

Results for the 3rd Quarter of Fiscal Year Ending March 31, 2022

February 9, 2022
Heiwa Corporation

Securities Code : 6412

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Supplementary Information

【Market Environment】

- Pachinko and Pachislot Machine Business
- Golf Business

【Pachinko and Pachislot Machine Business】

- Main Standards, etc. after Revision of Regulations for Pachinko & 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

Consolidated results

- Net sales: 92.3 billion yen, +21.4% year on year
- Operating income: 9.9 billion yen, +437.1% year on year
 - Compared to the same period of the previous fiscal year, when social and economic activities were strongly restricted, income and profit rose thanks to factors such as an increase in the number of units sold in the pachinko and pachislot machine business and an increase in the number of golf course users in the golf business.

Pachinko and pachislot machine business

- Net sales: 24.4 billion yen, +34.1% year on year
- Operating loss: 1.6 billion yen (operating loss of 3.9 billion yen in the same period of the previous fiscal year)
 - ✓ The number of Pachinko machines sold in 3Q: 40k units (+ 2k units YoY)
 - ✓ The number of Pachislot machines sold in 3Q: 22k units (+ 18k units YoY)

Golf business

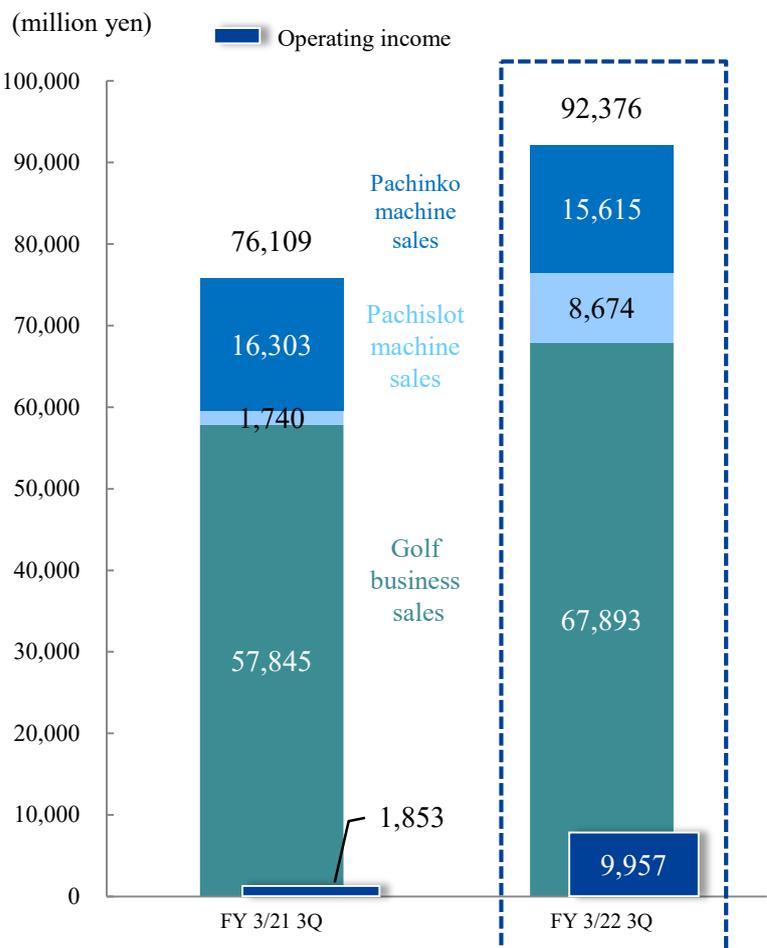
- Net sales: 67.8 billion yen, +17.4% year on year
- Operating income: 13.4 billion yen, +70.5% year on year
 - ✓ Number of golf course users in 3Q: 6,957 thousand people (+814 thousand people YoY)
 - ✓ Revenue per customer in 3Q: 8,815 yen (+491 yen YoY)

Results for the 3rd Quarter of FY ending March 31, 2022

Consolidated Statements of Income (Results)

3rd Quarter Results

- Income and profit were up year on year (net sales +21.4% YoY and operating income +437.1% YoY).
 - Compared to the same period of the previous fiscal year, when social and economic activities were strongly restricted, income and profit rose thanks to factors such as an increase in the number of units sold in the pachinko and pachislot machine business and an increase in the number of golf course users in the golf business.



(million yen)	FY 3/2021 3Q Results	FY 3/2022 3Q Results	YoY
Net sales	76,109	92,376	21.4%
Pachinko and Pachislot machine business	18,263	24,482	34.1%
Pachinko machines	16,303	15,615	-4.2%
Pachislot machines	1,740	8,674	398.3%
Golf business	57,845	67,893	17.4%
Operating income	1,853	9,957	437.1%
Pachinko and Pachislot machine business	-3,999	-1,666	-
Pachinko machines	-2,434	-2,102	-
Pachislot machines	-1,601	405	-
Golf business	7,864	13,405	70.5%
Eliminations & corporate expenses	-2,010	-1,781	-11.4%
Operating income ratio	2.4%	10.8%	+8.4pt
Ordinary income	2,388	9,876	313.6%
Profit attributable to owners of parent	-2,528	4,604	-
EBITDA*	8,392	17,503	108.6%

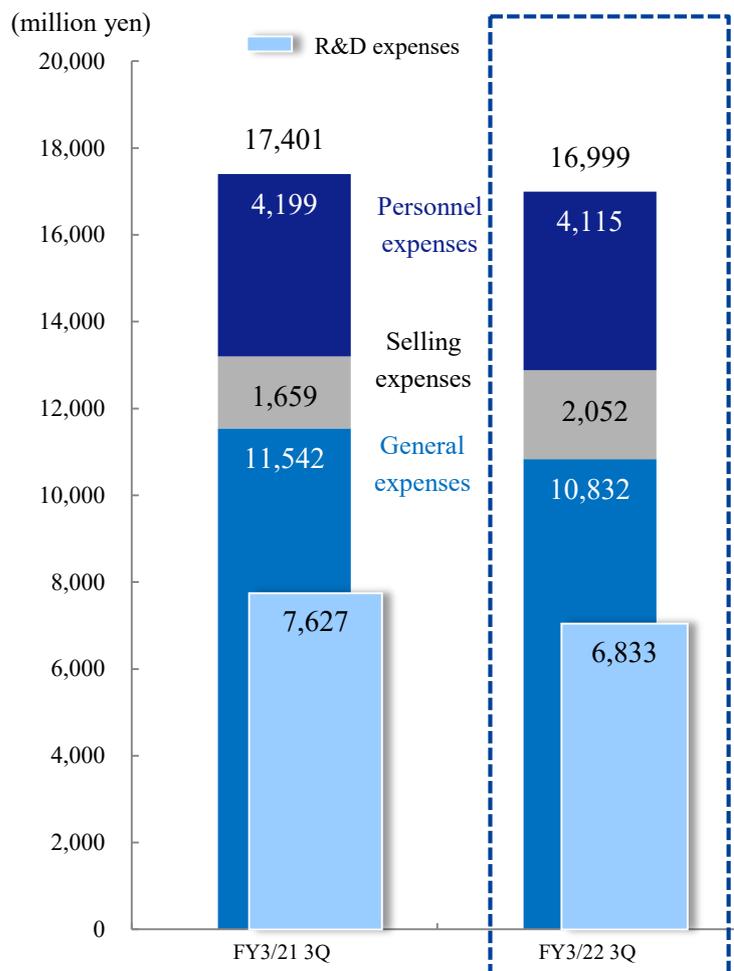
* EBITDA = Operating income + depreciation + amortization of goodwill

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



3rd Quarter Results

- SGA expenses were slightly down (-2.3% YoY).
 - In selling expenses, variable expenses such as sales commissions rose in line with an increase in the number of units sold.
 - General expenses fell due to a delay in the timing of recording of R&D expenses.



