

# RESORTTRUST FINANCIAL DATA

## CONSOLIDATED FINANCIAL SUMMARY

3Q FY 2016 (from April 1, 2016 to December 31, 2016)



RESORTTRUST  
GROUP

(securities code: 4681)

# CONSOLIDATED FINANCIAL SUMMARY

For the Third Quarter Ended December 31, 2014, 2015 and 2016

	3Q Results (9-month)			Fiscal Year	
	Apr.-Dec. 2014	Apr.-Dec. 2015	Apr.-Dec. 2016	2016/3 results	2017/3 ※revision target
Net sales	90,858	98,794	98,480	142,249	152,000
Operating income	15,245	13,980	8,566	18,640	14,200
Ordinary income	19,405	15,309	9,405	19,439	15,100
Net income (interim)	12,220	11,185	7,181	13,044	10,200
Net assets	93,425	112,345	110,099	112,515	
Assets	384,190	407,074	411,373	407,430	
Net assets per share (yen)	874.90	1,026.74	993.52	1,019.35	
Net income per share (yen) (Primary)	124.31	106.07	67.46	123.34	
Net income per share (yen) (Fully Diluted)	114.00	96.87	62.01	112.81	
Equity ratio (%)	22.4	26.9	25.7	26.6	
Return on assets (%)	-	-	-	3.27	
Return on equity (%)	-	-	-	12.54	
Net cash provided by (used in) operating activities	14,184	10,036	19,076	2,616	
Net cash provided by (used in) investment activities	(29,469)	(42,537)	2,441	(33,824)	
Net cash provided by (used in) financing activities	64,764	(5,849)	(8,411)	(8,624)	
Cash and cash equivalents	104,293	27,062	38,536	25,476	

※revised on Oct. 28,2016

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

	3Q Results (9-month)		
	FY2014	FY2015	FY2016
Membership Operations	25,690	25,204	20,749
Hotel and Restaurant Operations	49,508	56,554	57,503
Medical Operations	14,442	16,017	19,301
Others	1,216	1,018	926
Total	90,858	98,794	98,480

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

	3Q Results (9-month)		
	FY2014	FY2015	FY2016
Membership Operations	5,554	6,039	2,877
Hotel and Restaurant Operations	5,765	4,816	3,033
Medical Operations	3,426	2,741	2,276
Others	499	382	380
Total	15,245	13,980	8,566

# Business Results

## Overview of 3Q for The Fiscal Year Ending March 31, 2017

### 1. Summary of Business Results

	3Q FY2015 (Results)	3Q FY2016		Year-on-Year Change	Results vs. Targets
		(Results)	(targets)		
Net sales	98,794	98,480	101,000	(0.3%)	(2.5%)
Operating income	13,980	8,566	9,100	(38.7%)	(5.9%)
Ordinary income	15,309	9,405	9,500	(38.6%)	(1.0%)
Net income	11,185	7,181	6,400	(35.8%)	+12.2%

The Japanese economy during the nine-month period under review saw improvements in corporate earnings and employment circumstances. However, amid stagnant consumer spending and the emergence of overseas economic downside risks such as the effect of economic slowdown in the Chinese market and the effect of issues surrounding the UK's decision to leave the EU on the economic environment, the future outlook remained uncertain.

Under these circumstances, net sales were 98,480 million yen (-0.3% yoy), operating income was 8,566 million yen (-38.7% yoy), ordinary income was 9,405 million yen (-38.6% yoy) due to the impact of foreign exchange losses, and net income attributable to owners of parent was 7,181 million yen (-35.8% yoy). During the same period of the previous fiscal year, thanks to the considerable effect of the sales of the new "Ashiya Baycourt Club," the second property in the Baycourt series that began sales in June 2015, contract amounts temporarily increased. However, for the nine-month period under review, sales and income decreased because the effect of these sales came full circle and sales volume of memberships decreased, although membership sales began in August 2016 for the new exclusive membership resort "Laguna Baycourt Club" (Gamagori City, Aichi Prefecture).

### 2. Summary of Business Segments

#### 【Membership Operations】

	3Q FY2015 (Results)	3Q FY2016		Year-on-Year Change	Results vs. Targets
		(Results)	(targets)		
Net sales	25,204	20,749	21,770	(17.7%)	(4.7%)
Operating income	6,039	2,877	2,950	(52.4%)	(2.5%)

Membership Operation Segment resulted in decreased sales and income led by lower sales volume of memberships. During the same period of the previous fiscal year, there was the effect of the sales of the new "Ashiya Baycourt Club," the second property in the Baycourt series that began sales in June 2015. However, the effect of these sales came full circle and sales volume of memberships decreased, although membership sales began in August 2016 for the new exclusive membership resort "Laguna Baycourt Club" (Gamagori City, Aichi Prefecture).

