



**“YOKOHAMA BAYCOURT CLUB ”**  
**(Started Membership Sales on December 18, 2017)**

# **Financial results Presentation**

## **For the 9-month Period Ended December 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 3Q FY 2017** **P. 3**
- **Segment Highlights** **P. 4**
- **Target of FY 2017** **P. 5**
- **Developments** **P. 6**  
**in the Medium- to Long-term Strategy**

# Financial Highlights 3Q FY2017

(Apr. to Dec.)

(Million yen)

	3Q FY2017 (results)	3Q FY2017 (targets)	Difference	3Q FY2016 (results)	YoY Change
<b>Net Sales</b>	<b>106,262</b>	110,700	(4.0%)	98,480	+7.9%
<b>Operating Income</b>	<b>9,121</b>	8,200	+11.2%	8,566	+6.5%
<b>Ordinary Income</b>	<b>10,521</b>	9,200	+14.4%	9,405	+11.9%
<b>Net Income</b>	<b>6,350</b>	5,800	+9.5%	7,181	(11.6%)

## <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>

- Net sales, operating income and ordinary income increased due to factors such as new contributions by “XIV Yugawara Rikyu” and the increase in sales of hotel memberships.
- Only net income decreased, in contrast to the recording of extraordinary income related to the sale of real estate for rent in the previous fiscal year.

# Segment Sales and Operation Income before allocation 3Q FY2017 (Apr. to Dec.)



\*P. 25:previous method

## <Sales>

(Million yen)

	Membership	Hotel and Restaurant	Medical	Other		Total
<b>3Q FY2017 (results)</b>	<b>22,594</b>	<b>60,096</b>	<b>23,032</b>	<b>539</b>		<b>106,262</b>
3Q FY2017 (targets)	23,550	62,040	24,550	560		110,700
Difference	(4.1%)	(3.1%)	(6.2%)	(3.7%)		(4.0%)
3Q FY2016 (results)	20,749	57,503	19,301	926		98,480
YoY Change	+8.9%	+4.5%	+19.3%	(41.8%)		+7.9%

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

(Million yen)

	Membership	Hotel and Restaurant	Medical	Other	Overhead expenses	Total
<b>3Q FY2017 (results)</b>	<b>5,820</b>	<b>4,432</b>	<b>3,974</b>	<b>378</b>	<b>(5,484)</b>	<b>9,121</b>
3Q FY2017 (targets)	4,310	5,000	4,310	380	(5,800)	8,200
Difference	+35.0%	(11.3%)	(7.8%)	(0.4%)	+316	+11.2%
3Q FY2016 (results)	4,633	4,884	3,665	612	(5,228)	8,566
YoY Change	+25.6%	(9.3%)	+8.4%	(38.2%)	(256)	+6.5%

"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	110.57	
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

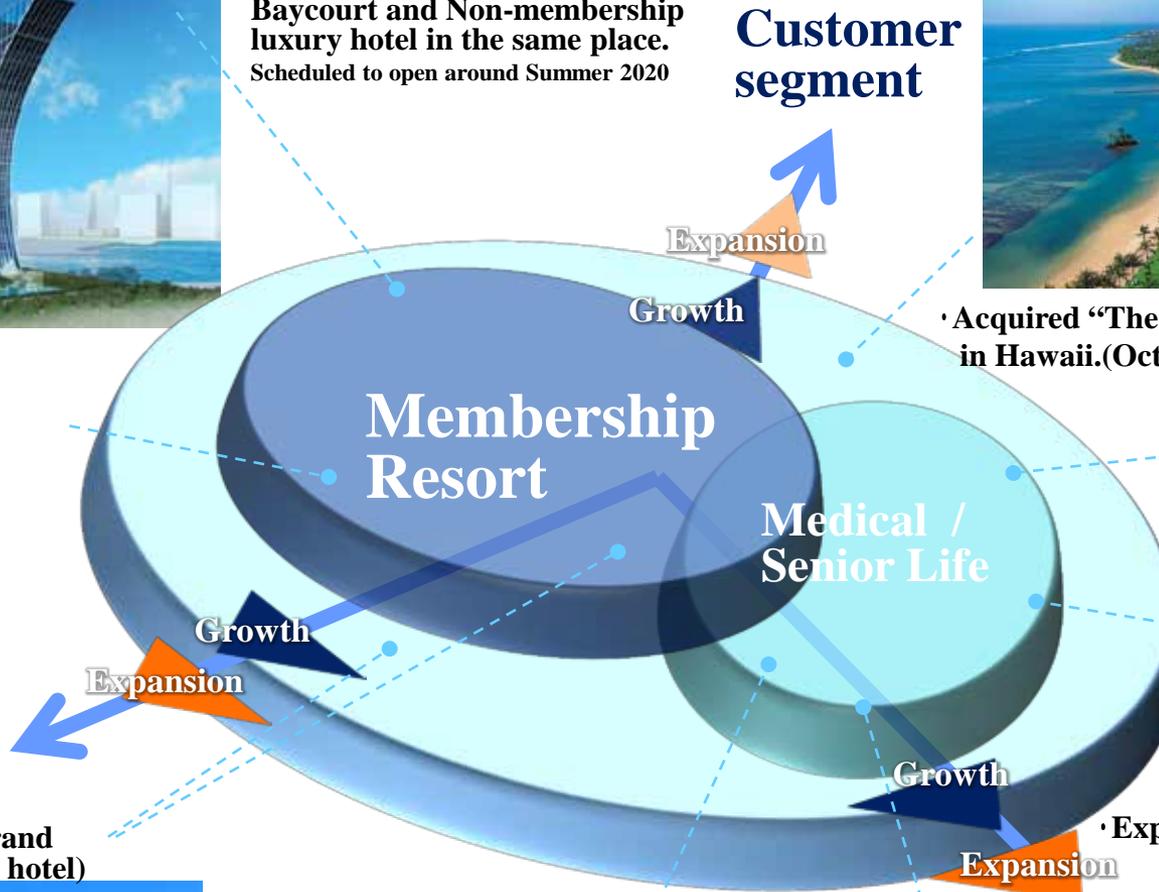


• In Yokohama, plan to open Baycourt and Non-membership luxury hotel in the same place.  
Scheduled to open around Summer 2020



• 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 3Q FY 2017

(Apr. to Dec.)

- **Topics for Fiscal Year 2017** **P. 8-9**
- **Results Details for 3Q FY2017** (Apr. to Dec.) **P. 10-17**  
(by segment, contract values, etc.)

# Topics for Fiscal Year 2017 No.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 consenitive years.  
(from July 27 to July 30, 2017)**
- (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)**

# Topics for Fiscal Year 2017 No.2

- (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) Announcement of new branded hotel scheduled opening of “Hotel Trusty Premier” hotels in Nihonbashi Hamacho, Tokyo and Kumamoto. (December 13, 2017)**
- (11) Started Membership Sales for Exclusive Membership Resort “YOKOHAMA BAYCOURT CLUB.” (December 18, 2017)**
- (12) Certified as a “Childcare Support Company” of FY 2017 by Nagoya city. (January 29, 2018)**
- (13) “Ashiya Baycourt Club” is scheduled to be opened.(February 26, 2018)**
- (14) “Trust Garden Shijo Karasuma” is scheduled to be opened.(March 1, 2018)**

# Contract Values of Membership 3Q FY2017

(Apr. to Dec.)

(Billion yen)

	3Q FY2017 results	3Q FY2017 targets	Difference	3Q FY2016 results	YoY Change	3Q FY2017 Progress rate of contract (cumulative)	FY2017 targets
Yokohama Baycourt Club*	<b>1.4</b>	7.9	(6.4)	-	+1.4	2.3%	13.5
Laguna Baycourt Club	<b>17.0</b>	11.5	+5.5	11.3	+5.8	50.4%	14.9
XIV Rokko SV	<b>2.2</b>	3.0	(0.8)	2.7	(0.6)	39.5%	4.0
Ashiya Baycourt Club	<b>8.0</b>	8.1	(0.1)	10.4	(2.5)	64.7%	10.7
XIV Yugawara Rikyū	<b>4.3</b>	4.3	(0.1)	10.1	(5.8)	68.4%	4.9
Other Hotels	<b>6.6</b>	6.3	+0.3	6.2	+0.4	-	7.8
<b>Hotel Membership Total</b>	<b>39.5</b>	41.2	(1.7)	40.7	(1.2)	-	55.7
Golf	<b>0.3</b>	0.1	+0.2	0.2	+0.1	-	0.1
<b>Membership Operations Total</b>	<b>39.8</b>	41.3	(1.5)	41.0	(1.1)	-	55.8
HIMEDIC	<b>3.7</b>	3.7	(0.0)	3.3	+0.4	-	4.9
<b>Total</b>	<b>43.5</b>	45.0	(1.5)	44.3	(0.7)	-	60.8

\*The membership of Yokohama Baycourt Club started selling on December 18, 2017.  
The target of Yokohama Baycourt Club start selling on September, 2017.

