

RESORTTRUST FINANCIAL DATA

CONSOLIDATED FINANCIAL SUMMARY

FY 2022 (from April 1, 2022 to March 31, 2023)

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, 2019, 2020, 2021, 2022 and 2023

(Millions of yen)

	Fiscal Year					
	2019/3	2020/3	2021/3	2022/3	2023/3	2024/3
Net sales	179,542	159,145	167,538	157,782	169,830	200,000
Operating income	18,877	11,652	14,707	8,693	12,270	18,000
Ordinary income	19,528	12,476	17,647	11,123	13,247	18,000
Net income (interim)	12,358	7,135	(10,213)	5,775	16,906	12,000
Net assets	132,050	132,991	120,791	106,832	123,889	
Assets	401,426	400,833	407,243	394,408	439,999	
Net assets per share (yen)	—	1,193.69	1,079.40	955.07	1,107.35	
Net income per share (yen) (Primary)	115.53	66.65	(95.39)	54.27	158.97	
Net income per share (yen) (Fully Diluted)	106.42	61.29	-	-	-	
Equity ratio (%)	31.7	31.9	28.4	25.7	26.8	
Return on assets (%)	4.75	3.11	4.37	2.78	3.18%	
Return on equity (%)	9.96	5.59	(8.39)	5.32	15.42%	
Net cash provided by (used in) operating activities	16,674	19,096	22,981	22,662	24,285	
Net cash provided by (used in) investment activities	(2,057)	(8,247)	(13,577)	2,736	6,314	
Net cash provided by (used in) financing activities	(23,198)	(13,364)	22,012	(49,026)	(30,995)	
Cash and cash equivalents	23,895	21,376	52,756	29,210	28,926	

Business Results

Overview of The Fiscal Year 2022(Ending March 31, 2023)

1. Summary of Business Results

(Millions of Yen)

	FY2021 (Results)	FY2022		Year-on-Year Change	Results vs. Targets
		(Results)	(Revision Targets)		
Net sales	157,782	169,830	166,500	+7.6%	+2.0%
Operating income	8,693	12,270	11,500	+41.2%	+6.7%
Ordinary income	11,123	13,247	12,000	+19.1%	+10.4%
Net income	5,775	16,906	15,000	+192.7%	+12.7%

(Reference) Evaluated Operating Income

Figures calculated on a sales evaluation basis after deducting accounting factors specific to the spread of COVID-19 infections as well as the effects of deferral of revenue from real estate sales and realization of the deferred revenue upon opening the facilities.

Evaluated Operating Income	18,081	22,358	20,800	+23.7%	+7.5%
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(Year-on-year change)

The state of emergency was issued in the same period of the previous year; however, there were no restrictions on activities in the current fiscal year. In Membership Operations, sales of hotel memberships for SANCTUARY COURT BIWAKO, which began sales in March 2022, and SANCTUARY COURT NIKKO, which began sales in October 2022, were strong.

In addition, occupancy rates recovered sharply due to greater demand for resort accommodation than pre-COVID times in Hotel and Restaurant Operations. Furthermore, sales of medical memberships remained strong due to the growing health consciousness, and an increase in income from membership fees in line with the increased number of memberships, etc. contributed to revenue in Medical Operations. As a result, the Group as a whole recorded higher sales and higher income.

(compared with plan)

Against the financial results forecast, which was revised upward in November 2022, the Resorttrust Group as a whole has achieved both net sales and income targets as sales of hotel memberships remained robust and hotel occupancy rates and operation of medical facilities were also strong.

During the the fiscal year ended ended December 31, 2022, amid the impact of the yen's depreciation, soaring resource prices and labor costs, and rising prices due to prolonged Russia-Ukraine situation, etc. has become apparent in personal consumption and corporate activities, uncertainty over the future outlook of the Japanese economy has grown stronger. Under these circumstances, the Company Group's business performance recovered sharply as sales of hotel and medical memberships remained strong, continuing from the previous fiscal year, and demand for accommodation at membership resort hotels exceeded the pre-COVID level.

