

This English translation of the consolidated financial results were prepared for reference purposes only and is qualified in its entirety by the original Japanese version. The financial information contained in this documents are derived from our unaudited consolidated financial statements appearing in item 2 of attached materials.

August 6, 2021

Consolidated Financial Results for the Three-Month Period Ended June 30, 2021 [Japanese GAAP]

Listed company name: Resorttrust, Inc.
 Stock exchange listing: Tokyo Stock Exchange, Nagoya Stock Exchange
 Stock code: 4681
 URL: <https://www.resorttrust.co.jp>
 Representative: Ariyoshi Fushimi, President and COO, & Representative Director
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 and CCO
 Scheduled date for filing of quarterly securities report: August 6, 2021
 Scheduled date for dividend payment: —
 Supplementary documents for interim financial results: Yes
 Interim financial results briefing: Yes (for institutional investors and securities analysts)
 IR conference call

1. Consolidated Financial Results for the Three-Month Period Ended June 30, 2021 (from April 1, 2021 to June 30, 2021)

(1) Operating Results (cumulative total)

(Millions of yen, rounded down)

(Percentages indicate changes from the corresponding period of the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
		%		%		%		%
Three-month period ended June 30, 2021	37,319	59.4	920	—	1,498	—	1,905	—
Three-month period ended June 30, 2020	23,416	(40.4)	(884)	—	(400)	—	(1,810)	—

Note: Comprehensive income:

Three-month period ended June 30, 2021: 2,844 million yen (— %)

Three-month period ended June 30, 2020: (1,044) million yen (— %)

	Net income per share	Diluted net income per share
	Yen	Yen
Three-month period ended June 30, 2021	17.80	16.37
Three-month period ended June 30, 2020	(16.91)	—

Note: Diluted net income per share for the three-month period ended June 30, 2020 is not stated because net loss per share was recorded although there were dilutive potential shares outstanding.

(2) Financial Position

(Millions of yen, rounded down)

	Total assets	Net assets	Equity ratio
			%
June 30, 2021	407,308	105,378	24.6
March 31, 2021	407,243	120,791	28.4

Reference: Shareholders' equity: June 30, 2021 100,131 million yen
 March 31, 2021 115,579 million yen

2. Dividends

	Dividends per share (Yen)				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
Fiscal year ended March 31, 2021	—	15.00	—	15.00	30.00
Fiscal year ending March 31, 2022	—				
Fiscal year ending March 31, 2022 (Forecast)		15.00	—	15.00	30.00

Note: Revisions of projected dividends most recently announced: None

3. Consolidated results forecast for the fiscal year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Millions of yen, except per share data and percentages)

(Percentages indicate changes from the corresponding period of the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
		%		%		%		%	Yen
Six-month period ending September 30, 2021 (cumulative)	79,800	(7.5)	3,700	(62.9)	3,800	(65.9)	3,000	(47.3)	28.02
For the fiscal year ending March 31, 2022	158,200	(5.6)	7,000	(52.4)	6,700	(62.0)	4,700	—	43.89

Note: Revisions of consolidated results forecast most recently announced: None

* **Notes**

(1) Changes in significant subsidiaries during the period : None

(Changes in specified subsidiaries accompanying changes in scope of consolidation)

New subsidiaries: company (Company name)

(2) Application of accounting methods specific to interim consolidated financial statements : None

(3) Changes in accounting policies, changes in accounting estimates and restatements

1) Changes in accounting policies in accordance with revision of accounting standards : Yes

2) Changes in accounting policies other than item 1) above : None

3) Changes in accounting estimates : None

4) Restatements : None

(4) Number of shares issued (common stock)

1) Number of shares issued at the end of the period (including treasury stock)

As of June 30, 2021 108,520,799 shares

As of March 31, 2021 108,520,799 shares

2) Number of treasury stock at the end of the period

As of June 30, 2021 1,435,366 shares

As of March 31, 2021 1,443,266 shares

3) Average number of shares during the period (cumulative)

As of June 30, 2021 107,080,745 shares

As of June 30, 2020 107,065,438 shares

* **These interim consolidated financial results are outside the scope of interim review procedures by certified public accountants or audit firms.**

* **Explanations and other special notes concerning the appropriate use of consolidated results forecasts**

The forward-looking statements such as result forecasts included in this document are based on the information available to the Company at the time of the announcement and on certain assumptions considered reasonable. Actual results may differ materially from the forecast depending on a range of factors.

