



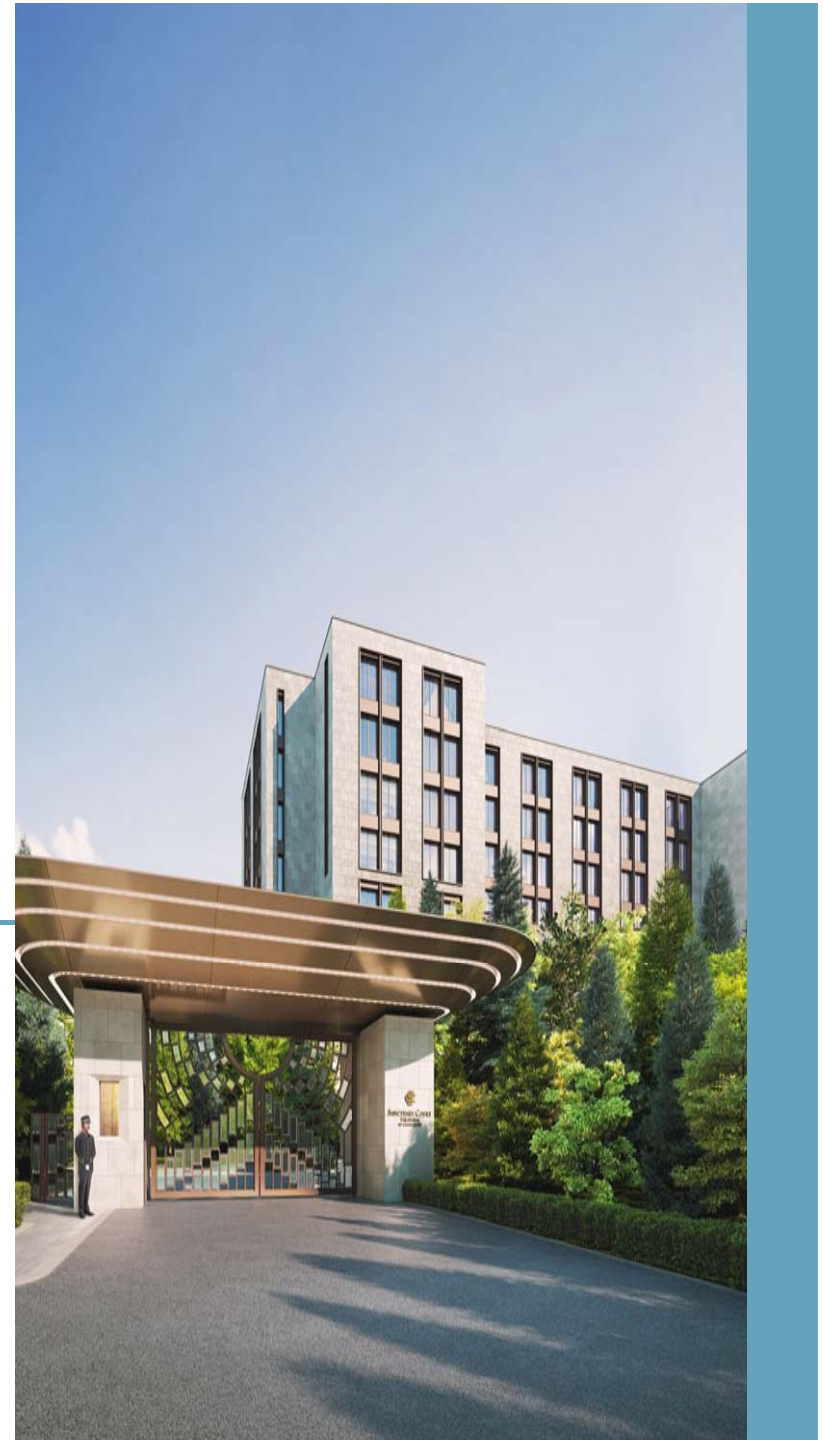
# Resorttrust Group New Medium-term Management plan

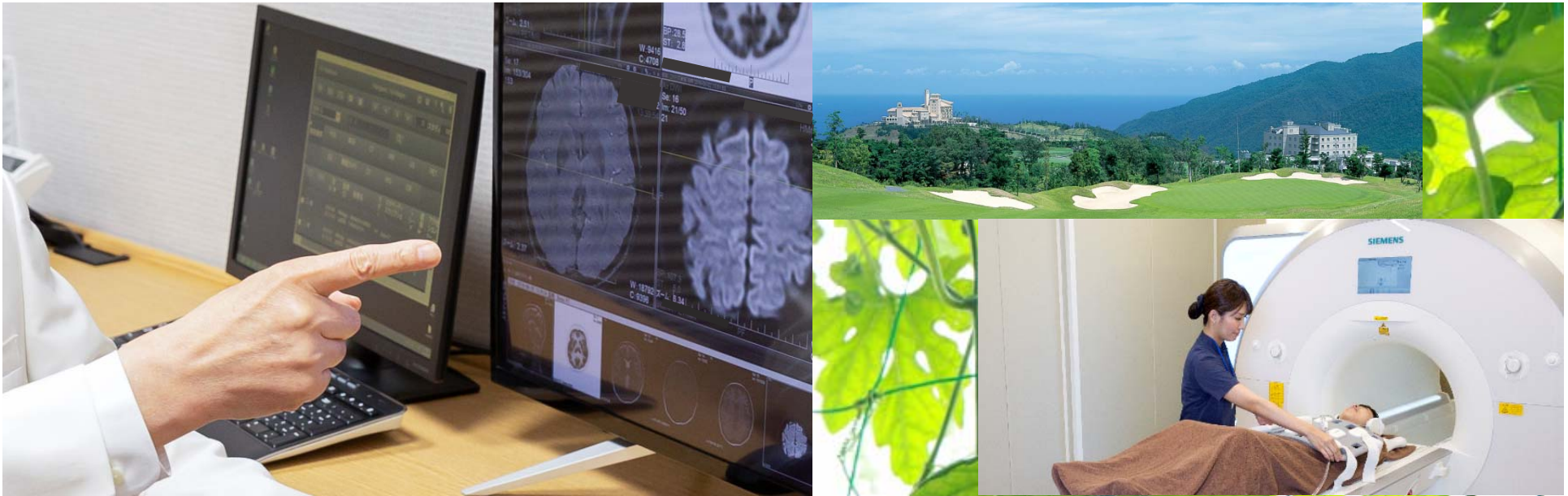
Sustainable Connect ~To Wellbeing~

April 1, 2023 to March 31, 2028

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May 15, 2023





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< New Medium-term Management Plan 『Sustainable Connect』 >

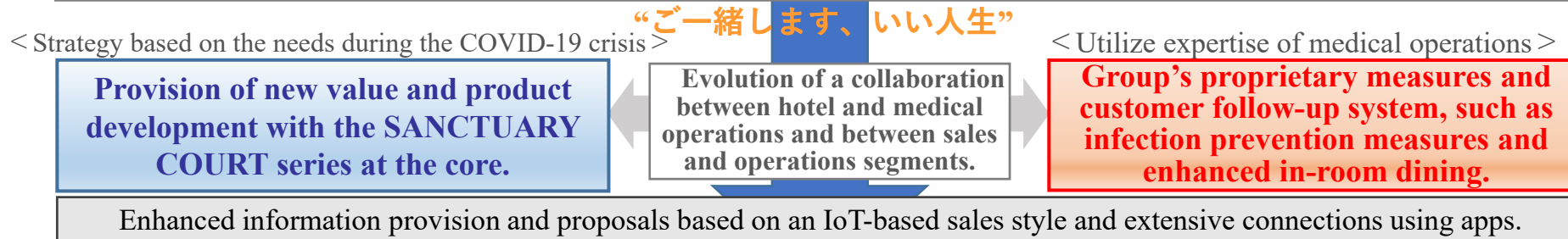
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# Results we obtained by overcoming the COVID-19 crisis

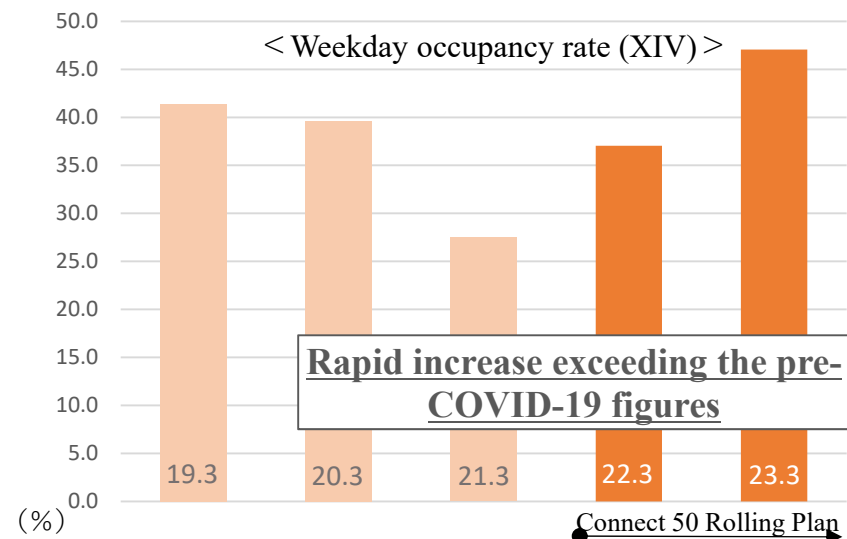
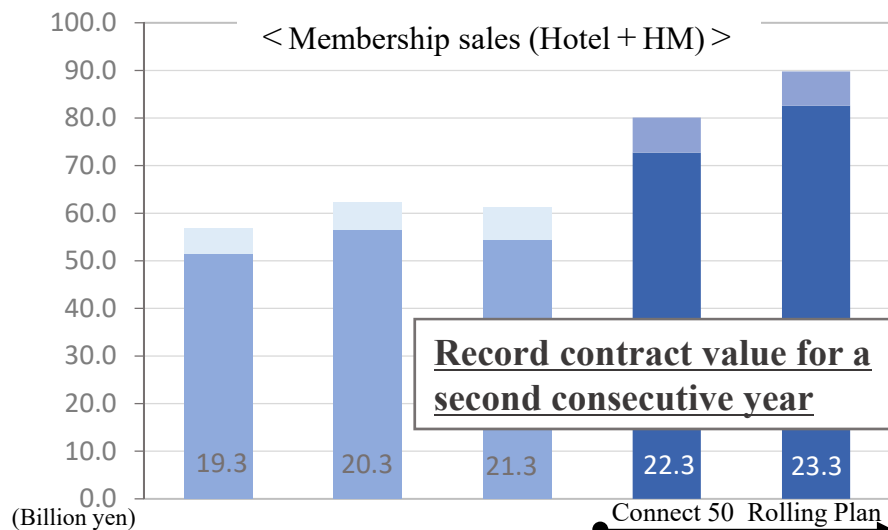
**Direction of the Group = Reaffirm our identity and pursue “uniqueness of the membership business”**



## ◎ Deeper relationships of trust with customers

- Want to enjoy an extraordinary experience in an environment that provides peace of mind and safety
- Want to stay healthy and obtain professional medical information
- Want to celebrate special occasions with family members and loved ones

## ◎ New market development, reevaluation of membership facilities/services



# Review of the 'Connect50' rolling plan (from 4.2021) - 2

■ Significant progress in strategies fully leveraging the strength of membership business (growth by the multiplier effect of ① and ②) \* FY2022 results.

## ① Increase in the number of customers (members)

< Sustainable growth >  
Maximize the Resorttrust economic bloc centered on members

New membership routes, channels, product enhancements, number of contracts (net contracts), improved contract efficiency

- Referral contracts (via hotels, financial institutions, etc.) : **1,977 (+1,340 compared to FY2019), of which 952 new membership units.**
- Progress of contract values using digitalization : **+1,666 (+1,414 compared to FY2019), of which 773 new membership units.**

(as of 2023.3)  
Number of membership units: **195,000**  
Number of members after name identification: **approx. 140,000**

Introduction

SDGs promotion

Expansion of target customers and operating areas (Kanto, overseas)

- Stimulated corporate customers' demand (corporate membership for SANCTUARY COURT: **approximately 80%**)
- Launch of "NIKKO," our first property in the eastern Kanto region.
- Began considering the introduction of a system allowing members to use overseas partner facilities .

< Identity >  
ご一緒に、いい人生  
より豊かで、しあわせな  
時間 (とき) を創造します

Increase stay duration per guest, expand service domains

- Percentage of hotel members owning HIMEDIC: **approx. 16% (compared to FY2019: +2.3%)**
- Total number of membership units/ Total number of members: **1.37 membership units (compared to FY2019 : +0.05 membership units)**

Increase frequency of use per guest, expand to families, employees, etc

- Number of RTTG app members : **Approx. 97,000 (+39,000 compared to FY2019)**

\*The figure above is the number of membership owners. The number of app members including non-membership owners is approximately 500,000.

- Number of official LINE registrations for corporate customers: **Approx. 214,000 (none in FY2019).**
- Promotion of use by the sales segment: **Approx. 170,000 rooms (+26,000 rooms compared to FY2019)**

Satisfaction

Promote DX

## ② Increase spending per guest (member)

× Average annual spend per guest (member): **approx. 560,000 yen (compared to FY2019: +90,000 yen)**

\*Estimated by Hotel and HIMEDIC members

\*Includes membership fees

\*Net increase in overall Group membership, including Sun Members withdrawals, etc.: approx. 6,700 membership units

Number of new members increased by 8,146 membership units in FY2022 (+3,225 units compared to FY2019)

## Major challenges that emerged due to changes in the external environment including COVID19

### Declines in occupancy rates and profitability of non-membership facilities

- Transferred part of the non-membership hotel businesses (Hotel Trusty)
  - Decline in occupancy rate of senior residence, a review of the development schedule
- \* New products and new development for Senior Lifestyle Business are shown in page 13.

