

CONSOLIDATED FINANCIAL SUMMARY
RESORTTRUST, INC.
Years ended March 31, 2002, 2003, 2004, 2005 and 2006



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

	2002	2003	2004	2005	2006	2007 Target
Net sales	61,412	65,689	71,517	74,181	82,635	93,844
Ordinary income	6,740	7,089	7,937	8,965	10,894	11,800
Net income	2,896	3,502	4,027	4,472	4,812	6,530
Net assets	20,731	22,662	26,420	32,235	52,639	
Total assets	209,120	221,823	246,418	183,593	208,993	
Net assets per share (yen)	904.61	992.65	1,145.24	1,109.15	1,247.68	
Net income per share (yen) (Primary)	126.54	148.18	169.21	150.91	117.93	155.37
Net income per share (yen) (Fully diluted)	122.12	141.38	160.73	135.07	112.65	
Owners' equity to total assets (%)	9.9	10.2	10.7	17.5	25.2	
Return on assets (%)	1.40	1.63	1.72	2.08	2.45	
Return on equity (%)	14.75	16.14	16.41	15.25	11.34	
Cash flow from operating activities	7,107	2,683	5,746	7,086	11,442	
Cash flow from investing activities	(6,832)	(5,102)	(14,743)	(6,912)	(10,306)	
Cash flow from financing activities	3,367	4,989	11,622	667	6,792	
Cash and cash equivalents at end of period	24,563	27,097	29,689	29,818	37,765	
Number of employees	2,814	2,833	2,977	2,986	3,150	

※1. 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, 2005 and 2006



	2005		2006		
	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	30,871		42,011		357,632
Trade notes and trade accounts receivable	3,683		4,378		37,270
Operating loans receivable	14,765		20,511		174,608
Marketable securities	4,612		501		4,265
Inventories	32,437		42,237		359,563
Other	4,287		4,728		40,251
Allowance for doubtful receivables	(770)		(769)		(6,554)
Total current assets	89,886	49.0	113,597	54.4	967,036
II Fixed assets					
(1) Property and equipment, at cost					
Buildings and structures	42,547		46,060		392,108
Golf course	4,686		4,772		40,626
Land	17,841		17,581		149,667
Other	8,167		9,016		76,754
Net property and equipment	73,242	39.9	77,430	37.1	659,155
(2) Intangible assets					
Consolidated adjustment account	290		68		581
Other	2,169		2,119		18,047
Total intangible assets	2,459	1.3	2,188	1.0	18,628
(3) Investments and other non-current assets					
Investment in securities	9,795		7,195		61,254
Other	8,819		9,224		78,529
Allowance for doubtful receivables	(610)		(643)		(5,478)
Total investment and other non-current assets	18,004	9.8	15,776	7.5	134,305
Total fixed assets	93,707	51.0	95,395	45.6	812,088
Total assets	183,593	100.0	208,993	100.0	1,779,124

Note: Yen amounts have been translated into U.S. dollars, for convenience only, at ¥117.47 = \$1, the approximate exchange rate on March 31, 2006.

	2005		2006		
	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	599		694		5,914
Short-term loans payable	3,500		4,500		38,308
Current portion of long-term debt	11,746		8,206		69,856
Current portion of bonds	850		7,850		66,826
Current portion of convertible bonds payable	1,733		-		-
Income taxes payable	1,883		3,104		26,425
Advance receipt	5,167		11,281		96,038
Other	10,598		10,957		93,276
Total current liabilities	36,079	19.7	46,593	22.3	396,642
II Long-term liabilities					
Bonds	11,550		3,700		31,497
Convertible bonds payable	4,800		-		-
Long-term debt	10,181		11,365		96,753
Deferred tax liabilities on land revaluation	36		19		166
Accrued retirement allowance indemnities	65		64		545
Directors' retirement benefits	1,057		1,095		9,326
Long-term security deposits	87,394		93,327		794,475
Other	91		135		1,156
Total long-term liabilities	115,177	62.7	109,707	52.5	933,918
Total liabilities	151,256	82.4	156,300	74.8	1,330,560
(Minority interests in consolidated subsidiaries)					
Minority interests in consolidated subsidiaries	100	0.1	53	0.0	454
Shareholders' equity					
I Common stock	5,020	2.7	13,479	6.5	114,752
II Capital surplus	4,753	2.6	13,212	6.3	112,476
III Retained earnings	22,826	12.4	26,285	12.6	223,765
IV Revaluation surplus	53	0.0	27	0.0	232
V Net unrealized holding gain on securities	169	0.1	264	0.1	2,254
	32,823	17.8	53,270	25.5	453,479
VI Treasury stock	(588)	(0.3)	(630)	(0.3)	(5,369)
Total shareholders' equity	32,235	17.5	52,639	25.2	448,111
Total liabilities, minority interests and shareholders' equity	183,593	100.0	208,993	100.0	1,779,124

Note: Yen amounts have been translated into U.S. dollars, for convenience only, at ¥117.47 = \$1, the approximate exchange rate on March 31, 2006.

