

ACCORDIA GOLF TRUST

Financial Results for 1Q FY17/18

(1 April 2017 to 30 June 2017)

14 August 2017

Stock code: ADQU

Ver 4.0

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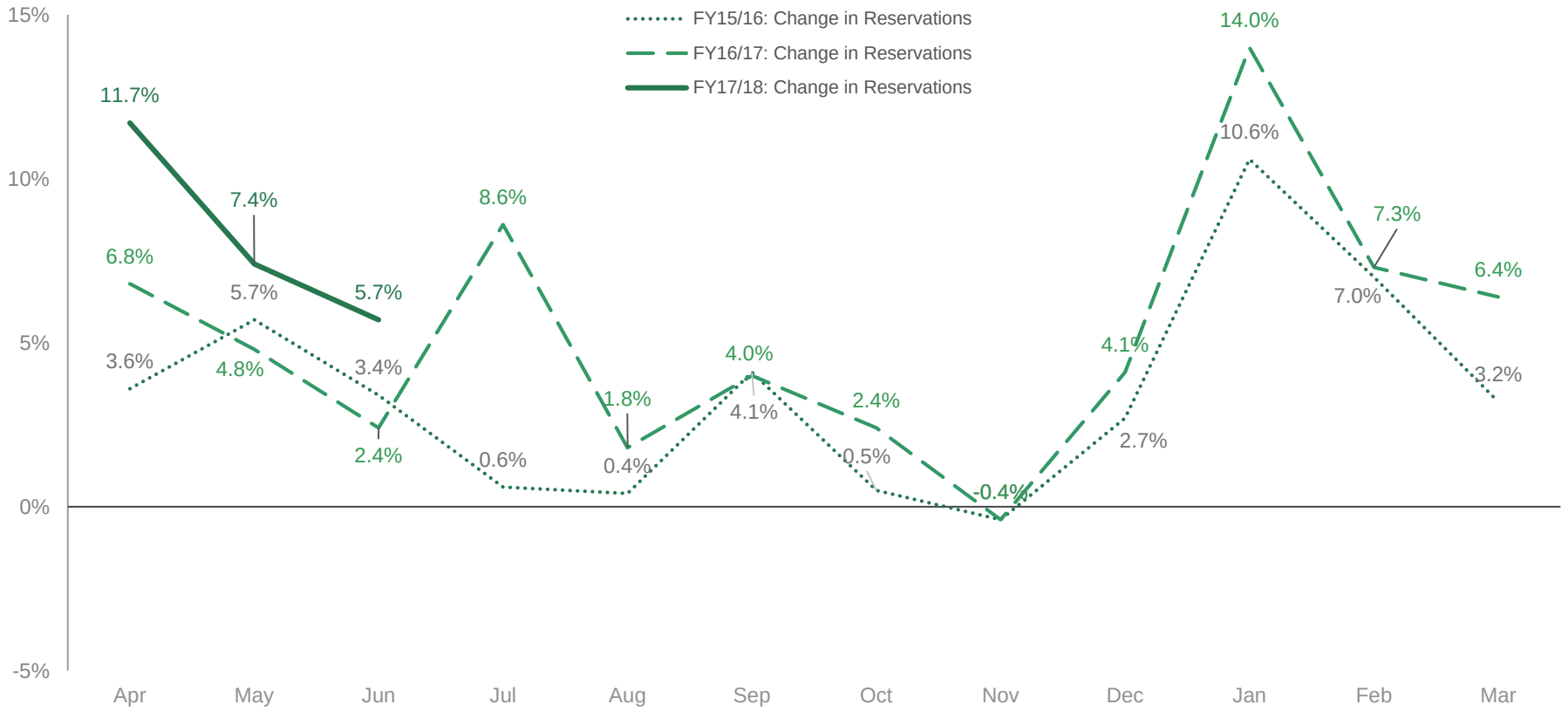
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Golf Market Condition: Positive Reservation

Sound demand for golf brought fairly positive reservation rate each month.

Year-on-Year changes of number of players under reservation as at beginning of month



The calculation on change in reservation is based on actual reservation vs the same month of the previous year for 89 golf courses and does not reflect any cancellation due to weather conditions

Golf Market Condition: Operating Performance

Number of players to AGT's golf courses

FY17/18	Number of Players (thousands)			Utilization Rate[1]		
	Actual	YoY Change[2]	3 Year Average Change[3]	Actual	YoY Change[4]	3 Year Average Change[5]
Apr	517	+5.3%	+4.9%	82.2%	+4.3 ppt	+3.8 ppt
May	587	+2.4%	+1.0%	89.4%	+2.2 ppt	+0.9 ppt
Jun	514	+4.6%	+2.4%	81.0%	+3.2 ppt	+1.7 ppt
1Q	1,618	+4.1%	+2.7%	84.2%	+3.2 ppt	+2.1 ppt

(1) Utilization Rate = Total number of players per 18 holes / (Total operating days x 50 (flights) x 4 (persons)). Total operating days exclude closed days under specific circumstances such as typhoon and snow, among other factors.
(2) Year-on-Year (YoY) Change = (Current month data - corresponding month of the previous year) / corresponding month of the previous year.
(3) 3 Year Average Change = (Current month data – previous 3 Year Average) / previous 3 Year Average.
(4) Year-on-Year (YoY) Change Percentage Point (ppt) = Current month data - corresponding month of the previous year.
(5) 3 Year Average Percentage Point Change = Current month data – previous 3 Year Average.

