

# Results for the 1st Quarter of Fiscal Year Ending March 31, 2020

August 8, 2019  
Heiwa Corporation

Securities Code : 6412

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### 【Market Environment】

- Pachinko and Pachislot Machine Business
- Golf Business

### 【Pachinko and Pachislot Machine Business】

- Regulations on Pachinko and Pachislot Machine
- Number of Machines Sold / Titles Released in the FY  
Ending March 31, 2020

### 【Golf Business】

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

### 【Consolidation Results】

- Trends of Business Results
- Key Financial Indicators

## Consolidated results

- Net sales : 36.8 billion yen, -11.6% year on year
- Operating income : 8.1 billion yen, -33.8% year on year
  - In the pachinko and pachislot machine business, the number of pachislot machines sold fell short of the same period in the previous fiscal year, resulting in decreased income and profit.

## Pachinko and pachislot machine business

- Net sales : 13.0 billion yen, -27.6% year on year
- Operating income : 3.2 billion yen, -56.2% year on year
  - ✓ The number of Pachinko machines sold in 1Q: 26k units (-2k units YoY)
  - ✓ The number of Pachislot machines sold in 1Q: 8k units (-11k units YoY)

## Golf business

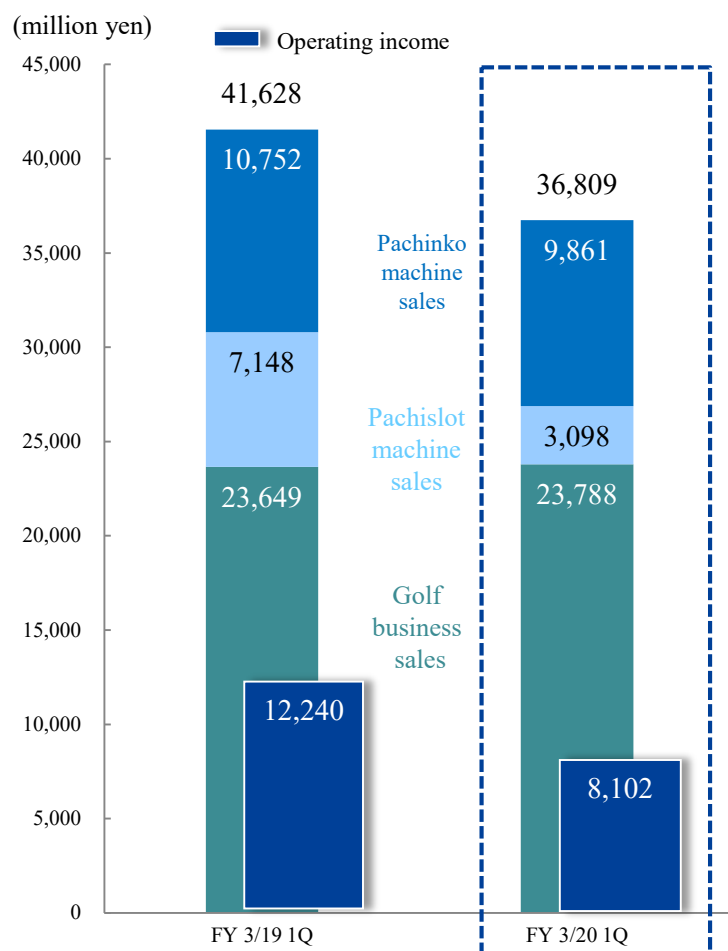
- Net sales : 23.7 billion yen, +0.6% year on year
- Operating income : 5.6 billion yen, +1.2% year on year
  - Newly acquired golf courses contributed to increased income and profit.

# Results for the 1st Quarter of FY ending March 31, 2020

# Consolidated Statements of Income (Results)

## 1st Quarter Results

- Income and profit were down year on year (net sales -11.6% YoY and operating income -33.8% YoY)
- In the pachinko and pachislot machine business, the number of pachislot machines sold fell short of the same period in the previous fiscal year, resulting in decreased income and profit.



	(million yen)	FY 3/2019 1Q Results	FY 3/2020 1Q Results	YoY
Net sales		41,628	36,809	-11.6%
Pachinko and Pachislot machine business		17,979	13,021	-27.6%
Pachinko machines		10,752	9,861	-8.3%
Pachislot machines		7,148	3,098	-56.7%
Golf business		23,649	23,788	0.6%
Operating income		12,240	8,102	-33.8%
Pachinko and Pachislot machine business		7,523	3,294	-56.2%
Pachinko machines		4,077	2,127	-47.8%
Pachislot machines		3,420	1,150	-66.4%
Golf business		5,593	5,661	1.2%
Eliminations & corporate expenses		-875	-853	-2.6%
Operating income ratio		29.4%	22.0%	-7.4pt
Ordinary income		12,219	8,172	-33.1%
Profit attributable to owners of parent		8,190	5,857	-28.5%
EBITDA*		14,569	10,159	-30.3%

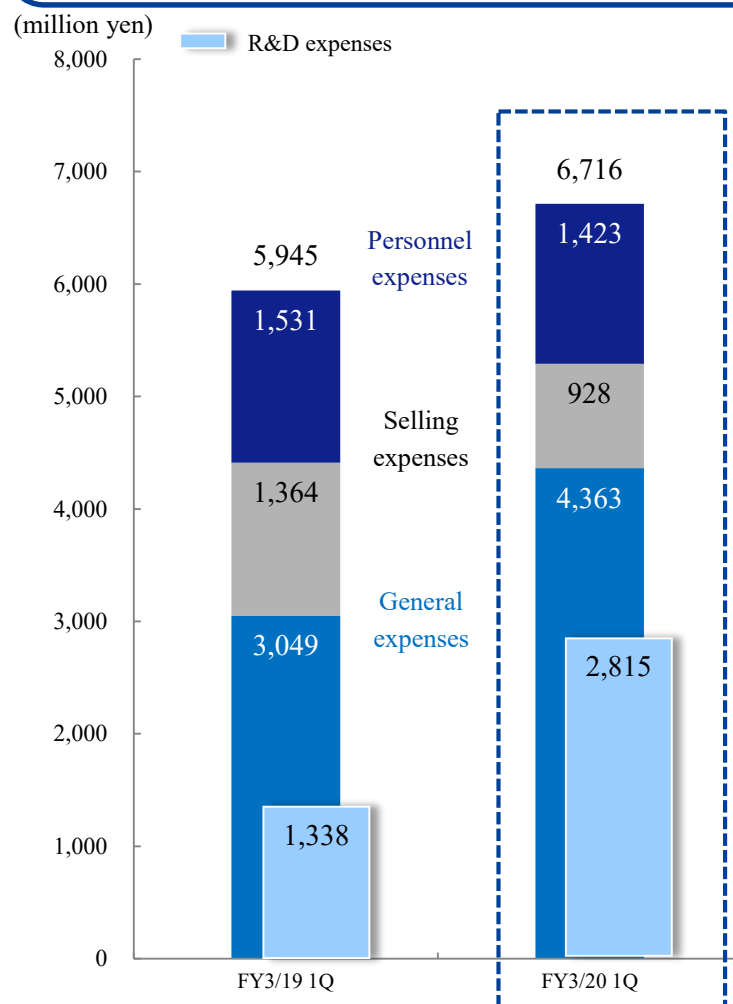
\* EBITDA = Operating income + depreciation + amortization

# SGA Expenses / Depreciation & Amortization / Capital Investment (Results)

## 1st Quarter Results

### ■ SGA expenses were up year on year (+13.0% YoY)

- Variable expenses such as sales commissions fell due to fewer units sold.
- R&D expenses increased due to smooth progress in development of machines under the new regulations.



