Consolidated Financial Results for the Frist Three Quarters of the Fiscal Year Ending March 31 2017 (Japanese Accounting Standards)

February 10, 2017

Company Name: Accordia Golf Co., Ltd. Listing Exchanges: First section of the Tokyo Stock Exchange
Securities Code: 2131 URL: http://www.accordiagolf.com
Representative: (Title) President & CEO (Name) Yuko Tashiro
For Inquiries, Contact: (Title) Member of the Board and Managing Executive Officer (Name) Takabumi Suzuki
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Planned Submission Date for the Quarterly Report: February 13, 2017
Planned Starting Date for Dividend Payments: —
Supplementary documents for quarterly results: YES
Quarterly results briefing: No

(Rounded down to nearest million yen)

1. Consolidated Performance for the First Three Quarters of the Fiscal Year Ending March 31, 2017
(April 1, 2016 – December 31, 2016)

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

	Operating Revenues		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent	
	Yen millions	%	Yen millions	%	Yen millions	%	Yen millions	%
FY 3/2017 3Q	37,901	(1.7)	5,727	(11.3)	5,648	(26.6)	4,832	(12.1)
FY 3/2016 3Q	38,565	(29.0)	6,458	(6.3)	7,700	147.5	5,497	(12.4)

(Note) Comprehensive Income FY 3/2017 3Q: 4,880 million yen (-11.2%) FY 3/2016 3Q: 5,495 million yen (-11.3%)

	Net Income per Share	Fully-Diluted Net Income per Share
	Yen	Yen
FY 3/2017 3Q	68.54	–
FY 3/2016 3Q	77.97	–

(Notes)Fully-diluted net income per share are not presented as there are no dilutive potential shares.

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	Yen millions	Yen millions	%
FY 3/2017 3Q	149,390	52,240	34.9
FY 3/2016	152,054	50,045	32.7

Reference: Shareholders' Equity FY 3/2017 3Q: 52,109million yen FY 3/2016: 49,783 million yen

2. Dividends

	Dividends per Share				
(Record Date)	End of Q1	End of Q2	End of Q3	Fiscal Year End	Annual
	Yen	Yen	Yen	Yen	Yen
FY 3/2016	–	0.00	–	36.00	36.00
FY 3/2017	–	0.00			
FY 3/2017 (Forecast)			–	0.00	0.00

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

3. Forecasts for Consolidated Performance for the Fiscal Year Ending March 31, 2017 (April 1, 2016 – March 31, 2017)

(% indicates year-on-year change)

	Operating Revenues		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent		Net Income per Share
	Yen millions	%	Yen millions	%	Yen millions	%	Yen millions	%	Yen
Full Year	47,800	(1.5)	6,100	(16.5)	4,100	(49.6)	3,000	(45.0)	42.55

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

* Notes

(1) Changes in significant subsidiaries during the term under review (changes in subsidiaries via share exchange causing a change in the scope of consolidation): NO

New: -- company (company name:)
Eliminated: -- company (company name:)

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

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

(i)	Changes in accounting policies associated with the revision of accounting standards, etc.:	NO
(ii)	Changes in accounting policies other than (i):	NO
(iii)	Changes in accounting estimates:	NO
(iv)	Restatement:	NO

(4) Number of shares issued (common stock)

(i) Shares Outstanding (incl. treasury stock):	End of FY 3/2017 3Q	84,739,000 shares
	End of FY 3/2016	84,739,000 shares
(ii) Treasury Stock:	End of FY 3/2017 3Q	14,234,565 shares
	End of FY 3/2016	14,234,433 shares
(iii) Average Number of Shares Outstanding (cumulative of consolidated quarters)	End of FY 3/2017 3Q	70,504,560 shares
	End of FY 3/2016 3Q	70,504,592 shares

* Explanation about the quarterly review of consolidated financial statements

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

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

The forecasts provided above have been prepared based on currently available information, and includes many uncertainties. Actual results may differ significantly from the above forecasts for various reasons.

