



RESORTTRUST
GROUP

INTEGRATED REPORT

2020



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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● Disclaimer Regarding Forward-looking Statements

This Integrated Report contains predictions and forward-looking statements regarding plans, strategies, and business performance. All statements in this Integrated Report, other than those of historical fact, are forward-looking statements about the future performance of Resorttrust and its group companies, based on management's assumptions and beliefs in light of information currently available. Additionally, these statements involve risks and uncertainties pertaining to a variety of factors including, but not limited to, economic trends, intensified competition, individual consumption, market demand, taxes, and other regulations. Actual results may differ materially from these forecasts.

Editorial Policy

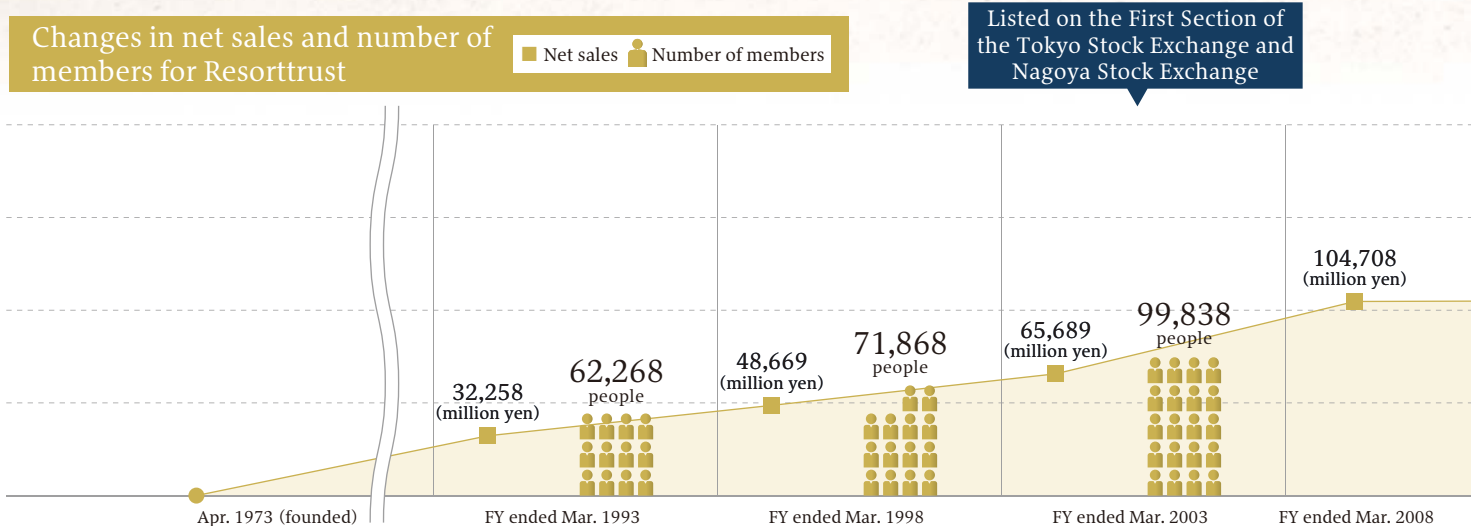
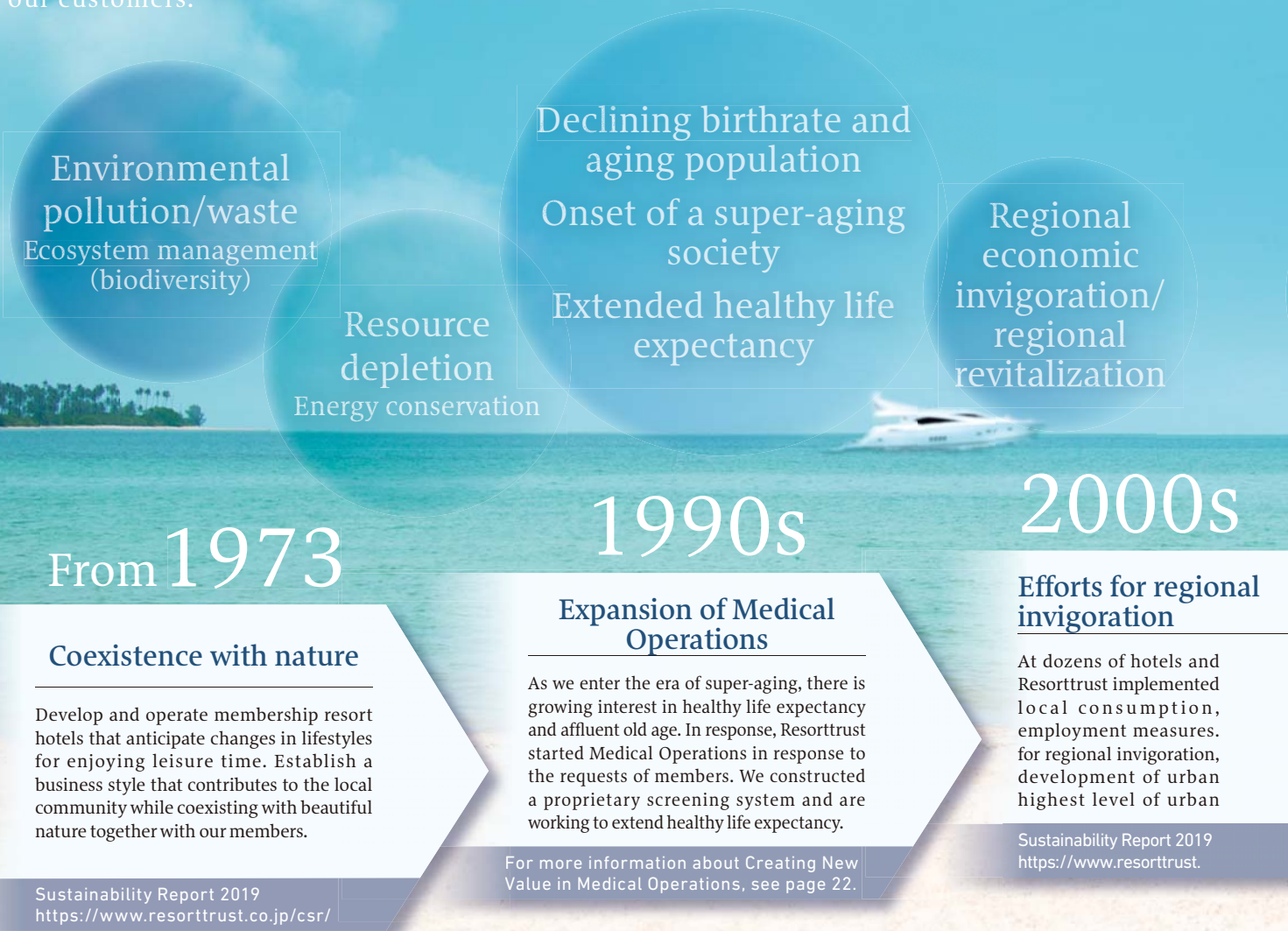
The Resorttrust Integrated Report is produced for the purpose of explaining the actual results and business activities of the reporting periods (from the fiscal year ended March 31, 2019 to the fiscal year ended March 31, 2020) from both financial and non-financial perspectives. In addition to reflecting upon the progress of the Group, the report provides an easy-to-understand explanations regarding the ideal form of the Group, value creation in cooperation with stakeholders and society, competitive advantage, management strategy and related results/analysis, and the ideal method for achieving a sustainable society. During the editing process, we refer to the International Integrated Reporting Framework of the International Integrated Reporting Council (IIRC) and the Guidance for Collaborative Value Creation issued by the Ministry of Economy, Trade and Industry.

Drop-off area in front of Yokohama Baycourt Club

Note: The image is a rendering of the area and is therefore subject to change.

History of Value Creation

Continue to co-create long-term value together with more than 180,000 members. While helping the customers who are our important partners to create a wonderful life, Resorttrust has also focused on solving a variety of environmental and social issues through our business. We will continue to create sustainable economic and social value together with our customers.



Since our founding in 1973, Resorttrust has paved the way for solving environmental and social issues related to our business by constantly ascertaining and responding to social changes and customer needs. During the period of high economic growth in Japan, Resorttrust established a resort hotel development and operation business. We also expanded the membership hotels business in accordance with the diversification of lifestyles. Resorttrust is also actively working on environmental conservation, aiming for ecological development and enhancement of facilities management. Furthermore, in an era of super-aging society, we are expanding our Medical Operations and Senior Lifestyle Operations and are making further efforts to provide an affluent senior life with peace of mind.

Protection
of water
and forest
resources

Increased national medical
expenses
Increased demand for
infrastructure for the
elderly

Labor/safety
environment

Climate change
CO₂ emissions
(Low carbon /
decarbonization)

Promotion of
diversity
Active social
participation by women
Work-style reform

2010s

From 2018

Full-scale entry into the senior market

We are building our presence in the expanding senior market by developing and operating high-end serviced housing for the elderly and paid nursing homes, leveraging the strengths of our Medical Operations and services cultivated in the hotel business.

For more information about Contributing to an Aging Society, see page 24.

Towards realizing a sustainable society

Resorttrust aims to realize a sustainable society through measures including governance reform, diversity promotion, and work-style reform through digital transformation.

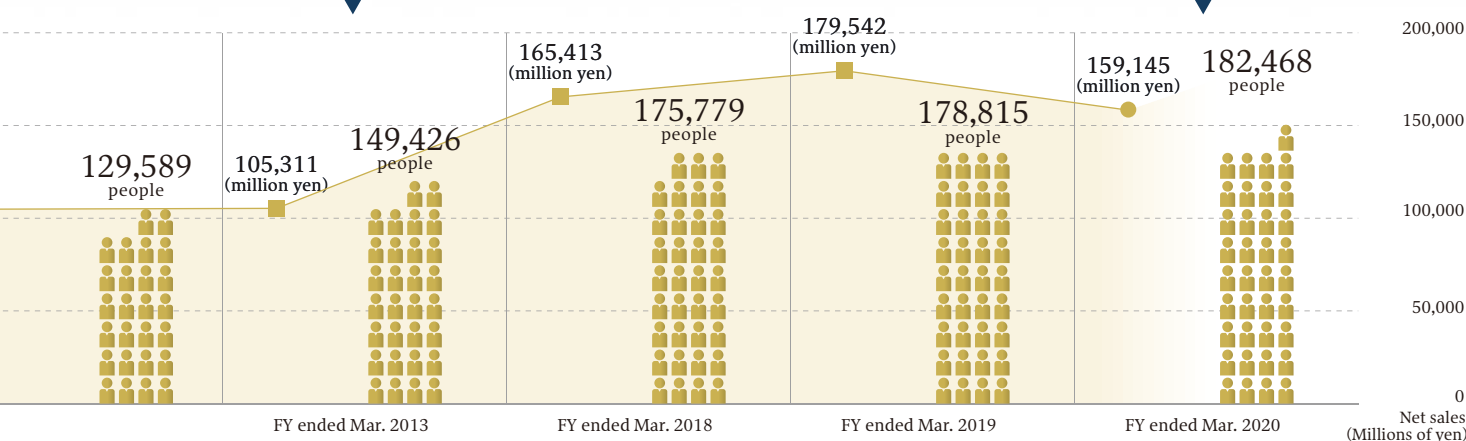
For more information about Digital Transformation, see page 25.

resort facilities in Japan, local production for food education, and While making efforts we promote the resort hotels and the relaxation.

co.jp/csr/

Celebrated our
40th
anniversary

Number of members
exceeded 180,000



Brand Portfolio for Co-creating Value with Customers

Resorttrust's brand portfolio contributes to solving social issues such as environmental problems Japan's declining birthrate and aging population, regional revitalization, and preventive medicine. Our brand portfolio also provides high-sense, high-quality services to fulfill the various needs of customers. This enables us to create sustainable value based on trust from customers and society.

Four Main Business Fields Centered on Membership

Sales Operations for Hotel Membership, etc. (Membership Segment)



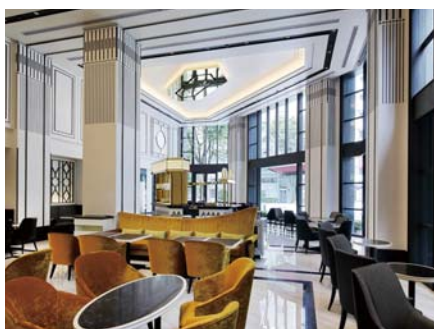
Develops membership resort hotels, sells various memberships, and performs follow-up for members.

List of products and services

- Luxury membership resort: XIV—Annual packages of 13 nights or 26 nights
- Exclusive membership resort: Baycourt Club (urban type)—Annual packages of 12 nights or 24 nights
- Membership golf clubs: Grandee, etc.
- Overseas luxury resort: THE KAHALA CLUB Hawaii—4 nights a year for 10 years, for a total of 40 nights



Hotel and Ancillary Facility Management Operations (Hotel and Restaurant Segment)



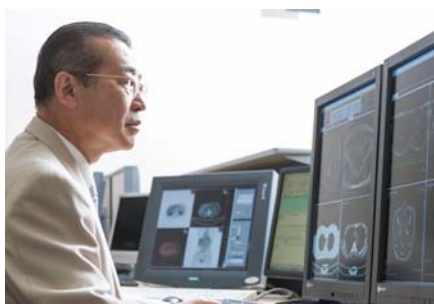
Operates and provides services at each hotel and ancillary facility, with a focus on membership hotels.

List of products and services

- Luxury membership resort: XIV
- Exclusive membership resort: Baycourt Club (urban type)
- Luxury resorts for the general public: THE KAHALA HOTEL & RESORT and THE KAHALA HOTEL & RESORT YOKOHAMA
- General public/membership hybrid facility: Sun Members
- Hotels for the general public: Hotel Trusty and Hotel Trusty Premier
- Membership golf clubs: Grandee, etc.
- Operating the above-mentioned ancillary restaurants, bakeries, lounges, and other restaurants



Medical Operations (Medical Segment)



Focuses on operation and membership sales for our membership comprehensive medical club. This segment also conducts the operation support business and aging care business of medical facilities for the general public.

List of products and services

- Membership comprehensive medical club: Grand Himedic Club
- Health examinations performed by facilities contracted by the clinic operations support business: Midtown Clinic and Shinkokai
- Aging care cosmetics: MUNOAGE and SWISS PERFECTION
- Equol Supplements, PLASMALOGEN, etc.
- Research and development of cancer treatment, equipment sales



Senior Lifestyle Operations (Medical Segment)



Operates high-end paid nursing homes and housing facilities for seniors, and provides nursing care services.

List of products and services

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



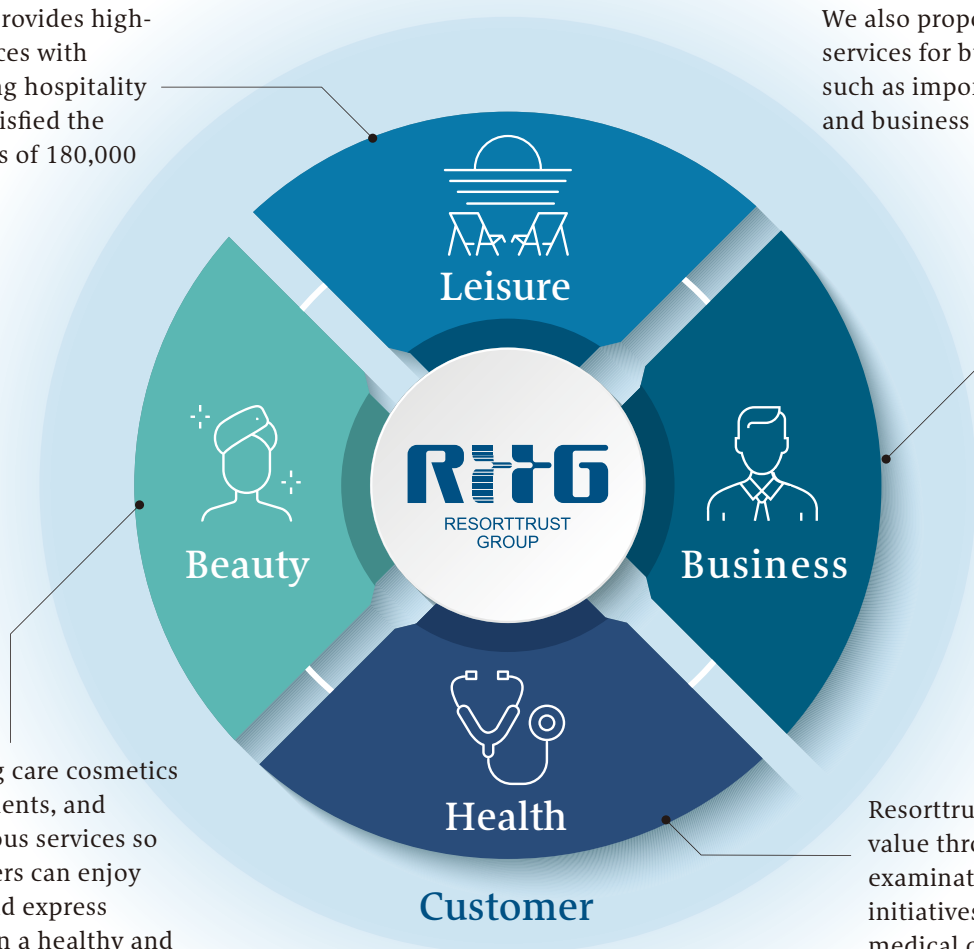
Collaborative Creation of Value with Customers

Resorttrust provides high-quality services with overwhelming hospitality that have satisfied the diverse needs of 180,000 customers.

We also propose optimal services for business situations such as important transactions and business trips.

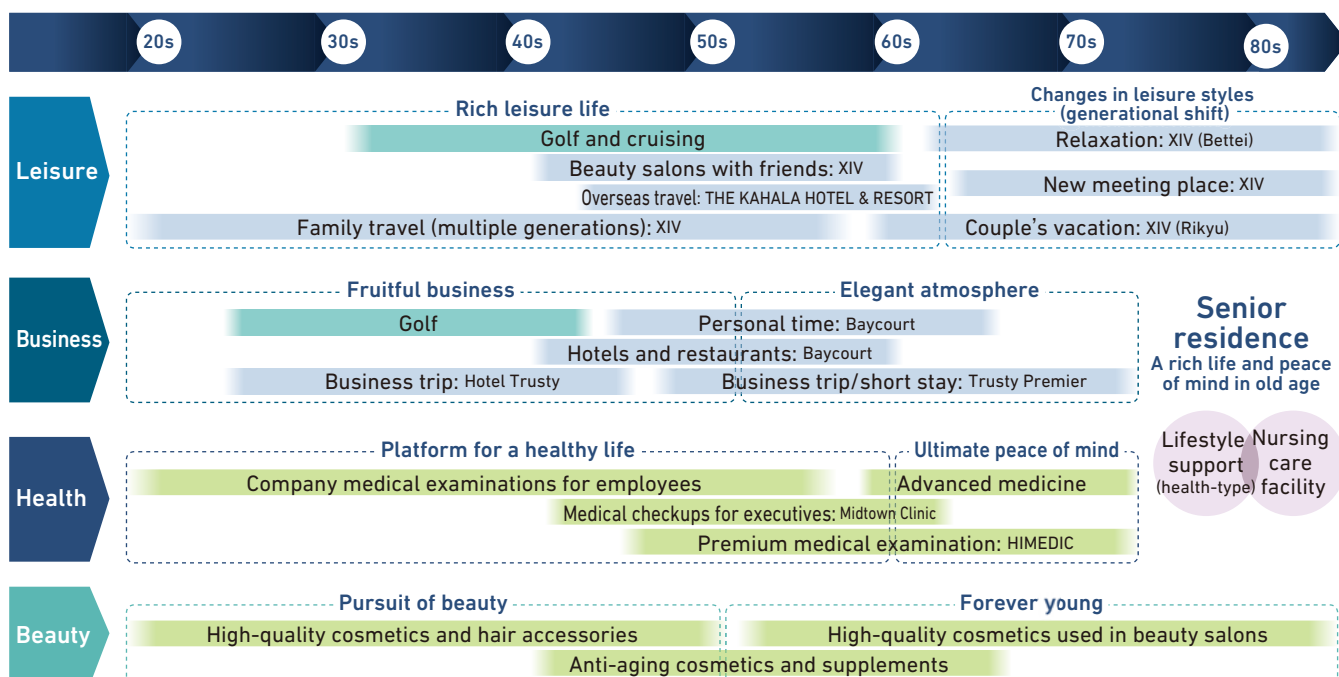
We sell aging care cosmetics and supplements, and provide various services so that customers can enjoy their lives and express themselves in a healthy and beautiful way.

Resorttrust provides value through medical examination services and initiatives for advanced medical care born from customer feedback.



Group Brand Management

We provide products and services tailored to each stage of our customers' lives.