# Sales of Membership Segment 3Q FY2017

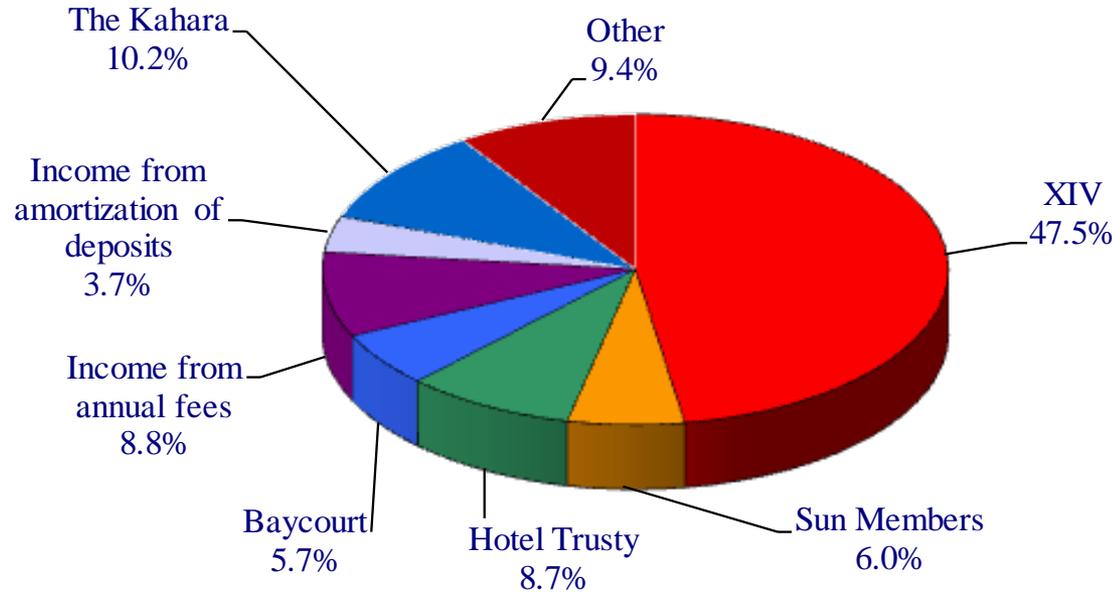
(Apr. to Dec.)

(Billion yen)

		3Q FY2017 results	3Q FY2017 targets	Difference	3Q FY2016 results	YoY Change	FY2017 targets
Yokohama Baycourt Club		1.3	7.2	(5.9)	-	+1.3	12.2
Laguna Baycourt Club		15.5	10.5	+5.1	10.3	+5.3	13.5
XIV Rokko SV		1.9	2.8	(0.8)	2.4	(0.5)	3.6
Ashiya Baycourt Club		7.2	7.4	(0.2)	9.5	(2.3)	9.7
XIV Yugawara Rikyu		3.8	4.0	(0.2)	8.3	(4.5)	4.5
Other Hotels		5.5	5.5	+0.0	5.2	+0.4	6.9
<b>Hotel Membership Total</b>		<b>35.3</b>	<b>37.3</b>	<b>(1.9)</b>	<b>35.7</b>	<b>(0.3)</b>	<b>50.5</b>
Deferred Sales	Yokohama Baycourt Club	(0.7)	(4.0)	+3.3	-	(0.7)	(6.8)
	Laguna Baycourt Club	(8.6)	(5.8)	(2.8)	(5.7)	(2.9)	(7.5)
	XIV Rokko SV	(1.0)	(1.5)	+0.5	(1.3)	+0.2	(2.0)
	Ashiya Baycourt Club	(4.0)	(4.1)	+0.1	(5.3)	+1.3	+21.4
	XIV Yugawara Rikyu	-	-	-	(4.3)	+4.3	-
<b>All Hotels</b>		<b>20.9</b>	<b>21.8</b>	<b>(0.9)</b>	<b>19.0</b>	<b>+1.9</b>	<b>55.6</b>
Golf		0.1	0.0	+0.0	0.1	+0.0	0.1
<b>Subtotal</b>		<b>21.0</b>	<b>21.8</b>	<b>(0.9)</b>	<b>19.1</b>	<b>+1.9</b>	<b>55.6</b>
Other		1.6	1.7	(0.1)	1.7	(0.0)	2.0
<b>Membership Operations Total</b>		<b>22.6</b>	<b>23.6</b>	<b>(1.0)</b>	<b>20.7</b>	<b>+1.8</b>	<b>57.7</b>

# Sales of Hotel and Restaurant Segment

## 3Q FY2017 (Apr. to Dec.)



(Million yen)

	3Q FY2017 results	3Q FY2017 targets	3Q FY2016 results	FY2017 targets
XIV	<b>28,527</b>	29,645	26,523	37,718
Sun Members	<b>3,616</b>	3,725	3,549	4,892
Hotel Trusty	<b>5,244</b>	5,168	4,960	6,717
Baycourt	<b>3,436</b>	3,487	3,349	4,611
Income from annual fees	<b>5,315</b>	5,384	5,211	7,194
Income from amortization of deposits	<b>2,234</b>	2,281	2,213	3,041
The Kahara	<b>6,119</b>	6,168	5,945	8,339
Other	<b>5,600</b>	6,177	5,750	7,574
<b>Total</b>	<b>60,096</b>	62,040	57,503	80,090

# Operations by category 3Q FY2017

(Apr. to Dec.)

## Number of overnight visitors

(Thousands)

	3Q FY2017 results	3Q FY2017 targets	3Q FY2016 results	FY2018 targets
XIV	<b>1,471</b>	1,539	1,430	1,956
Sun Members*	<b>325</b>	343	336	453
Hotel Trusty*	<b>532</b>	524	506	688
Baycourt	<b>104</b>	108	107	144

## <Reference>

(Thousands)

FY2016 results	FY2017 results
1,786	1,812
477	444
637	662
150	143

## Occupancy rates

(%)

	3Q FY2017 results	3Q FY2017 targets	3Q FY2016 results	FY2018 targets
XIV	<b>53.4</b>	56.1	55.2	53.7
Sun Members*	<b>60.8</b>	63.9	63.2	63.4
Hotel Trusty*	<b>92.9</b>	92.6	91.6	91.8
Baycourt	<b>56.5</b>	57.4	56.6	57.8

(%)

FY2016 results	FY2017 results
54.0	52.6
65.2	62.7
92.5	91.2
59.5	57.1

## Spending per visitor

( yen )

	3Q FY2017 results	3Q FY2017 targets	3Q FY2016 results	FY2018 targets
XIV	<b>19,381</b>	19,258	18,538	19,279
Sun Members*	<b>11,106</b>	10,833	10,547	10,787
Hotel Trusty*	<b>9,843</b>	9,861	9,803	9,751
Baycourt	<b>32,826</b>	32,212	31,153	32,025

