

Financial results Presentation For the Year Ended March 31, 2017



**Opened “XIV Yugawara Rikyu” a Membership Resort Hotel
(On March 31, 2017)**

Resorttrust, Inc. (Securities code 4681)

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.

Resorttrust, Inc.

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

- **Overview of FY 2016** **P. 3-5**
- **Developments and Variables in Progress and Strategy for the Medium-term Management Plan “Next 40”** **P. 6-9**
- **Business forecast for FY 2017** **P. 10**

Financial Highlights

(¥ millions)

| | 2017/3 (results) | 2017/3 (* revision targets) | Difference | 2016/3 (results) | YoY Change |
|------------------|---------------------|-----------------------------------|------------|---------------------|---------------|
| Net Sales | 143,541 | 152,000 | (5.6%) | 142,249 | +0.9% |
| Operating Income | 13,514 | 14,200 | (4.8%) | 18,640 | (27.5%) |
| Ordinary Income | 14,806 | 15,100 | (1.9%) | 19,439 | (23.8%) |
| Net Income | 11,010 | 10,200 | +7.9% | 13,044 | (15.6%) |

* revised on Oct. 28 2016

<Difference>

· Overall contract amounts are generally in line with the revised plan, although increased sales of properties before completion of construction, and sales of existing properties and HIMEDIC that were lower than as set out in the revised plan have led to higher deferred revenue, carried over to the next fiscal year onwards. This and other factors have contributed to net sales, operating income and ordinary income that were lower than as set out in the revised plan.

· Net income was higher than in the revised plan due to the recording of extraordinary income on account of the sale of rental real estate.

<YoY Change>

· Principal factors for lower income were a decline in contract amounts due to effects of saturation of Ashiya sales, and forward personnel expenses and rebranding costs incurred in the Hotel and Restaurant Operation Segment.

· Lower income was due to the transient revenue from the sale of golf club memberships recorded during the same period of the previous year (impact on profit: approximately ¥0.9 billion).

Segment Highlights

<Membership>

| | 2017/3 (results) | 2017/3 (* revised targets) | Difference | 2016/3 (results) | YoY Change |
|--|---------------------|-------------------------------|------------|---------------------|---------------|
| Net Sales | 42,530 | 47,560 | (10.6%) | 46,282 | (8.1%) |
| Operating Income | 6,988 | 6,780 | +3.1% | 9,898 | (29.4%) |
| Contract Values of Hotel Membership | 549 | 559 | (1.8%) | 648 | (15.3%) |

<Difference>Although favorable sales of “Laguna Baycourt Club” memberships increased the amount of revenue to be deferred until it opens, costs were lowered and there was a record of income.

<YoY Change>Contract amounts fell due to effects of “Ashiya Baycourt Club” sales (the first sales of Baycourt in approximately 10 years) having become saturated in the previous year, and other factors.

<Hotel and Restaurant>

| | 2017/3 (results) | 2017/3 (* revised targets) | Difference | 2016/3 (results) | YoY Change |
|------------------|---------------------|-------------------------------|------------|---------------------|---------------|
| Net Sales | 74,193 | 75,260 | (1.4%) | 72,817 | +1.9% |
| Operating Income | 3,010 | 3,120 | (3.5%) | 4,567 | (34.1%) |

<Difference>Although occupancy during January to March is generally in line with our plans, the rates are still lower than as planned in terms of the whole fiscal year. Spending per visitor continued to be brisk.

<YoY Change>”XIV Toba Bettei” contributed to higher sales, while forward personnel expenses rose leading up to future back-to-back openings of large-scale facilities and facility maintenance costs rose.

<Medical>

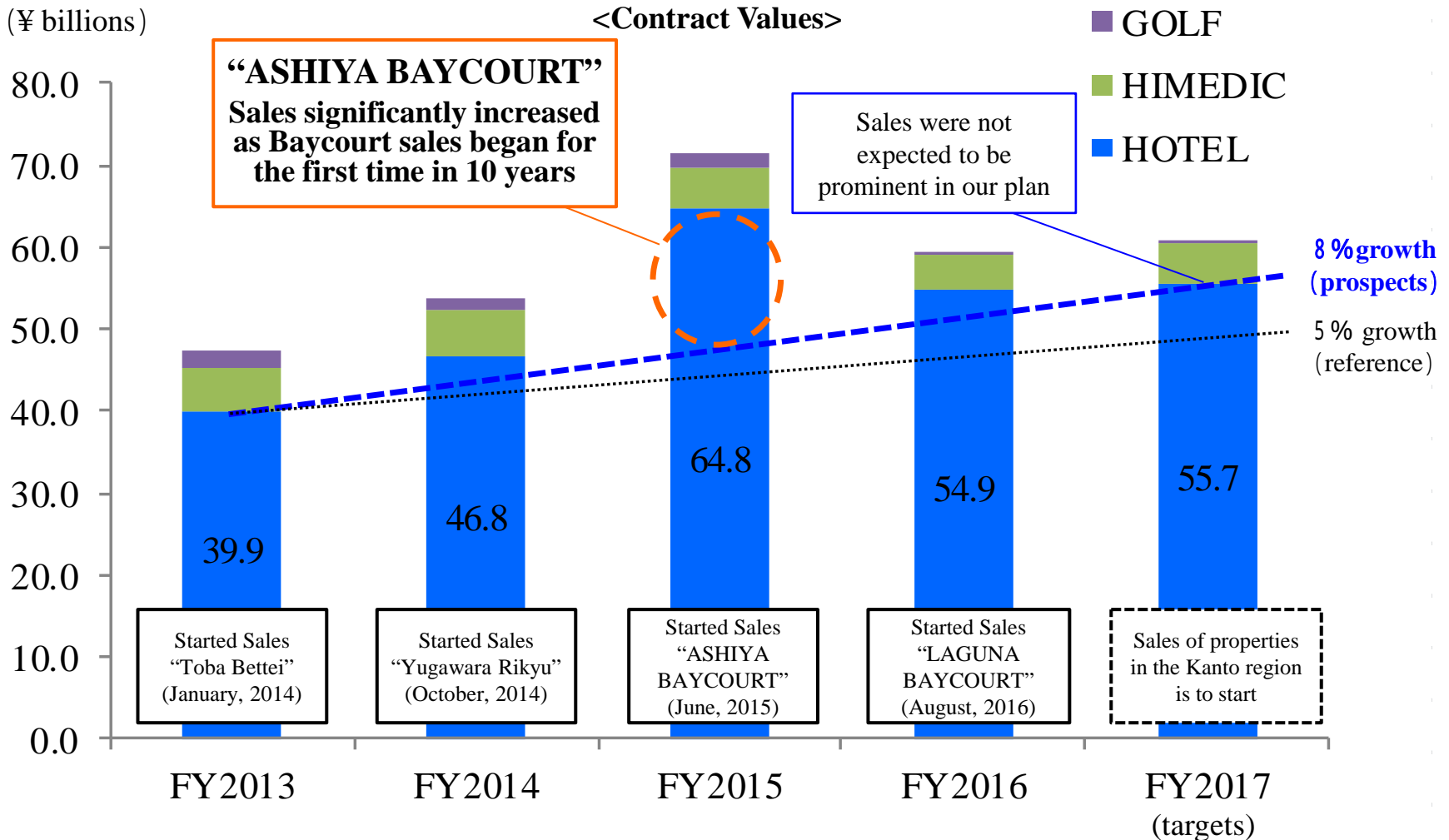
| | 2017/3 (results) | 2017/3 (* revised targets) | Difference | 2016/3 (results) | YoY Change |
|------------------|---------------------|-------------------------------|------------|---------------------|---------------|
| Net Sales | 25,702 | 28,010 | (8.2%) | 21,806 | +17.9% |
| Operating Income | 3,011 | 3,770 | (20.1%) | 3,629 | (17.0%) |

<Difference>Sales of HIMEDIC memberships during October to March were lower than expected, and other factors caused sales and operating income to fall short of plans.

<YoY Change>The Medical Examination Business for general consumers and Senior Life Businesses, etc. grew and contributed to sales. However, expenses such as medical examination costs rose in line with the opening of 2 HIMEDIC medical examination facilities.

Contract Values for Fiscal Year 2016

· Sales were brisk for “Laguna Baycourt” during FY2016 (April-March), slightly exceeding the basic pace of growth.
 · Contract amounts are steadily growing year by year, except for FY2015 in which the effects of “Ashiya Baycourt” sales were a prominent factor.



Factors causing changes to the Medium-term Management Plan

“Next 40” since its launch ①

FY2013 ~ FY2017

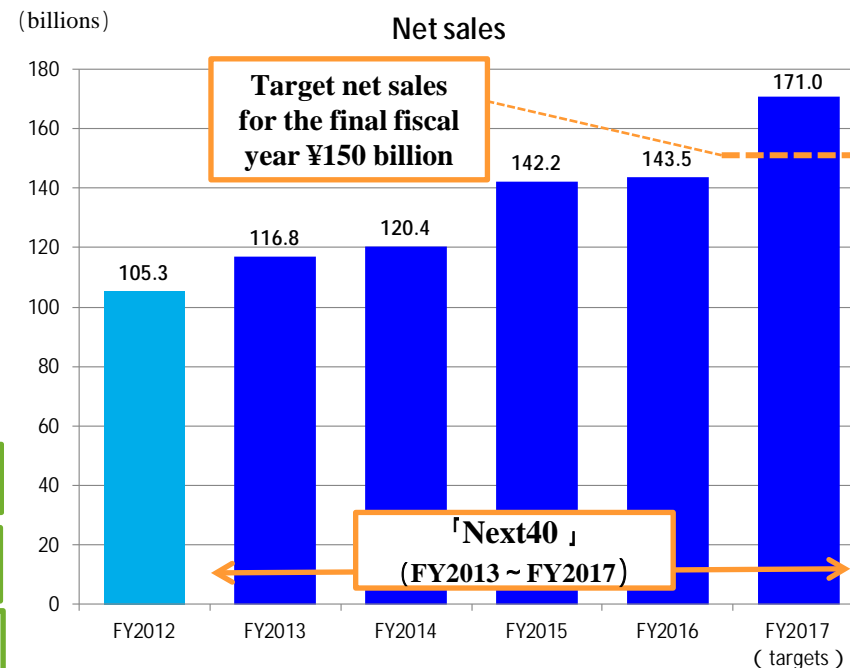
- During the period under the previous Medium-term Management Plan, our development schedule had been postponed due to factors such as the impact of earthquakes, and thus, demand for new properties has accumulated.
- Since the speed of progress exceeds our expectations thanks to “Next 40,” which accelerates new business development in various fields based on our Fundamental Group Strategy, net sales is expected to exceed our initial plans.

