



Opened “XIV Rokko Sanctuary Villa ”
(On April 22, 2018)

Financial results Presentation For the 3-month Period Ended June 30, 2018

Resorttrust, Inc. (Securities code 4681)

Business Results Summary

- **Overview of 1Q FY2018** **P. 3-4**
- **Target of 1Q FY2018** **P. 5-6**
- **Results Details for 1Q FY2018** **P. 7-14**

Financial Highlights 1Q FY2018

(Apr. to Jun.)



(Million yen)

| | 2018/6 (results) | 2018/6 (targets) | Difference | 2017/6 (results) | YoY Change |
|-------------------------|---------------------|---------------------|------------|---------------------|---------------|
| Net Sales | 39,897 | 40,800 | (2.2%) | 33,808 | +18.0% |
| Operating Income | 2,143 | 2,000 | +7.2% | 1,616 | +32.6% |
| Ordinary Income | 2,394 | 2,100 | +14.0% | 2,097 | +14.2% |
| Net Income | 1,380 | 1,100 | +25.5% | 1,148 | +20.2% |

<Difference>

- Net sales were slightly lower than the target owing mainly to a shortfall in hotel operations. However, operating income, ordinary income, and net income were higher than the targets mainly due to steady sales of hotel memberships and lower selling expenses than the target.

<YoY Change>

- Sales and income increased owing to such factors as recording of higher revenue from properties in line with the opening of “XIV Rokko Sanctuary Villa,” higher revenue from hotel operations, and expansion of the medical business.

Segment Sales and Operation Income 1Q FY2018

(Apr. to Jun.)

<Sales>

(Million yen)

| | Membership | Hotel and Restaurant | Medical | Other | | Total |
|-------------------------|---------------|----------------------|--------------|------------|--|---------------|
| 2018/6 (results) | 12,431 | 19,271 | 8,025 | 169 | | 39,897 |
| 2018/6 (targets) | 12,360 | 20,070 | 8,200 | 170 | | 40,800 |
| Difference | +0.6% | (4.0%) | (2.1%) | (0.5%) | | (2.2%) |
| 2017/6 (results)* | 7,167 | 19,129 | 7,328 | 183 | | 33,808 |
| YoY Change | +73.5% | +0.7% | +9.5% | (8.0%) | | +18.0% |

<Operating Income>

(Million yen)

| | Membership | Hotel and Restaurant | Medical | Other | Overhead expenses | Total |
|-------------------------|--------------|----------------------|--------------|-----------|-------------------|--------------|
| 2018/6 (results) | 2,942 | 305 | 1,068 | 61 | (2,234) | 2,143 |
| 2018/6 (targets) | 2,770 | 390 | 1,090 | 60 | (2,310) | 2,000 |
| Difference | +6.2% | (21.7%) | (2.0%) | +2.7% | +75 | +7.2% |
| 2017/6 (results)* | 1,748 | 573 | 1,094 | 49 | (1,849) | 1,616 |
| YoY Change | +68.3% | (46.7%) | (2.3%) | +24.0% | (385) | +32.6% |

* Results for June 2017 in the previous year were amended retrospectively due to a change of scope in business segments. For details, please refer to p. 23.

"Difference" and "YoY Change" are the difference in the amount.

Business Forecast for FY2018

Consolidated Targets

(Million yen)

| | FY2017 results | FY2018 targets | Change |
|-------------------------------|-------------------|-------------------|---------------|
| Net sales | 165,413 | 183,600 | +18,186 |
| Operating income | 17,742 | 19,000 | +1,257 |
| Ordinary income | 19,422 | 19,500 | +77 |
| Net income | 11,830 | 12,400 | +569 |
| Net income per share (yen) | 110.82 | 116.02 | |
| Annual Cash dividend (yen) | 46.00 | 46.00 | |
| | | | (Billion yen) |
| Contract Values of Membership | 59.4 | 57.0 | (2.4) |

<Operating Income by Segment (before allocation)>

(Million yen)

| | | FY2017 results* | FY2018 targets | Change |
|-------------------------|------------------|--------------------|-------------------|---------|
| Membership | Sales | 54,114 | 61,240 | +7,125 |
| | Operating income | 16,179 | 16,890 | +710 |
| Hotel and Restaurant | Sales | 79,601 | 84,970 | +5,368 |
| | Operating income | 3,731 | 4,170 | +438 |
| Medical | Sales | 30,990 | 36,710 | +5,719 |
| | Operating income | 5,276 | 5,980 | +703 |
| Other | Sales | 707 | 680 | (27) |
| | Operating income | 554 | 570 | +15 |
| head office costs | Operating income | (7,999) | (8,610) | (610) |
| Total | Sales | 165,413 | 183,600 | +18,186 |
| | Operating income | 17,742 | 19,000 | +1,257 |

<Net Sales>

- Decrease in deferred Sales (sales of properties before completion of construction)
 - < In the previous FY : Laguna · Rokko · Yokohama
In this FY : Yokohama(only) >
- Difference in deferred realization
 - < In the previous FY : Ashiya In this FY : Rokko /Laguna >
- Decrease in contract values of hotel membership
(There is no starting sales of new facility membership)
- A full-year contribution from operation of Ashiya Baycourt Club(Feb, 2018) & XIV Rokko SV(Apr, 2018)
- Increase in Existing Hotel operation etc.
- Increase in Income from annual fees and amortization of deposits
(Hotel / HIMEDIC)
- Expansion of Medical Service corporation Business & Aging Care Business
- Expansion of Senior lifestyle business (Increased facilities)
- Revenue on BNCT equipment (Deviation from the previous FY)

<Operating Income>

- Increase in cost due to increased real estate sales and
Difference in cost of sales ratio in new facility
- Decrease in contract values of hotel membership
(There is no starting sales of new facility membership)
- Increase in Income from annual fees and amortization of deposits (Hotel / HIMEDIC)
- Increase in Hotel operation including new opening hotels
- Expansion of Medical Service corporation Business & Aging Care Business
- Expansion of Senior lifestyle business (Increased facilities)
- Increase in overhead expenses (Depreciation about System cost etc.)

