

# RESORTTRUST FINANCIAL DATE

## CONSOLIDATED FINANCIAL SUMMARY

FY 2014 (from Apr. 2014 to Sep. 2014)



RESORTTRUST  
GROUP

(securities code: 4681)

# CONSOLIDATED FINANCIAL SUMMARY

For the Second Quarter Ended Sep 30, 2012, 2013 and 2014

	2Q			Fiscal Year	
	Sep 30,2012	Sep 30,2013	Sep 30,2014	2014 result	2015 ※revision target
Net sales	52,660	57,743	59,603	116,824	116,900
Operating income	6,995	8,463	9,171	15,190	15,500
Ordinary income	7,230	9,661	11,533	16,830	18,000
Net income (interim)	4,332	5,012	7,521	8,733	11,200
Net assets	69,645	78,064	89,753	81,395	
Assets	238,381	275,693	357,616	300,774	
Net assets per share (yen)	※ 662.15	※ 727.35	838.51	758.35	
Net income per share (yen) (Primary)	※ 46.16	※ 51.71	76.56	89.71	
Net income per share (yen) (Fully Diluted)	※ 45.84	※ 49.79	71.02	84.59	
Equity rate (%)	26.3	25.8	23.1	24.7	
Return on assets (%)	-	-	-	3.15	
Return on equity (%)	-	-	-	12.42	
Net cash provided by (used in) operating activities	4,796	7,774	1,319	24,815	
Net cash provided by (used in) investment activities	(11,874)	(12,222)	(18,554)	(33,747)	
Net cash provided by (used in) financing activities	5,861	15,267	53,466	22,179	
Cash and cash equivalents	20,672	49,536	90,616	51,965	

※A 1-for-2 stock split has been conducted as of January 1, 2014.

※revised Oct 15,2014

**Net sales****(Millions of Yen)**

	2Q		
	2012	2013	2014
Membership Operations	14,075	16,985	16,837
Hotel and Restaurant Operations	27,816	31,851	32,476
Golf Operations	4,926		
Medical Operations	5,464	8,525	9,473
Others	377	380	817
Total	52,660	57,743	59,603

**Operating income****(Millions of Yen)**

	2Q		
	2012	2013	2014
Membership Operations	2,251	2,921	3,058
Hotel and Restaurant Operations	3,162	3,149	3,629
Golf Operations	643		
Medical Operations	803	2,227	2,174
Others	134	165	308
Total	6,995	8,463	9,171

Along with organizational changes effective from April 1, 2014, segmentation will be changed on and after the fiscal year ending March 31, 2015.

For existing Golf Operations segment, operations of golf course with hotel and operations of golf course restaurant will be moved to HR segment and operations of other golf course and operations of sale of golf course membership will be moved to Membership Operations segment.

# Business Results

## (1) Overview of Second Quarter of Fiscal Year Ending March 31, 2015

### 1. Summary of Business Results

(¥ million)

	2QFY2013 (Results)	2QFY2014		Year-on-year Change	Results vs. Targets
		(Results)	(target)		
Net sales	57,743	59,603	58,600	+3.2%	+1.7%
Operating income	8,463	9,171	8,100	+8.4%	+13.2%
Ordinary income	9,661	11,533	8,500	+19.4%	+35.7%
Net income	5,012	7,521	5,200	+50.1%	+44.6%

The Japanese economy during the second quarter under review gradually recovered due to a temporary, reactionary decline following the consumption tax hike. However, the pace of recovery in personal consumption was slow due to unseasonable weather.

Under these circumstances, regarding the current status of the Group for the second quarter under review, the effect of the reactionary decline in consumption following the last-minute demand prior to the consumption tax hike was limited within a certain range and no business commencement expenses were incurred, while these expenses had been recorded in the same quarter of the previous fiscal year, as well as the newly opened hotels contributed to revenue. On the other hand, a portion of revenue from membership sales for the unopened hotels was deferred to the time of the actual opening. As a result of these factors, net sales increased 3.2% year on year to ¥59,603 million, operating income increased 8.4% year on year to ¥9,171 million, ordinary income increased 19.4% year on year to ¥11,533 million, and net income increased 50.1% year on year to ¥7,521 million.

Starting from the first quarter under review, year-on-year comparisons have been made with figures that have been restated retrospectively in conjunction with the change in accounting policy.

An overview of segment information, including business results, is presented below. Segment income is presented based on operating income.

### 2. Summary of Business segments

#### 【Membership Operations】

(¥ million)

	2QFY2013 (Results)	2QFY2014		Year-on-year Change	Results vs. Targets
		(Results)	(target)		
Net sales	16,985	16,837	16,820	(0.9%)	+0.1%
Operating income	2,921	3,058	2,690	+4.7%	+13.7%

Membership Operations resulted in decreased sales and in increased profit from effect of the sale of memberships of hotels and from effect of Deferred Revenue from properties before completion of construction.