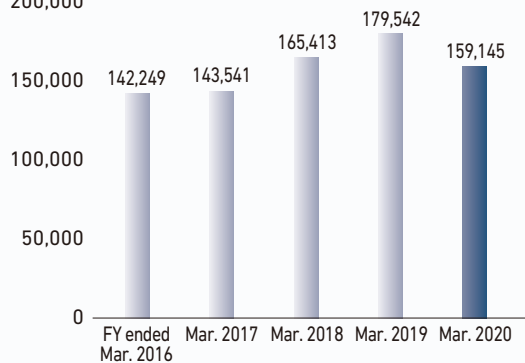
Financial & Non-financial Highlights

Financial Highlights

Net sales

(Millions of yen)

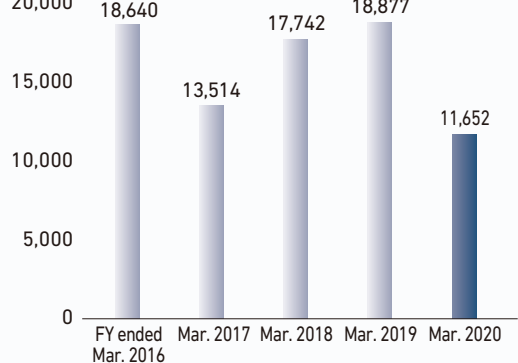
200,000



Operating income

(Millions of yen)

20,000



ROE

(%)

14

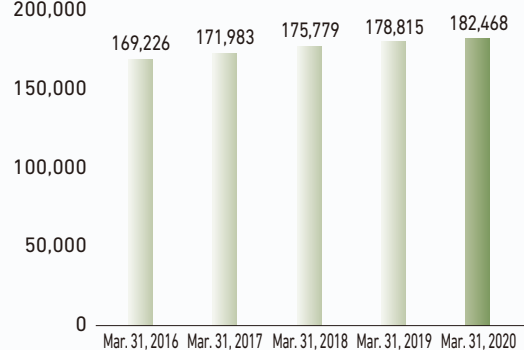


Non-financial Highlights

Number of memberships

(People)

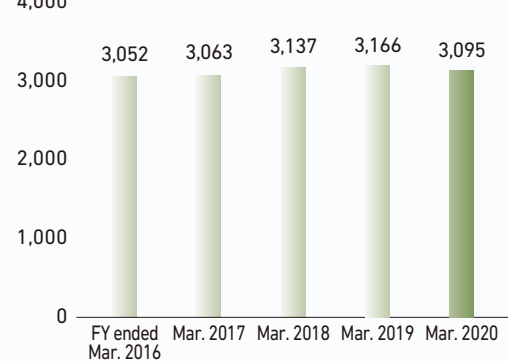
200,000



Number of hotel guests

(1,000 people)

4,000



Number of employees (Consolidated, full-time employees)

(People)

10,000





To All Stakeholders

The Resorttrust Group extends its deepest sympathies to all who have contracted the COVID-19 coronavirus, as well as to their families, other related persons, and everyone whose quality of life has been impacted by the COVID-19 pandemic. To the healthcare professionals facing so many difficulties on the front lines of this unprecedented calamity, and to everyone joining the effort to prevent the further spread of the pandemic, we express our heartfelt respect and gratitude.

Since its establishment in 1973, the Resorttrust Group has grown continuously on the strength of its core membership-hotel business serving wealthy customers in Japan. The Group conducts these operations under a four-part Management Philosophy that sets forth our commitment to breaking new ground, earning trust and rising to challenges, while delivering unparalleled levels of refinement, quality, sophistication and hospitality.

In the course of striving sincerely to meet and exceed the expectations of its approximately 180,000 members, the Group has expanded into fields such as the Medical and Senior Lifestyle Operations. Today these and other Group operations confront the need to address the COVID-19 crisis with maximum effect.

This year, for the 28th year in a row, the Resorttrust

Group has proudly upheld its No. 1 position in the domestic membership-based resort-club industry. Under the impact of this spring's COVID-19 pandemic, however, Japan's hotel and tourism industries in general have been severely affected, as the movement of people and goods is restricted worldwide, people in Japan exercise voluntary restraint on movement and inbound tourist demand dwindles.

To protect the health, safety and peace of mind of all Group stakeholders, including customers, employees and regional communities, the Resorttrust Group is undertaking stringent measures to prevent COVID-19 infection. We are maximizing synergies Group-wide to overcome the current difficult situation and achieve sustainable growth in the coming "new normal." Looking ahead to 2023, the 50th anniversary of its foundation, the Resorttrust Group aims to serve customers through every phase of life while continuing to uphold its unique and inimitable brand. As we tackle these challenges, we ask stakeholders to continue to favor us with their unwavering support.

Katsuyasu Ito, Chairman of the Board

Ariyoshi Fushimi, President

Message from the President

Within the New Normal of changed lifestyles caused by the COVID-19 pandemic, Resorttrust will achieve sustainable growth by combining the strengths of a membership base exceeding 180,000 members, our Medical Operations that incorporate advanced technology, and other business activities.

Ariyoshi Fushimi

President & COO



First of all, I respectfully offer my heartfelt condolences to those who have died of COVID-19 and the ensuing pandemic. Moreover, I pray for the earliest possible recovery for those who are still fighting the virus.

Reflecting on the Fiscal Year Ended March 31, 2020

The spread of COVID-19 had a significant impact on our Group in the fiscal year ended March 31, 2020. In the fiscal year ended March 31, 2019, our Group recorded our highest-ever operating income due to a lump-sum allocation of real estate revenue from the openings of Laguna Baycourt Club and XIV Rokko Sanctuary Villa. Since we did not plan to open a new membership hotel in the fiscal year ended March 31, 2020, we had originally formulated a plan for reduced sales and profits. Under such circumstances, the hotel operating revenue of the Laguna Baycourt Club, which opened in the fiscal year ended March 31, 2019, contributed to our business performance. Furthermore, our Medical Operations and Senior Lifestyle Operations continued to grow. Hotel membership sales were strong due to highly-profitable existing properties, as well as the **Yokohama Baycourt Club**, which will open in September 2020. Reflecting upon the events of the past year, the first half progressed nearly as planned. However, in the third quarter, the operation of facilities in eastern Japan declined due to the disruption of highways and railways caused by Typhoon Hagibis. Through efforts to recover from this damage in the fourth quarter, we proceeded strongly in January and February, with operation and unit cost at levels which exceeded January and February in the previous year. Nevertheless, we experienced inbound decline from the latter half of February through March. Other negative factors included accelerated trends for staying at home and taking time off work in conjunction with the spread of COVID-19, as well as a significant decline in travel demand during the spring holiday period. As a result, net sales were 159.1 billion yen (down 7.1% compared to the initial plan), operating income was 11.6 billion yen (down 27.2%), ordinary income was 12.4 billion yen (down 22.0%), and net income attributable to owners of parent was 7.1 billion yen (down 28.6%). Due to hotel operations falling slightly below expectations as a result of COVID-19, net sales and operating income were slightly below the planned downward revision that was announced on March 17. Even so, ordinary income and net income attributable to owners of parent were nearly in line with the revised plan.

On the whole, it was a year that was greatly affected by external factors. Nevertheless, despite the negative impact on operations caused by Typhoon Hagibis and COVID-19, this decline was covered by increased hotel membership sales compared to the previous fiscal year. Consequently, on a basis excluding the effects of special factors such as profits and opening costs associated with the opening of facilities in the previous fiscal year, business performance actually exceeded that of the previous fiscal year, and we recognize the achievement of overall growth. The monetary amount of hotel membership contracts continues to grow at an annual rate of about 5%, excluding the effect of new property openings. The number of members also increased by a net 3,653 during the year, reaching a total of 182,468 members as of March 31, 2020. In particular, **THE KAHALA CLUB Hawaii**, for which sales began on February 25, 2020, received 578 contracts in approximately one month.

Yokohama Baycourt Club Hotel & Spa Resort

An exclusive membership resort which will open in the bay area of Yokohama City, Kanagawa Prefecture on September 23, 2020. The elegant and stylish offers an affluent time in an urban resort.



THE KAHALA CLUB Hawaii

We are offering membership rights for a total of 40 nights (4 nights per year over a 10-year period) at one of our group hotels, THE KAHALA HOTEL & RESORT, which is a famous resort in Hawaii that's been in business for half a century. For the first installment, 1,350 of these memberships will be offered for purchase exclusively to group members.



Progress of Medium-term Management Plan “Connect 50”

The Group is implementing “Connect 50 – Together for a Wonderful Life,” a five-year Medium-term Management Plan running from the fiscal year ended March 31, 2019 until the fiscal year ending March 31, 2023. In order to become a Group all stakeholders will want to have a lifelong connection with, our three fundamental strategies are to 1) strengthen and entrench the Group brand, 2) dramatically improve productivity through workstyle reform, and 3) realize a more stable business portfolio. Based on these strategies, we worked earnestly to implement measures in the fiscal year ended March 31, 2020, the second year of

the Medium-term Management Plan.

In April 2019, we launched the **RTTG Point Club** as an initiative to strengthen and entrench the Group brand, which is one of our fundamental strategies. Points earned by using various products and services of the Group can be exchanged for other products and services within the Group. The purpose of this initiative is to promote multifaceted use by raising awareness among members towards the various businesses operated by the Group. As of March 31, 2020, about 214,000 people had joined the RTTG Point Club (about 227,000 as of June 30, 2020). With the aim of building even stronger relationships with customers, we are actively disseminating various information on the Group's businesses, medical operations, and health services.

When examining progress by segment, in Membership Operations, we are working to realize new expansion by starting sales of THE KAHALA CLUB membership in the Medium-term Management Plan, and to establish a **sustainable model for Membership Operations**. Sales of THE KAHALA CLUB Hawaii started strong in this fiscal year, and there was also favorable performance by existing properties such as Ashiya Baycourt Club and XIV Yugawara Rikyu. As a result, we were able to improve productivity per hour.

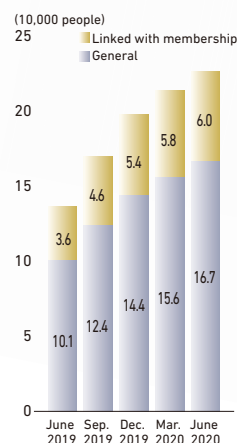
In the Hotel and Restaurant Operations, as part of our key measures, we have been working to dramatically improve productivity and profitability, and striving to expand the Kahala brand globally and to enlarge our business domain for the general public. Specifically, we opened the Hotel Trusty Premier Nihonbashi Hamacho in September of last year, and the Hotel Trusty Premier Kumamoto in October. We are also working to improve creativity and productivity by utilizing IT and technology. We have made progress in increasing the efficiency and reducing the cost of administrative work; for example, online reservations have grown to compose 20% of all reservations. Resorttrust is also promoting working style diversity by increasing the number of holidays, including mandatory paid leave. Although these measures have been somewhat effective, the spread of COVID-19 resulted in a total of 70,000 room cancellations in February and March of 2020. Conditions became even more difficult in April and May, with the Japanese government declaring a state of emergency from April and self-imposed restrictions on moving across prefectural borders.

In Medical Operations, we aim to create synergies with advanced medical care and become Japan's No. 1 comprehensive medical solutions group. The number of members of the comprehensive medical support club Grand HIMEDIC Club is steadily increasing. In October of last year, we began membership sales of the new base HIMEDIC Tokyo Nihonbashi Course. In this business, we are also developing senior residence business. In the Medium-term Management Plan, we are aiming to become No. 1 in the high-grade elderly housing market in the high-priced range by further increasing the number of total rooms at our facilities. Last August, we opened Trust Garden Ogikubo, a paid nursing home with nursing care for the elderly. In September of the same year, through the acquisition of shares in Senior Life Company Ltd., we acquired two paid nursing homes for the elderly in Tokyo and three in the city of Fukuoka. Furthermore, in senior residence business, the spread of COVID-19 made it difficult to provide information about our facilities and recruit new residents. However, we plan to recover these losses from June this year. Moreover, regarding nursing care facilities in Tokyo, especially in some areas such as Setagaya Ward, the number of rooms per person certified for nursing care has increased beyond initial expectations and competition is intensifying. However, we will strive to raise awareness by providing our Group's unique medical care, nursing care cooperation, meals, and recreation service, differentiating ourselves from competitors through services overflowing with hospitality, peace of mind, and comfort at membership hotels.

RTTG Point Club

A point service available throughout the Resorttrust Group. In this system, points are accumulated by using Group hotels, golf courses, medical facilities, and cruisers, and in accordance with the amounts spent at shops, cosmetics, supplements, and online/mail order stores. Starting from 100 points, 1 point can be spent as 1 yen when using facilities or purchasing products.

Changes in the number of RTTG Point Club members

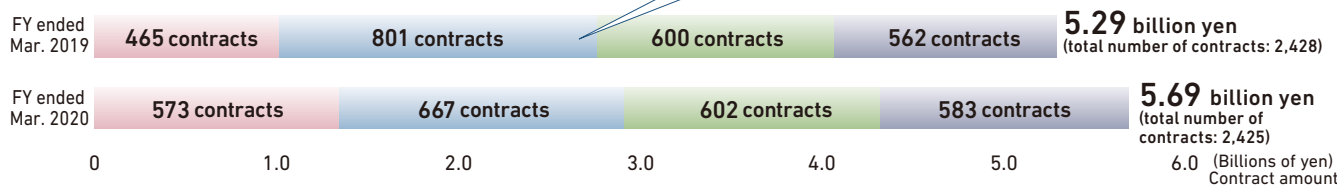


Sustainable model for Membership Operations

The priority theme of Membership Operations as defined in the Medium-term Management Plan "Connect 50." Promote the establishment of a permanent business model for resort hotel business.

Sales results of HIMEDIC membership (year-on-year)

Membership sales for Grand HIMEDIC Club are strong, and the monetary amount of contracts increased 400 million yen year-on-year.



■ Evaluation of ESG initiatives by external organizations

<p>Received the Minister of Health, Labour and Welfare Prize, the FY2013 First Place Prize for the Good Example of Workplace Improvements for Employing People with Disabilities (Organized by the Japan Organization for Employment of the Elderly, Persons with Disabilities and Job Seekers; sponsored by the Ministry of Health, Labour and Welfare)</p> <p>September 2013</p>	<p>Chosen for the 2014 Diversity Management Selection 100 (Ministry of Economy, Trade and Industry)</p> <p></p> <p>March 2015</p>	<p>Received the 2015 Director's Award of the Japan Organization for Employment of the Elderly, Persons with Disabilities and Job Seekers (Outstanding Office for Employment of Persons with Disabilities) (the Japan Organization for Employment of the Elderly, Persons with Disabilities and Job Seekers (JEED))</p> <p>September 2015</p>	<p>Received the 2017 Excellent Company Award for Employment of Persons with Disabilities, of the Excellent Companies Working for Employing Persons with Disabilities in Tokyo (Tokyo Prefecture)</p> <p>September 2017</p>	<p>Acquired the next-generation certification Kurumin Mark for the second time in 2019 (Ministry of Health, Labour and Welfare) Note: First acquired in 2016</p> <p></p> <p>January 2019</p>
<p>Received the Ikumen & Ikuboss Company Prize of the 2018 Aichi Prefecture Family Friendly Company Award (Aichi Prefecture)</p> <p></p> <p>February 2019</p>	<p>Four ESG areas focused on by Resorttrust</p> <ul style="list-style-type: none"> • Maintenance and conservation of the natural environment • Contribution to society • Diversity • Health management 			<p>For the second consecutive year, selected as an investment target stock in the FY2020 SOMPO Sustainability Index (Sompo Japan Nipponkoa Asset Management)</p> <p></p> <p>June 2020</p>
<p>Selected as a constituent of the MSCI Japan Empowering Women Index (WIN)</p> <p></p> <p>June 2020</p>	<p>24 of our employee cafeterias received 3 Stars, the highest possible rating, under the Healthy Meal and Dietary Environment (Smart Meal) Certification System</p> <p></p> <p>October 2019</p>	<p>Selected as an Outstanding Company for the 2019 Aichi Prefecture Company Where Women Shine (Aichi Prefecture)</p> <p></p> <p>October 2019</p>	<p>Received the Incentive Award (Director's Award of the Japan Organization for Employment of the Elderly, Persons with Disabilities and Job Seekers) for the 2019 Good Example of Workplace Improvements for Employing People with Disabilities (Organized by the Japan Organization for Employment of the Elderly, Persons with Disabilities and Job Seekers; sponsored by the Ministry of Health, Labour and Welfare)</p> <p>January 2020</p>	<p>For the fourth consecutive year from 2017, obtained certification as a Health & Productivity Management Outstanding Organization (Ministry of Economy, Trade and Industry; Nippon Kenko Kaigi)</p> <p></p> <p>February 2020</p>

Note: The names and logos of MSCI and the MSCI Index are trademarks or service marks of MSCI and its affiliate companies.

ESG Initiatives That Form the Basis of Sustainable Growth

For sustainable business and social growth, the Group delves into issues related to sustainability from various angles such as the natural environment, local communities/society, and diversity/human resources. Under the Group Management Philosophy, we worked on these issues within the fundamental strategies of the Medium-term Management Plan. The Group's management focused on ESG (environmental, social and governance) has been highly evaluated by external organizations. In June 2019 and June 2020, we were selected as an investment target stock for the SOMPO Sustainability Index (Sompo Japan Nipponkoa Asset Management) and as a constituent of the MSCI Japan Empowering Women Index (WIN).

The beautiful natural environment is the most appealing and irreplaceable asset for promoting the resort business. In 2005, Resorttrust established an environmental policy aimed at contributing to harmony with the natural environment and conservation of the ecosystem. We are now actively implementing the policy. For example, when building a new hotel, we strive to fully utilize the original natural condition, while also surveying the condition of vegetation growth and land maintenance during the development process. This enables us to implement measures leading to forest regeneration and conservation. To reduce our energy consumption we use LEDs for lighting throughout our buildings, and

electronic devices with the highest energy-saving performance in each field.

Resorttrust is also promoting efforts to resolve social issues such as regional revitalization and labor shortages due to the declining birthrate and aging population. By promoting digitalization, we not only improve productivity, but also contribute to workstyle reforms such as reviewing/reducing working hours and increasing the number of holidays. Furthermore, we are actively working to increase diversity by utilizing our characteristics and strengths as a hospitality industry that creates leisure, health, and beauty. Last October, in recognition of how we hire women, expand the selection of female employees for management positions, and take other active measures to promote the active participation of women, we received an Outstanding Company Award as a 2019 Aichi Prefecture Company Where Women Shine. This January, the Group received the Incentive Award for the 2020 Good Example of Workplace Improvements for Employing People with Disabilities, which is operated by the Japan Organization for Employment of the Elderly, Persons with Disabilities and Job Seekers. These are just a few examples of how our Group's initiatives were praised by external institutions.

Regarding governance, Resorttrust recognizes that losing the trust of our customers and society is the greatest risk to our Group's business. We strive to ensure management transparency while maintaining a strong relationship of trust with our stakeholders and conducting various types of risk management. The ratio of outside directors to the Board of Directors is 35.3%, and the ratio of female directors is 11.8%. This indicates how our company is promoting diversity in the Board of Directors.

Medical Operations Continues to Grow as a New Pillar

As health consciousness increases, our Medical Operations, for which we have introduced and utilized the world's leading cutting-edge medical equipment, continue to grow with strong demand from many wealthy people. With the aim of preventing the spread of COVID-19 infections, the Ministry of Health, Labour and Welfare approved the provision of remote medical care services on a temporary basis. From April 2020, we started remote medical care services for Group members at our clinics, including initial medical examinations. Even prior to COVID-19, there was a need to conduct medical examinations for healthy people outside of hospitals. However, it seems that the demand for HIMEDIC is expanding as an increasing number of people are concerned about the risk of being infected with COVID-19. While continuing to maintain ties with medical care and differentiate medical examinations for healthy people, the Group will strive to respond to the growing demand and to create synergies for increasing recognition of overall Group services aimed at members connected with the Resorttrust Group through our Medical Operations.

Last November, our Group company CICS, Inc. cooperated with Stella Pharma Corporation to perform clinical trials at the National Cancer Center Japan for a **Boron Neutron Capture Therapy (BNCT)** used to treat malignant melanoma and angiosarcoma. This initiative, which aims to establish BNCT as a cancer treatment method in the future, is an expression of the Group's ongoing desire to be involved in cancer screening and medical treatment. Specifically, we want to create a society where loved ones will no longer be lost to cancer. We are overjoyed at the recent progress that has been made.

Boron Neutron Capture Therapy (BNCT)

A minimally invasive cancer treatment using boron compounds and neutrons. This revolutionary radiation therapy can selectively kill only cancer cells. Our consolidated subsidiary CICS has developed an accelerator neutron capture therapy device for BNCT. This device can be installed in hospitals where installation was previously not possible due to the need for large-scale equipment.

► For details, refer to "Special Feature 1: Creating New Value in the Medical Operations" on page 22.

Outlook for the Fiscal Year Ending March 31, 2021

As mentioned above, in the fiscal year ending March 31, 2021, the Japanese government issued an emergency declaration in April. Together with voluntary restrictions on movement across prefectural borders, this resulted in the continuation of extremely tough conditions. Regarding the Group's sales activities, it is difficult to have face-to-face business negotiations with new people in membership sales. Therefore, we are trying to stimulate demand by utilizing online sales focused mainly on existing members. In April alone, we secured approximately 70% to 80% of the contract amount in the previous year. Once the COVID-19

pandemic has ended, we believe that sales will return to the same level as the previous year.

