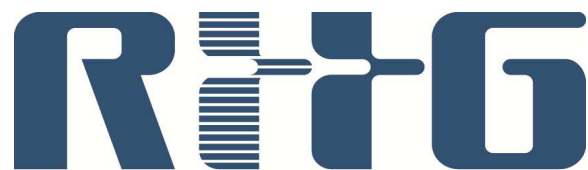


RESORTTRUST FINANCIAL DATA

CONSOLIDATED FINANCIAL SUMMARY

2Q FY 2020 (from Apr. 1, 2020 to Sept. 30, 2020)



**RESORTTRUST
GROUP**

(securities code: 4681)

CONSOLIDATED FINANCIAL SUMMARY

For the Second Quarter Ended Sept. 30, 2018, 2019 and 2020

(Millions of yen)

	2Q			Fiscal Year	
	Apr.-Sept. 2018	Apr.-Sept. 2019	Apr.-Sept. 2020	2020/3 Result	2021/3 Revision Targets
Net sales	77,334	84,197	86,276	159,145	165,000
Operating income	6,074	8,501	9,980	11,652	11,000
Ordinary income	6,507	8,750	11,159	12,476	13,000
Net income (interim)	3,998	5,499	5,696	7,135	6,200
Net assets	125,925	134,725	137,369	132,991	
Assets	402,491	412,420	419,166	400,833	
Net income per share (yen) (Primary)	37.40	51.38	53.21	66.65	
Net income per share (yen) (Fully Diluted)	34.40	47.32	49.00	61.29	
Equity ratio (%)	30.2	31.5	31.6	31.9	
Return on assets (%)	-	-	-	3.11	
Return on equity (%)	-	-	-	5.59	
Net cash provided by (used in) operating activities	(5,132)	(1,302)	(4,640)	19,096	
Net cash provided by (used in) investment activities	9,191	(12,785)	(22,764)	(8,247)	
Net cash provided by (used in) financing activities	(9,030)	10,311	32,999	(13,364)	
Cash and cash equivalents	27,500	20,118	26,963	21,376	

Business Results

Overview of 2Q The Fiscal Year 2020 (Ending March 31, 2021)

1. Summary of Business Results

(Millions of Yen)

	2Q FY2019 (Results)	2Q FY2020 (Results)	Year-on-Year Change
Net sales	84,197	86,276	+2.5%
Operating income	8,501	9,980	+17.4%
Ordinary income	8,750	11,159	+27.5%
Net income	5,499	5,696	+3.6%

The Japanese economy during the three-month period under review saw shrinking economic activities due to the global spread of COVID-19, and many companies are being forced to restrict their business activities. The future outlook remains extremely uncertain, with no signs of the ending of the outbreak.

Under these circumstances, various factors had large impacts on the Company Group's business operations during the period of April-June: membership sales activities were restricted and shrank in Membership Operations due to people refraining from non-essential and non-urgent movements and a significant decrease in the number of foreign tourists visiting Japan as a result of the spread of COVID-19 in Japan; some hotels and other facilities were closed in Hotel and Restaurant Operations; and health check-up facilities were closed, and the intake of new occupants in senior residences slowed in Medical Operations.

Amid such a situation, sales activities centered on membership businesses remained resilient during the period of July-September. While overseas travel was restricted, people's motivation for domestic travel started to pick up mainly owing to the government-led "Go to Travel Campaign." Due to growing demand for luxury resorts as well as rising health consciousness and increasing demand for membership medical services attributable to avoidance of medical institutions, sales of high-grade hotel memberships, high-priced travel plans, and medical memberships recovered more than anticipated. In addition, YOKOHAMA BAYCOURT CLUB and THE KAHALA HOTEL & RESORT YOKOHAMA opened as scheduled in September, and real estate profits that had been deferred were booked in a lump sum.

Even in the midst of the COVID-19 crisis, we reconfirmed the strengths of the membership business as our membership holders continued to use our hotels and introduce potential membership customers. To meet the expectations of our membership holders and customers, the Group is carrying out the "lifetime" strategy that addresses new normals, by renewing our commitment to the "characteristics of the membership system" and strengthening and creating more of connections between people, while implementing the Group's unique measures against the 3Cs, providing information that makes use of knowledge gained in Medical Operations, and offering telephone consultations to our membership holders.

