Consolidated Financial Results for the First Three Quarters of the Fiscal Year Ending March 31, 2015 (Japanese Accounting Standards)

February 10, 2015

Company Name: Accordia Golf Co., Ltd. Listing Exchanges: First section of the Tokyo Stock Exchange
Securities Code: 2131 URL: http://www.accordiagolf.co.jp/english/
Representative: (Title) President & CEO (Name) Ryusuke Kamata
For Inquiries, Contact: (Title) Member of the Board and Managing Executive Officer (Name) Takabumi Suzuki
TEL: (03) 6688-1506

Planned Submission Date for the Quarterly Report: February 12, 2015
Planned Starting Date for Dividend Payments: —
Supplementary documents for quarterly results: YES
Quarterly results briefing: NO

(Rounded down to nearest million yen)

1. Consolidated Performance for the First Three Quarters of the Fiscal Year Ending March 31, 2015
(April 1, 2014 – December 31, 2014)

(1) Consolidated Operating Performance (Cumulative) (% indicates year-on-year change)

	Operating Revenue		Operating Income		Ordinary Income		Net Income	
	Yen millions	%	Yen millions	%	Yen millions	%	Yen millions	%
FY 3/2015 Q3	54,288	(27.1)	6,895	(45.9)	3,111	(72.1)	6,276	8.6
FY 3/2014 Q3	74,474	2.3	12,752	3.7	11,146	5.9	5,780	(5.5)

(Note) Comprehensive Income FY 3/2015 Q3: 6,192 million yen (7.1%) FY 3/2014 Q3: 5,785 million yen (-5.4%)

	Net Income per Share	Fully-Diluted Net Income per Share
	Yen	Yen
FY 3/2015 Q3	71.00	–
FY 3/2014 Q3	56.31	–

(Note) Fully-diluted net income per share for the first three quarters of the fiscal year ended March 31, 2014 is not presented as there were no potential shares. Fully-diluted net income per share for the first three quarters of the fiscal year ending March 31, 2015 is not presented as there are no dilutive potential shares.

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	Yen millions	Yen millions	%
FY 3/2015 Q3	156,863	47,405	30.1
FY 3/2014	262,961	92,202	35.0

(Reference) Shareholders' Equity FY 3/2015 Q3: 47,145 million yen FY 3/2014: 92,068 million yen

2. Dividends

	Dividends per Share				
(Record Date)	End of Q1	End of Q2	End of Q3	Fiscal Year End	Annual
	Yen	Yen	Yen	Yen	Yen
FY 3/2014	–	0.00	–	56.00	56.00
FY 3/2015	–	5.00	–		
FY 3/2015 (Forecast)				36.00	41.00

(Note) Revisions to dividend forecasts published most recently: NO

3. Forecasts for Consolidated Performance for the Fiscal Year Ending March 31, 2015 (April 1, 2014 – March 31, 2015)

(% indicates year-on-year change)

	Operating Revenue		Operating Income		Ordinary Income		Net Income		Net Income per Share
	Yen millions	%	Yen millions	%	Yen millions	%	Yen millions	%	Yen
Full Year	64,200	(30.2)	8,000	(34.7)	4,000	(61.2)	5,800	25.6	69.07

(Note) Revisions to performance forecasts published most recently: NO

* Notes

(1) Changes in significant subsidiaries during the term under review (changes in subsidiaries via share exchange causing a change in the scope of consolidation): YES

New: -- company (company name:)

Eliminated: 2 companies (company names: Accordia Asset Holding 11 Co., Ltd., Accordia Asset Holding 12 Co., Ltd.)

(Note) For details, please refer to “Business combinations, etc.” on page 12 of the accompanying materials.

