

# RESORTTRUST FINANCIAL DATE 2011

CONSOLIDATED FINANCIAL SUMMARY

For the First Quarter Ended June 30,2009,2010 and 2011



RESORTTRUST  
GROUP

# CONSOLIDATED FINANCIAL SUMMARY

For the First Quarter Ended June 30,2009,2010 and 2011

(millions of yen)

	1Q			Fiscal Year	
	June 30,2009	June 30,2010	June 30,2011	2011	2012 revision target
Net sales	19,107	23,337	22,699	108,976	96,300
Operating income	(65)	2,474	1,530	13,172	7,700
Ordinary income	(160)	2,464	1,954	13,341	9,100
Net income (interim)	(358)	1,289	1,283	3,300	5,400
Net assets	57,345	60,201	62,272	61,379	
Assets	246,663	248,709	237,127	237,359	
Net assets per share (yen)	1,068.51	1,150.94	1,187.39	1,171.84	
Net income per share (yen) (Primary)	(7.77)	27.93	27.54	71.37	115.84
Net income per share (yen) (Fully Diluted)	-	-	-	71.07	
Equity rate (%)	20.0	21.4	23.4	20.7	
Return on assets (%)	-	-	-	1.34%	
Return on equity (%)	-	-	-	6.12%	
Net cash provided by (used in) operating activities	1,365	(6,348)	(432)	14,126	
Net cash provided by (used in) investment activities	(1,039)	(632)	(3,541)	(5,962)	
Net cash provided by (used in) financing activities	(5,040)	(2,872)	5,172	(19,131)	
Cash and cash equivalents	12,407	22,559	23,186	21,446	

## MAJOR MANAGEMENT INDICES

For the First Quarter Ended June 30,2009,2010 and 2011

### Net sales

(Millions of Yen)

	1Q		
	2009	2010	2011
Membership Operations	4,314	7,494	6,382
Hotel and Restaurant Operations	11,211	12,108	11,680
Golf Operations	2,048	1,988	1,925
Medical Operations	1,464	1,682	2,594
Others	67	64	116
Total	19,107	23,337	22,699

### Operating income

(Millions of Yen)

	1Q		
	2009	2010	2011
Membership Operations	(446)	1,462	283
Hotel and Restaurant Operations	269	746	911
Golf Operations	60	135	91
Medical Operations	31	102	224
Others	19	27	20
Total	(65)	2,474	1,530

## Business Results

### (1) Overview of First Quarter of Fiscal Year Ending March 31, 2011

#### 1. Summary of Business Results

(¥ million)

	1QFY2010 (Results)	1QFY2011		Year-on-year Change	Results vs. Targets
		(Results)	(Targets)		
Net sales	23,337	22,699	20,600	(2.7%)	+10.2%
Operating income	2,474	1,530	(300)	(38.1%)	+1,830MY
Ordinary income	2,464	1,954	200	(20.7%)	+877.2%
Net income	1,289	1,283	400	(0.5%)	+220.9%

During the first quarter under review, the Japanese economy faced very challenging circumstances imposed by the Great East Japan Earthquake, which struck on March 11, 2011. There were signs of a recovery in certain areas, reflecting an improvement in production activities. However, uncertainty about the future of the economy remained, given a mood of voluntary restraint, power shortages, the effect of the nuclear accident, and other factors.

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 Rikyū, 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.

As a result, both sales and profits in the first quarter under review declined from the previous year. Consolidated net sales for the first quarter stood at ¥22,699 million, down 2.7% from the first quarter of the previous consolidated fiscal year. Operating income came to ¥1,530 million, declining 38.1%. Ordinary income amounted to ¥1,954 million, a decrease of 20.7%. Net income for the first quarter was ¥1,283 million, falling 0.5% from the year-ago level. The Group donated ¥100 million from sales at facilities collected in a campaign in the first 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)

	1QFY2010 (Results)	1QFY2011		Year-on-year Change	Results vs. Targets
		(Results)	(Targets)		
Net sales	7,494	6,382	5,710	(14.8%)	+11.8%
Operating income	1,462	283	(140)	(80.6%)	+423MY

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 Rikyū 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)

	1QFY2010 (Results)	1QFY2011		Year-on-year Change	Results vs. Targets
		(Results)	(Targets)		
Net sales	12,108	11,680	10,500	(3.5%)	+11.2%
Operating income	746	911	(40)	+22.1%	+951MY

Hotel and Restaurant Operations resulted in decreased sales and increased income, primarily reflecting the profits generated by the full-year operation of XIV Arima Rikyū 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)

	1QFY2010 (Results)	1QFY2011		Year-on-year Change	Results vs. Targets
		(Results)	(Targets)		
Net sales	1,988	1,925	1,890	(3.2%)	+1.9%
Operating income	135	91	(20)	(32.7%)	+111MY

In Golf Operations, both sales and income fell, 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)

	1QFY2010 (Results)	1QFY2011		Year-on-year Change	Results vs. Targets
		(Results)	(Targets)		
Net sales	1,682	2,594	2,390	+54.2%	+8.6%
Operating income	102	224	(90)	+119.6%	+314MY

