

# Financial results Presentation For the Year Ended March 31, 2020



“Laguna Baycourt Club” opened on March 28, 2019

**Resorttrust, Inc. (Securities code 4681)**

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# Financial Highlights FY2019

(April to March)



	2020/3 (results)	2020/3 (revision targets)	Revision targets difference	2019/3 (results)	YoY Change	<Reference> 2020/3 (initial plan)
Net Sales	159,145	160,000	(0.5%)	179,542	(11.4%)	171,400
Operating Income	11,652	12,000	(2.9%)	18,877	(38.3%)	16,000
Ordinary Income	12,476	12,500	(0.2%)	19,528	(36.1%)	16,000
Net Income	7,135	7,100	+0.5%	12,358	(42.3%)	10,000

**<Differences from the revision target> \*Revision targets announced on March 17, 2020**

Net sales and operating income fell slightly short of the targets because the hotel occupancy rate in late March after the announcement of the revised forecasts was somewhat lower than expected. However, ordinary income and net income were virtually the same level as the targets.

**<YoY change>**

Whereas revenue from properties in line with the opening of “Laguna Baycourt Club” and “XIV Rokko Sanctuary Villa” was recorded as a lump sum in the previous year, no membership hotels were opened in FY2019, resulting in lower sales and lower operating income, ordinary income, and net income. However, excluding the special factor of recordings realized upon the above-mentioned hotel opening, net sales and operating income exceeded the previous year’s level.

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

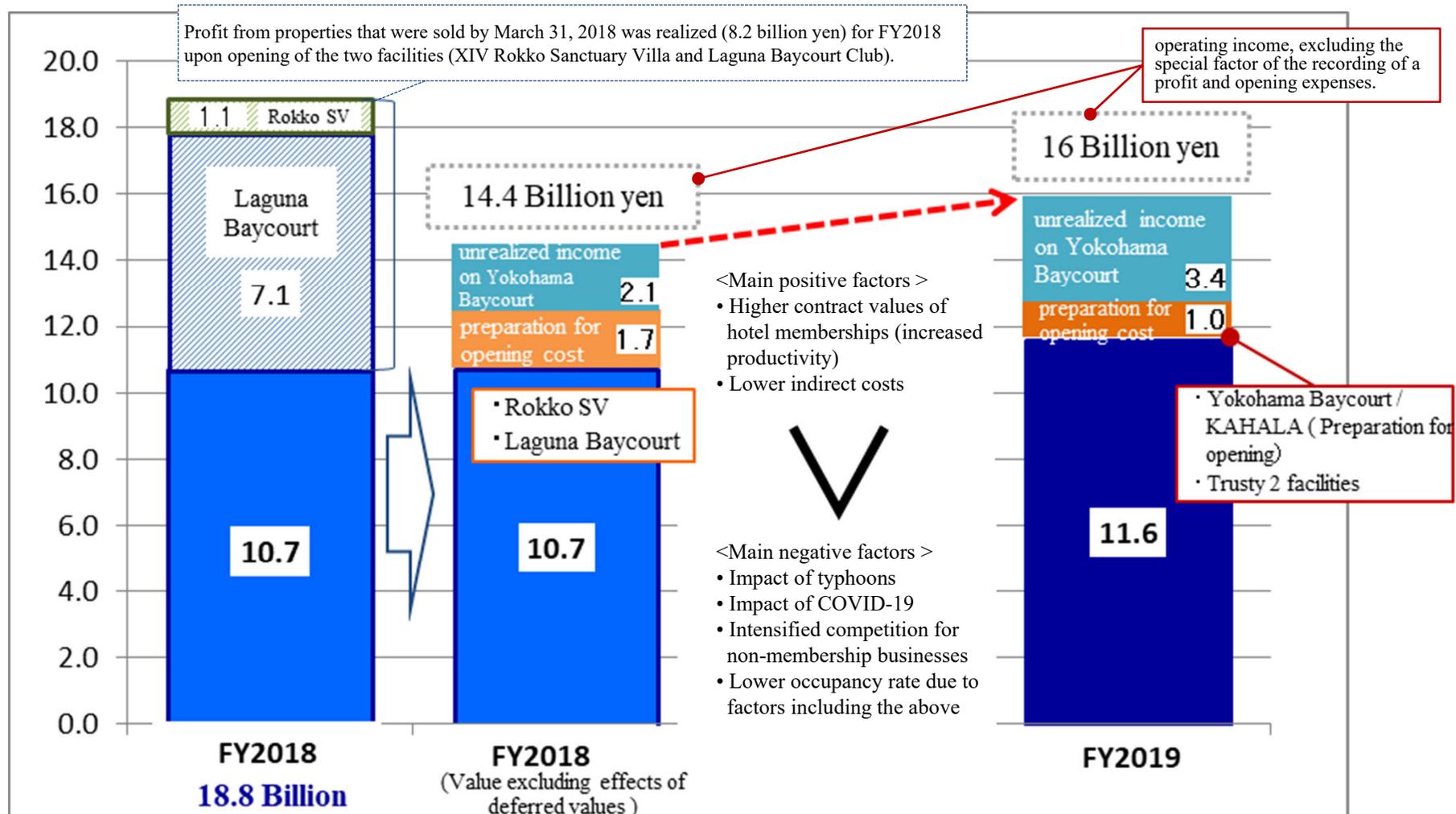
# FY2019 results:

## Operating income (impact of deferred accounting)



Although operating income decreased to 11.6 billion yen for FY2019, operating income, excluding the special factor of the recording of a profit and opening expenses realized upon the opening of XIV Rokko Sanctuary Villa and Laguna Baycourt Club in FY2018, increased because increased membership sales offset the decline in the occupancy rate due to typhoons, the impact of the coronavirus disease (COVID-19), and other factors.

(Reference → At the bottom of p. 31) Operating income excluding the special factor of the recording of deferred revenue and opening expenses = 16.0 billion yen for FY2019, 14.4 billion yen for FY2018 (+1.6 billion yen YoY)



\* For hotel membership of property before completion of construction, Sales or Cost of the real estate will be deferred until the Hotel opens.  
For details, please refer to p. 32.

# Segment Sales and Operation Income FY2019



(April to March)

## <Sales>

(Million yen)

	Membership	Hotel and Restaurant	Medical	Other		Total
<b>2020/3 (results)</b>	<b>38,948</b>	<b>80,659</b>	<b>38,867</b>	<b>670</b>		<b>159,145</b>
2019/3 (results)	64,029	80,383	34,478	651		179,542
YoY Change	(39.2%)	+0.3%	+12.7%	+3.0%		(11.4%)

## <Operating Income>

(Million yen)

	Membership	Hotel and Restaurant	Medical	Other	Overhead expenses	Total
<b>2020/3 (results)</b>	<b>13,559</b>	<b>92</b>	<b>5,829</b>	<b>663</b>	<b>(8,491)</b>	<b>11,652</b>
2019/3 (results)	19,004	2,624	6,144	572	(9,468)	18,877
YoY Change	(28.7%)	(96.5%)	(5.1%)	+15.9%	+977	(38.3%)

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

## <Reference: EBITDA \* >

(Million yen)

	Membership	Hotel and Restaurant	Medical	Other	Overhead expenses	Total
<b>2020/3 (results)</b>	<b>13,608</b>	<b>6,504</b>	<b>7,526</b>	<b>996</b>	<b>(6,543)</b>	<b>22,092</b>
2019/3 (results)	19,053	8,385	7,480	920	(7,772)	28,067
YoY Change	(28.6%)	(22.4%)	+0.6%	+8.3%	+1,229	(21.3%)

\*Segment operating income before depreciation (=EBITDA) is calculated as the sum of operating income, depreciation and Amortization of goodwill.

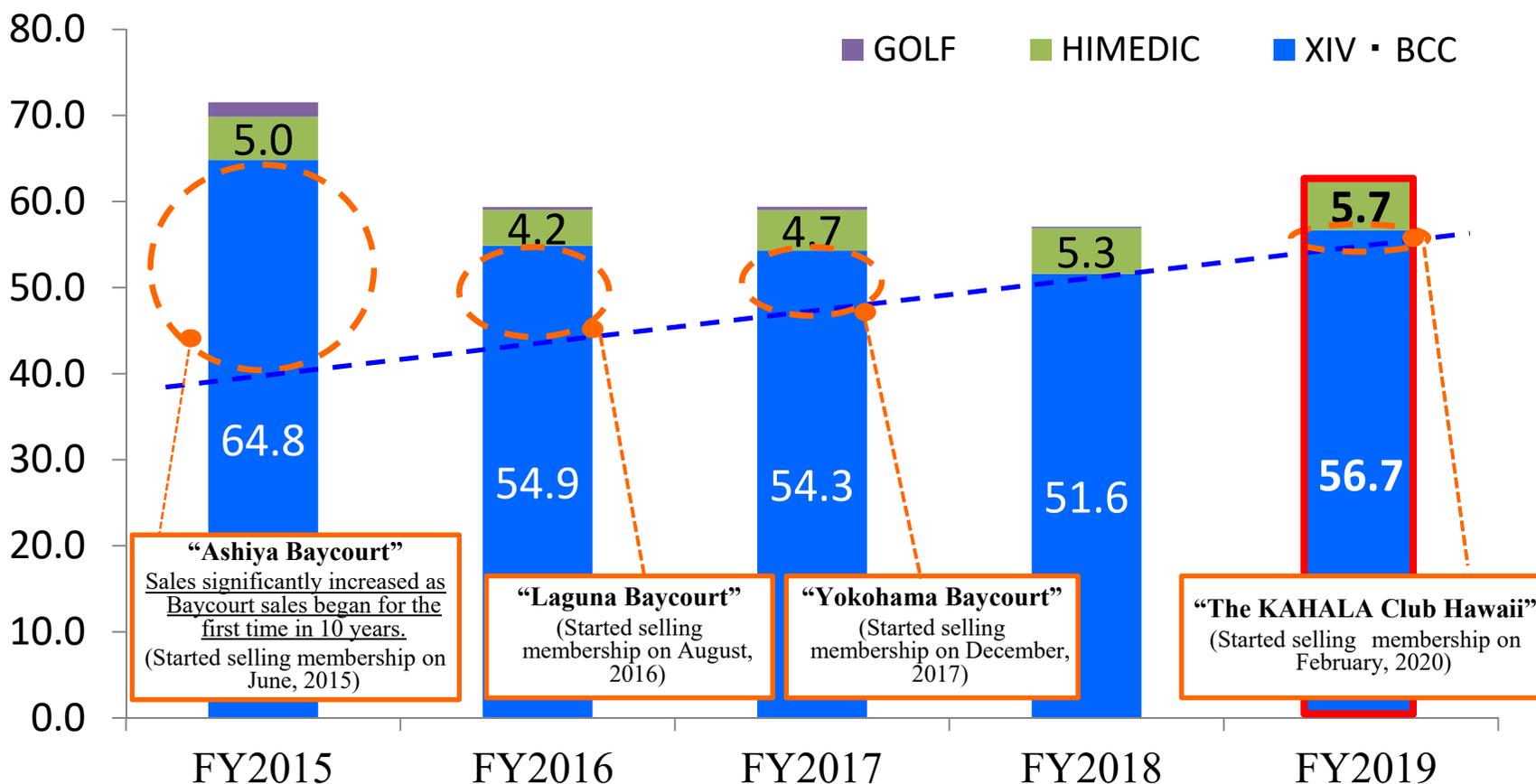
"Difference" and "YoY Change" are the difference in the amount.