For details, please refer to "1. (3) Information on future forecast including consolidated earnings forecast" of the accompanying materials.

○ Accompanying Materials – Contents

1. Qualitative Information on Consolidated Results, etc. for the First Three Quarters Ended December 31, 2016

(1) Qualitative information on consolidated results

During the first three quarters of the consolidated fiscal year under review, demand for golfing, particularly in the spring and fall high seasons, remained generally stable in the golf industry where the Accordia Golf Group operates. However, poor summer weather in August and September caused cancellations to increase.

In these circumstances, the Accordia Golf Group, while taking steps to increase the number of rounds played at facilities operated, pursued the basic strategies adopted in the new Medium-Term Management Plan (Accordia Vision 2017), whose final year is fiscal 2017 ("creation of capital gains based on a circulating business model" and "creation of stable cash flows from expanded outsourced management business"), and implemented the following management policies.

Golf Course Management Business

The Group stepped up efforts to offer valuable products and services to customers at reasonable prices, and took measures to attract customers through the introduction of a golf course brand and an original loyalty program and stronger coordination with driving ranges. However, the number of rounds played at the Group's golf courses (owned or managed under contract by the Group) totaled 6.58 million (a decrease of 100,000 from the same period of the previous fiscal year) in the first three quarters under review, reflecting voluntary golfing restraint under the effects of the 2016 Kumamoto Earthquakes in the Kyushu Region, poor summer weather, and the sale of three golf courses in the previous and current fiscal years.

Optimization of Golf Course Portfolio through Acquisition of Golf Courses

The Group is studying golf courses recommended for acquisition in a bid to acquire them in the current and subsequent fiscal years. In the meantime, as part of its golf course portfolio strategies, the Group sold one golf course in Hokkaido that was expected to generate less revenue in the future. As a result, the Group operated 135 golf courses (including 42 courses owned by the Group and 93 courses managed under contract for operations) as of the end of the first three quarters under review.

Driving Range Operation Business

The Group advanced measures for attracting customers and bolstered its services by providing a satisfying practice environment, operating golf schools and coordinating more closely with other operators in sending customers to golf courses. The Group also closed an unprofitable indoor driving range in Tokyo and opened the Accordia Golf Studio in Minato-ku and Taito-ku, Tokyo as indoor driving ranges under a new brand. In addition, the Group sold a driving range in Hyogo Prefecture to increase asset efficiency. As a result, the Group operated 26 driving ranges as of the end of the first three quarters under review.

Business trust-based asset-light strategy

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

Consequently, the Group recorded operating revenue of 37,901,529,000 yen, a decrease of 663,874,000 yen, or 1.7% year on year, for the first three quarters under review.

Reflecting the decline in operating revenue stated above, operating income for the Group decreased 731,092,000 yen, or 11.3% year on year, to 5,727,605,000 yen.

Ordinary income decreased 2,051,582,000 yen, or 26.6% year on year, to 5,648,688,000 yen, mainly due to a fall of 807,182,000 yen in equity in earnings of affiliates and an increase of 581,999,000 yen in syndicate loan fees associated with refinancing.

Profit attributable to owners of the parent decreased 665,440,000 yen, or 12.1% year on year, to 4,832,461,000 yen, primarily reflecting an increase in gain on sale of non-current assets of 772,224,000 yen, due largely to the sale of a driving range during the first three quarters under review, the absence of 562,297,000 yen in gain on transfer of rights in connection with the transfer of the photovoltaic power generation business and 145,643,000 yen in impairment loss posted in the first three quarters of the previous fiscal year, and a fall of 857,653,000 yen in total income taxes.

