

Supplementary material regarding  
the acquisition of shares in PJC  
Investments Co., Ltd., the parent  
company of Accordia Golf Co., Ltd.

Heiwa Corporation

TSE Prime Market 6412

December 18, 2024

(Note) This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



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# Overview of the Share Acquisition

Target	<ul style="list-style-type: none"><li>■ All shares in PJC Investments Co., Ltd. (“PJC Investments”), which holds all shares in Accordia Golf Co., Ltd. (“Accordia Golf”)</li></ul>
Purchase Price	<ul style="list-style-type: none"><li>■ JPY 510,000 million (which has been agreed upon between the parties as the enterprise value of PJC Investments and includes the consideration of shares (JPY 253,558 million) and the net interest-bearing debt. The final amount will be determined after price adjustments as stipulated in the share purchase agreement.)</li></ul>
Funding	<ul style="list-style-type: none"><li>■ All funds will be raised through loan from financial institutions (no equity finance causing dilution of the value per share is planned)</li></ul>
Timeline	<ul style="list-style-type: none"><li>■ Closing is scheduled for January 31, 2025, subject to clearance from the applicable competition authority</li></ul>



# Purpose of the Share Acquisition

■ To pursue establishing a brand portfolio that meets the needs of all golfers by incorporating Accordia Golf into the Heiwa group.



Accordia Golf



PGM



**GRAND PGM**  
GRAND PGM

Brand / Customer Characteristics etc.	<ul style="list-style-type: none"> <li>Casual and accessible</li> <li>Courses for beginners, and powder rooms for women</li> </ul>	<ul style="list-style-type: none"> <li>Pursuit of traditional qualities in Japanese golf</li> </ul>	<ul style="list-style-type: none"> <li>High-grade golf course brand with dignity and elegance representing Japan</li> </ul>
Number of golf courses held (As of the end of November 2024)	<ul style="list-style-type: none"> <li>173 locations</li> </ul>	<ul style="list-style-type: none"> <li>132 locations</li> </ul>	<ul style="list-style-type: none"> <li>16 locations</li> </ul> <div>148 locations in total</div>
Distinctive Services	<ul style="list-style-type: none"> <li>Comprehensive services by utilizing both driving ranges and golf courses</li> </ul>	<ul style="list-style-type: none"> <li>“Cool Cart”: Golf carts with fans to comfortably play golf even during hot summer</li> <li>“withGolf”: providing customers with short lessons by PGM-supported professionals while playing</li> <li>Nighttime operation for a wide range of golf playing styles</li> <li>In addition to the services above, GRAND PGM offers a higher level of facilities and hospitality with dignity and elegance</li> </ul>	
Number of annual visitors (Actual results for FY2024/03)	<ul style="list-style-type: none"> <li>12.02 million</li> </ul>	<ul style="list-style-type: none"> <li>9.05 million (Sum of PGM and GRAND PGM)</li> </ul>	

- Heiwa will be the world's largest owner of golf courses after incorporating Accordia Golf into the Heiwa group.
- Synergies such as enhancement of management efficiency and economies of scale are expected.

Global Ranking of Golf Course Owners (Before)

Rank	Owners	Number of golf courses owned
1	Company A (US) <sup>1</sup>	213
2	 ACCORDIA GOLF	173
3	Company B (US)	162
4	 PGM®	148
5	Company C (US)	60
6	Company D (France)	32
7	Company E (US)	21
8	Company F (US)	16
9	Company G (US)	15
10	Company H (US) / Company I (US) (tied)	13

Global Ranking of Golf Course Owners (After)

Rank	Owners	Number of golf courses owned
1	 +  PGM®	321
2	Company A (US) <sup>1</sup>	213
3	Company B (US)	162
4	Company C (US)	60
5	Company D (France)	32
6	Company E (US)	21
7	Company F (US)	16
8	Company G (US)	15
9	Company H (US)	13
9	Company I (US)	13

## Expected synergies

- By reducing administrative and procurement costs, integrating systems, and consolidating online reservation sites and point programs to improve customer services, synergies such as enhancement of management efficiency and economies of scale in both Accordia Golf and PGM are expected.