(2) Adoption of accounting treatment unique to the preparation of quarterly consolidated financial statements: NO

(3) Changes in accounting policies and changes or restatement of accounting estimates

(i) Changes in accounting policies associated with the revision of accounting standards, etc.: NO

(ii) Changes in accounting policies other than (i): NO

(iii) Changes in accounting estimates: NO

(iv) Restatement: NO

(4) Number of shares issued (common shares)

(i) Shares Outstanding (incl. treasury shares):	End of FY 3/2015 Q3	84,739,000 shares
	End of FY 3/2014	105,398,700 shares
(ii) Treasury Shares:	End of FY 3/2015 Q3	14,234,378 shares
	End of FY 3/2014	2,751,000 shares
(iii) Average Number of Shares Outstanding (cumulative of consolidated quarters)	End of FY 3/2015 Q3	88,387,873 shares
	End of FY 3/2014 Q3	102,647,700 shares

(Note) The Company acquired 32,142,900 treasury shares through tender offer based on the resolution of a meeting of the Board of Directors, which was held on August 4, 2014. The Company cancelled 20,659,700 treasury shares at the meeting of the Board of Directors, which was held on November 10, 2014, based on the provision of Article 178 of the Companies Act. Chiefly due to these reasons, the total number of outstanding shares at the end of the first three quarters under review decreased 20,659,700 shares to 84,739,000 shares, and the total number of treasury shares at the end of the first three quarters under review increased 11,483,378 shares to 14,234,378 shares.

* Explanation about the quarterly review of consolidated financial statements

This financial summary does not need to undergo a quarterly review under the Financial Instruments and Exchange Act. The quarterly consolidated financial statements under the Financial Instruments and Exchange Act have been reviewed at the time of the announcement of this financial summary.

* Explanation on proper use of earnings forecasts and other noteworthy items

The forecasts provided above have been prepared based on currently available information, and includes many uncertainties. Actual results may differ significantly from the above forecasts for various reasons. For details, please refer to “1. (3) Information on future forecast including consolidated earnings forecast” of the accompanying materials.

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Accompanying Materials

1. Qualitative Information on Consolidated Results, etc. for the First Three Quarters Ended December 31, 2014

(1) Qualitative information on consolidated results

During the first three quarters of the fiscal year under review, the Japanese economy underwent a sustained recovery at a moderate pace on the back of the monetary easing policies and economic stimulus measures known as “Abenomics.” However, it started to see uncertain factors arising, such as the reaction to the last-minute demand ahead of the consumption tax hike as well as an increase in the cost of imported raw materials amid the depreciating value of the yen.

In the golf industry, in which the Accordia Golf group operates, the demand for golfing remained generally stable mainly from the strong demand from baby boomers against a backdrop of greater expectations for an economic recovery. However, the number of visitors remained at the same level as the previous year due to a decrease in the number of operating days resulting from typhoons and torrential downpours.

In these circumstances, the Accordia Golf group, while taking steps to increase the number of visitors to golf courses, pursued the basic strategies adopted in the new Medium-Term Management Plan, whose final year is fiscal year 2017 (“creation of capital gains based on a circulating business model” and “creation of stable cash flows from expanded outsourced management business”), and implemented the following management policies.

(Implementation of the business trust-based asset-light strategy and the repurchase of the Company’s own shares)

The Company carried out transactions pertaining to the business trust-based asset-light strategy on August 1, 2014 to address the issues of its business management, including an improvement in asset efficiency. As a result, investment securities (units), which are issued by Accordia Golf Trust (hereinafter, “AG Trust”) or a business trust formed in Singapore, were listed on Singapore Exchange Securities Trading Limited on the same day.

Due to the business trust-based asset-light strategy, the Company also received repayments totaling approximately 113.2 billion yen (the Company offset approximately 25.3 billion yen pertaining to its stake in the business trust’s units (28.85% of all stakes issued), which was therefore not included in the repayments), for the consideration for transferring the operation of 90 golf courses (including the associated facilities) as well as existing loans receivable.

The Company also conducted a tender offer for its own shares for the period from August 5, 2014 to September 1, 2014 to improve its operating performance, such as improving capital efficiency and the return on equity. Settlements of the tender offer were completed on September 29, 2014 with the receipt of a portion of capital received through the business trust-based asset-light measures.

Going forward, the Accordia Golf group will aim to improve earnings from golf courses owned by the Group, and with regard to stable profitability that has been confirmed, we will proceed with additional asset-light trading.

Golf Course Management Business

In addition to stepping up its efforts to offer customers valuable products and services at reasonable prices, as a result of measures taken to attract customers through the introduction of a golf course brand and an original points program and coordination with directly managed and affiliated driving ranges, the number of visitors to the Group’s golf courses (owned or managed under contract by the Group) totaled 6.47 million (an increase of 70,000 compared to the same period last year) for the first three quarters of the fiscal year under review.