# Progress of contract values for FY2019

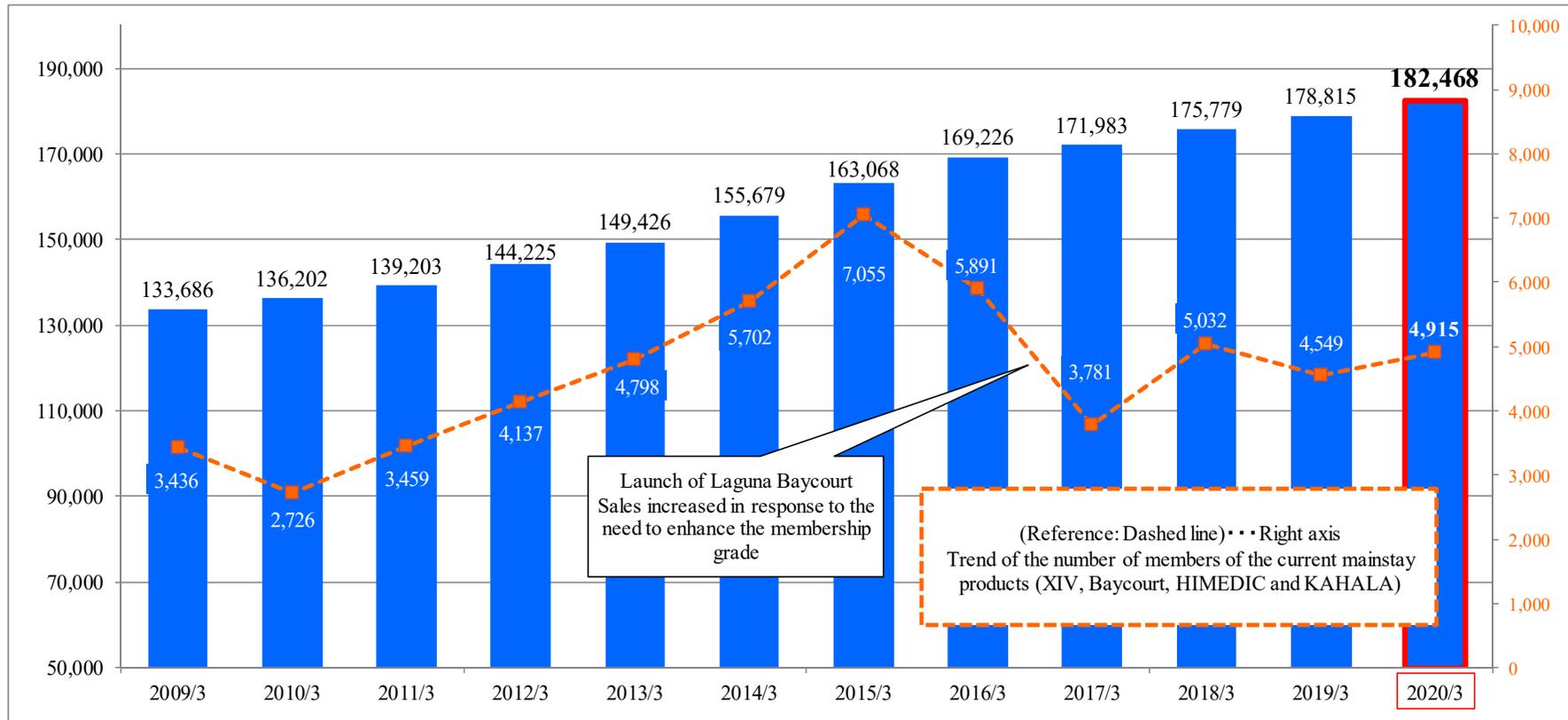


- The trend line of contract values of hotel memberships was firm, excluding the impact of starting sales of new facility memberships in the past (simulation).
- Membership sales of THE KAHALA HOTEL & RESORT to the existing membership holders in 4Q (Jan.-Mar.) (Sales started on February 25.)
- Contract values of HIMEDIC memberships during FY2019, whose sales as a new product started in October 2018, were solid, having exceeded the levels of the same period of the previous four FYs.

(Billion yen)



# Number of Members



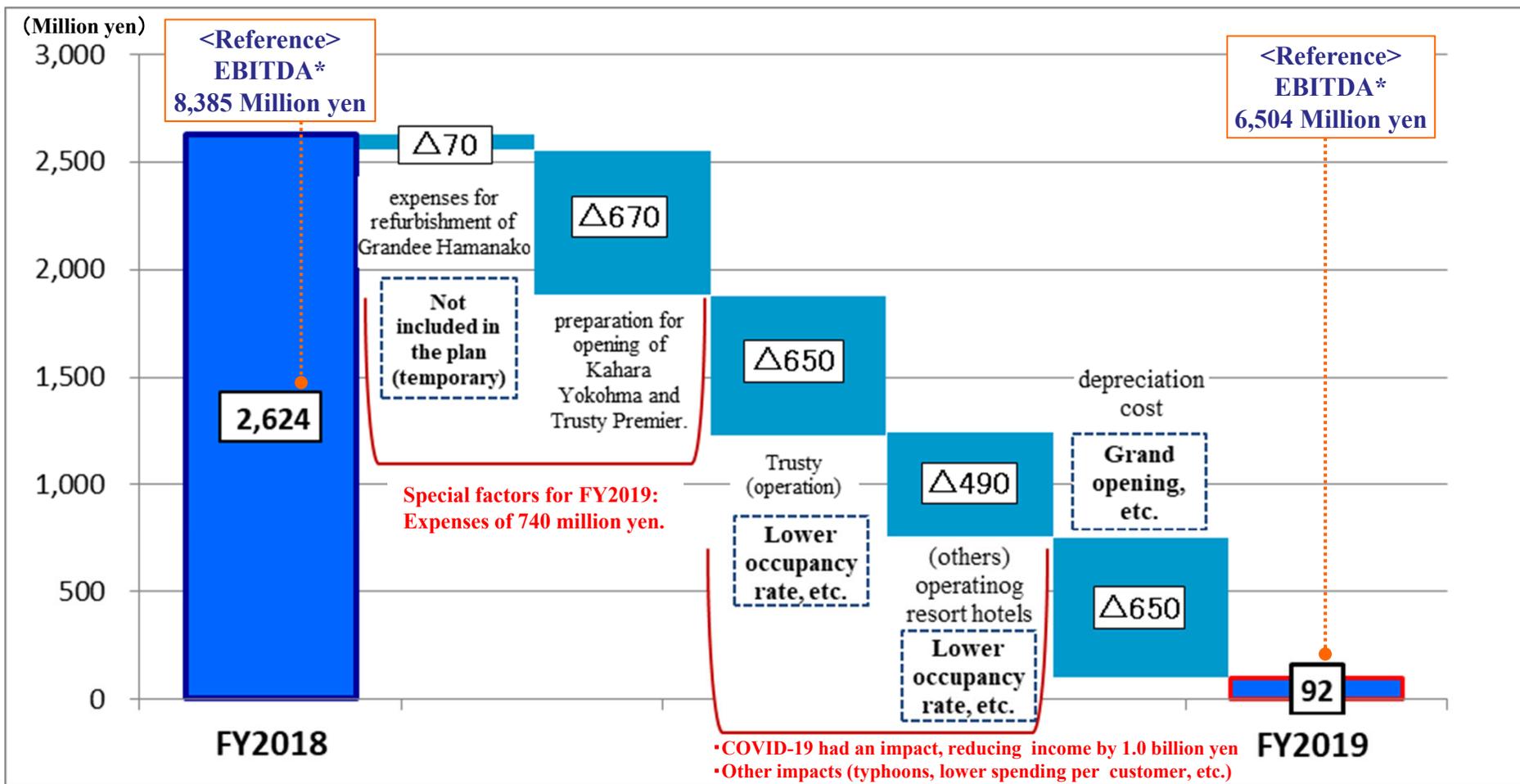
	Baycourt	XIV	Sun Members	Golf	Medical	Cruiser	KAHALA	Total	
2019/3	18,255	77,592	32,478	30,260	19,839	391	-	178,815	
<b>2020/3</b>	<b>20,507</b>	<b>77,982</b>	<b>31,485</b>	<b>30,001</b>	<b>21,534</b>	<b>381</b>	<b>578</b>	<b>182,468</b>	XIV+BCC+HM+KAHALA
Change FY2019	+2,252	+390	(993)	(259)	+1,695	(10)	+578	+3,653	+4,915
Change FY2018	+2,462	+372	(1,094)	(411)	+1,715	(8)	-	+3,036	+4,549

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

# Hotel and Restaurant Segment's Operating Income for FY2019 (compared with the same period of the previous FY)



• In FY2019, temporary expenses were incurred such as upfront expenses amounting to 670 million yen for the opening of HOTEL TRUSTY, etc. In addition, fixed costs including depreciation cost increased, while revenue from the operation of membership resort hotels and non-membership hotels grew little owing to the impact of typhoons, intensifying competition for non-membership hotels, and the impact of COVID-19 among other factors. Mainly for these reasons, the result was lower than the figure for the previous FY.

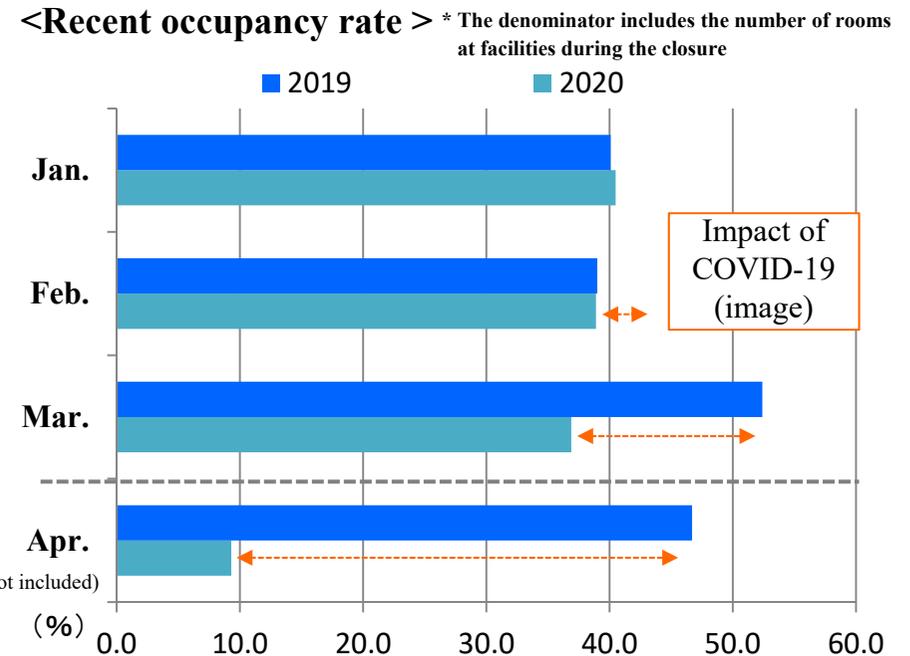
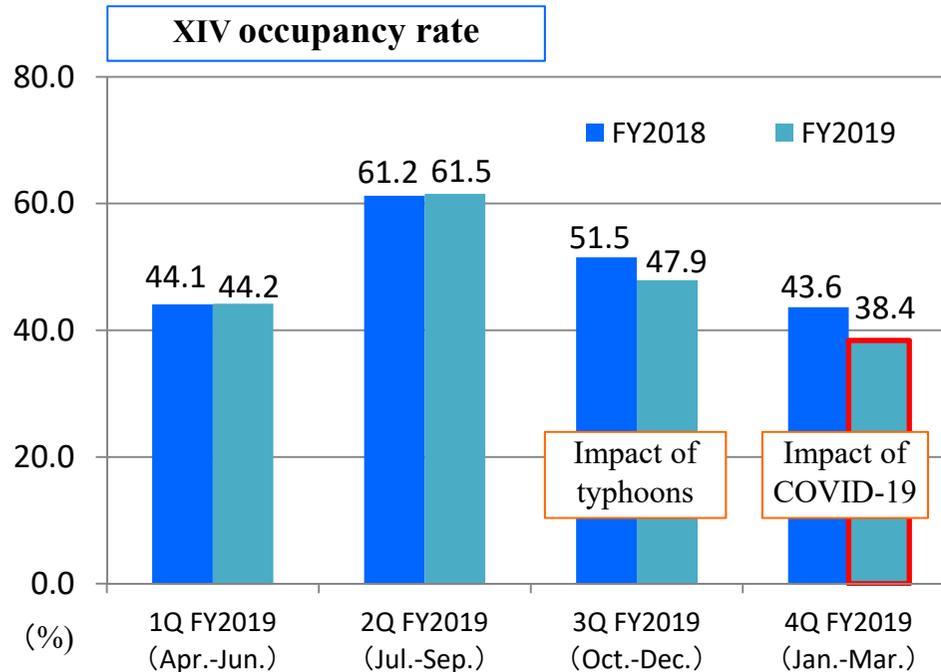


