



May 17, 2012

**MORI TRUST CO., LTD.**

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PRESS RELEASE

**Financial Report for the Fiscal Year Ended March 2012**

Mori Trust Group recently announced its consolidated business performance for the year ended March 31, 2012.

The Group consists of 17 consolidated companies, including MORI TRUST CO., LTD., MORI TRUST BUILDING MANAGEMENT CO., LTD., and MORI KANKO TRUST CO., LTD., and three equity-method affiliates.

**[Mori Trust Group Consolidated Financial Report]** (April 1, 2011 – March 31, 2012)

(Figures in millions of yen; figures less than one million yen are rounded down.)

		FY2011	FY2012	FY2013 (Projection)
1	Operating revenue	111,962	95,574	96,000
	Leasing	58,515	56,324	58,000
	Hotel	19,492	17,928	20,000
	Real estate sales	19,889	4,827	3,000
	Other (Subsidiaries' construction subcontracting, etc.)	14,065	16,493	15,000
2	Operating income	20,110	20,017	26,000
3	Ordinary income	17,135	22,450	23,000
4	Net income	14,742	16,118	12,000

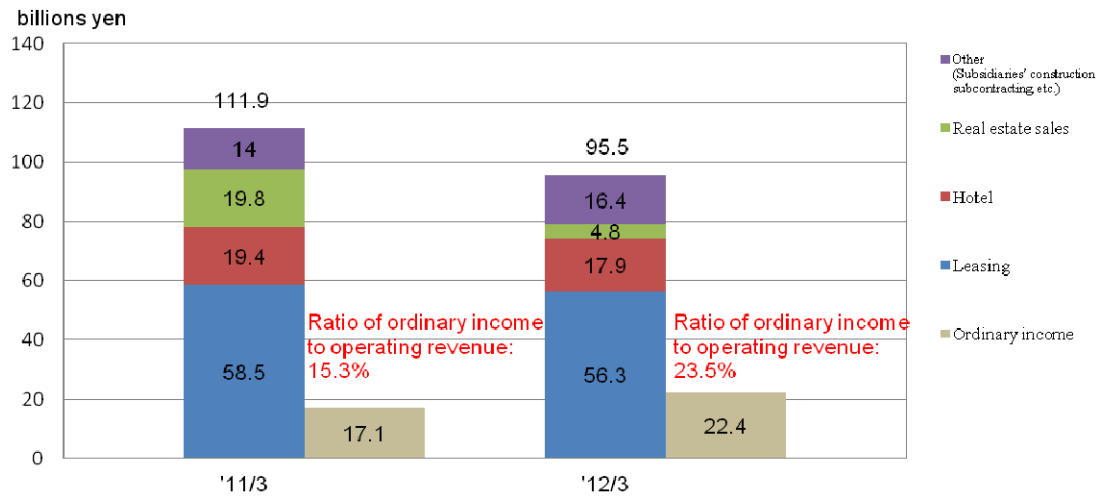
**Summary of Results**

- In the fiscal year ended March 31, 2012, operating revenue totalled 95.5 billion yen and ordinary income was 22.4 billion yen. Despite the impact of the Great East Japan Earthquake and weakness in the real estate market, the company succeeded in strengthening its financial base and improving the efficiency of its operations, resulting in greater income on less revenue year-on-year. Revenue and income are both projected to increase in the fiscal year ending March 31, 2013, with operating revenue forecast at 96.0 billion yen and ordinary income at 23.0 billion yen.

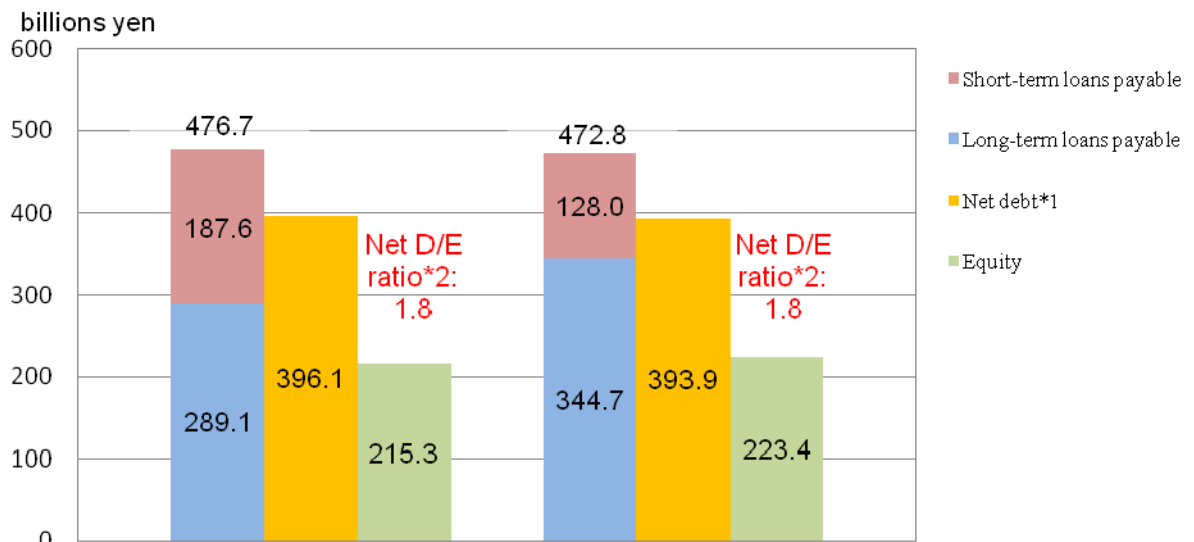
## Overview of FY 2012 business performance