	(million yen)	FY 3/2019 1Q Results	FY 3/2020 1Q Results	YoY
SGA expenses		5,945	6,716	13.0%
Personnel expenses		1,531	1,423	-7.0%
Selling expenses		1,364	928	-31.9%
Advertising expenses		366	288	-21.3%
Sales commissions		543	316	-41.6%
General expenses		3,049	4,363	43.1%
R&D expenses		1,338	2,815	110.4%

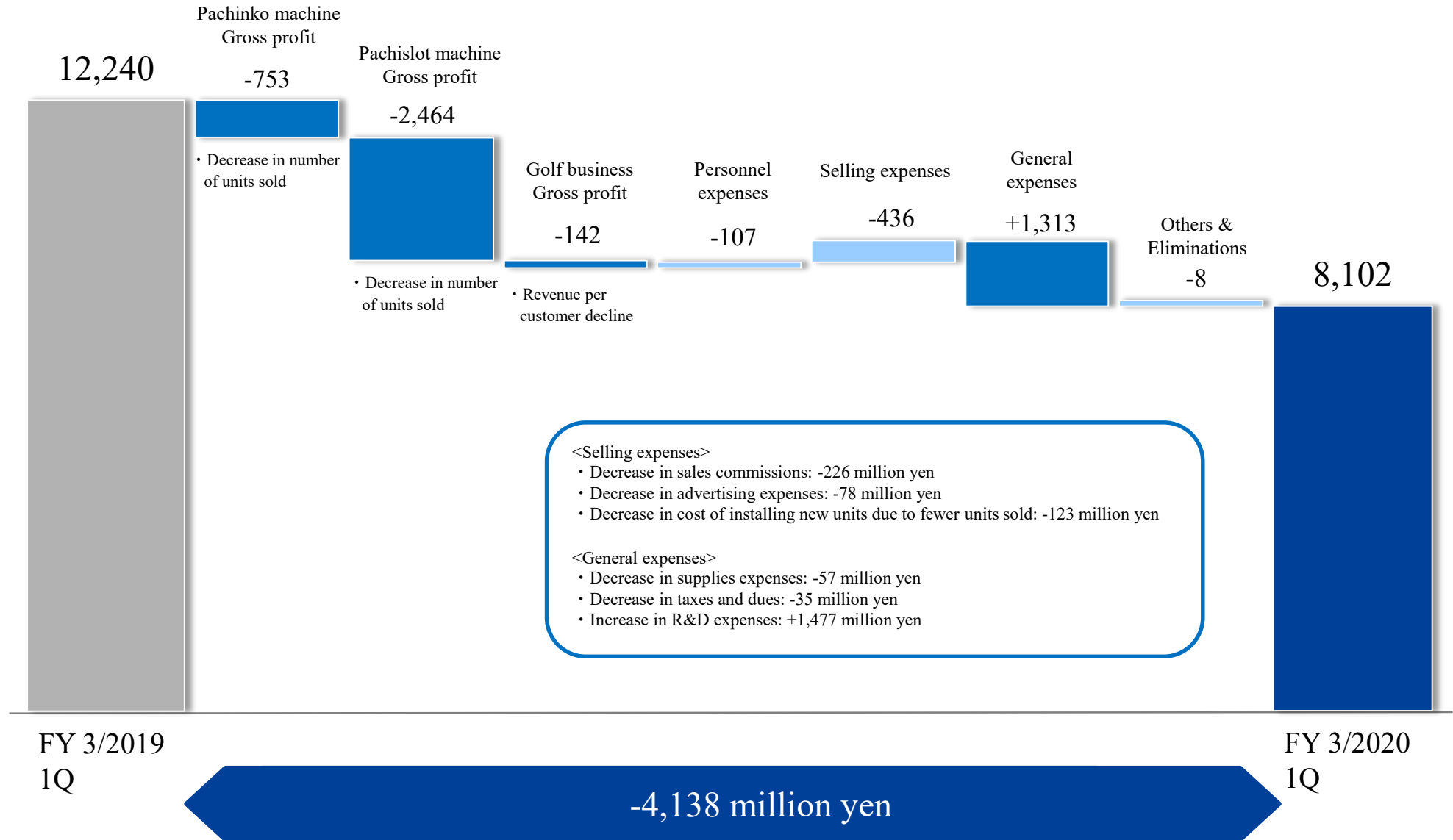
### Depreciation & Amortization / Capital Investment

	(million yen)	FY 3/2019 1Q Results	FY 3/2020 1Q Results	YoY
Depreciation & amortization		2,270	2,016	-11.2%
Capital investment		2,006	2,943	46.7%

# Factors Contributing to Change in Operating Income (Consolidated Basis)

1st Quarter Results

(million yen)



# Pachinko and Pachislot Machine Business (Machine Sales Results)

## 1st Quarter Results

(Units)	FY 3/2019 1Q Results	FY 3/2020 1Q Results	YoY
Number of machines sold	48,059	34,929	-13k units
Pachinko machines	28,774	26,724	-2k units
Number of titles released	2	2	-
Pachislot machines	19,285	8,205	-11k units
Number of titles released	2	1	-1

### Major pachinko titles

Titles	Sales (units)	Release
<i>Terminator2: Judgment Day</i>	10,095	Apr. 2019
<i>CAT'S EYE: Saikou no Otakara Itadaki ni agarimasu</i>	8,220	May 2019

### Major pachislot titles

Titles	Sales (units)	Release
<i>Pachislot Koumon Chama V Megamori</i>	7,997	Apr. 2019

**TERMINATOR 2  
JUDGMENT DAY**

Pachinko Machine  
*Terminator2: Judgment Day*



**STUDIOCANAL** Terminator 2 : Judgment Day © 2018 Studiocanal S.A.S.\* All Rights Reserved.  
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Pachislot Machine  
*Pachislot Koumon Chama V  
Megamori*



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# Pachinko and Pachislot Machine Business (Results)



## 1st Quarter Results

### Pachinko

- The numbers of units sold fell slightly short of the previous fiscal year, resulting in decreased income and profit
- The number of units sold fell slightly short of the previous fiscal year, sales of gauge boards increased, and R&D expenses rose, resulting in decreased income and profit.

### Pachislot

- The number of units sold fell short of the previous fiscal year, resulting in decreased income and profit
- Since only one title was released, fewer units were sold. This, along with higher R&D expenses, resulted in decreased income and profit.

### Total

- Income and profit were down year on year (net sales -27.6% YoY and operating income -56.2% YoY)
- Income and profit decreased due to fewer pachislot units sold and higher R&D expenses.

(million yen)	FY 3/2019 1Q Results	FY 3/2020 1Q Results	YoY	Breakdown of Machine Sales			
				(Units)	FY 3/2019 1Q Results	FY 3/2020 1Q Results	YoY
Net sales	17,979	13,021	-27.6%				
Pachinko machines	10,752	9,861	-8.3%				
Pachislot machines	7,148	3,098	-56.7%				
Gross profit	11,029	7,802	-29.3%				
Pachinko machines	6,140	5,386	-12.3%				
Pachislot machines	4,862	2,397	-50.7%				
Gross profit ratio	61.3%	59.9%	-1.4pt				
Operating income	7,523	3,294	-56.2%				
Pachinko machines	4,077	2,127	-47.8%				
Pachislot machines	3,420	1,150	-66.4%				
Operating income ratio	41.8%	25.3%	-16.5pt				
				Total	48,059	34,929	-13,130
				Pachinko machines	28,774	26,724	-2,050
				Body	22,549	12,024	-10,525
				Gauge board	6,225	14,700	+8,475
				Pachislot machines	19,285	8,205	-11,080
				Chassis	2,742	588	-2,154
				Combined unit	16,543	7,617	-8,926

## 1st Quarter Results

### ■ Progress in golf course acquisition

- 7/18/2019 Conclusion of stock transfer agreement

Lakewood Golf Club Tomioka Course (Tomioka City, Gunma Prefecture – 27H)

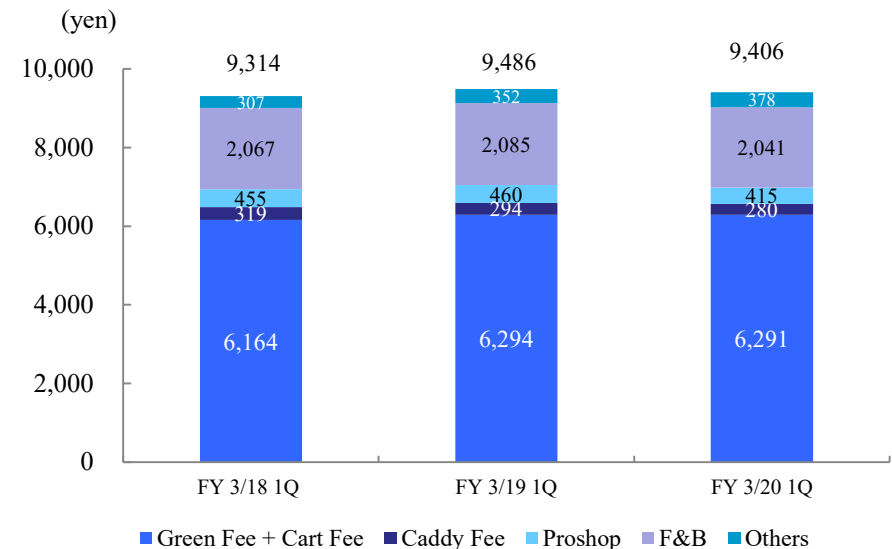
### ■ Although the number of golf course users grew, revenue per customer fell.

- Newly acquired golf courses contributed to an increase in the number of golf course users.
- In the breakdown of revenue per customer, Proshop and F&B revenue declined, but revenue from green fees remained at a similar level to the same period in the previous year.

