



Results for the 1st Quarter of Fiscal Year Ending March 31, 2025

Heiwa Corporation

Code Number: 6412
Prime of Tokyo Stock Exchange

August 8, 2024



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Results for the 1st Quarter of FY Ending March 31, 2025



Consolidated Statements of Income (Results)

■ Income and profit were up year on year (net sales +1.8% YoY and operating income +15.5% YoY)

- ✓ In the pachinko and pachislot machine business, income fell due to sluggish machine sales, but profit grew due to lower costs thanks to cost-reduction efforts.
- ✓ In the golf business, both income and profit grew thanks to an increased number of golf course users and higher revenue per customer against a backdrop of factors such as demand for playing golf remaining robust, as well as favorable weather continuing due to the rainy season starting later than usual.

(million yen)	FY 3/2024 1Q	FY 3/2025 1Q	YoY
Net Sales	34,942	35,586	1.8%
Pachinko and Pachislot machine business	9,304	8,608	-7.5%
Golf Business	25,638	26,977	5.2%
Operating income	7,491	8,654	15.5%
Pachinko and Pachislot machine business	1,519	2,272	49.5%
Golf Business	6,655	7,082	6.4%
Eliminations & Corporate expenses	-683	-700	2.5%
Operating income ratio	21.4%	24.3%	+2.9pt
Ordinary income	7,436	8,725	17.3%
Profit attributable to owners of parent	4,943	5,628	13.8%
EBITDA*	9,696	10,906	12.5%

* EBITDA = Operating income + depreciation + amortization

■ SG & A Expenses were up year on year (+3.0% YoY)

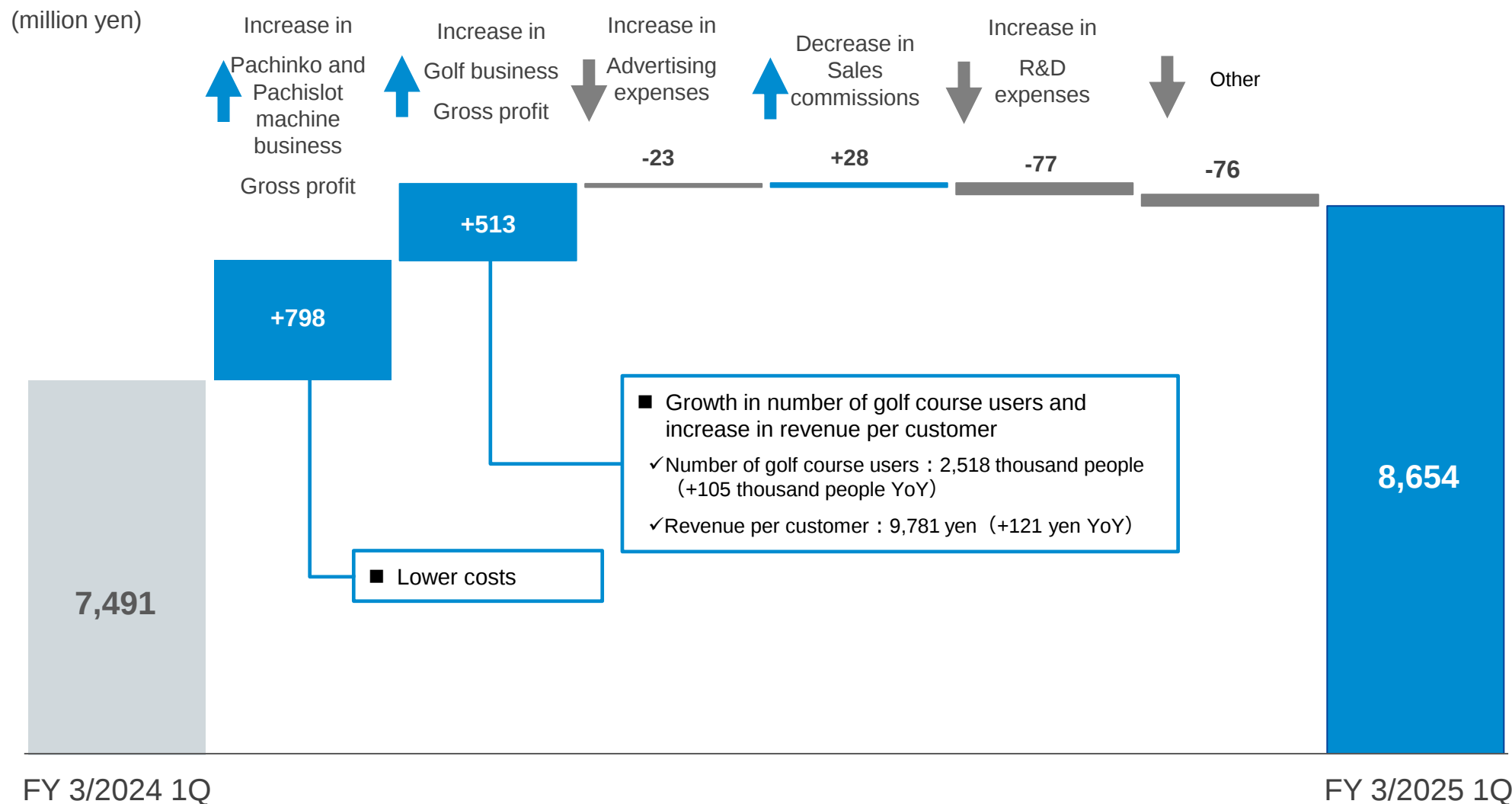
- ✓ Sales commissions decreased due to sluggish in the number of pachislot machines sold.
- ✓ Investment of R&D expenses was modulated based on development plans.
- ✓ Capital investment increased year on year, mainly due to capital investment related to a hotel project in Okinawa and increasing the number of “Cool Carts”* in the golf business.

* Cool Carts: fan-equipped golf carts

(million yen)	FY 3/2024 1Q	FY 3/2025 1Q	YoY
SG & A expenses	5,024	5,173	3.0%
Advertising expenses	218	241	10.7%
Sales commissions	236	207	-12.2%
R&D expenses	1,966	2,044	4.0%
Depreciation & Amortization	2,141	2,180	1.8%
Pachinko and Pachislot machine business	309	214	-30.6%
Golf business	1,831	1,965	7.3%
Capital Investment	2,717	5,239	92.8%
Pachinko and Pachislot machine business	172	207	20.3%
Golf business	2,544	5,031	97.7%

Factors Contributing to Change in Operating Income (Results)

■ Operating income increased by 1,163million yen year on year



Pachinko and Pachislot machine business (Machine Sales Results)

■ The number of machines sold decreased slightly year on year (-2k units YoY)

✓ Operation of the new IP title *ToLOVE Ru Darkness* was strong for both pachinko and pachislot.

		FY 3/2024 1Q	FY 3/2025 1Q	YoY
Number of machine sold		22,070	19,722	-2k units
Pachinko machine	Number of titles released	1	2	+1
	Number of machine sold	10,531	10,934	+0k units
	Body	5,446	2,126	-3k units
	Gauge board	5,085	8,808	+3k units
Pachislot machine	Number of titles released	1	1	-
	Number of machine sold	11,539	8,788	-2k units
	Chassis	11,539	8,788	-2k units
	Combined units	0	0	-



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Major title in the 1Q

「L ToLOVE Ru Darkness」

- ✓ Release Date: Jun. 2024
- ✓ Units sold: Approx. 7,800 units
- ✓ Sold simultaneously for pachinko



- Income was down and profit was up year on year(net sales -7.5% YoY and operating income +49.5% YoY)

- ✓ Income fell due to sluggish sales of pachislot machines year on year
- ✓ Despite a decline in net sales, profit grew thanks to the contribution of cost-reduction efforts.

(million yen)	FY 3/2024 1Q	FY 3/2025 1Q	YoY
Net sales	9,304	8,608	-7.5%
Pachinko machines	3,999	4,328	8.2%
Pachislot machines	5,296	4,270	-19.4%
Gross profit	4,684	5,483	17.0%
Pachinko machines	1,862	2,278	22.3%
Pachislot machines	2,815	3,194	13.5%
Gross profit ratio	50.4%	63.7%	+13.3pt
Operating income	1,519	2,272	49.5%
Pachinko machines	181	334	84.3%
Pachislot machines	1,331	1,928	44.8%
Operating income ratio	16.3%	26.4%	+10.1pt



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

- ✓ The number of golf course users increased thanks to relatively stable weather in April and May, as well as a delayed start to the rainy season nationwide in June.
- ✓ Revenue per customer rose thanks to pricing based on robust demand as well as measures to improve the earnings structure such as making locker use optional for visitors, starting to charge for driving carts on the fairway, and adjusting the twosome/threesome surcharge.

