

# RESORTTRUST FINANCIAL DATE 2012

CONSOLIDATED FINANCIAL SUMMARY

For the Second Quarter Ended September 30, 2010, 2011 and 2012



RESORTTRUST  
GROUP

# CONSOLIDATED FINANCIAL SUMMARY

For the Second Quarter Ended September 30,2010,2011 and 2012

(millions of yen)

	2Q			Fiscal Year	
	Sep-30,2010	Sep-30,2011	Sep-30,2012	2011	2012 target
Net sales	49,148	49,098	52,660	99,894	106,200
Operating income	6,431	5,215	6,995	9,891	10,700
Ordinary income	6,395	5,801	7,230	9,443	10,800
Net income (interim)	3,799	3,572	4,332	5,415	6,400
Net assets	62,866	64,694	69,645	64,915	
Assets	248,394	232,458	238,381	235,210	
Net assets per share (yen)	1,205.93	1,237.19	1,324.31	1,256.39	
Net income per share (yen) (Primary)	82.25	76.59	92.32	115.95	
Net income per share (yen) (Fully Diluted)	81.90	76.55	91.68	115.72	
Equity rate (%)	22.4	24.8	26.3	25.0	
Return on assets (%)	-	-	-	2.29%	
Return on equity (%)	-	-	-	9.55%	
Net cash provided by (used in) operating activities	4	2,403	4,796	19,657	
Net cash provided by (used in) investment activities	(1,365)	(2,143)	(11,874)	(15,546)	
Net cash provided by (used in) financing activities	(6,451)	710	5,861	(3,351)	
Cash and cash equivalents	24,601	22,957	20,672	21,888	

## MAJOR MANAGEMENT INDICES

For the Second Quarter Ended June 30,2010,2011 and 2012

### Net sales

(Millions of Yen)

	2Q		
	2010	2011	2012
Membership Operations	14,126	13,387	14,075
Hotel and Restaurant Operations	26,813	26,397	27,816
Golf Operations	4,099	3,929	4,926
Medical Operations	3,984	5,156	5,464
Others	124	227	377
Total	49,148	49,098	52,660

### Operating income

(Millions of Yen)

	2Q		
	2010	2011	2012
Membership Operations	2,658	1,218	2,251
Hotel and Restaurant Operations	3,065	3,174	3,162
Golf Operations	313	243	643
Medical Operations	312	499	803
Others	81	78	134
Total	6,431	5,215	6,995

## Business Results

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

#### 1. Summary of Business Results

(¥ million)

	2QFY2011 (Results)	2QFY2012		Year-on-year Change	Results vs. Targets
		(Results)	(Targets)		
Net sales	49,098	52,660	54,500	+7.3%	(3.4%)
Operating income	5,215	6,995	6,100	+34.1%	+14.7%
Ordinary income	5,801	7,230	6,100	+24.6%	+18.5%
Net income	3,572	4,332	3,600	+21.3%	+20.3%

The Japanese economy during the Second Quarter under review started to gradually recover against the backdrop of reconstruction demand following the Great East Japan Earthquake. Although in addition to problems in the electricity supply and the prolonged appreciation of the yen, concerns over a slowdown in the global economy stemming from the European debt crisis and other factors is continuing to make the outlook uncertain.

Under these circumstances, the current status of the Group is summarized as follows. Facilities that were closed during the same quarter of the previous fiscal year, due to the effects of the earthquake, resumed operations this quarter. In addition, XIV Karuizawa PASEO, XIV Karuizawa SANCTUARY VILLA MUSEO, and Hotel Trusty Osaka Abeno, all of which opened in March this year, began full-year operations, and sales of golf course memberships at the KANSAI GOLF CLUB., which has become a member of the Group since last September, have been strong. As a result, both sales and income for the first quarter under review increased, with the figures as follows: net sales increased 7.3% year on year to ¥52,660 million, operating income surged 34.1% to ¥6,995 million, ordinary income rose 24.6% to ¥7,230 million, and net income stood at ¥4,332 million, up 21.3% from the same quarter of the previous fiscal year.

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

#### 2. Summary of Business segments

##### 【Membership Operations】

(¥ million)

	2QFY2011 (Results)	2QFY2012		Year-on-year Change	Results vs. Targets
		(Results)	(Targets)		
Net sales	13,387	14,075	15,260	+5.1%	(7.8%)
Operating income	1,218	2,251	1,780	+84.7%	+26.5%

Membership Operations resulted in increased sales and income, primarily reflecting strong sales of memberships in the Tokyo Baycourt Club.