For other matters relating to the forecasts, please refer to page 4 of the attached materials.

Supplementary documents for interim financial results will be posted on the Company's web site today at

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

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1. Qualitative Information on Financial Results for the Three-Month Period Ended June 30, 2021

(1) Explanation of Operating Results

(i) Overview of operating results for the three-month period ended June 30, 2021

(Millions of yen, except percentages)

	Three-month period ended June 30, 2020 (results)	Three-month period ended June 30, 2021 (results)	Year-on-year change
Net Sales	23,416	37,319	+59.4%
Operating income (loss)	(884)	920	-%
Ordinary income (loss)	(400)	1,498	-%
Net income (loss) attributable to owners of parent	(1,810)	1,905	-%

During the three-month period ended June 30, 2021, another state of emergency was declared due to the new coronavirus pandemic. Japanese economy remains extremely unclear under the circumstances where uncertainty over the duration of the pandemic still remains.

For the three-month period ended June 30, 2021, the third declaration of state of emergency and implementation of priority measures to prevent the spread of the new coronavirus caused by the new coronavirus pandemic in Japan had material impacts on the following business activities of the Group: In the Hotel and Restaurant business, results of the Group's efforts to attract customers and raise occupancy rates were materially impacted. In the Medical business, growth of the number of new occupants of senior residence was slowed the same as the previous year. On the other hand, in the Membership business, sales of hotel membership for SANCTUARY COURT TAKAYAMA, launched from June 2021, and other existing hotels resulted in positive sales. In addition, sales of medical membership resulted in positive sales as importance of medical checkup amid the new coronavirus pandemic was well recognized. In line with these environments, the Group is implementing its unique measures against the 3Cs, and providing information that fully make use of knowledge gained in the Medical business. Moreover, the Group is carrying out the lifetime strategy further in order to provide our customer with richer and happier moments at the safe and secure facilities.

As stated above, sales of membership showed a distinguished level of recovery while hotel management was still under the severe business environments.

As a result, net sales amounted to ¥37,319 million, a year-on-year increase of 59.4%, operating income was ¥920 million, ordinary income was ¥1,498 million, and net income attributable to owners of parent was ¥1,905 million.

Due to the application of Accounting Standard for Revenue Recognition, decrease in net sales for the three-month period ended June 30, 2021 was ¥937 million, decreases in operating income and ordinary income for the three-month period ended June 30, 2021 were ¥917 million, respectively.

Overview of operating results by the reportable segments is as follows.

(ii) Overview of results by segment

【Membership】

(Millions of yen, except percentages)

	Three-month period ended June 30, 2020 (results)	Three-month period ended June 30, 2021 (results)	Year-on-year change
Net sales	5,694	11,779	+106.9%
Segment profit	2,203	2,784	+26.4%

In the Membership business, sales of hotel membership for SANCTUARY COURT TAKAYAMA , launched from June 2021, and other existing hotels resulted in positive sales.

As a result, the Membership segment recorded increase in net sales and segment profit compared with the corresponding period of previous fiscal year.

Due to the change in accounting policy related to revenue recognition, decrease in net sales was ¥199 million and decrease in segment profit was ¥73 million compared with the previous method.

【Hotel and Restaurant】

(Millions of yen, except percentages)

	Three-month period ended June 30, 2020 (results)	Three-month period ended June 30, 2021 (results)	Year-on-year change
Net sales	8,614	15,131	+75.6%
Segment profit (loss)	(2,347)	(925)	-%

In the Hotel and Restaurant business, business environments for hotel business still remained as severe as ever due to the third declaration of state of emergency and implementation of priority measures to prevent the spread of the new coronavirus, unrecovered fall in the number of foreign tourists visiting Japan and business travelers, and limited recovery of domestic demand for accommodation despite vaccination rollout. Meanwhile, the Group's hotel operation of putting safety and security first enhanced customer recognition.

As a result, the Hotel and Restaurant segment recorded increase in net sales and segment profit compared with the corresponding period of previous fiscal year.

Due to the application of Accounting Standard for Revenue Recognition, increase in net sales for the three-month period ended June 30, 2021 was ¥108 million compared with the previous method while there was no impact to segment profit for the three-month period ended June 30, 2021.

