

August 8, 2025

Consolidated Financial Results for the Three Months Ended June 30, 2025 (Under Japanese GAAP)

Company name: Heiwa Corporation
 Listing: Tokyo Stock Exchange
 Securities code: 6412
 URL: <https://www.heiwanet.co.jp/>
 Representative: Katsuya Minei, Representative Director and President
 Inquiries: Motoyoshi Takagi, Senior Executive Officer, Deputy Chief of Administrative Division and General Manager of Management Planning Group
 Telephone: +81-3-3839-0701
 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: None

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

1. Consolidated financial results for the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2025	70,249	97.4	15,353	77.4	13,371	53.2	8,180	45.3
June 30, 2024	35,586	1.8	8,654	15.5	8,725	17.3	5,628	13.8

Note: Comprehensive income For the three months ended June 30, 2025: ¥8,275 million [50.7%]
 For the three months ended June 30, 2024: ¥5,490 million [6.8%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2025	82.94	-
June 30, 2024	57.07	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2025	1,051,942	248,633	23.6	2,518.98
March 31, 2025	1,051,598	244,315	23.2	2,475.16

Reference: Equity
 As of June 30, 2025: ¥248,439 million
 As of March 31, 2025: ¥244,118 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	40.00	-	40.00	80.00
Fiscal year ending March 31, 2026	-				
Fiscal year ending March 31, 2026 (Forecast)		40.00		40.00	80.00

Note: Revisions to the forecast of cash dividends most recently announced: None

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: Revisions to the earnings forecasts most recently announced: None

Since the Group manages its performance on an annual basis, it only discloses its full-year consolidated earnings forecasts.

* **Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

Note: For details, please refer to Appendix P.7 "2. Quarterly Consolidated Financial Statements and Key Notes (4) Notes on Quarterly Consolidated Financial Statements (Notes on Accounting Procedures Specific to the Preparation of Quarterly Consolidated Financial Statements)" for more information.

- (3) 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.7 "2. Quarterly Consolidated Financial Statements and Major Notes (4) Notes on Quarterly Consolidated Financial Statements (Notes on Changes in Accounting Policy)"

(4) Number of issued shares (common shares)

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

As of June 30, 2025	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 June 30, 2025	1,182,014 shares
As of March 31, 2025	1,181,890 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2025	98,627,119 shares
Three months ended June 30, 2024	98,627,470 shares

- * Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: nothing

- * Proper use of earnings forecasts, and other special matters
(Cautions on forward-looking statements, etc.)

1. The forward-looking statements, including forecasts of financial results, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved. Actual financial results, etc. may differ substantially due to various factors. For the conditions on which earnings forecasts are predicated and precautions for the use of earnings forecasts, please refer to Appendix P.2 "1. Summary of Operating Results, etc. (3) Explanation of Forward-Looking Information such as Consolidated Earnings Forecasts."

2. Supplementary explanatory materials for financial results shall be posted on the Company's website promptly after the disclosure of the financial results.
(Other special notes)

The Group's financial results for the three months of the current fiscal year reflect the performance of PJC Investments Co., Ltd. (currently Accordia Golf Holdings Co., Ltd.) and its 17 consolidated subsidiaries as a result of the acquisition of all shares of PJC Investments Co., Ltd. (currently Accordia Golf Holdings Co., Ltd.) in the 4 months of the previous fiscal year.

Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	77,799	67,353
Notes and accounts receivable - trade	12,561	12,322
Electronically recorded monetary claims - operating	799	765
Securities	14,448	21,984
Merchandise and finished goods	3,758	3,293
Raw materials and supplies	15,949	16,531
Other	12,550	14,049
Allowance for doubtful accounts	(59)	(59)
Total current assets	137,807	136,240
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	118,709	118,935
Golf courses	302,680	302,918
Land	151,092	151,094
Other, net	43,039	48,257
Total property, plant and equipment	615,521	621,207
Intangible assets		
Goodwill	266,252	262,893
Other	4,874	4,790
Total intangible assets	271,126	267,684
Investments and other assets		
Investment securities	8,520	8,632
Other	18,842	18,221
Allowance for doubtful accounts	(220)	(44)
Total investments and other assets	27,142	26,810
Total non-current assets	913,790	915,701
Total assets	1,051,598	1,051,942

