



“THE KAHALA HOTEL & RESORT YOKOHAMA”
(Scheduled to open around Summer 2020)

Financial results Presentation

For the 6-month Period Ended September 30, 2017

Resorttrust, Inc. (Securities code 4681)

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

- **Overview of 1H FY 2017** **P. 2-3**
- **Segment Highlights** **P. 4**
- **Target of FY 2017** **P. 5**
- **Developments** **P. 6**
in the Medium- to Long-term Strategy

Financial Highlights 1H FY2017

(Million yen)

	1H FY2017 (results)	1H FY2017 (targets)	Difference	1H FY2016 (results)	YoY Change
Net Sales	70,110	73,400	(4.5%)	65,207	+7.5%
Operating Income	5,452	4,500	+21.2%	4,727	+15.3%
Ordinary Income	6,400	5,200	+23.1%	4,761	+34.4%
Net Income	3,787	3,300	+14.8%	3,612	+4.8%

<Difference>

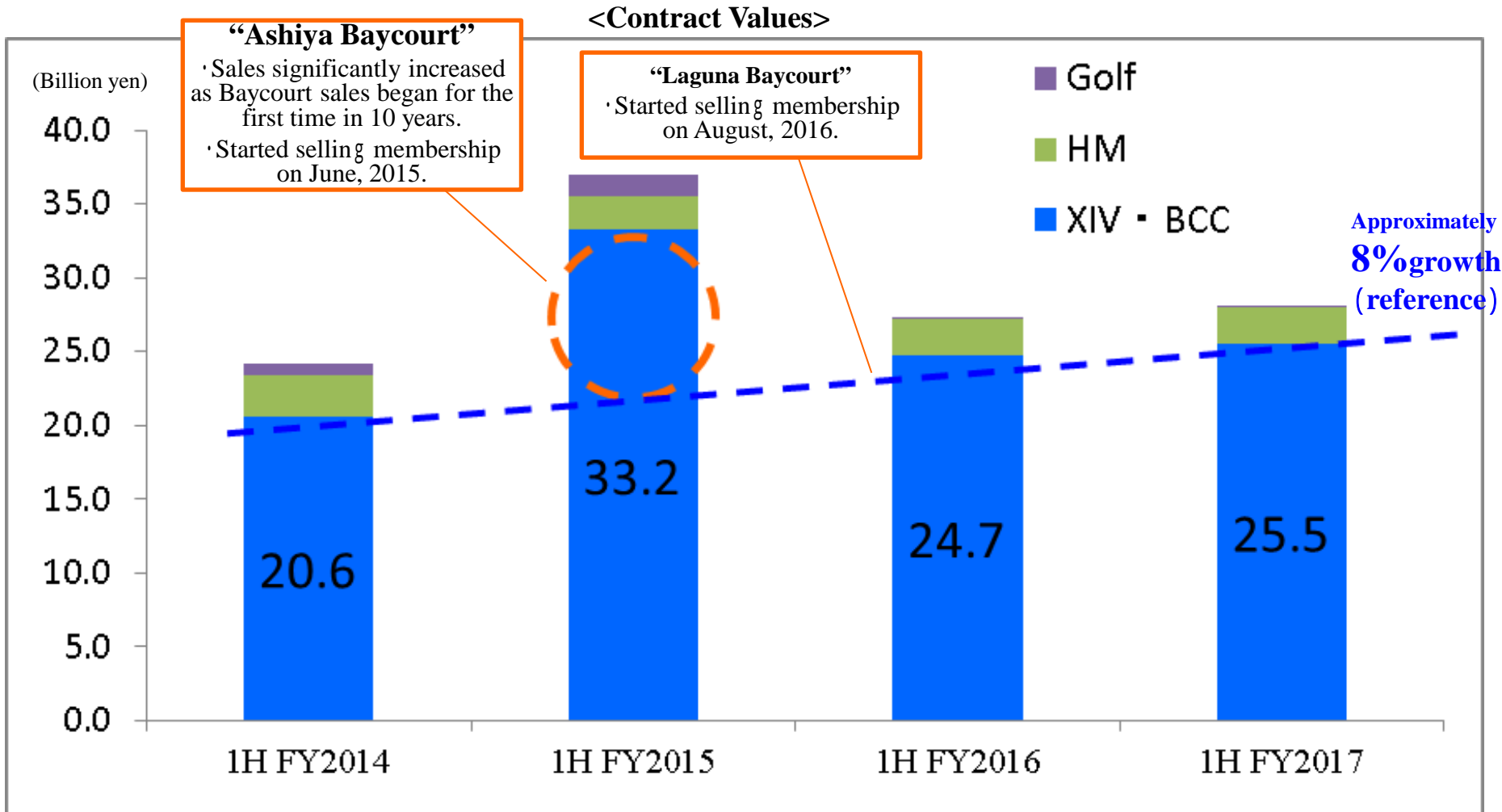
Net sales were slightly lower than the target owing mainly to weather factors that affected hotel operations. However, operating income, ordinary income, and net income were higher than the targets mainly because personnel expenses and other selling expenses were lower than the targets.

<YoY Change>

Sales and income increased due to factors such as new contributions by “XIV Yugawara Rikyu” and the increase in sales of hotel memberships.

Contract Values 1H FY2017

- Sales remained favorable for Laguna Baycourt during 1H FY2017, and were virtually in line with the past 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.



Segment Sales and Operation Income before allocation 1H FY2017



*P. 25:previous method

<Sales>

(Million yen)

	Membership	Hotel and Restaurant	Medical	Other		Total
1H FY2017 (results)	14,977	39,611	15,153	367		70,110
1H FY2017 (targets)	15,880	40,520	16,630	370		73,400
Difference	(5.7%)	(2.2%)	(8.9%)	(0.6%)		(4.5%)
1H FY2016 (results)	13,804	37,863	12,903	636		65,207
YoY Change	+8.5%	+4.6%	+17.4%	(42.2%)		+7.5%

<Operating Income before allocation of head office costs (indirect costs)>

(Million yen)

	Membership	Hotel and Restaurant	Medical	Other	Overhead expenses	Total
1H FY2017 (results)	3,510	2,865	2,590	216	(3,731)	5,452
1H FY2017 (targets)	2,300	3,180	2,700	210	(3,890)	4,500
Difference	+52.6%	(9.9%)	(4.0%)	+3.2%	+159	+21.2%
1H FY2016 (results)	2,170	2,921	2,728	388	(3,481)	4,727
YoY Change	+61.8%	(1.9%)	(5.1%)	(44.2%)	(250)	+15.3%

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

Business Forecast for FY 2017

Consolidated Targets

	FY2016 results	FY2017 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 (yen)	103.40	110.60	
Annual Cash dividend (yen)	46.00	46.00	
Contract Values of Membership	59.3	60.8	+1.5

(Million yen)

(Billion yen)

<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 Shinko medical support Co.,Ltd.
(previous name: 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.)

<Operating Income by Segment (before allocation)>

		FY2016 results	FY2017 targets	Change
Membership	Sales	42,530	57,650	+15,119
	Operating income	10,572	13,770	+3,197
Hotel and Restaurant	Sales	74,193	80,090	+5,896
	Operating income	4,554	4,570	+15
Medical	Sales	25,702	32,500	+6,797
	Operating income	4,556	5,860	+1,303
Other	Sales	1,114	760	(354)
	Operating income	761	560	(201)
head office costs	Operating income	(6,930)	(7,760)	(829)
Total	Sales	143,541	171,000	+27,458
	Operating income	13,514	17,000	+3,485

(Million yen)

Reference<Operating Income by Segment (after allocation)>

		FY2016 results	FY2017 targets	Change
Membership	Sales	42,530	57,650	+15,119
	Operating income	6,988	9,440	+2,451
Hotel and Restaurant	Sales	74,193	80,090	+5,896
	Operating income	3,010	3,140	+129
Medical	Sales	25,702	32,500	+6,797
	Operating income	3,011	4,030	+1,018
Other	Sales	1,114	760	(354)
	Operating income	503	390	(113)
Total	Sales	143,541	171,000	+27,458
	Operating income	13,514	17,000	+3,485

(Million yen)

