



# Results for the 3rd Quarter of Fiscal Year Ending March 31, 2025

Heiwa Corporation

Code Number: 6412  
Prime of Tokyo Stock Exchange

February 7, 2025

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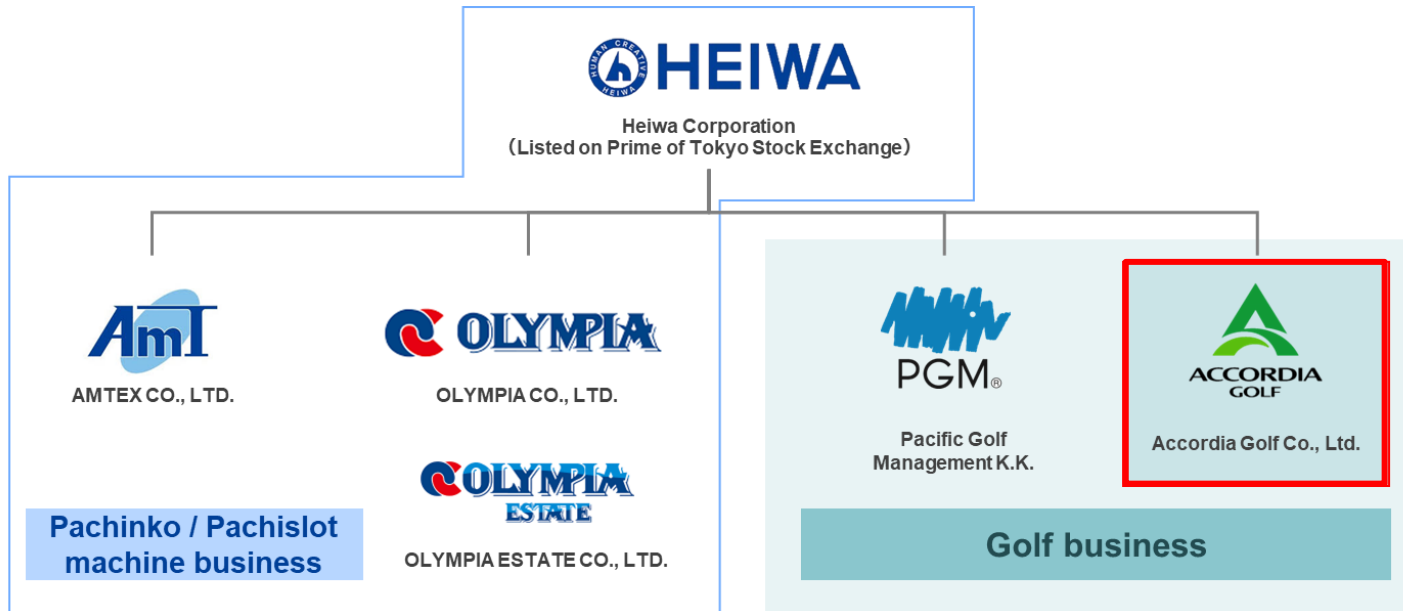


# Acquisition of Ownership of Accordia Golf



# Overview of the Share Acquisition

Target	<ul style="list-style-type: none"> <li>All shares in PJC Investments Co., Ltd. (“PJC Investments”), which holds all shares in Accordia Golf Co., Ltd. (“Accordia Golf”)</li> </ul>
Purchase Price	<ul style="list-style-type: none"> <li>JPY 510,000 million (which has been agreed upon between the parties as the enterprise value of PJC Investments and includes the consideration of shares (JPY 253,558 million) and the net interest-bearing debt. The final amount will be determined after price adjustments as stipulated in the share purchase agreement.)</li> </ul>
Funding	<ul style="list-style-type: none"> <li>All funds will be raised through loan from financial institutions</li> </ul>
Timeline	<ul style="list-style-type: none"> <li>January 31, 2025: Closing</li> <li>Same date: PJC Investments to undergo name change to Accordia Golf Holdings Co., Ltd.</li> <li>March 31, 2025: Deemed acquisition date (tentative)</li> </ul>





# Expansion of the Brand Portfolio

- To pursue establishing a brand portfolio that meets the needs of all golfers.
- Aim for further business development while preserving each brand and operating structure



Accordia Golf



PGM



GRAND PGM

GRAND PGM

Brand / Customer Characteristics, etc.

- Casual and accessible
- Courses for beginners, and powder rooms for women

- Pursuit of traditional qualities in Japanese golf

- High-grade golf course brand with dignity and elegance representing Japan

Number of golf courses held  
(As of the end of December 2024)

- 173 locations

- 132 locations

- 16 locations

148 locations in total

Distinctive Services

- Comprehensive services by utilizing both driving ranges and golf courses

- “Cool Cart”: Golf carts with fans to comfortably play golf even during hot summer
- “withGolf”: providing customers with short lessons by PGM-supported professionals while playing
- Nighttime operation for a wide range of golf playing styles
- In addition to the services above, GRAND PGM offers a higher level of facilities and hospitality with dignity and elegance

Number of annual visitors  
(Actual results for FY2024/03)

- 12.02 million

- 9.05 million (Sum of PGM and GRAND PGM)



# Results for the 3rd Quarter of FY Ending March 31, 2025

■ Income and profit were up year on year (net sales +15.5% YoY and operating income +49.0% YoY).

- ✓ In the pachinko and pachislot machine business, both income and profit grew thanks to factors such as increased sales of pachinko and pachislot machines, as well as lower costs due to cost-reduction efforts.
- ✓ In the golf business, as various measures showed certain results, the number of golf course users was steady, and revenue per customer was higher due to pricing based on demand, resulting in income growth. Profit decreased due to the recording of some share-acquisition-related expenses.

(million yen)	FY 3/2024 3Q	FY 3/2025 3Q	YoY
Net Sales	102,804	<b>118,782</b>	15.5%
Pachinko and Pachislot machine business	26,322	<b>39,214</b>	49.0%
Golf Business	76,481	<b>79,568</b>	4.0%
Operating income	19,314	<b>28,768</b>	49.0%
Pachinko and Pachislot machine business	2,617	<b>12,754</b>	387.2%
Golf Business	18,685	<b>17,943</b>	-4.0%
Eliminations & Corporate expenses	-1,989	<b>-1,929</b>	-3.0%
Operating income ratio	18.8%	<b>24.2%</b>	+5.4pt
Ordinary income	18,546	<b>28,496</b>	53.6%
Profit attributable to owners of parent	11,609	<b>20,583</b>	77.3%
EBITDA*	26,177	<b>35,698</b>	36.4%

\* EBITDA = Operating income + depreciation + amortization

■ SG & A Expenses were up year on year (+9.4% YoY).

- ✓ SG & A expenses increased year on year due to the recording of some share-acquisition-related expenses.
- ✓ Sales commissions rose in line with increased machine sales.
- ✓ Investment of R&D expenses was modulated based on development plans.
- ✓ Capital investment increased year on year, mainly due to capital investment related to a hotel project in Okinawa and increasing the number of “Cool Carts”\* in the golf business.

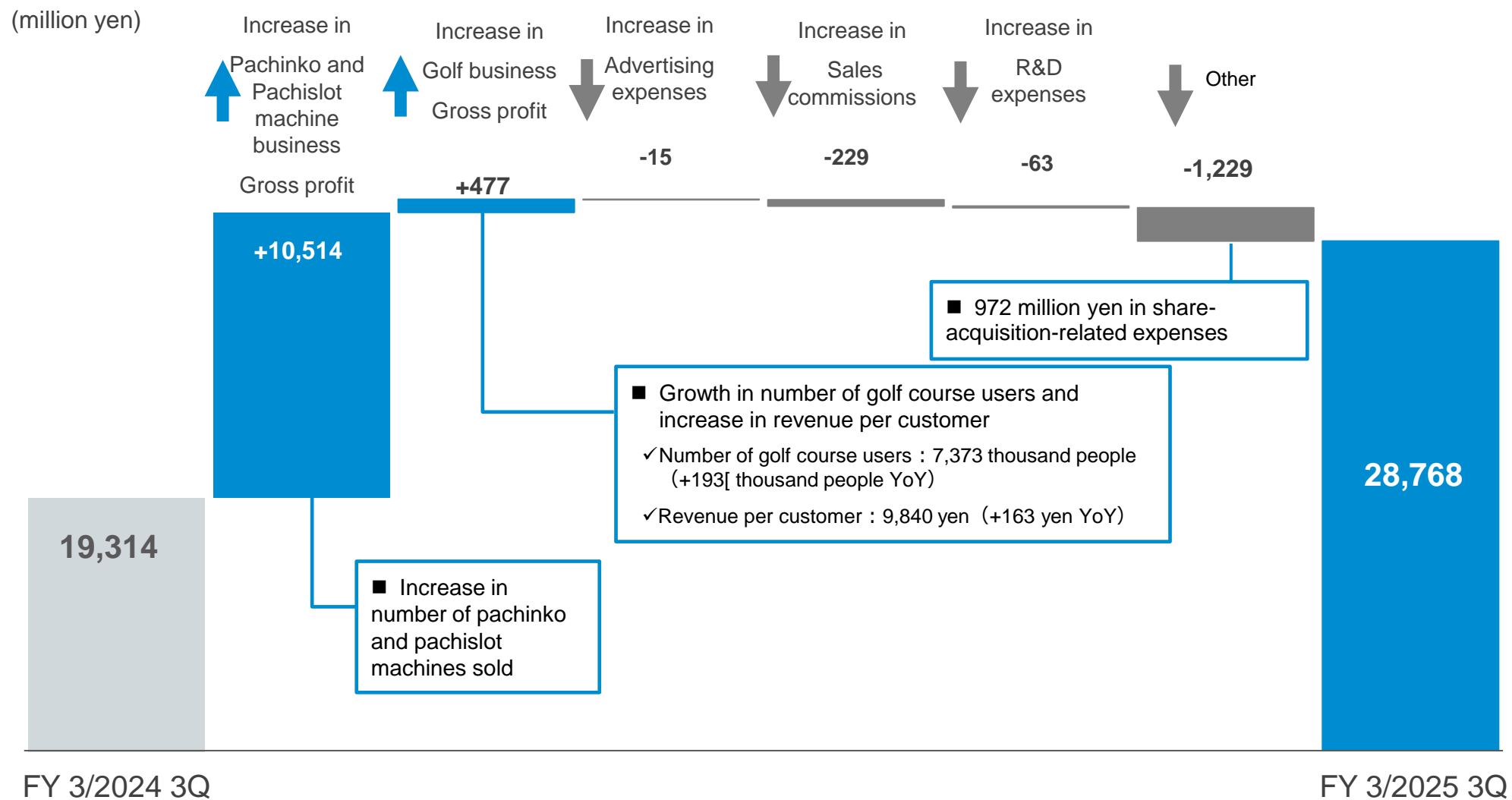
\* Cool Carts: fan-equipped golf carts

(million yen)	FY 3/2024 3Q	FY 3/2025 3Q	YoY
SG & A expenses	16,327	<b>17,865</b>	9.4%
Advertising expenses	892	<b>908</b>	1.8%
Sales commissions	764	<b>993</b>	30.0%
R&D expenses	6,562	<b>6,626</b>	1.0%
Depreciation & Amortization	6,663	<b>6,707</b>	0.7%
Pachinko and Pachislot machine business	963	<b>733</b>	-23.9%
Golf business	5,699	<b>5,974</b>	4.8%
Capital Investment	8,854	<b>14,298</b>	61.5%
Pachinko and Pachislot machine business	573	<b>1,401</b>	144.5%
Golf business	8,281	<b>12,896</b>	55.7%



# Factors Contributing to Change in Operating Income (Results)

Operating income increased by 9,454 million yen year on year.