【Medical】

(Millions of yen, except percentages)

	Three-month period ended June 30, 2020 (results)	Three-month period ended June 30, 2021 (results)	Year-on-year change
Net sales	8,942	10,233	+14.4%
Segment profit	1,027	1,034	+0.7%

In the Medical business, due to the new coronavirus pandemic, activities to increase new occupants of senior residence were restricted. On the other hand, sales of medical membership for Grand HIMEDIC Club, a comprehensive medical support club of the Group, resulted in positive sales, and annual membership fees increased along with the increase in number of members of Grand HIMEDIC Club.

As a result, the Medical segment recorded increases in net sales and segment profit compared with the corresponding period of previous fiscal year.

Due to the application of Accounting Standard for Revenue Recognition, decreases in net sales and segment profit for the three-month period ended June 30, 2021 were ¥845 million and ¥844 million, respectively compared with the previous method.

【Others】

(Millions of yen, except percentages)

	Three-month period ended June 30, 2020 (results)	Three-month period ended June 30, 2021 (results)	Year-on-year change
Net sales	164	174	+6.1%
Segment profit (loss)	72	74	+2.0%

“Others” is a business segment that is not included in reportable segments. It includes the businesses of real estate rental and cottage management, etc.

Due to the application of Accounting Standard for Revenue Recognition, there was no impact to net sales and segment profit for the three-month period ended June 30, 2021.

(2) Explanation of Financial Position

(i) Analysis of assets, liabilities and net assets

(Assets)

Total assets as of June 30, 2021 were ¥407,308 million, a 0.0% increase from the end of the previous fiscal year. This was primarily due to decreases of ¥6,672 million in cash and deposits, ¥4,093 million in real estate for sale, and increases of ¥2,193 million in accounts receivable-trade, ¥1,003 million in securities, ¥1,651 million in building and ¥6,312 million in deferred tax assets respectively compared with the end of the previous fiscal year.

(Liabilities)

Total liabilities as of June 30, 2021 were ¥301,929 million, a 5.4% increase from the end of the previous fiscal year. This was primarily due to increase of ¥42,991 million in advances received and decrease of ¥14,181 million in long-term unearned revenue compared with the end of the previous fiscal year.

(Net assets)

Total net assets as of June 30, 2021 were ¥105,378 million, a 12.8% decrease from the end of the previous fiscal year. This was primarily due to decrease of ¥16,350 million in retained earnings compared with the end of the previous fiscal year.

As a result, the Group achieved equity ratio of 24.6% as of June 30, 2021.

(3) Explanation of Consolidated Results Forecasts

The Company has announced its consolidated results forecasts for the fiscal year ending March 31, 2022 on May 14, 2021.

Consolidated results forecast for the fiscal year ending March 31, 2022 (from April 1, 2021 to March 31, 2022) is as follows.

(Millions of yen, except percentages)

	For the fiscal year ended March 31, 2021 (results)	For the fiscal year ending March 31, 2022 (plan)	Change
Net sales	167,538	158,200	(5.6)%
Operating income	14,707	7,000	(52.4)%
Ordinary income	17,647	6,700	(62.0)%
Net income (loss) attributable to owners of parent	(10,213)	4,700	+14,913

As for the outlook for the future course of the Japanese economy, while economic activities is resuming and business is returning to normal in many industries as a result of promoting various measures to prevent the rebound of the new coronavirus infection by the Japanese government, business environment of tourism, restaurant and entertainment industry is expected to remain severe. The prospects of the Japanese economy remain extremely uncertain under the situation that highly contagious variants may spread.

Under these circumstances, as for the forecast of consolidated financial results for the fiscal year ending March 31, 2022, deferred net sales of hotel membership for YOKOHAMA BAYCOURT CLUB and THE KAHARA HOTEL & RESORT YOKOHAMA were fully realized due to new open of hotels in September 2020 for the fiscal year ended March 31, 2021. In contrast, normal hotel operation is expected for the fiscal year ending March 31, 2022. In addition, sales of hotel membership for SANCTUARY COURT TAKAYAMA, the first hotel of SANCTUARY COURT series, a new membership hotel brand of the Group, was launched in June 2021. However, revenue recognition of real estate portion of the hotel membership sold is deferred until new open of hotels. Moreover, as for non-membership hotels, demand for business trip and inbound is not expected to recover.