Financial Highlights and Capital Management


Midono Country Club, Tokyo Region

1Q FY17/18 Financials

JPY million

	1Q FY17/18	1Q FY16/17	YoY Change (%)
Operating Income	**14,574**	14,417	+1.1
Operating Profit	**3,202**	2,975	+7.6
Profit (after tax)	**2,499**	2,274	+9.9
Total Income Available for Distribution	**1,794**	1,526	+17.6

	As at 30 Jun 2017	As at 31 Mar 2017
NAV per unit (SGD)	**0.89**	0.91
Price/NAV per unit	**0.80**	0.81
Loan-to-Value Ratio(1)	**29.0%**	28.9%
Unit Price (S$)	0.715	0.735

(1) Loan-to-Value Ratio = Total loans and borrowings/total appraisal value of the Initial Portfolio as at 31 December 2016.
No of Units for the periods = 1,099,122,000

Statement of Comprehensive Income

JPY million

	1Q FY17/18	1Q FY16/17	YoY Change (%)
Operating Income	**14,574**	14,417	+1.1
Golf Course Revenue	9,948	9,740	+2.1
Restaurant Revenue	3,469	3,417	+1.5
Membership Revenue	1,095	1,164	-5.9
Other Revenue	62	96	-35.4
Operating Expenses	**11,372**	11,442	-0.6
Golf Course Related Cost	9,541	9,554	-0.1
SG&A and Others	1,831	1,888	-3.0
Operating Profit	**3,202**	2,975	+7.6
Profit (after tax)	**2,499**	2,274	+9.9

Balance Sheet

JPY million

	As at 30 Jun 2017	As at 31 Mar 2017
Cash & Cash Equivalents	9,140	10,252
Trade and Other Receivables	2,113	2,407
Inventory	289	256
Other Current Assets	1,015	1,206
Current Assets	**12,557**	**14,121**
Property, Plant and Equipment	146,876	146,536
Intangible Assets	17,135	17,131
Other Non-current Assets	549	584
Non-current Assets	**164,560**	**164,251**
Total Assets	**177,117**	**178,372**

	As at 30 Jun 2017	As at 31 Mar 2017
Borrowings from Financial Institutions	14,900	14,830
Finance Lease Payables	839	659
Trade & Other Payables	5,374	5,621
Membership Deposits	11,058	11,215
Income Tax Payables	348	915
Derivative Financial Instruments	12	12
Other Current Liabilities	4,037	4,350
Current Liabilities	**36,568**	**37,602**
Borrowings from Financial Institutions and Related Party	28,889	28,799
Finance Lease Payables	2,701	2,219
Membership Deposits	766	821
Deferred Tax Liabilities	28,019	28,068
Derivative Financial Instruments	190	189
Other Non-current Liabilities	75	78
Non-current Liabilities	**60,640**	**60,174**
Total Liabilities	**97,208**	**97,776**
Net Assets	**79,909**	**80,596**

Capital Management

Debt Profile as at 30 June 2017		
Term Loan A (Maturity in Aug 2018)	JPY15 bil / T +1.25% (T: 6-month Yen TIBOR)	Extended by one year(1)
Term Loan B (Maturity in Aug 2018)	JPY15 bil / T +1.50%	
Term Loan C (Maturity in Aug 2019)	JPY15 bil / T +1.75%	
Subordinated Loan(2)	JPY500 mil / 3.0%	
Total borrowings : JPY 45.5 billion		

Interest Rate Swap Arrangement	
Term Loan B (Maturity in Aug 2018)	JPY15 bil / 2.00%
Term Loan C (Maturity in Aug 2019)	JPY10 bil / 2.34%

Credit Rating	
BBB+	Obtained from Japan Credit Rating Agency on the JPY 45 billion loan of AGT's golf course holding company, Accordia Golf Asset Godo Kaisha ("SPC")

Loan-to-Value Ratio	
29.0 %	Total Loans / Total Asset(3) = JPY 43.8 bil/ JPY 150.89 bil

- Term Loan Lenders:
  - Mizuho Bank
  - Sumitomo Mitsui Banking Corporation
  - The Bank of Tokyo-Mitsubishi UFJ
  - Aozora Bank
  - Shinsei Bank
  - The Tokyo Star Bank
  - Mitsubishi UFJ Trust and Banking Corporation
  - Mitsubishi UFJ Lease & Finance Company
  - ShinGinko Tokyo
- Subordinated Loan Lender: Accordia Golf

(1) Announcement on 25 July 2017 and 27 July 2017: Extension of Term Loan A
(2) A subordinated loan has been extended from the Sponsor to the SPC and opened solely to deposit and manage the SPC's own funds in connection with the TK business.
(3) Based on the latest appraisal value of the Initial Portfolio as at 31 December 2016.

Portfolio Updates



Castlehill Country Club, Nagoya Region

Asset Enhancement Initiative: Latest GPS Navigation System

Install latest GPS navigation systems in the golf carts in 1Q FY17/18; target to complete the installations by the end of 2018.

- Provides safety management, e.g. locating and assisting injured players promptly.
- Provides players with accurate distance and saves play time
- Players can view real-time leaderboard when competing in different groups







AG's Programmes / Events



- 40-U passport to new and current point card holders below 40 years old.
- Additional special points are given to member of 40-U passport.



ACCORDIA GOLF L-Style

L-Style：女性のためのゴルフ情報

- Lady's golfcircle 'Friends', a programme under L-Style, was introduced to encourage more female players.

AG's Programmes / Events

ACCORDIA KIDS

- A programme for under 18 years old
- Some activities includes:

(1) 2017 Junior Cup: Experience the fun of golf competition in July 2017

- Twin Lakes Country Club
- Kasumi Golf Club
- Otsu Country Club West Course

(2) Summer Vacation Accordia Kids Competition in August 2017

- Northern Country Club Nishikigahara Golf Course





Special Events







DEKA CUP “でかカップゴルフ”

- New Experience “DEKA CUP”
  - A 15 inch diameter (380mm) hole to allow easy play
  - More enjoyable experience, especially for beginners and ladies
  - To launch in other golf courses in phases

Note: “DEKA” means “big” in Japanese




Daitsugi Sakura Golf Course: Night Golf + BBQ

- Additional Activities
  - Organise fun activities for players, e.g. Golf session and BBQ (July and August)

Charity Campaign

- July 2017: Set up donations boxes at all the golf courses and driving ranges to raise funds to support the flood victims in Kyushu.
- In addition, AG pledged JPY 1 million to the Japanese Red Cross Society as part of AG’s fund raising efforts.

