

RESORTTRUST FINANCIAL DATE

CONSOLIDATED FINANCIAL SUMMARY

FY 2014 (from April 2014 to March 2015)



RESORTTRUST
GROUP

(securities code: 4681)

CONSOLIDATED FINANCIAL SUMMARY

Years Ended March 31, 2011, 2012, 2013, 2014 and 2015

	Fiscal year					
	2011/3	2012/3	2013/3	2014/3	2015/3	2015/3 revision target
Net sales	108,976	99,894	105,311	116,824	120,401	116,900
Operating income	13,172	9,891	12,054	15,190	16,041	15,500
Ordinary income	13,341	9,443	12,976	16,830	20,206	18,000
Net income (interim)	3,300	5,415	7,127	8,733	11,851	11,200
Net assets	61,379	64,883	73,145	81,395	104,769	
Assets	237,359	235,151	253,861	300,774	390,832	
Net assets per share (yen)	1,171.84	1,256.39	1,373.70	※ 758.35	※ 963.99	
Net income per share (yen) (Primary)	71.37	115.95	150.76	※ 89.71	※ 120.30	
Net income per share (yen) (Fully Diluted)	71.07	115.71	149.23	※ 84.59	108.69	
Equity rate (%)	23.0	25.0	26.1	24.7	25.5	
Return on assets (%)	1.34	2.29	2.91	3.15	3.43	
Return on equity (%)	6.12	9.55	11.40	12.42	13.61	
Net cash provided by (used in) operating activities	14,126	19,657	21,338	24,815	22,057	
Net cash provided by (used in) investment activities	(5,962)	(15,546)	(15,958)	(33,747)	(71,837)	
Net cash provided by (used in) financing activities	(19,131)	(3,351)	11,447	22,179	60,359	
Cash and cash equivalents	21,446	21,888	38,716	51,965	66,404	

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

revised on Oct. 15, 2014

Net sales**(Millions of Yen)**

	Fiscal Year		
	2013/3	2014/3	2015/3
Membership Operations	28,418	36,274	33,590
Hotel and Restaurant Operations	54,765	62,303	65,462
Golf Operations	8,671		
Medical Operations	12,698	17,341	19,746
Others	757	904	1,602
Total	105,311	116,824	120,401

Operating income**(Millions of Yen)**

	Fiscal Year		
	2013/3	2014/3	2015/3
Membership Operations	3,951	6,251	6,230
Hotel and Restaurant Operations	4,826	4,930	4,906
Golf Operations	617		
Medical Operations	2,334	3,755	4,287
Others	323	253	617
Total	12,054	15,190	16,041

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

Overview of The Fiscal Year Ending March 31, 2015

1. Summary of Business Results

(¥ million)

	2014/3 (Results)	2015/3		Year-on-year Change	Results vs. Targets
		(Results)	(target)		
Net sales	116,824	120,401	116,900	+3.1%	+3.0%
Operating income	15,190	16,041	15,500	+5.6%	+3.5%
Ordinary income	16,830	20,206	18,000	+20.1%	+12.3%
Net income	8,733	11,851	11,200	+35.7%	+5.8%

The Japanese economy during the fiscal year under review continued on a gradual recovery track, and although the pace of recovery in personal consumption was slow due to unseasonable weather as well as rising prices associated with the tax hike and yen depreciation, it reflected a temporary, reactionary decline following the consumption tax hike and improvement in corporate performance and the employment situation, etc.

Under such circumstances, during the fiscal year under review, the Company acquired luxury resort “The Kahala Hotel & Resort” in Hawaii, the United States in October 2014, marking the Company’s first expansion overseas in Hotel Operations, and acquisition-related costs were incurred regarding this hotel. Furthermore, a portion of profits from hotel memberships for unopened hotels “XIV Toba Bettei” and “XIV Yugawara Rikyu” have been deferred until their openings, while 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 the number of HIMEDIC members and senior residence residents has increased due to expansion of Medical Operations. Combined with the recording of foreign exchange gains in non-operating income, net sales increased 3.1% year on year to ¥120,401 million, operating income increased 5.6% year on year to ¥16,041 million, ordinary income increased 20.1% year on year to ¥20,206 million, and net income increased 35.7% year on year to ¥11,851 million, reflecting higher sales and profits, and setting new records for net sales and each type of profit.