### Shortage of labor in the service industry

- Improved compensation (across-the-board pay increase, regular pay raises, bonuses)
  - Initiated efforts to improve the "step-out" shift
  - Built an environment for the hiring of foreign nationals and mid-career hires
- ⇒ Human capital investment and human capital strategies are shown in page 7

### Rapid increases in energy prices and costs

- Raised room charges (to absorb recent cost increases)
- Revised selling prices in accordance with the added value of products and demand

## Comparison with the FY2023 plan (the financial targets for the final year of the "Connect 50" Rolling Plan")

	2021.5 Final year of the Rolling Plan	2023.5 First year of the New Medium- term Plan
Net Sale	190.0 billion	<b>200.0 billion</b>
Operating Income	20.0 billion	<b>18.0 billion</b>
Ordinary Income	20.0 billion	<b>18.0 billion</b>
Net Income	13.0 billion	<b>12.0 billion</b>
ROE	10%	<b>10%</b>

- Achieved sales targets as sales remained strong due to new contracts and high occupancy rates of membership hotels.
- Income is expected to decrease temporarily due to intensive investments in various measures especially to secure human capital.

**However, measures to address rising costs to secure profit and productivity improvement effects will be incorporated into the early stage of the new Medium-term Management Plan period (\*Details are on the next page.)**

## View of the New Medium-term Management Plan 'Sustainable Connect' (2023.4-2028.3)

### Positioning of the new Medium-term Management Plan period

■ In April 2023, our 50th anniversary, the Group started its new history

	2018.3	2021.3	2023.3	2023.4	2028.3	Remarks
Previous medium-term management plan	Connect 50 2018.4~2023.3					Three-year Rolling Plan starting in April 2021 was announced due to the COVID-19 crisis, delays in the scheduled dates of opening from the initial plan, and impact on the non-membership hotel and Senior Lifestyle Businesses.
		Connect 50 Rolling Plan 2021.4~2024.3				
New medium-term management plan	Current medium-term management plan		Sustainable Connect 2023.4~2028.3			In April 2023, our 50th anniversary, <u>we formulated a new five-year Medium-term Management Plan starting in FY2023, the final fiscal year of the “Connect 50” Rolling Plan.</u>

### Outlook for the next three years based on existing businesses (business environment/revenue forecast)

Membership	<u>Expect a continuous increase in contract values</u> through the effect of price revisions as well as the launch of new products + <u>Expect an increase in profit for a third consecutive fiscal year</u> due to the realization of a deferral of revenue with the opening of three SANCTUARY COURT properties
Hotel and Restaurant	Steadily make investments for sustainable management (investments in human capital and repair and maintenance) with <u>hotel occupancy rates and unit price continuing to rise</u> , and productivity increasing at the same time
Medical	Launch two HIMEDIC facilities and continue 3,000-unit sales pace to increase revenue. <u>Plan commercialization of products in Senior Lifestyle Business. The speed of consecutive profit growth to accelerate for achieving 10.0 billion-yen operating income in FY2027.</u>

**Operating income is expected to increase continuously: 18.0 billion yen in the first year (FY2023)  
⇒ 20.0 billion yen in the second fiscal year ⇒ 23.0 billion yen in the third fiscal year**

# Operating environment

## External factors (megatrends)

- Acceleration of declining birthrate and aging population, and concentration of population in urban areas
- Growing importance of decarbonization and environmental considerations
- Further evolution of digitisation
- Decrease in productive population and shortage of labor
- Growing needs for services related to health, medical care, and nursing care
- Increase in affluent sector population and their assets
- Recovery of inbound and travel needs

## Importance to the Company (Risks and opportunities)

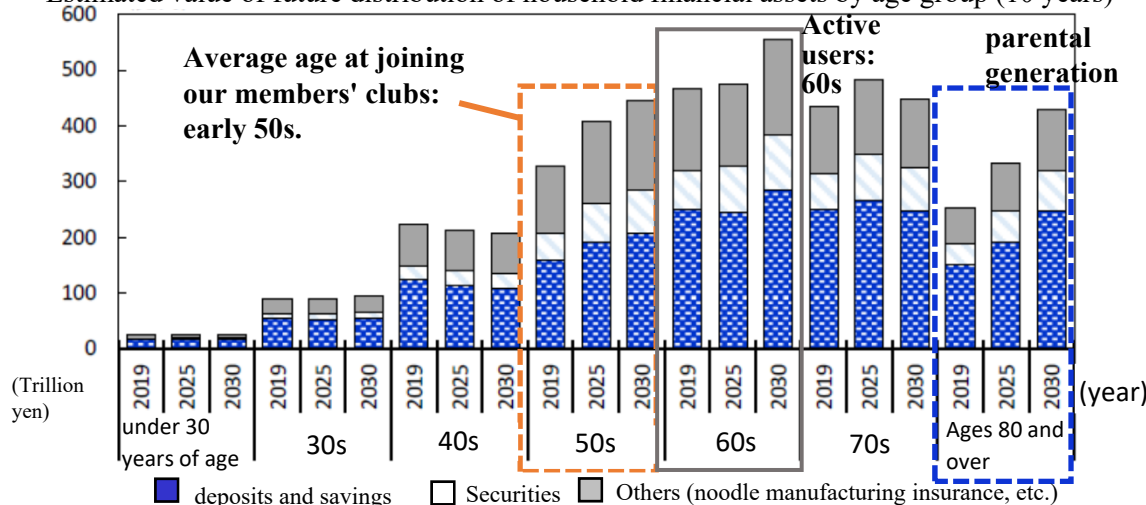
- Expansion of services to meet the aging domestic and member populations  
 \*Average age of XIV members in 2022: 64 years (+1.3 years compared to 2018)
- More environmentally friendly business operations based on empathy from customers
- DX that meets the detailed needs and dramatically increases productivity
- Build a unique system that attracts, retains, and enables human capital to play an active role  
 (Further pursuit of job satisfaction and comfortable work environment that are unique to membership business)
- Tailor-made solutions based on data assets
- Proposal to meet the diversifying needs of the affluent sector, and capturing overseas demand

## Business direction

**Toward a sustainable model in which customers and human capital create social value, in addition to the growth model based on increases in members and usage**

## (Reference) Study of the needs required in society, based on the projected changes in financial assets by age group in Japan through 2030

< Estimated value of future distribution of household financial assets by age group (10 years) >



- With the demographic trends in Japan, financial assets are expected to increase significantly particularly among people in their 50s (as baby boomers, the volume zone, are moving into their 50s) and 60s, 80s (aging of the elderly population).
- The range of services required and the size of the market are expected to grow, including well-being throughout life, effective use of assets, end-of-life care for people in their 50s, the average ages of members joining the Group, to their 80s, the parent generation of people in their 50s.

# Management based on the fundamental strategy 'Sustainability'

## Formulated three basic strategies. Promote sustainability management with human capital and DX foundation and cyclical management cycle

- Promote sustainability management aiming at empathy and co-creation (realize “Together for a Wonderful Life”)
- Improve productivity through customer-oriented corporate transformation activities (a spiral of “Smiles”)
- Improve profitability and create a stable business portfolio through expansion of overseas and domestic affluent sectors and related customers, and creation of new products and services (a spiral of “Trust” through “Challenge”)

< Materiality of the Group's 4 themes > \*Details of the 11 materialities are shown in page 21.

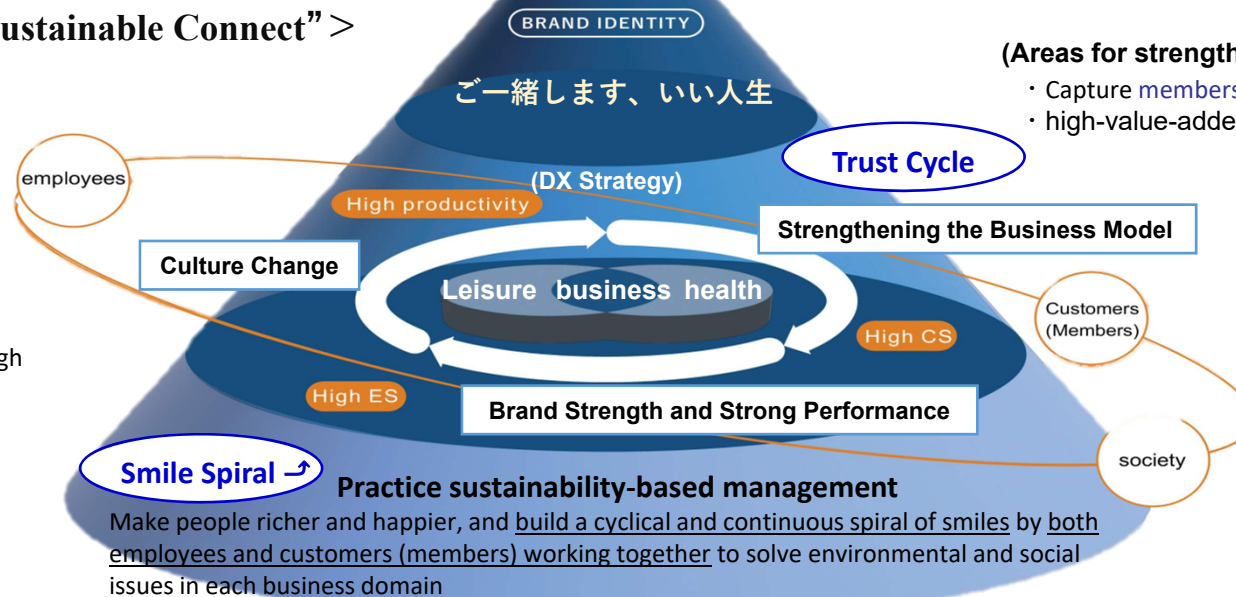
<b>prosperity</b> <b>S</b>	Realize “Together for a Wonderful Life” Co-creation of the Resort Trust Group's unique added value	3 持続可能な社会の実現 11 気候変動への対応 9 資源の有効な利用の確保	<b>Earth</b> <b>E</b>	Reduce environmental burden (Continue to live with nature)	7 気候変動への対応 13 気候変動に由来する資源の確保
	“Wonderful Life” of staff	17 持続可能な消費の推進 12 持続可能な生産・消費の推進		14 海の豊かさを守ろう 15 陸の豊かさも守ろう	
<b>People</b> <b>S</b>	“Wonderful Life” of staff	4 働きがい、働きやすさの向上 5 ジェンダー平等の推進 8 働きがい、働きやすさの向上	<b>Governance</b> <b>G</b>	Strengthening governance	16 平穏な社会の実現
		10 人やコミュニティの繁栄			16 平穏な社会の実現

### <Image of “Sustainable Connect” >

#### (Human Capital Strategy)

- Maintain high motivation
- Continuous human capital education (development)

Groups that connect through more “empathy” and bring together sympathizers





# Strengthening the management foundation (Human Capital Strategy/DX Strategy)

■ Focus more than ever on “human capital” and “DX,” two factors becoming increasingly important, as a management foundation that supports growth.

## Major initiatives in the previous Medium-term Management Plan period (personnel system)

- Increase in public holidays (105 days ⇒ 120 days)
- Company-wide standardization of working hours Hotel Section (2,085H ⇒ 1,920H)
- Increase in average number of days of paid leave taken (6.0 days ⇒ 8.2 days)

## Existing challenges and responses (human capital)

- COVID-19 crisis has led to a serious labor shortage in the service industry as a whole
  - An increase in costs and a decrease in opportunities for mid-career hires ⇒ The retention rate requires improvements  
⇒ Review compensation (such as 5% wage increase in FY2023, recovery of bonus levels to pre-COVID-19 levels or higher, review of shifts)
- Start of study and test operations for new working styles, including measures to address step-out shift, establishment of a day care center (facilities), and three-day workweek system**

## Major initiatives in the previous Medium-term Management Plan period (DX)

- Introduction of a Group-wide point club
- Strengthen points of contact by introducing Group apps and LINE WORKS
- Improve contract value and productivity through digital marketing
- Develop apps for corporate customers and reservation systems
- Introduce a smart check-in/out system to all facilities
- Start of joint venture with DeNA Co., Ltd.

## Existing challenges

- Much of the work is still performed manually, leaving much room for productivity improvements
- Customer data is not being utilized to make proposals
- Mechanisms are not well understood by users (the web reservation rate is 20%)

## Priority initiatives under this Medium-term Management Plan (Human Capital Strategy)

### 1 Secure human capital in preparation for medium- to long-term personnel shortage

Promote “measures to secure human capital” through introduction of employee referral hiring, support for shorter working hours for spot work, hiring foreign nationals, and strengthening local hiring

### 2 Pursue “job satisfaction” and “comfortable work environment”

Maintain opportunities for a “sense of growth” through organizational revitalization and human capital development, etc., and “safe and secure work environment” by securing stable human capital and providing support for continued employment, etc.