Acquisition of Golf Courses and Optimization of Golf Course Portfolio

Based on the golf course portfolio strategy of consolidating superior golf courses around major metropolitan areas and enhancing the Group's revenue base, which the Company has now pursued for several years, the Group proceeded with its screening to acquire superior golf courses and entered into an acquisition agreement with one golf course in Kyoto prefecture in the first three quarters of the fiscal year under review. As of the end of the first three quarters of the fiscal year under review, the Group operated 137 golf courses (44 courses owned by the Group and 93 courses managed under contract for operation).

Driving Range Operation Business

While the number of domestic driving ranges continued to decrease, each directly managed driving range worked to improve services by providing a complete training environment with an aim to become the top driving range in each area against a backdrop of strong golfing demand.

In addition, the Group enhanced synergies with its golf courses by actively expanding school operations and holding golf competitions organized by the driving ranges. Directly managed and affiliated driving ranges sent about 7% of the total number of visitors to the Group's golf courses, and coordination with the directly managed and affiliated driving ranges was steadily strengthened.

As a result of these initiatives, the Group operated 25 driving ranges as of the end of the first three quarters under review.

Consequently, the Group recorded operating revenue of 54,288,448,000 yen, a decrease of 20,185,943,000 yen, or 27.1% year on year, during the first three quarters under review. The decrease reflected the transfer of 90 golf courses out of 133 golf courses owned by the Group as a result of the implementation of the business trust-based asset-light strategy.

Operating income decreased 5,857,208,000 yen, or 45.9% year on year, to 6,895,542,000 yen, due mainly to a decline in operating expenses through the transfer of the operation of 90 golf courses and cost reduction initiatives carried out by the entire Group, although the profit was affected by a decline in operating revenue and expenses for the implementation of the strategy.

Ordinary income decreased 8,035,815,000 yen, or 72.1% year on year, to 3,111,030,000 yen, due to an increase of 300,750,000 yen in syndicated loan fees due to new loans payable and 1,441,562,000 yen in investment losses on equity method. This was because AG Trust, a business trust formed in Singapore, was included in the consolidated results according to the equity methods, in addition to other factors.

Net income increased 495,514,000 yen, or 8.6% year on year, to 6,276,356,000 yen, mainly due to a 527,531,000 yen gain on bargain purchase associated with the acquisition of subsidiaries' shares during the first three quarters under review, the gain on sales of shares of subsidiaries and associates of 6,180,783,000 yen, which was generated as the Company transferred its stake in the silent partnership obtained through the in-kind contribution of the shares of its subsidiary, which owns 90 golf courses covered by AG Assets as a silent partnership contribution.

(2) Qualitative information on consolidated financial position

(Assets)

Total assets at the end of the first three quarters decreased 106,098,136,000 yen from the end of the previous fiscal year, to 156,863,166,000 yen. Major factors behind the decrease were an increase of 21,306,141,000 yen in investment securities as a result of the Group's acquisition of a unit of AG Trust when it was listed on the stock exchange in Singapore, and a decrease of 118,306,578,000 yen in property, plant and equipment due to the transfer of 90 golf courses out of 133 owned by the Group at the time of implementation of the business trust-based asset-light measures, etc.

(Liabilities)

Total liabilities at the end of the first three quarters decreased 61,301,170,000 yen from the end of the previous fiscal year, to 109,457,512,000 yen. Major factors behind the decrease were a decline of a total of 13,527,033,000 yen in short-term loans payable, the current portion of long-term loans payable, and long-term loans payable, a decline of 15,000,000,000 yen in the current portion of bonds due to the maturity of bonds, and a decline of 15,147,153,000 yen of deposits on admission due to the transfer of 90 golf courses, etc.

(Net assets)

Total net assets at the end of the first three quarters decreased 44,796,965,000 yen from the end of the previous fiscal year, to 47,405,654,000 yen. Major factors behind the decrease were an increase of 45,000,287,000 yen in treasury shares due to the tender offer conducted by the Company for its own shares during the first three quarters under review, while incurring subscription rights to shares of 140,424,000 yen due to the issuing of subscription rights to shares.

