

Financial results Presentation

For the 9-month Period Ended December 31, 2018

Resorttrust, Inc. (Securities code 4681)



Owner's reception at "XIV Yugawara Rikyu" Membership Resort Hotel

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Financial Highlights 3Q FY2018

(April to December)



(Million yen)

	2018/12 (results)	2018/12 (targets)	Difference	2017/12 (results)	YoY Change
Net Sales	114,394	121,000	(5.5%)	106,262	+7.7%
Operating Income	9,352	9,500	(1.6%)	9,121	+2.5%
Ordinary Income	9,947	10,000	(0.5%)	10,521	(5.5%)
Net Income	5,959	6,100	(2.3%)	6,350	(6.2%)

<Difference>

Net sales as well as operating income, ordinary income, and net income were continuously lower than the targets owing mainly to a shortfall in hotel operations as a result of inclement weather such as typhoons and heavy rains in the first half. However, segment operating income of the Membership Operation Segment and the Medical Operation Segment, which demonstrated favorable sales, was higher than the targets.

<YoY Change>

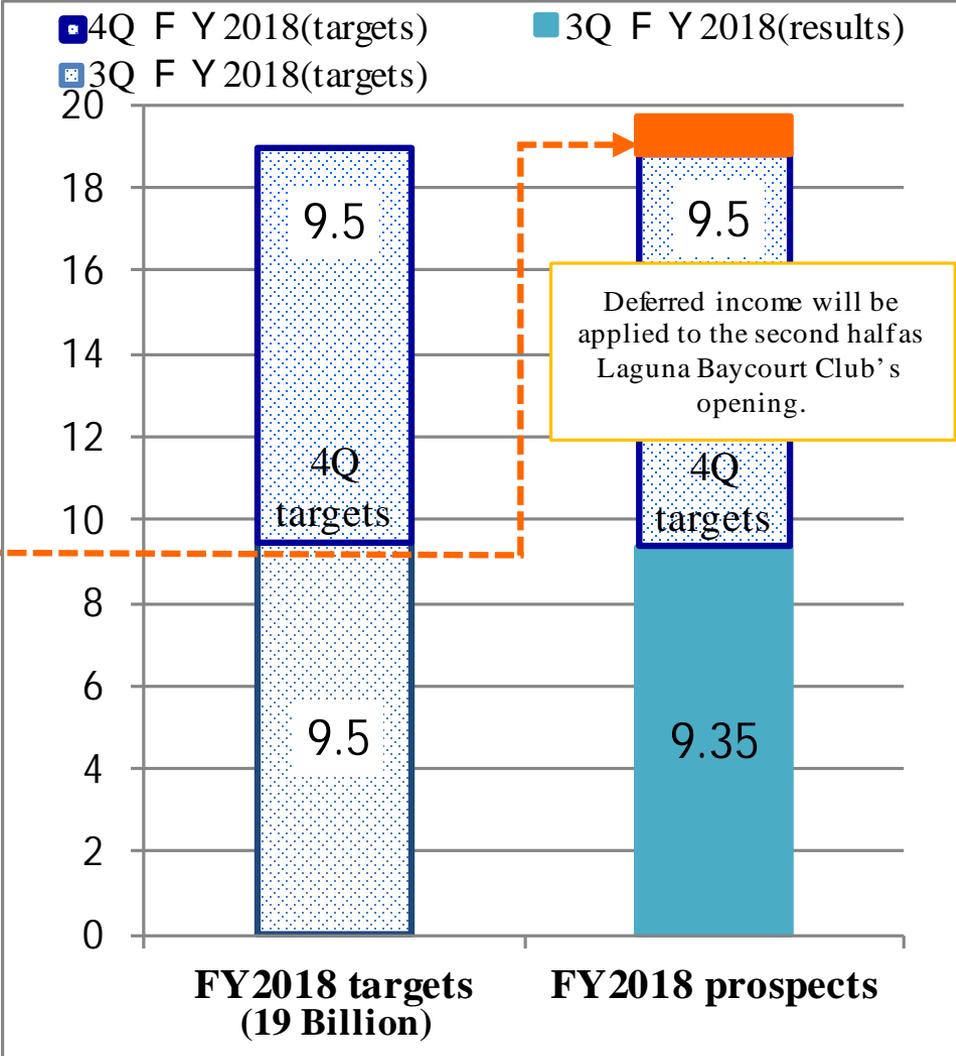
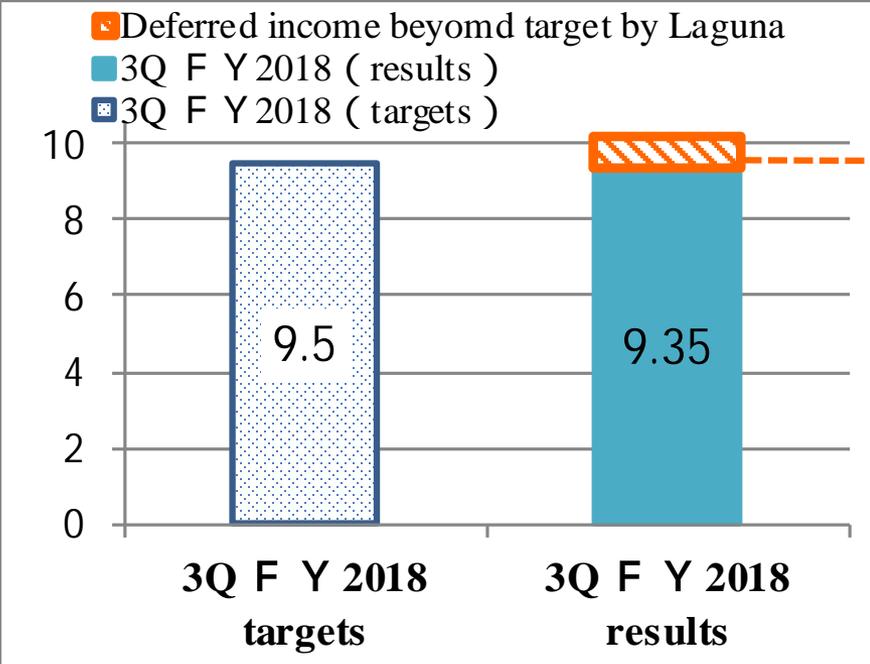
- Sales and operating income increased owing to such factors as recording of higher revenue from properties in line with the opening of “XIV Rokko Sanctuary Villa,” increase in sales by revenue from hotel operations, and expansion of the Medical Business.
- Ordinary income and net income decreased mainly due to a decrease in interest income.

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

Progress of Operating Income (Increase in Deferred Income)

Status of Consolidated Operating Income (Billion yen)

Laguna Baycourt Club yielded favorable sales and performed above the targets. Deferred income to be realized, which was deferred to the first half, as of March for opening business, has accumulated above the targets.*



*Please refer to P.28 for details.

Business Forecast for FY2018

Consolidated Targets

(Million yen)

	FY2017 results	FY2018 targets	Change
Net sales	165,413	183,600	+18,186
Operating income	17,742	19,000	+1,257
Ordinary income	19,422	19,500	+77
Net income	11,830	12,400	+569
Net income per share (yen)	110.82	115.94	
Annual Cash dividend (yen)	46.00	46.00	

(Billion yen)

Contract Values of Membership	59.4	57.0	(2.4)
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<Operating Income by Segment (before allocation)>

(Million yen)

		FY2017 results*	FY2018 targets	Change
Membership	Sales	54,114	61,240	+7,125
	Operating income	16,179	16,890	+710
Hotel and Restaurant	Sales	79,601	84,970	+5,368
	Operating income	3,731	4,170	+438
Medical	Sales	30,990	36,710	+5,719
	Operating income	5,276	5,980	+703
Other	Sales	707	680	(27)
	Operating income	554	570	+15
head office costs	Operating income	(7,999)	(8,610)	(610)
Total	Sales	165,413	183,600	+18,186
	Operating income	17,742	19,000	+1,257

* Results for FY2017 were amended retrospectively due to a change of scope in business segments. For details, please refer to p. 29.