* Results for FY2017 were amended retrospectively due to a change of scope in business segments. For details, please refer to p. 23.

Topics for Fiscal Year 2018

- (1) Change of Representative Directors.
Set up “Hotels & Resorts Division” and “Hotels & Tourism Division” to split Hotel & Restaurant Division.
(April 1, 2018)**
- (2) Regarding the Formulation of Resorttrust Group Medium-term Management Plan “Connect 50”.
(April 2, 2018)**
- (3) Opening of “XIV Rokko Sanctuary Villa” Membership Resort Hotel. (April 22, 2018)**
- (4) Held of the Resorttrust Ladies golf championship was held at Kansai Golf Club.
(from May 25 to May 27, 2018)**
- (5) Announcement of Decision on Opening a Private Nursing Home“Trust Garden Ogikubo (tentative name)”
(June 19, 2018) * Scheduled to open on August, 2019**
- (6) The Dunlop Srixon Fukushima Open was held at Grandee Nasu Shirakawa Golf Club’s course for consecutive years.
(from June 21 to June 24, 2018)**
- (7) Started to operate “Life Assist Bashamichi (Yokohama City)” Private Nursing Home. (July 1, 2018)**
- (8) Conclusion of a Joint Research Agreement on “Visualization and Improvement of Restaurant Logistics by Introducing Behavioral Science Analysis with the National Institute of Advanced Industrial Science and Technology (AIST), National University Corporation Kobe University, and Ritsumeikan University.
(July 18,2018)**
- (9) Scheduled to be opened Serviced residence for the Elderly "Trust Grace Shirakabe (Tentative Name)”
(March 1,2019)**
- (10) “Laguna Baycourt Club” Exclusive Membership Resort is scheduled to be opened. (March, 2019)**

Contract Values of Membership 1Q FY2018



(Apr. to Jun.)

(Billion yen)

| | 2018/6 results | 2018/6 targets | Difference | 2017/6 results | YoY Change | 2018/6 Progress rate of contract (cumulative) | 2019/3 targets |
|-------------------------------|-------------------|-------------------|------------|-------------------|---------------|--|-------------------|
| Yokohama Baycourt Club* | 3.1 | 3.4 | (0.3) | - | +3.1 | 16.6% | 14.1 |
| Laguna Baycourt Club | 4.8 | 3.3 | +1.5 | 6.0 | (1.1) | 62.1% | 11.5 |
| XIV Rokko SV | 0.4 | 0.6 | (0.2) | 0.6 | (0.2) | 42.3% | 2.5 |
| Ashiya Baycourt Club | 1.8 | 2.0 | (0.1) | 2.5 | (0.6) | 70.0% | 8.2 |
| XIV Yugawara Rikyu | 0.5 | 1.3 | (0.9) | 2.2 | (1.7) | 70.7% | 5.5 |
| Other Hotels | 2.8 | 2.6 | +0.2 | 1.9 | +0.9 | - | 9.9 |
| Hotel Membership Total | 13.4 | 13.2 | +0.2 | 13.1 | +0.3 | - | 51.7 |
| Golf | 0.1 | 0.1 | +0.0 | 0.1 | (0.0) | - | 0.2 |
| HIMEDIC | 1.0 | 1.2 | (0.3) | 1.1 | (0.1) | - | 5.1 |
| Total | 14.4 | 14.5 | (0.0) | 14.3 | +0.1 | - | 57.0 |

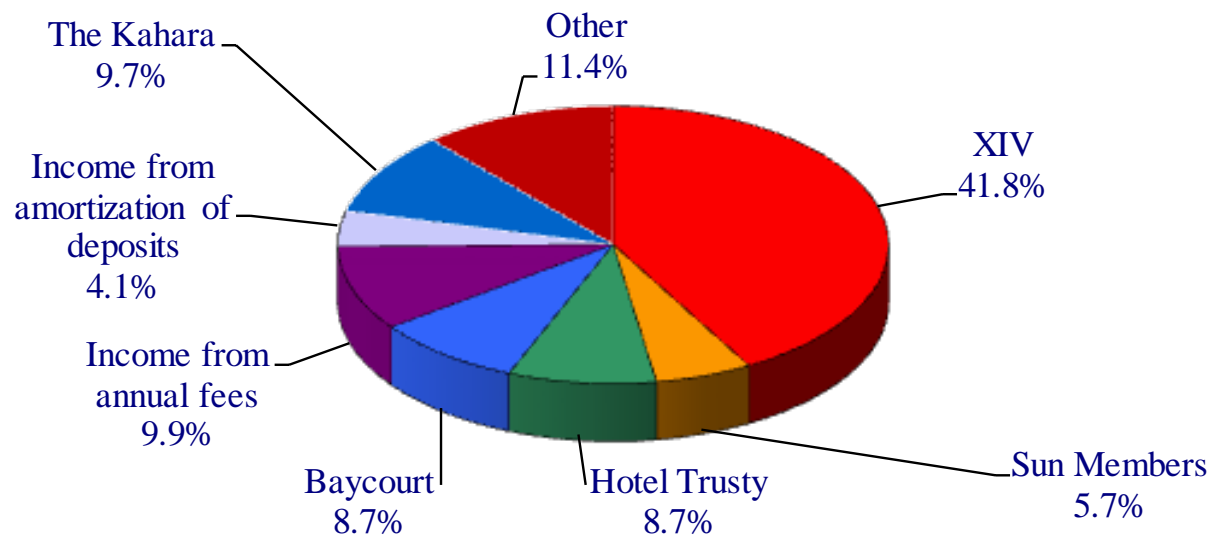
Sales of Membership Segment 1Q FY2018

(Apr. to Jun.)