*previous method

Developments in the Medium- to Long-term Strategy

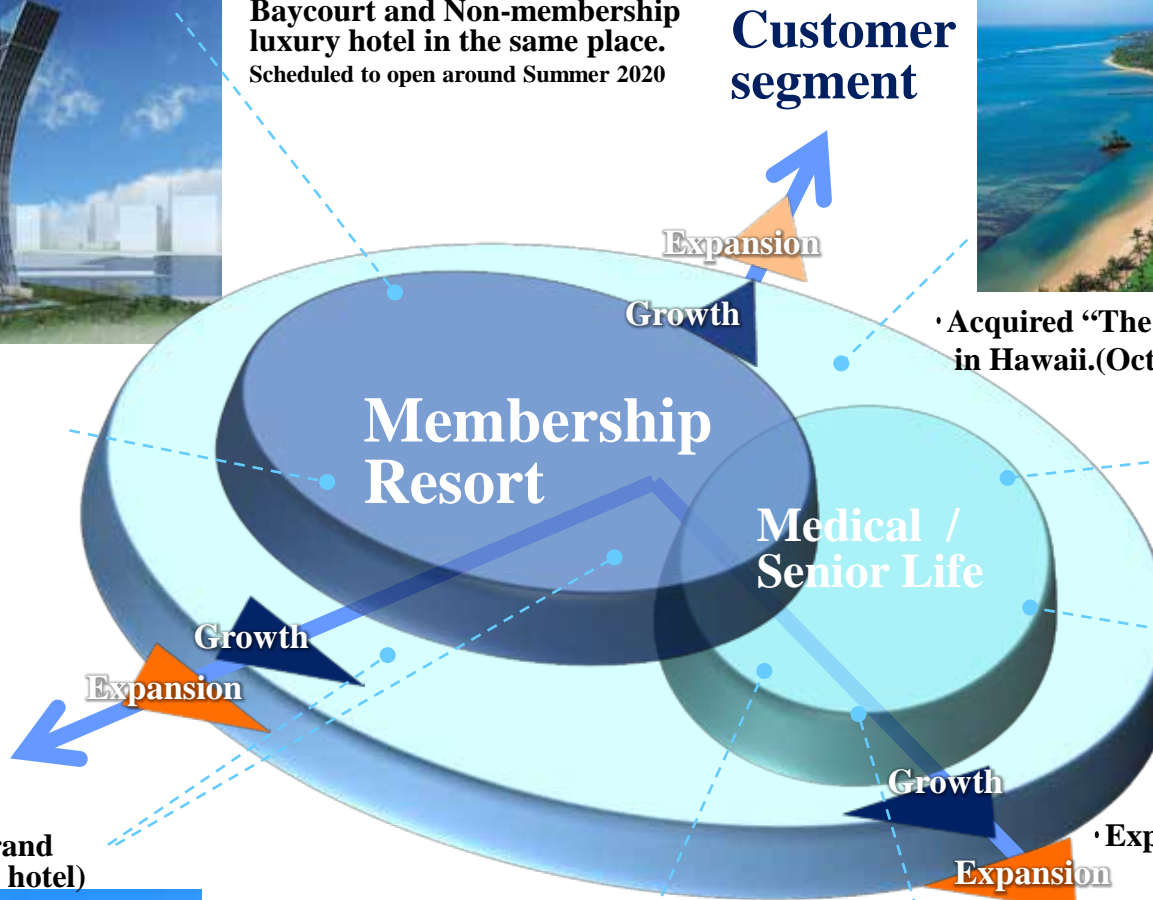


• In Yokohama, plan to open Baycourt and Non-membership luxury hotel in the same place.
Scheduled to open around Summer 2020



• Acquired “The Kahala Hotel & Resort” in Hawaii.(October, 2014)

Business Fields



Customer segment

• **HIMEDIC Business**
Planning to make products for customers in China and foreign tourists in Japan.

• “Midtown Clinic Meiki*” open.
*Meiki is an abbreviation for Nagoya Station.

• Expand Senior Life Business.



Business Area

• Penetration of Baycourt brand (Urban resort membership hotel)



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

• Expand healthcare business
Shinko medical support Co.,Ltd.
(previous name: Kosei Co., Ltd.)
newly consolidated in May,2016.

Section 2: Results for 1H FY 2017

- **Topics for Fiscal Year 2017** **P. 8-9**
- **Results Details for 1H FY2017** **P. 10-17**
(by segment, contract values, etc.)

Topics for Fiscal Year 2017(1)

- (1) Started to operate a private nursing home “Activa Biwa,” in Otsu, Shiga Pref.
(April 1, 2017)**
- (2) Holding of the Resorttrust Ladies golf championship was held at Oakmont Golf Club.
(from May 26 to May 28, 2017)**
- (3) Resolved issuance of stock acquisition rights as stock option. (June 29, 2017)**
- (4) Hotel facility site acquisition for
“Minato Mirai 21 Central District Block 20 MICE Facility Development Business”
(July 18, 2017)**
- (5) The Dunlop Srixon Fukushima Open was held
at Grandee Nasu Shirakawa Golf Club’s course for consecutive years.
(from July 27 to July 30, 2017)**

Topics for Fiscal Year 2017(2)

- (6) Announcement of Development of “KAHALA” brand Luxury Hotels around the World. (October 16, 2017)**
 - (7) Start of Construction of Exclusive Membership Resort Hotel “YOKOHAMA BAYCOURT CLUB” and Non-membership luxury hotel “THE KAHALA HOTEL & RESORT YOKOHAMA.” (October 17, 2017)**
 - (8) “Midtown Clinic Meieki*” opened. Advanced Medical Care Inc. , a member of the Resort Trust Group, provides operational support for Midtown Clinic Meieki.(October 17, 2017)
*Meieki is an abbreviation for Nagoya Station.**
 - (9) Received the “Excellent Company Award for Employment of Persons with Disabilities” hosted by the Tokyo Metropolitan Government.(October 17, 2017)**
 - (10) “Ashiya Baycourt Club” is scheduled to be opened.(February, 2018)**
 - (11) “Trust Garden Shijo Karasuma” is scheduled to be opened.(March 1, 2018)**
- Scheduled to start the sale of new memberships of Exclusive Membership Resort Hotel “YOKOHAMA BAYCOURT CLUB” during FY2017.**

Contract Values of Membership 1H FY2017



(Billion yen)

	1H FY2017 results	1H FY2017 targets	Difference	1H FY2016 results	YoY Change	* 1H FY2017 Progress rate of contract (cumulative)	FY2017 targets
Yokohama Baycourt Club	-	2.1	(2.1)	-	-	-	13.5
Laguna Baycourt Club	11.3	8.0	+3.3	3.7	+7.6	42.5%	14.9
XIV Rokko SV	1.4	2.1	(0.7)	1.4	(0.0)	36.3%	4.0
Ashiya Baycourt Club	5.2	5.4	(0.3)	7.7	(2.5)	61.1%	10.7
XIV Yugawara Rikyu	3.3	3.8	(0.5)	5.7	(2.4)	66.8%	4.9
Other Hotels	4.4	4.9	(0.4)	6.2	(1.8)	-	7.8
Hotel Membership Total	25.5	26.3	(0.7)	24.7	+0.8	-	55.7
Golf	0.1	0.1	+0.0	0.2	(0.1)	-	0.1
Membership Operations Total	25.6	26.3	(0.7)	24.9	+0.7	-	55.8
HIMEDIC	2.5	2.5	(0.0)	2.5	+0.0	-	4.9
Total	28.1	28.8	(0.7)	27.4	+0.7	-	60.8

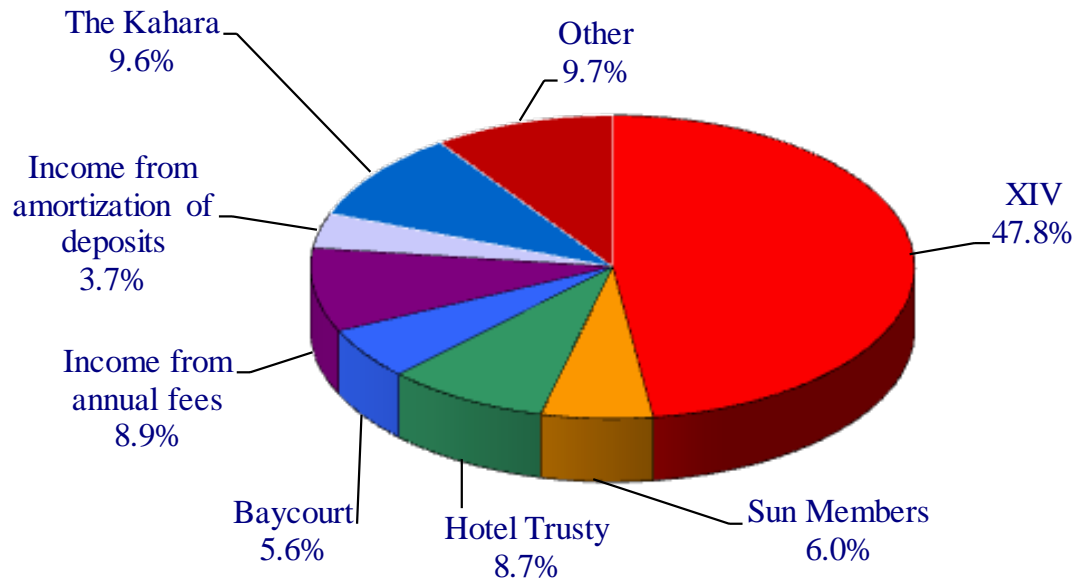
* Progress rate of the total contract amount