Collaboration with Partners



- Accordia Points can be convertible to/from JAL miles



- Tokyo Toyopet – Car rental



- New Accordia Golf Visa Card



- auWALLET

Outlook


Shinyo Country Club, Nagoya Region

Outlook

Steady Number of Golf Plays in Japan Expected to Continue

- Underpinned by sound demand from senior players.
- Number of play per golfer has been increasing, despite decrease in overall population in Japan.

Golf Remains as a Popular Leisure and Sports

- Golf continues to be a healthy leisure activity for seniors who are now more health conscious.
- Inclusion of golf as an Olympic sport is expected to increase popularity of golf in Japan, including the younger generations.
- Booming inbound tourism to Japan would have a positive impact on golf demand in mid to long term.

Appendix


Tarumae Country Club, Other Region (Hokkaido)

Operating Performance of the Golf Courses

Operating Expenses

JPY million

	1Q FY17/18	1Q FY16/17	YoY change (%)
Operating Expenses	11,372	11,442	-0.6
Golf Course Operating Cost			
Merchandise and Material Expenses	996	978	+1.8
Labour and Outsourcing Expenses	4,314	4,354	-0.9
Golf Course Management Fee	1,585	1,576	+0.6
Golf Course Maintenance and Repair Cost	851	836	+1.8
Depreciation and Amortisation	753	799	-5.8
Utility Expenses	536	504	+6.3
Operating Lease Expenses	506	507	-0.2
SG&A and others			
Selling, General and Administrative Expenses	1,049	1,082	-3.0
Trustee-Manager's Fee	65	61	+6.6
Asset Manager's Fee	25	25	N.M.
Others	692	720	-3.9

Increase in cost of food materials in correspond to increase in restaurant revenue.

The slight decrease was mainly due to decrease in depreciation expenses as a result of impairment loss recorded in the prior year.

Due to increase in oil prices.

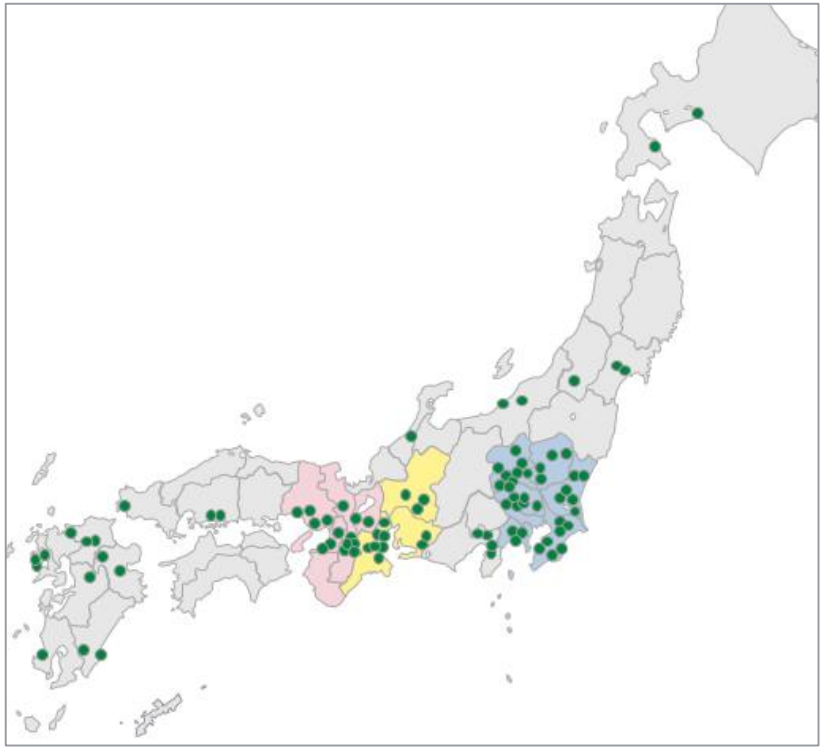
N.M. Not meaningful

Operating Performance of the Golf Courses

1Q Revenue(1) in Areas (J-GAAP basis)