As mentioned above, owing to the impact of the spread of COVID-19, recognition of profits associated with the opening of the membership hotel, and other factors, net sales were JPY 86,276 million (+2.5% yoy), operating income was JPY 9,980 million (+17.4% yoy), ordinary income was JPY 11,159 million (+27.5% yoy), and net income attributable to owners of parent was JPY 5,696 million (+3.6% yoy).

"Loss due to new COVID-19 infection" of 2,972 million yen was recorded as an extraordinary loss during the first quarter of the fiscal year. A further loss of 570 million yen was recorded during the second quarter, bringing the total "loss due to new COVID-19 infection" recorded for the first half of the fiscal year to 3,542 million yen.

2. Summary of Business Segments

【Membership Operations】

(Millions of Yen)

	2Q FY2019 (Results)	2Q FY2020 (Results)	Year-on-Year Change
Net sales	22,164	42,036	+89.7%
Operating income	8,147	14,390	+76.6%

Membership Operation Segment recorded higher sales and higher income, as YOKOHAMA BAYCOURT CLUB opened in September 2020 and real estate profits that had been deferred were booked in a lump sum, and sales of high-grade hotel memberships, whose demand increased due to restrictions on overseas travel, remained strong.

In the period of April-June, the volume of membership sales compared to the same period of the previous year declined due to the impact of the spread of COVID-19 restricting sales activities especially in the Tokyo metropolitan area and preventing face-to-face sales activities that are the Group's strength.

Under such circumstances, we continuously take on challenges for the future, including studying measures for telework and other new sales styles and new sales channels such as via the internet and business partners.

【Hotel and Restaurant Operations】

(Millions of Yen)

	2Q FY2019 (Results)	2Q FY2020 (Results)	Year-on-Year Change
Net sales	42,167	25,143	(40.4%)
Operating income	1,478	(3,181)	-

Hotel and Restaurant Operation Segment recorded lower sales and lower income. Lower numbers were attributable to the closure of facilities in the period of April-June due to the impact of the government's request to refrain from non-essential and non-urgent outings resulting from the spread of COVID-19, reduced hotel occupancy rates caused by a drop in consumer confidence for travel and sightseeing, especially by a decline in the usage by corporate employees and groups and for weddings, banquets, and conferences, and non-membership hotels, in particular, being hit by a sharp fall in the number of foreign tourists visiting Japan and business travelers. Meanwhile, since July, with hotel occupancy rates on a recovery trend partly due to the reassurance the guests have found in our operation of membership facilities, sales of high-priced plans have been robust and spending per visitor has been trending upward, which have also been supported by growing demand for travel owing to the government-led "Go to Travel Campaign."

Under such circumstances, we continue to create sustainable value for our business by implementing the Group's own measures against the 3Cs that leverage knowledge gained in Medical Operations and pursuing safe and secure services that are unique to the membership system.

【Medical Operations】**(Millions of Yen)**

	2Q FY2019 (Results)	2Q FY2020 (Results)	Year-on-Year Change
Net sales	19,532	18,764	(3.9%)
Operating income	3,040	2,515	(17.3%)

Medical Operation Segment increased sales but decreased income. Although an increase in annual fees, etc. in line with an increased number of memberships of “Grand HIMEDIC Club,” a comprehensive medical support club, in addition to an increase in the number of senior residences operated by the Group and growth of the medical examination business, etc. contributed to revenue, lower income was attributable to restricted sales activities to solicit members and residents due to the spread of COVID-19, as well as the closure of health check-up facilities. Meanwhile, due to rising health consciousness, membership medical services have been attracting attention and sales of medical memberships has remained strong.

Under such circumstances, we continue to create cutting-edge medical and nursing services while contributing to synergy creation through provision of information and support for the Group’s business.

【Others】**(Millions of Yen)**

	2Q FY2019 (Results)	2Q FY2020 (Results)	Year-on-Year Change
Net sales	332	333	+0.1%
Operating income	255	254	(0.4%)

Others cover business segments that are not part of reportable segments and include real estate leasing, management of holiday homes, and other businesses.

