



# Results for the Fiscal Year Ended March 31, 2023

Heiwa Corporation

Code Number: 6412  
Prime of Tokyo Stock Exchange

May 12, 2023



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# Results for the FY ended March 31, 2023



# Consolidated Statements of Income (Results)



■ Income and profit were up year on year (net sales +17.1% YoY and operating income +162.9% YoY)

- ✓ In the pachinko and pachislot machine business, both income and profit grew thanks to factors such as more units sold, higher sales prices, and lower costs.
- ✓ In the golf business, both income and profit grew thanks to factors such as an increase in the number of golf course users and higher revenue per customer.

(million yen)	FY 3/2022	FY 3/2023	YoY
Net Sales	121,558	<b>142,290</b>	17.1%
Pachinko and Pachislot machine business	36,249	<b>50,678</b>	39.8%
Golf Business	85,308	<b>91,611</b>	7.4%
Operating income	10,235	<b>26,905</b>	162.9%
Pachinko and Pachislot machine business	-607	<b>15,155</b>	-
Golf Business	13,280	<b>14,582</b>	9.8%
Eliminations & Corporate expenses	-2,437	<b>-2,833</b>	16.3%
Operating income ratio	8.4%	<b>18.9%</b>	+10.5pt
Ordinary income	10,467	<b>26,631</b>	154.4%
Profit attributable to owners of parent	2,193	<b>20,685</b>	843.1%
EBITDA*	20,554	<b>35,954</b>	74.9%

\* EBITDA = Operating income + depreciation + amortization



# SG & A Expenses, etc. (Results)

## ■ SG & A Expenses were down year on year (-3.3% YoY)

- ✓ Advertising expenses increased due to the production and airing of commercials as well as the holding of the HEIWA PGM CHAMPIONSHIP, a men's professional golf tournament, for the first time in 3 years in November 2022, and the HEIWA PGM CHARITY GOLF in February 2023.
- ✓ R&D expenses, especially personnel expenses included in R&D expenses, fell due to the implementation of a voluntary retirement system in the previous fiscal year.
- ✓ In depreciation and amortization, primarily die amortization expenses in the pachinko and pachislot machine business decreased.
- ✓ In capital investment, primarily die-making costs in the pachinko and pachislot machine business increased.

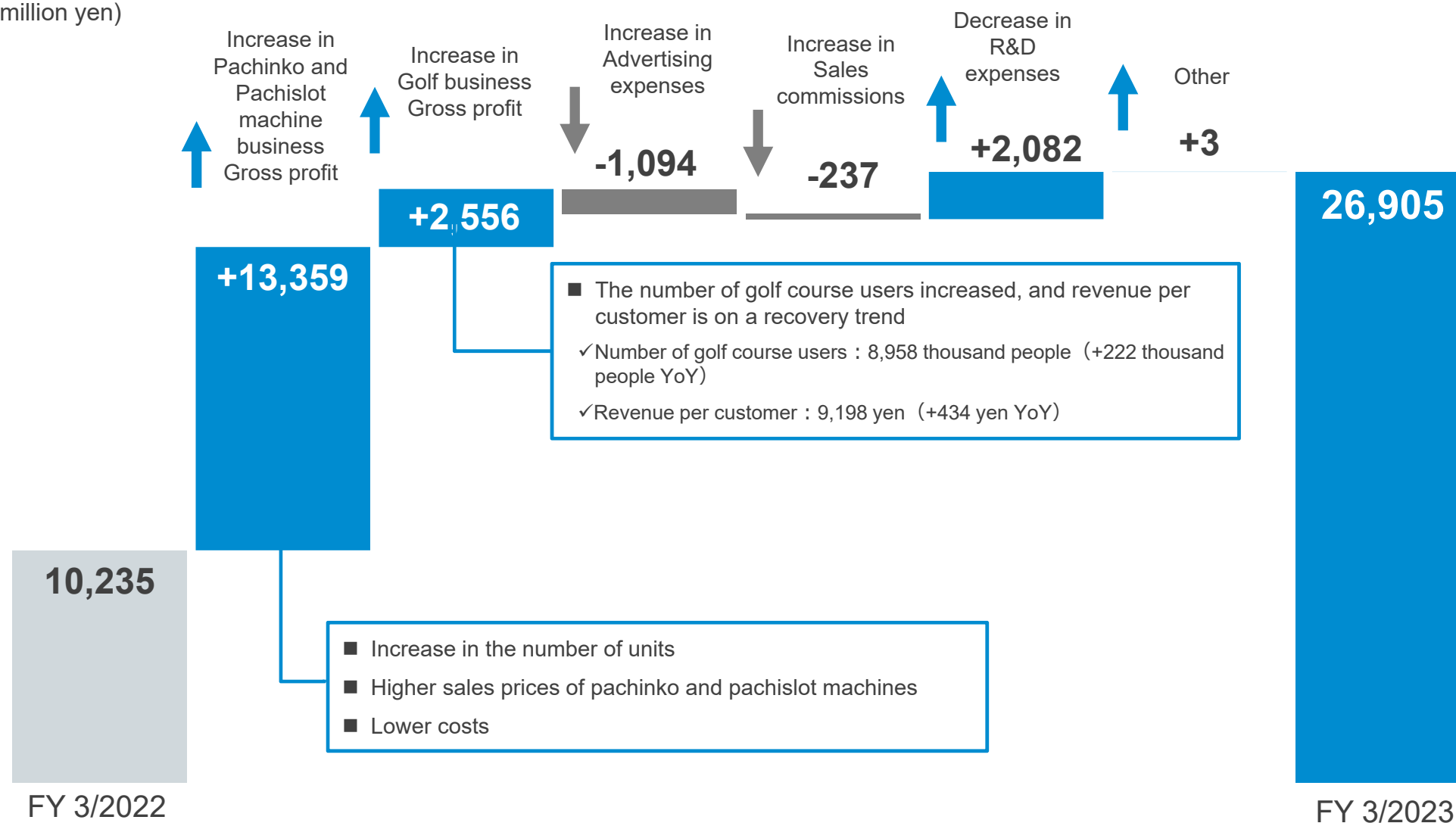
(million yen)	FY 3/2022	FY 3/2023	YoY
SG & A expenses	23,163	<b>22,408</b>	-3.3%
Advertising expenses	952	<b>2,046</b>	114.9%
Sales commissions	954	<b>1,191</b>	24.8%
R&D expenses	9,091	<b>7,009</b>	-22.9%
Depreciation & Amortization	10,082	<b>8,801</b>	-12.7%
Pachinko and Pachislot machine business	3,187	<b>1,691</b>	-46.9%
Golf business	6,894	<b>7,110</b>	3.1%
Capital Investment	8,095	<b>8,424</b>	4.1%
Pachinko and Pachislot machine business	984	<b>1,117</b>	13.5%
Golf business	7,110	<b>7,306</b>	2.8%



# Factors Contributing to Change in Operating Income (Results)

■ Operating income increased by 16,669 million yen year on year

(million yen)





# Pachinko and Pachislot Machine Business (Machine Sales Results)



■ The number of machines sold increased year on year (+34k units YoY)

(units)		FY 3/2022	FY 3/2023	YoY
Number of machine sold		92,826	<b>126,894</b>	+34k units
Pachinko machine	Number of titles released	9	<b>8</b>	-1
	Number of machine sold	63,095	<b>80,322</b>	+17k units
	Body	49,040	<b>49,385</b>	+0k units
	Gauge board	14,055	<b>30,937</b>	+16k units
Pachislot machine	Number of titles released	7	<b>5</b>	-2
	Number of machine sold	29,731	<b>46,572</b>	+16k units
	Chassis	29,663	<b>46,115</b>	+16k units
	Combined units	68	<b>457</b>	+0k units

## Major title in the 4Q / Pachinko Machine

Titles	Sales (units)	Release
<i>City Hunter: Ore no kokoro wo furuwasetahi</i>	5,170	Jan. 2023
<i>Lupin the Third: THE FIRST</i>	6,261	Mar. 2023

## Major titles in the 4Q / Pachislot Machine

Titles	Sales (units)	Release
<i>Baki: Tsuyokunaritakubakurae!!!</i> (additional sales) *	2,330	Feb. 2023

\*Number of machine sold for the fiscal year ending March 31, 2023: 19,988 units



# Pachinko and Pachislot Machine Business (Results)



■ Income and profit were up year on year (net sales +39.8% YoY and operating loss of 607 million yen in the same period of the previous year)

- ✓ Income grew thanks to a larger number of machines sold than in the same period of the previous fiscal year, as well as higher sales prices of pachinko machines.
- ✓ In addition to growth in net sales, profit grew significantly thanks to lower sales costs and lower personnel expenses accompanying the implementation of a voluntary retirement system.