JPY million

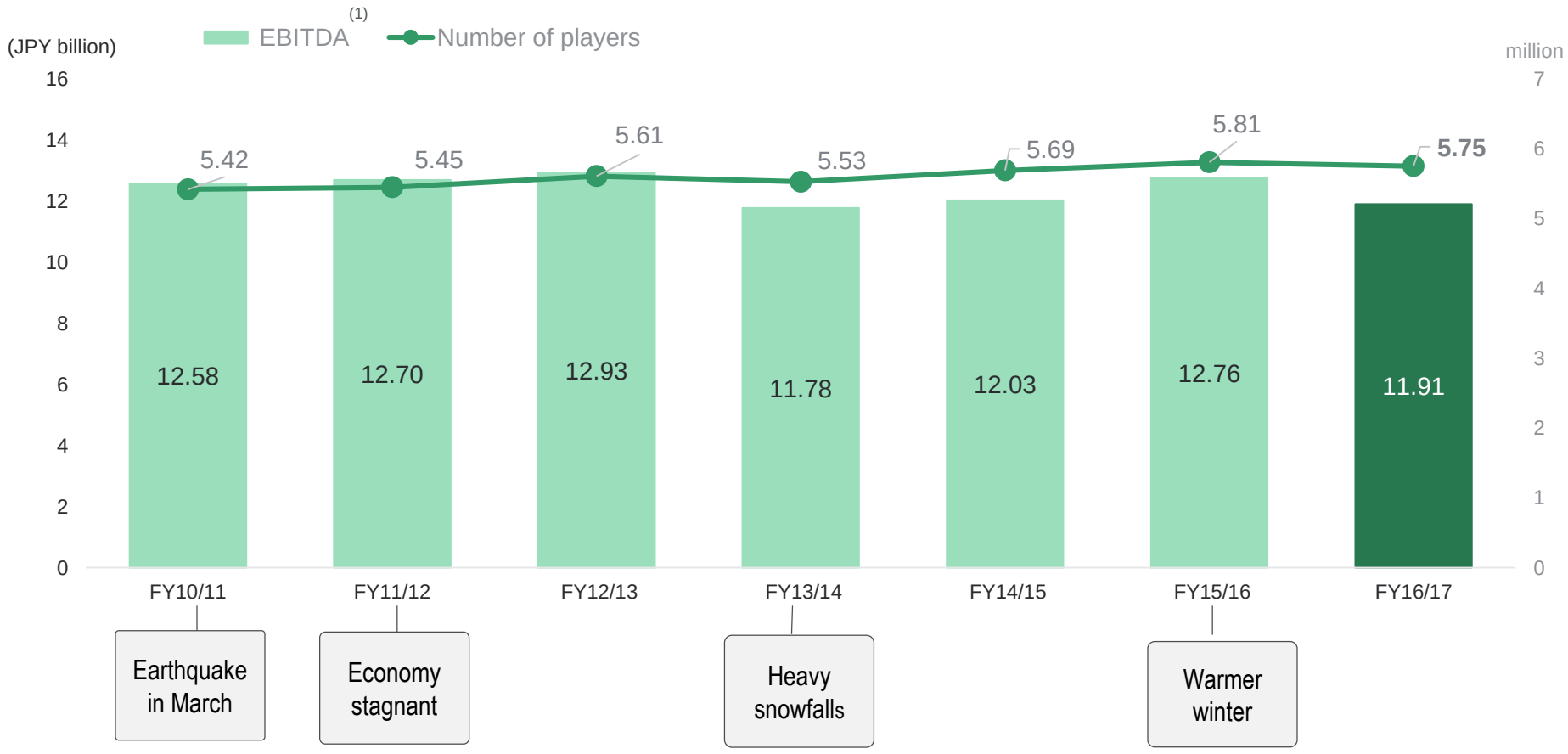
Regions	Number of Courses	Revenue for 1Q		YoY Change (%)
		FY17/18	FY16/17	
Greater Tokyo	35	5,853	5,798	+0.9
Greater Osaka	15	3,145	3,091	+1.7
Greater Nagoya	12	1,805	1,809	-0.2
Other Regions	27	2,836	2,674	+6.1
Total	89	13,639	13,372	+2.0



(1) Revenue is based on J-GAAP figures and includes play fees (green fees and cart fees), caddy fees, restaurant revenue and other revenue from the golf course. It does not include membership fees and Pro-shop business.

Historical Performance

- Actual Number of players for AGT's golf courses remains stable over the years.
- EBITDA[(1)] (based on J-GAAP) reflects the stability of players regardless of unfavourable events.



(1) Earnings before Interest, Taxes, Depreciation and Amortization ("EBITDA"): These figures are on J-GAAP basis and for illustration purposes and have not been audited or verified by third parties.

Key Statistics of Initial Portfolio Golf Courses (FY16/17)

