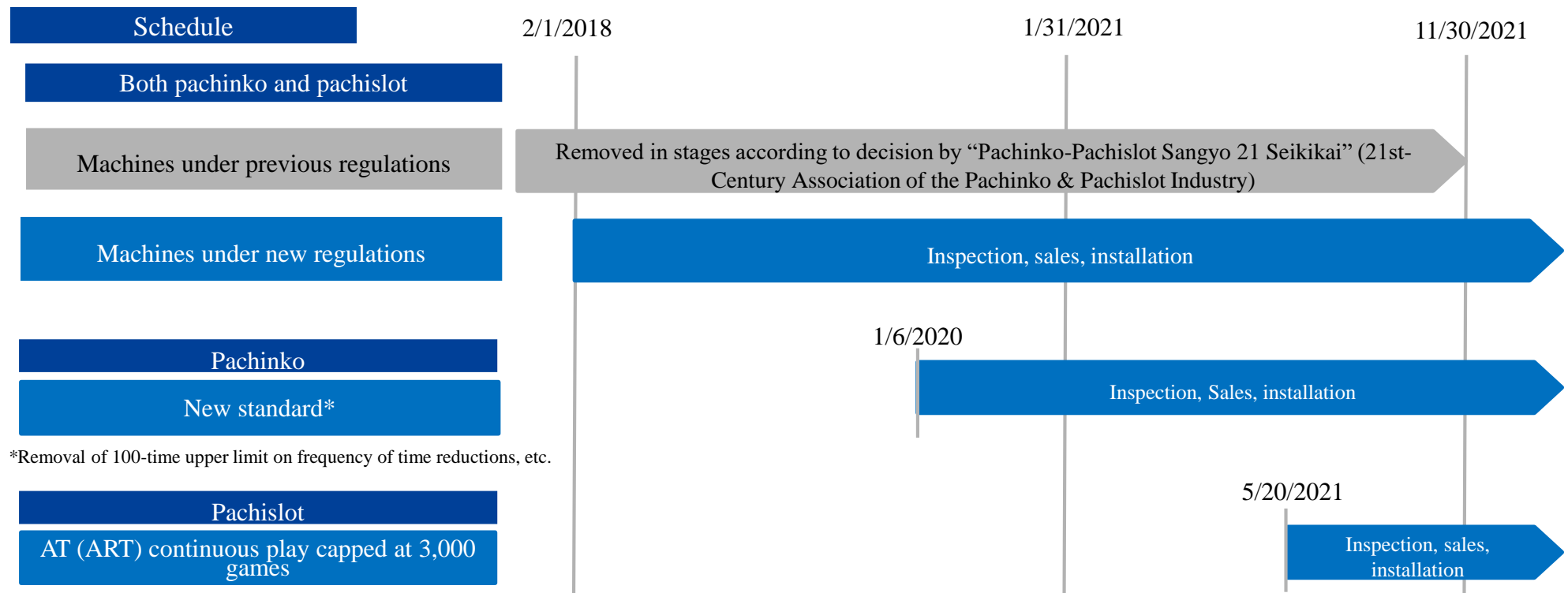
Regulations on Pachinko and Pachislot Machines

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



Number of Machines Sold

Titles Released in FY ending March 31, 2021

Pachinko and Pachislot Machine Business

Number of machines sold

(units)	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	2Q cumulative	Full year	1Q	2Q cumulative	3Q cumulative	Full year	1Q	2Q cumulative	Full year	
Total	348,613	273,714	47,867	138,626	97,832	166,124	34,929	77,851	124,148	164,400	2,644	8,379	42,613	85,283
Pachinko machines	234,616	192,761	36,557	117,774	58,482	118,880	26,724	45,182	63,381	95,483	1,235	4,410	37,867	49,890
Body	179,197	167,951	26,858	72,185	39,541	60,946	12,024	23,060	31,996	41,887	267	585	33,121	39,455
Gauge board	55,419	24,810	9,699	45,589	18,941	57,934	14,700	22,122	31,385	53,596	968	3,825	4,746	10,435
Pachislot machines	113,997	80,953	11,310	20,852	39,350	47,244	8,205	32,669	60,767	68,917	1,409	3,969	4,746	35,393
Chassis	89,453	36,001	1,032	1,344	11,213	14,093	588	4,337	25,255	29,288	587	914	1,042	27,423
Combined unit	24,544	44,952	10,278	19,508	28,137	33,151	7,617	28,332	35,512	39,629	822	3,055	3,704	7,970