2. Summary of Business Segments

[Membership Operations]

(¥ million)

	2014/3 (Results)	2015/3		Year-on-year Change	Results vs. Targets
		(Results)	(target)		
Net sales	36,274	33,590	31,650	(7.4%)	+6.1%
Operating income	6,251	6,230	5,780	(0.3%)	+7.8%

Membership Operations Segments resulted in decreased sales and income from effect of the sale of memberships of hotels and from effect of a portion of profits from hotel memberships for unopened hotels “XIV Toba Bettei” (2016/3) and “XIV Yugawara Rikyu” (2017/3) have been deferred until their openings.

[Hotel and Restaurant Operations]

(¥ million)

	2014/3 (Results)	2015/3		Year-on-year Change	Results vs. Targets
		(Results)	(target)		
Net sales	62,303	65,462	64,810	+5.1%	+1.0%
Operating income	4,930	4,906	5,120	(0.5%)	(4.2%)

Hotel and Restaurant Operations Segments resulted in increased sales and in decreased income. During 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, during the fiscal year, these hotels contributed to revenue this fiscal year and the Company acquired luxury resort “The Kahala Hotel & Resort” in Hawaii, the United States in October 2014 and acquisition-related costs were incurred regarding this hotel, etc.

[Medical Operations] (¥ million)

	2014/3 (Results)	2015/3		Year-on-year Change	Results vs. Targets
		(Results)	(target)		
Net sales	17,341	19,746	18,770	+13.9%	+5.2%
Operating income	3,755	4,287	4,090	+14.2%	+4.8%

Medical Operations Segments resulted in increased sales and income, primarily increasing sales of Senior-life Division and due to an increase in income from annual membership fees accompanying the growth in membership.

[Others] (¥ million)

	2014/3 (Results)	2015/3		Year-on-year Change	Results vs. Targets
		(Results)	(target)		
Net sales	904	1,602	1,670	+77.2%	(4.0%)
Operating income	253	617	510	+143.8%	+21.1%

Other Operations Segments 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)

	2014/3 (Results)	2015/3 (Results)
Operating cash flows	24,815	22,057
Investing cash flows	(33,747)	(71,837)
Financing cash flows	22,179	60,359
Cash and cash equivalents	51,965	66,404

4. Outlook for the Fiscal Year Ending March 31, 2016

(¥ million)

	2015/3 (Results)	2016/3 (target)	Year-on-year Change
Net sales	120,401	144,600	+20.1%
Operating income	16,041	17,500	+9.1%
Ordinary income	20,206	18,300	(9.4%)
Net income	11,851	12,800	+8.0%

Under such circumstances, the Company continues to challenge itself by aiming for continuous growth under the themes of “employee satisfaction,” “customer satisfaction,” “strict compliance,” and “brand strength improvement.” Concerning forecasts for the full year, deferred real estate profits will be recorded as a lump sum upon the opening of “XIV Toba Bettei,” and in addition to memberships which are currently on sale for “XIV Yugawara Rikyu,” the Company plans to begin development and sales of memberships for a membership hotel in the West Japan region. Furthermore, “The Kahala Hotel & Resort” in Hawaii, the United States, which was acquired in October 2014, will contribute over the full year, and medical examination facilities will be strengthened in Medical Operations and the Senior Lifestyle Business is projected to expand. As a result, the Company Group forecasts net sales to increase 20.1% year on year to ¥144,600 million yen, operating income to increase 9.1% year on year to ¥17,500 million yen, ordinary income to decrease 9.4% year on year to ¥18,300 million yen, and net income to increase 8.0% to ¥12,800 million yen

Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	Fiscal 2013 (As of March 31, 2014)	Fiscal 2014 (As of March 31, 2015)
Assets		
Current assets		
Cash and deposits	46,151	53,687
Notes and accounts receivable - trade	5,979	5,994
Operating loans	23,305	27,448
Securities	15,698	42,193
Merchandise	610	728
Real estate for sale	5,845	2,010
Raw materials and supplies	899	900
Real estate for sale in process	8,985	18,497
Deferred tax assets	4,033	3,714
Other	3,039	3,921
Allowance for doubtful accounts	(645)	(773)
Total current assets	113,904	158,323
Non-current assets		
Property, plant and equipment		
Buildings and structures	132,310	164,947
Accumulated depreciation	(70,954)	(74,577)
Buildings and structures, net	61,355	90,369
Machinery, equipment and vehicles	12,167	12,231
Accumulated depreciation	(10,021)	(10,461)
Machinery, equipment and vehicles, net	2,146	1,769
Golf courses	11,036	9,563
Land	39,176	40,417
Leased assets	4,017	4,150
Accumulated depreciation	(1,478)	(1,643)
Leased assets, net	2,538	2,506
Construction in progress	2,303	4,007
Other	13,270	17,494
Accumulated depreciation	(11,861)	(12,344)
Other, net	1,409	5,150
Total property, plant and equipment	119,967	153,784
Intangible assets		
Goodwill	359	231
Software	791	678
Other	1,952	2,442
Total intangible assets	3,104	3,351
Investments and other assets		
Investment securities	49,889	60,805
Shares of subsidiaries and associates	1,592	1,603
Long-term loans receivable	1,357	1,428
Net defined benefit asset	225	1,348
Deferred tax assets	1,441	123
Other	15,773	16,452
Allowance for doubtful accounts	(6,483)	(6,390)
Total investments and other assets	63,797	75,372
Total non-current assets	186,869	232,508
Total assets	300,774	390,832