### 3 Visualization of “appropriate size of personnel” in hotels and indirect segments

Visualize “ideal quantity and quality of personnel” to lead to “stable securing and developing human capital” for optimal human capital management

### 4 Realisation of talent management

Optimize recruitment and placement through centralized management and effective use of RTG human capital data

## Priority initiatives under this Medium-term Management Plan (DX Strategy)

### 1 Improve operating efficiency and productivity through “digital investment” and “IT literacy improvement”

### 2 Promote marketing through enhancement of data analysis foundation and its use (data-driven management)

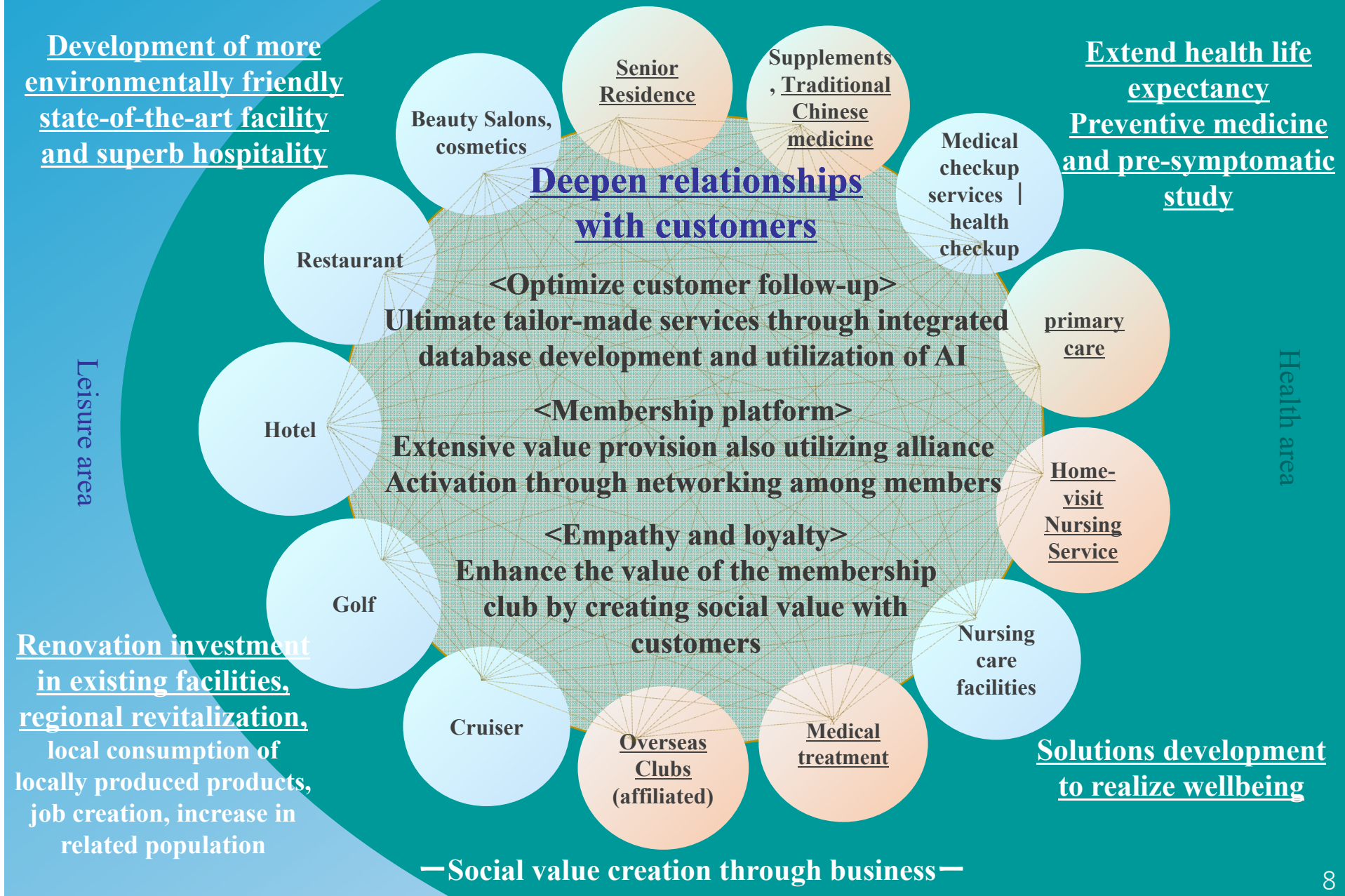
### 3 Revitalization including review of operation of and creation of an environment for internal and external communication tools

### 4 Continuous standardization and simplification of operations and planned renewal of old systems

Proposals that fully leverage abundant customer (member) data contribute to unique value creation and productivity improvement

# Growth Strategy(1) Value Provided (Image of Service Domain Expansion/ Social Value Creation)

Proposal for affluence one step ahead, combining “leisure” and “health” with “values for the future”



## Growth Strategy (2) Expansion of Member and User Bases (Maximization of the Group's Economic Bloc)

■ The affluent sector in Japan continues to grow. There is still much room to expand the “Group's economic bloc” where its uniqueness can be demonstrated.

Area	Affluent households	Current Members	Penetration rate (2023.3)	Estimate at 200,000 members
Kanto	About 650,000	About 50,000	8%	14%
Chubu	About 230,000	About 40,000	17%	21%
Kansai	About 240,000	About 40,000	16%	20%
Other	About 370,000	About 10,000	2%	3%

Expansion of the Group's economic bloc (user base)

Group facility user base

Family members and relatives of members, guest users, and service as a welfare program/health check-ups for corporate employees (approximately millions of people)

Foreigners (mainly affluent)

App members  
Approx. 400,000

LINE members  
Approx. 200,000

\*Estimated by the Company based on statistical figures and member data, etc. (assuming 1.49 million affluent households)

**Domestic Affluent (2021) 1.49 million households. (12% increase from 2019)**

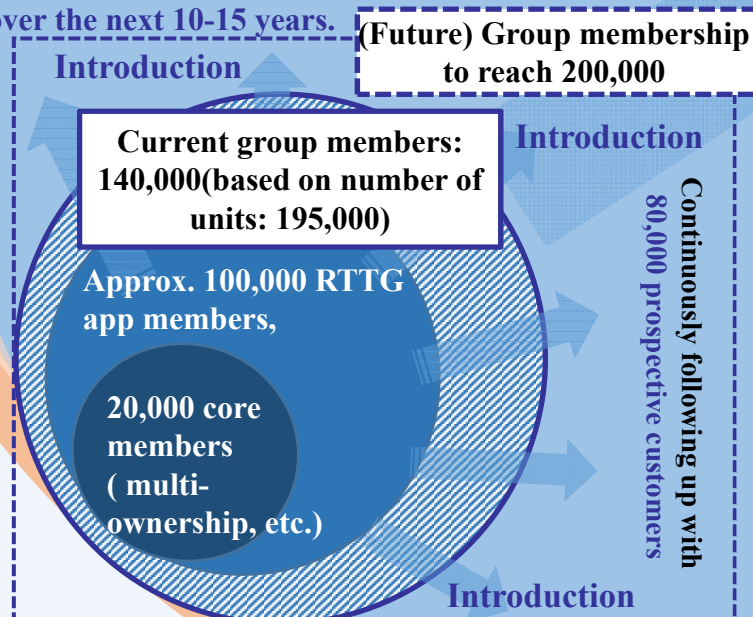
**Net financial assets: 364 trillion yen**

\*Based on data estimated by Nomura Research Institute, Ltd.

\*Affluent sector means households with net financial assets of 100 million yen or more

Number of small and medium business owners: approximately 3.5 million corporations (increase in corporate demand)

Expansion of the group membership base over the next 10-15 years.



◎ Number of affluent households in Japan has been increase consistently since 2013

◎ Further development is possible in the Kanto region as well as Chubu region

(Estimated permeation rate in the Chubu region as of 2019 was already over 20%, and membership has been growing since then. ⇒ More recently, the affluent sector is expanding faster than membership growth, leading to a decline in permeation rate; however, probable permeation rate of over 20% is expected in the future.)

◎ Prospective customers (80,000 customers) are constantly circulating at the maximum number that can be followed up with the current operating system (Number of targets: 1.59 million)

\*Potentially, there is room for the number of households to expand up to approximately 300,000 (1.5 million households x 20%) (further increase as the affluent sector expands)

# Growth Strategy (3) New Product “SANCTUARY COURT”, its Permanence and Cash Flow Image

## Progress of the three SANCTUARY COURT properties as of the end of March 2023

Facility (Number of rooms)	Start of sales	Progress rate of contract(Transitional period)	Scheduled date of opening
TAKAYAMA (121 rooms)	June 2021	78.4% (19 months)	March 2024
BIWAKO (167 rooms)	March 2022	55.3% (13 months)	October 2024
NIKKO (162 rooms)	October 2022	33.5% (6 months)	February 2026

All of these properties recorded sales significantly higher than past standard sales (50-60% of membership sold at the time of opening). A high percentage of corporate membership (approximately 80%) is commonly observed.

## Strategy/permanence of SANCTUARY COURT

<b>More candidate locations</b>	they are medium-sized properties (approximately 120-160 rooms) and their concept is to have members visit for the purpose of enjoying their stay at the hotels themselves.
<b>Easier to stabilise occupancy rates</b>	Additional five nights floating use per month. Easy to exchange stay nights with other brands. (Products are designed to meet a wide range of corporate demand.)
<b>High maintenance resources</b>	Higher deposits provide large funds (previously 10% → 15%).
<b>Contract term.</b>	Fixed-term leasehold (50 years) (Meets corporate demand)

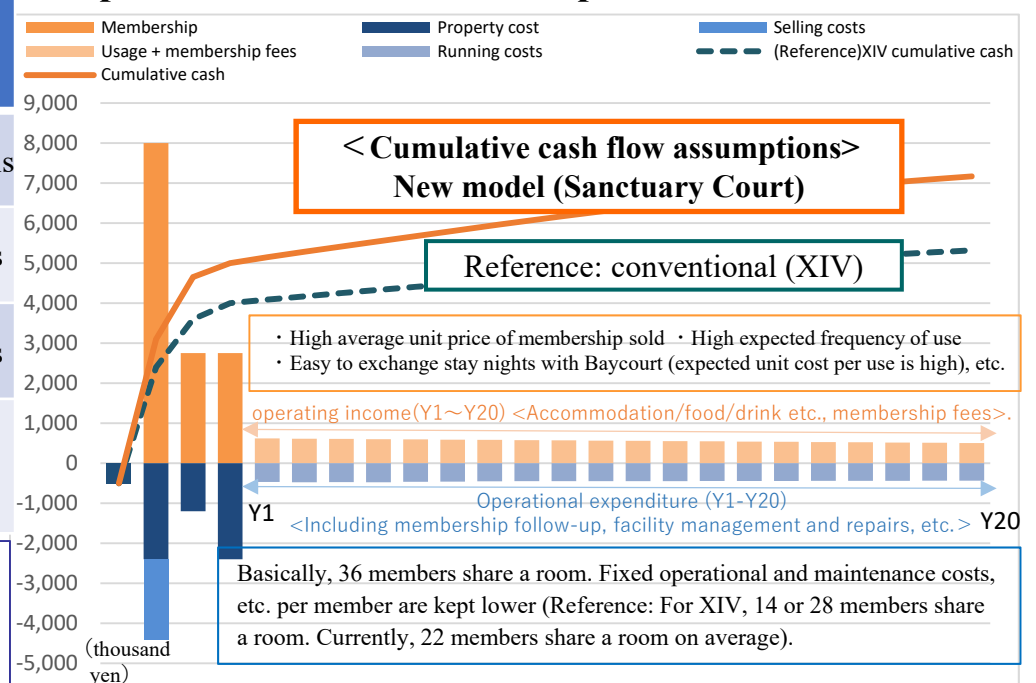
\* Please see page 20 for a perpetuation model for XIV business

## (Reference) Actual usage by members by membership

Average number of rooms used per member	FY2022		FY2019 (pre-COVID)	
	Legal entities	individuals	Legal entities	individuals
(Membership subject)				
XIV members (47% corporate members)	6.3 rooms	6.2 rooms	6.7 rooms	5.7 rooms
Baycourt members (66% corporate members)	7.8 rooms	7.1 rooms	7.9 rooms	6.9 rooms
SANCTUARY COURT members (81% corporate members)	8.2 rooms	7.6 rooms	—	—

Typically, the average annual usage by corporate members tends to be higher than that by individual members; however, after the COVID-19 crisis, the average usage by individual members is recovering faster. Going forward, there is relatively large room for recovery and growth in usage by corporate members.

