February 10, 2017

Accordia Golf Co., Ltd.
Supplementary Materials on FY 3/2017 First Three Quarters

Securities Code: 2131

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Future Schedule

1. Responses to the tender offer of Accordia Golf's shares

K.K. MBKP Resort (the "Tender Offeror") conducted the tender offer of Accordia Golf's shares (the "Tender Offer") between November 30, 2016 and January 18, 2017, in which 62,876,738 shares (ownership of voting rights in the voting rights of all shareholders: 89.18%) were tendered, satisfying the minimum number of shares scheduled to be purchased (47,003,100 shares), and the Tender Offer was successful.

In response to the successful Tender Offer, Accordia Golf has decided to commence the procedures for making itself a wholly owned subsidiary of the Tender Offeror. More specifically, 35,252,217 shares of the Common Stock will be consolidated into one share (the "Reverse Stock Split") on the condition of the approval of the Company's shareholders at the extraordinary general meeting of shareholders to be held on February 28, 2017.

As a result of the Reverse Stock Split, the number of shares held by shareholders other than the Tender Offeror will be a fraction of one share.

The number of shares equivalent to the total number of the fractions of one share will be sold and the proceeds from the sale will be distributed to the shareholders according to the number of fractions of a share held. The Company will set a price for this sale that will make the amount distributed to each shareholder equivalent to the amount resulting from multiplying 1,210 yen, the same value as the Tender Offer of the Company's common stock, by the number of shares of common stock of the Company held by each shareholder.

Percentage of Reverse Stock Split	Effective date of Reverse Stock Split	Number of shares issuable after the effective date
35,252,217 shares into one share	March 28, 2017	Eight shares

2. Future schedule

February 28, 2017	→	March 22	→	March 23	→	March 28
Extraordinary general meeting of shareholders Stock to be delisted specified		Final trading day		Date of delisting		Effective date of Reverse Stock Split

The Reverse Stock Split will be conducted on the condition that it is approved by the Company's shareholders at the extraordinary general meeting of shareholders, and the Company will become a wholly owned subsidiary of the Tender Offeror. As a result, the common stock of the Company will be delisted through specified procedures based on the delisting criteria of the Tokyo Stock Exchange. As for the schedule, the stock will be specified as stock to be delisted between February 28 and March 22, 2017, and it will subsequently be delisted on March 23, 2017. After the delisting, the common stock of the Company will not be traded on the First Section of the Tokyo Stock Exchange.

1. FY 3/2017 First Three Quarters Results

FY 3/2017 First Three Quarters Performance Summary

(Yen millions)

	FY 3/2015 3Q	FY 3/2016 3Q (Result)	FY 3/2016 3Q (YoY)
Operating Revenues	38,565	37,901	- 1.7%
EBITDA	9,607	9,065	- 5.6%
Operating Profit	6,458	5,727	- 11.3%
Recurring Profit	7,700	5,648	- 26.6%
Extraordinary Income	666	1,177	+ 76.7%
Extraordinary Losses	217	190	- 12.4%
Net Income before Tax Adjustments	8,149	6,635	- 18.6%
Net income	5,497	4,832	- 12.1%
EBITDA Margin	24.9%	23.9%	- 1.0pt
Operated (Contracted) Golf Courses	137(93)	135(93)	-
Operated (Contracted) Driving Ranges	26(5)	26(5)	-
Number of Rounds Played(10,000 rounds)	668	658	-10

(Note) On January 23, 2017, the Company announced a revision of the consolidated earnings forecasts for the fiscal year ending March 31, 2017. Because this revision took into account the results up to the third quarter of the fiscal year ending March 31, 2017, of which the Company had knowledge immediately before the revision, the planned figures for the first nine months of the fiscal year ending March 31, 2017 are omitted.

Factors for Change

Golf course reservations remained at a high level, and efforts to attract customers were carried out while maintaining a balance between maintaining revenue per customer and focusing on utilization. The number of rounds played on Accordia-operated golf courses, however, decreased by 100,000 year on year, to 6.58 million, primarily due to unseasonable weather.

- **Operating Revenues**

Revenues from the owned golf courses were affected by the sale of two courses in the previous year and one course during the fiscal year under review. Consigned management revenues declined year on year due to the reduced revenue caused by weather factors. On a consolidated basis, operating revenues fell 664 million yen year on year, to 37,901 million yen.