##### 【Hotel and Restaurant Operations】

(¥ million)

	2QFY2011 (Results)	2QFY2012		Year-on-year Change	Results vs. Targets
		(Results)	(Targets)		
Net sales	26,397	27,816	28,760	+5.4%	(3.3%)
Operating income	3,174	3,162	3,200	(0.4%)	(1.2%)

Hotel and Restaurant Operations resulted in increased sales and decreased income. This primarily reflected the contribution to profits made from the operating revenue from the full-year operations of facilities that were closed during the same quarter of the previous fiscal year due to the effects of the earthquake and the membership resort hotels and city hotel which opened in March of this year, which was offset by an increase mainly in expenses for repair and maintenance of facilities.

**【Golf Operations】**

(¥ million)

	2QFY2011 (Results)	2QFY2012		Year-on-year Change	Results vs. Targets
		(Results)	(Targets)		
Net sales	3,929	4,926	5,000	+25.4%	(1.5%)
Operating income	243	643	550	+163.8%	+17.0%

Golf Operations resulted in increased sales and income, primarily attributable to strong sales of golf course memberships at the consolidated subsidiary the KANSAI GOLF CLUB., in addition to the full-year operation of the Grandee Nasu Shirakawa Golf Club (Fukushima Prefecture), which was temporary closed in the same quarter of the previous fiscal year due to the effects of the earthquake.

**【Medical Operations】**

(¥ million)

	2QFY2011 (Results)	2QFY2012		Year-on-year Change	Results vs. Targets
		(Results)	(Targets)		
Net sales	5,156	5,464	5,140	+6.0%	+6.3%
Operating income	499	803	510	+60.9%	+57.6%

Medical Operations resulted in increased sales and income, primarily due to an increase in income from annual membership fees accompanying the growth in membership.

**【Others】**

(¥ million)

	2QFY2011 (Results)	2QFY2012		Year-on-year Change	Results vs. Targets
		(Results)	(Targets)		
Net sales	227	377	340	+65.5%	+10.9%
Operating income	78	134	60	+70.6%	+123.6%

Other Operations resulted in increased sales and income. This was primarily attributable to an increase in rent revenue from the acquisition of a rental office building by the consolidated subsidiary R.T. DEVELOPMENT CO., LTD.

**3. Cash Flows**

(¥ million)

	2QFY2011 (Results)	2QFY2012 (Results)
Operating cash flows	2,403	4,796
Investing cash flows	(2,143)	(11,874)
Financing cash flows	710	5,861
Cash and cash equivalents	22,957	20,672

**4. Outlook for the Fiscal Year Ending March 31, 2013**

(¥ million)

	FY2011 (Results)	FY2012 (target)	Year-on-year Change
Net sales	99,894	106,200	+6.3%
Operating income	9,891	10,700	+8.2%
Ordinary income	9,443	10,800	+14.4%
Net income	5,415	6,400	+18.2%

# CONSOLIDATED BALANCE SHEETS

(Based on Japanese Accounting Principles)

(Millions of yen)

	September 30 2012	March 31 2012
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	17,372	22,950
Notes and accounts receivable—trade	4,228	4,401
Operating loans	24,041	24,296
Short-term investment securities	19,203	7,999
Merchandise	421	400
Real estate for sale	15,856	19,726
Raw materials and supplies	785	894
Real estate for sale in process	8,117	8,080
Deferred tax assets	3,942	4,359
Other	3,668	3,552
Allowance for doubtful accounts	(709)	(747)
<b>Total current assets</b>	<b>96,929</b>	<b>95,914</b>
<b>Noncurrent assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	53,539	53,909
Machinery, equipment and vehicles, net	1,840	2,009
Golf courses	12,272	12,245
Land	27,955	27,503
Lease assets, net	2,727	2,817
Construction in progress	2,039	1,788
Other, net	1,598	1,758
<b>Total property, plant and equipment</b>	<b>101,973</b>	<b>102,032</b>
<b>Intangible assets</b>		
Goodwill	200	237
Software	963	1,099
Other	2,079	2,105
<b>Total intangible assets</b>	<b>3,243</b>	<b>3,442</b>
<b>Investments and other assets</b>		
Investment securities	19,194	16,395
Stocks of subsidiaries and affiliates	1,212	1,315
Long-term loans receivable	3,368	3,443
Deferred tax assets	1,943	1,699
Other	18,646	19,143
Allowance for doubtful accounts	(8,131)	(8,233)
<b>Total investments and other assets</b>	<b>36,235</b>	<b>33,763</b>
<b>Total noncurrent assets</b>	<b>141,452</b>	<b>139,237</b>
<b>Total assets</b>	<b>238,381</b>	<b>235,151</b>

