

# RESORTTRUST FINANCIAL DATA

**CONSOLIDATED FINANCIAL SUMMARY**  
FY 2015 (from April 1, 2015 to March 31, 2016)



# CONSOLIDATED FINANCIAL SUMMARY

Years Ended March 31, 2014, 2015 and 2016

	Fiscal year					
	2012/3	2013/3	2014/3	2015/3	2016/3	2016/3 revision target
Net sales	99,894	105,311	116,824	120,401	<b>142,249</b>	144,900
Operating income	9,891	12,054	15,190	16,041	<b>18,640</b>	19,500
Ordinary income	9,443	12,976	16,830	20,206	<b>19,439</b>	20,600
Net income (interim)	5,415	7,127	8,733	11,851	<b>13,044</b>	13,300
Net assets	64,883	73,145	81,395	104,769	<b>112,515</b>	
Assets	235,151	253,861	300,774	390,832	<b>407,430</b>	
Net assets per share (yen)	※ 1,256.39	1,373.70	758.35	963.99	<b>1,019.35</b>	
Net income per share (yen) (Primary)	※ 115.95	150.76	89.71	120.30	<b>123.34</b>	
Net income per share (yen) (Fully Diluted)	※ 115.71	149.23	84.59	108.69	<b>112.81</b>	
Equity ratio (%)	25.0	26.1	24.7	25.5	<b>26.6</b>	
Return on assets (%)	2.29	2.91	3.15	3.43	<b>3.27</b>	
Return on equity (%)	9.55	11.40	12.42	13.61	<b>12.54</b>	
Net cash provided by (used in) operating activities	19,657	21,338	24,815	22,057	<b>2,616</b>	
Net cash provided by (used in) investment activities	(15,546)	(15,958)	(33,747)	(71,837)	<b>(33,824)</b>	
Net cash provided by (used in) financing activities	(3,351)	11,447	22,179	60,359	<b>(8,624)</b>	
Cash and cash equivalents	21,888	38,716	51,965	66,404	<b>25,476</b>	

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

revised on Aug. 6, 2015

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

	Fiscal year		
	2014/3	2015/3	2016/3
Membership Operations	36,274	33,590	46,282
Hotel and Restaurant Operations	62,303	65,462	72,817
Medical Operations	17,341	19,746	21,806
Others	904	1,602	1,344
Total	116,824	120,401	142,249

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

	Fiscal year		
	2014/3	2015/3	2016/3
Membership Operations	6,251	6,230	9,898
Hotel and Restaurant Operations	4,930	4,906	4,567
Medical Operations	3,755	4,287	3,629
Others	253	617	545
Total	15,190	16,041	18,640

# Business Results

## Overview of The Fiscal Year Ending March 31, 2016

### 1. Summary of Business Results

(Millions of Yen)

	2015/3 (Results)	2016/3		Year-on-year Change	Results vs. Targets
		(Results)	(target)		
Net sales	120,401	142,249	144,900	+18.1%	(1.8%)
Operating income	16,041	18,640	19,500	+16.2%	(4.4%)
Ordinary income	20,206	19,439	20,600	(3.8%)	(5.6%)
Net income	11,851	13,044	13,300	+10.1%	(1.9%)

The Japanese economy during the fiscal year under review was on a moderate recovery trend, supported by the government economic and fiscal policies that have encouraged corporate earnings and improved employment circumstances, but following the beginning of the new calendar year, concerns regarding fluctuations in foreign exchange and stock prices have resulted in increased uncertainty.

Under these circumstances, sales and profits of the Group during this fiscal year under review increased, compared with the previous fiscal year. Net sales was JPY 142,249 mil (+18.1% yoy), operating income JPY 18,640 mil (+16.2% yoy), ordinary income JPY 19,439 mil (-3.8% yoy), and net income attributable to owners of parent JPY 13,044 mil (+10.1% yoy). The sales of the hotel memberships, especially led by "Ashiya Baycourt Club," the second property in the Baycourt series that started to be sold in June 2015, were strong. Additionally, in November 2015, hotel memberships for "XIV Rokko Sanctuary Villa" started to be sold. In Medical Operations, a new "Grand HIMEDIC Club" facility, "HIMEDIC Tokyo Bay" started operations in December 2015, which is a comprehensive medical support club. This, alongside the March 2016 opening of "XIV Toba Bettei," resulted in recording of entire deferred real estate revenue. This, offset with the previous fiscal year's recording of foreign exchange gains in non-operating income, resulted in the above results.

