

RESORTTRUST FINANCIAL DATA

CONSOLIDATED FINANCIAL SUMMARY

FY 2023 (from April 1, 2023 to March 31, 2024)

ご一緒にします、いい人生



RESORTTRUST
GROUP

(securities code: 4681)

CONSOLIDATED FINANCIAL SUMMARY

For the Year Ended March 31, 2020, 2021, 2022, 2023 and 2024

(Millions of yen)

	Fiscal Year					
	2020/3	2021/3	2022/3	2023/3	2024/3	2025/3
Net sales	159,145	167,538	157,782	169,830	201,803	233,200
Operating income	11,652	14,707	8,693	12,270	21,119	22,000
Ordinary income	12,476	17,647	11,123	13,247	21,807	22,500
Net income (interim)	7,135	(10,213)	5,775	16,906	15,892	15,900
Net assets	132,991	120,791	106,832	123,889	135,607	
Assets	400,833	407,243	394,408	439,999	468,565	
Net assets per share (yen)	1,193.69	1,079.40	955.07	1,107.35	1,225.46	
Net income per share (yen) (Primary)	66.65	(95.39)	54.27	158.97	150.03	
Net income per share (yen) (Fully Diluted)	61.29	-	-	-	-	
Equity ratio (%)	31.9	28.4	25.7	26.8	27.6	
Return on assets (%)	3.11	4.37	2.78	3.18	4.80	
Return on equity (%)	5.59	(8.39)	5.32	15.42	12.86	
Net cash provided by (used in) operating activities	19,096	22,981	22,662	24,285	39,116	
Net cash provided by (used in) investment activities	(8,247)	(13,577)	2,736	6,314	(12,519)	
Net cash provided by (used in) financing activities	(13,364)	22,012	(49,026)	(30,995)	(23,310)	
Cash and cash equivalents	21,376	52,756	29,210	28,926	32,260	

Business Results

Overview of The Fiscal Year 2023(Ending March 31, 2024)

1. Summary of Business Results

(Millions of Yen)

	FY2022 (Results)	FY2023		Year-on-Year Change	Results vs. Targets
		(Results)	(Revision Targets)		
Net sales	169,830	201,803	202,000	+18.8%	(0.1%)
Operating income	12,270	21,119	21,000	+72.1%	+0.6%
Ordinary income	13,247	21,807	21,200	+64.6%	+2.9%
Net income	16,906	15,892	15,000	(6.0%)	+5.9%

(Reference) Evaluated Operating Income

In the pre-opening hotel membership sales, accounting figures for the real estate cost of the membership fee is deferred until the opening of the hotel as the revenue is realized in a lump sum at the time of opening. Evaluated operating income represents income assuming that such income to be deferred had been recorded during the current fiscal year. In addition, it is used as a management indicator of real performance during the current fiscal year, taking into account the effect of Accounting Standard for Revenue Recognition for medical memberships, etc.

Evaluated Operating Income	22,358	23,899	22,300	+6.9%	+7.2%
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(Year-on-year change)

Although there were no hotel openings in the same period of the previous fiscal year, upon the opening of SANCTUARY COURT TAKAYAMA in March 2024, the Membership Operations recognized the previously deferred revenue from the real estate portion in a lump sum. In the same period of the previous fiscal year, sales of hotel memberships mainly for SANCTUARY COURT BIWAKO, which began sales in March 2022, were strong in Membership Operations. In the current fiscal year, due to the contribution of the strong sales of SANCTUARY COURT NIKKO, which began sales in October 2022, throughout the period, the number of contracts concluded exceeded that of the previous fiscal year.

In addition, in Hotel and Restaurant Operations, occupancy rates of membership resort hotels in the urban areas, which had been slow to bounce back, improved; in Medical Operations, due in part to membership sales launch for the HIMEDIC Osaka Nakanoshima Course in December 2023, sales of medical memberships remained strong, exceeding previous fiscal year levels, and an increase in income fees in line with the increased number of memberships, etc., contributed to revenue; while the occupancy rates of senior residences, which had been an issue, also began to rise. As a result, the Group as a whole recorded higher sales and higher income in ordinary income items; however, given the recording of extraordinary income (approximately 9.0 billion yen) resulting from the sale of non-membership hotels in the same period of the previous fiscal year, net income attributable to owners of the parent decreased. Furthermore, evaluated operating income, an indicator of real performance, after deducting the effects of deferral of revenue from real estate sales and other factors, improved significantly thanks to the strong sales of hotel memberships and medical memberships.