(Cash flows)

Cash and cash equivalents (hereinafter “cash”) at the end of the first three quarters decreased 655,372,000 yen from the end of the first three quarters of the previous fiscal year, to 4,731,704,000 yen.
Cash flow by the type of activities is as shown below.

(Cash flow from operating activities)

Cash used in operating activities during the first three quarters under review stood at 8,146,919,000 yen, showing a decrease of 16,270,486,000 yen from the same period of the previous year, when cash provided by operating activities was 8,123,566,000 yen. Major factors behind the decrease were the exclusion of 6,180,783,000 yen, or gain on sales of shares of subsidiaries and associates implemented under the asset-light strategy, and an increase of 9,738,537,000 yen in the payment of income taxes, primarily due to withholding taxes incurred from the dividends of subsidiaries, etc.

(Cash flow from investing activities)

Cash provided by investing activities during the first three quarters under review stood at 84,549,578,000 yen, showing an increase of 88,203,451,000 yen from the same period of the previous year, when cash used in investing activities was 3,653,873,000 yen. Major factors behind the increase were an increase of 86,707,995,000 yen in proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation, chiefly attributable to the asset-light strategy.
The consideration of 25,357,232,000 yen for the acquisition of the business trust’s units is presented in the amount received, as it was offset by the relevant proceedings.

(Cash flow from financing activities)

Cash used in financing activities during the first three quarters under review increased 71,359,640,000 yen, to 76,265,793,000 yen compared to the same period of the previous fiscal year. Major factors for the increase were a net decrease in short-term loans payable by 15,999,689,000 yen through the repayment of short-term loans and an increase by 55,361,270, 000 yen in expenditures for the repayment of long-term loans payable and expenditure of 45,000,287,000 yen attributable to purchase of treasury shares through a tender offer for share buyback, although proceeds from long-term loans payable increased 47,298,000,000 yen.

(3) Information on future forecast including consolidated earnings forecast

The results for the first three quarters under review were almost in line with the plan shown in the Notice of Revisions to Earnings Forecast, which was announced on October 31, 2014, and no changes were made to the consolidated earnings forecast.

2. Matters Relating to Summary Information (Notes)

(1) Changes in significant subsidiaries during the quarter under review

During the first three quarters under review, the Company, while taking steps under the business trust-based asset-light strategy, made a contribution in kind for all the issued stocks of Accordia Asset Holding 11 Co., Ltd. and Accordia Asset Holding 12 Co., Ltd., the Company's specified subsidiaries, in the silent partnership company agreement with Accordia Golf Asset Godo Kaisha, which was then assigned to Accordia Golf Trust. As a result, Accordia Asset Holding 11 Co., Ltd. and Accordia Asset Holding 12 Co., Ltd. are not the Company's specified subsidiaries.

(2) Adoption of accounting treatment unique to the preparation of quarterly consolidated financial statements

N/A

(3) Changes in accounting policies and changes or restatement of accounting estimates

N/A

3. Consolidated Quarterly Financial Statements

(1) Consolidated quarterly balance sheet (Thousand yen)

	Previous Consolidated Fiscal Year (As of March 31, 2014)	As of December 31, 2014
Assets		
Current Assets		
Cash and Deposits	4,656,540	4,731,704
Operating Accounts Receivable	5,254,651	2,363,170
Merchandise	2,264,100	2,065,525
Raw Materials and Supplies	360,198	140,318
Other	7,569,327	8,720,996
Allowance for Doubtful Accounts	(673,441)	(183,632)
Total Current Assets	19,431,376	17,838,083
Non-Current Assets		
Property, Plant and Equipment		
Buildings and Structures, Net	42,695,261	20,779,323
Golf Courses	110,241,730	42,709,082
Land	53,448,349	28,494,277
Other, Net	8,378,950	4,475,030
Total Property, Plant and Equipment	214,764,291	96,457,713
Intangible Assets		
Goodwill	21,128,388	9,244,199
Other	4,740,475	2,714,195
Total Intangible Assets	25,868,864	11,958,395
Investments and Other Assets		
Investment Securities	47,591	21,353,732
Long-Term Loans Receivable	49,428	542,428
Other	3,105,032	9,014,645
Allowance for Doubtful Accounts	(305,282)	(301,832)
Total Investments and Other Assets	2,896,770	30,608,973
Total Non-Current Assets	243,529,926	139,025,083
Total Assets	262,961,302	156,863,166

