

# **Results for the Fiscal Year Ended March 31, 2015**

**May 15, 2015  
Heiwa Corporation**

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- Market Environment (Golf Business)
- Schedule of Transitional Period to the New Format Inspection Method (Pachislot Machine)
- Change of Pachinko Machine Standards
- Financial Performance Trend
- Number of Machines Sold / Titles Released in FY Ending March, 2015
- Number of Golf Course Users / Average Revenue per Customer

## Results

- ◆ Net sales : **198.6**billion yen, **+9.4%** year on year
- ◆ Operating income : **42.8**billion yen, **+16.2%** year on year
  - ⇒ Sales of Pachinko Machine exceeded the year earlier period and greatly contributed to the results

## Pachinko and pachislot machine business

- ◆ Net sales : **121.3**billion yen, **+14.7%** year on year
- ◆ Operating income : **34.3**billion yen, **+14.0%** year on year
- ✓ Number of Pachinko machines sold in FY3/15: **252k** units (**+54k** units yoy)
- ✓ Number of Pachislot machines sold in FY3/15 : 92k units (-28k units yoy)
  - ⇒ Both sales and profits increased year on year due to increase of Pachinko machine sales volume

## Golf business

- ◆ Net sales : **74.8**billion yen, **+2.3%** year on year
- ◆ Operating income : **12.1**billion yen, **+22.4%** year on year
- ✓ Newly acquired golf courses contributed to the consolidated results
- ✓ Cost reduction at the head office
  - ⇒ Both sales and profit increased year on year

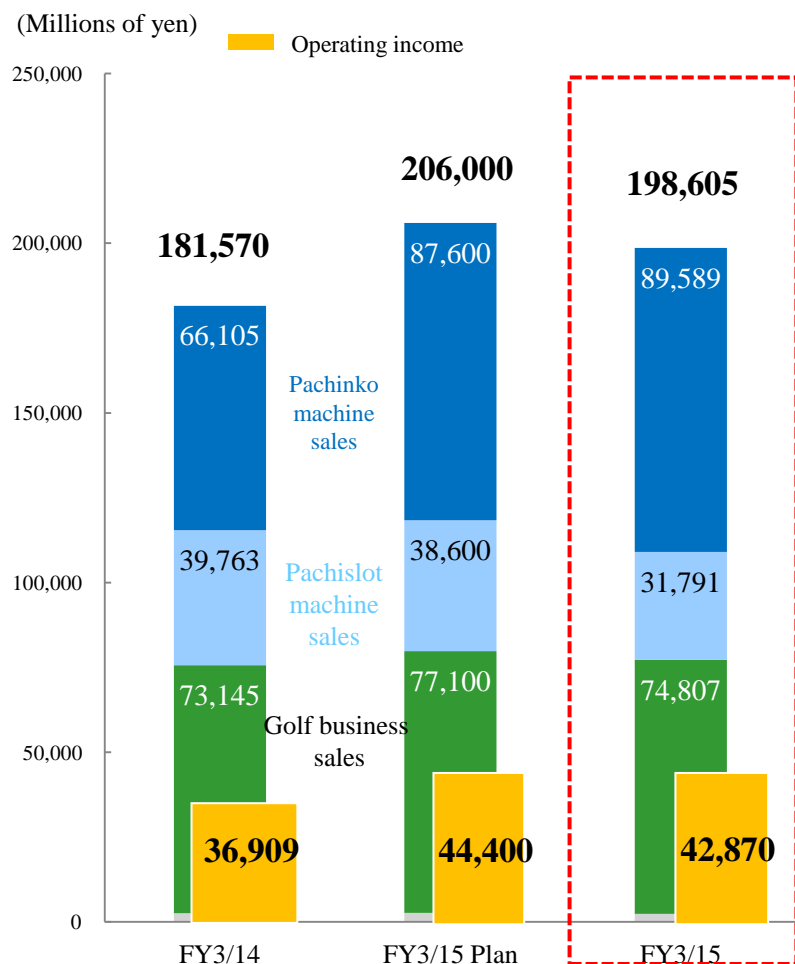
# **Results for FY ending March 31, 2015**

# Consolidated Statements of Income (Results)

## FY3/15 Results

◆ **Both sales and profits increased year on year.** (Net Sales +**9.4%** yoy, operating profit +**16.2%** yoy)

⇒ **Sales of Pachinko Machine well exceeded the year earlier period and greatly contributed to the results**



(Millions of yen)	FY 3/2014 Results	FY 3/2015 Plan	FY 3/2015 Results	YoY	Cf. Plan
Net sales	181,570	206,000	<b>198,605</b>	9.4%	-3.6%
Pachinko and Pachislot machine business	105,869	126,200	<b>121,380</b>	14.7%	-3.8%
Pachinko machines	66,105	87,600	<b>89,589</b>	35.5%	2.3%
Pachislot machines	39,763	38,600	<b>31,791</b>	-20.1%	-17.6%
Golf business	73,145	77,100	<b>74,807</b>	2.3%	-3.0%
Other	2,555	2,700	<b>2,417</b>	-5.4%	-10.5%
Operating income	36,909	44,400	<b>42,870</b>	16.2%	-3.4%
Pachinko and Pachislot machine business	30,119	34,900	<b>34,321</b>	14.0%	-1.7%
Pachinko machines	14,836	19,900	<b>21,590</b>	45.5%	8.5%
Pachislot machines	15,282	15,000	<b>12,731</b>	-16.7%	-15.1%
Golf business	9,891	12,200	<b>12,109</b>	22.4%	-0.7%
Other	182	300	<b>161</b>	-11.4%	-46.1%
Not allocated	-3,283	-3,000	<b>-3,722</b>	-	-
Operating income ratio	20.3%	21.6%	<b>21.6%</b>	+1.3pt	+0pt
Ordinary income	35,405	42,700	<b>42,059</b>	18.8%	-1.5%
Net income	20,361	25,500	<b>26,235</b>	28.9%	2.9%
EBITDA*	45,177	54,100	<b>52,219</b>	15.6%	-3.5%

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

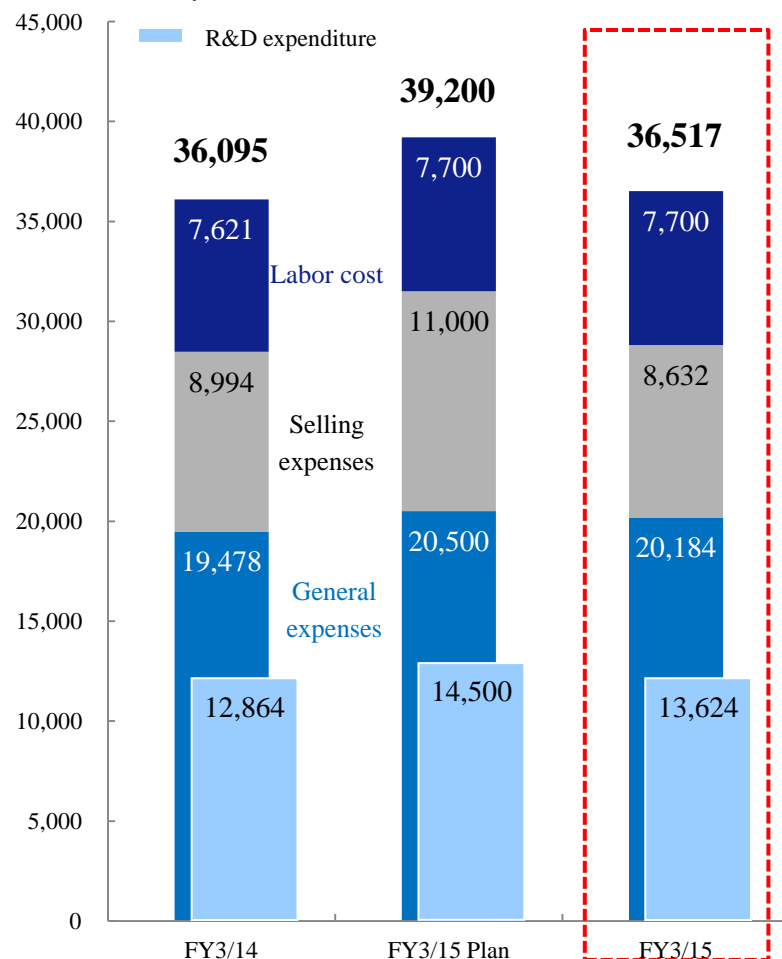
## FY3/15 Results

◆SGA expenses maintains the same level as the previous fiscal year.