	(million yen)	FY 3/2021 3Q Results	FY 3/2022 3Q Results	YoY
SGA expenses		17,401	16,999	-2.3%
Personnel expenses		4,199	4,115	-2.0%
Selling expenses		1,659	2,052	23.7%
Advertising expenses		569	609	7.1%
Sales commissions		352	681	93.4%
General expenses		11,542	10,832	-6.2%
R&D expenses		7,627	6,833	-10.4%

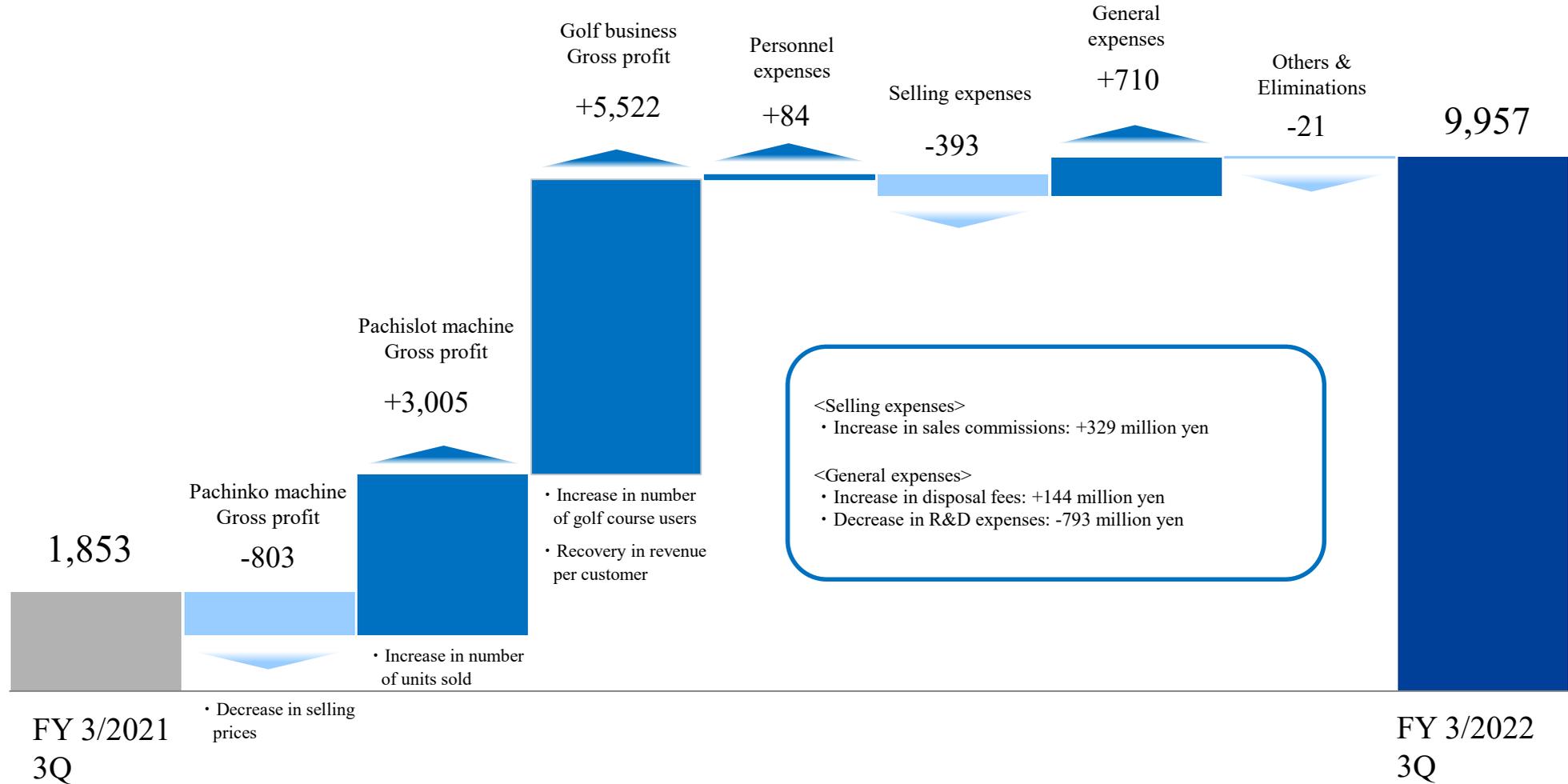
Depreciation & Amortization / Capital Investment

	(million yen)	FY 3/2021 3Q Results	FY 3/2022 3Q Results	YoY
Depreciation & amortization		6,424	7,369	14.7%
Capital investment		5,495	6,332	15.2%

Factors Contributing to Change in Operating Income (Consolidated Basis)

3rd Quarter Results

(million yen)



Pachinko and Pachislot Machine Business (Machine Sales Results)

3rd Quarter Results

(Units)	FY 3/2021 3Q Results	FY 3/2022 3Q Results	YoY
Number of machines sold	42,613	63,030	+20k units
Pachinko machines	37,867	40,228	+2k units
Number of titles released	3	8	+5
Pachislot machines	4,746	22,802	+18k units
Number of titles released	1	5	+4

* Total includes units of titles released in FY 3/2021

Major pachinko titles

Titles	Sales (units)	Release
<i>GIRLS und PANZER der FILM</i>	8,620	May 2021
<i>NEW TOKIO</i>	5,343	Jun. 2021
<i>Maison Ikkoku: Wedding Story</i>	4,650	Jul. 2021

Major pachislot titles

Titles	Sales (units)	Release
<i>Pachislot GIRLS und PANZER der FILM</i>	4,500	Jun. 2021
<i>Pachislot Sengokuotome: Akatsuki no Sekigahara DARKNESS</i>	4,561	Nov. 2021
<i>Umaibo</i>	4,757	Dec. 2021



Pachinko Machine
GIRLS und PANZER der FILM



©GIRLS und PANZER Projekt ©GIRLS und PANZER Film Projekt



Pachislot Machine
*Pachislot Sengokuotome:
Akatsuki no Sekigahara
DARKNESS*



©HEIWA
Character design by SHIROGUMI INC.

Pachinko and Pachislot Machine Business (Results)



3rd Quarter Results

Total

- Income was up year on year (net sales +34.1% YoY and operating income in comparison with operating loss in the same period of the previous fiscal year).
 - Income grew and the deficit was reduced thanks to an increase in the number of units sold.

Pachinko

- Income decreased even though the number of units sold exceeded the previous fiscal year, but the deficit was reduced.
 - The number of units sold slightly exceeded the previous year. However, due to the implementation of strategic pricing to promote sales of new machine bodies in the expansion phase, net sales failed to grow, resulting in decreased income.
 - Despite decreased income, the deficit was reduced thanks to a delay in the timing of recording of R&D expense.

Pachislot

- The number of units sold exceeded the previous fiscal year, resulting in increased income and profit.
 - The number of units sold exceeded the previous fiscal year, resulting in increased income.
 - Profit grew thanks to a delay in the timing of recording of R&D expenses.

(million yen)	FY 3/2021 3Q Results	FY 3/2022 3Q Results	YoY	Breakdown of Machine Sales			
				(Units)	FY 3/2021 3Q Results	FY 3/2022 3Q Results	YoY
Net sales	18,263	24,482	34.1%				
Pachinko machines	16,303	15,615	-4.2%				
Pachislot machines	1,740	8,674	398.3%				
Gross profit	7,447	9,627	29.3%				
Pachinko machines	6,245	5,442	-12.9%				
Pachislot machines	1,136	4,141	264.4%				
Gross profit ratio	40.8%	39.3%	-1.5Pt				
Operating income	-3,999	-1,666	-				
Pachinko machines	-2,434	-2,102	-				
Pachislot machines	-1,601	405	-				
Operating income ratio	-21.9%	-6.8%	+15.1pt				
				Total	42,613	63,030	+20,417
				Pachinko machines	37,867	40,228	+2,361
				Body	33,121	36,124	+3,003
				Gauge board	4,746	4,104	-642
				Pachislot machines	4,746	22,802	+18,056
				Chassis	1,042	22,736	+21,694
				Combined unit	3,704	66	-3,638

