

# RESOL HOLDINGS Co., Ltd.

**5261**

Tokyo Stock Exchange Prime Market

6-Aug.-2024

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## Summary

### Entering a profit-growth stage, spurred on by the rapid increase in inbound demand

#### 1. Characterized by a synergies model based on the uniqueness of its businesses and its business portfolio

RESOL HOLDINGS Co., Ltd. <5261> (hereafter, also “the Company”), based on its twin axes of facility operations and investment recovery, is developing six diversified businesses that are strongly unique, of the hotel operations business, the golf operations business, the RESOL NO MORI (CRCC) business, the welfare business, the renewable energy business, and the investment recovery business. At first glance, the Company’s business segments appear to be unrelated, but one of its major characteristics is a synergies model based on its business portfolio. Facility operations and investment recovery have complementary relations in terms of earnings, and based on this, the Company mutually leverages synergies between its unique businesses to provide added value, of high levels of convenience and higher levels of satisfaction to customers, and it aims to differentiate itself further in each of its respective industries. In addition to the uniqueness of each business and its business portfolio, another major strength of the Company is the synergies it generates with the Mitsui Fudosan <8801> Group and KONAMI GROUP <9766>.

#### 2. The mainstay operations businesses (hotels and golf) are the driving force

In the hotel operations business, the Company operates lodging facilities under a variety of brands, including RESOL Hotels that it is rebranding toward becoming tourist hotels. The golf operations business includes not just soft aspects like planning and services, it also has an excellent reputation for improving the quality of hard aspects, such as renovations. The RESOL NO MORI (CRCC) business provides a high-quality resort life, including through the expansion of the Grandvaux Spa Village. Inbound demand is strong in each of these businesses, and the Company is further strengthening services and hard aspects to capture this demand. In addition, the welfare business is actively developing operations through its strengths of a settlement business model, Plus Your Choice, and Group directly managed facilities. The renewable energy business conducts two businesses, electricity sales and self-consumption, while the investment recovery business is an important source of earnings while paired with the operations businesses, and it supports the stabilization of Group earnings in a complementary manner as a source of funds.

#### 3. Following the rapid increase in inbound demand, in FY3/24 hotels greatly recovered and returned to profitability

The FY3/24 results were extremely positive, with net sales of ¥25,717mn (up 16.6% year on year (YoY)) and operating profit of ¥2,122mn (up 554.8%). The environment continues to be excellent in the post COVID-19 period, including that domestic travel and inbound demand are growing rapidly. In this sort of operating environment, in addition to the Japanese government target of 60mn inbound visitors by 2030 and the growing participation of young people and women in golf, the golf business is benefiting from other developments, such as the increase in inbound golfers and the lengthening of the playing lives of senior golfers. In addition to pursuing synergies, the Company is aiming to grow its existing businesses, including by expanding facilities, conducting marketing to acquire inbound and domestic travel demand, providing services that are one rank higher, and offering higher levels of quality. As a result of these efforts, although profits declined in the investment recovery business, which had been the profit driver, due to the novel coronavirus pandemic (hereafter, COVID-19), the hotel operations business recovered and greatly returned to profitability, while profits in both the golf operations business and RESOL No MORI (CRCC) business increased significantly.

Summary

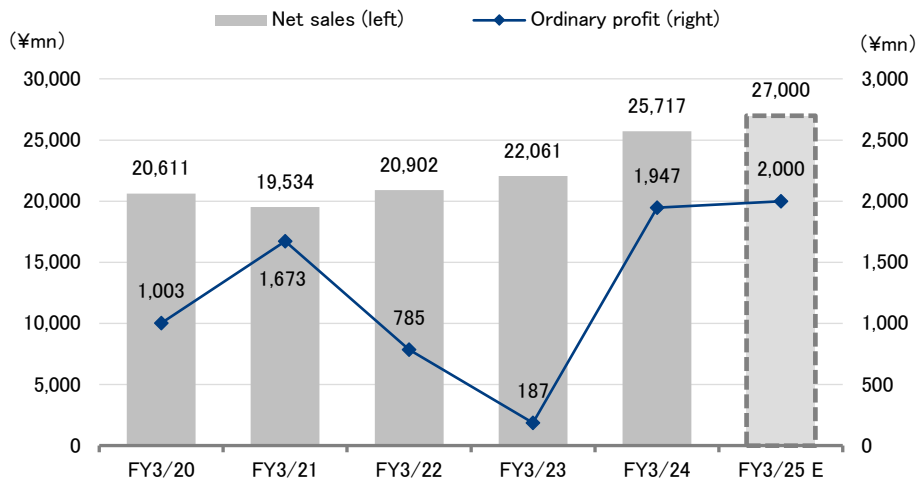
**4. Entering a profit-growth stage by capturing medium- to long-term inbound demand**

For the FY3/25 results, the Company is forecasting net sales of ¥27,000mn (up 5.0% YoY), operating profit of ¥2,200mn (up 3.6%), and ordinary profit of ¥2,000mn (up 2.7%). So the forecasts are for sales and profits to continue to increase, as in addition to capturing inbound demand that is expected to rise in the medium- to long-term, the golf courses that started operating in the previous fiscal year will be operational for the full fiscal year, while the Company is reducing costs by increasing operational efficiency through DX and other means, and unifying purchasing. Moreover, while being aware of financial soundness, it is implementing policies with an eye toward continuous business expansion, including acquiring new facilities, developing new businesses, and investigating overseas businesses development. Also, in parallel with this medium-term growth strategy, it is integrating members through a smartphone app and plans to further increase synergies. The Company can be said to have entered a stage of achieving concrete results, including steady profit growth.

**Key Points**

- Characterized by a portfolio of six business that are strongly unique, including hotel operations and golf operations
- The operations businesses, mainly hotels and golf, are performing strongly due to the rapid growth of inbound demand
- Implementing business expansion policies, including for new facilities and new business, and entering a new growth stage

**Results trends**



Source: Prepared by FISCO from the Company's financial results

## ■ Company summary

**With sustainability management as its foundation, is working to maximize social and economic values.  
Capturing inbound and other demand that has been recovering greatly in the post COVID-19 period**

### 1. Company summary and management policy

The Company has two business axes, operations and investment recovery, and it is developing six diversified businesses of the hotel operations business, the golf operations business, the RESOL NO MORI (CRCC) business, the welfare business, the renewable energy business, and the investment recovery business. With all value being based on the Group’s corporate slogan of “Bringing more smiles to you in your time off,” it provides a life worth living, bonds, health promotion, and relaxation to customers and is working to produce many smiles. Also, based on its sustainability management and citing its three long-term policies of Be Friendly (to people, to society, and to the Earth), it is working to maximize social and economic values through each of its businesses and to achieve the Sustainable Development Goals (SDGs). Currently, its operations businesses are performing extremely well against the backdrop of the increase in inbound demand and other factors, and it is shifting its management from being centered on the investment recovery axis during COVID-19 to being centered on the operations axis in the post COVID-19 period.

