

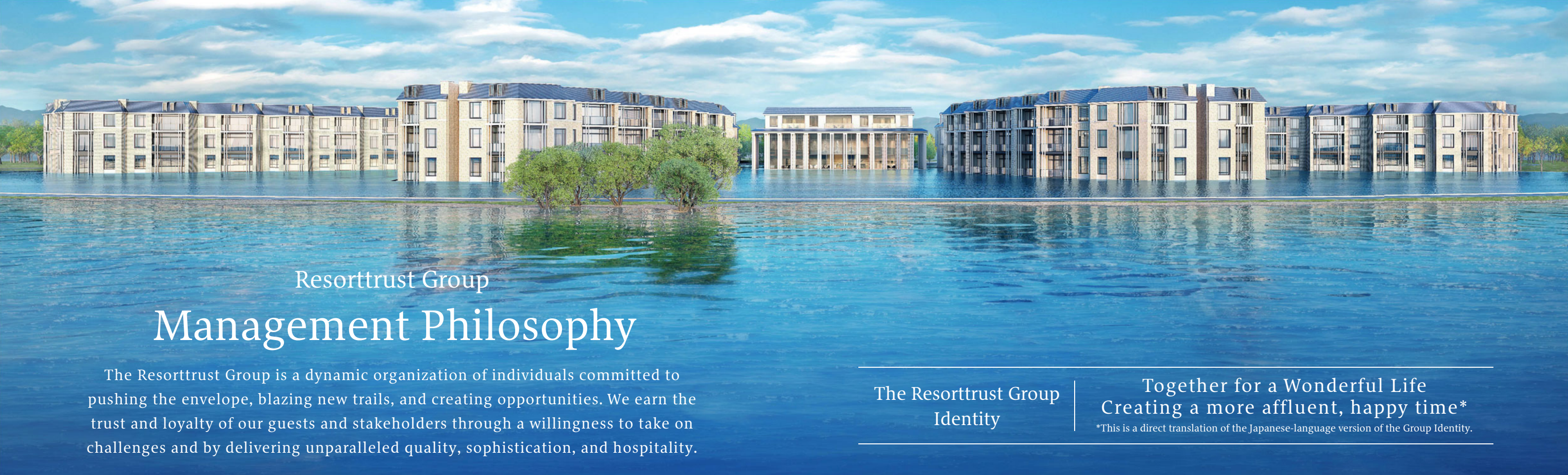
<https://www.resorttrust.co.jp/english/>

ご一緒に、いい人生



INTEGRATED REPORT  
2022





# Resorttrust Group Management Philosophy

The Resorttrust Group is a dynamic organization of individuals committed to pushing the envelope, blazing new trails, and creating opportunities. We earn the trust and loyalty of our guests and stakeholders through a willingness to take on challenges and by delivering unparalleled quality, sophistication, and hospitality.

The Resorttrust Group  
Identity

Together for a Wonderful Life  
Creating a more affluent, happy time\*

\*This is a direct translation of the Japanese-language version of the Group Identity.

“SANCTUARY COURT BIWAKO VENETIAN MODERN RESORT”  
Note: Rendering of the exterior

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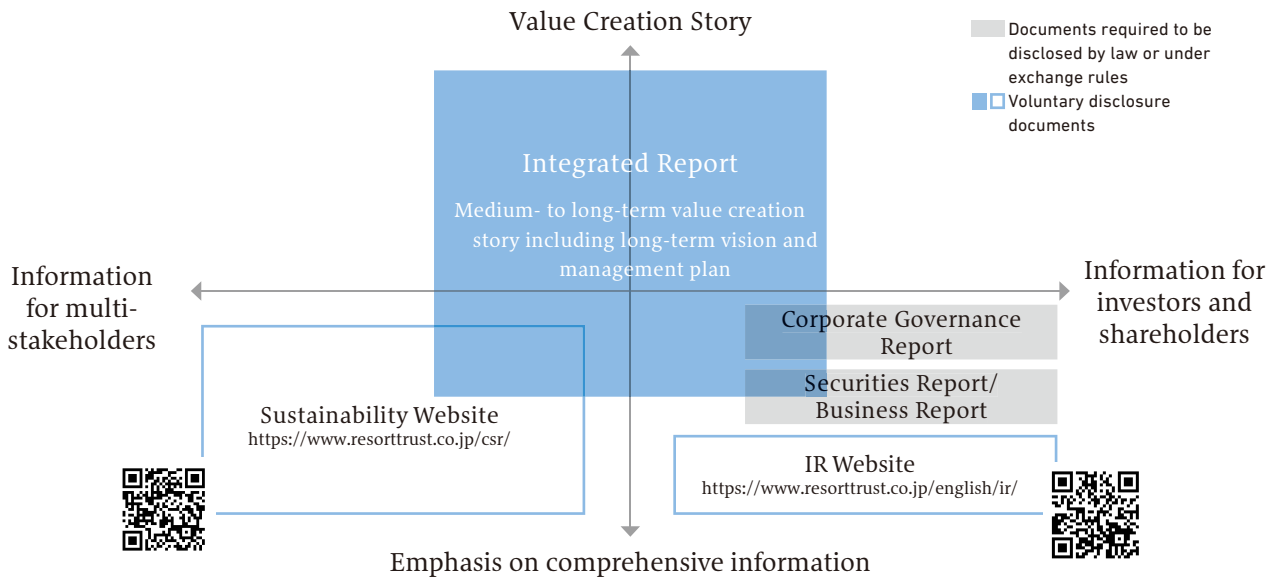
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## Information Disclosure System



### ● Editorial Policy

The Resorttrust Integrated Report is produced to describe the results and business activities of the Group over the reporting period (from April 1, 2021, to March 31, 2022) from both financial and non-financial perspectives. In addition to looking back on the progress of the Group, the report is designed to be easy to understand, communicating information on our future vision, the value we create with stakeholders and society, our competitive advantage, management strategies and their results and analysis, and our role in creating a sustainable society. During the editing process, we make use of reference sources including the International Integrated Reporting Framework endorsed by the IFRS Foundation and the Guidance for Collaborative Value Creation from the Ministry of Economy, Trade, and Industry, among other materials.

### ● Important Note Regarding Forward-looking Statements

This Integrated Report contains descriptions of the Resorttrust Group's future plans and strategies, as well as predictions and forward-looking statements regarding business performance. These statements are not historical facts but rather are forward-looking statements based on assumptions and beliefs informed by the information currently available to Resorttrust. In addition, these statements include an unlimited number of risks and uncertainties related to economic trends, intensifying industry competition, consumer spending, market demand, taxation, and other systems. Accordingly, note that actual results might differ from these forward-looking statements.

Note: All images have been partially processed.

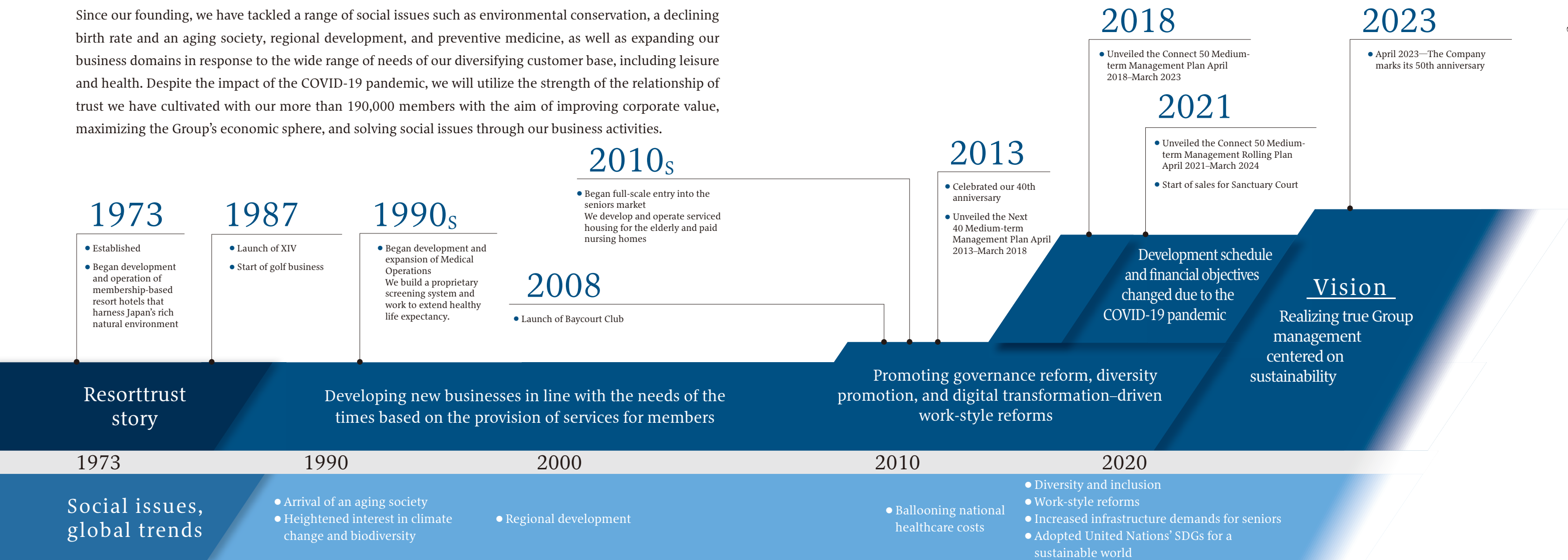


# Developing Resorttrust Group Management

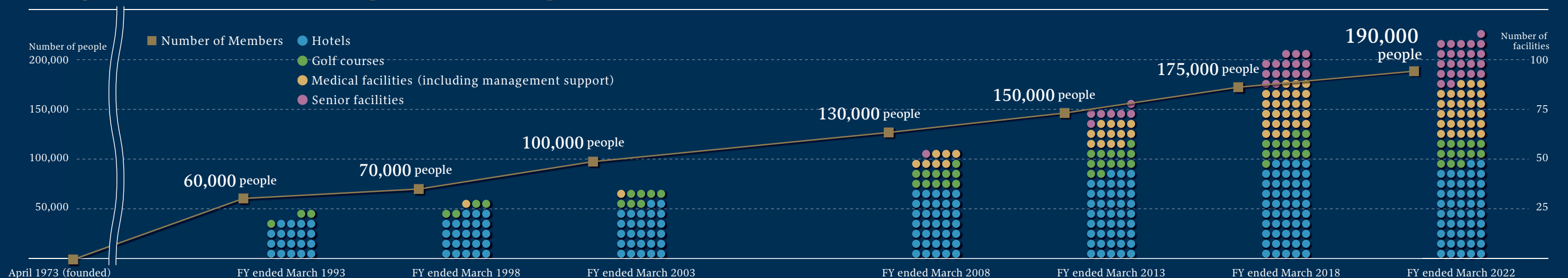
Ideal Image of Resorttrust

01  
Ideal Image of Resorttrust

Since our founding, we have tackled a range of social issues such as environmental conservation, a declining birth rate and an aging society, regional development, and preventive medicine, as well as expanding our business domains in response to the wide range of needs of our diversifying customer base, including leisure and health. Despite the impact of the COVID-19 pandemic, we will utilize the strength of the relationship of trust we have cultivated with our more than 190,000 members with the aim of improving corporate value, maximizing the Group's economic sphere, and solving social issues through our business activities.



## Change in Resorttrust Membership Numbers and Operated Facilities



Next year, the Resorttrust Group will celebrate its 50th anniversary. Since our founding, we have been committed to fostering genuine engagement with our customers by blazing new trails, earning trust, taking on challenges, and offering sophistication, high quality and excellent hospitality. We have been expanding into new fields relating to leisure and health, including Medical and Senior Life from its original focus on resorts with the expectations of our customers as the driving force. We believe the support from over 190,000 members is a testament to the track record that we have achieved and the trust that we have earned by living up to the expectations of our customers.

Tourism and food and beverage/entertainment service industries, among others, have been grappling with an unprecedented business climate during the past two years due to the spread of COVID-19. Under these circumstances, we have maintained close ties with customers and received their support in return, reaffirming that the relationship of trust we have cultivated with our customers is the source of value creation. It was with this in mind that we established a Group identity in May 2021: "Together for a wonderful life—Creating a more affluent, happy time." This identity serves as the foundation for the entire portfolio of the Group's business activities.

The unique nature of the membership system has enabled us to adhere to the highest standards of safety and security throughout the COVID-19 pandemic. In membership-based Hotel Operations, we introduced the new brand Sanctuary Court, developed with sustainability in mind and based on a new concept in both material and non-material aspects. This was highly evaluated by our customers. In Medical Operations, with growing health consciousness among the public amid the COVID-19 pandemic, we responded to the shifting environment in our own unique way. For example, we expanded points of contact for medical consultations

and had physicians with expertise in infectious diseases in attendance at hotels and other Group sites to supervise infection control measures. Such measures provided our customers with reassurance and confidence in the Group, which led to a significant increase in contract volume.

The adversity of the COVID-19 pandemic has instilled trust in the unique nature of the membership system, which provides tailor-made support based on hospitality extended to every individual, reaffirming the strength of our membership-based business upon which the Group is founded. At the same time, collaboration beyond the framework of our regular operations leads to the creation of additional new value.

We have continued to make steady progress in line with the Connect 50 medium-term management rolling plan formulated last year. In fiscal 2022, we will continue to steadily implement the various measures set forth in the medium-term management rolling plan. At the same time, as we transition toward the post-COVID-19 era, we will assess the future of the Resorttrust Group, which we have built up together with our stakeholders.

The external business environment is also becoming increasingly uncertain due to a range of factors, including the shortage of human resources resulting from a decline in the working population, the protracted COVID-19 pandemic, and the recent global surge in the price of resources due to heightened geopolitical risks. Despite this situation, we will seize business opportunities that offer further added value by expanding into the leisure and health market, demonstrating the full potential of the Group's combined strengths while remaining steadfastly committed to protecting our unique and distinctive brand. We will continue to move forward toward our goal of becoming the Group that offers customers peace of mind throughout their lives. We sincerely appreciate the continued support and encouragement of our stakeholders going forward.



**Katsuyasu Ito,**  
Chairman of the Board and CEO



**Ariyoshi Fushimi,**  
President and COO



The Resorttrust Group's brand portfolio helps solve a range of social issues from the environment, the declining birth rate, and an aging population to regional revitalization and preventive medicine and provides sophisticated and high-quality services that meet the various needs of customers to create lasting value rooted in trust with customers and society.

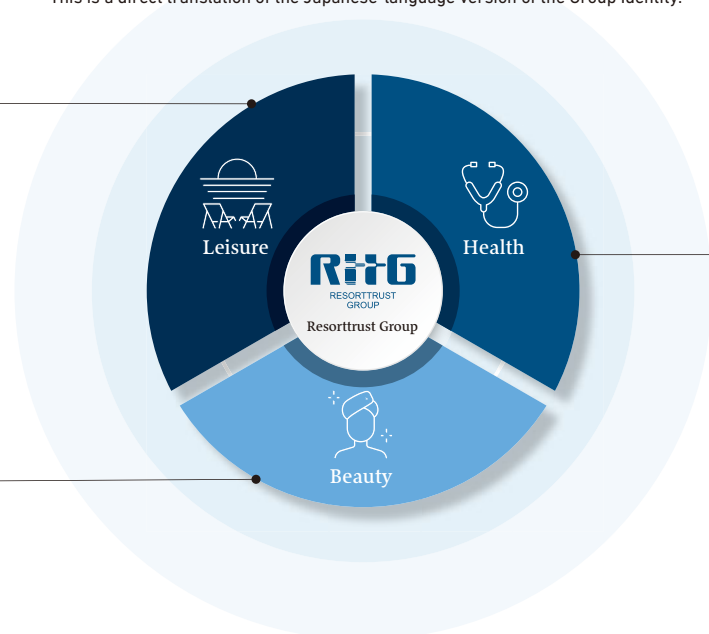
## The Resorttrust Group Identity Together for a Wonderful Life

Creating a more affluent, happy time\*

\*This is a direct translation of the Japanese-language version of the Group Identity.

Resorttrust provides high-quality services through outstanding hospitality to fulfill the diverse needs of more than 190,000 members.

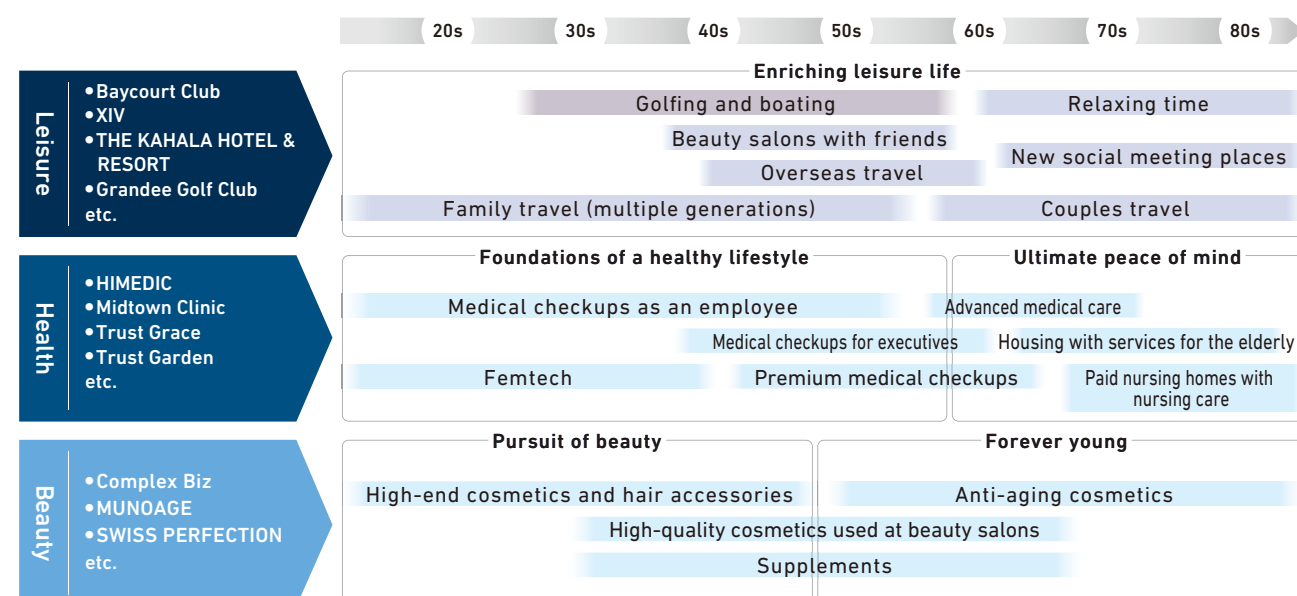
Resorttrust sells anti-aging cosmetics and supplements while providing a range of services enabling customers to lead healthy and beautiful lives on their own terms.



We offer value through medical checkup services and cutting-edge medical care developed based on customer feedback.

## Group Brand Management

Resorttrust provides products and services tailored to each stage of our customers' lives.



## Main Business Fields Based on Membership

### Sales Operations for Hotel Membership (Membership Segment)

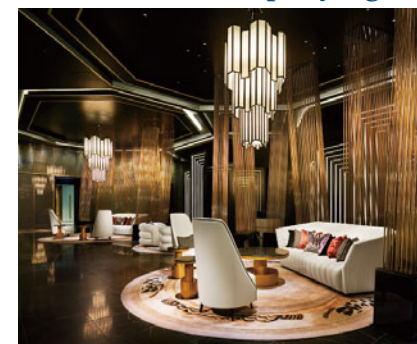


We develop membership-based resort hotels, conduct various activities to attract members, and provide follow-up services.

#### List of products and services

- XIV luxury membership resorts: Annual packages of 13 or 26 nights
- Baycourt Club members-only resorts: Annual packages of 12 or 24 nights
- Sanctuary Court members-only resorts: Annual packages of 10 or 20 nights
- Grandee and other membership golf clubs
- THE KAHALA CLUB Hawaii overseas luxury resorts: 4 nights a year for 10 years, 40 nights in total

### Hotel and Accompanying Facility Management Operations (Hotel and Restaurant Segment)



We provide management and services for hotels and accompanying facilities, with a focus on membership hotels.

#### List of products and services

- XIV luxury membership resorts
- Baycourt Club members-only resorts
- Non-membership luxury resorts: THE KAHALA HOTEL & RESORT
- Hybrid membership and non-membership facilities: Sun Members
- Non-membership hotels: Hotel Trusty
- Grandee and other membership golf clubs
- Operation of restaurants and lounges ancillary to the above facilities, in addition to other restaurants
- Complex Biz brand of hair accessories and other items, operation of beauty salons

### Medical Operations (Medical Segment)



In addition to activities to attract members and operate a comprehensive membership-based medical club, we provide management support services for general-public medical facilities and run aging care operations.

#### List of products and services

- Comprehensive membership-based medical club: GRAND HIMEDIC CLUB
- Medical checkups by facilities contracted by the Clinic Management Support Business: Midtown Clinic, Shinkokai
- Anti-aging cosmetics: MUNOAGE and SWISS PERFECTION
- Equol supplements, PLASMALOGEN, etc.
- Research and development into cancer treatment, equipment sales

### Senior Lifestyle Operations (Medical Segment)



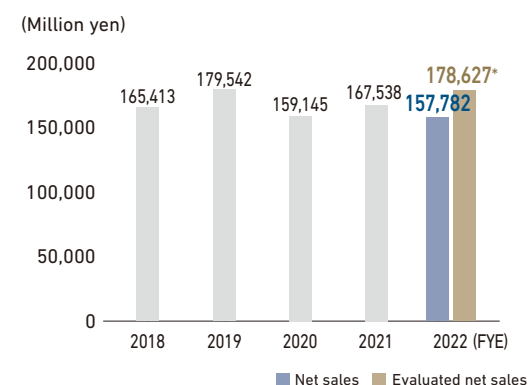
We provide high-end paid nursing homes, housing facility management, and nursing care services for seniors.

#### List of products and services

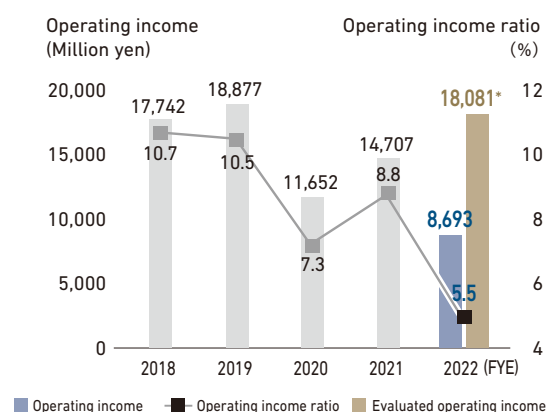
- Paid nursing homes with nursing care: Trust Garden, etc.
- Housing with services for the elderly: Trust Grace, etc.

## Financial Highlights

### Net sales

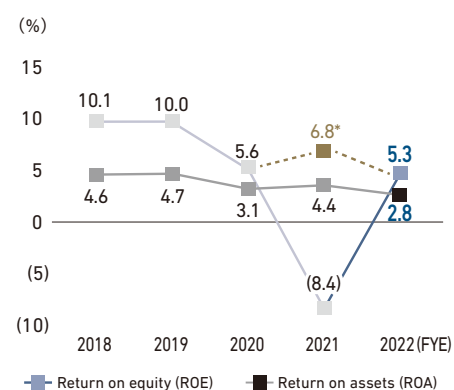


### Operating income/Operating income ratio



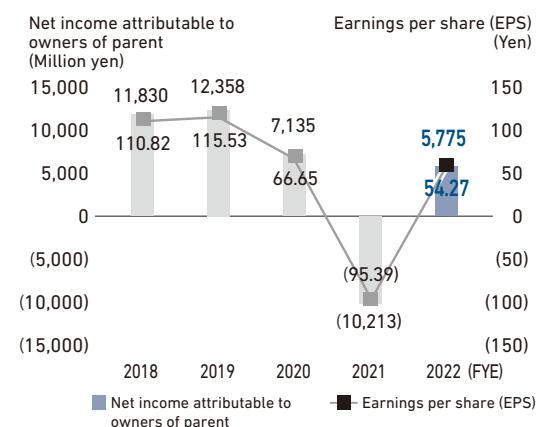
\*Evaluated net sales/Evaluated operating income. Evaluation figures show the real sales capability for the fiscal term, including real estate revenue from yet-unopened properties (lump-sum recording at opening) at the time of sales.

### Return on equity (ROE)/Return on assets (ROA)

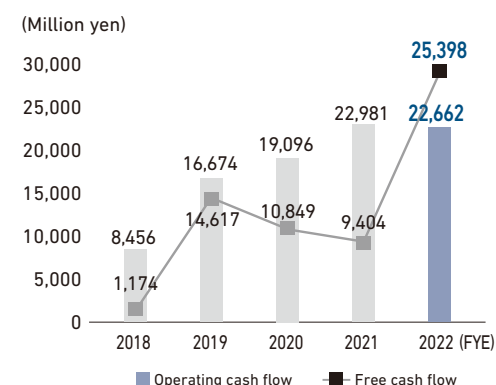


\*Excluding the impact on net income attributable to owners of parent and shareholders' equity due to an impairment loss of ¥22 billion.