#### 【Hotel and Restaurant Operations】

(¥ million)

	2QFY2013 (Results)	2QFY2014		Year-on-year Change	Results vs. Targets
		(Results)	(target)		
Net sales	31,851	32,476	32,150	+2.0%	+1.0%
Operating income	3,149	3,629	3,390	+15.3%	+7.1%

Hotel and Restaurant Operations resulted in increased sales and income. During the second quarter of the previous fiscal year, the Sun Members resort facility Resorpia Hakone reopened in April 2013 after being remodeled, and Hotel Trusty Kanazawa Korinbo, the seventh facility in the Hotel Trusty lineup, newly opened for business in June. These hotels recorded a practice-related expenses in the previous year. On the other hand, these hotels contributed to revenue this fiscal year.

**【Medical Operations】**

(¥ million)

	2QFY2013 (Results)	2QFY2014		Year-on-year Change	Results vs. Targets
		(Results)	(target)		
Net sales	8,525	9,473	8,810	+11.1%	+7.5%
Operating income	2,227	2,174	1,730	(2.4%)	+25.7%

Medical Operations resulted in increased sales and in decreased income, primarily increasing sales of Senior-life Division and due to an increase in income from annual membership fees accompanying the growth in membership. On the other hand, by the volumes of sales of medical membership having decreased in comparison with the same period a year ago, etc.

**【Others】**

(¥ million)

	2QFY2013 (Results)	2QFY2014		Year-on-year Change	Results vs. Targets
		(Results)	(target)		
Net sales	380	817	820	+115.0%	(0.3%)
Operating income	165	308	290	+86.5%	+6.3%

Other Operations resulted in increased sales and income. This was primarily attributable to an increase in rent revenue from the rental office building by the consolidated subsidiary R.T. DEVELOPMENT CO.,LTD.

**3. Cash Flows**

(¥ million)

	2QFY2013 (Results)	2QFY2014 (Results)
Operating cash flows	7,774	1,319
Investing cash flows	(12,222)	(18,554)
Financing cash flows	15,267	53,466
Cash and cash equivalents	49,536	90,616

**4. Outlook for the Fiscal Year Ending March 31, 2015**

(¥ million)

	FY2014 (Results)	FY2015 ※ (revision target)	Year-on-year Change
Net sales	116,824	116,900	+0.1%
Operating income	15,190	15,500	+2.0%
Ordinary income	16,830	18,000	+7.0%
Net income	8,733	11,200	+28.2%

※revised Oct 15,2014

# CONSOLIDATED BALANCE SHEETS

(Based on Japanese Accounting Principles)

(Millions of yen)

	September 30 2014	March 31 2014
<b>Assets</b>		
Current assets		
Cash and deposits	80,717	46,151
Notes and accounts receivable – trade	4,867	5,979
Operating loans	24,959	23,305
Securities	29,650	15,698
Merchandise	666	610
Real estate for sale	3,393	5,845
Raw materials and supplies	901	899
Real estate for sale in process	15,923	8,985
Deferred tax assets	3,642	4,033
Other	5,629	3,039
Allowance for doubtful accounts	(734)	(645)
<b>Total current assets</b>	<b>169,617</b>	<b>113,904</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	60,539	61,355
Machinery, equipment and vehicles, net	2,009	2,146
Golf courses	11,036	11,036
Land	40,596	39,176
Leased assets, net	2,531	2,538
Construction in progress	3,456	2,303
Other, net	1,320	1,409
<b>Total property, plant and equipment</b>	<b>121,490</b>	<b>119,967</b>
Intangible assets		
Goodwill	301	359
Software	644	791
Other	2,093	1,952
<b>Total intangible assets</b>	<b>3,039</b>	<b>3,104</b>
Investments and other assets		
Investment securities	49,053	49,889
Shares of subsidiaries and associates	1,571	1,592
Long-term loans receivable	1,291	1,357
Net defined benefit asset	1,109	225
Deferred tax assets	497	1,441
Other	16,376	15,773
Allowance for doubtful accounts	(6,429)	(6,483)
<b>Total investments and other assets</b>	<b>63,468</b>	<b>63,797</b>
<b>Total non-current assets</b>	<b>187,998</b>	<b>186,869</b>
<b>Total assets</b>	<b>357,616</b>	<b>300,774</b>

# CONSOLIDATED BALANCE SHEETS

(Based on Japanese Accounting Principles)

(Millions of yen)