\*Segment operating income before depreciation (=EBITDA) is calculated as the sum of operating income, depreciation and Amortization of goodwill.

# Trends in Hotel occupancy rate for FY2019 ①



For 4Q (Jan.-Mar.), at the beginning, the XIV occupancy rate was higher than the figure for the same period of FY2018, but COVID-19 gradually started to have an impact from late February onward. Despite some cancellations in March, user needs remained robust, however the occupancy rate plummeted after the declaration of a state of emergency in April, partly owing to temporary closure of certain facilities.



**<Reference: Comments from membership holders who used the facilities in March (excerpts)>**

- We cancelled overseas trips/cruise trips, instead staying at a nearby membership hotel.
- “Non-stop check-in/check-out” for contactless access to the room offers peace of mind.
- We brought our grandchildren with us because they seemed to have nothing to do and were glad to come along and stay here.
- We stayed at a nearby Baycourt for the first time instead of going on a long trip and were impressed.
- I felt fortunate to have an XIV within easy driving distance as I am anxious about using public transport.
- Private rooms are available in the restaurants and there is a hot spring bath in the room. So, I felt safe.

- The occupancy rate in January and early February was higher than the previous year’s level but cancellations began in late February and the occupancy rate in February ended up at the previous year’s level.
- In March, we received both cancellations and reservations and the occupancy rate was about two-thirds of the previous year’s level.
- In April, in response to the declaration of a state of emergency, we closed certain facilities and operated a small number of facilities, partially consolidated facilities, while implementing thorough infection prevention measures. New reservations plummeted, reflecting the government’s request to stay home.

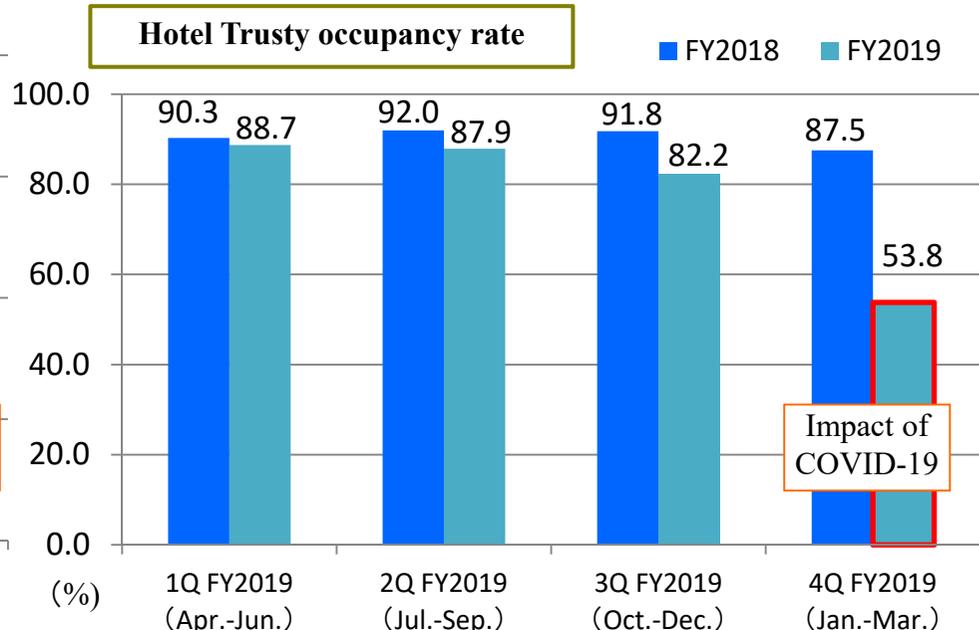
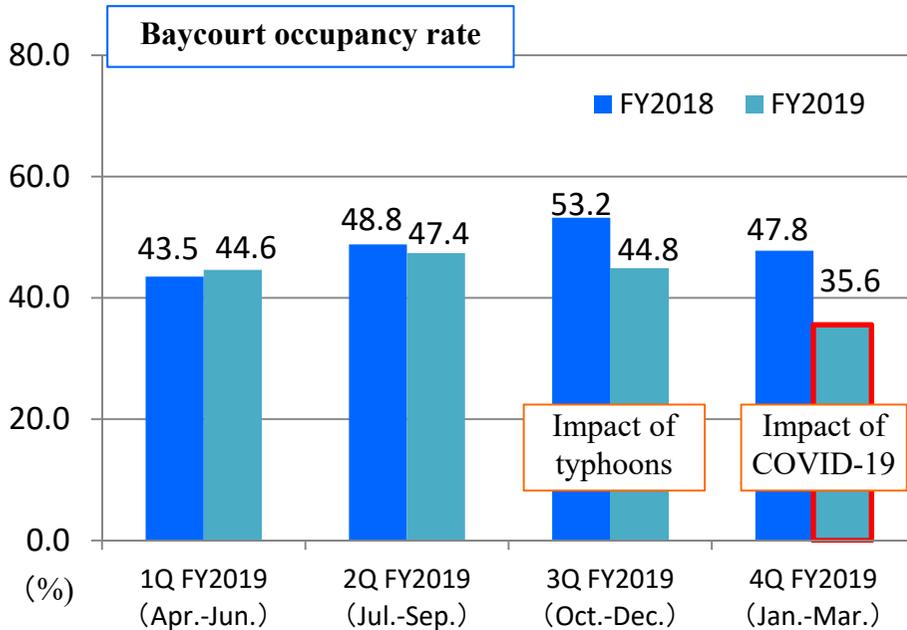
\*For information on facility closures, please refer to p. 14.

\*Comments of users before the declaration of a state of emergency.

# Trends in Hotel occupancy rate for FY2019 ②

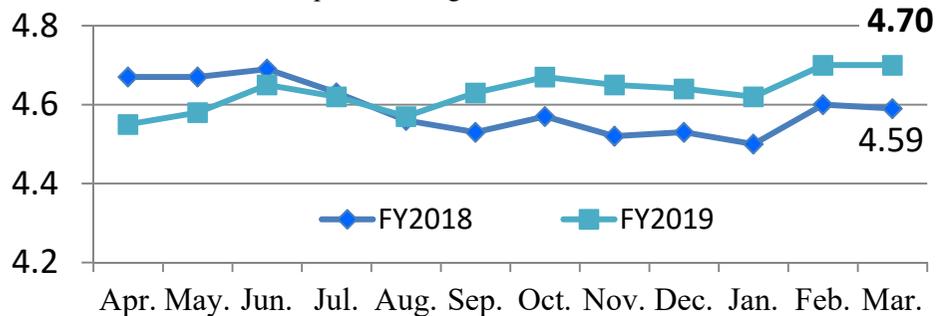


Regarding BAYCOURT, we opened two facilities, namely, Ashiya Baycourt Club and Laguna Baycourt Club, in the last two years, both of which were in operation throughout FY2019. The BAYCOURT occupancy rate was affected by both the decline in the number of memberships per room and external factors in the second half. Regarding HOTEL TRUSTY, we opened two facilities in FY2019, followed by intensified competition in the market. The occupancy rate decreased owing to the impact of COVID-19 in addition to lower inbound demand.



## < ( References ) Monthly Customer Satisfaction \* XIV and Baycourt

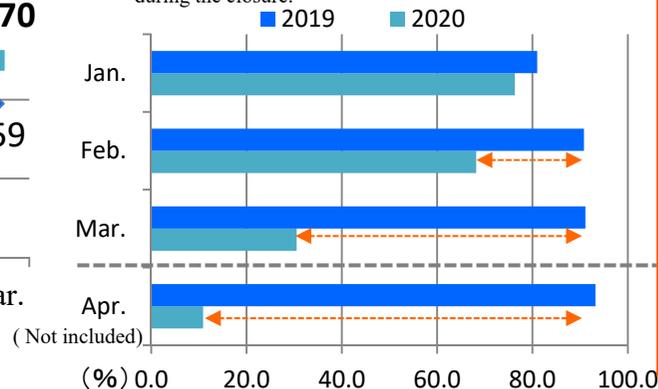
Customer Satisfaction point: Average score of 5-scale evaluation



Satisfaction point has been trending upward since 2Q.

## <Trusty : Recent occupancy rate >

\* The denominator includes the number of rooms at facilities during the closure.



- The decrease in HOTEL TRUSTY became apparent earlier than in the case of membership facilities.
- The rate in March was about one-third of the previous year's level. The situation was far worse in April.

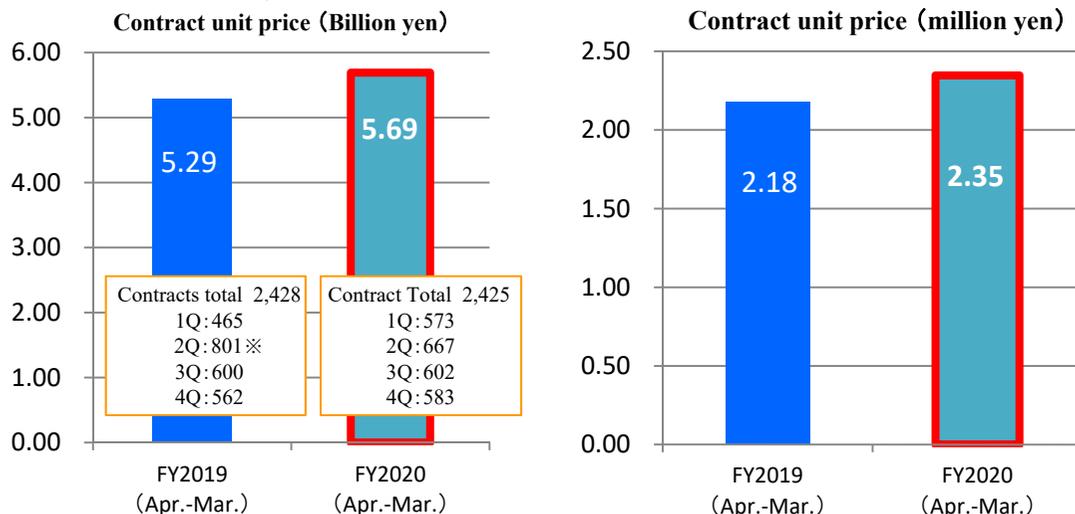
\*For information on facility closures, please refer to p.14.

