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FOR IMMEDIATE RELEASE

Company name	Resorttrust, Inc.
Representative	Ariyoshi Fushimi, President
Code	4681, First Section of the Tokyo and Nagoya Stock Exchanges

Notice Concerning Rollout of Medium-Term Management Plan “Connect 50”

The Resorttrust Group (the “Group”) announced on April 2, 2018 the medium-term management plan entitled “Connect 50 – Together for a wonderful life,” for the five-year period from April 2018 to March 2023. In light of changes in the business environment, the Group hereby announces that it has formulated the “Connect 50’ Rolling Plan” for the three-year period from April 2021 to March 2024.

1. Background to the Rollout of the Medium-term Management Plan

The Group has made efforts aimed at pursuing Group synergy effects while protecting the unique brand established in each business, based on the five-year fundamental strategy stated in the medium-term management plan “Connect 50.” However, due to the impact of the global spread of COVID-19, which began in the fourth quarter of fiscal 2019, the non-membership hotel business in particular has been significantly affected and the outlook regarding future demand is uncertain. On the other hand, sales of resort and medical memberships as well as the use of membership-based resort hotels and other facilities have remained strong even during the COVID-19 pandemic, providing another opportunity to share the strengths of the membership-based business.

In fiscal 2020, although the performance figures lagged behind the initial plan, the Group has made progress with various initiatives, including the enhancement of contact points with guests using IT technology, which had been an issue in the past, the expansion of smart check-in and other contactless services, and the utilization of know-how from medical and health-related operations beyond the frameworks of the operations to realize the safety and security of guests and Group employees. In the future, we believe that we will be required to further deepen our relationships with our guests, detect new needs in the rapidly changing world, and propose genuine value.

Based on this recognition of the environment, the Group has decided to go back to the "basics of membership" and roll out the medium-term management plan with the aim of becoming a corporate group that can provide guests with membership ties that endure for a lifetime. At the same time, we have clarified the Group's common identity. This will provide an opportunity for everyone working in the Group to reconsider the purpose of the Group's existence, and we will work to implement the more integrated Group strategy of "Connect 50" and continue enhancing the corporate value that only the Resort Trust Group can provide.

2. Fundamental Strategy of the “Connect 50’ Rolling Plan” and Differences from the Initial Plan

The fundamental strategy remains unchanged from the previously announced plan. The Group will work as one to create further added value and develop new business areas, while also incorporating a wide range of IT technologies and aiming to realize a long-term, stable growth foundation through qualitative reform and productivity improvements in overall management.

- (1) Strengthen and entrench the Group brand
- (2) Dramatically improve productivity through workstyle reform
- (3) Realize a more stable business portfolio

The differences between “Connect 50’ Rolling Plan” and the initial plan are mainly due to the effects of the postponement of the schedule for the development of new membership-based hotels in light of the impact of the spread of COVID-19, a review of the development for non-membership business, mainly non-membership hotels, and of revenue assumptions, as well as the impact of the change in revenue recognition standards applied from April 2021. Although we expect the business environment to remain challenging, especially in the non-membership business, we will go back to the basics of the membership-based business and develop Group measures that take advantage of the strengths of such business. At the same time, we will work to achieve sustainable Group management over the medium to long term by continuously reviewing our cost structure and strengthening various management bases.

3. Performance Targets (Consolidated)

(Billions of yen)

Financial Indicators	Fiscal year ended March 31, 2021 (3rd year of current plan)	Fiscal year ending March 31, 2024 (<u>final year of rolling plan</u>)
Net sales	167.5	<u>190.0</u>
Operating income	14.7	<u>20.0</u>
Ordinary income	17.6	<u>20.0</u>
Net income attributable to owners of parent	(10.2)	<u>13.0</u>

(Reference) Quantitative five-year plan (consolidated) announced in April 2018

(Billions of yen)

	Fiscal year ended March 31, 2021 (3rd year of current plan)	Fiscal year ending March 31, 2023 (5th year of current plan)
Net sales	195.0	210.0
Operating income	20.0	24.0
Ordinary income	20.0	24.0
Net income attributable to owners of parent	13.5	16.0

(Note) This medium-term management plan is based on information currently available and assumptions about uncertain factors that may affect future business performance. Actual results may differ significantly from the above forecasts due to various factors. For details, please refer to “‘Connect 50’ Rolling Plan,” the medium-term management plan disclosed at the same time today.