

May 13, 2026

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (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 26, 2026
 Scheduled date to commence dividend payments: June 29, 2026
 Scheduled date to file annual securities report: June 26, 2026
 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, 2026 (from April 1, 2025 to March 31, 2026)

(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, 2026	258,107	76.9	43,423	56.8	33,652	57.8	11,670	(10.7)
March 31, 2025	145,867	7.0	27,690	18.2	21,332	(6.2)	13,064	(21.4)

Note: Comprehensive income For the fiscal year ended March 31, 2026: ¥12,482 million [(2.7)%]
 For the fiscal year ended March 31, 2025: ¥12,823 million [(20.2)%]

	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, 2026	118.33	-	4.7	3.1	16.8
March 31, 2025	132.46	-	5.4	2.8	19.0

Note: In the fiscal year ended March 31, 2026, the Company finalized the provisional accounting treatment for business combinations, and the figures for the fiscal year ended March 31, 2025 reflect the finalization of the provisional accounting treatment.

(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, 2026	1,077,576	248,910	23.1	2,521.44
March 31, 2025	1,104,151	244,331	22.1	2,475.16

Reference: Equity
 As of March 31, 2026: ¥248,681 million
 As of March 31, 2025: ¥244,118 million

Note: In the fiscal year ended March 31, 2026, the Company finalized the provisional accounting treatment for business combinations, and the figures for the fiscal year ended March 31, 2025 reflect the finalization of the provisional accounting treatment.

(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, 2026	41,210	(20,621)	(46,016)	49,280
March 31, 2025	24,925	(500,031)	509,939	74,707

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			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2025	-	40.00	-	40.00	80.00	7,890	60.4	3.3
Fiscal year ended March 31, 2026	-	40.00	-	40.00	80.00	7,890	67.6	3.2
Fiscal year ending March 31, 2027 (Forecast)		40.00		40.00	80.00		38.9	

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(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, 2027	285,900	10.8	52,000	19.8	37,800	12.3	20,300	73.9	205.83

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: None
- (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: None
 - (ii) Changes in accounting policies due to other reasons: Yes
 - (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, 2026	99,809,060 shares
As of March 31, 2025	99,809,060 shares

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

As of March 31, 2026	1,182,050 shares
As of March 31, 2025	1,181,890 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2026	98,627,099 shares
Fiscal year ended March 31, 2025	98,627,354 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(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, 2026	27,382	(40.4)	(2,043)	-	(1,271)	-	(5,120)	-
March 31, 2025	45,937	12.4	5,480	-	3,642	575.1	3,530	-

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2026	(51.92)	-
March 31, 2025	35.80	-

(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, 2026	673,309	172,278	25.6	1,746.77
March 31, 2025	715,452	184,980	25.9	1,875.56

Reference: Equity

As of March 31, 2026: ¥172,278 million

As of March 31, 2025: ¥184,980 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 Monday, May 18, 2026. 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, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	77,799	49,928
Notes and accounts receivable - trade	12,561	11,642
Electronically recorded monetary claims - operating	799	511
Securities	14,448	11,399
Merchandise and finished goods	3,758	3,788
Raw materials and supplies	15,949	17,387
Other	12,550	15,097
Allowance for doubtful accounts	(59)	(45)
Total current assets	137,807	109,710
Non-current assets		
Property, plant and equipment		
Buildings and structures	199,949	233,227
Accumulated depreciation	(59,458)	(65,346)
Buildings and structures, net	140,491	167,880
Machinery, equipment and vehicles	26,315	29,446
Accumulated depreciation	(15,608)	(18,420)
Machinery, equipment and vehicles, net	10,706	11,026
Tools, furniture and fixtures	23,550	28,400
Accumulated depreciation	(14,785)	(16,516)
Tools, furniture and fixtures, net	8,765	11,883
Golf courses	377,100	379,043
Land	175,789	175,745
Leased assets	16,780	18,777
Accumulated depreciation	(4,984)	(7,022)
Leased assets, net	11,796	11,754
Construction in progress	11,757	1,210
Total property, plant and equipment	736,407	758,545
Intangible assets		
Goodwill	147,027	139,888
Other	55,760	52,642
Total intangible assets	202,787	192,531
Investments and other assets		
Investment securities	8,520	3,563
Retirement benefit asset	-	532
Deferred tax assets	10,191	4,642
Other	8,657	8,094
Allowance for doubtful accounts	(220)	(43)
Total investments and other assets	27,148	16,789
Total non-current assets	966,343	967,866
Total assets	1,104,151	1,077,576