(2) Qualitative information on consolidated financial position

(Assets)

Total assets at the end of the first three quarters under review decreased 2,663,670,000 yen from the end of the previous fiscal year, to 149,390,573,000 yen. Major factors behind the decrease included a reduction of 1,288,983,000 yen in property, plant and equipment, primarily as a result of the sale of a driving range, a fall of 861,046,000 yen in goodwill due to goodwill amortization, etc., and a decline of 407,466,000 yen in investment securities, mainly owing to a share of profits on investments in capital.

(Liabilities)

Total liabilities decreased 4,858,612,000 yen from the end of the previous fiscal year, to 97,149,966,000 yen. Major factors included an increase of 6,500,000,000 yen in short-term loans payable caused by new borrowing, the absence of 4,998,350,000 yen in commercial papers that had existed in the first three quarters of the previous fiscal year, a drop of 1,381,217,000 yen in total long-term loans payable, including their current portion, mainly due to loan repayment, a fall of 1,864,213,000 yen in income taxes payable, and a decline of 1,302,938,000 yen in unearned revenue included in other current liabilities caused by the passage of time.

(Net assets)

Total net assets increased 2,194,942,000 yen from the end of the previous fiscal year, to 52,240,607,000 yen. Major factors included a rise of 2,294,297,000 yen in retained earnings that resulted from the deduction of 4,832,461,000 yen in profit attributable to owners of the parent and 2,538,164,000 yen in dividends paid from retained earnings, and the absence of 140,424,000 yen of subscription rights to shares due to the expiration of the exercise period for all subscription rights to shares during the first three quarters under review.

(Cash flows)

Cash and cash equivalents (hereinafter “cash”) at the end of the first three quarters under review decreased 9,637,000 yen from the end of the first three quarters of the previous fiscal year, to 4,142,303,000 yen.

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

(Cash flow from operating activities)

Cash provided by operating activities decreased 7,847,810,000 yen from the first three quarters of the previous fiscal year, to 1,951,474,000 yen in the first three quarters under review. Major factors for the decrease included a fall of 1,513,885,000 yen in income before income taxes, the presence of 7,261,153,000 yen in the refund of income taxes in the first three quarters of the previous fiscal year, and an increase of 2,401,097,000 yen in increase (decrease) in accounts payable – other, due primarily to the payment of rehabilitation claims concerning the golf course acquired through civil rehabilitation in the first three quarters of the previous fiscal year.

(Cash flow from investing activities)

Cash provided by investing activities increased 1,107,650,000 yen year on year, to 1,854,966,000 yen, in the first three quarters under review. Major factors for the increase included the absence in the first three quarters under review of 562,297,000 yen in proceeds from transfer of rights earned in the first three quarters of the previous fiscal year, an increase of 1,762,807,000 yen in proceeds from sales of property, plant and equipment gained largely by selling a driving range, and the absence of 747,057,000 yen in the purchase of shares of subsidiaries resulting in a change in the scope of consolidation that was posted in the first three quarters of the previous fiscal year.

(Cash flow from financing activities)

Cash used in financing activities decreased 6,017,628,000 yen from the first three quarters of the previous fiscal year, to 3,862,074,000 yen in the first three quarters under review. Major factors for the decrease included an increase of 5,500,000,000 yen in net increase (decrease) in short-term loans payable due to new borrowing, a decrease of 7,363,137,000 yen in repayments of long-term loans payable, a fall of 4,995,117,000 yen in net increase (decrease) in commercial papers, and a reduction of 1,239,176,000 yen in proceeds from long-term loans payable.

(3) Information on future forecast including consolidated earnings forecast
The consolidated earnings forecasts have been revised as described in "Notification of Revision of Earnings Forecasts" issued on January 23, 2017.