(million yen)	FY 3/2022	FY 3/2023	YoY
Net sales	36,249	<b>50,678</b>	39.8%
Pachinko machines	24,741	<b>31,964</b>	29.2%
Pachislot machines	11,263	<b>18,669</b>	65.8%
Gross profit	14,497	<b>27,856</b>	92.1%
Pachinko machines	9,142	<b>17,063</b>	86.6%
Pachislot machines	5,299	<b>10,755</b>	103.0%
Gross profit ratio	40.0%	<b>55.0%</b>	+15.0pt
Operating income	-607	<b>15,155</b>	-
Pachinko machines	-1,192	<b>9,372</b>	-
Pachislot machines	538	<b>5,743</b>	965.9%
Operating income ratio	-	<b>29.9%</b>	-





# Golf Business (Results) 1

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

- ✓ The number of golf course users grew on the back of favorable weather nationwide throughout the year as well as golf's popularity.
- ✓ In revenue per customer, although recovery in demand for competitions involving group dining remained sluggish, playing fees rose thanks to pricing based on increasing demand for playing golf.

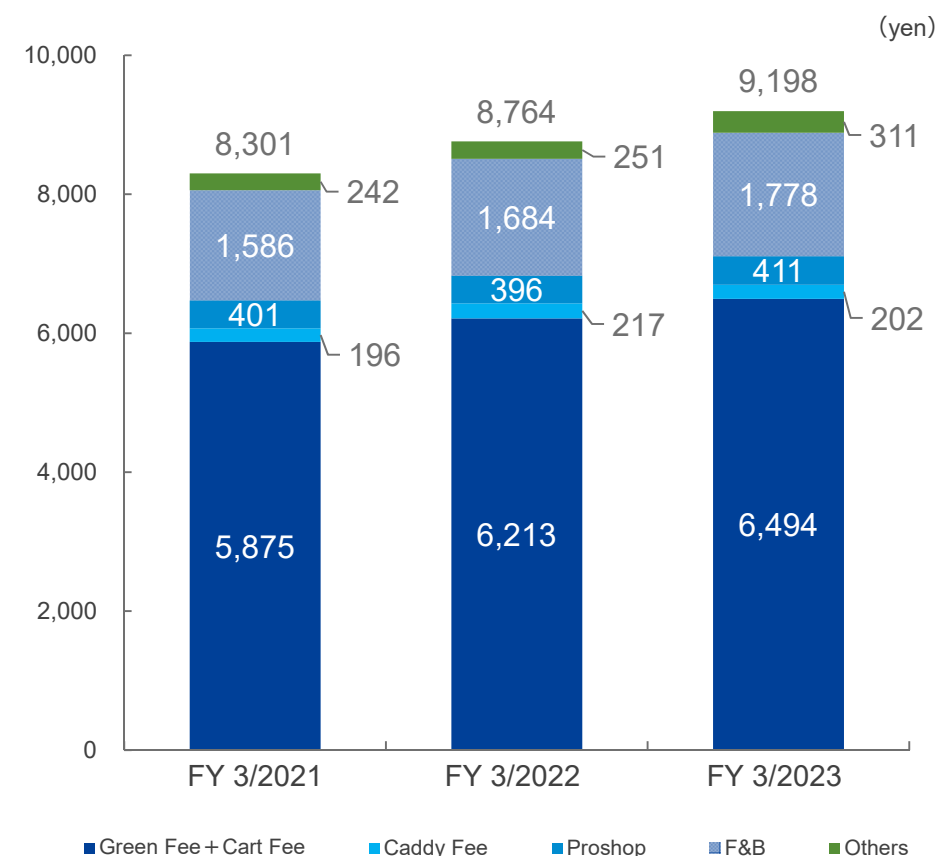
### ■ Number of golf course users / Revenue per customer

Full Year (12months)	FY 3/2021	FY 3/2022	FY 3/2023	YoY
Number of golf course users (thousand people)	7,902	8,735	8,958	2.5%
Revenue per customer (yen)	8,301	8,764	9,198	5.0%
4Q (3months)	FY 3/2021	FY 3/2022	FY 3/2023	YoY
Number of golf course users (thousand people)	1,759	1,777	1,845	3.8%
Revenue per customer (yen)	8,220	8,562	8,886	3.8%

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

Fiscal year	FY 3/2021	FY 3/2022	FY 3/2023	YoY
Number of golf course	145	146	147	+1

### ■ Breakdown of Revenue per Customer





# Golf Business (Results) 2

■ Income and profit were up year on year (net sales +7.4% YoY and operating income +9.8% YoY)

- ✓ Revenue from golf course operation grew thanks to an increase in the number of golf course users and recovery in revenue per customer.
- ✓ A newly acquired golf course (Old Orchard Golf Club) contributed. In addition, membership-related sales remained strong on the back of golf's popularity.
- ✓ Despite higher utility costs due to increased prices of resources, profit increased thanks to higher net sales.

(million yen)	FY 3/2021	FY 3/2022	<b>FY 3/2023</b>	YoY
Net sales	74,452	85,308	<b>91,611</b>	7.4%
Gross profit	13,072	18,902	<b>21,458</b>	13.5%
Gross profit ratio	17.6%	22.2%	<b>23.4%</b>	+1.2pt
Operating income	7,624	13,280	<b>14,582</b>	9.8%
Operating income ratio	10.2%	15.6%	<b>15.9%</b>	+0.3pt

## Breakdown of Sales

(million yen)	FY 3/2021	FY 3/2022	<b>FY 3/2023</b>	YoY
Revenue from golf course operation	65,605	76,561	<b>82,409</b>	7.6%
Membership-related sales	8,187	8,011	<b>8,191</b>	2.3%



# Consolidated Balance Sheets (Summary)

(million yen)	As of March 31, 2022	As of March 31, 2023	Change	Remarks
Current assets	92,828	<b>96,622</b>	3,793	✓ Increase in raw materials and supplies ✓ Increase in investment securities
Non-current assets	324,238	<b>327,105</b>	2,867	
Total assets	417,066	<b>423,727</b>	6,660	
Current liabilities	67,257	<b>69,459</b>	2,202	✓ Decrease in loans payable
Non-current liabilities	132,622	<b>123,262</b>	-9,360	
Total liabilities	199,880	<b>192,721</b>	-7,158	
Total net assets	217,186	<b>231,005</b>	13,819	
Total liabilities and net assets	417,066	<b>423,727</b>	6,660	

(million yen)	As of March 31, 2022	As of March 31, 2023	
Cash and deposits, and securities	67,052	<b>67,716</b>	✓ D/E ratio (interest-bearing debt/shareholders' equity) 52.7% → 47.0%
Interest-bearing debt	114,416	<b>108,645</b>	
Shareholders' equity	217,186	<b>231,005</b>	✓ Net D/E ratio (net interest-bearing debt/shareholders' equity) 21.8% → 17.7%
Shareholders' equity ratio	52.1%	<b>54.5%</b>	