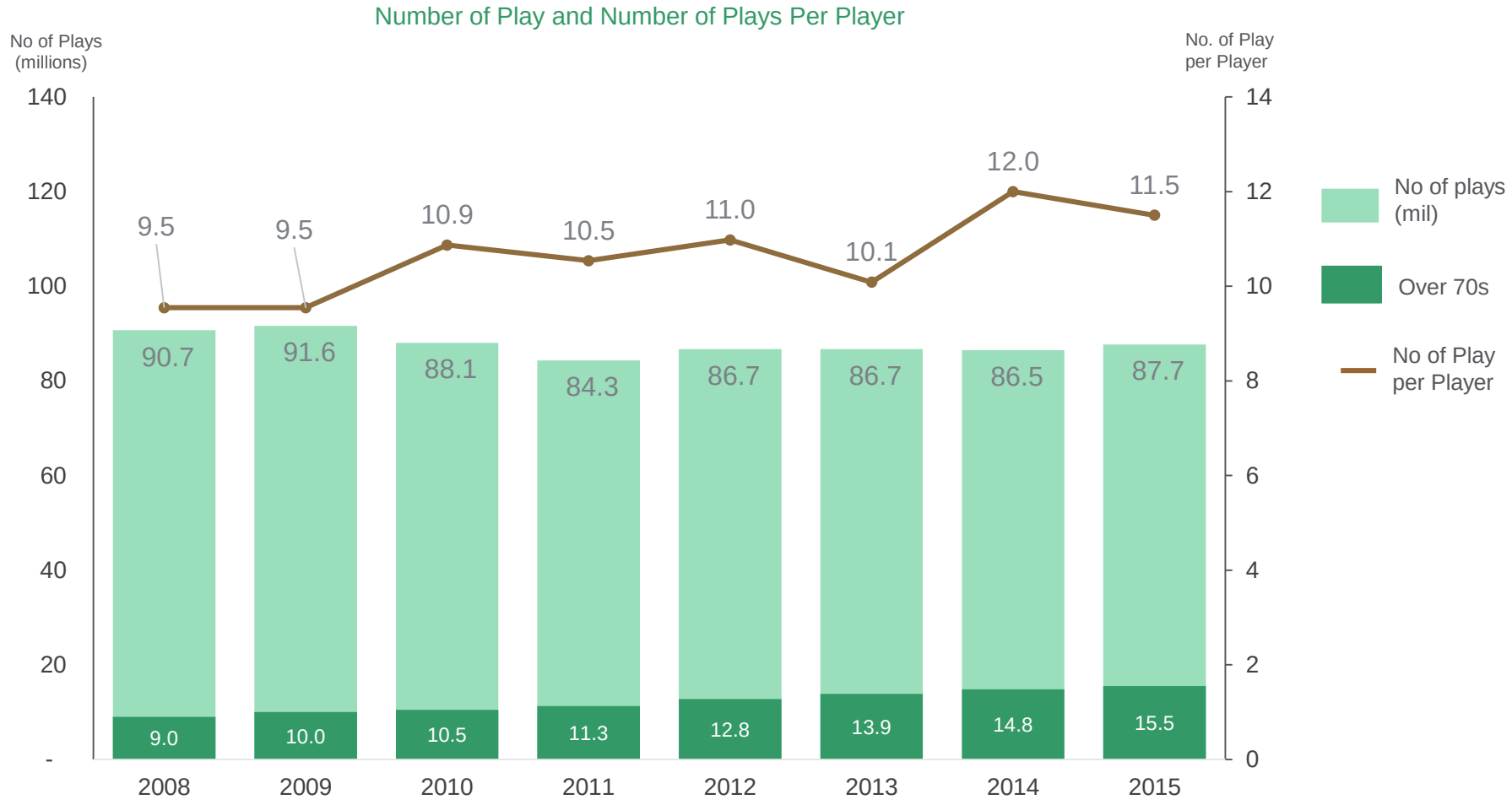
Regions	Number of Courses	%	Appraisal Value as at 31 Dec 2016 (JPY billion)[1]	%	Revenue for FY16/17 (JPY billion)[2]	Utilisation Rates FY16/17 (%)[3]	NOI FY16/17 (JPY billion)[4]	NOI Margin FY16/17* (%)	NOI Yield FY16/17** (%)
Greater Tokyo	35	39.3	73.98	49.0	22.98	78.9	5.74	25.0	7.8
Greater Osaka	15	16.9	37.86	25.1	12.08	87.2	3.01	24.9	8.0
Greater Nagoya	12	13.5	17.88	11.9	6.80	80.9	1.40	20.5	7.8
3 Largest Metropolitan Areas	**62**	**69.7**	**129.72**	**86.0**	**41.86**	**81.4**	**10.15**	**24.2**	**7.8**
Other Regions	27	30.3	21.17	14.0	10.55	67.0	1.76	16.7	8.3
Total	**89**	**100.0**	**150.89**	**100.0**	**52.41**	**77.6**	**11.91**	**22.7**	**7.9**

NOI = Net Operating Income
*NOI Margin = NOI divided by Revenue
**NOI Yield = NOI divided by Appraisal Value

(1) Based on real estate appraisals as at 31 December 2016 conducted by the Independent Real Estate Appraisers.
(2) Gross revenue includes play fees (green fees and cart fees), caddy fees, restaurant revenue, membership fees and other revenue from the golf course.
(3) Utilisation rate = Total no. of players per 18 holes/Total operating days x 200 persons.
(4) NOI calculated by deducting merchandise and material expense, labour cost, other operating expenses from revenue and Golf Course Management Agreement Fees ("GCMA").
Note: Calculation is based on J-GAAP figures

Number of Plays in Japan Remains Stable

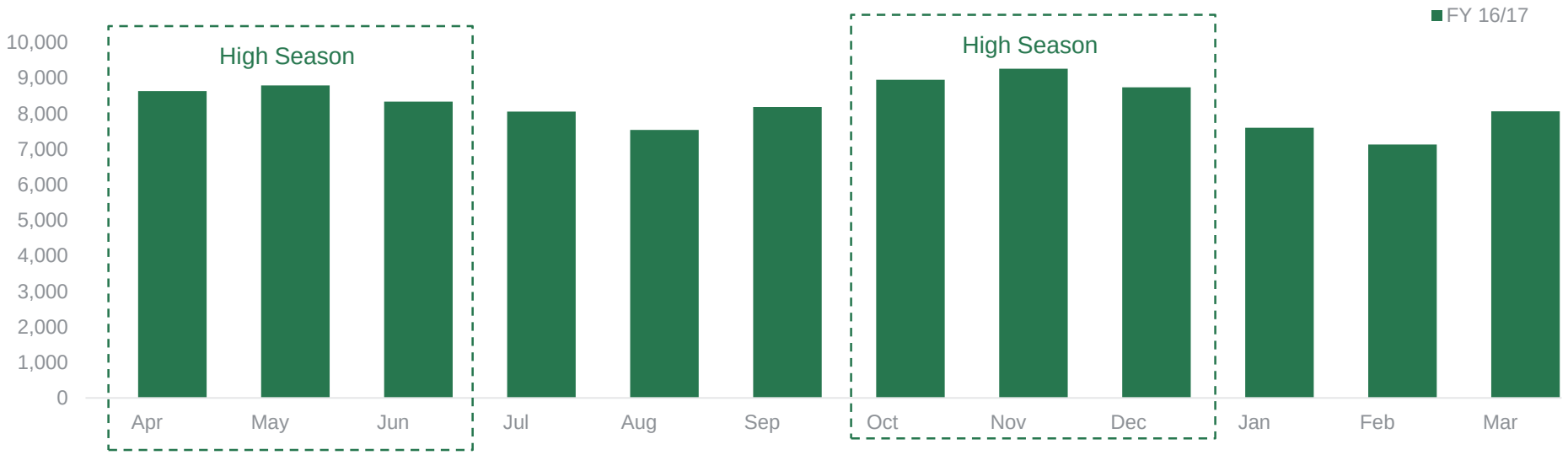
- Number of plays in Japan remains stable as the number of plays per player has been increasing.
- Proportion of senior plays has been increasing.