⇒SGA expenses decreased by reduction of advertising expenses and deferral of allocation of provision for shareholder incentives to next fiscal year.

⇒Upward trend of R&D expenditure will continue for enhancing overall product quality

(Millions of yen)



(Millions of yen)	FY 3/2014 Results	FY 3/2015 Plan	FY 3/2015 Results	YoY	Cf. Plan
SGA expenses	36,095	39,200	<b>36,517</b>	1.2%	-6.8%
Labor cost	7,621	7,700	<b>7,700</b>	1.0%	0.0%
Selling expenses	8,994	11,000	<b>8,632</b>	-4.0%	-21.5%
Advertising expenses	3,856	4,800	<b>3,560</b>	-7.7%	-25.8%
Sales commissions	3,572	4,000	<b>3,675</b>	2.9%	-8.1%
General expenses	19,478	20,500	<b>20,184</b>	3.6%	-1.5%
R&D expenditure	12,864	14,500	<b>13,624</b>	5.9%	-6.0%

## Depreciation & amortization / Capital investment

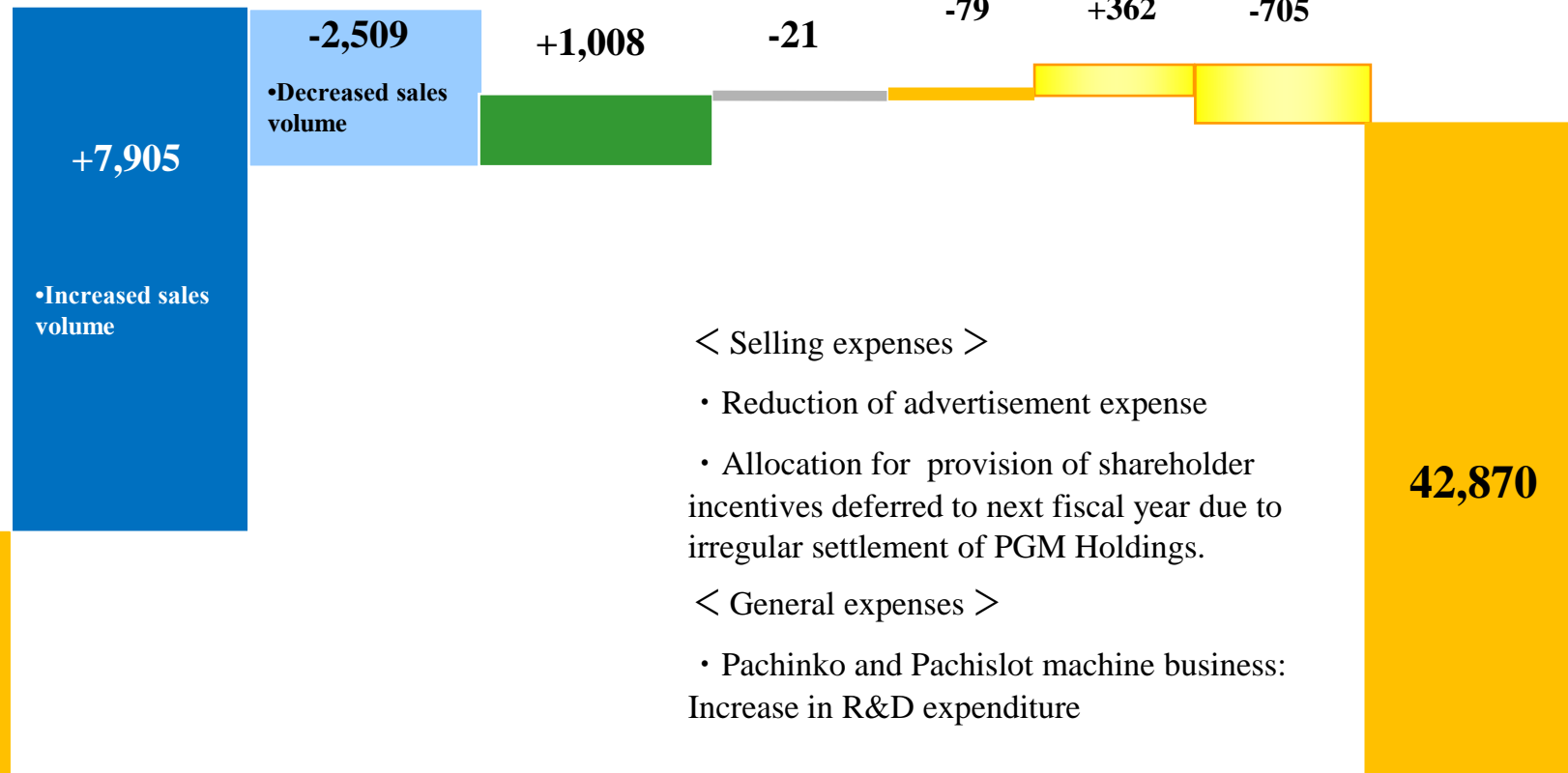
(Millions of yen)	FY 3/2014 Results	FY 3/2015 Plan	FY 3/2015 Results	YoY	Cf. Plan
Depreciation & amortization	8,339	9,800	<b>9,478</b>	13.7%	-3.2%
Capital investment	12,987	13,600	<b>11,877</b>	-8.5%	-12.6%

# Factors contributing to change in operating income (consolidated basis)

## FY3/15 Results

(Millions of yen)

Pachinko machine	Pachislot machine	Golf business	Other	Labor cost	Selling expenses	General expenses
Gross profit	Gross profit	Gross profit	Gross profit	cost	expenses	expenses



< Selling expenses >

- Reduction of advertisement expense
- Allocation for provision of shareholder incentives deferred to next fiscal year due to irregular settlement of PGM Holdings.

< General expenses >

- Pachinko and Pachislot machine business: Increase in R&D expenditure

FY 3/2014

FY 3/2015

**+5,961 million yen**

# Pachinko and Pachislot Machine Business (Machine Sales Results)

## FY3/15 Results

(Units)	FY 3/2014 Results	FY 3/2015 Plan	FY 3/2015 Results	YoY	Difference from Plan
Number of machines sold	317,948	370,000	<b>344,866</b>	+26k units	-25k units
Pachinko machines	197,146	250,000	<b>252,103</b>	+54k units	+2k units
Number of titles released	8	9	<b>10</b>	+2	+1
Pachislot machines	120,802	120,000	<b>92,763</b>	-28k units	-27k units
Number of titles released	5	7	<b>6</b>	+1	-1

### Major pachinko titles

Titles	Sales (units)	Release
<i>Lupin The Third: Kesareta Lupin *</i>	43,468	Previous year (Nov 2013)
<i>Lupin The Third: Shuyaku wa Zenigata*</i>	31,547	Sep 2014
<i>Super Street Fighter IV CR EDITION</i>	35,222	Apr 2014
<i>Moerutoukon Antonio Inoki: Kakutougi Sekaiichi Ketteisen</i>	34,604	Feb 2015

\* Cumulative sales of “Lupin The Third: Kesareta Lupin” and “Lupin The Third: Shuyaku wa Zenigata” was 159,765 units as of March 31, 2015.

