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RESORTTRUST, INC.

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Securities Code: 4681

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

The corporate governance of RESORTTRUST, INC. (the “Company”) is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

1. Basic Views

To ensure the ongoing trust of all stakeholders, such as shareholders and business partners, regional communities and employees, the Company has positioned the further enhancement of corporate governance as its most important management task. The Company is implementing various policies to achieve higher operational transparency and efficiency while striving to expand corporate value through an organizational structure that can respond to changes in the operating environment.

Based on a resolution at the 42nd Annual General Meeting of Shareholders on June 26, 2015, the Company adopted the Audit & Supervisory Committee structure. Through this change, the Company is working to enhance the effectiveness of the Annual General Meeting of Shareholders, accelerate decision-making by the Board of Directors, and further strengthen the supervising functions of the Audit & Supervisory Committee. The Company is working to further strengthen the auditing functions of the Audit & Supervisory Committee also by establishing and operating an appropriate organizational auditing structure.

[Disclosure Based on the Principles of the Corporate Governance Code]

[Principle 1.4: Cross-Shareholdings]

The Company sets its basic policy on cross-shareholdings of listed stocks and standards for exercising voting rights as follows.

<Basic policy on cross-shareholdings of listed stocks>

- Basic views

As a basic policy, the Company shall not hold any shares as cross-shareholdings except when these holdings are deemed beneficial to maintaining and enhancing corporate value.

- Examination of Corporate Value Enhancement Benefits

Cross-shareholdings are deemed beneficial when these holdings contribute to maintaining and improving the corporate value of the Resorttrust Group after examining the profitability and growth potential of the investee companies.

- Examination

The Company evaluates the benefits of its shareholdings per individual stock on a regular and ongoing basis. For shares which are deemed to have little benefit, the Company shall sell such shares while taking into consideration the impact on the market and other factors. On the other hand, for shareholdings which are deemed beneficial, the Company shall continue holding them.

<Standards for exercising voting rights associated with cross-shareholdings>

- Standards for exercising voting rights

The Company shall exercise its voting rights based on a comprehensive judgement of whether the investee company is developing an appropriate governance structure and conducting proper decision-making that results in a medium- to long-term improvement in corporate value, and whether these policies can contribute to the improvement of the Resorttrust Group's corporate value.

- Examination of agenda items

With regard to the examination of specific agenda items, the Company examines whether to approve or disapprove agenda items through dialogues with the investee company and examinations by dedicated departments. In particular, approval or disapproval of agenda items with a potential to affect corporate value and shareholders' interests shall be decided in a comprehensive manner upon confirming their objective and impact on the improvement of corporate value.

[Principle 1.7: Related Party Transactions]

Significant transactions between the Company and its officers or major shareholders (related party transactions) are subject to resolutions by the Board of Directors of the Company. At each fiscal year-end, directors and major shareholders are required to submit a confirmation letter stating whether there are any related party transactions.

[Principle 3.1: Full Disclosure]

(i) Company objectives (e.g., Philosophy), business strategies and business plans

The Philosophy, business strategies and business plans of the Company are disclosed in its Investors' Guide and Medium-term Management Plans.

Please refer to the Company's website (<https://www.resorttrust.co.jp/english/ir/>)

(ii) Basic Views and policies on corporate governance based on each principle of the Code (draft) as stated in this report and the securities reports "yukashoken hokokusho".

(iii) Board of Directors' policies and procedures in determining the remuneration of the senior management and directors

The basic policy of the Resorttrust Group in deciding executive remuneration is to ensure a level that secures top talent as managers and motivates each executive while aiming to boost the Group's sustainable growth and long-term corporate value.

Moreover, bonuses, Stock Options, and other incentives are decided after comprehensively considering the degree to which officers contributed to improving business performance and other accomplishments.

In addition, the Company gives points to directors (excluding Audit & Supervisory Committee members) according to the degree to which they achieved the business performance in line with the Company's officer stock ownership regulations. Upon retirement, the number of points earned determines the number of shares provided by the Board Benefit Trust (BBT), which is an officer stock ownership plan. (Points are not given to outside directors.)

The amount of remuneration for directors (excluding Audit & Supervisory Committee members) is determined by resolution of the Board of Directors within the scope of the annual amount resolved at the Annual General Meeting of Shareholders, upon preparation of an initial draft by Representative Directors and 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, of which the majority consists of independent outside directors.

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 Audit & Supervisory Committee members.

(iv) Appointment and nomination of directors

The Company nominates candidates for directors and Audit & Supervisory Committee members from a

comprehensive viewpoint in terms of timely and precise decision-making potential and appropriateness for the respective positions.

With regard to the procedures for appointment and nomination, Representative Directors and director in charge of the Operation Division prepare a draft, upon consideration in accordance with the above policy, which is brought to the Board of Directors for resolution.

Preparation of an initial draft is subject to consultation with the Nomination Advisory Committee, of which the majority consists of independent outside directors.

Nomination of candidates for directors serving concurrently as Audit & Supervisory Committee members is subject to resolutions by the Board of Directors upon obtaining the consent of the Audit & Supervisory Committee in addition to the procedures described above.

(v) Explanations with respect to the appointment and nomination of directors

Reasons for the appointment of each of the candidates for director are disclosed in the reference materials for the General Meeting of Shareholders.

[Supplementary Principle 4.1.1: Scope of Matters Delegated to Directors]

In accordance with relevant laws and regulations, the Company stipulates in its Articles of Incorporation and discloses that by the resolution at the Board of Directors, the Company may delegate to directors decisions regarding the execution of important operations.

The Company has adopted a system to place directors in charge of respective operational areas, and appoints executive officers who are in charge of business execution to assist in carrying out timely and appropriate management and decisions on execution.

The scope of execution by directors and executive officers is clearly established in the regulations regarding management authority.

[Principle 4.8: Effective use of Independent Outside Directors]

Four out of five outside directors are appointed by the Company as independent outside directors, among whom three are directors serving concurrently as Audit & Supervisory Committee members.

[Principle 4.9: Independence Standard and Qualification for Independent Outside Directors]

In addition to the Standards stipulated by the Companies Act and financial instrument exchanges, the Company establishes its own standards which are disclosed in “Other matters relating to Independent Directors” and other sections of this Report.