Source: Japan Productivity Centre
Nihon Golf-jo Keieisha Kyokai, Japan

Seasonality in Operation

Revenue[(1)] per player of AGT's 89 golf courses (J-GAAP)



Monthly Revenue[(1)] per player of AGT's 89 golf courses (J-GAAP)

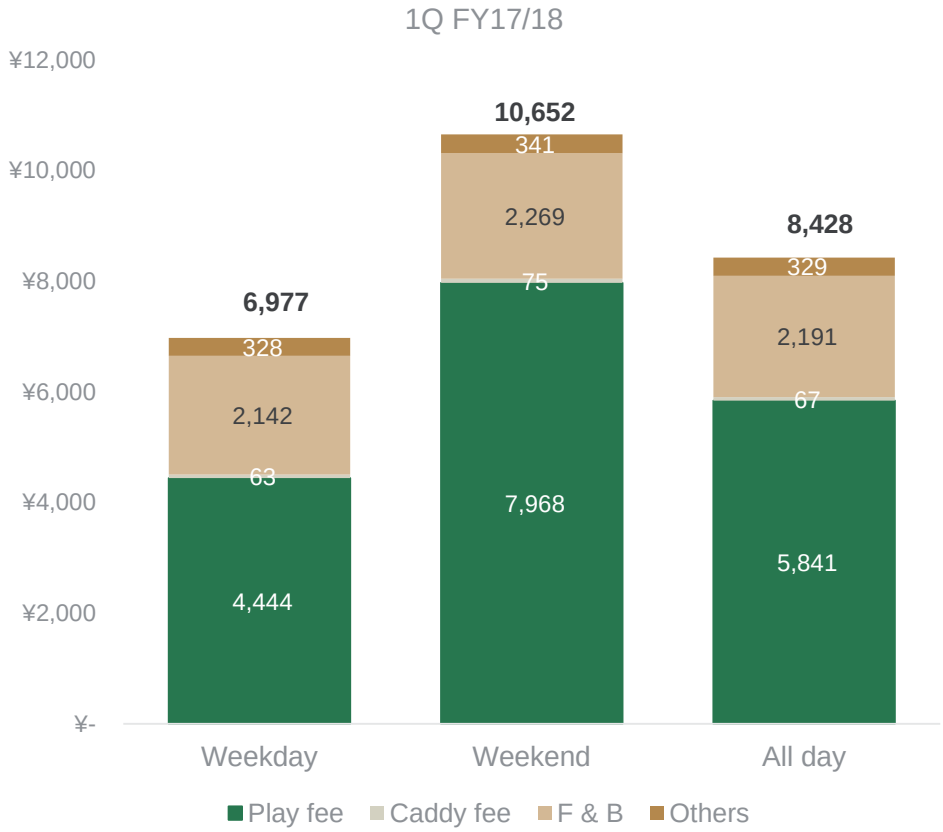
JPY

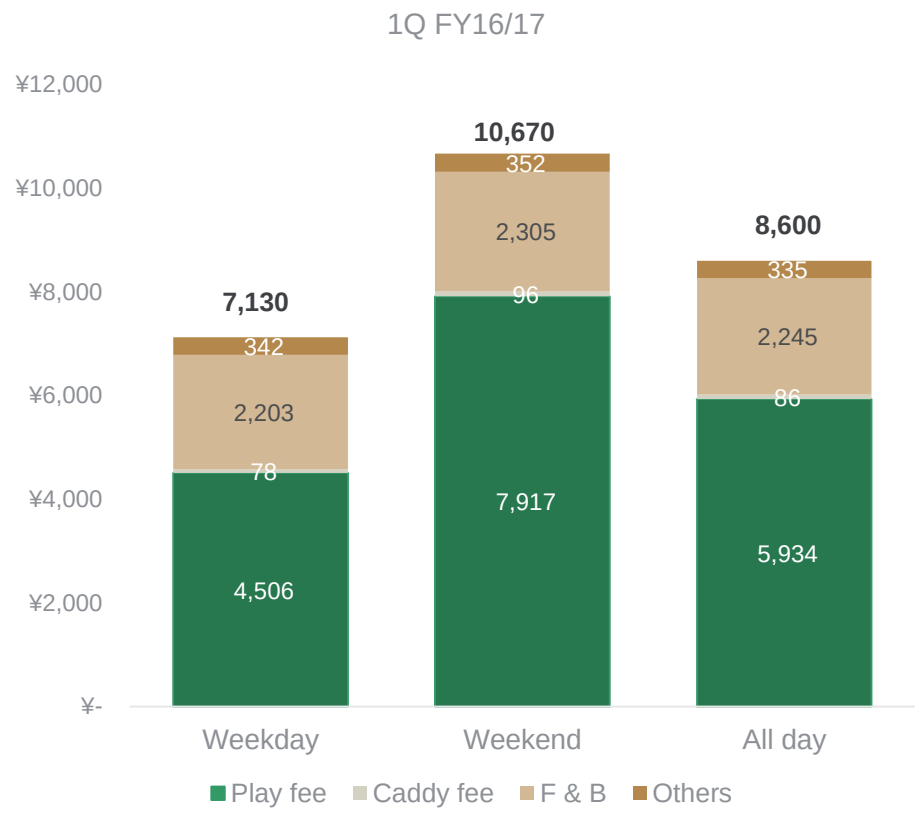
Year	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
FY14/15	8,684	8,861	8,471	8,176	7,944	8,196	8,713	9,573	8,981	7,819	7,431	8,137
FY15/16	8,663	8,925	8,309	8,147	7,894	8,282	8,839	9,427	8,797	7,872	7,237	8,076
FY16/17	8,633	8,797	8,338	8,058	7,540	8,191	8,955	9,267	8,745	7,605	7,133	8,066
FY17/18	8,460	8,590	8,210									

(1) Revenue is based on J-GAAP figures and includes play fees (green fees and cart fees), caddy fees, restaurant revenue and other revenue from the golf course. It does not include membership fees and Pro-shop business.

