



大江戸温泉リート投資法人

Ooedo Onsen Reit Investment Corporation

Results of 9th Fiscal Period ended November 30, 2020

Presentation Material

January 21, 2021

(Asset Manager) Ooedo Onsen Asset Management Co., Ltd.

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* The photo on the front cover is a bath at Oedo-Onsen Monogatari Atami.

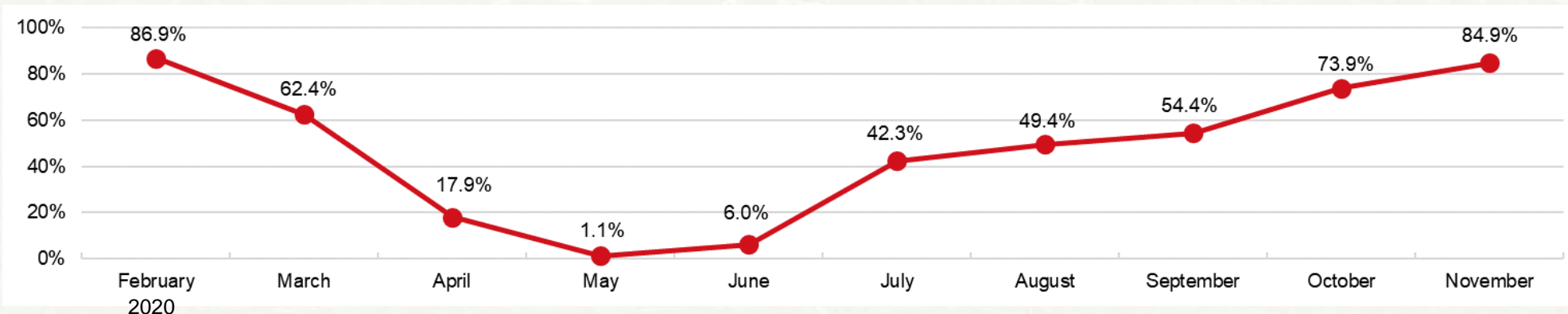


I . Investment Highlights

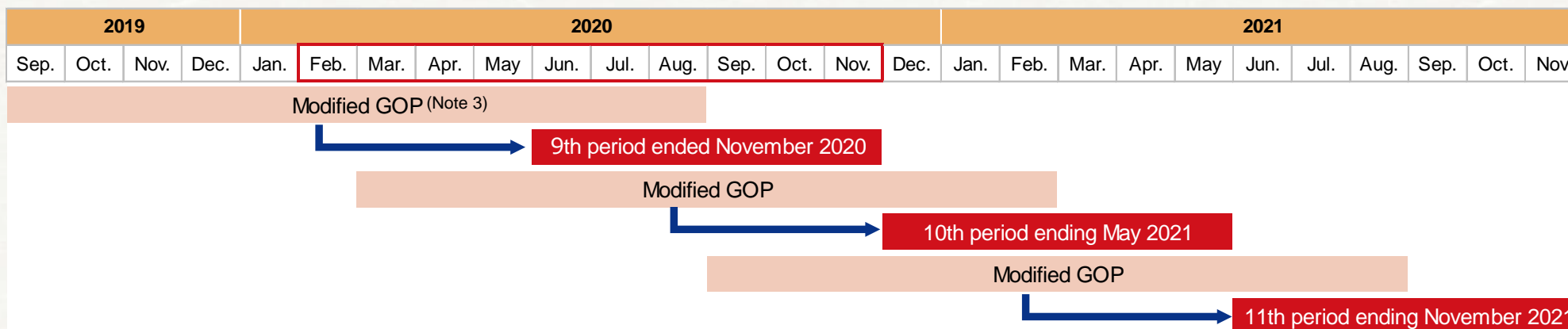
Impact of Novel Coronavirus Infectious Disease (COVID-19)

In November 2020, both the occupancy rate and revenue recovered to just over 90% of the November 2019 level, bolstered by the Go To Travel Campaign

Operation of accommodation facilities (Note 1) (Note 2)



<Calculation period of variable rent>



(Note 1) Unless otherwise specified, figures are rounded down to the nearest specified unit and percentage rates are rounded to the first decimal place in this material. The same applies hereinafter.

(Note 2) As of January 15, 2021, in light of the declaration of a COVID state of emergency to 11 prefectures, the Oedo-Onsen Monogatari Group has made the decision to temporarily close 10 facilities (Reoma Resort <Hotel Reoma-no-mori>, Ito Hotel New Okabe, Toi Marine Hotel, Awara, Kamosika-so, Ikaho, Kimitsu-no-mori Kounkaku, Kinugawa Kanko Hotel and Higashiyama Grand Hotel). Please refer to the Investment Corporation's website for further details.

(Note 3) "GOP" refers to gross operating profit, which is the amount remaining after deducting expenses arising directly from managing each facility, such as labor expenses and general and administrative expenses, from each facility's sales. "Modified GOP" is the amount remaining after deducting real estate-related expenses for the property to be borne by the tenant (including, but not limited to, taxes and public charges, non-life insurance premiums and land and house rent, but excluding an amount equivalent to Secondary rent) from the GOP of each facility for the Modified GOP Calculation Period. The same applies hereinafter.

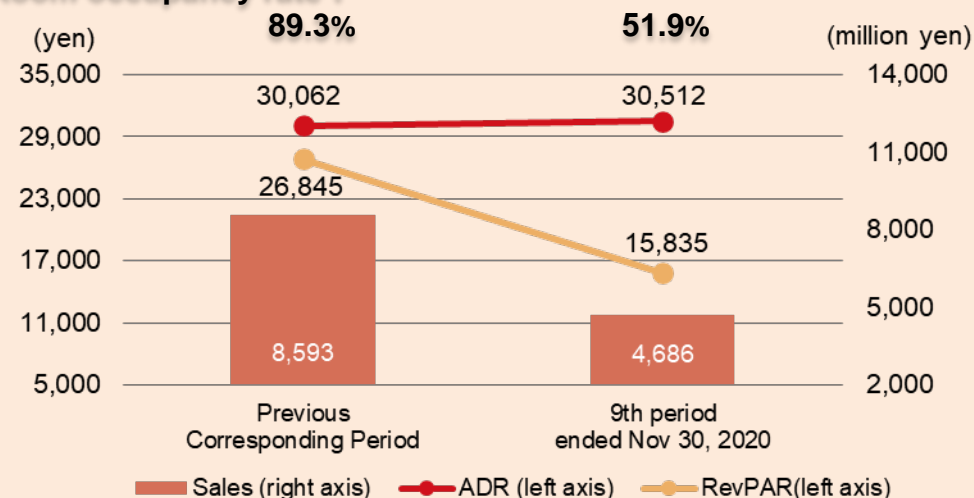
Operating Results for the Entire Portfolio

While the room occupancy rate and RevPAR fell sharply due to the effects of COVID-19, ADR rose slightly



<Cumulative comparison of 9th period and the same period of the previous year>

Room occupancy rate :



Portfolio operating results

	2019	2020												Cumulative total	Previous corresponding period cumulative total	9th period cumulative Total	Change
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct	Nov.					
Room occupancy rate	84.7%	83.4%	86.9%	62.4%	17.9%	1.1%	6.0%	42.3%	49.4%	54.4%	73.9%	84.9%	53.9%	89.3%	51.9%	-37.4%	
ADR (yen)	31,560	29,705	25,532	23,256	16,712	19,757	24,150	27,554	37,930	27,475	27,768	32,437	28,804	30,062	30,512	+450	
RevPAR (yen)	26,731	24,773	22,187	14,511	2,991	217	1,449	11,655	18,737	14,946	20,520	27,539	15,525	26,845	15,835	-11,010	
Sales (million yen)	1,461	1,350	1,145	762	156	11	69	572	905	721	1,057	1,358	9,574	8,593	4,686	-3,907	

Increase/Decrease in Variable Rent

The effects of COVID-19 pushed variable rents for the 9th period down to zero, in line with the previous forecast of 9th period

(thousand yen)

Property No.	Property name	8th period			9th period			Increase /decrease of variable rent
		Fixed	Variable	Total rent	Fixed	Variable	Total rent	
S-1	Ooedo-Onsen Monogatari Reoma Resort	315,257	28,619	343,877	315,216	-	315,216	-28,619
S-2	Ooedo-Onsen Monogatari Ise-shima	108,056	7,104	115,161	108,056	-	108,056	-7,104
S-3	Ito Hotel New Okabe	73,780	8,559	82,340	73,780	-	73,780	-8,559
S-4	Ooedo-Onsen Monogatari Atami	93,716	7,628	101,344	93,716	-	93,716	-7,628
S-5	Ooedo-Onsen Monogatari Toi Marine Hotel	54,589	6,792	61,382	54,589	-	54,589	-6,792
S-6	Ooedo-Onsen Monogatari Awara	65,778	3,253	69,031	65,778	-	65,778	-3,253
S-7	Ooedo-Onsen Monogatari Kamoshika-so	35,723	3,663	39,386	35,723	-	35,723	-3,663
S-8	Ooedo-Onsen Monogatari Ikaho	36,759	4,826	41,586	36,759	-	36,759	-4,826
S-9	Ooedo-Onsen Monogatari Kimitsu-no-mori	24,590	-	24,590	24,590	-	24,590	-
S-10	Ooedo-Onsen Monogatari Nagasaki Hotel Seifu	74,979	4,027	79,006	74,979	-	74,979	-4,027
S-11	Ooedo-Onsen Monogatari Kounkaku	42,103	-	42,103	42,103	-	42,103	-
S-12	Kinugawa Kanko Hotel	174,418	-	174,418	174,418	-	174,418	-
S-13	Ooedo-Onsen Monogatari Kinosaki	78,888	5,308	84,196	78,888	-	78,888	-5,308
S-14	Ooedo-Onsen Monogatari Higashiyama Grand Hotel	51,790	6,043	57,833	51,790	-	51,790	-6,043
Total		1,230,431	85,827	1,316,259	1,230,390	-	1,230,390	-85,827