### 2. Summary of Business Segments

[Membership Operations]

(Millions of Yen)

	2015/3 (Results)	2016/3		Year-on-year Change	Results vs. Targets
		(Results)	(target)		
Net sales	33,590	46,282	49,060	+37.8%	(5.7%)
Operating income	6,230	9,898	11,310	+58.9%	(12.5%)

Membership Operation Segments increased sales and profits led by "Ashiya Baycourt Club," the second property in the Baycourt series that started to be sold in June 2015, were strong. This, alongside the March 2016 opening of "XIV Toba Bettei," resulted in recording of entire deferred real estate revenue.

[Hotel and Restaurant Operations]

(Millions of Yen)

	2015/3 (Results)	2016/3		Year-on-year Change	Results vs. Targets
		(Results)	(target)		
Net sales	65,462	72,817	73,680	+11.2%	(1.2%)
Operating income	4,906	4,567	3,900	(6.9%)	+17.1%

Hotel and Restaurant Operation Segments increased sales but decreased profits compared with the previous fiscal year, due to the robust revenues from the "Hotel Trusty" series, contributions made to sales by "The Kahala Hotel & Resort" acquired in October 2014, which were offset by an increase in HR costs resulting from preparations made for new-opening hotels, established increases in costs such as enhanced employee benefits, and the implementation of various policies designed to increase productivity.

[Medical Operations]

(Millions of Yen)

	2015/3 (Results)	2016/3		Year-on-year Change	Results vs. Targets
		(Results)	(target)		
Net sales	19,746	21,806	20,740	+10.4%	+5.1%
Operating income	4,287	3,629	3,850	(15.4%)	(5.7%)

Medical Operation Segments increased sales and decreased profits due to the expansion of Senior Life Businesses, the increase of annual fees accompanied with the number of membership of “HIMEDIC”, and increase of the costs related to preparation of the medical examination facilities, etc.

[Others]

(Millions of Yen)

	2015/3 (Results)	2016/3		Year-on-year Change	Results vs. Targets
		(Results)	(target)		
Net sales	1,602	1,344	1,420	(16.1%)	(5.3%)
Operating income	617	545	440	(11.6%)	+24.0%

Other Operations Segments decreased both revenues and profits, due to the decrease of rent operated by RT Development Co., Ltd., consolidated subsidiary and the increase of property taxes.

3. Cash Flows

(Millions of Yen)

	2015/3 (Results)	2016/3 (Results)
Operating cash flows	22,057	2,616
Investing cash flows	(71,837)	(33,824)
Financing cash flows	60,359	(8,624)
Cash and cash equivalents	66,404	25,476

#### 4. Outlook for the Fiscal Year 2015(Ending March 31, 2016)

(Millions of Yen)

	2016/3 (Results)	2017/3 (target)	Year-on-year Change
Net sales	142,249	160,400	+12.8%
Operating income	18,640	17,700	(5.0%)
Ordinary income	19,439	19,500	+0.3%
Net income	13,044	13,200	+1.2%

Regarding the future economic climate of Japan, the Company expects a moderate recovery trend with improved corporate earnings and improved employment circumstances, but due to the sense of slowdown in the economies of China and emerging nations, the risk of shifts in exchange rates and stock prices, as well as anxiety regarding the planned additional increase in the consumption tax, there are concerns about an economic downturn.

Regarding the trends of the leisure-related industry and market, we expect domestic tourism to become further active as a result of new highs in the number of foreign tourists visiting Japan and the resulting improvement of infrastructure in preparation for the Tokyo Olympics. However, in the hotel and foodservice industries, securing personnel, training personnel, food safety, and thoroughness in product management are becoming major challenges.

