

Financial results Presentation

For the 9-month Period Ended December 31, 2019

Exterior view(sample image)



Italian Restaurant
(sample image)



“Yokohama Baycourt Club Hotel & Spa Resort” and “THE KAHALA HOTEL & RESORT YOKOHAMA”
(Scheduled to be opened on June 17, 2020.)

Resorttrust, Inc. (Securities code 4681)

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Financial Highlights 3Q FY2019

(April to December)



(Million yen)

	2019/12 (results)	2019/12 (targets)	Difference	2018/12 (results)	YoY Change
Net Sales	123,339	129,920	(5.1%)	114,394	+7.8%
Operating Income	11,035	12,800	(13.8%)	9,352	+18.0%
Ordinary Income	11,500	12,840	(10.4%)	9,947	+15.6%
Net Income	7,104	8,110	(12.4%)	5,959	+19.2%

<Difference>

- Contract values of memberships continued to exceed the target. However, net sales, operating income, ordinary income, and net income fell short of the targets due to factors including impacts on revenue from hotel operations associated with natural disasters such as Typhoon Faxai and Typhoon Hagibis, and the occupancy rates at facilities for the elderly falling below our expectations.

<YoY Change>

- In the previous year, revenue from properties in line with the opening of “XIV Rokko Sanctuary Villa” was recorded as a lump sum. In FY2019, the start of operation of new facilities contributed to sales while profitability increased mainly because of increases in contract values of hotel memberships and HIMEDIC memberships, resulting in higher sales and higher operating income, ordinary income, and net income.

*Income attributable to owners of parent is labelled as “Net income” in this document.

Segment Sales and Operation Income 3Q FY2019



(April to December)

<Sales>

(Million yen)

	Membership	Hotel and Restaurant	Medical	Other		Total
2019/12 (results)	30,053	63,607	29,177	499		123,339
2019/12 (targets)	29,050	69,770	30,640	460		129,920
Difference	+3.5%	(8.8%)	(4.8%)	+8.6%		(5.1%)
2018/12 (results)	26,144	62,095	25,663	490		114,394
YoY Change	+15.0%	+2.4%	+13.7%	+1.9%		+7.8%

<Operating Income>

(Million yen)

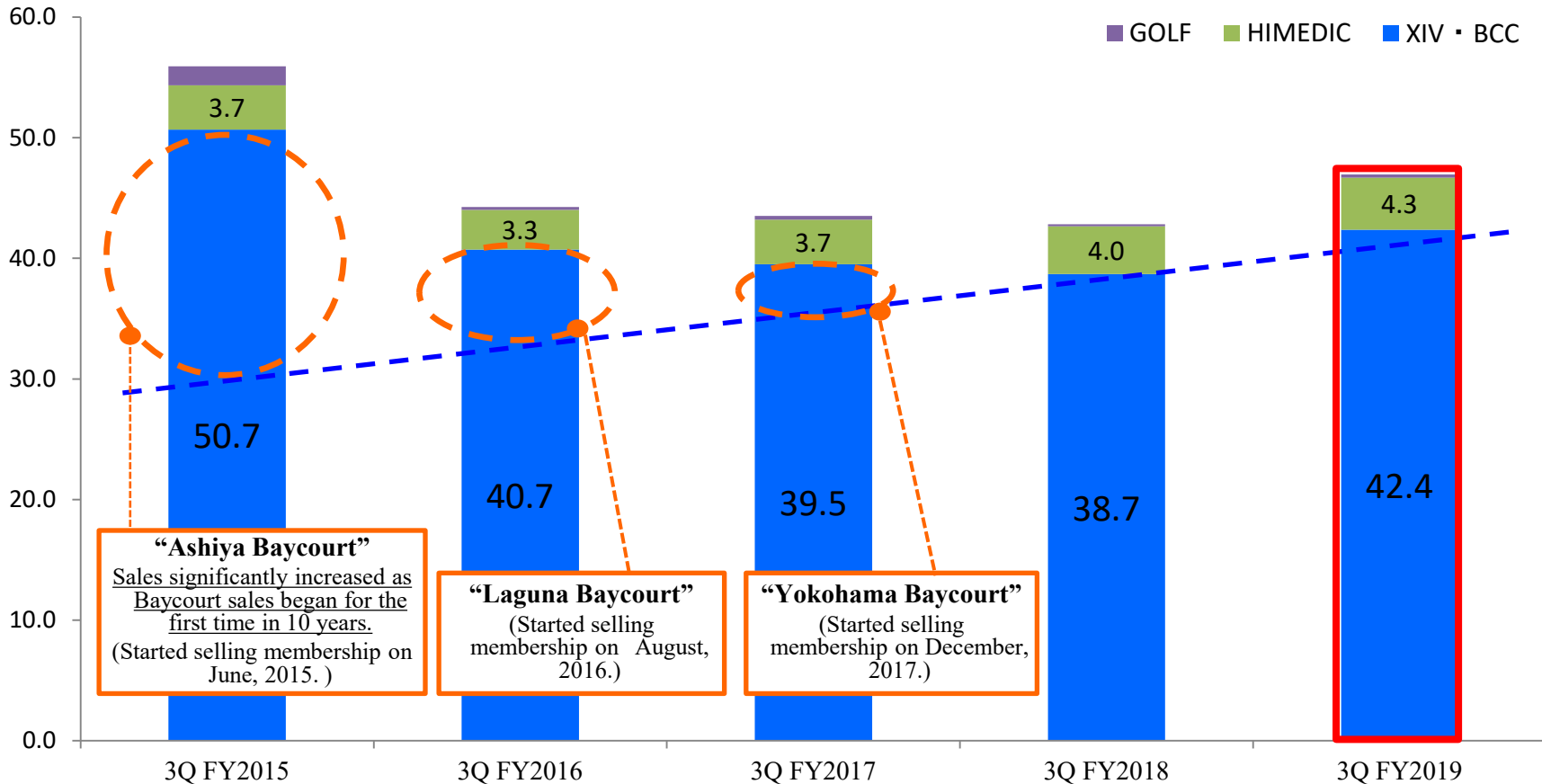
	Membership	Hotel and Restaurant	Medical	Other	Overhead expenses	Total
2019/12 (results)	10,512	2,130	4,441	427	(6,475)	11,035
2019/12 (targets)	10,310	3,550	4,860	420	(6,340)	12,800
Difference	+2.0%	(40.0%)	(8.6%)	+1.8%	(136)	(13.8%)
2018/12 (results)	6,946	3,849	4,567	391	(6,403)	9,352
YoY Change	+51.3%	(44.7%)	(2.8%)	+9.1%	(73)	+18.0%

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

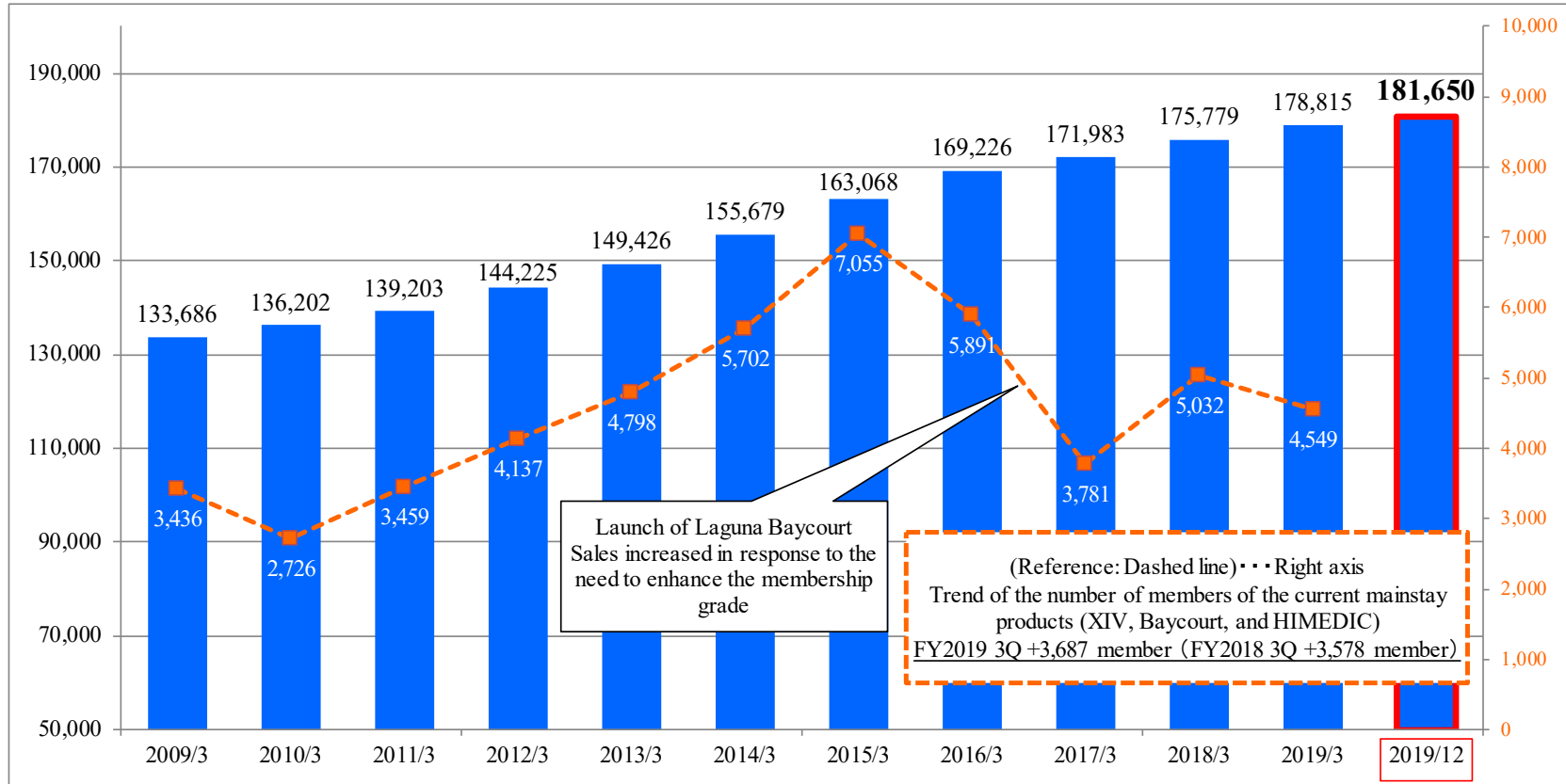
Progress of contract values for nine months

- The trend line of contract values of hotel memberships was firm, excluding the impact of starting sales of new facility memberships in the past (simulation).
- In 3Q, although there was a reactionary impact in October due to last-minute payments received in September before the consumption tax hike, subsequent sales have been buoyant.
- Contract values of HIMEDIC memberships during 3Q FY2019, whose sales as a new product started in October 2018, were solid, having exceeded the levels of the same period of the previous four FYs.

