

# Consolidated Financial Results for the Second Quarter Ended September 30, 2024 [J-GAAP]

## Heiwa Corporation

November 8, 2024

Stock code: 6412  
 URL: <https://www.heiwanet.co.jp/>  
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Scheduled date of the filing of the semi annual securities report: November 11, 2024

Preparation of supplementary briefing materials for the financial results: Yes

Holding of any briefing session for the financial results: Yes

(for institutional investors and securities analysts)

## I. Financial Highlights

As of and for the six months ended September 30, 2023 and 2024

(Amounts less than one million yen are omitted.)

### 1. Consolidated Operating Results

	Six months ended September 30, 2023	YoY	Six months ended September 30, 2024	YoY
	(million yen)	(%)	(million yen)	(%)
<b>(1) Consolidated financial results</b>				
Net sales	66,715	(5.9)	71,790	7.6
Operating income	12,171	(20.6)	15,404	26.6
Ordinary income	11,447	(24.4)	15,292	33.6
Profit attributable to owners of parent	7,436	(31.1)	10,415	40.1
Earnings per share (yen)	75.40		105.60	
Diluted earnings per share (yen)	—		—	

(Note) Comprehensive income: Six months ended September 30, 2024: ¥ 10,229 million, 38.9% YoY  
 Six months ended September 30, 2023: ¥ 7,364million, (30.0%) YoY

	As of March 31, 2024	As of September 30, 2024
	(million yen)	
<b>(2) Consolidated financial position</b>		
Total assets	428,029	433,317
Net assets	239,185	245,470
Shareholders' equity ratio (%)	55.9	56.6
Net assets per share (yen)	2,425.14	2,488.86

(Reference) Shareholders' equity: As of September 30, 2024: ¥245,470 million  
 As of March 31, 2024: ¥239,185 million

### 2. Dividends

	Annual dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	(yen)				
FY3/2024	—	40.00	—	40.00	80.00
FY3/2025	—	40.00	—	—	—
FY3/2025 (Forecast)	—	—	—	40.00	80.00

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

### 3. Consolidated Results Forecast for Year Ending March 31, 2025

	FY 3/2025	
	Full year	YoY
	(million yen)	(%)
Net sales	158,200	16.0
Operating income	30,000	28.0
Ordinary income	29,200	28.4
Profit attributable to owners of parent	20,000	20.4
Earnings per share (yen)	202.78	—

(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 semi annual financial results report is not subject to 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. The Company will hold a financial results briefing for securities analysts and institutional investors on Tuesday, November 12, 2024. The financial results briefing materials distributed at the briefing will be posted on the Company's website soon after the statement of financial results is released.

## II. Consolidated financial statements

### 1. Consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	33,865	35,308
Notes and accounts receivable - trade	9,876	11,422
Electronically recorded monetary claims - operating	1,695	781
Securities	23,848	22,446
Merchandise and finished goods	2,223	3,527
Raw materials and supplies	15,302	15,529
Other	10,941	8,916
Allowance for doubtful accounts	(346)	(330)
Total current assets	97,406	97,600
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	63,119	63,264
Land	218,390	218,552
Other, net	18,124	23,641
Total property, plant and equipment	299,634	305,457
Intangible assets		
Goodwill	5,705	5,510
Other	3,892	3,781
Total intangible assets	9,597	9,292
Investments and other assets		
Investment securities	8,796	8,520
Other	12,812	12,662
Allowance for doubtful accounts	(217)	(216)
Total investments and other assets	21,391	20,966
Total non-current assets	330,623	335,716
Total assets	428,029	433,317
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	3,241	3,448
Electronically recorded obligations - operating	7,872	5,664
Current portion of long-term borrowings	10,423	14,913
Income taxes payable	5,751	3,313
Provisions	1,242	681
Other	22,447	17,730
Total current liabilities	50,978	45,751
Non-current liabilities		
Long-term borrowings	94,276	97,360
Retirement benefit liability	5,291	5,270
Other	38,296	39,464
Total non-current liabilities	137,865	142,095
Total liabilities	188,843	187,846

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Net assets		
Shareholders' equity		
Share capital	16,755	16,755
Capital surplus	54,864	54,864
Retained earnings	168,438	174,908
Treasury shares	(1,356)	(1,356)
Total shareholders' equity	238,701	245,171
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	481	290
Remeasurements of defined benefit plans	3	8
Total accumulated other comprehensive income	484	299
Total net assets	239,185	245,470
Total liabilities and net assets	428,029	433,317