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



# Consolidated Statements of Income (Plan)



■ 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 Plan	YoY
Net Sales	142,290	154,600	8.7%
Pachinko and Pachislot machine business	50,678	59,900	18.2%
Golf Business	91,611	94,700	3.4%
Operating income	26,905	30,000	11.5%
Pachinko and Pachislot machine business	15,155	15,900	4.9%
Golf Business	14,582	17,000	16.6%
Eliminations & Corporate expenses	-2,833	-2,900	2.3%
Operating income ratio	18.9%	19.4%	0.5pt
Ordinary income	26,631	28,700	7.8%
Profit attributable to owners of parent	20,685	21,000	1.5%
EBITDA*	35,954	39,400	9.6%

\* EBITDA = Operating income + depreciation + amortization



# SG & A Expenses, etc. (Plan)

■ 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 Plan	YoY
SG & A expenses	22,408	<b>24,400</b>	8.9%
Advertising expenses	2,046	<b>2,900</b>	41.7%
Sales commissions	1,191	<b>1,600</b>	34.3%
R&D expenses	7,009	<b>8,100</b>	15.6%
Depreciation & Amortization	8,801	<b>9,100</b>	3.4%
Pachinko and Pachislot machine business	1,691	<b>1,400</b>	-17.2%
Golf business	7,110	<b>7,700</b>	8.3%
Capital Investment	8,424	<b>14,800</b>	75.7%
Pachinko and Pachislot machine business	1,117	<b>1,600</b>	43.1%
Golf business	7,306	<b>13,200</b>	80.7%



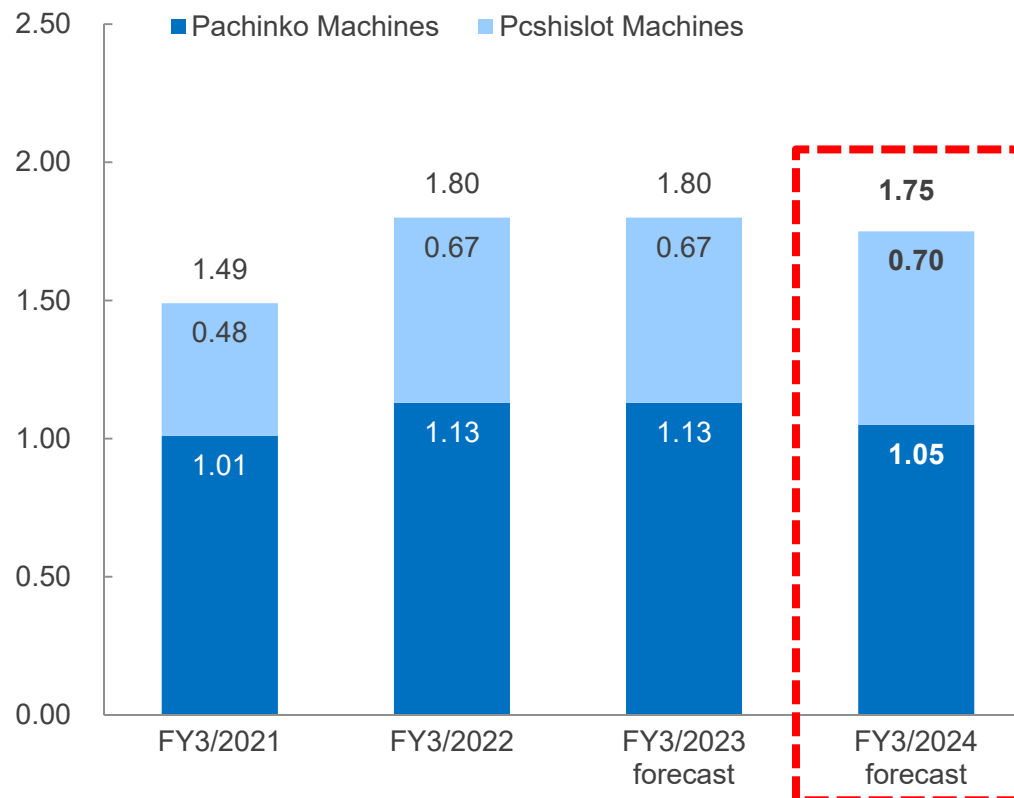
# Pachinko and Pachislot Machine Business (Market Trends)



## 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 FY3/2022 and FY3/2023 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)







# Pachinko and Pachislot Machine Business (Challenges & Measures)

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



# Pachinko and Pachislot Machine Business (Machine Sales Plan)

- The number of machines sold are expected to increase from the previous fiscal year (+13k units YoY).

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

**BIOHAZARD RE:2**

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■ Major title in the 1Q / Pachinko Machine

Title	Release Date
BIOHAZARD RE:2	May 2023

■ Major title in the 1Q / Pachislot Machine

Title	Release Date
Shuyaku ha zenigata 4	May 2023





# Pachinko and Pachislot Machine Business (Smart Pachinko/Smart Pachislot Round 2)

- Focus on development/sales of Smart Pachinko and Smart Pachislot machines, for which future expectations are rising



Machine equipped with  
complete function

CATSEYE

Delivery to begin in July 2023



©北条司/コアミックス 1981 版權許諾証 YCF-635



Machine equipped with  
complete function



Delivery to begin in May 2023



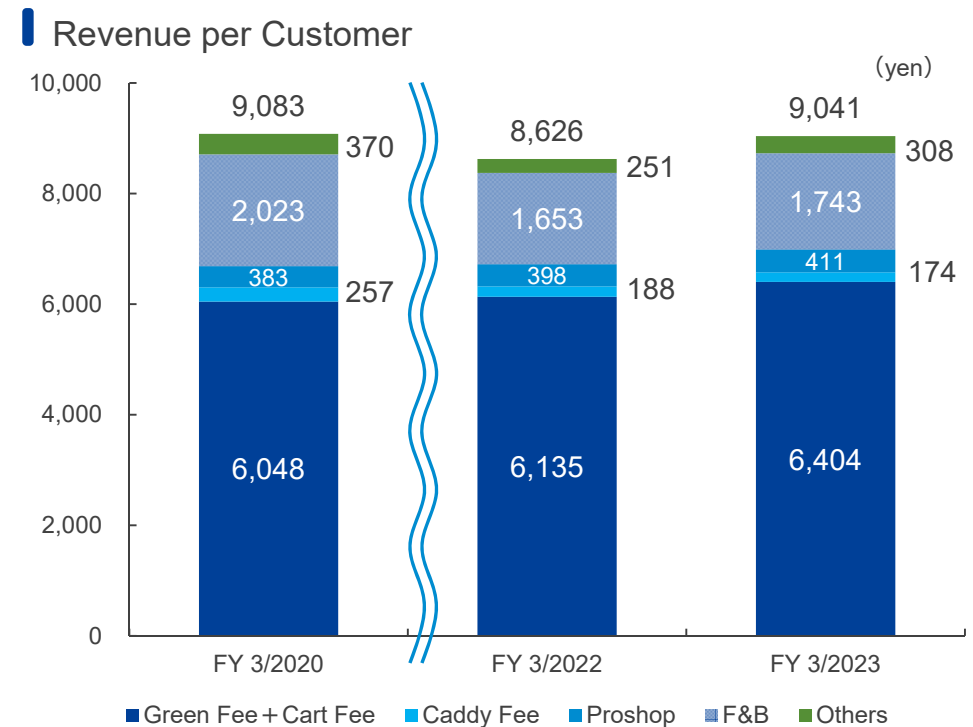
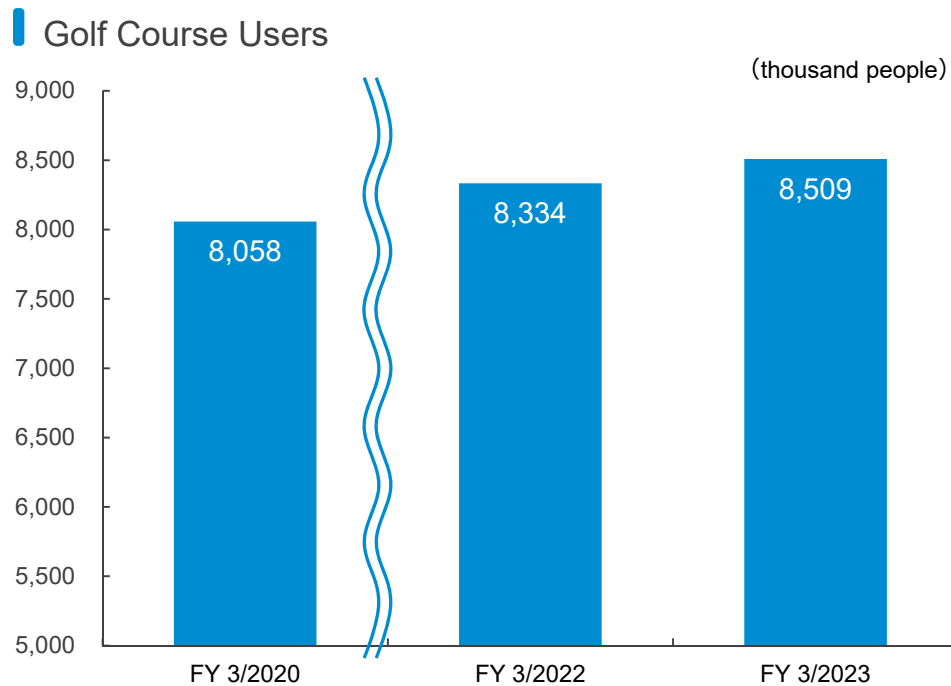
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# Golf Business (Market Trends)