(compared with plan)

Against the upwardly revised earnings forecast as of November 2023, while sales of hotel memberships showed strong performance, and the existence of other factors contributing to increased profits such as strong performance by Hotel and Medical facility operations, there were factors that reduced profits, such as hotel repair work, additional employee dormitory repair work and the granting of shares to employees through a stock ownership plan. In the final analysis, however, the Resorttrust Group as a whole achieved its profit plan.

During the the fiscal year ended ended March 31, 2024, the Japanese economy witnessed companies being required to address such issues as rising prices, wage hikes, and manpower shortages, amid the impact of the steep rise in resource prices, the cost of living, and labor costs on personal consumption and corporate activities. Under these circumstances, contract volume for membership recruitment reached a record high as sales of hotel memberships and medical memberships continued to be strong from the previous year. In addition to the effects of the price hikes implemented in November 2022 in Hotel and Restaurant Operations, since June 2023, the Group has been taking measures against rising labor costs and cost of living. The opening of SANCTUARY COURT TAKAYAMA—the first in a new series of properties—in March 2024 is resulted in the recording of lump-sum real estate revenue. Meanwhile, due to factors including the recording of an extraordinary income of approximately 9.0 billion yen from the sale of non-membership hotels in the same period of the previous fiscal year, net sales were 201,803 million yen (up 18.8% year-on-year), operating income was 21,119 million yen (up 72.1%), ordinary income was 21,807 million yen (up 64.6%), and net income attributable to owners of the parent was 15,892 million yen (down 6.0%).

2. Summary of Business Segments

【Membership Operations】				(Millions of Yen)	
	FY2022 (Results)	FY2023		Year-on-Year Change	Results vs. Targets
		(Results)	(Revision Targets)		
Net sales	34,945	58,701	60,610	+68.0%	(3.1%)
Operating income	11,182	18,798	18,400	+68.1%	+2.2%

In the Membership Operation Segment, contract volume reached a record high due to the strong sales of memberships for SANCTUARY COURT BIWAKO, which began sales in March 2022, and SANCTUARY COURT NIKKO, which was launched in October 2022. Although there were factors that negatively impacted profit, such as the deferral of net sales and cost of real estate until the hotels' opening and a rise in costs including outsourcing fees for the introduction of potential membership customers as well as personnel expenses including across-the-board pay increases for the sales staff, sales and profit were up owing to the opening of SANCTUARY COURT TAKAYAMA in March 2024 and the recognition of the real estate portion as lump-sum revenue. During the fiscal year under review, the company boosted the price of hotel memberships to cover increases in costs including construction and labor.

【Hotel and Restaurant Operations】				(Millions of Yen)	
	FY2022 (Results)	FY2023		Year-on-Year Change	Results vs. Targets
		(Results)	(Revision Targets)		
Net sales	89,747	95,492	94,130	+6.4%	+1.4%
Operating income	4,167	4,494	5,180	+7.9%	(13.2%)

Hotel and Restaurant Operation Segment recorded higher sales and higher income due to decreased costs due to the absence of preparation costs, which were incurred for the sale of some hotels in the previous fiscal year, as well as the price hikes since November 2022. Furthermore, thanks to the recovery in the occupancy rates of urban resorts such as Tokyo Baycourt Club, which had been slow to bounce back, the Group was able to absorb the increased costs associated with the implementation of personnel measures such as the across-the-board pay increases and abolishing long breaks during the shifts of employees, as well as additional repair costs.

【Medical Operations】				(Millions of Yen)	
	FY2022 (Results)	FY2023		Year-on-Year Change	Results vs. Targets
		(Results)	(Revision Targets)		
Net sales	44,422	46,899	46,590	+5.6%	+0.7%
Operating income	6,053	7,164	6,930	+18.4%	+3.4%

Medical Operation Segment recorded higher sales and higher income, as membership sales of Grand HIMEDIC Club, a comprehensive medical support club, were steady due in part to membership sales launch for the HIMEDIC Osaka Nakanoshima Course in December 2023, resulting in the increase in annual fees, etc., in line with the increased number of membership holders. The recovery in the occupancy rates of senior residences was also a contributing factor.

【Others】				(Millions of Yen)	
	FY2022 (Results)	FY2023		Year-on-Year Change	Results vs. Targets
		(Results)	(Revision Targets)		
Net sales	714	710	670	(0.5%)	+6.0%
Operating income	687	767	780	+11.7%	(1.6%)

Others cover business segments that are not part of reportable segments and include real estate businesses.