Under such circumstances, the Company Group will continue to enhance its brand using the themes of "employee satisfaction," "customer satisfaction," "strict compliance," and "brand strength improvement" to become a "high-sense and high-quality" "brand company" whose "brand employees" challenge themselves to realize sustainable growth. Concerning forecasts for the full year, deferred real estate profits will be recorded as a lump sum upon the opening of "XIV Yugawara Rikyu," while planning to start development and sales of memberships for a membership hotel in the Central Japan region. Furthermore, in Medical Operations, we project strengthening of medical examination facilities such as "HIMEDIC Kyoto University Hospital" and "HIMEDIC NAGOYA." As a result, the Company Group forecasts net sales to increase 12.8% year-on-year to 160,400 million yen, operating income to decrease 5.0% year-on-year to 17,700 million yen, ordinary income to increase 0.3% year-on-year to 19,500 million yen, and net income attributable to owners of parent to increase 1.2% year-on-year to 13,200 million yen.

# Quarterly Consolidated Financial Statements

## (1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	Fiscal 2014 (April 1, 2014 to March 31, 2015)	Fiscal 2015 (April 1, 2015 to March 31, 2016)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	53,687	24,742
Notes and accounts receivable - trade	5,994	6,738
Operating loans	27,448	38,050
Securities	42,193	28,466
Merchandise	728	785
Real estate for sale	2,010	5,614
Raw materials and supplies	900	957
Real estate for sale in process	18,497	27,902
Deferred tax assets	3,714	3,985
Other	3,921	11,077
Allowance for doubtful accounts	(773)	(1,069)
<b>Total current assets</b>	<b>158,323</b>	<b>147,250</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	164,947	170,238
Accumulated depreciation	(74,577)	(76,780)
Buildings and structures, net	90,369	93,458
Machinery, equipment and vehicles	12,231	11,332
Accumulated depreciation	(10,461)	(9,272)
Machinery, equipment and vehicles, net	1,769	2,059
Golf courses	9,563	7,568
Land	40,417	40,561
Leased assets	4,150	4,344
Accumulated depreciation	(1,643)	(1,509)
Leased assets, net	2,506	2,835
Construction in progress	4,007	5,588
Other	17,494	17,833
Accumulated depreciation	(12,344)	(13,021)
Other, net	5,150	4,812
<b>Total property, plant and equipment</b>	<b>153,784</b>	<b>156,884</b>
<b>Intangible assets</b>		
Goodwill	231	146
Software	678	1,833
Other	2,442	2,360
<b>Total intangible assets</b>	<b>3,351</b>	<b>4,341</b>
<b>Investments and other assets</b>		
Investment securities	60,805	82,506
Shares of subsidiaries and associates	1,603	1,665
Long-term loans receivable	1,428	4,207
Net defined benefit asset	1,348	1,068
Deferred tax assets	123	1,924
Other	16,452	9,439
Allowance for doubtful accounts	(6,390)	(1,857)
<b>Total investments and other assets</b>	<b>75,372</b>	<b>98,954</b>
<b>Total non-current assets</b>	<b>232,508</b>	<b>260,179</b>
<b>Total assets</b>	<b>390,832</b>	<b>407,430</b>

(Millions of yen)

	Fiscal 2014 (April 1, 2014 to March 31, 2015)	Fiscal 2015 (April 1, 2015 to March 31, 2016)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	1,096	1,123
Short-term loans payable	5,000	2,500
Current portion of long-term loans payable	6,663	10,342
Current portion of bonds	450	450
Lease obligations	369	365
Accounts payable - other	9,301	20,755
Income taxes payable	4,482	1,426
Accrued consumption taxes	2,602	668
Advances received	13,304	25,227
Unearned revenue	10,619	11,535
Provision for loss on guarantees	151	163
Other	7,555	7,234
<b>Total current liabilities</b>	<b>61,595</b>	<b>81,794</b>
Non-current liabilities		
Bonds payable	4,150	3,700
Bonds with subscription rights to shares	35,558	30,242
Long-term loans payable	67,211	59,723
Lease obligations	2,367	2,675
Deferred tax liabilities	1,639	851
Provision for directors' retirement benefits	2,102	2,306
Provision for stocks payment	458	904
Net defined benefit liability	860	1,272
Long-term guarantee deposited	103,154	103,098
Negative goodwill	462	342
Other	6,500	8,001
<b>Total non-current liabilities</b>	<b>224,466</b>	<b>213,119</b>
<b>Total liabilities</b>	<b>286,062</b>	<b>294,914</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	16,977	19,588
Capital surplus	19,984	22,583
Retained earnings	57,807	65,938
Treasury shares	(2,705)	(3,451)
<b>Total shareholders' equity</b>	<b>92,062</b>	<b>104,657</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,742	616
Foreign currency translation adjustment	2,671	3,334
Remeasurements of defined benefit plans	257	(256)
<b>Total accumulated other comprehensive income</b>	<b>7,670</b>	<b>3,694</b>
Subscription rights to shares	57	16
Non-controlling interests	4,978	4,146
<b>Total net assets</b>	<b>104,769</b>	<b>112,515</b>
<b>Total liabilities and net assets</b>	<b>390,832</b>	<b>407,430</b>