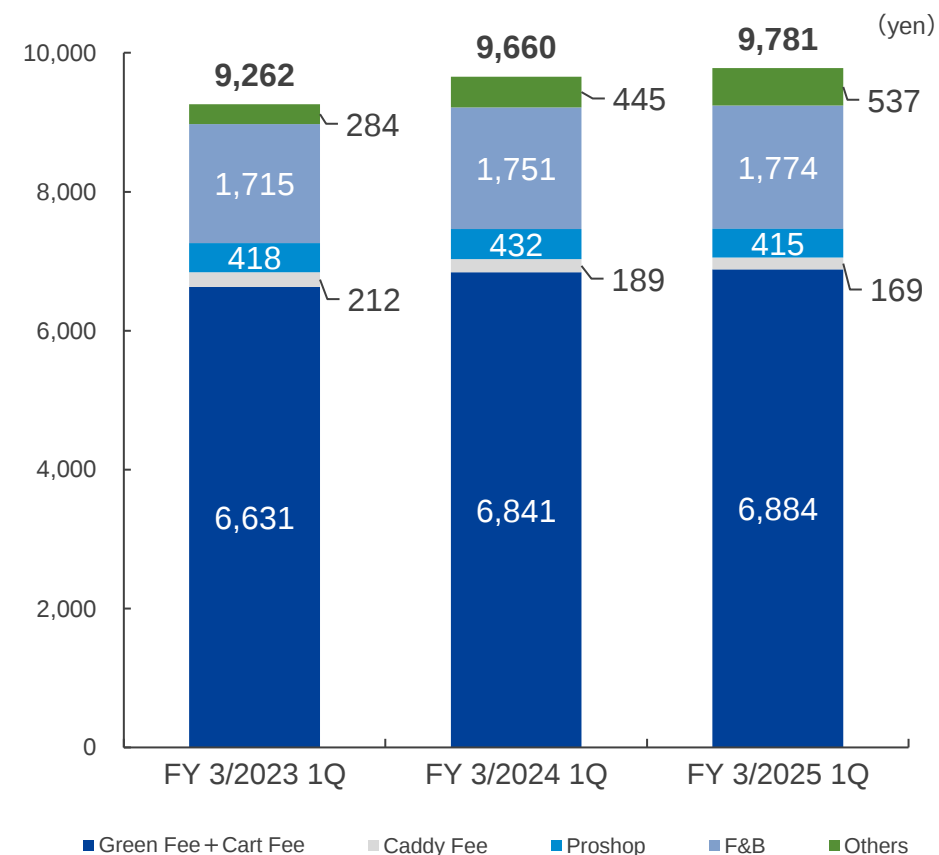
■ Number of golf course users / Revenue per customer

1Q (3months)	FY 3/2023	FY 3/2024	FY 3/2025	YoY
Number of golf course users (thousand people)	2,448	2,412	2,518	4.4%
Revenue per customer (yen)	9,262	9,660	9,781	1.3%

■ (Reference) Number of golf courses owned/operated

Fiscal year	FY 3/2023	FY 3/2024	FY 3/2025 1Q	YoY
Number of golf course	147	148	148	-

■ Breakdown of Revenue per Customer





■ Income and profit were up year on year (net sales +5.2% YoY and operating income +6.4% YoY)

- ✓ Both income and profit grew, thanks to an increase in net sales resulting from growth in the number of golf course users and higher revenue per customer.
- ✓ A golf course acquired in the previous fiscal year (Mukonodai Golf Course) contributed. In addition, membership-related sales remained strong on the back of golf's popularity.

(million yen)	FY 3/2023 1Q	FY 3/2024 1Q	FY 3/2025 1Q	YoY
Net sales	24,945	25,638	26,977	5.2%
Gross profit	7,428	7,830	8,344	6.6%
Gross profit ratio	29.8%	30.5%	30.9%	+0.4pt
Operating income	6,252	6,655	7,082	6.4%
Operating income ratio	25.1%	26.0%	26.3%	+0.3pt

Breakdown of Sales

(million yen)	FY 3/2023 1Q	FY 3/2024 1Q	FY 3/2025 1Q	YoY
Revenue from golf course operation	22,681	23,305	24,629	5.7%
Membership-related sales	2,042	2,049	2,081	1.5%

Consolidated Balance Sheets (Summary)

(million yen)	As of March 31, 2024	As of June 30, 2024	Change	Remarks
Current assets	97,406	87,368	-10,037	
Non-current assets	330,623	332,857	2,233	✓ Decrease in Cash, etc. ✓ Decrease in Securities
Total assets	428,029	420,226	-7,803	
Current liabilities	50,978	42,028	-8,950	
Non-current liabilities	137,865	137,466	-398	✓ Decrease in income taxes payable ✓ Repayment of loans payable
Total liabilities	188,843	179,495	-9,348	
Total net assets	239,185	240,730	1,544	
Total liabilities and net assets	428,029	420,226	-7,803	

(million yen)	As of March 31, 2024	As of June 30, 2024	
Cash and deposits, and securities	57,713	47,355	✓ D/E ratio (interest-bearing debt/shareholders' equity) 44.7% → 43.9%
Interest-bearing debt	106,847	105,580	✓ Net D/E ratio (net interest-bearing debt/shareholders' equity) 20.5% → 24.2%
Shareholders' equity	239,185	240,730	
Shareholders' equity ratio	55.9%	57.3%	

Full-year Plan for FY Ending March 31, 2025



Consolidated Statements of Income (Plan)

■ Income and profit are expected to increase from the previous fiscal year (net sales +16.0% YoY and operating income +28.0% YoY)

- ✓ In the pachinko and pachislot machine business, both income and profit are planned to grow thanks to efforts to maximize the number of units sold by investing in machines featuring new IP and enhancing product appeal.
- ✓ In the golf business, both income and profit are planned to grow thanks to efforts to increase the number of golf course users and revenue per customer through the incorporation of diversifying customer needs and strategies for differentiation from competitors, boosted by the robust demand for playing golf that was spurred by the Covid-19 pandemic.

Forecast for 2Q and beyond

- ✓ In the pachinko and pachislot machine business, machines featuring new IP, machines equipped with LT (Lucky Trigger), and key titles for Smart Pachislot, which is now at the center of market operations, are planned to be proactively released.
- ✓ In the golf business, the number of golf course users and the status of bookings are expected to be strong because the rainy season began later than usual. In addition, revenue per customer is expected to remain robust thanks to the effects of various billing measures. Measures against extreme heat such as significantly increasing the number of “Cool Carts” and expanding nighttime operation will be implemented.

(million yen)	FY 3/2024 Results	FY 3/2025		YoY
		1Q Results	Plan	
Net Sales	136,381	35,586	158,200	16.0%
Pachinko and Pachislot machine business	40,156	8,608	59,400	47.9%
Golf Business	96,225	26,977	98,800	2.7%
Operating income	23,430	8,654	30,000	28.0%
Pachinko and Pachislot machine business	6,917	2,272	13,000	87.9%
Golf Business	19,250	7,082	20,000	3.9%
Eliminations & Corporate expenses	-2,736	-700	-3,000	9.6%
Operating income ratio	17.2%	24.3%	19.0%	+1.8pt
Ordinary income	22,746	8,725	29,200	28.4%
Profit attributable to owners of parent	16,611	5,628	20,000	20.4%
EBITDA*	32,705	10,906	39,600	21.1%

* EBITDA = Operating income + depreciation + amortization



■ SG & A expenses are expected to increase from the previous fiscal year (+19.4% YoY)

- ✓ In advertising expenses, costs related to enhanced promotion of pachinko/pachislot machines and golf-related events are expected to rise.
- ✓ Sales commissions are expected to rise due to an increase in the number of units sold.
- ✓ R&D expenses are expected to increase, mainly prototyping and design expenses related to new chassis development, and investment will be modulated.
- ✓ Capital investment is planned to increase due to factors such as the development of new chassis for pachinko and pachislot machines in the pachinko and pachislot machine business, along with expanded introduction of “Cool Cart”, the addition of facilities for nighttime play, and capital investment related to a hotel project in the golf business.

Forecast for 2Q and beyond

- ✓ In the pachinko and pachislot machine business, expenses are expected to be absorbed as planned.
- ✓ In the golf business, higher depreciation and amortization due to an increase in the number of “Cool Carts” has already been factored in. Capital investment is expected to be as planned due to a lack of weather-related damage.

(million yen)	FY 3/2024 Results	FY 3/2025		YoY
		1Q Results	Plan	
SG & A expenses	23,365	5,173	27,900	19.4%
Advertising expenses	1,554	241	2,200	41.5%
Sales commissions	1,233	207	1,600	29.7%
R&D expenses	9,071	2,044	10,800	19.1%
Depreciation & Amortization	9,004	2,180	9,300	3.3%
Pachinko and Pachislot machine business	1,353	214	1,200	-11.4%
Golf business	7,650	1,965	8,100	5.9%
Capital Investment	12,972	5,239	20,300	56.5%
Pachinko and Pachislot machine business	921	207	2,600	182.1%
Golf business	12,051	5,031	17,700	46.9%

Pachinko and Pachislot machine business (Machine Sales Plan)

■ The number of machines sold is planned to increase year on year (+45k units YoY)

		FY 3/2024 Results	FY 3/2025		YoY
			1Q Results	Plan	
Number of machine sold		94,233	19,722	140,000	+45k units
Pachinko machine	Number of titles released	6	2	6	-
	Number of machine sold	28,799	10,934	63,000	+34k units
	Body	13,405	2,126	20,800	+7k units
	Gauge board	15,394	8,808	42,200	+26k units
Pachislot machine	Number of titles released	5	1	6	+1
	Number of machine sold	65,434	8,788	77,000	+11k units
	Chassis	65,434	8,788	67,600	+2k units
	Combined units	-	0	9,400	+9k units

Title to Release / Pachinko Machine

Title	Release Date
<i>P BIOHAZARD RE:2 LTver.</i>	Apr. 2024
<i>P Love-jo :Gokujo no Harem Taiken</i>	May. 2024
<i>P ToLOVE Ru Darkness</i>	Jun. 2024
<i>P BanG Dream!</i>	Aug. 2024
<i>P Lupin the Third: Zenigatakara no Shoutaijyou 77Sweet Ver.</i>	Sep. 2024
<i>P Lupin the Third: ONE COLLECTION</i>	Oct. 2024

Title to Release / Pachislot Machine

Title	Release Date
<i>L ToLOVE Ru Darkness</i>	Jun. 2024
<i>S Bahama30</i>	Jul. 2024
<i>Pachislot L Koumonchama Ten</i>	Sep. 2024



Title Released in FY ending March 31, 2025

Pachinko machine

1Q

ラッパートリガー
P BIOHAZARD RE:2
©CAPCOM
P BIOHAZARD RE:2 LTver.