### Major pachislot titles

Titles	Sales (units)	Release
<i>Sengoku Otome: Kengeki ni Mau Shiroki Kensei -Saigoku Sansen version</i>	20,372	Jun 2014
<i>Pachislot Koumonchama KATSU</i>	29,999	Jun 2015
<i>Mahjong Monogatari3: Yakumanranbu no Kyukyokutaisen</i>	13,807	Mar 2015



Moerutoukon Antonio Inoki:  
Kakutougi Sekaiichi Ketteisen



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Pachislot Koumonchama KATSU



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# Pachinko and Pachislot Machine Business (Results)



# HEIWA

## FY3/15 Results

Pachinko

- ◆ Sales of Pachinko Machine well exceeded the year earlier period and **greatly contributed to the increase of sales and profit**
- ◆ Both gross profit ratio and operating profit ratio decreased because most of the Pachinko machine sales consist of Body sales

Pachislot

- ◆ Both sales and profits decreased because unit sales went under the last year by postponing a title to release
- ◆ Maintaining high gross profit rate by reducing cost of goods sold

Total

- ◆ **Sales of Pachinko Machine greatly exceeded the year earlier period and contributed to the results** (Net Sales +14.7% yoy, operating profit +14.0% yoy)

(Millions of yen)	FY 3/2014 Results	FY 3/2015 Results	YoY
Net sales	105,869	<b>121,380</b>	14.7%
Pachinko machines	66,105	<b>89,589</b>	35.5%
Pachislot machines	39,763	<b>31,791</b>	-20.1%
Gross profit	54,724	<b>60,120</b>	9.9%
Pachinko machines	30,783	<b>38,689</b>	25.7%
Pachislot machines	23,940	<b>21,431</b>	-10.5%
Gross profit ratio	51.7%	<b>49.5%</b>	-2.2pt
Operating income	30,119	<b>34,321</b>	14.0%
Pachinko machines	14,836	<b>21,590</b>	45.5%
Pachislot machines	15,282	<b>12,731</b>	-16.7%
Operating income ratio	28.4%	<b>28.3%</b>	-0.1pt

Breakdown of machine sales			
(Units)	FY 3/2014 Results	FY 3/2015 Results	YoY
Total	317,948	<b>344,866</b>	+26,918
Pachinko machines	197,146	<b>252,103</b>	+54,957
Body	128,059	<b>200,813</b>	+72,754
Gauge board	69,087	<b>51,290</b>	-17,797
Pachislot machines	120,802	<b>92,763</b>	-28,039
Chassis	77,716	<b>36,146</b>	-41,570
Combined unit	43,086	<b>56,617</b>	+13,531

# Golf Business (Results)

## FY3/15 Results

◆ **Both sales and profits increased year on year.** (Net Sales +2.3% yoy, Operating profit +22.4% yoy)

- ⇒ Newly acquired golf courses contributed to the consolidated results.
- ⇒ SGA expenses decreased by reduction of labor cost by layoff at the head office and deferral of allocation of provision for shareholder incentives.
- ⇒ Revenue per customer stopped declining by enhancement of pricing strategy.

(Millions of yen)	FY 3/2014 Results	FY 3/2015 Results	YoY
Net sales	73,145	<b>74,807</b>	2.3%
Gross profit	18,094	<b>19,102</b>	5.6%
Gross profit ratio	24.7%	<b>25.5%</b>	+0.8pt
Operating income	9,891	<b>12,109</b>	22.4%
Operating income ratio	13.5%	<b>16.2%</b>	+2.7pt

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

【Full-year (12 months)】	FY 3/2014 Results	FY 3/2015 Results	YoY
Number of golf course users	7,097,816	<b>7,390,499</b>	4.1%
Revenue per customer (yen)	9,123	<b>9,076</b>	-0.5%
【4Q (3 months)】	FY 3/2014 4Q	FY 3/2015 4Q	YoY
Number of golf course users	1,301,288	<b>1,403,257</b>	7.8%
Revenue per customer (yen)	8,613	<b>8,527</b>	-1.0%

### SGA Expenses

(Millions of yen)	FY 3/2014 Results	FY 3/2015 Results	YoY
SGA Expenses	8,202	<b>6,992</b>	-14.8%

- Decrease in labor cost by layoff at the head office
- Decrease in advertisement expense
- Deferral of allocation of provision for shareholder incentives

# Consolidated Balance Sheets (Summary)

(Millions of yen)	3/2014	3/2015	Change	Remarks
Current assets	148,086	<b>162,023</b>	13,937	◆ Increase in cash and deposits
Noncurrent assets	290,420	<b>285,810</b>	-4,609	◆ Disposal of investment securities by sale
Total assets	438,506	<b>447,833</b>	9,327	
Current liabilities	69,216	<b>68,299</b>	-916	
Noncurrent liabilities	212,787	<b>201,264</b>	-11,522	◆ Repayment of debt
Total liabilities	282,003	<b>269,564</b>	-12,439	
Net assets	156,502	<b>178,269</b>	21,767	
Liabilities and total net assets	438,506	<b>447,833</b>	9,327	

(Millions of yen)	3/2014	3/2015
Cash and deposits, and investment securities	105,051	<b>122,259</b>
Interest-bearing debt	168,506	<b>156,213</b>
Shareholders' equity	142,772	<b>163,116</b>
Shareholders' equity ratio	32.6%	<b>36.4%</b>

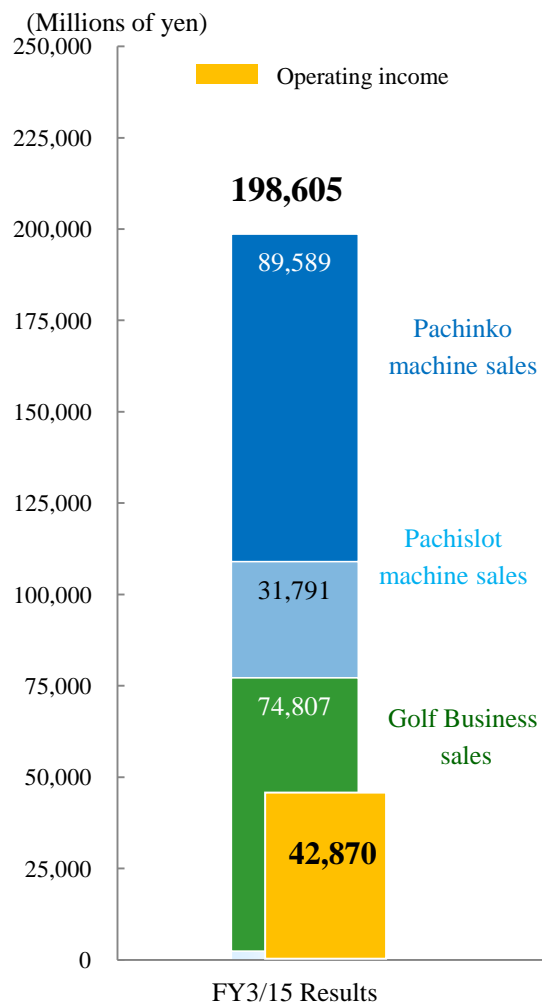
- ◆ D/E ratio (interest-bearing debt/shareholders' equity)  
118%→96% : Improvement of 22 percentage points
- ◆ Shareholders' equity ratio increased 3.8 percentage points

# **Full-year Plan for FY ending March, 2016**

# Consolidated Statements of Income (Plan)

FY3/16 Plan

- ◆ Expect to increase net sales by increasing machines sales. (Net sales up 8.3% YoY)
- ◆ Expect to decrease incomes by increasing cost of goods sold.



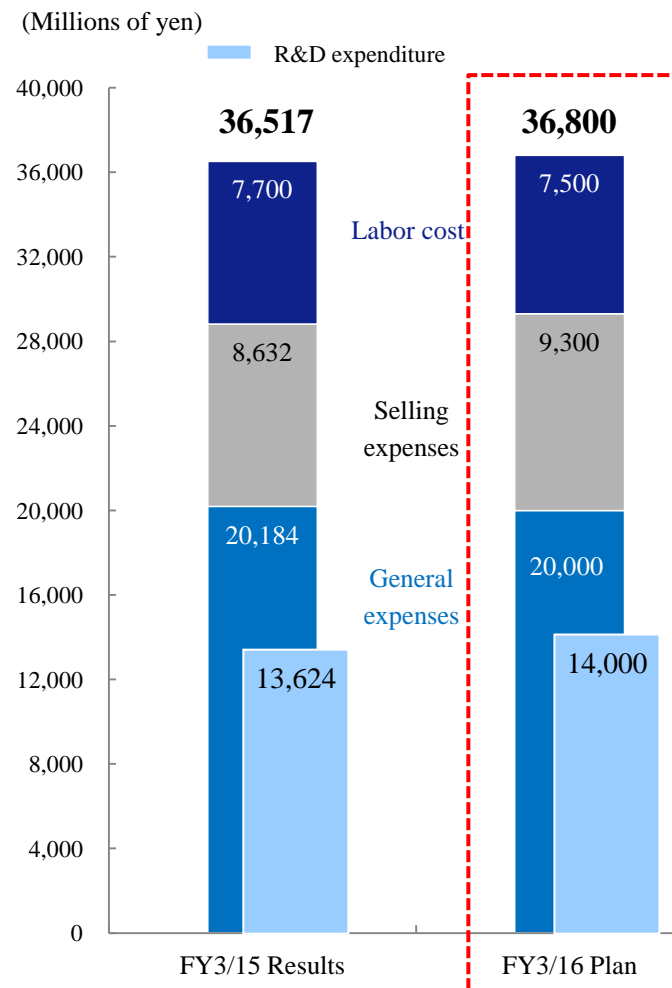
(Millions of yen)	FY 3/2015	FY 3/2016		YoY
	Full year Results	2Q cumulative	Full year Plan	
Net sales	198,605	113,100	215,100	8.3%
Pachinko and Pachislot machine business	121,380	70,300	135,300	11.5%
Pachinko machines	89,589	47,200	97,200	8.5%
Pachislot machines	31,791	23,100	38,100	19.8%
Golf business	74,807	41,500	77,300	3.3%
Other	2,417	1,300	2,500	3.4%
Operating income	42,870	22,100	38,000	-11.4%
Pachinko and Pachislot machine business	34,321	14,900	29,100	-15.2%
Pachinko machines	21,590	8,500	19,500	-9.7%
Pachislot machines	12,731	6,400	9,600	-24.6%
Golf business	12,109	8,600	11,900	-1.7%
Other	161	100	200	23.6%
Not allocated	-3,722	-1,500	-3,200	-
Operating income ratio	21.6%	19.5%	17.7%	-3.9pt
Ordinary income	42,059	21,500	36,800	-12.5%
Net income*1	26,235	12,700	22,400	-14.6%
EBITDA*2	52,219	26,800	48,600	-6.9%