2. Matters Relating to Summary Information (Notes)
(1) Changes in significant subsidiaries during the quarter under review
N/A

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

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

3. Consolidated Quarterly Financial Statements

(1) Consolidated quarterly balance sheet (Thousand yen)

	Previous Consolidated Fiscal Year (As of March 31, 2016)	As of December 31, 2016
Assets		
Current Assets		
Cash and Deposits	4,197,937	4,142,303
Operating Accounts Receivable	2,409,656	2,363,037
Merchandise	1,806,738	2,015,788
Raw Materials and Supplies	121,417	144,152
Other	2,491,298	2,722,932
Allowance for Doubtful Accounts	(133,218)	(134,062)
Total Current Assets	10,893,830	11,254,151
Non-Current Assets		
Property, Plant and Equipment		
Buildings and Structures, Net	20,127,474	19,701,802
Golf Courses	43,914,033	43,855,712
Land	29,955,191	29,065,568
Other, Net	4,651,225	4,736,578
Total Property, Plant and Equipment	98,647,925	97,358,942
Intangible Assets		
Goodwill	8,558,306	7,697,259
Other	2,553,544	2,393,021
Total Intangible Assets	11,111,850	10,090,281
Investments and Other Assets		
Investment Securities	21,305,216	20,897,750
Long-Term Loans Receivable	539,428	536,428
Other	9,817,965	9,513,995
Allowance for Doubtful Accounts	(261,973)	(260,976)
Total Investments and Other Assets	31,400,637	30,687,198
Total Non-Current Assets	141,160,413	138,136,422
Total Assets	152,054,243	149,390,573

(Thousand yen)

	Previous Consolidated Fiscal Year (As of March 31, 2016)	As of December 31, 2016
Liabilities		
Current Liabilities		
Accounts Payable - Trade	1,642,999	1,708,429
Short-Term Loans Payable	500,000	7,000,000
Commercial Papers	4,998,350	-
Current Portion of Long-Term Loans Payable	39,623,821	3,699,228
Income Taxes Payable	2,367,601	503,388
Provision	1,305,391	1,294,744
Other	7,961,912	6,819,210
Total Current Liabilities	58,400,076	21,025,001
Non-Current Liabilities		
Long-Term Loans Payable	16,779,482	51,322,858
Deposits on Admission	9,990,634	9,509,961
Other	16,838,385	15,292,144
Total Non-Current Liabilities	43,608,502	76,124,964
Total Liabilities	102,008,579	97,149,966
Net Assets		
Shareholders' Equity		
Capital Stock	10,940,982	10,940,982
Capital Surplus	14,122,481	14,122,481
Retained Earnings	44,769,284	47,063,581
Treasury Shares	(19,928,179)	(19,928,337)
Total Shareholders' Equity	49,904,569	52,198,708
Other Cumulative Comprehensive Income		
Deferred Gains or Losses on Hedges	(114,750)	(78,581)
Foreign Currency Translation Adjustment	(6,247)	(10,958)
Total Other Cumulative Comprehensive Income	(120,997)	(89,540)
Subscription Rights to Shares	140,424	-
Non-Controlling Interests	121,668	131,438
Total Net Assets	50,045,664	52,240,607
Total Liabilities and Net Assets	152,054,243	149,390,573