[Supplementary Principle 4.11.1: View on Balance, Diversity and Size of the Board of Directors as a whole]

Nomination of director candidates is examined by the Board of Directors in a comprehensive manner in terms of timely and precise decision-making potential and appropriateness for the respective positions. Procedures for the nomination are as described in Principle 3.1. (iv).

[Supplementary Principle 4.11.2: Status of Concurrent Positions of Directors]

Status of major concurrent positions of directors is disclosed in notices of convocation of General Meeting of Shareholders and the securities reports.

[Supplementary Principle 4.11.3: Analysis and Evaluation of Effectiveness of the Board of Directors and Its Overview]

The Company conducted a self-evaluation of the effectiveness of the Board of Directors with the support of an external institution.

■ Method of evaluation: (1) conduct of a survey (in the fourth quarter of the fiscal year ended March 31, 2017) (2) analysis and self-evaluation at the Board of Directors’ meeting based on the result of the survey

*The creation of the survey and the compilation of its results were commissioned to an external institution in order to ensure transparency.

■ Members subject to evaluation: directors and executive officers, 26 total

The Company evaluated that the overall effectiveness was ensured for the most part, although the necessity of some improvements were recognized, such as the feedback on discussion at Advisory Committees, the earlier distribution of materials for the Board of Director’s meeting and the further enhancement of training for directors.

Going forward, the Company will take measures to address the matters described above, while striving to

further improve the effectiveness of the Board of Directors.

[Supplementary Principle 4.14.2: Training Policy for Directors]

The Company intends to have all directors actively participate in various training programs in order for them to acquire required knowledge in the Company's business, finance and organizations and fulfill their expected duties and responsibilities in an appropriate manner.

Newly appointed directors are required to complete external seminars designed for newly appointed directors in order to help them deepen their understanding and ability to execute their expected duties and responsibilities.

[Principle 5.1: Policy for Constructive Dialogue with Shareholders]

The Company has formulated a "Policy for Constructive Dialogue with Shareholders" which is posted on its website.

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

2. Capital Structure

Foreign Shareholding Ratio	From 20% to less than 30%
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[Status of Major Shareholders]

Name / Company Name	Number of Shares Owned	Percentage (%)
Takarazuka Corporation, Inc.	13,419,648	12.37
The Master Trust Bank of Japan, Ltd. (Trust Account)	5,642,000	5.20
Japan Trustee Services Bank, Ltd. (Trust Account)	4,456,600	4.11
SAPPORO BREWERIES LIMITED	3,351,760	3.09
Yoshiro Ito	2,922,616	2.69
Japan Trustee Services Bank, Ltd. (Trust Account 9)	2,302,400	2.12
Japan Trustee Services Bank, Ltd. (Trust Account 4)	1,925,400	1.77
GI Co., Ltd.	1,921,976	1.77
NORTHERN TRUST CO.(AVFC) RE MONDRIAN INTERNATIONAL SMALL CAP EQUITY FUND, L.P.	1,803,300	1.66
Trust & Custody Services Bank, Ltd. (Trust Account E)	1,606,300	1.48

Controlling Shareholder (except for Parent Company)	—
Parent Company	None

Supplementary Explanation

Information stated in Foreign Shareholding Ratio and [Status of Major Shareholders] are as of September 30, 2017.

3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange First Section Nagoya Stock Exchange First Section
Fiscal Year-End	March
Type of Business	Services
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	1,000 or more
Sales (consolidated) as of the End of the Previous Fiscal Year	From ¥100 billion to less than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 10 to less than 50

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

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5. Other Special Circumstances which may have Material Impact on Corporate Governance

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II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

1. Organizational Composition and Operation

Organization Form

Company with Audit & Supervisory Committee structure

[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	25
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	President
Number of Directors	18
Appointment of Outside Directors	Appointed
Number of Outside Directors	5
Number of Independent Directors	4

Outside Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*											
		a	b	c	d	e	f	g	h	i	j	k	
Yoshitaka Taniguchi	Other												○
Yoichi Aiba	Lawyer								○				
Satoshi Akahori	Tax Accountant								△				
Toshihisa Nakatani	CPA								△				
Tomoyo Nonaka	Other												○

* Categories for "Relationship with the Company"

* "○" when the executive presently falls or has recently fallen under the category;

"△" when the executive fell under the category in the past

* "●" when a close relative of the executive presently falls or has recently fallen under the category;

"▲" when a close relative of the executive fell under the category in the past

a. Executive of the Company or its subsidiaries

b. Non-executive director or executive of a parent company of the Company

c. Executive of a fellow subsidiary company of the Company

d. A party whose major client or supplier is the Company or an executive thereof

e. Major client or supplier of the listed company or an executive thereof

f. Consultant, accountant or legal professional who receives a significant amount of monetary consideration or other property from the Company besides remuneration as an executive

g. Major shareholder of the Company (or an executive of the aforementioned major shareholder if the shareholder is a legal entity)

h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the executive himself/herself only)

i. Executive of a company, between which and the Company outside executive are mutually appointed (the executive himself/herself only)

j. Executive of a company or organization that receives a donation from the Company (the executive himself/herself only)

k. Others

Outside Directors' Relationship with the Company (2)

Name	Audit & Supervisory Committee Member	Independent Officer	Supplementary Explanation of the Relationship	Reasons of Appointment
Yoshitaka Taniguchi	○	○	None	<p>Mr. Yoshitaka Taniguchi was appointed as an outside director in order to utilize his wealth of experience and extensive knowledge accumulated through a long career in public administration for management and audits of the Company. Based on the standards under the Companies Act and the Financial Instruments and Exchange Act, as well as the “Standards on independence of independent outside directors” established by the Company, the Company has come to a conclusion that there are no potential conflicts of interest with general shareholders. Therefore, he has been assigned as an independent director since March 2010. For details, please refer to the “Standards on independence of independent outside directors” (After-mentioned Independent Directors “Other matters relating to Independent Directors”) established by the Board of Directors of the Company.</p>
Yoichi Aiba	○		<p>Outside director Mr. Yoichi Aiba is a lawyer with no personal or capital relationships between the Company and Mr. Yoichi Aiba, including his close relatives and companies where his close relatives serve as director or auditor. However, with regard to business relationships, the</p>	<p>Mr. Yuichi Aiba was appointed as an outside director in order to utilize his expertise and experience accumulated as a lawyer for management and audits of the Company.</p>