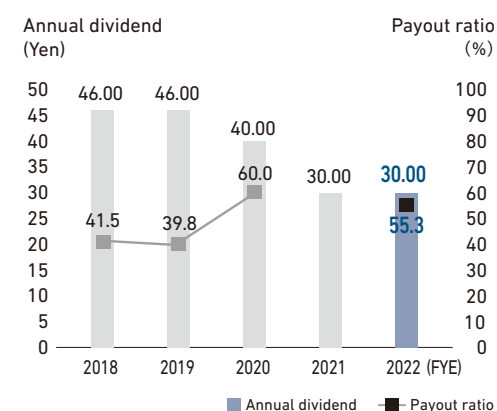
### Net income/Earnings per share (EPS)



### Operating cash flow/Free cash flow (FCF)



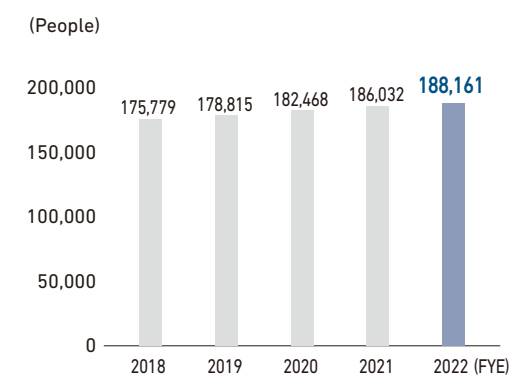
### Annual dividend/Payout ratio (consolidated)



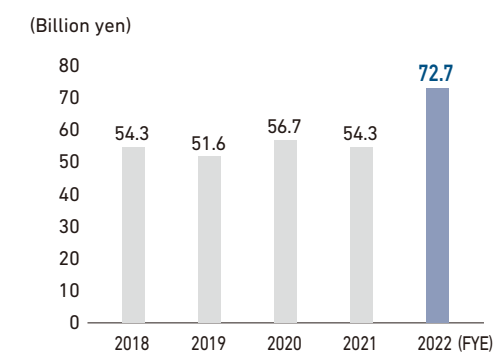
Note: The payout ratio for 2021 is not included as a net loss was posted for the fiscal year ended March 2021.

## Non-financial Highlights

### Number of members

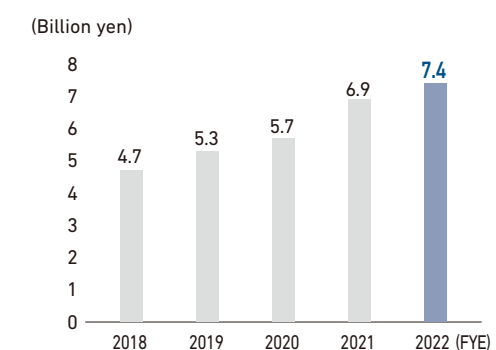


### Hotel membership annual contracts

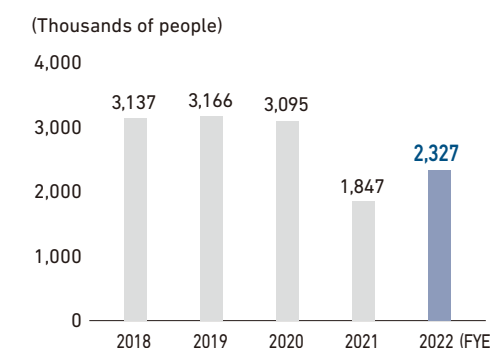


Note: For the fiscal year ended March 2022, sales of Sanctuary Court Takayama began in June 2021 with contracts reaching ¥39 billion in the following nine months.

### Medical membership annual contracts

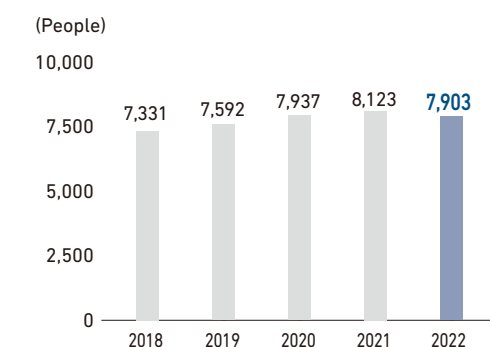


### Number of overnight visitors (annually)

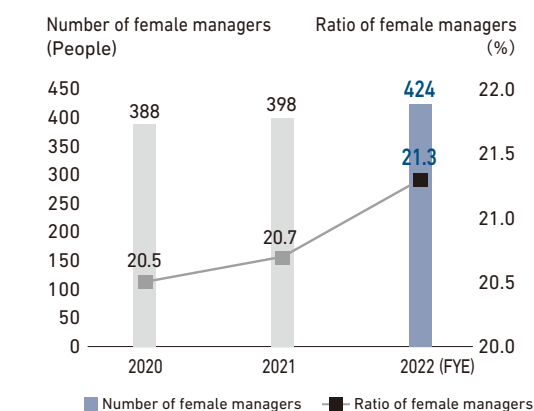


Note: The temporary full closure of XIV and Baycourt Club following the declaration of a state of emergency and a significant reduction in operations of general hotels had an effect on the fiscal years ended March 2021 and March 2022.

### Number of employees (full-time employees on a consolidated basis)



### Number of female managers/Ratio of female managers (consolidated)







## Message from the President

Through a Business Model Unique  
to a Membership-based System,  
We Strive to Work Closely with  
Customers throughout Their Lives.

President and COO  
**Ariyoshi Fushimi**

## 1 Review of Fiscal 2021

### Achieving Record Net Contracts during the COVID-19 Pandemic

More than two years have passed since the beginning of the COVID-19 pandemic. Despite repeated state-of-emergency declarations being issued in Japan, there are signs of recovery in economic activity due to the spread of vaccinations and other factors. However, with the costs of raw materials and goods continuing to rise during the pandemic, energy and other resource prices have risen sharply against the backdrop of Russia's invasion of Ukraine. Along with uncertainty about the future, this has had a considerable impact on our business operations. In these times that are truly epitomized by the term VUCA, we unveiled the **Connect 50 Medium-Term Management Rolling Plan** in May last year and have been working to revise various strategies and priority measures to deal with these major environmental changes with flexibility and speed.

Looking back at the last year with fiscal 2021 coming to an end, despite the various restrictions imposed by the COVID-19 pandemic, we achieved record net contracts in the sale of memberships in both Hotel and Medical Operations on a cumulative annual basis. Hotel and Restaurant Operations also returned to profitability on a cumulative annual basis, and the business results were quite strong with operating cash flow maintaining a high level. I am convinced that this truly demonstrates the strength of the membership system, which is a major feature of our business.

To touch upon membership sales in detail, in the hotel segment we surpassed the record set when Ashiya Baycourt Club went on sale in fiscal 2015 by 12%, and net contracts generated a record ¥72.7 billion. Contributing significantly to this was **Sanctuary Court Takayama**, for which we began soliciting memberships from June last year. Based on the novel concept of an art gallery resort that combines a hotel with an art gallery, the hotel has been developed on the former site of the Hida Takayama Museum of Art, which was awarded three stars in the Michelin Green Guide Japan. As a destination hotel where spending time relaxing at the hotel is itself the purpose, the needs of the age of endemic COVID-19 have been incorporated into both hard and soft products, and in roughly nine months after the property went on sale, successful signings had already been made for 73%. Following the success of Sanctuary Court Takayama, **Sanctuary Court Biwako** has also seen brisk sales since going on sale in March 2022, reflecting the use of its location on the Lake Biwa shore, the incorporation of the streetscape and aesthetics of the water city of Venice, and the setting up of a doggie building that

### P.15 Connect 50 Rolling Plan Progress

### The New Sanctuary Court Brand

As the first step of the new Sanctuary Court brand, we began selling memberships for Sanctuary Court Takayama Art Gallery Resort (due to open March 2024) in June 2021, followed by the second step, sales of Sanctuary Court Biwako Venetian Modern Resort memberships (due to open October 2024) in March 2022.



accommodates large dogs. As a destination hotel that resonates with its wellness theme and members wanting a long-term stay, 500 applications were received in the space of a week.

Membership sales in the medical sector also increased significantly during the pandemic. When COVID-19 infections started to spread, there was a period when medical checkups were considered nonessential and non-urgent, but against a backdrop of rising health consciousness, such as increased attention to underlying diseases other than the three major diseases of cancer, heart disease, and cerebrovascular disease during the pandemic, net contracts hit a record high ¥7.4 billion.

Due to these factors, in our medium-term management rolling plan we have focused on increasing the number of customers (members) based on the membership model as a major strategic pillar. Over one year, the number of Group members increased by 6,063, an unprecedented growth rate underpinning a steady expansion to more than 190,000 total Group members.

Looking at consolidated results for fiscal 2021, we generated ¥157.7 billion in net sales while operating income was ¥8.6 billion, both exceeding our initial forecasts. Both sales and operating income declined compared with the previous year, but this was due to the recording of a one-off gain on real estate due to the opening of Yokohama Baycourt Club in the previous year. In addition, net income attributable to owners of parent was ¥5.7 billion (compared with a loss of ¥10.2 billion recorded in the previous fiscal year). This result was lower than forecast due to the recording of impairment losses on idle assets and one facility that is part of Senior Lifestyle Operations.

While Resorttrust has kept close watch on **evaluated operating income** as a performance-based indicator that excludes financial accounting factors, in fiscal 2021 Hotel and Restaurant Operations shifted back into profitability, and both Membership Operations and Medical and Senior Lifestyle Operations achieved growth, resulting in a considerable increase in evaluated operating income. Accordingly, even under the severe business environment imposed by the COVID-19 pandemic, fiscal 2021 was a year that expressed the strengths of the membership model in numerical terms.

## 2 Progress of the Medium-term Management Rolling Plan

### Growth Strategy to Leverage the Strengths of the Membership Model

In our medium-term management rolling plan, we are focusing on strengthening fusion and coordination between each of our business operations, including Hotels, Medical, and Senior Lifestyle operations within the Group, to expand the membership base as the source of our value creation and to seamlessly accommodate the wishes of members.

Under the conditions in which we are living with COVID-19, the utilization of digital technologies that has been given attention in the medium-term management rolling plan has seen great success. This includes smart check-in and checkout was introduced to avoid in-person contact at our facilities. In addition, in terms of sales activities aimed at expanding the membership base, in combination with conventional referrals from existing members and from regional banks, credit unions and other financial institutions, we have deployed new and effective sales activities such as the distribution of e-mail newsletters and other marketing tools to coincide with high levels of interest among customers.

By utilizing **the RTTG Point Club that launched in April 2019 and digital tools such as social media activities introduced in 2020**, we have also developed mechanisms to deliver Group information to Resorttrust Group members and peripheral customers in a timely manner. **As of March 31, 2022, 15.4% of hotel members had also become medical members**, suggesting that the effects of cross-selling are yielding steady returns.

We will further evolve these initiatives that utilize digital technologies and work to convey the appeal of new products and services Group-wide in a convincing manner. Our aim is to create a world where we are together with customers every step of their lives, with the Resorttrust Group responding in a tailor-made way to the distinct needs, interests, and preferences of every person.

### Evaluated Operating Income

Evaluation figures show the real sales capability for the fiscal term, including real estate revenue from yet-unopened properties (lump-sum recording at opening) at the time of sales.

### RTTG Point Club Official LINE App

About 70% of our hotel members have enrolled in the RTTG Point Club. Roughly 130,000 people have subscribed to our social media accounts aimed at corporate users. We are working to encourage use by delivering information about hotel plans and other offers on a timely basis.



## Pursuing Hotel Management That Leverages the Resorttrust Group’s Strengths

In Hotel Operations, in general we plan to open destination hotels at a pace of one hotel per year in Japan and are pursuing property development to follow Sanctuary Court Takayama and Sanctuary Court Biwako. While the impact of state-of-emergency declarations during the pandemic on hotel utilization rates could not be avoided, we have seen a tendency for utilization to recover to pre-pandemic levels once restrictions are lifted and expect levels to gradually return to normal as we move past the COVID-19 pandemic.

Meanwhile for non-membership hotels, we announced the selling off of six Hotel Trusty facilities and the closure of two Sun Members facilities in February this year. Through the expansion of non-membership hotel operations, we had planned to create synergies enabling members to use facilities for new purposes, but price competition has intensified amid headwinds for the hotel industry during COVID-19, and we made the determination that we cannot take advantage of our business model and strengths in the running of non-membership hotel operations. In the future, we will concentrate management resources on operations that revolve around membership systems to effectively boost Group-wide productivity.

In part due to its location away from Waikiki, traditionally around 60% of guests at THE KAHALA HOTEL & RESORT have been from the mainland United States. Despite facing restrictions during the COVID-19 pandemic, from February 2022 the facility had recovered to 70%–80% capacity, and due to the different nature and timing of stay-at-home policies compared to Japan, currently guests from the mainland United States account for 90% of visitors. From July 2022 onward, routes connecting Japan to Hawaii have showed signs of recovery, and if quarantine conditions upon entry are relaxed in the future, we expect customers from Japan and other parts of Asia to return, bringing occupancy to previous levels.

### Pursuing Medical Operations That Provide Well-Being

As mentioned earlier, in Medical Operations sales of HIMEDIC memberships continued to perform strongly against the backdrop of heightened health awareness in connection with the COVID-19 pandemic. Regular medical checkups that closed during the initial stages of the pandemic, along with beauty products and aging care mainly comprising sales of anti-aging products, are now showing solid performance.

In February 2022, we announced a business alliance with DeNA Co., Ltd., with the aim of implementing DX in the medical and healthcare sectors, followed by the establishment of a joint venture. In the future, we will centralize medical checkup data accumulated in Medical Operations with healthcare and treatment data, along with various data including purchases of aging care products and supplements, and then utilize AI and other technologies to roll out new businesses such as the creation of services that are tailor-made to each person. Medical Operations has declared the goal of extending health and ensuring well-being in the age of 100-year life spans and will accelerate the growth of businesses to create operating income of ¥10 billion by fiscal 2026 by creating new business opportunities through DX promotion.

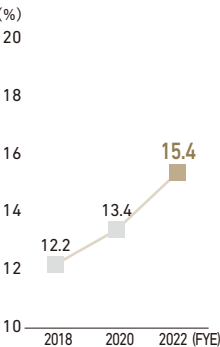
Senior Lifestyle Operations were the most strongly affected by the COVID-19 pandemic. Although we saw customers thinking about moving in, many wished to reconsider the timing of move-ins to when there was no urgency, citing the risks of COVID-19 infection clusters forming, and various restrictions on activity after moving in, such as restrictions on face-to-face meetings. This made it difficult to secure occupancy. Given this, we temporarily halted new development, and regarding the future development of senior residences, shifted away from the nursing-type facilities we had pursued to date and revised our plans to focus on product design that would more colorfully reflect the needs of existing members.

Currently, we have around 29,000 members aged 75 and older, accounting for 22% of all members. Of these, only 140 members, or 0.4%, occupy our senior residence facilities. With the number of existing members aged 75 and older expected to increase to 65,000 in the next 10 years, even if the senior residence occupancy rate among members only rises to 1%, considerable synergies would be produced. We will continue to look at our sales structure and listen to the wishes of existing members while considering joint ventures with various outside partners with a view to designing trust beneficiary rights and investment-type or inheritance-type products, with a focus on self-sustaining products.

### Percentage of Hotel Members Who Are also Medical Members

12.2% at the end of March 2018 (the end of the previous medium-term management plan) and has improved continuously each year. By contrast, around 70% of medical members are also currently hotel members.

■ Percentage of HIMEDIC members who are also hotel members (term-end changes) (XIV, Baycourt, Sanctuary Court)



### Business Alliance with DeNA Co., Ltd.

With the aim of implementing DX in the medical and healthcare sectors and creating new businesses through the utilization of medical checkup data and other information, in February 2022 we entered into a business alliance agreement with DeNA Co., Ltd., and agreed to establish Well-Compass Inc. as a joint venture.

## 3 Looking Beyond Our 50th Anniversary

### Seeking Tailor-made Development That Addresses Each Individual

Resorttrust will celebrate its 50th anniversary in 2023. To coincide with this milestone, we will look at to the next 10 years and adopt “tailor-made” and “personalization” as the keywords guiding the Company’s direction. To sustainably grow based on the strengths of the membership system, we need to delve deeper into connections with members, utilize DX to provide tailor-made products and services that suit the preferences of each customer, and make the Resorttrust Group one that offers customers peace of mind throughout their lives.

In April of this year, we conducted a questionnaire aimed at members. With domestic travel and hotel dining demand even higher than before the pandemic, a great many customers consider our facilities as their first choice, and while this delights us, a common wish among members is tailor-made products and services, and this has convinced us that the direction of taking the strengthening of ties with customers to the next level is the correct approach.

For hotels and restaurants, there is always the opportunity to spend milestone anniversaries such as wedding anniversaries or the birthdays of family members together with members. There are also some members who spend time at our facilities by always reuniting with friends at the same location depending on the season. In addition, by further strengthening coordination with Medical Operations, we will gain the ability to deliver optimal suggestions based on the preferences and health data of each member. By properly building a system enabling us to gain deep insight into individual member preferences, styles, and individual wishes, we will be able to further deepen ties with members and develop longer interactions with them.

Looking ahead 10 years, the number of target customers possessing assets above a certain level is forecast to steadily grow at the same pace as in the past. Among them, if we also incorporate target demographics in new markets such as overseas, we should be able to further accelerate the speed of growth. Connections with members are valuable assets underpinning the sustainable growth of Resorttrust. By increasing the products and services the Resorttrust Group can offer members, as it has done with Medical Operations, we believe we can achieve stable growth in member value as well as our own corporate value.

### Breaking Out of the Mold of Membership Resorts to Become a Corporate Group That Maintains Close Contact with Customers throughout Their Lives

I would like to explain how we will expand member value and the value of Resorttrust by increasing the number of new products and services, using the trajectory of Medical Operations as an example.

We began Medical Operations from around the 1990s, but even before that, Japan had long been described as a super-aging society, with cancer and heart and brain diseases continuing to rise. At that time, preventive medicine and the kind of medical checkups performed today were not commonplace, but we recognized the need for early detection when dealing with hotel members. Given this, we built a unique medical checkup system, and the achievements we accumulated over a decade at the first HIMEDIC facility at Yamanakako were highly acclaimed by the medical community. In the years since, HIMEDIC has continued to grow, supported by a membership base that numbered 26,000 as of March 31, 2022. One of the strengths of HIMEDIC, which was the first in Japan to introduce positron emission tomography (PET) to medical checkups, is that being a membership system allows us to continually upgrade to the latest medical devices on the hardware side. By strengthening ties with the advanced medical industry through that process, the volume of information we collect has increased considerably, laying the groundwork for a positive cycle through which even more new challenges can be taken on.

I believe that our ability to develop these businesses was largely due to our having been able to apply the membership business model to new domains by recognizing the needs of existing members. And because we are a private company rather than a medical institution, we emphasize productivity as a business. From this background, we have developed programs



focused on PET and MRI testing so that we can reduce testing equipment idle times as much as possible. Meanwhile, the data from healthy people using these kinds of equipment has been attractive as a valuable source of data for university hospitals pursuing preventive medicine and cohort studies, which has led to partnerships with the University of Tokyo, Kyoto University, and other institutions, strengthening our business as a result. This has become another key strength and has further accelerated the growth of our Medical Operations.

The possibility of contributing to the development of medicine through Medical Operations is also a great source of job fulfillment for those of us promoting the business, and above all, early detection and treatment makes it more likely that issues can be dealt with using minimally invasive procedures that put less strain on the body. In that sense, I feel that the business has social significance in terms of the patient well-being it delivers.

During the COVID-19 pandemic, as people's level of health consciousness increased our Medical Operations were highly regarded by members as something of unique value. Looking ahead to the next 10 years, Medical Operations will enter a phase of maturity, and by adding new services funded by running revenue from ongoing stable growth, we will enter a stage where the Group's earnings are further boosted. In addition, points of contact with customers will not be limited to annual medical checkups; we will upgrade and expand systems so that we can promote the use of our facilities as primary care, such as preventive medicine and anti-aging.

We have already steadily expanded cross-selling, such as the use of medical services and hotels, but by utilizing health-related knowledge possessed by Medical Operations for services such as hotels and restaurants and even Senior Residence Operations, I believe it will be possible to achieve a structure in which we maintain close contact with and follow up on individual members throughout their lives. I think that value will end up being far greater than what could have been created through Membership Resort Operations alone.

## 4 To Our Stakeholders

With the prolonged COVID-19 pandemic, Russia's invasion of Ukraine, stagflation, population aging advancing around the world, and trends such as the SDGs and carbon neutrality, the world is experiencing major upheavals on a global scale. The Resorttrust Group, which has navigated these conditions together with members based on its membership system, has arrived at the time to take things to another higher level by combining the values and potential needs of members, the assets that the Group has cultivated to date, and the ideas created by each employee as another source of growth.

Customer needs have become increasingly diverse and fragmented. The Resorttrust Group will continue to transform itself while honing its ability to respond to customer needs faster and in greater detail. By developing systems that are more attentive to each individual customer, such as by developing destination hotels based on various concepts; operating of hotels, restaurants, and other facilities catering to the unique preferences of each customer; and responding to rising health consciousness and medical checkup needs, we hope to deepen our existing relationships and forge new relationships on a broader scale.

We will disseminate our Group identity not only among employees but also to the outside world and work toward sustainable growth together with our stakeholders. We appreciate your continuing support.

## Special Feature 1 Connect 50 Rolling Plan Progress

Growth Strategy

In response to changes in the business environment in the fourth quarter of fiscal 2019 and beyond because of the spread of the COVID-19 pandemic, the Resorttrust Group adopted the Connect 50 Rolling Plan for the medium-term management plan titled "Connect 50 — Together for a wonderful life" formulated for the five-year period from April 2018 to March 2023. The Rolling Plan runs for three years from April 2021 to March 2024, aiming to achieve the largest profit in the third year, which will coincide with the 50th anniversary of the Company's founding.

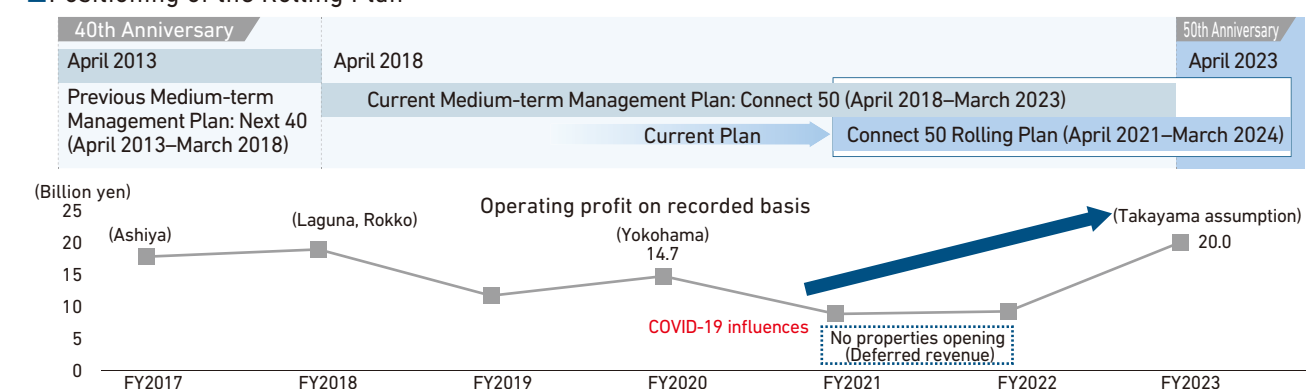
While there are no changes to the basic strategies, we are rolling out Group-wide measures that leverage the strengths of the membership model while working to achieve sustainable Group management in the medium to long term by continuously reviewing our cost structure and enhancing various foundations of management.