(Billion yen)

| | | 2018/6 results | 2018/6 targets | Difference | 2017/6 results | YoY Change | 2019/3 targets |
|------------------------------------|------------------------|-------------------|-------------------|--------------|-------------------|---------------|-------------------|
| Yokohama Baycourt Club | | 2.8 | 3.1 | (0.2) | - | +2.8 | 12.6 |
| Laguna Baycourt Club | | 4.4 | 3.0 | +1.4 | 5.4 | (1.0) | 10.3 |
| XIV Rokko SV | | 0.3 | 0.5 | (0.2) | 0.5 | (0.1) | 2.2 |
| Ashiya Baycourt Club | | 1.6 | 1.8 | (0.1) | 2.2 | (0.6) | 7.4 |
| XIV Yugawara Rikyu | | 0.4 | 1.2 | (0.7) | 1.9 | (1.5) | 4.8 |
| Other Hotels | | 2.0 | 1.6 | +0.5 | 1.5 | +0.5 | 6.0 |
| Hotel Membership Total | | 11.7 | 11.1 | +0.6 | 11.7 | +0.0 | 43.3 |
| Deferred Sales | Yokohama Baycourt Club | (1.5) | (1.6) | +0.1 | - | (1.5) | (6.7) |
| | Laguna Baycourt Club | (2.4) | (1.7) | (0.8) | (3.0) | +0.6 | 20.6 |
| | XIV Rokko SV | 4.7 | 4.7 | (0.0) | (0.2) | +4.9 | 4.7 |
| | Ashiya Baycourt Club | - | - | - | (1.3) | +1.3 | - |
| All Hotels | | 12.4 | 12.5 | (0.1) | 7.1 | +5.2 | 61.8 |
| Other | | 0.1 | (0.1) | +0.2 | 0.0 | +0.0 | (0.6) |
| Membership Operations Total | | 12.4 | 12.4 | +0.1 | 7.2 | +5.3 | 61.2 |

Sales of Hotel and Restaurant Segment 1Q FY2018 (Apr. to Jun.)



(Million yen)

| | 2018/6 results | 2018/6 targets | 2017/6 results | 2019/3 targets |
|--------------------------------------|-------------------|-------------------|-------------------|-------------------|
| XIV | 8,056 | 8,609 | 8,397 | 37,659 |
| Sun Members | 1,094 | 1,104 | 1,068 | 4,901 |
| Hotel Trusty | 1,672 | 1,714 | 1,686 | 6,917 |
| Baycourt | 1,677 | 1,928 | 1,066 | 8,337 |
| Income from annual fees | 1,910 | 1,880 | 1,787 | 7,632 |
| Income from amortization of deposits | 796 | 809 | 741 | 3,236 |
| The Kahara | 1,867 | 1,859 | 1,975 | 7,983 |
| Other | 2,197 | 2,164 | 2,406 | 8,302 |
| Total | 19,271 | 20,070 | 19,129 | 84,970 |

Operations by category

Number of overnight visitors

(Thousands)

| | 2018/6 results | 2018/6 targets | 2017/6 results | 2019/3 targets |
|--------------|---------------------------|-------------------|-------------------|-------------------|
| XIV | 393 | 419 | 406 | 1,943 |
| Sun Members | 100 | 102 | 99 | 439 |
| Hotel Trusty | 171 | 173 | 173 | 697 |
| Baycourt | 48 | 62 | 32 | 272 |

<Reference>

(Thousands)

| 2017/3 results | 2018/3 results |
|-------------------|-------------------|
| 1,812 | 1,864 |
| 444 | 431 |
| 662 | 696 |
| 143 | 145 |

Occupancy rates

(%)

| | 2018/6 results | 2018/6 targets | 2017/6 results | 2019/3 targets |
|--------------|---------------------------|-------------------|-------------------|-------------------|
| XIV | 44.1 | 47.0 | 45.7 | 52.7 |
| Sun Members | 56.9 | 58.8 | 57.7 | 61.8 |
| Hotel Trusty | 90.3 | 91.7 | 92.1 | 91.8 |
| Baycourt | 43.5 | 56.0 | 54.7 | 59.6 |

(%)

| 2017/3 results | 2018/3 results |
|-------------------|-------------------|
| 52.6 | 50.8 |
| 62.7 | 60.4 |
| 91.2 | 91.7 |
| 57.1 | 54.6 |

Spending per visitor

(yen)

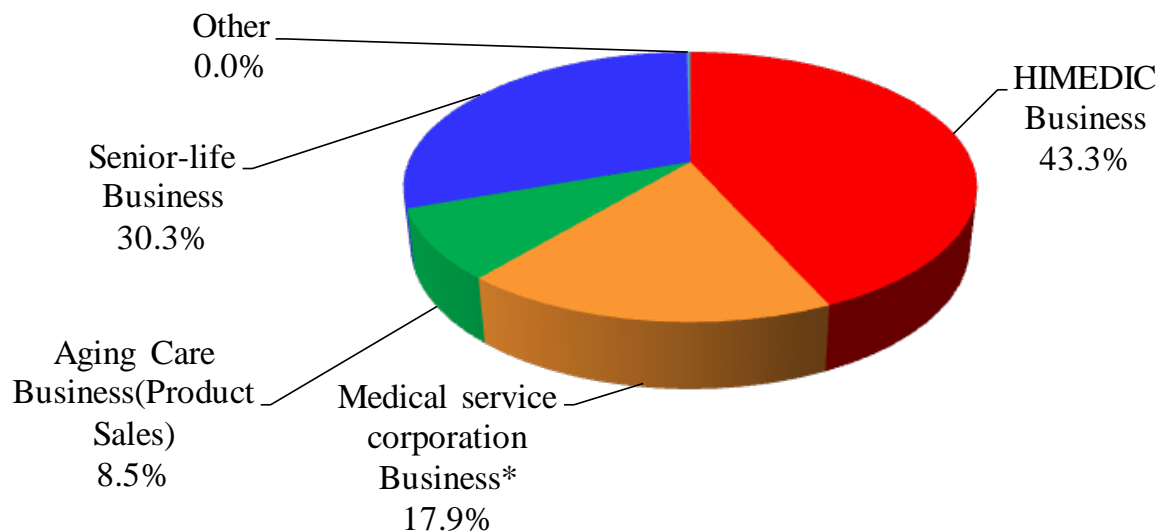
| | 2018/6 results | 2018/6 targets | 2017/6 results | 2019/3 targets |
|--------------|---------------------------|-------------------|-------------------|-------------------|
| XIV | 20,463 | 20,538 | 20,673 | 19,381 |
| Sun Members | 10,871 | 10,815 | 10,746 | 11,159 |
| Hotel Trusty | 9,776 | 9,866 | 9,718 | 9,912 |
| Baycourt | 34,776 | 30,837 | 32,645 | 30,570 |

(yen)

| 2017/3 results | 2018/3 results |
|-------------------|-------------------|
| 18,573 | 19,340 |
| 10,589 | 11,139 |
| 9,754 | 9,752 |
| 30,898 | 32,940 |

Sales of Medical Segment 1Q FY2018

(Apr. to Jun.)



