

Financial results Presentation



For the year ended March 31, 2016

Resorttrust, Inc. (Securities code 4681)



” XIV Toba Bettei” (Opened on March 27, 2016)

Section 1: Business Results Summary, Medium- to Long-term Strategy

- **Results Highlights for Fiscal Year 2015** P.2-3
- **Plans and Measures Highlights for Fiscal Year 2016** P. 4-5
- **Developments in Progress and Strategy for the
Medium-term Management Plan “Next 40”** P.6-7

Financial Highlights

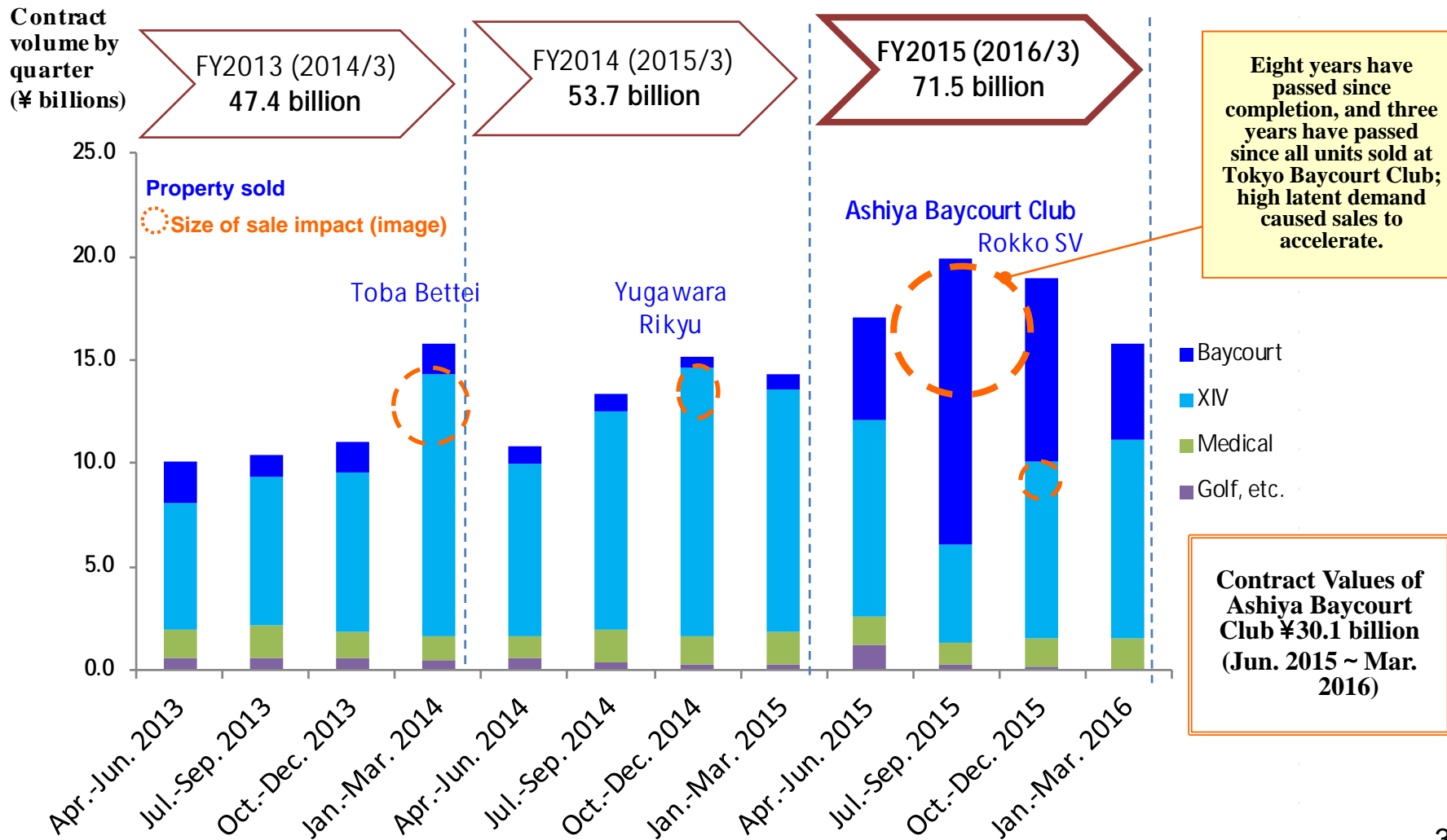
(¥ millions)

	2016/3 (results)	2016/3 (revised targets)	Difference	2015/3 (results)	YoY Change
Net Sales	142,249	144,900	(1.8%)	120,401	+18.1%
Operating Income	18,640	19,500	(4.4%)	16,041	+16.2%
Ordinary Income	19,439	20,600	(5.6%)	20,206	(3.8%)
Net Income	13,044	13,300	(1.9%)	11,851	+10.1%

revised on Aug.6 2015

Contract Values for Fiscal Year 2015

An especially large sales effect was seen for Ashiya Baycourt, and contract values increased significantly for fiscal year 2015



Targets for Fiscal Year 2016

	2016/3 (results)	2017/3 (targets)	
	(¥ millions)		Change
Net sales	142,249	160,400	+ 12.8%
Operating income	18,640	17,700	(5.0%)
⟨vs. net sales (%)⟩	⟨13.1%⟩	⟨11.0%⟩	
Ordinary income	19,439	19,500	+ 0.3%
⟨vs. net sales (%)⟩	⟨13.7%⟩	⟨12.2%⟩	
Net income	13,044	13,200	+1.2%
⟨vs. net sales (%)⟩	⟨9.2%⟩	⟨8.2%⟩	

Net income per share (¥)	123.34	124.81
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Annual Cash dividend (¥)	46.00	46.00
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Measures Highlights for Fiscal Year 2016

- As new developments, XIV Yugawara Rikyu opened, and openings are planned for two domestic HIMEDIC locations and one senior location.
- Programs to rebrand some urban Sun Members facilities (to Hotel Trusty), considering extended stay facilities, etc.
- As required investment to strengthen ES and CS, higher personnel expenses and welfare expenses to contribute to improving brand strength.

• **Two HIMEDIC bases to open (June, July 2016)**



(HIMEDIC Kyoto University Hospital)



(HIMEDIC Nagoya)

• **“Trust Garden Tokiwamatsu” opened (April 2016)**



• **XIV Yugawara Rikyu to open (March 2017)**



• **“Hotel Trusty Nagoya Shirakawa”
Rebrand open
(June 20, 2016)**



• **Expansion of healthcare business (May 2016)
(Commencement of joint venture with the ORIX Group)**

**Motivating work environment
(Employee satisfaction)**

**Seeking excellent hospitality
(Customer satisfaction)**

Improved brand strength

Progress of Medium-term Management Plan

“Next 40”

- The third year of the Medium-term Management Plan “Next 40” is complete, and net sales and income are progressing at higher levels than figures in initial plans.
- The number of members is steadily increasing, and the personnel for openings, etc. is substantial. Accordingly, the number of employees increased significantly.

“Next 40” Quantitative Plan (net sales and operating income)

Results

(¥ billions)

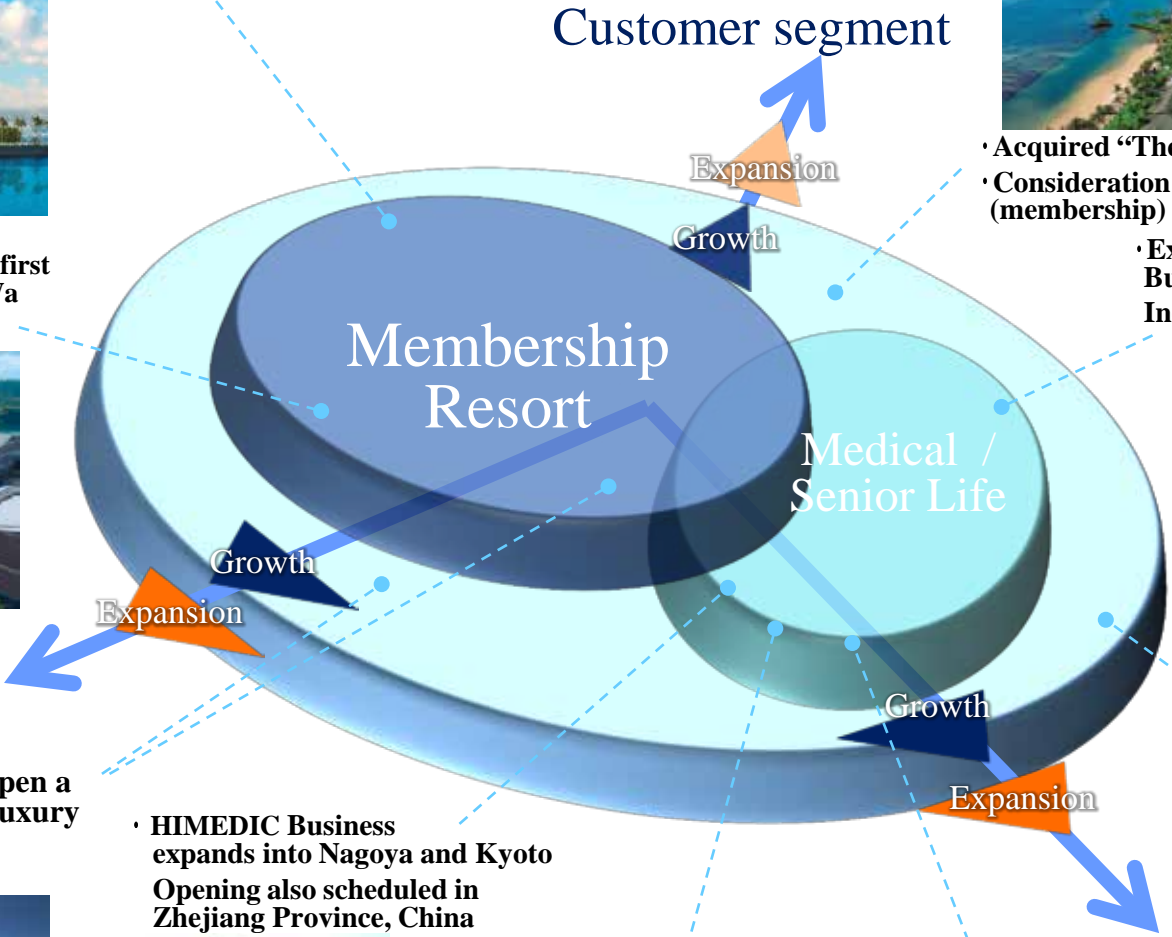
	FY2012 (revised targets)	FY2015 (Third year of mid-term plan)	FY2017 (Fifth year of mid-term plan)
Net Sales	104.0	120.0	150.0
Operating Income	12.0	16.0	24.0
Ordinary Income	12.5	16.0	24.0
Net Income	7.0	10.0	15.0

