

# Financial results Presentation For the year ended September 30, 2016



**” Laguna Baycourt Club” (Scheduled to be opened in Spring, 2019)**

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

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

- **Results Highlights for 2Q FY 2016** **P.2-4**
- **Overview of revised plan for FY 2016** **P.5**
- **Developments in Progress and Strategy for the Medium-term Management Plan “Next 40”** **P.6**
- **Plans and Measures Highlights for FY 2016** **P.7**

# Financial Highlights

(¥ millions)

	2016/9 (results)	2016/9 (targets)	Difference	2015/9 (results)	YoY Change
Net Sales	65,207	71,700	(9.1%)	65,721	(0.8%)
Operating Income	4,727	6,800	(30.5%)	8,870	(46.7%)
Ordinary Income	4,761	7,700	(38.2%)	9,570	(50.2%)
Net Income	3,612	5,000	(27.7%)	7,062	(48.8%)

## <Difference>

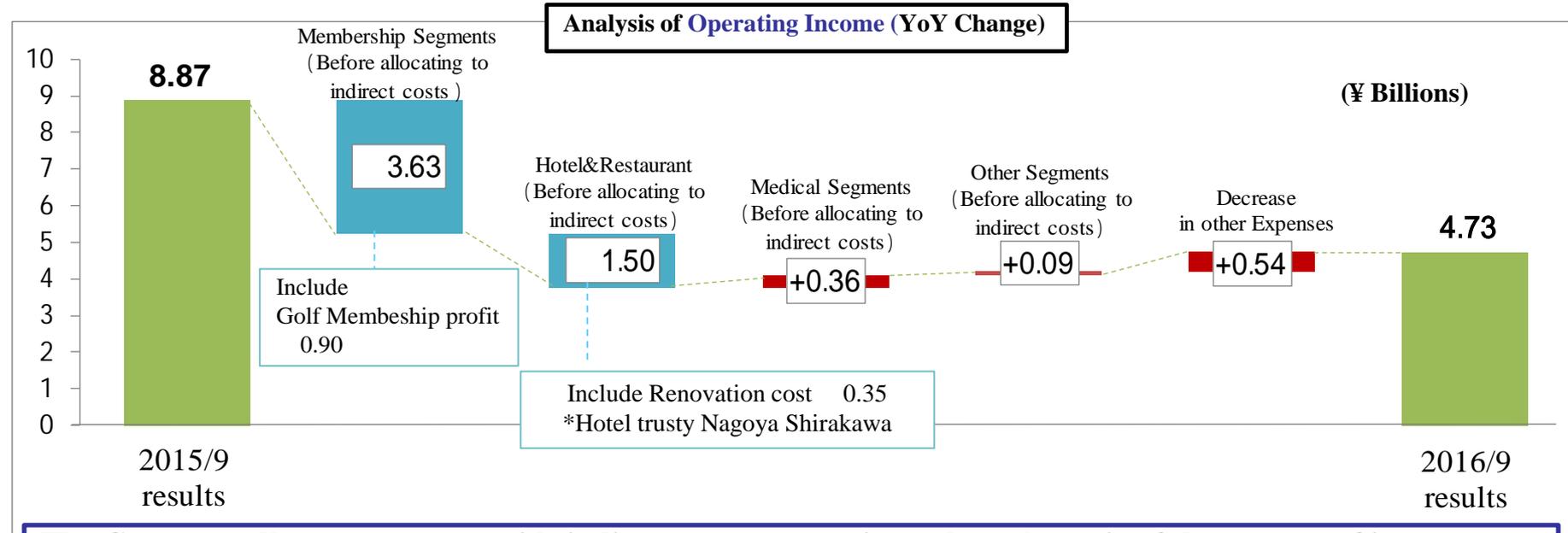
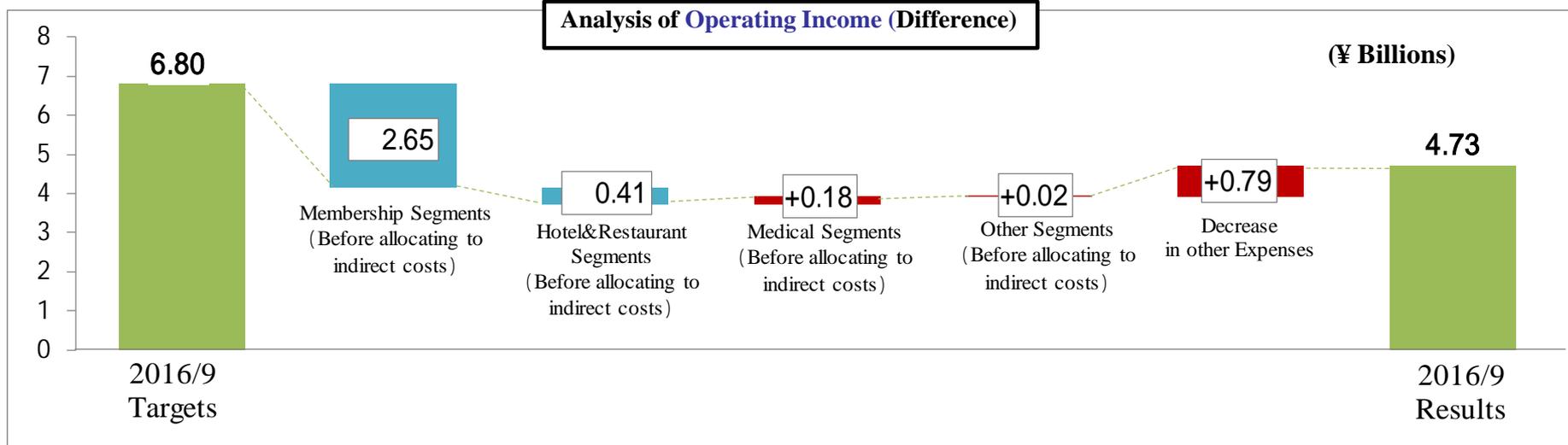
- Aside from the lower income in the Membership Operation Segment due to a decrease in sales volume of hotel memberships and an increase in sales of unopened properties (higher deferred revenue), income was lower in the Hotel and Restaurant Operation Segment as well due to factors such as weather conditions.
- Other than the above, foreign exchange losses of ¥1.04 billion were recorded, contributing to lower ordinary income.

## <YoY Change>

- Lower income was due to the transient revenue from the sale of golf club membership recorded during the same period of the previous year (impact on profit: approximately (¥0.9 billion))
- Other than the above, principal factors for lower income were a decline in contract amounts due to effects of saturation of Ashiya sales, and forward personnel expenses and rebranding costs incurred in the Hotel and Restaurant Operation Segment.

# Analysis of Operating Income

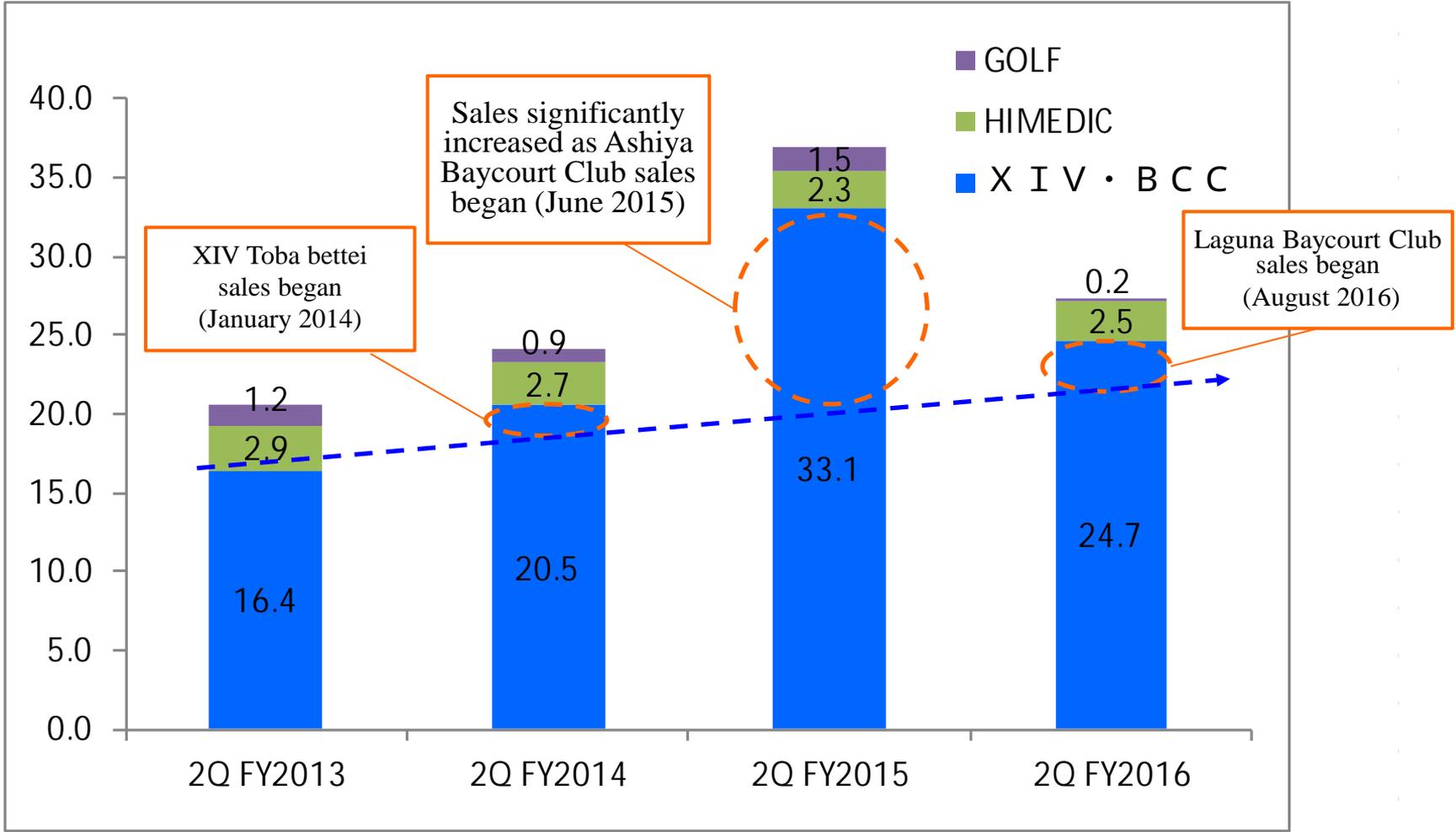
(Before allocating overhead cost)