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,842	4,450
Electronically recorded obligations - operating	2,641	3,921
Current portion of long-term borrowings	44,433	44,130
Income taxes payable	11,145	3,564
Provisions	3,685	3,670
Other	43,662	42,893
Total current liabilities	111,411	102,631
Non-current liabilities		
Long-term borrowings	583,992	587,520
Retirement benefit liability	5,425	5,401
Other	106,454	107,754
Total non-current liabilities	695,872	700,677
Total liabilities	807,283	803,309
Net assets		
Shareholders' equity		
Share capital	16,755	16,755
Capital surplus	54,864	54,864
Retained earnings	173,612	177,848
Treasury shares	(1,357)	(1,357)
Total shareholders' equity	243,874	248,109
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	291	375
Remeasurements of defined benefit plans	(47)	(45)
Total accumulated other comprehensive income	243	329
Non-controlling interests	197	193
Total net assets	244,315	248,633
Total liabilities and net assets	1,051,598	1,051,942

Quarterly consolidated statement of income

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Net sales	35,586	70,249
Cost of sales	21,759	43,549
Gross profit	13,827	26,699
Selling, general and administrative expenses	5,173	11,346
Operating profit	8,654	15,353
Non-operating income		
Interest income	17	58
Dividend income	29	109
Rental income	17	86
Insurance claim income	121	18
Electricity sale income	35	49
Gain on sale of non-current assets	70	40
Other	44	117
Total non-operating income	336	479
Non-operating expenses		
Interest expenses	133	2,290
Commission expenses	13	10
Loss on retirement of non-current assets	12	43
Provision for loss on disaster	71	11
Other	32	106
Total non-operating expenses	264	2,461
Ordinary profit	8,725	13,371
Extraordinary income		
Total extraordinary income	-	-
Extraordinary losses		
Total extraordinary losses	-	-
Profit before income taxes	8,725	13,371
Income taxes	3,097	5,182
Profit	5,628	8,189
Profit attributable to		
Profit attributable to owners of parent	5,628	8,180
Profit attributable to non-controlling interests	-	8
Other comprehensive income		
Valuation difference on available-for-sale securities	(141)	84
Remeasurements of defined benefit plans, net of tax	2	2
Total other comprehensive income	(138)	86
Comprehensive income	5,490	8,275
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,490	8,266
Comprehensive income attributable to non-controlling interests	-	8