Revenue per Player

Revenue(1) per Player (J-GAAP-based Revenue)





Note: Revenue per player based on IFRS were lower than J-GAAP base especially for weekday because of “free play” coupon of the rewards programme.
Play fee includes Green fee and cart fee

(1) Revenue does not include revenue from memberships fees and Pro-shop business.

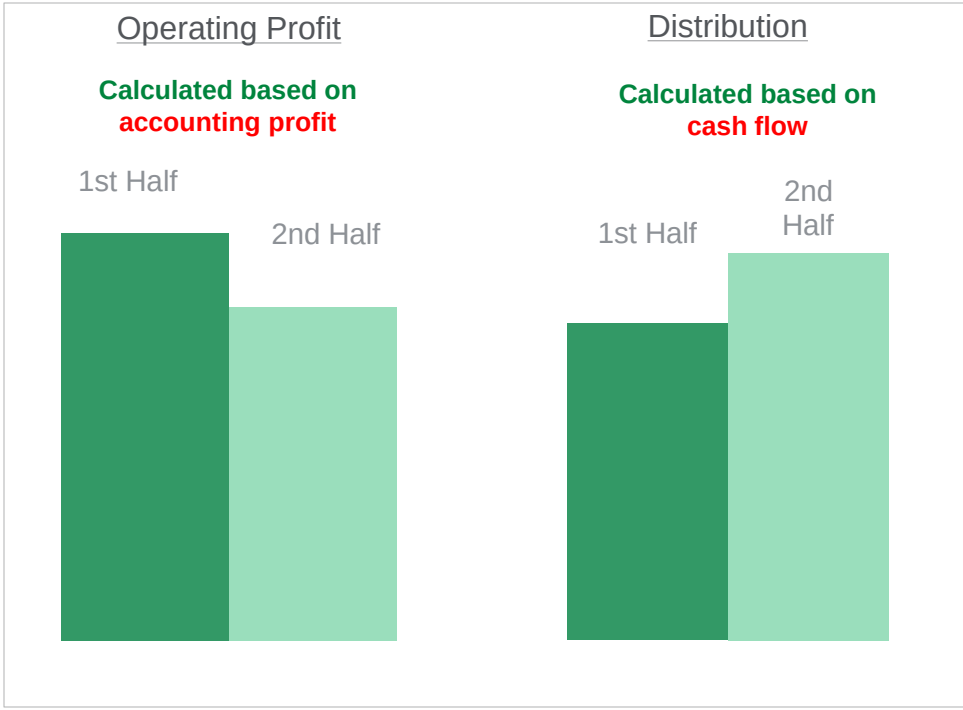
Seasonality in Operation, Accounting Profit and Cash Flows



Golf course business naturally has seasonality

Demand fluctuates according not only to Japanese seasons but also weather conditions,
e.g.

- Rainy season (June to July) : low demand & high cancellation.
- Typhoon (September to October) : high cancellation.
- Snow fall (January to March) : low demand.