< ‘Next40’ Fundamental Group Strategy >

1. Further enhancement and establishment of a permanent model for the membership resort business
2. Expansion of the medical and senior life businesses
3. Expansion of combined and peripheral businesses leveraging the collective Group-wide capabilities

Accelerate supply to meet the robust demand, steadily strengthen and expand management resources for the growth of the Group.

| | Estimated results(Plan) | Initial expectation |
|--|--|--------------------------|
| Number of new Membership resort facility construction works | 6 projects | 5 projects |
| Growth rate of contract amounts | about 8% per year | about 5% per year |
| Number of newly opened HIMEDIC bases | 4 courses | 2 courses |
| Increase in number of operating facilities for seniors | 8 facilities (about 1,000 room increase) | 5 facilities |
| Increase in number of operational support for examination facilities for general consumers | 9 facilities (Acquired Kosei Co., Ltd.) | — |
| Operation of hotels overseas | Acquired “The Kahala Hotel & Resort” | — |



Net sales (estimate) for the final fiscal year greatly exceeded our initial estimation of ¥150 billion

Compared to the final fiscal year of the previous Medium-term Management Plan approximately 163%

On the other hand, business commencement expenses and forward expenses increased (please refer to P.7 for details on costs)

- Due to the decision to host the 2020 Tokyo Olympics and the increase in inbound businesses, etc., personnel expenses and construction expenses soared, and the service industry experiences a labor shortage.
- We promptly recognize it as a direct risk to our businesses, and strive to continuously secure our personnel and improve working environments in our newly opened facilities.
- As a result of increased investment in reinforcing human resource base and group strengths, we will not be able to meet our targets in terms of income. However, the investment contributes highly to the improvement in retirement rate, personnel recruitment and ES (Employee Satisfaction), and the foundation for the future has steadily been built.

<「Next40」 Fundamental Group Strategy>

4. Reinforcing human resource base and group strengths

EX.

• Enhancement of working environments to reinforce human resource base

Salary increase (FY2015, FY2016); promoting personnel recruitment; enhancing and improving staff dormitories, dormitory leasing, staff canteen and other welfares; implementing diversity management; conducting educational programs such as e-learning; improving the internal information sharing system, etc.

• Reinforcing group strengths, enhancing the risk management system

Developing and enhancing a Group-wide compliance management system; transition to a company with an Audit & Supervisory Committee, etc.

<Measures against soaring construction cost>

| XIV Yugawara Rikyu (Opened in March 2017) | XIV Hakone Rikyu (Opened in March 2010) |
|--|--|
| Total project cost: Approximately ¥26.3billion | Total project cost: Approximately ¥22.0billion |
| Room grade : amount | |
| S : 55 | S : 20 |
| SE : 36 | SE : 23 |
| - | EC : 89 |
| CB : 96 | CB : 55 |
| Total : 187 rooms | Total : 187rooms |

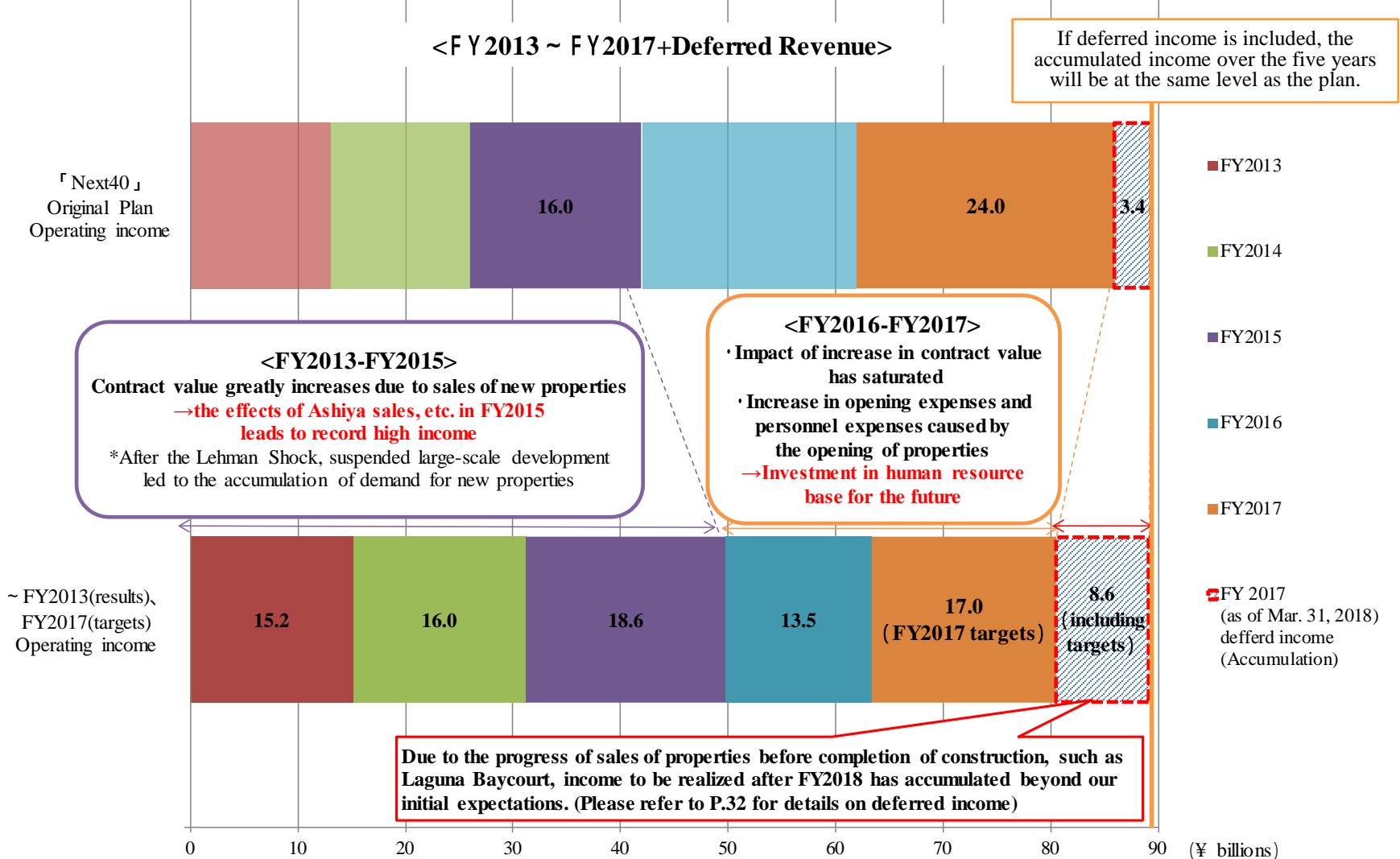
Increase revenue by raising the percentage of high-grade rooms, which has a higher demand
(However, opening expenses, etc. exceed that of the original plan)