In addition to the above, net income reached a record high mainly due to recording of "extraordinary income" of approximately 9.0 billion yen resulting from the sale of some hotels at the end of the previous fiscal year..As a result, net sales were 169,830 million yen (up 7.6% year-on-year), operating income was 12,270 million yen (up 41.2%), ordinary income was 13,247 million yen (up 19.1%), and net income attributable to owners of the parent was 16,906 million yen (up 192.7%).

2. Summary of Business Segments

【Membership Operations】				(Millions of Yen)	
	FY2021 (Results)	FY2022		Year-on-Year Change	Results vs. Targets
		(Results)	(Revision Targets)		
Net sales	40,946	34,945	34,160	(14.7%)	+2.3%
Operating income	11,887	11,182	10,880	(5.9%)	+2.8%

Membership Operation Segment recorded lower sales and lower income due to sales mix as sales of membership of SANCTUARY COURT BIWAKO, which began sales in March 2022, remained strong. In addition, the third in the series, SANCTUARY COURT NIKKO, was launched in October 2022, resulting in an increase in net sales and cost of real estate to be deferred until the hotel's opening, and sales volume of existing membership with high return on sales decreased compared to the same period of the previous year. However, excluding the impact of deferrals, evaluated operating income showed an increase in both revenue and income on the back of record-high contract volume.

【Hotel and Restaurant Operations】				(Millions of Yen)	
	FY2021 (Results)	FY2022		Year-on-Year Change	Results vs. Targets
		(Results)	(Revision Targets)		
Net sales	73,699	89,747	87,350	+21.8%	+2.7%
Operating income	261	4,167	4,070	+1,493.3%	+2.4%

Hotel and Restaurant Operation Segment, which had faced restrictions on movement in the same period of the previous year, as the state of emergency was issued to prevent the spread of COVID-19, recorded higher sales and higher income, especially as demand for resort hotels has increased to the point exceeding pre-COVID times with the resumption of economic activities in the current fiscal year, despite preparation costs incurred for the sale of some hotels.

【Medical Operations】				(Millions of Yen)	
	FY2021 (Results)	FY2022		Year-on-Year Change	Results vs. Targets
		(Results)	(Revision Targets)		
Net sales	42,432	44,422	44,260	+4.7%	+0.4%
Operating income	5,736	6,053	5,960	+5.5%	+1.6%

Medical Operation Segment recorded higher sales and higher income, as membership sales of "Grand HIMEDIC Club," a comprehensive medical support club, were steady, and annual fees, etc. increased in line with the increased number of membership holders.

【Others】				(Millions of Yen)	
	FY2021 (Results)	FY2022		Year-on-Year Change	Results vs. Targets
		(Results)	(Revision Targets)		
Net sales	704	714	730	+1.4%	(2.2%)
Operating income	766	687	830	(10.4%)	(17.2%)

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

3. Cash Flows

(Millions of Yen)

	FY2021 (Results)	FY2022 (Results)
Operating cash flows	22,662	24,285
Investing cash flows	2,736	6,314
Financing cash flows	(49,026)	(30,995)
Cash and cash equivalents	29,210	28,926

4. Outlook for the Fiscal Year 2023(Ending March 31, 2024)

(Millions of Yen)

	FY2022 (Results)	FY 2023 (Targets)	Year-on-year Change
Net sales	169,830	200,000	+17.8%
Operating income	12,270	18,000	+46.7%
Ordinary income	13,247	18,000	+35.9%
Net income	16,906	12,000	(29.0%)
Evaluated Operating Income	22,358	17,800	(20.4%)

Regarding the future economic climate of Japan, while the impact of the Russia-Ukraine situation and the spread of COVID-19 continues to become apparent, the severe environment is expected to continue due to difficulties in projecting the impact of new technologies such as metaverse and AI, in addition to global inflation and soaring energy prices, resource prices, and labor costs.

In this environment, the Group, celebrating its 50th anniversary of foundation, has formulated a five-year Medium-term Management Plan covering the period from April 2023 to March 2028.

Under this Medium-term Management Plan, in addition to firmly “connecting,” each operation, which has been cultivated to date, through horizontal collaboration, which was the concept of the previous medium-term management plan, we will create an axis of sustainability in each operation to aim at achieving both social value and economic value, based on which we will pursue “stakeholder wellbeing” together with our members and employees to achieve a stronger Group brand as well as aim to become a Group which has close membership ties that last for a lifetime.