(Billion yen)



Number of Members



(Members)

	Baycourt	XIV	Sun Members	Golf	Medical	Cruiser	Total
2019/3	18,255	77,592	32,478	30,260	19,839	391	178,815
2019/12	20,096	78,074	31,753	30,129	21,203	395	181,650
Change April - December 2019	+1,841	+482	(725)	(131)	+1,364	+4	+2,835
Change April - December 2018	+1,802	+388	(770)	(235)	+1,388	(1)	+2,572

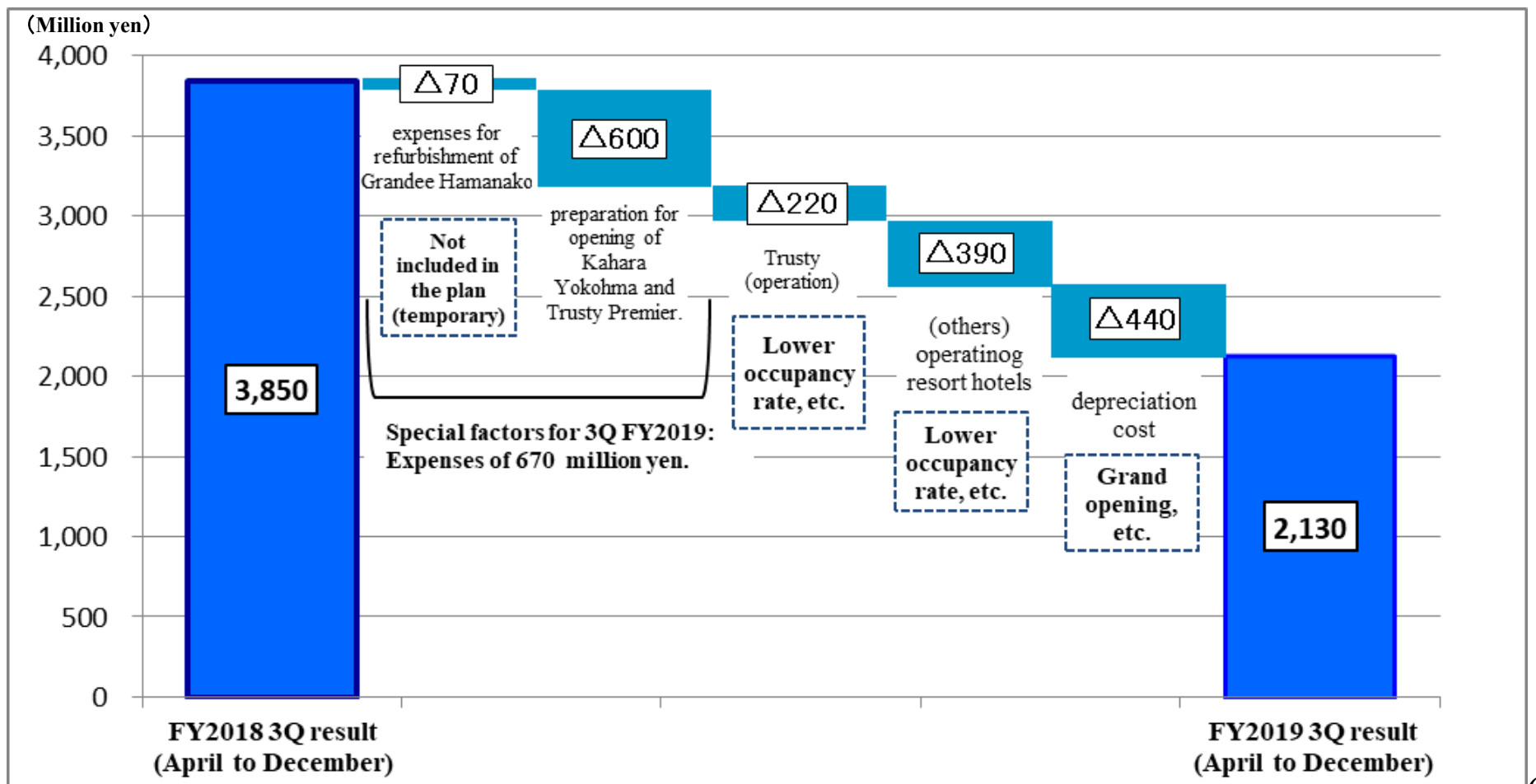
XIV+BCC+HM Total	+3,687
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XIV+BCC+HM Total	+3,578
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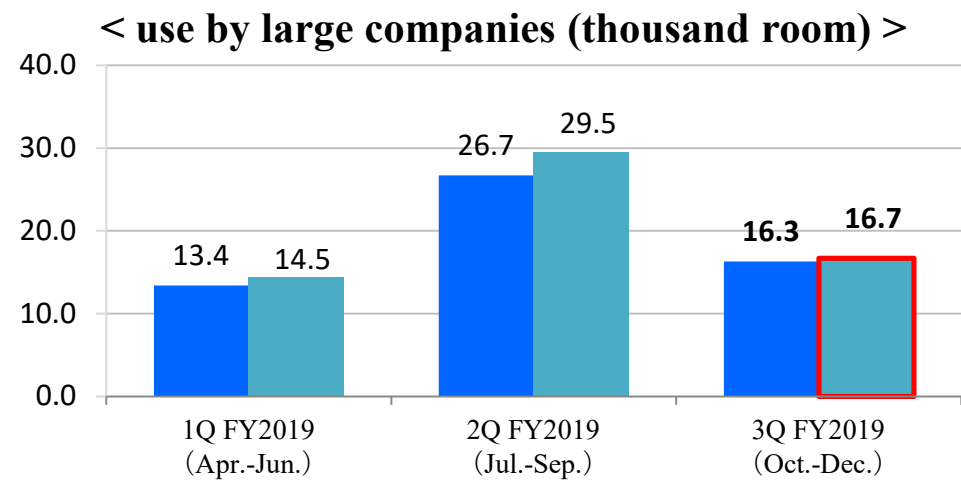
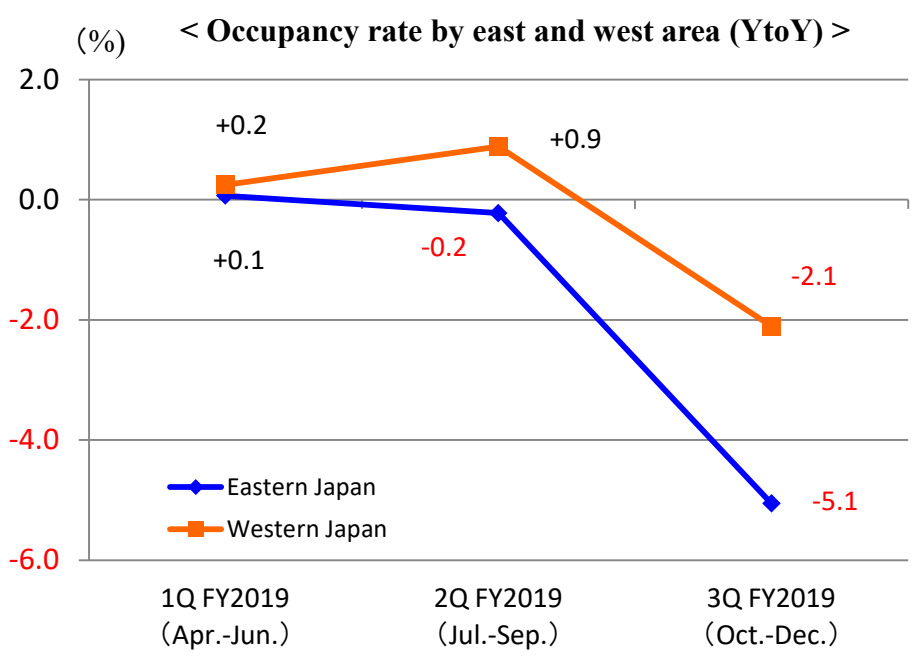
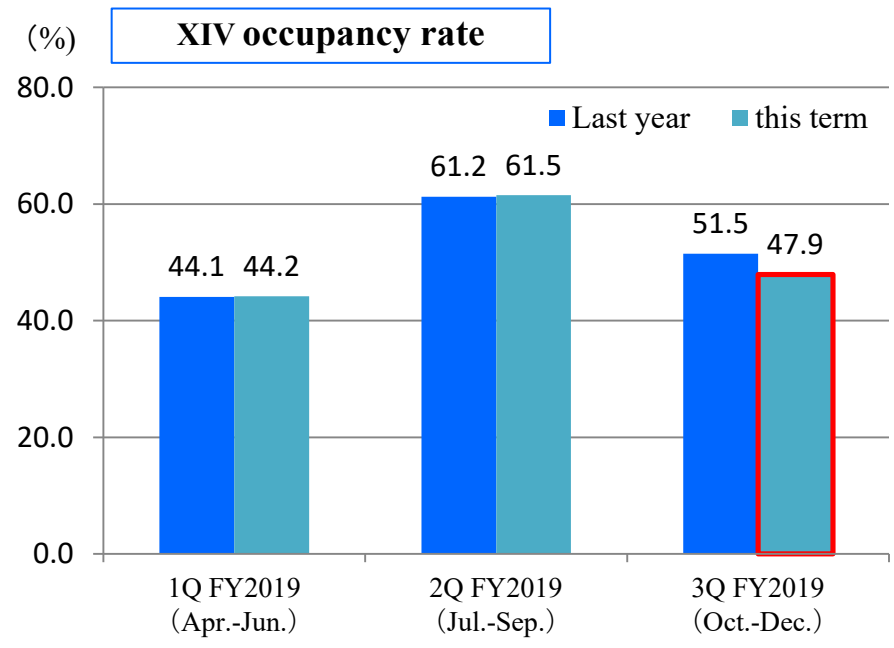
*For cases in which members are in possession of multiple memberships, each of the memberships is counted as one member

Hotel and Restaurant Segment's Operating Income for 3Q FY2019 (compared with the same period of the previous FY)

• In FY2019, temporary expenses were incurred such as upfront expenses amounting to 600 million yen for the opening of Trusty Premier hotels, etc. In addition, fixed costs including depreciation cost increased, while occupancy rates at non-membership hotels decreased due to factors such as intensifying competition, and revenue from the operation of membership resort hotels grew little. Mainly for these reasons, the result was lower than the figure for the same period of the previous FY.