#### 【Hotel and Restaurant Operations】

	3Q FY2015 (Results)	3Q FY2016		Year-on-Year Change	Results vs. Targets
		(Results)	(targets)		
Net sales	56,554	57,503	58,520	+1.7%	(1.7%)
Operating income	4,816	3,033	3,140	(37.0%)	(3.4%)

Hotel and Restaurant Operation Segment increased sales but decreased income due to contributions made to sales expansion by "XIV Toba Bettei" which opened in March 2016 and started full operation, but these were offset by frequent unfavorable weather conditions such as typhoons and an increase in costs such as personnel expenses in line with strengthening the personnel structure ahead of new openings and facility maintenance costs.

## 【Medical Operations】

(Millions of Yen)

	3Q FY2015 (Results)	3Q FY2016		Year-on-Year Change	Results vs. Targets
		(Results)	(targets)		
Net sales	16,017	19,301	19,750	+20.5%	(2.3%)
Operating income	2,741	2,276	2,600	(17.0%)	(12.4%)

Medical Operation Segment increased sales but decreased income due to the expansion of Senior Life Businesses and an increase in annual fees accompanied with an increased number of memberships, in addition to the inclusion of Kosei Co., Ltd., a company that provides consulting service on medical facilities management, into the scope of consolidation, but these were offset by an increase in the allocated amount of indirect costs.

## 【Others】

(Millions of Yen)

	3Q FY2015 (Results)	3Q FY2016		Year-on-Year Change	Results vs. Targets
		(Results)	(targets)		
Net sales	1,018	926	960	(9.0%)	(3.5%)
Operating income	382	380	410	(0.7%)	(7.3%)

Other Operations Segments decreased sales and income, due to a decrease in rent income from office buildings operated by RT Development Co., Ltd., a consolidated subsidiary, in line with an increase in the ratio of leasing transactions within the Company Group.

## 3. Cash Flows

(Millions of Yen)

	3Q FY2015 (Results)	3Q FY2016 (Results)
Operating cash flows	10,036	19,076
Investing cash flows	(42,537)	2,441
Financing cash flows	(5,849)	(8,411)
Cash and cash equivalents	27,062	38,536

## 4. Outlook for the Fiscal Year 2016(Ending March 31, 2017)

(Millions of Yen)

	FY2015 (Results)	FY 2016 ※(Revision targets)	Year-on-year Change
Net sales	142,249	152,000	+6.9%
Operating income	18,640	14,200	(23.8%)
Ordinary income	19,439	15,100	(22.3%)
Net income	13,044	10,200	(21.8%)

※revised on Oct. 28,2016

In view of recent business conditions, forecasts were revised on October 28, 2016. For details, please see the “Notice of Revision of Forecasts” announced on the same day.

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 membership sales are projected for the exclusive membership resort “Laguna Baycourt Club” that began sales in August 2016. Furthermore, in Medical Operations, we project strengthening of medical examination facilities such as “HIMEDIC Kyoto University Hospital” and “HIMEDIC NAGOYA.” However, the considerable effect of new sales of “Ashiya Baycourt Club” during the same period of the previous fiscal year has already come full circle. As a result, the Company Group forecasts net sales to increase 6.9% year-on-year to 152,000 million yen, operating income to decrease 23.8% year-on-year to 14,200 million yen, ordinary income to decrease 22.3% year-on-year to 15,100 million yen, and net income attributable to owners of parent to decrease 21.8% year-on-year to 10,200 million yen.

