

Results for the Fiscal Year Ended March 31, 2022

May 16, 2022
Heiwa Corporation

Securities Code : 6412

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【Market Environment】

- Pachinko and Pachislot Machine Business
- Golf Business

【Pachinko and Pachislot Machine Business】

- Main Standards, etc. after Revision of Regulations for Pachinko & 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

Consolidated results

- Net sales: 121.5 billion yen, +12.8% year on year
- Operating income: 10.2 billion yen, +92.7% year on year
 - Compared to the same period of the previous fiscal year, when social and economic activities were strongly restricted, income and profit rose thanks to factors such as an increase in the number of units sold in the pachinko and pachislot machine business and an increase in the number of golf course users in the golf business.

Pachinko and pachislot machine business

- Net sales: 36.2 billion yen, +8.9% year on year
- Operating loss: 0.6 billion yen (operating income of 0.2 billion yen in the same period of the previous fiscal year)
 - ✓ The number of Pachinko machines sold in FY 3/2022: 63k units (+ 13k units YoY)
 - ✓ The number of Pachislot machines sold in FY 3/2022: 29k units (— 5k units YoY)

Golf business

- Net sales: 85.3 billion yen, +14.6% year on year
- Operating income: 13.2 billion yen, +74.2% year on year
 - ✓ Number of golf course users in FY 3/2022: 8,735 thousand people (+832 thousand people YoY)
 - ✓ Revenue per customer FY 3/2022: 8,764 yen (+463 yen YoY)

Results for the FY ended March 31, 2022

Results of Voluntary Retirement System

■ Objectives

- ✓ Implement personnel adjustments and organizational rejuvenation in order to respond to radical changes in the business environment surrounding the pachinko and pachislot machine business
- ✓ Aim to create an efficient structure by consolidating managerial resources

Outline of voluntary retirement system

- ① Candidates: Employees in the pachinko and pachislot business between the ages of 40 and 59
- ② Number of employees solicited: 250
- ③ Period of solicitation: January 18 to February 18, 2022
- ④ Retirement date: March 31, 2022
- ⑤ Incentives: Premium severance payment, reemployment support, etc.

Results of solicitation

255 employees

Extraordinary loss

2.1 billion yen

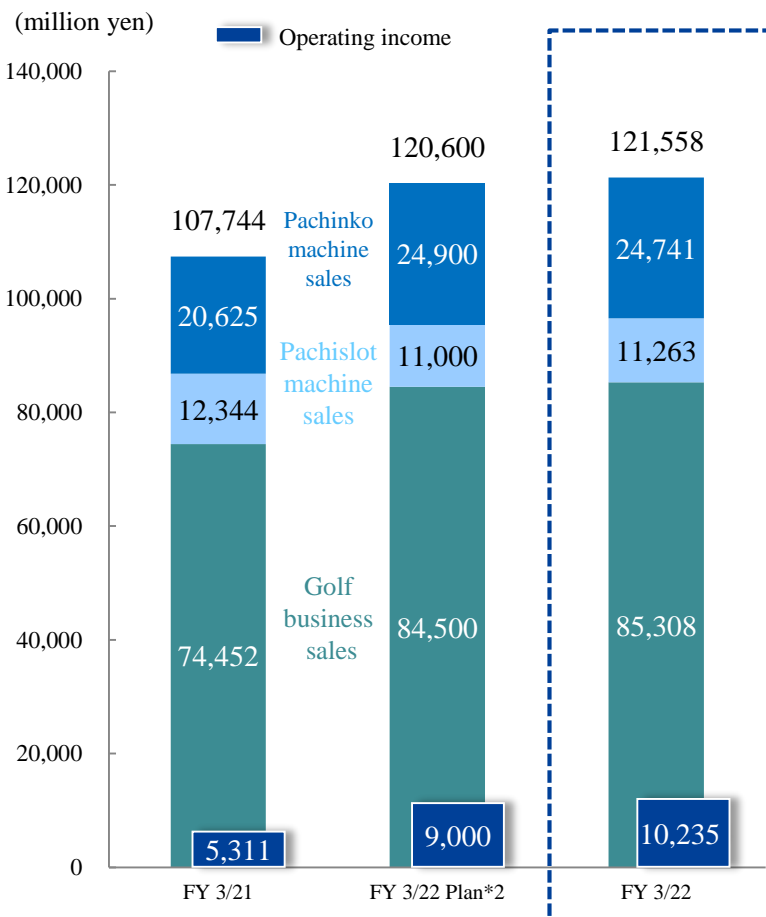
Fixed cost reduction effect

Approx. 2 billion yen

Consolidated Statements of Income (Results)

FY 3/22 Results

- Income and profit were up year on year (net sales +12.8% YoY and operating income +92.7% YoY).
 - Compared to the same period of the previous fiscal year, when social and economic activities were strongly restricted, income and profit rose thanks to factors such as an increase in the number of units sold in the pachinko and pachislot machine business and an increase in the number of golf course users in the golf business.
 - 2.1 billion yen in extraordinary loss was recorded for special severance payments due to the implementation of a voluntary retirement system.



(million yen)	FY 3/2021 Results	FY 3/2022 Plan*2	FY 3/2022 Results	YoY	Cf. Plan
Net sales	107,744	120,600	121,558	12.8%	0.8%
Pachinko and Pachislot machine business	33,292	36,100	36,249	8.9%	0.4%
Pachinko machines	20,625	24,900	24,741	20.0%	-0.6%
Pachislot machines	12,344	11,000	11,263	-8.8%	2.4%
Golf business	74,452	84,500	85,308	14.6%	1.0%
Operating income	5,311	9,000	10,235	92.7%	13.7%
Pachinko and Pachislot machine business	287	-1,600	-607	-	-
Pachinko machines	-2,332	-1,800	-1,192	-	-
Pachislot machines	2,570	200	538	-79.0%	169.4%
Golf business	7,624	13,100	13,280	74.2%	1.4%
Eliminations & corporate expenses	-2,600	-2,500	-2,437	-6.3%	-2.5%
Operating income ratio	4.9%	7.5%	8.4%	+3.5Pt	+0.9pt
Ordinary income	5,799	8,700	10,467	80.5%	20.3%
Profit attributable to owners of parent	865	1,400	2,193	153.5%	56.7%
EBITDA*1	14,496	19,700	20,554	41.8%	4.3%

*1 EBITDA = Operating income + depreciation + amortization of goodwill

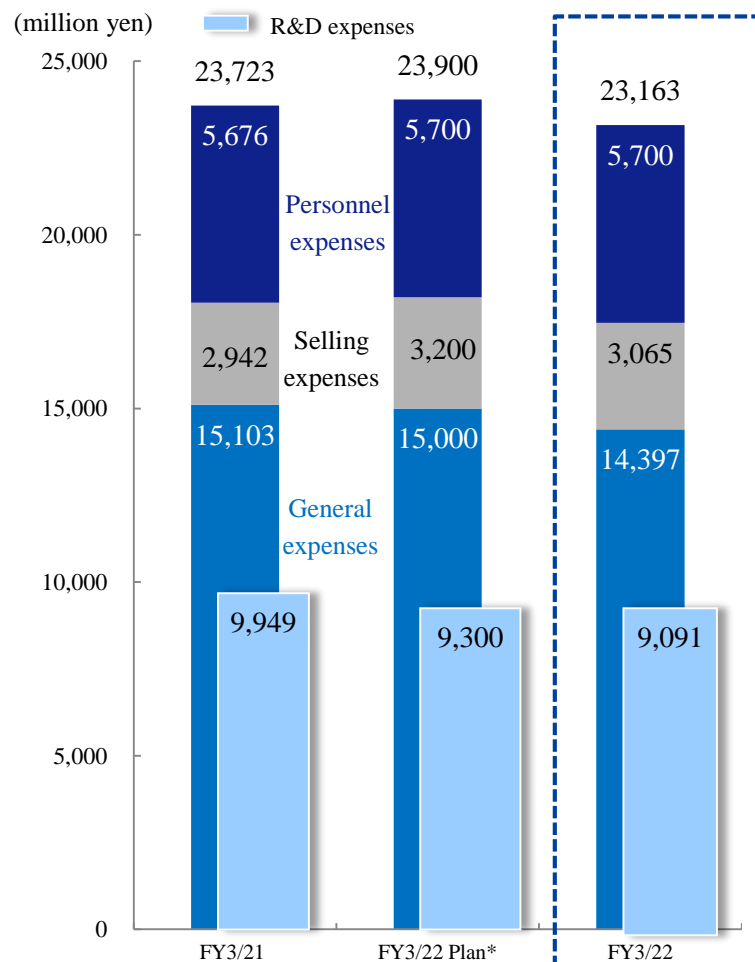
*2 Announced January 14, 2022

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

FY 3/22 Results

■ SGA expenses were slightly down (-2.4% YoY).

- In selling expenses, advertising expenses increased for the pachinko and pachislot machine business due to factors such as the airing of TV commercials.
- General expenses fell due to a delay in the timing of recording of R&D expenses.