The Company allocates companywide indirect costs proportionately to the ratio of the amount of income before allocation in each segment (for segment income after allocation, see p.11)

# Contract Values for 2Q

Although sales during 2Q (April-September) of FY2016 fell short of initial plans, there were no significant changes to trends and contract amounts are steadily growing year by year, except for FY2015 in which the release of Ashiya was a prominent factor.



- - - - - Base growth line for hotel membership contract amounts (approximation)

# Overview of revision Target

## Consolidated Targets

(¥ millions)

	2017/3 initial targets	2017/3 revision targets	Change
Net sales	160,400	152,000	(8,400)
Operating income	17,700	14,200	(3,500)
Ordinary income	19,500	15,100	(4,400)
Net income	13,200	10,200	(3,000)
Net income per share (¥)	124.14	95.85	
Annual Cash dividend (¥)	46.00	46.00	

(¥ billions)

Contract Values of Membership	69.9	61.3	8.6
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## <Assumptions for revised second half plans>

### Key changes versus initial plans

(Second half: Net sales ¥1.9 billion, operating income down ¥1.4 billion \*versus initial plans)

- Contract amounts down ¥2.0 billion (¥36.0 billion to ¥34.0 billion)
- Yugawara Rikyu: Lower deferred profits to be realized during FY2016 \*Recorded upon opening in March
- Medical: Higher sales due to strong operations by Kosei Co., Ltd., etc. Cancer Intelligence Care Systems, Inc. newly consolidated (no effect on income for FY2016)
- Certain costs to decrease, etc., such as indirect costs, etc. (portions linked to sales, etc.)

## Segment Sales

(¥ millions)

	2017/3 initial targets	2017/3 revision targets	Change
Membership	57,080	47,560	(9,520)
Hotel and Restaurant	76,460	75,260	(1,200)
Medical	25,560	28,010	+2,450
Other	1,300	1,170	(130)
Total	160,400	152,000	(8,400)

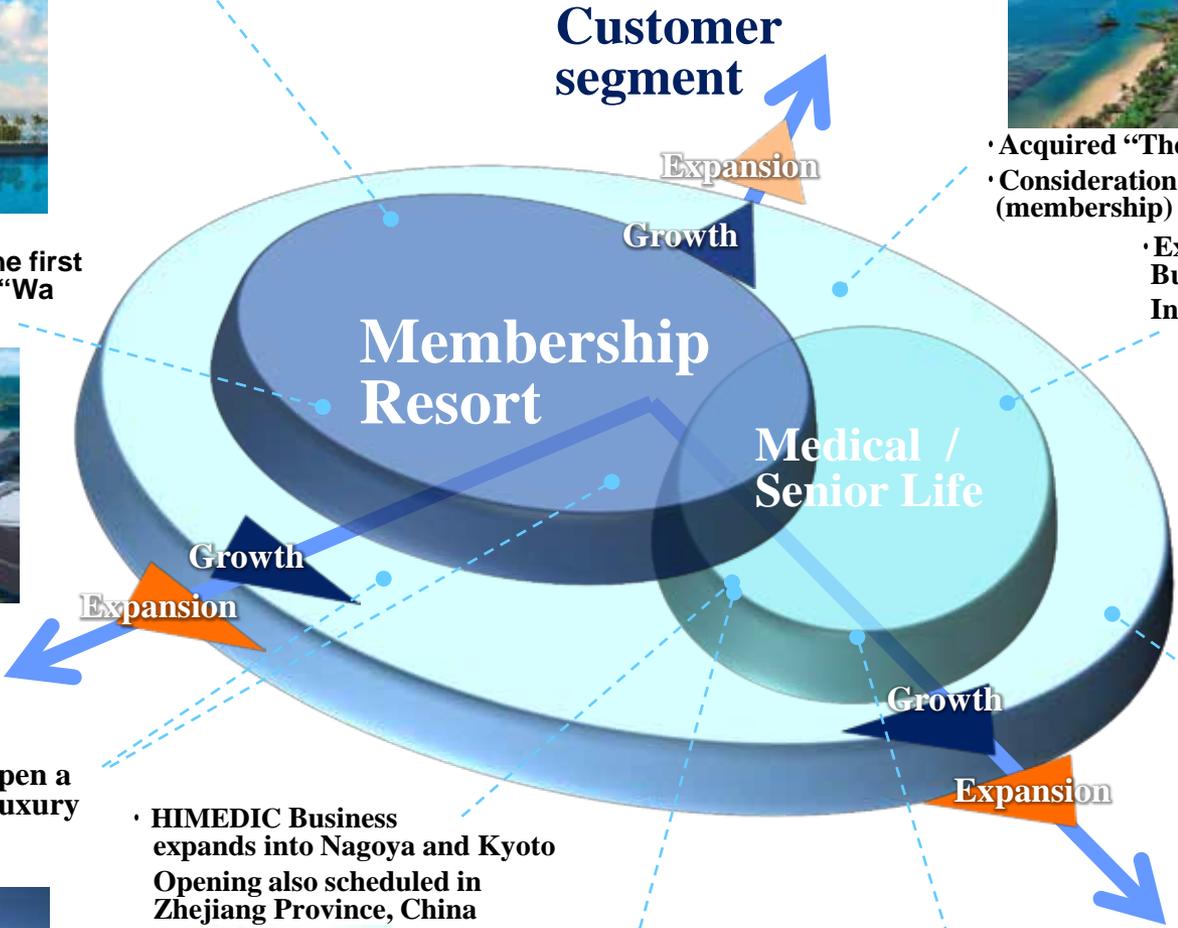
## Segment Operating Income

(¥ millions)

	2017/3 initial targets	2017/3 revision targets	Change
Membership	9,940	6,780	(3,160)
Hotel and Restaurant	3,460	3,120	(340)
Medical	3,720	3,770	+50
Other	580	530	(50)
Total	17,700	14,200	(3,500)

# Developments in the Medium- to Long-term Strategy

**Medium-term Management Plan  
"Next 40" Strategic Image Diagram**



- Acquired "The Kahala Hotel & Resort"
- Consideration of extended stay facilities (membership)

- Expand Senior Life Business
- Increase number of rooms



- Hotel Trusty Expansion into Hokuriku area



## Business Area

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

- Expand healthcare business (Group investment: 50%)

- HIMEDIC Business expands into Nagoya and Kyoto
- Opening also scheduled in Zhejiang Province, China



- Penetration of Baycourt brand (Urban membership hotel)



- "XIV Toba Bettei" opened, the first property to make full use of "Wa (Japanese style)"



## Business Fields

- In Yokohama, plan to open a Baycourt with general luxury hotel annex (our first)



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# Measures Highlights for Fiscal Year 2016

- “Trust Garden Tokiwamatsu” opened (April 2016)



- Expansion of healthcare business, made Kosei Co., Ltd. a consolidated subsidiary (May 16, 2016) (Commencement of joint venture with the ORIX Group)
- Two HIMEDIC bases to open (June, July 2016)



(HIMEDIC Kyoto University Hospital)



(HIMEDIC Nagoya)

- “Hotel Trusty Nagoya Shirakawa” Rebrand open (June 2016)



- Laguna Baycourt Club sales began (August 2016)



- XIV Yugawara Rikyu to open (March 2017)



Motivating work environment  
(Employee satisfaction)

Seeking excellent hospitality  
(Customer satisfaction)

