

Consolidated Financial Results for the Third Quarter Ended December 31, 2019 [J-GAAP] Heiwa Corporation

February 10, 2020

Stock code: 6412
 URL: <https://www.heimanet.co.jp/>
 Shares listed: Tokyo Stock Exchange
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Scheduled date of the filing of the quarterly report: February 12, 2020

Preparation of supplementary briefing materials for the quarterly financial results: Yes

Holding of any briefing session for the quarterly financial results: No

I. Financial Highlights

As of and for the nine months ended December 31, 2018 and 2019

(Amounts less than one million yen are omitted.)

1. Consolidated Operating Results

	Nine months ended December 31 2018	YoY	Nine months ended December 31, 2019	YoY
	(million yen)	(%)	(million yen)	(%)
(1) Consolidated financial results				
Net sales	111,451	11.2	114,334	2.6
Operating income	26,007	112.3	22,805	(12.3)
Ordinary income	25,783	121.3	22,590	(12.4)
Profit attributable to owners of parent	16,857	184.7	15,296	(9.3)
Earnings per share (yen)	170.91		155.07	
Diluted earnings per share (yen)	170.89		-	

(Note) Comprehensive income: Nine months ended December 31, 2019: ¥ 15,417 million, -7.1% YoY
 Nine months ended December 31, 2018: ¥ 16,588 million, +172.3% YoY

	As of March 31, 2019	As of December 31, 2019
	(million yen)	
(2) Consolidated financial position		
Total assets	442,845	430,789
Net assets	225,052	232,574
Shareholders' equity ratio (%)	50.8	54.0
Net assets per share (yen)	2,281.58	2,357.88

(Reference) Shareholders' equity: As of December 31, 2019: ¥232,574 million
 As of March 31, 2019: ¥225,052 million

2. Dividends

	Annual dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	(yen)				
FY3/2019	—	40.00	—	40.00	80.00
FY3/2020	—	40.00	—		
FY3/2020 (Forecast)				40.00	80.00

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

3. Consolidated Results Forecast for Year Ending March 31, 2020

	FY 3/2020	
	Full year	YoY
	(million yen)	(%)
Net sales	155,700	7.4
Operating income	28,600	2.1
Ordinary income	27,700	0.9
Profit attributable to owners of parent	18,000	10.2
Earnings per share (yen)	182.48	

(Notes)

1. Revision of the most recently disclosed consolidated results forecast: None

2. The Group conducts performance management on an annual basis, so only full-year consolidated forecasts is released.

* This quarterly statement of financial results is not subject to quarterly review procedures.

* Explanations about the appropriate use of the consolidated results forecasts and other noteworthy points:

1. Forward-looking statements in this document, such as the consolidated financial results outlook, are based on information currently available to the Company and certain assumptions deemed reasonable. The Company does not guarantee the accuracy of these forecasts. Furthermore, actual results, etc. may differ significantly from forecast figures due to a number of factors.

2. Supplementary briefing materials for the quarterly financial results will be posted on the Company's homepage after this financial results is released.

II. Consolidated financial statements

1. Consolidated balance sheet

(Million yen)

	As of March 31, 2019	As of December 31, 2019
Assets		
Current assets		
Cash and deposits	42,461	36,184
Notes and accounts receivable - trade	8,493	13,361
Electronically recorded monetary claims - operating	1,834	1,506
Securities	50,719	40,873
Merchandise and finished goods	3,408	2,512
Raw materials and supplies	5,189	4,158
Other	9,857	10,280
Allowance for doubtful accounts	(472)	(449)
Total current assets	121,492	108,426
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	65,866	65,164
Land	207,012	207,632
Other, net	12,499	14,165
Total property, plant and equipment	285,377	286,962
Intangible assets		
Goodwill	5,357	5,138
Other	4,496	4,398
Total intangible assets	9,853	9,537
Investments and other assets		
Investment securities	13,612	13,531
Other	13,044	12,862
Allowance for doubtful accounts	(535)	(530)
Total investments and other assets	26,121	25,863
Total non-current assets	321,353	322,362
Total assets	442,845	430,789
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,442	2,914
Electronically recorded obligations - operating	7,480	8,718
Current portion of long-term borrowings	13,668	19,017
Income taxes payable	9,264	1,800
Provisions	3,326	2,162
Other	17,711	14,660
Total current liabilities	54,894	49,273
Non-current liabilities		
Long-term borrowings	107,088	92,789
Retirement benefit liability	4,846	4,994
Other	50,964	51,157
Total non-current liabilities	162,898	148,941
Total liabilities	217,793	198,215

