

Results for the 2nd Quarter of Fiscal Year Ending March 31, 2023

Heiwa Corporation

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Prime of Tokyo Stock Exchange

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Results for the 2nd Quarter of FY Ending March 31, 2023



Consolidated Statements of Income (Results)

■ Income and profit were up year on year (net sales +20.7% YoY and operating income +224.0% YoY)

- ✓ Both the pachinko/pachislot machine business and golf business remained strong.
- ✓ Consolidated income and profit rose thanks to factors such as more units sold and lower costs in the pachinko and pachislot machine business, as well as higher revenue per customer in the golf business.

(million yen)	FY 3/2022 2Q	FY 3/2023 2Q	YoY
Net Sales	58,754	70,930	20.7%
Pachinko and Pachislot machine business	15,260	23,451	53.7%
Golf Business	43,494	47,478	9.2%
Operating income	4,733	15,337	224.0%
Pachinko and Pachislot machine business	-1,495	6,957	-
Golf Business	7,429	9,720	30.8%
Eliminations & Corporate expenses	-1,199	-1,340	11.7%
Operating income ratio	8.1%	21.6%	+13.5pt
Ordinary income	4,844	15,136	212.4%
Profit attributable to owners of parent	2,543	10,798	324.5%
EBITDA*	9,680	19,621	102.7%

* EBITDA = Operating income + depreciation + amortization

■ SG & A Expenses were down year on year (-10.4% YoY)

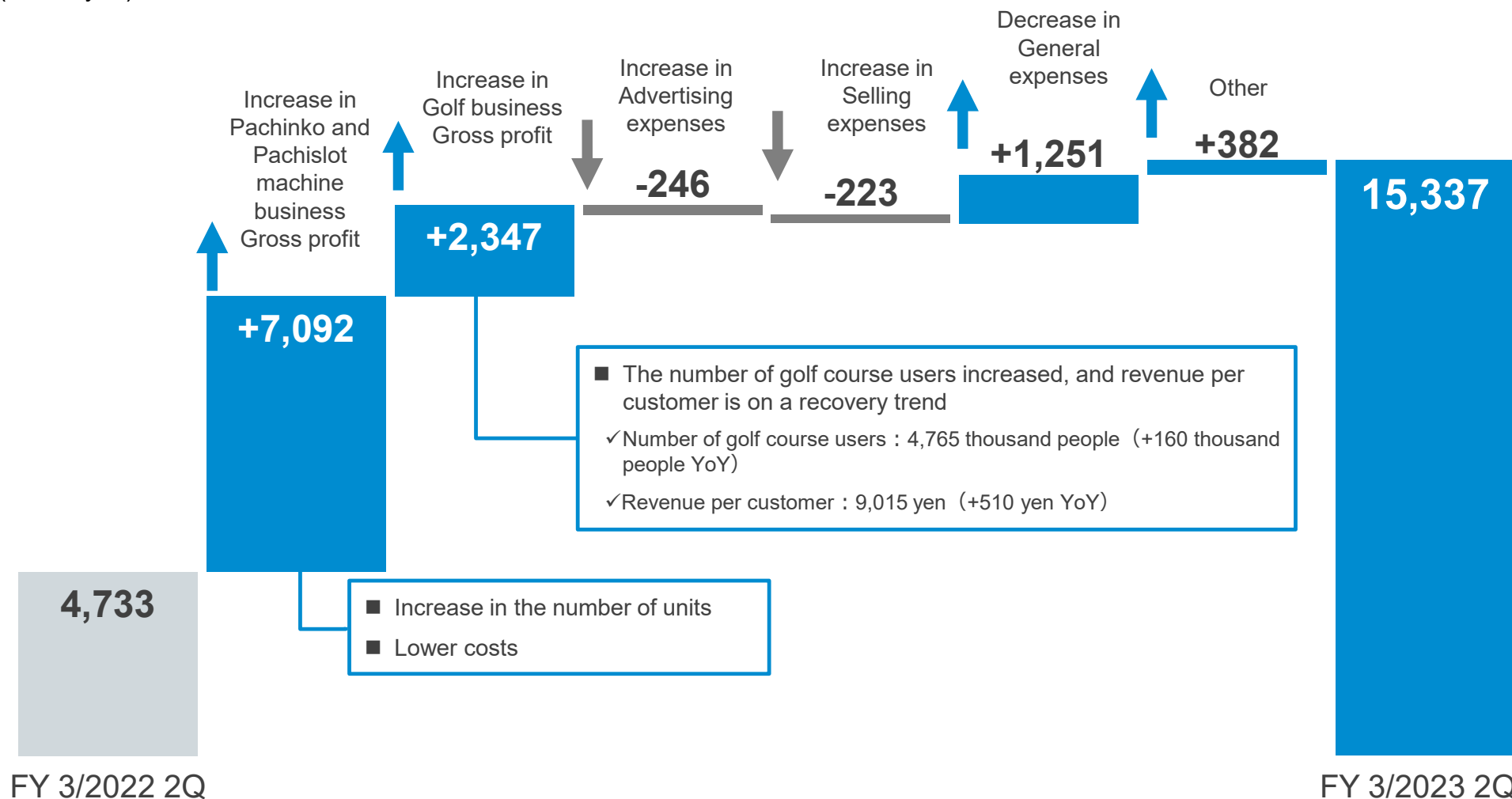
- ✓ Advertising expenses increased due to factors such as airing of commercials for pachinko and pachislot machines.
- ✓ Personnel expenses included in R&D expenses fell due to the implementation of a voluntary retirement system in the previous fiscal year.
- ✓ In depreciation and amortization, depreciation expenses decreased in the pachinko and pachislot machine business.

(million yen)	FY 3/2022 2Q	FY 3/2023 2Q	YoY
SG & A expenses	11,241	10,077	-10.4%
Advertising expenses	361	607	68.3%
Sales commissions	347	570	64.3%
R&D expenses	4,518	3,267	-27.7%
Depreciation & Amortization	4,830	4,161	-13.8%
Pachinko and Pachislot machine business	1,389	694	-50.0%
Golf business	3,441	3,466	0.7%
Capital Investment	5,024	5,041	0.3%
Pachinko and Pachislot machine business	612	732	19.6%
Golf business	4,411	4,308	-2.3%

Factors Contributing to Change in Operating Income (Results)

■ Operating income increased by 10,603 million yen year on year

(million yen)



Pachinko and Pachislot machine business (Machine Sales Results)

■ The number of machines sold increased year on year (+20k units YoY)

(units)		FY 3/2022 2Q	FY 3/2023 2Q	YoY
Number of machine sold		38,269	59,124	+20.8k units
Pachinko machine	Number of titles released	5	3	-2
	Number of machine sold	29,113	38,970	+9.8k units
	Body	27,351	24,865	-2.4k units
	Gauge board	1,762	14,105	+12.3k units
Pachislot machine	Number of titles released	2	4	+2
	Number of machine sold	9,156	20,154	+10.9k units
	Chassis	9,093	19,697	+10.6k units
	Combined units	63	457	+0.3k units

Major pachinko titles in the 2Q

Titles	Sales (units)	Release
<i>Sengoku Otome: LEGEND BATTLE</i>	13,535	Jul. 2022
<i>Koumon Chama: Kamimori 2</i>	6,500	Aug. 2022

Major pachislot titles in the 2Q

Titles	Sales (units)	Release
<i>Koumon Chama: Katsu 2</i>	7,500	Aug. 2022
<i>BIG Simauta 30</i>	3,580	Sep. 2022



■ Income and profit were up year on year (net sales +53.7% YoY and operating loss of 1,495 million yen in the same period of the previous year)