3rd Quarter Results

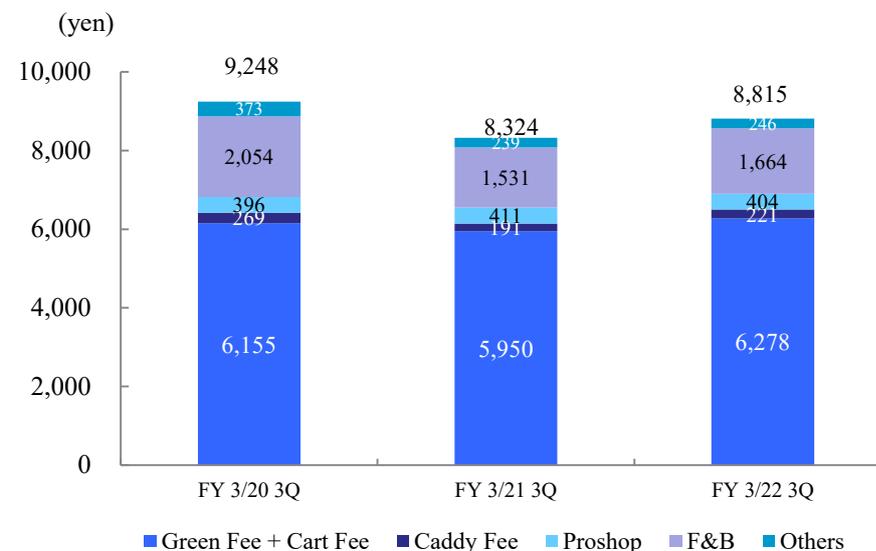
- One new golf course was acquired and commenced operation on October 1, 2021.
 - Old Orchard Golf Club (Higashiibaraki District, Ibaraki Prefecture – 18H).
- The number of golf course users increased, and revenue per customer is on a recovery trend.
 - Although the number of golf course users was affected by conditions such as a prolonged rainy season in western Japan until 2Q, the number grew thanks to relatively favorable weather starting in October as well as the contribution of golf courses acquired in the current and previous fiscal years.
 - Revenue per customer is on a recovery trend thanks to factors such as the ability to resume serving alcohol starting in October, when the state of emergency and other restrictions were lifted.

Number of Golf Course Users / Revenue per Customer

【3Q cumulative (9 months)】	FY 3/2020 Results	FY 3/2021 Results	FY 3/2022 Results	YoY
Number of golf course users (thousand people)	6,465	6,143	6,957	13.3%
Revenue per customer (yen)	9,248	8,324	8,815	5.9%

【3Q (3 months)】	FY 3/2020 Results	FY 3/2021 Results	FY 3/2022 Results	YoY
Number of golf course users (thousand people)	2,106	2,259	2,352	4.1%
Revenue per customer (yen)	9,601	9,100	9,422	3.5%

Breakdown of Revenue per Customer



*Includes internal net sales

Golf Business (Results)

3rd Quarter Results

- Income and profit were up year on year (net sales +17.4% YoY and operating income +70.5% YoY).
 - Revenue from golf course operation grew thanks to an increase in the number of golf course users and recovery in revenue per customer.
 - Profit increased as well thanks to higher net sales.

(million yen)	FY 3/2020 3Q Results	FY 3/2021 3Q Results	FY 3/2022 3Q Results	YoY
Net sales	66,791	57,845	67,893	17.4%
Net sales before eliminations	66,796	57,845	67,894	17.4%
Eliminations	-4	-0	-1	-
Gross profit	17,120	11,807	17,330	46.8%
Gross profit ratio	25.6%	20.4%	25.5%	+5.1pt
Operating income	11,153	7,864	13,405	70.5%
Operating income ratio	16.7%	13.6%	19.7%	+6.1pt

Breakdown of Sales				
(million yen)	FY 3/2020 3Q Results	FY 3/2021 3Q Results	FY 3/2022 3Q Results	YoY
Revenue from golf course operation	59,802	51,141	61,337	19.9%
Membership-related sales	6,062	6,206	5,991	-3.5%

Breakdown of Costs				
(million yen)	FY 3/2020 3Q Results	FY 3/2021 3Q Results	FY 3/2022 3Q Results	YoY
Cost of Sales	49,676	46,037	50,564	9.8%
SGA expenses	5,966	3,943	3,925	-0.5%

Consolidated Balance Sheets (Summary)



(million yen)	As of March 31, 2021	As of December 31, 2021	Change	Remarks
Current assets	101,184	86,540	-14,643	
Non-current assets	328,886	326,521	-2,364	<ul style="list-style-type: none"> ■ Decrease in cash and deposits, etc. ■ Decrease in securities
Total assets	430,070	413,062	-17,007	
Current liabilities	66,864	68,344	1,479	
Non-current liabilities	136,963	124,754	-12,209	<ul style="list-style-type: none"> ■ Repayment of loans payable
Total liabilities	203,827	193,098	-10,729	
Total net assets	226,242	219,964	-6,278	
Total liabilities and net assets	430,070	413,062	-17,007	

(million yen)	As of March 31, 2021	As of December 31, 2021
Cash and deposits, and securities	70,083	59,340
Interest-bearing debt	121,454	111,332
Shareholders' equity	226,242	219,964
Shareholders' equity ratio	52.6%	53.3%

- D/E ratio (interest-bearing debt/shareholders' equity)
53.7%→50.6%
- Net D/E ratio (net interest-bearing debt/shareholders' equity)
22.7%→23.6%

Full-year Plan for FY ending March 31, 2022

Revision of Forecast 1

FY 3/22 Plan

- The forecast has been revised, mainly due to a decline in the number of units sold in the pachinko and pachislot machine business.
 - In the pachinko and pachislot machine business, although the status of orders has been favorable most recently against a backdrop of high utilization of our pachinko and pachislot machines, we have significantly revised our plan for number of units sold due to the impact of shortages of electronic parts.
 - In the golf business, close attention will need to be paid to future trends, as infections from variant strains of COVID-19 are on the rise.

Number of units sold

(Units)	FY 3/2022		Difference
	Initial Plan (previous forecasts)	Revised Plan (current forecasts)	
Number of machines sold	160,000	92,000	-68k units
Pachinko machines	108,000	63,000	-45k units
Number of titles released	8	9	+1
Pachislot machines	52,000	29,000	-23k units
Number of titles released	5	7	+2

Profit/loss

(million yen)	FY 3/2022		Difference
	Initial Plan (previous forecasts)	Revised Plan (current forecasts)	
Net sales	150,700	120,600	-20.0%
Pachinko and Pachislot machine business	65,400	36,100	-44.8%
Pachinko machines	43,200	24,900	-42.4%
Pachislot machines	21,900	11,000	-49.8%
Golf business	85,300	84,500	-0.9%
Operating income	22,300	9,000	-59.6%
Pachinko and Pachislot machine business	13,000	-1,600	-
Pachinko machines	6,900	-1,800	-
Pachislot machines	6,100	200	-96.7%
Golf business	12,300	13,100	6.5%
Eliminations & corporate expenses	-3,000	-2,500	-16.7%
Operating income ratio	14.8%	7.5%	-7.3pt
Ordinary income	21,400	8,700	-59.3%
Profit attributable to owners of parent	13,900	1,400	-89.9%
EBITDA	33,000	19,700	-40.3%

- Implementation of voluntary retirement system and reorganization of sales offices and branches
 - Personnel adjustments and organizational rejuvenation will be implemented in order to respond to radical changes in the business environment surrounding the pachinko and pachislot machine business.
 - The aim is to create an efficient structure by consolidating managerial resources.

- Implementation of voluntary retirement system
 - Number of employees solicited: 250
 - Premium severance payment, reemployment support, etc.
 - Period of solicitation: January 18 to February 18, 2022

- Reorganization of sales offices and branches
 - Sales sites: 25 → 20

- Reduction of officer remuneration
 - -30% (Representative Director/President), others
 - Affected period: January to June 2022 (6 months)

Extraordinary loss: expected to be approx. 2.1 billion yen

(Fixed cost reduction effect: expected to be approx. 2 billion yen in the next fiscal year)

[Released on January 14, 2022]

Market Trends

- Operation of pachinko parlors has only recovered to 70-80% of levels prior to the COVID-19 pandemic.
- Supply of new machines is stagnating due to the impact of shortages of semiconductors and other electronic parts.
- As pachinko parlors work to replace removed machines under the previous regulations, they are also adopting methods other than purchasing new machines, such as reinstalling previously purchased machines under the new regulations.

Response

- Adequate numbers of units sold will be secured by maximizing the reuse of electronic parts in order to minimize the impact of shortages.
- TV commercials will be aired for key titles to increase recognition among players as well as inclination to purchase among pachinko parlors.

