

(Note) This is a translation of the Japanese original for reference purpose only. In the event of any discrepancy between this translation and the Japanese original, the Japanese original shall prevail.

Securities Code 2131
June 8, 2016

To the Shareholders

Ryusuke Kamata
Representative Director, President & CEO
Accordia Golf Co., Ltd.
Shibuya Cross Tower
2-15-1 Shibuya, Shibuya-ku, Tokyo

NOTICE OF THE 37th ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 37th Ordinary General Meeting of Shareholders of Accordia Golf Co., Ltd. (the “Company”), which will be held as described below.

If you are unable to attend the meeting, you may exercise your voting rights in writing or through the Internet, etc. Please review the addendum, “Reference Material for the Ordinary General Meeting of Shareholders” and then, after referring to the “Guide to the Exercise of Voting Rights” on pages 3 and 4, please be sure to exercise your voting rights by 6:00 p.m. Tuesday, June 28, 2016, Japan Standard Time.

- 1. Date and Time:** Wednesday, June 29, 2016 at 10:00 a.m.
2. Place: Hotel New Otani, Tsuru West Room (“Tsuru Nishi-no-ma”), The Main Banquet Floor (1st Floor Main Building) 4-1 Kioi-cho, Chiyoda-ku, Tokyo

3. Agenda

- Matters to be reported**
1. Business Report for the 37th fiscal year (from April 1, 2015 to March 31, 2016), Consolidated Financial Statements and results of audits of the Consolidated Financial Statements by the Accounting Auditors and the Audit & Supervisory Board
 2. Non-consolidated Financial Statements for the 37th fiscal year (from April 1, 2015 to March 31, 2016)

Matter to be resolved

- Proposal No. 1 Dividend of Surplus**
Proposal No. 2 Partial Amendments to the Company’s Articles of Incorporation
Proposal No. 3 Election of Ten (10) Directors
Proposal No. 4 Election of Two (2) Audit & Supervisory Board Members

4. Reminders in Convening the Meeting

(1) Method of notification of the inconsistent exercise of voting rights

In the event that you are to exercise your voting rights inconsistently, please notify the Company in writing of your intention and the reason for the purported inconsistency no later than three days prior to the date of the meeting.

(2) Voting by proxy

If you wish to exercise your voting rights by proxy, you may appoint a single shareholder of the Company with voting rights as a proxy in accordance with the Articles of Incorporation of the Company. In this case, the proxy will be requested to present your letter of proxy, together with a document verifying your identity at the front desk upon arrival at the venue.

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>> If you attend the meeting, please bring the enclosed voting rights exercise form and hand it in at the front desk upon arrival at the venue. Additionally, please bring this Notice with you as documentation for the proceedings.

>> As the following items are posted on the Company's website

([http://www.accordiagolf.co.jp/info/stock\\_info/kabunusi\\_soukai.php](http://www.accordiagolf.co.jp/info/stock_info/kabunusi_soukai.php)) in accordance with laws, regulations and provisions set out in Article 15 of the Articles of Incorporation, they are not included in this Notice of Convocation. Accordingly, attachments to this Notice of Convocation are included in the scope of audit by the audit & supervisory board members and independent auditors in preparation for the audit report.

1) Notes to the Consolidated Financial Statements

2) Notes to Non-Consolidated Financial Statements

>> Subsequent amendments to the Reference Material for the meeting or any attachments will be posted on the Company's website.

([http://www.accordiagolf.co.jp/info/stock\\_info/kabunusi\\_soukai.php](http://www.accordiagolf.co.jp/info/stock_info/kabunusi_soukai.php))

## **Guide to the Exercise of Voting Rights**

Please review the attached Reference Documents for the General Meeting of Shareholders (page 5-) and exercise your voting rights by either of the following means.

| Attending the Meeting                                                                                                                                                                                                               | Exercising your voting rights in writing                                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Date and Time of the Meeting</b><br>Wednesday, June 29, 2016<br>at 10:00 a.m. (Japan Standard Time)<br>(The reception starts at 9:00 a.m.)                                                                                       | <b>Deadline</b><br>Tuesday, June 28, 2016<br>at 6:00 p.m. (Japan Standard Time)<br>(Arrival time for your voting form)                                                     |
| Please bring the enclosed voting rights exercise form and hand it in at the front desk upon arrival at the venue.<br><br>Please arrive at the venue early since the front desk will be very crowded just before the Meeting starts. | Please mark the enclosed voting rights exercise form FOR or AGAINST each proposal and return it to our shareholder register administrator before the deadline noted above. |

### **Multiple exercise of voting rights**

- (1) If you have exercised your voting rights more than once, both in writing and through the Internet, only the exercise of the voting rights through the Internet shall be deemed to be valid.
- (2) If you have exercised your voting rights more than once through the Internet, only the final exercise of the voting rights shall be deemed to be valid.

### **Inquiries regarding computer systems or other issues:**

Transfer Agent Dept., Mitsubishi UFJ Trust and Banking Corporation (Help Desk)  
Tel.: 0120-173-027 (from 9:00 a.m. to 21:00 p.m., Japan Standard Time, toll free within Japan)

**For institutional investors:**

The Electronic Voting Platform, established by Tokyo Stock Exchange, Inc., etc. and operated by ICJ, Inc., is available for institutional investors that have applied in advance to use the platform, in addition to the above method.

Exercise your voting rights through the Internet

**Deadline**

Tuesday, June 28, 2016  
at 6.00 p.m. (Japan Standard Time)

Through your computer, smartphone or cell phone:

Please access the voting website  
(<http://www.evotest.jp/>) and login using the login ID  
and the password noted on the enclosed voting  
rights exercise form, then following the  
instructions on the screen, vote FOR or AGAINST  
each proposal.

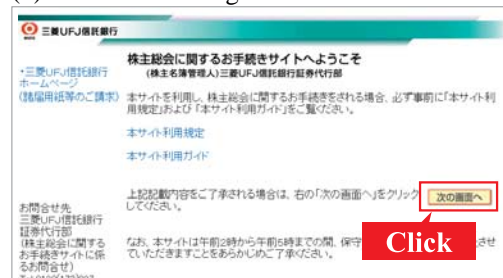


You can also access the voting  
website by reading the QR code  
shown to the left, using your  
smartphone or cell phone with a  
bar-code reading function.

\* Fees for accessing the voting website such as  
connection fees and communication fees shall be  
borne by shareholders.

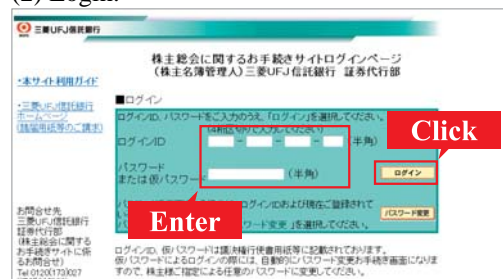
\* Depending on the internet environment and  
services you use or the model of your phone, you  
may not use the voting website.

(1) Access the voting website.



Click "To the next."

(2) Login.



Enter the "login ID" and the "temporary  
password" and click "Login."

Then follow the instructions on the screen.

**Proposal and Reference Items**

**Proposal No. 1 Dividend of Surplus**

The Company proposes the dividend of surplus for the fiscal year ended March 31, 2016 to be 36 yen per share, taking comprehensive consideration for consolidated business results and relevant other factors.

1. Type of dividend asset  
Cash
2. Details of distribution of dividends to shareholders and total value  
36 yen per common share    Total value    2,538,164,412 yen
3. Effective date of dividend of surplus  
Thursday, June 30, 2016

## Proposal No. 2 Partial Amendments to the Company's Articles of Incorporation

### 1. Reason for the Amendment

We plan to transfer the place for our head office functions to Shinagawa-ku, Tokyo by the end of March, 2017, with an aim to improve operational efficiency and reduce cost. Accordingly, we propose to change the location of head office stipulated in the current Articles of Incorporation, from Shibuya-ku, Tokyo to Shinagawa-ku, Tokyo.

With regard to the above change, we will provide in the supplementary provisions that such amendment to the Articles of Incorporation will take effect on the date of the relocation of our head office, which will be determined at the Board of Directors' meeting to be held by December 31, 2016 and such supplementary provisions will be deleted from the Articles of Incorporation on the day following the date when such relocation of the head office will take effect.

### 2. Details of the Amendment

The details of the amendment are as follows.

(The underlined indicates the amended parts)

| Current articles                                                                                                     | Proposed articles                                                                                                                                                                                                                                                                                                                                                                                                           |
|----------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (Location of head office)<br>Article 3 The head office of the Company shall be located in <u>Shibuya-ku</u> , Tokyo. | (Location of head office)<br>Article 3 The head office of the Company shall be located in <u>Shinagawa-ku</u> , Tokyo.                                                                                                                                                                                                                                                                                                      |
| (Newly established)                                                                                                  | <u>Supplementary Provisions</u><br><u>The amendment to the provision of Article 3 (Location of the Head Office) shall take effect on the date of the relocation of the Head Office, which will be determined at the Board of Directors' meeting to be held by December 31, 2016. This Supplementary Provisions shall be deleted on the day following the date when such relocation of the head office will take effect.</u> |

### Proposal No. 3 Election of Ten (10) Directors

The term of all nine (9) currently serving Directors of the Company will expire at the closing of this Ordinary General Meeting of Shareholders. Director Tomohisa Tabuchi passed away and thus retired on March 1, 2016. Accordingly, we propose the election of ten (10) Directors.

The candidates for Directors are as follows:

| Candidate No. | Name              |                 |                  |                      | Positions and Responsibilities in the Company |
|---------------|-------------------|-----------------|------------------|----------------------|-----------------------------------------------|
| 1             | Yuko Tashiro      | [Re-elected]    |                  |                      | Director                                      |
| 2             | Takabumi Suzuki   | [Re-elected]    |                  |                      | Director and Managing Corporate Officer       |
| 3             | Motoo Michida     | [Newly-elected] |                  |                      | Managing Corporate Officer                    |
| 4             | Sadanori Nonaka   | [Newly-elected] |                  |                      | Managing Corporate Officer                    |
| 5             | Fumihiko Niwa     | [Newly-elected] |                  |                      |                                               |
| 6             | Mitsuru Maekawa   | [Re-elected]    | Outside Director | Independent Director | Director                                      |
| 7             | Nobuko Hirayama   | [Newly-elected] | Outside Director | Independent Director |                                               |
| 8             | Kimiaki Yamaguchi | [Newly-elected] | Outside Director | Independent Director |                                               |
| 9             | Mitsuhiro Amitani | [Newly-elected] | Outside Director | Independent Director |                                               |
| 10            | Toshiaki Yoshii   | [Newly elected] | Outside Director | Independent Director |                                               |

(Notes) 1. There is no special interest between the candidates for Director and the Company.

2. Limited liability contract with Outside Directors

The Company has concluded limited liability contract with Mr. Mitsuru Maekawa, pursuant to Paragraph 1, Article 423 of the Companies Act that defines the amount of liability within the minimum amount of liability in accordance with liability prescribed in Paragraph 1, Article 425 of the Companies Act and, if he re-elected, the contract is expected to remain in effect. The Company will also enter into limited liability contracts to the same effect with Ms. Nobuko Hirayama, Mr. Kimiaki Yamaguchi, Mr. Mitsuhiro Amitani, and Mr. Toshiaki Yoshii if they are elected.

3. The Company has designated Mr. Mitsuru Maekawa as Independent Director in accordance with the regulations stipulated by the Tokyo Stock Exchange, and if he re-elected, as originally proposed, he will continue to be Independent Director. The Company will also designate Ms. Nobuko Hirayama, Mr. Kimiaki Yamaguchi, Mr. Mitsuhiro Amitani, and Mr. Toshiaki Yoshii as new Independent Directors if they are elected.

| Candidate No. | Full name (Birth date)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Brief CV, Position in the Company, Responsibilities, and Status of Significant Concurrent Posts                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Number of the Company's shares owned by the candidate |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|
| 1             | Yuko Tashiro (March. 14, 1954) [Re-elected]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <p>June 1986      Joined KPMG LLP</p> <p>July 1995      Partner of KPMG LLP</p> <p>November 2000      Sourcing leader of General Electric International, Inc. GE Corporate Japan</p> <p>July 2003      Chief Financial Officer of PHOENIX RESORT CO., LTD.</p> <p>April 2005      Director, Chief Operating Officer and Chief Financial Officer of Aon Holdings Japan, Ltd.</p> <p>April 2010      Representative Director of TS Associates Ltd.</p> <p>June 2012      Outside Director of Accordia Golf Co., Ltd. (the "Company") (on going)</p> <p>September 2014      Chairman of NPO organization, Future Development Institute</p> <p>March 2016      External Auditor of McDonald's Holdings Company (Japan), Ltd. (on going)</p> <p><u>Rate of attendance in the Board of Directors' meetings</u><br/>19/19 meetings (100%)</p> | 1,700 shares                                          |
|               | <p>Reason for nomination:</p> <p>Ms. Tashiro has long been involved in the operations of several global companies and the management of the golf and other businesses at several companies. Thus she has a wealth of knowledge and experience on the golf business and overall corporate management. She has also been actively involved in various corporate social responsibility activities, including NPO activities. Based on her experience and achievement, we judge that Ms. Tashiro is qualified as a person who contributes to the development of the golf business and increasing our corporate value. We therefore expect that she will contribute to the management of the Company in the position of Executive Director.</p> <p>To our shareholders:</p> <p>I hope to make use of my extensive achievements and knowledge of global corporate management in multiple industries both in Japan and abroad, first and foremost being the golf course business, to contribute to the further development of the Company. I aim to promote reform of our corporate culture, and build a strong corporation that can survive in the medium to long term, while pushing forward with the goal of increasing the satisfaction of our customers, shareholders, and employees.</p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                       |



| Candidate No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Full name (Birth date)                              | Brief CV, Position in the Company, Responsibilities, and Status of Significant Concurrent Posts                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Number of the Company's shares owned by the candidate |
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| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Takabumi Suzuki<br>(August 9, 1969)<br>[Re-elected] | <p>October 1995      Joined Hajime Auditing Company (now Grant Thornton Taiyo ASG LLC)</p> <p>April 1998        Joined Tohmatsu (now Deloitte Touche Tohmatsu LLC)</p> <p>April 2003        Registered as a Certified Accountant</p> <p>March 2005        Joined the Company</p> <p>General Manager of Finance and Accounting, Administration Division of the Company</p> <p>December 2007   Assistant General Manager of Administration Division and Manager of the Accounting of the Company</p> <p>July 2008         Deputy General Manager of Administration Division of the Company</p> <p>January 2009      Deputy General Manager of Finance and Accounting Division of the Company</p> <p>June 2009         Executive Officer, Deputy General Manager of Finance and Accounting Division of the Company</p> <p>June 2010         Director and Executive Officer of the Company</p> <p>June 2012         Director and Managing Corporate Officer of the Company (ongoing)</p> <p><u>Responsibilities within the Company</u></p> <p>Director and Managing Corporate Officer</p> <p>In charge of Corporate Divisions (Finance and Accounting Division, General Affairs and Human Resource Division)</p> <p><u>Rate of attendance in the Board of Directors' meetings</u></p> <p>19/19 meetings (100%)</p> | 6,800 shares                                          |
| <p>Reason for nomination:</p> <p>Mr. Suzuki has earned extensive experience in structural composition and finance for promotion of M&amp;A, our growth strategy, through his advanced knowledge of finance and accounting as a certified public accountant and work experience in the Company. We expect that he will make use of his extensive knowledge and experience to continue contributing to the enhancement of our management structure for the pursuit of improved funding and capital efficiency in the Company.</p> <p>To our shareholders:</p> <p>In advancing our growth strategy, the circulating business model, I will utilize the knowledge and experience I have cultivated to work towards improving our corporate value and contribute to building good relations with our stakeholders. In addition, I intend to promote the enhancement of our backup structure for the field, as well as greater business and operational efficiency of our headquarters, and contribute to improving our profitability.</p> |                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                       |