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

FY3/16 Plan

◆SGA expenses maintains the same level as the previous accounting period.

⇒Expect slight increase of selling expenses, but Labor cost and general expenses maintains the same level compared with previous fiscal year



(Millions of yen)	FY 3/2015 Full year Results	FY 3/2016		YoY
		2Q cumulative	Full year Plan	
SGA expenses	36,517	17,100	<b>36,800</b>	0.8%
Labor cost	7,700	3,300	<b>7,500</b>	-2.6%
Selling expenses	8,632	4,600	<b>9,300</b>	7.7%
Advertising expenses	3,560	1,700	<b>3,800</b>	6.7%
Sales commissions	3,675	1,900	<b>3,400</b>	-7.5%
General expenses	20,184	9,200	<b>20,000</b>	-0.9%
R&D expenditure	13,624	6,300	<b>14,000</b>	2.8%

## Depreciation & amortization / Capital investment

(Millions of yen)	FY 3/2015 Full year Results	FY 3/2016		YoY
		2Q cumulative	Full year Plan	
Depreciation & amortization	9,478	4,800	<b>10,700</b>	12.9%
Capital investment	11,877	6,700	<b>13,800</b>	16.2%

# Pachinko and Pachislot machine Business (Machine Sales Plan)

## FY3/16 Plan

(Units)	FY 3/2015 Full-year results	FY 3/2016		Change from the previous year
		2Q cumulative	Full-year plan	
Number of machines sold	344,866	185,000	<b>360,000</b>	+1.5k units
Pachinko machines	252,103	125,000	<b>260,000</b>	+0.7k units
Number of titles released	10	4	<b>8</b>	-2
Pachislot machines	92,763	60,000	<b>100,000</b>	+0.7k units
Number of titles released	6	3	<b>5</b>	-1

### Titles to Release in 1Q/ Pachinko Machine

Title	Release Date
<i>Mahjong Monogatari2: Mezase! "Jong-Dol" Ketteisen!</i>	Apr 2015
<i>Cat's Eye</i>	Jun 2015

### Titles to Release in 1Q/ Pachislot Machine

Title	Release Date
<i>Devil Survivor2: Saigo no nanokakan</i>	Jun 2015



*Cat's eye*



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*Devil Survivor2:  
Saigo no nanokakan*



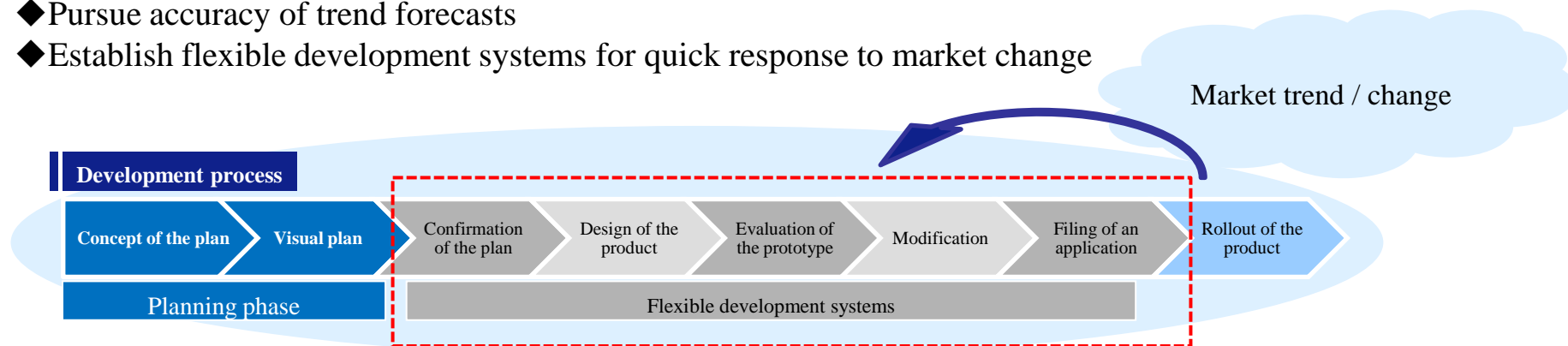
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# Issues to be Addressed (Pachinko and Pachislot Machine Business)

## 1 Create hit products continuously

- ◆Pursue accuracy of trend forecasts
- ◆Establish flexible development systems for quick response to market change



- ◆Emphasize differentiation and innovativeness in product creation

### Enhanced gaming performance



◆MAX 8 PLUS  
Incorporated in:  
*Mahjong Monogatari 2*  
*Mezase! "Jongdol" Ketteisen!*



◆2-in-1 display  
Incorporated in:  
Cat's Eye

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### New title



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## 2 Pursue higher profitability

Continue to promote: ◆Use of common parts from the planning phase  
◆Reuse ◆Appropriate pricing

## 3 Reinforce the Group's organizational power

◆Greater collaboration between  
Pachinko and Pachislot Machine  
Business and Golf Business



◆See P18

PGMHD to become a wholly owned subsidiary



## 1 Strengthen M&A

- ◆ **Target acquisition of 12 golf courses (calculated as 18-hole courses) in FY3/2016 (including the deals already announced)**
- ◆ Cultivate new sources of M&A intelligence and strengthen collaboration
- ◆ Win contracts for golf course management by enhancing recognition of our capabilities

## 2 Vigorously encourage purchase of golf club memberships

- ◆ Motivate membership purchase  
⇒ Enrich the member privilege program

## 3 Enhance product value and implement a well-designed pricing strategy

- ◆ Establish operation of high-end courses  
⇒ Enhance product value
- ◆ Set prices according to the characteristics of the market and golf courses
- ◆ Strike a balance between spend per customer and golf course utilization

### New agreements/contracts secured since January 2015

Date of announcement	Content	Course name	No. of holes
2015/1/9	Basic sponsorship agreement	Chiba International Country Club (Chiba)	45
2015/1/23	Share transfer agreement	Sohkyu Country Club (Chiba)	18
2015/2/2	MOU on sponsorship	Isehara Country Club (Kanagawa)	27
		Oh-Hatano Country Club (Kanagawa)	18
2015/3/19	Share transfer agreement (Operation started on 2015/5/15)	Uchihara Country Club (Ibaraki)	18
2015/4/13	Contract for management	Hiroshimakouyou Country Club (Hatsukaichi, Hiroshima)	27



Wakagi Golf Club

## 1 Conclusion of a share exchange agreement

◆ On May 13, 2015, Heiwa and PGM Holdings KK (“PGMHHD”) concluded a share exchange agreement (simple share exchange) whereby Heiwa will become a wholly owning parent and PGMHHD will become a wholly owned subsidiary. (Effective date: August 1, 2015\*)

\*Subject to approval by PGMHHD’s general meeting of shareholders

◆ Share exchange allotment ratio: **Allotment of 0.54 shares of Heiwa per PGMHHD share**

(No new shares to be issued because Heiwa shares to be allotted will be treasury stock.)