Transfer of Part of Land of Ooedo-Onsen Monogatari Reoma Resort and Acquisition of Its Land Lease Right

Part of the parking lot and the former site of the zoo was transferred as land for a photovoltaic power generation project to contribute to the renewable energy business and, at the same time, the land lease right was acquired to ensure continued operation of the parking lot so that operation of the Reoma Resort is not affected

Benefits of the transaction

- Improvement of NAV per unit ⇒ **+3,437** yen/unit
- Funds raised ⇒ **660** ^(Note 1) mn yen
- Contribution to the renewable energy business ⇒ Planned panel output **13.8** MW ^(Note 2)

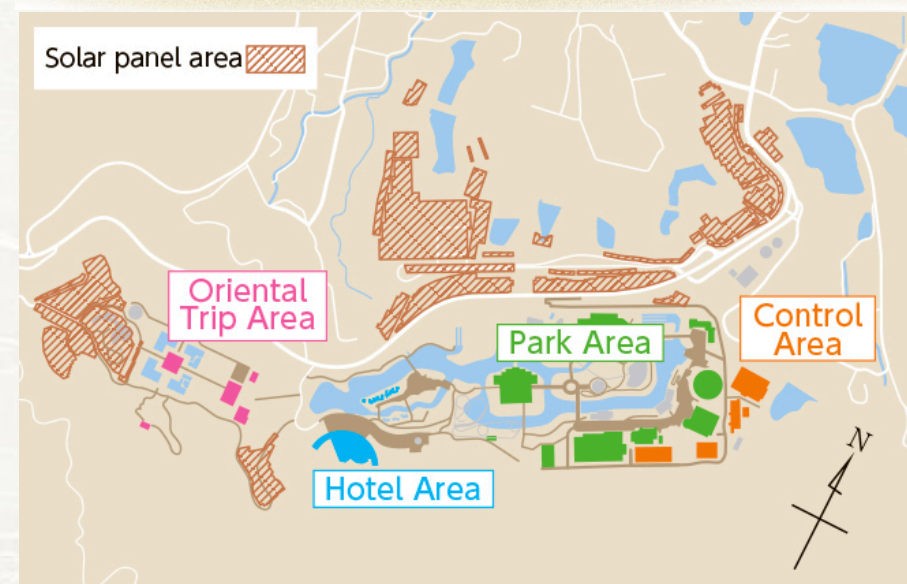
Use of funds raised

- Reduction of debt cost through partial repayment of loans payable ⇒ **+22** yen/unit
- Reduction of LTV (appraisal value basis) ⇒ **-1.5** %

(Note 1) Funds raised is the difference between the transfer price of the land (805 million yen) and the acquisition price of the land lease right (145 million yen).

(Note 2) Planned panel output is based on information received from the photovoltaic power generation operator as of January 21, 2021 but are subject to fluctuation due to future changes in the plan and other factors.

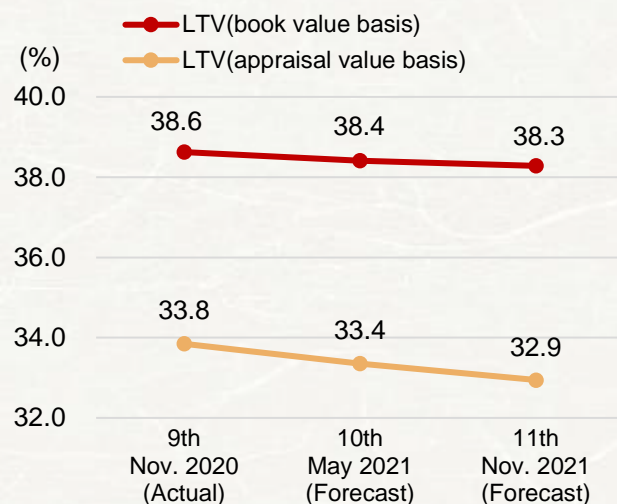
<Image after installation of the PV panels>



Financial Status – Implementation of Refinancing

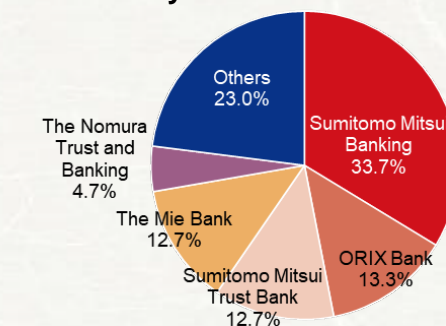
LTV decreased further (38.6% on a book value basis and 33.8% on an appraisal value basis) due to scheduled repayments and appropriation of some cash reserves for refinancing

LTV



Breakdown of lenders

Number of syndicate lenders: 13

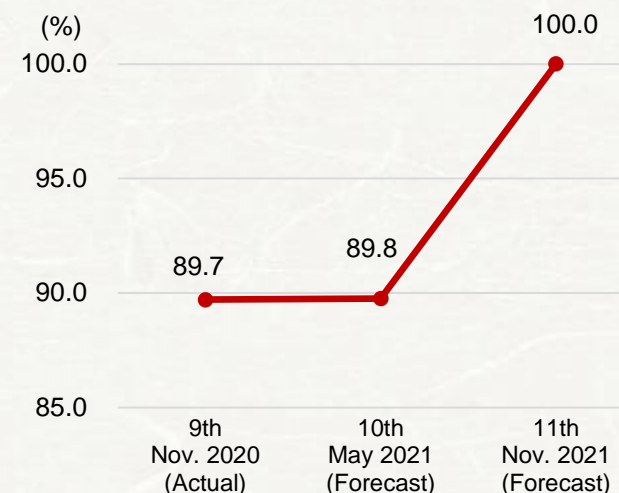


<Breakdown of others, which stand at 23.0%>

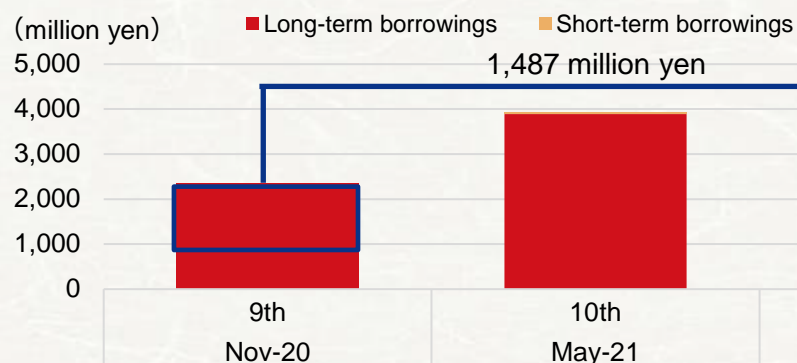
The Towa Bank 3.4%	Fukoku Mutual Life Insurance 3.1%
The Iyo Bank 3.2%	The Bank of Fukuoka 2.6%
The Tochigi Bank 3.1%	The Juhachi-Shinwa Bank 2.5%
The First Bank of Toyama 3.1%	The Bank of Kochi 1.9%



Ratio of long-term borrowings



Overview of maturity



Average remaining duration
8th period: 1.7 years → 9th period: 1.3 years

Forecast for the 9th Fiscal Period ended November 2020

Revenue and profits increased from the forecasts due to gain on sale and insurance income. Revenue and profits decreased from the previous period due to the absence of variable rents.

Distributions per unit increased 81 yen from the forecast and decreased 332 yen from the previous period

(thousand yen)

Item	8th period (Actual)	9th period (Actual)	Difference	9th period (Forecast as of Jul. 21, 2020)	Difference
Operating revenue	Component ratio 1,433,658	Component ratio 1,358,755	-74,902	1,335,459	+23,295
Primary rent	1,316,259	1,230,390	-85,868	1,230,431	-41
Fixed rent	93.5% 1,230,431	100.0% 1,230,390	-41	1,230,431	-41
Variable rent	6.5% 85,827	0.0% -	-85,827	-	-
Secondary rent	105,122	104,852	-270	104,753	+98
Others	12,276	23,513	+11,236	275	+23,238
Lease operations revenue gain/loss	867,329	784,094	-83,235	764,654	+19,439
Operating income	678,438	594,331	-84,107	578,179	+16,152
Ordinary income	546,279	467,639	-78,639	448,755	+18,884
Net income	545,107	466,697	-78,409	447,755	+18,942
Excess cash distribution	2,824	3,059	235	2,824	+235
Total distribution	547,887	469,752	-78,135	450,689	+19,063
Total units outstanding	235,347	235,347	-	235,347	-
DPU (yen)	2,328	1,996	-332	1,915	+81
(Excess cash distribution per unit)	12	13	+1	12	+1
FFO per unit (yen)	4,178	3,803	-375	3,792	+11
NOI	1,305,540	1,228,018	-77,521	1,209,537	+18,481
Depreciation	438,210	444,170	+5,960	444,882	-711
CAPEX	169,743	175,941	+6,197	190,000	-14,058

(Note) As for the signs for each item of main factors for increase/decrease, "+" indicates those that lead to the increase in distribution per unit and "-" indicates those that lead to the decrease in distribution per unit. The same applies hereinafter.

