

# Consolidated Financial Results for the First Quarter Ended June 30, 2023 [J-GAAP] Heiwa Corporation

August 9, 2023

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

Scheduled date of the filing of the quarterly report: August 10, 2023

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

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

## I. Financial Highlights

As of and for the three months ended June 30, 2022 and 2023

(Amounts less than one million yen are omitted.)

### 1. Consolidated Operating Results

	Three months ended June 30, 2022	YoY	Three months ended June 30, 2023	YoY
	(million yen)	(%)	(million yen)	(%)
(1) Consolidated financial results				
Net sales	34,731	8.4	34,942	0.6
Operating income	7,855	79.9	7,491	(4.6)
Ordinary income	7,827	80.7	7,436	(5.0)
Profit attributable to owners of parent	5,355	103.4	4,943	(7.7)
Earnings per share (yen)	54.30		50.13	
Diluted earnings per share (yen)	—		—	

(Note) Comprehensive income: Three months ended June 30, 2023: ¥ 5,142 million, -0.1% YoY  
 Three months ended June 30, 2022: ¥ 5,150 million, 88.7% YoY

	As of March 31, 2023	As of June 30, 2023
	(million yen)	
(2) Consolidated financial position		
Total assets	423,727	418,763
Net assets	231,005	232,201
Shareholders' equity ratio (%)	54.5	55.4
Net assets per share (yen)	2,342.18	2,354.32

(Reference) Shareholders' equity: As of June 30, 2023: ¥232,201 million  
 As of March 31, 2023: ¥231,005 million

### 2. Dividends

	Annual dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	(yen)				
FY3/2023	—	40.00	—	40.00	80.00
FY3/2024	—				
FY3/2024 (Forecast)		40.00	—	40.00	80.00

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

### 3. Consolidated Results Forecast for Year Ending March 31, 2024

	FY 3/2024	
	Full year (million yen)	YoY (%)
Net sales	154,600	8.7
Operating income	30,000	11.5
Ordinary income	28,700	7.8
Profit attributable to owners of parent	21,000	1.5
Earnings per share (yen)	212.92	—

(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

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	36,816	35,391
Notes and accounts receivable - trade	7,421	6,341
Electronically recorded monetary claims - operating	933	845
Securities	30,900	27,119
Merchandise and finished goods	2,385	1,959
Raw materials and supplies	11,079	12,234
Other	7,345	7,509
Allowance for doubtful accounts	(259)	(263)
Total current assets	96,622	91,138
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	63,920	63,533
Land	216,523	216,546
Other, net	13,223	14,183
Total property, plant and equipment	293,667	294,262
Intangible assets		
Goodwill	5,622	5,530
Other	4,151	4,077
Total intangible assets	9,774	9,608
Investments and other assets		
Investment securities	10,834	11,109
Other	13,046	12,862
Allowance for doubtful accounts	(217)	(217)
Total investments and other assets	23,662	23,753
Total non-current assets	327,105	327,625
Total assets	423,727	418,763
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	3,891	2,207
Electronically recorded obligations - operating	8,150	8,870
Current portion of long-term borrowings	31,419	30,892
Income taxes payable	3,812	1,810
Provisions	1,371	579
Other	20,813	19,289
Total current liabilities	69,459	63,649
Non-current liabilities		
Long-term borrowings	75,352	74,312
Retirement benefit liability	5,540	5,532
Other	42,369	43,067
Total non-current liabilities	123,262	122,912
Total liabilities	192,721	186,562

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Net assets		
Shareholders' equity		
Share capital	16,755	16,755
Capital surplus	54,863	54,863
Retained earnings	159,717	160,716
Treasury shares	(1,354)	(1,355)
Total shareholders' equity	229,982	230,979
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,166	1,355
Remeasurements of defined benefit plans	(142)	(133)
Total accumulated other comprehensive income	1,023	1,222
Total net assets	231,005	232,201
Total liabilities and net assets	423,727	418,763

## 2. Consolidated statements of income and comprehensive income

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales	34,731	34,942
Cost of sales	22,005	22,427
Gross profit	12,725	12,515
Selling, general and administrative expenses	4,869	5,024
Operating profit	7,855	7,491
Non-operating income		
Interest income	17	21
Dividend income	67	16
Insurance claim income	46	2
Electricity sale income	44	38
Gain on sale of non-current assets	112	0
Other	95	57
Total non-operating income	382	136
Non-operating expenses		
Interest expenses	96	97
Commission expenses	7	7
Loss on retirement of non-current assets	207	4
Other	98	81
Total non-operating expenses	410	191
Ordinary profit	7,827	7,436
Extraordinary income		
Total extraordinary income	—	—
Extraordinary losses		
Total extraordinary losses	—	—
Profit before income taxes	7,827	7,436
Income taxes	2,472	2,492
Profit	5,355	4,943
Profit attributable to		
Profit attributable to owners of parent	5,355	4,943
Other comprehensive income		
Valuation difference on available-for-sale securities	(208)	189
Remeasurements of defined benefit plans, net of tax	3	9
Total other comprehensive income	(204)	198
Comprehensive income	5,150	5,142
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,150	5,142

### 3. Segment Information

#### A. Previous consolidated cumulative first quarter (April 1, 2022 to June 30, 2022)

(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	9,785	22,780	32,565	—	32,565
Assets transferred over time	—	2,165	2,165	—	2,165
Revenue from contracts with customers	9,785	24,945	34,731	—	34,731
Net sales to external customers	9,785	24,945	34,731	—	34,731
Internal net sales and transfers between segments	0	0	1	(1)	—
Total	9,785	24,946	34,732	(1)	34,731
Segment profit	2,332	6,252	8,584	(728)	7,855

#### B. Consolidated cumulative first quarter under review (April 1, 2023 to June 30, 2023)

(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	9,304	23,246	32,550	—	32,550
Assets transferred over time	—	2,392	2,392	—	2,392
Revenue from contracts with customers	9,304	25,638	34,942	—	34,942
Net sales to external customers	9,304	25,638	34,942	—	34,942
Internal net sales and transfers between segments	—	0	0	(0)	—
Total	9,304	25,639	34,943	(0)	34,942
Segment profit	1,519	6,655	8,174	(683)	7,491