- Leasing business accounted for 56.3 billion yen of operating revenue. Full-year operation of Sendai Trust City and higher occupancy rates in existing buildings due in part to tenants' heightened disaster awareness following the earthquake contributed to revenue, but the impact of market weakness associated with the gap between office demand and supply resulted in revenue declining year-on-year.
- Hotel business revenue decreased due to subdued demand from domestic and international business travelers and tourists following the earthquake, but a subsequent rally in demand from domestic tourists in the flagship Laforet Hotels and Resorts business and full-year operation of the Westin Sendai contributed to revenue of 17.9 billion yen.
- Real estate sales business benefited from steady sales of condominiums in the Residence Ichibancho in Sendai, which gained in reputation after the earthquake thanks to the building's seismically isolated structure, but revenue in this business area declined to 4.8 billion yen as suspension of new condominium developments in light of market conditions led to fewer units being sold.
- Increased income primarily from subsidiaries' construction subcontracting associated with higher numbers of tenants moving into buildings boosted revenue from other business to 16.4 billion yen.
- Ordinary income rose 31.0% from the previous year, to 22.4 billion yen. Contributing factors included Nihon Eslead Corporation becoming a new equity-method affiliate, which had a positive impact on non-operating income. Extraordinary income from sale of investment securities and higher income associated with changes in corporate tax rates resulted in net income of 16.1 billion yen, a 9.3% increase over the previous year.
- Efforts to strengthen its financial base since 2009 resulted in a robust financial position for Mori Trust Group as of March 31, 2012, with consolidated total assets of 849.4 billion yen, net assets of 226.4 billion yen, and the equity ratio increasing to 26.3% after exclusion of minority interests.  
On a nonconsolidated basis, holding company Mori Trust Holdings Inc. had total assets of 160.5 billion yen, net assets of 79.7 billion yen, and an equity ratio of 49.7% as of the same date.

### Ordinary income / Operating revenue (Mori Trust consolidated results)



### Net debt (Mori Trust consolidated results)

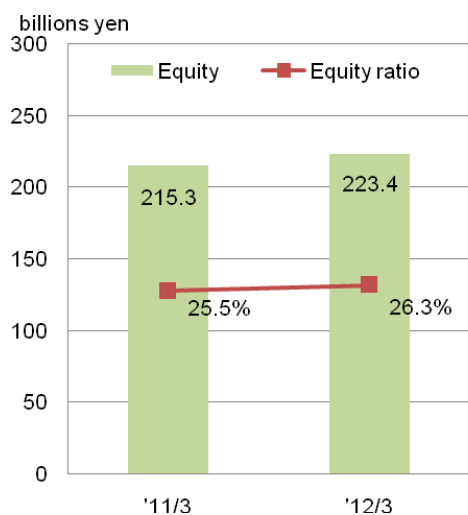


\*1 Net debt = Debt - (Cash and deposits + Cash equivalents)

