

Results for the 3rd Quarter of Fiscal Year Ending March 31, 2021

February 9, 2021
Heiwa Corporation

Securities Code : 6412

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- Pachinko and Pachislot Machine Business
- Golf Business

【Pachinko and Pachislot Machine Business】

- Regulations on Pachinko and Pachislot Machines
- Number of Machines Sold

【Golf Business】

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

【Consolidated Results】

- Financial Performance Trend
- Key Financial Indicators

Consolidated results

- Net sales: 76.1 billion yen, -33.4% year on year
- Operating income: 1.8 billion yen, -91.9% year on year
 - Income and profit decreased due to impacts of COVID-19 such as fewer units sold in the pachinko and pachislot machine business and a decline in revenue per customer in the golf business.

Pachinko and pachislot machine business

- Net sales: 18.2 billion yen, -61.6% year on year
- Operating income: -3.9 billion yen (operating income of 14.0 billion yen in the same period of the previous fiscal year)
 - ✓ The number of Pachinko machines sold in 3Q: 37k units (-25k units YoY)
 - ✓ The number of Pachislot machines sold in 3Q: 4k units (-56k units YoY)

Golf business

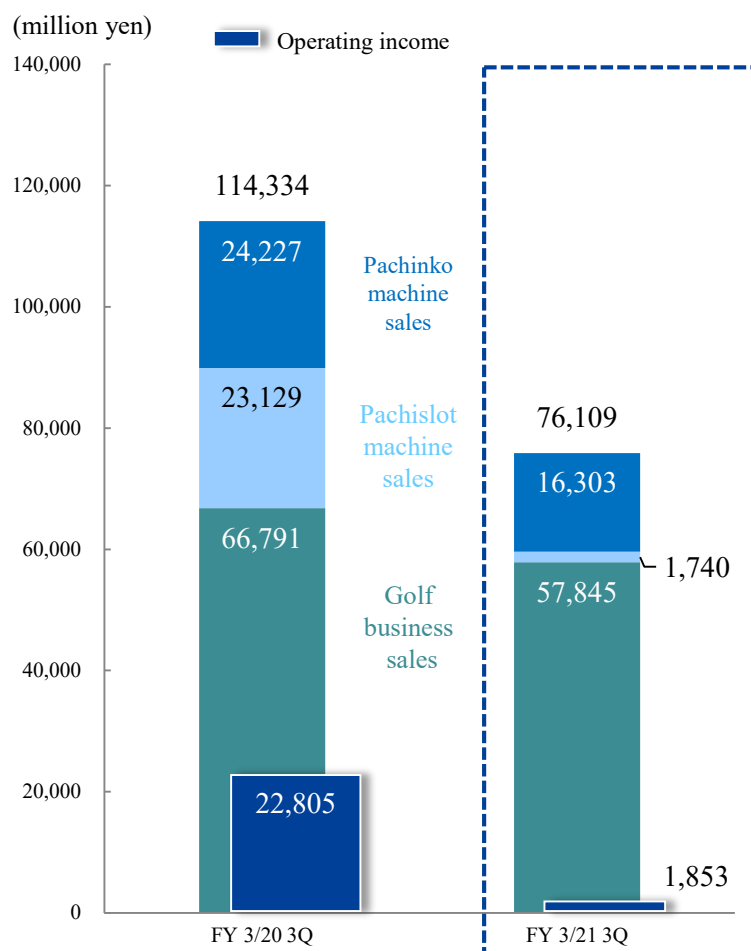
- Net sales: 57.8 billion yen, -13.4% year on year
- Operating income: 7.8 billion yen, -29.5% year on year
 - Income and profit decreased due to impacts of COVID-19 such as a decline in revenue per customer, etc.

Results for the 3rd Quarter of FY ending March 31, 2021

Consolidated Statements of Income (Results)

3rd Quarter Results

- Income and profit were down year on year (net sales -33.4% YoY and operating income -91.9% YoY).
 - Income and profit decreased due to impacts of COVID-19 such as fewer units sold in the pachinko and pachislot machine business and a decline in revenue per customer in the golf business.



	(million yen)	FY 3/2020 3Q Results	FY 3/2021 3Q Results	YoY
Net sales		114,334	76,109	-33.4%
Pachinko and Pachislot machine business		47,542	18,263	-61.6%
Pachinko machines		24,227	16,303	-32.7%
Pachislot machines		23,129	1,740	-92.5%
Golf business		66,791	57,845	-13.4%
Operating income		22,805	1,853	-91.9%
Pachinko and Pachislot machine business		14,075	-3,999	-
Pachinko machines		2,212	-2,434	-
Pachislot machines		11,844	-1,601	-
Golf business		11,153	7,864	-29.5%
Eliminations & corporate expenses		-2,423	-2,010	-17.0%
Operating income ratio		19.9%	2.4%	-17.5pt
Ordinary income		22,590	2,388	-89.4%
Profit attributable to owners of parent		15,296	-2,528	-
EBITDA*		29,356	8,392	-71.4%

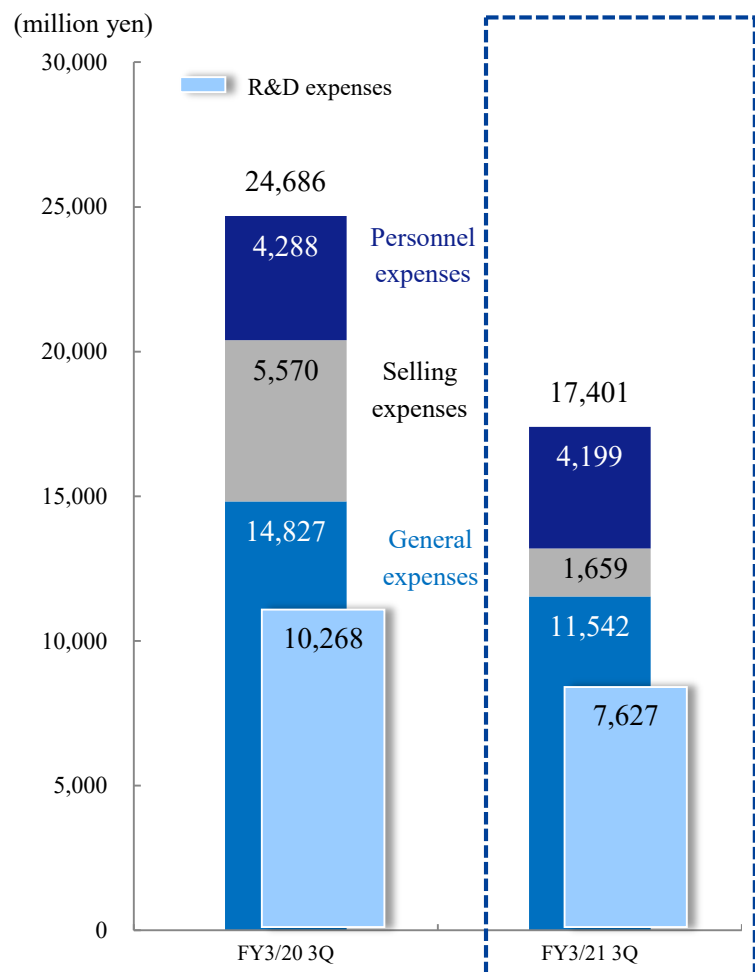
* EBITDA = Operating income + depreciation + amortization of goodwill

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

3rd Quarter Results

■ SGA expenses were down year on year (-29.5% YoY).

- In selling expenses, variable expenses fell with fewer units sold and shareholder-benefit-related costs decreased accompanying changes to the shareholder benefit system.
- General expenses fell due to condensation of development costs and a delay in the timing of recording under R&D expenses.



	(million yen)	FY 3/2020 3Q Results	FY 3/2021 3Q Results	YoY
SGA expenses		24,686	17,401	-29.5%
Personnel expenses		4,288	4,199	-2.1%
Selling expenses		5,570	1,659	-70.2%
Advertising expenses		1,699	569	-66.5%
Sales commissions		1,529	352	-77.0%
Shareholder benefit-related costs		1,297	198	-84.7%
General expenses		14,827	11,542	-22.2%
R&D expenses		10,268	7,627	-25.7%

Depreciation & Amortization / Capital Investment

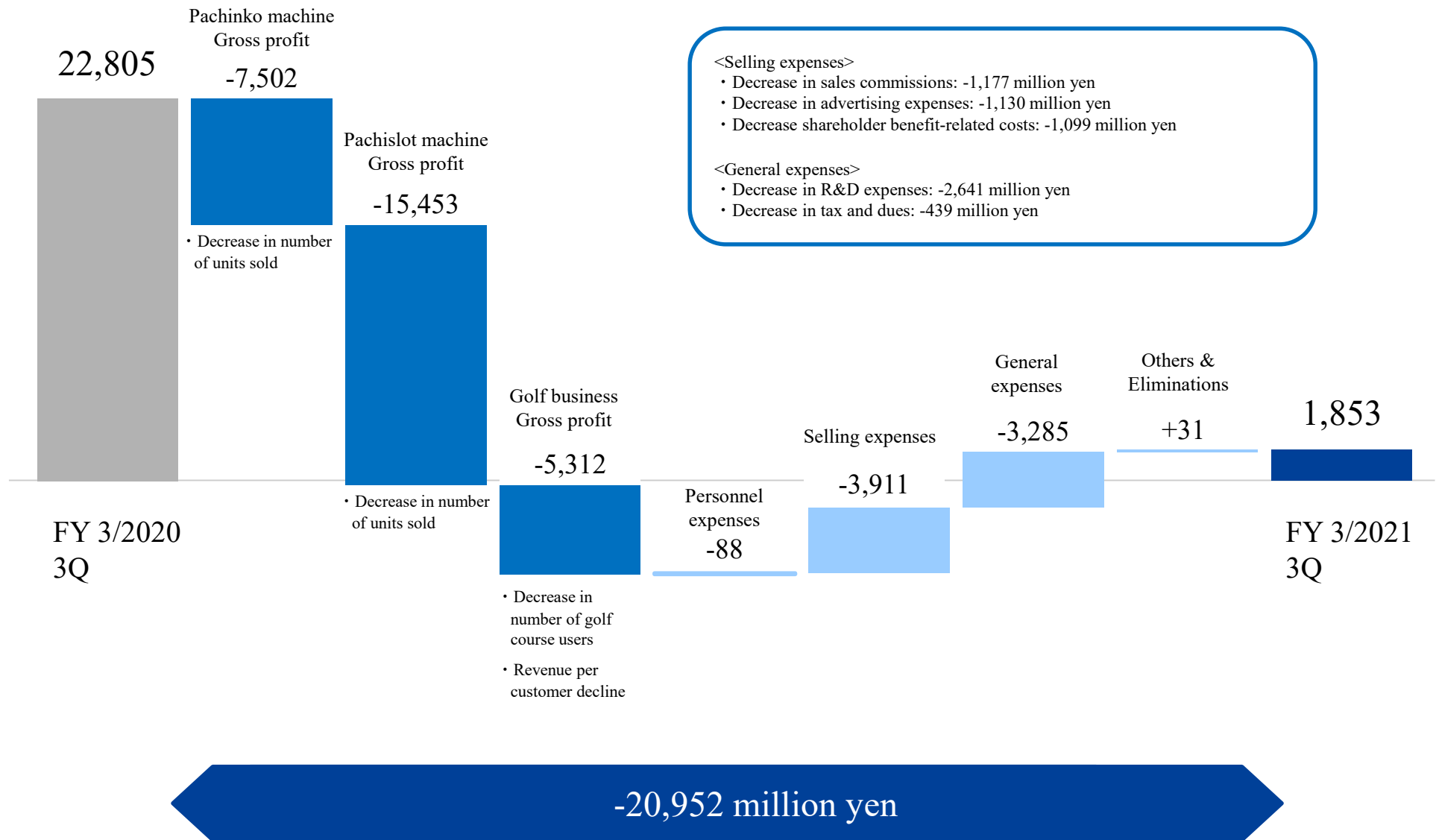
	(million yen)	FY 3/2020 3Q Results	FY 3/2021 3Q Results	YoY
Depreciation & amortization		6,428	6,424	-0.1%
Capital investment		7,257	5,495	-24.3%

