

# Results for the 1st Quarter of Fiscal Year Ending March 31, 2024

Heiwa Corporation

Code Number: 6412  
Prime of Tokyo Stock Exchange

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# Results for the 1st Quarter of FY Ending March 31, 2024



# Consolidated Statements of Income (Results)

■ Income was up and profit was down year on year (net sales +0.6% YoY and operating income -4.6% YoY)

- ✓ In the pachinko and pachislot machine business, both income and profit fell due to fewer units sold and higher costs.
- ✓ In the golf business, although the number of golf course users declined, both income and profit grew thanks to higher revenue per customer as a result of pricing incorporating robust demand.

(million yen)	FY 3/2023 1Q	FY 3/2024 1Q	YoY
Net Sales	34,731	<b>34,942</b>	0.6%
Pachinko and Pachislot machine business	9,785	<b>9,304</b>	-4.9%
Golf Business	24,945	<b>25,638</b>	2.8%
Operating income	7,855	<b>7,491</b>	-4.6%
Pachinko and Pachislot machine business	2,332	<b>1,519</b>	-34.8%
Golf Business	6,252	<b>6,655</b>	6.4%
Eliminations & Corporate expenses	-728	<b>-683</b>	-6.2%
Operating income ratio	22.6%	<b>21.4%</b>	-1.2pt
Ordinary income	7,827	<b>7,436</b>	-5.0%
Profit attributable to owners of parent	5,355	<b>4,943</b>	-7.7%
EBITDA*	9,913	<b>9,696</b>	-2.2%

\* EBITDA = Operating income + depreciation + amortization

■ SG & A Expenses were up year on year (+3.2% YoY)

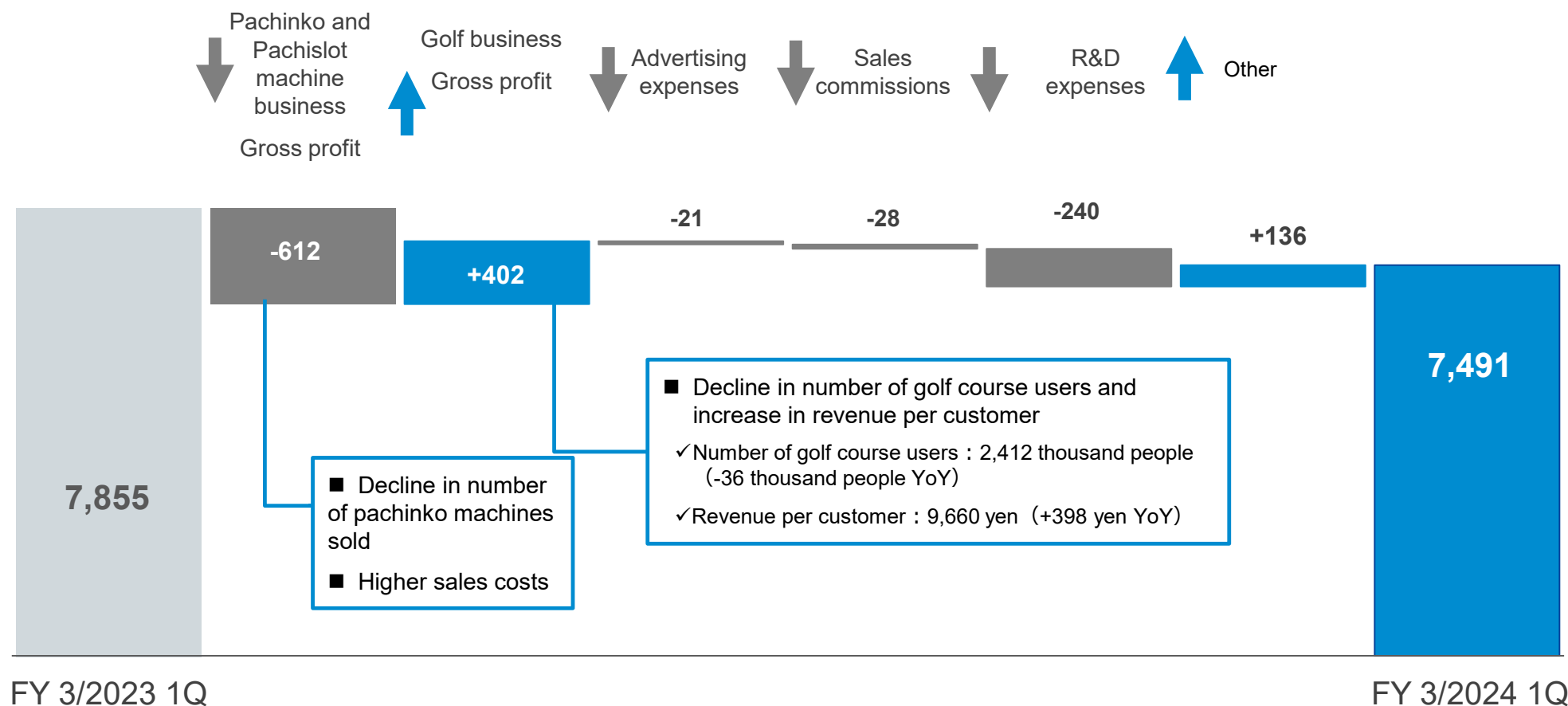
- ✓ Sales commissions rose due to an increase in the number of pachislot machines sold.
- ✓ Investment of R&D expenses was modulated based on development plans.
- ✓ Capital investment in the golf business increased year on year, mainly due to investment in golf course facilities.

(million yen)	FY 3/2023 1Q	FY 3/2024 1Q	YoY
SG & A expenses	4,869	<b>5,024</b>	3.2%
Advertising expenses	196	<b>218</b>	11.0%
Sales commissions	208	<b>236</b>	13.6%
R&D expenses	1,725	<b>1,966</b>	14.0%
Depreciation & Amortization	1,996	<b>2,141</b>	7.2%
Pachinko and Pachislot machine business	305	<b>309</b>	1.2%
Golf business	1,690	<b>1,831</b>	8.3%
Capital Investment	2,162	<b>2,717</b>	25.7%
Pachinko and Pachislot machine business	381	<b>172</b>	-54.8%
Golf business	1,780	<b>2,544</b>	42.9%

# Factors Contributing to Change in Operating Income (Results)

■ Operating income decreased by 364 million yen year on year

(million yen)



# Pachinko and Pachislot machine business (Machine Sales Results)

■ The number of machines sold decreased slightly year on year (-1k units YoY)

		FY 3/2023 1Q	FY 3/2024 1Q	YoY
Number of machine sold		23,578	<b>22,070</b>	-1k units
Pachinko machine	Number of titles released	1	<b>1</b>	-
	Number of machine sold	17,497	<b>10,531</b>	-6k units
	Body	14,305	<b>5,446</b>	-8k units
	Gauge board	3,192	<b>5,085</b>	+1k units
Pachislot machine	Number of titles released	1	<b>1</b>	-
	Number of machine sold	6,081	<b>11,539</b>	+5k units
	Chassis	5,754	<b>11,539</b>	+5k units
	Combined units	327	<b>0</b>	-0k units

## Major pachinko titles in the 1Q

Titles	Sales (units)	Release
<i>BIOHAZARD RE:2</i>	4,090	May 2023

## Major pachislot titles in the 1Q

Titles	Sales (units)	Release
<i>Shuyaku wa Zenigata4</i>	11,527	May 2023



- Income and profit were down year on year (net sales -4.9% YoY and operating income -34.8% YoY)

- ✓ Although more pachislot machines were sold than in the same period of the previous fiscal year, income decreased due to fewer pachinko machines sold.
- ✓ Profit fell due to higher sales costs and R&D expenses, along with a decline in net sales.