# Pachinko and Pachislot Machine Business (Machine Sales Results)

■ The number of machines sold increase slightly year on year (+28k units YoY).

- ✓ For pachinko, sales of machines equipped with Lucky Trigger (LT) were strong.
- ✓ For pachislot, sales and operation of Smart Pachislot were strong.
- ✓ *L ToLOVE Ru Darkness* sold additional units, a continuation from 1Q.

		FY 3/2024 3Q	FY 3/2025 3Q	YoY
Number of machine sold		61,998	<b>90,759</b>	+28k units
Pachinko machine	Number of titles released	4	<b>4</b>	-
	Number of machine sold	23,272	<b>42,039</b>	18k units
	Body	11,882	<b>8,431</b>	-3k units
	Gauge board	11,390	<b>33,608</b>	+22k units
Pachislot machine	Number of titles released	3	<b>4</b>	+1
	Number of machine sold	38,726	<b>48,720</b>	+9k units
	Chassis	38,726	<b>38,312</b>	-0k units
	Combined units	0	<b>10,408</b>	+10k units



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## Major title in the 3Q

### *L Lupin the Third:Daikoukaisha no Hihou*

- ✓ Release Date: Dec. 2024
- ✓ Units sold: Approx. 10,000 units



■ Income and profit were up year on year (net sales +49.0% YoY and operating income +387.2% YoY).

- ✓ Income grew thanks to increased sales of pachinko and pachislot machines year on year.
- ✓ Profit grew thanks to increased net sales and growth in sales of high-margin gauge boards for pachinko machines, as well as efforts to reduce costs, mainly via reuse of pachislot machines.

(million yen)	FY 3/2024 3Q	FY 3/2025 3Q	YoY
Net sales	26,322	<b>39,214</b>	49.0%
Pachinko machines	8,752	<b>16,271</b>	85.9%
Pachislot machines	17,529	<b>22,907</b>	30.7%
Gross profit	13,095	<b>23,610</b>	80.3%
Pachinko machines	3,490	<b>8,242</b>	136.2%
Pachislot machines	9,565	<b>15,344</b>	60.4%
Gross profit ratio	49.8%	<b>60.2%</b>	+10.4pt
Operating income	2,617	<b>12,754</b>	387.2%
Pachinko machines	-2,102	<b>2,276</b>	-%
Pachislot machines	4,680	<b>10,455</b>	123.4%
Operating income ratio	9.9%	<b>32.5%</b>	+22.6pt



## ■ The number of golf course users increased, and revenue per customer grew year on year.

- ✓ Despite the impacts of record-setting heat and heavy rain, as well as poor weather caused by the autumn rain front, various measures showed certain results, leading to an increase in the number of golf course users.
- ✓ Revenue per customer continued to rise thanks to pricing based on demand.

### ■ Number of golf course users / Revenue per customer

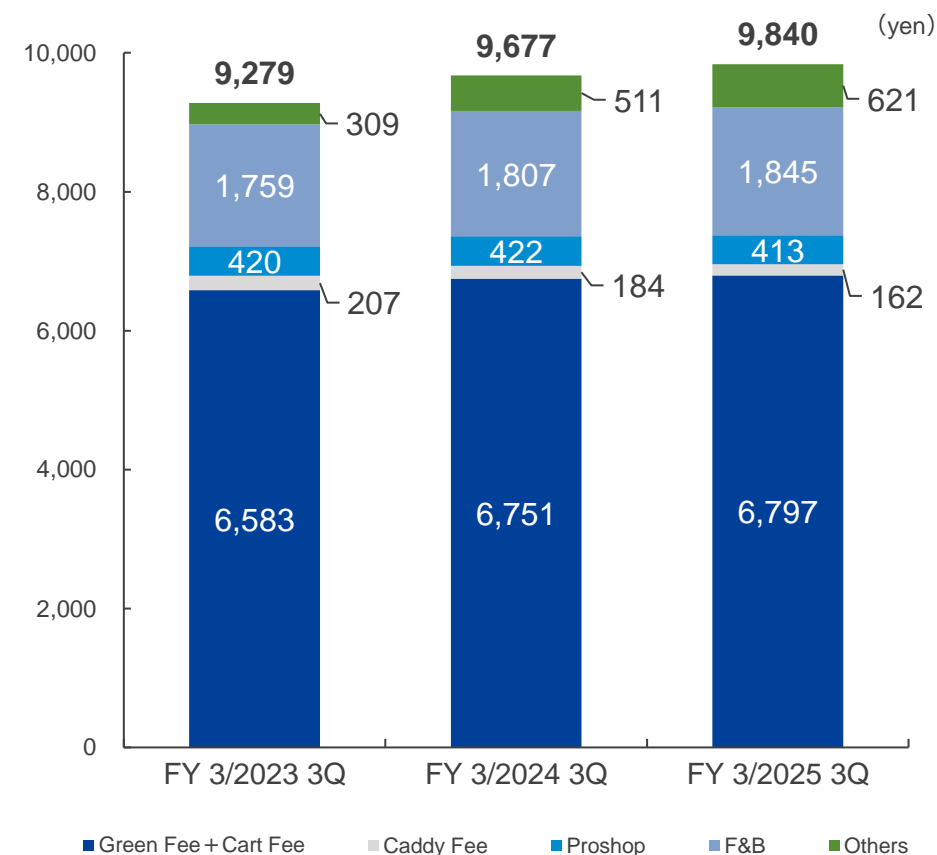
3Q cumulative (9months)	FY 3/2023	FY 3/2024	FY 3/2025	YoY
Number of golf course users (thousand people)	711.3	718.0	<b>737.3</b>	2.7%
Revenue per customer (yen)	9,279	9,677	<b>9,840</b>	1.7%

3Q (3months)	FY 3/2023	FY 3/2024	FY 3/2025	YoY
Number of golf course users (thousand people)	234.7	241.0	<b>246.5</b>	2.3%
Revenue per customer (yen)	9,816	10,148	<b>10,385</b>	2.3%

### ■ (Reference) Number of golf courses owned/operated

Fiscal year	FY 3/2023	FY 3/2024	FY 3/2025 3Q	YoY
Number of golf course	147	148	<b>149</b>	+1

### ■ Breakdown of Revenue per Customer





■ Income and profit were up year on year (net sales +4.0% YoY and operating income -4.0% YoY).

- ✓ A golf course acquired in the previous fiscal year (Mukonodai Golf Course) contributed. Membership-related sales were also solid.
- ✓ In addition to the impact of factors such as rising prices of various raw materials and utility costs, as well as higher labor costs due to wage increases, some share-acquisition-related expenses were recorded as SG & A expenses, resulting in lower profit.

(million yen)	FY 3/2023 3Q	FY 3/2024 3Q	FY 3/2025 3Q	YoY
Net sales	72,871	76,481	<b>79,568</b>	4.0%
Gross profit	19,631	22,546	<b>23,024</b>	2.1%
Gross profit ratio	26.9%	29.5%	<b>28.9%</b>	-0.6pt
Operating income	15,167	18,685	<b>17,943</b>	-4.0%
Operating income ratio	20.8%	24.4%	<b>22.6%</b>	-1.8pt

## Breakdown of Sales

(million yen)	FY 3/2023 3Q	FY 3/2024 3Q	FY 3/2025 3Q	YoY
Revenue from golf course operation	66,008	69,488	<b>72,562</b>	4.4%
Membership-related sales	6,128	6,167	<b>6,226</b>	1.0%

# Consolidated Balance Sheets (Summary)

(million yen)	As of March 31, 2024	As of December 31, 2024	Change	Remarks
Current assets	97,406	<b>104,948</b>	7,542	✓ Increase in cash and deposits
Non-current assets	330,623	<b>338,351</b>	7,727	✓ Increase in property, plant and equipment such as motor vehicles and transport equipment
Total assets	428,029	<b>443,300</b>	15,270	
Current liabilities	50,978	<b>50,268</b>	-710	
Non-current liabilities	137,865	<b>141,325</b>	3,460	✓ Increase in deferred tax liability and long-term debt
Total liabilities	188,843	<b>191,594</b>	2,750	
Total net assets	239,185	<b>251,705</b>	12,519	
Total liabilities and net assets	428,029	<b>443,300</b>	15,270	

(million yen)	As of March 31, 2024	As of December 31, 2024	
Cash and deposits, and securities	57,713	<b>64,077</b>	✓ D/E ratio (interest-bearing debt/shareholders' equity) 44.7% → 45.0%
Interest-bearing debt	106,847	<b>113,296</b>	✓ Net D/E ratio (net interest-bearing debt/shareholders' equity) 20.5% → 19.6%
Shareholders' equity	239,185	<b>251,705</b>	
Shareholders' equity ratio	55.9%	<b>56.8%</b>	



# Full-year Plan for FY Ending March 31, 2025

■ Initial plans have been revised downward (compared to initial plans, net sales down 8.1% and operating income down 11.0%).

- ✓ Net sales are expected to be lower than initially planned because the number of pachinko and pachislot machine units sold in the pachinko and pachislot machine business is expected to fall below the initial sales plan.
- ✓ Operating income is expected to be lower than initially planned due to factors such as lower net sales, as well as the recording of 1,800 million yen in advisory expenses, etc. related to the acquisition of Accordia Golf Co., Ltd. (“the share acquisition”), as SG & A expenses.
- ✓ Ordinary income and profit attributable to owners of parent are expected to be lower than initially planned due to factors such as the recording of 6,000 million yen in costs involved in borrowing from financial institutions related to the share acquisition as non-operating expenses.

(million yen)	FY 3/2024 Results	FY 3/2025		Variance from previous year	Variance from initial plan
		Initial Plan	Revised Plan		
Net Sales	136,381	<b>158,200</b>	<b>145,400</b>	6.6%	-8.1%
Pachinko and Pachislot machine business	40,156	<b>59,400</b>	<b>45,600</b>	13.6%	-23.2%
Golf Business	96,225	<b>98,800</b>	<b>99,800</b>	3.7%	1.0%
Operating income	23,430	<b>30,000</b>	<b>26,700</b>	14.0%	-11.0%
Pachinko and Pachislot machine business	6,917	<b>13,000</b>	<b>11,900</b>	72.0%	-8.5%
Golf Business	19,250	<b>20,000</b>	<b>17,500</b>	-9.1%	-12.5%
Eliminations & Corporate expenses	-2,736	<b>-3,000</b>	<b>-2,700</b>	-1.3%	-10.0%
Operating income ratio	17.2%	<b>19.0%</b>	<b>18.4%</b>	1.2pt	-0.6pt
Ordinary income	22,746	<b>29,200</b>	<b>19,900</b>	-12.5%	-31.8%
Profit attributable to owners of parent	16,611	<b>20,000</b>	<b>12,100</b>	-27.2%	-39.5%
EBITDA*	32,705	<b>39,600</b>	<b>36,300</b>	11.0%	-8.3%

\* EBITDA = Operating income + depreciation + amortization



# Pachinko and Pachislot Machine Business (Machine Sales Plan)

- The number of machines sold is expected to decrease from initial plans (-34k units compared to initial plans).