As a basic strategy to achieve them, under this Medium-term Management Plan, we will realize “true Group management” through the practice of the Group’s identity “Together for a Wonderful Life ~Creating a more affluent, happy time,” based on contributing to a sustainable society together with our customers and local communities.

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, for the FY2023 forecast, with the opening of membership resort hotel SANCTUARY COURT TAKAYAMA in March 2024, the revenue from real estate sales, which has been deferred will be recorded in a lump sum, operating revenues primarily from hotel, golf, medical and senior-life will expand, leading to the creation of new value, and expanding human capital investments that continuously raises wages will create a virtuous cycle aimed at further productivity improvement.

As a result, we expect the Group as a whole to report net sales of 200,000 million yen (up 17.8% year-on-year), operating income of 18,000 million yen (up 46.7% year-on-year), and ordinary income of 18,000 million yen (up 35.9% year-on-year). The Company expects an increase in both sales and income. Meanwhile, we expect a decrease in income by reporting net income attributable to the parent company of 12,000 million yen (down 29.0% year-on-year) due mainly to the absence of extraordinary income resulting from the sale of non-membership hotels.

The Company expects to increase its annual dividend to 50 yen (forecast), an increase of 5 yen from the same period of the previous fiscal year, by adding a 50th anniversary commemorative dividend of 4 yen to its annual dividend of 46 yen, which will be a record high dividend amount (breakdown of expected annual dividend: interim dividend of 23 yen + commemorative dividend of 2 yen, year-end dividend of 23 yen + commemorative dividend of 2 yen). In addition, the Company has converted its shareholder benefit program to electronic tickets since last year, and will work to implement more environmentally friendly and efficient measures.

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	FY 2021 (as of Mar. 31, 2022)	FY 2022 (as of Mar. 31, 2023)
Assets		
Current assets		
Cash and deposits	28,794	28,467
Notes and accounts receivable - trade, and contract assets	9,609	11,632
Accounts receivable - installment	33,155	61,585
Operating loans	44,250	32,291
Securities	3,601	10,817
Merchandise	936	1,038
Real estate for sale	5,896	4,914
Raw materials and supplies	1,262	1,485
Real estate for sale in process	6,703	26,139
Investments in leases	—	4,162
Other	6,237	6,411
Allowance for doubtful accounts	(909)	(982)
Total current assets	139,538	187,964
Non-current assets		
Property, plant and equipment		
Buildings and structures	201,853	197,633
Accumulated depreciation	(99,302)	(100,803)
Buildings and structures, net	102,551	96,829
Machinery, equipment and vehicles	11,542	11,533
Accumulated depreciation	(9,624)	(9,797)
Machinery, equipment and vehicles, net	1,918	1,735
Golf courses	7,635	7,635
Land	48,860	43,702
Leased assets	12,351	3,226
Accumulated depreciation	(5,575)	(1,298)
Leased assets, net	6,776	1,928
Right-of-use assets	—	10,985
Construction in progress	4,964	10,388
Other	23,255	23,188
Accumulated depreciation	(20,061)	(20,260)
Other, net	3,193	2,927
Total property, plant and equipment	175,900	176,133
Intangible assets		
Goodwill	1,688	1,265
Software	3,969	3,015
Other	1,921	1,876
Total intangible assets	7,579	6,157
Investments and other assets		
Investment securities	26,148	22,915
Shares of subsidiaries and associates	1,331	1,328
Long-term loans receivable	5,541	4,810
Retirement benefit asset	357	418
Deferred tax assets	18,568	19,345
Other	19,923	21,343
Allowance for doubtful accounts	(479)	(417)
Total investments and other assets	71,390	69,744
Total non-current assets	254,869	252,035
Total assets	394,408	439,999

(Millions of yen)