3. Outlook for the Fiscal Year 2020(Ending March 31, 2021)

(Millions of Yen)

	FY2019 (Results)	FY 2020 (Revision Targets)	Year-on-year Change	FY 2020 (Outlook as of August 7th)
Net sales	159,145	165,000	+3.7%	158,000
Operating income	11,652	11,000	(5.6%)	6,300
Ordinary income	12,476	13,000	+4.2%	7,800
Net income	7,135	6,200	(13.1%)	3,200

Regarding the forecast for the full year ending March 31, 2021, membership sales of YOKOHAMA BAYCOURT CLUB, which opened in September 2020, grew higher than initially anticipated, and real estate profits of hotel memberships that had been deferred were booked in a lump sum when the hotel opened. However, opening costs including those for THE KAHALA HOTEL & RESORT YOKOHAMA, the Group's first non-membership luxury hotel in Japan that was due to open at the same time as YOKOHAMA BAYCOURT CLUB, were incurred upfront. Furthermore, as COVID-19 spread, during the period of April-June, sales activities shrank in Membership Operations, facilities were closed in Hotel and Restaurant Operations, and health check-up facilities were closed and the intake of new occupants in senior residences slowed in Medical Operations. Consumption also declined reflecting a sharp drop in the number of foreign tourists visiting Japan, restrictions on Japanese people's movements across prefectures, and people refraining from non-essential and non-urgent outings. These factors have had large impacts on the Company Group's business operations.

While business operations continued to be affected by the COVID-19 crisis in the second quarter, the membership sales of YOKOHAMA BAYCOURT CLUB, which opened in September 2020, grew higher than initially anticipated, and real estate profits of hotel memberships that had been deferred were booked in a lump sum when the hotel opened. The opening costs including those for THE KAHALA HOTEL & RESORT YOKOHAMA, the Group's first non-membership luxury hotel in Japan that was due to open at the same time as YOKOHAMA BAYCOURT CLUB, were incurred upfront. Owing to government-led emergency economic measures, people's movements have become active, and a gradual recovery is underway. With a premise that the impact on cash flow management will last until the third quarter, we are doing everything we could to maintain stable and safe management. Assuming at this point that we will steadily meet the growing demand for leisure and health that has become evident as COVID-19 spreads, we announced an upward revision to our forecast of consolidated financial results for the fiscal year ending March 31, 2021 today (November 10, 2020).

In view of the above-mentioned situations, the Company Group forecasts net sales will increase 3.7% year-on-year to 165,000 million yen, operating income will decrease 5.6% year-on-year to 11,000 million yen, ordinary income will increase 4.2% year-on-year to 13,000 million yen, and net income attributable to owners of parent will decrease 13.1% year-on-year to 6,200 million yen.

The dividend forecast originally included an interim dividend of 10 yen per share, to continue stable returns under the basic dividend policy. In view of the status of the financial results, the Group has revised the amount of the interim dividend up by 5 yen to 15 yen per share, and revised the amount of the annual dividends (forecast), including a year-end dividend (forecast) of 10 yen, to 25 yen per share.

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	FY 2019 (as of Mar. 31, 2020)	2Q FY 2020 (as of Sept. 30, 2020)
Assets		
Current assets		
Cash and deposits	21,164	26,729
Notes and accounts receivable - trade	8,233	9,744
Operating loans	53,549	54,076
Securities	499	9,498
Merchandise	1,167	1,018
Real estate for sale	22,077	22,554
Raw materials and supplies	1,014	1,070
Real estate for sale in process	12,357	3,518
Other	6,232	6,782
Allowance for doubtful accounts	(1,000)	(1,087)
Total current assets	125,296	133,906
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	103,562	120,929
Machinery, equipment and vehicles, net	2,621	2,644
Golf courses	7,634	7,634
Land	44,886	49,033
Leased assets, net	13,721	13,168
Construction in progress	16,885	2,507
Other, net	4,436	5,435
Total property, plant and equipment	193,748	201,353
Intangible assets		
Goodwill	3,094	2,797
Software	4,969	4,800
Other	2,516	2,311
Total intangible assets	10,580	9,910
Investments and other assets		
Investment securities	36,016	37,413
Shares of subsidiaries and associates	1,368	1,324
Long-term loans receivable	5,743	6,434
Retirement benefit asset	235	—
Deferred tax assets	8,918	9,187
Other	19,536	20,120
Allowance for doubtful accounts	(611)	(484)
Total investments and other assets	71,208	73,996
Total non-current assets	275,537	285,260
Total assets	400,833	419,166