The hotel occupancy rate in 3Q FY2019 was lower than the level of the same period of the previous FY, partly owing to impacts on transportation, mainly in the Kanto region, associated with the typhoons.



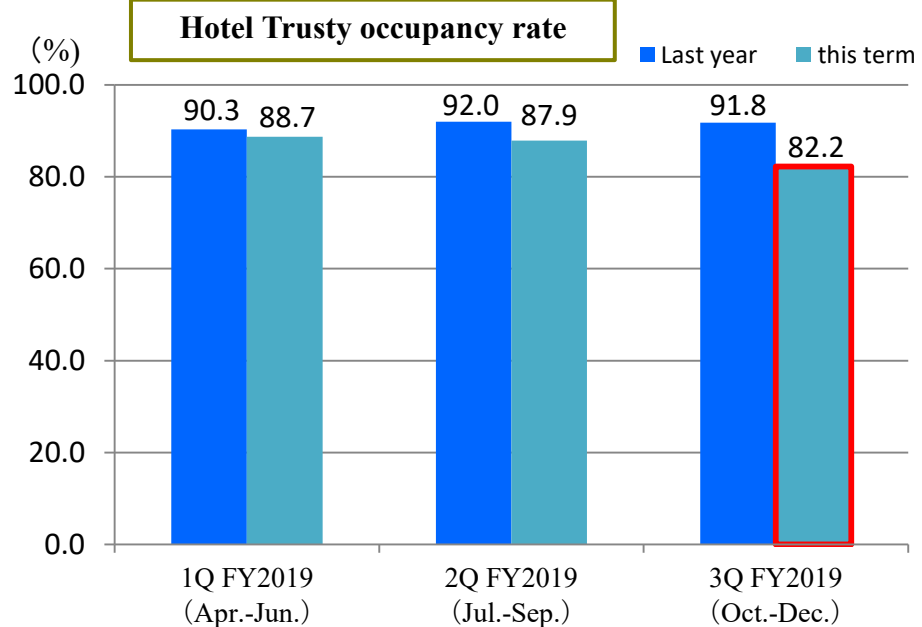
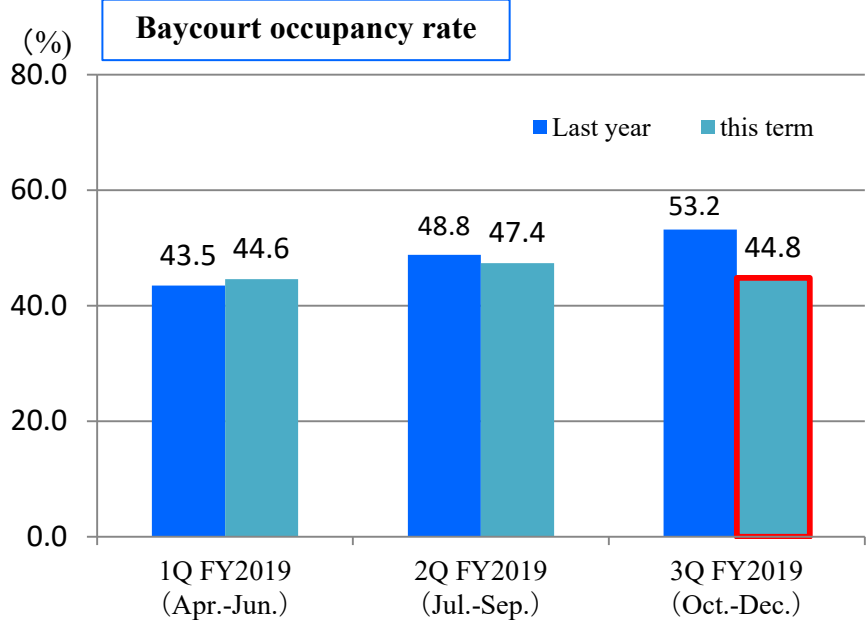
- The decline in the occupancy rate in 3Q was significant, especially at facilities in east Japan (Hakone Rikyu, Hatsushima, Tateshina, Yamanakako, Karuizawa, etc.) that were greatly affected by Typhoon Hagibis (including disruption of expressways and railways).
- Regarding the use by large companies for welfare programs, the upward trend continued although the increase in 3Q was rather small.

<Recent occupancy rate (4Q)>
 The occupancy rate turned back to an increase in January. At the same time, the ratio of guests who have dinner at our hotels and the spending per visitor both improved.
 The occupancy rate in February is also expected to record a YoY increase, expanding the increase in January.

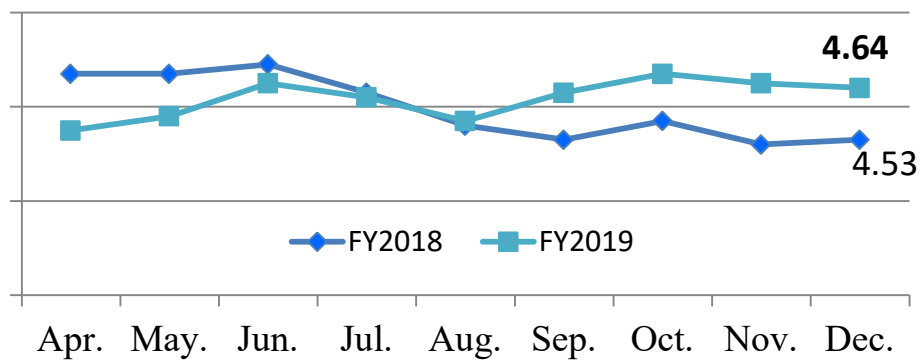
Trends in Hotel occupancy rate by 3Q <YtoY> ②



Regarding Baycourt, we opened two facilities, namely, Ashiya Baycourt Club and Laguna Baycourt Club, in the last two years. In 3Q, the Baycourt occupancy rate was affected by both the decline in the number of memberships per room and the impact of typhoons. Regarding Trusty, we opened two facilities, namely, Hotel Trusty Premier Nihonbashi Hamacho and Hotel Trusty Premier Kumamoto, in FY2019. We will make them widely known to boost the occupancy rate.



< (References) Monthly Customer Satisfaction * XIV and Baycourt



<Baycourt>

The number of memberships per room decreased as a result of the opening of large facilities. Although the positive impact of the opening on the occupancy rate exceeded the negative impact in 1Q, the occupancy rate has been decreasing since 2Q.

<Trusty>

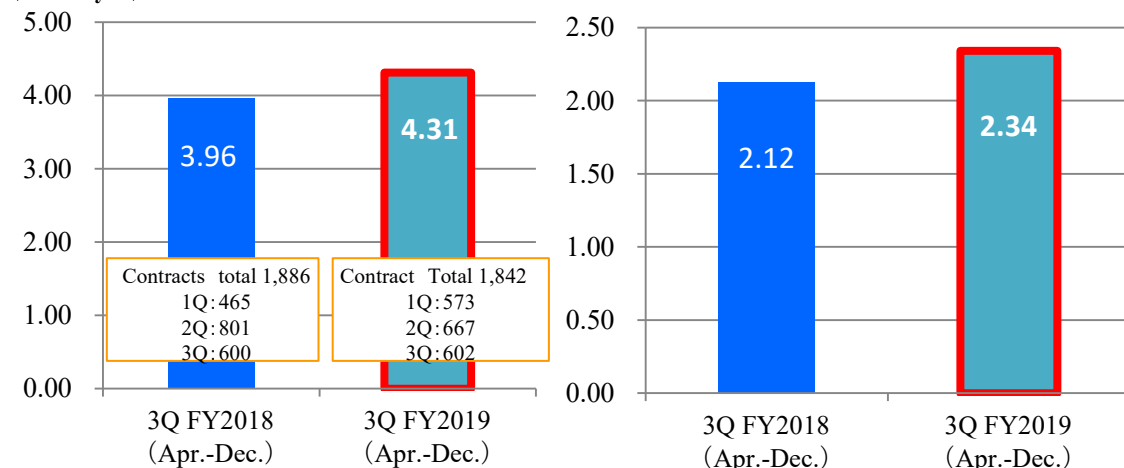
Amid intensifying competition across Japan, the takeoff of newly opened facilities such as Hotel Trusty Premier Nihonbashi Hamacho (opened in September) was somewhat slower than our expectations in 3Q, resulting in a lower occupancy rate as a whole. Going forward, we will strengthen publicity for 200,000 total RTTG point club members.

HIMEDIC membership progress of sales and Senior lifestyle business schedule

- Sales of HIMEDIC memberships remained favorable in 3Q FY2019. Contract values increased because of an increase in the unit price (+0.35 billion yen YoY).
- For the Senior Lifestyle Business, six facilities started operation from 2Q onward. We are implementing initiatives to increase the occupancy rate.

