

RESORTTRUST FINANCIAL DATA

CONSOLIDATED FINANCIAL SUMMARY
3Q FY 2015 (from April 2015 to December 2015)



(securities code: 4681)

CONSOLIDATED FINANCIAL SUMMARY

Years Ended March 31,2014,2015 and 2016

	3Q			Fiscal year	
	Dec 31,2013	Dec 31,2014	Dec 31,2015	2015/3	2016/3 revision target
Net sales	88,530	90,858	98,794	120,401	144,900
Operating income	14,453	15,245	13,980	16,041	19,500
Ordinary income	15,860	19,405	15,309	20,206	20,600
Net income (interim)	8,820	12,220	11,185	11,851	13,300
Net assets	81,517	93,425	112,345	104,769	
Assets	280,936	384,190	407,074	390,832	
Net assets per share (yen)	※ 1,519.66	874.90	1,026.74	963.99	
Net income per share (yen) (Primary)	※ 181.53	124.31	106.07	120.30	
Net income per share (yen) (Fully Diluted)	※ 172.33	114.00	96.87	108.69	
Equity ratio (%)	26.5	22.4	26.9	25.5	
Return on assets (%)	-	-	-	3.43	
Return on equity (%)	-	-	-	13.61	
Net cash provided by (used in) operating activities	17,260	14,184	10,036	22,057	
Net cash provided by (used in) investment activities	(15,577)	(29,469)	(42,537)	(71,837)	
Net cash provided by (used in) financing activities	13,784	64,764	(5,849)	60,359	
Cash and cash equivalents	54,185	104,293	27,062	66,404	

A 1-for-2 stock split has been conducted as of January 1, 2014.

revised on Aug. 6,2015

Net sales**(Millions of Yen)**

	3Q		
	2014/3	2015/3	2016/3
Membership Operations	26,414	25,690	25,204
Hotel and Restaurant Operations	48,593	49,508	56,554
Medical Operations	12,920	14,442	16,017
Others	602	1,216	1,018
Total	88,530	90,858	98,794

Operating income**(Millions of Yen)**

	3Q		
	2014/3	2015/3	2016/3
Membership Operations	5,450	5,554	6,039
Hotel and Restaurant Operations	5,476	5,765	4,816
Medical Operations	3,246	3,426	2,741
Others	280	499	382
Total	14,453	15,245	13,980

Business Results

Overview of The Fiscal Year Ending March 31, 2016

1. Summary of Business Results

(Millions of Yen)

	2014/12 (Results)	2015/12		Year-on-year Change	Results vs. Targets
		(Results)	(target)		
Net sales	90,858	98,794	98,600	+8.7%	+0.2%
Operating income	15,245	13,980	13,700	(8.3%)	+2.0%
Ordinary income	19,405	15,309	14,800	(21.1%)	+3.4%
Net income	12,220	11,185	10,400	(8.5%)	+7.6%

The Japanese economy during this third quarter was on a moderate recovery trend, supported by the government economic and fiscal policy that have encouraged corporate earnings and improved employment circumstances.

Under these circumstances, sales of the Group during this third quarter increased and profits of the Group decreased, compared with the same period of the previous fiscal year. The sales was JPY 98,794 million (+8.7% yoy), operating income JPY 13,980 mil (-8.3% yoy), ordinary income JPY 15,309 mil (-21.1% yoy) and net income attributed shareholders JPY 11,185 mil (-8.5% yoy). The sales of the hotel memberships, especially led by "Ashiya Baycourt Club", second property in the Baycourt series and started to be sold at Jun 2015, were strong. Additionally, in this third quarter, the hotel membership "XIV Rokko Sanctuary Villa" started to be sold and "HIMEDIC Tokyo Bay" facility started its operation. However, HR costs which should prepare for series of new hotels opening increased as well as FX gain in the previous period deducted.

