

RESORTTRUST FINANCIAL DATE

Fiscal 2014 (ending March 31, 2015)

CONSOLIDATED FINANCIAL SUMMARY

For the First Quarter Ended June 30, 2012, 2013 and 2014



RESORTTRUST
GROUP

(securities code: 4681)

CONSOLIDATED FINANCIAL SUMMARY

For the First Quarter Ended June 30, 2012, 2013 and 2014

	1Q			Fiscal Year	
	June 30,2012	June 30,2013	June 30,2014	2014 result	2015 target
Net sales	25,052	27,342	27,559	116,824	114,600
Operating income	2,552	3,068	2,993	15,190	15,200
Ordinary income	2,589	4,224	3,266	16,830	15,900
Net income (interim)	1,385	1,668	1,918	8,733	9,800
Net assets	65,930	73,993	82,914	81,395	
Assets	238,685	256,756	296,948	300,774	
Net assets per share (yen)	※ 630.54	※ 691.16	770.84	758.35	
Net income per share (yen) (Primary)	※ 14.80	※ 17.26	19.55	89.71	
Net income per share (yen) (Fully Diluted)	※ 14.71	※ 17.00	18.06	84.59	
Equity rate (%)	24.8	26.1	25.5	24.7	
Return on assets (%)	-	-	-	3.15	
Return on equity (%)	-	-	-	12.42	
Net cash provided by (used in) operating activities	901	2,567	1,802	24,815	
Net cash provided by (used in) investment activities	(6,670)	(10,366)	(16,729)	(33,747)	
Net cash provided by (used in) financing activities	7,107	1,517	2,304	22,179	
Cash and cash equivalents	23,226	32,436	39,343	51,965	

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

Net sales**(Millions of Yen)**

	1Q		
	2012	2013	2014
Membership Operations	6,883	8,619	7,805
Hotel and Restaurant Operations	12,729	14,522	14,987
Golf Operations	2,593		
Medical Operations	2,665	4,007	4,369
Others	180	192	397
Total	25,052	27,342	27,559

Operating income**(Millions of Yen)**

	1Q		
	2012	2013	2014
Membership Operations	829	1,270	975
Hotel and Restaurant Operations	912	751	1,081
Golf Operations	386		
Medical Operations	375	978	821
Others	48	68	115
Total	2,552	3,068	2,993

Business Results

(1) Overview of the Fiscal Year Ending March 31, 2014

1. Summary of Business Results

(¥ million)

	1QFY2013 (Results)	1QFY2014		Year-on-year Change	Results vs. Targets
		(Results)	(target)		
Net sales	27,342	27,559	26,900	+0.8%	+2.5%
Operating income	3,068	2,993	2,200	(2.4%)	+36.1%
Ordinary income	4,224	3,266	2,500	(22.7%)	+30.7%
Net income	1,668	1,918	1,500	+15.0%	+27.9%

The Japanese economy during the first quarter under review gradually recovered due to expansion of domestic demand along with improvement in the employment situation and stabilized wages despite a temporary, reactionary decline following the consumption tax hike.

Under these circumstances, regarding the current status of the Group for the first 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 0.8% year on year to ¥27,559 million, operating income stood at ¥2,993 million, down 2.4% year on year, ordinary income decreased 22.7% year on year to ¥3,266 million, and net income increased 15.0% year on year to ¥1,918 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)

	1QFY2013 (Results)	1QFY2014		Year-on-year Change	Results vs. Targets
		(Results)	(target)		
Net sales	8,619	7,805	7,510	(9.5%)	+3.9%
Operating income	1,270	975	670	(23.2%)	+45.6%

Membership Operations resulted in decreases both in sales and 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)

	1QFY2013 (Results)	1QFY2014		Year-on-year Change	Results vs. Targets
		(Results)	(target)		
Net sales	14,522	14,987	14,700	+3.2%	+2.0%
Operating income	751	1,081	780	+43.9%	+38.6%

Hotel and Restaurant Operations resulted in increased sales and income. During the first 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)

	1QFY2013 (Results)	1QFY2014		Year-on-year Change	Results vs. Targets
		(Results)	(target)		
Net sales	4,007	4,369	4,280	+9.0%	+2.1%
Operating income	978	821	660	(16.0%)	+24.5%

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)

	1QFY2013 (Results)	1QFY2014		Year-on-year Change	Results vs. Targets
		(Results)	(target)		
Net sales	192	397	410	+106.6%	(3.1%)
Operating income	68	115	90	+67.7%	+28.3%

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)