(Millions yen)

| | 2018/6 results | 2018/6 targets | 2017/6 results | 2019/3 targets |
|---------------------------------------|----------------|----------------|----------------|----------------|
| HIMEDIC Business | 3,490 | 3,696 | 3,213 | 15,078 |
| Medical service corporation Business* | 1,439 | 1,309 | 1,239 | 5,492 |
| Aging Care Business(Product Sales) | 680 | 713 | 658 | 3,114 |
| Senior-life Business | 2,435 | 2,485 | 2,222 | 11,672 |
| Other | (19) | (5) | (5) | 1,351 |
| Total | 8,025 | 8,200 | 7,328 | 36,710 |

Operation support for general medical service business, etc.

< Senior residences and private nursing homes >

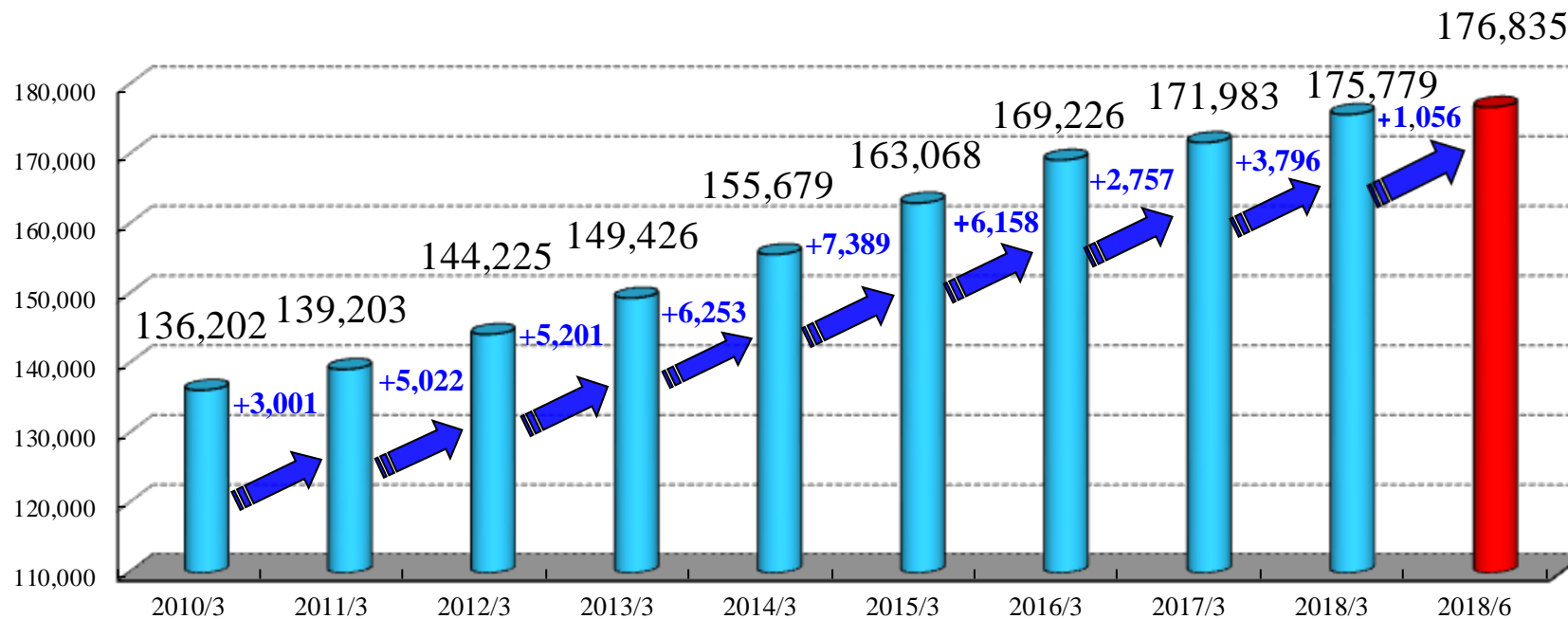
| | 2018/6 results | 2018/6 targets | 2017/6 results | 2019/3 targets |
|--------------------|----------------|----------------|----------------|----------------|
| Occupancy rates(%) | 86.8 | 88.5 | 85.7 | 89.7 |
| number of rooms | 1,513 | 1,515 | 1,459 | 1,661 |

*Life Assist Bashamichi : Start to operate on July, 2018

*Trust Grace Shirakabe(Tentative) : Scheduled to be opened on March, 2019

Number of Members

(Members)



(Members)

| | Baycourt | XIV | Sun Members | Golf | Medical | Cruiser | Total |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|------------|----------------|
| 2018/3 | 15,793 | 77,220 | 33,572 | 30,671 | 18,124 | 399 | 175,779 |
| 2018/6 | 16,470 | 77,541 | 33,378 | 30,581 | 18,471 | 394 | 176,835 |
| Change April - June 2018 | +677 | +321 | (194) | (90) | +347 | (5) | +1,056 |
| Change April - June 2017 | +745 | +337 | (224) | (51) | +382 | (1) | +1,188 |

*For cases in which members are in possession of multiple memberships, each of the memberships is counted as one member

