

RESORTTRUST FINANCIAL DATA

CONSOLIDATED FINANCIAL SUMMARY

3Q FY 2024 (from April 1, 2024 to December 31, 2024)

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RESORTTRUST
GROUP

(securities code: 4681)

CONSOLIDATED FINANCIAL SUMMARY

For the Third Quarter Ended Dec. 31, 2022,2023 and 2024

(Millions of yen)

	3Q			Fiscal Year	
	Apr.-Dec. 2022	Apr.-Dec. 2023	Apr.-Dec. 2024	2024/3 Result	2025/3 Targets(As of Feb.2025)
Net sales	128,601	135,840	197,684	201,803	247,000
Operating income	11,080	12,858	25,786	21,119	26,000
Ordinary income	11,476	13,219	25,925	21,807	26,300
Net income (interim)	14,907	9,567	18,083	15,892	17,700
Net assets	122,989	129,086	146,027	135,607	
Assets	434,310	464,635	477,890	468,565	
Net income per share (yen) (Primary)	140.23	90.18	171.01	150.03	
Net income per share (yen) (Fully Diluted)	-	-	-	-	
Equity ratio (%)	27.0	26.4	29.2	27.6	
Return on assets (%)	-	-	-	4.80%	
Return on equity (%)	-	-	-	12.86%	
Net cash provided by (used in) operating activities	20,749	27,288	25,847	39,116	
Net cash provided by (used in) investment activities	8,204	(5,867)	(18,832)	(12,519)	
Net cash provided by (used in) financing activities	(27,230)	(20,667)	(9,626)	(23,310)	
Cash and cash equivalents	31,075	29,736	29,684	32,260	

Business Results

Overview of 3Q The Fiscal Year 2024(Ending March 31, 2025)

1. Summary of Business Results

	(Millions of Yen)		
	3Q FY2023 (Results)	3Q FY2024 (Results)	Year-on-Year Change
Net sales	135,840	197,684	+45.5%
Operating income	12,858	25,786	+100.5%
Ordinary income	13,219	25,925	+96.1%
Net income	9,567	18,083	+89.0%
Evaluated Operating Income	21,574	24,820	+15.0%

(Year-on-year change)

Unlike the same period of the previous fiscal year (from April to December 2023), where there were no new hotel openings (although there was an opening in the fourth quarter of the previous fiscal year), the current period (from April to December 2024) saw the opening of SANCTUARY COURT BIWAKO in October and the previously deferred revenue from real estate sales was recognized 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, and SANCTUARY COURT NIKKO, which began sales in October 2022, were strong in Membership Operations. In the current period, the number of contracts concluded exceeded that of the previous fiscal year due to the launch of SANCTUARY COURT YATSUGATAKE, the fourth in the SANCTUARY COURT series, in August 2024, in addition to the sales of existing hotel memberships including resale products particularly for the Baycourt series, as well as memberships for recently opened SANCTUARY COURT BIWAKO and reopening SANCTUARY COURT NIKKO. In Medical Operations, sales of medical memberships remained strong, exceeding previous fiscal year levels, and an increase in membership fee income in line with the increased number of memberships, etc., contributed to revenue. 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. 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 nine-month period ended December 31, 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 period under review, the recruitment drive for hotel and medical memberships continued to be successful, and due to the launch of SANCTUARY COURT YATSUGATAKE in August 2024, the effect of the recruitment drive for new membership in the hotel boosted sales. These and other factors led to an increase in the number of memberships. The operations of the SANCTUARY COURT TAKAYAMA hotel, which opened in March 2024, contributed to increased sales, and the prices of certain memberships were raised in April 2024. In October 2024, SANCTUARY COURT BIWAKO opened on schedule and the previously deferred revenue from real estate sales was recorded in a lump sum. As a result, net sales were 197,684 million yen (+45.5% YoY), operating income was 25,786 million yen (+100.5% YoY), ordinary income was 25,925 million yen (+96.1% YoY), and net income attributable to parent company shareholders was 18,083 million yen (+89.0% YoY).

2. Summary of Business Segments

【Membership Operations】

(Millions of Yen)

	3Q FY2023 (Results)	3Q FY2024 (Results)	Year-on-Year Change
Net sales	27,735	80,689	+190.9%
Operating income	7,792	23,654	+203.5%

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 began sales in October 2022, improved profitability resulting from an increased ratio of sales of existing hotel memberships, the launch of SANCTUARY COURT YATSUGATAKE in August 2024 ahead of schedule, and the opening of SANCTUARY COURT BIWAKO in October 2024, which led to the lump-sum recording of deferred revenue. 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)

	3Q FY2023 (Results)	3Q FY2024 (Results)	Year-on-Year Change
Net sales	72,574	78,446	+8.1%
Operating income	6,625	3,541	(46.5%)

In Hotel and Restaurant Operation Segment, although SANCTUARY COURT TAKAYAMA, which opened in March 2024, contributed to increased sales, the occupancy rate of hotels has been sluggish owing to typhoons and other factors. In terms of cost, due to factors such as 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, the segment recorded higher sales and lower income.