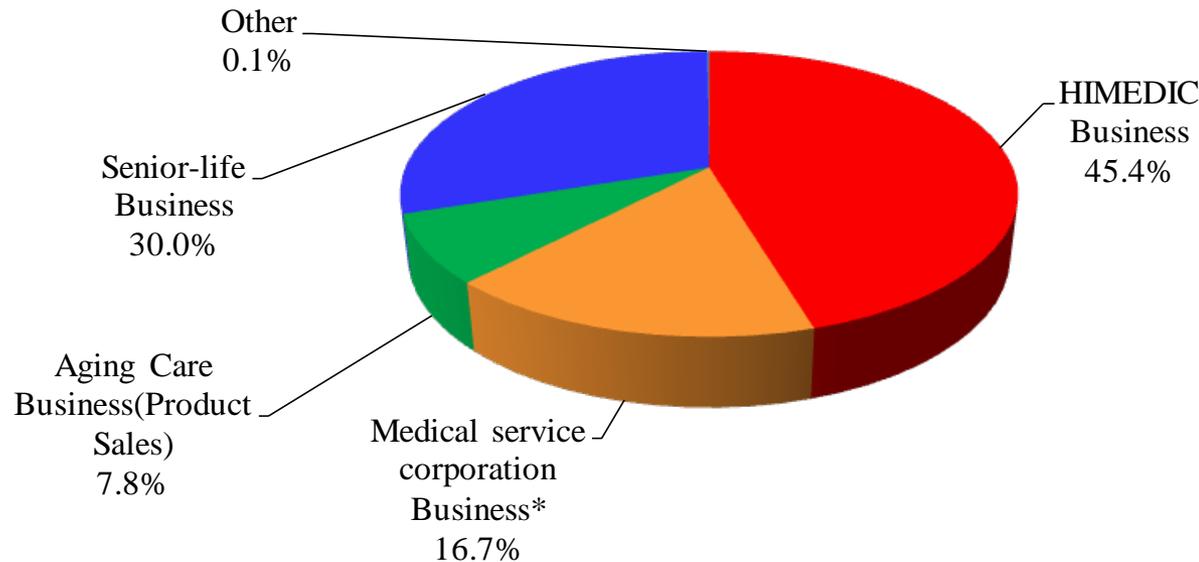
( yen )

FY2016 results	FY2017 results
17,901	18,573
9,759	10,589
9,667	9,754
30,206	30,898

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

# Sales of Medical Segment 3Q FY2017

(Apr. to Dec.)



(Millions yen)

	3Q FY2017 results	3Q FY2017 targets	3Q FY2016 results	FY2017 targets
HIMEDIC Business	<b>10,458</b>	10,843	9,603	14,605
Medical service corporation Business*	<b>3,846</b>	3,626	2,854	4,802
Aging Care Business(Product Sales)	<b>1,785</b>	1,612	1,370	2,186
Senior-life Business	<b>6,916</b>	7,038	5,440	9,471
Other	<b>25</b>	1,427	32	1,434
Total	<b>23,032</b>	24,550	19,301	32,500

Operation support for general medical service business, etc.

## < Senior residences and private nursing homes >

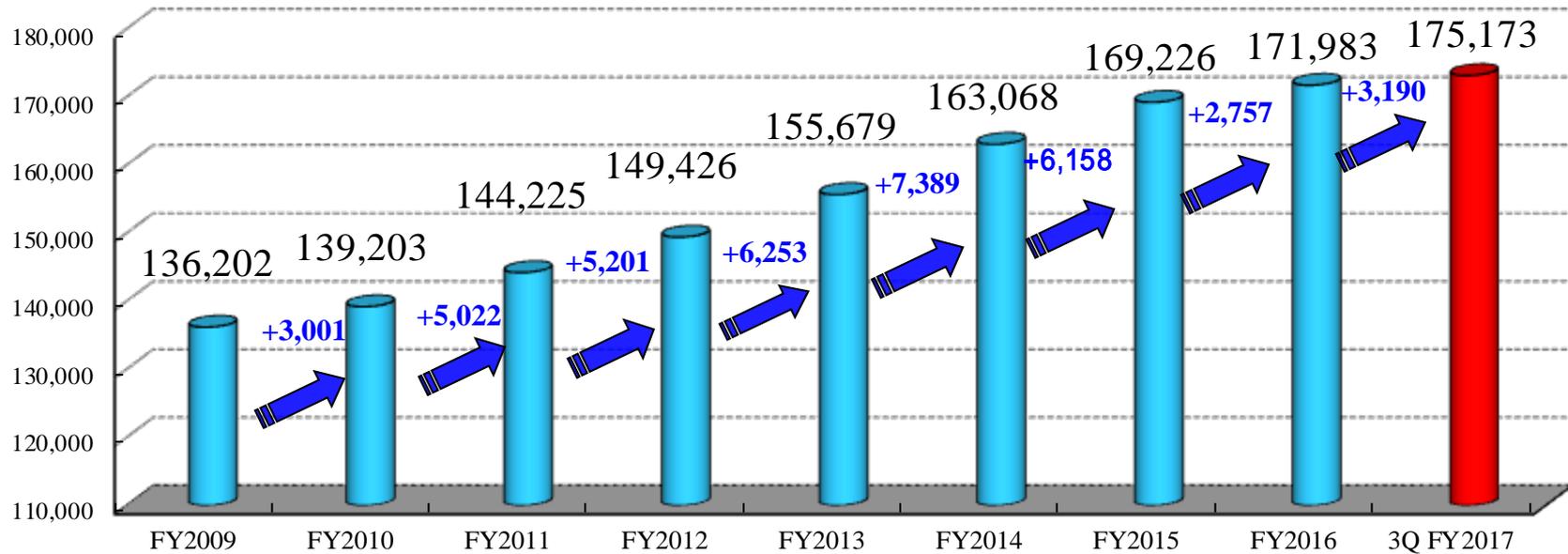
	3Q FY2017 results	3Q FY2017 targets	3Q FY2016 results	FY2017 targets
Occupancy rates(%)	<b>85.9</b>	90.4	89.5	89.3
number of rooms	<b>1,459</b>	1,459	1,075	1,513

\*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
<b>3Q FY2017</b>	<b>15,134</b>	<b>77,212</b>	<b>33,777</b>	<b>30,831</b>	<b>17,816</b>	<b>403</b>	<b>175,173</b>
Change April - December 2017	+2,019	+695	(652)	(201)	+1,343	(14)	+3,190
Change April - December 2016	+1,537	+492	(468)	(148)	+1,132	(29)	+2,516

\*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	3Q FY2017	Change		FY2016	3Q FY2017	Change
<b>Total current assets</b>	<b>151,430</b>	<b>154,184</b>	<b>+2,753</b>	<b>Total current liabilities</b>	<b>95,778</b>	<b>117,680</b>	<b>+21,901</b>
Cash and deposits	39,063	28,523	(10,540)	Notes and accounts payable-trade	1,401	2,008	+606
Notes and accounts receivable-trade	9,437	8,098	(1,338)	Short-term loans payable	13,816	28,581	+14,765
Operating loans	41,553	43,786	+2,232	Current portion of bonds	250	2,750	+2,500
Short-term investment securities	6,215	10,416	+4,200	Accounts payable-other and accrued expenses	31,761	14,651	(17,110)
Merchandise, raw materials and supplies	2,232	2,587	+354	Advance received	33,532	47,604	+14,072
Real estate for sale	15,634	14,513	(1,121)	Other	15,016	22,084	+7,067
Real estate for sale in process	26,931	36,244	+9,313	<b>Total noncurrent liabilities</b>	<b>207,447</b>	<b>185,769</b>	<b>(21,678)</b>
Deferred tax assets	4,810	4,245	(564)	Bonds payable and long-term loans payable	53,708	33,117	(20,591)
Other	5,550	5,768	+217	Long-term guarantee deposited	102,492	100,545	(1,946)
<b>Total noncurrent assets</b>	<b>270,175</b>	<b>270,458</b>	<b>+283</b>	Bonds with subscription rights to shares	30,200	29,866	(333)
Property, plant and equipment, net	155,824	163,971	+8,147	Other	21,046	22,240	+1,193
Intangible assets	10,391	11,071	+679	<b>Total liabilities</b>	<b>303,226</b>	<b>303,449</b>	<b>+223</b>
Investments and other assets	103,959	95,415	(8,543)	<b>Net Assets</b>	<b>118,379</b>	<b>121,193</b>	<b>+2,814</b>
				Shareholders' equity	113,597	115,051	+1,453
				Treasury shares	(2,788)	(2,295)	+492
				Accumulated Other Comprehensive Income	3,089	3,548	+458
				Subscription rights to shares	-	214	+214
				Non-controlling interests	4,480	4,674	+194
<b>Total assets</b>	<b>421,606</b>	<b>424,643</b>	<b>+3,037</b>	<b>Total liabilities and net assets</b>	<b>421,606</b>	<b>424,643</b>	<b>+3,037</b>

# Consolidated Cash Flows 3Q FY2017

(Apr. to Dec.)

