

# RESORTTRUST FINANCIAL DATE FY 2011

CONSOLIDATED FINANCIAL SUMMARY

For the nine Months Ended December 31 2009 , 2010 and 2011



RESORTTRUST  
GROUP

# CONSOLIDATED FINANCIAL SUMMARY

For the nine Months Ended December 31 2009 , 2010 and 2011

(millions of yen)

	3Q			Fiscal Year	
	31-Dec-09	31-Dec-10	31-Dec-11	31-Mar-11	31-Mar-12 revision target ※
Net sales	65,480	73,991	74,409	108,976	99,000
Operating income	6,742	10,241	8,400	13,172	9,200
Ordinary income	6,631	10,190	9,261	13,341	9,100
Net income (interim)	3,249	5,507	5,636	3,300	5,400
Net assets	60,459	63,499	65,838	61,379	
Assets	259,169	251,392	239,416	237,359	
Net assets per share (yen)	1,131.65	1,221.59	1,257.99	1,171.84	
Net income per share (yen) (Primary)	70.37	119.22	120.77	71.37	
Net income per share (yen) (Fully Diluted)	70.35	118.75	120.67	71.07	
Equity rate (%)	20.2	22.5	24.6	23.0	
Return on assets (%)	–	–	–	1.34%	
Return on equity (%)	–	–	–	6.12%	
Net cash provided by (used in) operating activities	15,971	8,230	13,021	14,126	
Net cash provided by (used in) investment activities	(7,433)	(7,264)	(11,682)	(5,962)	
Net cash provided by (used in) financing activities	(5,479)	(9,125)	1,294	(19,131)	
Cash and cash equivalents	20,179	24,254	24,621	21,446	

## MAJOR MANAGEMENT INDICES

For the nine Months Ended December 31 2009 , 2010 and 2011

### Net sales

(Millions of Yen)

	3Q		
	31-Dec-09	31-Dec-10	31-Dec-11
Membership Operations	17,479	20,704	19,921
Hotel and Restaurant Operati	37,440	40,756	40,213
Golf Operations	6,189	6,150	6,176
Medical Operations	4,171	6,192	7,761
Others	199	187	336
Total	65,480	73,991	74,409

### Operating income

(Millions of Yen)

	3Q		
	31-Dec-09	31-Dec-10	31-Dec-11
Membership Operations	1,893	4,171	2,286
Hotel and Restaurant Operati	3,904	4,923	4,933
Golf Operations	475	498	436
Medical Operations	239	499	605
Others	229	148	137
Total	6,742	10,241	8,400

## Business Results

### (1) Overview of second Quarter of Fiscal Year Ending March 31, 2012

#### 1. Summary of Business Results

(¥ million)

	31-Dec-10 (Results)	31-Dec-11		Year-on-year Change	Results vs. Targets
		(Results)	(Targets)		
Net sales	73,991	74,409	73,300	+0.6%	+1.5%
Operating income	10,241	8,400	7,900	(18.0%)	+6.3%
Ordinary income	10,190	9,261	8,400	(9.1%)	+10.3%
Net income	5,507	5,636	5,000	+2.4%	+12.7%

During the first three quarters of the consolidated fiscal year under review, the Japanese economy began to show signs of a recovery in production activities from the stagnation that followed the Great East Japan Earthquake. Nonetheless, the outlook remains uncertain, due largely to the European sovereign debt crisis and the sharp rise in the value of the yen.

In the environment, the effect of the earthquake on the Group was more contained than originally feared. The number of guests at XIV membership resort hotels remained roughly unchanged from the previous fiscal year. XIV Arima Rikyu, a luxury membership resort hotel that opened at the end of the previous fiscal year (March 18, 2011), began full-year operation. In addition, sales of memberships at resort hotels, especially XIV Karuizawa PASEO and XIV Karuizawa SANCTUARY VILLA MUSEO, which began offering memberships in the quarter under review, were strong. Nonetheless, overall sales of memberships were down from a year ago.

Consolidated net sales for the third quarter stood at ¥74,409 million, up 0.6% from the third quarter of the previous consolidated fiscal year. Operating income came to ¥8,400 million, declining 18.0%. Ordinary income amounted to ¥9,261 million, a decrease of 9.1%. Net income for the third quarter was ¥5,636 million, up 2.4% from the year-ago level. The Group donated ¥100 million from sales at facilities collected in a campaign in the third quarter under review, contributions from hotel guests, and contributions collected at the Resorttrust Ladies, a women's golf tournament held in June, to Fukushima prefecture.

An overview of segment information, including business results, is presented below.