**Declaration of “Health and Productivity Enterprise” (January, 2016),
certified as a “White 500” (February, 2017)**

“Next 40” Operating income of each FY and the accumulation

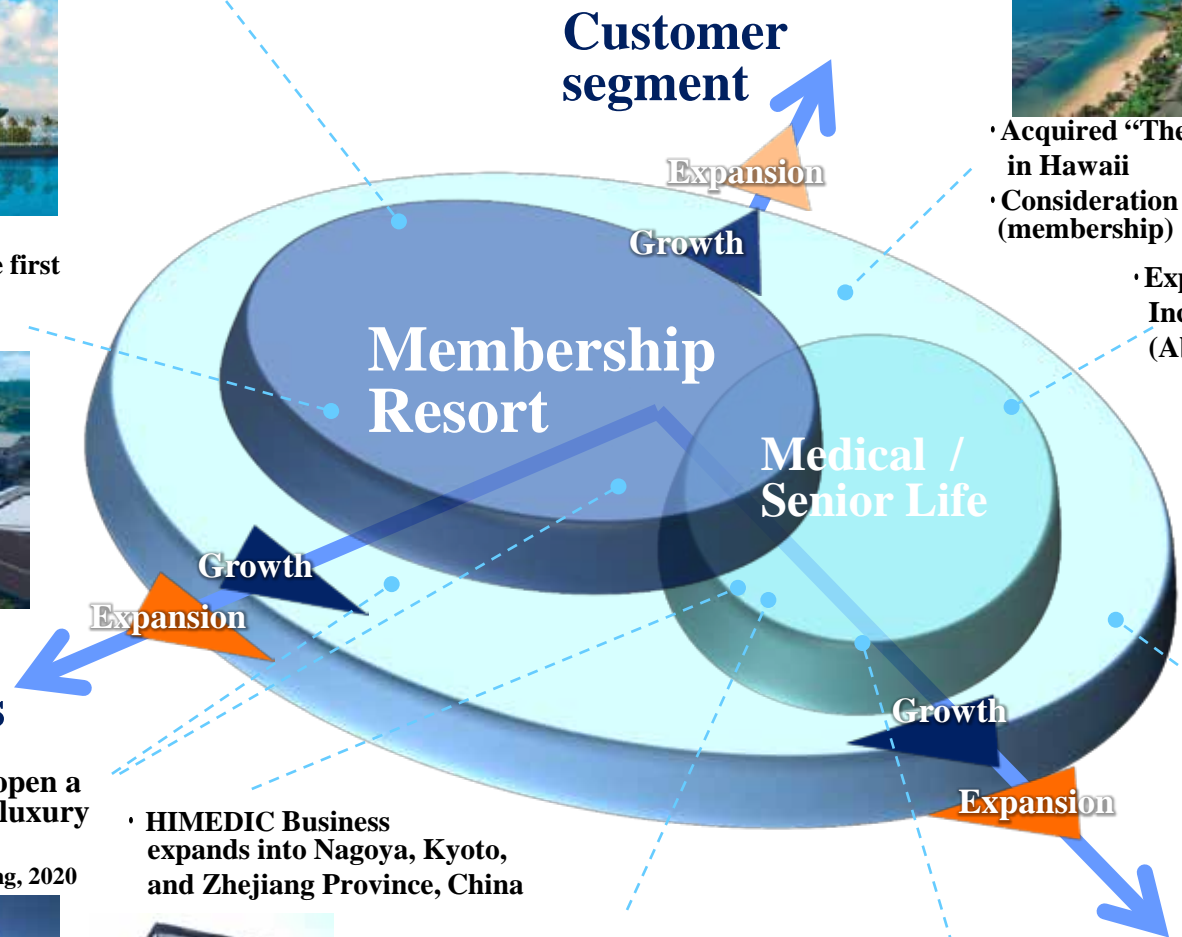
FY2013~FY2017

· During the first half of the plan up to FY2015, contract values increased significantly, more than expected due to factors such as the impact of sales. (This saturated during the next period.)
 · During the second half, active investment in recruitment, building and reinforcing the foundation put pressure on income.
 · New business development and sales of properties before completion of construction progress steadily, deferred income to be realized after FY2018 increase.



Developments in the Medium- to Long-term Strategy

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



• Penetration of Baycourt brand (Urban resort 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)
Scheduled to be opened in Spring, 2020



• HIMEDIC Business expands into Nagoya, Kyoto, and Zhejiang Province, China



• Expand healthcare business
(Kosei Co., Ltd. newly consolidated in May, 2016.)
*Group investment: 50%

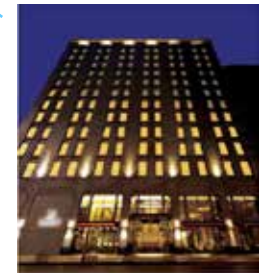


• Acquired “The Kahala Hotel & Resort” in Hawaii
• Consideration of extended stay facilities (membership)

• Expand Senior Life Business
Increase number of rooms (About three times)



• Hotel Trusty Expansion into Hokuriku area



Business Area

• BNCT Business: Scheduled to begin clinical trials
(Cancer Intelligence Care Systems, Inc. newly consolidated in september, 2016.)

Business Forecast for FY 2017

Consolidated Targets

(¥ millions)

| | 2017/3 results | 2018/3 targets | Change |
|--------------------------|----------------|----------------|---------|
| Net sales | 143,541 | 171,000 | +27,458 |
| Operating income | 13,514 | 17,000 | +3,485 |
| Ordinary income | 14,806 | 18,200 | +3,393 |
| Net income | 11,010 | 11,800 | +789 |
| Net income per share (¥) | 103.40 | 110.81 | |
| Annual Cash dividend (¥) | 46.00 | 46.00 | |

(¥ billions)

| Contract Values of Membership | 59.3 | 60.8 | +1.5 |
|-------------------------------|------|------|------|
|-------------------------------|------|------|------|

Segment Sales

(¥ millions)

| | 2017/3 results | 2018/3 targets | Change |
|----------------------|----------------|----------------|---------|
| Membership | 42,530 | 57,650 | +15,119 |
| Hotel and Restaurant | 74,193 | 80,090 | +5,896 |
| Medical | 25,702 | 32,500 | +6,797 |
| Other | 1,114 | 760 | (354) |
| Total | 143,541 | 171,000 | +27,458 |

<Membership>

- Contract values of hotel membership +¥0.8 billion (¥54.9 billion→¥55.7 billion)
- Deferred income to be realized+¥4.3 billion
*Excluding sales of the opening year
(Yugawara Rikyu: ¥3.4 billion Ashiya Baycourt: ¥7.7 billion)
- Increase in opening expenses+¥1.3 billion
(Yugawara Rikyu: ¥1.2 billion Ashiya Baycourt + part of Rokko SV: ¥2.5 billion)

<Hotel and Restaurant>

- A full-year contribution from operation of Yugawara Rikyu
- Changes to room charges
- Increase in personnel expenses and welfare expenses, etc. including those of personnel for Ashiya/Rokko

<Medical>

- Increase in contract values of HIMEDIC membership and in annual fee
- A full-year contribution of Kosei Co., Ltd. and expansion of the aging care business
- Expansion of operations of facilities for seniors (a full-year contribution of ACTIVA BIWA, etc.)

Segment Operating Income

(¥ millions)

| | 2017/3 results | 2018/3 targets | Change |
|----------------------|----------------|----------------|--------|
| Membership | 6,988 | 9,440 | +2,451 |
| Hotel and Restaurant | 3,010 | 3,140 | +129 |
| Medical | 3,011 | 4,030 | +1,018 |
| Other | 503 | 390 | (113) |
| Total | 13,514 | 17,000 | +3,485 |

Section 2: Details of Results for FY 2016 and Targets for FY 2017

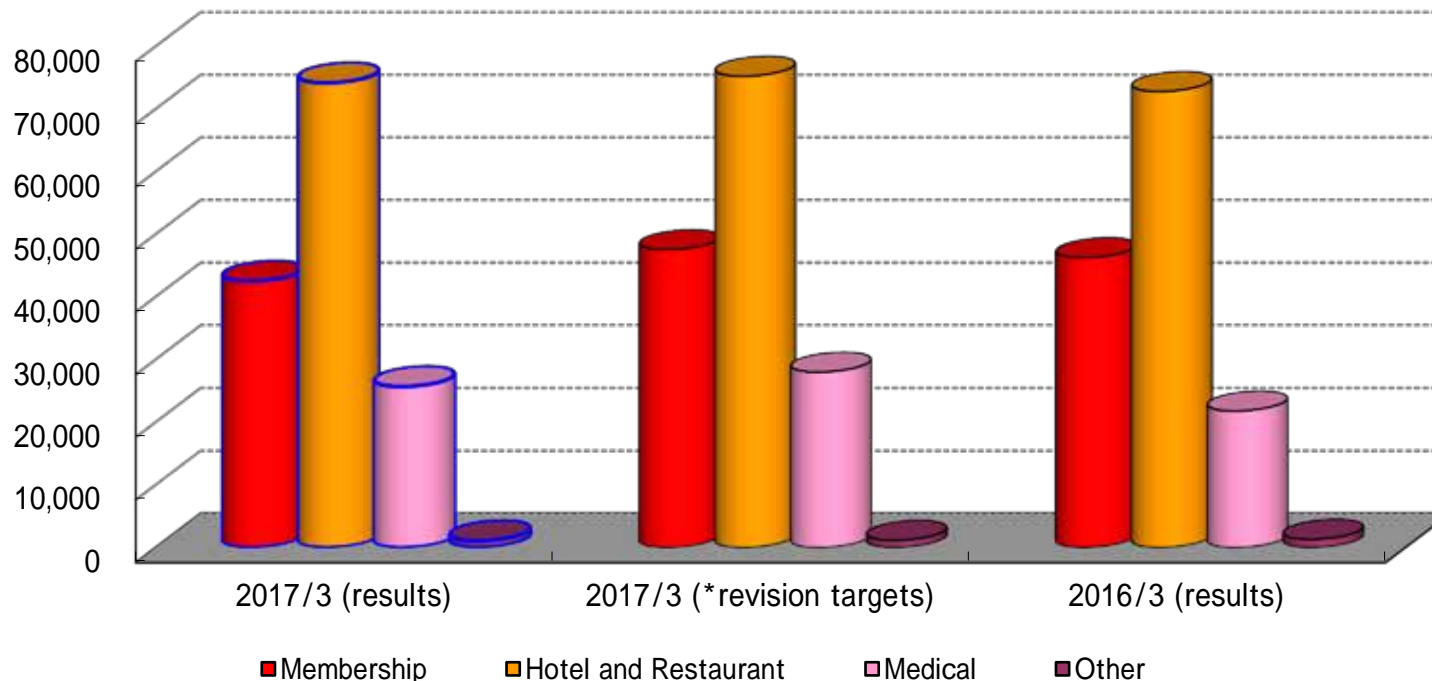
- **Topics for Fiscal Year 2016** **P. 12-13**
- **Results Details for FY2016** **P. 14-29**
(by segment, contract values, etc.)
- **Summary of Topics for Fiscal Year 2017 and Plans for First Half** **P. 30-31**

- (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. Made Kosei Co., Ltd. a consolidated subsidiary in May 2016. (May 16, 2016)**
- (3) Holding of the Resorttrust Ladies golf championship was held at Grandee Naruto Golf Club 36. (from May 27 to May 29, 2016)**
- (4) “Hotel Trusty Nagoya Shirakawa” reopened.(June 20, 2016)**
- (5) “HIMEDIC Kyoto University Hospital” opened.(June 20, 2016)**
- (6) “HIMEDIC Nagoya” opened.(July 5, 2016)**
- (7) The Dunlop Srixon Fukushima Open was held at Grandee Nasu Shirakawa Golf Club’s course for conservative years. (from July 21 to July 24, 2016)**