Factors Contributing to Change in Operating Income (Consolidated Basis)

3rd Quarter Results



(million yen)



Pachinko and Pachislot Machine Business (Machine Sales Results)

3rd Quarter Results

(Units)	FY 3/2020 3Q Results	FY 3/2021 3Q Results	YoY
Number of machines sold	124,148	42,613	-81k units
Pachinko machines	63,381	37,867	-25k units
Number of titles released	6	3	-3
Pachislot machines	60,767	4,746	-56k units
Number of titles released	6	1	-5

Major pachinko titles

Titles	Sales (units)	Release
<i>Sengoku Otome6: Akatsuki no Sekigahara</i>	14,564	Oct. 2020
<i>Lupin the Third: Fukkatsu no Mamo</i>	16,040	Nov. 2020
<i>NEW JAPAN PRO-WRESTLING</i>	3,059	Dec. 2020

Major pachislot titles

Titles	Sales (units)	Release
<i>Tai Madougakuen 35 Shiken Shoutai</i>	2,753	Sep. 2020

ルパン三世
復活のマモ

Pachinko Machine
Lupin the Third: Fukkatsu no Mamo

©モンキー・パンチ/TMS・NTV



AntiMagic Academy 35th Test Platoon
対魔導学園 35試験小隊

Pachislot Machine
Tai Madougakuen 35 Shiken Shoutai

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Pachinko and Pachislot Machine Business (Results)



3rd Quarter Results

Pachinko

- The numbers of units sold fell short of the previous fiscal year, resulting in decreased income and profit.
- Although releases of new titles began in earnest during the 2nd half, sales of key titles have encountered difficulties. Accordingly, fewer units were sold, resulting in decreased income and profit.

Pachislot

- The numbers of units sold fell short of the previous fiscal year, resulting in decreased income and profit.
- Demand for Model 6 was sluggish due to poor market evaluation and the Company was only able to release one title. Accordingly, fewer units were sold, resulting in decreased income and profit.

Total

- Income and profit were down year on year (net sales -61.6% YoY and operating loss in comparison with operating income in the same period of the previous fiscal year).
- Income decreased as the number of units sold declined due to factors such as the dispersion of replacement demand accompanying the extension of the transitional measure period for the removal of machines under the previous regulations.
- Although SGA expenses decreased, the decline in net sales had a greater impact, resulting in decreased profit.

(million yen)	FY 3/2020 3Q Results	FY 3/2021 3Q Results	YoY
Net sales	47,542	18,263	-61.6%
Pachinko machines	24,227	16,303	-32.7%
Pachislot machines	23,129	1,740	-92.5%
Gross profit	30,372	7,447	-75.5%
Pachinko machines	13,748	6,245	-54.6%
Pachislot machines	16,589	1,136	-93.1%
Gross profit ratio	63.9%	40.8%	-23.1Pt
Operating income	14,075	-3,999	-
Pachinko machines	2,212	-2,434	-
Pachislot machines	11,844	-1,601	-
Operating income ratio	29.6%	-21.9%	-51.5pt

Breakdown of Machine Sales

(Units)	FY 3/2020 3Q Results	FY 3/2021 3Q Results	YoY
Total	124,148	42,613	-81,535
Pachinko machines	63,381	37,867	-25,514
Body	31,996	33,121	+1,125
Gauge board	31,385	4,746	-26,639
Pachislot machines	60,767	4,746	-56,021
Chassis	25,255	1,042	-24,213
Combined unit	35,512	3,704	-31,808

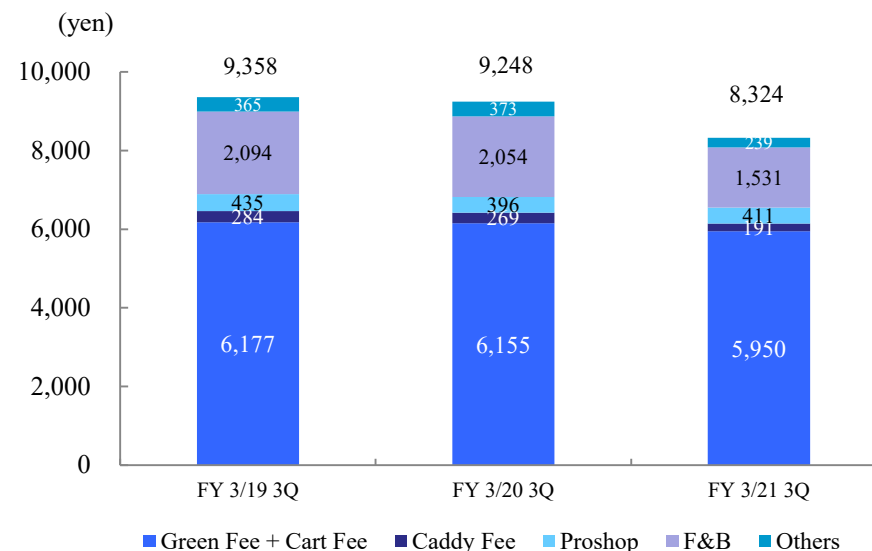
3rd Quarter Results

- Four new golf courses were acquired and are scheduled to commence operation on December 1, 2020. The aim is to expand the scale of revenue.
 - Ishioka Golf Club (Omitama City, Ibaraki Prefecture – 18H)
 - Minamiichihara Golf Club (Ichihara City, Chiba Prefecture – 18H)
 - Musashi Golf Club (Hiki District, Saitama Prefecture – 18H)
 - Kimisarazu Golf Links (Kisarazu City, Chiba Prefecture – 18H)
- The number of golf course users decreased, and revenue per customer also fell significantly.
 - Golf course users declined significantly in 1Q due to the impact of COVID-19 but have been on a recovery trend since 2Q.
 - In the breakdown of revenue per customer, F&B revenue declined substantially due to factors such as an increase in playing the whole course in one session and fewer competitions.

Number of Golf Course Users / Revenue per Customer

【3Q cumulative (9 months)】	FY 3/2020 Results	FY 3/2021 Results	YoY
Number of golf course users (thousand people)	6,465	6,143	-5.0%
Revenue per customer (yen)	9,248	8,324	-10.0%
【3Q (3months)】	FY 3/2020 Results	FY 3/2021 Results	YoY
Number of golf course users (thousand people)	2,106	2,259	7.3%
Revenue per customer (yen)	9,601	9,100	-5.2%

Breakdown of Revenue per Customer



*Includes internal net sales

Golf Business (Results)

3rd Quarter Results

- Income and profit were down year on year (net sales -13.4% YoY and operating income -29.5% YoY).
 - Although golf course users have been recovering since 2Q, revenue from golf course operation decreased due to a decline in revenue per customer.
 - Profit decreased substantially as well because of the decline in net sales.

(million yen)	FY 3/2020 3Q Results	FY 3/2021 3Q Results	YoY
Net sales	66,791	57,845	-13.4%
Net sales before eliminations	66,796	57,845	-13.4%
Eliminations	-4	-0	-94.6%
Gross profit	17,120	11,807	-31.0%
Gross profit ratio	25.6%	20.4%	-5.2pt
Operating income	11,153	7,864	-29.5%
Operating income ratio	16.7%	13.6%	-3.1pt

Breakdown of Sales			
(million yen)	FY 3/2020 3Q Results	FY 3/2021 3Q Results	YoY
Revenue from golf course operation	59,802	51,141	-14.5%
Membership-related sales	6,062	6,206	2.4%

Breakdown of Costs			
(million yen)	FY 3/2020 3Q Results	FY 3/2021 3Q Results	YoY
Cost of Sales	49,676	46,037	-7.3%
SGA expenses	5,966	3,943	-33.9%

Consolidated Balance Sheets (Summary)

(million yen)	As of March 31, 2020	As of December 31, 2020	Change	Remarks
Current assets	113,587	92,608	-20,979	<ul style="list-style-type: none"> ■ Decrease in cash and deposits ■ Decrease in Notes and accounts receivable - trade ■ Decrease in securities
Non-current assets	323,174	327,660	+4,485	
Total assets	436,762	420,268	-16,493	
Current liabilities	56,083	45,589	-10,493	
Non-current liabilities	148,103	151,975	+3,871	
Total liabilities	204,186	197,565	-6,621	
Total net assets	232,575	222,703	-9,872	
Total liabilities and net assets	436,762	420,268	-16,493	

(million yen)	As of March 31, 2020	As of December 31, 2020	
Cash and deposits, and securities	83,296	58,214	<ul style="list-style-type: none"> ■ D/E ratio (interest-bearing debt/shareholders' equity) 49.8%→51.3% ■ Net D/E ratio (net interest-bearing debt/shareholders' equity) 14.0%→25.2%
Interest-bearing debt	115,834	114,299	
Shareholders' equity	232,575	222,703	
Shareholders' equity ratio	53.2%	53.0%	

Full-year Plan for FY ending March 31, 2021

Revision of Forecast

FY 3/21 Plan

- The consolidated forecast has been revised, mainly due to fewer units sold in the pachinko and pachislot machine business.
 - Major revisions have been made to the numbers of units sold in the pachinko and pachislot machine business as a result of considering the postponement of the release of some titles to the next fiscal year or later and the difficult market environment.
 - As golf course users have been on a recovery trend since 2Q, the golf business is expected to exceed initial plans.