P Love-jo :Gokujo no
Harem Taiken

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P ToLOVE Ru Darkness

2Q



P BanG Dream!

P ルパン三世 77
©モンキー・パンチ／TMS・NTV

P Lupin the Third: Zenigata kara no
Shoutaijou 77Sweet Ver.



©モンキー・パンチ／TMS・NTV

P Lupin the Third: ONE COLLECTION

Pachislot machine

1Q



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L ToLOVE Ru Darkness

2Q



S Bahama30



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Pachislot L Koumonchama Ten

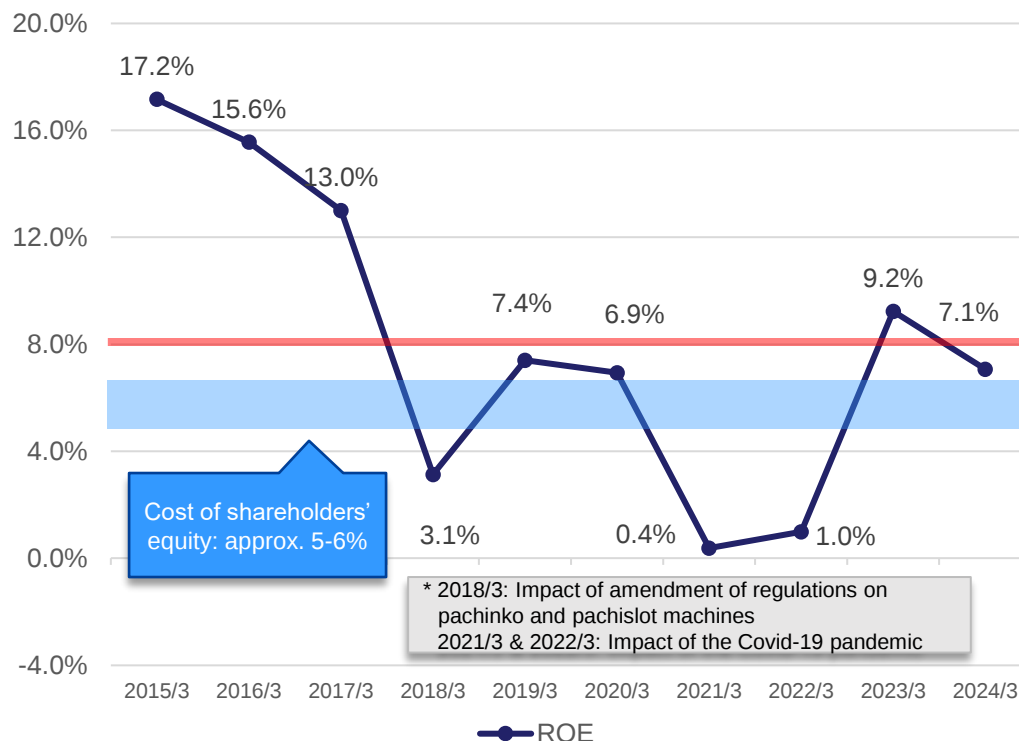


“Action to Implement Management that is Conscious of Cost of Capital and Stock Price”

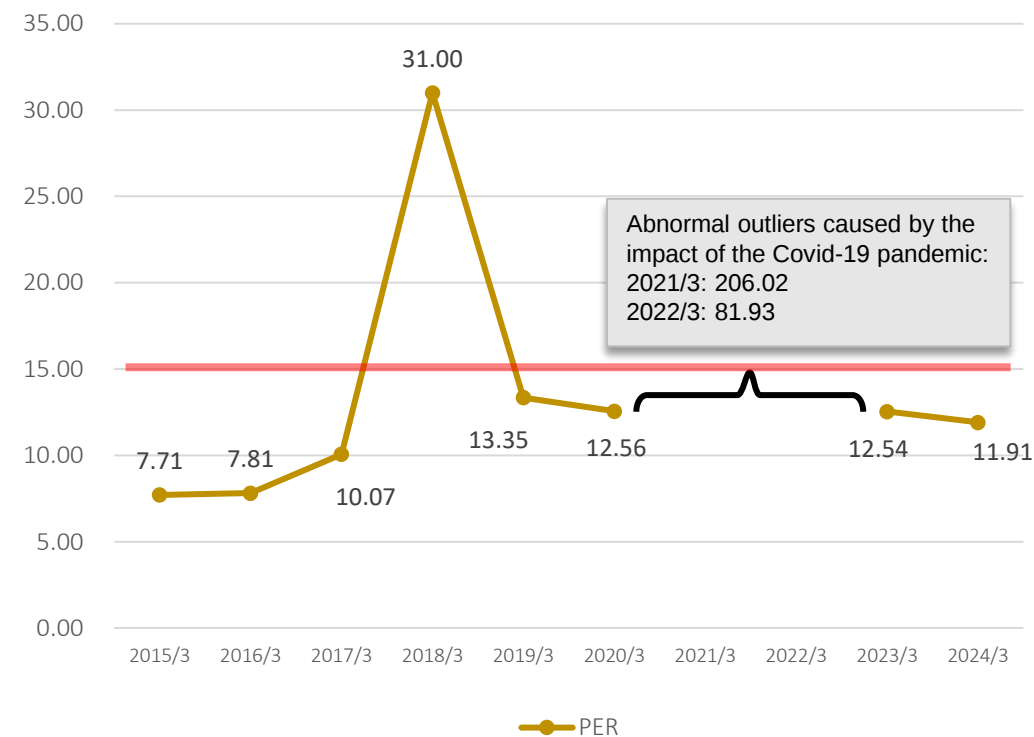
■ Cost of shareholders' equity recognized as 5–6% and ROE targeting investors' guideline of 8% or more

- ✓ 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”

■ Initiatives aimed at improving PBR

Improvement of ROE	Specific initiatives
Enhancement of earning power in existing businesses	▪ Strengthened R&D investment to enhance product appeal in the pachinko and pachislot machine business ▪ Implementation of differentiation strategies to increase the number of golf course users and revenue per customer in the golf business
Improvement of asset efficiency	▪ Greater efficiency of assets, including sale and disposal of non-business assets ▪ Adjustment of inventory ▪ Review of golf course portfolio
Investment for growth	▪ Investment in PGM Hotel Resort Okinawa, which has a good prospect for long-term tourism demand ▪ Proactive acquisition of golf courses in the suburbs of 4 large metropolitan areas ▪ Improvement of productivity through enhanced investment in human capital



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

■ Initiatives aimed at improving PBR

Improvement of PER	Specific initiatives
Enhancement of appropriate information disclosure	▪ New establishment of “IR/Public Relations Team” to step up IR activities (April 1, 2023) ▪ Implementation of active dialogue with shareholders/investors and feedback to management ▪ Enrichment of information posted to IR website ▪ Enhancement of disclosures in English ▪ Publication of integrated reports
Promotion of sustainability management	▪ Establishment of Sustainability Committee (February 27, 2024) ▪ Deepening of efforts to achieve goals of materialities