| Candidate No. | Full name (Birth date)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Brief CV, Position in the Company, Responsibilities, and Status of Significant Concurrent Posts                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Number of the Company's shares owned by the candidate |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|
| 3             | Motoo Michida (March 20, 1962) [Newly-elected]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <p>April 1985      Joined Nitto Kogyo Co., Ltd. Group</p> <p>April 1986      Joined Nitto Life Co., Ltd.</p> <p>October 1993    Joined Nitto Kogyo Co., Ltd.</p> <p>May 2003        Joined the Company</p> <p>November 2004   Deputy Chief of Management Planning Office</p> <p>June 2006        Corporate Officer, Manager of Management Planning Office of the Company</p> <p>June 2010        Managing Corporate Officer, Manager of President's Office, and Manager of Public Relation of the Company</p> <p>August 2011     Managing Corporate Officer, Division Head of Corporate Planning Division of the Company (ongoing)</p> <p><u>Responsibilities within the Company</u></p> <p>Managing Corporate Officer, Division Head of Corporate Planning Division</p> <p><u>Rate of attendance in the Board of Directors' meetings</u></p> <p>-</p> | 6,600 shares                                          |
|               | <p>Reason for nomination:</p> <p>Mr. Michida has many years of experience planning and putting into practice a variety of projects in the development business of golf courses, hotels, and the like. He has over 10 years of experience as an executive officer in the Corporate Planning Division, and has executed a variety of plans in cooperation with people in the field, including the proposal to convert our golf business to casual golf. We expect that Mr. Michida will promote M&amp;A, our growth strategy, develop measures towards enhancing our management base.</p> <p>To our shareholders:</p> <p>I will keep the basic spirit of the Accordia brand, which is to provide casual and comfortable golf, while sensitively discerning changes in the environment and technology, and promoting reform of our golf business aimed at more advanced golf operations. In particular, I will strive to expand our business fields, create new customers, and improve existing customer loyalty by promoting integration of golf courses and related businesses and introducing new services and products. Additionally, I will work to develop and promote our circulating business model and address M&amp;A to raise our corporate value.</p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                       |

| Candidate No. | Full name (Birth date)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Brief CV, Position in the Company, Responsibilities, and Status of Significant Concurrent Posts                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Number of the Company's shares owned by the candidate |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|
| 4             | Sadanori Nonaka<br>(March 6, 1964)<br>[Newly-elected]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <p>April 1986      Joined Nitto Kogyo Co., Ltd.</p> <p>May 2003      Joined the Company</p> <p>March 2005      General Manager of Administration Division of the Company</p> <p>June 2006      General Manager of Business Department No.1 of the Company</p> <p>December 2007      Vice Chief of Course Operations of the Company</p> <p>June 2009      Corporate Officer, General Manager of Course Operations of the Company</p> <p>April 2012      Corporate Officer, General Manager of East Japan Course Operations of the Company</p> <p>June 2014      Managing Corporate Officer, Division Head of Golf Course Operation Division of the Company (ongoing)</p> <p><u>Responsibilities within the Company</u></p> <p>Managing Corporate Officer, Division Head of Golf Course Operation Division</p> <p><u>Rate of attendance in the Board of Directors' meetings</u></p> <p>-</p> | 2,200 shares                                          |
|               | <p>Reason for nomination:</p> <p>Mr. Nonaka has more than 30 years of practical experience in the golf course industry, and possesses extensive experience and knowledge of golf course operations and management. Since 2009, he has been taking efforts to improve revenues of the golf course business and optimize operations of the golf courses as Corporate Officer. We expect that he will use all the experience he has cultivated so far to develop measures for realizing business development and strengthening our management base in order to improve the corporate value of the Company, as well as contribute to the development of our human resources.</p> <p>To our shareholders:</p> <p>Based on almost 30 years of experience in the field, I will continue to carry out operations in response to changes in the market and among golfers. I will also focus my efforts on human resource development including compliance, hone the strength of individual employees, and raise the appeal of our golf courses. Furthermore, I intend to contribute to improving the corporate value of the Company through actively promoting contributions to areas with golf courses, as well as CSR activities, in order to make golf courses that are cherished and chosen by customers.</p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                       |

| Candidate No. | Full name (Birth date)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Brief CV, Position in the Company, Responsibilities, and Status of Significant Concurrent Posts                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Number of the Company's shares owned by the candidate |
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| 5             | Fumihiko Niwa (April 17, 1965) [Newly-elected]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <p>September 1989    Joined KPMG LLP</p> <p>September 1996    Senior Manager of KPMG LLP</p> <p>January 1998        Manager of Localization Department of PeopleSoft Inc.</p> <p>August 1999        Manager of Financial Department, Gap Japan K.K.</p> <p>October 2001       Controller of Accounting Department, Goldman Sachs Realty Japan Ltd.</p> <p>March 2005        Director of Finance &amp; Accounting Department and Structuring Department, Aetos Japan LLC</p> <p>May 2007          Chief Accounting Officer, Morgan Stanley Capital K.K.</p> <p>July 2007          Director, Chief Accounting Officer of the Company (ongoing)</p> <p><u>Rate of attendance in the Board of Directors' meetings</u></p> <p>-</p> | 0 share                                               |
|               | <p>Reason for nomination:</p> <p>Mr. Niwa possesses extensive practical experience and advanced knowledge concerning international accounting and taxes, as well as corporate governance, having worked at the global auditing firm KPMG LLP as a US certified public accountant. He also possesses extensive practical experience including REIT start-ups and IPO in the finance and accounting divisions of multiple global companies. We expect that Mr. Niwa will make use of his extensive knowledge and experience concerning international accounting and taxes to contribute to the rebuilding business of the Company in general, including our funding and M&amp;A strategy.</p> <p>To our shareholders:</p> <p>I will make use of my extensive practical experience and knowledge in multiple global corporations to contribute to building a business model that leads to improving our corporate value, executing operations that follow proper business plans, and enhancing the corporate governance structure that is expected of the Company.</p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                       |

(Note) Mr. Niwa will resign from his position as Director, Chief Accounting Officer of Morgan Stanley Capital K.K. in June 2016.

| Candidate No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Full name (Birth date)                                                                         | Brief CV, Position in the Company, Responsibilities, and Status of Significant Concurrent Posts                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Number of the Company's shares owned by the candidate |
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| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Mitsuru Maekawa (January 10, 1948)<br>[Re-elected]<br>Outside Director<br>Independent Director | <p>August 1976      Joined Nuclear Energy Systems &amp; Services Division of General Electric Company Japan</p> <p>October 1994      Vice President of Asia Marketing and Asia Services, Medical Equipment Department of General Electric Company Japan</p> <p>January 1998      Managing Director, General Manager of Services Division of GE Yokogawa Medical Systems Ltd. (now GE Healthcare Japan Corporation)</p> <p>January 1999      Managing Director, General Manager of Sales Division of GE Yokogawa Medical Systems Ltd.</p> <p>January 2002      Representative CEO of China Branch Office, GE Capital International Services</p> <p>January 2005      Representative CEO of China Branch Office, Genpact Limited</p> <p>November 2011      Business Advisor of TMJ, Inc.</p> <p>June 2012      Director of NPO organization, Support center for employment of disabled people</p> <p>June 2014      Outside Director of the Company (ongoing)</p> <p>June 2015      Advisor of KITZ CORPORATION (ongoing)</p> <p><u>Status of significant concurrent posts</u></p> <p>Advisor of NPO organization, Support center for employment of disabled people</p> <p>Advisor of KITZ CORPORATION</p> <p><u>Rate of attendance in the Board of Directors' meetings</u></p> <p>19/19 meetings (100%)</p> <p><u>Number of years in office as Outside Director</u></p> <p>2 years</p> | 1,300 shares                                          |
| <p>Reason for nomination:</p> <p>Mr. Maekawa possesses deep insight and extensive experience over general corporate management, including many years of experience involved in management of global corporations. We expect that he will offer specific recommendations toward Group business growth from the perspective of international corporate management. Additionally, we expect that he will contribute by overseeing the opinions of other Independent Outside Directors and enhance the functions of the Board of Directors as the Lead Independent Outside Director.</p> <p>Mr. Maekawa has no business administration experience or work experience in the Company's major shareholders or major business partners, nor any business relationship with the Company either past or present. He therefore meets the independence criteria of the Company and is adequately independent as an Outside Director.</p> <p>To our shareholders:</p> <p>As an Outside Director, I have used my experience of supporting service quality improvement in corporations both in Japan and abroad to conduct support and supervision in order to improve our corporate value through improving Company's customer satisfaction level. I am fully committed to ensuring the enhancement of our compliance structure and corporate governance structure, as well as our corporate social responsibility activities.</p> |                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                       |

| Candidate No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Full name (Birth date)                                                                            | Brief CV, Position in the Company, Responsibilities, and Status of Significant Concurrent Posts                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Number of the Company's shares owned by the candidate |
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| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Nobuko Hirayama<br>(March 1, 1950)<br>[Newly-elected]<br>Outside Director<br>Independent Director | <p>April 1984      Joined Dunlop Sports Enterprises</p> <p>March 1998      Director of Dunlop Sports Enterprises</p> <p>March 2002      Executive Director of Dunlop Sports Enterprises</p> <p>February 2005   Senior Managing Director of Dunlop Sports Enterprises</p> <p>June 2012      Director of Public Interest Incorporated Association, Japan Public Golf Society (ongoing)</p> <p>February 2013   Advisor of Dunlop Sports Enterprises</p> <p>June 2014      Director of Public Interest Incorporated Foundation, JAPAN GOLF ASSOCIATION (ongoing)</p> <p>April 2015      Commission of Dunlop Sports Enterprises</p> <p>September 2015   Executive Committee of Asia-Pacific Golf Confederation</p> <p>March 2016      Resigned from Dunlop Sports Enterprises</p> <p><u>Status of significant concurrent posts</u></p> <p>Director of Public Interest Incorporated Association, Japan Public Golf Society</p> <p>Director of Public Interest Incorporated Foundation, JAPAN GOLF ASSOCIATION</p> <p><u>Rate of attendance in the Board of Directors' meetings</u></p> <p>-</p> | 700 shares                                            |
| <p>Reason for nomination:</p> <p>Ms. Hirayama has been involved in practice and management in golf tournament operation companies for many years, and has served as an executive of golf business related organizations including the JGA (Japan Golf Association), so she possesses deep insight and extensive experience in the golf course operation business and sports promotions. We expect her to offer recommendations for the development of our golf course business based on her insight and experience.</p> <p>Ms. Hirayama has worked in a corporate group that has transactions with our Group, but she has since resigned through commission. The amount of our transactions with this corporate group last year totaled less than 2% (approximately 1.3%) of our consolidated net sales (48,549 million yen). This fiscal year, the Group paid approximately 5.6 million yen in annual membership fees to the JGA, which has Ms. Hirayama on its board of directors, but this is less than 2% (approximately 0.2%) of that organization's sales. Therefore, she meets the independence criteria of the Company, and is adequately independent as an Outside Director. It is expected that Ms. Hirayama will attend Board of Director's meetings at the Company adequately in light of her concurrent employment as an officer of other companies.</p> <p>To our shareholders:</p> <p>I have been familiar with golf for many years and have been involved in planning and operations of golf tournaments as my profession, earning a great deal of meaningful experience both in Japan and abroad. I hope to contribute to the further development of the Company in order to convey the joy of golf and spread it soundly as a sport.</p> |                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                       |

| Candidate No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Full name (Birth date)                                                                               | Brief CV, Position in the Company, Responsibilities, and Status of Significant Concurrent Posts                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  | Number of the Company's shares owned by the candidate |
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| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Kimiaki Yamaguchi<br>(March 30, 1950)<br>[Newly-elected]<br>Outside Director<br>Independent Director | <p>April 1973      Joined The Dai-Ichi Kangyo Bank, Ltd. (now Mizuho Financial Group, Inc.)</p> <p>June 1985      Vice President of New York M&amp;A Department and Tokyo branch, Kidder, Peabody &amp; Co.</p> <p>February 1995      General Manager of Investment Bank of Tokyo branch, Morgan Grenfell Japan Limited</p> <p>April 1997      Director in charge of Business and Customer Development, Senior Managing Director in charge of Business and Customer Development, GE Consumer Finance Co., Ltd.</p> <p>February 2005      Representative Senior Managing Director of APLUS Co., Ltd.</p> <p>June 2006      Deputy General Manager and General Manager of CCF Department, Shinsei Bank, Limited</p> <p>June 2008      Executive Officer and Representative Executive Officer, Vice President, The Tokyo Star Bank, Limited</p> <p>June 2015      Senior Advisor of The Tokyo Star Bank, Limited (ongoing)</p> <p><u>Status of significant concurrent posts</u><br/> Senior Advisor of The Tokyo Star Bank, Limited (planned to retire from the position in June 2016)<br/> Outside Director of SAINT-CARE HOLDING CORPORATION (planned to assume the position in June 2016)_<br/> <u>Rate of attendance in the Board of Directors' meetings</u><br/> -</p> |  | 0 share                                               |
| <p><b>Reason for nomination</b><br/> Mr. Yamaguchi possesses a high degree of finance and M&amp;A knowledge based his management experience in financial institutions and global corporations, so we expect that he will use this knowledge to offer recommendations on general management of the Company.</p> <p>Mr. Yamaguchi is an employee of a financial institution that has transactions with the Company, but is not currently a business executive (Senior Advisor, planning to resign as of the end of June 2016). Our borrowing from this financial institution is less than 2% (approximately 1.0%) of the Company's consolidated total assets (152,054 million yen). He therefore meets the independence criteria of the Company, and is adequately independent as an Outside Director. It is expected that Mr. Yamaguchi will attend Board of Director's meetings at the Company adequately in light of his concurrent employment as an officer of other companies.</p> <p><b>To our Shareholders:</b><br/> I believe the Company has the innovation capability as a leading company in the golf industry to turn issues relating to the aging population and low economic growth into growth. Based on my business achievements in financial and capital markets and in global corporations so far, I intend to promote enhance of governance driven by our organizational strength and human resource development, toward improving the corporate value of the Company.</p> |                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  |                                                       |

| Candidate No. | Full name (Birth date)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Brief CV, Position in the Company, Responsibilities, and Status of Significant Concurrent Posts                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Number of the Company's shares owned by the candidate |
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| 9             | Mitsuhiko Amitani<br>(June 2, 1956)<br>[Newly-elected]<br>Outside Director<br>Independent Director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <p>April 1985 Registered as a Lawyer</p> <p>April 1985 Joined HASHIDATE LAW OFFICE</p> <p>November 1989 Joined Wakita Law Office</p> <p>March 1990 Partner of Shimada Seno &amp; Amitani (current SAH &amp; Co.) (ongoing)</p> <p>June 2006 Outside Audit &amp; Supervisory Board Member of Stanley Electric Co., Ltd. (ongoing)</p> <p>May 2013 Outside Auditor of HUB CO., LTD. (ongoing)</p> <p><u>Status of significant concurrent posts</u></p> <p>Partner of SAH &amp; Co.</p> <p>Outside Audit &amp; Supervisory Board Member of Stanley Electric Co., Ltd.</p> <p>Outside Auditor of HUB CO., LTD.</p> <p><u>Rate of attendance in the Board of Directors' meetings</u></p> <p>-</p> | 0 share                                               |
|               | <p>Reason for nomination:</p> <p>Mr. Amitani has been engaged in legal practice such as company legal affairs, international transactions, and M&amp;A for many years as a lawyer, while also being involved in corporate management by his appointment as an outside auditor at other companies, so he possesses extensive experience and legal knowledge of corporate management, finance, and corporate governance. We expect that he will use his knowledge and experience related to legal practice and involvement in corporate management as an Outside Director to offer recommendations on the enhancement of the Company's governance structure and compliance structure, as well as general corporate management. For the reasons stated above, although Mr. Amitani has no experience involved in management of companies in roles other than Outside Director or Outside Audit &amp; Supervisory Board Member, we have judged that he is capable of properly carrying out his duties as an Outside Director.</p> <p>Mr. Amitani has no business administration experience or work experience in the Company's major shareholders or major business partners, nor any business relationship with the Company either past or present. He therefore meets the independence criteria of the Company and is adequately independent as an Outside Director. It is expected that Mr. Amitani will attend Board of Director's meetings at the Company adequately in light of his concurrent employment as an officer of other companies.</p> <p>To our shareholders:</p> <p>I intend to make use of my more than 30 years of experience as a lawyer and as an Outside Director in other companies to commit to the enhancement of the Company's corporate governance structure and compliance, as well as offer active recommendations and contribute to our company's continued development.</p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                       |

(Note) Stanley Electric Co., Ltd., for which Mr. Amitani currently serves as Outside Audit & Supervisory Board Member, was referred to on March 22, 2013 by the Japan Fair Trade Commission as a case of violation of Article 3 (Unreasonable restraint of trade) of the Antimonopoly Act. As the Outside Audit & Supervisory Board Member of the company, Mr. Amitani had provided his opinions as appropriate at the board of directors' meetings, etc., about the importance of compliance with laws and regulations and communication of such. After this finding was revealed, he verified the development and enhancement of a compliance structure as well as offered recommendations toward the prevention of any violation.