(million yen)	FY 3/2021 Results	FY 3/2022 Plan*	FY 3/2022 Results	YoY	Cf. Plan
SGA expenses	23,723	23,900	23,163	-2.4%	-3.1%
Personnel expenses	5,676	5,700	5,700	0.4%	0.0%
Selling expenses	2,942	3,200	3,065	4.2%	-4.2%
Advertising expenses	795	1,000	952	19.8%	-4.8%
Sales commissions	921	900	954	3.5%	6.1%
General expenses	15,103	15,000	14,397	-4.7%	-4.0%
R&D expenses	9,949	9,300	9,091	-8.6%	-2.2%

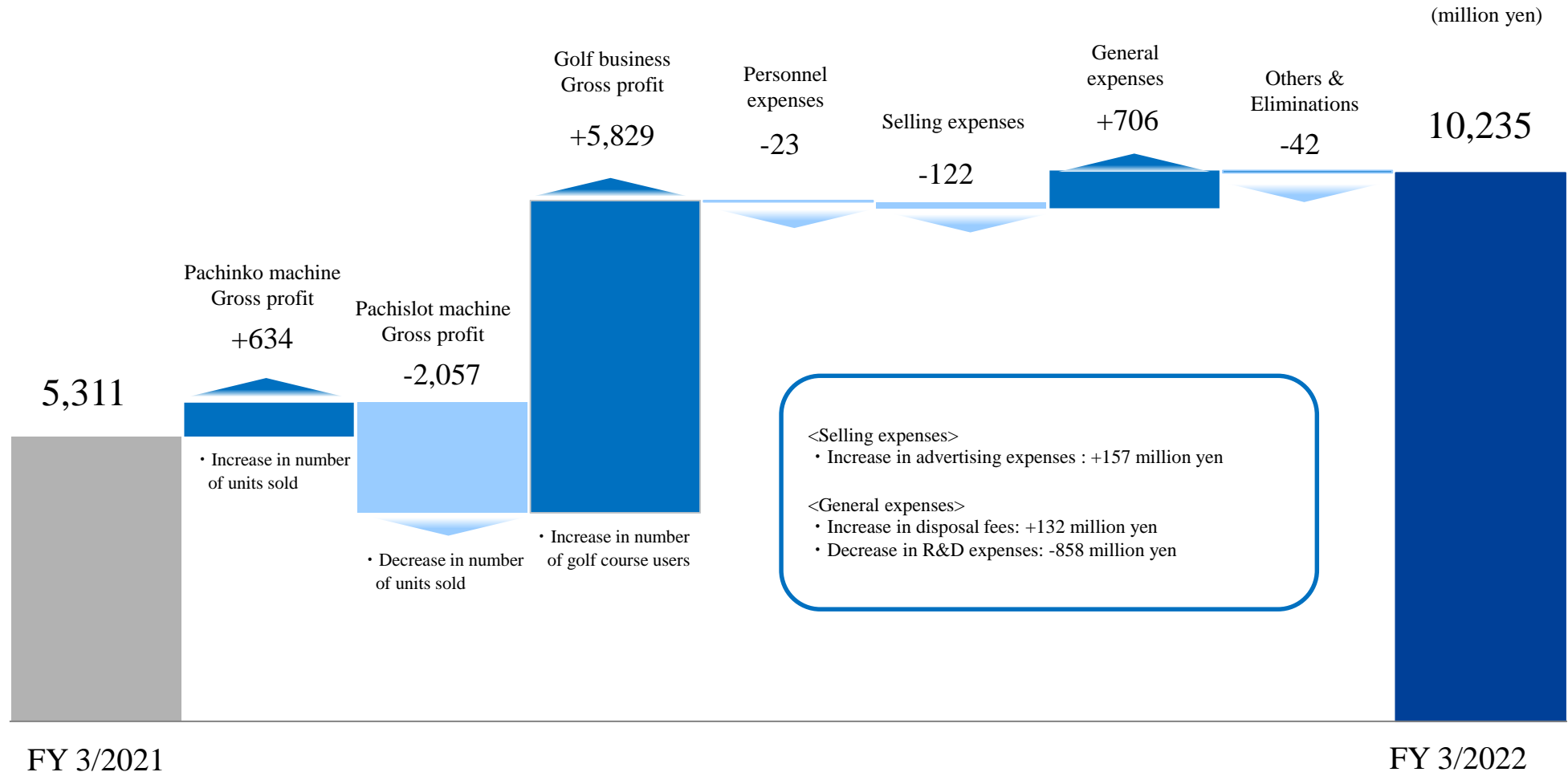
Depreciation & Amortization / Capital Investment

(million yen)	FY 3/2021 Results	FY 3/2022 Plan*2	FY 3/2022 Results	YoY	Cf. Plan
Depreciation & amortization	9,016	10,500	10,082	11.8%	-4.0%
Capital investment	6,921	9,900	8,095	17.0%	-18.2%

* Announced January 14, 2022

Factors Contributing to Change in Operating Income (Consolidated Basis)

FY 3/22 Results



Pachinko and Pachislot Machine Business (Machine Sales Results)

FY 3/22 Results

(Units)	FY 3/2021 Results	FY 3/2022 Plan*2	FY 3/2022 Results	YoY
Number of machines sold	85,283	92,000	92,826	+7k units
Pachinko machines	49,890	63,000	63,095	+13k units
Number of titles released	4	9	9	+5
Pachislot machines	35,393	29,000	29,731	-5k units
Number of titles released	6	7	7	+1

*1 Total includes units of titles released in FY 3/2021

*2 Announced January 14, 2022

Major pachinko titles

Titles	Sales (units)	Release
<i>GIRLS und PANZER der FILM</i>	8,722	May 2021
<i>Shin Onimusha</i>	5,834	Aug. 2021
<i>Lupin the Third 2000 carat no Namida</i>	18,172	Feb. 2022

Major pachislot titles

Titles	Sales (units)	Release
<i>Pachislot Sengokuutome: Akatsuki no Sekigahara DARKNESS</i>	4,584	Nov. 2021
<i>Syuyaku ha Zenigata3</i>	3,200	Dec. 2021
<i>Umaibo</i>	5,500	Dec. 2021



Pachinko Machine
*Lupin the Third 2000 carat no
Namida*

©モンキー・パンチ/TMS・NTV



Pachislot Machine
Syuyaku ha Zenigata3

©モンキー・パンチ/TMS・NTV



Pachinko and Pachislot Machine Business (Results)



FY 3/22 Results

Total

- Income was up year on year (net sales +8.9% YoY and operating income of 0.2 billion yen in the same period of the previous fiscal year)
 - Income grew thanks to more units sold than in the previous fiscal year as demand rose due to the complete removal of machines under the previous regulations. However, the gross profit ratio declined, resulting in an operating loss.

Pachinko

- Income decreased even though the number of units sold exceeded the previous fiscal year, but the deficit was reduced.
 - The number of units sold increased from the previous fiscal year, resulting in greater income.
 - Although the proportion of machine bodies with a low profit ratio was large due to the sales promotion phase for new bodies, resulting in an operating loss, the deficit was reduced thanks to growth in net sales.

Pachislot

- The number of units sold fell short of the previous fiscal year, resulting in decreased income and profit.
 - Income decreased as a result of fewer units sold than in the previous fiscal year.
 - Profit decreased due to the impact of a decline in net sales, as well as higher costs resulting from new chassis introduction to the market.

(million yen)	FY 3/2021 Results	FY 3/2022 Results	YoY
Net sales	33,292	36,249	8.9%
Pachinko machines	20,625	24,741	20.0%
Pachislot machines	12,344	11,263	-8.8%
Gross profit	15,962	14,497	-9.2%
Pachinko machines	8,508	9,142	7.5%
Pachislot machines	7,356	5,299	-28.0%
Gross profit ratio	47.9%	40.0%	-7.9Pt
Operating income	287	-607	-
Pachinko machines	-2,332	-1,192	-
Pachislot machines	2,570	538	-79.0%
Operating income ratio	0.9%	-	-

Breakdown of Machine Sales

(Units)	FY 3/2021 Results	FY 3/2022 Results	YoY
Total	85,283	92,826	+7,543
Pachinko machines	49,890	63,095	+13,205
Body	39,455	49,040	+9,585
Gauge board	10,435	14,055	+3,620
Pachislot machines	35,393	29,731	-5,662
Chassis	27,423	29,663	+2,240
Combined unit	7,970	68	-7,902

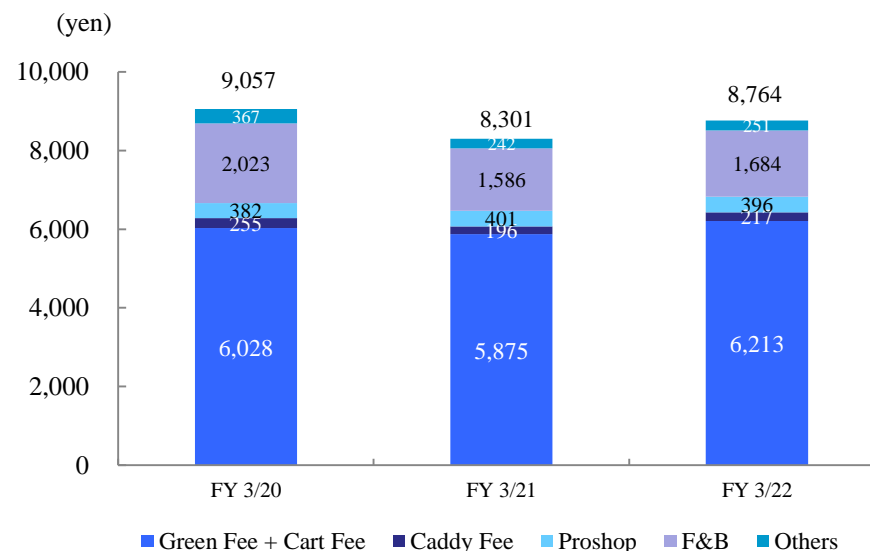
FY 3/22 Results

- The number of golf course users increased.
 - The number of golf course users grew substantially thanks to factors such as greater recognition of golf as a leisure activity with a relatively low risk of COVID-19 infection, more favorable weather than usual, and the contribution of golf courses acquired in the current and previous fiscal years.
- Revenue per customer is on a recovery trend.
 - Although food and beverage (F&B) revenue grew at a sluggish pace as a result of factors such as a decline in competition demand due to the impact of the COVID-19 pandemic as well as the suspension of serving alcohol due to the repeated issuance of states of emergency and other restrictions, playing fees rose on the back of golf's popularity, putting overall revenue on a recovery trend.

Number of Golf Course Users / Revenue per Customer

【Full Year (12 months)】	FY 3/2020 Results	FY 3/2021 Results	FY 3/2022 Results	YoY
Number of golf course users (thousand people)	8,154	7,902	8,735	10.5%
Revenue per customer (yen)	9,057	8,301	8,764	5.6%
【4Q (3 months)】	FY 3/2020 Results	FY 3/2021 Results	FY 3/2022 Results	YoY
Number of golf course users (thousand people)	1,688	1,759	1,777	1.1%
Revenue per customer (yen)	8,323	8,220	8,562	4.2%

Breakdown of Revenue per Customer



*Includes internal net sales

Golf Business (Results)

FY 3/22 Results

- Income and profit were up year on year (net sales +14.6% YoY and operating income +74.2% YoY).
 - Revenue from golf course operation grew thanks to an increase in the number of golf course users and recovery in revenue per customer.
 - Profit increased as well thanks to higher net sales.

