

ご一緒に、いい人生



RESORTTRUST
GROUP

Integrated Report 2023



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.

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Note: An authenticity statement is posted at the end of the Message from the President (P. 13).



The Resorttrust
Group Identity

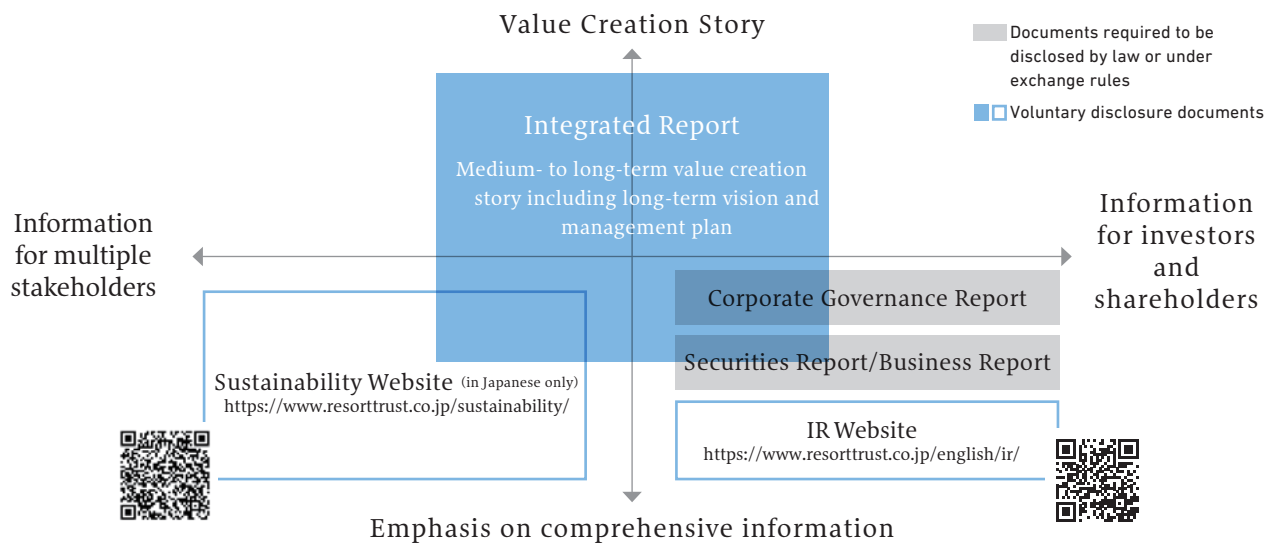
Together for a Wonderful Life

Creating a more affluent, happy time*

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

Sanctuary Court Takayama Art Gallery Resort

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, 2022, to March 31, 2023) 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.

Introduction

Further Enhancing the Group Brand as We Celebrate the 50th Anniversary of the Company's Founding

In April 2023, the Resorttrust Group celebrated its 50th anniversary. We would like to sincerely thank everyone involved with the Group for their years of support in reaching this milestone year.

Since our founding, we have been committed to our management philosophy of 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 customer leisure and health, including medical and senior life, from our original focus on hotel management and with the expectations of our customers as the driving force. As we begin a new chapter for the Group beyond the 50 years we have known to date, we have developed “Sustainable Connect” as our five-year Medium-term Management Plan starting from the fiscal

year ending March 2024. This plan demonstrates our pursuit of well-being for all of our stakeholders through the new lens of sustainability in the many diverse businesses that we are involved in. Through this plan, we will further enhance the Group brand while continuing to advance the creation of sustainable value built on the trust of customers and society.

Although economic conditions will likely remain unpredictable for a while, with issues such as rapidly rising prices and labor costs, we have gotten past the COVID-19 pandemic and have started our steady progress toward a new stage of growth. We sincerely appreciate the continued guidance and encouragement of our shareholders and investors going forward.



Katsuyasu Ito,

Chairman of the Board
and CEO



Ariyoshi Fushimi,

President and COO



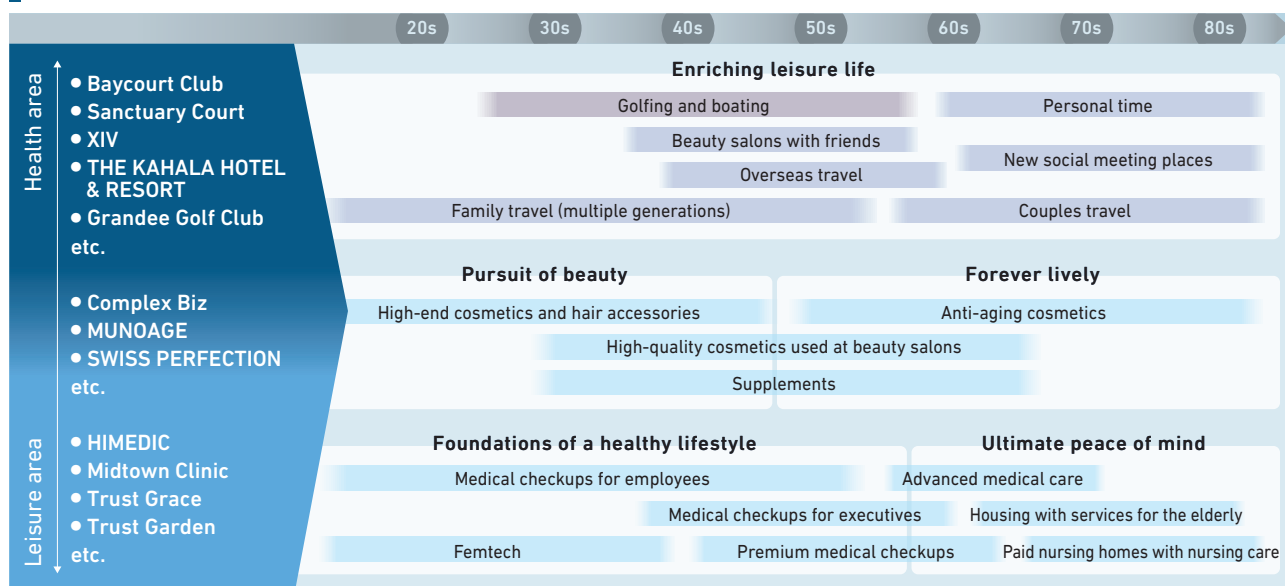
The Resorttrust Group's raison d'être is the pursuit of prosperity and happiness for all Group stakeholders. We do this by creating new value through integrated leisure and health services to solve social issues. While responding to the changes of the next generation, we will strive to enhance corporate value as a corporate group co-creating products and services in collaboration with our customers.

Social Value Creation by the Resorttrust Group



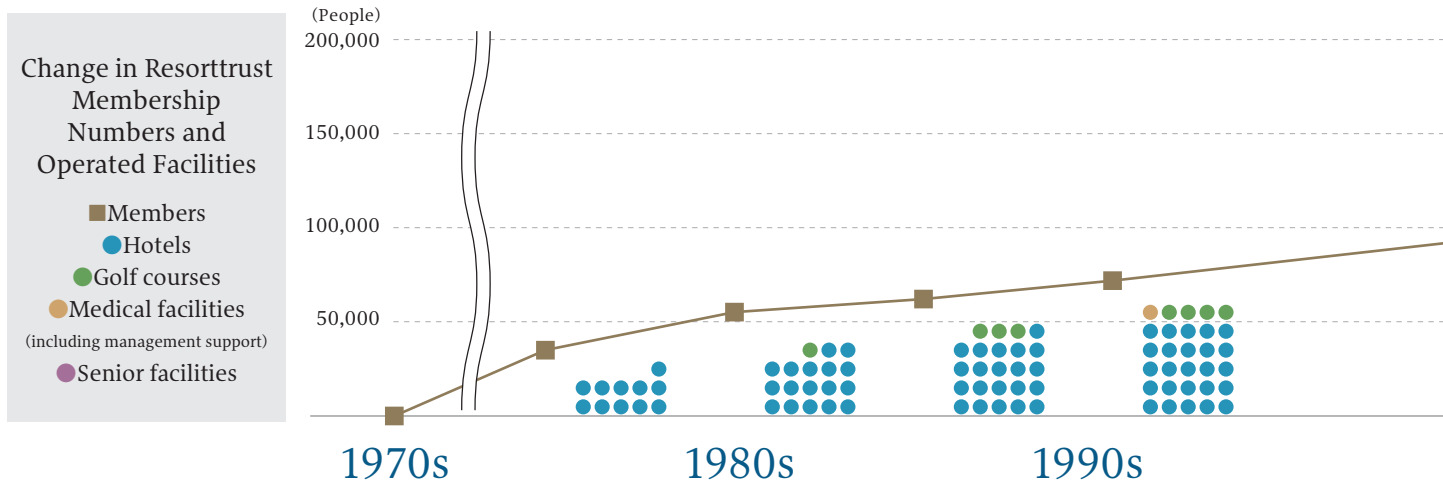
Group Brand Management

The Resorttrust Group provides products and services tailored to every part of our customers' lives.



Resorttrust Group's Value Creation Story

The Resorttrust Group is a comprehensive corporate group conducting business in a wide range of fields, with a focus on Membership Operations, since it was founded. In pursuit of unparalleled quality, sophistication, and hospitality, it has grown to its current size of about 195,000 members. It aims to continue for the next 50 years as a corporate group that can contribute to society as a whole while steadfastly protecting its unique and distinctive brand.



Social issues and global trends

• Rapid economic growth

• Bubble economy

• Arrival of an aging society

Membership Hotels

Golf Business

Medical Operations

Created value

Start of a membership-based business (provision of extraordinary spaces)

Entry into the golf business as part of a comprehensive resort business

Establishment of a comprehensive membership-based medical club with a focus on early detection of cancer

Resorttrust Group's story

Launched a hotels business with a commitment to blazing new trails, earning trust, taking on challenges, and delivering unparalleled quality, sophistication, and hospitality



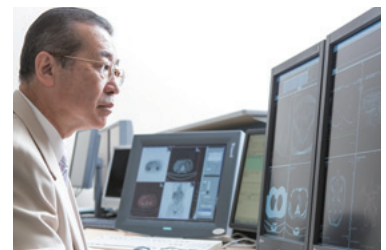
Via Shirakawa

Launched a golf business, operating true championship courses designed by global masters to host male and female professional tournaments

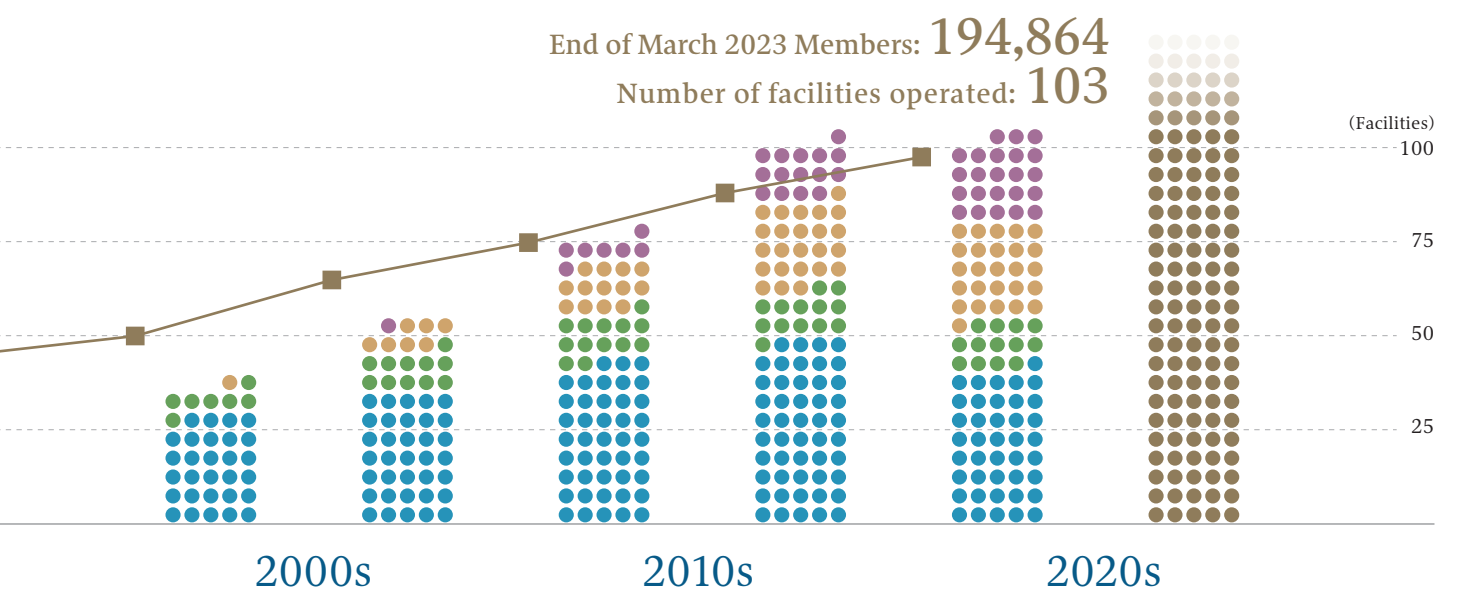


St. Creek Golf Club

Launched a medical business in response to member needs with the belief in the importance of preventive medicine in enabling people to live healthy and fulfilling lives. Established the Yamanakako Method as a screening method using PET scans and other high-precision medical equipment



GRAND HIMEDIC CLUB



● IT revolution

Hotel and Medical Operations

Proposal of new concepts through expansion of inner-city facilities

Established Baycourt Club members-only urban resorts and the Tokyo MidtownClinic, which supports medical facility operation



Tokyo Baycourt Club

- Increasing seriousness of the aging society
- Ballooning national healthcare costs
- Heightened interest in climate change and biodiversity

Senior Lifestyle Operations

Business domain expansion with strengths in hospitality services and medical care

Accelerated development of paid nursing homes with nursing care and senior residences that are elegant and provide mental and physical tranquility by leveraging expertise and networks from the Medical Operations and Hotel and Restaurant Operations



Trust Garden Ogikubo

- Diversity and inclusion
- Work-style reforms
- Increased infrastructure demands for seniors
- Adoption of United Nations' SDGs

“Sustainable Connect”

Creating new value that fuses leisure and health (realizing well-being through stronger connections between services, businesses, and people)

Transitioning to a stage of deeper permanent connections and empathy with a focus on more personalized services and well-being.

Also addressing ESG issues with the aim of achieving co-creation with society.



Business Overview FY2022

Business Fields Based on Membership

Membership Segment: Sales Operations for Hotel Membership

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

At the membership-based resort hotels operated by the Resorttrust Group, we continue to pursue, without compromise, outstanding high quality and a space where visitors can enjoy extraordinary experiences. We also develop resorts to contribute to local revitalization while valuing dialogue with local government officials and area residents. In 2021, we launched our Sanctuary Court series of destination hotels, where the stay itself is the purpose of the trip, with each facility having unique characteristics and even stronger ties with the local community. All of these properties are experiencing strong sales.

List of products and services

- XIV 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
- Golf club memberships (e.g., Grandee)
- THE KAHALA CULB Hawaii overseas luxury resorts: 4 nights a year for 10 years, 40 nights in total

Hotel and Restaurant Segment: Hotel and Accompanying Facility Management Operations

We operate unique hotels with outstanding hospitality.

To accurately serve the needs of customers and create heartwarming experiences for them, we ensure that all facilities operated by the Group offer physical amenities with the highest level of refined quality and first-class hospitality services.

Even during the pandemic, we were able to strengthen our ties with customers through our digital strategy so that demand for membership-based resort hotels now is higher than what it was before the pandemic. For our membership-based hotels, we have expanded services to cater to the needs of customers, such as smart check-in/check-out systems and in-room dining, and have actively implemented unique initiatives that offer customers inspiring experiences.

List of products and services

- XIV membership resorts: 26 facilities
- Baycourt Club members-only resorts: 4 facilities
- Non-membership luxury resorts: THE KAHALA HOTEL & RESORT: 2 facilities
- Hybrid membership and non-membership facilities: Sun Members: 7 facilities
- Non-membership hotels: Hotel Trusty: 3 facilities
- Grandee and other membership golf clubs: 13 locations
- 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 Segment: Medical Operations

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.

As part of our Medical Operations, the medical checkup program that we provide, which offers Japan's first PET scans, has been popular. We are also advancing research and development to provide new cancer therapies employing cutting-edge technologies and AI-based personalized services for our customers. In our aging care operations, we are focusing on femtech as a future technology-based business for solving unique health issues for women.

List of products and services

- Comprehensive membership-based medical club: GRAND HIMEDIC CLUB: 8 courses, 9 locations
- Medical checkups by facilities contracted by the Clinic Management Support Business: Midtown Clinic, Shinkokai: 19 facilities
- Anti-aging cosmetics: MUNOAGE and SWISS PERFECTION
- Equol supplements, PLASMALOGEN, etc.
- Research and development into cancer treatment, equipment sales

Medical Segment: Senior Lifestyle Operations

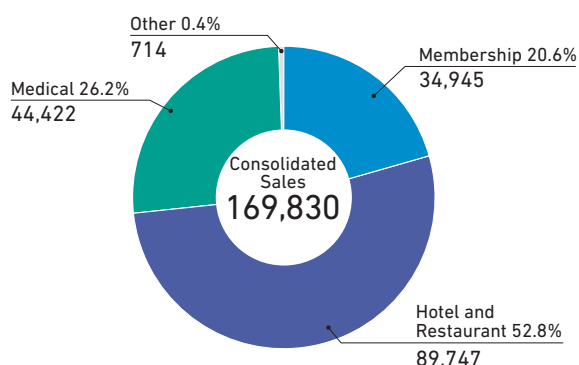
We provide high-end paid nursing homes, housing facility management, and nursing care services for seniors.

In addition to operating Trust Garden high-end paid nursing homes for seniors and Trust Grace housing with services for the elderly, we provide nursing care services. With the arrival of a super-aging society and the era of 100-year life expectancy, we have a wide range of offerings that include health-conscious meals, high-quality specialist medical support, and leisure services.

List of products and services

- Paid nursing homes with nursing care: Trust Garden, etc.
- Housing with services for the elderly: Trust Grace, etc.: 23 facilities in total

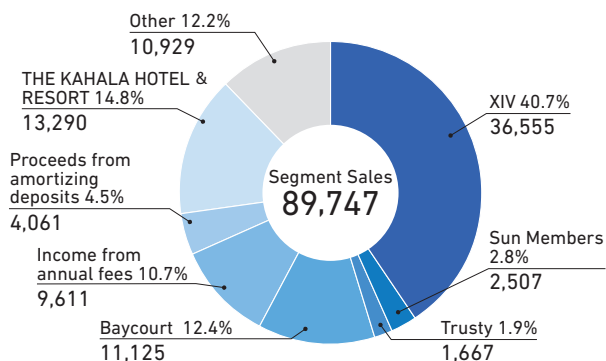
■ Net sales by segment (Million yen)



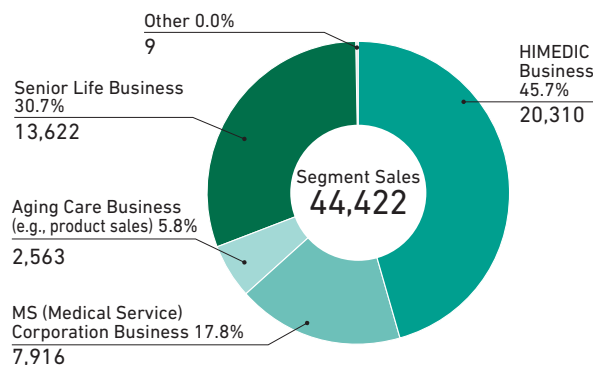
■ Industry Share

With more than 130,000 members, based on the number of membership units in our membership-based hotels business (XIV, Baycourt, Sanctuary Court, and Sun Members), the Resorttrust Group has held a commanding lead in the domestic market for many years. There are about 10 other companies operating membership-based resort hotels, and with the industry's second-largest company having a membership of about 30,000, our two companies together account for more than half of the industry, according to our own research.

With nine facilities across Japan, our membership-based medical (checkup) club has about 28,000 members, based on the number of membership units, and we have held a commanding lead in this market for many years as well. There are about 10 other companies operating membership-based medical clubs in Japan, with each of those clubs appearing to be operated by a single medical corporation in a single location. Apart from the Resorttrust Group, we have been unable to confirm another company operating a club with more than 1,000 members, according to our own research.

● Hotel and Restaurant Operations:
Net sales by business type (Million yen)

● Medical Operations: Net sales by division (Million yen)



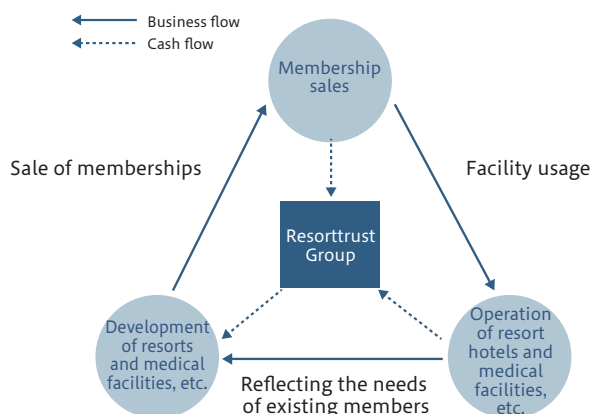
Unique Membership-based Business Model

Our unique business model, which is built on a strong customer base, has led to our solid financial position. By starting to sell memberships before our facilities are open in both Hotel and Medical Operations, we are able to recover our investment earlier and achieve excellent profitability. Added to fixed revenue from membership

fees after opening, we are building a recurring model for stable facility operation.

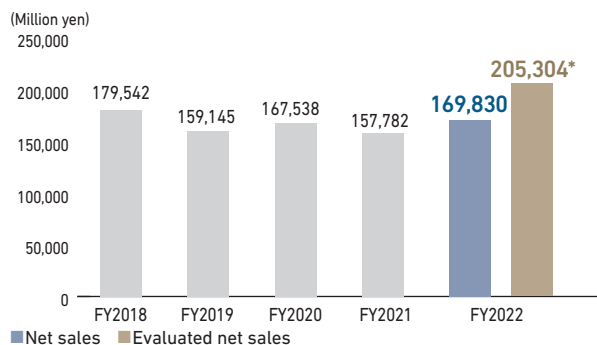
Increasing existing member satisfaction with the Group will lead to expanded usage period, frequency, and scope of services used by members and an increase in the amount spent per member. Furthermore, it will create more opportunities for members to introduce new customers, in turn further increasing the membership base. This sales strategy and our efforts to strengthen relationships of trust with our customers have increased the appeal of the memberships we offer and have resulted in a sustained increase in our membership base even during the COVID-19 pandemic. As society enters a phase of living with COVID-19, there is a growing need for services offering peace of mind, safety, and health. Rediscovering the strength of the Resorttrust Group's membership-based business, we are working to further strengthen the foundations of our business by raising awareness of the Group and implementing brand strategies such as expanding our target customers and operating areas.

■ Basic Business Flow



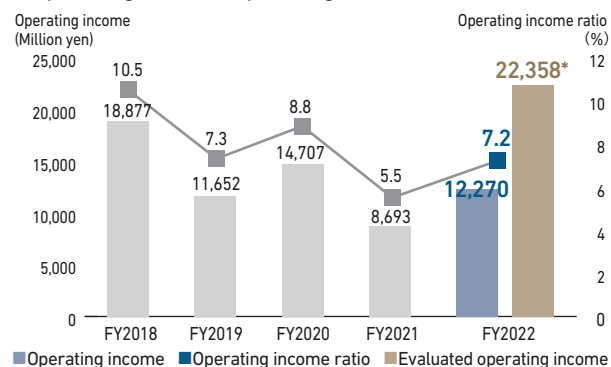
Financial and Non-financial Highlights

Net sales

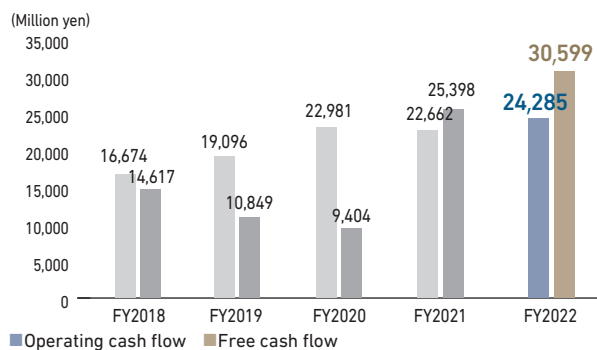


*Evaluated net sales/Evaluated operating income: Evaluation figures show the real sales capability for the fiscal term, including real estate revenue from yet unopened properties (lump-sum recording at opening) at the time of sales.