#### 2. Summary of Business segments

##### 【Membership Operations】

(¥ million)

	31-Dec-10 (Results)	31-Dec-11		Year-on-year Change	Results vs. Targets
		(Results)	(Targets)		
Net sales	20,704	19,921	19,600	(3.8%)	+1.6%
Operating income	4,171	2,286	2,200	(45.2%)	+3.9%

Membership Operations resulted in reduced sales and income. This primarily reflected a decline in sales of memberships, despite strong sales of memberships to XIV Arima Rikyu and of memberships to XIV Karuizawa PASEO and XIV Karuizawa SANCTUARY VILLA MUSEO, which began to be marketed in the quarter under review.

##### 【Hotel and Restaurant Operations】

(¥ million)

	31-Dec-10 (Results)	31-Dec-11		Year-on-year Change	Results vs. Targets
		(Results)	(Targets)		
Net sales	40,756	40,213	39,670	(1.3%)	+1.4%
Operating income	4,923	4,933	4,380	+0.2%	+12.6%

Hotel and Restaurant Operations resulted in decreased sales and increased income, primarily reflecting the profits generated by the full-year operation of XIV Arima Rikyu exclusive membership resort hotel, which opened in the previous fiscal year (March 18, 2011). Other factors included annual membership fees and the deconsolidation of Daiichi Ad System Co., Ltd., which was a consolidated subsidiary in the same quarter of the previous fiscal year.

**【Golf Operations】**

(¥ million)

	31-Dec-10 (Results)	31-Dec-11		Year-on-year Change	Results vs. Targets
		(Results)	(Targets)		
Net sales	6,150	6,176	6,060	+0.4%	+1.9%
Operating income	498	436	420	(12.5%)	+3.9%

In Golf Operations, resulted in increased sales and decreased income, principally because of the closure of the Grande Nasu Shirakawa Golf Club (Fukushima prefecture) due to the effect of the earthquake, despite an increase in sales of golf club memberships.

**【Medical Operations】**

(¥ million)

	31-Dec-10 (Results)	31-Dec-11		Year-on-year Change	Results vs. Targets
		(Results)	(Targets)		
Net sales	6,192	7,761	7,630	+25.3%	+1.7%
Operating income	499	605	750	+21.2%	(19.3%)

Medical Operations resulted in increased sales and income, principally attributable to the consolidation of Advanced Medical Care Inc., a subsidiary engaging in medical facility management consulting from the first quarter under review, and strong sales of medical memberships.

**【Others】**

(¥ million)

	31-Dec-10 (Results)	31-Dec-11		Year-on-year Change	Results vs. Targets
		(Results)	(Targets)		
Net sales	187	336	340	+79.3%	(1.0%)
Operating income	148	137	150	(7.2%)	(8.0%)

Other Operations resulted in increased sales and decreased income, primarily because of an increase in indirect costs, which offset an increase in rent revenue.

**3. Cash Flows**

(¥ million)

	31-Dec-10 (Results)	31-Dec-11 (Results)
Operating cash flows	8,230	13,021
Investing cash flows	(7,264)	(11,682)
Financing cash flows	(9,125)	1,294
Cash and cash equivalents	24,254	24,621

**4. Outlook for the Year Ending March 31, 2012**

(¥ million)

	FY3/2011 (Results)	FY3/2012 (revision target) ※	Year-on-year Change
Net sales	108,976	99,000	(9.2%)
Operating income	13,172	9,200	(30.2%)
Ordinary income	13,341	9,100	(31.8%)
Net income	3,300	5,400	+63.6%

The Group revised today (February 14 , 2012) the forecast for the fiscal year ending March 2012 that was announced on Novem 14 , 2011 to reflect its recent performance.

As the impacts of the earthquake on sales and operation were actually smaller than previously presumed, sales and operating income will both exceed the previous projection. The outlook for ordinary income and net income is, however, being kept unchanged in consideration of asset evaluation risks following worsening market conditions.

**CONSOLIDATED BALANCE SHEETS**  
**(Based on Japanese Accounting Principles)**

(Millions of yen)

