

Results for the 3rd Quarter of Fiscal Year Ending March 31, 2024

Heiwa Corporation

Code Number: 6412
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Results for the 3rd Quarter of FY Ending March 31, 2024



Consolidated Statements of Income (Results)

■ Income and profit were down year on year (net sales -11.6% YoY and operating income -31.4% YoY)

- ✓ In the pachinko and pachislot machine business, both income and profit fell due to fewer units sold and higher SG & A expenses.
- ✓ In the golf business, both income and profit grew, thanks in part to higher revenue per customer as a result of pricing incorporating robust demand for playing golf.

(million yen)	FY 3/2023 3Q	FY 3/2024 3Q	YoY
Net Sales	116,253	102,804	-11.6%
Pachinko and Pachislot machine business	43,382	26,322	-39.3%
Golf Business	72,871	76,481	5.0%
Operating income	28,161	19,314	-31.4%
Pachinko and Pachislot machine business	15,140	2,617	-82.7%
Golf Business	15,167	18,685	23.2%
Eliminations & Corporate expenses	-2,147	-1,989	-7.3%
Operating income ratio	24.2%	18.8%	-5.4pt
Ordinary income	27,793	18,546	-33.3%
Profit attributable to owners of parent	20,506	11,609	-43.4%
EBITDA*	34,772	26,177	-24.7%

* EBITDA = Operating income + depreciation + amortization

■ SG & A Expenses were up year on year (+1.7% YoY)

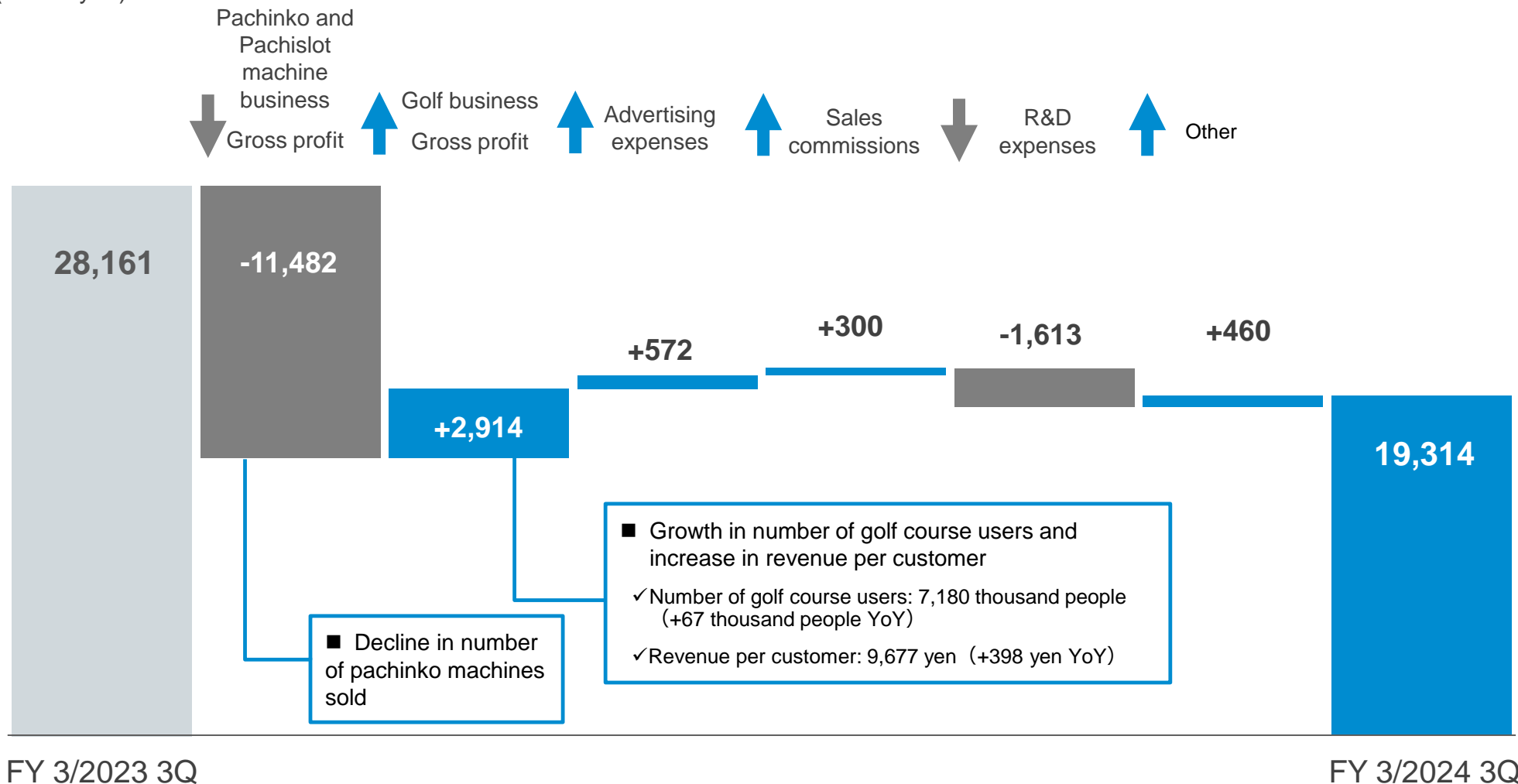
- ✓ Advertising expenses decreased year on year because a men's professional golf tournament was held in the previous fiscal year but not in this fiscal year.
- ✓ Sales commissions decreased, mainly due to fewer pachinko machines sold.
- ✓ R&D expenses increased due to enhancement of image production, etc.; progress is in line with development plans.
- ✓ Capital investment increased year on year, mainly due to capital investment in a hotel project in the golf business.

(million yen)	FY 3/2023 3Q	FY 3/2024 3Q	YoY
SG & A expenses	16,048	16,327	1.7%
Advertising expenses	1,465	892	-39.1%
Sales commissions	1,065	764	-28.2%
R&D expenses	4,949	6,562	32.6%
Depreciation & Amortization	6,426	6,663	3.7%
Pachinko and Pachislot machine business	1,170	963	-17.7%
Golf business	5,255	5,699	8.4%
Capital Investment	6,236	8,854	42.0%
Pachinko and Pachislot machine business	947	573	-39.5%
Golf business	5,288	8,281	56.6%

Factors Contributing to Change in Operating Income (Results)

■ Operating income decreased by 8,847 million yen year on year

(million yen)



Pachinko and Pachislot Machine Business (Machine Sales Results)

■ The number of machines sold decreased slightly year on year (-44k units YoY)

		FY 3/2023 3Q	FY 3/2024 3Q	YoY
Number of machine sold		106,153	61,998	-44k units
Pachinko machine	Number of titles released	6	4	-2
	Number of machine sold	61,923	23,272	-38k units
	Body	42,462	11,882	-30 units
	Gauge board	19,461	11,390	-8k units
Pachislot machine	Number of titles released	5	3	-2
	Number of machine sold	44,230	38,726	-5k units
	Chassis	43,773	38,726	-5k units
	Combined units	457	0	-0k units

Major pachinko titles in the 3Q

Titles	Sales (units)	Release
<i>e Lupin the Third: Zenigatakara no Shoutaijyou</i>	6,412	Nov. 2023

Major pachislot titles in the 3Q

Titles	Sales (units)	Release
<i>L Love-jo 3:W Goshimei wa Ikagadesuka</i>	5,918	Dec. 2023



■ Income and profit were down year on year (net sales -39.3% YoY and operating income -82.7% YoY)

- ✓ Net sales decreased due to sluggish sales of pachinko machines compared to the previous fiscal year.
- ✓ Profit fell mainly due to a decline in net sales resulting from sluggish sales of pachinko machines, along with higher R&D expenses.