RESORTTRUST, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

(Based on Japanese Accounting Principles)
Years Ended March 31, 2005 and 2006



	2005		2006			2007 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	74,181	100.0	82,635	100.0	703,457	93,844	100.0
II Cost of sales	15,969	21.5	15,617	18.9	132,953	21,415	22.8
Gross profit	58,212	78.5	67,017	81.1	570,504	72,428	77.2
III Selling, general and administrative expenses	49,213	66.4	56,135	67.9	477,871	60,479	64.4
Operating income	8,998	12.1	10,881	13.2	92,632	11,948	12.8
IV Non-operating income	518	0.7	538	0.6	4,587	190	0.2
Interest income	116		103		883		
Dividend income	10		41		355		
Installment interest and fees	39		29		253		
Gain on sales of trading securities	—		35		303		
Gain on sales of investment securities	127		115		985		
Other	224		212		1,808		
V Non-operating expenses	551	0.7	525	0.6	4,473	339	0.4
Interest expense	324		245		2,087		
Bond issue expense	26		—		—		
Common stock issue expense	16		136		1,161		
Loss on sales of trading securities	6		—		—		
Write-down of securities	58		—		—		
Other	119		143		1,224		
Ordinary income	8,965	12.1	10,894	13.2	92,747	11,800	12.6
VI Extraordinary income	615	0.8	112	0.1	955	—	—
Gain on sales of investment securities	597		48		413		
Gain on sales of fixed assets	3		57		487		
Other	13		6		54		
VII Extraordinary losses	2,000	2.7	2,821	3.4	24,017	595	0.6
Loss on sales and disposal of fixed assets	74		240		2,046		
Write-down of disposal of property and equipment	320		1,426		12,142		
Write-down of investment securities	832		193		1,647		
Loss on sales of investment of securities of affiliated companies	45		14		125		
Allowance for doubtful receivables	59		15		131		
Directors' retirement benefits	3		—		—		
Other	665		931		7,925		
Income before income taxes	7,580	10.2	8,185	9.9	69,684	11,204	12.0
Income taxes:							
Current	3,296	4.5	4,567	5.5	38,881	4,673	5.0
Deferred	(213)	(0.3)	(1,217)	(1.4)	(10,366)		
Minority interests	25	0.0	24	0.0	205		
Net income	4,472	6.0	4,812	5.8	40,965	6,530	7.0

Note: Yen amounts have been translated into U.S. dollars, for convenience only, at ¥117.47 = \$1, the approximate exchange rate on March 31, 2006.

RESORTTRUST, INC. AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED CASH FLOW STATEMENTS
(Based on Japanese Accounting Principles)
Years Ended March 31, 2005 and 2006