In our Hotel and Restaurant Operations, we are implementing extensive measures to prevent the Three Cs (Closed spaces, Crowded places, and Close contact) while taking full advantage of our membership system in the midst of a pandemic; for example, automating check-in and check-out, and providing room service in spacious rooms. We are enhancing our proposals for a relaxing stay instead of sightseeing. We aim to recover operations through “Welcome Back” promotions; for example, sending complimentary tickets for use after the middle of June to the members who were inconvenienced by the closure of facilities during Golden Week. However, from the viewpoint of infection risk and in consideration of issues such as social distancing at restaurants, we plan to operate at a maximum of about 80% capacity. This will be done by partially curbing operations during busy seasons. Regarding inbound tourists, the number of foreign visitors to Japan in April 2020 decreased dramatically to 2,900, down 99.9% from the previous year. We expect that recovery in inbound tourists will require some time. In light of these circumstances, the Group’s hotel facilities must identify lodging demand among the elderly generation, cooperate with our Medical Operations to enhance contents for satisfying new needs during the COVID-19 pandemic, and provide guidance as a measure for the overall customer target in Group businesses. The majority of facilities that had been closed from April to May have resumed operations from June. Also, although the opening of the members-only resorts Yokohama Baycourt Club Hotel & Spa Resort and THE KAHALA HOTEL & RESORT YOKOHAMA was postponed, the decision was made to open these facilities on September 23.

In our Medical Operations, we opened **Nihonbashi Muromachi Mitsui Tower Midtown Clinic**. Outpatient examinations had already started from May 11, and medical examinations and health checkups were started from May 18. Furthermore, from June 3, we started examinations through the HIMEDIC Tokyo Nihonbashi Course, which is based in Nihonbashi, Tokyo, at the membership comprehensive medical club Grand HIMEDIC Club. Although the market outlook is extremely uncertain due to the spread of COVID-19, we plan to overcome this difficult situation while striving to strengthen hygiene at each facility so that customers can use our facilities with peace of mind. Furthermore, the business outlook for the fiscal year ending March 31, 2021 was initially set as undecided due to the difficulty of making rational estimates. However, on August 7, we announced expected values based on the assumption that there will be no further emergency measures on a nationwide scale.

Nihonbashi Muromachi Mitsui Tower Midtown Clinic

The Group’s Medical Service (MS) corporation business provides corporate medical examinations and general outpatient medical care (internal medicine). The Nihonbashi Muromachi Mitsui Tower Midtown Clinic in Nihonbashi, Tokyo began operation in May 2020 after extensive measures to prevent COVID-19 infections. The “HIMEDIC Tokyo Nihonbashi Course” was also established on the same floor.

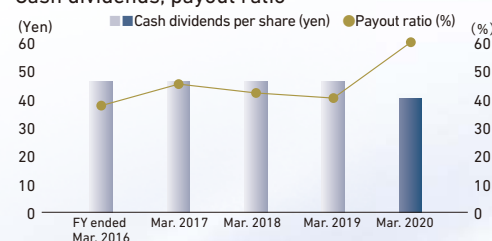


Consolidated results (year-on-year)

(Millions of yen)

	FY2018 Results	FY2019 Results	Increase/Decrease (%)
Net sales	179,542	159,145	(11.4)
Operating income	18,877	11,652	(38.3)
Ordinary income	19,528	12,476	(36.1)
Net income attributable to owners of parent	12,358	7,135	(42.3)

Cash dividends, payout ratio



To Our Stakeholders

In times such as these, our Group must closely serve our members and other customers. We must return to the basics of our membership system, striving to maintain and improve relationships of trust and efficiently utilize the know-how and information accumulated through early diagnoses aimed at preventive medical care and early treatment in our Medical Operations. By doing so, we will actively work to solve issues related to the health of our customers.

Moving forward, we must consider how to build a Group system for responding to changing needs among new values which are known as the “New Normal.” Even if a decrease in sales is unavoidable for the time being, we will take this opportunity to thoroughly review the efficiency and cost of operations, including in-house production of operations which had been outsourced, and to return to the membership system which is our origin. We see this as an opportunity for Resorttrust to be reborn as a stronger organization. As we approach the milestone of our 50th anniversary in 2023, we will continue to fulfill our social responsibilities in environment, society, and governance (ESG) and conduct management aiming for sustainable growth while further concentrating the power of the Group. We look forward to the continued patronage of our valued stakeholders.

To Improve Capital Efficiency and

Based on a strong financial base that utilizes our original business model, we are fully prepared for the prolonged effects of COVID-19 through our flexible financial strategy.

Stability of Our Financial Infrastructure

The Group's financial infrastructure is supported by our original business model and our customer base of more than 180,000 members with whom we have built relationships of trust. Hotel memberships will be on sale from the start of construction and new members may make purchases through referrals from existing members. As a result of these and other measures, approximately 50% of the hotel membership will be contracted before the opening of the business. A contract rate of approximately 50% will make it possible to recover the total investment amount, achieving investment recovery in a short period of time. Additionally, after opening, hotels are operated as condominium-type membership hotels. Accordingly, the guestrooms are separately owned by members, so depreciation costs are less than normal hotels. This enables stable operation via fixed income such as income from annual membership fees and proceeds from amortizing deposits. The majority of security deposits at the time of enrollment are amortization-type deposits which do not require return, and the amortized proceeds are also the source of repair costs. As a result, we have achieved a robust financial structure with small financial risk associated with the return of deposits.

Profitable Growth Business

In order to achieve stable growth of profits, the Group is strengthening our Medical Operations, which is our growth business, in addition to our core businesses of the Hotel and Restaurant Operations. In our Hotel and Restaurant Operations, although COVID-19 has caused the hotel occupancy rate to fall lower than usual, we are working to improve productivity through operational efficiency improvements such as IT and digitization. In Medical Operations, for which we introduce and utilize the most advanced medical equipment in the world, sales of HIMEDIC membership contracts are growing steadily against the background of strong demand from many wealthy people, both members and non-members, amid increasing health consciousness. Medical Operations are being cultivated as a growth business which will be our next business pillar. There are also high occupancy rates at our senior residences, which we have been able to differentiate from competitors by fully utilizing the know-how and customer base cultivated in our resort hotel business.

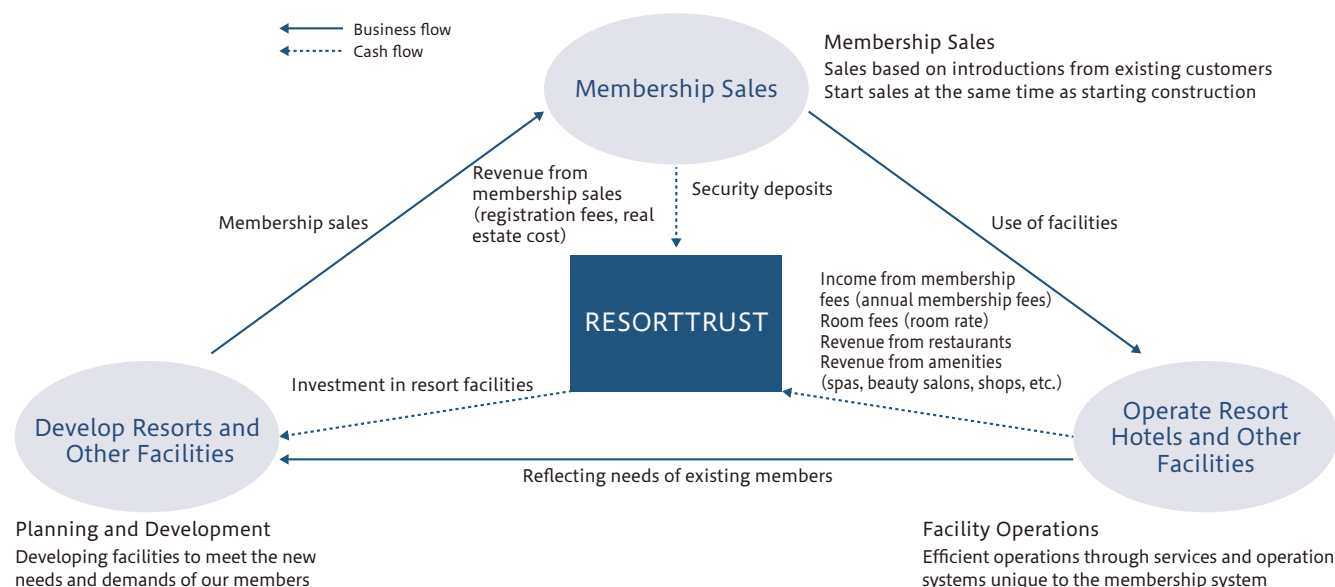
Financial Soundness

By accumulating capital and selling assets under management, we achieved an equity ratio of 31.9% as of March 31, 2020, which is an increase of +0.2% from the end of the previous fiscal year. We also maintained our long-term issuer rating of "BBB+ (outlook: stable)" from the Japan Credit Rating Agency (JCR).

Rating agency	Rating	Outlook
JCR	BBB+	Stable

Note: As of August 2020

Basic business flow



Grow Highly-profitable Business

Future Financial Strategy

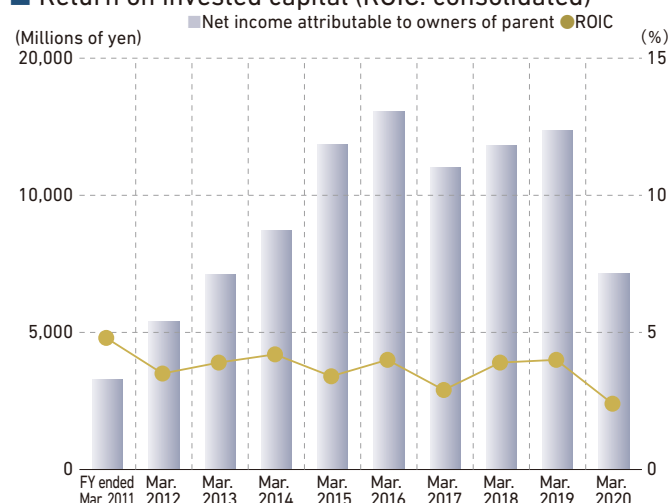
The Group efficiently manages funds by utilizing the funds within the Group with the basic policy of allocating cash on hand to fund facility investments used to build hotels and repair existing facilities. We also make effective use of external funds, such as borrowing from financial institutions and issuing corporate bonds as necessary.

In preparation for the prolonged effects of COVID-19, we have taken out new long-term loans to secure liquidity on hand, and have entered into a contract of 80 billion yen as a commitment line, including those for earthquake disasters and acquisitions.

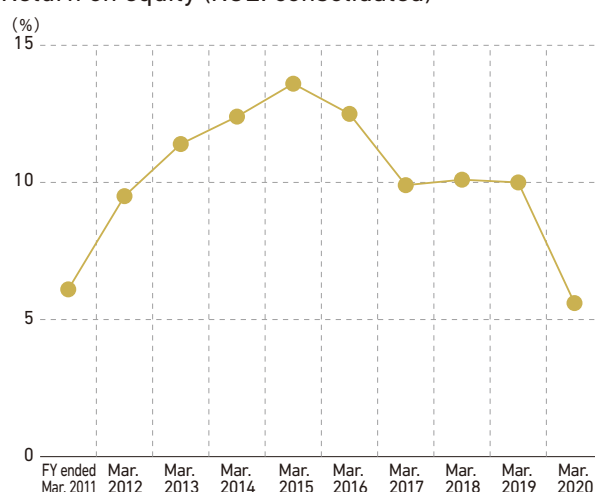
Shareholder Return Policy

Resorttrust recognizes that continuous stable growth in the future will improve corporate value and increase shareholder value. Accordingly, we recognize that our dividend policy for shareholders is a management issue of the utmost importance. Our basic policy is to ensure a dividend payout ratio of 30% to shareholders and to provide stable returns based on a guideline of a 40% dividend payout ratio, while at the same time maintaining financial soundness by enhancing capital, carrying out growth investments such as aggressive and agile M&As for acquiring new profit opportunities, and considering the balance with internal reserves needed on a sustained basis.

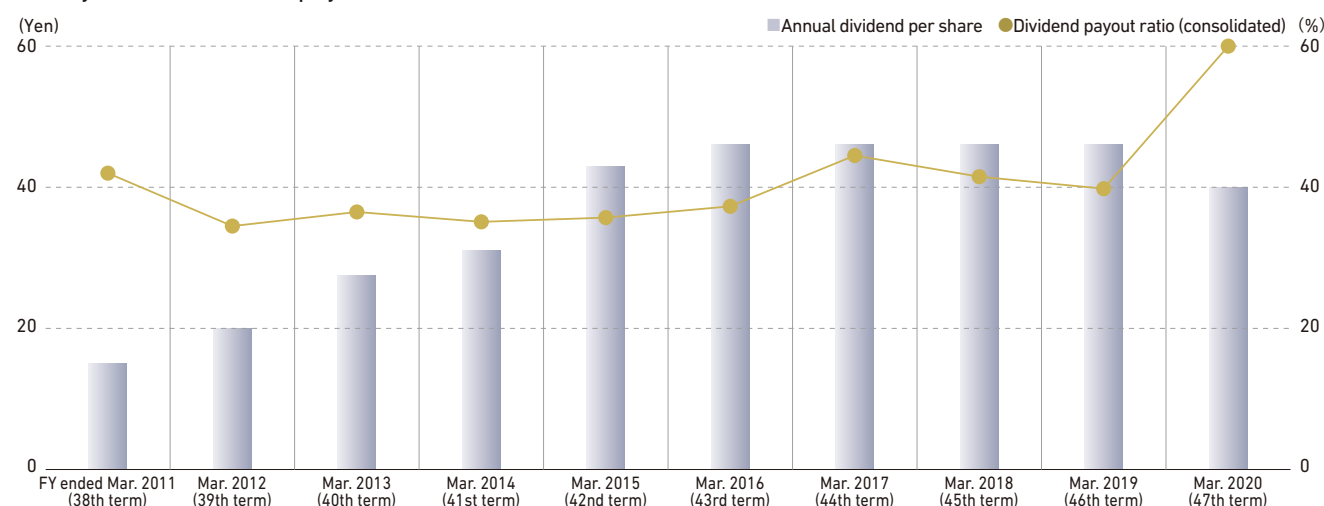
Return on invested capital (ROIC: consolidated)



Return on equity (ROE: consolidated)



10-year dividend and payout ratio trends



Note: On January 1, 2014, the Company performed a stock split at a share ratio of 2-for-1. The values shown were calculated based on after the stock split.

Value Creation Process of Resorttrust

The Resorttrust Group is a dynamic organization of individuals committed to pushing the envelope, blazing new trails, and creating opportunities. The value creation process of the Group is based on a strong relationship of trust with our members. We will pursue Group synergies based on the various types of capital accumulated through our 47 years of business activities, evolving into a Group with which all our stakeholders will be keen to associate throughout their lifetimes.

Types of Capital

Customer capital / Manufacturing capital

Membership base / Common property

- Number of Group members: 182,468
- Number of hotels operated by the Group: 49

Human capital

Employees / Governance system

- Number of Group employees: 7,937 (consolidated / full-time employees)
- Independent outside directors: 6

Financial capital

Revenue model / Financial infrastructure

- Total assets: 400.8 billion yen
- Net assets: 132.9 billion yen
- Long-term guarantee deposited: 101.7 billion yen

Note: Interest-free deposit funds from members

Intellectual capital

Data / Know-how / Brand

- Facility usage data
- Medical examination data
- Joint research with medical institutions (The University of Tokyo Hospital, Kyoto University Hospital, etc.)
- Research and development of cancer treatment equipment (BNCT development with National Cancer Center Japan)
- Extraordinary space design

Social capital

Relationships

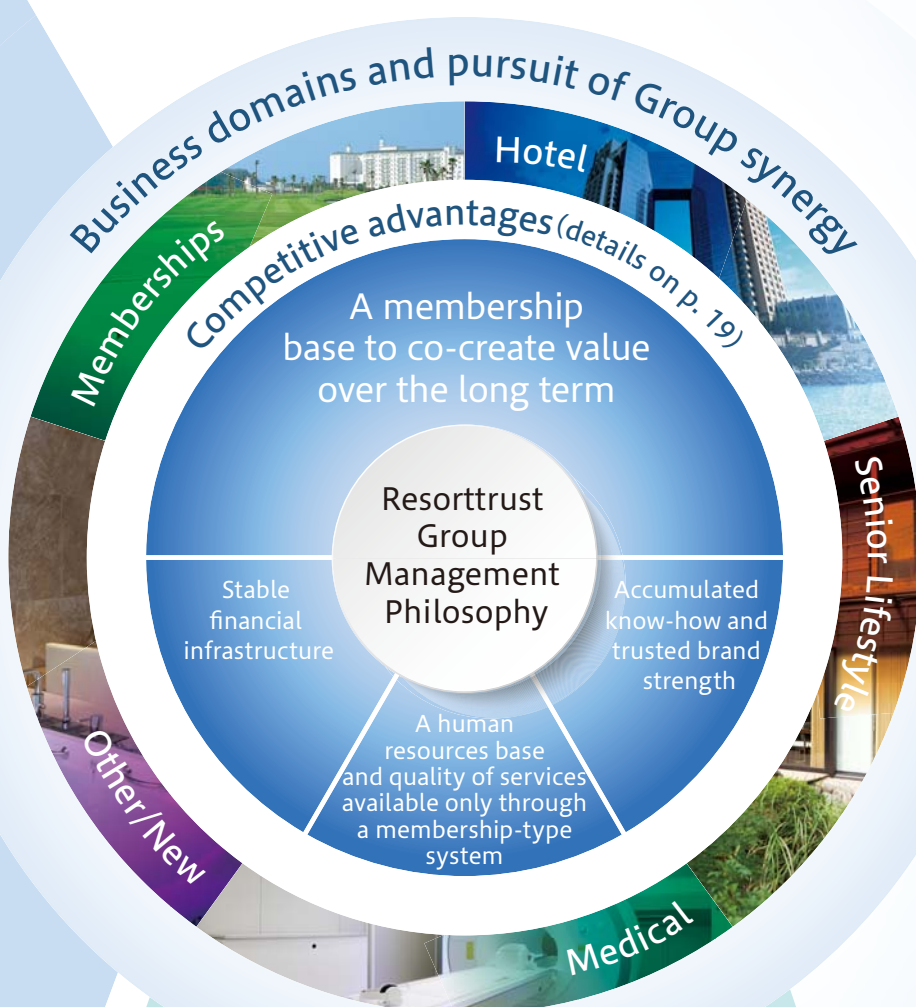
- Number of shareholders: 35,907
- Development with an emphasis on harmony and cooperation with local communities and government
- Long-term relationships of trust with business partners and financial institutions

Natural capital

Rich natural environment

- Regional nature and ecosystems such as mountains, rivers, and the sea

Note: All figures as of March 2020



Social and environmental issues recognized by Resorttrust

- Climate change
- Energy saving
- Environmental conservation
- Water resources (water risks)
- Aging society with a declining birthrate
- Increased medical and social security costs
- Increased demand for nursing care facilities and nursing homes
- Invigoration of regional economy
- Regional revitalization
- Occupational safety and work style reform
- Diversity

Creating social value

• Hotel business

- Regional revitalization
(stimulating demand, local recruitment, local production for local consumption)
- Participation in urban development projects

• Medical examination / checkup business

Target number of general medical examinations in
FY2022: **700,000** (+200% compared to FY2017)

• Medical research / business support

- 20 facilities to support the operation of medical institutions (June 2020)
- Promotion of industry-academia collaboration projects

Kyoto University Hospital

The University of Tokyo Hospital

- Enhancement of nursing care facilities and housing with services for the elderly

Medium-term Management Plan Target: **3,000** rooms

- Spread of cutting-edge cancer treatment equipment (treatment started in 2019)

A Future Created Together with Stakeholders

Sustainable Increase in Corporate Value

Creating economic value

- FY2022 targets of the Medium-term Management Plan "Connect 50"

Net sales: **210.0** billion yen
Operating income: **24.0** billion yen
ROE: **10%**

• Membership base

Continuous membership increase

(Increase of about 3% in number of Group members)

Note: 10-year average (March 31, 2010 to March 31, 2020)

• Governance

- Strengthened risk management system
- Improved productivity through digital transformation
- Appointment of independent female outside director
- Health management (certified as a Health & Productivity Management Outstanding Organization)
- Promotion of diversity

Regional society

Business partners

Customers

Together for a Wonderful Life

Ri+G
RESORTTRUST GROUP

Employees

Shareholders
Investors

Natural environment

Source of Value Creation

Our core competence is a membership base of over 180,000 people. Our main members are the wealthy class of Japanese people. On the other hand, we are also developing businesses for general members targeting the mass market. Both types of customers are important partners of the Group. We will continue to delve deeper into the needs of all our customers and strive for sustainable growth while expanding new services.