<Net Sales>

- Decrease in differed Sales (sales of properties before completion of construction)
 - < In the previous FY : Laguna · Rokko · Yokohama
In this FY : Yokohama(only) >
- Difference in deferred realization
 - < In the previous FY : Ashiya In this FY : Rokko /Laguna >
- Decrease in contract values of hotel membership
(There is no starting sales of new facility membership)
- A full-year contribution from operation of Ashiya Baycourt Club(Feb, 2018) & XIV Rokko SV(Apr, 2018)
- Increase in Existing Hotel operation etc.
- Increase in Income from annual fees and amortization of deposits (Hotel / HIMEDIC)
- Expansion of Medical Service corporation Business & Aging Care Business
- Expansion of Senior lifestyle business (Increased facilities)
- Revenue on BNCT equipment (Deviation from the previous FY)

<Operating Income>

- Increase in cost due to increased real estate sales and Difference in cost of sales ratio in new facility
- Decrease in contract values of hotel membership
(There is no starting sales of new facility membership)
- Increase in Income from annual fees and amortization of deposits (Hotel / HIMEDIC)
- Increase in Hotel operation including new opening hotels
- Expansion of Medical Service corporation Business & Aging Care Business
- Expansion of Senior lifestyle business (Increased facilities)
- Increase in overhead expenses (Depreciation about System cost etc.)

Segment Sales and Operation Income 3Q FY2018

(April to December)

<Sales>

(Million yen)

	Membership	Hotel and Restaurant	Medical	Other		Total
2018/12 (results)	26,144	62,095	25,663	490		114,394
2018/12 (targets)	27,090	65,800	27,600	510		121,000
Difference	(3.5%)	(5.6%)	(7.0%)	(3.8%)		(5.5%)
2017/12 (results)*	20,833	61,665	23,224	539		106,262
YoY Change	+25.5%	+0.7%	+10.5%	(9.0%)		+7.7%

<Operating Income>

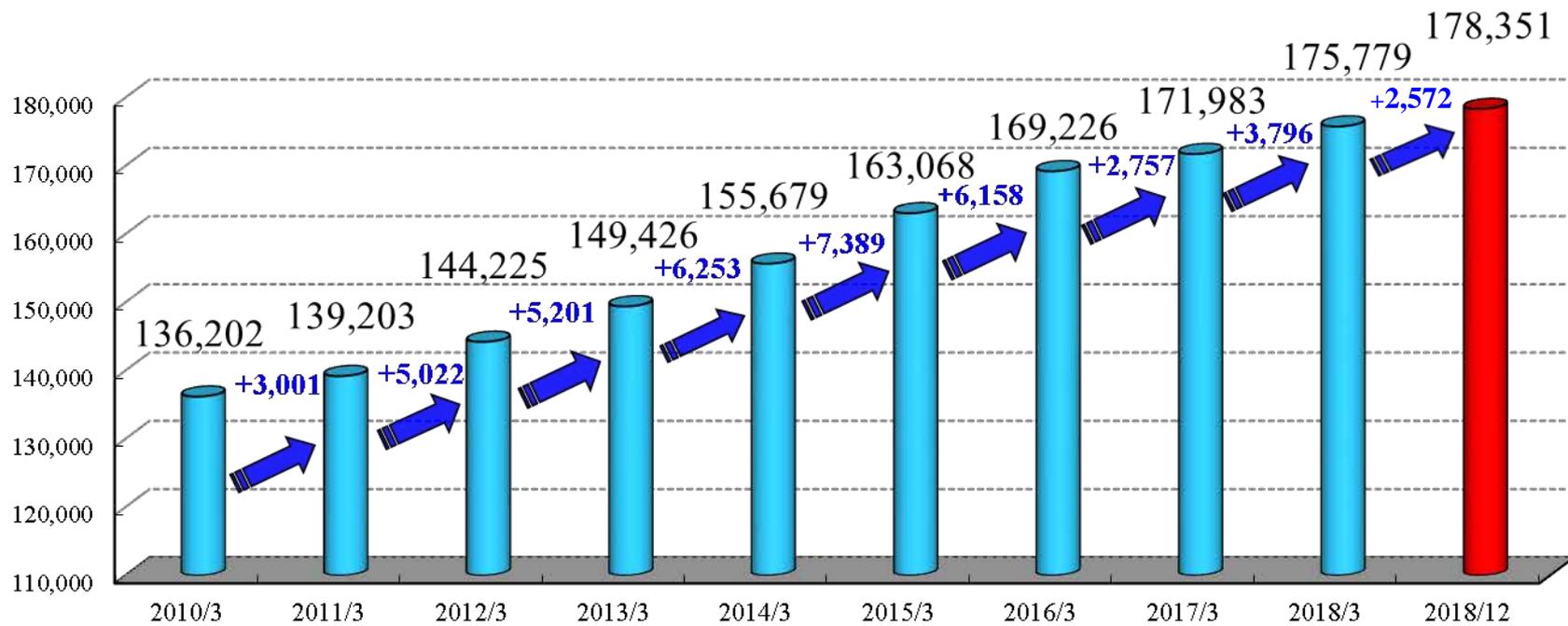
(Million yen)

	Membership	Hotel and Restaurant	Medical	Other	Overhead expenses	Total
2018/12 (results)	6,946	3,849	4,567	391	(6,403)	9,352
2018/12 (targets)	6,590	4,650	4,380	380	(6,500)	9,500
Difference	+5.4%	(17.2%)	+4.3%	+3.1%	+97	(1.6%)
2017/12 (results)*	5,525	4,694	4,006	378	(5,484)	9,121
YoY Change	+25.7%	(18.0%)	+14.0%	+3.5%	(919)	+2.5%

* Results for FY2017 in the previous year were amended retrospectively due to a change of scope in business segments. For details, please refer to p. 29.

Number of Members

(Members)



(Members)