【Medical Operations】

(Millions of Yen)

	3Q FY2023 (Results)	3Q FY2024 (Results)	Year-on-Year Change
Net sales	35,000	38,025	+8.6%
Operating income	5,433	5,676	+4.5%

In Medical Operation Segment, despite temporary costs including expenses paid to transfer some medical checkup facilities to a new building, new medical checkup facilities were added to expand operations, and the HIMEDIC Osaka Nakanoshima Course, which is based in Nakanoshima, Osaka, and the HIMEDIC Midtown East Course started providing medical checkup services in August and October 2024, respectively. Continuing on from last year, membership recruitment for the comprehensive medical support club “Grand HIMEDIC Club” was strong, and annual membership fee income and other income increased due to the increase in members.

【Others】

(Millions of Yen)

	3Q FY2023 (Results)	3Q FY2024 (Results)	Year-on-Year Change
Net sales	529	522	(1.3%)
Operating income	563	604	+7.3%

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	FY 2024 (As of Nov.)	FY 2024 (As of May.)
Net sales	201,803	247,000	+22.4%	245,000	233,200
Operating income	21,119	26,000	+23.1%	25,000	22,000
Ordinary income	21,807	26,300	+20.6%	25,300	22,500
Net income	15,892	17,700	+11.4%	17,000	15,900
Evaluated Operating Income	23,899	27,800	+16.3%	25,600	22,300

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) include, in Membership Operations, the previously deferred revenue from real estate sales recorded in a lump sum following the opening of SANCTUARY COURT BIWAKO membership resort hotel in October 2024, and in Hotel and Restaurant Operations and Medical Operations, 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 expects increased sales and income, both achieving record high, with net sales of 247,000 million yen (+22.4% year-on-year), operating income of 26,000 million yen (+23.1% year-on-year), ordinary income of 26,300 million yen (+20.6% year-on-year) and net income attributable to owners of parent of 17,700 million yen (+11.4% year-on-year).

It should be noted that the company announced on January 16, 2025, a two-for-one stock split with the record date of March 31, 2025, and that the company, effective today, made an upward revision of its earnings forecast and dividend forecast in light of the most recent business results such as strong membership sales.

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The company has revised its year-end dividend forecast upward. With the interim dividend being expected to be 27 yen and the year-end dividend being expected to be 33 yen, the company anticipates an annual dividend of 60 yen, an increase of 6 yen from the same period of the previous fiscal year, which is a record-high annual dividend resulting from an 10 yen increase in real terms in the ordinary dividend since the annual dividend for the previous fiscal year included a commemorative dividend of 4 yen for the 50th anniversary of the company's foundation.

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	FY 2023 (as of Mar. 31, 2024)	3Q FY 2024 (as of Dec. 31, 2024)
Assets		
Current assets		
Cash and deposits	31,752	29,129
Notes and accounts receivable - trade, and contract assets	11,314	12,756
Accounts receivable - installment	77,978	88,374
Operating loans	22,608	16,700
Securities	8,758	5,553
Merchandise	1,156	1,472
Real estate for sale	5,388	4,929
Raw materials and supplies	1,788	2,453
Real estate for sale in process	30,110	23,352
Investments in leases	3,762	3,341
Other	6,872	8,071
Allowance for doubtful accounts	(966)	(930)
Total current assets	200,525	195,206
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	100,027	105,934
Machinery, equipment and vehicles, net	2,657	3,541
Golf courses	7,642	7,712
Land	48,376	50,789
Leased assets, net	1,706	2,915
Right-of-use assets	11,589	11,515
Construction in progress	15,576	12,256
Other, net	4,811	4,850
Total property, plant and equipment	192,389	199,515
Intangible assets		
Goodwill	842	633
Software	2,470	2,450
Other	2,833	3,564
Total intangible assets	6,146	6,649
Investments and other assets		
Investment securities	22,727	27,074
Shares of subsidiaries and associates	1,339	1,345
Long-term loans receivable	4,367	4,571
Retirement benefit asset	723	673
Deferred tax assets	18,594	20,172
Other	22,175	23,102
Allowance for doubtful accounts	(422)	(419)
Total investments and other assets	69,504	76,520
Total non-current assets	268,040	282,684
Total assets	468,565	477,890