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	5,842	6,164
Electronically recorded obligations - operating	2,641	1,544
Current portion of long-term borrowings	44,433	41,029
Income taxes payable	11,145	8,213
Provision for bonuses	2,689	2,686
Provision for shareholder benefit program	380	458
Provision for loss on disaster	614	81
Other	43,663	50,326
Total current liabilities	111,411	110,505
Non-current liabilities		
Long-term borrowings	583,992	552,538
Deferred tax liabilities	98,313	97,968
Retirement benefit liability	5,425	5,240
Deposits received from members	38,803	36,458
Other	21,872	25,955
Total non-current liabilities	748,407	718,160
Total liabilities	859,819	828,666
Net assets		
Shareholders' equity		
Share capital	16,755	16,755
Capital surplus	54,864	54,864
Retained earnings	173,612	177,393
Treasury shares	(1,357)	(1,358)
Total shareholders' equity	243,874	247,654
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	291	654
Remeasurements of defined benefit plans	(47)	372
Total accumulated other comprehensive income	243	1,027
Non-controlling interests	213	228
Total net assets	244,331	248,910
Total liabilities and net assets	1,104,151	1,077,576

Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales	145,867	258,107
Cost of sales	93,377	172,631
Gross profit	52,490	85,475
Selling, general and administrative expenses	24,799	42,052
Operating profit	27,690	43,423
Non-operating income		
Interest income	723	319
Dividend income	65	148
Gain on sale of investment securities	-	424
Rental income	61	272
Insurance claim income	175	131
Gain on sale of non-current assets	100	410
Other	383	864
Total non-operating income	1,509	2,570
Non-operating expenses		
Interest expenses	1,928	10,159
Commission expenses	5,240	159
Loss on retirement of non-current assets	297	716
Expenditures related tonatural disaster	78	409
Other	323	896
Total non-operating expenses	7,867	12,341
Ordinary profit	21,332	33,652
Extraordinary income		
Gain on sale of non-current assets	-	265
Total extraordinary income	-	265
Extraordinary losses		
Loss on sale of non-current assets	-	246
Impairment losses	-	279
Total extraordinary losses	-	525
Profit before income taxes	21,332	33,391
Income taxes - current	7,678	17,036
Income taxes - deferred	589	4,657
Total income taxes	8,268	21,693
Profit	13,064	11,698
Profit attributable to		
Profit attributable to owners of parent	13,064	11,670
Profit attributable to non-controlling interests	-	27
Other comprehensive income		
Valuation difference on available-for-sale securities	(190)	363
Remeasurements of defined benefit plans, net of tax	(50)	420
Total other comprehensive income	(241)	784
Comprehensive income	12,823	12,482
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	12,823	12,454
Comprehensive income attributable to non-controlling interests	-	27

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
Changes during period								
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			
Others								
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
Changes during period		
Dividends of surplus		(7,890)
Profit attributable to owners of parent		13,064
Purchase of treasury shares		(1)
Disposal of treasury shares		0
Others		
Net changes in items other than shareholders' equity	213	(27)
Total changes during period	213	5,145
Balance at end of period	213	244,331