(million yen)	FY 3/2020 Results	FY 3/2021 Results	FY 3/2022 Results	YoY
Net sales	82,914	74,452	85,308	14.6%
Net sales before eliminations	82,919	74,452	85,309	14.6%
Eliminations	-4	-0	-1	-
Gross profit	18,266	13,072	18,902	44.6%
Gross profit ratio	22.0%	17.6%	22.2%	+4.6pt
Operating income	9,286	7,624	13,280	74.2%
Operating income ratio	11.2%	10.2%	15.6%	+5.4pt

Breakdown of Sales				
(million yen)	FY 3/2020 Results	FY 3/2021 Results	FY 3/2022 Results	YoY
Revenue from golf course operation	73,858	65,605	76,561	16.7%
Membership-related sales	7,905	8,187	8,011	-2.2%

Breakdown of Costs				
(million yen)	FY 3/2020 Results	FY 3/2021 Results	FY 3/2022 Results	YoY
Cost of Sales	64,652	61,380	66,407	8.2%
SGA expenses	8,980	5,447	5,621	3.2%

Consolidated Balance Sheets (Summary)

(million yen)	As of March 31, 2021	As of March 31, 2022	Change	Remarks
Current assets	101,184	92,828	-8,355	
Non-current assets	328,886	324,238	-4,648	■ Decrease in securities
Total assets	430,070	417,066	-13,003	
Current liabilities	66,864	67,257	392	
Non-current liabilities	136,963	132,622	-4,340	■ Repayment of loans payable
Total liabilities	203,827	199,880	-3,947	
Total net assets	226,242	217,186	-9,056	
Total liabilities and net assets	430,070	417,066	-13,003	

(million yen)	As of March 31, 2021	As of March 31, 2022
Cash and deposits, and securities	70,083	67,052
Interest-bearing debt	121,454	112,646
Shareholders' equity	226,242	217,186
Shareholders' equity ratio	52.6%	52.1%

■ D/E ratio (interest-bearing debt/shareholders' equity)
53.7%→51.9%

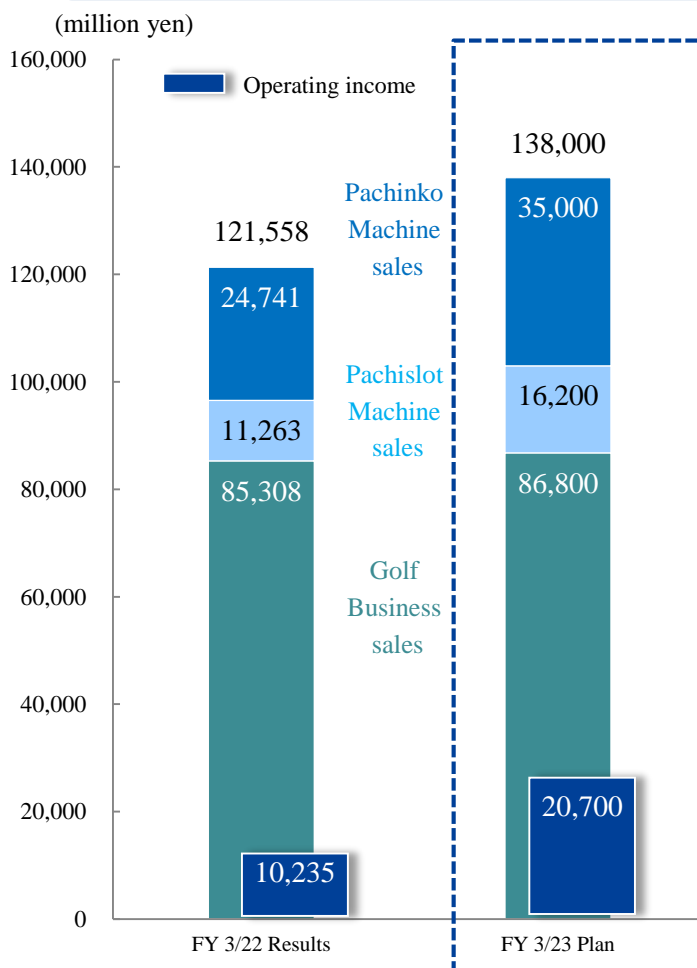
■ Net D/E ratio (net interest-bearing debt/shareholders' equity)
22.7%→21.0%

Full-year Plan for FY ending March 31, 2023

Consolidated Statements of Income (Plan)

FY 3/23 Plan

- Income and profit are expected to increase from the previous fiscal year (net sales +13.5% YoY and operating income +102.2% YoY).
- Both income and profit are planned to grow thanks to an increase in the number of units sold and the fixed cost reduction effects of measures such as a voluntary retirement system in the pachinko and pachislot machine business, as well as higher revenue per customer and the full-year contribution of golf courses acquired in the previous fiscal year in the golf business.



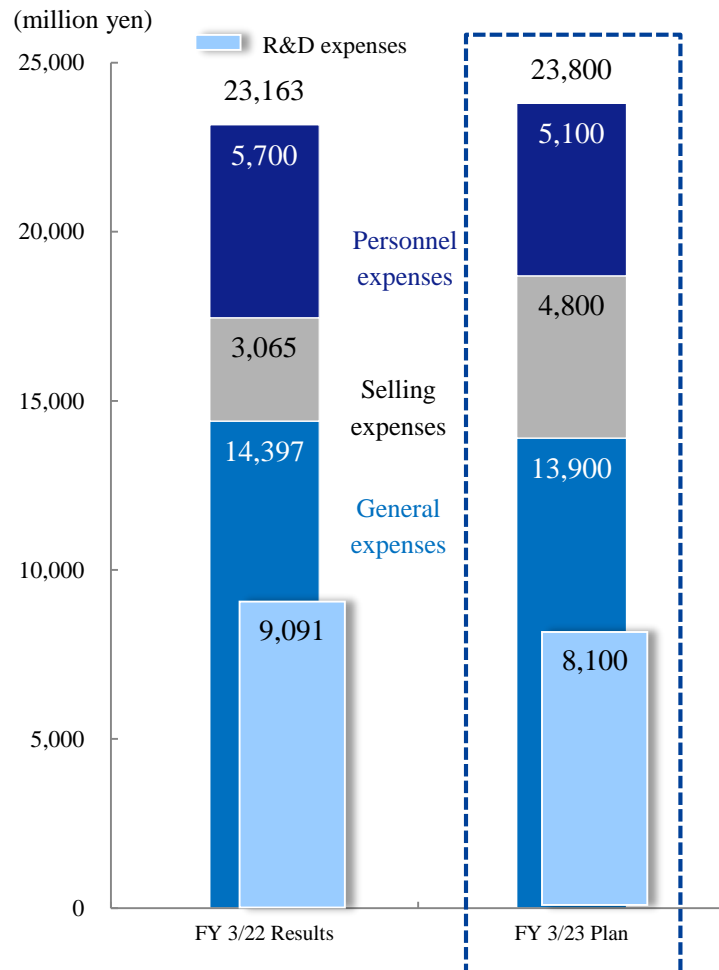
(million yen)	FY 3/2022 Results	FY 3/2023 Plan	YoY
Net sales	121,558	138,000	13.5%
Pachinko and Pachislot machine business	36,249	51,200	41.2%
Pachinko machines	24,741	35,000	41.5%
Pachislot machines	11,263	16,200	43.8%
Golf business	85,308	86,800	1.7%
Operating income	10,235	20,700	102.2%
Pachinko and Pachislot machine business	-607	10,400	-
Pachinko machines	-1,192	6,500	-
Pachislot machines	538	4,000	642.3%
Golf business	13,280	13,300	0.1%
Eliminations & corporate expenses	-2,437	-3,000	23.1%
Operating income ratio	8.4%	15.0%	6.6pt
Ordinary income	10,467	20,000	91.1%
Profit attributable to owners of parent	2,193	13,300	506.4%
EBITDA*	20,554	29,700	44.5%

* EBITDA = Operating income + depreciation + amortization

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

FY 3/23 Plan

- Increase in SGA expenses over the previous fiscal year (+2.7% YoY).
 - In selling expenses, advertising expenses will increase due to the airing of TV commercials, and sales commissions will rise due to an increase in the number of units sold.
 - In general expenses, investment of R&D expenses will be modulated.



	(million yen)	FY 3/2022 Results	FY 3/2023 Plan	YoY
SGA expenses		23,163	23,800	2.7%
Personnel expenses		5,700	5,100	-10.5%
Selling expenses		3,065	4,800	56.6%
Advertising expenses		952	1,900	99.5%
Sales commissions		954	1,400	46.7%
General expenses		14,397	13,900	-3.5%
R&D expenses		9,091	8,100	-10.9%

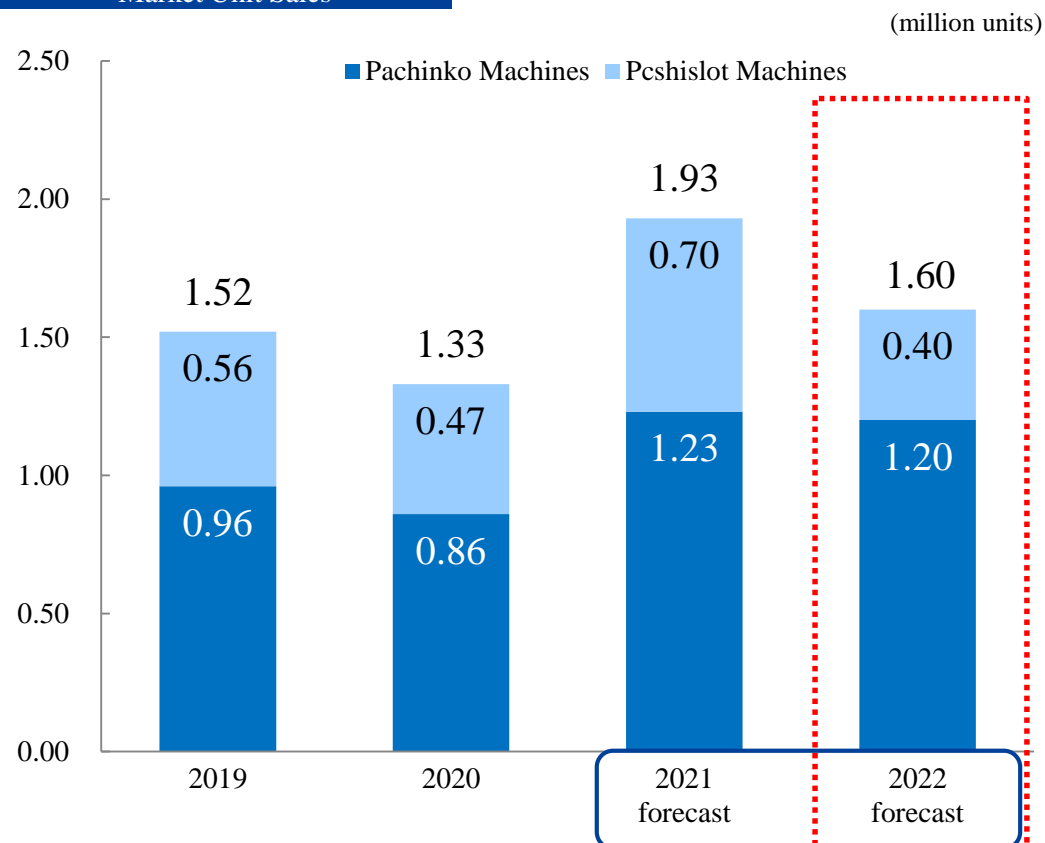
Depreciation & Amortization / Capital Investment

	(million yen)	FY 3/2022 Results	FY 3/2023 Plan	YoY
Depreciation & amortization		10,082	8,800	-12.7%
Capital investment		8,095	8,400	3.8%

Market Trends

- Total market unit sales for pachinko and pachislot machines are forecasted to be 1,600,000 units in FY 3/2023.
- There are concerns that shortages of semiconductors and other electronic parts will disrupt the supply of new machines.
- Smart Pachinko and Smart Pachislot are expected to be launched on the market within FY 3/2023.