#### Corporate slogan and long-term policies

**Bringing more smiles to you in your time off.**



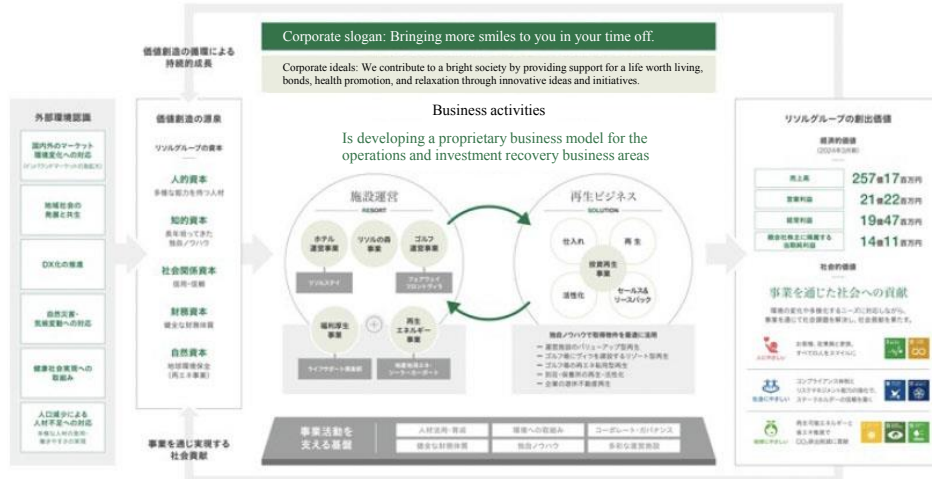
Source: Reprinted from Company materials

Company summary

Creating value through the RESOL Group's sustainability management

Creating value through the RESOL Group's sustainability management

リゾルグループは、「施設運営」と「再生ビジネス」の両軸で多角的に事業を展開しています。サステナビリティ経営の視座として、長期方針「3つのやさしい人（やさしい人）にやさしい社会（やさしい社会）にやさしい地球（やさしい地球）」を掲げ、事業を通じて社会的価値・経済的価値の最大化に取組みながら持続可能な社会への貢献を今後も進めてまいります。



Source: Reprinted from Company materials

2. Business characteristics

The Company's businesses are strongly unique even within their respective industries and at first glance they appear to be unrelated. But, on the axes of operations and investment recovery, it is generating synergies between the businesses, with the welfare business providing the foundation for the Group's synergies. In a typical year, in addition to mutually sending customers between the businesses, the earnings from the hotel operations business and the golf operations business stably support the next generation growth businesses, of the RESOL NO MORI (CRCC) business, the welfare business, and the renewable energy business, and this creates significant added value. Moreover, it is able to leverage various synergies thanks to its diversified business portfolio, including that during COVID-19, the investment recovery business, which is on the opposing axis to the renewable energy business and operations businesses, supported results as a whole. It also has many businesses that contribute directly to society from the viewpoint of the environment and the effective use of resources, such as its renewable energy business and investment recovery business. The RESOL NO MORI (CRCC) business is the total embodiment of the Company's business portfolio and its contribution to society.

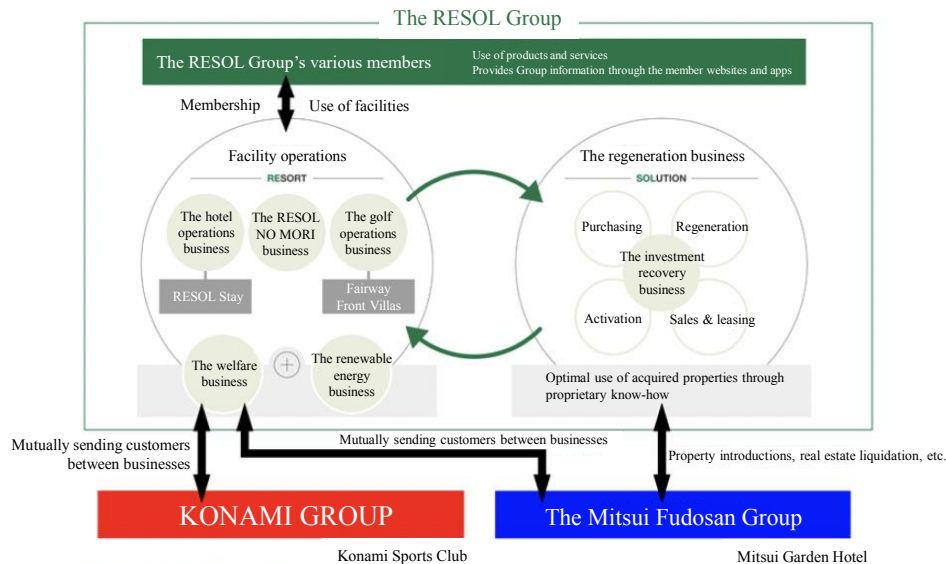
Currently in the post COVID-19 period, domestic travel has recovered and is performing well, while inbound demand has also recovered significantly, and the situation is that even after seeming to peak, demand is growing even more. The Japanese government has set the target of 60mn inbound visitors by 2030 to become an advanced tourism country, and inbound demand is expected to continue to be strong in the future. For golf as well, young and female golfers, who increased due to COVID-19, continue to trend strongly in the post COVID-19 period, and when adding to them the new inbound golfers, golf is booming. For senior golfers who are the largest volume group, demand is strong among those in their sixties and seventies, but it seems the number of senior golfers in their eighties is also increasing. Thanks to these favorable developments, the likelihood has increased that the Company will achieve major profit growth.

Company summary

3. History

The Company has a long history, being founded in 1931, and it was listed on the Tokyo Stock Exchange 1st Section in 1949. In 1988, the Company changed its name to Misawa Resort Co., Ltd. and started full-scale hotel and golf course operations after the bursting of the bubble economy, and this can be said to be the Company's foundation period in actual terms. In 2005, it entered into a business and capital alliance with Mitsui Fudosan and changed its company name to Resort Solution Corporation, combining the words "resort" and "solution," and it realized synergies between its businesses on the two axes of operations and investment recovery. Moreover, in 2006, the Company concluded a business and capital alliance with KONAMI CO., LTD. (currently KONAMI GROUP) and strengthened and expanded its hotels and golf courses operations businesses. At the same time, one after another it developed new products, services, and businesses, including the card membership system, the customer points system, and the welfare business, expanding its business scope. The Company's strengths include the uniqueness of each of its businesses, its two business axes, and its portfolio of 6 businesses, but another major strength is the synergies it generates with the Mitsui Fudosan Group and KONAMI GROUP. In October 2016, it changed its company name from Resort Solution to RESOL HOLDINGS Co., Ltd. and unified the Group as a whole under the RESOL brand, and then in April 2020, RESOL Seimei no Mori, which are facilities that embody the Company brand, underwent major renovations to transform them into Sport & Do Resort RESOL NO MORI experience-based resort facilities. The business environment during the COVID-19 period was extremely harsh, especially for the hotel operations business, but even so recognition of the RESOL brand steadily spread through the Company implementing policies in accordance with its three types of friendliness. On entering the post COVID-19 period, domestic travel and inbound demand have greatly recovered, and it has been steadily capturing this demand.

The RESOL Group's synergies model



Source: Reprinted from Company materials

## ■ Business description

**The increase in inbound golfers and other overseas wealthy customers and the recovery of corporate training have been remarkable.**

**Progressing the shift to tourist hotels and strengthening branding**

### 1. The RESOL NO MORI (CRCC) business

Sport & Do Resort RESOL NO MORI, which was fully renovated and upgraded in April 2020, is in an excellent location within 50km of the city center on an expansive area of natural beauty. It is an experience-based resort complex with lodging facilities, a golf course, various sports and recreation facilities, restaurants, and clinics, and it is positioned as a facility that symbolizes the Group. On the themes of resorts, health, sports, and the outdoors, the Company is conducting a real estate development business that utilizes its strengths, of the resort facilities operations business and the natural environment. So that users can enjoy a high-quality resort life and resort work all year round and to facilitate the Company itself generating earnings, it has been actively making upgrades, including conducting renovations, introducing new facilities, and improving services. On entering the post COVID-19 period, the increase in inbound golfers and other overseas wealthy customers and the recovery of corporate training have been remarkable, and all of the facilities have become extremely popular. For users other than lodging and golf users as well, the Medical Training Center and the Longzip Slide, which is the longest zip-slide activity in Kanto, are also popular as day-trip activities.

