Consolidated Financial Results for the First Three Quarters of the Fiscal Year Ending March 31, 2016 (Japanese Accounting Standards)

February 10, 2016

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, 2016
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, 2016 (April 1, 2015 – December 31, 2015)

(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 3/2016 3Q	38,565	(29.0)	6,458	(6.3)	7,700	147.5	5,497	(12.4)
FY 3/2015 3Q	54,288	(27.1)	6,895	(45.9)	3,111	(72.1)	6,276	8.6

(Note) Comprehensive Income FY 3/2016 3Q: 5,495 million yen (-11.3%) FY 3/2015 3Q: 6,192 million yen (7.1%)

	Net Income per Share	Fully-Diluted Net Income per Share
	Yen	Yen
FY 3/2016 3Q	77.97	–
FY 3/2015 3Q	71.00	–

(Notes) Fully-diluted net income per share for the first three quarters of the fiscal year ended March 31, 2015 as well as the first three quarters of the fiscal year ending March 31, 2016 are not presented as there are no dilutive potential shares.

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	Yen millions	Yen millions	%
FY 3/2016 3Q	153,568	50,114	32.5
FY 3/2015	157,775	47,162	29.7

(Reference) Shareholders' Equity FY 3/2016 3Q: 49,853 million yen FY 3/2015: 46,902 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 3/2015	–	5.00	–	36.00	41.00
FY 3/2016	–	0.00			
FY 3/2016 (Forecast)			–	36.00	36.00

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

3. Forecasts for Consolidated Performance for the Fiscal Year Ending March 31, 2016 (April 1, 2015 – March 31, 2016)

(% 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	47,800	(25.2)	7,400	1.0	6,900	95.1	4,100	(31.8)	58.15

(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): NO

New: -- company (company name:)

Eliminated: -- company (company name:)

(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.: YES

(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 3/2016 3Q	84,739,000 shares
	End of FY 3/2015	84,739,000 shares
(ii) Treasury Shares:	End of FY 3/2016 3Q	14,234,433 shares
	End of FY 3/2015	14,234,378 shares
(iii) Average Number of Shares Outstanding (cumulative of consolidated quarters)	End of FY 3/2016 3Q	70,504,592 shares
	End of FY 3/2015 3Q	88,387,873 shares

(Note) The Company acquired treasury shares through a tender offer based on a resolution of a meeting of the Board of Directors, which was held on August 4, 2014. Mainly as a result of this, the average number of shares outstanding declined by 17,883,281 from the same period last year to 70,504,592.

* 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 not been reviewed at the time of the announcement of this financial summary.

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

(1) 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.

○ Accompanying Materials – Contents

Accompanying Materials

1. Qualitative Information on Consolidated Results, etc. for the First Three Quarters Ended December 31, 2015

(1) Qualitative information on consolidated results

During the first half 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, the trend in consumption growth was sluggish due to rising product prices associated with the impact of the weak yen.

The golf industry, in which the Accordia Golf group operates, is being supported by strong golfing demand, despite the impact from inclement weather, such as the torrential downpours during the summer.

In these circumstances, the Accordia Golf group, while taking steps to increase the number of rounds played to facilities operated, pursued the basic strategies adopted in the new Medium-Term Management Plan (Accordia Vision 2017), whose final year is fiscal 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.

Golf Course Management Business

In addition to stepping up 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 royalty program and coordination with driving ranges, the number of rounds played to the Group’s golf courses (owned or managed under contract by the Group) totaled 6.68 million (an increase of 210,000 compared to the same period last year) for the first three quarters of the fiscal year under review. Also, the Group purchased one golf course in Chiba Prefecture with convenient access from the Tokyo metropolitan area and, as part of its golf course portfolio strategy, sold a golf course in Fukui Prefecture that is expected to post a decline in income in the future. 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 operations), in addition to sponsoring one golf course in Chiba prefecture.

Driving Range Operation Business

While the number of domestic driving ranges continued to decrease, golfing demand is strong, and each of the Group’s driving ranges aim to become the top driving range in its area through the enhancement of its services, such as by providing a satisfying practice environment and coordinating with each other on attracting customers to golf courses. As of the end of the first half of the fiscal year under review, the Group operated 26 driving ranges.

Business trust-based asset-light strategy

The Company is continuing efforts to improve the revenue of its golf courses to further improve its asset efficiency, and is making intensive preparations for additional asset-light strategies for golf courses with confirmed stable profitability.