- ✓ Income grew significantly 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 2Q	FY 3/2023 2Q	YoY
Net sales	15,260	23,451	53.7%
Pachinko machines	11,387	15,594	36.9%
Pachislot machines	3,744	7,838	109.4%
Gross profit	5,896	12,988	120.3%
Pachinko machines	3,993	8,490	112.6%
Pachislot machines	1,869	4,487	140.1%
Gross profit ratio	38.6%	55.4%	+16.8pt
Operating income	-1,495	6,957	-
Pachinko machines	-1,360	4,750	-
Pachislot machines	-157	2,195	-
Operating income ratio	-9.8%	29.7%	+39.5pt



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

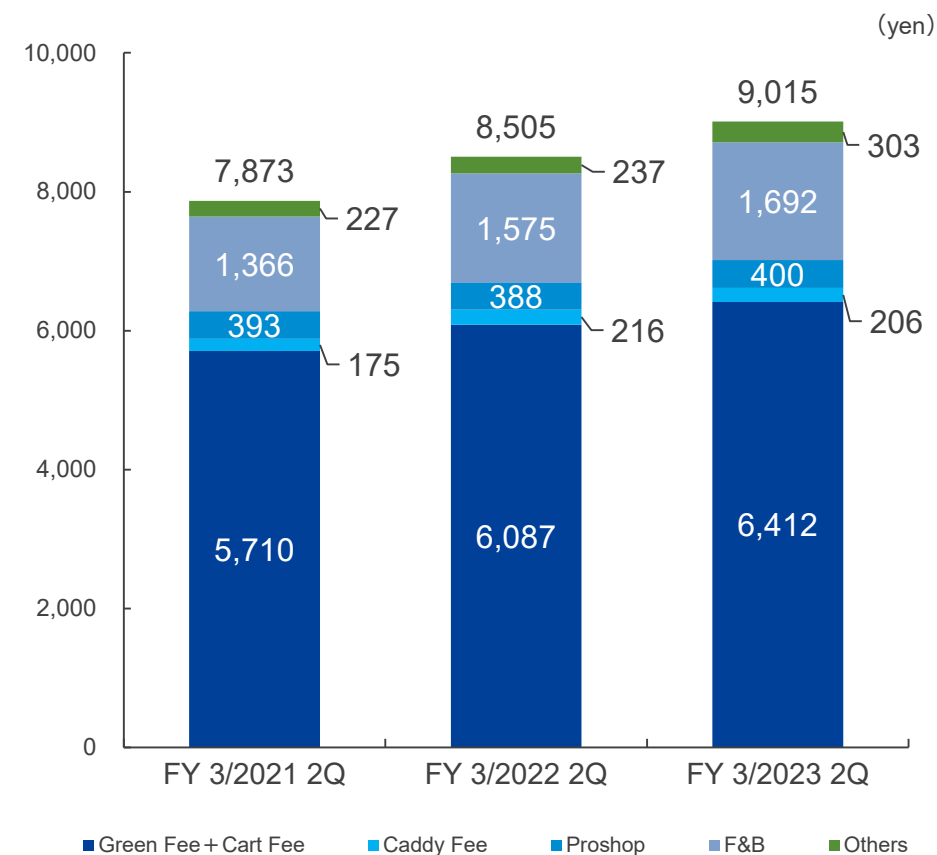
- ✓ The number of golf course users grew on the back of favorable weather and golf's popularity.
- ✓ In revenue per customer, although recovery in demand for competitions involving group dining remained sluggish, playing fees rose thanks to pricing based on increasing demand for playing golf.

■ Number of golf course users / Revenue per customer

2Q cumulative (6months)	FY 3/2021	FY 3/2022	FY 3/2023	YoY
Number of golf course users (thousand people)	3,883	4,605	4,765	3.5%
Revenue per customer (yen)	7,873	8,505	9,015	6.0%

2Q (3months)	FY 3/2021	FY 3/2022	FY 3/2023	YoY
Number of golf course users (thousand people)	2,177	2,228	2,317	4.0%
Revenue per customer (yen)	8,097	8,262	8,754	6.0%

■ Breakdown of Revenue per Customer





Golf Business (Results) 2

■ Income and profit were up year on year (net sales +9.2% YoY and operating income +30.8% 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 courses (Old Orchard Golf Club) contributed. In addition, membership-related sales remained strong on the back of golf's popularity.
- ✓ Profit increased as well thanks to higher net sales.

(million yen)	FY 3/2021 2Q	FY 3/2022 2Q	FY 3/2023 2Q	YoY
Net sales	34,888	43,494	47,478	9.2%
Gross profit	4,919	10,079	12,426	23.3%
Gross profit ratio	14.1%	23.2%	26.2%	+3.0pt
Operating income	2,460	7,429	9,720	30.8%
Operating income ratio	7.1%	17.1%	20.5%	+3.4pt

Breakdown of Sales

(million yen)	FY 3/2021 2Q	FY 3/2022 2Q	FY 3/2023 2Q	YoY
Revenue from golf course operation	30,579	39,172	42,965	9.7%
Membership-related sales	3,999	3,977	4,056	2.0%

Consolidated Balance Sheets (Summary)

(million yen)	As of March 31, 2022	As of September 30, 2022	Change	Remarks
Current assets	92,828	90,534	-2,293	
Non-current assets	324,238	324,101	-136	✓ Decrease in Cash, etc.
Total assets	417,066	414,636	-2,430	
Current liabilities	67,257	52,787	-14,469	
Non-current liabilities	132,622	138,089	5,466	✓ Decrease in loans payable
Total liabilities	199,880	190,876	-9,003	
Total net assets	217,186	223,759	6,572	
Total liabilities and net assets	417,066	414,636	-2,430	

(million yen)	As of March 31, 2022	As of September 30, 2022	
Cash and deposits, and securities	67,052	62,691	✓ D/E ratio (interest-bearing debt/shareholders' equity) 52.7% → 49.3%
Interest-bearing debt	114,416	110,257	✓ Net D/E ratio (net interest-bearing debt/shareholders' equity) 21.8% → 21.3%
Shareholders' equity	217,186	223,759	
Shareholders' equity ratio	52.1%	54.0%	

Full-year Plan for FY Ending March 31, 2023



Consolidated Statements of Income (Plan)

■ Income and profit are expected to increase from the previous fiscal year (net sales +13.5% YoY and operating income +102.2 YoY)

- ✓ Pachinko and pachislot machine business: Initial plans have been left unchanged due to concerns about shortages of electronic parts, etc., as well as the soaring prices of raw materials.
- ✓ Golf business: Initial plans have been left unchanged as a result of planned losses during the off-season in 4Q, uncertain prospects due to extreme weather in recent years, and an anticipated steep rise in electricity expenses, the effect of which remains unclear.

(million yen)	FY 3/2022 Results	FY 3/2023		YoY
		2Q Results	Plan	
Net Sales	121,558	70,930	138,000	13.5%
Pachinko and Pachislot machine business	36,249	23,451	51,200	41.2%
Golf Business	85,308	47,478	86,800	1.7%
Operating income	10,235	15,337	20,700	102.2%
Pachinko and Pachislot machine business	-607	6,957	10,400	-
Golf Business	13,280	9,720	13,300	0.1%
Eliminations & Corporate expenses	-2,437	-1,340	-3,000	23.1%
Operating income ratio	8.4%	21.6%	15.0%	6.6pt
Ordinary income	10,467	15,136	20,000	91.1%
Profit attributable to owners of parent	2,193	10,798	13,300	506.4%
EBITDA*	20,554	19,621	29,700	44.5%

* EBITDA = Operating income + depreciation + amortization



■ Increase in SG & A expenses over the previous year (+2.7% YoY)

- ✓ Advertising expenses are expected to be absorbed as planned due to the airing of TV commercials for Smart Pachislot *Baki: Tsuyokunaritakubakurae!!!*, etc. and staging of golf tournaments in the second half.
- ✓ Sales commissions are expected to be absorbed as planned due to greater numbers of machines sold.
- ✓ Although development personnel expenses included in R&D expenses will fall, R&D expenses are expected to be absorbed as planned because investment amounts related to planning and design will remain at the same levels as the previous fiscal year.