## Quarterly Consolidated Financial Statements

### (1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	FY 2015 (as of Mar. 31, 2016)	3Q FY 2016 (as of Dec. 31, 2016)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	24,742	39,142
Notes and accounts receivable – trade	6,738	7,812
Operating loans	38,050	41,154
Securities	28,466	8,675
Merchandise	785	853
Real estate for sale	5,614	5,279
Raw materials and supplies	957	1,542
Real estate for sale in process	27,902	38,269
Deferred tax assets	3,985	3,397
Other	11,077	5,487
Allowance for doubtful accounts	(1,069)	(1,052)
<b>Total current assets</b>	<b>147,250</b>	<b>150,561</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	93,458	85,448
Machinery, equipment and vehicles	2,059	2,081
Golf courses	7,568	7,585
Land	40,561	36,961
Leased assets	2,835	4,816
Construction in progress	5,588	7,552
Other	4,812	3,976
<b>Total property, plant and equipment</b>	<b>156,884</b>	<b>148,422</b>
<b>Intangible assets</b>		
Goodwill	146	4,403
Software	1,833	2,170
Other	2,360	2,937
<b>Total intangible assets</b>	<b>4,341</b>	<b>9,511</b>
<b>Investments and other assets</b>		
Investment securities	82,506	84,364
Shares of subsidiaries and associates	1,665	1,694
Long-term loans receivable	4,207	4,622
Net defined benefit asset	1,068	1,023
Deferred tax assets	1,924	1,799
Other	9,439	11,208
Allowance for doubtful accounts	(1,857)	(1,833)
<b>Total investments and other assets</b>	<b>98,954</b>	<b>102,879</b>
<b>Total non-current assets</b>	<b>260,179</b>	<b>260,812</b>
<b>Total assets</b>	<b>407,430</b>	<b>411,373</b>

(Millions of yen)

	FY 2015 (as of Mar. 31, 2016)	3Q FY 2016 (as of Dec. 31, 2016)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable – trade	1,123	1,749
Short-term loans payable	2,500	9,555
Current portion of long-term loans payable	10,342	8,165
Current portion of bonds	450	250
Lease obligations	365	656
Accounts payable – other	20,755	7,258
Income taxes payable	1,426	825
Accrued consumption taxes	668	996
Advances received	25,227	41,337
Unearned revenue	11,535	15,412
Provision for loss on guarantees	163	152
Other	7,234	8,071
<b>Total current liabilities</b>	<b>81,794</b>	<b>94,431</b>
<b>Non-current liabilities</b>		
Bonds payable	3,700	3,575
Bonds with subscription rights to shares	30,242	30,210
Long-term loans payable	59,723	51,091
Lease obligations	2,675	4,521
Deferred tax liabilities	851	865
Provision for directors' retirement benefits	2,306	2,151
Provision for stocks payment	904	1,005
Net defined benefit liability	1,272	1,459
Long-term guarantee deposited	103,098	101,735
Negative goodwill	342	251
Other	8,001	9,975
<b>Total non-current liabilities</b>	<b>213,119</b>	<b>206,843</b>
<b>Total liabilities</b>	<b>294,914</b>	<b>301,274</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	19,588	19,588
Capital surplus	22,583	22,174
Retained earnings	65,938	68,136
Treasury shares	(3,451)	(2,890)
<b>Total shareholders' equity</b>	<b>104,657</b>	<b>107,009</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	616	1,301
Foreign currency translation adjustment	3,334	(2,189)
Remeasurements of defined benefit plans	(256)	(221)
<b>Total accumulated other comprehensive income</b>	<b>3,694</b>	<b>(1,110)</b>
Subscription rights to shares	16	—
Non-controlling interests	4,146	4,200
<b>Total net assets</b>	<b>112,515</b>	<b>110,099</b>
<b>Total liabilities and net assets</b>	<b>407,430</b>	<b>411,373</b>

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

(Millions of yen)

	3Q FY 2015 (Apr. 2015 – Dec. 2015)	3Q FY 2016 (Apr. 2016 – Dec. 2016)
Net sales	98,794	98,480
Cost of sales	11,302	12,360
Gross profit	87,491	86,120
Selling, general and administrative expenses		
Salaries and bonuses	30,163	30,668
Provision for directors' retirement benefits	193	214
Repair and maintenance	2,241	2,348
Provision of allowance for doubtful accounts	261	2
Provision for loss on guarantees	44	—
Utilities expenses	3,975	3,545
Depreciation	4,911	5,175
Other	31,719	35,598
Total selling, general and administrative expenses	73,511	77,553
Operating income	13,980	8,566
Non-operating income		
Interest income	1,643	1,660
Dividend income	85	66
Interests and charge for installment payment	1	1
Amortization of negative goodwill	90	90
Reversal of allowance for doubtful accounts	—	31
Reversal of provision for loss on guarantees	—	11
Share of profit of entities accounted for using equity method	7	50
Other	183	376
Total non-operating income	2,011	2,288
Non-operating expenses		
Interest expenses paid on loans and bonds	369	436
Guarantee charge of unearned revenue	53	79
Commission for syndicate loan	12	23
Nondeductible consumption tax	68	80
Provision of allowance for doubtful accounts	72	—
Foreign exchange losses	26	766
Other	79	63
Total non-operating expenses	682	1,449
Ordinary income	15,309	9,405
Extraordinary income		
Gain on step acquisitions	—	1,334
Gain on sales of non-current assets	0	795
Gain on sales of investment securities	1,249	1,163
Gain on redemption of investment securities	—	114
Gain on sales of shares of subsidiaries and associates	6	1
Gain on reversal of subscription rights to shares	11	6
Other	—	0
Total extraordinary income	1,267	3,415
Extraordinary losses		
Loss on change in equity	1,398	—
Impairment loss	—	1,334
Loss on retirement of non-current assets	91	186
Loss on sales of non-current assets	1	1
Loss on sales of investment securities	—	38
Loss on sales of shares of subsidiaries and associates	—	7
Directors' retirement benefits	—	105
Contribution	—	97
Other	2	—
Total extraordinary losses	1,493	1,769
Profit before income taxes	15,083	11,051
Income taxes – current	3,847	3,056
Income taxes – deferred	(49)	744
Total income taxes	3,797	3,801
Profit	11,286	7,250
Profit attributable to non-controlling interests	100	69
Profit attributable to owners of parent	11,185	7,181