### Number of Golf Course Users / Revenue per Customer

【1Q (3 months)】	FY 3/2019 Results	FY 3/2020 Results	YoY
Number of golf course users (thousand people)	2,230	2,268	1.7%
Revenue per customer (yen)	9,486	9,406	-0.8%

### Breakdown of Revenue per Customer



\*Includes internal net sales

# Golf Business (Results)

## 1st Quarter Results

- Income and profit were up year on year (net sales +0.6% YoY and operating income +1.2% YoY).
  - Newly acquired golf courses contributed to increased income.
  - Although operating costs for golf courses acquired in FY 2018 rose, operating income grew slightly thanks to lower SGA expenses.

(million yen)	FY 3/2019 1Q Results	FY 3/2020 1Q Results	YoY
Net sales	23,649	23,788	0.6%
Net sales before eliminations	23,654	23,792	0.6%
Eliminations	-5	-4	-
Gross profit	7,159	7,016	-2.0%
Gross profit ratio	30.3%	29.5%	-0.8pt
Operating income	5,593	5,661	1.2%
Operating income ratio	23.6%	23.8%	0.2pt

Breakdown of Sales			
(million yen)	FY 3/2019 1Q Results	FY 3/2020 1Q Results	YoY
Revenue from golf course operation	21,158	21,337	0.8%
Membership-related sales	2,238	2,163	-3.4%

Breakdown of Costs			
(million yen)	FY 3/2019 1Q Results	FY 3/2020 1Q Results	YoY
Cost of Sales	16,495	16,775	1.7%
SGA expenses	1,566	1,355	-13.4%

# Consolidated Balance Sheets (Summary)

(million yen)	As of March 31, 2019	As of June 30, 2019	Change	Remarks
Current assets	121,492	108,673	-12,818	
Non-current assets	321,353	322,277	924	■ Decrease in securities
Total assets	442,845	430,950	-11,894	
Current liabilities	54,894	44,410	-10,483	
Non-current liabilities	162,898	159,539	-3,359	■ Decrease in income taxes payable ■ Repayment of loans payable
Total liabilities	217,793	203,949	-13,843	
Total net assets	225,052	227,000	1,948	
Total liabilities and net assets	442,845	430,950	-11,894	

(million yen)	As of March 31, 2019	As of June 30, 2019
Cash and deposits, and securities	93,180	84,019
Interest-bearing debt	120,756	116,935
Shareholders' equity	225,052	227,000
Shareholders' equity ratio	50.8%	52.7%

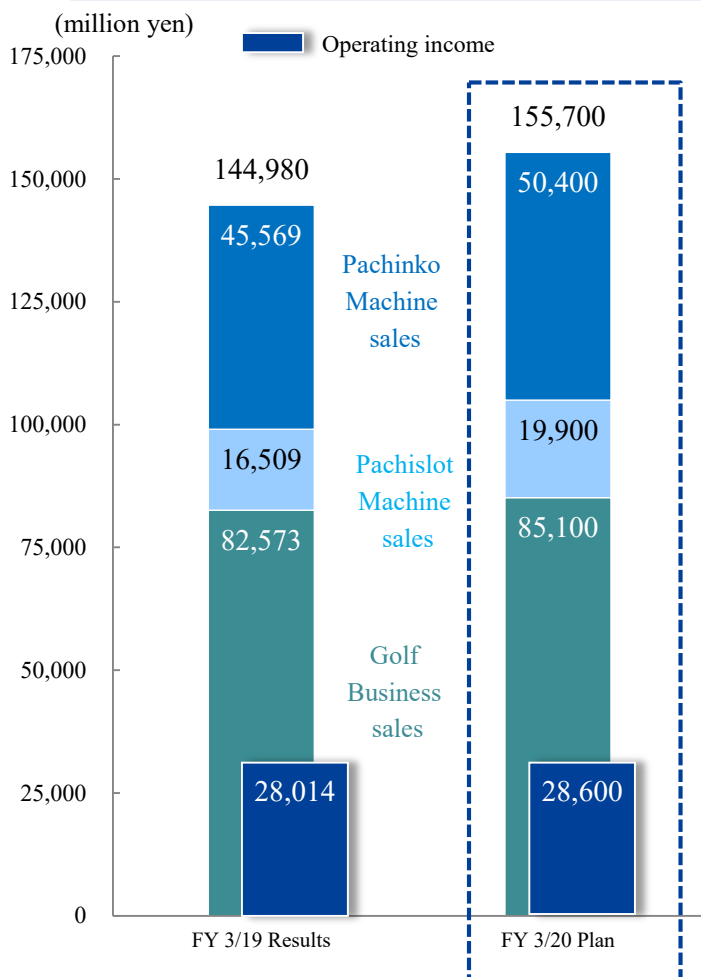
- D/E ratio (interest-bearing debt/shareholders' equity)  
53.7%→51.5%
- Net D/E ratio (net interest-bearing debt/shareholders' equity)  
12.3%→14.5%

# Full-year Plan for FY ending March 31, 2020

# Consolidated Statements of Income (Plan)

FY 3/20 Plan

- Income and profit are expected to increase from the previous fiscal year (net sales +7.4% YoY and operating income +2.1% YoY)
  - Income and profit will grow thanks to an increase in the number of machines sold in the pachinko and pachislot machine business, and a full-year contribution from golf courses acquired in FY 2018 in the golf business.



(million yen)	FY 3/2019 Results	FY 3/2020		YoY
		1Q Results	Plan	
Net sales	144,980	36,809	155,700	7.4%
Pachinko and Pachislot machine business	62,407	13,021	70,600	13.1%
Pachinko machines	45,569	9,861	50,400	10.6%
Pachislot machines	16,509	3,098	19,900	20.5%
Golf business	82,573	23,788	85,100	3.1%
Operating income	28,014	8,102	28,600	2.1%
Pachinko and Pachislot machine business	20,791	3,294	21,500	3.4%
Pachinko machines	15,260	2,127	14,500	-5.0%
Pachislot machines	5,474	1,150	6,900	26.0%
Golf business	10,599	5,661	11,000	3.8%
Eliminations & corporate expenses	-3,376	-853	-3,900	15.5%
Operating income ratio	19.3%	22.0%	18.4%	-0.9pt
Ordinary income	27,451	8,172	27,700	0.9%
Profit attributable to owners of parent	16,341	5,857	18,000	10.2%
EBITDA*	38,140	10,159	37,700	-1.2%

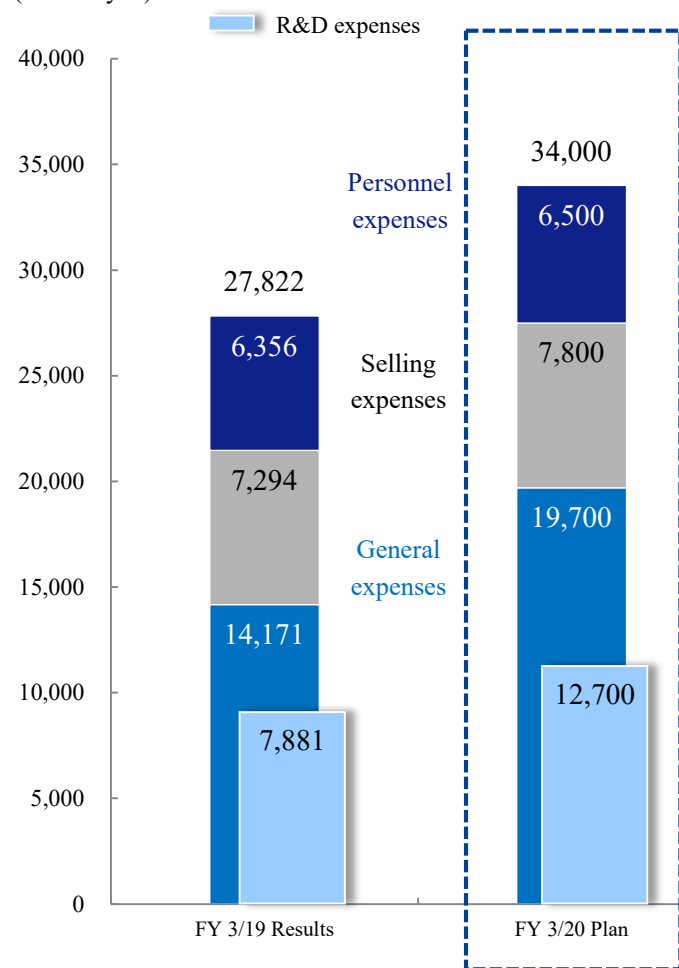
\* EBITDA = Operating income + depreciation + amortization

# SGA Expenses / Depreciation & Amortization / Capital Investment (Plan)

FY 3/20 Plan

- Increase in SGA expenses over the previous fiscal year
  - Under selling expenses, variable expenses, such as sales commissions, are expected to increase as more units were sold.
  - General expenses will increase as a result of higher R&D expenses due to carryover from the previous fiscal year and marketability improvements.