(2) Consolidated quarterly statements of income and comprehensive income

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

	First Three Quarters of the Fiscal Year Ended March 31, 2016 (From April 1, 2015 to December 31, 2015)	First Three Quarters of the Fiscal Year Ended March 31, 2017 (From April 1, 2016 to December 31, 2016)
Operating Revenues	38,565,404	37,901,529
Operating Expenses		
Business Expenses	29,066,871	28,616,532
Selling, General, and Administrative Expenses	3,039,834	3,557,391
Total Operating Expenses	32,106,706	32,173,924
Operating Income	6,458,698	5,727,605
Non-Operating Income		
Interest Income	12,445	11,349
Equity in Earnings of Affiliates	2,089,751	1,282,569
Rent Income	67,310	42,240
Other	122,220	149,339
Total Non-Operating Income	2,291,729	1,485,498
Non-Operating Expenses		
Interest Expense	898,833	795,675
Syndicate Loan Fees	74,000	655,999
Other	77,323	112,740
Total Non-Operating Expenses	1,050,156	1,564,416
Ordinary Income	7,700,271	5,648,688
Extraordinary Income		
Gain on Sale of Non-Current Assets	38,292	810,517
Gain on Insurance Adjustment	10,950	15,724
Gain on Negative Goodwill	19,535	-
Gain on Sales of Shares of Subsidiaries and Associates	-	145,354
Compensation Income	33,537	-
Gain on Forgiveness of Debts	2,143	2,925
Gain on Transfer of Rights	562,297	-
Settlement received	-	62,910
Gain on reversal of subscription rights to shares	-	140,424
Total Extraordinary Income	666,757	1,177,856
Extraordinary Losses		
Loss on Sale and Retirement of Non-Current Assets	24,059	25,865
Impairment Loss	145,643	-
Loss on Disaster	11,646	43,344
Compensation Expenses	36,110	-
Head office transfer cost	-	112,266
Other	-	9,385
Total Extraordinary Losses	217,459	190,861
Income before Income Taxes	8,149,569	6,635,683
Income Taxes - Current	2,271,828	1,638,208
Income Taxes - Deferred	372,313	148,279
Total Income Taxes	2,644,141	1,786,488
Net Income	5,505,427	4,849,195
Profit (Loss) Attributable to Non-Controlling Interests	7,525	16,733
Profit Attributable to Owners of Parent	5,497,901	4,832,461

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

	First Three Quarters of the Fiscal Year Ended March 31, 2016 (From April 1, 2015 to December 31, 2015)	First Three Quarters of the Fiscal Year Ended March 31, 2017 (From April 1, 2016 to December 31, 2016)
Net Income	5,505,427	4,849,195
Other Comprehensive Income		
Share of Other Comprehensive Income of Entities Accounted for Using Equity Method	(9,446)	31,457
Total Other Comprehensive Income	(9,446)	31,457
Comprehensive Income	5,495,981	4,880,652
Comprehensive Income Attributable to		
Comprehensive Income Attributable to Owners of Parent	5,488,455	4,863,919
Comprehensive Income Attributable to Non-Controlling Interests	7,525	16,733

(3) Consolidated quarterly statement of cash flows

(Thousand yen)

	First Three Quarters of the Fiscal Year Ended March 31, 2016 (From April 1, 2015 to December 31, 2015)	First Three Quarters of the Fiscal Year Ended March 31, 2017 (From April 1, 2016 to December 31, 2016)
Cash Flows from Operating Activities		
Income before Income Taxes	8,149,569	6,635,683
Depreciation	2,199,312	2,336,448
Amortization of Goodwill	949,852	1,001,110
Impairment Loss	145,643	-
Increase (Decrease) in Allowance for Doubtful Accounts	(21,823)	2,221
Increase (Decrease) in Provision for Bonuses	(284,474)	(269,268)
Increase (Decrease) in Provision for Point Card Certificates	(92,815)	39,148
Increase (Decrease) in Provision for Shareholder Benefit Program	228,995	219,874
Interest Income	(12,445)	(11,349)
Interest Expense	898,833	795,675
Share of (Profit) Loss of Entities Accounted for Using Equity Method	(2,089,751)	(1,282,569)
Loss (Gain) on Sales and Retirement of Non-Current Assets	(14,233)	(784,651)
Loss (Gain) on Sales of Shares of Subsidiaries and Associates	-	(145,354)
Gain on Negative Goodwill	(19,535)	-
Gain on Transfer of Rights	(562,297)	-
Gain on reversal of subscription rights to shares	-	(140,424)
Decrease (Increase) in Notes and Accounts Receivable - Trade	(82,178)	43,722
Increase (Decrease) in Notes and Accounts Payable - Trade	217,823	65,430
Increase (Decrease) in Accounts Payables - Other	(2,247,910)	153,187
Increase (Decrease) in Unearned Revenue	(1,337,413)	(1,298,993)
Other	218,792	(874,810)
Subtotal	6,243,943	6,458,079
Interest Income Received	22,349	15,090
Interest Expenses Paid	(887,301)	(759,932)
Income Taxes Paid	4,420,292	(3,788,763)
Net Cash Provided by (used in) Operating Activities	9,799,284	1,951,474
Cash Flows from Investing Activities		
Purchase of Property, Plant and Equipment	(1,829,177)	(1,418,922)
Proceeds from Sales of Property, Plant and Equipment	95,591	1,858,398
Purchase of Intangible Assets	(125,181)	(237,305)
Purchase of Shares of Subsidiaries Resulting in Change in Scope of Consolidation	(747,057)	-
Proceeds from Sales of Shares of Subsidiaries Resulting in Change in Scope of Consolidation	298,272	259,648
Proceeds from Collection of Sponsor Contributions from a Civil Rehabilitation Company	280,000	-
Proceeds from Share of Profits on Investments in Capital	2,267,798	1,721,491
Decrease (Increase) in Short-Term Loans Receivable	379	270
Proceeds from Transfer of Rights	562,297	-
Other	(55,605)	(328,613)
Net Cash Provided by (Used in) Investing Activities	747,315	1,854,966