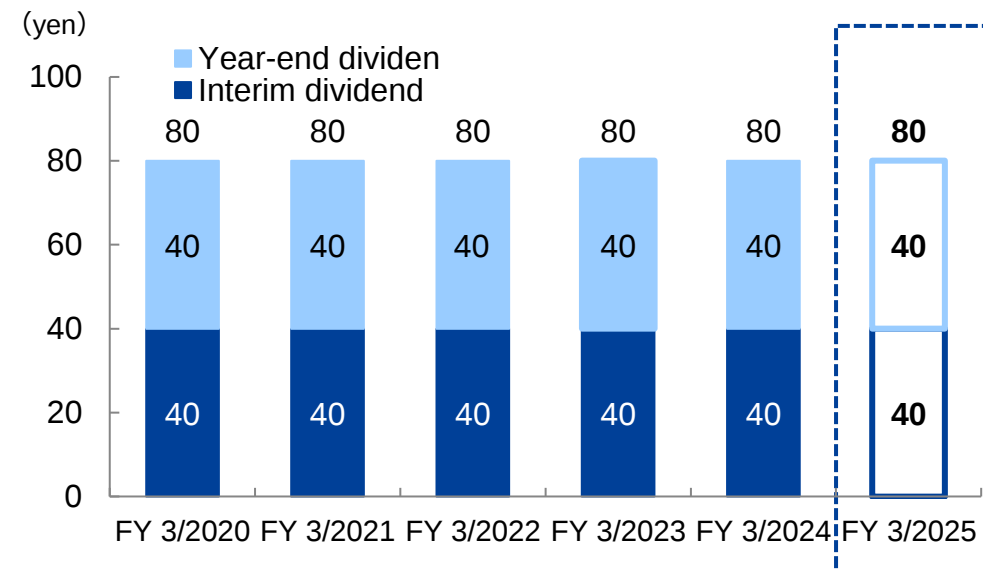
Dividend policy

- 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
Total	80yen

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】

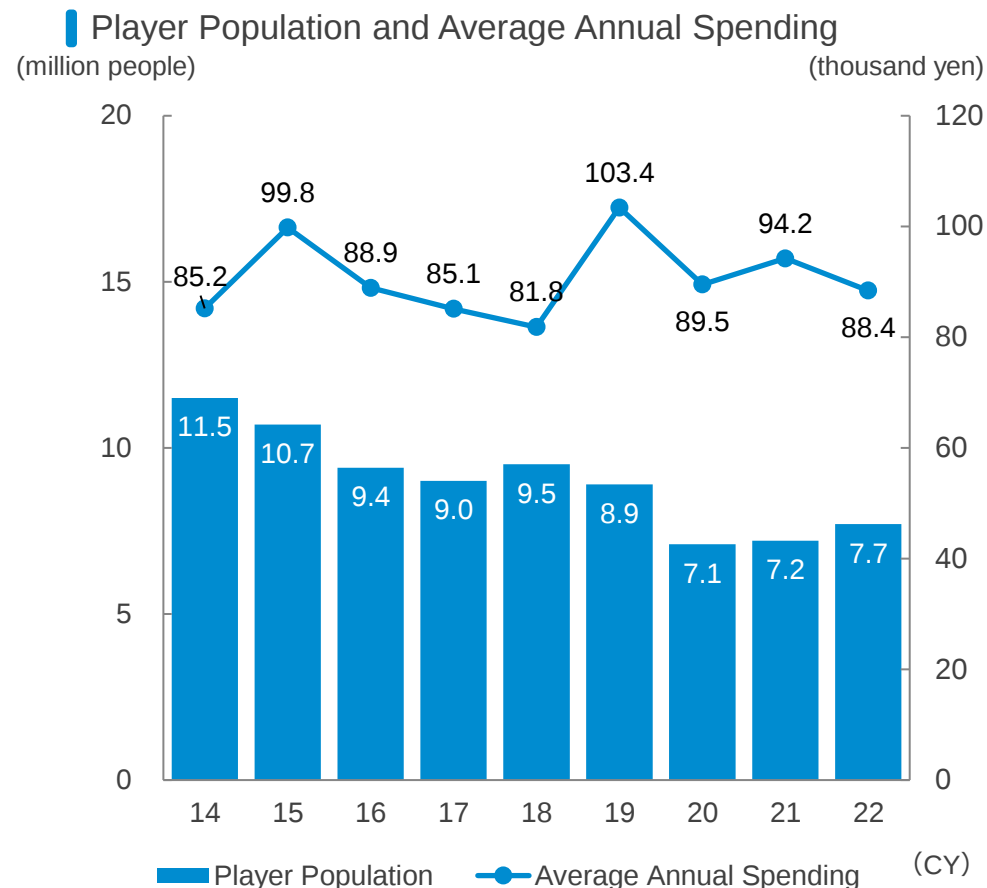
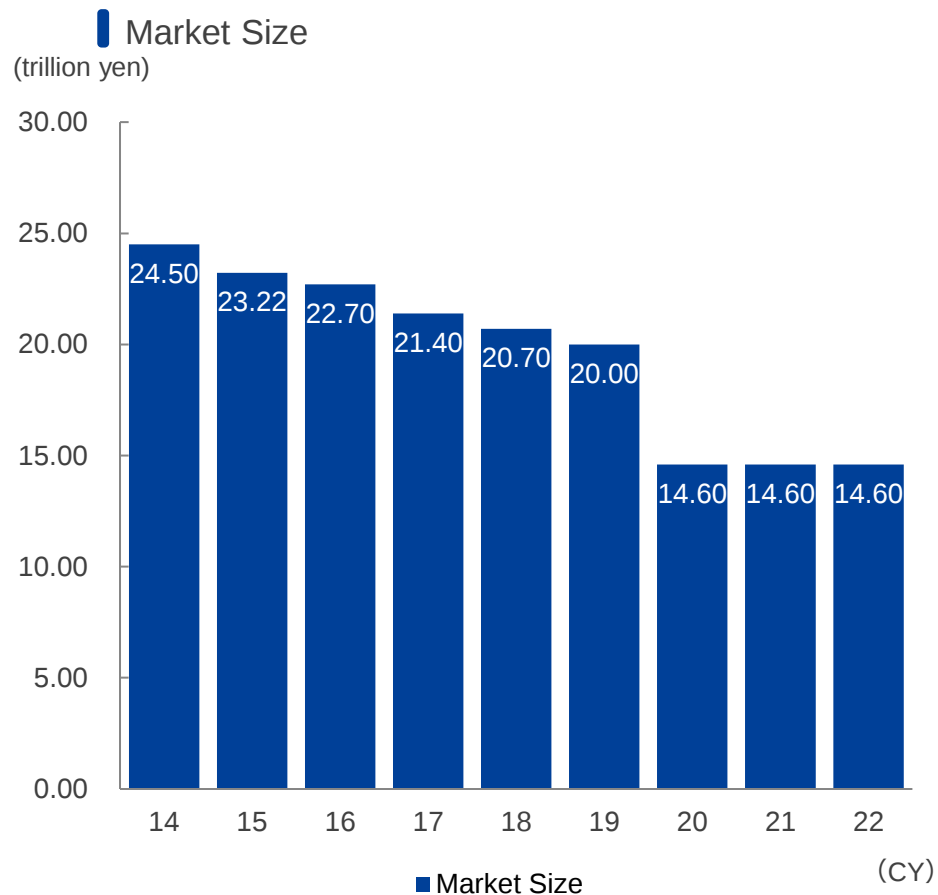
- Financial Performance Trend
- Key Financial Indicators

【Others】

- Pachinko and Pachislot Machine Business (Policies for This Fiscal Year)
- Golf Business (Policies for This Fiscal Year)
- Other

Market Environment (Pachinko and Pachislot Machine Business) 1

Pachinko and Pachislot Machine business

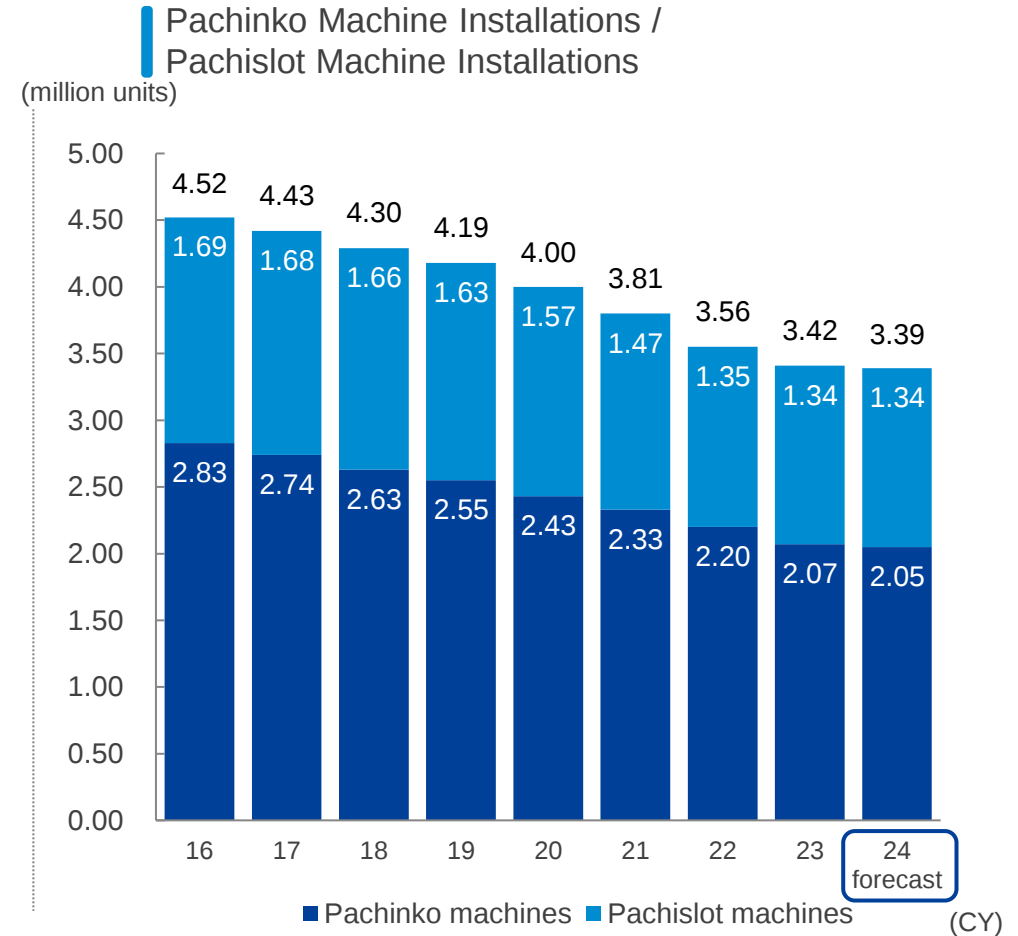
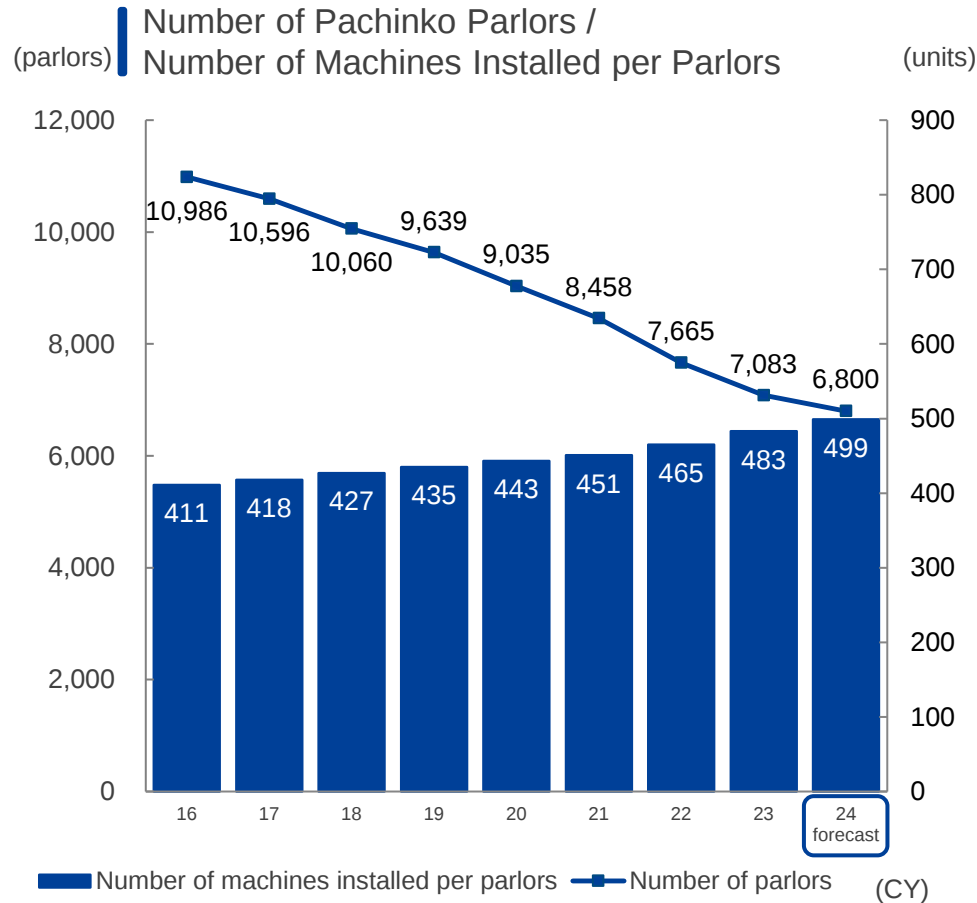