		FY 3/2024 Results	FY 3/2025		Variance from previous year	Variance from initial plan
			Initial Plan	Revised Plan		
Number of machine sold		94,233	<b>140,000</b>	<b>106,000</b>	+11k units	-34k units
Pachinko machine	Number of titles released	6	6	6	-	-
	Number of machine sold	28,799	<b>63,000</b>	<b>55,000</b>	+26k units	-8k units
	Body	13,405	<b>20,800</b>	<b>13,000</b>	-0k units	-7k units
	Gauge board	15,394	<b>42,200</b>	<b>42,000</b>	+26k units	-0k units
Pachislot machine	Number of titles released	5	6	5	-	-1
	Number of machine sold	65,434	<b>77,000</b>	<b>51,000</b>	-14k units	-26k units
	Chassis	65,434	<b>67,600</b>	<b>39,000</b>	-26k units	-28k units
	Combined units	-	<b>9,400</b>	<b>12,000</b>	+12k units	+2 units

## Title to Release / Pachinko Machine

Title	Release Date
<i>P Lupin the Third: ONE COLLECTION</i>	Oct. 2024
<i>P Love-jo :Gokujo no Harem Taiken 129ver.</i>	Nov. 2024
<i>P ToLOVE Ru Darkness 199ver.</i>	Dec. 2024
<i>P Sengokuotome7 Syuuen no Sekigahara</i>	Jan. 2025
<i>P Umaibou2</i>	Mar.2025

## Title to Release / Pachislot Machine

Title	Release Date
<i>L BanG Dream!</i>	Nov. 2024
<i>L Lupin the Third: Daikoukaisya no Hihou</i>	Dec. 2024
<i>L Simamusume</i>	Jan. 2025

# Title Released in FY ending March 31, 2025

## Pachinko machine

1Q



ラッパトリガー  
LIT  
P BIOHAZARD RE:2  
©CAPCOM  
P BIOHAZARD RE:2  
LTver.

ラブジョー  
P Love-jo :Gokujo no  
Harem Taiken

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P ToLOVE Ru Darkness

2Q

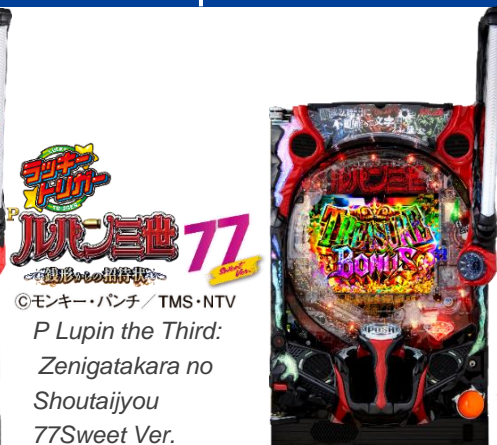


BanG Dream!  
BanG Dream!  
Project P BanG Dream!

©BanG Dream! Project

P BanG Dream!

3Q



ルパン三世  
77  
Sweet Ver.  
©モンキー・パンチ / TMS・NTV  
P Lupin the Third:  
Zenigata kara no  
Shoutaiyou  
77Sweet Ver.

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P Lupin the Third: ONE COLLECTION 199ver.



ラブジョー  
129  
P Love-jo :Gokujo no  
Harem Taiken 129ver.  
とらぶる  
ToLOVE Ru  
Darkness

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P ToLOVE Ru Darkness

4Q



ルパン三世  
ONE COLLECTION  
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P Lupin the Third:  
ONE COLLECTION  
Tyou Buchinuki Ltver.  
BanG Dream!  
P Sengokuotome7:  
Shuuen no Sekigahara  
©BanG Dream! Project  
P BanG Dream! Light ver.  
うまい棒  
2

©HEIWA  
Character design by SHIROGUMI INC.

P Sengokuotome7:  
Shuuen no Sekigahara

©やぶさん  
P Umaibou2

## Pachislot machine

1Q



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L ToLOVE Ru Darkness

2Q



S Bahama30

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Pachislot L Koumonchama Ten

3Q



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L BanG Dream!



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L Lupin the Third: Daikoukaisya no Hihou

4Q



L Simamusume



# Future Prospects for the Heiwa Group Offered by the Acquisition of Ownership of Accordia Golf



- Promoting the business operation by making use of the group synergy with PGM pursuing traditional qualities of Japanese golf and Accordia Golf operating the golf courses that are casual and accessible for the younger generation and women.



- Traditional qualities of Japanese golf
- Response to diversifying player demands
- High-grade customer service with lavish hospitality

<Representative Course>

PGM Golf Resort Okinawa, Sohbu Country Club etc.

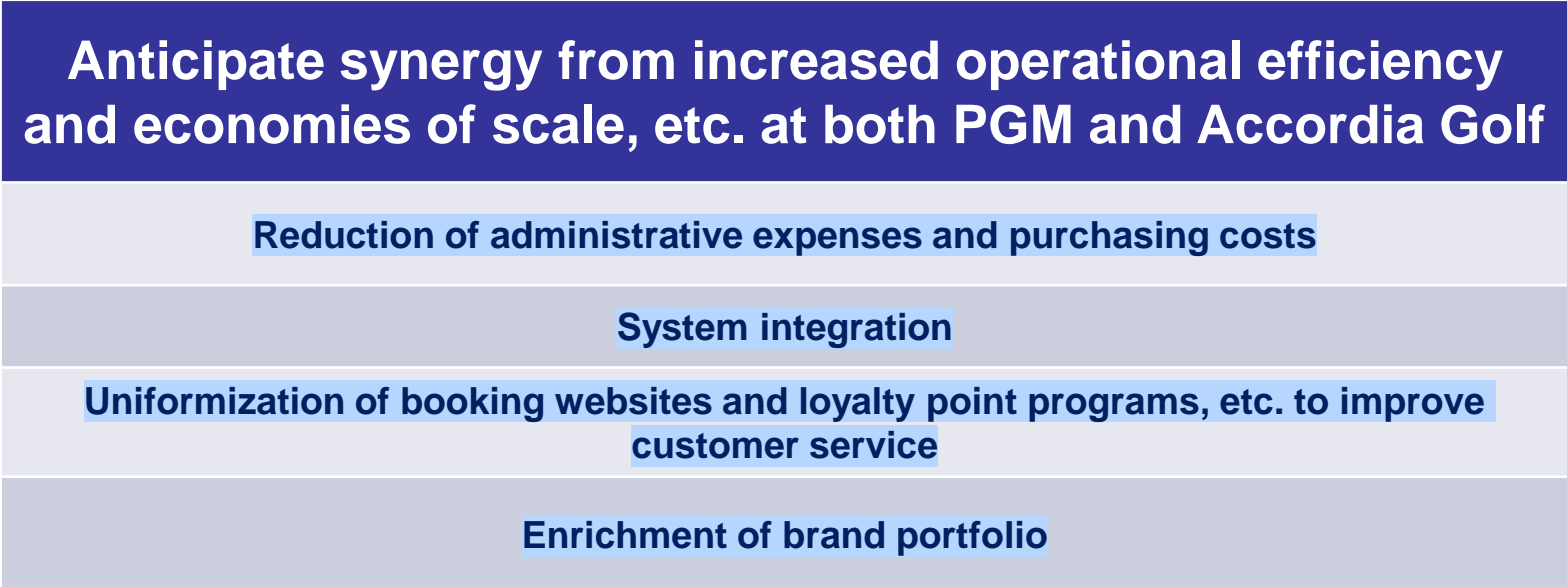
- Casual and accessible
- Courses for beginners
- Full of powder rooms for women

< Representative Course >

Tokyo Sobu Country Club, Yotsukaido Golf Club etc.



- Aim to maximize synergy by strengthening ties between the two companies



**Serve as a leading company in the golf industry**

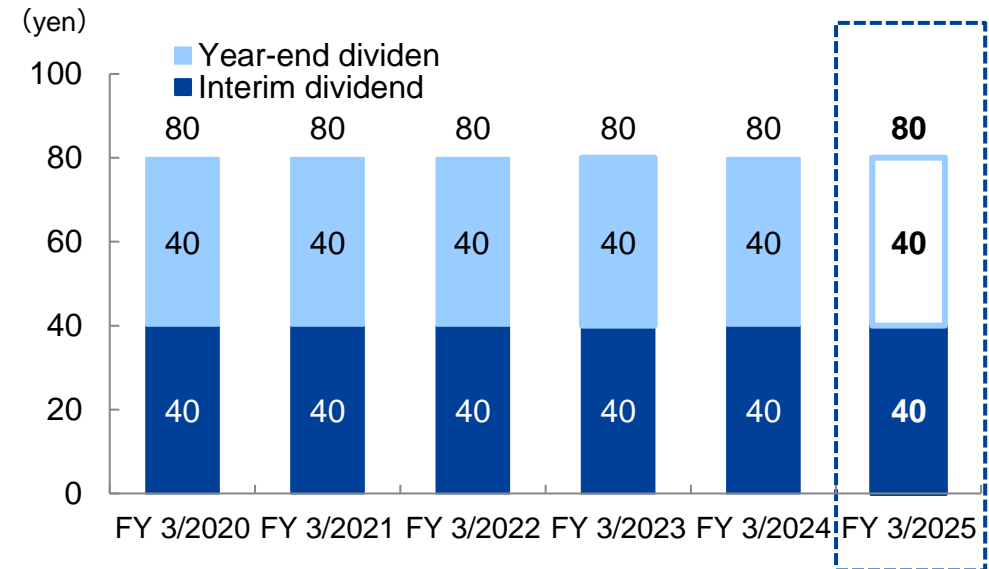
## Dividend policy

- 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 3/2025 (Plan)

Interim dividend	40yen
Year-end dividend	40yen
<b>Total</b>	<b>80yen</b>

## 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.**



## 【Market Environment】

- Pachinko and Pachislot Machine Business
- Golf Business

## 【Pachinko and Pachislot Machine Business】

- Number of Machines Sold / Title Released in FY Ending March 31, 2025

## 【Golf Business】

- Trends of Golf Users and Revenue per Customer 1
- Trends of Golf Users and Revenue per Customer 2
- Golf Course Portfolio