	1QFY2013 (Results)	1QFY2014 (Results)
Operating cash flows	2,567	1,802
Investing cash flows	(10,366)	(16,729)
Financing cash flows	1,517	2,304
Cash and cash equivalents	32,436	39,343

4. Outlook for the Fiscal Year Ending March 31, 2014

(¥ million)

	FY2014 (Results)	FY2015 (target)	Year-on-year Change
Net sales	116,824	114,600	(1.9%)
Operating income	15,190	15,200	+0.1%
Ordinary income	16,830	15,900	(5.5%)
Net income	8,733	9,800	+12.2%

CONSOLIDATED BALANCE SHEETS

(Based on Japanese Accounting Principles)

(Millions of yen)

	June 30 2014	March 31 2014
Assets		
Current assets		
Cash and deposits	26,445	46,151
Notes and accounts receivable – trade	4,788	5,979
Operating loans	23,928	23,305
Securities	26,695	15,698
Merchandise	623	610
Real estate for sale	4,818	5,845
Raw materials and supplies	898	899
Real estate for sale in process	9,004	8,985
Deferred tax assets	3,079	4,033
Other	4,381	3,039
Allowance for doubtful accounts	(679)	(645)
Total current assets	103,983	113,904
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	61,055	61,355
Machinery, equipment and vehicles, net	2,100	2,146
Golf courses	11,036	11,036
Land	40,568	39,176
Leased assets, net	2,465	2,538
Construction in progress	1,496	2,303
Other, net	1,371	1,409
Total property, plant and equipment	120,093	119,967
Intangible assets		
Goodwill	336	359
Software	713	791
Other	1,992	1,952
Total intangible assets	3,042	3,104
Investments and other assets		
Investment securities	55,630	49,889
Shares of subsidiaries and associates	1,580	1,592
Long-term loans receivable	1,321	1,357
Net defined benefit asset	1,112	225
Deferred tax assets	772	1,441
Other	15,859	15,773
Allowance for doubtful accounts	(6,448)	(6,483)
Total investments and other assets	69,828	63,797
Total non-current assets	192,964	186,869
Total assets	296,948	300,774

CONSOLIDATED BALANCE SHEETS

(Based on Japanese Accounting Principles)

(Millions of yen)

	June 30 2014	March 31 2014
Liabilities		
Current liabilities		
Notes and accounts payable – trade	851	913
Short-term loans payable	—	750
Current portion of long-term loans payable	6,693	7,089
Current portion of bonds	750	1,675
Lease obligations	371	438
Accounts payable – other	5,616	12,752
Income taxes payable	426	4,594
Accrued consumption taxes	1,271	664
Advances received	4,871	3,354
Unearned revenue	11,882	9,346
Provision for loss on guarantees	161	150
Other	10,667	6,796
Total current liabilities	43,566	48,523
Non-current liabilities		
Bonds payable	4,600	2,100
Bonds with subscription rights to shares	15,061	15,064
Long-term loans payable	39,122	37,893
Lease obligations	2,321	2,385
Deferred tax liabilities	836	1,072
Provision for directors' retirement benefits	2,015	1,997
Provision for stocks payment	419	158
Net defined benefit liability	678	1,038
Long-term guarantee deposited	99,764	103,924
Negative goodwill	553	583
Other	5,094	4,636
Total non-current liabilities	170,467	170,855
Total liabilities	214,033	219,378
Net assets		
Shareholders' equity		
Capital stock	14,258	14,258
Capital surplus	14,664	14,653
Retained earnings	50,116	48,983
Treasury shares	(4,839)	(4,971)
Total shareholders' equity	74,199	72,923
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,382	1,306
Remeasurements of defined benefit plans	157	159
Total accumulated other comprehensive income	1,540	1,465
Subscription rights to shares	109	133
Minority interests	7,065	6,872
Total net assets	82,914	81,395
Total liabilities and net assets	296,948	300,774

CONSOLIDATED STATEMENTS OF INCOME

(Based on Japanese Accounting Principles)

(Millions of yen)