- **Operating Profit**

COGS decreased year on year. SG&A expenses increased due to partial expenses incurred for the tender offer of the Company's stock. There was also an impact of a decline in operating revenues, which resulted in a year-on-year decrease of 731 million yen, to 5,727 million yen. The operating margin was 15.1%.

- **Recurring Profit**

In addition to the fees for refinancing implemented in December, equity in earnings of affiliates was reduced due to the consideration of tax payments for retained earnings of equity method companies.

- **Net income**

While gain on sale of fixed assets was realized from the sale of one driving range, net income decreased 665 million yen year on year, to 4,832 million yen, due to factors including reduced operating revenues and increased SG&A expenses.

Breakdown of Operating Revenues

(Yen millions)

	FY 3/2016 3Q	FY 3/2017 3Q	(YoY)
Operating Revenues	38,565	37,901	- 1.7%
Golf Course Operations	22,986	22,476	- 2.2%
Restaurants	6,973	6,995	+ 0.3%
Golf Equipment Sales	3,596	3,436	- 4.4%
Other	5,008	4,993	- 0.3%
(Breakdown of Golf Course Operations)			
Golf Course Revenues	15,615	15,366	- 1.6%
Consigned Management Revenues	4,791	4,673	- 2.5%
Membership Revenues	2,580	2,437	- 5.5%
(Breakdown of Membership Revenues)			
Annual Membership Dues	1,433	1,391	- 2.9%
Registration Fees	159	163	+ 2.5%
Initial Membership Fees	987	883	- 10.5%
(Breakdown of Others)			
Driving Ranges	3,838	3,830	- 0.2%
Other	1,170	1,163	- 0.6%

Factors for Change

<Golf Course Operations>

- One golf course acquired in the previous year (factor for increased revenues 426 million yen)
- Two golf courses sold in the previous fiscal year, and One golf course Sold in the previous year (factor for decreased revenues 414 million yen)
- Number of rounds played at operated golf courses: 6.58 million (down 0.6% year on year)
- Revenue per customer: 9,539 yen (down 0.6% year on year)

<Golf Equipment Sales>

- Club Workshops sales were brisk, but demand for high-end products such as golf clubs and golf wear remained low.

<Membership Revenues>

- Revenue from initial membership fees was weak, reflecting the end of member recruitment at some newly acquired golf courses. Registration Fees increased steadily.

<Driving Ranges>

- The earnings base of existing facilities is stable due to the superiority of the facilities in terms of practice environment and location compared to competitors. The golf school business grew significantly. The result is affected by the sale of one facility in December 2016.

Breakdown of Operating Expenses

(Yen millions)

	FY 3/2016 3Q	FY 3/2017 3Q	(YoY)
Operating Expenses	32,106	32,173	+ 0.2%
COGS	29,066	28,616	- 1.5%
Personnel Expense	9,960	9,995	+ 0.4%
Materials Expense	5,548	5,366	- 3.3%
Other Expense	13,556	13,254	- 2.2%
SG&A Expenses	3,039	3,557	+ 17.0%
Personnel Expense	1,238	1,267	+ 2.3%
Other Expense	1,801	2,290	+ 27.2%

Effect of Asset-light Strategy (90 courses owned by AGT)

Before implementation of Asset-light Strategy

Personnel Expense	Management	Borne by the Company
	Staff	
Materials Expense	Food ingredients and materials, etc.	
Other Expense	Web fees, etc.	

After implementation of Asset-light Strategy

Management	Costs of loaned and dispatched staff billed to AGT
Staff	Borne by AGT
Food ingredients and materials, etc.	
Web fees, etc.	

