

May 14, 2025

Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)

Company name: Heiwa Corporation
 Listing: Tokyo Stock Exchange
 Securities code: 6412
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 Scheduled date of annual general meeting of shareholders: June 27, 2025
 Scheduled date to commence dividend payments: June 30, 2025
 Scheduled date to file annual securities report: June 27, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (For Securities Analysts and Institutional Investors)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	145,867	7.0	27,690	18.2	21,332	(6.2)	13,064	(21.4)
March 31, 2024	136,381	(4.2)	23,430	(12.9)	22,746	(14.6)	16,611	(19.7)

Note: Comprehensive income For the fiscal year ended March 31, 2025: ¥12,823 million [(20.2)%]
 For the fiscal year ended March 31, 2024: ¥16,072 million [(26.0)%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	132.46	-	5.4	2.9	19.0
March 31, 2024	168.43	-	7.1	5.3	17.2

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	1,051,598	244,315	23.2	2,475.16
March 31, 2024	428,029	239,185	55.9	2,425.14

Reference: Equity
 As of March 31, 2025: ¥244,118 million
 As of March 31, 2024: ¥239,185 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	24,925	(500,031)	509,939	74,707
March 31, 2024	13,926	2,710	(11,217)	39,874

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2024	-	40.00	-	40.00	80.00	7,890	47.5	3.4
March 31, 2025	-	40.00	-	40.00	80.00	7,890	60.4	3.3
March 31, 2026 (Forecast)		40.00		40.00	80.00		34.2	

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2026	295,900	102.9	58,000	109.5	47,800	124.1	23,100	76.8	234.22

Note: Since the Group manages its performance on an annual basis, it only discloses its full-year consolidated earnings forecasts.
For details, please refer to “(4) Future outlook” of “1. Overview of Operating Results and Others” on page 4 of the attached materials.

* **Notes**

- (1) Significant changes in the scope of consolidation during the period: Yes
Newly included: 1 company (Accordia Golf Holdings Co., Ltd.)
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
 - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

Note: For details, please refer to Appendix P.18 "5. Please refer to Consolidated Financial Statements and Major Notes (5) Notes on Consolidated Financial Statements (Notes on Changes in Accounting Policy).

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2025	99,809,060 shares
As of March 31, 2024	99,809,060 shares

(ii) Number of treasury shares at the end of the period

As of March 31, 2025	1,181,890 shares
As of March 31, 2024	1,181,505 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2025	98,627,354 shares
Fiscal year ended March 31, 2024	98,627,665 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	45,937	12.4	5,480	-	3,642	575.1	3,530	-
March 31, 2024	40,856	(20.3)	(1,257)	-	539	(94.9)	189	(98.1)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	35.80	-
March 31, 2024	1.93	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	715,452	184,980	25.9	1,875.56
March 31, 2024	208,623	189,517	90.8	1,921.55

Reference: Equity

As of March 31, 2025: ¥184,980 million

As of March 31, 2024: ¥189,517 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

1. The earnings forecasts described in this material are based on the information available to the Company at the time of publication, and actual results may differ from these forecasts due to various factors. For the assumptions on which earnings forecasts are based and precautions for the use of earnings forecasts, please refer to Appendix P.4 "1. Please refer to "Summary of Business Results (4) Future Outlook".

2. The Company plans to hold a briefing for securities analysts and institutional investors on Friday, May 16, 2025. The financial results explanatory materials distributed at this briefing will be posted on the Company's website promptly after the disclosure of the financial results.

Consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	33,865	77,799
Notes and accounts receivable - trade	9,876	12,561
Electronically recorded monetary claims - operating	1,695	799
Securities	23,848	14,448
Merchandise and finished goods	2,223	3,758
Raw materials and supplies	15,302	15,949
Other	10,941	12,550
Allowance for doubtful accounts	(346)	(59)
Total current assets	97,406	137,807
Non-current assets		
Property, plant and equipment		
Buildings and structures	118,417	178,167
Accumulated depreciation	(55,297)	(59,458)
Buildings and structures, net	63,119	118,709
Machinery, equipment and vehicles	21,285	26,316
Accumulated depreciation	(13,577)	(15,608)
Machinery, equipment and vehicles, net	7,707	10,708
Tools, furniture and fixtures	19,664	23,562
Accumulated depreciation	(16,479)	(14,785)
Tools, furniture and fixtures, net	3,184	8,777
Golf courses	131,266	302,680
Land	87,124	151,092
Leased assets	8,007	16,780
Accumulated depreciation	(6,057)	(4,984)
Leased assets, net	1,949	11,796
Construction in progress	5,282	11,757
Total property, plant and equipment	299,634	615,521
Intangible assets		
Goodwill	5,705	266,252
Other	3,892	4,874
Total intangible assets	9,597	271,126
Investments and other assets		
Investment securities	8,796	8,520
Deferred tax assets	7,944	10,185
Other	4,867	8,657
Allowance for doubtful accounts	(217)	(220)
Total investments and other assets	21,391	27,142
Total non-current assets	330,623	913,790
Total assets	428,029	1,051,598