Market Unit Sales



Note: Data source: Yano Research Institute. Data on a fiscal year basis (from April to March of the next year).

Data for 2021 and 2022 are the Company's forecast.

Next-Generation Pachinko & Pachislot Machines

Smart Pachinko

- ✓ Wider range of game elements than current machines
- ✓ Expected to be launched on the market within FY 3/2023

Smart Pachislot

- ✓ Wider range of game elements than current machines
 - Elimination of game number restriction for advantageous section
 - Revision of “2,400-token cap”
- ✓ Expected to be launched on the market in November 2022

1. Implementation of speedy development and strategic sales

- Speedy reflection of changing player needs in development of titles
- Launch of Smart Pachinko and Smart Pachislot before competitors
- Execution of strategic sales and manufacturing plans to reduce the loss of sales opportunities

2. Creation of corporate value and improvement of organizational strength

- Corporate activities with awareness of the SDGs
- Enhancement of organizational strength through a new system (enhancement of interdivisional cooperation)

3. Transformation into a leaner corporate structure

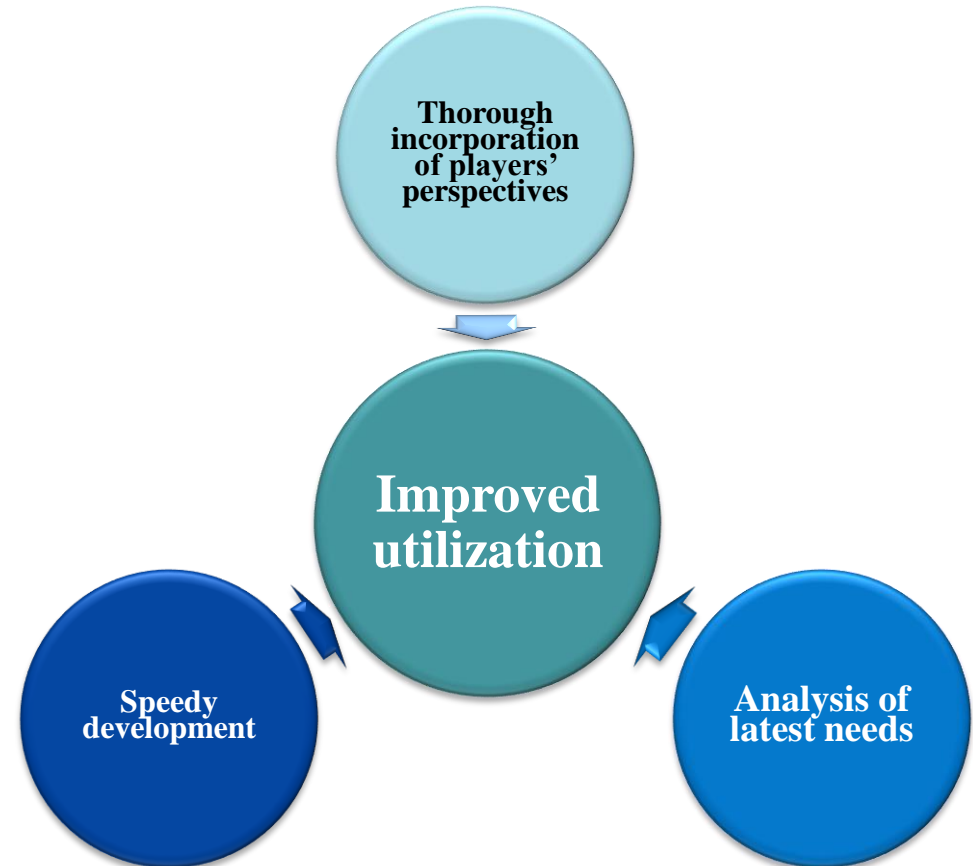
- Implementation of cost reductions while maintaining quality
- Pursuit of the 3 Rs (to cover part shortages and rising raw material costs)
- Pursuit of greater efficiency through utilization of IT

■ Stagnant utilization

- ✓ Players' perspectives not sufficiently incorporated
- ✓ Player needs changing rapidly
- ✓ Latest needs not reflected in titles
- ✓ Weakening of brand power

■ Creation of highly utilized titles

- ✓ Thoroughly incorporate players' perspectives in manufacturing.
- ✓ Enhance assessment and analysis of the latest needs.
- ✓ Reflect the latest needs in titles through speedy development.
- ✓ Support utilization by airing TV commercials.



Pachinko and Pachislot Machine Business (Machine Sales Plan)

FY 3/23 Plan

(Units)	FY 3/2022 Results	FY 3/2023 Plan	Change from the previous year
Number of machines sold	92,826	130,000	+37k units
Pachinko machines	63,095	88,000	+24k units
Number of titles released	9	8	-1
Pachislot machines	29,731	42,000	+12k units
Number of titles released	7	8	+1

Titles to Release / Pachinko Machine

Title	Release Date
<i>Mahjong Monogatari4</i>	Jun. 2022
<i>Sengoku Otome LEGEND BATTLE</i>	Jul. 2022

Titles to Release / Pachislot Machine

Title	Release Date
<i>CAT'S EYE</i>	Jun. 2022



Pachinko Machine
*Lupin the Third 2000 carat no
Namida*

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Pachislot Machine
Lupin the Third



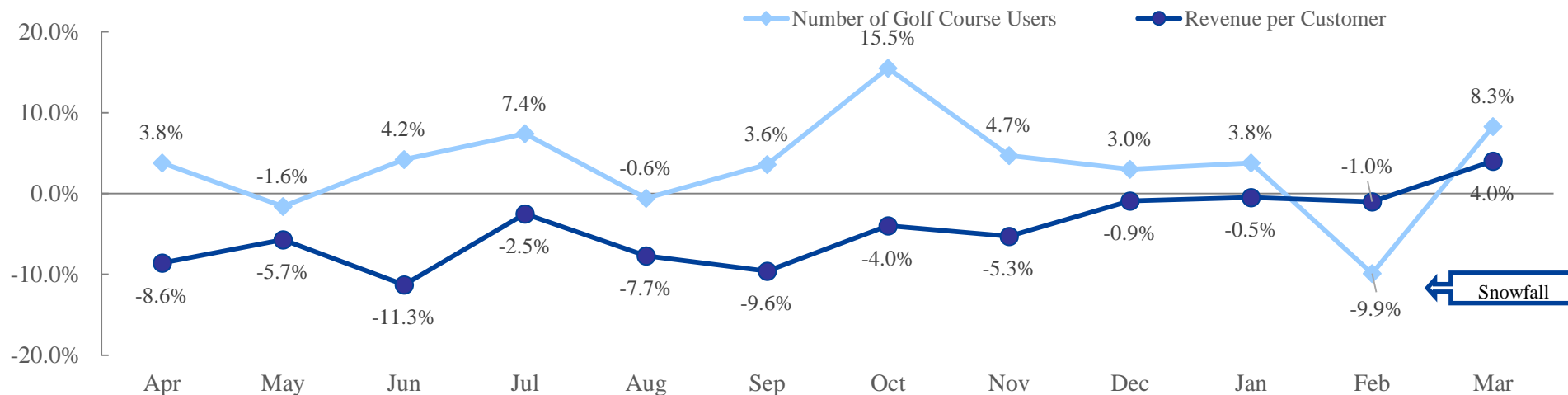
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Golf Business (Market Trends)

FY 3/2020 vs. FY 3/2022 Comparison of Number of Golf Course Users & Revenue per Customer

2020/3 vs 2022/3

* Based on operating golf courses since FY 3/20.



Market Trends

- The number of golf course users is on an upward trend compared to FY 3/2020.
- Although a rapid rebound in competition demand is unlikely, revenue per customer is showing gradual recovery thanks to factors such as the popularity of golf and the ability to resume serving alcohol.
- Membership sales have been strong thanks to easier booking of tee times and lower green fees than visitors.

Plan Number of Golf Course Users & Revenue per Customer

	3/2020 Result	3/2021 Result	3/2022 Result	3/2023 Plan
Number of golf course users (thousand people)	8,154	7,902	8,735	8,674
Revenue per customer (yen)	9,057	8,301	8,764	8,985

1. Increasing the value of golf services

- Improvements to the level of customer service and course/restaurant quality
- Well-planned capital investment and repairs
- Differentiation through introduction of fan-equipped carts “Cool Cart”
- Intensified outreach toward women and younger demographics as well as expansion of lesson rounds with professional partners “With Golf”

Cool Cart

* Currently applying for trademark registration



Fan-equipped carts “Cool Cart”

2. Promotion of administrative innovation

- Establishment of an operating style adapted to environmental changes and the “new normal”
- Operational streamlining through core system and related systems as well as automation

with Golf



Lesson rounds with professional partners “With Golf”

3. Continued acquisition of high-quality golf courses

- Proactive acquisition of golf courses in the suburbs of 4 large metropolitan areas
- Portfolio revisions and consideration of substitutions



Robotic lawnmowers

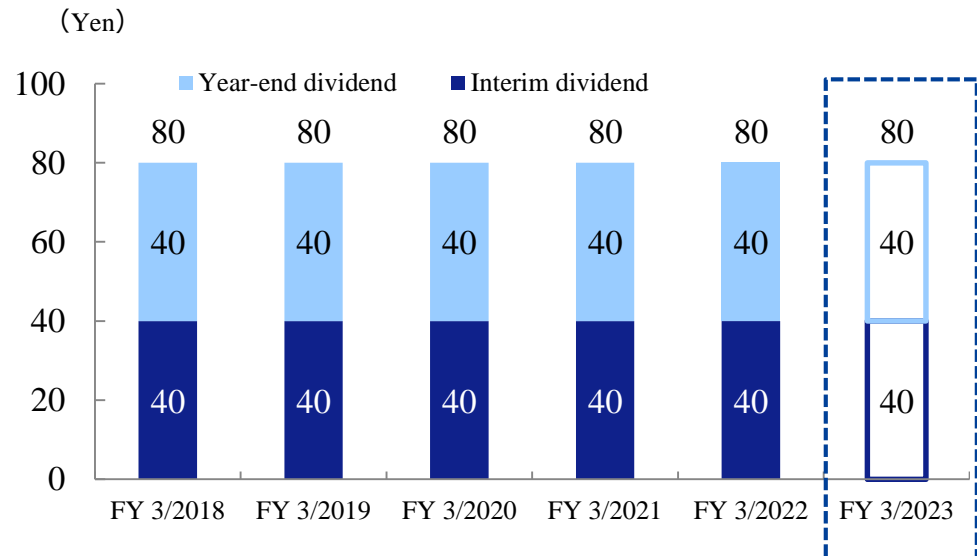
Dividend policy

- 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 3/2023 (Plan)

Interim dividend	40 yen
Year-end dividend	40 yen
Total	80 yen

Trend of dividend per share



Shareholder return is a key management issue.
We will do our utmost to maintain a high level of dividend payment.