Number of units sold

(Units)	FY 3/2021		Difference
	Initial Plan (previous forecasts)	Revised Plan (current forecasts)	
Number of machines sold	130,000	84,000	-46k units
Pachinko machines	78,000	49,000	-29k units
Number of titles released	6	4	-2
Pachislot machines	52,000	35,000	-17k units
Number of titles released	7	6	-1

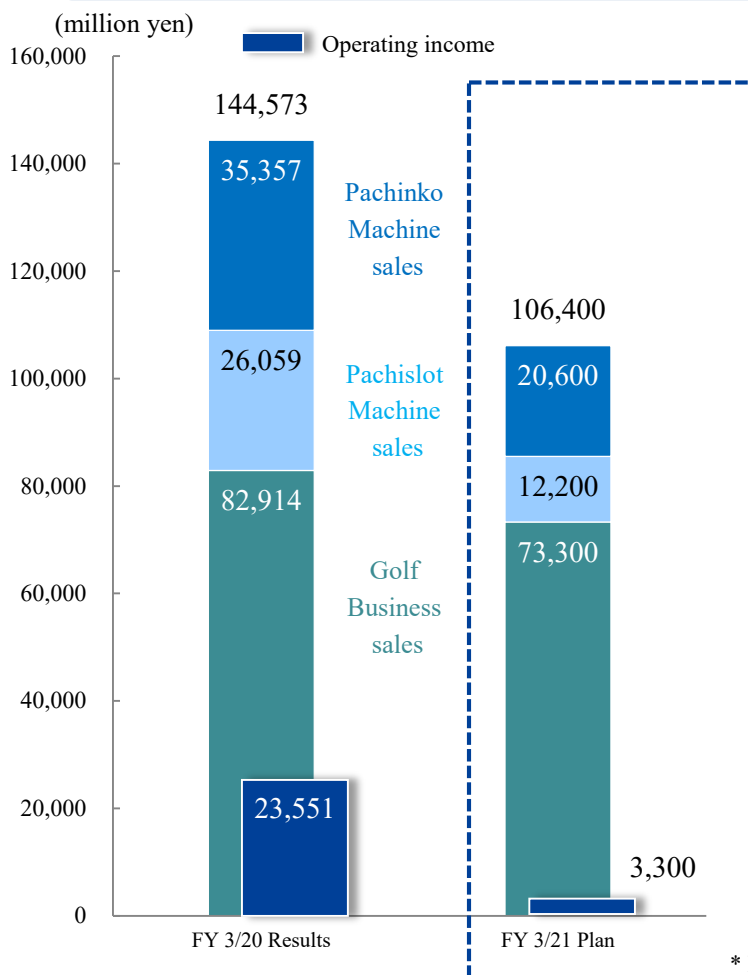
Profit/loss

(million yen)	FY 3/2021		Difference
	Initial Plan (previous forecasts)	Revised Plan (current forecasts)	
Net sales	124,800	106,400	-14.7%
Pachinko and Pachislot machine business	54,400	33,100	-39.2%
Pachinko machines	34,300	20,600	-39.9%
Pachislot machines	19,800	12,200	-38.4%
Golf business	70,400	73,300	4.1%
Operating income	6,900	3,300	-52.2%
Pachinko and Pachislot machine business	5,500	-800	-
Pachinko machines	700	-2,100	-
Pachislot machines	4,800	1,200	-75.0%
Golf business	4,300	6,800	58.1%
Eliminations & corporate expenses	-2,900	-2,700	-6.9%
Operating income ratio	5.5%	3.1%	-2.4pt
Ordinary income	6,300	3,800	-39.7%
Profit attributable to owners of parent	1,000	-1,200	-
EBITDA	16,500	12,900	-21.8%

Consolidated Statements of Income (Plan)

FY 3/21 Plan

- Income and profit are expected to decrease from the previous fiscal year (net sales -26.4% YoY and operating income -86.0% YoY).
 - Income and profit are expected to decrease due to fewer units sold in the pachinko and pachislot machine business.
 - Conditions are favorable in the golf business. The aim is to achieve plans while thoroughly implementing measures against COVID-19 infections.



(million yen)	FY 3/2020 Results	FY 3/2021		YoY
		3Q Results	Plan	
Net sales	144,573	76,109	106,400	-26.4%
Pachinko and Pachislot machine business	61,658	18,263	33,100	-46.3%
Pachinko machines	35,357	16,303	20,600	-41.7%
Pachislot machines	26,059	1,740	12,200	-53.2%
Golf business	82,914	57,845	73,300	-11.6%
Operating income	23,551	1,853	3,300	-86.0%
Pachinko and Pachislot machine business	17,450	-3,999	-800	-
Pachinko machines	5,120	-2,434	-2,100	-
Pachislot machines	12,293	-1,601	1,200	-90.2%
Golf business	9,286	7,864	6,800	-26.8%
Eliminations & corporate expenses	-3,185	-2,010	-2,700	-15.2%
Operating income ratio	16.3%	2.4%	3.1%	-13.2pt
Ordinary income	23,278	2,388	3,800	-83.7%
Profit attributable to owners of parent	15,872	-2,528	-1,200	-
EBITDA*	32,841	8,392	12,900	60.7%

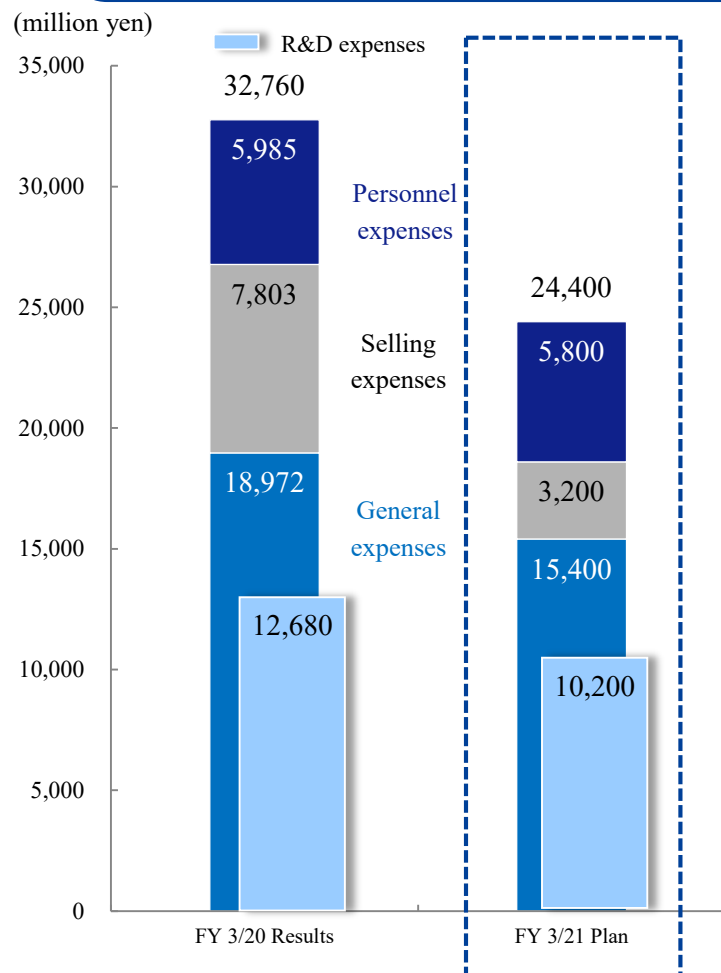
* EBITDA = Operating income + depreciation + amortization

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

FY 3/21 Plan

■ Decrease in SGA expenses over the previous fiscal year (-25.5% YoY).

- In selling expenses, variable expenses will fall with fewer units sold and shareholder-benefit-related costs will decrease accompanying changes to the shareholder benefit system.
- General expenses will fall due to the condensation of development costs and a delay in the timing of recording until the next fiscal year or later under R&D expenses.



(million yen)	FY 3/2020 Results	FY 3/2021		YoY
		3Q Results	Plan	
SGA expenses	32,760	17,401	24,400	-25.5%
Personnel expenses	5,985	4,199	5,800	-3.1%
Selling expenses	7,803	1,659	3,200	-59.0%
Advertising expenses	1,950	569	800	-59.0%
Sales commissions	1,885	352	1,000	-47.0%
Shareholder benefit-related costs	2,564	198	400	-84.4%
General expenses	18,972	11,542	15,400	-18.8%
R&D expenses	12,680	7,627	10,200	-19.6%

Depreciation & Amortization / Capital Investment

(million yen)	FY 3/2020 Results	FY 3/2021		YoY
		3Q Results	Plan	
Depreciation & amortization	8,745	6,424	9,400	7.5%
Capital investment	9,667	5,495	8,000	-17.2%

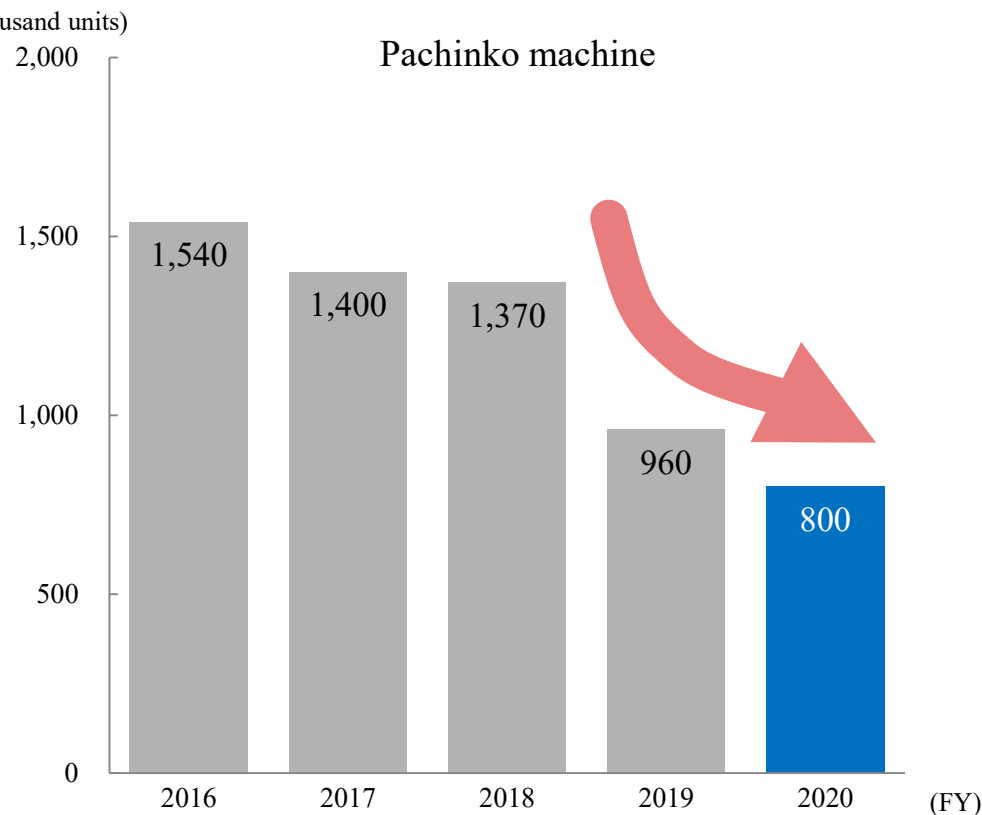
Pachinko and Pachislot Machine Business (Market Trends)