Sales of Membership Segment 1H FY2017

(Billion yen)

		1H FY2017 results	1H FY2017 targets	Difference	1H FY2016 results	YoY Change	FY2017 targets
Yokohama Baycourt Club		-	1.9	(1.9)	-	-	12.2
Laguna Baycourt Club		10.3	7.3	+3.0	3.3	+6.9	13.5
XIV Rokko SV		1.2	1.9	(0.7)	1.2	(0.0)	3.6
Ashiya Baycourt Club		4.7	4.9	(0.3)	7.0	(2.3)	9.7
XIV Yugawara Rikyu		2.9	3.5	(0.5)	4.6	(1.7)	4.5
Other Hotels		3.7	4.2	(0.5)	5.3	(1.6)	6.9
Hotel Membership Total		22.8	23.7	(0.9)	21.4	+1.4	50.5
Deferred Sales	Yokohama Baycourt Club	-	(1.1)	+1.1	-	-	(6.8)
	Laguna Baycourt Club	(5.7)	(4.0)	(1.7)	(1.9)	(3.8)	(7.5)
	XIV Rokko SV	(0.6)	(1.0)	+0.4	(0.6)	(0.0)	(2.0)
	Ashiya Baycourt Club	(2.6)	(2.8)	+0.2	(3.9)	+1.3	+21.4
	XIV Yugawara Rikyu	-	-	-	(2.3)	+2.3	-
All Hotels		13.8	14.8	(0.9)	12.7	+1.1	55.6
Golf		0.1	0.0	+0.0	0.1	(0.0)	0.1
Subtotal		13.9	14.8	(0.9)	12.8	+1.1	55.6
Other		1.1	1.1	+0.0	1.0	+0.1	2.0
Membership Operations Total		15.0	15.9	(0.9)	13.8	+1.2	57.7

Sales of Hotel and Restaurant Segment 1H FY2017



(Million yen)

	1H FY2017 results	1H FY2017 targets	1H FY2016 results	FY2017 targets
XIV	18,951	19,637	17,593	37,718
Sun Members	2,366	2,417	2,286	4,892
Hotel Trusty	3,434	3,391	3,238	6,717
Baycourt	2,199	2,219	2,129	4,611
Income from annual fees	3,534	3,571	3,460	7,194
Income from amortization of deposits	1,485	1,520	1,442	3,041
The Kahara	3,795	3,786	3,809	8,339
Other	3,844	3,975	3,901	7,574
Total	39,611	40,520	37,863	80,090

Operations by category 1H FY2017

Number of overnight visitors

(Thousands)

	1H FY2016 results	1H FY2017 results	1H FY2017 targets	FY2016 results	FY2017 results	FY2018 targets
XIV	987	1,014	1,058	1,786	1,812	1,956
Sun Members*	221	217	227	477	444	453
Hotel Trusty*	334	356	349	637	662	688
Baycourt	68	68	69	150	143	144

Occupancy rates

(%)

	1H FY2016 results	1H FY2017 results	1H FY2017 targets	FY2016 results	FY2017 results	FY2018 targets
XIV	56.4	54.6	57.3	54.0	52.6	53.7
Sun Members*	62.1	60.2	63.1	65.2	62.7	63.4
Hotel Trusty*	92.0	93.1	92.8	92.5	91.2	91.8
Baycourt	54.5	55.2	55.3	59.5	57.1	57.8

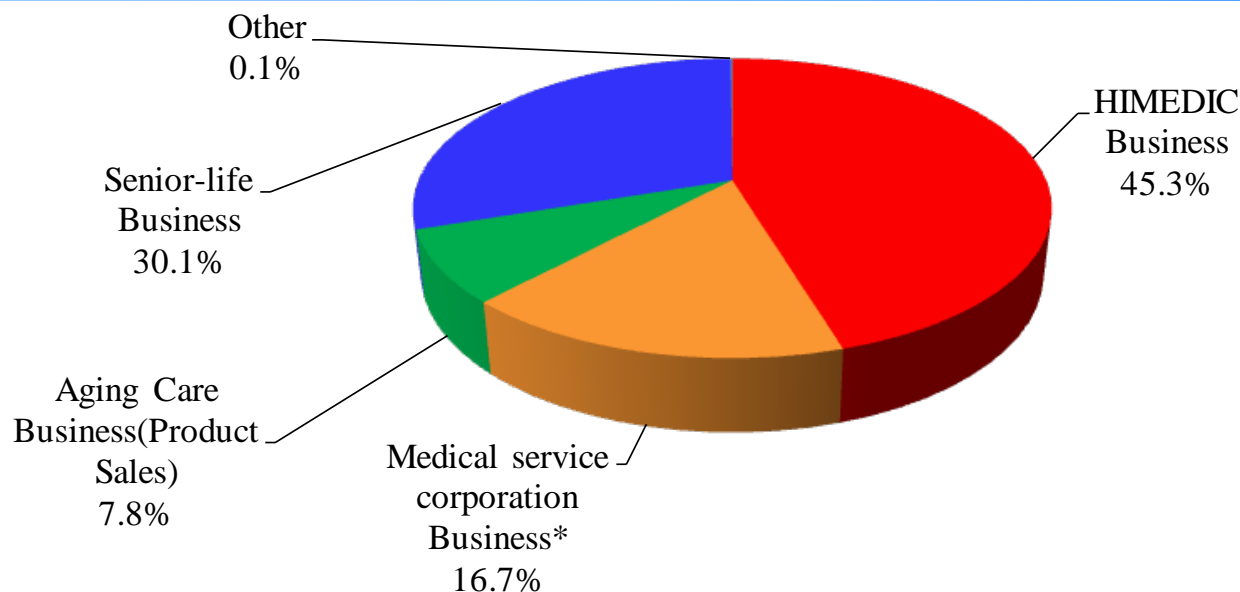
Spending per visitor

(yen)

	1H FY2016 results	1H FY2017 results	1H FY2017 targets	FY2016 results	FY2017 results	FY2018 targets
XIV	17,820	18,674	18,553	17,901	18,573	19,279
Sun Members*	10,329	10,897	10,644	9,759	10,589	10,787
Hotel Trusty*	9,669	9,636	9,692	9,667	9,754	9,751
Baycourt	30,864	32,207	32,023	30,206	30,898	32,025

*Hotel Trusty Nagoya Shirakawa reopened on June 2016. (Included "Sun Members" category before January 2016)

Sales of Medical Segment 1H FY2017



(Millions yen)

	1H FY2017 results	1H FY2017 targets	1H FY2016 results	FY2017 targets
HIMEDIC Business	6,865	7,180	6,661	14,605
Medical service corporation Business*	2,530	2,379	1,797	4,802
Aging Care Business(Product Sales)	1,183	1,042	857	2,186
Senior-life Business	4,557	4,623	3,562	9,471
Other	16	1,403	25	1,434
Total	15,153	16,630	12,903	32,500

Operation support for general medical service business, etc.