	FY 2021 (as of Mar. 31, 2022)	FY 2022 (as of Mar. 31, 2023)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,354	1,738
Short-term borrowings	8,799	1,308
Current portion of long-term borrowings	18,587	11,300
Current portion of bonds payable	150	—
Lease obligations	1,147	1,470
Accounts payable - other	8,711	11,403
Income taxes payable	2,373	4,723
Accrued consumption taxes	2,736	2,245
Advances received	63,728	95,402
Unearned revenue	14,714	15,020
Provision for loss on guarantees	42	35
Provision for point card certificates	497	511
Other	10,511	11,535
Total current liabilities	133,353	156,695
Non-current liabilities		
Long-term borrowings	24,787	13,487
Lease obligations	11,406	20,985
Deferred tax liabilities	640	322
Provision for stocks payment	380	547
Retirement benefit liability	2,613	3,007
Long-term guarantee deposits	30,030	29,813
Amortizable long-term guarantee deposits received	79,264	86,073
Other	5,100	5,178
Total non-current liabilities	154,222	159,414
Total liabilities	287,575	316,110
Net assets		
Shareholders' equity		
Share capital	19,590	19,590
Capital surplus	21,616	21,574
Retained earnings	60,520	73,662
Treasury shares	(3,513)	(3,064)
Total shareholders' equity	98,213	111,762
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,024	2,813
Foreign currency translation adjustment	887	2,976
Remeasurements of defined benefit plans	262	322
Total accumulated other comprehensive income	3,174	6,112
Share acquisition rights	313	—
Non-controlling interests	5,130	6,014
Total net assets	106,832	123,889
Total liabilities and net assets	394,408	439,999

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

(Millions of yen)

	FY 2021 (Apr. 1, 2021 - Mar. 31, 2022)	FY 2022 (Apr. 1, 2022 - Mar. 31, 2023)
Net sales	157,782	169,830
Cost of sales	22,453	18,818
Gross profit	135,329	151,012
Selling, general and administrative expenses		
Advertising expenses	2,171	2,493
Membership service expenses	1,159	1,093
Repair and maintenance expenses	4,741	5,284
Linen expenses	4,863	5,692
Provision of allowance for doubtful accounts	95	87
Provision for loss on guarantees	1	—
Remuneration for directors (and other officers)	1,233	1,568
Salaries and bonuses	49,608	54,425
Retirement benefit expenses	1,240	1,634
Provision for retirement benefits for directors (and other officers)	18	—
Legal welfare expenses	6,732	7,139
Welfare expenses	1,710	1,917
Commission expenses	8,954	10,339
Rent expenses	6,652	6,576
Utilities expenses	6,164	8,246
Communication and transportation expenses	2,888	3,026
Depreciation	9,455	8,527
Taxes and dues	3,000	3,191
Supplies expenses	2,586	3,027
Amortization of goodwill	592	422
Other	12,765	14,044
Total selling, general and administrative expenses	126,636	138,741
Operating profit	8,693	12,270
Non-operating income		
Interest income	896	1,003
Dividend income	94	102
Share of profit of entities accounted for using equity method	28	16
Foreign exchange gain	5	3
Reversal of allowance for doubtful accounts	20	72
Reversal of provision for loss on guarantees	—	6
Subsidy income	2,534	441
Other	349	377
Total non-operating income	3,929	2,025
Non-operating expenses		
Interest expenses paid on loans and bonds	339	276
Syndicate loan fees	489	59
Nondeductible consumption tax	439	368
Other	231	344
Total non-operating expenses	1,499	1,048
Ordinary profit	11,123	13,247

[Consolidated Statements of Income]

(Millions of yen)

	FY 2021 (Apr. 1, 2021 - Mar. 31, 2022)	FY 2022 (Apr. 1, 2022 - Mar. 31, 2023)
Extraordinary income		
Gain on sale of non-current assets	226	9,044
Gain on sale of investment securities	—	8
Gain on redemption of securities	—	502
Gain on sale of shares of subsidiaries and associates	14	0
Subsidy income	6	—
Reversal of provision for share-based remuneration	1,628	—
Gain on reversal of share acquisition rights	—	313
Total extraordinary income	1,876	9,869
Extraordinary losses		
Loss on sales of non-current assets	28	16
Loss on retirement of non-current assets	39	367
Impairment loss	2,121	97
Loss on sales of shares of subsidiaries and associates	0	0
Loss due to new coronavirus infection	9	—
Other	18	66
Total extraordinary losses	2,218	548
Profit (loss) before income taxes	10,780	22,567
Income taxes - current	4,843	6,850
Income taxes - deferred	(27)	(1,469)
Total income taxes	4,816	5,381
Profit (loss)	5,964	17,186
Profit attributable to non-controlling interests	188	280
Profit (loss) attributable to owners of parent	5,775	16,906