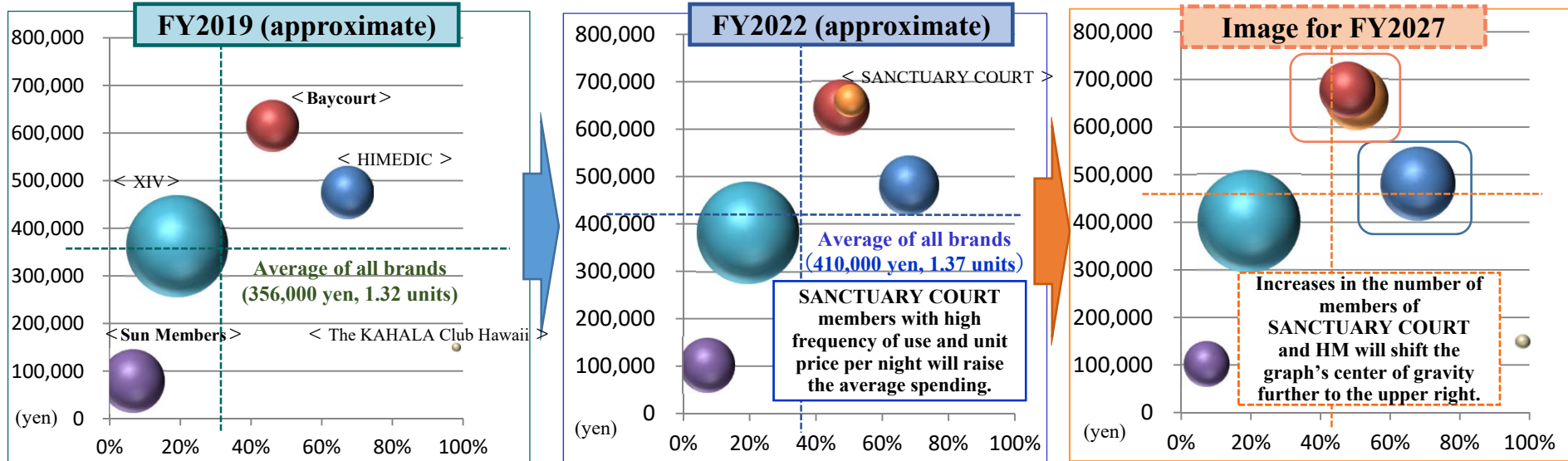
## Expected future effects of new products. (comparison with XIV)



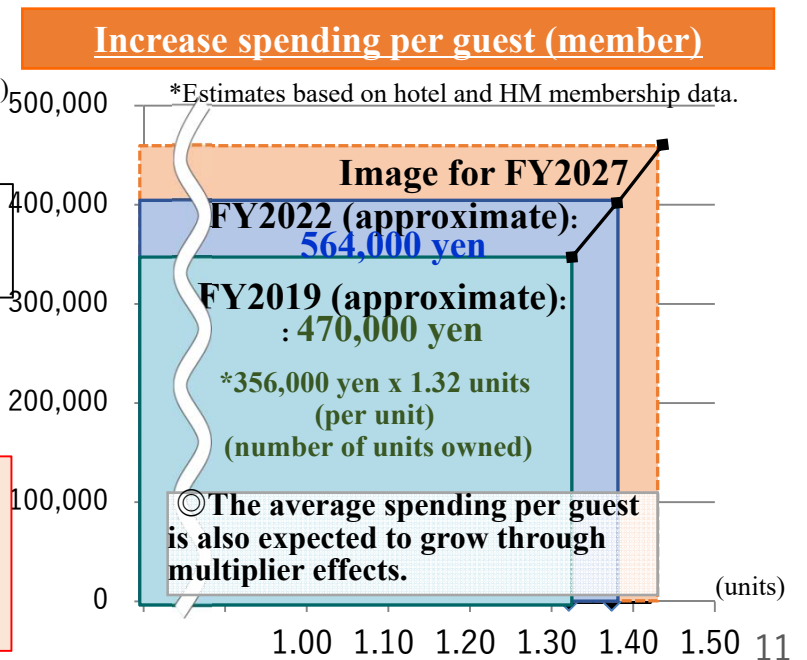
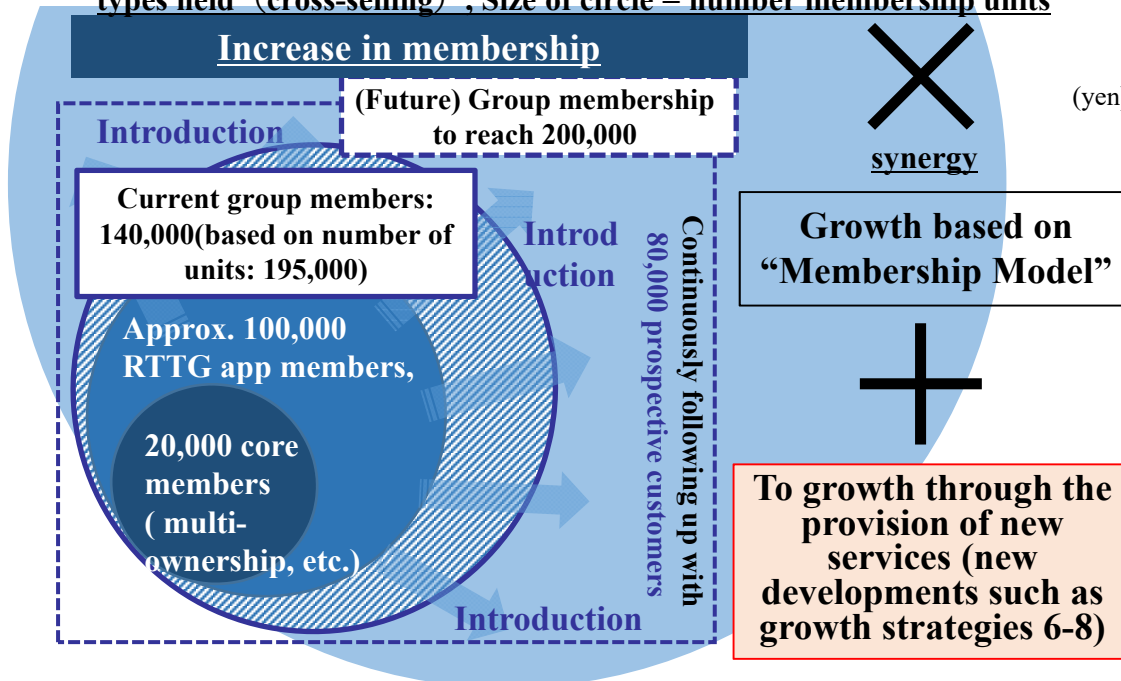
\*Please see page 27 for estimates of future business value creation 10

# Growth Strategy (4) Expanding spending (brand portfolio)

■ Average spending per guest (member) is expected to continue to increase as our brand portfolio changes



**Bubble Charts :** Vertical axis = Annual spend per unit + membership fee income, Horizontal axis = other memberships and multiple types held (cross-selling), Size of circle = number membership units

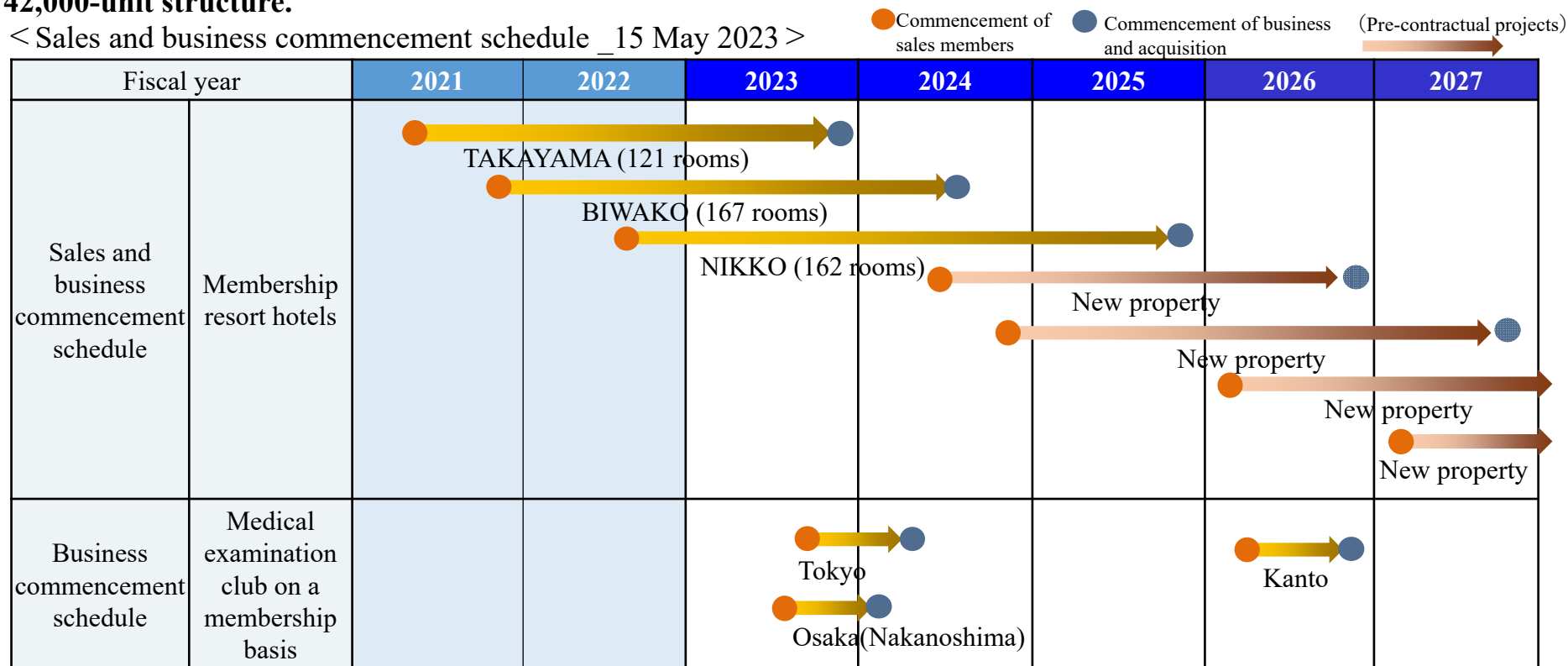


## Growth Strategy (5) Group's Development Schedule

■ Following the three SANCTUARY COURT properties, hotel development is planned at a pace of approximately one facility per year from FY2024 onward.

HIMEDIC is scheduled to open in two locations in FY2024 and one in FY2026, leading to the establishment of 42,000-unit structure.

< Sales and business commencement schedule \_15 May 2023 >



Seven new membership resort hotels (two in Chubu, two in Kansai, and three in Kanto) are currently under consideration for development from FY2024 onward (including projects with land not yet acquired), and other potential sites are also under continued consideration. In parallel with them, reinvestment (renewal/rebuilding, etc.) in the former XIV properties will begin to be considered one by one, from this Medium-term Management Plan period.

First land for a residence property is under consideration, mainly in the Kanto region. For speedy development, selection of partner companies with strength in land acquisition in urban areas is underway.

# Growth Strategy (6) New Development of Senior Lifestyle Business (Value Creation for Existing Members)

## ◆ Recognition of current situation and strategic direction

### Group Strengths

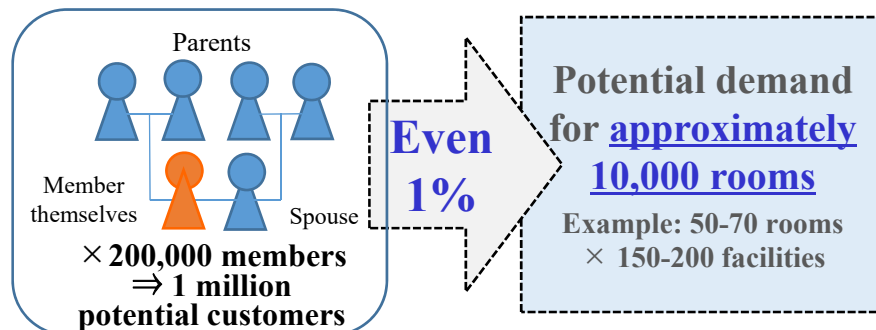
- Overwhelming customer base, which mainly consists of affluent sector, and sales capabilities
- Operational expertise in Medical Operations and Hotel and Restaurant Operations (Healthcare networks, hospitality)

### Views on future development.

- Balance healthy occupant type, nursing care type, and hospice care type, leveraging the strength of Medical Operations and aim to increase space occupancy rates.
- Provide the Group's unique product value by fully leveraging the Group's unique market (member base)

Improve QOL and maximize LTV (Life Time Value)

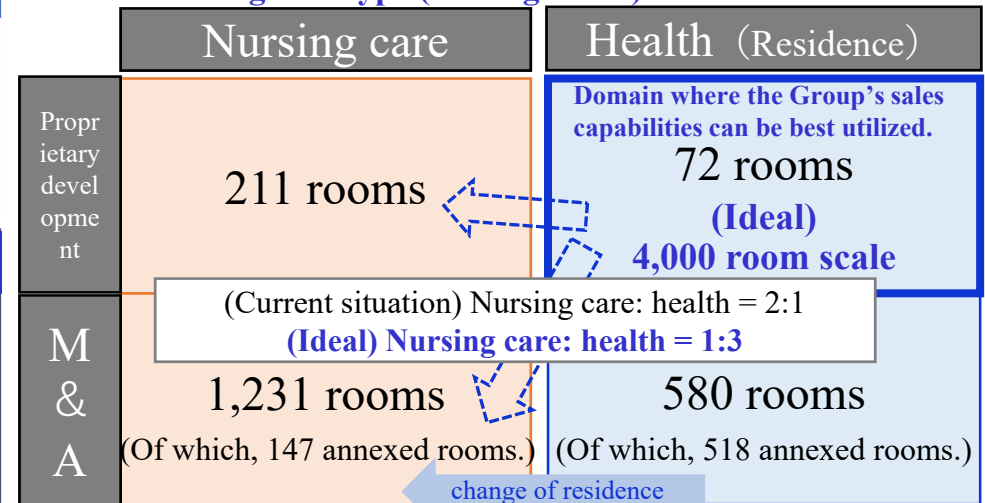
## ◆ Market size within the Group's economic bloc



2022 Questionnaire for members : 25%  
Interest in senior residences

## ◆ Improve balance in existing portfolio

⇒ Increased healthy occupant type leads to stable occupancy rate for nursing care type (moving needs)



Our existing 23 facilities of 2,094 rooms are mainly nursing care type. Facilities with "specified" authorization have been developed speedily by leveraging M&A.

## ◆ Attractiveness and profitability of new product "Club-type Residence" (tentative name)

<b>Member needs</b>	Prepare for future nursing care, inheritance, etc., stay healthy, second house, solving daily issues, asset utilization (high-yield financial products), and extraordinary experiences
<b>Merchandise Value</b>	Real estate value (inheritance value), facility use (hotel and medical), trade-in of membership, preferential treatment when moving into the Company's nursing care facilities, corporate use, investment yields, etc.
<b>Earnings Forecast</b>	<ul style="list-style-type: none"> <li>• <u>Early payback model through revenue at the time of sale</u></li> <li>• <u>Operating revenue margin higher than existing healthy occupant type facilities</u></li> </ul> (Reduction in operating rent burden: buyer's yield ⇒ amount to be borne by the Company) Assuming that annual operating revenue per facility is approximately 0.5-1.0 billion yen.