(million yen)	FY 3/2023 1Q	FY 3/2024 1Q	YoY
Net sales	9,785	<b>9,304</b>	-4.9%
Pachinko machines	7,176	<b>3,999</b>	-44.3%
Pachislot machines	2,594	<b>5,296</b>	104.1%
Gross profit	5,297	<b>4,684</b>	-11.6%
Pachinko machines	3,947	<b>1,862</b>	-52.8%
Pachislot machines	1,349	<b>2,815</b>	108.6%
Gross profit ratio	54.1%	<b>50.4%</b>	-3.7pt
Operating income	2,332	<b>1,519</b>	-34.8%
Pachinko machines	2,298	<b>181</b>	-92.1%
Pachislot machines	31	<b>1,331</b>	-
Operating income ratio	23.8%	<b>16.3%</b>	-7.5pt





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

- ✓ The number of golf course users declined as a result of an increase in the number of cancellations due to typhoons and heavy rain in May and 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.

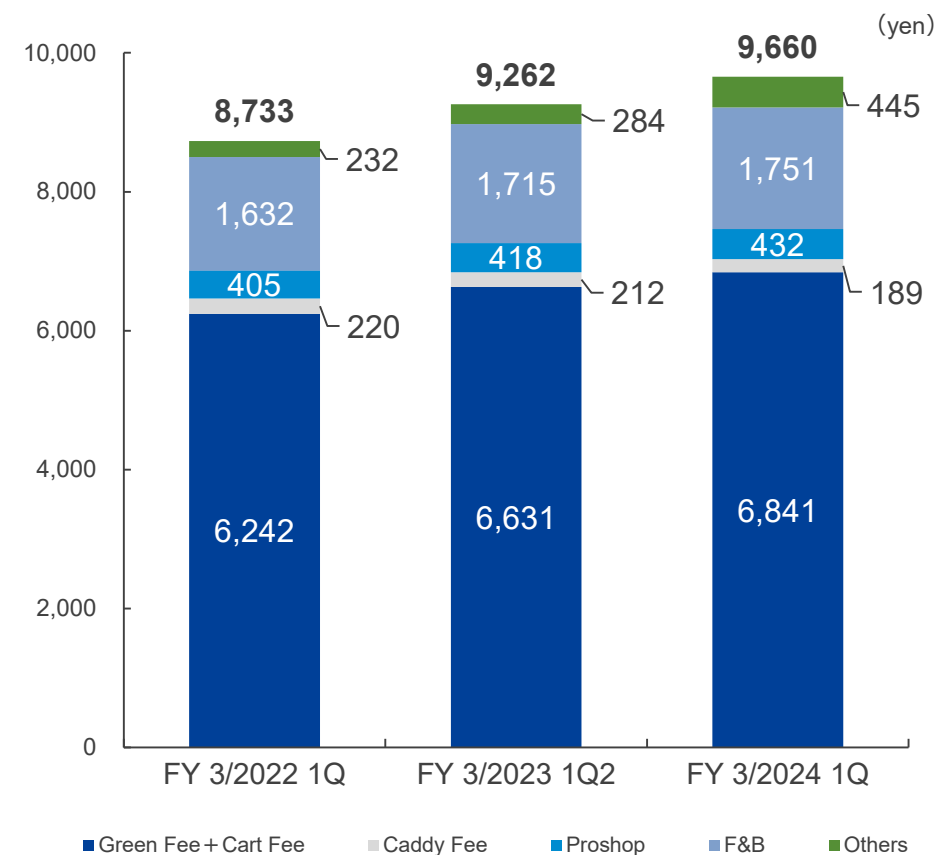
### ■ Number of golf course users / Revenue per customer

1Q (3months)	FY 3/2022	FY 3/2023	FY 3/2024	YoY
Number of golf course users (thousand people)	2,377	2,448	2,412	-1.5%
Revenue per customer (yen)	8,733	9,262	9,660	4.3%

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

Fiscal year	FY 3/2022	FY 3/2023	FY 3/2024 1Q	YoY
Number of golf course	146	147	147	-

### ■ Breakdown of Revenue per Customer





■ Income and profit were up year on year (net sales +2.8% YoY and operating income +6.4% YoY)

- ✓ Both income and profit grew, mainly thanks to factors such as higher revenue per customer and lower utility costs.
- ✓ A golf course acquired in the previous fiscal year (Gotenba Country Club) contributed. In addition, membership-related sales remained strong on the back of golf's popularity.

(million yen)	FY 3/2022 1Q	FY 3/2023 1Q	FY 3/2024 1Q	YoY
Net sales	22,934	24,945	25,638	2.8%
Gross profit	6,016	7,428	7,830	5.4%
Gross profit ratio	26.2%	29.8%	30.5%	+0.7pt
Operating income	4,796	6,252	6,655	6.4%
Operating income ratio	20.9%	25.1%	26.0%	+0.9pt

## Breakdown of Sales

(million yen)	FY 3/2022 1Q	FY 3/2023 1Q	FY 3/2024 1Q	YoY
Revenue from golf course operation	20,762	22,681	23,305	2.8%
Membership-related sales	2,005	2,042	2,049	0.4%



# Consolidated Balance Sheets (Summary)

(million yen)	As of March 31, 2023	As of June 30, 2023	Change	Remarks
Current assets	96,622	<b>91,138</b>	-5,483	
Non-current assets	327,105	<b>327,625</b>	520	✓ Decrease in Cash, etc. ✓ Decrease in Securities
Total assets	423,727	<b>418,763</b>	-4,963	
Current liabilities	69,459	<b>63,649</b>	-5,809	
Non-current liabilities	123,262	<b>122,912</b>	-349	✓ Decrease in income taxes payable ✓ Repayment of loans payable
Total liabilities	192,721	<b>186,562</b>	-6,159	
Total net assets	231,005	<b>232,201</b>	1,195	
Total liabilities and net assets	423,727	<b>418,763</b>	-4,963	

(million yen)	As of March 31, 2023	As of June 30, 2023	
Cash and deposits, and securities	67,716	<b>62,510</b>	✓ D/E ratio (interest-bearing debt/shareholders' equity) 47.0% → 46.2%
Interest-bearing debt	108,645	<b>107,341</b>	✓ Net D/E ratio (net interest-bearing debt/shareholders' equity) 17.7% → 19.3%
Shareholders' equity	231,005	<b>232,201</b>	
Shareholders' equity ratio	54.5%	<b>55.4%</b>	

# Full-year Plan for FY Ending March 31, 2024

■ Income and profit are expected to increase from the previous fiscal year (net sales +8.7% YoY and operating income +11.5% YoY)

- ✓ In the pachinko and pachislot machine business, both income and profit are planned to grow thanks to larger numbers of machines sold as well as increased profit due to cost moderation through selection and focus.
- ✓ In the golf business, both income and profit are planned to grow thanks to increased numbers of golf course users as a result of robust demand for playing golf, which is expected to continue, as well as higher revenue per customer and the full-year contribution of a golf course acquired in the previous fiscal year.

(million yen)	FY 3/2023 Results	FY 3/2024		YoY
		1Q Results	Plan	
Net Sales	142,290	<b>34,942</b>	<b>154,600</b>	8.7%
Pachinko and Pachislot machine business	50,678	<b>9,304</b>	<b>59,900</b>	18.2%
Golf Business	91,611	<b>25,638</b>	<b>94,700</b>	3.4%
Operating income	26,905	<b>7,491</b>	<b>30,000</b>	11.5%
Pachinko and Pachislot machine business	15,155	<b>1,519</b>	<b>15,900</b>	4.9%
Golf Business	14,582	<b>6,655</b>	<b>17,000</b>	16.6%
Eliminations & Corporate expenses	-2,833	<b>-683</b>	<b>-2,900</b>	2.3%
Operating income ratio	18.9%	<b>21.4%</b>	<b>19.4%</b>	0.5pt
Ordinary income	26,631	<b>7,436</b>	<b>28,700</b>	7.8%
Profit attributable to owners of parent	20,685	<b>4,943</b>	<b>21,000</b>	1.5%
EBITDA*	35,954	<b>9,696</b>	<b>39,400</b>	9.6%

\* EBITDA = Operating income + depreciation + amortization



## ■ SG & A expenses are expected to increase from the previous fiscal year (+8.9% 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.
- ✓ Investment of R&D expenses will be modulated.
- ✓ Capital investment is expected to increase due to the start of a hotel construction project in the golf business.