◆ HIMEDIC sales ; result of 3Q FY2019 <YtoY>

(Billion yen)



Existing membership		
	New member	Existing HIMEDIC member (2 or more)
Price	2.25 million yen	1.75 million yen
Annual fee	500,000 yen	

Commencement of new products on October 2018.

New line 『GRAND HIMEDIC CLUB Premium』 (Excluding tax)		
	New member	Existing HIMEDIC member (2 or more)
Price	3 million yen	2 million yen
Annual fee	Monthly fee 46,000yen/month	『552,000yen/year』

◆ HIMEDIC membership started to sales

“HIMEDIC Tokyo Nihonbashi Course” will start on October 16, 2019.

Location: 7th floor, Nihonbashi Muromachi Mitsui Tower, 3-2-1 Nihonbashi Muromachi, Chuoku, Tokyo

Open: June 2020 (planned)

Number of Members Final target: Approximately 3,000 members

<Medical Service corporate business>

Nihonbashi Muromachi Mitsui Tower Midtown Clinic, scheduled to open in April 2020, will conduct health check-ups for corporate clients and general outpatient treatments for internal medicine.



Reception(Image)

Private Room(Image)

◆ Started to operate August, 2019

”Trust Garden Oguikubo“

Location: Suginami ward, Tokyo

Number of rooms: 51 room

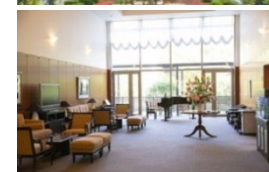
(Private Nursing Home)



◆ Start to operate 5 facilities, total 390 room(September, 2019)

Senior Life Company Ltd.<New consolidated subsidiary>

- **Feljo Tamagawa** 70 room (Private Nursing Home) Ota ward, Tokyo
- **Feljo Seijyo** 65 room (Private Nursing Home) Setagaya ward, Tokyo
- **Feljo Tenjin** 95 room (Private Nursing Home) Chuo ward, Fukuoka
- **Feljo Momochi** 98 room (Private Nursing Home) Sawara ward, Fukuoka
- **Resius Momochi** 62 room (Residential-type Private Nursing Home) Sawara ward, Fukuoka



Consolidated Targets

(Million yen)

	FY2018 results	FY2019 targets	Change
Net sales	179,542	171,400	(8,142)
Operating income	18,877	16,000	(2,877)
Ordinary income	19,528	16,000	(3,528)
Net income	12,358	10,000	(2,358)
Net income per share (yen)	115.53	93.42	
Annual Cash dividend (yen)	46.00	46.00	
			(Billion yen)
Contract Values of Membership	57.2	59.9	+2.7

<Operating Income by Segment (before allocation)>

(Million yen)

		FY2018 results	FY2019 targets	Change
Membership	Sales	64,029	39,140	(24,889)
	Operating income	19,004	13,980	(5,024)
Hotel and Restaurant	Sales	80,383	90,630	+10,246
	Operating income	2,624	3,160	+535
Medical	Sales	34,478	41,020	+6,541
	Operating income	6,144	6,760	+615
Other	Sales	651	610	(41)
	Operating income	572	590	+17
head office costs	Operating income	(9,468)	(8,490)	+978
Total	Sales	179,542	171,400	(8,142)
	Operating income	18,877	16,000	(2,877)

<Net Sales>

- Difference in deferred realization
< In the previous FY: Rokko/Laguna ⇒ In this FY: Nothing >
- A full-year contribution from operation of Laguna Baycourt Club(2019.3)
- Increase in Opening two Hotel Trusty Premiers (Nihonbashi/Kumamoto)
- Increase in Existing Hotel operation etc.
- Increase in Income from annual fees and amortization of deposits (Hotel/HIMEDIC)
- Expansion of Senior lifestyle business (Increased facilities)
- Expansion of Medical Service corporation Business & Aging Care Business
- Revenue on BNCT equipment

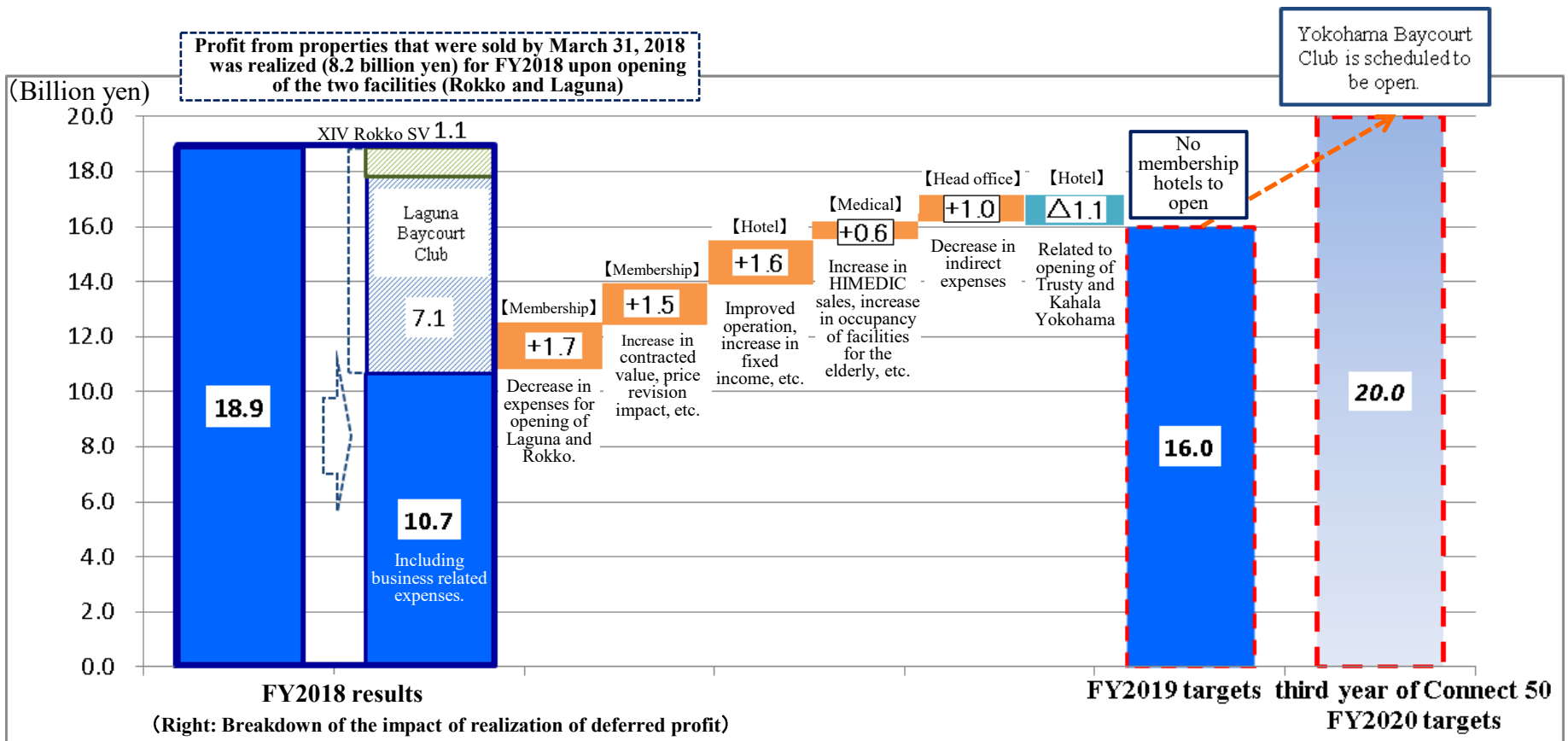
<Operating Income>

- Difference in deferred realization
< In the previous FY: Rokko/Laguna ⇒ In this FY: Nothing >
- Increase due to a decrease in start-up costs associated with opening a new facility
- Increase in contract values of hotel membership & HIMEDIC membership
- Increase in Income from annual fees and amortization of deposits (Hotel /HIMEDIC)
- Decrease due to opening expenses associated with opening of Hotel Trusty Premier (Nihonbashi / Kumamoto) and preparation expenses for opening of Yokohama Baycourt & Kahala (around summer 2020)
- Expansion of Medical Service corporation Business & Aging Care Business
- Expansion of Senior lifestyle business (Increased facilities)

FY2019 plan: Operating income (impact of deferred accounting)

▪ Although the FY2019 plan calls for a 2.9 billion yen decrease in operating income (from 18.9 billion yen in FY2018 to 16.0 billion yen in FY2019), it also calls for a significant increase in operating income, excluding the special factor of the recording of a profit realized upon opening of Rokko and Laguna.

<Positive factors: Higher contract values, higher annual membership fees, higher occupancy rates at hotels, etc. Negative factors: Increase in expenses associated with the opening of Hotel Trusty-brand facilities, etc.>



*For hotel membership of property before completion of construction, Sales or Cost of the real estate will be deferred until the Hotel opens. For details, please refer to p. 31.

Initiatives and Summary by Segment

FY2018 (first year of “Connect 50”)

FY2019 (second year of “Connect 50”)

Member
ship

<Target for contact value achieved, productivity per hour improved>

- +2% YoY in productivity per hour
- *Increased from FY2017 when there was a positive impact of starting sales of new facility memberships
- Increase in the number of contracts concluded through referrals for occupancy of facilities for the elderly ©Synergy effect

<Increase of contract value>

- Revision of prices of Laguna
- Consideration of new products for existing buildings
- Target +10% YoY in productivity per hour by digitalization

Hotel and
Restaurant

<Implementation of initiatives to enhance occupancy rate>

- Online reservations, introduction of the app (from October 2018)
- Change in the operating structure, revitalization of utilization by large-scale corporate customers, etc.
- XIV occupancy rate increased in the second half compared with the same period of FY2017

<Enhancement of efficiency and productivity>

- Operational improvement, enhancement of efficiency
- Reorganization
- Multitasking
- Digital innovation, etc. Annual total working hours reduced by 720,000 hours

<Enhancement of occupancy rate>

- Point app (from April 2019), spread of online reservation
- Enhancement of customer satisfaction by enhancing owner benefits
- Approach to corporate customers' utilization in view of the enforcement of a rule to take paid holidays compulsorily

<Work style reform and improvement of profitability>

- Enhancement of productivity (annual reduction of 80 hours per shift)
- Increase of fixed income, etc.