## ◆ Attached to Trust Garden Sakurashinmachi



**Opened on May 1, 2023**  
**HIMEDIC in-home nursing care station Sakurashinmachi**



**Scheduled for July 1, 2023**

**Trust Garden Sakurashinmachi will begin hospice care services**

Actively accept people with high medical needs, such as those in the terminal stages of cancer and those in serious condition, and will meet the demand for nursing care

“Partner medical institution: Wellcompass Jonan Clinic”

\*Please refer to the press release issued today for details of the facility.

- Hospice care services that provide the security of being in a hospital and the comfort of being at home
  - Six beds in the facility, to be increased gradually
  - Completely private rooms, fully equipped with bedside monitors and medical equipment such as sputum suction unit
- Accept more people with greater medical needs (those with pressure ulcers, tracheotomy, home oxygen therapy users, etc.)
- \*Sores and wounds caused by poor blood flow as a result of lying in bed for a long time (bedsore)

## ◆ Effects of new developments

**Aim to increase space occupancy rates by increasing revenue from nursing care services through the in-home nursing care station and capturing diverse needs through hospice care services**

### 1. Effect of establishment of in-home nursing care stations

Secure revenue by providing medical insurance services to residents, in addition to providing the security of having a nurse (nurses) on site at the facility 24 hours a day, 365 days a year

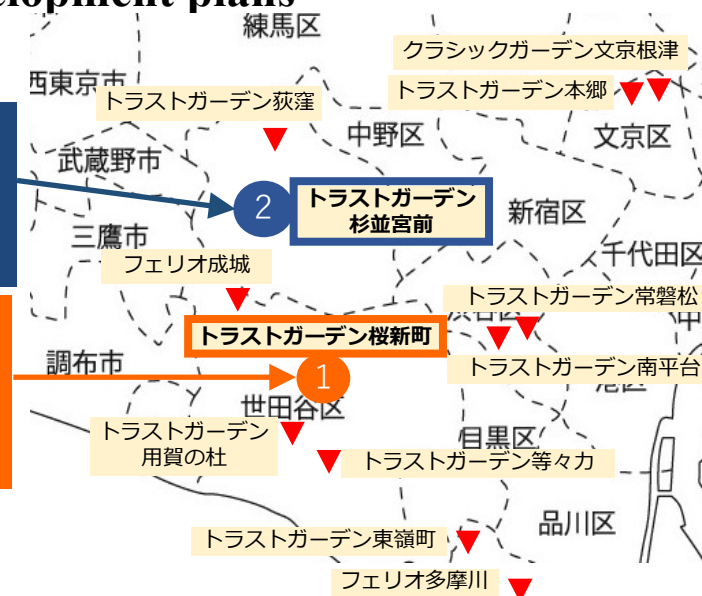
### 2. Synergies with hospice care services

- Can accept residents with higher medical needs than before through cooperation with house call medical care and in-home nursing care stations
- Pursue RTG's unique hospice care services that satisfy its members and other affluent individuals / Provide services that support customers for a lifetime.

## ◆ Future development plans

② Scheduled for June, 2023  
**HIMEDIC in-home nursing care station Sugunami Miyamae**

① Opened on May 1, 2023  
**HIMEDIC in-home nursing care station Sakurashinmachi**



\*Prepare to develop our senior lifestyle business in the Tokai and Kansai areas, and plan to expand it gradually





# Growth Strategy (7) Progress of BNCT business / Creation of social value

## ■ BNCT (Boron Neutron Capture Therapy) business

Business that the Group is engaged in, with the vision of “**creating a society where cancer claims no precious lives,**” for the purpose of bringing new light to cancer treatment by developing new technologies in the therapeutic field.

### <Characteristics of BNCT and initiatives of the Group: Cancer Intelligence Care Systems, Inc. (CICS, a consolidated subsidiary of the Company)>

- Neutron radiation dose exposed has almost no effect on the human body, causing little burden to the body, and in principle, treatment is completed in a single exposure.
- Cancer cells are to be selectively destroyed. Strong synergy with PET scans, which can measure boron accumulation in advance.
- CICS has co-developed a device that can be installed in hospitals with the National Cancer Center Japan, and is conducting clinical trials with partner companies.

Future schedule (image)	2023.3	2024.3	2025.3	2026.3	Examples of symptom improvement by BNCT
<b>Clinical Trials (malignant melanoma, angiosarcoma)</b> *Phase II trials only for angiosarcoma.	Phase II trials (efficacy)		Review		(a-1) Day -29      (a-2) Day 3 
<b>Indication Expansion (Head and Neck Cancer)</b>	Joint research is planned with the National Cancer Center Japan In future, clinical trials for brain, breast, lung, and esophageal cancer are also envisioned.				<Before the clinical trial: 1 month before>      <Post-trial: after 3 days>
<b>Specified Clinical Research (Breast Cancer)</b>	Collaboration with external medical institutions and other institutions Aiming to complete by around 2025				(a-7) Day 181      (a-8) Day 370 
<b>Equipment sales / treatment (Sale as a medical device after regulatory approval is obtained.)</b>	Sales channels will be discussed with partner companies. Sales to domestic medical institutions as well as overseas institutions may be expected. Consider offering added value (medical check-ups + treatment *at medical institutions to which a device is sold) in collaboration with the HIMEDIC operation				< Post-trial: after 6 months>      < Post-trial: 1 year elapsed.>

**If the application is expanded to breast, lung, and esophageal cancer, in addition to the clinical trials currently underway, the impact will be significant (improving QOL with non-ablative treatment).**

### ■ (Reference) Joint research and endowed courses of the Group’s medical business other than above

- The University of Tokyo Hospital: “Computational Diagnostic Radiology/Preventive Medicine”
- Nagoya University Hospital: Research on blood flow and vascular lesions using MRI systems
- Keio University Hospital: Epidemiological study on bone changes based on PET/CT images
- THE JIKEI UNIVERSITY KASHIWA HOSPITAL: Research on WT1 dendritic cell vaccine
- KYOTO UNIVERSITY HOSPITAL: Elucidation of the pathology of the development of lifestyle diseases, and research on the prediction of their onset
- NAGOYA CITY UNIVERSITY: Research on hospitality in medicine
- Tohoku University School of medicine: Building models for the onset of cancer and lifestyle diseases using AI
- OSAKA UNIVERSITY: Radiotherapy of cancer with alpha rays

## Growth Strategy (8) Capturing Overseas Affluent Sectors

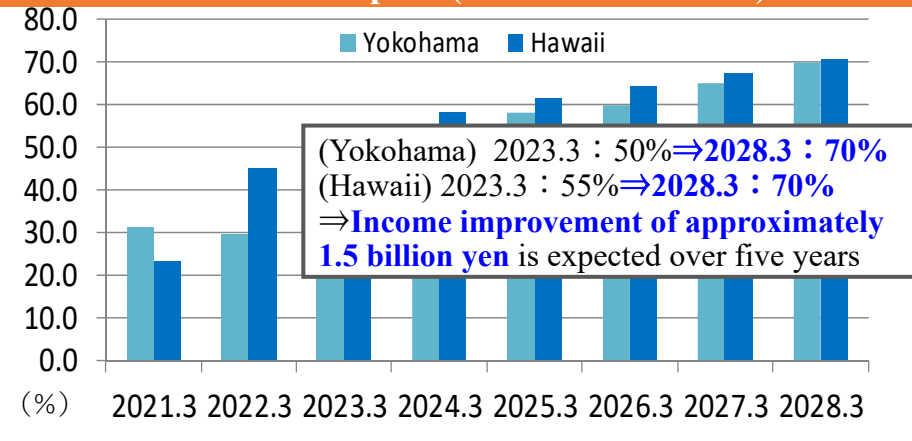
### ■ View for post-COVID-19 (reopening)

#### Assumptions underlying the Plan

- The number of people traveling overseas from Japan has increased gradually since mid-FY2023. (⇒positive effect on occupancy rates of The KAHARA Club Hawaii)  
⇒**Only minor impact on membership sales, and it is assumed that even if there is a slight negative impact on occupancy rates of domestic facilities, increased domestic demand will be greater as a result of the revitalization of overall consumption.**
- Similarly, the number of travelers to Japan has increased gradually.  
⇒**Occupancy rates and unit price are expected to increase due to an increase in the number of users in affluent sector at non-membership facilities, including The KAHARA HOTEL & RESORT YOKOHAMA.**

### Reference : THE KAHALA HOTEL & RESORT (Hawaii/Yokohama) Improved occupancy.

#### Occupancy assumptions for the five years period of this medium-term plan (Hawaii/Yokohama).



### ■ Capturing overseas demand in membership business is expected to be done in three phases to implement long-term strategy

1. Start mutual use through alliances from this Medium-term Management Plan period (gradually add partners to increase brand awareness)
2. Compose and sell memberships for overseas affluent sectors, assuming inbound visitors mainly on weekdays (improve unit price and occupancy rates)
3. Develop local facilities and services for overseas affluent sectors

### ◆ Partnership with overseas affluent clubs

< location (e.g. of industry) >

Priority will be given to countries in Southeast Asia and other regions that are easy to travel to and from.

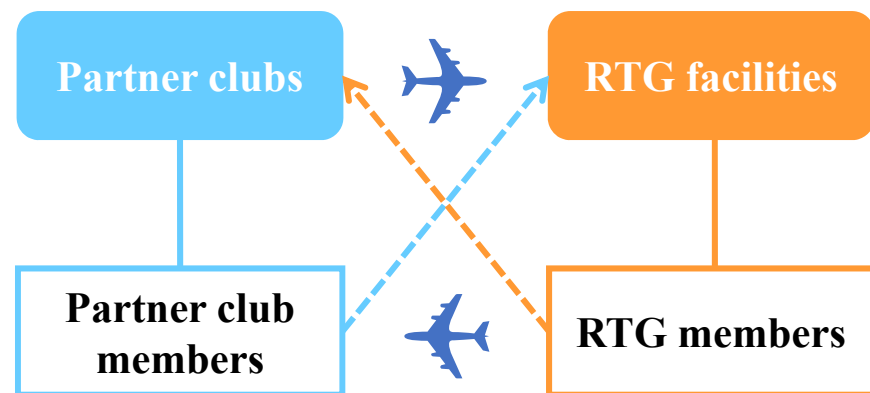
< terms >

Club organizations that are closed and not large, with facilities and activities where members of the Company can enjoy the benefits of “membership” when they travel

< purpose >

Added value for members, revenue contribution to facilities in Japan, brand recognition and marketing overseas

### Draft image for mutual use.



## Numerical targets(2023.4-2028.3)

■ **Set three-year numerical targets. An average annual growth rate of 10% is envisioned after five years, depending on new business development and external environment.**

< Five-year common targets >

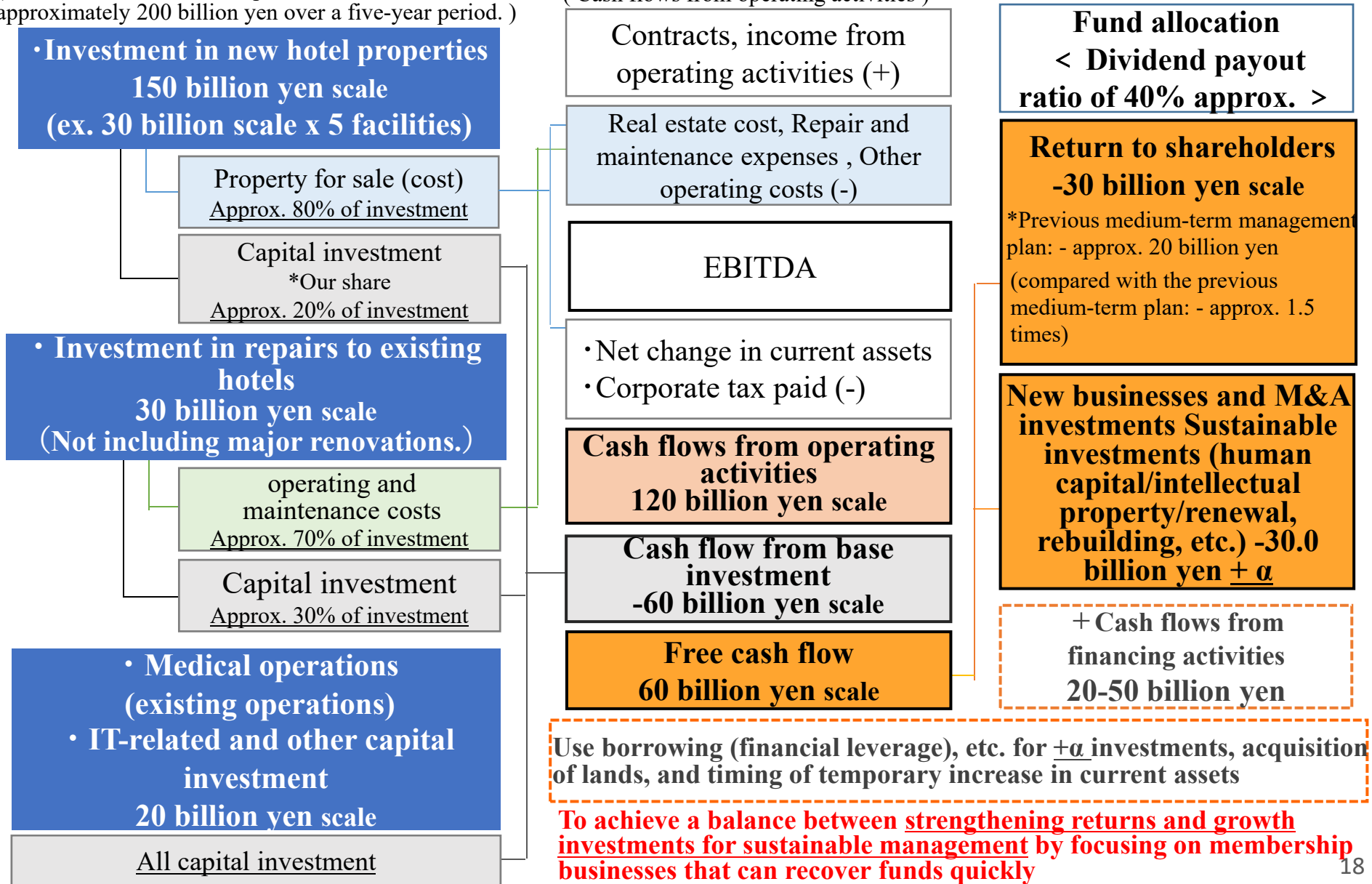
< Numerical targets for the Next Three Years >