Factors for Change

<COGS>

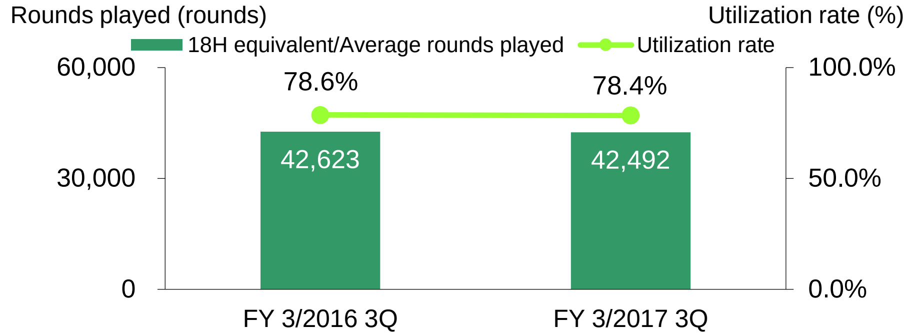
- **Personnel Expense**
  The Company implemented an irregular working system, striking a balance between controlling costs and increasing motivation to work.
- **Materials Expense**
  A decrease in the number of rounds played, golf course management, and progress in the centralized purchasing of restaurant foodstuffs contributed to a year-on-year decline.
- **Other Expense**
  Utilities expenses and vehicle expenses (gasoline) decreased. While the website visitor drawing fees increased due to growth in reservations from other companies' websites, expenses for points decreased.

<SG&A Expenses>

- **Other Expense**
  Advertising expenses increased due to an increase in point expenses as a result of changing the percentage of paying COGS from the second quarter of FY2016 and improving golf course brand power. Expenses increased due to partial expenses incurred for the tender offer of the Company's stock.

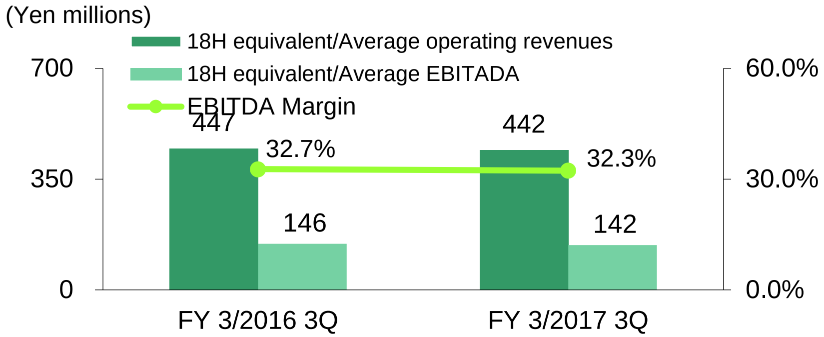
Earnings at the 133 Operated Golf Courses

Rounds Played / Utilization Rate



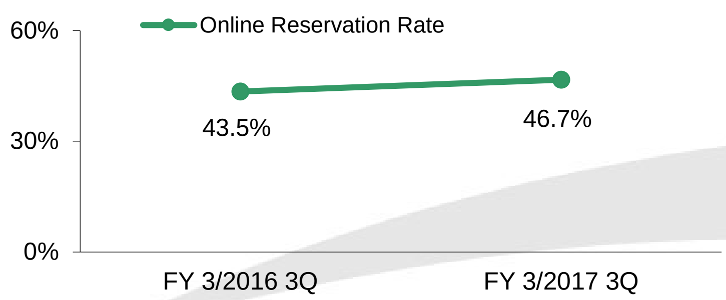
(Note) Utilization Rate = Rounds per 18 holes/business days x 200 (visitors)

Operating Revenues / EBITDA



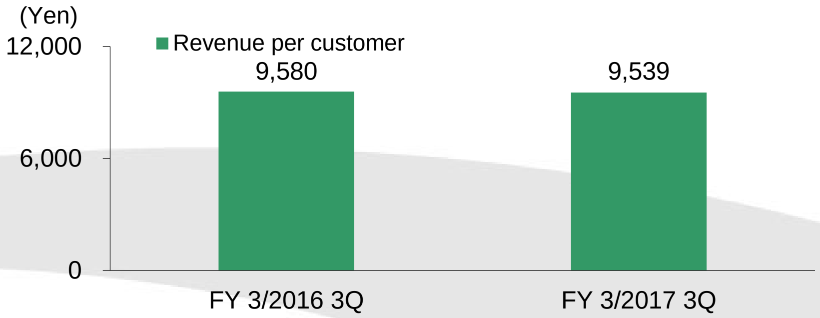
(Note) Calculated revenues from golf course operation + Restaurant sales + Sale of golf equipment based on 18 holes