In consideration of the above situations, the Group's forecast of consolidated financial results for the fiscal year ending March 31, 2022 is as follows. Net sales are expected to amount to ¥158,200 million, a year-on-year decrease of 5.6%, operating income is expected to be ¥7,000 million, a year-on-year decrease of

52.4%, ordinary income is expected to be ¥6,700 million, a year-on-year decrease of 62.0%, and as for net income attributable to owners of parent, deficit is expected to be eliminated, and the balance is expected to be ¥4,700, a year-on-year increase of ¥14,913 million.

Projected total annual dividends per share of ¥30 (forecast) is expected to be the same as the previous year.

2. Interim Consolidated Financial Statements and Primary Notes

(1) Interim Consolidated Balance Sheets

	(Millions of yen)	
	As of March 31, 2021	As of June 30, 2021
Assets		
Current assets		
Cash and deposits	48,367	41,695
Notes and accounts receivable - trade	9,032	—
Notes and accounts receivable - trade, and contract assets	—	11,225
Operating loans	58,268	57,807
Securities	10,695	11,699
Merchandise	971	994
Real estate for sale	15,668	11,574
Raw materials and supplies	1,202	1,356
Real estate for sale under construction	3,685	4,342
Other	5,987	7,311
Allowance for doubtful accounts	(1,022)	(1,067)
Total current assets	152,856	146,938
Non-current assets		
Property and equipment		
Buildings and structures, net	103,936	104,730
Machinery, equipment and vehicles, net	2,242	2,172
Golf courses	7,635	7,635
Land	48,580	48,517
Leased assets, net	7,573	7,361
Construction in progress	2,306	2,442
Other, net	4,091	3,908
Total property and equipment	176,366	176,769
Intangible assets		
Goodwill	2,511	2,363
Software	4,153	4,326
Other	2,554	2,204
Total intangible assets	9,218	8,893
Investments and other assets		
Investment securities	29,867	29,429
Investments in unconsolidated subsidiaries and associated companies	1,323	1,322
Long-term loans	6,052	5,999
Employees' retirement benefit asset	188	160
Deferred tax assets	11,551	17,863
Other	20,288	20,422
Allowance for doubtful accounts	(470)	(491)
Total investments and other assets	68,801	74,706

RESORTTRUST, INC. Consolidated Financial Results
For the Three-Month Period Ended June 30, 2021

(Millions of yen)

	As of March 31, 2021	As of June 30, 2021
Total non-current assets	254,386	260,369
Total assets	407,243	407,308

(Millions of yen)

	As of March 31, 2021	As of June 30, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,335	1,053
Short-term borrowings	2,125	2,289
Current portion of long-term borrowings	19,954	22,043
Current portion of bonds	150	150
Current portion of bonds with share acquisition rights	29,728	29,717
Lease obligations	1,164	1,158
Accounts payable - other	7,924	5,647
Income taxes payable	5,726	861
Accrued consumption taxes	2,153	2,145
Advances received	3,548	46,539
Unearned revenue	18,103	16,129
Allowance for loss on guarantees	40	39
Provision for point card certificates	1,297	737
Other	7,522	10,288
Total current liabilities	100,777	138,802
Non-current liabilities		
Bonds	150	150
Long-term borrowings	44,004	40,490
Lease obligations	12,435	12,163
Deferred tax liabilities	671	472
Accrued severance indemnities for directors	2,156	—
Provision for shares benefit	2,014	385
Employees' retirement benefit liability	2,453	2,513
Long-term guarantee deposits received	30,796	30,606
Amortizable long-term guarantee deposits received	73,153	70,762
Other	17,837	5,582
Total non-current liabilities	185,673	163,126
Total liabilities	286,451	301,929
Net assets		
Shareholders' equity		
Common stock	19,590	19,590
Capital surplus	21,701	21,701
Retained earnings	74,612	58,262
Treasury stock	(1,787)	(1,780)
Total shareholders' equity	114,116	97,774
Accumulated other comprehensive income		
Net unrealized gain on available-for-sale securities	1,801	1,761
Foreign currency translation adjustments	(443)	495
Retirement benefit adjustment	104	100
Total accumulated other comprehensive income	1,462	2,357
Stock acquisition rights	313	313
Non-controlling interests	4,898	4,933
Total net assets	120,791	105,378
Total liabilities and net assets	407,243	407,308

(2) Interim Consolidated Statements of Income and Comprehensive Income
Interim Consolidated Statements of Income

(Millions of yen)