Titles released in FY ended March 31, 2021

Pachinko

Release	Title	Units sold
3Q	<i>Sengoku Otome6: Akatsuki no Sekigahara</i>	16,014
	<i>Lupin the Third: Fukkatsu no Mamo</i>	16,040
	<i>NEW JAPAN PRO-WRESTLING</i>	3,104
4Q	<i>JAWS3</i>	4,078
Total*		49,890

Pachislot

Release	Title	Units sold
2Q	<i>Tai Madougakuen 35 Shiken Shoutai</i>	2,753
4Q	<i>Nangokusodachi30</i>	17,733
	<i>Sengokuotome3: Tenken wo Tsugumono</i>	6,200
	<i>Pachislot KING Koumon Chama</i>	2,900
	<i>Pachislot Love-jo2 Plus</i>	2,639
	<i>Pachislot Ao no Exorcist</i>	1,262
Total		35,393

*Total includes units of titles released in FY 3/2020 (Pachinko: 10,654 units, Pachislot: 1,906 units)

Trends of Golf Course Users and Revenue per Customer 1

Number of Golf Course Users

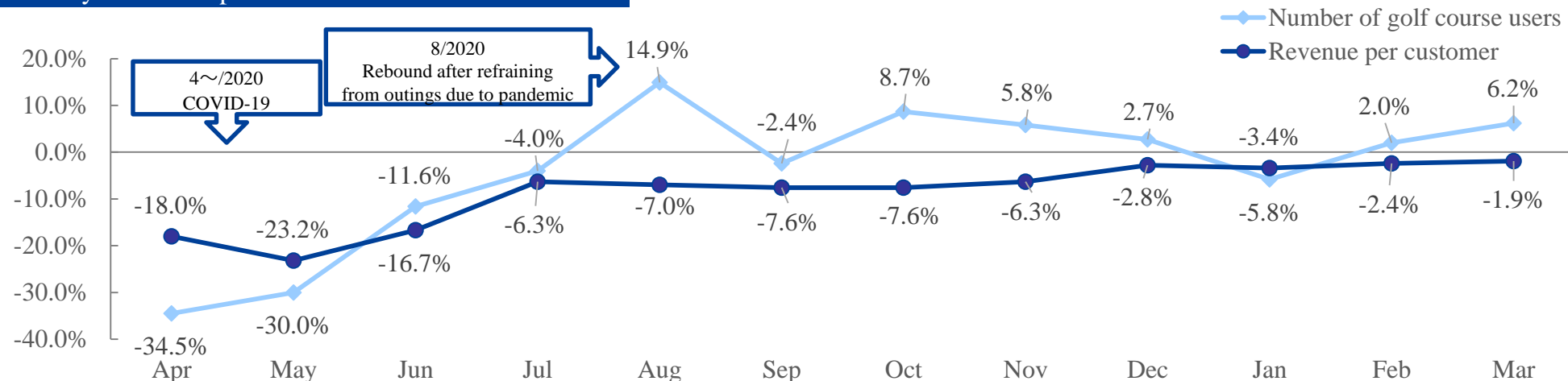
(persons)	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
FY 3/2015	651,067	757,367	659,662	670,460	652,429	695,852	671,206	681,167	548,032	430,098	403,316	569,843	7,390,499
FY 3/2016	619,519	765,614	672,004	655,011	657,753	641,672	732,172	668,507	624,894	447,276	441,305	603,777	7,529,504
FY 3/2017	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	759,748	785,017	714,772	515,600	568,067	675,789	7,902,897