Supplementary Information

【Market Environment】

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- Golf Business

【Pachinko and Pachislot Machine Business】

- Main Standards, etc. after Revision of Regulations for Pachinko & Pachislot Machines
- Number of Machines Sold

【Golf Business】

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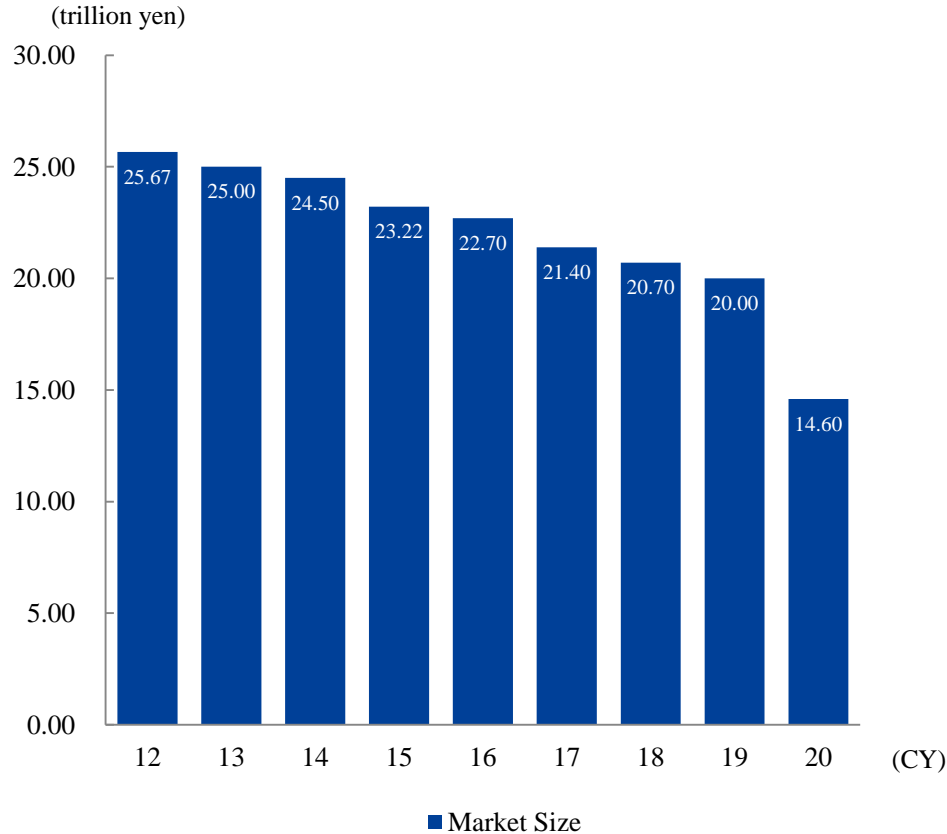
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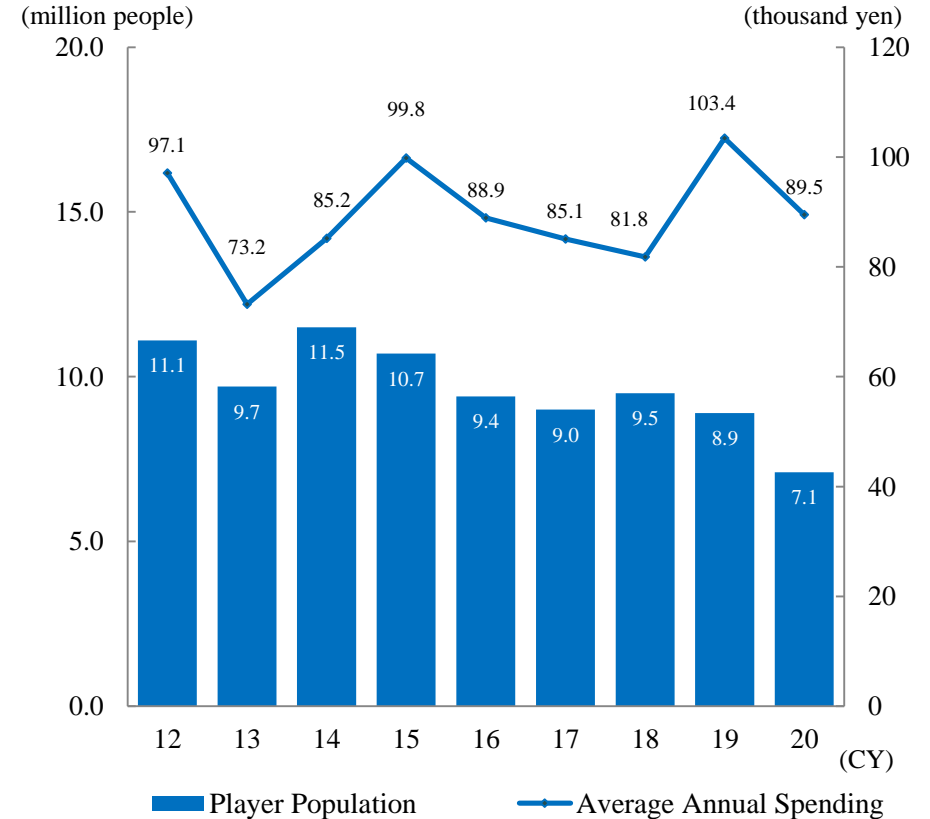
Market Environment (Pachinko and Pachislot Machine Business) 1

Pachinko and Pachislot Machine Business

Market Size



Player Population and Average Annual Spending



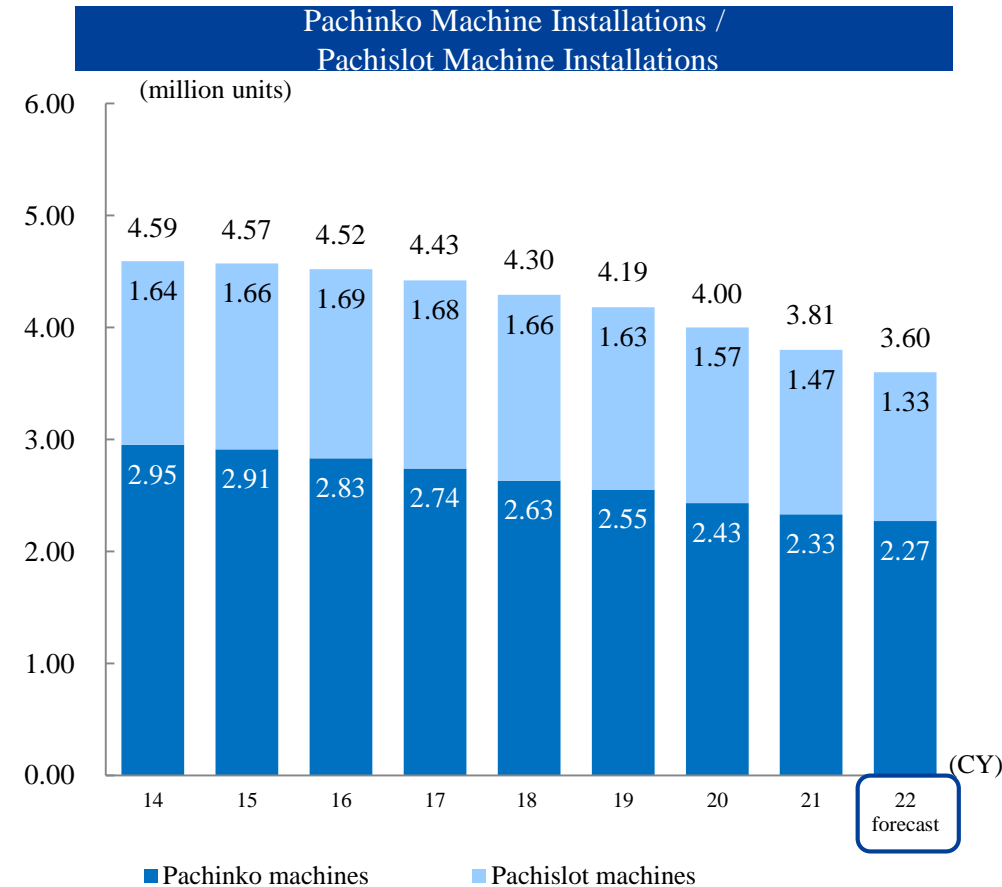
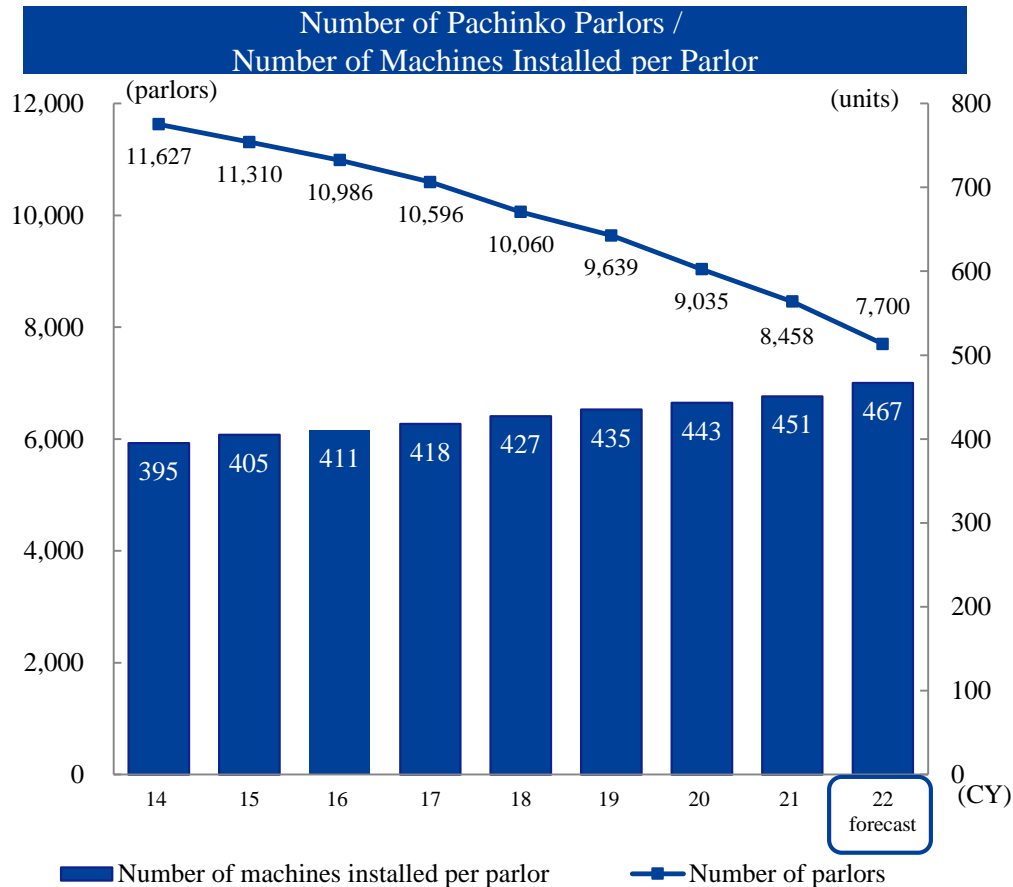
	2012	2013	2014	2015	2016	2017	2018	2019	2020
Market size (trillion yen)	25.67	25.00	24.50	23.22	22.70	21.40	20.70	20.00	14.60
Player population (million)	11.1	9.7	11.5	10.7	9.4	9.0	9.5	8.9	7.1
Average annual spending (thousand yen)	97.1	73.2	85.2	99.8	88.9	85.1	81.8	103.4	89.5

