

CONSOLIDATED FINANCIAL SUMMARY
RESORTTRUST,INC.
For the Third Quarter Ended December 31,2005

(millions of yen)
(except per share amounts and number of employees)

	2003	2004	2005	Fiscal Year	
				2005	2006 target
Net sales	48,177	58,033	64,766	74,181	82,000
Ordinary income	4,600	7,893	10,567	8,965	10,500
Net income (interim)	2,553	4,687	5,086	4,472	4,700
Net assets	24,386	31,695	52,192	32,235	
Total assets	232,196	176,579	203,439	183,593	
Net assets per share (yen)	1,073.94	1,106.82	1,252.24	1,109.15	
Net income per share (yen)	112.44	166.01	133.26	150.91	114.15
Net income per share (yen) (Fully Diluted)	106.93	156.17	126.89	135.07	
Owners' equity to total assets (%)	10.5	17.9	25.6	17.5	
Return on assets (%)				2.08	
Return on equity (%)				15.25	
Cash flow from operating activities	(3,354)	3,494	8,915	7,086	
Cash flow from investing activities	(8,643)	(5,709)	(8,309)	(6,912)	
Cash flow from financing activities	3,308	(4,214)	6,551	667	
Cash and cash equivalents at (interim) end of period	18,397	22,539	36,994	29,818	
Number of employees	2,956	3,008	3,256	2,986	

RESORTTRUST, INC. AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (Unaudited)
(Based on Japanese Accounting Principles)
For the Third Quarter Ended December 31, 2005

	December 31					March 31	
	2004		2005			2005	
	Millions of yen	Percentage of total %	Millions of yen	Percentage of total %	Thousands of U.S. dollars	Millions of yen	Percentage of total %
Assets							
Current assets							
Cash and time deposits	26,634		40,260		340,992	30,871	
Trade notes and trade accounts receivable	3,765		4,588		38,863	3,683	
Operating loans receivable	14,522		19,072		161,532	14,765	
Marketable securities	1,589		2,302		19,501	4,612	
Inventories	32,118		39,567		335,120	32,437	
Other	3,675		3,740		31,683	4,287	
Allowance for doubtful receivables	(698)		(732)		(6,205)	(770)	
Total current assets	81,607	46.2	108,800	53.5	921,487	89,886	49.0
Fixed assets							
(1) Property and equipment at cost							
Buildings and structures	42,728		46,402		393,006	42,547	
Golf course	4,686		4,772		40,419	4,686	
Land	17,816		17,616		149,201	17,841	
Other	7,972		8,921		75,556	8,167	
Net property, plant and equipment	73,203	41.5	77,711	38.2	658,183	73,242	39.9
(2) Intangible assets							
Consolidated Adjustment Account	378		123		1,047	290	
Other	2,119		2,084		17,650	2,169	
Total Intangible assets	2,498	1.4	2,207	1.1	18,698	2,459	1.3
(3) Investments and other non-current assets							
Investment in securities	14,192		7,315		61,959	9,795	
Other	5,696		8,049		68,174	8,819	
Allowance for doubtful receivables	(620)		(645)		(5,466)	(610)	
Total investment and other non-current assets	19,268	10.9	14,719	7.2	124,667	18,004	9.8
Total fixed assets	94,971	53.8	94,639	46.5	801,550	93,707	51.0
Total assets	176,579	100.0	203,439	100.0	1,723,037	183,593	100.0

Note: Yen amounts have been translated U.S. dollars, for convenience only at ¥ 118.07 = \$1, the approximate exchange rate on December 30, 2005