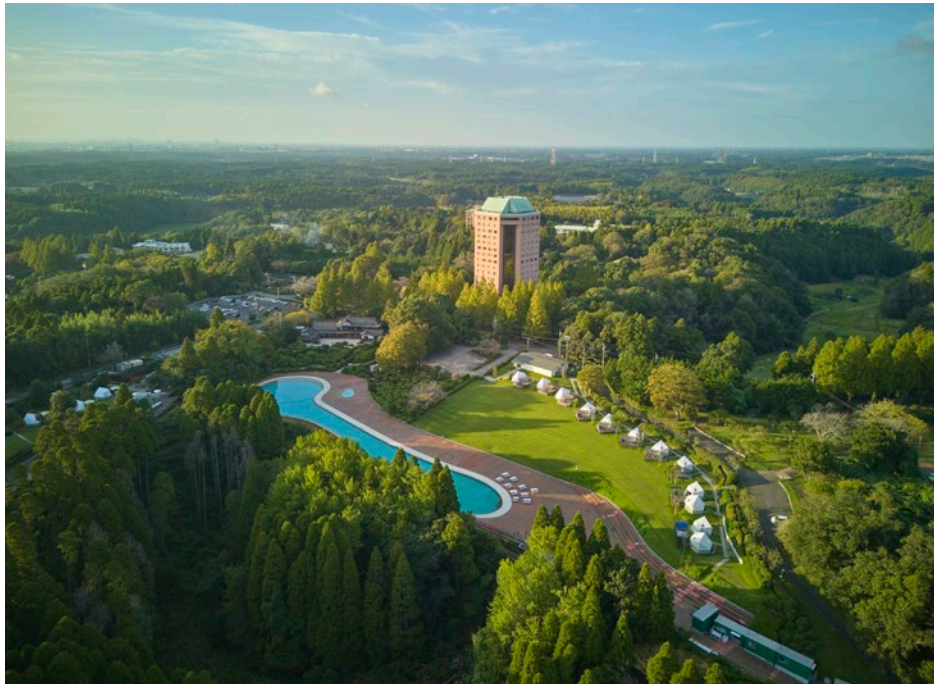
In this business, the Company is strengthening the outdoors business with a focus on glamping areas. In April 2020, it opened Grandvaux Spa Village, which is a glamping area equipped with tent cabins and terrace houses where guests can enjoy a high-quality outdoor resort. Following its favorable reception, in July 2021 it expanded the facilities to the resort poolside Glamping Area Lac Lemman. Currently also, it continues to develop new facilities and is constructing 10 new buildings at Dear Wan Spa Garden, which is a pet villa with a private spa and dog run scheduled to open in October 2024, while in addition, within its medium- to long-term plan, it plans to construct a new building at Grandvaux Spa Village. Also, the Medical Training Center, which is a fully fledged sports facility where top athletes come to train, has undergone large-scale renovations, and in addition to a fitness room, running track, gymnasium, 25-meter pool and other indoor sports facilities, guests can use its outdoor sports facilities including a 400m track, and also its Nagara Karuna no Yu hot spring facility that offers the Ramune no Yu carbonated hot spring and a sauna.



Business description

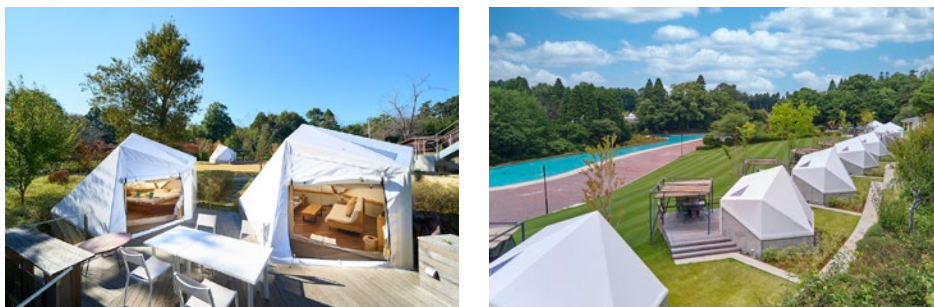
Golf Vacation Club RESOL No MORI, which is a members-only resorts club in which members can spend 30 nights a year in special rooms with superior views on the upper floors of the RESOL NO MORI Trinity Shosai resort hotel, continues to sell well since its launch in December 2020. The rooms are designed to be used as a second home for golf stays or a workcation together with the family, and require no daily maintenance, and the fact that they can also be used for entertainment or for employee benefit purposes has been a factor behind their strong performance. In addition, it appears that the Golf Vacation Club is selling well as luxury villa-type accommodation in the glamping area. From out of the 30 nights available, both types guarantee exclusive use for 3 consecutive nights during either the Golden Week or the New Year vacation periods, and guests can use free of charge the Momiji-no-Yu natural hot springs within the facility, while they are also offered membership of the Manna Country Club, located in RESOL NO MORI, at a special price. Currently, golf tourism from Thailand, Taiwan, and South Korea is becoming increasingly active, and the Company is also strengthening its sales to Western agencies in order to expand its golf inbound sales channels. Going forward, it is considering selling the highest grade of the Golf Vacation Club to the wealthy and constructing Fairway Front Villas at the Manna Country Club.

**Sport & Do Resort RESOL NO MORI**



Source: Reprinted from Company materials

**The Grandvaux Spa Village's glamping area**



Source: Reprinted from Company materials

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<https://www.resol.jp/eng/>

Business description

Golf Vacation Club RESOL NO MORI

Hotel Trinity Shosai



A special room on the upper floor of the resort hotel



A luxury villa in the glamping area



The Manna Country Club's Manna Course (27 holes) and Manna Gary Player Course (18 holes)



Source: Reprinted from Company materials

Images of the Dear Wan Spa Garden pet villa with private spa (scheduled to open in October 2024)



Source: Reprinted from the Company's supplementary financial materials

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Business description

Hotel RESOL Trinity Naha



Source: Reprinted from Company materials

**2. The hotel operations business**

The hotel operations business' mainstay brand of RESOL Hotels is aiming to convert to become tourist hotels that are differentiated from business hotels, targeting women, tourists, and medium- to long-term stay guests. Therefore, based on the new concept of hotels with a story, in addition to each hotel having its own design with unique characteristics, the Company is strengthening branding based on the new strengths. These include Concierge, which provides tourist information and value-added experiences such as hotel events; Eatwell Breakfast, which is a healthy and tasty breakfast menu supervised by a nutritionist; and Relaxation, which is the hotel's original purpose, and the Company's thoughts are to use these to raise occupancy rates and the customer unit price.

The RESOL Hotels brand operates 20 facilities nationwide (as of the end of March 2024) and consists of the main Hotel RESOL, Hotel RESOL Trinity, which offers a higher grade of relaxation, the Hotel RESOL Stay series that offers a more functional shared space for medium- to long-term stay guests, and the RESOL Poshtel that is a cabin-type hostel providing interactive lodging facilities. All of the facilities are popular for their relaxing RESOL style, which includes Living Lobby®, which is as cozy as a home\*1, a shoes-off style, an original welcome aroma, and original beds. By progressing the conversion to tourist hotels, in addition to this RESOL style, by strengthening CX\*2 the Company is capturing the domestic travel and inbound demand that has been recovering significantly, for example by providing inbound tourists with a calligraphy experience and local sweets, or by organizing a Maiko (apprentice geisha) dance event in Kyoto.