Pachinko and Pachislot Machine Business (Machine Sales Plan)

FY 3/22 Plan

(Units)	FY 3/2021 Results	FY 3/2022		Change from the previous year
		3Q Results	Plan	
Number of machines sold	85,283	63,030	92,000	+6k units
Pachinko machines	49,890	40,228	63,000	+13k units
Number of titles released	4	8	9	+5
Pachislot machines	35,393	22,802	29,000	-6k units
Number of titles released	6	5	7	+1

Titles to Release / Pachinko Machine

Title	Release Date
<i>Lupin the Third 2000 carat no Namida</i>	Feb. 2022

Titles to Release / Pachislot Machine

Title	Release Date
<i>Nangokumonogatari 30</i>	Jan. 2022
<i>Lupin the Third</i>	Feb. 2022



Pachinko Machine
*Lupin the Third 2000 carat no
Namida*

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Pachislot Machine
Lupin the Third

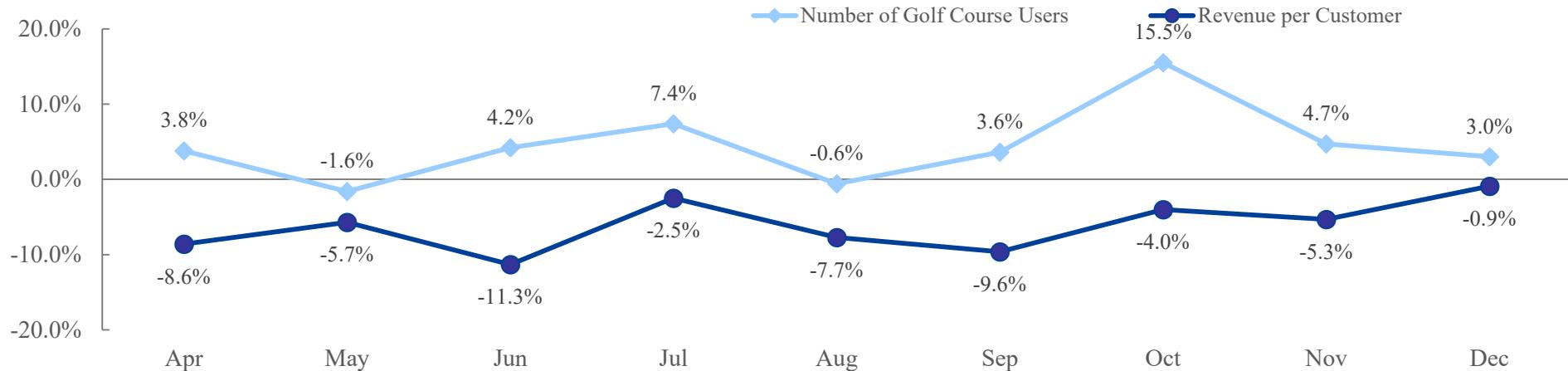
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FY 3/2020 vs. FY 3/2022 Comparison of Number of Golf Course Users & Revenue per Customer

2020/3 vs 2022/3

* Based on operating golf courses since FY 3/20.



Market Trend

- The number of golf course users is on an upward trend compared to FY 3/2020.
- Revenue per customer is not expected to return to FY 3/2020 levels in the immediate future due to a decline in competition demand, etc.
- Membership sales have been strong thanks to easier bookings of tee times and lower green fees than visitors.

Response

- Price controls will be implemented according to supply and demand in order to minimize unnecessary discounts.
- Membership sales aimed at rejuvenating membership will continue to be conducted proactively due to energetic demand.
- Introduction of golf cart GPS systems at all golf courses* currently being undertaken to enhance commercial value is expected to be completed within the current fiscal year.

*Excluding three courses

Supplementary Information

【Market Environment】

- Pachinko and Pachislot Machine Business
- Golf Business

【Pachinko and Pachislot Machine Business】

- Main Standards, etc. after Revision of Regulations for Pachinko & 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

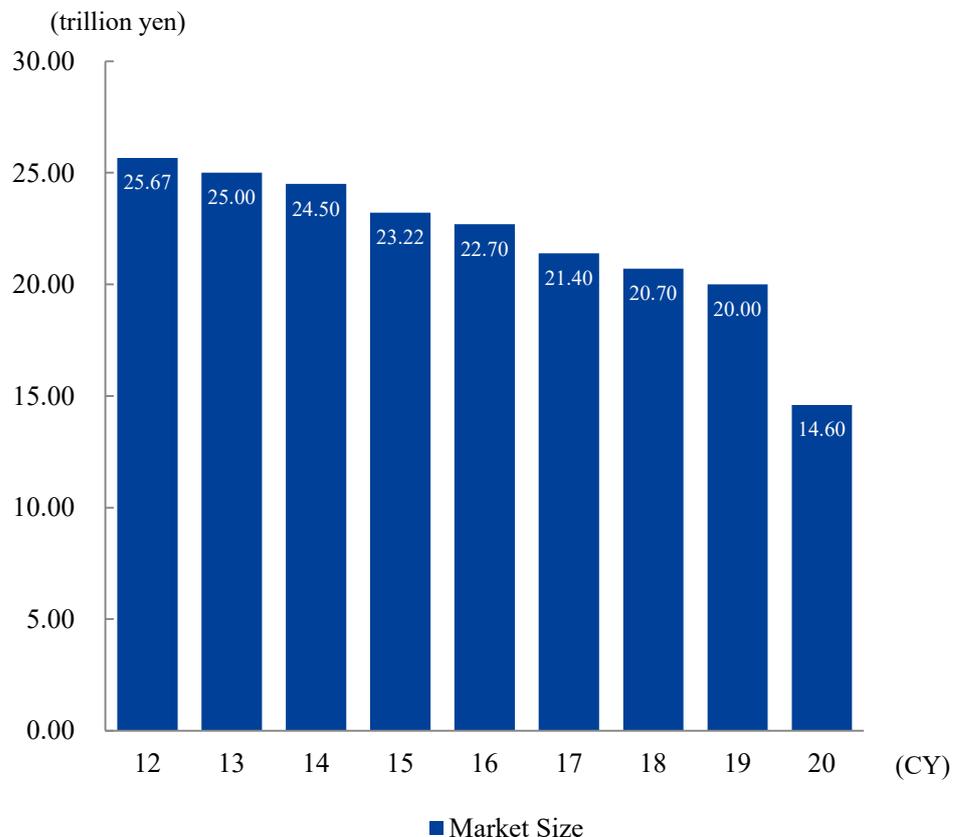
【Consolidated Results】

- Financial Performance Trend
- Key Financial Indicators

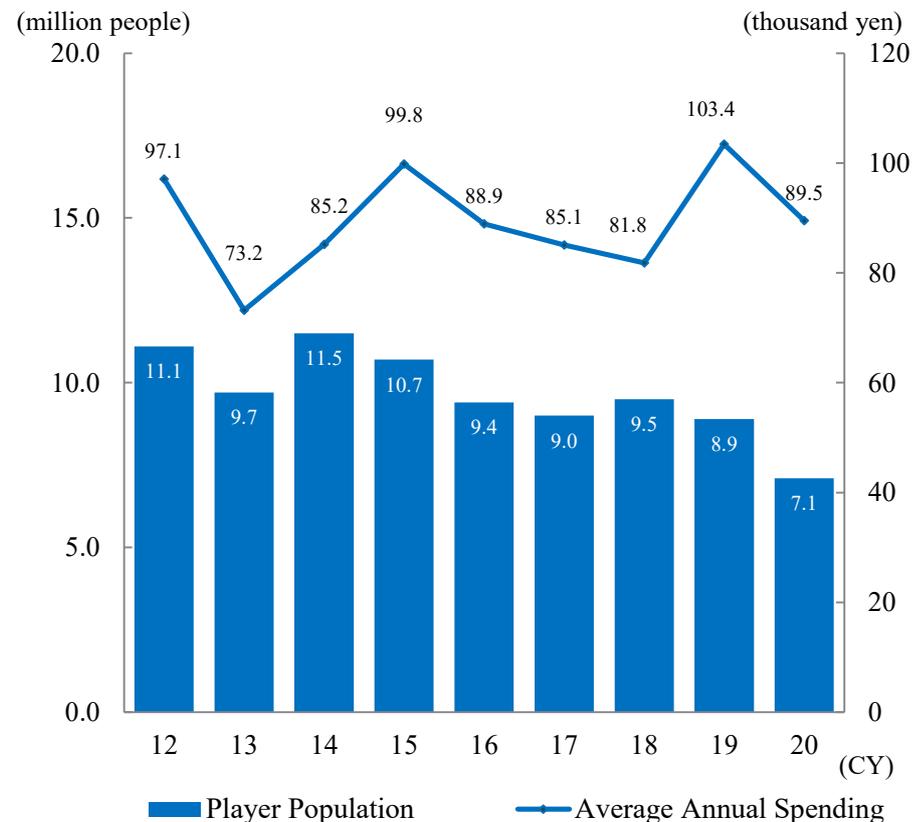
Market Environment (Pachinko and Pachislot Machine Business) 1