Scope of domestic market

Number of households by net financial assets held and size of net financial assets held

		2003	2007	2011	2015	2017
High net worth individuals (Net financial assets of 500 million yen or more)	Financial assets (trillion yen)	38	65	44	75	84
	Number of households (Unit: 10,000)	5.6	6.1	5.0	7.3	8.4
Affluent segment (From 100 million yen to less than 500 million yen)	Financial assets (trillion yen)	125	189	144	197	215
	Number of households (Unit: 10,000)	72.0	84.2	76.0	114.4	118.3
Mass affluent segment (From 50 million yen to less than 100 million yen)	Financial assets (trillion yen)	160	195	196	245	247
	Number of households (Unit: 10,000)	245.5	271.1	268.7	314.9	322.2
Upper mass retail segment (From 30 million yen to less than 50 million yen)	Financial assets (trillion yen)	215	254	254	282	320
	Number of households (Unit: 10,000)	614.0	659.8	638.4	680.8	720.3
Mass retail segment (Less than 30 million yen)	Financial assets (trillion yen)	519	470	500	603	673
	Number of households (Unit: 10,000)	3,881.5	3,940.0	4,048.2	4,173.0	4,203.1

Notes 1: The size of the wealthy population (the number of wealthy households) continues to increase.

2: From the Nomura Research Institute News Release "Japan's Affluent Segment Consisted of 1,270,000 Households and Held Total Net Financial Assets of 299 Trillion Yen"

Business direction

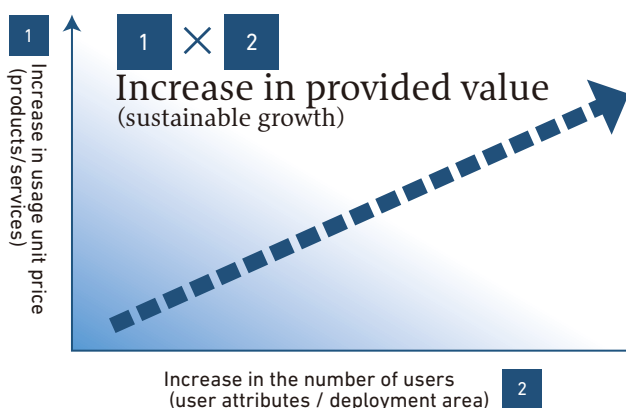
① Expansion of usage amount and services used per customer

- Delve into customer needs and propose new usage opportunities
- Raise awareness of Group products and services
- Propose new products and services for lifelong connection, such as facilities for seniors (aimed at both health individuals and individuals requiring nursing care) and aging care, and build relationships
- Create new membership brands (international/multi-night membership, etc.)

② Brand development that surpasses business fields and customer attributes

- Steadily build membership base of wealthy Japanese people with a focus on strengthening the Kanto region
- Propose usage scenes for families/friends of members and corporate employees
- Entrench our general hotel brands and medical examination brands
- Develop domestic and overseas hotels and medical services targeting wealthy foreigners

Achieve
sustainable
growth
① × ②



When excluding duplicate ownership, the actual number of Group members is approximately 140,000. When compared with the wealthy class in Japan (estimated to be approximately 1.2 million households), we recognize that the ownership ratio is slightly more than 10%. There is still substantial room for expansion; however, it will be difficult to achieve sustainable and lasting growth simply by increasing the number of Japanese members. One of our pillars is to provide further services to the families and friends of customers, and to corporate employees. Another pillar is to increase the number of customers by attracting customers not only from Japan, but also from overseas. At the same time, we will increase the average sales per customer by providing a broader and deeper lineup of services for each customer. By balancing these two approaches, we aim to achieve sustainable growth for the entire Group.

Resorttrust's Four Competitive Advantages

01

A membership base of roughly 180,000 members to co-create value over the long term

Starting with Resorttrust's stakeholders, all of the approximately 180,000 members, who are at the same time our customers, are each and every one important partners of the Company. Creating value for these partners in the form of satisfaction for all members through new business opportunities and shared revenue is the source of our strength.

02

Accumulated know-how and trusted brand strength

Since its establishment in 1973, Resorttrust has built solid brand value in its membership hotels business, Medical Operations, and Senior Lifestyle Operations, based on its Management Philosophy that commits to breaking new ground, earning trust and rising to challenges, and delivering unparalleled levels of refinement and quality with excellent hospitality services. The proprietary expertise accumulated since our establishment and the trust we have earned, as well as the synergies achieved between businesses, are what underpin the Company's competitive advantage.

03

A business model built on bedrock and a stable financial position

The Company has positioned its innovative business model as its strength. This consists of short recovery periods for its key condominium-style membership hotels, income from annual membership fees and proceeds from amortizing deposits after the opening of facilities, and other stable operating profits. A majority of the security deposits received are amortization-type deposits that will not be repaid, a portion of which are used to fund repairs, maintenance, and renovations. This enables us to realize a healthy financial structure with little financial risk.

04

A human resources base and quality of services available only through a membership-type system

Human talent is the most important of the Company's resources. A base of human resources that have the spirit of hospitality and refined skills is precisely what makes offering high-quality services possible. In responding to the implicit needs of our customers, the Company nurtures "brand employees" who contribute to a higher level of satisfaction. At the same time, with its persistent efforts to improve the work environment, the Company is improving employee satisfaction as well.



Creating Corporate Value Through Business

For efforts to improve economic and social value over the medium- to long-term, goals, achievements, and issues (risk response) are listed for each major business activity.

April 2018 to March 2023 Medium-term Management Plan “Connect 50”	Five-Year Plan	Action Item (Target)
 <p>Membership Operations</p>	<ul style="list-style-type: none"> ● Achieve new development by starting sales of international memberships ● Establish a sustainable model for Membership Operations 	<p>Increase number of units sold, improve productivity per hour</p> <ul style="list-style-type: none"> ● Number of contracts in FY2022: 5,500 (+40% compared to FY2017) ● Productivity per hour in FY2022: 51,000 yen (+20% compared to FY2017) ● Kanto Office contract amount ratio in FY2022: 52% (+7% compared to FY2017) <p>International memberships sold after FY2019</p>
 <p>Hotel and Restaurant Operations</p>	<ul style="list-style-type: none"> ● Realize dramatic improvement in productivity and profitability ● Expand the Kahala brand on a global scale and expand business domains for the general public (business, luxury) 	<p>Total occupancy rate for XIV + Baycourt</p> <ul style="list-style-type: none"> ● FY2022: 55.5% (+4.0% compared to FY2017) <p>Expected increase in income from annual membership fees + proceeds from amortizing deposits</p> <ul style="list-style-type: none"> ● FY2022: +3.0 to 3.5 billion yen compared to FY2017 <p>Development of Hotel Trusty</p> <ul style="list-style-type: none"> ● FY2022: Expand to 12 facilities (+4 facilities compared to FY2017) ● FY2022: Sales exceeding 10.0 billion yen (+60% compared to FY2017)
 <p>Medical Operations</p>	<ul style="list-style-type: none"> ● Create synergies with advanced medical care, becoming Japan's No. 1 comprehensive medical solutions group ● Aim to be No. 1 in the senior high-grade market 	<p>HIMEDIC business / Medical Service (MS) corporation business</p> <ul style="list-style-type: none"> ● HIMEDIC sales: 2,360 units per year (utilization of existing facilities + new facilities) ● Number of general medical examinations in FY2022: 700,000 (+ 40% compared to FY2017) <p>Aging care business (product sales)</p> <ul style="list-style-type: none"> ● Number of customers in FY2022: 500,000 (+200% compared to FY2017) <p>Senior Lifestyle Operations</p> <ul style="list-style-type: none"> ● With a system of 3,000 rooms, 1.6x sales and 3x operating income (compared to FY2017)
 <p>Head Office</p>	<ul style="list-style-type: none"> ● Strengthen and entrench the Group brand ● Dramatically improve productivity through work-style reform ● Realize a more stable business portfolio 	<p>Improve brand awareness and enhance contact points with customers</p> <p>Proceed from utilizing IT technology and reviewing the work environment/education system to pursuing customer satisfaction</p> <p>Reinforce the Group's stock-type earnings base, develop new brands, accelerate the pace of growth in markets for general consumers</p>

Activities / Crisis Response to COVID-19

Status of Initiatives for the Fiscal Year Ended March 31, 2020

Expansion of contract amount

Contract amount +10% year-on-year (hotels)

- Revised prices for Laguna Baycourt Club
- New products using an existing property: released Version 20
- Improved productivity per hour by promoting digitalization: +10% year-on-year
- Started sales of THE KAHALA CLUB Hawaii from February 25: Contract amount 1.9 billion yen

Strengthened handling measures for improving utilization rates remain an urgent issue.

- Number of RTTG Point Club members: 210,000
- Web reservation: +4% (16% to 20%) year-on-year
- Improved merits to owners and increased customer satisfaction: +0.11% compared to the previous term as of the end of March
- Promoted large-scale corporate use: +8% year-on-year (cumulative total until February; excludes the impact of COVID-19)

Workstyle reform / improvement of profitability

- Improved productivity, Decrease of 80 hours (2,045 hrs to 1,965 hrs) in annual shifts
- Increased fixed income

Entry of Hotel Trusty Premier (Nihonbashi in September 2019; Kumamoto in October 2019)

HIMEDIC sales expansion: +8% on contract amount year-on-year

- Launched new bases in the Nihonbashi area in the second half of the year: 501 units from October 16
- Introduced the HIMEDIC app and expanded services
- Inbound sales ⇒ Continued review with a focus on the impact of COVID-19

Senior Lifestyle Operations: Expanding facility numbers and improving occupancy rates.

- Smooth operation of newly opened/acquired facilities: increase of 6 facilities and 390 rooms
- Measures to improve occupancy rate ⇒ Increased sales staff, strengthened sales towards Group members
- Development of new bases ⇒ Continued review with a focus on the impact of COVID-19

BNCT business: Research equipment deliveries and clinical trials started in November 2019 are progressing smoothly.

Digitization of business and promotion of workstyle reform

- Increased the number of annual holidays: 110 days ⇒ 120 days
- Thoroughly utilized IT: Conducted membership sales by utilizing digital marketing + 160% year-on-year (FY2018: 0.6 billion yen ⇒ FY2019: 1.6 billion yen)
- Reviewed costs at indirect divisions of head office: Reduced costs at head office (continuous reduction)

Initiatives for the Fiscal Year Ending March 31, 2021 (Countermeasures for COVID-19 infection)

Infection countermeasures / sales measures

- During sales activities, hold thorough infection prevention measures such as measuring body temperature
- Ensure productivity for flexible workstyles such as telework and partial leave
- In response to COVID-19, conduct marketing according to the economic situation in each industry

Infection countermeasures and measures to avoid the Three Cs (Closed space, Crowded places, Close contact)

- Administer written health checks at the time of admission, conduct non-stop check-in/check-out
- Ensure social distance in restaurants and limit the number of seats
- Provide in-room dining services for dinner and breakfast
- Thoroughly enforce measurement of body temperature for employees, disinfection of public spaces, etc., every 3 hours
- Use V BLOCK Air, a countermeasure for viruses within open spaces containing ostrich antibodies

Cost control and operation measures

- Reduce costs with a focus on fixed costs (5 billion yen scale)
- Review measures such as partial aggregation of operation facilities, home delivery services, etc.

Infection countermeasures and measures to avoid the Three Cs (Closed space, Crowded places, Close contact)

- Secure items for infection prevention and management (disinfectant, goggles, protective clothing, etc.)
- (Midtown Clinic) Cooperate with other Group facilities such as hotels, strengthen guidance on countermeasures and hygiene management
- (Medical examination/checkups) Adjust operation according to the situation
- (Senior facilities) Perform thorough disinfection; place restrictions on visits, entry, exit, etc.

Enhancement of services for Group customers

- Made remote medical care available from the initial examination (held from April 24 to May 7)

Note: Conventionally, remote medical care is only available from the second and subsequent examinations

- Offer email consultation on infection countermeasures, disseminate information for RTTG Point Club members

Financial measures / risk management

- Execute special loans (bank loans) to secure stable funds
 - Set a commitment line borrowing limit of 80 billion yen
- Note: Including 30 billion yen for earthquake disaster and acquisitions
- Partially refund and reduce executive compensation and various expenses
 - Provide compensation for leave of absence for employees (additional compensation on top of the minimum guarantee ratio set by the government)
 - Implement PCR tests and antibody tests for employees

Creating New Value in Medical Operations

From screening to treatment, HIMEDIC aims to improve your health and QOL, moving towards a new era in cancer treatment.

Tetsuya Furukawa
Director, Head of Medical Division



■ Grand HIMEDIC Club supports the health of members

Q Please tell us about new initiatives in Medical Operations.

A The membership comprehensive medical club Grand HIMEDIC Club provides detailed services such as conducting high-precision medical examinations, introducing the optimal medical institution for the patient if an abnormality is found, and supporting daily health. For the general public, Medical Operations also support the operation of medical institutions such as medical checkups, medical examinations, and outpatient examinations, and develops and sells cosmetics and supplements. In addition to conducting joint research on preventive medicine and treatment methods with institutions such as university hospitals, the Group is also developing a Senior Lifestyle Operations segment that

runs paid nursing homes with nursing care for the elderly and senior residences. Against the backdrop of an ultra-aging society, the number of HIMEDIC members has increased sharply since 2013. The needs of members are shifting from enjoying leisure time to needing greater peace of mind regarding health; for example, enhancing preventive medical care and receiving optimal treatment. Based on our philosophy of supporting the health of our members, we are focusing on providing the best solutions, such as expanding medical services and providing total support, with the aim of further enhancing our Medical Operations.

Q Why are you focusing on cancer screenings and treatments?

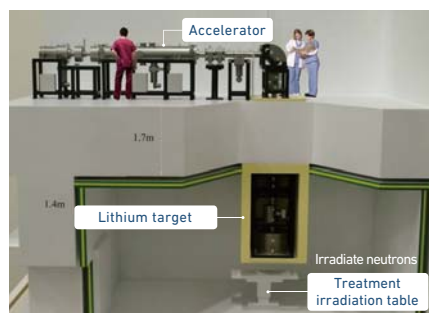
A First of all, the three major diseases in Japan are cancer, heart disease, and cerebrovascular disease. Accordingly, cancer is considered to be one of the top three causes of death and has a great impact on the QOL (quality of life) of prognosis. In our Medical Operations, we have been considering how to achieve early detection and early treatment through testing for serious diseases such as cancer. This has led us to develop services such as the membership medical examinations through HIMEDIC and the Midtown Clinic for the general public. These are historic initiatives for the Resorttrust Group. The origin of these initiatives was a screening service in 1993 at HIMEDIC Yamanakako which incorporated PET (Positron Emission Tomography) testing. Due to its high cancer detection rate, this method became known as the Lake Yamanaka Method and has made a great contribution to the field of nuclear medicine. These achievements and the accumulation of a huge amount of medical examination data have been evaluated by various external medical institutions, and can be said to have laid the foundation for today's Medical Operations. This is one of our strengths, and it will contribute to achieving our vision of aiming for a society where loved ones are not lost to cancer. Therefore, as the main axis of our growth strategy, we have started clinical trials for cutting-edge cancer treatment BNCT (Boron Neutron Capture Therapy) at the National Cancer Center Japan.

■ Principles of the neutron generator and treatment system which are the key to BNCT

Accelerator-type BNCT | Irradiates the treatment site with neutrons generated by the accelerator



Accelerator-type BNCT, a neutron generator



Accelerator-type BNCT system 3D model

Irradiated neutrons cause a nuclear reaction with a target substance (boron compound) that is harmless to the human body. The target substance has been taken into cancer cells in advance, so only the cancer cells are killed.

BNCT / Cutting-edge Medical Business

Vision

Aiming for a society where loved ones are not lost to cancer

Mission

Become a company providing solutions for cancer screening and cancer treatment

Resorttrust entered Medical Operations in 1994. We introduced PET at the HIMEDIC Yamanakako Course and started cancer screenings unlike any other in the world. The screening results have greatly contributed to the development of international nuclear medicine. Currently, PET is widely used all over the world in the early detection and treatment of cancer.

Afterwards, HIMEDIC constructed an unprecedented model for balancing membership medical examinations and advanced medical research in university hospitals. HIMEDIC promoted projects such as the HIMEDIC•Tokyo University Hospital Course (computer image diagnostics/preventive medicine) and the HIMEDIC Kyoto University Hospital Course (preemptive medicine/lifestyle-related disease research).

While expanding solutions from screening to treatment, we entered into a partnership* (Tokyo Midtown Clinic) with Johns Hopkins University in the United States and began initiatives in the fields of advanced cancer immunotherapy and radiotherapy. Utilizing the know-how cultivated in these fields, we started clinical trials of BNCT (Boron Neutron Capture Therapy), which may be a new option for cancer treatment, at the National Cancer Center Japan.

From cancer screening to treatment—HIMEDIC will enable even greater performance by the brand.

*Currently, the partnership has been dissolved.

Toward long-awaited practical application

Q What kind of treatment is BNCT?

A BNCT (Boron Neutron Capture Therapy) is a type of radiation therapy for cancer. It is a treatment method that selectively destroys only cancer cells by administering a boron compound that is specifically taken in by cancer cells in body, and then externally irradiating neutrons to target the boron in the cancer cells. The theory was developed in the United States in the 1950s, and research has been conducted in Japan since 1968. This long wait for practical application was caused by a need for further technological advances. CICS, Inc., a consolidated

subsidiary of Resorttrust, has been developing BNCT with partner companies for some time. We also entered into a joint research agreement with the National Cancer Center Japan. Then, in 2014, we delivered an accelerator neutron capture therapy device CICS-1*, which is the basis of the treatment system, and a boron drug (developed by Stella Pharma Corporation) to the Center. We have utilized this technology to continue non-clinical trials. Clinical trials for malignant melanoma and angiosarcoma started in November 2019 at the National Cancer Center Hospital.

*CICS-1: An accelerator-type neutron capture device developed by CICS. Neutrons are generated by colliding accelerated protons with a lithium target. CICS-1 is characterized by a small mixture of fast neutrons which have a significant adverse effect on the human body.

Q Are there any merits when compared to other cancer treatments?

A It is possible to distinguish between cancer cells and normal cells, and then target only cancer cells. This enables treatment of recurrent cancer in addition to early-stage cancer, and there is no effect on respiration or intestinal peristalsis. Furthermore, when using other radiation therapies, patients must undergo radiation therapy many times. In contrast, BNCT requires only one treatment, so it is efficient and the burden on the patient is very small.

■ BNCT with high efficacy and therapeutic effect on cancer

Types of cancers that can be targeted by BNCT	Advantages of BNCT	Existing radiation therapy
Malignant primary brain tumor	• Almost no damage to normal cells (less burden on the body)	• Damage to normal cells
Skin and mucosal malignancies	• Ability to treat recurrent cancer	• Treatment must be undergone many times
Malignant melanoma	• When used in combination with PET examination, the possibility of curing each patient can be evaluated before treatment	• In normal radiation therapy, there is a limit to the number of irradiation treatments because the amount of irradiation places a heavy burden on the human body
Malignant pleural mesothelioma	• Sufficient therapeutic effect through a single irradiation	
Multiple metastatic lung tumors		
Locally recurrent breast cancer		

Creating new value in HIMEDIC

Q BNCT has started clinical trials. Would you please discuss your future prospects?

A Currently, we are in Phase 1 of clinical trials. These are testing aspects such as the safety of BNCT. However, once we receive final approval for the submitted application of the medical device, the treatment options proposed by HIMEDIC will be expanded. This will bring new

added value to HIMEDIC and will lead to an increase in the number of members. The current clinical trial is targeting rare forms of cancer. In the future, we would like to establish a system that can provide solutions for treating a variety of cancers and help everyone who wants to receive better treatment.

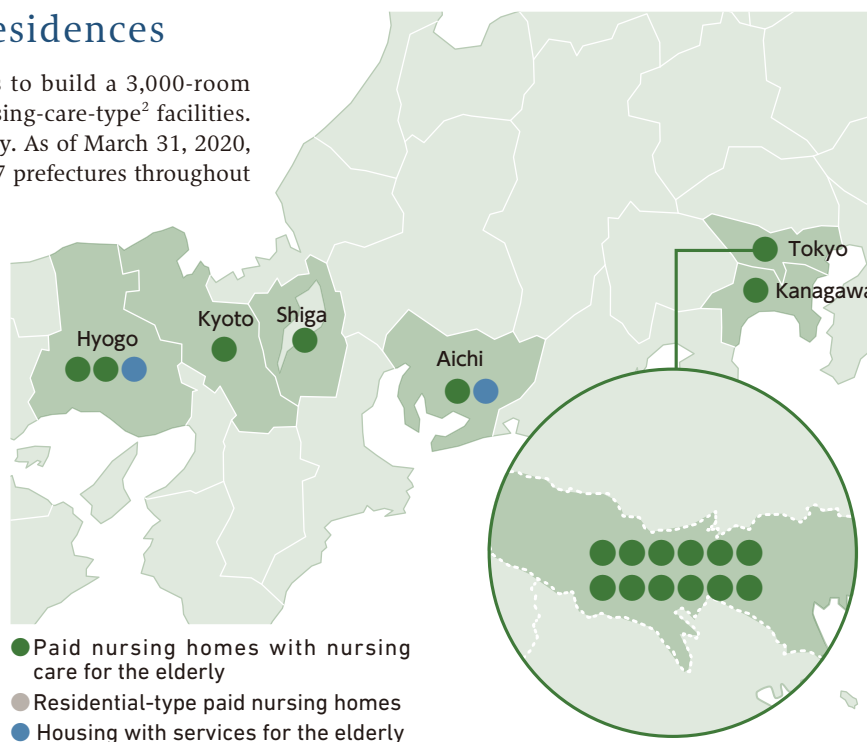
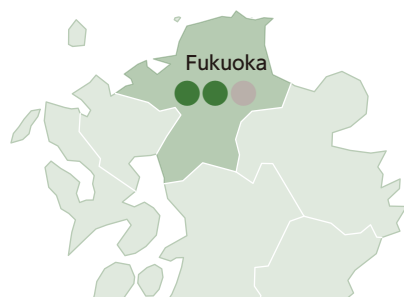
Special
Feature
2Contributing to
an Aging Society

In the Senior Lifestyle Operations of the Group, we will support and stay connected to our members for the rest of their lives by providing a place where they can live into old age with peace of mind, safety, and affluence in an era when life expectancy can reach 100 years.