	December 31					March 31	
	2004		2005			2005	
	Millions of yen	Percentage of total %	Millions of yen	Percentage of total %	Thousands of U.S. dollars	Millions of yen	Percentage of total %
Liabilities							
Current liabilities							
Trade notes and trade accounts payable	821		899		7,620	599	
Short-term loans payable	4,800		3,500		29,643	3,500	
Current portion of long-term debt	10,874		9,617		81,459	11,746	
Current portion of bonds	2,583		850		7,199	850	
Current portion of convertible bonds	-		-		-	1,733	
Income taxes payable	1,194		2,208		18,702	1,883	
Advance receipt	3,763		8,963		75,916	5,167	
Other	10,610		10,170		86,140	10,598	
Total current liabilities	34,646	19.6	36,209		306,681	36,079	19.7
Long-term liabilities							
Bonds	11,825		10,975		92,953	11,550	
Convertible bonds payable	-		-		-	4,800	
Long-term debt	10,009		11,102		94,034	10,181	
Deferred tax liabilities on land revaluation	132		20		177	36	
Accrued retirement allowance indemnities	72		40		345	65	
Directors' retirement benefits	1,044		1,082		9,165	1,057	
Long term security deposits	86,191		91,613		775,928	87,394	
Other	866		79		677	91	
Total long-term liabilities	110,142	62.4	114,915		973,281	115,177	62.7
Total liabilities	144,789	82.0	151,125		1,279,963	151,256	82.4
(Minority interests in consolidated subsidiaries)							
Minority interests in consolidated subsidiaries	94	0.1	121		1,027	100	0.1
Shareholders' equity							
Common stock	4,707	2.7	13,136		111,256	5,020	2.7
Capital surplus	4,431	2.5	12,868		108,993	4,753	2.6
Revaluation surplus	195	0.1	29		247	53	0.0
Retained earnings	22,803	12.9	26,556		224,919	22,826	12.4
Net unrealized holding losses on securities	144	0.0	220		1,870	169	0.1
	32,282	18.3	52,811		447,288	32,823	17.8
Treasury stock	(586)	(0.3)	(618)		(5,241)	(588)	(0.3)
Total shareholders' equity	31,695	17.9	52,192		442,047	32,235	17.5
Total liabilities, minority interests and shareholders' equity	176,579	100.0	203,439	100.0	1,723,037	183,593	100.0

Note: Yen amounts have been translated U.S. dollars, for convenience only at ¥ 118.07 = \$1, the approximate exchange rate on December 30, 2005

RESORTTRUST, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME (Unaudited)
(Based on Japanese Accounting Principles)
For the Third Quarter Ended December 31, 2005



	Three months ended December 31					Fiscal Year	
	2004		2005			2005	
	Millions of yen	Percentage of total %	Millions of yen	Percentage of total %	Thousands of U.S. dollars	Millions of yen	Percentage of total %
Net sales	58,033	100.0	64,766	100.0	548,547	74,181	100.0
Cost of sales	13,284	22.9	12,648		107,129	15,969	21.5
Gross profit	44,749	77.1	52,118		441,417	58,212	78.5
Selling, general and administrative expenses	36,785	63.4	41,605		352,383	49,213	66.4
Operating income	7,963	13.7	10,512		89,033	8,998	12.1
Non-operating income	371	0.6	470		3,984	518	0.7
Interest income	87		84		719	116	
Dividend income	3		35		297	10	
Installment interest and fees	31		24		204	39	
Gain on sales of investment securities	127		151		1,281	127	
Other	120		174		1,481	224	
Non-operating expenses	442	0.7	414		3,514	551	0.7
Interest expense	250		190		1,615	324	
Bond issue expense	20		-		-	26	
Common stock issue expense	10		125		1,064	16	
Loss on sales of trading securities	81		-		-	6	
Write-down of securities	-		-		-	58	
Other	79		98		835	119	
Ordinary income	7,893	13.6	10,567		89,503	8,965	12.1
Extraordinary income	318	0.5	119		1,010	615	0.8
Reversal of allowance for doubtful receivables	-		-		-	-	
Gain on sales of investment securities	315		45		388	597	
Gain on sales of fixed assets	3		67		568	3	
Other	-		6		53	13	
Extraordinary losses	489	0.8	2,164		18,329	2,000	2.7
Loss on sales and disposal of fixed assets	35		186		1,580	74	
Write-down of disposal of property and equipment, net	320		1,430		12,112	320	
Write-down of investment securities	1		182		1,549	832	
Loss on sales of investment of securities	38		143		1,211	45	
Allowance for doubtful receivables	55		15		130	59	
Loss on impairment of fixed assets	-		117		995	-	
Other	38		88		749	668	
Income before income taxes	7,723	13.3	8,522		72,185	7,580	10.2
Income taxes:							
Current	2,666	4.6	3,711		31,435	3,296	4.5
Deferred	350	0.6	295		2,504	(213)	(0.3)
Minority Interests-Income(Loss)	19	0.0	20		175	25	0.0
Net income	4,687	8.1	5,086		43,077	4,472	6

Note: Yen amounts have been translated into U.S. dollars, for convenience only at ¥ 118.07 = \$1, the approximate exchange rate on December 30, 2005.