[Consolidated Statements of Comprehensive Income]

(Millions of yen)

	FY 2021 (Apr. 1, 2021 - Mar. 31, 2022)	FY 2022 (Apr. 1, 2022 - Mar. 31, 2023)
Profit (loss)	5,964	17,186
Other comprehensive income		
Valuation difference on available-for-sale securities	223	788
Foreign currency translation adjustment	1,330	2,088
Remeasurements of defined benefit plans, net of tax	157	60
Total other comprehensive income	1,711	2,937
Comprehensive income	7,676	20,124
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,487	19,844
Comprehensive income attributable to non-controlling interests	188	280

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	FY 2021 (Apr. 1, 2021 - Mar. 31, 2022)	FY 2022 (Apr. 1, 2022 - Mar. 31, 2023)
Cash flows from operating activities		
Profit (loss) before income taxes	10,780	22,567
Depreciation	10,556	9,264
Impairment loss	2,121	97
Amortization of goodwill	592	422
Increase (decrease) in allowance for doubtful accounts	(104)	10
Increase (decrease) in retirement benefit liability	217	420
Increase (decrease) in provision for retirement benefits for directors (and other officers)	18	—
Interest and dividend income	(991)	(1,106)
Interest expenses on borrowings and bonds	339	276
Foreign exchange losses (gains)	24	53
Loss (gain) on sale of non-current assets	(198)	(9,027)
Decrease (increase) in trade receivables	(19,708)	(18,481)
Decrease (increase) in inventories	2,599	(18,963)
Increase (decrease) in trade payables	2	353
Increase (decrease) in accounts payable - other	642	2,418
Increase (decrease) in advances received	18,524	31,583
Increase (decrease) in long-term guarantee deposits received	5,344	6,591
Increase (decrease) in accrued consumption taxes	591	(651)
Decrease (increase) in investments in leases	—	374
Other, net	(668)	1,702
Subtotal	30,685	27,906
Interest and dividends received	1,083	1,106
Interest paid	(430)	(271)
Income taxes paid	(8,675)	(4,456)
Net cash provided by (used in) operating activities	22,662	24,285

(Millions of yen)

	FY 2021 (Apr. 1, 2021 - Mar. 31, 2022)	FY 2022 (Apr. 1, 2022 - Mar. 31, 2023)
Cash flows from investing activities		
Payments into time deposits	(9,010)	(15)
Proceeds from withdrawal of time deposits	9,010	25
Purchase of securities	—	(3,000)
Proceeds from sale and redemption of securities	6,700	3,768
Purchase of investment securities	(2)	(3,283)
Proceeds from sale and redemption of investment securities	370	49
Purchase of shares of subsidiaries and associates	—	(0)
Proceeds from sale of shares of subsidiaries and associates	72	2
Purchase of property, plant and equipment	(5,446)	(9,344)
Proceeds from sales of property, plant and equipment	1,004	19,677
Purchase of intangible assets	(876)	(959)
Loan advances	(17)	(275)
Proceeds from collection of loans receivable	545	977
Other, net	385	(1,306)
Net cash provided by (used in) investing activities	2,736	6,314
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	6,480	(7,699)
Proceeds from long-term borrowings	500	—
Repayments of long-term borrowings	(21,084)	(18,587)
Redemption of bonds	(29,850)	(150)
Purchase of treasury shares	(2,189)	(0)
Dividends paid	(3,236)	(3,764)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	(88)
Net increase (decrease) in deposits received from subsidiaries and affiliates	1,980	(30)
Other, net	(1,625)	(675)
Net cash provided by (used in) financing activities	(49,026)	(30,995)
Effect of exchange rate change on cash and cash equivalents	80	112
Net increase (decrease) in cash and cash equivalents	(23,546)	(283)
Cash and cash equivalents at beginning of period	52,756	29,210
Cash and cash equivalents at end of period	29,210	28,926

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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RESORTTRUST
GROUP

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