	2005	2006	
	Millions of yen	Millions of yen	Thousands of U.S. dollars
I Cash flows from operating activities			
Income before income taxes	7,580	8,185	69,684
Depreciation and amortization	3,863	4,719	40,175
Amortization of consolidated adjustment account	353	221	1,890
Reserve for employees' retirement benefits	(199)	(84)	(723)
Increase in directors' retirement benefits	117	38	324
Interest and dividends income	(127)	(145)	(1,237)
Interest expense	324	245	2,089
Loss on valuation of fixed assets	175	1,426	12,142
Increase in trade receivables	(1,037)	(6,440)	(54,827)
Decrease (increase) in inventories	792	(6,792)	(57,825)
(Decrease) increase in trade payables	(0)	95	810
(Decrease) increase in accounts payable	(6,200)	702	5,980
Increase in advances received	1,112	6,113	52,044
Increase in long-term security deposits	2,094	5,932	50,498
(Decrease) increase in accrued consumption taxes	861	(451)	(3,840)
Directors' bonuses paid	(183)	(190)	(1,623)
Increase in doubtful receivables	132	43	370
Other	937	1,094	9,321
Subtotal	10,596	14,713	125,251
Interest and dividends received	100	145	1,237
Interest paid	(329)	(245)	(2,089)
Income taxes paid	(3,280)	(3,170)	(26,990)
Net cash provided by operating activities	7,086	11,442	97,409
II Cash flows from investing activities			
Increase in time deposits	(3,620)	(5,775)	(49,168)
Decrease in time deposits	2,136	2,582	21,988
Proceeds from sales of securities	941	4,141	35,256
Purchase of investment securities	(541)	(290)	(2,469)
Proceeds from sales of investment securities	1,159	1,778	15,140
Payment for property and equipment	(5,205)	(12,566)	(106,978)
Increase in loans receivable	(225)	(287)	(2,444)
Decrease in loans receivable	3,965	651	5,542
Financial support for shares in affiliated companies under rehabilitation	(811)	-	-
Purchase of shares in affiliated companies	(5,663)	(507)	(4,317)
Other	951	(34)	(290)
Net cash used in investing activities	(6,912)	(10,306)	(87,739)
III Cash flows from financing activities			
Increase (decrease) in short-term loans	(1,250)	1,000	8,513
Proceeds from long-term debt	10,500	9,800	83,426
Repayment of long-term debt	(13,852)	(12,156)	(103,489)
Proceeds from issuance of convertible bonds payable	5,973	-	-
Redemption of bonds	(650)	(1,850)	(15,749)
Proceeds from issuance of common stock	1,495	11,248	95,754
Cash dividends	(1,030)	(1,205)	(10,264)
Other	(518)	(43)	(367)
Net cash provided by financing activities	667	6,792	57,823
IV Effect of exchange rate changes on cash and cash equivalents	4	18	159
V Net increase in cash and cash equivalents	846	7,947	67,651
VI Cash and cash equivalents at beginning of period	29,689	29,818	253,836
VII Decrease from change in scope of consolidation	(717)	-	-
VIII Cash and cash equivalents at end of period	29,818	37,765	321,487

Note: Yen amounts have been translated into U.S. dollars, for convenience only at ¥117.47 = \$1 the approximate exchange rate on March 31, 2006.

**MAJOR MANAGEMENT INDICES
RESORTTRUST, INC.**



Net sales

Years ended March 31, 2002, 2003, 2004, 2005 and 2006

(Millions of yen)

	2002	2003	2004	2005	2006
Membership Operations	17,371	20,235	25,685	27,059	31,181
Hotel and Restaurant Operations	34,188	34,415	34,955	38,167	40,925
Golf Operations	5,367	6,890	7,014	5,087	5,699
Condominium Operations	1,234	-	-	-	-
Medical Operations	2,615	2,964	2,870	3,471	4,474
Other Operations	634	1,183	992	396	354
Total	61,412	65,689	71,517	74,181	82,635

Operating income

Years ended March 31, 2002, 2003, 2004, 2005 and 2006

(Millions of yen)

	2002	2003	2004	2005	2006
Membership Operations	5,407	3,532	5,505	5,645	7,333
Hotel and Restaurant Operations	2,176	1,652	1,014	1,650	1,641
Golf Operations	(115)	471	484	481	471
Condominium Operations	(44)	-	-	-	-
Medical Operations	699	908	700	937	1,143
Other Operations	239	489	350	283	292
Elimination and/or Corporate	(2,248)	-	-	-	-
Total	6,115	7,055	8,055	8,998	10,881

※1. 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 Overview of Fiscal Year Ended March 31, 2006

(1) Summary of Business Results

During the year ended March 31, 2006, the Japanese economy witnessed various developments. At a Monetary Policy Meeting held on March 9, 2006, the Bank of Japan announced immediate fiscal measures after deciding to end its quantitative fiscal relaxation policy that had been introduced five years ago in March 2001 to improve business sentiment and overcome deflation. This move reflected rising exports amid expanding overseas business activities and, in the area of domestic private-sector demand, companies continuing to show a greater propensity towards capital investment against a background of high levels of corporate earnings. Strong corporate performances even impacted favorably on household budgets, and consumer spending showed underlying strength. Looking ahead, the economy is expected to remain firm, although the prospects for a full-fledged recovery are clouded by concerns mainly over surging crude oil prices and developments in the U.S. or Chinese economies.

In the leisure market, efforts to attract customers throughout the entire hotel industry were hit hard by an unusually severe cold wave and heavy snow, despite rising demand for accommodation amid a stronger economic recovery and a continued trend toward discretionary spending by consumers.

Under these conditions, the Resorttrust Group achieved results for both sales and earnings in fiscal 2006 that continued to surpass records set since Resorttrust was established. Consolidated net sales rose 11.4% to ¥82,635 million, operating income climbed 20.9% to ¥10,881 million, ordinary income was up 21.5% at ¥10,894 million, and net income rose 7.6% to ¥4,812 million.