< Senior residences and private nursing homes >

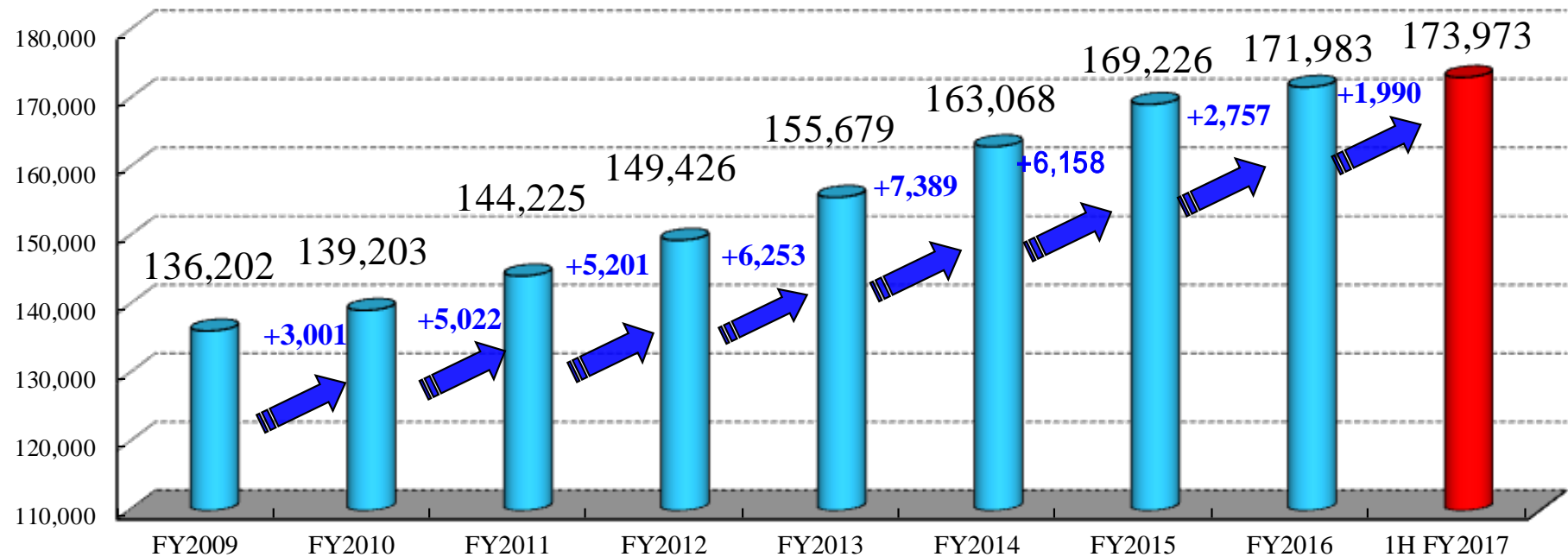
	1H FY2016 results	1H FY2017 results	1H FY2017 targets	FY2015 results	FY2016 results	FY2017 targets
Occupancy rates(%)	88.7	85.9	89.3	87.6	90.0	89.3
number of rooms	1,075	1,459	1,459	1,025	1,075	1,513

*Activa Biwa : Started to operate on April, 2017.

*Trust Garden Shijo Karasuma : Scheduled to be opened on March, 2018

Number of Members

(Members)



(Members)

	Baycourt	XIV	Sun Members	Golf	Medical	Cruiser	Total
FY2016	13,115	76,517	34,429	31,032	16,473	417	171,983
1H FY2017	14,395	76,958	33,976	30,914	17,328	402	173,973
Change April - September 2017	+1,280	+441	(453)	(118)	+855	(15)	+1,990
Change April - September 2016	+798	+774	(263)	(63)	+889	(18)	+2,117

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

Consolidated Balance Sheets

(Million yen)

	FY2016	1H FY2017	Change		FY2016	1H FY2017	Change
Total current assets	151,430	139,008	(12,421)	Total current liabilities	95,778	105,135	+9,356
Cash and deposits	39,063	22,586	(16,477)	Notes and accounts payable-trade	1,401	1,294	(107)
Notes and accounts receivable-trade	9,437	7,273	(2,164)	Short-term loans payable	13,816	27,605	+13,789
Operating loans	41,553	42,766	+1,212	Current portion of bonds	250	2,750	+2,500
Short-term investment securities	6,215	2,928	(3,287)	Accounts payable-other and accrued expenses	31,761	16,468	(15,293)
Merchandise, raw materials and supplies	2,232	2,220	(11)	Advance received	33,532	40,427	+6,895
Real estate for sale	15,634	14,766	(868)	Other	15,016	16,589	+1,572
Real estate for sale in process	26,931	36,195	+9,264	Total noncurrent liabilities	207,447	186,700	(20,746)
Deferred tax assets	4,810	4,812	+2	Bonds payable and long-term loans payable	53,708	35,279	(18,429)
Other	5,550	5,458	(92)	Long-term guarantee deposited	102,492	99,568	(2,923)
Total noncurrent assets	270,175	273,191	+3,015	Bonds with subscription rights to shares	30,200	30,178	(21)
Property, plant and equipment, net	155,824	163,308	+7,484	Other	21,046	21,673	+627
Intangible assets	10,391	10,922	+530	Total liabilities	303,226	291,835	(11,390)
Investments and other assets	103,959	98,960	(4,999)	Net Assets	118,379	120,363	+1,984
				Shareholders' equity	113,597	114,979	+1,382
				Treasury shares	(2,788)	(2,460)	+327
				Accumulated Other Comprehensive Income	3,089	3,151	+62
				Subscription rights to shares	-	136	+136
				Non-controlling interests	4,480	4,556	+76
Total assets	421,606	412,199	(9,406)	Total liabilities and net assets	421,606	412,199	(9,406)

Consolidated Cash Flows 1H FY2017

(Million yen)

	1H FY2016	1H FY2017
Cash flows from operating activities	5,616	(7,132)
Cash flows from investing activities	(1,134)	(8,236)
Cash flows from financing activities	(7,220)	(2,375)
Effect of exchange rate changes on cash and cash equivalents	(31)	23
Net increase (decrease) in cash and cash equivalents	(2,768)	(17,719)
Increase (decrease) in cash and cash equivalents resulting from changes of scope of consolidation	-	66
Cash and cash equivalents at end of period	22,707	22,711

<Reference>

- **Progress of the Medium-term Management Plan “Next 40”
and of Medical Business** **P. 19-23**
- **Notice: operating income by segment** **P. 24-25**
- **Effects of Deferred Revenue** **P. 26-27**
- **Three months date: Results for 2Q FY2017** **P. 28-34**
(by segment, contract values, etc.)
- **Others**

Factors causing changes to the Medium-term Management Plan

“Next 40” since its launch ①

FY2013 ~ FY2017

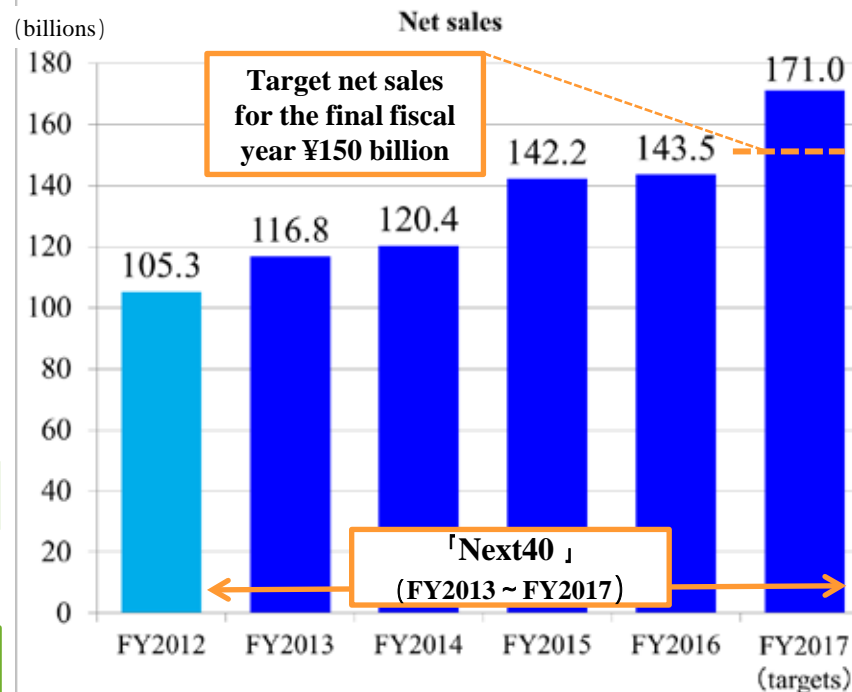
- During the period under the previous Medium-term Management Plan, our development schedule had been postponed due to factors such as the impact of earthquakes, and thus, demand for new properties has accumulated.
- Since the speed of progress exceeds our expectations thanks to “Next 40,” which accelerates 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	10 facilities (Acquired Shinko medical support Co.,Ltd.) →	— previous name: 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 **162%**

On the other hand, business commencement expenses and forward expenses increased (please refer to P.20 for details on costs)