Online Reservation Rate



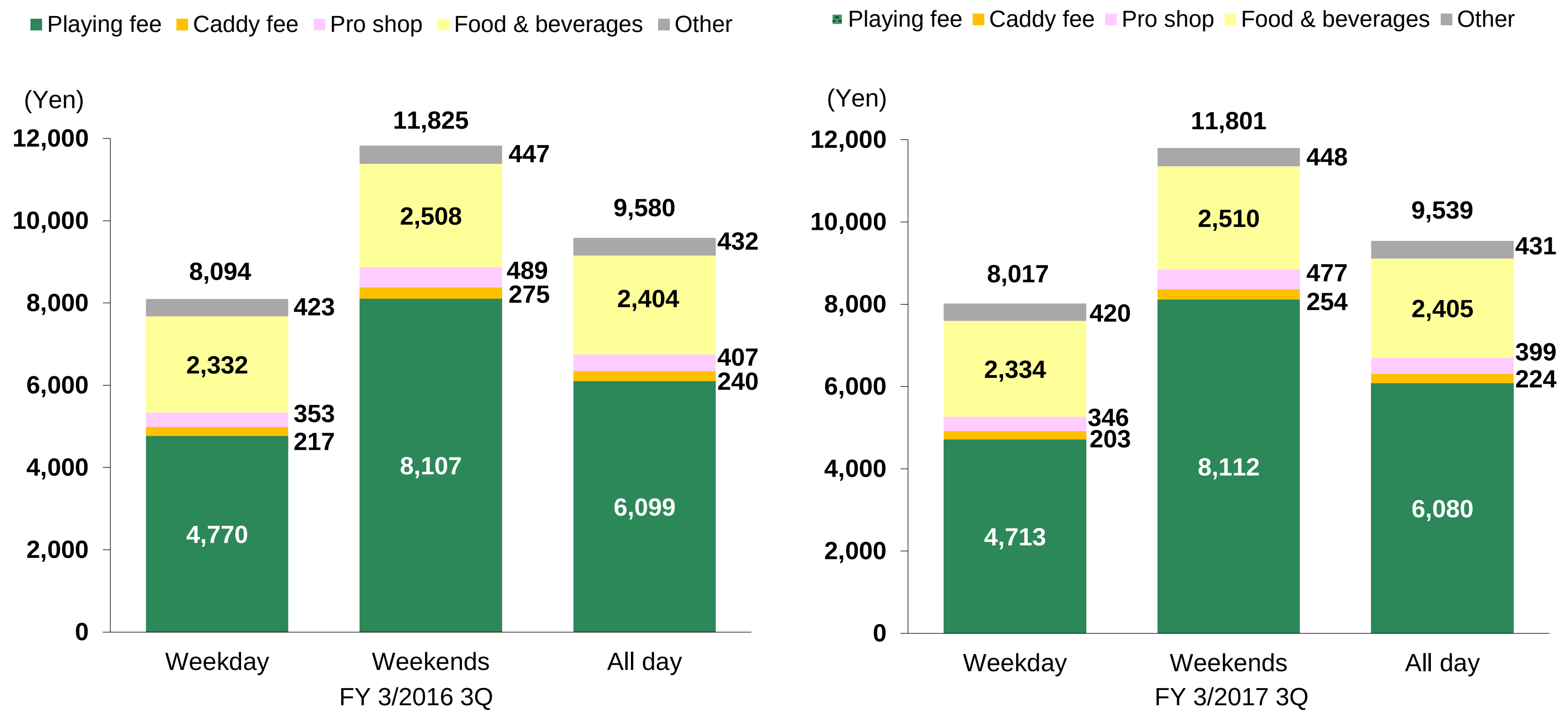
(Note) 133 golf courses that are held or in relation to which operating consignment agreements (including Golf Course Management Agreements) have been concluded (including closed golf courses)

Revenue per Customer



(Note) Revenue per customer = Golf course revenues+ Restaurant sales (excluding sales outside the Group) + Sales of golf equipment / Rounds played

Breakdown of Revenue per Customer at the 133 Operated Golf Courses



- Despite the impact of the unseasonable weather, playing fees were maintained at the same level as in the first half of the previous year by balancing pricing and utilization.
- The focus was on facility utilization by acquiring early reservations to fill the space for serving demand to play on weekdays. For weekends when the utilization rate is high, careful pricing based on demand proved successful apart from the impact of cancellations due to unseasonable weather.
- In the first half of the fiscal year, the number of business days on weekends and public holidays was mostly the same as that in the first three quarters of the previous year (up 0.3 % year on year).
- Play without caddies: Unchanged from previous year at 94.1% (up 0.5 % year on year)
- Revenue per customer (all day) is estimated at 9,641yen for 133 golf courses in the first Half.