(Thousand yen)

	Previous Consolidated Fiscal Year (As of March 31, 2014)	As of December 31, 2014
Liabilities		
Current Liabilities		
Accounts Payable – Trade	2,110,713	1,700,964
Short-Term Loans Payable	12,704,000	2,800,000
Commercial Papers	2,998,799	4,997,829
Current Portion of Long-Term Loans Payable	9,363,135	10,586,304
Current Portion of Bonds	15,000,000	–
Income Taxes Payable	4,112,579	367,201
Provision	1,786,652	1,220,791
Other	13,794,499	6,134,860
Total Current Liabilities	61,870,379	27,807,951
Non-Current Liabilities		
Long-Term Loans Payable	60,817,134	55,970,932
Deposits on Admission	24,847,809	9,700,656
Other	23,223,358	15,977,972
Total Non-Current Liabilities	108,888,303	81,649,560
Total Liabilities	170,758,683	109,457,512
Net Assets		
Shareholders' Equity		
Capital Stock	10,940,982	10,940,982
Capital Surplus	20,622,481	14,122,481
Retained Earnings	62,505,199	42,108,604
Treasury Shares	(1,999,977)	(19,928,107)
Total Shareholders' Equity	92,068,687	47,243,961
Other Cumulative Comprehensive Income		
Deferred Gains or Losses on Hedges	–	(110,499)
Foreign Currency Translation Adjustment	–	11,782
Total Other Cumulative Comprehensive Income	–	(98,717)
Subscription Rights to Shares	–	140,424
Minority Interests	133,932	119,985
Total Net Assets	92,202,619	47,405,654
Total Liabilities and Net Assets	262,961,302	156,863,166

(2) Consolidated quarterly statements of income and comprehensive income

(Consolidated statement of income for the first three quarters)

(Thousand yen)

	First Three Quarters of the Fiscal Year Ended March 31, 2014 (From April 1, 2013 to December 31, 2013)	First Three Quarters of the Fiscal Year Ending March 31, 2015 (From April 1, 2014 to December 31, 2014)
Operating Revenue	74,474,391	54,288,448
Operating Expenses		
Business Expenses	59,074,200	42,448,671
Selling, General, and Administrative Expenses	2,647,439	4,944,234
Total Operating Expenses	61,721,640	47,392,905
Operating Income	12,752,751	6,895,542
Non-Operating Income		
Interest Income	443	11,893
Rent Income	49,472	44,129
Dues and Other Incentive Payments	57,629	40,137
Other	102,385	61,126
Total Non-Operating Income	209,930	157,286
Non-Operating Expenses		
Interest Expense	1,149,174	1,058,817
Loss on Sales of Investment Securities	13,952	–
Equity in Losses of Affiliates	3,285	1,444,847
Syndicated Loan Fees	564,000	864,750
Other	85,424	573,383
Total Non-Operating Expenses	1,815,836	3,941,798
Ordinary Income	11,146,845	3,111,030
Extraordinary Income		
Gain on Sale of Non-Current Assets	96,754	4,528
Gain on Bargain Purchase	–	527,531
Gain on Insurance Adjustment	132,690	94,679
Gain on Sales of Shares of Subsidiaries and Associates	75,708	6,180,783
Compensation Income	4,983	200,639
Gain on Forgiveness of Debts	119,212	37,095
Total Extraordinary Income	429,349	7,045,259
Extraordinary Losses		
Loss on Sale and Retirement of Non-Current Assets	30,477	59,696
Loss on Disaster	81,284	96,235
Loss on Sales of Shares of Subsidiaries and Associates	149,737	–
Other	3,526	–
Total Extraordinary Losses	265,026	155,932
Income before Income Taxes	11,311,169	10,000,357
Income Taxes - Current	3,278,807	8,054,158
Income Taxes - Deferred	2,247,261	(4,345,489)
Total Income Taxes	5,526,068	3,708,668
Income before Minority Interests	5,785,101	6,291,689
Minority Interests in Income	4,258	15,332
Net Income	5,780,842	6,276,356

(Consolidated statement of comprehensive income for the first three quarters) (Thousand yen)

