

CONSOLIDATED FINANCIAL SUMMARY
RESORTTRUST, INC.

Years ended March 31, 2001, 2002, 2003, 2004 and 2005



(Millions of yen)
 (Except per share amounts and number of employees)

	2001	2002	2003	2004	2005	2006 Target
Net sales	63,770	61,412	65,689	71,517	74,181	83,106
Ordinary income	8,214	6,740	7,089	7,937	8,965	9,284
Net income	4,129	2,896	3,502	4,027	4,472	4,693
Net assets	18,541	20,731	22,662	26,420	32,235	
Total assets	204,167	209,120	221,823	246,418	183,593	
Net assets per share (yen)	811.72	904.61	992.65	1,145.24	1,109.15	
Net income per share (yen)	185.75	126.54	148.18	169.21	150.91	162.46
Net income per share (yen) (Fully diluted)	185.38	122.12	141.38	160.73	135.07	
Equity ratio (%)	9.1	9.9	10.2	10.7	17.5	
Return on assets (%)	2.11	1.40	1.63	1.72	2.08	
Return on equity (%)	24.63	14.75	16.14	16.41	15.25	
Cash flow from operating activities	6,968	7,107	2,683	5,746	7,086	
Cash flow from investing activities	(12,369)	(6,832)	(5,102)	(14,743)	(6,912)	
Cash flow from financing activities	8,810	3,367	4,989	11,622	667	
Cash and cash equivalents at end of period	20,612	24,563	27,097	29,689	29,818	
Number of employees	2,702	2,814	2,833	2,977	2,986	

※1. Effective December 2001, Resorttrust withdrew from condominium operations, after judging that it would be difficult to develop suburban luxury Condominiums that capture synergies with its resorts under current economic conditions.

※2. In the fiscal year ended March 31, 2003, the Companies changed their accounting method for the allocation of corporate costs and expenses, from including them in elimination and/or corporate to allocating them to each segment in order to clarify responsibility for segment profit.

RESORTTRUST, INC. AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Based on Japanese Accounting Principles)
As of March 31, 2004 and 2005



	2004		2005		
	Millions of yen	Percentage of total (%)	Millions of yen	Percentage of total (%)	Thousands of U.S. dollars
Assets					
I Current assets					
Cash and time deposits	32,548		30,871		287,416
Trade notes and trade accounts receivable	3,754		3,683		34,290
Operating loans receivable	13,774		14,765		137,471
Marketable securities	2,055		4,612		42,939
Inventories	31,870		32,437		301,993
Other	3,969		4,287		39,919
Allowance for doubtful receivables	(653)		(770)		(7,178)
Total current assets	87,319	35.4	89,886	49.0	836,851
II Fixed assets					
(1) Property and equipment, at cost					
Buildings and structures	54,962		42,547		396,125
Golf course	38,132		4,686		43,631
Land	28,963		17,841		166,105
Other	18,291		8,167		76,037
Net property and equipment	140,349	57.0	73,242	39.9	681,898
(2) Intangible assets					
Consolidated adjustment account	630		290		2,702
Other	2,866		2,169		20,200
Intangible assets	3,497	1.4	2,459	1.3	22,902
(3) Investments and other non-current assets					
Investment in securities	7,963		9,795		91,193
Other	7,869		8,819		82,115
Allowance for doubtful receivables	(580)		(610)		(5,681)
Total investment and other non-current assets	15,252	6.2	18,004	9.8	167,626
Total fixed assets	159,099	64.6	93,707	51.0	872,426
Total assets	246,418	100.0	183,593	100.0	1,709,277

Note: Yen amounts have been translated into U.S. dollars, for convenience only, at ¥107.41 = \$1, the approximate exchange rate on March 31, 2005.