Main factors for increase/decrease from forecast (Note)

(thousand yen)

• Gain on sale (part of land of Reoma Resort)	+15,785
• Increase in other operating revenue (Insurance revenue)	+7,453
• Increase in other expenses (Repairs covered by insurance)	-3,487
• Expenses related to sale (part of land of Reoma Resort)	-1,072

Lease operations revenue gain/loss +19,439

Increase in selling, general and administration (non-deductible consumption taxes: -9,158)	-3,286
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Operating income +16,152

• Decrease in finance-related expenses, etc.	+1,509
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Ordinary income +18,884

Main factors for increase/decrease from previous fiscal period

(thousand yen)

• Absence of variable rent (Impact of COVID-19)	-85,827
• Gain on sale (part of land of Reoma Resort)	+15,785
• Decrease in other operating revenue (Insurance revenue)	-4,548
• Increase in tax and public charge	-3,497
• Expenses related to sale (part of land of Reoma Resort)	-1,072
• Decrease in other expenses (Repairs covered by insurance)	+1,051
• Increase in depreciation	-5,960

Lease operations revenue gain/loss -83,235

• Decrease in asset management fees	+2,250
• Decrease in expenses for General Unitholders' Meeting	+5,689
• Increase in selling, general and administration (non-deductible consumption taxes)	-9,158

Operating income -84,107

• Decrease in finance-related expenses	+4,818
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Ordinary income -78,639

Main financial indicators

(million yen)

Total assets	37,428
Interest-bearing debt	14,457
Total liabilities	16,325
Total net assets	21,102
LTV (book value basis)	38.6%
NAV per unit	112,115 yen

Priorities for the Time Being: Determining Risk and Building Defenses (1)

Immediate priority is defense from COVID-19

Priority is placed on responding to crisis that change daily by determining risks on the assumption of the worst-case scenario and checking the weaknesses and strengths of the Ooedo-Onsen Monogatari Group

Current Risks	Current Condition	Weaknesses	Strengths
Risks in facility operation			
<ul style="list-style-type: none"> • Possibility of a decrease in occupancy due to a third wave and subsequent resurgences 	Although the average room occupancy rate recovered to 84.9% in November 2020, it has now fallen due to the third wave and temporary suspension of the Go To Travel campaign.	Many customers are price sensitive and are influenced by campaigns such as the Go To Travel campaign.	Most customers come by car from neighboring markets. Persistent support of domestic regular customers.
<ul style="list-style-type: none"> • Whether crowds can be avoided or a low level of crowdedness about which people feel safe can be provided 	COVID-19 control measures have become firmly established and have also been welcomed by customers for giving peace of mind and ensuring safety	Measures to prevent "crowding" cannot be avoided when staging entertainment or events	If a "space where people feel safe" can be provided through the Ooedo model + COVID-19 control measures, there will be enormous potential demand
<ul style="list-style-type: none"> • Risks associated with industry characteristics and portfolio 	Demand among mainstay domestic customers in nearby areas and regular customers , including elderly customers, is on the recovery path	Concentration risk when the Ooedo-Onsen Monogatari Group is the only tenant.	Business of affordable, close-distance, and short-term stays that will be the first to meet demand after recovery.
Risks in securing rent income			
<ul style="list-style-type: none"> • Securing of fixed rent payment which has accounted for over 90% of rent income 	There have been no requests to reduce fixed rents so far.	If the COVID-19 situations worsens again from this spring, the risk of requests to postpone payment or to reduce or waive rents cannot be ruled out.	Normally, approx. 50% of GOP, a relatively low rent payment ratio + sponsor commitment.
<ul style="list-style-type: none"> • Corporate strength of the Ooedo-Onsen Monogatari Group 	Support of sponsoring shareholders and lenders has been confirmed.	Additional financial measures must be taken if the infection spreads or the period is prolonged.	The nationwide chain facility network diversifies the risk of infection outbreak in specific areas.

Priorities for the Time Being: Determining Risk and Building Defenses (2)

Current Risks	Current Condition	Weaknesses	Strengths
Financial risks			
<ul style="list-style-type: none"> Risks involved in cash management due to a decrease in rent income 	There is no problem with cash management even when variable rent is zero.	Funds in hand are at an appropriate level in view of fund efficiency, which will be insufficient if a significant delay in the collection of fixed rents occurs.	Stability of master lease and fixed rents and controlled CAPEX.
<ul style="list-style-type: none"> Risk that funding conditions are aggravated 	Refinancing in November 2020 was reduced through the use of funds on hand and debt costs rose	The recovery of tenants' business results in the future and the policy of financial institutions towards hotel REITs will affect upcoming refinancing (May 2021)	Relatively relaxed financial covenants and diversified borrowers (syndicate).
<ul style="list-style-type: none"> Real estate appraisal value and LTV 	Appraisal value for the 9th period (ended November 2020) remained mostly unchanged from the previous period (down 0.02%) and LTV (appraisal value basis) was 33.8%.	Depending on sales cases in the future market and actual market prices as well as changes in long-term expectations for the rent level, the appraisal value will be affected.	Relatively low level of LTV (appraisal value basis) as a buffer. While many locations are outside cities, the impact of COVID-19 is relatively large in urban areas with high population density and locations for inbound tourism.

Defense measures

- ① **Intensive monitoring of the overall business conditions of facilities owned and sponsor group**
⇒ Determine risks and actively exchange opinions and suggestions
- ② **Reduction of non-essential expenditure and comprehensive cash management through information sharing with lenders**
- ③ **Proposal of financial solutions to sponsors and examination thereof**
⇒ For example, feasibility of off-balance sheet financing using a third-party bridge fund

Forecast for the 10th Fiscal Period ending May 2021

Distributions per unit are expected to fall 16 yen from the forecast due to higher finance-related expenses, offsetting a decrease in asset management fees.

Revenue and profits are expected to decrease from the previous period due to the absence of gain on sale and insurance income

(thousand yen)

Item	9th period (Forecast)	10th period (Forecast)	Difference	10th period (Forecast as of Jul. 21, 2020)	Difference
Operating revenue	Component ratio 1,358,755	Component ratio 1,344,537	-14,218	1,343,452	+1,084
Primary rent	1,230,390	1,230,417	+27	1,230,431	-13
Fixed rent	100.0% 1,230,390	100.0% 1,230,417	+27	1,230,431	-13
Variable rent	0.0% -	0.0% -	-	-	-
Secondary rent	104,852	112,408	+7,556	112,746	-338
Others	23,513	1,711	-21,801	275	+1,436
Lease operations revenue gain/loss	784,094	767,048	-17,046	766,248	+799
Operating income	594,331	583,447	-10,883	581,084	+2,363
Ordinary income	467,639	449,090	-18,549	454,414	-5,323
Net income	466,697	448,090	-18,607	453,414	-5,323
Excess cash distribution	3,059	4,236	+1,176	2,824	+1,412
Total distribution	469,752	452,336	-17,415	456,102	-3,765
Total units outstanding	235,347	235,347	-	235,347	-
DPU (yen)	1,996	1,922	-74	1,938	-16
(Excess cash distribution per unit)	13	18	+5	12	+6
FFO per unit (yen)	3,803	3,814	+11	3,834	-20
NOI	1,228,018	1,215,245	-12,773	1,215,274	-28
Depreciation	444,170	449,674	+5,503	449,026	+648
CAPEX	175,941	94,646	-81,294	180,000	-85,353

Main factors for increase/decrease from forecast

	(thousand yen)
• Increase in other operating revenue (Insurance revenue)	+1,436
• Increase in other expenses (Asbestos monitoring fee)	-1,513

Lease operations revenue gain/loss +799

• Decrease in asset management fees	+2,358
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Operating income +2,363

• Increase in finance-related expenses	-7,687
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Ordinary income -5,323

Main factors for increase/decrease from previous fiscal period

	(thousand yen)
• Increase in secondary rent	+7,556
• Absence of gain on sale (part of land of Reoma Resort)	-15,785
• Decrease in other operating revenue (Insurance revenue)	-6,016
• Decrease in other expenses (Asbestos monitoring fee)	+1,513
• Increase in depreciation	-5,503

Lease operations revenue gain/loss -17,046

• Decrease in asset management fees	+3,288
• Decrease in selling, general and administration (non-deductible consumption taxes)	+9,158
• Increase in selling, general and administration (unitholder-related fees)	-2,262
• Increase in selling, general and administration (Review of legal fees, etc.)	-2,243

Operating income -10,883

• Increase in finance-related expenses	-6,442
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Ordinary income -18,549

Main financial indicators

	(million yen)
Total assets	37,180
Interest-bearing debt	14,281
Total liabilities	16,099
Total net assets	21,081
LTV (book value basis)	38.4%

Forecast for the 11th Fiscal Period ending November 2021

Ordinary income is expected to drop by around 2.5% from the 10th fiscal period, mainly due to higher finance-related expenses.

Distributions per unit are expected to be down 47 yen from the 10th fiscal period

(thousand yen)

Item	10th period (Forecast)	11th period (Forecast)	Difference
Operating revenue	Component ratio 1,344,537	Component ratio 1,343,038	-1,499
Primary rent	1,230,417	1,230,417	-
Fixed rent	100.0% 1,230,417	100.0% 1,230,417	-
Variable rent	0.0% -	0.0% -	-
Secondary rent	112,408	112,345	-62
Others	1,711	275	-1,436
Lease operations revenue gain/loss	767,048	763,914	-3,133
Operating income	583,447	580,386	-3,060
Ordinary income	449,090	437,940	-11,150
Net income	448,090	436,940	-11,150
Excess cash distribution	4,236	4,236	-
Total distribution	452,336	441,275	-11,061
Total units outstanding	235,347	235,347	-
DPU (yen)	1,922	1,875	-47
(Excess cash distribution per unit)	18	18	-
FFO per unit (yen)	3,814	3,782	-32
NOI	1,215,245	1,215,658	+412
Depreciation	449,674	453,220	+3,545
CAPEX	94,646	120,649	+26,003

Main factors for increase/decrease from previous fiscal period

	(thousand yen)
• Decrease in other operating revenue (Insurance revenue)	-1,436
• Decrease in other expenses (Asbestos monitoring fee)	+1,513
• Increase in depreciation	-3,545

Lease operations revenue gain/loss

• Decrease in asset management fees	+273
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Operating income

• Increase in finance-related expenses, etc.	-8,089
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Ordinary income

Main financial indicators

	(million yen)
Total assets	36,844
Interest-bearing debt	14,106
Total liabilities	15,778
Total net assets	21,065
LTV (book value basis)	38.3%

Changes in Key Indices

Distributions per unit for the 9th fiscal period came to 1,996 yen.