# CONSOLIDATED BALANCE SHEETS

(Based on Japanese Accounting Principles)

(Millions of yen)

	September 30 2012	March 31 2012
Liabilities		
Current liabilities		
Notes and accounts payable-trade	814	881
Short-term loans payable	1,000	—
Current portion of long-term loans payable	8,150	8,976
Current portion of bonds	2,525	2,800
Lease obligations	522	511
Accounts payable-other	4,768	8,200
Income taxes payable	2,580	2,289
Accrued consumption taxes	653	739
Advances received	876	807
Unearned revenue	6,799	7,413
Provision for loss on guarantees	107	82
Provision for loss on disaster	10	150
Other	7,181	4,756
<b>Total current liabilities</b>	<b>35,988</b>	<b>37,610</b>
Noncurrent liabilities		
Bonds payable	2,900	3,375
Long-term loans payable	17,779	13,584
Deferred tax liabilities	1,635	1,616
Lease obligations	2,727	2,929
Provision for retirement benefits	422	1,237
Provision for directors' retirement benefits	1,545	1,516
Provision for stocks payment	25	—
Long-term guarantee deposited	103,075	104,762
Negative goodwill	764	825
Other	1,869	2,810
<b>Total noncurrent liabilities</b>	<b>132,746</b>	<b>132,657</b>
<b>Total liabilities</b>	<b>168,735</b>	<b>170,268</b>
Net assets		
Shareholders' equity		
Capital stock	14,258	14,258
Capital surplus	13,906	13,906
Retained earnings	41,945	38,772
Treasury stock	(7,086)	(8,035)
<b>Total shareholders' equity</b>	<b>63,024</b>	<b>58,901</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(269)	(92)
<b>Total accumulated other comprehensive income</b>	<b>(269)</b>	<b>(92)</b>
Subscription rights to shares	467	544
Minority interests	6,423	5,529
<b>Total net assets</b>	<b>69,645</b>	<b>64,883</b>
<b>Total liabilities and net assets</b>	<b>238,381</b>	<b>235,151</b>

# CONSOLIDATED STATEMENTS OF INCOME

(Based on Japanese Accounting Principles)

(Millions of yen)

	September 30 2011	September 30 2012
Net sales	49,098	52,660
Cost of sales	9,164	9,627
Gross profit	39,934	43,033
Selling, general and administrative expenses		
Salaries and bonuses	13,374	13,744
Provision for directors' retirement benefits	39	28
Repair and maintenance	1,087	1,245
Provision for loss on guarantees	28	24
Utilities expenses	2,220	2,399
Depreciation	2,806	2,546
Other	15,161	16,047
Total selling, general and administrative expenses	34,718	36,038
Operating income	5,215	6,995
Non-operating income		
Interest income	129	244
Dividends income	24	25
Interests and charge for installment payment	3	2
Reversal of allowance for investment loss	4	—
Equity in earnings of affiliates	4	—
Amortization of negative goodwill	60	60
Reversal of allowance for doubtful accounts	109	121
Insurance premiums refunded cancellation	436	65
Other	133	105
Total non-operating income	906	625
Non-operating expenses		
Interest expenses paid on loans and bonds	101	123
Equity in losses of affiliates	—	113
Provision of allowance for doubtful accounts	11	1
Guarantee charge of unearned revenue	31	3
Undeductible consumption tax	88	97
Other	86	50
Total non-operating expenses	320	390
Ordinary income	5,801	7,230



# CONSOLIDATED STATEMENTS OF INCOME

(Based on Japanese Accounting Principles)

(Millions of yen)