Pachinko and Pachislot Machine Business

Market Size



Player Population and Average Annual Spending

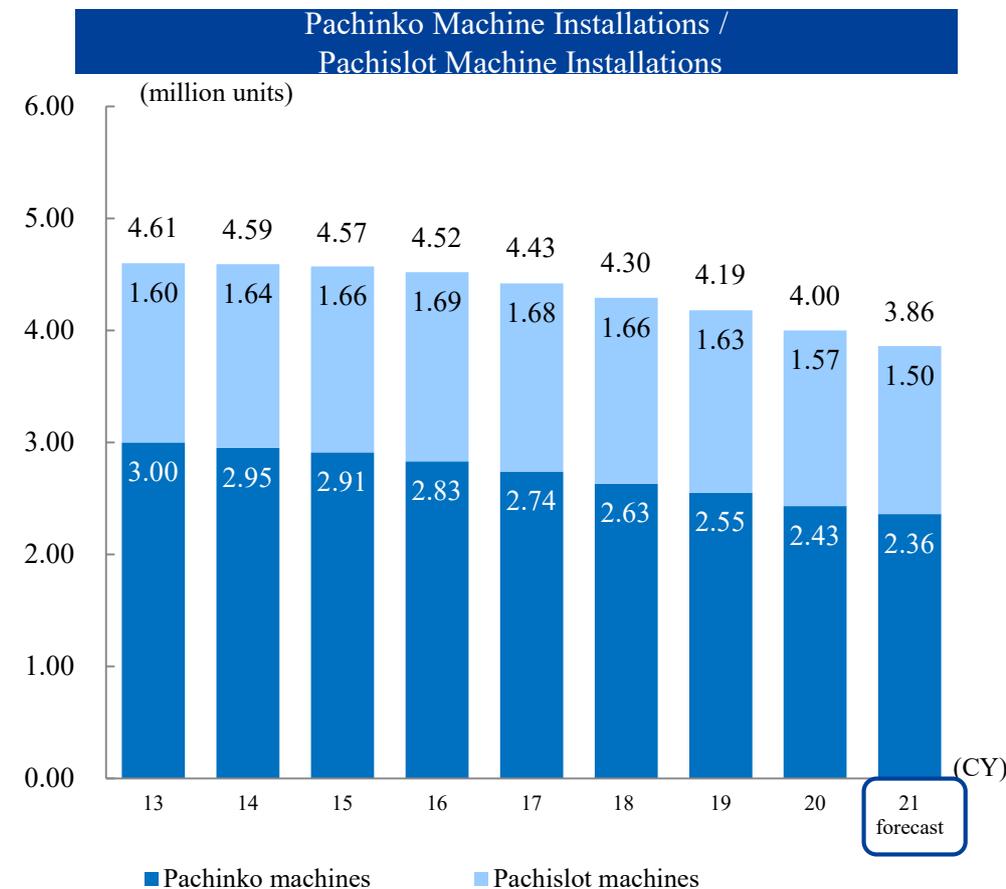
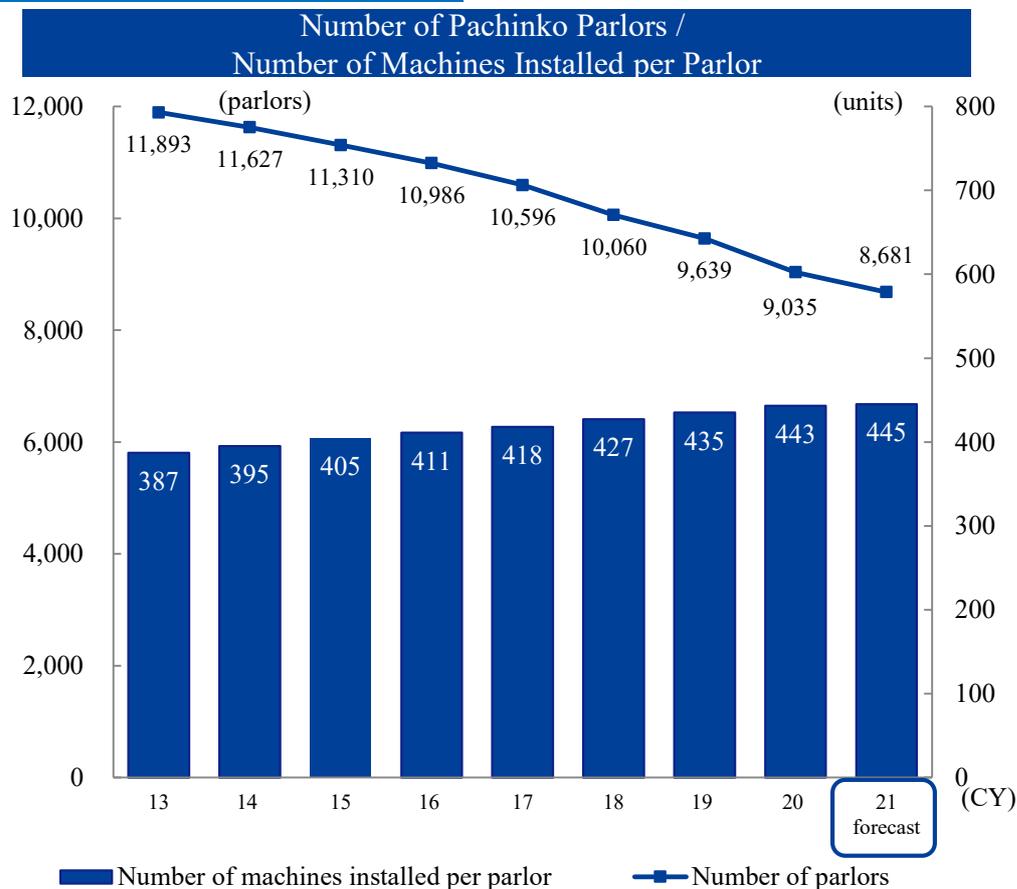


	2012	2013	2014	2015	2016	2017	2018	2019	2020
Market size (trillion yen)	25.67	25.00	24.50	23.22	22.70	21.40	20.70	20.00	14.60
Player population (million)	11.1	9.7	11.5	10.7	9.4	9.0	9.5	8.9	7.1
Average annual spending (thousand yen)	97.1	73.2	85.2	99.8	88.9	85.1	81.8	103.4	89.5

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



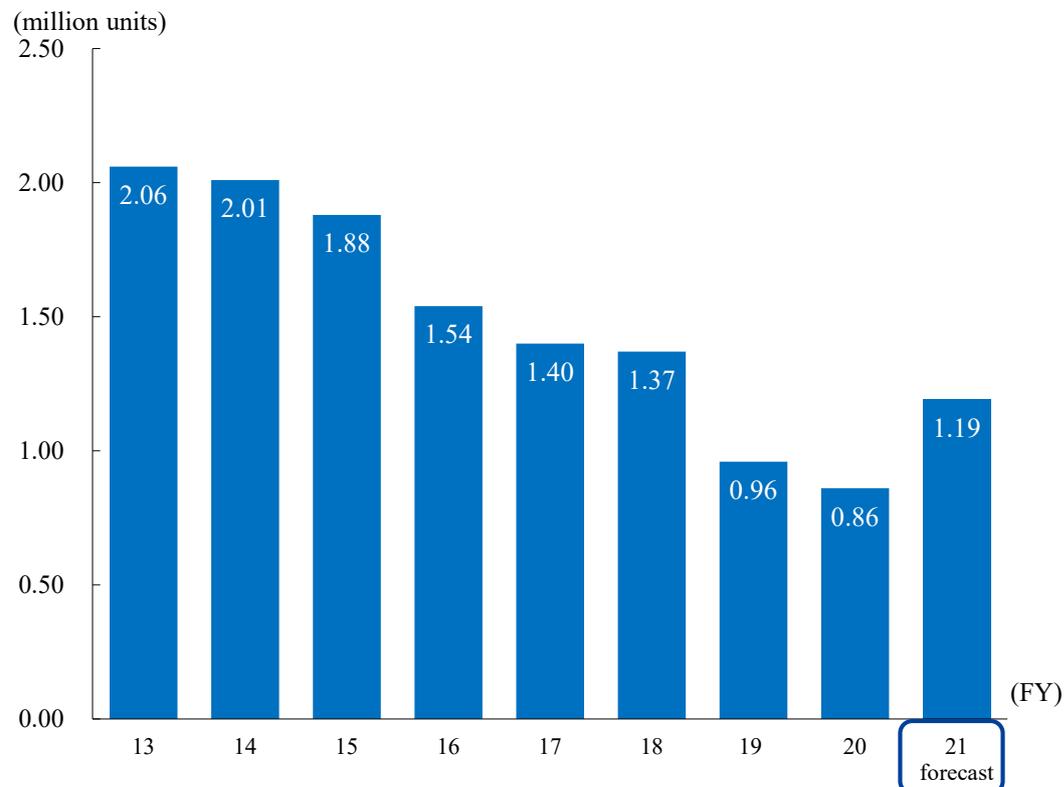
	2013	2014	2015	2016	2017	2018	2019	2020	2021 forecast
Number of parlors	11,893	11,627	11,310	10,986	10,596	10,060	9,639	9,035	8,681
Number of machines installed per parlor (units)	387	395	405	411	418	427	435	443	445
Pachinko machine installations (million units)	3.00	2.95	2.91	2.83	2.74	2.63	2.55	2.43	2.36
Pachislot machine installations (million units)	1.60	1.64	1.66	1.69	1.68	1.66	1.63	1.57	1.50