(Million yen)

	3Q FY2016	3Q FY2017
Cash flows from operating activities	19,076	<b>9,044</b>
Cash flows from investing activities	2,441	<b>(14,419)</b>
Cash flows from financing activities	(8,411)	<b>(6,403)</b>
Effect of exchange rate changes on cash and cash equivalents	(45)	<b>45</b>
Net increase (decrease) in cash and cash equivalents	13,060	<b>(11,732)</b>
Increase (decrease) in cash and cash equivalents resulting from changes of scope of consolidation	-	<b>66</b>
Cash and cash equivalents at end of period	38,536	<b>28,698</b>

## <Reference>

- **Progress of the Medium-term Management Plan “Next 40”  
and Medical Business** **P. 19-23**
- **Notice: operating income by segment** **P. 24-25**
- **Effects of Deferred Revenue &  
Contract Values** **P. 26-28**
- **Three months date: Results for 3Q FY2017** **P. 30-36**  
(by segment, contract values, etc.)
- **Others**

# Factors causing changes to the Medium-term Management Plan

## “Next 40” since its launch No.1

FY2013 ~ FY2017

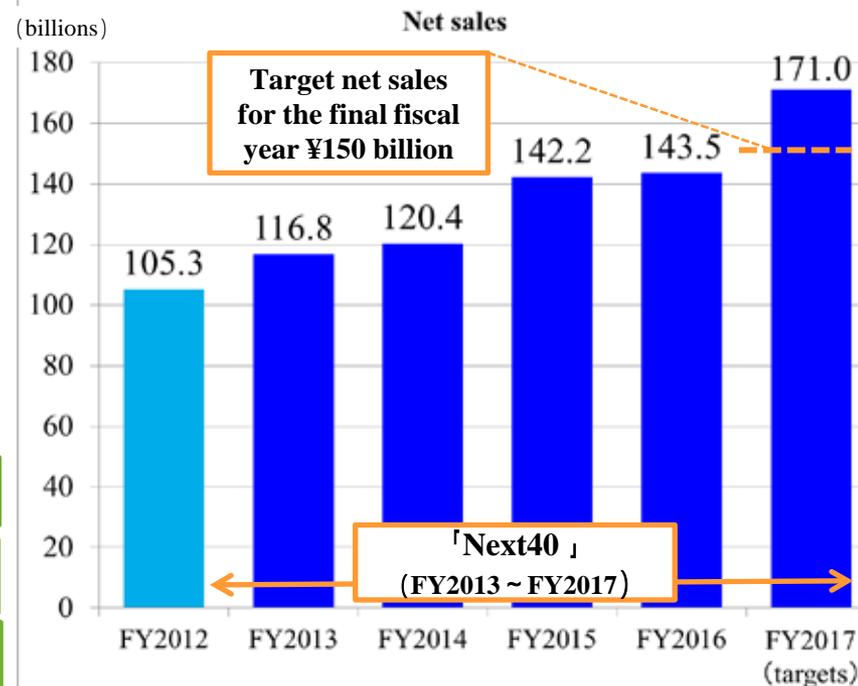
- During the period under the previous Medium-term Management Plan, our development schedule had been postponed due to factors such as the impact of earthquakes, and thus, demand for new properties has accumulated.
- Since the speed of progress exceeds our expectations thanks to “Next 40,” which accelerates 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	<b>6 projects</b>	<b>5 projects</b>
Growth rate of contract amounts	about <b>8%</b> per year	about <b>5%</b> per year
Number of newly opened HIMEDIC bases	<b>4 courses</b>	<b>2 courses</b>
Increase in number of operating facilities for seniors	<b>8 facilities</b> (about 1,000 room increase)	<b>5 facilities</b>
Increase in number of operational support for examination facilities for general consumers	<b>10 facilities</b> (Acquired <b>Shinko medical support Co.,Ltd.</b> ) →	— 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 No.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)
<b>Total project cost:</b> Approximately ¥26.3billion	<b>Total project cost:</b> 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

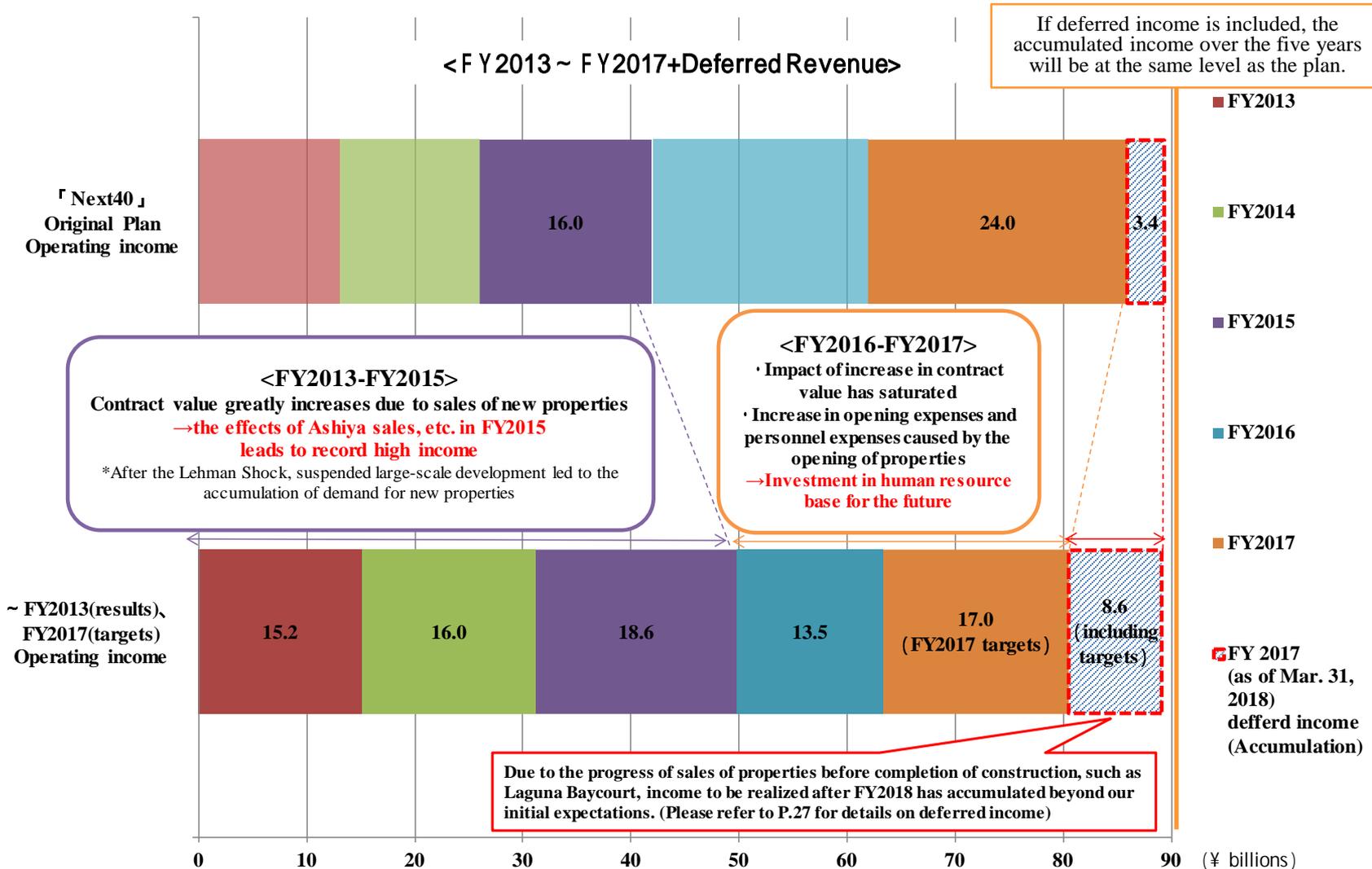
Increase revenue by raising the percentage of high-grade rooms, which has a higher demand (However, opening expenses, etc. exceed that of the original plan)