(Million yen)

	As of March 31, 2019	As of December 31, 2019
Net assets		
Shareholders' equity		
Share capital	16,755	16,755
Capital surplus	54,863	54,863
Retained earnings	154,638	162,043
Treasury shares	(1,332)	(1,336)
Total shareholders' equity	224,924	232,325
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	282	354
Remeasurements of defined benefit plans	(154)	(105)
Total accumulated other comprehensive income	127	248
Non-controlling interests	0	0
Total net assets	225,052	232,574
Total liabilities and net assets	442,845	430,789

2. Consolidated statements of income and comprehensive income

(Million yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Net sales	111,451	114,334
Cost of sales	66,026	66,842
Gross profit	45,425	47,491
Selling, general and administrative expenses	19,418	24,686
Operating profit	26,007	22,805
Non-operating income		
Interest income	138	138
Dividend income	38	39
Gain on redemption of securities	331	—
Insurance claim income	40	84
Electricity sale income	124	120
Gain on sales of raw materials	28	23
Other	237	235
Total non-operating income	940	642
Non-operating expenses		
Interest expenses	409	314
Commission expenses	47	15
Expenditures related tonatural disaster	396	245
Provision for loss on disaster	66	114
Other	244	168
Total non-operating expenses	1,164	857
Ordinary profit	25,783	22,590
Extraordinary income		
Gain on sales of shares of subsidiaries and associates	—	752
Gain on reversal of share acquisition rights	4	—
Total extraordinary income	4	752
Extraordinary losses		
Total extraordinary losses	—	—
Profit before income taxes	25,788	23,343
Income taxes	8,930	8,046
Profit	16,857	15,296
Profit attributable to		
Profit attributable to owners of parent	16,857	15,296
Profit attributable to non-controlling interests	0	0
Other comprehensive income		
Valuation difference on available-for-sale securities	(355)	72
Remeasurements of defined benefit plans, net of tax	86	48
Total other comprehensive income	(269)	121
Comprehensive income	16,588	15,417
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	16,588	15,417
Comprehensive income attributable to non-controlling interests	0	0

3. Segment Information

A. Previous consolidated cumulative Third quarter (April 1, 2018 to December 31, 2018)

(Million yen)

	Reporting segment			Adjustments	Amount recorded in quarterly consolidated statements of income and consolidated statements of comprehensive income
	Pachinko and pachislot machine business	Golf business	Total		
Net sales					
Net sales to external customers	45,135	66,316	111,451	-	111,451
Internal net sales and transfers between segments	-	5	5	(5)	-
Total	45,135	66,321	111,457	(5)	111,451
Segment profit	16,982	11,524	28,507	(2,499)	26,007

B. Consolidated cumulative Third quarter under review (April 1, 2019 to December 31, 2019)

(Million yen)

	Reporting segment			Adjustments	Amount recorded in quarterly consolidated statements of income and consolidated statements of comprehensive income
	Pachinko and pachislot machine business	Golf business	Total		
Net sales					
Net sales to external customers	47,542	66,791	114,334	-	114,334
Internal net sales and transfers between segments	-	4	4	(4)	-
Total	47,542	66,796	114,338	(4)	114,334
Segment profit	14,075	11,153	25,229	(2,423)	22,805