RESORTTRUST, INC. AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(Based on Japanese Accounting Principles)
For the Third Quarter Ended December 31, 2005

	Nine months ended December 31			Fiscal Year
	2004	2005		2005
	Millions of yen	Millions of yen	Thousands of U.S. dollars	Millions of yen
Cash flows from operating activities				
Income before income taxes	7,723	8,522	72,185	7,580
Depreciation and amortization	2,829	3,424	29,000	3,863
Amortization of consolidated adjusting accounts	265	166	1,410	353
Reserve for employees' retirement benefits	(61)	(84)	(713)	(199)
Increase in directors' retirement benefits	104	24	208	117
Interest and dividends income	(91)	(120)	(1,017)	(127)
Interest expense	250	190	1,615	324
Loss on valuation of fixed assets	175	1,430	12,112	175
Increase (decrease) in trade receivables	(876)	(5,211)	(44,142)	(1,037)
Increase (decrease) in inventories	226	(4,971)	(42,105)	792
Increase (decrease) in trade payables	221	300	2,543	(0)
Increase (decrease) in accounts payable	(5,866)	19	164	(6,200)
Increase (decrease) in advance receipt	(292)	3,795	32,146	1112
Increase (decrease) in long-term security deposits	891	4,218	35,731	2,094
Increase (decrease) in accrued consumption taxes	761	(503)	(4,262)	861
Directors' bonuses paid	(183)	(190)	(1,614)	(183)
Other	721	1,145	9,704	1,069
Subtotal	6,798	12,157	102,966	10,596
Interest and dividends received	93	118	1,006	100
Interest expense paid	(251)	(167)	(1,420)	(329)
Income tax paid	(3,145)	(3,192)	(27,039)	(3,280)
Net cash provided by (used in) operating activities	3,494	8,915	75,511	7,086
Cash flows from investing activities				
Increase in time deposits	(1,990)	(3,664)	(31,034)	(3,620)
Decrease in time deposits	464	2,450	20,758	2,136
Purchase of securities and investment securities	(500)	(290)	(2,456)	(541)
Proceeds from sales of securities and investment securities	1,047	3,920	33,207	2,101
Payment for property and equipment	(3,723)	(10,850)	(91,899)	(5,205)
Increase in loans receivable	(238)	(40)	(341)	(225)
Decrease in loans receivable	3,924	566	4,799	3,965
Expense by undertaking of the affiliates stocks	(5,647)	(508)	(4,310)	(5,663)
Other	952	106	898	141
Net cash provided by (used in) investing activities	(5,709)	(8,309)	(70,377)	(6,912)
Cash flows from financing activities				
Increase (decrease) in short-term loans	50	-	-	(1,250)
Proceeds from long-term debt	6,000	7,800	66,062	10,500
Repayment of long-term debt	(10,396)	(9,007)	(76,291)	(13,852)
Proceeds from issuance of convertible bonds payable	979	-	-	5,973
Payments of refund of bonds	(375)	(1,575)	(13,339)	(650)
Proceeds from issuance of common stock	1,075	10,571	89,535	1,495
Payments of share repurchase	(517)	(30)	(259)	(518)
Cash dividends	(1,030)	(1,205)	(10,212)	(1,030)
Other	-	(0)	(5)	(0)
Net cash provided by (used in) financing activities	(4,214)	6,551	55,488	667
Effect of exchange rate changes on cash and cash equivalents	(2)	18	158	4
Net increase in cash and cash equivalents	(6,431)	7,176	60,781	846
Cash and cash equivalents at beginning of period	29,689	29,818	252,545	29,689
Decrease from change in scope of consolidation	(717)	-	-	(717)
Cash and cash equivalents at end of period	22,539	36,994	313,327	29,818

Note: Yen amounts have been translated into U.S. dollars, for convenience only at ¥118.07 = \$1, the approximate exchange rate on December 30, 2005.

