

RESORTTRUST FINANCIAL DATE 2013

CONSOLIDATED FINANCIAL SUMMARY

Years Ended March 31,2009,2010,2011,2012 and 2013



RESORTTRUST
GROUP

CONSOLIDATED FINANCIAL SUMMARY

Years Ended March 31,2009,2010,2011,2012 and 2013

	Fiscal Year					
	2009	2010	2011	2012	2013	2013 revision target
Net sales	87,254	103,645	108,976	99,894	105,311	104,000
Operating income	5,407	11,191	13,172	9,891	12,054	12,000
Ordinary income	5,444	10,916	13,341	9,443	12,976	12,500
Net income (interim)	507	4,184	3,300	5,415	7,127	7,000
Net assets	50,798	60,273	61,379	64,883	73,145	
Assets	243,083	256,573	237,359	235,151	253,861	
Net assets per share (yen)	1,083.43	1,152.74	1,171.84	1,256.39	1,373.70	
Net income per share (yen) (Primary)	11.10	90.62	71.37	115.95	150.76	
Net income per share (yen) (Fully Diluted)	-	90.51	71.07	115.71	149.23	
Equity rate (%)	20.6	20.7	23.0	25.0	26.1	
Return on assets (%)	0.21	1.67	1.34	2.29	2.91	
Return on equity (%)	0.94	8.10	6.12	9.55	11.40	
Net cash provided by (used in) operating activities	6,114	21,270	14,126	19,657	21,338	
Net cash provided by (used in) investment activities	(4,776)	(5,341)	(5,962)	(15,546)	(15,958)	
Net cash provided by (used in) financing activities	(6,506)	(1,457)	(19,131)	(3,351)	11,447	
Cash and cash equivalents	17,060	39,592	21,446	21,888	38,716	

MAJOR MANAGEMENT INDICES

Years Ended March 31, 2011, 2012 and 2013

Net sales

(Millions of Yen)

	Fiscal Year		
	2011	2012	2013
Membership Operations	41,727	29,199	28,418
Hotel and Restaurant Operati	51,241	52,184	54,765
Golf Operations	7,235	7,607	8,671
Medical Operations	8,473	10,455	12,698
Others	298	447	757
Total	108,976	99,894	105,311

Operating income

(Millions of Yen)

	Fiscal Year		
	2011	2012	2013
Membership Operations	7,370	3,684	3,951
Hotel and Restaurant Operati	4,863	4,902	4,826
Golf Operations	156	249	617
Medical Operations	571	827	2,334
Others	209	226	323
Total	13,172	9,891	12,054

Business Results

(1) Overview of the Fiscal Year Ended March 31, 2012

1. Summary of Business Results

(¥ million)

	FY2012 (Results)	FY2013		Year-on-year Change	Results vs. Targets
		(Results)	(Revision Targets)		
Net sales	99,894	105,311	104,000	+5.4%	+1.3%
Operating income	9,891	12,054	12,000	+21.9%	+0.5%
Ordinary income	9,443	12,976	12,500	+37.4%	+3.8%
Net income	5,415	7,127	7,000	+31.6%	+1.8%

Although the Japanese economy during the fiscal year under review was recovering gradually against the backdrop of reconstruction demand following the Great East Japan Earthquake, problems in the electricity supply and the prolonged appreciation of the yen along with concerns over a slowdown in the global economy stemming from the European debt crisis and other factors continued to make the outlook uncertain. Nevertheless, there have been positive signs since the change of government in the latter half of the fiscal year, including a progressive weakening of the yen and rising stock prices amid a sense of expectation with regard to economic policies.

Under these circumstances, the current status of the Group is summarized as follows. Medical membership sales were strong, and facilities that were closed during the previous fiscal year, due to the effect of the earthquake, resumed operations during the fiscal year under review. In addition, membership resort hotels XIV Karuizawa PASEO, XIV Karuizawa SANCTUARY VILLA MUSEO, and Hotel Trusty Osaka Abeno, all of which opened in March 2012, operated for the full year. Sales were also robust for golf course memberships at the KANSAI GOLF CLUB, which became a consolidated subsidiary in September 2011.

As a result, both sales and income for the fiscal year under review increased, with the figures as follows: net sales increased 5.4% to ¥105,311 million, operating income surged 21.9% to ¥12,054 million and ordinary income stood at ¥12,976 million, up 37.4% from the previous fiscal year. And, the Group recorded net income of ¥7,127 million, up 31.6% year on year.