(million yen)	FY 3/2023 Results	FY 3/2024		YoY
		1Q Results	Plan	
SG & A expenses	22,408	<b>5,024</b>	<b>24,400</b>	8.9%
Advertising expenses	2,046	<b>218</b>	<b>2,900</b>	41.7%
Sales commissions	1,191	<b>236</b>	<b>1,600</b>	34.3%
R&D expenses	7,009	<b>1,966</b>	<b>8,100</b>	15.6%
Depreciation & Amortization	8,801	<b>2,141</b>	<b>9,100</b>	3.4%
Pachinko and Pachislot machine business	1,691	<b>309</b>	<b>1,400</b>	-17.2%
Golf business	7,110	<b>1,831</b>	<b>7,700</b>	8.3%
Capital Investment	8,424	<b>2,717</b>	<b>14,800</b>	75.7%
Pachinko and Pachislot machine business	1,117	<b>172</b>	<b>1,600</b>	43.1%
Golf business	7,306	<b>2,544</b>	<b>13,200</b>	80.7%

# Pachinko and Pachislot machine business (Machine Sales Plan)

■ The number of machines sold is planned to increase year on year (+13k units YoY)

		FY 3/2023 Results	FY 3/2024		YoY
			1Q Results	Plan	
Number of machine sold		126,894	22,070	140,000	+13k units
Pachinko machine	Number of titles released	8	1	8	-
	Number of machine sold	80,322	10,531	79,000	-1k units
	Body	49,385	5,446	69,750	+20k units
	Gauge board	30,937	5,085	9,250	-21k units
Pachislot machine	Number of titles released	5	1	7	+2
	Number of machine sold	46,572	11,539	61,000	+14k units
	Chassis	46,115	11,539	61,000	+14k units
	Combined units	457	0	0	-0k units

## Title to Release / Pachinko Machine

Title	Release Date
<i>BIOHAZARD RE:2</i>	May 2023
<i>Cat's Eye</i>	Jul. 2023
<i>City Hunter: Ore no Kokoro wo Furuwasetahi</i>	Aug. 2023
<i>Sugo Light Middle</i>	

## Title to Release / Pachislot Machine

Title	Release Date
<i>Shuyaku wa Zenigata4</i>	May 2023
<i>Sengokuotome4:</i>	Sep. 2023
<i>Senran ni Hirameku Douran no Gunshi</i>	



## Pachinko machine

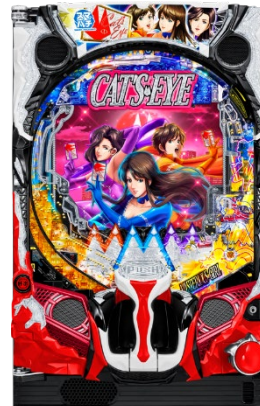
1Q



BIOHAZARD RE:2

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2Q



Cat's Eye

©北条司/コアミックス 1981 版權許諾証 YCF-635



City Hunter: Ore no Kokoro wo Furuwasetahi  
Sugo Light Middle

©北条司/コアミックス 1985 版權許諾証 YKR-736

## Pachislot machine

1Q



Shuyaku wa Zenigata4

©モンキーパンチ/TMS・NTV

2Q



Sengokuutome4:

Senran ni Hirameku Douran no Gunshi

©HEIWA

Character design by SHIROGUMI INC.





## 【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, 2024

## 【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】

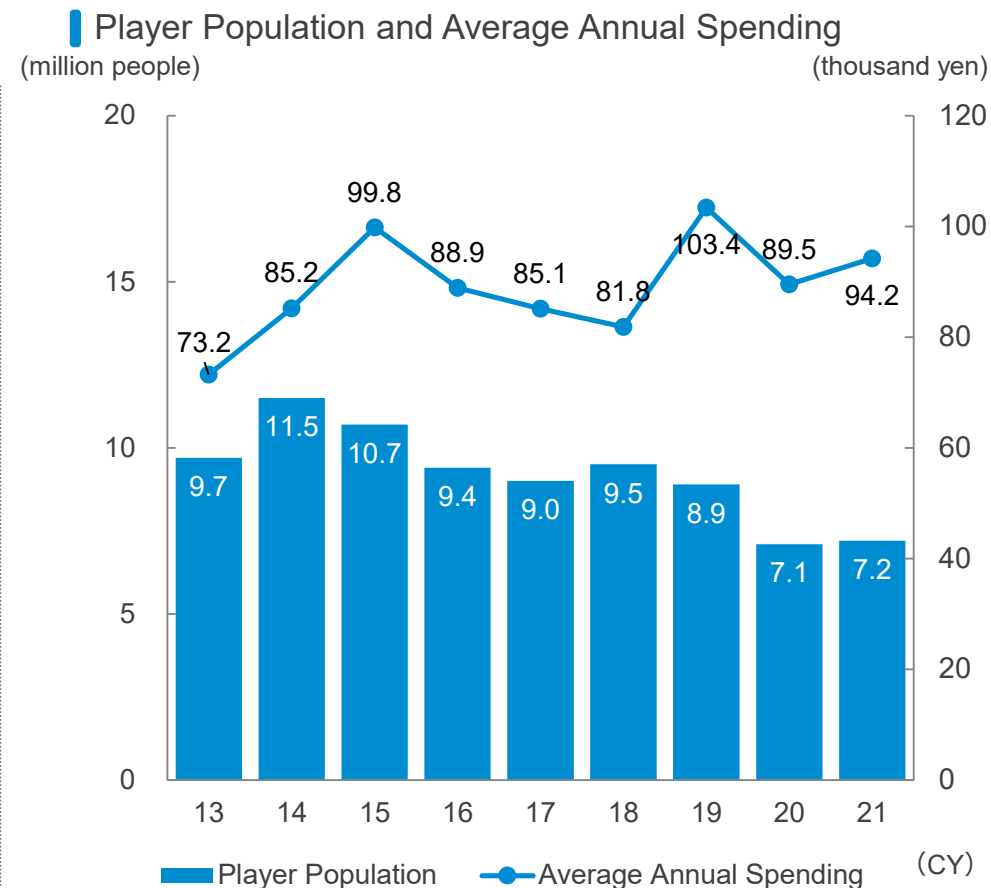
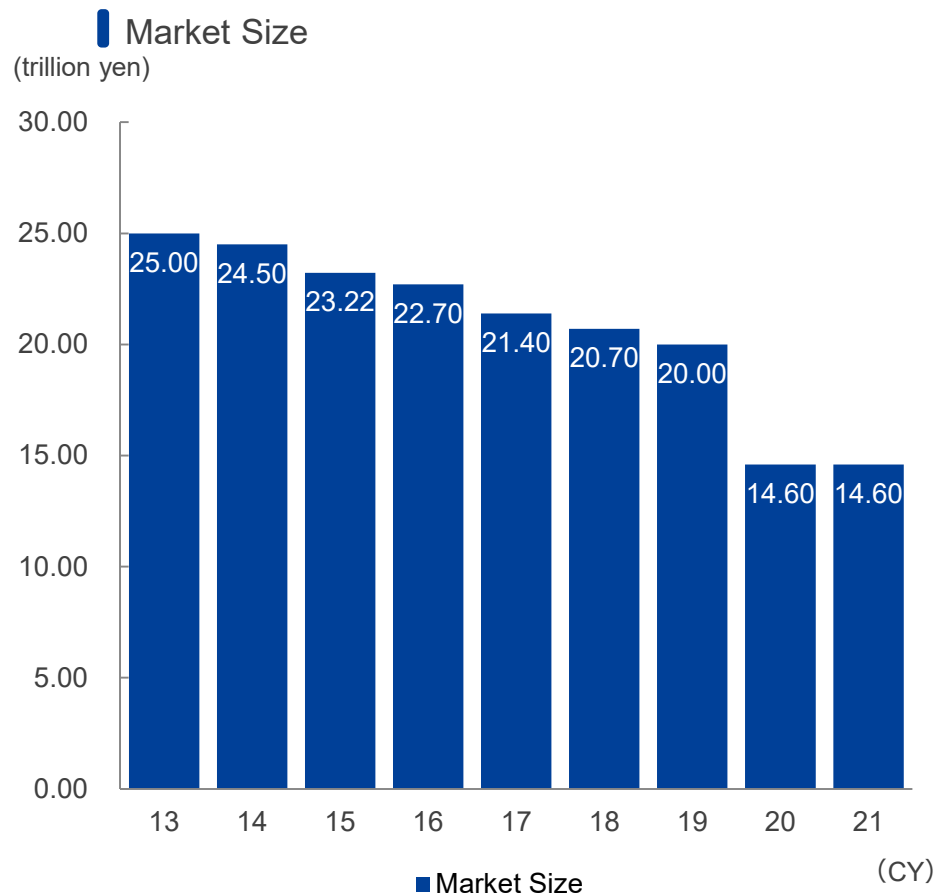
- Financial Performance Trend
- Key Financial Indicators