	September 30 2011	September 30 2012
Extraordinary income		
Compensation income	—	192
Gain on sales of noncurrent assets	—	1
Gain on sales of subsidiaries and affiliates' stocks	18	14
Gain on change in equity	44	—
Other	5	0
<b>Total extraordinary income</b>	<b>68</b>	<b>208</b>
Extraordinary loss		
Loss on retirement of noncurrent assets	8	12
Loss on sales of noncurrent assets	—	13
Loss on valuation of investment securities	6	—
Impairment loss	148	—
Loss on disaster	160	—
Other	23	1
<b>Total extraordinary losses</b>	<b>348</b>	<b>27</b>
<b>Income before income taxes and minority interests</b>	<b>5,521</b>	<b>7,412</b>
Income taxes—current	2,096	2,520
Income taxes—deferred	(140)	286
<b>Total income taxes</b>	<b>1,955</b>	<b>2,806</b>
<b>Income before minority interests</b>	<b>3,565</b>	<b>4,605</b>
Minority interests in income (loss)	(6)	273
<b>Net income</b>	<b>3,572</b>	<b>4,332</b>

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

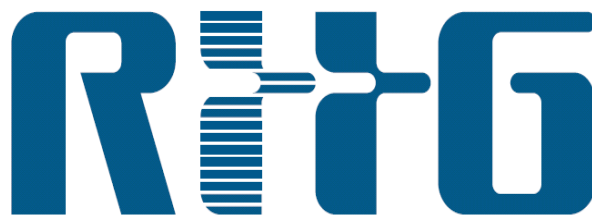
(Millions of yen)

	September 30 2011	September 30 2012
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	5,521	7,412
Depreciation and amortization	3,045	2,740
Impairment loss	148	—
Amortization of goodwill (negative goodwill)	(15)	(24)
Increase (decrease) in allowance for doubtful accounts	(108)	(140)
Increase (decrease) in provision for retirement benefits	168	185
Amount of money on securities contribution to employees' retirement benefits trust	—	(1,000)
Increase (decrease) in provision for directors' retirement benefits	39	28
Interest and dividends income	(154)	(270)
Interest expenses paid on loans and bonds	101	123
Loss (gain) on valuation of investment securities	6	—
Increase (decrease) in allowance for investment loss	(4)	—
Decrease (increase) in notes and accounts receivable—trade	978	427
Decrease (increase) in inventories	3,043	3,624
Increase (decrease) in notes and accounts payable—trade	165	(66)
Increase (decrease) in accounts payable—other	(6,958)	(3,141)
Increase (decrease) in advances received	1,107	69
Increase (decrease) in long-term guarantee deposits received	(1,618)	(1,688)
Increase (decrease) in accrued consumption taxes	291	(63)
Other, net	(1,083)	(1,309)
<b>Subtotal</b>	<b>4,676</b>	<b>6,906</b>
Interest and dividends income received	138	238
Interest expenses paid	(108)	(124)
Income taxes paid	(2,302)	(2,223)
<b>Net cash provided by (used in) operating activities</b>	<b>2,403</b>	<b>4,796</b>
Net cash provided by (used in) investing activities		
Payments into time deposits	(429)	(229)
Proceeds from withdrawal of time deposits	1,529	1,979
Purchase of short-term investment securities	(30,990)	(27,005)
Proceeds from sales and redemption of securities	33,000	20,000
Purchase of investment securities	(749)	(5,162)
Proceeds from sales and redemption of investment securities	—	900
Purchase of stocks of subsidiaries and affiliates	(28)	(17)
Proceeds from sales of stocks of subsidiaries and affiliates	58	24
Purchase of property, plant and equipment and intangible assets	(3,319)	(2,468)
Payments of loans receivable	(48)	(28)
Collection of loans receivable	63	99
Other, net	(1,228)	34
<b>Net cash provided by (used in) investing activities</b>	<b>(2,143)</b>	<b>(11,874)</b>
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(2,010)	1,000
Proceeds from long-term loans payable	8,950	8,553
Repayment of long-term loans payable	(6,241)	(5,184)
Proceeds from issuance of bonds	1,075	—
Redemption of bonds	(984)	(750)
Purchase of treasury stock	(0)	(0)
Proceeds from disposal of treasury stock	113	621
Cash dividends paid	(466)	(936)
Cash dividends paid to minority shareholders	(0)	(0)
Other, net	273	2,557
<b>Net cash provided by (used in) financing activities</b>	<b>710</b>	<b>5,861</b>
Effect of exchange rate change on cash and cash equivalents	(0)	(0)
Net increase (decrease) in cash and cash equivalents	970	(1,215)
Cash and cash equivalents at beginning of period	21,446	21,888
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	540	—
<b>Cash and cash equivalents at end of period</b>	<b>22,957</b>	<b>20,672</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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