Improved brand strength

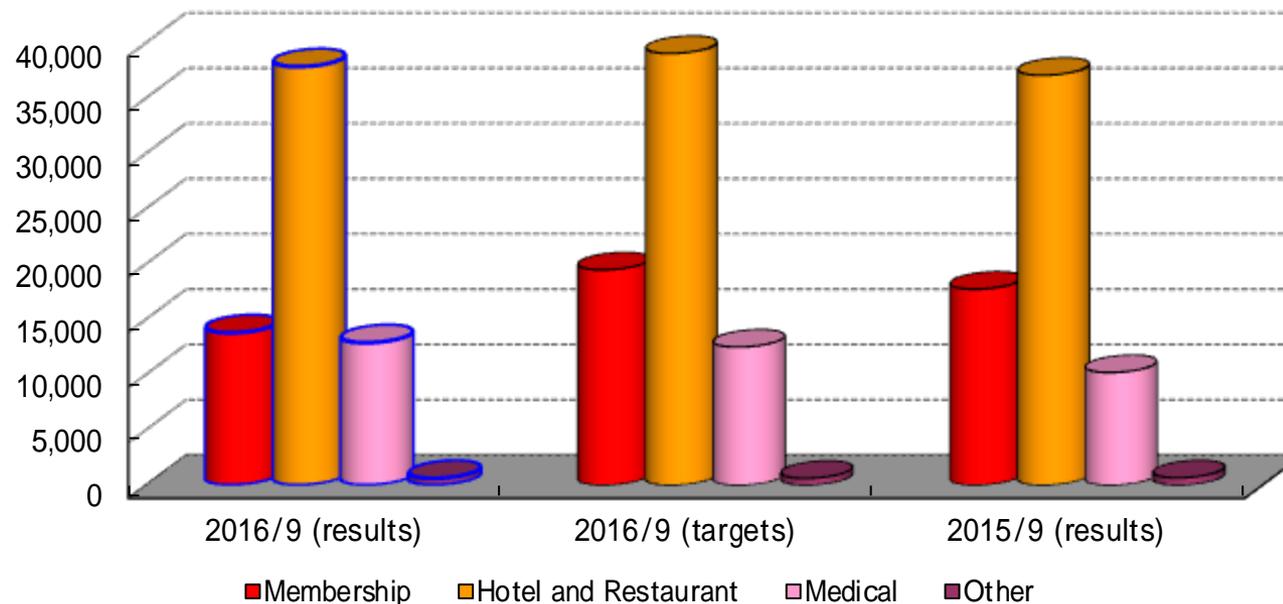
## Section 2: Details of Results for 2Q FY 2016 and Targets for Fiscal Year 2016

- **Topics for Fiscal Year 2016** **P. 9**
- **Results Details for 2Q FY2016** **P. 10-25**  
(by segment, contract values, etc.)
- **Outlook for the Fiscal Year 2016** **P. 26-29**

# Topics for Fiscal Year 2016

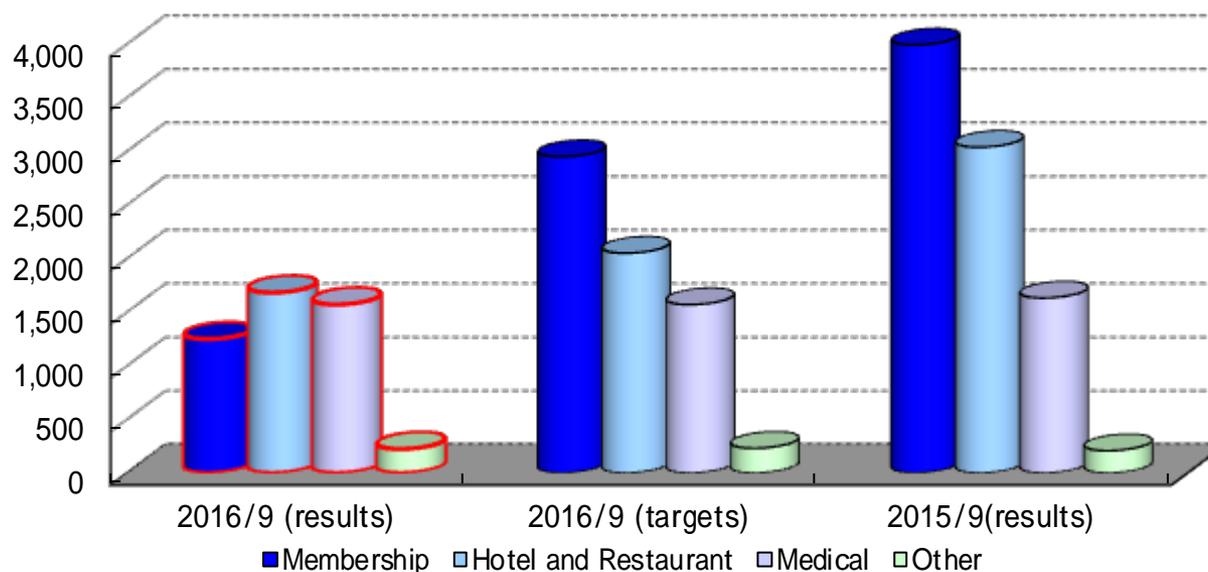
- (1) Opened a private nursery home “Trust Garden Tokiwamatsu,” in Shibuya Ward, Tokyo.(April 1, 2016)**
- (2) Launch of Healthcare Business Through Joint Venture between ORIX Corporation and the Resorttrust Group. Made Kosei Co., Ltd. a consolidated subsidiary in May 2016. (May 16, 2016)**
- (3) Holding of the Resorttrust Ladies golf championship was held at Grandee Naruto Golf Club 36. (from May 27 to May 29, 2016)**
- (4) “Hotel Trusty Nagoya Shirakawa” reopened.(June 20, 2016)**
- (5) “HIMEDIC Kyoto University Hospital” opened.(June 20, 2016)**
- (6) “HIMEDIC Nagoya” opened.(July 5, 2016)**
- (7) The Dunlop Srixon Fukushima Open was held at Grandee Nasu Shirakawa Golf Club’s course for conservative years. (from July 21 to July 24, 2016)**
- (8) Started Membership Sales for Exclusive Membership Resort “LAGUNA BAYCOURT CLUB HOTEL & SPA RESORT”.(since August 22, 2016)**
- (9) Acquired the land for a New Hotel at Atami city in Shizuoka Prefecture. (October 27, 2016)**
- (10) Announced Revision of Forecasts and Dividend plan. (October 28, 2016)**
- (11) “XIV Yugawara Rikyu” is scheduled to be opened.(March, 2017)**

# Segment Sales



	Membership	Hotel and Restaurant	Medical	Other	Total
2016/9 (results)	<b>13,804</b>	<b>37,863</b>	<b>12,903</b>	<b>636</b>	<b>65,207</b>
2016/9 (targets)	19,490	39,060	12,510	640	71,700
Difference	(29.2%)	(3.1%)	+3.1%	(0.6%)	(9.1%)
2015/9 (results)	17,744	37,083	10,206	686	65,721
YoY Change	(22.2%)	+2.1%	+26.4%	(7.4%)	(0.8%)

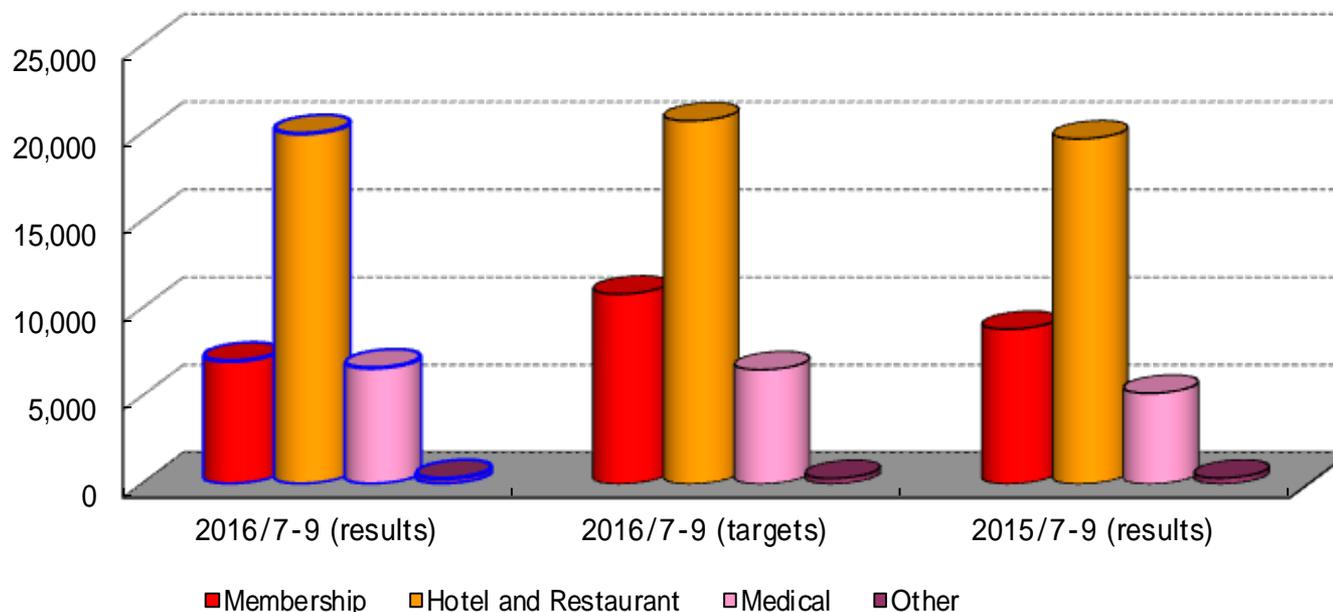
# Segment Operating Income



(¥ millions)

	Membership	Hotel and Restaurant	Medical	Other	Total
<b>2016/9 (results)</b>	<b>1,249</b>	<b>1,682</b>	<b>1,571</b>	<b>223</b>	<b>4,727</b>
2016/9 (targets)	2,950	2,050	1,570	230	6,800
Difference	(57.6%)	(17.9%)	+0.1%	(2.8%)	(30.5%)
2015/9(results)	3,992	3,038	1,632	207	8,870
YoY Change	(68.7%)	(44.6%)	(3.7%)	+7.5%	(46.7%)