(million yen)	FY 3/2022 Results	FY 3/2023		YoY
		2Q Results	Plan	
SG & A expenses	23,163	10,077	23,800	2.7%
Advertising expenses	952	607	1,900	99.5%
Sales commissions	954	570	1,400	46.7%
R&D expenses	9,091	3,267	8,100	-10.9%
Depreciation & Amortization	10,082	4,161	8,800	-12.7%
Pachinko and Pachislot machine business	3,187	694	1,800	-43.5%
Golf business	6,894	3,466	7,000	1.5%
Capital Investment	8,095	5,041	8,400	3.8%
Pachinko and Pachislot machine business	984	732	1,400	42.2%
Golf business	7,110	4,308	7,000	-1.6%

Pachinko and Pachislot machine business (Machine Sales Plan)

■ The number of machines sold is planned to increase year on year (+37k units YoY)

(units)		FY 3/2022 Results	FY 3/2023		YoY
			2Q Results	Plan	
Number of machine sold		92,826	59,124	130,000	+37k units
Pachinko machine	Number of titles released	9	3	8	-1
	Number of machine sold	63,095	38,970	88,000	+24k units
	Body	49,040	24,865	71,200	+22k units
	Gauge board	14,055	14,105	16,800	+2k units
Pachislot machine	Number of titles released	7	4	8	+1
	Number of machine sold	29,731	20,154	42,000	+12k units
	Chassis	29,663	19,697	40,200	+10k units
	Combined units	68	457	1,800	+1k units

Title to Release / Pachinko Machine








Title	Release Date
<i>Lupin the Third: Kesareta Lupin 2022</i>	Oct. 2022
<i>Terminator 2: Judgment Day TYPE7500</i>	Nov. 2022
<i>Galaxy Express 999: Next Journey</i>	Dec. 2022
<i>CITY HUNTER: Ore no Kokoro wo Furuwasetahi</i>	Jan. 2023

Title to Release / Pachislot Machine

Title	Release Date
<i>Baki: Tsuyokunaritakubakurae!!!</i>	Nov. 2022

Title Released in FY ending March 31, 2023

Pachinko machine

1Q	2Q	3Q	4Q
			
©HEIWA Mahjong Monogatari 4	©HEIWA Sengoku Otome: LEGEND BATTLE	©C.A.L/2021 Koumon Chama: Kamimori 2	©モンキー・パンチ/TMS・NTV Lupin the Third: Kesareta Lupin 2022
			
		STUDIOCANAL Terminator 2: Judgment Day © 2022 StudioCanal S.A.S. All Rights Reserved. Produced under license by Adical Global Incorporated.	©松本零士/零時社・東映アニメーション Galaxy Express 999: Next Journey
			
			©北条真/コアミックス 1989 横井真樹監 VMR-723 CITY HUNTER: Ore no Kokoro wo Furuwasetahi

Pachislot machine

1Q	2Q	3Q
		
©北条真/コアミックス 1991 横井真樹監 VML-035 Cat's Eye	©C.A.L/2022 Koumon Chama: Katsu 2	
		
	BIG Shimauta 30	©板垣恵介(秋田書店)/バキ製作委員会 ©板垣恵介(秋田書店)/バキ製作委員会 Baki: Tsuyokunaritakubakurae!!!

Pachinko and Pachislot Machine Business (Changes to Internal Regulations, etc.)

■ Smart Pachinko and Smart Pachislot

Benefits

- ✓ Since players can play without direct contact with balls or tokens, Smart Pachinko/Pachislot is an effective measure against COVID-19 and other infectious diseases.
- ✓ The burden of capital investment and burdens on employees are reduced.
- ✓ Play data is centrally managed by a third party, leading to stronger measures against fraud, etc.
- ✓ With a wider range of game elements, diverse titles can be provided, holding promise for revitalization of the market.

Pachinko machine

	Current machine	Smart Pachinko
Jackpot probability	1/320	1/350
Complete function *1	No (Scheduled to be equipped)	Yes (MY 95,000 balls)
New function *2	Not equipped	Can be equipped



Pachislot machine

	~ Model 6.1	~ Model 6.4	Model 6.5	Smart Pachislot
Upper limit of payout	MY 2,400 tokens		In-out 2,400 tokens	
Upper limit of Advantageous section	1,500G	3,000G	4,000G	Abolishment of upper limit
Complete function *1	No		Yes (MY 19,000 tokens)	



*1 The complete function activates a closing function according to a certain payout. The function is activated at 95,000 balls for pachinko and at 19,000 tokens for pachislot.

*2 A new function with new game elements using the “Time Reduction C” mode is under consideration.

- Our first Smart Pachislot title will be launched on the market in November 2022.



Complete function

Baki: Tsuyokunaritakubakurae!!!

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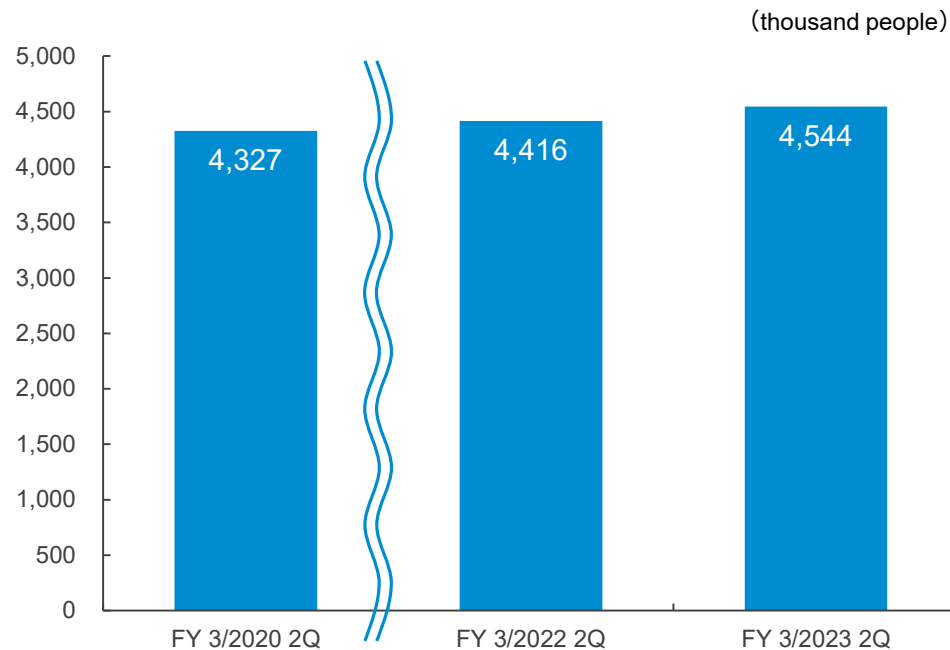
- The highly anticipated Smart Pachislot *Baki: Tsuyokunaritakubakurae!!!* will be launched on the market on November 21, 2022.
- Market evaluation is positive, and orders are strong.
- Machine rollout in pachinko parlors will be supported by airing TV commercials and running online advertising campaigns, etc.