Consolidated Balance Sheets

| (Million yen) | | | | | | | |
|---|----------------|----------------|-----------------|---|----------------|----------------|-----------------|
| | 2018/3 | 2018/6 | Change | | 2018/3 | 2018/6 | Change |
| Total current assets | 146,094 | 136,021 | (10,072) | Total current liabilities | 106,153 | 92,971 | (13,182) |
| Cash and deposits | 29,366 | 21,579 | (7,787) | Notes and accounts payable-trade | 1,355 | 1,403 | +48 |
| Notes and accounts receivable-trade | 7,689 | 7,376 | (312) | Short-term loans payable | 28,078 | 25,531 | (2,546) |
| Operating loans | 44,041 | 44,708 | +667 | Current portion of bonds | 2,750 | 250 | (2,500) |
| Short-term investment securities | 6,404 | 2,503 | (3,901) | Accounts payable-other and accrued expenses | 28,959 | 18,147 | (10,811) |
| Merchandise, raw materials and supplies | 2,346 | 2,374 | +27 | Advance received | 28,564 | 26,917 | (1,646) |
| Real estate for sale | 22,776 | 27,825 | +5,048 | Other | 16,445 | 20,719 | +4,274 |
| Real estate for sale in process | 28,116 | 23,121 | (4,994) | Total noncurrent liabilities | 190,096 | 187,112 | (2,984) |
| Other | 5,352 | 6,532 | +1,179 | Bonds payable and long-term loans payable | 32,769 | 32,952 | +182 |
| Total noncurrent assets | 275,345 | 265,879 | (9,466) | Long-term guarantee deposited | 101,541 | 97,939 | (3,602) |
| Property, plant and equipment, net | 170,600 | 173,646 | +3,046 | Bonds with subscription rights to shares | 29,855 | 29,845 | (10) |
| Intangible assets | 11,001 | 10,803 | (197) | Other | 25,930 | 26,375 | +445 |
| Investments and other assets | 93,744 | 81,428 | (12,315) | Total liabilities | 296,250 | 280,083 | (16,166) |
| | | | | Net Assets | 125,190 | 121,817 | (3,372) |
| | | | | Shareholders' equity | 120,553 | 119,441 | (1,111) |
| | | | | Treasury shares | (2,212) | (2,108) | +104 |
| | | | | Accumulated Other Comprehensive Income | 2,421 | 195 | (2,226) |
| | | | | Subscription rights to shares | 229 | 245 | +15 |
| | | | | Non-controlling interests | 4,198 | 4,043 | (154) |
| Total assets | 421,440 | 401,900 | (19,539) | Total liabilities and net assets | 421,440 | 401,900 | (19,539) |

Consolidated Cash Flows 1Q FY2018

(Apr. to Jun.)

(Million yen)

| | 2017/6 | 2018/6 |
|---|----------|-----------------|
| Cash flows from operating activities | (4,304) | (8,347) |
| Cash flows from investing activities | (4,606) | 3,614 |
| Cash flows from financing activities | (1,150) | (5,946) |
| Effect of exchange rate changes on cash and cash equivalents | 20 | (7) |
| Net increase (decrease) in cash and cash equivalents | (10,041) | (10,687) |
| Increase (decrease) in cash and cash equivalents resulting from changes of scope of consolidation | 66 | - |
| Cash and cash equivalents at end of period | 30,390 | 21,781 |

<Reference>

- **Plans for First Half Fiscal Year 2018** **P. 16**
- **Effects of Deferred Revenue** **P. 17-18**
- **Others**

Business Forecast for six months of FY2018

Consolidated Targets

(Million yen)

| | 1H FY2017 results | 1H FY2018 targets | Change |
|------------------|----------------------|----------------------|---------|
| Net sales | 70,110 | 81,900 | +11,789 |
| Operating income | 5,452 | 6,300 | +847 |
| Ordinary income | 6,400 | 6,700 | +299 |
| Net income | 3,787 | 4,000 | +212 |

| | | | |
|--------------------------|-------|-------|--|
| Net income per share (¥) | 35.50 | 37.47 | |
| Annual Cash dividend (¥) | 23.00 | 23.00 | |

(Billion yen)

| | | | |
|-------------------------------|------|------|------|
| Contract Values of Membership | 28.1 | 28.5 | +0.4 |
|-------------------------------|------|------|------|

<Operating Income by Segment (before allocation)>

(Million yen)

| | | 1H FY2017 results* | 1H FY2018 targets | Change |
|-------------------------|------------------|-----------------------|----------------------|---------|
| Membership | Sales | 13,825 | 19,860 | +6,034 |
| | Operating income | 3,339 | 4,560 | +1,220 |
| Hotel and Restaurant | Sales | 40,634 | 43,090 | +2,455 |
| | Operating income | 3,016 | 3,020 | +3 |
| Medical | Sales | 15,282 | 18,610 | +3,327 |
| | Operating income | 2,611 | 2,850 | +238 |
| Other | Sales | 367 | 340 | (27) |
| | Operating income | 216 | 230 | +13 |
| head office costs | Operating income | (3,731) | (4,360) | (628) |
| Total | Sales | 70,110 | 81,900 | +11,789 |
| | Operating income | 5,452 | 6,300 | +847 |

<Net Sales>

- Decrease in deferred Sales (sales of properties before completion of construction)
 - < In the previous 1H: Ashiya · Laguna · Rokko
 - In this 1H: Laguna · Yokohama >
- Difference in deferred realization < In this 1H: Rokko >
- A full-year contribution from operation of Ashiya Baycourt Club(Feb, 2018) & XIV Rokko SV(Apr, 2018)
- Increase in Existing Hotel operation etc.
- Increase in Income from annual fees and amortization of deposits (Hotel / HIMEDIC)
- Expansion of Medical Service corporation Business & Aging Care Business
- Expansion of Senior lifestyle business (Increased facilities)
- Revenue on BNCT equipment (Deviation from the previous FY)

<Operating Income>

- Difference in deferred realization < In this 1H: Rokko >
- Increase in Income from annual fees and amortization of deposits (Hotel / HIMEDIC)
- Increase in Hotel operation including new opening hotels
- Increase in Training expenses and Welfare expenses etc.
- Expansion of Medical Service corporation Business & Aging Care Business
- Expansion of Senior lifestyle business (Increased facilities)
- Increase in overhead expenses (Depreciation about System cost etc.)

* Results for 1H FY2017 were amended retrospectively due to a change of scope in business segments.

For details, please refer to p. 23.