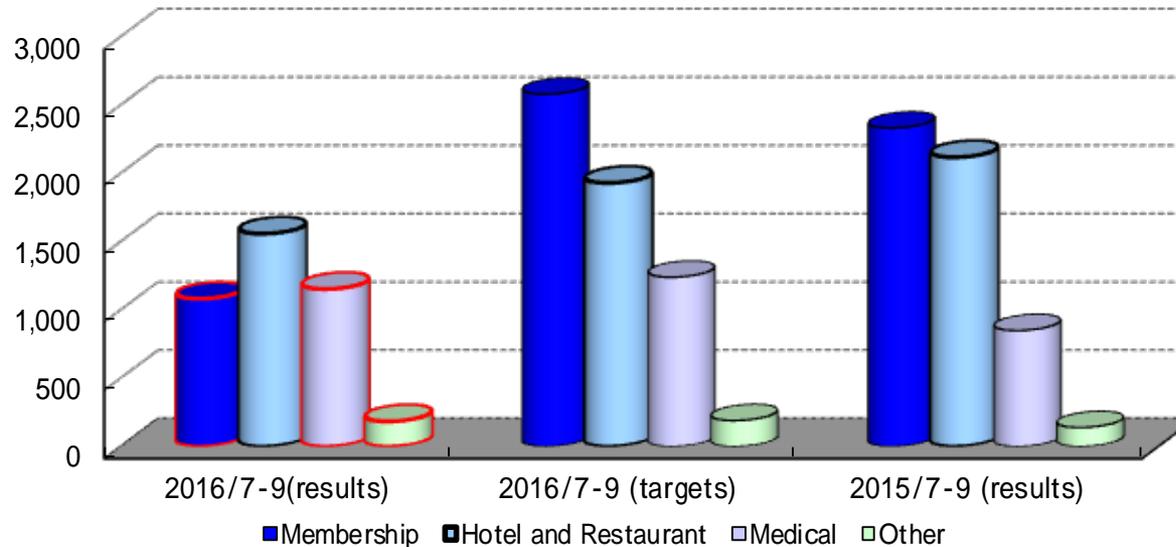
# Segment Sales ( 2<sup>nd</sup> Quarter )



(¥ millions)

	Membership	Hotel and Restaurant	Medical	Other	Total
<b>2016/7-9 (results)</b>	<b>7,019</b>	<b>19,991</b>	<b>6,626</b>	<b>316</b>	<b>33,955</b>
2016/7-9 (targets)	10,840	20,720	6,520	320	38,400
Difference	(35.2%)	(3.5%)	+1.6%	(1.0%)	(11.6%)
2015/7-9 (results)	8,825	19,690	5,182	341	34,040
YoY Change	(20.5%)	+1.5%	+27.9%	(7.3%)	(0.3%)

# Segment Operating Income ( 2<sup>nd</sup> Quarter )



(¥ millions)

	Membership	Hotel and Restaurant	Medical	Other	Total
2016/7-9 (results)	1,082	1,558	1,153	184	3,978
2016/7-9 (targets)	2,580	1,930	1,240	190	5,940
Difference	(58.1%)	(19.2%)	(7.0%)	(2.9%)	(33.0%)
2015/7-9 (results)	2,332	2,118	849	139	5,439
YoY Change	(53.6%)	(26.4%)	+35.7%	+32.7%	(26.9%)

# Contract Values of Membership

(¥ billions)

	2016/9 results	2016/9 targets	Difference	2015/9 results	YoY Change	* Progress rate of contract (cumulative)	2017/3 revision targets
Laguna Baycourt Club	3.7	-	+3.7	-	+3.7	5.0%	12.4
XIV Rokko SV	1.4	2.9	(1.5)	-	+1.4	23.7%	3.4
Ashiya Baycourt Club	7.7	6.6	+1.1	17.6	(9.9)	48.3%	15.0
XIV Yugawara Rikyu	5.7	10.4	(4.6)	4.8	+0.9	46.3%	13.8
XIV Toba Bettei	2.9	5.3	(2.4)	5.0	(2.1)	89.2%	3.8
Other Hotels	3.4	6.3	(3.0)	5.8	(2.5)	-	7.4
<b>Hotel Membership Total</b>	<b>24.7</b>	<b>31.4</b>	<b>(6.7)</b>	<b>33.2</b>	<b>(8.5)</b>	<b>-</b>	<b>55.9</b>
Golf	0.2	0.2	(0.0)	1.4	(1.2)	-	0.4
<b>Membership Operations Total</b>	<b>24.9</b>	<b>31.6</b>	<b>(6.7)</b>	<b>34.7</b>	<b>(9.7)</b>	<b>-</b>	<b>56.3</b>
HIMEDIC	2.5	2.4	+0.1	2.3	+0.1	-	5.0
<b>Total</b>	<b>27.4</b>	<b>34.0</b>	<b>(6.6)</b>	<b>37.0</b>	<b>(9.6)</b>	<b>-</b>	<b>61.3</b>

revised on Oct. 28 2016

\* Progress rate of the total contract amount

# Sales of Membership Segment

(¥ billions)

		2016/9 results	2016/9 targets	Difference	2015/9 results	YoY Change	2017/3 revision targets
Laguna Baycourt Club		3.3	-	+3.3	-	+3.3	11.4
XIV Rokko SV		1.2	2.6	(1.4)	-	+1.2	3.1
Ashiya Baycourt Club		7.0	6.0	+1.0	16.0	(9.1)	13.6
XIV Yugawara Rikyu		4.6	9.5	(4.9)	4.2	+0.4	12.1
XIV Toba Bettei		2.6	5.0	(2.3)	4.4	(1.7)	3.4
Other Hotels		2.7	5.1	(2.5)	4.6	(1.9)	6.4
<b>Hotel Membership Total</b>		<b>21.4</b>	<b>28.2</b>	<b>(6.7)</b>	<b>29.2</b>	<b>(7.7)</b>	<b>50.2</b>
Deferred Sales	Laguna Baycourt Club	(1.9)	-	(1.9)	-	(1.9)	(6.5)
	XIV Rokko SV	(0.6)	(1.4)	+0.8	-	(0.6)	(1.7)
	Ashiya Baycourt Club	(3.9)	(3.4)	(0.6)	(9.0)	+5.1	(7.6)
	XIV Yugawara Rikyu	(2.3)	(5.4)	+3.1	(2.3)	(0.0)	10.3
	XIV Toba Bettei	-	-	-	(2.4)	+2.4	-
<b>All Hotels</b>		<b>12.7</b>	<b>18.0</b>	<b>(5.3)</b>	<b>15.5</b>	<b>(2.8)</b>	<b>44.7</b>
Golf		0.1	0.1	(0.0)	1.0	(1.0)	0.1
<b>Subtotal</b>		<b>12.8</b>	<b>18.1</b>	<b>(5.3)</b>	<b>16.5</b>	<b>(3.7)</b>	<b>44.8</b>
Other		1.0	1.4	(0.4)	1.2	(0.2)	2.7
<b>Membership Operations Total</b>		<b>13.8</b>	<b>19.5</b>	<b>(5.7)</b>	<b>17.7</b>	<b>(3.9)</b>	<b>47.6</b>

revised on Oct. 28 2016

# Contract Values of Membership ( 2<sup>nd</sup> Quarter )

(¥ billions)

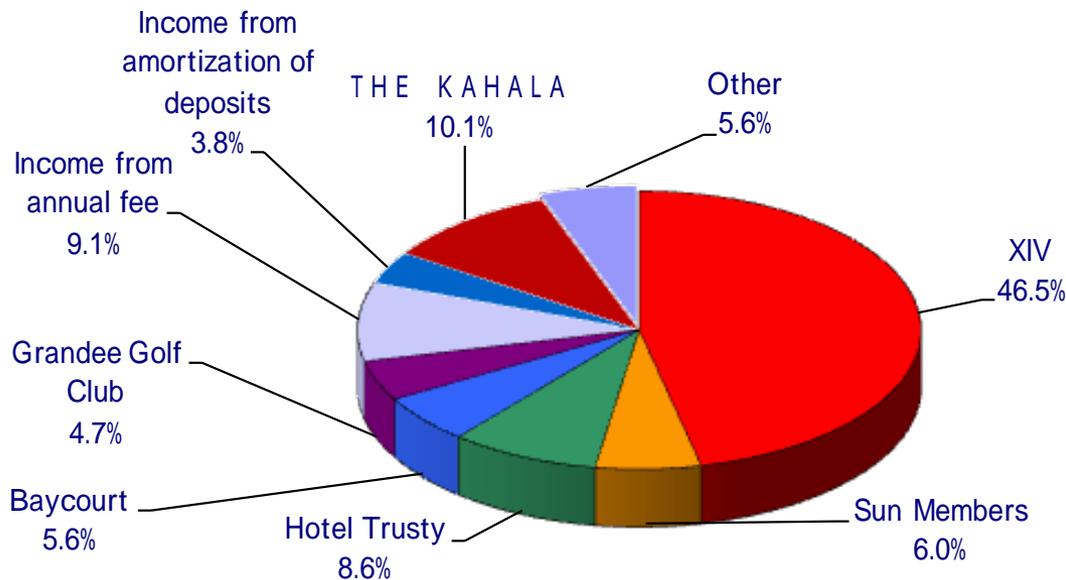
	2016/7-9 results	2016/7-9 targets	Difference	2015/7-9 results	YoY Change
Laguna Baycourt Club	3.7	-	+3.7	-	+3.7
XIV Rokko SV	0.9	1.6	(0.7)	-	+0.9
Ashiya Baycourt Club	3.7	3.7	+0.0	13.0	(9.3)
XIV Yugawara Rikyu	3.5	5.8	(2.3)	1.7	+1.8
XIV Toba Bettei	0.9	2.9	(2.1)	1.1	(0.2)
Other Hotels	1.5	3.6	(2.0)	2.9	(1.3)
<b>Hotel Membership Total</b>	<b>14.2</b>	<b>17.6</b>	<b>(3.4)</b>	<b>18.7</b>	<b>(4.5)</b>
Golf	0.1	0.1	+0.0	0.2	(0.1)
<b>Membership Operations Total</b>	<b>14.3</b>	<b>17.7</b>	<b>(3.4)</b>	<b>18.9</b>	<b>(4.6)</b>
HIMEDIC	1.2	1.3	(0.2)	1.0	+0.2
<b>Total</b>	<b>15.5</b>	<b>19.1</b>	<b>(3.5)</b>	<b>20.0</b>	<b>(4.4)</b>