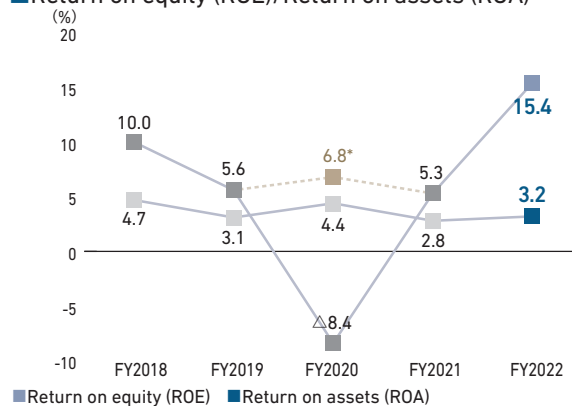
Operating income/Operating income ratio



Operating cash flow/Free cash flow (FCF)

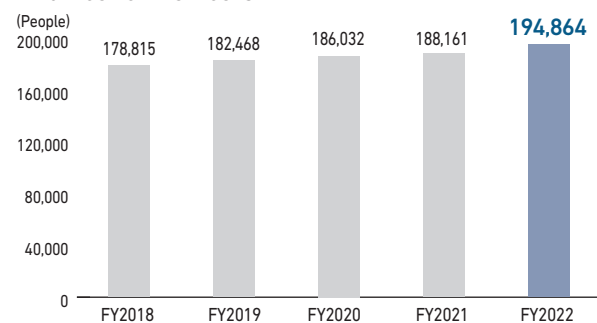


Return on equity (ROE)/Return on assets (ROA)

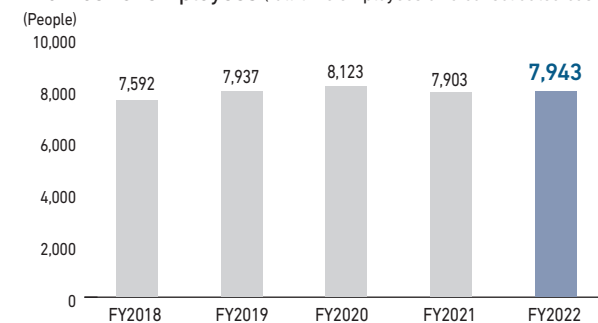


*Excluding the impact on net income attributable to owners of parent and shareholders' equity due to an impairment loss of ¥22 billion.

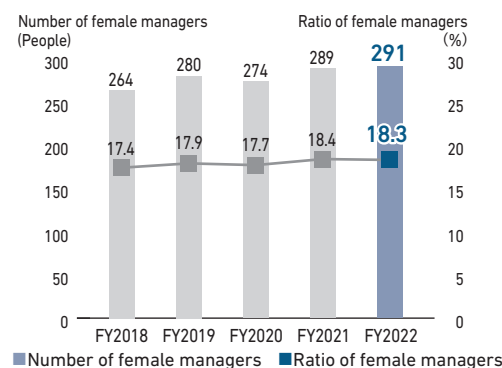
Number of members



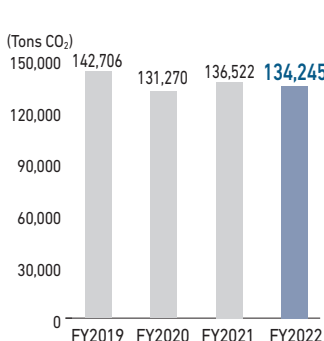
Number of employees (full-time employees on a consolidated basis)



Number of female managers/Ratio of female managers (Group)



GHG emissions (Scope 1, 2)



Average rate of paid leave taken



Note: Figures for previous years have been recalculated due to a change in the method of calculation from the fiscal year ended 2023.

Message from the President

Increasing the Value of the Membership-based Model Rediscovered during COVID-19 and Continuing to Grow through Sustainability

President and COO Ariyoshi Fushimi



1 Review of FY2022

Implementing the “Connect 50” Rolling Plan

In April 2021, we started implementing the rolling plan for the “Connect 50” Medium-term Management Plan. To summarize so far, this has been a period dominated by the COVID-19 pandemic, during which we rediscovered the strength of our membership-based business model and shared that awareness within the Group.

Despite a range of restrictions on our sales activities during the pandemic, we overcame adversity by worrying, struggling, and innovating alongside our employees. As a result, we have been able to further clarify the strengths of the Group. I still have a distinct memory of February 2020 amid increasing fear in Japan of the spread of the novel coronavirus disease. There was a lot of reporting in the media of an outbreak of COVID-19 on the Diamond Princess, a luxury cruise ship docked at Yokohama Port, with passengers being prevented from disembarking. Some of our members were onboard, and when they were finally allowed to leave, we received phone calls asking to travel directly to our hotels. Although they did not end up coming to our hotels, that was the first time that I personally realized the difficulty in responding to this unknown disease. Faced with continuing inquiries about the operation of our facilities from the concerned families of staff members, and from worried people everywhere, we were constantly trying to decide on the best measures to take.

With moves for the entire hotel industry to close down during Golden Week of 2020, we also made the difficult decision to close all of our facilities for the first time ever. Although some members said this measure was the right decision, there were many others who felt that we should not have closed, especially at such a time, because they thought of our facilities as their vacation homes. We listened closely to feedback from our stakeholders, from members to employees, about whether to continue operating and, preparing for anything, we decided that we had to continue operating while thinking of ways to provide our services with safety and peace of mind.

We started providing new services based on measures to prevent the spread of infection, including **non-face-to-face, non-contact support using digital technologies, and providing information based on knowledge from our Medical Operations**. In terms of sales, we have expanded our use of **sales methods suited to pandemic situations** and have developed our new Sanctuary Court product that addressed other previous issues. As a result, new member numbers in FY2022 were at a record high and 1.5 times higher than FY2019. Spending per member was also 20% higher than FY2019 due to efforts to cross-sell between Hotel, Medical, and Senior Lifestyle Operations and a focus on customer connections to increase use.

Non-face-to-face, Non-contact Support Using Digital Technologies

Sales Methods Suited to Pandemic Situations

We have implemented a range of measures that have led to further growth, including online facility information and other sales activities, an increase in the number of facilities offering non-stop check-in/check-out, and promotion of digital marketing.

Knowledge from Our Medical Operations

We have built deeper trust with Group members through a pandemic measure hotline and an app to provide general information, provision of personal protective equipment (PPE), and hygiene guidance to facilities to prevent infection.

Message from the President

From Awareness of Issues to Implementation of Measures

COVID-19 was reclassified in Japan in May, but that does not necessarily mean that things are completely back to normal in FY2023. New needs are arising in this post-COVID-19 world and the business environment is changing rapidly, including restarting our domestic hotels development that we stopped during the pandemic and a recovery in inbound demand. While the pandemic highlighted some advantages of our membership-based business, it also brought into greater focus issues and directions for our further development.

Looking at the Japanese market, the size of the domestic affluent sector, meaning **households with net financial assets of 100 million yen or more**, has grown by about 12% since FY2019, so there is still considerable room for us to expand the Group's economic bloc where we can demonstrate our strengths. We will also continue steadily developing and opening membership-based resort hotels and medical checkup clubs to maximize this economic bloc through expanded member and user bases. Sanctuary Court is a concept hotel where the stay itself is the purpose of the trip. We plan to open Sanctuary Court Takayama and Sanctuary Court Biwako in 2024, and Sanctuary Court Nikko in 2026, all of which are selling much faster than any of our properties in the past. We also plan to open two HIMEDIC medical checkup clubs in Tokyo and Osaka (Nakanoshima) in FY2024 and one club in the Kanto area in FY2026. With these additions, club membership is expected to increase to 42,000 members from the current 30,000. In addition to growing our member base like this, we will continue implementing the initiatives to increase per-member spending that we started during the previous medium-term management plan period, with the resulting multiplier effect expected to produce considerable growth.

Size of the Domestic Affluent Sector

According to estimates announced in March 2023 by the Nomura Research Institute, there were 1.49 million households in Japan with net financial assets of 100 million yen or more in 2021. This was an increase of around 12% on the figure of 1.35 million households in 2019.

2 Launching the New Medium-term Management Plan

Developing “Sustainable Connect”

Celebrating our 50th anniversary in April 2023, we launched the new “Sustainable Connect” Medium-term Management Plan covering the first five years of a new chapter for the Group. Establishing financial targets for FY2025, we aim to increase operating income from 12.2 billion yen in FY2022 to 23 billion yen in FY2025 through solid and continuous lifts in income across our existing Membership, Hotel and Restaurant, and Medical business segments.

In terms of our vision for the Group in 10 or 20 years' time, I think our mainstay will be our Group identity—“Together for a Wonderful Life.” To realize this identity in the previous medium-term management plan as well, we focused on connections, including strengthening connections across the Group and connections with customers and stakeholders. Together, we worked to differentiate ourselves from other companies by defining our unique identity. From hotels to golf courses, and medical and senior lifestyle services, our Group is based on the membership system applied to various business categories. Although our balance sheet cannot show the customer bases, individual brand power, and business expertise we have developed in this way, these things are **our unique source of value creation** that cannot be replaced by other companies. **We will identify fields where our diverse businesses can demonstrate their overwhelming strengths and develop strategies to become No. 1 in each of them.** At the same time, we will cross-sell between them, introducing and proposing Medical Operations to our Hotel Operations members and vice versa, and expand our offerings so that our members feel they made the right choice in joining the Resorttrust Group. We will also explore the potential for offering more first-class services through alliances with other companies.

P.14
Refer to “Our Value Creation Process” for information on our unique source of value creation.

Increasing the Value of Membership-based Clubs

Our social capital with customers, who are the core of our membership-based business, will be central to our growth strategy in the next stage. During the period of the new medium-term management plan, we will utilize data to bring the “tailor-made” concept to individual services. At the same time, we will increase the value of our membership-based clubs through platform

P.19
Refer to “Road Map to Achieving the Long-term Vision” for information on the Group's unique Lanchester strategy.

functionality based on networking between members and alliances with other companies, and by creating social value together with our members.

Every person has their own life's journey, with various new ways of living and enjoying life to achieve fulfilling, long, and healthy lives. Members of our Group have a high level of social contribution awareness, so proposing social initiatives that contribute to achieving the SDGs, as clubs rather than as individuals, will also lead to increased value. For example, if we turned kitchen waste from our hotels and restaurants into fertilizer and animal feed, and raised crops and animals on farms within our facilities and elsewhere for members to enjoy. And if we then built a brand based on those vegetables and livestock, then we could contribute to the food cycle while also improving our food self-sufficiency rate. Alternatively, we could propose a platform for members to interact with each other, enabling business matching support or creation of club teams based around baseball, soccer, and other sports. Other ideas could be to hold exhibitions for young artists to show their works, or develop a patronage system for them, using the art museum built into Sanctuary Court Takayama. At The Kahala Hotel & Resort in Hawaii, we conduct what we call **KISCA activities**. Through this mechanism, we use customer donations to promote culture, arts, and environmental conservation activities such as tree planting. In putting each of these proposals into action, we enjoy close engagement with local communities and contribute to each region. Using our relationships with customers to develop a range of businesses that build on leisure and health, we are creating social value and environmental value in our clubs while realizing economic value as well. Incidentally, Japan is one of the world's most aging countries. I want to take our proposal for fulfilling senior lifestyle services to the world, and through them create clubs that our members can be proud of.

As restrictions on movement are lifted post COVID-19, we expect international travel to gradually intensify. Our membership-based facilities will therefore also form **alliances with overseas clubs** with the aim of further improving added value for our members. Rather than limiting ourselves to accommodation facilities, we are searching for alliances with boutique, exclusive-membership club organizations as well. Those organizations would have facilities and activities, such as horse riding clubs and yacht clubs, so that our members can enjoy the benefits of their membership while traveling. Going further forward, we would like to focus on things like developing and selling memberships to affluent individuals overseas.

Accelerating Growth for the Group through New Developments in Senior Lifestyle Operations

With our Senior Lifestyle Operations, the pandemic resulted in a **large backlog of new residents**, not only due to concerns about outbreaks in our facilities but also because of restrictions on leaving and meeting with family members once inside. Originally developed to address the aging needs of our members, in the past, we focused primarily on paid nursing homes with nursing care, based on nursing care insurance, like other companies. The priority for people entering facilities with nursing care in particular was not the size of the rooms, but how close the facilities were and how easy it was for family to visit. Specifications of the facilities themselves created certain restrictions, so attracting new residents to nursing-type facilities, as opposed to attracting healthy members to our other facilities, was difficult at times. Being difficult to differentiate ourselves from competitors, we were unable to fully leverage the strengths of the Group. In light of these points, we will demonstrate the strengths of the Group going forward by creating new value for existing members. We will do this by understanding the needs of members, including healthcare systems to provide safety and inheritance value and benefits for ownership by companies. We will also develop residential facilities in the areas where our members live, offering peace of mind to healthy members who can move in when healthy and then move into hospice care when necessary, and more comfort for residents and their families in nursing-type facilities. Considering that we have 200,000 members, if we add their spouses and parents, we already have a potential market of 1.2 million people. I think we can expect considerable future growth if we plan unique products aimed at the needs of this group. In May 2023, we opened a HIMEDIC in-home nursing care station at Trust Garden Sakurashinmachi. In July, we also launched a hospice care service

KISCA Activities

KISCA stands for Kahala, Initiative, Sustainability, Culture, and Arts. At The Kahala Hotel & Resort, we conduct a range of sustainable activities with our mission of passing on the beautiful nature and culture of Hawaii to the younger generations and the future. On September 14, 2022, we held our Memories of the Maile Room Gala Dinner, a charity event to which we invited non-profit organizations and corporate sponsors that are working to protect the global environment and keep Hawaiian culture alive into the future.

P.33

Refer to "Growth Strategy" for information on expanding membership-based operations overseas.

Occupancy Rates at Senior-oriented Facilities

Occupancy rates dropped from 88.5% at the end of March 2020 to 85.2% in December 2022. However, occupancy has trended upward since then with pandemic-related effects diminishing, reaching 89.0% at the end of August 2023.

Message from the President

at the same facility. With a super-aging society, Japan is facing the social challenge of insufficient numbers of medical institutions and medical professionals to meet the country's growing need for medical care. Especially older patients who require constant medical support, including those with end-stage cancer or cerebrovascular disease who might not fully recover, are finding it difficult to receive treatment at hospitals, resulting in a large number of people being forced to receive care at home.

For people receiving care at home, there are immense pressures and concerns for family members. We will therefore utilize the characteristics of nursing homes that focus on hospitality, providing the security of being in a hospital and the comfort of being at home, to meet a diverse range of medical needs.

In line with our Group vision of "creating a society where cancer claims no precious lives," we are also conducting clinical trials for our BNCT (boron neutron capture therapy) business. We have **already successfully completed safety tests, and we started effectiveness tests in November last year**. We also plan to collaborate with our HIMEDIC business to roll out services that link medical checkups and therapy, and to sell devices to medical institutions and others in Japan and overseas.

Looking at the coming 10 to 20 years, we expect our Senior Lifestyle and Medical Operations, both with strong social credentials, to grow to account for about half of the Group's business. We began the process of becoming such an organization last year when **we consolidated** and integrated operations for **our nursing care and medical-related companies**. If some illness is indicated through medical checkups, we can guide those people through early treatment. We obtain a lot of data about healthy people in this process, so we will further strengthen initiatives to use this data for prevention of illnesses. Everyone's medical diagnosis and medications are different but, from the perspectives of nutritional science and molecular cytology, we are able to use this data to tailor-make supplements for each individual and otherwise proactively support preventive care for people when they are still healthy. In this way, we are truly putting "Together for a Wonderful Life" into practice through support from daily living to medical checkups and primary care in our residences, and meals in our leisure hotels.

3 Business Foundations for Sustainable Growth

Creating Unprecedented Well-being Value

In 2022, we established an alliance with DeNA Co., Ltd., to create AI-based services utilizing the digital data at the core of these services. Making efficient use of customer data in Hotel and Medical Operations, we analyze service users and offer proposals that meet individual customer needs. We also improve the level of satisfaction with explanations of checkup results, and develop manuals and other tools for our medical services to use AI for proposing new supplements based on statistical data. We see potential for creating unprecedented well-being value in the medical services area in particular. We can strengthen our Group by using data in digital marketing, but we can also go beyond the simple customer data categories and use it in joint research with medical and research institutions.

Securing Talent through Work-style Reforms and Rewarding Work Environments

Another important part of our business foundations is our human resources strategy. Labor shortages are a challenge for the entire services industry at present, so in addition to using digital transformation to drive operational efficiency, it is important to also enhance **measures to ensure we secure talented individuals**. Since last year, our recruitment practices have included employee referral hiring for the first time, conversion of part-time employees (shorter working hours system) to permanent employees, and increased hiring of foreign nationals and locals. For six months before coming to Japan, our foreign hires attend language training as well as training on our Management Philosophy and hospitality services. Once they are in Japan, we take steps to maintain service quality by providing them with on-the-job training at each facility.

Safety Tests and Effectiveness Tests

In September 2022, our consolidated subsidiary Cancer Intelligence Care Systems, Inc., completed Japanese Phase I clinical trials for malignant melanoma and angiosarcoma. It then began Japanese Phase II clinical trials for angiosarcoma from November 2022.

In May 2023, it signed an agreement with Jinseisha Edogawa Hospital (Edogawa-ku, Tokyo) to conduct specified clinical research targeting recurrent breast cancer.

Consolidated Nursing Care and Medical-related Companies

Trust Garden Co., Ltd., and HIMEDIC, Inc., were merged in July 2022.

Established an Alliance with DeNA in 2022

In February 2022, we entered a comprehensive business alliance agreement with DeNA Co., Ltd., and established the joint venture company Well-Compass Inc., with the aim of developing new businesses through digital transformation and utilization of health screening data in the medical and healthcare field.

Measures to Secure Talented Individuals

As a measure to improve employee compensation, we lifted wages by 5% in total in FY2023 through increased base salaries and pay rises.

To continue securing the best individuals, we also offer higher wages and diverse working styles.

From FY2023, we have been driving work-style reforms and minimizing the concerns of our employees, including **improving the split-shift scenario** that employees were most anxious about. While encouraging personal growth for each of our employees, we will also pursue unique membership-system working styles that forge deep connections with our customers.

In terms of rewarding work environments, nothing makes our employees happier than receiving a “thank you” from customers. It is therefore important to create environments where the desire to make customers happy can be put into action. For this reason, we assign ambassadors at each of our facilities to share initiatives that have previously been implemented, such as providing little surprises to our customers. For the past two years, our **ambassadors** everywhere have also been uncovering the needs of each facility’s employees and working to make improvements. In the future, I hope to be able to find people from among those ambassadors who aspire to become managers and members of senior management, so I encourage them in their work.

To strengthen employee engagement, I personally plan to visit our facilities as much as possible to deepen dialogue. One particular theme in the new medium-term management plan is pursuit of the unique nature of the membership system. While further sharing and entrenching the Group identity, I want to create unique value for the Group and promote an exchange of opinions on a range of topics, including how to make work easier and create rewarding work environments.

4 A Message to Our Stakeholders

As the “Sustainable Connect” name of the new medium-term management plan suggests, the Resorttrust Group is pursuing sustainability in our businesses. Accordingly, **we have defined 11 materialities (key issues) at the core of sustainability management under the four categories of prosperity, people, Earth, and governance**. In the area of governance, in 2023, we appointed three new outside directors with extensive experience in corporate management and with the knowledge we need for development of the Group, including reforming working styles for women, communicating brand value, and conducting corporate audits. I think our new team will both strengthen our governance structure and realize greater corporate value.

In the past, we called ourselves a comprehensive resort company. Even now, with our much larger Group operations, we are often referred to in media reports as “operating membership-based resort hotels and other facilities.” However, I wonder how many people understand from those expressions that we have become a new, continually growing type of business that includes Medical and Senior Lifestyle Operations in addition to Hotel Operations. Therefore, I will continue talking to our many stakeholders until they understand that we have become a new type of business—one that operates as an independent business category called a “membership-based group” in the areas of hotel, medical, and senior lifestyle services and works to achieve growth through the unique characteristics of each area. By also demonstrating our social purpose, we will greatly increase the value of membership-based clubs. I look forward to the continued understanding and support of our stakeholders in these endeavors.

This Integrated Report is the result of many honest discussions with relevant departments, with the Sustainability Promotion Division playing a central role. As the Chief Operating Officer, I declare the content of the report to be accurate and to have been subjected to due process. I invite everyone to read the report and give us feedback and frank opinions about Group management. I trust that the “Resorttrust Group Integrated Report 2023” will provide a greater understanding of the Group’s brand management and will present opportunities for dialogue with all stakeholders and for collaborative creation of new value.

President and COO

A. Fushimi

Improving the Split-Shift Scenario

Split shifts refer to times when employees are required to take relatively long breaks between working hours. In the restaurant business, this might be between working breakfast hours and then having to come back to prepare for dinner. In hotel reception, it might be between check-out hours and check-in hours. We are working to eliminate such split shifts that place psychological and substantive restrictions on our employees’ free time.

Ambassadors

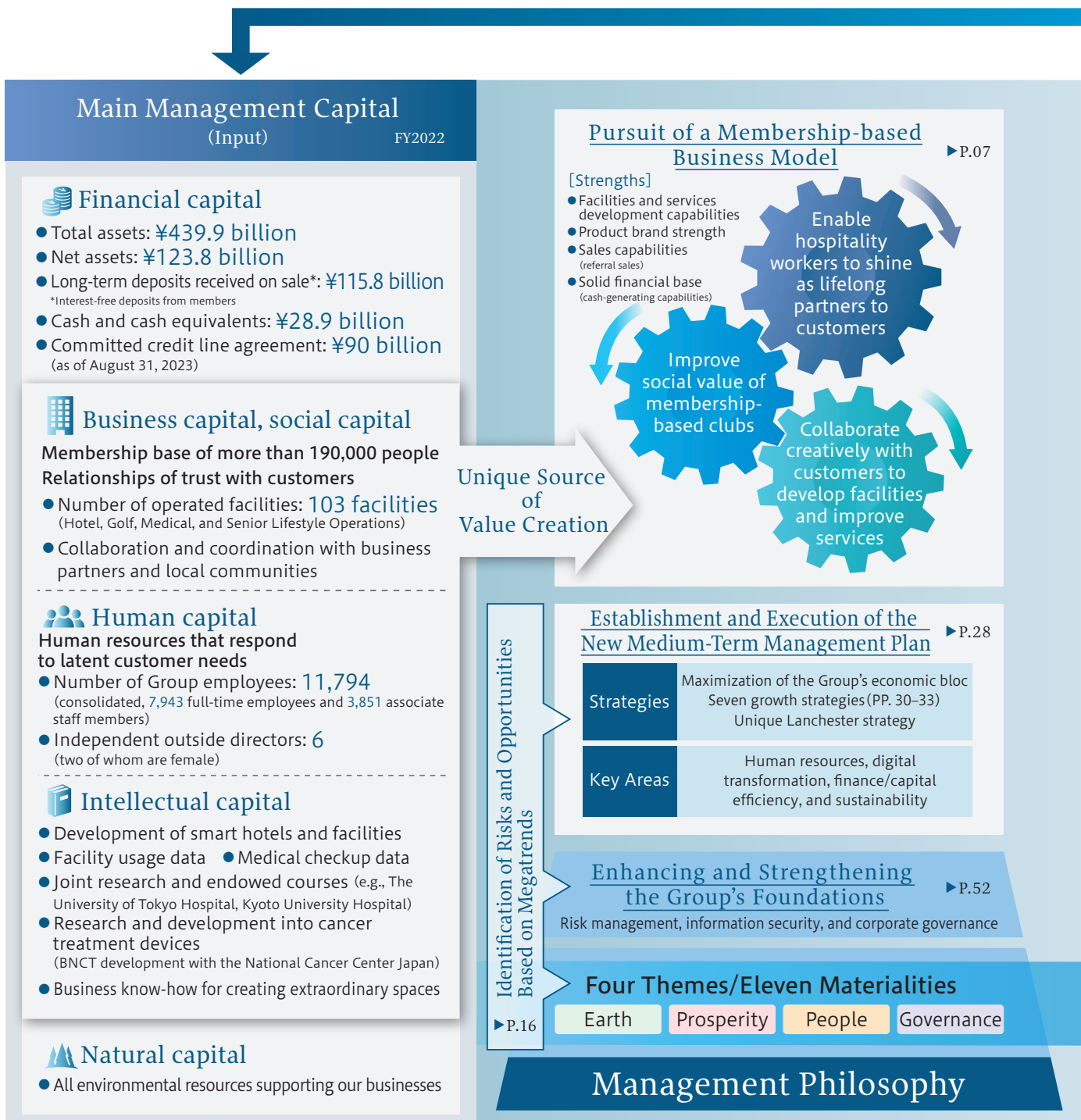
Our brand ambassadors are staff members who are the face of each facility and whose central role is to provide hospitality. They team up with mini ambassadors from each department to develop plans and otherwise work cooperatively. Their activities are based on our human resource development method, which we call the Pleasure Program.

P.17 Risks, Opportunities, and Materiality

Our Value Creation Process

In response to the changing social environment, the Resorttrust Group has been fostering genuine engagement with customers and, with their expectations as the driving force, it has expanded into new fields related to leisure and health, including Medical and Senior Lifestyle, from its original focus on resorts. Despite increasing uncertainty about the future external business environment,

Group Identity Together for a Wonderful Life



it aims to continue as a corporate group that can contribute to society as a whole while steadfastly protecting the unique and distinctive brand that it has developed.