Quarterly consolidated statement of cash flows

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Cash flows from operating activities		
Profit before income taxes	8,725	13,371
Depreciation	2,180	4,452
Amortization of goodwill	97	3,359
Increase (decrease) in allowance for doubtful accounts	4	(176)
Increase (decrease) in provision for bonuses	(661)	216
Increase (decrease) in retirement benefit liability	0	(20)
Interest and dividend income	(46)	(167)
Interest expenses	133	2,290
Foreign exchange losses (gains)	(0)	0
Loss (gain) on sale of non-current assets	(70)	(40)
Loss on retirement of non-current assets	12	43
Decrease (increase) in advance payments to suppliers	128	(110)
Decrease (increase) in consumption taxes refund receivable	(7)	35
Decrease (increase) in trade receivables	767	443
Decrease (increase) in inventories	(828)	(116)
Increase (decrease) in trade payables	(2,312)	(568)
Increase (decrease) in accounts payable - other	(897)	(2,902)
Increase (decrease) in accrued consumption taxes	639	1,962
Increase (decrease) in advances received	(1,251)	(2,064)
Other, net	(245)	(386)
Subtotal	6,370	19,621
Interest and dividends received	48	168
Interest paid	(121)	(1,623)
Income taxes paid	(5,688)	(11,784)
Net cash provided by (used in) operating activities	608	6,382
Cash flows from investing activities		
Payments into time deposits	(4,000)	(17,880)
Proceeds from withdrawal of time deposits	1,880	6,380
Purchase of short-term and long-term investment securities	(15,498)	(8,498)
Proceeds from sale and redemption of short-term and long-term investment securities	15,497	8,497
Purchase of property, plant and equipment	(5,616)	(7,804)
Proceeds from sale of property, plant and equipment	70	40
Purchase of intangible assets	(28)	(77)
Other, net	22	(155)
Net cash provided by (used in) investing activities	(7,672)	(19,498)
Cash flows from financing activities		
Proceeds from long-term borrowings	-	4,995
Repayments of long-term borrowings	(1,494)	(1,774)
Purchase of treasury shares	(0)	(0)
Repayments of lease liabilities	(141)	(758)
Dividends paid	(3,778)	(3,803)
Other, net	(7)	(12)
Net cash provided by (used in) financing activities	(5,422)	(1,354)
Effect of exchange rate change on cash and cash equivalents	0	(0)
Net increase (decrease) in cash and cash equivalents	(12,485)	(14,470)
Cash and cash equivalents at beginning of period	39,874	74,707
Cash and cash equivalents at end of period	27,389	60,237

(Notes on segment information, etc.)

Segment Information

I. the three months of the previous fiscal year (April 1, 2024 to June 30, 2024)

1. Information on sales and the amount of profit or loss for each reported segment, as well as information on the breakdown of revenues

(in millions of yen)

	Reportable segments			Adjustment amount (Note) 1	Quarterly Consolidated Income and Statements of Comprehensive Income (Note)2
	Golf Business	Pachinko and Pachislot Machine Business	Total		
Sales					
Goods to be transferred at a single point in time	24,468	8,608	33,077	-	33,077
Goods that are transferred over a period of time	2,509	-	2,509	-	2,509
Revenue generated from customer contracts	26,977	8,608	35,586	-	35,586
Revenues from external customers	26,977	8,608	35,586	-	35,586
Transactions with other segments	0	-	0	(0)	-
Total	26,978	8,608	35,587	(0)	35,586
Segment Profit	7,082	2,272	9,354	(700)	8,654

Note: 1. Segment profit adjustment of (700) million yen includes 3 million yen for inter-segment transaction elimination and (704) million yen for non-allocable operating expenses. Non-allocable operating expenses are expenses related to the administrative department of the submitting company.

2. Segment profit is adjusted to quarterly consolidated income and operating income in the statement of comprehensive income.

2. Information on impairment losses or goodwill on fixed assets by reporting segment
Not applicable.

II. the three months of the current fiscal year (April 1, 2025 to June 30, 2025)

1. Information on sales and the amount of profit or loss for each reported segment, as well as information on the breakdown of revenues

(in millions of yen)

	Reportable segments			Adjustment amount (Note) 1	Quarterly Consolidated Income and Statements of Comprehensive Income (Note)2
	Golf Business	Pachinko and Pachislot Machine Business	Total		
Sales					
Goods to be transferred at a single point in time	57,636	8,413	66,050	-	66,050
Goods that are transferred over a period of time	4,199	-	4,199	-	4,199
Revenue generated from customer contracts	61,835	8,413	70,249	-	70,249
Revenues from external customers	61,835	8,413	70,249	-	70,249
Transactions with other segments	0	-	0	(0)	-
Total	61,836	8,413	70,250	(0)	70,249
Segment Profit	14,736	1,384	16,120	(766)	15,353

Note: 1. Segment profit adjustment of (766) million yen includes inter-segment transaction elimination of 6 million yen and non-allocable operating expense of (773) million yen. Non-allocable operating expenses are expenses related to the administrative department of the submitting company.

2. Segment profit is adjusted to quarterly consolidated income and operating income in the statement of comprehensive income.

2. Information on impairment losses or goodwill on fixed assets by reporting segment
Not applicable.