■ Initiatives of Senior Residences

The Medium-term Management Plan aims to build a 3,000-room system by developing health-type¹ and nursing-care-type² facilities. The number of facilities is expanding steadily. As of March 31, 2020, we operate a total of 23 facility locations in 7 prefectures throughout Japan (2,100 rooms total).

(Refer to page 47 for detailed information about the locations of facilities)



Deployed
in a total of **23** locations

- Paid nursing homes with nursing care for the elderly
- Residential-type paid nursing homes
- Housing with services for the elderly

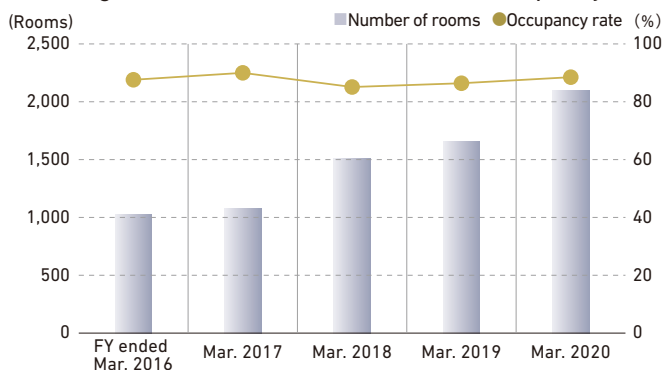
1: Healthy-type facilities: Facilities for people who can lead their daily lives independently. Provides support for living a high-quality life, such as providing meals and cleaning support.

2: Nursing-care-type facilities: Facilities for those who need nursing care support in their daily lives. Qualified professionals with excellent hospitality skills provide nursing care for daily life and functional training.

■ Expansion of Senior Lifestyle Operations

In addition to providing a 24-hour nursing care system, rehabilitation by full-time functional training instructors, and reliable nursing care support through an extensive personnel system, we also focus on initiatives such as providing meals to prevent frailty, a condition which causes deterioration in muscular strength and mental capacity due to aging. While enhancing the hospitality that is a feature of the Group, we will also focus on developing health-type facilities and nursing-care-type facilities in adjacent locations, thus creating peace of mind for future relocation.

■ Changes in the number of rooms and occupancy rate



Work-style Reform by Introducing LINE WORKS

The Group is embracing the digital transformation of business operations to further improve customer satisfaction and promote work-style reform. By incorporating digital transformation into our business, Resorttrust has made it an effective measure for living with COVID-19 and preventing infection. For example, we are able to minimize the need for face-to-face check-in by customers. In July 2020, as we also introduced LINE WORKS on a trial basis as an additional form of investment in work-style reform.

What is LINE WORKS?

The ordinary LINE app is a communication tool that anyone can use on smartphones and computers. Conversely, LINE WORKS for business is a security communication tool that is mainly limited to use within a company or organization. Accurate and fast sharing of information is achieved by replacing business communication and schedule management

with TALK* from email and telephone. The time required for internal business communication is shortened, enabling smooth and efficient coordination. LINE WORKS is characterized by facilitating management by the administrator even during remote work. For example, centralized management can be used to check the work status of participants.

*TALK: An original function of LINE WORKS for increasing work efficiency.

Purposes of introduction

The purposes for introducing LINE WORKS into our business can be broadly divided into three categories.

Purpose 1

Dissemination and sharing of information

This two-way communication tool helps employees understand the thoughts of the management team and the policies of the Group, thus making it easier to elicit opinions from employees. By using the tool, we aim to foster an organization (create a climate of innovation) with mutual understanding and initiative for action.

Purpose 2

Deepening communication

Communication tools such as the TALK function and company tools facilitate connection within departments. A managed company account is used to securely connect with customers. Moreover, the Group TALK function and bulletin boards will deepen horizontal connections across divisions and industries.

Purpose 3

Increasing business efficiency

Internal email will be deleted when LINE WORKS is introduced. Furthermore, the efficiency of operations will be improved by digitizing Thank You Cards*.

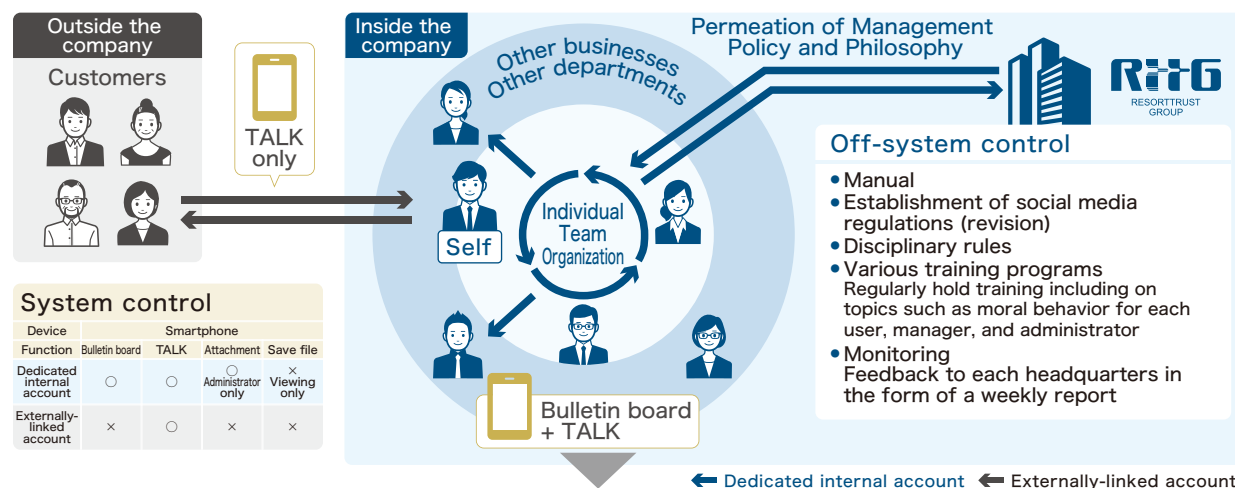
*Thank You Card: An activity in which cards are sent among employees to create an atmosphere of cooperation and trust. This initiative aims to foster a culture of praising colleagues throughout the entire Group.

Flow of operational development

In Phase 1, which began in July, we are starting small on a trial basis and operating LINE WORKS both inside and outside our business. In regards to the content being transmitted, LINE WORKS is used as a business instruction tool within departments, mainly for employees in the sales division who have a company mobile phone used for company business. Furthermore, communication with customers under the charge of salespeople has been switched to the LINE WORKS account, which is useful for avoiding employee trouble and preventing

leakage of customer information. Outside of daily work, LINE WORKS is used to disseminate messages from top management to employees at the head office and group companies, and to staff at facilities such as hotels. It is also used to share internal information from the management division, facilitate contact under the remote work system made necessary due to COVID-19, and confirm safety in the event of a disaster. In Phase 2, we plan to expand the scope of business utilization to include all employees.

Communication Format and Management System of LINE WORKS



Ideal form

- Foster a new organizational culture
- Achieve cost-effectiveness [operational efficiency reduces labor and communication costs]

Basic Policy on Issues Concerning Sustainability

We are living in an era in which environmental and social issues have a major impact on management. To develop sustainable business and society, we have gathered together and examined the issues surrounding corporate sustainability that the Resorttrust Group considers important from a number of angles. Sharing these issues as common knowledge, we are working to address them under the fundamental strategies of the Medium-term Management Plan based on the Group Management Principles. Perceiving the finding of solutions to these environmental and social issues as opportunities for growth, we would like to bring about an improvement in our corporate value.

For detailed information on the ESG initiatives of Resorttrust, please visit <https://www.resorttrust.co.jp/csr/>.

Resorttrust Group Management Principles

Medium-term Management Plan “Connect 50”	Environmental awareness (social needs) in the Medium-term Management Plan
<ul style="list-style-type: none"> Promote demand for multi-night accommodations and lodging accommodations for the wealthy class and the general public (domestic/overseas) Promote Japan as a tourism-oriented nation, conduct regional revitalization, respond to labor shortages, and promote diversity Expand high-quality and reliable services and facilities for seniors 	<ul style="list-style-type: none"> Increased needs for preventive medicine due to maintenance of health and early detection Research and development of advanced medical care, development of aging care business

● Organization based on ESG issues

	Importance in our Resorttrust Group business (risks and opportunities)	Examples of individual initiatives
Environment	<p>In the resort business, beautiful nature is our most appealing and irreplaceable asset</p> <ul style="list-style-type: none"> Achieve harmony with the natural environment and conserve the ecosystem Reduce load during development, save energy, save resources, promote recycling, and prevent pollution <p>Related policy: Environmental Policy (formulated in 2005)</p>	<ul style="list-style-type: none"> Change to LEDs, mega solar, eco-stay Use of eco-cars Origami action (biodiversity) Use of coffee beans certified by the Rainforest Alliance Plant trees during development, hold green campaigns, etc.
Society	<p>An important philosophy in which hospitality is a common strength in each Group business</p> <ul style="list-style-type: none"> Respond to labor shortages by improving productivity through digitalization, etc. Ensure female participation in the hospitality industry for the creation of leisure, health, and beauty Establish diversity of human resources that responds to the speed of change in the world <p>Medium-term goals: Ratio of male employees taking childcare leave 50% (March 2024), ratio of female managers 25% (April 2025)</p> <p>Number of annual holidays (hotel employees) 105 days → 120 days (working hours 2,085 hrs → 1,920 hrs)</p> <p>Contributing to the flexible life of customers through leisure, health and medical services</p> <ul style="list-style-type: none"> Contribute to regional invigoration and rural revitalization, expanding facilities for inbound demand Conduct joint research and technological innovation with medical institutions with the aim of achieving a society where no one loses a loved one to cancer Create a safe and prosperous life by expanding nursing care facilities and services <p>Period of the current Mid-term Management Plan: Engage in hotel development that emphasizes harmony and cooperation with local communities and governments in municipalities such as Ashiya, Kumamoto, and Yokohama</p> <p>Double profits through expansion of Medical Operations (Senior lifestyle facilities increase from about 1,500 rooms to 3,000 rooms)</p>	<ul style="list-style-type: none"> Enhance employment of people with disabilities (received various awards) Review/reduce working hours, increase holidays Establish a Diversity Promotion Office and promote activities for diversity Health Management Declaration, White 500 Acquire Kurumin Mark certification, enhance various in-house systems Promote workstyle reform by promoting systemization Hire locally (create employment in the region) Engage in local production for local consumption, food education, and other community activities Plan and participate in nature experiences Ensure the safety and quality of facilities and products Enhance medical examination facilities, expand medical-related and nursing care facilities Develop BNCT (cancer treatment) devices: clinical trials started in November 2019
Governance	<p>Loss of trust is the biggest risk</p> <ul style="list-style-type: none"> Establish strong relationships of trust with stakeholders, implement various types of risk management Ensure management transparency (increase the ratio of outside directors, promote diversity) Prevent the risk of becoming isolated due to corporate management focused on highly-original business 	<ul style="list-style-type: none"> System: Company with Audit & Supervisory Committee Voluntary committees: 2 (Remuneration Advisory Committee, Appointment Advisory Committee) Ratio of outside directors: 35.3%; Ratio of female directors: 11.8% Establish a Risk Management Committee and expand systems

Risk Management

Basic policies, systems, and measures to transform risks into opportunities

Risk awareness

Among the matters which could be risk factors for business operations of the Resorttrust Group, we list the important social issue related matters which managers recognize could have a major impact on the financial position, operating results, and cash flow of consolidated companies (see pages 28 and 29). We also recognize financial risks such as the impact of major changes in the macroeconomic environment on

short-term performance and medium- to long-term strategies, legal risks in compliance and governance, and business risks such as ensuring occupational safety and consideration for the environment. Matters not included in the business risk category are also disclosed from the perspective of information disclosure to investors and shareholders. Please note that not all risks of the Group are disclosed.

For additional information, see the FY2019 (47th Term) Securities Report (<https://www.resorttrust.co.jp/ir/>) on our website.

Risks and growth opportunities

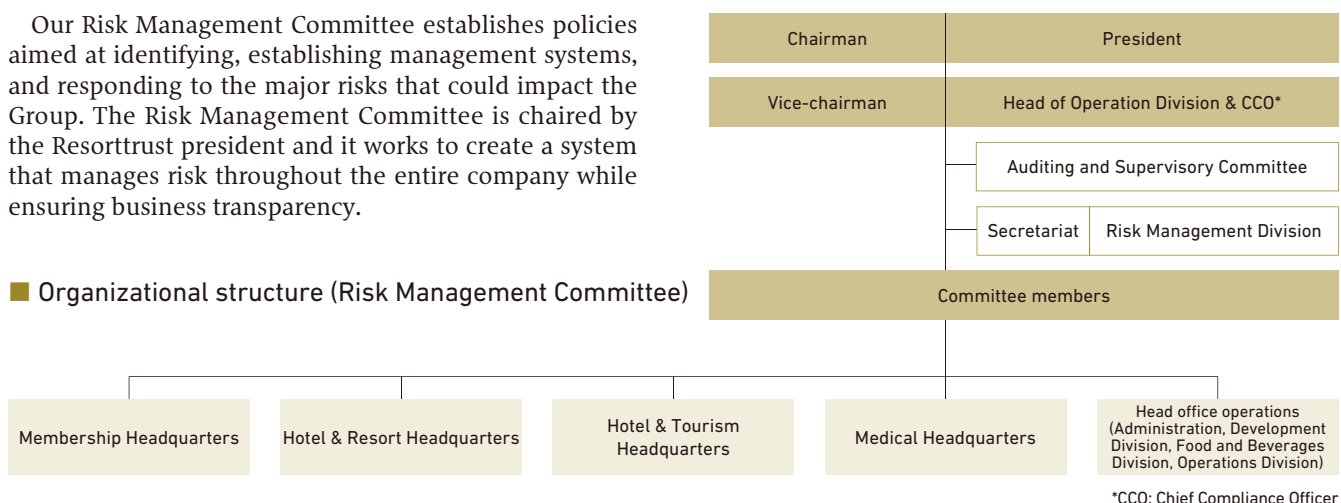
One of the Resorttrust Group's most important assets is our customers—consisting of more than 180,000 members and the general public. The trust cultivated with our customers is our brand. Our business environment was affected by a heavy rain disaster caused by Typhoon Hagibis last year, as well as the COVID-19 pandemic. During the fiscal year ended March 31, 2020, we were forced to determine the impact

of these unfortunate events. However, it is precisely at times like these when we should return to the basics of our membership system. We can achieve further growth by thoroughly implementing hospitality in close connection with each customer, striving to maintain and improve trust, and fully maximizing Group synergies in Hotel, Medical, and Senior Lifestyle Operations.

The risk management system

Our Risk Management Committee establishes policies aimed at identifying, establishing management systems, and responding to the major risks that could impact the Group. The Risk Management Committee is chaired by the Resorttrust president and it works to create a system that manages risk throughout the entire company while ensuring business transparency.

Organizational structure (Risk Management Committee)



*CCO: Chief Compliance Officer

Risk management process



Risk Response and Sustainable Growth Initiatives

Important risk

Novel Coronavirus Diseases (COVID-19)

Assumed impact

At multiple locations, the Resorttrust Group operates businesses centered on face-to-face services; for example, hotels, nursing care facilities, and medical service facilities. In the event of an infectious disease like COVID-19—that is, one for which no cure has been established—there is the possibility that our net sales and profits will be reduced by measures such as voluntary stay-at-home behavior, restrictions on movement, and facility closures. Furthermore,

the performance of Hotel and Restaurant Operations may be impacted due to the cost of implementing countermeasures. We have formulated a business plan assuming that COVID-19 will come to an end after approximately six months. However, if this abnormal situation continues on a scale that exceeds the expectations of the Resorttrust Group, there is a possibility that the financial condition and operating results of the Group may be impacted.

Main measures at this point in time

We are implementing the following initiatives as the main measures for stable business continuity.

■ Measures for controlling infection and avoiding the Three Cs (Closed spaces, Crowded places, and Close-contact settings)

- Conduct body temperature measurements and written health checks for employees and customers
- Eliminate the need for procedures at the front desk; non-stop check-in and check-out in guestrooms
- Serve meals in guest rooms, cancel buffet-style meals, disinfect facilities every 3 hours, place restrictions on visits and entry to facilities for the elderly

■ Initiatives to minimize business risk

- Suppress costs, consolidate operating hotels
- Secure stable funds
- Provide remote medical care, offer infection consultation via email, and provide information dissemination services to Group customers
- Formulate a Business Continuity Plan (BCP)

Important risk

Declining birthrate, aging population, and reduced labor force

Assumed impact

In Japan, the decrease in the labor force due to a declining birthrate and aging population has become a social issue. Most of the Resorttrust Group's business is centered on providing services and is highly dependent on employee performance and quality of service. The decreasing labor

force creates a risk for securing human resources who take responsibility for providing high-quality and sophisticated hospitality services that support the Group's brand. This may affect the financial position and operating results of the Group.

Main measures at this point in time

The majority of our customers are high net worth individuals and companies in Japan. Therefore, we have responded to the needs of such customers. Currently, in anticipation of the declining birthrate and aging population, we are accelerating the growth of our Medical Operations and Senior Lifestyle Operations based on the know-how cultivated in the membership hotels business. Moving forward, we believe that it is necessary to expand the base of our membership system and develop a resort hotel business that is attractive to the mass affluent, young people, and overseas affluent. We have positioned the deterioration of services and quality due to a shortage of human resources caused by the declining working population as an important issue for the Group. In response, we are promoting the acquisition, development, and revitalization of human resources in each department and facility. We are working to create a safe and comfortable working environment to maintain and improve the diversity and health of our employees, promote substantial working style reforms, and improve productivity through digitalization.

Important risk

Natural disasters, accidents, etc.

Assumed impact

In the event of a large-scale accident, natural disaster such as an earthquake or typhoon, or an act of terrorism, the cost of countermeasures may affect the Group's business performance and financial condition. Moreover,

unseasonable weather such as cold summers, heavy rain, and snowfall is expected to reduce the number of customers, which may affect the financial condition and business performance of the Group.

Main measures at this point in time

In Hotel and Restaurant Operations, the Resorttrust Group recognizes that the safety and peace of mind of our customers is the most important issue. We pay close attention to facility safety measures and safety management, including the promotion of various measures to ensure food safety.

Important risk**Economic and market fluctuations****Assumed impact**

The Group is exposed to various economic and market environment fluctuation factors that may affect membership demand and sales prices. If many customers refrain from consumption due to a stagnation or slowdown in the global economy or emerging markets (for

example, economic stagnation or slowdown, fluctuations in exchange rates and interest rates, rising fuel prices and unemployment rates, stock price fluctuations, and rising tax rates), it may affect the business, financial condition, and business performance of the Group.

Main measures at this point in time

When looking at past trends, it cannot be said with absolute certainty that our membership sales have been significantly affected by market trends. Even so, in the case of a major event such as the Bankruptcy of Lehman Brothers, we will minimize the decrease in sales by focusing on sales centered on replacement purchases, etc., by existing members, rather than approaching new customers. When viewing the Group as a whole, fixed income of operations contributes to our business performance alongside the support of our Medical Operations segment, which is relatively resilient to recessions.

Important risk**Quality and safety****Assumed impact**

Criticism of the quality or safety of the Resorttrust Group's hotels, foods, products and other services will damage our brand value and relationships of trust. There is also an increase in potential risks such as reputational damage in the internet age.

Even if we devote our full attention to quality and safety, there is no guarantee that unexpected quality or safety problems will not occur, in which case there may be serious damage to the reputation and brand value of the Group.

Main measures at this point in time

The Resorttrust Group will promptly disclose information on products and services that are subject to problems such as criticism accurately analyze problems, and present countermeasures. We will sincerely and resolutely respond to baseless rumors that are propagated on platforms such as social media.

Important risk**Information security****Assumed impact**

Since the main business of the Resorttrust Group is a membership system, we store a large amount of customer (member) information and personal information. Therefore, we thoroughly educate our employees, part-time workers outsourcers, and other personnel, ensuring

they take sufficient care when handling information. If information is leaked outside of the Group due to unforeseen circumstances such as unauthorized access from the outside, the Group's business performance may be harmed by claims for damages and loss of social credibility.

