

Consolidated Financial Results for the Third Quarter Ended December 31, 2021 [J-GAAP] Heiwa Corporation

February 9, 2022

Stock code: 6412
 URL: <https://www.heimanet.co.jp/>
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Scheduled date of the filing of the quarterly report: February 10, 2022

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

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

I. Financial Highlights

As of and for the nine months ended December 31, 2020 and 2021

(Amounts less than one million yen are omitted.)

1. Consolidated Operating Results

	Nine months ended December 31, 2020	YoY	Nine months ended December 31, 2021	YoY
	(million yen)	(%)	(million yen)	(%)
(1) Consolidated financial results				
Net sales	76,109	(33.4)	92,376	21.4
Operating income	1,853	(91.9)	9,957	437.1
Ordinary income	2,388	(89.4)	9,876	313.6
Profit attributable to owners of parent	(2,528)	—	4,604	—
Earnings per share (yen)	(25.63)		46.68	
Diluted earnings per share (yen)	—		—	

(Note) Comprehensive income: Nine months ended December 31, 2021: ¥ 4,589 million, -% YoY
 Nine months ended December 31, 2020: (¥1,977)million, -% YoY

	As of March 31, 2021	As of December 31, 2021
	(million yen)	
(2) Consolidated financial position		
Total assets	430,070	413,062
Net assets	226,242	219,964
Shareholders' equity ratio (%)	52.6	53.3
Net assets per share (yen)	2,293.78	2,230.16

(Reference) Shareholders' equity: As of December 31, 2021: ¥219,964 million
 As of March 31, 2021: ¥226,242 million

2. Dividends

	Annual dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	(yen)				
FY3/2021	—	40.00	—	40.00	80.00
FY3/2022	—	40.00	—		
FY3/2022 (Forecast)				40.00	80.00

(Note) Revision of the most recently disclosed dividend forecast: None

3. Consolidated Results Forecast for Year Ending March 31, 2022

	FY 3/2022	
	Full year (million yen)	YoY (%)
Net sales	120,600	11.9
Operating income	9,000	69.4
Ordinary income	8,700	50.0
Profit attributable to owners of parent	1,400	61.8
Earnings per share (yen)	14.19	—

(Note)

1. Revision of the most recently disclosed consolidated results forecast: None
2. The Group conducts performance management on an annual basis, so only full-year consolidated forecasts is released.

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

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

1. Forward-looking statements in this document, such as the consolidated financial results outlook, are based on information currently available to the Company and certain assumptions deemed reasonable. The Company does not guarantee the accuracy of these forecasts. Furthermore, actual results, etc. may differ significantly from forecast figures due to a number of factors.

2. Supplementary briefing materials for the quarterly financial results will be posted on the Company's homepage after this financial results is released.

II. Consolidated financial statements

1. Consolidated balance sheet

(Million yen)

	As of March 31, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	40,307	34,120
Notes and accounts receivable - trade	8,271	8,797
Electronically recorded monetary claims - operating	1,004	395
Securities	29,776	25,219
Merchandise and finished goods	2,125	1,501
Raw materials and supplies	7,811	7,936
Other	12,190	8,824
Allowance for doubtful accounts	(302)	(255)
Total current assets	101,184	86,540
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	65,226	65,026
Land	214,535	215,474
Other, net	13,668	13,087
Total property, plant and equipment	293,431	293,589
Intangible assets		
Goodwill	5,947	5,837
Other	4,569	4,533
Total intangible assets	10,516	10,371
Investments and other assets		
Investment securities	10,975	8,938
Other	14,487	13,919
Allowance for doubtful accounts	(525)	(296)
Total investments and other assets	24,938	22,561
Total non-current assets	328,886	326,521
Total assets	430,070	413,062
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,954	3,140
Electronically recorded obligations - operating	6,786	4,901
Current portion of long-term borrowings	37,301	38,443
Income taxes payable	2,206	1,642
Provisions	1,343	597
Other	15,272	19,618
Total current liabilities	66,864	68,344
Non-current liabilities		
Long-term borrowings	84,153	72,889
Retirement benefit liability	5,318	5,390
Other	47,492	46,474
Total non-current liabilities	136,963	124,754
Total liabilities	203,827	193,098

(Million yen)

	As of March 31, 2021	As of December 31, 2021
Net assets		
Shareholders' equity		
Share capital	16,755	16,755
Capital surplus	54,863	54,863
Retained earnings	155,594	149,333
Treasury shares	(1,343)	(1,346)
Total shareholders' equity	225,869	219,606
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	373	353
Remeasurements of defined benefit plans	(0)	4
Total accumulated other comprehensive income	373	358
Total net assets	226,242	219,964
Total liabilities and net assets	430,070	413,062

2. Consolidated statements of income and comprehensive income

(Million yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Net sales	76,109	92,376
Cost of sales	56,854	65,419
Gross profit	19,255	26,957
Selling, general and administrative expenses	17,401	16,999
Operating profit	1,853	9,957
Non-operating income		
Interest income	126	83
Dividend income	40	42
Gain on redemption of securities	419	—
Insurance claim income	204	74
Subsidy income	467	2
Electricity sale income	120	99
Other	253	509
Total non-operating income	1,632	813
Non-operating expenses		
Interest expenses	296	299
Loss on redemption of securities	59	55
Commission expenses	341	185
Expenditures related tonatural disaster	80	76
Other	321	278
Total non-operating expenses	1,098	894
Ordinary profit	2,388	9,876
Extraordinary income		
Total extraordinary income	—	—
Extraordinary losses		
Impairment losses	3,769	—
Total extraordinary losses	3,769	—
Profit (loss) before income taxes	(1,381)	9,876
Income taxes	1,147	5,271
Profit (loss)	(2,528)	4,604
Profit attributable to		
Profit (loss) attributable to owners of parent	(2,528)	4,604
Other comprehensive income		
Valuation difference on available-for-sale securities	480	(20)
Remeasurements of defined benefit plans, net of tax	70	5
Total other comprehensive income	550	(15)
Comprehensive income	(1,977)	4,589
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,977)	4,589

3. Segment Information

A. Previous consolidated cumulative Third quarter under review (April 1, 2020 to December 31, 2020)

(Million yen)

	Reporting segment			Adjustments	Amount recorded in quarterly consolidated statements of income and consolidated statements of comprehensive income
	Pachinko and pachislot machine business	Golf business	Total		
Net sales					
Net sales to external customers	18,263	57,845	76,109	—	76,109
Internal net sales and transfers between segments	—	0	0	(0)	—
Total	18,263	57,845	76,109	(0)	76,109
Segment profit(loss)	(3,999)	7,864	3,864	(2,010)	1,853

B. Consolidated cumulative Third quarter under review (April 1, 2021 to December 31, 2021)

(Million yen)

	Reporting segment			Adjustments	Amount recorded in quarterly consolidated statements of income and consolidated statements of comprehensive income
	Pachinko and pachislot machine business	Golf business	Total		
Net sales					
Assets transferred at a point in time	24,482	61,548	86,031	—	86,031
Assets transferred over time	—	6,345	6,345	—	6,345
Revenue from contracts with customers	24,482	67,893	92,376	—	92,376
Net sales to external customers	24,482	67,893	92,376	—	92,376
Internal net sales and transfers between segments	—	1	1	(1)	—
Total	24,482	67,894	92,377	(1)	92,376
Segment profit(loss)	(1,666)	13,405	11,738	(1,781)	9,957