			<p>Company has entered into an advisory contract for the Company's legal affairs with the law firm where Mr. Yoichi Aiba belongs. The amount of annual transactions between the two entities, however, is less than ¥10 million, which is less than 0.01% of the consolidated net sales of the Company for the fiscal year ended March 31, 2017.</p>	
Satoshi Akahori	○	○	<p>Outside director Mr. Satoshi Akahori is a tax accountant and there are no personal relationships or capital relationships between the Company and Mr. Satoshi Akahori, including his close relatives and companies where his close relatives assume the position of director or auditor. However, the Company previously had an advisory contract for the Company's taxation affairs with the tax accounting firm where Mr. Satoshi Akahori belongs. The aforementioned contract came to an end in October 2015. The amount of annual transactions between the two entities before the termination of the contract is less than ¥10 million, which is less than 0.01% of the consolidated net sales of the Company for the fiscal year ended March 31, 2017.</p>	<p>Mr. Satoshi Akahori was appointed as an outside director so that he can utilize his expertise and experience accumulated as a tax accountant for management and audits of the Company. Based on the standards under the Companies Act and the Financial Instruments and Exchange Act, as well as the "Standards on independence of independent outside directors" established by the Company, the Company has come to a conclusion that there are no potential conflicts of interest with general shareholders. Therefore, he has been assigned as an independent director since December 2015. For details, please refer to the "Standards on independence of independent outside directors" (After-mentioned Independent Directors "Other matters relating to Independent Directors") established by the Board of Directors of the Company.</p>

Toshihisa Nakatani	○	○	<p>Outside director Mr. Toshihisa Nakatani is a certified public accountant and a tax accountant with no personal or capital relationships between the Company and Mr. Toshihisa Nakatani, including his close relatives and companies where his close relatives serve as director or auditor. However, Mr. Toshihisa Nakatani used to belong to KPMG AZSA & Co., the Company's accounting auditor, until June 2012 (He has not provided service to the Company from the fiscal year ended March 31, 2003 onwards). The Company has entered into an auditing contract with KPMG AZSA & Co., to conduct audits required under the Companies Act and accounting audits under the Financial Instruments and Exchange Act. Audits are performed not only at the end of fiscal period, but also when necessary and appropriate. A subsidiary of the Company has a consignment contract with the auditing firm where Mr. Toshihisa Nakatani currently belongs. The amount of annual transactions between the two entities, however, is less than ¥10 million, which is less than 0.01% of the consolidated net sales of the Company for the fiscal year ended March 31, 2017. In addition, a subsidiary of the Company had an auditing contract in the past with the auditing firm where Mr. Toshihisa Nakatani currently belongs. The contract</p>	<p>Mr. Toshihisa Nakatani was appointed as an outside director so that he can utilize his expertise and experience accumulated as a certified public accountant and tax accountant for management and audits of the Company. Based on the standards under the Companies Act and the Financial Instruments and Exchange Act, as well as the "Standards on independence of independent outside directors" established by the Company, the Company has come to a conclusion that there are no potential conflicts of interest with general shareholders. Therefore, he has been assigned as an independent director since December 2015. For details, please refer to the "Standards on independence of independent outside directors" (After-mentioned Independent Directors "Other matters relating to Independent Directors") established by the Board of Directors of the Company.</p>
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			<p>however is no longer in effect.</p> <p>The amount of annual transactions between the two entities before the termination of the contract is less than ¥10 million, which is less than 0.01% of the consolidated net sales of the Company for the fiscal year ended March 31, 2017.</p>	
Tomoyo Nonaka		○	None	<p>Ms. Tomoyo Nonaka was appointed as an outside director because she has a extensive insight essential for corporate management from an external perspective, specifically in the field of politics, society, environment, etc., as well as diverse experience and achievements in business management after serving in executive positions such as a director, etc. for several enterprises including listed companies. She also has a broad insight in tourism after serving as a tourism ambassador for various local municipalities. Based on the standards under the Companies Act and the Financial Instruments and Exchange Act, as well as the “Standards on independence of independent outside directors” established by the Company, the Company has come to a conclusion that there are no potential conflicts of interest with general shareholders. Therefore, she has been assigned as an independent director since June 2017. For details, please refer to the “Standards on independence of independent outside directors”</p>

				(After-mentioned Independent Directors “Other matters relating to Independent Directors”) established by the Board of Directors of the Company.
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[Audit & Supervisory Committee]

Committee’s Composition and Attributes of Chairperson

	All Committee Members	Full-time Members	Inside Directors	Outside Directors	Chairperson
Audit & Supervisory Committee	5	2	1	4	Outside Director

Appointment of Directors and/or Staff to Support the Audit & Supervisory Committee	Appointed
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Matters Related to the Independence of Such Directors and/or Staff from Executive Directors

The Audit & Supervisory Committee has established a Secretariat of the Audit & Supervisory Committee and provides employees who assist duties of the Audit & Supervisory Committee on a full-time basis as a staff (Audit & Supervisory Committee staff). The Audit & Supervisory Committee staff do not serve concurrently as employees of other divisions and solely follow instructions given by the Audit & Supervisory Committee members in order to ensure the effectiveness of directions given to the Audit & Supervisory Committee staff.

Status of Cooperation among Audit & Supervisory Committee, Accounting Auditor and Internal Audit Departments

The Audit & Supervisory Committee receives reports on audits and other matters from the Audit Division, which is in charge of internal audits and internal controls, and the Risk Management Division, which is in charge of risk management, and gives instructions to the Audit Division on divisions subject to audit and priority items for auditing as required. The Audit & Supervisory Committee regularly receives reports and explanations from the accounting auditor on its auditing plans and results of audits, based on which the Audit & Supervisory Committee carries out examination of the results of financial statement audits and internal control audits. The Committee also receives reports and explanations on the quality control framework of the accounting auditor.