Consequently, the Group recorded operating revenue of 38,565,404,000 yen, a decrease of 15,723,043,000 yen, or 29.0% year on year during the first three quarters under review mainly as a result of the sale of 90 golf courses the Group held and operated as it implemented its business trust-based asset-light strategy in August of last year. While affected by this decline in operating revenue, operating income decreased 436,844,000 yen, or 6.3% year on year, to 6,458,698,000 yen, due mainly to the decline in operating expenses through the transfer of the operation of 90 golf courses and cost reduction initiatives carried out by the entire Group.

Ordinary income increased 4,589,241,000 yen, or 47.5% year on year, to 7,700,271,000 yen, due to losses totaling 1,444,847,000 yen in equity in earnings of affiliates from AG Trust, etc. during the previous first three quarters last year turning into gains of 2,089,751,000 yen in equity in earnings of affiliates for the first three quarters under review.

Profit attributable to owners of the parent decreased 778,454,000 yen, or 12.4% year on year, to 5,497,901,000 yen during the first three quarters under review. This was mainly due to the absence of 6,180,783,000 yen in gains posted in the first three quarters of the previous fiscal year resulting from a transfer of shares of a subsidiary that owned 90 golf courses covered by AG Assets as well as due to a decline of 1,064,526,000 yen in total income taxes.

(2) Qualitative information on consolidated financial position

(Assets)

Total assets at the end of the first three quarters decreased 4,206,914,000 yen from the end of the previous fiscal year to 153,568,432,000 yen. The major factors behind the decline was the fall in income taxes receivable of 7,010,329,000 yen included in the Other category under current assets as a result of a refund in income taxes despite an increase of 3,081,376,000 yen in property, plant and equipment in part due to golf course acquisitions

(Liabilities)

Total liabilities decreased 7,158,596,000 yen from the end of the previous fiscal year to 103,454,196,000 yen. The major factors behind the decline was that short-term loans payable, the current portion of long-term loans payable as well as long-term loans payable resulted in a total decline of 6,505,178,000 yen due to loan repayment.

(Net assets)

Total net assets increased 2,951,682,000 yen from the end of the previous fiscal year to 50,114,236,000 yen. The major factor behind the increase was a 2,979,735,000 yen increase in retained earnings after offsetting 5,497,901,000 yen of profit attributable to owners of the parent against 2,538,166,000 yen of dividend payments from retained earnings.

(Cash flows)

Cash and cash equivalents (hereinafter “cash”) at the end of the three quarters decreased 579,764,000 yen from the end of the first three quarters of the previous fiscal year to 4,151,940,000 yen.

Cash flow by the type of activities is as shown below.

(Cash flow from operating activities)

Cash provided by operating activities during the first three quarters under review stood at 9,799,284,000 yen. This showed an increase of 17,946,204,000 yen from the same period of the previous year, when cash used in operating activities was 8,146,919,000 yen. The major factor behind the rise was the increase of 18,000,949,000 yen in income taxes paid resulting from the 7,261,153,000 yen from an income tax refund in the first three quarters under review, despite the transfer of the business that operated 90 golf courses under its ownership that was implemented under the asset-light strategy during the first three quarters of the previous year, which resulted in a decline of 1,850,788,000 yen in income before income taxes and a decline of 3,534,599,000 yen in share of (profit) loss of entities accounted for using equity method.

(Cash flow from investing activities)

Cash provided by investing activities during the first three quarters under review decreased 83,802,262,000 yen from the same period of the previous year, to 747,315,000 yen. The major factors behind the decline was the decrease in proceeds of 87,350,041,000 yen from the sales of shares of subsidiaries resulting in change in scope of consolidation, chiefly attributable to the asset-light strategy implemented during the first three quarters of the previous year, despite the 2,267,798,000 yen in proceeds from the share of profits on investments in capital that newly emerged from AG Trust during the first three quarters under review.

(Cash flow from financing activities)

Cash used in financing activities during the first three quarters under review decreased 66,386,090,000 yen to 9,879,702,000 yen from the same period of the previous year. The major factors for the decrease were a decline of 45,000,215,000 yen in the purchase of treasury shares, the absence of redemption of bonds, which totaled

15,000,000,000 yen in the first three quarters of the previous fiscal year, and an increase of 10,904,000,000 yen in the net increase (decrease) in short-term loans payable.