	September 30 2014	March 31 2014
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable – trade	924	913
Short-term loans payable	35,000	750
Current portion of long-term loans payable	6,795	7,089
Current portion of bonds	600	1,675
Lease obligations	356	438
Accounts payable – other	5,778	12,752
Income taxes payable	4,066	4,594
Accrued consumption taxes	1,717	664
Advances received	6,035	3,354
Unearned revenue	8,905	9,346
Provision for loss on guarantees	171	150
Other	9,073	6,796
<b>Total current liabilities</b>	<b>79,425</b>	<b>48,523</b>
<b>Non-current liabilities</b>		
Bonds payable	4,375	2,100
Bonds with subscription rights to shares	15,057	15,064
Long-term loans payable	55,601	37,893
Lease obligations	2,370	2,385
Deferred tax liabilities	871	1,072
Provision for directors' retirement benefits	2,064	1,997
Provision for stocks payment	398	158
Net defined benefit liability	702	1,038
Long-term guarantee deposited	101,014	103,924
Negative goodwill	523	583
Other	5,457	4,636
<b>Total non-current liabilities</b>	<b>188,436</b>	<b>170,855</b>
<b>Total liabilities</b>	<b>267,862</b>	<b>219,378</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	14,258	14,258
Capital surplus	14,658	14,653
Retained earnings	55,720	48,983
Treasury shares	(4,710)	(4,971)
<b>Total shareholders' equity</b>	<b>79,925</b>	<b>72,923</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,930	1,306
Foreign currency translation adjustment	507	—
Remeasurements of defined benefit plans	155	159
<b>Total accumulated other comprehensive income</b>	<b>2,594</b>	<b>1,465</b>
Subscription rights to shares	97	133
Minority interests	7,136	6,872
<b>Total net assets</b>	<b>89,753</b>	<b>81,395</b>
<b>Total liabilities and net assets</b>	<b>357,616</b>	<b>300,774</b>

# CONSOLIDATED STATEMENTS OF INCOME

(Based on Japanese Accounting Principles)

(Millions of yen)

	September 30 2013	September 30 2014
Net sales	57,743	59,603
Cost of sales	10,314	9,329
Gross profit	47,428	50,274
Selling, general and administrative expenses		
Salaries and bonuses	15,477	16,370
Provision for directors' retirement benefits	131	66
Repair and maintenance	1,326	1,365
Provision of allowance for doubtful accounts	4	41
Provision for loss on guarantees	20	21
Utilities expenses	2,615	2,747
Depreciation	2,476	2,603
Other	16,912	17,886
Total selling, general and administrative expenses	38,965	41,103
Operating income	8,463	9,171
Non-operating income		
Interest income	304	673
Dividend income	32	85
Interests and charge for installment payment	1	1
Amortization of negative goodwill	60	60
Reversal of allowance for doubtful accounts	1,045	5
Foreign exchange gains	1	2,012
Other	104	170
Total non-operating income	1,550	3,008
Non-operating expenses		
Interest expenses paid on loans and bonds	134	227
Share of loss of entities accounted for using equity method	1	20
Guarantee charge of unearned revenue	0	7
Commission for syndicate loan	15	302
Nondeductible consumption tax	126	39
Other	74	49
Total non-operating expenses	352	646
Ordinary income	9,661	11,533

## CONSOLIDATED STATEMENTS OF INCOME

(Based on Japanese Accounting Principles)

(Millions of yen)

	September 30 2013	September 30 2014
Extraordinary income		
Compensation income	64	53
Gain on sales of non-current assets	0	1
Gain on sales of investment securities	—	439
Gain on sales of shares of subsidiaries and associates	7	5
Gain on reversal of subscription rights to shares	0	14
Other	—	11
<b>Total extraordinary income</b>	<b>72</b>	<b>525</b>
Extraordinary losses		
Loss on retirement of non-current assets	10	21
Loss on sales of non-current assets	1	—
Loss on valuation of investments in capital	1,000	—
Other	0	0
<b>Total extraordinary losses</b>	<b>1,012</b>	<b>21</b>
<b>Income before income taxes and minority interests</b>	<b>8,720</b>	<b>12,036</b>
Income taxes – current	3,586	4,065
Income taxes – deferred	165	346
<b>Total income taxes</b>	<b>3,752</b>	<b>4,411</b>
Income before minority interests	4,968	7,624
Minority interests in income (loss)	(43)	103
<b>Net income</b>	<b>5,012</b>	<b>7,521</b>

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Based on Japanese Accounting Principles)

(Millions of yen)

	September 30 2013	September 30 2014
Income before minority interests	4,968	7,624
Other comprehensive income		
Valuation difference on available-for-sale securities	319	624
Foreign currency translation adjustment	—	507
Remeasurements of defined benefit plans, net of tax	—	(3)
<b>Total other comprehensive income</b>	<b>319</b>	<b>1,127</b>
<b>Comprehensive income</b>	<b>5,287</b>	<b>8,752</b>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,319	8,649
Comprehensive income attributable to minority interests	(32)	102