Market Trends

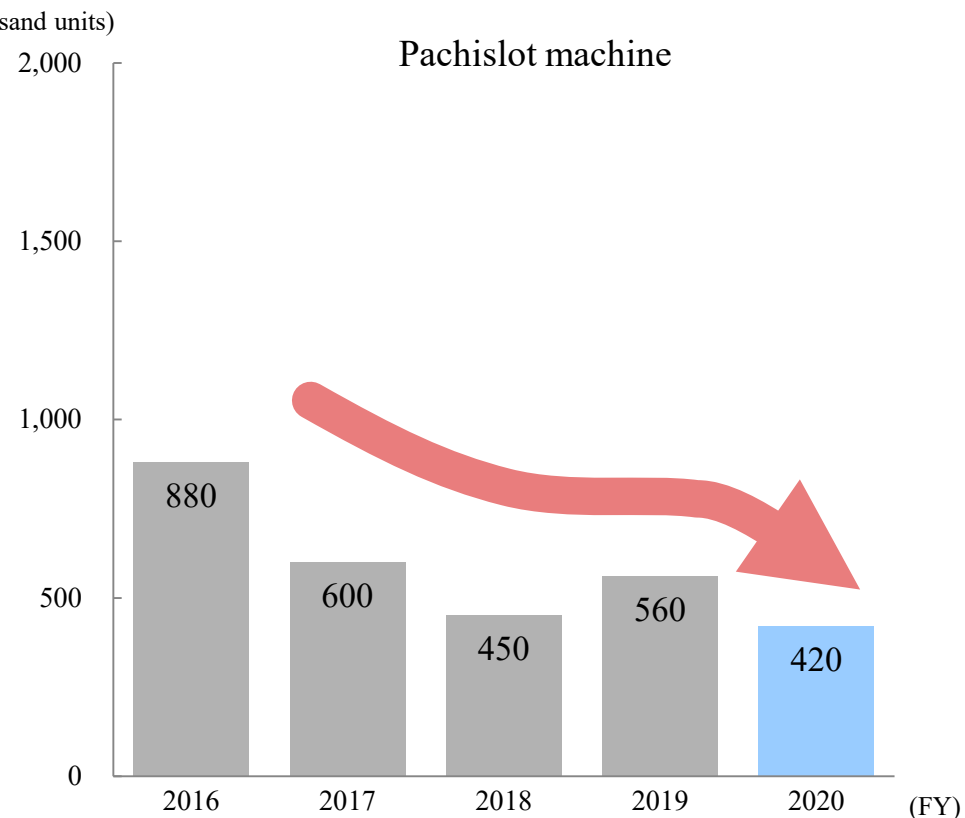
- The operating situation of pachinko parlors has not yet recovered to levels prior to the COVID-19 pandemic.
- Since the transitional measure period for removal of machines under the previous regulations was extended by one year, a trend of pachinko parlors holding back on purchases of machines under the new regulations has become pronounced.
- The number of units sold on the market in FY 2020 is expected to be 1,220,000 units in total for pachinko and pachislot machines.

Market Unit Sales

Pachinko machine



Pachislot machine



Pachinko and Pachislot Machine Business (Machine Sales Plan)

FY 3/21 Plan

(Units)	FY 3/2020 Results	FY 3/2021		Change the previous year
		3Q Results	Plan	
Number of machines sold	164,400	42,613	84,000	-80k units
Pachinko machines	95,483	37,867	49,000	-46k units
Number of titles released	10	3	4	-6
Pachislot machines	68,917	4,746	35,000	-33k units
Number of titles released	8	1	6	-2

Titles to Release / Pachinko Machine

Title	Release Date
<i>JAWS3</i>	Feb. 2021

Titles to Release / Pachislot Machine

Title	Release Date
<i>Nangokusodachi30</i>	Jan. 2021
<i>Sengoku Otome3: Tenken wo Tsugumono</i>	Jan. 2021
<i>Pachislot KING Koumon Chama</i>	Feb. 2021
<i>Pachislot Love-jo2 plus</i>	Mar. 2021
<i>Pachislot Ao no exorcist</i>	Mar. 2021



Pachinko Machine
JAWS3



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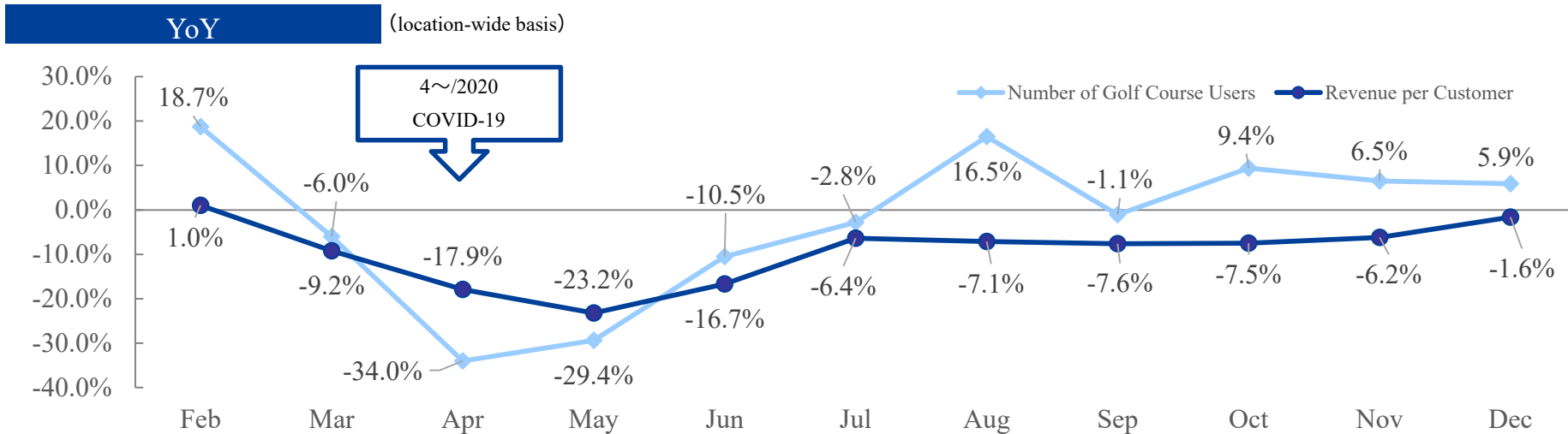


Pachislot Machine
Nangokusodachi30



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YoY Comparison of Number of Golf Course Users/Revenue per Customer



Market Trends

- The number of golf course users and revenue per customer are on a recovery trend. The number of golf course users in particular has room to recover in the future.
- Achieving positive year-on-year growth in revenue per customer is thought to be difficult for the time being due to an increase in playing the whole course in one session as well as a decline in competition demand.

Acquisition of New Golf Courses

- One new golf course was acquired on February 1, 2021. This brings the total number of owned and operated golf courses to 146 (18H equivalent: 178.5).
 - Ikeda Country Club (Ikeda City, Osaka Prefecture – 27H)

Dividend policy

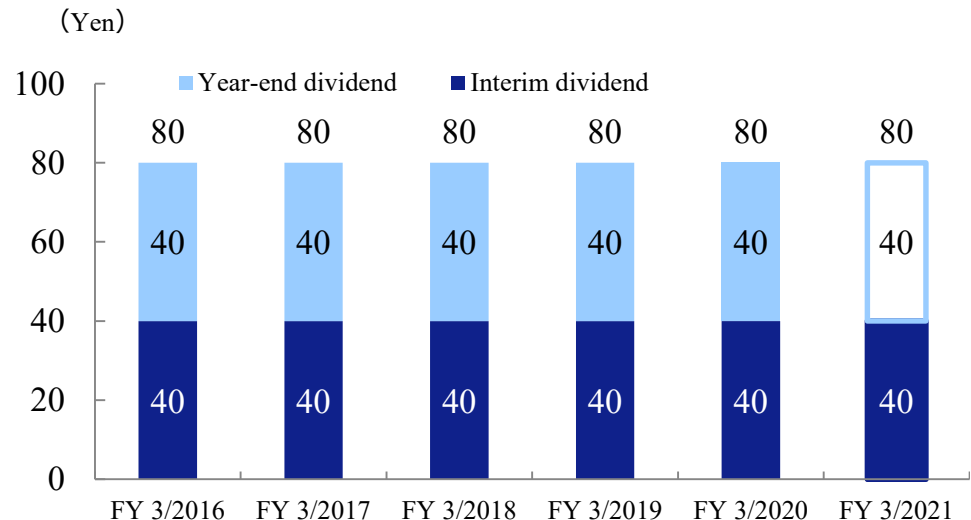
- Stable dividends are paid, giving consideration to the totality of the business plan, financial conditions, and operating results, etc.
- Internal reserves are allocated to investment in enhancement of research and development capabilities, plant and equipment, and M&A of golf courses, etc.

FY 2021 (Plan)

Interim dividend 40 yen
Year-end dividend TBD

Interim dividend 40 yen
Year-end dividend 40 yen

Trend of dividend per share



The year-end dividend forecast for the fiscal year ending March 31, 2021, which was previously undetermined, has been set at 40 yen per share based on the policy of paying stable dividends. Accordingly, the annual dividend is expected to be 80 yen per share.

