

RESORTTRUST FINANCIAL DATE

Fiscal 2013 (ending March 31, 2014)

CONSOLIDATED FINANCIAL SUMMARY

For the Third Quarter Ended December 31, 2011, 2012 and 2013



RESORTTRUST
GROUP

(securities code: 4681)

CONSOLIDATED FINANCIAL SUMMARY

For the Third Quarter Ended December 31, 2011, 2012 and 2013

(millions of yen)

	3Q			Fiscal Year	
	Dec-31,2011	Dec-31,2012	Dec-31,2013	2013/3 result	2014/3 revision target
Net sales	74,409	80,546	88,530	105,311	114,400
Operating income	8,400	11,346	14,326	12,054	14,400
Ordinary income	9,261	11,805	15,713	12,976	15,800
Net income (interim)	5,636	7,170	8,666	7,127	8,500
Net assets	65,838	71,758	81,498	73,145	
Assets	239,416	248,821	280,946	253,861	
Net assets per share (yen)	1,257.99	1,362.12	1,519.29	1,373.70	
Net income per share (yen) (Primary)	120.77	152.21	89.18	150.76	
Net income per share (yen) (Fully Diluted)	120.67	151.01	84.65	149.23	
Equity rate (%)	24.6	26.0	26.5	26.1	
Return on assets (%)	-	-	-	2.91%	
Return on equity (%)	-	-	-	11.40%	
Net cash provided by (used in) operating activities	13,021	17,105	17,218	21,338	
Net cash provided by (used in) investment activities	(11,682)	(8,996)	(15,577)	(15,958)	
Net cash provided by (used in) financing activities	1,294	6,242	13,826	11,447	
Cash and cash equivalents	24,621	36,240	54,185	38,716	

MAJOR MANAGEMENT INDICES

For the Third Quarter Ended December 31, 2011, 2012 and 2013

Net sales

(Millions of Yen)

	3Q		
	2011	2012	2013
Membership Operations	19,921	21,785	23,047
Hotel and Restaurant Operations	40,213	42,214	44,750
Golf Operations	6,176	7,234	7,208
Medical Operations	7,761	8,744	12,920
Others	336	566	602
Total	74,409	80,546	88,530

Operating income

(Millions of Yen)

	3Q		
	2011	2012	2013
Membership Operations	2,286	3,973	4,906
Hotel and Restaurant Operations	4,933	4,829	5,129
Golf Operations	436	831	788
Medical Operations	605	1,468	3,222
Others	137	243	280
Total	8,400	11,346	14,326

Business Results

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

1. Summary of Business Results

The earnings forecast was revised on October 15, 2013.

(¥ million)

	3QFY2012 (Results)	3QFY2013		Year-on-year Change	Results vs. Targets
		(Results)	target)		
Net sales	80,546	88,530	87,600	+9.9%	+1.1%
Operating income	11,346	14,326	14,000	+26.3%	+2.3%
Ordinary income	11,805	15,713	15,100	+33.1%	+4.1%
Net income	7,170	8,666	8,600	+20.9%	+0.8%

Regarding the current status of the Group for the third quarter under review, sales of both Medical Memberships and Hotel memberships were strong. In April 2013, furthermore, the Sun Members resort facility Resorpia Hakone reopened after being remodeled, while in June Hotel Trusty Kanazawa Korinbo, the seventh facility in the Hotel Trusty lineup, newly opened for business. These developments contributed to profits while also listing of business commencement expenses and other outlays. As a result, both sales and income for the third quarter under review increased, with the figures as follows: net sales increased 9.9% year on year to ¥88,530 million, operating income surged 26.3% to ¥14,326 million, ordinary income rose 33.1% to ¥15,713 million, and net income stood at ¥8,666 million, up 20.9% from the same quarter of the previous fiscal year.

An overview of segment information, including business results, is presented below.