The following describes the most significant factors contributing to these results. Membership Operations benefited from strong sales of memberships for "Tokyo Baycourt Club Hotel & Spa Resort (scheduled to open in March 2008)", which began in April 2005, in addition to brisk sales of memberships to the XIV series of suburban resort hotels. In Hotel and Restaurant Operations, two resort membership hotels opened, "Grand XIV Nasushirakawa Golf, Ski & Spa Resort (in Fukushima Prefecture in April 2005)" and "XIV Naruto Sanctuary Villa Due (in Tokushima Prefecture in July 2005)", as well as the openings of new hotels such as "Hotel Trusty Shinsaibashi (in Osaka in June 2005)", a hotel based on an innovative conceptual approach. However, earnings declined although sales were up, partially due to increased business expenses in Hotel and Restaurant Operations with its high percentage of Resorttrust employees, caused by a change in the payroll period for bonuses at Resorttrust, Inc. In Medical Operations, Resorttrust began sales of memberships for "HIMEDIC·the University of Tokyo Hospital" of "Grand HIMEDIC Club", and this helped the Resorttrust Group as a whole to achieve substantial growth in both sales

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

Effective from the fiscal year ended March 31, 2006, Resorttrust has been allocating 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 fiscal year have been adjusted in conformity with the present method for comparison purposes.

(2) Summary of Business Segments

[Membership Operations]

Sales in Membership Operations rose 15.2% year-on-year to ¥31,181 million, and operating income climbed 29.9% to ¥7,333 million. This mainly reflected two factors. First, sales launched in April 2005 of memberships to "Tokyo Baycourt Club Hotel & Spa Resort (scheduled to open in March 2008)", 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, mirroring improved business confidence.

[Hotel and Restaurant Operations]

Sales in Hotel and Restaurant Operations rose 7.2% to ¥40,925 million, while operating income edged down 0.6% to ¥1,641 million. The successive openings of "Grand XIV Nasushirakawa Golf, Ski & Spa Resort (in Fukushima Prefecture in April 2005)" and "XIV Naruto Sanctuary Villa Due (in Tokushima Prefecture in July 2005)", as well as a hotel based on an innovative conceptual approach, "Hotel Trusty Shinsaibashi (in Osaka in June 2005)", contributed to the increased sales. In addition, there was an increase in the average spending per guest at existing hotels. However, opening expenses were incurred and occupancy rates fell, partially due to heavy snow and other bad weather since the end of 2005. There were increased business expenses in Hotel and Restaurant Operations with its high percentage of Resorttrust employees, caused by a change in the payroll period for bonuses at Resorttrust, Inc.

[Golf Operations]

In Golf Operations, sales climbed 12.0% to ¥5,699 million, while operating income fell 2.0% to ¥471 million. Although "Grandee Hamanako Golf Club (in Shizuoka Prefecture)" sought new members, resulting in brisk membership sales, Golf Operations were adversely affected by depreciation and other increased business expenses.

[Medical Operations]

In Medical Operations, sales climbed 28.9% to ¥4,474 million and operating income rose 21.9% to ¥1,143 million. Sales of memberships to "Grand HIMEDIC Club", which have been sold since May 2004, have been firm since the previous year. In addition, this segment benefited from sales of memberships for "HIMEDIC the University of Tokyo Hospital" of "Grand HIMEDIC Club", which began in June 2005.

[Other Operations]

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, although building and repairs expenses decreased. As a result, overall sales in Other Operations decreased 10.5% to ¥354 million, although operating income rose 3.2% to ¥292 million.

(3) Cash Flows

During the year ended March 31, 2006, cash and cash equivalents increased ¥7,947 million. As a result, cash and cash equivalents stood at ¥37,765 million as of March 31, 2006, up 26.7% from March 31, 2005.

Operating Cash Flows

Operating activities provided net cash of ¥11,442 million, compared with net cash provided of ¥7,086 million in the previous fiscal year. This mainly reflected an increase in long-term security deposits of ¥5,932 million and an increase in cash advances received of ¥6,113 million, as well as depreciation and amortization of ¥4,719 million. These inflows were partially negated by an increase in inventories of ¥6,792 million, mainly due to the start of construction of "Tokyo Baycourt Club Hotel & Spa Resort (scheduled to open in March 2008)", and an increase in trade receivables of ¥6,440 million resulting from favorable sales of memberships.

Investing Cash Flows

Investing activities used net cash of ¥10,306 million, compared with ¥6,912 million in the previous fiscal year. The major uses of cash were payments of ¥12,566 million for the acquisition of property and equipment, mainly related to the successive openings of "Grand XIV Nasushirakawa (in Fukushima Prefecture in April 2005)", "XIV Naruto Sanctuary Villa Due (in Tokushima Prefecture in July 2005)" and "Hotel Trusty Shinsaibashi (in Osaka in June 2005)".