## 2 Objective of the acquisition

### Background

◆ Challenging business environment of the golf industry

Decline in golfer population resulting from aging of baby boomers, competition on green fees reduction because of too many golf courses, etc.

◆ Golf industry consolidation expected → **Urgent need for systems responsive to the business environment**

### Objective

◆ Boost profitability of PGMHHD → **Enhance corporate value of Heiwa Group as a whole**

## 3 Benefits of the acquisition

◆ **New M&A of golf courses using the Group’s flexible financing**

◆ Proactive reallocation of asset portfolio

◆ Management unconstrained by short-term financial performance and financial burden

◆ Elimination of possible conflicts of interest resulting from the listing of both the parent and a subsidiary

◇ Reduction of cost of maintaining listings

◇ Improvement of operational efficiency and reallocation of human resources

**Higher market share,  
greater business scale,  
higher profitability**

**Lower cost**

## Dividend policy

Maintain stable dividend payment taking into consideration the business plan, financial position, results of operations, etc. in a comprehensive manner

⇒ Use internal reserve for investment to strengthen R&D capabilities, capital investment, IT investment, etc.

FY 3/16	Interim dividend	Year-end dividend	Total
	40 yen	40 yen	80yen

## Shareholder benefit program

We will offer shareholders golf coupons that can be used at any golf courses we own in accordance with the number of shares held.

※ Record dates of the program are the end of March and September. The program starts from shareholders recorded on the shareholder registry as of September 31, 2015.

twice in a year	Number of shares owned	Number of coupons
	100 shares – 199 shares	2 coupons at once
	200 shares – 299 shares	4 coupons at once
	300 shares – 399 shares	6 coupons at once
	More than 400 shares	8 coupons at once

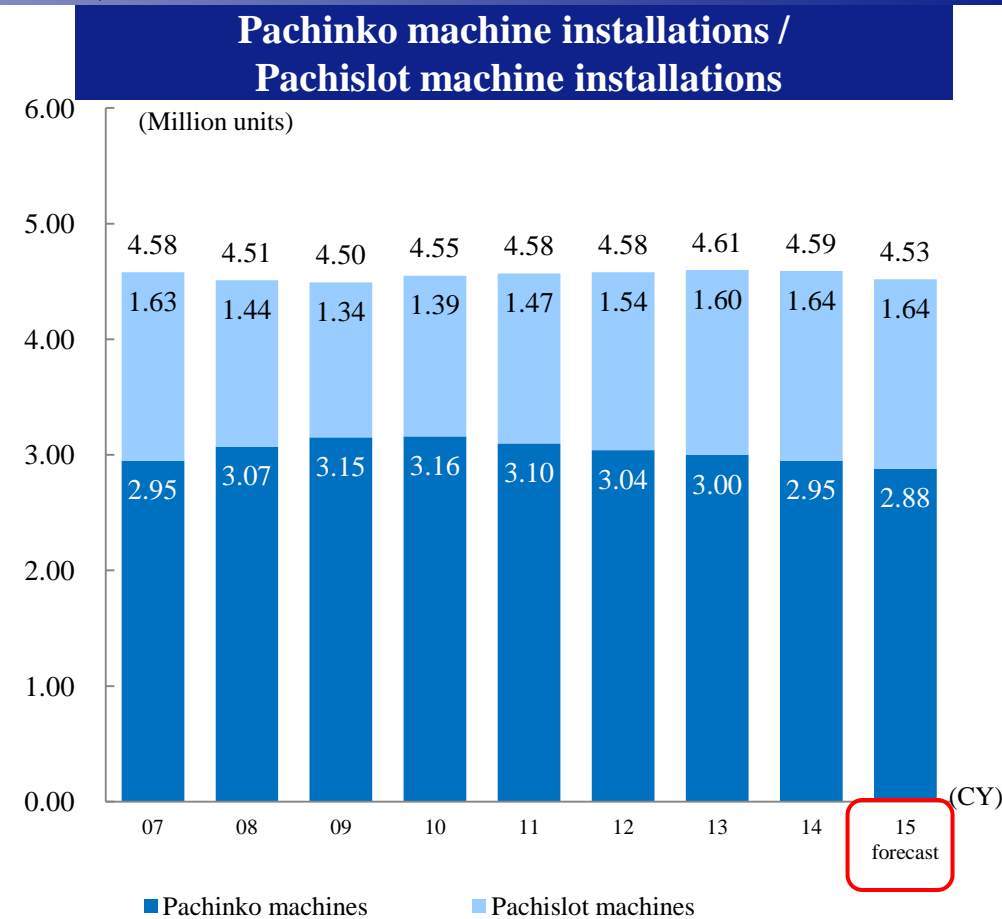
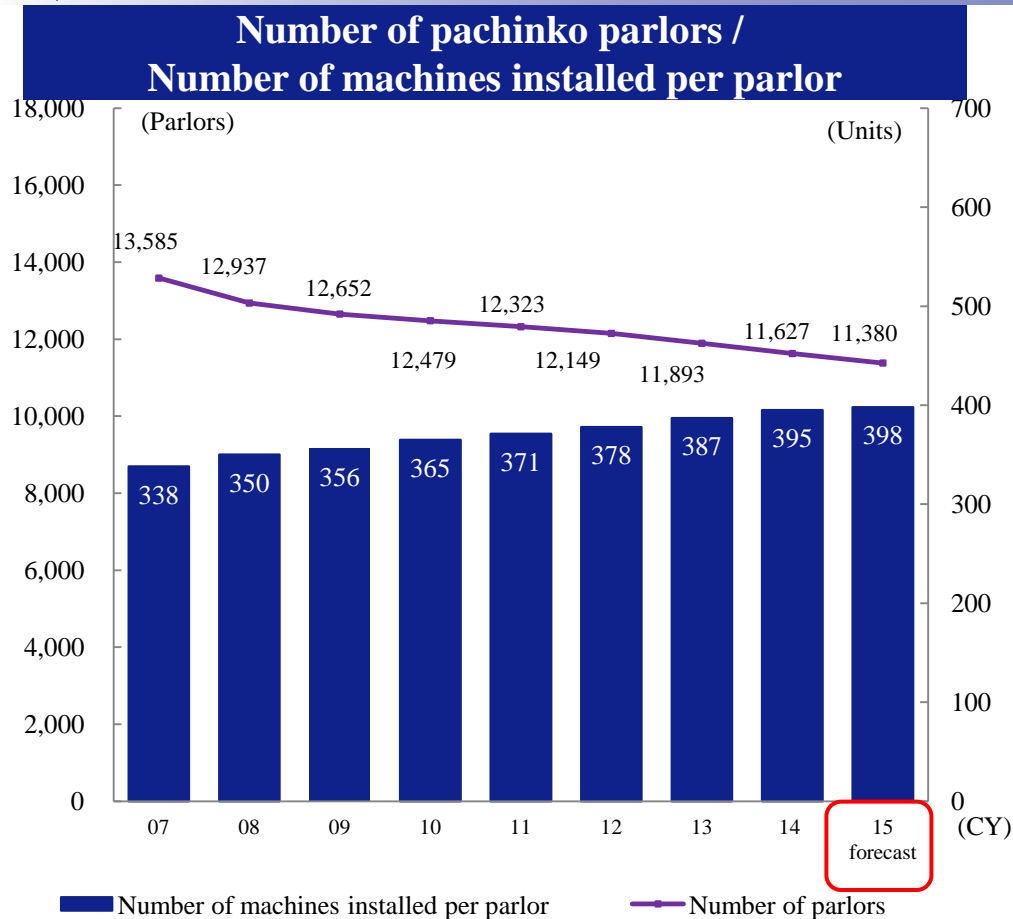
# Supplementary Information

## < Supplementary Information >

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- Market Environment (Golf Business)
- Schedule of Transitional Period to the New Format Inspection Method (Pachislot machine)
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# Market Environment