- Basic Strategy
  - ① Enhancing and spreading the Group brand
  - ② Dramatically improving productivity through work-style reforms
  - ③ Achieving a more stable business portfolio

### ■ Quantitative Goals

Index	First year of the Rolling Plan (FY2021 Results)	Second year of the Rolling Plan (FY2022 Forecast)	Final year of the Rolling Plan (FY2023 Forecast)	Remarks
Net sales (Billion yen)	157.78	161	190	Expect record high sales and profits
Operating income (Billion yen)	8.69	9.2	20.0	
Ordinary income (Billion yen)	11.12	8.8	20.0	
Net income attributable to owners of parent (Billion yen)	5.77	10.8	13.0	Expect a record high dividend amount
Dividend payout ratio (%)	55.3%	39.4%	Approximately 40%	
ROE (%)	5.3%	—	Approximately 10%	No change from the past

### ■ Positioning of the Rolling Plan



### ■ Awareness of the External Environment

Awareness of the external environment	Transitional period up to FY2021 (living with COVID-19)	FY2022–2023 new normal (post-COVID-19)
Positive (Opportunities)	<ul style="list-style-type: none"> <li>Increased demand for resort/medical membership services (e.g., contactless services, safety, security)</li> </ul>	<ul style="list-style-type: none"> <li>Evolve the membership model, review new business development (introduce new products, expand services)</li> <li>Expand service fields for Medical Operations (e.g., in-bound traffic expansion, M&amp;A, opportunities for alliances)</li> <li>Revival of overseas travel and inbound tourism (Hawaii, non-membership)</li> </ul>
Negative (Risks)	<ul style="list-style-type: none"> <li>Decline in demand for non-membership hotels (decline in business use, dramatic decline in inbound traffic ⇒ increased supply-demand gap)</li> <li>Stay-at-home policies among senior demographic</li> </ul>	<ul style="list-style-type: none"> <li>Supply-demand gap for non-membership hotels continues (e.g., business use not expected to return to pre-COVID-19 levels)</li> <li>Overseas travel revives (decline in demand for some domestic leisure)</li> </ul>

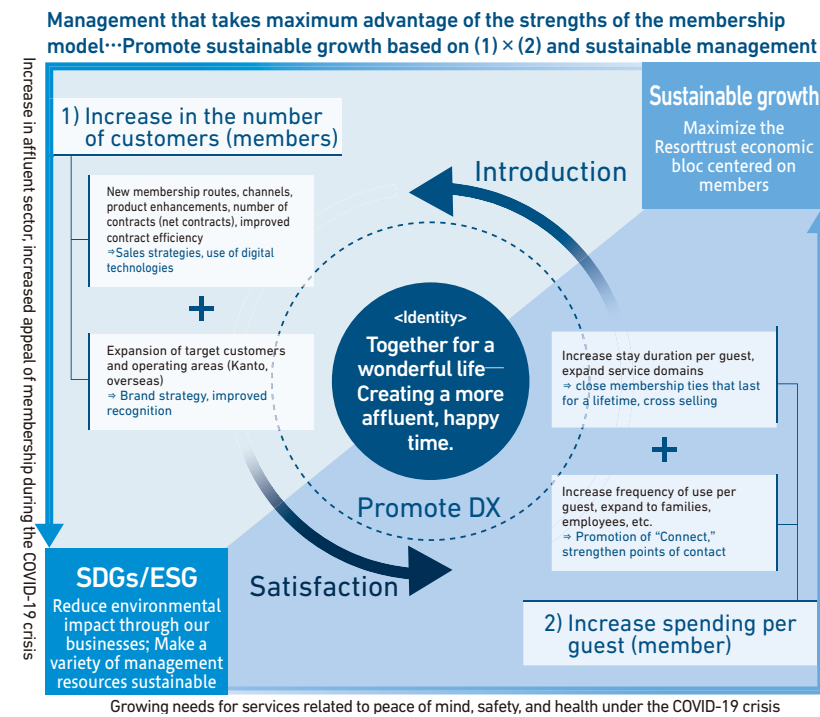


## Image of Growth Based on the Membership Model

We are maximizing the Group's economic sphere with a focus on members and achieving sustained growth by taking full advantage of the strengths of the membership model to increase both the number of members and the amount spent per member.

Increasing existing member satisfaction with the Group will lead to expanded usage period, frequency, and scope of services used by members and an increase in the amount spent per member. Furthermore, it will create more opportunities for members to introduce new customers, in turn further increasing the membership base. The increase in the number of high-net-worth individuals will lead to introductions by these members, while our sales strategies using digital technologies and brand strategy for improved recognition will lead to the increased appeal of membership services. This will result in a sustained increase in the membership base even during the COVID-19 pandemic.

### Vision for growth based on membership model



### Initiatives by Segment

Business	FY2021 (Connect 50 Rolling Plan First Year)	FY2022 (Connect 50 Rolling Plan Second Year)
<b>Membership</b>	<ul style="list-style-type: none"> <li>● Achieving record contract value, permeation of new product SANCTUARY COURT</li> <li>● Contracted value of digital utilization: ¥9.0 billion (YoY difference +250%)</li> <li>● Increase in new sales ratio</li> <li>● Significantly lower retirement rates (lowest in the last five years)</li> </ul>	<ul style="list-style-type: none"> <li>● 'Kanto' memberships on sale. Permeation and wide-scale development of 3 properties of SANCTUARY COURT</li> <li>● Contracted value of digital utilization: ¥10 billion target</li> <li>● Further promotion of women's activities. Continuation of high retention rate</li> </ul>
<b>Hotel and Restaurant</b>	<p>Returning segment income for the full year to the black &lt;Membership hotel&gt;</p> <ul style="list-style-type: none"> <li>● Promotion of "Smart check-in/out" (contributes to infection prevention)</li> <li>● Enhanced in-room dining (established as an option in the COVID-19 crisis)</li> <li>● Progress in initiatives for vitalization of pleasure program (Customer Delight)</li> <li>● Initiatives for LINE customers (for corporate employees), more than 130,000 (from September 2020).</li> <li>● Non-membership Hotel</li> <li>● Determining and implementing sale of some facilities in the Hotel Trusty business</li> <li>● THE KAHALA HOTEL &amp; RESORT, realization of profit turnaround (profit +¥2.0 billion compared to previous year).</li> </ul>	<p>Progress in income through increasing segment income by ¥3.5 billion year on year</p> <ul style="list-style-type: none"> <li>● Organizational restructuring in April ⇒ Strengthening of brand power through new organizational structure</li> <li>● Strengthening of ability to attract customers through connections and synergies (collaboration with Sales and Marketing)</li> <li>● Vitalization of pleasure program (Customer Delight) and development of "brand employees"</li> <li>● Establishment of marketing strategies that utilize IT and data analysis</li> <li>● Implement initiatives to increase the number of LINE customers (for corporate employees) to 300,000</li> <li>● Improvement of the work environment, ES, and retention rates</li> <li>● Consideration of measures to address higher costs such as higher raw material and utility costs</li> <li>● Achieve full-year operating profit for THE KAHALA HOTEL &amp; RESORT Honolulu, Hawaii</li> </ul>
<b>Medical</b>	<p>&lt;HIMEDIC&gt;</p> <ul style="list-style-type: none"> <li>● Record high annual contract value and number of memberships sold for membership sales</li> <li>● Launch of a new resale product at Yamanakako: "Double Course neo"—All 500 sold</li> <li>● Implemented an increase in sales capacity (Nagoya)</li> <li>● Medical service corporation Business and Aging Care Business etc.</li> <li>● Implementation of vaccination at workplaces, dissemination of information related to COVID-19 prevention</li> <li>● Expanding the revenue base (newly consolidated Dia Medical Net, Inc., contributed to revenue)</li> <li>● Release of new brand "est're" in Aging Care Business</li> <li>● Establishment of a joint venture with DeNA Co., Ltd. "Well-Compass Inc.," promotion of DX</li> </ul>	<p>&lt;HIMEDIC&gt;</p> <ul style="list-style-type: none"> <li>● Consideration of development at new locations (Kanto, Kansai)</li> <li>● Senior Lifestyle Business</li> <li>● Strengthening of Group synergies and sales foundations ⇒ Strengthening of brand</li> <li>● Improvement of profitability, consideration of new products for more stable business operations</li> <li>● Medical service corporation Business and Aging Care Business</li> <li>● Permeation of new brands and new products in Aging Care Business</li> <li>● Use of databases and AI to strengthen marketing</li> <li>● Progression to second phase of clinical trials in BNCT business</li> </ul>
<b>Head Office</b>	<ul style="list-style-type: none"> <li>● Redemption of convertible bonds maturing in 2021 (¥29.7 billion)</li> <li>● Implementation of purchase of treasury shares (1.2 million shares)</li> <li>● Listing on a new market category "Prime Market" (4 April 2022)</li> <li>● Launch of sustainability management development project (4 PJs)</li> <li>● Strengthening of customer response departments (launch of Member Support Department)</li> </ul>	<ul style="list-style-type: none"> <li>● Brand strategy: permeation of brand identity, strengthening of activities regarding SDGs</li> <li>● Human Capital Strategy: consolidation of information on the Group's human resources and development of the system.</li> <li>● IT Strategy: Digital utilization, Strengthening of information security and revisiting thoroughness of information management</li> <li>● Compliance with the Corporate Governance Code for Prime Market companies</li> <li>● Promotion of sustainable management development project and review of long-term vision</li> </ul>

## Results for First Year of the Rolling Plan

### Membership Operations

Sales of memberships for Sanctuary Court Takayama, for which sales began in June 2021, and Sanctuary Court Biwako, for which sales began in March 2022, were strong, achieving record-level contract volume. Digital marketing is producing results, already achieving the annual goal for the final year of the Rolling Plan of ¥8.0 billion with contract volume via digital channels generating ¥9.0 billion, 3.5 times that of the previous fiscal year. Cross-selling also steadily increased, with 15.4% of hotel membership holders also holding HIMEDIC membership.

### Hotel and Restaurant Operations

For membership-based hotels, we expanded services to cater to the needs of customers during the COVID-19 pandemic, such as smart check-in/checkout systems and in-room dining, as well as energetically rolling out the Pleasure Program offering customers inspiring experiences. Measures to expand the number of users have been successful. For example, the number of LINE customers for corporate employees, which began in September 2020, exceeded 130,000. For non-membership hotels, we implemented the decision to sell off some Hotel Trusty business facilities, and improved profits for THE KAHALA HOTEL & RESORT Honolulu, Hawaii, restoring full-year profitability across all business segments.

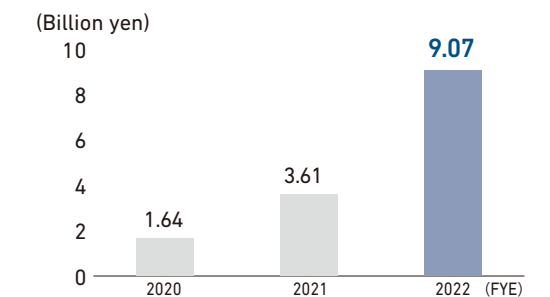
### Medical Operations

As for HIMEDIC memberships, with the sale of 500 W Course Neo, which was resold as a new product at the Yamanakako Course, and increased sales capacity at Nagoya, we achieved record-level annual contract volume and sales outlets given an increase in demand during the COVID-19 pandemic. In February 2022, we concluded a business tie-up with DeNA Co., Ltd., to launch a joint venture with the aim of providing a personalized service to support individuals, by accumulating the personal health records (PHRs) of each individual customer based on medical checkup data and accelerating their digitization using AI and other technologies.

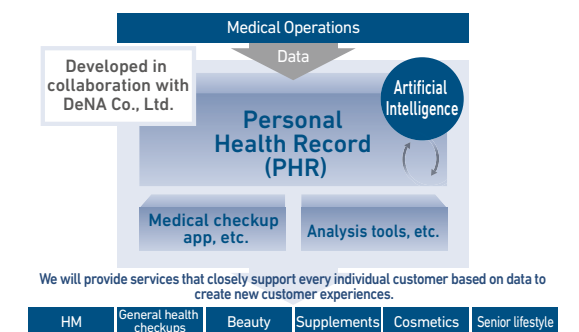
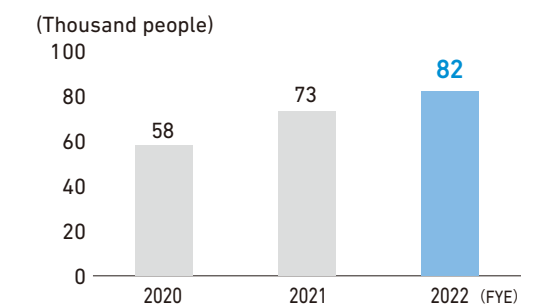
### Head Office

We redeemed ¥29.7 billion of convertible bonds maturing in 2021 and acquired 1.2 million shares of treasury stock. On April 4, 2022, the Company was listed on the Prime Market, the new market segment in the Tokyo Stock Exchange. To build sustainable management, in January 2022 we launched four internal projects designated as sustainable management development projects: perpetuation of membership hotels, development of innovation, human resources, and SDGs/ESG. A new Member Support Department has also been established to strengthen the customer response departments.

Change in contract volume via digital channels (annual)



Changes in numbers of points-based members (membership holders only)



Four internal projects were launched in January 2022, led by the respective Head/Officer in charge of the division.

- Sustainable management development project**
- 1 Perpetuation of membership hotels
  - 2 Development of innovation (new pillars)
  - 3 Human resources
  - 4 SDGs/ESG

We are capitalizing on the opportunity presented by the 50th anniversary of the Company's founding in April 2023 to resolve current issues for the next decade, as well as to accelerate future-oriented initiatives centered on sustainability.





Katsuyasu Ito

Tetsuya Furukawa

Masaru Miyake

Tomoyo Nonaka

## Working to Improve Resorttrust's Corporate Value and Achieve Sustainability Management

To mark the 50th anniversary of its founding in 2023, Resorttrust is in the process of drawing up a medium- to long-term vision, centered on sustainability as the common theme running through its management, strategies, and business activities. Amid mounting calls for corporate sustainability initiatives, transparency, and fairness, and amid growing public interest in physical health and mental well-being in the post-COVID-19 era, we held a roundtable discussion featuring four directors—Outside Directors Tomoyo Nonaka and Masaru Miyake, Chairman of the Board Katsuyasu Ito, and Managing Director Tetsuya Furukawa—to discuss the course we should steer and our growth potential, the strengths we have developed to date, and current governance issues.

## Evolution of Resorttrust's Management through the Second Year of the COVID-19 Pandemic

**Ito:** First, I would like to hear our Outside Directors' views on Resorttrust's immediate situation. Please tell us your honest opinion.

**Miyake:** The revised Corporate Governance Code (revised CGC) was released and came into effect in 2021. These revisions reflect developments such as the need for business reforms highlighted by the COVID-19 pandemic and the importance attached to sustainability initiatives by the international community. Resorttrust seems to me deeply committed to complying completely with the revised CG, and I believe that the recently released Board of Directors' Skills Matrix shows a well-balanced board.

In terms of business strategies, amid the COVID-19 pandemic, the Company announced a rolling plan for the Connect 50 Medium-term Management Plan in May last year. I admire the Company's quick decision-making, including its consideration and determination of the rolling plan and its subsequent decision to sell the assets of the non-membership hotels business. You have also reviewed your organizational structure flexibly and swiftly to keep pace with changes in the environment, and while I imagine that the business environment has been challenging on both the accommodation and food services fronts during the COVID-19 pandemic, it appears to me that you have nonetheless succeeded in turning adversity into opportunity by providing services that reflect the ideas of employees and feedback from members and customers. Meanwhile, in the Medical Operations, I imagine that expectations will be even higher against a backdrop of increased health consciousness, and I hope that you will translate this expectation into business growth through the careful consideration you have always shown for your customers.

Looking at the business environment, however, the outlook remains uncertain, given the protracted

COVID-19 pandemic compounded by other problems such as the aggravation of energy and resource scarcity by global instability. While I remain optimistic about the strength that has enabled you to weather hard times in the past, at the same time, ESG investment has become more widespread in the capital markets, and I would like to see you step up your actions to address the SDGs in each of your businesses.

**Nonaka:** I agree with what Mr. Miyake has said. At the same time, I think that, in this Integrated Report, you must communicate not only your past achievements but also more in-depth policies looking ahead to your 100th anniversary. To put it another way, I think that the COVID-19 pandemic caused a global awakening about the importance of life. I think that we human beings all woke up to the fact that we are not simply alive but that we are being kept alive in the bosom of nature. During the pandemic, restrictions were imposed on nonessential and non-urgent trips, overnight stays, and dining and drinking at restaurants and bars. In other words, Resorttrust's very livelihood was subjected to severe restrictions. But faced with such a challenging business environment, the Company received support from its members. You succeeded in building a new relationship with customers based on trust, something that is fully reflected in your business results. I think it is fantastic that you noticed the potential for a new type of membership, albeit thanks to the efforts of the Membership Division and hotel staff working under strict social restrictions.

Over the past 50 years, you have managed to overcome ups and downs in performance not only because of improvement in hotel memberships and services but also because of your challenging spirit. You rose to the challenge of launching a completely different Medical Operations, including launching a state-of-the-art medical testing service. I believe the key to your success is your forward-looking approach even during the COVID-19 crisis. During this COVID-19 pandemic, it is reassuring for people to know that there will always be a specialist they can consult if they make a call to the concierge or attending doctor. I think it is huge that offering people the opportunity to consult a specialist about their life is now recognized as part of Resorttrust's raison d'être. Also, when thinking about what lies ahead, I believe that, through its challenging spirit and determination, Resorttrust has the strength to turn adversity into opportunity and to evolve still further.

**Ito:** I think the achievement of steady growth despite the COVID-19 pandemic is the wisdom of hindsight. Planning and caring for individual members have always been a fundamental part of the membership



Chairman of the Board and CEO Katsuyasu Ito  
COO from May 1996, President from April 1999. Became  
Chairman of the Board and CEO (Chief Executive Officer)  
in April 2018.



framework, and so I believe that in one respect it was easy for us to take the action we took in a situation like the COVID-19 crisis. When it came to services for individual members, we could harness our strengths. But would the services work similarly well at non-membership hotels? It would be difficult for us to provide the services we excel at separately for members and non-members, so we decided to sell the non-membership hotels business with the intention of specializing in services for members, with whom it is easier for us to communicate. I believe that people and businesses only succeed if they have solid know-how, therefore it is best to pull out as soon as you realize you lack know-how and focus management resources on your main business. This was the thinking behind our actions and, although we are being praised for it now, I see this as the wisdom of hindsight.

**Furukawa:** Likewise in Medical Operations, with the COVID-19 crisis creating a sense of immediate threat to life, every one of us thought long and hard about what we could do. When a state of emergency was declared for the first time, our clinics closed for two months. However, during that time, the regulations on online remote consultations were relaxed. After we resumed operations, we thought about what we could

do for customers in terms of prescribing products to ease COVID-19 symptoms and meeting the need for PCR tests and we worked like crazy to do this. The fact that we succeeded in providing workplace vaccinations to around 80,000 people including corporate members was hugely appreciated. This also led to an increase in members, with sales of HIMEDIC memberships rising from 2,425 before the COVID-19 pandemic to 2,961 in fiscal 2020, an increase of 20%, and to 3,210 in fiscal 2021. Thanks to similar efforts to get closer to customers, we succeeded in maintaining occupancy rates during the COVID-19 crisis in Senior Lifestyle Operations.

**Miyake:** A culture of valuing individual customers is one of Resorttrust's biggest strengths, I feel. It seems to me that the ability of customer-facing employees to decide on and take such action, a strength that comes from having valued members in Membership Operations, is an unseen asset. What is more, I believe that the online consultations Managing Director Furukawa mentioned still have scope for growth in the future and I expect the data of individual members that has been accumulated to be used to develop tailor-made services.

## Resorttrust's Growth Potential and Challenges in an Era of the 100-year Life Span and Overall Well-being

**Nonaka:** When I think about future growth, I believe that the Resorttrust Group as a whole should work harder to share information across business boundaries. Looking ahead to the next 50 years, social values and people's sensibilities will be completely different. This applies not only to customers but also to younger generations who join the Resorttrust team. That is why I would like you to accept the challenge of changing your culture without hesitation. Currently, it tends to be seen as a "jock culture" (smiling).

The COVID-19 crisis has made us question not only "what is work?" but also fundamental values people previously took for granted. For example, the white-collar mentality and the perception of gender are starting to change. In such an environment, I think you are doomed if you simply keep telling people inside and outside the company with the same tone and tempo to go enjoy a luxury resort life with a membership for another 50 years. The meaning of luxury has completely changed. Good food? Luxurious interiors? It goes without saying that the food is good and the interiors are luxurious.

Looking at the whole company through a wide-angle lens, the scope of business is wide and diverse, including Hotel Operations, Medical Operations, Senior Lifestyle Operations, supplements and other products such as cosmetics, and the in-house travel

agency business. But it seems to me that these businesses are all promoting themselves separately to society. Resorttrust should look at customers as individual human beings and take care of them completely, like in the slogan—"Together for a Wonderful Life." People do not see that if they have Resorttrust as their partner from the time they are born until they die, they will lead a fantastic wonderful life. This is a waste.

What is more, if we look at Resorttrust's infrastructure, all your infrastructure is in the bosom of nature, by the sea, in the mountains. In the future, we will live in a world where there will be no assets that can beat these. Outdoor camps and schools in places full of nature with medical staff on hand—that is true luxury for small children and elderly customers alike. We could also change our perspective on golf courses, which could serve as great rehabilitation facilities, for example, if customers went round the course wearing an ECG monitor in the company of a doctor. I think that, depending on the way they are combined, the Company's assets offer high added value that could be made available to customers at various stages of their life.

**Ito:** As you say, we offer various services, but we recognize that this is still not enough. What I feel is most lacking is a mechanism through which members

can mix with each other and create a community. Given that we have a base of 190,000 members, I believe that interactions between these members could create all kinds of opportunities. We have absolutely nothing like that in place, and I believe that is a lost opportunity.

**Furukawa:** In that sense, I also feel that our supplements, cosmetics, and senior life product-oriented business model is the wrong approach in terms of getting closer to customers. In the Membership Division, we succeed in offering individual customers an integrated customer experience but in the Hotel and Golf Division and the Medical Division, there is currently a silo mentality and so I think that customer-oriented reorganization is something we need to consider. I know that the PET scan service set up by Chairman Ito and BNCT (boron neutron capture therapy) really help people to get on with their lives through the early detection and early treatment of cancer. However, although early discovery is important, we are currently conducting research into how we can create a society where people do not get cancer; in other words, we also want to expand the preventive medicine field, preventing lifestyle diseases. Seen from this perspective, like Senior Lifestyle Operation, Hotel Operations could learn a great deal from Medical Operations. For example, we could check whether the meals provided at our hotels and senior life facilities are appropriate in terms of volume and content and review the salt intake and propose meals to improve gut health. We intend to contribute to the well-being pursued across the entire Resorttrust Group through such initiatives.

**Nonaka:** This is good to hear. I think there was a time when the organization functioned efficiently precisely because it was product-oriented and supplements, cosmetics, and scans were all separate, but I believe this early phase is now over. Moving onto a theme that is unlikely to be a hot topic of conversation on this occasion given that I am the only woman at today's roundtable discussion, our femtech initiative in the gynecology domain under Managing Director Furukawa's jurisdiction is cutting edge and has gotten off to a positive start. If you look at fashion magazines aimed at women in their 20s, physical changes such as menstruation, which was a taboo subject not talked about much in society, are now being featured and highlighted in way that is not taboo at all. The days of customer management based on a silo mentality are truly over. I believe that more and more you will be required to interact with customers as a partner that is closely connected to their lives as individuals.

**Ito:** Professional human resources who think in a service-oriented way will be needed in each business to strive for higher quality in the services themselves. But as you say, in Medical Operations, we do not yet have the kind of organization to take charge

of HIMEDIC members individually therefore an organization to comprehensively meet the needs of HIMEDIC members is needed.

**Nonaka:** Considering the possibility of creating services not only for HIMEDIC and hotels but also for new members in the future, determining the contact point on our side is also an issue.

**Ito:** For supplements, we have supplement professionals, and for hotels, we have hotel professionals. As such, it would be best for us and the customer if, rather than clumping anything and everything together, we operate in such a way that we have a person in charge of the member who then links the member to a professional for each service or individual business.

**Miyake:** You mean that rather than connections between departments, you will evolve in such a way that you can connect services around the customer. I believe that even if the number of customers increases, we will be able to use digital technologies to provide various data-based services that bring us closer to individual customers.



Outside Director **Tomoyo Nonaka**

Worked as an anchorwoman on numerous programs at NHK and other networks before serving as Director for many corporations including Asahi Breweries, Ltd., and Nippon Broadcasting System, Inc. Became Representative Director and Chairman of Sanyo Electric Co., Ltd., in 2005. Also served on various government councils such as the Central Council for Education and the Fiscal System Council. Founded the Gaia Initiative as an NPO in 2007 and served as chair (to present). Became a member of the Club of Rome, an organization that is a global authority on environmental issues, in 2015 (to present). Became an Outside Director of the Company in June 2017 (to present).

## Resorttrust's Capacity to Offer Services Tailored to the Needs of Individual Customers

**Ito:** The thing I have realized most in my business career is that people are different from one another. Because people differ in their likes and dislikes and on almost everything, there is a limit to how much we can force the products and services we have created onto them. But, in this regard, the good thing about memberships is that we can divide people with various preferences into groups. Dividing people into groups allows us to offer services that meet specific needs, and we can get feedback on what members are interested in and reflect this feedback in the development of new offers. Sanctuary Court Biwako, which opened for business this year, has won support from many members, and I think that the wonder of a hotel that appears to be floating in the beautiful natural environment of Lake Biwa came about precisely because we listened to the opinions of many members. As Mr. Miyake says, we will no doubt be able to aggregate customer opinions and feedback in a more sophisticated manner through DX in the future and there is still lots to do.