# Sales of Membership Segment ( 2<sup>nd</sup> Quarter )

(¥ billions)

		2016/7-9 results	2016/7-9 targets	Difference	2015/7-9 results	YoY Change
Laguna Baycourt Club		3.3	-	+3.3	-	+3.3
XIV Rokko SV		0.8	1.5	(0.7)	-	+0.8
Ashiya Baycourt Club		3.4	3.4	(0.0)	11.9	(8.5)
XIV Yugawara Rikyu		2.8	5.3	(2.5)	1.4	+1.4
XIV Toba Bettei		0.8	2.8	(1.9)	1.0	(0.2)
Other Hotels		1.2	2.9	(1.7)	2.2	(1.0)
<b>Hotel Membership Total</b>		<b>12.3</b>	<b>15.8</b>	<b>(3.5)</b>	<b>16.5</b>	<b>(4.1)</b>
Deferred Sales	Laguna Baycourt Club	(1.9)	-	(1.9)	-	(1.9)
	XIV Rokko SV	(0.4)	(0.8)	+0.4	-	(0.4)
	Ashiya Baycourt Club	(1.9)	(1.9)	+0.0	(6.7)	+4.8
	XIV Yugawara Rikyu	(1.4)	(3.0)	+1.6	(0.7)	(0.6)
	XIV Toba Bettei	-	-	-	(0.5)	+0.5
<b>All Hotels</b>		<b>6.7</b>	<b>10.1</b>	<b>(3.4)</b>	<b>8.5</b>	<b>(1.7)</b>
Golf		0.0	0.0	+0.0	0.1	(0.0)
<b>Subtotal</b>		<b>6.8</b>	<b>10.1</b>	<b>(3.4)</b>	<b>8.5</b>	<b>(1.8)</b>
Other		0.2	0.7	(0.5)	0.3	(0.1)
<b>Membership Operations Total</b>		<b>7.0</b>	<b>10.8</b>	<b>(3.8)</b>	<b>8.8</b>	<b>(1.8)</b>

# Sales of Hotel and Restaurant Segment



(¥ millions)

	2016/9 results	2016/9 targets	2015/9 results	2017/3 revision targets
XIV	17,593	18,262	16,830	33,982
Sun Members	2,286	2,409	2,305	4,662
Hotel Trusty	3,238	3,309	3,061	6,530
Baycourt	2,129	2,318	2,228	4,559
Grandee Golf Club	1,772	1,821	1,737	3,041
Income from annual fees	3,460	3,479	3,370	6,994
Income from amortization of deposits	1,442	1,457	1,441	2,900
THE KAHALA	3,809	4,066	3,935	8,348
Other	2,129	1,933	2,172	4,239
<b>Total</b>	<b>37,863</b>	<b>39,060</b>	<b>37,083</b>	<b>75,260</b>

# Operations by category

## < HOTEL >

Number of overnight visitors

(Thousands)

	2015/9 results	2016/9 results	2016/9 targets	2015/3 results	2016/3 results	2017/3 revision targets
XIV	989	987	1,036	1,815	1,786	1,843
Sun Members*	248	221	237	496	477	445
Hotel Trusty*	320	334	340	603	637	673
Baycourt	73	68	76	135	150	148

Occupancy rates

(%)

	2015/9 results	2016/9 results	2016/9 targets	2015/3 results	2016/3 results	2017/3 revision targets
XIV	57.9	56.4	58.6	54.0	54.0	53.4
Sun Members*	65.5	62.1	66.9	64.7	65.2	64.0
Hotel Trusty*	92.9	92.0	93.1	89.7	92.5	92.1
Baycourt	58.0	54.5	61.0	53.2	59.5	59.4

Spending per visitor

(¥)

	2015/9 results	2016/9 results	2016/9 targets	2015/3 results	2016/3 results	2017/3 revision targets
XIV	17,017	17,820	17,615	17,822	17,901	18,433
Sun Members*	9,281	10,329	10,131	9,591	9,759	10,477
Hotel Trusty*	9,537	9,669	9,725	8,835	9,667	9,698
Baycourt	30,127	30,864	30,476	32,458	30,206	30,722

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

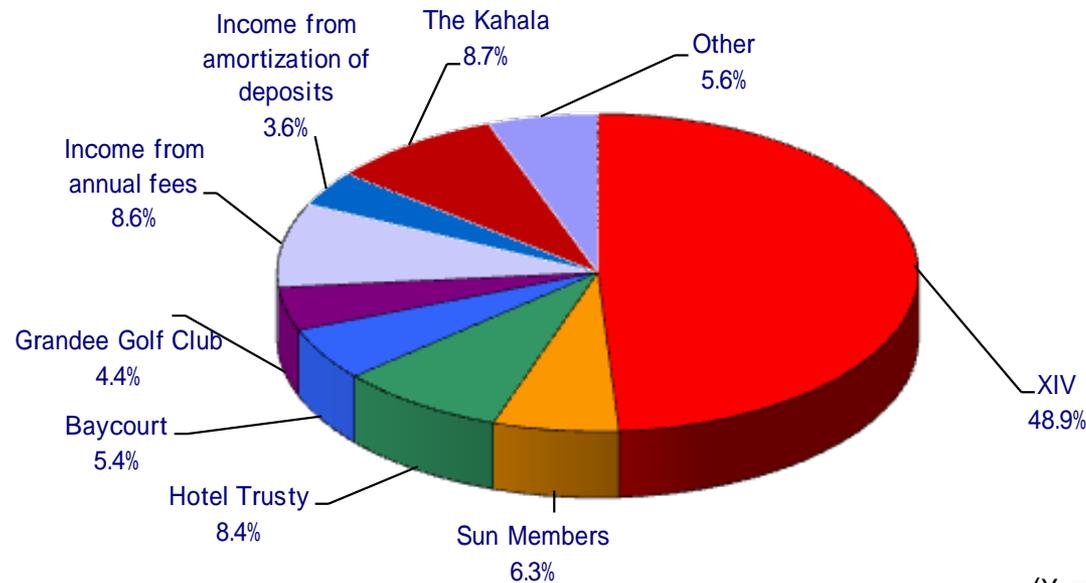
## < Senior residences and private nursery homes >

	2015/9 results	2016/9 results	2016/9 targets	2015/3 results	2016/3 results	2017/3 revision targets
Occupancy rates(%)	86.8	88.7	91.4	80.8	87.6	94.9
number of rooms	1,025	1,075	1,075	907	1,025	1,075

Trust Garden Tokiwamatsu : Opened on April 1, 2016.

revised on Oct. 28 2016

# Sales of Hotel and Restaurant Segment ( 2<sup>nd</sup> Quarter )



(¥ millions)

	2016/7-9 results	2016/7-9 targets	2015/7-9 results
XIV	9,783	10,074	9,311
Sun Members	1,264	1,321	1,215
Hotel Trusty	1,677	1,747	1,602
Baycourt	1,079	1,194	1,145
Grandee Golf Club	887	966	911
Income from annual fees	1,714	1,742	1,667
Income from amortization of deposits	724	728	720
THE KAHALA	1,747	2,002	2,013
Other	1,112	942	1,101
<b>Total</b>	<b>19,991</b>	<b>20,720</b>	<b>19,690</b>

# Operations by category ( 2<sup>nd</sup> Quarter )

## < HOTEL >

Number of overnight visitors (Thousands)

	2015/7-9 results	2016/7-9 results	2016/7-9 targets
XIV	593	591	616
Sun Members	133	121	130
Hotel Trusty	166	178	182
Baycourt	39	37	40