Golf business (Trends of Golf Course Users and Revenue per Customer)

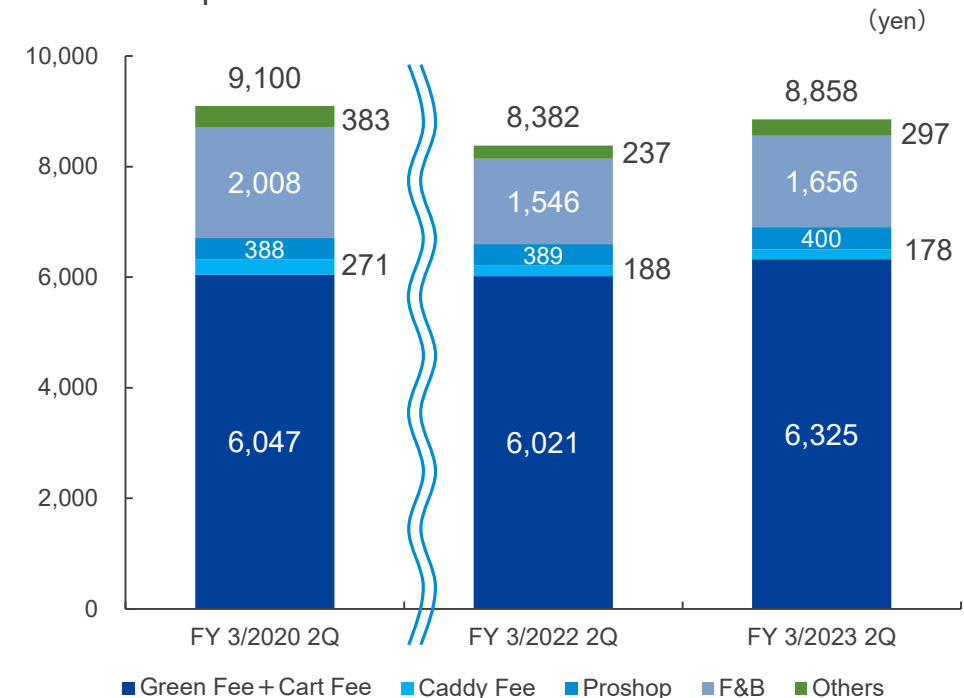
- The number of golf course users is on an upward trend compared to pre-pandemic levels, and revenue per customer is also on an upward trend, primarily in terms of playing fees

Comparison based on existing courses (138 Golf Courses)

Golf Course Users



Revenue per Customer



Market Trends

- ✓ The number of golf course users is on an upward trend thanks to golf's popularity. Although golf courses are operating at maximum capacity on weekends and national holidays, operating rates on weekdays still have room to grow. 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. In addition, 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.



Golf business (Progress toward Policies for this Fiscal Year)

- “withGolf” lesson rounds with PGM support professionals
 - ✓ Well received and getting off to a good start
- “Cool Cart” fan-equipped golf carts
 - ✓ Already introduced at 62 golf courses as of the end of September
- Continued acquisition of high-quality golf courses
 - ✓ Ashigarashinrin Country Club: Operation to commence in December 2022



“withGolf” lesson rounds with professional partners



“Cool Cart” fan-equipped golf carts



Ashigarashinrin Country Club
(Sunto District, Shizuoka Prefecture / 18H)

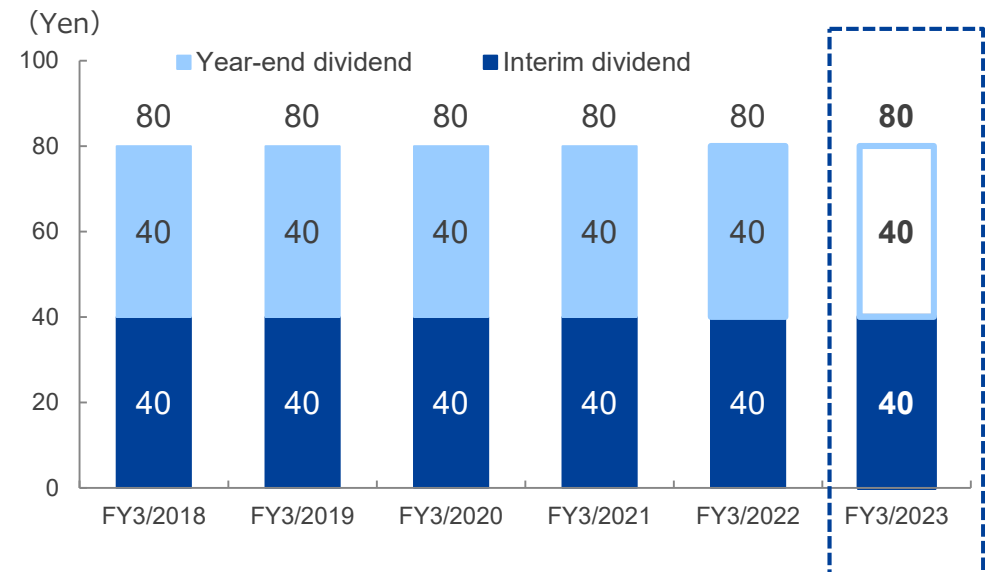
Dividend policy

- 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 3/2023 (Plan)

Interim dividend	40 yen
Year-end dividend	40 yen
Total	80 yen

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, 2023

【Golf Business】

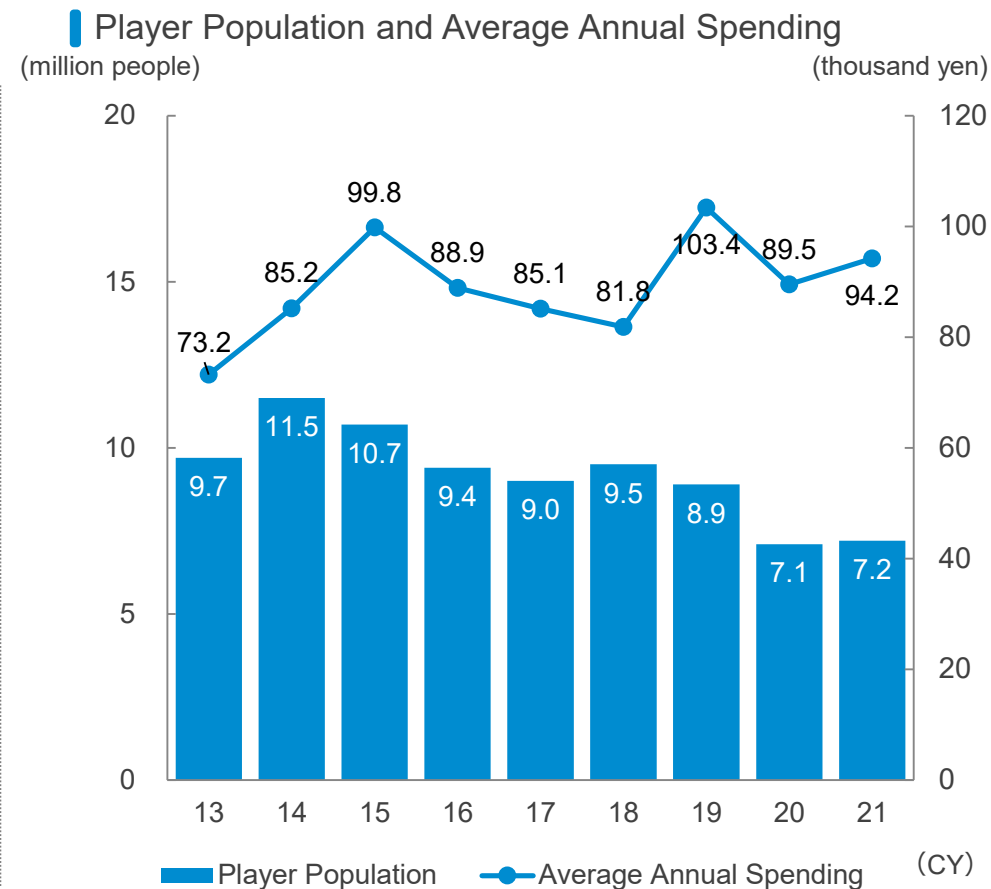
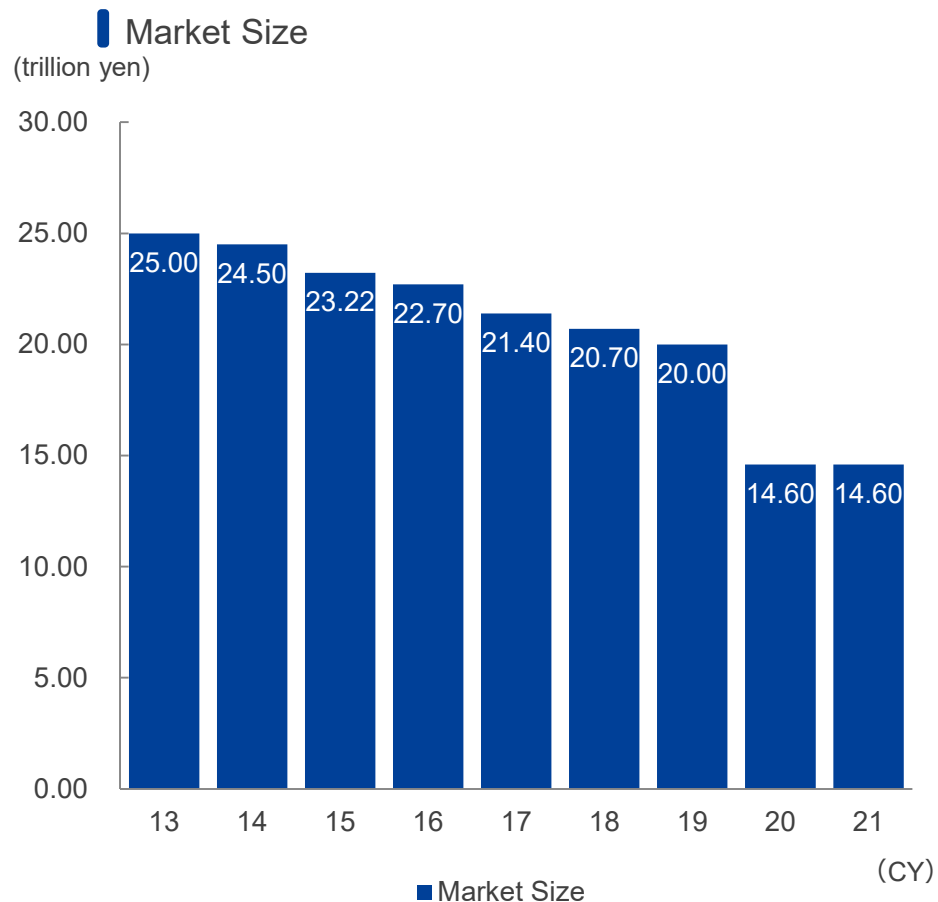
- Trends of Golf Users and Revenue per Customer 1
- Trends of Golf Users and Revenue per Customer 2
- Golf Course Portfolio