**Furukawa:** As for Medical Operations, ever since we broke new ground with our PET scans for cancer at XIV Yamanakako, our service has been acknowledged in the medical sector as value that transcends academic cliques such as the University of Tokyo, Kyoto University, and Keio University. Anyone can purchase scanning equipment, but the trust and personal relationships we have developed through our serious commitment to scans for cancer thus far is a point that sets us apart from our competitors. Furthermore, now that we have broken new ground and are a frontrunner in the field, we are rapidly accumulating not only PET scanners but also various other types of cutting-edge scanners and I believe that this will also make us even stronger.

**Ito:** When we first announced our collaboration with the University of Tokyo, we were criticized because those eligible were limited to members. But we have explained tirelessly that any attempt to start something new also requires new investment and that before anything else there is value in the evidence that will be obtained through this collaboration.

**Miyake:** Even in terms of whether this initiative would truly work, there is a trajectory that was created with the university, right? I imagine this was an attractive proposal both for the medical world and universities, offering an opportunity for all kinds of verification and validation.

**Furukawa:** As a result of the service rollout based on our management philosophy, on the equipment front, we now have five cyclotrons for medical use and six PET-MRI scanners (as of March 2021), which is impressive as there are only 13 such scanners in the whole of Japan. Accordingly, the HIMEDIC brand name has become widely known in the medical sector.



Outside Director  
(Audit and Supervisory Committee Member)

### Masaru Miyake

Worked for the local government of Nagoya City as a public servant for many years. Served as Director of Nagoya City Waterworks and Sewerage Bureau and Director of Bureau of General Affairs. Became Vice Chairman and Director of Administration Office of Nagoya City University in 2013. Appointed Manager of the Urban Policy Research Center at Nagoya City University (to the present) and professor at the Graduate School of Economics, Nagoya City University (to present) in 2018. Elected as Outside Director of the company (to present) in June 2021.

**Nonaka:** As Managing Director Furukawa mentioned earlier, “We are what we eat,” right? What we eat is directly linked to life. If people go to our hotels at various times in their life, they will be provided with safe organic food produced locally and with services tailored to their needs, ranging from scans to senior life services. Each of us gets only one life, and I think it is important to be the kind of partner that helps make life as brilliant as it can be. The individual customers who are the backbone of our business all lead different lives, but what they all have in common is that they only get one life.

“You can hire someone to drive a car for you, to make money for you, but you cannot rent someone to carry a disease for you.” These were Steve Jobs’ last words before he died. There is nothing more important than life. The world is clearly trending toward this belief.

I would like shareholders and investors to pay attention to the value of life and to its future potential. Over the next 50 years, I want to see Resorttrust put in place a framework that will allow customers to entrust it throughout their lives. I want to see the Company expand further through compliance and DX, not to mention strict management of personal information.

**Ito:** We would also be extremely grateful if people who understand our approach and share the same thinking would support us as shareholders.

## Management Involvement and the Advice of Outside Directors and Their Future Expectations for the Company

**Miyake:** As an Audit and Supervisory Committee member, I receive reports based on the audit plan every month, and in my view the Company is an organization that can take the right action in an appropriate manner. I am always looking to see if there are any major issues among those identified in the audits, but I have yet to come across any significant problems. The whistleblowing system is catching on and becoming firmly established and, if you drill down into the details, the system is responding to whistleblowing reports based on proper investigations. One issue that needs to be addressed is the disclosure of non-financial information. I have heard that, under the leadership of the Sustainability Committee, the Company plans to focus on this, including complying with the TCFD recommendations, so I expect to see enhanced disclosure.

**Nonaka:** Generally speaking, I think an Outside Director’s mission is to see things from a shareholder’s perspective and help maximize capital efficiency. In the past, Resorttrust has achieved business growth under the strong leadership of its two founders and, with their rapid decision-making and foresight at its core, has sifted out and gotten rid of anything unnecessary rather aggressively. I think the Company has achieved growth because the executive officers have followed the leadership of the two founders.

But with society being so dramatically transformed and values becoming increasingly diverse, will the Company simply continue like this in future? I think you should have an awareness of this danger. The Company could be in trouble if its two founders do not stay at the helm and in good health. However, while the requirements for the appointment of human resources from the younger generation and outside the Company and the appointment of women have

now been satisfied with the appointment of myself and Ms. Terazawa to the Board, it is no longer a case of whether the requirements have been met but rather will the Company really promote the participation of women in its management. Also, when it comes to communication within the organization, we live in an age where a boss saying “follow my lead to the bitter end” is power harassment. This kind of transformation in values is, of course, also happening on the customer side, therefore customers might lose all sympathy for the Company unless it keeps up to date with these changes. I believe that making unpopular remarks like this is my role as an Outside Director.

**Miyake:** Looking at the reports of the Risk Management Department, themes such as development of the work environment and improvement and reform of personnel systems surface. Although we are still in a position where we cannot go on site visits because of the COVID-19 pandemic, we would still like to be able to address problems at sites and respond to the ideas of employees that have come to light in our various reporting.

**Nonaka:** Before the COVID-19 pandemic, either Ms. Terazawa or myself joined the chairman of the Board in holding free discussions with young employees at business sites. I think it would be good to resume this initiative when the pandemic comes to an end.

**Miyake:** I would also like to see communication on how the Company is focusing on human resource and sustainability strategies.

**Nonaka:** Sustainability management initiatives are accelerating on a global scale. Resorttrust has business responsibilities in Hawaii, where it is at the forefront of sustainable practices. I guess that its role as a leader in Japan will also expand. I think that the existence of a properly thought-out philosophy concerning energy and water would in itself be appealing to members, enticing them to become involved with the Resorttrust Group.

**Ito:** I intend to draw on all your knowledge in further promoting sustainability management and holding in-depth discussions on our medium- to long-term vision as we look to the 50th anniversary of our founding next year. Thank you very much for your valuable comments and opinions.



Managing Director and Head of the Medical Division

### Tetsuya Furukawa

Became an Executive Officer of the company in 2013, a Director in 2017, and a Managing Director from April 2021 (to present). Appointed Director of the Medical Division in 2018 (to present).



The value creation process of the Resorttrust Group, which has embraced the concept of blazing new trails as its corporate spirit, is based on forging solid relationships of trust with members. We will pursue Group synergy based on the capital we have accumulated through 49 years of operations and will evolve into a group with which all stakeholders will want to be lifelong partners.

## Group Identity

Together for a Wonderful Life—Creating a more affluent, happy time.

### Main Management Capital (Input)

#### Business capital, social capital

- Number of hotels operated: **41 facilities**
- Collaboration and coordination with business partners and local communities

#### Human capital

- Number of Group employees: **7,903** (consolidated, full-time employees)
- Independent outside directors: **6** (two of whom are female independent outside directors)

#### Intellectual capital

- Development of smart hotels and facilities
- Facility usage data
- Medical checkup data
- Joint research with medical institutions (e.g., The University of Tokyo Hospital, Kyoto University Hospital)
- Research and development into cancer treatment devices (BNCT development with the National Cancer Center Japan)
- Extraordinary spatial design

#### Financial capital

- Total assets: **¥394.4 billion**
  - Net assets: **¥106.8 billion**
  - Long-term deposits received on sale\*: **¥109.3 billion**
- \*Interest-free deposits from members
- Cash and cash equivalents: **¥29.2 billion**
  - Committed credit line agreement: **¥85 billion** (as of March 31, 2022)

#### Natural capital

- All environmental resources supporting our businesses

Business cycle with membership—our core

Medium- to long-term systems to enhance corporate value

P26~

#### The Source of Value Creation

- Membership base of more than 190,000 people
- Relationships of trust with customers
- Human resources that respond to latent customer needs



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#### Competitive Advantage

- Facilities and services development capabilities
- Sales capabilities
- Operational capabilities
- Solid financial base

#### Base

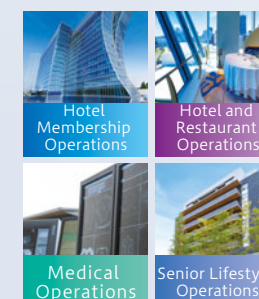
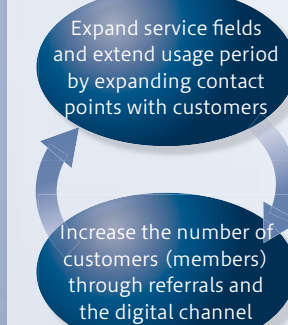
- Information security
- Governance
- Risk management

#### Management Philosophy

P15~

#### Group Strategy Medium-term Management Plan

- DX
- Cross-selling
- Attractive hotel development
- Asset allocation



P30~

#### Sustainability Management

##### Materiality

- Achieving “Together for a Wonderful Life”
- Developing unique brand value for the Resorttrust Group
- Wonderful lives for staff
- Reducing the burden on the natural environment
- Enhancing governance

##### Sustainable investments

- Renewable energy
- Intellectual property and human resources
- Making facility operations and product models permanent
- Creating new products in line with the times
- Corporate alliances

### Value to be Created (Outcome)

#### Supporting healthy and flexible lifestyles Providing services for every life stage

- Member satisfaction (satisfaction with becoming a member/desire to refer others)
- Continuous flow of new members

#### Provide spaces to refresh the mind and body

- Expansion of resort facility user demographics

#### Extend health life expectancy

- Promotion of general health checkups
- Expansion of operations support for medical institutions

#### Demonstrate diversity and a rewarding work environment

- Ratio of female managers (consolidated): **21.3%**
- Ratio of non-Japanese managers (consolidated): **3.7%**
- Ratio of mid-career hires to new hires (non-consolidated): **37.3%**
- Childcare leave usage ratio for male employees (non-consolidated): **49.2%**

#### Contributing to a sustainable society

- Joint projects for the revitalization of regional economies
- Joint research with medical institutions to promote the widespread adoption of minimally invasive cancer treatment equipment
- Preserve and improve the global environment: clean energy, energy saving, and CO<sub>2</sub> reduction initiatives
- Coexisting between nature and resort facilities



People are the source of the Resorttrust Group's value creation process achieved over half a century of business activities: more than 190,000 members, trusting relationships with customers, and the human resources that embody our spirit of hospitality.

## ■Members and Customers —Creating value together as lifelong partners—

### ■ Source of value creation—more than 190,000 members

The Group's core competence is its more than 190,000 members. The provision of long-term membership services has allowed us to build a close and deep connection with the lives of our customers over a long period, enabling us to tap into their diverse needs and develop new businesses along the way, which in turn has led to the provision of higher-quality services. In the 1990s, in response to requests from members, we developed a unique PET-based medical checkup system on the site of our resorts and launched Medical Operations in an effort to extend the healthy life expectancy of members.

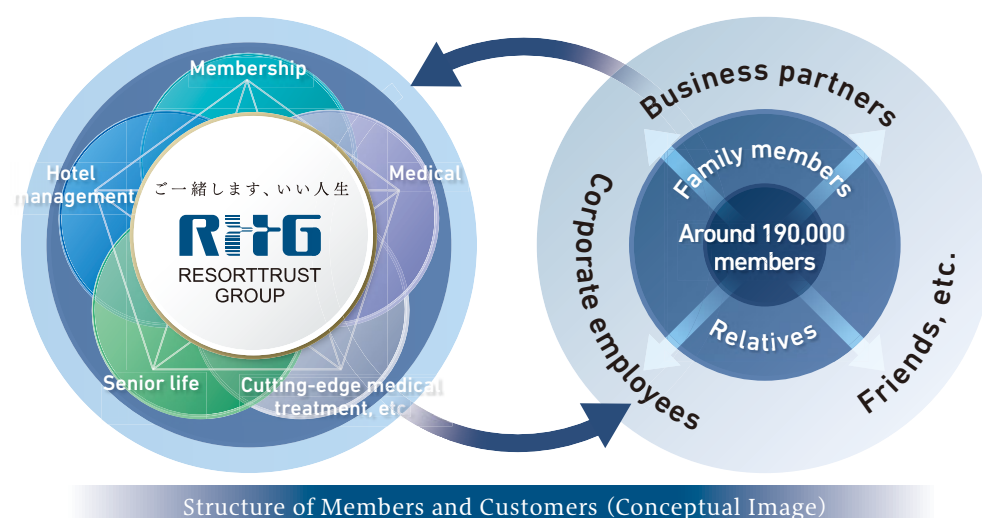
Then in the 2010s, we utilized the service expertise we have cultivated through Hotel Operations and our strengths in Medical Operations to develop and operate high-end serviced housing for the elderly and paid nursing homes, making a full-scale entry into the expanding seniors market. Resorttrust's strengths lie in its ability to create new value by enjoying the fruits of new business opportunities and the profits that fund them, while remaining responsive to the changing needs of our members at any given time, whether due to current events or the circumstances of members themselves.

### ■ Wider range of users, utilization of data assets

The membership system does not mean that the member is the only user. For hotel members in particular, relatives, friends, and important guests also use the facilities based on the member's rights as an owner, according to their ownership ratio. The satisfaction a guest experiences when using the facilities is directly connected to the satisfaction of ownership enjoyed by the owner who introduced them, and that can also motivate guests to consider their own ownership. We have also expanded our lineup catering to a wide range of social needs in the medical checkup business, with the HIMEDIC Club offering the pinnacle of medical examinations, in addition to medical checkups for executives and regular medical examinations for corporate employees.

We have accumulated data on customer reservations and usage as well as medical checkups in the medical checkup business at such hotels. Using AI to analyze such big data will enable our employees to provide services that are tailored to the needs of our customers, thereby creating a new customer experience.

The increased satisfaction of millions of customers, most of whom are members, creates a value chain that leads to new customers, which in turn leads to the permeation of our membership-based business and the expansion of the value we bring to the world, ultimately providing a source of funds for the further growth of the Group.



## ■Human Resources —An organization that embodies the Group identity: Together for a Wonderful Life—

### ■ Source of value creation—human resources trusted by our customer

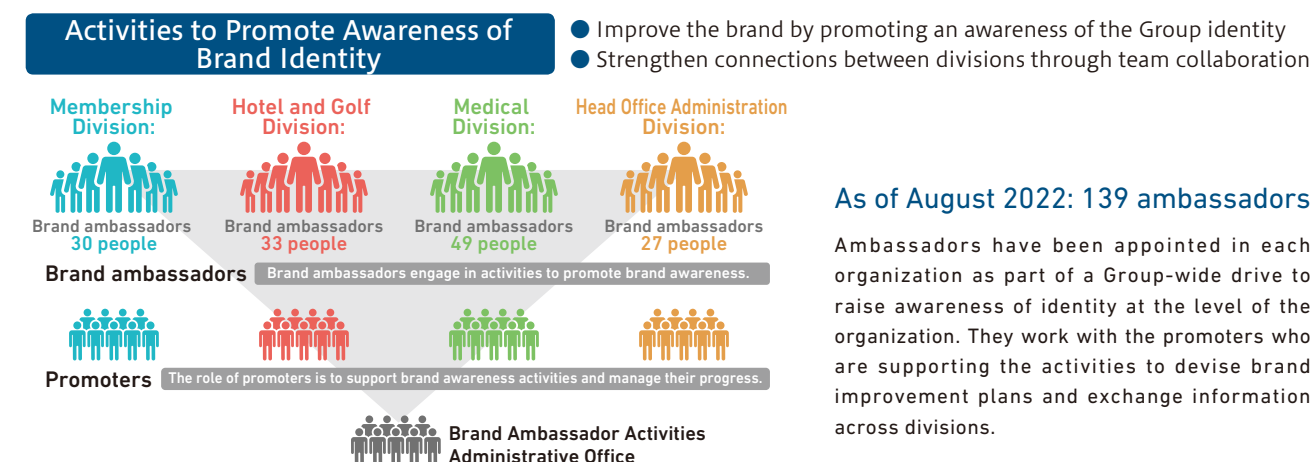
The reason we can provide products and services that satisfy our customers is the spirit of hospitality we have cultivated over decades of operations by paying careful attention to every piece of feedback gathered from our members, whether it be words of praise or harsh criticism. "Our customers' happiness is our happiness." Within this organizational culture, every employee is responding to the latent needs of customers, embodying the Group's new identity of "Together for a Wonderful Life—Creating a more affluent, happy time." The Brand Ambassador system launched last year, under which brand ambassadors

are appointed to act as the "face" of a facility to promote brand improvement, has been expanded across the entire Group, developing and promoting initiatives that transcend divisions or occupational categories. The combination of these initiatives and the unique expertise we have accumulated over the years will enable us to strengthen the source of value creation, which is human resources trusted by our customer.

### ■ An organization where everyone can enjoy a rewarding work environment

Human resources are the source for achieving the Group's sustainable growth. We are continuously working to improve the workplace environment and striving to increase employee satisfaction levels by promoting work-style reforms through the three elements of diversity, training and evaluation, and digital strategy. In addition to developing a system to collate and effectively utilize the Group's human resource data, we are cultivating the human resources who will contribute to the enhancement of the Group brand by providing education and training from the moment they join the Company. Furthermore, we are promoting work-style reforms by developing systems oriented to a work-life balance, accelerating the digitization of internal operations such as sales activities

and back-office operations. Work-style reforms that reduce overburden, waste, and inconsistency lead to increased contact points with customers, increased contract signings and user numbers, and improved customer satisfaction. We are also engaged in proactive efforts to enhance and expand diversity by harnessing the hospitality industry's characteristics and strengths in creating leisure, health, and beauty. We are working to revise evaluation and compensation systems and improve the welfare benefits system, focusing on the creation of a vibrant and rewarding work environment where human resources that embody the Group's corporate philosophy can demonstrate their potential to the fullest.



### As of August 2022: 139 ambassadors

Ambassadors have been appointed in each organization as part of a Group-wide drive to raise awareness of identity at the level of the organization. They work with the promoters who are supporting the activities to devise brand improvement plans and exchange information across divisions.

The Group's membership-based business model has continued to grasp and stay close to the needs of each of our members. During the pandemic, this business model has displayed remarkable competitiveness.

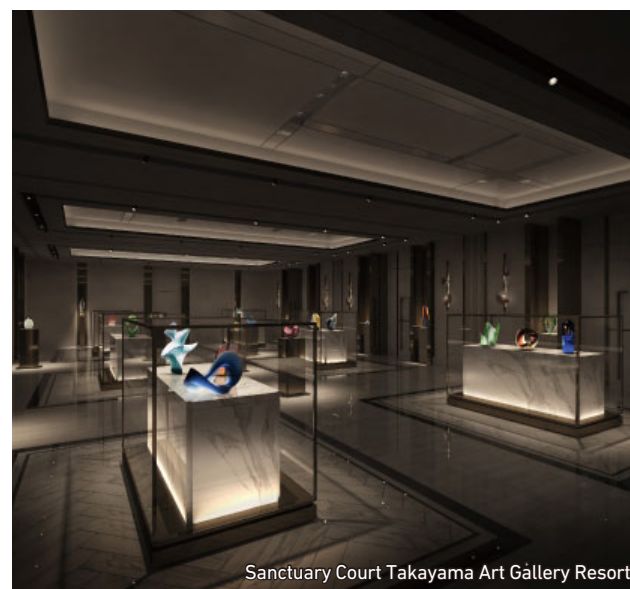
### ■ Assets —Facilities, development and operations knowledge, and a network supporting our brands—

#### ■ High-quality hotel development and personal service .....

At the dozens of hotel and resort facilities operated by Resorttrust in Japan, without compromise we pursue outstanding high quality with attention to the finest details and a space where visitors can sample extraordinary experiences, based on our founding principles of sophistication and high quality. In addition to fulfilling a role as a regional tourism resource, we promote local production for local consumption in conjunction with dietary education and place an emphasis on contributing to local revitalization through employment measures. We have also continued with development efforts while valuing ongoing dialogue with local government officials and area residents.

We have considered unique concepts for each of the facilities we have developed to date. Starting in 2021 with the development of new hotels, Sanctuary Court, our newly developed brand of destination hotels where the stay itself is the purpose of the trip, has been well received. With this brand, we have further strengthened the characteristics of each facility and its ties with the local community.

With hotel management, we gather and utilize information on interests and tastes heard in dialogue with members as well as Group facility usage data, and offer personalized services that match each person, such as the promotion of the use of services to members and suggestions on ways to spend time during a stay. Through this, we have managed to follow up with our customers before, during, and after travel.



Sanctuary Court Takayama Art Gallery Resort



Sanctuary Court Biwako Venetian Modern Resort

#### ■ Cutting-edge healthcare through coordination between industry and academia, and the promotion of new health projects .....

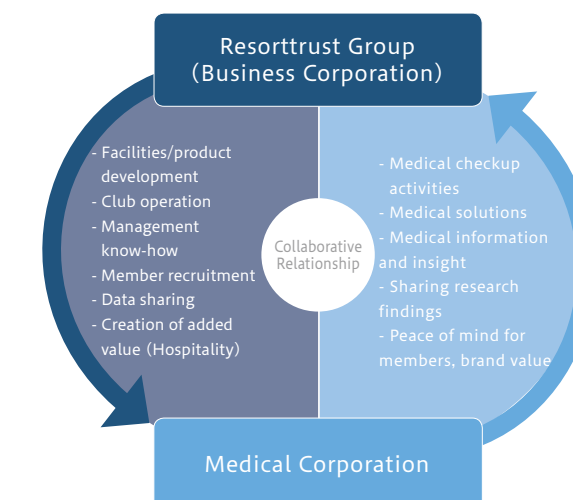
In Medical Operations, our groundbreaking medical checkup program, which includes the introduction of positron emission tomography (PET)-based testing equipment for the first time in Japan, has been highly acclaimed even by global standards. In addition, based on the findings of frontline research pursued through joint industry-academia projects with universities, we have established a business model that continually introduces

the latest practices in medical examination. These efforts are of great social significance toward solving the challenge of early detection leading to early treatment and the extension of healthy life expectancy. Resorttrust Group subsidiary CICS Inc. and STELLA PHARMA CORPORATION have partnered with the National Cancer Center to begin treatment for malignant melanoma and angiosarcoma using boron neutron capture therapy (BNCT). As a project

that reflects the Group's hope to create a society where cancer claims no precious lives, we will aim to establish this approach as a method for treating cancer in the future.

In addition to focusing on medical examination services for women by female physicians, we launched new brands of soap for delicate areas and moisturizing creams. We focused on gender differences in fiscal 2021 and launched the femtech business in earnest to solve unique health issues for women using technology. Recently, we began joint development to provide personalized services for customers together with DeNA Co., Ltd., by analyzing various medical examination data and other big data with AI and gathering this data as personal health records (PHRs).

#### ■ Partnerships with Medical Institutions



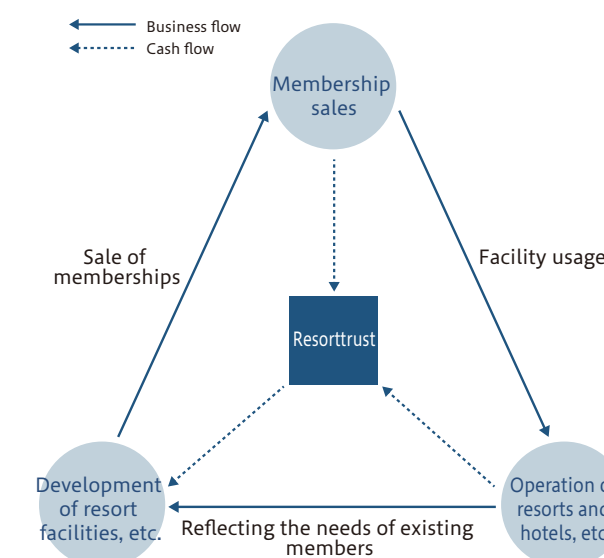
### ■ Financial Capital —The ability to create cash flows unique to a membership system—

Our unique business model, which is based on a strong customer base with members, leads to solid financial capital. For our core condominium-style membership hotels, we start selling memberships when we begin construction, providing a short-term recovery model that enables us to recover most of our investment by the time a hotel opens. After opening, we generate stable operating revenue from annual membership fees and the proceeds from amortizing deposits. In addition, most of the security deposits received are amortization-type deposits that do not require repayment and can be used to fund repairs. This helps realize a sound financial structure with little financial risk associated with repaying deposits.

There was still uncertainty with the pandemic in the outside environment in fiscal 2021, but we rediscovered the strength of the Resorttrust membership business and further strengthened the foundations of our business, pressing forward by focusing our management resources on select areas. One example of this would be the partial sales of our non-membership hotel operations. Under these conditions, our membership business steadily grew, leading to operating cash flows of more than ¥20 billion. In addition to these internal funds, we are working to ensure lines of

credit and liquidity on hand, considering the prolonged effects of the pandemic. In this way, we have secured ample funds to invest in businesses and prepare for risks.