Main measures at this point in time

The Resorttrust Group fully recognizes the importance of handling information and implements information management. We are developing rules for information management, reducing the risk of information leakage by introducing dedicated tablets for employees, and conducting IT literacy training for Resorttrust Group employees.

Important risk**Medical malpractice and nursing care trouble****Assumed impact**

The Resorttrust Group operates medical examination and health checkup facilities, senior residence facilities, medical centers, rental services of medical facilities, and at-home nursing care service businesses. Due to the nature of these services, they may be subject to legal proceedings and complaints from parties who have been affected by unforeseen errors by employees. Additionally,

if products and food supplements provided by the Group affect the human body in the form of allergic reactions, etc., there is a risk of litigation and compensation for damages. Regardless of whether or not these complaints and proceedings are valid, they may adversely affect the Group's brand value as well as its business, financial position, and operating results.

Main measures at this point in time

The Resorttrust Group has established the Guidelines to Prevent Medical Accidents to prevent unexpected accidents and health hazards when customers use the medical examination facilities and senior facilities operated by the Group. Although the Group operates medical examination and health checkup facilities, since medical treatment itself is performed by affiliated medical institutions, accidents during treatment are handled in accordance with the guidelines of the medical institution where treatment took place.

members of the Audit & Supervisory Committee.

For important matters, the decision-making process consists of the department proposing agenda items submitting proposals to the Executive Committee meetings held monthly, where such proposals are deliberated from various perspectives, and important

matters are then discussed at the regular Board of Directors' meetings held monthly before a decision is made. We have also appointed executive officers in charge of business execution to support fast and appropriate management and performance decisions.

2. Monitoring of Management

The Company appoints six outside directors (four men and two women) to its Board of Directors, which has both management decision-making and business execution supervisory functions. Making four of the outside directors Audit & Supervisory Committee members has strengthened the supervisory function of executive directors.

The Audit & Supervisory Committee, which consists of four outside directors and one internal director, establishes audit policies and plans, and periodically receives reports on matters related to the execution of its duties from directors and other parties. The Committee also holds hearings as necessary. Full-time members of the Audit & Supervisory Committee attend important internal meetings such as the Executive Committee. In order to hold organizational audits utilizing the internal control system, the Committee receives reports on the results of audits from the Audit Division and on internal whistleblowing, etc., from the Risk Management Division at monthly meetings of the Audit & Supervisory Committee. When necessary, the Committee issues instructions for measures such as additional surveys.

The Audit & Supervisory Committee members receive quarterly reports and explanations regarding the accounting auditor's audit plan and audit results and, based on these, verify the results of the balance sheet audit and internal control audit. Furthermore, they receive reports and explanations regarding the assurance framework of the accounting auditor.

The Audit & Supervisory Committee has established a

Secretariat of the Audit & Supervisory Committee which provides employees who assist with the duties of the Audit & Supervisory Committee on full-time basis as staff (Audit & Supervisory Committee staff). The Audit & Supervisory Committee staff do not serve concurrently as employees of other departments and solely follow instructions given by the Audit & Supervisory Committee members in order to ensure they can carry out the instructions they are given effectively.

In addition to helping efforts to sustainably improve corporate value, outside directors who concurrently serve as Audit & Supervisory Committee members are expected to verify whether the establishment and operation of internal control systems such as the system to ensure that directors are executing their duties in accordance with laws and regulations and the Company's Articles of Incorporation are being properly enforced. To do this, they supervise overall management and monitor the functions of the Board of Directors.

When appointing outside directors, the Company considers "possessing the necessary knowledge and experience to audit and oversee directors' compliance and business management" as one of the criteria for selection, and this is judged sufficient for the fulfillment of their roles. To assess the independence of its outside directors, the Company created its own separate selection criteria in addition to the standards set by Japan's Companies Act and the Japan Exchange Group and uses both of these standards to determine independence. All six of the outside directors are independent outside directors.

3. Executive Remuneration

The Company has established a policy for determining the amount of remuneration, etc., for executives and the method used to calculate said amount. These are intended to boost the Group's sustainable growth and long-term corporate value. Remuneration is determined based on the basic policy of motivating each executive and maintaining a level where excellent human resources can be secured as managers. In addition, we have introduced the Board Benefit Trust (BBT) executive stock ownership system for directors (excluding those who are also members of the Audit & Supervisory Committee). Drawing upon the 197 million yen determined as annual remuneration at the General Meeting of Shareholders, the BBT awards are allocated according to the degree of contributions to earnings based on the Company-stipulated officer stock payout provision, with the number of points earned determining the number of shares provided upon retirement.

The remuneration amount for directors (excluding

those who are members of the Audit & Supervisory Committee) is determined by resolution of the Board of Directors within the scope of the annual amount determined at the Annual General Meeting of Shareholders, upon preparation of an initial draft by the representative director and the director in charge of the Operation Division in accordance with the basic policy described above. Preparation of an initial draft is subject to consultation with the Remuneration Advisory Committee, the majority of the members of which are independent outside directors. In this fiscal year, meetings of the Remuneration Advisory Committee were held three times, and reports were made to the Board of Directors each time. The amount of remuneration for directors serving concurrently as Audit & Supervisory Committee members is determined within the scope of the annual amount resolved at the Annual General Meeting of Shareholders in consultation with the directors serving concurrently as members of the Audit

& Supervisory Committee. In addition, the index for the aforementioned performance-based remuneration system BBT is the status of achievement of “net income attributable to owners of parent” per the business performance forecast set at the beginning of the fiscal year. This index was selected to ensure consideration for the common interests of shareholders. In this fiscal year,

the actual net income attributable to owners of parent was 7.1 billion yen, which failed to reach the Board Benefit Trust (BBT) index target of 10 billion yen for performance-based remuneration.

■ Executive remuneration (fiscal year ended March 31, 2020)

Category	Number of recipients	Amount received	Notes and comments
Directors who are not Audit & Supervisory Committee members (number in parentheses is for outside directors)	14 (2)	723 million yen (12 million yen)	Total annual remuneration is set at no more than 1,200 million yen, as approved at the 42nd Annual General Meeting of Shareholders held on June 26, 2015.
Directors who are Audit & Supervisory Committee members (number in parentheses is for outside directors)	6 (4)	40 million yen (29 million yen)	Total annual remuneration is set at no more than 50 million yen, as approved at the 42nd Annual General Meeting of Shareholders held on June 26, 2015.
Total	20	764 million yen	

Notes 1. The amount to the left does not include 127 million yen which was expensed as directors' retirement benefits (12 directors, excluding outside directors and Audit & Supervisory Committee members) for the fiscal year under review.

2. Based on resolutions at the 46th Annual General Meeting of Shareholders held on June 27, 2019, we have paid the following directors' retirement benefits.

Retirement: 2 directors, 159 million yen

The payment of directors' retirement benefits was deemed reasonable through deliberations by the Remuneration Advisory Committee, which consists of three representative directors and four independent outside directors (one of whom is the Committee head). This amount also includes the provision for directors' retirement benefits disclosed in the business report for the fiscal year under review and the previous fiscal year.

4. Evaluation of Effectiveness of the Board of Directors

The Company conducts self-evaluations of the effectiveness of its Board of Directors with the support of an external institution. In the same way as in the previous fiscal year, the Company adopted an evaluation method that involved conducting a survey in the fourth quarter of the fiscal year ended March 31, 2020. 24 directors and executive officers were subjected to evaluation, followed by analysis and self-evaluation based on the results of the survey at a Board of Directors' meeting. Also, to ensure transparency, the creation of the survey and the compilation of its results were outsourced to an external institution. Results of the analysis and evaluation indicate improvement in

the overall evaluation of the operation of the Board of Directors, show that the Board of Directors of the Company has properly fulfilled its expected function, and demonstrate that the Board of Directors has been sufficiently effective in continuation from last year. The effectiveness of the Board of Directors is further heightened by being composed of more than one-third outside directors, and by having two female directors for a 10% ratio of female directors. In recognition of the increased demand for further sharing of the content of dialogues with investors, we will make additional improvements in the future.

5. Status of Response to Corporate Governance Code

Based on full consideration of the purpose and spirit of the Corporate Governance Code, listing rules require listed companies to fulfill all principles of the Code. With regard to the disclosures required under the Code, the Company explains the following principles in detail in the Corporate Governance Report posted on its website (<https://www.resorttrust.co.jp/ir/investors/governance/>): Principle 1.4: Cross-Shareholdings, Principle 1.7: Related Party Transactions, Principle 2.6: Demonstrating Functions as a Corporate Pension Asset Owner, Principle 3.1: Full Disclosure, Supplementary Principle 4.1.1: Scope of Matters Delegated to Directors,

Principle 4.8: Effective use of Independent Outside Directors, Principle 4.9: Independence Standard and Qualification for Independent Outside Directors, Supplementary Principle 4.11.1: View on Balance, Diversity, and Size of the Board of Directors as a Whole, Supplementary Principle 4.11.2: Status of Concurrent Positions of Directors, Supplementary Principle 4.11.3: Analysis and Evaluation of Effectiveness of the Board of Directors and Its Overview, Supplementary Principle 4.14.2: Training Policy for Directors, and Principle 5.1: Policy for Constructive Dialogue with Shareholders.

6. Status of Internal Control, Risk Management, and Compliance Systems

The Company resolved the Basic Policy for Internal Controls at the meeting of the Board of Directors held on May 16, 2006. Since then, the policy has been reviewed and amended as appropriate. In response to the internal control reporting system based on the Financial Instruments and Exchange Act, the “Basic Policy for Development and Operational Evaluation of Internal Controls Related to Financial Reporting” and

the “Internal Control Rules for Financial Reporting” were established at the meeting of the Board of Directors held on May 15, 2008. Based on these policies and rules, the Internal Control Section was established in the Audit Division in order to develop and operate systems for ensuring the reliability of internal controls related to financial reporting.

In our risk management system, we have established

a Risk Management Committee and a Risk Management Division to identify and evaluate risks that may have a significant impact on the management of the Company. The evaluation results are reported to the president and to the Audit & Supervisory Committee. Afterwards, related departments are instructed to make improvements in matters that require improvement. Furthermore, we are working to develop our crisis management system by deciding risk countermeasures at important meetings such as the Board of Directors.

Furthermore, as part of efforts to ensure thorough compliance, the Resorttrust Group has issued a compliance declaration, holds training and awareness-raising activities, and has established whistleblowing and hotline systems to receive reports from inside and outside the company. In order to reliably and efficiently implement these measures, we have appointed a Chief

Compliance Officer (CCO). Under the direction of the CCO, the Risk Management Division is working to ensure fair business activities in accordance with corporate ethics and thoroughly strengthen legal compliance.

Our system for ensuring the appropriateness of business operations in the Resorttrust Group, which is based on internal rules, require the executives in charge of Group companies to report on the status of business execution at the Board of Directors meeting held every month. Moreover, the Audit Division periodically audits the development status, etc., of internal controls at Group companies. The results of these audits are reported to the associated Board of Directors and Audit & Supervisory Committee. Through these measures, we work to ensure appropriate business execution at each Group company.

7. Basic Policy Regarding Antisocial Forces

The Company's "Basic Policy Toward Anti-Social Forces" was passed as a resolution by the Board of Directors. In addition, the Company's "Hospitality Charter," the code of conduct for all employees, requires every employee to "conform to social norms." Under these principles, the Company is committed to

conducting business based on the policy that it shall not have any relationship with anti-social forces nor accept any unreasonable claims from them. The same information is posted on the Company's website on the following page:

https://www.resorttrust.co.jp/corporate/anti_social_policy/

8. Policy Regarding Constructive Dialogue with Shareholders

Through its IR activities, the Group actively engages in dialogue aimed at building strong relationships with shareholders and other investors. The Group also strives to identify the composition of its shareholders and conducts IR activities for this purpose. For institutional investors, the Group holds dialogues on earnings and the medium- to long-term vision. For individual investors, the Group holds briefings at IR events hosted by securities firms and other companies.

Presentation materials and videos of financial results briefings are made public on the Resorttrust website. Feedback and requests from investors obtained from these activities are reported to management according

to their level of importance. Management in turn uses this feedback to sustainably improve corporate value when making management decisions. As for managing insider information, the Group strictly practices fair disclosure and responds appropriately, as set out in the separate disclosure policy.

Disclosure Policy

https://www.resorttrust.co.jp/corporate/disclosure_policy/

Policy on Constructive Dialogue with Shareholders

<https://www.resorttrust.co.jp/ir/investors/governance/>

Governance system (as of June 30, 2020)

Organizational form	Company with Audit & Supervisory Committee
Audit & Supervisory Committee	
Committee head	Outside director
Total committee members	5 (including 4 outside directors)
Voluntary Committee	
Remuneration Advisory Committee	
Committee head	Outside director
Total committee members	7 (including 4 outside directors)
Appointment Advisory Committee	
Committee head	Outside director
Total committee members	7 (including 4 outside directors)

Number of officers in the Articles of Incorporation	25
Term of directors in the Articles of Incorporation	1 year
Chairman of the Board of Directors	President
Number of members for the Board of Directors	17
Number of members who are outside directors	6
Number of outside directors who are designated as independent officers	6
Number of meetings held by Board of Directors	17
Attendance rate	94.1%
Executive officer system	Yes

Message from Outside Directors (Audit & Supervisory Committee Members)

Strengthening and ensuring the effectiveness of corporate governance



Yoichi Aiba

Outside Director, Audit &
Supervisory Committee
Member

This Integrated Report describes the corporate governance system (CGS) of the Resorttrust Group. The core of this system is the composition and activities of the Board of Directors, the activities of the directors, and the composition and activities of various committees. All of this is in accordance with recommendations listed in the Practical Guidelines for Corporate Governance Systems (CGS Guidelines) which were announced in 2017 (revised in 2018) by the Ministry of Economy, Trade and Industry, and is appropriate and in conformance with the characteristics of the Company. The six outside directors (including outside directors who are not members of the Audit & Supervisory Committee) are able to make a wide range of statements based on expertise in various fields (experienced managers of large companies, university

professors, certified public accountants, tax accountants, lawyers, etc.). Many of these outside directors are members of the Appointment Advisory Committee, the Remuneration Advisory Committee, and the Audit & Supervisory Committee. Some outside directors also attend and speak at the meetings of the Executive Committee, etc., outside of the Board of Directors, thus contributing to the check functions for the activities of the directors. In addition to fulfilling its essential role of monitoring the management team, the Board of Directors also achieves self-management through mutual cooperation and restraint between directors, as a result of delegating a portion of authority held by the representative director to other directors. According to the “Questionnaire on the Efficacy of the Board of Directors,” which is administered every year to directors, the efficacy of the Board is recognized (although there were also some critical opinions), and it can be said that sufficient efficacy has been achieved for the CGS of the Resorttrust Group.

Nevertheless, in the ever-changing economic situation, we should avoid becoming complacent with the current system. Each director is constantly aware of CGS and strives to maintain an attitude of working to improve the system.

Strengthening of the audit function



Toshihisa Nakatani

Outside Director, Audit &
Supervisory Committee
Member

The Resorttrust Group is a company with an Audit & Supervisory Committee structure. The Audit & Supervisory Committee is composed of five members who are also directors, including four outside directors. The Committee audits and supervises the execution of duties by directors. Information necessary for audits is obtained during the deliberation process at the Board of Directors meetings, by exchanging opinions with the representative director, holding hearings with the director in charge, communicating with accounting auditors, and receiving periodic reports from the Audit and Risk Management Divisions. Additionally, two full-time (internal and external) directors of the Audit & Supervisory Committee attend the meetings of the Executive Committee and meetings at each

headquarters. Furthermore, four outside directors, including myself, are also members of the Appointment Advisory Committee and Remuneration Advisory Committee. The important information obtained at meetings of these Committees is shared within the Audit & Supervisory Committee.

In order to conduct the audits which are expected by all stakeholders, it must be possible to obtain the necessary information in a timely manner, members of the Audit & Supervisory Committee must be able to perform audit activities while maintaining true independence, and sufficient audit staff must be assigned. Top management at the Company possesses a high level of awareness of auditing, and we have established a system that enables members of the Audit & Supervisory Committee to carry out their roles. As a result, the Audit & Supervisory Committee is functioning effectively, the auditing and supervision functions.

In the future, in conjunction with the spread of COVID-19 and changes in the business environment, the importance of corporate information itself is likely to increase. As our business continues to expand, I expect even greater efforts for ensuring the accuracy and timeliness of information will be needed.

Officers

(As of June 30, 2020)



Katsuyasu Ito
Chairman of the Board & CEO

Yoshiro Ito
Founder & Group CEO

Ariyoshi Fushimi
President & COO

<div>Yoshiro Ito</div> <div>Founder & Group CEO</div>	Shares owned: 2,922,616			
	April	1973	President	
	May	1996	CEO	
	April	1999	Chairman	
	April	2018	Founder (current position) and Group CEO (current position)	
<div>Katsuyasu Ito</div> <div>Chairman of the Board & CEO</div>	Shares owned: 787,312			
	April	1973	Managing Director	
	September	1980	Senior Managing Director	
	July	1993	Executive Vice President	
	May	1996	COO	
	April	1999	President	
	April	2018	Chairman of the Board (current position) & CEO (current position)	
<div>Ariyoshi Fushimi</div> <div>President & COO</div>	Shares owned: 152,701			
	October	2003	Head of Corporate Planning Office	
	June	2005	Director	
	July	2006	Corporate Planning and Public Relations Department Supervisor and Director of Public Relations	
	July	2007	Head of Medical Business Head Office	
	June	2013	Managing Director	
	April	2014	Senior Managing Director and Head of Medical Division	
	May	2016	Executive Vice President	
	April	2018	President (current position) and COO (current position)	
<div>Katsuyuki Iuchi</div> <div>Senior Managing Director, Head of Operation Division & CCO (Chief Compliance Officer)</div> <div>Shares owned: 9,912</div>	<div>Atsuyuki Shintani</div> <div>Senior Managing Director, Head of Membership Division</div> <div>Shares owned: 173,000</div>	<div>Toshihiko Uchiyama</div> <div>Senior Managing Director, Head of Food & Beverages Division</div> <div>Shares owned: 135,130</div>	<div>Naoshi Takagi</div> <div>Managing Director, Deputy Head of Membership Division and President of Osaka Office</div> <div>Shares owned: 15,000</div>	<div>Shinichiro Hanada</div> <div>Managing Director, Head of Development Division</div> <div>Shares owned: 1,256</div>
<div>Shigetoshi Ogino</div> <div>Director, Head of Hotels & Resorts Division</div> <div>Shares owned: 66,021</div>	<div>Tetsuya Furukawa</div> <div>Director, Head of Medical Division</div> <div>Shares owned: 11,831</div>	<div>Tomoyo Nonaka*</div> <div>Outside Director</div> <div>Shares owned: 1,822</div>	<div>Asako Terazawa*</div> <div>Outside Director</div> <div>Shares owned: 627</div>	
<div>Hiddenobu Minowa</div> <div>Director (Audit & Supervisory Committee member)</div> <div>Shares owned: 23,233</div>	<div>Yoshitaka Taniguchi*</div> <div>Outside Director (Audit & Supervisory Committee Member)</div> <div>Shares owned: 16,000</div>	<div>Yoichi Aiba*</div> <div>Outside Director (Audit & Supervisory Committee Member)</div> <div>Shares owned: 0</div>	<div>Satoshi Akahori*</div> <div>Outside Director (Audit & Supervisory Committee Member)</div> <div>Shares owned: 0</div>	<div>Toshihisa Nakatani*</div> <div>Outside Director (Audit & Supervisory Committee Member)</div> <div>Shares owned: 0</div>

*1 Information about each director, including their career history, status as independent officers, and reasons for their nomination, is available in the notification of the convocation of the 47th Annual General Meeting of Shareholders and documents submitted for independent officers.

*2 Shares owned as of March 31, 2020. * Independent officer

Membership Operations

Royal Suite at Laguna Baycourt Club

■ Performance in the Fiscal Year Ended March 31, 2020

Net sales amounted to 38,948 million yen, down 39.2% from the previous fiscal year, and operating income was 13,559 million yen, down 28.7% from the previous fiscal year. While sales of hotel memberships were strong, revenue and operating income declined due to factors such as no new facilities being opened this fiscal year, in contrast to the previous fiscal year when there was lump-sum recording of real estate revenue associated with the opening of new hotels.

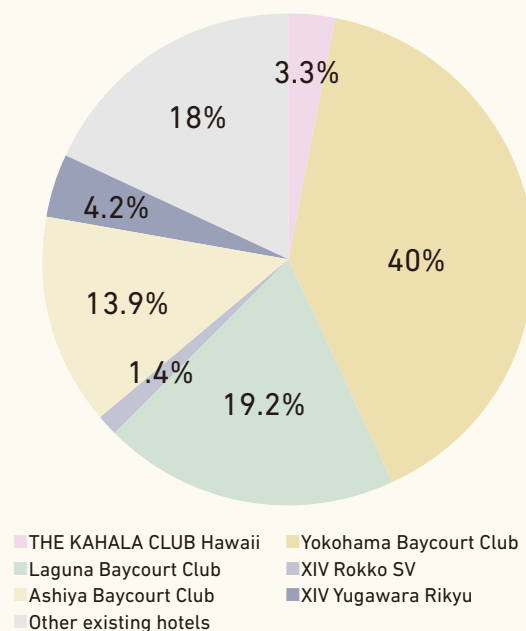
■ Details of Initiatives for the Fiscal Year Ending March 31, 2021 (Countermeasures against COVID-19, etc.)