	FY2012 (Final year of previous mid-term plan) Results	FY2013 Results for the 1st year	FY2014 Results for the 2nd year	FY2015 Results for the 3rd year	Difference
Net Sales	105.3	116.8	120.4	142.2	+22.2
Operating Income	12.0	15.1	16.0	18.6	+2.6
Ordinary Income	12.9	16.8	20.2	19.4	+3.4
Net Income	7.1	8.7	11.8	13.0	+3.0
Total contract value	40.5	47.4	53.7	71.5	
Number of Members (end of period /thousand persons)	149	155	163	169	
Number of consolidated full-time employees (end of period /persons)	4,361	4,597	5,287	5,931	

*Additionally, 655 persons were hired in April 2016

Developments in the Medium- to Long-term Strategy (from April 2013 through March 2016)

**Medium-term Management Plan
“Next 40” Strategic Image Diagram**



- Acquired “The Kahala Hotel & Resort”
- Consideration of extended stay facilities (membership)

- Expand Senior Life Business
- Increase number of rooms



- Hotel Trusty Expansion into Hokuriku area



- Penetration of Baycourt brand (Urban membership hotel)



- “XIV Toba Bettei” opened, the first property to make full use of “Wa (Japanese style)”



Business Fields

- In Yokohama, plan to open a Baycourt with general luxury hotel annex (our first)



- HIMEDIC Business expands into Nagoya and Kyoto
- Opening also scheduled in Zhejiang Province, China



- Expand healthcare business (Group investment: 50%)

- BNCT Business: Scheduled to begin clinical trials (Group investment: 41.8%)

Business Area

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.

Section 2: Details of Results for Fiscal Year 2015 and Targets for Fiscal Year 2016

- Topics for Fiscal Year 2015** **P. 10-11**
- Results Details for Fiscal Year 2015 (by segment, contract values, etc.)**
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- Topics for Fiscal Year 2016** **P. 36**

Topics for Fiscal Year 2015 No.1/2

- (1) Launched Grand HIMEDIC Club's new examination facility "HIMEDIC Tokyo Bay Imaging Center".
(April 27, 2015)**
- (2) Resorttrust Ladies golf championship was held at Maple Point Golf Club.
(from May 29 to May 31, 2015)**
- (3) Started Membership Sales for Exclusive Membership Resort
"ASHIYA BAYCOURT CLUB HOTEL & SPA RESORT".(since June 8, 2015)**
- (4) The first Overseas expansion Anniversary Commemorative Dividend(¥3) for the acquisition of "The Kahala
Hotel & Resort" for the Fiscal Year 2014.(June 26, 2015)**
- (5) The form of organization was transformed into "Company with Supervisory Committee".(June 26, 2015)**
- (6) The Dunlop Srixon Fukushima Open was held at Grandee Nasu Shirakawa Golf Club's course for conservative
years. (from July 23 to July 26, 2015)**
- (7) Succeeded operation of the Private Nursery Home "Suncrea Hongo (Bunkyo-ku, Tokyo)" (August 1, 2015)
Renamed "Suncrea Hongo" to "Trust Garden Hongo".(April 1, 2016)**
- (8) Announced upward Revision of Forecasts and Increase of Dividend plan. (August 6, 2015)**

Topics for Fiscal Year 2015 No.2/2

- (9) Announcement of the Hotel Business Development Plan in “Minato Mirai 21 Central District Block 20 MICE Facility Development Business”. (August 31, 2015)**
- (10) Acquired the land for a New Hotel at Takashima city in Shiga Prefecture. (October 30, 2015)**
- (11) Announcement of Membership Sales Launch for “XIV Rokko Sanctuary Villa”Membership Resort Hotel. (November 16, 2015)**
- (12) Launched Grand HIMEDIC Club’s new examination facility “HIMEDIC Tokyo Bay”. (December 7, 2015)
Started Membership Sales for “HIMEDIC Tokyo Bay Course”. (Since June 15, 2015)**
- (13) Announcement of Establishment of New “Grand HIMEDIC Club” Facility and Membership Sales Launch for “HIMEDIC Kyoto University Hospital”.(January 25, 2016)**
- (14) Announcement of Expanded Shareholder benefit program.(February 12, 2016)**
- (15) Announcement regarding the possibility that the cancer treatment BNCT system, in joint development between Cancer Intelligence Care Systems, Inc., a Group Company, and the National Cancer Center, may be applicable for clinical trials.(March 1, 2016)
*BNCT = Boron Neutron Capture Therapy**
- (16) “XIV Toba Bettei” and “Grand XIV Toba Hotel & Spa Resort” opened.(March 27, 2016)**

Financial Highlights

(¥ millions)

	2016/3 (results)	2016/3 (revised targets)	Difference	2015/3 (results)	YoY Change
Net Sales	142,249	144,900	(1.8%)	120,401	+18.1%
Operating Income	18,640	19,500	(4.4%)	16,041	+16.2%
Ordinary Income	19,439	20,600	(5.6%)	20,206	(3.8%)
Net Income	13,044	13,300	(1.9%)	11,851	+10.1%

revised on Aug.6 2015

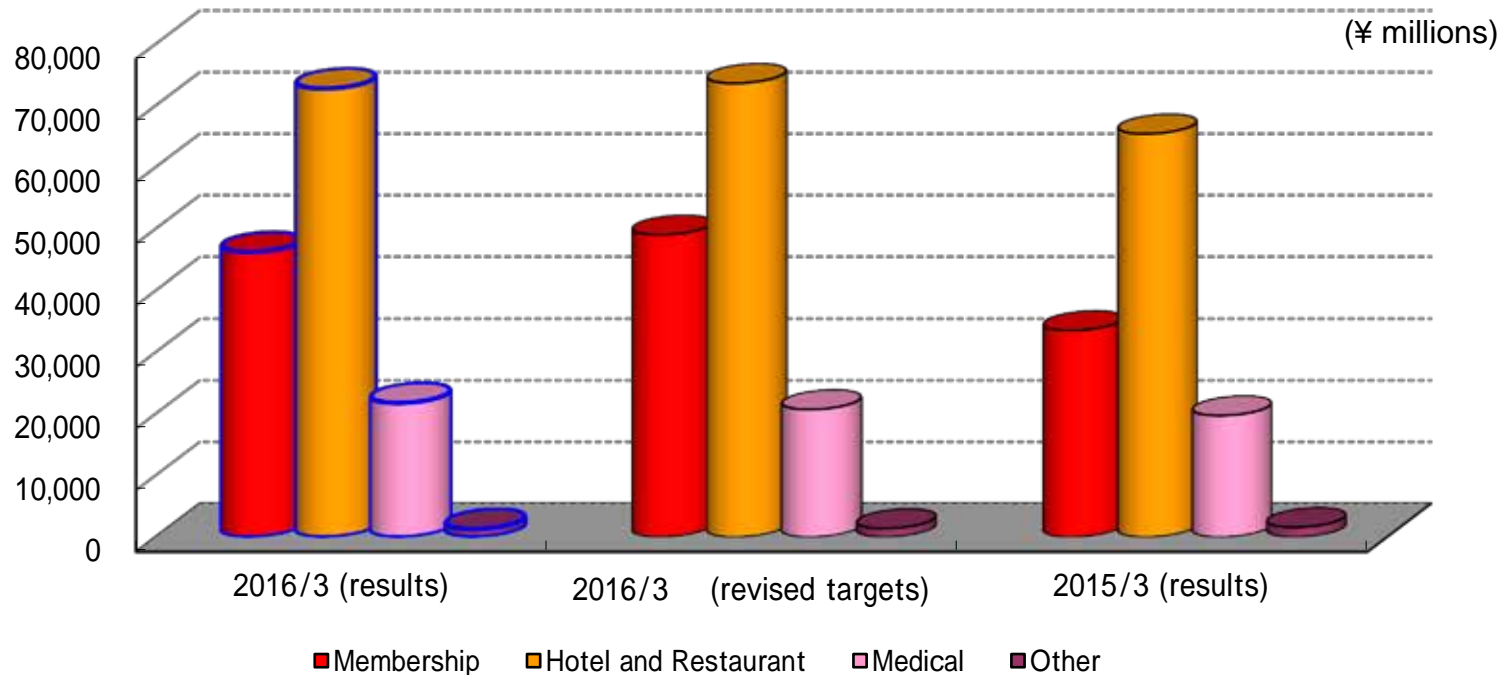
Financial Highlights (4th Quarter)

(¥ millions)