2. Summary of Business segments

【Membership Operations】

(¥ million)

	3QFY2012 (Results)	3QFY2013		Year-on-year Change	Results vs. Targets
		(Results)	target)		
Net sales	21,785	23,047	22,870	+5.8%	+0.8%
Operating income	3,973	4,906	4,830	+23.5%	+1.6%

Membership Operations resulted in increased sales and income, primarily reflecting strong sales of memberships in XIV Yamanakako sanctuary villa and Tokyo Baycourt Club.

【Hotel and Restaurant Operations】

(¥ million)

	3QFY2012 (Results)	3QFY2013		Year-on-year Change	Results vs. Targets
		(Results)	target)		
Net sales	42,214	44,750	44,300	+6.0%	+1.0%
Operating income	4,829	5,129	4,920	+6.2%	+4.2%

Hotel and Restaurant Operations resulted in increased sales and decreased income. In April 2013, the Sun Members resort facility Resorpia Hakone reopened after being remodeled, while in June Hotel Trusty Kanazawa Korinbo, the seventh facility in the Hotel Trusty lineup, newly opened for business. While these moves contributed to profits, the increase mainly in business commencement expenses and expenses for repair and maintenance was reflected in the quarterly results for this segment.

【Golf Operations】

(¥ million)

	3QFY2012 (Results)	3QFY2013		Year-on-year Change	Results vs. Targets
		(Results)	target)		
Net sales	7,234	7,208	7,230	(0.4%)	(0.3%)
Operating income	831	788	800	(5.2%)	(1.4%)

Golf Operations decreased in sales and income, primarily attributable to the decline in the volume of golf course membership sales at the consolidated subsidiary the KANSAI GOLF CLUB compared to the same quarter of the previous fiscal year.

【Medical Operations】

(¥ million)

	3QFY2012 (Results)	3QFY2013		Year-on-year Change	Results vs. Targets
		(Results)	target)		
Net sales	8,744	12,920	12,600	+47.7%	+2.5%
Operating income	1,468	3,222	3,180	+119.4%	+1.3%

Medical Operations resulted in increased sales and income, primarily reflecting strong sales of memberships in "GRAND HIMEDIC CLUB" and due to an increase in income from annual membership fees accompanying the growth in membership.

【Others】

(¥ million)

	3QFY2012 (Results)	3QFY2013		Year-on-year Change	Results vs. Targets
		(Results)	target)		
Net sales	566	602	600	+6.3%	+0.4%
Operating income	243	280	270	+15.1%	+3.7%

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)

	3QFY2012 (Results)	3QFY2013 (Results)
Operating cash flows	17,105	17,218
Investing cash flows	(8,996)	(15,577)
Financing cash flows	6,242	13,826
Cash and cash equivalents	36,240	54,185

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

(¥ million)

	FY2012 (Results)	FY2013 (revision target ※)	Year-on-year Change
Net sales	105,311	114,400	+8.6%
Operating income	12,054	14,400	+19.5%
Ordinary income	12,976	15,800	+21.8%
Net income	7,127	8,500	+19.3%

※revised consolidated Earning Forecast for the Fiscal year on Feb. 13,2014

CONSOLIDATED BALANCE SHEETS
(Based on Japanese Accounting Principles)

(Millions of yen)

	December 31 2013	March 31 2013
Assets		
Current assets		
Cash and deposits	42,845	29,443
Notes and accounts receivable—trade	5,070	4,247
Operating loans	22,517	23,423
Securities	19,605	28,399
Merchandise	607	470
Real estate for sale	7,103	12,489
Raw materials and supplies	1,155	795
Real estate for sale in process	9,844	7,374
Deferred tax assets	3,313	4,283
Other	3,348	4,800
Allowance for doubtful accounts	(678)	(1,715)
Total current assets	114,734	114,012
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	60,221	52,949
Machinery, equipment and vehicles, net	1,683	1,739
Golf courses	11,036	11,036
Land	35,157	27,691
Lease assets, net	2,563	2,665
Construction in progress	2,473	2,144
Other, net	1,389	1,374
Total property, plant and equipment	114,525	99,601
Intangible assets		
Goodwill	393	268
Software	739	876
Other	1,940	1,998
Total intangible assets	3,073	3,142
Investments and other assets		
Investment securities	34,732	21,954
Stocks of subsidiaries and affiliates	1,518	1,219
Long-term loans receivable	1,322	1,393
Deferred tax assets	1,231	1,708
Other	16,309	17,370
Allowance for doubtful accounts	(6,501)	(6,540)
Total investments and other assets	48,613	37,104
Total noncurrent assets	166,212	139,849
Total assets	280,946	253,861