# Progress of Medical business and New Development



- Sales of HIMEDIC memberships remained favorable in FY2019. Contract values increased because of an increase in the unit price (+0.4 billion yen YoY).
- Implementation of COVID-19 countermeasures is having an impact on the schedule for opening of a clinic and solicitation for occupancy of facilities for the elderly.

## ◆ HIMEDIC sales ; result of FY2019 <YtoY>



\* The existing products going to shift new products in 2Q FY2019. there is a rush effect before new product revision.

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

Commencement of new products on October 2018.

New line 『GRAND HIMEDIC CLUB Premium』 (Excluding tax)		
	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』

## ◆ HIMEDIC membership started to sales

“HIMEDIC Tokyo Nihonbashi Course” started to sales on October 16, 2019.

Location: 7th floor, Nihonbashi Muromachi Mitsui Tower, 3-2-1 Nihonbashi Muromachi, Chuoku, Tokyo  
 Open: June 2020 (planned)  
 Number of Members Final target: Approximately 3,000 members

<Medical Service corporate business>

Nihonbashi Muromachi Mitsui Tower Midtown Clinic, which was scheduled to open in April 2020 to conduct health check-ups for corporate clients and general outpatient treatments for internal medicine, postponed its opening date but its departments gradually started providing services in May.



Nihonbashi Muromachi Mitsui Tower Exterior



Reception(Image)



Private Room(Image)

## ◆ Started to operate August, 2019

“Trust Garden Oguikubo”

Location: Suginami ward, Tokyo  
 Number of rooms: 51 room  
 (Private Nursing Home)  
 March, 2020 Occupancy rate: 52.9%



## Start to operate 5 facilities, total 390 room(September, 2019)

Senior Life Company Ltd.<New consolidated subsidiary>

March, 2020 Occupancy rate (5 facilities total) : 93.3%

- **Felio Tamagawa** 70 room (Private Nursing Home) Ota ward, Tokyo
- **Felio Seijyo** 65 room (Private Nursing Home) Setagaya ward, Tokyo
- **Felio Tenjin** 95 room (Private Nursing Home) Chuo ward, Fukuoka
- **Felio Momochi** 98 room (Private Nursing Home) Sawara ward, Fukuoka
- **Resius Momochi** 62 room (Residential-type Private Nursing Home) Sawara ward, Fukuoka

March, 2020 Occupancy rate (23 facilities total) : 88.5% <YtoY +2.1 pt>

Although the occupancy rate is trending upward, restrictions on visits to facilities, etc. due to infection countermeasures are obstacles to increasing the occupancy rate.



# Consolidated Balance Sheets



(Million yen)

	2019/3	2020/3	Change		2019/3	2020/3	Change
<b>Total current assets</b>	<b>135,754</b>	<b>125,296</b>	<b>(10,458)</b>	<b>Total current liabilities</b>	<b>70,764</b>	<b>67,192</b>	<b>(3,571)</b>
Cash and deposits	26,742	21,164	(5,577)	Notes and accounts payable-trade	1,471	1,117	(354)
Notes and accounts receivable-trade	8,891	8,233	(657)	Short-term loans payable	6,839	8,107	+1,268
Operating loans	46,623	53,549	+6,926	Current portion of bonds	250	150	(100)
Short-term investment securities	4,647	499	(4,148)	Accounts payable-other and accrued expenses	33,495	15,632	(17,863)
Merchandise, raw materials and supplies	2,511	2,182	(329)	Advance received	12,209	22,028	+9,819
Real estate for sale	30,049	22,077	(7,971)	Other	16,497	20,155	+3,657
Real estate for sale in process	11,845	12,357	+511	<b>Total noncurrent liabilities</b>	<b>198,611</b>	<b>200,649</b>	<b>+2,038</b>
Other	4,442	5,231	+788	Bonds payable and long-term loans payable	39,573	31,316	(8,257)
<b>Total noncurrent assets</b>	<b>265,671</b>	<b>275,537</b>	<b>+9,865</b>	Long-term guarantee deposited	101,595	101,768	+173
Property, plant and equipment, net	180,001	193,748	+13,746	Bonds with subscription rights to shares	29,813	29,770	(42)
Intangible assets	11,806	10,580	(1,226)	Other	27,628	37,793	+10,165
Investments and other assets	73,862	71,208	(2,654)	<b>Total liabilities</b>	<b>269,375</b>	<b>267,842</b>	<b>(1,533)</b>
				<b>Net Assets</b>	<b>132,050</b>	<b>132,991</b>	<b>+941</b>
				Shareholders' equity	127,927	129,652	+1,725
				Treasury shares	(1,852)	(1,802)	+49
				Accumulated Other Comprehensive Income	1,355	(50)	(1,406)
				Subscription rights to shares	292	313	+21
				Non-controlling interests	4,326	4,878	+551
<b>Total assets</b>	<b>401,426</b>	<b>400,833</b>	<b>(592)</b>	<b>Total liabilities and net assets</b>	<b>401,426</b>	<b>400,833</b>	<b>(592)</b>

# Consolidated Cash Flows FY2019

(April to March)



(Million yen)

	2019/3	<b>2020/3</b>
Cash flows from operating activities	16,674	<b>19,096</b>
Cash flows from investing activities	(2,057)	<b>(8,247)</b>
Cash flows from financing activities	(23,198)	<b>(13,364)</b>
Effect of exchange rate changes on cash and cash equivalents	8	<b>(3)</b>
Net increase (decrease) in cash and cash equivalents	(8,573)	<b>(2,518)</b>
Cash and cash equivalents at end of period	23,895	<b>21,376</b>

# Initiatives and COVID-19 Countermeasures by Segment

## FY2019 (second year of “Connect 50”)

## FY2020 (COVID-19 Countermeasures)

Member  
ship

**<Increase of contract value> +10% YoY in contract value (hotels)**  
 •Revision of prices of Laguna Baycourt Club  
 •Consideration of new products for existing buildings: “Version 20” launched  
 •+10% YoY in productivity per hour by digitalization, etc.  
 •Membership sales of THE KAHALA HOTEL & RESORT started on February 25. Contract value amounted to 1.9 billion yen.

•Temperature check and thorough implementation of other infection prevention measures during sales activities  
 •Securing of productivity of flexible workstyles including telework and partial leave  
 •Marketing according to the economic situation by industry sector amid the COVID-19 crisis

Hotel and  
Restaurant

**<Initiatives to enhance occupancy rate> → There remains urgent need to strengthen measures to further improve occupancy rates.**  
 •Point app: 210,000 subscribers  
 •Online reservation: +4 percentage points YoY (16%→20%)  
 •Enhancement of owner benefits to enhance customer satisfaction: +0.11 percentage points YoY at March 31  
 •Promotion of large corporate customers’ utilization: +8% YoY (cumulative total in February excluding COVID-19 impact)  
**<Workstyle reform and improvement of profitability>**  
 •Enhancement of productivity: Annual reduction of 80 hours per shift (2,045H→1,965H)  
 •Increase in fixed income  
**<Launch of the HOTEL TRUSTY Premier brand>**  
 (Nihonbashi in September, Kumamoto in October)

**<Infection prevention measures and social distancing measures>**  
 •Health check by questionnaire upon arrival, “non-stop check-in/out”  
 •Restaurants: tables set at least 2 meters apart, admission control/closure according to the situation  
 •No provision of buffet-style dining, provision of room services for dinner/breakfast  
 •Thorough temperature check of employees, disinfection of public spaces, etc., every three hours  
**<Cost reduction/operational measures>**  
 •Cost reduction centering on fixed costs (approx. 5.0 billion yen)  
 •Partial consolidation of facilities (See the next page), consideration of home delivery services, etc.

Medical

**<Expansion of HIMEDIC membership sales> +8% YoY in contract value**  
 •Membership sales of a new base in the Nihonbashi area in the second half: October 16 onward, 501 memberships  
 •Introduction of the HIMEDIC app, enrichment of service: app introduced  
 •Sales by inbound businesses → To be reviewed continuously in view of the COVID-19 impact  
**<Senior Lifestyle Business: Increase of the number of facilities and enhancement of the occupancy rate>**  
 •Smooth operation of facilities opened/acquired: +6 facilities, +390 rooms  
 •Initiatives to increase the occupancy rate → Increased number of sales personnel, strengthened approach to the members of the Group’s facilities/services  
 •Development of new facilities → To be reviewed continuously in view of COVID-19 impact  
**<BNCT Business>**  
 Delivery of research equipment and start of clinical trial in November: good progress

**<Infection prevention measures and social distancing measures>**  
 •Securing of goods for infection control (disinfectants, goggles, protective gear, etc.)  
 •Midtown Clinic: Cooperation with the Group’s hotels and other facilities, instructions on measures to be taken and strengthening of sanitation management  
 •Health check-ups/examinations: Adjustment of operation according to the situation  
 •Facilities for the elderly: Thorough disinfection, restrictions on visitors, access to facilities, and going out  
**<Enrichment of services for the Group’s customers>**  
 •Telemedicine from the first consultation (executed from April 24 to May 7)  
 \*Previously available only for return patients  
 •Consultation on infection countermeasures via email, information dissemination to RTTG Point Club members

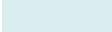
Head  
Office

**<Promotion of digitation and workstyle reform>**  
 •Increase in the number of holidays per year (from 110 days to 120 days)  
 •Thorough utilization of IT: +160% YoY in the use of digital marketing (FY2018 = 0.6 billion→FY2019 = 1.6 billion)  
 •Review of the costs of head office’s indirect operations: Decrease in head office costs (To be reduced continuously)

•Consideration of whether to apply for special loans (bank borrowings) to secure stable liquidity  
 •A commitment line of 80.0 billion yen has already been set up. \*Including 30.0 billion yen for earthquake recovery and acquisition  
 •Reduction of various expenses including partial return of executive compensation (Apr.-Jun.) and reduction (Jul. onward)  
 •Payment of the salary to employees as compensation during closure (Compensate for the amount added to the minimum amount set by the government.)