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



	2014	2015	2016	2017	2018	2019	2020	2021	2022 forecast
Number of parlors	11,627	11,310	10,986	10,596	10,060	9,639	9,035	8,458	7,700
Number of machines installed per parlor (units)	395	405	411	418	427	435	443	451	467
Pachinko machine installations (million units)	2.95	2.91	2.83	2.74	2.63	2.55	2.43	2.33	2.27
Pachislot machine installations (million units)	1.64	1.66	1.69	1.68	1.66	1.63	1.57	1.47	1.33

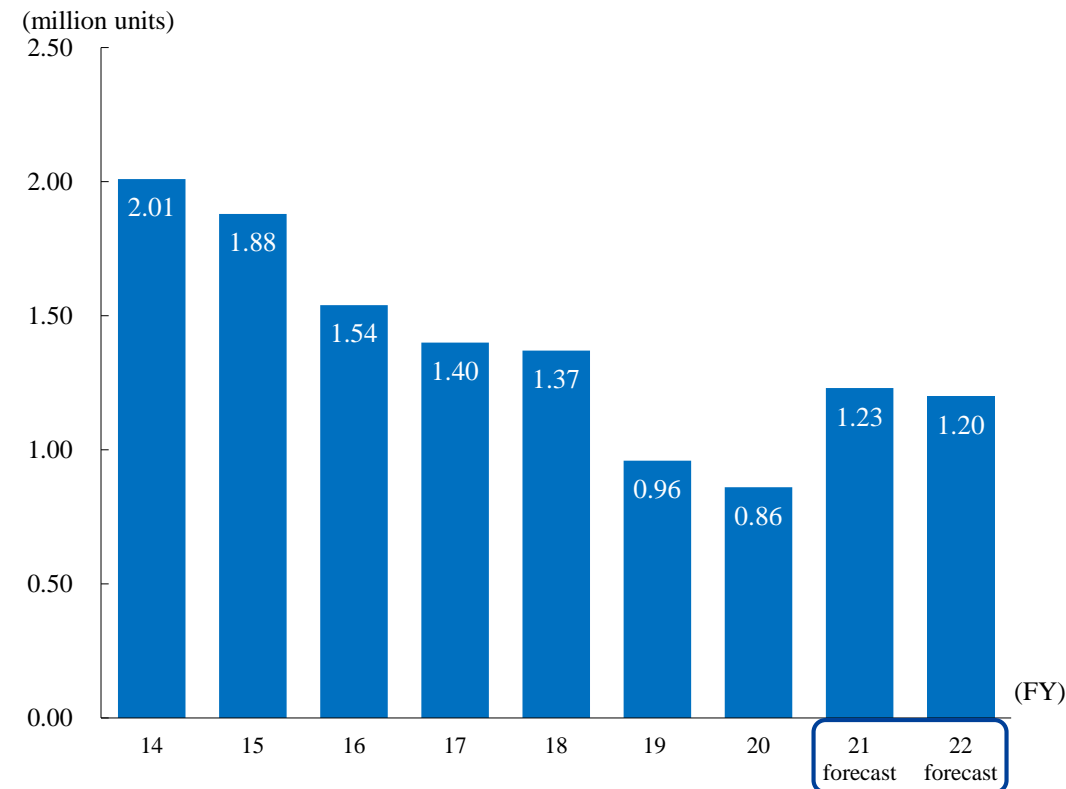
Note: Data source: National Police Agency. Data on a calendar year basis (from Jan to Dec). Figures for 2022 is the Company's estimates.

Market Environment

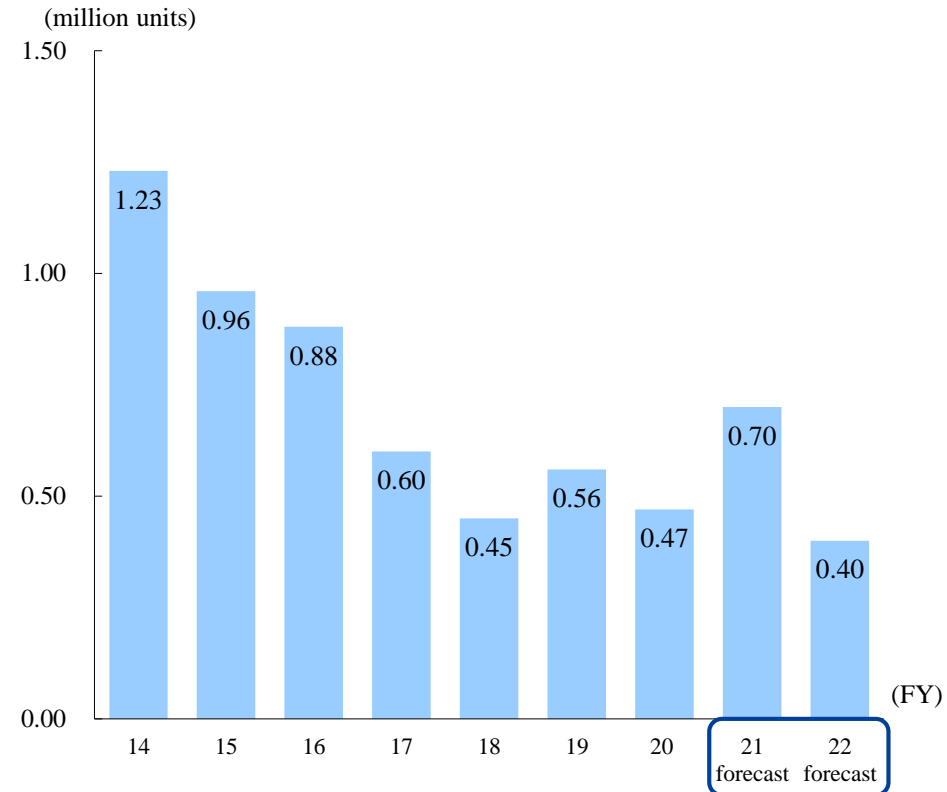
(Pachinko and Pachislot Machine Business) 3

Pachinko and Pachislot Machine Business

Pachinko machine sales



Pachislot machine sales



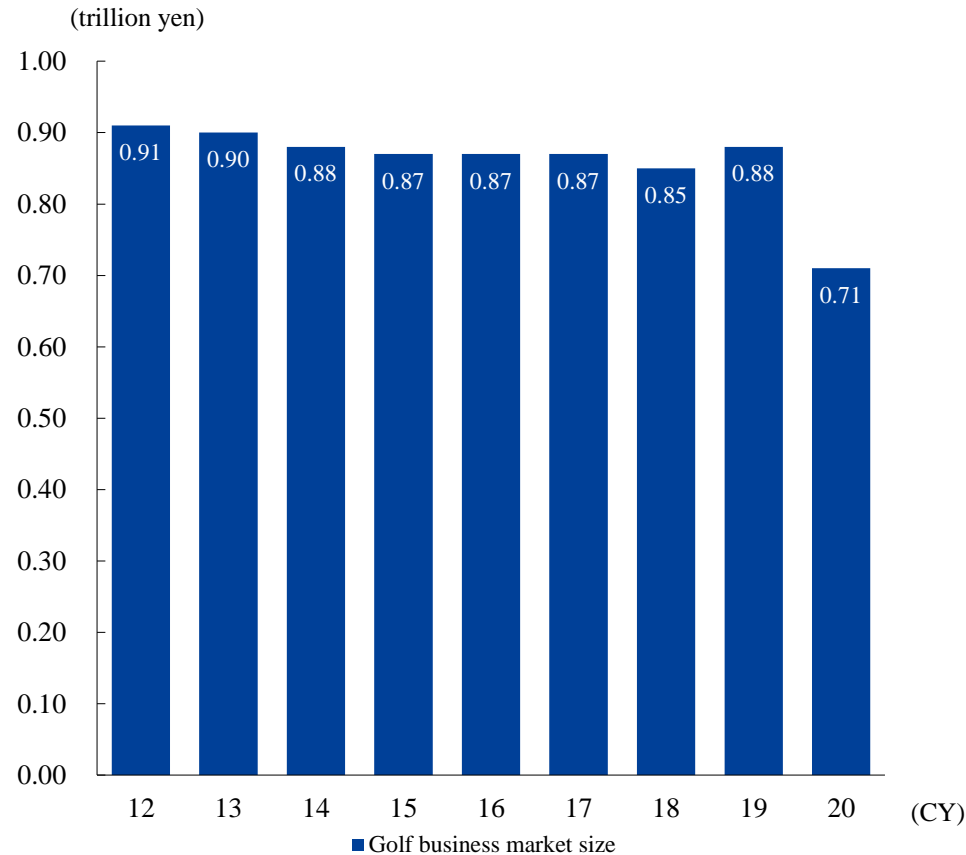
Number of machines sold (million units)	2014	2015	2016	2017	2018	2019	2020	2021	2022 Forecast
Pachinko machines	2.01	1.88	1.54	1.40	1.37	0.96	0.86	1.23	1.20
Pachislot machines	1.23	0.96	0.88	0.60	0.45	0.56	0.47	0.70	0.40

Note: Data source: Yano Research Institute. Data on a fiscal year basis (from April to March of the next year). Data for 2021 is the Company's forecast.