	2016/1-3 (results)	2016/1-3 (revised targets)	Difference	2015/1-3 (results)	YoY Change
Net Sales	43,454	46,300	(6.1%)	29,543	+47.1%
Operating Income	4,660	5,800	(19.6%)	796	+484.9%
Ordinary Income	4,130	5,800	(28.8%)	801	+415.5%
Net Income	1,859	2,900	(35.9%)	(369)	+2,228MY

revised on Aug.6 2015

Segment Sales

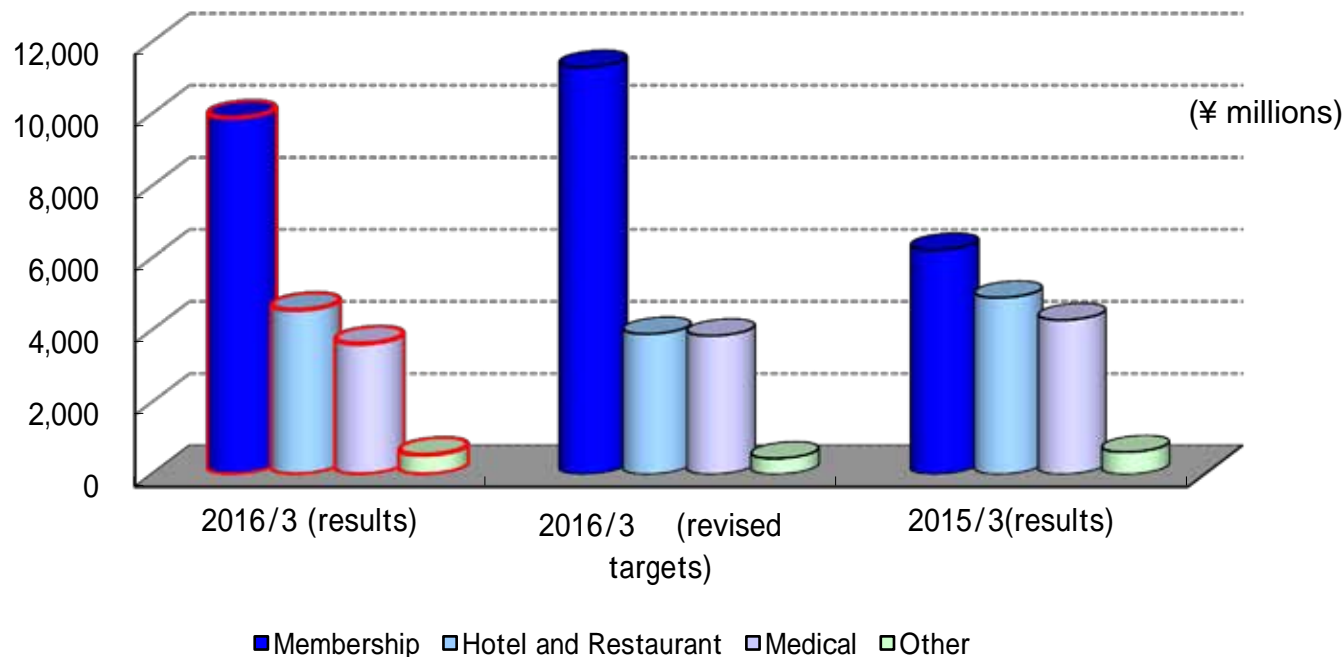


	Membership	Hotel and Restaurant	Medical	Other	Total
2016/3 (results)	46,282	72,817	21,806	1,344	142,249
2016/3 (revised targets)	49,060	73,680	20,740	1,420	144,900
Difference	(5.7%)	(1.2%)	+5.1%	(5.3%)	(1.8%)
2015/3 (results)	33,590	65,462	19,746	1,602	120,401
YoY Change	+37.8%	+11.2%	+10.4%	(16.1%)	+18.1%

(¥ millions)

revised on Aug.6 2015

Segment Operating Income

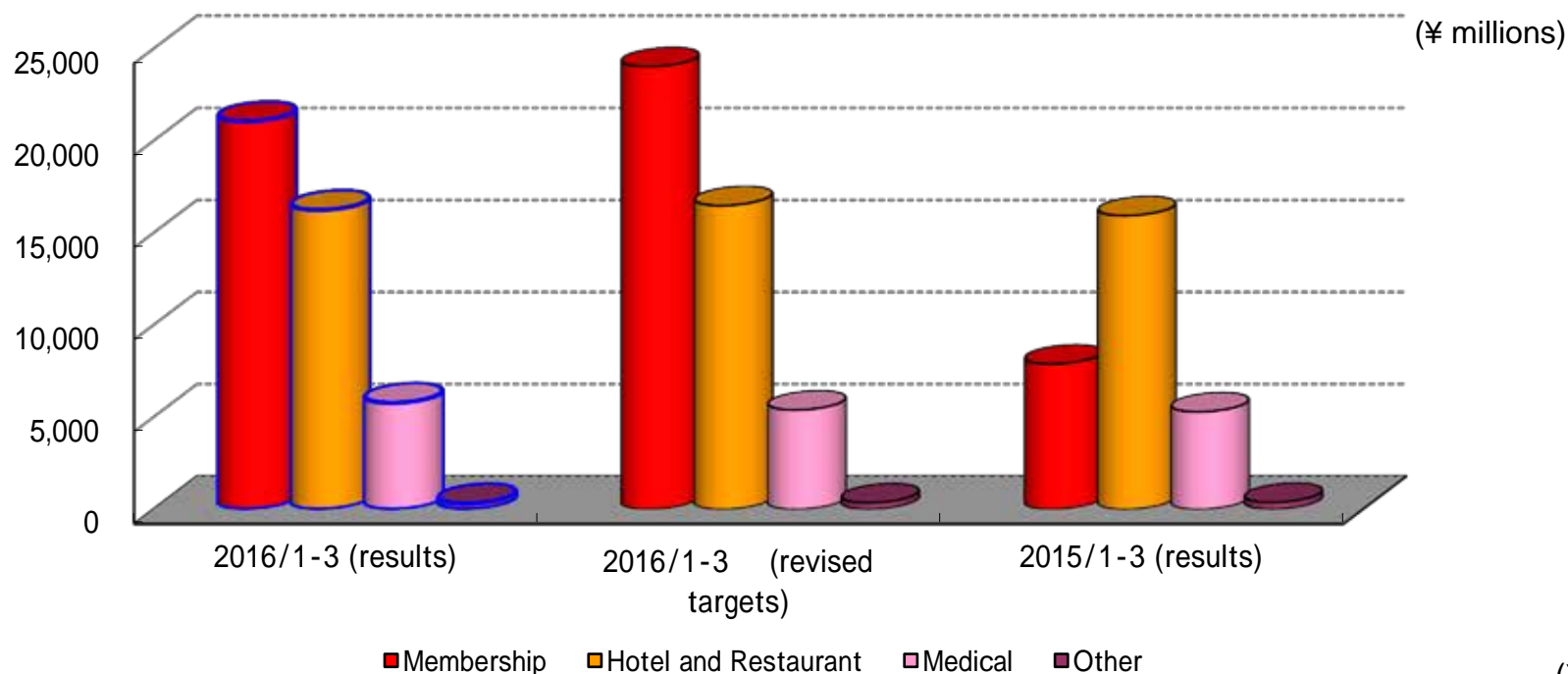


(¥ millions)

	Membership	Hotel and Restaurant	Medical	Other	Total
2016/3 (results)	9,898	4,567	3,629	545	18,640
2016/3 (revised targets)	11,310	3,900	3,850	440	19,500
Difference	(12.5%)	+17.1%	(5.7%)	+24.0%	(4.4%)
2015/3 (results)	6,230	4,906	4,287	617	16,041
YoY Change	+58.9%	(6.9%)	(15.4%)	(11.6%)	+16.2%

revised on Aug.6 2015

Segment Sales (4th Quarter)

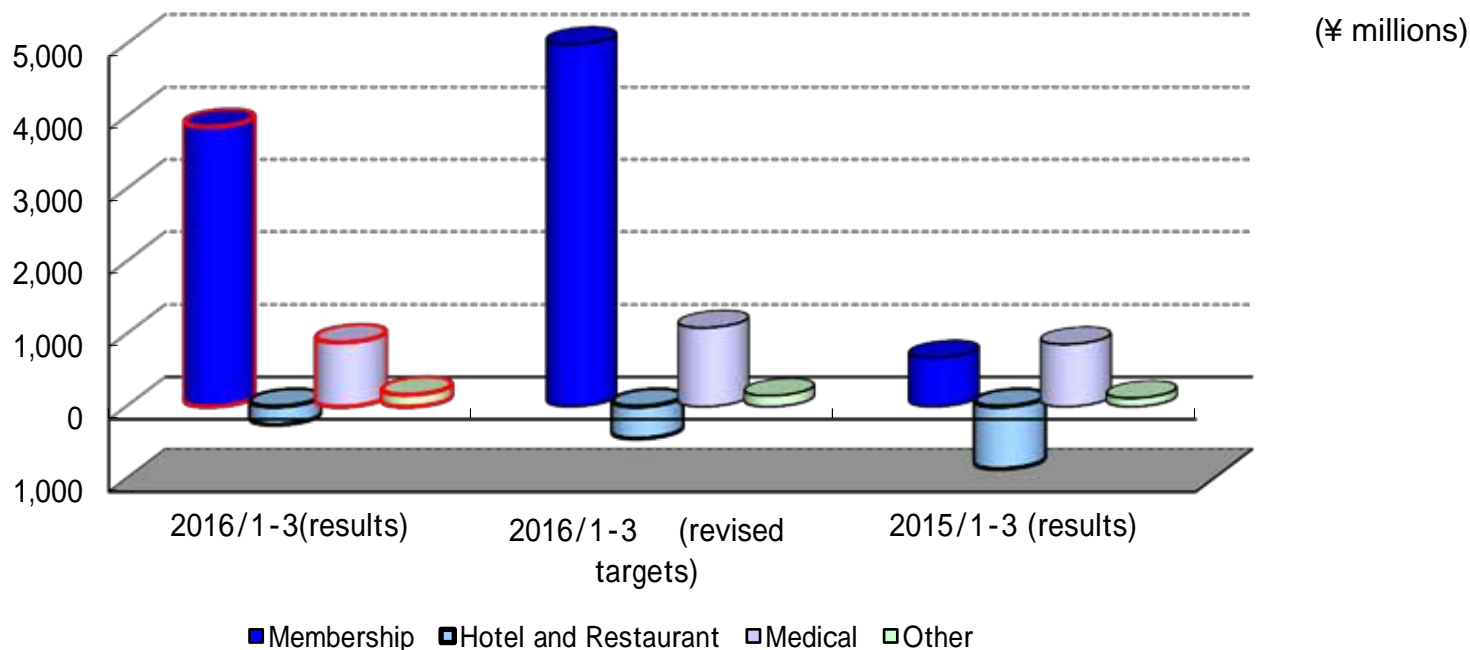


(¥ millions)