- (8) Started Membership Sales for Exclusive Membership Resort
“LAGUNA BAYCOURT CLUB HOTEL & SPA RESORT”.(since August 22, 2016)**
- (9) Acquired the land for a New Hotel at Atami city in Shizuoka Prefecture. (October 27, 2016)**
- (10) Announced Revision of Forecasts and Dividend plan. (October 28, 2016)**
- (11) Has been selected as one of the enterprises in the “Health and Productivity Enterprises 2017 ~ White 500 ~” list,
jointly certified by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi.
(February 21, 2017)**
- (12) Acquisition of “Cent-medical Associates LLC.,” a remote diagnosis support service company,
as a consolidated subsidiary.(March 24, 2017)**
- (13) “XIV Yugawara Rikyu” opened.(March 31, 2017)**

Segment Sales

(¥ millions)

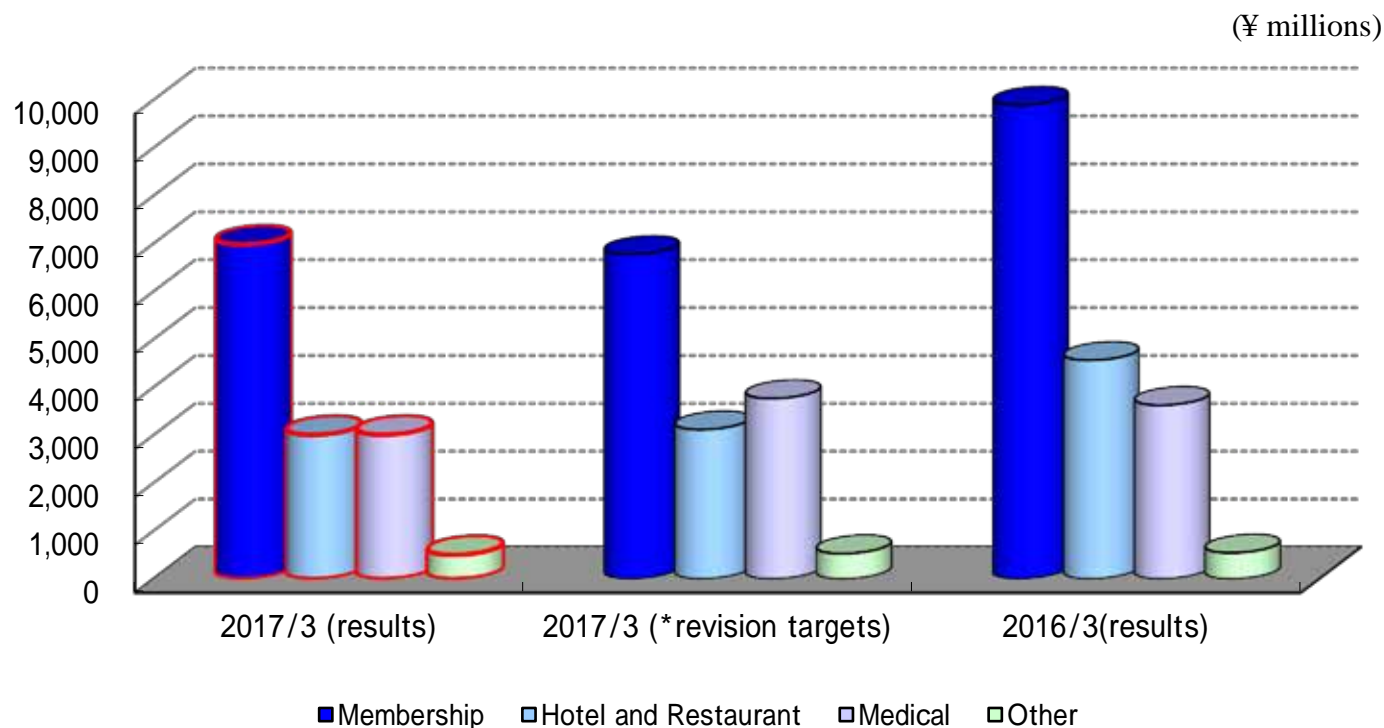


(¥ millions)

| | Membership | Hotel and Restaurant | Medical | Other | Total |
|----------------------------|---------------|----------------------|---------------|--------------|----------------|
| 2017/3 (results) | 42,530 | 74,193 | 25,702 | 1,114 | 143,541 |
| 2017/3 (*revision targets) | 47,560 | 75,260 | 28,010 | 1,170 | 152,000 |
| Difference | (10.6%) | (1.4%) | (8.2%) | (4.7%) | (5.6%) |
| 2016/3 (results) | 46,282 | 72,817 | 21,806 | 1,344 | 142,249 |
| YoY Change | (8.1%) | +1.9% | +17.9% | (17.1%) | +0.9% |

* revised on Oct. 28 2016

Segment Operating Income



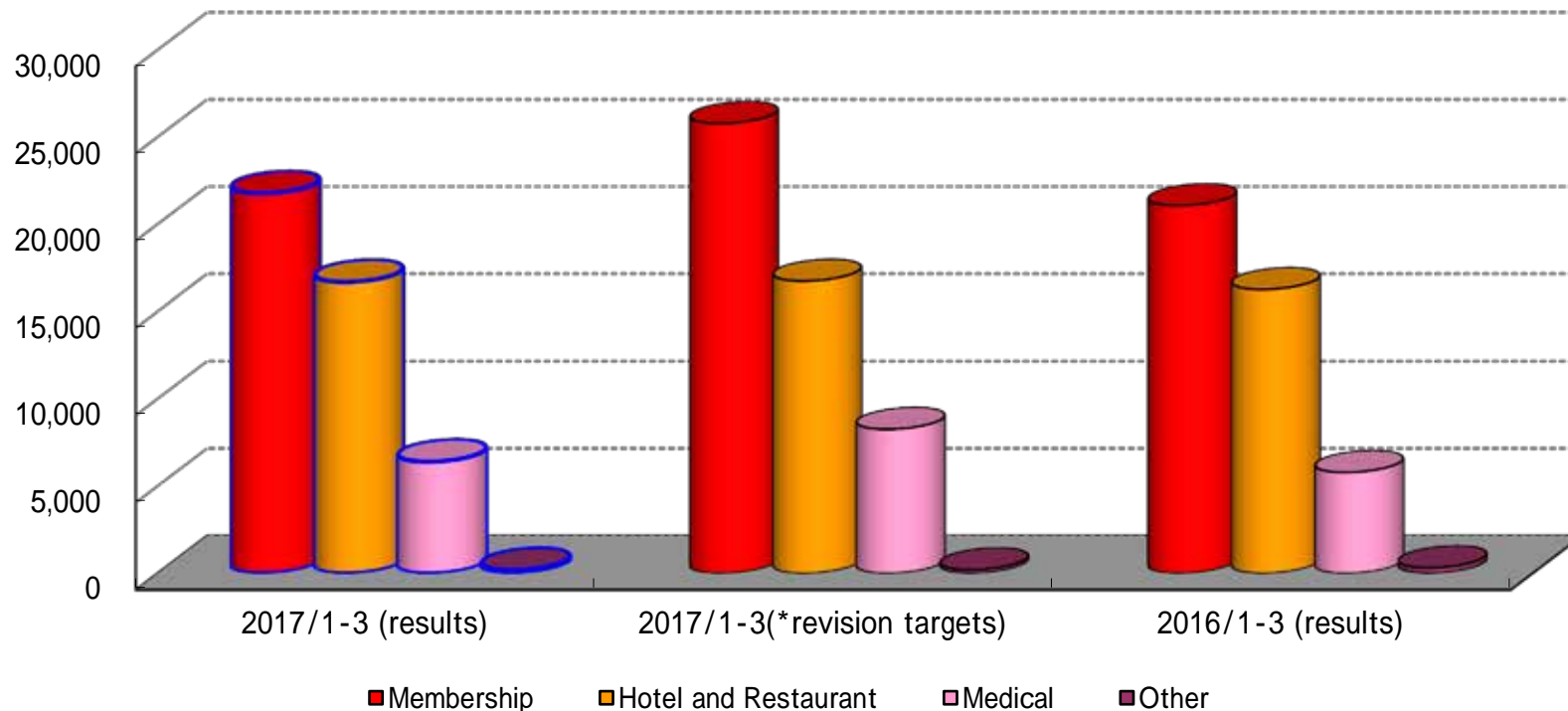
(¥ millions)

| | Membership | Hotel and Restaurant | Medical | Other | Total |
|----------------------------|--------------|----------------------|--------------|------------|---------------|
| 2017/3 (results) | 6,988 | 3,010 | 3,011 | 503 | 13,514 |
| 2017/3 (*revision targets) | 6,780 | 3,120 | 3,770 | 530 | 14,200 |
| Difference | +3.1% | (3.5%) | (20.1%) | (5.1%) | (4.8%) |
| 2016/3(results) | 9,898 | 4,567 | 3,629 | 545 | 18,640 |
| YoY Change | (29.4%) | (34.1%) | (17.0%) | (7.8%) | (27.5%) |

* revised on Oct. 28 2016

Segment Sales (4th Quarter)

(¥ millions)