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,241	5,842
Electronically recorded obligations - operating	7,872	2,641
Current portion of long-term borrowings	10,423	44,433
Income taxes payable	5,751	11,145
Provision for bonuses	779	2,689
Provision for shareholder benefit program	401	380
Provision for loss on disaster	61	614
Other	22,447	43,662
Total current liabilities	50,978	111,411
Non-current liabilities		
Long-term borrowings	94,276	583,992
Deferred tax liabilities	12,488	45,706
Retirement benefit liability	5,291	5,425
Deposits received from members	22,268	38,803
Other	3,540	21,944
Total non-current liabilities	137,865	695,872
Total liabilities	188,843	807,283
Net assets		
Shareholders' equity		
Share capital	16,755	16,755
Capital surplus	54,864	54,864
Retained earnings	168,438	173,612
Treasury shares	(1,356)	(1,357)
Total shareholders' equity	238,701	243,874
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	481	291
Remeasurements of defined benefit plans	3	(47)
Total accumulated other comprehensive income	484	243
Non-controlling interests	-	197
Total net assets	239,185	244,315
Total liabilities and net assets	428,029	1,051,598

Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	136,381	145,867
Cost of sales	89,585	93,377
Gross profit	46,796	52,490
Selling, general and administrative expenses	23,365	24,799
Operating profit	23,430	27,690
Non-operating income		
Interest income	63	723
Dividend income	39	65
Insurance claim income	70	175
Subsidy income	290	13
Electricity sale income	117	119
Gain on sale of non-current assets	1	100
Other	284	311
Total non-operating income	866	1,509
Non-operating expenses		
Interest expenses	393	1,928
Commission expenses	734	5,240
Loss on retirement of non-current assets	75	297
Expenditures related tonatural disaster	143	78
Provision for loss on disaster	42	85
Other	161	237
Total non-operating expenses	1,551	7,867
Ordinary profit	22,746	21,332
Extraordinary income		
Total extraordinary income	-	-
Extraordinary losses		
Total extraordinary losses	-	-
Profit before income taxes	22,746	21,332
Income taxes - current	8,147	7,678
Income taxes - deferred	(2,012)	589
Total income taxes	6,134	8,268
Profit	16,611	13,064
Profit attributable to		
Profit attributable to owners of parent	16,611	13,064
Other comprehensive income		
Valuation difference on available-for-sale securities	(684)	(190)
Remeasurements of defined benefit plans, net of tax	145	(50)
Total other comprehensive income	(538)	(241)
Comprehensive income	16,072	12,823
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	16,072	12,823

Consolidated statement of changes in equity

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income		
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income
Balance at beginning of period	16,755	54,863	159,717	(1,354)	229,982	1,166	(142)	1,023
Dividends of surplus			(7,890)		(7,890)			
Profit attributable to owners of parent			16,611		16,611			
Purchase of treasury shares				(2)	(2)			
Disposal of treasury shares		0		0	0			
Net changes in items other than shareholders' equity						(684)	145	(538)
Total changes during period	-	0	8,721	(2)	8,719	(684)	145	(538)
Balance at end of period	16,755	54,864	168,438	(1,356)	238,701	481	3	484

	Non-controlling interests	Total net assets
Balance at beginning of period	-	231,005
Dividends of surplus		(7,890)
Profit attributable to owners of parent		16,611
Purchase of treasury shares		(2)
Disposal of treasury shares		0
Net changes in items other than shareholders' equity		(538)
Total changes during period		8,180
Balance at end of period	-	239,185

Consolidated statement of changes in equity

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income		
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income
Balance at beginning of period	16,755	54,864	168,438	(1,356)	238,701	481	3	484
Dividends of surplus			(7,890)		(7,890)			
Profit attributable to owners of parent			13,064		13,064			
Purchase of treasury shares				(1)	(1)			
Disposal of treasury shares		0		0	0			
Net changes in items other than shareholders' equity						(190)	(50)	(241)
Total changes during period	-	0	5,174	(1)	5,173	(190)	(50)	(241)
Balance at end of period	16,755	54,864	173,612	(1,357)	243,874	291	(47)	243

	Non-controlling interests	Total net assets
Balance at beginning of period	-	239,185
Dividends of surplus		(7,890)
Profit attributable to owners of parent		13,064
Purchase of treasury shares		(1)
Disposal of treasury shares		0
Net changes in items other than shareholders' equity	197	(43)
Total changes during period	197	5,129
Balance at end of period	197	244,315

Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	22,746	21,332
Depreciation	9,004	9,066
Increase (decrease) in allowance for doubtful accounts	86	(295)
Increase (decrease) in provision for bonuses	(53)	(69)
Increase (decrease) in provision for shareholder benefit program	(60)	(20)
Increase (decrease) in retirement benefit liability	(45)	(74)
Interest income	(63)	(723)
Dividend income	(39)	(65)
Interest expenses	393	1,928
Commission expenses	734	5,240
Foreign exchange losses (gains)	(0)	0
Loss (gain) on sale of investment securities	0	0
Loss (gain) on sale of non-current assets	(1)	(99)
Loss on retirement of non-current assets	75	297
Loss (gain) on investments in investment partnerships	13	(10)
Decrease (increase) in trade receivables	(3,381)	3,995
Decrease (increase) in advance payments to suppliers	(1,570)	323
Decrease (increase) in advance payments - other	(353)	(408)
Decrease (increase) in consumption taxes refund receivable	(1,239)	1,002
Decrease (increase) in inventories	(4,060)	108
Increase (decrease) in trade payables	(798)	(5,385)
Increase (decrease) in accounts payable - other	992	(252)
Increase (decrease) in accrued consumption taxes	(453)	89
Increase (decrease) in advances received	36	135
Increase (decrease) in deposits received from members	(1,649)	(1,071)
Other, net	410	349
Subtotal	20,722	35,392
Interest and dividends received	106	764
Interest paid	(388)	(1,862)
Income taxes paid	(6,531)	(9,834)
Income taxes refund	17	464
Net cash provided by (used in) operating activities	13,926	24,925

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from investing activities		
Payments into time deposits	(10,420)	(21,140)
Proceeds from withdrawal of time deposits	21,190	14,940
Purchase of short-term and long-term investment securities	(59,865)	(53,017)
Proceeds from sale and redemption of short-term and long-term investment securities	65,554	59,553
Purchase of property, plant and equipment	(11,258)	(18,799)
Proceeds from sale of property, plant and equipment	3	116
Purchase of intangible assets	(137)	(98)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,822)	(479,263)
Loan advances	(514)	-
Other, net	(20)	(2,322)
Net cash provided by (used in) investing activities	2,710	(500,031)
Cash flows from financing activities		
Proceeds from long-term borrowings	28,773	529,284
Repayments of long-term borrowings	(31,551)	(10,853)
Purchase of treasury shares	(2)	(1)
Repayments of lease liabilities	(541)	(598)
Dividends paid	(7,891)	(7,891)
Dividends paid to non-controlling interests	(0)	(0)
Other, net	(3)	0
Net cash provided by (used in) financing activities	(11,217)	509,939
Effect of exchange rate change on cash and cash equivalents	0	(0)
Net increase (decrease) in cash and cash equivalents	5,418	34,833
Cash and cash equivalents at beginning of period	34,456	39,874
Cash and cash equivalents at end of period	39,874	74,707

(Notes on segment information, etc.)

Segment Information

1. Overview of Reporting Segments

The Group's reporting segments are those of the Company's constituent units for which segregated financial information is available and are subject to periodic review by the Board of Directors in order to determine the allocation of management resources and evaluate business performance.

The Group's segments are organized by product and service, and the reporting segments are the "Amusement Machine Business" and the "Golf Business." The Amusement Machine Business develops, manufactures, and sells pachinko machines and pachislot machines. The Golf Business owns and operates golf courses.

2. Method of calculating the amount of sales, profits or losses, assets, liabilities and other items for each reporting segment

The method of accounting for the reported business segments is generally the same as described in the "Fundamental Important Matters for the Preparation of Consolidated Financial Statements".

Profit in the reporting segment is a figure based on operating income.

Internal sales and transfers between segments are based on prevailing market prices.

3. Information on the amount of sales, profits or losses, assets, liabilities and other items for each reported segment, and information on the breakdown of earnings

The previous fiscal year (April 1, 2023 to March 31, 2024)

(in millions of yen)

	Reportable segments			Adjustment amount (Note) 1	Amount recorded in consolidated financial statements (Note)2
	Pachinko and Pachislot Machine Business	Golf Business	Total		
Sales					
Goods to be transferred at a single point in time	40,156	86,386	126,543	-	126,543
Goods that are transferred over a period of time	-	9,838	9,838	-	9,838
Revenue generated from customer contracts	40,156	96,225	136,381	-	136,381
Revenues from external customers	40,156	96,225	136,381	-	136,381
Transactions with other segments	-	2	2	(2)	-
Total	40,156	96,227	136,383	(2)	136,381
Segment Profit	6,917	19,250	26,167	(2,736)	23,430
Segment Assets	49,432	320,258	369,690	58,339	428,029
Other items					
Depreciation	1,235	7,603	8,839	164	9,004
Increase in property, plant and equipment and intangible assets	895	14,376	15,272	32	15,304

Note: 1. The amount of adjustment is as follows.