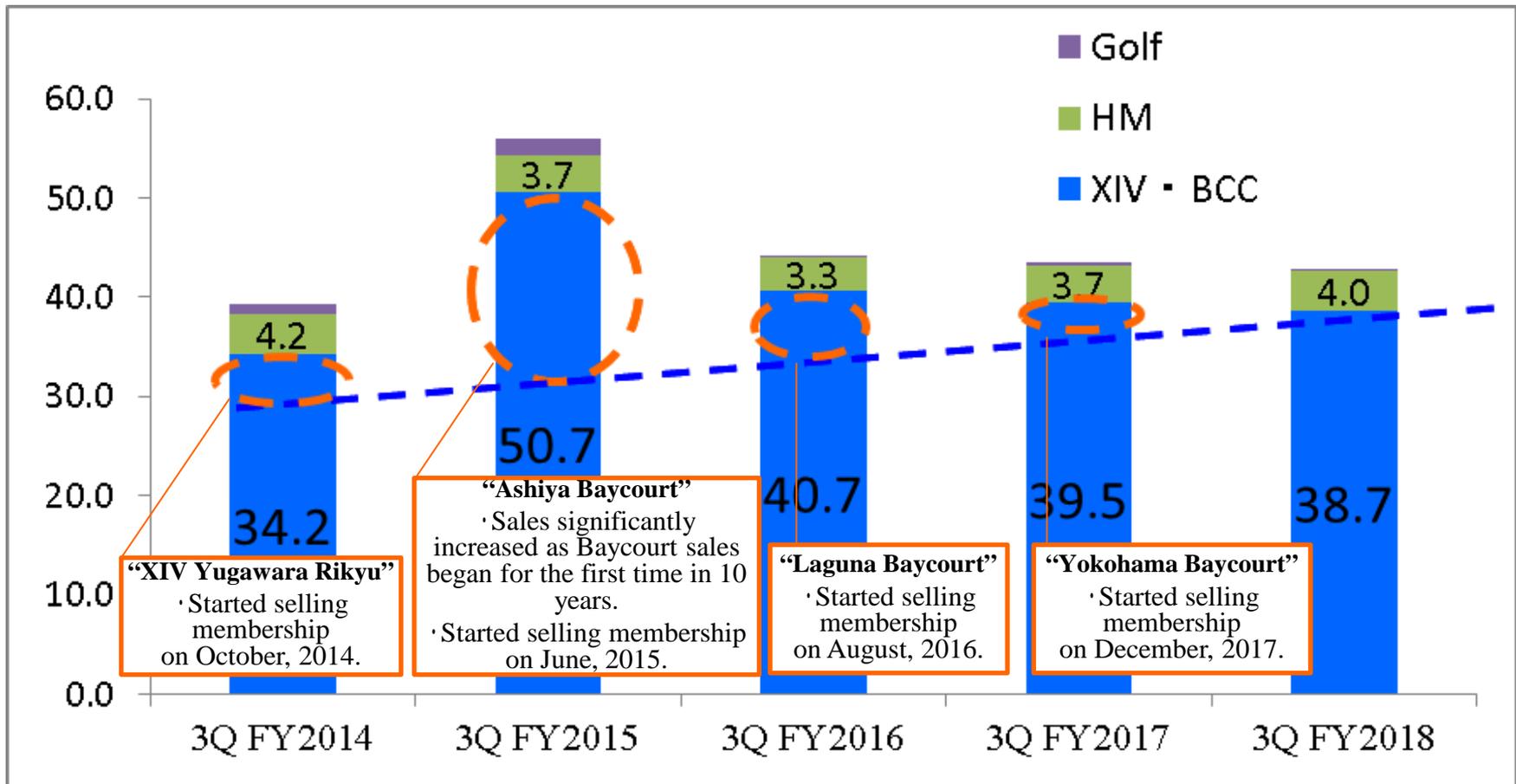
	Baycourt	XIV	Sun Members	Golf	Medical	Cruiser	Total
2018/3	15,793	77,220	33,572	30,671	18,124	399	175,779
2018/12	17,595	77,608	32,802	30,436	19,512	398	178,351
Change April - December 2018	+1,802	+388	(770)	(235)	+1,388	(1)	+2,572
Change April - December 2017	+2,019	+695	(652)	(201)	+1,343	(14)	+3,190

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

Progress of contract values for nine months

• Although contract values for the 9-month period of this FY were lower than the levels for the previous three FYs, sales were steady despite no starting sales of new facility memberships during this FY, taking into account that each previous FY benefited from the start of new facility membership sales. Contract values of HIMEDIC membership exceeded the levels of the previous three FYs.

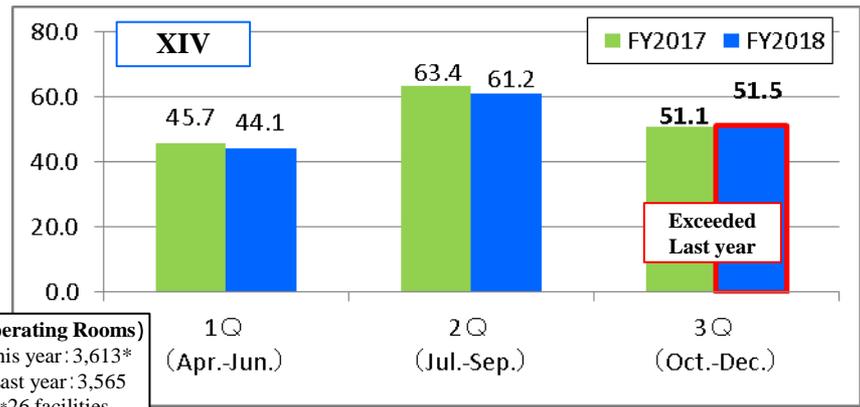
(Billion yen)



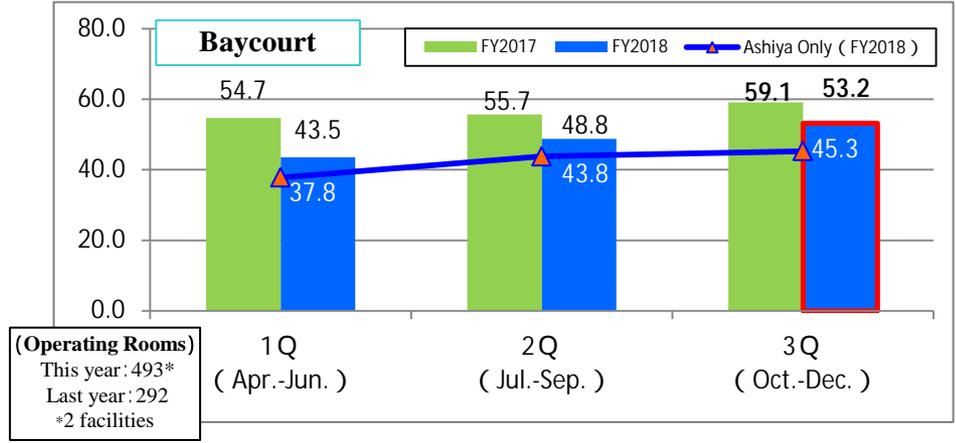
Hotel occupancy rate for nine months of FY2018

•XIV occupancy rate in 3Q exceeded the level of the previous FY for the first time. Baycourt occupancy rate increased about 4-5 percentage points every quarter.

3 months Occupancy < YoY > (%)

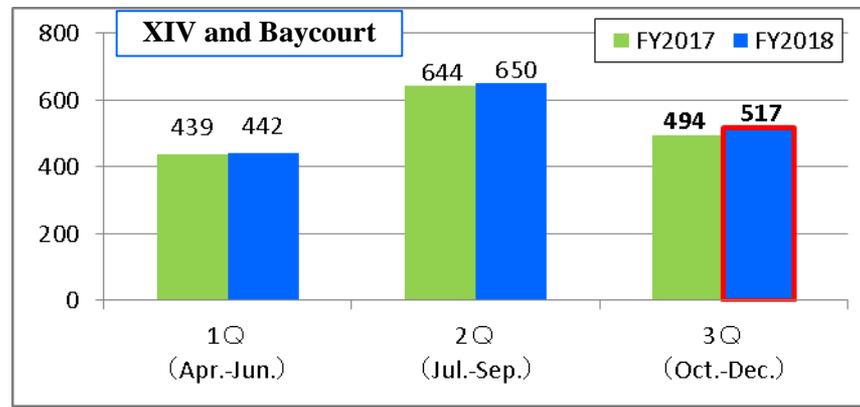


(Operating Rooms)
This year: 3,613*
Last year: 3,565
*26 facilities

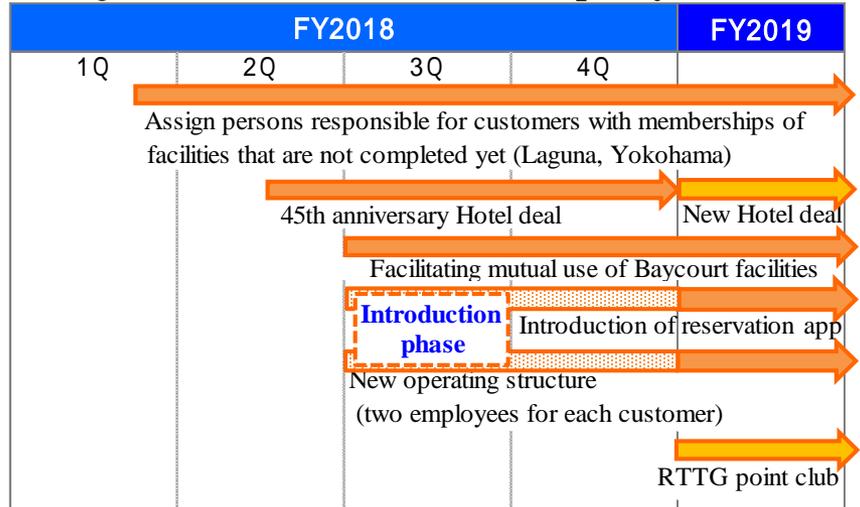


(Operating Rooms)
This year: 493*
Last year: 292
*2 facilities

Reference: 3 months Baycourt / XIV Number of overnight visitors < YoY > (Thousands)