\*2 Net D/E ratio = Net debt / Equity

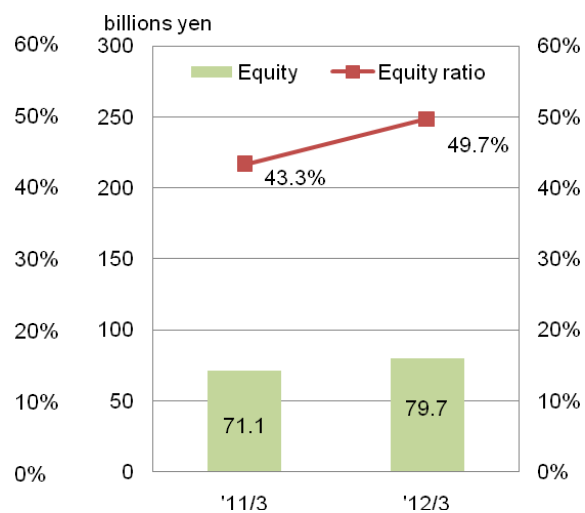
### Equity ratio

#### (Mori Trust consolidated results)



### Equity ratio

#### (Mori Trust Holdings non-consolidated results)



## Business Performance Projections for FY 2013

- Leasing business revenue is projected to rise to 58.0 billion yen in the fiscal year ending March 31, 2013. The bottoming out of the office leasing market is likely to be reflected in limited falls in rents as the Kyobashi OM Building comes into operation and occupancy rates improve in existing office buildings. Hotel business revenue is forecast to increase to 20.0 billion yen, spurred by rallying demand for hotels as the impact of the earthquake subsides. Revenue from real estate sales business is projected to be 3.0 billion yen, partly driven by condominium sales. Revenue from other business including subsidiaries' construction subcontracting is forecast at 15.0 billion yen.

Based on increased revenue from the two main businesses of leasing and hotels, both revenue and income are projected to rise, with operating revenue expected to be 96.0 billion yen and ordinary income forecast at 23.0 billion yen.

Projections contained in this document have been made on the basis of information available when it was released. Due to various unforeseeable factors, actual performance may differ from such projections.

### ■ Investment and Rental Properties

The consolidated balance sheet amount and fair value of investment and rental properties owned by Mori Trust Group are set out below (fair value at fiscal year-end was calculated in-house, based primarily on the Japanese Real Estate Appraisal Standards).

Consolidated balance sheet amount: 535.8 billion yen

Fair value: 1,000.3 billion yen

Unrealized profit: 464.5 billion yen

### Real Estate Business

#### ◇ **Work Begins on Two Disaster-Resistant, Eco-Friendly Development Projects in the Kyobashi Area**

In 2011 work began on two development projects in the Kyobashi area of Chuo-ku, where urban redevelopment is forging ahead.

Construction of two disaster-resistant and environmentally friendly buildings is currently under way, using experience in disaster response and survivor support gained from the Great East Japan Earthquake, especially at Sendai Trust City.

#### • **Kyobashi Trust Tower (construction started in Nov. 2011, due for completion at the end of Feb. 2014)**

Making the most of its prime location next to the historic Meidi-Ya Kyobashi Building and facing onto Chuo-dori Street, this large complex will comprise offices, a hotel, and stores.

##### <Features>

- The complex will house high-spec office spaces targeted chiefly at Japan headquarters of global corporations, along with an approximately 150-room hotel focused on providing accommodation in sophisticated surroundings, designed in collaboration with BALS Corporation.
- To achieve the highest levels of disaster response, the building will offer one of the best emergency power supplies in the industry, capable of fulfilling next-generation business continuity plans (BCP) for tenants. In the event of power cuts, emergency generators will supply up to around 80% of regular power demand to all areas including tenant spaces, enabling continuation of business for around one week.
- High standards of environmental performance have gained the highest AAA rating in Tokyo Metropolitan Government's Energy Performance Certification Program.

#### • **Kyobashi OM Building (construction started in Aug. 2011, due for completion at the end of Sept. 2012)**

The Ohno Building reconstruction plan is progressing on schedule, and boasts the industry's highest levels of disaster resistance and environmental performance for an office building of this size.

##### <Features>

- Standard floors have a leased area of approximately 905 m<sup>2</sup>, with pillar-free, rectangular work spaces that are highly functional.
- High standards of earthquake resistance and emergency power generation support tenants' BCPs.
- Equipped with a range of environmentally responsible technologies, including LED lighting in all tenant areas and solar panels to provide natural energy.

◇ **Acquisition of RIHGA Royal Hotel Osaka Site and New Capital and Business Alliance with THE ROYAL HOTEL, LIMITED**

In September 2011 Mori Trust acquired the site of the RIHGA Royal Hotel Osaka in partnership with Kanden Fudosan Co., Ltd.

At the same time, it entered into a new capital and business alliance agreement with THE ROYAL HOTEL, LIMITED aimed at completing the redevelopment of this site by 2021, which will include rebuilding the hotel.

In January 2012 the Japanese government designated the Osaka Station, Nakanoshima, and Midosuji districts, which include this site, as a Priority Urban Redevelopment Area. As such the site is located in the area expected to boast advanced urban functions essential to an international business center.

◇ **Marunouchi Trust City Awarded Highest “Platinum” Level of DBJ Green Building Certification**

In April 2012, Marunouchi Trust City, a complex Mori Trust developed next to Tokyo Station consisting of Marunouchi Trust Tower Main and Marunouchi Trust Tower North, was awarded the highest “platinum” level of DBJ Green Building Certification\* in recognition of the top-class environmental and social awareness exercised in its operation.