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)

	1QFY2010 (Results)	1QFY2011		Year-on-year Change	Results vs. Targets
		(Results)	(Targets)		
Net sales	64	116	110	+81.8%	+5.8%
Operating income	27	20	(10)	(26.6%)	+30MY

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)

	1QFY2010 (Results)	1QFY2011 (Results)
Operating cash flows	(6,348)	(432)
Investing cash flows	(632)	(3,541)
Financing cash flows	(2,872)	5,172
Cash and cash equivalents	22,559	23,186

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

(¥ million)

	FY2011 (Results)	FY2012 (revision target)	Year-on-year Change
Net sales	108,976	96,300	(11.6%)
Operating income	13,172	7,700	(41.5%)
Ordinary income	13,341	9,100	(31.8%)
Net income	3,300	5,400	+63.6%

The Group revised today (August 11, 2011) the results forecast for the fiscal year ending March 2012 that was announced on May 12, 2011, to reflect its recent performance.

# CONSOLIDATED BALANCE SHEETS

(Based on Japanese Accounting Principles)

(Millions of yen)

	June 30 2011	March 31 2011
<b>Assets</b>		
Current assets		
Cash and deposits	16,700	14,514
Notes and accounts receivable—trade	3,878	3,676
Operating loans	25,436	26,313
Short-term investment securities	13,995	13,999
Merchandise	373	352
Real estate for sale	21,849	23,608
Raw materials and supplies	843	859
Real estate for sale in process	9,955	9,949
Deferred tax assets	4,466	4,640
Other	3,762	2,962
Allowance for doubtful accounts	(822)	(829)
<b>Total current assets</b>	<b>100,440</b>	<b>100,047</b>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	53,739	54,359
Machinery, equipment and vehicles, net	2,164	2,338
Golf courses	12,337	12,337
Land	26,454	26,515
Construction in progress	1,427	1,287
Other, net	5,117	5,384
<b>Total property, plant and equipment</b>	<b>101,241</b>	<b>102,223</b>
Intangible assets		
Goodwill	268	292
Software	1,160	1,253
Other	2,301	2,287
<b>Total intangible assets</b>	<b>3,730</b>	<b>3,833</b>
Investments and other assets		
Investment securities	11,617	10,742
Stocks of subsidiaries and affiliates	1,265	1,893
Long-term loans receivable	3,573	3,592
Deferred tax assets	2,149	2,133
Other	19,464	19,221
Allowance for doubtful accounts	(6,348)	(6,317)
Allowance for investment loss	(7)	(10)
<b>Total investments and other assets</b>	<b>31,714</b>	<b>31,254</b>
<b>Total noncurrent assets</b>	<b>136,687</b>	<b>137,311</b>
<b>Total assets</b>	<b>237,127</b>	<b>237,359</b>

# CONSOLIDATED BALANCE SHEETS

(Based on Japanese Accounting Principles)

(Millions of yen)

	June 30 2011	March 31 2011
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	732	642
Short-term loans payable	4,350	2,110
Current portion of long-term loans payable	10,839	9,869
Current portion of bonds	1,924	1,924
Accounts payable-other	7,892	13,109
Income taxes payable	350	2,398
Accrued consumption taxes	624	371
Advances received	1,379	810
Unearned revenue	9,020	6,817
Provision for loss on guarantees	43	34
Provision for loss on disaster	457	744
Other	7,646	6,819
<b>Total current liabilities</b>	<b>45,260</b>	<b>45,652</b>
<b>Noncurrent liabilities</b>		
Bonds payable	5,000	5,175
Long-term loans payable	13,258	10,786
Deferred tax liabilities	2,240	2,243
Provision for retirement benefits	928	849
Provision for directors' retirement benefits	1,461	1,447
Long-term guarantee deposited	100,723	103,772
Negative goodwill	915	945
Other	5,066	5,105
<b>Total noncurrent liabilities</b>	<b>129,594</b>	<b>130,326</b>
<b>Total liabilities</b>	<b>174,855</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	35,651	35,016
Treasury stock	(8,313)	(8,369)
<b>Total shareholders' equity</b>	<b>55,502</b>	<b>54,811</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	(124)	(198)
<b>Total accumulated other comprehensive income</b>	<b>(124)</b>	<b>(198)</b>
<b>Subscription rights to shares</b>	<b>388</b>	<b>366</b>
<b>Minority interests</b>	<b>6,505</b>	<b>6,400</b>
<b>Total net assets</b>	<b>62,272</b>	<b>61,379</b>
<b>Total liabilities and net assets</b>	<b>237,127</b>	<b>237,359</b>

# CONSOLIDATED STATEMENTS OF INCOME

(Based on Japanese Accounting Principles)

(Millions of yen)