Forecasts for the 10th and 11th fiscal periods are based on the assumption that the variable rent amount will be zero under the impact of COVID-19

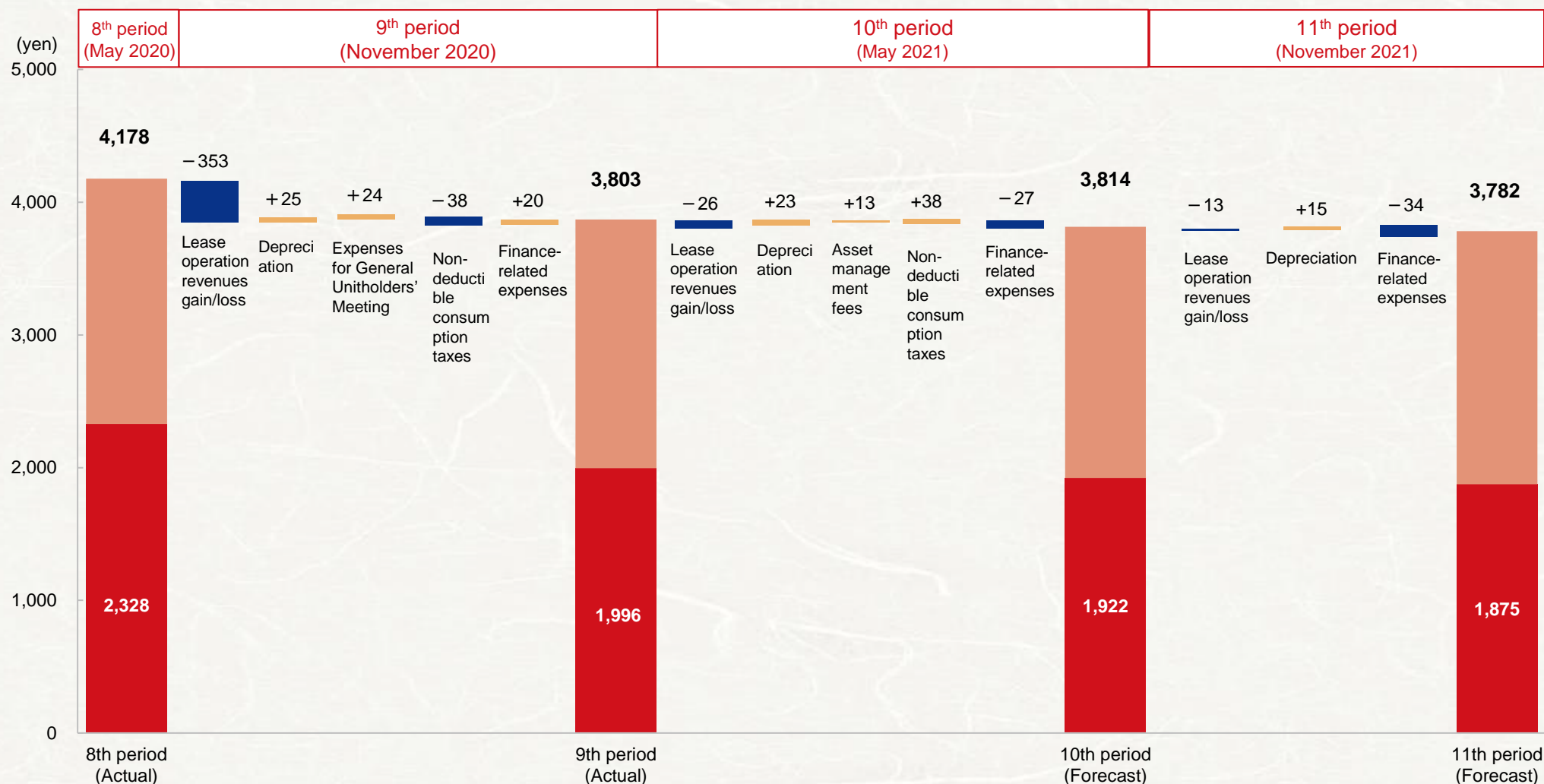
	8 th period (May 2020) Actual	9 th period (November 2020) Actual	10 th period (May 2021) Forecast	11 th period (November 2021) Forecast
DPU per unit	2,328 yen	1,996 yen	1,922 yen	1,875 yen
FFO per unit	4,178 yen	3,803 yen	3,814 yen	3,782 yen
LTV (book value basis)	40.0%	38.6%	38.4%	38.3%
LTV (appraisal value basis)	35.9%	33.8%	33.4%	32.9%
NAV per unit	108,678 yen	112,115 yen	113,531 yen	114,879 yen

(Note) Unrealized gain (Appraisal value – book value) were 5.2 billion yen at the end of the 9th fiscal period (up 0.8 billion yen from the end of the previous fiscal period).

LTV (on an appraisal value basis) for the 10th and 11th fiscal periods is based on the assumption that appraisal value will remain unchanged.

Major Factors for Increase/Decrease in DPU : Operation Focused on Stable Generation of Cash

Under the impact of COVID-19, FFO per unit in the 9th and 10th fiscal periods is expected to decrease by around 10% and the payout ratio will be around 51%



(Note 1) The figures on the upper side and lower side of the bars show FFO per unit and distributions per unit, respectively.

(Note 2) As for the signs for each item, "+" indicates those that lead to the increase in distribution per unit and "-" indicates those that lead to the decrease in distribution per unit.



Ⅱ . Investment Results

Portfolio Data (1)

**Appraisal values remained unchanged, with the exception of Reoma Resort.
The unrealized gain (appraisal value – book value) increased to 5.28 billion yen
(up 0.88 billion yen period on period) at the end of the 9th period**

Property No.	Property name	Location	Building age (years)	Number of rooms	Room occupancy rate (Note 1)	Acquisition price (million yen)	Appraisal value (million yen)	NOI (million yen)	NOI yield (Note 2)	After depreciation NOI yield (Note 2)	PML
S-1	Oedo-Onsen Monogatari Reoma Resort	Kagawa Prefecture	29.4/29.7 (Note 3)	241	49.0%	9,756	8,860	311	6.4%	4.6%	1.9/1.6%
S-2	Oedo-Onsen Monogatari Ise-shima	Mie Prefecture	40.7	83	64.9%	3,656	3,830	106	5.8%	3.0%	14.2%
S-3	Ito Hotel New Okabe	Shizuoka Prefecture	30.1	73	46.3% (Note 4)	2,657	2,810	72	5.5%	3.3%	12.0%
S-4	Oedo-Onsen Monogatari Atami	Shizuoka Prefecture	46.9	76	62.2%	2,997	3,200	92	6.2%	3.9%	12.6%
S-5	Oedo-Onsen Monogatari Toi Marine Hotel	Shizuoka Prefecture	46.2	64	52.1%	1,910	2,020	57	6.0%	2.9%	14.9%
S-6	Oedo-Onsen Monogatari Awara	Fukui Prefecture	39.3	95	44.6%	1,901	1,990	65	6.8%	4.5%	14.9%
S-7	Oedo-Onsen Monogatari Kamoshika-so	Tochigi Prefecture	24.8	60	41.0%	1,222	1,260	34	5.7%	3.4%	3.0%
S-8	Oedo-Onsen Monogatari Ikaho	Gunma Prefecture	37.1	40	66.0%	1,299	1,370	35	5.5%	3.4%	1.0%
S-9	Oedo-Onsen Monogatari Kimitsu-no-mori	Chiba Prefecture	24.7	41	62.7%	819	859	23	5.7%	3.6%	4.8%
S-10	Oedo-Onsen Monogatari Nagasaki Hotel Seifu	Nagasaki Prefecture	38.4	100	62.1%	1,637	2,570	71	8.8%	6.3%	6.4%
S-11	Oedo-Onsen Monogatari Kounkaku	Miyagi Prefecture	55.0	98	42.3% (Note 5)	1,040	1,220	39	7.6%	3.4%	3.9%
S-12	Kinugawa Kanko Hotel	Tochigi Prefecture	39.3	172	45.9%	3,870	6,130	169	8.7%	5.5%	2.1%
S-13	Oedo-Onsen Monogatari Kinosaki	Hyogo Prefecture	52.1	103	60.5%	2,084	2,650	79	7.6%	5.5%	11.8%
S-14	Oedo-Onsen Monogatari Higashiyama Grand Hotel	Fukushima Prefecture	56.2	123	51.5%	1,230	1,470	51	8.3%	3.8%	4.6%
Total/Average			39.0	1,369	51.9%	36,082	40,239	1,212	6.7%	4.2%	2.7%

(Note 1) Room occupancy rate is for the 9th period ended November 30, 2020 of the investment corporation.

(Note 2) (Average) NOI yield and (average) after depreciation NOI yield indicate annualized figures.

(Note 3) As for Building age and PML of Oedo-Onsen Monogatari Reoma Resort, figures on the left indicate those of Hotel Reoma no Mori while figures on the right indicate those of New Reoma World.

(Note 4) The room occupancy rate of Ito Hotel New Okabe is a comprehensive figure including the rate of Surugatei, a property not owned by the investment corporation.

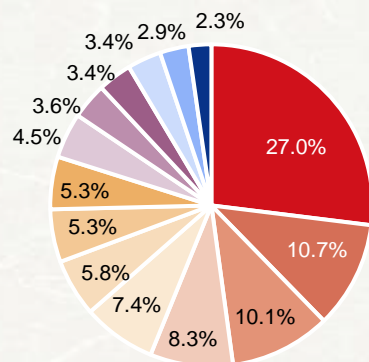
(Note 5) The room occupancy rate of Oedo-Onsen Monogatari Kounkaku is a comprehensive figure including the rate of the Annex, a property not owned by the investment corporation.