[Voluntary Establishment of Committees]

Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Remuneration Committee	Established
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Committee's Name, Composition, and Attributes of Chairperson

	Committee's Name	Members	Full-time Members	Inside Directors	Outside Directors	Outside Experts	Others	Chairperson
Committee Corresponding to Nomination Committee	Nomination Advisory Committee	7	0	3	4	0	0	Outside Director
Committee Corresponding to Remuneration Committee	Remuneration Advisory Committee	7	0	3	4	0	0	Outside Director

Supplementary Explanation

To ensure transparency and objectivity of the process for appointing and nominating directors and determining their remuneration, the Company has established a "Nomination Advisory Committee" and "Remuneration Advisory Committee," of which the majority consists of independent outside directors.

[Independent Directors]

Number of Independent Directors	4
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Other matters relating to Independent Directors

Standards on independence of independent outside directors of the Company are as follows.

- (1) Standards on independence of independent outside directors of the Company are defined as follows. An Outside director is considered independent if he/she does not fall under any of the following.
 1. Important employee such as executive director or executive officer of the Company or its consolidated subsidiaries.
 2. Major shareholder of the Company (holder of 10% or more of the total voting rights at the end of the most recent fiscal year), or an executive thereof.
 3. A party whose major client or supplier* is the Company or an executive thereof.
 4. Major client or supplier* of the Company, or an executive thereof.
 5. Accounting auditor of the Company or its consolidated subsidiaries or an employee or others of such accounting auditor who is in charge of audits of the Company or its consolidated subsidiaries.
 6. Consultant, accountant or legal professional who receives over ¥10 million per year of monetary consideration or other property from the Company besides remuneration as an executive. However, if a party who receives such property is an organization such as corporation or association, an executive of such organization whose property received from the Company accounts for over 2% of its annual income.
 7. Major lender of the Company (lender whose name is listed as a major lender in the business report for the most recent fiscal year), or an executive thereof.
 8. Person receiving donation of over ¥10 million per year from the Company. However, if a party who receives such donation is an organization such as corporation or association, an executive of such organization whose property received from the Company accounts for over 2% of its annual income.
 9. Person who falls under any of the above 2 to 8 within the last three years.
 10. Close relatives within the second degree of kinship of the person who falls under the above 1 to 9

(limited to those who are important).

11. In addition to what is listed in the preceding items, a person who has special circumstances, such as having possible conflicts of interest with the Company, which may prevent him/her from fulfilling duties as an independent outside director.

* “Major client or supplier” refers to parties whose transactions with the Company exceed 2% of annual consolidated sales for the most recent fiscal year.

(2) In addition to the standards provided in (1) above, extensive knowledge and abundant experience necessary for auditing and overseeing the compliance and business management of directors are used as criteria for appointing independent outside directors.

[Incentives]

Implementation Status of Incentive Policies for Directors

Introduction of Performance-linked Remuneration, and Stock Options

Supplementary Explanation

The Company expects its directors (excluding Audit & Supervisory Committee members) to conduct performance- and share price-conscious management and to share profit-oriented perspectives with its shareholders. With a view to achieving the aforementioned objective, the Company has adopted a “Board Benefit Trust (BBT),” an officer stock ownership plan under which the Company gives points to directors (excluding Audit & Supervisory Committee members) according to the degree to which they achieved the business performance in line with the Company’s officer stock ownership regulations. Upon retirement, the number of points earned determines the number of shares provided by the BBT. (Points are not given to outside directors.)

In addition, it was resolved at the 44th Annual General Meeting of Shareholders on June 29, 2017 and the Board of Directors’ meeting on the same day to issue subscription rights to shares without consideration with the intent of stock options. The objective of issuance is to further enhance the Company’s value as a listed company by further boosting the motivation and morale of directors (excluding outside directors and Audit & Supervisory Committee members) and employees (including executive officers) of the Company as well as directors and employees of its associates for improving business performance, and by sharing a mutual interest with shareholders of the Company.

Recipients of Stock Options

Inside Directors, Employee, Subsidiaries’ Directors, Subsidiaries’ Executive Officers (Shikkoyaku), Subsidiaries’ Employee, and Other

Supplementary Explanation

Recipients of stock options are decided after comprehensively considering the degree to which they contributed to improving business performance and other accomplishments.

[Director Remuneration]

Disclosure of Individual Directors’ Remuneration

Only selected directors’ remuneration are disclosed

Supplementary Explanation

Directors whose consolidated remuneration and others are ¥100 million or more in total are separately disclosed in the securities reports. Securities reports are posted on the Company’s website and are available for public inspection.

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

The basic policy of the Resorttrust Group in deciding executive remuneration is to ensure a level that secures top talent as managers and motivates each executive while aiming to boost the Group's sustainable growth and long-term corporate value. Moreover, bonuses, Stock Options, and other incentives are decided after comprehensively considering the degree to which officers contributed to improving business performance and other accomplishments. In addition, the Resorttrust Group gives points to directors (excluding Audit & Supervisory Committee members) according to the degree to which they contributed to business performance in line with the Resorttrust Group's offer stock ownership regulations. Upon retirement, the number of points earned determines the number of shares provided by the Board Benefit Trust (BBT), which is an officer stock ownership plan. (Points are not given to outside directors.)

The amount of remuneration is determined pursuant to the explanation as provided in [Principle 3.1: Full Disclosure].

[Supporting System for Outside Directors]

With regard to a framework to support outside directors, one Audit & Supervisory Committee staff is allocated, and works on a full-time basis to support the duties of five directors serving concurrently as Audit & Supervisory Committee members who constitutes the Audit & Supervisory Committee. In addition, auditing effectiveness is reinforced by enhancing the function of the supporting framework for the five outside directors (including directors serving concurrently as Audit & Supervisory Committee members) under close collaboration among relevant divisions.