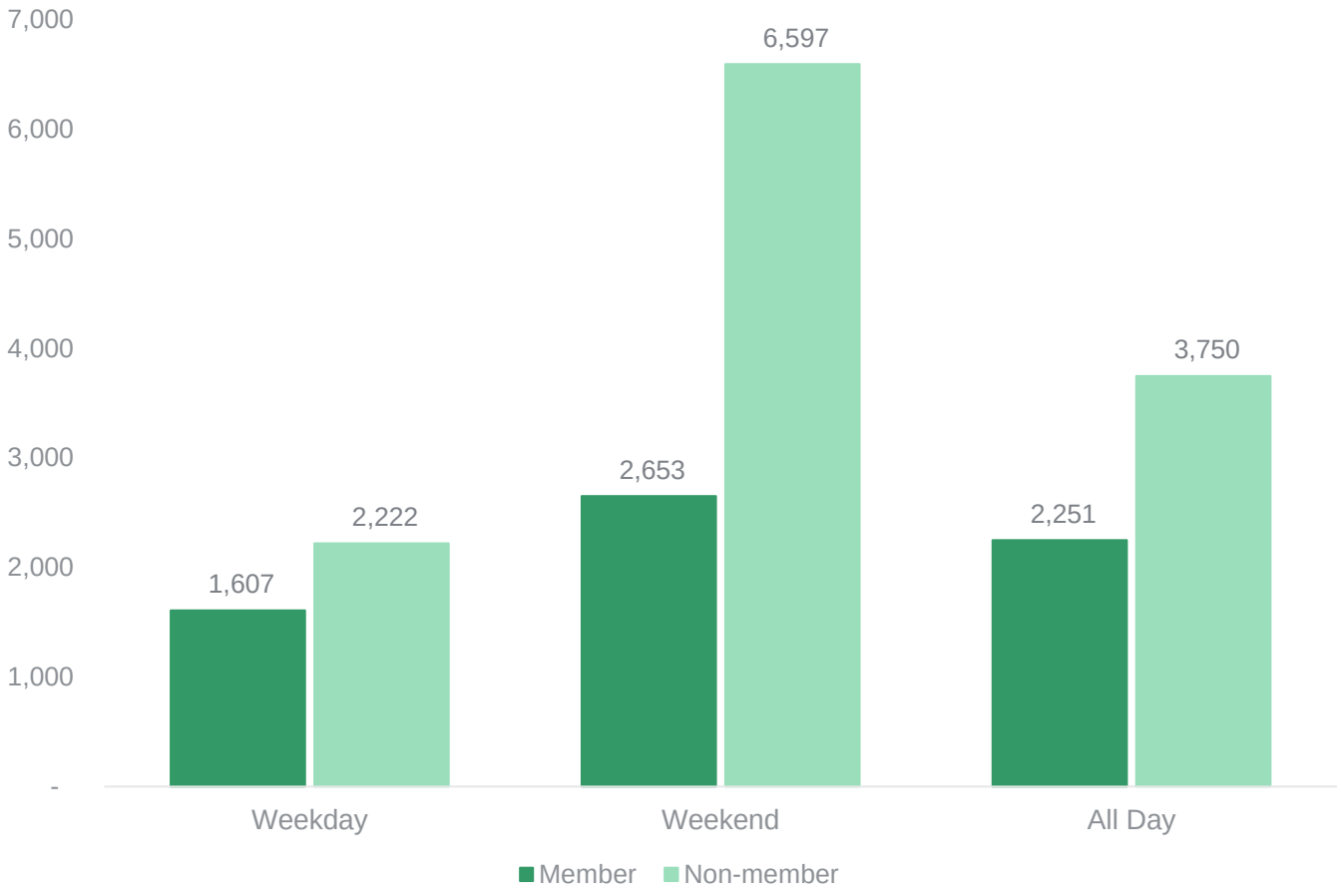


Distribution

- Cash available for distribution could differ from operating profit as the distributable amount is calculated based not only on the operating profit but also actual “cash flow”.
- The major cause for such deviation is the membership fees that are recognized monthly but actually received and become distributable mostly in the fourth quarter.

Green Fee Profile (Member vs Non-member)

Green fee (Member vs Non-member) in 1Q FY17/18

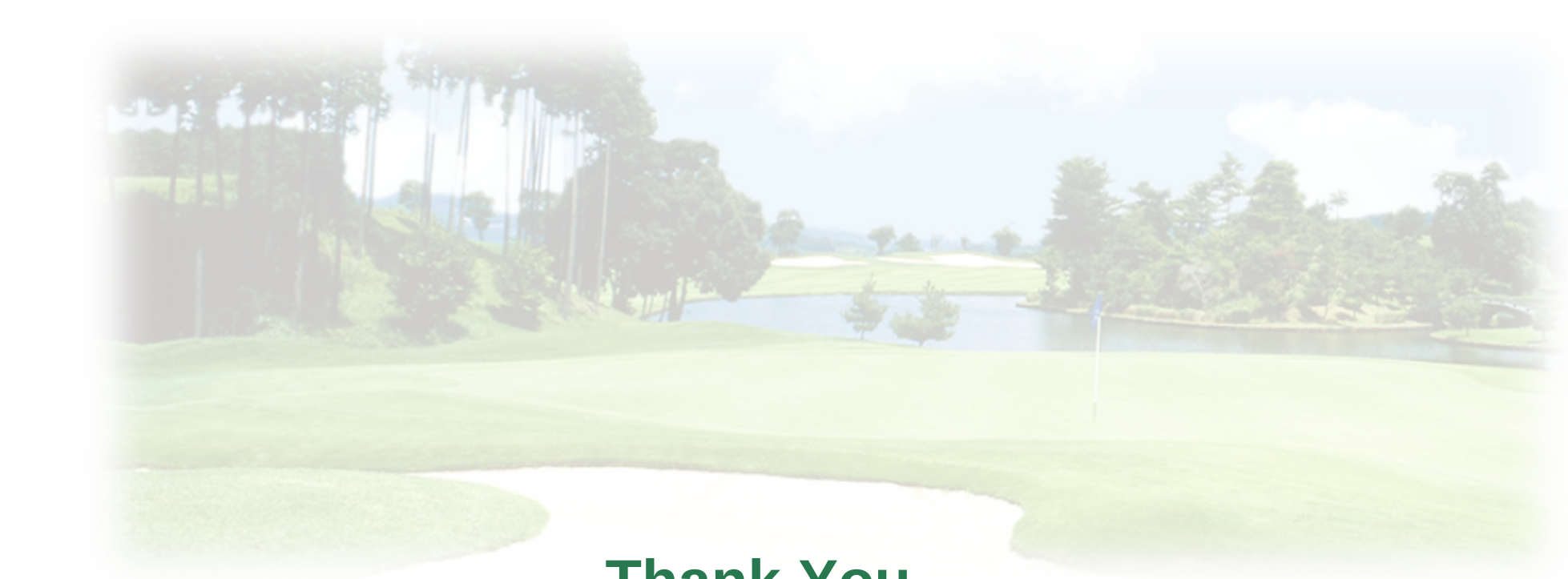


Above fee does not include cart fees, caddy fees, F&B and others and is based on the average of 89 golf courses. Based on J-GAAP figures.

Top Golf Operators/Owners in Japan

No.	Company Name	No. of Golf Courses[1]	Market Share[2]
1	PGM Group	132	5.76%
2	Accordia Golf[3]	131	5.72%
3	Orix Group	39	1.70%
4	Seibu Group	28	1.22%
5	Tokyu Group	26	1.13%
6	Ichikawa Golf Kogyo Group	25	1.09%
7	OGI Group	22	0.96%
8	Cherry Golf Group	20	0.87%
9	Unimat Group	18	0.74%
10	Taiheiyo Club	17	0.74%
11	Chateraise	16	0.70%
12	RESOL Group	14	0.61%
13	GCE Group	13	0.57%
14	Resort Trust	13	0.57%
15	Tokyo Tatemono (J Golf)	12	0.52%
16	JGM Golf Group	10	0.44%
17	Akechi Club & Boso Country Club Group	10	0.44%
18	Shin Nihon Kanko Co. Ltd	9	0.39%
19	Dailysha Group	9	0.39%

(1) Source: Golf Management June 2017
(2) Based on the total number of golf courses in Japan in 2016 (2,290) from Golf Around the World 2017
(3) Combined AGT and Accordia Golf



Thank You

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