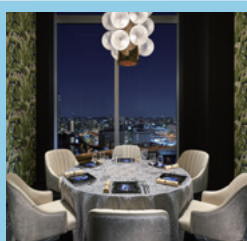
—Creating a more affluent, happy time—

Fields for Achieving Sustainable Growth (Output)

Leisure



Membership Operations



Hotel and Restaurant Operations

Leisure × Health =
Unique Value-Creation Fields
(Stakeholder Well-Being)



Medical Operations



Senior Lifestyle Operations

Health

Management with a Focus on Sustainability

Consideration of Business Fields in
Response to Risks and Opportunities

Value to Be Created (Outcome)

FY2022
(previous fiscal year in brackets)

Shareholder value

- TSR 103.0% (100.3%)
- ROE 15.4% (5.3%)
- Payout ratio 28.3% (55.3%)

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 healthy life expectancy

- Promotion of general health checkups
- Expansion of operations support for medical institutions
- Support for and reduction of care requirements of residents in nursing care facilities

Demonstrating diversity and a rewarding work environment

- Ratio of female managers (consolidated): 18.3% (18.4%)
- Ratio of non-Japanese managers (consolidated): 3.8% (3.7%)
- Ratio of mid-career hires to new hires (non-consolidated): 41.5% (37.3%)
- Childcare leave usage ratio for male employees (non-consolidated): 65.8% (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 use and energy-saving initiatives
- GHG reductions (Scope 1 and 2 compared with FY2019): 5.9% (4.3%)
- Coexistence of nature and resort facilities

Risks and Opportunities/Materiality

Against a backdrop of global environmental issues such as climate change, resource depletion, and environmental pollution, many different risk factors can be expected, but the Resorttrust Group would rather perceive these factors as opportunities for business.

Acceleration of declining birth rate and aging population, and concentration of population in urban areas

Growing importance of decarbonization and environmental considerations

Further evolution of digitalization

Decrease in working age population and shortage of labor

Growing needs for services related to health, medical care, and nursing care

Increase in affluent sector population and their assets

Recovery of inbound and travel needs

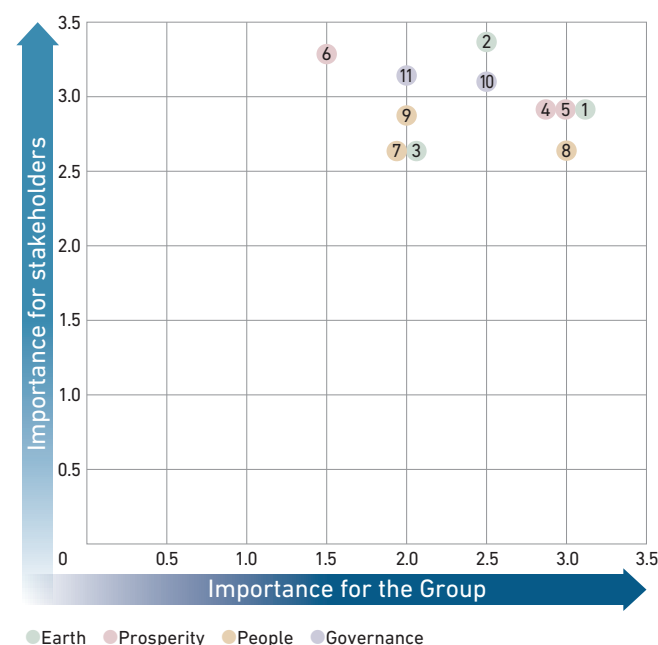
Risks and Opportunities

Risks and opportunities for the Resorttrust Group	Specific measures	Associated materialities
Expansion of services to meet the aging member and Japanese domestic populations	<ul style="list-style-type: none"> Expansion of new residential products that fully leverage the Group's member base Establishment of in-home nursing care stations and hospice care services 	4 5
More environmentally friendly business operations based on empathy from customers	<ul style="list-style-type: none"> Installation of solar power panels at 37 domestic locations Adoption of optimal energy systems, including power storage systems Reduction of waste plastics, including packaging materials for amenities provided in hotel rooms 	1 2 3
DX that meets the detailed needs and dramatically increases productivity	<ul style="list-style-type: none"> Investment in digital and improvement of IT literacy Promotion of digital marketing Centralized management and effective utilization of the Group's human resource data 	5 9
Build a unique system that attracts, retains, and enables human capital to play an active role	<ul style="list-style-type: none"> Reduction and elimination of restrictions on employees' free time outside of normal working hours Support for childcare and nursing with the focus on a work-life balance Provision of opportunities for diverse human resources to play active roles through measures such as employee referral hiring and hiring of foreign nationals 	6 7 8 9
Tailor-made solutions based on data assets	<ul style="list-style-type: none"> Tailor-made services through integrated database development and AI utilization, including development and provision of supplements based on the results of consultations Activation of clubs through networking among members 	4 5
Proposal to meet the diversifying needs of the affluent sector, and capturing of overseas demand	<ul style="list-style-type: none"> More extensive provision of value leveraging alliances with other companies Partnership with overseas affluent clubs Proposal for affluence, combining leisure and health with values for the future 	4 5

Medium- to Long-term Materiality

In this age of VUCA (volatility, uncertainty, complexity, and ambiguity), the world is changing dramatically and a wide range of risk factors can be expected. However, by integrating the data assets and digital technologies that we have accumulated in the roughly 50 years since our foundation, we are establishing unique tailor-made solutions that are helping us to accelerate business growth. At the same time, the financial assets of people in their 50s, which is the average age of members joining the Group, through to people in their 80s, which is the parent generation of people in their 50s, are on an upward trend through to 2030. If we are able to properly capture the diverse needs of these affluent people in Japan and overseas, including the need for end-of-life care, well-being, and lives that are healthy and satisfying, then we will be able to achieve even greater market growth and service expansion.

■ Materiality matrix



■ Resorttrust Group's Materiality

Division	Category	Resorttrust Group themes	Materiality	KPI targets	FY2022	Associated goals
E	Earth	<ul style="list-style-type: none"> Reducing the burden on the natural environment (living in harmony with nature into the future) 	1 Reducing greenhouse gas emissions	<ul style="list-style-type: none"> GHG (Scope 1 and 2) reduction (consolidated) 2030: 40% reduction compared with FY2019 2050: Carbon neutral Reduction in the provision of 12 specified plastic-containing products* (non-consolidated) FY2027: 40% reduction compared with FY2019 Percentage of food waste recycled, etc. (non-consolidated) FY2027: 65.6% 	134,245 t-CO ₂ (5.9% decrease compared with FY2019) 43.06 t (1.5% decrease compared with FY2019) 51.9%	
			2 Reducing plastic and food waste			
			3 Biodiversity conservation			
S	Prosperity	<ul style="list-style-type: none"> Achieving "Together for a Wonderful Life" Co-creation of the Resort Trust Group's unique added value 	4 Offering services that accompany the lives of each and every person	<ul style="list-style-type: none"> Number of members (consolidated) FY2027: 225,000 	195,000	
			5 Pursuing service quality, safety, and innovation			
			6 Contributing to regional revitalization			
	People	<ul style="list-style-type: none"> "Wonderful Life" for staff 	7 Promoting diversity and inclusion	<ul style="list-style-type: none"> Ratio of female managers (consolidated) FY2027: 25% Gender pay gap (consolidated) FY2027: 75% Childcare leave usage ratio for male employees (consolidated) FY2027: 85% 	18.3% 69.4% 63.8%	
			8 Pursuing happiness for all staff			
			9 Developing abilities and careers			
G	Governance	<ul style="list-style-type: none"> Strengthen governance 	10 Engaging in highly transparent and fair business operations	Strengthening governance and risk management systems, and improving corporate value through constructive dialogue with investors	IR meetings with institutional investors, Approximately 200 times a year	
			11 Disclosing non-financial information and promoting dialogues with stakeholders			

Notes: 1. Categories based on the ESG reporting guideline Stakeholder Capitalization Metrics.

2. Consideration of monitoring indicators and target figures is ongoing.

* Twelve plastic-containing products specified by the government under the Act on Promotion of Resource Circulation for Plastics. Results indicate the amount of virgin plastic excluding biomass, etc.

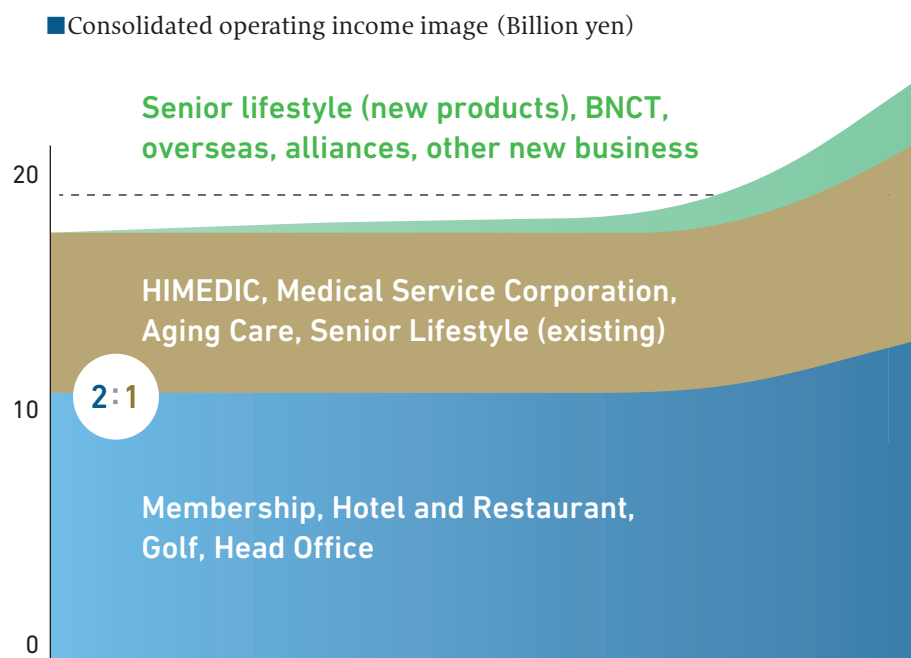
Road Map to Achieving the Long-term Vision

Celebrating its 50th anniversary, the Resorttrust Group has established the new medium-term management plan for the five-year period from April 2023 to March 2028. Firmly connecting the various operations we have built up over the years through horizontal collaborations, our aim is to become a Group with close, lifelong ties with our customers.

Our basic strategy for achieving our long-term vision is to realize true Group management by putting our Group identity—“Together for a Wonderful Life”—into practice.

The image to the right illustrates our planned long-term profit growth. By maintaining growth of 10% per annum going forward, we can expect to double profits over the coming 10 years. At that point, profitability of our high-growth Medical Operations could equal or exceed profitability of our Hotels Operations.

Below this chart is a list of achievements and challenges from the previous medium-term management plan and strategic elements for the new medium-term management plan and beyond. As part of the evolution of Group management going forward, we will develop a data platform through human capital investment and DX implementation, and strengthen our operations through back office and business portfolio reform as we work to realize long-term stable growth that is unique to our Group.



Connect 50

April 2018 to March 2023

Achievements

- Stronger inter-divisional connections and collaborative structures
- Expanded sales channels using IoT
- Extensive connections with customers and timely provision of information through apps
- Increased number of members
- Increased spending per member

Issues

- Address labor shortages and increase sales through improved productivity
- Implement price revisions for membership sales

Sustainable

April 2023 to March 2028

Main strategic elements

- Open three Sanctuary Court properties
- Strengthen profitability by raising selling prices
- Strengthen investment in human capital and IT
- Strengthen investment in repair and maintenance
- Develop innovation

10-Year Vision



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

1:1

Connect

Next medium-term management plan

From April 2028

- Continued membership growth
- Start selling reinvestment properties
- Make innovation profitable
- Initiate the XIV rebuilding model
- Operating income (Medical) of more than 10 billion yen

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

Directors Roundtable

(President's discussion with Four Outside Directors)

President and COO Ariyoshi Fushimi joined four Outside Directors—Tomoyo Nonaka, Asako Terazawa, Yoshinobu Kosugi, and Kazuhiko Aramoto, who is also an Audit and Supervisory Committee Member—for a roundtable discussion. Focusing on the strengths, challenges, and directions of the Resorttrust Group, discussions centered on maximizing the value of the membership-based business, which the COVID-19 pandemic brought back into the spotlight, and how to foster the human resources who are the source of value creation.



Maximizing the Value of the Membership-based Business

Fushimi: The pandemic allowed us to rediscover the roots of our membership-based businesses, which we operate in a diverse range of areas, from hotels to golf courses, and medical and senior lifestyle services. But I think we need to clarify what type of business we are in as a Group and what our purpose in society is, and create new value as a membership-based business group. For example, one idea is to develop mechanisms for working with members, or for members to work with each other, to contribute to the environment and local communities, and thereby raise the significance of clubs in society. I would like to take this opportunity to ask you all for your opinions on how we can maximize the unique value of our Group.



President and COO
Ariyoshi Fushimi

Joined the Resorttrust Group in 1990. Appointed as Director in 2005, Managing Director in 2013, Senior Managing Director in 2014, and Executive Vice President in 2016. Served as President and Chief Operating Officer from April 2018 (to present).

Nonaka: Unlike clubs where members share a specific interest, I think the great appeal of Resorttrust is our Group identity—"Together for a Wonderful Life." In

addition to offering top-class spaces and hospitality for sharing joyful life events, I think our unique strength lies in our ability to provide a platform to bring these together, while our Medical Operations are also maintaining the life and health that underpin a fulfilling life. So one idea would be to focus on providing a life concierge service as a platform for improving quality of life for all of our members and to provide opportunities for members to interact together to strengthen this function. Rather than just enjoying golf as a hobby, we could also provide opportunities for members to listen to medical professionals talk about heart attack risks on the golf course. You see, by not focusing on hotels alone, we could think of a whole range of initiatives.

Kosugi: I agree. It would certainly be better to put aside the mindset of working "for hotel members," and instead focus on the idea of providing "living spaces for people that go beyond just hotels."

Terazawa: "Together for a Wonderful Life" is truly a system that provides for members from the cradle to the grave. Our members all have different values and interests. In terms of our hotels, the value we can provide ranges from tangible things like wonderful buildings, guest rooms, and meals to intangible things like hospitality. For medical services, it could be the value of lifetime support to maintain life and health for our individual members or the employees of our corporate members. Personally, I am interested in our employees, who create this unique value, and the way



they connect beyond the normal business framework to generate a new level of hospitality in inspiring experiences that exceed customer satisfaction at our various facilities. For example, faced with the pandemic, some members gave up on the idea of an overseas honeymoon and instead stayed at several of our domestic hotels. In response, our brand ambassadors planned room decorations, meals, and events around the theme of countries where the members would have traveled. Then, at the last of the facilities, the guests were given a photo album of memories documenting their stays across our facilities. Resorttrust is a group of people who can deliver such outstanding hospitality. And I expect that before long, we will see people coming from around the world in search of best practices to see how we foster our human resources. While providing opportunities for interaction between our members is one idea, I think it might be even better to develop hospitality networks that include our Group employees because they are the ones who build trusting relationships with those members.

Kosugi: By evolving and deepening relationships with members, who are our customers, as they circulate through Resorttrust's economic bloc, I see how we can transition them from customers to regular clients, and then to supporters, fans, and finally friends. As Ms. Terazawa said, I believe that actively implementing measures that allow every employee to be motivated and proud in their work, and fostering those feelings within the organization, will surely lead to customer hospitality.



Outside Director

Yoshinobu Kosugi

Worked in the media industry at Nippon Television, serving in production, as head of sales, and as Representative Director and President. Served as Auditor at The Yomiuri Shimbun Holdings from 2018 (to present), as Advisor at Nippon Television Network Corporation from 2022 (to present), as Outside Director at SBS Holdings, Inc., from 2023 (to present), and as Outside Director of the Company from June 2023 (to present).

Creating Environments That Improve Employee Job Satisfaction

Fushimi: Thank you very much for your valuable opinions. I think you would agree that we can improve satisfaction of both employees and members if our employees find it rewarding to be part of a membership-based group. We are celebrating our

50th anniversary this year, so we are providing opportunities for our employees and their families to also experience our Group facilities. I would like them all to feel pride in a family member working for our company.

Directors Roundtable

Kosugi: Yes, having a member of your family say that you work for a wonderful company has a tripling effect on your energy at work.

Terazawa: The Group is putting a lot of effort into employing people with disabilities. In one case, I heard that we invited the parents of one of our employees with disabilities to XIV to see where their child worked, and that they were immensely proud. When developing the new medium-term management plan, there was discussion of inverse pyramid organizations, and I think that is a really important concept. The most significant feedback we get is from our frontline employees as they are the ones in most contact with our members. It is the role of our managers to support them to make their jobs easier, and then our general managers are responsible for providing the necessary support to the managers. This is the concept on which we run our hotels. Top-down education alone is not enough. At each of our facilities, brand ambassadors team up with mini ambassadors to coordinate online lessons and digital transformation while working out ways to improve the facilities. I think this is providing us with excellent learning opportunities for demonstrating the unique hospitality that only we can provide. With lateral and bottom-up connections in addition to top-down connections across the organization, we can learn new things every day from the various ideas and thinking that come from our colleagues, including people with disabilities and different genders, which provides important learning opportunities.

Aramoto: Some of the places I visit as Audit and Supervisory Committee Member are facing labor shortages due to regional issues and other factors. We really need the human resource development that Ms. Terazawa spoke about. I also think it essential



Outside Director
Asako Terazawa

Worked as Assistant to the President, and as Professor of the Department of Management Synthesis, at Chubu University. Specializes in management organizational theory and organizational behavior theory and has taken part in research into motivating employees and organizational reform. Has also served as a member of various government committees, as a trustee of a social welfare organization, and as director of a foundation. Became an Outside Director of the Company in June 2018 (to present).



Outside Director and Audit and Supervisory Committee Member

Kazuhiko Aramoto

Joined Nippon Telegraph and Telephone Public Corporation (currently Nippon Telegraph and Telephone Corporation) in 1982. Was involved in technological strategy, and services for corporate clients, etc., serving as Managing Director at NTT Communications Corporation and as President and CEO at NTT Com Engineering Corporation. Served as a Full-time Audit and Supervisory Board Member at NTT Communications Corporation from 2020 and as Outside Director of the Company from June 2023 (to present).

to systematically strengthen these mechanisms, from career development plans to required training programs, so that our employees can take on challenges on their own accord rather than being told what to do.

Fushimi: An important element of employees having pride in their work, regardless of their department or position, is that they feel a sense of personal growth.

Nonaka: It is also really important that customers say “thank you” and that immediate managers see that appreciation.

Kosugi: People experience the most growth when fulfilling their responsibilities, so another role of managers is to help their employees gain confidence. It might be beneficial to take stock of the qualifications and skills of employees across the Group to work backward and identify the talent we have internally.

Terazawa: I heard that some talented musicians among our staff gave customers a special Christmas performance that was really well received. So it is also a good idea to manage a wide range of talents, not just business skills, while leveraging digital technologies.

Nonaka: We could also take the opportunity of our 50th anniversary to focus on personal skills like that. We could create a “Resorttrust Code” from simple Group-wide guidelines that form the basis of “Together for a Wonderful Life,” link that to skills and growth of individual employees, and utilize it in career development. It might also be good to continue initiatives for mutual encouragement while making the qualities and strengths of our employees more visible, which we can foster into a new corporate culture.

Terazawa: Yes, continually telling people that they are not good enough is tiring for those people, so praising and nurturing is a good idea. Also, with each of our

facilities having different local characteristics, we can inspire our employees from the perspective of how much positive value, expressed in numbers, they bring to their workplaces through individual efforts, rather than using uniformly relative horizontal comparisons like occupancy rates. I think this would result in higher occupancy rates and lift levels of member satisfaction.

Kosugi: At Nippon Television, we had a system where we said “thank you” to entire divisions rather than individuals. Getting a monthly letter of appreciation from the president when they had done well helped lift team motivation as well.

Aramoto: At the NTT Group, we would practice praising each other, and everyone took the Hometatsu Japan, Level 3 test (master of praise) on the direction of the president. Because we all took the test, our corporate culture changed dramatically. Prior to that, people rarely crossed the invisible lines between jobs to help each other, but that changed so that now people are more willing to help each other. Many employees went on to Levels 2 and 1 as well. There was also a good system where employees would send each other “thanks cards” online and other people would click the Like button, which led to increased motivation.

Nonaka: Praise is really important, isn’t it? I also agree with the facility-specific evaluations that Ms. Terazawa spoke about. With each facility having its own characteristics, it is important to focus on “local” as the keyword. If employees and general managers can fully absorb the appeal of local and use that appeal to create a character for each facility, then they will comply with local codes in relation to food procurement and contribute to their communities through circular flows of the local economy. The idea is for Resorttrust to be a part of each local community.

Enhancing Corporate Governance

Fushimi: What are your thoughts on our Board of Directors and corporate governance structure?

Aramoto: I think that the Board of Directors is properly addressing the issues with their corporate governance structure and support for things like sustainability and environment.

Terazawa: I always discuss governance matters at the meetings, and I am impressed with how relevant departments are responding.

Aramoto: Although there are areas where we can keep costs down and prevent fraud through centralized purchasing, it is also important to value local characteristics, like Ms. Nonaka said, and procure food ingredients locally. I think there are many more areas where we can be flexible in our selection of suppliers by applying different approaches to different food ingredients.

Terazawa: In terms of employment, I understand that some Resorttrust Group hotels are offering work experience to local students through summer vacation casual jobs and internships. Then after graduation, those students are coming back to work for us. It is also great that they are developing give-and-take relationships in collaboration with local governments, with our employees helping to build excitement for local festivals and events.

Fushimi: Each of our facilities can further develop their own distinctive character by helping to revitalize the local economy through these mutually beneficial relationships. Thank you again for so many valuable ideas.



Outside Director

Tomoyo Nonaka

Worked as an anchorwoman at NHK and other networks before serving as Director for companies including Asahi Breweries, Ltd., and Nippon Broadcasting System, Inc. Founded the Gaia Initiative as an NPO in 2008 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).

Nonaka: There have been a number of reportable matters that I believe we could have given better advice on if the matter had been shared with us before reporting. I would like the Group to consider providing opportunities for us to give advice to the President as an advisory board situated between the Executive Committee meetings and Board of Directors.

Terazawa: There are time restraints at meetings of the Board of Directors that make it difficult to have a

Directors Roundtable

free exchange of opinions like we are having today. I think further promotion of diversity in management, including appointing female officers and electing non-Japanese officers, is an urgent issue that the Company is facing.

Toward Sustainable Growth

Terazawa: Human resource development is our foundation for achieving sustainable growth for the Group. What is essential, in terms of member satisfaction and employee growth, is the trust that we generate through contact with customers. However, I also recognize that there are still many challenges to address if we want to make further improvements. I agree with Ms. Nonaka's suggestion about establishing a "Resorttrust Code" to guide the first-rate hospitality that only the Resorttrust Group can provide. I am sure that skills and mindsets that can be used in common are included in the know-how of our staff, not only in Hotel Operations but also in Medical and Senior Lifestyle Operations. By developing a unique corporate culture, we will become a company that attracts even more attention globally than it does at present. Our global expansion will certainly accelerate once people start coming here from around the world to see how we foster our human resources.

Kosugi: Yes, that's right. As discussed at the beginning, if we are to encourage interactions between members to establish a club lifestyle that delivers outstanding quality of life, I think it is essential for Group employees to fully engage with those members. How we develop the club lifestyle will depend on how this engagement occurs, so we have to consider fostering a climate where human resource development is based on praise, which will help to expand the potential of our employees.

Aramoto: When visiting our facilities, I have seen cases where a smile from an employee has been returned with a smile from the members, which makes me feel how wonderful it is to offer that first smile. We have connections with customers that are not possible at ordinary hotels, so we should continue to cherish the initiatives that can come from those connections, and this will lead to sustainable business operations. I think it is important, therefore, to continue providing added value by enhancing connections built on the foundations of customer-centric health, leisure, and beauty.

Fushimi: From the perspective of the ratio of male to female employees, I think around one-third of managers being women seems reasonable. In terms of diversity, I think we could also incorporate more diverse perspectives in discussion if we had doctors and other professionals on the management team.

Nonaka: For the past 50 years, we have had a focus on "luxury," such as enjoying a delicious meal after hard work, but the keyword going forward is going to be "sustainability." The external business environment in which the Resorttrust Group operates is changing rapidly, and this is something that we must consider. One of those changes is in the customer base that supports our membership-based business. We therefore also need strategies to establish human resources, under the control of the president, who will plan overseas strategies that consider our Asian customer base, including China and India, in addition to Hawaii. And considering future markets, the most important thing of all is the future of the Earth. In fact, contributing to the future of the Earth is more valuable than just business. Going forward, we will be asked questions like our per-customer GHG emissions across the Group. So it is important that we also develop mechanisms for visualizing and explaining our environmental contributions, such as how we improve water management as a direct consequence of providing accommodation to our members.

Fushimi: Implementing environmental initiatives with the understanding and cooperation of our members will help differentiate ourselves as a Group and develop the club culture. In terms of overseas expansion, I think we also have to communicate and extend various Japanese models, as an aging first-world society, around the world. The Japanese style of nursing care, and Japanese food culture that leads to long, healthy lives, are examples of those models that we will have to propose so that our overseas customers will want to spend their later years with us in Japan. Obviously, we have to expand our customer base and invest in rebuilding facilities to achieve medium- to long-term growth. However, today's discussion has also shown that the most important things when considering the purpose of our clubs are employee job satisfaction and corporate culture. Thank you for your time today.

Messages from New Directors



Providing enriching experiences and spaces

Yoshinobu Kosugi Outside Director

For 47 years, I have worked in the television media industry, enriching the lives of viewers through my work. The Resorttrust Group is also in the business of providing members with enriching experiences and spaces. I am honored to be part of a Group whose identity is “Together for a Wonderful Life.”

Worked in the media industry at Nippon Television, serving in production, as head of sales, and as Representative Director and President. Served as Auditor at The Yomiuri Shimbun Holdings from 2018 (to present), as Advisor at Nippon Television Network Corporation from 2022 (to present), as Outside Director at SBS Holdings, Inc., from 2023 (to present), and as Outside Director of the Company from June 2023 (to present).