	2004		2005		
	Millions of yen	Percentage of total %	Millions of yen	Percentage of total %	Thousands of U.S. dollars
Liabilities					
I Current liabilities					
Trade notes and trade accounts payable	606		599		5,582
Short-term loans payable	4,750		3,500		32,585
Current portion of long-term debt	12,650		11,746		109,364
Current portion of bonds	650		850		7,914
Current portion of convertible bonds	—		1,733		16,138
Income taxes payable	1,735		1,883		17,535
Advance receipt	4,086		5,167		48,114
Other	15,259		10,598		98,671
Total current liabilities	39,738	16.1	36,079	19.7	335,902
II Long-term liabilities					
Bonds	11,400		11,550		107,532
Convertible bonds payable	3,405		4,800		44,689
Long-term debt	13,095		10,181		94,791
Deferred tax liabilities on land revaluation	414		36		339
Accrued retirement allowance indemnities	276		65		609
Directors' retirement benefits	940		1,057		9,846
Long-term security deposits	109,095		87,394		813,658
Other	880		91		853
Total long-term liabilities	139,507	56.6	115,177	62.7	1,072,317
Total liabilities	179,246	72.7	151,256	82.4	1,408,219
(Minority interests in consolidated subsidiaries)					
Minority interests in consolidated subsidiaries	40,751	16.6	100	0.1	939
Shareholders' equity					
I Common stock	3,329	1.4	5,020	2.7	46,743
II Capital surplus	3,032	1.2	4,753	2.6	44,260
III Revaluation surplus	612	0.2	53	0.0	501
IV Retained earnings	19,331	7.8	22,826	12.4	212,513
V Net unrealized holding losses on securities	186	0.1	169	0.1	1,578
	26,493	10.7	32,823	17.8	305,595
VI Treasury stock	(72)	(0.0)	(588)	(0.3)	(5,477)
Total shareholders' equity	26,420	10.7	32,235	17.5	300,118
Total liabilities, minority interests and shareholders' equity	246,418	100.0	183,593	100.0	1,709,277

Note: Yen amounts have been translated into U.S. dollars, for convenience only, at ¥107.41 = \$1, the approximate exchange rate on March 31, 2005.

RESORTTRUST, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(Based on Japanese Accounting Principles)
Year s Ended March 31, 2004 and 2005



	2004		2005			2006 target	
	Millions of yen	Percentage of total (%)	Millions of yen	Percentage of total (%)	Thousands of U.S. dollars	Millions of yen	Percentage of total %
I Net sales	71,517	100.0	74,181	100.0	690,639	83,106	100.0
II Cost of sales	15,724	22.0	15,969	21.5	148,677	17,145	20.6
Gross profit	55,793	78.0	58,212	78.5	541,962	65,961	79.4
III Selling, general and administrative expenses	47,737	66.7	49,213	66.4	458,181	57,726	68.3
Operating income	8,055	11.3	8,998	12.1	83,781	9,234	11.1
IV Non-operating income	600	0.8	518	0.7	4,828	351	0.4
Interest income	76		116		1,087		
Dividend income	10		10		99		
Installment interest and fees	48		39		364		
Gain on sales of trading securities	202		—		—		
Gain on sales of investment securities	—		127		1,189		
Other	263		224		2,089		
V Non-operating expenses	717	1.0	551	0.7	5,137	301	0.4
Interest expense	300		324		3,017		
Bond issue expense	153		26		250		
Common stock issue expense	5		16		155		
Loss on sales of trading securities	—		6		59		
Write-down of securities	58		58		540		
Other	198		119		1,115		
Ordinary income	7,937	11.1	8,965	12.1	83,472	9,284	11.2
VI Extraordinary income	579	0.8	615	0.8	5,730	582	0.7
Reversal of allowance for doubtful receivables	109		—		—		
Gain on sales of investment securities	427		597		5,566		
Gain on sales of fixed assets	0		3		36		
Other	42		13		128		
VII Extraordinary losses	1,466	2.0	2,000	2.7	18,624	1,563	1.9
Loss on sales and disposal of fixed assets	329		74		698		
Write-down of disposal of property and equipment	77		320		2,980		
Write-down of investment securities	15		832		7,750		
Loss on sales of investment of securities	3		45		423		
Allowance for doubtful receivables	1,024		59		550		
Directors' retirement benefits	15		3		31		
Other	—		665		6,191		
Income before income taxes	7,050	9.9	7,580	10.2	70,578	8,303	10
Income taxes:							
Current	3,388	4.7	3,296	4.5	30,691	3,610	4.3
Deferred	(354)	(0.4)	(213)	(0.3)	(1,989)		
Minority interests	(10)	(0.0)	25	0.0	235		
Net income	4,027	5.6	4,472	6.0	41,641	4,693	5.6