(Millions of yen)

	FY 2019 (as of Mar. 31, 2020)	2Q FY 2020 (as of Sept. 30, 2020)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,117	1,053
Current portion of long-term borrowings	8,107	25,907
Current portion of bonds payable	150	150
Lease obligations	1,212	1,186
Accounts payable - other	6,861	6,510
Income taxes payable	1,785	4,576
Accrued consumption taxes	1,929	677
Advances received	22,028	2,730
Unearned revenue	17,002	14,789
Provision for loss on guarantees	52	51
Provision for point card certificates	588	932
Other	6,356	8,363
Total current liabilities	67,192	66,929
Non-current liabilities		
Bonds payable	300	225
Bonds with share acquisition rights	29,770	29,749
Long-term borrowings	31,016	46,633
Lease obligations	13,538	12,968
Deferred tax liabilities	376	373
Provision for retirement benefits for directors (and other officers)	2,099	2,133
Provision for stocks payment	1,803	1,928
Retirement benefit liability	2,231	2,361
Long-term guarantee deposits	31,870	31,331
Amortizable long-term guarantee deposits received	69,898	69,198
Other	17,744	17,963
Total non-current liabilities	200,649	214,867
Total liabilities	267,842	281,796
Net assets		
Shareholders' equity		
Share capital	19,590	19,590
Capital surplus	21,767	21,701
Retained earnings	88,294	92,148
Treasury shares	(1,802)	(1,795)
Total shareholders' equity	127,849	131,645
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(450)	558
Foreign currency translation adjustment	728	316
Remeasurements of defined benefit plans	(328)	(261)
Total accumulated other comprehensive income	(50)	613
Share acquisition rights	313	313
Non-controlling interests	4,878	4,797
Total net assets	132,991	137,369
Total liabilities and net assets	400,833	419,166

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

(Millions of yen)

	2Q FY 2019 (Apr. 1, 2019 - Sept. 30, 2019)	2Q FY 2020 (Apr. 1, 2020 - Sept. 30, 2020)
Net sales	84,197	86,276
Cost of sales	13,893	23,422
Gross profit	70,303	62,854
Selling, general and administrative expenses		
Salaries and bonuses	23,613	20,582
Provision for retirement benefits for directors (and other officers)	63	33
Repair and maintenance expenses	2,092	1,252
Provision of allowance for doubtful accounts	74	92
Utilities expenses	3,019	2,161
Depreciation	4,733	4,131
Other	28,205	24,620
Total selling, general and administrative expenses	61,802	52,874
Operating profit	8,501	9,980
Non-operating income		
Interest income	661	555
Dividend income	36	38
Share of profit of entities accounted for using equity method	7	—
Reversal of allowance for doubtful accounts	131	131
Reversal of provision for loss on guarantees	1	1
Subsidy income	12	980
Other	121	126
Total non-operating income	972	1,833
Non-operating expenses		
Interest expenses paid on loans and bonds	280	243
Share of loss of entities accounted for using equity method	—	44
Nondeductible consumption tax	255	226
Foreign exchange losses	114	13
Other	72	126
Total non-operating expenses	722	654
Ordinary profit	8,750	11,159

[Consolidated Statements of Income]

(Millions of yen)

	2Q FY 2019 (Apr. 1, 2019 - Sept. 30, 2019)	2Q FY 2020 (Apr. 1, 2020 - Sept. 30, 2020)
Extraordinary income		
Gain on sales of non-current assets	—	2
Gain on sales of investment securities	2	—
Subsidy income	—	1,496
Total extraordinary income	2	1,499
Extraordinary losses		
Loss on retirement of non-current assets	5	13
Retirement benefits for directors (and other officers)	30	—
Loss due to new coronavirus infection	—	3,542
Other	0	230
Total extraordinary losses	36	3,786
Profit before income taxes	8,717	8,871
Income taxes - current	2,811	3,967
Income taxes - deferred	287	(747)
Total income taxes	3,098	3,219
Profit	5,618	5,652
Profit (loss) attributable to non-controlling interests	118	(44)
Profit attributable to owners of parent	5,499	5,696