Maintaining sound corporate activities

Yasushi Toda Director and Audit and Supervisory Committee Member

The Audit and Supervisory Committee is contributing to continued growth of the Group while sharing the values of those working toward successful completion of “Sustainable Connect.” As the full-time chairman of this committee, I will execute our auditing functions to ensure smooth incorporation of new knowledge within the organization and maintenance of sound corporate activities.

After working at The Tokai Bank, Ltd. (currently MUFG Bank, Ltd.), and serving as Managing Officer at Mitsubishi UFJ Staff Service Co., Ltd., joined the Resorttrust Group in 2014. Serving as General Manager of the Risk Management Division, and then concurrently as General Manager of both the Risk Management Division and Quality Control Department, became Assistant Manager of the Audit and Supervisory Committee Secretariat in 2022. Served as a Director and Audit and Supervisory Committee Member from June 2023 (to present).



Providing customers with value as lifelong partners

Kazuhiko Aramoto Outside Director and Audit and Supervisory Committee Member

I aim to leverage my previous experience in corporate management and driving digital transformation to help bring happiness to shareholders, customers, and employees through “Sustainable Connect.” As a lifelong partner, the Resorttrust Group provides its customers with outstanding value through leisure and health services, and I am proud to be able to serve such a company.

Joined Nippon Telegraph and Telephone Public Corporation (currently Nippon Telegraph and Telephone Corporation) in 1982. Was involved in technological development, technological strategy, and services for corporate clients, etc., becoming Managing Director at NTT Communications Corporation in June 2015 and President and CEO at NTT Com Engineering Corporation in 2016. Served as a Full-time Audit and Supervisory Board Member at NTT Communications Corporation from 2020. Has also served as an Outside Director and Audit and Supervisory Committee Member of the Company from June 2023 (to present).



Fulfilling supervisory duties from an objective standpoint

Hirofumi Nishihara Outside Director and Audit and Supervisory Committee Member

Working for many years at a leading provider of auditing services, I have had contact with many companies through financial audits and consulting services. I have served as an Audit and Supervisory Committee member and have worked as an auditor. I hope to utilize my experience in the Board of Directors meetings and elsewhere to fulfill my duties in corporate governance supervision from an objective standpoint.

Became registered as a certified public accountant in 1989, and a partner at Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC) in 2004. After becoming registered as a certified tax accountant in 2020, served as a director of a tax accountancy company, as a supervisory auditor for a company, and as a representative partner (all present roles). Also became Auditor of the Hokkaido Higher Education and Research System in 2022 (to present). Served as an Outside Director and Audit and Supervisory Committee Member of the Company from June 2023 (to present).

Medium-term Management Plan

Review of the “Connect 50” Rolling Plan (April 2021–March 2023)

Despite various restrictions on sales activities during the pandemic, we took the opportunity to define the Group identity—“Together for a Wonderful Life”—and we have created stronger ties than ever within the Group. Given these physical restrictions, we worked to strengthen ties with customers using digital technologies and to provide new products and services. This led to renewed interest in membership-based systems and to our highest number of members ever, with membership in FY2022 being 1.5

times higher than in FY2019 before the pandemic, and spending per member increasing by around 20%.

Due to a contraction in our non-membership hotels business during the pandemic and rapid increases in the cost of energy and materials, our profits for FY2022 were lower than original estimates. However, we expect that our measures to address rising costs to secure profits, and the effects of productivity improvements, will put us in a strong position to recoup these lost profits.

■ Basic Policy

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

“Together for a Wonderful Life”

■ Strategies

Strategy based on the needs during the COVID-19 crisis

Provision of new value and product development with the Sanctuary Court series at the core

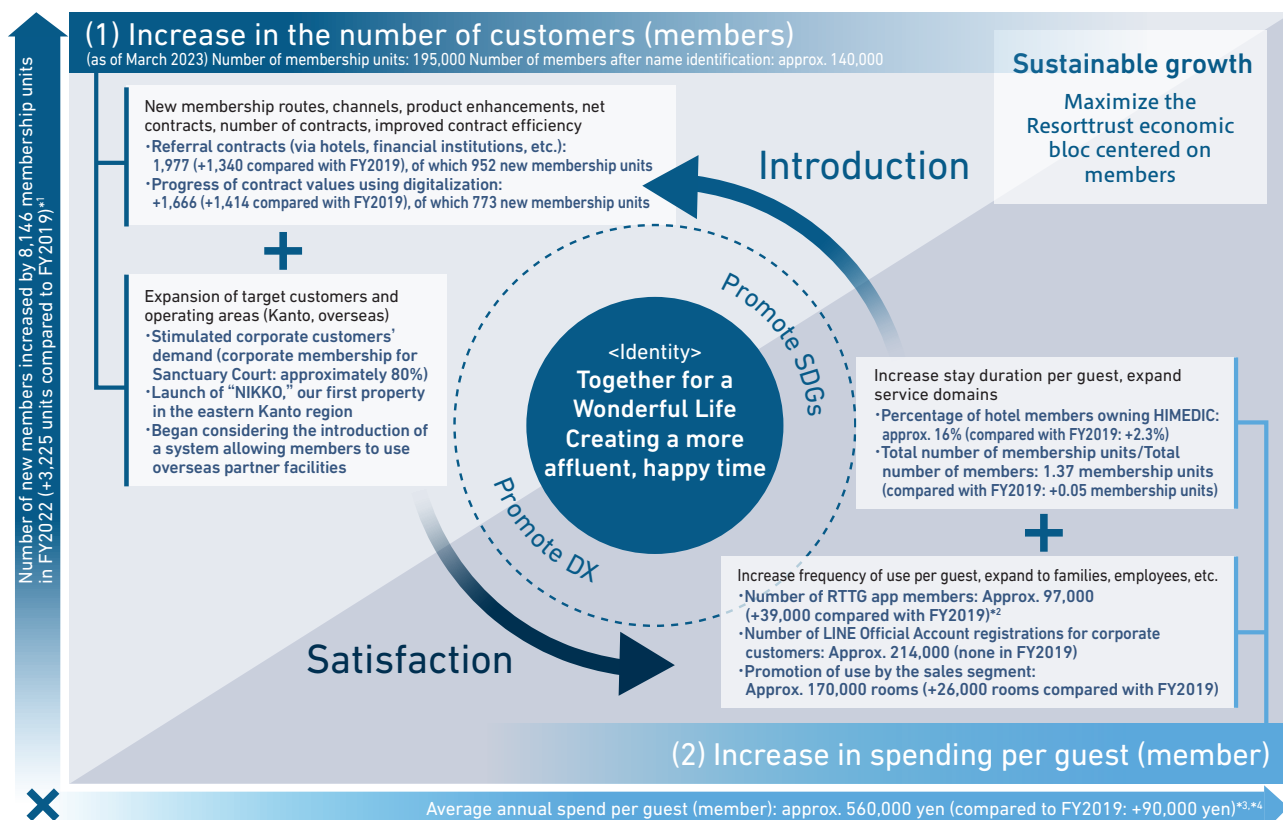
Utilize expertise of medical operations

Group’s unique measures and customer follow-up system, such as infection prevention measures and provision of medical information

Enhance business synergies

Evolution of a collaboration between hotel and medical operations and between sales and operations segments

Implementation of Strategies in “Connect 50” Rolling Plan



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

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

*3 Estimated by Hotel and HIMEDIC members

*4 Includes membership fees

Financial Data

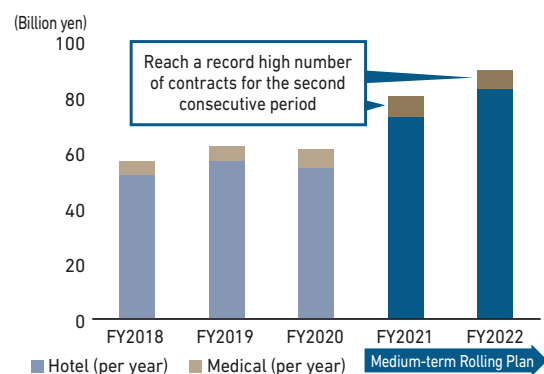
■ Various Indicators (Consolidated)

(Million yen)

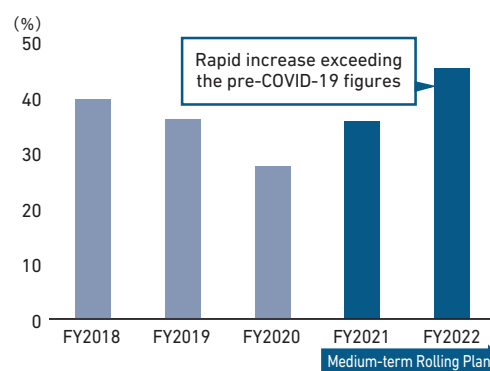
	FY2018	FY2019	FY2020	FY2021	FY2022
Net sales	179,542	159,145	167,538	157,782	169,830
Operating income Operating income ratio	18,877 10.5%	11,652 7.3%	14,707 8.8%	8,693 5.5%	12,270 7.2%
Return on equity (ROE)	10.0%	5.6%	(8.4)%* ¹	5.3%	15.4%

*1 ROE excluding the impact on net income attributable to owners of parent and shareholders' equity due to impairment loss of ¥22 billion: 6.8%

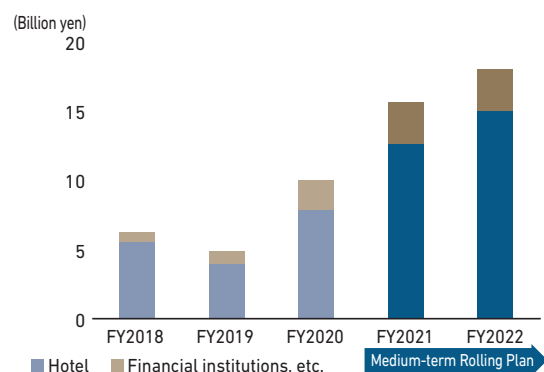
■ Membership sales (Hotel + Medical)



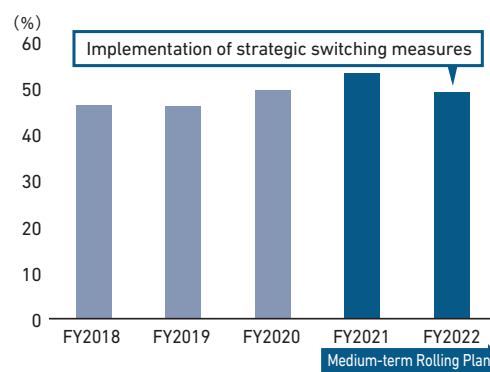
■ Weekday occupancy rate (XIV)



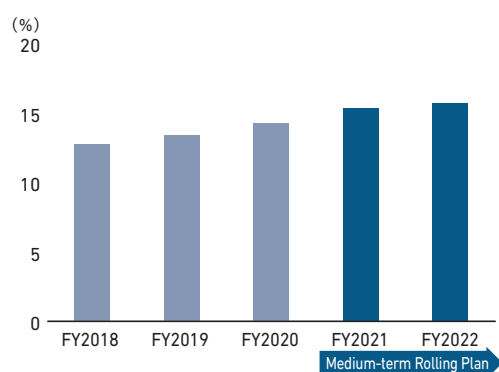
■ Number of referral contracts from the hotel segment and financial institutions



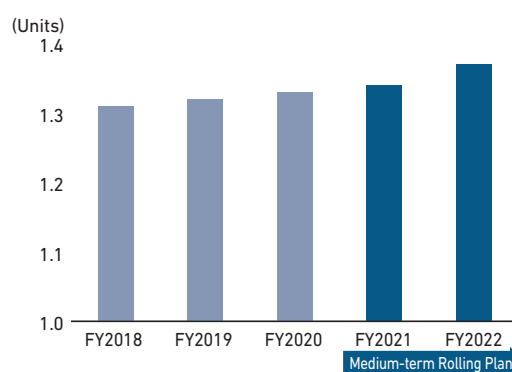
■ New ratio (ratio of units sold other than switching/additional purchases)



■ Percentage of HIMEDIC owners who are also hotel membership holders (XIV, Baycourt, and Sanctuary Court)



■ Total number of membership units/Total number of members



Medium-term Management Plan

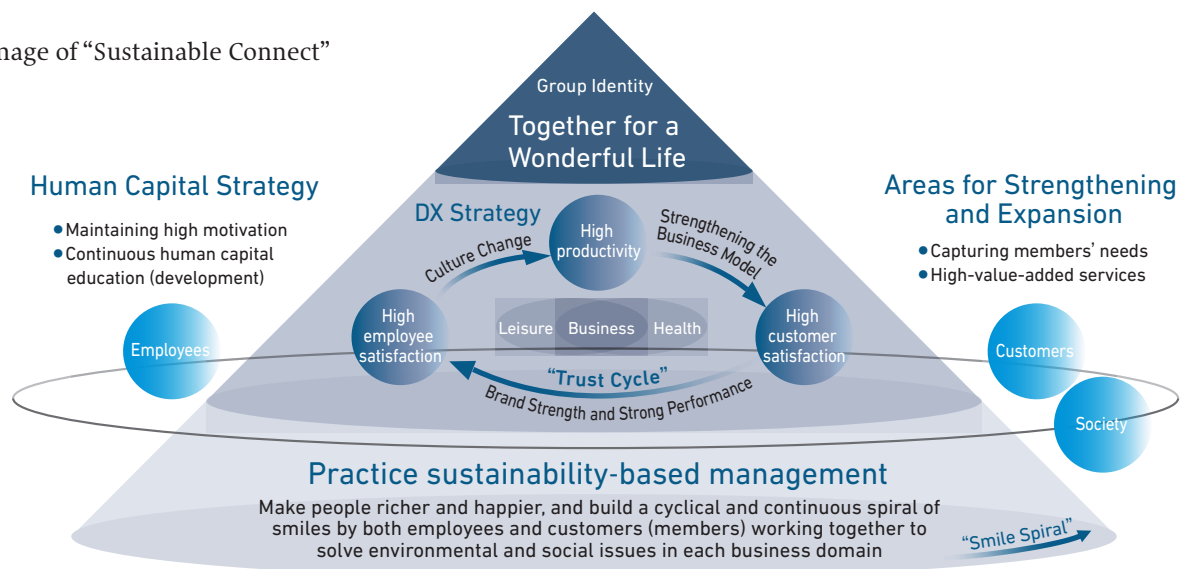
New Medium-term Management Plan: “Sustainable Connect” (April 2023–March 2028)

We have established three basic policies in the new medium-term management plan: (1) Promote sustainability management aiming at empathy and co-creation (realize “Together for a Wonderful Life”), (2) Improve productivity through customer-oriented corporate transformation activities (a spiral of “Smiles”), and (3) Improve profitability and create a stable business portfolio through expansion of overseas and domestic affluent sectors and related customers, and creation of new products and services (a spiral of “Trust” through “Challenge”). By putting these policies into practice, we are implementing sustainability management based on the Group identity—“Together for a Wonderful Life.” Based on these management policies, we have added four themes:

prosperity for all people associated with the Group, pursuing happiness for all staff, strengthening governance for sound management, and reducing the environmental burden to protect the Earth. We aim to achieve sustainable company growth through ongoing collaboration.

In the middle of our rapidly shrinking and aging society, there are increasing needs for local medical and nursing care, while decarbonization and other environmentally consciousness trends are also growing. By realizing sustainable management in line with the trends of a sustainable society, we believe that we will not only contribute to society but also develop new products and services.

■ Image of “Sustainable Connect”



Basic Policies and Strategies

Three basic policies

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

Strategies

- Growth Strategy (PP. 30–33)
- Human Capital Strategy (PP. 34–35)
- DX Strategy (P. 38)
- Financial Capital Strategy (PP. 39–41)
- Strategies by Segment (PP. 42–43)

Management Targets

■ Five-year common targets

Overall index	Operating income to net sales	Operating income growth rate	ROE	Return policy	Consolidated contract values	Hotel occupancy rate (total of all brands)
April 2023–March 2028	10% or more	10% or more per annum on average * FY2023 plan as starting point.	Aim for 12% above 10%.	Provide stable returns with a payout ratio of 40% or more.	FY2027: 10% growth (compared with FY2023 plan)	FY2027: 60% or more (compared with FY2023 plan +5P)

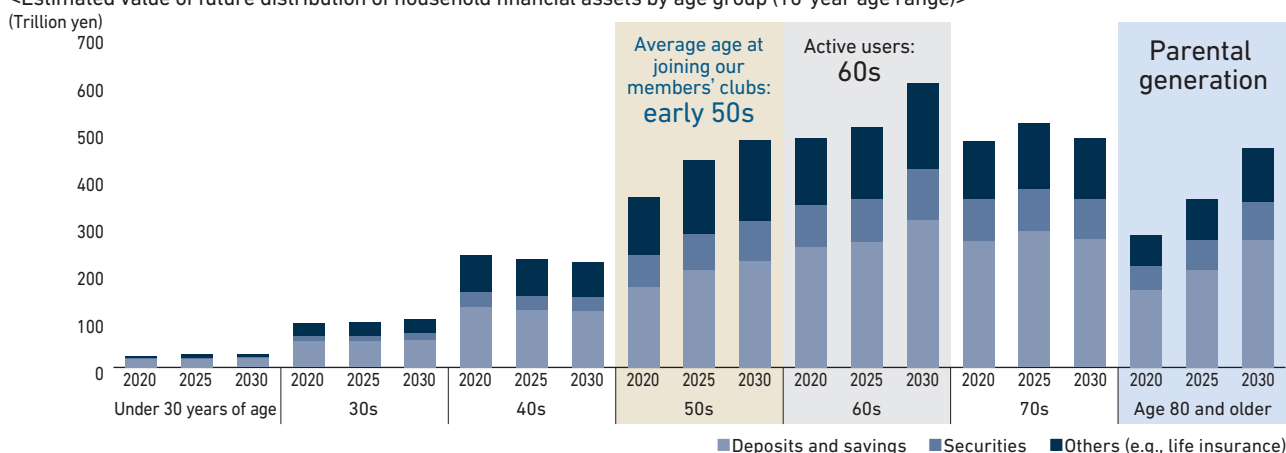
(Billion yen)				
■ Numerical targets for the next three years				
	FY2022	FY2023	FY2024	FY2025
Index	Previous year results	New medium-term plan first year revision targets	(Reference) Year 2 targets	Year 3 targets
Net sales	169.8	201.0	215.0	230.0
Operating income	12.2	19.0	20.0	23.0
Operating income growth rate	+41.2%	+55.7%	+5.3%	+15.0%
Ordinary income	13.2	19.0	20.0	23.0
Net income	16.9	14.0	13.0	15.0
ROE	15.4%	11.4%	10.1%	11.0%
Evaluated Operating Income	223	Property opening assumed each fiscal year, expecting an amount at about the same level as that of operating income		

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

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

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

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



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

Sources: Created based on data from Daiwa Institute of Research Ltd.

(Sources) "2019 National Survey of Family Income, Consumption and Wealth," Ministry of Internal Affairs and Communications; the "Household Projections for Japan: 2015–2040," National Institute of Population and Social Security Research; the "Flow of Funds Accounts," Bank of Japan; and "Japan's Medium-term Economic Outlook," Daiwa Institute of Research (January 2022)

Growth Strategy

Business Domain Expansion through Member Relationships

After many years operating membership-based services, the Resorttrust Group's strengths lie in its ability to create new value by being responsive to changing needs, whether due to the social climate or the circumstances of members themselves, while enjoying the fruits of new business opportunities and the profits that fund them. In the new medium-term management plan, we aim to strengthen connections between our various business services by employing the power of IT, including active utilization of the data we have acquired over the years, and driving DX in business. While launching a range of new initiatives as well, from further delivery of tailor-made services to building networks between members, we will develop an affinity with our members that helps us improve the value of our membership-based businesses and create new value that is unique to such businesses.

Business domains and value creation



Expanding Member and User Bases through Maximization of the Group's Economic Bloc

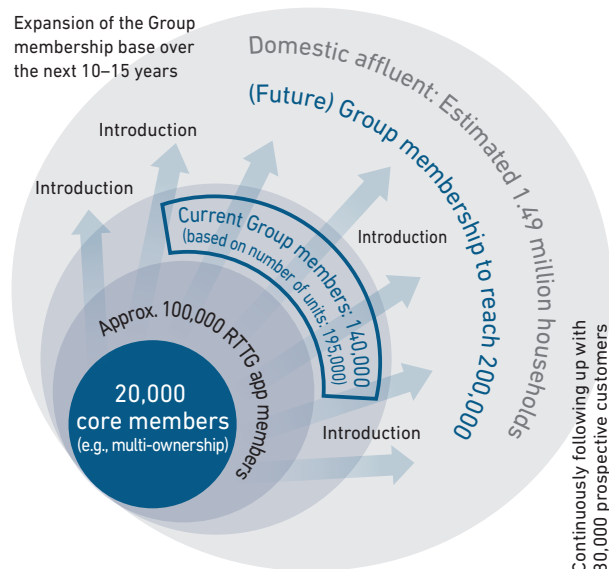
It has been reported that, as of FY2021 (the most recent data available), the affluent sector in Japan, meaning households with net financial assets of 100 million yen or more, was an estimated 1.49 million households, which was an increase of around 12% from FY2019.*1 On the other hand, with Group membership of 140,000 at present, we still have considerable room for growth and we are continuously following up with as many as 80,000 prospective customers. Over the coming 10 to 15 years, we hope to increase membership to 200,000.

Looking at the distribution of affluent households and members by area, our current member penetration rate*2 in the Kanto area is approximately 8%. Although lagging behind the Chubu and Kansai areas in this regard, one of the reasons is that there are such a large number of affluent households in this area. Because we had our start as a Group in Chubu, the scope for expansion in Kanto is relatively high and, because affluence itself is on the increase, we consider that there is still lots of room for expansion in both Chubu and Kansai as well.

*1 Estimated data by Nomura Research Institute, Ltd.

*2 Member penetration rate means the percentage of affluent households who are Group members.

Expansion of the member base



Area	Affluent households	Current members	Penetration rate (March 2023)	Estimate at 200,000 members
Kanto	About 650,000	About 50,000	8 %	14%
Chubu	About 230,000	About 40,000	17%	21%
Kansai	About 240,000	About 40,000	16%	20%
Other	About 370,000	About 10,000	2%	3%

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

Realizing Stable Occupancy through Strategic Expansion of Sanctuary Court

Sanctuary Court is a popular new brand of properties for us. Starting with Sanctuary Court Takayama, we are currently selling memberships for three properties in this series, with all three selling much faster than the standard performance of the past, which was 50%–60% sold by opening, and forecast to almost completely sell out by opening. About 80% of Sanctuary Court memberships are being purchased by corporate members with a higher frequency of use than that of individuals. Therefore, we are forecasting stable occupancy and cumulative cash flow per membership unit, over 20 years of use, of around 20%–30% more than conventional XIV properties.

■ Strategy/permanence of Sanctuary Court

- ◎Medium-sized properties (approx. 120–160 rooms): More candidate locations
- ◎Five nights floating use per month: Easier to stabilize occupancy rates
- ◎High security deposit rate (approx. 15%): Greater maintenance resources
- ◎Set contract term (50 years): Meeting corporate demand

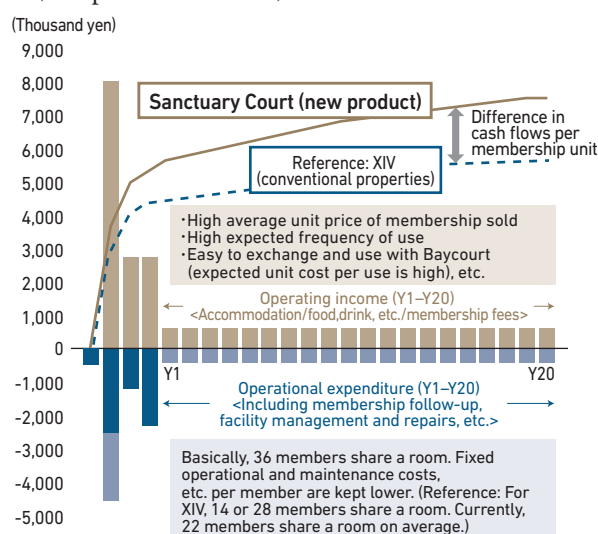
■ Progress of three Sanctuary Court properties (as of March 31, 2023)

Facility (number of rooms)	Start of sales	Progress rate of contract (transitional period)	Scheduled date of opening
TAKAYAMA (121 rooms)	June 2021	78.4% (22 months)	March 2024
BIWAKO (167 rooms)	March 2022	55.3% (13 months)	October 2024
NIKKO (162 rooms)	October 2022	33.5% (6 months)	February 2026

■ Comparisons of actual member usage

Average number of rooms used per member	FY2022 (living with COVID-19)		FY2019 (pre-COVID-19)	
Membership subject	Legal entities	Individual	Legal entities	Individual
XIV members (47% corporate members)	6.3 rooms	6.2 rooms	6.7 rooms	5.7 rooms
Baycourt members (66% corporate members)	7.8 rooms	7.1 rooms	7.9 rooms	6.9 rooms
Sanctuary Court members (81% corporate members)	8.2 rooms	7.6 rooms	—	—

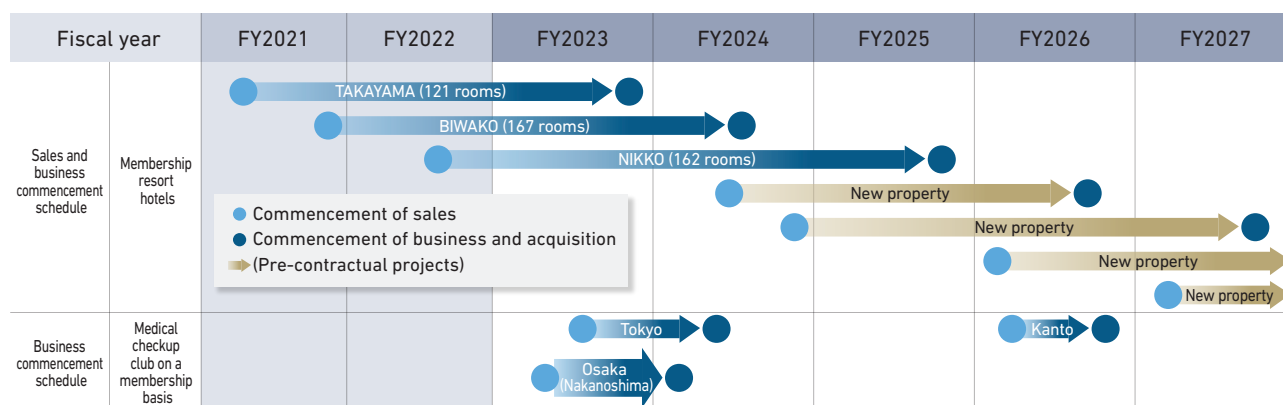
■ Expected future effects of Sanctuary Court (comparison with XIV)



Expanding the Development Pipeline as a Source of Growth

With our aim, from FY2024 onward, to develop membership-based hotels at a pace of one property per year, we currently have seven candidate locations (including for FY2027 and beyond). We are also planning to open HIMEDIC facilities, which provide high-precision health checkup services, in three new locations during the period of the new medium-term management plan. With these, we expect to achieve our current HIMEDIC membership target of 42,000 members.