- The number of golf course users is on an upward trend compared to pre-pandemic levels, and revenue per customer is also on an upward trend, primarily in terms of playing fees

Comparison based on existing courses (138 Golf Courses)



## Market Trends

- ✓ The number of golf course users is increasing thanks to golf's popularity. Although golf courses are operating at nearly maximum capacity on weekends and national holidays, operating rates on weekdays still have potential for growth. This means that there is room to grow further in the future by boosting operating rates on weekdays.
- ✓ In revenue per customer, playing fees have risen on the back of golf's popularity. Although food and beverage (F&B) revenue, etc. has not yet recovered due to a decline in demand for competitions involving group dining, it is on a gradual recovery trend.

## Revenue per Customer(147 Golf Courses)

	FY 3/2021	FY 3/2022	FY 3/2023	FY 3/2024 Plan
Number of golf course users (thousand people)	7,902	8,735	8,958	9,065
Revenue per customer (yen)	8,301	8,764	9,198	9,434





- 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





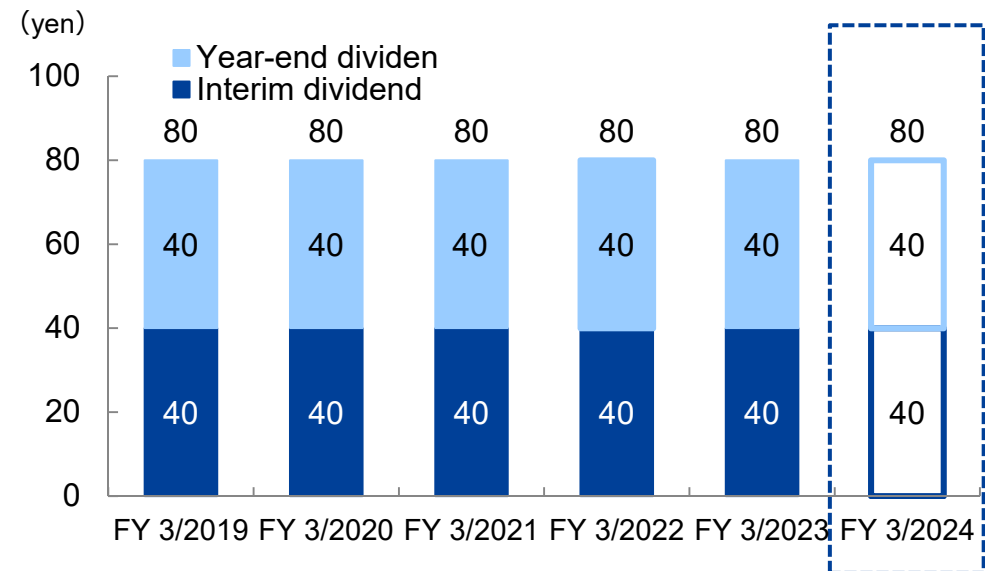
## Dividend policy

- 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
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 Ended March 31, 2023

## 【Golf Business】

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

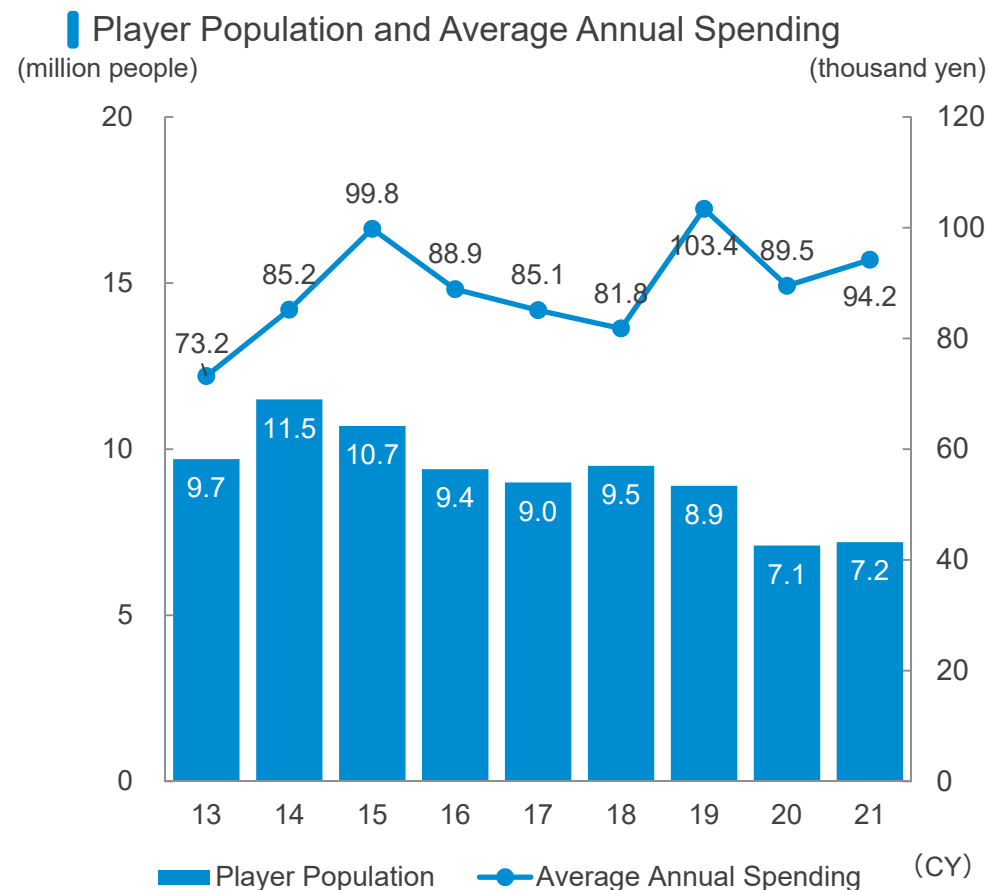
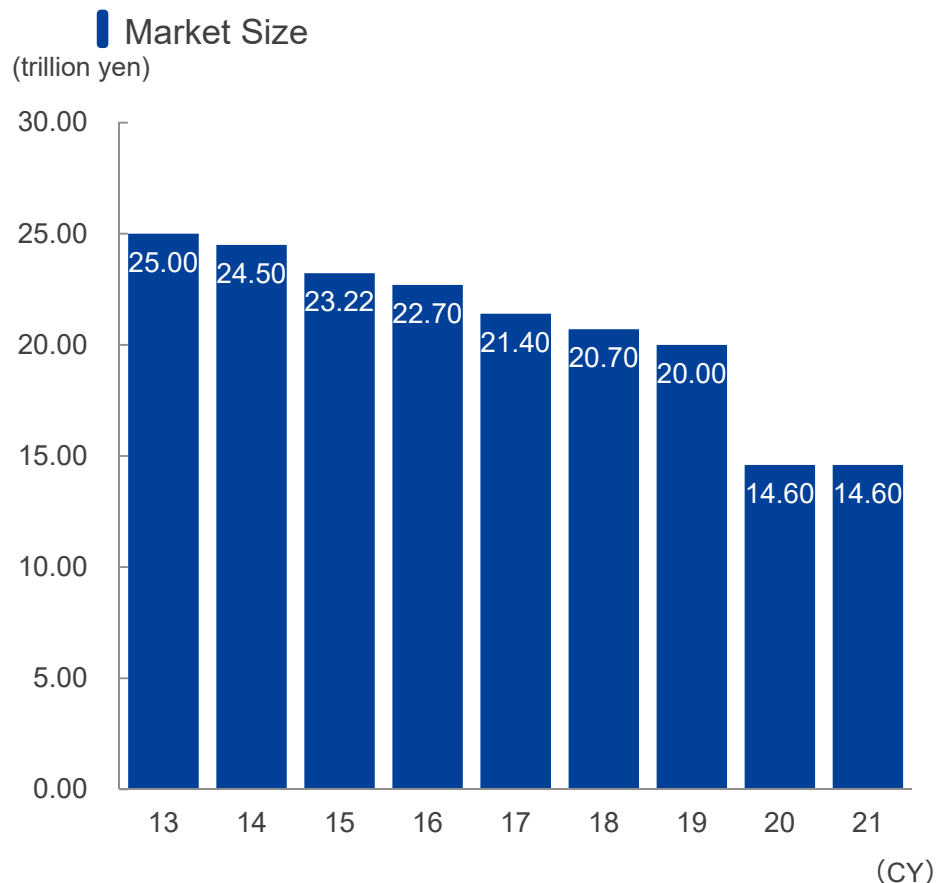
## 【Consolidated Results】