2. Summary of Business Segments

[Membership Operations]

(Millions of Yen)

	2014/12 (Results)	2015/12		Year-on-year Change	Results vs. Targets
		(Results)	(target)		
Net sales	25,690	25,204	25,020	(1.9%)	+0.7%
Operating income	5,554	6,039	6,310	+8.7%	(4.3%)

Membership Operation Segments resulted in decreased sales and in increased income from effect of the sale of memberships of hotels and from effect of a portion of profits from hotel memberships for unopened hotels have been deferred until their openings.

[Hotel and Restaurant Operations]

(Millions of Yen)

	2014/12 (Results)	2015/12		Year-on-year Change	Results vs. Targets
		(Results)	(target)		
Net sales	49,508	56,554	57,180	+14.2%	(1.1%)
Operating income	5,765	4,816	4,340	(16.5%)	+11.0%

Hotels and Restaurants Operation Segments increased sales but decreased profits, due to the robust revenues from "Hotel Trusty" series, the contribution of "The Kahala Hotel & Resorts" acquired in October 2014, and the increase of HR costs for preparation of new-opening hotels.

[Medical Operations]

(Millions of Yen)

	2014/12 (Results)	2015/12		Year-on-year Change	Results vs. Targets
		(Results)	(target)		
Net sales	14,442	16,017	15,340	+10.9%	+4.4%
Operating income	3,426	2,741	2,760	(20.0%)	(0.7%)

Medical Operation Segments increased sales and decreased profits due to the expansion of Senior Life Businesses, the increase of annual fees accompanied with the number of membership of "HIMEDIC", and increase of the costs related to preparation of the medical examination facilities, etc.

[Others]

(Millions of Yen)

	2014/12 (Results)	2015/12		Year-on-year Change	Results vs. Targets
		(Results)	(target)		
Net sales	1,216	1,018	1,060	(16.3%)	(4.0%)
Operating income	499	382	290	(23.4%)	+32.0%

Other Operations Segments decreased both revenues and profits, due to the decrease of rent operated by RT Development Co., Ltd., consolidated subsidiary and the increase of property taxes.

3. Cash Flows

(Millions of Yen)

	2014/12 (Results)	2015/12 (Results)
Operating cash flows	14,184	10,036
Investing cash flows	(29,469)	(42,537)
Financing cash flows	64,764	(5,849)
Cash and cash equivalents	104,293	27,062

4. Outlook for the Fiscal Year 2015(Ending March 31, 2016)

(Millions of Yen)

	2015/3 (Results)	2016/3 (Revision target)	Year-on-year Change
Net sales	120,401	144,900	+20.3%
Operating income	16,041	19,500	+21.6%
Ordinary income	20,206	20,600	+1.9%
Net income	11,851	13,300	+12.2%

revised on Aug 6,2015

Regarding forecasts of this FY, Continuous steady membership sales are expected and the open of "XIV Toba Bettei", scheduled at March 2016, would realize real estate sales gains. Figures are expected that sales JPY 144.9 billion (+20.3% yoy), operating income JPY 19.5 billion (+21.6% yoy), ordinary income JPY 20.6 billion (+1.9% yoy) and net profits attributed to shareholders JPY 13.3 billion (+12.2% yoy).

Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	Fiscal 2014 (April 1, 2014 to March 31, 2015)	Fiscal 2015 (April 1, 2015 to December 31, 2015)
Assets		
Current assets		
Cash and deposits	53,687	22,917
Notes and accounts receivable - trade	5,994	8,164
Operating loans	27,448	37,245
Securities	42,193	38,995
Merchandise	728	788
Real estate for sale	2,010	2,508
Raw materials and supplies	900	1,152
Real estate for sale in process	18,497	30,158
Deferred tax assets	3,714	3,219
Other	3,921	6,113
Allowance for doubtful accounts	(773)	(1,094)
Total current assets	158,323	150,169
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	90,369	88,465
Machinery, equipment and vehicles, net	1,769	1,852
Golf courses	9,563	7,562
Land	40,417	40,258
Leased assets, net	2,506	2,370
Construction in progress	4,007	8,111
Other, net	5,150	4,672
Total property, plant and equipment	153,784	153,293
Intangible assets		
Goodwill	231	164
Software	678	1,353
Other	2,442	2,250
Total intangible assets	3,351	3,768
Investments and other assets		
Investment securities	60,805	85,741
Shares of subsidiaries and associates	1,603	1,674
Long-term loans receivable	1,428	2,224
Net defined benefit asset	1,348	1,349
Deferred tax assets	123	711
Other	16,452	10,017
Allowance for doubtful accounts	(6,390)	(1,876)
Total investments and other assets	75,372	99,842
Total non-current assets	232,508	256,904
Total assets	390,832	407,074