# Closure/Operation of Facilities in Relation to COVID-19

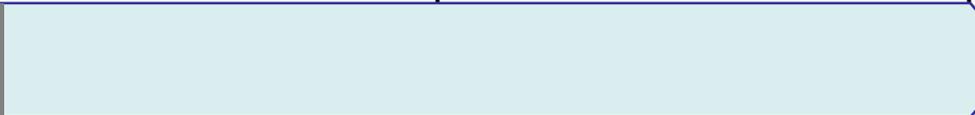
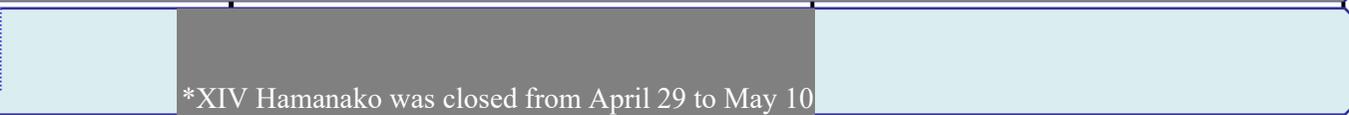
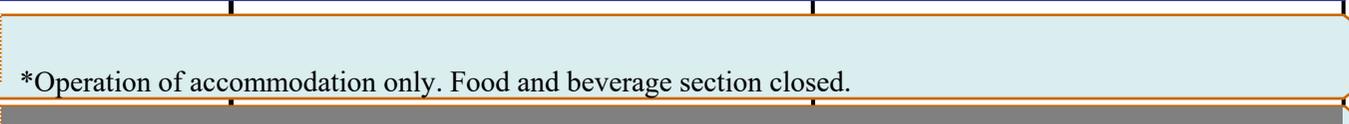
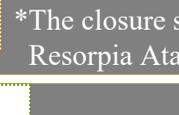
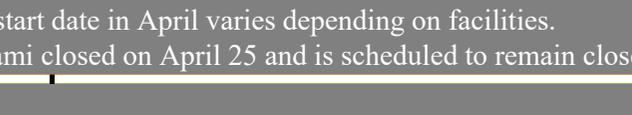
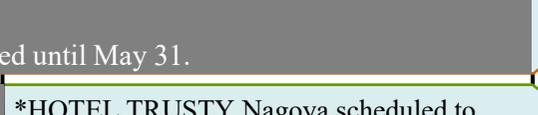
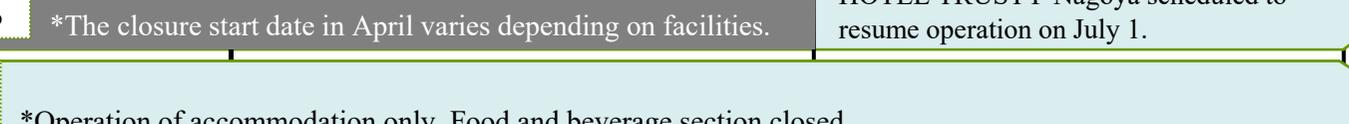
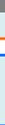
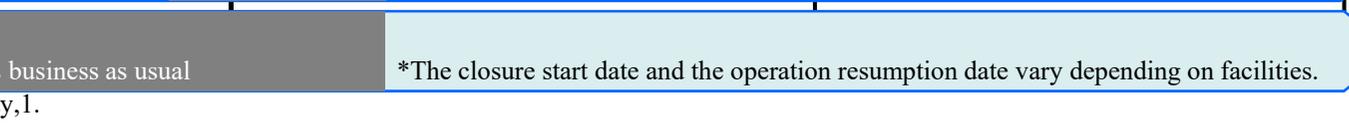
## ◆ Schedule for operation/closure of principal facilities as of May 21, 2020 (tentative)

...Operation  ...Closed 

\*The schedule is subject to change. For the latest situations and detailed information, please refer to “Topics” on the Resorttrust official website.

\*We are striving to enhance sanitation at our facilities in operation for the safety of our guests and employees.

(Reference: Resorttrust’s infection prevention measures <https://rt-clubnet.jp/hotels/sp/measures/>)

	March	April	May	June
<b>XIV - Baycourt</b>	8 facilities (total 1,493 rooms): Baycourt × 3, Rikyu × 4, Rokko SV			
	3 facilities (total 536 rooms): Hatsushima, Izu, Awajishima			
	18 facilities (total 2,270 rooms): Other XIV		 *XIV Hamanako was closed from April 29 to May 10	
<b>Sun Members</b>	2 facilities (total; 210 rooms): Shirakawa, Kagoshima		*Operation of accommodation only. Food and beverage section closed.	
	8 facilities (total 736 rooms): Other SUN members		*The closure start date in April varies depending on facilities. Resorpia Atami closed on April 25 and is scheduled to remain closed until May 31.	
<b>Trusty</b>	3 facilities (total 652 rooms) : Tokyo Bayside, Nagoya, Osaka Abeno		*The closure start date in April varies depending on facilities. *HOTEL TRUSTY Nagoya scheduled to resume operation on July 1.	
	7 facilities (total 1,296 rooms): Other Trusty		*Operation of accommodation only. Food and beverage section closed.	
<b>KAHALA</b>	1 facility (total; 338 rooms) : Hawaii		*As the hotel is located overseas, its performance will be reflected in consolidate result of operations three months later (FY2020 = January 2020 to December 2020)	
<b>Medical</b>	7 course all: HIMEDIC		* HIMEDIC Tokyo University Hospital business as usual	*The closure start date and the operation resumption date vary depending on facilities.
	17 facilities all: Health check-ups・clinic	*some facilities business as usual		*The closure start date and the operation resumption date vary depending on facilities.

\* Not including unopened facilities as of May,1.

# Business Forecast for FY2020 (undecided)



## Consolidated Targets

(Million yen)

	FY2019 results	FY2020 targets	Change
Net sales	159,145	<b>Undecided</b> although the impact of COVID-19 pandemic on economic activities is currently immeasurable, the Company expects the Japanese economy to deteriorate rapidly as demand is likely to decline against the background of voluntary restraint. The Group will announce the forecast as soon as it becomes possible to make reasonable estimates.	
Operating income	11,652		
Ordinary income	12,476		
Net income	7,135		
Net income per share (yen)	66.65		
Annual Cash dividend (yen)	40.00		
Contract Values of Membership (Billion yen)	62.7		

## <Operating Income by Segment (before allocation)>

(Million yen)

		FY2019 results	FY2020 targets	Change
Membership	Sales	38,948	<b>Undecided</b> (same as above)	
	Operating income	13,559		
Hotel and Restaurant	Sales	80,659		
	Operating income	92		
Medical	Sales	38,867		
	Operating income	5,829		
Other	Sales	670		
	Operating income	663		
head office costs	Operating income	(8,491)		
Total	Sales	159,145		
	Operating income	11,652		

## <Net Sales / Operating Income >

- Realization of revenue deferred in the previous year (realization of the deferred revenue recorded upon opening of facilities, excluding revenue deferred during the year)

FY2019: None

FY2020: Net sales of 20.2 billion yen and operating income of 6.6 billion yen for Yokohama Baycourt Club

Reference: Amount recorded as deferred revenue for the sales transactions recorded for Yokohama Baycourt Club (unit: Billion yen)

	FY2017	FY2018	FY2019	Total
Sales of real estate	3.5	6.2	10.5	20.2
Profit of real estate	1.2	2.1	3.4	6.6

- Differences from start-up costs associated with the opening  
FY2019: HOTEL TRUSTY, etc.,  
FY2020: Yokohama Baycourt Club/KAHALA
- Increase in depreciation cost  
Yokohama Baycourt Club/KAHALA (following the opening), systems investment, etc.
- Increase in membership fees  
Yokohama Baycourt Club (following the opening), increased membership of HM and XIV
- Decrease in revenue from BNCT equipment  
FY2019: Net sales of 1.4 billion yen. Operating income of 0.2 billion yen.  
FY2020: None
- ◆ Impact of COVID-19 (amount undetermined)
  - Partial downscaling of sales activities, decline in membership contract value
  - Decline in membership hotel occupancy rates, temporary closure of facilities
  - Decline in non-membership hotel occupancy rates, temporary closure of facilities (including THE KAHALA HOTEL & RESORT)
  - Temporary closure of non-membership health check-up facilities
  - Decline in the number of new occupants of facilities for the elderly
  - Fixed cost reduction, curtailment of variable costs, compensation for employees' leaves, etc.

# Group's Development Schedule



Within the red frame are assumptions at the time of formulation of the medium-term management plan and they are subject to change. (Schedule to be reviewed continuously in view of the change in the market environment and other factors)

<Sales and business commencement schedule May 21, 2020>

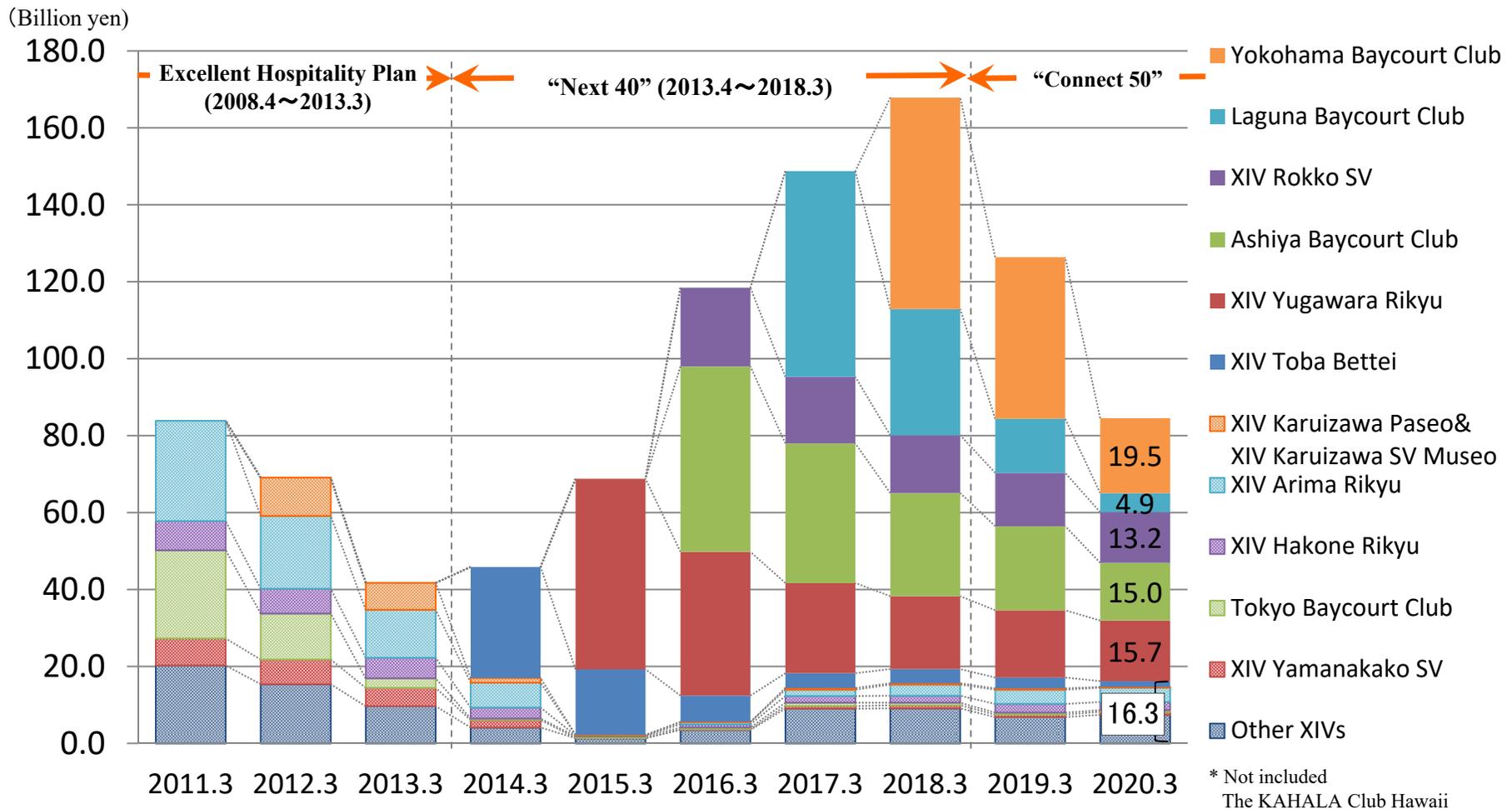
- Commencement of business and acquisition
- Commencement of sales
- Renewal opening