- Financial Performance Trend
- Key Financial Indicators



# 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

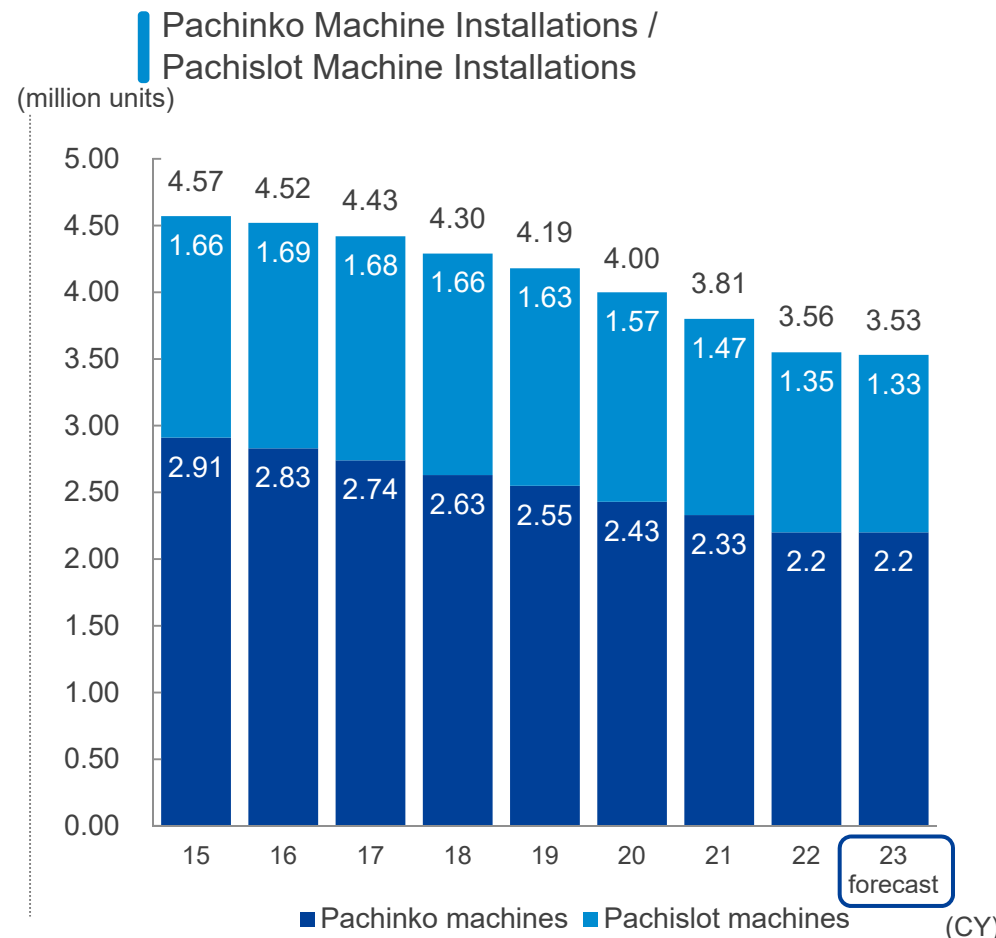
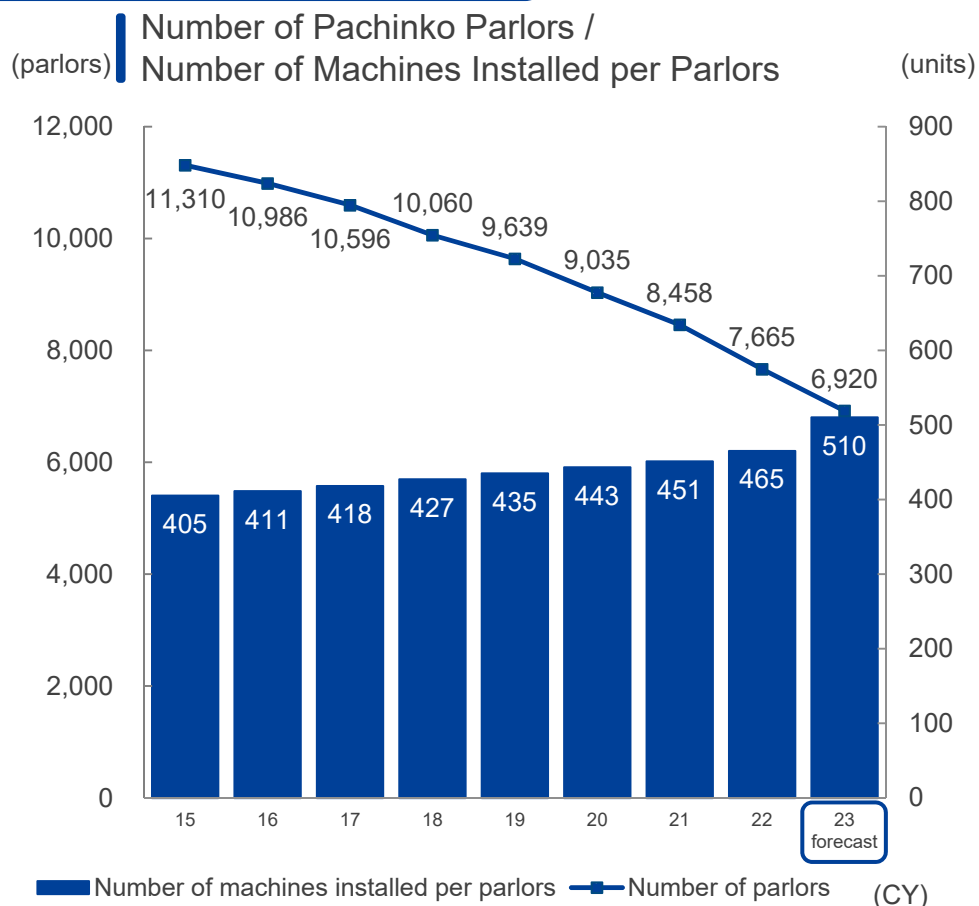
Note: Date source: Japan Productivity Center. Date on a calendar year basis (from January to December).