## (Pachinko and Pachislot Machine Business) 1



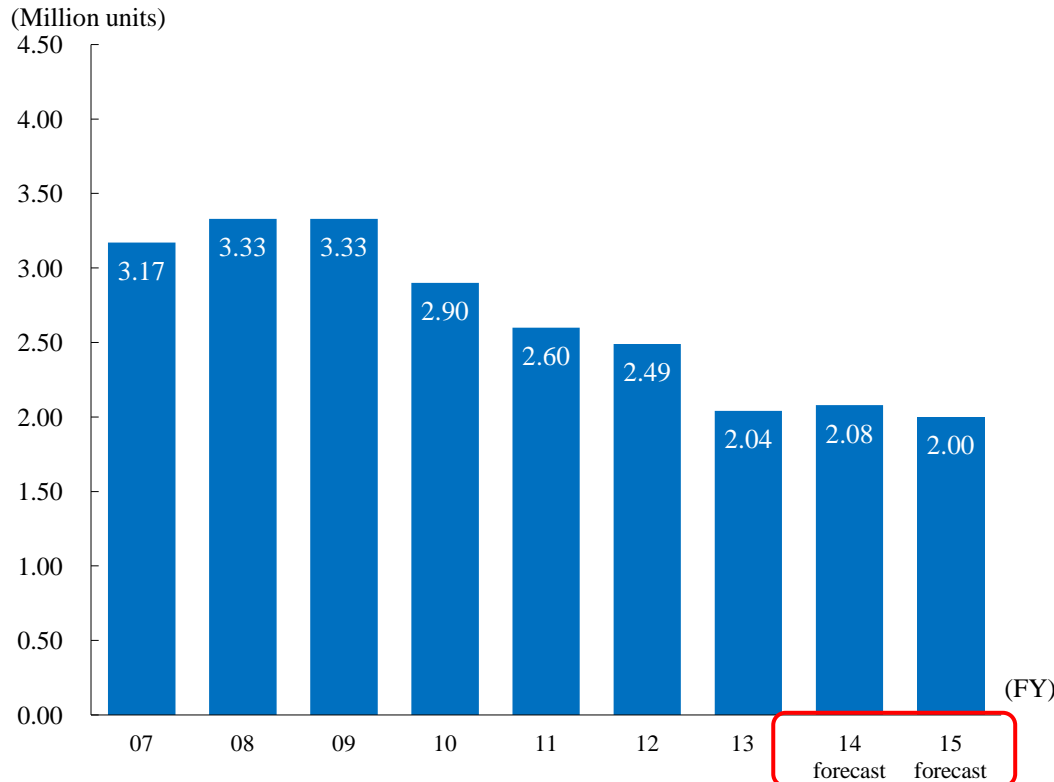
	2007	2008	2009	2010	2011	2012	2013	2014	2015 forecast
Number of parlors	13,585	12,937	12,652	12,479	12,323	12,149	11,893	11,627	11,380
Number of machines installed per parlor (units)	338	350	356	365	371	378	387	395	398
Pachinko machine installations (million units)	2.95	3.07	3.15	3.16	3.10	3.04	3.00	295	288
Pachislot machine installations (million units)	1.63	1.44	1.34	1.39	1.47	1.54	1.60	164	164

Note: Data source: National Police Agency. Data on a calendar year basis (from Jan to Dec) Figures for 2015 are the Company's estimates.

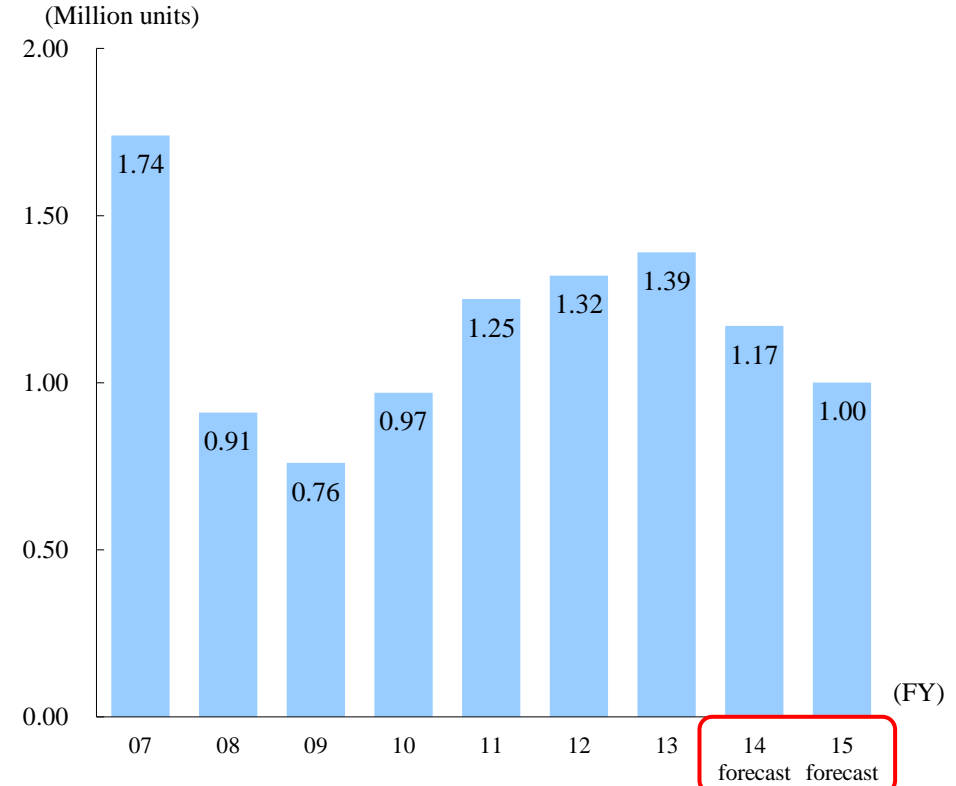
# Market Environment

## (Pachinko and Pachislot Machine Business) 2

**Pachinko machine sales**



**Pachislot machine sales**

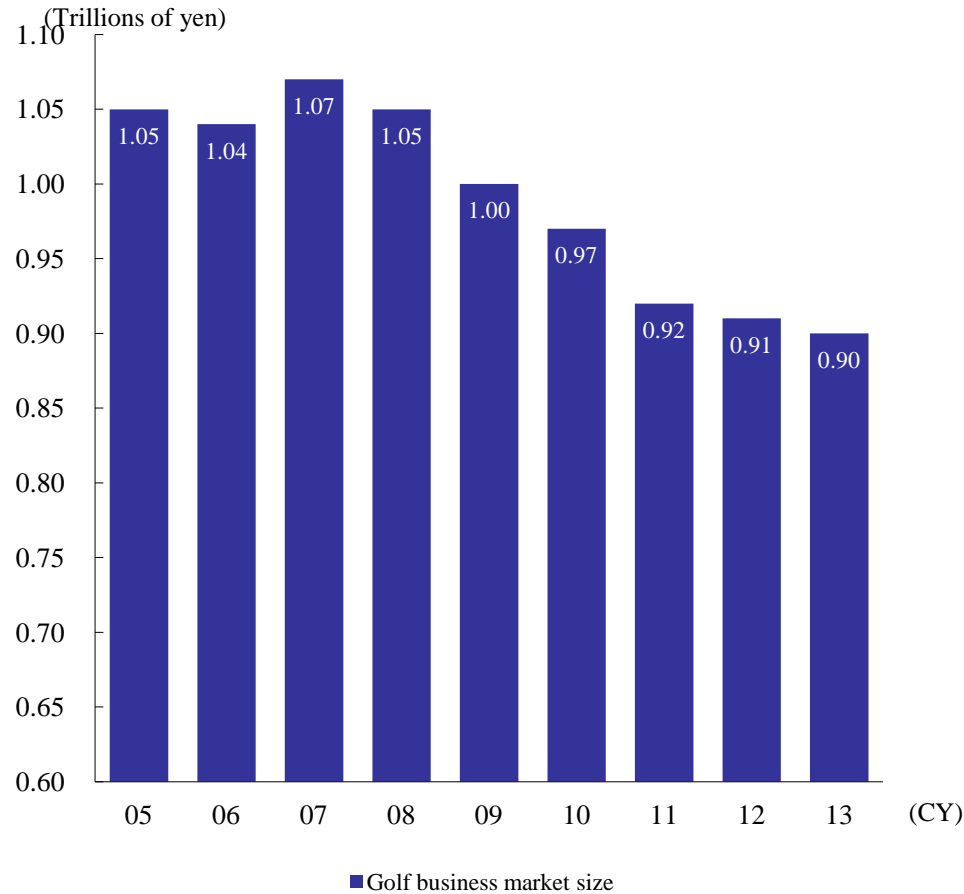


Number of machines sold (Million units)	2007	2008	2009	2010	2011	2012	2013	2014 forecast	2015 forecast
Pachinko machines	3.17	3.33	3.33	2.90	2.60	2.49	2.04	2.08	2.00
Pachislot machines	1.74	0.91	0.76	0.97	1.25	1.32	1.39	1.17	1.00

