

# Consolidated Financial Results for the Third Quarter Ended December 31, 2020 [J-GAAP] Heiwa Corporation

February 9, 2021

Stock code: 6412  
 URL: <https://www.heiwanet.co.jp/>  
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Scheduled date of the filing of the quarterly report: February 10, 2021

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, 2019 and 2020

(Amounts less than one million yen are omitted.)

### 1. Consolidated Operating Results

	Nine months ended December 31, 2019	YoY	Nine months ended December 31, 2020	YoY
	(million yen)	(%)	(million yen)	(%)
(1) Consolidated financial results				
Net sales	114,334	2.6	76,109	(33.4)
Operating income	22,805	(12.3)	1,853	(91.9)
Ordinary income	22,590	(12.4)	2,388	(89.4)
Profit attributable to owners of parent	15,296	(9.3)	(2,528)	-
Earnings per share (yen)	155.07		(25.63)	
Diluted earnings per share (yen)	-		-	

(Note) Comprehensive income: Nine months ended December 31, 2020: (¥1,977) million, -% YoY  
 Nine months ended December 31, 2019: ¥15,417 million, (7.1%) YoY

	As of March 31, 2020	As of December 31, 2020
	(million yen)	(million yen)
(2) Consolidated financial position		
Total assets	436,762	420,268
Net assets	232,575	222,703
Shareholders' equity ratio (%)	53.2	53.0
Net assets per share (yen)	2,357.91	2,257.87

(Reference) Shareholders' equity: As of December 31, 2020: ¥222,703 million  
 As of March 31, 2020: ¥232,575 million

### 2. Dividends

	Annual dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	(yen)				
FY3/2020	—	40.00	—	40.00	80.00
FY3/2021	—	40.00	—		
FY3/2021 (Forecast)				40.00	80.00

(Note) Revision of the most recently disclosed dividend forecast: Yes

### 3. Consolidated Results Forecast for Year Ending March 31, 2021

	FY 3/2021	
	Full year	YoY
	(million yen)	(%)
Net sales	106,400	(26.4)
Operating income	3,300	(86.0)
Ordinary income	3,800	(83.7)
Profit attributable to owners of parent	(1,200)	—
Earnings per share (yen)	(12.17)	

(Notes)

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

(Million yen)

	As of March 31, 2020	As of December 31, 2020
<b>Assets</b>		
Current assets		
Cash and deposits	36,208	27,659
Notes and accounts receivable - trade	12,489	9,610
Electronically recorded monetary claims - operating	1,151	1,248
Securities	47,087	30,555
Merchandise and finished goods	1,982	3,413
Raw materials and supplies	5,464	7,205
Other	9,543	13,229
Allowance for doubtful accounts	(341)	(315)
Total current assets	113,587	92,608
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	64,754	65,337
Land	208,567	211,957
Other, net	14,677	14,505
Total property, plant and equipment	287,998	291,799
Intangible assets		
Goodwill	4,685	5,345
Other	4,529	4,500
Total intangible assets	9,214	9,846
Investments and other assets		
Investment securities	12,689	11,328
Other	13,800	15,213
Allowance for doubtful accounts	(528)	(526)
Total investments and other assets	25,961	26,015
Total non-current assets	323,174	327,660
Total assets	436,762	420,268
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	4,896	3,747
Electronically recorded obligations - operating	7,846	7,090
Current portion of long-term borrowings	22,078	17,368
Income taxes payable	4,069	1,313
Provisions	3,344	1,152
Other	13,847	14,918
Total current liabilities	56,083	45,589
Non-current liabilities		
Long-term borrowings	93,756	96,931
Retirement benefit liability	5,166	5,374
Other	49,181	49,669
Total non-current liabilities	148,103	151,975
Total liabilities	204,186	197,565

(Million yen)

	As of March 31, 2020	As of December 31, 2020
Net assets		
Shareholders' equity		
Share capital	16,755	16,755
Capital surplus	54,863	54,863
Retained earnings	162,620	152,200
Treasury shares	(1,337)	(1,341)
Total shareholders' equity	232,900	222,477
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(158)	321
Remeasurements of defined benefit plans	(166)	(96)
Total accumulated other comprehensive income	(325)	225
Non-controlling interests	0	—
Total net assets	232,575	222,703
Total liabilities and net assets	436,762	420,268

## 2. Consolidated statements of income and comprehensive income

(Million yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Net sales	114,334	76,109
Cost of sales	66,842	56,854
Gross profit	47,491	19,255
Selling, general and administrative expenses	24,686	17,401
Operating profit	22,805	1,853
Non-operating income		
Interest income	138	126
Dividend income	39	40
Gain on redemption of securities	—	419
Insurance claim income	84	204
Subsidy income	—	467
Electricity sale income	120	120
Other	258	253
Total non-operating income	642	1,632
Non-operating expenses		
Interest expenses	314	296
Loss on redemption of securities	—	59
Commission expenses	15	341
Expenditures related tonatural disaster	245	80
Provision for loss on disaster	114	86
Other	168	234
Total non-operating expenses	857	1,098
Ordinary profit	22,590	2,388
Extraordinary income		
Gain on sales of shares of subsidiaries and associates	752	—
Total extraordinary income	752	—
Extraordinary losses		
Impairment loss	—	3,769
Total extraordinary losses	—	3,769
Profit (loss) before income taxes	23,343	(1,381)
Income taxes	8,046	1,147
Profit (loss)	15,296	(2,528)
Profit attributable to		
Profit (loss) attributable to owners of parent	15,296	(2,528)
Profit attributable to non-controlling interests	0	—
Other comprehensive income		
Valuation difference on available-for-sale securities	72	480
Remeasurements of defined benefit plans, net of tax	48	70
Total other comprehensive income	121	550
Comprehensive income	15,417	(1,977)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	15,417	(1,977)
Comprehensive income attributable to non-controlling interests	0	—

### 3. Segment Information

#### A. Previous consolidated cumulative Third quarter under review (April 1, 2019 to December 31, 2019)

(Million yen)

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

#### B. Consolidated cumulative Third quarter under review (April 1, 2020 to December 31, 2020)

(Million yen)

	Reporting segment			Adjustments	Amount recorded in quarterly consolidated statements of income and consolidated statements of comprehensive income
	Pachinko and pachislot machine business	Golf business	Total		
Net sales					
Net sales to external customers	18,263	57,845	76,109	-	76,109
Internal net sales and transfers between segments	-	0	0	(0)	-
Total	18,263	57,845	76,109	(0)	76,109
Segment profit(loss)	(3,999)	7,864	3,864	(2,010)	1,853