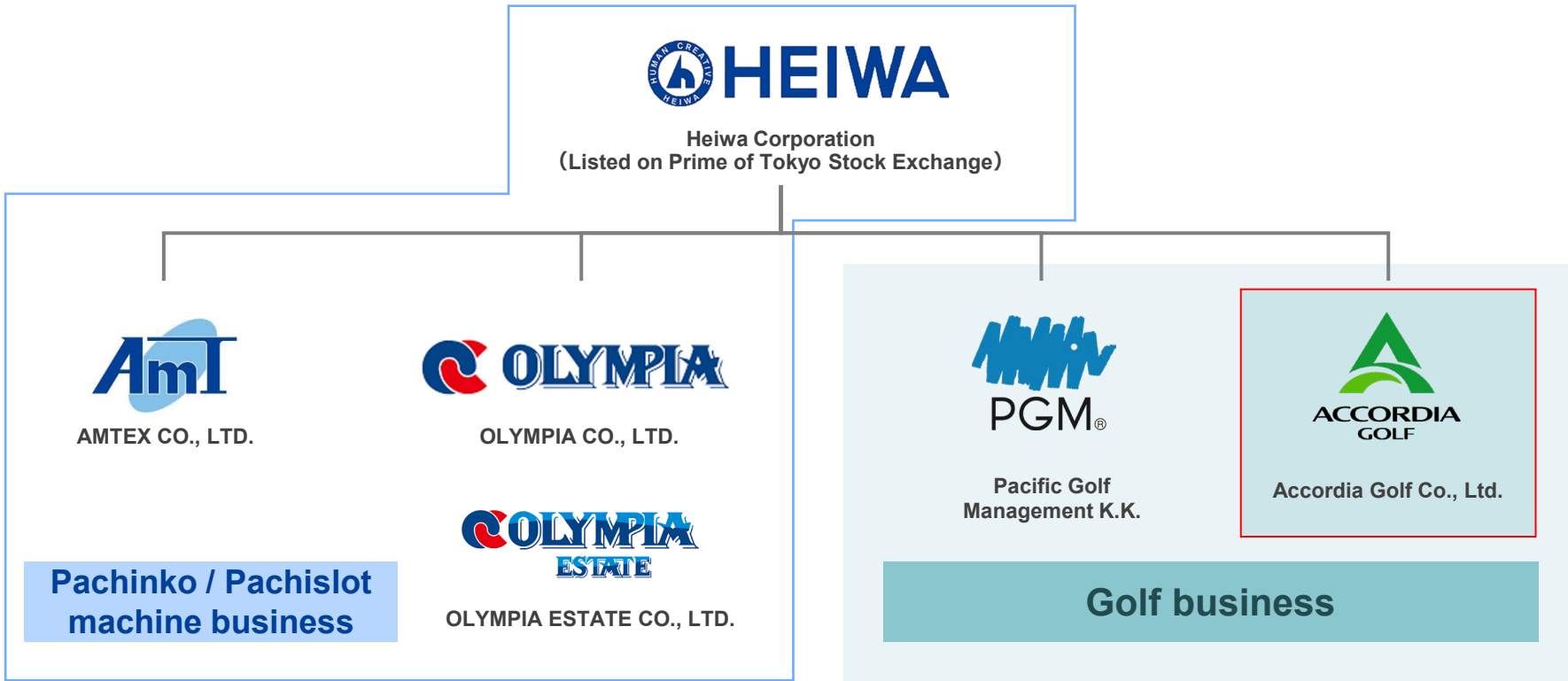
Source) Searched by YH Research Co., Ltd (As of the end of November 2024)

1. Among the 213 golf courses owned by Company A, the 9 golf courses are wholly owned by Company A.



# “General Leisure Company”

- By incorporating Accordia Golf into the Heiwa group, we will further promote the growth to be a “General Leisure Company” with the two business lines: the pachinko and pachislot machine business and the golf business operating golf courses.
- Heiwa plans to operate the golf business, maintaining both the PGM and Accordia Golf brands and taking advantage of the characteristics of both companies.





- Promoting the business operation by making use of the group synergy with PGM pursuing traditional qualities of Japanese golf and Accordia Golf operating the golf courses that are casual and accessible for the younger generation and women.