# Market Environment (Pachinko and Pachislot Machine Business) 2

## Pachinko and Pachislot Machine business



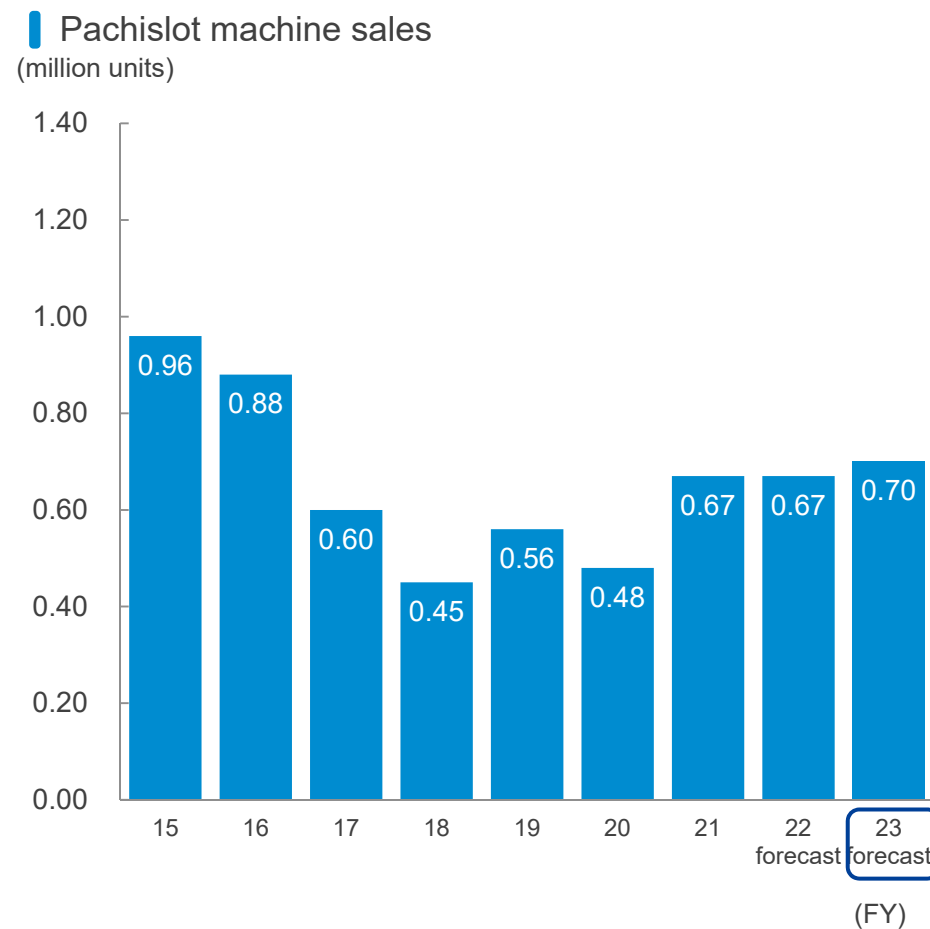
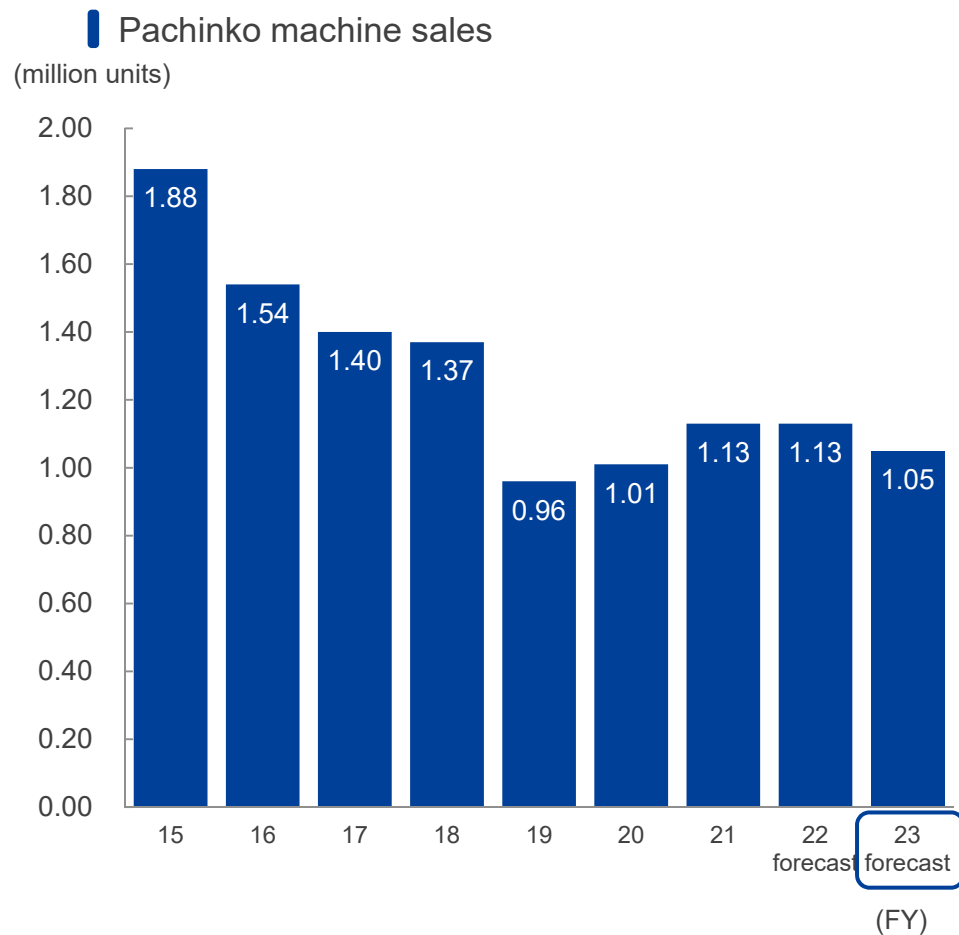
	2015	2016	2017	2018	2019	2020	2021	2022	2023 forecast
Number of parlors	11,310	10,986	10,596	10,060	9,639	9,035	8,458	7,665	6,920
Number of machines installed per parlors (units)	405	411	418	427	435	443	451	465	510
Pachinko machine installations (million units)	2.91	2.83	2.74	2.63	2.55	2.43	2.33	2.20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



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.