(Millions of yen)

	FY 2023 (as of Mar. 31, 2024)	3Q FY 2024 (as of Dec. 31, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,787	2,476
Short-term borrowings	1,650	7,008
Current portion of long-term borrowings	8,755	654
Lease obligations	1,451	1,507
Accounts payable - other	21,534	11,386
Income taxes payable	4,595	6,865
Accrued consumption taxes	1,044	2,919
Advances received	110,219	100,260
Unearned revenue	15,116	22,132
Provision for loss on guarantees	31	25
Provision for point card certificates	487	449
Other	11,272	10,714
Total current liabilities	177,946	166,401
Non-current liabilities		
Long-term borrowings	2,172	2,695
Lease liabilities	20,535	21,306
Deferred tax liabilities	136	90
Provision for retirement benefits for directors (and other officers)	—	21
Provision for stocks payment	785	877
Retirement benefit liability	3,054	3,318
Long-term guarantee deposits	29,109	29,275
Amortizable long-term guarantee deposits received	94,048	102,547
Other	5,169	5,329
Total non-current liabilities	155,011	165,462
Total liabilities	332,957	331,863
Net assets		
Shareholders' equity		
Share capital	19,590	19,590
Capital surplus	21,610	21,490
Retained earnings	84,193	96,303
Treasury shares	(5,483)	(4,930)
Total shareholders' equity	119,911	132,454
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,892	2,727
Foreign currency translation adjustment	3,916	3,939
Remeasurements of defined benefit plans	652	524
Total accumulated other comprehensive income	9,460	7,191
Non-controlling interests	6,235	6,382
Total net assets	135,607	146,027
Total liabilities and net assets	468,565	477,890

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

(Millions of yen)

	3Q FY 2023 (Apr. 1, 2023 - Dec.31, 2023)	3Q FY 2024 (Apr. 1, 2024 - Dec. 31, 2024)
Net sales	135,840	197,684
Cost of sales	13,692	49,154
Gross profit	122,148	148,530
Selling, general and administrative expenses		
Salaries and bonuses	43,471	49,545
Provision for retirement benefits for directors (and other officers)	-	21
Repair and maintenance expenses	3,696	4,238
Utilities expenses	5,632	6,025
Depreciation	6,072	6,418
Other	50,417	56,494
Total selling, general and administrative expenses	109,289	122,743
Operating profit	12,858	25,786
Non-operating income		
Interest income	602	564
Dividend income	73	59
Share of profit of entities accounted for using equity method	7	14
Reversal of allowance for doubtful accounts	83	34
Reversal of provision for loss on guarantees	5	5
Foreign exchange gain	1	8
Subsidy income	122	137
Other	212	195
Total non-operating income	1,108	1,019
Non-operating expenses		
Interest expenses paid on loans and bonds	199	217
Commission for syndicated loans	44	36
Nondeductible consumption tax	258	367
Other	244	259
Total non-operating expenses	747	880
Ordinary profit	13,219	25,925

[Consolidated Statements of Income]

(Millions of yen)

	3QFY 2023 (Apr. 1, 2023 - Dec. 31, 2023)	3QFY 2024 (Apr. 1, 2024 - Dec. 31, 2024)
Extraordinary income		
Gain on sales of non-current assets	24	26
Gain on sale of shares of subsidiaries and associates	-	1
Gain on sales of investment securities	-	2,245
Gain on redemption of securities	1,478	1,094
Other	-	210
Total extraordinary income	1,502	3,577
Extraordinary losses		
Loss on sales of non-current assets	24	9
Loss on retirement of non-current assets	57	43
Impairment loss	-	1,799
Other	0	8
Total extraordinary losses	81	1,861
Profit before income taxes	14,640	27,641
Income taxes - current	4,098	9,990
Income taxes - deferred	756	(676)
Total income taxes	4,854	9,314
Profit	9,785	18,327
Profit attributable to non-controlling interests	218	244
Profit attributable to owners of parent	9,567	18,083

[Consolidated Statements of Comprehensive Income]

(Millions of yen)

	3QFY 2023 (Apr. 1, 2023 - Dec. 31, 2023)	3QFY 2024 (Apr. 1, 2024 - Dec. 31, 2024)
Profit	9,785	18,327
Other comprehensive income		
Valuation difference on available-for-sale securities	1,478	(2,164)
Foreign currency translation adjustment	1,986	23
Remeasurements of defined benefit plans, net of tax	(31)	(127)
Total other comprehensive income	3,433	(2,269)
Comprehensive income	13,219	16,058
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	13,000	15,813
Comprehensive income attributable to non-controlling interests	218	244

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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