(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 May 13, 2015, 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

N/A

(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

(Changes in accounting policies)

(Application of the Accounting Standard for Business Combination and other standards)

The Accounting Standard for Business Combination (ASBJ Statement No. 21; September 13, 2013), the Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22; September 13, 2013), the Accounting Standard for Business Divestitures (ASBJ Statement No.7; September 13, 2013), and other standards have been applied from the first quarter of the consolidated fiscal year under review. The differences caused by changes in the Company’s holdings in subsidiaries that continue to be in its control are recorded as capital surplus, and expenses related to acquisition are now recorded as expenses for the consolidated fiscal year in which the acquisition took place. In regards to the business combination conducted after the beginning of the first quarter of the consolidated fiscal year under review, revisions to the purchase price allocation following the determination of provisional accounting methods are now reflected in the quarterly financial statements for the quarter of the consolidated fiscal year in which the business combination occurred. In addition, the quarterly net income and other statements have been changed accordingly, and minority interest has been changed to non-controlling interests. To reflect these changes, the financial statements for the second quarter of the previous consolidated fiscal year and the previous consolidated fiscal year have been revised.

Starting from the consolidated quarterly statement of cash flows for the first quarter of the current consolidated fiscal year, cash flows related to the acquisition/sale of shares in subsidiaries that do not cause a change in the scope of consolidation are shown in Cash Flows from Financing Activities, while cash flows related to expenses associated with the acquisition of shares in subsidiaries that result in a change in the scope of consolidation or expenses associated with the acquisition/sale of shares in subsidiaries that do not cause a change in the scope of consolidation are shown in Cash Flows from Operating Activities.

The application of the Accounting Standard for Business Combination and other standards follow the transitional treatment stated in paragraph 58-2 (4) of the Accounting Standard for Business Combination, paragraph 44-5 (4) of the Accounting Standard for Consolidated Financial Statements, and paragraph 57-4 (4) of the Accounting Standard for Business Divestitures. The standards are applied from the start of the first quarter of the consolidated fiscal year under review and onwards.

This change has no impact on the consolidated financial statements of the first half under review.

3. Consolidated Quarterly Financial Statements

(1) Consolidated quarterly balance sheet

(Thousand yen)

	Previous Consolidated Fiscal Year (As of March 31, 2015)	As of December 31, 2015
Assets		
Current Assets		
Cash and Deposits	3,485,043	4,151,940
Operating Accounts Receivable	2,380,316	2,478,870
Merchandise	1,971,423	1,897,263
Raw Materials and Supplies	121,127	130,307
Other	9,385,782	2,479,390
Allowance for Doubtful Accounts	(165,794)	(138,875)
Total Current Assets	17,177,898	10,998,895
Non-Current Assets		
Property, Plant and Equipment		
Buildings and Structures, Net	20,646,058	20,352,395
Golf Courses	42,716,094	44,057,303
Land	28,534,208	29,983,488
Other, Net	4,390,771	4,975,321
Total Property, Plant and Equipment	96,287,132	99,368,509
Intangible Assets		
Goodwill	8,930,923	8,883,033
Other	2,707,232	2,515,934
Total Intangible Assets	11,638,156	11,398,967
Investments and Other Assets		
Investment Securities	21,654,803	21,463,060
Long-Term Loans Receivable	542,428	539,428
Other	10,768,284	10,061,544
Allowance for Doubtful Accounts	(293,356)	(261,973)
Total Investments and Other Assets	32,672,159	31,802,060
Total Non-Current Assets	140,597,448	142,569,536
Total Assets	157,775,347	153,568,432

(Thousand yen)

	Previous Consolidated Fiscal Year (As of March 31, 2015)	As of December 31, 2015
Liabilities		
Current Liabilities		
Accounts Payable – Trade	1,626,977	1,864,818
Short-Term Loans Payable	500,000	1,500,000
Commercial Papers	4,998,002	4,998,350
Current Portion of Long-Term Loans Payable	12,410,304	41,603,560
Income Taxes Payable	1,780,077	1,438,645
Provision	1,332,350	1,192,508
Other	8,117,409	6,516,219
Total Current Liabilities	30,765,122	59,114,102
Non-Current Liabilities		
Long-Term Loans Payable	53,132,256	16,433,821
Deposits on Admission	9,522,968	10,287,515
Other	17,192,445	17,618,755
Total Non-Current Liabilities	79,847,670	44,340,093
Total Liabilities	110,612,792	103,454,196
Net Assets		
Shareholders' Equity		
Capital Stock	10,940,982	10,940,982
Capital Surplus	14,122,481	14,122,481
Retained Earnings	41,847,460	44,807,196
Treasury Shares	(19,928,107)	(19,928,179)
Total Shareholders' Equity	46,982,817	49,942,481
Other Cumulative Comprehensive Income		
Deferred Gains or Losses on Hedges	(81,638)	(86,751)
Foreign Currency Translation Adjustment	1,772	(2,560)
Total Other Cumulative Comprehensive Income	(79,866)	(89,312)
Subscription Rights to Shares	140,424	140,424
Non-Controlling Interests	119,178	120,643
Total Net Assets	47,162,554	50,114,236
Total Liabilities and Net Assets	157,775,347	153,568,432