	Membership	Hotel and Restaurant	Medical	Other	Total
2016/1-3 (results)	21,077	16,262	5,788	326	43,454
2016/1-3 (revised targets)	24,040	16,500	5,400	360	46,300
Difference	(12.3%)	(1.4%)	+7.2%	(9.4%)	(6.1%)
2015/1-3 (results)	7,900	15,953	5,303	386	29,543
YoY Change	+166.8%	+1.9%	+9.1%	(15.6%)	+47.1%

revised on Aug.6 2015

Segment Operating Income (4th Quarter)



(¥ millions)

	Membership	Hotel and Restaurant	Medical	Other	Total
2016/1-3(results)	3,858	(248)	887	163	4,660
2016/1-3 (revised targets)	5,000	(440)	1,090	150	5,800
Difference	(22.8%)	+191MY	(18.6%)	+8.7%	(19.6%)
2015/1-3 (results)	676	(859)	861	117	796
YoY Change	+470.2%	+610MY	+3.1%	+38.2%	+484.9%

revised on Aug.6 2015

Contract Values of Membership

(¥ billions)

	2016/3 results	2016/3 revised targets	Difference	2015/3 results	YoY Change	* Progress rate of contract (cumulative)	2017/ 3 targets
Membership Hotel(Chubu)	-	-	-	-	-	-	7.5
XIV Rokko SV	4.5	22.8	+11.8	-	+4.5	18.1%	5.5
Ashiya Baycourt Club	30.1			-	+30.1	38.5%	13.5
XIV Yugawara Rikyu	12.3	15.9	(3.6)	9.2	+3.1	36.6%	20.0
XIV Toba Bettei	10.4	13.7	(3.3)	11.8	(1.5)	81.1%	6.0
Other Hotels	7.6	9.0	(1.4)	25.8	(18.2)	-	12.1
Hotel Membership Total	64.8	61.4	+3.4	46.8	+18.0	-	64.5
Golf	1.7	1.6	+0.1	1.2	+0.5	-	0.4
Membership Operations Total	66.5	63.0	+3.5	48.0	+18.5	-	65.0
HIMEDIC	5.0	4.7	+0.3	5.7	(0.7)	-	4.9
Total	71.5	67.7	+3.8	53.7	+17.8	-	69.9

* Progress rate of the total contract amount

revised on Aug.6 2015

Sales of Membership Segment

(¥ billions)

	2016/3 results	2016/3 revised targets	Difference	2015/3 results	YoY Change	2017/3 targets	
Membership Hotel(Chubu)	-	-	-	-	-	7.0	
XIV Rokko SV	4.0	20.3	+11.1	-	+4.0	5.0	
Ashiya Baycourt Club	27.4			-	+27.4	12.2	
XIV Yugawara Rikyu	10.5	14.4	(3.9)	8.3	+2.2	18.3	
XIV Toba Bettei	9.3	12.5	(3.2)	10.9	(1.6)	5.6	
Other Hotels	5.7	7.4	(1.7)	21.3	(15.6)	9.8	
Hotel Membership Total	56.9	54.7	+2.2	40.6	+16.3	58.0	
Deferred Sales	Membership Hotel(Chubu)	-	-	-	-	(4.0)	
	XIV Rokko SV	(2.1)	(11.1)	(6.5)	-	(2.8)	
	Ashiya Baycourt Club	(15.5)			-	(15.5)	(6.9)
	XIV Yugawara Rikyu	(5.7)	(8.1)	+2.5	(4.7)	(0.9)	10.3
	XIV Toba Bettei	9.8	9.9	(0.1)	(6.3)	+16.1	-
All Hotels	43.5	45.4	(1.9)	29.6	+13.9	54.6	
Golf	1.1	1.1	(0.0)	0.4	+0.7	0.2	
Subtotal	44.6	46.5	(1.9)	30.0	+14.6	54.8	
Other	1.7	2.5	(0.9)	3.6	(1.9)	2.2	
Membership Operations Total	46.3	49.1	(2.8)	33.6	+12.7	57.1	

Contract Values of Membership (4th Quarter)

(¥ billions)

	2016/1-3 results	2016/1-3 revised targets	Difference	2015/1-3 results	YoY Change
XIV Rokko SV	1.0	4.7	+0.4	-	+1.0
Ashiya Baycourt Club	4.1			-	+4.1
XIV Yugawara Rikyu	3.0	3.8	(0.8)	4.0	(0.9)
XIV Toba Bettei	4.3	2.9	+1.5	3.2	+1.1
Other Hotels	1.7	2.3	(0.6)	5.4	(3.7)
Hotel Membership Total	14.2	13.7	+0.4	12.6	+1.6
Golf	0.1	0.1	(0.0)	0.2	(0.1)
Membership Operations Total	14.3	13.8	+0.4	12.8	+1.5
HIMEDIC	1.3	1.2	+0.2	1.5	(0.2)
Total	15.6	15.0	+0.6	14.3	+1.3

revised on Aug.6 2015

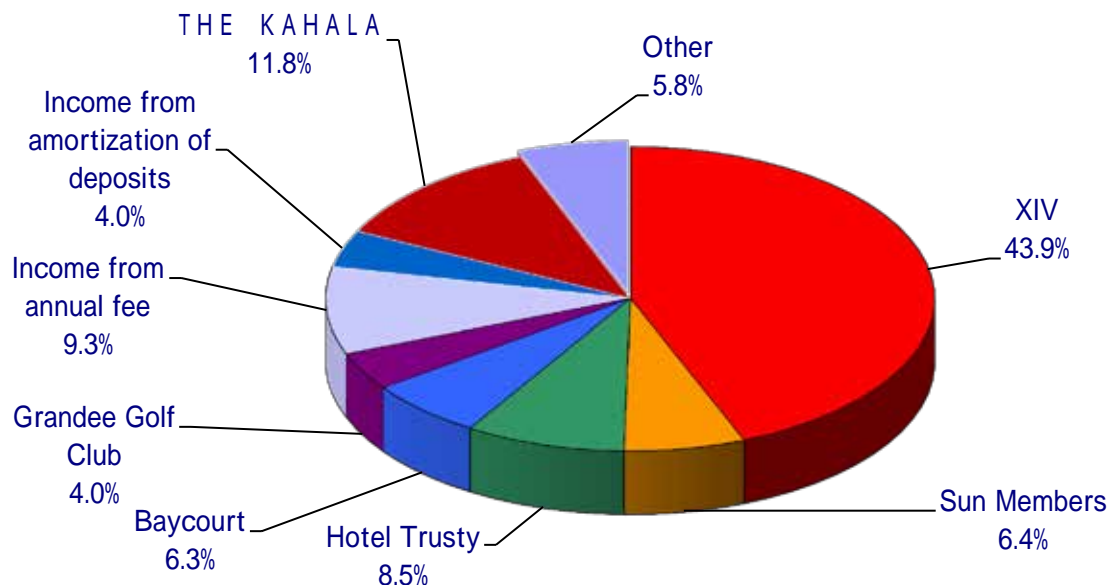
Sales of Membership Segment (4th Quarter)

(¥ billions)

		2016/1-3 results	2016/1-3 revised targets	Difference	2015/1-3 results	YoY Change
XIV Rokko SV		0.9	4.2	+0.4	-	+0.9
Ashiya Baycourt Club		3.7			-	+3.7
XIV Yugawara Rikyu		2.6	3.5	(0.9)	3.6	(1.1)
XIV Toba Bettei		4.0	2.6	+1.4	3.0	+1.0
Other Hotels		1.3	2.0	(0.7)	4.3	(3.0)
Hotel Membership Total		12.4	12.3	+0.2	10.9	+1.5
Deferred Sales	XIV Rokko SV	(0.5)	(2.3)	(0.4)	-	(0.5)
	Ashiya Baycourt Club	(2.2)			-	(2.2)
	XIV Yugawara Rikyu	(1.4)	(2.0)	+0.5	(2.0)	+0.6
	XIV Toba Bettei	12.6	15.5	(2.8)	(1.7)	+14.3
All Hotels		21.0	23.5	(2.5)	7.2	+13.8
Golf		0.0	0.0	(0.0)	0.1	(0.0)
Subtotal		21.0	23.5	(2.5)	7.2	+13.8
Other		0.1	0.5	(0.5)	0.7	(0.6)
Membership Operations Total		21.1	24.0	(3.0)	7.9	+13.2

revised on Aug.6 2015

Sales of Hotel and Restaurant Segment



(¥ millions)

	2016/3 results	2016/3 revised targets	2015/3 results	2017/3 targets
XIV	31,988	32,909	32,360	34,651
Sun Members	4,658	4,852	4,765	4,786
Hotel Trusty	6,162	5,587	5,331	6,600
Baycourt	4,555	4,607	4,388	4,749
Grandee Golf Club	2,930	2,972	2,937	2,949
Income from annual fees	6,752	6,712	6,710	7,016
Income from amortization of deposits	2,886	2,916	2,868	2,915
THE KAHALA	8,607	8,162	1,713	8,606
Other	4,275	4,959	4,387	4,184
Total	72,817	73,680	65,462	76,460

revised on Aug.6 2015

Operations by category

< HOTEL >

Number of overnight visitors

(Thousands)

	2013/3 results	2014/3 results	2015/3 results	2016/3 results	2016/3 revision targets	2017/3 targets
XIV	1,816	1,816	1,815	1,786	1,826	1,893
Sun Members	428	475	496	477	498	461
Hotel Trusty	472	559	603	637	618	678
Baycourt	109	124	135	150	143	155

Occupancy rates

(%)