3. Cash Flows

(Millions of Yen)

	FY2022 (Results)	FY2023 (Results)
Operating cash flows	24,285	39,116
Investing cash flows	6,314	(12,519)
Financing cash flows	(30,995)	(23,310)
Cash and cash equivalents	28,926	32,260

4. Outlook for the Fiscal Year 2024(Ending March 31, 2025)

(Millions of Yen)

	FY2023 (Results)	FY 2024 (Targets)	Year-on-year Change
Net sales	201,803	233,200	+15.6%
Operating income	21,119	22,000	+4.2%
Ordinary income	21,807	22,500	+3.2%
Net income	15,892	15,900	+0.0%
Evaluated Operating Income	23,899	22,300	(6.7%)

Regarding the future economic climate of Japan, while sustained wage increases have helped the employment and income environment to continue improving, a gradual economic recovery is expected owing to the impact of a variety of policies. There are various uncertainties overseas, however, that are viewed as risks that may exert downward pressure on the domestic economy.

Amidst these circumstances, in the second year of its five-year medium-term management plan covering the period from April 2023 through March 2028, the Resorttrust Group will implement its strategies and realize "true Group management" by practicing the Group's identity, "Together for a Wonderful Life: Creating a more affluent, happy time."

Under this Medium-term Management Plan, for the evolution of Group management, we will continue to work as one to take on the challenge of creating further added value and expanding operation domains under the founding spirit of blazing new trails, as well as further expand our No.1 field, make each operation stronger through qualitative transformation in the management base and improvement of productivity and profitability, including human capital investment to maximize the potential of each employee, building a data platform for DX, utilizing IT technology, business portfolio reform, back office reform, and governance reform, thereby realizing long-term stable growth that is typical of the Resorttrust Group.

We believe that the raison d'être of the Resorttrust Group is to solve various social issues related to leisure and healthcare by creating new value through the integration of the Group's leisure and healthcare services, thereby pursuing the affluence and happiness of all people involved with the Group.

We will fulfill our social responsibility in "environment, social and governance," continue sustainable management, and work to increase corporate value, as a corporate group that co-creates products and services aimed at realizing a richer and happier society, always together with our customers while keeping abreast of changes of the next generation.

Under these circumstances, the forecast for FY2024 is expected to include a lump sum of deferred real estate sale income following the opening of the SANCTUARY COURT BIWAKO membership resort hotel, scheduled for October 2024. In addition, in the Hotel and Restaurant Operations and Medical Operations will be attributable to a rise in the number of members, higher unit prices, and other factors that will boost operating income, as well as continued wage increases—including base increases—creating a virtuous cycle aimed at further enhancing productivity. The Group as a whole is expected to achieve record high net sales, operating income and ordinary income of 233,200 million yen (+15.6% year-on-year), operating income of 22,000 million yen (+4.2% year-on-year) and ordinary income of JPY 22,500 million yen (+3.2% year-on-year). Increased sales and income are expected. In addition, as extraordinary profits are expected to occur in the next fiscal year, such as gain on redemption of bonds, net income attributable to owners of parent is expected to increase to 15,900 million yen (+0.0% year on year).

The company anticipates an annual dividend of 54 yen, an increase of 4 yen in real terms from the same period of the previous fiscal year, and a record-high annual dividend of 54 yen, resulting from a 4 yen increase in the ordinary dividend, compared with a total annual dividend of 54 yen, consisting of the ordinary dividend of 50 yen and a commemorative dividend of 4 yen in the previous fiscal year.

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	FY 2022 (as of Mar. 31, 2023)	FY 2023 (as of Mar. 31, 2024)
Assets		
Current assets		
Cash and deposits	28,467	31,752
Notes and accounts receivable - trade, and contract assets	11,632	11,314
Accounts receivable - installment	61,585	77,978
Operating loans	32,291	22,608
Securities	10,817	8,758
Merchandise	1,038	1,156
Real estate for sale	4,914	5,388
Raw materials and supplies	1,485	1,788
Real estate for sale in process	26,139	30,110
Investments in leases	4,162	3,762
Other	6,411	6,872
Allowance for doubtful accounts	(982)	(966)
Total current assets	187,964	200,525
Non-current assets		
Property, plant and equipment		
Buildings and structures	197,633	205,641
Accumulated depreciation	(100,803)	(105,613)
Buildings and structures, net	96,829	100,027
Machinery, equipment and vehicles	11,533	12,861
Accumulated depreciation	(9,797)	(10,203)
Machinery, equipment and vehicles, net	1,735	2,657
Golf courses	7,635	7,642
Land	43,702	48,376
Leased assets	3,226	2,931
Accumulated depreciation	(1,298)	(1,225)
Leased assets, net	1,928	1,706
Right-of-use assets	10,985	11,589
Construction in progress	10,388	15,576
Other	23,188	25,897
Accumulated depreciation	(20,260)	(21,085)
Other, net	2,927	4,811
Total property, plant and equipment	176,133	192,389
Intangible assets		
Goodwill	1,265	842
Software	3,015	2,470
Other	1,876	2,833
Total intangible assets	6,157	6,146
Investments and other assets		
Investment securities	22,915	22,727
Shares of subsidiaries and associates	1,328	1,339
Long-term loans receivable	4,810	4,367
Retirement benefit asset	418	723
Deferred tax assets	19,345	18,594
Other	21,343	22,175
Allowance for doubtful accounts	(417)	(422)
Total investments and other assets	69,744	69,504
Total non-current assets	252,035	268,040
Total assets	439,999	468,565