Photo: PGM Golf Resort Okinawa

- **Traditional qualities of Japanese golf**
- **High-grad customer service with lavish hospitality**

<Representative Course>

PGM Golf Resort Okinawa, Sohbu Country Club



Photo: Yotsukaido Golf Club

- **Casual and accessible**
- **Courses for beginners, full of powder rooms for women**

< Representative Course >

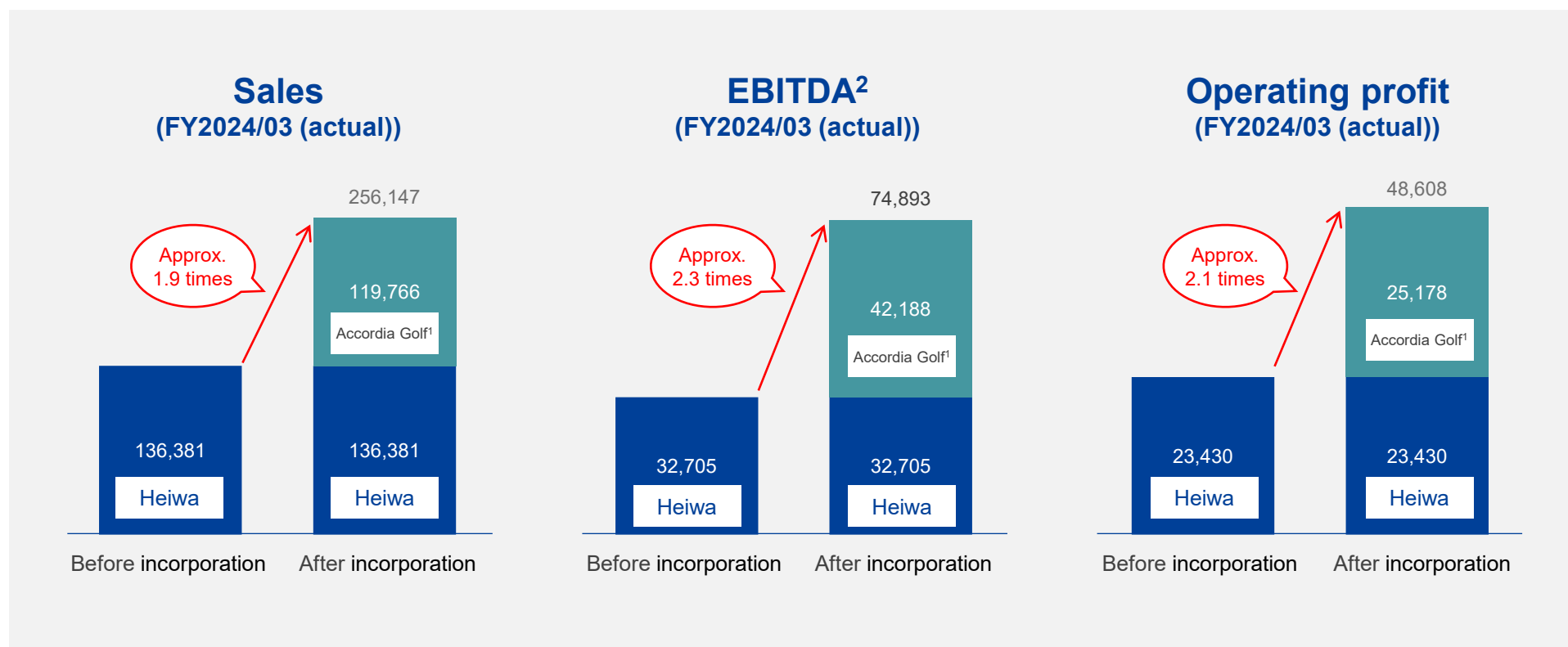
Tokyo Sobu Country Club, Yotsukaido Golf Club



# Financial Impacts

- Incorporating Accordia Golf into Heiwa Corporation's group will significantly increase sales, EBITDA, and operating profit.