## 【Others】

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

# Market Environment (Pachinko and Pachislot Machine Business) 1

## Pachinko and Pachislot Machine business

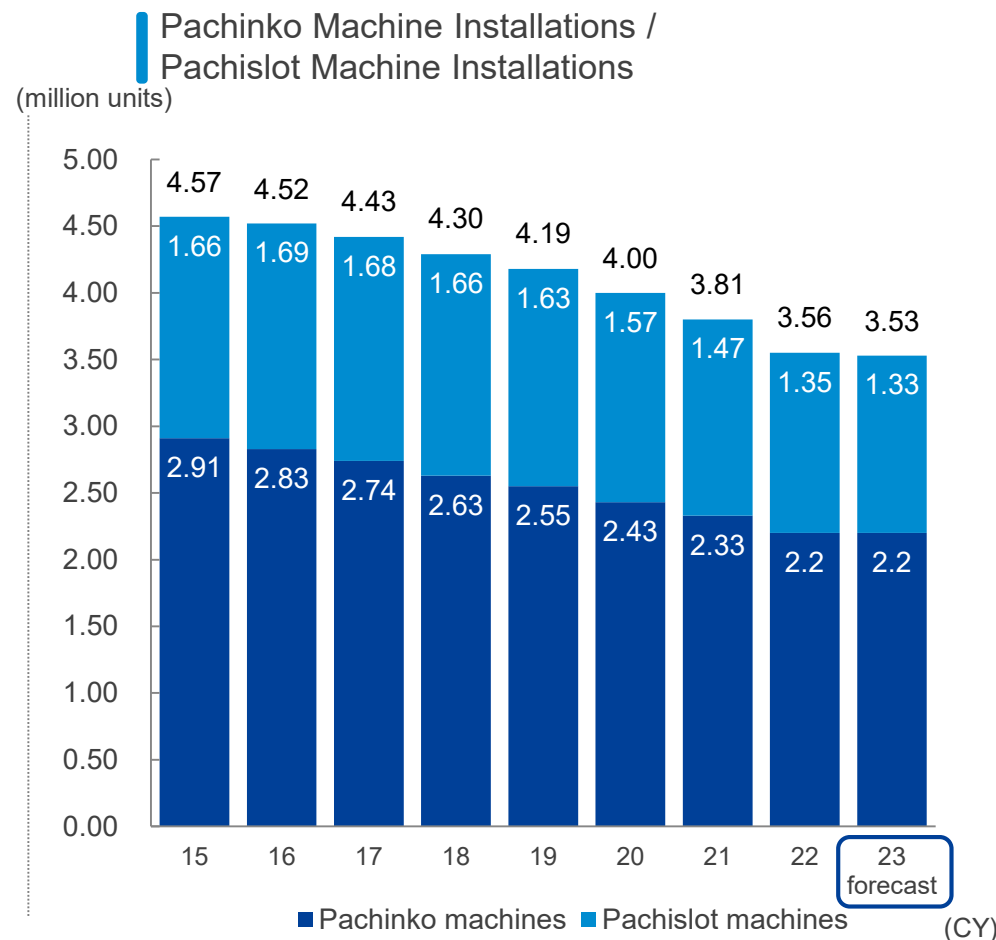
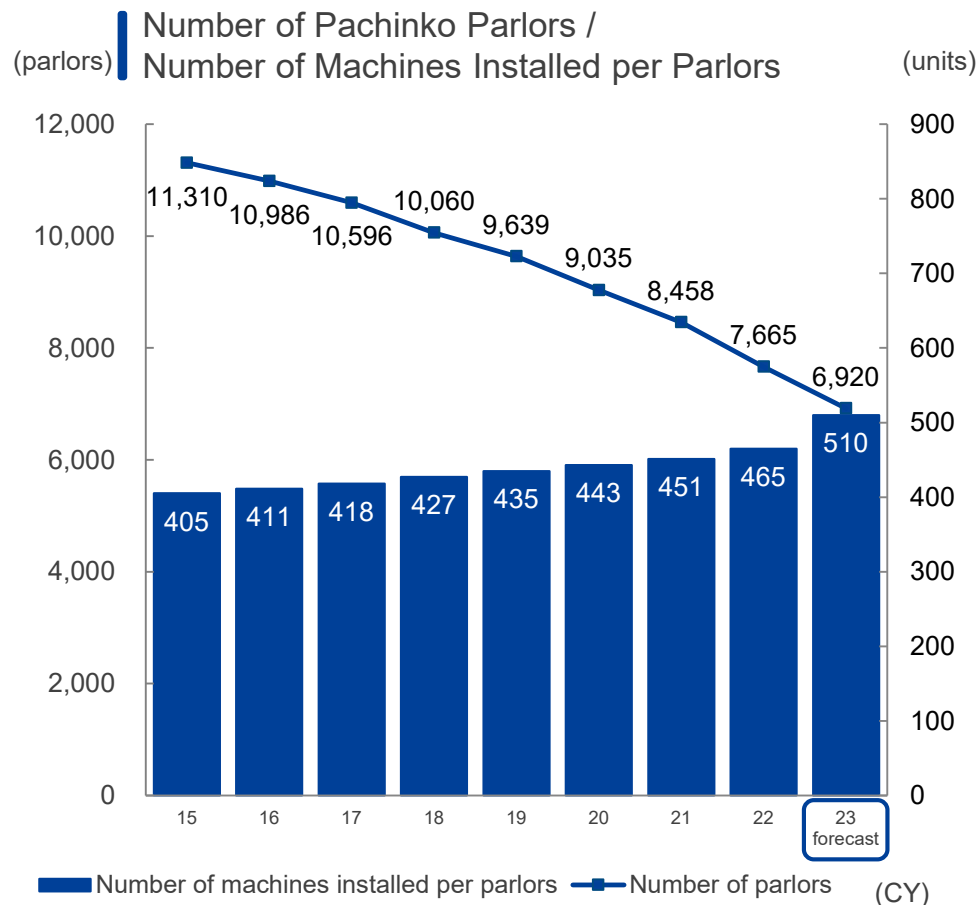


	2013	2014	2015	2016	2017	2018	2019	2020	2021
Market Size (trillion yen)	25.00	24.50	23.22	22.70	21.40	20.70	20.00	14.60	14.60
Player Population (million people)	9.7	11.5	10.7	9.4	9.0	9.5	8.9	7.1	7.2
Average annual spending (thousand yen)	73.2	85.2	99.8	88.9	85.1	81.8	103.4	89.5	94.2

