

RESORTTRUST FINANCIAL DATE FY 2011

CONSOLIDATED FINANCIAL SUMMARY

For the Six Months Ended September 30 2009 , 2010 and 2011



RESORTTRUST
GROUP

CONSOLIDATED FINANCIAL SUMMARY

For the Six Months Ended September 30 2009 , 2010 and 2011

(millions of yen)

	2Q			Fiscal Year	
	30-Sep-09	30-Sep-10	30-Sep-11	31-Mar-11	31-Mar-12 revision target ※
Net sales	41,428	49,148	49,098	108,976	97,000
Operating income	2,797	6,431	5,215	13,172	8,500
Ordinary income	2,755	6,395	5,801	13,341	9,100
Net income (interim)	1,144	3,799	3,572	3,300	5,400
Net assets	58,846	62,866	64,694	61,379	
Assets	260,170	248,394	232,458	237,359	
Net assets per share (yen)	1,098.64	1,205.93	1,235.49	1,171.84	
Net income per share (yen) (Primary)	24.79	82.25	76.59	71.37	115.77
Net income per share (yen) (Fully Diluted)	24.78	81.90	76.55	71.07	
Equity rate (%)	19.5	22.4	2,480.0	23.0	
Return on assets (%)	–	–	–	1.34%	
Return on equity (%)	–	–	–	6.12%	
Net cash provided by (used in) operating activities	8,070	4	2,403	14,126	
Net cash provided by (used in) investment activities	(2,539)	(1,365)	(2,143)	(5,962)	
Net cash provided by (used in) financing activities	3,940	(6,451)	710	(19,131)	
Cash and cash equivalents	26,592	24,601	22,957	21,446	

MAJOR MANAGEMENT INDICES

For the Six Months Ended September 30 2009 , 2010 and 2011

Net sales

(Millions of Yen)

	2Q		
	30-Sep-09	30-Sep-10	30-Sep-11
Membership Operations	9,616	14,126	13,387
Hotel and Restaurant Operati	24,687	26,813	26,397
Golf Operations	4,120	4,099	3,929
Medical Operations	2,871	3,984	5,156
Others	133	124	227
Total	41,428	49,148	49,098

Operating income

(Millions of Yen)

	2Q		
	30-Sep-09	30-Sep-10	30-Sep-11
Membership Operations	84	2,658	1,218
Hotel and Restaurant Operati	2,208	3,065	3,174
Golf Operations	257	313	243
Medical Operations	135	312	499
Others	110	81	78
Total	2,797	6,431	5,215

Business Results

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

1. Summary of Business Results

(¥ million)

	30-Sep-10 (Results)	30-Sep-11		Year-on-year Change	Results vs. Targets
		(Results)	(Targets)		
Net sales	49,148	49,098	48,400	(0.1%)	+1.4%
Operating income	6,431	5,215	4,400	(18.9%)	+18.5%
Ordinary income	6,395	5,801	5,000	(9.3%)	+16.0%
Net income	3,799	3,572	3,000	(6.0%)	+19.1%

During the first two 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.

As a result, both sales and profits in the first quarter under review declined from the previous year. Consolidated net sales for the second quarter stood at ¥49,098 million, down 0.1% from the second quarter of the previous consolidated fiscal year. Operating income came to ¥5,215 million, declining 18.9%. Ordinary income amounted to ¥5,801 million, a decrease of 9.3%. Net income for the second quarter was ¥3,572 million, falling 6.0% from the year-ago level. The Group donated ¥100 million from sales at facilities collected in a campaign in the second 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)

	30-Sep-10 (Results)	30-Sep-11		Year-on-year Change	Results vs. Targets
		(Results)	(Targets)		
Net sales	14,126	13,387	13,000	(5.2%)	+3.0%
Operating income	2,658	1,218	1,010	(54.2%)	+20.7%

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)

	30-Sep-10 (Results)	30-Sep-11		Year-on-year Change	Results vs. Targets
		(Results)	(Targets)		
Net sales	26,813	26,397	26,160	(1.5%)	+0.9%
Operating income	3,065	3,174	2,680	+3.5%	+18.4%

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)

	30-Sep-10 (Results)	30-Sep-11		Year-on-year Change	Results vs. Targets
		(Results)	(Targets)		
Net sales	4,099	3,929	3,920	(4.2%)	+0.2%
Operating income	313	243	180	(22.1%)	+35.5%

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)

	30-Sep-10 (Results)	30-Sep-11		Year-on-year Change	Results vs. Targets
		(Results)	(Targets)		
Net sales	3,984	5,156	5,090	+29.4%	+1.3%
Operating income	312	499	450	+59.9%	+11.0%

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)

	30-Sep-10 (Results)	30-Sep-11		Year-on-year Change	Results vs. Targets
		(Results)	(Targets)		
Net sales	124	227	230	+83.2%	(0.9%)
Operating income	81	78	80	(3.8%)	(1.7%)