(million yen)	FY 3/2023 3Q	FY 3/2024 3Q	YoY
Net sales	43,382	26,322	-39.3%
Pachinko machines	25,711	8,752	-66.0%
Pachislot machines	17,640	17,529	-0.6%
Gross profit	24,578	13,095	-46.7%
Pachinko machines	14,184	3,490	-75.4%
Pachislot machines	10,371	9,565	-7.8%
Gross profit ratio	56.7%	49.8%	-6.9pt
Operating income	15,140	2,617	-82.7%
Pachinko machines	8,778	-2,102	-
Pachislot machines	6,337	4,680	-26.1%
Operating income ratio	34.9%	9.9%	-25.0pt



■ The number of golf course users increased and revenue per customer grew year on year

- ✓ Despite the impact of factors such as typhoons and heavy rain in May and June, along with a record-setting heat wave that began in the latter half of July, the number of golf course users increased thanks to robust demand for playing golf, which was boosted by unseasonably warm weather in November and December.
- ✓ Revenue per customer rose thanks to pricing based on robust demand, as well as measures to improve the earnings structure and strategies for differentiation from competitors.

■ Number of golf course users / Revenue per customer

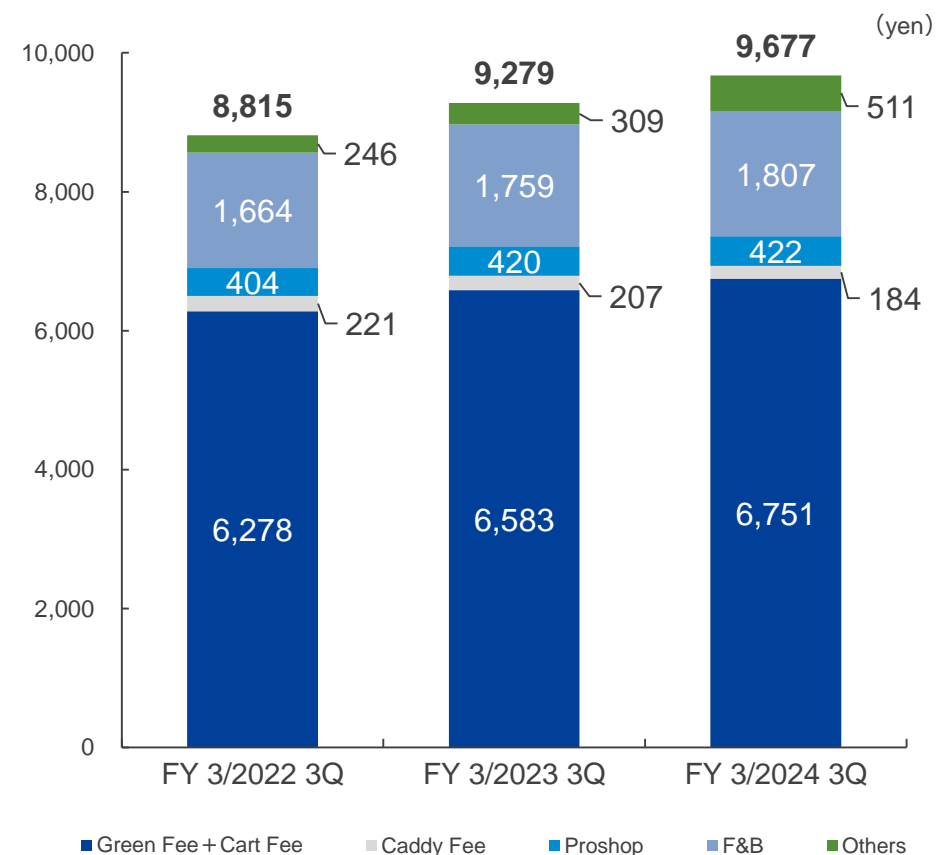
3Q cumulative (9months)	FY 3/2022	FY 3/2023	FY 3/2024	YoY
Number of golf course users (thousand people)	6,957	7,113	7,180	0.9%
Revenue per customer (yen)	8,815	9,279	9,677	4.3%

3Q (3months)	FY 3/2022	FY 3/2023	FY 3/2024	YoY
Number of golf course users (thousand people)	2,352	2,347	2,410	2.7%
Revenue per customer (yen)	9,422	9,816	10,148	3.4%

■ (Reference) Number of golf courses owned/operated

Fiscal year	FY 3/2022	FY 3/2023	FY 3/2024 3Q	YoY
Number of golf course	146	147	148	1

■ Breakdown of Revenue per Customer





■ Income and profit were up year on year (net sales +5.0% YoY and operating income +23.2% YoY)

- ✓ Both income and profit grew, mainly thanks to an increase in net sales resulting from growth in the number of golf course users and higher revenue per customer.
- ✓ A golf course acquired in the previous fiscal year (PGM Gotenba Country Club) as well as various billing measures contributed to profit.

(million yen)	FY 3/2022 3Q	FY 3/2023 3Q	FY 3/2024 3Q	YoY
Net sales	67,893	72,871	76,481	5.0%
Gross profit	17,330	19,631	22,546	14.8%
Gross profit ratio	25.5%	26.9%	29.5%	+2.6pt
Operating income	13,405	15,167	18,685	23.2%
Operating income ratio	19.7%	20.8%	24.4%	+3.6pt

Breakdown of Sales

(million yen)	FY 3/2022 3Q	FY 3/2023 3Q	FY 3/2024 3Q	YoY
Revenue from golf course operation	61,337	66,008	69,488	5.3%
Membership-related sales	5,991	6,128	6,167	0.6%

Consolidated Balance Sheets (Summary)

(million yen)	As of March 31, 2023	As of December 31, 2023	Change	Remarks
Current assets	96,622	93,534	-3,088	✓ Decrease in Cash, etc.
Non-current assets	327,105	329,380	2,274	✓ Decrease in Securities ✓ Increase due to golf course acquisition
Total assets	423,727	422,914	-813	
Current liabilities	69,459	64,357	-5,101	
Non-current liabilities	123,262	124,652	1,390	✓ Decrease in repayment of loans payable
Total liabilities	192,721	189,010	-3,711	
Total net assets	231,005	233,903	2,898	
Total liabilities and net assets	423,727	422,914	-813	

(million yen)	As of March 31, 2023	As of December 31, 2023	
Cash and deposits, and securities	67,716	53,775	✓ D/E ratio (interest-bearing debt/shareholders' equity) 47.0% → 45.4%
Interest-bearing debt	108,645	106,219	✓ Net D/E ratio (net interest-bearing debt/shareholders' equity) 17.7% → 22.4%
Shareholders' equity	231,005	233,903	
Shareholders' equity ratio	54.5%	55.3%	

Full-year Plan for FY Ending March 31, 2024



■ Initial plans have been revised downward (compared to initial plans, net sales down 12.4% and operating income down 24.7%).

- ✓ In the pachinko and pachislot machine business, the total number of units sold has decreased amid weak market demand for pachinko machines. In addition, compliance with type testing is taking a long time, causing the release of several planned pachinko and pachislot titles to be postponed until the next fiscal year. As a result, net sales and income are expected to be lower than initially planned.
- ✓ The golf business is expected to exceed initial plans because revenue per customer has been higher than planned thanks to robust demand for playing golf and various billing measures, while costs have been lower than anticipated due to conservative estimation of the impact of soaring energy prices.
- ✓ Due to the above factors, performance in the golf business has been strong but not enough to fully compensate for the pachinko and pachislot machine business. As a result, net sales and income are expected to be lower than the previously announced forecast.