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



	2015	2016	2017	2018	2019	2020	2021	2022	2023 forecast
Number of parlors	11,310	10,986	10,596	10,060	9,639	9,035	8,458	7,665	6,920
Number of machines installed per parlors (units)	405	411	418	427	435	443	451	465	510
Pachinko machine installations (million units)	2.91	2.83	2.74	2.63	2.55	2.43	2.33	2.20	2.20
Pachislot machine installations (million units)	1.66	1.69	1.68	1.66	1.63	1.57	1.47	1.35	1.33

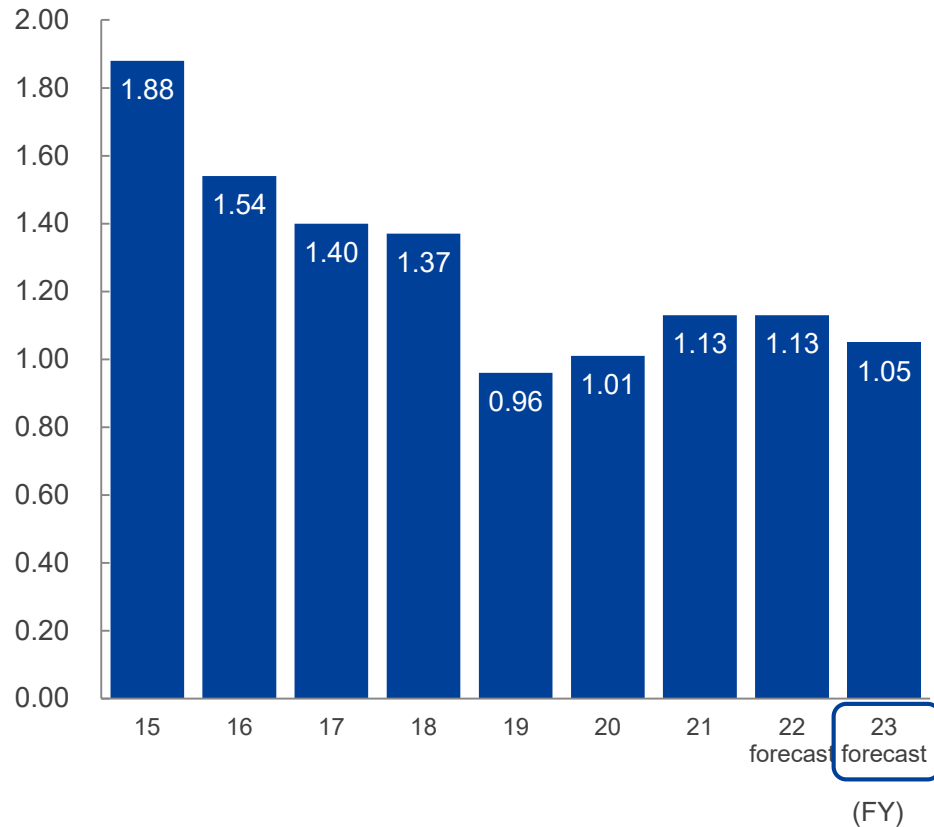
Note: Date source: National Police Agency. Date on a calendar year basis (from January to December). Figures for 2023 is the Company's estimates.

# Market Environment (Pachinko and Pachislot Machine Business) 3

## Pachinko and Pachislot Machine business

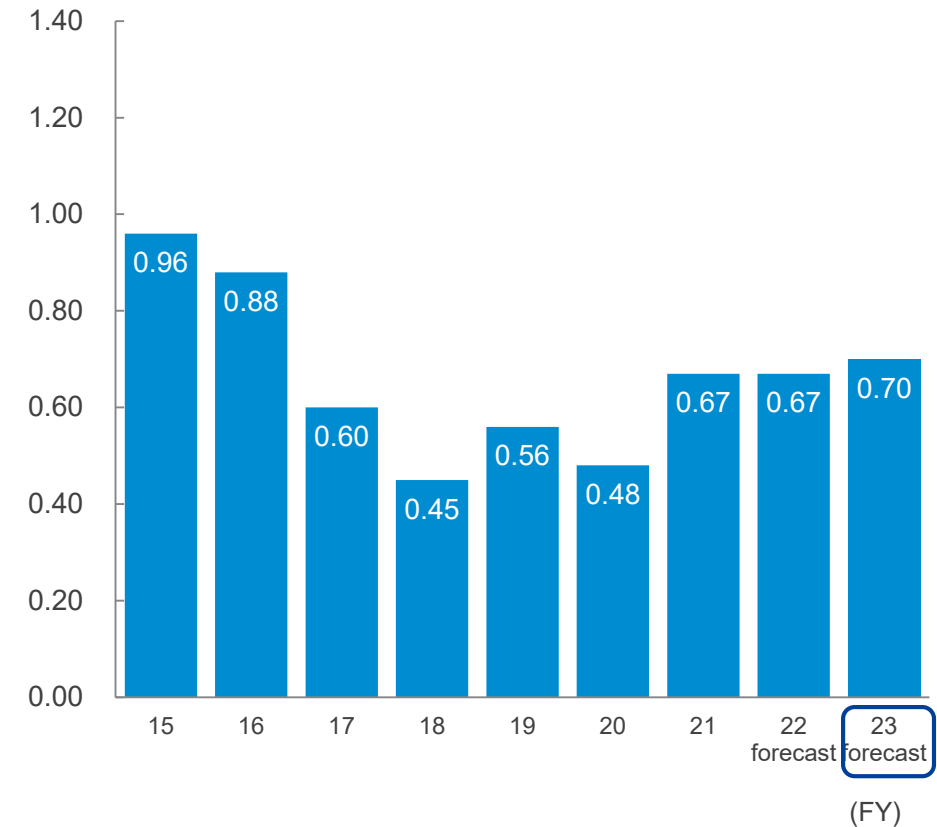
### Pachinko machine sales

(million units)



### Pachislot machine sales

(million units)



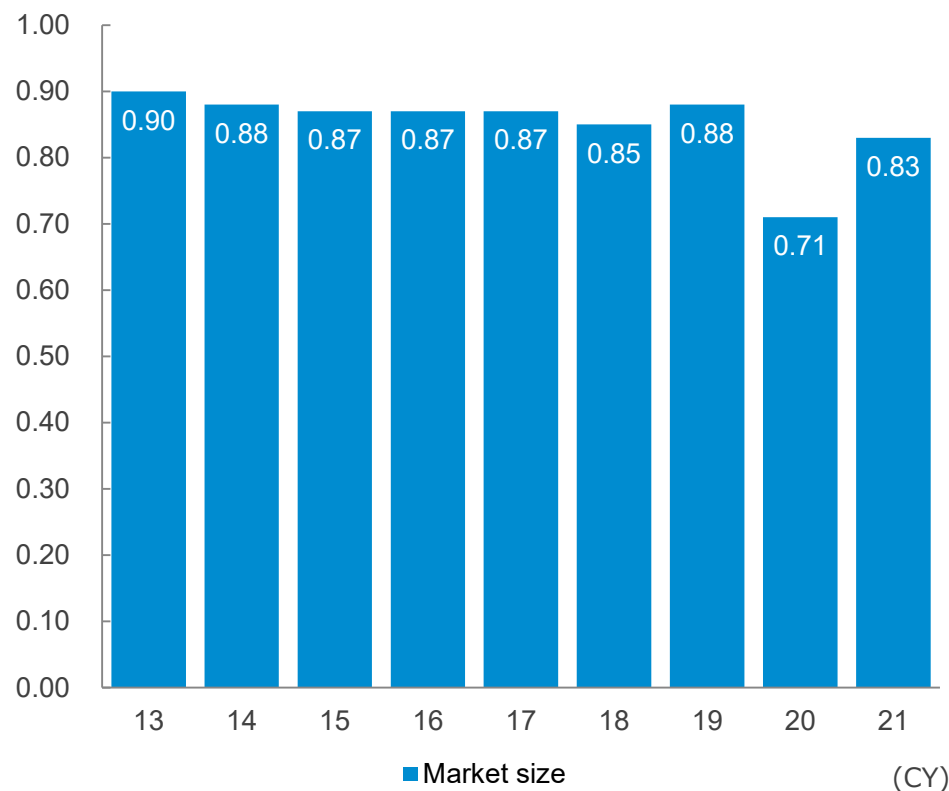
Number of machines sold (million units)	2015	2016	2017	2018	2019	2020	2021	2022 forecast	2023 forecast
Pachinko machines	1.88	1.54	1.40	1.37	0.96	1.01	1.13	1.13	1.05
Pachislot machines	0.96	0.88	0.60	0.45	0.56	0.48	0.67	0.67	0.70

Note: Date source: Yano Research Institute. Date on a fiscal year basis (from April to March of the next year). Figures for 2022 and 2023 are the company's forecast.