	First Three Quarters of the Fiscal Year Ended March 31, 2016 (From April 1, 2015 to December 31, 2015)	First Three Quarters of the Fiscal Year Ended March 31, 2017 (From April 1, 2016 to December 31, 2016)
Cash Flows from Financing Activities		
Net Increase (Decrease) in Short-Term Loans Payable	1,000,000	6,500,000
Net Increase (Decrease) in Commercial Papers	(23,533)	(5,018,650)
Proceeds from Long-Term Loans Payable	2,350,000	1,110,823
Repayments of Long-Term Loans Payable	(9,855,178)	(2,492,040)
Purchase of Treasury Shares	(72)	(157)
Cash Dividends Paid	(2,538,437)	(2,542,519)
Repayments of Finance Lease Obligations	(1,342,390)	(1,357,596)
Proceeds from Sale and Leasebacks	595,090	-
Dividends Paid to Non-Controlling Interests	(6,060)	(6,962)
Repayments of Long-Term Deposits Received	(59,121)	(54,969)
Net Cash Provided by (used in) Financing Activities	(9,879,702)	(3,862,074)
Net Increase (Decrease) in Cash and Cash Equivalents	666,897	(55,633)
Beginning Cash & Cash Equivalents Balance	3,485,043	4,197,937
Ending Cash & Cash Equivalents Balance	4,151,940	4,142,303

(4) Notes on quarterly consolidated financial statements

(Notes concerning the going concern assumption)

N/A

(Notes concerning extreme changes in shareholders' equity)

N/A

(Significant subsequent events)

1. Tender offer of Accordia Golf's shares by K.K. MBKP Resort

At the Board of Directors' meeting held on November 29, 2016, Accordia Golf Co., Ltd. resolved to announce its agreement to the tender offer of shares of its common stock (the "Common Stock") and stock acquisition rights (Note 1) (the "Tender Offer") by K.K. MBKP Resort (the "Tender Offeror") as described below and to recommend that the Company's shareholders tender shares in the Tender Offer. These resolutions of the Board of Directors were reached on the assumption that the Tender Offeror was planning to make Accordia Golf its wholly owned subsidiary after the Tender Offer and through the subsequent procedures, and that the Common Stock would be delisted from the stock exchange. The Tender Offeror is also planning to merge with Accordia Golf after making it its wholly owned subsidiary.

The Tender Offer was completed on January 18, 2017, and the Tender Offeror acquired 62,876,737 shares of the Common Stock as of January 25, 2017 (settlement commencement date of the Tender Offer).

As a result, the Tender Offeror's ownership of voting rights in the voting rights of all shareholders became 89.18% (Note 2), and the Tender Offeror become a new parent and principal shareholder of Accordia Golf.