Factors causing changes to the Medium-term Management Plan

“Next 40” since its launch ②

FY2013~FY2017

- 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

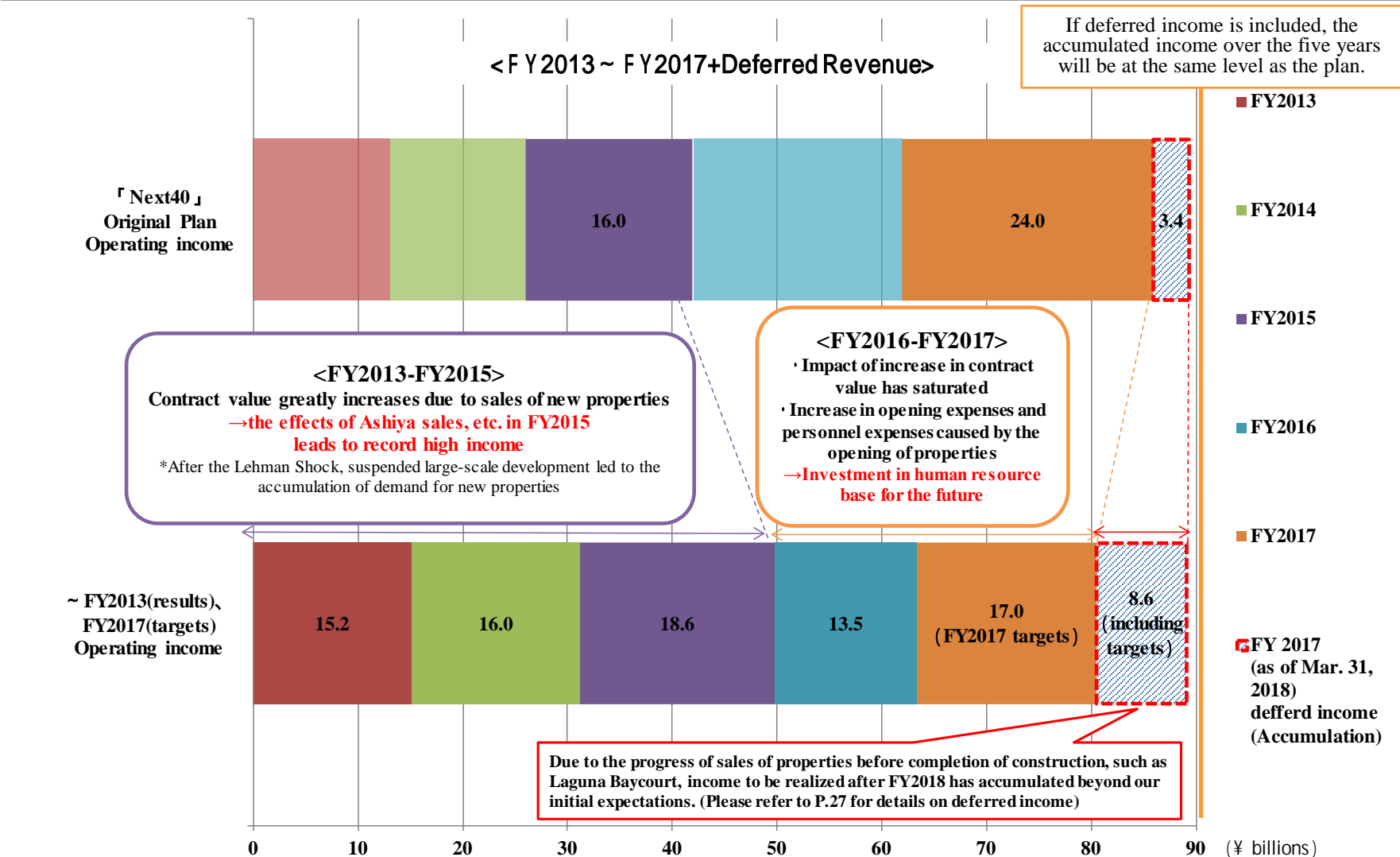
Increase revenue by raising the percentage of high-grade rooms, which has a higher demand (However, opening expenses, etc. exceed that of the original plan)

**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

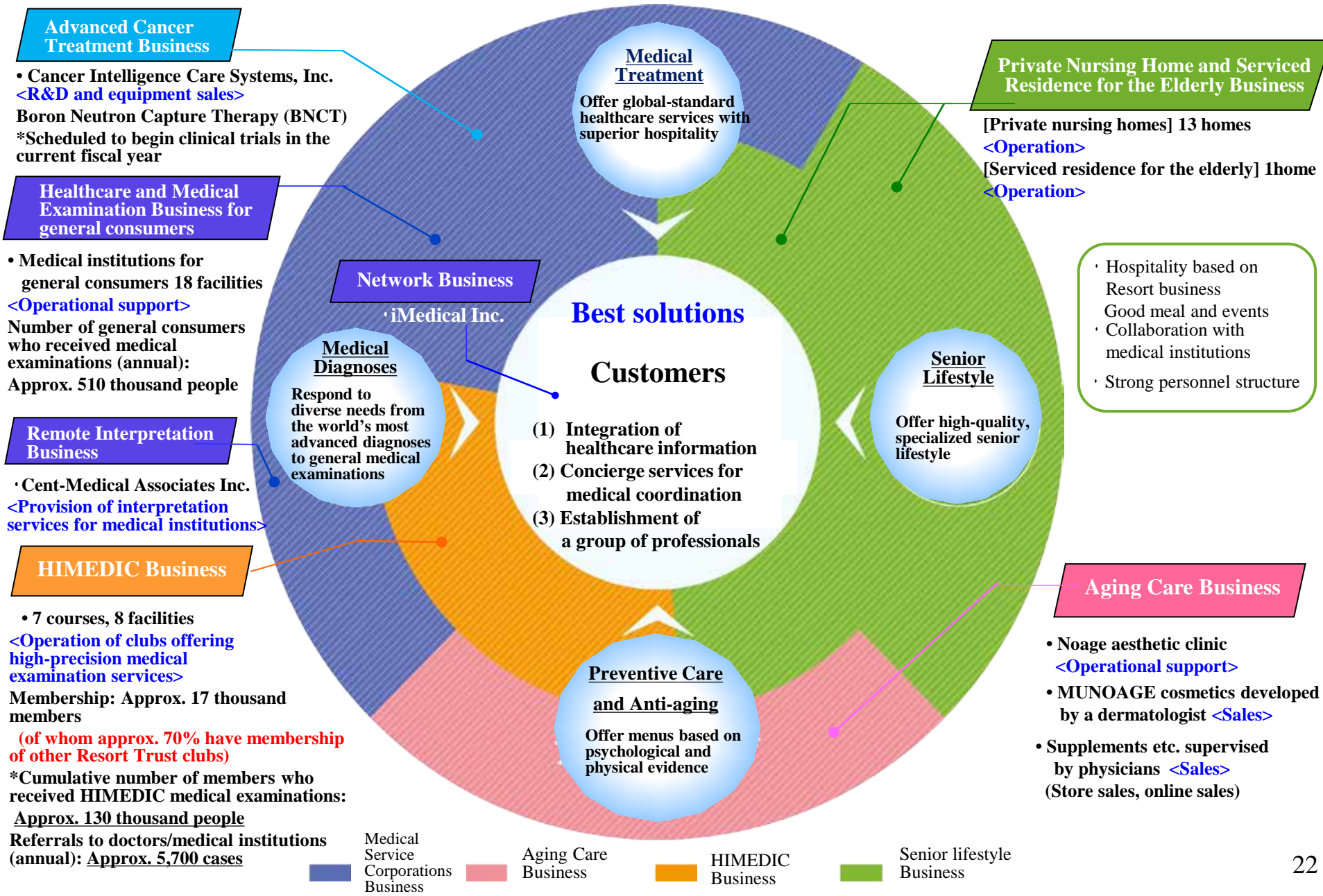
FY2013~FY2017

- 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.