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												
				● XIV Yugawara Rikyu											
					● Ashiya Baycourt Club										
						● XIV Rokko SV									
							● Laguna Baycourt Club								
Business commencement schedule	Luxury hotel (LH)		● THE KAHALA						● THE KAHALA Yokohama	● LH①	● LH②				
	Hotel Trusty (HT)	● Kanazawa			● Nagoya Shirakawa			● Nihonbashi Hamacho		● HT①	● HT②				
	Medical examination club on a membership basis	● HIMEDIC Midtown		● HIMEDIC Tokyo Bay	● HIMEDIC Kyoto University Hospital	● HIMEDIC Nagoya			● Tokyo Nihonbashi	(Increase existing facility capacity)					
	Senior residence (SR)	● Mikage	● Todoroki	● Hongo	● Tokiwamatsu	● Activa Biwa	● Shijo Karasuma	● Shirakabe	● Ogikubo	● 5 facilities*	● SR①	● SR②	● SR③	● SR④	● SR⑤
Renewal	● Hakone		● Beppu	● Shirakawa	● Toba				● Atami	● Shinjuku					

\* Private Nursing Home "Felio Tamagawa" "Felio Seijyo" "Felio Tenjin" "Felio Momochi" & "Resius Momochi"

# Trend of sales inventories (contract value basis)

- During the period of the before the last medium-term management plan (April 2008 to March 2013) when the Group postponed development in view of the collapse of Lehman Brothers and the impact of the earthquake, inventories shrank.
- During the period of the previous medium-term management plan (April 2013 to March 2018), inventories temporarily increased to over 160 billion yen as the Group accelerated development and sales in response to the accumulated demand.
- Two years have passed since the launch of the current medium-term management plan “Connect 50.” The Group has sales inventories amounting to 84.6 billion yen as of March 31, 2020, which are sufficient for roughly two years. The Group will consider starting new projects in the current year.



\*Acquired development site: Kinugawa, Chiba(Suzumejima・Hota), Karuizawa, Hakonegora, Atamiizusan, Hamanako, Takashima. (March, 2020)

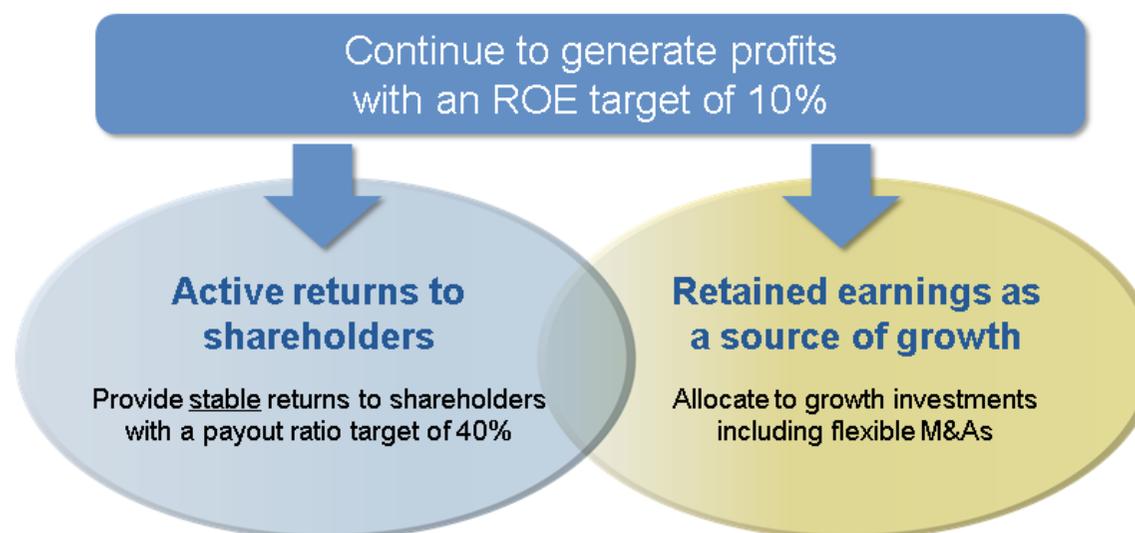
# Quantitative plan (consolidated) Medium-term Management Plan “Connect 50”



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

<As of May 2020>  
We are considering rolling the current medium-term management plan in FY2020, taking into account the impact of the Accounting Standard for Revenue Recognition whose application will start in FY2021 and changes in the external environment.

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)
- ◎ <The KAHALA Club Hawaii> Started to sales from FY2019

### Hotel and restaurant operations



Dramatically increase productivity and profitability

Develop THE KAHALA brand on a global basis and expand operations targeting the 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 for general consumers 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)

# Initiatives to strengthen and entrench the Group brand

“RTTG Point Club” was launched in April 2019 as part of initiatives to strengthen and entrench the Group brand under the Medium-term Management Plan “Connect 50”.

In addition to this measure, we will enhance the points of contact with customers to take initiatives with an aim to become a distinguished corporate group with its unique Group brand by fostering close membership ties that last for a lifetime, going beyond creation of value across individual businesses and product brands.

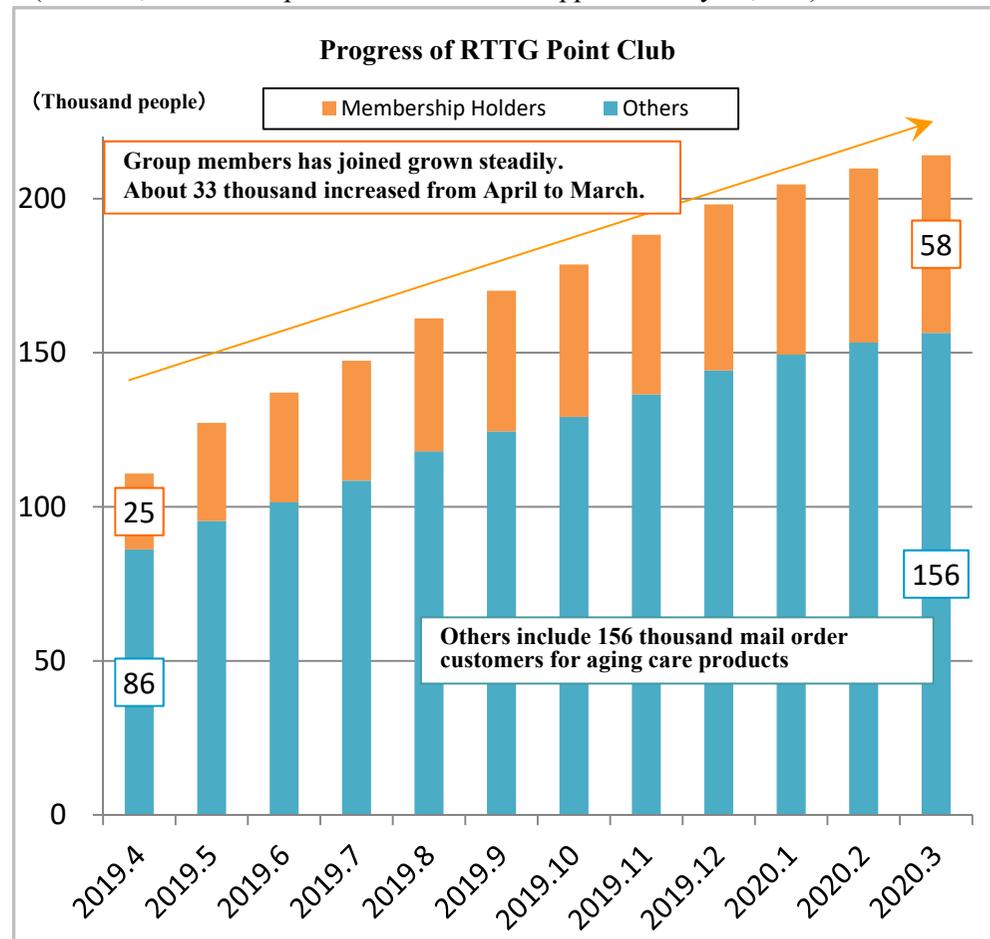
<Utilization of functions to create synergy>

- Push notifications → Announce the Group’s various plans, campaign information, etc. Disseminate information to stimulate use of the Group’s products and services in real time.
- Dissemination of information on the Group → Distribute information on enrichment of the Group’s various products and services, etc. to enhance membership holders’ recognition. In April, the launch of the clinics’ telemedicine services for the Group’s membership holders was announced.

Approximately 214,000 total point club members including the general public as of the end of 2020.3.

(Of these, membership holders increased to approximately 58,000.)

## ポイント獲得/利用対象



# Our group's ESG Outline①



## Resorttrust Group Management Philosophy

Hospitality Charter [Code of Conduct]

medium-term management plan “Connect 50”

## Materiality for the Group's business (risks and opportunities)

- Demand for stay and accommodation facilities for affluent people and general consumers (Japan & overseas)
- Tourism-oriented nation, regional revitalization, labor shortages, promotion of diversity
- Enrichment of high-quality and safe services and facilities for seniors
- Rising needs for health maintenance and preventative medical care through early detection
- R&D for highly advanced medical treatment and development of the aging care business.



Resolution of social issues  
Sustainable enhancement  
of corporate value

## <Categorization based on ESG issues>

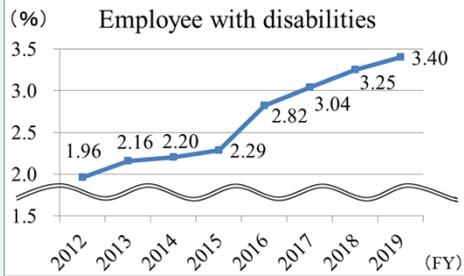
	Materiality for the Group's business (risks and opportunities)	Specific initiatives (examples)
E	<ul style="list-style-type: none"> <li>• Harmony with the natural environment, conservation of the ecosystem</li> <li>• Reduction of environmental impacts during development, energy saving, resource saving, promotion of recycling, prevention of contamination</li> </ul> <p>&lt;The beauty of nature is the most charming and irreplaceable asset for the resort business.&gt;</p> <p>Relevant policies: Environmental Policy (established in 2005)</p>	<ul style="list-style-type: none"> <li>• Shift to LED, mega-solar, eco-stay</li> <li>• Use of eco-cars</li> <li>• Origami Action (biodiversity)</li> <li>• Use of coffee beans certified by Rainforest Alliance</li> <li>• Tree-planting during development, green campaign, etc.</li> </ul>
S	<ul style="list-style-type: none"> <li>• Response to labor shortages by enhancing productivity, such as through promotion of digitization</li> <li>• Active participation of women in the hospitality industry to promote leisure, health and beauty</li> <li>• “Diversity” of human resources to respond to rapid change in society</li> </ul> <p>&lt;The Group's businesses share “hospitality” as a key concept and a source of strength.&gt;</p> <p>Medium-term target: Male employees taking childcare leave: 50%(March, 2024), ratio of female managers: 25%(April, 2025), number of holidays per year (hotel employees): 105 days→120 days (working hours: 2,085H→1,920H)</p>	<ul style="list-style-type: none"> <li>• Enhancement of employment of persons with disabilities (received various awards)</li> <li>• Revision and reduction of working hours, increase of the number of holidays</li> <li>• Establishment of the Diversity Promotion Office, promotion of activities</li> <li>• Declaration of “Health and Productivity Enterprise,” White 500</li> <li>• Kurumin certification obtained, enrichment of various internal plans</li> <li>• Promotion of workstyle reform by promoting systematization.</li> </ul>
	<ul style="list-style-type: none"> <li>• Contribution to regional vitalization and revitalization, enrichment of facilities corresponding to inbound demand</li> <li>• Joint research and technological innovation with medical institutions: To “create a society where cancer claims no precious lives”</li> <li>• Enrichment of nursing care facilities and services to create safe and affluent lifestyles</li> </ul> <p>&lt;Through provision of a wide range of leisure, health, and medical services to society, help customers discover and celebrate the very finest that life has to offer&gt;</p> <p>During the period covered by the current medium-term management plan: Development of hotels based on requests from and cooperation with local governments, such as the cities of Ashiya, Kumamoto, and Yokohama Double the profit by expanding the Medical Business (senior lifestyle facilities: approx. 1,500 rooms→3,000 rooms)</p>	<ul style="list-style-type: none"> <li>• Local recruitment (creation of employment in regions)</li> <li>• Local production for local consumption, dietary education and regional activities</li> <li>• Planning and participation in experiences in nature</li> <li>• Securing of safety and quality of facilities and products</li> <li>• Enhancement of facilities for health check-ups, enrichment of medical and nursing care facilities</li> </ul> <p><b>Development of equipment for Boron Neutron Capture Therapy (BNCT) → Start of clinical trial in November 2019</b></p>
G	<ul style="list-style-type: none"> <li>• Strong relationships of trust with stakeholders, management of various risks</li> <li>• Securing management transparency (enhancement of the ratio of outside directors, promotion of diversity)</li> <li>• Averting the risk of “galapagosization” of corporate management because of the distinctive nature of the Group's business</li> </ul> <p>&lt;Losing trust is the greatest risk.&gt;</p>	<ul style="list-style-type: none"> <li>• Structure: Company with Audit and Supervisory Committee</li> <li>• Voluntary committees: 2 (Remuneration Advisory Committee, Appointment Advisory Committee)</li> <li>• Ratio of outside directors: 35.0%, ratio of female directors: 11.8%</li> <li>• Establishment of the Risk Management Committee, enrichment of the structure</li> </ul>