【Consolidated Results】

- Financial Performance Trend
- Key Financial Indicators

Market Environment (Pachinko and Pachislot Machine Business) 1

Pachinko and Pachislot Machine business

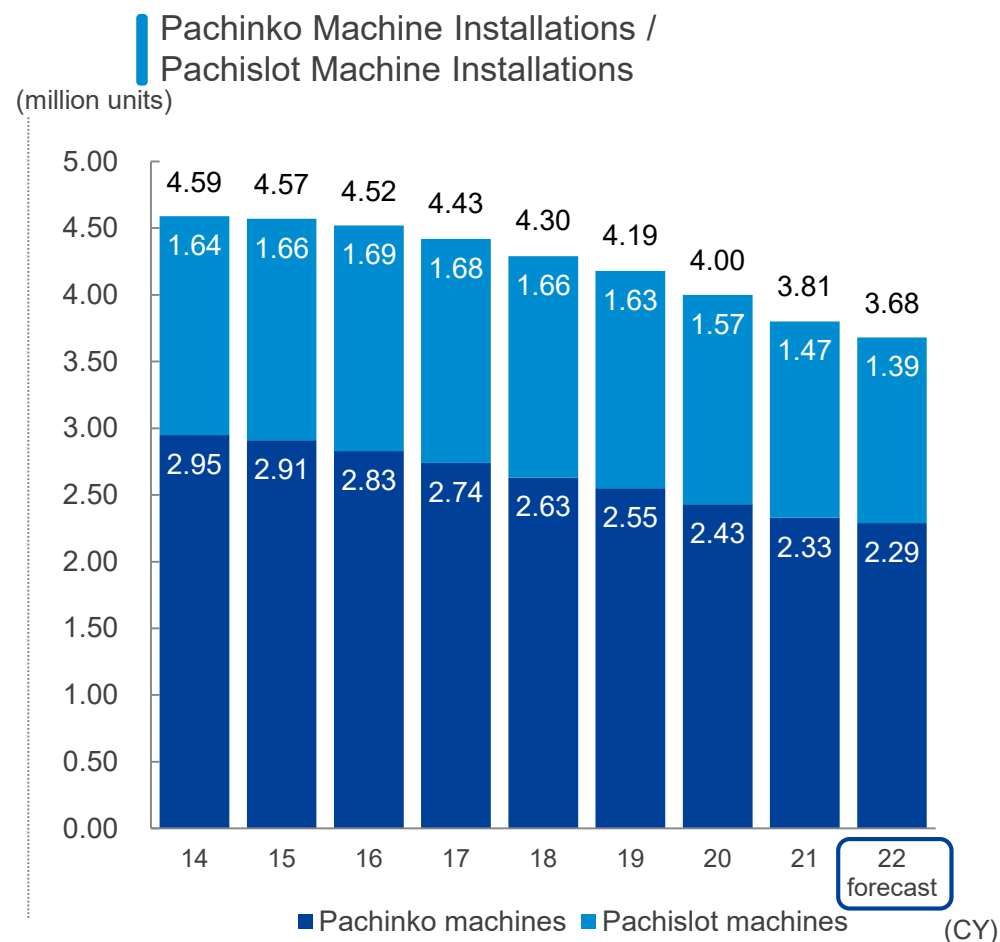
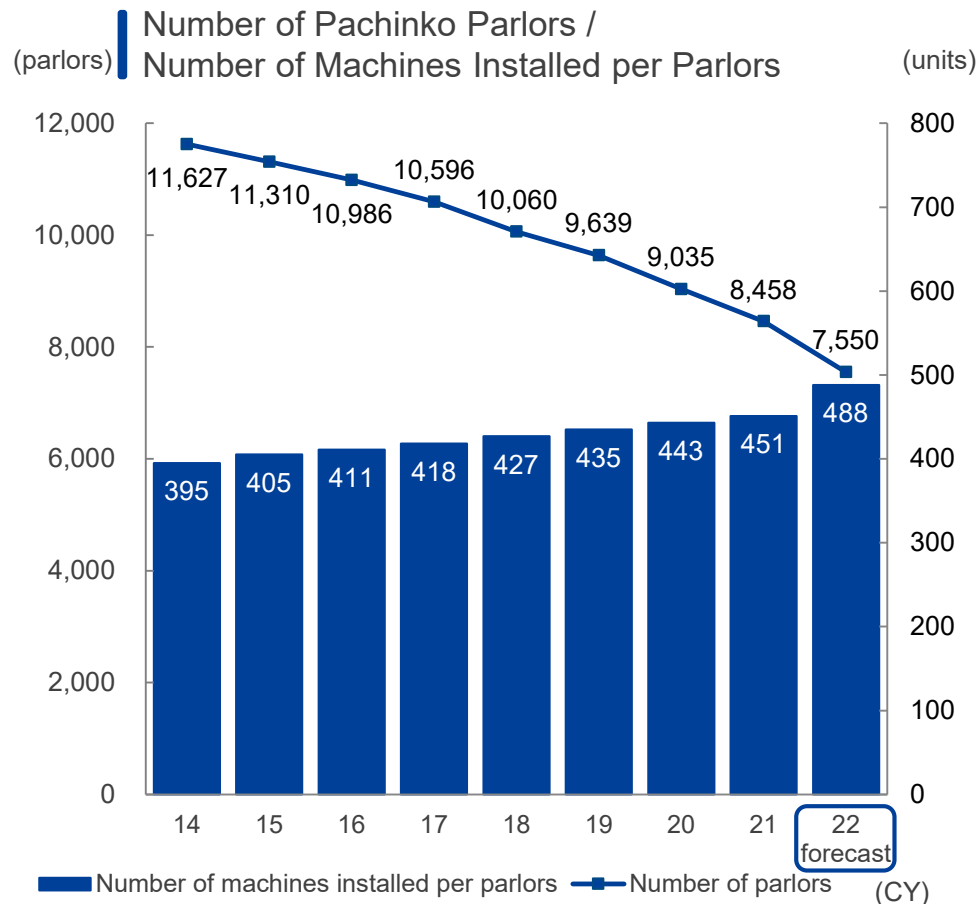