2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration

Decisions (Overview of Current Corporate Governance System)

- The Company adopts the Audit & Supervisory Committee structure as its corporate governance structure, and audits are conducted by directors serving concurrently as Audit & Supervisory Committee members.
- Four out of five Audit & Supervisory Committee members (five males and 0 female) are Outside directors and attend the Board of Directors' meeting held every month. Full-time directors serving concurrently as Audit & Supervisory Committee members attend Executive Committee and other important meetings to establish a fair management monitoring framework. The Audit & Supervisory Committee also reviews whether corporate governance is functioning properly through interviews with directors (excluding Audit & Supervisory Committee members) (12 male and 1 female).
- The Audit & Supervisory Committee has established the Secretariat of the Audit & Supervisory Committee to assist their duties and allocates one full-time staff in order to establish a structure that contributes to the Audit & Supervisory Committee's effective auditing and overseeing activities.
- Directors serving concurrently as Audit & Supervisory Committee members receive monthly reports on the result of operational audits conducted systematically on all divisions by the Audit Division. They also receive reports on the results of evaluation of development of internal control over financial reporting and the status of its operation as necessary.
- The Audit Division engages in systematic operational audits on all divisions and evaluation of internal control over financial reporting. The Audit Division reports the results of the above to the President and COO while striving to enhance the effectiveness of internal control through disclosure of the results of audit or evaluation to relevant divisions in order to request improvement. Similarly, the Audit Division reports such results to the Audit & Supervisory Committee and exchange opinions with the Audit & Supervisory Committee, together with the Risk Management Division.
- The General Manager of the Audit Division accompanies the Audit & Supervisory Committee during audits at the request of the Audit & Supervisory Committee. The Audit & Supervisory Committee staff provides materials necessary for auditing to each of the Audit & Supervisory Committee members as well

as important internal information as appropriate.

- The Company adopts an executive officer system in order to respond precisely to the management environment, accelerate decision-making and train management personnel. The Company has nine male executive officers and zero female executive officer.
- Nomination of candidates for director and Audit & Supervisory Committee member of the Company is subject to resolutions by the Board of Directors as provided in [Principle 3.1 Full Disclosure].

3. Reasons for Adoption of Current Corporate Governance System

The Company has adopted an Audit & Supervisory Committee structure and the Audit & Supervisory Committee, which consists of five directors serving concurrently as Audit & Supervisory Committee members including four outside directors, audits and oversees the directors' execution of duties. Through transparent, fair, speedy and resolute decision-making, the Company's Board of Directors aims to sustainably improve corporate value by striving to establish and enforce an appropriate and timely governance framework. As for the decision-making process of important matters, the division proposing agenda items submits proposals to the Executive Committee 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. To facilitate speedy and precise management and executive decisions, the Company has appointed nine executive officers who are in charge of business execution.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Meeting of Shareholders and Smooth Exercise of Voting Rights

	Supplementary Explanations
Early Notification of General Meeting of Shareholders	The Company aims to send notice of the General Meeting of Shareholders as early as possible to provide shareholders with adequate time to examine proposals to be resolved. The notice of the 44th Annual General Meeting of Shareholders was sent out on Friday, June 9, 2017. In addition, content of the notice of General Meeting of Shareholders was posted on TDnet and the Company website from Wednesday, June 7, 2017, before the mailing date.
Scheduling General Meeting of Shareholders Avoiding the Peak Day	It is not the Company's policy to set the General Meeting of Shareholders on a peak date. However, due to a venue reservation matters, the Annual General Meeting of Shareholder for the fiscal year ended March 31, 2015 was held on a peak date.
Allowing Electronic Exercise of Voting Rights	Electronic exercise of voting rights is possible through the Internet.
Other	The Company selects venues for the General Meeting of Shareholders at external facilities conveniently located in terms of public transportation, and the business report is conducted with the aid of visual images at the meetings.

2. IR Activities

	Supplementary Explanations	Explanations presented by the Company representative
Preparation and Publication of Disclosure Policy	The Company's basic policy is "to conduct active disclosure and aim for highly transparent and fair management." In line with timely disclosure rules and internal regulations, the Company collects, manages and publicly presents information. The same information is also posted on the Company's official website. https://www.resorttrust.co.jp/english/ir/disclosure_policy/	
Regular Investor Briefings for Individual Investors	The Company delivers presentations at briefing sessions for individual investors, organized by securities companies and IR support firms.	No
Regular Investor Briefings for Analysts and Institutional Investors	The Company holds financial results briefings, and provides explanations and answers to questions, for a number of analysts and institutional investors.	Yes
Regular Investor Briefings for Overseas Investors	The Company representative participates in overseas IR conferences hosted by securities companies, and visits institutional investors individually to provide explanations.	Yes
Posting of IR Materials on Website	The Company posts various pieces of IR information, including financial results, materials for timely disclosures other than financial results, securities reports or quarterly reports, financial results briefing materials and Investor's Guides.	

Establishment of Department and/or Manager in Charge of IR

Division in charge: Investor Relations Division
 Officer in charge: Hitomi Yagi, General Manager, Investor Relations Division

3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanations
Implementation of Environmental Activities, CSR Activities etc.	<p>Since the fiscal year ended March 31, 2006, the Company has worked on obtaining, maintaining and promoting activities related to ISO 14001 certification (the global standard for environmental management systems) with the aim of contributing to the global environment. To date, a total of 35 offices have obtained the certification.</p> <p>In addition, as earthquake rehabilitation support activities, the Company provided support which includes donations to children orphaned by the Great East Japan Earthquake in collaboration with an NPO, the Aichi Volunteer Center. The amount of donations as of March 31, 2018 totaled at ¥217,700,307.</p>
Others	<p>[Scheme to Protect Internal Whistleblowers] To raise the awareness of the crisis management in each and every employee, the Company has established a scheme to protect internal whistleblowers in 2002. Further, in response to the enforcement of the Whistleblower Protection Act on April 1, 2006, the Company has revised the system in a constructive manner to enhance the system.</p> <p>[System to Promote Diversity] From October 2015, the Company established the Diversity Promotion Office within the Personnel Division. This Office is dedicated to the promotion of diversity to further enhance the initiatives to promote employment of challenged persons and to foster a work environment where people can play a significant role. The outline of this initiative is stated below.</p> <p><< Diversity Promotion >></p> <p>■ Business necessity Under the Resorttrust Group’s Philosophy of “Excellent Hospitality,” the Company is required to offer careful and finely tuned hospitality and services for various customers from a diversified perspective. Also, the Company believes that it can pursue the fulfillment of the Company’s Philosophy through continuous contribution from staff members who have created delightful experiences with customers.</p> <p>■ Policies on efforts As part of its human resource strategies, the Resorttrust Group is supporting the empowerment of all employees, and with a view to cultivating a work environment where everyone is able to work with vitality, the Company defined its ideal state for diversity promotion which consists of the following: 1. Corporate culture that maximizes individual capability, 2. Continuous employment and 3. Sustainable growth.</p> <p>In addition, with an eye to conducting effective approaches towards the above objectives in keeping with each department’s different business characteristics, strengths and challenges, each department has embarked on its own projects. The Resorttrust Group as a whole and each department collaborate and promote effective efforts.</p>

■ Current situation and goals

1. To “promote female career,” the Resorttrust Group as a whole has set explicit targets for the percentage of female managers to be deployed.