Portfolio Data (2)

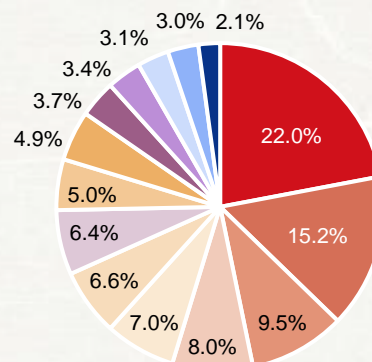
The investment ratio in certain types of properties improved slightly, while the investment ratio by region is distributed across the country, excluding Hokkaido and Okinawa

Investment ratio by facility

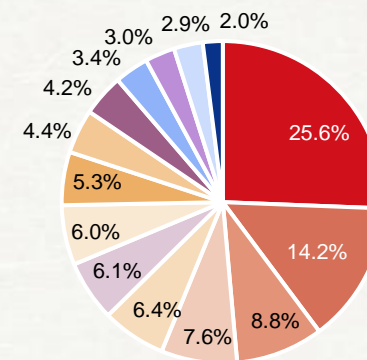
Acquisition price basis



Appraisal value basis



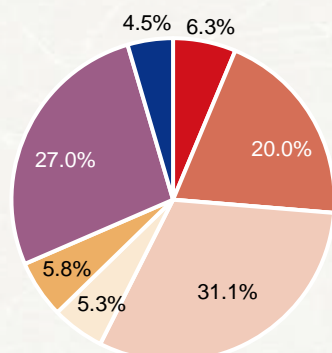
Rent income basis (Note)



(Note) Calculations were made based on the primary rent.

Investment ratio by region

Acquisition price basis



■ Tohoku
■ Kanto
■ Koushinetsu
■ Tokai
■ Hokuriku
■ Kinki
■ Shikoku
■ Kyushu

■ Ooedo-Onsen Monogatari Reoma Resort
■ Ooedo-Onsen Monogatari Kimitsu-no-mori
■ Ooedo-Onsen Monogatari Nagasaki Hotel Seifu
■ Ooedo-Onsen Monogatari Kounkaku
■ Kinugawa Kanko Hotel
■ Ooedo-Onsen Monogatari Kinosaki
■ Ooedo-Onsen Monogatari Atami
■ Ooedo-Onsen Monogatari Toi Marine Hotel
■ Ooedo-Onsen Monogatari Awara
■ Ooedo-Onsen Monogatari Kamosika-so
■ Ooedo-Onsen Monogatari Higashiyama Grand Hotel
■ Ooedo-Onsen Monogatari Ikaho

Operating Results of Individual Properties (1)

Occupancy rate and RevPAR at all facilities fell significantly from the same period in the previous year due to the impact of COVID-19

1. Operating results of the accommodation sector

Property No.	Property name	Room occupancy rate (%)			ADR (yen)			RevPAR (yen)			Sales (million yen)		
		Previous corresponding period cumulative total	9th period cumulative Total	Change	Previous corresponding period cumulative total	9th period cumulative Total	Change	Previous corresponding period cumulative total	9th period cumulative Total	Change	Previous corresponding period cumulative total	9th period cumulative Total	Change
S-1	Ooedo-Onsen Monogatari Reoma Resort <Hotel Reoma-no-mori>	88.8	49.0	-44.8%	32,402	35,835	+10.6%	28,772	17,559	-39.0%	1,670	904	-45.8%
S-2	Ooedo-Onsen Monogatari Ise-shima	93.2	64.9	-30.4%	33,324	31,980	-4.0%	31,057	20,755	-33.2%	566	365	-35.5%
S-3	Ito Hotel New Okabe	92.2	46.3	-49.8%	28,537	28,723	+0.7%	26,311	13,298	-49.5%	613	294	-52.1%
S-4	Ooedo-Onsen Monogatari Atami	94.0	62.2	-33.8%	33,901	31,316	-7.6%	31,866	19,478	-38.9%	528	303	-42.7%
S-5	Ooedo-Onsen Monogatari Toi Marine Hotel	88.6	52.1	-41.2%	29,325	31,571	+7.7%	25,981	16,448	-36.7%	343	212	-38.0%
S-6	Ooedo-Onsen Monogatari Awara	86.6	44.6	-48.5%	29,550	28,559	-3.4%	25,590	12,737	-50.2%	555	246	-55.6%
S-7	Ooedo-Onsen Monogatari Kamoshika-so	85.9	41.0	-52.3%	27,534	26,919	-2.2%	23,651	11,036	-53.3%	310	137	-55.6%
S-8	Ooedo-Onsen Monogatari Ikaho	99.0	66.0	-33.3%	31,227	28,517	-8.7%	30,914	18,821	-39.1%	262	156	-40.5%
S-9	Ooedo-Onsen Monogatari Kimitsu-no-mori	69.6	62.7	-9.9%	26,842	27,722	+3.3%	18,682	17,381	-7.0%	208	154	-25.9%

Operating Results of Individual Properties (2)

Property No.	Property name	Room occupancy rate (%)			ADR (yen)			RevPAR (yen)			Sales (million yen)		
		Previous corresponding period cumulative total	9th period cumulative Total	Change	Previous corresponding period cumulative total	9th period cumulative Total	Change	Previous corresponding period cumulative total	9th period cumulative Total	Change	Previous corresponding period cumulative total	9th period cumulative Total	Change
S-10	Ooedo-Onsen Monogatari Nagasaki Hotel Seifu	93.9	62.1	-33.9%	31,919	30,406	-4.7%	29,971	18,882	-37.0%	622	382	-38.6%
S-11	Ooedo-Onsen Monogatari Kounkaku	82.2	42.3	-48.5%	24,478	24,885	+1.7%	20,120	10,526	-47.7%	498	252	-49.3%
S-12	Kinugawa Kanko Hotel	88.5	45.9	-48.1%	30,013	28,846	-3.9%	26,561	13,240	-50.2%	1,075	484	-55.0%
S-13	Ooedo-Onsen Monogatari Kinosaki	97.8	60.5	-38.1%	30,092	32,517	+8.1%	29,429	19,672	-33.2%	674	424	-37.1%
S-14	Ooedo-Onsen Monogatari Higashiyama Grand Hotel	87.1	51.5	-40.9%	27,719	28,841	+4.0%	24,143	14,853	-38.5%	662	367	-44.5%
	Total	89.3	51.9	-41.9%	30,062	30,512	+1.5%	26,845	15,835	-41.0%	8,593	4,686	-45.5%

2. Operating results excluding the accommodation sector

Property No.	Property name	Number of guests			Sales (million yen)		
		Previous corresponding period cumulative total	9th period cumulative Total	Change	Previous corresponding period cumulative total	9th period cumulative Total	Change
S-1	Ooedo-Onsen Monogatari Reoma Resort <New Reoma World>	331,425	185,874	-43.9%	1,298	727	-44.0%

(Note) Number of guests is the total number of people using New Reoma World during the period.



Ⅲ. Key Policies in Forthcoming Periods

Key Policies in Forthcoming Periods (1) : Changes in Utilization of Leisure Time Caused by COVID-19

Responses to changes in the post-coronavirus period will be growth opportunities

- What has been lost due to the COVID-19 crisis in people's daily lives
 - Daily life, the hustle and bustle of big cities, and work have shifted to business interruption, teleworking, and staying at home
 - Everyday enjoyment such as entertainment, art, culture, sports and interactions with people has been lost

What should be taken back (recovery) and what cannot be taken back (changes)

What should be taken back

⇒ Daily leisure

- Now, people want to take back ordinary everyday life rather than an extraordinary experience.
- Desire for interactions and activities with people (crowds) has accumulated while staying home.

What cannot be taken back

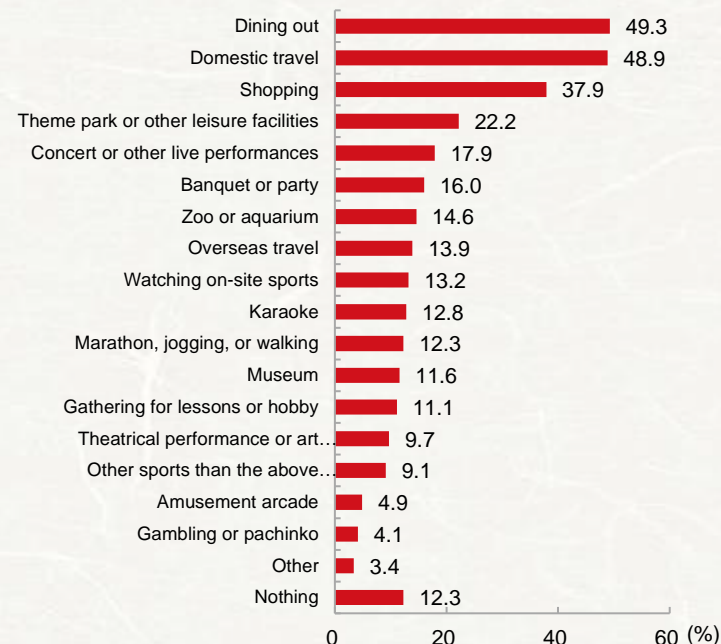
⇒ Risk of infection and anxiety about daily life and income

- Hygiene control, concerns about crowds and social distancing.
- Anxiety about work and income



What are the conditions for leisure in the post-coronavirus period?

< What people hope to do when restrictions on activities are lifted >



Source: "Survey on COVID-19: About half of respondents want to dine out and travel domestically after COVID-19 subsides" by Brand Research Institute, Inc.