Progress of Medical Business (1)

<Value Chain>

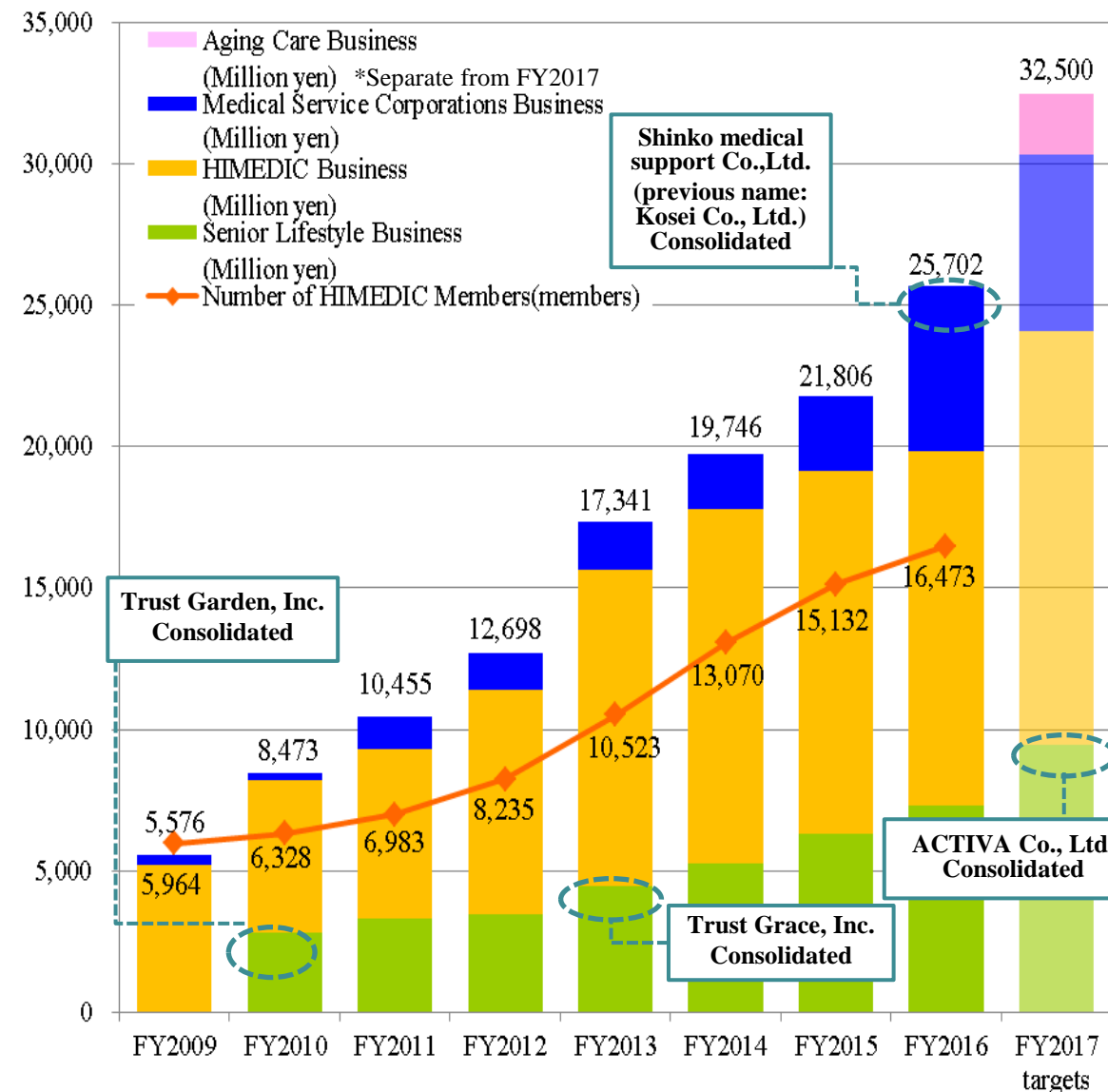


Progress of Medical Business (2)

<Trend of Sales, etc.>

<Trends of Medical Segment Sales / HIMEDIC Membership>

(Million yen/members)



Medical Service Corporations Business: Development from now on

- Branding of advanced medical services and medical services for women
 - Expansion of medical institutions for general consumers (in regional cities etc.)
 - Consideration of new business schemes concerning healthcare Creation of earnings opportunities between membership and general consumers, etc.
- Position as core infrastructure of the Group's business (Creation of further synergy, expansion to medical services for general consumers)**

Aging Care Business: Development from now on

- Implementation of the brand strategy and promotion of the advertising strategy in line with expansion of scale
 - Development of anti-aging products supervised by physicians and emphasizing evidence
- Aim to become a top-tier company in the industry by introducing new products, opening new sites and M&A**

HIMEDIC Business: Development from now on

- Further awareness-raising among members of the Group to cultivate demand from potential customers
- Consideration of expansion of target customers by offering more options for the membership period and fees (different from current options)
- Improvement of profitability of overseas sites and the consulting business, etc.

Continue the focus on sites in Japan to achieve steady growth while maintaining profitability <Approaching 30,000 members in Japan>

Senior Lifestyle Business: Development from now on

- Consideration of new facilities, such as facilities combining different types of facilities (Facilities combined with XIV facilities; combined facilities offering services for healthy people, nursing care services, and day care services; etc.)
 - Consideration of ways to raise awareness among members of the Group and at the same time increase appeal in order to attract new residents
- Target 3,000 rooms through M&A and new development <Operating income to net sales ratio: slightly under 10% (at present) → 15% (target)>**
- *Operating income: excluding allocation of indirect costs and amortization of goodwill**

Establish a leading brand for medical and senior lifestyle solutions in Japan

Notice: operating income by segment

<Amendments related to the allocation of head office costs (indirect costs)>

Starting from FY2017, in order to further clarify the income status of each segment and the income levels born directly by each department, the method of disclosure regarding **operating income by segment has been partially amended.**

<Previous method ~FY2016>

Head office costs (indirect costs) which cannot be associated with segments are allocated according to the ratio (composition proportion) of operating income before the allocation for each segment, and the operating income after the allocation is disclosed.

<Amended method FY2017~>

Operating income before the allocation of head office costs (indirect costs) is disclosed. Head office costs (indirect costs) are to be disclosed separately.

***Since we are in the transition period, both the previous method and amended method are included in this Presentation.**

Segment Sales, Operating Income 1H FY2017

after allocation of head office costs (indirect costs)*previous method

<Sales>

(Million yen)

	Membership	Hotel and Restaurant	Medical	Other	Total
1H FY2017 (results)	14,977	39,611	15,153	367	70,110
1H FY2017 (targets)	15,880	40,520	16,630	370	73,400
Difference	(5.7%)	(2.2%)	(8.9%)	(0.6%)	(4.5%)
1H FY2016 (results)	13,804	37,863	12,903	636	65,207
YoY Change	+8.5%	+4.6%	+17.4%	(42.2%)	+7.5%

<Operating Income>

(Million yen)

	Membership	Hotel and Restaurant	Medical	Other	Total
1H FY2017 (results)	2,084	1,701	1,538	128	5,452
1H FY2017 (targets)	1,210	1,720	1,460	110	4,500
Difference	+72.3%	(1.1%)	+5.4%	+16.9%	+21.2%
1H FY2016(results)	1,249	1,682	1,571	223	4,727
YoY Change	+66.8%	+1.1%	(2.1%)	(42.5%)	+15.3%

Effects of Deferred Revenue from properties before hotel opening(1H)

Method of recording sales and income from property before completion of construction p.36

Registration fee treated as Sales upon signing.

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

*Discrbed "+" is in realized period. And discrbed "()" is in unrealized period.

(Billions yen)

Fiscal year	Results for 1H FY2016 (2016/9)		Results for 1H FY2017 (2017/9)		Targets for 1H FY2017 (2017/9)	
Contract amount of properties before completion of construction	(XIV Yugawara Rikyu) 5.7 billion	(Ashiya Baycourt) 7.7 billion	(Ashiya Baycourt) 5.2 billion	(XIV Rokko SV) 1.4 billion	(Ashiya Baycourt) 5.4 billion	(XIV Rokko SV) 2.1 billion
	(Laguna Baycourt) 1.4 billion	(Laguna Baycourt) 3.7 billion	(Laguna Baycourt) 11.3 billion	(Laguna Baycourt) 8.0 billion	(Yokohama Baycourt) 2.1 billion	
Deferred sales and income from properties	Sales	Income	Sales	Income	Sales	Income
XIV Yugawara Rikyu	(2.2)	(0.7)	-	-	-	-
Ashiya Baycourt	(3.8)	(1.4)	(2.4)	(0.9)	(2.8)	(1.0)
XIV Rokko SV	(0.6)	(0.1)	(0.6)	(0.1)	(1.0)	(0.2)
Laguna Baycourt	(1.9)	(0.6)	(5.7)	(1.8)	(4.0)	(1.3)
Yokohama Baycourt	-	-	-	-	(1.1)	(0.4)
Value affected (included in disclosed figures)	(8.5)	(2.9)	(8.7)	(2.9)	(8.9)	(2.9)

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

Method of recording sales and income from property before hotel opening p36

Registration fee treated as Sales upon signing.

