

Consolidated Financial Results for the Third Quarter Ended December 31 2023 [J-GAAP]

Heiwa Corporation

February 9, 2024

Stock code: 6412
 URL: <https://www.heiwanet.co.jp/>
 Shares listed: Tokyo Stock Exchange
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Scheduled date of the filing of the quarterly report: February 13, 2024

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, 2022 and 2023

(Amounts less than one million yen are omitted.)

1. Consolidated Operating Results

	Nine months ended December 31, 2022	YoY	Nine months ended December 31, 2023	YoY
	(million yen)	(%)	(million yen)	(%)
(1) Consolidated financial results				
Net sales	116,253	25.8	102,804	(11.6)
Operating income	28,161	182.8	19,314	(31.4)
Ordinary income	27,793	181.4	18,546	(33.3)
Profit attributable to owners of parent	20,506	345.4	11,609	(43.4)
Earnings per share (yen)	207.92		117.71	
Diluted earnings per share (yen)	—		—	

(Note) Comprehensive income: Nine months ended December 31, 2023: ¥10,790 million, (48.1)% YoY
 Nine months ended December 31, 2022: ¥20,786 million, 352.9% YoY

	As of March 31, 2023	As of December 31, 2023
	(million yen)	
(2) Consolidated financial position		
Total assets	423,727	422,914
Net assets	231,005	233,903
Shareholders' equity ratio (%)	54.5	55.3
Net assets per share (yen)	2,342.18	2,371.59

(Reference) Shareholders' equity: As of December 31, 2023: ¥233,903 million
 As of March 31, 2023: ¥231,005 million

2. Dividends

	Annual dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	(yen)				
FY3/2023	—	40.00	—	40.00	80.00
FY3/2024	—	40.00	—	40.00	80.00
FY3/2024 (Forecast)	—	40.00	—	40.00	80.00

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

3. Consolidated Results Forecast for Year Ending March 31, 2024

	FY 3/2024	
	Full year	YoY
	(million yen)	(%)
Net sales	135,400	(4.8)
Operating income	22,600	(16.0)
Ordinary income	21,600	(18.9)
Profit attributable to owners of parent	13,700	(33.8)
Earnings per share (yen)	138.91	—

(Note)

1. Revision of the most recently disclosed consolidated results forecast: Yes
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

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	36,816	30,225
Notes and accounts receivable - trade	7,421	9,271
Electronically recorded monetary claims - operating	933	963
Securities	30,900	23,549
Merchandise and finished goods	2,385	3,398
Raw materials and supplies	11,079	14,798
Other	7,345	11,590
Allowance for doubtful accounts	(259)	(262)
Total current assets	96,622	93,534
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	63,920	62,843
Land	216,523	218,264
Other, net	13,223	16,751
Total property, plant and equipment	293,667	297,859
Intangible assets		
Goodwill	5,622	5,802
Other	4,151	3,944
Total intangible assets	9,774	9,747
Investments and other assets		
Investment securities	10,834	8,606
Other	13,046	13,470
Allowance for doubtful accounts	(217)	(302)
Total investments and other assets	23,662	21,773
Total non-current assets	327,105	329,380
Total assets	423,727	422,914
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,891	3,732
Electronically recorded obligations - operating	8,150	8,041
Current portion of long-term borrowings	31,419	27,487
Income taxes payable	3,812	3,074
Provisions	1,371	701
Other	20,813	21,320
Total current liabilities	69,459	64,357
Non-current liabilities		
Long-term borrowings	75,352	76,582
Retirement benefit liability	5,540	5,511
Other	42,369	42,558
Total non-current liabilities	123,262	124,652
Total liabilities	192,721	189,010

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Net assets		
Shareholders' equity		
Share capital	16,755	16,755
Capital surplus	54,863	54,863
Retained earnings	159,717	163,436
Treasury shares	(1,354)	(1,356)
Total shareholders' equity	229,982	233,698
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,166	320
Remeasurements of defined benefit plans	(142)	(115)
Total accumulated other comprehensive income	1,023	205
Total net assets	231,005	233,903
Total liabilities and net assets	423,727	422,914

2. Consolidated statements of income and comprehensive income

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	116,253	102,804
Cost of sales	72,043	67,162
Gross profit	44,209	35,641
Selling, general and administrative expenses	16,048	16,327
Operating profit	28,161	19,314
Non-operating income		
Interest income	52	51
Dividend income	81	33
Insurance claim income	127	44
Electricity sale income	116	96
Gain on sale of non-current assets	118	0
Other	290	217
Total non-operating income	785	445
Non-operating expenses		
Interest expenses	289	291
Commission expenses	256	567
Loss on retirement of non-current assets	264	50
Other	343	303
Total non-operating expenses	1,154	1,213
Ordinary profit	27,793	18,546
Extraordinary income		
Total extraordinary income	—	—
Extraordinary losses		
Total extraordinary losses	—	—
Profit before income taxes	27,793	18,546
Income taxes	7,286	6,936
Profit	20,506	11,609
Profit attributable to		
Profit attributable to owners of parent	20,506	11,609
Other comprehensive income		
Valuation difference on available-for-sale securities	268	(845)
Remeasurements of defined benefit plans, net of tax	10	27
Total other comprehensive income	279	(818)
Comprehensive income	20,786	10,790
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	20,786	10,790

3. Segment Information

A. Previous consolidated cumulative Third quarter under review (April 1, 2022 to December 31, 2022)

(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					
Assets transferred at a point in time	43,382	66,375	109,757	—	109,757
Assets transferred over time	—	6,495	6,495	—	6,495
Revenue from contracts with customers	43,382	72,871	116,253	—	116,253
Net sales to external customers	43,382	72,871	116,253	—	116,253
Internal net sales and transfers between segments	—	1	1	(1)	—
Total	43,382	72,872	116,255	(1)	116,253
Segment profit(loss)	15,140	15,167	30,308	(2,147)	28,161

B. Consolidated cumulative Third quarter under review (April 1, 2023 to December 31, 2023)

(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					
Assets transferred at a point in time	26,322	69,098	95,421	—	95,421
Assets transferred over time	—	7,383	7,383	—	7,383
Revenue from contracts with customers	26,322	76,481	102,804	—	102,804
Net sales to external customers	26,322	76,481	102,804	—	102,804
Internal net sales and transfers between segments	—	1	1	(1)	—
Total	26,322	76,483	102,806	(1)	102,804
Segment profit	2,617	18,685	21,303	(1,989)	19,314