(Millions of yen)

	Fiscal 2013 (As of March 31, 2014)	Fiscal 2014 (As of March 31, 2015)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	913	1,096
Short-term loans payable	750	5,000
Current portion of long-term loans payable	7,089	6,663
Current portion of bonds	1,675	450
Lease obligations	438	369
Accounts payable - other	12,752	9,301
Income taxes payable	4,594	4,482
Accrued consumption taxes	664	2,602
Advances received	3,354	13,304
Unearned revenue	9,346	10,619
Provision for loss on guarantees	150	151
Other	6,796	7,555
Total current liabilities	48,523	61,595
Non-current liabilities		
Bonds payable	2,100	4,150
Bonds with subscription rights to shares	15,064	35,558
Long-term loans payable	37,893	67,211
Lease obligations	2,385	2,367
Deferred tax liabilities	1,072	1,639
Provision for directors' retirement benefits	1,997	2,102
Provision for stocks payment	158	458
Net defined benefit liability	1,038	860
Long-term guarantee deposited	103,924	103,154
Negative goodwill	583	462
Other	4,636	6,500
Total non-current liabilities	170,855	224,466
Total liabilities	219,378	286,062
Net assets		
Shareholders' equity		
Capital stock	14,258	16,977
Capital surplus	14,653	19,984
Retained earnings	48,983	57,807
Treasury shares	(4,971)	(2,705)
Total shareholders' equity	72,923	92,062
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,306	4,742
Foreign currency translation adjustment	-	2,671
Remeasurements of defined benefit plans	159	257
Total accumulated other comprehensive income	1,465	7,670
Subscription rights to shares	133	57
Minority interests	6,872	4,978
Total net assets	81,395	104,769
Total liabilities and net assets	300,774	390,832

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

(Millions of yen)

	Fiscal 2013 (April 1, 2013 to March 31, 2014)	Fiscal 2014 (April 1, 2014 to March 31, 2015)
Net sales	116,824	120,401
Cost of sales	21,383	18,051
Gross profit	95,440	102,350
Selling, general and administrative expenses		
Advertising expenses	1,379	1,526
Membership service expenses	715	984
Repair and maintenance	3,763	3,395
Linen expenses	3,226	3,327
Provision of allowance for doubtful accounts	-	68
Provision for loss on guarantees	14	0
Directors' compensations	765	1,076
Salaries and bonuses	31,432	34,135
Retirement benefit expenses	681	556
Provision for directors' retirement benefits	430	105
Legal welfare expenses	4,124	4,421
Welfare expenses	455	672
Commission fee	5,601	6,422
Rent expenses	3,377	3,713
Utilities expenses	5,288	5,541
Correspondence and transportation expenses	2,622	2,826
Depreciation	5,218	5,586
Taxes and dues	1,834	1,883
Supplies expenses	2,496	2,265
Amortization of goodwill	127	140
Other	6,695	7,658
Total selling, general and administrative expenses	80,250	86,308
Operating income	15,190	16,041
Non-operating income		
Interest income	796	1,572
Dividend income	86	139
Interests and charge for installment payment	2	2
Amortization of negative goodwill	120	120
Foreign exchange gains	1	3,509
Subsidy income	49	58
Reversal of allowance for doubtful accounts	1,085	28
Share of profit of entities accounted for using equity method	87	-
Other	174	321
Total non-operating income	2,405	5,752
Non-operating expenses		
Interest expenses paid on loans and bonds	274	510
Amortization of bond issuance cost	27	108
Share issuance cost	5	4
Share of loss of entities accounted for using equity method	-	73
Commission for syndicate loan	58	726
Guarantee charge of unearned revenue	4	21
Undeductible consumption tax	262	82
Other	131	61
Total non-operating expenses	765	1,588
Ordinary income	16,830	20,206

(Millions of yen)