Note: Yen amounts have been translated into U.S. dollars, for convenience only, at ¥107.41 = \$1, the approximate exchange rate on March 31, 2005.

RESORTTRUST, INC. AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED CASH FLOW STATEMENTS
 (Based on Japanese Accounting Principles)
 Years Ended March 31, 2004 and 2005



	2004	2005	
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Cash flows from operating activities			
Income before income taxes	7,050	7,580	70,578
Depreciation and amortization	4,027	3,863	35,969
Amortization of consolidated adjustment account	355	353	3,291
Reserve for employees' retirement benefits	(81)	(199)	(1,858)
Increase in directors' retirement benefits	48	117	1,091
Interest and dividends income	(86)	(127)	(1,186)
Interest expense	300	324	3,017
Loss on valuation of fixed assets	77	175	1,637
Increase in trade receivables	(1,019)	(1,037)	(9,656)
Decrease (increase) in inventories	(12,430)	792	7,374
(Decrease) increase in trade payables	49	(0)	(2)
(Decrease) increase in accounts payable	6,276	(6,200)	(57,726)
Increase in advances received	891	1,112	10,358
Increase in long-term security deposits	2,448	2,094	19,502
Increase in accrued consumption taxes	109	861	8,021
Directors' bonuses paid	(121)	(183)	(1,712)
Increase in doubtful receivables	887	132	1,233
Other	454	937	8,728
Subtotal	9,238	10,596	98,658
Interest and dividends received	94	100	936
Interest paid	(274)	(329)	(3,070)
Income taxes paid	(3,312)	(3,280)	(30,545)
Net cash provided by operating activities	5,746	7,086	65,978
Cash flows from investing activities			
Increase in time deposits	(8,328)	(3,620)	(33,706)
Decrease in time deposits	6,942	2,136	19,890
Proceeds from sales of securities	941	941	17,228
Purchase of investment securities	(24)	(541)	(5,038)
Proceeds from sales of investment securities	55	1,159	10,798
Payment for property and equipment	(11,931)	(5,205)	(48,468)
Increase in loans receivable	(1,272)	(225)	(2,101)
Decrease in loans receivable	154	3,965	36,919
Financial support for shares in affiliated companies under rehabilitation	(733)	(811)	(7,554)
Purchase of shares in affiliated companies	-	(5,663)	(52,726)
Other	(546)	951	8,861
Net cash used in investing activities	(14,743)	(6,912)	(64,356)
Cash flows from financing activities			
Increase (decrease) in short-term loans	222	(1,250)	(11,638)
Proceeds from long-term debt	11,000	10,500	97,756
Repayment of long-term debt	(8,248)	(13,852)	(128,965)
Proceeds from issuance of convertible bonds payable	9,346	5,973	55,610
Redemption of bonds	(450)	(650)	(6,052)
Proceeds from issuance of common stock	-	1,495	13,924
Proceeds from issuance of preferred stock to minority shareholders	620	-	0
Payments of long-term security deposits	(438)	-	0
Cash dividends	(908)	(1,030)	(9,590)
Other	478	(518)	(4,830)
Net cash provided by financing activities	11,622	667	6,215
Effect of exchange rate changes on cash and cash equivalents	(33)	4	41
Net increase in cash and cash equivalents	2,591	846	7,879
Cash and cash equivalents at beginning of period	27,097	29,689	276,411
Decrease from change in scope of consolidation	-	(717)	(6,679)
Cash and cash equivalents at end of period	29,689	29,818	277,610

Note: Yen amounts have been translated into U.S. dollars, for convenience only at ¥107.41 = \$1 the approximate exchange rate on March 31, 2005.