Consolidated statement of changes in equity

Fiscal year ended March 31, 2026

(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	173,612	(1,357)	243,874	291	(47)	243
Changes during period								
Dividends of surplus			(7,890)		(7,890)			
Profit attributable to owners of parent			11,670		11,670			
Purchase of treasury shares				(0)	(0)			
Disposal of treasury shares		0		0	0			
Others		(0)			(0)			
Net changes in items other than shareholders' equity						363	420	784
Total changes during period	-	(0)	3,780	(0)	3,779	363	420	784
Balance at end of period	16,755	54,864	177,393	(1,358)	247,654	654	372	1,027

	Non-controlling interests	Total net assets
Balance at beginning of period	213	244,331
Changes during period		
Dividends of surplus		(7,890)
Profit attributable to owners of parent		11,670
Purchase of treasury shares		(0)
Disposal of treasury shares		0
Others		(0)
Net changes in items other than shareholders' equity	15	799
Total changes during period	15	4,578
Balance at end of period	228	248,910

Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	21,332	33,391
Depreciation	9,066	23,329
Impairment losses	-	279
Amortization of goodwill	397	7,480
Increase (decrease) in allowance for doubtful accounts	(295)	(190)
Increase (decrease) in provision for bonuses	(69)	(2)
Increase (decrease) in provision for shareholder benefit program	(20)	77
Decrease (increase) in retirement benefit asset	-	(532)
Increase (decrease) in retirement benefit liability	(74)	386
Interest income	(723)	(319)
Dividend income	(65)	(148)
Interest expenses	1,928	10,159
Commission expenses	5,240	159
Foreign exchange losses (gains)	0	(0)
Loss (gain) on sale of investment securities	0	(14)
Loss (gain) on sale of non-current assets	(99)	(365)
Loss on retirement of non-current assets	297	716
Loss (gain) on investments in investment partnerships	(10)	2
Decrease (increase) in trade receivables	3,995	1,363
Decrease (increase) in advance payments to suppliers	323	(44)
Decrease (increase) in advance payments - other	(408)	241
Decrease (increase) in consumption taxes refund receivable	1,002	(2,334)
Decrease (increase) in inventories	108	(1,428)
Increase (decrease) in trade payables	(5,385)	(599)
Increase (decrease) in accounts payable - other	(252)	(403)
Increase (decrease) in accrued consumption taxes	89	(521)
Increase (decrease) in advances received	135	294
Increase (decrease) in deposits received from members	(1,071)	(2,654)
Other, net	(47)	1,376
Subtotal	35,392	69,699
Interest and dividends received	764	454
Interest paid	(1,862)	(8,557)
Income taxes paid	(9,834)	(20,439)
Income taxes refund	464	53
Net cash provided by (used in) operating activities	24,925	41,210

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from investing activities		
Payments into time deposits	(21,140)	(23,150)
Proceeds from withdrawal of time deposits	14,940	26,230
Purchase of short-term and long-term investment securities	(53,017)	(32,292)
Proceeds from sale and redemption of short-term and long-term investment securities	59,553	39,795
Purchase of property, plant and equipment	(18,799)	(31,243)
Proceeds from sale of property, plant and equipment	116	1,517
Purchase of intangible assets	(98)	(264)
Purchase of shares, etc of subsidiaries resulting in change in scope of consolidation	(479,263)	(1,446)
Other, net	(2,322)	232
Net cash provided by (used in) investing activities	(500,031)	(20,621)
Cash flows from financing activities		
Proceeds from long-term borrowings	529,284	27,389
Repayments of long-term borrowings	(10,853)	(62,365)
Purchase of treasury shares	(1)	(0)
Repayments of lease liabilities	(598)	(3,120)
Dividends paid	(7,891)	(7,889)
Dividends paid to non-controlling interests	(0)	(12)
Other, net	0	(16)
Net cash provided by (used in) financing activities	509,939	(46,016)
Effect of exchange rate change on cash and cash equivalents	(0)	0
Net increase (decrease) in cash and cash equivalents	34,833	(25,427)
Cash and cash equivalents at beginning of period	39,874	74,707
Cash and cash equivalents at end of period	74,707	49,280

(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 Golf Business and the Amusement Machine Business. The Golf Business owns and operates golf courses. The Amusement Machine Business develops, manufactures, and sells pachinko machines and pachislot machines.