\*Based on a comprehensive evaluation system that includes consideration of social needs in addition to environmental performance, the Development Bank of Japan Inc. identifies and certifies Green Buildings, which are essential in today’s real estate market. The DBJ grants certification at four levels: platinum, gold, silver, and bronze.

◇ **Osaka Branch Opens**

In the aim of strengthening its business capabilities in the Kansai region, Mori Trust opened an Osaka Branch in April 2012. The branch will also build stronger ties with Mori Trust Group companies in the Kansai region.

## **Hotel and Resort Business**

### **1. Existing Hotel and Resort Business**

◇ **Laforet Hotels and Resorts**

This business operates, on a corporate membership basis, resort hotels and golf clubs in key leisure spots throughout Japan and urban hotels in the two metropolitan areas of Tokyo and Osaka. Applying the concept of “select and focus,” the business is continuing to improve the efficiency of its operations.

It is currently planning renovations to part of Laforet Shuzenji in order to continue providing up-to-the-minute services.

◇ **The Westin Sendai (in Sendai Trust City) Resumes Operations**

The Westin Sendai, operated by MORI KANKO TRUST, CO. LTD., resumed operations on April 29, 2011, in the aim of encouraging speedy recovery in the earthquake-damaged Tohoku region. As well as functioning as a base for local Sendai residents and domestic tourists, the Westin Sendai is actively attracting international conferences and other events that will revitalize the region.

◇ **Tourist Information Business (TIC Tokyo)**

Operated by Mori Kanko Trust, Tourist Information Center Tokyo (TIC Tokyo) opened in June 2009, offering multilingual travel information to large numbers of people including overseas visitors. As of August 31, 2011, more than 700,000 people had visited the center, and cumulative visitor numbers are expected to reach one million at the end of May 2012.

TIC Tokyo has also launched a support service for tourist information centers around Japan that enables tourist advice for foreign visitors to be offered remotely via Skype.

## **2. New Hotel and Resort Business**

◇ **Acquisition of Hotel Rantei Site in Kyoto's Arashiyama District**

In December 2011 Mori Trust acquired the Hotel Rantei site in Kyoto's Arashiyama district, which is close to noted temples including Tenryuji and Hogonin. Through its investment and management roles, Mori Trust Group has been involved in refurbishing the prestigious and historic Mampei Hotel in Karuizawa to preserve its traditional design while adding modern comfort in a way that has impressed new visitors and regular guests alike. Using this expertise, the Group will breathe new life into the Hotel Rantei site while maintaining its prestige and traditions to offer luxury Japanese-style accommodation suited to Kyoto's Arashiyama district.

◇ **Collaboration with BALS Corporation on Kyobashi Hotel Project**

In March 2012, Mori Trust reached an agreement with BALS Corporation, which runs a number of home furnishing stores under such brands as Francfranc and BALS TOKYO, to collaborate on interior design of the hotel planned for Kyobashi Trust Tower. This hotel, scheduled to open in 2014, will be directly managed by Mori Trust Group and aims to achieve a high-class setting that offers innovative design teamed with an air of hospitality.

## **3. New Initiatives**

◇ **Establishment of New Innovation Division**

Mori Kanko Trust has established a new Innovation Division to pool knowledge gained from Mori Trust Group companies in fields including development, building operation, business continuity planning, and hotel management, and to apply this expertise to innovative challenges that will generate new value from a user perspective.

◇ **Recruitment of New and Recent High School Graduates in Earthquake-Affected Areas**

To support recovery in areas affected by the Great East Japan Earthquake, including Miyagi,

Iwate, and Fukushima Prefectures, Mori Kanko Trust has recruited new high school graduates who completed their studies in March 2012, as well as recent graduates who finished high school in the last three years (i.e., since March 2009).

◇ **Participation in 12th World Travel & Tourism Council (WTTC) Global Summit**

On April 16–19, 2012, tourism industry leaders from around the world gathered at the 12th WTTC Global Summit held in Tokyo and Sendai. To assist in revitalizing the tourist industry and related sectors suffering from the after-effects of the earthquake, Mori Trust Group made every effort to bring this summit to the disaster-struck city of Sendai, offering the Westin Sendai, operated by Mori Kanko Trust, as a venue and supporting various aspects of the event to ensure its success.

## **Investment Business**

◇ **Capital and Business Alliance with Nihon Eslead Corporation**

In February 2012 Mori Trust acquired five million shares (a 32.3% holding) in Nihon Eslead Corporation and signed a contract for a capital and business alliance with the company. The two firms are currently discussing ways of using the business alliance to share management expertise and cooperate in the planning, development, and sale of condominiums in Japan, in the aim of enhancing the corporate value of both enterprises.