MAJOR MANAGEMENT INDICES
RESORTTRUST, INC.



Net sales

Years ended March 31, 2001, 2002, 2003, 2004 and 2005

(Millions of yen)

	2001	2002	2003	2004	2005
Membership Operations	21,211	17,371	20,235	25,685	26,410
Hotel and Restaurant Operations	30,672	34,188	34,415	34,955	38,167
Golf Operations	5,614	5,367	6,890	7,014	5,020
Condominium Operations	3,109	1,234	-	-	-
Medical Operations	2,739	2,615	2,964	2,870	3,412
Other Operations	422	634	1,183	992	1,170
Total	63,770	61,412	65,689	71,517	74,181

Operating income

	2001	2002	2003	2004	2005
Membership Operations	6,548	5,407	3,532	5,505	5,348
Hotel and Restaurant Operations	2,561	2,176	1,652	1,014	1,629
Golf Operations	107	(115)	471	484	453
Condominium Operations	703	(44)	-	-	-
Medical Operations	662	699	908	700	900
Other Operations	172	239	489	350	667
Elimination and/or Corporate	(3,153)	(2,248)	-	-	-
Total	7,602	6,115	7,055	8,055	8,998

※1. Effective December 2001, Resorttrust withdrew from condominium operations, after judging that it would be difficult to develop suburban luxury condominiums that capture synergies with its resorts under current economic conditions.

※2. Operating expenses included in the operating loss in the elimination and/or corporate column include expenses of the Company's administrative divisions.

In the fiscal year ended March 31, 2003, the Companies changed their accounting method for the allocation of corporate costs and expenses, from including them in elimination and/or corporate to allocating them to each segment in order to clarify responsibility for segment profit.

1. Summary of Business Results

(1) Overview of Fiscal Year Ended March 31, 2005

1. Summary of Business Results

During the year ended March 31, 2005, the Japanese economy showed improvements in corporate earning structures and a greater propensity towards capital investment, as well as robust performance from the manufacturing sector in the first half of the year, driven by strong market growth in North America and market expansion in China. The second half of the year, however, witnessed several negative factors emerge, among them a surge in the price of crude oil and raw materials such as steel. Compounding matters was a strong yen, which adversely impacted export industry sectors. Ultimately, these conditions cast a pall of uncertainty over the prospects of a full-fledged economic recovery. And while modest improvements surfaced in both individual incomes and Japan's overall employment picture, the year ended with still no signs of a complete recovery in sight for Japan's economy as consumer spending remained lackluster.

In the leisure market, efforts to attract customers and sales in the hotel sector were hit hard by an unusually intense summer heat wave, the successive landfall of several powerful typhoons, and torrential rains. The impact of these and other factors sapped customer footfall at hotels across the industry.

Under these conditions, in membership sales, Resorttrust recorded brisk sales of memberships to XIV Kyoto, where sales began in October 2004, leading to a sharp rise in overall sales in Membership Operations. Moreover, Resorttrust saw the lump-sum inclusion in sales and earnings of the previously deferred real estate portion of total contract volume in line with the November 2004 opening of XIV Karuizawa Sanctuary Villa. Other strong contributors to net sales included the opening and first full year of operation of XIV Hamanako in hotel management operations, and the sale of new memberships for the Grand HIMEDIC Club in Medical Operations. Overall, consolidated net sales rose by 3.7% year on year to ¥74,181 million, and operating income increased 11.7% to ¥8,998 million. Ordinary income climbed 12.9% to ¥8,965 million, while net income rose 11.1% to ¥4,472 million. This performance marks the first time that all financial indicators have reached record highs.