	2013	2014	2015	2016	2017	2018	2019	2020	2021
Market Size (trillion yen)	25.00	24.50	23.22	22.70	21.40	20.70	20.00	14.60	14.60
Player Population (million people)	9.7	11.5	10.7	9.4	9.0	9.5	8.9	7.1	7.2
Average annual spending (thousand yen)	73.2	85.2	99.8	88.9	85.1	81.8	103.4	89.5	94.2

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



	2014	2015	2016	2017	2018	2019	2020	2021	2022 forecast
Number of parlors	11,627	11,310	10,986	10,596	10,060	9,639	9,035	8,458	7,550
Number of machines installed per parlors (units)	395	405	411	418	427	435	443	451	488
Pachinko machine installations (million units)	2.95	2.91	2.83	2.74	2.63	2.55	2.43	2.33	2.29
Pachislot machine installations (million units)	1.64	1.66	1.69	1.68	1.66	1.63	1.57	1.47	1.39

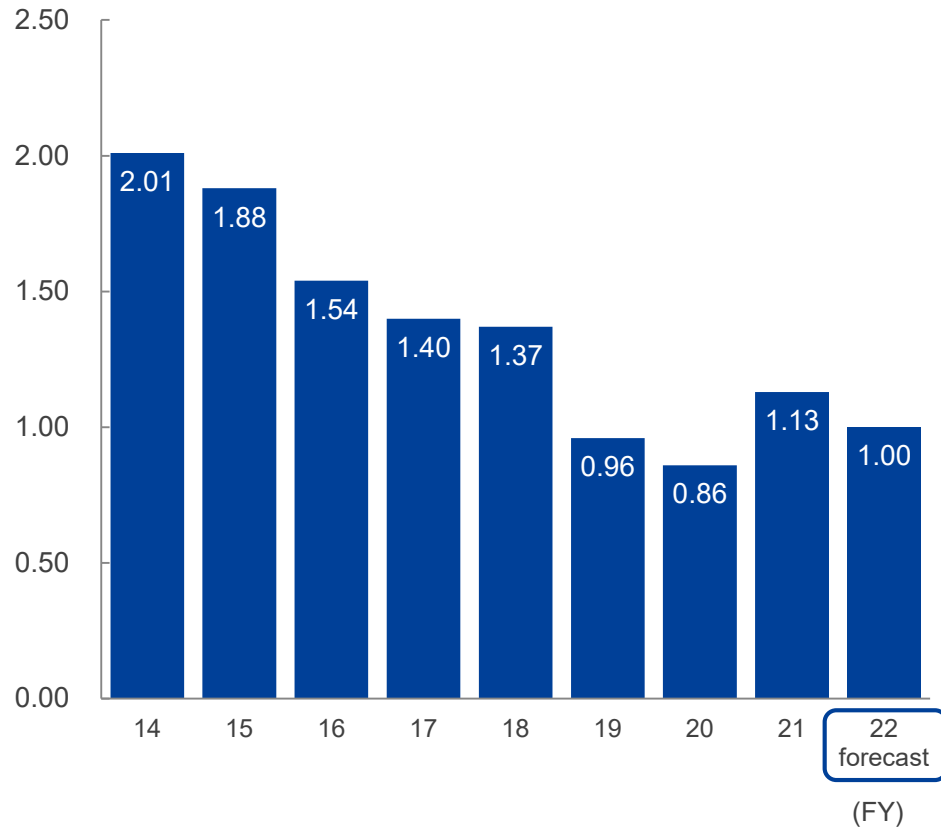
Note: Date source: National Police Agency. Date on a calendar year basis (from January to December). Figures for 2022 is the Company's estimates.

Market Environment (Pachinko and Pachislot Machine Business) 3

Pachinko and Pachislot Machine business

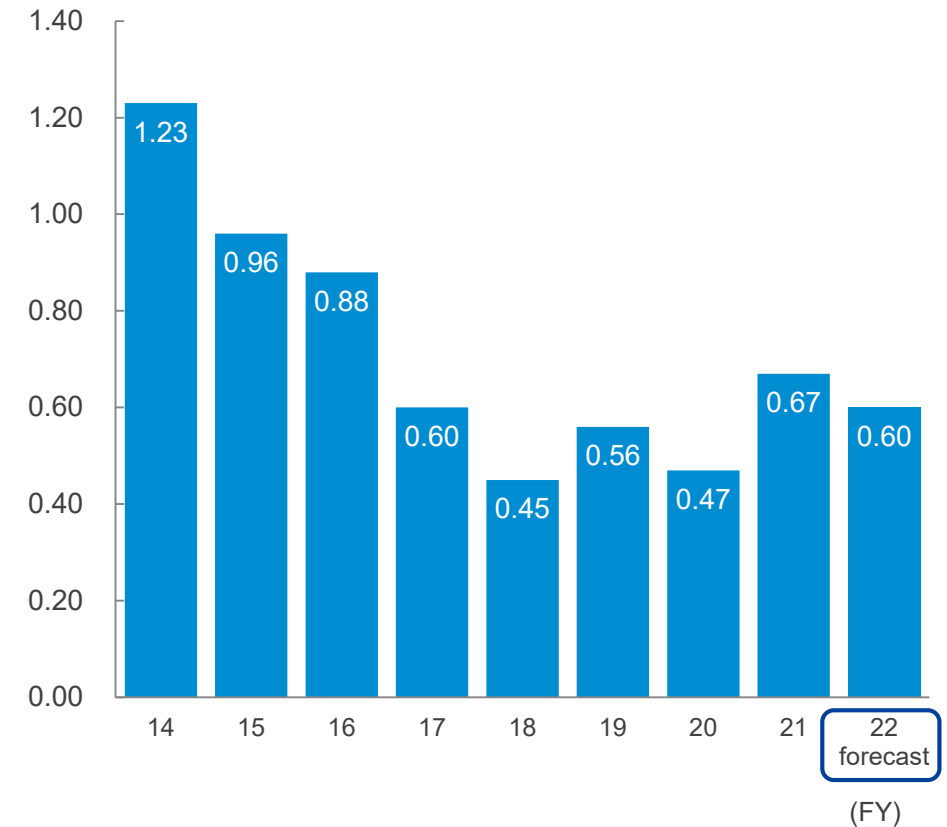
Pachinko machine sales

(million units)



Pachislot machine sales

(million units)