At its general meeting of shareholders being held in June 2012, Nihon Eslead Corporation will propose that one person designated by Mori Trust (Mori Trust's Osaka Branch General Manager) be appointed as a director of Nihon Eslead.

◇ **Transfer of Shares in PARCO CO., LTD**

In March 2012 Mori Trust transferred all the shares it held in PARCO CO., LTD. (a 33.2% holding) to J. Front Retailing Co., Ltd. Two directors assigned by Mori Trust to the PARCO board will step down when they complete their terms of office.

## **Disaster Preparedness Initiatives**

Through the Great East Japan Earthquake, Sendai Trust City and Mori Trust Group as a whole gained experience in dealing with disasters, supporting those affected, and assisting recovery in damaged areas. The Group will use this experience to enhance its disaster preparedness.

◇ **Support for Disaster-Stricken and Stranded People Immediately after the Quake**

Immediately after the earthquake occurred, Sendai Trust City and many other Group



facilities offered a range of support to those affected, including emergency accommodation for people having difficulty returning home, emergency supplies, information, and mobile phone charging. Subsequently Mori Trust Group used its unique Grid BCP to share information on disaster damage and the needs of those affected, and the Group as a whole provided emergency accommodation for approximately 11,000 disaster-stricken and stranded people.

◇ **Mori Trust Declaration on Disaster Readiness**

Experience gained in Sendai and Tokyo at the time of the Great East Japan Earthquake was summarized in a Mori Trust Declaration on Disaster Readiness that identifies tangible and intangible building requirements related to earthquake resistance and disaster prevention as well as points its requiring improvements and future initiatives. New developments including Kyobashi Trust Tower and the Kyobashi OM Building will feature superior disaster prevention based on the declaration.

◇ **Support for Earthquake Recovery**

Mori Trust has conducted a variety of activities in support of earthquake recovery, including donations, fund-raising, special menus at Group hotels using ingredients from affected areas, establishment of the Miyagi Mirai Project to assist orphaned children, and the Trust City Candle Night event.

◇ **Recharging Facilities for Electric Vehicles**

In January–March 2012, a total of 12 electric vehicle recharging points were installed in parking lots at Group facilities in Tokyo, Sendai, and Osaka (RIHGA Royal Hotel Osaka). All these recharging facilities are connected to emergency power generators, enabling vehicles to be recharged even in the event of power cuts due to major natural disasters or other causes.

◇ **Disaster Simulation Exercises to Enhance BCPs and District Continuity Plans (DCP)**

Mori Trust Group has developed its unique Grid BCP.

Dividing approximately 90 Mori Trust locations into groups based around core facilities in each area and linking management of these groups in a grid-style network enables clear and consistent information to be shared while ensuring speedier emergency response and flexibility in making alternative arrangements.

In March 2012 a Group-wide disaster simulation exercise was conducted in the aim of enhancing the Grid BCP. The Group also cooperated in a Tokyo Metropolitan Government exercise aimed at assisting people who will have difficulty returning home in the event of a disaster, and this simulation helped to strengthen DCP.

## Overview of New Projects

### Urban Development Projects

#### ◇ Projects in the Kyobashi Area



Name	KYOBASHI TRUST TOWER
Address (parcel number)	1-8 Kyobashi 2-chome, Chuo-ku, Tokyo
Site area	4,403.86 m <sup>2</sup>
Total floor area	Approx. 52,000m <sup>2</sup>
Number of floors	21 stories above ground, 3 stories below ground
Maximum height	Approx. 108m
Primary use	Office (5-21F), Hotel (2-4F), Shop (1F), Parking (B1F-B3F)
Start of construction	November 2011
Building completion (schedule)	The end of February 2014



Name	KYOBASHI OM BUILDING
Address (parcel number)	19-7 Kyobashi 1-chome, Chuo-ku, Tokyo
Site area	1,347.20 m <sup>2</sup>
Total floor area	Approx. 9,600m <sup>2</sup>
Number of floors	8 stories above ground, 1 stories below ground
Maximum height	Approx. 37m
Primary use	Office (2-8F), Shop (1F), Parking(1F-B1F)
Start of construction	August 2011
Building completion (schedule)	The end of September 2014

#### ◇ Projects in the Toranomon/Kamiyacho Area



Name	Toranomon 4-chome Project (tentative name)	Former Site of Ministry of Agriculture, Forestry and Fisheries Training Center
Address (parcel number)	24-6 Toranomon 4-chome, Minato-ku, Tokyo	113-16 Roppongi 1-chome, Minato-ku, Tokyo
Site area	16,271.47m <sup>2</sup>	1,782.13m <sup>2</sup>
Development plan	To be determined	To be determined