	June 30 2013	June 30 2014
Net sales	27,342	27,559
Cost of sales	4,973	4,289
Gross profit	22,369	23,269
Selling, general and administrative expenses		
Salaries and bonuses	7,539	8,145
Provision for directors' retirement benefits	14	17
Repair and maintenance	736	565
Provision of allowance for doubtful accounts	34	7
Provision for loss on guarantees	10	10
Utilities expenses	1,150	1,242
Depreciation	1,169	1,304
Other	8,645	8,982
Total selling, general and administrative expenses	19,301	20,275
Operating income	3,068	2,993
Non-operating income		
Interest income	163	327
Dividend income	15	16
Interests and charge for installment payment	0	0
Amortization of negative goodwill	30	30
Reversal of allowance for doubtful accounts	1,049	8
Share of profit of entities accounted for using equity method	4	—
Other	55	67
Total non-operating income	1,319	450
Non-operating expenses		
Interest expenses paid on loans and bonds	66	112
Share of loss of entities accounted for using equity method	—	10
Guarantee charge of unearned revenue	0	2
Nondeductible consumption tax	68	28
Other	28	23
Total non-operating expenses	163	177
Ordinary income	4,224	3,266

CONSOLIDATED STATEMENTS OF INCOME

(Based on Japanese Accounting Principles)

(Millions of yen)

	June 30 2013	June 30 2014
Extraordinary income		
Compensation income	18	7
Gain on sales of non-current assets	–	1
Gain on sales of shares of subsidiaries and associates	2	5
Gain on reversal of subscription rights to shares	–	13
Total extraordinary income	20	28
Extraordinary losses		
Loss on retirement of non-current assets	5	11
Loss on sales of non-current assets	1	–
Loss on valuation of investments in capital	1,000	–
Other	–	–
Total extraordinary losses	1,006	11
Income before income taxes and minority interests	3,238	3,284
Income taxes – current	641	378
Income taxes – deferred	944	898
Total income taxes	1,586	1,276
Income before minority interests	1,651	2,007
Minority interests in income (loss)	(16)	89
Net income	1,668	1,918

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Based on Japanese Accounting Principles)

(Millions of yen)

	June 30 2013	June 30 2014
Cash flows from operating activities		
Income before income taxes and minority interests	3,238	3,284
Depreciation	1,249	1,375
Amortization of goodwill (negative goodwill)	(6)	4
Increase (decrease) in allowance for doubtful accounts	(1,019)	(0)
Increase (decrease) in provision for retirement benefits	61	—
Increase (decrease) in net defined benefit liability	—	16
Increase (decrease) in provision for directors' retirement benefits	11	17
Interest and dividend income	(178)	(343)
Interest expenses paid on loans and bonds	66	112
Decrease (increase) in notes and accounts receivable – trade	703	575
Decrease (increase) in inventories	1,628	908
Increase (decrease) in notes and accounts payable – trade	(52)	(61)
Increase (decrease) in accounts payable – other	(466)	(1,353)
Increase (decrease) in advances received	129	1,510
Increase (decrease) in long-term guarantee deposits received	(4,166)	(4,265)
Increase (decrease) in accrued consumption taxes	(249)	732
Other, net	3,990	3,748
Subtotal	4,940	6,261
Interest and dividend income received	73	135
Interest expenses paid	(54)	(100)
Income taxes paid	(2,392)	(4,494)
Net cash provided by (used in) operating activities	2,567	1,802
Cash flows from investing activities		
Payments into time deposits	(210)	(210)
Proceeds from withdrawal of time deposits	260	260
Purchase of securities	(14,996)	(12,997)
Proceeds from sales and redemption of securities	11,500	7,000
Purchase of investment securities	(1,547)	(9,877)
Proceeds from sales and redemption of investment securities	500	1,200
Purchase of shares of subsidiaries and associates	(315)	—
Proceeds from sales of shares of subsidiaries and associates	8	7
Purchase of property, plant and equipment and intangible assets	(1,745)	(1,309)
Payments of loans receivable	(32)	(16)
Collection of loans receivable	1,984	33
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(2,373)	—
Other, net	(3,397)	(818)
Net cash provided by (used in) investing activities	(10,366)	(16,729)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	2,850	(750)
Proceeds from long-term loans payable	497	3,210
Repayments of long-term loans payable	(2,543)	(2,376)
Proceeds from issuance of bonds	—	2,487
Redemption of bonds	(175)	(925)
Purchase of treasury shares	(6)	(0)
Proceeds from disposal of treasury shares	242	135
Cash dividends paid	(1,468)	(1,603)
Cash dividends paid to minority shareholders	(0)	—
Other, net	2,122	2,127
Net cash provided by (used in) financing activities	1,517	2,304
Effect of exchange rate change on cash and cash equivalents	1	(0)
Net increase (decrease) in cash and cash equivalents	(6,280)	(12,621)
Cash and cash equivalents at beginning of period	38,716	51,965
Cash and cash equivalents at end of period	32,436	39,343

※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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