MAJOR MANAGEMENT INDICES
RESORTTRUST, INC.
For the Third Quarter Ended December 31, 2004, 2005



Net sales

(Millions of Yen)

	2003	2004	2005	Fiscal Year 2005
Membership Operations	12,237	21,818	24,456	27,059
Hotel and Restaurant Operations	27,439	29,675	31,954	38,167
Golf Operations	5,839	3,866	4,802	5,087
Medical Operations	1,959	2,376	3,287	3,471
Other Operations	700	296	265	396
Total	48,177	58,033	64,766	74,181

Operating income

	2003	2004	2005	Fiscal Year 2005
Membership Operations	1,615	4,770	6,317	5,645
Hotel and Restaurant Operations	1,539	1,894	2,559	1,650
Golf Operations	614	497	596	481
Medical Operations	489	598	824	937
Other Operations	279	203	214	283
Total	4,538	7,963	10,512	8,998

Operating expenses included in the operating loss in the elimination and/or corporate column include expense of the Company's administrative divisions. Effective 2005 We changed our accounting method for interest income from loan, from including them in Other operations, to allocating them to each segment in order to clarify the responsibility for segment profit.

2) Business Results



(1) Overview of Third Quarter of Fiscal Year Ending March 31, 2006

1 . Summary of Business Results

(¥ million)

	3Q FY2005 (Results)	3Q FY2006 (Results)	3Q FY2006 (Targets)	Year-on-year Change (%)	Results vs. Targets (%)
Net sales	58,033	64,766	64,284	11 . 6%	0 . 8%
Operating income	7,963	10,512	9,675	32 . 0%	8 . 6%
Ordinary income	7,893	10,567	9,668	33 . 9%	9 . 3%
Net income	4,687	5,086	4,245	8 . 5%	19 . 8%

During the first nine months of fiscal 2006, the year ending March 31, 2006, the Japanese economy witnessed a broader improvement in business conditions. On December 14, 2005, the Bank of Japan announced its quarterly Short-term Economic Survey of Enterprises (Tankan survey). The survey, which was conducted in December 2005, showed that the diffusion index (DI), which expresses the business confidence of companies, had improved for major Japanese manufacturers for the third consecutive quarter to a positive 21 percentage points. Against the background of firm domestic demand and exports, the non-manufacturing sector and small-and mid-sized companies also exhibited improved performances. Particularly noteworthy was that in the services sector the DI for services for individuals increased 10 points to a positive 17 percentage points, a high level reflecting robust consumer spending.

In the leisure market, a number of foreign-owned hotels were opened in Tokyo, tracking demand arising from a continued increase in discretionary spending by consumers. In this context, the Resorttrust Group achieved substantial year-on-year increases in both sales and earnings in the first three quarters of fiscal 2006. Consolidated net sales rose 11.6% to ¥64,766 million, operating income climbed 32.0% to ¥10,512 million, ordinary income was up 33.9% at ¥10,567 million, and net income rose 8.5% to ¥5,086 million.

The following describes the most significant factors contributing to these results. Membership Operations benefited from extremely strong sales of memberships for Tokyo Baycourt Club Hotel & Spa Resort, which began in April 2005, in addition to steady growth in sales of memberships to the XIV series of suburban resort hotels. In Hotel and Restaurant Operations, two resort membership hotels opened, Grand XIV Nasushirakawa in Fukushima Prefecture in April 2005 and XIV Naruto Sanctuary Villa Due in Tokushima Prefecture in July 2005, as well as the opening in June 2005 of Hotel Trusty Shinsaibashi in Osaka, a hotel based on an innovative conceptual approach. The openings of these new hotels contributed to the aforementioned year-on-year increases in both sales and earnings in the third quarter.

In Medical Operations, Resorttrust began sales of memberships for Grand HIMEDIC Club University of Tokyo Hospital. Steady sales of these memberships helped the Resorttrust Group as a whole to achieve substantial growth in both sales and earnings.