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

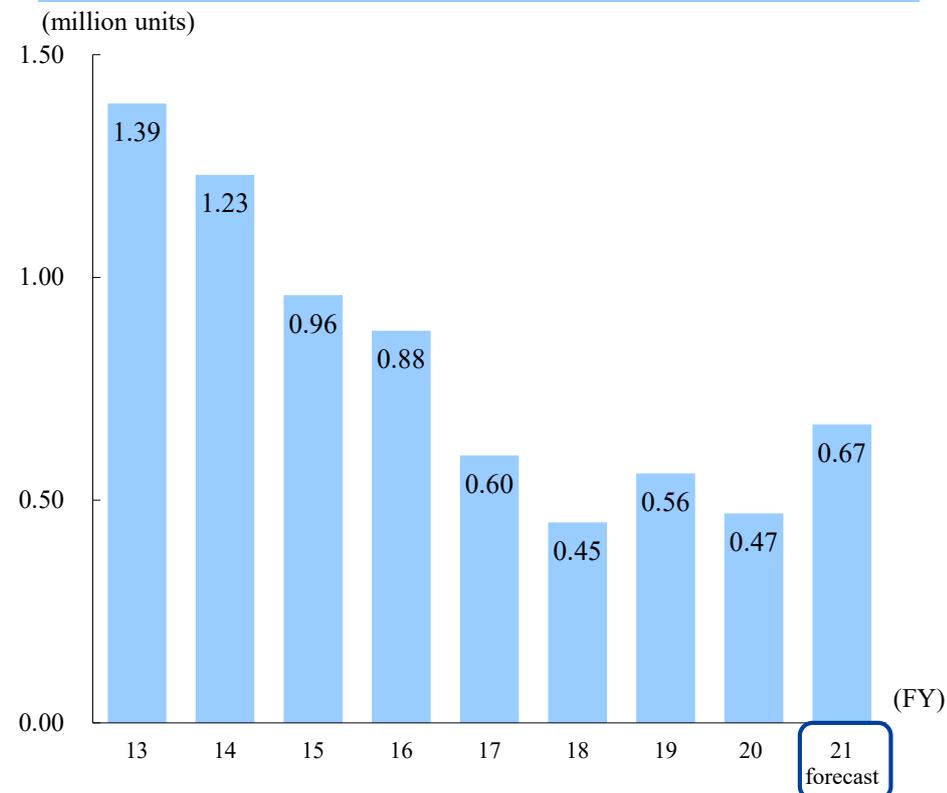
Market Environment (Pachinko and Pachislot Machine Business) 3

Pachinko and Pachislot Machine Business

Pachinko machine sales



Pachislot machine sales



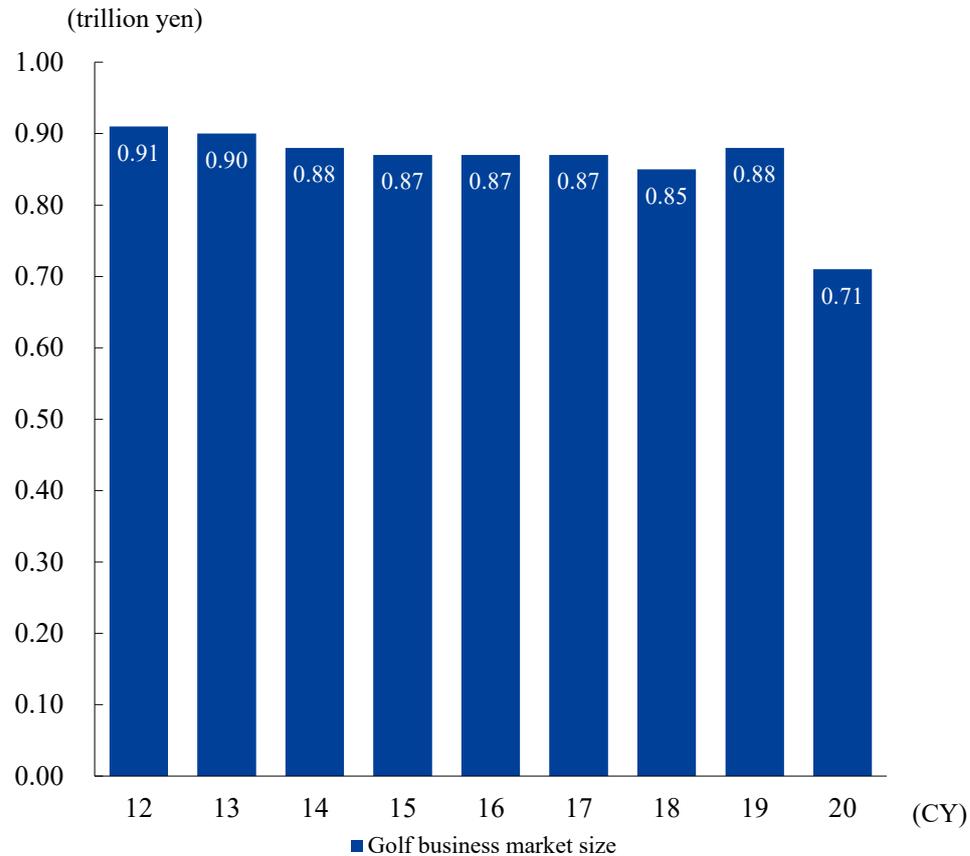
Number of machines sold (million units)	2013	2014	2015	2016	2017	2018	2019	2020	2021 Forecast
Pachinko machines	2.06	2.01	1.88	1.54	1.40	1.37	0.96	0.86	1.19
Pachislot machines	1.39	1.23	0.96	0.88	0.60	0.45	0.56	0.47	0.67