<Results>

April, 2015 15.5%

April, 2017 20.1% (+3.1%)

<Targets>

April, 2025 25.0%

We are working towards achieving the targets. The details of these targets are specified in the “Action Plan for Diversity Promotion” formulated in March 2016, and also on our Company website.

2. As part of the initiatives to establish a work-life balance, Resorttrust, Inc. has set explicit numerical targets for the percentage of male employees taking paternity leave and has been working hard to achieve the target.

<Targets>

FY2017 7.0%

FY2020 40.0%

FY2022 50.0%

■ Outline of projects

1. Corporate culture that maximizes individual capability

The Company believes that creating an environment incorporating systems and a culture that support ideal working conditions, regardless of gender or age, will lead to a workplace where employees can express their capability on a full extent.

- Employees receive the “Message from Management” in which top managers confirm the importance of Diversity Promotion in the Resorttrust Group and explain the ideal workplace the Group wants to be. In addition, each workplace receives a periodic entitled “SPIRIT NEWS-Promoting Empowerment of Diversity-,” in order to introduce female role models and report the status about female empowerment.
- Conduct trainings on maximizing the role of employees for managers who play an integral role in the fostering of a corporate culture.
- From the viewpoints of empowering employees as well as fostering a corporate culture that supports ideal working conditions regardless of gender or age, each facility will decide and conduct its own “action plan” designed to promote the creation of the ideal workplace.

2. Sustainable growth

The Company believes that an increasingly robust business operation is achieved by creating work conditions in which employees find their jobs fulfilling and interesting and can enhance their capabilities through work, as well as by assigning diverse human resources as decision makers (management and executives) and specialists regardless of gender or age.

- Hosting of the Shining Forum for female employees in sales roles, in which they can learn the points and know-how from external lecturers and role model employees, thereby helping create a working style suitable for their lifestyles.

3. Continuous employment

The Company believes that support for continuous employment in concord with change in life stages of employees is integral to the Company’s sustainable growth, maintaining competent human resources, and increasing females in management positions.

- Support for female employees to reach stages of life involving major events such as pregnancy, childbirth and child rearing, “work-life balance support workshops (child care edition)” are held.
- Enhancement of the maternity leave program (implemented in December 2014)
- Promotion of the shorter working hours scheme (for child rearing or family care) (implemented in October 2015)
- Compilation and circulation of the “Work-Family Care Balance Support Handbook” to ensure that employees are informed of the outline of the Company’s programs to support employees bringing up children or caring for their families.
- Implementation of e-learning programs that help employees maintain a good balance between work and child care/nursing care (implemented in June 2017)
- Awards and certification from external parties
 Superior Award of “2015 Nagoya City Commendation of Companies Promoting Women’s Participation and Advancement in the Workplace”
 “2016 Kurumin” certification
 Superior Award of “2017 Nagoya City Commendation of Child Care Support Companies”
- Establishment of “short-term childcare leave (Hagukumi Leave)” under which childcare leave of up to 7 days is treated as paid leave (August 2017)
- Holding of a “Workshop for supporting employees to balance work and nursing care” for fostering trainers (September 2017)
- Establishment of a “Babysitter Program” in which fees for using babysitting services provided by an operator affiliated with the Company shall be paid by the Company once each year per employee (implemented in December 2017)

<<Promotion of Employment of Challenged Persons>>

For full-scale employment of challenged persons, the Company has established Clerical Work Support Centers in Tokyo, Yokohama, Nagoya and Osaka. At these centers, attentive schemes to enable employment of challenged persons are formulated. These include the establishment of a comprehensive support system, such as the adaption of work manuals and coordination with external support organizations to prevent mismatches from recruiting. The Company has centralized many clerical operations from each division as it proactively creates new opportunities where challenged persons can take charge and pursues more efficient operations of the Company. As a result, work time has been reduced, and cost reduction was accomplished through conducting works inside which was formerly outsourced.

Inspired by the idea of “normalization,” the Company has fostered corporate culture where all employees, including challenged persons, mutually recognize and work together side by side, creating a welcoming environment across the Company, enabling natural fostering of hospitality. These efforts are helping the Company to move closer to the delivery of “Excellent Hospitality” which the Company pursues as its Philosophy.

Through these efforts, the Company received the “Minister’s Prize,” the highest award in FY2013, as an “Excellent example of workplace improvement for challenged persons” (hosted by the Japan Organization for Employment of the Elderly, Persons with Disabilities and Job Seekers, sponsored by the Ministry of Health, Labour and Welfare). The Company’s efforts continued to be recognized, for example, by being selected for inclusion in the “FY2014 Diversity Management Selection

100” (METI), honored with a Director’s Award for Effort in the “FY2015 Excellent Enterprise in Disabled Employment” (hosted by the Japan Organization for Employment of the Elderly, Persons with Disabilities and Job Seekers, sponsored by the Ministry of Health, Labour and Welfare) and the “Excellent Company Award for Employment of Persons with Disabilities” hosted by the Tokyo Metropolitan Government in FY2017.

Further, in January 2014, the Clerical Work Support Center in Tokyo was honored with a visit by their Majesties the Emperor and Empress of Japan.

Looking ahead, the Company is committed to creating a work environment enabling further contributions and more significant roles by challenged employees.

[Efforts Made to Achieve Healthy Management]

The Company aims to truly realize our management philosophy of becoming “The Resorttrust Group which is committed to sophistication and excellence in hospitality.” In order to achieve this, we believe it is essential that employees maintain physical and mental wellbeing and sustain a well-rounded life. Therefore, we have formulated the “Declaration of Healthy Management” and disclosed it on the Company’s website.

<https://www.resorttrust.co.jp/corporate/health/index.html> (Japanese)

The Company will contribute to maintaining and improving the wellbeing of its employees by providing a work environment where employees can enthusiastically play an active role, while enjoy a fulfilling family life at the same time. Furthermore, the Company aims to help people involved with us discover and celebrate the very finest that life has to offer, through the Group’s promotion of business activities with unparalleled quality.