■ Sales and business commencement schedule (as of August 10, 2023)



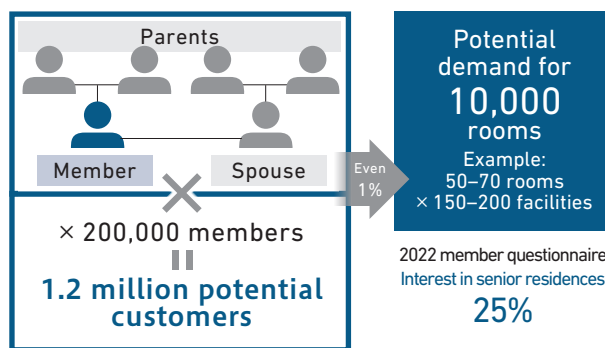
New Developments in Senior Lifestyle Operations

1. Maximizing Lifetime Value for Existing Members

With an overwhelming customer base not enjoyed by other companies, and synergies with Medical Operations and Hotel and Restaurant Operations, our Senior Lifestyle Operations are currently focusing on nursing-type facilities. However, there is a difference between the average age of hotel members (64 years old) and the age when our customers enter these facilities (early 80s). For this reason, in terms of residences for healthy members, we are developing new products to be considered as additional purchases, like memberships tailored to the needs of existing members such as future care needs, health maintenance, and solutions for everyday problems. In this way, we can expect to improve the overall balance of room types and improve occupancy rates as members transition to the nursing-type facilities. We will then actively develop our hospice care-type operations, which we believe will have a compounding effect to increase occupancy rates, and will dramatically expand the scope of these operations as both value propositions and social value.

The interest in such senior residences among members is not insignificant, amounting to around 10,000 rooms even if just 1% of potential demand results in purchases. By developing products and services that meet a wide range of member needs, we are focusing on Senior Lifestyle Operations as a business that we forecast will grow enormously over the medium to long term.

■ Market size within the Group's economic bloc



2. Opening In-home Nursing Care Stations

In FY2023, we opened a HIMEDIC in-home nursing care station at Trust Garden Sakurashinmachi, one of our paid nursing homes with nursing care. We launched a hospice care service at the facility and plan to expand this business to other facilities in the future.

With a super-aging society, Japan is facing the social challenge of insufficient numbers of medical institutions and medical professionals to meet the country's growing need for medical care. Under such circumstances, some older patients who require constant medical support,

including the terminally ill, are finding it difficult to actively receive treatment at hospitals and elsewhere, resulting in a large number of people being forced to receive care at home. This leads to immense pressures and concerns, both physically and financially, for family members. Going forward, we aim to improve occupancy rates and ensure stable revenue at our facilities by focusing on hospitality, providing the security of being in a hospital and the comfort of being at home, to meet a diverse range of medical needs.



BNCT Business Initiatives

We are advancing the BNCT (boron neutron capture therapy) business in line with our Group vision of “creating a society where cancer claims no precious lives.” Clinical trials are currently under way for angiosarcoma and other cancers. However, we want to expand the use of radiation therapies globally, so we will expand the scope of these trials in the future to include other head and neck cancers, and brain, breast, lung, and esophageal cancers.

We also plan to collaborate with our HIMEDIC business to provide services that link medical checkups and therapy, and to sell devices to medical institutions and others in Japan and overseas.

Conducting joint research with many medical and academic institutions, our Medical Operations aim to continue creating a wide range of social value through initiatives like these.

■ Characteristics of BNCT

- The neutron radiation dosage has almost no effect on the human body, causing little physical burden and, in principle, treatment is completed in a single exposure.
- Only cancer cells are selectively attacked. BNCT also has strong synergy with PET scans, which can measure boron accumulation in advance.

■ Examples of symptom improvement using BNCT



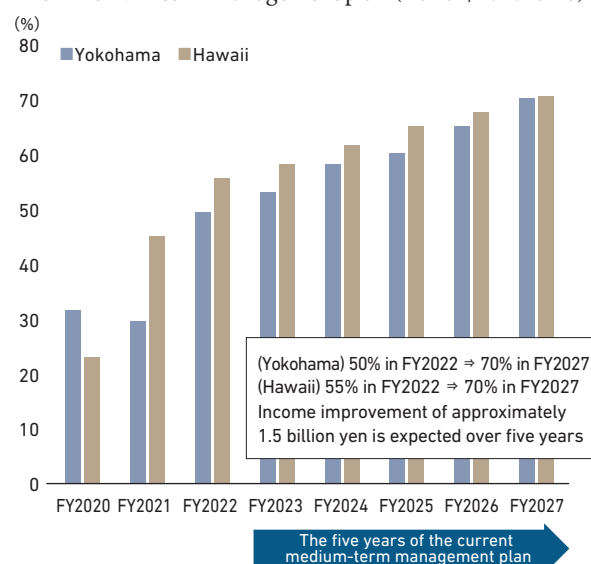
Igaki H, et al. Scalp angiosarcoma treated with linear accelerator-based boron neutron capture therapy: a report of two patients. Clin Transl Radiat Oncol 2022;33:128–33.

Expanding Membership-based Operations Overseas

As the world gets past COVID-19 and restrictions on movement are lifted, international travel is expected to gradually intensify. While little impact is expected on sales and occupancy rates for our domestic membership-based hotels, we believe there will be a positive effect over the coming few years on performance for properties like The Kahala Hotel & Resort in Hawaii and Yokohama (the latter opened during the pandemic).

Going forward, we hope to develop mechanisms for our membership-based facilities to mutually share facilities with overseas membership-based clubs. In fact, we are already considering a number of potential candidates. After initially implementing initiatives for the inbound market, we will gradually raise awareness of our Group’s brands and improve our expertise to go onto further expansion and growth of the business.

■ Improvement in occupancy rates at THE KAHALA HOTEL & RESORT Occupancy rate assumptions for the five years of the new medium-term management plan (Hawaii/Yokohama)



■ Efforts to capture overseas demand

Capturing overseas demand in the membership-based business is expected to be done in three phases to implement our long-term strategy.

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

Human Capital Strategy

At the Resorttrust Group, we consider our people to be assets and the source of growth for the Group. As we accelerate initiatives for the future of the Group to develop the sustainable management on which our medium-term management plan is based, we need to maintain and strengthen the human resources required in each of our businesses. Working as one, we will therefore establish a strong human resources foundation while supporting human resource development, revitalizing our organization, and creating safe and secure work environments.

Issues and Initiatives for Realizing the Human Capital Strategy

Initiatives of the previous medium-term management plan

- Increase in annual public holidays
- Company-wide standardization of working hours
- Increase in average number of days of paid leave taken
- From 105 to 120 days
- From 2,085 to 1,920 hours
- From 6.0 to 8.6 days

Initiatives of the New Medium-term Management Plan (starting April 2023)

[Current issues and initiatives]

- Elimination of labor shortages in the service industry as a whole after the COVID-19 pandemic
- Improvement of retention rates to counter increased costs and decreased opportunities for mid-career hires
- Review compensation: 5% wage increase in FY2023, recovery of bonus levels to pre-COVID-19 levels or higher, and review of shifts, etc.
- Study and conduct test operations for new working styles: Measures to address split shifts, establishment of a day care center, and three-day weekend system, etc.

[Future important initiatives]

- Secure human capital in preparation for medium- to long-term personnel shortages
- Pursue “job satisfaction” and “comfortable work environment”
- Visualize “appropriate size of personnel” in hotels and indirect segments
- Realize talent management
- Promote measures to secure talent through the introduction of employee referral hiring, part-time hiring for spot work, hiring foreign nationals, and strengthening local hiring, etc.
- Maintain opportunities for a “sense of growth” through organizational revitalization and human capital development, etc., and “safe and secure work environment” by securing stable human capital and providing support for continued employment, etc.
- Create visualizations of “the ideal number and quality of human resources” and “secure and develop our human resources” with the aim of optimal human capital management
- Achieve effective recruitment, and optimal allocation and development of human resources, by employing centralized management and effective utilization of the Group’s human resource data

Organization and Talent Sought, and Specific Initiatives to Get There

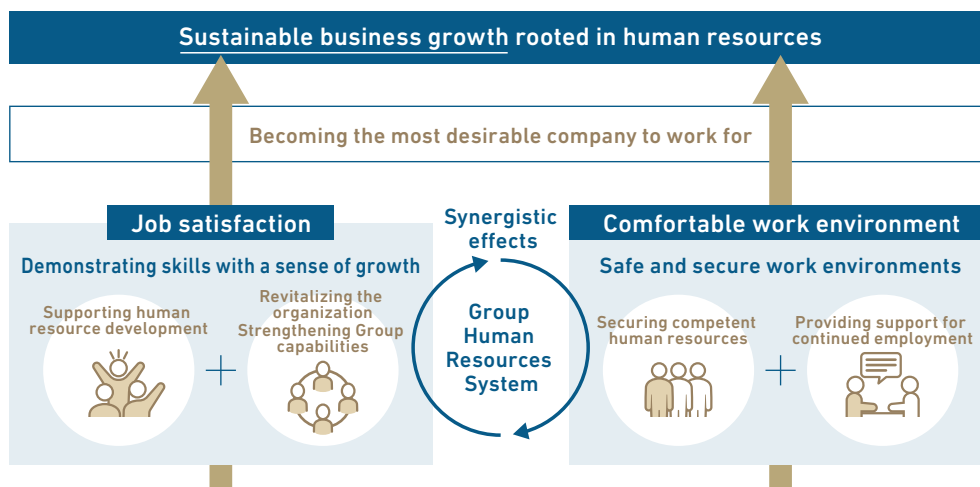
Basic human resource policies	Specific measures	KPIs (FY2027 targets in brackets)	
<ul style="list-style-type: none"> ● Becoming the most desirable company to work for ● Pursuit of job satisfaction and comfortable work environment ● Maintenance and strengthening of human resources into the future ● Establishment of a strong human resources foundation to improve Group capabilities 	<ul style="list-style-type: none"> ● Active participation of women ● Diversity and inclusion ● Work-life balance, and health and productivity management ● Respect for human rights ● Activities to promote awareness of brand identity ● Training and self-learning support ● Career development support 	<ul style="list-style-type: none"> ● Ratio of female managers (25%) Group: 18.3% ● Female-to-male salary ratio* (75%) *Gender pay gap Group: 69.4% ● Childcare leave usage ratio for male employees (85%) Group: 63.8% Non-consolidated: 65.8% 	Creating autonomous brand builders



It all starts with an employee's smile

Becoming the most desirable company to work for

At the Resorttrust Group, it all starts with an employee's smile. We aim to become the most desirable company to work for through our Smile Spiral, where smiles from employees are returned with smiles from customers. To this end, we will pursue job satisfaction and comfortable work environment for our employees. On the occasion of our 50th anniversary, we also commit to continue establishing a strong human resources foundation to improve Group capabilities with the aim of maintaining and strengthening our human resources into the future.



Steps toward becoming the most desirable company to work for

Securing talent for the future of the Company

We updated and relaunched our recruitment pages online and established a dedicated recruitment presence on social media with the aim of creating an environment that improves our contact with job seekers. We also introduced an existing employee referral hiring system that is starting to produce results. We will continue opening new facilities into the future, so we will increase wages and promote other measures to secure the talent required for this increased number of facilities.

Pursuit of job satisfaction and comfortable work environment

We are identifying and addressing a range of issues that will ensure job satisfaction for our diverse talent and will create Group work environments that remain safe and secure. We are particularly working to entrench the Group Identity and Management Philosophy, with these activities led mainly by brand ambassadors appointed at each operating site. This ongoing project aims to revitalize the organization and strengthen Group capabilities through engagement.

We are establishing a range of systems to support many diverse working styles, including offering a work location restricted system and a shorter working hours system. Since FY2022, we have also been working to eliminate split shifts in the hotel segment with the aim of eliminating, where possible, restrictions on our employees' free time.

Visualization of appropriate workforces

We are creating visualizations of the ideal number and quality of human resources to achieve the expected roles and results of each organization. In this way, we will be able to steadily secure and develop our human resources with the aim of optimal human capital management.

Realization of talent management

We are working to achieve optimal allocation, development, and recruitment of human resources by employing centralized management of the Resorttrust Group's human resource data and effective utilization of information on individual staff capabilities, skills, and experience.

Staff Roundtable

In July 2023, four members of staff, from Membership Operations, Hotel and Restaurant Operations, Medical Operations, and Head Office Administration Division, participated in a roundtable on various topics, including taking ownership of the Group Identity.

Members of staff

- Kenji Sasaki,
Executive Senior Manager, Tokyo Branch, Membership Division
- Naoko Inoue,
Senior Rooms Manager, Sanctuary Court Takayama Pre-opening
Office, Hotel and Golf Division
- Yukari Yoshida,
Director of Trust Garden Higashiminemachi, Medical Division
- Kengo Sugai,
Manager, Corporate Planning Department, Administration Division



Q

What is your understanding of the Group Identity and Management Philosophy, and are you putting them into practice in your daily work?



Yukari Yoshida,
Director of Trust Garden
Higashiminemachi, Medical
Division



Naoko Inoue,
Senior Rooms Manager, Sanctuary
Court Takayama Pre-opening
Office, Hotel and Golf Division

Sugai: I would like to start by asking Ms. Yoshida and Ms. Inoue, who both have extensive experience working at our Group facilities, to answer this question from the perspective of their daily operations.

Yoshida: Our Senior Lifestyle Operations paid nursing homes not only provide residents with a place to call home but also always provide them with opportunities to experience our Group Identity, “Together for a Wonderful Life.” At Trust Garden, our care managers develop individual care plans, called Kagayaki (Shine) Plans, that are tailored to enable each resident to shine in their own ways. All staff members work closely with our residents, each with different conditions, personalities, and family backgrounds, and support them to live as members of one big family. One example is a person who had been living alone, had reduced mental and physical function, and was bedridden for a year-and-a-half. After entering a home, the person had a new lease on life, becoming sociable again, meeting a series of targets, and being able to walk with aids. This joy in being able to meet targets together is what I think “Together for a Wonderful Life” is all about.

Inoue: I am currently working in the Pre-opening Office for Sanctuary Court Takayama, which is due to open in March next year. Just like it says in the Management Philosophy, it feels like we are blazing new trails when preparing to open new facilities. I attended a meeting the other day about construction of the hotel. One of the people from the construction site referred to connection of electricity and water as being “the day when we breathe life into the hotel.” I was humbled to hear such words, and I was reminded once again that there were passionate people like this working on the project and that they were behind what we can achieve. We are also working without compromise, supported by the Management Philosophy, to create a hotel that will be loved by customers and local residents alike.



Q How does your daily work help to achieve the Group's long-term vision?

Sugai: Our senior lifestyle facilities especially are places where we see the vision in action every day. Mr. Sasaki, what are your thoughts as a member of sales in the Membership Division?

Sasaki: With so many of our contacts with customers originating from the membership system, which is our membership sales division, I am always aware of "Connect" (connections). From this core membership system, which holds our customer information, I think it is possible to contribute even more to the Group by creating connections to each business while leveraging digital technologies. We tend to want outcomes in the sales division, and it is important to take roundabout paths to achieve those outcomes. We build close relationships as we come into contact with the customers again and again, creating connections from hotels to HIMEDIC facilities, senior lifestyles, and supplements. This also leads to greater financial performance for the Group, so we should work on connecting businesses as much as possible to help achieve the Group's vision.

Sugai: That makes a lot of sense. And I think people in our various operating divisions also want to connect with the Membership Division. In the Corporate Planning Department, where I work, our role was to create a vision for the future of the Group through the latest medium-term management plan, but our mission is not just to create the vision but to bring it to reality as well. As each of us engages with the work in front of us, the question is how to generate empathy with the work. This requires a strong mind and passion, and of course we are always looking to attract people like this to the Corporate Planning Department. (laughs)



Kenji Sasaki,
Executive Senior Manager,
Tokyo Branch, Membership
Division



Kengo Sugai,
Manager, Corporate Planning
Department, Administration
Division

Q What are you personally hoping for when the Company achieves its vision in the future?

Sasaki: Twenty of the 50 people in my organization are women, which is a comparatively high ratio for sales divisions. I think it is partly due to the character of the Membership Division, but I have heard that some of our employees who are as active as their male counterparts are reluctant to tell their partners how much they earn. The world is in the process of changing, and I think it will become more common for working women to receive high incomes based on their performance and evaluation in the future. I envision a future when Resorttrust Group workplaces are also role models for the diverse working styles and lifestyles of future society.

Inoue: That is wonderful! And I am sure that will lead to more options for men as well in terms of working styles and lifestyles. I hope to still be one of the female managers here when the Company achieves its vision. I want to continue creating places where my colleagues can shine in both their work lives and their private lives.

Sugai: I think the Company has great expectations for women like Ms. Yoshida and Ms. Inoue in particular, not only as managers but as future company officers as well.

Inoue: I would certainly like the opportunity to take on such a role. I think the influence that comes with that job is necessary to create the ideal future, so if there are people who want me in that job, then I would be happy to live up to their expectations. I want to become someone who has the ability to look after the people she cares about.

Yoshida: In the future, I hope I am still happily working and laughing alongside my wonderful colleagues every day. I hope to see a line of people after me also growing, being active in their workplaces, and shining as leaders in the nursing care industry. That is the future that excites me.

DX Strategy

The Resorttrust Group operates a unique business model based on a customer base of members, where ongoing use by members over many years has provided considerable customer data. Considering the family and friend networks of our members, there is also scope to further increase this data going forward. With the new medium-term management plan, we aim to develop a platform for leveraging big data to implement our digital transformation (DX).

Initiatives of the previous medium-term management plan

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

Existing challenges

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

Initiatives of the New Medium-term Management Plan (starting April 2023)

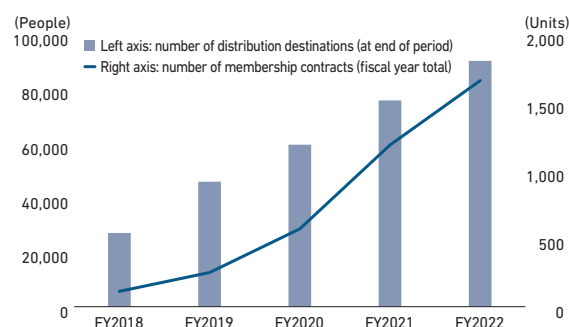
- Improve operating efficiency and productivity through “digital investment” and “IT literacy improvement”
- Promote marketing through enhancement of our data analysis foundation and its use (data-driven management)
- Revitalize via a review of operations and create an environment for internal and external communication tools
- Continuously standardize and simplify operations and planned renewal of old systems

Promoting Data Asset-driven DX

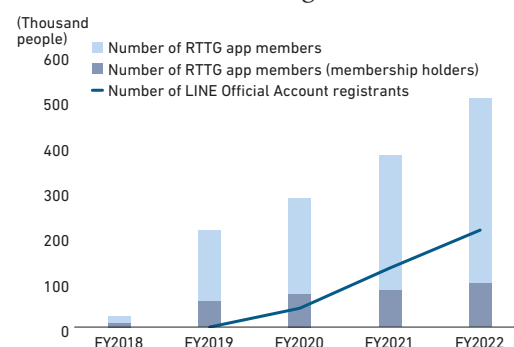
While living with COVID-19, we were able to successfully utilize digital technologies as part of our focus in the previous medium-term management plan. This included a large expansion in the number of facilities adopting smart check-in/check-out systems to avoid in-person contact. In addition, in terms of sales activities aimed at expanding the membership base, together with referrals from existing members until now, we have developed efficient sales activities through new channels, such as the distribution of e-mail newsletters and other marketing tools to coincide with high levels of interest from customers.

By utilizing the RTTG Point Club launched in April 2019 and digital tools such as social media activities introduced in 2020, we have developed mechanisms to deliver Group information to Resorttrust Group members and peripheral customers in a timely manner. Although we have developed a range of infrastructures for implementing DX, we still have plenty of room for utilizing it to improve productivity and present proposals to customers. Therefore, creation of new value that fully leverages our data assets, which are unique to a membership-based system, will be an important strategic theme for us going forward.

■ Status of membership contracts using digital distribution



■ Number of customers using the RTTG app and LINE Official Account registrants



Financial Capital Strategy

Membership-based Business Model for Fast Recovery of Invested Capital

Large sums of money are required for the construction of membership-based hotels, but the Resorttrust Group generally acquires these funds through the sale of our own memberships. We start selling memberships as soon as construction of each property starts, with pricing designed to sell around 50% of memberships by the time of opening to recover the full cost of the business. Over recent years, the pace of membership sales has increased and we are selling more than 50% of memberships by the time of opening, with this trend only increasing. For our Sanctuary Court series in particular, which is currently under construction, we expect to sell more than 80% of memberships by the time that each property opens.

With incoming cash from sales continuing to exceed outgoing cash for construction for each property, we are generally able to maintain a healthy financial position without requiring borrowings or other funding procurement, even when multiple construction projects are happening at the same time.

Even after opening our membership-based hotels, earnings are underpinned by fixed operating revenue from annual membership fees and the proceeds from amortizing security deposits. With growth of our medical business, which offers extremely stable performance, we are combining our various businesses to create an even more robust financial base.

During each year of the pandemic, we were able to achieve consolidated operating cash flows of more than 20 billion yen from FY2020 through FY2022, revealing an ability to generate solid earnings despite a short period where operating revenue was tight.

In our cash flow statement, our capital investment accounts for approximately 20% of overall business expenses for new hotels, being our own share recorded as fixed assets, while the remaining 80% is recorded on the balance sheet as inventory, being our customers' share after sales. However, once hotels are opened, this is recorded on our profit and loss statement as cost of sales for actual sales, being incorporated in a positive cash generation cycle

03

Strategy and Resource Allocation

Recording of hotel memberships (prior to opening)

	Contract	Framework raising	Completion of construction	
Total payment (100%)	60% of sale price received	80% of sale price received	100% of sale price received	
Security deposit (10%)	Member pays security deposit upon signing contract			Liability incurred when contract signed ^{*2}
Registration fee (40%)	Member pays registration fee upon signing contract			Sale recorded when contract signed
Real estate (50%)	Member pays 10% of total upon signing contract	Member pays 20% of total at framework raising	Member pays 20% of total upon completion	Sale recorded when facility opens

^{*2} After a facility opens, liability is amortized and recorded as sales in Hotel and Restaurant Operations.

Example: Membership price of 10 million yen

	Contract	Framework raising	Completion of construction	At opening	Earnings recorded
Security deposit: 1 million yen	1 million yen				^{*2} Balance-sheet liability recorded Sale recorded (when contract signed) Sale recorded (when facility opens)
Registration fee: 4 million yen	4 million yen				
Real estate: 5 million yen	1 million yen	2 million yen	2 million yen		
Total contract amount: 10 million yen	6 million yen	2 million yen	2 million yen		
Sale amount recorded	4 million yen	--	--	5 million yen ^{*1}	
				Cost of sales: 3.5 million yen	
				Annual fee: 0.13 million yen	

^{*1} The real estate deferred revenue is deferred until the facility opens and is treated as revenue after the facility opens.

Financial Capital Strategy

of operating activities, rather than investment activities. (Even with an investment of 30 billion yen per building, our capital investment amounts to approximately 6 billion yen.)

Looking at the level of membership sales inventory over the past 15 years, there have been large swings due to the impact of the global financial crisis, natural disasters, and other factors. However, with our new medium-term management plan assuming a target of starting one new construction project every year, and the total amount recovered per property being roughly equivalent to the total value of membership sales per year, we can expect to maintain a steady level of membership inventory going forward.

While targeting an equity ratio of roughly 30%, we believe this level to be effectively higher. The reason is that we are recording security deposits received from customers at the time of sale as liabilities. These include almost 90 billion yen in amortization-type security deposits recorded as of March 31, 2023. Each year, we amortize a certain amount that is recorded as sales instead, so despite these amounts being recorded as liabilities from the perspective of contracts with customers, they are basically a future source of revenue, which gives them more of the characteristics of capital.