(million yen)	FY 3/2023 Results	FY 3/2024		Variance from previous year	Variance from initial plan
		Initial Plan	Revised Plan		
Net Sales	142,290	154,600	135,400	-4.8%	-12.4%
Pachinko and Pachislot machine business	50,678	59,900	39,800	-21.5%	-33.6%
Golf Business	91,611	94,700	95,600	4.4%	1.0%
Operating income	26,905	30,000	22,600	-16.0%	-24.7%
Pachinko and Pachislot machine business	15,155	15,900	6,200	-59.1%	-61.0%
Golf Business	14,582	17,000	19,100	31.0%	12.4%
Eliminations & Corporate expenses	-2,833	-2,900	-2,700	-4.7%	-6.9%
Operating income ratio	18.9%	19.4%	16.7%	-2.2pt	-2.7pt
Ordinary income	26,631	28,700	21,600	-18.9%	-24.7%
Profit attributable to owners of parent	20,685	21,000	13,700	-33.8%	-34.8%
EBITDA*	35,954	39,400	32,000	-11.0%	-18.8%

* EBITDA = Operating income + depreciation + amortization



SG & A Expenses, etc. (Revision of Forecast)

■ SG & A expenses are expected to be lower than initially planned (-2.5% compared to initial plans).

- ✓ Advertising expenses are expected to be lower than initially planned because the cost of a men's professional golf tournament was anticipated, but this tournament was not held.
- ✓ Sales commissions are expected to be lower than initially planned due to fewer total units sold.
- ✓ R&D expenses are expected to exceed initial plans due to factors such as the revised timing of receipt and inspection of image production, etc.
- ✓ Depreciation/amortization and capital investment plans are in line with initial plans.

(million yen)	FY 3/2023 Results	FY 3/2024		Variance from previous year	Variance from initial plan
		Initial Plan	Revised Plan		
SG & A expenses	22,408	24,400	23,800	6.2%	-2.5%
Advertising expenses	2,046	2,900	1,600	-21.8%	-44.8%
Sales commissions	1,191	1,600	1,200	0.7%	-25.0%
R&D expenses	7,009	8,100	9,300	32.7%	14.8%
Depreciation & Amortization	8,801	9,100	9,100	3.4%	-
Pachinko and Pachislot machine business	1,691	1,400	1,400	-17.2%	-
Golf business	7,110	7,700	7,700	8.3%	-
Capital Investment	8,424	14,800	14,800	75.7%	-
Pachinko and Pachislot machine business	1,117	1,600	1,600	43.1%	-
Golf business	7,306	13,200	13,200	80.7%	-

Pachinko and Pachislot Machine Business (Machine Sales Plan)

- The number of machines sold is expected to decrease from initial plans (-46k units compared to initial plans).

		FY 3/2023 Results	FY 3/2024		Variance from previous year	Variance from initial plan
			Initial Plan	Revised Plan		
Number of machine sold		126,894	140,000	93,500	-33k units	-46k units
Pachinko machine	Number of titles released	8	8	6	-2	-2
	Number of machine sold	80,322	79,000	28,700	-51k units	-50k units
	Body	49,385	69,750	13,300	-36k units	-56k units
	Gauge board	30,937	9,250	15,400	-15k units	+6k units
Pachislot machine	Number of titles released	5	7	5	-	-2
	Number of machine sold	46,572	61,000	64,800	+18k units	+3k units
	Chassis	46,115	61,000	64,800	+18k units	+3k units
	Combined units	457	0	0	-0k units	- units

Title to Release / Pachinko Machine

Title	Release Date
<i>P BIOHAZARD RE:2</i>	May 2023
<i>e Cat's Eye</i>	Jul. 2023
<i>P City Hunter: Ore no Kokoro wo Furuwasetahi Sugo Light Middle</i>	Aug. 2023
<i>e Lupin the Third: Zenigatakara no Shoutaijyou</i>	Nov. 2023
<i>P Pochitto Ippatsu! Odatebuta 2</i>	Jan. 2024
<i>P New TOKIO GREEN</i>	Feb. 2024

Title to Release / Pachislot Machine

Title	Release Date
<i>L Shuyaku wa Zenigata4</i>	May 2023
<i>L Sengokuotome4: Senran ni Hirameku Douran no Gunshi</i>	Sep. 2023
<i>L Love-jo 3:W Goshimei wa Ikagadesuka</i>	Dec. 2023
<i>L Pachislot GIRLS und PANZER das FINALE</i>	Feb. 2024
<i>L Nangokusodachi</i>	Mar. 2024

L Pachislot *GIRLS und PANZER das FINALE*

- ✓ Our fifth Smart Pachislot title is the fourth title in the *GIRLS und PANZER* pachislot series.
- ✓ Players aim for the AT (Assisted Time) “Senshadow” from the variety-filled CZ (Chance Zone). The game system takes advantage of the work’s story and unique characters.
- ✓ Both sales and utilization have been good.



©GIRLS und PANZER Projekt ©GIRLS und PANZER Film Projekt
©GIRLS und PANZER Finale Projekt

L Pachislot *Nangokusodachi*







- ✓ The latest title in the *Nangokusodachi* series has been released as our sixth Smart Pachislot title.
- ✓ This title carries on the well-received game elements of the original while also adding new game elements such as the “Tokimeki Zone” and “Cho Tokimeki Zone” where players can expect an additional bonus after the end of the first one.
- ✓ Installation in pachinko parlors nationwide will begin in March 2024.








©GIRLS und PANZER Finale Projekt



Pachinko machine

1Q	2Q	3Q	4Q		
					
P BIOHAZARD RE.2 ©CAPCOM	e Cat's Eye ©北条司/コアミックス 1981 版権許諾証 YCF-695	P City Hunter: Ore no Kokoro wo Furuwasetahi Sugo Light Middle ©北条司/コアミックス 1985 版権許諾証 YKR-736	e Lupin the Third: Zenigata kara no Shoutaijyou ©モンキー・パンチ/TMS・NTV	P Pochitto Ippatsu! Odatebuta 2 ©タツノコプロ	P New TOKIO GREEN

Pachislot machine

1Q	2Q	3Q	4Q	
				
L Shuyaku wa Zenigata4 ©モンキー・パンチ/TMS・NTV	L Sengokuutome4: Senran ni Hirameku Douran no Gunshi ©HEIWA Character design by SHIROGUMI INC.	L Love-jo 3: W Goshimei wa Ikagadesuka ©GIRLS und PANZER Finale Projekt	L Pachislot GIRLS und PANZER das FINALE ©GIRLS und PANZER Finale Projekt	L Nangokusodachi

Golf Business (Measures to Expand Earnings)

“withGolf” and “Cool Cart”

- ✓ Demand for “withGolf” and “Cool Cart” has been strong.
- ✓ “withGolf” has about 300 support professionals on staff, and lessons are being held as required at golf courses nationwide (with some exceptions). The rollout of new services is planned soon.
- ✓ The number of “Cool Cart” units introduced will be increased significantly beginning in April 2024.



PGM LADIES WEEK

- ✓ Out of 148 golf courses nationwide, 20 have been selected as “golf courses recommended for female players.”
- ✓ Hosting of the “PGM LADIES WEEK” event for female golfers has been finalized for March 2024 at 18 golf courses nationwide.