| Candidate No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Full name (Birth date)                                                                           | Brief CV, Position in the Company, Responsibilities, and Status of Significant Concurrent Posts                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Number of the Company's shares owned by the candidate |
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| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Toshiaki Yoshii<br>(June 9, 1967)<br>[Newly elected]<br>Outside Director<br>Independent Director | <p>October 1992      Joined Aoyama Audit Firm (now PricewaterhouseCoopers Arata)</p> <p>November 1996    Part-time employee of Aoyama Audit Firm</p> <p>April 1998        Registered as a Certified Accountant</p> <p>April 1998        Partner of The Ginza Accounting Office</p> <p>October 1998     Registered as a Tax Accountant</p> <p>April 2002        Established The Ginza Tax Accountant Corporation and Transferred Tax Services</p> <p>January 2010     Established Kizuna Certified Public Accountants</p> <p>January 2010     Joined Tsubasa Tax Accountant Corporation as a Representative Partner</p> <p>January 2011     Established and President of Shu Business Partner Co., Ltd. (ongoing)</p> <p>March 2013       Established and President of Toshiaki Yoshii Tax Accountants Office (ongoing)</p> <p>January 2015     Changed the name from Kizuna Certified Public Accountants to Takeshi Noma Certified Accountant, President (ongoing)</p> <p><u>Status of significant concurrent posts</u><br/> President of Toshiaki Yoshii Certified Accountant and Tax Accountants Office<br/> President of Shu Business Partner Co., Ltd.</p> <p><u>Rate of attendance in the Board of Directors' meetings</u><br/> -</p> | 0 share                                               |
| <p>Reason for nomination:</p> <p>Mr. Yoshii is involved in the practice of corporate accounting and taxes as a certified public accountant and tax accountant, and possesses expert knowledge and experience of accounting and taxes. We expect that he will offer recommendations on general management of the Company and contribute to improving the quality of the Board of Directors' discussions.</p> <p>Mr. Yoshii has no business administration experience or work experience in the Company's major shareholders or major business partners, nor any business relationship with the Company either past or present. He therefore meets the independence criteria of the Company and is adequately independent as an Outside Director. It is expected that Mr. Yoshii will attend Board of Directors' meetings at the Company adequately in light of his concurrent employment as an officer of other companies.</p> <p>To our shareholders:</p> <p>I believe that a compliance structure following the rules of society is essential for continuous development of listed companies. I will use my experience as a certified public accountant and tax accountant to strive to enhance the compliance and corporate governance of the company so that it can grow continuously, and do my best to connect this to improving corporate value.</p> |                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                       |

**Proposal No. 4 Election of Two (2) Audit & Supervisory Board Members**

The terms of Audit & Supervisory Board Members Yoshiki Hirowatari and Koji Hatsukawa expire at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, we propose to elect two (2) Audit & Supervisory Board Members.

The Audit & Supervisory Board is in agreement with the proposal.

The candidates for Audit & Supervisory Board Members are as follows:

| Candidate No. | Full name<br>(Birth date)                                                                                                              | Brief CV, Position in the Company, Responsibilities,<br>and Status of Significant Concurrent Posts                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Number of the<br>Company's shares<br>owned by the<br>candidate |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|
| 1             | Yoshiki<br>Hirowatari<br>(March 23, 1947)<br>[Re-elected]<br>Outside Audit &<br>Supervisory Board<br>Member<br>Independent<br>Director | <p>April 1969      Joined Sony Corporation</p> <p>March 1978      Subsidiary in Switzerland Controller, Sony Corporation</p> <p>January 1983      Subsidiary in England Controller, Sony Corporation</p> <p>January 1986      General manager of International Accounting Div.,<br/>Sony Corporation Head Office</p> <p>November 1995      Managing director, Sony Kota Corporation</p> <p>January 1999      General manager of Planning Administrative Div. of<br/>Home TV Company VP, Sony Corporation</p> <p>April 2001      Director, Aiwa Co., Ltd.</p> <p>June 2003      Outside Corporate Auditor, SKY Perfect JSAT<br/>Corporation</p> <p>July 2007      Advisor, SKY Perfect JSAT Corporation</p> <p>January 2008      Full-time Outside Corporate Auditor, SEMBA<br/>CORPORATION</p> <p>June 2012      Outside Audit &amp; Supervisory Board Member of the<br/>Company (ongoing)</p> <p>December 2014      Auditor of International Social Service Japan (ongoing)</p> <p><u>Status of significant concurrent posts</u><br/>Auditor of Social welfare corporation, International Social Service Japan</p> <p><u>Rate of attendance in the Audit &amp; Supervisory Board Members' meetings</u><br/>19/19 meetings (100%)</p> <p><u>Number of years served as Outside Audit &amp; Supervisory Board Member</u><br/>4 years</p> | 500 shares                                                     |

|  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
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|  | <p>Reason for nomination:</p> <p>Mr. Hirowatari had been involved in various operations such as international accounting at Sony Corporation. He had also been responsible for accounting/finance as Director of Aiwa Co., Ltd., and thus holds knowledge of overall corporate management especially in finance and accounting. He also possesses an extensive knowledge and experience of auditing, having served as an outside auditor of listed companies. We expect that he will use his knowledge and experience to audit administration of business by our Directors, and contribute to enhancing our governance structure from the position of Outside Audit &amp; Supervisory Board Member. Mr. Hirowatari has no business administration experience or work experience in the Company's major shareholders or major business partners, nor any business relationship with the Company either past or present. He therefore meets the independence criteria of the Company and is adequately independent as an Outside Audit &amp; Supervisory Board Member.</p> <p>To our shareholders:</p> <p>In discussion and examination of various measures for improving corporate value in the Board of Directors, I will monitor, ask questions, and express opinions to fulfill my duties as an Outside Audit &amp; Supervisory Board Member, always taking into consideration "Why does this contribute to the common interest of shareholders?" and "Why is this useful to improving corporate value?"</p> |
|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

| Candidate No. | Full name (Birth date)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Brief CV, Position in the Company, Responsibilities, and Status of Significant Concurrent Posts                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Number of the Company's shares owned by the candidate |
|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|
| 2             | Takeshi Noma (February 6, 1965)<br>[Newly-elected]<br>Outside Audit & Supervisory Board Member<br>Independent Director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <p>April 1988      Joined Eiwa Audit Firm</p> <p>October 1988    Joined Showa-Ota Audit Firm (now ERNST &amp; YOUNG SHINNIHON LLC)</p> <p>March 1991      Registered as a Certified Accountant</p> <p>June 2002       Partner of ERNST &amp; YOUNG SHINNIHON LLC</p> <p>July 2008       Established and President of Takeshi Noma Certified Accountant Office (ongoing)</p> <p><u>Status of significant concurrent posts</u></p> <p>President of Takeshi Noma Certified Accountant Office</p> <p><u>Rate of attendance in the Board of Directors' meetings</u></p> <p>-</p> | 0 share                                               |
|               | <p>Reason for nomination</p> <p>Mr. Noma has long been involved in accounting for other companies as a certified public accountant. Thus he has great expertise in corporate accounting. He is expected to provide advice regarding overall corporate management of the Company and contribute to improving the quality of discussions at the Board of Directors' meetings from a professional standpoint.</p> <p>He has not performed and is not performing duties of business execution or was not employed or is not employed at any major shareholder or business partner of the Company. He has no business relationship with the Company. Accordingly, his independence as Outside Audit &amp; Supervisory Board Member is fully ensured.</p> <p>He is expected to sufficiently attend the Board of Directors' meetings and the Audit &amp; Supervisory Board meetings, given the current state of his concurrent positions as officers of other companies.</p> <p>To our shareholders:</p> <p>I will make use of my auditing business experience for a variety of industries and experience in listing support as a certified public accountant, while asking questions about the golf course business from the perspective of a golf player, and carry out the duties of an Audit &amp; Supervisory Board Member to enable company operation of legal compliance.</p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                       |

- (Notes)
1. There is no special interest between the candidates for Audit & Supervisory Board Member and the Company.
  2. Limited liability contract with Outside Audit & Supervisory Board Members  
The Company has concluded limited liability contract with Mr. Yoshiki Hirowatari pursuant to Paragraph 1, Article 423 of the Companies Act that defines the amount of liability within the minimum amount of liability in accordance with liability prescribed in Paragraph 1, Article 425 of the Companies Act and, if he is re-elected, the contract is expected to remain in effect. The Company will also enter into limited liability contracts to the same effect with Mr. Takeshi Noma if he is elected.
  3. The Company has designated Mr. Yoshiki Hirowatari as Independent Auditor in accordance with the regulations stipulated by the Tokyo Stock Exchange, and if he re-elected, as originally proposed, he will continue to be Independent Auditor. The Company will also designate Mr. Takeshi Noma as new Independent Auditor if he is elected.

Reference:

1. Policy and Procedures for Election of Candidates for Directors and Audit & Supervisory Board Members

The Company elects and nominates those who have a wealth of experience, keen insight and an advanced level of expertise that is appropriate for any given job responsibilities with regard to the election/nomination of senior management and Director/Audit & Supervisory Board Member candidates. As such, the Nomination/Compensation Committee recommends officer candidates based on the following standards, and with regard to outside officer candidates, conducts a review based on the Company's standards used to gauge the independence of outside officers.

- 1) Talent that can contribute as a member of management from the position of executing, supervising and auditing in a swift manner in response to changes in the market, including customer needs, amid the popularization of ICT and the globalization of the economy.
- 2) Talent with a strong desire to promote the golf business and one who can contribute from the position of executing, supervising and auditing toward improving the Company's corporate value going forward.
- 3) Talent that can contribute from the position of executing, supervising and auditing and has deep knowledge on improving corporate governance and promoting compliance.
- 4) Regarding Executive Director candidates, talent that is well versed in the given area and has a sufficient track record in each of the business divisions.
- 5) Regarding candidates for Outside Directors, talent that has a specialized background in the areas of management, law, accounting and tax, among others, and expertise in management as well as the ability to conduct constructive discussions from an objective point of view and at a distance from business operations.

Regarding the nomination of Director/Audit & Supervisory Board Member candidates, the Board of Directors shall make the decision following a recommendation by the Nomination/Compensation Committee, and as for Audit & Supervisory Board Member candidates. The decision shall be made by the Board of Directors after obtaining consent from the Audit & Supervisory Board.

(Note) The "Nomination/Compensation Committee" is an advisory council to the Board of Directors that provides the Board with advice and recommendations regarding Director/Audit & Supervisory Board Member candidates and the details of proposed remuneration and is chaired by an independent outside director, with the majority of its members comprised of

independent outsiders.

2. Criteria on Independence of Outside Directors and Outside Audit & Supervisory Board Members

The Company's Board of Directors believes that the criteria for the independence of Outside Directors or Outside Audit & Supervisory Board Members (hereinafter "Outside Officers") set out in laws and regulations and by the Tokyo Stock Exchange should specify that the Outside Officers are not to fall under any of the following categories:

- (1) Executives\* at the Company or its consolidated subsidiaries (hereinafter "the Group").  
Individuals who belong to or belonged to the Group within the last ten years as executives.
- (2) Executives at companies or other entities whose main trading partners include the Group.
  - 1) Executives at companies or other entities that are trading partners that provide goods or services to the Group, and whose annual transactions with the Group in the most recent fiscal year exceeded 2% of their annual consolidated net sales.
  - 2) Executives at companies or other entities that are trading companies to which the Group owes liabilities, and where the Group's liabilities from them exceeded 2% of their consolidated total assets at the end of the most recent fiscal year.
- (3) Executives at companies or other entities whose main trading partners include the Group.
  - (i) Executives at companies or other entities that are trading companies to which the Group provides goods or services and whose annual transactions with the Group in the most recent fiscal year exceed 2% of the Company's annual consolidated net sales.
  - (ii) Executives at companies or other entities that are trading partners with the Group or financial institutions to which the Group owes liabilities, and the Group's liabilities from which exceeded 2% of the Company's consolidated total assets at the end of the most recent fiscal year.
- (4) Major shareholders of the Company (holding 10% or more of the Company's voting rights) or executives at companies or other entities that are major shareholders of the Company.
- (5) Executives at companies or other entities for which 10% or more of the shares, etc. (voting rights) are held by the Group.
- (6) Executives at companies or other entities that receive donations or aid worth more than a certain amount from the Group.  
Executives at companies or other entities that receive donations or aid from the Group worth more than 10 million yen or 2% of their consolidated net sales in the most recent fiscal year, whichever

is higher.

- (7) Consultants, certified public accountants and other accountants, and law experts such as lawyers that receive monies or other property worth more than a certain amount from the Group, excluding compensation for officers. Individuals that receive monies or other property from the Group worth more than 10 million yen or 2% of their consolidated net sales, whichever is higher, excluding compensation for officers in the most recent fiscal year. If organizations such as corporations and associations receive the monies or other property, then individuals belonging to those organizations.
- (8) Individuals belonging to audit corporations that carry out statutory audits for the Group.
- (9) If members of Management or Full-Time Outside Audit & Supervisory Board Members of the Group concurrently serve as outside directors or outside company auditors at other companies, then the executives at these other companies
- (10) If individuals falling under any of the categories in items (1) through (9) are important executives (holding the position of General Manager or higher), then their close relatives, etc. In this case, the term “close relatives” means relatives within the two degrees of kinship and interested individuals who live on the same living expenses.
- (11) Individuals who have fallen under any of the categories in items (2) through (10) in the last three years.

(Note) Executives: Management members, corporate officers, executive officers, and others equal to them, and any other members who execute operations. The Outside Audit & Supervisory Board Members include non-executive directors.

(Appendix)

## **Business Report**

(April 1, 2015~March 31, 2016)

### **1. Overview of the Company Group**

#### **(1) Business Progress and Results**

During the fiscal year under review, the Japanese economy underwent sustained recovery at a moderate pace, backed by the monetary easing policies and economic stimulus measures known as “Abenomics,” although there was some sluggish growth in consumption.

In the golf industry, in which the Accordia Golf group operates, while the impact of bad weather over the summer was felt, the record warm winter served as a tailwind, so play demand was generally stable and strong.

In these circumstances, the Accordia Golf group, while taking steps to increase the number of visitors to facilities operated, implemented the management policies in order to pursue the basic strategies adopted in the new Medium-Term Management Plan (Accordia Vision 2017), whose final year is fiscal year 2016

(“creation of capital gains based on a circulating business model” and “creation of stable cash flows from expanded outsourced management business”).

In Golf Course Management Business, in addition to taking its efforts establish a framework to offer customers valuable products and services at reasonable prices, the Company carried out initiatives to attract customers through the establishment of a golf course brand and an original points program, as well as strengthening the coordination with driving ranges.

To improve asset efficiency, the Company is striving to improve profitability of the golf courses that it holds. The Company is actively preparing for additional asset-light transactions of the golf courses that achieved stable profitability.

(Operating Performance for the Consolidated Fiscal Year Under Review)

In the fiscal year under review, operating revenue declined 15,358,968 thousand yen or 24.0% to 48,549,900 thousand yen compared to the previous fiscal year due mainly to the transfer of the 90 golf courses that the Group had held as a result of the implementation of the business trust-based asset-light strategy in August 2014.

Operating income declined 23,332 thousand yen or 0.3% to 7,307,564 thousand yen



compared to the previous fiscal year due primarily to a reduction in operating expenses as a result of the transfer of the operation business for 90 golf courses and Group-wide cost-reduction efforts despite adverse effect of a decline in operating revenue as stated above.

Ordinary income increased 4,605,088 thousand yen or 130.2% to 8,142,047 thousand yen compared to the previous fiscal year due mainly to the facts that 1,162,628 thousand yen which was reported as investment losses of Accordia Golf Trust (hereinafter, "AG Trust"), etc. by application of equity method in the previous fiscal year was reported as investment income of 1,963,593 thousand yen in the fiscal year under review by the application of equity method and the syndicated loan fees declined by 790,750 thousand yen.

Profit attributable to the owners of the parent declined 555,222 thousand yen or 9.2% to 5,459,990 thousand yen compared to the previous fiscal year as there were no gains from the disposal of shares of the affiliates, which were recorded in the previous fiscal year with an amount of 6,180,783 thousand yen as a result of the transfer of the shares of the Company's subsidiaries that had held 90 golf courses subject to the business trust-based asset-light strategy. The other major factor of the decrease was a decline of 1,138,554 thousand yen in corporate taxes, etc.