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

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

(Billion yen)

Fiscal year	Results for FY2013 (2014/3)		Results for FY2014 (2015/3)		Results for FY2015 (2016/3)		Results for FY2016 (2017/3)		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 (Yokohama Baycourt) 13.5 billion			
Deferred sales and income from properties	Sales	Income	Sales	Income	Sales	Income	Sales	Income	Sales	Income	Sales	Income
XIV Toba Bettei	Value deferred	(3.6)	(1.1)	(6.3)	(1.7)							
	Value realized					+9.8	* +3.0					
XIV Yugawara Rikyu	Value deferred			(4.7)	(1.3)	(5.5)	(1.7)					
	Value realized							+10.2	* +3.4			
Ashiya Baycourt	Value deferred					(15.3)	(5.4)	(6.1)	(2.2)			
	Value realized									+21.4	+7.7	
XIV Rokko SV	Value deferred					(2.1)	(0.4)	(1.4)	(0.3)	(2.0)	(0.4)	
	Value realized									- It will open in FY2018 ->	+5.5	+1.1
Laguna Baycourt	Value deferred							(10.2)	(3.2)	(7.5)	(2.5)	
	Value realized									- It will open in FY2018 ->	+17.7	+5.7
Yokohama Baycourt	Value deferred									(6.8)	(2.3)	(Unspecified)
	Value realized											- It will open in summer 2020 ->
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)	Membership other than the above may also be on sale.	

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

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)

Segment Sales and Operation Income before allocation 2Q FY2017

<Sales>

(Million yen)

	Membership	Hotel and Restaurant	Medical	Other		Total
2Q FY2017 (results)	7,212	21,020	7,884	184		36,301
2Q FY2017 (targets)	8,090	21,620	9,200	190		39,100
Difference	(10.8%)	(2.8%)	(14.3%)	(3.2%)		(7.2%)
2Q FY2016 (results)	7,019	19,991	6,626	316		33,955
YoY Change	+2.8%	+5.1%	+19.0%	(41.9%)		+6.9%

<Operating Income before allocation of head office costs (indirect costs)>

(Million yen)

	Membership	Hotel and Restaurant	Medical	Other	Overhead expenses	Total
2Q FY2017 (results)	1,660	2,384	1,506	166	(1,882)	3,836
2Q FY2017 (targets)	1,190	2,670	1,600	180	(1,940)	3,700
Difference	+39.5%	(10.7%)	(5.9%)	(7.3%)	+58	+3.7%
2Q FY2016 (results)	1,586	2,491	1,274	252	(1,626)	3,978
YoY Change	+4.6%	(4.3%)	+18.1%	(34.0%)	(255)	(3.6%)

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

Segment Sales, Operating Income 2Q FY2017

after allocation of head office costs (indirect costs)*previous method

<Sales>

(Million yen)

	Membership	Hotel and Restaurant	Medical	Other	Total
2Q FY2017 (results)	7,212	21,020	7,884	184	36,301
2Q FY2017 (targets)	8,090	21,620	9,200	190	39,100
Difference	(10.8%)	(2.8%)	(14.3%)	(3.2%)	(7.2%)
2Q FY2016 (results)	7,019	19,991	6,626	316	33,955
YoY Change	+2.8%	+5.1%	+19.0%	(41.9%)	+6.9%

<Operating Income>

(Million yen)

	Membership	Hotel and Restaurant	Medical	Other	Total
2Q FY2017 (results)	1,221	1,476	1,032	105	3,836
2Q FY2017 (targets)	890	1,570	1,140	100	3,700
Difference	+37.2%	(5.9%)	(9.4%)	+5.4%	+3.7%
2Q FY2016(results)	1,082	1,558	1,153	184	3,978
YoY Change	+12.9%	(5.2%)	(10.5%)	(42.9%)	(3.6%)

Contract Values of Membership 2Q FY2017

(Billion yen)

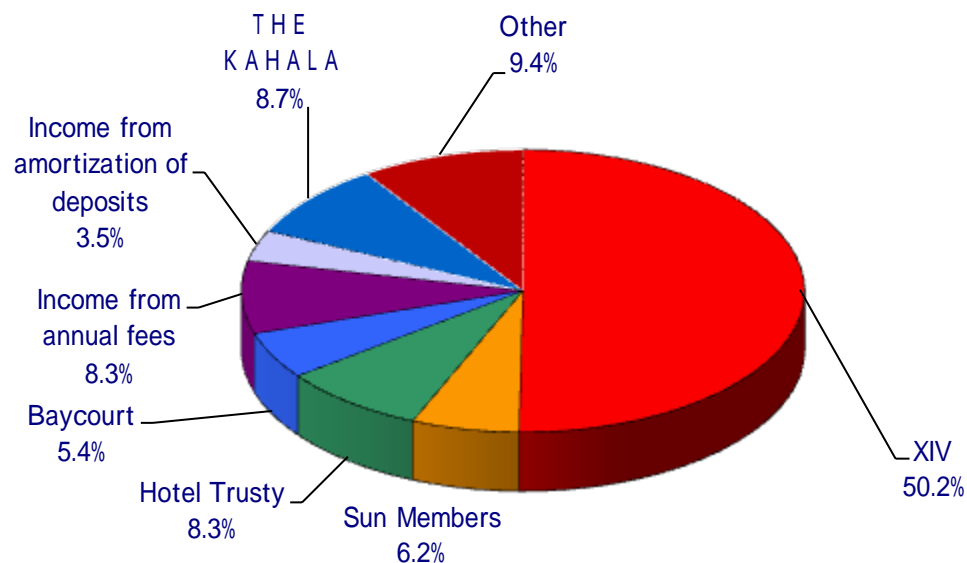
	2Q FY2017 results	2Q FY2017 targets	Difference	2Q FY2016 results	YoY Change
Yokohama Baycourt Club	-	2.1	(2.1)	-	-
Laguna Baycourt Club	5.3	3.2	+2.1	3.7	+1.6
XIV Rokko SV	0.8	1.1	(0.3)	0.9	(0.1)
Ashiya Baycourt Club	2.7	3.0	(0.3)	3.7	(1.0)
XIV Yugawara Rikyu	1.1	1.8	(0.7)	3.5	(2.4)
Other Hotels	2.5	2.4	+0.1	2.4	+0.1
Hotel Membership Total	12.4	13.7	(1.3)	14.2	(1.8)
Golf	0.0	0.0	(0.0)	0.1	(0.1)
Membership Operations Total	12.4	13.7	(1.3)	14.3	(1.9)
HIMEDIC	1.4	1.3	+0.1	1.2	+0.2
Total	13.8	15.0	(1.2)	15.5	(1.7)

Sales of Membership Segment 2Q FY2017

(Billion yen)

		2Q FY2017 results	2Q FY2017 targets	Difference	2Q FY2016 results	YoY Change
Yokohama Baycourt Club		-	1.9	(1.9)	-	-
Laguna Baycourt Club		4.8	2.9	+1.9	3.3	+1.5
XIV Rokko SV		0.7	1.0	(0.3)	0.8	(0.1)
Ashiya Baycourt Club		2.4	2.7	(0.3)	3.4	(0.9)
XIV Yugawara Rikyu		1.0	1.7	(0.7)	2.8	(1.8)
Other Hotels		2.2	2.1	+0.1	2.0	+0.1
Hotel Membership Total		11.1	12.3	(1.2)	12.3	(1.2)
Deferred Sales	Yokohama Baycourt Club	-	(1.1)	+1.1	-	-
	Laguna Baycourt Club	(2.7)	(1.6)	(1.1)	(1.9)	(0.8)
	XIV Rokko SV	(0.4)	(0.6)	+0.2	(0.4)	+0.0
	Ashiya Baycourt Club	(1.4)	(1.5)	+0.1	(1.9)	+0.5
	XIV Yugawara Rikyu	-	-	-	(1.4)	+1.4
All Hotels		6.7	7.6	(0.9)	6.7	(0.1)
Golf		0.0	0.0	+0.0	0.0	(0.0)
Subtotal		6.7	7.6	(0.9)	6.8	(0.1)
Other		0.5	0.5	(0.0)	0.2	+0.3
Membership Operations Total		7.2	8.1	(0.9)	7.0	+0.2

Sales of Hotel and Restaurant Segment 2Q FY2017



(¥ millions)