(2) Quarterly Consolidated Statements of Income and Comprehensive Income  
[Quarterly Consolidated Statements of Income]

(Millions of yen)

	Fiscal 2014 (April 1, 2014 to March 31, 2015)	Fiscal 2015 (April 1, 2015 to March 31, 2016)
Net sales	120,401	142,249
Cost of sales	18,051	24,466
Gross profit	102,350	117,783
Selling, general and administrative expenses		
Advertising expenses	1,526	2,381
Membership service expenses	984	629
Repair and maintenance	3,395	3,525
Linen expenses	3,327	3,375
Provision of allowance for doubtful accounts	68	221
Provision for loss on guarantees	0	12
Directors' compensations	1,076	1,065
Salaries and bonuses	34,135	40,115
Retirement benefit expenses	556	662
Provision for directors' retirement benefits	105	213
Legal welfare expenses	4,421	5,036
Welfare expenses	672	1,327
Commission fee	6,422	6,997
Rent expenses	3,713	4,582
Utilities expenses	5,541	5,208
Correspondence and transportation expenses	2,826	2,929
Depreciation	5,586	6,706
Taxes and dues	1,883	2,146
Supplies expenses	2,265	2,947
Amortization of goodwill	140	84
Other	7,658	8,974
Total selling, general and administrative expenses	86,308	99,142
Operating income	16,041	18,640
Non-operating income		
Interest income	1,572	2,212
Dividend income	139	109
Interests and charge for installment payment	2	1
Amortization of negative goodwill	120	120
Foreign exchange gains	3,509	-
Subsidy income	58	40
Reversal of allowance for doubtful accounts	28	-
Other	321	178
Total non-operating income	5,752	2,664
Non-operating expenses		
Interest expenses paid on loans and bonds	510	488
Amortization of bond issuance cost	108	-
Share issuance cost	4	11
Provision of allowance for doubtful accounts	-	69
Share of loss of entities accounted for using equity method	73	14
Commission for syndicate loan	726	78
Guarantee charge of unearned revenue	21	82
Nondeductible consumption tax	82	114
Foreign exchange losses	-	840
Other	61	164
Total non-operating expenses	1,588	1,865
Ordinary income	20,206	19,439
Extraordinary income		
Compensation income	53	-
Gain on sales of non-current assets	1	2
Gain on sales of investment securities	497	1,275
Gain on sales of shares of subsidiaries and associates	5	6
Other	73	70
Total extraordinary income	632	1,355
Extraordinary losses		
Loss on change in equity	-	1,398
Loss on retirement of non-current assets	396	348
Loss on sales of non-current assets	-	10
Impairment loss	2,707	-
Loss on sales of investment securities	-	4
Contribution	-	1,478
Other	25	22
Total extraordinary losses	3,129	3,263
Profit before income taxes	17,709	17,531
Income taxes - current	7,748	5,257
Income taxes - deferred	194	(816)
Total income taxes	7,943	4,441
Profit	9,766	13,090
Profit (loss) attributable to non-controlling interests	(2,084)	45
Profit attributable to owners of parent	11,851	13,044

