

RESORTTRUST FINANCIAL DATA

CONSOLIDATED FINANCIAL SUMMARY

1Q FY 2024 (from April 1, 2024 to June 30, 2024)

ご一緒にします、いい人生



RESORTTRUST
GROUP

(securities code: 4681)

CONSOLIDATED FINANCIAL SUMMARY

For the First Quarter Ended June 30, 2022,2023 and 2024

(Millions of yen)

	1Q			Fiscal Year	
	Apr.-Jun. 2022	Apr.-Jun. 2023	Apr.-Jun. 2024	2024/3 Result	2025/3 Targets
Net sales	40,224	42,994	50,949	201,803	233,200
Operating income	2,510	3,250	4,057	21,119	22,000
Ordinary income	2,578	3,427	4,062	21,807	22,500
Net income (interim)	7,426	3,042	2,421	15,892	15,900
Net assets	114,145	124,549	134,832	135,607	
Assets	410,835	443,118	479,703	468,565	
Net income per share (yen) (Primary)	69.95	28.58	22.94	150.03	
Net income per share (yen) (Fully Diluted)	-	-	-	-	
Equity ratio (%)	26.5	26.8	26.8	27.6	
Return on assets (%)	-	-	-	4.80%	
Return on equity (%)	-	-	-	12.86%	
Net cash provided by (used in) operating activities	786	2,656	3,654	39,116	
Net cash provided by (used in) investment activities	14,066	2,095	(5,788)	(12,519)	
Net cash provided by (used in) financing activities	(12,589)	(6,275)	(49)	(23,310)	
Cash and cash equivalents	31,511	27,402	30,140	32,260	

Business Results

Overview of 1Q The Fiscal Year 2024(Ending March 31, 2025)

1. Summary of Business Results

	(Millions of Yen)		
	1Q FY2023 (Results)	1Q FY2024 (Results)	Year-on-Year Change
Net sales	42,994	50,949	+18.5%
Operating income	3,250	4,057	+24.8%
Ordinary income	3,427	4,062	+18.5%
Net income	3,042	2,421	(20.4%)
Evaluated Operating Income	6,074	6,475	+6.6%

(Year-on-year change)

In the same period of the previous fiscal year (from April to June 2023), sales of hotel memberships mainly for SANCTUARY COURT BIWAKO, which began sales in March 2022, and SANCTUARY COURT NIKKO, which began sales in October 2022, were strong in Membership Operations. In the current fiscal year (from April to June 2024), due to the sales of existing hotel memberships particularly for the Baycourt series in addition to sales for the SANCTUARY COURT series, the number of contracts concluded exceeded that of the previous fiscal year. In Medical Operations, 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; and these factors more than offset a rise in costs including increased labor costs caused by base increases and an increase in personnel in preparation for the opening of new facilities, as well as increased hotel repair and maintenance expenses. As a result, the Group as a whole recorded higher sales and higher income in ordinary income items; however, given the recording of impairment loss (approximately 1.7 billion yen) including the impairment of goodwill relating to the acquisition of a site for development during the period under review, 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 memberships.

(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.

During the three-month period ended June 30, 2024, the Japanese economy gradually recovered owing to the impact of a variety of policies while sustained wage increases helped the employment and income environment to continue improving. However, the outlook for the Japanese economy remains uncertain as there are various uncertainties overseas that are viewed as risks that may exert downward pressure on the domestic economy. Under these circumstances, the Group implemented base increases and strengthened recruiting activities continuing from the previous fiscal year to prepare for business expansion. The Group will cover a rise in these costs by reviewing the prices of some products (memberships) as well as increasing annual fees (operation management costs) in Hotel and Restaurant Operations starting in January 2025. During the three-month period under review, the recruitment drive for hotel and medical memberships continued to be successful and lead to an increase in the number of memberships. The operations of SANCTUARY COURT TAKAYAMA, which opened in March 2024, contributed to increased sales, and the prices of certain memberships were raised in April 2024.

As a result, net sales were 50,949 million yen (+18.5% YoY), operating income was 4,057 million yen (+24.8% YoY), ordinary income was 4,062 million yen (+18.5% YoY), and net income attributable to parent company shareholders was 2,421 million yen (-20.4% YoY).