	<b>December 31 2011</b>	<b>March 31 2011</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	19,655	14,514
Notes and accounts receivable—trade	4,227	3,676
Operating loans	24,681	26,313
Short-term investment securities	15,995	13,999
Merchandise	412	352
Real estate for sale	18,550	23,608
Raw materials and supplies	1,098	859
Real estate for sale in process	10,334	9,949
Deferred tax assets	3,993	4,640
Other	3,407	2,962
Allowance for doubtful accounts	(747)	(829)
<b>Total current assets</b>	<b>101,608</b>	<b>100,047</b>
<b>Noncurrent assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	52,848	54,359
Machinery, equipment and vehicles, net	2,048	2,338
Golf courses	12,840	12,337
Land	27,012	26,515
Construction in progress	1,877	1,287
Other, net	4,754	5,384
<b>Total property, plant and equipment</b>	<b>101,382</b>	<b>102,223</b>
<b>Intangible assets</b>		
Goodwill	255	292
Software	1,059	1,253
Other	2,214	2,287
<b>Total intangible assets</b>	<b>3,529</b>	<b>3,833</b>
<b>Investments and other assets</b>		
Investment securities	13,699	10,742
Stocks of subsidiaries and affiliates	1,258	1,893
Long-term loans receivable	3,493	3,592
Deferred tax assets	2,105	2,133
Other	18,518	19,221
Allowance for doubtful accounts	(6,176)	(6,317)
Allowance for investment loss	(3)	(10)
<b>Total investments and other assets</b>	<b>32,895</b>	<b>31,254</b>
<b>Total noncurrent assets</b>	<b>137,808</b>	<b>137,311</b>
<b>Total assets</b>	<b>239,416</b>	<b>237,359</b>

# CONSOLIDATED BALANCE SHEETS

(Based on Japanese Accounting Principles)

(Millions of yen)

	December 31 2011	March 31 2011
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	1,179	642
Short-term loans payable	2,050	2,110
Current portion of long-term loans payable	9,498	9,869
Current portion of bonds	1,790	1,924
Accounts payable-other	4,860	13,109
Income taxes payable	723	2,398
Accrued consumption taxes	824	371
Advances received	3,068	810
Unearned revenue	10,013	6,817
Provision for loss on guarantees	71	34
Provision for loss on disaster	183	744
Other	6,417	6,819
<b>Total current liabilities</b>	<b>40,681</b>	<b>45,652</b>
<b>Noncurrent liabilities</b>		
Bonds payable	5,250	5,175
Long-term loans payable	13,446	10,786
Deferred tax liabilities	1,949	2,243
Provision for retirement benefits	1,139	849
Provision for directors' retirement benefits	1,502	1,447
Long-term guarantee deposited	103,412	103,772
Negative goodwill	855	945
Other	5,341	5,105
<b>Total noncurrent liabilities</b>	<b>132,896</b>	<b>130,326</b>
<b>Total liabilities</b>	<b>173,578</b>	<b>175,979</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	14,258	14,258
Capital surplus	13,906	13,906
Retained earnings	39,006	35,016
Treasury stock	(8,088)	(8,369)
<b>Total shareholders' equity</b>	<b>59,082</b>	<b>54,811</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	(239)	(198)
<b>Total accumulated other comprehensive income</b>	<b>(239)</b>	<b>(198)</b>
Subscription rights to shares	532	366
Minority interests	6,463	6,400
<b>Total net assets</b>	<b>65,838</b>	<b>61,379</b>
<b>Total liabilities and net assets</b>	<b>239,416</b>	<b>237,359</b>

# CONSOLIDATED STATEMENTS OF INCOME

(Based on Japanese Accounting Principles)

(Millions of yen)

	December 31 2010	December 31 2011
Net sales	73,991	74,409
Cost of sales	13,906	13,794
Gross profit	60,084	60,615
Selling, general and administrative expenses		
Salaries and bonuses	19,058	20,093
Provision for directors' retirement benefits	41	54
Repair and maintenance	1,567	1,546
Provision for loss on guarantees	—	37
Utilities expenses	3,071	3,332
Depreciation	4,166	4,238
Other	21,937	22,912
Total selling, general and administrative expenses	49,843	52,214
Operating income	10,241	8,400
Non-operating income		
Interest income	192	208
Dividends income	22	24
interests and charge for installment payment	8	5
Reversal of allowance for investment loss	—	6
Equity in earnings of affiliates	6	6
Amortization of negative goodwill	100	90
Reversal of allowance for doubtful accounts	—	218
Insurance premiums refunded cancellation	—	436
Other	124	293
Total non-operating income	453	1,290
Non-operating expenses		
Interest expenses paid on loans and bonds	179	155
Guarantee charge of unearned revenue	36	13
Commission for syndicate loan	60	31
undeductible consumption tax	163	121
Other	65	107
Total non-operating expenses	505	428
Ordinary income	10,190	9,261



# CONSOLIDATED STATEMENTS OF INCOME

(Based on Japanese Accounting Principles)

(Millions of yen)