### Hotel Projects

#### ◇ KYOBASHI TRUST TOWER Hotel Project



Address	Kyobashi Chuo-ku, Tokyo (KYOBASHI TRUST TOWER 2-4F)
Guest room	Approx. 150 rooms
Outline of the facility	Collaborating on hotel interior design with BALS Corporation, which runs a number of home furnishing stores under such brands as Francfranc and BALS TOKYO. Hotel plans focus on providing accommodation.
Starting date (schedule)	2014

#### ◇ Former site of "Hotel Rantei"



Address	Sagatenryuji Susukinobaba-cho Ukyo-ku, Kyoto-shi, Kyoto
Guest room	To be determined
Outline of the facility	Refurbishing the facility to preserve the Meiji-era buildings while maintaining the site's prestige and traditions to offer luxury Japanese-style accommodation suited to the historic tourist district of Arashiyama.
Starting date (schedule)	To be determined

## Mori Trust Group: Total Floor Area Leased or Managed

### ○Number of rental/managed facilities (as of March 31, 2012)

○Rental buildings: Approx. 1,350,000m<sup>2</sup> (68 buildings)

○Hotel & Resort facilities: 30 hotels (Number of rooms: Approx. 7,100)

(Laforet Hotels & Resorts (14); The Westin Sendai; MAMPEI HOTEL; CONRAD TOKYO;

RIHGA Royal Hotels, RIHGA associate hotels (Capital & Business tie-up partner: 11 hotels);

Shangri-La Hotel, Tokyo; Hotel Sunroute Plaza Shinjuku)

# Mori Trust Group: Summary of Consolidated Companies

## MORI TRUST CO., LTD.

Location Toranomon, Minato-ku, Tokyo  
 President Akira Mori  
 Established June 10, 1970  
 Capital 10 billion yen  
 Business sectors Urban development, hotel management and investment business

## MORI TRUST BUILDING MANAGEMENT CO., LTD.

Location Toranomon, Minato-ku, Tokyo  
 President Kenichi Uchimura  
 Established April 1, 2002  
 Capital 100 million yen  
 Business sectors Building management

## MORI KANKO TRUST CO., LTD.

Location Kitashinagawa, Shinagawa-ku, Tokyo  
 Chair Nobuyuki Endo  
 President Miwako Date  
 Established April 3, 2006  
 (date of foundation since incorporation-type company split)  
 Capital 2 billion yen  
 Business sectors Operation of Laforet Hotels & Resorts, the Westin Sendai and Tourist Information Center

## MAMPEI HOTEL

Location Toranomon, Minato-ku, Tokyo  
 Chair Miwako Date  
 President Yasutaka Yanai  
 Established 1894  
 Capital 100 million yen  
 Business sectors Ownership and operation of the Mampei Hotel

## MT&Hilton Hotel Co., Ltd.

Location Toranomon, Minato-ku, Tokyo  
 President Kazuhiko Oiwa  
 Established October 22, 2004  
 Capital 20 million yen  
 Business sectors Management of the Conrad Tokyo

## MT GOLF DEVELOPMENT CO., LTD.

Location Toranomon, Minato-ku, Tokyo  
 President Toshio Komatsu  
 Established November 19, 2004  
 Capital 100 million yen  
 Business sectors Ownership and operation of Laforet & Matsuo Golf Club

## FORETSEINE CO., LTD.

Location Toranomon, Minato-ku, Tokyo  
 President Nobuo Konomi  
 Established March 31, 2011  
 (date of foundation since incorporation-type company split)  
 Capital 100 million yen  
 Business sectors Planning and development of urban type condominium for sales and rental management

## Toyo Green Building Co., Ltd.

Location Toranomon, Minato-ku, Tokyo  
 President Nobuo Konomi  
 Established March 1, 1978  
 Capital 90 million yen  
 Business sectors Condominium management service

## URBAN LIFE Co., Ltd.

Location Motoyamaminamimachi, Higashinada-ku, Kobe-shi, Hyogo  
 President Kouichi Takahashi  
 Established July 31, 1970  
 Capital 3 billion yen  
 Business sectors Development, planning, and sales of condominiums, office buildings and stores

## URBAN LIFE JUUTAKUHANBAI Co., Ltd.

Location Motoyamaminamimachi, Higashinada-ku, Kobe-shi, Hyogo  
 Chair Kouichi Takahashi  
 President Kenkichi Takatsu  
 Established July 29, 1982  
 Capital 300 million yen  
 Business sectors Planning and sales of condominiums, dealing, brokerage of leasing and operations of real estate

## MTL Fund No.1 Investment Limited Partnership

General Partner MT Labo Capital Co., Ltd.  
 Established August 31, 2007

## MT Advanced Technology Co., Ltd.

Location Akasaka, Minato-ku, Tokyo  
 President Masaki Murata  
 Established February 27, 2009  
 Capital 450 million yen  
 Business sectors ICT Consulting Services & ICT Solutions Offering

## MT GENEX CORPORATION

Location Shinbashi, Minato-ku, Tokyo  
 President Hitoshi Suzuki  
 Established October 1945  
 Capital Approx. 1,072 million yen  
 Business sectors Facelift of building and housing, and parking operation management, etc.