Newly acquired golf course

- ✓ Commenced operation on October 2, 2023



武庫ノ台ゴルフコース



Mukonodai Golf Course (Kobe City, Hyogo Prefecture / 18H)



【Market Environment】

- Pachinko and Pachislot Machine Business
- Golf Business

【Pachinko and Pachislot Machine Business】

- Number of Machines Sold / Title Released in FY
Ending March 31, 2024

【Golf Business】

- Trends of Golf Users and Revenue per Customer 1
- Trends of Golf Users and Revenue per Customer 2
- Golf Course Portfolio

【Consolidated Results】

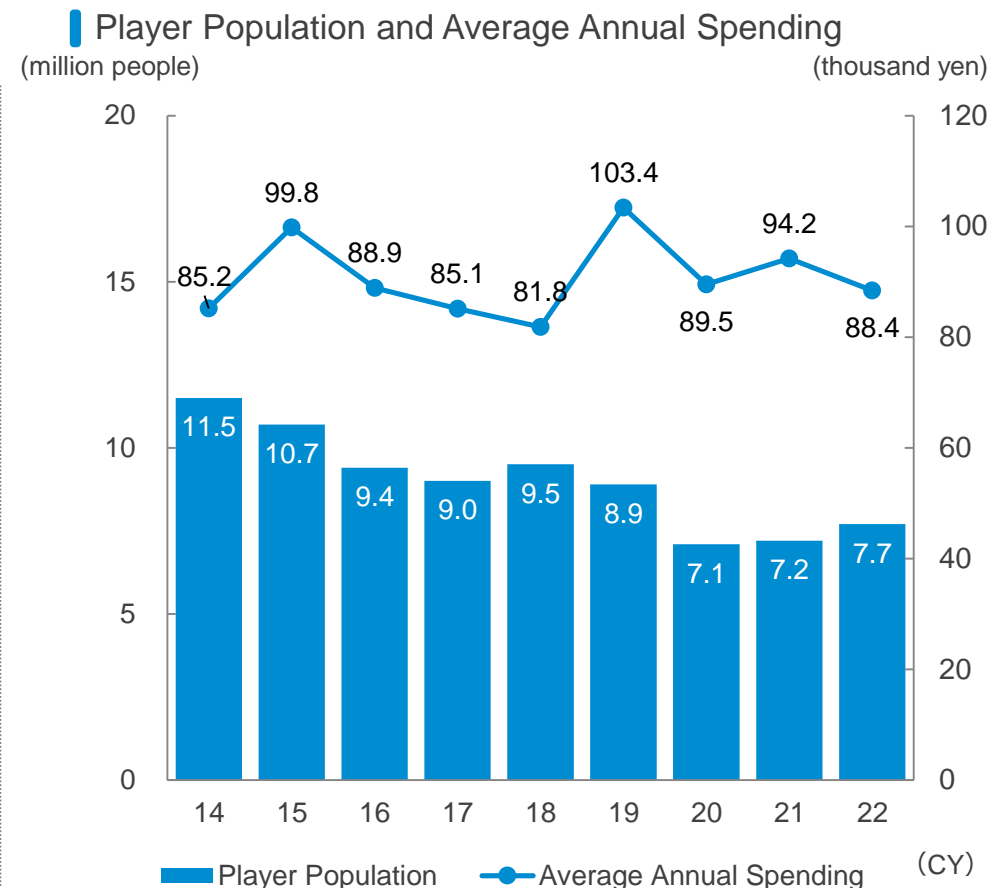
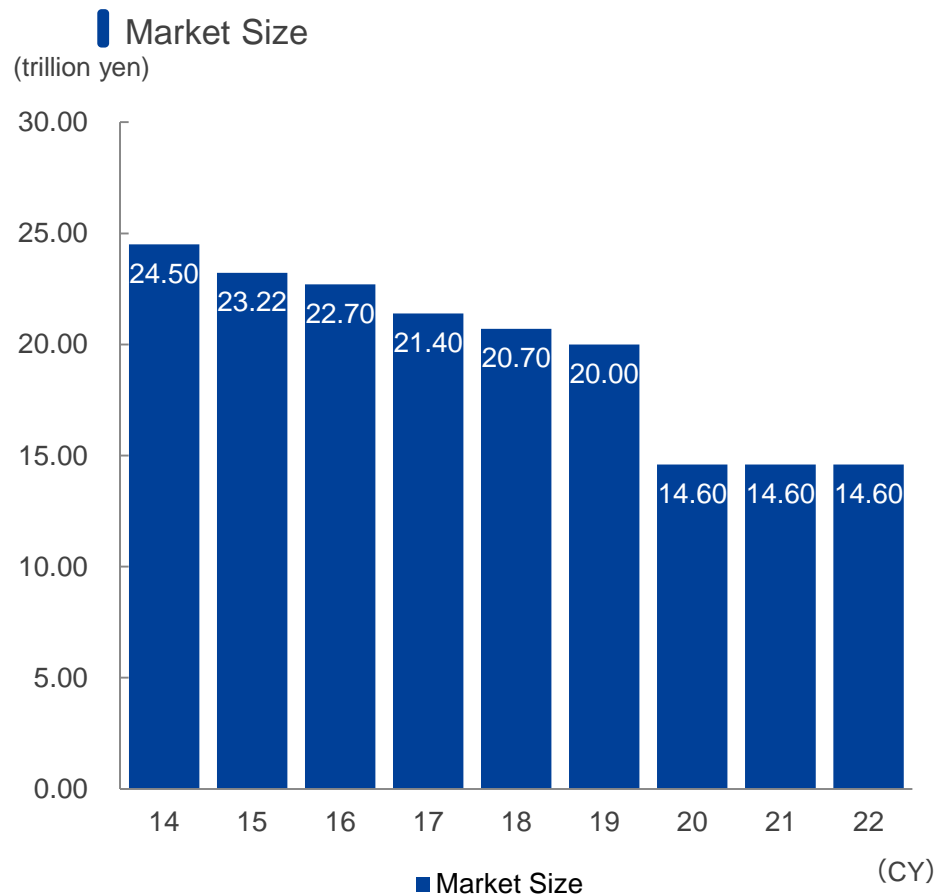
- Financial Performance Trend
- Key Financial Indicators