(Breakdown of operating revenue)

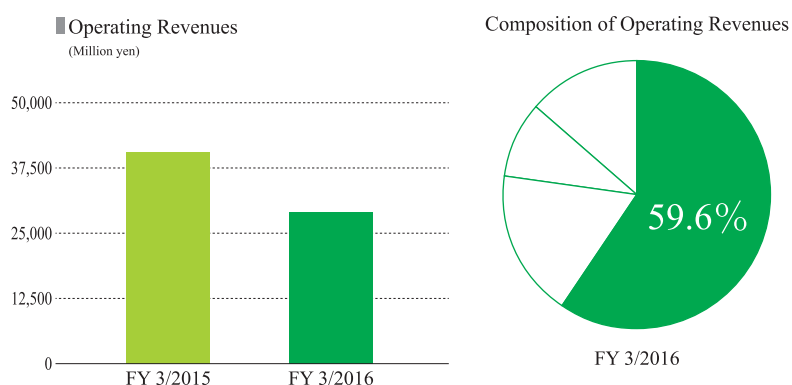
(Thousand yen)

| Business segment       | 36th<br>Fiscal Year ended<br>March 31, 2015 | 37th<br>Fiscal Year ended<br>March 31, 2016<br>(Current fiscal year) | Increase (decrease)<br>ratio |
|------------------------|---------------------------------------------|----------------------------------------------------------------------|------------------------------|
| Golf Course Management | 40,443,173                                  | 28,958,479                                                           | (28.4%)                      |
| Restaurants            | 12,638,949                                  | 8,602,245                                                            | (31.9%)                      |
| Golf Equipment Sales   | 4,408,642                                   | 4,503,487                                                            | 2.2%                         |
| Driving Ranges, etc.   | 6,418,103                                   | 6,485,687                                                            | 1.1%                         |
| Total                  | 63,908,868                                  | 48,549,900                                                           | (24.0%)                      |

## Golf Course Management Business

The breakdown of operating revenue from this segment consists of golf course revenue related to play, such as play fees from golf courses for which the Group holds assets, as well as membership revenue and management contract revenue from non-group golf courses.

Due to the impact of transferring 90 golf courses held by the Group to the AG Trust subsidiary Accordia Golf Asset Liability Company (hereinafter, “AG Asset”) in the previous fiscal year, operating revenue in the fiscal year under review was 28,958,479 thousand yen, down 11,484,694 thousand yen compared to the previous fiscal year.



### Skyway country club (Chiba prefecture)

#### Stable management contract revenue

Since implementing the business trust-based asset-light strategy in August 2014, a management contract has been signed with AG Asset for the golf courses transferred to AG Asset. As a result, 6,123,965 thousand yen of management contract revenue was recorded to the operating revenue of our golf course management business in the fiscal year under review. The remuneration scheme is composed of 60% fixed compensation and 40% variable compensation, and has maintained high profitability.

Acquisition of 1 golf course in the Tokyo metropolitan area

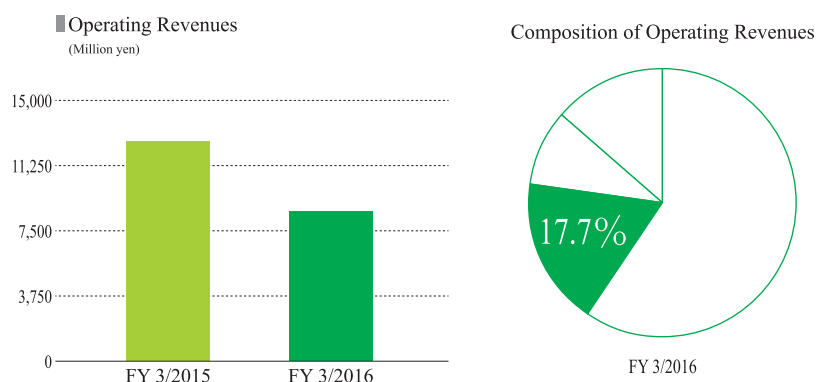
In October 2015, the Group acquired Skyway Country Club (Narita, Chiba Prefecture, 18 holes), its 19th golf course in Chiba Prefecture. It is easily accessible, located around an hour from the central part of Tokyo. The course continues to attract golfers with its challenging holes set amongst gentle rolling hills and trees, and its sophisticated atmosphere.

As part of our golf course portfolio strategy, we sold 2 golf courses (one in Fukui and another in Ibaraki Prefectures) of both of which revenue had been expected to decline. Consequently, the number of the golf courses that we operated at the end of the fiscal year under review was 136 (43 courses were held by the Company and 93 courses were managed under contract for operations).

## Restaurants

The breakdown of operating revenue from this segment consists of sales from restaurants in golf courses and management contract revenue from restaurants in golf courses outside the group.

Operating revenues from this segment for the consolidate fiscal year under review was 8,602,245 thousand yen, down 4,036,704 thousand yen compared to the previous fiscal year.



## SAWAYAKA Sales Contest

### Development of an appealing menu

With the purpose of improving service from restaurant employees and developing a menu that appeals to customers, in June of 2015 the Group held a “SAWAYAKA Sales Contest” in 74 golf course restaurants. With dim sum (snack or appetizer) as the theme, service was improved by raising employee’s awareness and sharing the results of menu development and sales ability, through examinations. In the future, this program will be expanded to all restaurants.

### Promoting the delivery of safe and secure meals

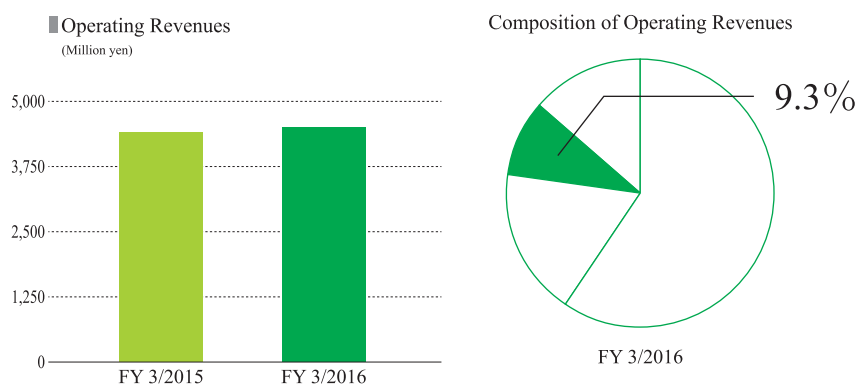
Including restaurants on managed golf courses and establishments with restaurant

management contracts, the Group delivers approximately 8.6 million meals per year. In order to provide safe and secure meals, since October 2015, we have established an inspection system by external expert institutions in addition to our inspection system by internal health managers. Based on improvement reports from internal health managers and external expert institutions, we have promoted improvements, while working to enhance education to promote employees' understanding of health management.

## Golf Equipment Sales

The breakdown of operating revenue from this segment consists of golf equipment sales revenue in street front stores and pro shops adjacent to golf courses and golf practice courses.

Operating revenues from this segment for the consolidate fiscal year under review was 4,503,487 thousand yen, up 94,845 thousand yen compared to the previous fiscal year.



### Accordia Garden Koshienhama (Hyogo Prefecture)

#### Promoting invigoration of the sales floor

In addition to returning profit to the customers by enhancing our lineup of products for sale and utilizing a point program, the Group has shared information including examples of success with all stores by centrally managing store development of merchandising methods and knowledge of product purchase and sales techniques. The group has raised the level of profitability by invigorating the sales floor by making use of customer's diverse needs acquired from each store and renewal of stores.

#### Improved service in club workshops

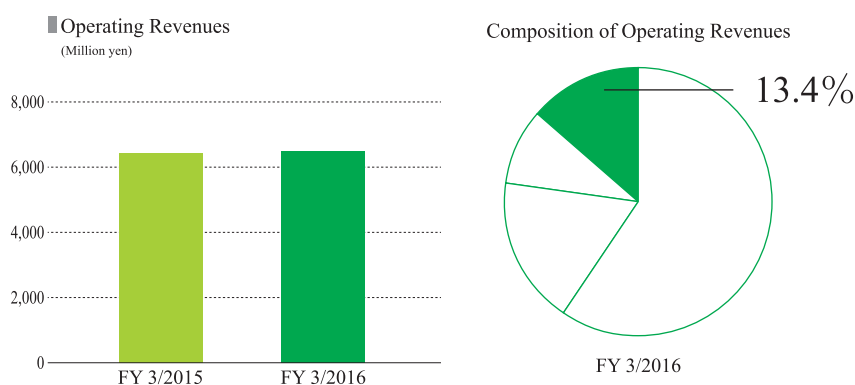
In order to improve service for customers, the Group has worked to improve the quality of golf club repair and processing technology and started an internal qualification system for

workshop personnel from April 2016. Certification is implemented according to techniques, from the level of supporting high-use grip replacement up to pro-service level requiring advanced techniques. The technical level of workshop personnel is also reported to customers to promote greater use of their services.

### Driving Ranges and Other Business

The breakdown of operating revenue from this segment consists of operating revenue from driving ranges and from hotels annexed to golf courses.

Operating revenues from this segment for the consolidate fiscal year under review was 6,485,687 thousand yen, up 67,584 thousand yen compared to the previous fiscal year.



### Accordia Garden Shizu (Chiba Prefecture)

#### Expansion of the school business

Our school business deployed at 26 driving ranges has been used by a wide range of customers from beginners to advanced players from the start, focused on repeated practice of basic movements. Since May 2015 the Group has newly established a “Premium School” aimed at the progress of each individual, as well as an “Advance Class” with enhanced practical lessons that promotes beginners to their course debut.

#### Acquired 1 driving range in the Tokyo metropolitan area

In July 2015 the Group acquired Accordia Garden Shizu (Sakura, Chiba Prefecture), its 6th driving range in Chiba Prefecture. This comprehensive driving range located in the Tokyo bedroom community of Sakura includes a school, pro-shop, and 9-hole authentic short hole course. Cooperation with the nearby managed golf course has been enhanced in order to



improve profitability. As the acquisition of 1 driving range by the Group, the number of the driving ranges we operated was 26 at the end of the consolidate fiscal year under review.

## **(2) Capital Investments**

Capital investments carried out during the fiscal year under review amounted to 2,020,359 thousand yen in total, mainly to facilities in golf courses and driving ranges.

## **(3) Fund Procurement**

During the fiscal year under review, the Company raised 4,200,000 thousand yen through the borrowings from financial institutions, etc. to repay its existing borrowings and for other purposes.

## **(4) Issues to be Addressed**

The Group will regard the following challenges as management tasks and address them proactively.

### **1) Development of circulating business model**

The Group recognizes promotion of the circulating business model as its most important management challenge and will push ahead with the value adding of the golf courses it already owns and the acquisition of new golf courses.

As an investment policy for the acquisition of new golf courses, the Group is examining investment in prime properties located within the three largest metropolitan areas, especially suburban metropolitan cities with expecting stable populations and have plenty of scope for value adding through the Company's operations, and we will also examine investing in overseas golf courses as well as domestic.

Additionally, by transferring golf courses to AG Trust after their value has been improved, the Group will produce capital gains, and expand management contract revenue by being entrusted with the business operations from the transferee, thereby establishing a circulating business model.

### **2) Enhancing golf business operation strength**

Since the creation of the Accordia Golf Brand, the Group has offered new golfing services, enhancing the level of its services by fully implementing four service principles consisting of providing high-quality course conditions that guarantee a comfortable round of golf; accommodating different playing styles to meet diverse customer needs; providing a full line of services at pro shops, similar to specialty shops; and providing restaurants with prices that are reasonable and well-suited to a sporting area.

The Group is also promoting a brand strategy with broader targets than ever before,

including the “TROPHIA GOLF” brand for customers seeking golf courses with authentic course conditions, and the “EVERGOLF” brand for customers who are purely seeking to enjoy play.

The group plans to hold the “26th Annual Japan Senior Open Golf Championship, a Senior Tour Official game, from September 15th to 18th 2016 at the Narashino Country Club King & Queen Course which is managed under the “TROPHIA GOLF” brand. Additionally, the Group plans to hold the JGTO Tour Tournament “HONMA TOURWORLD CUP AT TROPHIA GOLF” from October 6th to 9th, 2016 at the Ishioka Golf Club.

Regarding its policy for attracting customers, the Group has maximized revenue from sales at optimal operations and optimal prices, using customer information of the ACCORDIA GOLF point program which has issued approximately 4.13 million copies as of the end of March 2016, as well as the company’s official website “Accordia Web”, which has approximately 510 thousand subscribers as of the end of March 2016.

As a result of taking increased inbound demand as an opportunity to acquire new customers, and implementing activities to attract customers, the company attracted nearly 20,000 customers in the year ended March 31, 2016. In the mid-term, the company will work to attract more customers, mainly from the Asian region.

In addition, the Group is streamlining business and conducting centralized purchasing by centralizing clerical work, which leverage the economy of scale gained from having the largest number of golf courses managed in Japan, the Group’s greatest strength.

### 3) Expansion of scale and profitability of driving range business

The Group attracts customers by developing a comfortable practice environment in driving ranges and providing teaching methods and lesson events established in the company golf school “Accordia Golf Academy.”

In order to take advantage of the Group’s economy of scale, it has also established low-cost operations by unifying systems and infrastructure.

In addition, the Group extends the synergy effect with golf courses by guiding users of driving ranges to Group golf courses.

In the future, in order to expand the driving range business, the Group will promote management contracts and acquisition and construction of only profitable properties with high investment efficiency in urban areas.

### 4) Strengthening sales and purchases and the expansion of sales channels in the retail business

In the retail business, the Group is developing direct management of pro shops in Group golf courses and driving ranges, under the “golfrevo” brand, as well as management contracts for third party driving range in-range shops. The group conducts efficient management with

product lineup and management styles matched to the characteristics of each shop. Additionally, the Group is expanding service, such as by establishing club workshops that offer club trade-in and grip exchange.

Moving forward, the Group will enhance its retail business by creating new revenue opportunities, such as management of third party driving range in-range shops and developing street-front stores.

5) Promoting increased activity within the golf market

We consider expansion of the golfing population and invigoration of the golf market to be essential to maintaining long-term growth of the Group in the future. From the 2016 Rio de Janeiro Olympics, golf will be adopted as a formal competition, and it has been decided that the Olympics will be held in Tokyo in 2020.

Hoping to see as many juniors as possible know the wonder of golf as a lifelong sport and grow up into the next generation of golfers, the Group started the Accordia registered junior golfers' system "Accordia Kids" in January in 2014. So far the group has made an environment that is easier for children to start playing golf in and expanded the number of subscribers to nearly 4,000 children (as of the end of March 2016).

The Group has also held "Easy Golf" events for beginners who have never held a golf club to know the joy of golf.

Furthermore, in order to help golfers in the baby boomer generation or older, who form our customer base, to enjoy golf throughout their lifetime, we provide a riding cart service to the fairway year round for members over 70 years old.

Going forward, the Group will continue to plan events and provide information that conveys the joy of golf to women, teenagers, seniors and others regardless of age or gender, in order to expand and invigorate the golf-related market.

6) Establishing stable financing methods

The Group has achieved low-cost and stable financing methods for the acquisitions of golf courses or acquisitions and development of driving ranges through a balanced mix of syndicated loans, corporate bonds and commitment lines. Steps to manage the risk posed by interest rate fluctuations have also been taken to maintain a sound financial structure.

## **(5) State of the Transfer of the Businesses; State of the Corporate Split**

For the details, see (Notes) 2, 4 in pages 41-42.

**(6) State of the Succession of Rights and Obligations regarding the Businesses of Other Corporations, etc. through absorption-type merger**

For the details, see (Notes) 5, 6 in page 42.

**(7) State of Acquisition of Shares of Other Companies**

State of Shares acquired by the Group in the Fiscal Year under review

| Company Name                  | Number of Shares and Interests | Date of Acquisition | Principal Businesses         |
|-------------------------------|--------------------------------|---------------------|------------------------------|
| Accordia AH39 Co., Ltd.       | 1,000 shares                   | July 1, 2015        | Management of driving ranges |
| Skyway Country Club Co., Ltd. | 1,000 shares                   | October 27, 2015    | Management of golf courses   |

(Note) The all shares above were acquired by the Company.