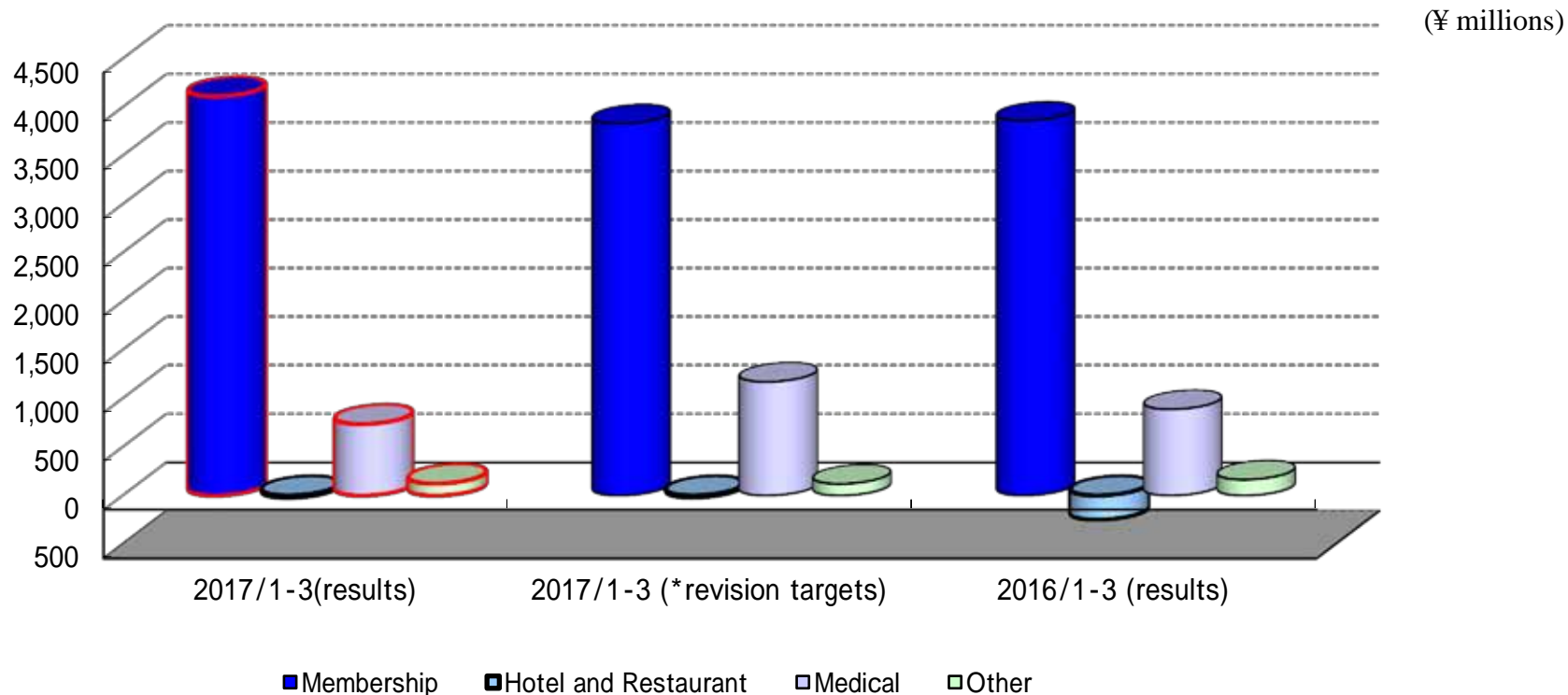


(¥ millions)

| | Membership | Hotel and Restaurant | Medical | Other | Total |
|-----------------------------|------------|----------------------|---------|---------|---------|
| 2017/1-3 (results) | 21,780 | 16,690 | 6,401 | 188 | 45,060 |
| 2017/1-3(*revision targets) | 25,790 | 16,740 | 8,260 | 210 | 51,000 |
| Difference | (15.5%) | (0.3%) | (22.5%) | (10.5%) | (11.6%) |
| 2016/1-3 (results) | 21,077 | 16,262 | 5,788 | 326 | 43,454 |
| YoY Change | +3.3% | +2.6% | +10.6% | (42.3%) | +3.7% |

* revised on Oct. 28 2016

Segment Operating Income (4th Quarter)



| | Membership | Hotel and Restaurant | Medical | Other | Total |
|------------------------------|--------------|----------------------|------------|------------|--------------|
| 2017/1-3(results) | 4,111 | (23) | 735 | 122 | 4,947 |
| 2017/1-3 (*revision targets) | 3,830 | (20) | 1,170 | 120 | 5,100 |
| Difference | +7.4% | (3) | (37.1%) | +2.5% | (3.0%) |
| 2016/1-3 (results) | 3,858 | (248) | 887 | 163 | 4,660 |
| YoY Change | +6.6% | +225 | (17.1%) | (24.6%) | +6.1% |

* revised on Oct. 28 2016

Contract Values of Membership

(¥ billions)

| | 2017/3 results | 2017/3 revision targets | Difference | 2016/3 results | YoY Change | * 2017/3 Progress rate of contract (cumulative) | 2018/3 targets |
|------------------------------------|-------------------|-------------------------------|--------------|-------------------|---------------|--|-------------------|
| Kanto | - | - | - | - | - | - | 13.5 |
| Laguna Baycourt Club | 20.0 | 12.4 | +7.6 | - | +20.0 | 27.2% | 14.9 |
| XIV Rokko SV | 3.2 | 3.4 | (0.3) | 4.5 | (1.4) | 30.7% | 4.0 |
| Ashiya Baycourt Club | 12.5 | 15.0 | (2.5) | 30.1 | (17.6) | 54.5% | 10.7 |
| XIV Yugawara Rikyū | 14.4 | 13.8 | +0.6 | 12.3 | +2.2 | 61.1% | 4.9 |
| XIV Toba Bettei | 3.5 | 3.8 | (0.3) | 10.4 | (6.9) | 90.9% | 7.8 |
| Other Hotels | 1.3 | 7.4 | (6.2) | 7.6 | (6.3) | - | |
| Hotel Membership Total | 54.9 | 55.9 | (1.0) | 64.8 | (9.9) | - | 55.7 |
| Golf | 0.3 | 0.4 | (0.2) | 1.7 | (1.4) | - | 0.1 |
| Membership Operations Total | 55.2 | 56.3 | (1.1) | 66.5 | (11.4) | - | 55.8 |
| HIMEDIC | 4.2 | 5.0 | (0.8) | 5.0 | (0.9) | - | 4.9 |
| Total | 59.3 | 61.3 | (1.9) | 71.5 | (12.2) | - | 60.8 |

* Progress rate of the total contract amount

revised on Oct. 28 2016

Sales of Membership Segment

(¥ billions)

| | 2017/3 results | 2017/3 revision targets | Difference | 2016/3 results | YoY Change | 2018/3 targets |
|------------------------------------|-------------------------|-------------------------------|--------------|-------------------|---------------|-------------------|
| Kanto | - | - | - | - | - | 12.2 |
| Laguna Baycourt Club | 18.3 | 11.4 | +6.9 | - | +18.3 | 13.5 |
| XIV Rokko SV | 2.8 | 3.1 | (0.4) | 4.0 | (1.2) | 3.6 |
| Ashiya Baycourt Club | 11.3 | 13.6 | (2.3) | 27.4 | (16.0) | 9.7 |
| XIV Yugawara Rikyu | 12.3 | 12.1 | +0.1 | 10.5 | +1.7 | 4.5 |
| XIV Toba Bettei | 3.2 | 3.4 | (0.2) | 9.3 | (6.1) | 6.9 |
| Other Hotels | 0.6 | 6.4 | (5.8) | 5.7 | (5.1) | |
| Hotel Membership Total | 48.5 | 50.2 | (1.7) | 56.9 | (8.5) | 50.5 |
| Deferred Sales | Kanto | - | - | - | - | (6.8) |
| | Laguna Baycourt Club | (10.2) | (6.5) | (3.7) | (10.2) | (7.5) |
| | XIV Rokko SV | (1.5) | (1.7) | +0.2 | (2.1) | (2.0) |
| | Ashiya Baycourt Club | (6.4) | (7.6) | +1.3 | (15.5) | 21.4 |
| | XIV Yugawara Rikyu | +10.2 | +10.3 | (0.1) | (5.7) | - |
| | XIV Toba Bettei | - | - | - | +9.8 | (9.8) |
| All Hotels | 40.6 | 44.7 | (4.1) | 43.5 | (2.9) | 55.6 |
| Golf | 0.1 | 0.1 | (0.1) | 1.1 | (1.1) | 0.1 |
| Subtotal | 40.7 | 44.8 | (4.1) | 44.6 | (3.9) | 55.6 |
| Other | 1.8 | 2.7 | (0.9) | 1.7 | +0.2 | 2.0 |
| Membership Operations Total | 42.5 | 47.6 | (5.0) | 46.3 | (3.8) | 57.7 |

Contract Values of Membership (4th Quarter)