## 【Consolidated Results】

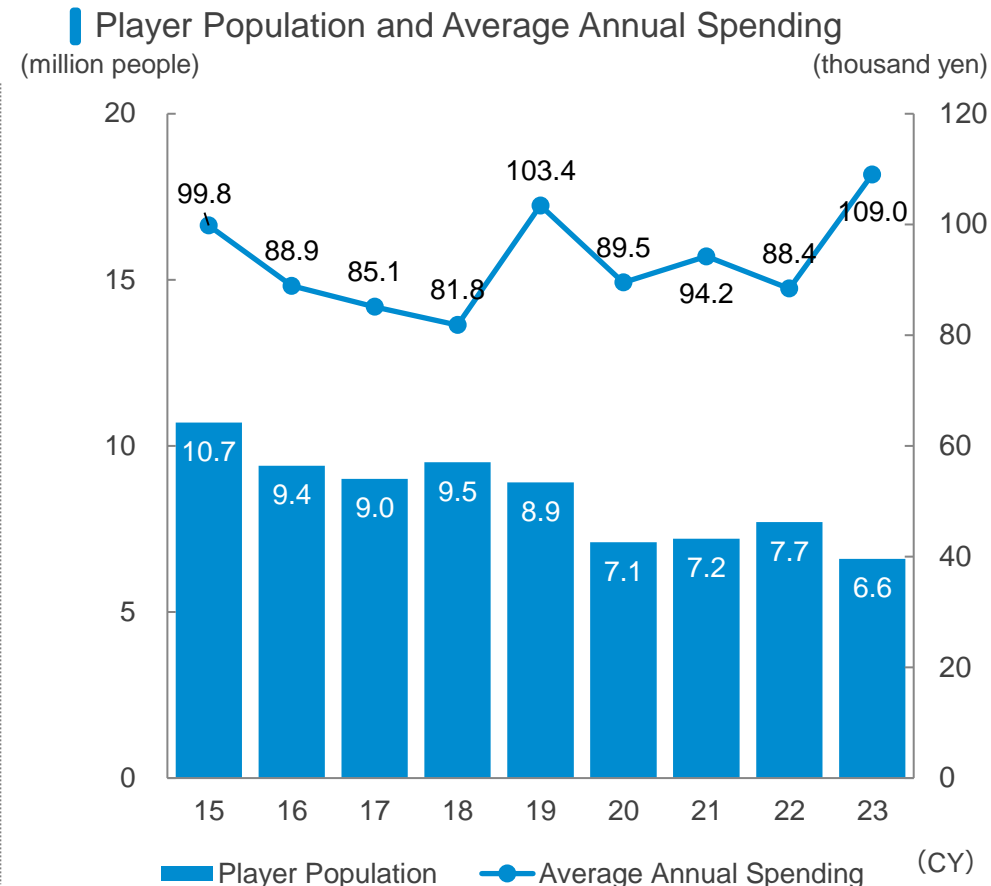
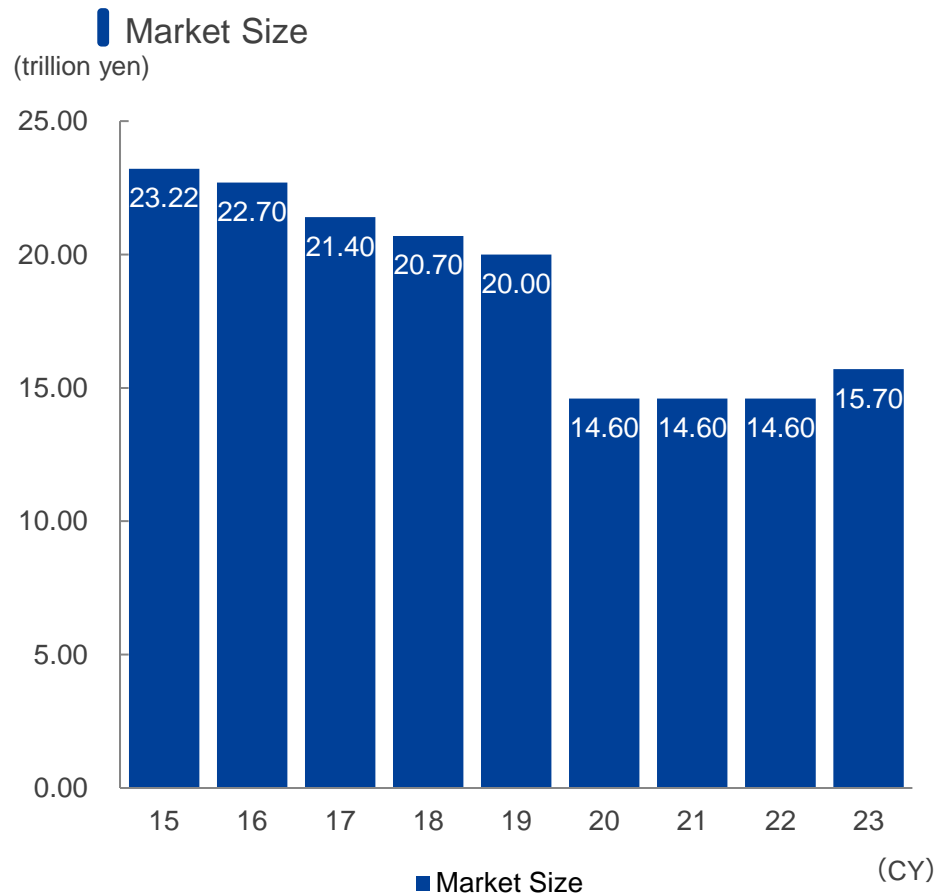
- Financial Performance Trend
- Key Financial Indicators

## 【Others】

- Golf Business (Market Trends)
- Other

# Market Environment (Pachinko and Pachislot Machine Business) 1

## Pachinko and Pachislot Machine business

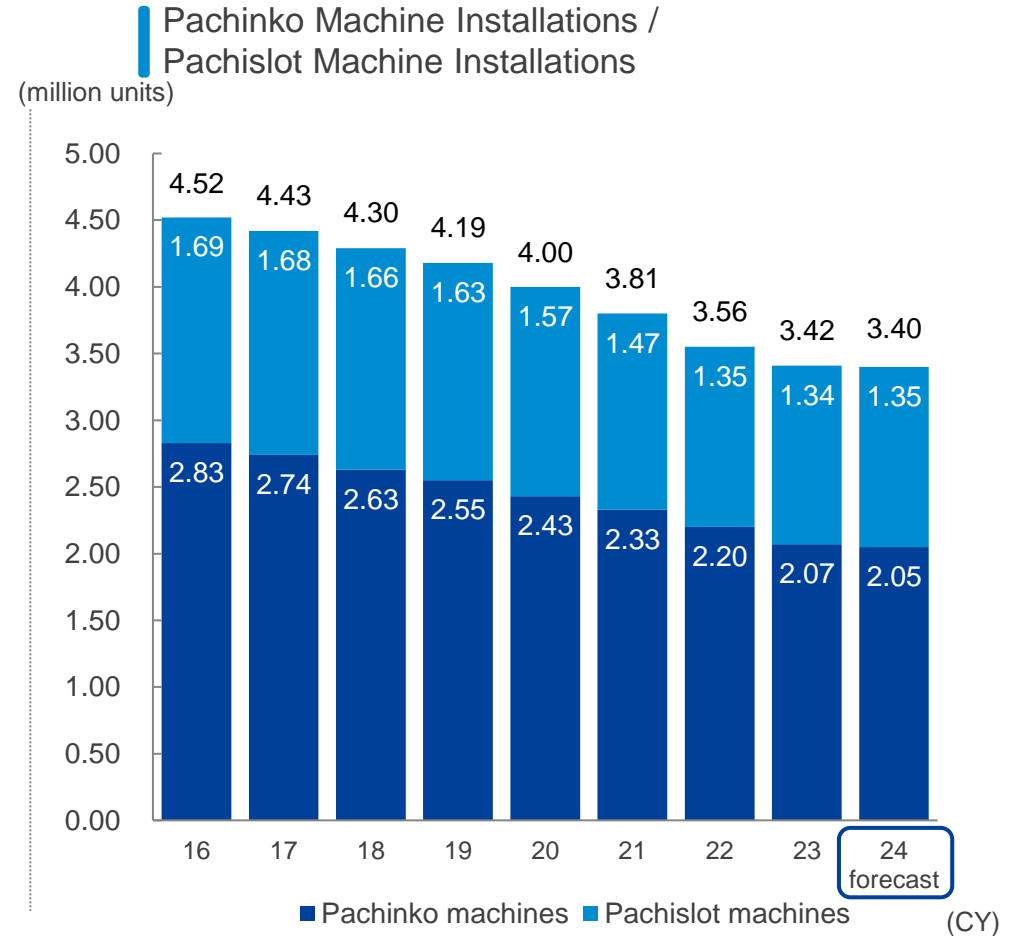
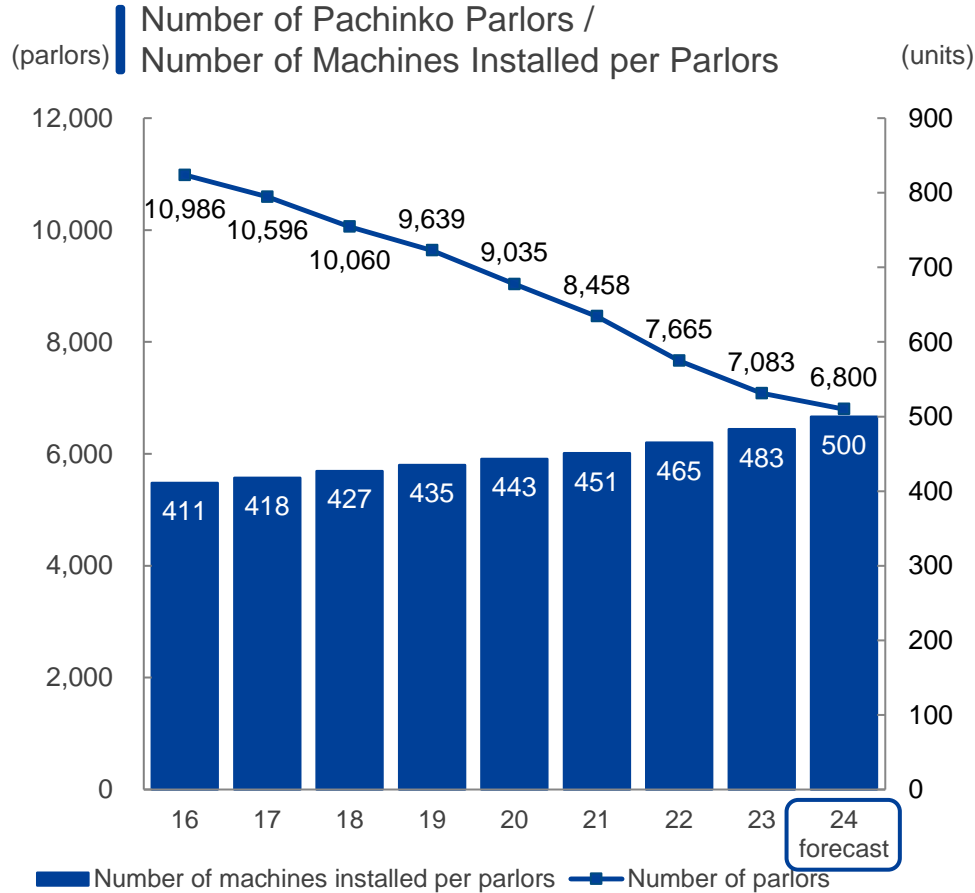


	2015	2016	2017	2018	2019	2020	2021	2022	2023
Market Size (trillion yen)	23.22	22.70	21.40	20.70	20.00	14.60	14.60	14.60	15.70
Player Population (million people)	10.7	9.4	9.0	9.5	8.9	7.1	7.2	7.7	6.6
Average annual spending (thousand yen)	99.8	88.9	85.1	81.8	103.4	89.5	94.2	88.4	109.0