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

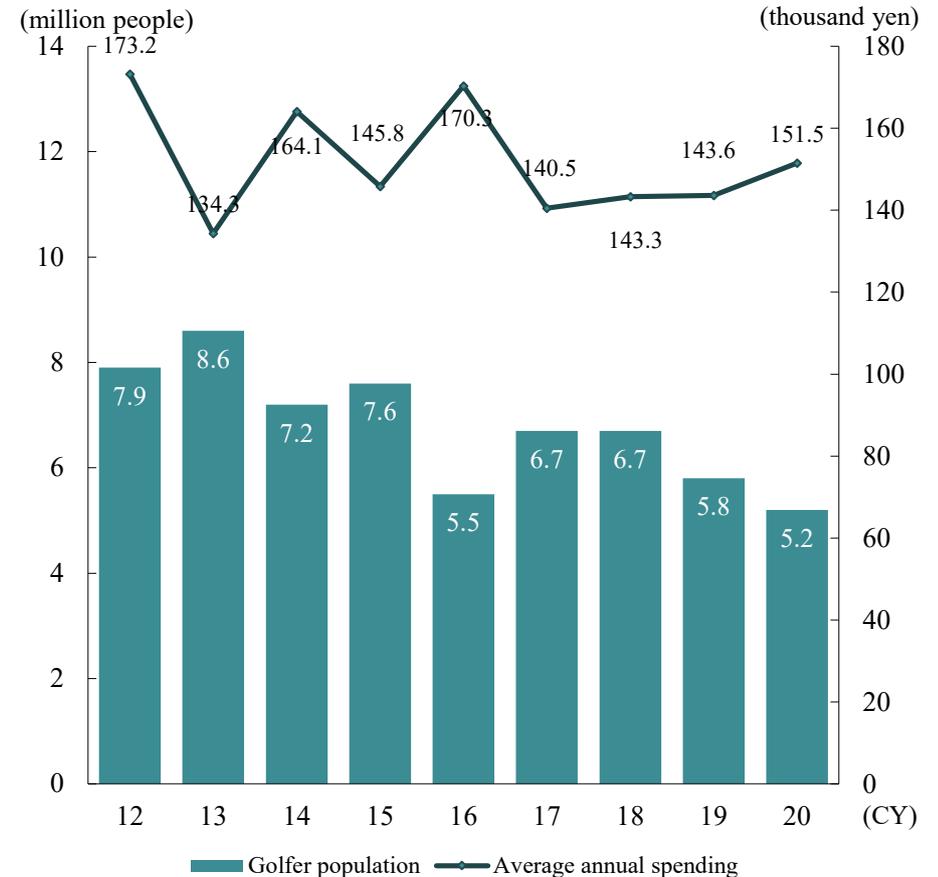
Market Environment (Golf Business)

Golf Business

Market Size



Golfer Population / Average Annual Spending



	2012	2013	2014	2015	2016	2017	2018	2019	2020
Market size (trillion yen)	0.91	0.90	0.88	0.87	0.87	0.87	0.85	0.88	0.71
Golfer population (million)	7.9	8.6	7.2	7.6	5.5	6.7	6.7	5.8	5.2
Average annual spending (thousand yen)	173.2	134.3	164.1	145.8	170.3	140.5	143.3	143.6	151.5

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

	Pachinko	Pachislot
2018	<ul style="list-style-type: none"> ■ New Standard (Apply : 11/2018~) <ul style="list-style-type: none"> • Removal of upper limit on probability change continuation rate 	<ul style="list-style-type: none"> ■ Model 6.0 (Apply : 4/2018~) <ul style="list-style-type: none"> • Advantageous section: 1,500 games • Removal of the upper limit on the number of net increase of medals per game • Enable to develop “AT”
2019	<ul style="list-style-type: none"> ■ New Standard (Apply : 5/2019~) <ul style="list-style-type: none"> • Removal of lower limit on number of prize balls and “bases” 	<ul style="list-style-type: none"> ■ Model 6.1 (Apply : 12/2019~) <ul style="list-style-type: none"> • Advantageous section: 1,500 games • Relaxation of penalty regulations • Relaxation of restrictions on effects using start levers/buttons, etc. • Relaxation of restrictions on video reel effects
2020	<ul style="list-style-type: none"> ■ Change to “Interpretive Criteria for Technical Standards” (Apply : 1/2020~) <ul style="list-style-type: none"> • Removal of 100-time upper limit on frequency of time reductions, etc. “Yu- Time” 	
2021		<ul style="list-style-type: none"> ■ Model 6.2 (Apply : 5/2021~) <ul style="list-style-type: none"> • Relaxation of the upper limit of advantageous section (1,500 games→3,000 games) ■ Model 6.3 (Apply : 10/2021~) <ul style="list-style-type: none"> • Abolishment of advantageous section (Applies only to smart pachislot) ■ Model 6.4 (Apply : 11/2021~) <ul style="list-style-type: none"> • Abolishment of advantageous section lamp (Compatible with conventional pachislot machines)

Number of Machines Sold

Titles Released in FY ending March 31, 2022



Pachinko and Pachislot Machine Business

Number of machines sold

(units)	FY 3/2017	FY 3/2018	FY 3/2019	FY 3/2020			FY 3/2021				FY 3/2022			
	Full year	Full year	Full year	1Q	2Q cumulative	3Q cumulative	Full year	1Q	2Q cumulative	3Q cumulative	Full year	1Q	2Q cumulative	3Q cumulative
Total	273,714	138,626	166,124	34,929	77,851	124,148	164,400	2,644	8,379	42,613	85,283	23,211	38,269	63,030
Pachinko machines	192,761	117,774	118,880	26,724	45,182	63,381	95,483	1,235	4,410	37,867	49,890	16,542	29,113	40,228
Body	167,951	72,185	60,946	12,024	23,060	31,996	41,887	267	585	33,121	39,455	15,752	27,351	36,124
Gauge board	24,810	45,589	57,934	14,700	22,122	31,385	53,596	968	3,825	4,746	10,435	790	1,762	4,104
Pachislot machines	80,953	20,852	47,244	8,205	32,669	60,767	68,917	1,409	3,969	4,746	35,393	6,669	9,156	22,802
Chassis	36,001	1,344	14,093	588	4,337	25,255	29,288	587	914	1,042	27,423	6,606	9,093	22,736
Combined unit	44,952	19,508	33,151	7,617	28,332	35,512	39,629	822	3,055	3,704	7,970	63	63	66

Titles released in FY ending March 31, 2022

Pachinko

Release	Title	Units sold
1Q	<i>GIRLS und PANZER der FILM</i>	8,620
	<i>NEW TOKIO</i>	5,343
	<i>Pink Lady</i>	1,974
2Q	<i>Maison Ikkoku: Wedding Story</i>	4,650
	<i>Shin Onimusha</i>	4,344
	<i>Lupin the Third: Fukkatsu no Mamo 219 ver.</i>	1,719
3Q	<i>Umaibo</i>	4,191
	<i>BAKI</i>	2,149
Total*		40,228

Pachislot

Release	Title	Units sold
1Q	<i>Pachislot GIRLS und PANZER der FILM</i>	4,500
2Q	<i>Pachislot Mahjong Monogatari4</i>	3,694
3Q	<i>Shuyaku wa Zenigata3</i>	3,023
	<i>Pachislot Sengokuotome: Akatsuki no Sekigahara DARKNESS</i>	4,561
	<i>Umaibo</i>	4,757
Total*		22,802

*Total includes units of titles released in FY 3/2021 (Pachinko: 7,238 units, Pachislot: 2,267 units)

Trends of Golf Course Users and Revenue per Customer 1



Golf Business

Number of Golf Course Users

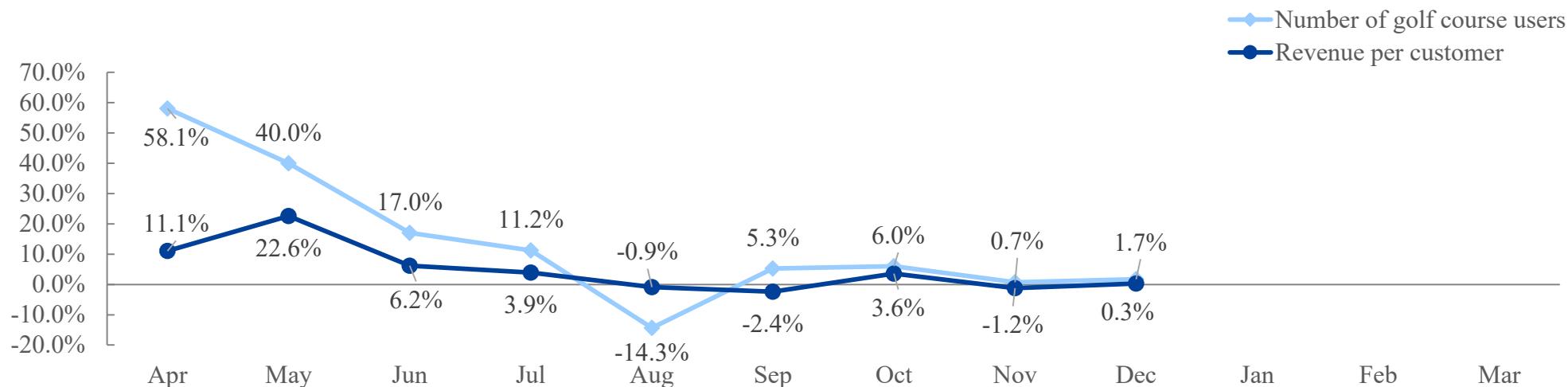
(persons)	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
FY 3/2017	639,909	751,256	658,871	726,699	649,334	631,137	726,674	662,099	626,216	471,345	413,167	595,830	7,552,537
FY 3/2018	675,659	792,244	711,469	750,806	704,955	715,606	647,910	730,972	644,083	447,133	403,933	614,892	7,839,662
FY 3/2019	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
FY 3/2022	761,654	834,763	780,948	764,810	700,529	762,862	828,869	800,196	723,229				6,957,860