# Our group's ESG Outline②



## <External evaluation associated with ESG>

	Certified as one of the enterprises in the “Health and Productivity Enterprises 2020 list for the fourth consecutive year (Ministry of Economy, Trade and Industry, Nippon Kenko Kaigi)	February. 2020	
Reception of Encouragement Award (President of Japan Organization for Employment of the Elderly, Persons with Disabilities and Job Seekers Award) for “Fiscal Year 2019 Good Example of Workplace Improvement for Employment of Persons with Disabilities” (Sponsor: Japan Organization for Employment of the Elderly, Persons with Disabilities and Job Seekers (independent administrative organization); Benefactor: Ministry of Health, Labour and Welfare).			
	ISO 27001 (standard for information security management systems): The head office and certain branches have been certified (started acquiring certifications in 2015)	October. 2019	
	Selected as an excellent company from among the “Aichi Shining Women Companies” for FY2019 (Aichi Prefecture)	October. 2019	
	The Company’s 24 employee cafeterias received the highest recognition (three stars) under the Healthy Meal and Dietary Environment Consortium Smart Meal certification system.	October. 2019	
	ISO 14001 (standard for environmental management systems): Acquired at 37 principal sites (started acquiring certifications in 2015)	July. 2019	
	2017 Constituent MSCI日本株女性活躍指数 (WIN)	Selected as a constituent of the MSCI Japan ESG Select Leaders Index (MSCI)	June. 2019
	Member of SNAM Sustainability Index 2019	Selected as a constituent of the SNAM Sustainability Index for FY2019 (Sompo Japan Nipponkoa Asset Management)	June. 2019
	Received “Ikumen Ikuboss Award” as part of the Aichi Prefecture Family Friendly Company Commendations for FY2018 (Aichi Prefecture)	February. 2019	

	Obtained the Next-generation Certification Mark known as “Kurumin certification” for the second time in 2019 (Ministry of Health, Labour and Welfare) *Obtained Kurumin certification for the first time in 2016.	January. 2019																		
Received the Excellent Company Award for Employment of Persons with Disabilities under Tokyo Metropolis’ program for commendation of excellent companies for employment of persons with disabilities for FY2017 (Tokyo Metropolis)																				
Received the FY2015 Japan Organization for Employment of the Elderly, Persons with Disabilities and Job Seekers President’s Award for Effort (excellent site for employment of persons with disabilities) (Japan Organization for Employment of the Elderly, Persons with Disabilities and Job Seekers)																				
	Selected for inclusion in FY2014 Diversity Management Selection 100 (Ministry of Economy, Trade and Industry)	March. 2015																		
Received the Minister of Health, Labour and Welfare Award (the highest award) for FY2013 for “Workplace improvement best practices for employment of persons with disabilities” (hosted by Japan Organization for Employment of the Elderly, Persons with Disabilities and Job Seekers under the auspices of the Ministry of Health, Labour and Welfare)																				
	<p>The former Emperor and the Empress visited the Tokyo Head Office Clerical Work Support Center in connection with the Company’s receipt of the Minister of Health, Labour and Welfare Award</p>  <table border="1"> <caption>Employee with disabilities (%)</caption> <thead> <tr> <th>Fiscal Year (FY)</th> <th>Percentage (%)</th> </tr> </thead> <tbody> <tr><td>2012</td><td>1.96</td></tr> <tr><td>2013</td><td>2.16</td></tr> <tr><td>2014</td><td>2.20</td></tr> <tr><td>2015</td><td>2.29</td></tr> <tr><td>2016</td><td>2.82</td></tr> <tr><td>2017</td><td>3.04</td></tr> <tr><td>2018</td><td>3.25</td></tr> <tr><td>2019</td><td>3.40</td></tr> </tbody> </table>		Fiscal Year (FY)	Percentage (%)	2012	1.96	2013	2.16	2014	2.20	2015	2.29	2016	2.82	2017	3.04	2018	3.25	2019	3.40
Fiscal Year (FY)	Percentage (%)																			
2012	1.96																			
2013	2.16																			
2014	2.20																			
2015	2.29																			
2016	2.82																			
2017	3.04																			
2018	3.25																			
2019	3.40																			

<Reference>

- (1) **Group point system “RTTG Point Club” was started to operate. (April, 2019)**
- (2) **It was resolved to discontinue the “Measures Against Large-scale Purchases of Company Shares” at the conclusion of the 46th Annual General Meeting of Shareholders. (June 27, 2019)**
- (3) **Held of the Resorttrust Ladies golf championship was held at Grandee Hamanako Golf Club. (from May 31 to June 2, 2019)**
- (4) **The Dunlop Srixon Fukushima Open was held at Grandee Nasu Shirakawa Golf Club’s course for consecutive years. (from June 27 to June 30, 2019)**
- (5) **Opening a Private Nursing Home “Trust Garden Ogikubo”. (August 1, 2019)**
- (6) **Trust Garden Co., Ltd., a company in the Group, has acquired shares of Senior Life Company Ltd. from LIXIL Corporation and started to operate of five facilities (390 rooms) owned by Senior Life Company Ltd. (September 2, 2019)**
- (7) **“Hotel Trusty Premier Nihonbashi Hamacho” started to operate. (September 12, 2019)**
- (8) **“Hotel Trusty Premier Kumamoto” started to operate. (October 9, 2019)**
- (9) **Membership Sales Launch for Grand HIMEDIC Club “HIMEDIC Tokyo Nihonbashi Course”. (October 16, 2019)**
- (10) **Cancer Intelligence Care Systems, Inc., a Group company, started a clinical trial of Boron Neutron Capture Therapy (BNCT) for malignant melanoma and angiosarcoma. (November 2019)**
- (11) **Started contracted operation of ENGLISH GARDEN Rosa & Berry Tawada’s DAICHI no Restaurant (Maibara City, Shiga Prefecture) (January 8, 2020)**
- (12) **Reception of Encouragement Award for Fiscal Year 2019 Good Example of Workplace Improvement for Employment of Persons with Disabilities. (January 29, 2020)**
- (13) **Membership sales of THE KAHALA HOTEL & RESORT started exclusively for the Group’s membership holders. (February 2020)**
- (14) **Released “Notice of revisions of financial results and dividend forecasts for FY2019” (March 17, 2020)**

- (1) **Exclusive membership resorts, YOKOHAMA BAYCOURT CLUB HOTEL & SPA RESORT and THE KAHALA HOTEL & RESORT YOKOHAMA, to open (The scheduled opening on June 17 was postponed. The opening dates are to be announced.)**
- (2) **Nihonbashi Muromachi Mitsui Tower Midtown Clinic opened. (Departments gradually started providing services.)**
  - **Health check-up/examination department: Service started on May 18.**
  - **Outpatient treatments: Service started on May 11.**
- (3) **GRAND HIMEDIC CLUB “HIMEDIC Tokyo Nihonbashi Course” to start service (Scheduled in June)**

**\*The 28th Resorttrust Ladies, which is an annual golf championship the Company has been sponsoring for many years, and DUNLOP SRIXON Fukushima Open whose venue was to be the Group’s golf course were cancelled this year.**

## Contract Values of Membership FY2019

(April to March)

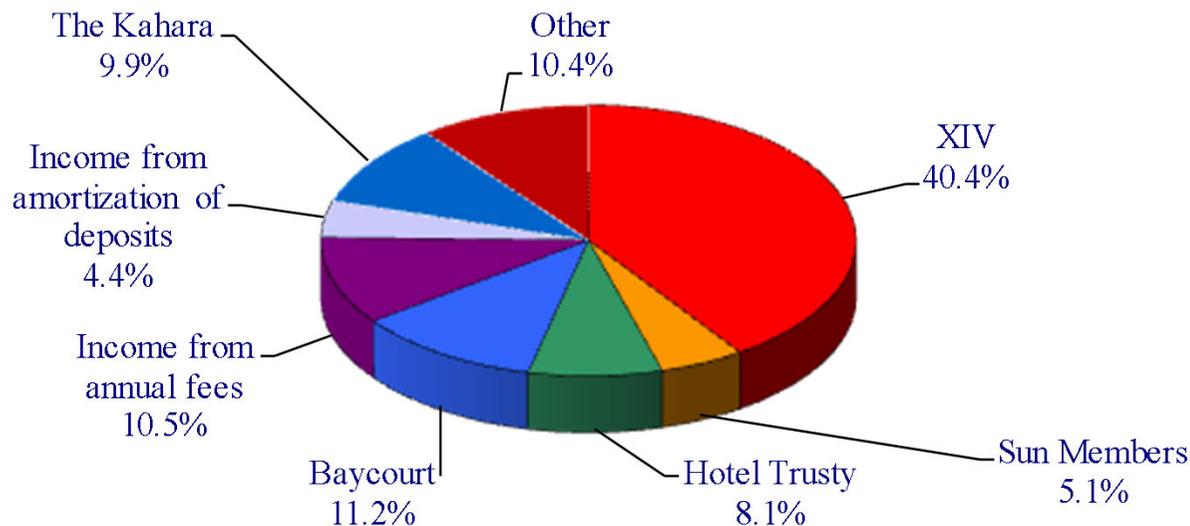
	(Billion yen)				<Reference>	(Billion yen)
	2020/3 results	2019/3 results	YoY Change	2020/3 Progress rate of contract (cumulative)	2020/3 (initial plan)	initial plan Difference
The KAHALA Club Hawaii	<b>1.9</b>	—	+1.9	—	—	+1.9
Yokohama Baycourt Club	<b>22.7</b>	13.0	+9.7	68.8%	14.4	+8.2
Laguna Baycourt Club	<b>10.9</b>	19.6	(8.7)	96.9%	13.7	(2.8)
XIV Rokko SV	<b>0.8</b>	1.2	(0.4)	48.6%	2.0	(1.2)
Ashiya Baycourt Club	<b>7.9</b>	6.2	+1.7	85.6%	7.9	(0.0)
XIV Yugawara Rikyu	<b>2.4</b>	2.0	+0.4	77.5%	3.5	(1.1)
Other Hotels	<b>10.2</b>	9.7	+0.5	—	12.1	(1.9)
<b>Hotel Membership Total</b>	<b>56.7</b>	<b>51.6</b>	<b>+5.1</b>	<b>—</b>	<b>53.6</b>	<b>+3.1</b>
Golf	<b>0.4</b>	<b>0.3</b>	<b>+0.2</b>	—	0.2	+0.2
HIMEDIC	<b>5.7</b>	<b>5.3</b>	<b>+0.4</b>	—	6.1	(0.4)
<b>Total</b>	<b>62.8</b>	<b>57.2</b>	<b>+5.6</b>	<b>—</b>	<b>59.9</b>	<b>+2.9</b>