	2014	2015	2016	2017	2018	2019	2020	2021	2022
Market Size (trillion yen)	24.50	23.22	22.70	21.40	20.70	20.00	14.60	14.60	14.60
Player Population (million people)	11.5	10.7	9.4	9.0	9.5	8.9	7.1	7.2	7.7
Average annual spending (thousand yen)	85.2	99.8	88.9	85.1	81.8	103.4	89.5	94.2	88.4

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	499
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	2.02	1.47	1.35	1.34	1.34

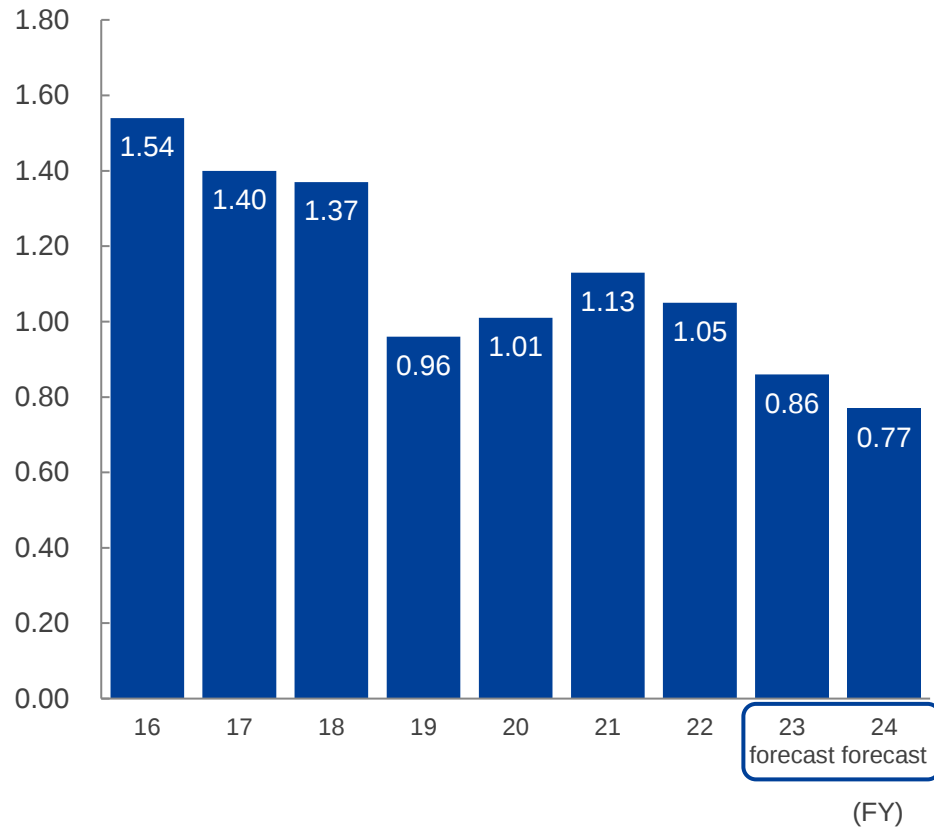
Note: Date source: National Police Agency. Date on a calendar year basis (from January to December). Figures for 2023 are the Company's estimates.

Market Environment (Pachinko and Pachislot Machine Business) 3

Pachinko and Pachislot Machine business

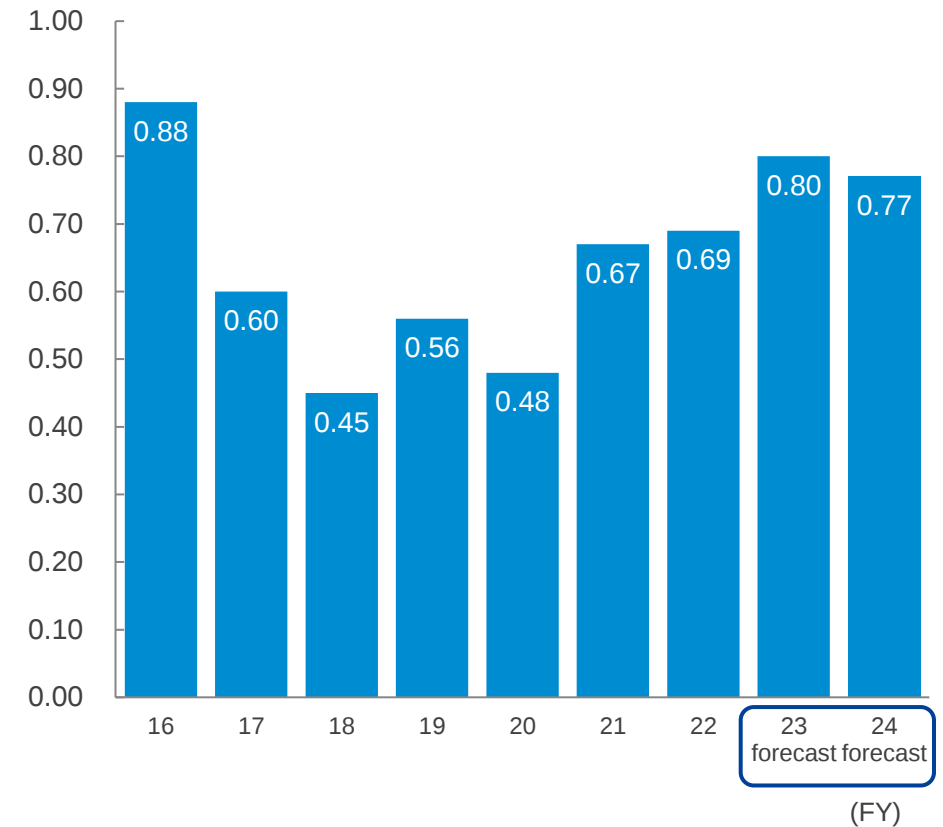
Pachinko machine sales

(million units)



Pachislot machine sales

(million units)

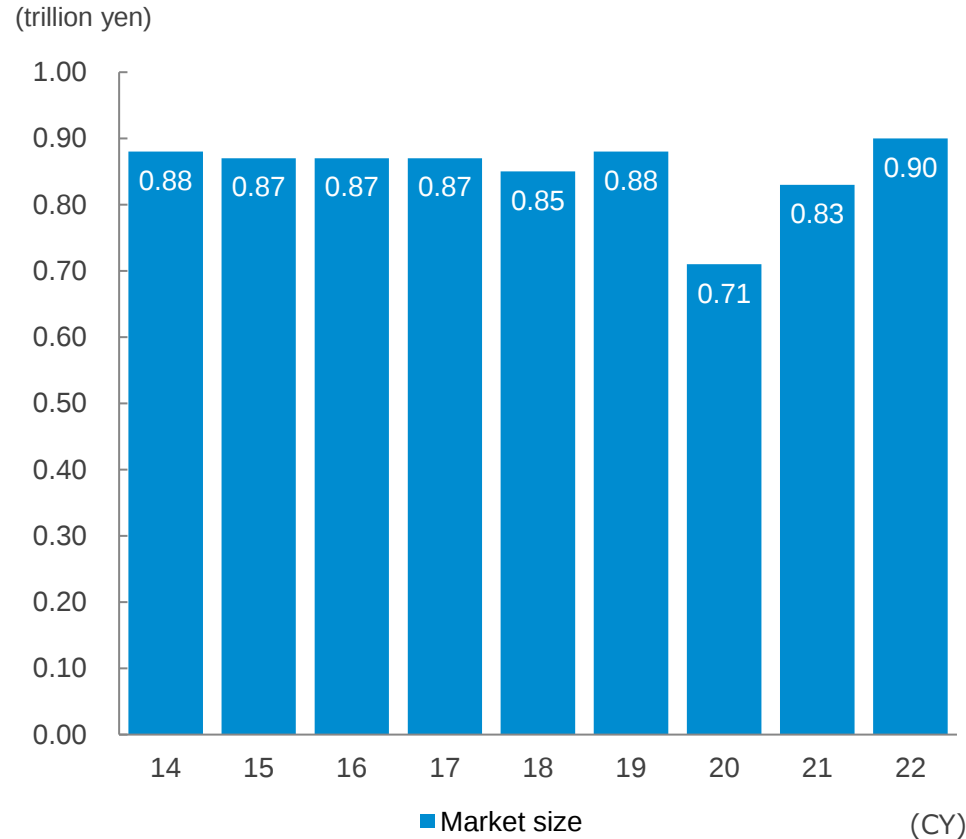


Number of machines sold (million units)	2016	2017	2018	2019	2020	2021	2022	2023 forecast	2024 forecast
Pachinko machines	1.54	1.40	1.37	0.96	1.01	1.13	1.05	0.86	0.77
Pachislot machines	0.88	0.60	0.45	0.56	0.48	0.67	0.69	0.80	0.77