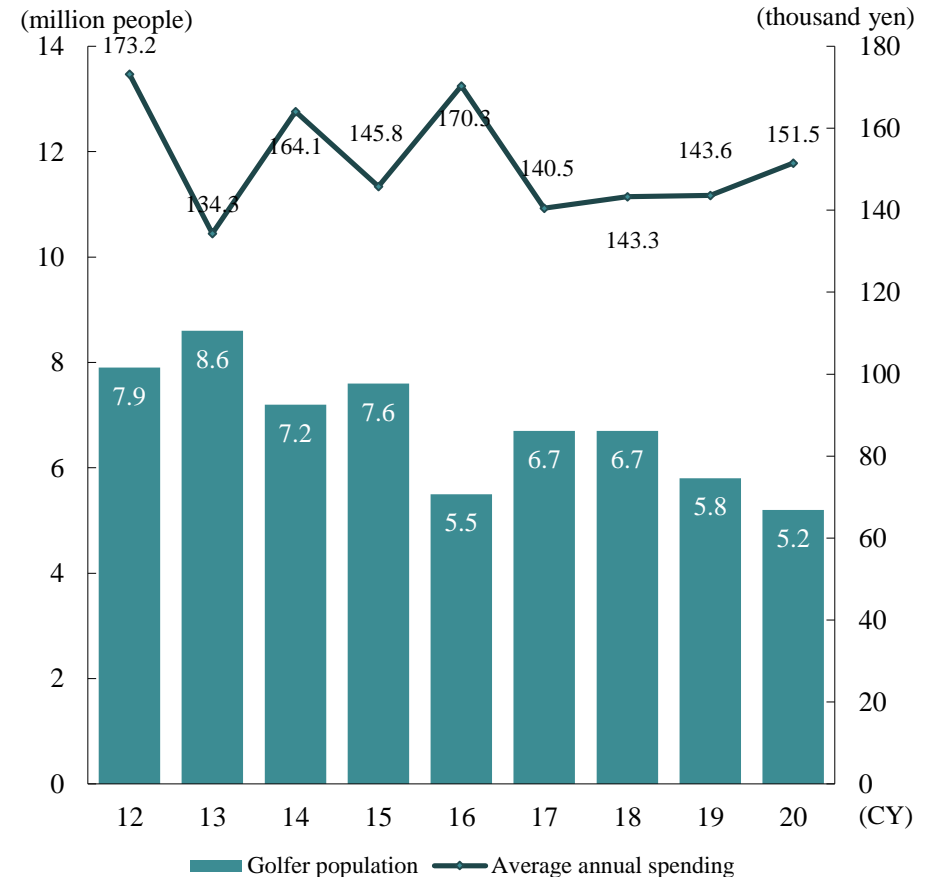
Market Environment (Golf Business)

Golf Business

Market Size



Golfer Population / Average Annual Spending



	2012	2013	2014	2015	2016	2017	2018	2019	2020
Market size (trillion yen)	0.91	0.90	0.88	0.87	0.87	0.87	0.85	0.88	0.71
Golfer population (million)	7.9	8.6	7.2	7.6	5.5	6.7	6.7	5.8	5.2
Average annual spending (thousand yen)	173.2	134.3	164.1	145.8	170.3	140.5	143.3	143.6	151.5

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

Main Standards, etc. after Revision of Regulations for Pachinko & Pachislot Machines

	Pachinko	Pachislot
2018	■ New Standard (Apply : 11/2018～) <ul style="list-style-type: none"> Removal of upper limit on probability change continuation rate 	■ Model 6.0 (Apply : 4/2018～) <ul style="list-style-type: none"> Advantageous section: 1,500 games Removal of the upper limit on the number of net increase of medals per game Enable to develop “AT”
2019	■ New Standard (Apply : 5/2019～) <ul style="list-style-type: none"> Removal of lower limit on number of prize balls and “bases” 	■ Model 6.1 (Apply : 12/2019～) <ul style="list-style-type: none"> Advantageous section: 1,500 games Relaxation of penalty regulations Relaxation of restrictions on effects using start levers/buttons, etc. Relaxation of restrictions on video reel effects
2020	■ Change to “Interpretive Criteria for Technical Standards” (Apply : 1/2020～) <ul style="list-style-type: none"> Removal of 100-time upper limit on frequency of time reductions, etc. “Yu- Time” 	
2021		■ Model 6.2 (Apply : 5/2021～) <ul style="list-style-type: none"> Relaxation of the upper limit of advantageous section (1,500 games→3,000 games)
2022		■ Model 6.5 Pachislot machine (Apply : 1/2022～) <ul style="list-style-type: none"> Relaxation of the upper limit of advantageous section (3,000 games→4,000 games) Revision of “2,400-token cap” Smart Pachislot (Apply : 4/2022～) <ul style="list-style-type: none"> Relaxation of the upper limit of advantageous section Revision of “2,400-token cap”

Number of Machines Sold

Titles Released in FY ended March 31, 2022

Pachinko and Pachislot Machine Business

Number of machines sold

(units)	FY 3/2017	FY 3/2018	FY 3/2019	FY 3/2020			FY 3/2021				FY 3/2022				
	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	Full year
Total	273,714	138,626	166,124	34,929	77,851	124,148	164,400	2,644	8,379	42,613	85,283	23,211	38,269	63,030	92,826
Pachinko machines	192,761	117,774	118,880	26,724	45,182	63,381	95,483	1,235	4,410	37,867	49,890	16,542	29,113	40,228	63,095
Body	167,951	72,185	60,946	12,024	23,060	31,996	41,887	267	585	33,121	39,455	15,752	27,351	36,124	49,040
Gauge board	24,810	45,589	57,934	14,700	22,122	31,385	53,596	968	3,825	4,746	10,435	790	1,762	4,104	14,055
Pachislot machines	80,953	20,852	47,244	8,205	32,669	60,767	68,917	1,409	3,969	4,746	35,393	6,669	9,156	22,802	29,731
Chassis	36,001	1,344	14,093	588	4,337	25,255	29,288	587	914	1,042	27,423	6,606	9,093	22,736	29,663
Combined unit	44,952	19,508	33,151	7,617	28,332	35,512	39,629	822	3,055	3,704	7,970	63	63	66	68

Titles released in FY ended March 31, 2022

Pachinko

Release	Title	Units sold
1Q	<i>GIRLS und PANZER der FILM</i>	8,722
	<i>NEW TOKIO</i>	5,480
	<i>Pink Lady</i>	1,977
2Q	<i>Maison Ikkoku: Wedding Story</i>	4,650
	<i>Shin Onimusha</i>	5,834
	<i>Lupin the Third: Fukkatsu no Mamo 219 ver.</i>	1,719
3Q	<i>Umaibo</i>	4,667
	<i>BAKI</i>	4,631
4Q	<i>Lupin the Third 2000 carat no Namida</i>	18,172
Total*		63,095

Pachislot

Release	Title	Units sold
1Q	<i>Pachislot GIRLS und PANZER der FILM</i>	4,500
2Q	<i>Pachislot Mahjong Monogatari4</i>	3,748
3Q	<i>Shuyaku wa Zenigata3</i>	3,200
	<i>Pachislot Sengokuotome: Akatsuki no Sekigahara DARKNESS</i>	4,584
	<i>Umaibo</i>	5,500
4Q	<i>Nangokumonogatari30</i>	1,767
	<i>Lupin the Third</i>	4,165
Total*		29,731

*Total includes units of titles released in FY 3/2022 (Pachinko: 7,243 units, Pachislot: 2,267 units)

Trends of Golf Course Users and Revenue per Customer 1



Golf Business

Number of Golf Course Users

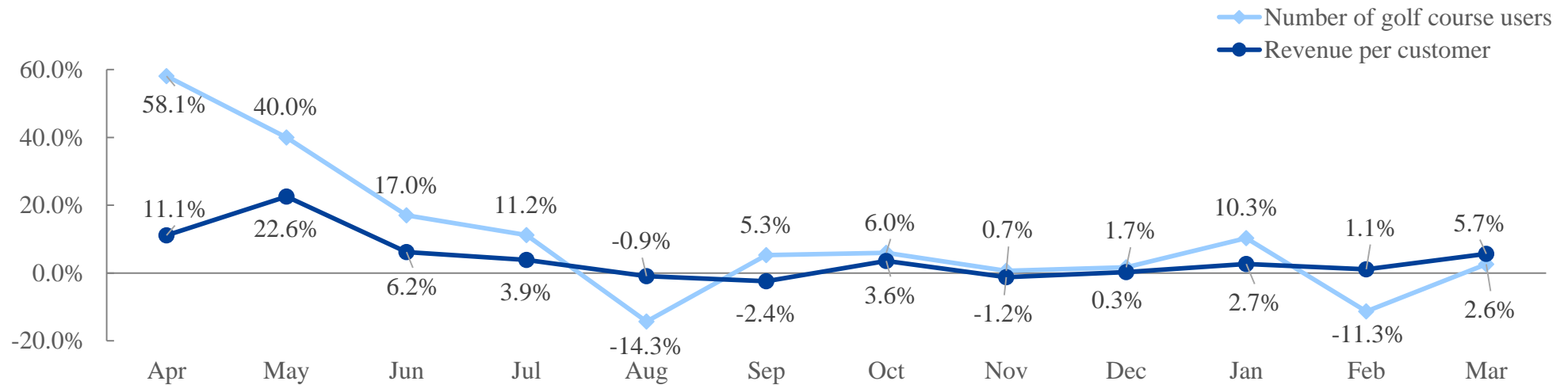
(persons)	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
FY 3/2017	639,909	751,256	658,871	726,699	649,334	631,137	726,674	662,099	626,216	471,345	413,167	595,830	7,552,537
FY 3/2018	675,659	792,244	711,469	750,806	704,955	715,606	647,910	730,972	644,083	447,133	403,933	614,892	7,839,662
FY 3/2019	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	515,600	568,067	675,789	7,902,897
FY 3/2022	761,654	834,763	780,948	764,810	700,529	762,862	828,869	800,196	723,229	573,250	505,763	698,958	8,735,831