(Millions of yen)

	FY 2022 (as of Mar. 31, 2023)	FY 2023 (as of Mar. 31, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,738	1,787
Short-term borrowings	1,308	1,650
Current portion of long-term borrowings	11,300	8,755
Lease obligations	1,470	1,451
Accounts payable - other	11,403	21,534
Income taxes payable	4,723	4,595
Accrued consumption taxes	2,245	1,044
Advances received	95,402	110,219
Unearned revenue	15,020	15,116
Provision for loss on guarantees	35	31
Provision for point card certificates	511	487
Other	11,535	11,272
Total current liabilities	156,695	177,946
Non-current liabilities		
Long-term borrowings	13,487	2,172
Lease obligations	20,985	20,535
Deferred tax liabilities	322	136
Provision for stocks payment	547	785
Retirement benefit liability	3,007	3,054
Long-term guarantee deposits	29,813	29,109
Amortizable long-term guarantee deposits received	86,073	94,048
Other	5,178	5,169
Total non-current liabilities	159,414	155,011
Total liabilities	316,110	332,957
Net assets		
Shareholders' equity		
Share capital	19,590	19,590
Capital surplus	21,574	21,610
Retained earnings	73,662	84,193
Treasury shares	(3,064)	(5,483)
Total shareholders' equity	111,762	119,911
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,813	4,892
Foreign currency translation adjustment	2,976	3,916
Remeasurements of defined benefit plans	322	652
Total accumulated other comprehensive income	6,112	9,460
Non-controlling interests	6,014	6,235
Total net assets	123,889	135,607
Total liabilities and net assets	439,999	468,565

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

(Millions of yen)

	FY 2022 (Apr. 1, 2022 - Mar. 31, 2023)	FY 2023 (Apr. 1, 2023 - Mar. 31, 2024)
Net sales	169,830	201,803
Cost of sales	18,818	31,111
Gross profit	151,012	170,691
Selling, general and administrative expenses		
Advertising expenses	2,493	2,745
Membership service expenses	1,093	1,386
Repair and maintenance expenses	5,284	6,592
Linen expenses	5,692	6,371
Provision of allowance for doubtful accounts	87	—
Remuneration for directors (and other officers)	1,568	1,620
Salaries and bonuses	54,425	58,585
Retirement benefit expenses	1,634	1,499
Legal welfare expenses	7,139	7,706
Welfare expenses	1,917	2,049
Commission expenses	10,339	11,595
Rent expenses	6,576	6,590
Utilities expenses	8,246	7,563
Communication and transportation expenses	3,026	3,289
Depreciation	8,527	8,313
Taxes and dues	3,191	3,529
Supplies expenses	3,027	3,607
Amortization of goodwill	422	422
Other	14,044	16,102
Total selling, general and administrative expenses	138,741	149,572
Operating profit	12,270	21,119
Non-operating income		
Interest income	1,003	802
Dividend income	102	135
Share of profit of entities accounted for using equity method	16	10
Foreign exchange gain	3	3
Reversal of allowance for doubtful accounts	72	43
Reversal of provision for loss on guarantees	6	4
Subsidy income	441	413
Other	377	308
Total non-operating income	2,025	1,721
Non-operating expenses		
Interest expenses paid on loans and bonds	276	256
Guarantee fees paid	63	135
Syndicate loan fees	59	59
Nondeductible consumption tax	368	401
Other	280	180
Total non-operating expenses	1,048	1,033
Ordinary profit	13,247	21,807

[Consolidated Statements of Income]

(Millions of yen)