Supplementary Information

【Market Environment】

- Pachinko and Pachislot Machine Business
- Golf Business

【Pachinko and Pachislot Machine Business】

- Regulations on Pachinko and Pachislot Machines
- Number of Machines Sold

【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

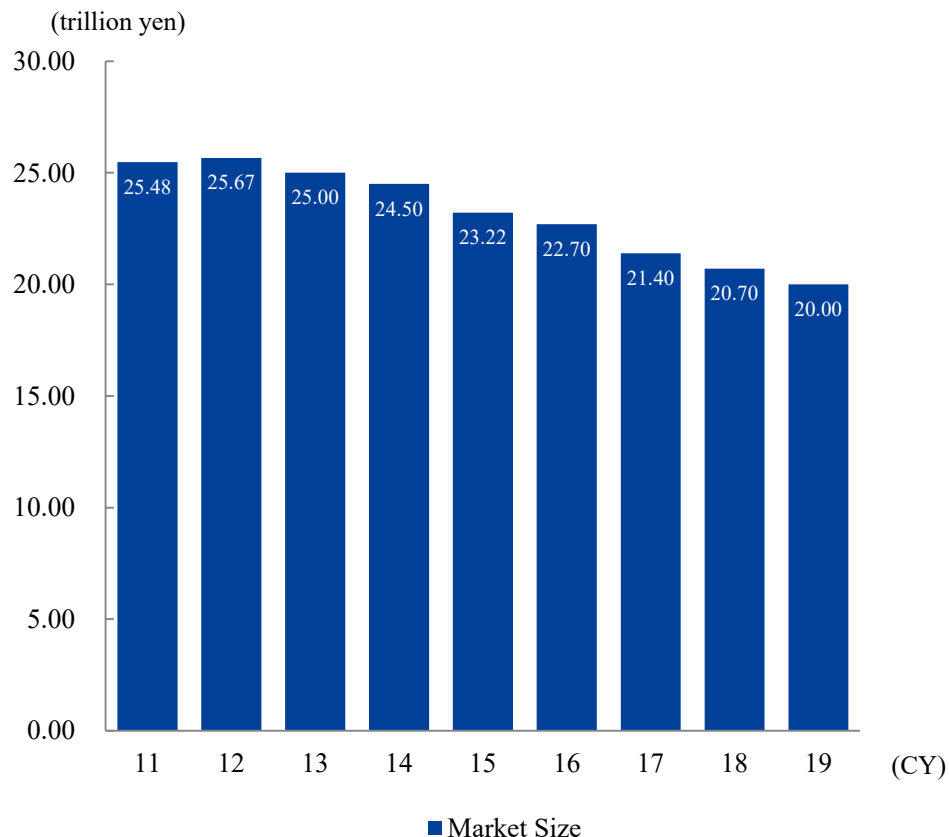
【Consolidated Results】

- Financial Performance Trend
- Key Financial Indicators

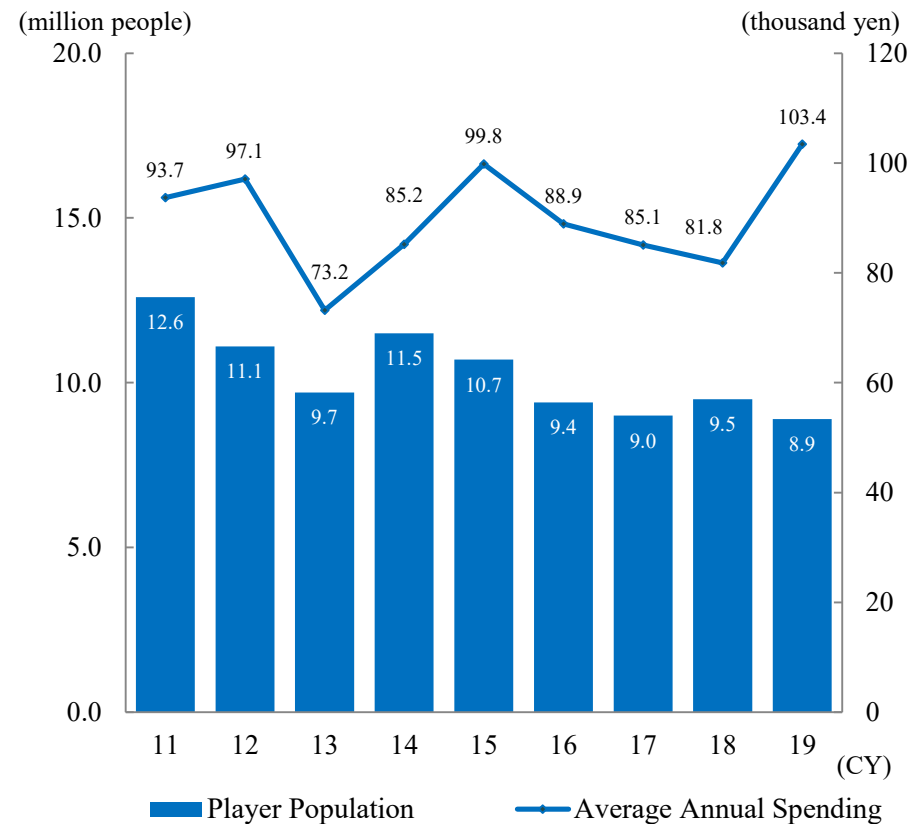
Market Environment (Pachinko and Pachislot Machine Business) 1

Pachinko and Pachislot Machine Business

Market Size



Player Population and Average Annual Spending

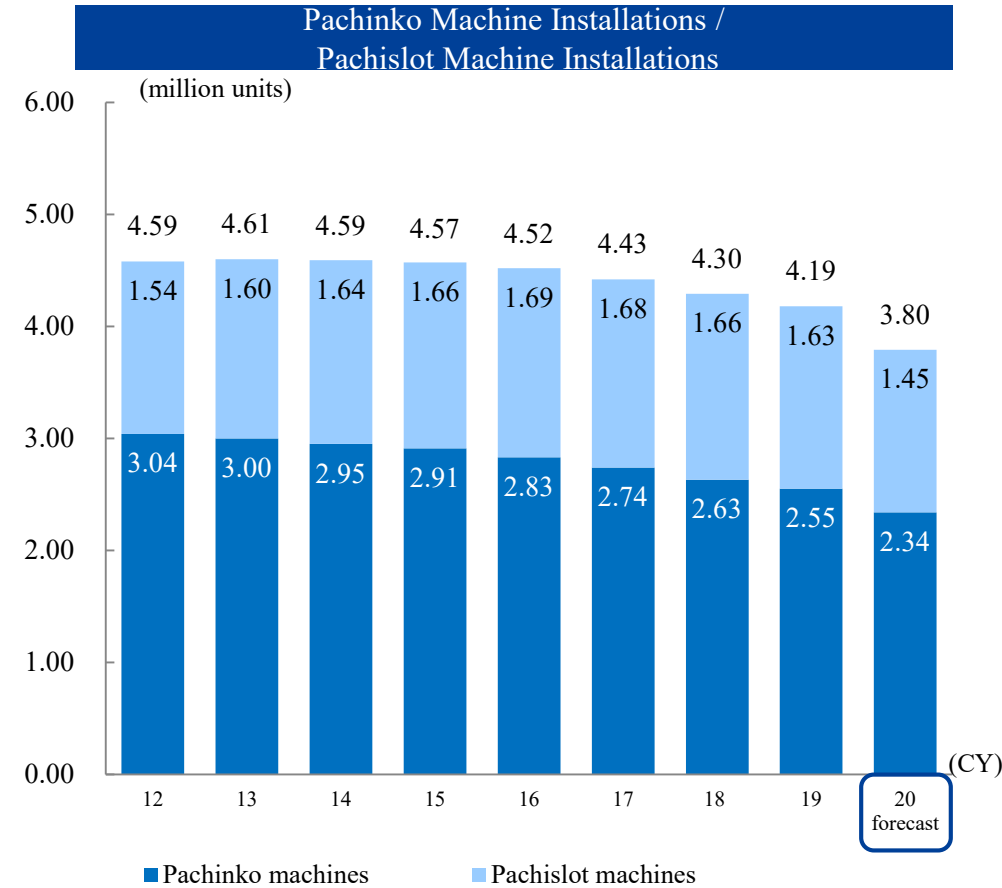
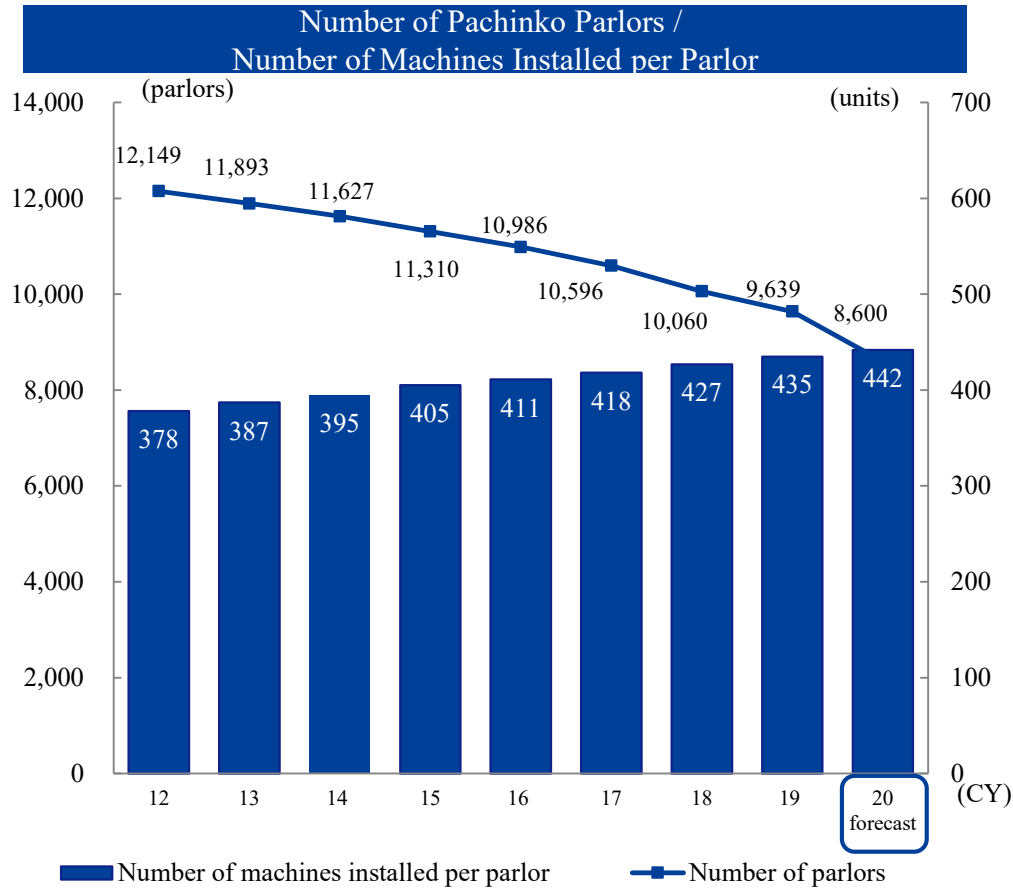