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

# Market Environment (Pachinko and Pachislot Machine Business) 2

## Pachinko and Pachislot Machine business



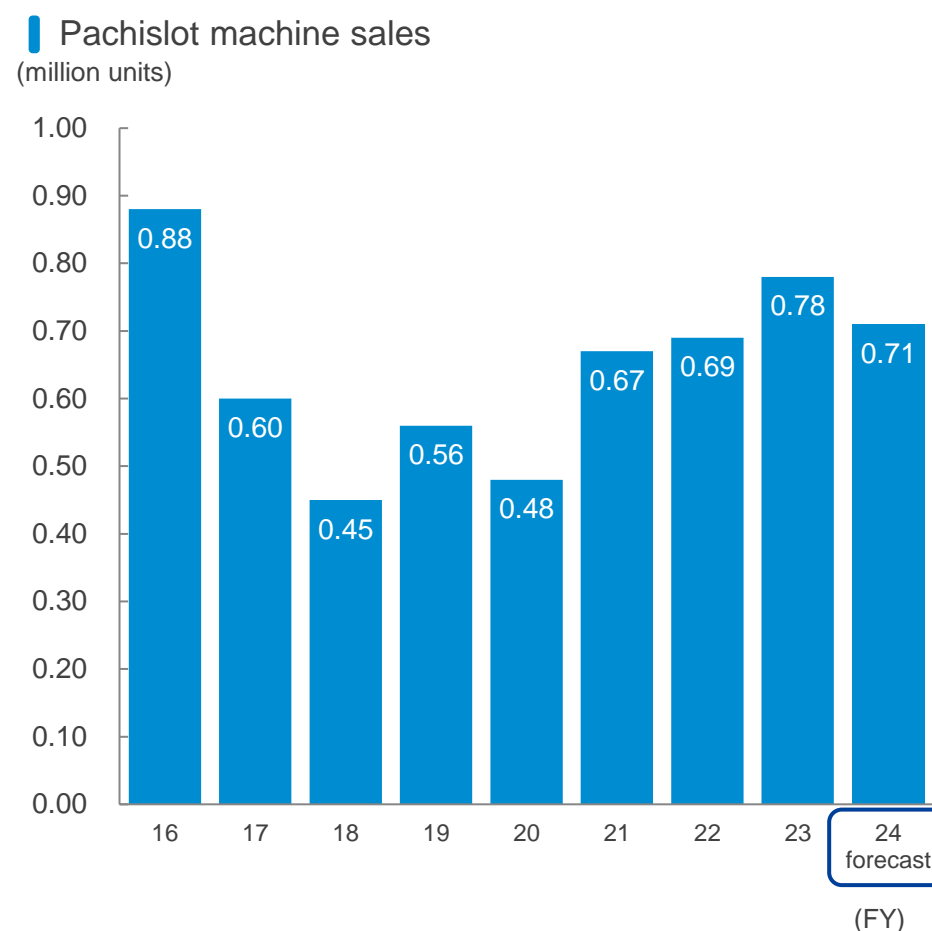
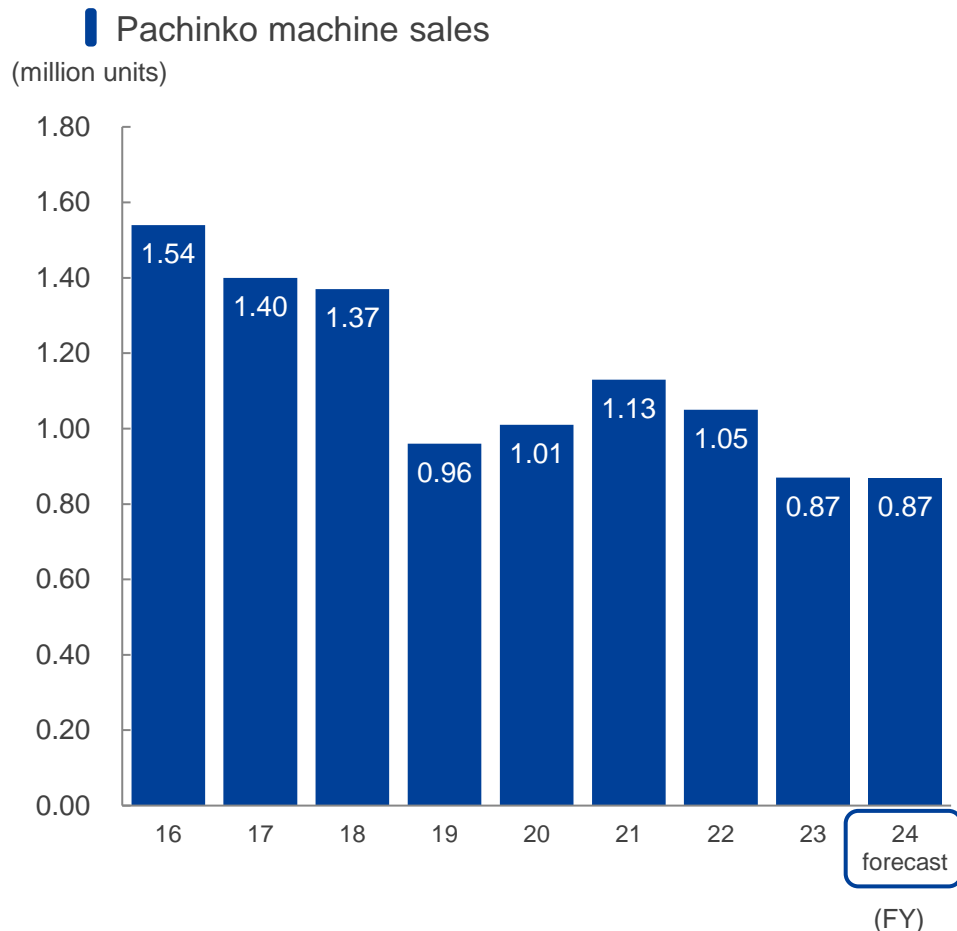
	2016	2017	2018	2019	2020	2021	2022	2023	2024 forecast
Number of parlors	10,986	10,596	10,060	9,639	9,035	8,458	7,665	7,083	6,800
Number of machines installed per parlors (units)	411	418	427	435	443	451	465	483	500
Pachinko machine installations (million units)	2.83	2.74	2.63	2.55	2.43	2.33	2.20	2.07	2.05
Pachislot machine installations (million units)	1.69	1.68	1.66	1.63	1.57	1.47	1.35	1.34	1.35

Note: Date source: National Police Agency. Date on a calendar year basis (from January to December). Figures for 2023 are the Company's estimates.



# Market Environment (Pachinko and Pachislot Machine Business) 3

## Pachinko and Pachislot Machine business

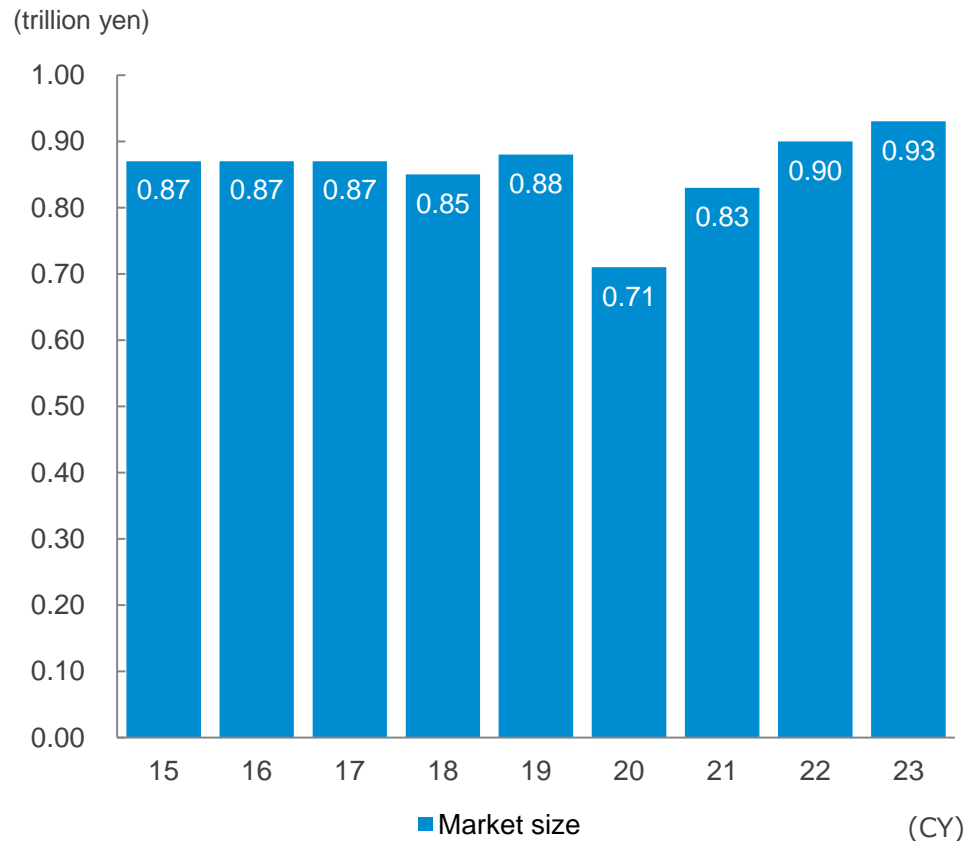


Number of machines sold (million units)	2016	2017	2018	2019	2020	2021	2022	2023	2024 forecast
Pachinko machines	1.54	1.40	1.37	0.96	1.01	1.13	1.05	0.87	0.87
Pachislot machines	0.88	0.60	0.45	0.56	0.48	0.67	0.69	0.78	0.71

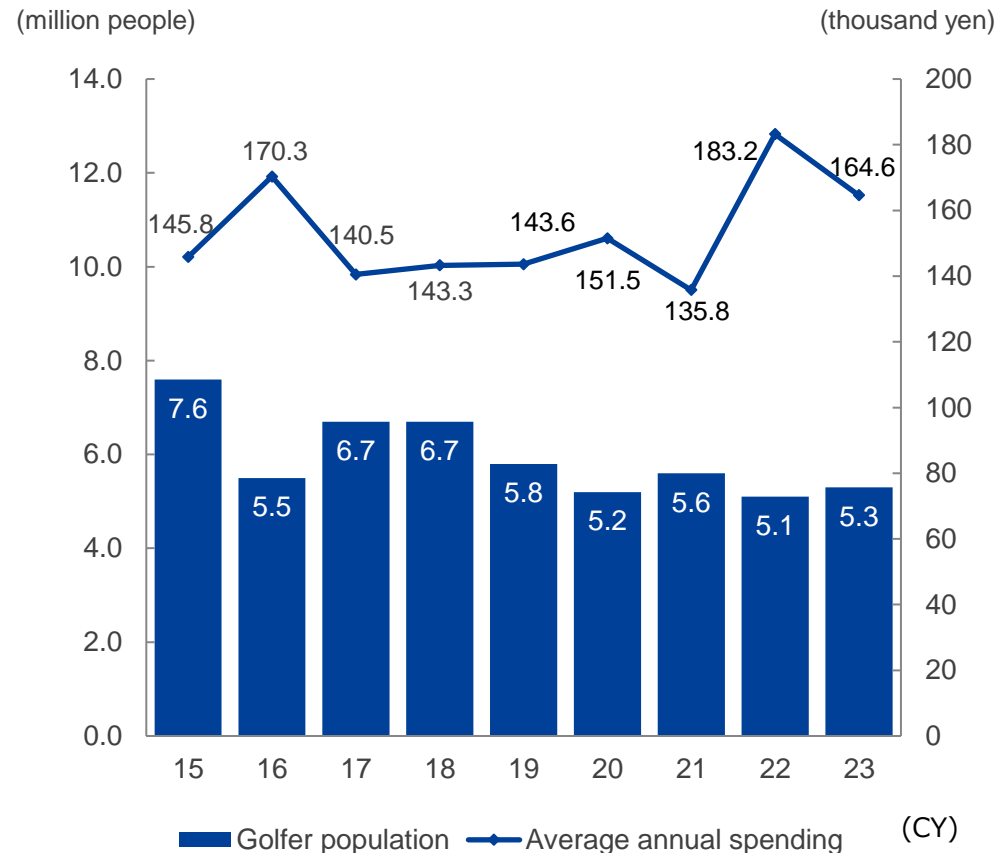
Note: Date source: Yano Research Institute. Date on a fiscal year basis (from April to March of the next year). Figures for 2023 and 2024 are the company's forecasts.