(Note) Revenue by customer is calculated from revenue from different fee structures in accordance with customers' attributes, playing styles, tee times, and whether it is a busy day or a slack day.
The above figures are calculated by dividing the sum of course revenues, sales at restaurants and sales of golf equipment by the number of rounds played at subject golf courses.

Status of Balance Sheets

(Yen millions)

	FY 3/2016	FY 3/2017 3Q	Change	Factors for Change
Current Assets	10,893	11,254	+361	
Non-current Assets	141,160	138,136	−3,024	
Property, Plant and Equipment	98,647	97,358	−1,289	One golf course and One driving range Sold
(of which, Golf Courses)	43,914	43,855	−59	
(of which, Land)	29,955	29,065	−890	
Intangible Assets	11,111	10,090	−1,021	
(of which, Consolidation Goodwill)	8,558	7,697	−861	Amortization of Goodwill
Investments and Other Assets	31,400	30,687	−713	Owning 28.9% of AGT units
Total Assets	152,054	149,390	−2,664	
Current Liabilities	58,400	21,025	−37,375	
Short-term Loans Payable	500	7,000	+6,500	Utilization of short-term loan facilities
Current Portion of Long-term Loans Payable	39,623	3,699	−35,924	Long-term refinancing of existing loans
Non-current Liabilities	43,608	76,124	+32,516	
Long-term Loans Payable	16,779	51,322	+34,543	Long-term refinancing of existing loans
(of which, Deposits for Admission)	9,990	9,509	−481	
Total Liabilities	102,008	97,149	−4,859	
Net Assets (Shareholders’ Equity)	50,045	52,240	+2,195	
Total Liabilities and Net Assets	152,054	149,390	−2,664	

Status of Liabilities

(Yen millions)

	FY 3/2016	FY 3/2017 3Q	Change	Summary
Short-Term Borrowings	500	7,000	+ 6,500	Used for part of working capital.
Short-Term Portion of Long-Term Borrowings	39,623	3,699	- 35,924	
Commercual paper	4,998	-	- 4,998	Adjustment of cash position
Long-Term Borrowings	16,779	51,322	+ 34,543	Implemented refinancing of 35 billion yen in total.
Lease Obligations	7,991	7,161	- 830	
Interest Bearing Debt	69,891	69,182	- 709	D/E ratio is 1.32 (net interest-bearing debt/net assets)
Net Interest-Bearing Debt	57,703	57,879	+ 176	Interest-bearing debt less cash and deposits and lease obligations
Membership Deposits	9,990	9,509	- 481	

- Refinancing of 15 billion yen that matured in August 2016 and 20 billion yen that matured in December 2016, which had been included in the short-term portion of long-term borrowings, has already been implemented.
- A loan agreement with MBKP Resort, which will be the parent of the Company, has been signed for the primary purpose of refinancing the total amount of debts in or after January 2017.

  ･Total Amount　62.6 billion yen
  ･Date of Drawdown　As needed from January 27, 2017 onwards
  ･Maturity Date　January 24, 2024
  ･Repayment Method　Lump-sum repayment on the maturity date

The Company is planning a merger with MBKP Resort, and this loan agreement will be terminated after the merger.

Status of Cash Flows

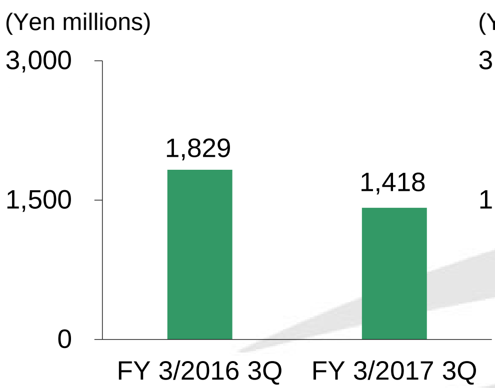
(Yen millions)