	2011	2012	2013	2014	2015	2016	2017	2018	2019
Market size (trillion yen)	25.48	25.67	25.00	24.50	23.22	22.70	21.40	20.70	20.00
Player population (million)	12.6	11.1	9.7	11.5	10.7	9.4	9.0	9.5	8.9
Average annual spending (thousand yen)	93.7	97.1	73.2	85.2	99.8	88.9	85.1	81.8	103.4

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



	2012	2013	2014	2015	2016	2017	2018	2019	2020 forecast
Number of parlors	12,149	11,893	11,627	11,310	10,986	10,596	10,060	9,639	8,600
Number of machines installed per parlor (units)	378	387	395	405	411	418	427	435	442
Pachinko machine installations (million units)	3.04	3.00	2.95	2.91	2.83	2.74	2.63	2.55	2.34
Pachislot machine installations (million units)	1.54	1.60	1.64	1.66	1.69	1.68	1.66	1.63	1.45

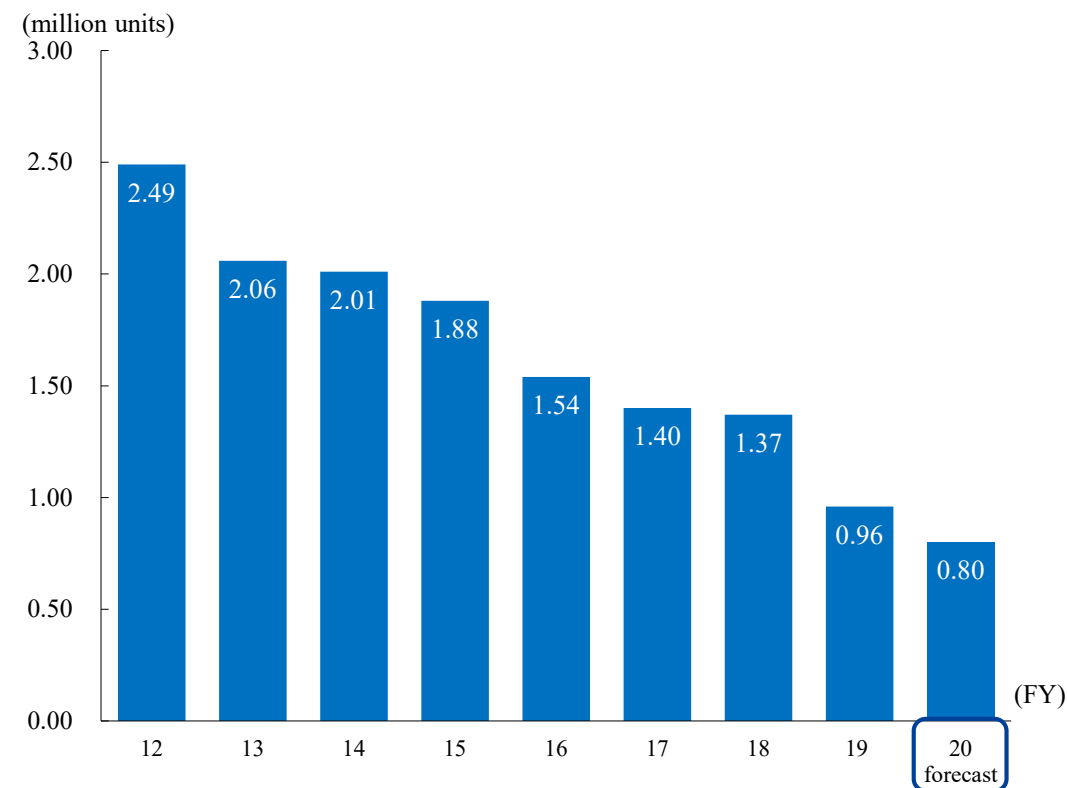
Note: Data source: National Police Agency. Data on a calendar year basis (from Jan to Dec). Figures for 2020 is the Company's estimates.

Market Environment

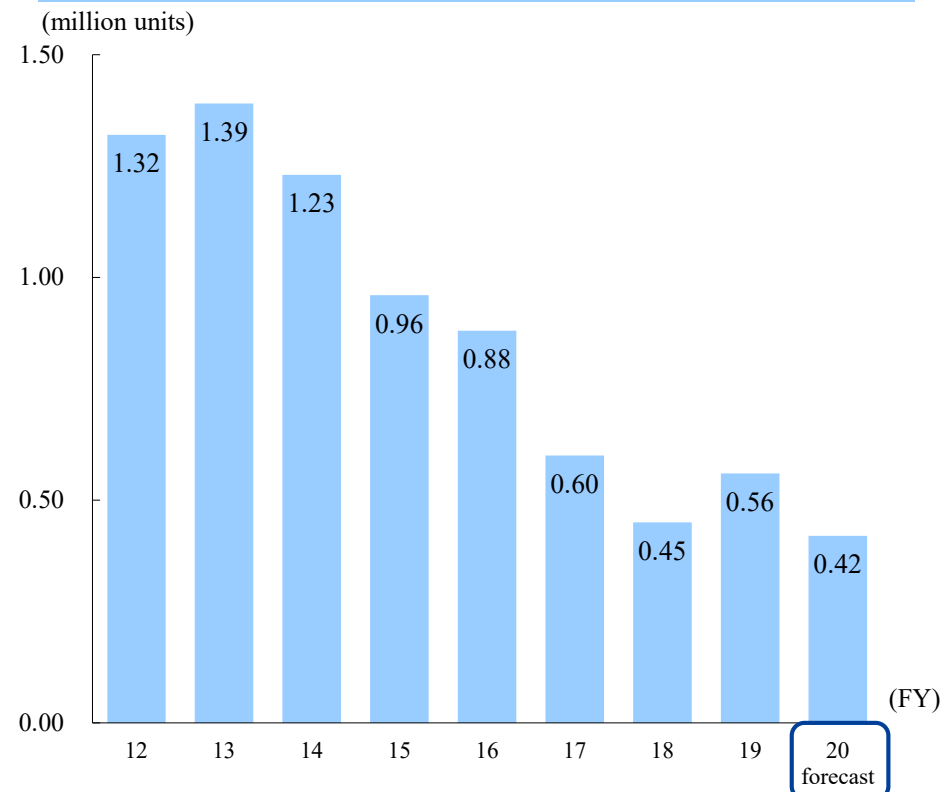
(Pachinko and Pachislot Machine Business) 3

Pachinko and Pachislot Machine Business

Pachinko machine sales



Pachislot machine sales



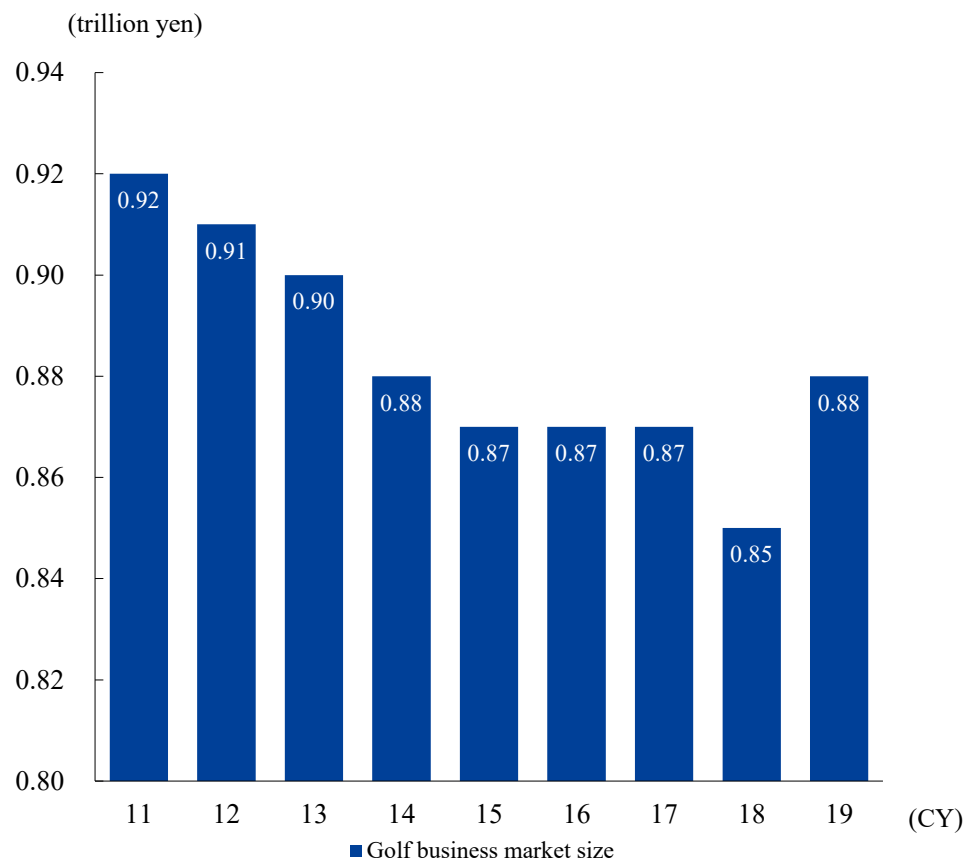
Number of machines sold (million units)	2012	2013	2014	2015	2016	2017	2018	2019	2020 Forecast
Pachinko machines	2.49	2.06	2.01	1.88	1.54	1.40	1.37	0.96	0.80
Pachislot machines	1.32	1.39	1.23	0.96	0.88	0.60	0.45	0.56	0.42

Note: Data source: Yano Research Institute. Data on a fiscal year basis (from April to March of the next year). Data for 2020 is the Company's forecast.