[Consolidated Statements of Comprehensive Income]

(Millions of yen)

	2Q FY 2019 (Apr. 1, 2019 - Sept. 30, 2019)	2Q FY 2020 (Apr. 1, 2020 - Sept. 30, 2020)
Profit	5,618	5,652
Other comprehensive income		
Valuation difference on available-for-sale securities	1	1,010
Foreign currency translation adjustment	(495)	(412)
Remeasurements of defined benefit plans, net of tax	47	67
Total other comprehensive income	(446)	666
Comprehensive income	5,171	6,318
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,052	6,360
Comprehensive income attributable to non-controlling interests	119	(42)

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	2Q FY 2019 (Apr. 1, 2019 - Sept. 30, 2019)	2Q FY 2020 (Apr. 1, 2020 - Sept. 30, 2020)
Cash flows from operating activities		
Profit before income taxes	8,717	8,871
Depreciation	5,278	5,311
Amortization of goodwill (negative goodwill)	292	297
Increase (decrease) in allowance for doubtful accounts	(59)	(40)
Increase (decrease) in retirement benefit liability	261	464
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(67)	33
Interest and dividend income	(698)	(593)
Interest expenses on borrowings and bonds	280	243
Foreign exchange losses (gains)	325	19
Decrease (increase) in trade receivables	(4,816)	(2,039)
Decrease (increase) in inventories	4,401	7,960
Increase (decrease) in trade payables	(39)	(61)
Increase (decrease) in accounts payable - other	(11,875)	(396)
Increase (decrease) in advances received	4,179	(19,288)
Increase (decrease) in long-term guarantee deposits received	(2,397)	(1,238)
Increase (decrease) in accrued consumption taxes	170	(1,230)
Other, net	(2,374)	(2,983)
Subtotal	1,576	(4,670)
Interest and dividends received	699	576
Interest paid	(262)	(199)
Income taxes paid	(3315)	(347)
Net cash provided by (used in) operating activities	(1,302)	(4,640)

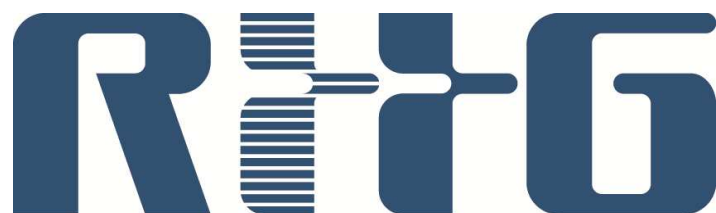
(Millions of yen)

	2Q FY 2019 (Apr. 1, 2019 - Sept. 30, 2019)	2Q FY 2020 (Apr. 1, 2020 - Sept. 30, 2020)
Cash flows from investing activities		
Payments into time deposits	(10)	—
Proceeds from withdrawal of time deposits	3,010	—
Purchase of securities	—	(8,997)
Proceeds from sales and redemption of securities	1,076	—
Purchase of investment securities	(0)	(10)
Proceeds from sales and redemption of investment securities	59	—
Purchase of property, plant and equipment and intangible assets	(9,229)	(12,452)
Loan advances	(18)	(827)
Collection of loans receivable	83	100
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(6,876)	—
Other, net	(878)	(577)
Net cash provided by (used in) investing activities	(12,785)	(22,764)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	12,452	—
Proceeds from long-term borrowings	—	35,602
Repayments of long-term borrowings	(944)	(2,182)
Redemption of bonds	(125)	(75)
Purchase of treasury shares	(0)	(0)
Dividends paid	(2,492)	(1,842)
Dividends paid to non-controlling interests	(75)	(10)
Other, net	1,496	1,506
Net cash provided by (used in) financing activities	10,311	32,999
Effect of exchange rate change on cash and cash equivalents	(0)	(7)
Net increase (decrease) in cash and cash equivalents	(3,776)	5,586
Cash and cash equivalents at beginning of period	23,895	21,376
Cash and cash equivalents at end of period	20,118	26,963

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**