	FY 2022 (Apr. 1, 2022 - Mar. 31, 2023)	FY 2023 (Apr. 1, 2023 - Mar. 31, 2024)
Extraordinary income		
Gain on sale of non-current assets	9,044	33
Gain on sale of investment securities	8	—
Gain on redemption of securities	502	1,478
Gain on sale of shares of subsidiaries and associates	0	—
Gain on reversal of share acquisition rights	313	—
Total extraordinary income	9,869	1,512
Extraordinary losses		
Loss on sales of non-current assets	16	27
Loss on retirement of non-current assets	367	67
Impairment loss	97	353
Loss on valuation of investment securities	65	—
Loss on sales of shares of subsidiaries and associates	0	—
Other	0	1
Total extraordinary losses	548	449
Profit (loss) before income taxes	22,567	22,870
Income taxes - current	6,850	7,226
Income taxes - deferred	(1,469)	(496)
Total income taxes	5,381	6,729
Profit (loss)	17,186	16,140
Profit attributable to non-controlling interests	280	247
Profit (loss) attributable to owners of parent	16,906	15,892

[Consolidated Statements of Comprehensive Income]

(Millions of yen)

	FY 2022 (Apr. 1, 2022 - Mar. 31, 2023)	FY 2023 (Apr. 1, 2023 - Mar. 31, 2024)
Profit (loss)	17,186	16,140
Other comprehensive income		
Valuation difference on available-for-sale securities	788	2,078
Foreign currency translation adjustment	2,088	940
Remeasurements of defined benefit plans, net of tax	60	329
Total other comprehensive income	2,937	3,348
Comprehensive income	20,124	19,488
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	19,844	19,240
Comprehensive income attributable to non-controlling interests	280	247

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	FY 2022 (Apr. 1, 2022 - Mar. 31, 2023)	FY 2023 (Apr. 1, 2023 - Mar. 31, 2024)
Cash flows from operating activities		
Profit (loss) before income taxes	22,567	22,870
Depreciation	9,264	9,001
Impairment loss	97	353
Amortization of goodwill	422	422
Increase (decrease) in allowance for doubtful accounts	10	(10)
Increase (decrease) in retirement benefit liability	420	216
Interest and dividend income	(1,106)	(938)
Interest expenses on borrowings and bonds	276	256
Foreign exchange losses (gains)	53	(29)
Loss (gain) on sale of non-current assets	(9,027)	(6)
Decrease (increase) in trade receivables	(18,481)	(6,380)
Decrease (increase) in inventories	(18,963)	(6,066)
Increase (decrease) in trade payables	353	28
Increase (decrease) in accounts payable - other	2,418	6,134
Increase (decrease) in advances received	31,583	14,776
Increase (decrease) in long-term guarantee deposits received	6,591	7,270
Increase (decrease) in accrued consumption taxes	(651)	(1,048)
Decrease (increase) in investments in leases	374	399
Other, net	1,702	(1,857)
Subtotal	27,906	45,394
Interest and dividends received	1,106	1,000
Interest paid	(271)	(259)
Income taxes paid	(4,456)	(7,018)
Net cash provided by (used in) operating activities	24,285	39,116

(Millions of yen)

	FY 2022 (Apr. 1, 2022 - Mar. 31, 2023)	FY 2023 (Apr. 1, 2023 - Mar. 31, 2024)
Cash flows from investing activities		
Payments into time deposits	(15)	(5)
Proceeds from withdrawal of time deposits	25	5
Purchase of securities	(3,000)	—
Proceeds from sale and redemption of securities	3,768	11,263
Purchase of investment securities	(3,283)	(4,610)
Proceeds from sale and redemption of investment securities	49	—
Purchase of shares of subsidiaries and associates	(0)	(4)
Proceeds from sale of shares of subsidiaries and associates	2	—
Purchase of property, plant and equipment	(9,344)	(17,299)
Proceeds from sales of property, plant and equipment	19,677	67
Purchase of intangible assets	(959)	(1,534)
Loan advances	(275)	(112)
Proceeds from collection of loans receivable	977	558
Other, net	(1,306)	(848)
Net cash provided by (used in) investing activities	6,314	(12,519)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(7,699)	183
Repayments of long-term borrowings	(18,587)	(13,860)
Redemption of bonds	(150)	—
Purchase of treasury shares	(0)	(3,000)
Dividends paid	(3,764)	(5,361)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(88)	—
Net increase (decrease) in deposits received from subsidiaries and affiliates	(30)	(10)
Other, net	(675)	(1,261)
Net cash provided by (used in) financing activities	(30,995)	(23,310)
Effect of exchange rate change on cash and cash equivalents	112	47
Net increase (decrease) in cash and cash equivalents	(283)	3,334
Cash and cash equivalents at beginning of period	29,210	28,926
Cash and cash equivalents at end of period	28,926	32,260

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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