【Others】

- Other

Market Environment (Pachinko and Pachislot Machine Business) 1

Pachinko and Pachislot Machine business

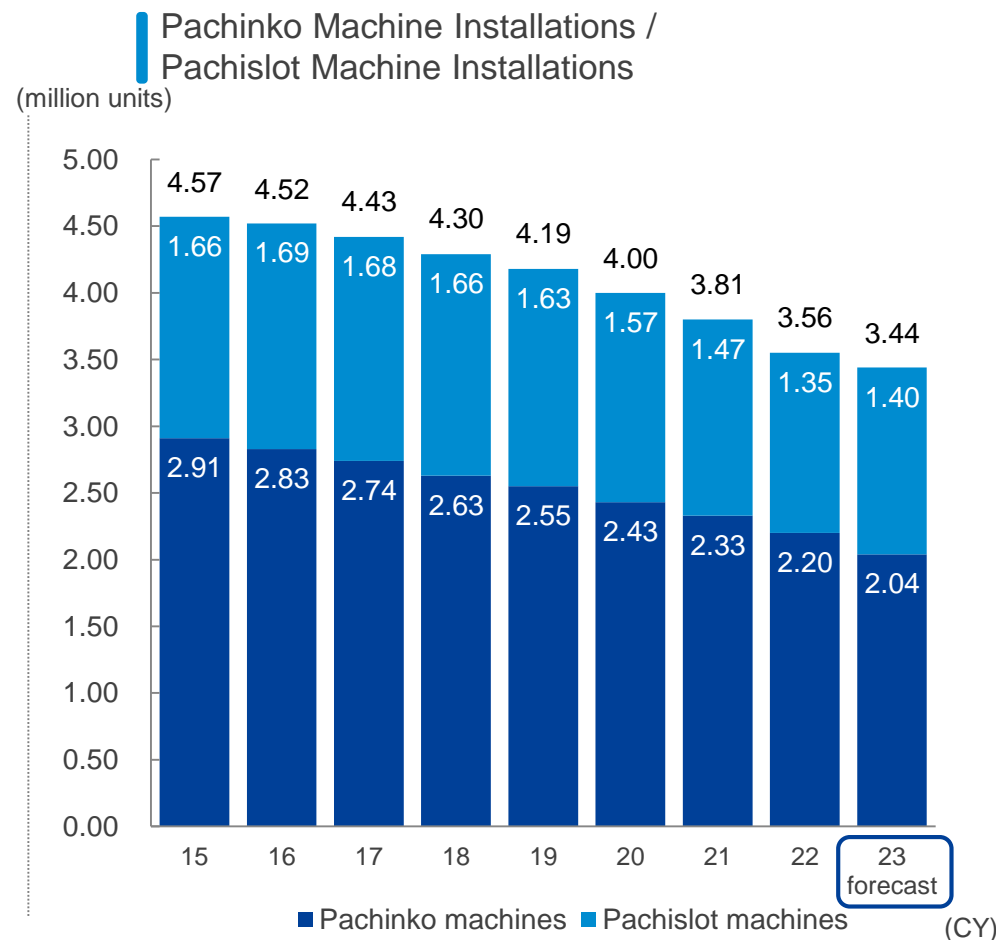
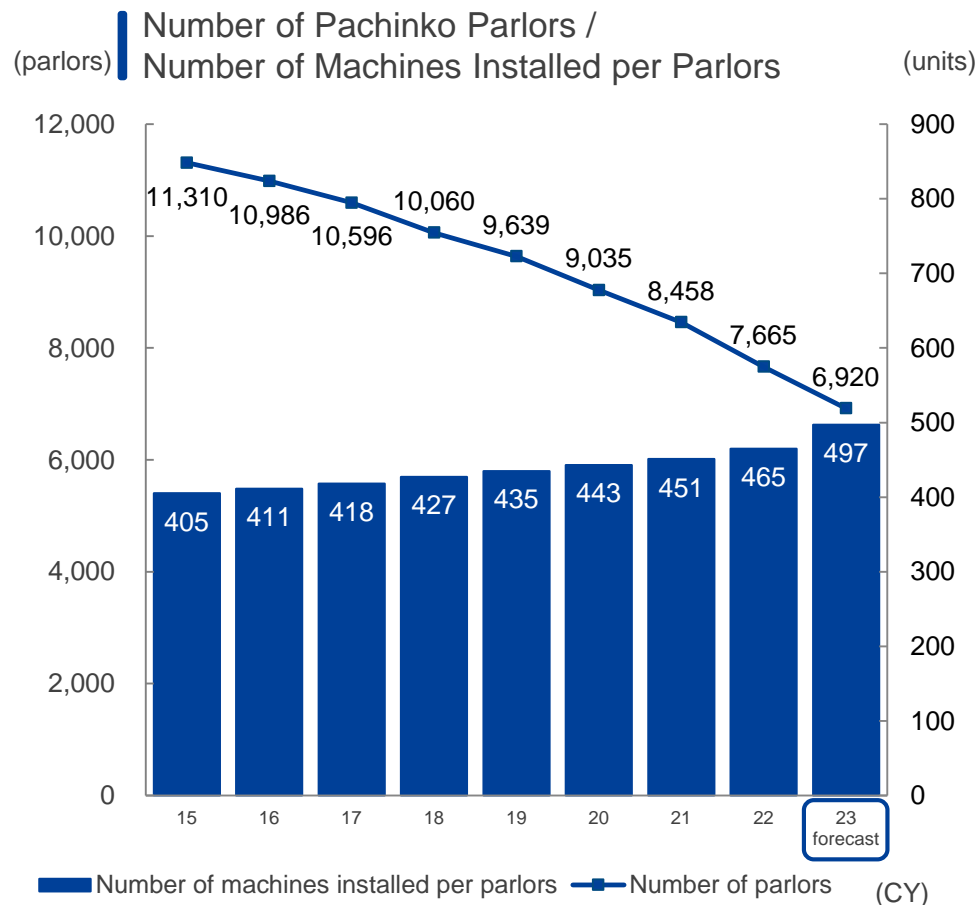


	2014	2015	2016	2017	2018	2019	2020	2021	2022
Market Size (trillion yen)	24.50	23.22	22.70	21.40	20.70	20.00	14.60	14.60	14.60
Player Population (million people)	11.5	10.7	9.4	9.0	9.5	8.9	7.1	7.2	7.7
Average annual spending (thousand yen)	85.2	99.8	88.9	85.1	81.8	103.4	89.5	94.2	88.4

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

Market Environment (Pachinko and Pachislot Machine Business) 2

Pachinko and Pachislot Machine business



	2015	2016	2017	2018	2019	2020	2021	2022	2023 forecast
Number of parlors	11,310	10,986	10,596	10,060	9,639	9,035	8,458	7,665	6,920
Number of machines installed per parlors (units)	405	411	418	427	435	443	451	465	497
Pachinko machine installations (million units)	2.91	2.83	2.74	2.63	2.55	2.43	2.33	2.20	2.04
Pachislot machine installations (million units)	1.66	1.69	1.68	1.66	1.63	1.57	1.47	1.35	1.40

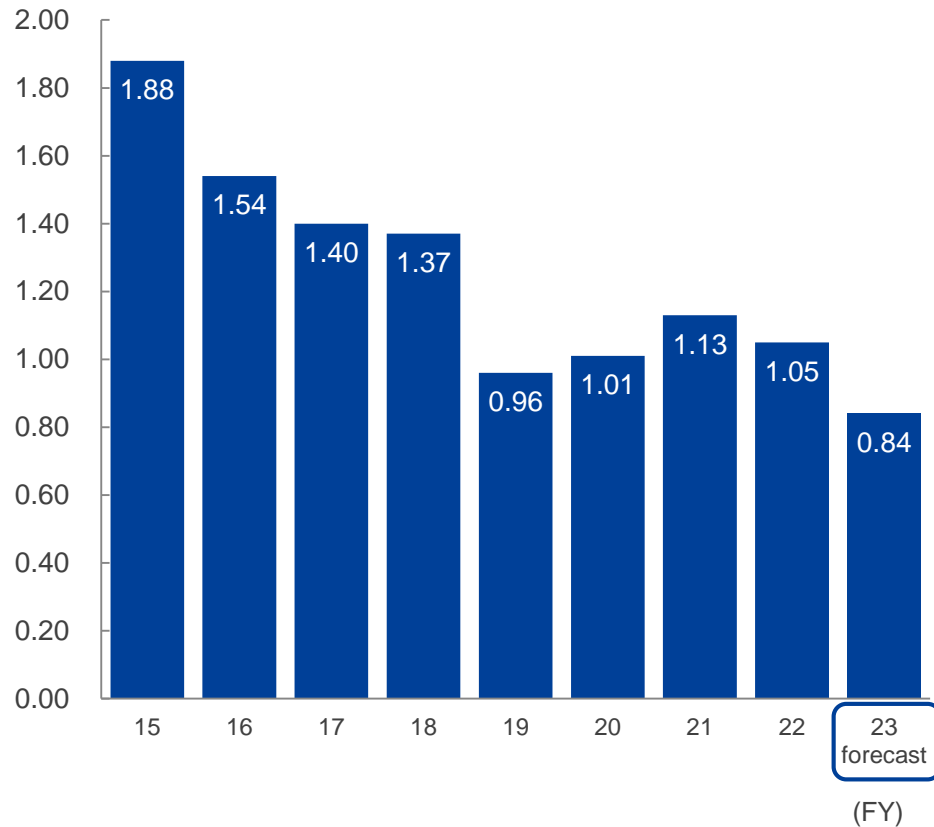
Note: Date source: National Police Agency. Date on a calendar year basis (from January to December). Figures for 2023 are the Company's estimates.