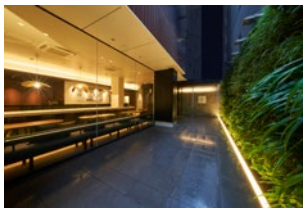
\*1 Living Lobby is the Company's registered trademark

\*2 CX (Customer Experience)

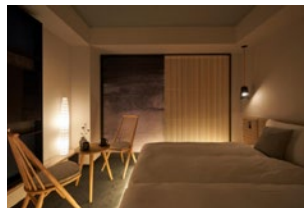
Business description

In addition to the RESOL Hotels, the Company operates around 90 facilities nationwide under a variety of other brands, including the Pet & Spa Hotels (3 locations), which are hotels where pets can stay, and RESOL Stay (Suite Villas) (68 locations), which are rental villas that offer a stay that is just like staying at home. On the one hand, the formation of these brands provides users with convenience of choice, such as for aspects like location, length of stay, and purpose of use, while on the other hand, as the optimization of operations is made possible by carefully assessing the various conditions of each facility, for example its location, customer groups, and competition, for the Company as well, it has the merit of enabling it to set its own detailed investment strategy and marketing strategy. Among them, the RESOL Stay business, which is a new business that shares villas for stays ranging from one night to long term based on the concept of staying as if you were living in a villa, has been performing well in the post COVID-19 period, and the Company is proactively expanding these Suite Villas. It is not only utilizing its own facilities but also strengthening the development of individual vacation homes that have low utilization rates, and by the Company proposing intermediary services that cover all operations, from business startup preparations through to operations, management and customer acquisition, it is aiming to reduce the burden on vacation homeowners and to maximize earnings. To meet user needs, it offers three choices of stay patterns for the Suite Villas of weekly, monthly, and daily, and this is creating new demand for vacation homes. Moreover, it appears that in addition to the rapidly increasing inbound demand, their use for medium- to long-term stays by Japanese guests is also increasing. In this way, expectations are high that the RESOL Stay business will become a new pillar of earnings, and the Company is growing this business through further expanding its scope and stimulating demand.

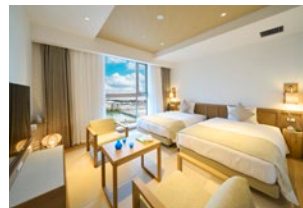
**Hotel RESOL Ueno**



**RESOL Hotels nationwide  
 Hotel RESOL Trinity Osaka**



**Hotel RESOL Trinity Naha**



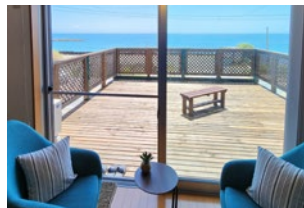
Source: Reprinted from Company materials

**RESOL Stay's Suite Villa series**

**Costa de la Roca Manazuru**



**Oceanfront Miura Coast**



**GRANVIEW Minami Boso**



Source: Reprinted from Company materials

## Inbound golfers are increasing, and the Fairway Front Villa business is also performing well

### 3. The golf operations business

The golf operations business operates 18 courses (includes 2 operation-partner courses), and it is responding to various customer needs through its unique operations style tailored to the characteristics of each golf course, such as the location, brand, and services. During COVID-19, the decline in corporate demand for competitions and banquets had a significant impact on short-term results. But conversely, as a safe outdoor sport that avoids crowds, golf-course use increased among individuals, mainly among young people, women and senior citizens in their eighties. There were concerns that this increase would slow down in the post COVID-19 period but it has continued, particularly among women and seniors, and when adding to this the rapid increase in inbound golfers, golf is enjoying a major boom. Therefore, in order to secure new and repeat customers, the Company is not only aiming to improve its soft aspects, such as establishing services for inbound golfers and preparing food menus and services especially for senior and women golfers, but also hard aspects like expanding tee boxes.

Against the backdrop of the strong performance of golf, the Company is actively acquiring golf courses. In February and March, it acquired 4 golf courses – Kansai Country Club (Kameoka City, Kyoto Prefecture, 18 holes), Miki Yokawa Country Club (Miki City, Hyogo Prefecture, 27 holes), Mochizuki RESOL Golf Club (Saku City, Nagano Prefecture, 18 holes), and Arida RESOL Golf Club (Arida District, Wakayama Prefecture, 18 holes) – from TOKYU LAND CORPORATION, which had highly evaluated the Company’s golf course operations, and it has started operations at each course. Also, Iruma Country Club (Iruma District, Saitama Prefecture, 18 holes) began operations in September 2023 and has an excellent reputation for its convenient location of being less than one hour from Tokyo and its course conditions, and it is popular as a hilly woodland course that offers dynamic play. In January 2024, the Company started an operating partnership with Otsuki Country Club (Otsuki City, Yamanashi Prefecture, 18 holes).

The Company is focusing on the Fairway Front Villa business as a new business that responds not only to the lengthening of stays in domestic travel, but also to golf tourism that is increasing worldwide. Following on from the Spa & Golf Resort Kuji, which is located next to a golf course and offers outstanding views, the Fairway Front Villas at Setouchi Golf Resort, which opened in November 2022, offers magnificent views of the golf course and the Seto Inland Sea from the wooden-deck terraces that are integrated into the course. Currently, the Company is progressing plans to build new villas at Dai-Atami Kokusai Golf Club where guests can enjoy views of Mt Fuji and fairways, while it is also considering building new villas at other courses. On the other hand, it is also working to expand the scope of golf tourism through collaborations between the hotel operations business and the golf operations business, including Hotel RESOL Trinity Hakata, Karatsu Golf Club, Kansai Country Club, and 3 hotels in Kyoto, and it plans to actively pursue demand from overseas.

Business description

Setouchi Golf Resort



Source: Reprinted from Company materials

Spa & Golf Resort Kuji



Source: Reprinted from Company materials

## Aiming to transform the industry model by leveraging its unique strengths

### 4. The welfare business

The welfare business utilizes the framework of the Life Support Club of welfare services to provide services that support the health and happiness of companies and organizations, and also their workers and their families. During COVID-19, it worked to expand partnerships for lifestyle-related menus to response to stay-at-home demand and to enhance functions toward improving convenience for members. In the post COVID-19 period, while capturing the growing demand for in-company training and other aspects, the Company has been actively promoting initiatives to increase the value of new orders and the number of new contracts.

Toward this, the Company is differentiating itself from its competitors by leveraging its unique strengths in comparison to the industry standards. These strengths include the settlement business model that offers a highly transparent fee structure that settles and refunds subsidies according to the results of the companies using the service, and Plus Your Choice, a highly customizable plan that also enables access to non-partner facilities, and Group directly-managed facilities offering preferential rates at the Company's directly managed facilities such as hotels and golf courses, and exclusive plans for business trips and corporate training. Furthermore, by promoting features such as the largest number of partner lodging facilities, a low-priced and easy-to-use lifestyle menu, and the introduction of a cross-search reservation system, the Company is working to acquire new customers including by entering into business partnerships with major insurance agencies, promoting transactions with Group member companies, providing OEM products to the customers of major travel agencies, and entering into a partnership with Kanto IT Software Health Insurance (fully fledged start from May 2024). In addition to the above, for the future it is developing new welfare services in order to improve corporate value by improving productivity at customer companies at the same time as realizing the true wellbeing of employees. As the welfare services function to promote the mutual sending of customers between the hotels, golf courses, and the RESOL NO MORI business, the welfare business can be said to provide the foundation for the Group's synergies.

## Conducting sustainability management through the renewable energy business

### 5. The renewable energy business

The renewable energy business conducts two businesses, electricity sales and self-consumption, by installing solar power generation facilities on land and buildings on the Group's golf courses, and at other locations. Both businesses are pursuing initiatives for decarbonization and directly conducting sustainability management that is Earth-friendly. The electricity sales business operates the 1.5 MW solar power generation facility opened in 2021 at RESOL NO MORI, and it conducted electricity sales of approximately 1.4mn KW per year in FY2023. Self-consumption operates Japan's first locally produced and locally consumed energy system, which started operations at RESOL NO MORI in 2020, with Tokyo Electric Power Company Holdings, Inc. <9501> and others, and it jointly received the New Energy Foundation Chairman's Award in the Distributed-type New Energy Advanced Model category of the New Energy Award 2021 sponsored by the New Energy Foundation. In 2023 in operational golf courses, it launched a solar carport business at three golf courses (Spa & Golf Resort Kuji, Chukyo Golf Club Ishino Course, and Setouchi Golf Resort). The solar carport business involves constructing carports equipped with solar power generation facilities in golf course parking lots and other locations with a view to expanding the use of facilities for self-consumption, emergency power sources in times of a disaster, and power sources for charging the batteries of electric vehicles (EVs) whose use is expected to become widespread in the future, and it is investigating expanding them to the Group's golf courses. In the future, it will utilize the knowledge it has cultivated up to the present time to develop a new local production for local consumption type business centered on golf courses, and to be a corporate group that is Earth-friendly.