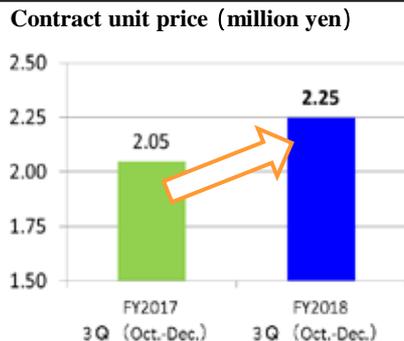
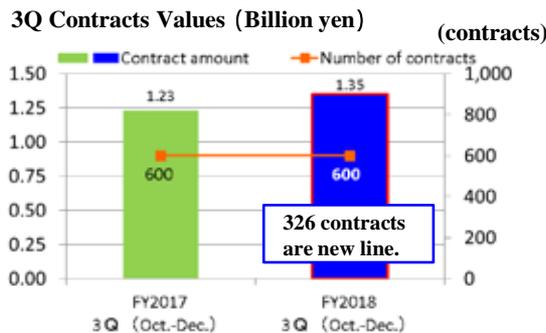
Major initiatives to enhance occupancy



New Developments in the Medical Business

•HIMEDEC membership sales were steady. The unit price steadily increased and contract values exceeded the previous FY. The increase in the unit price of a membership is expected to contribute to results over the medium-to long-term.

<HIMEDIC Business>



Enhancement of providing services(New products)

- Follow-up examinations aiming for half a year after the initial examination
- An annual quota for an extra examination per person up to additional fee when purchasing multiple memberships
- New members enjoy a discount price when purchasing other hotel memberships, etc.
- Credit card compatibility (no service charges)

Existing membership (Excluding tax)

New line 'GRAND HIMEDIC CLUB Premium' (Excluding tax)

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

	New member	Existing HIMEDIC member (2 or more)
Price	3 million yen	2 million yen
Annual fee	Monthly fee 46,000yen / month	'552,000yen/year'

Commencement of new products on October 17.

<Senior Lifestyle business>



Trust Garden Shijo Karasuma
Location:Kyoto City
Start to operate: March, 2018
Rooms: 54(Private Nursing Home)



Life Assist Bashamichi
Location:Yokohama City
Start to operate:July, 2018
Rooms:74(Private Nursing Home)



Trust Grace Shirakabe
Location:Nagoya City
Start to operate:march,2019(plan)
Rooms:72 (Serviced Residence for Seniors)



(Tentative)Trust Garden Ogikubo
Location:Suginami ward, Tokyo
Start to operate:August, 2019 (plan)
Rooms:51(Private Nursing Home)

Topics for Fiscal Year 2018

- (1) Change of Representative Directors.
Set up “Hotels & Resorts Division” and “Hotels & Tourism Division” to split Hotel & Restaurant Division.
(April 1, 2018)**
- (2) Regarding the Formulation of Resorttrust Group Medium-term Management Plan “Connect 50”. (April 2, 2018)**
- (3) Opening of “XIV Rokko Sanctuary Villa” Membership Resort Hotel. (April 22, 2018)**
- (4) Held of the Resorttrust Ladies golf championship was held at Kansai Golf Club.
(from May 25 to May 27, 2018)**
- (5) Announcement of Decision on Opening a Private Nursing Home “Trust Garden Ogikubo (tentative name)”
(June 19, 2018) * Scheduled to open on August, 2019**
- (6) The Dunlop Srixon Fukushima Open was held at Grandee Nasu Shirakawa Golf Club’s course for consecutive years.
(from June 21 to June 24, 2018)**
- (7) Started to operate “Life Assist Bashamichi (Yokohama City)” Private Nursing Home. (July 1, 2018)**
- (8) Conclusion of a Joint Research Agreement on “Visualization and Improvement of Restaurant Logistics by Introducing Behavioral Science Analysis with the National Institute of Advanced Industrial Science and Technology (AIST), National University Corporation Kobe University, and Ritsumeikan University.
(July 18, 2018)**
- (9) Commencement of sales of “GRAND HIMEDIC CLUB Premium,” a new HIMEDIC membership products.
(October 17, 2018)**
- (10) Decided to establish a new HIMEDIC base and the general medical examination base which also serves as outpatient clinic in Nihonbashi area, Tokyo in 2020 spring. (November 2018)**
- (11) Scheduled to be opened Serviced residence for the Elderly “Trust Grace Shirakabe ” (March 1, 2019)**
- (12) “Laguna Baycourt Club” Exclusive Membership Resort is scheduled to be opened. (March, 2019)**

Group's Development Schedule

<Sales and business commencement schedule_February 7, 2019>

- Commencement of business and acquisition
- Commencement of sales
- Renewal opening

Medium-term management plan		Previous medium-term management plan Next40					Current medium-term management plan Connect 50					
Fiscal year		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
Sales and business commencement schedule	Membership resort hotels		● XIV Toba Bettei					● Yokohama Baycourt Club				
				● XIV Yugawara Rikyu						● International		
					● Ashiya Baycourt Club						● Kansai	
						● XIV Rokko SV						● Kanto
							● Laguna Baycourt Club					
Business commencement schedule	Luxury hotel (LH)		● THE KAHALA						● THE KAHALA Yokohama	● LH①		
	Hotel Trusty (HT)	● Kanazawa				● Nagoya Shirakawa		● Nihonbashi Hamacho	● HT①		● HT②	
	Medical examination club on a membership basis	● HIMEDIC Midtown			● HIMEDIC Tokyo Bay	● HIMEDIC Nagoya		● Kanto			(Increase existing facility capacity)	
	Senior residence (SR)	● Mikage	● Todoroki	● Hongo		● Activa Biva	● Bashamichi	● Shirakabe	● SR①	● SR③	● SR⑤	
		● Higashimemachi		● Tokiwamatsu		● Shijo Karasuma	● Ogikubo	● SR②	● SR④	● SR⑥		
Renewal	● Hakone			● Beppu	● Shirakawa				● Atami	● Shinjuku		
				● Toba								

Consolidated Balance Sheets

(Million yen)