<Launch of the Hotel Trusty Premier brand>

(Nihonbashi in September, Kumamoto in October)

Medical

<Smooth transfer to sales of the new product> (Sales started in October 17)

- +18% YoY in HIMEDIC contracted value in the second half

<Expansion of HIMEDIC-exclusive sales bases>

- Expansion of Kyoto base
- 24 cases of sales of hotel memberships through referrals by HIMEDIC sales reps ©Synergy effect

<Expansion of profit of Senior-life Business and Medical Service Corporation Business >

- Of 30 rooms occupied upon opening of Trust Grace Shirakabe in March 2019, Group members accounted for 70% of the occupancy. ©Synergy effect

<Expansion of HIMEDIC membership sales> Plan: +15% YoY in contract value

- Membership sales of a new base in Nihonbashi area scheduled in the second half
- Enrichment of service by introduction of the HIMEDIC app
- Expansion of sales by inbound businesses and through tie-ups

<Senior Lifestyle Business: Increase of the number of facilities and enhancement of the occupancy rate>

- Smooth operation of facilities opened/acquired (+6 facilities)
- Increase in the occupancy rate of existing facilities
- Consideration of new facilities (Medium-term management plan target: 3,000 rooms)

<BNCT Business>

Delivery of research equipment and start of clinical trial (scheduled)

Head
Office

<Establishment of the foundation for work style reform>

- Increase in the number of holidays per year (from 105 days to 110 days)
- Enhancement in the efficiency of RPA, etc.
- Reform of the structure of the organizations for IT promotion and HR strategy

<Digital marketing> • Related contract value amounted to 600 million yen.

<Promotion of digitalization and work style reform >

- Increase in the number of holidays per year (from 110 days to 120 days)
- Thorough utilization of IT and digital infrastructure, and evaluation of investment impact
- Examination and review of the costs of head office and indirect operations

Consolidated Balance Sheets



(Million yen)

	2019/3	2019/12	Change		2019/3	2019/12	Change
Total current assets	135,754	137,295	+1,541	Total current liabilities	70,764	73,536	+2,772
Cash and deposits	26,742	28,997	+2,254	Notes and accounts payable-trade	1,471	1,857	+385
Notes and accounts receivable-trade	8,891	9,648	+757	Short-term loans payable	6,839	13,789	+6,950
Operating loans	46,623	51,942	+5,318	Current portion of bonds	250	200	(50)
Short-term investment securities	4,647	3,000	(1,647)	Accounts payable-other and accrued expenses	33,495	13,962	(19,533)
Merchandise, raw materials and supplies	2,511	2,527	+15	Advance received	12,209	18,735	+6,525
Real estate for sale	30,049	23,550	(6,499)	Other	16,497	24,992	+8,495
Real estate for sale in process	11,845	12,322	+476	Total noncurrent liabilities	198,611	206,093	+7,482
Other	4,442	5,306	+864	Bonds payable and long-term loans payable	39,573	38,193	(1,380)
Total noncurrent assets	265,671	276,646	+10,975	Long-term guarantee deposited	101,595	100,234	(1,361)
Property, plant and equipment, net	180,001	194,322	+14,320	Bonds with subscription rights to shares	29,813	29,781	(31)
Intangible assets	11,806	11,142	(664)	Other	27,628	37,884	+10,255
Investments and other assets	73,862	71,181	(2,681)	Total liabilities	269,375	279,630	+10,254
				Net Assets	132,050	134,312	+2,261
				Shareholders' equity	127,927	129,621	+1,694
				Treasury shares	(1,852)	(1,802)	+49
				Accumulated Other Comprehensive Income	1,355	1,353	(2)
				Subscription rights to shares	292	313	+21
				Non-controlling interests	4,326	4,825	+498
Total assets	401,426	413,942	+12,516	Total liabilities and net assets	401,426	413,942	+12,516

Consolidated Cash Flows FY2019



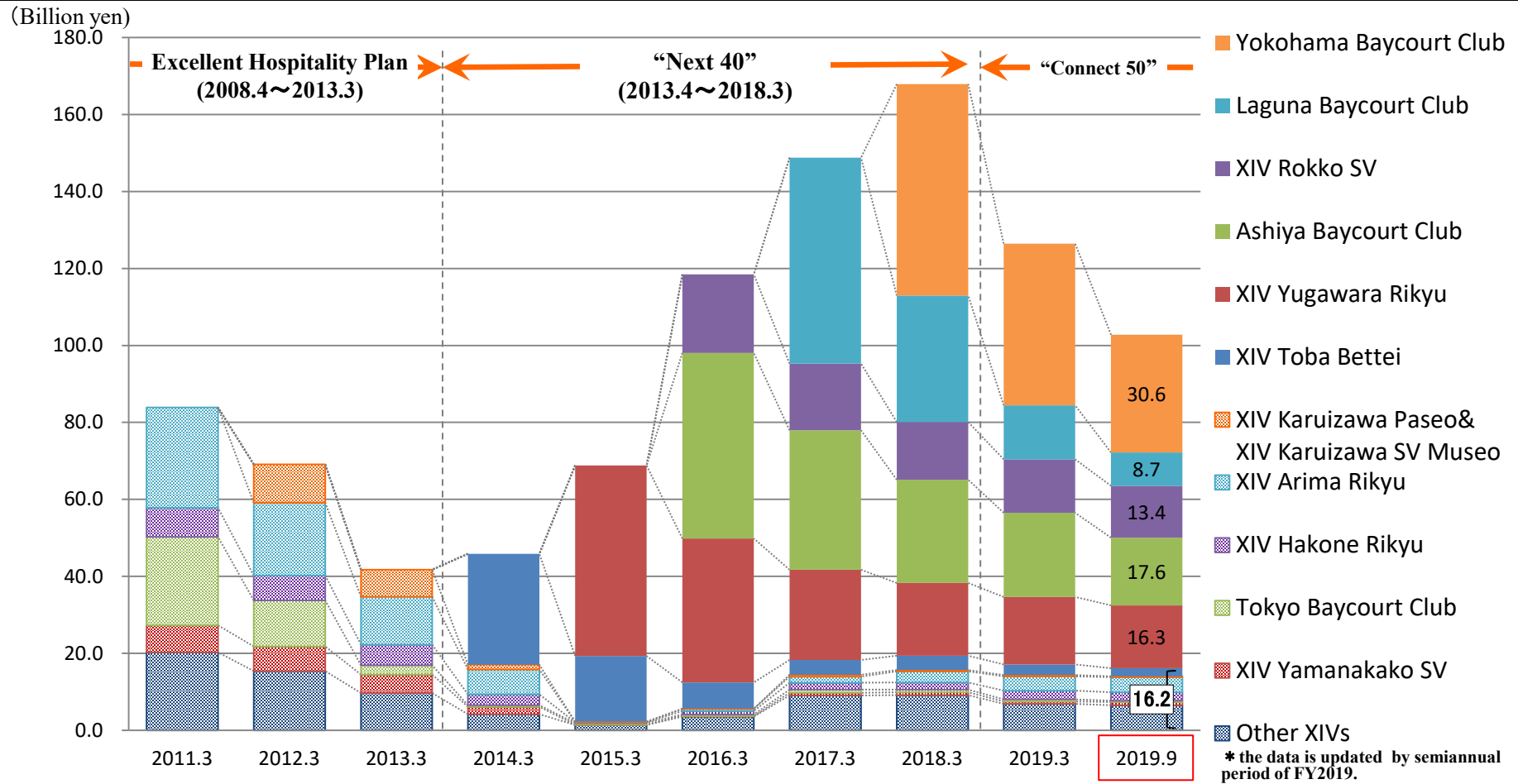
(April to December)

(Million yen)

	2018/12	2019/12
Cash flows from operating activities	6,913	12,106
Cash flows from investing activities	(4,510)	(8,251)
Cash flows from financing activities	(11,934)	1,468
Effect of exchange rate changes on cash and cash equivalents	12	(6)
Net increase (decrease) in cash and cash equivalents	(9,518)	5,317
Cash and cash equivalents at end of period	22,950	29,212

Trend of sales inventories (contract value basis)

- During the period of the before the last medium-term management plan (April 2008 to March 2013) when the Group postponed development in view of the collapse of Lehman Brothers and the impact of the earthquake, inventories shrank.
- During the period of the previous medium-term management plan (April 2013 to March 2018), inventories temporarily increased to over 160 billion yen as the Group accelerated development and sales in response to the accumulated demand.
- Following the launch of the current medium-term management plan, the Group has abundant sales inventories exceeding 102 billion yen as of September 30, 2019 on a contract value basis, although no new projects are scheduled for sale in the plan's second year.