Key Policies in Forthcoming Periods (2) : Challenges with Safe and Secure Leisure

Requirements for leisure services in the post-coronavirus period: Capturing the mass market

- Services capable of providing both safety and security as well as liveliness
 - Provide the same liveliness as before as much as possible while adequately ensuring safety
 - Safe gathering supported with appropriate distancing and hygiene control
 - ⇒ Rather than independent and private rooms, have communication spaces that people can enjoy with peace of mind.
- Accessible and reasonable use of leisure: Affordable, close-distance and short-term
 - Offer affordable leisure as an extension of daily life as people face concerns about work and life.
 - ⇒ Short distances accessible by car and at reasonable prices

Strengths of properties owned and expectations

- Requirements in the post-coronavirus period **match the strengths of Ooedo-Onsen Monogatari** – Measures that are firmly established through the implementation of sponsor projects and that are also welcomed by customers
- Implement **COVID-19 measures** such as the prevention of infectious diseases and customer crowd control ~ Formation of infectious disease control project team by sponsors
- Hot springs surrounded by nature rather than populated cities with high risk
- Easily accessible by car

< Measures taken by the Ooedo-Onsen Monogatari Group >



(References) Measures Against COVID-19 Taken by the Ooedo-Onsen Monogatari Group

Providing hot spring trips where everyone can feel relieved: Promises of Ooedo-Onsen Monogatari

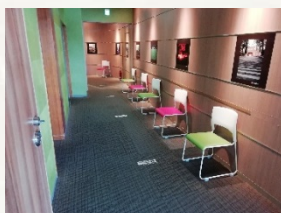
Japanese people have enjoyed hot spring trips since ancient times for relaxation. The Ooedo-Onsen Monogatari Group promises to provide spaces and services for people to feel relieved, especially in the current difficult times.

- The Group **conforms to the guidelines** of the government and industry and takes measures to prevent COVID-19 at the highest level, with more than 200 activities.
- **Ooedo Safety and Security Project Team** has been established in the Group, which ensures efforts made at each facility and provides employee training.
- The Group appointed **outside physicians of infectious** as advisors and add or renew the Group's measures against infectious diseases and new, safer activities as appropriate.

1. Promises at **restaurants**

Safety and security, and full satisfaction
Enjoy a buffet in a new style.

- Distance maintained of 1.5 meters between tables.
- Disposable plastic gloves are distributed by our staff at the entrance for guests to wear while selecting food and drinks.
- Food boards, plates, tongs, and other shared utensils are disinfected with alcohol every 15 minutes and frequently replaced, etc.



Footprint stickers placed every two meters in front of restaurants

2. Promises at **baths**

Safety and security, and relaxing spaces
Enjoy a luxurious hot spring experience.

- Guests are notified about crowded hours of baths and are guided to select a different time.
- Changing rooms are ventilated 24 hours/day. Windows are kept open for more ventilation.
- The number of people using a sauna together is limited, etc.

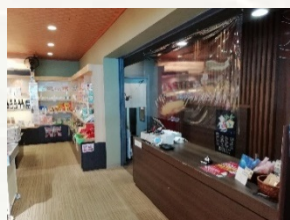


Slippers stored in a bag

3. Promises of **facility staff members**

Safety and security, and sincere hospitality
Ooedo staff members help create exclusive, special memories.

- All workers inside the facilities wear masks.
- In-room amenities and fixtures are disinfected with alcohol and thoroughly wiped.
- Bedclothes in guest rooms are stored in tightly closed bags to prevent being touched after use, taken to a bedclothes storage room, and washed, etc.



Blocking shields in front of a store

4. Requests for **guests**

To enjoy a wonderful experience at Ooedo-Onsen Monogatari, each guest is requested to do the following.

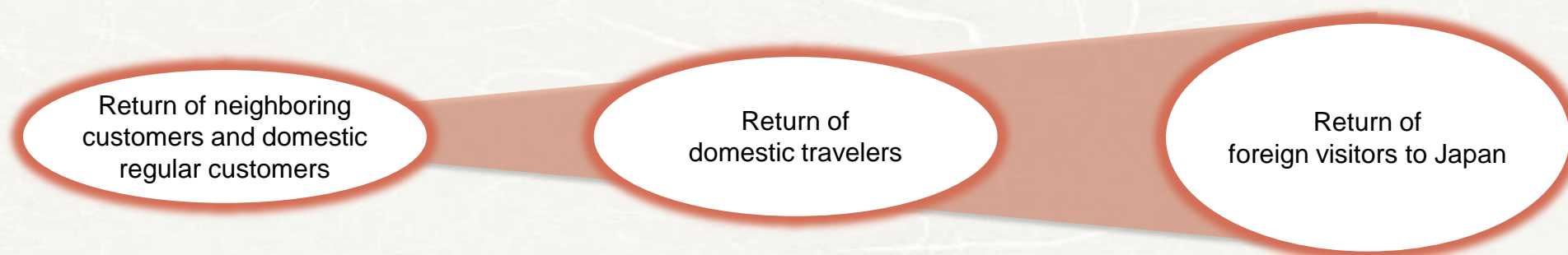
- Take their temperature and fill in a survey sheet when arriving at a facility.
- Refrain from coughing or sneezing in the presence of other guests. Have good manners and refrain from loud conversations, etc.



Alcohol hand sanitizers placed in different places

Key Policies in Forthcoming Periods (3) :To the Next Growth Stage, Overcoming Crisis

Expectations for recovery: Ooedo-Onsen Monogatari Group's facilities can precede demand recovery



Perspective on future external growth after COVID-19

■ Urgently needed diversification of portfolio and risk

Targeted operators/properties

= Provision of reassuring private spaces + offering bustling spaces while securing safety and peace of mind

- Thick and diverse customer groups = Capture mass market
- Chain operation that enables flexible sales strategy and cost control
- Operators capable of using ICT

■ Setting a sufficient rent payment ratio that allows for the maintenance of a relatively high fixed rent ratio

- True value of stable REIT to be tested

Respond to changes in the market and seek the next growth opportunities while taking defensive actions

- Opportunities for acquiring properties at good locations on the assumption of operator replacement
- Securing investment partners (bridge funds) amid global monetary easing

External Growth Strategy (1) : The Number of Properties in the Sponsor Pipeline Is Increasing Steadily

Forms the basis for stable revenue of the Investment Corporation in the medium to long term

Facilities acquired by the Ooedo Onsen Monogatari Group after the establishment of the Investment Corporation (March 2016)

August 2016 - **Acquired**



Ooedo-Onsen Monogatari
Nagasaki Hotel Seifu
(Nagasaki City,
Nagasaki Prefecture)

October 2016 - **Acquired**



Ooedo-Onsen Monogatari
Kounkaku
(Osaki City, Miyagi Prefecture)

October 2016 -



Ooedo-Onsen Monogatari
Masuya
(Osaki City, Miyagi Prefecture)

April 2017 -



Ooedo-Onsen Monogatari
Hotel Suiyotei
(Atami City, Shizuoka Prefecture)

July 2017 -



Ooedo-Onsen Monogatari
Beppu Seifu
(Beppu City, Ooita Prefecture)

July 2017 -



Ooedo-Onsen Monogatari
Gero Shin-kan
(Gero City, Gifu Prefecture)

April 2018 -



Ooedo-Onsen Monogatari
Nanki Kushimoto
(Higashi Muro County,
Wakayama Prefecture)

August 2018 -



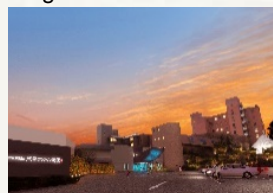
Ooedo-Onsen Monogatari
Hotel Kisoji
(Kiso County,
Nagano Prefecture)

April 2019 -



Ooedo-Onsen Monogatari
TAOYA Shima
(Toba City, Mie Prefecture)

August 2019 -



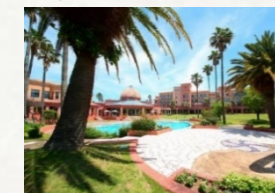
Ooedo-Onsen Monogatari
Amakusa Hotel Kameya
(Kamiamakusa City,
Kumamoto Prefecture)

July 2020 -



Ooedo-Onsen Monogatari
Shiomi-so
(Murakami City,
Niigata Prefecture)

July 2020 -



Saikaibashi Corazon Hotel
(Sasebo City,
Nagasaki Prefecture)

November 2020 -



Sendai Akiyu-onsen
Iwanumaya
(Sendai City,
Miyagi Prefecture)

Some of the other facilities of the Ooedo Onsen Monogatari Group



Tokyo Odaiba (Note)
Ooedo-Onsen Monogatari
(Fixed term land lease right for
business purpose)
(Koto-ku, Tokyo)



Ooedo-Onsen Monogatari
Urayasu Mangekyo
(Fixed term land lease right for
business purpose)
(Urayasu City, Chiba Prefecture)



Ooedo-Onsen Monogatari
Minoh Kanko Hotel
(Minoh City, Osaka Prefecture)



Minoh Onsen Spa Garden
(Minoh City, Osaka Prefecture)



Hotel New Shiobara
(Nasushiobara City,
Tochigi Prefecture)



Ooedo-Onsen Monogatari
Nikko Kirifuri
(Nikko City, Tochigi Prefecture)



Yamashiro Onsen
Yamashitaya
(Kaga City,
Ishikawa Prefecture)

(Note) The building of this facility is owned by the sponsor on the land leased for a fixed term; however, because the current fixed term is insufficient for the investment of the Investment Corporation, there is no plan to acquire it soon.