Overall index	2023.4~2028.3	(Billions of yen)	FY2022	FY2023	FY2024	FY2025
Operating income to net sales	<b>10% or more</b>	Index	Previous year results	New medium-term plan first year Initial plan	(Reference) Year 2 Target.	<b>Year 3 Target.</b>
Operating income growth rate	<b>10% or more per annum on average</b> * 2024.3 Plan as starting point.	Net Sales	169.8	200.0	215.0	<b>230.0</b>
ROE	<b>Aim for 12% above 10%.</b>	Operating Income	12.2	18.0	20.0	<b>23.0</b>
Return policy	<b>Provides stable returns with a payout ratio of 40% or more.</b>	Operating income growth rate	+41.2%	+46.7%	+11.1%	<b>+15.0%</b>
Consolidated contract values	<b>2028.3: 10% growth (vs. 2024.3 target)</b>	Ordinary Income	13.2	18.0	20.0	<b>23.0</b>
Hotel occupancy rate (Total of all brands)	<b>2028.3: 60% growth (+5p vs. 2024.3 target)</b>	Net Income	16.9	12.0	13.0	<b>15.0</b>
		ROE	15.4%	9.9%	10.1%	<b>11.0%</b>
		Evaluated Operating Income	22.3	Property opening assumed each fiscal year, expecting the amount which is about the same level as that of operating income.		

# Fund allocation image, return policy

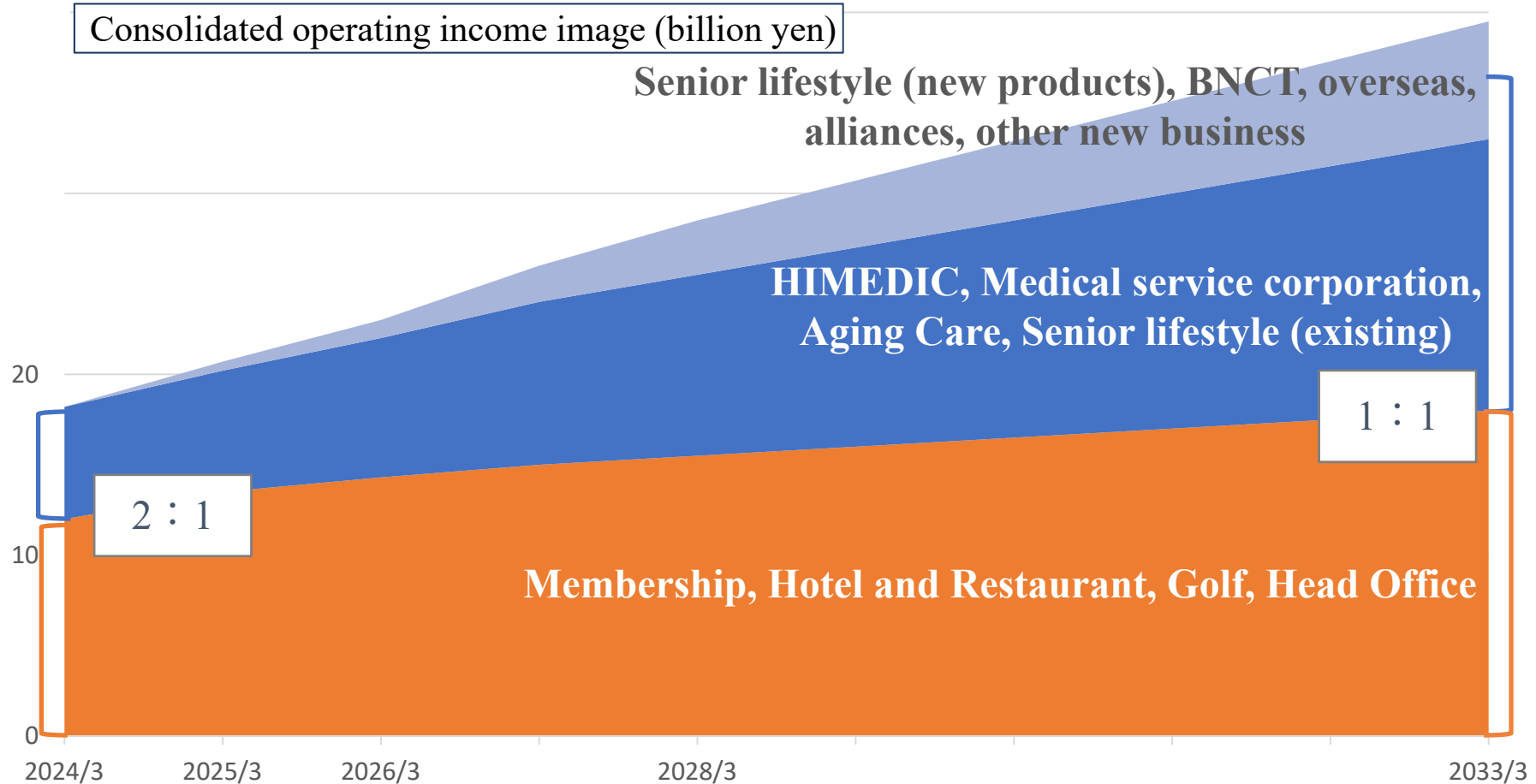
■ Free cash flow to be generated during the five-year period of this Medium-term Management Plan will be approximately 60.0 billion yen, of which approximately 30.0 billion yen is expected to be returned

( Investment amount: anticipated to be in the order of approximately 200 billion yen over a five-year period. )



## Long-term income growth image (2024.3-2033.3)

■ **Growth image for the next 10 years, ratio of (membership + operation of hotels, etc. + head office): medical (including new businesses) to be approximately 1:1**



- Opening of 3 SAC properties.
- Strengthen profitability by raising selling prices
- Strengthen investment in human capital and IT
- Strengthen investment in repair and maintenance
- Develop innovation

- Continued membership growth
- Start selling reinvestment properties
- Make innovation profitable
- Initiate the XIV rebuilding model
- Medical operations exceeded 10 billion yen.

- To make the membership hotel business more sustainable
- Number of members (units) exceeds 250,000
- HM membership exceeds 42,000
- Number of senior residence members exceeds 2,000.
- Expand overseas business, innovation

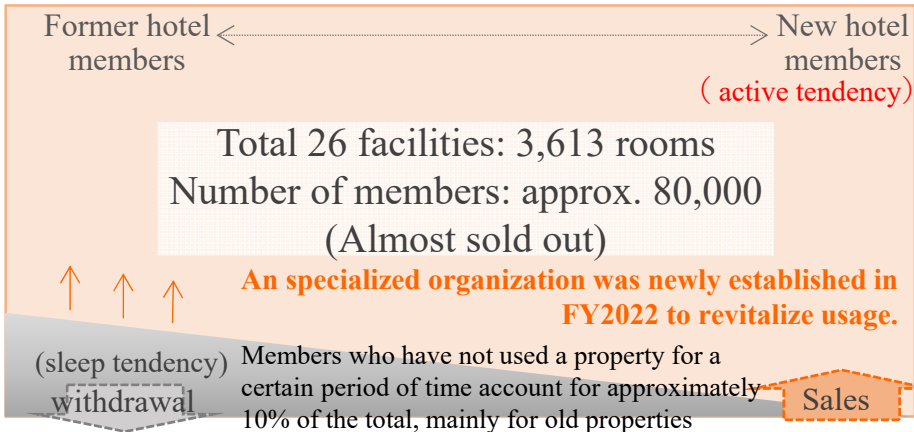
# To make the membership hotel business more sustainable

## ■ Basic view for the perpetuation of membership hotel “XIV” business

- In general, a hotel frame is considered capable of basic operation for about 50-60 years; however, if the necessary repair work is done at an appropriate time, it may be expected to be used for another 30 years from that point. In the future, **we need to study the long-term direction for individual property from options such as “large-scale renewal,” or “rebuilding,” comprehensively taking into consideration the age, specifications and equipment, location, usage needs of each facility, and other factors.**
- We have traded in properties that we had sold to members when requested by members to switch to other properties. When we resell such properties, we sell the right to use such properties only, thereby owning a real estate interest in the former facilities

## ■ Current status of overall XIV facilities and their circulation cycle

All 26 XIV facilities remain generally sold out (most recent sales rate of 98%). Returns of approximately 1,000 units (excluding those in the secondary market) from annual withdrawals are always resold (usage rights only, and real estate is owned by us) and circulated.



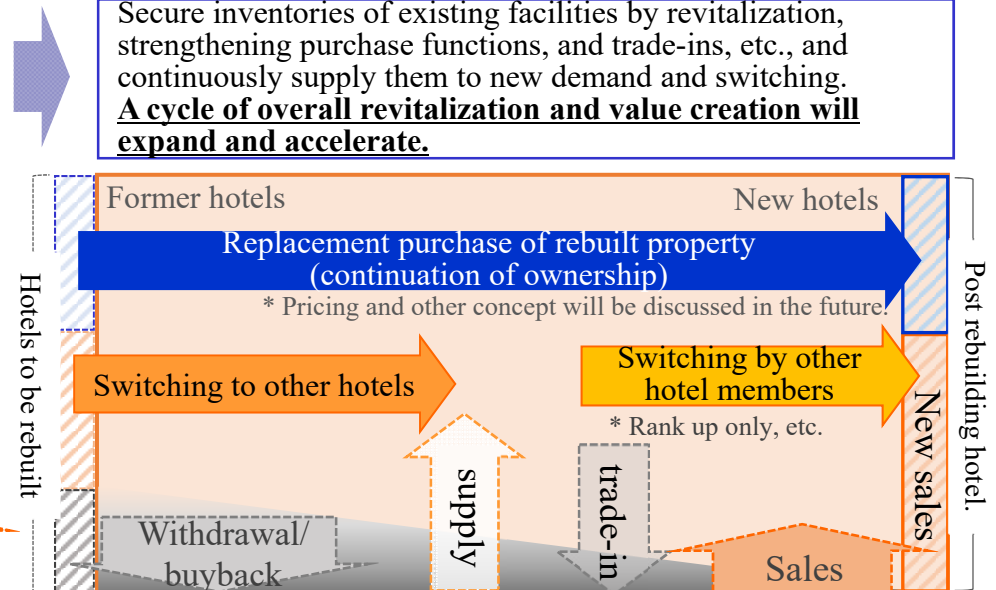
Although this is a cyclical model, the size and speed of the cycle is limited.

## (Reference) Progress after the closure of some facilities of Sun Members \* An example of facilities

Notified approximately 2,000 members owning real estate in the facilities as of March 2020, and started confirming their intention regarding purchase of real estate by the Company and continuation of membership in the future ⇒ As of March 2023, 95% or 1,900 real estates (unit ownership) have been purchased.

## ◎ A business cycle that assumes rebuilding (an example of concept)

Secure inventories of existing facilities by revitalization, strengthening purchase functions, and trade-ins, etc., and continuously supply them to new demand and switching. **A cycle of overall revitalization and value creation will expand and accelerate.**

















**Target facilities will be considered one by one to enter a new growth stage through continuous investment.**

**Expected effect: New added value for the facilities (increased occupancy rates and unit price), efficiency (comfortable work environment, environmental considerations, DX), contribution to community, improvements in member satisfaction and employee satisfaction ⇒ increase in corporate value (improved profitability of business as a whole)**

## SDGs and Sustainable Management Initiatives (1)

In order to realize a sustainable society and the Group's growth, we have established materialities to address SDGs and solve social issues. We will continue to take on the challenge of creating a business model that is "unique to the Resorttrust Group," together with our members and all other stakeholders by conducting various business activities.

Category	Resorttrust Group themes	Materiality	KPI(Monitoring indicators)	Associated goals
Prosperity (S)	<ul style="list-style-type: none"> <li>● Realize "Together for a Wonderful Life"</li> <li>● Co-creation of the Resort Trust Group's unique added value</li> </ul>	① Provide services that closely support each and every person's life	<ul style="list-style-type: none"> <li>○ Number of members</li> <li>○ Group cross-selling (cross-servicing) degree of progress.</li> <li>○ CS</li> </ul>	    
		② Pursue quality, safety, and innovation of services		
		③ Contribution to regional revitalisation		
People (S)	<ul style="list-style-type: none"> <li>● "Wonderful Life" of staff</li> </ul>	④ Promoting diversity and inclusion	<ul style="list-style-type: none"> <li>○ Ratio of female managers</li> <li>○ gender pay gap</li> <li>○ Childcare leave usage ratio</li> <li>○ Average rate of paid leave taken</li> <li>○ Years of service by gender</li> <li>○ Engagement Score (ES)</li> <li>○ Training costs per capita</li> </ul>	   
		⑤ Pursue "happiness" of all staff		
		⑥ Develop capabilities and careers		
Earth (E)	<ul style="list-style-type: none"> <li>● Reduce environmental burden (Continue to live with nature)</li> </ul>	⑦ Reduce greenhouse gas emissions	<ul style="list-style-type: none"> <li>○ CO2 emission reductions</li> <li>○ Reduction in waste plastics</li> <li>○ Percentage of food wastes recycled</li> </ul>	   
		⑧ Reduce waste plastic and food loss		
		⑨ Biodiversity Conservation		
Governance (G)	<ul style="list-style-type: none"> <li>● Strengthening governance</li> </ul>	⑩ Highly transparent and fair business operations	<ul style="list-style-type: none"> <li>○ Number of compliance-related training courses attended per staff member</li> <li>○ Number of hotline/whistleblowing cases handled</li> </ul>	
		⑪ Disclose non-financial information, and Promote dialogue with stakeholders		

# SDGs and Sustainable Management Initiatives (2) \*Excerpts from some of the recent initiatives

## 【E : Earth】

The Resorttrust Group has set medium- to long-term targets for reducing CO2 emissions and disclosed information based on the TCFD recommendations. In addition to the installation of BEV chargers at 26 hotel facilities completed last fiscal year, we will invest in the installation of solar power panels at 37 domestic locations and address various initiatives in stages including the study of next-generation energy such as newpower storage technology and hydrogen power generation. Furthermore, we will work on the reduction of waste plastics including changing the packaging materials for amenities provided in hotel rooms to biomass-containing materials and using 100% recycled plastic bottles for bottled water.