<Reference> Effects of Deferred Revenue from properties before hotel opening (FY)

Method of recording sales and income from property before hotel opening p22

Registration fee treated as Sales upon signing.

Sales or Cost of the real estate deferred until the Hotel opens

*Discribed "+" is in realized period. And discribed "-" is in unrealized period.

(Billion yen)

| Fiscal year | | Results for FY2013 (2014/3) | | Results for FY2014 (2015/3) | | Results for FY2015 (2016/3) | | Results for FY2016 (2017/3) | | Results for FY2017 (2018/3) | | Targets for FY2018 (2019/3) | | (For reference) Predictions for FY2019 (2020/3) | |
|---|----------------|----------------------------------|--------------|--|--------------|--|--------------|---|--------------|--|-------------|-------------------------------------|-------------|---|---------------|
| Contract amount of properties before completion of construction | | (XIV Toba Bettei) 6.6 billion | | (XIV Yugawara) 9.2 billion (XIV Toba Bettei) 11.8 billion | | (XIV Rokko SV) 4.5 billion (Ashiya Baycourt) 30.1 billion (XIV Yugawara) 12.3 billion | | (Laguna Baycourt) 20.0 billion (XIV Rokko SV) 3.2 billion (Ashiya Baycourt) 12.5 billion | | (Yokohama Baycourt) 7.2 billion (Laguna Baycourt) 20.8 billion (XIV Rokko SV) 2.5 billion | | (Yokohama Baycourt) 14.1 billion | | | |
| Deferred sales and income from properties | | Sales | Income | Sales | Income | Sales | Income | Sales | Income | Sales | Income | Sales | Income | Sales | Income |
| Yokohama Baycourt | Value deferred | | | | | | | | | (3.5) | (1.2) | (6.7) | (2.2) | (Unspecified) | (Unspecified) |
| | Value realized | | | | | | | | | | | | | | |
| Laguna Baycourt | Value deferred | | | | | | | (10.2) | (3.2) | (10.4) | (3.4) | | | | |
| | Value realized | | | | | | | | | | | +20.6 | +6.6 | | |
| XIV Rokko SV | Value deferred | | | | | (2.1) | (0.4) | (1.4) | (0.3) | (1.1) | (0.2) | | | | |
| | Value realized | | | | | | | | | | | +4.7 | +1.0 | | |
| Ashiya Baycourt | Value deferred | | | | | (15.3) | (5.4) | (6.1) | (2.2) | | | | | | |
| | Value realized | | | | | | | | | +21.2 | * +8.2 | | | | |
| XIV Yugawara Rikyu | Value deferred | | | (4.7) | (1.3) | (5.5) | (1.7) | | | | | | | | |
| | Value realized | | | | | | | +10.2 | * +3.4 | | | | | | |
| XIV Toba Bettei | Value deferred | (3.6) | (1.1) | (6.3) | (1.7) | | | | | | | | | | |
| | Value realized | | | | | +9.8 | * +3.0 | | | | | | | | |
| Value affected(Single Year) | | (3.6) | (1.1) | (11.0) | (3.0) | (13.2) | (4.6) | (7.5) | (2.3) | +6.2 | +3.4 | +18.5 | +5.4 | (Unspecified) | (Unspecified) |

* Realized Value (Results) includes the difference between the preliminary cost and the fixed cost

Membership other than the above may also be on sale.

| Financial highlights of consolidated results | Results for FY2013 (2014/3) | | Results for FY2014 (2015/3) | | Results for FY2015 (2016/3) | | Results for FY2016 (2017/3) | | Results for FY2017 (2018/3) | | Targets for FY2018 (2019/3) | |
|---|--------------------------------|------------------|--------------------------------|------------------|--------------------------------|------------------|--------------------------------|------------------|--------------------------------|------------------|--------------------------------|------------------|
| | Sales | Operating income | Sales | Operating income | Sales | Operating income | Sales | Operating income | Sales | Operating income | Sales | Operating income |
| Disclosed figures (Recorded value) | 116.8 | 15.1 | 120.4 | 16.0 | 142.2 | 18.6 | 143.5 | 13.5 | 165.4 | 17.7 | 183.6 | 19.0 |
| (For reference) Value excluding effects of deferred values | 120.4 | 16.2 | 131.4 | 19.1 | 155.4 | 23.2 | 151.0 | 15.8 | 159.2 | 14.3 | 165.1 | 13.6 |
| (For reference) + Excluding effects of extra costs | 120.4 | 16.2 | 131.4 | 19.1 | 155.4 | 23.8 | 151.0 | 17.0 | 159.2 | 16.2 | 165.1 | 15.5 |

Extra costs for hotel will be added upon opening. Laguna Baycourt & part of XIV Rokko SV:(1.9) billion (Targets for FY2018)
Ashiya Baycourt & part of XIV Rokko SV:(1.9) billion (Results for FY2017)

<Reference> Effects of Deferred Revenue from properties before hotel opening (1Q) (Apr. to Jun.)

Method of recording sales and income from property before completion of construction p.22

Registration fee treated as Sales upon signing.

Sales or Cost of the real estate deferred until the Hotel opens

*Discribed "+" is in realized period. And discribed "()" is in unrealized period.

(Billions yen)

| Fiscal year | | Results for 1Q FY2018 (2018/6) | | Targets for 1Q FY2018 (2018/6) | | Results for 1Q FY2017 (2017/6) | |
|---|----------------|-----------------------------------|--------------|-----------------------------------|--------------|-----------------------------------|--------------|
| Contract amount of properties before completion of construction | | Yokohama | 3.1 billion | Yokohama | 3.4 billion | Laguna | 6.0 billion |
| | | Laguna | 4.8 billion | Laguna | 3.3 billion | XIV Rokko SV | 0.6 billion |
| | | | | | | Ashiya | 2.5 billion |
| Deferred sales and income from properties | | Sales | Income | Sales | Income | Sales | Income |
| Yokohama Baycourt | Value deferred | (1.5) | (0.5) | (1.6) | (0.5) | - | - |
| Laguna Baycourt | | (2.4) | (0.8) | (1.7) | (0.6) | (3.0) | (1.0) |
| XIV Rokko SV | | - | - | - | - | (0.2) | (0.0) |
| Ashiya Baycourt | | - | - | - | - | (1.1) | (0.4) |
| Sub Total | | (3.9) | (1.3) | (3.3) | (1.1) | (4.4) | (1.5) |
| XIV Rokko SV (opened on April 2018) | Value realized | + 4.7 | + 1.1 | + 4.7 | + 1.0 | - | - |
| Sub Total | | + 4.7 | + 1.1 | + 4.7 | + 1.0 | - | - |
| Total | | +0.8 | (0.2) | +1.4 | (0.1) | (4.4) | (1.5) |