CONSOLIDATED BALANCE SHEETS

(Based on Japanese Accounting Principles)

(Millions of yen)

	December 31 2013	March 31 2013
Liabilities		
Current liabilities		
Notes and accounts payable-trade	1,349	893
Short-term loans payable	—	150
Current portion of long-term loans payable	7,117	8,127
Current portion of bonds	1,675	1,100
Lease obligations	474	526
Accounts payable-other	5,093	6,558
Income taxes payable	3,059	2,483
Accrued consumption taxes	673	877
Advances received	912	744
Unearned revenue	12,144	8,223
Provision for loss on guarantees	166	135
Other	7,393	5,366
Total current liabilities	40,058	35,186
Noncurrent liabilities		
Bonds payable	2,475	3,775
Bonds with subscription rights to shares	15,068	—
Long-term loans payable	27,743	27,310
Deferred tax liabilities	1,107	1,060
Lease obligations	2,359	2,564
Provision for retirement benefits	986	778
Provision for directors' retirement benefits	1,717	1,574
Provision for stocks payment	254	99
Long-term guarantee deposited	102,771	105,161
Negative goodwill	613	704
Other	4,289	2,502
Total noncurrent liabilities	159,388	145,529
Total liabilities	199,447	180,716
Net assets		
Shareholders' equity		
Capital stock	14,258	14,258
Capital surplus	13,947	13,906
Retained earnings	49,146	43,391
Treasury stock	(4,587)	(5,679)
Total shareholders' equity	72,765	65,877
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,546	395
Total accumulated other comprehensive income	1,546	395
Subscription rights to shares	159	287
Minority interests	7,027	6,585
Total net assets	81,498	73,145
Total liabilities and net assets	280,946	253,861

CONSOLIDATED STATEMENTS OF INCOME

(Based on Japanese Accounting Principles)

(Millions of yen)

	December 31 2012	December 31 2013
Net sales	80,546	88,530
Cost of sales	14,788	16,077
Gross profit	65,757	72,452
Selling, general and administrative expenses		
Salaries and bonuses	21,235	22,905
Provision for directors' retirement benefits	43	146
Repair and maintenance	1,785	1,975
Provision of allowance for doubtful accounts	10	4
Provision for loss on guarantees	37	30
Utilities expenses	3,599	3,914
Depreciation	3,830	3,809
Other	23,869	25,338
Total selling, general and administrative expenses	54,410	58,125
Operating income	11,346	14,326
Non-operating income		
Interest income	402	542
Dividends income	51	63
Interests and charge for installment payment	3	1
Equity in earnings of affiliates	—	3
Amortization of negative goodwill	90	90
Reversal of allowance for doubtful accounts	212	1,068
Insurance premiums refunded cancellation	65	—
Other	158	131
Total non-operating income	985	1,902
Non-operating expenses		
Interest expenses paid on loans and bonds	191	205
Equity in losses of affiliates	108	—
Guarantee charge of unearned revenue	1	1
Commission for syndicate loan	3	14
Undeductible consumption tax	151	200
Other	70	94
Total non-operating expenses	526	516
Ordinary income	11,805	15,713

CONSOLIDATED STATEMENTS OF INCOME

(Based on Japanese Accounting Principles)

(Millions of yen)