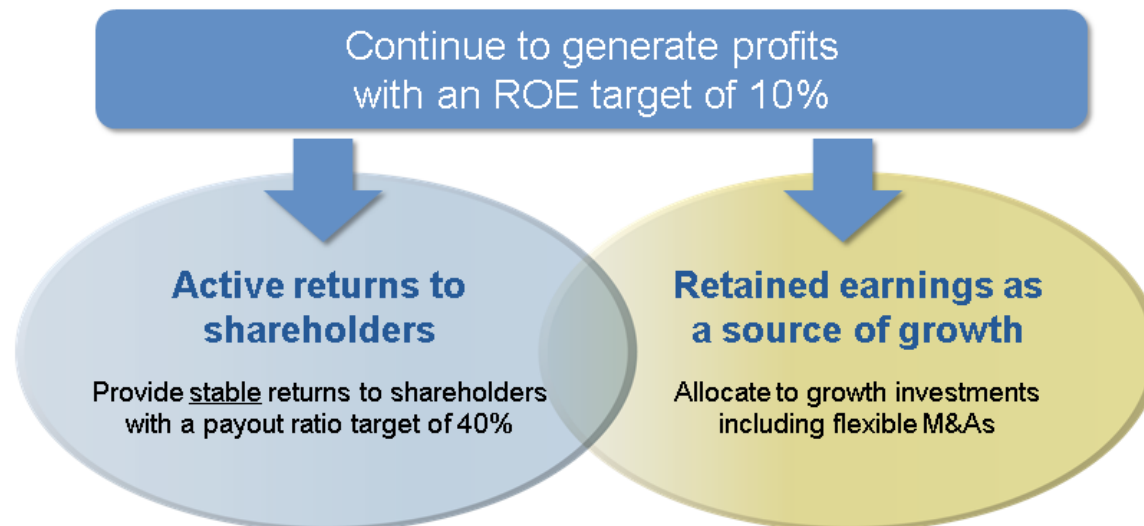
*Acquired development site: Kinugawa, Chiba(Suzumejima・Hota), Karuizawa, Hakonegora, Atamiizusan, Hamanako, Takashima. (September, 2019)

Quantitative plan (consolidated)

Medium-term Management Plan “Connect 50”

(Billions of yen)	FY2017 (Final year of Next40)	FY2020 (Third year of Connect 50)	FY2022 (Final year of Connect 50)
Net sales	165.4	195.0	210.0
Operating income	17.7	20.0	24.0
Ordinary income	19.4	20.0	24.0
Net income attributable to owners of parent	11.8	13.5	16.0

FY2022 projected segment overview	Membership operations: Maintain earnings despite a decrease in the amount of deferred revenue and earnings realized at the time of facility opening	Medical operations: Achieve segment operating income of ¥10 billion
	Hotel and restaurant operations: Achieve net sales of ¥100 billion and target operating income to net sales of 8%	Head office expenses: Target around 4-5% of consolidated net sales



Summary by Segment

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)

Initiatives to strengthen and entrench the Group brand

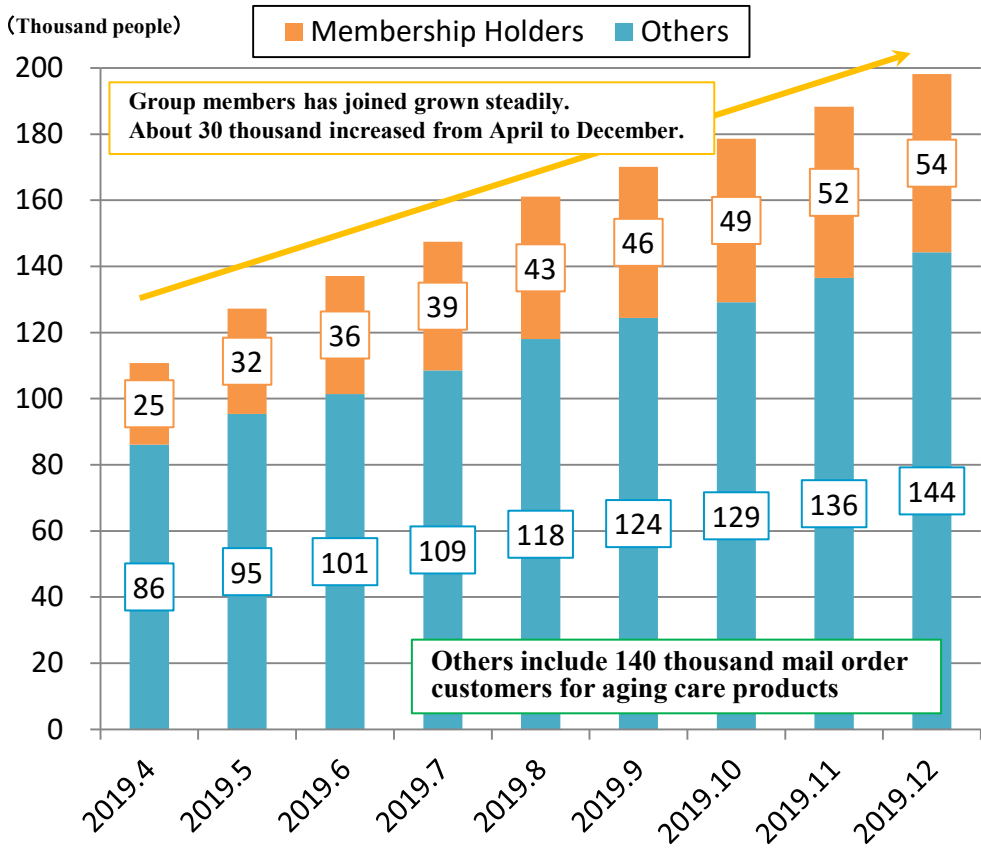
“RTTG Point Club” was launched in April 2019 as part of initiatives to strengthen and entrench the Group brand under the Medium-term Management Plan “Connect 50”.

In addition to this measure, we will enhance the points of contact with customers to take initiatives with an aim to become a distinguished corporate group with its unique Group brand by fostering close membership ties that last for a lifetime, going beyond creation of value across individual businesses and product brands.

ポイント獲得／利用対象



Progress of RTTG Point Club



- Acquisition and use of points for the Group’s various services are available
- Making it suitable for a wide range of scenes of use by promoting registration of family members, which is also beneficial to owners

- Approximately 200,000 total point club members including the general public as of the end of 2019.12.
- Of these, membership holders increased to approximately 54,000.

Our group's ESG Outline①

Resorttrust Group Management Philosophy

Hospitality Charter [Code of Conduct]

medium-term management plan “Connect 50”

Materiality for the Group's business (risks and opportunities)

- Demand for stay and accommodation facilities for affluent people and general consumers (Japan & overseas)
- Tourism-oriented nation, regional revitalization, labor shortages, promotion of diversity
- Enrichment of high-quality and safe services and facilities for seniors
- Rising needs for health maintenance and preventative medical care through early detection
- R&D for highly advanced medical treatment and development of the aging care business.











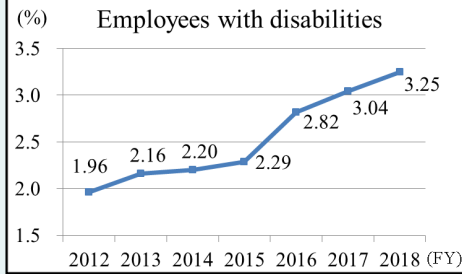


Resolution of social issues
Sustainable enhancement
of corporate value

<Categorization based on ESG issues>

	Materiality for the Group's business (risks and opportunities)	Specific initiatives (examples)
E	<ul style="list-style-type: none"> • Harmony with the natural environment, conservation of the ecosystem • Reduction of environmental impacts during development, energy saving, resource saving, promotion of recycling, prevention of contamination <p><The beauty of nature is the most charming and irreplaceable asset for the resort business.></p> <p>Relevant policies: Environmental Policy (established in 2005)</p>	<ul style="list-style-type: none"> • Shift to LED, mega-solar, eco-stay • Use of eco-cars • Origami Action (biodiversity) • Use of coffee beans certified by Rainforest Alliance • Tree-planting during development, green campaign, etc.
S	<ul style="list-style-type: none"> • Response to labor shortages by enhancing productivity, such as through promotion of digitization • Active participation of women in the hospitality industry to promote leisure, health and beauty • “Diversity” of human resources to respond to rapid change in society <p><The Group's businesses share “hospitality” as a key concept and a source of strength.></p> <p>Medium-term target: Male employees taking childcare leave: 50%(March, 2024), ratio of female managers: 25%(April, 2025), number of holidays per year (hotel employees): 105 days→120 days (working hours: 2,085H→1,920H)</p>	<ul style="list-style-type: none"> • Enhancement of employment of persons with disabilities (received various awards) • Revision and reduction of working hours, increase of the number of holidays • Establishment of the Diversity Promotion Office, promotion of activities • Declaration of “Health and Productivity Enterprise,” White 500 • Kurumin certification obtained, enrichment of various internal plans • Promotion of workstyle reform by promoting systematization.
	<ul style="list-style-type: none"> • Contribution to regional vitalization and revitalization, enrichment of facilities corresponding to inbound demand • Joint research and technological innovation with medical institutions: To “create a society where cancer claims no precious lives” • Enrichment of nursing care facilities and services to create safe and affluent lifestyles <p><Through provision of a wide range of leisure, health, and medical services to society, help customers discover and celebrate the very finest that life has to offer></p> <p>During the period covered by the current medium-term management plan: Development of hotels based on requests from and cooperation with local governments, such as the cities of Ashiya, Kumamoto, and Yokohama Double the profit by expanding the Medical Business (senior lifestyle facilities: approx. 1,500 rooms→3,000 rooms)</p>	<ul style="list-style-type: none"> • Local recruitment (creation of employment in regions) • Local production for local consumption, dietary education and regional activities • Planning and participation in experiences in nature • Securing of safety and quality of facilities and products • Enhancement of facilities for health check-ups, enrichment of medical and nursing care facilities <p>• Development of equipment for Boron Neutron Capture Therapy (BNCT) → Start of clinical trial in November 2019</p>
G	<ul style="list-style-type: none"> • Strong relationships of trust with stakeholders, management of various risks • Securing management transparency (enhancement of the ratio of outside directors, promotion of diversity) • Averting the risk of “galapagosization” of corporate management because of the distinctive nature of the Group's business <p><Losing trust is the greatest risk.></p>	<ul style="list-style-type: none"> • Structure: Company with Audit and Supervisory Committee • Voluntary committees: 2 (Remuneration Advisory Committee, Appointment Advisory Committee) • Ratio of outside directors: 35.0%, ratio of female directors: 11.8% • Establishment of the Risk Management Committee, enrichment of the structure