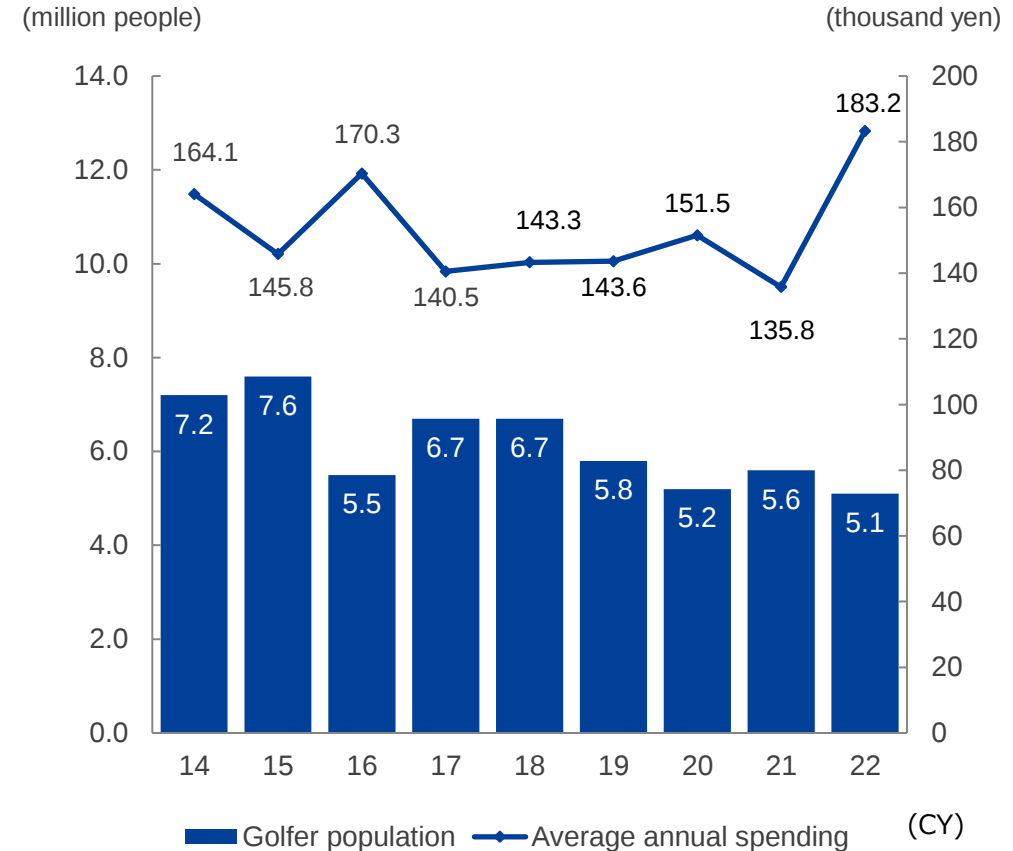
Note: Date source: Yano Research Institute. Date on a fiscal year basis (from April to March of the next year). Figures for 2023 and 2024 are the company's forecasts.

Golf business

Market Size



Golfer Population / Average Annual Spending



	2014	2015	2016	2017	2018	2019	2020	2021	2022
Market size (trillion yen)	0.88	0.87	0.87	0.87	0.85	0.88	0.71	0.83	0.90
Golfer population (million people)	7.2	7.6	5.5	6.7	6.7	5.8	5.2	5.6	5.1
Average annual spending (thousand yen)	164.1	145.8	170.3	140.5	143.3	143.6	151.5	135.8	183.2

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	2Q cumulative	Full year	1Q	2Q cumulative	3Q cumulative	Full year	1Q	2Q cumulative	3Q cumulative	Full year	1Q	2Q cumulative	3Q cumulative	Full year	1Q
Total	164,400	8,379	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
Pachinko machines	95,483	4,410	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
Body	41,887	585	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
Gauge board	53,596	3,825	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
Pachislot machines	68,917	3,969	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
Chassis	29,288	914	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
Combined units	39,629	3,055	7,970	63	63	66	68	327	457	457	457	0	0	0	0	0

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>	2,835
	<i>Others</i>	3,359
Total		10,934

Title to Release / Pachislot machine

Release	Title	Units sold
1Q	<i>L ToLOVE Ru Darkness</i>	7,842
	<i>Others</i>	946
Total		8,788



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										2,518,067

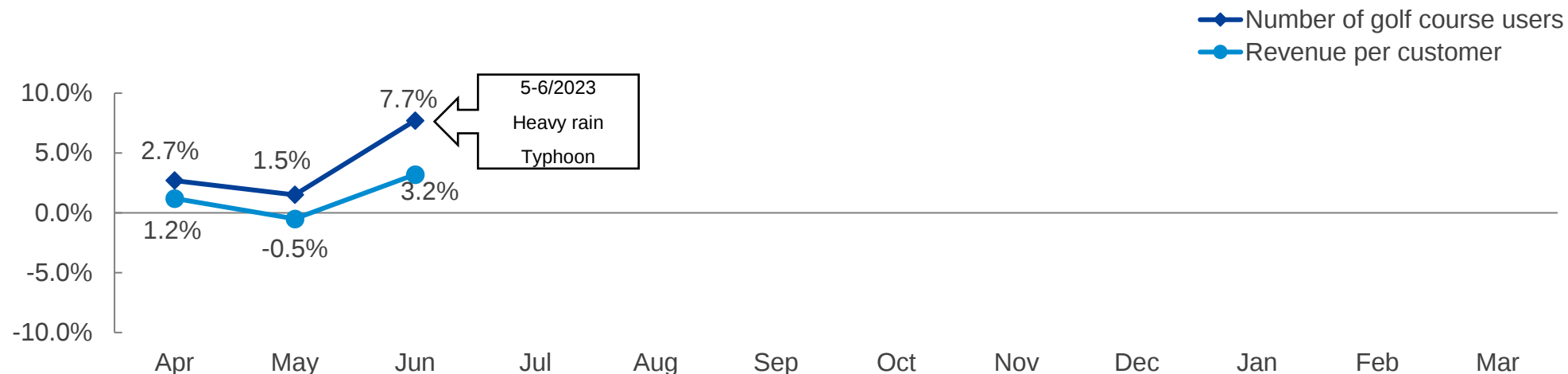
Revenue per Customer

(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										9,781

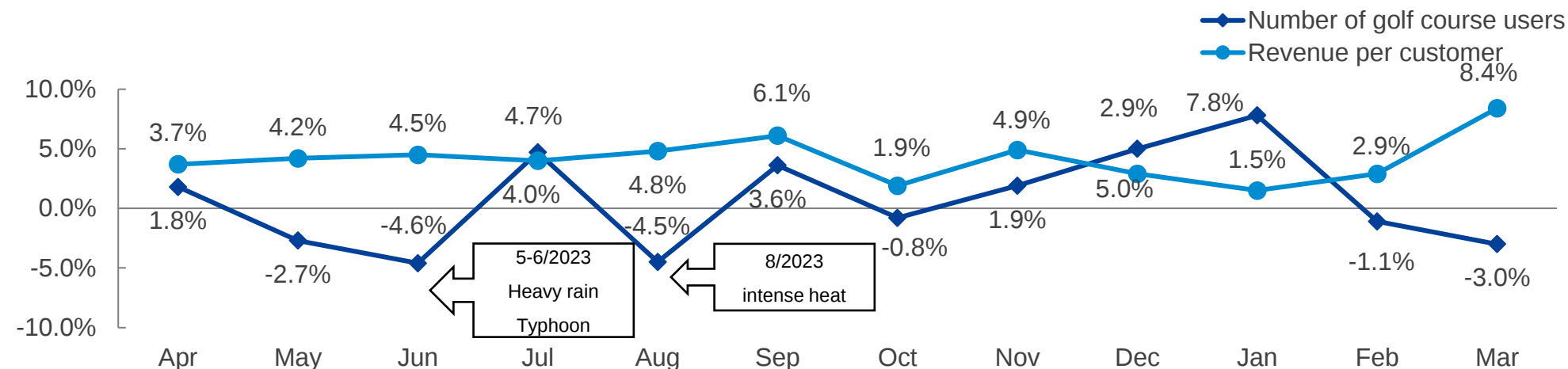


Golf business

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 business

	As of March 31, 2024		As of June 30, 2024	
	Courses	18H Equivalent	Courses	18H equivalent
Owned Golf Courses	147	178.0	147	178.0
Leased Golf Courses	1	2.0	1	2.0
Total	148	180.0	148	180.0
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	22	28.5
Chugoku	10	11.5	10	11.5
Shikoku	6	6.5	6	6.5
Kyusyu, Okinawa	17	22.5	17	22.5
Total	148	180.0	148	180.0

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

【Acquisition】

None

【Stock transfer agreement】

2024/8/9 Ichishi Golf Club (Tsu City,Mie Prefecture/18H)