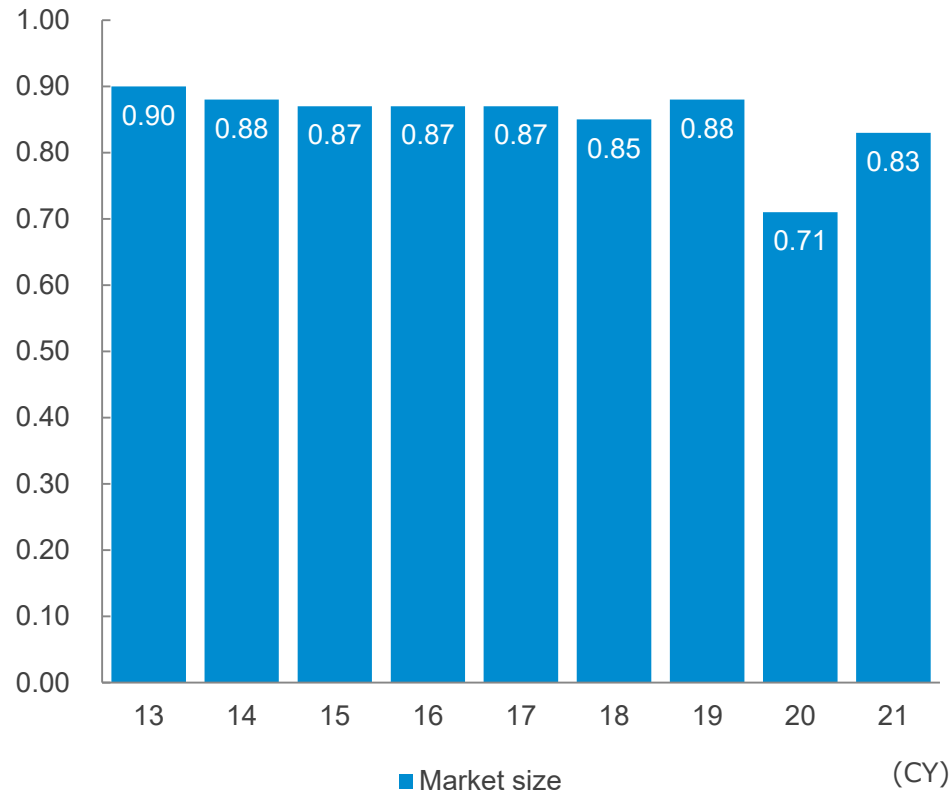
Number of machines sold (million units)	2014	2015	2016	2017	2018	2019	2020	2021	2022 forecast
Pachinko machines	2.01	1.88	1.54	1.40	1.37	0.96	0.86	1.13	1.00
Pachislot machines	1.23	0.96	0.88	0.60	0.45	0.56	0.47	0.67	0.60

Note: Date source: Yano Research Institute. Date on a fiscal year basis (from April to March of the next year). Figures for 2021 and 2022 are the company's forecast.

Golf business

Market Size

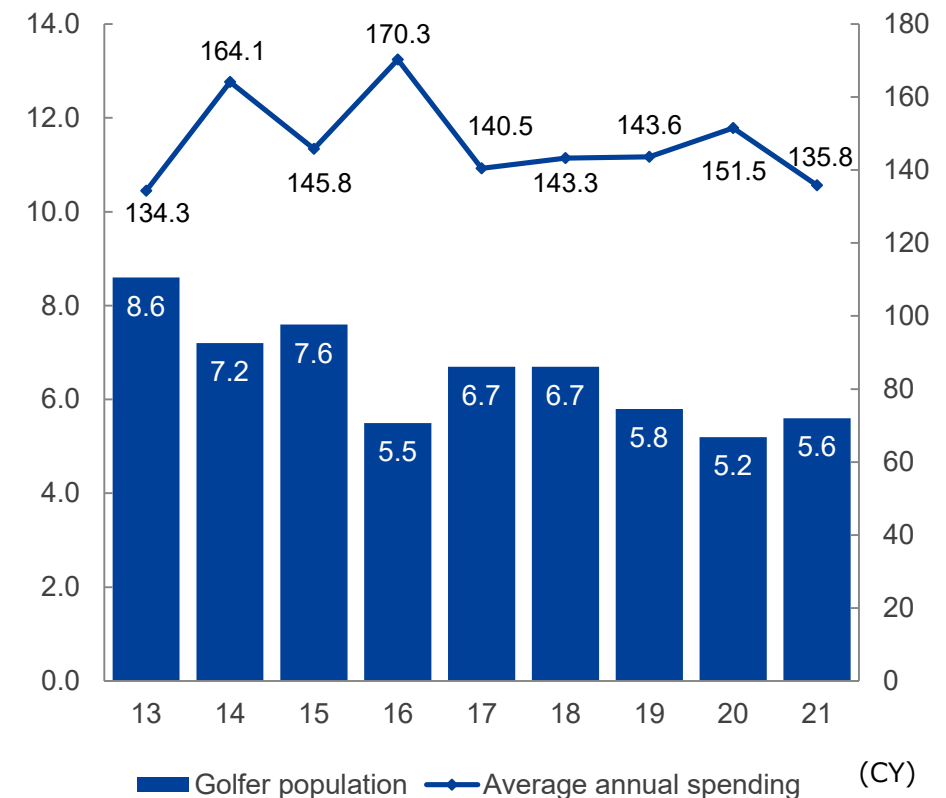
(trillion yen)



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 Ending 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	2Q cumulative	Full year	1Q	2Q cumulative	3Q cumulative	Full year	1Q	2Q cumulative	3Q cumulative	Full year	1Q	2Q cumulative
Total	138,626	166,124	77,851	164,400	2,644	8,379	42,613	85,283	23,211	38,269	63,030	92,826	23,578	59,124
Pachinko machines	117,774	118,880	45,182	95,483	1,235	4,410	37,867	49,890	16,542	29,113	40,228	63,095	17,497	38,970
Body	72,185	60,946	23,060	41,887	267	585	33,121	39,455	15,752	27,351	36,124	49,040	14,305	24,865
Gauge board	45,589	57,934	22,122	53,596	968	3,825	4,746	10,435	790	1,762	4,104	14,055	3,192	14,105
Pachislot machines	20,852	47,244	32,669	68,917	1,409	3,969	4,746	35,393	6,669	9,156	22,802	29,731	6,081	20,154
Chassis	1,344	14,093	4,337	29,288	587	914	1,042	27,423	6,606	9,093	22,736	29,663	5,754	19,697
Combined units	19,508	33,151	28,332	39,629	822	3,055	3,704	7,970	63	63	66	68	327	457

Title to Release / Pachinko machine

Release	Title	Units sold
1Q	<i>Mahjong Monogatari 4</i>	6,190
2Q	<i>Sengoku Otome: LEGEND BATTLE</i>	13,535
	<i>Koumon Chama: Kamimori 2</i>	6,500
	Others	12,745
Total		38,970

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>BIG Shimauta 30</i>	3,580
	Others	4,028
Total		20,154