2. Summary of Business Segments

【Membership Operations】

(Millions of Yen)

	1Q FY2023 (Results)	1Q FY2024 (Results)	Year-on-Year Change
Net sales	9,232	14,182	+53.6%
Operating income	2,399	4,388	+82.9%

Membership Operation Segment recorded higher sales and higher income due to factors including 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, and improved profitability resulting from an increased ratio of sales of existing hotel memberships. The Group has been addressing rises in development costs and construction costs and an increase in labor costs including across-the-board pay increases by reviewing the prices of certain memberships since April 2024.

【Hotel and Restaurant Operations】

(Millions of Yen)

	1Q FY2023 (Results)	1Q FY2024 (Results)	Year-on-Year Change
Net sales	22,224	24,231	+9.0%
Operating income	1,363	43	(96.8%)

Hotel and Restaurant Operation Segment recorded higher sales and lower income, although SANCTUARY COURT TAKAYAMA, which opened in March 2024, contributed to increased sales. This was due to across-the-board pay increases and other personnel measures implemented from the previous year, investments made in the recruitment and development of human resources in preparation for the future opening of hotels, and expenses for hotel maintenance performed in advance.

【Medical Operations】

(Millions of Yen)

	1Q FY2023 (Results)	1Q FY2024 (Results)	Year-on-Year Change
Net sales	11,362	12,360	+8.8%
Operating income	1,523	1,811	+19.0%

Medical Operation Segment recorded higher sales and higher income, as the recruitment drive for membership in Grand HIMEDIC Club, a comprehensive medical support club, remained successful from the previous year and resulted in the increase in annual fees, etc., in line with the increased number of membership holders, despite temporary costs including expenses paid to transfer some medical checkup facilities to a new building.

【Others】

(Millions of Yen)

	1Q FY2023 (Results)	1Q FY2024 (Results)	Year-on-Year Change
Net sales	174	174	+0.2%
Operating income	101	115	+14.0%

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

3. 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%)
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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."

The forecast for FY2024(Ending March 31, 2025) 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. And 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 this 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 2023 (as of Mar. 31, 2024)	1Q FY 2024 (as of Jun. 30, 2024)
Assets		
Current assets		
Cash and deposits	31,752	29,604
Notes and accounts receivable - trade, and contract assets	11,314	10,789
Accounts receivable - installment	77,978	81,530
Operating loans	22,608	20,379
Securities	8,758	6,795
Merchandise	1,156	1,350
Real estate for sale	5,388	5,799
Raw materials and supplies	1,788	1,749
Real estate for sale in process	30,110	35,718
Investments in leases	3,762	3,622
Other	6,872	9,869
Allowance for doubtful accounts	(966)	(986)
Total current assets	200,525	206,221
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	100,027	100,380
Machinery, equipment and vehicles, net	2,657	2,821
Golf courses	7,642	7,712
Land	48,376	48,726
Leased assets, net	1,706	2,362
Right-of-use assets	11,589	12,317
Construction in progress	15,576	18,327
Other, net	4,811	4,297
Total property, plant and equipment	192,389	196,945
Intangible assets		
Goodwill	842	736
Software	2,470	2,411
Other	2,833	3,226
Total intangible assets	6,146	6,374
Investments and other assets		
Investment securities	22,727	22,384
Shares of subsidiaries and associates	1,339	1,344
Long-term loans receivable	4,367	4,321
Retirement benefit asset	723	706
Deferred tax assets	18,594	18,758
Other	22,175	23,067
Allowance for doubtful accounts	(422)	(421)
Total investments and other assets	69,504	70,161
Total non-current assets	268,040	273,481
Total assets	468,565	479,703

(Millions of yen)