	First Three Quarters of the Fiscal Year Ended March 31, 2014 (From April 1, 2013 to December 31, 2013)	First Three Quarters of the Fiscal Year Ending March 31, 2015 (From April 1, 2014 to December 31, 2014)
Income Before Minority Interests	5,785,101	6,291,689
Other Comprehensive Income		
Share of Other Comprehensive Income of Entities Accounted for Using Equity Method	–	(98,717)
Total Other Comprehensive Income	–	(98,717)
Comprehensive Income	5,785,101	6,192,971
Comprehensive Income Attributable to		
Comprehensive Income Attributable to Owners of Parent	5,780,842	6,177,639
Comprehensive Income Attributable to Minority Interests	4,258	15,332

(3) Consolidated quarterly statement of cash flows

(Thousand yen)

	First Three Quarters of the Fiscal Year Ended March 31, 2014 (From April 1, 2013 to December 31, 2013)	First Three Quarters of the Fiscal Year Ending March 31, 2015 (From April 1, 2014 to December 31, 2014)
Cash Flows from Operating Activities		
Net Income before Taxes	11,311,169	10,000,357
Depreciation	4,206,475	3,075,653
Amortization of Goodwill	1,914,801	1,387,695
Increase (Decrease) in Allowance for Doubtful Accounts	(8,643)	12,451
Increase (Decrease) in Provision for Bonuses	(498,151)	(459,274)
Increase (Decrease) in Provision for Point Card Certificates	(52,995)	(160,946)
Increase (Decrease) in Provision for Shareholder Benefit Program	94,229	164,747
Interest Income	(443)	(11,893)
Interest Expenses	1,149,174	1,058,817
Share of (Profit) Loss of Entities Accounted for Using Equity Method	3,285	1,444,847
Loss (Gain) on Sales and Retirement of Non-Current Assets	(66,277)	55,167
Gain on Bargain Purchase	–	(527,531)
Loss (Gain) on Sales of Shares of Subsidiaries and Associates	74,029	(6,180,783)
Decrease (Increase) in Notes and Accounts Receivable - Trade	813,572	(13,981)
Increase (Decrease) in Notes and Accounts Payable - Trade	169,344	356,773
Increase (Decrease) in Accounts Payable - Other	(287,154)	(1,901,253)
Increase (Decrease) in Unearned Revenue	(4,923,110)	(2,862,482)
Other	(816,151)	1,056,607
Subtotal	13,083,155	6,494,972
Interest Income Received	441	1,888
Interest Expenses Paid	(1,117,910)	(1,063,123)
Income Taxes Paid	(3,842,119)	(13,580,657)
Net Cash Provided by (Used in) Operating Activities	8,123,566	(8,146,919)
Cash Flows from Investing Activities		
Purchase of Property, Plant and Equipment	(3,810,916)	(2,435,018)
Proceeds from Sales of Property, Plant and Equipment	131,694	53,708
Purchase of Intangible Assets	(282,573)	(129,297)
Proceeds from Withdrawal of Time Deposits	7,500	12,500
Purchase of Shares of Subsidiaries	–	(150,000)
Purchase of Shares of Subsidiaries Resulting in Change in Scope of Consolidation	(583,749)	(129)
Proceeds from Purchase of Shares of Subsidiaries Resulting in Change in Scope of Consolidation	–	36,131
Proceeds from Sales of Shares of Subsidiaries Resulting in Change in Scope of Consolidation	940,318	87,648,314
Decrease (Increase) in Short-Term Loans Receivable	160	21,750
Payments of Long-Term Loans Receivable	–	(500,000)
Other	(56,307)	(8,380)
Net Cash Provided by (Used in) Investing Activities	(3,653,873)	84,549,578

(Thousand yen)