## [Quarterly Consolidated Statements of Comprehensive Income]

(Millions of yen)

	3Q FY 2015 (Apr. 2015 – Dec. 2015)	3Q FY 2016 (Apr. 2016 – Dec. 2016)
Profit	11,286	7,250
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,960)	682
Foreign currency translation adjustment	(181)	(5,523)
Remeasurements of defined benefit plans, net of tax	(43)	34
Total other comprehensive income	(2,184)	(4,807)
Comprehensive income	9,101	2,443
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,005	2,376
Comprehensive income attributable to non-controlling interests	95	66

## (3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	3Q FY 2015 (Apr. 2015 – Dec. 2015)	3Q FY 2016 (Apr. 2016 – Dec. 2016)
Cash flows from operating activities		
Profit before income taxes	15,083	11,051
Depreciation	5,151	5,701
Impairment loss	—	1,334
Amortization of goodwill (negative goodwill)	(24)	295
Increase (decrease) in allowance for doubtful accounts	329	(40)
Increase (decrease) in net defined benefit liability	(15)	266
Increase (decrease) in provision for directors' retirement benefits	183	(61)
Interest and dividend income	(1,728)	(1,727)
Interest expenses paid on loans and bonds	369	436
Foreign exchange losses (gains)	18	754
Decrease (increase) in notes and accounts receivable – trade	(12,060)	(4,223)
Decrease (increase) in inventories	(12,684)	(10,572)
Increase (decrease) in notes and accounts payable – trade	590	656
Increase (decrease) in accounts payable – other	154	(3,768)
Increase (decrease) in advances received	18,631	14,939
Increase (decrease) in long-term guarantee deposits received	(756)	(1,497)
Increase (decrease) in accrued consumption taxes	(1,605)	723
Other, net	5,405	6,924
Subtotal	17,040	21,193
Interest and dividend income received	1,726	2,001
Interest expenses paid	(371)	(430)
Income taxes paid	(8,359)	(3,687)
Net cash provided by (used in) operating activities	10,036	19,076
Cash flows from investing activities		
Payments into time deposits	(475)	(803)
Proceeds from withdrawal of time deposits	465	1,292
Purchase of securities	(60,202)	(7,768)
Proceeds from sales and redemption of securities	62,300	25,237
Purchase of investment securities	(44,001)	(10,889)
Proceeds from sales and redemption of investment securities	8,501	9,526
Purchase of shares of subsidiaries and associates	(0)	—
Proceeds from sales of shares of subsidiaries and associates	12	9
Purchase of property, plant and equipment and intangible assets	(7,463)	(13,881)
Payments of loans receivable	(99)	(346)
Collection of loans receivable	105	123
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(5,475)
Other, net	(1,679)	5,417
Net cash provided by (used in) investing activities	(42,537)	2,441
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	—	5,996
Proceeds from long-term loans payable	1,000	300
Repayments of long-term loans payable	(5,292)	(11,259)
Redemption of bonds	(225)	(325)
Purchase of treasury shares	(3)	(0)
Proceeds from disposal of treasury shares	1,590	406
Cash dividends paid	(4,914)	(4,982)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(0)	(451)
Other, net	1,995	1,904
Net cash provided by (used in) financing activities	(5,849)	(8,411)
Effect of exchange rate change on cash and cash equivalents	(48)	(45)
Net increase (decrease) in cash and cash equivalents	(38,398)	13,060
Cash and cash equivalents at beginning of period	66,404	25,476
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	(944)	—
Cash and cash equivalents at end of period	27,062	38,536

## **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**