In recognition of these initiatives, the Company was certified by the Ministry of Economy, Trade and Industry as an “Outstanding Enterprise Engaged in Health and Productivity Management” in 2017 and 2018.

IV. Matters Related to the Internal Control System

1. Basic Views on Internal Control System and the Progress of System Development

The Company has, as it deemed appropriate, reviewed the resolution of the Board of Directors' meeting held on May 16, 2006. The following items from (1) to (18) are the amendments resolved on June 16, 2015.

- (1) System to ensure the duties of directors are executed in accordance with laws, regulations and the Articles of Incorporation
 - 1 To decisively and effectively implement compliance programs, the Company has appointed a Chief Compliance Officer (CCO) and established a designated division, the Risk Management Division. The system is designed to reinforce thorough legal compliance and fair business activities that adhere to corporate ethics.
 - 2 Based on its internal regulations, the Company has established an Internal Reporting System that allows it to gain information to prevent violation of compliance by directors.
 - 3 In accordance with the Board of Directors Regulations, the Board of Directors is responsible for ensuring the legality and supervision of the business management and business execution by directors.
 - 4 Directors are fully aware of the laws and regulations concerning the Company's business, and make every effort to raise and maintain awareness on compliance.
 - 5 In conformity with the Financial Instruments and Exchange Act and other regulations, the Company has established and operates internal control system necessary and sufficient for ensuring appropriateness of financial reporting.
 - 6 Recognizing its corporate social responsibility, and in order to ensure sustainable growth, the Company refuses to be involved in any relationship with anti-social forces and ensures the effectiveness of the commitment. To this end, it has established and complies with its Basic Policy Toward Anti-social Forces.
- (2) System for storage and management of information concerning business execution by directors
The Company appropriately stores and manages critical information in accordance with internal regulations. Critical information includes information concerning execution of duties by directors, information concerning important decisions resolved at the Board of Directors, Executive Committee, etc., and other important matters (including electromagnetic data).
- (3) Rules regarding management of risk of loss and other systems
 - 1 The Company has established a Risk Management Committee and established a company-wide crisis management system.
 - 2 The Company identifies risks associated with its business area, and formulates and complies with rules for risk management. The Company also conducts risk management training for employees.
 - 3 The Company maintains crisis management framework for coping with unforeseen events, and attempts to mitigate losses by swiftly and appropriately responding to such events.
 - 4 The Company has established a system allowing each business division to identify, evaluate and discuss the risk inherent in its operations and take adequate response. If the division anticipates any risk to materialize, the information is promptly reported to the directors.
- (4) System for ensuring efficient business execution by directors
 - 1 The Company has clarified directors' authorities, as well as standards for meetings and matters to be discussed thereat. The Company also clarifies divisional roles and functions, ensuring framework for efficient decision-making functions.
 - 2 In accordance with internal regulations, the Board of Directors' meetings are held monthly. It resolves important management matters, and conducts supervision of directors.
 - 3 The Company, at its Board of Directors, formulates plans including the five-year medium-term plan and annual budgets, and conducts budget and performance control for the whole Company and Group companies.
 - 4 Important matters that may impact the Company or the Resorttrust Group as a whole are, in accordance with internal regulations, deliberated and decided on at the Executive Committee.
 - 5 To be able to adapt adequately to the management environment, the Company adopts the Executive Officer System to facilitate a speedy decision-making process and enhance managerial human resource development.

- (5) System to ensure the duties of employees are executed in accordance with laws, regulations and the Articles of Incorporation
- 1 To decisively and effectively implement compliance programs, the Company has appointed a Chief Compliance Officer (CCO) and established a designated division, the Risk Management Division. The system is designed to reinforce thorough legal compliance and fair business activities that adhere to corporate ethics.
 - 2 The Company reiterates to its employees the Philosophy and management policy, to ensure that they conduct business actions based on laws, regulations and social ethics.
 - 3 The Company continually implements education and training programs on compliance for employees to comply with laws and regulations. Based on internal regulations, the Company established an Internal Reporting System that allows the Company to gain information to prevent violation of compliance by employees.
 - 4 The Company conducts internal audits to ensure the legality and efficiency of business management and business execution. Inadequacies identified by the auditing are improved accordingly.
 - 5 In conformity with the Financial Instruments and Exchange Act and other regulations, the Company has established and operates internal control system necessary and sufficient for ensuring appropriateness of financial reporting.
 - 6 Recognizing its corporate social responsibility, and in order to ensure sustainable growth, the Company refuses to be involved in any relationship with anti-social forces and ensures the effectiveness of the commitment. To this end, it has established and complies with its Basic Policy Toward Anti-social Forces.
- (6) System for ensuring appropriateness of operations of corporate group comprising a company, its parent company and subsidiaries
- 1 In accordance with internal regulations, the Company manages its Group companies' appropriateness of operations and exchanges information with them as necessary.
 - 2 The Company dispatches its officers and employees to Group companies to ensure their appropriateness of operations.
 - 3 The Company maintains an Internal Reporting System to ensure that appropriateness of operations is maintained across Group companies.
 - 4 The Audit Division of the Company periodically performs audits of Group companies and reports audit results to the Board of Directors of the parent company.
- (7) System for reporting the matters concerning the execution of duties by directors, etc., of subsidiaries to relevant company
- The Company has formulated the rules on managing Group companies. Depending on the importance of the matters, the rules clearly classify matters which Group companies are required to seek approval of the Company and matters which Group companies are required to report to the Company.
- (8) Rules to manage the risk of loss at subsidiaries and other systems
- The Company has established the Risk Management Division and Risk Management Committee as an organization responsible for supervising the risk management of the Group companies. The two organizations are engaged in the identification and evaluations of these risks.
- (9) System for ensuring efficient business execution by directors of subsidiaries
- The Company formulates the Resorttrust Group's medium-term management plan and also requires each Group company to formulate business plans. The Company confirms and examines the progress of such business plans on a monthly basis.
- (10) System to ensure the duties by directors and employees of subsidiaries are executed in accordance with laws, regulations and the Articles of Incorporation
- 1 The Company has established the "Basic Compliance Policy," and shares this with Group companies and thoroughly informs such policy, in order to promote understanding and dissemination.
 - 2 In order to maintain the effectiveness of compliance among Group companies, the Company has established the Risk Management Division and Risk Management Committee as organizations responsible for supervising compliance at Group companies and the Company has also appointed a Chief Compliance Officer (CCO).