## Golf business

### Market Size



### Golfer Population / Average Annual Spending



	2015	2016	2017	2018	2019	2020	2021	2022	2023
Market size (trillion yen)	0.87	0.87	0.87	0.85	0.88	0.71	0.83	0.90	0.93
Golfer population (million people)	7.6	5.5	6.7	6.7	5.8	5.2	5.6	5.1	5.3
Average annual spending (thousand yen)	145.8	170.3	140.5	143.3	143.6	151.5	135.8	183.2	164.6

Note: Date source: Japan Productivity Center. Date on a calendar basis (From January to December).

# Number of Machines Sold Title Released in FY Ended March 31, 2025



## Pachinko and Pachislot Machine business

### Number of machines sold

(units)	FY 3/2020	FY 3/2021	FY 3/2022			FY 3/2023				FY 3/2024			FY 3/2025				
	Full year	Full year	1Q	2Q cumulative	3Q cumulative	Full year	1Q	2Q cumulative	3Q cumulative	Full year	1Q	2Q cumulative	3Q cumulative	Full year	1Q	2Q cumulative	3Q cumulative
	Total	164,400	85,283	23,211	38,269	63,030	92,826	23,578	59,124	106,153	126,894	22,070	41,190	61,998	94,233	19,722	46,388
Pachinko machines	95,483	49,890	16,542	29,113	40,228	63,095	17,497	38,970	61,923	80,322	10,531	16,672	23,272	28,799	10,934	23,180	42,039
Body	41,887	39,455	15,752	27,351	36,124	49,040	14,305	24,865	42,462	49,385	5,446	6,840	11,882	13,405	2,126	4,308	8,431
Gauge board	53,596	10,435	790	1,762	4,104	14,055	3,192	14,105	19,461	30,937	5,085	9,832	11,390	15,394	8,808	18,872	33,608
Pachislot machines	68,917	35,393	6,669	9,156	22,802	29,731	6,081	20,154	44,230	46,572	11,539	24,518	38,726	65,434	8,788	23,208	48,720
Chassis	29,288	27,423	6,606	9,093	22,736	29,663	5,754	19,697	43,773	46,115	11,539	24,518	38,726	65,434	8,788	22,360	38,312
Combined units	39,629	7,970	63	63	66	68	327	457	457	457	0	0	0	0	0	848	10,408

### Title to Release / Pachinko machine

Release	Title	Units sold
1Q	<i>P Love-jo :Gokujo no Harem Taiken</i>	4,740
	<i>P ToLOVE Ru Darkness</i>	3,450
2Q	<i>P BanG Dream!</i>	3,498
3Q	<i>P Lupin the Third: ONE COLLECTION</i>	8,993
	<i>Others</i>	21,358
	Total	42,039

### Title to Release / Pachislot machine

Release	Title	Units sold
1Q	<i>L ToLOVE Ru Darkness</i>	15,679
2Q	<i>Pachislot L Koumonchama Ten</i>	9,575
3Q	<i>L BanG Dream!</i>	11,435
	<i>L Lupin the Third: Daikoukaisya no Hihou</i>	10,797
	<i>Others</i>	1,234
	Total	48,720



## Golf business

### Number of Golf Course Users

(persons)	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
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	573,250	505,763	698,958	8,735,831
FY 3/2023	766,822	877,193	804,575	784,392	775,846	756,848	856,293	796,767	694,303	576,008	551,558	717,917	8,958,522
FY 3/2024	784,626	857,337	770,513	825,046	744,248	788,109	858,402	820,305	731,903	624,665	549,208	700,351	9,054,711
FY 3/2025	809,927	874,192	833,948	818,412	746,644	825,669	840,691	840,091	784,413				7,373,987

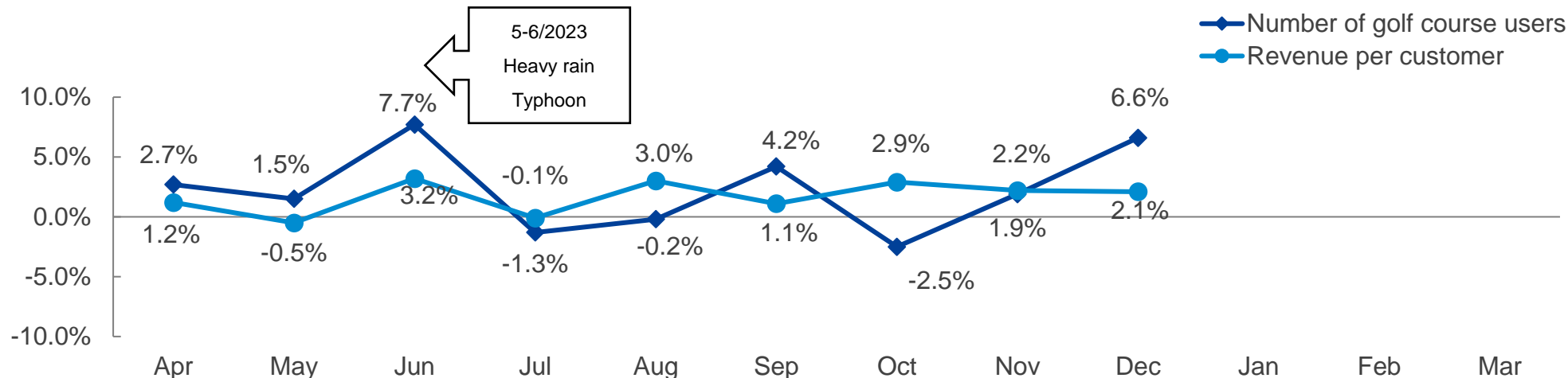
### Revenue per Customer

(yen)	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Average
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	8,636	8,160	8,792	8,764
FY 3/2023	9,264	9,523	8,977	8,844	8,444	8,977	9,782	9,899	9,764	8,989	8,533	9,076	9,198
FY 3/2024	9,617	9,933	9,399	9,212	8,865	9,543	9,988	10,397	10,056	9,121	8,784	9,843	9,597
FY 3/2025	9,734	9,893	9,708	9,205	9,135	9,658	10,268	10,618	10,261				9,840

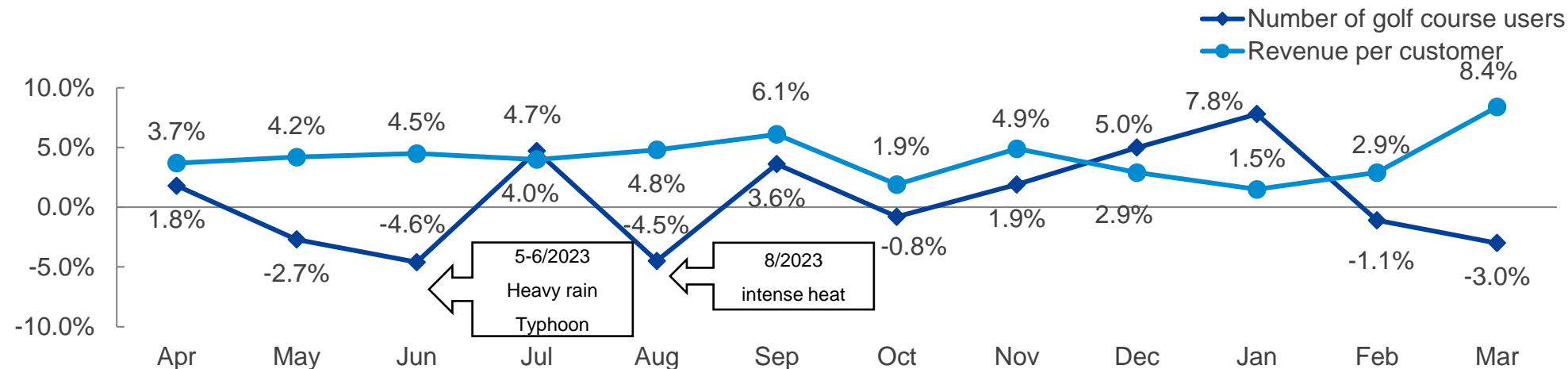


## Golf business

### Monthly result comparison – FY 3/2025 vs FY 3/2024



### Monthly result comparison – FY 3/2024 vs FY 3/2023



\* Based on operating golf course since previous year.



