

July 22, 2004

Resorttrust to Actively Develop Golf Club Operations Business

In recent years, there have been many cases of companies operating golf clubs in Japan either reducing the number of golf clubs they manage or withdrawing from the business altogether. Furthermore, there have been frequent reports of foreign-owned companies actively acquiring some of these golf clubs.

Resorttrust, Inc. has announced plans to actively engage in golf club operations in its new medium-term management plan dubbed Power Brand Plan, which covers the 5-year period from April 1, 2003 to March 31, 2008. Resorttrust currently operates eight golf clubs throughout Japan, including the St. Creek Golf Club in Asukecho, Aichi Prefecture, Springfield Golf Club in Tajimi-shi, Gifu Prefecture, and Grandee Hamanako Golf Club in Hamamatsu-shi, Shizuoka Prefecture, which opened in June this year. All Resorttrust golf clubs are popular with players, featuring highly strategic layouts, well-maintained courses and well-run operations. The golf clubs have attracted attention by holding the *Resorttrust Ladies* championship, an annual women's professional golf tournament. In April 2004, Resorttrust started operating under contract the Grace Hills Country Club in Yokkaichi-shi, Mie Prefecture, which had earlier applied for bankruptcy protection under the Civil Rehabilitation Law.

To develop golf club operations in line with the Power Brand Plan, Resorttrust in April 2004 launched Resorttrust Golf Business Co., Ltd., a purveyor of golf club management services on a contract basis. The new company was contracted to take over the entire management of the Grace Hills Country Club under a lease arrangement. A stockholding membership system is employed, whereby existing members wishing to continue their memberships acquire shares in the company that owns the golf club's assets with dividends from membership deposits. Resorttrust, with its expertise in golf club management, operates the club under contract, ensuring stable operations without the asset-holding company needing to be concerned about cash flows on a daily basis. Operations are proceeding smoothly, with strong support from existing members.

Moreover, in the lead up to the introduction of asset-impairment accounting on April 1, 2005, there is expected to be an increase in activity to rehabilitate golf clubs in Japan. Seizing on these trends, the Resorttrust Group plans to leverage its operational expertise to vigorously develop its golf club operations business, principally by using the above techniques.