## Golf business

### Market Size

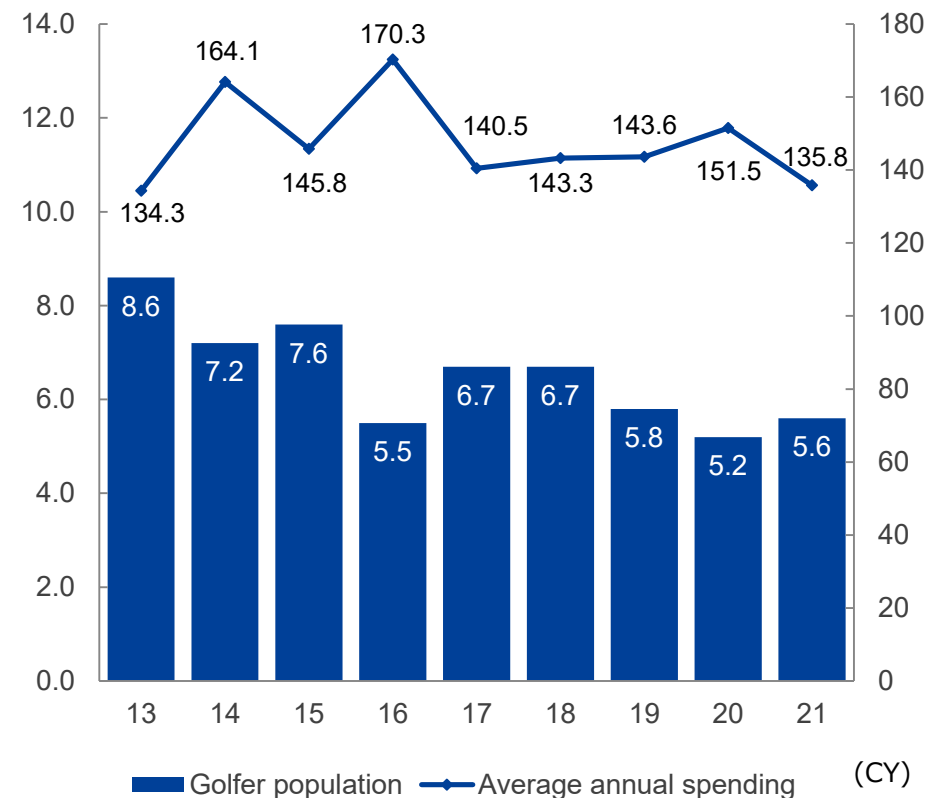
(trillion yen)



### Golfer Population / Average Annual Spending

(million people)

(thousand yen)



	2013	2014	2015	2016	2017	2018	2019	2020	2021
Market size (trillion yen)	0.90	0.88	0.87	0.87	0.87	0.85	0.88	0.71	0.83
Golfer population (million people)	8.6	7.2	7.6	5.5	6.7	6.7	5.8	5.2	5.6
Average annual spending (thousand yen)	134.3	164.1	145.8	170.3	140.5	143.3	143.6	151.5	135.8

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, 2024

### Pachinko and Pachislot Machine business

#### Number of machines sold

(units)	FY 3/2019	FY 3/2020	FY 3/2021	FY 3/2022				FY 3/2023				FY 3/2024	
	Full year	Full year	2Q cumulative	Full year	1Q	2Q cumulative	3Q cumulative	Full year	1Q	2Q cumulative	3Q cumulative	Full year	1Q
Total	166,124	164,400	8,379	85,283	23,211	38,269	63,030	92,826	23,578	59,124	106,153	126,894	22,070
Pachinko machines	118,880	95,483	4,410	49,890	16,542	29,113	40,228	63,095	17,497	38,970	61,923	80,322	10,531
Body	60,946	41,887	585	39,455	15,752	27,351	36,124	49,040	14,305	24,865	42,462	49,385	5,446
Gauge board	57,934	53,596	3,825	10,435	790	1,762	4,104	14,055	3,192	14,105	19,461	30,937	5,085
Pachislot machines	47,244	68,917	3,969	35,393	6,669	9,156	22,802	29,731	6,081	20,154	44,230	46,572	11,539
Chassis	14,093	29,288	914	27,423	6,606	9,093	22,736	29,663	5,754	19,697	43,773	46,115	11,539
Combined units	33,151	39,629	3,055	7,970	63	63	66	68	327	457	457	457	0

#### Title to Release / Pachinko machine

Release	Title	Units sold
1Q	<i>BIOHAZARD RE:2</i>	4,090
	<i>Others</i>	6,441
Total		10,531

#### Title to Release / Pachislot machine

Release	Title	Units sold
1Q	<i>Shuyaku wa Zenigata4</i>	11,527
	<i>Others</i>	12
Total		11,539



## Golf business

### Number of Golf Course Users

(persons)	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
FY 3/2019	720,160	792,127	718,087	654,188	663,134	642,742	757,904	735,408	647,213	519,678	453,613	659,749	7,964,003
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										2,412,476

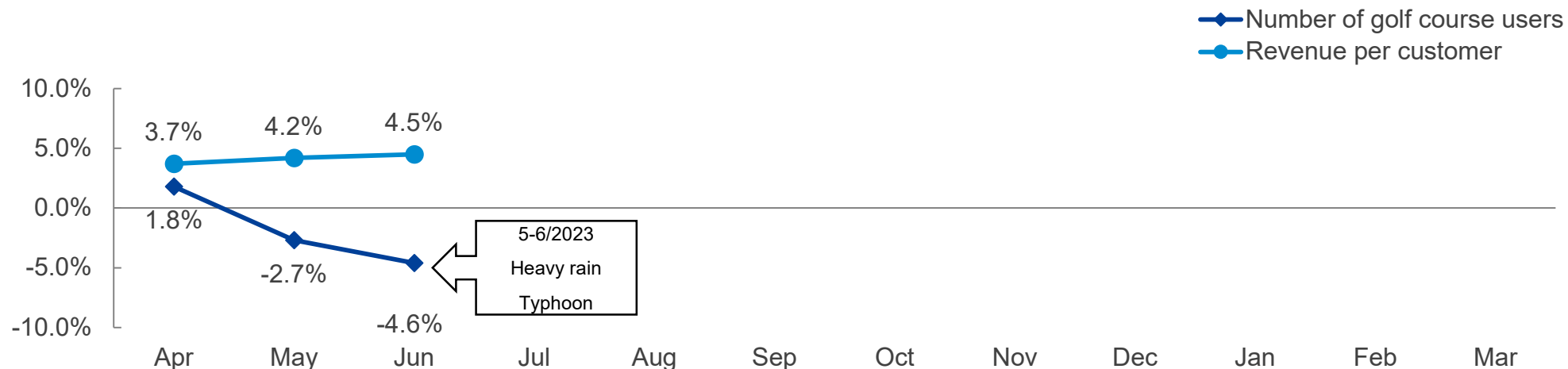
### Revenue per Customer

(yen)	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Average
FY 3/2019	9,458	9,548	9,446	8,804	8,313	9,319	9,623	9,915	9,639	8,631	8,046	9,149	9,218
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										9,660