**(8) Trends in Assets and Income**

1) The Accordia Golf group

(Thousand yen)

| Segment            | 34th<br>Fiscal Year<br>ended<br>March 31, 2013 | 35th<br>Fiscal Year<br>ended<br>March 31, 2014 | 36th<br>Fiscal Year<br>ended<br>March 31, 2015 | 37th<br>Fiscal Year<br>ended<br>March 31,<br>2016<br>(Current Fiscal<br>Year) |
|--------------------|------------------------------------------------|------------------------------------------------|------------------------------------------------|-------------------------------------------------------------------------------|
| Operating revenues | 90,920,260                                     | 91,983,152                                     | 63,908,868                                     | 48,549,900                                                                    |
| Operating income   | 13,303,208                                     | 12,246,512                                     | 7,330,897                                      | 7,307,564                                                                     |
| Ordinary income    | 11,140,883                                     | 10,318,553                                     | 3,536,959                                      | 8,142,047                                                                     |

(Thousand yen)

| Segment                           | 34th<br>Fiscal Year<br>ended<br>March 31, 2013 | 35th<br>Fiscal Year<br>ended<br>March 31, 2014 | 36th<br>Fiscal Year<br>ended<br>March 31, 2015 | 37th<br>Fiscal Year<br>ended<br>March 31,<br>2016<br>(Current Fiscal<br>Year) |
|-----------------------------------|------------------------------------------------|------------------------------------------------|------------------------------------------------|-------------------------------------------------------------------------------|
| Profit attributable to the owners | 6,025,297                                      | 4,617,175                                      | 6,015,212                                      | 5,459,990                                                                     |
| Net Income per Share (yen)        | 5,871.75                                       | 44.98                                          | 71.62                                          | 77.44                                                                         |
| Total Assets                      | 265,043,969                                    | 262,961,302                                    | 157,775,347                                    | 152,054,243                                                                   |
| Net Assets                        | 93,097,134                                     | 92,202,619                                     | 47,162,554                                     | 50,045,664                                                                    |
| Net Assets per Share (yen)        | 90,695.78                                      | 896.93                                         | 665.24                                         | 706.10                                                                        |

- (Notes) 1. A reduction in net income per share and net assets per share for the 35th fiscal year is due to the share split on a basis of 100 new shares per common share on October 1, 2013 in accordance with the resolution made at the meeting of the Board of Directors on May 20, 2013.
2. Significant changes in operating revenues, ordinary income, net assets, total assets, net income per share, and net assets per share for the 36th fiscal year were due to the effects of the implementation of asset-light strategy using the business trust, etc.

2) Accordia Golf Co., Ltd.

(Thousand yen)

| Segment            | 34th<br>Fiscal Year<br>ended<br>March 31, 2013 | 35th<br>Fiscal Year<br>ended<br>March 31, 2014 | 36th<br>Fiscal Year<br>ended<br>March 31, 2015 | 37th<br>Fiscal Year<br>ended<br>March 31, 2016<br>(Current Fiscal<br>Year) |
|--------------------|------------------------------------------------|------------------------------------------------|------------------------------------------------|----------------------------------------------------------------------------|
| Operating revenues | 7,635,962                                      | 7,451,863                                      | 8,291,235                                      | 10,374,743                                                                 |
| Operating income   | 3,001,022                                      | 2,876,710                                      | 1,269,261                                      | 3,114,022                                                                  |

(Thousand yen)

| Segment                       | 34th<br>Fiscal Year<br>ended<br>March 31, 2013 | 35th<br>Fiscal Year<br>ended<br>March 31, 2014 | 36th<br>Fiscal Year<br>ended<br>March 31, 2015 | 37th<br>Fiscal Year<br>ended<br>March 31, 2016<br>(Current Fiscal<br>Year) |
|-------------------------------|------------------------------------------------|------------------------------------------------|------------------------------------------------|----------------------------------------------------------------------------|
| Ordinary income               | 11,550,119                                     | 1,765,621                                      | 42,471,982                                     | 2,367,355                                                                  |
| Net Income                    | 10,260,181                                     | 818,515                                        | 56,144,967                                     | 816,647                                                                    |
| Net Income per Share<br>(yen) | 9,998.72                                       | 7.97                                           | 668.56                                         | 11.58                                                                      |
| Total Assets                  | 171,557,936                                    | 174,115,948                                    | 146,355,665                                    | 137,990,401                                                                |
| Net Assets                    | 46,207,180                                     | 41,380,072                                     | 46,564,382                                     | 44,842,791                                                                 |
| Net Assets per Share<br>(yen) | 45,015.31                                      | 403.12                                         | 658.45                                         | 634.03                                                                     |

- (Notes) 1. Increases in ordinary income, net income and net income per share for the 34th fiscal year were due mainly to the dividends income of 10,000,087 thousand yen from the subsidiaries.
2. A reduction in net income per share and net assets per share for the 35th fiscal year is due to the share split on a basis of 100 new shares per common share on October 1, 2013 in accordance with the resolution made at the meeting of the Board of Directors on May 20, 2013.
3. Increases in ordinary income, net income, and net income per share for the 36th fiscal year were due mainly to the dividends income of 43,041,235 thousand yen from the subsidiaries, etc.

## **(9) Principal business (as of March 31, 2016)**

The Group consists of 25 companies (the Company and 24 subsidiaries). The principal business of the Group is the operation of golf courses and the operation contract of the golf courses delegated by companies outside the Group. The Group also operates restaurants in golf courses, driving ranges, and golf equipment sales business.

## **(10) Status of major parent company and subsidiaries (as of March 31, 2016)**

### **1) Relationship with parent company**

The Company has no parent company.

2) Status of subsidiaries

| Company name                     | Capital or Investments in Capital<br>(Thousand yen) | Voting Right Ratio (%) | Principal Business                                                 |
|----------------------------------|-----------------------------------------------------|------------------------|--------------------------------------------------------------------|
| Accordia AH 01 Co., Ltd.         | 10,000                                              | 100%                   | The management of golf courses                                     |
| Accordia AH 02 Co., Ltd          | 10,000                                              | 100%                   | The management of golf courses                                     |
| Golf Pro Staff Co., Ltd.         | 10,000                                              | 100%                   | The operation of golf courses, etc.                                |
| Golf Alliance Co., Ltd           | 10,000                                              | 100%                   | Undertakes the management of golf courses and driving ranges, etc. |
| Accordia Garden Co., Ltd.        | 490,000                                             | 100%                   | The management of driving range                                    |
| Heartree Co., Ltd.               | 115,000                                             | 100%                   | The operating of restaurants in golf courses, etc.                 |
| Accordia Retail Co., Ltd.        | 50,000                                              | 100%                   | Golf Equipment Sales                                               |
| Ask Golf Club Co., Ltd.          | 3,000                                               | 100%                   | The management of driving range                                    |
| Kashiwara Jumbo Golf Co., Ltd.   | 3,000                                               | 100%                   | The management of driving range                                    |
| Accordia Garden Koshienhama LLC. | 3,000                                               | 66.7%                  | The management of driving range                                    |
| TOKYO BAY GOLF ., Ltd.           | 100,000                                             | 81.0%                  | The management of driving range                                    |
| Gifu Seki Sports Land Co., Ltd.  | 50,000                                              | 100%                   | The management of golf courses                                     |
| Wood Land Sangyou Co., Ltd.      | 10,000                                              | 100%                   | The management of driving range                                    |
| Narita Golf Club Co., Ltd.       | 10,000                                              | 100%                   | The management of                                                  |



| Company name                        | Capital or Investments in Capital<br>(Thousand yen) | Voting Right Ratio (%) | Principal Business                               |
|-------------------------------------|-----------------------------------------------------|------------------------|--------------------------------------------------|
|                                     |                                                     |                        | golf courses                                     |
| Green Vista Golf Club Co., Ltd.     | 50,000                                              | 100%                   | The management of golf courses                   |
| Accordia AH 36 Co., Ltd             | 50,000                                              | 100%                   | The management of golf courses and driving range |
| Accordia AH 37 Co., Ltd             | 50,000                                              | 100%                   | The management of golf courses                   |
| PSR MUSASHI CORPORATION             | 10,000                                              | 100%                   | The management of golf courses                   |
| Sobu Country Club Co., Ltd.         | 50,000                                              | 100%                   | The management of golf courses                   |
| Accordia AH 38 Co., Ltd             | 50,000                                              | 100%                   | The management of golf courses                   |
| Nara Manyo Country Club Co., Ltd    | 100,000                                             | 100%                   | The management of golf courses                   |
| Grandvert Kyoto Golf Club Co., Ltd. | 203,901                                             | 95.9%                  | The management of golf courses                   |
| Accordia AH 39 Co., Ltd             | 50,000                                              | 100%                   | The management of driving range                  |
| Skyway Country Club, Co., Ltd       | 50,000                                              | 100%                   | The management of golf courses                   |

- (Notes) 1. The Company acquired all shares of Accordia AH 39 Co., Ltd. on July 1, 2015 and the company became a wholly owned subsidiary of the Company. Odakyu Real Estate Co., Ltd. established the company through corporate split in order to transfer the rights and obligations regarding the driving range and short golf course in Odakyu Shizu Golf Club (current Accordia Garden Shizu) on the same date.
2. Accordia AH01 carried out corporate split to transfer its rights and obligations regarding the golf courses in Echizen Country Club to Echizen Country Club Co., Ltd. on October 1, 2015 and transferred all of the shares of Echizen Country Club to Murata Co., Ltd. As a result, Echizen Country Club Co., Ltd. is not a subsidiary of According AH01.
3. The Company acquired all shares of Skyway Country Club Co., Ltd. on October 27, 2015. As a

result, the company became a subsidiary of the Company.

4. Accordia AH02 carried out corporate split to transfer its rights and obligations regarding the golf courses in Suifu Golf Club to Suifu Golf Club Co., Ltd. on March 1, 2016 and transferred all of the shares of Suifu Golf Club to Safty Green Co., Ltd. As a result, Suifu Golf Club Co., Ltd. is not a subsidiary of Accordia AH02.
5. Fuji Trading Co., Ltd. was merged with Accordia Retail Co., Ltd. and dissolved through absorption-type merger on March 1, 2016 with the company as a ceasing company and Accordia Retail as a surviving company.
6. Shirahama Photovoltaic Co., Ltd. was merged with Accordia AH02 Co., Ltd. and dissolved through absorption-type merger on March 1, 2016 with the company as a ceasing company and Accordia AH02 as a surviving company.

### 3) State of Specified Wholly-Owned Subsidiaries as of the end of this fiscal year

The Company owns no specified wholly-owned subsidiaries.

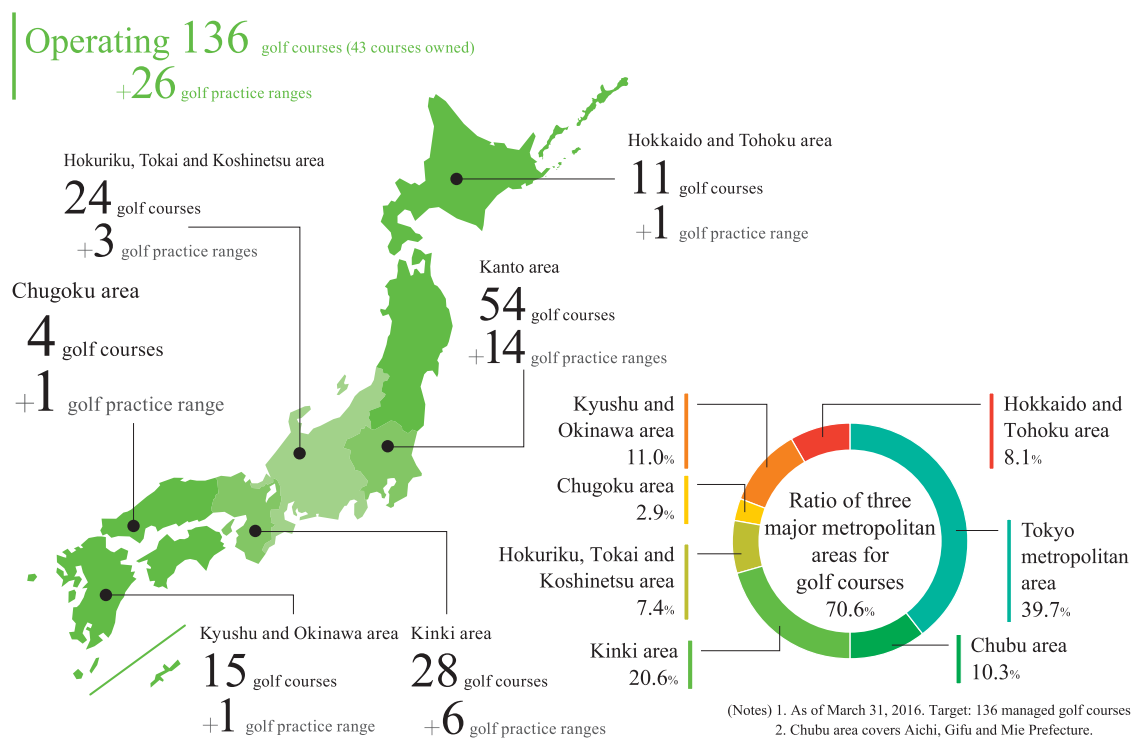
## 11) Principal Business Sites (As of March 31, 2016)

### 1) The Accordia Golf Co., Ltd.

Minami Aoyama Office  
Shibuya Office

RIVIERA A-Building, 3-3-3 Minami-Aoyama, Minato-Ku Tokyo  
Shibuya Cross Tower, 2-15-1 Shibuya, Shibuya-Ku Tokyo

### Golf Courses and Driving Ranges Operated by the Company



2) Golf Courses and Driving Ranges held by the Group (including leased ones)

|                                            |                                     |                                          |
|--------------------------------------------|-------------------------------------|------------------------------------------|
| Accordia AH 01 Co., Ltd                    | Toride Sakuragaoka Golf Club        | *Accordia Garden kobe-kitamachi          |
| Miyagino Golf Club                         | Hiroshima Asa Golf Club             | *Accordia Garden Seishin                 |
| Liberal Hills Golf Club Liberal Park Hotel | Minami Ichihara Golf Club           | *Accordia Garden Tezukayama              |
| Kasumidai Country Club                     | New Nanso Golf Club                 | *Accordia Garden Chigasaki               |
| Kanto Kokusai Country Club                 | Kaho Golf Club                      | *Accordia Garden Fukui                   |
| Narashino Country Club King & Queen Course | Accordia AH 37 Co., Ltd             | *Accordia Garden Chiba-kita              |
| Narashino Country Club Airport Course      | Tojo Pine Valley Golf Club          | *Accordia Garden Kasukabe (*2)           |
| Oak Hills Country Club                     | Accordia AH 38 Co., Ltd             | *Accordia Garden Tsurugashima (*2)       |
| Glen Oaks Country Club                     | Kazusa Country Club                 | *Accordia Garden Sendai Izumi (*2)       |
| Accordia Golf Garden (*1)                  | Narita Golf Club Co., Ltd.          | *Accordia Garden Funabashi               |
| Fukui Country Club                         | Narita Golf Club                    | *Accordia Garden Nagoya                  |
| Otsuki Garden Golf Club                    | Green Vista Golf Club Co., Ltd.     | *Accordia Garden Fukuoka                 |
| Manju Golf Club                            | La Vista Golf Resort                | Golf Alliance Co., Ltd                   |
| Accordia AH 02 Co., Ltd                    | PSR MUSHASHI CORPORATION            | *Accordia Garden Yotsukaido San Bic (*2) |
| Chitose Country Club                       | Omurasaki Golf Club                 | Accordia Golf Co., Ltd.                  |
| Onahama Ocean Hotel and Golf Club          | Sobu Country Club Co., Ltd.         | *Accordia Garden Minami-Aoyama (*3)      |
| Ishioka Golf Club                          | Sobu Country Club                   | Ask Golf Club Co., Ltd.                  |
| Boshu Country Club                         | Nara Manyo Country Club Co., Ltd.   | *Accordia Garden Fujioka                 |
| Ishikawa Golf Club                         | Nara Manyo Country Club             | Accordia Garden Koshienhama LLC          |
| Sakai Country Club                         | Gifu Seki Sports Land Co., Ltd.     | *Accordia Garden Koshienhama             |
| Yamanohara Golf Club                       | Minoseki Country Club               | Kashiwara Jumbo Golf Co., Ltd.           |
| Inagawa Kokusai Country Club               | Grandvert Kyoto Golf Club Co., Ltd. | *Accordia Garden Kashiwara               |
| Inagawa Green Country Club                 | Grandvert Kyoto Golf Club           | Accordia Golf AH 36 Co., Ltd.            |
| Kobe Pine Woods Golf Club                  | Skyway Country Club Co., Ltd.       | *Accordia Garden Hiroshima-Chuo          |
| Loveam Shirahama Golf Club                 | Skyway Country Club                 | Accordia Golf AH 39 Co., Ltd.            |
| The Southern Links Golf Club               | Accordia Garden Co., Ltd.           | *Accordia Garden Shizu (*4)              |
| Palm Hills Golf Resort Club                | *Accordia Garden Kashiwa            | Wood Land Sangyou Co., Ltd.              |
| Accordia AH 36 Co., Ltd                    | *Accordia Garden Chiba-Togane       | *Accordia Garden Chofu                   |
| Saitama Golf Club                          | *Accordia Garden Mito               | TOKYO BAY GOLF ., LTD.                   |
| Suzuka No Mori Golf Club                   | *Accordia Garden Seto               | *Accordia Garden Tokyo Bay               |
| Yashiro Tojo Golf Club                     | *Accordia Garden Kakogawa           |                                          |

\* indicates managed driving ranges.