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

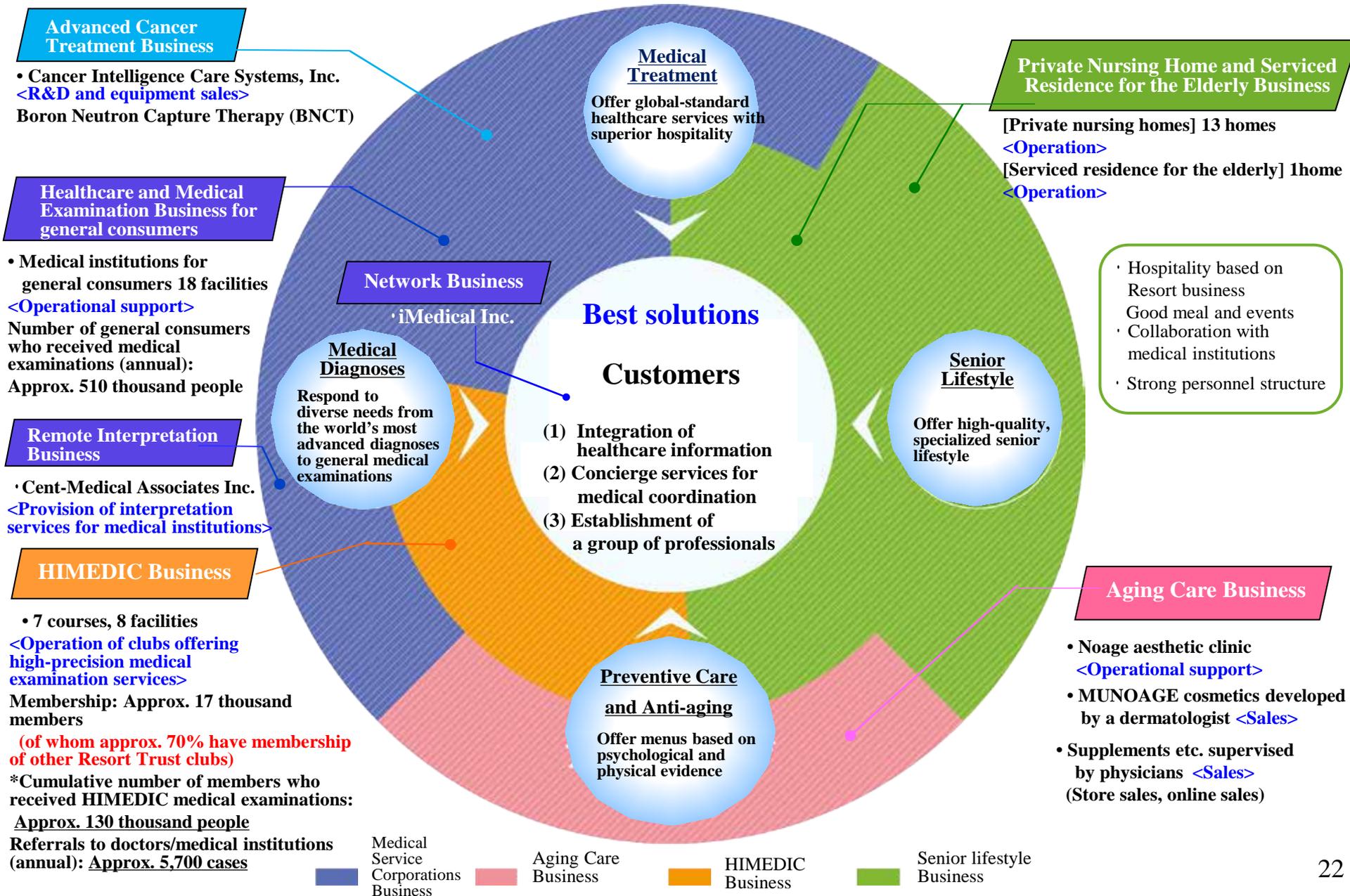
# “Next 40” Operating income of each FY and the accumulation

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.



## <Value Chain>



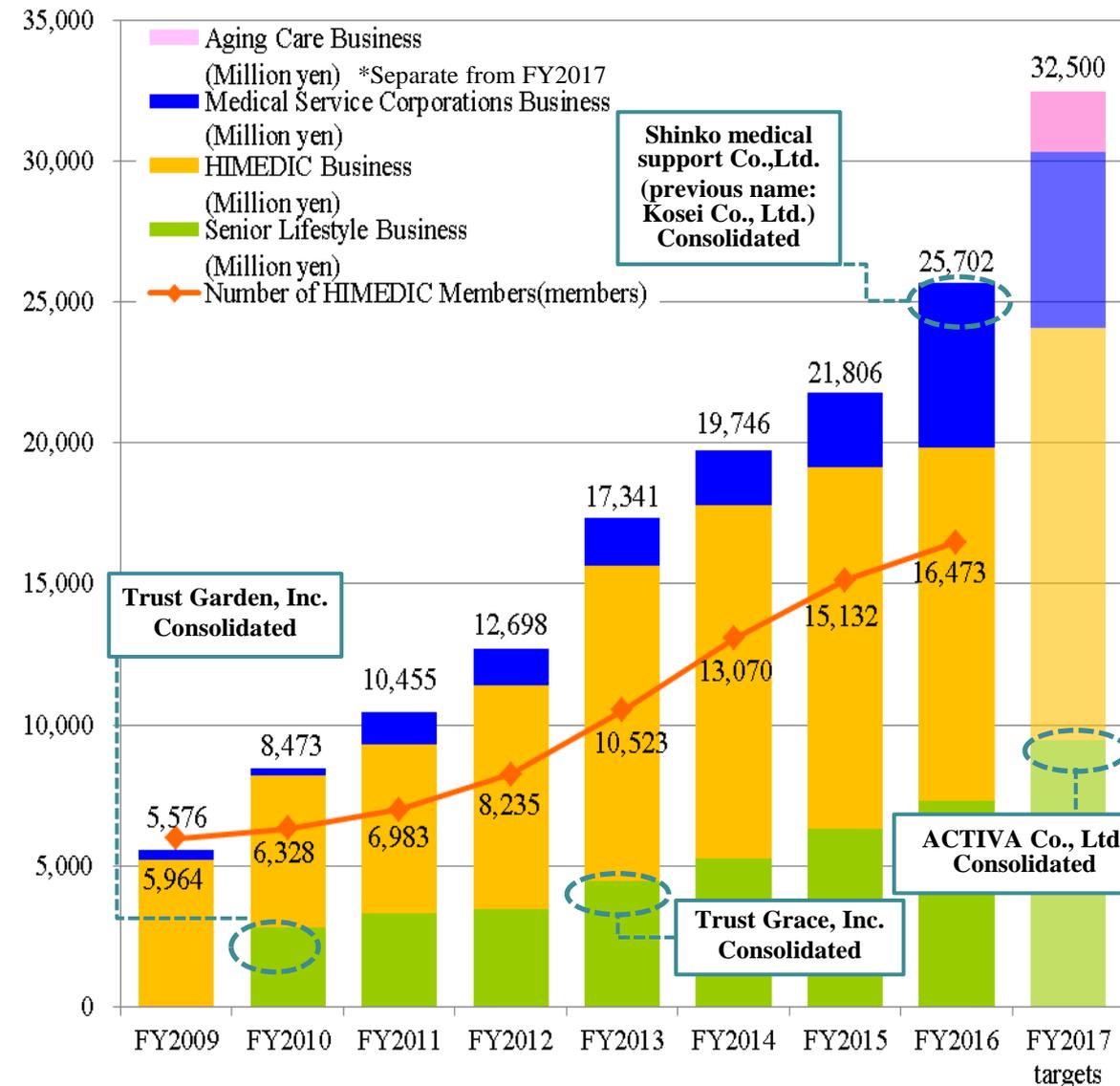
# Progress of Medical Business No.2

## <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 3Q FY2017 (Apr. to Dec.) **after allocation of head office costs (indirect costs)\*** previous method

## <Sales>

(Million yen)

	Membership	Hotel and Restaurant	Medical	Other	Total
<b>3Q FY2017 (results)</b>	<b>22,594</b>	<b>60,096</b>	<b>23,032</b>	<b>539</b>	<b>106,262</b>
3Q FY2017 (targets)	23,550	62,040	24,550	560	110,700
Difference	(4.1%)	(3.1%)	(6.2%)	(3.7%)	(4.0%)
3Q FY2016 (results)	20,749	57,503	19,301	926	98,480
YoY Change	+8.9%	+4.5%	+19.3%	(41.8%)	+7.9%

## <Operating Income>

(Million yen)

	Membership	Hotel and Restaurant	Medical	Other	Total
<b>3Q FY2017 (results)</b>	<b>3,634</b>	<b>2,768</b>	<b>2,482</b>	<b>236</b>	<b>9,121</b>
3Q FY2017 (targets)	2,500	2,940	2,540	220	8,200
Difference	+45.4%	(5.8%)	(2.3%)	+7.4%	+11.2%
3Q FY2016(results)	2,877	3,033	2,276	380	8,566
YoY Change	+26.3%	(8.7%)	+9.0%	(37.8%)	+6.5%

# Effects of Deferred Revenue from properties before hotel opening(3Q) (Apr. to Dec.)

Method of recording sales and income from property before completion of construction p.38

Registration fee treated as Sales upon signing.