Revenue per Customer

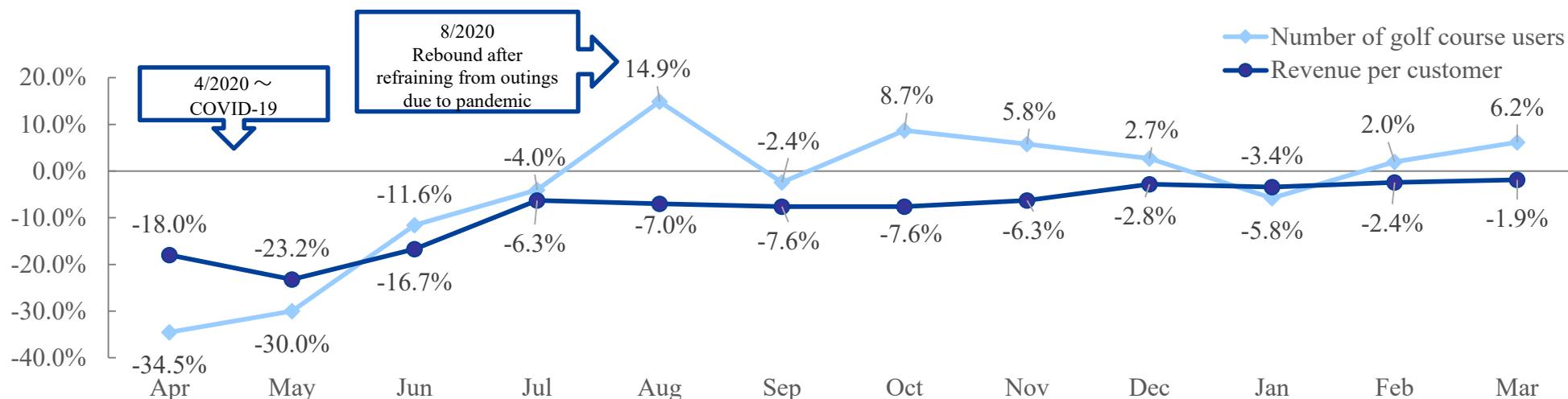
(yen)	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Average
FY 3/2017	9,397	9,572	9,213	8,792	8,176	9,050	9,781	10,014	9,429	8,545	8,011	8,868	9,129
FY 3/2018	9,363	9,408	9,162	8,871	8,241	9,045	9,721	9,993	9,590	8,953	8,372	9,143	9,188
FY 3/2019	9,458	9,548	9,446	8,804	8,313	9,319	9,623	9,915	9,639	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
FY 3/2022	8,768	9,021	8,390	8,495	7,970	8,296	9,234	9,618	9,422				8,815

Trends of Golf Course Users and Revenue per Customer 2

Monthly result comparison – FY 3/2022 vs FY 3/2021



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



* Based on operating golf courses since previous year.

Golf Course Portfolio

Golf Business

	As of March 31, 2021		As of December 31, 2021	
	Courses	18H equivalent	Courses	18H equivalent
Owned Golf Courses	144	175.0	145	176.0
Leased Golf Courses	1	2.0	1	2.0
Contracted Golf Courses	0	0	0	0
Total	145	177.0	146	178.0
Hokkaido	6	9.5	6	9.5
Tohoku	8	10.0	8	10.0
Kanto, Koushinetsu	65	76.5	66	77.5
Tokai, Hokuriku	12	13.0	12	13.0
Kansai	21	27.5	21	27.5
Chugoku	10	11.5	10	11.5
Shikoku	6	6.5	6	6.5
Kyusyu, Okinawa	17	22.5	17	22.5
Total	145	177.0	146	178.0

State of affairs in the fiscal year ending March 31, 2022

【Acquisition】

10/1/2021 Old Orchard Golf Club commenced operation
(Higashiibaraki District, Ibaraki Prefecture – 18H)

【Stock transfer agreement】

None

【Sponsorship agreements】

None

【Sale】

None

Financial Performance Trend



Consolidated

(million yen)	FY 3/2017	FY 3/2018	FY 3/2019	FY 3/2020			FY 3/2021				FY 3/2022			
	Full year	Full year	Full year	1Q	2Q cumulative	3Q cumulative	Full year	1Q	2Q cumulative	3Q cumulative	Full year	1Q	2Q cumulative	3Q cumulative
Net sales	186,218	132,765	144,980	36,809	73,911	114,334	144,573	16,173	37,781	76,109	107,744	32,051	58,754	92,376
Pachinko and Pachislot machine Business	108,139	51,552	62,407	13,021	29,568	47,542	61,658	1,171	2,893	18,263	33,292	9,116	15,260	24,482
Pachinko machines	75,823	44,428	45,569	9,861	17,243	24,227	35,357	479	1,280	16,303	20,625	6,378	11,387	15,615
Pachislot machines	31,607	6,702	16,509	3,098	12,189	23,129	26,059	637	1,513	1,740	12,344	2,683	3,744	8,674
Golf Business	78,078	81,213	82,573	23,788	44,342	66,791	82,914	15,001	34,888	57,845	74,452	22,934	43,494	67,893
Operating income	36,599	13,931	28,014	8,102	13,550	22,805	23,551	-4,415	-4,680	1,853	5,311	4,367	4,733	9,957
Pachinko and Pachislot machine Business	29,602	7,149	20,791	3,294	7,946	14,075	17,450	-3,301	-5,795	-3,999	287	77	-1,495	-1,666
Pachinko machines	17,609	7,025	15,260	2,127	1,874	2,212	5,120	-2,442	-4,837	-2,434	-2,332	-229	-1,360	-2,102
Pachislot machines	11,869	26	5,474	1,150	6,037	11,844	12,293	-859	-968	-1,601	2,570	296	-157	405
Golf Business	10,935	9,930	10,599	5,661	7,194	11,153	9,286	-503	2,460	7,864	7,624	4,796	7,429	13,405
Eliminations & corporate expenses	-3,937	-3,147	-3,376	-853	-1,590	-2,423	-3,185	-611	-1,346	-2,010	-2,600	-507	-1,199	-1,781
Operating income ratio	19.7%	10.5%	19.3%	22.0%	18.3%	19.9%	16.3%	-27.3%	-12.4%	2.4%	4.9%	13.6%	8.1%	10.8%
Ordinary income	35,655	13,105	27,451	8,172	13,532	22,590	23,278	-4,491	-4,694	2,388	5,799	4,331	4,844	9,876
Profit attributable to owners of parent	27,058	6,799	16,341	5,857	9,407	15,296	15,872	-5,813	-6,179	-2,528	865	2,633	2,543	4,604
SGA expenses	37,447	30,652	27,822	6,716	16,698	24,686	32,760	5,552	11,176	17,401	23,723	5,509	11,241	16,999
Personnel expenses	7,207	6,211	6,356	1,423	2,864	4,288	5,985	1,395	2,804	4,199	5,676	1,361	2,763	4,115
Selling expenses	9,898	6,928	7,294	928	3,544	5,570	7,803	179	815	1,659	2,942	508	1,245	2,052
Advertising expenses	2,842	2,368	2,179	288	698	1,699	1,950	107	338	569	795	174	361	609
Sales commissions	2,858	1,135	1,660	316	886	1,529	1,885	38	104	352	921	230	347	681
General expenses	20,341	17,512	14,171	4,363	10,290	14,827	18,972	3,948	7,556	11,592	15,103	3,639	7,233	10,832
R&D expenses	12,841	10,832	7,881	2,815	7,303	10,268	12,680	2,806	5,176	7,627	9,949	2,212	4,518	6,833
Depreciation & amortization	11,098	10,740	9,868	2,016	4,171	6,428	8,745	1,958	4,052	6,424	9,016	2,373	4,830	7,369
Capital investment	14,050	14,166	7,091	2,943	5,360	7,257	9,667	2,631	4,167	5,495	6,921	2,762	5,024	6,332

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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