#### ■ Basic Business Flow



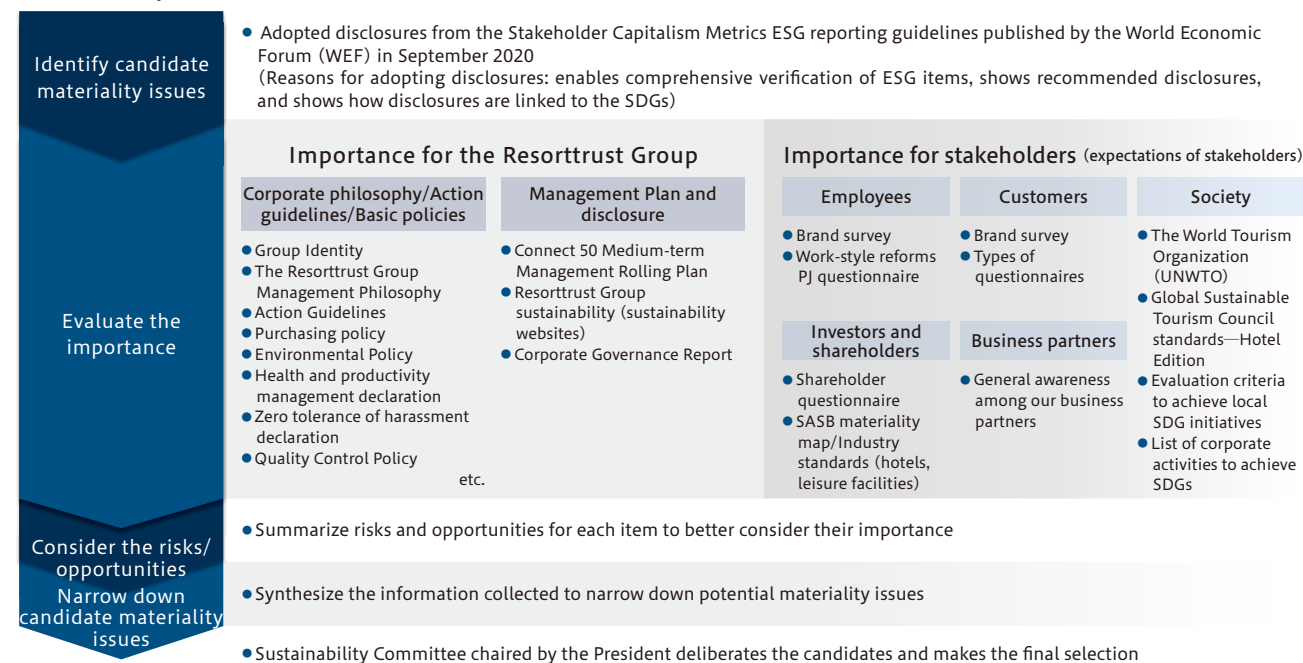


Against a backdrop of issues such as climate change, resource depletion, and environmental pollution, the world is now in need of major reforms to achieve a decarbonized and recycling-oriented society. Furthermore, with the arrival of a super-aging society and the era of 100-year life expectancy, demand is increasing for a healthy and fulfilling way of life that allows people to feel connected to society, leading to an overall sense of well-being.

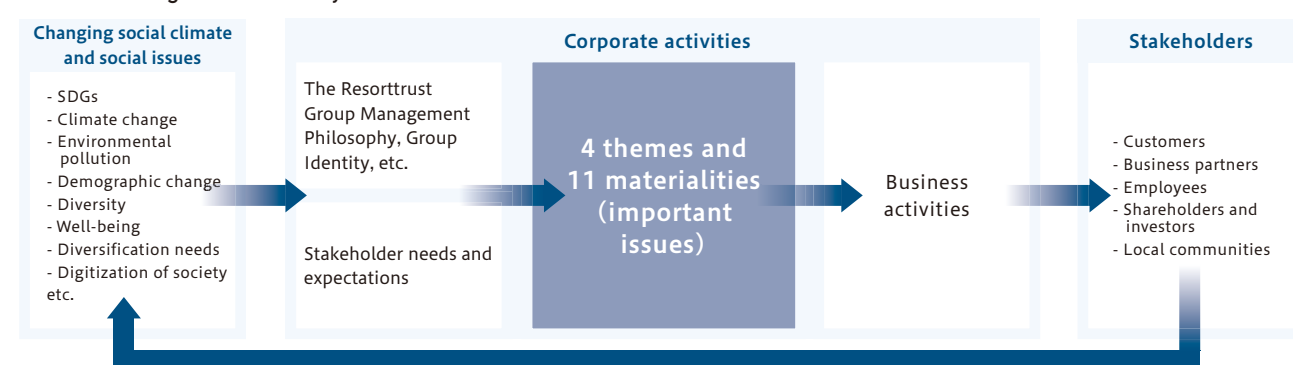
Over half a century of business activities, the Resorttrust Group has evolved and developed its operations via genuine engagement with its customers and society. As we celebrate the milestone of our 50th anniversary, we have renewed our commitment to socially and environmentally responsible management by identifying four themes and 11 materialities as key issues we must address to continue to grow sustainably into the future and meet the demands of society.

When identifying materiality issues, we evaluated their importance based on three aspects: the concerns and expectations of our stakeholders, including our customers, shareholders, and investors, and employees; their relevance to our management philosophy and Group identity; and their bearing on the Company's operations. In the future, we will continue to integrate materiality into our business strategy and disseminate it throughout the company, as well as setting targets and KPIs for each issue, thereby ensuring that each of our initiatives contributes to the achievement of the SDGs.

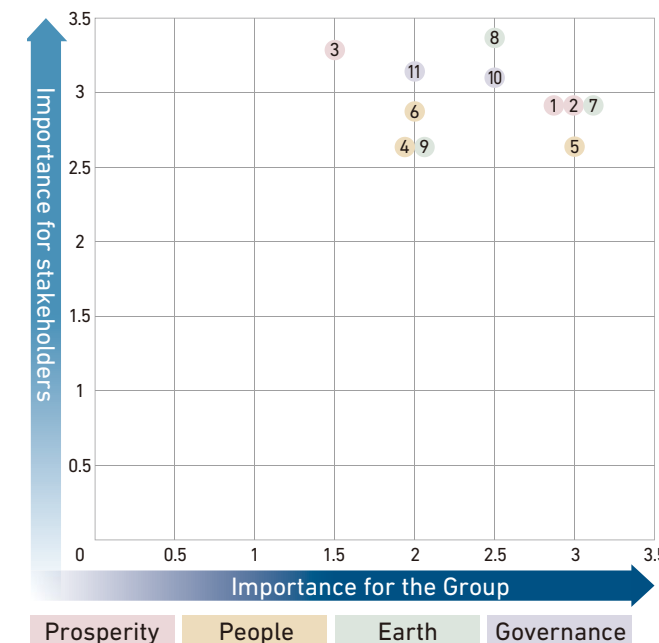
## Materiality Identification Process



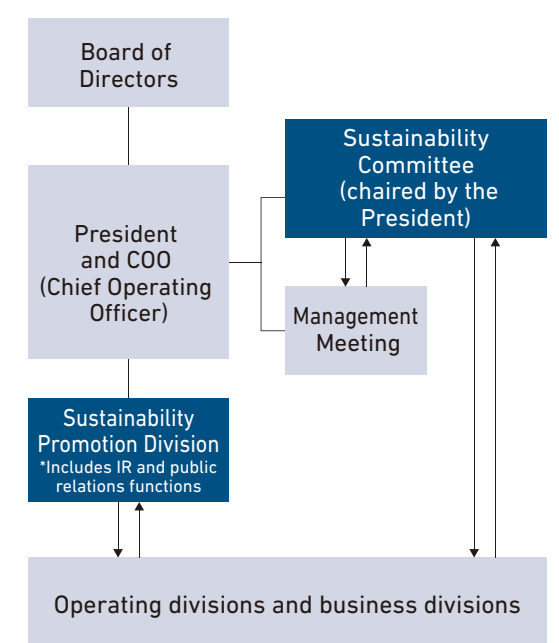
## Positioning of Materiality



## Materiality Matrix



## Sustainability Promotion Structure



## Important Issues for the Resorttrust Group

Category	Resorttrust Group themes	Materiality	Monitoring indicators	Associated goals
Prosperity	<ul style="list-style-type: none"> <li>Achieving "Together for a Wonderful Life"</li> <li>Developing unique brand value for the Resorttrust Group</li> </ul>	1 Offering services that accompany the lives of each and every person	<ul style="list-style-type: none"> <li>Support and reduce the care requirements of residents in nursing care facilities</li> <li>Early cancer detection rate</li> <li>Total R&amp;D expenditure</li> </ul>	
		2 Pursuing service quality, safety, and innovation	<ul style="list-style-type: none"> <li>CS questionnaire results</li> <li>Number of members and average number of nights used by members</li> </ul>	
		3 Seeking community revitalization and service	<ul style="list-style-type: none"> <li>Investment in the region and local production for local consumption rate</li> <li>Local employment rate and area registration rate</li> </ul>	
People	<ul style="list-style-type: none"> <li>Wonderful lives for staff</li> </ul>	4 Achieving diversity and inclusion	<ul style="list-style-type: none"> <li>Employ people with disabilities and promote women's participation and advancement</li> <li>Promote participation and advancement of seniors and hire foreigners</li> </ul>	
		5 Pursuing happiness for all staff	<ul style="list-style-type: none"> <li>ES questionnaire results and public welfare</li> <li>Pay differential and employee retention rate</li> </ul>	
		6 Developing abilities and careers	<ul style="list-style-type: none"> <li>Number of training sessions and number of promotees</li> <li>Number of people who have obtained qualifications</li> </ul>	
Earth	<ul style="list-style-type: none"> <li>Reducing the burden on the natural environment (living in harmony with nature into the future)</li> </ul>	7 Reducing CO <sub>2</sub> emissions	<ul style="list-style-type: none"> <li>CO<sub>2</sub> reduction goals for 2030 and 2050</li> </ul>	
		8 Reducing plastic and food waste	<ul style="list-style-type: none"> <li>Recycling rate</li> </ul>	
		9 Biodiversity conservation	<ul style="list-style-type: none"> <li>Total area of trees planted (number of trees)</li> </ul>	
Governance	<ul style="list-style-type: none"> <li>Strengthen governance</li> </ul>	10 Engaging in transparent business operations		
		11 Disclosing non-financial information and promoting dialogues with stakeholders	<ul style="list-style-type: none"> <li>Ratio of outside directors</li> </ul>	

Notes: 1. Categories based on the ESG reporting guideline Stakeholder Capitalization Metrics.  
2. Consideration of monitoring indicators and target figures is ongoing.

Achieving “Together for a Wonderful Life”/  
Developing Unique Brand Value for the Resorttrust Group

We aim to be trusted by all people involved in our business activities and society and to continue being a corporate group that can contribute to society by providing the best services for our customers and promoting the creation of good relationships with our clients.

■Offering Services That Accompany the Lives of Each and Every Person

Amid an age of healthy life expectancy, also known as the era of 100-year life, the Resorttrust Group provides a range of medical services to prevent illness, discover illness early on, and maintain health through medical examinations and checkups. These services are part of efforts to tackle the social issue of extending people’s healthy life expectancy. We have presented the vision of “becoming a society where loved ones will no longer be lost to cancer.” In addition to offering high-precision cancer screening services, we are pursuing initiatives aimed at establishing new cancer treatments. For example, we have launched boron neutron capture therapy (BNCT) that targets malignant melanoma and angiosarcoma on a joint basis with Stella Pharma

Corporation at the National Cancer Center. In terms of services tailored to the era of 100-year life expectancies, we provide screenings to prevent nursing care and rehabilitation services at senior residences, as well as screenings for Alzheimer’s disease and other conditions. We are also developing dietary supplements and health foods. In the autumn of 2021, we launched est’re, a new brand aimed at female customers and supervised by gynecologists as a part of our femtech business supporting the health of working women. We also launched initiatives aimed at solving women’s health issues, such as menstruation, women-specific illnesses, pregnancy, birth, and menopausal syndrome.

■Pursuing Service Quality, Safety, and Innovation

We always adopt the customer’s perspective in the pursuit of customer satisfaction, ensuring that we deliver amazing experiences to customers in every situation. As well as conducting regular customer satisfaction (CS) surveys and giving questionnaires to hotel guests, we gather feedback from individual customers by having staff follow up with members or by speaking with customers using our hotel facilities. This allows us to engage sincerely with customers and provide them with the highest levels of service. This leads to the development of new services and products tailored to customers’ life stages. For example, based on requests from customers, we have planned new hotels, established adjoining facilities to be used when staying at a hotel (golf business), and catered to increased interest

in and demands related to health due to the aging society (Medical Operations, Senior Life Operations). We have also established a Quality Control Policy within the Group to ensure that we deliver safe and secure products and services to customers. By observing the spirit of purchasing, a set of common guidelines for those in charge of purchasing, we thoroughly ensure fair and equitable transactions across the entire supply chain. In addition to engaging in two-way communication with suppliers, we are working to instill our compliance policies and operate our internal reporting protection system, which includes suppliers and outside parties, with regular notifications through a purchase order system notice board.

■Seeking Community Revitalization and Service

The basis for the business activities of the Resorttrust Group is to value connections with people above all else. Each of our staff is actively involved with the local community and contributes to society. In addition to the activities that we undertake as a company, each business site and facility is involved in their local communities and implement activities to contribute to those communities. At each hotel, we focus on local production for local

consumption by using foods produced locally. These efforts reduce the impact on the environment by decreasing food mileage, conserving fuel resources, and curbing CO<sub>2</sub> emissions, while contributing to regional revitalization. With our current medium-term management plan, we are developing hotels in Ashiya, Yokohama, and elsewhere that emphasize harmony and cooperation with the community and government.

Wonderful Lives for Staff

To achieve our management philosophy, we are working to create an environment where every employee is offered opportunities to support growth and to allow diverse human resources to work with vitality and be active in all work situations.

■Achieving Diversity and Inclusion

To improve the diversity and inclusion within the Resorttrust Group, we have installed an advocate at each headquarters and are engaged in a variety of initiatives both Group-wide and at each headquarters. In addition, the Personnel Planning Department oversees measures and policies across the entire Group, and they are working to promote diversity through unified cooperation from management to frontline employees, as well as through Group-wide cooperation. We regard the power of women, who make up half of our workforce, to be an indispensable and important management resource, and focus on supporting the career development of female employees. Specifically, we have set a goal of increasing the ratio of female managers to 25% or more, implemented career promotion initiatives

for female employees, and plan to proactively appoint talented female employees to executive positions. In a true sense, normalization means that people with and without disabilities should be able to live their lives together in society without any particular distinction. Among other things, we believe that helping one another through what we are able to do is important, especially as work cannot be done by a single person. Born out of this belief, the Resorttrust Group’s initiatives to employ people with disabilities are beginning to bear fruit. For employees who wish to continue working full-time after retirement age and who meet certain criteria defined by the Company, there is a system to extend the retirement age regardless of rank or position and for employment to continue as a senior staff member on a yearly contract basis.

■Pursuing Happiness for All Staff

In addition to improving our diversity and inclusion, we are focusing our efforts on health management through measures and policies to maintain and promote the health of our employees. Some of these measures include creating a safe and comfortable work environment, improving employee lifestyles, and improving mental healthcare. We are also working to improve systems and support systems that help employees with balancing childcare, nursing, and other life events so that they can shine without having to give up on either personal matters or work. Having a variety of options for working styles alone makes work significantly easier. For example, in addition to allowing all employees to choose a work location restricted

system or a shorter working hours system, we introduced a flextime system in sales and administrative departments. The Resorttrust Group distributes a guidebook that supports the balancing of work and childcare, summarizing internal systems related to childcare, and we work to promote understanding by creating user manuals for each system. Moreover, we support the participation of male employees in childcare. We also educate our employees through workshops and e-learning, and promote the creation of environments where employees, supervisors, and surrounding colleagues can work together to balance work and childcare.

■Developing Abilities and Careers

Human resources are an indispensable form of management capital for the sustainable growth of the Resorttrust Group, and we offer a variety of training opportunities for employees to aid in their growth. All employees deepen their understanding of the Group’s management philosophy, history, and business activities during training for new graduate employees and orientation

sessions for mid-career hires. We also hold promotion training for each rank, training for the next generation of leaders, management training, and more. And in addition to holding remote learning, support for earning qualifications, and other educational support, we offered e-learning on human rights, compliance, and other themes in fiscal 2021.



Reducing the Burden on the Natural Environment

As a company operating resort businesses, beautiful nature is our most attractive and irreplaceable asset. To ensure that the beautiful natural environment is protected for all time, we conduct business activities with the mission of coexisting with nature, for example, by addressing climate change and using environmental resources sustainably.

We believe that it is our responsibility to preserve the earth’s finite resources for the next generation and forever. In addition to working to halt the depletion of natural capital through measures such as reducing greenhouse gas emissions, promoting the recycling of resources, and lowering the impact on ecosystems, we regularly conduct business activities in accordance with an environmental policy that aims to achieve a world where biodiversity is preserved, promoting environmental management that creates a virtuous cycle of environmental preservation and business activities.

■ Reducing CO<sub>2</sub> Emissions

● Renewable clean energy

The Resorttrust Group has announced and is advancing the installation of solar power systems at 37 locations, including all our membership-based resort hotels and Group golf courses in Japan, to achieve medium- and long-term GHG (greenhouse gas) emission reduction goals for 2030 and 2050. We anticipate ¥2 billion in investments for the installation of the solar power systems, planning to gradually install the systems on the roofs of buildings and parking lots from fiscal 2022 in accordance with each location’s conditions so that the power generated can be consumed at the location and lower the environmental impact.

In terms of action on climate change at the Resorttrust Group, the Group has generated electricity from clean and environmentally friendly sources of energy, including solar power and hydropower. Resorttrust Mega-Solar Nasu Shirakawa, which is located adjacent to the Grandee Nasu Shirakawa Golf Club and started generating power in March 2014, has 8,320 solar panels across 255,000 m<sup>2</sup> of grounds and generates around 500 times the output of solar power equipment for regular homes (about 2,000 kW). One major feature is that we have emergency charging equipment for electric vehicles that enables the supply of electricity to e-vehicles that can function as rescue vehicles should a disaster disrupt power transmission. With the newly started

project Sanctuary Court Biwako, we expect to cover about 80% of daytime power consumption with solar power generation.

We are also conducting micro waterpower generation as part of XIV Yugawara Rikyu. By generating power using height differences in waterways around the hotel, we get environment-friendly and clean energy from the waterpower stored in nature. The Resorttrust Group is working to contribute to the realization of a sustainable society through business by setting medium- and long-term targets to reduce CO<sub>2</sub> emissions from the Group’s business activities, implementing initiatives that use renewable energy.

● Introduction of low-emission vehicles (eco cars)

Resorttrust uses environment-friendly company cars with low fuel consumption. All sales staff aspire to eco-friendly driving, doing their job every day by never forgetting to smile and show hospitality, while also working to prevent air pollution.

Through environmental management classes for new employees and emergency response drills in preparation for environmental trouble conducted at each operating site, we establish a culture of awareness. This gives each employee a sense of ownership over environmental issues and various other matters and encourages them to engage in voluntary activities.

food that is nearing its expiration date to food banks. Food banks are organizations that provide free food to struggling households, and we support initiatives to reduce food waste and eliminate poverty and hunger through these donations.

■ Reduce Plastic and Food Waste

● Initiatives to reduce food waste

Resorttrust stockpiles emergency food and water to prepare for earthquakes and other disasters, and we donate stored

Recent food donations

June 24, 2021: Second Harvest Japan (7,250 pre-cooked rice meals)  
January 27, 2022: Food Bank Wakayama (1,992 500-ml bottles of water and 4,850 pre-cooked rice meals)

● Shift to paper straws

Marine plastic pollution and coastal scenery negatively affected by garbage drifting ashore are serious environmental issues worldwide. At all of Resorttrust’s hotels and restaurants, we changed to paper straws for the approximately one million straws used annually and prohibit the use of plastic straws as a general rule.

■ Biodiversity Conservation

● Implementing environmental designs

When building membership-based resort hotels, which is one of Resorttrust’s principal businesses, it is important to preserve and utilize the naturalness of things for the sake of maintaining the surrounding natural environment. XIV Rokko Sanctuary Villa, which opened in April 2018, is a membership-based resort hotel located in the rich nature of Mt. Rokko in Kobe City, Hyogo Prefecture, where you can relax away from urban life, worthy of being called a sanctuary in the sky. The hotel achieves coexistence with nature based on our proposal for protecting and revitalizing the nature of Mt. Rokko, which we submitted to Kobe City and the Ministry of the Environment. There used to be rental villas and company retreats there, but the land was then abandoned for many years, so as we decided to reuse it, we cared for the existing forest and planted new trees to preserve as much as possible of the nature, thus reviving the Rokko forest based on the principles of conservation.

● Conserving water resources

To recycle and preserve water resources, which are essential for the existence of life, Resorttrust’s Grandee Hamanako Golf Club became the first golf course in Japan to introduce a closed water recycling system that maintains the green without impacting the surrounding environment. It uses a circulatory system that has tanks under the green to prevent water with agrochemicals from the golf course from flowing outside and sprinkling it on the green again. The water quality of the decorative pond has been measured regularly since the opening, but no agrochemicals have been detected at all, and all reference values from the Ministry of the Environment have been cleared completely.

● The eco stay proposal

As part of our work to promote 3R (Reduce, Reuse, Recycle) activities and be kind to the environment, we propose an eco stay to guests who stay at least two nights at some of our hotels. If they stay more than one night and agree to the eco stay proposal, which means that cleaning the room and replacing amenities is not needed, they are awarded with things like mineral water or a voucher for coffee in the lounge. Reducing the amount of cleaning and the use of consumables contributes to a smaller environmental impact, so we ask our guests to approve of and cooperate with this measure.

Note: This service is subject to change without notice.

● Origami Action to spread the preciousness of biodiversity

At the 10th meeting of the Conference of the Parties (COP 10) to the Convention on Biological Diversity that was held in Nagoya City, Aichi Prefecture, in 2010, Resorttrust in collaboration with the Japanese committee of the IUCN (International Union for Conservation of Nature), an international environmental organization that attended the meeting, conducted an activity called Origami Action to convey messages to Earth 10 years from now at the venue by folding origami with the origami logo (expressing diverse flora and fauna with the Japanese traditional culture of origami), which also was the meeting’s logo. Also, after 2010, in the period from 2011 to 2020, which was designated as the United Nations Decade on Biodiversity at COP10, we conducted Origami Action alongside the meetings of the Conference of the Parties every two years. Messages to the Earth in 10 years were written on origami animals and sent off into the future. It teaches guests and especially children about the wonder of nature and the preciousness of biodiversity.

● Taking part in the 6th IUCN World Conservation Congress

The 6th World Conservation Congress hosted by the IUCN was held in Honolulu, Hawaii, on September 1–10, 2016. This congress is held once every four years, with about 10,000 people from 192 countries participating on this occasion. They discussed the direction and issues of biodiversity and conservation in the coming four years. Resorttrust had a booth together with the Japanese committee of the IUCN where we did the Origami Action. We also exchanged opinions about the natural environment and biodiversity preservation by companies with Giulia Carbone, an IUCN leader.

We see losing the trust of stakeholders as the greatest risk that we face. So that we will continue to be a company trusted by all stakeholders and society as a whole, we will do our utmost to ensure transparency and fairness in management while striving to further enhance and strengthen corporate governance.

Corporate Governance Structure

In June 2015, the Company transitioned to a company with an Audit and Supervisory Committee. The Company's Board of Directors, which has management decision-making functions and business execution supervisory functions, has endeavored to build and operate a timely and appropriate governance structure in an effort to improve corporate value in a more sustainable fashion by engaging in transparent, fair, prompt, and decisive decision-making. Six outside directors (four of whom are male, two of whom are female, and all of whom are independent directors) have been appointed and four of them are members of the Audit and Supervisory Committee, which strengthens the supervisory function over executive directors.