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							4,765,676

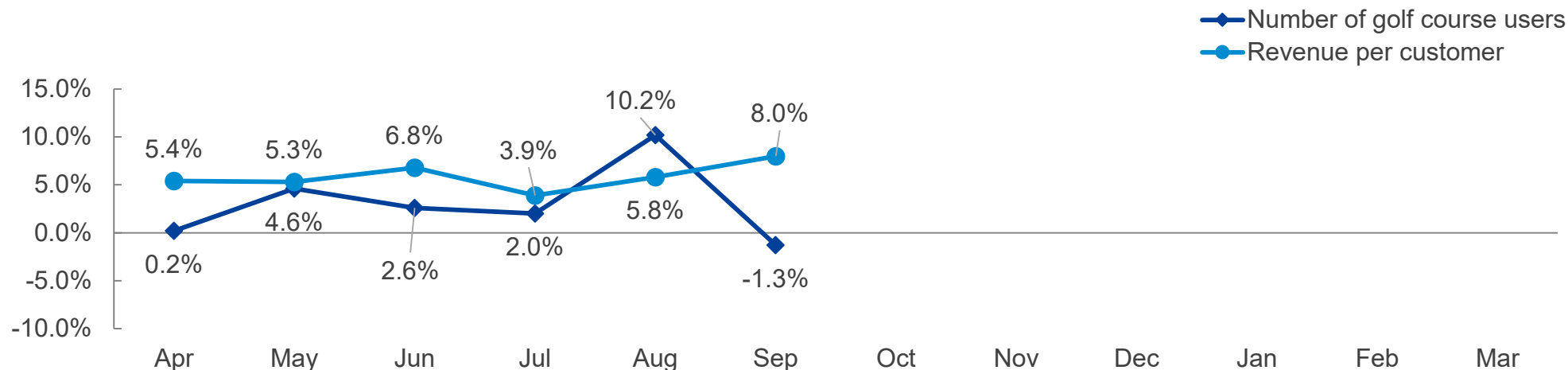
Revenue per Customer

(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							9,015

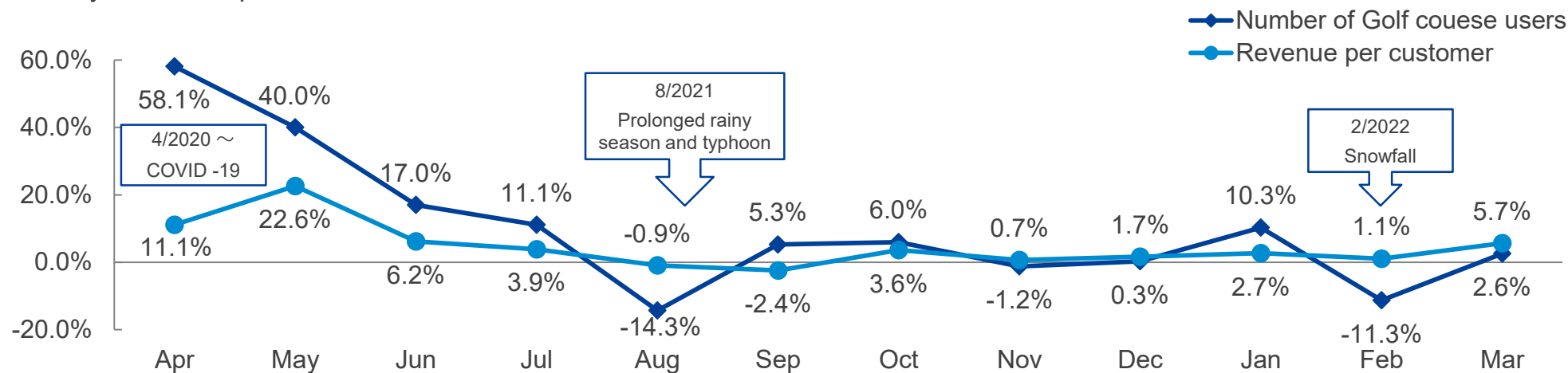


Golf business

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 business

	As of March 31, 2022		As of September 30, 2022	
	Courses	18H equivalent	Courses	18H equivalent
Owned Golf Courses	145	176.0	145	176.0
Leased Golf Courses	1	2.0	1	2.0
Total	146	178.0	146	178.0
Hokkaido	6	9.5	6	9.5
Tohoku	8	10.0	8	10.0
Kanto, Koushinetsu	66	77.5	66	77.5
Tokai, Hokuriku	12	13.0	12	13.0
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
Total	146	178.0	146	178.0

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

【Acquisition】

None

【Stock transfer agreement】

9/30/2022 Ashigarashinrin Country Club
(Sunt District, Shizuoka Prefecture / 18H)

【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	2Q cumulative	Full year	1Q	2Q cumulative	3Q cumulative	Full year	1Q	2Q cumulative	3Q cumulative	Full year	1Q	2Q cumulative
Net sales	132,765	144,980	73,911	144,573	16,173	37,781	76,109	107,744	32,051	58,754	92,376	121,558	34,731	70,930
Pachinko and Pachislot machine Business	51,552	62,407	29,568	61,658	1,171	2,893	18,263	33,292	9,116	15,260	24,482	36,249	9,785	23,451
Golf Business	81,213	82,573	44,342	82,914	15,001	34,888	57,845	74,452	22,934	43,494	67,893	85,308	24,945	47,478
Operating income	13,931	28,014	13,550	23,551	-4,415	-4,680	1,853	5,311	4,367	4,733	9,957	10,235	7,855	15,337
Pachinko and Pachislot machine Business	7,149	20,791	7,946	17,450	-3,301	-5,795	-3,999	287	77	-1,495	-1,666	-607	2,332	6,957
Golf Business	9,930	10,599	7,194	9,286	-503	2,460	7,864	7,624	4,796	7,429	13,405	13,280	6,252	9,720
Eliminations & corporate expenses	-3,147	-3,376	-1,590	-3,185	-611	-1,346	-2,010	-2,600	-507	-1,199	-1,781	-2,437	-728	-1,340
Operating income ratio	10.5%	19.3%	18.3%	16.3%	-27.3%	-12.4%	2.4%	4.9%	13.6%	8.1%	10.8%	8.4%	22.6%	21.6%
Ordinary income	13,105	27,451	13,532	23,278	-4,491	-4,694	2,388	5,799	4,331	4,844	9,876	10,467	7,827	15,136
Profit attributable to owners of parent	6,799	16,341	9,407	15,872	-5,813	-6,179	-2,528	865	2,633	2,543	4,604	2,193	5,355	10,798
SG & A Expenses	30,652	27,822	16,698	32,760	5,552	11,176	17,401	23,723	5,509	11,241	16,999	23,163	4,869	10,077
Advertising expenses	2,368	2,179	698	1,950	107	338	569	795	174	361	609	952	196	607
Sales commissions	1,135	1,660	886	1,885	38	104	352	921	230	347	681	954	208	570
R&D expenses	10,832	7,881	7,303	12,680	2,806	5,176	7,627	9,949	2,212	4,518	6,833	9,091	1,725	3,267
Depreciation & amortization	10,740	9,868	4,171	8,745	1,958	4,052	6,424	9,016	2,373	4,830	7,369	10,082	1,996	4,161
Pachinko and Pachislot machine Business	3,679	2,940	776	1,946	371	816	1,579	2,476	630	1,389	2,240	3,187	305	694
Golf Business	7,060	6,928	3,395	6,798	1,586	3,235	4,844	6,539	1,743	3,441	5,129	6,894	1,690	3,466
Capital investment	14,166	7,091	5,360	9,667	2,631	4,167	5,495	6,921	2,762	5,024	6,332	8,095	2,162	5,041
Pachinko and Pachislot machine Business	1,872	1,063	2,044	3,578	438	887	1,198	1,653	369	612	798	984	381	732
Golf Business	12,294	6,027	3,316	6,089	2,193	3,279	4,297	5,267	2,393	4,411	5,534	7,110	1,780	4,308



Key Financial Indicators

Consolidated

	(million yen)	FY 3/2017	FY 3/2018	FY 3/2019	FY 3/2020	FY 3/2021	FY 3/2022	Formula
Net Sales		186,218	132,765	144,980	144,573	107,744	121,558	
Operating Income		36,599	13,931	28,014	23,551	5,311	10,235	
Ordinary Income		35,655	13,105	27,451	23,278	5,799	10,467	
Profit attributable to owners of parent		27,058	6,799	16,341	15,872	865	2,193	
Total Assets		449,152	430,287	442,845	436,762	430,070	417,066	
Cash, Deposits and Securities		106,576	86,245	93,180	83,296	70,083	67,052	
Interest Bearing Debt		136,391	126,047	123,234	117,868	123,153	114,416	
Net Assets		217,405	216,701	225,052	232,575	226,242	217,186	
Shareholders' Equity		217,381	216,690	225,052	232,575	226,242	217,186	
ROE		13.0%	3.1%	7.4%	6.9%	0.4%	1.0%	
Operating Income Ratio		19.7%	10.5%	19.3%	16.3%	4.9%	8.4%	Operating income/Net sales
Net Income Ratio		14.5%	5.1%	11.3%	11.0%	0.8%	1.8%	Net income/Net sales
Asset Turnover		0.41	0.30	0.33	0.33	0.25	0.29	Net sales/Total assets *1
Financial Leverage		2.16	2.03	1.98	1.92	1.89	1.91	Total assets/Shareholders' equity *1,2
Net Debt Equity Ratio		13.7%	18.4%	13.4%	14.9%	23.5%	21.8%	Net interest-bearing debt/Shareholders' equity
Shareholders' Equity Ratio		48.4%	50.4%	50.8%	53.2%	52.6%	52.1%	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



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