## Toyo Housing Management, Inc.

Location Roppongi, Minato-ku, Tokyo  
 President Nobuo Konomi  
 Established November 27, 1979  
 Capital 10 million yen  
 Business sectors Leasing management and operations of real estate

## MORI TRUST Asset Management Co., Ltd.

Location Akasaka, Minato-ku, Tokyo  
 President Satoshi Horino  
 Established February 28, 2000  
 Capital 400 million yen  
 Business sectors Operation of real estate investment trusts

## Shiroyama Heating & Cooling Supply Co., Ltd.

Location Toranomon, Minato-ku, Tokyo  
 President Masahide Kasahara  
 Established November 6, 1989  
 Capital 300 million yen  
 Business sectors Local heating and cooling services in the Shiroyama Garden and adjacent area

## AZMAX CORP.

Location Nihonbashi, Chuo-ku, Tokyo  
 President Michinobu Mizobe  
 Established August 11, 1947  
 Capital 499 million yen  
 Business sectors Manufacturing and selling cold drawn special steel shapes

(as of March 31, 2012)

## Mori Trust Group: Summary of Equity-Method Affiliates

### THE ROYAL HOTEL, LIMITED

Location Nakanoshima, kita-ku, Osaka-shi, Osaka  
Established February 10, 1932  
Business sectors Hotel management centered on lodgment, banquet and restaurant, and hotel incidental business

### NIHON ESLEAD CORPORATION

Location Fukushima, Fukushima-ku, Osaka-shi, Osaka  
Established May 8, 1992  
Business sectors Sale of condominiums, Real estate replacement business, Real estate rental business, etc.

### MORI TRUST Sogo Reit, Inc.

Location Akasaka, Minato-ku, Tokyo  
Established October 2, 2001  
Business sectors Investment in real estate and asset-backed securities investing primarily in real estate

(as of March 31, 2012)

## Consolidated Financial Statements

### Consolidated Balance Sheets (as of March 31, 2012 and 2011)

MORI TRUST CO., LTD. and its consolidated subsidiaries

(¥ millions)

	2012	2011
<b>Assets</b>		
<b>I . Current assets</b>		
1 Cash and deposits	20,138	40,071
2 Notes and accounts receivable—trade	4,551	3,233
3 Short-term investment securities	71,931	46,454
4 Real estate for sale	9,604	16,564
5 Real estate for sale in process	110,009	105,560
6 Real estate for development	13,765	15,996
7 Other inventories	2,490	2,247
8 Deferred tax assets	1,452	1,099
9 Other	2,954	3,742
Allowance for doubtful accounts	(563)	(383)
<b>Total current assets</b>	<b>236,334</b>	<b>234,586</b>
<b>II . Noncurrent assets</b>		
<b>1 Property, plant and equipment</b>		
(1) Buildings and structures, net	153,379	159,810
(2) Machinery, equipment and vehicles, net	1,796	1,882
(3) Land	411,285	392,061
(4) Golf courses	1,489	1,489
(5) Construction in progress	962	422
(6) Other, net	1,124	1,393
<b>Total property, plant and equipment</b>	<b>570,037</b>	<b>557,060</b>
<b>2 Intangible assets</b>		
(1) Leasehold right	6,306	6,225
(2) Goodwill	79	113
(3) Other	355	816
<b>Total intangible assets</b>	<b>6,741</b>	<b>7,155</b>
<b>3 Investments and other assets</b>		
(1) Investment securities	20,322	9,563
(2) Investments in unconsolidated subsidiaries and affiliates	8,914	28,716
(3) Long-term loans receivable	213	850
(4) Deferred tax assets	414	647
(5) Guarantee deposits	4,572	5,143
(6) Other	1,961	1,489
Allowance for doubtful accounts	(51)	(236)
<b>Total investments and other assets</b>	<b>36,348</b>	<b>46,174</b>
<b>Total noncurrent assets</b>	<b>613,127</b>	<b>610,390</b>
<b>Total assets</b>	<b>849,461</b>	<b>844,976</b>

Note: Figures less than one million yen are rounded down.