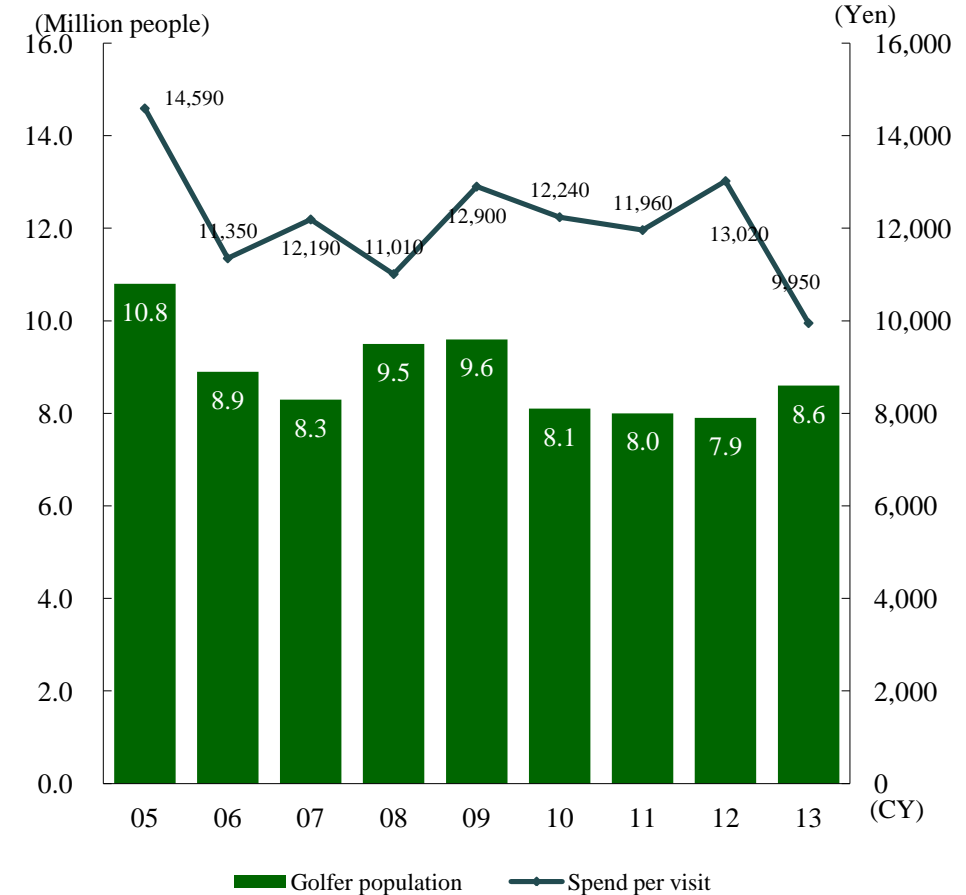
Note: Data source: Yano Research Institute. Data on a fiscal year basis (from April to March of the next year). Data for 2014 and 2015 is the Company's forecast.

# Market Environment (Golf Business)

## Market size



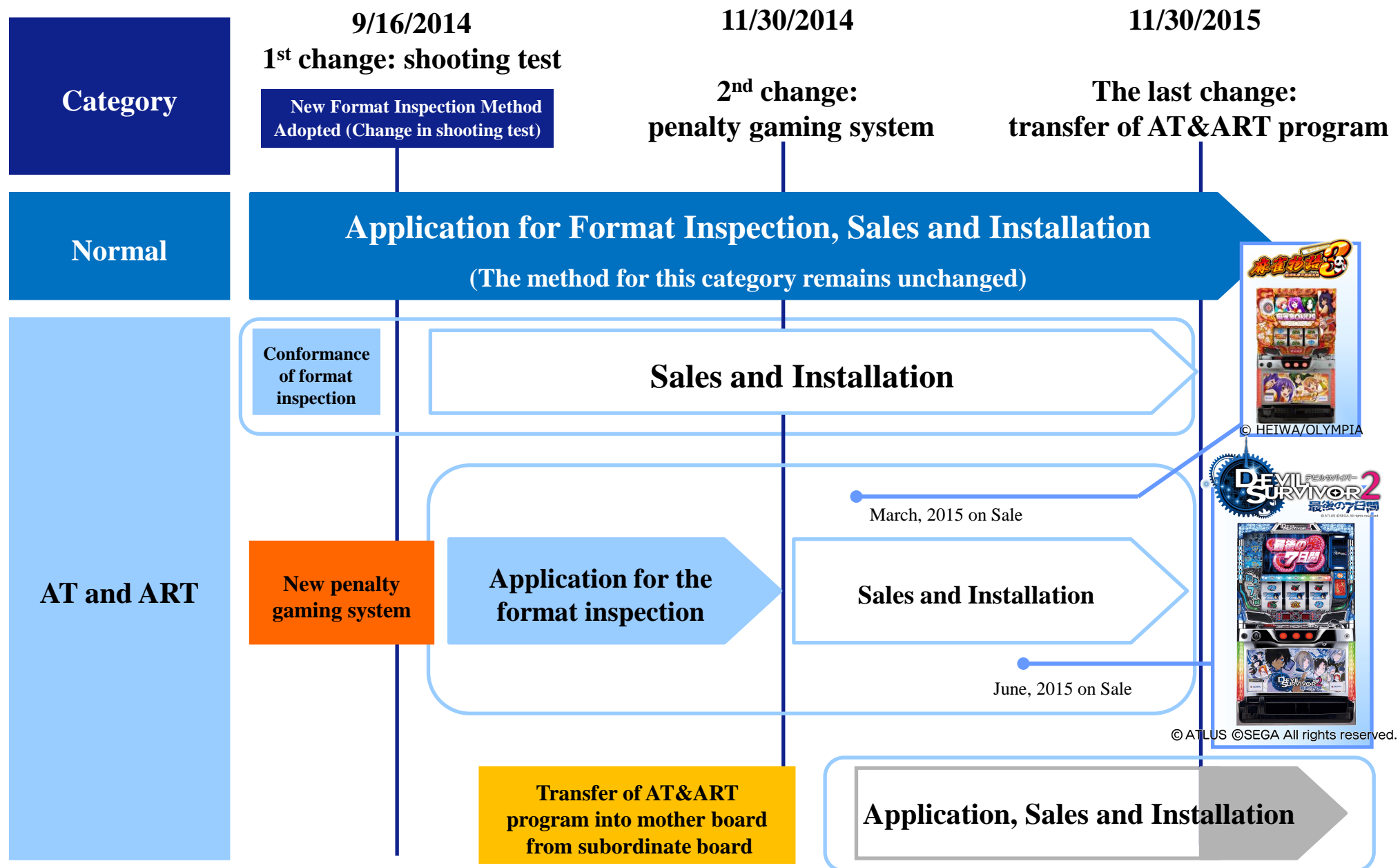
## Golfer population / Spend per visit



	2005	2006	2007	2008	2009	2010	2011	2012	2013
Market size (trillion yen)	1.05	1.04	1.07	1.05	1.00	0.97	0.92	0.91	0.90
Golfer population (million)	10.8	8.9	8.3	9.5	9.6	8.1	8.0	7.9	8.6
Spend per visit (yen)	14,590	11,350	12,190	11,010	12,900	12,240	11,960	13,020	9,950

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

# Schedule of Transitional Period to the New Format Inspection Method (Pachislot machine)





## Pachinko machine standards to be changed to moderate gambling aspects

### Jackpot probability

Minimum jackpot probability will be changed from 1/400 to 1/320.

### Expected value of ball discharge

Expected value of ball discharge will be changed according to the types of machines (loop/ST, V probability variation)  
(Change of the definition of the expected value for ball discharge from that including initial jackpot to that excluding initial jackpot)

### Minimum ball discharge per initial jackpot

The minimum ball discharge per initial jackpot will be set for each of the three jackpot probability rate bands.