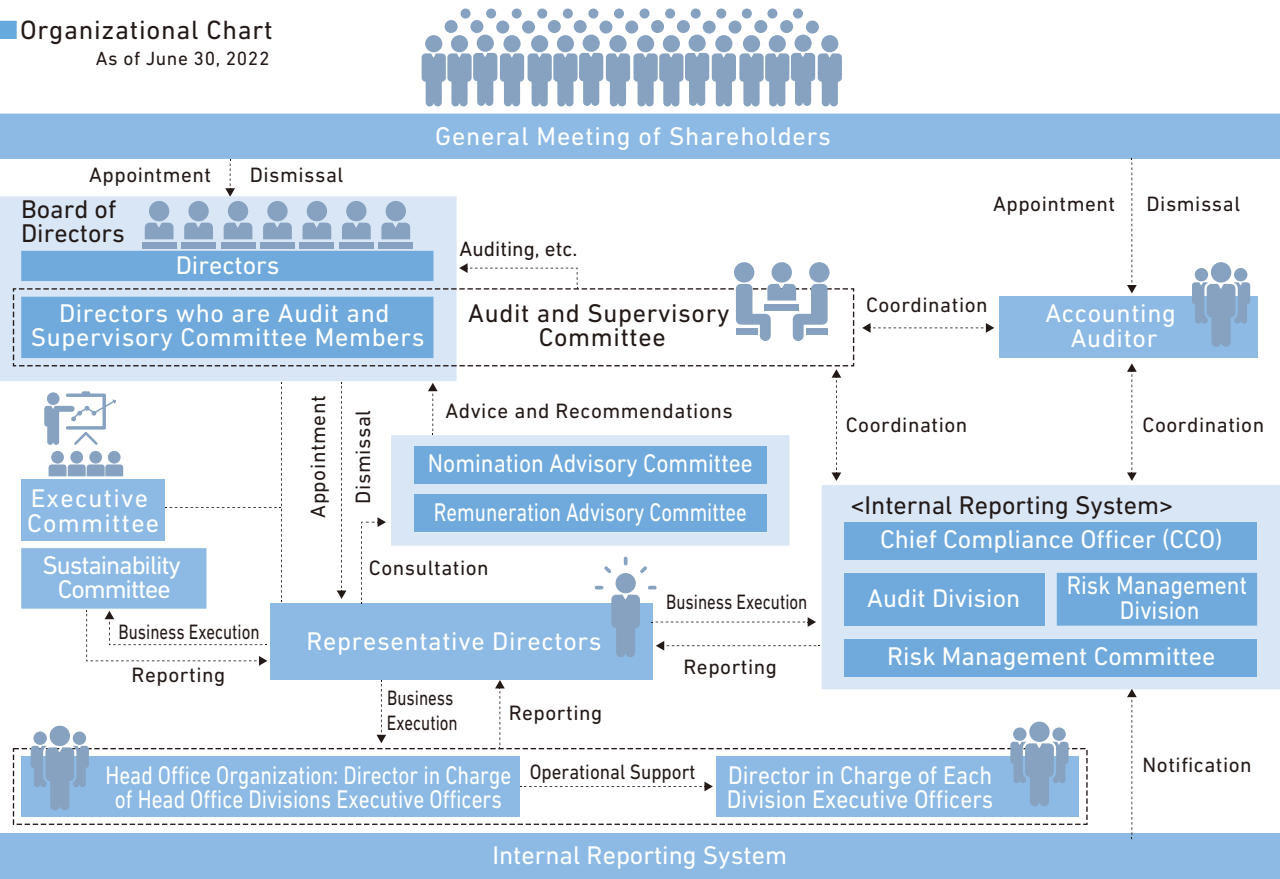
The Audit and Supervisory Committee, which comprises four outside directors and one internal director, designates auditing policies and plans, receives regular reports from the directors and other parties on matters relating to the execution of their duties, and holds hearings as necessary. Full-time members of the Audit and Supervisory Committee attend important meetings such as Executive Committee

meetings.

In addition, the Company has established a Nomination Advisory Committee and Remuneration Advisory Committee, each chaired by one of the outside directors who are Audit and Supervisory Committee members. Each committee comprises three representative directors, one outside director, and two outside directors who are Audit and Supervisory Committee members, for a total of seven members.

When appointing outside directors, the Company considers "having the necessary knowledge and experience to supervise and audit directors in terms of legal compliance as business management" when determining if a candidate can adequately discharge his/her duties. As criteria to assess the independence of outside directors, the Company has established its own criteria in addition to the standards for determining independence established by the Companies Act and financial instruments exchanges and determines independence in accordance with these multiple criteria.

Organizational Chart  
As of June 30, 2022



Officer Remuneration

The Company has established a remuneration system where the remuneration of directors (except for directors who are Audit and Supervisory Committee members; hereinafter the same) adequately functions as an incentive that aims to achieve sustainable growth and the long-term expansion of corporate value, motivates each director, and makes it possible to obtain talented human resources as managers. When determining the remuneration of individual directors, the Company follows a basic policy of setting appropriate levels based on the responsibilities of each director.

Specifically, the remuneration of directors is made up of fixed remuneration, retirement benefits, the Board Benefit Trust (BBT) stock ownership system, and the Restricted Stock (RS) compensation system. In the interest of ensuring independence, the remuneration of outside directors comprises only fixed remuneration. We have decided to abolish the retirement benefits system by resolution of the 48th General Meeting of Shareholders held on June 29, 2021. To reward the directors who had held their terms up to this meeting for their service, directors will be paid a retirement benefit when stepping down, based

on set criteria determined with consideration given to position, years of service, level of contribution, and other circumstances.

The Board Benefit Trust (BBT) is funded from an annual maximum amount of ¥197 million and annual maximum number of shares granted of 197,000 (197,000 points), which is the annual remuneration allocation determined by the General Meeting of Shareholders. Points are given based on the attainment level of business results in accordance with the Officer Stock Benefit Regulations, and the number of shares corresponding to the awarded points provided upon retirement. The Restricted Stock (RS) system is funded from an annual maximum amount of ¥1.2 billion and annual maximum number of shares granted of 1.2 million, which is the annual remuneration allocation determined by the General Meeting of Shareholders. This system is designed to incentivize improving the Company's corporate value on a sustainable basis while advancing further value sharing with shareholders, and involves allocating shares of the Company with restrictions on transfer at a certain time each year.

Total Amount of Remuneration for Each Category of Officer

Officer category	Total amount of remuneration (Million yen)	Total amount of remuneration, etc., by type (Million yen)					Number of eligible officers
		Fixed remuneration	Performance-linked remuneration	Restricted share compensation	Retirement benefits*	Amount on the left that is non-monetary remuneration, etc.	
Directors (excluding Audit and Supervisory Committee members) (Excluding outside directors)	1,079	700	—	360	18	360	10
Directors (Audit and Supervisory Committee members) (Excluding outside directors)	12	12	—	—	—	—	1
Outside Directors	36	36	—	—	—	—	7

\*Retirement benefits are the amount of the provision for retirement benefits related to the fiscal year under review.

Evaluation of Effectiveness of the Board of Directors

The Company conducts self-evaluations to determine the effectiveness of the Board of Directors with the help of an outside organization. The Company adopted the same evaluation method as previous years. Questionnaires were given to 25 directors and executive officers in the fourth quarter of the fiscal year ending March 2022, with the Board of Directors performing analysis and self-evaluation based on a questionnaire. To ensure transparency, an outside organization was entrusted with handling the creation of the questionnaire and processing the results. The results of Board of Directors' operation in line of analysis and evaluation from the previous fiscal year; the composition, size, and skills of the Board of

Directors; and the securing of opportunities for outside directors to demonstrate their functions all received high marks, and the Board's evaluation overall improved. As a result, the analysis and evaluation reflect that the Board of Directors has properly fulfilled its roles and expectations, and that in continuation from the previous year, the Board of Directors has been sufficiently effective. Given feedback suggesting that the Board of Directors needs to enhance discussions related to management strategy and review the role of reporting items to that end, further improvements will be made. In addition, it is believed that having more than one-third of the Board of Directors be outside directors further contributes to its effectiveness.

Sustainability Promotion Structure

In April 2022, the Company established the Sustainability Committee, chaired by the President, with the aim of contributing to the achievement of a sustainable society and enhancing corporate value over the medium to long term. The Company also reorganized the IR Division into the Sustainability Promotion Division, which functions as the

secretariat of the Committee. The Committee and secretariat are responsible for planning and implementing the Group's sustainability strategies and managing the progress of strategic objectives. At the same time, they will implement measures to address risk management on a Company-wide basis and improve and promote the risk management process.



Risk Management System

The Resorttrust Group operates various businesses including hotels, nursing care facilities, and medical services facilities at multiple sites and recognizes that risk management is extremely important. Of the risks we face, we have identified

the following items as “significant risks.” In addition, we are aware of financial risks, legal risks associated with compliance and governance, and operational risks such as ensuring occupational safety and environmental consideration.

Significant risks	Expected impact	Current response and other action
COVID-19 coronavirus (COVID-19)	● Worsening business performance due to stay-at-home policies, restrictions on movements, measures to close facilities, and the costs incurred by implementing countermeasures	■ Thorough implementation of measures to prevent infections and avoid three-C (closed spaces, crowded places, close contact settings) situations ■ Maintaining stable funds while controlling costs and consolidating operated hotels
Declining birth rate, aging population, and shrinking labor force	● Declining service quality, due to personnel shortages	■ Diversity, maintaining and advancing health, promoting work-style reforms ■ Enhancing productivity by introducing digitization
Natural disasters and accidents, etc.	● Suspending operations at affected facilities, costs incurred to restore operations ● Declining revenue from facility operation, effects on the supply chain	■ Formulating business continuity plans (BCPs) ■ Developing operational backup systems in anticipation of a major disaster ■ Promoting measures to ensure food safety ■ Developing infrastructure including safety confirmation systems for employees
Economic and market fluctuations	● Negative impact on business performance due to consumer hesitancy	■ Building a balanced portfolio including fixed operating revenue and backed by Medical Operations, which are relatively resistant to economic downturns
Quality and safety	● Damage to brand image and relationship of trust ● Unforeseen accidents during customer usage	■ Speeding up information disclosures and strengthening close ties ■ Periodic checks based on facility maintenance guidelines ■ Thorough quality control and hygiene management ■ Reviewing the handling of food allergies
Information security	● Leaking of personal information, leaking of confidential information on social media, etc.	■ Formulating information management rules, mitigating the risk of information leaks by introducing dedicated tablets ■ IT literacy training for employees (105,720 attendees in fiscal 2021), training on targeted e-mail attacks (9,630 attendees in fiscal 2021)
Medical malpractice and damage to health	● Incidents of health damage occurring in medical examination or health checkup facilities, facilities for seniors	■ Formulating Guidelines on Measures to Prevent Medical Accidents (medical treatment itself is carried out by medical institutions)

Systems to ascertain and manage serious risks affecting the Resorttrust Group and policies to deal with them are determined by the Risk Management Committee. The Risk Management Committee, which is chaired by the President,

has made progress in developing a framework to ensure the transparency of operations and address risk management on a company-wide basis.

Compliance Structure

For the Resorttrust Group, where trust and the brand serve as the foundations of management, compliance is synonymous with management. To thoroughly ensure compliance, the Resorttrust Group not only conducts training and awareness-raising activities for all employees but also has established an internal reporting system and a hotline system to field reports from outside the Company.

(In fiscal 2021, the internal reporting system and hotline dealt with 114 cases.) The Company has also established a Chief Compliance Officer (CCO). Under the CCO’s supervision, the Risk Management Division ensures that fair business activities are being conducted in adherence to corporate ethics and promotes the thorough strengthening of legal compliance.

For more detailed information on the Company’s corporate governance, please check the following resources.  
Corporate Governance Report <https://www.resorttrust.co.jp/english/ir/investors/governance/>  
Basic Policy Concerning Antisocial Forces [https://www.resorttrust.co.jp/corporate/anti\\_social\\_policy/](https://www.resorttrust.co.jp/corporate/anti_social_policy/)  
Disclosure Policy [https://www.resorttrust.co.jp/english/ir/disclosure\\_policy/](https://www.resorttrust.co.jp/english/ir/disclosure_policy/)  
Policy on Constructive Dialogue with Shareholders <https://www.resorttrust.co.jp/english/ir/investors/governance/>

Skills Matrix

The Company operates Hotels, Medical, and Senior Lifestyle Operations based mainly on membership. In line with its Group identity of “Together for a Wonderful Life,” the Company aims to further enhance its corporate value through the creation of new businesses by integrating existing businesses and employing digital technologies.

In the interest of such company management, the Company defines the following expertise required of its Board of Directors: corporate management, sales and marketing, hotel business, medical business, development

and upkeep, international experience, legal administration, financial accounting, and brand human resources. Candidates who possess these attributes are nominated for the Board. These are the areas of expertise that we believe are necessary for the Board of Directors to demonstrate decision-making on business execution based on enhanced discussions, and appropriate supervisory and auditing functions. These expertise requirements will be reviewed periodically in light of the prevailing external environment and internal conditions within the Company.

Name (Honorific titles omitted)	Areas of expertise and experience deemed necessary by the Company									
	Positions in the Company	Corporate management	Sales and marketing	Hotel operations	Medical operations	Property development and maintenance	International experience and insights	Legal affairs and administration	Finance and accounting	Brand human resources
Yoshiro Ito	Founder and Group CEO (Group Chief Executive Officer)	●				●				●
Katsuyasu Ito	Chairman of the Board and CEO	●				●			●	
Ariyoshi Fushimi	President and COO	●	●		●					
Katsuyuki Iuchi	Senior Managing Director	●						●	●	
Atsuyuki Shintani	Senior Managing Director	●	●	●						
Toshihiko Uchiyama	Senior Managing Director			●			●			●
Naoshi Takagi	Managing Director	●	●	●						
Shinichiro Hanada	Managing Director	●		●		●				
Tetsuya Furukawa	Managing Director	●	●		●					
Shigetoshi Ogino	Director	●	●	●						
Go Ito	Director	●	●		●					
Tomoyo Nonaka	Outside Director	●					●			●
Asako Terazawa	Outside Director							●		●
Hidenobu Minowa	Director (Audit and Supervisory Committee Member)								●	
Yoichi Aiba	Outside Director (Audit and Supervisory Committee Member)							●		●
Satoshi Akahori	Outside Director (Audit and Supervisory Committee Member)							●	●	
Toshihisa Nakatani	Outside Director (Audit and Supervisory Committee Member)								●	
Masaru Miyake	Outside Director (Audit and Supervisory Committee Member)							●		

Note: In the above table, up to three “●” symbols are placed for each person in the areas of expertise and experience fields in which the Company expects said person to have particular strengths. These do not represent the entirety of said person’s areas of expertise and experience.



Katsuyasu Ito  
Chairman of the Board and CEO

Yoshiro Ito  
Founder and Group CEO

Ariyoshi Fushimi  
President and COO

Reasons for Appointment		
Yoshiro Ito Founder and Group CEO (Group Chief Executive Officer)	Number of Shares Held: 3,036,563 shares	
	April 1973	President and Representative Director
	May 1996	CEO (Chief Executive Officer)
	April 1999	Representative Director and Chairman
	April 2018	Representative Director and Founder (current position) and Group CEO (Group Chief Executive Officer) (current position)
Katsuyasu Ito Chairman of the Board and CEO	Number of Shares Held: 893,059 shares	
	April 1973	Managing Director
	September 1980	Senior Managing Director
	July 1993	Representative Director and Vice President
	May 1996	COO (Chief Operating Officer)
Ariyoshi Fushimi President and COO	Number of Shares Held: 158,344 shares	
	October 2003	Head of Corporate Planning Office
	June 2005	Director
	July 2006	Corporate Planning and Public Relations Department Supervisor, Director of Public Relations
	September 2007	Head of Medical Division
	June 2013	Managing Director
	April 2014	Senior Managing Director and Head of the Medical Division
	May 2016	Executive Vice President
	April 2018	President (current position) and COO (Chief Operating Officer) (current position)

Reasons for Appointment

After establishing Resorttrust together with Katsuyasu Ito, he grew the Company's core membership business to become No. 1 in the industry. He was appointed in the hope that he will use his wealth of experience, proven track record, and strong leadership to make further contributions to the development of the Company as a presence that embodies the Resorttrust brand.

As a certified public accountant and real estate appraiser, he has demonstrated his knowledge and experience to contribute to the development of the Company. He has also led the overall Group as a force that embodies the Resorttrust brand. He was appointed in the hope that he will use his wealth of experience, proven track record, and strong leadership to make further contributions to the development of the Company.

After working in the Membership Division, Hotel and Restaurant Operating Division, New Business Development Division, Corporate Planning Office, Public Relations Division, and elsewhere, he developed Medical Operations into a core business of the Group. He also practiced management based on a medium- to long-term perspective that balanced ES and CS processes and business results, and will contribute to the improvement and further development of the Resorttrust brand in the future.

Reasons for Appointment

Katsuyuki Iuchi



Senior Managing Director,  
Head of Operation Division  
and CCO (Chief Compliance Officer)  
Number of Shares Held:  
17,103 shares

At the Mizuho Financial Group, he gained experience in human resources, corporate planning, sales, and secondment to government offices. He possesses a wealth of financial knowledge, along with extensive management experience including human resources, corporate planning, and group company management. He was appointed in the hope that he will use these qualities to help enhance the corporate value of the Company.

Toshihiko Uchiyama



Senior Managing Director,  
Head of Food and Beverages Division  
Number of Shares Held:  
141,789 shares

Overseeing the Food and Beverages Division, he has laid the foundations for food and beverage evaluation and for realizing the Resorttrust philosophy of sophistication and high quality in food and beverages. He also makes use of his experience in Europe to develop sommeliers and other staff. He was appointed in the hope that he will utilize his extensive experience and proven track record to further contribute to the development of the Company.

Shinichiro Hanada



Managing Director, Head of  
Development Division  
Number of Shares Held:  
4,402 shares

He has experience working for the Long-Term Credit Bank of Japan (LTCB) and the Central Japan Railway Company (JR Central). At LTCB, he engaged in sales promotion and headed the planning division. At JR Central, he was responsible for head office administration as well as overall sales and management as general manager of the Secretariat Department. He was appointed in the hope that he will utilize his extensive experience and proven track record to further contribute to the development of the Company.

Shigetoshi Ogino



Director, Head of Hotels and  
Golf Division  
Number of Shares Held:  
68,419 shares

He has amassed a track record in hotel management through involvement in Membership Operations, new membership hotels, and the launch and operation of new golf courses. He engineered a smooth handover of operations as the local manager following the Kahala Hotel acquisition. He was appointed in the hope that he will utilize his extensive experience and proven track record to further contribute to the development of the Company.

Tomoyo Nonaka\*



Outside Director  
Number of Shares Held:  
3,269 shares

Including work as a television program anchor, she possesses the broad insight into politics, society, and the environment that is required for corporate management from the outside perspective of a freelance journalist, and has wide-ranging experience and achievements in corporate management. She will be expected to supervise management from an objective standpoint independent of the executive officers.

Audit and Supervisory Committee Members

Hiddenobu Minowa



Director (Audit and  
Supervisory Committee  
Member)  
Number of Shares Held:  
23,220 shares

He headed the Accounting Division and was responsible for accounting and finance at the Membership Operations Division as an executive officer. He was responsible for company management at a Group subsidiary. Using the broad expertise accumulated through these experiences, he is expected to supervise management from an objective standpoint independent of the executive officers.

Satoshi Akahori\*



Outside Director  
(Audit and Supervisory  
Committee Member)  
Number of Shares Held: 0 shares

In addition to expert knowledge and experience in tax accounting, he has experience serving as an outside auditor at another company and has helped ensure the soundness of Company management as a director serving as an auditor and Audit and Supervisory Committee member. He will be expected to supervise management from an objective standpoint independent of the executive officers.

Masaru Miyake\*



Outside Director  
(Audit and Supervisory  
Committee Member)  
Number of Shares Held: 0 shares

He worked for many years in public administration as a civil servant and gained experience as the vice president of a university. He possesses extensive experience and broad insight regarding laws and society. He will be expected to supervise management from an objective standpoint independent of the executive officers.

Reasons for Appointment

Atsuyuki Shintani



Senior Managing Director,  
Head of Membership Division  
Number of Shares Held:  
94,368 shares

In addition to heading up Membership Operations and engaging in facility development, he has focused on expanding the Company's market share, name recognition, and sales in the Kanto region, increasing contract volume by five times in the region. He has also worked hard to spread human resources training among executives. He was appointed in the hope that he will utilize his extensive experience and proven track record to further contribute to the development of the Company.

Naoshi Takagi



Managing Director, Deputy  
Head of Membership Division,  
and President of Osaka Office  
Number of Shares Held:  
4,720 shares

He has worked on sales in Membership Operations and worked hard to expand the Company's market share and enhance the brand, particularly in the Chubu region. He is currently concentrating on human resource development with a focus on junior employees as Deputy Head of the Membership Division. He was appointed in the hope that he will utilize his extensive experience and proven track record to further contribute to the development of the Company.

Tetsuya Furukawa



Managing Director and Head  
of the Medical Division  
Number of Shares Held:  
15,088 shares

He has contributed to business expansion as a director at Resorttrust's medical and senior life-oriented subsidiaries. He is currently head of the Medical Division. He practices diversity management including the utilization of expert human resources and the development of female managers. He was appointed in the hope that he will use his extensive experience and proven track record to contribute to the development of the Company and brand creation.

Go Ito



Director  
Deputy Head of the Medical Division  
In charge of Medical Management  
Business and Head of West Japan  
Operations Division  
Number of Shares Held:  
64,460 shares

As planning and strategy manager for the Medical Division, he handled new facilities and DX for the HIMEDIC business, as well as expanding medical checkup capacity and improving operational efficiency and profitability. He was appointed in the hope that he will utilize his extensive experience and proven track record to further contribute to the development of the Company.

Asako Terazawa\*



Outside Director  
Number of Shares Held:  
1,341 shares

She specializes in management organizational theory and organizational behavior theory and has taken part in research into motivating employees and organizational reform. She also has experience in corporate research and has served as a member of various government committees, a trustee of a social welfare organization, and director of a foundation. She will be expected to supervise management from an objective standpoint independent of the executive officers.

Yoichi Aiba\*



Outside Director  
(Audit and Supervisory  
Committee Member)  
Number of Shares Held: 0 shares

He possesses expert knowledge and experience as an attorney, and has helped ensure the soundness of Company management from legal perspectives as a director serving as Company auditor and Audit and Supervisory Committee member. He will be expected to supervise management from an objective standpoint independent of executive officers.

Toshihisa Nakatani\*



Outside Director  
(Audit and Supervisory  
Committee Member)  
Number of Shares Held: 0 shares

He possesses expert knowledge and experience as a certified public accounting and in tax accounting and has helped ensure the soundness of Company management as a director serving as an outside director and Audit and Supervisory Committee member. He will be expected to supervise management from an objective standpoint independent of the executive officers.

Notes: 1. Refer to the Convocation Notice for the 49th General Meeting of Shareholders and Notification of Independent Officers for more information about the careers of each director, the independence of independent officers, and the reasons for nomination.  
2. The number of shares held is as of March 31, 2022.

\*Independent Officer



## Membership Operations

### ■ Performance in the Fiscal Year Ended March 31, 2022

With Membership Operations, we began sales in June 2021 for Sanctuary Court Takayama Art Gallery Resort, a new art gallery resort that combines an art gallery with hotel facilities. Along with existing hotel memberships, sales were strong. At the same time, there was a decrease in revenue and income, as there was a lump sum from real

estate revenue following the opening of new membership hotels in the previous year but none in this year. Due to changes in the method of account processing for revenue recognition, net sales decreased by ¥582 million and segment income decreased by ¥169 million.

### ■ Details of Initiatives for the Fiscal Year Ending March 31, 2023

We began selling memberships to the Sanctuary Court Biwako Venetian Modern Resort, the second of our destination hotels, in March 2022. We plan to start sales of memberships for the third Sanctuary Court scheduled to open in the Kanto region in the second half of the fiscal year ending March 2023. We will work to develop over a

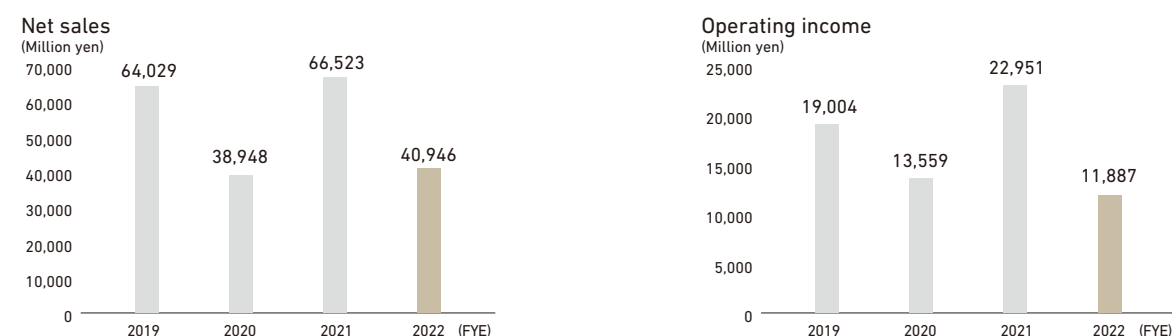
wide area and make the three properties in the Sanctuary Court series widespread. At the same time, we will promote the use of digital technology with the goal of achieving ¥10 billion in contracts, although we expect a decrease in sales and income compared with the fiscal year ended March 2022.