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)

	30-Sep-10 (Results)	30-Sep-11 (Results)
Operating cash flows	4	2,403
Investing cash flows	(1,365)	(2,143)
Financing cash flows	(6,451)	710
Cash and cash equivalents	24,601	22,957

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	97,000	(11.0%)
Operating income	13,172	8,500	(35.5%)
Ordinary income	13,341	9,100	(31.8%)
Net income	3,300	5,400	+63.6%

The Group revised today (November 14, 2011) the forecast for the fiscal year ending March 2012 that was announced on August 11, 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)

	September 30 2011	March 31 2011
Assets		
Current assets		
Cash and deposits	18,473	14,514
Notes and accounts receivable—trade	4,041	3,676
Operating loans	25,035	26,313
Short-term investment securities	8,997	13,999
Merchandise	378	352
Real estate for sale	20,094	23,608
Raw materials and supplies	829	859
Real estate for sale in process	10,304	9,949
Deferred tax assets	4,609	4,640
Other	3,385	2,962
Allowance for doubtful accounts	(766)	(829)
Total current assets	95,382	100,047
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	53,546	54,359
Machinery, equipment and vehicles, net	2,136	2,338
Golf courses	12,840	12,337
Land	26,996	26,515
Construction in progress	1,561	1,287
Other, net	4,972	5,384
Total property, plant and equipment	102,054	102,223
Intangible assets		
Goodwill	273	292
Software	1,131	1,253
Other	2,232	2,287
Total intangible assets	3,637	3,833
Investments and other assets		
Investment securities	12,035	10,742
Stocks of subsidiaries and affiliates	1,258	1,893
Long-term loans receivable	3,527	3,592
Deferred tax assets	2,273	2,133
Other	18,565	19,221
Allowance for doubtful accounts	(6,272)	(6,317)
Allowance for investment loss	(5)	(10)
Total investments and other assets	31,383	31,254
Total noncurrent assets	137,075	137,311
Total assets	232,458	237,359

CONSOLIDATED BALANCE SHEETS

(Based on Japanese Accounting Principles)

(Millions of yen)

	September 30 2011	March 31 2011
Liabilities		
Current liabilities		
Notes and accounts payable-trade	813	642
Short-term loans payable	100	2,110
Current portion of long-term loans payable	10,185	9,869
Current portion of bonds	1,790	1,924
Accounts payable-other	4,698	13,109
Income taxes payable	2,169	2,398
Accrued consumption taxes	663	371
Advances received	1,918	810
Unearned revenue	6,303	6,817
Provision for loss on guarantees	63	34
Provision for loss on disaster	423	744
Other	6,839	6,819
Total current liabilities	35,967	45,652
Noncurrent liabilities		
Bonds payable	5,425	5,175
Long-term loans payable	13,178	10,786
Deferred tax liabilities	2,228	2,243
Provision for retirement benefits	1,045	849
Provision for directors' retirement benefits	1,487	1,447
Long-term guarantee deposited	102,153	103,772
Negative goodwill	885	945
Other	5,391	5,105
Total noncurrent liabilities	131,796	130,326
Total liabilities	167,764	175,979
Net assets		
Shareholders' equity		
Capital stock	14,258	14,258
Capital surplus	13,906	13,906
Retained earnings	37,906	35,016
Treasury stock	(8,190)	(8,369)
Total shareholders' equity	57,880	54,811
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(172)	(198)
Total accumulated other comprehensive income	(172)	(198)
Subscription rights to shares	485	366
Minority interests	6,501	6,400
Total net assets	64,694	61,379
Total liabilities and net assets	232,458	237,359

CONSOLIDATED STATEMENTS OF INCOME

(Based on Japanese Accounting Principles)

(Millions of yen)

	September 30 2010	September 30 2011
Net sales	49,148	49,098
Cost of sales	9,348	9,164
Gross profit	39,799	39,934
Selling, general and administrative expenses		
Salaries and bonuses	12,759	13,374
Provision for directors' retirement benefits	27	39
Repair and maintenance	1,026	1,087
Provision for loss on guarantees	—	28
Utilities expenses	2,090	2,220
Depreciation	2,765	2,806
Other	14,698	15,161
Total selling, general and administrative expenses	33,367	34,718
Operating income	6,431	5,215
Non-operating income		
Interest income	130	129
Dividends income	22	24
Interests and charge for installment payment	5	3
Reversal of allowance for investment loss	—	4
Equity in earnings of affiliates	6	4
Amortization of negative goodwill	66	60
Reversal of allowance for doubtful accounts	—	109
Insurance premiums refunded cancellation	—	436
Other	81	133
Total non-operating income	314	906
Non-operating expenses		
Interest expenses paid on loans and bonds	126	101
Provision of allowance for doubtful accounts	23	11
Guarantee charge of unearned revenue	47	31
Undeductible consumption tax	119	88
Other	33	86
Total non-operating expenses	350	320
Ordinary income	6,395	5,801