(¥ millions)

	2012	2011
<b>Liabilities</b>		
<b>I . Current liabilities</b>		
1 Notes and accounts payable-trade	6,297	4,955
2 Short-term loans payable	128,060	187,600
3 Current portion of long-term loans payable	120,759	85,581
4 Accounts payable-other	2,542	3,420
5 Income taxes payable	8,930	4,509
6 Accrued expenses	758	662
7 Advances received	5,369	5,250
8 Deposits received	902	826
9 Provision for bonuses	365	389
10 Provision for loss on disaster	-	505
11 Other	491	289
<b>Total current liabilities</b>	<b>274,477</b>	<b>293,990</b>
<b>II . Noncurrent liabilities</b>		
1 Long-term loans payable	224,014	203,519
2 Long-term lease deposited	54,813	53,755
3 Long-term guarantee deposited	59,175	63,361
4 Long-term deposits received	318	304
5 Deferred tax liabilities	7,403	9,180
6 Provision for retirement benefits	2,582	2,695
7 Other	247	182
<b>Total noncurrent liabilities</b>	<b>348,555</b>	<b>332,999</b>
<b>Total liabilities</b>	<b>623,033</b>	<b>626,989</b>
<b>Net assets</b>		
<b>I . Shareholders' equity</b>		
1 Capital stock	10,000	10,000
2 Capital surplus	-	-
3 Retained earnings	213,427	205,321
4 Treasury stock	-	-
<b>Total shareholders' equity</b>	<b>223,427</b>	<b>215,321</b>
<b>II . Valuation and translation adjustments</b>		
1 Valuation difference on available-for-sale securities	25	134
2 Deferred gains or losses on hedges	-	(28)
3 Revaluation reserve for land, net of taxes	37	-
4 Foreign currency translation adjustment	-	(65)
<b>Total valuation and translation adjustments</b>	<b>62</b>	<b>40</b>
<b>III . Minority interests</b>	<b>2,937</b>	<b>2,624</b>
<b>Total net assets</b>	<b>226,428</b>	<b>217,986</b>
<b>Total liabilities and net assets</b>	<b>849,461</b>	<b>844,976</b>

Note: Figures less than one million yen are rounded down.

Consolidated Statements of Income (For the years ended March 31, 2012 and 2011)

(¥ millions)

	2012	2011
<b>I . Operating revenue</b>	<b>95,574</b>	<b>111,962</b>
<b>II . Operating cost</b>	<b>66,309</b>	<b>78,891</b>
<b>Operating gross profit</b>	<b>29,264</b>	<b>33,071</b>
<b>III . Selling, general and administrative expenses</b>	<b>9,246</b>	<b>12,960</b>
<b>Operating income</b>	<b>20,017</b>	<b>20,110</b>
<b>IV . Non-operating income</b>		
1 Interest and dividends income	214	1,818
2 Equity in earnings of affiliates	5,330	743
3 Other	1,396	1,248
<b>Total non-operating income</b>	<b>6,940</b>	<b>3,810</b>
<b>V . Non-operating expenses</b>		
1 Interest expenses	4,140	5,619
2 Other	366	1,166
<b>Total non-operating expenses</b>	<b>4,507</b>	<b>6,785</b>
<b>Ordinary income</b>	<b>22,450</b>	<b>17,135</b>
<b>VI . Extraordinary income</b>		
1 Gain on sales of noncurrent assets	–	52,882
2 Gain on sales of investment securities	4,865	12,974
3 Other	21	73
<b>Total extraordinary income</b>	<b>4,887</b>	<b>65,930</b>
<b>VII . Extraordinary loss</b>		
1 Loss on retirement of noncurrent assets	187	–
2 Impairment loss	–	40,690
3 Equity in losses of affiliates	–	7,032
4 Business restructuring expenses	–	6,695
5 Other	102	3,069
<b>Total extraordinary losses</b>	<b>290</b>	<b>57,488</b>
<b>Income before income taxes and minority interests</b>	<b>27,048</b>	<b>25,577</b>
Income taxes–current	12,355	9,492
Income taxes–deferred	(1,798)	1,187
<b>Total income taxes</b>	<b>10,556</b>	<b>10,679</b>
<b>Income before minority interests</b>	<b>16,491</b>	<b>14,898</b>
<b>Minority interests in income (loss)</b>	<b>372</b>	<b>156</b>
<b>Net income</b>	<b>16,118</b>	<b>14,742</b>

Note: Figures less than one million yen are rounded down.

Note: This translation may be used only for reference purposes. This English version is not an official translation of the original Japanese document. In cases where any differences occur between the English version and the original Japanese version, the Japanese version shall prevail.