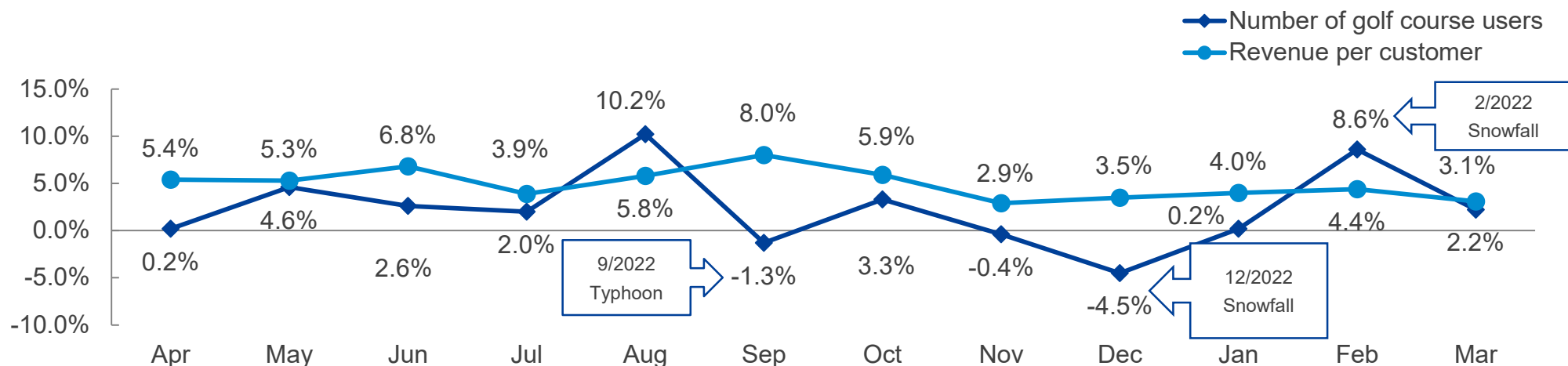


## Golf business

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



### Monthly result comparison – FY 3/2023 vs FY 3/2022



\* Based on operating golf course since previous year.





## Golf business

	As of March 31, 2023		As of June 30, 2023	
	Courses	18H equivalent	Courses	18H equivalent
Owned Golf Courses	146	177.0	146	177.0
Leased Golf Courses	1	2.0	1	2.0
<b>Total</b>	<b>147</b>	<b>179.0</b>	<b>147</b>	<b>179.0</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	21	27.5	21	27.5
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>147</b>	<b>179.0</b>	<b>147</b>	<b>179.0</b>

State of affairs in the fiscal year ended March 31, 2024

### 【Acquisition】

None

### 【Stock transfer agreement】

7/11/2023                      Mukonodai Golf Course  
(Kobe City, Hyogo Prefecture / 18H)

### 【Sponsorship agreement】

None

### 【Sale】

None



# Financial Performance Trend

## Consolidated

(million yen)	FY 3/2019	FY 3/2020	FY 3/2021	FY 3/2022				FY 3/2023				FY 3/2024	
	Full year	Full year	2Q cumulative	Full year	1Q	2Q cumulative	3Q cumulative	Full year	1Q	2Q cumulative	3Q cumulative	Full year	1Q
Net sales	144,980	144,573	37,781	107,744	32,051	58,754	92,376	121,558	34,731	70,930	116,253	142,290	34,942
Pachinko and Pachislot machine Business	62,407	61,658	2,893	33,292	9,116	15,260	24,482	36,249	9,785	23,451	43,382	50,678	9,304
Golf Business	82,573	82,914	34,888	74,452	22,934	43,494	67,893	85,308	24,945	47,478	72,871	91,611	25,638
Operating income	28,014	23,551	-4,680	5,311	4,367	4,733	9,957	10,235	7,855	15,337	28,161	26,905	7,491
Pachinko and Pachislot machine Business	20,791	17,450	-5,795	287	77	-1,495	-1,666	-607	2,332	6,957	15,140	15,155	1,519
Golf Business	10,599	9,286	2,460	7,624	4,796	7,429	13,405	13,280	6,252	9,720	15,167	14,582	6,655
Eliminations & corporate expenses	-3,376	-3,185	-1,346	-2,600	-507	-1,199	-1,781	-2,437	-728	-1,340	-2,147	-2,833	-683
Operating income ratio	19.3%	16.3%	-12.4%	4.9%	13.6%	8.1%	10.8%	8.4%	22.6%	21.6%	24.2%	18.9%	21.4%
Ordinary income	27,451	23,278	-4,694	5,799	4,331	4,844	9,876	10,467	7,827	15,136	27,793	26,631	7,436
Profit attributable to owners of parent	16,341	15,872	-6,179	865	2,633	2,543	4,604	2,193	5,355	10,798	20,506	20,685	4,943
SG & A Expenses	27,822	32,760	11,176	23,723	5,509	11,241	16,999	23,163	4,869	10,077	16,048	22,408	5,024
Advertising expenses	2,179	1,950	338	795	174	361	609	952	196	607	1,465	2,046	218
Sales commissions	1,660	1,885	104	921	230	347	681	954	208	570	1,065	1,191	236
R&D expenses	7,881	12,680	5,176	9,949	2,212	4,518	6,833	9,091	1,725	3,267	4,949	7,009	1,966
Depreciation & amortization	9,868	8,745	4,052	9,016	2,373	4,830	7,369	10,082	1,996	4,161	6,426	8,801	2,141
Pachinko and Pachislot machine Business	2,940	1,946	816	2,476	630	1,389	2,240	3,187	305	694	1,170	1,691	309
Golf Business	6,928	6,798	3,235	6,539	1,743	3,441	5,129	6,894	1,690	3,466	5,255	7,110	1,831
Capital investment	7,091	9,667	4,167	6,921	2,762	5,024	6,332	8,095	2,162	5,041	6,236	8,424	2,717
Pachinko and Pachislot machine Business	1,063	3,578	887	1,653	369	612	798	984	381	732	947	1,117	172
Golf Business	6,027	6,089	3,279	5,267	2,393	4,411	5,534	7,110	1,780	4,308	5,288	7,306	2,544



# Key Financial Indicators

Consolidated

	(million yen)	FY 3/2018	FY 3/2019	FY 3/2020	FY 3/2021	FY 3/2022	FY 3/2023	Formula
Net Sales		132,765	144,980	144,573	107,744	121,558	142,290	
Operating Income		13,931	28,014	23,551	5,311	10,235	26,905	
Ordinary Income		13,105	27,451	23,278	5,799	10,467	26,631	
Profit attributable to owners of parent		6,799	16,341	15,872	865	2,193	20,685	
Total Assets		430,287	442,845	436,762	430,070	417,066	423,727	
Cash, Deposits and Securities		86,245	93,180	83,296	70,083	67,052	67,716	
Interest Bearing Debt		126,047	123,234	117,868	123,153	114,416	108,645	
Net Assets		216,701	225,052	232,575	226,242	217,186	231,005	
Shareholders' Equity		216,690	225,052	232,575	226,242	217,186	231,005	
ROE		3.1%	7.4%	6.9%	0.4%	1.0%	9.2%	
Operating Income Ratio		10.5%	19.3%	16.3%	4.9%	8.4%	18.9%	Operating income/Net sales
Net Income Ratio		5.1%	11.3%	11.0%	0.8%	1.8%	14.5%	Net income/Net sales
Asset Turnover		0.30	0.33	0.33	0.25	0.29	0.34	Net sales/Total assets *1
Financial Leverage		2.03	1.98	1.92	1.89	1.91	1.88	Total assets/Shareholders' equity *1,2
Net Debt Equity Ratio		18.4%	13.4%	14.9%	23.5%	21.8%	17.7%	Net interest-bearing debt/Shareholders' equity
Shareholders' Equity Ratio		50.4%	50.8%	53.2%	52.6%	52.1%	54.5%	Shareholders' equity/Total assets