(Unit: million yen)



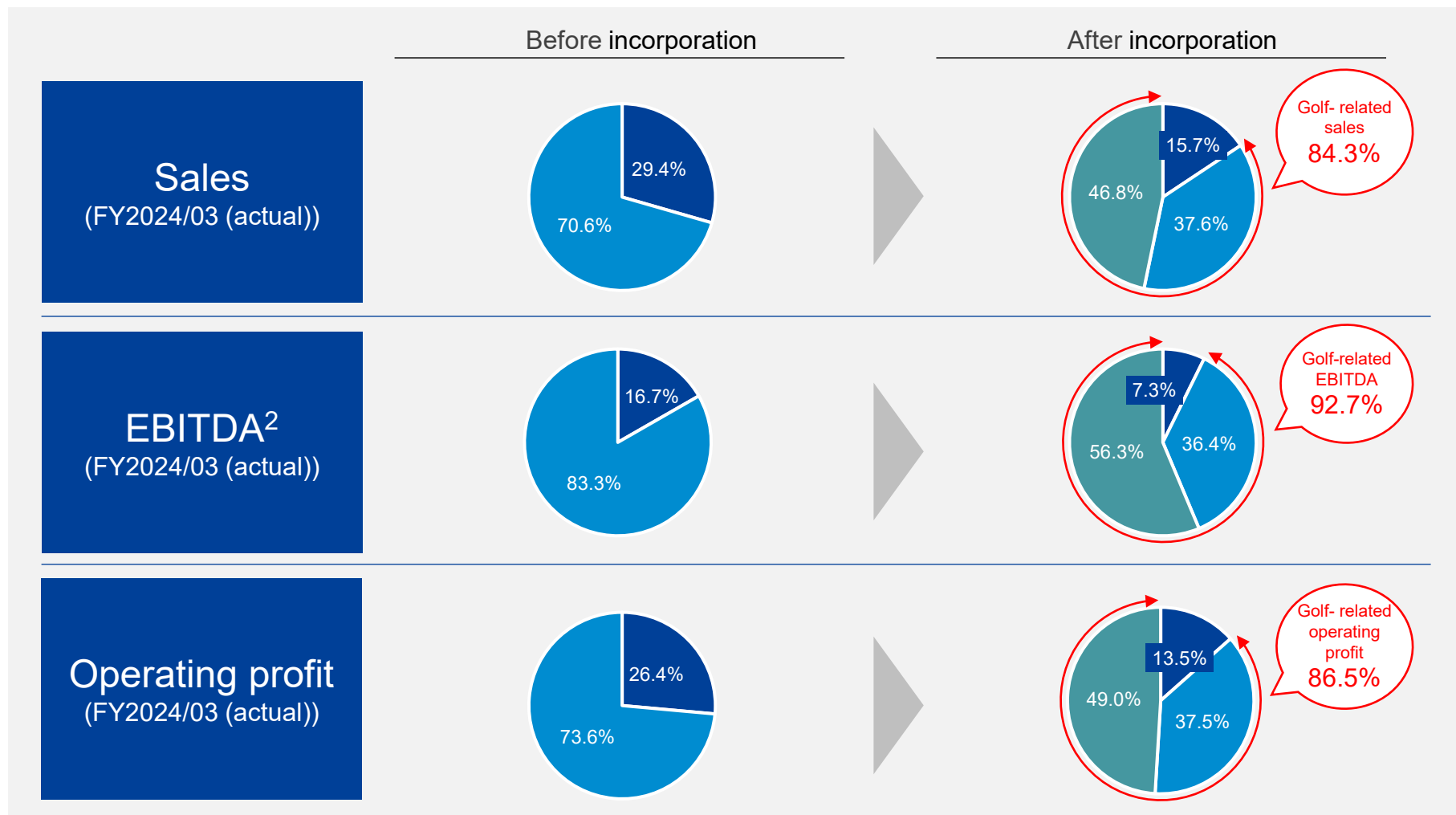
1. The financial figures for Accordia Golf are those of its parent company, PJC Investments.  
 2. Calculated based on operating profit + depreciation expenses + amortization of goodwill.

# Change in Business Composition Ratio

(Simplified sum of the actual performance for FY2024/03)

■ Incorporating Accordia Golf into Heiwa Corporation's group will increase the proportion of golf-related businesses.