	2018/3	2018/12	Change		2018/3	2018/12	Change
Total current assets	146,094	150,332	+4,238	Total current liabilities	106,153	89,137	(17,016)
Cash and deposits	29,366	28,804	(562)	Notes and accounts payable-trade	1,355	1,833	+478
Notes and accounts receivable-trade	7,689	8,891	+1,202	Short-term loans payable	28,078	16,146	(11,931)
Operating loans	44,041	46,476	+2,435	Current portion of bonds	2,750	250	(2,500)
Short-term investment securities	6,404	6,641	+237	Accounts payable-other and accrued expenses	28,959	13,481	(15,477)
Merchandise, raw materials and supplies	2,346	2,855	+508	Advance received	28,564	34,682	+6,118
Real estate for sale	22,776	26,546	+3,769	Other	16,445	22,743	+6,297
Real estate for sale in process	28,116	23,573	(4,543)	Total noncurrent liabilities	190,096	195,930	+5,834
Other	5,352	6,543	+1,191	Bonds payable and long-term loans payable	32,769	39,454	+6,685
Total noncurrent assets	275,345	260,100	(15,245)	Long-term guarantee deposited	101,541	100,455	(1,085)
Property, plant and equipment, net	170,600	174,058	+3,458	Bonds with subscription rights to shares	29,855	29,823	(31)
Intangible assets	11,001	11,148	+147	Other	25,930	26,196	+266
Investments and other assets	93,744	74,893	(18,851)	Total liabilities	296,250	285,068	(11,182)
				Net Assets	125,190	125,365	+175
				Shareholders' equity	120,553	121,527	+974
				Treasury shares	(2,212)	(1,851)	+360
				Accumulated Other Comprehensive Income	2,421	1,180	(1,240)
				Subscription rights to shares	229	277	+47
				Non-controlling interests	4,198	4,232	+33
Total assets	421,440	410,433	(11,006)	Total liabilities and net assets	421,440	410,433	(11,006)

Consolidated Cash Flows 3Q FY2018

(April to December)

(Million yen)

	2017/12	2018/12
Cash flows from operating activities	9,044	6,913
Cash flows from investing activities	(14,419)	(4,510)
Cash flows from financing activities	(6,403)	(11,934)
Effect of exchange rate changes on cash and cash equivalents	45	12
Net increase (decrease) in cash and cash equivalents	(11,732)	(9,518)
Increase (decrease) in cash and cash equivalents resulting from changes of scope of consolidation	66	-
Cash and cash equivalents at end of period	28,698	22,950

Initiatives to enhance hotel operation for 2H of FY2018

Implementation of two new measures starting October 1, as follows

- Renewal of reservation website; introduction of official reservation app
- Changes in operating structure

A structure of two employees to each customer; clarification of each role (sales/utilization)

For utilization, assign persons in charge originally stationed at contracted facilities to each region to strengthen coordination with persons in charge of sales.

<Implementation of information guidance related to reservation website to customers through member newsletters, the website, and individual inquiries.>

スマホ版も登場!より簡単で 使いやすいデザインへ Web予約サイトリニューアル

多くの会員様にご利用いただいている宿泊予約サイトも、使い易さにリニューアルオープン。スマートフォン用サイトも加わり、見やすい画面で、より使いやすい予約サイトをぜひご利用ください。

2018年10月1日(月)スタート!

リニューアルして ここが便利に!

POINT 1 パソコン、タブレット、スマートフォンなど、どの端末でも見やすいデザインに一新
どなたでも簡単に予約できるよう、シンプルな操作性と見やすさを実現しました。
スマホ版も登場!

POINT 2 予約完了までWebで完結!プラン選択も可能に
宿泊ホテル、部屋タイプ、利用人数、レストランなどサブツク選択、プラン予約も画面内選択が可能です。
予約変更・確認・キャンセルもWebで可能

POINT 3 リゾートトラストHPから全ホテルの空室状況が確認できる(10月中旬より)
ID・パスワードの入力は不要。会員様のご案内やご友人などどなたでも、見になるホテルの空室状況を確認いただけます。リゾートトラストホームページからご覧ください。
※R+G会員様はR+Gマイページから確認いただけます。

Web予約サイトはコチラ
ワンダーネット会員、Web予約登録会員は同じID・パスワードでご利用いただけます。
<https://reserva.resorttrust.co.jp/login>

ベイコート倶楽部・エクシブ・サンメンバース会員様へ

無料の会員登録でホテル予約がWebで簡単・便利に!

リゾートトラスト公式予約アプリ

Webサービスご案内

「まずはアプリをダウンロード」

iOSの方はApp Store、Androidの方はGoogle Playから右記のQRコードを読み込んでダウンロードしてください。

または リゾートトラスト 公式予約アプリ 検索

ホテル予約も空室情報チェックもアプリで手軽にできるお役立ちサービスがスタート

ホテル予約

スマホでホテル・レストラン予約が完了!空室照会、予約の確認・変更も簡単に!

家族登録
(エクシブオーナー様向け)

エクシブオーナー様がご家族(2親等以内)の情報を申請することで、ご家族にもID・パスワードが発行され、Web予約が可能になります。

空室情報

ログインをしてアプリ内からの目でホテルの空室をチェックできます。

In the second half of FY2018, we shall focus our efforts on the above measures and promote initiatives to significantly improve operation starting from the following FY.

Initiatives and Summary by Segment

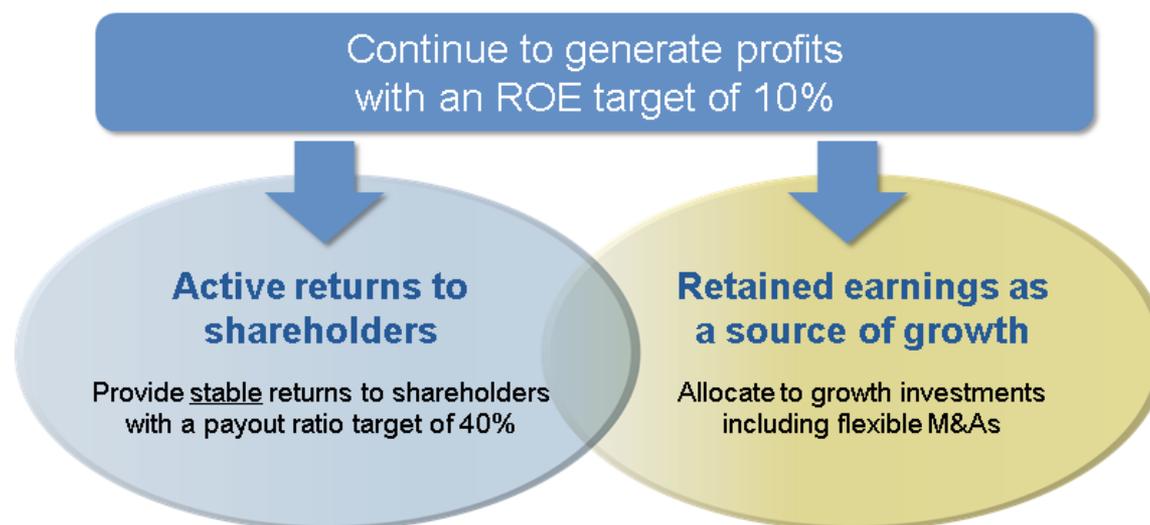
Member ship	<p><Sales of existing hotel memberships> Promotion of the sales of existing hotel memberships, starting with “XIV ver.L,” a newly added product during the FY <Enhancement of productivity per unit time> Enhancement of efficiency during business hours, alongside the promotion of work style reform</p>
Hotel and Restaurant	<p><Initiatives to enhance occupancy rate></p> <ul style="list-style-type: none"> • Revitalization of utilization through the renewal of online reservations and the introduction of the app (October 2018) • Enhancement of customer satisfaction through various plans such as the 45th anniversary event (from August 2018), and increasing attractiveness of facilities • Provision of plans for employees of large-scale corporations and revitalization of utilization (utilization of online reservations and app) • Approaching and reactivating dormant members (members who have not used our services for a period of time) • Provision of effective follow-up services to members and implementation of information guidance alongside the change in operating structure (from October 2018) <p><Enhancement of efficiency and productivity> Introduction of multitasking within facilities, reduction of operation procedures, etc. through measures such as digital reform</p>
Medical	<p><Expansion of HIMEDIC-exclusive sales bases> Establishment of a new Kyoto base in addition to the Tokyo base *Support functions are established in Tokyo, Yokohama, Nagoya, and Osaka. <Sales of new memberships, expansion of sales channels through joint businesses and referrals> Introduction starting from 3Q, alongside the new product “GRAND HIMEDIC CLUB Premium (sales commencing on October 17, 2018)” <Enhancement of convenience through the introduction of the HIMEDIC app> (In development/scheduled)</p> <ul style="list-style-type: none"> • Smart member IDs/consultation tickets • Reservations on request • Smart examination reports, etc. <p><Decision to establish new consultation base in the Kanto area> Decision to establish a new HIMEDIC base in the Nihonbashi area, Tokyo in spring 2020 <New establishment of facilities for the elderly, M&As> Deliberations are underway for the development of new M&A cases in the current FY.</p>
Head Office	<p><Digital reform> Promotion of various initiatives *Please refer to p.18 With FY2018 and FY2019 being the investment phase, results mainly come in starting FY2020 <Work style reform> 110 days of annual leave (+5 days), 120 days of annual leave in FY2019 (+10 days), enabled by enhanced productivity through initiatives such as digital reform <RTTG point club> Scheduled to be implemented in April 2019, details under deliberation (promotion of customer satisfaction and group synergy)</p>