	Three-month period ended June 30, 2020	Three-month period ended June 30, 2021
Net sales	23,416	37,319
Cost of sales	1,220	6,138
Gross profit	22,195	31,180
Selling, general, and administrative expenses		
Salaries and bonuses	8,817	11,910
Provision for accrued severance indemnities for directors	16	18
Repair and maintenance	496	935
Provision of allowance for doubtful accounts	68	53
Provision for loss on guarantees	0	—
Utilities expenses	702	1,228
Depreciation	1,841	2,286
Other	11,137	13,827
Total selling, general, and administrative expenses	23,080	30,260
Operating income (loss)	(884)	920
Non-operating income		
Interest income	267	218
Dividend income	3	6
Reversal of allowance for doubtful accounts	118	—
Reversal of allowance for loss on guarantees	—	1
Foreign exchange gains	—	2
Subsidy income	356	562
Other	59	89
Total non-operating income	805	879
Non-operating expenses		
Interest expense	107	95
Share of loss of entities accounted for using equity method	47	1
Nondeductible consumption taxes	121	139
Provision of allowance for doubtful accounts	—	12
Foreign exchange losses	1	—
Other	43	53
Total non-operating expenses	321	302
Ordinary income (loss)	(400)	1,498

(Millions of yen)

	Three-month period ended June 30, 2020	Three-month period ended June 30, 2021
Extraordinary income		
Gain on sales of non-current assets	1	223
Subsidy income	1,112	3
Reversal of provision for shares benefit	—	1,628
Total extraordinary income	1,114	1,855
Extraordinary losses		
Loss on retirement of non-current assets	1	2
Loss due to new coronavirus infection	2,972	9
Other	174	1
Total extraordinary losses	3,148	12
Income (loss) before income taxes	(2,434)	3,341
Income taxes - current	345	694
Income taxes - deferred	(894)	696
Total income taxes	(548)	1,391
Net Income (loss)	(1,885)	1,949
Net income (loss) attributable to non-controlling interests	(75)	43
Net income (loss) attributable to owners of parent	(1,810)	1,905

Interim Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	Three-month period ended June 30, 2020	Three-month period ended June 30, 2021
Net income (loss)	(1,885)	1,949
Other comprehensive income:		
Net changes in unrealized gain on available-for-sale securities	972	(39)
Foreign currency translation adjustments	(164)	938
Retirement benefit adjustment	33	(4)
Total other comprehensive income	841	894
Comprehensive income	(1,044)	2,844
(Breakdown)		
Comprehensive income attributable to owners of the parent	(970)	2,800
Comprehensive income attributable to non-controlling interests	(74)	43

(3) Notes to Interim Consolidated Financial Statements

(Going Concern Assumption)

Not applicable.

(Significant Changes in the Amount of Shareholders' Equity)

Not applicable.

(Changes in Accounting Policy)

(Application of Accounting Standard for Revenue Recognition)

Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) and related guidance were applied from the beginning of the three-month period ended June 30, 2021.

Revenue is recognized when the control of promised goods or services in the contract are transferred to the customer in the amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Consequently, revenues of registration fees for medical membership and certain resort membership, and amortized amount on conclusion of contract related to lump-sum payments on admission to private nursing homes had been recognized on contract start date. However, from the beginning of the three-month period ended June 30, 2021, revenue was recognized over time based on the progress during the estimated reasonable period required to complete satisfaction of a performance obligation. As for the RTTG point club, a common point service program of the Group, expense had been recorded as provision for expense related to customer's use of points in the future, however, from the beginning of the three-month period ended June 30, 2021, if the point provided customer with material rights, performance obligation was to be identified, then revenue recognition was to be deferred.

As for the application of Accounting Standard for Revenue Recognition, cumulative effect of retrospective adoption to prior periods before the beginning of the three-month period ended June 30, 2021 was reflected to the amount of the retained earnings at the beginning of the three-month period ended June 30, 2021 in accordance with the transitional provision set out in paragraph 84 of the Accounting Standard. Therefore, the new Accounting Standard was applied from the beginning of the three-month period ended June 30, 2021. In addition, as for the modification of contracts concluded prior to the beginning of the three-month period ended June 30, 2021, cumulative effect of retrospective adoption to prior periods on revenue recognition was accounted based on the condition of modified contracts, and reflected to the amount of the retained earnings at the beginning of the three-month period ended June 30, 2021 in accordance with the method set out in paragraph 86 (1) of the Accounting Standard.