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

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

(Billions yen)

Fiscal year		Results for 3Q FY2017 (2017/12)		Targets for 3Q FY2017 (2017/12)		Results for 3Q FY2016 (2016/12)	
Contract amount of properties before completion of construction		Yokohama	1.4 billion	Yokohama	7.9 billion	Laguna	11.3 billion
		Laguna	17.0 billion	Laguna	11.5 billion	XIV Rokko	2.7 billion
		XIV Rokko	2.2 billion	XIV Rokko	3.0 billion	SV	10.4 billion
		SV	8.0 billion	SV	8.1 billion	Ashiya	10.1 billion
		Ashiya		Ashiya		XIV Yugawara	
Deferred sales and income from properties		Sales	Income	Sales	Income	Sales	Income
Yokohama Baycourt	Value deferred	(0.7)	(0.2)	(4.0)	(1.4)	-	-
Laguna Baycourt		(8.6)	(2.8)	(5.8)	(1.9)	(5.7)	(1.8)
XIV Rokko SV		(1.0)	(0.2)	(1.5)	(0.3)	(1.3)	(0.3)
Ashiya Baycourt		(3.7)	(1.4)	(4.1)	(1.5)	(5.1)	(1.9)
XIV Yugawara Rikyu		-	-	-	-	(4.1)	(1.4)
<b>Value affected (included in disclosed figures)</b>		<b>(14.0)</b>	<b>(4.6)</b>	<b>(15.5)</b>	<b>(5.1)</b>	<b>(16.2)</b>	<b>(5.4)</b>

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

Method of recording sales and income from property before hotel opening p38

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 Yugawara) 9.2 billion (XIV Toba Bettei) 11.8 billion		(XIV Rokko SV) 4.5 billion (Ashiya Baycourt) 30.1 billion (XIV Yugawara) 12.3 billion		(Laguna Baycourt) 20.0 billion (XIV Rokko SV) 3.2 billion (Ashiya Baycourt) 12.5 billion		(Yokohama Baycourt) 13.5 billion (Laguna Baycourt) 14.9 billion (XIV Rokko SV) 4.0 billion			
Deferred sales and income from properties		Sales	Income	Sales	Income	Sales	Income	Sales	Income	Sales	Income	Sales	Income
Yokohama Baycourt	Value deferred									(6.8)	(2.3)	(Unspecified)	(Unspecified)
	Value realized											It will open in summer 2020	
Laguna Baycourt	Value deferred							(10.2)	(3.2)	(7.5)	(2.5)		
	Value realized											+17.7	+5.7
XIV Rokko SV	Value deferred					(2.1)	(0.4)	(1.4)	(0.3)	(2.0)	(0.4)		
	Value realized											+5.5	+1.1
Ashiya Baycourt	Value deferred					(15.3)	(5.4)	(6.1)	(2.2)				
	Value realized									+21.4	+7.7		
XIV Yugawara Rikyu	Value deferred			(4.7)	(1.3)	(5.5)	(1.7)						
	Value realized							+10.2	* +3.4				
XIV Toba Bettei	Value deferred	(3.6)	(1.1)	(6.3)	(1.7)								
	Value realized					+9.8	* +3.0						
<b>Value affected(Single Year)</b>		<b>(3.6)</b>	<b>(1.1)</b>	<b>(11.0)</b>	<b>(3.0)</b>	<b>(13.2)</b>	<b>(4.6)</b>	<b>(7.5)</b>	<b>(2.3)</b>	<b>+5.1</b>	<b>+2.4</b>	(Unspecified)	(Unspecified)
<b>Value affected (Accumulation)</b>		<b>(3.6)</b>	<b>(1.1)</b>	<b>(14.6)</b>	<b>(4.1)</b>	<b>(27.8)</b>	<b>(8.7)</b>	<b>(35.3)</b>	<b>(11.0)</b>	<b>(30.2)</b>	<b>(8.6)</b>	Membership other than the above may also be on sale.	

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

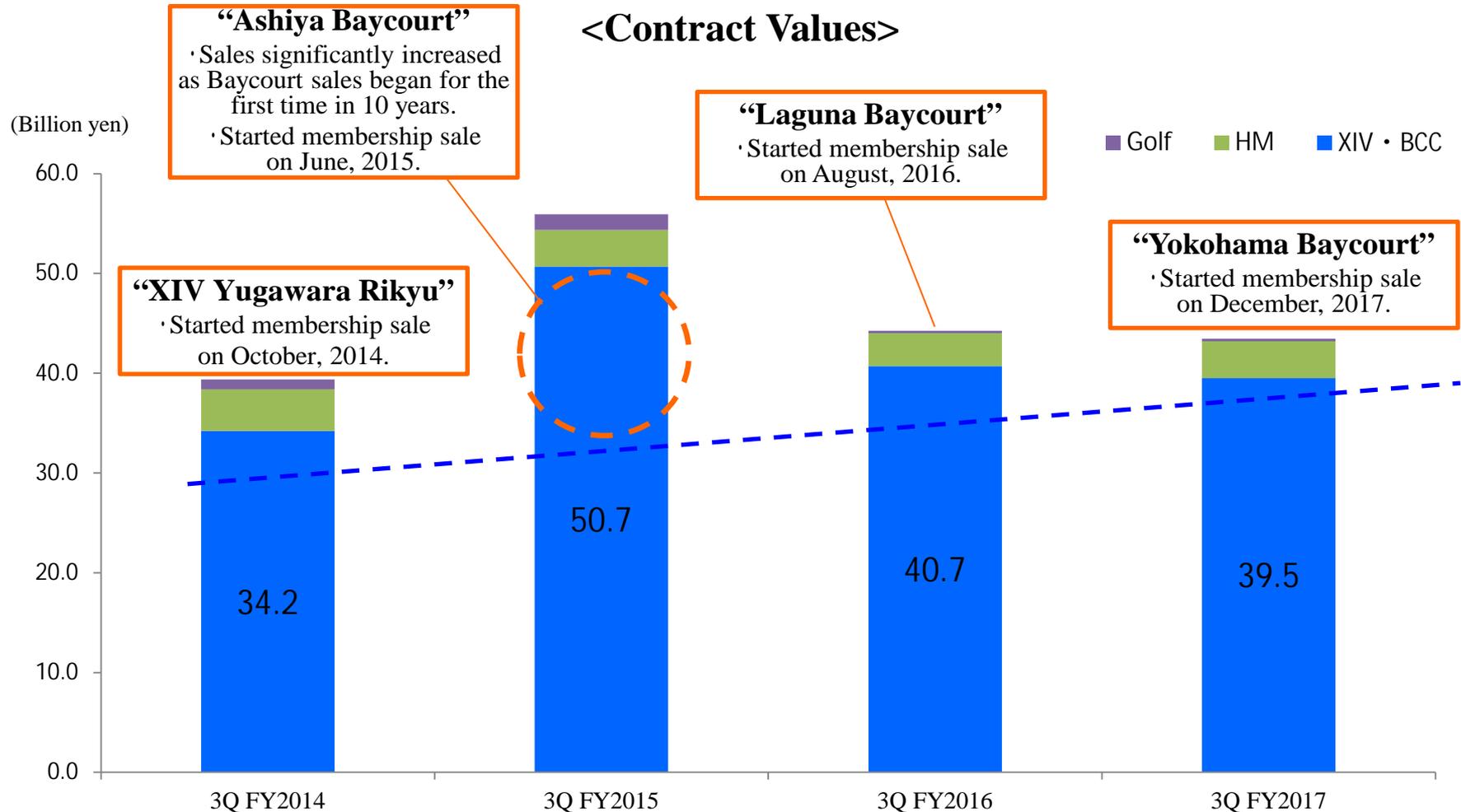
Financial highlights of consolidated results	Results for FY2013 (2014/3)		Results for FY2014 (2015/3)		Results for FY2015 (2016/3)		Results for FY2016 (2017/3)		Targets for FY2017 (2018/3)	
	Sales	Operating income								
Disclosed figures (Recorded value)	116.8	15.1	120.4	16.0	142.2	18.6	143.5	13.5	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) + Excluding effects of 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. Ashiya Baycourt & part of XIV Rokko SV:(2.5) billion  
(Targets for FY2017)  
XIV Yugawara Rikyu:(1.2) billion  
(Results for FY2016)

# Contract Values 3Q FY2017

(Apr. to Dec.)