	2013/3 results	2014/3 results	2015/3 results	2016/3 results	2016/3 revision targets	2017/3 targets
XIV	53.3	53.7	54.0	54.0	54.6	54.5
Sun Members	59.3	62.8	64.7	65.2	66.2	66.5
Hotel Trusty	85.7	87.1	89.7	92.5	90.9	92.6
Baycourt	41.4	48.3	53.2	59.5	57.1	62.6

Spending per visitor

(¥)

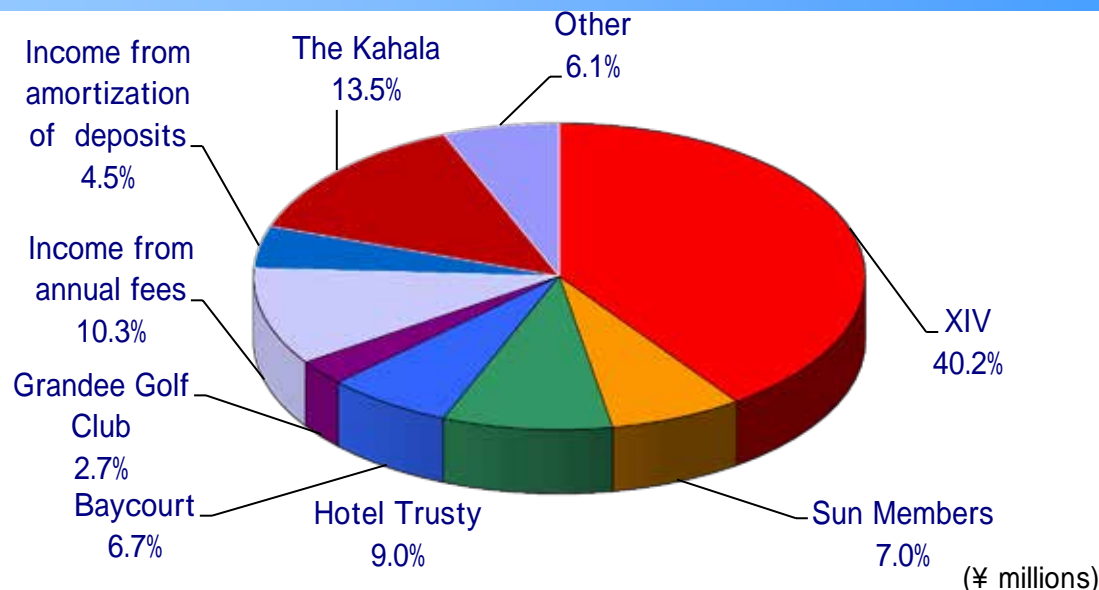
	2013/3 results	2014/3 results	2015/3 results	2016/3 results	2016/3 revision targets	2017/3 targets
XIV	17,430	17,586	17,822	17,901	18,020	18,305
Sun Members	9,198	9,457	9,591	9,759	9,725	10,369
Hotel Trusty	8,218	8,514	8,835	9,667	9,029	9,726
Baycourt	34,014	32,854	32,458	30,206	32,182	30,539

< Senior residences and private nursery homes >

(%)

	2013/3 results	2014/3 results	2015/3 results	2016/3 results	2016/3 revision targets	2017/3 targets
Occupancy rates	89.6	76.6	80.8	87.6	88.2	94.9
number of rooms	528	813	907	1,025	1,025	1,075

Sales of Hotel and Restaurant Segment (4th Quarter)



	2016/1-3 results	2016/1-3 revised targets	2015/1-3 results
XIV	6,532	6,733	6,759
Sun Members	1,143	1,142	1,144
Hotel Trusty	1,459	1,254	1,305
Baycourt	1,082	1,109	1,102
Grandee Golf Club	439	429	452
Income from annual fees	1,672	1,673	1,683
Income from amortization of deposits	725	731	723
THE KAHALA	2,202	2,136	1,713
Other	1,004	1,288	1,068
Total	16,262	16,500	15,953

Operations by category (4th Quarter)

Number of overnight visitors (Thousands)

	2015/1-3 results	2016/1-3 results	2016/1-3 revised targets
XIV	376	355	365
Sun Members	119	108	117
Hotel Trusty	147	154	145
Baycourt	35	35	34

Occupancy rates (%)

	2015/1-3 results	2016/1-3 results	2016/1-3 revised targets
XIV	45.7	45.5	46.0
Sun Members	63.3	61.8	61.8
Hotel Trusty	89.2	90.9	87.4
Baycourt	56.3	56.8	55.9

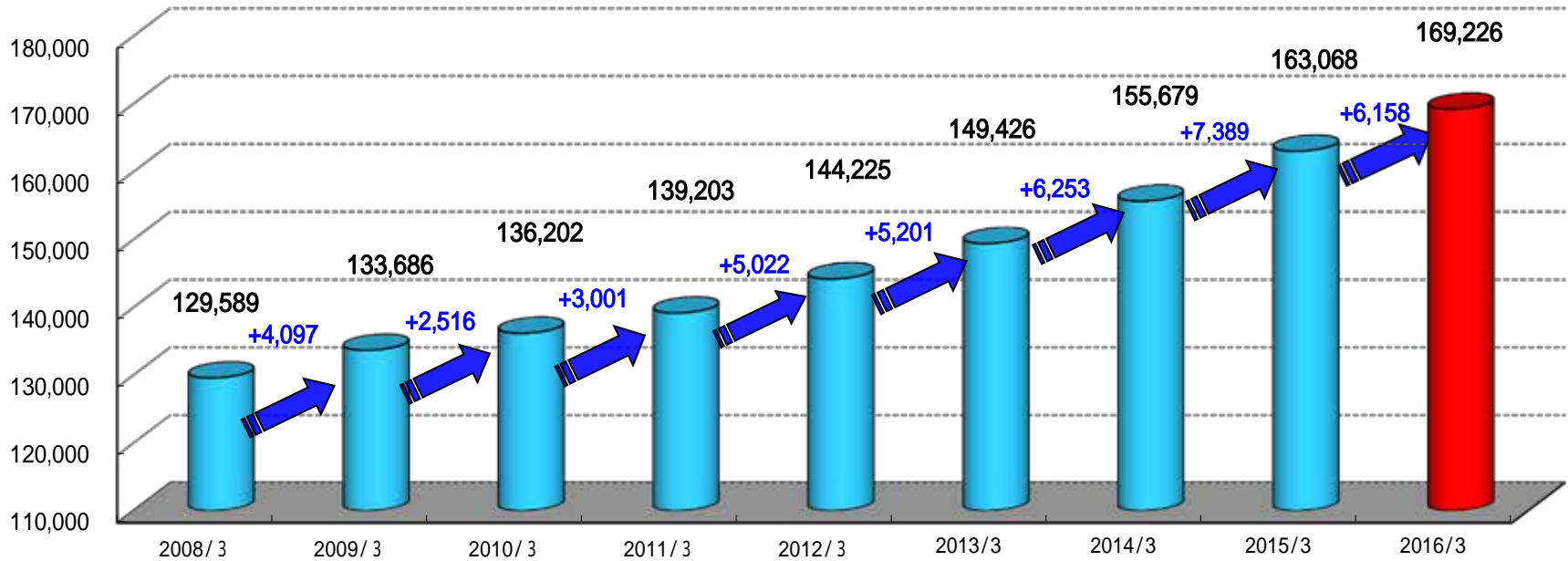
Spending per visitor (¥)

	2015/1-3 results	2016/1-3 results	2016/1-3 revised targets
XIV	17,934	18,391	18,399
Sun Members	9,616	10,496	9,721
Hotel Trusty	8,862	9,433	8,617
Baycourt	31,196	30,352	31,707

revised on Aug.6 2015

Number of Members

(Members)



(Members)

	Baycourt	XIV	Sun Members	Golf	Medical	Cruiser	Total
2015/3	8,493	74,870	35,572	30,635	13,070	428	163,068
2016/3	10,646	76,546	35,103	31,343	15,132	456	169,226
Change 2015/3-2016/3	+2,153	+1,676	(469)	+708	+2,062	+28	+6,158
Change 2014/3-2015/3	+69	+4,439	(552)	+923	+2,547	(37)	+7,389



“XIV Toba French Restaurant LA PERLE”
(Reopened on March 27, 2016)

Consolidated Balance Sheets

(¥ millions)

	2015/3	2016/3	Change		2015/3	2016/3	Change
Total current assets	158,323	147,250	(11,073)	Total current liabilities	61,595	81,794	+20,198
Cash and deposits	53,687	24,742	(28,945)	Notes and accounts payable-trade	1,096	1,123	+27
Notes and accounts receivable-trade	5,994	6,738	+743	Short-term loans payable	11,663	12,842	+1,179
Operating loans	27,448	38,050	+10,601	Current portion of bonds	450	450	-
Short-term investment securities	42,193	28,466	(13,726)	Accounts payable-other and accrued expenses	20,890	27,616	6,726
Merchandise, raw materials and supplies	1,628	1,742	+113	Advance received	13,304	25,227	+11,922
Real estate for sale	2,010	5,614	+3,603	Other	14,191	14,533	+342
Real estate for sale in process	18,497	27,902	+9,405	Total noncurrent liabilities	224,466	213,119	(11,346)
Deferred tax assets	3,714	3,985	+270	Bonds payable and long-term loans payable	71,361	63,423	(7,937)
Other	3,148	10,007	+6,859	Long-term guarantee deposited	103,154	103,098	(55)
Total noncurrent assets	232,508	260,179	+27,671	Bonds with subscription rights to shares	35,558	30,242	(5,315)
Property, plant and equipment, net	153,784	156,884	+3,099	Other	14,391	16,354	+1,962
Intangible assets	3,351	4,341	+989	Total liabilities	286,062	294,914	+8,852
Investments and other assets	75,372	98,954	+23,582	Net Assets	104,769	112,515	+7,745
				Shareholders' equity	94,768	108,109	+13,340
				Treasury shares	(2,705)	(3,451)	(745)
				Accumulated Other Comprehensive Income	7,670	3,694	(3,976)
				Subscription rights to shares	57	16	(40)
				Non-controlling interests	4,978	4,146	(831)
Total assets	390,832	407,430	+16,597	Total liabilities and net assets	390,832	407,430	+16,597