Our group's ESG Outline②

<External evaluation associated with ESG>

<p>Reception of Encouragement Award (President of Japan Organization for Employment of the Elderly, Persons with Disabilities and Job Seekers Award) for “Fiscal Year 2019 Good Example of Workplace Improvement for Employment of Persons with Disabilities” (Sponsor: Japan Organization for Employment of the Elderly, Persons with Disabilities and Job Seekers (independent administrative organization); Benefactor: Ministry of Health, Labour and Welfare).</p>	<p>January. 2020</p>		<p>Obtained the Next-generation Certification Mark known as “Kurumin certification” for the second time in 2019 (Ministry of Health, Labour and Welfare) *Obtained Kurumin certification for the first time in 2016.</p>	<p>January. 2019</p>																
	<p>ISO 27001 (standard for information security management systems): The head office and certain branches have been certified (started acquiring certifications in 2015)</p>	<p>October. 2019</p>	<p>Received the Excellent Company Award for Employment of Persons with Disabilities under Tokyo Metropolis’ program for commendation of excellent companies for employment of persons with disabilities for FY2017 (Tokyo Metropolis)</p>	<p>September. 2017</p>																
	<p>Selected as an excellent company from among the “Aichi Shining Women Companies” for FY2019 (Aichi Prefecture)</p>	<p>October. 2019</p>	<p>Received the FY2015 Japan Organization for Employment of the Elderly, Persons with Disabilities and Job Seekers President’s Award for Effort (excellent site for employment of persons with disabilities) (Japan Organization for Employment of the Elderly, Persons with Disabilities and Job Seekers)</p>	<p>September. 2015</p>																
	<p>The Company’s 24 employee cafeterias received the highest recognition (three stars) under the Healthy Meal and Dietary Environment Consortium Smart Meal certification system.</p>	<p>October. 2019</p>	 <p>Selected for inclusion in FY2014 Diversity Management Selection 100 (Ministry of Economy, Trade and Industry)</p>	<p>March. 2015</p>																
	<p>ISO 14001 (standard for environmental management systems): Acquired at 37 principal sites (started acquiring certifications in 2015)</p>	<p>July. 2019</p>	<p>Received the Minister of Health, Labour and Welfare Award (the highest award) for FY2013 for “Workplace improvement best practices for employment of persons with disabilities” (hosted by Japan Organization for Employment of the Elderly, Persons with Disabilities and Job Seekers under the auspices of the Ministry of Health, Labour and Welfare)</p>	<p>September. 2013</p>																
	<p>Selected as a constituent of the MSCI Japan ESG Select Leaders Index (MSCI)</p>	<p>June. 2019</p>		 <table border="1"> <caption>Employees with disabilities (%)</caption> <thead> <tr> <th>Fiscal Year</th> <th>Percentage (%)</th> </tr> </thead> <tbody> <tr> <td>2012</td> <td>1.96</td> </tr> <tr> <td>2013</td> <td>2.16</td> </tr> <tr> <td>2014</td> <td>2.20</td> </tr> <tr> <td>2015</td> <td>2.29</td> </tr> <tr> <td>2016</td> <td>2.82</td> </tr> <tr> <td>2017</td> <td>3.04</td> </tr> <tr> <td>2018</td> <td>3.25</td> </tr> </tbody> </table>	Fiscal Year	Percentage (%)	2012	1.96	2013	2.16	2014	2.20	2015	2.29	2016	2.82	2017	3.04	2018	3.25
Fiscal Year	Percentage (%)																			
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2014	2.20																			
2015	2.29																			
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2017	3.04																			
2018	3.25																			
	<p>Selected as a constituent of the SNAM Sustainability Index for FY2019 (Sompo Japan Nipponkoa Asset Management)</p>	<p>June. 2019</p>	<p>Certified as one of the enterprises in the “Health and Productivity Enterprises 2019 ~ White 500 ~” list for the third consecutive year (Ministry of Economy, Trade and Industry, Nippon Kenko Kaigi)</p>	<p>February. 2019</p>																
	<p>Received “Ikumen Ikuboss Award” as part of the Aichi Prefecture Family Friendly Company Commendations for FY2018 (Aichi Prefecture)</p>	<p>February. 2019</p>	<p>The former Emperor and the Empress visited the Tokyo Head Office Clerical Work Support Center in connection with the Company’s receipt of the Minister of Health, Labour and Welfare Award</p>																	

<Reference>

- (1) Group point system “RTTG Point Club” was started to operate. (April, 2019)**
- (2) It was resolved to discontinue the “Measures Against Large-scale Purchases of Company Shares” at the conclusion of the 46th Annual General Meeting of Shareholders. (June 27, 2019)**
- (3) Held of the Resorttrust Ladies golf championship was held at Grandee Hamanako Golf Club. (from May 31 to June 2, 2019)**
- (4) The Dunlop Srixon Fukushima Open was held at Grandee Nasu Shirakawa Golf Club’s course for consecutive years. (from June 27 to June 30, 2019)**
- (5) Opening a Private Nursing Home “Trust Garden Ogikubo”. (August 1, 2019)**
- (6) Trust Garden Co., Ltd., a company in the Group, has acquired shares of Senior Life Company Ltd. from LIXIL Corporation and started to operate of five facilities (390 rooms) owned by Senior Life Company Ltd. (September 2, 2019)**
- (7) “Hotel Trusty Premier Nihonbashi Hamacho” started to operate. (September 12, 2019)**
- (8) “Hotel Trusty Premier Kumamoto” started to operate. (October 9, 2019)**
- (9) Membership Sales Launch for Grand HIMEDIC Club “HIMEDIC Tokyo Nihonbashi Course”. (October 16, 2019)**
- (10) Cancer Intelligence Care Systems, Inc., a Group company, started a clinical trial of Boron Neutron Capture Therapy (BNCT) for malignant melanoma and angiosarcoma. (November 2019)**
- (11) Started contracted operation of ENGLISH GARDEN Rosa & Berry Tawada’s DAICHI no Restaurant (Maibara City, Shiga Prefecture) (January 8, 2020)**
- (12) Reception of Encouragement Award for Fiscal Year 2019 Good Example of Workplace Improvement for Employment of Persons with Disabilities. (January 29, 2020)**

Contract Values of Membership 3Q FY2019 (April to December)

(Billion yen)

	2019/12 results	2019/12 targets	Difference	2018/12 results	YoY Change	2019/12 Progress rate of contract (cumulative)	2020/3 targets
Yokohama Baycourt Club	16.9	10.8	+6.2	10.0	+6.9	59.6%	14.4
Laguna Baycourt Club	8.6	10.2	(1.6)	14.7	(6.1)	93.8%	13.7
XIV Rokko SV	0.7	1.5	(0.8)	0.9	(0.1)	48.4%	2.0
Ashiya Baycourt Club	6.1	5.9	+0.2	4.7	+1.5	83.4%	7.9
XIV Yugawara Rikyu	2.1	2.6	(0.5)	1.3	+0.8	76.9%	3.5
Other Hotels	7.9	9.0	(1.1)	7.1	+0.8	—	12.1
Hotel Membership Total	42.4	39.9	+2.5	38.7	+3.7	—	53.6
Golf	0.3	0.1	+0.1	0.2	+0.1	—	0.2
HIMEDIC	4.3	4.5	(0.2)	4.0	+0.4	—	6.1
Total	47.0	44.5	+2.4	42.8	+4.1	—	59.9

* Progress rate of the total contract amount

Sales of Membership Segment 3Q FY2019

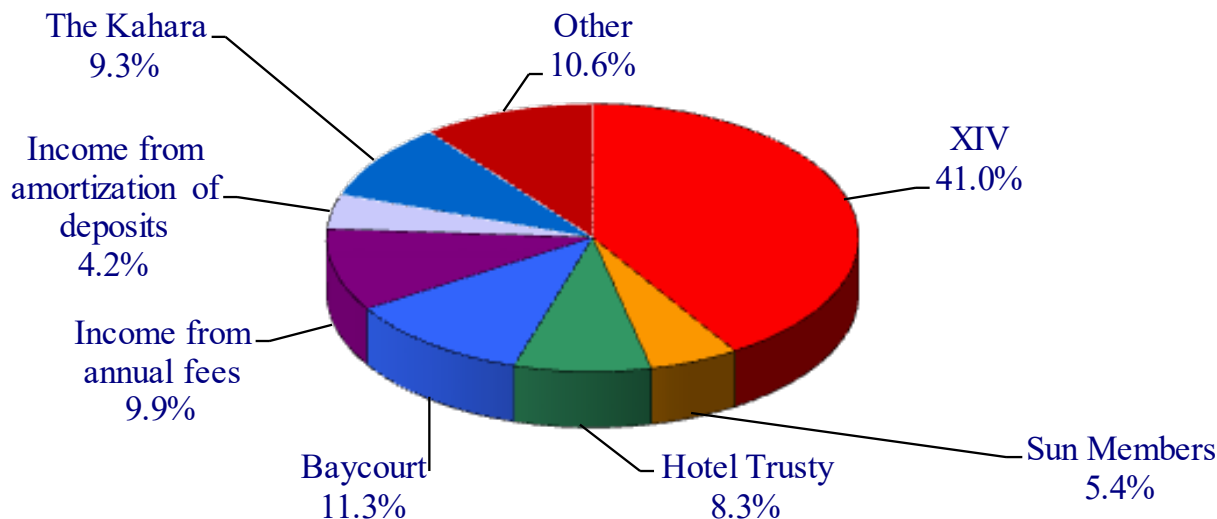
(April to December)

(Billion yen)

		2019/12 results	2019/12 targets	Difference	2018/12 results	YoY Change	2020/3 targets
Yokohama Baycourt Club		15.1	9.7	+5.4	9.0	+6.1	13.0
Laguna Baycourt Club		7.8	9.3	(1.5)	13.4	(5.6)	12.5
XIV Rokko SV		0.7	1.4	(0.7)	0.8	(0.1)	1.8
Ashiya Baycourt Club		5.6	5.4	+0.2	4.2	+1.3	7.2
XIV Yugawara Rikyu		1.8	2.4	(0.6)	1.1	+0.7	3.2
Other Hotels		6.6	5.3	+1.3	5.1	+1.5	7.1
Hotel Membership Total		37.6	33.5	+4.1	33.7	+3.9	44.9
Deferred Sales	Yokohama Baycourt Club	(8.0)	(5.1)	(2.9)	(4.8)	(3.2)	(6.9)
	Laguna Baycourt Club	-	-	-	(7.5)	+7.5	-
	XIV Rokko SV	-	-	-	4.7	(4.7)	-
All Hotels		29.5	28.3	+1.2	26.1	+3.4	38.0
Other		0.5	0.7	(0.2)	0.1	+0.5	1.1
Membership Operations Total		30.1	29.1	+1.0	26.1	+3.9	39.1