The former principal shareholder, Reno, Inc., tendered shares in the Tender Offer and, as a result, was no longer the principal shareholder as of January 25, 2017.

The Common Stock now meets the delisting criteria of Tokyo Stock Exchange, Inc. ("TSE") and will be delisted through specified procedures. After the delisting, the Common Stock will not be traded on the TSE.

（Note） １． "Stock Acquisition Rights" means the third series stock acquisition rights of Accordia Golf Co., Ltd. issued pursuant to the resolutions passed at the Company's Board of Directors' meeting held on March 28, 2014 and the Company's general meeting of shareholders held on June 27, 2014. As announced in the Company's press release titled "Notice Regarding Extinguishment of Share Options" dated December 1, 2016, since the exercise period of these Stock Acquisition Rights expired on November 30, 2016, which was prior to the termination of the tender offer period, and all of them were extinguished, the Stock Acquisition Rights were not purchased in the Tender Offer.

2. The Tender Offeror's ownership of voting rights in the voting rights of all shareholders was calculated based on the number of voting rights, 705,045, to 70,504,567 shares, which was calculated by deducting 14,234,433 shares of treasury stock held by Accordia Golf as of September 30, 2016, as stated in the report for the second quarter of the 38th period, from the total number of shares outstanding as of September 30, 2016 of 84,739,000 stated in the report for the same quarter submitted by Accordia Golf on November 11, 2016. The result was rounded off to the second decimal place.

(1) Outline of the Tender Offeror

(i)	Name	K.K. MBKP Resort
(ii)	Location	11-44, Akasaka 1-chome, Minato-ku, Tokyo
(iii)	Name and Title of Representative	Kenichiro Kagasa, Representative Director
(iv)	Description of Business	To acquire and hold the share certificates, etc. of the Company
(v)	Amount of Stated Capital	25,000 yen
(vi)	Date of Establishment	June 15, 2015
(vii)	Major Shareholders and Shareholding Ratios	Accordia Finance Company Designated Activity Company 100%
(viii)	Relationship between the Company and the Tender Offeror	
	Capital Relationship	On the day before the settlement commencement date of the Tender Offer, the Tender Offeror held one share of Accordia Golf's common stock.
	Personnel Relationship	Not applicable.
	Business Relationship	Not applicable.
	Status as Related Party	Not applicable.

(2) Outline of the Tender Offer

① Tender Offer Period as of the time

From Wednesday, November 30, 2016 through Wednesday, January 18, 2017 (30 business days)

② Tender Offer Price

¥1,210 per share of the Target Company's Common Stock

③ Number of Shares to be Purchased

Number of shares to be purchased	70,504,566	(shares)
Minimum number of shares to be purchased	47,003,100	(shares)
Maximum number of shares to be purchased	—	

④ Settlement Commencement Date

January 25, 2017 (Wednesday)

(3) Outline of the Tender Offer

Total number of tendered shares, etc.	62,876,737	(shares)
Number of shares purchased, etc.	62,876,737	(shares)
Total value of shares purchased	76,080,851	(1,000 Yen)

(Note) The above value does not include commissions paid to tender offer agents or other expenses.

2． Stock Consolidation

At the Board Directors' meeting held on January 23, 2017, Accordia Golf resolved to convene an extraordinary general meeting of shareholders scheduled to be held on February 28, 2017 for the purpose of consolidating the common shares of the Company.

(1) Purpose of and Reasons for Stock Consolidation

The Tender Offeror conducted the Tender Offer between November 30, 2016 and January 18, 2017, in which the minimum number of shares scheduled to be purchased (47,003,100 shares) was tendered and the Tender Offer was successful. As a result, the Tender Offeror came to hold 62,876,738 shares of the Common Stock (ownership of voting rights in the voting rights of all shareholders: 89.18% (rounded off to the second decimal place)) as of the settlement commencement date of January 25, 2017.