(million yen)



(million yen)	FY 3/2019 Results	FY 3/2020		YoY
		1Q Results	Plan	
SGA expenses	27,822	6,716	34,000	22.2%
Personnel expenses	6,356	1,423	6,500	2.3%
Selling expenses	7,294	928	7,800	6.9%
Advertising expenses	2,179	288	2,300	5.5%
Sales commissions	1,660	316	1,900	14.4%
General expenses	14,171	4,363	19,700	39.0%
R&D expenses	7,881	2,815	12,700	61.1%

## Depreciation & Amortization / Capital Investment

(million yen)	FY 3/2019 Results	FY 3/2020		YoY
		1Q Results	Plan	
Depreciation & amortization	9,868	2,016	8,900	-9.8%
Capital investment	7,091	2,943	11,200	57.9%

# Pachinko and Pachislot Machine Business (Machine Sales Plan)

## FY 3/20 Plan

(Units)	FY 3/2019 Results	FY 3/2020		Change from the previous year
		1Q Results	Plan	
Number of machines sold	166,124	34,929	190,000	+23k units
Pachinko machines	118,880	26,724	135,000	+16k units
Number of titles released	6	2	8	+2
Pachislot machines	47,244	8,205	55,000	+7k units
Number of titles released	6	1	7	+1

### Titles to Release in the 2Q & 3Q / Pachinko Machine

Title	Release Date
<i>Lupin the Third: Kamigami e no Yokokujou</i>	Sep. 2019
<i>TOKIO Black</i>	Sep. 2019

### Titles to Release in the 2Q & 3Q / Pachislot Machine

Title	Release Date
<i>Pachislot GIRLS und PANZER G: Kore ga Watashi no Senshadou desu!</i>	Jul. 2019
<i>Pachislot Love-jo 2</i>	Sep. 2019
<i>Nangokumusume 2</i>	Oct. 2019



Pachinko Machine  
*Lupin the Third: Kamigami e no Yokokujou*



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Pachislot Machine  
*Pachislot GIRLS und PANZER G: Kore ga Watashi no Senshadou desu!*



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# Supplementary Information

## 【Market Environment】

- Pachinko and Pachislot Machine Business
- Golf Business

## 【Pachinko and Pachislot Machine Business】

- Regulations on Pachinko and Pachislot Machine
- Number of Machines Sold / Titles Released in FY Ending March 31, 2020

## 【Golf Business】

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

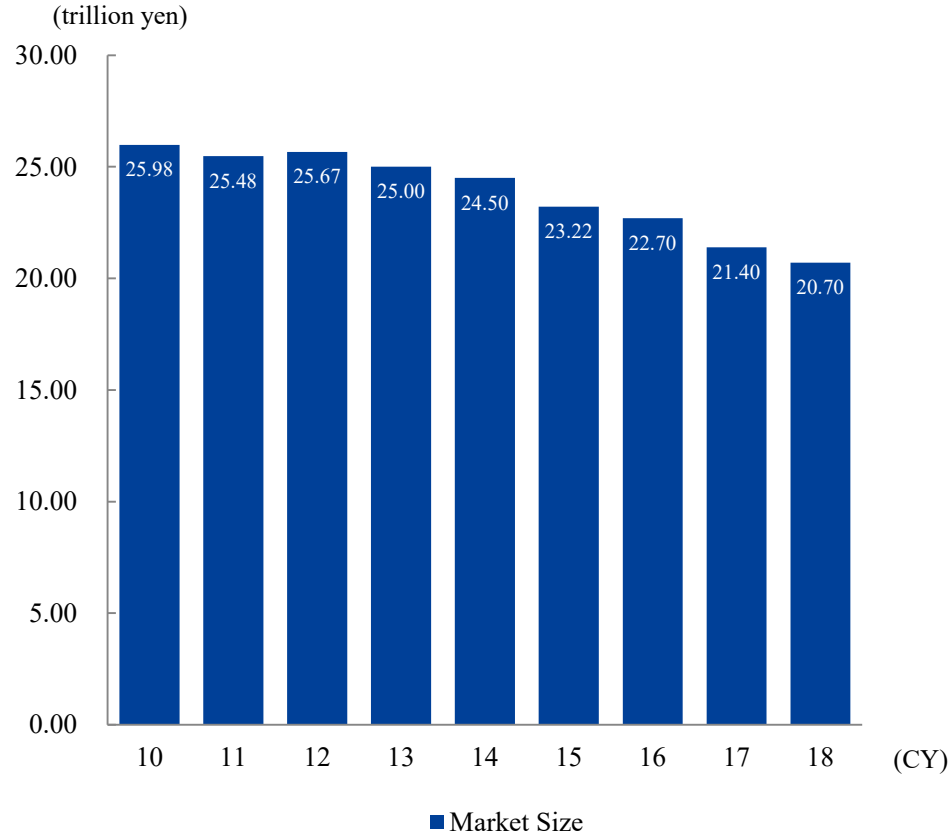
## 【Consolidated Results】

- Trends of Business Results
- Key Financial Indicators

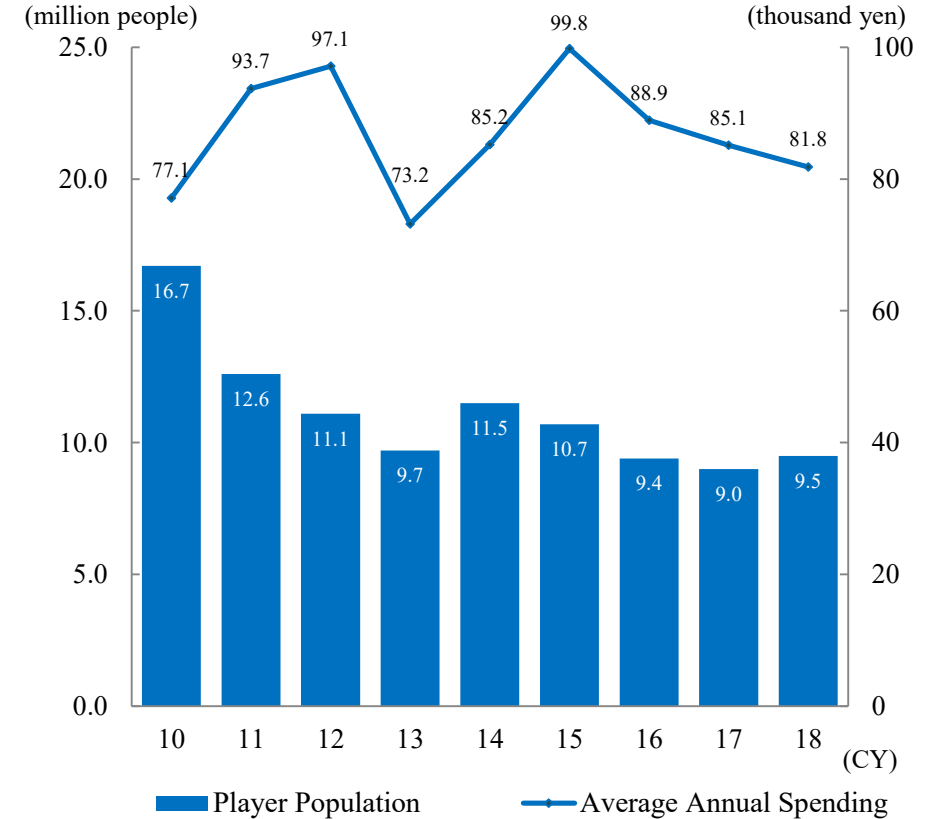
# Market Environment (Pachinko and Pachislot Machine Business) 1