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

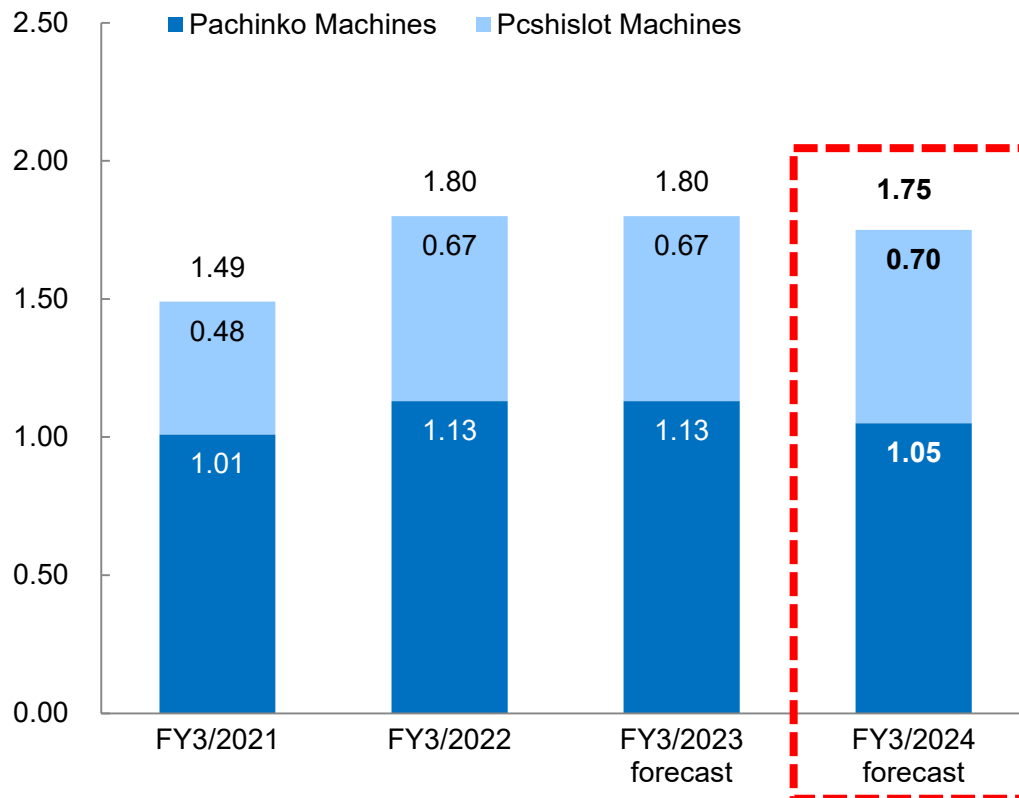
\*2 Shareholders' Equity = (Shareholders' Equity at beginning of period+ Shareholders' Equity at end of period) /2



## Market Trends

- ✓ Total market unit sales for pachinko and pachislot machines are forecasted to be 1,750,000 units in FY 3/2024.
- ✓ Smart Pachinko and Smart Pachislot are gradually being launched on the market, ushering in a new era.
- ✓ Due to favorable operating conditions for Model 6.5 and Smart Pachislot, the shift toward Pachislot is expected to accelerate.

## 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 FY3/2023 and FY3/2024 are the Company's forecast.

## Next-Generation Pachinko & Pachislot Machines

### Smart Pachinko

- ✓ Expectations are rising for the introduction of machines equipped with new functions such as “C Time” and a wider range of game elements.
- ✓ Attention will be paid to operating conditions for major titles to be gradually introduced in the future.

### Smart Pachislot

- ✓ Operating conditions are good, and machines have been well received by players, raising expectations for future titles.
- ✓ The shift toward Pachislot is expected to accelerate.

■ Groundwork for providing pachinko and pachislot machines that will win the hearts of players in a new era

## 1. Development and market introduction of pachinko and pachislot machines that will win the hearts of players

- ✓ Identification and analysis of the needs of younger players, who are at the center of changing market needs
- ✓ Pursuit of short-term development and execution of sales/manufacturing plans enabling precisely timed market introduction

## 2. Implementation of measures to enhance corporate value

- ✓ Strengthening of development capabilities and establishment of organizational structure to respond quickly to changes in the market
- ✓ Enhancement of interdivisional cooperation and appropriate sharing of information
- ✓ Promotion of corporate activities with awareness of the SDGs

## 3. Establishment of a lean corporate structure

- ✓ Cost moderation through selection and focus
- ✓ Promotion of digital transformation (IT management strategy)
- ✓ Promotion of the 3Rs (to reduce part and material procurement risks)



Despite performance on a recovery trend...

- Operating contribution of machines remains sluggish.
- Support from players has diminished.

## Provision of pachinko and pachislot machines that will win the hearts of players

Strengthening of development capabilities and establishment of organizational structure to respond quickly to market changes

Identification/analysis of younger players' needs

Precisely timed market introduction

[Enhancement of corporate value]

Maximization of profit and lean corporate structure



- Aim for further growth with a focus on enhancement of the commercial value of golf courses and differentiation from competitors

## 1. Expansion of sales

- ✓ Attracting customers and maximization of revenue per customer
- ✓ Improvement and expansion of “withGolf” and “Cool Cart”
- ✓ Challenge of new operating style

## 2. Implementation of operational reforms

- ✓ Improvement of efficiency and productivity through automation of golf course management and promotion of digital transformation
- ✓ Maximization of the value of human resources
- ✓ Thorough enhancement of cost awareness

## 3. Continued acquisition of high-quality golf courses

- ✓ Proactive acquisition of highly profitable golf courses in the suburbs of 4 large metropolitan areas
- ✓ Consideration of portfolio revisions and substitutions as needed





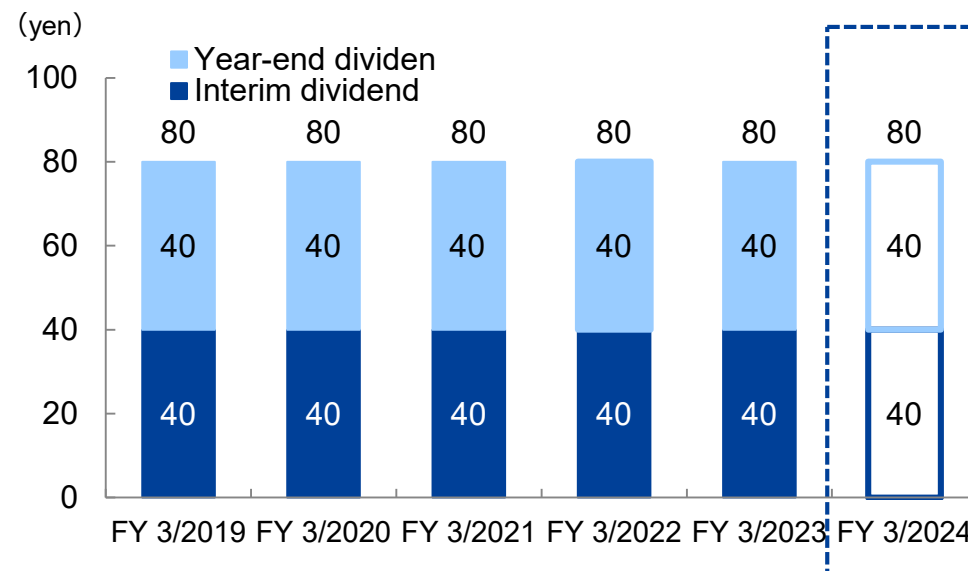
## Dividend policy

- 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 3/2024 (Plan)

Interim dividend	40yen
Year-end dividend	40yen
<hr/>	
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.**



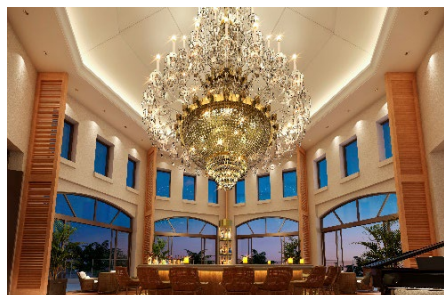


# PGM Golf Resort Okinawa Hotel to Open in 2026

■ 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)



## Contact

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## Disclaimer

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