#### Solar carport



Source: Reprinted from Company materials

## Business description

## 6. The investment recovery business

The Company is utilizing the know-how it has accumulated in real estate development to regenerate real estate, including recreation centers, vacation homes, golf courses, and idle assets, and depending on the situation at the time, it decides whether to continue to hold the asset as it is in each business and thereby have it contribute to profits, or to increase the value of that asset in the investment recovery business and turn it into a gain on sale. The problem here is that it is difficult to understand the importance of this since the earnings level changes significantly from period to period, but it is possible to generate relatively large earnings by selling the recovered assets. Therefore, this business can drive results as a whole when the results of the operations businesses slump and can be a key source of earnings relative to the operations businesses that are more sensitive to economic fluctuations, and it has supported the stabilization of the Group's earnings as a source of funding, as was clearly seen in the results during COVID-19. Currently, the operations businesses are performing well, including due to the strong recovery of inbound demand, and the Company is currently steadily working toward acquisitions in the future.

## Results trends

### Achieved a major increase in profits, including from the recovery of the hotel operations business

#### 1. FY3/24 results trends

The FY3/24 results were extremely positive, with net sales of ¥25,717mn (up 16.6% YoY), operating profit of ¥2,122mn (up 554.8%), ordinary profit of ¥1,947mn (up 936.4%), and profit attributable to owners of parent of ¥1,411mn (up 95.3%). The results were also higher than the initial forecasts, net sales by ¥2,217mn, operating profit by ¥722mn, ordinary profit by ¥747mn and profit attributable to owners of parent by ¥612mn.

#### FY3/24 results

	FY3/23		FY3/24		YoY
	Result	% of sales	Result	% of sales	
Net sales	22,061	100.0%	25,717	100.0%	16.6%
Gross profit	12,871	58.3%	17,829	69.3%	38.5%
SG&A expenses	12,546	56.9%	15,706	61.1%	25.2%
Operating profit	324	1.5%	2,122	8.3%	554.8%
Ordinary profit	187	0.9%	1,947	7.6%	936.4%
Profit attributable to owners of parent	722	3.3%	1,411	5.5%	95.3%

Source: prepared by FISCO from the Company's financial results



#### Results trends

The Japanese economy has shown a gradual recovery as social activities are normalizing despite the impact of domestic and international economic uncertainties, such as rising resource prices, the Chinese economy, and the situation in the Middle East. The Company's operating environment continues to be excellent, as in addition to the ongoing growth of inbound demand, other positive factors include that demand for domestic travel is strong, demand for training is growing as companies increase their investment in human resources, and sports activities are widening due to the rising awareness of health. Moreover, the reclassification in May 2023 of novel coronavirus infections as Class 5 has been accelerating these trends. In this sort of operating environment, the Company is benefiting from factors such as the Japanese government's target of 60mn inbound visitors by 2030, the additional participation of young people and women in golf, the growth of inbound golfers, and the lengthening of the playing lives of senior golfers, and it aimed to grow its existing businesses by expanding facilities, conducting marketing to capture inbound demand and domestic travel, providing services that are one rank higher, and offering the highest levels of quality.

As a result, in the operations businesses of hotels, in which guest numbers are recovering rapidly, and golf, in which the five golf courses whose operations were newly started are performing well, net sales increased greatly, which absorbed the (planned) decline in the investment recovery business, so that sales increased substantially. In profits, positive factors, including that the hotels' occupancy rate and room average unit price improved and the addition to profits of the five golf courses, absorbed the SG&A expenses that increased alongside the economic normalization, such as for sales promotion expenses, so operating profit increased 6.5 times. Moreover, the reduction in the gain on negative goodwill arising from the golf course acquisitions was absorbed, so profit attributable to owners of parent increased by around 2 times. Compared to the initial forecasts, the net sales target was achieved thanks to the strong performance of hotels, while the profits forecasts were also achieved due to the improved occupancy rate and room unit price at hotels, and the strong performance of the new golf courses.

## 2. Results trends by segment

In net sales by segment, in the golf operations business, in which the recovery of the number of guests in the hotels operations business and the performance of the new golf courses both contributed, sales increased significantly. However, sales declined in the renewable energy business and investment recovery business. Segment profit grew significantly, because in addition to the higher sales in the hotel operations business and the golf operations business, profitability improved in the RESOL No MORI (CRCC) business and the welfare business. But profits decreased greatly in the renewable energy business and the investment recovery business. The Company's segment profit is based on ordinary profit/loss in order to clarify the operating results of each segment, including the investment recovery business.

## Results trends

## Results by segment in FY3/24

Net sales	FY3/23		FY3/24		YoY
	Result	% of sales	Result	% of sales	
The hotel operations business	7,521	34.1%	12,349	48.0%	64.2%
The golf operations business	6,093	27.6%	8,084	31.4%	32.7%
The RESOL NO MORI (CCRC) business	3,490	15.8%	3,658	14.2%	4.8%
The welfare business	874	4.0%	903	3.5%	3.3%
The renewable energy business	125	0.6%	97	0.4%	-22.7%
The investment recovery business	3,955	17.9%	624	2.4%	-84.2%

(¥mn)

Segment profit before adjustments	FY3/23		FY3/24		YoY
	Result	Profit ratio	Result	Profit ratio	
The hotel operations business	-1,152	-15.3%	1,235	10.0%	-
The golf operations business	685	11.3%	1,070	13.2%	56.1%
The RESOL NO MORI (CCRC) business	185	5.3%	243	6.7%	31.0%
The welfare business	2	0.3%	45	5.1%	1,423.5%
The renewable energy business	49	39.4%	1	1.8%	-96.5%
The investment recovery business	1,289	32.6%	40	6.5%	-96.8%

(¥mn)

\* Segment profit is based on ordinary profit/loss in order to clarify the operating results of each segment, including the investment recovery business.

Source: Prepared by FISCO from the Company's financial results

In the hotel operations business, results were extremely excellent, as alongside the recovery of travel demand, including inbound demand, the room unit price and the occupancy rate steadily improved, and net sales were ¥12,349mn (up 64.2% YoY) and ordinary profit was ¥1,235mn (compared to an ordinary loss of ¥1,152mn in the previous period). Operations started at Hotel RESOL Stay Akihabara in April 2023, and they restarted at RESOL Poshtel Tokyo Asakusa, which had been temporarily closed due to COVID-19, while in addition, progress was made for initiatives such as responding to inbound demand and strengthening branding. In particular, to respond to the strong inbound demand, the Company conducted direct sales to overseas agencies, while by proactively developing events and services tailored to each area, such as for the Tokyo Station market that has many European and American inbound visitors and the Taito Ward market that has many Southeast Asian inbound visitors, it was able to significantly grow use by inbound tourists. It also strengthened branding in order to convert to tourist hotels that target women, tourists, and medium-to-long-term stay guests, and it worked to further improve services and facilities. In the RESOL Stay business, which is a new business, in addition to focusing on the opening of the new Suite Villa rental villas, it has adopted three stay patterns (weekly, monthly, and daily) that can be selected according to needs to create new demand for villas, and as a result, their use by medium-to-long stay and inbound guests increased.