- (Notes)
1. Accordia Golf Garden (\*1) is a driving range with a 3-hole golf course.
  2. Accordia Garden Kasukabe, Accordia Garden Tsurugashima, Accordia Garden Sendai-Izumi and Accordia Garden Yotsukaido Sun Bic (\*2) are operated on a basis of the leasing of the facilities.
  3. Accordia Garden Minami-Aoyama (\*3) is an indoor driving range.
  4. According Garden Shizu (\*4) was renamed from Odakyu Shizu Golf Club on October 1, 2015.

3) Golf Courses of which management and operation is delegated by Accordia Golf Asset Godo Kaisha to the Company

| Accordia Golf Asset <i>Godo Kaisha</i>                    |                                      |                                |
|-----------------------------------------------------------|--------------------------------------|--------------------------------|
| Onuma Lake Golf Club                                      | Tamagawa Country Club                | Otsu Country Club Nishi Course |
| Tarumae Country Club                                      | Chichibu Kokusai Country Club        | Kameoka Golf Club              |
| Hananomori Golf Club                                      | Hanao Country Club                   | Kamo Country Club              |
| Osato Golf Club                                           | Sawara Country Club                  | Lake Forest Resort             |
| Yamagataminami Country Club                               | Chibasakuranosato Golf Club          | Kyouwa Golf Club               |
| Dainiigata Country Club Sanjo Course                      | Naritaigashi Country Club            | Naranomori Golf Club           |
| Dainiigata Country Club Izumosaki Course                  | Kamogawa Country Club                | Yamato Kougen Country Club     |
| Central Golf Club                                         | Aqualine Golf Club                   | Kisaichi Country Club          |
| Central Golf Club New Course                              | Tokyowan Country Club                | Izumisano Country Club         |
| Ishioka Golf Club West Course                             | Odawara Golf Club Matsuda Course     | Misaki Country Club            |
| Mito Golf Club                                            | Daiatsugi Country Club Hon Course    | Atagohara Golf Club            |
| Tsuchiura Country Club                                    | Daiatsugi Country Club Sakura Course | Harima Country Club            |
| Wild Duck Country Club                                    | Ashitaka Six Hundred Club            | Kasai Country Club             |
| Ohiradai Country Club                                     | Izukokusai Country Club              | Shirasagi Golf Club            |
| Minagawajo Country Club                                   | Mishima Country Club                 | Takehara Country Cl            |
| Koryo Country Club                                        | Juriki Country Club                  | Hongo Country Cl               |
| Kitsuregawa Country Club                                  | Castlehill Country Club              | Sanyo Kokusai Golf Club        |
| Northern Country Club Akagi Golf Course Hotel nit – Akagi | Tsukude Golf Club                    | Fukuoka Pheasant Country Club  |
| Northern Country Club Jomo Golf Course                    | Shinyo Country Club                  | Nijo Country Club              |
| Midono Country Club                                       | Forest Mizunami Country Club         | Central Fukuoka Golf Club      |
| Twin Lakes Country Club                                   | Sun Classic Golf Club                | Nagasaki Park Country Club     |
| Myogi Country Club Myougi Green Hotel                     | Fujiwara Golf Club                   | Sasebo Kokusai Country Club    |
| Kanra Country Club                                        | Meisho Golf Club                     | Huis Ten Bosch Country Club    |
| Village Higashikaruizawa Golf Club                        | Sourei Golf Club Seki Course         | Kikuchi Country Club           |
| Fujioka Golf Club                                         | Route 25 Golf Club                   | Amagaseonsen Country Club      |
| Kanetsu Highland Golf Club                                | Kasumi Golf Club                     | Beppu No Mori Golf Club        |
| Northern Country Club Nishikigahara Golf Course           | Yokkaichinosato Golf Club            | Aoshima Golf Club              |
| Yorii Country Club                                        | Forestgeino Golf Club                | Rainbow Sports Land Golf Club  |
| Kodamakamikawa Country Club                               | Kanazawa Central Country Club        | Yunoura Country Club           |
| Sainomori Country Club                                    | Sourei Golf Club Tsuchiyama Course   |                                |
|                                                           | Otsu Country Club Higashi Course     |                                |

(Note) In addition to the above, the Company has entered into consulting agreements with third parties for 2 golf courses, and a contracted operation agreement with third party for one golf course. The Company also operates 8 golf equipment sales shops.

## (12) Employees (as of March 31, 2016)

Status of employees of the Accordia Golf Group

| Number of employees | Year-on-year comparison            |
|---------------------|------------------------------------|
| 2,922 (2,156)       | Increased by 43 (Decreased by 949) |

- (Notes) 1. The numbers in parenthesis indicate the average numbers of the part-timers for the year. (Such numbers are not included in the numbers to the left.)
2. Reductions in the employees of part-timers, etc. in this year is due mainly to the transfer of part of the Group's employees to Accordia Golf Asset Godo Kaisha as of August 1, 2014 as a result of the establishment of the business trust. Such employees were counted as the Group's employees in the previous fiscal year.

## (13) Main Lenders and Loan Balances (as of March 31, 2016)

| Lenders                                | Loan Balances (Thousand yen) |
|----------------------------------------|------------------------------|
| Daiwa PI Partners Co. Ltd.             | 20,000,000                   |
| Mizuho Bank, Ltd.                      | 4,629,069                    |
| Sumitomo Mitsui Banking Corporation    | 4,629,069                    |
| Resona Bank, Limited.                  | 3,762,493                    |
| The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 3,204,740                    |
| Other                                  | 20,677,929                   |
| Total                                  | 56,903,303                   |

- (Notes) 1. The loan balances above include that of the syndicated loan made by 13 financial institutions including Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and the Bank of Tokyo-Mitsubishi UFJ, Ltd. (the amount of loan made: 32.0 billion yen). The loan agreement provides that when any unqualified party intends to purchase a specified number of Company's shares, the Company and the lenders shall consult in good faith to determine how to deal with it. If no agreement is reached upon good-faith consultation, there is a possibility that the borrowings from the lenders will become promptly due and payable. At the moment, the

Company believes such possibility is slim.

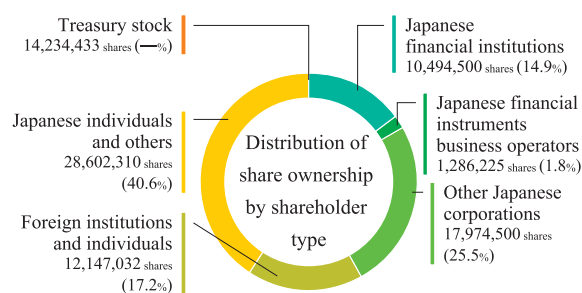
2. The loan balances above are a total of short-term borrowings, current portion of long-term debt and long-term debt.

## 2. Status of Shares (as of March 31, 2016)

(1) Total Number of Shares Authorized to be Issued 399,000,000 shares

(2) Total Number of Shares Outstanding 84,739,000 shares  
(Including 14,234,433 treasury shares)

(3) Number of Shareholders 53,757  
(Increased by 2,356 from the end of the previous fiscal year)



The shareholding ratio is calculated after deducting stocks held by the Company as treasury stock as of March 31, 2016.

## (4) Top 10 Shareholders of the Company

| Shareholder name                                  | Number of shares held (shares) | Percentage of shares held (%) |
|---------------------------------------------------|--------------------------------|-------------------------------|
| C&I Holdings Co., Ltd.                            | 7,525,600                      | 10.7%                         |
| Minami-Aoyama Fudosan, Ltd.                       | 4,530,300                      | 6.4%                          |
| Reno Co., Ltd.                                    | 4,000,000                      | 5.7%                          |
| Japan Trustee Services Bank, Ltd. (Trust Account) | 3,308,500                      | 4.7%                          |
| THE BANK OF NEW YORK – JASDECTREATY               | 1,407,900                      | 2.0%                          |



| Shareholder name                                     | Number of shares held<br>(shares) | Percentage of shares<br>held (%) |
|------------------------------------------------------|-----------------------------------|----------------------------------|
| ACCOUNT                                              |                                   |                                  |
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 1,311,400                         | 1.9%                             |
| Japan Trustee Services Bank, Ltd. (Trust Account 1)  | 1,142,700                         | 1.6%                             |
| THE BANK OF NEWYORK 133522                           | 1,015,598                         | 1.4%                             |
| UBS AG LONDON A/C IPB SEGREGATED CLIENT ACCOUNT      | 826,000                           | 1.2%                             |
| Japan Trustee Services Bank, Ltd. (Trust Account 1)  | 764,700                           | 1.1%                             |

(Notes) 1. The name of the shareholders and the number of their shares above are based on the shareholder register of the Company.

2. Treasury shares of the Company of 14,234,433 shares are excluded from the above table of Major Shareholders.

3. The Company's treasury shares of 14,234,433 shares were excluded in the calculation of the percentage of shares held.

## **(5) Other Important Matters related to the Shares of the Company**

None.

### 3. Status of Stock Acquisition Rights (as of March 31, 2016)

Stock Acquisition Rights in Connection with the Loan with Stock Acquisition Rights (the Series 3 Stock Acquisition Rights)

|                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-----------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Date when the resolution on the issuance was approved                                         | June 27, 2014                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Number of stock acquisition rights                                                            | 141,843                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Class and number of shares to be issued                                                       | The Company's common shares: 14,694,975 shares                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Issue price                                                                                   | 140,424,570 yen                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Property and its value, which will be contributed when stock acquisition rights are exercised | <p>(1) The assets to be contributed upon the exercise of the stock acquisition rights are either of the followings:</p> <ol style="list-style-type: none"> <li>1) Money</li> <li>2) Claim of the principal of the loan based on the loan agreement dated March 28, 2014 between Daiwa PI Partners Co., Ltd. and the Company ("Loan Claim")</li> <li>3) Money and the Loan Claim</li> </ol> <p>(2) The total amount of the property which will be contributed when the stock acquisition rights are exercised shall be calculated by multiplying the exercise price by the number of shares to be issued.</p> |
| Exercise period for stock acquisition rights                                                  | From August 1, 2014 to the end of November, 2016                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

- (Notes) 1. As a result of the payment of interim dividend of 5 yen per share on December 8, 2014 to the shareholders recorded in the shareholder register of the Company as of September 30, 2014, the exercise price was changed from the initial 1,410 yen to 1,404 yen.
2. As a result of the payment of year-end dividend of 36 yen per share on June 30, 2015 to the shareholders recorded in the shareholder register of the Company as of March 31, 2015, the exercise price was changed from 1,404 yen to 1,361 yen and the type and number of subject shares were changed from the initial 14,184,300 common shares to 14,694,975 common shares.

#### 4. Company Officers (as of March 31, 2016)

##### (1) Directors and Audit & Supervisory Board Members (as of March 31, 2016)

| Position             | Name            | Significant Concurrent Positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|----------------------|-----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| President, CEO & COO | Ryusuke Kamata  | President, Accordia AH 01 Co., Ltd., Accordia AH 02 Co., Ltd., Golf Pro Staff Co., Ltd., Ask Golf Club Co., Ltd., Narita Golf Club Co., Ltd., Kashiwara Jumbo Golf Co., Ltd., Gifu Seki Sports Land Co., Ltd., Wood Land Sangyou Co., Ltd., Green Vista Golf Club Co., Ltd., Accordia AH 36 Co., Ltd., Accordia AH 37 Co., Ltd., PSR MUSHASHI CORPORATION, Sobu Country Club Co., Ltd., Accordia AH 38 Co., Ltd., Nara Manyo Country Club Co., Ltd., Accordia Retail Co., Ltd., Accordia AH 39 Co., Ltd., and Skyway Country Club Co., Ltd. |
| Director             | Takabumi Suzuki |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Director             | Takashi Niino   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Director             | Fumio Hattori   | President, GrandvertKyoto golf Club Co., Ltd.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Director             | Isao Sawada     | Corporate Accounting Auditor, (Representative, Isao Sawada CPA Office)                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Director             | Matahiro Daisai | Adviser, Lifenet Insurance Company,                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Director             | Osamu Sudoh     | Lawyer (Sudoh & Takai Law Office Partner), Outside Director, Rakuten Bank, Ltd., Outside Corporate Auditor, Mitsui-Soko Holdings Co., Ltd. and Bandai Namco Holdings Inc.                                                                                                                                                                                                                                                                                                                                                                   |
| Director             | Yuko Tashiro    | President, GI Institute for Areal Studies, Chairman, NPO organization, Future Development Institute, External Auditor, McDonald's Holdings Company (Japan), Ltd.                                                                                                                                                                                                                                                                                                                                                                            |

| Position                                   | Name               | Significant Concurrent Positions                                                                                                                                          |
|--------------------------------------------|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Director                                   | Mitsuru Maekawa    | Advisor, Support Center for employment of disabled people and KITZ Corporation                                                                                            |
| Full-time Audit & Supervisory Board Member | Tsuneo Taida       |                                                                                                                                                                           |
| Audit & Supervisory Board Member           | Masaru Kuraguchi   |                                                                                                                                                                           |
| Audit & Supervisory Board Member           | Yoshiki Hirowatari | Auditor, International Social Service Japan                                                                                                                               |
| Audit & Supervisory Board Member           | Koji Hatsukawa     | Corporate Accounting Auditor, (Representative, Koji Hatsukawa CPA Office), Part-time Auditor, The Norinchukin Bank, Corporate Auditor, FUJITSU LIMITED and Smart Resource |

- (Notes) 1. Directors, Mr. Isao Sawada, Mr. Matahiro Daisai, Mr. Osamu Sudoh, Ms. Yuko Tashiro and Mr. Mitsuru Maekawa are Outside Directors as provided in Item 15, Article 2 of the Companies Act.
2. Directors, Mr. Ryusuke Kamata, Mr. Takabumi Suzuki, Mr. Takashi Niino and Mr. Fumio Hattori are Special Directors as provided in Paragraph 1, Article 373 of the Companies Act.
3. Audit & Supervisory Board Members, Mr. Tsuneo Taida, Mr. Masaru Kuraguchi, Mr. Yoshiki Hirowatari and Mr. Koji Hatsukawa are Outside Audit & Supervisory Board Members provided in Item 16, Article 2 of the Companies Act.
4. Full-time Audit & Supervisory Board Member, Mr. Tsuneo Taida has been involved in the financing and accounting operations in the domestic and overseas business units of Sony Corporation. He has also acted as officers in charge of accounting and finance at Aiwa Co., Ltd. and Terumo Corporation. Thus he has broad knowledge on overall corporate management focusing on finance and accounting.
5. Audit & Supervisory Board Member, Mr. Yoshiki Hirowatari has been involved in the international accounting and corporate planning operations at Sony Corporation. He has also been responsible for accounting and finance operations as director of Aiwa Co., Ltd. Thus he has broad knowledge on overall corporate management focusing on finance and accounting.
6. Audit & Supervisory Board Member, Mr. Koji Hatsukawa has long been involved in auditing services for other companies at a major auditing firms as a certified public accountant. He has also been a representative partner of PricewaterhouseCoopers Arata, a global auditing firm. Thus he has broad knowledge on finance and accounting.
7. Audit & Supervisory Board Member, Mr. Tomohisa Tabuchi passed away and retired on March 1, 2016. When he retired, he had acted as a founding partner of Shiomizaka Sogo Law Firm, outside director of BANDAI NAMCO Holdings Inc. and outside auditor of Rakuten Bank, Ltd.
8. Director, Ms. Yuko Tashiro retired on April 30, 2016 as President of GI Institute for Areal Studies, and Chairman of NPO Future Development Institute.
9. Executive officers as of March 31, 2016 are as follows.