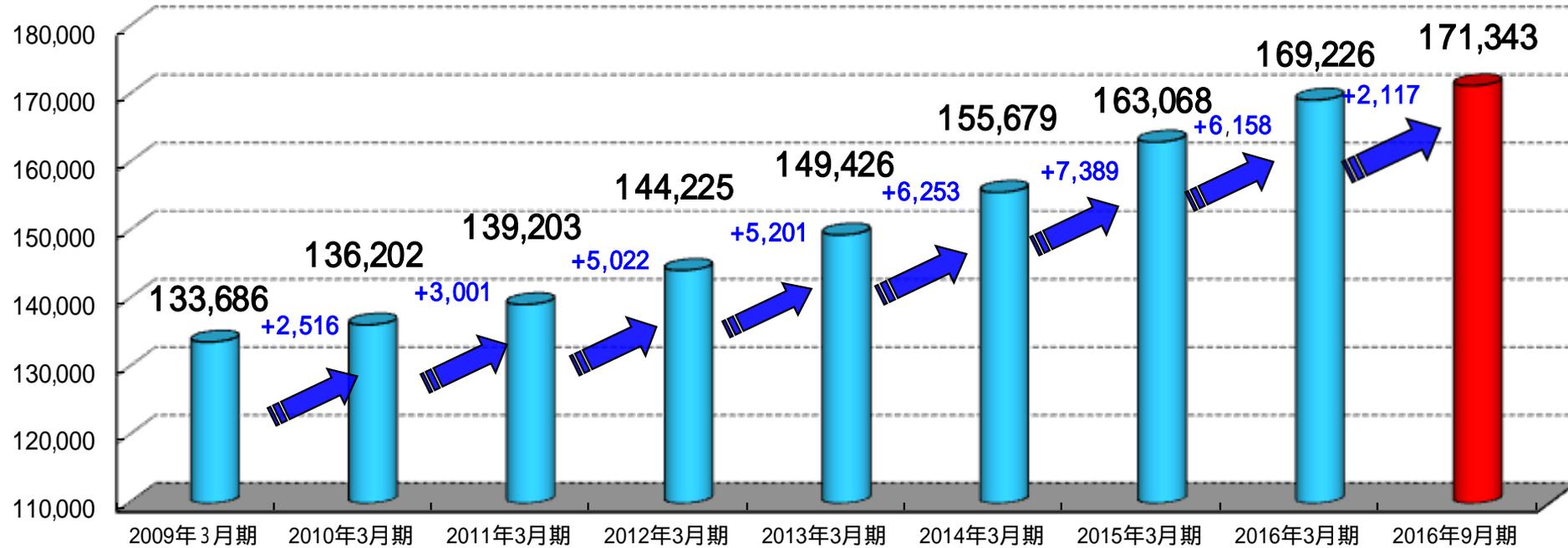
Occupancy rates (%)

	2015/7-9 results	2016/7-9 results	2016/7-9 targets
XIV	67.0	65.3	67.2
Sun Members	67.2	64.4	69.5
Hotel Trusty	94.4	92.9	93.7
Baycourt	60.3	56.8	63.5

Spending per visitor (¥)

	2015/7-9 results	2016/7-9 results	2016/7-9 targets
XIV	15,691	16,544	16,337
Sun Members	9,139	10,411	10,128
Hotel Trusty	9,646	9,380	9,551
Baycourt	28,793	29,073	29,505

# Number of Members



(Members)

	Baycourt	XIV	Sun Members	Golf	Medical	Cruiser	Total
2016/3	10,646	76,546	35,103	31,343	15,132	456	169,226
2016/9	11,444	77,320	34,840	31,280	16,021	438	171,343
Change 2016/3-2016/9	+798	+774	(263)	(63)	+889	(18)	+2,117
Change 2015/3-2015/9	+1,101	+1,071	(200)	+820	+959	+15	+3,766



**“XIV Yugawara Rikyu” (scheduled to be opened on March, 2017)**

# Consolidated Balance Sheets

(¥ millions)

	2016/3	2016/9	Change		2016/3	2016/9	Change
<b>Total current assets</b>	<b>147,250</b>	<b>130,981</b>	<b>(16,268)</b>	<b>Total current liabilities</b>	<b>81,794</b>	<b>73,720</b>	<b>(8,073)</b>
Cash and deposits	24,742	23,350	(1,391)	Notes and accounts payable-trade	1,123	1,143	+19
Notes and accounts receivable-trade	6,738	7,761	+1,022	Short-term loans payable	12,842	8,168	(4,673)
Operating loans	38,050	38,646	+596	Current portion of bonds	450	250	(200)
Short-term investment securities	28,466	9,953	(18,512)	Accounts payable-other and accrued expenses	27,616	15,003	(12,613)
Merchandise, raw materials and supplies	1,742	2,140	+397	Advance received	25,227	33,586	+8,359
Real estate for sale	5,614	4,818	(795)	Other	14,533	15,567	+1,034
Real estate for sale in process	27,902	35,197	+7,294	<b>Total noncurrent liabilities</b>	<b>213,119</b>	<b>211,381</b>	<b>(1,738)</b>
Deferred tax assets	3,985	3,943	(41)	Bonds payable and long-term loans payable	63,423	61,380	(2,043)
Other	10,007	5,169	(4,838)	Long-term guarantee deposited	103,098	100,765	(2,333)
<b>Total noncurrent assets</b>	<b>260,179</b>	<b>261,817</b>	<b>+1,637</b>	Bonds with subscription rights to shares	30,242	30,221	(21)
Property, plant and equipment, net	156,884	153,972	(2,912)	Other	16,354	19,013	+2,658
Intangible assets	4,341	9,445	+5,104	<b>Total liabilities</b>	<b>294,914</b>	<b>285,101</b>	<b>(9,812)</b>
Investments and other assets	98,954	98,399	(554)	<b>Net Assets</b>	<b>112,515</b>	<b>107,696</b>	<b>(4,819)</b>
				Shareholders' equity	108,109	109,210	+1,101
				Treasury shares	(3,451)	(3,070)	+381
				Accumulated Other Comprehensive Income	3,694	(2,654)	(6,348)
				Subscription rights to shares	16	-	(16)
				Non-controlling interests	4,146	4,210	+63
<b>Total assets</b>	<b>407,430</b>	<b>392,798</b>	<b>(14,631)</b>	<b>Total liabilities and net assets</b>	<b>407,430</b>	<b>392,798</b>	<b>(14,631)</b>

# Consolidated Cash Flows

	(¥ millions)	
	2015/9	2016/9
Cash flows from operating activities	(1,921)	5,616
Cash flows from investing activities	(36,662)	(1,134)
Cash flows from financing activities	(3,315)	(7,220)
Effect of exchange rate changes on cash and cash equivalents	(52)	(31)
Net increase (decrease) in cash and cash equivalents	(41,951)	(2,768)
Increase (decrease) in cash and cash equivalents resulting from changes of scope of consolidation	(944)	-
Cash and cash equivalents at end of period	23,508	22,707

# Outlook for the Fiscal Year 2016

# Targets for Fiscal Year 2016

	2016/3 (results)	2017/3 revision targets	
	(¥ millions)	(¥ millions)	Change
Net sales	142,249	152,000	+ 6.9%
Operating income 《vs. net sales (%)》	18,640 《13.1%》	14,200 《9.3%》	(23.8%)
Ordinary income 《vs. net sales (%)》	19,439 《13.7%》	15,100 《9.9%》	(22.3%)
Net income 《vs. net sales (%)》	13,044 《9.2%》	10,200 《6.7%》	21.8%

Net income per share (¥)	123.34	95.85
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Annual Cash dividend (¥)	46.00	46.00
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revised on Oct. 28 2016

# Net Sales by segment for Fiscal Year 2016

## <Sales>

(¥ millions)

	<b>2016/3 (result)</b>	<b>2017/3 revision targets</b>	
Membership	46,282	47,560	+ 2.8%
Hotel and Restaurant	72,817	75,260	+ 3.4%
Medical	21,806	28,010	+28.4%
Other	1,344	1,170	(13.0%)
<b>Total</b>	<b>142,249</b>	<b>152,000</b>	<b>+6.9%</b>

revised on Oct. 28 2016

# Operating Income by segment for Fiscal Year 2016

## <Operating Income>

(¥ millions)

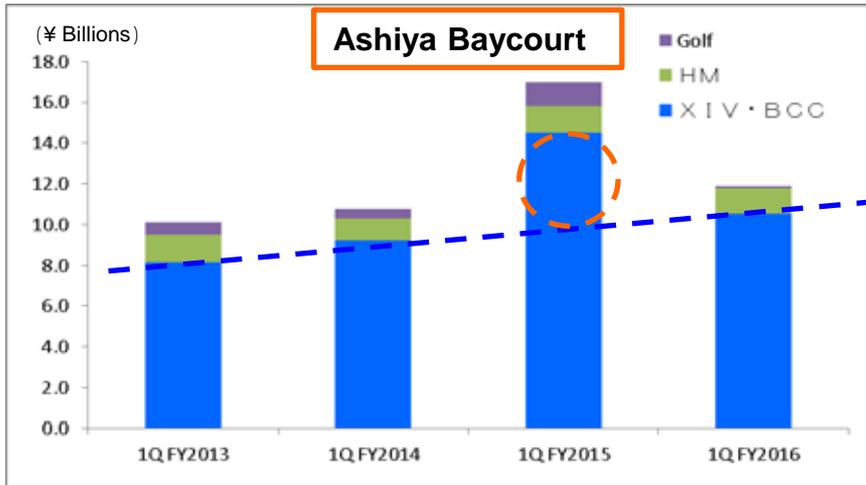
	<b>2016/3 (result)</b>	<b>2017/3 revision targets</b>	
<b>Membership</b>	9,898	6,780	(31.5%)
<b>Hotel and Restaurant</b>	4,567	3,120	(31.7%)
<b>Medical</b>	3,629	3,770	+ 3.9%
<b>Other</b>	545	530	(2.9%)
<b>Total</b>	18,640	14,200	(23.8%)