Pachinko and Pachislot Machine Business

## Market Size



## Player Population and Average Annual Spending

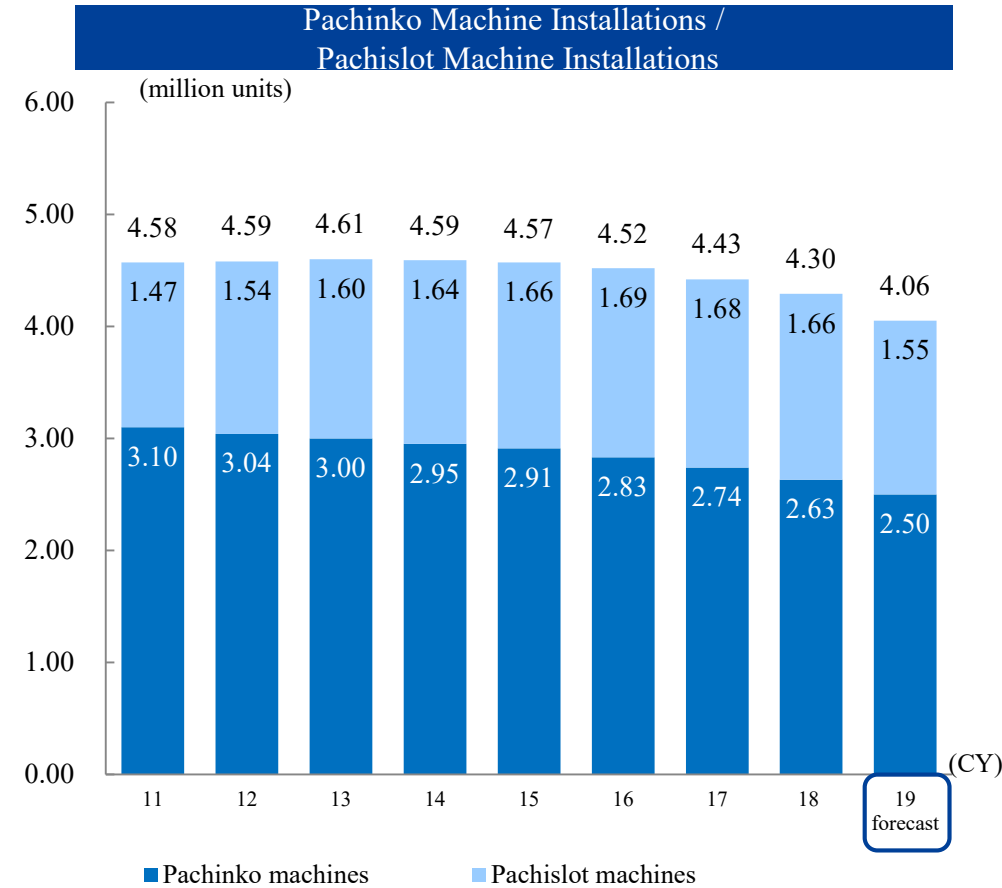
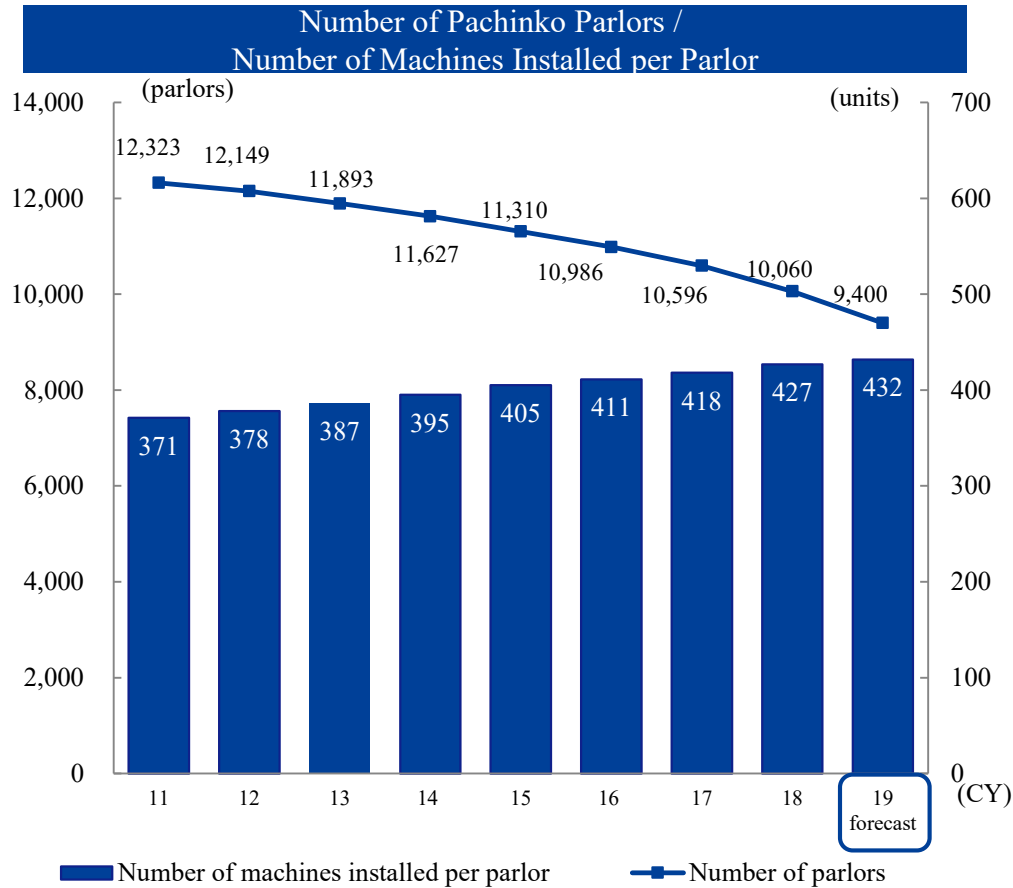


	2010	2011	2012	2013	2014	2015	2016	2017	2018
Market size (trillion yen)	25.98	25.48	25.67	25.00	24.50	23.22	22.70	21.40	20.70
Player population (million)	16.7	12.6	11.1	9.7	11.5	10.7	9.4	9.0	9.5
Average annual spending (thousand yen)	77.1	93.7	97.1	73.2	85.2	99.8	88.9	85.1	81.8

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

# Market Environment (Pachinko and Pachislot Machine Business) 2

## Pachinko and Pachislot Machine Business



	2011	2012	2013	2014	2015	2016	2017	2018	2019 Forecast
Number of parlors	12,323	12,149	11,893	11,627	11,310	10,986	10,596	10,060	9,400
Number of machines installed per parlor (units)	371	378	387	395	405	411	418	427	432
Pachinko machine installations (million units)	3.10	3.04	3.00	2.95	2.91	2.83	2.74	2.63	2.50
Pachislot machine installations (million units)	1.47	1.54	1.60	1.64	1.66	1.69	1.68	1.66	1.55

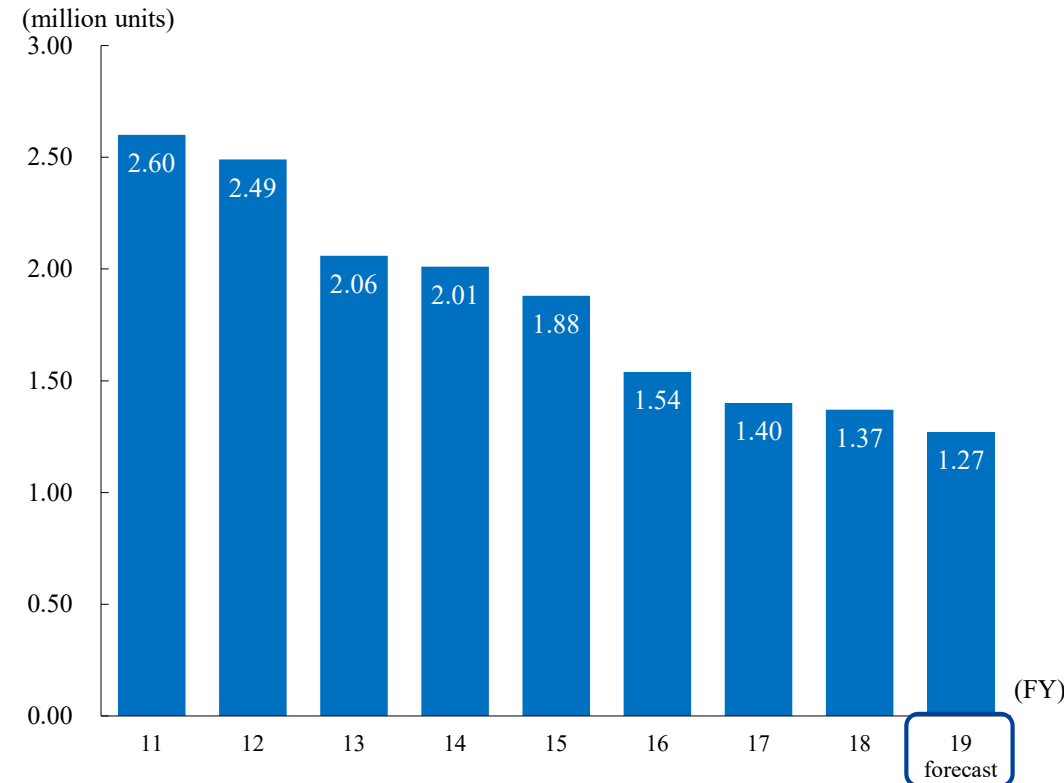
Note: Data source: National Police Agency. Data on a calendar year basis (from Jan to Dec). Figures for 2019 is the Company's estimates.