\* indicates he/she also acts as Director.

| Position                    | Name            | Responsibilities                                                                                                                                   |
|-----------------------------|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
| *President, CEO & COO       | Ryusuke Kamata  |                                                                                                                                                    |
| *Managing Corporate Officer | Takabumi Suzuki | Officer in charge, Corporate Divisions (Finance and Accounting Divisions, General Affairs and Human Resource Divisions)                            |
| *Managing Corporate Officer | Takashi Niino   | Officer in charge, Related Services Divisions (Course Maintenance Division, Practice Facility Division, HEARTREE CO., LTD, Golf Alliance Co., Ltd) |
| *Managing Corporate Officer | Fumio Hattori   | Officer in charge, Business Promotion Division (Sales, Business Development Divisions.)                                                            |
| Managing Corporate Officer  | Motoo Michida   | General Manager, Corporate Planning Division                                                                                                       |
| Managing Corporate Officer  | Sadanori Nonaka | General Manager, Golf Course Operation Division                                                                                                    |
| Corporate Officer           | Masaki Senba    | General Manager, General Affairs and Human Resource Divisions                                                                                      |
| Corporate Officer           | Michio Osawa    | General Manager, Finance and Accounting Divisions and Manager, Finance Division                                                                    |
| Corporate Officer           | Masahiro Obata  | General Manager, Practice Facility Operation Division                                                                                              |
| Corporate Officer           | Kazuhiro Endo   | General Manager, Course Maintenance Division                                                                                                       |
| Corporate Officer           | Shinji Watanabe | General Manager, Sales Division                                                                                                                    |
| Corporate Officer           | Toru Nakamura   | General Manager, Business Development Division                                                                                                     |

## (2) Summary of the Limited Liability Agreement

In accordance with the Company's Articles of Incorporation, the Company has concluded limited liability contracts with all of its outside officers, pursuant to Paragraph 1, Article 423 of the Companies Act. The contract defines the amount of liability within the minimum

amount of liability as prescribed in Paragraph 1, Article 425 of the Companies Act.

**(3) Director and Auditor's Total Remuneration, etc. for the Current Fiscal Year**

|                                   |            |                                                                                          |
|-----------------------------------|------------|------------------------------------------------------------------------------------------|
| Directors                         | 10 persons | 165,854 thousand yen<br>(of which, Outside Directors: 6<br>persons, 46,440 thousand yen) |
| Audit & Supervisory Board Members | 4 persons  | 33,630 thousand yen                                                                      |

- (Notes) 1. The remuneration, etc. above includes that for one Director who passed away and retired on March 1, 2016.
2. We resolved that the maximum of the total annual remuneration be 300 million yen for Directors and 100 million yen for Audit & Supervisory Board Members at the 25th Ordinary General Meeting of Shareholders held on February 22, 2005.
3. Audit & Supervisory Board Members of the Company are all Outside Audit & Supervisory Board Members.

**(4) Outside Directors and Outside Audit & Supervisory Board Members**

- 1) Significant Concurrent Positions and Relationship with the Company  
None

- 2) Relationship with Specified Related Business Entities such as Major Business Partners  
None

3) Principal Activities in this fiscal year

| Position | Name             | Principal Activities                                                                                                                                                                                                                                                                          |
|----------|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Director | Isao Sawada      | Attended 19 Board of Directors' meetings out of 19 meetings held in this fiscal year (attendance rate: 100%) and expressed his opinions when necessary as Outside Director mainly based on his expertise and experience as a certified public accountant and certified public tax accountant. |
| Director | Matahiro Daisai  | Attended 18 Board of Directors' meetings out of 19 meetings held in this fiscal year (attendance rate: 95%) and expressed his opinions when necessary as Outside Director based on his expertise and experience on finance, taxes and accounting.                                             |
| Director | Osamu Sudoh      | Attended 17 Board of Directors' meetings out of 19 meetings held in this fiscal year (attendance rate: 89%) and expressed his opinions when necessary as Outside Director mainly based on his expertise and experience as an attorney-at-law.                                                 |
| Director | Yuko Tashiro     | Attended 19 Board of Directors' meetings out of 19 meetings held in this fiscal year (attendance rate: 100%) and expressed her opinions when necessary as Outside Director mainly based on her expertise and experience on finance, taxes and accounting.                                     |
| Director | Mitsuru Maekawa  | Attended 19 Board of Directors' meetings out of 19 meetings held in this fiscal year (attendance rate: 100%) and expressed his opinions when necessary as Outside Director mainly based on his broad knowledge and experience focusing on overall corporate management.                       |
| Director | Tomohisa Tabuchi | Attended 18 Board of Directors' meetings out of 18 meetings held until his retirement                                                                                                                                                                                                         |

| Position                         | Name               | Principal Activities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|----------------------------------|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                  |                    | (attendance rate: 100%) and expressed his opinions when necessary as Outside Director mainly based on his expertise and experience as an attorney-at-law.                                                                                                                                                                                                                                                                                                                                                                                    |
| Audit & Supervisory Board Member | Tsuneo Taida       | Attended 19 Board of Directors' meetings out of 19 meetings (attendance rate: 100%) and 15 Audit & Supervisory Board meetings out of 15 meetings (attendance rate: 100%) held in this fiscal year. At the Board of Directors' meetings, expressed his opinions when necessary and asked questions as Audit & Supervisory Board Member from a perspective of the current state of internal control and compliance with laws and the Articles of Incorporation. Also made comments as Outside Audit & Supervisory Board Member when necessary. |
| Audit & Supervisory Board Member | Masaru Kuraguchi   | Attended 18 Board of Directors' meetings out of 19 meetings (attendance rate: 95%) and 15 Audit & Supervisory Board meetings out of 15 meetings (participation ratio of 100%) held in this fiscal year. At the Board of Directors' meetings, expressed his opinions when necessary as Outside Audit & Supervisory Board Member based on his experience in corporate management.                                                                                                                                                              |
| Audit & Supervisory Board Member | Yoshiki Hirowatari | Attended 19 Board of Directors' meetings out of 19 meetings (attendance rate: 100%) and 15 Audit & Supervisory Board meetings out of 15 meetings (attendance rate: 100%) held in this fiscal year. At the Board of Directors' meetings, expressed his opinions when necessary as Outside Audit & Supervisory Board Member based on his knowledge and experience in overall corporate management                                                                                                                                              |



| Position                         | Name           | Principal Activities                                                                                                                                                                                                                                                                                                                                                                                   |
|----------------------------------|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                  |                | focusing on finance and accounting.                                                                                                                                                                                                                                                                                                                                                                    |
| Audit & Supervisory Board Member | Koji Hatsukawa | Attended 16 Board of Directors' meetings out of 19 meetings (attendance rate: 84%) and 14 Audit & Supervisory Board meetings out of 15 meetings (attendance rate: 93%) held in this fiscal year. At the Board of Directors' meetings, expressed his opinions when necessary as Outside Audit & Supervisory Board Member mainly based on his expertise and experience as a certified public accountant. |

- (Notes) 1. Mr. Tomohisa Tabuchi, Director passed away and retired on March 1, 2016.
2. Each Audit & Supervisory Board Member exchanged opinions on the establishment of the audit policy and audit plans and the results of the audits and deliberated important matters on audit and made comments when necessary at the Audit & Supervisory Board meetings. He/she also regularly exchanges opinions with President and conducts onsite audits of the Group.

#### 4) Designation of Independent Directors

The Company has designated Directors Mr. Isao Sawada, Mr. Matahiro Daisai, Mr. Osamu Sudoh, Ms. Yuko Tashiro and Mr. Mitsuru Maekawa, and Audit & Supervisory Board Members Mr. Tsuneo Taida, Mr. Masaru Kuraguchi, Mr. Yoshiki Hirowatari and Koji Hatsukawa as Independent Directors/Auditors in accordance with the regulations stipulated by the Tokyo Stock Exchange, and reported them to the Exchange.

## 5. Accounting Auditor

### (1) Accounting Auditor's Name

Deloitte Touche Tohmatsu LLC

### (2) Accounting Auditor's Remuneration, etc. for the Current Fiscal Year

| Segment                                                                        | Amount              |
|--------------------------------------------------------------------------------|---------------------|
| 1) Amount of remuneration paid to the Accounting Auditor of the Company        | 59,000 thousand yen |
| 2) Total amount of compensation to be paid by the Company and its subsidiaries | 69,000 thousand yen |

- (Notes) 1 Regarding the remuneration, etc. above, the Audit & Supervisory Members reviewed the content of the audit plan and the basis for the calculation of the remuneration, etc. submitted by Independent Auditor, the state of the performance of duties by Independent Auditor in the past fiscal years and the opinions of Directors and people at the relevant divisions of the Company and judged that such remuneration, etc. was appropriate. Accordingly, the Board accepted the remuneration, etc.
2. Under the audit agreement between the Company and its Accounting Auditor, the amount of remuneration, etc. for audits pursuant to the Companies Act and audits pursuant to the Financial Instruments and Exchange Act are not strictly separated, and cannot be virtually separated. Consequently, the amount of remuneration, etc. for the current fiscal year reflects total amount of compensation for these audits.
3. The non-audit services of the Independent Auditor to which the Company pays the remunerations are their support services for establishing accounting management system.

### (3) Summary of the Limited Liability Agreement

The Company has not concluded a limited liability contract pursuant to Paragraph 1, Article 423 of the Companies Act with the Accounting Auditor.

### (4) Policy Regarding Determination of Termination or Nonrenewal of Appointment of Accounting Auditors

When Independent Auditor breaches the Companies Act, Certified Public Account Act or any other law or regulation, or public order or when the Company judges it is appropriate, the

Audit & Supervisory Board shall review whether the Company should dismiss such Independent Auditor or reject its re-engagement based on such fact. If the Board judges such dismissal or the rejection is appropriate, the Audit & Supervisory Board shall resolve at its meeting that the Company will propose the dismissal of Independent Auditor or the rejection of its re-engagement at a General Meeting of Shareholders.

## **6. Company's Systems and Policies**

### **(1) System to ensure that the execution of the duties by Directors confirm to laws and regulations and the Company's Articles of Incorporation**

The Company adopted a resolution on its basic policy on a system to ensure the appropriateness of the operations performed by the Company and its corporate group (the "Group") that consists of the Company and its subsidiaries and established its internal control system and has reviewed and improved the systems when necessary. We describe the summary of state of the operations of the systems for the fiscal year under review, following the heading of each system.

1) The system for ensuring the appropriateness of the business operations of the Group

The Company's internal rules shall be commonly applied to all companies of the Group, in principle, and the Company shall ensure the appropriateness of the business operations of the subsidiaries based on the Rules on Subsidiary Management.

[Summary of the State of Operations]

In line with the basic policy, we ensure the appropriateness of the business operations by establishing and enforcing rules etc. regarding approvals and transactions so that they can be consistently applied across the Group.

2) The system concerning reporting to the Company about matters relating to the execution of duties by the Directors, etc., of the subsidiaries

- (a) Based on the system under which the Board members of the Company (Directors, Executive Officers, and Audit & Supervisory Board Members) concurrently serve as officers of the Group, in principle, or under which the Company and the relevant subsidiary enter into a business management agreement, the Board members of the Company shall be required to supervise the business activities of the Group and report to the Company on a regular basis about matters relating to the execution of their duties.
- (b) Implementation of business plans and other important matters devised in the Group shall be subject to prior approval of the Board of Directors of the Company.

[Summary of the State of Operations]

In line with the basic policy, Board members of the Company concurrently act as Board members of the subsidiaries, while receiving a report based on the Company's internal rules

upon the delegation of their corporate management by the subsidiaries to the Company. By means of these, we implement a system in which the execution of duties as a Board member of the subsidiaries by the Board member of the Company can be promptly followed/tracked. Further, the important matters not only of the Company but of the subsidiaries are reported or approved in advance at the Management Meeting and Board of Directors' meeting of the Company in accordance with the Company's internal rules.

- 3) The system under which the execution of duties by the Directors, etc., and employees of the Group is ensured to comply with laws and ordinances and the Articles of Incorporation of the Company

The Group shall establish the following systems.

- (a) The Group shall clearly define the philosophy for corporate activities in the Charter of Corporate Behavior specified in the Group's common compliance policy and establish guidelines for the Charter of Corporate Behavior, thereby seeking to enhance awareness of compliance throughout the Group.
- (b) The Company shall establish a Nomination and Remuneration Committee chaired by an Outside Director as a voluntary advisory body for the Board of Directors with the aim of enhancing transparency in management.
- (c) The Company shall seek to strengthen the function of supervising the execution of duties by the Directors, by continuously appointing Outside Directors.
- (d) The Company shall ensure implementation of proper audits of business operations with respect to each situation of legal compliance, risk management, internal controls, etc., by Outside Audit & Supervisory Board Members who are independent from the top management of the Company and have considerable experience and insight about corporate activities.
- (e) The Company shall establish an Internal Audit Office independent from the divisions and departments to audit and implement internal audits of the Group based on predetermined audit policies and plans.
- (f) The Company shall establish a Compliance Committee directly under the President for the provision of support and guidance on the implementation of compliance in the Group, as well as a Special Compliance Committee as an advisory body to the Board of Directors for the main purpose of conducting compliance surveys of the Directors and Executive Officers of the Group. In addition, the Company shall ensure to achieve thorough understanding of compliance among the officers and employees of the Group (all officers and employees, including Executive Officers; hereinafter referred to as "the Group's officers and employees") by such means as distributing the compliance handbook among the Group's officers and employees.

- (g) The Group shall develop and continue to enhance multiple points of contact for the Group's officers and employees to seek advice or report matters (including compliance hotlines with outside attorneys to receive informants' reports and requests for advice) for the purpose of facilitating discovery of compliance violations by the Group's officers and employees, improving compliance levels, and realizing a truly open workplace environment.
- (h) The Group shall respond rigidly to anti-social forces by formulating relevant manuals based on the President's declaration to exclude any relationship with anti-social forces and collaborating with police departments, etc.

[Summary of the State of Operations]

We held 19 Board of Directors' meetings and 15 Audit & Supervisory Board meetings and fully discussed the issues during the current fiscal year. Through these efforts, we monitor and oversee the execution of duties by Directors, and the status of compliance with laws and regulations, risk management, internal controls, etc. In line with the basic policy, Internal Audit Office of the Company conducts internal audits of the entire Group in order to prevent fraud/misconduct and to practice compliance, while the Compliance Committee distributes the compliance handbook and holds compliance training program (15 sessions were held during the current fiscal year) for all employees including part-timers and temp staff. We held 5 meetings of the Compliance Committee and 3 meetings of the Special Compliance Committee during the current fiscal year. We have also established the contact/hotline for consultation inside the Company as well as at an external law firm so that employees may report or consult easily when they recognize problems. In respect of measures against anti-social forces, the employees of the Head Office and all other business units attend seminars on responses to unreasonable demands and deal with the issue in cooperation with local police.

4) Rules and other systems concerning risk management of the Group

As an organization for responding to corporate risk of the Group, the Company shall establish a Compliance Committee, Special Compliance Committee, Crisis Management Committee and Information Security Committee. Each Committee shall develop relevant rules and response manuals for risks and prevent corporate risks. In addition to the foregoing, the Crisis Management Committee shall formulate a contingency plan and various other measures and responses and inform the Group's officers and employees of them. In the event that a material risk occurs, an emergency headquarters shall be established in accordance with the crisis management rules to ensure a system under which a prompt response to a crisis may be made in cooperation with attorneys, accountants, and other external experts.

[Summary of the State of Operations]

Based on the Basic Policy, we established various committees and held meetings regularly and took preventive measures against corporate risks. We reported the state of such initiatives to the Board of Directors in a timely manner. Especially for the fiscal year under review, the Information Management Committee set up professional teams as its sub-organization to respond to cyber-attacks and security accidents and took measures to enhance risk management. In addition, the Crisis Management Committee carried out activities for employees to consider and respond to safety and sanitation issues proactively in their workplaces and across the Company through programs such as the invitation of a slogan for promoting safety and sanitation.

- 5) The system for ensuring that the duties of the Directors of the Group are executed in an efficient manner
  - (a) The Company shall introduce an executive officer system for ensuring efficient execution of business based on the decisions of the Board of Directors. Under the executive officer system, the authority to execute business shall be assigned to the Executive Officers, thereby appropriately adjusting the aggregate number of Directors and expediting decision-making of the Board of Directors. The Board of Directors shall meet once a month, in principle. In addition, the Company shall adopt a special director system to facilitate a speedier decision-making process for acquisitions of golf courses, driving ranges, etc., for amounts below certain levels.
  - (b) In order to maintain the flexibility of management and transparency in the decision-making process, the Company shall establish a Management Meeting, an Investment Committee and a Budget Review Committee under the President. The management policy and other important matters of the Group to be submitted to the deliberations of the Board of Directors shall be determined by the Board of Directors after discussions in the Management Meeting, Investment Committee or Budget Review Committee. The Company shall establish a medium-term management plan for the Group and compile budgets by division, as well as a comprehensive budget for the Group every business year, by taking into account the medium-term management plan, the status of the annual comprehensive budget, etc. After deliberations in the Budget Review Committee, they shall be decided on by the President and submitted to the Board of Directors for approval.
  - (c) The Executive Officers who have been delegated authority to execute specific business, respectively, heads of divisions, etc., led by the President, shall execute business of the Company in accordance with the prescribed procedures as well as the Organization Rules, Rules on Division of Duties, Rules on Administrative Authorities and other internal rules.