	December 31 2010	December 31 2011
Extraordinary income		
Gain on sales of noncurrent assets	3	0
Gain on sales of subsidiaries and affiliates' stocks	196	21
Reversal of allowance for investment loss	6	—
Reversal of allowance for doubtful accounts	143	—
Gain on change in equity	—	193
Reversal of provision for loss on liquidation of subsidiaries and affiliates	188	—
Other	4	6
<b>Total extraordinary income</b>	<b>542</b>	<b>220</b>
Extraordinary loss		
Loss on retirement of noncurrent assets	99	24
Loss on sales of noncurrent assets	67	3
Loss on valuation of investment securities	11	6
Impairment loss	—	163
Loss on disaster	—	159
Loss on sales of stocks of subsidiaries and affiliates	0	—
Bad debts written off	13	—
Provision of allowance for doubtful accounts	288	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	29	—
Loss on prior periods adjustmentt	359	—
Other	70	24
<b>Total extraordinary losses</b>	<b>938</b>	<b>381</b>
<b>Income before income taxes and minority interests</b>	<b>9,793</b>	<b>9,100</b>
Income taxes—current	2,982	3,186
Income taxes—deferred	1,274	374
<b>Total income taxes</b>	<b>4,256</b>	<b>3,561</b>
Income before minority interests	5,537	5,538
Minority interests in income (loss)	30	(98)
<b>Net income</b>	<b>5,507</b>	<b>5,636</b>

**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(Based on Japanese Accounting Principles)**

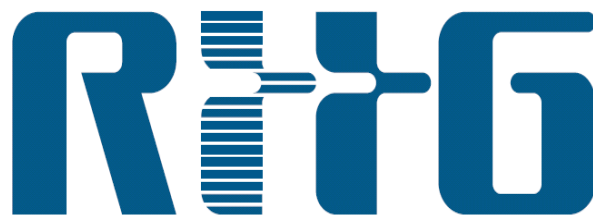
(Millions of yen)

	December 31 2010	December 31 2011
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	9,793	9,100
Depreciation and amortization	4,551	4,576
Impairment loss	—	163
Amortization of goodwill (negative goodwill)	(41)	(27)
Increase (decrease) in allowance for doubtful accounts	(568)	(223)
Increase (decrease) in provision for retirement benefits	303	261
Increase (decrease) in provision for directors' retirement benefits	(126)	54
Interest and dividends income	(214)	(233)
Interest expenses paid on loans and bonds	179	155
Loss (gain) on valuation of investment securities	11	6
Increase (decrease) in allowance for investment loss	(6)	(6)
Decrease (increase) in notes and accounts receivable—trade	345	1,146
Decrease (increase) in inventories	1,990	4,178
Increase (decrease) in notes and accounts payable—trade	259	532
Increase (decrease) in accounts payable—other	(3,915)	(6,185)
Increase (decrease) in advances received	2,247	2,258
Increase (decrease) in long-term guarantee deposits received	22	(359)
Increase (decrease) in accrued consumption taxes	65	435
Other, net	2,007	2,149
<b>Subtotal</b>	<b>16,903</b>	<b>17,983</b>
Interest and dividends income received	264	224
Interest expenses paid	(167)	(148)
Income taxes paid	(8,769)	(5,037)
<b>Net cash provided by (used in) operating activities</b>	<b>8,230</b>	<b>13,021</b>
Net cash provided by (used in) investing activities		
Payments into time deposits	(2,481)	(1,969)
Proceeds from withdrawal of time deposits	6,631	2,529
Purchase of short-term investment securities	(22,898)	(50,483)
Proceeds from sales and redemption of securities	14,500	47,000
Purchase of investment securities	(2,399)	(3,692)
Proceeds from sales and redemption of investment securities	1,000	200
Purchase of stocks of subsidiaries and affiliates	(29)	(32)
Proceeds from sales of stocks of subsidiaries and affiliates	92	68
Purchase of property, plant and equipment and intangible assets	(3,450)	(4,133)
Payments of loans receivable	(444)	(60)
Collection of loans receivable	985	91
Other, net	1,228	(1,198)
<b>Net cash provided by (used in) investing activities</b>	<b>(7,264)</b>	<b>(11,682)</b>
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(6,600)	(60)
Proceeds from long-term loans payable	9,530	11,323
Repayment of long-term loans payable	(9,098)	(9,033)
Proceeds from issuance of bonds	—	1,075
Redemption of bonds	(1,159)	(1,159)
Purchase of treasury stock	(1)	(0)
Proceeds from disposal of treasury stock	65	182
Cash dividends paid	(1,847)	(1,400)
Cash dividends paid to minority shareholders	(0)	(0)
Other, net	(14)	367
<b>Net cash provided by (used in) financing activities</b>	<b>(9,125)</b>	<b>1,294</b>
Effect of exchange rate change on cash and cash equivalents	(0)	(0)
Net increase (decrease) in cash and cash equivalents	(8,159)	2,633
Cash and cash equivalents at beginning of period	31,592	21,446
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	821	540
<b>Cash and cash equivalents at end of period</b>	<b>24,254</b>	<b>24,621</b>

## **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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