<Reference> Summary by Segment New Medium-term Management Plan “Connect 50”

Membership operations

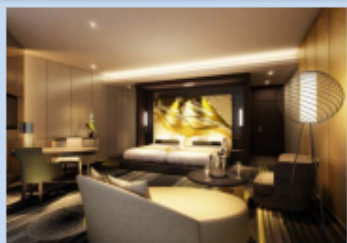


Create new opportunities by commencing sales of international memberships

Establish a sustainable membership business model

- ◎ Increase the number of memberships sold; improve productivity per hour
 - No. of contracts in FY2022: 5,500 (up 40% compared with FY2017)
 - Productivity per hour in FY2022: ¥51,000 (up 20% compared with FY2017)
 - Kanto Branch contracts in FY2022: 52% (up 7 percentage points compared with FY2017)
- ◎ <International memberships> Sales scheduled to commence from FY2019

Hotel and restaurant operations



Dramatically increase productivity and profitability

Develop THE KAHALA brand on a global basis and expand operations targeting general consumers (business and luxury)

- ◎ XIV + Baycourt Club total occupancy
 - FY2022: 55.5% (up 4.0 percentage points compared with FY2017)
- ◎ Forecast increase in annual fees + amortization of security deposits
 - FY2022: Up ¥3.0 billion to ¥3.5 billion compared with FY2017
- ◎ Hotel Trusty expansion
 - FY2022: Expand to 12 facilities (up four facilities compared with FY2017)
 - FY2022: Exceed ¥10 billion in sales (up 60% compared with FY2017)

Medical operations



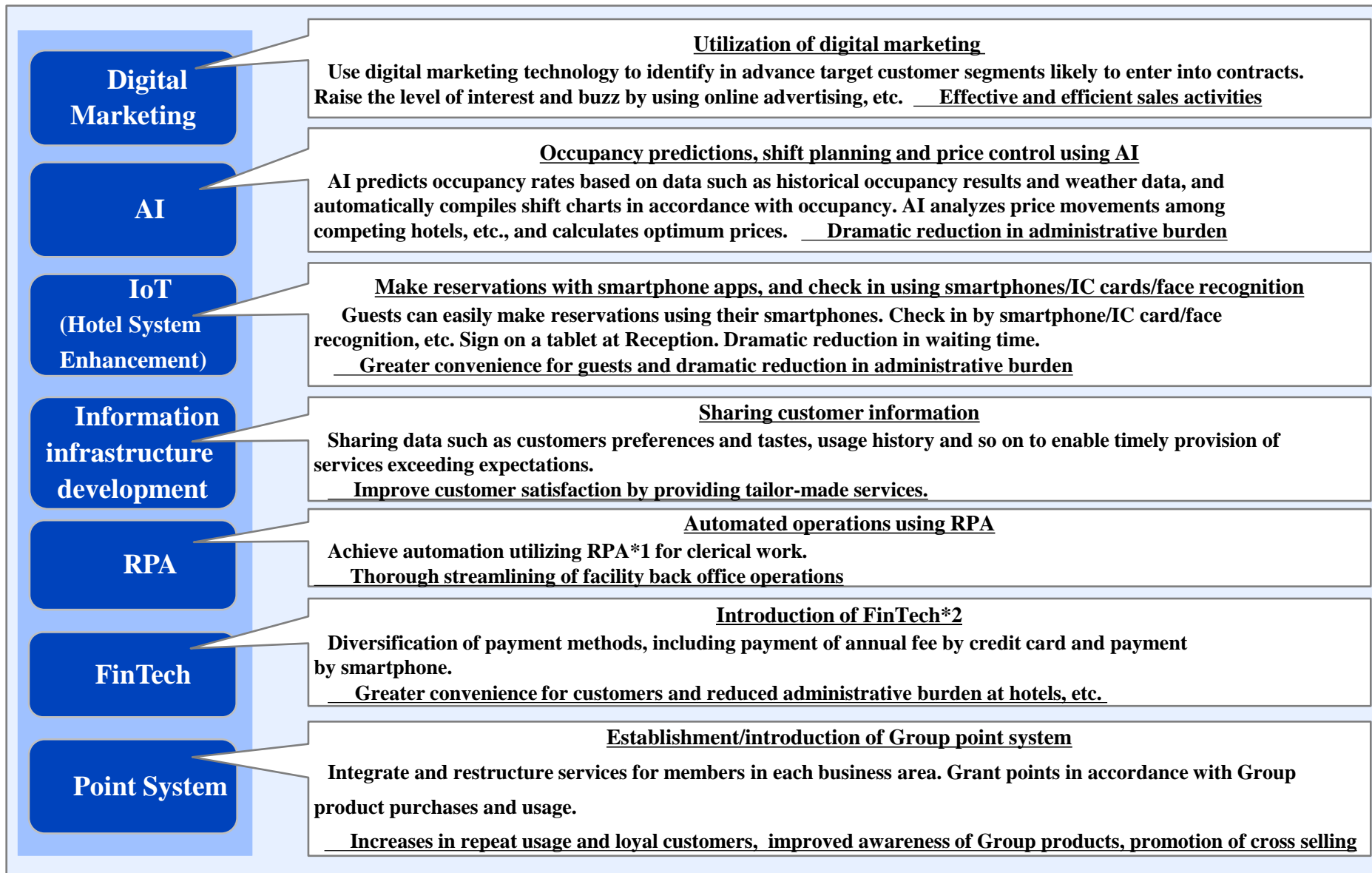
Image courtesy of GE Healthcare Japan

Create synergies with advanced medical treatment and become Japan's leading comprehensive medical solutions group

Target the top position in the senior high-grade market

- ◎ HIMEDIC business and Medical Service Corporation business
 - Number of annual HIMEDIC membership sales: 2,360 (use of existing and new facilities)
 - Number of general consumers undergoing medical examinations in FY2022: 700,000 (up 40% compared with FY2017)
- ◎ Aging care business (product sales)
 - Number of customers in FY2022: 500,000 (up 200% compared with FY2017)
- ◎ Senior Lifestyle business
 - Work toward 3,000 rooms, target increases in net sales and operating income of 1.6 and approximately 3 times, respectively (compared with FY2017)

<Reference> Overall Picture of Digital Reforms



*1 RPA (Robotic Process Automation)...Technology to replace and automate operations carried out by employees with robots (installation of software in PCs).