### ■ Targets and New Initiatives in the Medium-Term Management Plan

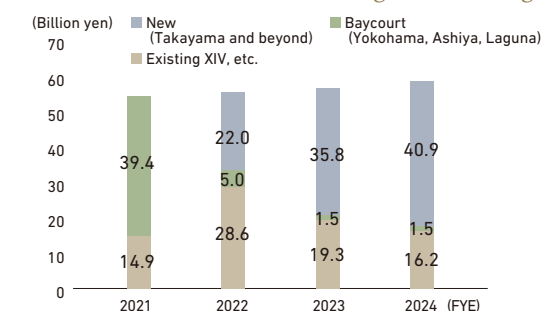
Increasing contract volume by investing in new products and thoroughly following up on customers due to the environment during the COVID-19 pandemic will lead to a rise in referrals. With the Sanctuary Court series in Takayama, Gifu Prefecture, and Lake Biwa, Shiga Prefecture,

which started strong, we expect sales of new properties in the Kanto region to increase steadily from the fiscal year ending March 2023 onward and will focus on developing new brands and firmly establishing demand.

Change in Net Sales and Operating Income



Hotel Membership Contract Volume/Sales Mix  
Expectations in the Medium-term Management Rolling Plan



Note: Values for each year are assumed at the time of announcement

#### <Major KPIs>

- Increase in productivity per person and hourly productivity (annual increase of 2% on average for contract volume in total)
- Sales utilizing digital technologies; FY2023 target: ¥8 billion (approx. 200% compared with FY2020)
- Increase in the number of new memberships sold and memberships sold through referrals

## Hotel and Restaurant Operations

### ■ Performance in the Fiscal Year Ended March 31, 2022

We experienced a difficult environment for our Hotel and Restaurant Operations due to reduced operating hours and the limited offering of alcohol at restaurants following the spread of COVID-19 and the declaration of states of emergency and semi-states of emergency, as well as the fact that foreign visitors and business customers have not yet returned and domestic demand for accommodations has yet to fully recover. While support was given for widespread vaccinations and we can gradually see improvement, we

have been affected by the spread of new variants and the increase in the price of resources since the start of 2022. Despite this difficult business environment, we achieved an increase in sales and income year on year as awareness of our hotel operations prioritizing safety and security appropriate for a membership-based system spread. Due to changes in the method of account processing for revenue recognition, net sales increased by ¥578 million, but this did not affect segment income.

### ■ Details of Initiatives for the Fiscal Year Ending March 31, 2023

In the fiscal year ended in March 2022, we achieved segment income in the black, and in the fiscal year ending in March 2023, we aim to reach the 5% operating income ratio target in the Medium-term Management Rolling Plan with a ¥3.5 billion increase in income compared with the previous year to ¥3.7

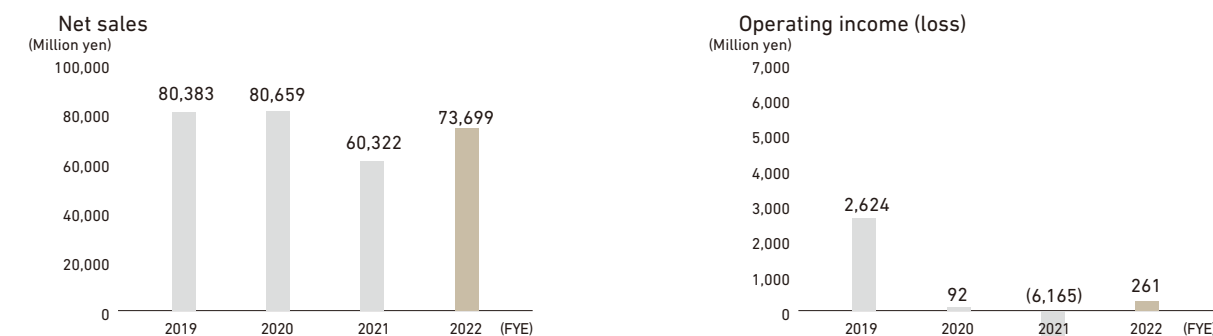
billion. Under the new system following the reorganization that was carried out in April 2022, we expect an increase in sales and income through strengthening our brand power and our ability to attract customers, as well as through establishing marketing strategies that utilize IT and data analysis.

### ■ Targets and New Initiatives in the Medium-term Management Rolling Plan

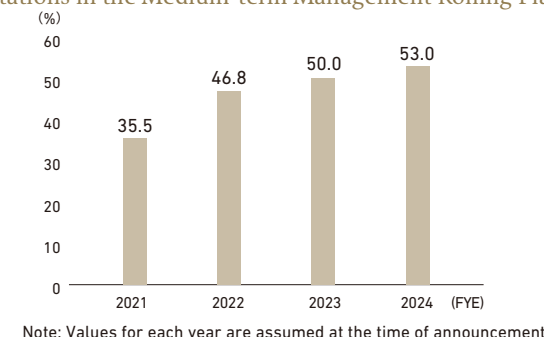
In the operation of membership hotels, we will continue to boost profit margins by streamlining via digital transformation and encouraging its use by individuals and corporate employees whose activity had declined under

COVID-19 as part of their sales activities. An increase in the average number of nights used by members can occur by developing new products and services that will make visiting a hotel itself the purpose of a trip.

Change in Net Sales and Operating Income



XIV/BCC Expected Operating Rate  
Expectations in the Medium-term Management Rolling Plan



Note: Values for each year are assumed at the time of announcement

#### <Major KPIs>

- Margin on sales: expected to recover to around 5%
- Continuous increase in the number of nights used per member
- Maintaining and improving customer satisfaction (CS) and employee satisfaction (ES)



Medical and Senior Lifestyle Operations

■ Performance in the Fiscal Year Ended March 31, 2022

With Medical Operations, while resident recruiting activities for senior residences were limited following the spread of COVID-19, sales of memberships for GRAND HIMEDIC CLUB, a comprehensive membership-based medical club, progressed smoothly as people became aware of the importance of medical examinations during the pandemic. Revenue also improved through an increase in annual membership fees and

a return to normal rates of health screening for the public. While revenue from membership fees was deferred following a change in revenue recognition standards, sales increased and income decreased as sales-related expenses were recorded in advance. As a result, net sales decreased by ¥1,907 million and segment income decreased by ¥1,922 million compared to the conventional method.

■ Details of Initiatives for the Fiscal Year Ending March 31, 2023

In the HIMEDIC business, we expect membership numbers to increase steadily and sales and income to increase against a backdrop of strong demand. Through our business collaboration with DeNA Co., Ltd., which we took effect in February 2022, we will create new customer experiences for each customer based on data in the hopes of achieving longevity and well-being in this era of 100-year life expectancies. We also plan to promote digital transformations in the medical field and launch next-

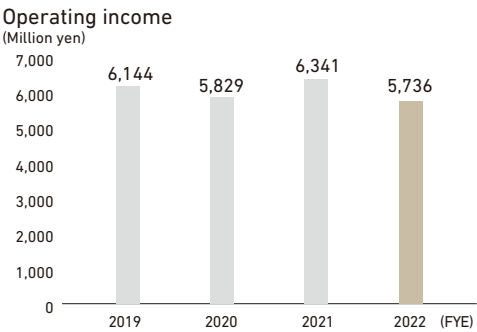
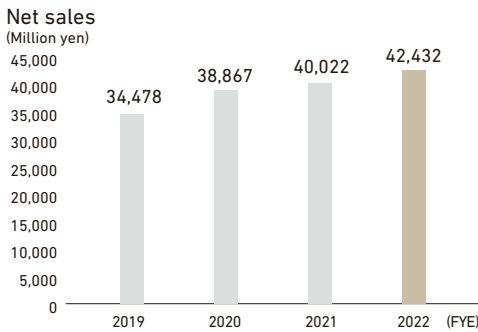
generation medical examination facilities in the Kanto area. With our Senior Lifestyle Operations, we will strengthen our operating base and brands while creating Group synergies, aiming for more stable business operations while looking to introduce new products. We will also continue to promote the femtech business supporting the health of working women, which is centered on a new brand that was launched for women under the supervision of a gynecologist.

■ Targets and New Initiatives in the Medium-Term Management Rolling Plan

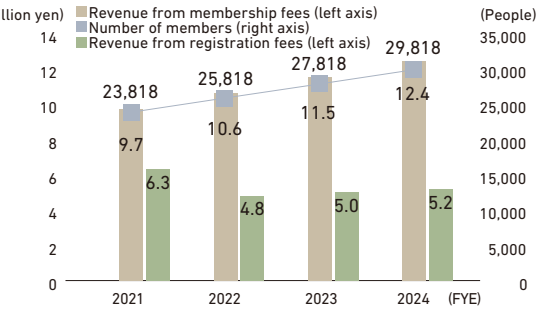
In the HIMEDIC business, we will expand medical checkup capacity and enhance services to ensure the long-term stability of profits. In the non-membership medical checkup business, we will strive to maximize earnings efficiency by

boosting productivity by using AI and IT. In the Senior Life business, we will make our products more attractive with product and price revisions and redesigns and try to increase the percentage of tenants who are Group members.

Change in Net Sales and Operating Income



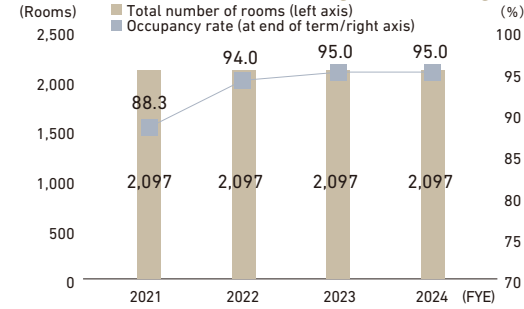
HM Members, Posted Revenue  
Expectations in the Medium-term Management Rolling Plan



Note: Values for each year are assumed at the time of announcement

We will maximize the Group's economic sphere with HIMEDIC Memberships as the entryway and promote solutions to issues through multi-company alliances. In fiscal 2026, we expect segment profits to top ¥10 billion.

Senior Residence Tenancy  
Expectations in the Medium-term Management Rolling Plan



Note: Values for each year are assumed at time of announcement

Review and Analysis of Financial Position and Management Results

Operating Results

The business of the Group was affected by the third declaration of emergency and priority measures to prevent the spread of COVID-19 in Japan, as well as by the fourth declaration of emergency and its extension. Although there were signs of an economic recovery mainly supported by progress in vaccinations, economic activity was restricted again due to the emergence of new COVID-19 variants. In Hotel and Restaurant Operations, customer numbers and hotel operations were highly susceptible to surges in energy and resource prices. In Medical Operations, a notable impact of COVID-19 on the Group's business activities continued from the previous fiscal year, as indicated in a slowdown in new occupancies at senior residences. On the other hand, in Membership Operations, sales were buoyant, showing the fastest pace in history, for Sanctuary Court Takayama launched in June 2021 and existing hotel memberships. Sales of medical memberships were also strong, as the importance of medical checkups was recognized amid the COVID-19 catastrophe. As such, the Group is continuing to promote the lifetime strategy to create a more affluent, happy time in safe

and secure facilities through information provision and the Group's unique measures to avoid the three Cs (crowded places, close contact settings, and closed spaces) and fully leverage the knowledge accumulated in Medical Operations.

Looking at operating results for the fiscal year under review, robust membership sales that helped contract sales exceed the previous fiscal year's level were not enough to offset a continuously harsh environment for hotel operations and the absence of deferred real estate revenue, for which a lump-sum payment was recorded in the previous fiscal year. Consequently, we recorded net sales of ¥157,782 million (down 5.8% year on year), operating income of ¥8,693 million (down 40.9%), ordinary income of ¥11,123 million (down 37.0%), and income attributable to owners of parent of ¥5,775 million.

As a result of the adoption of accounting standards for revenue recognition, etc., net sales decreased ¥1,912 million, and both operating income and ordinary income decreased ¥2,091 million, respectively, in the fiscal year under review.

Financial Position

● Assets  
Current assets decreased 8.7% compared with the end of the previous fiscal year to ¥139,538 million, mainly due to decreases in cash and cash equivalents of ¥19,573 million, operating loans of ¥14,018 million, and real estate for sale of ¥9,772 million. Fixed assets increased 0.2% compared with the end of the previous fiscal year to ¥254,869 million, reflecting a ¥7,016 million rise in deferred tax assets, which was partly offset by decreases in property, plant, and equipment of ¥466 million, intangible assets of ¥1,639 million, and investment securities of ¥3,719 million. As a result, total assets decreased 3.2% to ¥394,408 million compared with the end of the previous fiscal year.

● Liabilities  
Current liabilities increased 32.3% compared with the end of the previous fiscal year to ¥133,353 million, primarily due to an increase of ¥60,179 million in advances received. Non-current liabilities decreased 16.9% to ¥154,222 million, mainly due to decreases in long-term loans payable of ¥19,217 million and long-term unearned revenue of ¥14,157 million. As a result, total liabilities increased 0.4% compared with the end of the previous fiscal year to ¥287,575 million.  
● Net assets  
Total net assets decreased 11.6% compared with the end of the previous fiscal year to ¥106,832 million, mainly reflecting a ¥14,091 million decrease in retained earnings that resulted primarily from the adoption of accounting standards for revenue recognition.

Summary of Cash Flows

● Cash flows from operating activities  
Cash generated from operating activities was ¥22,662 million (down ¥318 million year on year). This was primarily due to income before income taxes and non-controlling interests of ¥10,780 million and depreciation of ¥10,556 million.  
● Cash flows from investing activities  
Cash generated from investing activities was ¥2,736 million (up ¥16,314 million year on year). This was primarily attributable

to proceeds from sales and redemptions of securities of ¥6,700 million.  
● Cash flows from financing activities  
Cash used in financing activities was ¥49,026 million (down ¥71,039 million year on year). This was due to the repayment of long-term debt of ¥21,084 million and redemptions of bonds of ¥29,850 million.

Impact of Adoption of Accounting Standards for Revenue Recognition on HIMEDIC Membership Registration Fee

From April 2021, due to the application of revised accounting standards for revenue recognition, registration fees associated with the Resorttrust Group's Medical Operations have been amortized over a set period (eight years, with the remainder recorded in the balance sheet as advances received). As

registration fees recorded in the fiscal year under review have been recalculated based on past sales amounts that go back eight years retroactively to the time of sale, the amount of registration fees recorded in fiscal 2021 has been close to the average of single-year sales amounts from fiscal 2012 onward.



## Consolidated Financial Statements

	(Million yen)										
■ Operating Results	FY ended March 2012	FY ended March 2013	FY ended March 2014	FY ended March 2015	FY ended March 2016	FY ended March 2017	FY ended March 2018	FY ended March 2019	FY ended March 2020	FY ended March 2021	FY ended March 2022
Net sales	99,894	105,311	116,824	120,401	142,249	143,541	165,413	179,542	159,145	167,538	157,782
Operating income	9,891	12,054	15,190	16,041	18,640	13,514	17,742	18,877	11,652	14,707	8,693
Ordinary income	9,443	12,976	16,830	20,206	19,439	14,806	19,422	19,528	12,476	17,647	11,123
Income before income taxes and non-controlling interests	8,969	11,508	15,408	17,709	17,531	16,290	18,585	19,049	11,153	(6,953)	10,780
Net income (loss) attributable to owners of parent	5,415	7,127	8,733	11,851	13,044	11,010	11,830	12,358	7,135	(10,213)	5,775
Depreciation (CF basis)	6,166	5,482	5,523	5,876	7,030	7,746	8,609	9,678	10,944	11,331	10,556
EBITDA*	16,057	17,536	20,713	21,917	25,670	21,260	26,351	28,555	22,596	26,038	19,249
Capital investment	5,320	3,527	19,561	40,192	14,177	14,409	26,490	20,652	16,870	15,391	6,404
Net cash provided by operating activities	19,657	21,338	24,815	22,057	2,616	26,249	8,456	16,674	19,096	22,981	22,662
Net cash used in investment activities	(15,546)	(15,958)	(33,747)	(71,837)	(33,824)	3,881	(7,282)	(2,057)	(8,247)	(13,577)	2,736
Net cash provided by (used in) financing activities	(3,351)	11,447	22,179	60,359	(8,624)	(15,593)	(9,177)	(23,198)	(13,364)	22,012	(49,026)
Cash and cash equivalents	21,888	38,716	51,965	66,404	25,476	40,365	32,469	23,895	21,376	52,756	29,210
Net cash provided by operating activities to net sales (%)	19.7	20.3	21.2	18.3	1.8	18.3	5.1	9.3	12.0	13.7	14.4
Net assets	64,883	73,145	81,395	104,769	112,515	118,379	125,190	132,050	132,991	120,791	106,832
Total assets	235,151	253,861	300,774	390,832	407,430	421,606	421,440	401,426	400,833	407,243	394,408

\*Operating income + depreciation (cash flow basis)

## Financial Data

	(%)				
■ Various Indicators (Consolidated)	FY ended March 2018	FY ended March 2019	FY ended March 2020	FY ended March 2021	FY ended March 2022
Operating income to net sales	10.7	10.5	7.3	8.8	5.5
Net income attributable to owners of parent to net sales	7.2	6.9	4.5	—	3.7
Return on assets (ROA)	4.6	4.7	3.1	4.4	2.8
Return on equity (ROE)	10.1	10.0	5.6	(8.4) * <sup>2</sup>	5.3
Interest coverage ratio* <sup>1</sup> (1x)	13.0	24.0	34.6	64.9	52.6
Equity ratio	28.7	31.7	31.9	28.4	25.7

\*<sup>1</sup> Interest coverage ratio = net cash provided by operating activities / interest payment amount

\*<sup>2</sup> ROE excluding the impact on net income attributable to owners of parent and shareholders' equity due to impairment loss of ¥22 billion is 6.8%.

	(Yen)				
■ Per Share Data (Consolidated)	FY ended March 2018	FY ended March 2019	FY ended March 2020	FY ended March 2021	FY ended March 2022
Earnings per share (basic)	110.82	115.53	66.65	(95.39)	54.27
Earnings per share (diluted)	101.99	106.42	61.29	—	—
Net assets per share	1,130.11	1,190.63	1,193.69	1,079.40	955.07
Cash dividend per share	46.00	46.00	40.00	30.00	30.00
Payout ratio (%)	41.5	39.8	60.0	—	55.3

Note: Per share data and major indicators are rounded to the third decimal place and second decimal place, respectively.

	(Million yen)				
■ Net Sales by Segment	FY ended March 2018	FY ended March 2019	FY ended March 2020	FY ended March 2021	FY ended March 2022
Membership Operations	54,114	64,029	38,948	66,523	40,946
Hotel and Restaurant Operations	79,601	80,383	80,659	60,322	73,699
Medical Operations	30,990	34,478	38,867	40,022	42,432
Other	707	651	670	670	704
Total	165,413	179,542	159,145	167,538	157,782

	(Million yen)				
■ Operating Income (Loss) by Segment	FY ended March 2018	FY ended March 2019	FY ended March 2020	FY ended March 2021	FY ended March 2022
Membership Operations	16,179	19,004	13,559	22,951	11,887
Hotel and Restaurant Operations	3,731	2,624	92	(6,165)	261
Medical Operations	5,276	6,144	5,829	6,341	5,736
Other	554	572	663	531	766
Head Office Cost	(7,999)	(9,468)	(8,491)	(8,952)	(9,959)
Total	17,742	18,877	11,652	14,707	8,693

Notes: 1. Due to organizational changes made on April 1, 2018, the method for segment categorization has been revised from the fiscal year ended March 31, 2019. Segment information listed from the fiscal year ended March 31, 2018, was created using the changed categorization method. Segment information for previous fiscal years shows numbers calculated on the prior basis.

2. Fiscal year refers to the operating period ended/ending March 31. Figures are rounded down to the nearest million yen.

## Consolidated Financial Statements

### Consolidated Balance Sheets

	(Million yen)		
Assets	FY ended Mar. 2020	FY ended Mar. 2021	FY ended Mar. 2022
<b>Current assets</b>			
Cash and deposits	21,164	48,367	<b>28,794</b>
Note and accounts receivable—trade	8,233	9,032	<b>9,609</b>
Operating loans	53,549	58,268	<b>77,405</b>
Securities	499	10,695	<b>3,601</b>
Merchandise	1,167	971	<b>936</b>
Real estate for sale	22,077	15,668	<b>5,896</b>
Raw materials and supplies	1,014	1,202	<b>1,262</b>
Real estate for sale in process	12,357	3,685	<b>6,703</b>
Other	6,232	5,987	<b>6,237</b>
Allowance for doubtful accounts	(1,000)	(1,022)	<b>(909)</b>
Total current assets	125,296	152,856	<b>139,538</b>
<b>Non-current assets</b>			
Property, plant and equipment			
Buildings and structures, net	103,562	103,936	<b>102,551</b>
Machinery, equipment and vehicles, net	2,621	2,242	<b>1,918</b>
Golf courses	7,634	7,635	<b>7,635</b>
Land	44,886	48,580	<b>48,860</b>
Leased assets, net	13,721	7,573	<b>6,776</b>
Construction in progress	16,885	2,306	<b>4,964</b>
Other, net	4,436	4,091	<b>3,193</b>
Total property, plant and equipment	193,748	176,366	<b>175,900</b>
<b>Intangible assets</b>			
Goodwill	3,094	2,511	<b>1,688</b>
Software	4,969	4,153	<b>3,969</b>
Other	2,516	2,554	<b>1,921</b>
Total intangible assets	10,580	9,218	<b>7,579</b>
<b>Investments and other assets</b>			
Investment securities	36,016	29,867	<b>26,148</b>
Shares of subsidiaries and associates	1,368	1,323	<b>1,331</b>
Long-term loans receivable	5,743	6,052	<b>5,541</b>
Net defined benefit asset	235	188	<b>357</b>
Deferred tax assets	8,918	11,551	<b>18,568</b>
Other	19,536	20,288	<b>19,923</b>
Allowance for doubtful accounts	(611)	(470)	<b>(479)</b>
Total investments and other assets	71,208	68,801	<b>71,390</b>
Total non-current assets	275,537	254,386	<b>254,869</b>
Total assets	400,833	407,243	<b>394,408</b>

	(Million yen)		
Liabilities	FY ended Mar. 2020	FY ended Mar. 2021	FY ended Mar. 2022
<b>Current liabilities</b>			
Notes and accounts payable—trade	1,117	1,335	<b>1,354</b>
Short-term loans payable	—	2,125	<b>8,799</b>
Current portion of long-term borrowings	8,107	19,954	<b>18,587</b>
Current portion of bonds	150	150	<b>150</b>
Bonds with stock acquisition rights redeemable within one year	—	29,728	<b>—</b>
Lease obligations	1,212	1,164	<b>1,147</b>
Accounts payable—other	6,861	7,924	<b>8,711</b>
Income taxes payable	1,785	5,726	<b>2,373</b>
Accrued consumption taxes	1,929	2,153	<b>2,736</b>
Advances received	22,028	3,548	<b>63,728</b>
Other	24,003	26,970	<b>25,768</b>
Total current liabilities	67,192	100,777	<b>133,353</b>
<b>Non-current liabilities</b>			
Bonds payable	300	150	<b>—</b>
Bonds with subscription rights	29,770	—	<b>—</b>
Long-term loans payable	31,016	44,004	<b>24,787</b>
Lease obligations	13,538	12,435	<b>11,406</b>
Deferred tax liabilities	376	671	<b>640</b>
Provision for directors' retirement benefits	2,099	2,156	<b>—</b>
Provision for stock payment	1,803	2,014	<b>380</b>
Net defined benefit liability	2,231	2,453	<b>2,613</b>
Long-term guarantee deposited	101,768	103,949	<b>109,294</b>
Negative goodwill	—	—	<b>—</b>
Other	17,748	17,837	<b>5,100</b>
Total non-current liabilities	200,649	185,673	<b>154,222</b>
Total liabilities	267,842	286,451	<b>287,575</b>

#### Net Assets

<b>Shareholders' equity</b>			
Capital stock	19,590	19,590	<b>19,590</b>
Capital surplus	21,767	21,701	<b>21,616</b>
Retained earnings	88,294	74,612	<b>60,520</b>
Treasury shares	(1,802)	(1,787)	<b>(3,513)</b>
Total shareholders' equity	127,849	114,116	<b>98,213</b>
<b>Accumulated other comprehensive income</b>			
Valuation difference on available-for-sale securities	(450)	1,801	<b>2,024</b>
Foreign currency translation adjustment	728	(443)	<b>887</b>
Remeasurements of defined benefit plans	(328)	104	<b>262</b>
Total accumulated other comprehensive income	(50)	1,462	<b>3,174</b>
Subscription rights to shares	313	313	<b>313</b>
Non-controlling interests	4,878	4,898	<b>5,130</b>
Total net assets	132,991	120,791	<b>106,832</b>
Total liabilities and net assets	400,833	407,243	<b>394,408</b>