revised on Oct. 28 2016

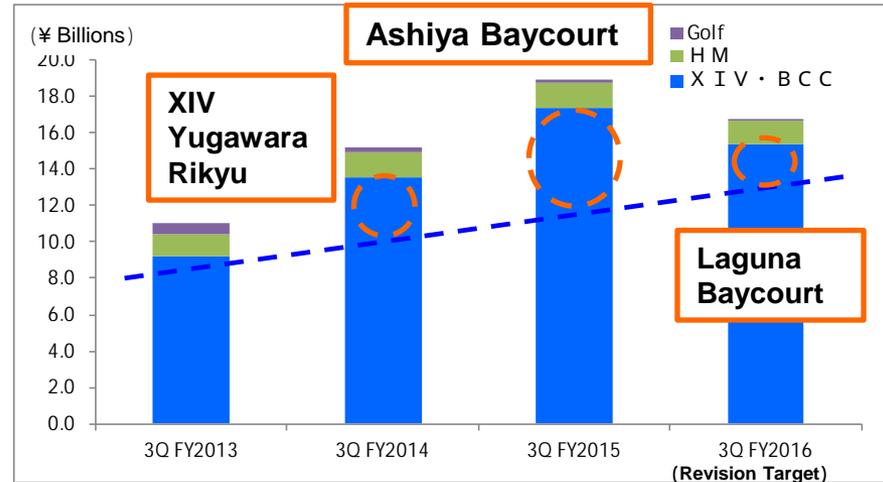
# Reference materials

# <Reference> Contract Values for each Quarters

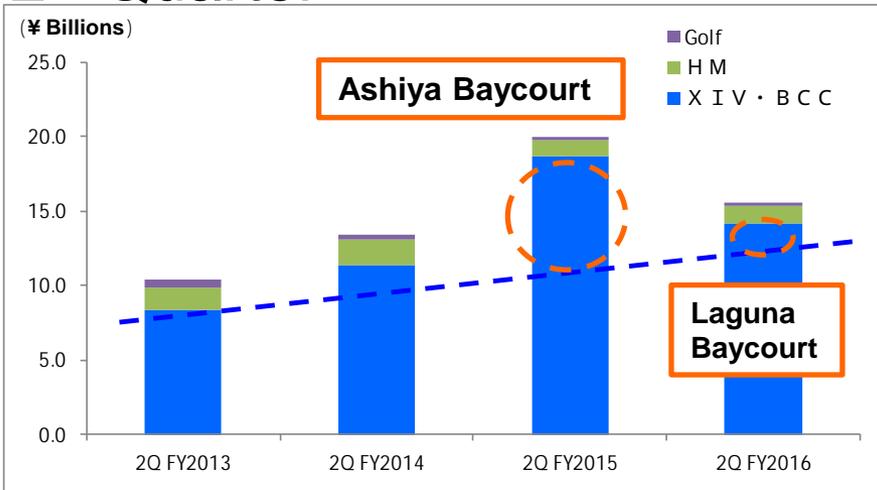
## 1st Quarter



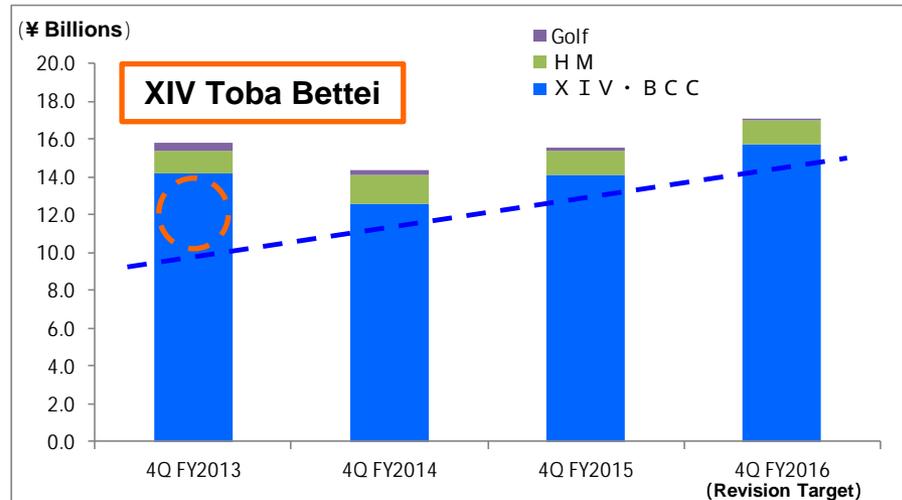
## 3rd Quarter



## 2nd Quarter



## 4th Quarter



The impact of starting sales of the new hotel membership

# <Reference> Effects of Deferred Revenue from properties before completion of construction ①

Method of recording sales and income from property before completion of construction p.35

Registration fee treated as Sales upon signing.

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

(¥ Billions)

Fiscal year	Results for 2Q FY2014 (2014/9)		Results for 2Q FY2015 (2015/9)		Results for 2Q FY2016 (2016/9)		Targets for 2Q FY2016 (2016/9)	
Contract amount of properties before completion of construction	(XIV Toba Bettei) 6.2 billion		(XIV Toba Bettei) 5.0 billion (XIV Yugawara Rikyu) 4.8 billion (Ashiya Baycourt) 17.6 billion		(XIV Yugawara Rikyu) 5.7 billion (Ashiya Baycourt) 7.7 billion (XIV Rokko SV) 1.4 billion (Laguna Baycourt) 3.7 billion		(XIV Yugawara Rikyu) 10.4 billion (Ashiya Baycourt) 6.6 billion (XIV Rokko SV) 2.9 billion	
Deferred sales and income from properties	Sales	Income	Sales	Income	Sales	Income	Sales	Income
XIV Toba Bettei (RH)	3.3	0.9	2.3	0.7	-	-	-	-
XIV Yugawara Rikyu (RH)	-	-	2.3	0.6	2.2	0.7	5.4	1.6
Ashiya Baycourt (RH)	-	-	9.0	3.2	3.8	1.4	3.4	1.2
XIV Rokko SV (RH)	-	-	-	-	0.6	0.1	1.4	0.3
Laguna Baycourt (RH)	-	-	-	-	1.9	0.6	-	-
<b>Value affected (included in disclosed figures)</b>	<b>3.3</b>	<b>0.9</b>	<b>13.6</b>	<b>4.5</b>	<b>8.5</b>	<b>2.9</b>	<b>10.1</b>	<b>3.1</b>

# < Reference > Effects of Deferred Revenue from properties before completion of construction ②

Method of recording sales and income from property before completion of construction p.35

Registration fee treated as Sales upon signing.

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

(¥ Billions)

Fiscal year		Results for 2013 (2014/3)		Results for 2014 (2015/3)		Results for 2015 (2016/3)		Revision Targets for 2016 (2017/3)		(For reference) Predictions for 2017 (2018/3)	
Contract amount of properties before completion of construction		(XIV Toba Bettei) 6.6 billion		(XIV Toba Bettei) 11.8 billion (XIV Yugawara Rikyu) 9.2 billion		(XIV Yugawara Rikyu) 12.3 billion (Ashiya Baycourt) 30.1 billion (XIV Rokko SV) 4.5 billion		(Ashiya Baycourt) 15.0 billion (XIV Rokko SV) 3.4 billion (Laguna Baycourt) 12.4 billion			
Deferred sales and income from properties		Sales	Income	Sales	Income	Sales	Income	Sales	Income	Sales	Income
XIV Toba Bettei (RH)	Value deferred	3.6	1.1	6.3	1.7	-	-	-	-	-	-
	Value realized	-	-	-	-	+9.8	+3.0	-	-	-	-
XIV Yugawara Rikyu (RH)	Value deferred	-	-	4.7	1.3	5.5	1.7	-	-	-	-
	Value realized	-	-	-	-	-	-	+10.3	+3.0	-	-
Ashiya Baycourt (RH)	Value deferred	-	-	-	-	15.3	5.4	7.6	2.7	-	-
	Value realized	-	-	-	-	-	-	-	-	+23.0	+8.2
XIV Rokko SV (RH)	Value deferred	-	-	-	-	2.1	0.4	1.7	0.4	(Unspecified value)	(Unspecified value)
	Value realized	-	-	-	-	-	-	-	-	-	-
Laguna Baycourt (RH)	Value deferred	-	-	-	-	-	-	6.5	2.0	(Unspecified value)	(Unspecified value)
	Value realized	-	-	-	-	-	-	-	-	-	-
<b>Value affected (included in disclosed figures)</b>		<b>3.6</b>	<b>1.1</b>	<b>11.0</b>	<b>3.0</b>	<b>13.2</b>	<b>4.6</b>	<b>5.5</b>	<b>2.1</b>	(Unspecified value)	(Unspecified value)

XIV Yugawara Rikyu is scheduled to open in FY 2016.

Ashiya Baycourt is scheduled to open in FY 2017.

XIV Rokko SV is scheduled to open in FY 2018.