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

2. Summary of Business segments

【Membership Operations】

(¥ million)

	FY2012 (Results)	FY2013		Year-on-year Change	Results vs. Targets
		(Results)	(Revision Targets)		
Net sales	29,199	28,418	27,900	(2.7%)	+1.9%
Operating income	3,684	3,951	4,150	+7.2%	(4.8%)

In Membership Operations, the volume of hotel membership sales was down compared to the previous fiscal year, but operating expenses decreased, resulting in decreased sales and increased income.

【Hotel and Restaurant Operations】

(¥ million)

	FY2012 (Results)	FY2013		Year-on-year Change	Results vs. Targets
		(Results)	(Revision Targets)		
Net sales	52,184	54,765	54,200	+4.9%	+1.0%
Operating income	4,902	4,826	4,640	(1.6%)	+4.0%

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 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)

	FY2012 (Results)	FY2013		Year-on-year Change	Results vs. Targets
		(Results)	(Revision Targets)		
Net sales	7,607	8,671	8,670	+14.0%	+0.0%
Operating income	249	617	650	+147.2%	(5.0%)

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 previous fiscal year due to the effects of the earthquake.

【Medical Operations】

(¥ million)

	FY2012 (Results)	FY2013		Year-on-year Change	Results vs. Targets
		(Results)	Targets		
Net sales	10,455	12,698	12,470	+21.4%	+1.8%
Operating income	827	2,334	2,240	+182.1%	+4.2%

Medical Operations resulted in increased sales and income, primarily reflecting strong sales of memberships in "GRAND HIMEDIC CLUB" and due to an increase in income from annual membership fees accompanying the growth in membership.

【Others】

(¥ million)

	FY2012 (Results)	FY2013		Year-on-year Change	Results vs. Targets
		(Results)	(Revision Targets)		
Net sales	447	757	760	+69.4%	(0.3%)
Operating income	226	323	320	+43.0%	+1.1%

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)

	FY2012 (Results)	FY2013 (Results)
Operating cash flows	19,657	21,338
Investing cash flows	(15,546)	(15,958)
Financing cash flows	(3,351)	11,447
Cash and cash equivalents	21,888	38,716

4. Outlook for the Year Ending March 31, 2014

(¥ million)

	FY2013 (Results)	FY2014 (target)	Year-on-year Change
Net sales	105,311	108,500	+3.0%
Operating income	12,054	13,000	+7.8%
Ordinary income	12,976	14,100	+8.7%
Net income	7,127	7,600	+6.6%

In terms of the future of the Japanese economy, amid a shift in direction by the government and the Bank of Japan toward fiscal and financial measures aimed at breaking out of deflation and achieving a boost to the economy, positive signs are starting to emerge, backed by expectation of growth, such as the correction of the strong yen, and rising stock prices. However, with the upcoming hike in consumption tax, it is believed that it will take time for these positive signs to be reflected in a full-fledged recovery in consumer confidence and in the real economy. Consequently, it is assumed that the situation will remain uncertain.

In the leisure-related sectors and markets, there is growing uncertainty in the business, as the maturation of the market, multiplication and diversification of needs, and shift to a borderless world market progress amid structural changes in society resulting from the declining birthrate and the aging population.

Under these circumstances, in terms of the Resorttrust Group's full-year performance outlook, we forecast for the Resorttrust Group as a whole: net sales of ¥108,500 million, a year-on-year increase of 3.0%, operating income of ¥13,000 million, up 7.8% year-on-year, a rise of 8.7% in ordinary income to ¥14,100 million, and net income of ¥7,600 million, up 6.6% from the fiscal year under review. This is due to the renewal opening of Resorpia Hakone (April 2013), the commencement of operations at Hotel Trusty Kanazawa Korinbo (scheduled for June 2013), in addition to the scheduled start of development and membership sales for the XIV Toba Villa (tentative name) as a new development in the luxury membership system resort hotels XIV series.

CONSOLIDATED BALANCE SHEETS

(Based on Japanese Accounting Principles)

(Millions of yen)