■ Pachinko and pachislot machine business (Heiwa) ■ Golf Business (Heiwa) ■ Accordia Golf <sup>1</sup>

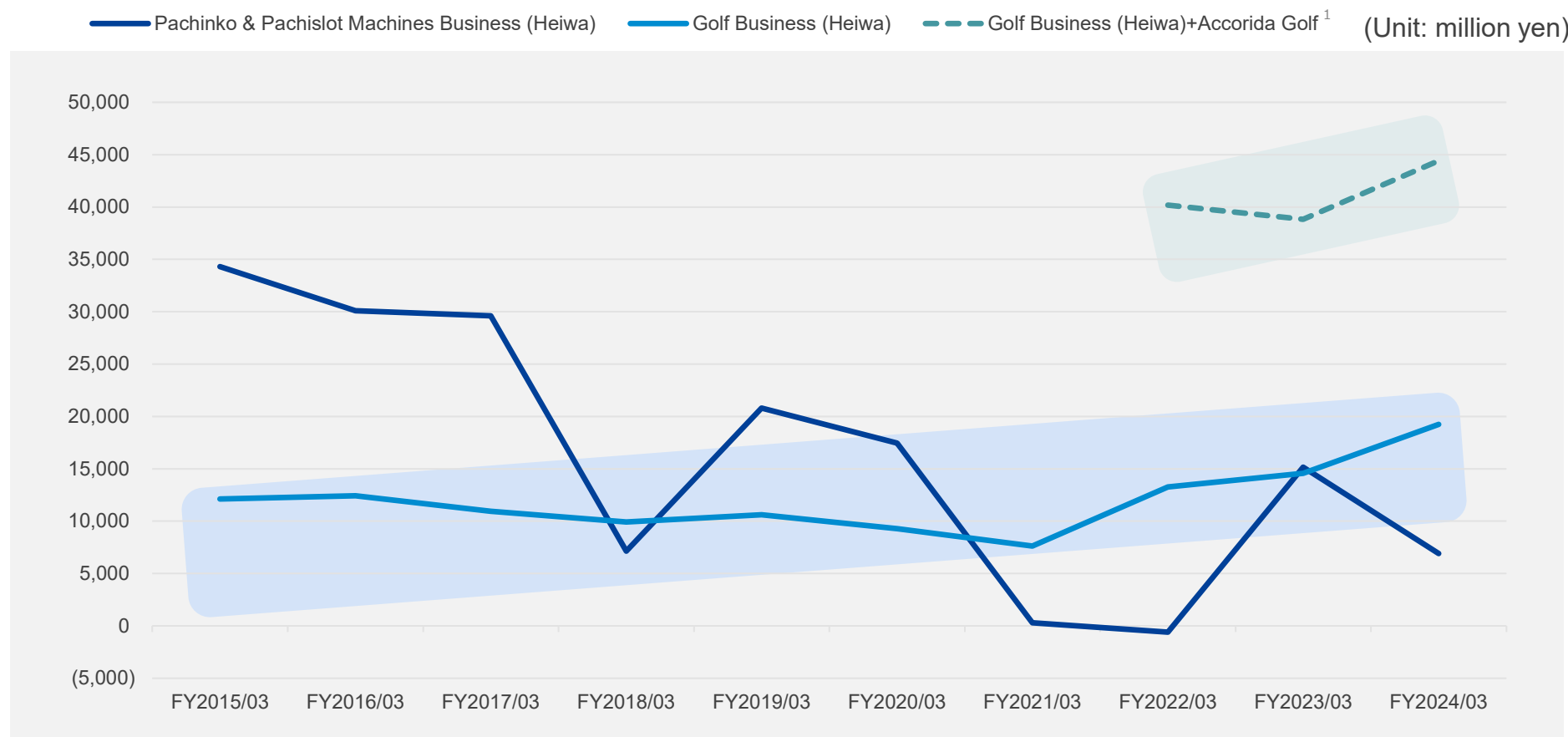


1. The financial figures for Accordia Golf are those of its parent company, PJC Investments.

2. Heiwa Corporation's EBITDA is calculated based on segment income and depreciation expenses for each the pachinko and pachislot machine business and the golf business for FY2024/03. Accordia Golf's EBITDA is calculated based on operating profit + depreciation expenses + amortization of goodwill for FY2024/03.