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

Effective from the third quarter of the fiscal year ending March 31, 2006, Resorttrust will allocate interest income from lending operations chiefly targeting purchasers of resort hotel memberships and the accompanying operating expenses to each business segment, specifically Membership Operations, Golf Operations and Medical Operations, depending on the type of membership purchased. This change was made to clarify accountability for earnings. Previously, these figures were reported in the Other Operations segment. Figures for the prior third quarter have been adjusted in conformity with the present method for comparison purposes.

2 . Summary of Business segments

(¥ million)

[Membership Operations]

	3Q FY2005 (Results)	3Q FY2006 (Results)	3Q FY2006 (Targets)	Year-on-year Change (%)	Results vs. Targets (%)
Net sales	21,818	24,456	23,784	12 . 1%	2 . 8%
Operating income	4,770	6,317	5,814	32 . 4%	8 . 6%

Sales in Membership Operations rose 12.1% year-on-year to ¥24,456 million, and operating income climbed 32.4% to ¥6,317 million. This mainly reflected two factors. First, sales launched in April 2005 of memberships to Tokyo Baycourt Club Hotel & Spa Resort, Resorttrust's first urban resort project, were brisk. This strong showing came despite the fact that sales of these memberships were for properties under development, which meant that only registration fees were recognized as sales. The real estate portion of the total contract volume is deferred until the opening of resort facilities. Second, sales of memberships for the XIV series of suburban luxury resort hotels have exceeded targets due to high share prices and other manifestations of business confidence.

(¥ million)

[Hotel and Restaurant Operations]

	3Q FY2005 (Results)	3Q FY2006 (Results)	3Q FY2006 (Targets)	Year-on-year Change (%)	Results vs. Targets (%)
Net sales	29,675	31,954	32,095	7 . 7%	(0 . 4%)
Operating income	1,894	2,559	2,326	35 . 1%	10 . 0%

Sales in Hotel and Restaurant Operations rose 7.7% to ¥31,954 million, and operating income climbed 35.1% to ¥2,559 million. The successive openings of Grand XIV Nasushirakawa (in April 2005 in Fukushima Prefecture) and XIV Naruto Sanctuary Villa Due (in July 2005 in Tokushima Prefecture), as well as a hotel based on an innovative conceptual approach, Hotel Trusty Shinsaibashi (in June 2005 in Osaka), contributed to the increased sales. In addition, there was an increase in the average spending per guest at existing hotels.

(¥ million)

[Golf Operations]

	3Q FY2005 (Results)	3Q FY2006 (Results)	3Q FY2006 (Targets)	Year-on-year Change (%)	Results vs. Targets (%)
Net sales	3,866	4,802	4,864	24 . 2%	(1 . 3%)
Operating income	497	596	631	19 . 9%	(5 . 5%)

In Golf Operations, sales climbed 24.2% to ¥4,802 million, and operating income rose 19.9% to ¥596 million. Grandee Hamanako Golf Club (Shizuoka Prefecture) sought new members, resulting in extremely brisk membership sales. Golf Operations also benefited from a steady return in customers to existing golf courses and other factors.

[Medical Operations]

(¥ million)

	3Q FY2005 (Results)	3Q FY2006 (Results)	3Q FY2006 (Targets)	Year-on-year Change (%)	Results vs. Targets (%)
Net sales	2,376	3,287	3,291	38.3%	(0.1%)
Operating income	598	824	723	37.8%	14.0%

In Medical Operations, sales climbed 38.3% to ¥3,287 million and operating income rose 37.8% to ¥824 million. Sales of memberships to Grand HIMEDIC Club, which have been sold since May 2004, have remained unchanged from the previous year's level. In addition, memberships for Grand HIMEDIC Club University of Tokyo Hospital, for which sales began in June 2005, have sold exceptionally well.

[Other Operations]

(¥ million)

	3Q FY2005 (Results)	3Q FY2006 (Results)	3Q FY2006 (Targets)	Year-on-year Change (%)	Results vs. Targets (%)
Net sales	296	265	249	(10.3%)	6.7%
Operating income	203	214	180	5.8%	19.0%

In Other Operations, a tenant who had been renting office space in Resorttrust's Tokyo head office building canceled its lease contract in February 2005. As a result, overall sales in Other Operations decreased 10.3% to ¥265 million, although operating income rose 5.8% to ¥214 million.