	FY 3/2016 3Q	FY 3/2017 3Q	(YoY)
Operating Activities	9,799	1,951	- 80.1%
Investing Activities	747	1,854	+ 148.2%
Financing Activities	- 9,879	- 3,862	- 60.9%
Change	666	- 55	- 108.3%
Beginning Balance	3,485	4,197	+ 20.4%
New Consolidated Subsidiaries	-	-	-
End Balance	4,151	4,142	- 0.2%

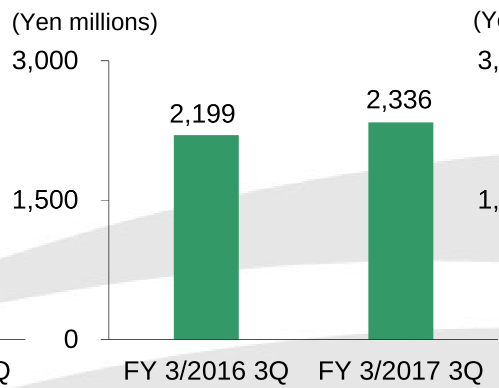
Factors for Change

- Cash flow from operating activities increased due to a decrease in net income before tax and the normal amount of taxes paid as opposed to refunds of income taxes, etc. received in the previous fiscal year.
- In cash from investing activities, the gain on transfer of rights made in the previous fiscal year decreased and proceeds from the sale of property, plant, and equipment increased due to the sale of a driving range.
- Cash from financing activities included an increase in short-term loans payable due to new borrowings and a decrease in expenditure due to the repayment of long-term loans payable.

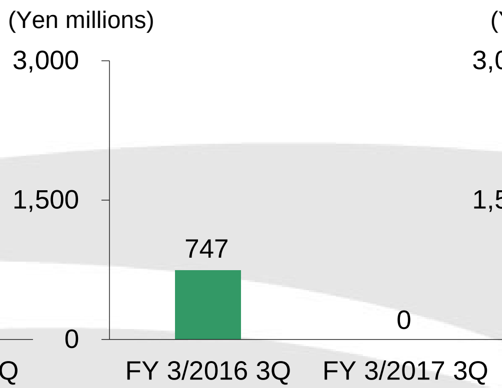
Capital Expenditures



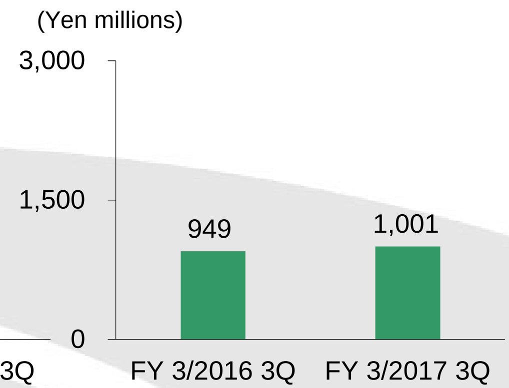
Depreciation Expenses



Acquisition Costs (Note)



Amortization of Goodwill



(Note) Calculated the sum of purchase of shares of subsidiaries, payments of long-term loans receivable, interim sponsor investments and sponsor contributions from cash flows from investing activities.

Acquisition and Sale of Golf Courses

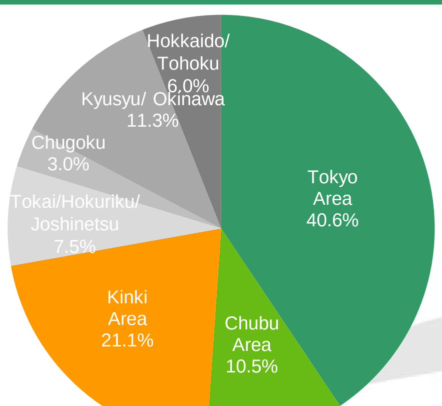
Sale

Golf Course	Date / Scheme	Location / Number of Holes	Operating Revenues (Results in the previous year)
Chitose Country Club	September 2016 Stock sale	Chitose City, Hokkaido 18	191 million yen

Acquisition policy going forward

- The number of deals brought into the Company is at an average year level. Examination found many of them failing to reach our investment standards, such as lacking the potential for growth, or being located outside the three major metropolitan areas.
- Increase data collection channels to improve the pipelines for acquiring overseas deals while focusing on deals in Japan (a few golf courses a year).
- The key issue is the implementation of the Asset-light Strategy for the golf courses owned by the Company. Sales of low-earning golf courses to third parties have ceased for now.