## 2. Consolidated statements of income and comprehensive income

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	66,715	71,790
Cost of sales	43,837	45,476
Gross profit	22,877	26,314
Selling, general and administrative expenses	10,705	10,909
Operating profit	12,171	15,404
Non-operating income		
Interest income	40	39
Dividend income	16	31
Insurance claim income	17	128
Electricity sale income	76	66
Gain on sale of non-current assets	0	90
Other	134	157
Total non-operating income	286	514
Non-operating expenses		
Interest expenses	193	303
Commission expenses	552	71
Loss on retirement of non-current assets	27	39
Provision for loss on disaster	97	94
Other	138	117
Total non-operating expenses	1,010	626
Ordinary profit	11,447	15,292
Extraordinary income		
Total extraordinary income	—	—
Extraordinary losses		
Total extraordinary losses	—	—
Profit before income taxes	11,447	15,292
Income taxes	4,011	4,877
Profit	7,436	10,415
Profit attributable to		
Profit attributable to owners of parent	7,436	10,415
Other comprehensive income		
Valuation difference on available-for-sale securities	(90)	(191)
Remeasurements of defined benefit plans, net of tax	18	5
Total other comprehensive income	(72)	(185)
Comprehensive income	7,364	10,229
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,364	10,229

### 3. Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
<b>Cash flows from operating activities</b>		
Profit before income taxes	11,447	15,292
Depreciation	4,373	4,442
Increase (decrease) in allowance for doubtful accounts	176	(17)
Increase (decrease) in provision for bonuses	(616)	(540)
Increase (decrease) in retirement benefit liability	15	(11)
Interest and dividend income	(56)	(70)
Interest expenses	193	303
Commission expenses	552	71
Foreign exchange losses (gains)	(0)	0
Loss (gain) on sale of non-current assets	(0)	(90)
Loss on retirement of non-current assets	27	39
Decrease (increase) in advance payments to suppliers	(1,896)	(70)
Decrease (increase) in consumption taxes refund receivable	(605)	1,179
Decrease (increase) in trade receivables	(3,370)	(690)
Decrease (increase) in inventories	(2,087)	(1,530)
Increase (decrease) in trade payables	(3,459)	(2,131)
Increase (decrease) in accounts payable - other	2,539	(1,570)
Increase (decrease) in accrued consumption taxes	(612)	122
Increase (decrease) in advances received	(2,512)	(2,761)
Other, net	409	378
Subtotal	4,519	12,343
Interest and dividends received	58	66
Interest paid	(194)	(281)
Income taxes paid	(3,563)	(5,691)
Income taxes refund	11	464
Net cash provided by (used in) operating activities	831	6,901
<b>Cash flows from investing activities</b>		
Payments into time deposits	(7,960)	(12,660)
Proceeds from withdrawal of time deposits	15,710	4,480
Purchase of short-term and long-term investment securities	(31,147)	(29,995)
Proceeds from sale and redemption of short-term and long-term investment securities	37,303	31,498
Purchase of property, plant and equipment	(7,295)	(10,194)
Proceeds from sale of property, plant and equipment	2	91
Purchase of intangible assets	(54)	(62)
Other, net	35	12
Net cash provided by (used in) investing activities	6,594	(16,830)
<b>Cash flows from financing activities</b>		
Proceeds from long-term borrowings	4,142	13,441
Repayments of long-term borrowings	(5,814)	(5,926)
Purchase of treasury shares	(2)	(0)
Dividends paid	(3,944)	(3,945)
Other, net	(268)	(290)

Net cash provided by (used in) financing activities	(5,888)	3,278
Effect of exchange rate change on cash and cash equivalents	0	(0)
Net increase (decrease) in cash and cash equivalents	1,536	(6,650)
Cash and cash equivalents at beginning of period	34,456	39,874
Cash and cash equivalents at end of period	35,993	33,224

#### 4. Segment Information

A. For the Six months ended September 30, 2023 (April 1, 2023 to September 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	17,043	44,822	61,865	—	61,865
Assets transferred over time	—	4,850	4,850	—	4,850
Revenue from contracts with customers	17,043	49,672	66,715	—	66,715
Net sales to external customers	17,043	49,672	66,715	—	66,715
Internal net sales and transfers between segments	—	1	1	(1)	—
Total	17,043	49,674	66,717	(1)	66,715
Segment profit	2,160	11,376	13,536	(1,364)	12,171

B. For the Six months ended September 30, 2024 (April 1, 2024 to September 30, 2024)

(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	20,184	46,614	66,798	—	66,798
Assets transferred over time	—	4,992	4,992	—	4,992
Revenue from contracts with customers	20,184	51,606	71,790	—	71,790
Net sales to external customers	20,184	51,606	71,790	—	71,790
Internal net sales and transfers between segments	—	2	2	(2)	—
Total	20,184	51,608	71,792	(2)	71,790
Segment profit	5,311	11,421	16,733	(1,328)	15,404