3 . Cash Flows

(¥ million)

	3Q FY2005 (Results)	3Q FY2006 (Results)	FY2005 (Results)
Operating cash flows	3,494	8,915	7,086
Investing cash flows	(5,709)	(8,309)	(6,912)
Financing cash flows	(4,214)	6,551	667
Cash and cash equivalents	22,539	36,994	29,818

During the third quarter of the fiscal year ending March 31, 2006, cash and cash equivalents increased ¥7,176 million. As a result, cash and cash equivalents stood at ¥36,994 million as of December 31, 2005, the end of the third quarter, up 24.1% from March 31, 2005.

【Operating Cash Flows】

Operating activities provided net cash of ¥8,915 million, compared with net cash of ¥3,494 million in the same period of the previous fiscal year. This mainly reflected an increase in cash advances received of ¥3,795 million due to favorable sales of memberships, and an increase in long-term security deposits of ¥4,218 million. These inflows were partially negated by an increase in inventories of ¥4,971 million mainly due to the start in April 2005 of construction of Tokyo Baycourt Club Hotel & Spa Resort and progress on the construction of XIV Kyoto Yase Rikyu.

【Investing Cash Flows】

Investing activities used net cash of ¥8,309 million, compared with ¥5,709 million in the same period of the previous fiscal year. The major uses of cash were payments of ¥10,850 million for the acquisition of property and equipment, mainly related to the successive openings of Grand XIV Nasushirakawa, XIV Naruto Sanctuary Villa Due and Hotel Trusty Shinsaibashi.

【Financing Cash Flows】

Financing activities provided net cash of ¥6,551 million, compared with net cash of ¥4,214 million used in the previous third quarter. This was mainly the result of inflows of ¥10,571 million from a public offering and an issue of new shares for third-party allotment in October 2005, and the issue of shares upon the exercise of stock options.

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

	FY2005 (Results)	FY2006 (Targets)	Difference (%)
Net sales	74,181	82,000	10 . 5%
Operating income	8,998	10,500	16 . 7%
Ordinary income	8,965	10,500	17 . 1%
Net income	4,472	4,700	5 . 1%

The economic outlook calls for firm individual consumer spending and a stronger recovery overall, despite uncertainties such as rising crude oil prices and costs of materials. Despite this uncertain outlook, Resorttrust's business plan for the March 2006 fiscal year projects that in Membership Operations strong sales of memberships for Tokyo Baycourt Club Hotel & Spa Resort (scheduled to open in March 2008), which began on April 7, 2005, will continue. This will be Resorttrust's first urban resort. In addition, Resorttrust is projecting continued favorable sales of memberships for XIV Kyoto Yase Rikyu (scheduled to open in autumn 2006), with sales concentrated in the Kansai region. By region, comparatively strong sales of memberships to Grand XIV Nasushirakawa, the first undertaking of its kind in the Northern Kanto region, are expected in line with the Company's growing market visibility, particularly in the Tokyo region.

Hotel and Restaurant Operations foresee higher earnings due to the opening of Grand XIV Nasu Shirakawa in April 2005 and XIV Naruto Sanctuary Villa Due in the following July. In addition, Resorttrust expects higher income from annual membership fees in line with an increase in members. In Medical Operations, sales of memberships for Grand HIMEDIC Club University of Tokyo Hospital have been exceptionally strong.

In the fourth quarter, Resorttrust plans to book expenses deferred in the third quarter. Accordingly, for the entire Group, Resorttrust projects net sales of ¥82,000 million, up 10.5% year on year; operating income of ¥10,500 million, up 16.7%; ordinary income of ¥10,500 million, up 17.1%; and net income of ¥4,700 million, up 5.1%. The projected dividend per share applicable to the fiscal year is ¥40 per share, which includes an interim dividend per share of ¥20.

*Full-year forecasts may differ from actual results due to unforeseeable changes in economic conditions and a variety of other factors.