External Growth Strategy (2) : Pipeline of Properties Other Than Those from the Sponsor

For the time being, by assessing risk and return in light of the effects of COVID-19, we examine properties for bridge finance, while obtaining and considering information on the sale of various types of properties such as hotels in urban areas and accommodation facilities targeting inbound customers as medium-to-long-term strategy

Categories of focus for the time being

- Properties located in urban areas (ordinance-designated cities and core cities)
- Various types of accommodation facilities including small and medium ones
- Properties such as entertainment, amusement and spa facilities located in urban and suburban areas
- Various accommodation and resort facilities able to take in inbound tourism demand

<Property information (excluding sponsor properties) in the 9th period (from June 1, 2020 until November 30, 2020)>

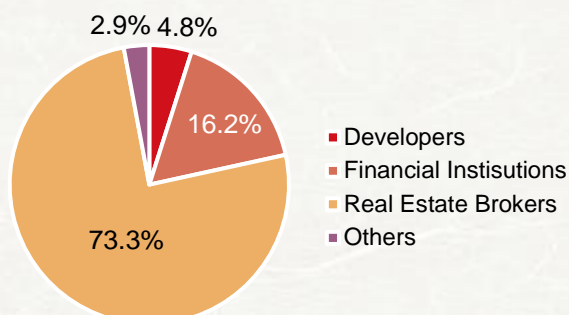
		Ordinance -designated cities	Core cities	Other	Total
Onsen/Spa	Lodging	8	2	21	31
	Other (day trips, etc.)	1	0	0	1
Other lodgings		42	15	14	71
Entertainment, Amusement		0	0	0	0
Sports, beauty, health promotion facilities		1	0	1	2
Total		52	17	36	105

External Growth Strategy (3)

Considering utilization of a variety of bridge funding.

Expecting an increase in the number of deals for which preferential negotiation rights are secured

<By source>



<Methods for acquiring properties>

Bridge funding by a third party	<ul style="list-style-type: none"> Bridge funds (GK-TK scheme, etc.) - Joint small-scale investments will also be considered. Lease companies, real estate companies, etc.
Preferential negotiation rights for direct negotiations with the seller	<ul style="list-style-type: none"> Collaboration with operators Acquisition in sync with the financing period of the Investment Corporation

<Progress of new acquisitions>

		(Pre COVID-19)	(Post COVID-19)	(Post COVID-19)	
		Final phase of acquisitions (including those with completed bridge financing) (Readjustment required in future)	Submission of LOI completed	Due diligence/ negotiations underway	Total
Onsen/Spa	Lodging	2	1	0	3
	Other (day trips, etc.)	1	0	0	1
Other lodgings		8	5	0	13
Entertainment, Amusement		1	0	0	1
Sports, beauty, health promotion facilities		0	0	0	0
Total		12	6	0	18

(Note) The number of properties as of December 31, 2020 is presented. The Investment Corporation has preferential negotiation rights to some of these properties. However, the Corporation may not be able to or is not obligated to acquire such properties.

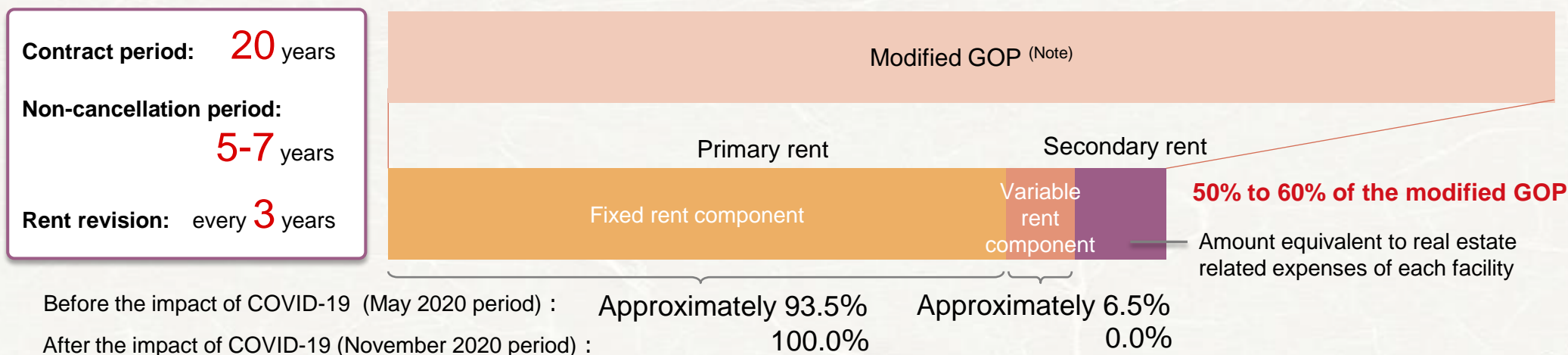
Internal Growth Strategy (1)

A rent structure mainly based on fixed elements for securing stable cash flow

1. Leasing and rent structure

- In addition to the leasing structure focusing on stability in the sponsor properties, variable rent is introduced in some properties with future upside potential. The basic strategy is “based on stability + partial variable.”
- Utilize variable rent structure more in the future according to the scale expansion of portfolio and an improvement in the degree of diversification of risks.

Lease conditions for properties master-leased to the Ooedo-Onsen Monogatari Group



- Primary rent = Fixed rent component (monthly amount stipulated by each lease agreement of each facility)
+ variable rent component
(Variable rent = Modified GOP for each facility × the fixed rate stipulated by each lease agreement)
- Secondary rent = The total of taxes and public dues that is liable for the Investment Corporation
+ nonlife insurance premiums + other expenses

Internal Growth Strategy (2)

Consider measures to improve profits in the short term and the medium-to-long term on the assumption of overcoming major difficulties caused by the pandemic

2. Higher variable rents through improvements in facility performance

- Increase of variable rents through improvement in tenant performance [immediate future, short-to-medium term]
 - Collaboration with tenants at sponsor properties
 - Cooperation with and proposal of various measures to improve footfall
 - Improvement of GOP through control of costs including repair and maintenance expenses
 - Also consider the use of other arrangements at non-sponsor properties, such as minimum guarantee (fixed) + variable rent, to seize the upside of post-COVID recovery
- Utilization of variable rents drawing on new internal growth elements of diverse properties after scale expansion through external growth [medium-to-long term]
 - Inbound tourism market and facilities for utilizing leisure time in urban areas

3. Raising the level of rent revenue in the medium to long term through value-increasing investment

- Enhancement of internal cash flows generated from the difference between depreciation and CAPEX brought by the scale expansion of the portfolio
 - Measures to increase competitiveness that share the perspective with tenants and additional investments in new functions
 - Effective utilization of unused land and buildings
 - Pursuit of significant increase in value through investment in extension and an increase in the number of rooms in the medium to long terms

<Measures to increase profits>

	Short term	Medium to long term
Upside of rent revenue through an improvement in the performance of tenants	Limited Currently, stability is the basis for the portfolio	Medium to high potential Use of variable rents by acquiring various types of properties
Raising the level of rent revenue through value-increasing investment	Limited There is room for a potential increase in value, but the use of internal funds is limited	High potential Large-scale, value-increasing investment associated with scale expansion

Financial Strategy

Implementation of flexible financial strategies while attaching importance to the establishment of a conservative financial base

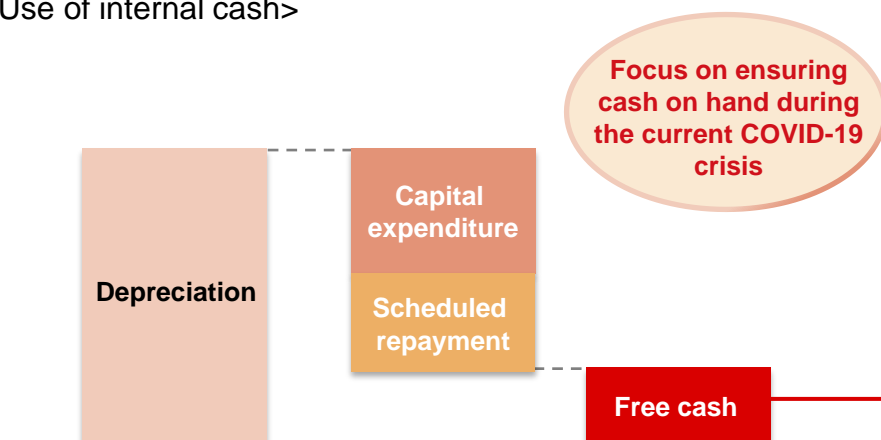
Basic policy

- Conservative LTV control: Maintain a conservative level while targeting around 40% for the time being
- Flexible equity financing: Consider conducting equity financing, taking into account the medium- to long-term enhancement of the value of investment units and the dilution of distribution
- Promotion of the prolongation of average maturity of debt and the diversification of repayment periods: Reduction of refinancing risk
- Reduction and stability of debt costs: Reduction of costs and interest volatility risk through the diversification of financing methods and financing sources

Future challenges

- Promotion of scale expansion and the diversification of risks in portfolio
 - Acquisition of a high credit rating and new financing methods, such as investment corporation bonds through the high credit rating
 - Agility and improved flexibility in short term LTV control
 - Improvement in the FFO payout ratio and expansion of free cash flows through an improvement of debt financing conditions (creation of free cash power for value-increasing investment)

<Use of internal cash>



- Unexpected expenditure
- Flexible acquisition of assets/LTV control
- Excess cash distribution

Excess cash distribution policy

Assumes conducting, as necessary, excess cash distribution equivalent to the increase amount of the allowance for adjustment of temporary difference considering income taxes arising in line with the differences in accounts for tax and accounting purposes.