Results trends

Interior views of Hotel RESOL Stay Akihabara



Source: Reprinted from Company materials

RESOL Poshtel Tokyo Asakusa



Source: Reprinted from Company materials

The Suite Villa series of stay-type rental villas

Nasu Kogen Doggy's Ohana

Atami Ocean House

Atami Momoyama



Source: Reprinted from Company materials

In the golf operations business, results were net sales of ¥8,084mn (up 32.7% YoY) and ordinary profit of ¥1,070mn (up 56.1%), because the contributions of the new golf courses and the strong sales of membership rights absorbed the rises in energy costs and other costs. Toward building a stable earnings base, on the one hand the Company strategically expanded operations facilities, while on the other hand it aimed to differentiate itself from other companies, including by further improving course conditions, customer services, and word-of-mouth evaluations, and by updating facilities, and these efforts resulted in the customer unit price increasing. Also, the four golf courses it acquired from TOKYU LAND that started operations at the end of FY3/23 (Kansai Country Club, Miki Yokawa Country Club, Mochizuki RESOL Golf Club and Arida RESOL Golf Club), and Iruma Country Club that started operations in September 2023, each performed steadily. In addition, membership sales at Kansai Country Club and Miki Yokawa Country Club were strong, leading to an increase in the number of golfer visits. In the Fairway Front Villa business, which is a new business, following on from the strongly performing Spa & Golf Resort Kuji and the Setouchi Golf Resort, it plans to develop new villas at the Dai-Atami Kokusai Golf Club, and it is preparing to develop high-end golf resorts that can respond to the increase in inbound golfers that is expected in the medium- to long-term.

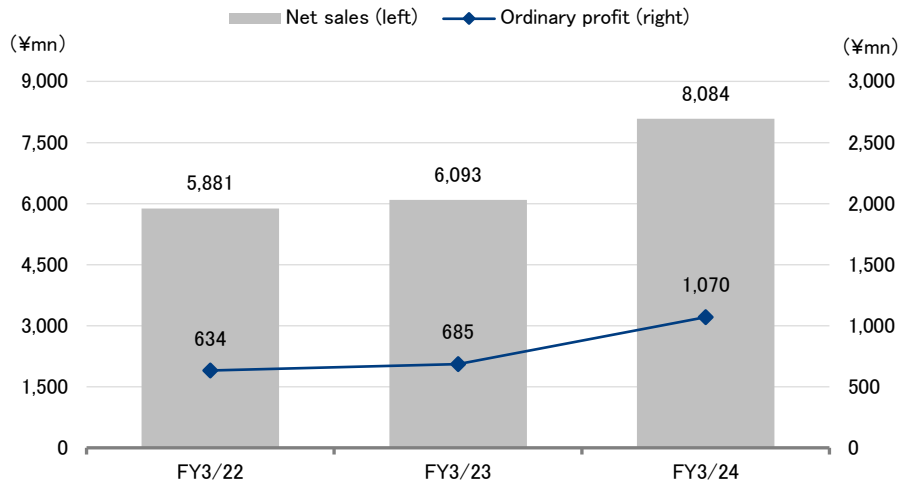
Results trends

Iruma Country Club



Source: Reprinted from a Company press release

Results trends in the golf operations business



Source: prepared by FISCO from the Company's financial results

Results trends

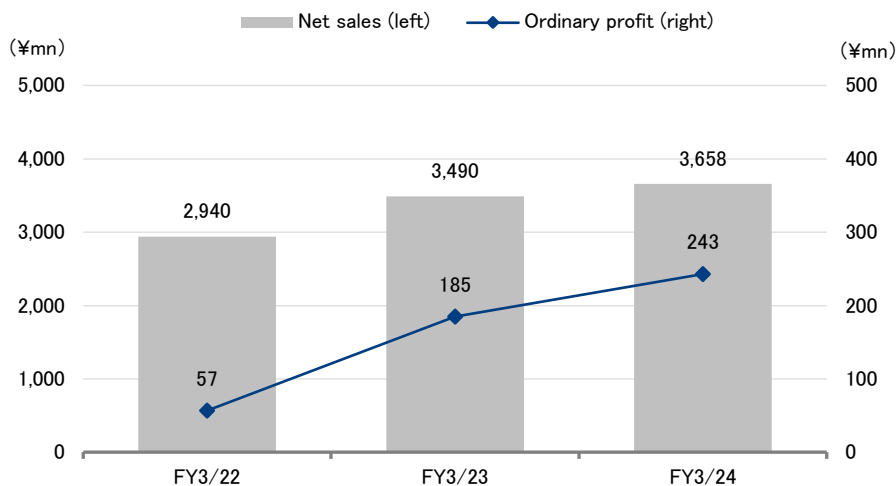
In the RESOL NO MORI (CRCC) business, which the Company is developing on the twin axes of the operations of the Sport & Do Resort RESOL NO MORI, which is an experience-based resort with landmark facilities, and real estate sales within the area, net sales were ¥3,658mn (up 4.8% YoY) and ordinary profit was ¥243mn (up 31.0%). In the golf department (Manna Country Club), the number of visitors from overseas, such as from Taiwan and South Korea who use the Golf & Stay Plan to enjoy golf while staying in the resorts area, increased significantly. Also, the lunch buffet launched in December 2023 at the Manna Gary Player Course has been well received, leading to an increase in visitors. In the resorts department, due to the significant increase in group use, such as for corporate training and incentive travel and by sports teams, the use of meeting rooms and team-building programs grew steadily, and ancillary earnings, including from food and beverages and stores, also increased. The Hybrid Cottage, which is a lodging facility that enables both communication and privacy, was especially highly evaluated for the corporate training sessions. In the real estate department, sales of land and condominiums in the area and sales of the Golf Vacation Club, which is a members-only resorts club, were strong due to the improvement of brand value. Also, as a new business, the Company is developing Dear Wan Spa Garden pet villas (10 buildings in total, scheduled to open in October 2024) and it started sales in April 2024.

Manna Country Club Manna Gary Player Course



Source: Reprinted from Company materials

Results trends in the RESOL NO MORI (CRCC) business

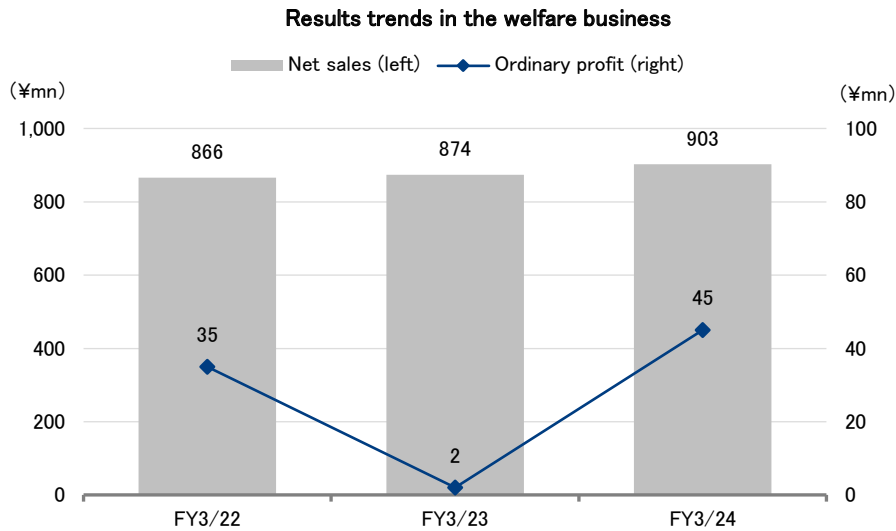


Source: Prepared by FISCO from the Company's financial results

Results trends

In the welfare business, the results were net sales of ¥903mn (up 3.3% YoY) and ordinary profit of ¥45mn (up 1,423.5%), as the Company focused on acquiring new customers using its settlement business model, Plus Your Choice, and directly managed facilities as tools to differentiate itself. It has been focusing on employee welfare benefits to companies that are looking to reform their work styles and to strengthen employee retention, and based on this, it has been prioritizing reviewing benefit systems and proposing products that meet current trends in order to encourage management such as corporate health management®, diversity management, and human capital management. Also, through partnerships with the lodging site provided by JTB Corp., Japan's largest travel agency, and with ASOVIEW Inc., a company that aims for the social implementation of recreation in clothing, food, and housing, it has dramatically increased the number of partner lodging facilities, leisure facilities, and the number of menu items such as gourmet foods, to the highest levels in the industry, thereby greatly improving member convenience. Moreover, it plans to upgrade the system of the MEMBER'S NAVI members-only website and intends to further improve services, including through adding a cross-search system.