	June 30 2010	June 30 2011
Net sales	22,699	23,337
Cost of sales	4,305	4,631
Gross profit	18,394	18,706
Selling, general and administrative expenses		
Salaries and bonuses	6,373	6,187
Provision for directors' retirement benefits	13	13
Repair and maintenance	505	509
Utilities expenses	974	912
Depreciation	1,389	1,372
Other	7,607	7,235
Total selling, general and administrative expenses	16,863	16,231
Operating income	1,530	2,474
Non-operating income		
Interest income	58	70
Dividends income	1	1
Interests and charge for installment payment	2	3
Reversal of allowance for investment loss	2	—
Equity in earnings of affiliates	3	0
Amortization of negative goodwill	30	33
Insurance premiums refunded cancellation	436	—
Other	56	31
Total non-operating income	590	140
Non-operating expenses		
Interest expenses paid on loans and bonds	50	65
Provision of allowance for doubtful accounts	18	—
Guarantee charge of unearned revenue	3	11
Undeductible consumption tax	57	57
Other	36	16
Total non-operating expenses	167	150
Ordinary income	1,954	2,464



# CONSOLIDATED STATEMENTS OF INCOME

(Based on Japanese Accounting Principles)

(Millions of yen)

	June 30 2010	June 30 2011
Extraordinary income		
Gain on sales of noncurrent assets	0	—
Gain on sales of subsidiaries and affiliates' stocks	12	10
Reversal of allowance for investment loss	1	—
Reversal of allowance for doubtful accounts	55	—
Gain on change in equity	—	44
Other	—	5
<b>Total extraordinary income</b>	<b>69</b>	<b>60</b>
Extraordinary loss		
Loss on retirement of noncurrent assets	4	2
Loss on valuation of investment securities	—	6
Impairment loss	—	147
Loss on disaster	—	106
Provision of allowance for doubtful accounts	139	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	29	—
Other	—	45
<b>Total extraordinary losses</b>	<b>174</b>	<b>308</b>
<b>Income before income taxes and minority interests</b>	<b>2,360</b>	<b>1,706</b>
Income taxes—current	194	322
Income taxes—deferred	890	102
<b>Total income taxes</b>	<b>1,085</b>	<b>425</b>
Income before minority interests	1,274	1,281
Minority interests in loss	(15)	(2)
<b>Net income</b>	<b>1,289</b>	<b>1,283</b>

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

(Millions of yen)

	June 30 2010	June 30 2011
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	2,360	1,706
Depreciation and amortization	1,515	1,509
Impairment loss	—	147
Amortization of goodwill (negative goodwill)	(21)	(6)
Increase (decrease) in allowance for doubtful accounts	83	23
Increase (decrease) in provision for retirement benefits	101	78
Increase (decrease) in provision for directors' retirement benefits	13	13
Interest and dividends income	(71)	(59)
Interest expenses paid on loans and bonds	65	50
Loss (gain) on valuation of investment securities	—	6
Increase (decrease) in allowance for investment loss	(1)	(2)
Decrease (increase) in notes and accounts receivable—trade	(662)	739
Decrease (increase) in inventories	1,189	1,716
Increase (decrease) in notes and accounts payable—trade	(82)	88
Increase (decrease) in accounts payable—other	(4,305)	(3,682)
Increase (decrease) in advances received	466	569
Increase (decrease) in long-term guarantee deposits received	(2,676)	(3,043)
Increase (decrease) in accrued consumption taxes	(110)	250
Other, net	1,304	1,729
<b>Subtotal</b>	<b>(831)</b>	<b>1,836</b>
Interest and dividends income received	87	75
Interest expenses paid	(53)	(44)
Income taxes paid	(5,550)	(2,300)
<b>Net cash provided by (used in) operating activities</b>	<b>(6,348)</b>	<b>(432)</b>
Net cash provided by (used in) investing activities		
Payments into time deposits	(10)	(410)
Proceeds from withdrawal of time deposits	2,210	560
Purchase of short-term investment securities	(3,499)	(16,493)
Proceeds from sales and redemption of securities	2,000	15,500
Purchase of investment securities	(695)	(749)
Proceeds from sales and redemption of investment securities	1,000	—
Purchase of stocks of subsidiaries and affiliates	(3)	(25)
Proceeds from sales of stocks of subsidiaries and affiliates	29	40
Purchase of property, plant and equipment and intangible assets	(2,099)	(2,046)
Payments of loans receivable	(17)	(46)
Collection of loans receivable	10	33
Other, net	442	95
<b>Net cash provided by (used in) investing activities</b>	<b>(632)</b>	<b>(3,541)</b>
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	1,482	2,240
Proceeds from long-term loans payable	30	6,500
Repayment of long-term loans payable	(3,267)	(3,058)
Redemption of bonds	(175)	(175)
Purchase of treasury stock	(0)	(0)
Proceeds from disposal of treasury stock	17	33
Cash dividends paid	(923)	(466)
Cash dividends paid to minority shareholders	(0)	(0)
Other, net	(34)	98
<b>Net cash provided by (used in) financing activities</b>	<b>(2,872)</b>	<b>5,172</b>
Effect of exchange rate change on cash and cash equivalents	(0)	(0)
Net increase (decrease) in cash and cash equivalents	(9,854)	1,198
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>22,559</b>	<b>23,186</b>

**R4G**