	FY 2023 (as of Mar. 31, 2024)	1Q FY 2024 (as of Jun. 30, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,787	1,509
Short-term loans payable	1,650	13,708
Current portion of long-term borrowings	8,755	518
Lease obligations	1,451	1,487
Accounts payable - other	21,534	13,776
Income taxes payable	4,595	1,985
Accrued consumption taxes	1,044	2,330
Advances received	110,219	122,127
Unearned revenue	15,116	16,310
Provision for loss on guarantees	31	28
Provision for point card certificates	487	432
Other	11,272	13,843
Total current liabilities	177,946	188,058
Non-current liabilities		
Long-term borrowings	2,172	2,042
Lease obligations	20,535	21,903
Deferred tax liabilities	136	142
Provision for stocks payment	785	986
Retirement benefit liability	3,054	3,151
Long-term guarantee deposits	29,109	30,555
Amortizable long-term guarantee deposits received	94,048	92,709
Other	5,169	5,321
Total non-current liabilities	155,011	156,812
Total liabilities	332,957	344,870
Net assets		
Shareholders' equity		
Share capital	19,590	19,590
Capital surplus	21,610	21,729
Retained earnings	84,193	83,525
Treasury shares	(5,483)	(5,475)
Total shareholders' equity	119,911	119,369
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,892	3,692
Foreign currency translation adjustment	3,916	5,011
Remeasurements of defined benefit plans	652	610
Total accumulated other comprehensive income	9,460	9,314
Non-controlling interests	6,235	6,148
Total net assets	135,607	134,832
Total liabilities and net assets	468,565	479,703

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

(Millions of yen)

	1Q FY 2023 (Apr. 1, 2023 - Jun. 30, 2023)	1Q FY 2024 (Apr. 1, 2024 - Jun. 30, 2024)
Net sales	42,994	50,949
Cost of sales	4,630	6,957
Gross profit	38,364	43,991
Selling, general and administrative expenses		
Salaries and bonuses	13,539	15,956
Repair and maintenance expenses	1,091	1,558
Provision of allowance for doubtful accounts	27	24
Utilities expenses	1,780	1,732
Depreciation	1,979	2,065
Other	16,696	18,597
Total selling, general and administrative expenses	35,114	39,934
Operating profit (loss)	3,250	4,057
Non-operating income		
Interest income	243	187
Dividend income	4	2
Equity Gains of Affiliated Companies	3	5
Reversal of allowance for doubtful accounts	31	3
Reversal of provision for loss on guarantees	1	2
Foreign exchange gain	0	2
Subsidy income	52	33
Other	105	62
Total non-operating income	443	299
Non-operating expenses		
Interest expenses paid on loans and bonds	67	65
Syndicate loan fees	14	13
Nondeductible consumption tax	118	146
Other	65	69
Total non-operating expenses	266	294
Ordinary profit (loss)	3,427	4,062

[Consolidated Statements of Income]

(Millions of yen)

	1Q FY 2023 (Apr. 1, 2023 - Jun. 30, 2023)	1Q FY 2024 (Apr. 1, 2024 - Jun. 30, 2024)
Extraordinary income		
Gain on sales of non-current assets	—	20
Gain on sales of investment securities	—	2,124
Gain on redemption of securities	1,478	213
Total extraordinary income	1,478	2,358
Extraordinary losses		
Loss on sales of non-current assets	—	2
Loss on retirement of non-current assets	1	9
Impairment loss	—	1,799
Other	—	3
Total extraordinary losses	1	1,814
Profit (loss) before income taxes	4,904	4,606
Income taxes - current	579	1,729
Income taxes - deferred	1,211	389
Total income taxes	1,790	2,118
Profit (loss)	3,113	2,487
Profit (loss) attributable to non-controlling interests	71	65
Profit (loss) attributable to owners of parent	3,042	2,421

[Consolidated Statements of Comprehensive Income]

(Millions of yen)

	1QFY 2023 (Apr. 1, 2023 - Jun. 30, 2023)	1QFY 2024 (Apr. 1, 2024 - Jun. 30, 2024)
Profit (loss)	3,113	2,487
Other comprehensive income		
Valuation difference on available-for-sale securities	206	(1,199)
Foreign currency translation adjustment	0	1,095
Remeasurements of defined benefit plans, net of tax	(10)	(41)
Total other comprehensive income	196	(145)
Comprehensive income	3,310	2,342
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,238	2,276
Comprehensive income attributable to non-controlling interests	71	65

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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