	December 31 2012	December 31 2013
Extraordinary income		
Compensation income	192	73
Gain on sales of noncurrent assets	1	0
Gain on sales of subsidiaries and affiliates' stocks	14	7
Other	1	10
Total extraordinary income	209	92
Extraordinary loss		
Loss on retirement of noncurrent assets	20	13
Loss on sales of noncurrent assets	13	1
Loss on valuation of investments in capital	—	1,000
Other	1	0
Total extraordinary losses	34	1,016
Income before income taxes and minority interests	11,979	14,789
Income taxes—current	4,208	5,255
Income taxes—deferred	319	858
Total income taxes	4,527	6,113
Income before minority interests	7,452	8,675
Minority interests in income	281	9
Net income	7,170	8,666

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Based on Japanese Accounting Principles)

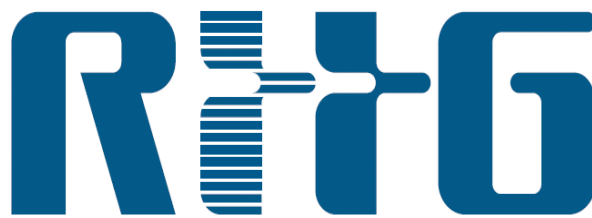
(Millions of yen)

	December 31 2012	December 31 2013
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	11,979	14,789
Depreciation and amortization	4,103	4,045
Amortization of goodwill (negative goodwill)	(36)	2
Increase (decrease) in allowance for doubtful accounts	(271)	(1,075)
Increase (decrease) in provision for retirement benefits	365	206
Amount of money on securities contribution to employees' retirement benefits trust	(1,000)	—
Increase (decrease) in provision for directors' retirement benefits	43	142
Interest and dividends income	(454)	(606)
Interest expenses paid on loans and bonds	191	205
Decrease (increase) in notes and accounts receivable-trade	447	100
Decrease (increase) in inventories	5,152	2,195
Increase (decrease) in notes and accounts payable-trade	329	421
Increase (decrease) in accounts payable-other	(2,406)	(1,196)
Increase (decrease) in advances received	(57)	134
Increase (decrease) in long-term guarantee deposits received	(291)	(2,412)
Increase (decrease) in accrued consumption taxes	121	(244)
Other, net	3,428	5,008
Subtotal	21,645	21,717
Interest and dividends income received	332	391
Interest expenses paid	(183)	(194)
Income taxes paid	(4,689)	(4,695)
Net cash provided by (used in) operating activities	17,105	17,218
Net cash provided by (used in) investing activities		
Payments into time deposits	(493)	(1,988)
Proceeds from withdrawal of time deposits	2,593	2,978
Purchase of securities	(35,405)	(32,493)
Proceeds from sales and redemption of securities	32,500	43,900
Purchase of investment securities	(6,162)	(12,598)
Proceeds from sales and redemption of investment securities	1,300	1,000
Purchase of stocks of subsidiaries and affiliates	(18)	(316)
Proceeds from sales of stocks of subsidiaries and affiliates	24	16
Purchase of property, plant and equipment and intangible assets	(3,091)	(12,356)
Payments of loans receivable	(68)	(48)
Collection of loans receivable	169	2,081
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(419)	(2,373)
Other, net	74	(3,377)
Net cash provided by (used in) investing activities	(8,996)	(15,577)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	1,000	(150)
Proceeds from long-term loans payable	12,704	6,068
Repayment of long-term loans payable	(7,764)	(6,644)
Proceeds from issuance of bonds	—	15,047
Redemption of bonds	(925)	(725)
Purchase of treasury stock	(0)	(10)
Proceeds from disposal of treasury stock	846	1,005
Cash dividends paid	(2,120)	(2,911)
Cash dividends paid to minority shareholders	(0)	(0)
Other, net	2,503	2,146
Net cash provided by (used in) financing activities	6,242	13,826
Effect of exchange rate change on cash and cash equivalents	0	1
Net increase (decrease) in cash and cash equivalents	14,352	15,469
Cash and cash equivalents at beginning of period	21,888	38,716
Cash and cash equivalents at end of period	36,240	54,185

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
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