- (11) System related to employees in case the Audit & Supervisory Committee requires such employees to assist its duties
The Company has established the Secretariat of the Audit & Supervisory Committee as a workforce to assist its duties and Audit & Supervisory Committee staff are assigned on a full-time basis.
- (12) Matters related to independence from directors of the employees described in the preceding item
Personnel change in the Audit & Supervisory Committee staff must be reported in advance to the Audit & Supervisory Committee, and if it is considered necessary, the Committee may request the personnel department to modify such change.
- (13) Matters related to ensuring the effectiveness of instructions given to employees assigned to assist with the duties of the Audit & Supervisory Committee
The Audit & Supervisory Committee staff belong exclusively to the Audit & Supervisory Committee. They are required to work exclusively on instructions given by the Committee and are not assigned to any other jobs. By this, the Company ensures the effectiveness of instructions given to the Audit & Supervisory Committee staff.
- (14) System for directors and employees to report to the Audit & Supervisory Committee
Directors and employees must promptly report to the Audit & Supervisory Committee on matters stipulated by law as well as the following matters.
- a. Content of significant matters resolved that are likely to affect the entire Company
 - b. Reports on internal control activities
 - c. Operation status of the Internal Reporting System
- (15) System for subsidiaries' directors, professional accountants, corporate auditors, executive officers, employees who execute operations, employees assigned to execute duties as stipulated in Paragraph 1, Article 598 of the Companies Act, and those in similar positions or other employees or those who have received information from these persons to report to the Audit & Supervisory Committee
In case where violation of laws and regulations is identified, officers and employees of Group companies must notify a corporate auditor (or a Representative Director) of the relevant Group company about the violation. The person who received the notification shall report the information to the Company's Risk Management Division, and the General Manager of Risk Management Division shall promptly report details to the Audit & Supervisory Committee.
- (16) System to ensure that persons notifying matters are not unfavorably treated on the grounds of such notification
The Company has an Internal Reporting System which can be used by officers and employees of the Group companies as well. It explicitly declares that no person shall be unfavorably treated on account of his/her notification.
- (17) Matters related to policies concerning advance payments to or reimbursement procedures for Audit & Supervisory Committee members in connection with expenses for the execution of their duties, and other accounting procedures for expenses or debt associated with Audit & Supervisory Committee members of their duties
The Company plans its budget annually in order to ensure the execution of audits by the Audit & Supervisory Committee. For any costs incurred outside the budget, the Company shall bear the expenses necessary to execute duties of the Committee.
- (18) Other systems for ensuring effective audits by the Audit & Supervisory Committee
The Representative Director shall meet with members of the Audit & Supervisory Committee on a regular basis, to exchange opinions concerning not only management policies and issues to be addressed of the Company but also important matters from the auditing viewpoint, with the aim of deepening mutual understanding and confidence, as well as enhancing the effectiveness of the Audit & Supervisory Committee's audit.

2. Basic Views on Eliminating Anti-Social Forces and the Status of Implementation

The Board of Directors of the Company has resolved on the “Basic Policy Toward Anti-social Forces.” 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 scheme that it shall not have any relationship with anti-social forces nor accept any unreasonable claims from them.

The same information is available on the Company’s official website.

<https://www.resorttrust.co.jp/ps/qn/guest/news/showbody.cgi?CCODE=0&NCODE=17> (Japanese)

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Adopted
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Supplementary Explanation

As part of the efforts to secure and enhance corporate value and the common interests of shareholders, the Company has adopted “Measures Against Large-scale Purchases of Company Shares (Takeover Defenses).” These measures include actions, in accordance with the basic policy regarding the control of the Company, against large scale purchases of the Company shares by inappropriate persons.

For details, please refer to the press release of May 13, 2016.

<https://www.resorttrust.co.jp/ps/qn3x/guest/news/dldata.cgi?CCODE=30&NCODE=121> (Japanese)

2. Other Matters Concerning Corporate Governance System

1. The Company’s basic views concerning its Philosophy and timely disclosure

The Resorttrust Group aims under its management philosophy to be “a dynamic organization of individuals committed to going beyond limits, blazing new trails and creating opportunities.” We strive to earn the trust and loyalty of our guests and stakeholders through our aspiration to take on challenges and by delivering unparalleled quality, sophistication and hospitality. To cultivate this philosophy in each of its employees, the Resorttrust Group has established its “Hospitality Charter,” the Code of Conduct for the Resorttrust Group. The Charter sets “At the Resorttrust Group, our calling is to help our guests discover and celebrate the very finest that life has to offer” as its mission and “The Resorttrust Group is committed to unparalleled quality, sophistication and excellence in hospitality” as its vision.

Under these philosophies, the Resorttrust Group places “to conduct active disclosure and aim for highly transparent and fair management” as a basic policy for timely disclosure of corporate information. The Resorttrust Group has established an internal framework in line with timely disclosure rules and internal regulations, and collects, manages and publicly presents information.

2. Internal framework for timely disclosure of corporate information

(1) Divisions responsible for timely disclosure

For information disclosure, in accordance with internal disclosure regulations, information related to timely disclosures will be released by the Investor Relations Section, Investor Relations Division, while other PR information will be promptly released by the Public Relations Division.

(2) Disclosure procedures

With regard to matters set for information disclosure, the responsible department will release the information to the stock exchanges (Tokyo and Nagoya) using the method and at the time based on the aforementioned decision, while at the same time posting said information on the Company’s website for disclosing information to all stakeholders.

(3) Handling of information relating to timely disclosures and control of insider trading

In an effort to prevent insider trading, the Resorttrust Group releases internally the information on the period during which the trading of securities relating to “insider trading control” is prohibited and the departments involved. The Resorttrust Group also takes necessary measures with respect to the handling of important information, including thorough enforcement of information control on related parties, prohibition of unauthorized use, and prohibition of the trading of securities based on the aforementioned information by related parties until the aforementioned information has been disclosed or released.