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, 2024 to March 31, 2025)

(Millions of yen)

	Reportable segments			Adjustment amount (Note) 1	Amount recorded in consolidated financial statements (Note)2
	Golf Business	Pachinko and Pachislot Machine Business	Total		
Sales					
Goods to be transferred at a single point in time	90,310	45,499	135,809	-	135,809
Goods that are transferred over a period of time	10,057	-	10,057	-	10,057
Revenue generated from customer contracts	100,367	45,499	145,867	-	145,867
Revenues from external customers	100,367	45,499	145,867	-	145,867
Transactions with other segments	4	-	4	(4)	-
Total	100,372	45,499	145,871	(4)	145,867
Segment Profit	18,450	11,858	30,309	(2,618)	27,690
Segment Assets	1,005,778	44,854	1,050,632	53,519	1,104,151
Other items					
Depreciation	7,982	935	8,917	148	9,066
Increase in property, plant and equipment and intangible assets	638,094	1,439	639,533	364	639,898

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.

(5) Segment information for the previous fiscal year is disclosed in the amount after reflecting the significant revision of the initial allocation of acquisition costs due to the finalization of provisional accounting treatment described in "(5) Notes on Consolidated Financial Statements (Business Combinations, etc.)."

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

The current fiscal year (April 1, 2025 to March 31, 2026)

(Millions of yen)

	Reportable segments			Adjustment amount (Note) 1	Amount recorded in consolidated financial statements (Note)2
	Golf Business	Pachinko and Pachislot Machine Business	Total		
Sales					
Goods to be transferred at a single point in time	213,679	27,482	241,162	-	241,162
Goods that are transferred over a period of time	16,944	-	16,944	-	16,944
Revenue generated from customer contracts	230,624	27,482	258,107	-	258,107
Revenues from external customers	230,624	27,482	258,107	-	258,107
Transactions with other segments	7	-	7	(7)	-
Total	230,631	27,482	258,114	(7)	258,107
Segment Profit	45,599	712	46,312	(2,889)	43,423
Segment Assets	1,001,270	41,347	1,042,617	34,959	1,077,576
Other items					
Depreciation	21,845	1,325	23,171	158	23,329
Increase in property, plant and equipment and intangible assets	44,788	1,482	46,271	209	46,480

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

(1) Segment profit adjustment of (2,889) million yen includes inter-segment transaction elimination of 134 million yen and non-allocable operating expense of (3,024) million yen. Non-allocable operating expenses are expenses related to the administrative department of the submitting company.

(2) The adjusted amount of 34,959 million yen in segment assets is company-wide assets and assets related to the administrative division of the submitting company.

(3) The 158 million yen adjustment for depreciation is depreciation expense related to the administrative department of the submitting company.

- (4) The adjustment amount of 209 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, 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.

The current fiscal year (April 1, 2025 to March 31, 2026)

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.

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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, 2024 to March 31, 2025)

Not applicable.

The current fiscal year (April 1, 2025 to March 31, 2026)

(Millions of yen)

	Golf Business	Pachinko and Pachislot Machine Business	Unallocated amounts and elimination	Total
Impairment losses	279	-	-	279

Information on amortization and unamortized balances of goodwill by reporting segment

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

(Millions of yen)

	Golf Business	Pachinko and Pachislot Machine Business	Unallocated amounts and elimination	Total
Depreciation for the period	397	-	-	397
Balance at the end of the current fiscal year	147,027	-	-	147,027

The current fiscal year (April 1, 2025 to March 31, 2026)

(Millions of yen)

	Golf Business	Pachinko and Pachislot Machine Business	Unallocated amounts and elimination	Total
Depreciation for the period	7,480	-	-	7,480
Balance at the end of the current fiscal year	139,888	-	-	139,888

Information on Negative Goodwill Accrual Gains by Reporting Segment

Not applicable.