

# Consolidated Financial Results for the First Quarter Ended June 30, 2021 [J-GAAP] Heiwa Corporation

August 5, 2021

Stock code: 6412  
 URL: <https://www.heiwanet.co.jp/>  
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Scheduled date of the filing of the quarterly report: August 6, 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 three months ended June 30, 2020 and 2021

(Amounts less than one million yen are omitted.)

### 1. Consolidated Operating Results

	Three months ended June 30, 2020	YoY	Three months ended June 30, 2021	YoY
	(million yen)	(%)	(million yen)	(%)
<b>(1) Consolidated financial results</b>				
Net sales	16,173	(56.1)	32,051	98.2
Operating income	(4,415)	—	4,367	—
Ordinary income	(4,491)	—	4,331	—
Profit attributable to owners of parent	(5,813)	—	2,633	—
Earnings per share (yen)	(58.94)		26.70	
Diluted earnings per share (yen)	—		—	

(Note) Comprehensive income: Three months ended June 30, 2021: ¥ 2,729 million, -% YoY  
 Three months ended June 30, 2020: (¥ 5,591) million, -% YoY

	As of March 31, 2021	As of June 30, 2021
	(million yen)	
<b>(2) Consolidated financial position</b>		
Total assets	430,070	423,333
Net assets	226,242	222,052
Shareholders' equity ratio (%)	52.6	52.5
Net assets per share (yen)	2,293.78	2,251.30

(Reference) Shareholders' equity: As of June 30, 2021: ¥222,052 million  
 As of March 31, 2021: ¥226,242 million

### 2. Dividends

	Annual dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	(yen)				
FY3/2021	—	40.00	—	40.00	80.00
FY3/2022	—				
FY3/2022 (Forecast)	—	40.00	—	40.00	80.00

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

### 3. Consolidated Results Forecast for Year Ending March 31, 2022

	FY 3/2022	
	Full year	YoY
	(million yen)	(%)
Net sales	150,700	39.9
Operating income	22,300	319.8
Ordinary income	21,400	269.0
Profit attributable to owners of parent	13,900	—
Earnings per share (yen)	140.93	—

(Note)

1. Revision of the most recently disclosed consolidated results forecast: None
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, 2021	As of June 30, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	40,307	45,319
Notes and accounts receivable - trade	8,271	8,828
Electronically recorded monetary claims - operating	1,004	597
Securities	29,776	18,210
Merchandise and finished goods	2,125	2,040
Raw materials and supplies	7,811	7,473
Other	12,190	11,812
Allowance for doubtful accounts	(302)	(296)
Total current assets	101,184	93,985
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	65,226	65,102
Land	214,535	214,553
Other, net	13,668	14,209
Total property, plant and equipment	293,431	293,865
Intangible assets		
Goodwill	5,947	5,860
Other	4,569	4,505
Total intangible assets	10,516	10,366
Investments and other assets		
Investment securities	10,975	11,113
Other	14,487	14,323
Allowance for doubtful accounts	(525)	(321)
Total investments and other assets	24,938	25,116
Total non-current assets	328,886	329,347
Total assets	430,070	423,333
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	3,954	3,563
Electronically recorded obligations - operating	6,786	6,870
Current portion of long-term borrowings	37,301	34,701
Income taxes payable	2,206	866
Provisions	1,343	577
Other	15,272	20,350
Total current liabilities	66,864	66,928
Non-current liabilities		
Long-term borrowings	84,153	82,570
Retirement benefit liability	5,318	5,379
Other	47,492	46,402
Total non-current liabilities	136,963	134,352
Total liabilities	203,827	201,281

(Million yen)

	As of March 31, 2021	As of June 30, 2021
Net assets		
Shareholders' equity		
Share capital	16,755	16,755
Capital surplus	54,863	54,863
Retained earnings	155,594	151,308
Treasury shares	(1,343)	(1,344)
Total shareholders' equity	225,869	221,582
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	373	468
Remeasurements of defined benefit plans	(0)	1
Total accumulated other comprehensive income	373	469
Total net assets	226,242	222,052
Total liabilities and net assets	430,070	423,333

## 2. Consolidated statements of income and comprehensive income

(Million yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Net sales	16,173	32,051
Cost of sales	15,065	22,174
Gross profit	1,107	9,876
Selling, general and administrative expenses	5,522	5,509
Operating profit (loss)	(4,415)	4,367
Non-operating income		
Interest income	47	34
Dividend income	20	21
Insurance claim income	10	20
Subsidy income	54	1
Electricity sale income	49	46
Other	53	79
Total non-operating income	236	203
Non-operating expenses		
Interest expenses	98	105
Loss on redemption of securities	—	55
Commission expenses	131	7
Other	81	72
Total non-operating expenses	312	239
Ordinary profit (loss)	(4,491)	4,331
Extraordinary income		
Total extraordinary income	—	—
Extraordinary losses		
Impairment losses	3,048	—
Total extraordinary losses	3,048	—
Profit (loss) before income taxes	(7,540)	4,331
Income taxes	(1,727)	1,697
Profit (loss)	(5,813)	2,633
Profit attributable to		
Profit (loss) attributable to owners of parent	(5,813)	2,633
Other comprehensive income		
Valuation difference on available-for-sale securities	198	94
Remeasurements of defined benefit plans, net of tax	23	1
Total other comprehensive income	222	96
Comprehensive income	(5,591)	2,729
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(5,591)	2,729

### 3. Segment Information

#### A. Previous consolidated cumulative first quarter (April 1, 2020 to June 30, 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	1,171	15,001	16,173	—	16,173
Internal net sales and transfers between segments	—	0	0	(0)	—
Total	1,171	15,001	16,173	(0)	16,173
Segment profit	(3,301)	(503)	(3,804)	(611)	(4, 415)

#### B. Consolidated cumulative first quarter under review (April 1, 2021 to June 30, 2021)

(Million yen)

	Reporting segment			Adjustments	Amount recorded in quarterly consolidated statements of income and consolidated statements of comprehensive income
	Pachinko and pachislot machine business	Golf business	Total		
Net sales					
Assets transferred at a point in time	9,116	20,815	29,932	—	29,932
Assets transferred over time	—	2,119	2,119	—	2,119
Revenue from contracts with customers	9,116	22,934	32,051	—	32,051
Net sales to external customers	9,116	22,934	32,051	—	32,051
Internal net sales and transfers between segments	—	0	0	(0)	—
Total	9,116	22,935	32,051	(0)	32,051
Segment profit	77	4,796	4,874	(507)	4,367