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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 Abolishment of Officers' Retirement Benefits System and Introduction of a Restricted Share Compensation System

Resorttrust, Inc. (“the Company”) hereby announces its decision made at the meeting of the Board of Directors held today that at the 48th Annual General Meeting of Shareholders to be held June 29, 2021 (the “Meeting”), it will propose revising its system of officers’ compensation. The revisions, as follows, include 1. abolishment of its system of retirement benefits for officers and the final payment of retirement benefits; and 2. introduction of a restricted share compensation system (the “System”).

1. Outline of Revisions to the Officers’ Compensation System

Compensation of officers at the Company is comprised of basic compensation, retirement benefits, stock options and Board Benefit Trust (“BBT”). However, the Company determined to introduce the System as an incentive to raise corporate value over the medium- to long-term as in 3 below, in tandem with the abolishment of officers’ retirement benefits as in 2 below, by making an overall review to the system of officers’ compensation to create a compensation system that contributes to sustainable enhancement of the Company’s corporate value.

2. Abolishment of Retirement Benefits System

The Company will abolish its system of officers’ retirement benefits at the conclusion of the Meeting.

In accordance with the abolishment of its system of officers’ retirement benefits, the Company will make a final retirement benefits payment to Directors (excluding Outside Directors and Directors serving concurrently as Audit & Supervisory Committee Members) who continue to serve after the conclusion of the Meeting, covering the period of their service up until the conclusion of the Meeting. Following the approval of shareholders at the Meeting, the Company plans to pay each Director at the time of their resignation.

3. Introduction of the System

(1) Objective of the Introduction

The System is aimed at giving the Company’s Directors (excluding Outside Directors serving concurrently as Audit & Supervisory Committee Members) (“Eligible Directors”) an incentive to continually enhance the Company’s corporate value, and promoting further sharing of value with all shareholders.

(2) Conditions of the Introduction

Under the System, Eligible Directors will be granted restricted shares as Directors’ compensation, and therefore, the System’s introduction will be conditional upon shareholders’ approval at the Meeting to grant the restricted shares.

The amount of compensation for the Company’s Directors (excluding Directors serving concurrently as Audit & Supervisory Committee Members) is set at a total annual compensation of not more than 1,200 million yen, as approved at the 42nd Annual General Meeting of Shareholders held on June 26, 2015. However,

conditional upon the approval of the final payment of retirement benefits stated in 2. above as proposed at the Meeting, the Company plans to request the approval of all shareholders at the Meeting to newly introduce the System which would create a separate limit to the aforementioned maximum amount of compensation through the setting of a compensation limit for the Company's Eligible Directors under the System.

(3) Outline of the System

The granting of restricted shares under the System is made through the issuance or disposal of common shares of the Company as compensation to Eligible Directors, and will not require monetary payments in exchange for the Company's common shares or in-kind contribution.

The total amount and total number of common shares of the Company to be issued or disposed of under the System is set at not more than 1,200 million yen and 1,200,000 shares per annum (however, in the event of the Company making a share split (including allotment of shares without contribution, the same applies hereinafter) or share consolidation, the total number of shares will be adjusted in accordance with the split ratio or the consolidation ratio).

The sharing of shareholder value over the medium- to long-term is one objective of introducing the System, and therefore, the restriction period is from the day of allotment of the restricted shares until the day of resignation or retirement of the Eligible Director from the position of Director or from another position defined by the Board of Directors of the Company. The specific timing of granting and allocation to each Eligible Director is determined by the Board of Directors.

Upon the issuance or disposal of common shares of the Company under the System, the Company and each Eligible Director shall enter into an agreement for the allocation of restricted shares (the "Allocation Agreement") that includes the provisions as detailed below.

- a. An Eligible Director shall not transfer, create a security interest on, or otherwise dispose of the common shares of the Company allocated in accordance with the Allocation Agreement during a period from the day of allotment to the day of resignation or retirement of the Eligible Director from the position of Director of the Company or from another position defined by the Board of Directors.
- b. The Company shall acquire allotted shares without contribution, in the event of violation of laws and regulations, internal rules, or the Allotment Agreement, or in the event of other grounds set forth by the Company's Board of Directors as it is deemed reasonable for the Company to acquire allotted shares without contribution.