Revenue per Customer

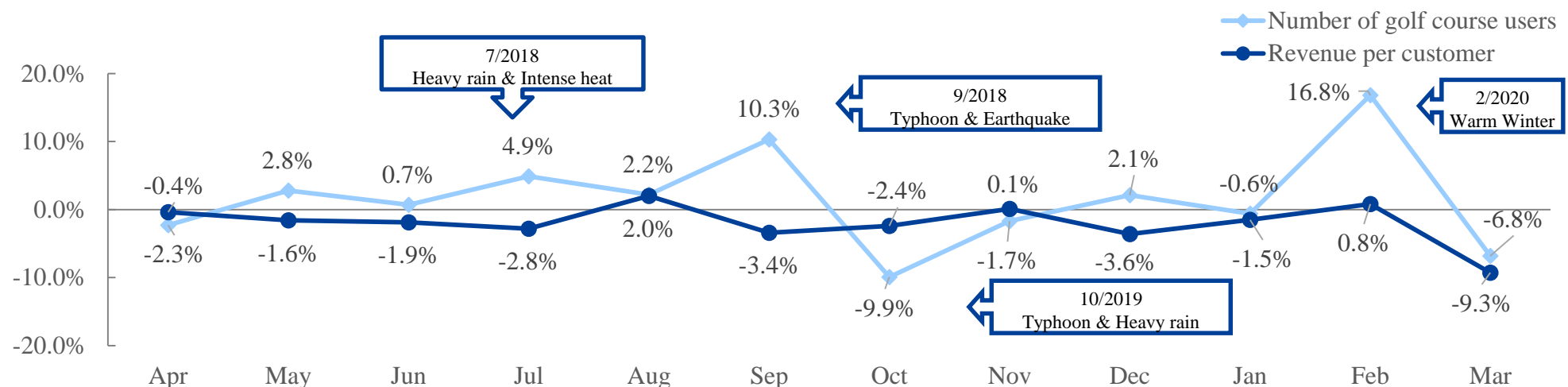
(yen)	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Average
FY 3/2015	9,215	9,422	9,180	8,703	8,300	8,964	9,477	10,122	9,440	8,591	8,077	8,797	9,076
FY 3/2016	9,278	9,485	9,071	8,668	8,279	9,073	9,609	10,038	9,343	8,556	8,002	8,780	9,070
FY 3/2017	9,397	9,572	9,213	8,792	8,176	9,050	9,781	10,014	9,429	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	8,741	9,362	9,193	8,340	8,028	8,290	8,301

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 March 31, 2021	
	Courses	18H equivalent	Courses	18H equivalent
Owned Golf Courses	140	171.0	144	175.0
Leased Golf Courses	1	2.0	1	2.0
Contracted Golf Courses	1	1.5	0	0
Total	142	174.5	145	177.0
Hokkaido	6	9.5	6	9.5
Tohoku	8	10.5	8	10.0
Kanto, Koushinetsu	62	73.5	65	76.5
Tokai, Hokuriku	12	13.0	12	13.0
Kansai	20	26.0	21	27.5
Chugoku	11	13.0	10	11.5
Shikoku	6	6.5	6	6.5
Kyusyu, Okinawa	17	22.5	17	22.5
Total	142	174.5	145	177.0

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

【Acquisition】

December 1, 2020	PGM Ishioka Golf Club Jack Nicklaus Golf Course to commence operation (Omitama City, Ibaraki Prefecture – 18H)
December 1, 2020	PGM Minamiichihara Golf Club to commence operation (Ichihara City, Chiba Prefecture – 18H)
December 1, 2020	PGM Musashi Golf Club to commence operation (Hiki District, Saitama Prefecture – 18H)
December 1, 2020	PGM Maria Golf Links Pete Dye Golf Course to commence operation (Kisarazu City, Chiba Prefecture – 18H)
February 1, 2021	PGM Ikeda Country Club to commence operation (Ikeda City, Osaka Prefecture – 27H)

【Sponsorship agreements, etc.】

None

【Sale】

March 1, 2021	Silk Country Club (Tomiooka City, Gunma Prefecture – 18H)
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【Termination of management outsourcing】

September 30, 2020	Hiroshima Kouyou Country Club (Hatsukaichi City, Hiroshima Prefecture – 27H)
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Financial Performance Trend