### ■ CO2 emission reduction targets

2030 Targets	40% reduction (Base year: FY2019)
2050 Targets	Achieving Carbon Neutrality



## 【S : People/Prosperity】

In March 2023, a forum was held to seriously discuss the potential of the Resorttrust Group across operations and departmental boundaries. The first session was held for staff working for the Resorttrust Group to “have a dialogue with the President about what they want to achieve on their own.” In addition, we are actively promoting initiatives to improve job satisfaction and develop capabilities and careers, including projects where each staff member takes on the challenge of solving problems and innovations, and organizing competitions where each staff member competes for the skills he/she has honed in the workplace.



< Pre-Sustainability Forum >



< Teppanyaki competition (held in March) >

## 【S : People】

When a staff member has to take a long-term leave of absence or be absent from work due to unexpected illness, injury, or family care, we have a system in place to compensate a certain amount of income for a certain period of time to support his/her livelihood, and support his/her return to work, etc., thereby providing support for balancing work and nursing care and work and medical treatment.

We introduced the GLTD (Group Long Term Disability ) system in January 2023, generously designed to ease concerns of those who work and those who want to work but cannot. We will further develop comfortable environment where our staff member can continue to work.



## 【G : Governance】

As the Resorttrust Group is engaged in a wide range of businesses, we believe that it is important to strengthen supervisory functions of Outside Directors in order to ensure highly transparent and fair business operations. To build a stronger governance structure, we nominated three new candidates for Outside Director in May 2023, including one with management experience at another company.



For more information, visit the sustainability website.  
<https://www.resorttrust.co.jp/sustainability/data/>



## Long-term Vision (10-year vision)

<10-year goals for segments>

**Pursue products and services that will last a lifetime with the customer.**

**Try ! Excellent Hospitality!  
—World-class hospitality group—**

ご一緒に、  
いい人生

～より豊かで幸せな時間を創造します～

**Contributing to healthy longevity and personal wellbeing in the age of 100 years of life**

**A group of professional and creative human capital**

**The most comfortable and rewarding work environment**

<Business/A vision for the Group>

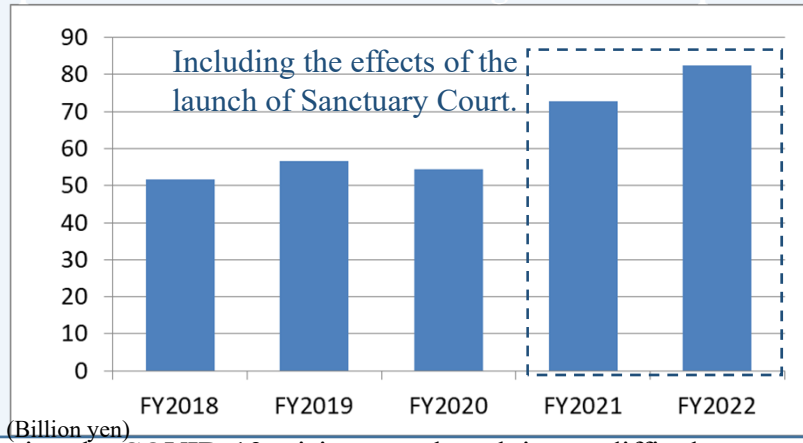
- **Embody the Group's unique Lanchester strategy based on its customer base and overwhelming individual brand strength**
- **A club that creates affluence for society by connecting with all stakeholders through a strong relationship of empathy and trust.**



\*Achieve No.1 in each business domain and maximize synergies among the domains

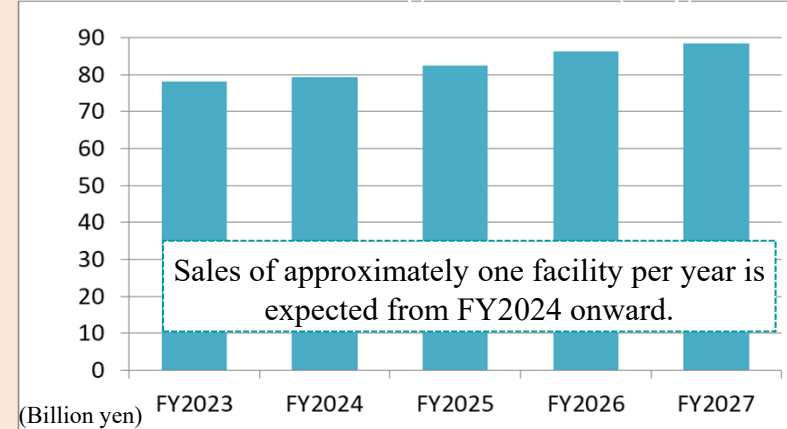
## (Reference) Five-year Trend by Segment (New and Old): Membership

### Change in hotel membership contract value in the previous Medium-term Management Plan period



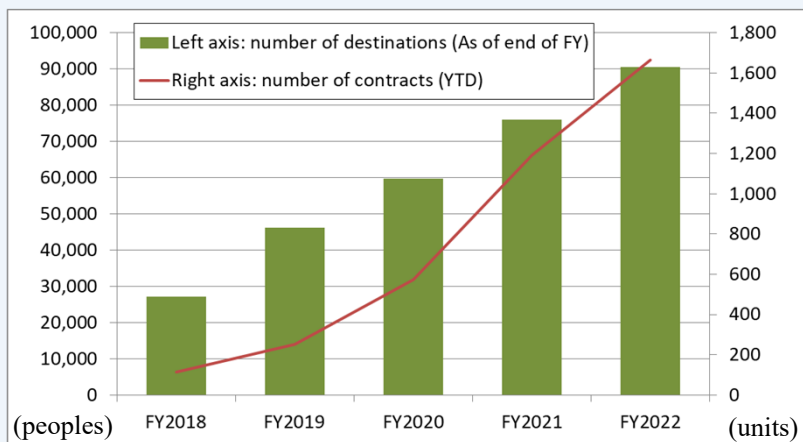
During the COVID-19 crisis, even though it was difficult to conduct normal sales activities, we further strengthened ties with our members and appealed new value with new products, which resulted in a significant increase in contract value since FY2021. Use of digitalization and referral channels by hotel segment and financial institutions were also enhanced.

### Assumed contract value of hotel memberships during this Medium-term Management Plan (target value)



Continue development of new products based on the needs for SANCTUARY COURT with a view to increasing unit price by about 10-15%. Increase productivity by improving quality of ties with customers (such as strengthening follow-up on usage) to increase new referral contracts.

### (Reference) Progress of contract values using digitalization



\*The number of distribution destination includes potential customers as well as existing customers (members)

### Themes of the new five-year initiative / KPIs

< Towards the FY2027. >  
**New sales ratio: 55% (currently 51.5%)**  
**Employee retention rate: 95% (currently 93.5%)**  
**Overtime: from less than 5 hours to 0 hours per month (currently 10 hours).**

#### • Themes of the new five-year initiative / KPIs

**Improve “quality of connections with customers” = from customer satisfaction to customer delight**

⇒ Thorough customer follow-up, increase in referral contracts based on trust

• **Improve “quality of sales capabilities” = stable results**

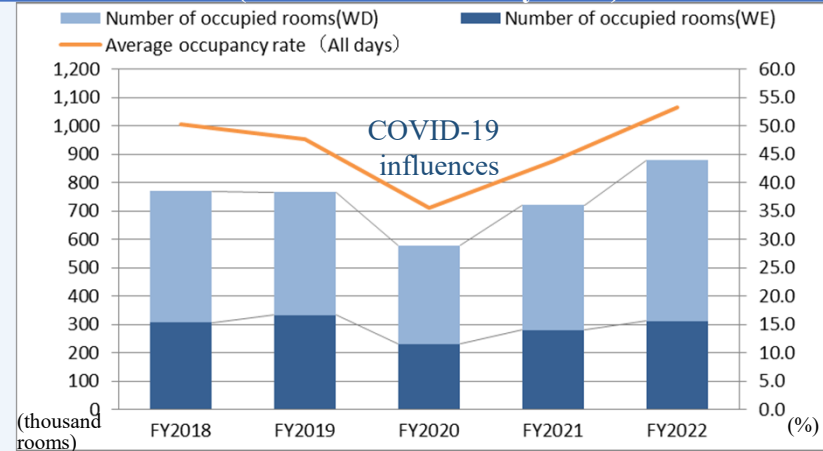
⇒ Pursue time efficiency, closer internal cooperation, promote cross selling

• **Improve “quality of organization and employees” = improve the retention rate**

⇒ Improve and enhance work environment, organizational climate, and motivation

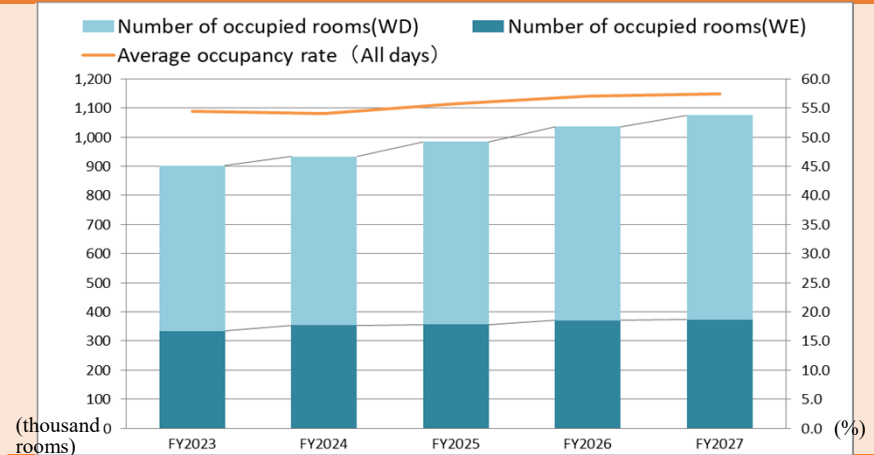
# (Reference) Five-year Trend by Segment (New and Old): Hotel and Restaurant

## Occupancy rate of member hotels value in the previous Medium-term Management Plan period (Total of XIV and Baycourt)



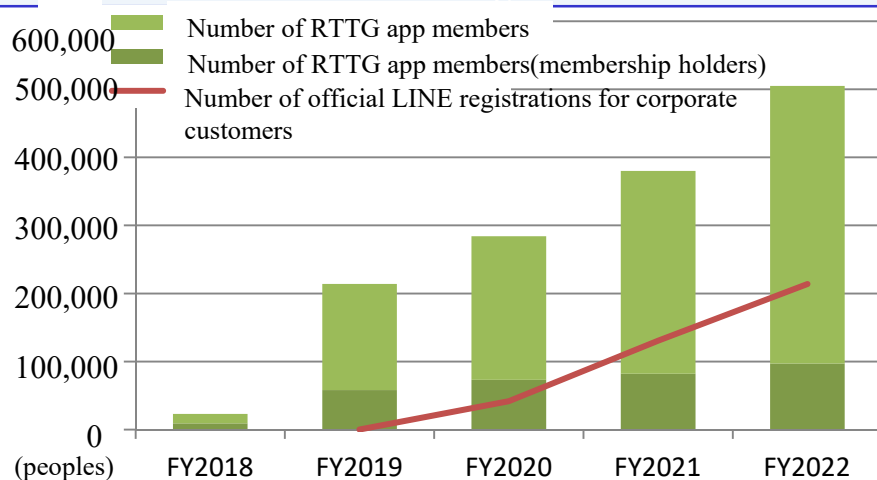
Even during the COVID-19 crisis, occupancy rates of membership hotel operations maintained 60-70% of those of normal years. Thereafter, the latest occupancy rates have been significantly higher than the pre-COVID-19 level, mainly on weekdays.

## Assumed occupancy rates of member hotels in this Medium-term Management Plan (target value) (Total of XIV, Baycourt and Sanctuary Court)



Occupancy rates at Baycourt and XIV are expected to increase by about 4-5% each over the next five years. Occupancy rate after the opening of SANCTUARY COURT is expected to be approximately 60%, pushing up the overall occupancy rates.