	First Three Quarters of the Fiscal Year Ended March 31, 2014 (From April 1, 2013 to December 31, 2013)	First Three Quarters of the Fiscal Year Ending March 31, 2015 (From April 1, 2014 to December 31, 2014)
Cash Flows from Financing Activities		
Net Increase (Decrease) in Short-Term Loans Payable	6,095,689	(9,904,000)
Net Increase (Decrease) in Commercial Papers	(9,742)	1,976,393
Proceeds from Long-Term Loans Payable	11,202,000	58,500,000
Repayments of Long-Term Loans Payable	(6,761,763)	(62,123,033)
Redemption of Bonds	(10,000,000)	(15,000,000)
Purchase of Treasury Shares	–	(45,000,287)
Cash Dividends Paid	(5,632,801)	(6,075,746)
Repayments of Finance Lease Obligations	(1,462,507)	(1,088,159)
Proceeds from Sale and Leasebacks	1,733,091	2,393,047
Cash Dividends Paid to Minority Shareholders	–	(26,496)
Repayments of Long-Term Deposits Received	(70,118)	(57,936)
Proceeds from Issuance of Subscription Rights to Shares	–	140,424
Net Cash Provided by (Used in) Financing Activities	(4,906,152)	(76,265,793)
Net Increase (Decrease) in Cash and Cash Equivalents	(436,459)	136,864
Beginning Cash & Cash Equivalents Balance	5,823,537	4,594,840
Ending Cash & Cash Equivalents Balance	5,387,077	4,731,704

(4) Notes on quarterly consolidated financial statements

(Notes concerning the going concern assumption)

N/A

(Notes concerning extreme changes in shareholders' equity)

The Company acquired 32,142,900 treasury shares through a tender offer based on the resolution made at the meeting of the Board of Directors held on August 4, 2014. This resulted in an increase in treasury shares of 45,000,287,000 yen during the first three quarters under review.

The Company cancelled 20,659,700 treasury shares based on the resolution at a meeting of the Board of Directors, which was held on November 10, 2014. Chiefly due to this cancellation, treasury shares declined 27,072,157,000 yen, capital surplus decreased 6,500,000,000 yen, and retained earnings declined by 20,396,594,000 yen, respectively, during the first three quarters under review.

As a result, the number of treasury shares became 14,234,378 shares, and treasury shares amounted to 19,928,107,000 yen at the end of the first three quarters under review. Shareholders' equity at the end of the first three quarters under review declined 44,824,725,000 yen from the end of the previous fiscal year.

(Business combinations, etc.)

Transactions, etc. under common control

(1) Outline of transactions

(i) Names of companies to which business combinations were applicable, and details of their business

Name of business: Golf course operation business of part of Accordia Asset Holding 11 Co., Ltd., Accordia Asset Holding 12 Co., Ltd. and Accordia Asset Holding 36 Co., Ltd., which are the consolidated subsidiaries of the Company

Details of business: Golf course operations

(ii) Date of business combination: July 31, 2014

(iii) Legal form of business combination

Absorption-type merger by making Accordia Asset Holding 11 Co., Ltd. (consolidated subsidiary of the Company) the non-surviving company and Accordia Asset Holding 01 Co., Ltd. (consolidated subsidiary of the Company) the surviving company

Absorption-type merger by making Accordia Asset Holding 12 Co., Ltd. (consolidated subsidiary of the Company) the non-surviving company and Accordia Asset Holding 02 Co., Ltd. (consolidated subsidiary of the Company) the surviving company

Absorption-type merger by making Accordia Asset Holding 36 Co., Ltd. (consolidated subsidiary of the Company) the non-surviving company and Accordia Asset Holding 03 Co., Ltd. (consolidated subsidiary of the Company) the surviving company

(iv) Company name after business combination

Accordia Asset Holding 01 Co., Ltd.

Accordia Asset Holding 02 Co., Ltd.

Accordia Asset Holding 03 Co., Ltd.

(v) Other matters regarding the outline of transactions

With the execution of asset-light strategy, the subsidiaries of the Company will be divided into subsidiaries holding golf courses to which a business trust applies (hereinafter referred to as the "BT-Applicable Golf Course Holding Company") and subsidiaries holding golf courses to which a business trust does not apply. The purpose is to make a contribution in kind of the shares of the BT-Applicable Golf Course Holding Company as a silent partnership contribution after the transfer of all of the shares of sub-subsidiaries not applied by BT, which are held by the BT-Applicable Golf Course Holding Company, to the Company.

(2) Outline of applied accounting treatment

This is treated as transactions under common control based on the Accounting Standard for Business Combination (No. 21 corporate accounting standard published on December 26, 2008) and the Guidelines for the Application of the Accounting Standard for Business Combination and the Accounting Standard for Business Divestiture (No. 10 corporate accounting standard application guidelines published on December 26, 2008).