Consolidated

(million yen)	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
Net sales	214,954	186,218	62,177	132,765	80,211	144,980	36,809	73,911	114,334	144,573	16,173	37,781	76,109	107,744
Pachinko and Pachislot machine Business	135,388	108,139	18,310	51,552	37,027	62,407	13,021	29,568	47,542	61,658	1,171	2,893	18,263	33,292
Pachinko machines	89,200	75,823	13,698	44,428	22,199	45,569	9,861	17,243	24,227	35,357	479	1,280	16,303	20,625
Pachislot machines	46,188	31,607	4,379	6,702	14,639	16,509	3,098	12,189	23,129	26,059	637	1,513	1,740	12,344
Golf Business	77,071	78,078	43,866	81,213	43,183	82,573	23,788	44,342	66,791	82,914	15,001	34,888	57,845	74,452
Other	2,494	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating income	38,967	36,599	5,199	13,931	20,743	28,014	8,102	13,550	22,805	23,551	-4,415	-4,680	1,853	5,311
Pachinko and Pachislot machine Business	30,088	29,602	-749	7,149	15,666	20,791	3,294	7,946	14,075	17,450	-3,301	-5,795	-3,999	287
Pachinko machines	16,467	17,609	-1,278	7,025	8,585	15,260	2,127	1,874	2,212	5,120	-2,442	-4,837	-2,434	-2,332
Pachislot machines	13,620	11,869	486	26	7,057	5,474	1,150	6,037	11,844	12,293	-859	-968	-1,601	2,570
Golf Business	12,427	10,935	7,530	9,930	6,761	10,599	5,661	7,194	11,153	9,286	-503	2,460	7,864	7,624
Other	151	-	-	-	-	-	-	-	-	-	-	-	-	-
Eliminations & corporate expenses	-3,699	-3,937	-1,580	-3,147	-1,684	-3,376	-853	-1,590	-2,423	-3,185	-611	-1,346	-2,010	-2,600
Operating income ratio	18.1%	19.7%	8.4%	10.5%	25.9%	19.3%	22.0%	18.3%	19.9%	16.3%	-27.3%	-12.4%	2.4%	4.9%
Ordinary income	37,444	35,655	5,009	13,105	20,350	27,451	8,172	13,532	22,590	23,278	-4,491	-4,694	2,388	5,799
Profit attributable to owners of parent	28,143	27,058	2,122	6,799	13,489	16,341	5,857	9,407	15,296	15,872	-5,813	-6,179	-2,528	865
SGA expenses	39,873	37,447	15,001	30,652	12,939	27,822	6,716	16,698	24,686	32,760	5,552	11,176	17,401	23,723
Personnel expenses	7,334	7,207	3,049	6,211	3,052	6,356	1,423	2,864	4,288	5,985	1,395	2,804	4,199	5,676
Selling expenses	10,241	9,898	2,926	6,928	3,680	7,294	928	3,544	5,570	7,803	179	815	1,659	2,942
Advertising expenses	3,155	2,842	849	2,368	742	2,179	288	698	1,699	1,950	107	338	569	795
Sales commissions	3,701	2,858	436	1,135	1,131	1,660	316	886	1,529	1,885	38	104	352	921
Shareholder benefit-related costs	1,737	1,407	9,025	1,952	970	2,146	49	1,264	1,297	2,564	10	169	198	383
General expenses	22,297	20,341	5,576	17,512	6,207	14,171	4,363	10,290	14,827	18,972	3,948	7,556	11,592	15,103
R&D expenses	15,590	12,841	5,017	10,832	2,972	7,881	2,815	7,303	10,268	12,680	2,806	5,176	7,627	9,949
Depreciation & amortization	11,027	11,098	5,017	10,740	4,773	9,868	2,016	4,171	6,428	8,745	1,958	4,052	6,424	9,016
Capital investment	13,354	14,050	10,044	14,166	4,038	7,091	2,943	5,360	7,257	9,667	2,631	4,167	5,495	6,921

Key Financial Indicators

Consolidated

(million yen)	FY 3/2016	FY 3/2017	FY 3/2018	FY 3/2019	FY 3/2020	FY 3/2021	Formula
Net Sales	214,954	186,218	132,765	144,980	144,573	107,744	
Operating Income	38,967	36,599	13,931	28,014	23,551	5,311	
Ordinary Income	37,444	35,655	13,105	27,451	23,278	5,799	
Profit attributable to owners of parent	28,143	27,058	6,799	16,341	15,872	895	
Total Assets	450,715	449,152	430,287	442,845	436,762	430,070	
Cash, Deposits and Securities	106,503	106,576	86,245	93,180	83,296	70,083	
Interest Bearing Debt	141,935	132,917	123,116	120,756	115,834	121,454	
Net Assets	198,873	217,405	216,701	225,052	232,575	226,242	
Shareholders' Equity	198,841	217,381	216,690	225,052	232,575	226,242	
ROE	15.6%	13.0%	3.1%	7.4%	6.9%	0.4%	
Operating Income Ratio	18.1%	19.7%	10.5%	19.3%	16.3%	4.9%	Operating income/Net sales
Net Income Ratio	13.1%	14.5%	5.1%	11.3%	11.0%	0.8%	Net income/Net sales
Asset Turnover	0.48	0.41	0.30	0.33	0.33	0.25	Net sales/Total assets *1
Financial Leverage	2.48	2.16	2.03	1.98	1.92	1.89	Total assets/Shareholders' equity *1,2
Net Debt Equity Ratio	17.8%	12.1%	17.0%	12.3%	14.0%	22.7%	Net interest-bearing debt/Shareholders' equity
Shareholders' Equity Ratio	44.1%	48.4%	50.4%	50.8%	53.2%	52.6%	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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