Although sales during the nine months (April to December) of FY2017 decreased year on year because sales of YOKOHAMA BAYCOURT CLUB memberships began on December 18 (its contribution in 3Q was limited), sales excluding the effects of sales of memberships steadily increased.





**“XIV Rokko Sanctuary Villa”(Scheduled to open on April 22, 2018)**

# Segment Sales and Operation Income before allocation 3Q FY2017 (Oct. to Dec.)

## <Sales> (Million yen)

	Membership	Hotel and Restaurant	Medical	Other		Total
<b>3Q FY2017 (results)</b>	<b>7,616</b>	<b>20,485</b>	<b>7,879</b>	<b>171</b>		<b>36,152</b>
3Q FY2017 (targets)	7,670	21,520	7,920	190		37,300
Difference	(0.7%)	(4.8%)	(0.5%)	(9.8%)		(3.1%)
3Q FY2016 (results)	6,945	19,639	6,397	290		33,273
YoY Change	+9.7%	+4.3%	+23.2%	(41.1%)		+8.7%

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

	Membership	Hotel and Restaurant	Medical	Other	Overhead expenses	Total
<b>3Q FY2017 (results)</b>	<b>2,309</b>	<b>1,566</b>	<b>1,383</b>	<b>161</b>	<b>(1,753)</b>	<b>3,668</b>
3Q FY2017 (targets)	2,010	1,820	1,610	170	(1,910)	3,700
Difference	+14.9%	(13.9%)	(14.1%)	(4.8%)	+157	(0.8%)
3Q FY2016 (results)	2,462	1,963	936	224	(1,747)	3,839
YoY Change	(6.2%)	(20.2%)	+47.7%	(27.8%)	(5)	(4.4%)

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

# Segment Sales, Operating Income 3Q FY2017<sub>(Oct. to Dec.)</sub> after allocation of head office costs (indirect costs)\*previous method

## <Sales>

(Million yen)

	Membership	Hotel and Restaurant	Medical	Other	Total
<b>3Q FY2017 (results)</b>	<b>7,616</b>	<b>20,485</b>	<b>7,879</b>	<b>171</b>	<b>36,152</b>
3Q FY2017 (targets)	7,670	21,520	7,920	190	37,300
Difference	(0.7%)	(4.8%)	(0.5%)	(9.8%)	(3.1%)
3Q FY2016 (results)	6,945	19,639	6,397	290	33,273
YoY Change	+9.7%	+4.3%	+23.2%	(41.1%)	+8.7%

## <Operating Income>

(Million yen)

	Membership	Hotel and Restaurant	Medical	Other	Total
<b>3Q FY2017 (results)</b>	<b>1,550</b>	<b>1,066</b>	<b>943</b>	<b>107</b>	<b>3,668</b>
3Q FY2017 (targets)	1,290	1,220	1,080	110	3,700
Difference	+20.2%	(12.6%)	(12.6%)	(2.0%)	(0.8%)
3Q FY2016(results)	1,627	1,350	704	156	3,839
YoY Change	(4.7%)	(21.0%)	+33.9%	(31.2%)	(4.4%)

# Contract Values of Membership 3Q FY2017

(Oct. to Dec.)

(Billion yen)

	3Q FY2017 results	3Q FY2017 targets	Difference	3Q FY2016 results	YoY Change
Yokohama Baycourt Club	<b>1.4</b>	5.7	(4.3)	-	+1.4
Laguna Baycourt Club	<b>5.8</b>	3.5	+2.3	7.6	(1.8)
XIV Rokko SV	<b>0.8</b>	0.9	(0.1)	1.3	(0.5)
Ashiya Baycourt Club	<b>2.8</b>	2.7	+0.1	2.8	+0.1
XIV Yugawara Rikyū	<b>1.0</b>	0.6	+0.4	4.4	(3.4)
Other Hotels	<b>2.2</b>	1.5	+0.7	(0.0)	+2.2
Hotel Membership Total	<b>14.0</b>	14.9	(0.9)	16.0	(2.0)
Golf	<b>0.2</b>	0.0	+0.2	0.0	+0.2
Membership Operations Total	<b>14.2</b>	15.0	(0.8)	16.0	(1.8)
HIMEDIC	<b>1.2</b>	1.2	+0.0	0.8	+0.4
Total	<b>15.4</b>	16.2	(0.8)	16.9	(1.5)

\*The membership of Yokohama Baycourt Club started selling on December 18, 2017.

# Sales of Membership Segment 3Q FY2017

(Oct. to Dec.)

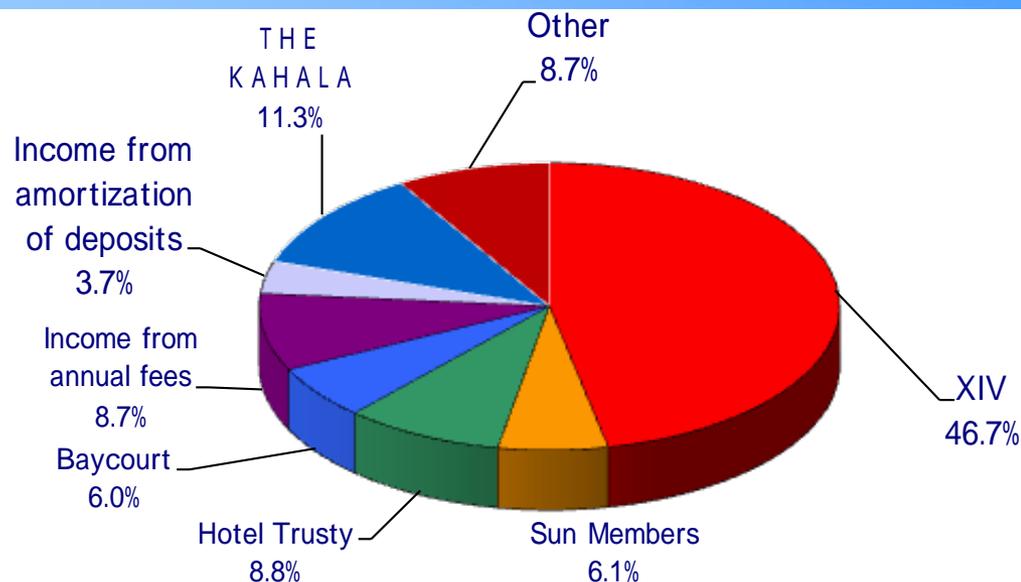
(Billion yen)

		3Q FY2017 results	3Q FY2017 targets	Difference	3Q FY2016 results	YoY Change
Yokohama Baycourt Club		1.3	5.2	(3.9)	-	+1.3
Laguna Baycourt Club		5.3	3.2	+2.1	6.9	(1.7)
XIV Rokko SV		0.7	0.9	(0.1)	1.2	(0.5)
Ashiya Baycourt Club		2.5	2.4	+0.1	2.5	+0.0
XIV Yugawara Rikyu		0.9	0.5	+0.4	3.8	(2.9)
Other Hotels		1.8	1.3	+0.5	(0.1)	+1.9
<b>Hotel Membership Total</b>		<b>12.5</b>	<b>13.6</b>	<b>(1.0)</b>	<b>14.3</b>	<b>(1.7)</b>
Deferred Sales	Yokohama Baycourt Club	(0.7)	(2.9)	+2.2	-	(0.7)
	Laguna Baycourt Club	(2.9)	(1.8)	(1.1)	(3.9)	+0.9
	XIV Rokko SV	(0.4)	(0.5)	+0.1	(0.7)	+0.3
	Ashiya Baycourt Club	(1.4)	(1.4)	(0.1)	(1.4)	(0.0)
	XIV Yugawara Rikyu	-	-	-	(2.0)	+2.0
<b>All Hotels</b>		<b>7.1</b>	<b>7.0</b>	<b>+0.0</b>	<b>6.3</b>	<b>+0.8</b>
Golf		0.0	0.0	+0.0	0.0	+0.0
Subtotal		7.1	7.0	+0.1	6.3	+0.8
Other		0.5	0.6	(0.1)	0.6	(0.1)
<b>Membership Operations Total</b>		<b>7.6</b>	<b>7.7</b>	<b>(0.1)</b>	<b>6.9</b>	<b>+0.7</b>

# Sales of Hotel and Restaurant Segment

## 3Q FY2017

(Oct. to Dec.)