## (Reference) Number of RTTG apps and official LINE registrations



Contributes to the distribution of various information of the Group and weekday occupancy rates

## Themes of the new five-year initiative / KPIs

< Towards the FY2027 >

**Number of official LINE registrants: 700,000 (currently 210,000)**

**RTTG app booking rate : 40% (currently 12.3%)**

**CS points (out of 5): 4.80 (currently 4.75)**

**Hotel occupancy rate (overall): 60% (Currently 55%)**

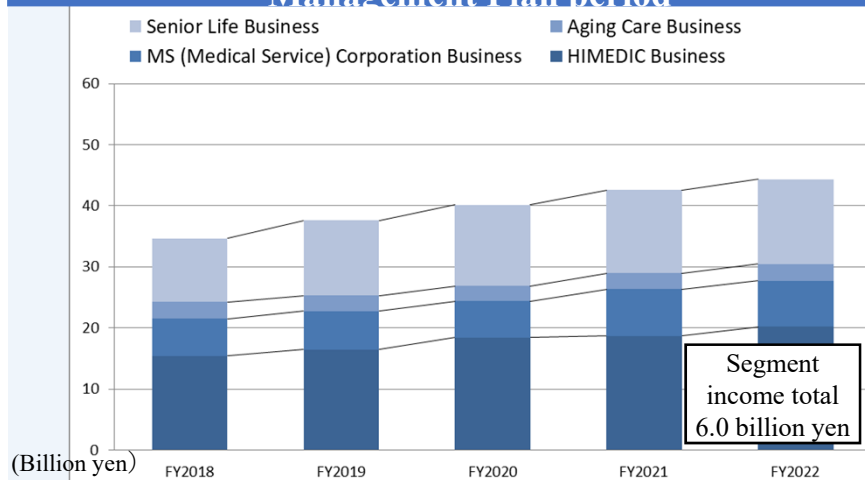
- Improve the quality of services, information announcement, and products, and provide value for experience
- Improve engagement and secure workforce through environmental development
- Improve productivity through innovation making full use of IT and DX

⇒ Aim for operating income margin on segment sales at 8-10%

- Sustainably “increase in corporate value” through promotion of compliance and implementation of environmental management

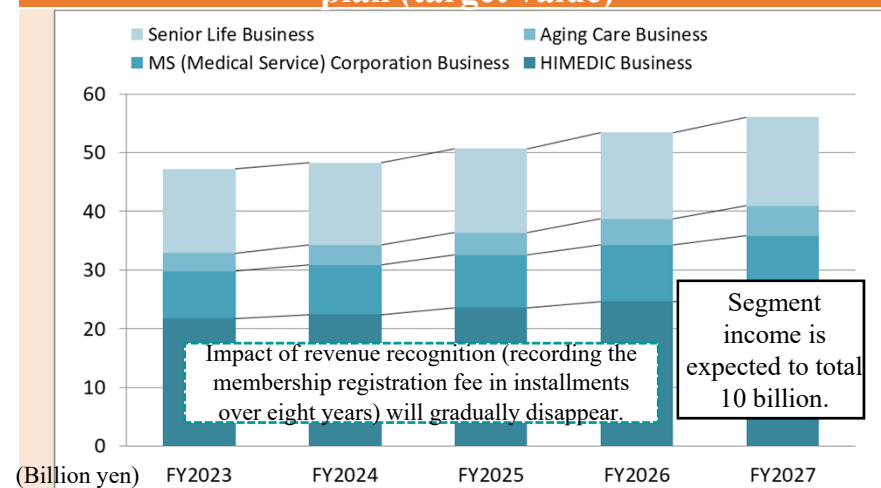
# (Reference) Five-year Trend by Segment (New and Old): Medical

## Sales (by business) in the previous Medium-term Management Plan period



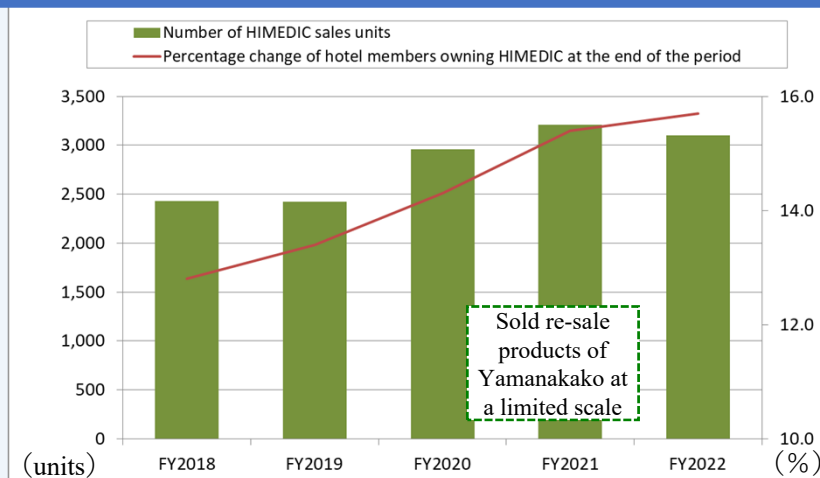
Growth continued mainly in HIMEDIC business. Since FY2021, the latest profit margin on sales was in the 13% range partly due to the impact of the change in revenue recognition standards and impact of COVID-19 on Senior Lifestyle Business.

## Assumed net sales (by business) in this medium-term plan (target value)



Each business will grow, aiming to achieve operating income of 10.0 billion yen (assumed profit margin on sales: approximately 18%) in FY2027

## (Reference) Number of HIMEDIC membership units sold



Needs have increased further with the COVID-19 crisis, and remained high.

## Themes of the new five-year initiative / KPIs

<HIMEDIC Business> 42,000 members (2 facilities open)

<Medical service corporation Business

Health check-ups/examinations 600,000-700,000 (including M&A)

⇒Support corporate members' health management: HIMEDIC for corporate managers, midtown clinic for employees

<Senior Lifestyle Business> Increase space occupancy rates / 2-3% increase per year (end-of-life care, hospice housing, residential rehabilitation), development of new residences

<Aging Care Business> Return to the starting point of medical products, data utilization, strengthen cross selling

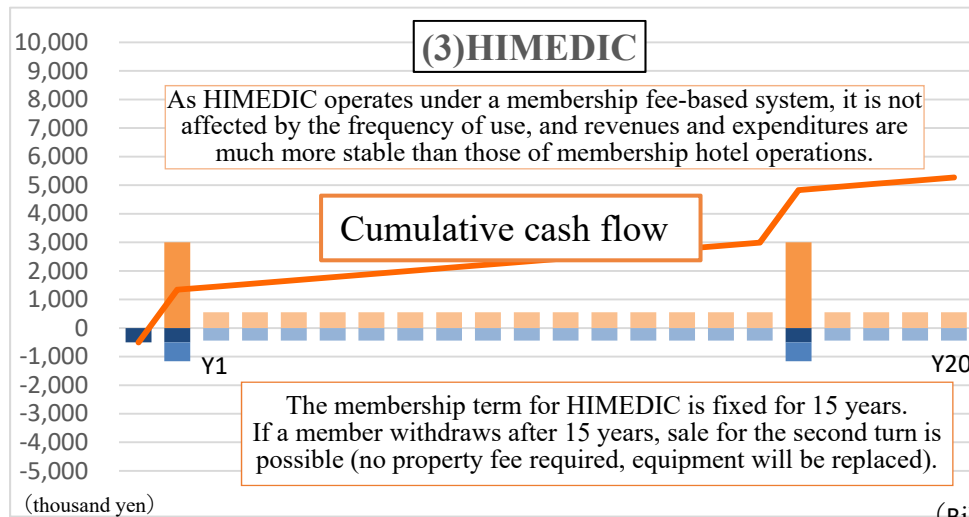
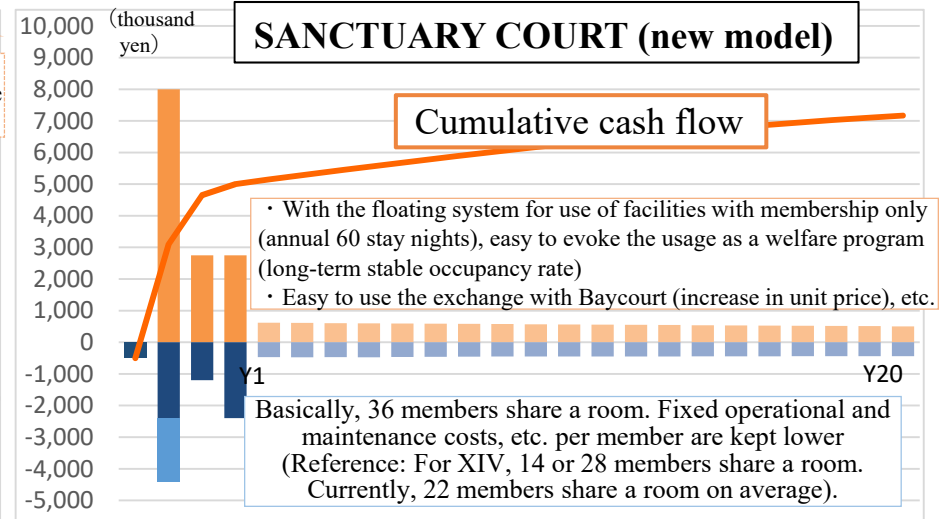
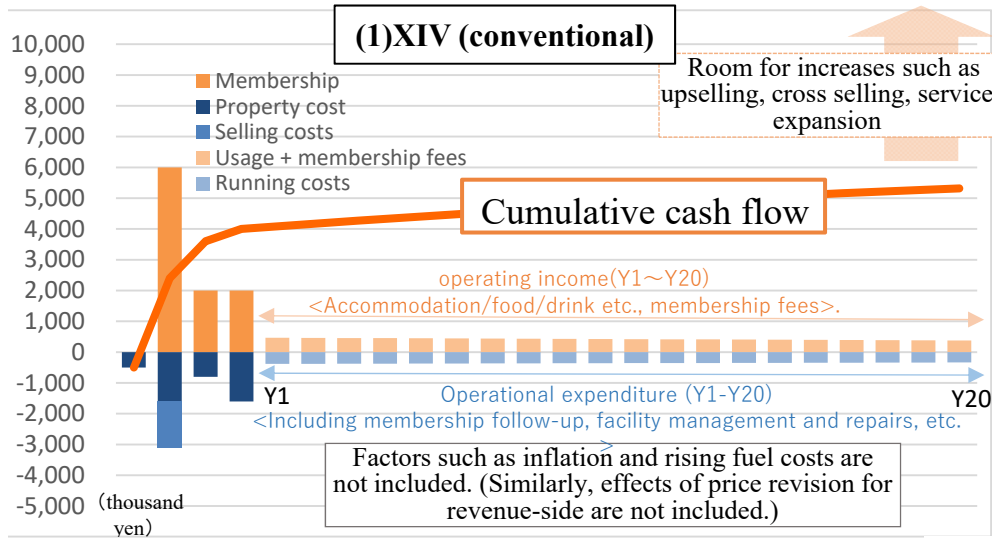
<BNCT, Remote X-ray, DX, etc.>

Collaboration effect on other businesses leveraging partner relationships, added value creation

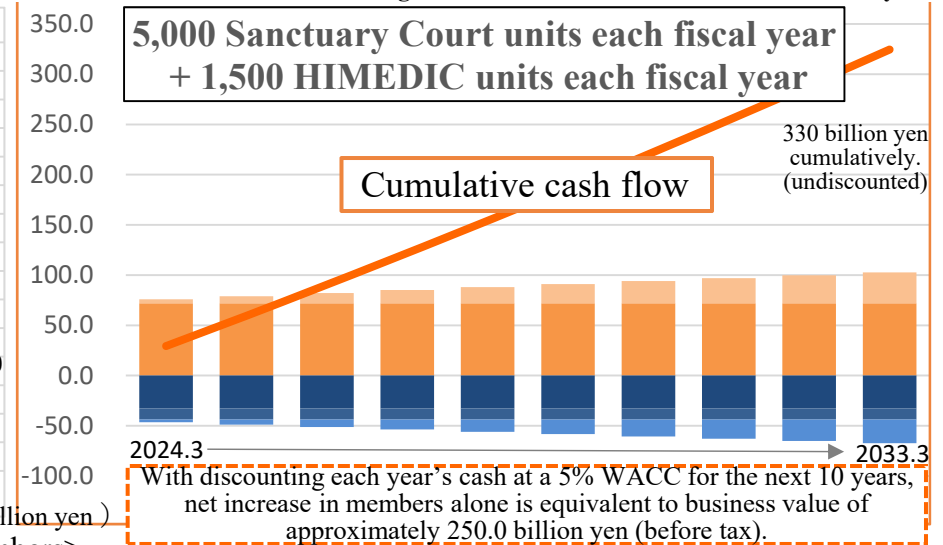
# (Reference) Creation of member assets and Medium- to Long-term Value

■ **Membership model that generates stable long-term cash flow. New products accelerate multiplier effects of [increase in number of members x increase in amount spent]**

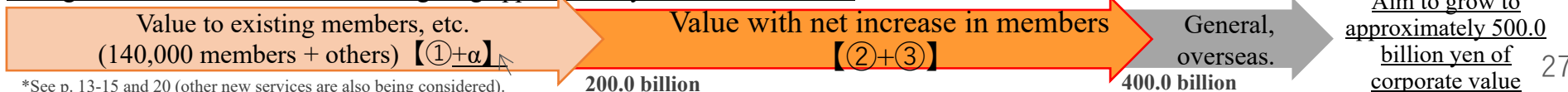
<Model case (i), (ii), (iii)> Estimate of the Company's cash flow per member (estimated image of 20 years from sale/opening)



< Estimated business value assuming a net increase in members over the next 10 years >



<Image of cash flow value creation targeting approximately 200,000 members>



\*See p. 13-15 and 20 (other new services are also being considered).

\* Any statements in this presentation document, other than those of historical fact, are forward-looking statements about the future performance of Resorttrust, Inc. and its Group companies. These statements are based on management's assumptions and beliefs in light of information currently available and involve risks and uncertainties. Actual results may differ materially from these forecasts.

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**Sustainability Promotion Dept.**

<https://www.resorttrust.co.jp/ir/index.html>