*2 FinTech (Financial Technology)...Creating and reviewing financial services utilizing Information Technology.

<Reference> Group's Development schedule

<Sales and business commencement schedule_August 8, 2018>

- Commencement of business and acquisition
- Commencement of sales
- Renewal opening

| Medium-term management plan | | Previous medium-term management plan Next40 | | | | | Current medium-term management plan Connect 50 | | | | | | | |
|--|--|---|-------------------|--------------------|----------------|--------------|--|----------------------|---------------------------------------|------------------------|------|-----|-----|-----|
| Fiscal year | | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | | | |
| Sales and business commencement schedule | Membership resort hotels | XIV Toba Bettei | | XIV Yugawara Rikyu | | XIV Rokko SV | | Laguna Baycourt Club | | Yokohama Baycourt Club | | | | |
| | | | | | | | International | | | | | | | |
| | | | | | | | Kansai | | | | | | | |
| | | | | | | | Kanto | | | | | | | |
| | | | | | | | | | | | | | | |
| Business commencement schedule | Luxury hotel (LH) | THE KAHALA | | | | | THE KAHALA Yokohama | | | | | | | |
| | Hotel Trusty (HT) | Kanazawa | Nagoya Shirakawa | | | | | Nihonbashi Hamacho | | HT① | | HT② | | |
| | Medical examination club on a membership basis | HIMEDIC Midtown | HIMEDIC Tokyo Bay | | HIMEDIC Nagoya | | Kanto | | (Increase existing facility capacity) | | | | | |
| | Senior residence (SR) | Mikage | Todoroki | Hongo | Tokiwanatsu | Activa Biwa | Bashamichi | Shirakabe | Ogikubo | SR① | SR② | SR③ | SR④ | SR⑤ |
| Renewal | Hakone | Beppu, Shirakawa, Toba | | | | | Atami, Shinjuku | | | | | | | |

Income and Accounting for a Core XIV Facility

(Before completion of construction)

| | Contract | Framework | Completion of Construction | |
|------------------------|--|---|--|---|
| Total payment (100%) | 60% of sale price received | 80% of sale price received | 100% of sale price received | |
| Security deposit (10%) | Member pays deposit upon signing contract | | | Liability incurred when contract signed*2 |
| Registration fee (40%) | Member pays registration fee upon signing contract | | | Sale recorded when contract signed |
| Real estate cost (50%) | Member pays 10% of total payment upon signing contract | Member pays 20% of total at framework raising | Member pays 20% of total upon completion | Sale recorded when facility opens |

*2 After facility opens, sale is amortized.

Example: Membership price of 10 million yen

| | Contract | Framework | Completion of Construction | At Opening | Earnings Recorded |
|---------------------------------------|-----------------|-----------------|----------------------------|-------------------------------|--------------------------------------|
| Security deposit: 1 million yen | 1 million yen | | | | Balance-sheet liability recorded *2 |
| Registration fee: 4 million yen | 4 million yen | | | | Sale recorded (when contract signed) |
| Real estate: 5 million yen | 1 million yen*1 | 2 million yen*1 | 2 million yen*1 | | Sale recorded (when facility opens) |
| Total contract amount: 10 million yen | 6 million yen | 2 million yen | 2 million yen | | |
| Sale amount recorded | 4 million yen | - | - | 5 million yen*1 | |
| | | | | Cost of Sales 3.5 million yen | |
| | | | | Annual fee: 0.13 million yen | |

*1 The real estate cost is deferred until the facility opens and is treated as revenue after the facility opens.
 *2 After facility opens, sale is amortized.

Segment reclassification due to organizational change(April 2018~)

The Company reviewed the method of business segmentation due to an organizational change as of 1Q of the fiscal year under review. As a result, sales and operating income from golf club membership sales and two golf club operation subsidiaries, which were included in the Membership Segment, are included in the Hotel and Restaurant Segment, and sales and operating income from NIPPON SWISS PERFECTION CO., LTD., which was included in the Hotel and Restaurant Segment, is included in the Medical Segment.

Segment information for the year ended March 31, 2018 represents information compiled according to segment classification after the change.

<Impact of retrospective amendments (annual)>

(Million yen)

| | | 2018/3 (results) | | Difference |
|-------------------|------------------|---------------------|---------|------------|
| | | Before | After | |
| Membership | Sales | 56,254 | 54,114 | (2,140) |
| | Operating Income | 16,387 | 16,179 | (208) |
| Hotel Restaurants | Sales | 77,715 | 79,601 | +1,885 |
| | Operating Income | 3,563 | 3,731 | +168 |
| Medical | Sales | 30,735 | 30,990 | +254 |
| | Operating Income | 5,236 | 5,276 | +39 |
| Others | Sales | 707 | 707 | - |
| | Operating Income | 554 | 554 | - |
| Overhead expenses | Operating Income | (7,999) | (7,999) | - |
| Total | Sales | 165,413 | 165,413 | - |
| | Operating Income | 17,742 | 17,742 | - |



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Disclaimer Regarding Forward-looking Statements

Any statements in this presentation document, other than those of historical fact, are forward-looking statements about the future performance of Resorttrust, Inc. and its group companies, which are based on management's assumptions and beliefs in light of information currently available, and involve risks and uncertainties. Actual results may differ materially from these forecasts.