(¥ millions)

	3Q FY2017 results	3Q FY2017 targets	3Q FY2016 results
XIV	9,575	10,008	8,929
Sun Members	1,249	1,308	1,263
Hotel Trusty	1,810	1,776	1,722
Baycourt	1,237	1,268	1,219
Income from annual fees	1,781	1,813	1,750
Income from amortization of deposits	749	760	770
THE KAHALA	2,324	2,381	2,135
Other	1,756	2,201	1,848
<b>Total</b>	<b>20,485</b>	<b>21,520</b>	<b>19,639</b>

# Operations by category 3Q FY2017

(Oct. to Dec.)

Number of overnight visitors (Thousands)

	3Q FY2017 results	3Q FY2017 targets	3Q FY2016 results
XIV	457	480	443
Sun Members	108	116	115
Hotel Trusty	176	174	171
Baycourt	36	38	38

Occupancy rates (%)

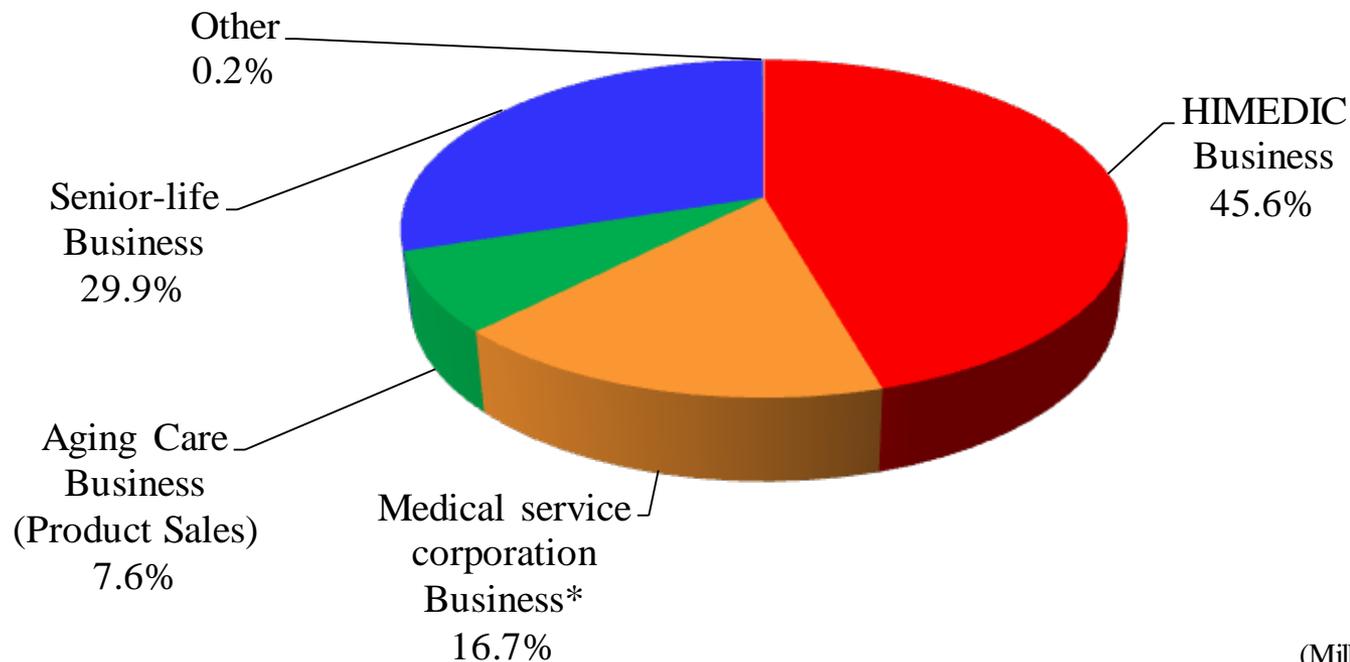
	3Q FY2017 results	3Q FY2017 targets	3Q FY2016 results
XIV	51.1	53.8	52.8
Sun Members	62.0	65.4	65.4
Hotel Trusty	92.6	92.1	90.9
Baycourt	59.1	61.6	60.8

Spending per visitor (¥)

	3Q FY2017 results	3Q FY2017 targets	3Q FY2016 results
XIV	20,950	20,812	20,137
Sun Members	11,523	11,202	10,967
Hotel Trusty	10,262	10,199	10,065
Baycourt	33,989	32,548	31,671

# Sales of Medical Segment 3Q FY2017

(Oct. to Dec.)



(Millions yen)

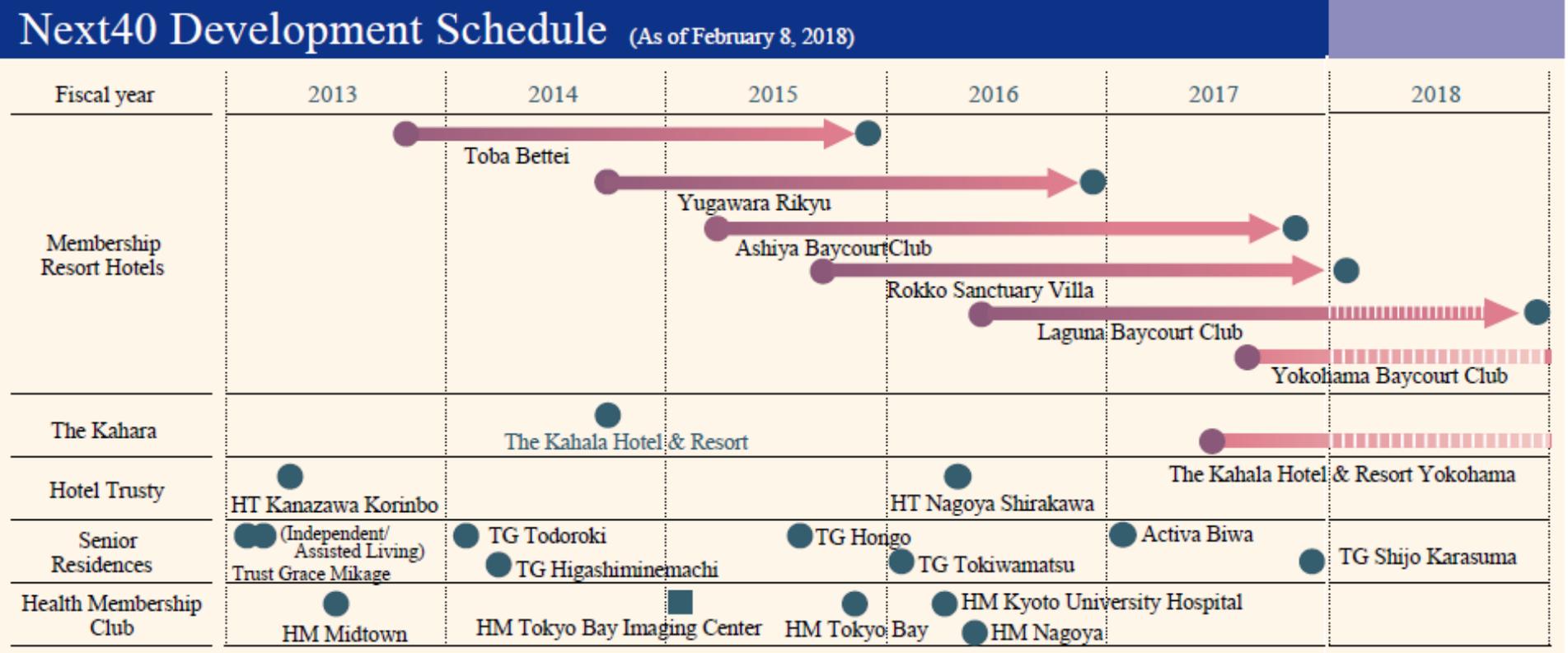
	3Q FY2017 results	3Q FY2017 targets	3Q FY2016 results
HIMEDIC Business	<b>3,593</b>	3,663	2,942
Medical service corporation Business*	<b>1,316</b>	1,247	1,057
Aging Care Business(Product Sales)	<b>601</b>	570	512
Senior-life Business	<b>2,358</b>	2,415	1,878
Other	<b>8</b>	23	7
<b>Total</b>	<b>7,879</b>	7,920	6,397

Operation support for general medical service business, etc.

# < Reference >

## Group's Development schedule

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



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		
<b>Sale amount recorded</b>	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.



RESORTTRUST  
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## **Resorttrust, Inc. IR Section**

<https://www.resorttrust.co.jp/>