	March 31 2013	March 31 2012
Assets		
Current assets		
Cash and deposits	29,443	22,950
Notes and accounts receivable—trade	4,247	4,401
Operating loans	23,423	24,296
Securities	28,399	7,999
Merchandise	470	400
Real estate for sale	12,489	19,726
Raw materials and supplies	795	894
Real estate for sale in process	7,374	8,080
Deferred tax assets	4,283	4,359
Other	4,800	3,552
Allowance for doubtful accounts	(1,715)	(747)
Total current assets	114,012	95,914
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	120,159	116,076
Accumulated depreciation	(67,210)	(62,166)
Buildings and structures, net	52,949	53,909
Machinery, equipment and vehicles	11,418	11,280
Accumulated depreciation	(9,678)	(9,271)
Machinery, equipment and vehicles, net	1,739	2,009
Golf courses	11,036	12,245
Land	27,691	27,503
Lease assets	3,882	3,729
Accumulated depreciation	(1,216)	(911)
Lease assets, net	2,665	2,817
Construction in progress	2,144	1,788
Other	12,917	12,908
Accumulated depreciation	(11,542)	(11,149)
Other, net	1,374	1,758
Total property, plant and equipment	99,601	102,032
Intangible assets		
Goodwill	268	237
Software	876	1,099
Other	1,998	2,105
Total intangible assets	3,142	3,442
Investments and other assets		
Investment securities	21,954	16,395
Stocks of subsidiaries and affiliates	1,219	1,315
Long-term loans receivable	1,393	3,443
Deferred tax assets	1,708	1,699
Other	17,370	19,143
Allowance for doubtful accounts	(6,540)	(8,233)
Total investments and other assets	37,104	33,763
Total noncurrent assets	139,849	139,237
Total assets	253,861	235,151

CONSOLIDATED BALANCE SHEETS

(Based on Japanese Accounting Principles)

(Millions of yen)

	March 31 2013	March 31 2012
Liabilities		
Current liabilities		
Notes and accounts payable-trade	893	881
Short-term loans payable	150	—
Current portion of long-term loans payable	8,127	8,976
Current portion of bonds	1,100	2,800
Lease obligations	526	511
Accounts payable-other	6,558	8,200
Income taxes payable	2,483	2,289
Accrued consumption taxes	877	739
Advances received	744	807
Provision for loss on guarantees	135	82
Provision for loss on disaster	—	150
Other	13,589	12,170
Total current liabilities	35,186	37,610
Noncurrent liabilities		
Bonds payable	3,775	3,375
Long-term loans payable	27,310	13,584
Lease obligations	2,564	2,929
Deferred tax liabilities	1,060	1,616
Provision for retirement benefits	778	1,237
Provision for directors' retirement benefits	1,574	1,516
Provision for stocks payment	99	—
Long-term guarantee deposited	105,161	104,762
Negative goodwill	704	825
Other	2,502	2,810
Total noncurrent liabilities	145,529	132,657
Total liabilities	180,716	170,268
Net assets		
Shareholders' equity		
Capital stock	14,258	14,258
Capital surplus	13,906	13,906
Retained earnings	43,391	38,772
Treasury stock	(5,679)	(8,035)
Total shareholders' equity	65,877	58,901
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	395	(92)
Total accumulated other comprehensive income	395	(92)
Subscription rights to shares	287	544
Minority interests	6,585	5,529
Total net assets	73,145	64,883
Total liabilities and net assets	253,861	235,151

CONSOLIDATED STATEMENTS OF INCOME
(Based on Japanese Accounting Principles)

(Millions of yen)

	March 31 2013	March 31 2012
Net sales	105,311	99,894
Cost of sales	19,994	19,221
Gross profit	85,316	80,672
Selling, general and administrative expenses		
Advertising expenses	1,197	1,245
Membership service expenses	599	825
Repair and maintenance	3,108	2,578
Linen expenses	3,150	3,012
Provision of allowance for doubtful accounts	11	—
Provision for loss on guarantees	53	47
Directors' compensations	753	873
Salaries and bonuses	28,350	26,975
Retirement benefit expenses	747	763
Provision for directors' retirement benefits	57	68
Legal welfare expenses	3,693	3,476
Welfare expenses	640	447
Commission fee	5,202	4,573
Rent expenses	3,395	3,340
Utilities expenses	4,863	4,538
Correspondence and transportation expenses	2,433	2,329
Depreciation	5,129	5,723
Taxes and dues	1,368	1,467
Supplies expenses	2,089	2,151
Amortization of goodwill	78	80
Other	6,337	6,258
Total selling, general and administrative expenses	73,261	70,780
Operating income	12,054	9,891
Non-operating income		
Interest income	554	308
Dividends income	71	70
Reversal of allowance for investment loss	—	10
Interests and charge for installment payment	3	6
Amortization of negative goodwill	120	120
Insurance premiums refunded cancellation	65	1,122
Subsidy income	37	154
Reversal of allowance for doubtful accounts	656	—
Other	189	206
Total non-operating income	1,700	1,999
Non-operating expenses		
Interest expenses paid on loans and bonds	256	211
Amortization of bond issuance cost	32	24
Stock issuance cost	8	0
Provision of allowance for doubtful accounts	—	1,839
Equity in losses of affiliates	107	57
Commission for syndicate loan	44	31
Guarantee charge of unearned revenue	2	16
Undeductible consumption tax	201	155
Other	125	111
Total non-operating expenses	778	2,447
Ordinary income	12,976	9,443