# Golf Course Portfolio

## Golf business

	As of March 31, 2024		As of December 31, 2024	
	Courses	18H Equivalent	Courses	18H equivalent
Owned Golf Courses	147	178.0	148	179.0
Leased Golf Courses	1	2.0	1	2.0
<b>Total</b>	<b>148</b>	<b>180.0</b>	<b>149</b>	<b>181.0</b>
Hokkaido	6	9.5	6	9.5
Tohoku	8	10.0	8	10.0
Kanto, Koushinetsu	66	77.5	66	77.5
Tokai, Hokuriku	13	14.0	13	14.0
Kansai	22	28.5	23	29.5
Chugoku	10	11.5	10	11.5
Shikoku	6	6.5	6	6.5
Kyusyu, Okinawa	17	22.5	17	22.5
<b>Total</b>	<b>148</b>	<b>180.0</b>	<b>149</b>	<b>181.0</b>

## State of affairs in the fiscal year ending March 31, 2025

### 【Acquisition】

10/1/2024  
Commenced operation

Ichishi Golf Club (Tsu City, Mie Prefecture/18H)

### 【Stock transfer agreement】

None

### 【Sponsorship agreement】

None

### 【Sale】

None



# Financial Performance Trend



## Consolidated

(million yen)	FY 3/2020	FY 3/2021	FY 3/2022	FY 3/2023						FY 3/2024				FY 3/2025			
	Full year	Full year	1Q	2Q cumulative	3Q cumulative	Full year	1Q	2Q cumulative	3Q cumulative	Full year	1Q	2Q cumulative	3Q cumulative	Full year	1Q	2Q cumulative	3Q cumulative
Net sales	144,573	107,744	32,051	58,754	92,376	121,558	34,731	70,930	116,253	142,290	34,942	66,715	102,804	136,381	35,586	71,790	118,782
Pachinko and Pachislot machine Business	61,658	33,292	9,116	15,260	24,482	36,249	9,785	23,451	43,382	50,678	9,304	17,043	26,322	40,156	8,608	20,184	39,214
Golf Business	82,914	74,452	22,934	43,494	67,893	85,308	24,945	47,478	72,871	91,611	25,638	49,672	76,481	96,225	26,977	51,606	79,568
Operating income	23,551	5,311	4,367	4,733	9,957	10,235	7,855	15,337	28,161	26,905	7,491	12,171	19,314	23,430	8,654	15,404	28,768
Pachinko and Pachislot machine Business	17,450	287	77	-1,495	-1,666	-607	2,332	6,957	15,140	15,155	1,519	2,160	2,617	6,917	2,272	5,311	12,754
Golf Business	9,286	7,624	4,796	7,429	13,405	13,280	6,252	9,720	15,167	14,582	6,655	11,376	18,685	19,250	7,082	11,421	17,943
Eliminations & corporate expenses	-3,185	-2,600	-507	-1,199	-1,781	-2,437	-728	-1,340	-2,147	-2,833	-683	-1,364	-1,989	-2,736	-700	-1,328	-1,929
Operating income ratio	16.3%	4.9%	13.6%	8.1%	10.8%	8.4%	22.6%	21.6%	24.2%	18.9%	21.4%	18.2%	18.8%	17.2%	24.3%	21.5%	24.2%
Ordinary income	23,278	5,799	4,331	4,844	9,876	10,467	7,827	15,136	27,793	26,631	7,436	11,447	18,546	22,746	8,725	15,292	28,496
Profit attributable to owners of parent	15,872	865	2,633	2,543	4,604	2,193	5,355	10,798	20,506	20,685	4,943	7,436	11,609	16,611	5,628	10,415	20,583
SG & A Expenses	32,760	23,723	5,509	11,241	16,999	23,163	4,869	10,077	16,048	22,408	5,024	10,705	16,327	23,365	5,173	10,909	17,865
Advertising expenses	1,950	795	174	361	609	952	196	607	1,465	2,046	218	562	892	1,554	241	590	908
Sales commissions	1,885	921	230	347	681	954	208	570	1,065	1,191	236	462	764	1,233	207	497	993
R&D expenses	12,680	9,949	2,212	4,518	6,833	9,091	1,725	3,267	4,949	7,009	1,966	4,141	6,562	9,071	2,044	4,330	6,626
Depreciation & amortization	8,745	9,016	2,373	4,830	7,369	10,082	1,996	4,161	6,426	8,801	2,141	4,373	6,663	9,004	2,180	4,442	6,707
Pachinko and Pachislot machine Business	1,946	2,476	630	1,389	2,240	3,187	305	694	1,170	1,691	309	606	963	1,353	214	460	733
Golf Business	6,798	6,539	1,743	3,441	5,129	6,894	1,690	3,466	5,255	7,110	1,831	3,766	5,699	7,650	1,965	3,982	5,974
Capital investment	9,667	6,921	2,762	5,024	6,332	8,095	2,162	5,041	6,236	8,424	2,717	7,187	8,854	12,972	5,239	10,529	14,298
Pachinko and Pachislot machine Business	3,578	1,653	369	612	798	984	381	732	947	1,117	172	494	573	921	207	944	1,401
Golf Business	6,089	5,267	2,393	4,411	5,534	7,110	1,780	4,308	5,288	7,306	2,544	6,692	8,281	12,051	5,031	9,585	12,896



# Key Financial Indicators

Consolidated

	(million yen)	FY 3/2019	FY 3/2020	FY 3/2021	FY 3/2022	FY 3/2023	FY 3/2024	Formula
Net Sales		144,980	144,573	107,744	121,558	142,290	136,381	
Operating Income		28,014	23,551	5,311	10,235	26,905	23,430	
Ordinary Income		27,451	23,278	5,799	10,467	26,631	22,746	
Profit attributable to owners of parent		16,341	15,872	865	2,193	20,685	16,611	
Total Assets		442,845	436,762	430,070	417,066	423,727	428,029	
Cash, Deposits and Securities		93,180	83,296	70,083	67,052	67,716	57,713	
Interest Bearing Debt		123,234	117,868	123,153	114,416	108,645	106,847	
Net Assets		225,052	232,575	226,242	217,186	231,005	239,185	
Shareholders' Equity		225,052	232,575	226,242	217,186	231,005	239,185	
ROE		7.4%	6.9%	0.4%	1.0%	9.2%	7.1%	
Operating Income Ratio		19.3%	16.3%	4.9%	8.4%	18.9%	17.2%	Operating income/Net sales
Net Income Ratio		11.3%	11.0%	0.8%	1.8%	14.5%	12.2%	Net income/Net sales
Asset Turnover		0.33	0.33	0.25	0.29	0.34	0.32	Net sales/Total assets *1
Financial Leverage		1.98	1.92	1.89	1.91	1.88	1.81	Total assets/Shareholders' equity *1,2
Net Debt Equity Ratio		13.4%	14.9%	23.5%	21.8%	17.7%	20.5%	Net interest-bearing debt/Shareholders' equity
Shareholders' Equity Ratio		50.8%	53.2%	52.6%	52.1%	54.5%	55.9%	Shareholders' equity/Total assets

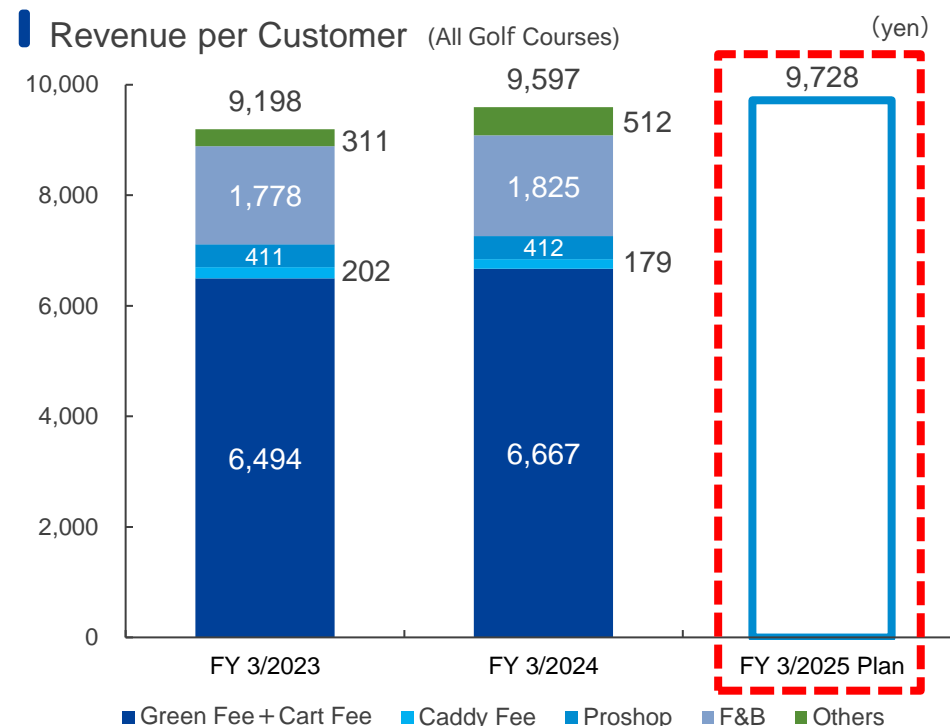
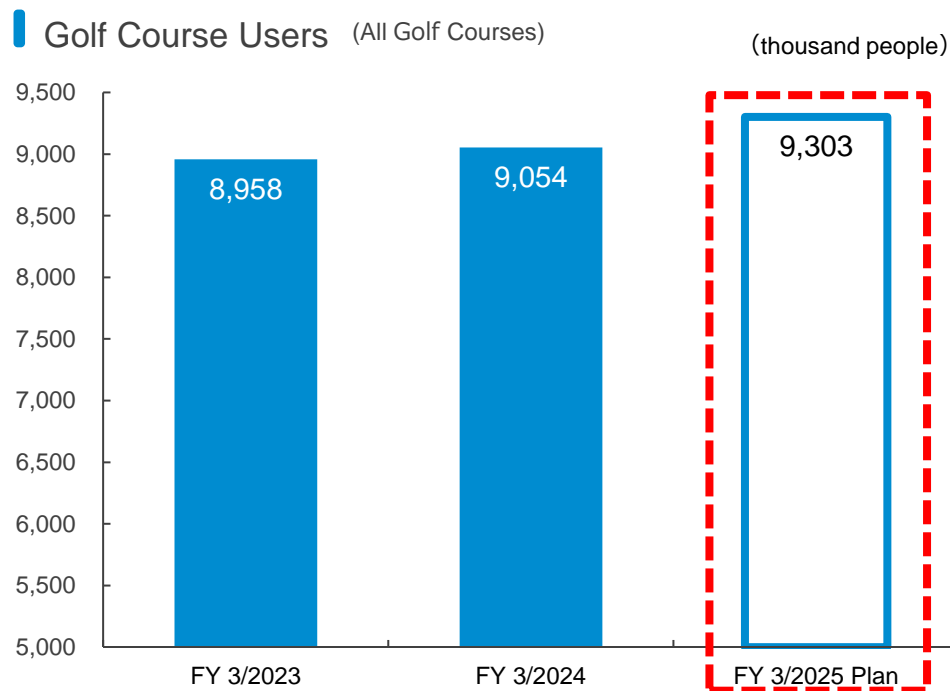
\*1 Total Assets = (Total Assets at beginning of period+ Total Assets at end of period) /2

\*2 Shareholders' Equity = (Shareholders' Equity at beginning of period+ Shareholders' Equity at end of period) /2





■ Demand for playing golf remains robust.



## Market Trends

- ✓ The robust demand for playing golf spurred by the Covid-19 pandemic is projected to continue, and numbers of golf course users and revenue per customer are expected to remain strong.
- ✓ At the same time, now that the pandemic has ended, there are fears that customers will slip away to other leisure activities. We will need to become customers' company of choice by improving our services and implementing measures to incorporate diversifying customer needs.
- ✓ Although golf courses continue to operate at nearly full capacity on weekends and national holidays, operating rates on weekdays still have room to grow.

■ A luxurious integrated resort facility offering “a paradise where guests can encounter new excitement with each visit”

- ✓ To be a hotel where guests can enjoy the extraordinary feeling of a resort with spectacular scenery of Okinawa
- ✓ Consisting mainly of approximately 45-square-meter standard rooms, the 200 rooms will also include rooms featuring baths with a view. Facilities will include pools that the whole family can enjoy, buffet-style all-day dining, and a bar and beauty salon for luxurious moments, as well as a golf academy where students can play simulated golf utilizing PGM’s expertise.