(¥ billions)

| | 2017/1-3 results | 2017/1-3 revision targets | Difference | 2016/1-3 results | YoY Change |
|-----------------------------|---------------------|---------------------------------|------------|---------------------|---------------|
| Laguna Baycourt Club | 8.8 | 4.4 | +4.4 | - | +8.8 |
| XIV Rokko SV | 0.4 | 1.0 | (0.6) | 1.0 | (0.6) |
| Ashiya Baycourt Club | 2.1 | 3.6 | (1.5) | 4.1 | (2.0) |
| XIV Yugawara Rikyu | 4.4 | 4.3 | +0.0 | 3.0 | +1.3 |
| XIV Toba Bettei | 0.3 | 0.5 | (0.2) | 4.3 | (4.1) |
| Other Hotels | (1.7) | 2.0 | (3.7) | 1.7 | (3.4) |
| Hotel Membership Total | 14.2 | 15.7 | (1.6) | 14.2 | +0.0 |
| Golf | 0.0 | 0.1 | (0.1) | 0.1 | (0.1) |
| Membership Operations Total | 14.2 | 15.9 | (1.7) | 14.3 | (0.1) |
| HIMEDIC | 0.9 | 1.2 | (0.4) | 1.3 | (0.5) |
| Total | 15.1 | 17.1 | (2.0) | 15.6 | (0.5) |

revised on Oct. 28 2016

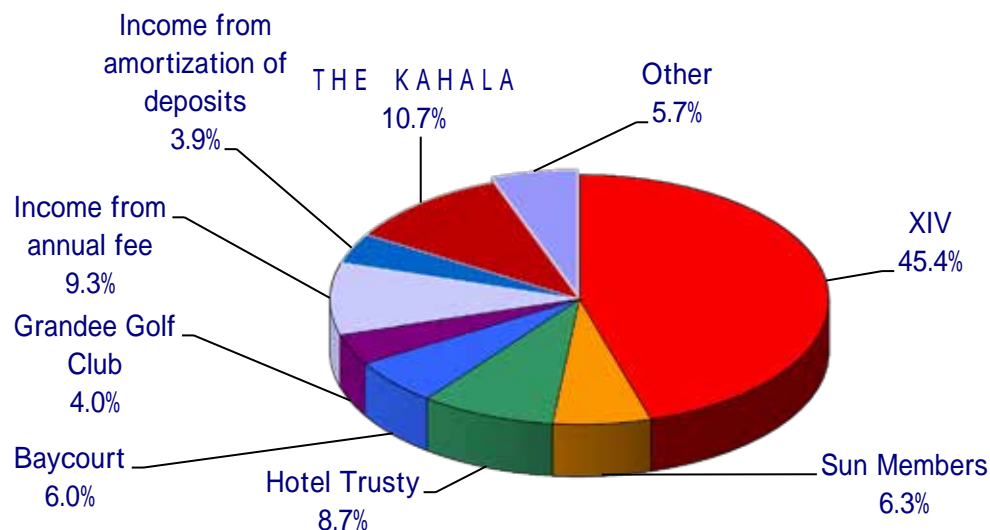
Sales of Membership Segment (4th Quarter)

(¥ billions)

| | | 2017/1-3 results | 2017/1-3 revision targets | Difference | 2016/1-3 results | YoY Change |
|------------------------------------|-------------------------|---------------------|---------------------------------|--------------|---------------------|---------------|
| Laguna Baycourt Club | | 8.0 | 4.0 | +4.0 | - | +8.0 |
| XIV Rokko SV | | 0.4 | 1.0 | (0.6) | 0.9 | (0.5) |
| Ashiya Baycourt Club | | 1.9 | 3.3 | (1.4) | 3.7 | (1.9) |
| XIV Yugawara Rikyu | | 3.9 | 4.1 | (0.2) | 2.6 | +1.4 |
| XIV Toba Bettei | | 0.2 | 0.3 | (0.1) | 4.0 | (3.7) |
| Other Hotels | | (1.6) | 2.2 | (3.8) | 1.3 | (2.9) |
| Hotel Membership Total | | 12.8 | 15.0 | (2.2) | 12.4 | +0.4 |
| Deferred Sales | Laguna Baycourt Club | (4.5) | (2.3) | (2.1) | - | (4.5) |
| | XIV Rokko SV | (0.2) | (0.5) | +0.3 | (0.5) | +0.3 |
| | Ashiya Baycourt Club | (1.0) | (1.8) | +0.8 | (2.2) | +1.1 |
| | XIV Yugawara Rikyu | +14.5 | +14.5 | (0.0) | (1.4) | +15.9 |
| | XIV Toba Bettei | - | - | - | +12.6 | (12.6) |
| All Hotels | | 21.6 | 24.8 | (3.2) | 21.0 | +0.6 |
| Golf | | (0.0) | 0.0 | (0.0) | 0.0 | (0.0) |
| Subtotal | | 21.6 | 24.9 | (3.3) | 21.0 | +0.6 |
| Other | | 0.2 | 0.9 | (0.8) | 0.1 | +0.1 |
| Membership Operations Total | | 21.8 | 25.8 | (4.0) | 21.1 | +0.7 |

revised on Oct. 28 2016

Sales of Hotel and Restaurant Segment



(¥ millions)

| | 2017/3 results | 2017/3 revision targets | 2016/3 results | 2018/3 targets |
|--------------------------------------|----------------|-------------------------|----------------|----------------|
| XIV | 33,664 | 33,982 | 31,988 | 37,718 |
| Sun Members | 4,707 | 4,662 | 4,658 | 4,892 |
| Hotel Trusty | 6,460 | 6,530 | 6,162 | 6,717 |
| Baycourt | 4,443 | 4,559 | 4,555 | 4,611 |
| Grandee Golf Club | 2,951 | 3,041 | 2,930 | 3,068 |
| Income from annual fees | 6,927 | 6,994 | 6,752 | 7,194 |
| Income from amortization of deposits | 2,929 | 2,900 | 2,886 | 3,041 |
| THE KAHALA | 7,950 | 8,348 | 8,607 | 8,339 |
| Other | 4,156 | 4,239 | 4,275 | 4,506 |
| Total | 74,193 | 75,260 | 72,817 | 80,090 |

revised on Oct. 28 2016

Operations by category

< HOTEL >

Number of overnight visitors

(Thousands)

| | 2014/3 results | 2015/3 results | 2016/3 results | 2017/3 results | 2017/3 revision targets | 2018/3 targets |
|---------------|-------------------|-------------------|-------------------|-------------------|----------------------------|-------------------|
| XIV | 1,816 | 1,815 | 1,786 | 1,812 | 1,843 | 1,956 |
| Sun Members* | 475 | 496 | 477 | 444 | 445 | 453 |
| Hotel Trusty* | 559 | 603 | 637 | 662 | 673 | 688 |
| Baycourt | 124 | 135 | 150 | 143 | 148 | 144 |

Occupancy rates

(%)

| | 2014/3 results | 2015/3 results | 2016/3 results | 2017/3 results | 2017/3 revision targets | 2018/3 targets |
|---------------|-------------------|-------------------|-------------------|-------------------|----------------------------|-------------------|
| XIV | 53.7 | 54.0 | 54.0 | 52.6 | 53.4 | 53.7 |
| Sun Members* | 62.8 | 64.7 | 65.2 | 62.7 | 64.0 | 63.4 |
| Hotel Trusty* | 87.1 | 89.7 | 92.5 | 91.2 | 92.1 | 91.8 |
| Baycourt | 48.3 | 53.2 | 59.5 | 57.1 | 59.4 | 57.8 |

Spending per visitor

(¥)

| | 2014/3 results | 2015/3 results | 2016/3 results | 2017/3 results | 2017/3 revision targets | 2018/3 targets |
|---------------|-------------------|-------------------|-------------------|-------------------|----------------------------|-------------------|
| XIV | 17,586 | 17,822 | 17,901 | 18,573 | 18,433 | 19,279 |
| Sun Members* | 9,457 | 9,591 | 9,759 | 10,589 | 10,477 | 10,787 |
| Hotel Trusty* | 8,514 | 8,835 | 9,667 | 9,754 | 9,698 | 9,751 |
| Baycourt | 32,854 | 32,458 | 30,206 | 30,898 | 30,722 | 32,025 |

*Hotel Trusty Nagoya Shirakawa reopened on June 2016. (Before closing on Jan 2016, within Sun members category)

< Senior residences and private nursery homes >

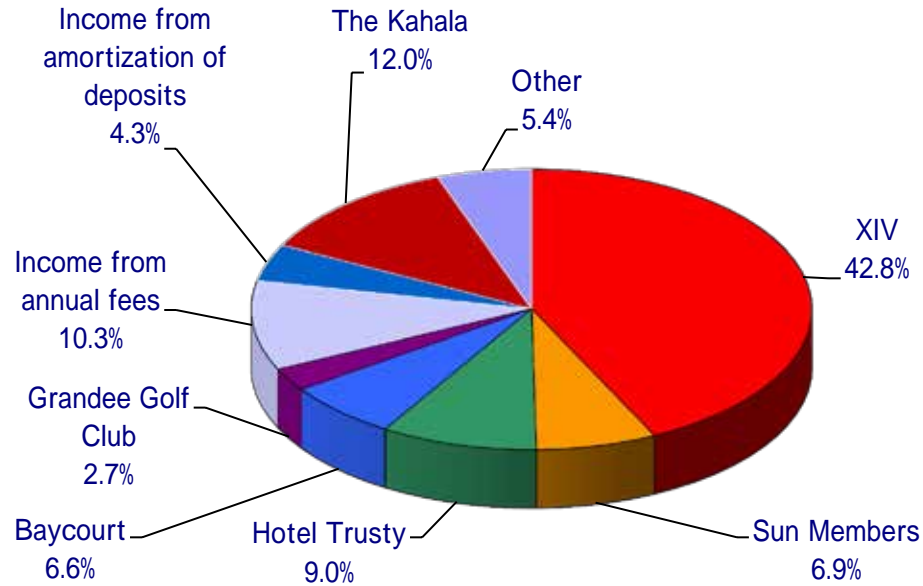
| | 2014/3 results | 2015/3 results | 2016/3 results | 2017/3 results | 2017/3 revision targets | 2018/3 targets |
|--------------------|-------------------|-------------------|-------------------|-------------------|----------------------------|-------------------|
| Occupancy rates(%) | 76.6 | 80.8 | 87.6 | 90.0 | 94.9 | 89.3 |
| number of rooms | 813 | 907 | 1,025 | 1,075 | 1,075 | 1,513 |

*ACTIVA BIWA : Started to operate on April, 2017.