\* Progress rate of the total contract amount

# Sales of Membership Segment FY2019 (April to March)

		(Billion yen)			<Reference>	(Billion yen)
		2020/3 results	2019/3 results	YoY Change	2020/3 (initial plan)	initial plan Difference
The KAHALA Club Hawaii		0.8	-	+0.8	-	+0.8
Yokohama Baycourt Club		20.2	11.7	+8.5	13.0	+7.1
Laguna Baycourt Club		9.8	17.8	(8.1)	12.5	(2.7)
XIV Rokko SV		0.7	1.1	(0.4)	1.8	(1.1)
Ashiya Baycourt Club		7.1	5.6	+1.5	7.2	(0.1)
XIV Yugawara Rikyu		2.0	1.7	+0.2	3.2	(1.3)
Other Hotels		8.3	7.0	+1.3	7.1	+1.2
<b>Hotel Membership Total</b>		<b>48.9</b>	<b>44.9</b>	<b>+4.0</b>	<b>44.9</b>	<b>+4.0</b>
Deferred Sales	Yokohama Baycourt Club	(10.7)	(6.2)	(4.4)	(6.9)	(3.8)
	Laguna Baycourt Club	-	20.5	(20.5)	-	-
	XIV Rokko SV	-	4.7	(4.7)	-	-
<b>All Hotels</b>		<b>38.2</b>	<b>63.8</b>	<b>(25.6)</b>	<b>38.0</b>	<b>+0.2</b>
Other		0.7	0.2	+0.5	1.1	(0.4)
<b>Membership Operations Total</b>		<b>38.9</b>	<b>64.0</b>	<b>(25.1)</b>	<b>39.1</b>	<b>(0.2)</b>

# Sales of Hotel and Restaurant Segment FY2019 (April to March)



	2020/3 results	2019/3 results	<Reference>(Million yen)
			(Million yen)
			<Reference>(Million yen)
			2020/3 (initial plan)
XIV	<b>32,626</b>	34,802	37,451
Sun Members	<b>4,117</b>	4,719	5,002
Hotel Trusty	<b>6,511</b>	6,631	8,140
Baycourt	<b>9,035</b>	7,116	11,268
Income from annual fees	<b>8,449</b>	7,694	8,408
Income from amortization of deposits	<b>3,544</b>	3,189	3,618
The Kahara	<b>7,998</b>	8,260	8,174
Other	<b>8,377</b>	7,967	8,566
<b>Total</b>	<b>80,659</b>	80,383	90,630

## Operations by category FY2019 (April to March)

### <HOTEL>

Number of overnight visitors

(Thousands)

	2018/3 results	2019/3 results	<b>2020/3 results</b>	<Reference> 2020/3 (initial plan)
XIV	1,864	1,839	<b>1,761</b>	1,944
Sun Members	431	418	<b>366</b>	435
Hotel Trusty	696	689	<b>685</b>	797
Baycourt	145	217	<b>281</b>	364

Occupancy rates

(%)

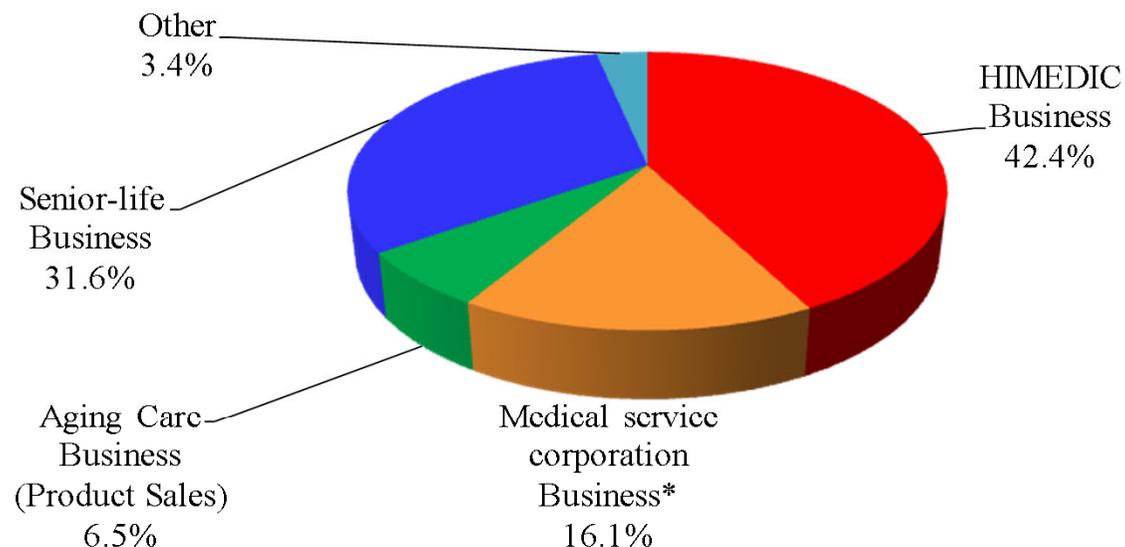
	2018/3 results	2019/3 results	<b>2020/3 results</b>	<Reference> 2020/3 (initial plan)
XIV	50.8	50.2	<b>48.0</b>	52.4
Sun Members	60.4	60.4	<b>57.5</b>	64.4
Hotel Trusty	91.7	90.4	<b>77.0</b>	90.7
Baycourt	54.6	48.3	<b>43.1</b>	55.1

Spending per visitor

(yen)

	2018/3 results	2019/3 results	<b>2020/3 results</b>	<Reference> 2020/3 (initial plan)
XIV	19,340	18,915	<b>18,523</b>	19,259
Sun Members	11,139	11,268	<b>11,228</b>	11,482
Hotel Trusty	9,752	9,612	<b>9,492</b>	10,205
Baycourt	32,940	32,671	<b>32,098</b>	30,898

# Sales of Medical Segment FY2019 (April to March)



	(Millions yen)		<Reference>(Millions yen)
	2020/3 results	2019/3 results	2020/3 (initial plan)
HIMEDIC Business	16,479	15,437	16,731
Medical service corporation Business*	6,275	6,093	6,211
Aging Care Business(Product Sales)	2,540	2,743	3,076
Senior-life Business	12,299	10,401	13,627
Other	1,272	(196)	1,373
<b>Total</b>	<b>38,867</b>	<b>34,478</b>	<b>41,020</b>

※Operation support for general medical service business, etc.

## <Senior residences and private nursing homes>

	2020/3 results	2019/3 results	2020/3 (initial plan)
Occupancy rates(%)	88.5	86.4	94.7
number of rooms	2,100	1,659	2,100

\*Life Assist Bashamichi started to operate (July, 2018), Trust Grace Shirakabe stated to operate (March, 2019)

\*Trust Garden Ogikubo Started to operate (August, 2019), Started to operate 5 facilities(total 390 room)(September, 2019).

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



## « Method of recording sales and income from property before hotel opening » P.32

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.

Fiscal year	Results for FY2014 (2015/3)		Results for FY2015 (2016/3)		Results for FY2016 (2017/3)		Results for FY2017 (2018/3)		Results for FY2018 (2019/3)		Targets for FY2019 (2020/3)	
	Sales	Income	Sales	Income	Sales	Income	Sales	Income	Sales	Income	Sales	Income
Contract amount of properties before completion of construction	(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) 13.0 billion		(Yokohama Baycourt) 22.7 billion	
Deferred sales and income from properties												
Yokohama Baycourt							(3.5)	(1.2)	(6.2)	(2.1)	(10.5)	(3.4)
Laguna Baycourt					(10.2)	(3.2)	(10.4)	(3.4)	+20.5 *	+7.1		
XIV Rokko SV			(2.1)	(0.4)	(1.4)	(0.3)	(1.1)	(0.2)	+4.7 *	+1.1		
Ashiya Baycourt			(15.3)	(5.4)	(6.1)	(2.2)	+21.2 *	+8.2				
XIV Yugawara Rikyu	(4.7)	(1.3)	(5.5)	(1.7)	+10.2 *	+3.4						
XIV Toba Bettei (From FY 2013)	(6.3)	(1.7)	+9.8 *	+3.0								
<b>Value affected(Single Year)</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>+6.2</b>	<b>+3.4</b>	<b>+18.9</b>	<b>+6.1</b>	<b>(10.5)</b>	<b>(3.4)</b>

Sales (20.2) and income (6.6) deferred will be realized in FY2020.

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

Financial highlights of consolidated results	Results for FY2014 (2015/3)		Results for FY2015 (2016/3)		Results for FY2016 (2017/3)		Results for FY2017 (2018/3)		Results for FY2018 (2019/3)		Targets for FY2019 (2020/3)	
	Sales	Operating income										
Disclosed figures (Recorded value)	120.4	16.0	142.2	18.6	143.5	13.5	165.4	17.7	179.5	18.9	159.1	11.6
(For reference)① Value excluding effects of deferred values	131.4	19.1	155.4	23.2	151.0	15.8	159.2	14.3	160.7	12.8	169.7	15.0
(For reference)② ①+ Excluding effects of extra costs	131.4	19.1	155.4	23.8	151.0	17.0	159.2	16.2	160.7	14.4	169.7	16.0

# <Reference>

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

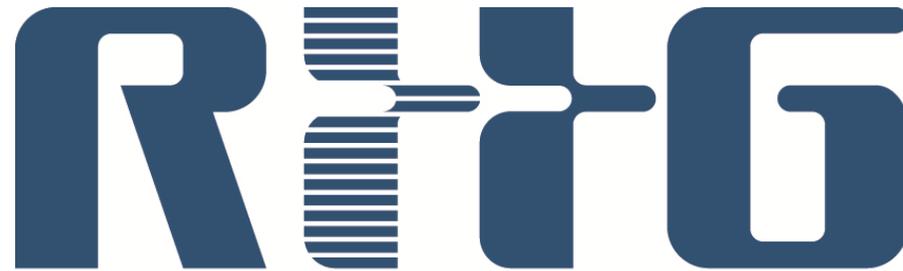
	Contract	Framework	Completion of Construction	
Total payment (100%)	60% of sale price received	80% of sale price received	100% of sale price received	
Security deposit (10%)	Member pays deposit upon signing contract			Liability incurred when contract signed*2
Registration fee (40%)	Member pays registration 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		
<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.



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