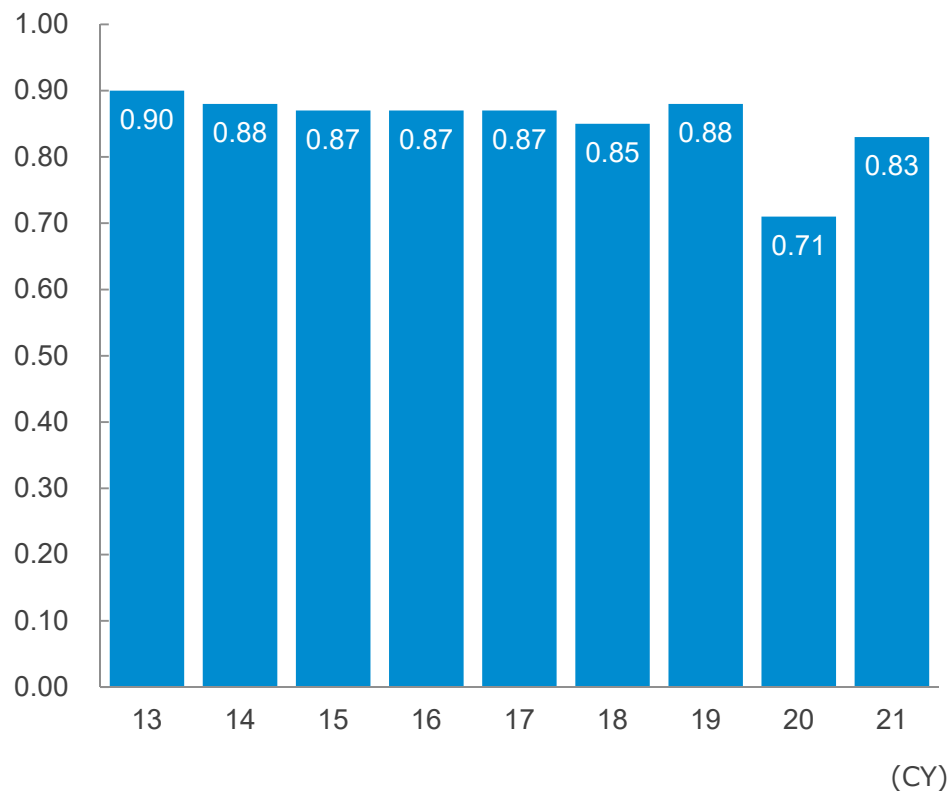


# Market Environment (Golf Business)

## Golf business

### Market Size

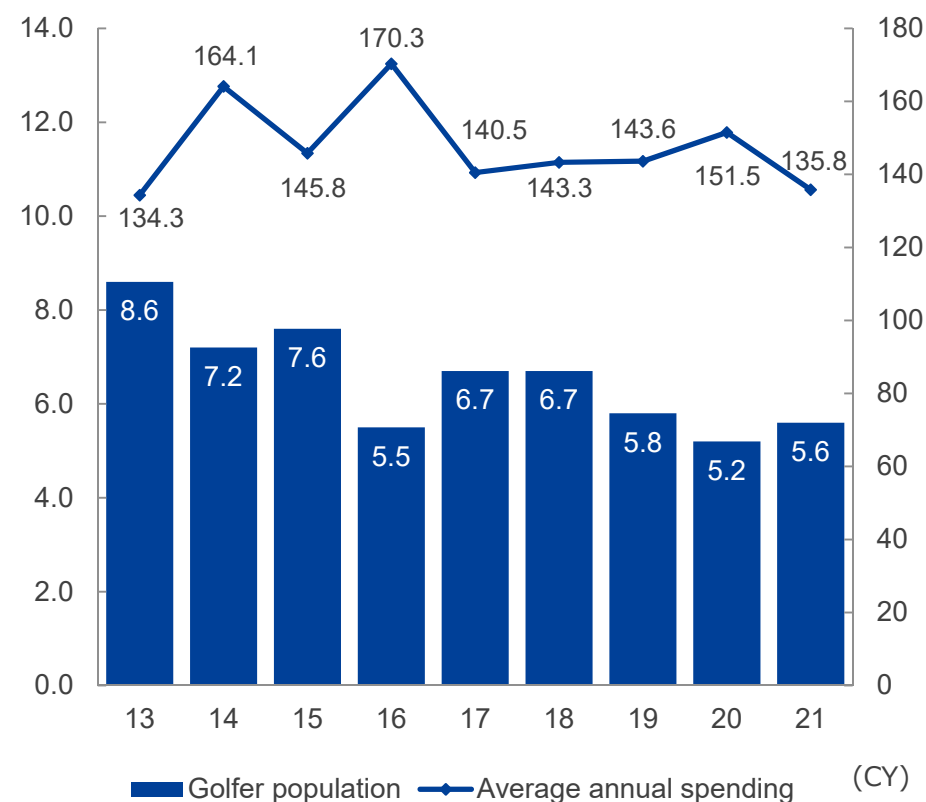
(trillion yen)



### 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, 2023



### Pachinko and Pachislot Machine business

#### Number of machines sold

(units)	FY 3/2018	FY 3/2019	FY 3/2020	FY 3/2021	FY 3/2022						FY 3/2023				
	Full year	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
Total	138,626	166,124	164,400	2,644	8,379	42,613	85,283	23,211	38,269	63,030	92,826	23,578	59,124	106,153	126,894
Pachinko machines	117,774	118,880	95,483	1,235	4,410	37,867	49,890	16,542	29,113	40,228	63,095	17,497	38,970	61,923	80,322
Body	72,185	60,946	41,887	267	585	33,121	39,455	15,752	27,351	36,124	49,040	14,305	24,865	42,462	49,385
Gauge board	45,589	57,934	53,596	968	3,825	4,746	10,435	790	1,762	4,104	14,055	3,192	14,105	19,461	30,937
Pachislot machines	20,852	47,244	68,917	1,409	3,969	4,746	35,393	6,669	9,156	22,802	29,731	6,081	20,154	44,230	46,572
Chassis	1,344	14,093	29,288	587	914	1,042	27,423	6,606	9,093	22,736	29,663	5,754	19,697	43,773	46,115
Combined units	19,508	33,151	39,629	822	3,055	3,704	7,970	63	63	66	68	327	457	457	457

#### Title to Release / Pachinko machine

Release	Title	Units sold
1Q	<i>Mahjong Monogatari 4</i>	7,307
2Q	<i>Sengoku Otome: LEGEND BATTLE</i>	17,103
	<i>Koumon Chama: Kamimori 2</i>	6,500
3Q	<i>Lupin the Third: Kesareta Lupin 2022</i>	8,769
	<i>Terminator 2: Judgment Day TYPE7500</i>	7,150
	<i>Galaxy Express 999: Next Journey</i>	7,150
4Q	<i>City Hunter: Ore no kokoro wo furuwasetahi</i>	5,170
	<i>Lupin the Third: THE FIRST</i>	6,261
	Others	14,912
Total		80,322

#### Title to Release / Pachislot machine

Release	Title	Units sold
1Q	<i>Cat's Eye</i>	5,046
2Q	<i>Koumon Chama: Katsu 2</i>	7,500
	<i>Abasa 25/30</i>	2,982
	<i>BIG Shimauta 30</i>	10,000
3Q	<i>Baki: Tsuyokunaritakubakurae!!!</i>	19,988
4Q	-	-
	Others	1,056
Total		46,572



# Trends of Golf Course Users and Revenue per Customer 1



## Golf business

### Number of Golf Course Users

(persons)	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
FY 3/2018	675,659	792,244	711,469	750,806	704,955	715,606	647,910	730,972	644,083	447,133	403,933	614,892	7,839,662
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