Consolidated Cash Flows

(¥ millions)

	2015/3	2016/3
Cash flows from operating activities	22,057	2,616
Cash flows from investing activities	(71,837)	(33,824)
Cash flows from financing activities	60,359	(8,624)
Effect of exchange rate changes on cash and cash equivalents	3,859	(151)
Net increase (decrease) in cash and cash equivalents	14,439	(39,983)
Increase (decrease) in cash and cash equivalents resulting from changes of scope of consolidation	-	(944)
Cash and cash equivalents at end of period	66,404	25,476

Net Sales by segment for Fiscal Year 2016

<Sales>

(¥ millions)

	2016/3 (result)	2017/3 (targets)	
Membership	46,282	57,080	+ 23.3%
Hotel and Restaurant	72,817	76,460	+ 5.0%
Medical	21,806	25,560	+17.2%
Other	1,344	1,300	(3.3%)
Total	142,249	160,400	+12.8%

Operating Income by segment for Fiscal Year 2016

<Operating Income>

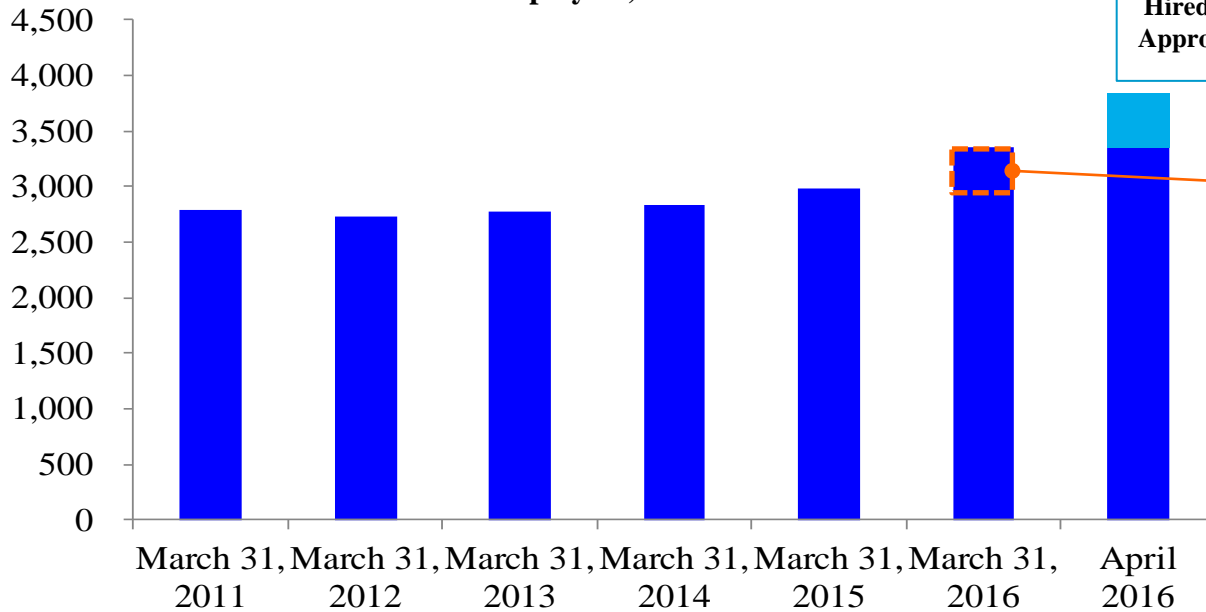
(¥ millions)

	2016/3 (result)	2017/3 (targets)	
Membership	9,898	9,940	+ 0.4%
Hotel and Restaurant	4,567	3,460	(24.2%)
Medical	3,629	3,720	+ 2.5%
Other	545	580	+ 6.3%
Total	18,640	17,700	(5.0%)

Status of Personnel Expenses in Hotels and Restaurants for Fiscal Year 2016

- In preparation for openings following Yugawara, approximately 500 new employees to increase in April in fiscal year 2016
- In the current term, although Toba Bettei will contribute to higher revenue, personnel expenses to increase as forward expenses as in the previous term

<Trends in Personnel Numbers (Non-consolidated, Full-time Employees) in Hotels and Restaurants>



There were no openings in fiscal year 2015, and personnel expenses increased as forward expenses (Year-on-year increase in personnel expenses: approx. ¥2.0 billion)

In fiscal year 2016, personnel expenses are forecast to increase by about ¥1.0 billion as forward expenses (Scale: Toba Bettei < Yugawara, Ashiya)

Opened Facilities (contributed to revenue.)



Opened in March 2011
Arima Rikyu
(175 rooms)



Opened in March 2012
Karuizawa PASEO, SV MUSEO
(Total 48 rooms)

Upon the Great East Japan Earthquake, conducted revision, etc.



Opened in March 2016
Toba Bettei
(121 rooms)



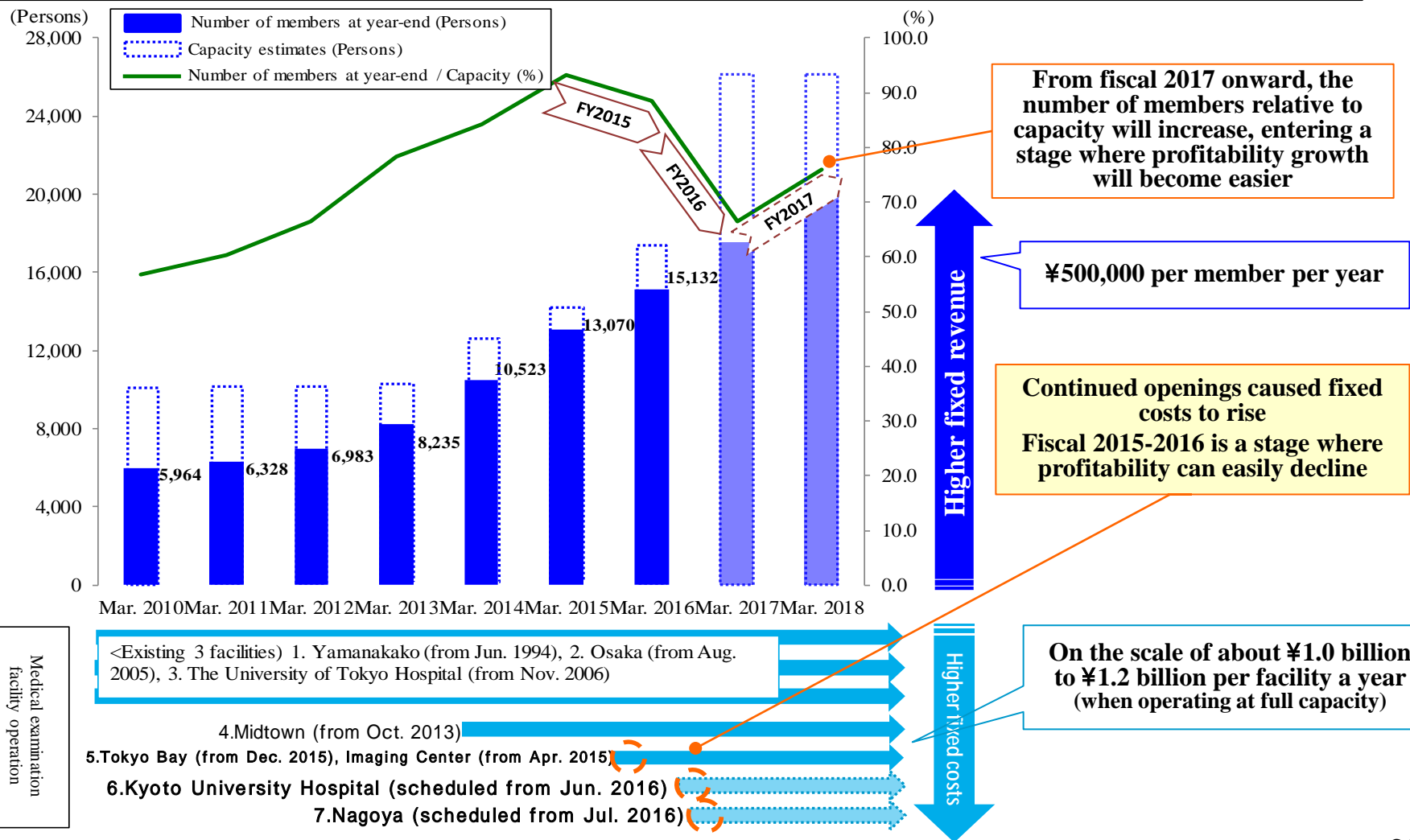
Opening in March 2017
Yugawara Rikyu
(187 rooms)



Opening in February 2018
Ashiya Baycourt Club
(201 rooms)