# Stable Profitability of Golf Business

- The golf business has a more stable profitability than the pachinko and pachislot machine business and has grown steadily in the past financial years.
- Incorporating Accordia Golf into Heiwa Corporation's group is expected to enhance stability in its business performance.



1. The financial results of PJC Investments is used as figures for Accordia Golf.

2. The segment profits for each the pachinko and pachislot machine business and the golf businesses for the past 10 financial years (FY2015/03-FY2024/03) is used for Heiwa Corporation

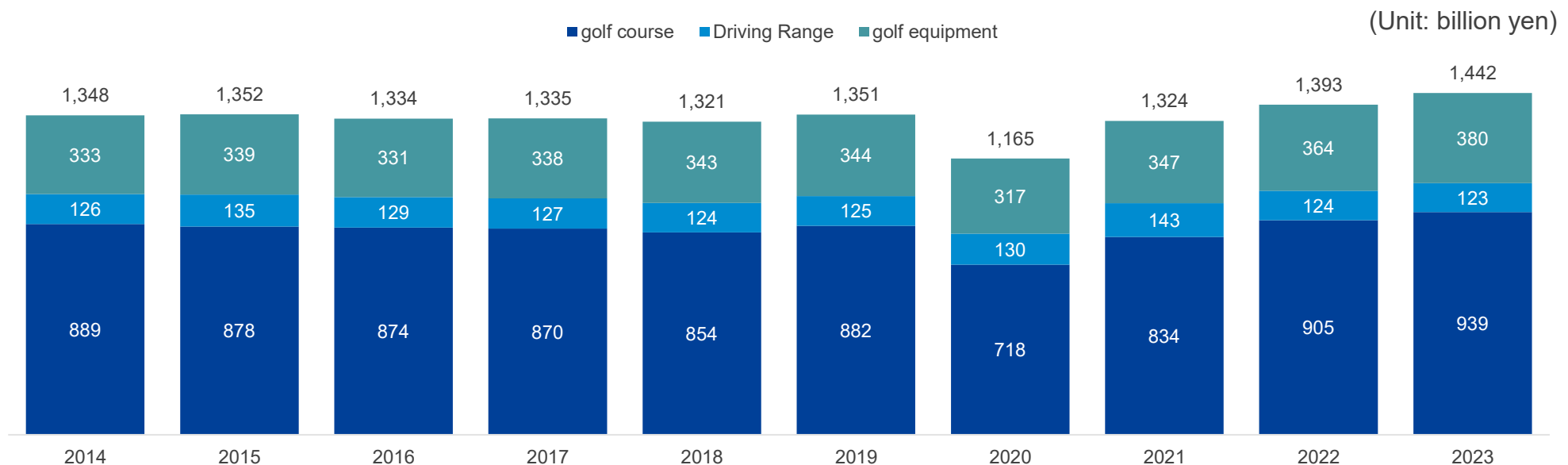
3. "[Reference Figures] Golf Business (Heiwa) + Accordia Golf" is calculated by adding Accordia Golf's operating profit for the past three financial years (FY2022/03-FY2024/03) to Heiwa Corporation's golf business segment profit for the same period.



# Growth Potential of the Golf Industry

## Market Size Transition in the Golf Industry

- Demand in the golf industry has increased dramatically over the past several years due to the widespread recognition that golf is an accessible leisure activity with low risk of infection during the COVID-19 pandemic and due to the increasing popularity of women's competitions such as the LPGA (Ladies Professional Golf Association) .