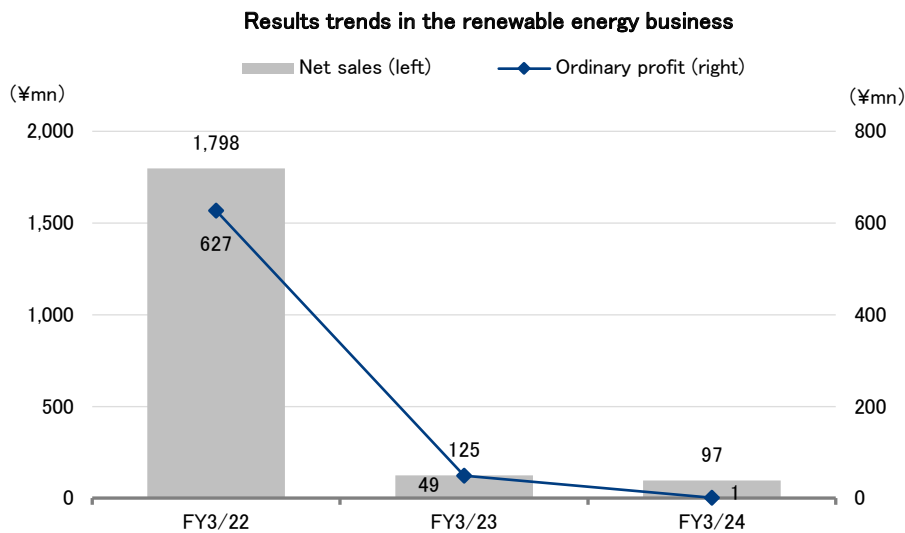
\* Health management® is a registered trademark of Nonprofit Organization Kenkokeiei



Source: Prepared by FISCO from the Company's financial results

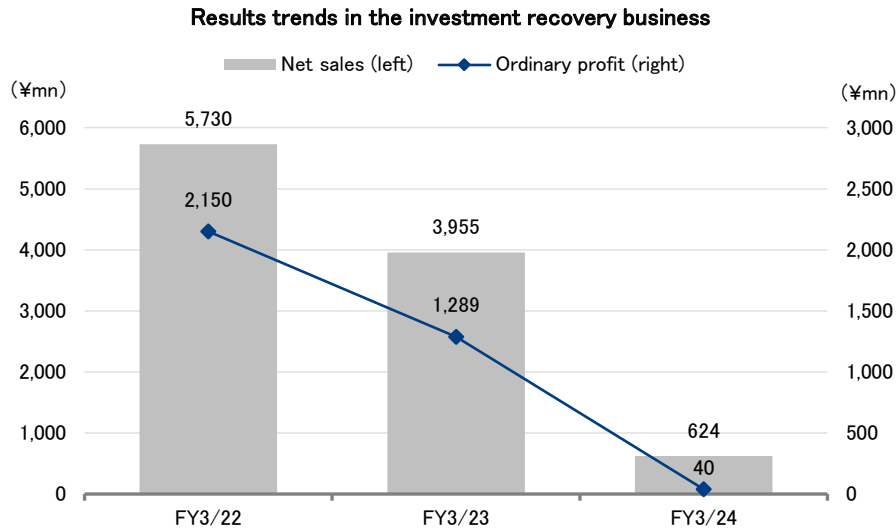
Results trends

In the renewable energy business, results were net sales of ¥97mn (down 22.7% YoY) and ordinary profit of ¥1mn (down 96.5%), because although the Company is developing the businesses of electricity sales, leasing land for solar power facilities, and facilities management contracts, it was impacted by the sharply rising energy prices. In electricity sales, it operates a 1.5MW solar power generation facility within the RESOL NO MORI facility, which generates electricity sales of approximately 1.4mn KW per year. In the businesses of leasing land for solar power facilities and facilities management contracts, it progressed the leasing of land for a mega-solar facility in Ishikawa Town, Fukushima Prefecture, and the contracted management of two mega-solar power facilities, including the one in Ishikawa Town. Going forward, it will utilize the knowledge it has cultivated up to the present time to promote the development of new facilities for locally produced and locally consumed energy, with a focus on golf courses. In the investment recovery business, results were net sales of ¥624mn (down 84.2%) and ordinary profit of ¥40mn (down 96.8%). The Company actively developed this business during the COVID-19 period when the operations businesses were struggling, but currently it seems to be in a preparation period. In this sort of situation, the Company sold land for a solar power generation facility that was converted from a former golf course and increased the value of a facility at one newly acquired golf course (Iruma Country Club). In the future, it is aiming to develop new businesses, including a resorts-type revitalization business and the overseas development of the operations businesses.



Source: Prepared by FISCO from the Company's financial results

Results trends



Source: Prepared by FISCO from the Company's financial results

## Will continue to strengthen the capturing of inbound demand, targeting higher sales and profit

### 3. FY3/25 results forecast

For the FY3/25 results, the Company is forecasting net sales of ¥27,000mn (up 5.0% YoY), operating profit of ¥2,200mn (up 3.6%), ordinary profit of ¥2,000mn (up 2.7%), and profit attributable to owners of parent of ¥1,500mn (up 6.2%). Inbound demand will grow significantly, so the Company's operating environment is expected to continue to be favorable. Therefore, it will accelerate the capturing of demand not only in the hotel operations business, but also in the golf operations business and the RESOL NO MORI (CRCC) business. While on the one hand it will be forced to strengthen operations-staff recruitment due to labor shortages and respond to spiking costs, including energy and raw materials, on the other hand it plans for sales and profits to continue to increase because, in addition to capturing inbound demand, the golf courses acquired in the previous period will be operational for the full fiscal year, it will increase the efficiency of operations such as through DX, and it will promote cost reductions by unifying purchasing and utilizing solar carports (self-consumption-type power generation facilities). Moreover, it will promote investment and new businesses with a view to continuous business expansion, while maintaining financial soundness by acquiring golf courses and opening new hotel facilities, such as the Fairway Front Villa, RESOL Stay, and pet villas. It is also progressing a fully-fledged investigation into launching overseas businesses.

#### FY3/25 results forecasts

	FY3/24		FY3/25		
	Result	Net sales	Forecast	% of sales	YoY
Net sales	25,717	100.0%	27,000	100.0%	5.0%
Operating profit	2,122	8.3%	2,200	8.1%	3.6%
Ordinary profit	1,947	7.6%	2,000	7.4%	2.7%
Profit attributable to owners of parent	1,411	5.5%	1,500	5.6%	6.2%

Source: Prepared by FISCO from the Company's financial results



#### Results trends

For the outlook by segment, the hotel operations business will actively capture inbound demand and also thoroughly strengthen branding as tourist hotels and disseminate information by digital marketing, such as social media. Also, sales promotions through the Group's shared membership system that uses a smartphone app are scheduled to begin in earnest from October 2024. Through its own website, the Company is aiming to strengthen sales and increase profitability by improving the direct-sales ratio. It will strengthen sales to corporations as well, such as by providing proposals for individual companies and regularly disseminating information. Particularly with regards to the app, the hotel operations business, the RESOL NO MORI (CRCC) business, and the golf operations business will increase customer convenience by sharing customer points. At the same time, as it can utilize sales promotion and branding measures that are tailored to customer attributes, it intends to effectively implement sales promotions to increase the direct-sales ratio.