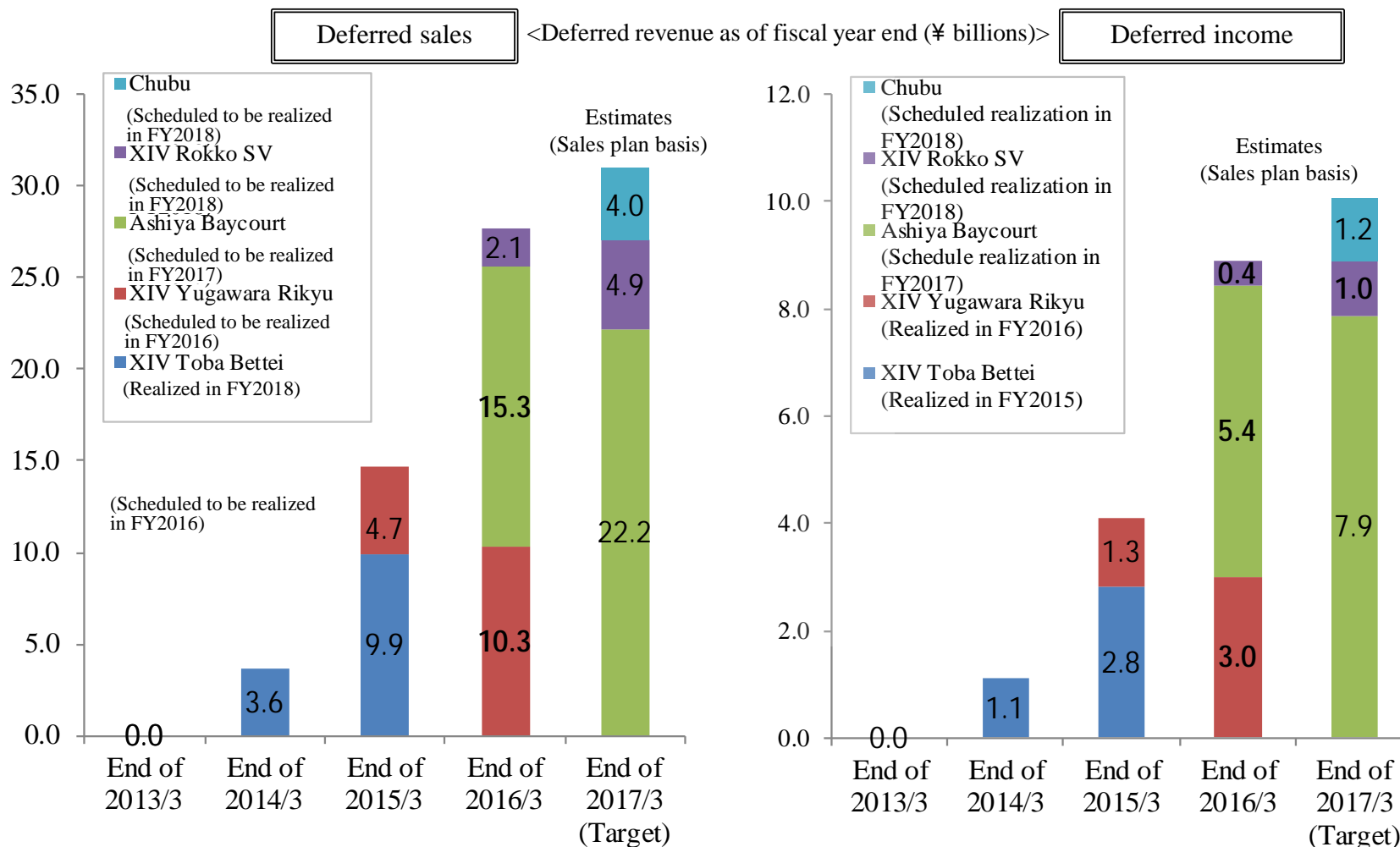
HIMEDIC Base Expansion in Fiscal Year 2016

- The number of HIMEDIC members was 7,000 persons as of March 31, 2012, and was over 15,000 members as of March 31, 2016.
- Examination capacity (sales inventory) was enriched by openings (3 bases and 4 facilities) from fiscal 2015 to fiscal 2016.
- After openings, fixed costs are high until membership numbers grow (fiscal 2015-2016), but they contribute to revenue over the medium- to long-term.



Status of Deferred Revenue (Unrealized gains)

Regarding sold memberships, these are accumulated deferred revenue on an accounting basis (real estate portion for unopened properties)
 *As of March 31, 2016. Deferred sales: ¥27.7 billion, Deferred income: ¥8.8 billion



Effects of Deferred Revenue from properties before completion of construction

Method of recording sales and income from property before completion of construction p.39

Registration fee treated as Sales upon signing.

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

(¥ Billions)

Fiscal year	Results for 2013 (2014/3)	Results for 2014 (2015/3)	Results for 2015 (2016/3)	Targets for 2016 (2017/3)	(For reference) Predictions for 2017 (2018/3)
Contract amount of properties before completion of construction	(XIV Toba Bettei) 6.6 billion	(XIV Toba Bettei) 11.8 billion (XIV Yugawara Rikyu) 9.2 billion	(XIV Yugawara Rikyu) 12.3 billion (Ashiya Baycourt) 30.1 billion (XIV Rokko SV) 4.5 billion	(Ashiya Baycourt) 13.5 billion (XIV Rokko SV) 5.5 billion (Chubu) 7.5 billion	

Deferred sales and income from properties		Sales	Income	Sales	Income	Sales	Income	Sales	Income	Sales	Income
XIV Toba Bettei (RH)	Value deferred	3.6	1.1	6.3	1.7	-	-	-	-	-	-
	Value realized	-	-	-	-	+9.8	+3.0	-	-	-	-
XIV Yugawara Rikyu (RH)	Value deferred	-	-	4.7	1.3	5.5	1.7	-	-	-	-
	Value realized	-	-	-	-	-	-	+10.3	+3.0	-	-
Ashiya Baycourt (RH)	Value deferred	-	-	-	-	15.3	5.4	6.9	2.4	-	-
	Value realized	-	-	-	-	-	-	+22.2	+7.9	-	-
XIV Rokko SV (RH)	Value deferred	-	-	-	-	2.1	0.4	2.8	0.6	(Unspecified value)	(Unspecified value)
	Value realized	-	-	-	-	-	-	-	-	-	-
Chubu (RH)	Value deferred	-	-	-	-	-	-	4.0	1.2	(Unspecified value)	(Unspecified value)
	Value realized	-	-	-	-	-	-	-	-	-	-
Value affected (included in disclosed figures)		3.6	1.1	11.0	3.0	13.2	4.6	3.3	1.2	(Unspecified value)	(Unspecified value)

XIV Toba Bettei is scheduled to open in Mar. 2016.
XIV Yugawara Rikyu is scheduled to open in Mar. 2017.
Ashiya Baycourt is scheduled to open in Feb. 2018.
XIV Rokko SV is scheduled to open in Apr. 2018.

Deferred until opening of the facility

Financial highlights of consolidated results	Results for 2013		Results for 2014		Targets for 2015		Targets for 2016	
	Sales	Operating income	Sales	Operating income	Sales	Operating income	Sales	Operating income
Disclosed figures (Recorded value)	116.8	15.1	120.4	16.0	143.3	18.6	160.5	17.7
(For reference) Value excluding effects of deferred values	120.4	16.2	131.4	19.1	156.5	23.2	163.8	18.9
(For reference) Value excluding effects of extra costs	120.4	16.2	131.4	19.1	156.5	23.8	163.8	20.4

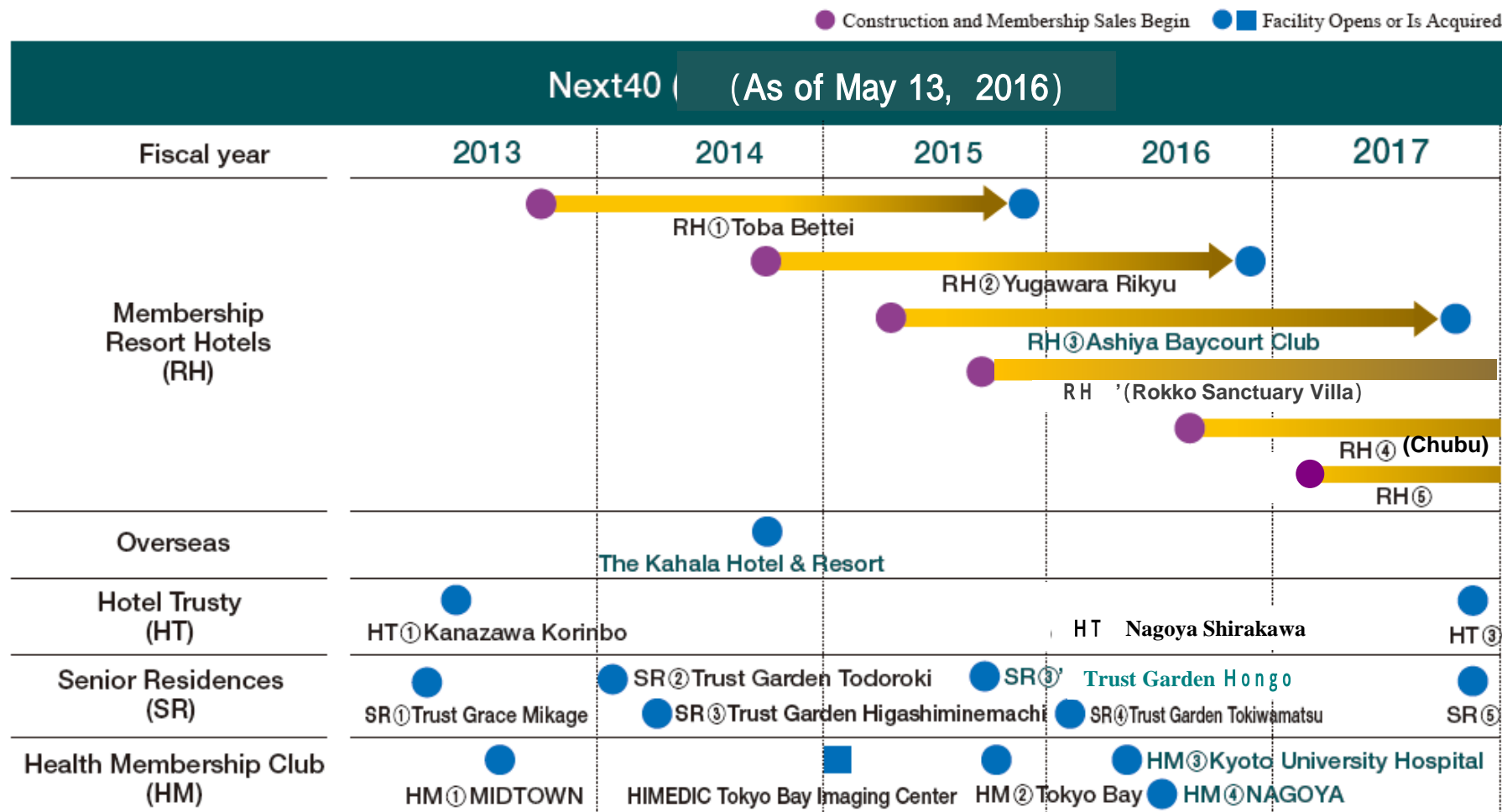
Extra costs such as real estate acquisition tax and opening cost, which usually about 1.0 ~ 1.5 billion yen for each XIV hotel, will be added upon opening.
XIV Toba Bettei: 0.6 billion
XIV Yugawara Rikyu: 1.5 billion