Deferred until opening of the facility

Financial highlights of consolidated results	Results for 2013		Results for 2014		Results for 2015		Targets for 2016	
	Sales	Operating income						
Disclosed figures (Recorded value)	116.8	15.1	120.4	16.0	142.2	18.6	152.0	14.2
(For reference) Value excluding effects of deferred values	120.4	16.2	131.4	19.1	155.4	23.2	157.5	16.3
(For reference) Value excluding effects of extra costs	120.4	16.2	131.4	19.1	155.4	23.8	157.5	17.8

Extra costs such as real estate acquisition tax and opening cost, which usually about 1.0 ~ 1.5 billion yen for each XIV hotel, will be added upon opening.  
XIV Toba Bettei: 0.6 billion  
XIV Yugawara Rikyu: 1.5 billion

# Group's Development schedule

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

Next40 (As of November 10, 2016)					
Fiscal year	2013	2014	2015	2016	2017
Membership Resort Hotels (RH)					
			RH① Toba Bettei		
				RH② Yugawara Rikyu	
					RH③ Ashiya Baycourt Club
					RH③' XIV Rokko Sanctuary Villa
					RH④ Laguna Baycourt Club
					RH⑤
Overseas					
Hotel Trusty (HT)					
Senior Residences (SR)					
Health Membership Club (HM)					

\* Items not yet confirmed are based on plans as of the date "NEXT40" was announced (April 2013)

There is the Hotel Business Development Plan in "Minato Mirai 21 Central District Block 20 MICE Facility Development Business". We plan to open "Yokohama Baycourt Club(tentative)" and the Standard Hotel with the same place.(Spring, 2020)

# 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	

\*1 The real estate cost is deferred until the facility opens and is treated as revenue after the facility opens.

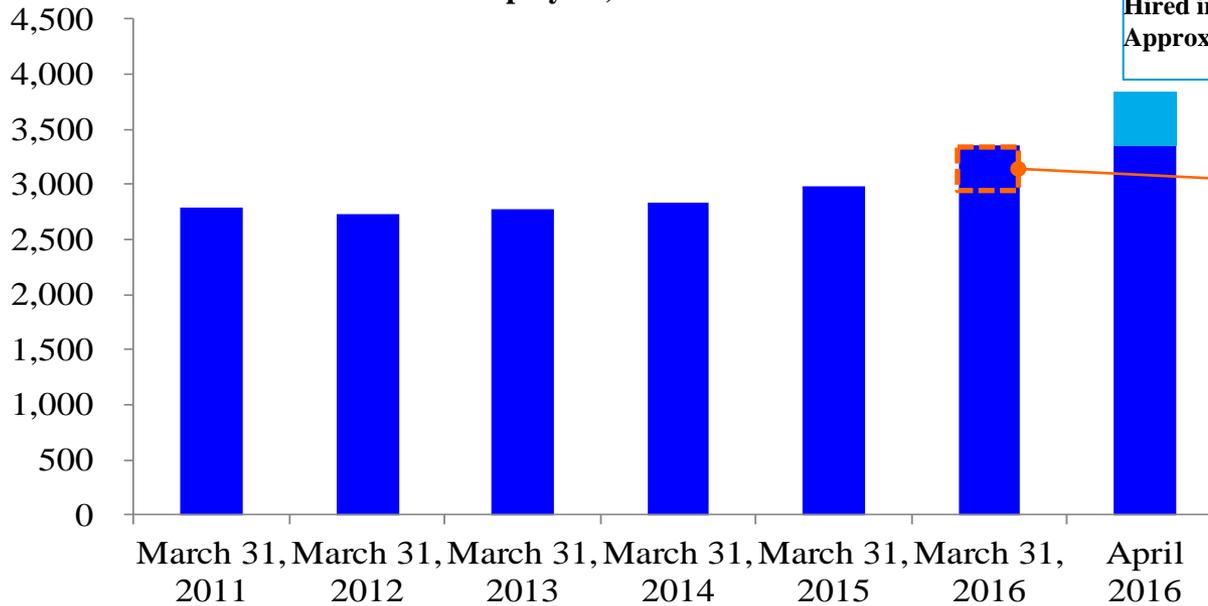
\*2 After facility opens, sale is amortized.

Annual fee:  
0.13 million yen

# <Reference> Status of Personnel Expenses in Hotels and Restaurants for Fiscal Year 2016

- In preparation for openings following Yugawara, approximately 500 new employees to increase in April in fiscal year 2016
- In the current term, although Toba Bettei will contribute to higher revenue, personnel expenses to increase as forward expenses as in the previous term

<Trends in Personnel Numbers (Non-consolidated, Full-time Employees) in Hotels and Restaurants>



There were no openings in fiscal year 2015, and personnel expenses increased as forward expenses (Year-on-year increase in personnel expenses: approx. ¥2.0 billion)

In fiscal year 2016, personnel expenses are forecast to increase by about ¥1.0 billion as forward expenses (Scale: Toba Bettei < Yugawara, Ashiya)

Opened facilities (contributed to revenue.)



Opened in March 2011  
Arima Rikyū  
(175 rooms)



Opened in March 2012  
Karuizawa PASEO, SV MUSEO  
(Total 48 rooms)

Upon the Great East Japan Earthquake, conducted revision, etc.



Opened in March 2016  
Toba Bettei  
(121 rooms)



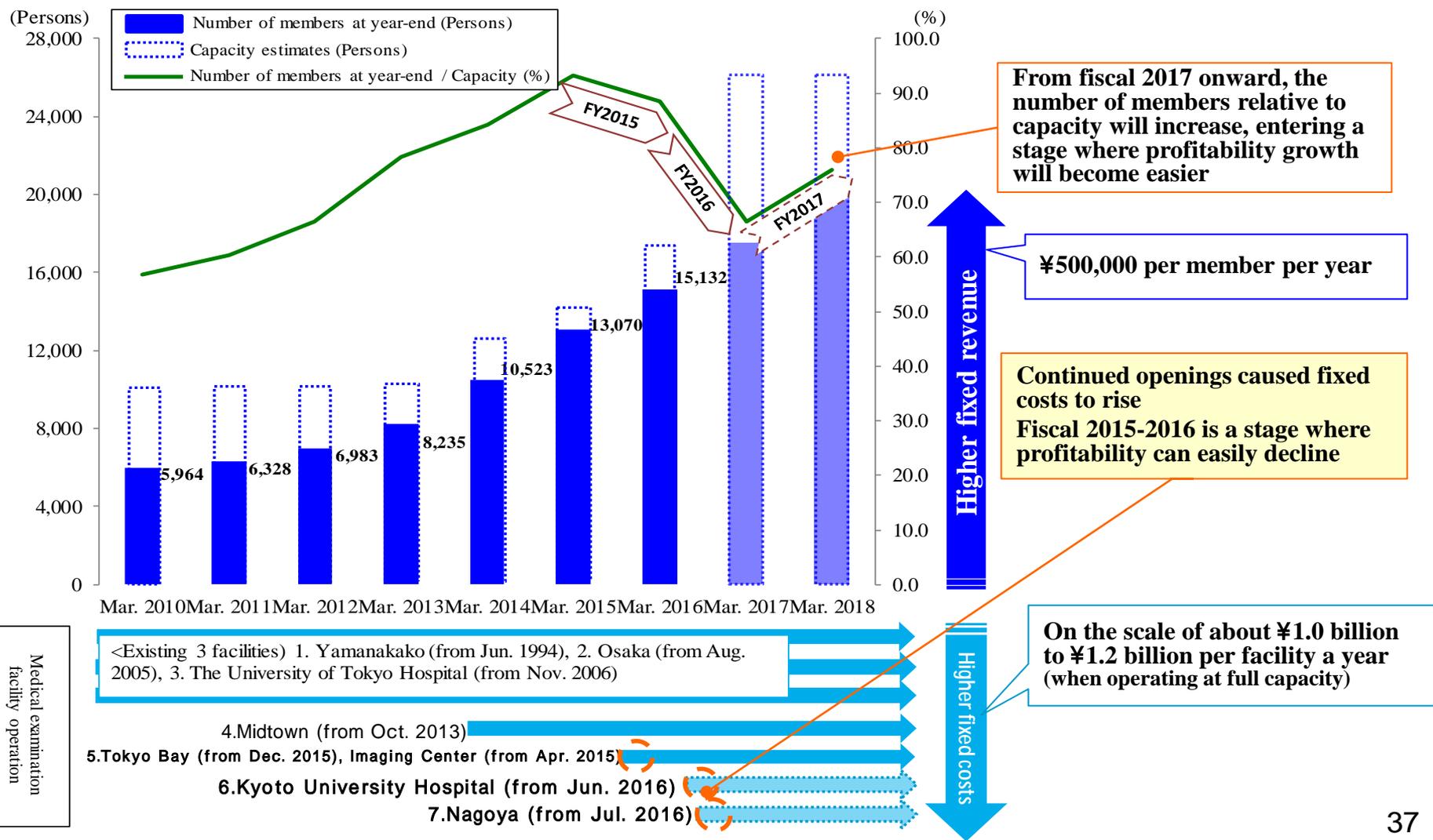
Opening in March 2017  
Yugawara Rikyū  
(187 rooms)



Opening in February 2018  
Ashiya Baycourt Club  
(201 rooms)

# HIMEDIC Base Expansion in Fiscal Year 2016

- The number of HIMEDIC members was 7,000 persons as of March 31, 2012, and was over 15,000 members as of March 31, 2016.
- Examination capacity (sales inventory) was enriched by openings (3 bases and 4 facilities) from fiscal 2015 to fiscal 2016.
- After openings, fixed costs are high until membership numbers grow (fiscal 2015-2016), but they contribute to revenue over the medium- to long-term.



## ***Disclaimer Regarding Forward-looking Statements***

**Any statements in this presentation document, other than those of historical fact, are forward-looking statements about the future performance of Resorttrust, Inc. and its group companies, which are based on management's assumptions and beliefs in light of information currently available, and involve risks and uncertainties. Actual results may differ materially from these forecasts.**



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