Matters regarding the execution of the business of the Group subject to a final decision by the President shall be determined by the President after consultation with the Management Meeting, in principle.

[Summary of the State of Operations]

We operated the system based on the Basic Policy. We did not hold any special meeting of the Board of Directors. We held 19 Board of Directors' meetings during the fiscal year under review.

- 6) The system for retention and management of information about the execution of duties by the Directors of the Company

The Company shall appropriately retain and manage minutes of important meetings and other important documents concerning execution of duties by the Directors, etc., in accordance with the laws and ordinances and the Rules on Document Management, as well as other internal rules.

[Summary of the State of Operations]

We retained and managed the minutes of important meetings and other documents properly in accordance with the basic policy.

- 7) Matters concerning securing employees who are to assist the Audit & Supervisory Board Members of the Company with their work, such employees' independence from the Directors of the Company, and the effectiveness of instructions of the Audit & Supervisory Board Members given to such employees.
- (a) The Company shall deploy one or more employees who are to assist the Audit & Supervisory Board Members in their work. Such employees shall not concurrently work in other departments and shall be placed under the direct control and supervision of the Audit & Supervisory Board Members.
  - (b) Transferring and other matters concerning such employees (evaluation, disciplinary action, etc.) shall be implemented after obtaining prior consent of the Standing Audit & Supervisory Board Members.

[Summary of the State of Operations]

In line with the basic policy, we have assigned one employee, who assists the duties of the Audit & Supervisory Board Members and is placed under the direct control and supervision of the Audit & Supervisory Board Members. Personnel matters concerning the employee are also executed upon obtaining prior consent of the Standing Audit &



Supervisory Board Members.

- 8) The system concerning reporting to the Audit & Supervisory Board Members of the Company
- (a) The officers and employees of the Group shall report to the company that is to receive such a report and to the Audit & Supervisory Board Members of the Company about matters designated by law and matters that are required to be reported on a regular basis in accordance with the internal rules. In addition, the Executive Officer in charge shall make a report of the following matters without delay:
- Important matters that have a material impact on the company
  - Internal audits to be conducted by the Internal Audit Office
  - Whether or not there is a report based on the reporting and consultation system for compliance issues, the content of such report and the status of response to the report
- (b) If such an officer or employee of the Group is requested to report on matters concerning execution of his/her duties by the company to which he/she belongs or the Audit & Supervisory Board Members of the Company, he/she shall promptly report on such matters.
- (c) Regarding an officer or employee of the Group who has made a report to the Audit & Supervisory Board Members of the Company in accordance with the provisions of (a) or (b) of Paragraph (viii), the Company shall prohibit said officer or employee from being treated disadvantageously for making said report and shall inform the officers and employees of the Group to that effect.

[Summary of the State of Operations]

In line with the basic policy, the officers and employees of the Group make necessary reports to the Audit & Supervisory Board Members of the Company and are informed of the prohibition of disadvantageous treatment of a person who made a report to the Audit & Supervisory Board Members.

- 9) Matters concerning policies on advance payment that arises from the execution of duties by the Audit & Supervisory Board Members of the Company or procedures for repayment and other treatment of costs or liabilities that arise from such execution of duties
- Every year, the Company shall establish a certain amount of budget for the payment of costs, etc., that arise from the execution of duties by the Audit & Supervisory Board Members. In regards to additional audit costs, the Company shall pay such costs upon request from the Audit & Supervisory Board Members if such costs are considered necessary for execution of their duties, regardless of whether budget allocation has been made.

[Summary of the State of Operations]

In line with the basic policy, the Company has set a budget to cover costs arising from the execution of duties by the Audit & Supervisory Board Members. The Company also pays additional audit costs upon request from the Audit & Supervisory Board Members, regardless of whether they are budgeted or not.

- 10) Other systems for ensuring that audits by the Audit & Supervisory Board Members of the Company are executed in an efficient manner
- (a) The Audit & Supervisory Board Members may attend important meetings or committees and present their opinions.
  - (b) The Audit & Supervisory Board Members may inspect the minutes, requests for managerial decisions, etc., at any time.
  - (c) The Representative Directors and Audit & Supervisory Board Members shall hold liaison conferences on a regular basis.
  - (d) The Company shall develop a system that enables the Audit & Supervisory Board Members to collaborate with attorneys, accountants and other external experts if they deem it necessary for execution of their duties.

[Summary of the State of Operations]

In line with the basic policy, the Audit & Supervisory Board Members attend important meetings of the Management Meeting, Executive Officers, Investment Committee, etc., provide their opinions, and ask questions as appropriate. The Audit & Supervisory Board Members also hold 6 regular meetings with Representative Directors every year.

## **(2) Basic Policy regarding the Company's Control**

We have not established a basic policy on the persons who control the decisions on the policy regarding Company's finance and business.

## **(3) Basic Policy regarding the Dividend of Surplus**

The Company sets a target for its base dividends at a dividend payout ratio of 45% of pro forma consolidated net income (this refers to the amount obtained by deducting extraordinary income/loss from net income attributable to owners of the parent and adjusting for corporate and other taxes associated with the extraordinary income/loss) based on income from the operation of golf courses and income from contracted golf course operations. In addition,

when selling golf courses after improving their profitability, the Company also sets a target of 90% for the total return ratio (it refers to the ratio of total amount of dividends and acquisition of treasury shares to net income attributable to owners of the parent for the fiscal year) by working to return profits to shareholders in such a way as purchasing its treasury shares and paying commemorative dividends based on the status of extraordinary income and surplus cash flow and using some of them.

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(Note) All monetary amounts indicated in this Business Report are rounded off to the nearest unit. All ratios in the Report are rounded to the nearest unit.

(Note) This is a translation of the Japanese original for reference purpose only. In the event of any discrepancy between this translation and the Japanese original, the Japanese original shall prevail.

CONSOLIDATED BALANCE SHEET

As of March 31, 2016

ASSETS	
Item	Amounts
	Thousand yen
Assets	
Current assets	¥10,893,830
Cash and deposits	4,197,937
Operating accounts receivable	2,409,656
Lease investment assets	443,474
Merchandise	1,806,738
Raw materials and supplies	121,417
Deferred tax assets	163,299
Other	1,884,524
Allowance for doubtful accounts	(133,218)
Non-current assets	141,160,413
Property, plant and equipment	98,647,925
Buildings and structures, net	20,127,474
Machinery, equipment and vehicles, net	3,138,945
Tools, furniture and fixtures, net	1,412,576
Golf courses	43,914,033
Land	29,955,191
Construction in progress	99,703
Intangible Assets	11,111,850
Goodwill	8,558,306
Other	2,553,544
Investments and other assets	31,400,637
Investment securities	21,305,216
Long-term loans receivable	539,428
Lease investment assets	1,206,121
Deferred tax assets	6,152,725
Other	2,459,118
Allowance for doubtful accounts	(261,973)
Total assets	¥152,054,243

LIABILITIES AND EQUITY	
Item	Amounts
	Thousand yen
Liabilities	
Current liabilities	¥58,400,076
Accounts payable – trade	1,642,999
Short-term loans payable	500,000
Commercial papers	4,998,350
Current portion of long-term loans payable	39,623,821
Lease obligations	1,677,273
Accounts payable - other	3,153,272
Income taxes payable	2,367,601
Unearned revenue	1,348,777
Provision for bonuses	453,965
Provision for point card certificates	327,299
Provision for shareholder benefit program	524,125
Other	1,782,590
Non-current liabilities	43,608,502
Long-term loans payable	16,779,482
Lease obligations	6,313,797
Deferred tax liabilities	6,870,397
Deposits on admission	9,990,634
Asset retirement obligations	691,511
Other	2,962,680
Total liabilities	102,008,579
Equity	
Shareholders' equity	49,904,569
Capital stock	10,940,982
Capital surplus	14,122,481
Retained earnings	44,769,284
Treasury shares	(19,928,179)
Other Cumulative Comprehensive Income	(120,997)
Deferred gains or losses on hedges	(114,750)
Foreign currency translation adjustments	(6,247)
Subscription rights to shares	140,424
Non-controlling interests	121,668
Total equity	50,045,664
Total liabilities and equity	¥152,054,243

CONSOLIDATED STATEMENT OF INCOME

Year Ended March 31, 2016

Item	Amounts	
	Thousand yen	
Operating revenues		¥48,549,900
Operating expenses		
Business expenses	37,235,750	
Selling, general, and administrative expenses	4,006,584	41,242,335
Operating income		7,307,564
Non-operating income		
Interest income	16,199	
Equity in gains of affiliates	1,963,593	
Rent income	79,522	
Dues and other incentive payments	23,189	
Other	116,763	2,199,267
Non-operating expenses		
Interest expense	1,182,324	
Syndicated loan fees	74,000	
Other	108,460	1,364,784
Ordinary income		8,142,047
Extraordinary income		
Gain on insurance adjustment	10,623	
Gain on sale of non-current assets	122,911	
Gain on bargain purchase	19,535	
Gain on sales of shares of subsidiaries and associates	266,848	
Compensation income	33,537	
Gain on forgiveness of debts	7,657	
Gain on transfer of rights	562,297	1,023,412
Extraordinary losses		
Loss on sale and retirement of non-current assets	38,819	
Impairment loss	145,643	
Loss on disaster	7,819	
Compensation expenses	191,110	383,392
Income before income taxes		8,782,067
Income taxes		
Current	3,163,705	
Deferred	149,821	3,313,526
Net income		5,468,540
Net income attributable to non-controlling interests		8,550
Net income attributable to owners of the parent		¥5,459,990

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year Ended March 31, 2016

(Thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance as of April 1, 2015	¥10,940,982	¥14,122,481	¥41,847,460	¥(19,928,107)	¥46,982,817
Changes of items during the period					
Dividends of surplus			(2,538,166)		(2,538,166)
Net income attributable to owners of the parent			5,459,990		5,459,990
Purchase of treasury shares				(72)	(72)
Net changes of items other than shareholders' equity during the period					
Total changes of items during the period	—	—	2,921,823	(72)	2,921,751
Balance as of March 31, 2016	¥10,940,982	¥14,122,481	¥44,769,284	¥ (19,928,179)	¥49,904,569

	Other cumulative comprehensive income			Subscription rights to shares	Non-controlling interests	Total equity
	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total other cumulative comprehensive income			
Balance as of April 1, 2015	¥(81,638)	¥1,772	¥(79,866)	¥140,424	¥119,178	¥47,162,554
Changes of items during the period						
Dividends of surplus						(2,538,166)
Net income attributable to owners of the parent						5,459,990
Purchase of treasury shares						(72)
Net changes of items other than shareholders' equity during the period	(33,112)	(8,019)	(41,131)	—	2,489	(38,641)
Total changes of items during the period	(33,112)	(8,019)	(41,131)	—	2,489	2,883,109
Balance as of March 31, 2016	¥(114,750)	¥(6,247)	¥ (120,997)	¥140,424	¥121,668	¥50,045,664

SUMMARY OF CONSOLIDATED STATEMENT OF CASH FLOWS

From April 1, 2015 to March 31, 2016

Item	Amounts
	Thousand yen
Net cash provided by (used in) operating activities	¥12,569,585
Net cash provided by (used in) investing activities	1,097,897
Net cash provided by (used in) financing activities	12,954,588
Net increase (decrease) in cash and cash equivalents	712,893
Beginning cash & cash equivalents balance	3,485,043
Ending cash & cash equivalents balance	¥4,197,937

(Note) This statement is not subject to auditor's report.

NON-CONSOLIDATED BALANCE SHEET

As of March 31, 2016

ASSETS	
Item	Amounts
	Thousand yen
Assets	
Current assets	¥ 12,600,556
Cash and deposits	4,117,007
Operating accounts receivable	868,260
Lease investment assets	1,615,513
Prepaid expenses	90,904
Deferred tax assets	159,943
Short-term loans receivable from subsidiaries and associates	4,008,328
Accounts receivable	1,663,601
Other	77,042
Allowance for doubtful accounts	(46)
Non-current assets	125,389,845
Property, plant and equipment	793,302
Buildings, net	81,774
Structures, net	1,420
Machinery and equipment, net	607,597
Tools, furniture and fixtures, net	81,705
Land	76
Construction in progress	20,728
Intangible Assets	1,095,861
Trademark right	42,132
Software, net	943,600
Software in progress	110,128
Investments and other assets	123,500,681
Shares of subsidiaries and associates	79,315,088
Investments in other securities of subsidiaries and associates	23,360,913
Long-term loans receivable	500,000
Long-term loans receivable from subsidiaries and associates	13,541,586
Deferred tax assets	732,960
Lease investment assets	5,808,284
Other	283,338
Allowance for doubtful accounts	(41,491)
Total assets	¥137,990,401

LIABILITIES AND EQUITY	
Item	Amounts
	Thousand yen
Liabilities	
Current liabilities	¥67,544,194
Accounts payable – trade	157,186
Short-term loans payable	500,000
Commercial papers	4,998,350
Current portion of long-term loans payable	39,623,821
Lease obligations	1,677,107
Accounts payable - other	2,727,950
Income taxes payable	1,202,312
Accrued expenses	29,134
Deposits received	15,825,791
Provision for bonuses	178,941
Provision for point card certificates	99,470
Provision for shareholder benefit program	524,125
Other	2
Non-current liabilities	25,603,415
Long-term loans payable	16,779,482
Lease obligations	6,313,797
Asset retirement obligations	97,765
Other	2,412,370
Total liabilities	93,147,610
Equity	
Shareholders' equity	44,702,367
Capital stock	10,940,982
Capital surplus	14,140,470
Legal capital surplus	14,140,470
Retained earnings	39,549,093
Other retained earnings	39,549,093
Retained earnings brought forward	39,549,093
Treasury shares	(19,928,179)
Subscription rights to shares	140,424
Total equity	44,842,791
Total liabilities and equity	¥137,990,401

NON-CONSOLIDATED STATEMENT OF INCOME

Year Ended March 31, 2016

Item	Amounts	
	Thousand yen	
Operating Revenues		¥10,374,743
Operating Expenses		
Business Expenses	3,284,235	
Selling, General, and administrative expenses	<u>3,976,485</u>	<u>7,260,721</u>
Operating income	<u></u>	<u>3,114,022</u>
Non-operating income		
Interest income	271,362	
Dividend income	25,837	
Gain on receipt of expired point card certificates	325,622	
Other	<u>35,416</u>	<u>658,238</u>
Non-operating expenses		
Interest expense	1,258,117	
Syndicated loan fees	74,000	
Other	<u>72,787</u>	<u>1,404,905</u>
Ordinary income	<u></u>	<u>2,367,355</u>
Extraordinary income		
Reversal of allowance for doubtful accounts	212,000	
Gain on transfer of rights	<u>212,297</u>	<u>424,297</u>
Extraordinary losses		
Impairment loss	30,403	
Compensation expenses	<u>191,110</u>	<u>221,514</u>
Income before income tax	<u></u>	<u>2,570,138</u>
Income taxes		
Current	1,399,251	
Deferred	<u>354,239</u>	<u>1,753,491</u>
Net income		<u>816,647</u>

NON-CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year Ended March 31, 2016

(Thousand yen)

	Shareholders' equity		
	Capital stock	Capital surplus	
		Legal capital surplus	Total capital surplus
Balance as of April 1, 2015	¥10,940,982	¥14,140,470	¥14,140,470
Changes of items during the period			
Dividends of surplus			
Net income			
Purchase of treasury shares			
Total changes of items during the period	—	—	—
Balance as of March 31, 2016	¥10,940,982	¥14,140,470	¥14,140,470

	Shareholders' equity			Subscription rights to shares	Total equity
	Retained earnings	Treasury shares	Total shareholders' equity		
	Other retained earnings				
	Retained earnings brought forward				
Balance as of April 1, 2015	¥41,270,612	¥(19,928,107)	¥46,423,958	¥140,424	¥46,564,382
Changes of items during the period					
Dividends of surplus	(2,538,166)		(2,538,166)		(2,538,166)
Net income	816,647		816,647		816,647
Purchase of treasury shares		(72)	(72)		(72)
Total changes of items during the period	(1,721,519)	(72)	(1,721,591)	—	(1,721,591)
Balance as of March 31, 2016	¥39,549,093	¥19,928,179	¥44,702,367	¥140,424	¥44,842,791