# Market Environment

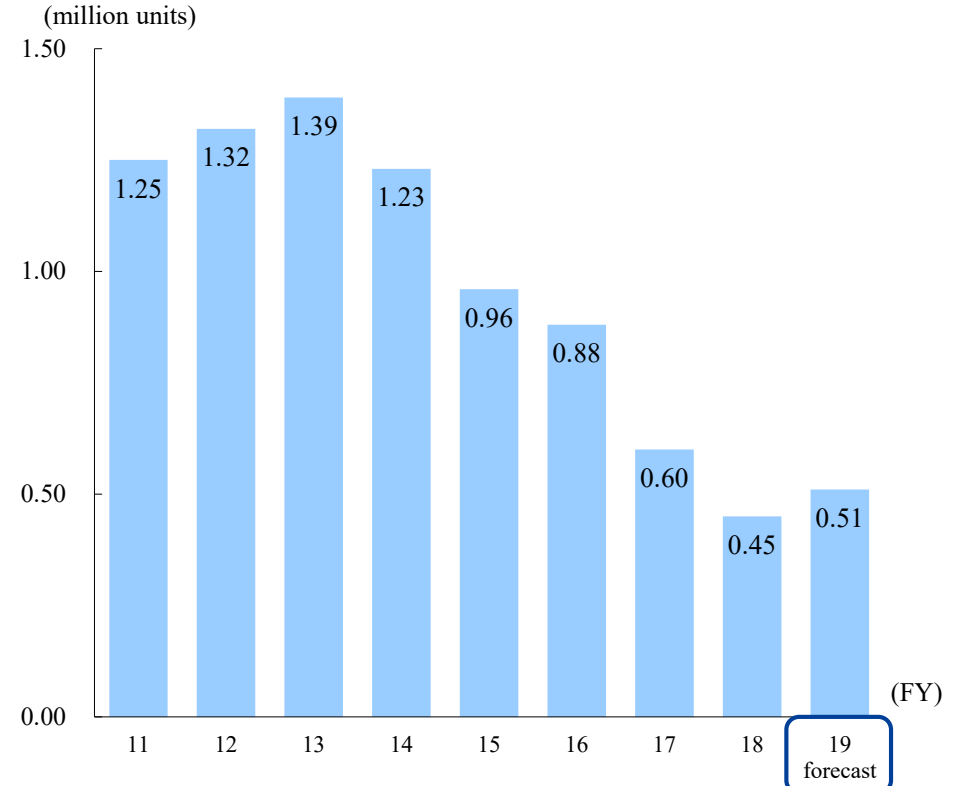
## (Pachinko and Pachislot Machine Business) 3

### Pachinko and Pachislot Machine Business

#### Pachinko machine sales



#### Pachislot machine sales



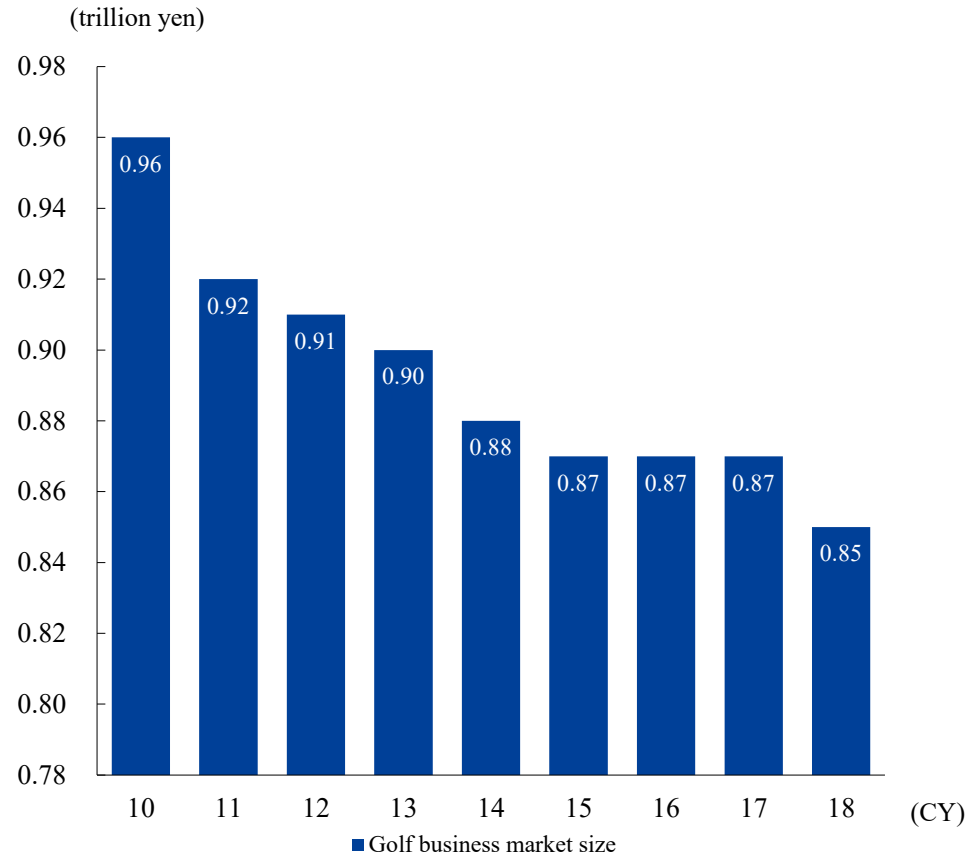
Number of machines sold (million units)	2011	2012	2013	2014	2015	2016	2017	2018	2019 forecast
Pachinko machines	2.60	2.49	2.06	2.01	1.88	1.54	1.40	1.37	1.27
Pachislot machines	1.25	1.32	1.39	1.23	0.96	0.88	0.60	0.45	0.51

Note: Data source: Yano Research Institute. Data on a fiscal year basis (from April to March of the next year). Data for 2019 is the Company's forecast.

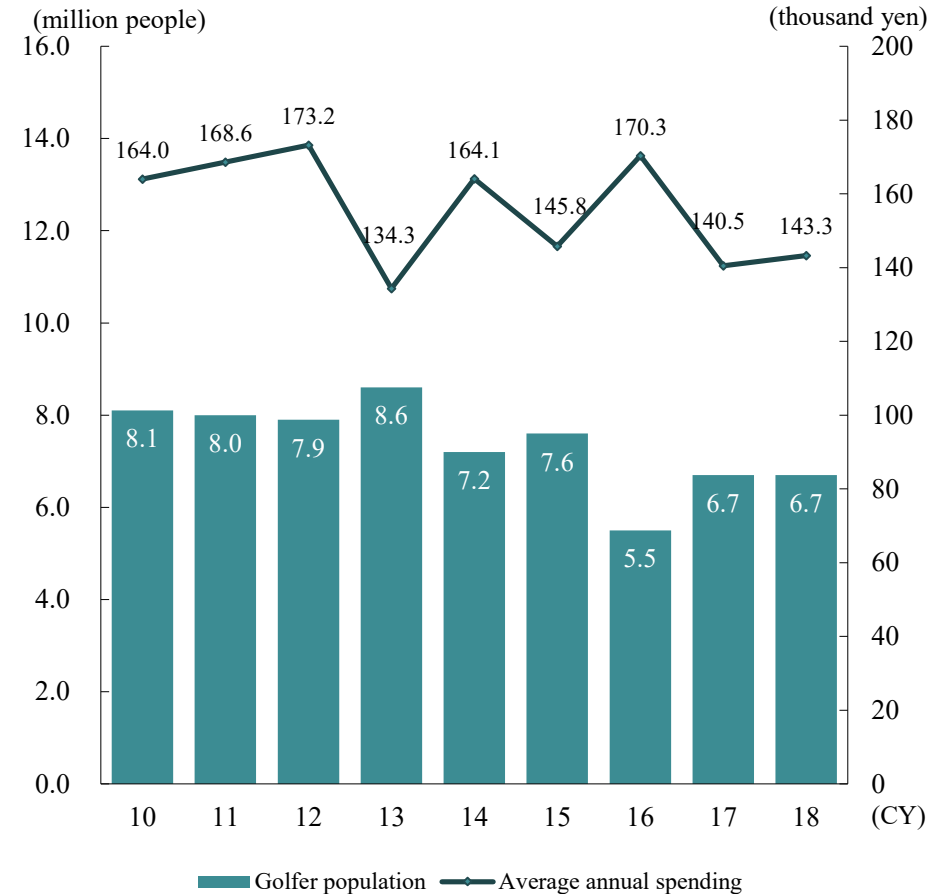
# Market Environment (Golf Business)