Quantitative plan (consolidated)

Medium-term Management Plan “Connect 50”

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

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



Summary by Segment

Medium-term Management Plan “Connect 50”

Membership operations



Create new opportunities by commencing sales of international memberships

Establish a sustainable membership business model

- ◎ Increase the number of memberships sold; improve productivity per hour
 - No. of contracts in FY2022: 5,500 (up 40% compared with FY2017)
 - Productivity per hour in FY2022: ¥51,000 (up 20% compared with FY2017)
 - Kanto Branch contracts in FY2022: 52% (up 7 percentage points compared with FY2017)
- ◎ <International memberships> Sales scheduled to commence from FY2019

Hotel and restaurant operations



Dramatically increase productivity and profitability

Develop THE KAHALA brand on a global basis and expand operations targeting general consumers (business and luxury)

- ◎ XIV + Baycourt Club total occupancy
 - FY2022: 55.5% (up 4.0 percentage points compared with FY2017)
- ◎ Forecast increase in annual fees + amortization of security deposits
 - FY2022: Up ¥3.0 billion to ¥3.5 billion compared with FY2017
- ◎ Hotel Trusty expansion
 - FY2022: Expand to 12 facilities (up four facilities compared with FY2017)
 - FY2022: Exceed ¥10 billion in sales (up 60% compared with FY2017)

Medical operations



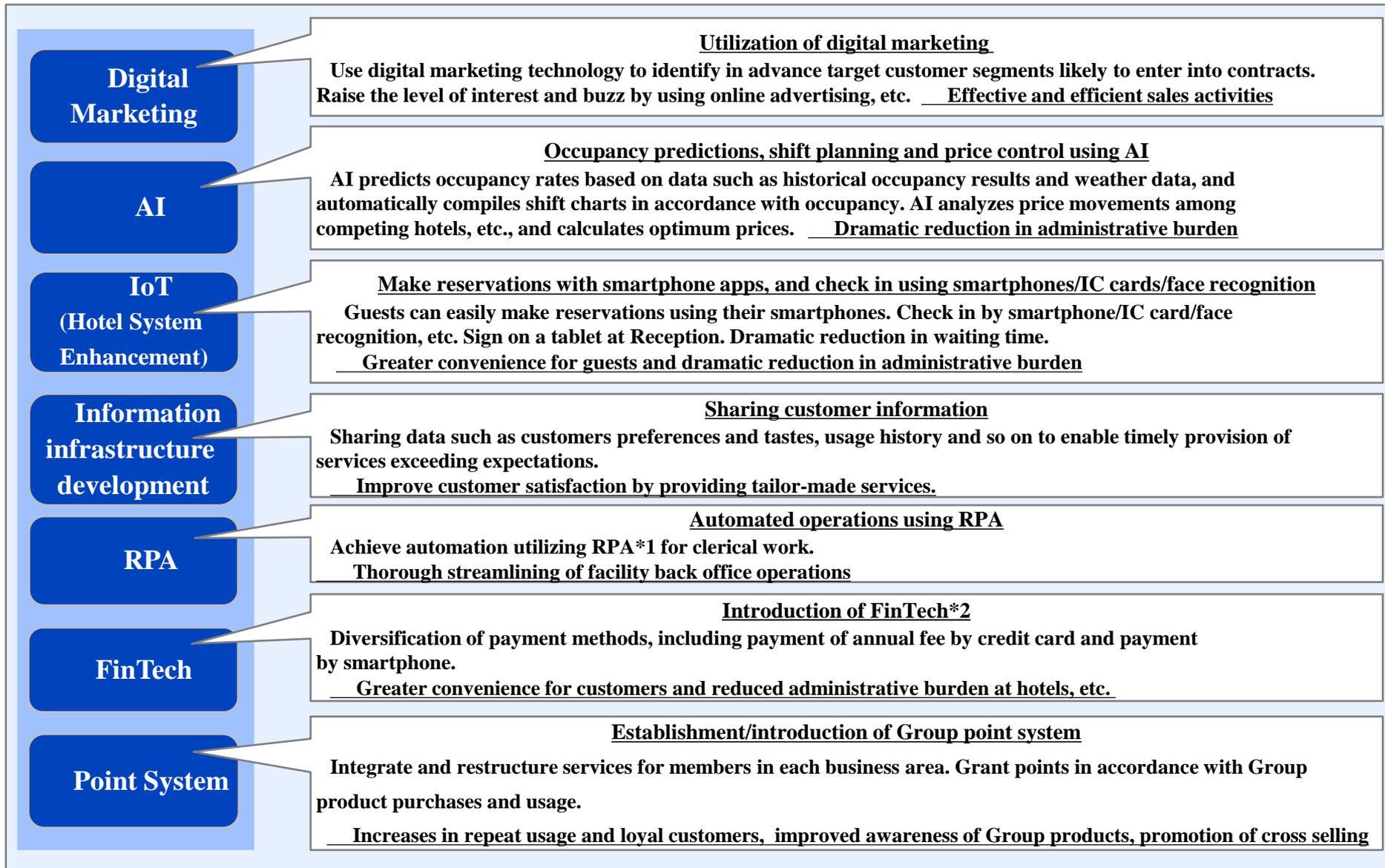
Image courtesy of GE Healthcare Japan

Create synergies with advanced medical treatment and become Japan's leading comprehensive medical solutions group

Target the top position in the senior high-grade market

- ◎ HIMEDIC business and Medical Service Corporation business
 - Number of annual HIMEDIC membership sales: 2,360 (use of existing and new facilities)
 - Number of general consumers undergoing medical examinations in FY2022: 700,000 (up 40% compared with FY2017)
- ◎ Aging care business (product sales)
 - Number of customers in FY2022: 500,000 (up 200% compared with FY2017)
- ◎ Senior Lifestyle business
 - Work toward 3,000 rooms, target increases in net sales and operating income of 1.6 and approximately 3 times, respectively (compared with FY2017)

Overall Picture of Digital Reforms



*1 RPA (Robotic Process Automation)...Technology to replace and automate operations carried out by employees with robots (installation of software in PCs).

*2 FinTech (Financial Technology)...Creating and reviewing financial services utilizing Information Technology.