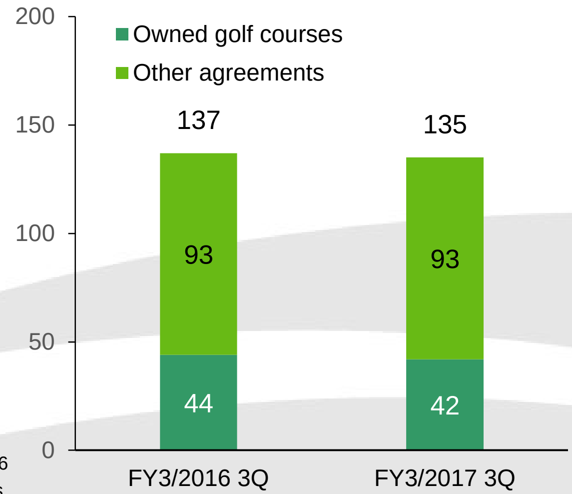
Location of Golf Course Development



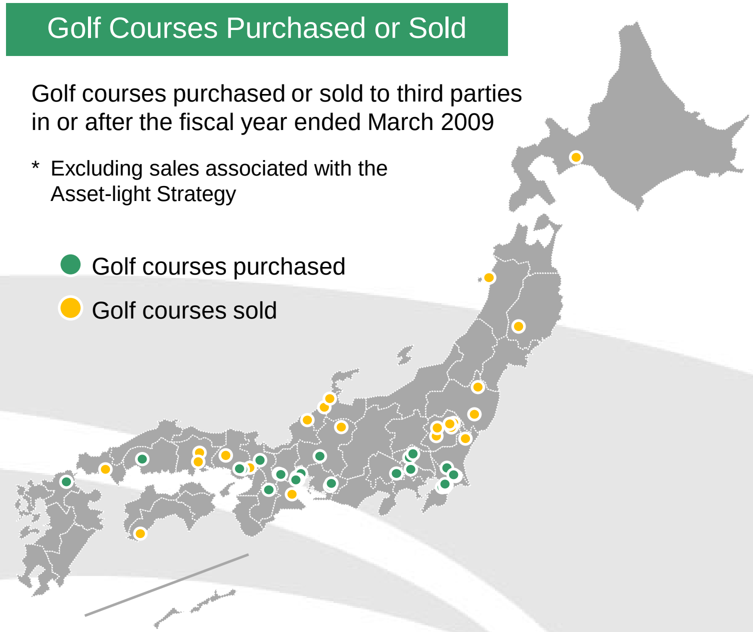
Ratio of three major metropolitan areas: 72.2%

(Notes) 1.133 Operated Golf Courses as of December 31, 2016
2.Chubu Area consists of Aichi, Gifu and Mie prefectures

Golf courses



Golf Courses Purchased or Sold



Driving Range Performance Summary

(Yen millions)

	FY 3/2016 3Q	FY 3/2017 3Q	(YoY)
Operating Revenue	4,399	4,432	+ 0.8%
EBITDA	1,583	1,548	− 2.2%
EBITDA Margin	36.0%	34.9%	− 1.1pt
Rounds Played (10,000 rounds)	285	287	+ 0.7%
Number of Participants in Schools (10,000 people)	18	20	+ 11.1%
Tee Turnover	5.2	5.2	−
Number of driving ranges	26	26	−

- Profitability was unchanged from the previous year, mainly due to existing facilities in urban areas.
- In the school business, the number of students increased, reflecting the establishment of an individual lesson format to meet diverse needs.

- **Characteristics of deals for acquisition or development**
  - Accordia Golf Studio Akasaka (opened August 2016; Minato-ku, Tokyo Prefecture; 6 bays)
  - Accordia Golf Studio Okachimachi(opened October 2016; Taito-ku, Tokyo Prefecture; 5 bays)
  - Looked into the development of the urban indoor school business

- Golf range operating environment

  Number of domestic driving ranges: 3,211 (FY 3/2016)

  Total number of visitors: 88.69 million (FY 3/2016)

Driving Ranges