Market Environment (Pachinko and Pachislot Machine Business) 3

Pachinko and Pachislot Machine business

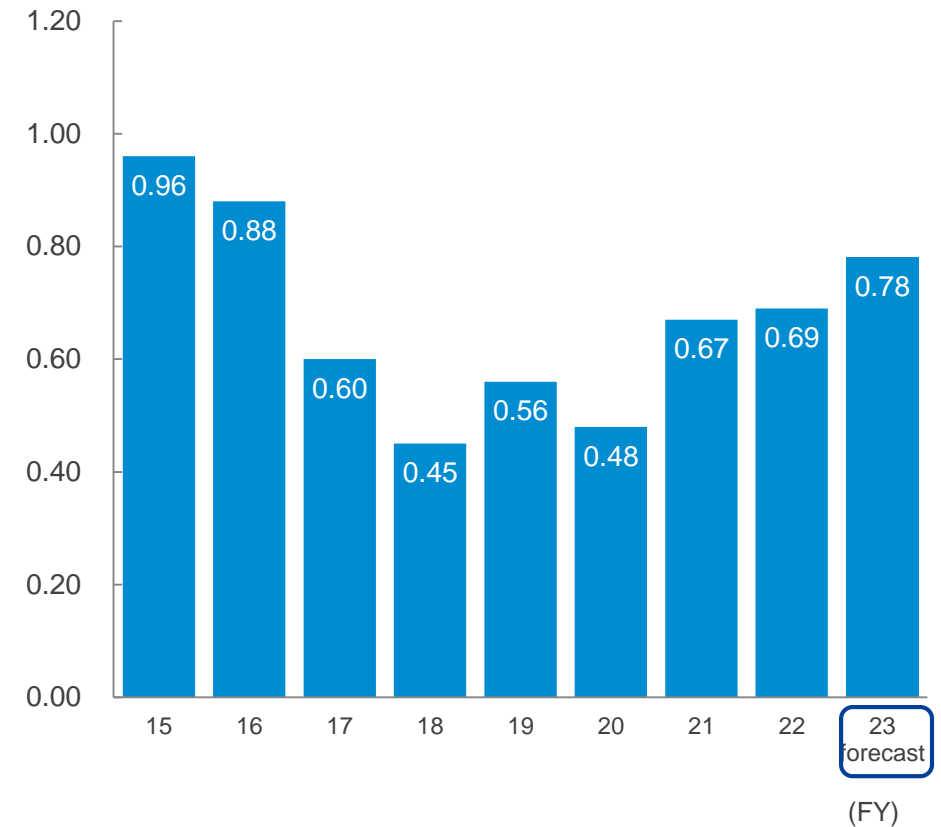
Pachinko machine sales

(million units)



Pachislot machine sales

(million units)

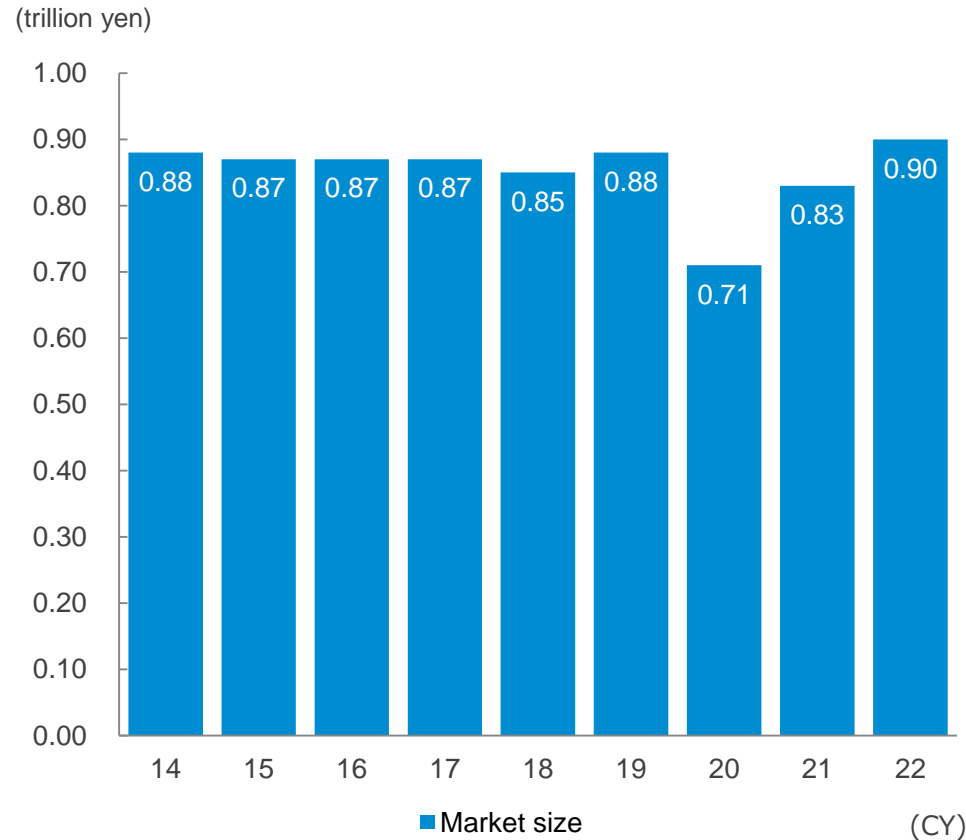


Number of machines sold (million units)	2015	2016	2017	2018	2019	2020	2021	2022	2023 forecast
Pachinko machines	1.88	1.54	1.40	1.37	0.96	1.01	1.13	1.05	0.84
Pachislot machines	0.96	0.88	0.60	0.45	0.56	0.48	0.67	0.69	0.78

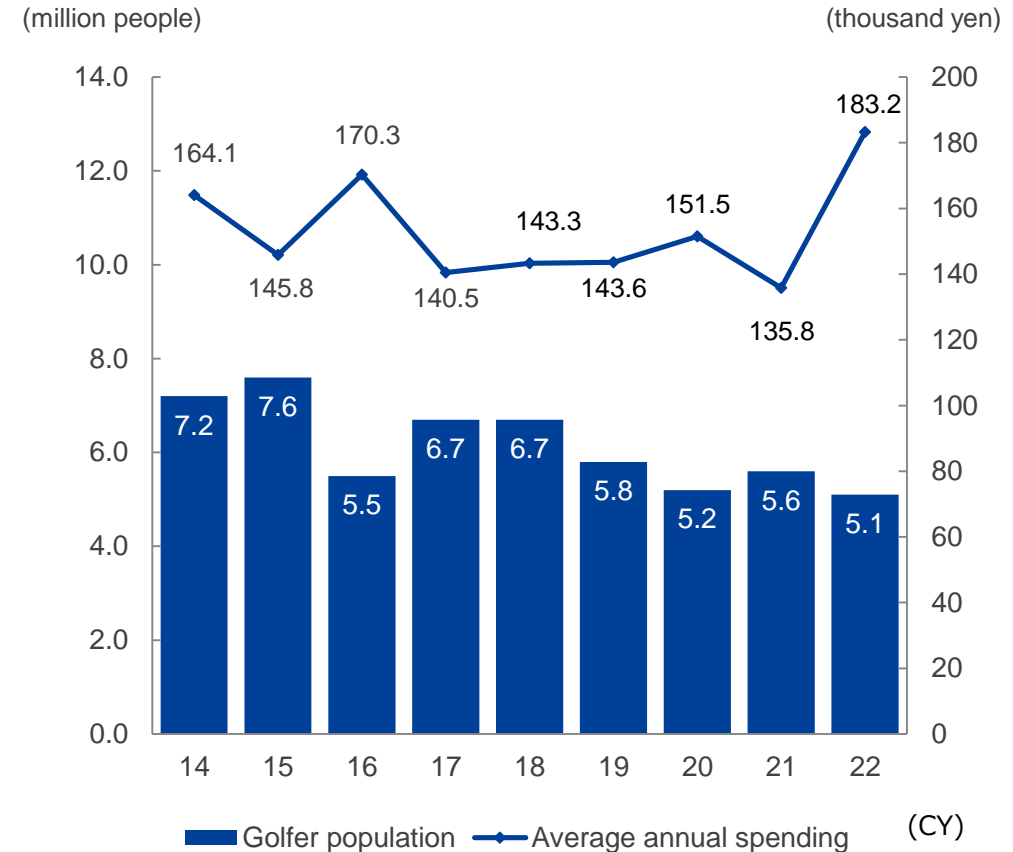
Note: Date source: Yano Research Institute. Date on a fiscal year basis (from April to March of the next year). Figures for 2023 are the company's forecasts.