(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, 2015 (From April 1, 2014 to December 31, 2014)	First Three Quarters of the Fiscal Year Ending March 31, 2016 (From April 1, 2015 to December 31, 2015)
Operating Revenue	54,288,448	38,565,404
Operating Expenses		
Business Expenses	42,448,671	29,066,871
Selling, General, and Administrative Expenses	4,944,234	3,039,834
Total Operating Expenses	47,392,905	32,106,706
Operating Income	6,895,542	6,458,698
Non-Operating Income		
Interest Income	11,893	12,445
Equity in Earnings of Affiliates	–	2,089,751
Rent Income	44,129	67,310
Dues and Other Incentive Payments	40,137	21,177
Other	61,126	101,042
Total Non-Operating Income	157,286	2,291,729
Non-Operating Expenses		
Interest Expense	1,058,817	898,833
Equity in Losses of Affiliates	1,444,847	–
Syndicated Loan Fees	864,750	74,000
Other	573,383	77,323
Total Non-Operating Expenses	3,941,798	1,050,156
Ordinary Income	3,111,030	7,700,271
Extraordinary Income		
Gain on Sale of Non-Current Assets	4,528	38,292
Gain on Insurance Adjustment	94,679	10,950
Gain on Negative Goodwill	527,531	19,535
Gain on Sales of Shares of Subsidiaries and Associates	6,180,783	–
Compensation Income	200,639	33,537
Gain on Forgiveness of Debts	37,095	2,143
Gain on Transfer of Rights	–	562,297
Total Extraordinary Income	7,045,259	666,757
Extraordinary Losses		
Loss on Sale and Retirement of Non-Current Assets	59,696	24,059
Impairment Loss	–	145,643
Loss on Disaster	96,235	11,646
Compensation Expenses	–	36,110
Total Extraordinary Losses	155,932	217,459
Income before Income Taxes	1,000,357	8,149,569
Income Taxes - Current	8,054,158	2,271,828
Income Taxes - Deferred	(4,345,489)	372,313
Total Income Taxes	3,708,668	2,644,141
Net Income	6,291,689	5,505,427
Profit (Loss) Attributable to Non-Controlling Interests	15,332	7,525
Profit Attributable to Owners of Parent	6,276,356	5,497,901

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

	First Three Quarters of the Fiscal Year Ended March 31, 2015 (From April 1, 2014 to December 31, 2014)	First Three Quarters of the Fiscal Year Ending March 31, 2016 (From April 1, 2015 to December 31, 2015)
Net Income	6,291,689	5,505,427
Other Comprehensive Income		
Share of Other Comprehensive Income of Entities Accounted for Using Equity Method	(98,717)	(9,446)
Total Other Comprehensive Income	(98,717)	(9,446)
Comprehensive Income	6,192,971	5,495,981
Comprehensive Income Attributable to		
Comprehensive Income Attributable to Owners of Parent	6,177,639	5,488,455
Comprehensive Income Attributable to Minority Interests	15,332	7,525

(3) Consolidated quarterly statement of cash flows

(Thousand yen)