As a result, for the three-month period ended June 30, 2021, decrease in net sales was ¥937 million, decrease in selling, general, and administrative expenses was ¥19 million, decreases in operating income, ordinary income and income before income taxes were ¥917 million, respectively. Decrease in balance of the retained earnings at the beginning of the three-month period ended June 30, 2021 was ¥16,630 million.

Due to the application of Accounting Standard for Revenue Recognition, "Notes and accounts receivable - trade" presented in "Current assets" in the consolidated balance sheet as of March 31, 2021 was included and presented in "Notes and accounts receivable - trade, and contract assets" from the three-month period ended June 30, 2021. Reclassification based on the new presentation have not been made to the account above in accordance with the transitional provision set out in paragraph 89-2 of the Accounting Standard. Furthermore, notes on disaggregated information of revenue from contracts with customers were not presented in accordance with the transitional provision set out in paragraph 28-15 of the Accounting Standard for Quarterly Financial Statements (ASBJ Statement No. 12, March 31, 2020).

(Application of Accounting Standard for Fair Value Measurement)

Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30, July 4, 2019) and related guidance were applied from the beginning of the three-month period ended June 30, 2021. New accounting policies stipulated in the New Accounting Standard was applied from the three-month period ended June 30, 2021 in accordance with the transitional provision set out in paragraph 19 of the Accounting Standard and paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019). This application of the new Accounting Standard had no impact on the consolidated financial statements for the three-month period ended June 30, 2021.

(Segment Information, etc.)

[Segment Information]

I For the three-month period ended June 30, 2020 (from April 1, 2020 to June 30, 2020)

1. Net Sales and Income by the Reportable Segments

(Millions of yen)

	Reportable Segment				Others (*1)	Total
	Membership	Hotel and Restaurant	Medical	Total		
Net sales:						
Sales to external customers	5,694	8,614	8,942	23,251	164	23,416
Intersegment sales or transfers	7	406	14	429	432	861
Total	5,702	9,021	8,957	23,681	596	24,278
Segment profit (loss)	2,203	(2,347)	1,027	883	72	955

Note *1: "Others" is a business segment that is not included in reportable segments. It includes the businesses of real estate rental and cottage management, etc.

2. Differences between the totals of reportable segments and the same under the interim consolidated financial statements

(Millions of yen)

Segment profit:	Amount
Reportable segment total	883
Others	72
Corporate expenses (*1)	(1,840)
Operating income (loss) in the interim consolidated statements of income	(884)

Note *1: Corporate expenses mainly consist of general and administrative expenses not attributable to reportable segments.

II For the three-month period ended June 30, 2021 (from April 1, 2021 to June 30, 2021)

1. Net Sales and Income by the Reportable Segments

(Millions of yen)

	Reportable Segment				Others (*1)	Total
	Membership	Hotel and Restaurant	Medical	Total		
Net sales:						
Sales to external customers	11,779	15,131	10,233	37,144	174	37,319
Intersegment sales or transfers	14	645	46	706	451	1,158
Total	11,793	15,777	10,280	37,851	625	38,477
Segment profit (loss)	2,784	(925)	1,034	2,893	74	2,967

Note *1: "Others" is a business segment that is not included in reportable segments. It includes the businesses of real estate rental and cottage management, etc.

2. Differences between the totals of reportable segments and the same under the interim consolidated financial statements

(Millions of yen)

Segment profit:	Amount
Reportable segment total	2,893
Others	74
Corporate expenses (*1)	(2,046)
Operating income (loss) in the interim consolidated statements of income	920

Note *1: Corporate expenses mainly consist of general and administrative expenses not attributable to reportable segments.

3. Changes in reportable segments, etc.

As stated in changes in accounting policies, Accounting Standard for Revenue Recognition and related guidance were applied from the beginning of the three-month period ended June 30, 2021. Along with the changes in accounting policies on revenue recognition, accounting method to calculate profit or loss of the business segment was changed.

As a result of the changes above, compared with the previous method, for the three-month period ended June 30, 2021, as for the Membership business, net sales decreased ¥199 million and segment profit decreased ¥73 million, as for the Medical business, net sales decreased ¥850 million and segment profit decreased ¥844 million, and as for the Hotel and Restaurant business and the Others business, net sales decreased ¥145 million and ¥278 million, respectively, however, there was no impact to the segment profit or loss.