<Reference>

< Reference >

Contract Values of Membership 3Q FY2018

(April to December)

(Billion yen)

	2018/12 results	2018/12 targets	Difference	2017/12 results	YoY Change	2018/12 Progress rate of contract (cumulative)	2019/3 targets
Yokohama Baycourt Club	10.0	10.3	(0.3)	1.4	+8.6	27.7%	14.1
Laguna Baycourt Club	14.7	8.5	+6.2	17.0	(2.3)	75.5%	11.5
XIV Rokko SV	0.9	1.8	(1.0)	2.2	(1.3)	44.3%	2.5
Ashiya Baycourt Club	4.7	6.1	(1.4)	8.0	(3.3)	73.6%	8.2
XIV Yugawara Rikyu	1.3	4.1	(2.8)	4.3	(3.0)	72.1%	5.5
Other Hotels	7.1	7.3	(0.2)	6.6	+0.5	-	9.9
Hotel Membership Total	38.7	38.2	+0.6	39.5	(0.8)	-	51.7
Golf	0.2	0.2	(0.0)	0.3	(0.2)	-	0.2
HIMEDIC	4.0	3.8	+0.2	3.7	+0.3	-	5.1
Total	42.8	42.1	+0.7	43.5	(0.7)	-	57.0

< Reference >

Sales of Membership Segment 3Q FY2018

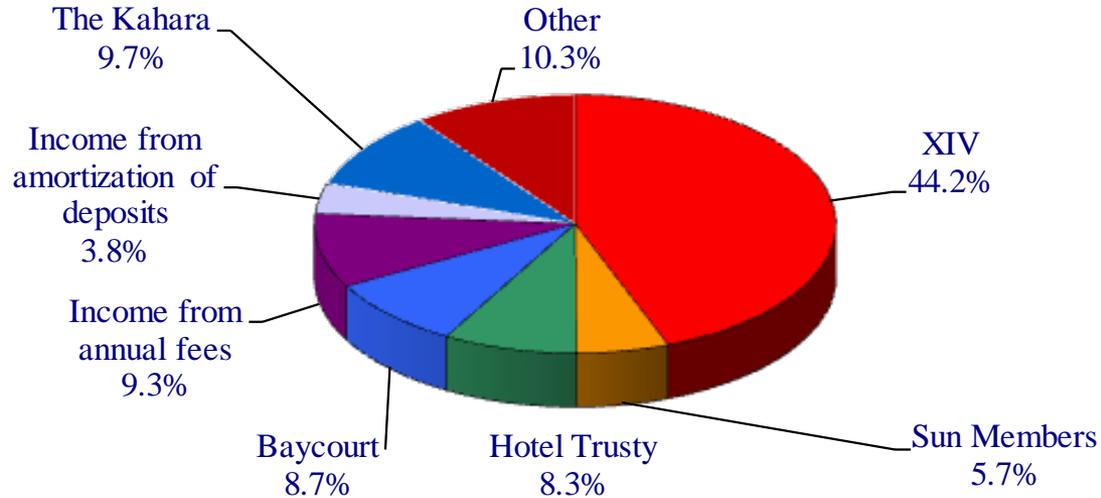
(April to December)

(Billion yen)

	2018/12 results	2018/12 targets	Difference	2017/12 results	YoY Change	2019/3 targets
Yokohama Baycourt Club	9.0	9.2	(0.1)	1.3	+7.7	12.6
Laguna Baycourt Club	13.4	7.6	+5.8	15.5	(2.1)	10.3
XIV Rokko SV	0.8	1.7	(0.9)	1.9	(1.1)	2.2
Ashiya Baycourt Club	4.2	5.5	(1.2)	7.2	(3.0)	7.4
XIV Yugawara Rikyū	1.1	3.6	(2.5)	3.8	(2.7)	4.8
Other Hotels	5.1	4.4	+0.7	5.5	(0.4)	6.0
Hotel Membership Total	33.7	32.0	+1.7	35.3	(1.6)	43.3
Deferred Sales	Yokohama Baycourt Club	(4.8)	+0.2	(0.7)	(4.1)	(6.7)
	Laguna Baycourt Club	(7.5)	(3.2)	(8.6)	+1.2	20.6
	XIV Rokko SV	4.7	(0.0)	(1.0)	+5.7	4.7
	Ashiya Baycourt Club	-	-	-	(4.0)	+4.0
All Hotels	26.1	27.3	(1.2)	20.9	+5.2	61.8
Other	0.1	(0.2)	+0.3	(0.1)	+0.1	(0.6)
Membership Operations Total	26.1	27.1	(0.9)	20.8	+5.3	61.2

< Reference >

Sales of Hotel and Restaurant Segment 3Q FY2018 (April to December)



(Million yen)

	2018/12 results	2018/12 targets	2017/12 results	2019/3 targets
XIV	27,447	29,667	28,527	37,659
Sun Members	3,556	3,748	3,616	4,901
Hotel Trusty	5,138	5,336	5,244	6,917
Baycourt	5,431	6,349	3,436	8,337
Income from annual fees	5,770	5,701	5,315	7,632
Income from amortization of deposits	2,388	2,427	2,234	3,236
The Kahara	6,031	5,890	6,119	7,983
Other	6,330	6,679	7,169	8,302
Total	62,095	65,800	61,665	84,970

Operations by category 3Q FY2018 (April to December)

< HOTEL >

Number of overnight visitors

(Thousands)

	2018/12 results	2018/12 targets	2017/12 results	2019/3 targets
XIV	1,445	1,528	1,471	1,943
Sun Members	316	335	325	439
Hotel Trusty	525	533	532	697
Baycourt	163	206	104	272

<Reference>

(Thousands)

2017/3 results	2018/3 results
1,812	1,864
444	431
662	696
143	145

Occupancy rates

(%)

	2018/12 results	2018/12 targets	2017/12 results	2019/3 targets
XIV	52.3	55.0	53.4	52.7
Sun Members	60.2	61.9	60.8	61.8
Hotel Trusty	91.3	92.6	92.9	91.8
Baycourt	48.5	60.0	56.5	59.6

(%)

2017/3 results	2018/3 results
52.6	50.8
62.7	60.4
91.2	91.7
57.1	54.6

Spending per visitor

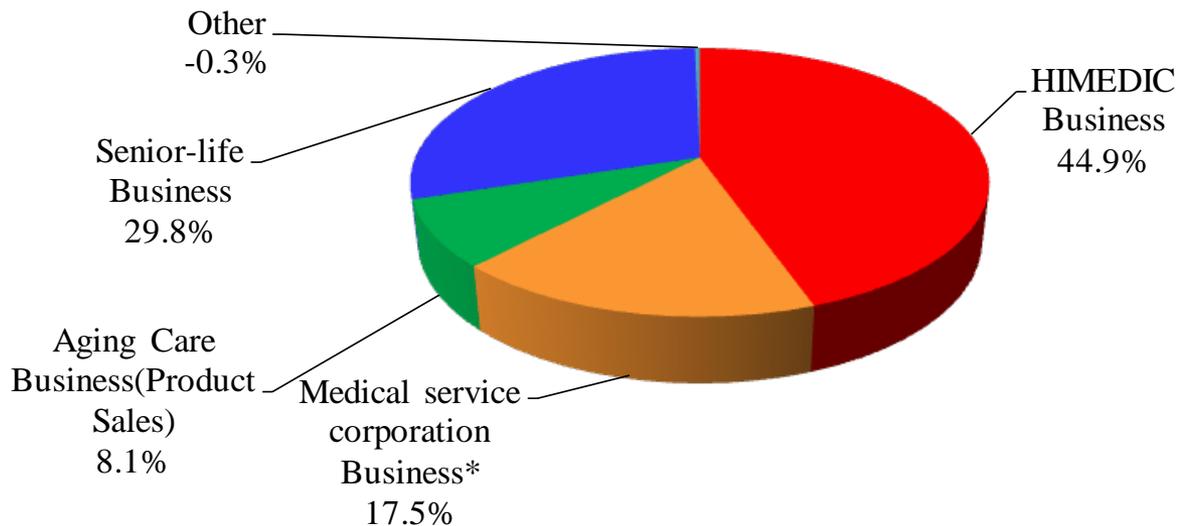
(yen)

	2018/12 results	2018/12 targets	2017/12 results	2019/3 targets
XIV	18,990	19,409	19,381	19,381
Sun Members	11,232	11,183	11,106	11,159
Hotel Trusty	9,783	10,003	9,843	9,912
Baycourt	33,214	30,699	32,826	30,570

(yen)

2017/3 results	2018/3 results
18,573	19,340
10,589	11,139
9,754	9,752
30,898	32,940

Sales of Medical Segment 3Q FY2018 (April to December)



(Millions yen)

	2018/12 results	2018/12 targets	2017/12 results	2019/3 targets
HIMEDIC Business	11,527	11,251	10,458	15,078
Medical service corporation Business*	4,502	4,139	3,846	5,492
Aging Care Business(Product Sales)	2,071	2,301	2,035	3,114
Senior-life Business	7,646	8,550	6,916	11,672
Other	(85)	1,357	(33)	1,351
Total	25,663	27,600	23,224	36,710

Operation support for general medical service business, etc.