【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	2Q cumulative	Full year	1Q	2Q cumulative	3Q cumulative	Full year	1Q	2Q cumulative	3Q cumulative	Full year	1Q	2Q cumulative	3Q cumulative	Full year	1Q
Net sales	144,573	37,781	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
Pachinko and Pachislot machine Business	61,658	2,893	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
Golf Business	82,914	34,888	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
Operating income	23,551	-4,680	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
Pachinko and Pachislot machine Business	17,450	-5,795	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
Golf Business	9,286	2,460	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
Eliminations & corporate expenses	-3,185	-1,346	-2,600	-507	-1,199	-1,781	-2,437	-728	-1,340	-2,147	-2,833	-683	-1,364	-1,989	-2,736	-700
Operating income ratio	16.3%	-12.4%	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%
Ordinary income	23,278	-4,694	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
Profit attributable to owners of parent	15,872	-6,179	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
SG & A Expenses	32,760	11,176	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
Advertising expenses	1,950	338	795	174	361	609	952	196	607	1,465	2,046	218	562	892	1,554	241
Sales commissions	1,885	104	921	230	347	681	954	208	570	1,065	1,191	236	462	764	1,233	207
R&D expenses	12,680	5,176	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
Depreciation & amortization	8,745	4,052	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
Pachinko and Pachislot machine Business	1,946	816	2,476	630	1,389	2,240	3,187	305	694	1,170	1,691	309	606	963	1,353	214
Golf Business	6,798	3,235	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
Capital investment	9,667	4,167	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
Pachinko and Pachislot machine Business	3,578	887	1,653	369	612	798	984	381	732	947	1,117	172	494	573	921	207
Golf Business	6,089	3,279	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



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

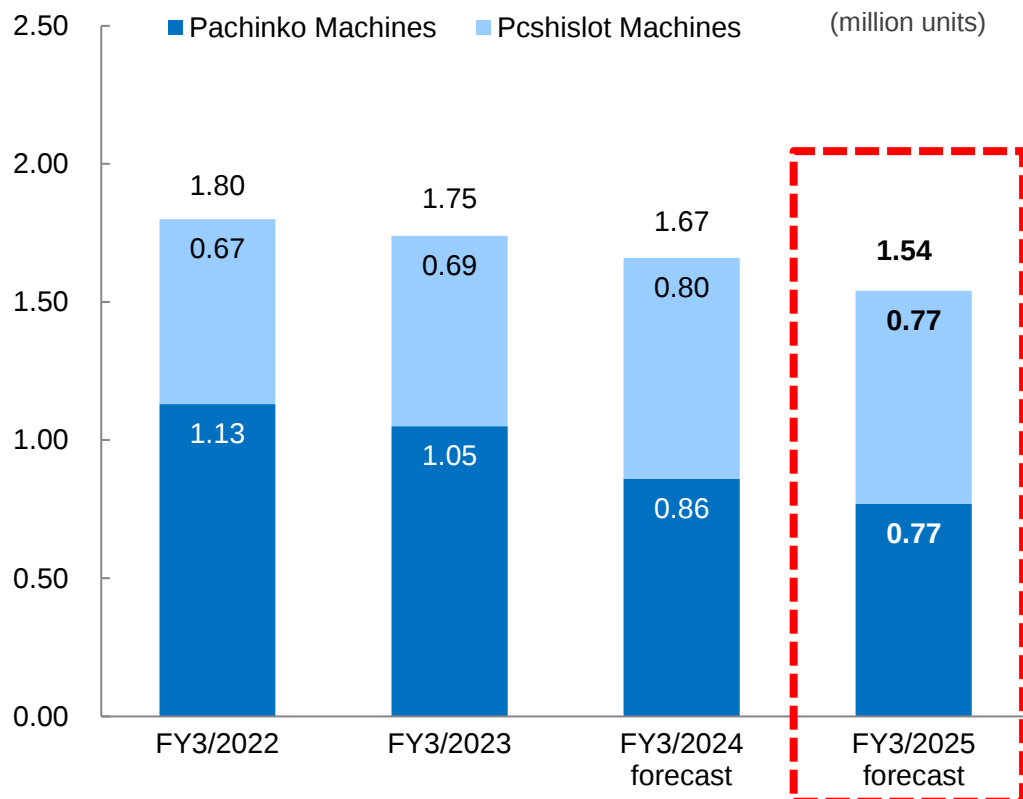
*2 Shareholders' Equity = (Shareholders' Equity at beginning of period+ Shareholders' Equity at end of period) /2



Market Trends

- ✓ Total market unit sales for pachinko and pachislot machines are forecasted to be 1,540,000 units in FY 3/2025.
- ✓ Arrival of pachinko machines equipped with “Lucky Trigger”; pachislot is steadily shifting toward Smart Pachislot.
- ✓ Pachislot continues to lead the market.
- ✓ Changes to internal regulations for pachinko are planned (delivery possible starting on July 1, 2024).

Market Unit Sales



Note: Data source: Yano Research Institute. Data on a fiscal year basis (from April to March of the next year).
Data for FY3/2024 and FY3/2025 are the Company's forecast.

Smart Pachinko & Pachislot Machines

Smart Pachinko

- ✓ Differentiation of performance of machines equipped with “Lucky Trigger”
- ✓ Changes to expand the range of game elements of the “C Time” function
- ✓ Expectations are high for the popularization of Smart Pachinko due to anticipation of improved game elements.

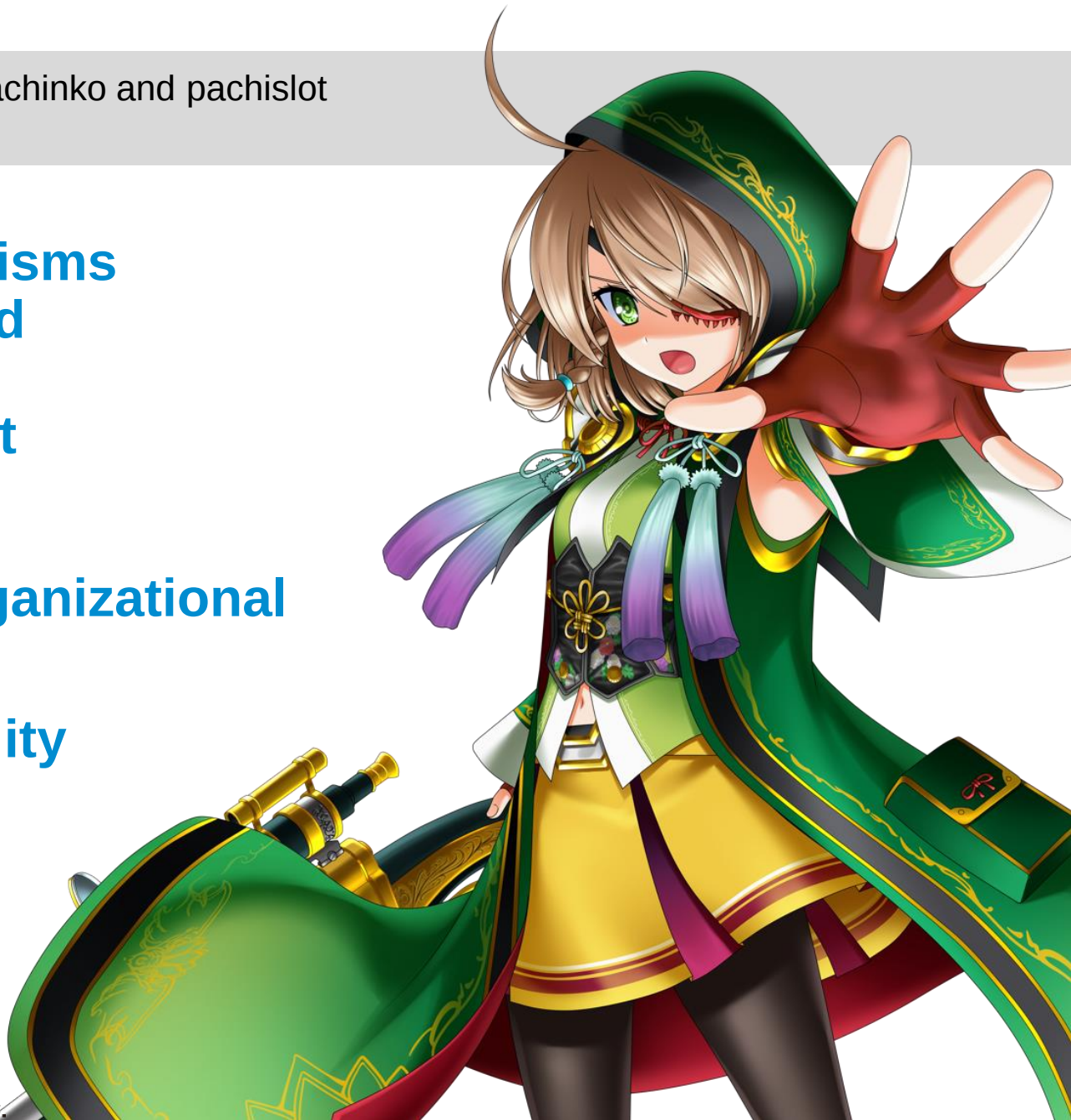
Smart Pachislot

- ✓ The shift toward Smart Pachislot is proceeding smoothly, with good operating conditions and machines well received by players (excluding normal machines).
- ✓ The market environment is continuing to shift toward pachislot.



- Aim to expand sales share by offering pachinko and pachislot machines with product appeal

1. Development of mechanisms for offering pachinko and pachislot machines with product appeal that meet market needs
2. Human resource and organizational development
3. Promotion of sustainability



©HEIWA
Character design by SHIROGUMI INC.