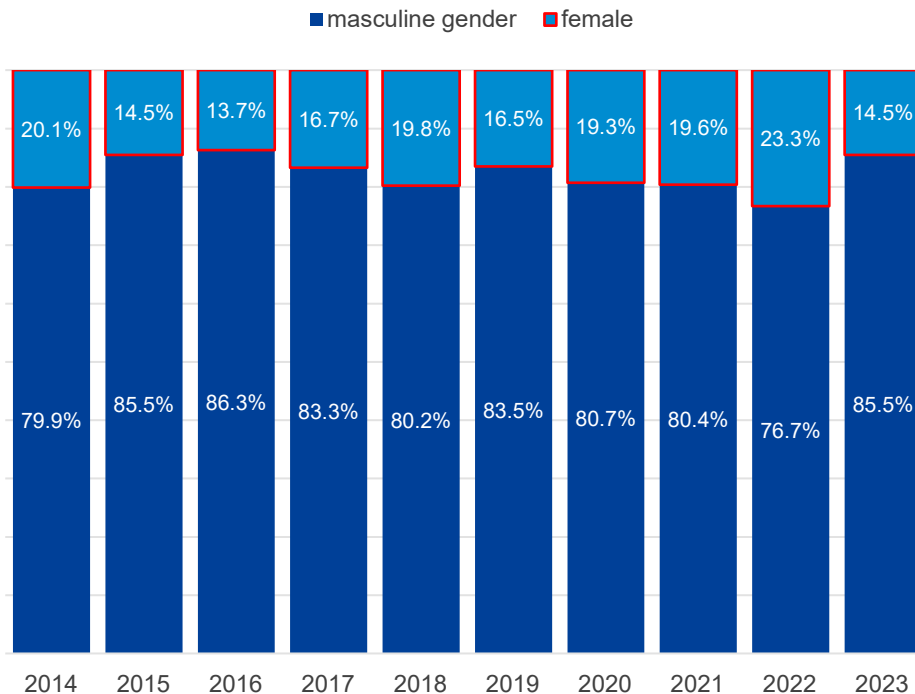
Source) These figures are from the Japan Productivity Center. The period is from January to December.

# Growth Potential of the Golf Industry (2)

- By appealing and encouraging the enchantment of golf to women and the younger generation, the number of golfers is expected to increase.

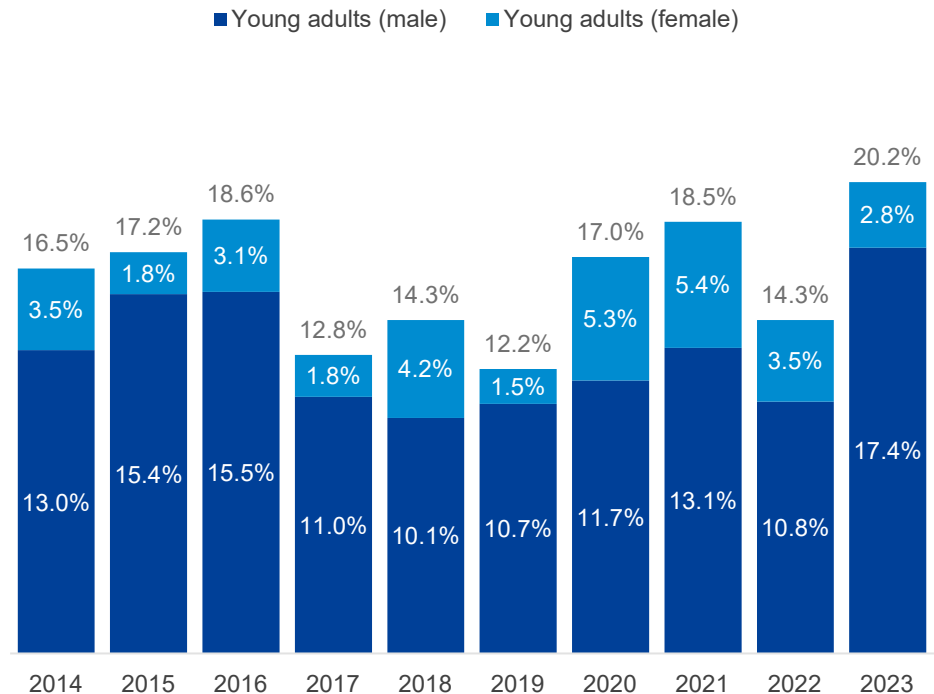
## Transition of player population by gender<sup>1</sup> composition

- The percentage of ladies golfers among the player population is low and there is room for growth.



## Transition of percentage of the younger generation (10s to 30s) among the player population

- There is also room for growth in the number of young golf players.



Source) These figures are from the Japan Productivity Center. The period is from January to December.

1. The player population is the number of golf course users in each year.





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