Overview of Hotel	
Location	Kouchibaru 1390, Fuchaku, Onnason, Kunigamigun, Okinawa 904-0413
No. of rooms	200
Facilities	All-day dining, bar, chapel, beauty salon, pools (indoor/outdoor), golf academy, gym, etc.
Site area	47,045 square meters
Scale	10 floors above ground, 1 basement level
Start of construction	Spring 2023
Opening date	2026 (tentative)

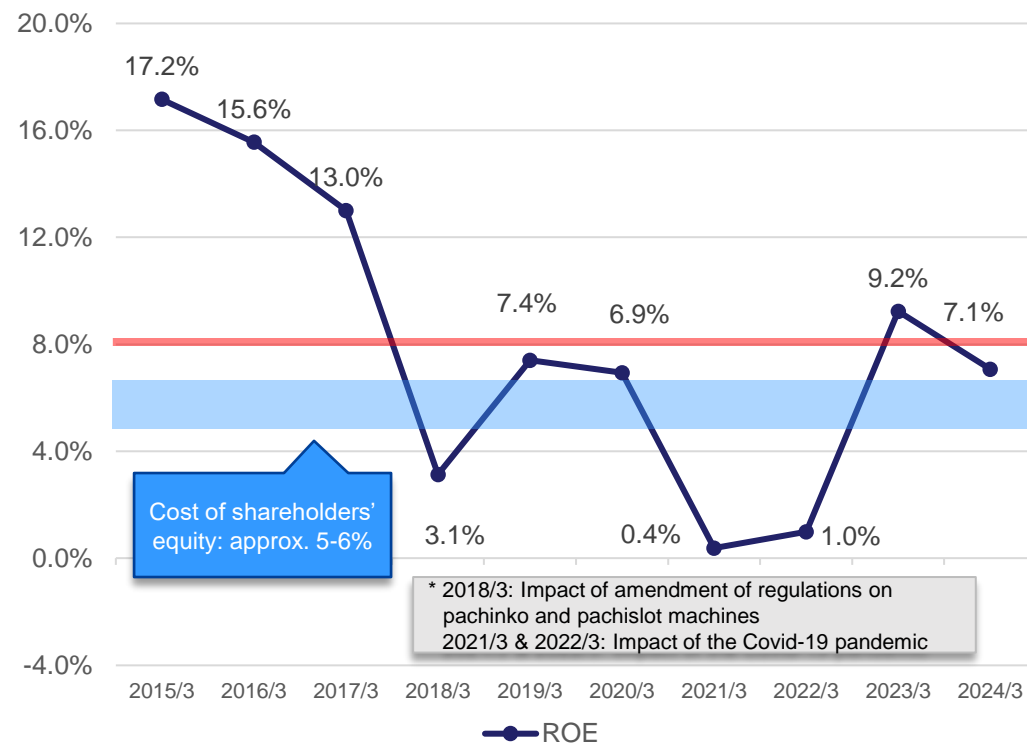


# “Action to Implement Management that is Conscious of Cost of Capital and Stock Price”

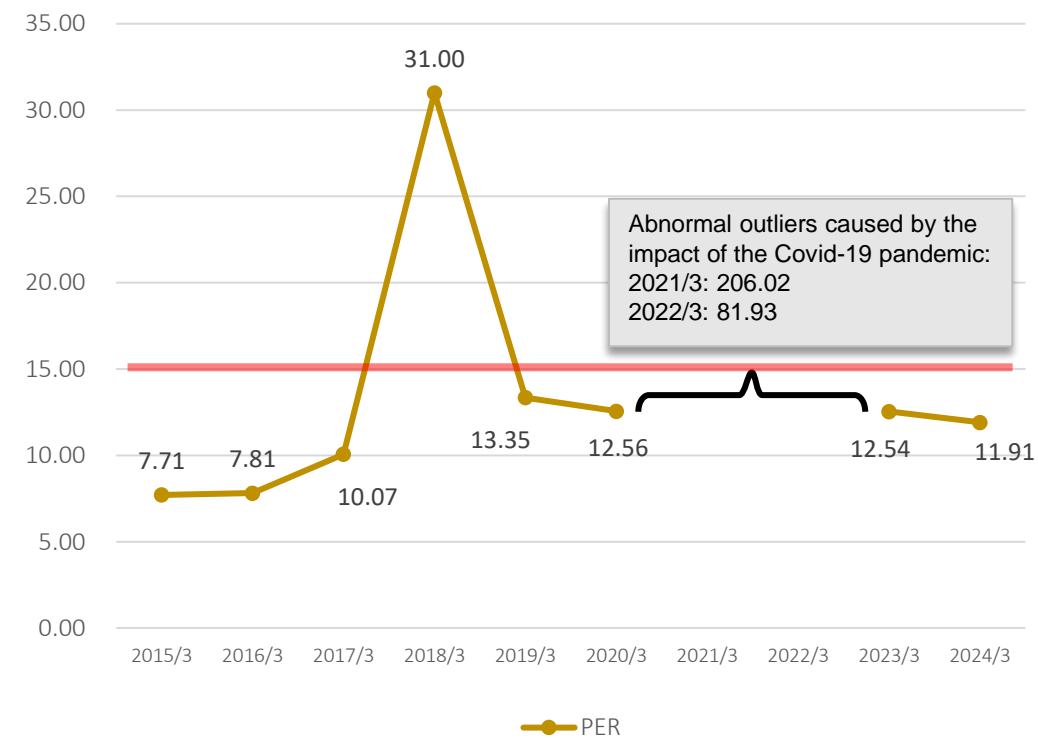
■ Cost of shareholders’ equity recognized as 5–6% and ROE targeting investors’ guideline of 8% or more

- ✓ While ROE has remained above our estimated cost of shareholders’ equity for the past 10 years, excluding fiscal years with special factors\*, we recognize that the level is low.
- ✓ As factors behind PBR below 1, we have identified sluggish ROE as well as low PER due to inadequate understanding of sustainable growth by investors (PER below the guideline of 15).

## ROE and cost of shareholders’ equity



## PER





# “Action to Implement Management That Is Conscious of Cost of Capital and Stock Price”

■ Achievement of ROE above the cost of shareholders’ equity and enhancement of initiatives aimed at sustainable growth

Improvement of profitability

**ROE** ↑

Sustainable growth

**PER** ↑

Enhancement of corporate value

**PBR** ↑

×

=

✓ While we recognize that ROE is currently above the cost of shareholders’ equity, we believe that it is still below the level desired by shareholders. **Positioning the turnaround of performance in the pachinko and pachislot machine business as our top priority**, we will proactively implement **improvements to asset efficiency** and **investment for growth**.

✓ With PBR currently below 1, we will work toward **the enhancement of appropriate information disclosure**, including **stepping up IR activities** to obtain adequate understanding of sustainable growth from investors, as well as the **active promotion of sustainability management**, and facilitate dialogue with stakeholders.

Improvement of ROE	Specific initiatives	Improvement of PER	Specific initiatives
Enhancement of earning power in existing businesses	<ul style="list-style-type: none"> <li>Strengthened R&amp;D investment to enhance product appeal in the pachinko and pachislot machine business</li> <li>Implementation of differentiation strategies to increase the number of golf course users and revenue per customer in the golf business</li> </ul>	Enhancement of appropriate information disclosure	<ul style="list-style-type: none"> <li>New establishment of “IR/Public Relations Team” to step up IR activities (April 1, 2023)</li> <li>Implementation of active dialogue with shareholders/investors and feedback to management</li> <li>Enrichment of information posted to IR website</li> <li>Enhancement of disclosures in English</li> <li>Publication of integrated reports</li> </ul>
Improvement of asset efficiency	<ul style="list-style-type: none"> <li>Greater efficiency of assets, including sale and disposal of non-business assets</li> <li>Adjustment of inventory</li> <li>Review of golf course portfolio</li> </ul>		
Investment for growth	<ul style="list-style-type: none"> <li>Investment in PGM Hotel Resort Okinawa, which has a good prospect for long-term tourism demand</li> <li>Proactive acquisition of golf courses in the suburbs of 4 large metropolitan areas</li> <li>Improvement of productivity through enhanced investment in human capital</li> </ul>	Promotion of sustainability management	<ul style="list-style-type: none"> <li>Establishment of Sustainability Committee (February 27, 2024)</li> <li>Deepening of efforts to achieve goals of materialities</li> </ul>

(For details, please refer to pages 36-38.)



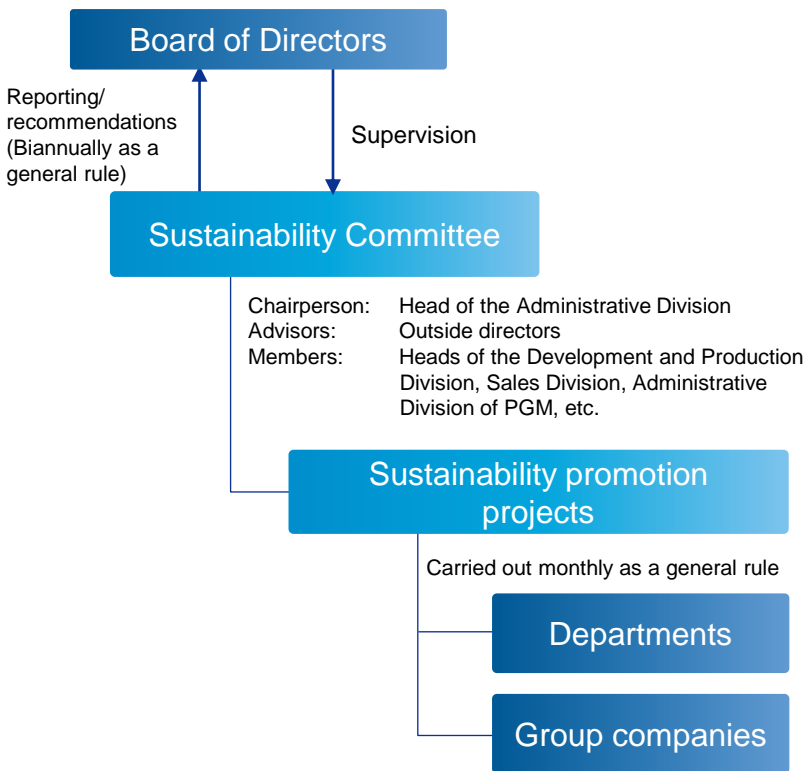
## Basic Policy on Sustainability

**The Heiwa Group aims to create a prosperous future through recreation.**

Through recreational activities such as pachinko and pachislot as well as golf, the Heiwa Group will contribute to the establishment of a society in which the values of various people are respected and create a more enjoyable and prosperous future.

## Sustainability Promotion Framework

## Materialities of the Heiwa Group





## Contact

Management Planning Group, Heiwa Corporation

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Website: <https://www.heiwanet.co.jp>

## Disclaimer

1. These materials are not for the purpose of soliciting investment.
2. These materials contain statements about the future, such as plans, outlooks, targets, and forecast figures; however said statements are based on judgements and assumptions that are based on information that is currently available, and do not account for latent risks and uncertainties. Therefore, please be aware that actual future results may differ greatly from the aforementioned statements about the future due to the future business environment, economic conditions, financial market conditions, and a number of other factors.
3. The Company will not update these materials, even if the future outlook is revised.