Golf business

Market Size



Golfer Population / Average Annual Spending



	2014	2015	2016	2017	2018	2019	2020	2021	2022
Market size (trillion yen)	0.88	0.87	0.87	0.87	0.85	0.88	0.71	0.83	0.90
Golfer population (million people)	7.2	7.6	5.5	6.7	6.7	5.8	5.2	5.6	5.1
Average annual spending (thousand yen)	164.1	145.8	170.3	140.5	143.3	143.6	151.5	135.8	183.2

Note: Date source: Japan Productivity Center. Date on a calendar basis (From January to December).

Number of Machines Sold

Title Released in FY Ended March 31, 2024

Pachinko and Pachislot Machine business

Number of machines sold

(units)	FY 3/2019	FY 3/2020	FY 3/2021	FY 3/2022				FY 3/2023				FY 3/2024			
	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	166,124	164,400	8,379	85,283	23,211	38,269	63,030	92,826	23,578	59,124	106,153	126,894	22,070	41,190	61,998
Pachinko machines	118,880	95,483	4,410	49,890	16,542	29,113	40,228	63,095	17,497	38,970	61,923	80,322	10,531	16,672	23,272
Body	60,946	41,887	585	39,455	15,752	27,351	36,124	49,040	14,305	24,865	42,462	49,385	5,446	6,840	11,882
Gauge board	57,934	53,596	3,825	10,435	790	1,762	4,104	14,055	3,192	14,105	19,461	30,937	5,085	9,832	11,390
Pachislot machines	47,244	68,917	3,969	35,393	6,669	9,156	22,802	29,731	6,081	20,154	44,230	46,572	11,539	24,518	38,726
Chassis	14,093	29,288	914	27,423	6,606	9,093	22,736	29,663	5,754	19,697	43,773	46,115	11,539	24,518	38,726
Combined units	33,151	39,629	3,055	7,970	63	63	66	68	327	457	457	457	0	0	0

Title to Release / Pachinko machine

Release	Title	Units sold
1Q	<i>P BIOHAZARD RE:2</i>	4,090
2Q	<i>e Cat's Eye</i>	1,590
	<i>P City Hunter: Ore no Kokoro wo Furuwasetahi Sugo Light Middle</i>	1,703
3Q	<i>e Lupin the Third: Zenigatakara no Shoutaijyou</i>	6,412
	<i>Others</i>	9,477
Total		23,272

Title to Release / Pachislot machine

Release	Title	Units sold
1Q	<i>L Shuyaku wa Zenigata4</i>	13,821
2Q	<i>L Sengokuotome4: Senran ni Hirameku Douran no Gunshi</i>	18,975
3Q	<i>L Love-jo 3:W Goshimei wa Ikagadesuka</i>	5,918
	<i>Others</i>	12
Total		38,726



Golf business

Number of Golf Course Users

(persons)	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
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
FY 3/2023	766,822	877,193	804,575	784,392	775,846	756,848	856,293	796,767	694,303	576,008	551,558	717,917	8,958,522
FY 3/2024	784,626	857,337	770,513	825,046	744,248	788,109	858,402	820,305	731,903				7,180,487

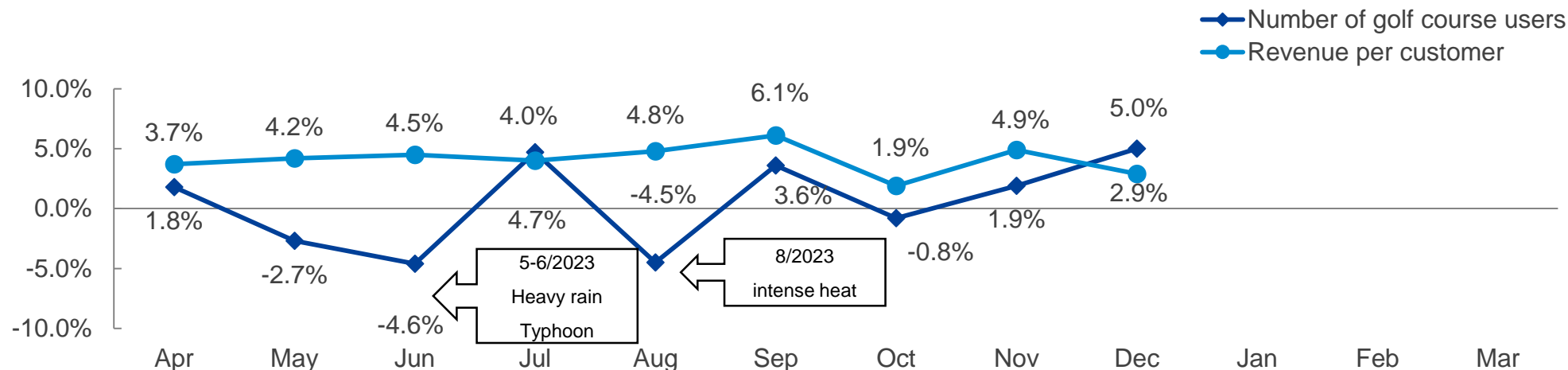
Revenue per Customer

(yen)	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Average
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
FY 3/2023	9,264	9,523	8,977	8,844	8,444	8,977	9,782	9,899	9,764	8,989	8,533	9,076	9,198
FY 3/2024	9,617	9,933	9,399	9,212	8,865	9,543	9,988	10,397	10,056				9,677

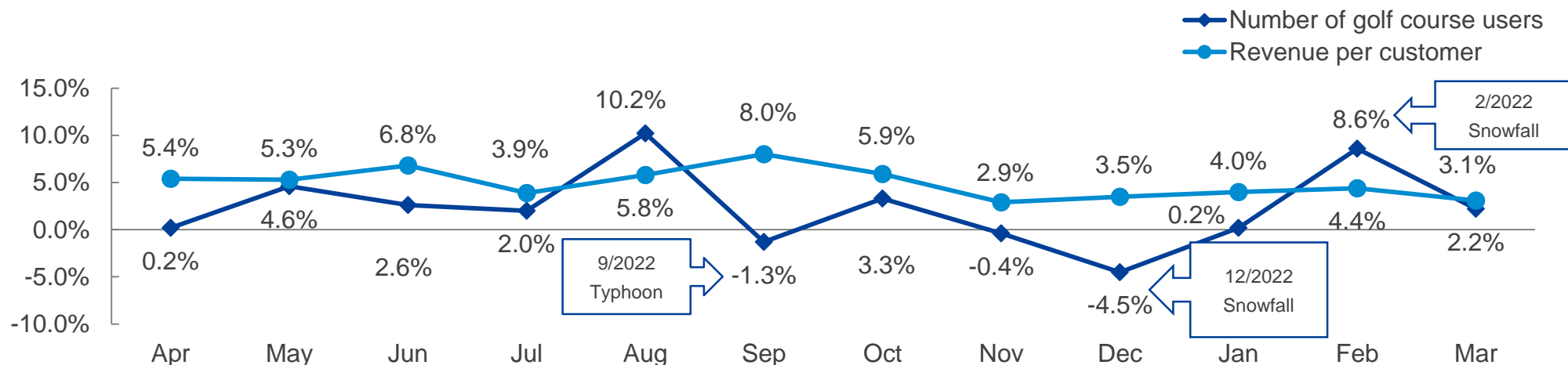


Golf business

Monthly result comparison – FY 3/2024 vs FY 3/2023



Monthly result comparison – FY 3/2023 vs FY 3/2022



* Based on operating golf course since previous year.