## [Quarterly Consolidated Statements of Comprehensive Income]

(Millions of yen)

	<b>Fiscal 2014</b> (April 1, 2014 to March 31, 2015)	<b>Fiscal 2015</b> (April 1, 2015 to March 31, 2016)
Profit	9,766	13,090
Other comprehensive income		
Valuation difference on available-for-sale securities	3,435	(4,130)
Foreign currency translation adjustment	2,671	663
Remeasurements of defined benefit plans, net of tax	98	(513)
Total other comprehensive income	6,205	(3,981)
Comprehensive income	15,971	9,109
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	18,056	9,068
Comprehensive income attributable to non-controlling interests	(2,084)	41

## (3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal 2014 (April 1, 2014 to March 31, 2015)	Fiscal 2015 (April 1, 2015 to March 31, 2016)
<b>Cash flows from operating activities</b>		
Profit before income taxes	17,709	17,531
Depreciation	5,876	7,030
Impairment loss	2,707	-
Amortization of goodwill (negative goodwill)	19	(36)
Increase (decrease) in allowance for doubtful accounts	34	285
Increase (decrease) in net defined benefit liability	98	(17)
Increase (decrease) in provision for directors' retirement benefits	105	203
Interest and dividend income	(1,712)	(2,322)
Interest expenses paid on loans and bonds	510	488
Foreign exchange losses (gains)	(2,913)	805
Decrease (increase) in notes and accounts receivable - trade	(4,140)	(11,439)
Decrease (increase) in inventories	(6,021)	(13,379)
Increase (decrease) in notes and accounts payable - trade	174	30
Increase (decrease) in accounts payable - other	1,295	3,338
Increase (decrease) in advances received	9,942	11,922
Increase (decrease) in long-term guarantee deposits received	(883)	109
Increase (decrease) in accrued consumption taxes	2,078	(2,314)
Other, net	3,876	(2,942)
<b>Subtotal</b>	<b>28,759</b>	<b>9,293</b>
Interest and dividend income received	1,679	2,273
Interest expenses paid	(502)	(490)
Income taxes paid	(7,878)	(8,460)
<b>Net cash provided by (used in) operating activities</b>	<b>22,057</b>	<b>2,616</b>
<b>Cash flows from investing activities</b>		
Payments into time deposits	(672)	(1,657)
Proceeds from withdrawal of time deposits	514	1,158
Purchase of securities	(69,497)	(68,719)
Proceeds from sales and redemption of securities	56,748	81,251
Purchase of investment securities	(30,560)	(48,826)
Proceeds from sales and redemption of investment securities	14,136	13,385
Purchase of shares of subsidiaries and associates	(112)	(13)
Proceeds from sales of shares of subsidiaries and associates	7	13
Purchase of property, plant and equipment	(39,516)	(4,940)
Purchase of intangible assets	(756)	(1,236)
Payments of loans receivable	(218)	(2,720)
Collection of loans receivable	147	146
Other, net	(2,056)	(1,664)
<b>Net cash provided by (used in) investing activities</b>	<b>(71,837)</b>	<b>(33,824)</b>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	4,250	(2,500)
Proceeds from long-term loans payable	36,270	4,577
Repayments of long-term loans payable	(7,377)	(6,725)
Proceeds from issuance of bonds	32,691	-
Redemption of bonds	(1,675)	(450)
Purchase of treasury shares	(5)	(1,379)
Proceeds from disposal of treasury shares	540	1,623
Cash dividends paid	(3,613)	(4,914)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolid	-	(4)
Net increase (decrease) in deposits received from subsidiaries and affiliates	200	(40)
Other, net	(920)	1,188
<b>Net cash provided by (used in) financing activities</b>	<b>60,359</b>	<b>(8,624)</b>
<b>Effect of exchange rate change on cash and cash equivalents</b>	<b>3,859</b>	<b>(151)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>14,439</b>	<b>(39,983)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>51,965</b>	<b>66,404</b>
<b>Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation</b>	<b>-</b>	<b>(944)</b>
<b>Cash and cash equivalents at end of period</b>	<b>66,404</b>	<b>25,476</b>

## **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.



RESORTTRUST  
GROUP