Golf Business

## Market Size



## Golfer Population / Average Annual Spending



	2010	2011	2012	2013	2014	2015	2016	2017	2018
Market size (trillion yen)	0.96	0.92	0.91	0.90	0.88	0.87	0.87	0.87	0.85
Golfer population (million)	8.1	8.0	7.9	8.6	7.2	7.6	5.5	6.7	6.7
Average annual spending (thousand yen)	164.0	168.6	173.2	134.3	164.1	145.8	170.3	140.5	143.3

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

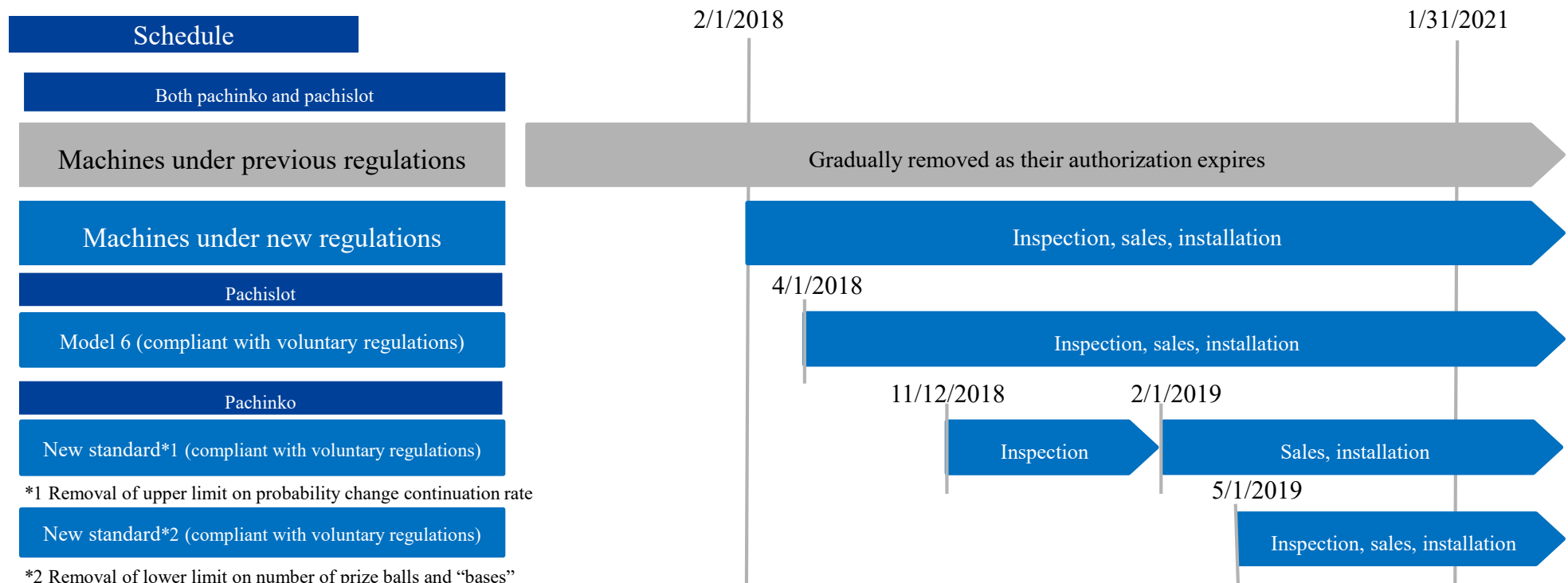
# Regulations on Pachinko and Pachislot Machines

## Overview of revised regulations

Enforcement date: February 1, 2018

### Overview of revised regulations

- (1) Payout regulations (tightening payout regulations, reinforcement of regulations on payout per jackpot)
- (2) Addition of specifications for machines enabling payout information to be easily verified
- (3) Introduction of settings for pachinko machines
- (4) Additional operations for managers



# Number of Machines Sold

## Titles Released in FY ended March 31, 2019



### Pachinko and Pachislot Machine Business

#### Number of machines sold

(units)	FY 3/2014	FY 3/2015	FY 3/2016	FY 3/2017		FY 3/2018			FY 3/2019					FY 3/2020	
	Full year	Full year	2Q cumulative	Full year	2Q cumulative	Full year	1Q	2Q cumulative	3Q cumulative	Full year	1Q	2Q cumulative	3Q cumulative	Full year	1Q
Total	317,948	344,866	204,078	348,613	133,904	273,714	19,955	47,867	90,793	138,626	48,059	97,832	121,297	166,124	34,929
Pachinko machines	197,146	252,103	173,596	234,616	70,550	192,761	18,557	36,557	79,475	117,774	28,774	58,482	76,647	118,880	26,724
Body	128,059	200,813	152,835	179,197	55,214	167,951	14,308	26,858	38,890	72,185	22,549	39,541	50,363	60,946	12,024
Gauge board	69,087	51,290	20,761	55,419	15,336	24,810	4,249	9,699	40,585	45,589	6,225	18,941	26,284	57,934	14,700
Pachislot machines	120,802	92,763	30,482	113,997	63,354	80,953	1,398	11,310	11,318	20,852	19,285	39,350	44,650	47,244	8,205
Chassis	77,716	36,146	10,604	89,453	34,458	36,001	70	1,032	1,032	1,344	2,742	11,213	11,513	14,093	588
Combined unit	43,086	56,617	19,878	24,544	28,896	44,952	1,328	10,278	10,286	19,508	16,543	28,137	33,137	33,151	7,617

#### Titles released in FY ending March 31, 2020

##### Pachinko

Release	Title	Units sold
1Q	<i>Terminator2: Judgment Day</i>	10,095
	<i>CAT'S EYE: Saikou no Otakara Itadaki ni agarimasu</i>	8,220
	Total*	26,724

##### Pachislot

Release	Title	Units sold
1Q	<i>Pachislot Koumon Chama V Megamori</i>	7,997
	Total*	8,205

\*Total includes units of titles released in FY 3/2019 (Pachinko: 8,409 units Pachislot: 208 units)

# Trends of Golf Course Users and Revenue per Customer 1

## Number of Golf Course Users

(persons)	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
FY2014	581,377	695,817	652,238	673,318	660,019	654,753	641,042	669,488	568,476	465,157	294,507	541,624	7,097,816
FY2015	651,067	757,367	659,662	670,460	652,429	695,852	671,206	681,167	548,032	430,098	403,316	569,843	7,390,499
FY2016	619,519	765,614	672,004	655,011	657,753	641,672	732,172	668,507	624,894	447,276	441,305	603,777	7,529,504
FY2017	639,909	751,256	658,871	726,699	649,334	631,137	726,674	662,099	626,216	471,345	413,167	595,830	7,552,537
FY2018	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
FY2019	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
FY2020	713,508	825,693	729,264										2,268,465

## Revenue per Customer

(yen)	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Average
FY2014	9,468	9,527	9,531	8,664	8,143	8,853	9,456	10,033	9,516	8,552	7,813	9,100	9,123
FY2015	9,215	9,422	9,180	8,703	8,300	8,964	9,477	10,122	9,440	8,591	8,077	8,797	9,076
FY2016	9,278	9,485	9,071	8,668	8,279	9,073	9,609	10,038	9,343	8,556	8,002	8,780	9,070
FY2017	9,397	9,572	9,213	8,792	8,176	9,050	9,781	10,014	9,429	8,545	8,011	8,868	9,129
FY2018	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
FY2019	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
FY2020	9,463	9,438	9,314										9,406



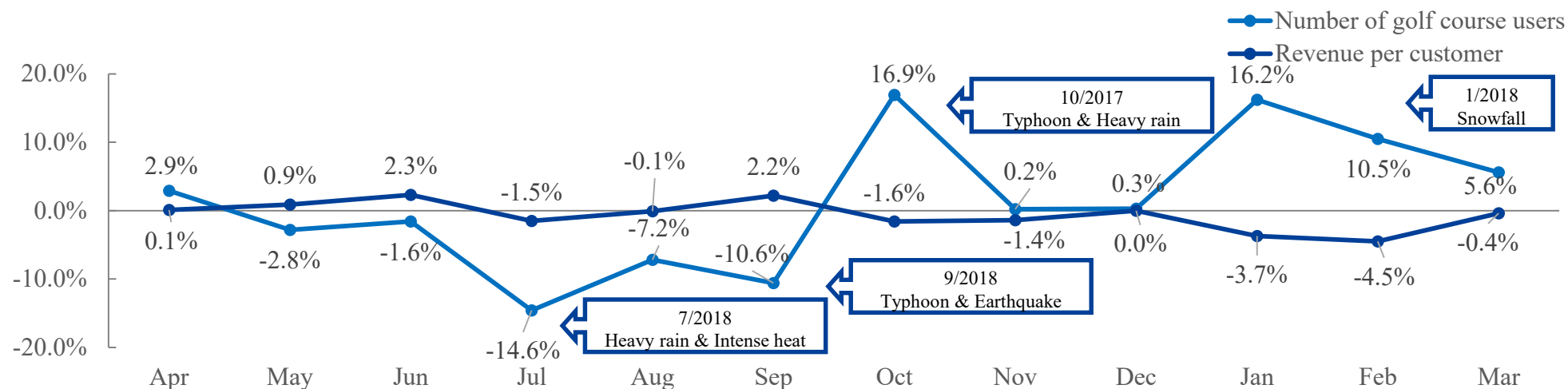
# Trends of Golf Course Users and Revenue per Customer 2

Golf Business

## Monthly result comparison – FY 3/2020 vs FY 3/2019



## Monthly result comparison – FY 3/2019 vs FY 3/2018



\* Based on operating golf courses since previous year.