	First Three Quarters of the Fiscal Year Ended March 31, 2015 (From April 1, 2014 to December 31, 2014)	First Three Quarters of the Fiscal Year Ending March 31, 2016 (From April 1, 2015 to December 31, 2015)
Cash Flows from Operating Activities		
Net Income before Taxes	10,000,357	8,149,569
Depreciation	3,075,653	2,199,312
Impairment Loss	1,387,695	949,852
Amortization of Goodwill	–	145,643
Increase (Decrease) in Allowance for Doubtful Accounts	12,451	(21,823)
Increase (Decrease) in Provision for Bonuses	(459,274)	(284,474)
Increase (Decrease) in Provision for Point Card Certificates	(160,946)	(92,815)
Increase (Decrease) in Provision for Shareholder Benefit Program	164,747	228,995
Interest Income	(11,893)	(12,445)
Interest Expenses	1,058,817	898,833
Share of (Profit) Loss of Entities Accounted for Using Equity Method	1,444,847	(2,089,751)
Loss (Gain) on Sales and Retirement of Non-Current Assets	55,167	(14,233)
Loss (Gain) on Sales of Shares of Subsidiaries and Associates	(6,180,783)	–
Gain on Negative Goodwill	(527,531)	(19,535)
Gain on Transfer of Rights	–	(562,297)
Decrease (Increase) in Notes and Accounts Receivable - Trade	(13,981)	(82,178)
Increase (Decrease) in Notes and Accounts Payable - Trade	356,773	217,823
Increase (Decrease) in Accounts Payable - Other	(1,901,253)	(2,247,910)
Increase (Decrease) in Unearned Revenue	(2,862,482)	(1,337,413)
Other	1,056,607	218,792
Subtotal	6,494,972	6,243,943
Interest Income Received	1,888	22,349
Interest Expenses Paid	(1,063,123)	(887,301)
Income Taxes Paid	(13,580,657)	4,420,292
Net Cash Provided by (Used in) Operating Activities	(8,146,919)	9,799,284
Cash Flows from Investing Activities		
Purchase of Property, Plant and Equipment	(2,435,018)	(1,829,177)
Proceeds from Sales of Property, Plant and Equipment	53,708	95,591
Purchase of Intangible Assets	(129,297)	(125,181)
Proceeds from Withdrawal of Time Deposits	12,500	–
Purchase of Shares of Subsidiaries	(150,000)	–
Purchase of Shares of Subsidiaries Resulting in Change in Scope of Consolidation	(129)	(747,057)
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	87,648,314	298,272
Proceeds from Collection of Sponsor Contributions from a Civil Rehabilitation Company	–	280,000
Proceeds from Share of Profits on Investments in Capital	–	2,267,798
Decrease (Increase) in Short-Term Loans Receivable	21,750	379
Payments of Long-Term Loans Receivable	(500,000)	–
Proceeds from Transfer of Rights	–	562,297
Other	(8,380)	(55,605)
Net Cash Provided by (Used in) Investing Activities	84,549,578	747,315

(Thousand yen)

	First Three Quarters of the Fiscal Year Ended March 31, 2015 (From April 1, 2014 to December 31, 2014)	First Three Quarters of the Fiscal Year Ending March 31, 2016 (From April 1, 2015 to December 31, 2015)
Cash Flows from Financing Activities		
Net Increase (Decrease) in Short-Term Loans Payable	(9,904,000)	1,000,000
Net Increase (Decrease) in Commercial Papers	1,976,393	(23,533)
Proceeds from Long-Term Loans Payable	58,500,000	2,350,000
Repayments of Long-Term Loans Payable	(62,126,033)	(9,855,178)
Redemption of Bonds	(15,000,000)	–
Purchase of Treasury Shares	(45,000,287)	(72)
Cash Dividends Paid	(6,075,746)	(2,538,437)
Repayments of Finance Lease Obligations	(1,088,159)	(1,342,390)
Proceeds from Sale and Leasebacks	2,393,047	595,090
Dividends Paid to Non-Controlling Interests	(26,496)	(6,060)
Repayments of Long-Term Deposits Received	(57,936)	(59,121)
Proceeds from Issuance of Subscription Rights to Shares	140,424	–
Net Cash Provided by (Used in) Financing Activities	(76,265,793)	(9,879,702)
Net Increase (Decrease) in Cash and Cash Equivalents	136,864	666,897
Beginning Cash & Cash Equivalents Balance	4,594,840	3,485,043
Ending Cash & Cash Equivalents Balance	4,731,704	4,151,940

(4) Notes on quarterly consolidated financial statements

(Notes concerning the going concern assumption)

N/A

(Notes concerning extreme changes in shareholders' equity)

N/A

4. Supplementary information

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 2016 is as follows.

Revenue Category	Purchases (thousand yen)	Compared to Same Period in Previous Fiscal Year (%)
Products (Golf Equipment, etc.)	2,418,197	2.1
Raw Materials, etc. (Restaurants)	2,248,824	(30.5)
Total	4,667,022	(16.7)

(Notes)
1. Amounts indicated are based on purchase 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).
4. The significant decrease in Raw Materials, etc. (Restaurants) compared to the same period in the previous fiscal year is due to the decrease in owned golf courses.

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 2016 is as follows.

Revenue Category	Sales (thousand yen)	Compared to Same Period in Previous Fiscal Year (%)
Golf Course Operation	22,968,473	(33.6)
Restaurants	6,973,597	(37.1)
Golf Equipment Sales	3,596,453	2.2
Other	5,008,881	(1.2)
Total	38,565,404	(29.0)

(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).
3. The significant decrease in Golf Course Operation and Restaurants compared to the same period in the previous fiscal year is due to the decrease in owned golf courses.