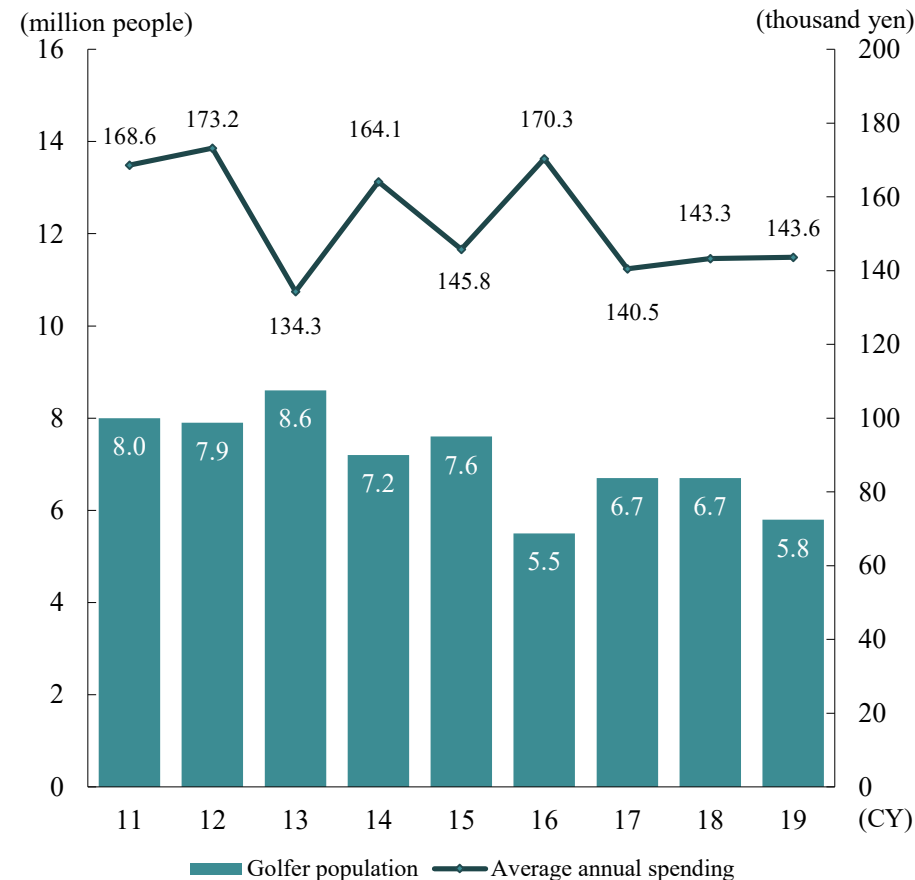
Market Environment (Golf Business)

Golf Business

Market Size



Golfer Population / Average Annual Spending



	2011	2012	2013	2014	2015	2016	2017	2018	2019
Market size (trillion yen)	0.92	0.91	0.90	0.88	0.87	0.87	0.87	0.85	0.88
Golfer population (million)	8.0	7.9	8.6	7.2	7.6	5.5	6.7	6.7	5.8
Average annual spending (thousand yen)	168.6	173.2	134.3	164.1	145.8	170.3	140.5	143.3	143.6

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

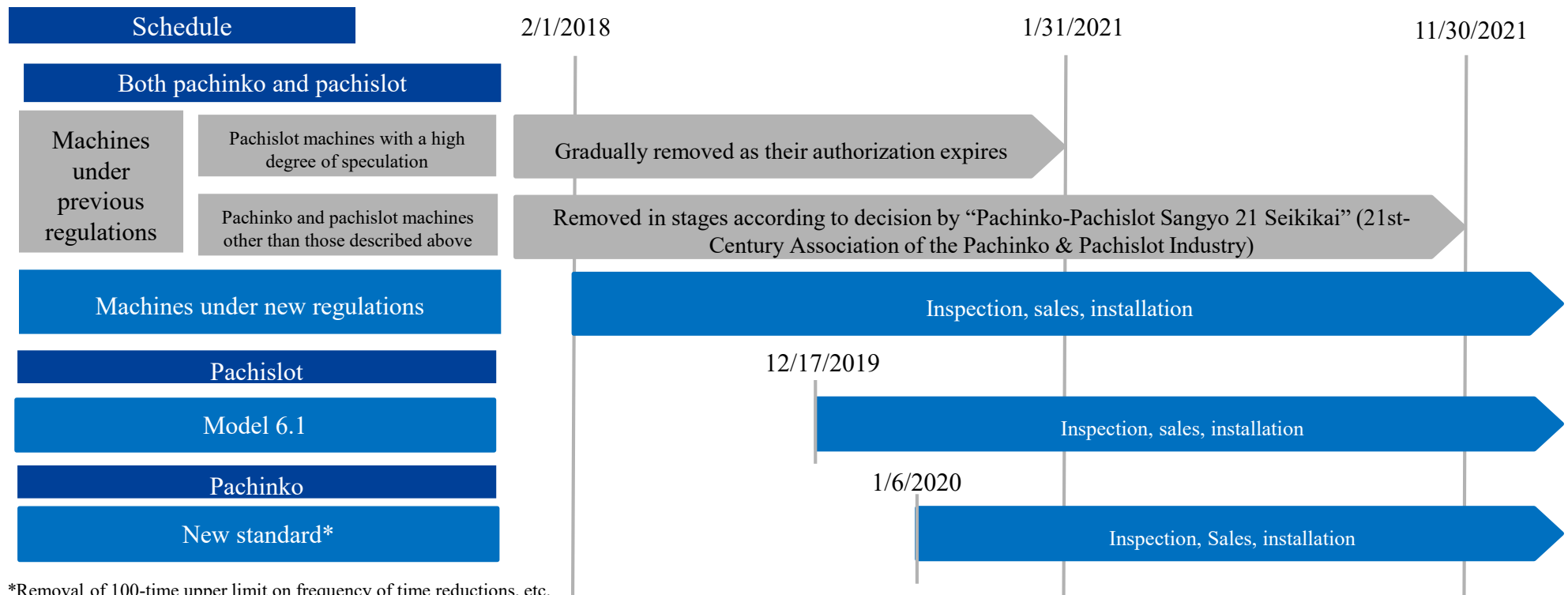
Regulations on Pachinko and Pachislot Machines

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



*Removal of 100-time upper limit on frequency of time reductions, etc.

Number of Machines Sold

Titles Released in FY ending March 31, 2021

Pachinko and Pachislot Machine Business

Number of machines sold

(units)	FY 3/2015	FY 3/2016	FY 3/2017	FY 3/2018	FY 3/2019	FY 3/2020						FY 3/2021			
	Full year	Full year	Full year	Full year	1Q	2Q cumulative	3Q cumulative	Full year	1Q	2Q cumulative	3Q cumulative	Full year	1Q	2Q cumulative	3Q cumulative
Total	344,866	348,613	273,714	138,626	48,059	97,832	121,297	166,124	34,929	77,851	124,148	164,400	2,644	8,379	42,613
Pachinko machines	252,103	234,616	192,761	117,774	28,774	58,482	76,647	118,880	26,724	45,182	63,381	95,483	1,235	4,410	37,867
Body	200,813	179,197	167,951	72,185	22,549	39,541	50,363	60,946	12,024	23,060	31,996	41,887	267	585	33,121
Gauge board	51,290	55,419	24,810	45,589	6,225	18,941	26,284	57,934	14,700	22,122	31,385	53,596	968	3,825	4,746
Pachislot machines	92,763	113,997	80,953	20,852	19,285	39,350	44,650	47,244	8,205	32,669	60,767	68,917	1,409	3,969	4,746
Chassis	36,146	89,453	36,001	1,344	2,742	11,213	11,513	14,093	588	4,337	25,255	29,288	587	914	1,042
Combined unit	56,617	24,544	44,952	19,508	16,543	28,137	33,137	33,151	7,617	28,332	35,512	39,629	822	3,055	3,704

Titles released in FY ending March 31, 2021

Pachinko

Release	Title	Units sold
3Q	<i>Sengoku Otome6: Akatsuki no Sekigahara</i>	14,564
	<i>Lupin the Third: Fukkatsu no Mamo</i>	16,040
	<i>NEW JAPAN PRO-WRESTLING</i>	3,059
Total*		37,867

Pachislot

Release	Title	Units sold
2Q	<i>Tai Madougakuen 35 Shiken Shoutai</i>	2,753
Total		4,746

*Total includes units of titles released in FY 3/2020 (Pachinko: 4,204 units, Pachislot: 1,993 units)

Trends of Golf Course Users and Revenue per Customer 1



Golf Business

Number of Golf Course Users

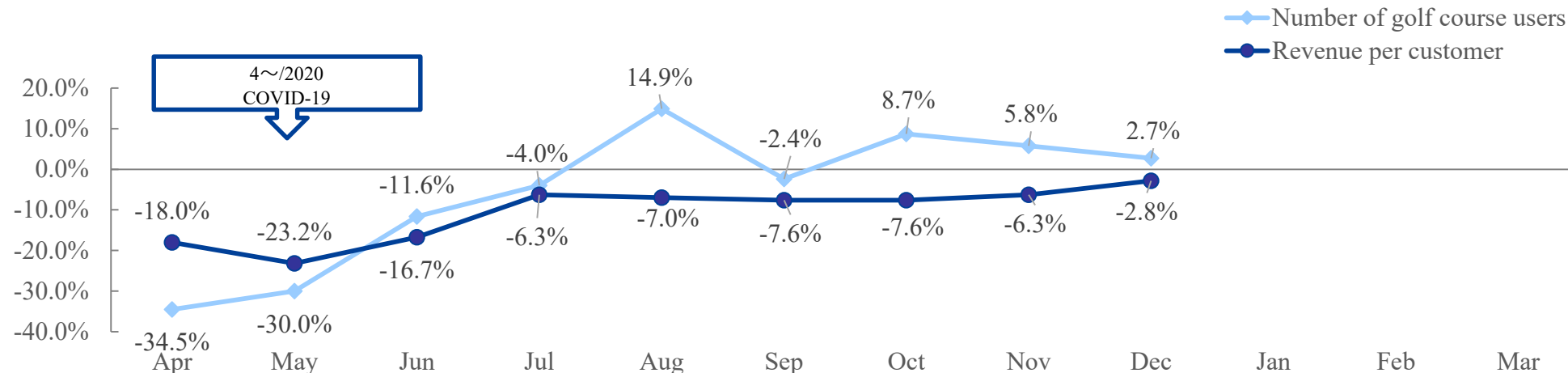
(persons)	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
FY 3/2015	651,067	757,367	659,662	670,460	652,429	695,852	671,206	681,167	548,032	430,098	403,316	569,843	7,390,499
FY 3/2016	619,519	765,614	672,004	655,011	657,753	641,672	732,172	668,507	624,894	447,276	441,305	603,777	7,529,504
FY 3/2017	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
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				6,143,441