When conducting sales activities, in addition to measuring the body temperature of our employees, we also thoroughly implement other infection prevention measures. While also utilizing initiatives such as telework, we will ensure productivity through new sales methods using digital tools and a flexible work system. Moreover, we will conduct marketing according to the actual economic situation of our customers.

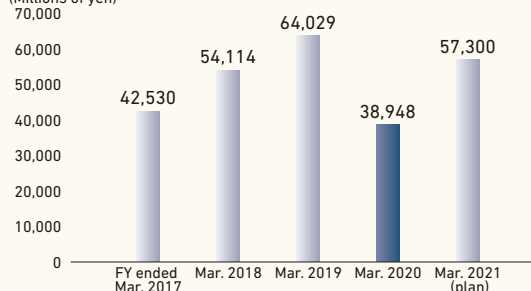
■ Targets and New Initiatives in the Medium-term Management Plan

In addition to promoting new development by starting membership sales for THE KAHALA CLUB, we are working to establish a sustainable model for the Membership Operations. Specifically, we will shift from conventional sales focused on Baycourt to sales centered on properties such as XIV, and shall strive to increase the number of members by steadily increasing the number of units sold. We will also work to improve productivity per hour. Through such initiatives, in FY2022, the final year of the Medium-term Management Plan, we aim to increase the number of contracts to 5,500 (up 40% from FY2017), hourly productivity to 51,000 yen (up 20%), and the contract amount ratio of the Kanto Office to 52% (up 7%).

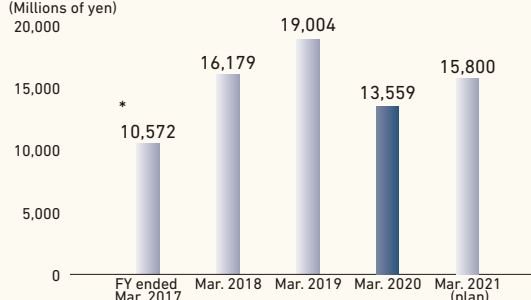
Contract Amount Composition Ratio by Product
(Fiscal Year Ended March 31, 2020)



Net sales
(Millions of yen)



Operating income
(Millions of yen)



*Operating income is displayed as operating income before head office expenses (indirect expenses) shared by the entire company were allocated to each segment.

Hotel and Restaurant Operations

Main Dining Open Terrace at
Ashiya Baycourt Club

■ Performance in the Fiscal Year Ended March 31, 2020

Net sales amounted to 80,659 million yen, up 0.3% from the previous fiscal year, while operating income was 92 million yen, down 96.5% from the previous fiscal year. Although there were positive contributions from the hotel operating revenue generated by opening the Laguna Baycourt Club in March 2019, revenue increased but operating income decreased due to factors such as increased costs related to the opening of general hotels, increased upfront costs for promoting diverse working styles such as using IT and technology to improve creativity and productivity, increasing the number of vacation days including the obligation to use paid vacation, increased expenses for facilities repair and depreciation, and decreased demand caused by the spread of COVID-19.

■ Details of Initiatives for the Fiscal Year Ending March 31, 2021 (Countermeasures against COVID-19, etc.)

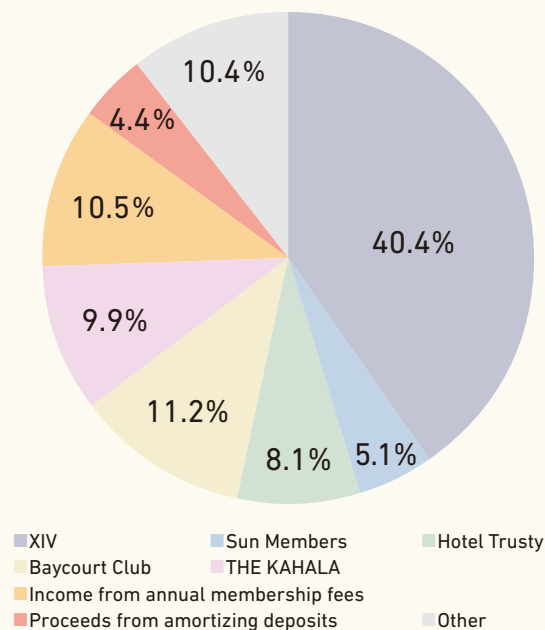
As measures to prevent COVID-19 infections, we will have guests undergo written health checks when entering the hotel and will enable non-stop check-in and check-out. Additionally, at ancillary facilities such as restaurants, we will consider admission restrictions and closures depending on the situation. We will stop serving buffet-style meals and expand the provision of in-room dining for both breakfast and dinner. We will also thoroughly measure the body temperature of employees, and disinfect public spaces and communal areas every 3 hours. Furthermore, we will consider reducing costs (mainly fixed costs) and consolidating some of our sales facilities as an operational measure, depending on the situation.

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

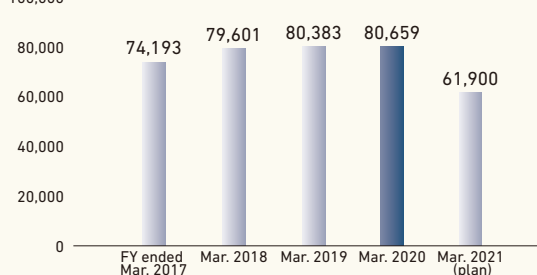
We will dramatically improve productivity and profitability, expand the Kahala brand globally, and expand our business domains for the general public in areas such as business and luxury.

The combined occupancy rate of XIV and Baycourt is expected to increase to 55.5% (up 4.0% from FY2017) by FY2022 (the final year of the Medium-term Management Plan). Also, income from annual membership fees and proceeds from amortizing deposits in FY2022 are expected to increase by 3.0 to 3.5 billion compared to FY2017.

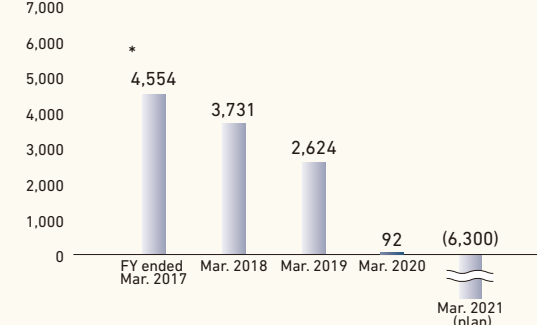
Sales Composition Ratio by Category (Fiscal Year Ended March 31, 2020)



Net sales
(Millions of yen)



Operating income
(Millions of yen)



*Operating income is displayed as operating income before head office expenses (indirect expenses) shared by the entire company were allocated to each segment.

Medical and Senior Lifestyle Operations

Entrance Lounge at
Trust Grace Shirakabe

■ Performance in the Fiscal Year Ended March 31, 2020

Net sales amounted to 38,867 million yen, up 12.7% from the previous fiscal year, while operating income was 5,829 million yen, down 5.1% from the previous fiscal year.

Income from annual membership fees grew due to increased membership in the comprehensive medical support club Grand HIMEDIC Club. Senior residence and medical examination business operations were also expanded. Conversely, we invested more in advertising to increase brand recognition, human resources, and repairs aimed at increasing the value of our facilities. As a result, revenue increased and operating income decreased.

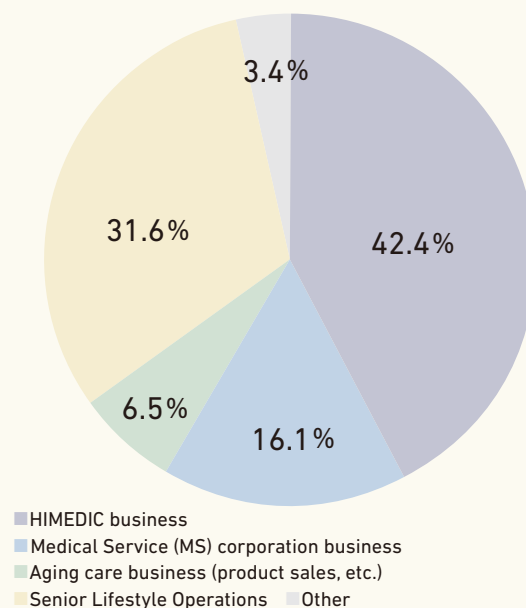
■ Details of Initiatives for the Fiscal Year Ending March 31, 2021 (Countermeasures against COVID-19, etc.)

In addition to securing disinfectants, goggles, protective clothing, and other items for infection control, the Midtown Clinic will work with hotels and other Group facilities to provide guidance on countermeasures and improve hygiene management. The operation of medical examinations and health checkups will be adjusted according to the situation. Furthermore, thorough disinfection will be performed at facilities for the elderly, and extensive measures will be taken to prevent the infection of residents by placing restrictions on visits, entry, and exit. In order to enhance services for Group customers, we will offer remote medical care from the initial visit, as well as email consultation for infection prevention and dissemination of information to Point Club members.

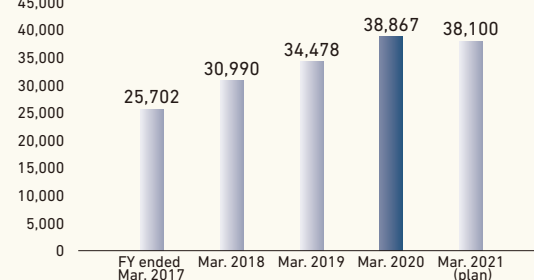
■ Targets and New Initiatives in the Medium-term Management Plan

We aim to create synergies with advanced medical care and to become the No. 1 comprehensive medical solutions group in Japan. Furthermore, in Senior Lifestyle Operations, we will become the No. 1 corporation in the high-grade market. In the HIMEDIC business and the Medical Service (MS) corporation business, we will aim for annual sales of 2,360 contracts for HIMEDIC at existing facilities and new facilities. We will strive for 700,000 general medical examinations in FY2022, the final year of the Medium-term Management Plan, an increase of 40% from FY2017. In our aging care business, which has been centered on product sales, our target is to increase the number of customers in FY2022 to 500,000, which is three times that of FY2017. In Senior Lifestyle Operations, our goals are sales and operating income of 1.6 and 3 times the FY2017 values, respectively, which we will achieve by increasing total rooms at all facilities to 3,000.

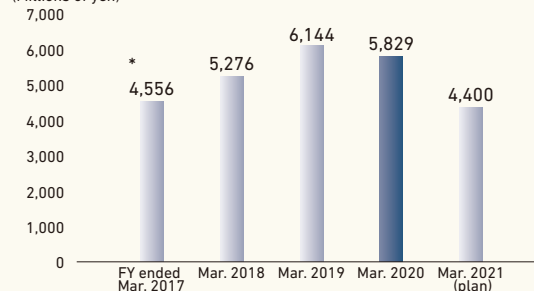
Sales Composition Ratio by Division (Fiscal Year Ended March 31, 2020)



Net sales
(Millions of yen)



Operating income
(Millions of yen)



*Operating income is displayed as operating income before head office expenses (indirect expenses) shared by the entire company were allocated to each segment.

Financial & Corporate Information

Consolidated Financial Statements

■ Operating Results

	FY ended Mar. 2010	Mar. 2011	Mar. 2012
Net sales	103,645	108,976	99,894
Operating income	11,191	13,172	9,891
Ordinary income	10,916	13,341	9,443
Income before income taxes and non-controlling interests	6,911	7,866	8,969
Net income attributable to owners of the parent	4,184	3,300	5,415
Depreciation cost (CF base)	6,083	6,185	6,166
EBITDA*	17,274	19,357	16,057
Capital investment	7,093	6,269	5,320
Net cash provided by operating activities	21,270	14,126	19,657
Net cash used in investment activities	(5,341)	(5,962)	(15,546)
Net cash provided by (used in) financing activities	(1,457)	(19,131)	(3,351)
Cash and cash equivalents	31,592	21,446	21,888
Net cash provided by operating activities to net sales(%)	20.5	13.0	19.7
Net assets	60,273	61,379	64,883
Total assets	256,573	237,359	235,151

*Operating income+Depreciation cost (CF base)

Financial Data

■ Financial Indicators (Consolidated)

	FY ended Mar. 2016	Mar. 2017	Mar. 2018	Mar. 2019	Mar. 2020 (%)
Operating income to net sales	13.1	9.4	10.7	10.5	7.3
Net income attributable to owners of the parent to net sales	9.2	7.7	7.2	6.9	4.5
Return on assets (ROA)	4.9	3.6	4.6	4.7	3.1
Return on equity (ROE)	12.5	9.9	10.1	10.0	5.6
Interest coverage ratio* (times)	5.3	44.9	13.0	24.0	34.7
Equity ratio	26.6	27.0	28.7	31.7	31.9

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

■ Per Share Data (Consolidated)

	FY ended Mar. 2016	Mar. 2017	Mar. 2018	Mar. 2019	Mar. 2020 (Yen)
Earnings per share (basic)	123.34	103.40	110.82	115.53	66.65
Earnings per share (diluted)	112.81	95.09	101.99	106.42	61.29
Net assets per share	1,019.35	1,068.20	1,130.11	1,190.63	1,193.69
Cash dividends per share	46.00	46.00	46.00	46.00	40.00
Payout ratio (%)	37.3	44.5	41.5	39.8	60.0

Note: Per share data is rounded to the third decimal place. Financial indicators are rounded to the second decimal place.

Mar. 2013	Mar. 2014	Mar. 2015	Mar. 2016	Mar. 2017	Mar. 2018	Mar. 2019	(Millions of Yen) Mar. 2020
105,311	116,824	120,401	142,249	143,541	165,413	179,542	159,145
12,054	15,190	16,041	18,640	13,514	17,742	18,877	11,652
12,976	16,830	20,206	19,439	14,806	19,422	19,528	12,476
11,508	15,408	17,709	17,531	16,290	18,585	19,049	11,153
7,127	8,733	11,851	13,044	11,010	11,830	12,358	7,135
5,482	5,523	5,876	7,030	7,746	8,609	9,678	10,944
17,536	20,713	21,917	25,670	21,260	26,351	28,555	225,96
3,527	19,561	40,192	14,177	14,409	26,490	20,652	16,870
21,338	24,815	22,057	2,616	26,249	8,456	16,674	19,096
(15,958)	(33,747)	(71,837)	(33,824)	3,881	(7,282)	(2,057)	(8,247)
11,447	22,179	60,359	(8,624)	(15,593)	(9,177)	(23,198)	(13,364)
38,716	51,965	66,404	25,476	40,365	32,469	23,895	21,376
20.3	21.2	18.3	1.8	18.3	5.1	9.3	12.0
73,145	81,395	104,769	112,515	118,379	125,190	132,050	132,991
253,861	300,774	390,832	407,430	421,606	421,440	401,426	400,833

■ Net Sales by Segment

	FY ended Mar. 2016	Mar. 2017	Mar. 2018	Mar. 2019	(Millions of Yen) Mar. 2020
Membership operations	46,282	42,530	54,114	64,029	38,948
Hotel and Restaurant operations	72,817	74,193	79,601	80,383	80,659
Medical operations	21,806	25,702	30,990	34,478	38,867
Others	1,344	1,114	707	651	670
Total	142,249	143,541	165,413	179,542	159,145

■ Operating Income by Segment

	FY ended Mar. 2016	Mar. 2017	Mar. 2018	Mar. 2019	(Millions of Yen) Mar. 2020
Membership operations	9,898	6,988	16,179	19,004	13,559
Hotel and Restaurant operations	4,567	3,010	3,731	2,624	92
Medical operations	3,629	3,011	5,276	6,144	5,829
Others	545	503	554	572	663
Head Office cost	—	—	(7,999)	(9,468)	(8,491)
Total	18,640	13,514	17,742	18,877	11,652

Notes: 1. In conjunction with the organizational changes made on April 1, 2018, the Company has revised its segment categorization method from the fiscal year ended March 31, 2019. Segment information listed from the fiscal year ended March 31, 2018 was created using the categorization method after the change. Segment information listed from previous fiscal years shows numbers calculated on the prior basis.
 2. In this document, "fiscal year" refers to the year ended/ending March 31.
 Figures in this document denoted in millions are rounded down to the nearest million yen.
 3. Starting at the fiscal year ended March 31, 2018, operating income segments prior to the allocation of Head Office costs are being released.

Consolidated Financial Statements

Consolidated Balance Sheets (Based on Japanese Accounting Principles)

Assets

	(Millions of Yen)		
	FY ended Mar. 2018	Mar. 2019	Mar. 2020
Current assets			
Cash and deposits	29,366	26,742	21,164
Notes and accounts receivable—trade	7,689	8,891	8,233
Operating loans	44,041	46,623	53,549
Securities	6,404	4,647	499
Merchandise	972	1,082	1,167
Real estate for sale	22,776	30,049	22,077
Raw materials and supplies	1,374	1,429	1,014
Real estate for sale in process	28,116	11,845	12,357
Other	6,303	5,380	6,232
Allowance for doubtful accounts	(950)	(937)	(1,000)
Total current assets	146,094	135,754	125,296
Non-current assets			
Property, plant and equipment			
Buildings and structures, net	94,830	101,777	103,562
Machinery, equipment and vehicles, net	2,765	2,889	2,621
Golf courses	7,591	7,591	7,634
Land	38,302	38,649	44,886
Lease assets, net	6,689	6,227	13,721
Construction in progress	15,700	17,920	16,885
Other, net	4,721	4,945	4,436
Total property, plant and equipment	170,600	180,001	193,748
Intangible assets			
Goodwill	4,121	3,637	3,094
Software	4,240	4,534	4,969
Other	2,638	3,634	2,516
Total intangible assets	11,001	11,806	10,580
Investments and other assets			
Investment securities	64,724	43,599	36,016
Shares of subsidiaries and associates	1,390	1,313	1,368
Long-term loans receivable	6,163	6,120	5,743
Net defined benefit asset	1,219	725	235
Deferred tax assets	7,596	8,234	8,918
Other	13,486	14,624	19,536
Allowance for doubtful accounts	(835)	(755)	(611)
Total investments and other assets	93,744	73,862	71,208
Total non-current assets	275,345	265,671	275,537
Total assets	421,440	401,426	400,833

Liabilities

	(Millions of Yen)		
	FY ended Mar. 2018	Mar. 2019	Mar. 2020
Current liabilities			
Notes and accounts payable—trade	1,355	1,471	1,117
Short-term loans payable	8,958	5,000	—
Current portion of long-term loans payable	19,119	1,839	8,107
Current portion of bonds	2,750	250	150
Lease obligations	848	875	1,212
Accounts payable—other	16,825	22,389	6,861
Income taxes payable	4,741	3,608	1,785
Accrued consumption taxes	1,642	997	1,929
Advances received	28,564	12,209	22,028
Other	21,347	22,123	6,356
Total current liabilities	106,153	70,764	67,192
Non-current liabilities			
Bonds payable	700	450	300
Bonds with subscription rights	29,855	29,813	29,770
Long-term loans payable	32,069	39,123	31,016
Lease obligations	6,343	5,806	13,538
Deferred tax liabilities	829	638	376
Provision for directors' retirement benefits	2,131	2,133	2,099
Provision for stocks payment	1,294	1,697	1,803
Net defined benefit liability	1,755	1,959	2,231
Long-term guarantee deposited	101,541	101,595	31,870
Negative goodwill	100	—	—
Other	13,475	15,392	17,744
Total non-current liabilities	190,096	198,611	200,649
Total liabilities	296,250	269,375	267,842

Net Assets

Shareholders' equity			
Capital stock	19,590	19,590	19,590
Capital surplus	22,192	22,192	21,767
Retained earnings	78,770	86,144	88,294
Treasury shares	(2,212)	(1,852)	(1,802)
Total shareholders' equity	118,341	126,074	127,849
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	661	821	(450)
Foreign currency translation adjustment	1,814	858	728
Remeasurements of defined benefit plans	(55)	(323)	(328)
Total accumulated other comprehensive income	2,421	1,355	(50)
Subscription rights to shares	229	292	313
Non-controlling interests	4,198	4,326	4,878
Total net assets	125,190	132,050	132,991
Total liabilities and net assets	421,440	401,426	400,833

■ Consolidated Statements of Income and Consolidated Statements of Comprehensive Income (Based on Japanese Accounting Principles)

Consolidated Statements of Income

(Millions of Yen)

	FY ended Mar. 2018	Mar. 2019	Mar. 2020
Net sales	165,413	179,542	159,145
Cost of sales	33,799	42,167	24,012
Gross profit	131,614	137,374	135,133
Total selling, general and administrative expenses	113,871	118,497	123,480
Advertising expenses	2,677	2,452	2,428
Membership service expenses	709	698	1,135
Repair and maintenance	3,356	4,090	4,442
Linen expenses	3,640	3,983	4,305
Employees' salaries and bonuses and directors' compensation	45,685	46,877	48,087
Depreciation	7,549	8,595	9,849
Other	50,253	51,799	53,145
Operating income	17,742	18,877	11,652
Total non-operating income	3,102	2,145	2,083
Interest and dividend income	2,236	1,606	1,356
Other	865	539	725
Total non-operating expenses	1,422	1,494	1,260
Interest expenses paid on loans and bonds	652	677	550
Other	769	816	710
Ordinary income	19,422	19,528	12,476
Total extraordinary income	505	685	147
Total extraordinary losses	1,341	1,164	1,470
Income before income taxes and non-controlling interests	18,585	19,049	11,153
Income taxes—current	7,398	7,061	4,146
Income taxes—deferred	(818)	(730)	(382)
Total income taxes	6,579	6,331	3,763
Net income	12,006	12,718	7,389
Net income (loss) attributable to non-controlling interests	175	360	254
Net income attributable to owners of the parent	11,830	12,358	7,135