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

2. Summary of Business Segments



Membership Operations

Sales in Membership Operations edged up 2.8% year on year to ¥26,410 million, while operating income decreased 2.9% to ¥5,348 million, remaining generally on a par with the previous fiscal year due to a number of factors. In addition to continuing strong sales of memberships to XIV Hamanako (opened in March 2004), Resorttrust recorded exceptionally brisk sales of memberships to XIV Kyoto Yase Rikyu, for which sales began in October 2004. Membership sales for this facility, scheduled to open in December 2006, were very strong, leading to a total contract volume that exceeded initial plans. Another factor in segment sales was the inclusion in sales of the previously deferred real estate portion that accompanied the start of sales of memberships in XIV Hamanako, a major project that began operations in March 2004.

Hotel and Restaurant Operations

Sales in Hotel and Restaurant Operations climbed 9.2% to ¥38,167 million and operating income jumped 60.5% to ¥1,629 million. The significant increases in sales and earnings came as several factors outweighed persistent declines in occupancy rates and average spending per guest at existing hotels in the first half of the year that resulted from a string of typhoons that made landfall in Japan and other severe storms. One factor was the contribution to higher sales and earnings of the first full year of operation of XIV Hamanako. Others included benefits that gradually emerged from the realignment of hotel and restaurant operations in the second half of the year, which resulted in upturns in the number of guests and spending per guest.

Golf Operations

Golf Operations sales decreased 28.4% to ¥5,020 million, while operating income climbed 6.4% to ¥453 million. This mixed performance was the result of the conversion of five former golf club subsidiaries into non-consolidated subsidiaries during the year. On the positive side, in the past fiscal year, Resorttrust began operating the Grace Hills Country Club in Mie Prefecture under contract. Furthermore, in June 2004, Resorttrust opened the Grandee Hamanako Golf Club and began operating under contract the Oakmont Golf Club restaurant.

Medical Operations

Medical Operations sales rose 18.9% to ¥3,412 million and operating income increased 28.5% to ¥900 million, representing significant growth in both sales and earnings. In addition to the anticipated start of operations at HIMEDIC Osaka, which is scheduled to open in August 2005, this result was driven by exceptionally firm sales of memberships for the Grand HIMEDIC Club following the launch of sales in May 2004.

Other Operations

In Other Operations, Resorttrust benefited from relocating head office building in Tokyo and generating lease income by renting vacant space in its new Tokyo head office building to tenants. Consequently, overall sales in Other Operations increased 18.0% to ¥1,170 million. Operating income soared 90.4% to ¥667 million.

3. Cash Flows

During the year ended March 31, 2005, cash and cash equivalents increased ¥128 million. As a result, cash and cash equivalents stood at ¥29,818 million as of March 31, 2005, up 0.4% from March 31, 2004.

Operating Cash Flows

Operating activities provided net cash of ¥7,086 million, compared with net cash provided of ¥5,746 million in the previous fiscal year. This mainly reflected a decrease of ¥6,200 million in accrued expenses due to construction companies upon the completion of Grand XIV Hamanako. This was partially offset by depreciation and amortization of ¥3,863 million, as well as an increase in long-term security deposits and advances received of ¥2,094 million and ¥1,112 million, respectively, both due to strong membership sales during the year.

Investing Cash Flows

Investing activities used net cash of ¥6,912 million, compared with net cash used of ¥14,743 million in the previous fiscal year. The major use of cash was the payment of ¥5,205 million mainly for the acquisition of property and equipment related to the opening of Grand XIV Hamanako.

Financing Cash Flows

Financing activities provided net cash of ¥667 million, compared with net cash provided of ¥11,622 million in the previous fiscal year. This mainly reflected outflows for the aggressive repayment of long-term loans prompted by rising interest rates, as well as a ¥5.0 billion issue of the Company's first series of unsecured convertible bonds with new share subscription rights.