Revenue per Customer

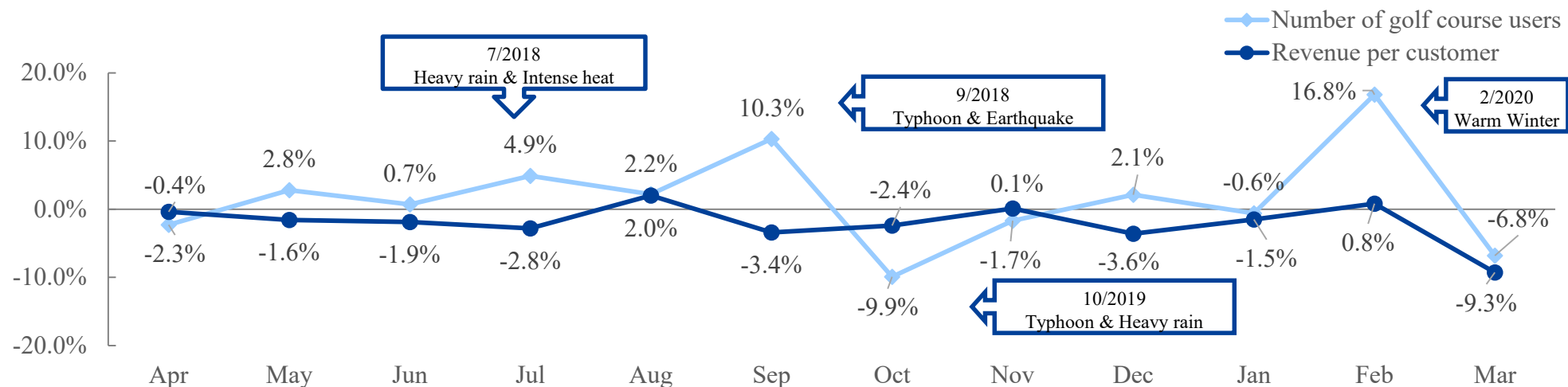
(yen)	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Average
FY 3/2015	9,215	9,422	9,180	8,703	8,300	8,964	9,477	10,122	9,440	8,591	8,077	8,797	9,076
FY 3/2016	9,278	9,485	9,071	8,668	8,279	9,073	9,609	10,038	9,343	8,556	8,002	8,780	9,070
FY 3/2017	9,397	9,572	9,213	8,792	8,176	9,050	9,781	10,014	9,429	8,545	8,011	8,868	9,129
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				8,324

Trends of Golf Course Users and Revenue per Customer 2

Monthly result comparison – FY 3/2021 vs FY 3/2020



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



* Based on operating golf courses since previous year.

Golf Course Portfolio

Golf Business

	As of March 31, 2020		As of December 31, 2020	
	Courses	18H equivalent	Courses	18H equivalent
Owned Golf Courses	140	171.0	144	175.0
Leased Golf Courses	1	2.0	1	2.0
Contracted Golf Courses	1	1.5	0	0
Total	142	174.5	145	177.0
Hokkaido	6	9.5	6	9.5
Tohoku	8	10.5	8	10.5
Kanto, Koushinetsu	62	73.5	66	77.5
Tokai, Hokuriku	12	13.0	12	13.0
Kansai	20	26.0	20	26.0
Chugoku	11	13.0	10	11.5
Shikoku	6	6.5	6	6.5
Kyusyu, Okinawa	17	22.5	17	22.5
Total	142	174.5	145	177.0

State of affairs in the fiscal year ending March 31, 2021

【Acquisition】

December 1, 2020	Ishioka Golf Club to commence operation (Omitama City, Ibaraki Prefecture – 18H)
December 1, 2020	Minamiichihara Golf Club to commence operation (Ichihara City, Chiba Prefecture – 18H)
December 1, 2020	Musashi Golf Club to commence operation (Hiki District, Saitama Prefecture – 18H)
December 1, 2020	Kimisarazu Golf Links to commence operation (Kisarazu City, Chiba Prefecture – 18H)
February 1, 2021	Ikeda Country Club to commence operation (Ikeda City, Osaka Prefecture – 27H)

【Sponsorship agreements, etc.】

None

【Sale】

December 16, 2020	Conclusion of stock transfer agreement with Silk Country Club (Tomioka City, Gunma Prefecture – 18H)
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【Termination of management outsourcing】

September 30, 2020	Hiroshima Kouyou Country Club (Hatsukaichi City, Hiroshima Prefecture – 27H)
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Financial Performance Trend



Consolidated

(million yen)	FY 3/2015	FY 3/2016	FY 3/2017	FY 3/2018	FY 3/2019			FY 3/2020				FY 3/2021			
	Full year	Full year	Full year	Full year	1Q	2Q cumulative	3Q cumulative	Full year	1Q	2Q cumulative	3Q cumulative	Full year	1Q	2Q cumulative	3Q cumulative
Net sales	198,605	214,954	186,218	132,765	41,628	80,211	111,451	144,980	36,809	73,911	114,334	144,573	16,173	37,781	76,109
Pachinko and Pachislot machine Business	121,380	135,388	108,139	51,552	17,979	37,027	45,135	62,407	13,021	29,568	47,542	61,658	1,171	2,893	18,263
Pachinko machines	89,589	89,200	75,823	44,428	10,752	22,199	29,229	45,569	9,861	17,243	24,227	35,357	479	1,280	16,303
Pachislot machines	31,791	46,188	31,607	6,702	7,148	14,639	15,642	16,509	3,098	12,189	23,129	26,059	637	1,513	1,740
Golf Business	74,807	77,071	78,078	81,213	23,649	43,183	66,316	82,573	23,788	44,342	66,791	82,914	15,001	34,888	57,845
Other	2,417	2,494	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating income	42,870	38,967	36,599	13,931	12,240	20,743	26,007	28,014	8,102	13,550	22,805	23,551	-4,415	-4,680	1,853
Pachinko and Pachislot machine Business	34,310	30,088	29,602	7,149	7,523	15,666	16,982	20,791	3,294	7,946	14,075	17,450	-3,301	-5,795	-3,999
Pachinko machines	21,582	16,467	17,609	7,025	4,077	8,585	10,452	15,260	2,127	1,874	2,212	5,120	-2,442	-4,837	-2,434
Pachislot machines	12,728	13,620	11,869	26	3,420	7,057	6,483	5,474	1,150	6,037	11,844	12,293	-859	-968	-1,601
Golf Business	12,127	12,427	10,935	9,930	5,593	6,761	11,524	10,599	5,661	7,194	11,153	9,286	-503	2,460	7,864
Other	140	151	-	-	-	-	-	-	-	-	-	-	-	-	-
Eliminations & corporate expenses	-3,708	-3,699	-3,937	-3,147	-875	-1,684	-2,499	-3,376	-853	-1,590	-2,423	-3,185	-611	-1,346	-2,010
Operating income ratio	21.6%	18.1%	19.7%	10.5%	29.4%	25.9%	23.3%	19.3%	22.0%	18.3%	19.9%	16.3%	-27.3%	-12.4%	2.4%
Ordinary income	42,059	37,444	35,655	13,105	12,219	20,350	25,783	27,451	8,172	13,532	22,590	23,278	-4,491	-4,694	2,388
Profit attributable to owners of parent	26,235	28,143	27,058	6,799	8,190	13,489	16,857	16,341	5,857	9,407	15,296	15,872	-5,813	-6,179	-2,528
SGA expenses	36,517	39,873	37,447	30,652	5,945	12,939	19,418	27,822	6,716	16,698	24,686	32,760	5,552	11,176	17,401
Personnel expenses	7,700	7,334	7,207	6,211	1,531	3,052	4,498	6,356	1,423	2,864	4,288	5,985	1,395	2,804	4,199
Selling expenses	8,632	10,241	9,898	6,928	1,364	3,680	5,199	7,294	928	3,544	5,570	7,803	179	815	1,659
Advertising expenses	3,560	3,155	2,842	2,368	366	742	1,801	2,179	288	698	1,699	1,950	107	338	569
Sales commissions	3,675	3,701	2,858	1,135	543	1,131	1,315	1,660	316	886	1,529	1,885	38	104	352
Shareholder benefit-related costs	198	1,737	1,407	1,952	38	970	1,051	2,146	49	1,264	1,297	2,564	10	169	198
General expenses	20,184	22,297	20,341	17,512	3,049	6,207	9,720	14,171	4,363	10,290	14,827	18,972	3,948	7,556	11,592
R&D expenses	13,624	15,590	12,841	10,832	1,338	2,972	4,962	7,881	2,815	7,303	10,268	12,680	2,806	5,176	7,627
Depreciation & amortization	9,478	11,027	11,098	10,740	2,270	4,773	7,292	9,868	2,016	4,171	6,428	8,745	1,958	4,052	6,424
Capital investment	11,877	13,354	14,050	14,166	2,006	4,038	5,518	7,091	2,943	5,360	7,257	9,667	2,631	4,167	5,495

Key Financial Indicators

Consolidated

(million yen)	FY 3/2015	FY 3/2016	FY 3/2017	FY 3/2018	FY 3/2019	FY 3/2020	Formula
Net Sales	198,605	214,954	186,218	132,765	144,980	144,573	
Operating Income	42,870	38,967	36,599	13,931	28,014	23,551	
Ordinary Income	42,059	37,444	35,655	13,105	27,451	23,278	
Profit attributable to owners of parent	26,235	28,143	27,058	6,799	16,341	15,872	
Total Assets	447,833	450,715	449,152	430,287	442,845	436,762	
Cash, Deposits and Securities	122,259	106,503	106,576	86,245	93,180	83,296	
Interest Bearing Debt	156,213	141,935	132,917	123,116	120,756	115,834	
Net Assets	178,269	198,873	217,405	216,701	225,052	232,575	
Shareholders' Equity	163,116	198,841	217,381	216,690	225,052	232,575	
ROE	17.2%	15.6%	13.0%	3.1%	7.4%	6.9%	
Operating Income Ratio	21.6%	18.1%	19.7%	10.5%	19.3%	16.3%	Operating income/Net sales
Net Income Ratio	13.2%	13.1%	14.5%	5.1%	11.3%	11.0%	Net income/Net sales
Asset Turnover	0.45	0.48	0.41	0.30	0.33	0.33	Net sales/Total assets *1
Financial Leverage	2.90	2.48	2.16	2.03	1.98	1.92	Total assets/Shareholders' equity *1,2
Net Debt Equity Ratio	20.8%	17.8%	12.1%	17.0%	12.3%	14.0%	Net interest-bearing debt/Shareholders' equity
Shareholders' Equity Ratio	36.4%	44.1%	48.4%	50.4%	50.8%	53.2%	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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