In the golf operations business, although the market is expected to remain active for the time being, the domestic playing population is projected to decline in the future, so to respond to this, it plans to increase demand from inbound, senior, and women golfers. For example, it is establishing services for inbound golfers in advance of the rest of the industry, such as having signs and menus in various languages, while it is newly building and expanding facilities for seniors and women, including building tee boxes specifically for seniors and women. Moreover, in addition to soft aspects like improving course quality and customer services and providing delicious food, it intends to raise the customer unit price by constantly improving the quality of hard aspects, for example conducting major renovations of club houses and course renovations. Elsewhere, it will strengthen the Fairway Front Villa business, and in addition to young, old, male and female golfers, it is also aiming for its golf courses to cater to the needs of non-golfer sightseeing tourists. Due to the very positive response to Spa & Golf Resort Kuji, including that it has already expanded to 22 villas, at Dai-Atami Kokusai Golf Club it plans to build 10 luxury villas of a higher rank that will offer views of Mt. Fuji and the course's fairways.

In the RESOL No MORI (CRCC) business, the golf department plans to increase customer satisfaction by improving course quality, acquiring inbound golfers, and strengthening the Golf & Stay brand by strengthening advertising and promotions, which will lead to sales of golf membership rights (7th period). The resorts department will strengthen orders for corporate training and from sports groups and will open the Dear Wan Spa Garden dog villa (October 2024), while the real estate department plans to strengthen sales of the Golf Vacation Club scheduled to open in July 2024 (16 floors, premium type).

The welfare business is pursuing, on the company side, the merits of the settlement business model, Plus Your Choice, and directly-managed facilities that are different from the industry standards. It is also aiming to increase the number of new contracts and the order amount, including by promoting usage through campaign measures, improving convenience by introducing a cross-search system, and strengthening corporate-referral channels and OEM products. In addition, it is strengthening sending customers to the Group's own facilities and partnerships with Group companies and member companies.

The renewable energy business is conducting a business for the local production and local consumption of energy, with a focus on golf courses, while the investment recovery business is acquiring new operations facilities and improving the value of and actively utilizing operations facilities.

## Has entered a stage of steady profit growth and other achievements

### 4. Medium-term initiatives

As the medium-term initiatives, the hotel operations business is providing delicious and healthy food and hospitality services for tourists, as well as providing experiential value, and strengthening branding by introducing new specifications and services for medium-to-long-term stay guests, with the aim of converting RESOL Hotels into tourist hotels. It also plans to actively develop new operations facilities, such as previously owned hotels and overseas hotels. It has previously shown itself to be proficient at conducting M&A, so the (holdings) Company has credit through leasing agreements and has been able to secure a number of properties, including overseas hotels.

In addition to the Dai-Atami Kokusai Golf Club, the golf operations business is expanding the Fairway Front Villa business and strengthening customer acquisitions by establishing a structure to receive inbound golfers. For this, it continues to conduct M&A for high quality golf courses, while also strengthening sales of membership rights. Elsewhere, the Company intends to convert to central kitchens in clubhouse restaurants, reduce purchasing costs, provide uniform levels of quality, and resolve the issue of the shortage of human resources.

The RESOL NO MORI (CRCC) business plans to newly construct a building in Keyaki Garden to expand Grandvaux Spa Village and to develop the Fairway Front Villa business in the area around Mana Country Club. The welfare business intends to increase contracts by utilizing its unique strengths that are different to the industry standards. The renewable energy business is aiming to expand the solar carport business at the Group's golf courses. The investment recovery business is, on the one hand, focusing on acquiring new facilities such as hotels and golf courses to expand the operations businesses, while on the other hand it intends to conduct various other initiatives including resort-type regeneration by building villas; converting golf courses, including parts of existing golf courses, to land for renewable energy facilities; and acquiring overseas operations facilities of hotels and golf courses.

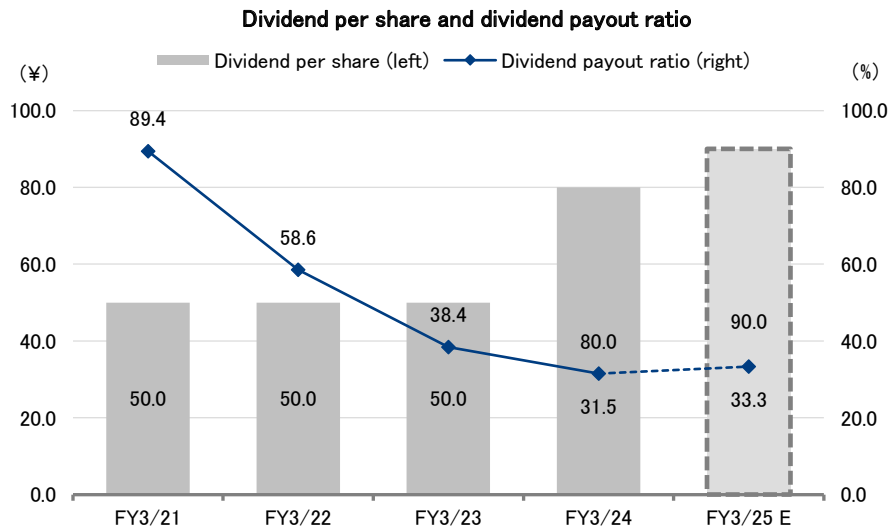
Currently, inbound demand and domestic travel are expanding significantly, and golf demand is also steady, and the Company is continuing to improve its existing services, products, and facilities and to develop new services, products, and facilities to meet the needs of the times. Therefore, growth is expected to continue, centered on the operations of the hotel operations business, the golf operations business, and the RESOL NO MORI (CRCC) business. Also, the welfare business is expected to enter a period of growth, as it is making steady progress in attracting new customers by differentiating itself from its competitors. Moreover, it is thought that Group synergies will be further strengthened and growth accelerated through the efforts to improve the direct-sales ratio in the operations businesses and also from the introduction of the smartphone app. The Company can be said to have entered a stage of achieving concrete results, including steady profit growth.

## Shareholder returns policy

**Continues to steadily increase the dividend.  
 Gifts RESOL Family Product Gift Tokens according to the number of shares held**

### 1. Dividend policy

With the aim of further increasing corporate value, the Company supplements internal reserves in order to allocate funds to investments in highly profitable businesses, while at the same time, it works to raise the dividend level with an awareness of the trends in its business environment, results, and financial condition. Based on this policy, in FY3/24 it increased the dividend per share by ¥30.0 YoY for a period-end dividend of ¥80.0. For the FY3/25 dividend per share, it plans to pay a period-end dividend of ¥90.0.



Source: Prepared by FISCO from the Company's financial results

### 2. Shareholder benefits program

For shareholders holding at least 100 of its shares, the Company gifts once a year a RESOL Family Product Gift Token based on the shareholder registry at the end of March. One RESOL Family Product Gift Token can be exchanged for a product or service worth ¥2,000, and shareholders holding from 100 to 299 shares receive 10 tokens (worth ¥20,000 a year), those holding 300 to 499 shares receive 15 tokens (¥30,000 a year), and those holding 500 shares or more 20 tokens (¥40,000 a year). This rewards shareholders according to the number of shares they hold and enables them to use facilities operated by the Group. There are many fans of the benefits program among the Company's shareholders, and going forward, it intends to further enhance this program.

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