*(Tentative)Trust Garden Kyotoshijo : Scheduled to be opened on March, 2018

revised on Oct. 28 2016

Sales of Hotel and Restaurant Segment (4th Quarter)



(¥ millions)

| | 2017/1-3 results | 2017/1-3 revision targets | 2016/1-3 results |
|--------------------------------------|---------------------|------------------------------|---------------------|
| XIV | 7,141 | 7,088 | 6,532 |
| Sun Members | 1,158 | 1,098 | 1,143 |
| Hotel Trusty | 1,500 | 1,504 | 1,459 |
| Baycourt | 1,094 | 1,128 | 1,082 |
| Grandee Golf Club | 445 | 447 | 439 |
| Income from annual fees | 1,716 | 1,761 | 1,672 |
| Income from amortization of deposits | 716 | 728 | 725 |
| THE KAHALA | 2,005 | 2,148 | 2,202 |
| Other | 911 | 832 | 1,004 |
| Total | 16,690 | 16,740 | 16,262 |

revised on Oct. 28 2016

Operations by category (4th Quarter)

< HOTEL >

Number of overnight visitors (Thousands)

| | 2016/1-3 results | 2017/1-3 results | 2017/1-3 revision targets |
|--------------|---------------------|---------------------|------------------------------|
| XIV | 355 | 381 | 386 |
| Sun Members | 108 | 108 | 106 |
| Hotel Trusty | 154 | 156 | 159 |
| Baycourt | 35 | 36 | 37 |

Occupancy rates (%)

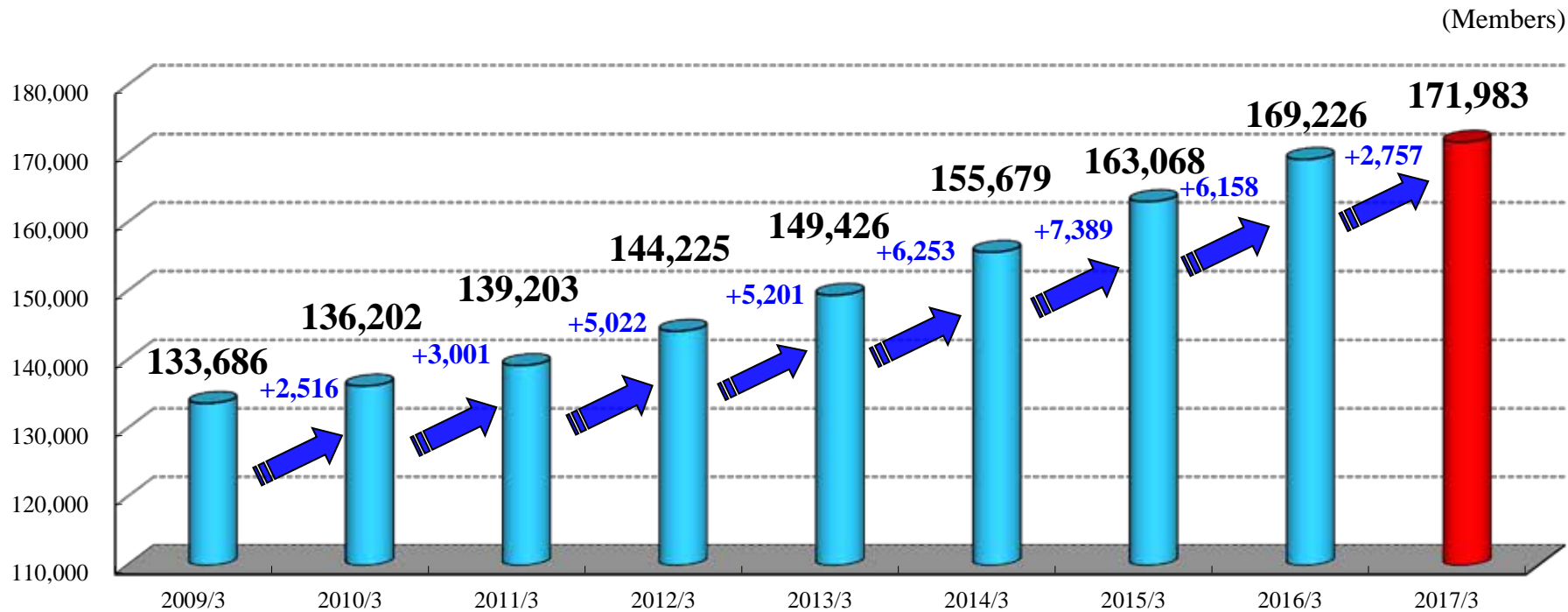
| | 2016/1-3 results | 2017/1-3 results | 2017/1-3 revision targets |
|--------------|---------------------|---------------------|------------------------------|
| XIV | 45.5 | 44.7 | 45.5 |
| Sun Members | 61.8 | 61.1 | 63.3 |
| Hotel Trusty | 90.9 | 89.9 | 90.7 |
| Baycourt | 56.8 | 58.6 | 60.4 |

Spending per visitor (¥)

| | 2016/1-3 results | 2017/1-3 results | 2017/1-3 revision targets |
|--------------|---------------------|---------------------|------------------------------|
| XIV | 18,391 | 18,704 | 18,338 |
| Sun Members | 10,496 | 10,717 | 10,367 |
| Hotel Trusty | 9,433 | 9,597 | 9,444 |
| Baycourt | 30,352 | 30,143 | 30,291 |

revised on Oct. 28 2016

Number of Members



(Members)

| | Baycourt | XIV | Sun Members | Golf | Medical | Cruiser | Total |
|------------------------------|---------------|---------------|---------------|---------------|---------------|------------|----------------|
| 2016/3 | 10,646 | 76,546 | 35,103 | 31,343 | 15,132 | 456 | 169,226 |
| 2017/3 | 13,115 | 76,517 | 34,429 | 31,032 | 16,473 | 417 | 171,983 |
| Change April - March 2016 | +2,469 | (29) | (674) | (311) | +1,341 | (39) | +2,757 |
| Change April - March 2015 | +2,153 | +1,676 | (469) | +708 | +2,062 | +28 | +6,158 |

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



**Started to operate “ACTIVA BIWA,” a Private Nursing Home
(On April 1, 2017)**

Consolidated Balance Sheets

(¥ millions)

| | 2016/3 | 2017/3 | Change | | 2016/3 | 2017/3 | Change |
|---|----------------|----------------|----------------|---|----------------|----------------|----------------|
| Total current assets | 147,250 | 151,430 | +4,180 | Total current liabilities | 81,794 | 95,778 | +13,984 |
| Cash and deposits | 24,742 | 39,063 | +14,321 | Notes and accounts payable-trade | 1,123 | 1,401 | +277 |
| Notes and accounts receivable-trade | 6,738 | 9,437 | +2,698 | Short-term loans payable | 12,842 | 13,816 | +974 |
| Operating loans | 38,050 | 41,553 | +3,503 | Current portion of bonds | 450 | 250 | (200) |
| Short-term investment securities | 28,466 | 6,215 | (22,250) | Accounts payable-other and accrued expenses | 27,616 | 31,761 | 4,144 |
| Merchandise, raw materials and supplies | 1,742 | 2,232 | +489 | Advance received | 25,227 | 33,532 | +8,304 |
| Real estate for sale | 5,614 | 15,634 | +10,020 | Other | 14,533 | 15,016 | +482 |
| Real estate for sale in process | 27,902 | 26,931 | (970) | Total noncurrent liabilities | 213,119 | 207,447 | (5,672) |
| Deferred tax assets | 3,985 | 4,810 | +825 | Bonds payable and long-term loans payable | 63,423 | 53,708 | (9,715) |
| Other | 10,007 | 5,550 | (4,456) | Long-term guarantee deposited | 103,098 | 102,492 | (606) |
| Total noncurrent assets | 260,179 | 270,175 | +9,995 | Bonds with subscription rights to shares | 30,242 | 30,200 | (42) |
| Property, plant and equipment, net | 156,884 | 155,824 | (1,059) | Other | 16,354 | 21,046 | +4,692 |
| Intangible assets | 4,341 | 10,391 | +6,050 | Total liabilities | 294,914 | 303,226 | +8,312 |
| Investments and other assets | 98,954 | 103,959 | +5,005 | Net Assets | 112,515 | 118,379 | +5,863 |
| | | | | Shareholders' equity | 108,109 | 113,597 | +5,487 |
| | | | | Treasury shares | (3,451) | (2,788) | +663 |
| | | | | Accumulated Other Comprehensive Income | 3,694 | 3,089 | (604) |
| | | | | Subscription rights to shares | 16 | - | (16) |
| | | | | Non-controlling interests | 4,146 | 4,480 | +333 |
| Total assets | 407,430 | 421,606 | +14,176 | Total liabilities and net assets | 407,430 | 421,606 | +14,176 |

Consolidated Cash Flows

| | (¥ millions) | |
|---|--------------|----------|
| | 2016/3 | 2017/3 |
| Cash flows from operating activities | 2,616 | 26,249 |
| Cash flows from investing activities | (33,824) | 3,881 |
| Cash flows from financing activities | (8,624) | (15,593) |
| Effect of exchange rate changes on cash and cash equivalents | (151) | 23 |
| Net increase (decrease) in cash and cash equivalents | (39,983) | 14,561 |
| Increase (decrease) in cash and cash equivalents resulting from changes of scope of consolidation | (944) | 326 |
| Cash and cash equivalents at end of period | 25,476 | 40,365 |

Topics for Fiscal Year 2017

- (1) Started to operate a private nursing home “ACTIVA BIWA,” in Otsu city, Shiga.(April 1, 2017)**
 - (2) Announcement of Stock options (stock acquisition rights). (May 15, 2017)**
***It will be proposed at the 44th General Meeting of Shareholders.**
 - (3) Holding of the Resorttrust Ladies golf championship will be held at Oakmont Golf Club.
(from May 26 to May 28, 2017)**
 - (4) The Dunlop Srixon Fukushima Open will be held at Grandee Nasu Shirakawa Golf Club’s course for conservative years. (from July 27 to July 30, 2017)**
 - (5) “Ashiya Baycourt Club” is scheduled to be opened.(February, 2018)**
 - (6) “(tentative)Trust Garden Kyotoshijyo” is scheduled to be opened.(March 1, 2018)**
- **Scheduled to start the sale of new memberships of the hotel in Kanto during FY2017.**