# Golf Course Portfolio

## Golf Business

	As of March 31, 2019		As of June 30, 2019	
	Courses	18H equivalent	Courses	18H equivalent
Owned Golf Courses	139	169.5	138	168.5
Leased Golf Courses	1	2.0	1	2.0
Contracted Golf Courses	1	1.5	2	2.5
<b>Total</b>	<b>141</b>	<b>173.0</b>	<b>141</b>	<b>173.0</b>
Hokkaido	6	9.5	6	9.5
Tohoku	8	10.5	8	10.5
Kanto, Koushinetsu	61	72.0	61	72.0
Tokai, Hokuriku	11	12.0	11	12.0
Kansai	20	26.0	20	26.0
Chugoku	11	13.0	11	13.0
Shikoku	7	7.5	7	7.5
Kyusyu, Okinawa	17	22.5	17	22.5
<b>Total</b>	<b>141</b>	<b>173.0</b>	<b>141</b>	<b>173.0</b>

State of affairs in the fiscal year ended March 31, 2020

### 【Acquisition】

None

### 【Sponsorship agreements, etc.】

January 30, 2019      Fuji Gotenba Golf Club  
(Gotenba City, Shizuoka Prefecture – 18H)

July 18, 2019      Lakewood Golf Club Tomioka Course  
(Tomioka City, Gunma Prefecture – 27H)

### 【Management outsourcing】

May 31, 2019      Reoma Kohgen Golf Club  
(Miyoshi City, Tokushima Prefecture – 18H)

### 【Sale】

May 31, 2019      Reoma Kohgen Golf Club  
(Miyoshi City, Tokushima Prefecture – 18H)

# Financial Performance Trend

## Consolidated

(million yen)	FY 3/2014	FY 3/2015	FY 3/2016	FY 3/2017		FY 3/2018			FY 3/2019					FY 3/2020	
	Full year	Full year	2Q cumulative	Full year	2Q cumulative	Full year	1Q	2Q cumulative	3Q cumulative	Full year	1Q	2Q cumulative	3Q cumulative	Full year	1Q
Net sales	181,570	198,605	119,620	214,954	93,633	186,218	30,547	62,177	100,233	132,765	41,628	80,211	111,451	144,980	36,809
Pachinko and Pachislot machine Business	105,869	121,380	77,683	135,388	52,243	108,139	7,892	18,310	34,132	51,552	17,979	37,027	45,135	62,407	13,021
Pachinko machines	66,105	89,589	66,955	89,200	26,737	75,823	7,140	13,698	29,434	44,428	10,752	22,199	29,229	45,569	9,861
Pachislot machines	39,763	31,791	10,728	46,188	25,113	31,607	638	4,379	4,388	6,702	7,148	14,639	15,642	16,509	3,098
Golf Business	73,145	74,807	40,669	77,071	41,390	78,078	22,654	43,866	66,100	81,213	23,649	43,183	66,316	82,573	23,788
Other	2,555	2,417	1,267	2,494	-	-	-	-	-	-	-	-	-	-	-
Operating income	36,909	42,870	26,446	38,967	23,275	36,599	4,214	5,199	12,252	13,931	12,240	20,743	26,007	28,014	8,102
Pachinko and Pachislot machine Business	30,119	34,310	20,164	30,088	17,754	29,602	-86	-749	3,106	7,149	7,523	15,666	16,982	20,791	3,294
Pachinko machines	14,836	21,582	17,047	16,467	7,184	17,609	385	-1,278	3,327	7,025	4,077	8,585	10,452	15,260	2,127
Pachislot machines	15,282	12,728	3,117	13,620	10,518	11,869	-492	486	-286	26	3,420	7,057	6,483	5,474	1,150
Golf Business	9,911	12,127	7,955	12,427	7,449	10,935	5,208	7,530	11,494	9,930	5,593	6,761	11,524	10,599	5,661
Other	159	140	82	151	-	-	-	-	-	-	-	-	-	-	-
Eliminations & corporate expenses	-3,281	-3,708	-1,755	-3,699	-1,928	-3,937	-908	-1,580	-2,349	-3,147	-875	-1,684	-2,499	-3,376	-853
Operating income ratio	20.3%	21.6%	22.1%	18.1%	24.9%	19.7%	13.8%	8.4%	12.2%	10.5%	29.4%	25.9%	23.3%	19.3%	22.0%
Ordinary income	35,405	42,059	25,896	37,444	22,819	35,655	4,279	5,009	11,649	13,105	12,219	20,350	25,783	27,451	8,172
Profit attributable to owners of parent	20,361	26,235	19,248	28,143	14,758	27,058	2,403	2,122	5,920	6,799	8,190	13,489	16,857	16,341	5,857
SGA expenses	36,095	36,517	17,573	39,873	17,843	37,447	6,408	15,001	23,090	30,652	5,945	12,939	19,418	27,822	6,716
Personnel expenses	7,621	7,700	3,234	7,334	3,261	7,207	1,543	3,049	4,548	6,211	1,531	3,052	4,498	6,356	1,423
Selling expenses	8,994	8,632	5,133	10,241	4,716	9,898	929	2,926	4,706	6,928	1,364	3,680	5,199	7,294	928
Advertising expenses	3,856	3,560	1,383	3,155	1,192	2,842	417	849	2,022	2,368	366	742	1,801	2,179	288
Sales commissions	3,572	3,675	1,819	3,701	1,679	2,858	162	436	737	1,135	543	1,131	1,315	1,660	316
General expenses	19,478	20,184	9,204	22,297	9,865	20,341	3,935	9,025	13,835	17,512	3,049	6,207	9,720	14,171	4,363
R&D expenses	12,864	13,624	5,913	15,590	6,015	12,841	2,173	5,576	8,712	10,832	1,338	2,972	4,962	7,881	2,815
Depreciation & amortization	8,339	9,478	4,619	11,027	5,070	11,098	2,346	5,017	7,831	10,740	2,270	4,773	7,292	9,868	2,016
Capital investment	12,987	11,877	5,920	13,354	6,127	14,050	4,129	10,044	12,181	14,166	2,006	4,038	5,518	7,091	2,943

# Key Financial Indicators

Consolidated

(million yen)	FY 3/2014	FY 3/2015	FY 3/2016	FY 3/2017	FY 3/2018	FY 3/2019	Formula
Net Sales	181,570	198,605	214,954	186,218	132,765	144,980	
Operating Income	36,909	42,870	38,967	36,599	13,931	28,014	
Ordinary Income	35,405	42,059	37,444	35,655	13,105	27,451	
Profit attributable to owners of parent	20,361	26,235	28,143	27,058	6,799	16,341	
Total Assets	438,506	447,833	450,715	449,152	430,287	442,845	
Cash, Deposits and Securities	105,051	122,259	106,503	106,576	86,245	93,180	
Interest Bearing Debt	168,506	156,213	141,935	132,917	123,116	120,756	
Net Assets	156,502	178,269	198,873	217,405	216,701	225,052	
Shareholders' Equity	142,772	163,116	198,841	217,381	216,690	225,052	
ROE	15.0%	17.2%	15.6%	13.0%	3.1%	7.4%	
Operating Income Ratio	20.3%	21.6%	18.1%	19.7%	10.5%	19.3%	Operating income/Net sales
Net Income Ratio	11.2%	13.2%	13.1%	14.5%	5.1%	11.3%	Net income/Net sales
Asset Turnover	0.42	0.45	0.48	0.41	0.30	0.33	Net sales/Total assets *1
Financial Leverage	3.15	2.90	2.48	2.16	2.03	1.98	Total assets/Shareholders' equity *1,2
Net Debt Equity Ratio	40.9%	20.8%	17.8%	12.1%	17.0%	12.3%	Net interest-bearing debt/Shareholders' equity
Shareholders' Equity Ratio	32.6%	36.4%	44.1%	48.4%	50.4%	50.8%	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

## Contact

Management Planning Group, Heiwa Corporation

TEL: +81-3-3839-0701

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

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