(Millions of yen)

	Fiscal 2014 (April 1, 2014 to March 31, 2015)	Fiscal 2015 (April 1, 2015 to December 31, 2015)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,096	1,682
Short-term loans payable	5,000	5,000
Current portion of long-term loans payable	6,663	7,252
Current portion of bonds	450	550
Lease obligations	369	310
Accounts payable - other	9,301	9,795
Income taxes payable	4,482	438
Accrued consumption taxes	2,602	1,005
Advances received	13,304	31,936
Unearned revenue	10,619	14,428
Provision for loss on guarantees	151	195
Other	7,555	8,983
Total current liabilities	61,595	81,579
Non-current liabilities		
Bonds payable	4,150	3,825
Bonds with subscription rights to shares	35,558	30,253
Long-term loans payable	67,211	60,670
Lease obligations	2,367	2,230
Deferred tax liabilities	1,639	899
Provision for directors' retirement benefits	2,102	2,286
Provision for stocks payment	458	651
Net defined benefit liability	860	871
Long-term guarantee deposited	103,154	102,232
Negative goodwill	462	372
Other	6,500	8,856
Total non-current liabilities	224,466	213,149
Total liabilities	286,062	294,728
Net assets		
Shareholders' equity		
Capital stock	16,977	19,588
Capital surplus	19,984	22,589
Retained earnings	57,807	64,078
Treasury shares	(2,705)	(2,119)
Total shareholders' equity	92,062	104,135
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,742	2,786
Foreign currency translation adjustment	2,671	2,489
Remeasurements of defined benefit plans	257	214
Total accumulated other comprehensive income	7,670	5,491
Subscription rights to shares	57	19
Non-controlling interests	4,978	2,699
Total net assets	104,769	112,345
Total liabilities and net assets	390,832	407,074

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

(Millions of yen)

	Fiscal 2014 (April 1, 2014 to December 31, 2014)	Fiscal 2015 (April 1, 2015 to December 31, 2015)
Net sales	90,858	98,794
Cost of sales	14,061	11,302
Gross profit	76,797	87,491
Selling, general and administrative expenses		
Salaries and bonuses	24,610	30,163
Provision for directors' retirement benefits	86	193
Repair and maintenance	1,974	2,241
Provision of allowance for doubtful accounts	107	261
Provision for loss on guarantees	33	44
Utilities expenses	4,092	3,975
Depreciation	3,907	4,911
Other	26,739	31,719
Total selling, general and administrative expenses	61,551	73,511
Operating income	15,245	13,980
Non-operating income		
Interest income	1,121	1,643
Dividend income	116	85
Interests and charge for installment payment	1	1
Amortization of negative goodwill	90	90
Reversal of allowance for doubtful accounts	12	-
Share of profit of entities accounted for using equity method	-	7
Foreign exchange gains	3,524	-
Other	268	183
Total non-operating income	5,135	2,011
Non-operating expenses		
Interest expenses paid on loans and bonds	380	369
Share of loss of entities accounted for using equity method	75	-
Guarantee charge of unearned revenue	14	53
Commission for syndicate loan	302	12
Nondeductible consumption tax	61	68
Provision of allowance for doubtful accounts	-	72
Foreign exchange losses	-	26
Other	141	79
Total non-operating expenses	975	682
Ordinary income	19,405	15,309
Extraordinary income		
Compensation income	53	-
Gain on sales of non-current assets	1	0
Gain on sales of investment securities	497	1,249
Gain on sales of shares of subsidiaries and associates	5	6
Gain on reversal of subscription rights to shares	14	11
Other	17	-
Total extraordinary income	590	1,267
Extraordinary losses		
Loss on retirement of non-current assets	378	91
Loss on sales of non-current assets	-	1
Loss on change in equity	-	1,398
Loss on valuation of investment securities	0	-
Other	0	2
Total extraordinary losses	378	1,493
Income before income taxes and minority interests	19,616	15,083
Income taxes - current	6,189	3,847
Income taxes - deferred	1,083	(49)
Total income taxes	7,272	3,797
Profit	12,343	11,286
Profit attributable to non-controlling interests	123	100
Profit attributable to owners of parent	12,220	11,185