< Senior residences and private nursing homes >

	2018/12 results	2018/12 targets	2017/12 results	2019/3 targets
Occupancy rates(%)	86.5	92.1	85.9	89.7
number of rooms	1,587	1,587	1,459	1,661

*Life Assist Bashamichi : Start to operate on July, 2018

*Trust Grace Shirakabe : Scheduled to be opened on March, 2019



Scheduled to be opened Serviced residence for the Elderly "Trust Grace Shirakabe" (March 1,2019)

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

Method of recording sales and income from property before hotel opening p28

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 "(o)" 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)	Results for FY2017 (2018/3)	Targets for FY2018 (2019/3)	(For reference) Predictions for FY2019 (2020/3)
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) 7.2 billion (Laguna Baycourt) 20.8 billion (XIV Rokko SV) 2.5 billion	(Yokohama Baycourt) 14.1 billion	

Deferred sales and income from properties		Sales	Income	Sales	Income	Sales	Income	Sales	Income	Sales	Income	Sales	Income	Sales	Income
Yokohama Baycourt	Value deferred							(3.5)	(1.2)	(6.7)	(2.2)	(Unspecified)	(Unspecified)		
	Value realized														
Laguna Baycourt	Value deferred					(10.2)	(3.2)	(10.4)	(3.4)						
	Value realized									+20.6	+6.6				
XIV Rokko SV	Value deferred			(2.1)	(0.4)	(1.4)	(0.3)	(1.1)	(0.2)						
	Value realized									+4.7	+1.0				
Ashiya Baycourt	Value deferred			(15.3)	(5.4)	(6.1)	(2.2)								
	Value realized							+21.2	* +8.2						
XIV Yugawara Rikyu	Value deferred		(4.7)	(1.3)	(5.5)	(1.7)									
	Value realized							+10.2	* +3.4						
XIV Toba Bettei	Value deferred	(3.6)	(1.1)	(6.3)	(1.7)										
	Value realized					+9.8	* +3.0								
Value affected(Single Year)		(3.6)	(1.1)	(11.0)	(3.0)	(13.2)	(4.6)	(7.5)	(2.3)	+6.2	+3.4	+18.5	+5.4	(Unspecified)	(Unspecified)

* 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)		Results for FY2017 (2018/3)		Targets for FY2018 (2019/3)	
	Sales	Operating income										
Disclosed figures (Recorded value)	116.8	15.1	120.4	16.0	142.2	18.6	143.5	13.5	165.4	17.7	183.6	19.0
(For reference) Value excluding effects of deferred values	120.4	16.2	131.4	19.1	155.4	23.2	151.0	15.8	159.2	14.3	165.1	13.6
(For reference) + Excluding effects of extra costs	120.4	16.2	131.4	19.1	155.4	23.8	151.0	17.0	159.2	16.2	165.1	15.5

Extra costs for hotel will be added upon opening. Laguna Baycourt & part of XIV Rokko SV:(1.9) billion (Targets for FY2018) Ashiya Baycourt & part of XIV Rokko SV:(1.9) billion (Results for FY2017)

<Reference> Effects of Deferred Revenue from properties before hotel opening (3Q) (April to December)

Method of recording sales and income from property before completion of construction p.28

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 FY2018 (2018/12)		Targets for 3Q FY2018 (2018/12)		Results for 3Q FY2017 (2018/12)	
Contract amount of properties before completion of construction		Yokohama	10 billion	Yokohama	10.3 billion	Yokohama	1.4 billion
		Laguna	14.7 billion	Laguna	8.5 billion	Laguna	17 billion
						XIV Rokko SV	2.2 billion
						Ashiya	8 billion
Deferred sales and income from properties		Sales	Income	Sales	Income	Sales	Income
Yokohama Baycourt	Value deferred	(4.8)	(1.6)	(5.0)	(1.6)	(0.7)	(0.2)
Laguna Baycourt		(7.3)	(2.4)	(4.3)	(1.4)	(8.6)	(2.8)
XIV Rokko SV		-	-	-	-	(1.0)	(0.2)
Ashiya Baycourt		-	-	-	-	(3.7)	(1.4)
Sub Total		(12.1)	(4.0)	(9.3)	(3.1)	(14.0)	(4.6)
XIV Rokko SV (opened on April 2018)	Value realized	+ 4.7	+ 1.1	+ 4.7	+ 1.0	-	-
Sub Total		+ 4.7	+ 1.1	+ 4.7	+ 1.0	-	-
Total		(7.5)	(3.0)	(4.6)	(2.1)	(14.0)	(4.6)

<Reference>

Income and Accounting for a Core XIV Facility (Before completion of construction)

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

*2 After facility opens, sale is amortized.

Example: Membership price of 10 million yen

	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.

Segment reclassification due to organizational change(April 2018~)

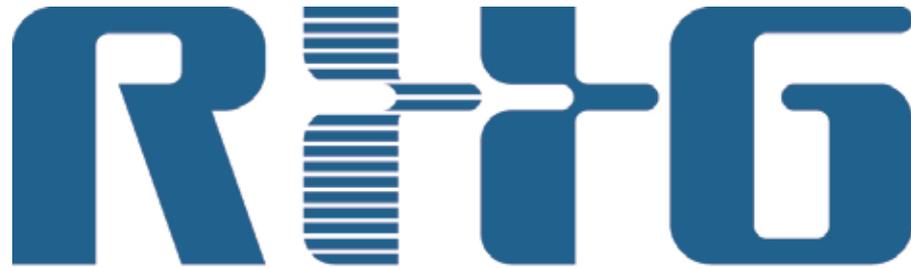
The Company reviewed the method of business segmentation due to an organizational change as of 1Q of the fiscal year under review. As a result, sales and operating income from golf club membership sales and two golf club operation subsidiaries, which were included in the Membership Segment, are included in the Hotel and Restaurant Segment, and sales and operating income from NIPPON SWISS PERFECTION CO., LTD., which was included in the Hotel and Restaurant Segment, is included in the Medical Segment.

Segment information for the year ended March 31, 2018 represents information compiled according to segment classification after the change.

<Impact of retrospective amendments (annual)>

(Million yen)

		2018/3 (results)		Difference
		Before	After	
Membership	Sales	56,254	54,114	(2,140)
	Operating Income	16,387	16,179	(208)
Hotel Restaurants	Sales	77,715	79,601	+1,885
	Operating Income	3,563	3,731	+168
Medical	Sales	30,735	30,990	+254
	Operating Income	5,236	5,276	+39
Others	Sales	707	707	-
	Operating Income	554	554	-
Overhead expenses	Operating Income	(7,999)	(7,999)	-
Total	Sales	165,413	165,413	-
	Operating Income	17,742	17,742	-



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