Business divestiture

(Transfer of subsidiary's shares)

(1) Outline of business divestiture

(i) Name of company as the other party of the business divestiture

Accordia Golf Asset Godo Kaisha

(ii) Details of divided business

Subsidiaries:	Accordia Asset Holding 11 Co., Ltd., Accordia Asset Holding 12 Co., Ltd. and Accordia Asset Holding 03 Co., Ltd.
Details of business:	Golf course operations

(iii) Major reasons for business divestiture

In the past, the Group actively acquired golf courses and took a leading role in the Japanese golf industry as the largest golf course holding company in Japan. Currently, while the golf course M&A market is on a recovery trend, the Group aims to achieve growth for the next stage using the circular business model, which increases growth potential by improving asset efficiency through asset-light measures using business trusts and income from contracted golf course operations by accepting golf course operation services from transferred parties. For this purpose, we decided to transfer part of the shares of the subsidiaries of the Company to Accordia Golf Asset Godo Kaisha.

(iv) Date of business divestiture (date of share transfer)

August 1, 2014

(v) Other matters regarding the outline of transactions, including the legal form

Share transfer for which the compensation received is limited only to properties such as cash

(2) Outline of applied accounting treatment

(i) Amount of gain or loss on transfer

Gain on sales of shares of subsidiaries and associates: 6,178,068,000 yen

(ii) Fair book value of assets and liabilities relating to transferred business, and its breakdown

Current assets	59,462,802,000 yen
Non-current assets	132,979,436,000 yen
Total assets	192,442,239,000 yen
Current liabilities	63,581,094,000 yen
Non-current liabilities	66,827,671,000 yen
Total liabilities	130,408,765,000 yen

(iii) Accounting treatment

The amount of the difference between the market value of properties received as compensation for a share transfer and the amount equivalent to the shareholders' equity of transferred subsidiaries is recognized as a gain on transfer.

(3) Reporting segment including divided business

Golf business

(4) Approximate amount of income and loss relating to divided business, which is stated in the consolidated income statement for the first three quarters under review

	First three quarters
Operating revenue	19,441,847,000 yen
Operating income	3,099,483,000 yen

(5) Outline of continuous involvement

The Company entered into a contracted business management agreement with Accordia Golf Asset Godo Kaisha.

4. Supplementary Information

(1) Production, orders received, and sales

Production

There are no applicable items, as the Corporate Group is mainly engaged in the golf business.

Segment information and geographical information are not provided, as the Group is engaged solely in the golf business and related business, and does not have consolidated subsidiaries or representative offices located in countries or regions outside of Japan. The figures stated are sales by revenue category (hereinafter referred to as "sales performance").

Purchasing Activities as Cost of Goods

Purchasing activities as cost of goods for the first three quarters of the fiscal year ending March 2015 is as follows.

Revenue Category	Purchases (thousand yen)	Compared to Same Period in Previous Fiscal Year (%)
Products (Golf Equipment, etc.)	2,369,150	(0.9)
Raw Materials, etc. (Restaurants)	3,233,736	(35.6)
Total	5,602,886	(24.4)

(Notes) 1. Amounts indicated are based on purchases prices.
2. The above figures do not include consumption tax, etc.
3. As golf is an outdoor sport, purchases by the Corporate Group tend to be high in the first and third quarters when the climate is moderate (spring and autumn, respectively) and low in the second and fourth quarters when the climate is extreme (summer and winter, respectively).

Orders Received

There are no applicable items, as the Corporate Group is mainly engaged in the golf business.

Sales Performance

Sales performance by revenue category for the first three quarters of the fiscal year ending March 2015 is as follows.

Revenue Category	Sales (thousand yen)	Compared to Same Period in Previous Fiscal Year (%)
Golf Course Operation	34,615,119	(30.5)
Restaurants	11,085,939	(32.2)
Golf Equipment Sales	3,520,112	3.1
Other	5,067,277	4.1
Total	54,288,448	(27.1)

(Notes) 1. The above figures do not include consumption tax, etc.
2. As golf is an outdoor sport, sales of the Corporate Group tend to be high in the first and third quarters when the climate is moderate (spring and autumn, respectively) and low in the second and fourth quarters when the climate is extreme (summer and winter, respectively).