Business Forecast for six months of FY 2017

Consolidated Targets

(¥ millions)

| | 1H FY2016 results | 1H FY2017 targets | Change |
|--------------------------|-------------------|-------------------|--------|
| Net sales | 65,207 | 73,400 | +8,192 |
| Operating income | 4,727 | 4,500 | (227) |
| Ordinary income | 4,761 | 5,200 | +438 |
| Net income | 3,612 | 3,300 | (312) |
| Net income per share (¥) | 33.95 | 30.99 | |
| Annual Cash dividend (¥) | 23.00 | 23.00 | |

(¥ billions)

| | | | |
|-------------------------------|------|------|------|
| Contract Values of Membership | 27.4 | 28.8 | +1.4 |
|-------------------------------|------|------|------|

Segment Sales

(¥ millions)

| | 1H FY2016 results | 1H FY2017 targets | Change |
|----------------------|-------------------|-------------------|--------|
| Membership | 13,804 | 15,880 | +2,075 |
| Hotel and Restaurant | 37,863 | 40,520 | +2,656 |
| Medical | 12,903 | 16,630 | +3,726 |
| Other | 636 | 370 | (266) |
| Total | 65,207 | 73,400 | +8,192 |

<Membership>

- Contract values of hotel membership+¥1.5 billion(¥24.7 billion→¥26.2 billion)
- Increase in expenses such as land acquisition tax (scheduled) in Yokohama

<Hotel and Restaurant>

- A full-year contribution from operation of Yugawara Rikyu
- Changes to room charges · Difference in provision for bonuses
- Increase in personnel expenses and welfare expenses, etc. including those of personnel for Ashiya/Rokko

<Medical>

- Increase in examination commission from two HIMEDIC bases *Net increase from April to June (Nagoya, Kyoto University Hospital: July, 2016 onwards, full-year influence on FY2017)
- A full-year contribution of Kosei Co., Ltd. and expansion of the aging care business, etc.

<Other>

- Decrease in rent income of real estate
- *Partial sales of assets in December, 2016

[Net Income]

- Record of gain on sales of investment securities in the previous year (extraordinary income of ¥1.0 billion)

Segment Operating Income

(¥ millions)

| | 1H FY2016 results | 1H FY2017 targets | Change |
|----------------------|-------------------|-------------------|--------|
| Membership | 1,249 | 1,210 | (39) |
| Hotel and Restaurant | 1,682 | 1,720 | +37 |
| Medical | 1,571 | 1,460 | (111) |
| Other | 223 | 110 | (113) |
| Total | 4,727 | 4,500 | (227) |

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

Method of recording sales and income from property before hotel opening p.34

Registration fee treated as Sales upon signing.

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

(¥ Billions)

| Fiscal year | Results for FY2013 (2014/3) | | Results for FY2014 (2015/3) | | Results for FY2015 (2016/3) | | Results for FY2016 (2017/3) | | Targets for FY2017 (2018/3) | | (For reference) Predictions for FY2018 (2019/3) | |
|---|--------------------------------|--------------|--|--------------|---|--------------|--|---------------|--|--------------|---|---------------|
| 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) 12.5 billion (XIV Rokko SV) 3.2 billion (Laguna Baycourt) 20.0 billion | | (XIV Rokko SV) 4.0 billion (Laguna Baycourt) 14.9 billion (Kanto) 13.5 billion | | | |
| Deferred sales and income from properties | Sales | Income | 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 | | | | | | +10.2 | * +3.4 | | | | |
| Ashiya Baycourt (RH) | Value deferred | | | | (15.3) | (5.4) | (6.1) | (2.2) | | | | |
| | Value realized | | | | | | | | +21.4 | +7.7 | | |
| XIV Rokko SV (RH) | Value deferred | | | | (2.1) | (0.4) | (1.4) | (0.3) | (2.0) | (0.4) | | |
| | Value realized | | | | | | | | | | +5.5 | +1.1 |
| Laguna Baycourt (RH) | Value deferred | | | | | | (10.2) | (3.2) | (7.5) | (2.5) | | |
| | Value realized | | | | | | | | | | +17.7 | +5.7 |
| Kanto (RH) | Value deferred | | | | | | | | (6.8) | (2.3) | (Unspecified) | (Unspecified) |
| | Value realized | | | | | | | | | | | |
| Value affected(Single Year) | (3.6) | (1.1) | (11.0) | (3.0) | (13.2) | (4.6) | (7.5) | (2.3) | +5.1 | +2.4 | (Unspecified) | (Unspecified) |
| Value affected(Accumulation) | (3.6) | (1.1) | (14.6) | (4.1) | (27.8) | (8.7) | (35.3) | (11.0) | (30.2) | (8.6) | | |

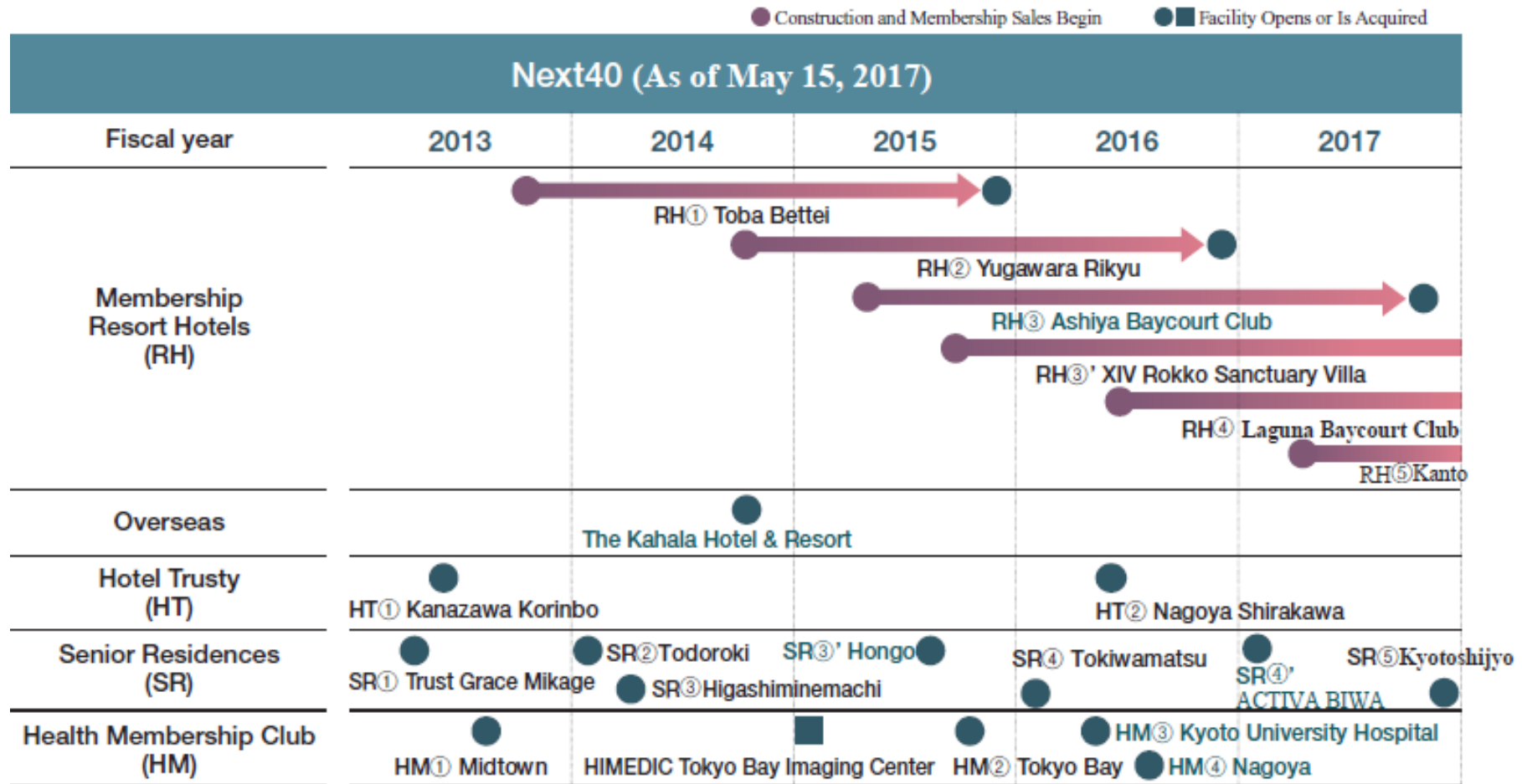
* Realized Value (Results) includes the difference between the preliminary cost and the fixed cost

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) | | Targets for FY2017 (2018/3) | |
|---|--------------------------------|------------------|--------------------------------|------------------|--------------------------------|------------------|--------------------------------|------------------|--------------------------------|------------------|
| | 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 | 171.0 | 17.0 |
| (For reference) Value excluding effects of deferred values | 120.4 | 16.2 | 131.4 | 19.1 | 155.4 | 23.2 | 151.0 | 15.8 | 165.9 | 14.6 |
| (For reference) Value excluding effects of deferred values & *extra costs | 120.4 | 16.2 | 131.4 | 19.1 | 155.4 | 23.8 | 151.0 | 17.0 | 165.9 | 17.1 |

* Extra costs for hotel will be added upon opening.
XIV Yugawara Rikyu:(1.2) billion (Results for FY2016)
Ashiya Baycourt & part of XIV Rokko SV:(2.5) billion (Targets for FY2017)

< Reference > Group's Development schedule



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 | |

*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



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