Financing Cash Flows

Financing activities provided net cash of ¥6,792 million, compared with net cash provided of ¥667 million in the previous fiscal year. This was mainly the result of inflows of ¥11,248 million for funds for new businesses 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, despite the aggressive repayment of long-term loans prompted by rising interest rates.

2 Outlook for the Year Ending March 31, 2006

(1) Business Outlook

The economic outlook calls for a stronger recovery and firm consumer spending, despite anxieties such as rising crude oil prices and trends in the U.S. and Chinese economies. Amid this recovery, Resorttrust's business plan for the March 2007 fiscal year projects continued favorable sales from the previous year of memberships for "XIV Kyoto Yase Rikyu (scheduled to open in autumn 2006)", which began in October 2004, and projects new sales in the form of registration fees for membership sales for Resorttrust's first urban resort, "Tokyo Baycourt Club Hotel & Spa Resort (scheduled to open in March 2008)", which began in April 2005. However, sales of these memberships are for properties under development, which means that the sales and earnings of the real estate portion of the total contract volume are deferred until the opening of the hotels. Deferred sales will also be posted following the opening of the large hotel "XIV Kyoto Yase Rikyu (210 rooms, scheduled to open in autumn 2006)". As a result, Membership Operations foresees significantly higher sales.

In Hotel and Restaurant Operations, Resorttrust expects higher income from annual membership fees in line with an increase in members. For the entire Group, Resorttrust projects net sales of ¥93,844 million, up 13.6% year on year; operating income of ¥11,948 million, up 9.8%; ordinary income of ¥11,800 million, up 8.3%; and net income of ¥6,530 million, up 35.7%.

(2) Outlook by Segment

[Membership Operations]

In the March 2007 fiscal year, in the Kansai region the focus of membership sales will continue to be "XIV Kyoto Yase Rikyu", and sales of the real estate portion of the total contract volume are deferred until the hotel opens in autumn 2006. In the Kanto region, Resorttrust expects new sales in the form of registration fees for membership sales for "Tokyo Baycourt Club Hotel & Spa Resort", which began in April 2005. However, sales of these memberships are for properties under development, which means that the sales of the real estate portion of the membership sales are deferred until the opening of the hotel. Nevertheless, the contract sales are projected to be strong. As a result, Membership Operations as a whole are projected to achieve sales of ¥38,727 million, up 24.2%, and operating income of ¥8,412 million, up 14.7%.

[Hotel and Restaurant Operations]

In Hotel and Restaurant Operations, Resorttrust expects improved spending per guest at hotels continued from last year and increased income from operation and management fees (annual membership fees), reflecting the increase in members. Moreover, there will be revenues from the first full year of operation of hotels that opened last year, including "Grand XIV Nasushirakawa Golf, Ski & Spa Resort (in Fukushima Prefecture in April 2005)", "XIV Naruto Sanctuary Villa Due (in July 2005 in Tokushima Prefecture)" and "Hotel Trusty Shinsaibashi (in Osaka in June 2005)" operations as a whole are expected to achieve sales of ¥43,653 million, up 6.7%, and operating income of ¥1,989 million, up 21.2%.

[Golf Operations]

In Golf Operations, "Grandee Hamanako Golf Club (in Shizuoka Prefecture)", which sought new members last year, will not do so this fiscal year. Consequently, Golf Operations as a whole are projected to post sales of ¥5,629 million, down 1.2%, and operating income of ¥292 million, down 37.9%.

[Medical Operations]

In Medical Operations, Resorttrust projects an increase in memberships to "Grand HIMEDIC Club", and an increase in annual membership fees and proceeds from amortizing deposits due to the opening in October 2006 of "HIMEDIC •the University of Tokyo Hospital" of "Grand HIMEDIC Club" inside the Twenty-second Century Medical Center. Resorttrust also expects an increase in depreciation and amortization expenses. Medical Operations as a whole are expected to achieve sales of ¥5,463 million, up 22.1%, and operating income of ¥910 million, down 20.3%.

[Other Operations]

In Other Operations, Resorttrust expects a stable interest income from XIV membership sales and a steady increase in lease income from tenants in an office building leased by consolidated subsidiary RT Development Co., Ltd. As a result, other operations as a whole are projected to achieve sales of ¥369 million, up 4.3%, and operating income of ¥342 million, up 17.2%.

*Forecasts are prepared by management with information available at the time of preparation. Accordingly, actual sales and earnings may differ from forecasts due to unforeseeable changes in business operations and a variety of other factors.