Consolidated Statements of Comprehensive Income

(Millions of Yen)

	FY ended Mar. 2018	Mar. 2019	Mar. 2020
Net income	12,006	12,718	7,389
Other comprehensive income			
Valuation difference on available-for-sale securities	(345)	159	(1,272)
Foreign currency translation adjustment	(407)	(956)	(129)
Remeasurements of defined benefit plans, net of tax	84	(268)	(5)
Total other comprehensive income	(668)	(1,064)	(1,407)
Comprehensive income	11,337	11,653	5,981
Attributable to			
Attributable to owners of parent	11,161	11,292	5,728
Attributable to non-controlling interests	176	360	253

■ Consolidated Statements of Cash Flows (Based on Japanese Accounting Principles)

(Millions of Yen)

	FY ended Mar. 2018	Mar. 2019	Mar. 2020
Net cash provided by operating activities	8,456	16,674	19,096
Net cash used in investment activities	(7,282)	(2,057)	(8,247)
Net cash provided by (used in) financing activities	(9,177)	(23,198)	(13,364)
Effect of exchange rate changes on cash and cash equivalents	40	8	(3)
Net increase (decrease) in cash and cash equivalents	(7,962)	(8,573)	(2,518)
Cash and cash equivalents at beginning of period	40,365	32,469	23,895
Increase (decrease) from change in scope of consolidation	66	—	—
Cash and cash equivalents at end of period	32,469	23,895	21,376

Business Data

■ Membership Indicators

(Number of People)

		FY ended Mar. 2016		Mar. 2017		Mar. 2018		Mar. 2019		Mar. 2020	
Baycourt Club	Members	10,646		13,115		15,793		18,255		20,507	
	Corporate	6,021	56.6%	7,766	59.2%	9,728	61.6%	11,568	63.4%	13,393	65.3%
	Individual	4,625	43.4%	5,349	40.8%	6,065	38.4%	6,687	36.6%	7,114	34.7%
XIV	Members	76,546		76,517		77,220		77,592		77,982	
	Corporate	33,466	43.7%	33,583	43.9%	34,111	44.2%	34,817	44.9%	35,559	45.6%
	Individual	43,080	56.3%	42,934	56.1%	43,109	55.8%	42,775	55.1%	42,423	54.4
Sun Members	Members	35,103		34,429		33,572		32,478		31,485	
Cruiser	Members	456		417		399		391		381	
Golf	Members	31,343		31,032		30,671		30,260		30,001	
HIMEDIC	Members	15,132		16,473		18,124		19,839		21,534	
Total		169,226		171,983		175,779		178,815		182,468*	

*Including 578 THE KAHALA CLUB members.

■ Hotel and Restaurant Operations

Net Sales by Category

(Millions of Yen)

	FY ended Mar. 2016	Mar. 2017	Mar. 2018	Mar. 2019	Mar. 2020
XIV	31,988	33,664	36,058	34,802	32,626
Sun Members	4,658	4,707	4,804	4,719	4,117
Hotel Trusty	6,162	6,460	6,789	6,631	6,511
Baycourt Club	4,555	4,443	4,790	7,116	9,035
THE KAHALA HOTEL & RESORT	8,607	7,950	8,207	8,260	7,998
Income from membership fees	6,752	6,927	7,124	7,694	8,449
Proceeds from amortizing deposits	2,886	2,929	2,993	3,189	3,544
Other income	7,205	7,107	8,832	7,967	8,377
Total	72,817	74,193	79,601	80,383	80,659

Occupancy Rates by Category

(%)

	FY ended Mar. 2016	Mar. 2017	Mar. 2018	Mar. 2019	Mar. 2020
XIV	54.0	52.6	50.8	50.2	48.0
Sun Members	65.2	62.7	60.4	60.4	57.5
Hotel Trusty	92.5	91.2	91.7	90.4	77.0
Baycourt Club	59.5	57.1	54.6	48.3	43.1

Number of Overnight Visitors by Category

(Number of People)

	FY ended Mar. 2016	Mar. 2017	Mar. 2018	Mar. 2019	Mar. 2020
XIV	1,786,996	1,812,543	1,864,448	1,839,932	1,761,353
Sun Members	477,338	444,621	431,345	418,856	366,716
Hotel Trusty	637,474	662,363	696,234	689,920	685,956
Baycourt Club	150,809	143,812	145,426	217,826	281,490
Total	3,052,617	3,063,339	3,137,453	3,166,534	3,095,515

Spending per Visitor by Category

(Yen)

	FY ended Mar. 2016	Mar. 2017	Mar. 2018	Mar. 2019	Mar. 2020
XIV	17,901	18,573	19,340	18,915	18,523
Sun Members	9,759	10,589	11,139	11,268	11,228
Hotel Trusty	9,667	9,754	9,752	9,612	9,492
Baycourt Club	30,206	30,898	32,940	32,671	32,098

■ Medical Operations

Breakdown of Sales

(Millions of Yen)

	—	FY ended Mar. 2017	Mar. 2018	Mar. 2019	Mar. 2020
HIMEDIC Business	—	12,575	13,908	15,437	16,479
MS (Medical Service) Corporation Business*	—	3,912	5,120	6,093	6,275
Aging Care Business (product sales, etc.)	—	1,904	2,696	2,743	2,540
Senior Lifestyle Business	—	7,283	9,321	10,401	12,299
Other	—	26	(56)	(196)	1,272
Total	—	25,702	30,990	34,478	38,867

* Operations support, etc. for general-use medical facilities

* Breakdown from March 2017

Number of Senior Living Rooms (As of the End of the Fiscal Year)

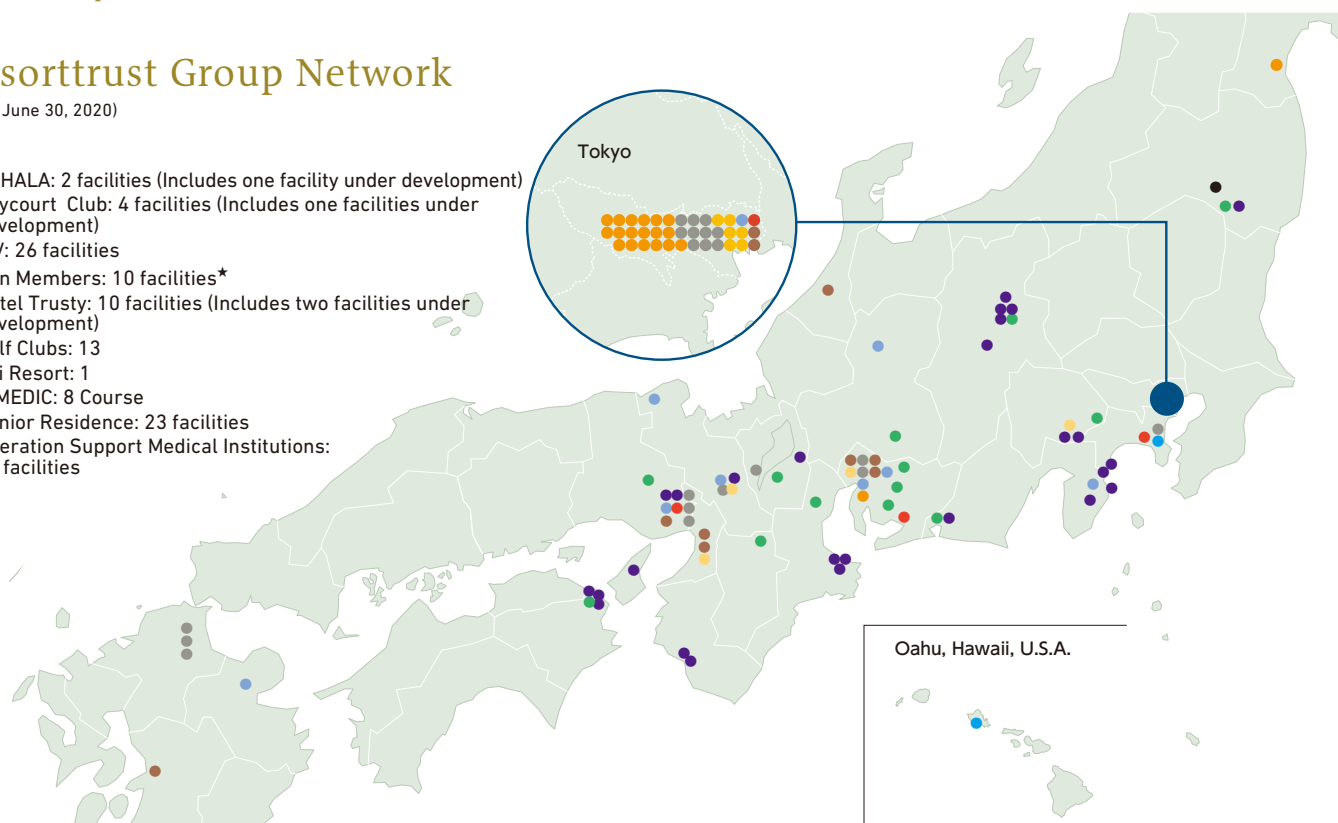
(%)

	FY ended Mar. 2016	Mar. 2017	Mar. 2018	Mar. 2019	Mar. 2020
Number of rooms	1,025	1,075	1,513	1,659	2,100
Utilization rate (achievement)	87.6	90.0	85.1	86.4	88.5

Resorttrust Group Network

(As of June 30, 2020)

- KAHALA: 2 facilities (Includes one facility under development)
- Baycourt Club: 4 facilities (Includes one facilities under development)
- XIV: 26 facilities
- Sun Members: 10 facilities*
- Hotel Trusty: 10 facilities (Includes two facilities under development)
- Golf Clubs: 13
- Ski Resort: 1
- HIMEDIC: 8 Course
- Senior Residence: 23 facilities
- Operation Support Medical Institutions: 20 facilities



Hotel Facilities

	Year Operations Began	Number of Rooms
● KAHALA		338*
Oahu, Hawaii, U.S.A.		
THE KAHALA HOTEL & RESORT	2014	338
Kanagawa		
THE KAHALA HOTEL & RESORT YOKOHAMA (Under development)	2020(plan)	146
● Baycourt Club		686*
Tokyo		
Tokyo Baycourt Club	2008	292
Kanagawa		
Yokohama Baycourt Club (Under development)	2020(plan)	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
Nagano		
XIV Karuizawa	1990	200
XIV Karuizawa Paseo	2012	32
XIV Karuizawa Sanctuary Villa	2004	40
XIV Karuizawa Sanctuary Villa Museo	2012	16
XIV Tatehina	1999	230
Kanagawa		
XIV Yugawara Rikyu	2017	187
XIV Hakone Rikyu	2010	187

* Excludes properties under development

	Year Operations Began	Number of Rooms
Shizuoka		
XIV Hatsushima Club	2000	200
XIV Izu	1988	227
XIV Hamanako	2004	193
Mie		
XIV Toba	1987	207
XIV Toba Annex	1991	198
XIV Toba Bettei	2016	121
Shiga		
XIV Biwako	1997	268
Kyoto		
XIV Kyoto Yase Rikyu	2006	210
Wakayama		
XIV Shirahama	1989	104
XIV Shirahama Annex	1993	144
Hyogo		
XIV Rokko Sanctuary Villa	2018	48
XIV Arima Rikyu	2011	175
XIV Awajishima	1992	109
Tokushima		
XIV Naruto	2001	135
XIV Naruto Sanctuary Villa	2003	22
XIV Naruto Sanctuary Villa Due	2005	22
● Sun Members		946*
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
Hyogo		
Sun Members Kobe	1985	53

	Year Operations Began	Number of Rooms
Tokyo		
Sun Members Tokyo Shinjuku	1982	181
Aichi		
Sun Members Nagoya Nishiki	1979	79
Sun Members Nagoya Shirakawa	1974	105★
Kagoshima		
Sun Members Kagoshima	1980	105
● Hotel Trusty		1,948*
Tokyo		
Hotel Trusty Tokyo Bayside	2008	200
Hotel Trusty Premier Nihonbashi Hamacho (Under development)	2019	223
Ishikawa		
Hotel Trusty Kanazawa Korinbo	2013	207
Aichi		
Hotel Trusty Nagoya Sakae	2003	204
Hotel Trusty Nagoya Shirakawa	2016	105★
Hotel Trusty Nagoya	1997	250
Osaka		
Hotel Trusty Osaka Abeno	2012	202
Hotel Trusty Shinsaibashi	2005	211
Hyogo		
Hotel Trusty Kobe Kyukyoryuchi	2009	141
Kumamoto		
Hotel Trusty Premier Kumamoto (Under development)	2019	205

★ Sun Members Nagoya Shirakawa, both of which occupy the same hotel space.

■ Golf Clubs/Ski Resort

	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
Aichi	
Pines Golf Club	18
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

	Year Operations Began
Fukushima	
Grandee Hatoriko Ski Resort	2004

■ HIMEDIC (Medical Examination Course)

	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 Rooms
Tokyo	
Trust Garden Suginamimiyamae	100
Trust Garden Nanpeidai	41
Trust Garden Sakurashinmachi	86
Trust Garden Yoganomori	129
Trust Garden Todoroki	57
Trust Garden Higashiminemachi	32
Trust Garden Hongo	118
Trust Garden Tokiwamatsu	50
Classic Garden Bunkyo Nezu	51
Trust Garden Ogikubo	51
Felio Tamagawa	70
Felio Seijo	65
Kanagawa	
Life Assist Bashamichi	74
Aichi	
Trust Grace Shirakabe	72
Morning Park Chikaramachi	41
Shiga	
Activa Biwa (Independent Living and Assisted Living)	384
Kyoto	
Trust Garden Shijo Karasuma	54
Hyogo	
Trust Garden Takarazuka	89
Trust Grace Mikage (Independent Living)	218
Trust Grace Mikage (Assisted Living)	63
Fukuoka	
Felio Tenjin	95
Felio Momochi	98
Resius Momochi	62

■ Operation Support Medical Institutions

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

Investor FAQ

Q What is the estimated size of targeted markets? Are they shrinking? How are you addressing the issue of aging members and generational shift?

A The affluent sector in Japan is roughly 1% of the population, and it is not shrinking. A fair number of people become new members through inheritance and generational shifts, and we are proactively examining measures for membership rotation.

Q What steps are being considered for improving profitability?

A We are investing in systems. For example, we are going paperless, using IT in backyard operations, and studying the use of robots to save labor. Advances are quickly being made in these fields, and we have a proactive stance on adopting new technologies.

Q What is your forecast for growth in Membership Operations over the medium- to long-term?

A We anticipate consistent, steady growth as opposed to sharp growth. Our focus is on increasing the number of accounts and members rather than contract amounts. Currently, we have approximately 140,000 members on a name basis. However, we forecast that potential demand remains untapped, especially in the Kanto area.

Q What do you think is the reason why membership hotels are recovering faster than other hotels from the COVID-19 pandemic?

A Membership hotels can be used for a variety of needs. For example, our membership hotels provide peace of mind by making it easy to maintain social distance and to implement measures for preventing infection. Membership hotels can be used as a relaxing villa during the current conditions which make overseas and other long-distance travel difficult. Our hotels provide a sense of liberation and release in an atmosphere that differs from everyday life.

Q What assumptions are you using in the earnings forecast for the current fiscal year in the midst of the COVID-19 pandemic?

A On August 7, we announced an earnings forecast based on the assumption that nationwide emergency measures will not be implemented again. Revenue from the opening of the Yokohama Baycourt Club will be recorded in September, and we expect the business environment to improve gradually after bottoming out in the first quarter.

Q Have any changes been made to the target values for the Medium-term Management Plan or to future development in consideration of conditions caused by the COVID-19 pandemic?

A We will continue to consider membership-based development properties while keeping an eye on our inventory status. We believe that development aimed at the general public will require more careful judgment. Our plan is to release the revised Medium-term Management Plan including specific values, around the time financial results are announced at the end of this fiscal year.

Corporate Data

(As of March 31, 2020)

Company Name	RESORTTRUST, INC. URL https://www.resorttrust.co.jp/
Head Office	2-18-31, Higashisakura, Naka-ku, Nagoya-shi, Aichi 460-8490, Japan
Tokyo Office	Resorttrust Tokyo Bldg., 4-36-19, Yoyogi, Shibuya-ku Tokyo 151-0053, Japan

Established	April 1973
Common Stock	19,590 million yen
Number of Employees	7,937 (Consolidated, full-time employees)
Fiscal Year-End	March 31

Stock Information

(As of March 31, 2020)

Shareholder Information

Stock Exchange Listings	Tokyo Stock Exchange, First Section Nagoya Stock Exchange, First Section
Total Number of Shares Authorized	150,000,000 shares
Total Number of Shares Issued	108,520,799 shares
Number of Shareholders	35,907

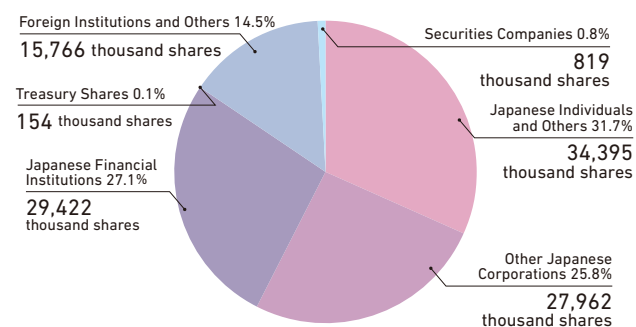
Major Shareholders

Name	Number of Shares Owned (Thousands)	Percentage of Total Shares Issued (%)
Takarazuka Corporation, Inc.	13,419	12.4
Japan Trustee Services Bank, Ltd. (Trust Account)	6,265	5.8
The Master Trust Bank of Japan, Ltd. (Trust Account)	4,948	4.6
SAPPORO BREWERIES LIMITED	3,351	3.1
Yoshiro Ito	2,922	2.7
NORTHERN TRUST CO.(AVFC) RE MONDRIAN INTERNATIONAL SMALL CAP EQUITY FUND, L.P.	2,163	2.0
Japan Trustee Services Bank, Ltd. (Trust Account 4)	1,989	1.8
GI Co., Ltd.	1,921	1.8
Japan Trustee Services Bank, Ltd. (Trust Account 5)	1,782	1.6
THE BANK OF NEW YORK MELLON 140044	1,643	1.5

Shareholder Benefits

When Benefits Are Fixed	The end of March, for shareholders with 100 or more shares
Details	Restaurant discount ticket (50%, 30% discount) can be used for food and drink by those who are eligible or staying at Hotel Trusty properties. (The discount is capped.)

Composition of Shareholders by Category



Major Group Companies

(As of March 31, 2020)

Company Name	Activities	Capital (Millions of Yen)	Voting Interest (%)
RESORTTRUST HAWAII, LLC	Hotel management	\$2,900 million	100
RTCC CORPORATION	Reciprocal use of overseas resorts and reservations for resorts in Japan	50	100
COMPLEX BIZ INTERNATIONAL Co., LTD.	Manufacture and sale of hair accessories, comprehensive beauty care business	50	100
JES Co., Ltd.	Cleaning business	10	100
Sun Hotel Agent Co., Ltd.	Non-life insurance agency business	10	100 (100)
HIMEDIC, Inc.	Sale and management of medical club memberships	300	100
Cancer Intelligence Care Systems, Inc.	Consulting services for medical facility management	1,472	73.1 (73.1)
Tokyo Midtown Medicine Co., Ltd.	Consulting services for medical facility management	100	66.5 (66.5)
Advanced Medical Care Inc.	Consulting services for medical facility management	100	100 (100)
NIPPON SWISS PERFECTION CO., LTD.	Cosmetics import sales, etc.	10	100.0 (100.0)
Shinko medical support Co., Ltd.	Consulting services for medical facility management	100	50.0 (50.0)
iMedical Inc.	Developing healthcare-related systems	100	51.0 (51.0)
Cent-Medical Associates Inc.	Remote imaging diagnostic systems	9	51.0 (51.0)
Trust Garden, Inc.	Senior residence business	50	100
Senior Life Company Ltd.	Senior residence business	10,000 yen	100 (100)
R.T. DEVELOPMENT CO., LTD.	Real estate leasing	100	100
JUSTFINANCE Co., Ltd.	Money lending	10	100
R.F.S. Co., Ltd.	Accounting services and general administration for affiliated companies	10	100
Resorttrust Golf Business Co., Ltd.	Golf course operation and sale of golf course memberships	100	100
KANSAI GOLF CLUB Co., LTD.	Golf course operation and sale of golf course memberships	59	100 (100)

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