Topics for Fiscal Year 2016

- (1) Opened a private nursery home “Trust Garden Tokiwamatsu,” in Shibuya Ward, Tokyo.(April 1, 2016)**
- (2) Launch of Healthcare Business Through Joint Venture between ORIX Corporation and the Resorttrust Group.
(May 13, 2016)**
- (3) Announcement that the following three matters will be proposed at the 43rd General Meeting of Shareholders.(May 13, 2016)**
 - **Renewal of Measures Against Large-scale Purchases of Company Shares (Takeover Defenses)**
 - **Payment of Bonuses to Directors Concurrently Serving as Audit & Supervisory Committee Members in Line With Termination of Retirement Allowance System**
 - **Partial Amendments to Board Benefit Trust (BBT) (Termination of Remuneration Framework for Directors Concurrently Serving as Audit & Supervisory Committee Members)**
- (4) Holding of the Resorttrust Ladies golf championship will be held at Grandee Naruto Golf Club 36.
(from May 27 to May 29, 2016)**
- (5) “HIMEDIC Kyoto University Hospital” is scheduled to be opened.(June, 2016)**
- (6) “HIMEDIC Nagoya” is scheduled to be opened.(July, 2016)**
- (7) The Dunlop Srixon Fukushima Open will be held at Grandee Nasu Shirakawa Golf Club’s course for conservative years. (from July 21 to July 24, 2016)**
- (8) “XIV Yugawara Rikyu” is scheduled to be opened.(March, 2017)**

Reference materials

Group's Development schedule

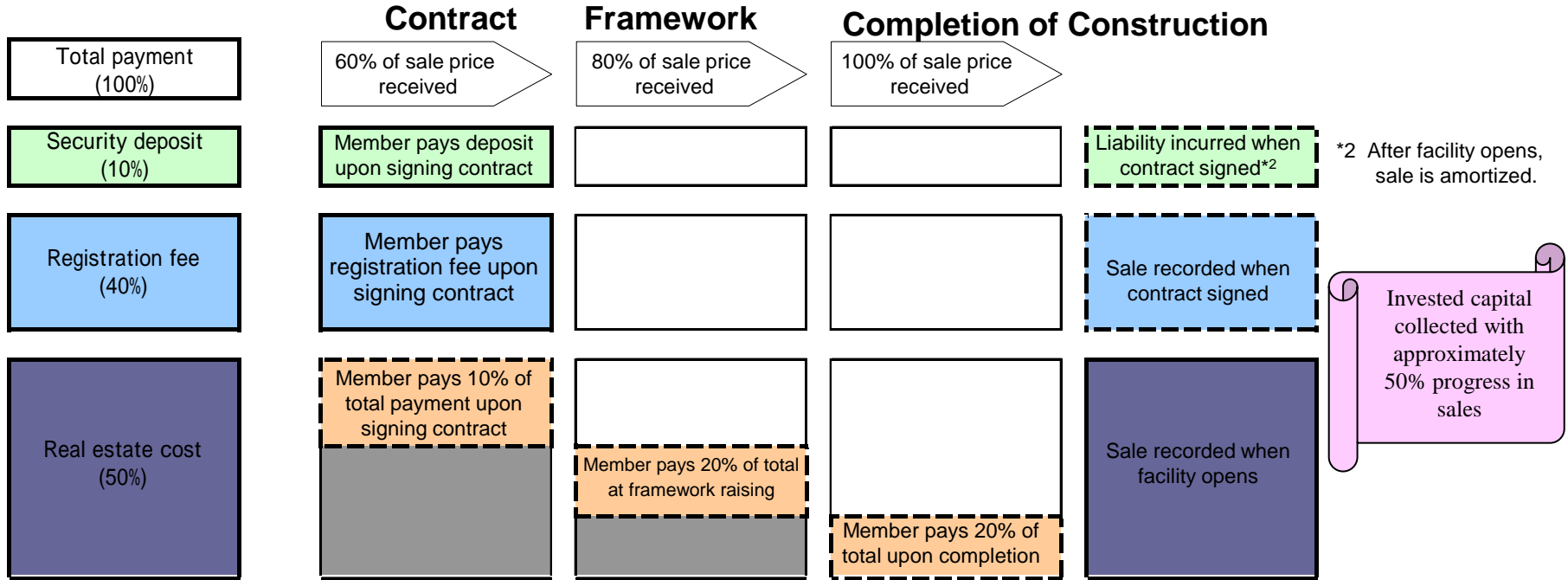


* Items not yet confirmed are based on plans as of the date "NEXT40" was announced (April 2013)

There is the Hotel Business Development Plan in "Minato Mirai 21 Central District Block 20 MICE Facility Development Business". We plan to open "Yokohama Baycourt Club(tentative)" and the Standard Hotel with the same place.(Spring, 2020)

Income and Accounting for a Core XIV Facility

(Before completion of construction)



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	

*1 The real estate cost is deferred until the facility opens and is treated as revenue after the facility opens.

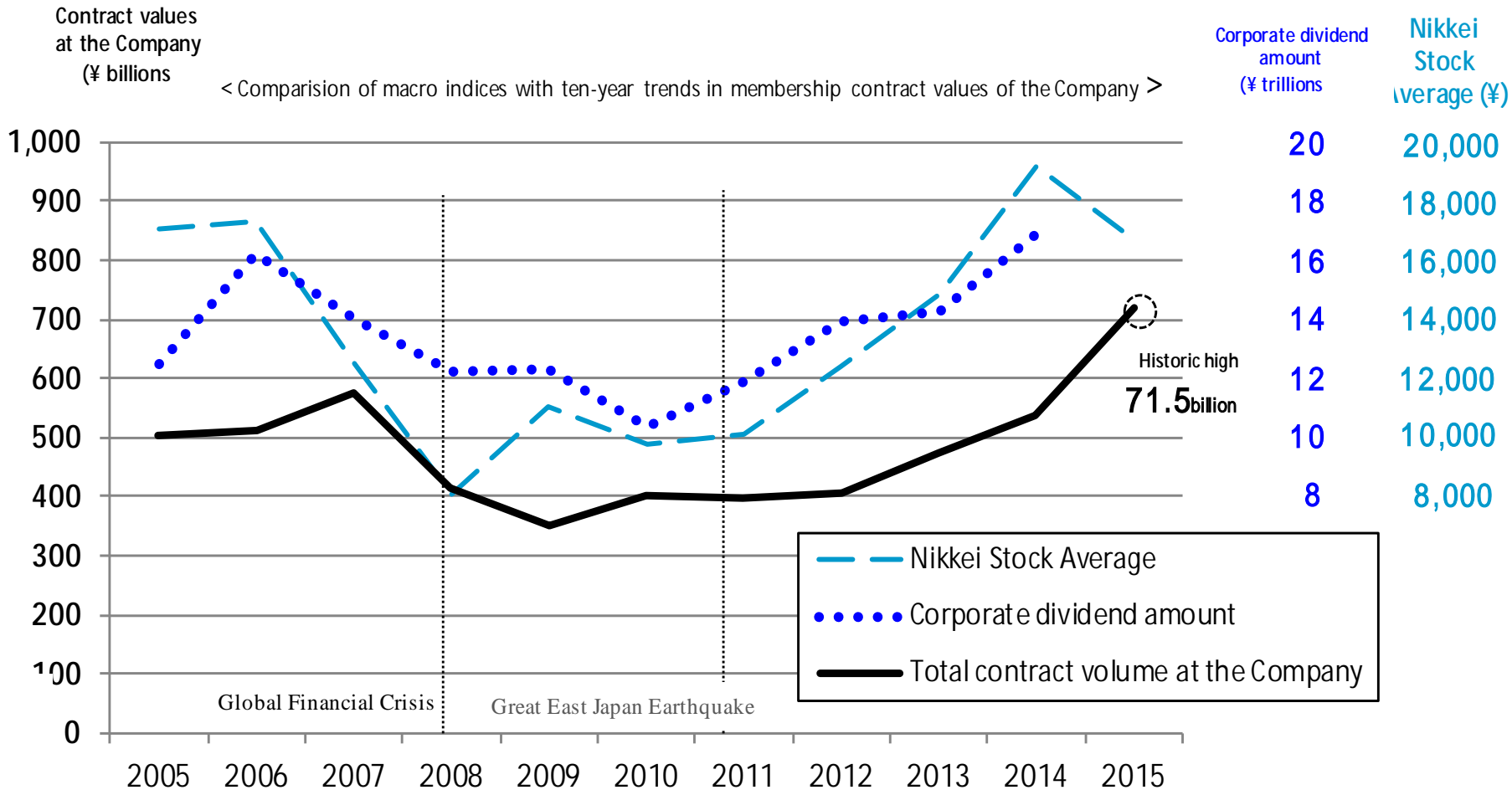
*2 After facility opens, sale is amortized.

Annual fee:
0.13 million yen

<Reference>

Membership Contract Values Long-term Growth Trends

- Looking at trends over the past ten years for contract values of the Company, there is not a strong short-term correlation with the Nikkei stock average
- Conversely, although there is some time lag, there is a relative correlation with the **amount of corporate dividends (domestic)**



Corporate dividend amounts source: Incorporated Company Statistics, all industries, dividend amounts (Ministry of Finance)

*Contract values=Fiscal year basis; Dividend amount=Calendar year basis (unannounced in 2015); Nikkei Stock Average=Closing price at fiscal year-end



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GROUP

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(Securities code 4681)