(1) Segment profit adjustment of (2,736) million yen includes inter-segment transaction elimination of 5 million yen and non-allocable operating expense of (2,742) million yen. Non-allocable operating expenses are expenses related to the administrative department of the submitting company.

(2) The adjusted amount of 58,339 million yen in segment assets is company-wide assets and assets related to the administrative division of the submitting company.

(3) The 164 million yen adjustment for depreciation is depreciation expense related to the administrative department of the submitting company.

(4) The adjustment of 32 million yen for the increase in property, plant and equipment and intangible assets is an increase in assets related to the administrative division of the submitting company.

2. Segment profit is adjusted to operating income in consolidated financial statements.

The current fiscal year (April 1, 2024 to March 31, 2025)

(in millions of yen)

	Reportable segments			Adjustment amount (Note) 1	Amount recorded in consolidated financial statements (Note)2
	Pachinko and Pachislot Machine Business	Golf Business	Total		
Sales					
Goods to be transferred at a single point in time	45,499	90,310	135,809	-	135,809
Goods that are transferred over a period of time	-	10,057	10,057	-	10,057
Revenue generated from customer contracts	45,499	100,367	145,867	-	145,867
Revenues from external customers	45,499	100,367	145,867	-	145,867
Transactions with other segments	-	4	4	(4)	-
Total	45,499	100,372	145,871	(4)	145,867
Segment Profit	11,858	18,450	30,309	(2,618)	27,690
Segment Assets	44,854	953,225	998,079	53,519	1,051,598
Other items					
Depreciation	935	7,982	8,917	148	9,066
Increase in property, plant and equipment and intangible assets	1,439	585,547	586,987	364	587,352

Note: 1. The amount of adjustment is as follows.

(1) Segment profit adjustment of (2,618) million yen includes inter-segment transaction elimination of 13 million yen and non-allocable operating expense of (2,631) million yen. Non-allocable operating expenses are expenses related to the administrative department of the submitting company.

(2) The adjusted amount of segment assets of 53,519 million yen is company-wide assets and assets related to the administrative division of the submitting company.

(3) The 148 million yen adjustment for depreciation is depreciation expense related to the administrative department of the submitting company.

(4) The adjustment amount of 364 million yen for the increase in property, plant and equipment and intangible assets is an increase in assets related to the administrative division of the submitting company.

2. Segment profit is adjusted to operating income in consolidated financial statements.

Related Information

The previous fiscal year (April 1, 2023 to March 31, 2024)

1. Product and Service Information

Since the same information is disclosed in the segment information, it is omitted.

2. Regional Information

(1) Net sales

This statement is omitted because sales to external customers in Japan exceed 90% of sales in the Consolidated Statements of Income and Comprehensive Income.

(2) Property, plant and equipment

The amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment on the consolidated balance sheet, so the description is omitted.

3. Information per main customer

The list is omitted because there are no counterparties that account for more than 10% of the total sales of all segments.

The current fiscal year (April 1, 2024 to March 31, 2025)

1. Product and Service Information

Since the same information is disclosed in the segment information, it is omitted.

2. Regional Information

(1) Net sales

This statement is omitted because sales to external customers in Japan exceed 90% of sales in the Consolidated Statements of Income and Comprehensive Income.

(2) Property, plant and equipment

The amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment on the consolidated balance sheet, so the description is omitted.

3. Information per main customer

The list is omitted because there are no counterparties that account for more than 10% of the total sales of all segments.

Information on impairment losses on fixed assets by reporting segment

The previous fiscal year (April 1, 2023 to March 31, 2024)

Not applicable.

The current fiscal year (April 1, 2024 to March 31, 2025)

Not applicable.

Information on amortization and unamortized balances of goodwill by reporting segment

The previous fiscal year (April 1, 2023 to March 31, 2024)

(in millions of yen)

	Pachinko and Pachislot Machine Business	Golf Business	Unallocated amounts and elimination	Total
Depreciation for the period	-	378	-	378
Balance at the end of the current fiscal year	-	5,705	-	5,705

The current fiscal year (April 1, 2024 to March 31, 2025)

(in millions of yen)

	Pachinko and Pachislot Machine Business	Golf Business	Unallocated amounts and elimination	Total
Depreciation for the period	-	397	-	397
Balance at the end of the current fiscal year	-	266,252	-	266,252

Information on Negative Goodwill Accrual Gains by Reporting Segment

Not applicable.