Aim to expand sales share by offering pachinko and pachislot machines with product appeal

- ✓ Establishment of an advanced development framework and enhancement of both in-company and external communication to respond quickly to market changes
- ✓ Creation of a foundation for digital transformation to adapt to changing conditions in existing business and further boost competitiveness

Development of mechanisms for offering pachinko and pachislot machines with product appeal that meet market needs

- ✓ Establishment of a framework for accurately grasping rapidly changing market needs in a timely manner and rapidly reflecting trends in machine development
- ✓ Enhancement of proposals in the development process
- ✓ Pursuit of development of high-quality finished products

Enhancement of corporate value

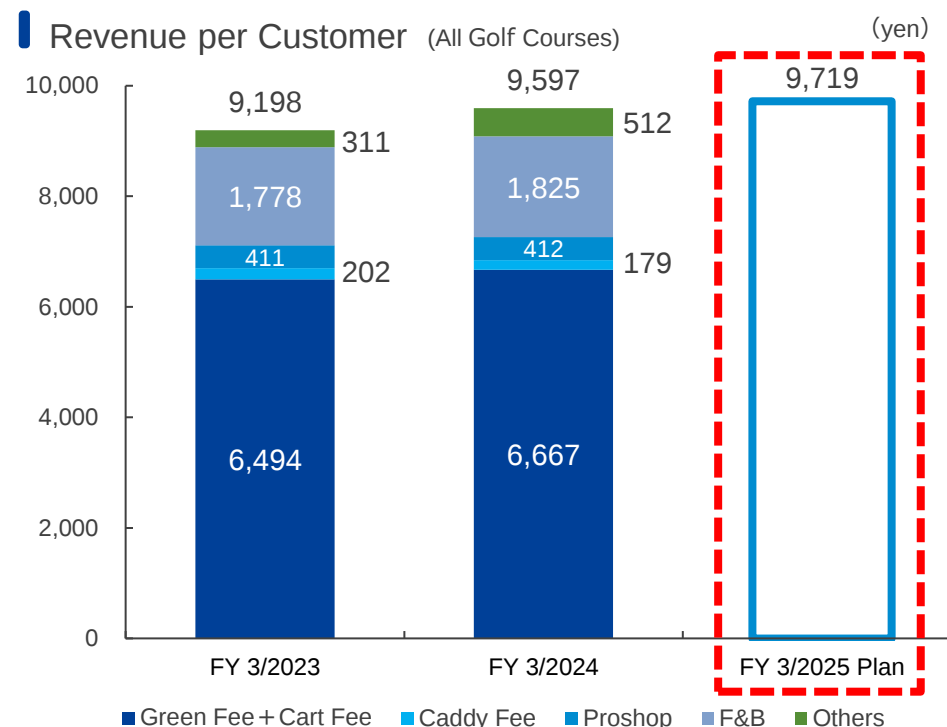
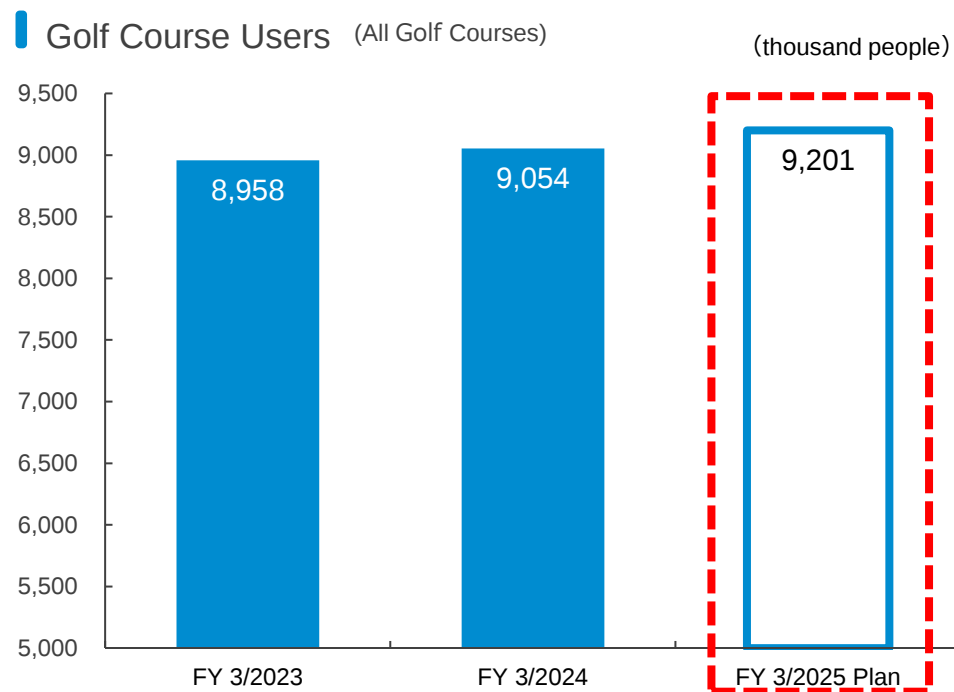
**Human resource development
Organizational development**

- ✓ Promotion of the 3Rs
- ✓ Efforts toward a decarbonized society
- ✓ Establishment of a sustainability promotion framework

Promotion of sustainability



- 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.

- Aim for the maximization of earnings and further growth through strategies for differentiation from competitors and the incorporation of diversifying demand

1. Maximization of earnings

- ✓ Attracting customers and maximization of revenue per customer via differentiation from competitors
- ✓ Improvement and expansion of “withGolf,” “Cool Cart,” and courses operating at night
- ✓ Catering to diversifying playing styles



2. Establishment of organizational framework to support sustainable growth

- ✓ Improvement of operational efficiency and productivity through digital transformation
- ✓ Development of pleasant working environments for employees and enhancement of employee satisfaction
- ✓ Promotion of corporate activities with awareness of the SDGs



3. Systematic promotion of new business

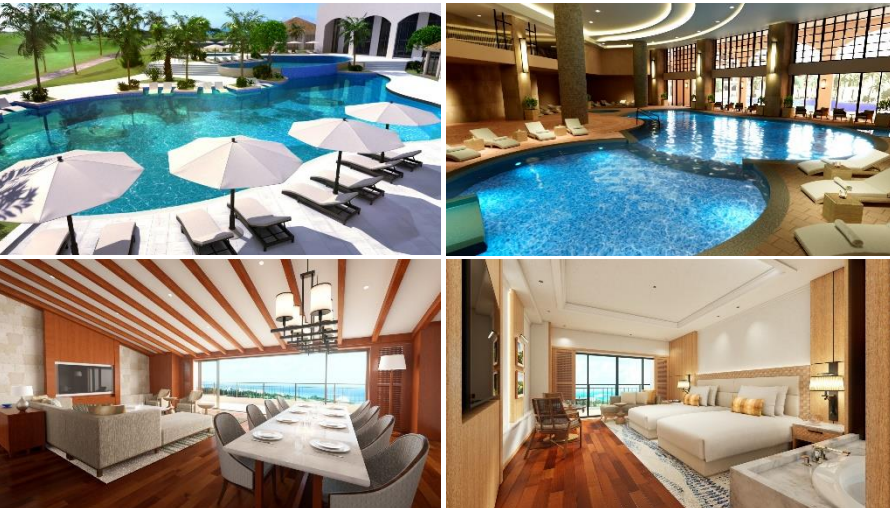
- ✓ Proactive acquisition of golf courses in the suburbs of 4 large metropolitan areas
- ✓ Promotion of PGM Hotel Resort Okinawa project (scheduled to open in 2026)



■ 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)

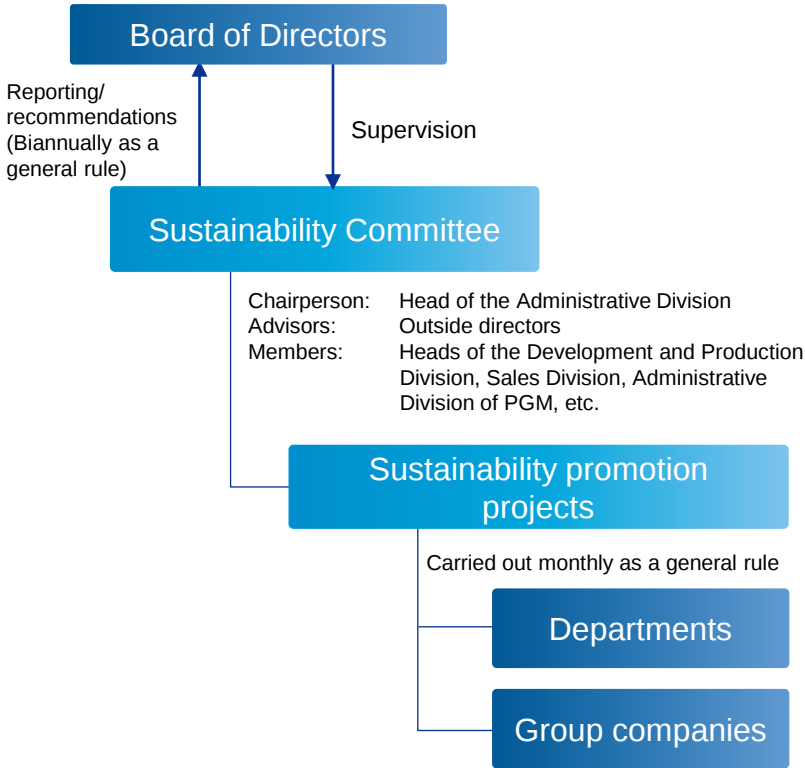


Basic Policy on Sustainability

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

Materiality	Key Topics	Relevant SDGs
Contributing to a sustainable global environment	■ Pursuit of the 3Rs ■ Efforts toward a decarbonized society ■ Sustainable use of water resources	7 AFFORDABLE AND CLEAN ENERGY 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION 14 LIFE BELOW WATER 15 LIFE ON LAND
Creating a prosperous future by growing together with stakeholders	■ Support for the active participation and growth of human resources ■ Ensuring diversity including gender equality ■ Balancing the provision of prosperous lifestyles with social contribution	3 GOOD HEALTH AND WELL-BEING 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES 11 SUSTAINABLE CITIES AND COMMUNITIES



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3. The Company will not update these materials, even if the future outlook is revised.