	2Q FY2017 results	2Q FY2017 targets	2Q FY2016 results
XIV	10,554	11,021	9,783
Sun Members	1,298	1,323	1,264
Hotel Trusty	1,747	1,731	1,677
Baycourt	1,132	1,128	1,079
Income from annual fees	1,746	1,784	1,714
Income from amortization of deposits	744	760	724
THE KAHALA	1,820	1,856	1,747
Other	1,975	2,013	2,000
Total	21,020	21,620	19,991

Operations by category 2Q FY2017

Number of overnight visitors (Thousands)

	2Q FY2016 results	2Q FY2017 results	2Q FY2017 targets
XIV	591	608	634
Sun Members	121	117	123
Hotel Trusty	178	182	181
Baycourt	37	35	36

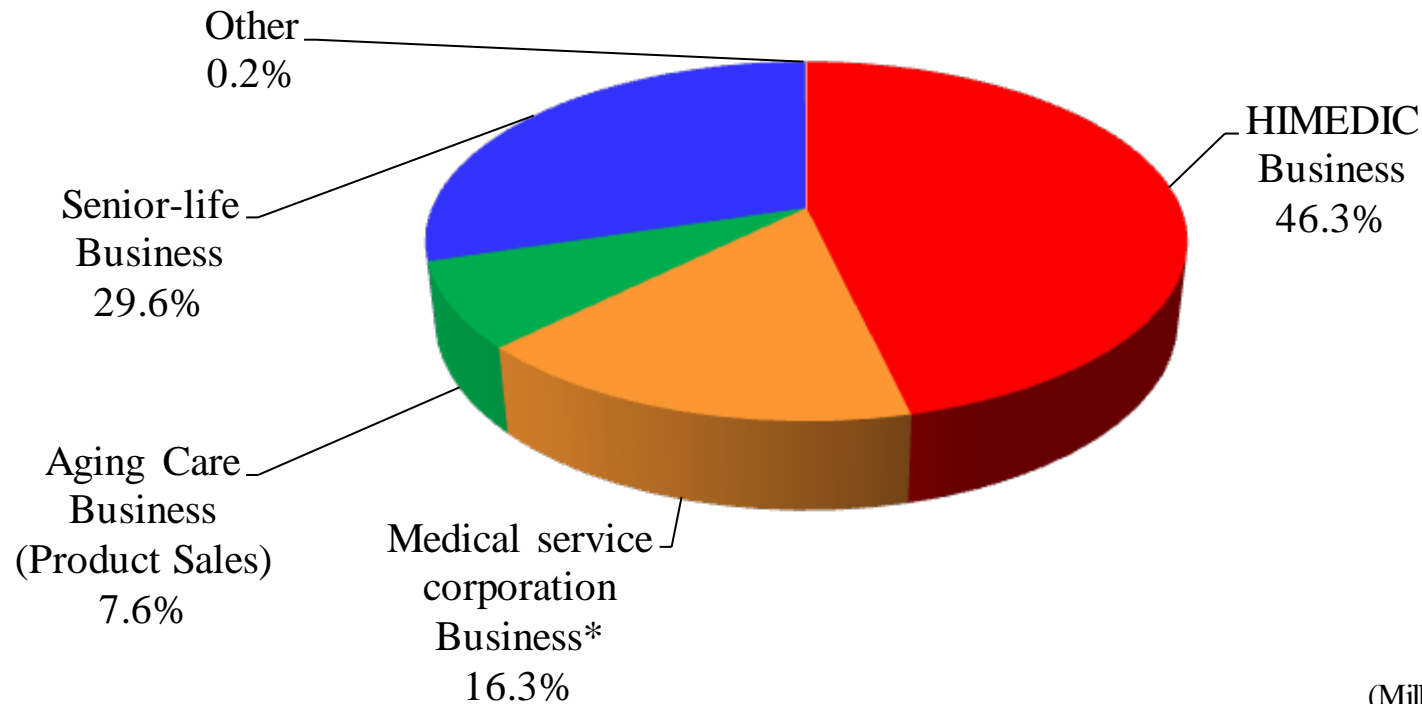
Occupancy rates (%)

	2Q FY2016 results	2Q FY2017 results	2Q FY2017 targets
XIV	65.3	63.4	66.5
Sun Members	64.4	62.6	65.1
Hotel Trusty	92.9	94.1	93.5
Baycourt	56.8	55.7	57.4

Spending per visitor (¥)

	2Q FY2016 results	2Q FY2017 results	2Q FY2017 targets
XIV	16,544	17,340	17,370
Sun Members	10,411	11,025	10,696
Hotel Trusty	9,380	9,557	9,561
Baycourt	29,073	31,805	30,619

Sales of Medical Segment 2Q FY2017



(Millions yen)

	2Q FY2017 results	2Q FY2017 targets	2Q FY2016 results
HIMEDIC Business	3,651	3,690	3,283
Medical service corporation Business*	1,287	1,233	1,064
Aging Care Business(Product Sales)	603	531	445
Senior-life Business	2,334	2,352	1,818
Other	7	1,392	14
Total	7,884	9,200	6,626

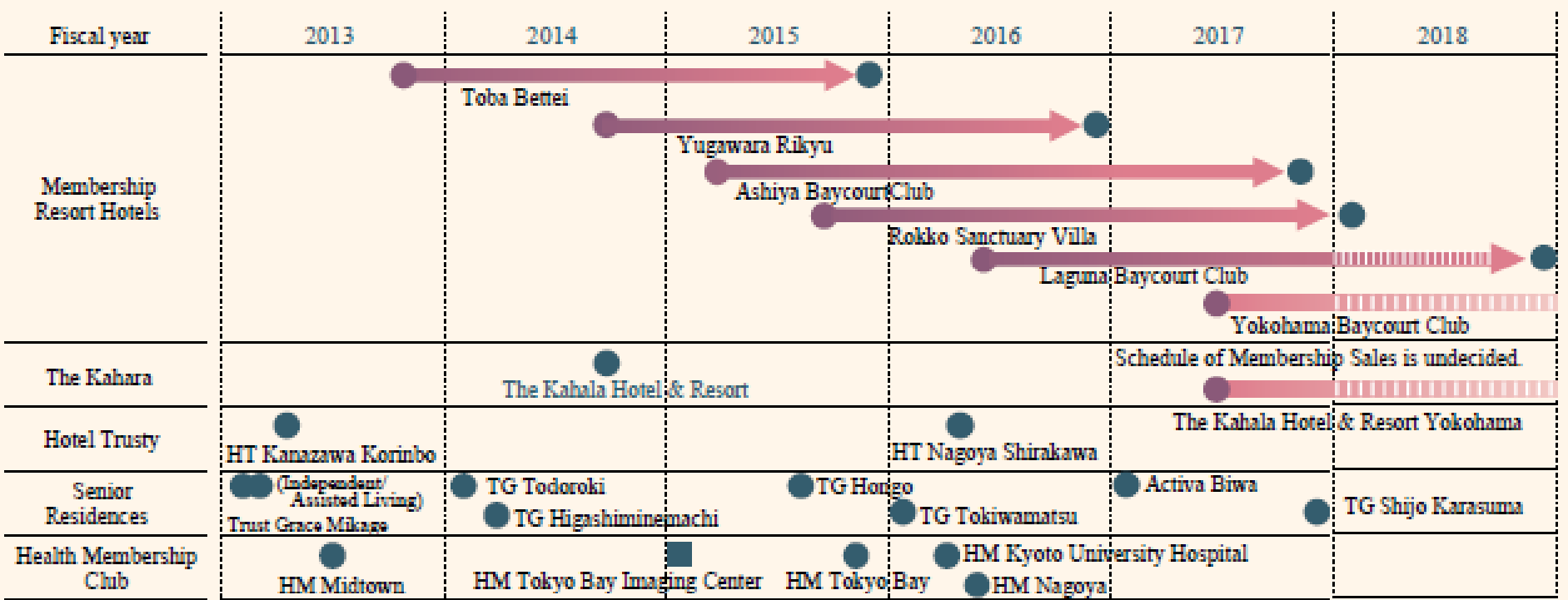
Operation support for general medical service business, etc.

< Reference >

Group's Development schedule

● Construction and Membership Sales Begin ● Facility Opens or Is Acquired

Next40 Development Schedule (As of November 9, 2017)



HT: Hotel Trusty TG: Trust Garden HM: HIMEDIC

Note: Fiscal 2018 is based on publicly available data.

Income and Accounting for a Core XIV Facility

(Before completion of construction)

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

*2 After facility opens, sale is amortized.

Example: Membership price of 10 million yen

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

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

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.

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