# CONSOLIDATED STATEMENTS OF CASH FLOWS

(Based on Japanese Accounting Principles)

(Millions of yen)

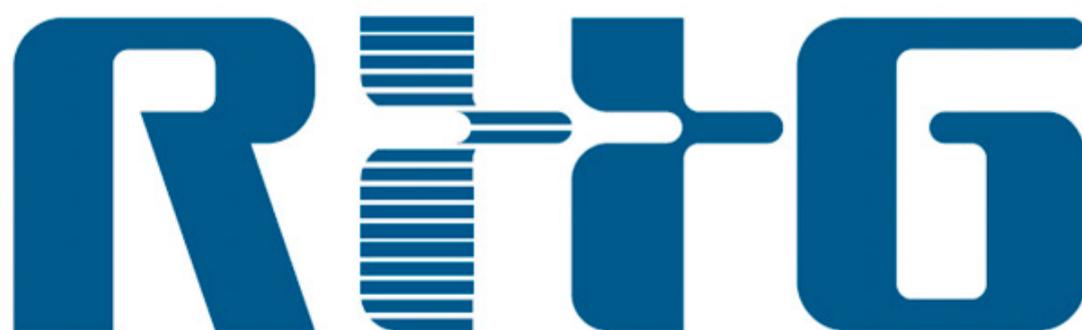
	September 30 2013	September 30 2014
Cash flows from operating activities		
Income before income taxes and minority interests	8,720	12,036
Depreciation	2,638	2,746
Amortization of goodwill (negative goodwill)	(2)	9
Increase (decrease) in allowance for doubtful accounts	(1,051)	35
Increase (decrease) in provision for retirement benefits	137	—
Increase (decrease) in net defined benefit liability	—	40
Increase (decrease) in provision for directors' retirement benefits	127	66
Interest and dividend income	(337)	(758)
Interest expenses paid on loans and bonds	134	227
Foreign exchange losses (gains)	(1)	(1,912)
Decrease (increase) in notes and accounts receivable – trade	750	(534)
Decrease (increase) in inventories	3,207	(4,816)
Increase (decrease) in notes and accounts payable – trade	(56)	10
Increase (decrease) in accounts payable – other	(1,770)	(1,646)
Increase (decrease) in advances received	457	2,674
Increase (decrease) in long-term guarantee deposits received	(3,348)	(3,015)
Increase (decrease) in accrued consumption taxes	(314)	1,193
Other, net	738	(1,027)
<b>Subtotal</b>	<b>10,029</b>	<b>5,329</b>
Interest and dividend income received	304	762
Interest expenses paid	(134)	(217)
Income taxes paid	(2,425)	(4,555)
<b>Net cash provided by (used in) operating activities</b>	<b>7,774</b>	<b>1,319</b>
Cash flows from investing activities		
Payments into time deposits	(1,725)	(215)
Proceeds from withdrawal of time deposits	775	265
Purchase of securities	(25,494)	(21,996)
Proceeds from sales and redemption of securities	29,900	17,109
Purchase of investment securities	(9,777)	(20,921)
Proceeds from sales and redemption of investment securities	1,000	13,562
Purchase of shares of subsidiaries and associates	(365)	(0)
Proceeds from sales of shares of subsidiaries and associates	16	7
Purchase of property, plant and equipment and intangible assets	(2,762)	(3,890)
Payments of loans receivable	(32)	(16)
Collection of loans receivable	2,019	66
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(2,373)	—
Other, net	(3,401)	(2,524)
<b>Net cash provided by (used in) investing activities</b>	<b>(12,222)</b>	<b>(18,554)</b>
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	150	34,250
Proceeds from long-term loans payable	3,870	21,210
Repayments of long-term loans payable	(4,747)	(3,795)
Proceeds from issuance of bonds	15,047	2,487
Redemption of bonds	(550)	(1,300)
Purchase of treasury shares	(8)	(2)
Proceeds from disposal of treasury shares	795	245
Cash dividends paid	(1,468)	(1,603)
Cash dividends paid to minority shareholders	(0)	—
Other, net	2,180	1,975
<b>Net cash provided by (used in) financing activities</b>	<b>15,267</b>	<b>53,466</b>
Effect of exchange rate change on cash and cash equivalents	1	2,420
Net increase (decrease) in cash and cash equivalents	10,820	38,651
Cash and cash equivalents at beginning of period	38,716	51,965
<b>Cash and cash equivalents at end of period</b>	<b>49,536</b>	<b>90,616</b>

※Since accounting policies were changed effective from the first quarter under review, percentage of change from the previous fiscal year and that from the same quarter of the previous fiscal year were calculated using the figures after retroactive adjustments.

## **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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