We also focus on return on equity (ROE) as a performance indicator. While this figure was 15.4% for FY2022, it includes special items recorded as extraordinary income of general hotel sales, so planned ROE is around 10% for this fiscal year. In this medium-term management plan, we are aiming to lift this 10% figure to 12% or higher as well.

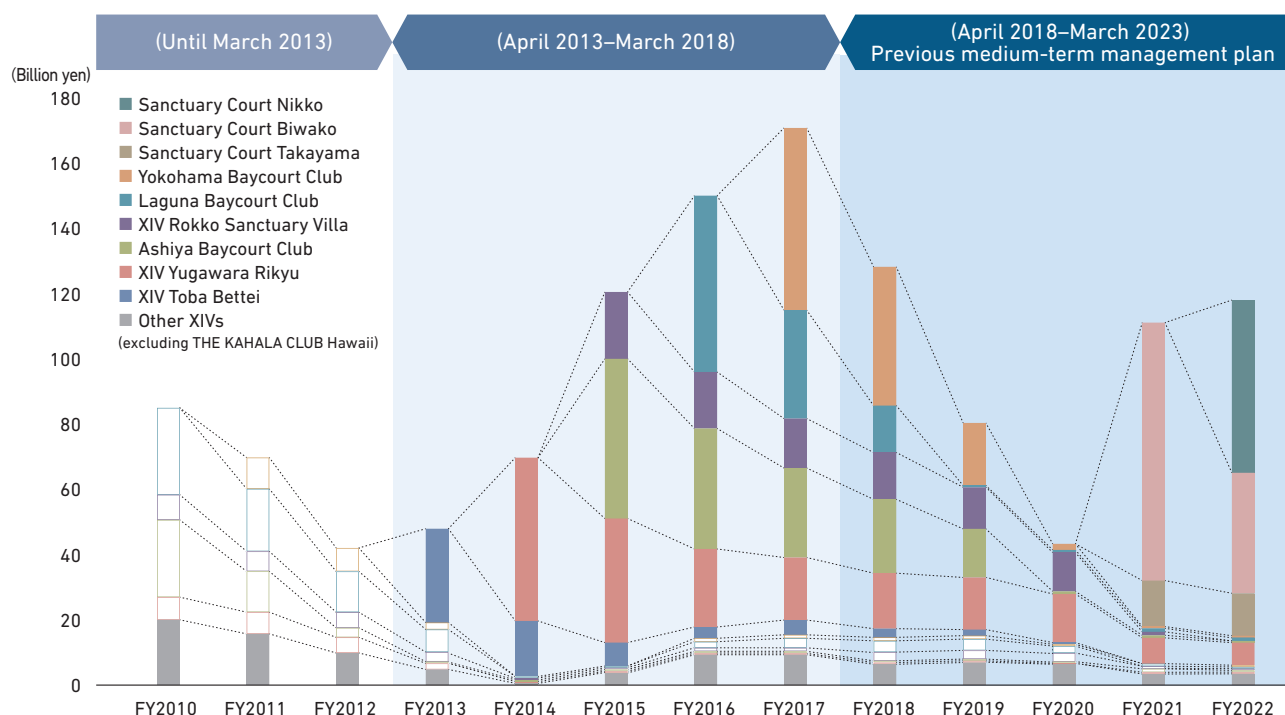
Membership Inventory of Around 1.5 Years

The following chart shows the change in sales inventory over time on a year-end contract value basis.

The medium-term management plan from April 2008 through March 2013 was impacted by the global financial crisis and the Great East Japan Earthquake, causing a reduction in inventory as development of properties was postponed. However, development and sales accelerated over the next medium-term management plan, from April 2013 through March 2018, to address pent-up demand, which increased inventory to more than 160 billion yen at one point. After launching Sanctuary Court Takayama and Sanctuary Court Biwako in FY2021, and Sanctuary Court Nikko in FY2022, we were holding a membership inventory of around 1.5 years as of March 31, 2023. From FY2024 onward as well, our policy is to develop properties at a pace of approximately one facility per year.

Change in sales inventory (year-end contract value basis)

- April 2008–March 2013:
Inventory reduced as development of properties was postponed due to the impact of the global financial crisis and the Great East Japan Earthquake
- April 2013–March 2018:
Inventory increased to more than 160 billion yen at one point as development and sales accelerated to address pent-up demand
- From 2021: Inventory of around 1.5 years, at approximately 110 billion yen, as of March 31, 2023, with the launch of three new properties



Financial Strategy and Shareholder Returns Policy in the New Medium-term Management Plan

Financial Strategy

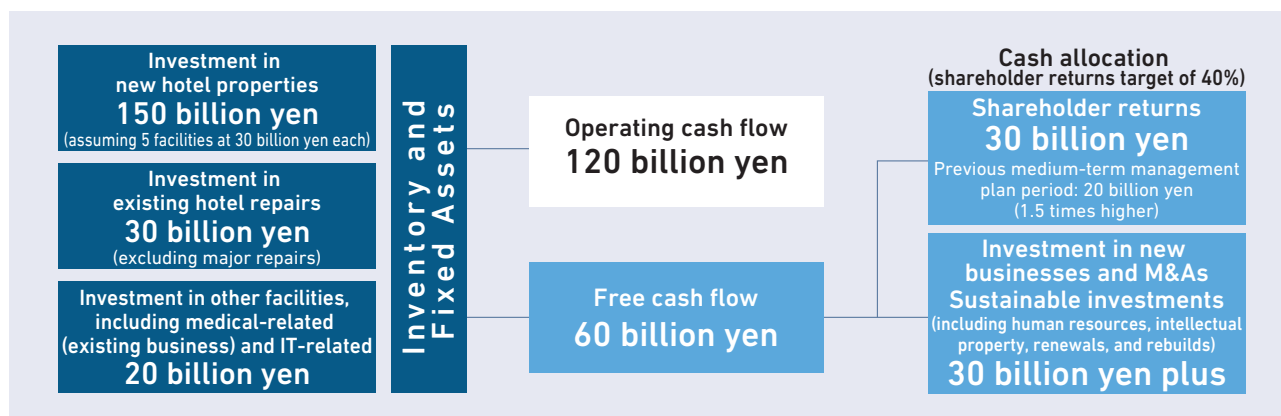
Stable growth of our businesses allows us to continually generate cash that we will use to invest in business sustainability, such as human resources and intellectual property, and to implement M&As and other growth investments. We will also work to maintain and improve the health and stability of our finances so that we are ready for any emergency, including natural disasters and financial crises. As of August 31, 2023, we had a committed credit line of 90 billion yen.

Cash Allocation and Shareholder Returns Policy

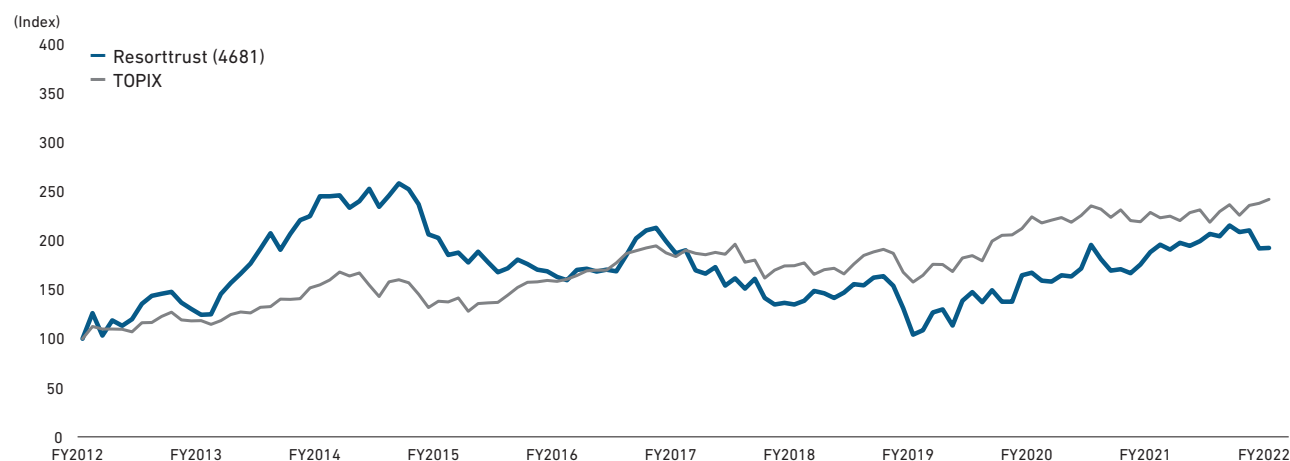
In the new medium-term management plan that we announced in May 2023, we are targeting a dividend payout ratio of at least 40% with a policy of delivering stable returns to shareholders. With forecast free cash flow of around 60 billion yen over the five years from FY2023, we will return about half of that, or 30 billion yen, to shareholders. The remaining 30 billion yen plus will be used for implementing various growth investments and sustainable investments. This “plus” portion will come from borrowings and other methods.

In August 2023, we announced the acquisition of 3 billion yen of treasury stock to enhance shareholder returns, improve capital efficiency, and implement a flexible capital policy.

■ Cash allocation (approximate amounts)



■ Resorttrust share price performance (10 years)



Note: Share price index trend including dividends (March 31, 2013 = 100)

Strategies by Segment

Membership Segment

Sales Operations for Hotel Membership

FY2027 targets	
New sales ratio	55% (currently 51.5%)
Employee retention rate	95% (currently 93.5%)
Overtime	From less than 5 hours to 0 hours per month (currently 10 hours)

● Improve “quality of connections with customers”

We will work to change customer satisfaction to customer delight to increase the number of referral contracts based on thorough customer follow-up and trust. Specifically, we will work to increase the new sales ratio and acquisition of new members.

● Improve “quality of sales capabilities”

We will promote cross-selling through the pursuit of time efficiency and closer internal cooperation to realize stable revenues. Specifically, we will work to increase the number of members from among users of our hotels and golf courses, etc., and from among HIMEDIC members.

● Improve “quality of organization and employees”

We will work to improve and enhance work environments, the organizational climate, and motivation as we target greater employee retention.

Hotel and Restaurant Segment

Hotel and Accompanying Facility Management Operations

FY2027 targets	
Number of LINE Official Account registrants	700,000 (currently 210,000)
Booking rate through RTTG apps	40% (currently 12.3%)
CS points (out of 5)	4.80 (currently 4.75)
Hotel occupancy rate (overall)	60% (currently 55%)

● Improve the quality of services, information delivery, and products, and provide experience value

Specifically, we will work to propose experience-based plans that are more in line with customers’ potential needs and more enjoyable ways to use the facilities.

● Improve engagement and a secure workforce through environmental development

Specifically, we will work to improve wages, create rewarding and enriching work styles with improved shift work systems, and make use of new recruitment systems.

● We aim to achieve an 8%–10% operating income margin on segment sales by improving productivity through innovation, making full use of IT and DX.

● We will work to sustainably increase corporate value through the promotion of compliance and the implementation of environmental management.

Medical Segment

Medical and Senior Lifestyle Operations

FY2027 targets	
[HIMEDIC] Membership	42,000 members (with two facilities open)
[MS Corporation] Checkups/examinations	600,000–700,000 (including M&A)
[Senior Lifestyle] Space occupancy rates	2%~3% increase per year

[Medical Operations] We will work to increase the number of locations providing medical checkups and further improve added value to grow our HIMEDIC membership. We aim to increase the number of medical checkups and examinations through health and productivity management support for corporate members: HIMEDIC for corporate managers and Midtown Clinics for employees.

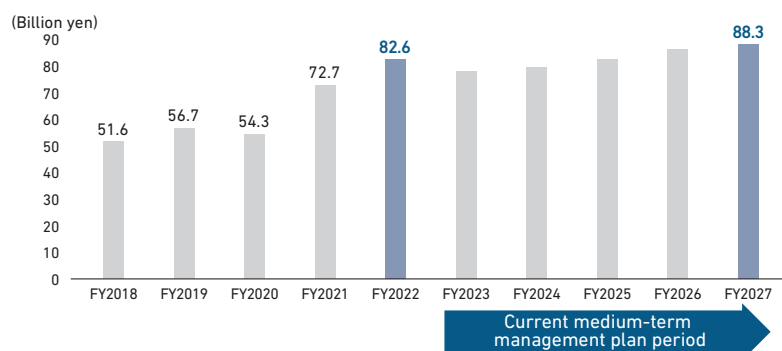
[Senior Lifestyle Operations] We aim to increase space occupancy rates by developing new residences tailored to end-of-life care, hospice housing, residential rehabilitation, and member needs.

[Aging Care] We will develop new medical products, utilize data, and strengthen cross-selling.

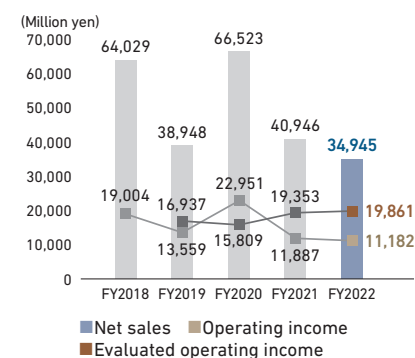
[BNCT, Remote Diagnostic Reading, DX, etc.] We will generate collaborative effects and added value with other businesses by leveraging partner relationships.

Change in major indicators (results and plans)

Hotel membership annual contracts (results and plans)

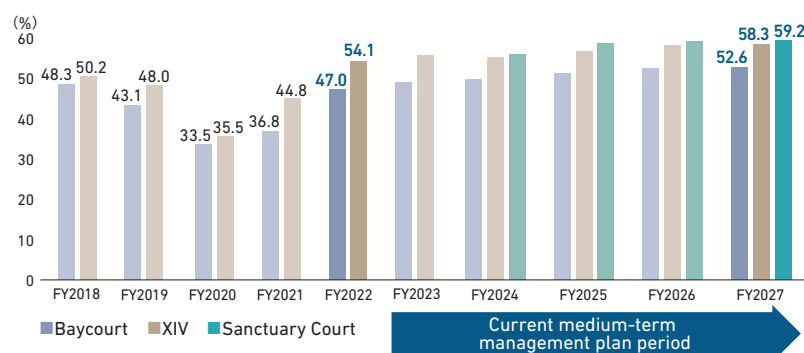


Change in net sales and operating income (results only)

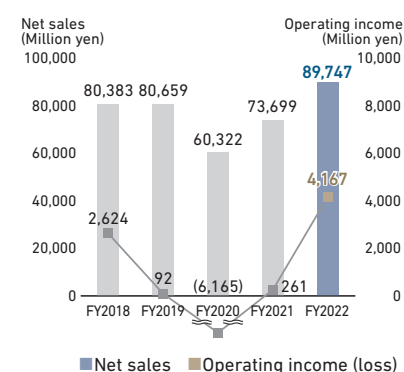


Change in major indicators (results and plans)

Occupancy rates for membership-based hotels (results and plans)

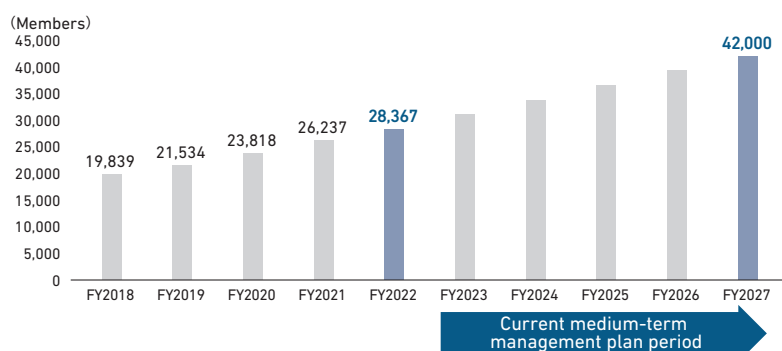


Change in net sales and operating income (results only)

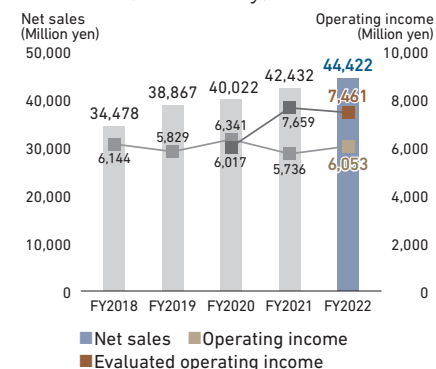


Change in major indicators (results and plans)

Number of HIMEDIC members (results and plans)



Change in net sales and operating income (results only)



Collaborative Value Creation in Medical Operations

Global Expansion of a Cutting-Edge Model for Japan's Super-Aging Society

At the Resorttrust Group, we established our Medical Operations business in 1992 in response to social issues such as the aging of society and increasing awareness of health. We were able to leverage our strengths in true personalization and hospitality, developed through the membership business, to create a proprietary screening system. Through collaboration with many business partners and cooperation with Senior Lifestyle Operations, we are helping to extend health and ensure personal well-being in the age of 100-year life spans while developing a cutting-edge model for Japan's super-aging society that is attracting global attention.

Early Detection and Treatment with HIMEDIC Medical Checkups

We established Medical Operations with the launch of a membership-based medical checkup business using PET scans and other advanced medical equipment that were unprecedented at the time. Focusing particularly on Japan's three major diseases of cancer, heart disease, and cerebrovascular disease, we developed the HIMEDIC membership system based on our belief that early detection and early treatment was possible by testing for these major diseases. In a historic move for the Company, in 1994, we launched medical checkup services at our

HIMEDIC Yamanakako facility incorporating positron emission tomography (PET) scans. The results were used in the creation of cancer screening guidelines by the Japanese Society of Nuclear Medicine, and they contributed greatly to increased use of PET scans and early detection of cancer in Japan. This track record and the enormous amount of medical checkup data we have accumulated have earned praise from many external medical institutions as well and have become the foundation for our current Medical Operations.

Preventive Medicine and Advanced Treatment through Industry-Academia Collaborations and Medical Partners

Behind the dramatic expansion of our Medical Operations is an enormous amount of image data of people, from when they were healthy through to discovery of lesions, that we have accumulated over the years but that medical institutions and others do not possess. This data from healthy people is 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, and has strengthened our business as a result. In 2019, we began clinical trials using boron neutron capture therapy (BNCT) for malignant melanoma

and angiosarcoma at the National Cancer Center. Advancing the BNCT business in line with our Group vision of "creating a society where cancer claims no precious lives," we have already successfully completed Phase I safety tests and started Phase II effectiveness tests in November 2022. Regarding the clinical trials for angiosarcoma that are currently under way, we will expand the use of radiation therapies throughout the world going forward due to their ability to improve quality of life without requiring tumor removal. We will expand the scope of these trials to include other head and neck cancers, and brain, breast, lung, and esophageal cancers.

Aiming to Extend Health and Ensure Personal Well-being in the Age of 100-Year Life Spans

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.

■ Expansion of Medical Operations

From early detection to treatment

In the 1990s, when preventive medicine was still uncommon, we recognized the need for early detection, so we launched Japan's first medical checkup services that incorporated PET scans. We received high praise from the Japanese Society of Nuclear Medicine for our efforts. In 2019, we started clinical trials using BNCT to bring new light to cancer treatment by developing cutting-edge technologies in the therapeutic field.



Taking preventive medicine even further

In 2022, we took the opportunity afforded by a new joint venture company to accelerate our digital transformation. We made a commitment to help extend health and ensure personal well-being in the age of 100-year life spans. Our aim was to begin health management and reduce future risks even before the need for early detection, and therefore to provide even more tailor-made services.



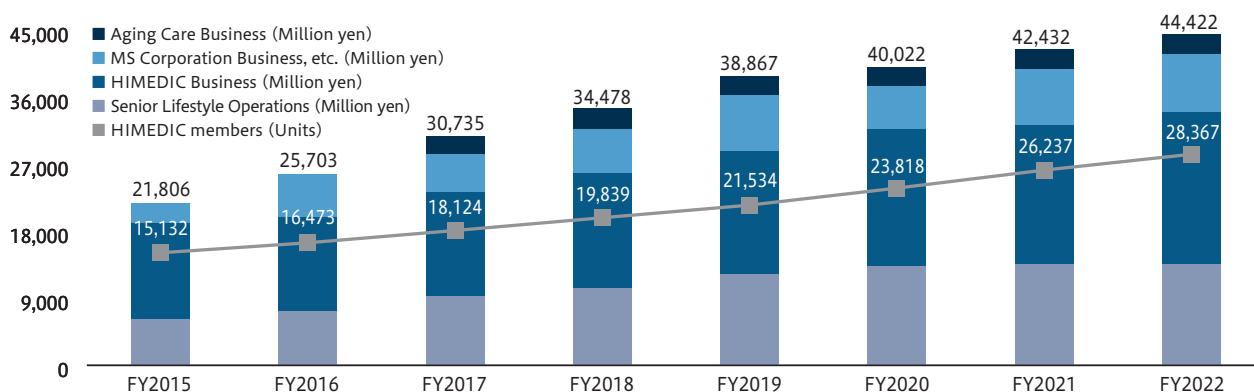
In the future, we will centralize various data accumulated in Medical Operations, such as health screening and medical checkup data, healthcare and treatment data, and purchases of aging care products and supplements, as personal health records (PHRs). We will accelerate their digitization using AI analysis and other technologies to roll out new developments such as the creation of services that are tailor-made to each individual customer. Creating new business opportunities through digital transformation, we aim to accelerate growth to create operating income of 10 billion yen by FY2027.

Medical Operations has declared the goal of helping to extend health and ensure personal well-being in the age of 100-year life spans. To this end, it aims to offer medical checkup plans with a focus on improving health even

before the need for early detection of illness and reducing future nursing care risks.

The possibility of our Medical Operations business contributing to the development of medicine, and to retaining staff by avoiding having to leave one's job to care for a relative, is also a great motivation for us. Therefore, this business has social significance in terms of the member well-being it delivers. Looking ahead to the next 10 years, Medical Operations will add new services funded by running revenue from ongoing stable growth, which will dramatically boost the Group's earnings. Furthermore, we will expand our systems so that we can promote the use of our facilities for primary care, including preventive medicine and aging care, rather than limiting our contact with customers to their annual medical checkups.

■ Growth of Medical Operations



Proposals for enriching senior lifestyles

In 2006, we started to develop high-end serviced housing for the elderly and paid nursing homes with nursing care utilizing the service expertise we cultivated through Hotel Operations and our strengths in Medical Operations.



Further improving quality of life

We will further strengthen connections between medicine and nursing care and develop new facilities tailored to the needs of our members. Together with hospice care-type operations that will grow going forward, we will work to enhance both value propositions and social value.



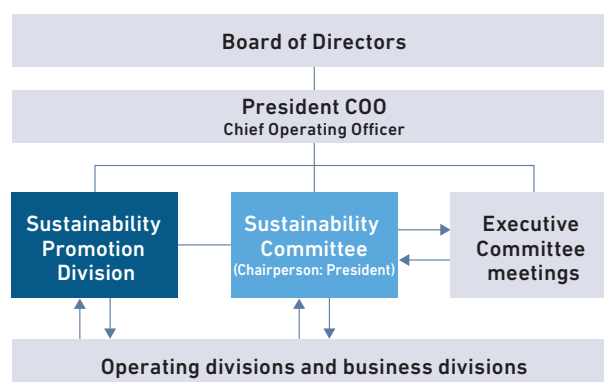
Sustainability Management

Basic Policies and Promotion Framework

The Resorttrust Group considers sustainability-related issues, which it deems important, from a range of angles to achieve sustainable operations and social development. It shares these issues as common understanding and addresses them as basic strategies over the medium term in line with the Group Management Philosophy.