Revenue per Customer

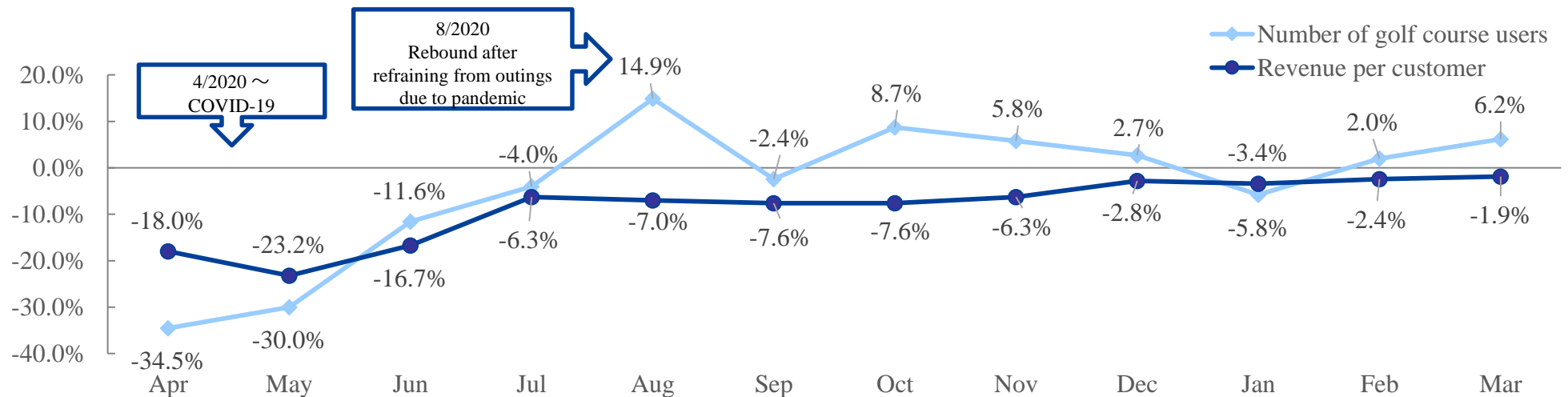
(yen)	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Average
FY 3/2017	9,397	9,572	9,213	8,792	8,176	9,050	9,781	10,014	9,429	8,545	8,011	8,868	9,129
FY 3/2018	9,363	9,408	9,162	8,871	8,241	9,045	9,721	9,993	9,590	8,953	8,372	9,143	9,188
FY 3/2019	9,458	9,548	9,446	8,804	8,313	9,319	9,623	9,915	9,639	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	8,340	8,028	8,290	8,301
FY 3/2022	8,768	9,021	8,390	8,495	7,970	8,296	9,234	9,618	9,422	8,636	8,160	8,792	8,764

Trends of Golf Course Users and Revenue per Customer 2

Monthly result comparison – FY 3/2022 vs FY 3/2021



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



* Based on operating golf courses since previous year.

Golf Course Portfolio

Golf Business

	As of March 31, 2021		As of March 31, 2022	
	Courses	18H equivalent	Courses	18H equivalent
Owned Golf Courses	144	175.0	145	176.0
Leased Golf Courses	1	2.0	1	2.0
Total	145	177.0	146	178.0
Hokkaido	6	9.5	6	9.5
Tohoku	8	10.0	8	10.0
Kanto, Koushinetsu	65	76.5	66	77.5
Tokai, Hokuriku	12	13.0	12	13.0
Kansai	21	27.5	21	27.5
Chugoku	10	11.5	10	11.5
Shikoku	6	6.5	6	6.5
Kyusyu, Okinawa	17	22.5	17	22.5
Total	145	177.0	146	178.0

State of affairs in the fiscal year ended March 31, 2022

【Acquisition】

10/1/2021 Old Orchard Golf Club commenced operation
(Higashiibaraki District, Ibaraki Prefecture – 18H)

【Stock transfer agreement】

None

【Sponsorship agreements】

None

【Sale】

None

Financial Performance Trend

Consolidated

(million yen)	FY 3/2017	FY 3/2018	FY 3/2019	FY 3/2020	FY 3/2021						FY 3/2022				
	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	Full year
Net sales	186,218	132,765	144,980	36,809	73,911	114,334	144,573	16,173	37,781	76,109	107,744	32,051	58,754	92,376	121,558
Pachinko and Pachislot machine Business	108,139	51,552	62,407	13,021	29,568	47,542	61,658	1,171	2,893	18,263	33,292	9,116	15,260	24,482	36,249
Pachinko machines	75,823	44,428	45,569	9,861	17,243	24,227	35,357	479	1,280	16,303	20,625	6,378	11,387	15,615	24,741
Pachislot machines	31,607	6,702	16,509	3,098	12,189	23,129	26,059	637	1,513	1,740	12,344	2,683	3,744	8,674	11,263
Golf Business	78,078	81,213	82,573	23,788	44,342	66,791	82,914	15,001	34,888	57,845	74,452	22,934	43,494	67,893	85,308
Operating income	36,599	13,931	28,014	8,102	13,550	22,805	23,551	-4,415	-4,680	1,853	5,311	4,367	4,733	9,957	10,235
Pachinko and Pachislot machine Business	29,602	7,149	20,791	3,294	7,946	14,075	17,450	-3,301	-5,795	-3,999	287	77	-1,495	-1,666	-607
Pachinko machines	17,609	7,025	15,260	2,127	1,874	2,212	5,120	-2,442	-4,837	-2,434	-2,332	-229	-1,360	-2,102	-1,192
Pachislot machines	11,869	26	5,474	1,150	6,037	11,844	12,293	-859	-968	-1,601	2,570	296	-157	405	538
Golf Business	10,935	9,930	10,599	5,661	7,194	11,153	9,286	-503	2,460	7,864	7,624	4,796	7,429	13,405	13,280
Eliminations & corporate expenses	-3,937	-3,147	-3,376	-853	-1,590	-2,423	-3,185	-611	-1,346	-2,010	-2,600	-507	-1,199	-1,781	-2,437
Operating income ratio	19.7%	10.5%	19.3%	22.0%	18.3%	19.9%	16.3%	-27.3%	-12.4%	2.4%	4.9%	13.6%	8.1%	10.8%	8.4%
Ordinary income	35,655	13,105	27,451	8,172	13,532	22,590	23,278	-4,491	-4,694	2,388	5,799	4,331	4,844	9,876	10,467
Profit attributable to owners of parent	27,058	6,799	16,341	5,857	9,407	15,296	15,872	-5,813	-6,179	-2,528	865	2,633	2,543	4,604	2,193
SGA expenses	37,447	30,652	27,822	6,716	16,698	24,686	32,760	5,552	11,176	17,401	23,723	5,509	11,241	16,999	23,163
Personnel expenses	7,207	6,211	6,356	1,423	2,864	4,288	5,985	1,395	2,804	4,199	5,676	1,361	2,763	4,115	5,700
Selling expenses	9,898	6,928	7,294	928	3,544	5,570	7,803	179	815	1,659	2,942	508	1,245	2,052	3,065
Advertising expenses	2,842	2,368	2,179	288	698	1,699	1,950	107	338	569	795	174	361	609	952
Sales commissions	2,858	1,135	1,660	316	886	1,529	1,885	38	104	352	921	230	347	681	954
General expenses	20,341	17,512	14,171	4,363	10,290	14,827	18,972	3,948	7,556	11,592	15,103	3,639	7,233	10,832	14,397
R&D expenses	12,841	10,832	7,881	2,815	7,303	10,268	12,680	2,806	5,176	7,627	9,949	2,212	4,518	6,833	9,091
Depreciation & amortization	11,098	10,740	9,868	2,016	4,171	6,428	8,745	1,958	4,052	6,424	9,016	2,373	4,830	7,369	10,082
Capital investment	14,050	14,166	7,091	2,943	5,360	7,257	9,667	2,631	4,167	5,495	6,921	2,762	5,024	6,332	8,095

Key Financial Indicators

Consolidated

(million yen)	FY 3/2017	FY 3/2018	FY 3/2019	FY 3/2020	FY 3/2021	FY 3/2022	Formula
Net Sales	186,218	132,765	144,980	144,573	107,744	121,558	
Operating Income	36,599	13,931	28,014	23,551	5,311	10,235	
Ordinary Income	35,655	13,105	27,451	23,278	5,799	10,467	
Profit attributable to owners of parent	27,058	6,799	16,341	15,872	865	2,193	
Total Assets	449,152	430,287	442,845	436,762	430,070	417,066	
Cash, Deposits and Securities	106,576	86,245	93,180	83,296	70,083	67,052	
Interest Bearing Debt	132,917	123,116	120,756	115,834	121,454	112,646	
Net Assets	217,405	216,701	225,052	232,575	226,242	217,186	
Shareholders' Equity	217,381	216,690	225,052	232,575	226,242	217,186	
ROE	13.0%	3.1%	7.4%	6.9%	0.4%	1.0%	
Operating Income Ratio	19.7%	10.5%	19.3%	16.3%	4.9%	8.4%	Operating income/Net sales
Net Income Ratio	14.5%	5.1%	11.3%	11.0%	0.8%	1.8%	Net income/Net sales
Asset Turnover	0.41	0.30	0.33	0.33	0.25	0.29	Net sales/Total assets *1
Financial Leverage	2.16	2.03	1.98	1.92	1.89	1.91	Total assets/Shareholders' equity *1,2
Net Debt Equity Ratio	12.1%	17.0%	12.3%	14.0%	22.7%	21.0%	Net interest-bearing debt/Shareholders' equity
Shareholders' Equity Ratio	48.4%	50.4%	50.8%	53.2%	52.6%	52.1%	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

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