Sales of Hotel and Restaurant Segment 3Q FY2019

(April to December)



(Million yen)

	2019/12 results	2019/12 targets	2018/12 results	2020/3 targets
XIV	26,085	29,388	27,447	37,451
Sun Members	3,462	3,810	3,556	5,002
Hotel Trusty	5,294	5,954	5,138	8,140
Baycourt	7,187	8,627	5,431	11,268
Income from annual fees	6,323	6,274	5,770	8,408
Income from amortization of deposits	2,665	2,713	2,388	3,618
The Kahara	5,898	6,088	6,031	8,174
Other	6,690	6,912	6,330	8,566
Total	63,607	69,770	62,095	90,630

Operations by category 3Q FY2019

(April to December)

<HOTEL>

Number of overnight visitors

(Thousands)

	2019/12 results	2019/12 targets	2018/12 results	2020/3 targets
XIV	1,411	1,510	1,445	1,944
Sun Members	308	331	316	435
Hotel Trusty	553	585	525	797
Baycourt	223	278	163	364

<Reference>

(Thousands)

2018/3 results	2019/3 results
1,864	1,839
431	418
696	689
145	217

Occupancy rates

(%)

	2019/12 results	2019/12 targets	2018/12 results	2020/3 targets
XIV	51.2	54.7	52.3	52.4
Sun Members	61.7	64.9	60.2	64.4
Hotel Trusty	88.4	91.7	91.3	90.7
Baycourt	45.6	56.0	48.5	55.1

(%)

2018/3 results	2019/3 results
50.8	50.2
60.4	60.4
91.7	90.4
54.6	48.3

Spending per visitor

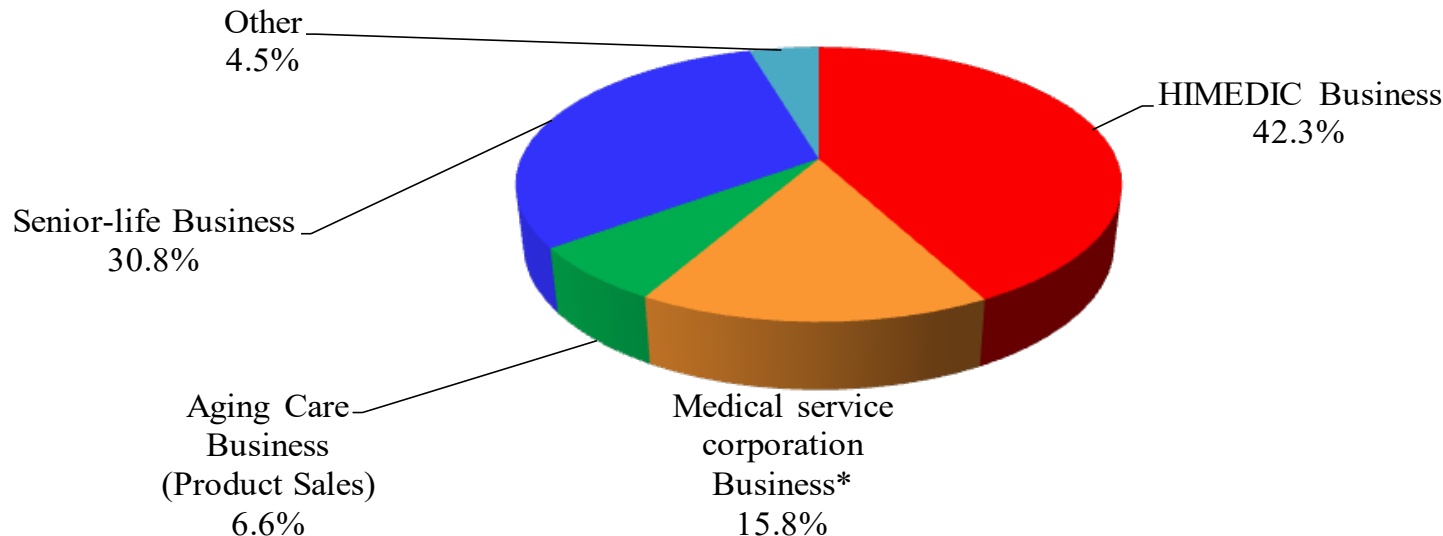
(yen)

	2019/12 results	2019/12 targets	2018/12 results	2020/3 targets
XIV	18,482	19,453	18,990	19,259
Sun Members	11,228	11,487	11,232	11,482
Hotel Trusty	9,573	10,177	9,783	10,205
Baycourt	32,114	31,015	33,214	30,898

(yen)

2018/3 results	2019/3 results
19,340	18,915
11,139	11,268
9,752	9,612
32,940	32,671

Sales of Medical Segment 3Q FY2019 (April to December)



(Millions yen)

	2019/12 results	2019/12 targets	2018/12 results	2020/3 targets
HIMEDIC Business	12,342	12,409	11,527	16,731
Medical service corporation Business*	4,617	4,684	4,502	6,211
Aging Care Business(Product Sales)	1,936	2,266	2,071	3,076
Senior-life Business	8,984	9,896	7,646	13,627
Other	1,296	1,382	(85)	1,373
Total	29,177	30,640	25,663	41,020

※Operation support for general medical service business, etc.

<Senior residences and private nursing homes>

	2019/12 results	2019/12 targets	2018/12 results	2020/3 targets
Occupancy rates(%)	87.1	93.3	86.5	94.7
number of rooms	2,100	2,100	1,587	2,100

*Life Assist Bashamichi : Started to operate on July, 2018, Trust Grace Shirakabe : Stated to operate on March, 2019

*Trust Garden Ogikubo Started to operate on August, 2019, Started to operate 5 facilities(total 390 room) on September, 2019. P9 for an overview.

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

« Method of recording sales and income from property before hotel opening » P.31

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.

Fiscal year		Results for FY2014 (2015/3)		Results for FY2015 (2016/3)		Results for FY2016 (2017/3)		Results for FY2017 (2018/3)		Results for FY2018 (2019/3)		Targets for FY2019 (2020/3)	
Contract amount of properties before completion of construction		(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) 13.0 billion		(Yokohama Baycourt) 14.4 billion	
Deferred sales and income from properties		Sales	Income	Sales	Income	Sales	Income	Sales	Income	Sales	Income	Sales	Income
Yokohama Baycourt	Value deferred							(3.5)	(1.2)	(6.2)	(2.1)	(6.9)	(2.3)
	Value realized												
Laguna Baycourt	Value deferred					(10.2)	(3.2)	(10.4)	(3.4)				
	Value realized									+20.5 *	+7.1		
XIV Rokko SV	Value deferred			(2.1)	(0.4)	(1.4)	(0.3)	(1.1)	(0.2)				
	Value realized									+4.7 *	+1.1		
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 (From FY 2013)	Value deferred	(6.3)	(1.7)										
	Value realized			+9.8 *	+3.0								
Value affected(Single Year)		(11.0)	(3.0)	(13.2)	(4.6)	(7.5)	(2.3)	+6.2	+3.4	+18.9	+6.1	(6.9)	(2.3)

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

Financial highlights of consolidated results	Results for FY2014 (2015/3)		Results for FY2015 (2016/3)		Results for FY2016 (2017/3)		Results for FY2017 (2018/3)		Results for FY2018 (2019/3)		Targets for FY2019 (2020/3)	
	Sales	Operating income	Sales	Operating income	Sales	Operating income	Sales	Operating income	Sales	Operating income	Sales	Operating income
Disclosed figures (Recorded value)	120.4	16.0	142.2	18.6	143.5	13.5	165.4	17.7	179.5	18.9	171.4	16.0
(For reference)① Value excluding effects of deferred values	131.4	19.1	155.4	23.2	151.0	15.8	159.2	14.3	160.7	12.8	178.3	18.3
(For reference)② ①+ Excluding effects of extra costs	131.4	19.1	155.4	23.8	151.0	17.0	159.2	16.2	160.7	14.4	178.3	18.5

Effects of Deferred Revenue from properties before hotel opening (3Q)

«Method of recording sales and income from property before completion of construction» p.31

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 3Q FY2019 (2019/12)		Targets for 3Q FY2019 (2019/12)		Results for 3Q FY2018 (2018/12)	
Contract amount of properties before completion of construction		Yokohama	16.9 billion	Yokohama	10.8 billion	Yokohama	10.0 billion
						Laguna	14.7 billion
Deferred sales and income from properties		Sales	Income	Sales	Income	Sales	Income
Yokohama Baycourt	Value deferred	(7.9)	(2.6)	(5.1)	(1.7)	(4.8)	(1.6)
Laguna Baycourt		-	-	-	-	(7.3)	(2.4)
Sub Total		(7.9)	(2.6)	(5.1)	(1.7)	(12.1)	(4.0)
XIV Rokko SV (opened on April 2018)	Value realized	-	-	-	-	+4.7	+1.1
Sub Total		-	-	-	-	+4.7	* +0.9
Total		(7.9)	(2.6)	(5.1)	(1.7)	(7.5)	(3.1)

* (0.2) Decrease in expenses for opening of XIV Rokko SV.

<Reference>

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

Security deposit:	1 million yen
Registration fee:	4 million yen
Real estate:	5 million yen

Total contract amount:
10 million yen

Sale amount recorded

	Contract	Framework	Completion of Construction	At Opening	Earnings Recorded
	1 million yen				Balance-sheet liability recorded *2
	4 million yen				Sale recorded (when contract signed)
	1 million yen*1	2 million yen*1	2 million yen*1		Sale recorded (when facility opens)
	6 million yen	2 million yen	2 million yen		
	4 million yen	—	—	5 million yen*1	
				Cost of Sales 3.5 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.

Annual fee:
0.13 million yen



RESORTTRUST
GROUP

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