	Fiscal 2013 (April 1, 2013 to March 31, 2014)	Fiscal 2014 (April 1, 2014 to March 31, 2015)
Extraordinary income		
Compensation income	84	53
Gain on sales of non-current assets	1	1
Gain on sales of investment securities	-	497
Gain on bargain purchase	13	-
Gain on sales of shares of subsidiaries and associates	11	5
Other	11	73
Total extraordinary income	123	632
Extraordinary losses		
Loss on valuation of investments in capital	1,000	-
Loss on retirement of non-current assets	213	396
Loss on sales of non-current assets	1	-
Impairment loss	316	2,707
Other	12	25
Total extraordinary losses	1,544	3,129
Income before income taxes and minority interests	15,408	17,709
Income taxes - current	6,817	7,748
Income taxes - deferred	(72)	194
Total income taxes	6,745	7,943
Income before minority interests	8,663	9,766
Minority interests in loss	(70)	(2,084)
Net income	8,733	11,851

[Quarterly Consolidated Statements of Comprehensive Income]

(Millions of yen)

	Fiscal 2013 (As of March 31, 2014)	Fiscal 2014 (As of March 31, 2015)
Income before minority interests	8,663	9,766
Other comprehensive income		
Valuation difference on available-for-sale securities	911	3,435
Foreign currency translation adjustment	-	2,671
Remeasurements of defined benefit plans, net of tax	-	98
Total other comprehensive income	911	6,205
Comprehensive income	9,574	15,971
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,644	18,056
Comprehensive income attributable to minority interests	(70)	(2,084)

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal 2013 (April 1, 2013 to March 31, 2014)	Fiscal 2014 (April 1, 2014 to March 31, 2015)
Cash flows from operating activities		
Income before income taxes and minority interests	15,408	17,709
Depreciation	5,523	5,876
Impairment loss	316	2,707
Amortization of goodwill (negative goodwill)	6	19
Increase (decrease) in allowance for doubtful accounts	(1,126)	34
Increase (decrease) in net defined benefit liability	277	98
Increase (decrease) in provision for directors' retirement benefits	423	105
Interest and dividend income	(883)	(1,712)
Interest expenses paid on loans and bonds	274	510
Decrease (increase) in notes and accounts receivable - trade	(1,596)	(4,140)
Decrease (increase) in inventories	4,481	(6,021)
Increase (decrease) in notes and accounts payable - trade	(14)	174
Increase (decrease) in accounts payable - other	550	1,295
Increase (decrease) in advances received	2,577	9,942
Increase (decrease) in long-term guarantee deposits received	(1,259)	(883)
Increase (decrease) in accrued consumption taxes	(342)	2,078
Other, net	4,489	963
Subtotal	29,107	28,759
Interest and dividend income received	753	1,679
Interest expenses paid	(267)	(502)
Income taxes paid	(4,777)	(7,878)
Net cash provided by (used in) operating activities	24,815	22,057
Cash flows from investing activities		
Payments into time deposits	(2,514)	(672)
Proceeds from withdrawal of time deposits	3,504	514
Purchase of securities	(40,491)	(69,497)
Proceeds from sales and redemption of securities	53,900	56,748
Purchase of investment securities	(28,086)	(30,560)
Proceeds from sales and redemption of investment securities	1,800	14,136
Purchase of shares of subsidiaries and associates	(433)	(112)
Proceeds from sales of shares of subsidiaries and associates	24	7
Purchase of property, plant and equipment	(18,439)	(39,516)
Purchase of intangible assets	(264)	(756)
Payments of loans receivable	(124)	(218)
Collection of loans receivable	2,123	147
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(2,373)	-
Other, net	(2,372)	(2,056)
Net cash provided by (used in) investing activities	(33,747)	(71,837)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	600	4,250
Proceeds from long-term loans payable	17,828	36,270
Repayments of long-term loans payable	(8,282)	(7,377)
Proceeds from issuance of bonds	15,047	32,691
Redemption of bonds	(1,100)	(1,675)
Purchase of treasury shares	(11)	(5)
Proceeds from disposal of treasury shares	1,128	540
Cash dividends paid	(2,953)	(3,613)
Cash dividends paid to minority shareholders	(0)	-
Net increase (decrease) in deposits received from subsidiaries and affiliates	100	200
Other, net	(176)	(920)
Net cash provided by (used in) financing activities	22,179	60,359
Effect of exchange rate change on cash and cash equivalents	1	3,859
Net increase (decrease) in cash and cash equivalents	13,248	14,439
Cash and cash equivalents at beginning of period	38,716	51,965
Cash and cash equivalents at end of period	51,965	66,404

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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