Golf business

	As of March 31, 2023		As of December 31, 2023	
	Courses	18H equivalent	Courses	18H equivalent
Owned Golf Courses	146	177.0	147	178.0
Leased Golf Courses	1	2.0	1	2.0
Total	147	179.0	148	180.0
Hokkaido	6	9.5	6	9.5
Tohoku	8	10.0	8	10.0
Kanto, Koushinetsu	66	77.5	66	77.5
Tokai, Hokuriku	13	14.0	13	14.0
Kansai	21	27.5	22	28.5
Chugoku	10	11.5	10	11.5
Shikoku	6	6.5	6	6.5
Kyusyu, Okinawa	17	22.5	17	22.5
Total	147	179.0	148	180.0

State of affairs in the fiscal year ending March 31, 2024

【Acquisition】

10/2/2023 Mukonodai Golf Course
(Kobe City, Hyogo Prefecture / 18H)

【Stock transfer agreement】

None

【Sponsorship agreement】

None

【Sale】

None



Financial Performance Trend

Consolidated

(million yen)	FY 3/2019	FY 3/2020	FY 3/2021	FY 3/2022				FY 3/2023				FY 3/2024			
	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
Net sales	144,980	144,573	37,781	107,744	32,051	58,754	92,376	121,558	34,731	70,930	116,253	142,290	34,942	66,715	102,804
Pachinko and Pachislot machine Business	62,407	61,658	2,893	33,292	9,116	15,260	24,482	36,249	9,785	23,451	43,382	50,678	9,304	17,043	26,322
Golf Business	82,573	82,914	34,888	74,452	22,934	43,494	67,893	85,308	24,945	47,478	72,871	91,611	25,638	49,672	76,481
Operating income	28,014	23,551	-4,680	5,311	4,367	4,733	9,957	10,235	7,855	15,337	28,161	26,905	7,491	12,171	19,314
Pachinko and Pachislot machine Business	20,791	17,450	-5,795	287	77	-1,495	-1,666	-607	2,332	6,957	15,140	15,155	1,519	2,160	2,617
Golf Business	10,599	9,286	2,460	7,624	4,796	7,429	13,405	13,280	6,252	9,720	15,167	14,582	6,655	11,376	18,685
Eliminations & corporate expenses	-3,376	-3,185	-1,346	-2,600	-507	-1,199	-1,781	-2,437	-728	-1,340	-2,147	-2,833	-683	-1,364	-1,989
Operating income ratio	19.3%	16.3%	-12.4%	4.9%	13.6%	8.1%	10.8%	8.4%	22.6%	21.6%	24.2%	18.9%	21.4%	18.2%	18.8%
Ordinary income	27,451	23,278	-4,694	5,799	4,331	4,844	9,876	10,467	7,827	15,136	27,793	26,631	7,436	11,447	18,546
Profit attributable to owners of parent	16,341	15,872	-6,179	865	2,633	2,543	4,604	2,193	5,355	10,798	20,506	20,685	4,943	7,436	11,609
SG & A Expenses	27,822	32,760	11,176	23,723	5,509	11,241	16,999	23,163	4,869	10,077	16,048	22,408	5,024	10,705	16,327
Advertising expenses	2,179	1,950	338	795	174	361	609	952	196	607	1,465	2,046	218	562	892
Sales commissions	1,660	1,885	104	921	230	347	681	954	208	570	1,065	1,191	236	462	764
R&D expenses	7,881	12,680	5,176	9,949	2,212	4,518	6,833	9,091	1,725	3,267	4,949	7,009	1,966	4,141	6,562
Depreciation & amortization	9,868	8,745	4,052	9,016	2,373	4,830	7,369	10,082	1,996	4,161	6,426	8,801	2,141	4,373	6,663
Pachinko and Pachislot machine Business	2,940	1,946	816	2,476	630	1,389	2,240	3,187	305	694	1,170	1,691	309	606	963
Golf Business	6,928	6,798	3,235	6,539	1,743	3,441	5,129	6,894	1,690	3,466	5,255	7,110	1,831	3,766	5,699
Capital investment	7,091	9,667	4,167	6,921	2,762	5,024	6,332	8,095	2,162	5,041	6,236	8,424	2,717	7,187	8,854
Pachinko and Pachislot machine Business	1,063	3,578	887	1,653	369	612	798	984	381	732	947	1,117	172	494	573
Golf Business	6,027	6,089	3,279	5,267	2,393	4,411	5,534	7,110	1,780	4,308	5,288	7,306	2,544	6,692	8,281



Key Financial Indicators

Consolidated

	(million yen)	FY 3/2018	FY 3/2019	FY 3/2020	FY 3/2021	FY 3/2022	FY 3/2023	Formula
Net Sales		132,765	144,980	144,573	107,744	121,558	142,290	
Operating Income		13,931	28,014	23,551	5,311	10,235	26,905	
Ordinary Income		13,105	27,451	23,278	5,799	10,467	26,631	
Profit attributable to owners of parent		6,799	16,341	15,872	865	2,193	20,685	
Total Assets		430,287	442,845	436,762	430,070	417,066	423,727	
Cash, Deposits and Securities		86,245	93,180	83,296	70,083	67,052	67,716	
Interest Bearing Debt		126,047	123,234	117,868	123,153	114,416	108,645	
Net Assets		216,701	225,052	232,575	226,242	217,186	231,005	
Shareholders' Equity		216,690	225,052	232,575	226,242	217,186	231,005	
ROE		3.1%	7.4%	6.9%	0.4%	1.0%	9.2%	
Operating Income Ratio		10.5%	19.3%	16.3%	4.9%	8.4%	18.9%	Operating income/Net sales
Net Income Ratio		5.1%	11.3%	11.0%	0.8%	1.8%	14.5%	Net income/Net sales
Asset Turnover		0.30	0.33	0.33	0.25	0.29	0.34	Net sales/Total assets *1
Financial Leverage		2.03	1.98	1.92	1.89	1.91	1.88	Total assets/Shareholders' equity *1,2
Net Debt Equity Ratio		18.4%	13.4%	14.9%	23.5%	21.8%	17.7%	Net interest-bearing debt/Shareholders' equity
Shareholders' Equity Ratio		50.4%	50.8%	53.2%	52.6%	52.1%	54.5%	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

■ A luxurious integrated resort facility offering “a paradise where guests can encounter new excitement with each visit”



- ✓ To be a hotel where guests can enjoy the extraordinary feeling of a resort with spectacular scenery of Okinawa
- ✓ Consisting mainly of approximately 45-square-meter standard rooms, the 200 rooms will also include rooms featuring baths with a view. Facilities will include pools that the whole family can enjoy, buffet-style all-day dining, and a bar and beauty salon for luxurious moments, as well as a golf academy where students can play simulated golf utilizing PGM’s expertise.



Overview of Hotel	
Location	Kouchibaru 1390, Fuchaku, Onnason, Kunigamigun, Okinawa 904-0413
No. of rooms	200
Facilities	All-day dining, bar, chapel, beauty salon, pools (indoor/outdoor), golf academy, gym, etc.
Site area	47,045 square meters
Scale	10 floors above ground, 1 basement level
Start of construction	Spring 2023
Opening date	2026 (tentative)



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2. These materials contain statements about the future, such as plans, outlooks, targets, and forecast figures; however said statements are based on judgements and assumptions that are based on information that is currently available, and do not account for latent risks and uncertainties. Therefore, please be aware that actual future results may differ greatly from the aforementioned statements about the future due to the future business environment, economic conditions, financial market conditions, and a number of other factors.
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