While the Tender Offer was successful, the Tender Offeror was unable to acquire all of the shares of the Common Stock, excluding the treasury stock held by Accordia Golf, through the Tender Offer. In response to the request of the Tender Offeror based on the result of the 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 on the condition of the approval of the company's shareholders at the extraordinary general meeting of shareholders.

Through this reverse stock split, the number of shares held by shareholders other than MBKP Resort will be a fraction of one share.

(2) Ratio of consolidation

35,252,217 shares of the Company's Common Stock will be consolidated into 1 share.

(3) Schedule for stock consolidation

Date of resolution by Board of Directors	Monday, January 23, 2017	
Date of resolution Extraordinary Shareholders' Meeting	Tuesday, February 28, 2017	(scheduled)
Effective date of Stock Consolidation	Tuesday, March 28, 2017	(scheduled)

(4) Effect on per-share information

Assuming that this reverse stock split was implemented on the first day of the previous consolidated fiscal year, the per-share information during the first three quarters of the previous fiscal year and the first three quarters under review is as follows:

	First Three Quarters of the Fiscal Year Ended March 31, 2016 (From April 1, 2015 to December 31, 2015)	First Three Quarters of the Fiscal Year Ended March 31, 2017 (From April 1, 2016 to December 31, 2016)
Net Income per Share	2,748,950,995.50(Yen)	2,416,230,774.00(Yen)

(Notes)Fully-diluted net income per share are not presented as there are no dilutive potential shares.

3. Cancellation of Treasury Stock

The Company resolved at the meeting of the Board of Directors held on January 23, 2017 to retire treasury stock pursuant to the provisions of Article 178 of the Companies Act.

Outline of the Cancellation of Treasury Stock

(i)	Method of retirement	Reduction from other capital surplus and other retained earnings
(ii)	Type of stock retired	Common shares of the Company
(iii)	Total number of shares to retire	14,234,565 (16.8% of total number of shares outstanding before retirement)
(iv)	Total number of shares outstanding after retirement	70,504,435
(v)	Number of shares of treasury stock after retirement	-
(vi)	Scheduled date of retirement	March 27, 2017

4. Borrowing of Funds

On January 25, 2015, the Company signed the following loan agreement for a total value of 62,600,000,000, in which MBKP Resort, the parent of the Company, would be the lender, for the primary purpose of refinancing its existing debts, which would be executed as necessary after January 27, 2015.

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

The details of this refinancing are as follows:

(i)	Lender	K.K. MBKP Resort
(ii)	Total Amount	62.6 billion yen
(iii)	Date of Drawdown	As needed from January 27, 2017 onwards
(iv)	Maturity Date	January 24, 2024
(v)	Repayment Method	Lump-sum repayment on the maturity date
(vi)	Effect of the refinancing	The expected increase in interest expenses due to the refinancing is 469 million yen for the fiscal year ending March 31, 2017, and the refinancing expenses incurred amount to 1,252 million yen.

4. Supplementary Information

Production, orders received, and sales

Production

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

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

Purchasing Activities as Cost of Goods

Purchasing activities as cost of goods for the first three quarters of the fiscal year ending March 2017 is as follows.

Revenue Category	Purchases (thousand yen)	Compared to Same Period in Previous Fiscal Year (%)
Products (Golf Equipment, etc.)	2,630,504	8.8
Raw Materials, etc. (Restaurants)	2,194,607	(2.4)
Total	4,825,112	3.4

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

Orders Received

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

Sales Performance

Sales performance by revenue category for the first three quarters of the fiscal year ending March 2017 is as follows.

Revenue Category	Sales (thousand yen)	Compared to Same Period in Previous Fiscal Year (%)
Golf Course Operation	22,476,572	(2.2)
Restaurants	6,995,083	0.3
Golf Equipment Sales	3,436,795	(4.4)
Other	4,993,078	(0.3)
Total	37,901,529	(1.7)

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