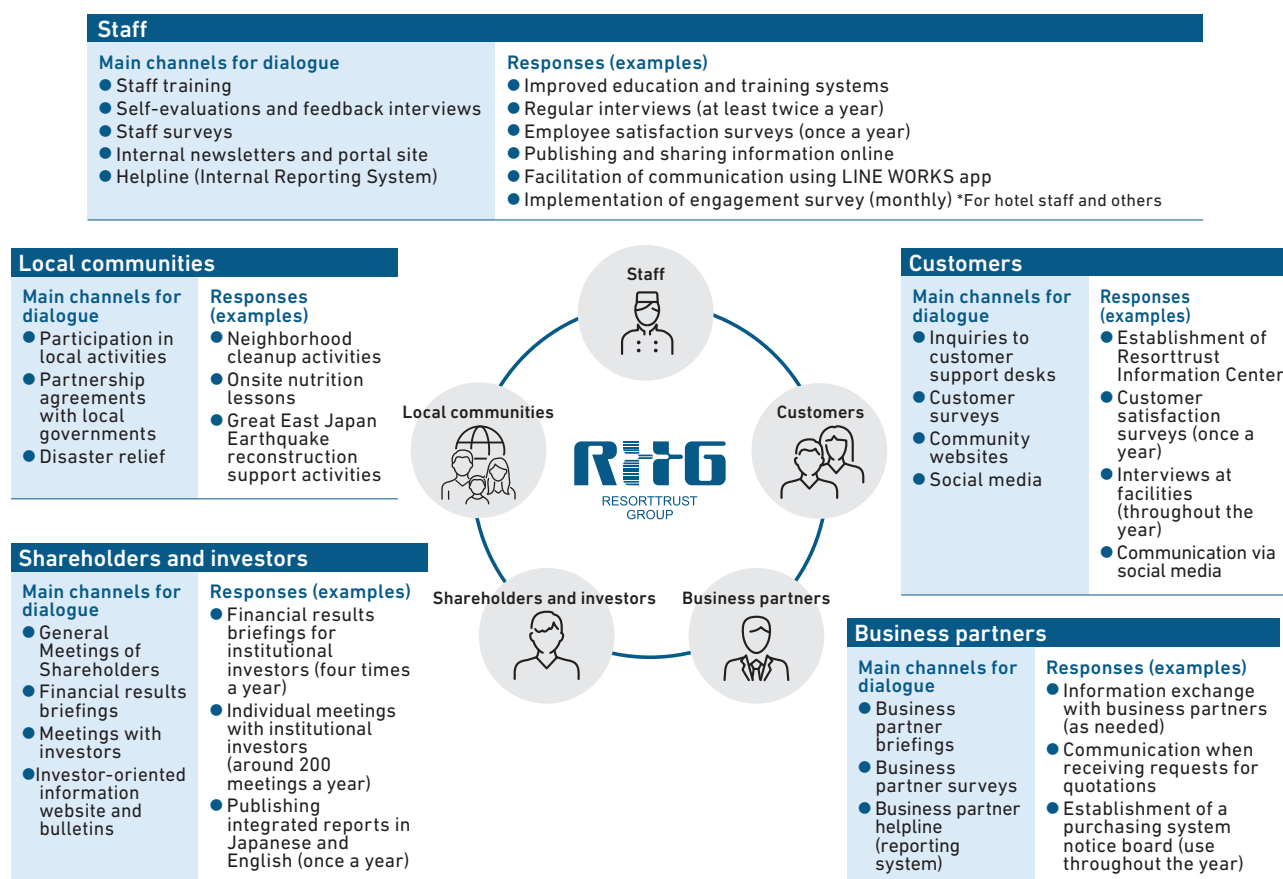
In FY2022, we established the Sustainability Committee as a body to promote sustainability management. We also established the Sustainability Promotion Division to serve as its secretariat and oversee the formulation of sustainability-related policies, development of plans, and implementation of measures. The Sustainability Committee regularly plans responses to sustainability issues, including climate change, and then discusses and reports on progress. It also reports the details of its discussions to the Board of Directors, where important matters are discussed and decided.

Promotion framework



Dialogue with Stakeholders

To contribute to flexible lifestyles for our customers, we consider it important to accurately identify, and respond to, the demands and expectations that our stakeholders have for the Group. We do this through dialogue with our key stakeholders, including customers, local community residents, shareholders, investors, and business partners, and all staff members.



Global Environmental Initiatives

Our daily lives and economic activity rely on the earth's finite resources. We believe that it is our responsibility to preserve these 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 (GHG) emissions, promoting the recycling of resources, and lowering the impact on ecosystems, we work every day to help preserve the biodiversity of the planet.

Disclosures Based on the TCFD Recommendations



Basic Approach to Realizing a Decarbonized Society

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.

In terms of action on climate change so far, we have been generating electricity from clean and environmentally friendly sources of energy, including solar power and hydropower. We are currently installing solar power systems at all of our domestic resort hotels and golf courses. Implementing such initiatives to use renewable energy, we are working to contribute to the realization of a sustainable society through business by setting medium- to long-term targets for reducing GHG emissions from the Group's business activities.

Supporting the TCFD Recommendations

Climate change is one of the most serious issues impacting the natural environment, society, and Group business. We have set the task of reducing GHG emissions as a climate change measure and a key issue (materiality) for us to address for sustainable growth together with society. We are therefore working to reduce GHG emissions from our business activities in line with our Environmental Policy. In FY2022, we declared our support of recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and started disclosing our assessments of the financial impacts that climate change-related risks and opportunities will have on management.

Governance

The Sustainability Committee develops measures for climate change in light of these risks and opportunities for our existing businesses and considers medium- to long-term GHG reduction targets. It then works with each Group company to further consider and implement specific activities for executing the measures it approves. The Committee met twice in FY2022, where it discussed current GHG emissions and plans to reduce them, and identified materiality and set KPIs for addressing them.

Strategy

Scenario Analysis for Climate Change-Related Risks and Opportunities

We have analyzed climate change-related risks and opportunities and the magnitude of their impacts for the Group's businesses under 1.5°C and 4°C scenarios. In line with the risk classifications of the TCFD Recommendations, we considered this issue for the short term (through to FY2024), the medium term (through to FY2030), and the long term (through to FY2050).

Overview of Risks and Opportunities, and Impacts on Businesses and Finances

The table on the next page details matters that are relatively important for our Group, together with their financial impacts and our response strategies. In terms of the magnitude of financial impacts from each of these risks and opportunities, we have qualitatively assessed impacts on expenses, impacts on business strategies and brand/corporate value, and impacts on human lives, on a scale of low, medium, and high.

Assumed Scenarios

Scenario	Overview	Main external scenarios referenced
1.5°C scenario	Average global warming is limited to 1.5°C through rapid progress in adopting government policies and regulations, and changing markets, to achieve carbon neutrality by 2050.	<ul style="list-style-type: none"> Net Zero by 2050 scenario, International Energy Agency (IEA) SSP1-2.6 scenario etc.
4°C scenario	Average global warming rises to 4°C through lack of progress in adopting government policies and regulations, or social initiatives, for reducing GHG emissions. This results in massive climate change-related impacts, including natural disasters.	<ul style="list-style-type: none"> SSP5-8.5 scenario etc.

Reducing Impacts on the Environment

■ Risks and opportunities associated with transitioning to a decarbonized society (1.5°C scenario)

Category	Overview of assumed scenarios	Risks, opportunities, and financial impacts for the Resorttrust Group		Timeline	Magnitude of financial impacts			Response strategies
					Short term	Medium term	Long term	
Policies and Regulations	Adoption and strengthening of carbon pricing for GHG emissions across Resorttrust Group and supply chains 2030: \$130/ton CO ₂ 2050: \$250/ton CO ₂	Risks	● Increased operating costs due to application of carbon pricing to business emissions and procurements (e.g., amenities)	Medium to long term	—	Medium	High	● Establishment of GHG emission reduction targets and reduction plans ● Consideration and promotion of emission reduction measures, including energy conservation, adoption of renewable energy, electrification, and adoption of EVs ● Understanding of GHG emissions in supply chains and sustainable procurement
	Strengthening of energy efficiency standards for construction and major renovations of hotels and senior residences, etc.	Risks	● Increased construction costs associated with meeting energy efficiency standards	Medium to long term	—	Low	Low	● Monitoring of regulatory trends, and avoidance of major renovations by conducting facility maintenance
	Strengthening of resource-recycling regulations, including plastic resources and food waste, as part of emission reduction efforts	Risks	● Increased costs associated with reducing and recycling waste, with a focus on hotel and resort facilities	Medium to long term	—	Low	Low	● Promotion of initiatives to reduce plastic use in amenities, etc., and to reduce food loss, and eco stay proposals
Technologies	Necessity of adopting technologies for strengthening emission reduction to achieve carbon neutrality	Risks	● Increased costs associated with adoption of renewable energy, procurement of renewable energy electricity, adoption of highly energy-efficient equipment, and energy conversion	Short to long term	Low	Medium	Medium	● Preferential promotion of highly cost-effective emission reduction initiatives
Markets	Changes in values and preferences due to greater sense of urgency and concerns for climate change among customers and users	Risks and Opportunities	● Impacts on appeal to users depending on presence or absence of initiatives to reduce GHG emissions	Short to long term	Low	Medium	Medium	● Promotion of proactive initiatives to reduce GHG emissions ● Concrete and effective public relations about climate change initiatives
Reputation	Greater concerns for climate change among investors, staff, and job applicants	Opportunities	● Improved evaluations by investors and financial institutions through proactive initiatives and disclosures on climate change, and positive impact on employee recruitment and retention	Short to long term	Low	Medium	Medium	● Promotion and disclosure of proactive initiatives to reduce GHG emissions ● Strengthening of internal and external public relations and information sharing about climate change initiatives

■ Risks and opportunities associated with physical impacts of climate change (mainly 4°C scenario)

Category	Overview of assumed scenarios	Risks, opportunities, and financial impacts for the Resorttrust Group		Timeline	Magnitude of financial impacts			Response strategies
					Short term	Medium term	Long term	
Acute	Increased frequency of floods, powerful typhoons, and heavy rains, and increased danger of landslides	Risks	<ul style="list-style-type: none">Property damage (e.g., facilities), lost profits due to business stoppages, and staff attendance difficulties related to natural disastersProcurement difficulties (e.g., food, amenities) and traffic infrastructure disruptions	Short to long term	Low	Medium	High	<ul style="list-style-type: none">Understanding of risks for each facility, and consideration and promotion of risk measuresConsideration of disaster risk when locating facilitiesSupplier diversificationSecuring of stockpiles and development of evacuation systems
Chronic	Significant temperature rises, and frequent hot weather and heat waves	Risks	<ul style="list-style-type: none">Increased risk of heatstroke among facility users and staff, and deterioration of the work environment	Medium to long term	—	Medium	High	<ul style="list-style-type: none">Strengthening of measures against heatstroke, including monitoring of facility environments and utilization of digitized healthcare
		Opportunities	<ul style="list-style-type: none">Increased demand for summer retreats and other resort facilities	Medium to long term	—	Low	Medium	<ul style="list-style-type: none">Strengthening of public relations and sales according to need
	Sea level rise and increased danger from storm surges	Risks	<ul style="list-style-type: none">Property damage (e.g., facilities), and lost profits due to business stoppages	Long term	—	—	High	<ul style="list-style-type: none">Understanding of disaster risks, and consideration and promotion of risk measures

Risk Management

The Resorttrust Group has formulated a Basic Policy on Risk Management and has developed and operates a risk management system covering all of its business activities. We conduct scenario analyses for climate change-related risks with an understanding of the severe impact that they have on business activities. Through qualitative assessments of their financial impacts, and business strategy and corporate value impacts, on the Group, we identify risks that are relatively important to us.

We consider measures to address climate change-related risks that we have identified as important, taking social trends into account, and the Sustainability Committee reports and discusses the details and effectiveness of those measures. We then promote measures, which have been discussed and decided, throughout the Group through our risk management process. For acute physical risks in particular, we ensure customer and staff safety, implement business backup measures, and develop action guidelines,

contact and initial response systems, and business continuity plans for implementation in the event of emergencies.

To minimize increases in transition risk-related emissions costs, we work to reduce GHG emissions across the Group as a whole.

Going forward, we will continue to consider risk response strategies and measures in light of climate change and social trends that impact business strategy, external factors such as changes in laws and regulations, and internal factors such as the status of responses by each Group company.

■ GHG emission reduction

Type		Applicability	Units	FY2018	FY2019	FY2020	FY2021	FY2022
GHG emissions	Scope 1	Group	ton CO ₂	—	57,526	55,190	54,771	54,510
	Scope 2			—	85,180	76,080	81,751	79,735
	Scope 1, 2			—	142,706	131,270	136,522	134,245
	Scope 1	Non-consolidated	ton CO ₂	—	51,463	44,368	48,990	49,244
	Scope 2			—	65,796	56,404	63,804	63,188
	Scope 3			—	139,786	153,406	116,915	185,102
	Scope 1, 2, 3			—	257,045	254,179	229,709	297,534
GHG emission intensity (Scope 1, 2, 3)		Non-consolidated	ton CO ₂ /m ²	0.14	0.29	0.28	0.25	0.34

Realizing a Resource-Recycling Society

Marine pollution from wastewater and waste plastic, and environmental destruction through mass production, mass consumption, and mass disposal, are serious environmental issues worldwide. Because we conduct our business activities together with nature, we use the earth's limited resources with great care.

At our Grandee Hamanako Golf Club, we have introduced a closed system that maintains the green without impacting the surrounding environment. This is a

circulatory system that has tanks under the green to store water with agrochemicals from the golf course for spraying on the green again. This is the first golf course in Japan to use such a system.

To reduce plastic use, the toothbrushes and plastic mineral water bottles that we provide in guest rooms at our hotels are made from recycled plastic. By avoiding the use of new plastic derived from fossil fuel in this way, we are helping to reduce GHG emissions and to recycle resources.

Biodiversity Conservation

Many human activities have a negative impact on biodiversity, which is a globally significant issue. We understand that changing the environment when developing our resorts can threaten the habitats of existing creatures, so even while continuing our business activities, we work to ensure that biodiversity is conserved on our planet.

XIV Rokko Sanctuary Villa is a membership-based resort hotel located in the rich nature of Mt. Rokko. During construction, we cared for the existing forest and planted

new trees to preserve as much nature as possible, thus reviving the Rokko forest based on the principles of conservation.

We endorse the principles of the Taskforce on Nature-related Financial Disclosures (TNFD) and, in June 2023, we joined the TNFD Forum, a network of companies and organizations that support the activities of the TNFD. We are therefore promoting initiatives to become “nature positive” for halting and reversing biodiversity loss.



About the Taskforce on Nature-related Financial Disclosures (TNFD)

The TNFD is an international initiative launched in June 2021 by the United Nations Environment Programme Finance Initiative (UNEP FI), the United Nations Development Programme (UNDP), the World Wide Fund for Nature (WWF), and the British NGO, Global Canopy. To transition business activities and related flows of funds, which have close interrelationships with biodiversity and natural capital, toward nature-positive outcomes, the TNFD recommends that financial institutions and companies evaluate and disclose risks and opportunities from the perspectives of natural capital and biodiversity.

Creating Shared Value with Society

The Resorttrust Group started as a membership-based resort hotel business offering member-tailored services created through member feedback. Over this time, our business has maintained a focus on giving back to local communities.

When planning new facilities in the future as well, we will continue our effort to provide new value while listening to the ever-changing social environment and the needs of our members.

Using the Regional Revitalization Support Tax System to Donate to Takayama City

Using the Regional Revitalization Support Tax System (the corporate version of the Hometown Tax Payment System), we have donated to the Hida Folk Village Redevelopment Project in Takayama City. In response, we received a letter of appreciation on January 11, 2022, from the then-mayor of Takayama City, Michihiro Kunishima. After making a second donation of 50 million yen on December 15, 2022, we received another letter of appreciation on January 10, 2023, from the current mayor, Akira Tanaka. Located close to Sanctuary Court Takayama Art Gallery Resort, which is due to open in the spring of 2024, the charming Hida Folk Village offers an escape from everyday life with the folk culture and village scenery of the Hida district of past generations. We have been donating to the Hida Folk Village Redevelopment Project to help to revitalize the area, and achieving coexistence and co-prosperity between our hotel and the community through a sustainable tourist attraction.



Nursing Care/Rehabilitation Demonstrations and Nursing Care Training as Part of Community Contributions

We offer a range of learning sessions for people living near our nursing homes, specifically for people taking care of family members with dementia and people having difficulties in their own daily living activities. In these sessions, our Trust Garden physical therapists and occupational therapists talk about and provide hands-on demonstrations of dementia care and measures to prevent falls, which can lead to seniors becoming bedridden, in an easy-to-understand manner. They also discuss nursing home initiatives for dementia prevention and rehabilitation, and evaluate and advise on the actual risks of falls that participants are facing. In fact, some customers who find the information extremely helpful are now attending every session. (Sessions are held on an irregular basis at some facilities only.)



Dietary Education by Food Professionals

We provide dietary education to excite and inspire dreams among the children who will lead the next generation. Working with people in local communities, our chefs visit elementary schools and other locations close to our hotels to provide a range of food-related lessons, including teaching children the importance of food, the joy of eating with others, the fun of making meals, and how to wash hands properly. We continue to provide dietary education in the hope that the children will pass on the fun of cooking to members of their families and will increase interest in food generally.



Creating Motivating Workplaces That Enable Anyone to Shine

At the Resorttrust Group, we consider it necessary to understand a range of diverse values that we can use to offer solutions in line with, or occasionally ahead of, the times and society so that we can create enriching experiences for even more customers. To this end, we create workplaces where our employees, with their diverse careers and expertise, can play active roles and we support them in making personal progress.

Promoting Diversity and Inclusion

Half of the Group's workforce are women, with their combined power certainly being an indispensable and important management resource for us. Our human resources strategy, and our management challenge, is to therefore support their active participation in the business. We particularly focus on supporting the career development of our female employees so that they can continue to shine always and forever.

In terms of support for the LGBTQ+ community, we hold online lessons for all members of staff, provide manager training for all members of management, and distribute our LGBT Handbook Group-wide.

Also, instead of distinguishing between people with or without disabilities, we promote the employment of people with disabilities through a policy of working together in the same workplace. At the heart of these efforts are our eight clerical work support centers across Japan where we bring together light in-house work to allow workers in each division, including hotels, to focus on more specialized work. In FY2019, we received an Encouragement Award (President of Japan Organization for Employment of the Elderly, Persons with Disabilities and Job Seekers Award) for "Fiscal Year 2019 Good Example of Workplace Improvement for Employment of Persons with Disabilities."



Supporting a Work-Life Balance

To make working as easy as possible, we offer a work location restricted system and, to facilitate childcare and nursing, a shorter working hours system. We also introduced a flextime system in sales and administrative departments to achieve a balance between working comfortably and productivity. In addition to offering a childcare leave system for male employees when their spouses give birth, our life event initiatives include holding information exchange workshops where participants learn how to achieve the best balance between their work and marriage, birth, and nursing. We also distribute a handbook that summarizes all the necessary information and knowledge.

When a staff member has to take a long-term leave of absence or be absent from work due to their own unexpected illness or injury, we have a system in place to compensate a certain amount of income for a certain period of time to support his/her livelihood, and support his/her return to work. Together with compensation when having to take leave for nursing care, we also introduced the GLTD (Group Long-Term Disability) system in January 2023, generously designed to ease the concerns of those who work and those who want to work but cannot.



Human Resource Development and Enhancing Connections within the Group

We consider our human resources to be indispensable for ongoing provision of a high level of hospitality to customers and to be the true source of our growth. From each of our locations, we select brand ambassadors to work across businesses, embody the Resorttrust Group Identity, and revitalize our organization. We also conduct Group-wide projects aimed at entrenching this identity, improving our brand, and enhancing connections between businesses through team collaborations.

We have also set ourselves the challenge of creating autonomous brand human resources, so we are implementing measures to secure human resources able to embody our identity and to support growth and revitalize our organization. In particular, we are providing a range of training programs, mainly for our facility operation staff at hotels and other locations, aimed at improving their people skills to achieve smooth communication and build effective interpersonal relationships.



Corporate Governance

The Resorttrust Group works hard to build a corporate structure that is trusted by all stakeholders, from shareholders and investors to customers, business partners, regional communities, and staff. By enhancing and strengthening corporate governance, we will ensure transparency and efficiency of management while striving to improve corporate value with an organizational structure that can respond to changes in the business environment.

Corporate Governance Structure

We have been working to enhance the effectiveness of the Annual General Meeting of Shareholders, accelerate decision-making by the Board of Directors, and strengthen the supervising functions of the Audit and Supervisory Committee. We are also working to strengthen the auditing functions of the committee by establishing and operating an appropriate organizational auditing structure. As for the decision-making process of important matters, the division proposing agenda items submits proposals to the Executive Committee, which holds monthly meetings where such proposals are deliberated from various perspectives. Important matters are then discussed at the regular Board of Directors' meetings, held monthly, before a decision is made.

As a corporate decision-making body, the Board of Directors discusses and decides the matters designated by laws, and decides or approves basic management policies and important matters concerning business execution. All 18 members of the Board of Directors, including the chairperson (chief operating officer) and six outside directors, attend the monthly Board of Directors' meeting, where they conduct transparent, fair, speedy, and resolute decision-making.

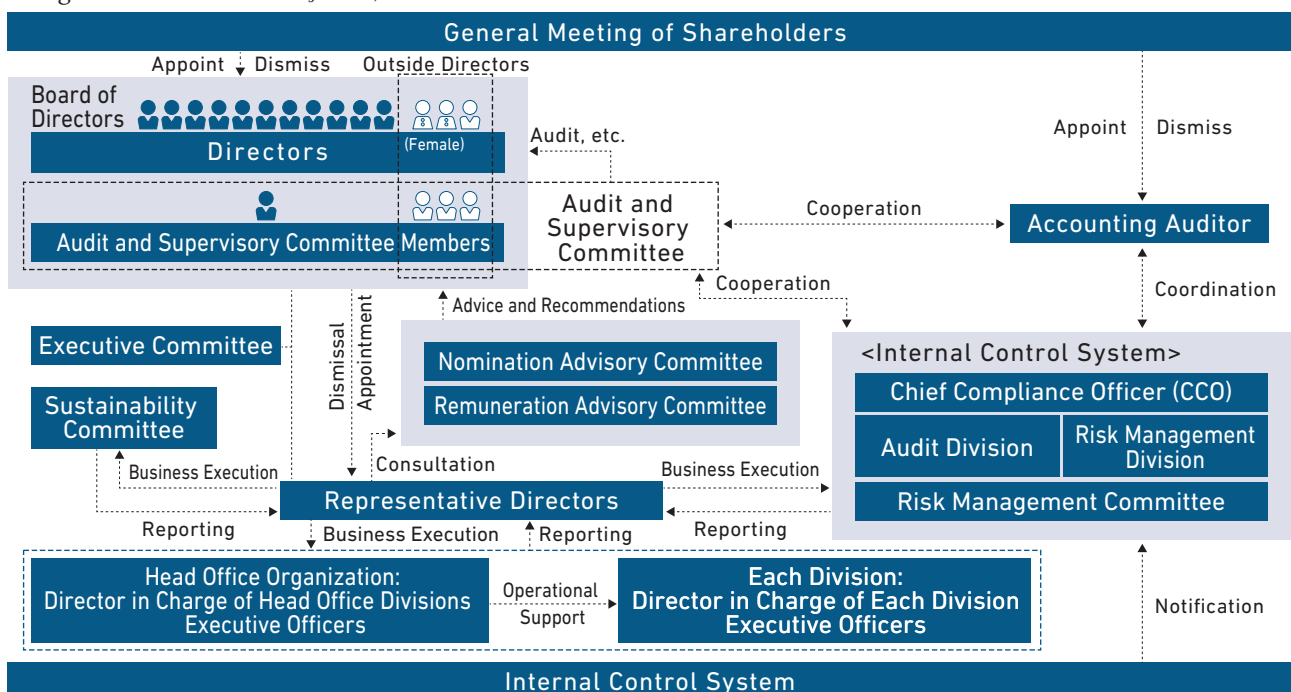
The governance structure also includes the Nomination Advisory Committee and the Remuneration Advisory Committee that deliberate on matters concerning the appointment and dismissal of directors, and the Sustainability Committee that plans and implements sustainability strategies for the Group, to ensure appropriate governance is applied.

- Organization: Company with an Audit and Supervisory Committee
- Maximum Number of Directors Stipulated in Articles of Incorporation: 25
- Term of Office Stipulated in Articles of Incorporation: 1 year
- Chairperson of the Board: President
- Number of Directors: 18 (of which, six are outside directors)
- Number of independent directors among outside directors: 6
- Number of female directors: 2 (11.1%)

Composition of the Board of Directors

Nomination of director candidates is examined by the Board of Directors in a comprehensive manner in terms of timely and precise decision-making potential, appropriateness for the respective positions, and diversity including gender and internationality.

■ Organizational chart As of June 29, 2023



Effectiveness of the Board of Directors

We have conducted a self-evaluation to determine the effectiveness of the Board of Directors with the help of an external institution.

■ Method of evaluation

(1) Conducted a survey (in the fourth quarter of FY2022)

(2) Analysis and self-evaluation at the Board of Directors' meeting based on the results of the survey

Note: The creation of the survey and the compilation of its results were commissioned to an external institution to ensure transparency.

■ Members subject to evaluation: directors and executive officers, 25 in total

■ FY2022 evaluation

The Board of Directors has received high marks for its composition, size, and skills; its cooperation with audit organizations; and the establishment of an internal control system, etc. 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 fiscal year the Board of Directors has been sufficiently effective.

■ Future challenges

- Streamlining of results reporting, thorough distribution of materials in advance, and other efforts to secure and enhance time for discussion
- Conducting more robust discussions on the nomination and remuneration of directors, and undertaking discussions that pertain to addressing the opinions of shareholders and investors, at Board of Directors' meetings

Officers' 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 the Group's 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 basic remuneration is a monthly fixed remuneration, which is determined according to their positions, work responsibilities, and number of years in office, and considering the levels of remuneration at other companies, our own performance, and employee salary levels. Also, in accordance with Proposal 4. "Final Payment of Retirement Benefits in Line with Abolishment of Retirement Benefits System for Directors (Excluding Outside Directors and Directors Serving Concurrently as Audit & Supervisory Committee Members)" submitted at the 48th Annual General Meeting of Shareholders, a final payment of retirement benefits is paid to directors at the time of their retirement while considering their positions, number of years in office, degree of contributions, and other factors.

Under the Board Benefit Trust (BBT) for directors, to conduct performance- and share price-conscious management and to share profit-oriented perspectives with shareholders, we grant directors points according to the degree to which they achieved the business performance and in light of their positions, work responsibilities, degree of contributions to the business performance, and other factors. Upon retirement, directors receive shares in the company corresponding to the number of points they are granted (any fractions of points are paid in cash). In addition, the Restricted Stock remuneration for directors is aimed at giving them an incentive to continually enhance corporate value and promoting further sharing of value with shareholders. According to the standards predetermined in light of their positions, work responsibilities, number of years in office, and other factors, in principle, directors are allotted company shares with restriction on transfer (Restricted Stock) at a certain time every year.