### Schedule

**October 31, 2015**

**Current  
standard**

**Sales and installation of  
new machines**

**New standard**

**Sales and Installation of new machines**

# Financial Performance Trend

(Millions of yen)	FY3/2011	FY3/2012	FY3/2013			FY3/2014				FY3/2015					
	Full year	2Q cumulative	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	85,880	44,779	95,120	53,437	93,703	143,512	177,111	44,375	85,057	130,410	181,570	63,868	110,970	150,871	198,605
Pachinko and Pachislot machine Business	84,717	44,504	80,843	32,541	52,264	81,385	99,930	23,197	44,108	68,633	105,869	42,118	69,132	87,957	121,380
Pachinko machines	52,106	29,119	58,252	27,698	44,745	68,598	78,998	11,121	24,363	46,838	66,105	33,236	57,940	71,418	89,589
Pachislot machines	32,610	15,385	22,591	4,842	7,519	12,786	20,932	12,076	19,745	21,795	39,763	8,881	11,191	16,539	31,791
Golf Business	—	—	13,228	20,209	40,002	60,056	74,479	20,549	39,605	59,818	73,145	21,161	40,539	61,047	74,807
Other	1,162	274	1,048	686	1,436	2,070	2,700	628	1,343	1,958	2,555	588	1,299	1,867	2,417
Operating income	15,276	15,198	20,741	13,999	21,346	31,293	34,434	12,291	21,752	29,032	36,909	19,290	28,655	36,085	42,870
Pachinko and Pachislot machine Business	17,688	16,449	24,637	10,765	15,590	21,821	25,494	8,587	15,591	20,508	30,119	15,067	22,009	25,938	34,321
Pachinko machines	8,726	10,169	17,023	7,947	12,388	18,640	19,177	3,803	7,911	12,738	14,836	10,269	17,455	19,700	21,590
Pachislot machines	8,962	6,279	7,613	2,818	3,201	3,180	6,317	4,783	7,680	7,770	15,282	4,798	4,554	6,237	12,731
Golf Business	—	—	-908	4,237	7,532	11,979	12,162	4,435	7,414	10,669	9,891	5,005	8,228	12,678	12,109
Other	556	134	228	43	98	130	263	31	107	148	182	31	79	108	161
Not allocated	-2,968	-1,384	-3,215	-1,047	-1,875	-2,637	-3,485	-763	-1,360	-2,294	-3,283	-813	-1,661	-2,640	-3,722
Operating income ratio	17.8%	33.9%	21.8%	26.2%	22.8%	21.8%	19.4%	27.7%	25.6%	22.3%	20.3%	30.2%	25.8%	23.9%	21.6%
Ordinary income	24,687	20,079	28,282	15,719	24,585	33,717	35,577	12,202	21,317	28,380	35,405	19,085	28,244	35,367	42,059
Net income	20,451	13,525	20,516	10,323	16,835	22,016	20,123	7,111	12,578	15,782	20,361	11,360	18,069	21,257	26,235
SGA expenses	23,875	10,579	24,180	7,142	14,367	21,804	30,864	7,904	15,323	24,763	36,095	8,391	16,572	25,251	36,517
Labor cost	4,407	1,976	5,851	1,794	3,479	5,303	7,554	1,747	3,413	5,261	7,621	1,656	3,254	4,799	7,700
Selling expenses	6,488	3,534	6,448	1,790	3,497	5,434	7,884	2,191	4,082	6,315	8,994	2,274	4,294	6,650	8,632
Advertising expenses	2,612	1,588	2,841	606	1,443	2,390	3,197	918	1,633	3,271	3,856	758	1,496	3,104	3,560
Sales commissions	2,931	1,502	2,513	769	1,261	2,065	2,690	937	1,641	2,224	3,572	1,224	1,894	2,458	3,675
General expenses	12,978	5,067	11,880	3,557	7,390	11,067	15,425	3,965	7,827	13,186	19,478	4,460	9,023	13,801	20,184
R&D	9,774	3,444	7,889	1,835	3,787	5,934	8,963	2,502	4,748	8,138	12,864	2,812	5,832	8,933	13,624
Depreciation & amortization	3,362	1,152	3,963	1,699	3,525	5,504	7,575	1,760	3,621	5,923	8,339	2,112	4,323	6,777	9,478
Capital investment	2,202	760	3,301	3,129	4,711	9,223	9,414	3,233	7,136	10,039	12,987	3,558	6,999	9,192	11,877

# Number of Machines Sold

## Titles Released in FY ending March, 2015

### Number of machines sold

(Units)	FY3/2011	FY3/2012	FY3/2013			FY3/2014				FY3/2015					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	3Q cumulative	
Total	279,310	145,772	266,027	99,132	161,545	260,860	320,011	72,908	140,165	209,892	317,948	118,785	195,044	249,535	344,866
Number of pachinko machines sold	168,219	93,358	187,308	85,314	138,219	218,767	252,411	35,422	78,012	141,100	197,146	92,234	161,872	200,584	252,103
Body	107,611	38,652	99,030	82,886	126,159	170,252	179,430	7,717	22,251	78,200	128,059	92,194	142,895	158,472	200,813
Gauge board	60,608	54,706	88,278	2,428	12,060	48,515	72,981	27,705	55,761	62,900	69,087	40	18,977	42,112	51,290
Number of pachislot machines sold	111,091	52,414	78,719	13,818	23,326	42,093	67,600	37,486	62,153	68,792	120,802	26,551	33,172	48,951	92,763
Chassis	61,512	26,445	30,676	918	1,445	8,820	29,472	37,471	48,647	50,081	77,716	15,239	17,663	21,461	36,146
Combined unit	49,579	25,969	48,043	12,900	21,881	33,273	38,128	15	13,506	18,711	43,086	11,312	15,509	27,490	56,617

### Titles released in FY ending March, 2015

#### Pachinko

Release	Title	Units sold
1Q	<i>Super Street Fighter IV CR EDITION</i>	35,222
	<i>Doki! Marugoto Mizugi Onna Darake no Suiei Taikai: Idol Darake de Komacchaung!!!</i>	21,800
2Q	<i>COWBOY BEBOP</i>	20,094
	<i>Lupin The Third: Shuyaku wa Zenigata</i>	31,547
	<i>Bigshooter ZERO</i>	1,166
	<i>Ginga Otome</i>	17,460
3Q	<i>Maison Ikkoku: Sukinanoni...</i>	17,633
	<i>Koumonchama CHOKOTOBUKI: Nihonmanyu2700km</i>	25,837
4Q	<i>Matsurida! Sabuchan</i>	3,046
	<i>Moerutoukon Antonio Inoki: Kakutougi Sekaiichi Ketteisen</i>	34,604
Total*		252,103

#### Pachislot

Release	Title	Units sold
1Q	<i>Magic Monster 3: Bucchigiri! Makai Grand Prix</i>	6,146
	<i>Sengoku Otome:Kengeki ni Mau Shiroki Kensei -Saigoku Sansen version</i>	20,372
2Q	<i>Midori no Makibao: Todohe!! Nihonichi no Goruhe!!</i>	6,271
3Q	<i>Pachislot COWBOY BEBOP</i>	15,775
4Q	<i>Pachislot Koumonchama KATSU</i>	29,999
	<i>Mahjong Monogatari3: Yakumanranbu no Kyukyokutaisen</i>	13,807
Total*		92,763

\*Total includes units of titles released in FY 3/2014  
(Pachinko:43,694units Pachislot:393units)

# Number of Golf Course Users

## Average Revenue per Customer

### Number of golf course users

(Persons)	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
FY2011	577,676	707,672	621,424	647,456	644,965	624,328	670,049	659,787	564,698	410,224	367,659	392,263	6,888,201
FY2012	500,025	601,959	574,666	625,432	606,561	571,119	631,035	599,343	527,390	413,787	332,607	502,389	6,486,313
FY2013	576,784	685,793	652,022	707,241	673,282	669,609	678,211	628,037	545,915	419,932	382,310	578,359	7,197,495
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

### Revenue per customer

(Yen)	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Average
FY2011	10,128	10,198	9,804	9,468	8,778	9,399	10,027	10,228	9,875	9,092	8,504	8,773	9,605
FY2012	9,188	9,666	9,483	9,269	8,543	9,356	10,114	10,266	9,899	9,002	8,509	9,288	9,429
FY2013	9,686	9,522	9,342	8,734	8,171	9,184	9,640	9,922	9,727	9,000	8,436	9,347	9,234
FY2014	9,468	9,527	9,531	8,664	8,143	8,853	9,456	10,033	9,516	8,558	7,814	9,101	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

## Contact

Corporate Planning Group, Heiwa Corporation

TEL: +81-3-3839-0701

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

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