[Quarterly Consolidated Statements of Comprehensive Income]

(Millions of yen)

	Fiscal 2014 (April 1, 2014 to December 31, 2014)	Fiscal 2015 (April 1, 2015 to December 31, 2015)
Profit	12,343	11,286
Other comprehensive income		
Valuation difference on available-for-sale securities	2,794	(1,960)
Foreign currency translation adjustment	(529)	(181)
Remeasurements of defined benefit plans, net of tax	(5)	(43)
Total other comprehensive income	2,259	(2,184)
Comprehensive income	14,603	9,101
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	14,480	9,005
Comprehensive income attributable to non-controlling interests	122	95

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal 2014 (April 1, 2014 to December 31, 2014)	Fiscal 2015 (April 1, 2015 to December 31, 2015)
Cash flows from operating activities		
Income before income taxes and minority interests	19,616	15,083
Depreciation	4,124	5,151
Amortization of goodwill (negative goodwill)	14	(24)
Increase (decrease) in allowance for doubtful accounts	92	329
Increase (decrease) in net defined benefit liability	68	(15)
Increase (decrease) in provision for directors' retirement benefits	86	183
Interest and dividend income	(1,238)	(1,728)
Interest expenses paid on loans and bonds	380	369
Foreign exchange losses (gains)	(3,378)	18
Decrease (increase) in notes and accounts receivable - trade	(2,953)	(12,060)
Decrease (increase) in inventories	(4,650)	(12,684)
Increase (decrease) in notes and accounts payable - trade	462	590
Increase (decrease) in accounts payable - other	(1,108)	154
Increase (decrease) in advances received	5,572	18,631
Increase (decrease) in long-term guarantee deposits received	(1,728)	(756)
Increase (decrease) in accrued consumption taxes	1,803	(1,605)
Other, net	4,068	5,405
Subtotal	21,232	17,040
Interest and dividend income received	1,088	1,726
Interest expenses paid	(374)	(371)
Income taxes paid	(7,761)	(8,359)
Net cash provided by (used in) operating activities	14,184	10,036
Cash flows from investing activities		
Payments into time deposits	(488)	(475)
Proceeds from withdrawal of time deposits	488	465
Purchase of securities	(40,993)	(60,202)
Proceeds from sales and redemption of securities	32,609	62,300
Purchase of investment securities	(26,525)	(44,001)
Proceeds from sales and redemption of investment securities	14,136	8,501
Purchase of shares of subsidiaries and associates	(0)	(0)
Proceeds from sales of shares of subsidiaries and associates	7	12
Purchase of property, plant and equipment and intangible assets	(5,342)	(7,463)
Payments of loans receivable	(18)	(99)
Collection of loans receivable	109	105
Other, net	(3,453)	(1,679)
Net cash provided by (used in) investing activities	(29,469)	(42,537)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	4,250	-
Proceeds from long-term loans payable	36,210	1,000
Repayments of long-term loans payable	(5,779)	(5,292)
Proceeds from issuance of bonds	32,706	-
Redemption of bonds	(1,300)	(225)
Purchase of treasury shares	(3)	(3)
Proceeds from disposal of treasury shares	332	1,590
Cash dividends paid	(3,613)	(4,914)
Other, net	1,962	1,994
Net cash provided by (used in) financing activities	64,764	(5,849)
Effect of exchange rate change on cash and cash equivalents	2,848	(48)
Net increase (decrease) in cash and cash equivalents	52,328	(38,398)
Cash and cash equivalents at beginning of period	51,965	66,404
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	-	(944)
Cash and cash equivalents at end of period	104,293	27,062

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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