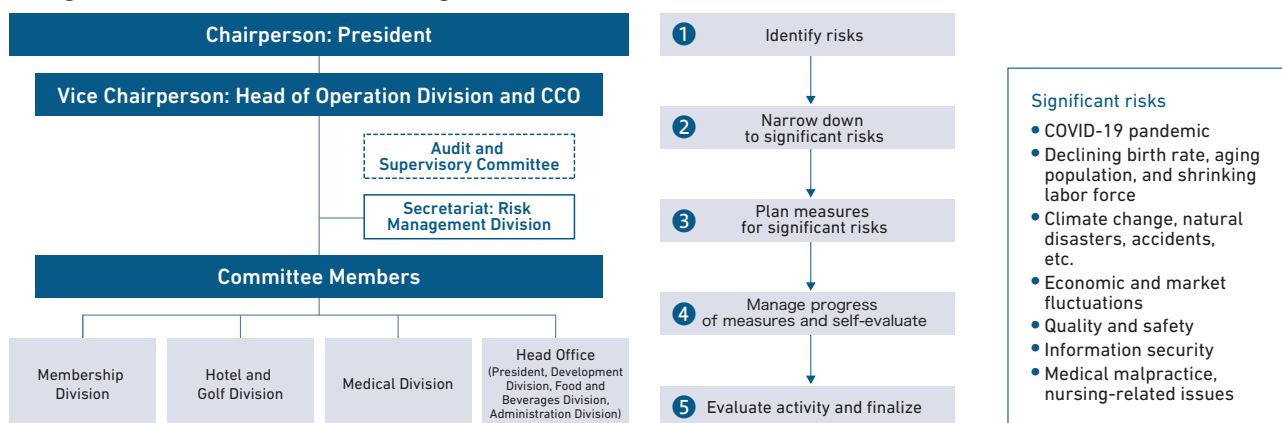
■ Total amount of remuneration for each category of officer in FY2022

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 stock remuneration	Amount on the left that is non-monetary remuneration, etc.	
Directors (excluding Audit and Supervisory Committee members) (Excluding outside directors)	1,387	738	163	485	648	11
Directors (Audit and Supervisory Committee members) (Excluding outside directors)	12	12	—	—	—	1
Outside Officers	34	34	—	—	—	6

Risk Management System

The Resorttrust Group operates businesses at multiple sites, offering mainly person-to-person services, so risk management is extremely important. We have identified “significant risks” that are especially important to us, and we have developed systems for accommodating the ever-changing nature of these risks. Systems to ascertain and manage serious risks, and policies to deal with them, are determined by the Risk Management Committee, which is chaired by the President. The Risk Management Committee also ensures the transparency of operations and prepares systems for implementing risk management.

Organizational structure (Risk Management Committee)



Compliance Structure

To thoroughly ensure compliance, we conduct compliance-related training and awareness-raising activities for all staff. We also established an internal reporting system and a hotline system to field reports from both inside and outside the company. (In FY2022, the internal reporting system and hotline dealt with 140 cases.) Furthermore, we have appointed compliance managers and compliance staff in every Group office and have established systems for promoting compliance in each office as well as a system for liaising with a dedicated department at the Head Office to respond flexibly in emergencies.

Cross-Shareholdings

As a basic policy, we will not hold any shares as cross-shareholdings except when these holdings are deemed beneficial. Cross-shareholdings are deemed beneficial when these holdings contribute to maintaining and improving the corporate value of the Resorttrust Group after examining the profitability and growth potential of the investee companies. We evaluate the benefits of our shareholdings per individual stock on a regular and ongoing basis as to whether the purpose of shareholdings is appropriate, as well as whether the benefits and risks associated with such shareholdings are commensurate with the capital cost. We then sell any shares that are deemed to have little benefit.

Stocks and value on the balance sheet

	Number of stocks	Total value on the balance sheet (Million yen)
Unlisted stocks	5	16
Stocks other than unlisted stocks	12	4,229

For more detailed information on the Company's corporate governance, please check the following resources.

- Corporate Governance Report and Policy on Constructive Dialogue with Shareholders
<https://www.resorttrust.co.jp/english/ir/investors/governance/>
- Other regulations and policies
https://www.resorttrust.co.jp/english/ir/disclosure_policy/
Disclosure Policy

Skills Matrix

The Resorttrust Group operates Hotels, Medical, and Senior Lifestyle Operations based mainly on membership. In line with its Group identity of “Together for a Wonderful Life,” the Group 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 Group defines the following expertise required of its Board of Directors: corporate management, sales and marketing, hotel operations, medical operations, property development and maintenance, DX strategy, international experience and insights, legal affairs and administration, financial and accounting, and human resource branding. 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 Group.

Name (honoric titles omitted)	Areas of expertise and experience deemed necessary by the Resorttrust Group										
	Positions in the Company	Corporate management	Sales and marketing	Hotel operations	Medical operations	Property development and maintenance	DX strategy	International experience and insights	Legal affairs and administration	Finance and accounting	Human resource branding
Yoshiro Ito	Founder and Group CEO (Group Chief Executive Officer)	●				●					●
Katsuyasu Ito	Chairman of the Board and CEO	●				●				●	
Ariyoshi Fushimi	President and COO	●	●		●						
Atsuyuki Shintani	Executive Vice President	●	●	●							
Katsuyuki Iuchi	Senior Managing Director	●					●			●	
Shinichiro Hanada	Senior Managing Director	●		●		●					
Tetsuya Furukawa	Senior Managing Director	●	●		●						
Toshihiko Uchiyama	Senior Managing Director			●				●			●
Naoshi Takagi	Managing Director	●	●	●							
Shigetoshi Ogino	Managing Director	●	●	●							
Go Ito	Director	●	●		●						
Tomoyo Nonaka	Outside Director	●						●			●
Asako Terazawa	Outside Director								●		●
Yoshinobu Kosugi	Outside Director	●									●
Yasushi Toda	Director (Audit and Supervisory Committee Member)								●	●	
Masaru Miyake	Outside Director (Audit and Supervisory Committee Member)								●		
Kazuhiko Aramoto	Outside Director (Audit and Supervisory Committee Member)	●					●	●			
Hirofumi Nishihara	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 Group expects said person to have particular strengths. These do not represent the entirety of said person’s areas of expertise and experience.

Directors

As of September 1, 2023



Yoshiro Ito
Founder and Group CEO

Katsuyasu Ito
Chairman of the Board and CEO

Ariyoshi Fushimi
President and COO

		Reasons for Appointment
Yoshiro Ito Founder and Group CEO (Group Chief Executive Officer)	Number of Shares Held: 3,132,209 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)	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.
Katsuyasu Ito Chairman of the Board and CEO	Number of Shares Held: 981,822 shares April 1973 Managing Director September 1980 Senior Managing Director July 1993 Representative Director and Vice President May 1996 COO (Chief Operating Officer) April 1999 Representative Director and President April 2018 Representative Director and Chairman (current position) and CEO (Chief Executive Officer) (current position)	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.
Ariyoshi Fushimi President and COO	Number of Shares Held: 161,052 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)	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.

Reasons for Appointment

Atsuyuki Shintani



Executive Vice President
Head of Membership Division
Number of Shares Held: 108,148 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.

Shinichiro Hanada



Senior Managing Director
Head of Development Division
Number of Shares Held: 6,504 shares

He has experience working for The Long-Term Credit Bank of Japan (LTCB) and 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.

Toshihiko Uchiyama



Senior Managing Director
Head of Food and Beverages Division
Number of Shares Held: 147,533 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.

Shigetoshi Ogino



Managing Director
Hotel and Golf Division
Number of Shares Held: 60,180 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: 3,813 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.

Yoshinobu Kosugi*



Outside Director
Number of Shares Held: 0 shares

After having been involved in the production of many programs for Nippon Television Network Corporation (currently Nippon Television Holdings, Inc.), he has participated in management as a company officer for many years. He was appointed in the hope that he will use his wealth of experience, network of contacts, and management capability as a Director of the Company.

Audit and Supervisory Committee Members

Yasushi Toda



Director
(Audit and Supervisory Committee Member)
Number of Shares Held: 300 shares

After working at The Tokai Bank, Ltd. (currently MUFG Bank, Ltd.), he has been in charge of compliance, auditing, risk management, and quality control at the Company, and has worked as the person responsible for the Audit & Supervisory Committee Secretariat. He was appointed in the hope that he will use his wealth of knowledge to execute his auditing and other duties.

Kazuhiko Aramoto*



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

He has been involved in technological development, technological strategy, and services for corporate clients, etc., and has participated in management as a company officer in the NTT Group. He was appointed in the hope that he will use his specialized knowledge to audit the Company's business execution and promote DX.

Katsuyuki Iuchi



Senior Managing Director
Head of Operation Division and CCO (Chief Compliance Officer)
Number of Shares Held: 21,414 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.

Tetsuya Furukawa



Senior Managing Director
Head of the Medical Division
Number of Shares Held: 17,194 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.

Naoshi Takagi



Managing Director
Deputy Head of Membership Division
and President of Osaka Office
Number of Shares Held: 8,745 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.

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: 65,984 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: 1,613 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.

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.

Hirofumi Nishihara*



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

He possesses specialized knowledge and experience as a certified public accountant and tax accountant and has been serving as an auditor for a national university corporation and incorporated association, as well as a supervisory auditor for a company. He was appointed in the hope that he will use this experience to execute his management auditing duties from an objective standpoint.

Notes: 1. Refer to the Convocation Notice for the 50th 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 appointment.

2. The number of shares held is as of March 31, 2023.

*Independent Officer

Financial Summary

Consolidated Financial Statements

■ Operating Results	FY2012	FY2013	FY2014
Net sales	105,311	116,824	120,401
Operating income	12,054	15,190	16,041
Ordinary income	12,976	16,830	20,206
Income before income taxes and non-controlling interests	11,508	15,408	17,709
Net income attributable to owners of parent	7,127	8,733	11,851
Depreciation (CF basis)	5,482	5,523	5,876
EBITDA*	17,536	20,713	21,917
Capital investment	3,527	19,561	40,192
Net cash provided by operating activities	21,338	24,815	22,057
Net cash used in investment activities	(15,958)	(33,747)	(71,837)
Net cash provided by (used in) financing activities	11,447	22,179	60,359
Cash and cash equivalents at end of period	38,716	51,965	66,404
Net cash provided by operating activities to net sales (%)	20.3	21.2	18.3
Net assets	73,145	81,395	104,769
Total assets	253,861	300,774	390,832

*Operating income + depreciation (cash flow basis)

Financial Data

■ Various Indicators (Consolidated)	FY2012	FY2013	FY2014
Operating income to net sales	11.4	12.9	13.3
Net income attributable to owners of parent to net sales	6.8	7.4	9.8
Return on assets (ROA)	5.3	6.0	5.8
Return on equity (ROE)	11.4	12.2	13.6
Equity ratio	26.1	24.7	25.5
Equity ratio on market basis	50.0	52.1	82.9
Interest coverage ratio* ² (1x)	82.7	92.6	43.9

*1 ROE excluding the impact on net income attributable to owners of parent and shareholders' equity due to impairment loss of ¥22 billion: 6.8%

*2 Interest coverage ratio = net cash provided by operating activities / interest payment amount

■ Per Share Data (Consolidated)	FY2012	FY2013	FY2014
Earnings per share (basic)	75.38	89.71	120.30
Earnings per share (diluted)	74.61	84.59	108.69
Net assets per share	686.85	758.58	963.99
Cash dividend per share	27.50	31.00	43.00
Payout ratio (%)	36.5	35.1	35.7

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

	FY2018	FY2019	FY2020	FY2021	(Million yen) FY2022
■ Net Sales by Segment					
Membership Operations	64,029	38,948	66,523	40,946	34,945
Hotel and Restaurant Operations	80,383	80,659	60,322	73,699	89,747
Medical Operations	34,478	38,867	40,022	42,432	44,422
Other	651	670	670	704	714
Total	179,542	159,145	167,538	157,782	169,830

							(Million yen)
FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
142,249	143,541	165,413	179,542	159,145	167,538	157,782	169,830
18,640	13,514	17,742	18,877	11,652	14,707	8,693	12,270
19,439	14,806	19,422	19,528	12,476	17,647	11,123	13,247
17,531	16,290	18,585	19,049	11,153	(6,953)	10,780	22,567
13,044	11,010	11,830	12,358	7,135	(10,213)	5,775	16,906
7,030	7,746	8,609	9,678	10,944	11,331	10,556	9,264
25,670	21,260	26,351	28,555	22,596	26,038	19,249	21,534
14,177	14,409	26,490	20,652	16,870	15,391	6,404	10,425
2,616	26,249	8,456	16,674	19,096	22,981	22,662	24,285
(33,824)	3,881	(7,282)	(2,057)	(8,247)	(13,577)	2,736	6,314
(8,624)	(15,593)	(9,177)	(23,198)	(13,364)	22,012	(49,026)	(30,995)
25,476	40,365	32,469	23,895	21,376	52,756	29,210	28,926
1.8	18.3	5.1	9.3	12.0	13.7	14.4	14.3
112,515	118,379	125,190	132,050	132,991	120,791	106,832	123,889
407,430	421,606	421,440	401,426	400,833	407,243	394,408	439,999

							(%)
FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
13.1	9.4	10.7	10.5	7.3	8.8	5.5	7.2
9.2	7.7	7.2	6.9	4.5	—	3.7	10.0
4.9	3.6	4.6	4.7	3.1	4.4	2.8	3.2
12.5	9.9	10.1	10.0	5.6	(8.4) ¹	5.3	15.4
26.6	27.0	28.7	31.7	31.9	28.4	25.7	26.8
66.0	49.6	56.6	40.0	28.2	48.6	56.3	51.0
5.3	44.9	13.0	24.0	34.6	64.9	52.6	89.6

							(Yen)
FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
123.34	103.40	110.82	115.53	66.65	(95.39)	54.27	158.97
112.81	95.09	101.99	106.42	61.29	—	—	—
1,019.35	1,068.20	1,130.11	1,190.63	1,193.69	1,079.40	955.07	1,107.35
46.00	46.00	46.00	46.00	40.00	30.00	30.00	45.00
37.3	44.5	41.5	39.8	60.0	—	55.3	28.3

						(Million yen)
■ Operating Income (Loss) by Segment	FY2018	FY2019	FY2020	FY2021	FY2022	
Membership Operations	19,004	13,559	22,951	11,887	11,182	
Hotel and Restaurant Operations	2,624	92	(6,165)	261	4,167	
Medical Operations	6,144	5,829	6,341	5,736	6,053	
Other	572	663	531	766	687	
Head Office Cost	(9,468)	(8,491)	(8,952)	(9,959)	(9,820)	
Total	18,877	11,652	14,707	8,693	12,270	

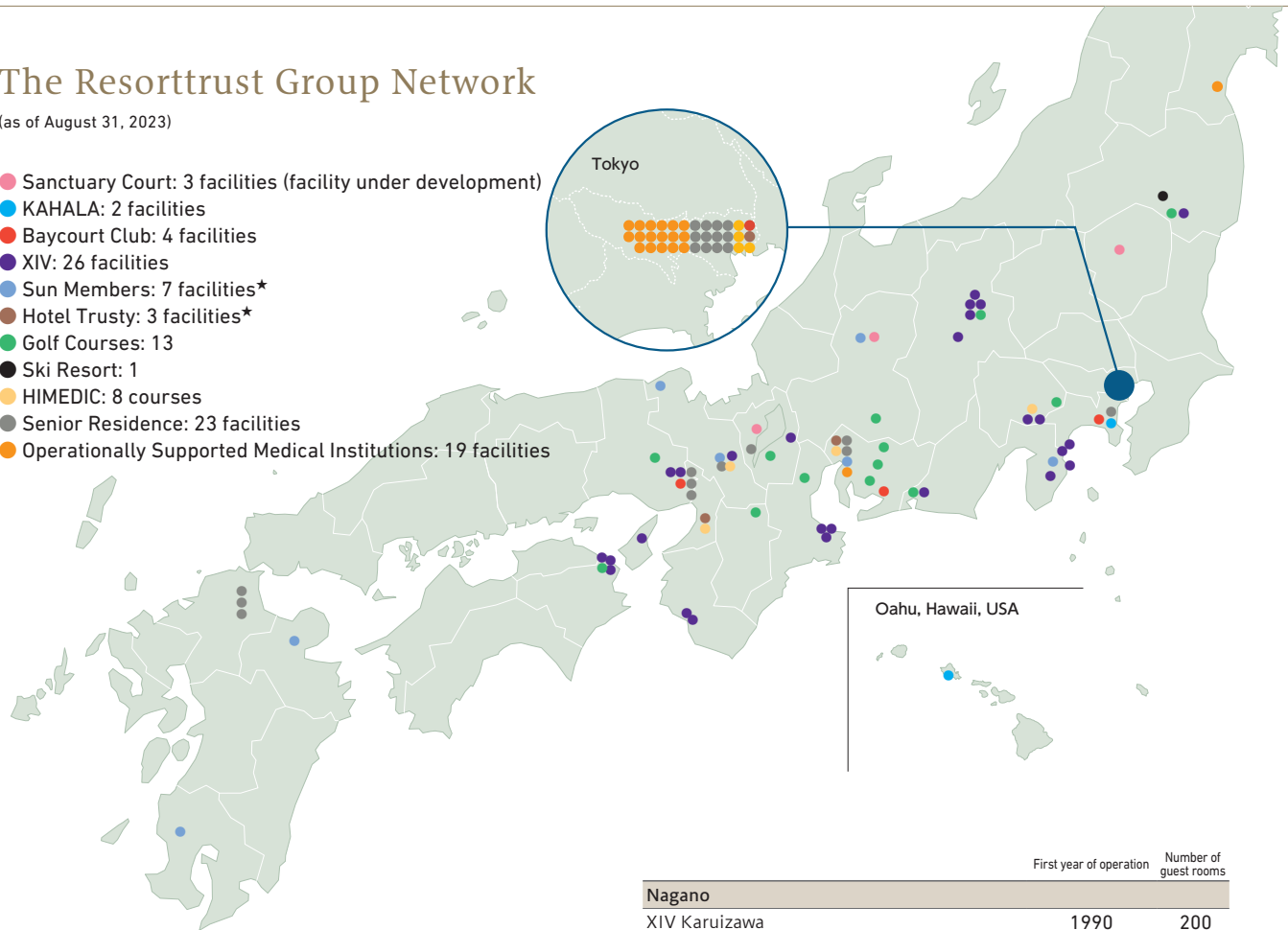
Note: Fiscal year refers to the operating period ended/ending March 31. Figures are rounded down to the nearest million yen.

Group Network

The Resorttrust Group Network

(as of August 31, 2023)

- Sanctuary Court: 3 facilities (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		450
Tochigi		
Sanctuary Court Nikko	2026 (planned)	162
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 Tateshina	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		
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
●	2,093
Tokyo	
Trust Garden Suginamimiyamae	99
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
Classic 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)	217
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 Skin Aesthetic Clinic Noage	
Tokyo Midtown Dental Clinic	
Tokyo Midtown Clinic Health Screening Center	
Midtown Clinic Tokyo Bay	
Midtown Clinic Ariake	
Tokyo Midtown Center for Advanced Medical Science and Technology	
Tokyo Daiya Building Clinic	
Hamamatsucho Hamasite Clinic	
Shinko Clinic	
Shinko Clinic Annex	
Ovalcourt Medical Clinic	
C'est la vie Shinbashi Clinic	
Tachikawa Kitaguchi Kenshinkan	
Topra Medical Clinic	
Hamacho Koen Clinic	
Nihonbashi Muromachi Mitsui Tower Midtown Clinic	
Aichi	
Midtown Clinic Meieki	

Corporate Data, Stock Information, and Affiliate Companies

Corporate Data

(as of March 31, 2023)

Company Name	RESORTTRUST, INC. URL https://www.resorttrust.co.jp/english/	Established	April 1973
Head Office	2-18-31, Higashisakura, Naka-ku, Nagoya-shi, Aichi 460-8490, Japan Tel: +81-52-933-6000 (Main Switchboard)	Capital Stock	¥19,590 million
Tokyo Office	Resorttrust Tokyo Bldg., 4-36-19, Yoyogi, Shibuya-ku, Tokyo 151-0053, Japan Tel: +81-3-6731-0001	Number of Employees	7,943 (consolidated, full-time employees)
		Fiscal Year-end	March 31

Stock Information

(as of March 31, 2023)

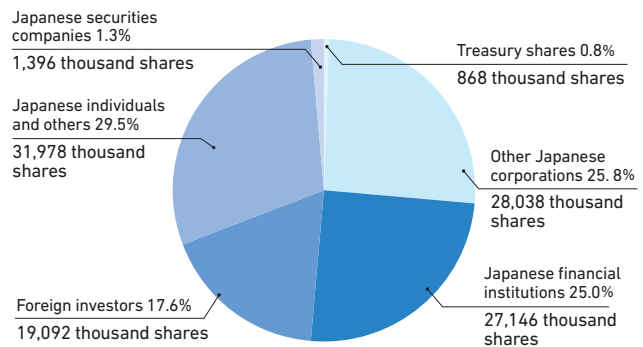
Shareholder Information

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	42,602

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 (%)
Takarazuka Corporation, Inc.	13,419	12.47
The Master Trust Bank of Japan, Ltd.	12,426	11.54
Custody Bank of Japan, Ltd.	7,955	7.39
Sapporo Breweries Limited	3,351	3.11
Yoshiro Ito	3,132	2.91
GI Co., Ltd.	1,921	1.79
Sumitomo Life Insurance Company (Standing Proxy: Custody Bank of Japan, Ltd.)	1,555	1.44
Kinden Corporation	1,442	1.34
KY Co., Ltd.	1,335	1.24
JP MORGAN CHASE BANK 385632 (Standing Proxy: Mizuho Bank, Ltd.)	1,183	1.10

Evaluation by External Organizations

MSCI Japan Empowering Women (WIN) Select Index

The MSCI Japan Empowering Women (WIN) Select Index selects outstanding companies based on publicly available information on gender diversity. It looks at the top 700 Japanese companies by market capitalization and is constructed using the MSCI Japan IMI Top 700 Index. The index is used as an important criterion by investors around the world who value corporate ESG initiatives and as one of the investment criteria used by Japan's Government Pension Investment Fund (GPIF).

2022 CONSTITUENT MSCI日本株
女性活躍指数 (WIN)

Sompo Sustainability Index

Created by Sompo Asset Management Co., Ltd., the Sompo Sustainability Index is used as a management product for sustainable management by pension funds and institutional investors that invest broadly in companies rated highly for ESG. In recognition of its ESG initiatives, Resorttrust was selected for inclusion in this index in 2023 for the fourth time.



Affiliate Companies

(as of June 30, 2023)

Company name	Business activities	Capital (Million yen)	Percentage of voting rights (%) ^{*1,*2}
(Consolidated Subsidiary)			
RESORTTRUST HAWAII, LLC ^{*5}	Hotel and restaurant operations	US\$290,000,000	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. ^{*6}	Medical operations	300	100.0
Cancer Intelligence Care Systems, Inc.	Medical operations	1,722	82.2(82.2)
Tokyo Midtown Medicine Co., Ltd.	Medical operations	100	66.5(66.5)
Advanced Medical Care Inc.	Medical operations	200	100.0(100.0)
Well-Compass Inc.	Medical operations	100	51.0
Shinko medical support Co., Ltd.	Medical operations	200	50.0(50.0)
iMedical Inc.	Medical operations	100	51.0(51.0)
Cent-Medical Associates Inc.	Medical operations	9	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. ^{*3,*4}	Hotel and restaurant operations	98	100.0(100.0)
(Equity Method Affiliate Companies)			
Maple Point Golf Club Co., Ltd. ^{*3,*4}	Hotel and restaurant operations	100	1.3(0.1) [43.0]
OAKMONT GOLF CLUB CO., LTD. ^{*3,*4}	Hotel and restaurant operations	100	3.9(1.6) [36.9]
OKAZAKI CLASSIC CO., LTD. ^{*3,*4}	Hotel and restaurant operations	100	3.5(0.0) [17.8]
TAJIMI CLASSIC CO., LTD. ^{*3,*4}	Hotel and restaurant operations	50	5.8(0.0) [21.4]
St. CREEK GOLF CLUB CO., LTD. ^{*3,*4}	Hotel and restaurant operations	100	4.5(0.0) [17.4]
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 in square brackets in the “Percentage of voting rights” column represent the percentage of voting rights 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., net sales account for more than 10% of consolidated sales (excluding inter-company sales between consolidated companies).

Major items of profits and losses for FY2022

- 1) Net sales: ¥28,765 million
- 2) Ordinary income: ¥3,544 million
- 3) Net loss: ¥3,353 million
- 4) Net assets: ¥11,751 million
- 5) Total assets: ¥73,668 million

Kurumin Mark, Recognizing Support for the Next Generation

After first obtaining the Kurumin Mark in FY2016, Resorttrust received the Kurumin certification again under a new standard in FY2019. This recognizes the Company's efforts to create an environment that facilitates a balance between work and life events, to expand related support systems, to share information on child and family care via the Company intranet, and to actively promote male participation in childcare activities.



Health & Productivity Management Outstanding Organization

Based on a company's initiatives to address health and productivity issues, and improve health, in the community, Health & Productivity Management Outstanding Organization certification recognizes companies and organizations practicing particularly outstanding health and productivity management.

The Resorttrust Group complies with the Resorttrust Group Declaration of Health and Productivity to create workplaces that facilitate healthy, motivated employees and to enable fulfilling home lives.





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