(3) Outlook for the Year Ending March 31, 2006



1. Business Outlook

Although Japan's economic recovery is expected to gain momentum according to some forecasts, the sluggish pace of recovery in consumer spending will likely spark economic conditions that are as challenging as ever. Despite this climate, Resorttrust's business plan for the March 2006 fiscal year is targeting net sales of ¥83,106 million, up 12.0% year on year; operating income of ¥9,234 million, up 2.6%; ordinary income of ¥9,284 million, up 3.6%; and net income of 4,693 million, up 4.9%. Resorttrust expects strong sales to continue for memberships sales that began in October 2004 for XIV Kyoto Yase Rikyu, a facility scheduled to open in December 2006. Resorttrust also anticipates the posting of new sales from registration fees accompanying the April 2005 launch of membership sales for Tokyo Baycourt Club, its first foray into urban resorts set to open in March 2008. In membership sales, however, the recognition of the real estate portion of the total contract volume in sales and earnings will be delayed until the opening of each of these hotels.

Moreover, Resorttrust currently has no plans for additional large-scale projects. Instead, it has opted to launch two medium-sized developments: XIV Nasu-Shirakawa, a 58-room resort hotel that opened in April 2005, and XIV Naruto Sanctuary Villa Duay, a 22-room resort hotel scheduled to open in July 2005. While this situation is expected to result in lower sales and earnings in Membership Operations, Hotel and Restaurant Operations are projected to see higher earnings due to growth in annual membership fees, reflecting an increase in new members.

1. Outlook by Segment

[Membership Operations]

Sales in this segment are projected to up 4.6% year on year to ¥27,622 million, while operating income will likely up 5.8% to ¥5,658 million.

In the fiscal year ending March 31, 2006, Resorttrust will focus on the sale of memberships to XIV Kyoto Yase Rikyu and other properties in Japan's Kansai region. In parallel, Resorttrust is planning for an increase in revenues from registration fees in line with sales began in April 2005 of memberships to Tokyo Baycourt Club, a facility scheduled to open in March 2008. All of these projects, however, are still under development, meaning that sales from the real estate portion of membership sales for each will be delayed until the actual start of operations.

[Hotel and Restaurant Operations]

Segment sales are projected to climb 17.2% to ¥44,717 million, while operating income is expected to rise 17.0% to ¥1,905 million.

Resorttrust anticipates continued firm performance from Grand XIV Hamanako. In addition to an increase in operation and management income (annual membership fees) accompanying growth in memberships, Resorttrust also expects synergies to gradually surface from business realignment and other structural reforms under way since last year in its hotel and restaurant operations.

[Golf Operations]

Sales for this segment are projected to climb 8.4% to ¥5,443 million, while operating income is expected to decline 17.1% to ¥375 million.

Management under contract of five golf courses—Okazaki Classic Co., Ltd., TAJIMI CLASSIC CO., LTD., OAKMONT GOLF CLUB Co., Ltd., Japan Classic Co., Ltd. and St. CREEK GOLF CLUB Co., Ltd.—that became non-consolidated subsidiaries in August 2004, together with the signing of new management contracts, is expected to enhance the stability of operations in this segment.

[Medical Operations]



Sales for this segment are projected to rise 24.9% to ¥4,261 million, although operating income is expected to decline 24.1% to ¥682 million.

Sales begun last year of memberships for the Grand HIMEDIC Club, set to open in August 2005, are expected to remain brisk. In addition, Resorttrust plans to record income from registration fees accompanying a new membership drive in June 2005 for HIMEDIC Tokyo University, a facility scheduled to open at the 22nd Century Medical Treatment Center in October 2006.

[Other Operations]

Sales for this segment are projected to decline 9.4% to ¥1,061 million, while operating income is expected to decline 8.4% to ¥612 million.

In addition to higher interest income tracking an increase in loans receivable, Resorttrust is expecting to record steady rental income from buildings operated by subsidiary RT Development Co., Ltd.

* Forecasts for operating results are based on information available at the time of release. Consequently, the inherent uncertainties contained in forecasts, as well as changes in the conditions surrounding future business operations, could cause actual sales and earnings figures to differ materially from these forecasts.