CONSOLIDATED STATEMENTS OF INCOME

(Based on Japanese Accounting Principles)

(Millions of yen)

	March 31 2013	March 31 2012
Extraordinary income		
Subsidy income	—	293
Compensation income	226	257
Gain on sales of noncurrent assets	1	0
Gain on sales of investment securities	0	—
Gain on sales of subsidiaries and affiliates' stocks	14	23
Gain on change in equity	—	295
Other	1	23
Total extraordinary income	243	892
Extraordinary loss		
Loss on retirement of noncurrent assets	28	47
Loss on sales of noncurrent assets	14	4
Loss on valuation of noncurrent assets	0	2
Impairment loss	1,663	1,070
Loss on disaster	—	182
Loss on valuation of investment securities	—	14
Other	4	45
Total extraordinary losses	1,710	1,366
Income before income taxes and minority interests	11,508	8,969
Income taxes—current	4,936	4,955
Income taxes—deferred	(763)	2
Total income taxes	4,173	4,958
Income before minority interests	7,335	4,011
Minority interests in income (loss)	208	(1,403)
Net income	7,127	5,415

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

(Millions of yen)

	March 31 2013	March 31 2012
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	11,508	8,969
Depreciation and amortization	5,482	6,166
Impairment loss	1,663	1,070
Amortization of goodwill (negative goodwill)	(42)	(39)
Increase (decrease) in allowance for doubtful accounts	(725)	1,833
Increase (decrease) in provision for retirement benefits	533	360
Amount of money on securities contribution to employees' retirement benefits trust	(1,000)	—
Increase (decrease) in provision for directors' retirement benefits	57	68
Interest and dividends income	(626)	(378)
Interest expenses paid on loans and bonds	256	211
Loss on valuation of noncurrent assets	0	2
Loss (gain) on valuation of investment securities	—	14
Increase (decrease) in allowance for investment loss	—	(10)
Decrease (increase) in notes and accounts receivable-trade	1,046	1,328
Decrease (increase) in inventories	7,490	5,442
Increase (decrease) in notes and accounts payable-trade	12	242
Increase (decrease) in accounts payable-other	(1,672)	(3,166)
Increase (decrease) in advances received	(69)	677
Increase (decrease) in long-term guarantee deposits received	395	988
Increase (decrease) in accrued consumption taxes	177	331
Other, net	1,273	298
Subtotal	25,763	24,409
Interest and dividends income received	587	330
Interest expenses paid	(258)	(214)
Income taxes paid	(4,754)	(4,866)
Net cash provided by (used in) operating activities	21,338	19,657
Net cash provided by (used in) investing activities		
Payments into time deposits	(1,519)	(3,962)
Proceeds from withdrawal of time deposits	5,119	3,532
Purchase of securities	(51,201)	(66,281)
Proceeds from sales and redemption of securities	41,000	65,800
Purchase of investment securities	(7,274)	(7,170)
Proceeds from sales and redemption of investment securities	1,300	700
Purchase of stocks of subsidiaries and affiliates	(21)	(37)
Proceeds from sales of stocks of subsidiaries and affiliates	24	71
Purchase of property, plant and equipment	(3,005)	(6,373)
Purchase of intangible assets	(336)	(543)
Payments of loans receivable	(69)	(63)
Collection of loans receivable	226	140
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	—	3
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(419)	—
Other, net	218	(1,364)
Net cash provided by (used in) investing activities	(15,958)	(15,546)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	—	(2,110)
Proceeds from long-term loans payable	22,704	13,393
Repayment of long-term loans payable	(9,954)	(11,463)
Proceeds from issuance of bonds	1,467	1,075
Redemption of bonds	(2,800)	(2,024)
Purchase of treasury stock	(1)	(1)
Proceeds from disposal of treasury stock	1,667	219
Cash dividends paid	(2,120)	(1,400)
Cash dividends paid to minority shareholders	(0)	(0)
Net increase (decrease) in deposits received from subsidiaries and affiliates	100	(1,569)
Other, net	385	529
Net cash provided by (used in) financing activities	11,447	(3,351)
Effect of exchange rate change on cash and cash equivalents	0	(0)
Net increase (decrease) in cash and cash equivalents	16,828	759
Cash and cash equivalents at beginning of period	21,888	21,446
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	—	(317)
Cash and cash equivalents at end of period	38,716	21,888

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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