### Consolidated Statements of Income and Comprehensive Income

	(Million yen)		
Consolidated Statements of Income	FY ended Mar. 2020	FY ended Mar. 2021	FY ended Mar. 2022
Net sales	159,145	167,538	<b>157,782</b>
Cost of sales	24,012	37,854	<b>22,453</b>
Gross profit	135,133	129,684	<b>135,329</b>
Selling, general and administrative expenses	123,480	114,977	<b>126,636</b>
Advertising expenses	2,428	1,533	<b>2,171</b>
Membership service expenses	1,135	1,523	<b>1,159</b>
Repair and maintenance	4,442	4,283	<b>4,741</b>
Linen expenses	4,305	3,068	<b>4,863</b>
Employees' salaries and bonuses, directors' compensation	48,087	45,660	<b>50,841</b>
Depreciation	9,849	9,572	<b>9,455</b>
Other	53,145	49,338	<b>53,406</b>
Operating income	11,652	14,707	<b>8,693</b>
Total non-operating income	2,083	4,159	<b>3,929</b>
Interest and dividend income	1,356	1,142	<b>990</b>
Other	727	3,017	<b>2,939</b>
Total non-operating expenses	1,260	1,219	<b>1,499</b>
Interest expenses paid on loans and bonds	550	444	<b>339</b>
Other	710	775	<b>1,160</b>
Ordinary income	12,476	17,647	<b>11,123</b>
Total extraordinary income	147	1,507	<b>1,876</b>
Total extraordinary losses	1,470	26,109	<b>2,218</b>
Impairment loss	1,245	22,034	<b>2,121</b>
Income (loss) before income taxes and non-controlling interests	11,153	(6,953)	<b>10,780</b>
Income taxes—current	4,146	6,714	<b>4,843</b>
Income taxes—deferred	(382)	(3,504)	<b>(27)</b>
Total income taxes	3,763	3,209	<b>4,816</b>
Net income (loss)	7,389	(10,163)	<b>5,964</b>
Net income (loss) attributable to non-controlling interests	254	50	<b>188</b>
Net income (loss) attributable to owners of parent	7,135	(10,213)	<b>5,775</b>

	(Million yen)		
Consolidated Statements of Comprehensive Income	FY ended Mar. 2020	FY ended Mar. 2021	FY ended Mar. 2022
Net Income (loss)	7,389	(10,163)	<b>5,964</b>
Other comprehensive income			
Valuation difference on available-for-sale securities	(1,272)	2,252	<b>223</b>
Foreign currency translation adjustment	(129)	(1,171)	<b>1,330</b>
Remeasurements of defined benefit plans, net of tax	(5)	433	<b>157</b>
Total other comprehensive income	(1,407)	1,514	<b>1,711</b>
Comprehensive income	5,981	(8,649)	<b>7,676</b>
Attributable to owners of parent non-controlling interests			
Attributable to owners of parent	5,728	(8,700)	<b>7,487</b>
Attributable to non-controlling interests	253	51	<b>188</b>

### Consolidated Statements of Cash Flow

	(Million yen)		
	FY ended Mar. 2020	FY ended Mar. 2021	FY ended Mar. 2022
Net cash provided by operating activities	19,096	22,981	<b>22,662</b>
Net cash used in investment activities	(8,247)	(13,577)	<b>2,736</b>
Cash flows from financing activities	(13,364)	22,012	<b>(49,026)</b>
Effect of exchange rate change on cash and cash equivalents	(3)	(37)	<b>80</b>
Net increase (decrease) in cash and cash equivalents	(2,518)	31,379	<b>(23,546)</b>
Cash and cash equivalents at beginning of period	23,895	21,376	<b>52,756</b>
Cash and cash equivalents	21,376	52,756	<b>29,210</b>



Business Data

■ Change in Numbers of Members		(Number of people)									
		FY ended March 2018		FY ended March 2019		FY ended March 2020		FY ended March 2021		FY ended March 2022	
Sanctuary Court	Members	—		—		—		—		2,990	
	Corporate	—	—	—	—	—	—	—	—	2,443	81.7%
	Individual	—	—	—	—	—	—	—	—	547	18.3%
Baycourt Club	Members	15,793		18,255		20,507		23,553		23,737	
	Corporate	9,728	61.6%	11,568	63.4%	13,393	65.3%	15,723	66.8%	15,839	66.8%
	Individual	6,065	38.4%	6,687	36.6%	7,114	34.7%	7,830	33.2%	7,878	33.2%
XIV	Members	77,220		77,592		77,982		77,789		79,346	
	Corporate	34,111	44.2%	34,817	44.9%	35,559	45.6%	35,875	46.1%	37,271	47.0%
	Individual	43,109	55.8%	42,775	55.1%	42,423	54.4%	41,914	53.9%	42,075	53.0%
Sun Members	Members	33,572		32,478		31,485		29,789		24,479	
Cruiser	Members	399		391		381		392		411	
Golf Members	Members	30,671		30,260		30,001		29,960		30,114	
HIMEDIC	Members	18,124		19,839		21,534		23,818		26,237	
KAHALA CLUB	Members	—		—		578		731		847	
Total Group members		175,779		178,815		182,468		186,032		188,161	

■ Hotel and Restaurant Operations		(Million yen)				
Change in net sales by category		FY ended March 2018	FY ended March 2019	FY ended March 2020	FY ended March 2021	FY ended March 2022
XIV		36,058	34,802	32,626	25,987	29,477
Sun Members		4,804	4,719	4,117	1,379	1,506
Hotel Trusty		6,789	6,631	6,511	2,232	2,711
Baycourt Club		4,790	7,116	9,035	7,482	8,518
THE KAHALA HOTEL & RESORT		8,207	8,260	7,998	4,101	8,230
Income from membership fees		7,124	7,694	8,449	8,895	9,520
Proceeds from amortizing deposits		2,993	3,189	3,544	3,511	4,052
Other income		8,832	7,967	8,377	6,731	9,682
Total		79,601	80,383	80,659	60,322	73,699

		(%)				
Change in occupancy rate by category		FY ended March 2018	FY ended March 2019	FY ended March 2020	FY ended March 2021	FY ended March 2022
XIV		50.8	50.2	48.0	35.5	44.8
Sun Members		60.4	60.4	57.5	16.6	33.2
Hotel Trusty		91.7	90.4	77.0	24.9	39.1
Baycourt Club		54.6	48.3	43.1	33.5	36.8

Change in number of overnight guests by category	FY ended March 2018	FY ended March 2019	FY ended March 2020	FY ended March 2021	FY ended March 2022
XIV	1,864,448	1,839,932	1,761,353	1,254,473	1,567,060
Sun Members	431,345	418,856	366,716	98,118	122,440
Hotel Trusty	696,234	689,920	685,956	240,880	323,012
Baycourt Club	145,426	217,826	281,490	234,218	280,901
KAHALA YOKOHAMA	—	—	—	19,622	34,139
Total	3,137,453	3,166,534	3,095,515	1,847,311	2,327,552

Spending per visitor by category	FY ended March 2018	FY ended March 2019	FY ended March 2020	FY ended March 2021	FY ended March 2022
XIV	19,340	18,915	18,523	20,716	18,810
Sun Members	11,139	11,268	11,228	11,880	10,223
Hotel Trusty	9,752	9,612	9,492	9,267	8,395
Baycourt Club	32,940	32,671	32,098	33,695	32,291

■ Medical Operations		(Million yen)				
Breakdown of sales		FY ended March 2018	FY ended March 2019	FY ended March 2020	FY ended March 2021	FY ended March 2022
HIMEDIC Business		13,908	15,437	16,479	18,457	18,693
MS (Medical Service) Corporation Business*		5,120	6,093	6,275	5,905	7,648
Aging Care Business (e.g., product sales)		2,696	2,743	2,540	2,512	2,635
Senior Life Business		9,321	10,401	12,299	13,304	13,579
Other		(56)	(196)	1,272	(157)	(124)
Total		30,990	34,478	38,867	40,022	42,432

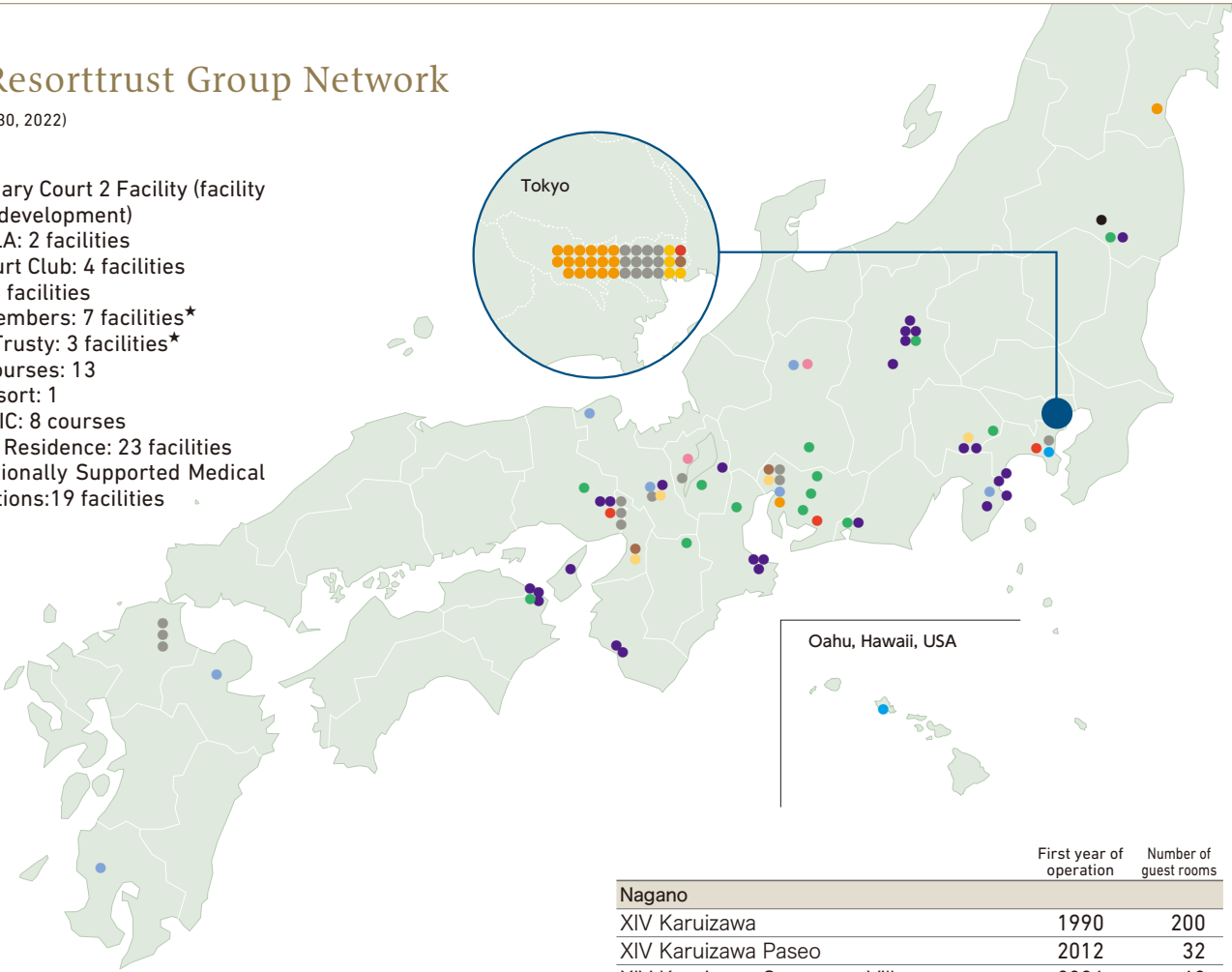
\*Operational support for general-use medical facilities, etc.

Change in number of senior units (As of the end of each fiscal year)	FY ended March 2018	FY ended March 2019	FY ended March 2020	FY ended March 2021	FY ended March 2022
Number of units	1,513	1,659	2,100	2,097	2,095
Occupancy rate (results)	85.1%	86.4%	88.5%	88.3%	87.5%

The Resorttrust Group Network

(As of June 30, 2022)

- Sanctuary Court 2 Facility (facility under development)
- KAHALA: 2 facilities
- Baycourt Club: 4 facilities
- XIV: 26 facilities
- Sun Members: 7 facilities\*
- Hotel Trusty: 3 facilities\*
- Golf Courses: 13
- Ski Resort: 1
- HIMEDIC: 8 courses
- Senior Residence: 23 facilities
- Operationally Supported Medical Institutions: 19 facilities



Hotel Facilities

	First year of operation	Number of guest rooms
Sanctuary Court		288
Gifu		
Sanctuary Court Takayama	2024(planned)	121
Shiga		
Sanctuary Court Biwako	2024(planned)	167
Kahala		484
Oahu, Hawaii, USA		
THE KAHALA HOTEL & RESORT	2014	338
Kanagawa		
THE KAHALA HOTEL & RESORT YOKOHAMA	2020	146
Baycourt Club		824
Tokyo		
Tokyo Baycourt Club	2008	292
Kanagawa		
Yokohama Baycourt Club	2020	138
Aichi		
Laguna Baycourt Club	2019	193
Hyogo		
Ashiya Baycourt Club	2018	201
XIV		3,613
Fukushima		
XIV Nasu Shirakawa	2005	58
Yamanashi		
XIV Yamanakako	1993	252
XIV Yamanakako Sanctuary Villa	2009	28

	First year of operation	Number of guest rooms
Nagano		
XIV Karuizawa	1990	200
XIV Karuizawa Paseo	2012	32
XIV Karuizawa Sanctuary Villa	2004	40
XIV Karuizawa Sanctuary Villa Museo	2012	16
XIV Tateшина	1999	230
Kanagawa		
XIV Yugawara Rikyu	2017	187
XIV Hakone Rikyu	2010	187
Shizuoka		
XIV Hatsushima Club	2000	200
XIV Izu	1988	227
XIV Hamanako	2004	193
Mie		
XIV Toba	1987	207
XIV Toba Annex	1991	198
XIV Toba Bettei	2016	121
Shiga		
XIV Biwako	1997	268
Kyoto		
XIV Kyoto Yase Rikyu	2006	210
Wakayama		
XIV Shirahama	1989	104
XIV Shirahama Annex	1993	144
Hyogo		
XIV Rokko Sanctuary Villa	2018	48
XIV Arima Rikyu	2011	175
XIV Awajishima	1992	109
Tokushima		
XIV Naruto	2001	135
XIV Naruto Sanctuary Villa	2003	22
XIV Naruto Sanctuary Villa Due	2005	22

	First year of operation	Number of guest rooms
Sun Members		633*
Shizuoka		
Resorpia Atami	1983	206
Kyoto		
Resorpia Kumihama	1984	57
Sun Members Kyoto Saga	1980	67
Oita		
Resorpia Beppu	1984	57
Gifu		
Sun Members Hirugano	1974	36
Aichi		
Sun Members Nagoya Shirakawa	1974	105*
Kagoshima		
Sun Members Kagoshima	1980	105
Hotel Trusty		507*
Tokyo		
Hotel Trusty Tokyo Bayside	2008	200
Aichi		
Hotel Trusty Nagoya Shirakawa	2016	105*
Osaka		
Hotel Trusty Osaka Abeno	2012	202
* Includes Sun Members Nagoya Shirakawa (within the same space as Hotel Trusty Nagoya Shirakawa)		

Golf Courses and Ski Resorts

		Number of holes
Fukushima	Grandee Nasu Shirakawa Golf Club	36
Yamanashi	Maple Point Golf Club	18
Nagano	Grandee Karuizawa Golf Club	18
Shizuoka	Grandee Hamanako Golf Club	18
Gifu	Springfield Golf Club	18
	Pines Golf Club	18
Aichi	St. Creek Golf Club	27
	The Tradition Golf Club	18
Mie	Grace Hills Country Club	18
Shiga	The Country Club	18
Hyogo	Kansai Golf Club	18
Nara	Oakmont Golf Club	27
Tokushima	Grandee Naruto Golf Club 36	36

	First year of operation
Fukushima	Grandee Hatoriko Ski Resort 2004

HIMEDIC (Medical Examination Courses)

	Year opened
Yamanashi	
HIMEDIC Yamanakako Course	1994
Tokyo	
HIMEDIC Tokyo University Hospital Course	2006
HIMEDIC Midtown Course	2013
HIMEDIC Tokyo Bay Course	2015
HIMEDIC Tokyo Nihonbashi Course	2020
Aichi	
HIMEDIC Nagoya Course	2016
Kyoto	
HIMEDIC Kyoto University Hospital Course	2016
Osaka	
HIMEDIC Osaka Course	2005

Senior Residence Facilities

	Number of guest rooms
Tokyo	2,095
Trust Garden Suginamimiyamae	100
Trust Garden Nanpeidai	41
Trust Garden Sakurashinmachi	86
Trust Garden Yoganomori	128
Trust Garden Todoroki	57
Trust Garden Higashiminemachi	32
Trust Garden Hongo	118
Trust Garden Tokiwamatsu	50
Trust Garden Bunkyo Nezu	51
Trust Garden Ogikubo	50
Felio Tamagawa	68
Felio Seijo	65
Kanagawa	
Trust Garden Yokohama Bay Bashamichi	73
Aichi	
Trust Grace Shirakabe	72
Morning Park Chikaramachi	41
Shiga	
Activa Biwa (Independent Living Facility/Assisted Living Facility)	384
Kyoto	
Trust Garden Shijo Karasuma	54
Hyogo	
Trust Garden Takarazuka	89
Trust Grace Mikage (Independent Living Facility)	218
Trust Grace Mikage (Assisted Living Facility)	63
Fukuoka	
Felio Tenjin	95
Felio Momochi	98
Resius Momochi	62

Operationally Supported Medical Institutions

Miyagi
Sendai Medical Clinic
Tokyo
Tokyo Midtown Clinic
Tokyo Midtown Aesthetic Clinic Noage
Tokyo Midtown Dental Clinic
Tokyo Midtown Clinic Health Screening Clinic
Midtown Clinic Tokyo Bay
Midtown Clinic Ariake
Center for Advanced Medical Science and Technology at Tokyo Midtown
Tokyo Daiya Building Clinic
Hamamatsucho Hamasite Clinic
Shinko Clinic
Shinko Clinic Annex
Ovalcourt Medical Clinic
C'est la vie Shimbashi Clinic
Tachikawa Kitaguchi Kenshinkan
Toupura Medical Clinic
Hamacho Koen Clinic
Nihonbashi Muromachi Mitsui Tower Midtown Clinic
Aichi
Midtown Clinic Meieki



## Corporate Data

(As of March 31, 2022)

Company Name	RESORTTRUST, INC.	Established	April 1973
	URL <a href="https://www.resorttrust.co.jp/english/">https://www.resorttrust.co.jp/english/</a>	Capital Stock	¥19,590 million
Head Office	2-18-31, Higashisakura, Naka-ku, Nagoya-shi, Aichi 460-8490, Japan	Number of Employees	7,903 (consolidated, full-time employees)
	Tel: +81-52-933-6000 (Main Switchboard)		
Tokyo Office	Resorttrust Tokyo Bldg., 4-36-19, Yoyogi, Shibuya-ku, Tokyo 151-0053, Japan	Fiscal Year-end	March 31
	Tel: +81-3-6731-0001		

## Stock Information

(As of March 31, 2022)

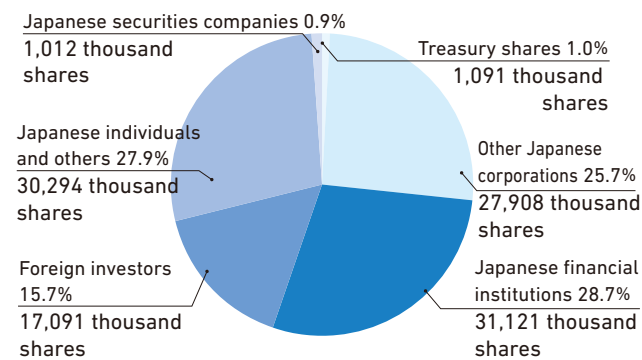
## Shareholder Information

Stock Exchange Listings	Tokyo (Prime), Nagoya (Premier)
Total Number of Authorized Shares	150,000,000 shares
Total Number of Shares Issued and Outstanding	108,520,799 shares
Number of Shareholders	37,965

## Shareholder Benefits

When the Right Becomes Final and Binding	End of March, for shareholders with 100 or more shares
Benefits	Electronic complimentary tickets are issued based on RTTG point club application

### Number of Shareholders by Shareholder Category



## Major Shareholders

Shareholder Name	Number of shares owned (Thousands)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	15,053	13.87
Takarazuka Corporation, Inc.	13,419	12.37
Custody Bank of Japan, Ltd. (Trust account)	5,663	5.22
Sapporo Breweries Limited	3,351	3.09
Yoshiro Ito	3,036	2.80
GI Co., Ltd.	1,921	1.77
Custody Bank of Japan, Ltd. (Trust Account 4)	1,745	1.61
Sumitomo Life Insurance Company	1,555	1.43
Kinden Corporation	1,442	1.33
KY Co., Ltd.	1,335	1.23

## Affiliate Companies

(As of July 1, 2022)

Company name	Business activities	Capital (Million yen)	Percentage of voting rights(%) <sup>*1,*2</sup>
<b>(Consolidated Subsidiary)</b>			
RESORTTRUST HAWAII, LLC <sup>*5</sup>	Hotel and Restaurant Operations	US\$290,000,000	100.0
RTCC CORPORATION	Hotel and Restaurant Operations	50	100.0
COMPLEX BIZ INTERNATIONAL Co., LTD.	Hotel and Restaurant Operations	50	100.0
JES Co., Ltd.	Hotel and Restaurant Operations	10	100.0
Sun Hotel Agent Co., Ltd.	Hotel and Restaurant Operations	10	100.0 (100.0)
HIMEDIC, Inc. <sup>*6</sup>	Medical Operations	300	100.0
Cancer Intelligence Care Systems, Inc.	Medical Operations	1,472	76.0 (76.0)
Tokyo Midtown Medicine Co., Ltd.	Medical Operations	100	66.5 (66.5)
Advanced Medical Care Inc.	Medical Operations	100	100.0 (100.0)
Well-Compass Inc.	Medical Operations	50	51.0
Shinko medical support Co., Ltd.	Medical Operations	100	50.0 (50.0)
iMedical Inc.	Medical Operations	100	51.0 (51.0)
Cent-Medical Associates Inc.	Medical Operations	9	51.0 (51.0)
Dia Medical Net, Inc.	Medical Operations	100	51.0 (51.0)
Senior Life Company Ltd.	Medical Operations	¥10,000	100.0 (100.0)
R.T. DEVELOPMENT CO., LTD.	Other	100	100.0
JUSTFINANCE Co., Ltd.	Membership-based medical business	10	100.0
R.F.S. Co., Ltd.	General administration	10	100.0
Resorttrust Golf Business Co., Ltd.	Hotel and Restaurant Operations	100	100.0
KANSAI GOLF CLUB Co., LTD. <sup>*3,*4</sup>	Hotel and Restaurant Operations	75	100.0 (100.0)
<b>(Equity Method Affiliate Companies)</b>			
Maple Point Golf Club Co., Ltd. <sup>*3,*4</sup>	Hotel and Restaurant Operations	100	1.3 (0.1) [43.0]
OAKMONT GOLF CLUB CO., LTD. <sup>*3,*4</sup>	Hotel and Restaurant Operations	100	3.9 (1.6) [36.9]
OKAZAKI CLASSIC CO., LTD. <sup>*3,*4</sup>	Hotel and Restaurant Operations	100	3.5 (0.0) [17.8]
TAJIMI CLASSIC CO., LTD. <sup>*3,*4</sup>	Hotel and Restaurant Operations	50	5.8 (0.0) [21.4]
St. CREEK GOLF CLUB CO., LTD. <sup>*3,*4</sup>	Hotel and Restaurant Operations	100	4.5 (0.0) [17.3]
Kyoto ProMed Co., Ltd.	Medical Operations	71	35.8 (35.8)

\*1 Figures in parentheses in the “Percentage of voting rights” column represent the percentage of indirect ownership.

\*2 Figures outside parentheses in the "Percentage of voting rights" column represent the percentage of persons who are close to and agree with the Company.

\*3 The “Percentage of voting rights” is calculated after preferred shares with no voting rights having been excluded.

\*4 The Securities Report has been submitted.

\*5 Specified subsidiary

\*6 With regard to HIMEDIC, Inc., consolidated sales account for more than 10% of net sales (excluding inter-company sales between consolidated companies).

Major items of profits and losses for fiscal 2021

1) Net sales: ¥18,693 million
2) Ordinary income: ¥2,752 million
3) Net loss: ¥21 million
4) Net assets: ¥4,725 million
5) Total assets: ¥39,324 million