



January 20, 2014

FOR IMMEDIATE RELEASE

Company name	Resorttrust, Inc.
Representative	Katsuyasu Ito, President and COO
Code	4681, First Section of the Tokyo and Nagoya Stock Exchanges
Contact person	Katsuyuki Iuchi Operating officer in charge of operation in operating divisions

Notice of Conclusion of Company Split Agreement Regarding Business Succession of Message Co., Ltd.’s Private Nursing Home “Yuga Higashiminemachi (Ota-ku, Tokyo)” by a Consolidated Subsidiary

Resorttrust, Inc. (“the Company”) announces that its consolidated subsidiary Trust Garden Co., Ltd. (“Trust Garden”) today concluded a company split agreement to succeed the business following a company split of the “Yuga Higashiminemachi” private nursing home operated by Message Co., Ltd. (“Message”).

1. Purpose of the business succession by a subsidiary

Under the Resorttrust Group medium-term management plan “Next40” announced on April 1, 2013, the Resorttrust Group (“the Group”) is seeking to create a new pillar of growth by expanding its senior lifestyle business that develops private retirement homes and serviced residences for the elderly.

The business to be succeeded under this agreement, the “Yuga Higashiminemachi” private nursing home, is a rare property favorably located in a quiet residential neighborhood in the city center. Continued demand is anticipated from the Company’s customer base and others, and it is expected that the Group’s economies of scale will be deployed to advantage in management. For these reasons, this business succession has been undertaken.

Trust Garden will utilize the management resources of the Group to carry out improvements such as renovating the facility and enhancing the services offered, in order to make the property even more attractive. With Trust Garden Todoroki (tentative name) scheduled to open in the spring of 2014, and this business succession of Yuga Higashiminemachi, the Group’s senior lifestyle business is expected to reach a total of 10 facilities and 902 rooms

2. Summary of the business succession

(1) Schedule for absorption-type split

(1)	Board of Directors meeting to approve absorption-type split agreement	January 16, 2014
(2)	Date of conclusion of absorption-type split agreement	January 20, 2014
(3)	General Meeting of Shareholders to approve absorption-type split	April 18, 2014 (scheduled)
(4)	Scheduled date of absorption-type split (Date of effectuation)	May 1, 2014 (scheduled)

(2) Method of absorption-type split

This is an absorption-type split in which Message is the splitting company, and Trust Garden, a consolidated subsidiary of the Company, is the succeeding company.

(3) Details of allotment related to the company split

Trust Garden plans to issue ¥710 million in cash to Message as compensation for the assets, liabilities, etc., that will be succeeded in this absorption-type split.

* The above amount is based on the outlook at the current time, and the amount will be adjusted depending on changes up until the date of the absorption-type split, and on the settlement amount calculated on the day of detailed calculation.

(4) Handling of subscription rights to shares and bonds with subscription rights to shares accompanying the absorption-type split

There are no relevant items.

(5) Changes in amount of capital due to absorption-type split

There is no change in capital due to this absorption-type split.

(6) Rights and obligations succeeded by the succeeding company

Through this absorption-type split, Trust Garden will succeed rights and obligations belonging to Message concerning the business related to Yuga Higashiminemachi.

(7) Outlook for performance of obligations

It is anticipated that Trust Garden will duly perform the obligations it will bear after the absorption-type split and succession.

3. Profile of parties to the absorption-type split

	Succeeding company	Splitting company
(1) Trade name	Trust Garden Co., Ltd.	Message Co., Ltd.
(2) Business Description	Operation of private nursing homes	In-house service business based on the Long-Term Care Insurance Act; rental, management, and operation of homes for the elderly, and operation of private retirement homes.
(3) Date of establishment	August 6, 2007	May 26, 1997
(4) Headquarters location	4-36-19, Yoyogi, Shibuya-ku, Tokyo	923-1, Hirata, Kurashiki-shi, Okayama
(5) Name and title of representative	Katsuyasu Ito, President and COO	Hiroshi Furue, President and Representative Director
(6) Capital	50 million yen	3,925.160 million yen
(7) Number of issued shares	1,602	20,080,000
(8) Major shareholders and ratio of shareholding	Resorttrust, Inc. 100%	Higashiune Shoji, Ltd. 28.88% Toshiaki Hashimoto 6.31% Goldman Sachs International (Standing Proxy: Goldman Sachs Japan Co., Ltd.) 5.28% Taiyo Pearl Fund, L.P. (Standing Proxy: Citibank Japan Ltd.) 4.77% Japan Trustee Services Bank, Ltd. (Trust

		Account)	4.48%
		Yoshie Hashimoto	2.98%
(9)	Close of fiscal year	March 31	March 31
(10)	Net sales	2,995 million yen	67,202 million yen
(11)	Net assets	1,023 million yen	23,060 million yen
(12)	Total assets	6,858 million yen	56,660 million yen
(13)	Relationship between the parties	There is no capital relation, human relation, trade relation, or controlling shareholder relation between the parties.	

4. Outline of succeeding business

(1) Description of succeeding business

Operation of private nursing home Yuga Higashiminemachi

(2) Management results of succeeding business

	Fiscal year ended March 31, 2013
Net sales	230 million yen
Gross profit	67 million yen
Operating income	52 million yen
Ordinary income	52 million yen

(3) Items and amounts of assets and liabilities to be succeeded (as of November 30, 2013)

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	24 million yen	Current liabilities	15 million yen
Noncurrent assets	790 million yen	Noncurrent liabilities	134 million yen
Total assets	815 million yen	Total liabilities	149 million yen

* The above "items" and "amounts" are as of November 30, 2013, and the actual amount split will differ from the above.

5. Future outlook

This absorption-type split will have minimal impact on the Group's performance.

(Reference)

Outline of private nursing home Yuga Higashiminemachi

Name	Yuga Higashiminemachi Private Nursing Home
Address	11-2 Higashiminemachi, Ota-ku, Tokyo
Site area	1,345.45 m ²
Structure and size	Reinforced concrete, 3 floors above ground
Date opened	February 2005
Type of facility	Private nursing home
Total floor area	1,337.07 m ²
Number of rooms	32
Type of lease	System based on the right to use
Lump sum payment upon admission	¥26.0 million (for those aged from 75 to 89)
Ownership of land/building	Owned by the business operator

* Amounts of lump sum payment upon admission are current as of January 20, 2014.