### Revenue per Customer

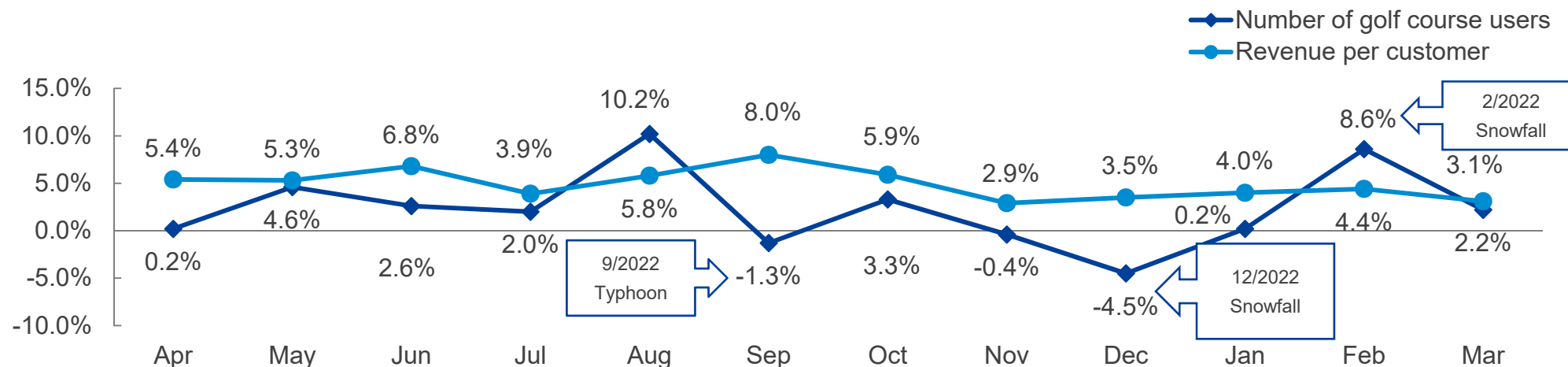
(yen)	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Average
FY 3/2018	9,363	9,408	9,162	8,871	8,241	9,045	9,721	9,993	9,590	8,953	8,372	9,143	9,188
FY 3/2019	9,458	9,548	9,446	8,804	8,313	9,319	9,623	9,915	9,639	8,631	8,046	9,149	9,218
FY 3/2020	9,463	9,438	9,314	8,588	8,515	9,051	9,448	9,981	9,344	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



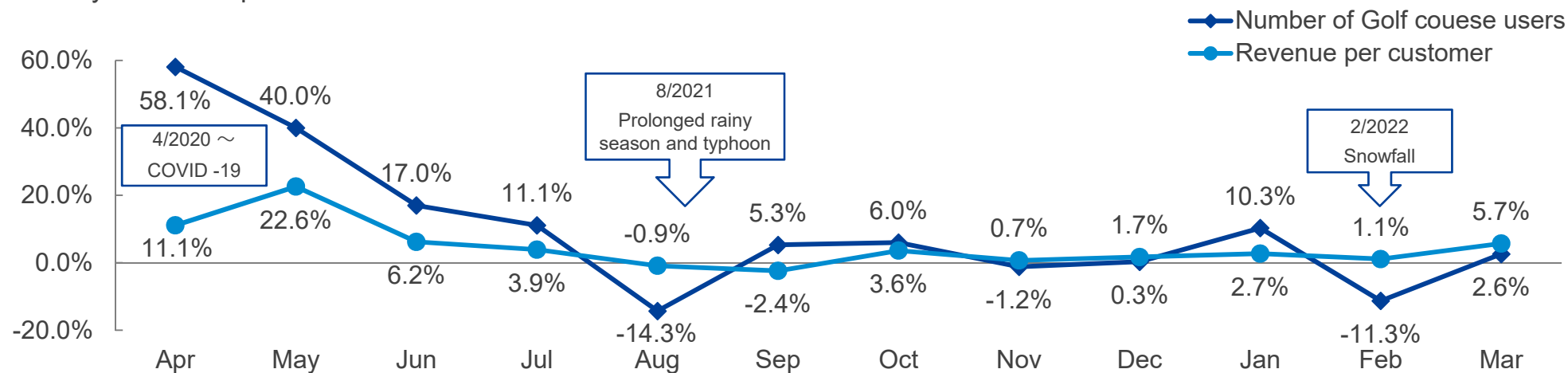
# Trends of Golf Course Users and Revenue per Customer 2

## Golf business

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



### Monthly result comparison – FY 3/2022 vs FY 3/2021



\* Based on operating golf course since previous year.



# Golf Course Portfolio

## Golf business

	As of March 31, 2022		As of March 31, 2023	
	Courses	18H equivalent	Courses	18H equivalent
Owned Golf Courses	145	176.0	146	177.0
Leased Golf Courses	1	2.0	1	2.0
<b>Total</b>	<b>146</b>	<b>178.0</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	12	13.0	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>146</b>	<b>178.0</b>	<b>147</b>	<b>179.0</b>

State of affairs in the fiscal year ended March 31, 2023

### 【Acquisition】

12/1/2022 PGM Gotenba Country Club commenced operation (Sunto District, Shizuoka Prefecture / 18H)

### 【Stock transfer agreement】

None

### 【Sponsorship agreement】

None

### 【Sale】

None



# Financial Performance Trend



## Consolidated

(million yen)	FY 3/2018	FY 3/2019	FY 3/2020	FY 3/2021	FY 3/2022						FY 3/2023				
	Full year	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
Net sales	132,765	144,980	144,573	16,173	37,781	76,109	107,744	32,051	58,754	92,376	121,558	34,731	70,930	116,253	142,290
Pachinko and Pachislot machine Business	51,552	62,407	61,658	1,171	2,893	18,263	33,292	9,116	15,260	24,482	36,249	9,785	23,451	43,382	50,678
Golf Business	81,213	82,573	82,914	15,001	34,888	57,845	74,452	22,934	43,494	67,893	85,308	24,945	47,478	72,871	91,611
Operating income	13,931	28,014	23,551	-4,415	-4,680	1,853	5,311	4,367	4,733	9,957	10,235	7,855	15,337	28,161	26,905
Pachinko and Pachislot machine Business	7,149	20,791	17,450	-3,301	-5,795	-3,999	287	77	-1,495	-1,666	-607	2,332	6,957	15,140	15,155
Golf Business	9,930	10,599	9,286	-503	2,460	7,864	7,624	4,796	7,429	13,405	13,280	6,252	9,720	15,167	14,582
Eliminations & corporate expenses	-3,147	-3,376	-3,185	-611	-1,346	-2,010	-2,600	-507	-1,199	-1,781	-2,437	-728	-1,340	-2,147	-2,833
Operating income ratio	10.5%	19.3%	16.3%	-27.3%	-12.4%	2.4%	4.9%	13.6%	8.1%	10.8%	8.4%	22.6%	21.6%	24.2%	18.9%
Ordinary income	13,105	27,451	23,278	-4,491	-4,694	2,388	5,799	4,331	4,844	9,876	10,467	7,827	15,136	27,793	26,631
Profit attributable to owners of parent	6,799	16,341	15,872	-5,813	-6,179	-2,528	865	2,633	2,543	4,604	2,193	5,355	10,798	20,506	20,685
SG & A Expenses	30,652	27,822	32,760	5,552	11,176	17,401	23,723	5,509	11,241	16,999	23,163	4,869	10,077	16,048	22,408
Advertising expenses	2,368	2,179	1,950	107	338	569	795	174	361	609	952	196	607	1,465	2,046
Sales commissions	1,135	1,660	1,885	38	104	352	921	230	347	681	954	208	570	1,065	1,191
R&D expenses	10,832	7,881	12,680	2,806	5,176	7,627	9,949	2,212	4,518	6,833	9,091	1,725	3,267	4,949	7,009
Depreciation & amortization	10,740	9,868	8,745	1,958	4,052	6,424	9,016	2,373	4,830	7,369	10,082	1,996	4,161	6,426	8,801
Pachinko and Pachislot machine Business	3,679	2,940	1,946	371	816	1,579	2,476	630	1,389	2,240	3,187	305	694	1,170	1,691
Golf Business	7,060	6,928	6,798	1,586	3,235	4,844	6,539	1,743	3,441	5,129	6,894	1,690	3,466	5,255	7,110
Capital investment	14,166	7,091	9,667	2,631	4,167	5,495	6,921	2,762	5,024	6,332	8,095	2,162	5,041	6,236	8,424
Pachinko and Pachislot machine Business	1,872	1,063	3,578	438	887	1,198	1,653	369	612	798	984	381	732	947	1,117
Golf Business	12,294	6,027	6,089	2,193	3,279	4,297	5,267	2,393	4,411	5,534	7,110	1,780	4,308	5,288	7,306





# 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



# 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

Management Planning Group, Heiwa Corporation

TEL: +81-3-3839-0701

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

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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.
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