CONSOLIDATED STATEMENTS OF INCOME

(Based on Japanese Accounting Principles)

(Millions of yen)

	September 30 2010	September 30 2011
Extraordinary income		
Gain on sales of subsidiaries and affiliates' stocks	25	18
Reversal of allowance for investment loss	3	—
Reversal of allowance for doubtful accounts	133	—
Gain on change in equity	—	44
Reversal of provision for loss on liquidation of subsidiaries and affiliates	188	—
Other	7	5
Total extraordinary income	359	68
Extraordinary loss		
Loss on retirement of noncurrent assets	48	8
Loss on sales of noncurrent assets	4	—
Loss on valuation of investment securities	6	6
Impairment loss	—	148
Loss on disaster	—	160
Loss on sales of stocks of subsidiaries and affiliates	0	—
Provision of allowance for doubtful accounts	136	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	29	—
Other	7	23
Total extraordinary losses	233	348
Income before income taxes and minority interests	6,521	5,521
Income taxes—current	2,088	2,096
Income taxes—deferred	694	(140)
Total income taxes	2,782	1,955
Income before minority interests	3,739	3,565
Minority interests in loss	(59)	(6)
Net income	3,799	3,572

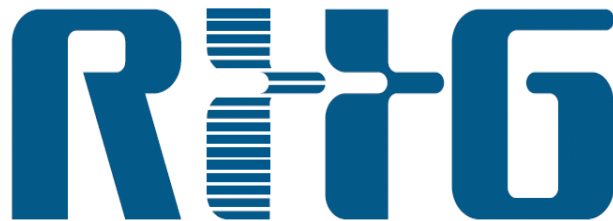
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Based on Japanese Accounting Principles)

(Millions of yen)

	September 30 2010	September 30 2011
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	6,521	5,521
Depreciation and amortization	3,024	3,045
Impairment loss	—	148
Amortization of goodwill (negative goodwill)	(31)	(15)
Increase (decrease) in allowance for doubtful accounts	(29)	(108)
Increase (decrease) in provision for retirement benefits	228	168
Increase (decrease) in provision for directors' retirement benefits	27	39
Interest and dividends income	(153)	(154)
Interest expenses paid on loans and bonds	126	101
Loss (gain) on valuation of investment securities	6	6
Increase (decrease) in allowance for investment loss	(3)	(4)
Decrease (increase) in notes and accounts receivable-trade	(7)	978
Decrease (increase) in inventories	1,899	3,043
Increase (decrease) in notes and accounts payable-trade	(33)	165
Increase (decrease) in accounts payable-other	(4,491)	(6,958)
Increase (decrease) in advances received	1,244	1,107
Increase (decrease) in long-term guarantee deposits received	(1,331)	(1,618)
Increase (decrease) in accrued consumption taxes	(86)	291
Other, net	(1,381)	(1,083)
Subtotal	5,530	4,676
Interest and dividends income received	160	138
Interest expenses paid	(127)	(108)
Income taxes paid	(5,559)	(2,302)
Net cash provided by (used in) operating activities	4	2,403
Net cash provided by (used in) investing activities		
Payments into time deposits	(2,424)	(429)
Proceeds from withdrawal of time deposits	5,625	1,529
Purchase of short-term investment securities	(7,499)	(30,990)
Proceeds from sales and redemption of securities	4,500	33,000
Purchase of investment securities	(695)	(749)
Proceeds from sales and redemption of investment securities	1,000	—
Purchase of stocks of subsidiaries and affiliates	(22)	(28)
Proceeds from sales of stocks of subsidiaries and affiliates	72	58
Purchase of property, plant and equipment and intangible assets	(2,855)	(3,319)
Payments of loans receivable	(71)	(48)
Collection of loans receivable	33	63
Other, net	972	(1,228)
Net cash provided by (used in) investing activities	(1,365)	(2,143)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(6,092)	(2,010)
Proceeds from long-term loans payable	7,330	8,950
Repayment of long-term loans payable	(5,891)	(6,241)
Proceeds from issuance of bonds	—	1,075
Redemption of bonds	(984)	(984)
Purchase of treasury stock	(0)	(0)
Proceeds from disposal of treasury stock	17	113
Cash dividends paid	(923)	(466)
Cash dividends paid to minority shareholders	(0)	(0)
Other, net	92	273
Net cash provided by (used in) financing activities	(6,451)	710
Effect of exchange rate change on cash and cash equivalents	(0)	(0)
Net increase (decrease) in cash and cash equivalents	(7,812)	970
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
Cash and cash equivalents at end of period	24,601	22,957

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 uncertainty. Actual results may differ materially from these forecasts.



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