Investing Targets and Building of the Portfolio

Investments are made in a wide range of facilities for utilizing leisure time, particularly those related to onsen/spa, that provide consumers with an enjoyable and rich experience during their leisure time

Ooedo Onsen Reit's Investing Targets



Building of a portfolio as a REIT focused on facilities aiming at utilizing leisure time

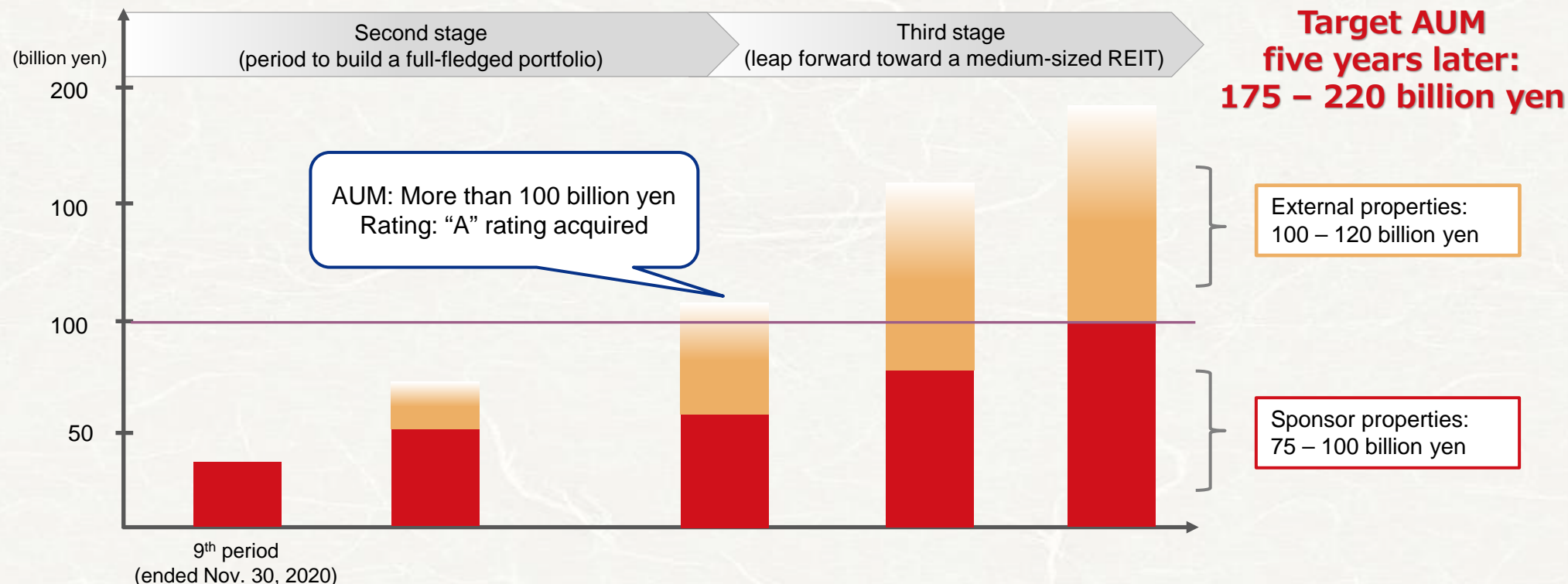
- With onsen/spa-related facilities as the focused targets,
- Taking note of consumption for services (experience-based consumption) for which demand is expected to increase both in Japan and among inbound tourists,
- Aim to build a portfolio focused on facilities aiming at utilizing leisure time, or facilities that provide consumers with a rich experience during their leisure time, that are supported by consumers.

Building of a hybrid portfolio that satisfies both stability and growth

- Maintenance of stable operation exemplified by the Ooedo business model and the stable core portfolio centered on fixed rent and net lease
- Acquisition of new growth factors by incorporating ever-increasing inbound tourism demand, new types of accommodation, various leisure facilities, etc.

Future Growth Targets

Enhancement of profitability and financial strength through the expansion of AUM
~ Overcome the COVID-19 crisis and return to a growth path



DPU	1,996 yen	Around 2,500 yen	Around 2,600 – 2,800 yen
Market capitalization	16.1 billion yen	Around 50 billion yen	Around 100 billion yen
LTV (book value basis)	38.6%		Around 42 – 44%

(Note 1) The figures above are targets as of January 21, 2021, and are not guaranteed.

(Note 2) The market capitalization in the 9th period is calculated based on the closing price as of November 30, 2020.

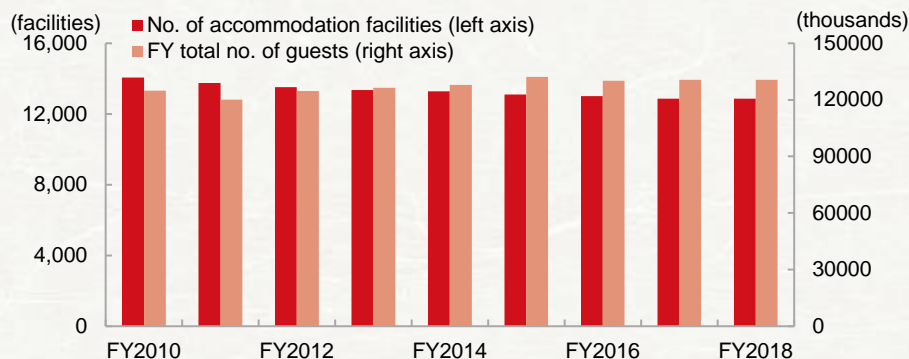


IV. Market Environment

Market Environment (1) : Stable Onsen/Spa-Related Market

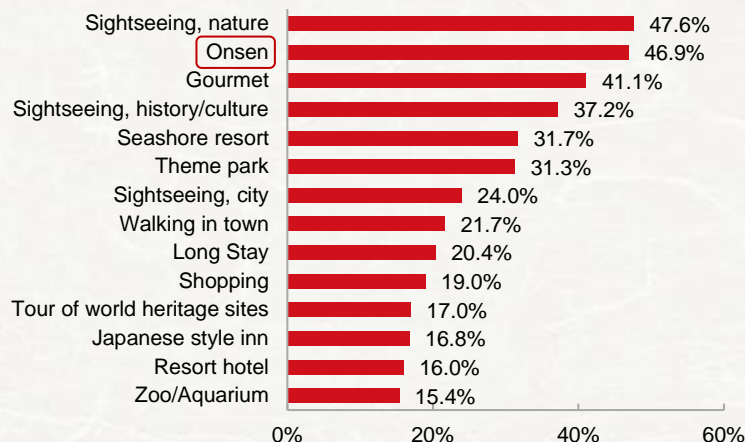
Market for onsen and spa-related facilities that forms the basis for the stability of the portfolio centered on properties operated by the sponsor

🌸 Trends in number of accommodation facilities and FY total number of guests



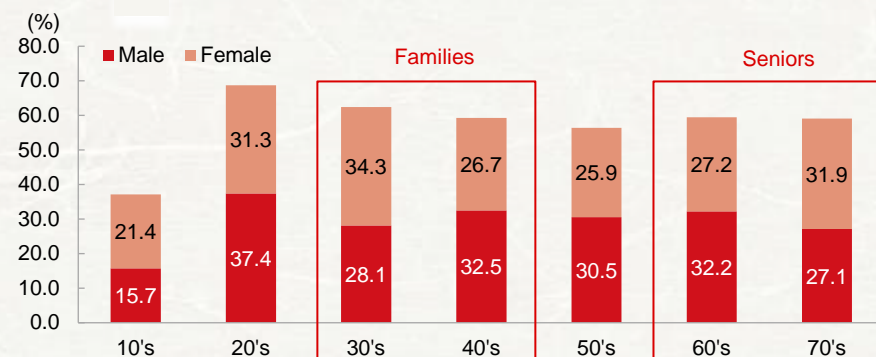
Source: Onsen Use (2010 – 2018), Nature Conservation Bureau, Ministry of the Environment

🦋 Type of trip desired in the next 1-2 years (multiple responses)



Source: JTBF Travel Intentions Survey (from "Annual Report on the Tourism Trends Survey 2020" by Japan Travel Bureau Foundation)

👤 Ratio of visits to onsen and spa facilities by age



Source: "White Paper of Leisure 2019" by Japan Productivity Center

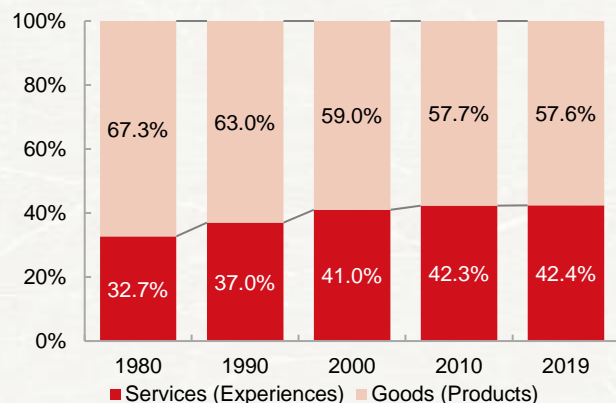
(Note) The figures show the total ratios of visits by gender and age. The ratios do not add up to 100%. The figures are presented for each age group by gender by the asset manager after the respective ratios are accumulated, based on sourced data.

- The number of accommodation facilities' guests has been stable since FY2010 according to the Onsen Use Survey by the Ministry of the Environment.
- Families and the elderly have been creating a firm customer base and demand is also strong among people in their 20s.
- According to the Annual Report on the Tourism Trends Survey, "onsen" ranked top among types of trip respondents would like to try.

Market Environment (2) : Future Leisure Market

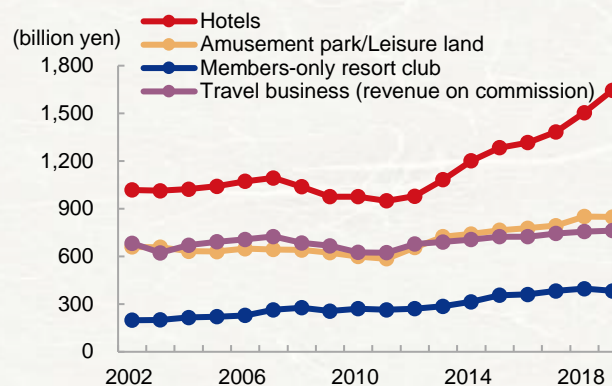
Domestic demand: Expansion of consumption for services or experience-oriented activities means future potential of the leisure market both qualitatively and quantitatively

🌸 Trends in the consumption of services



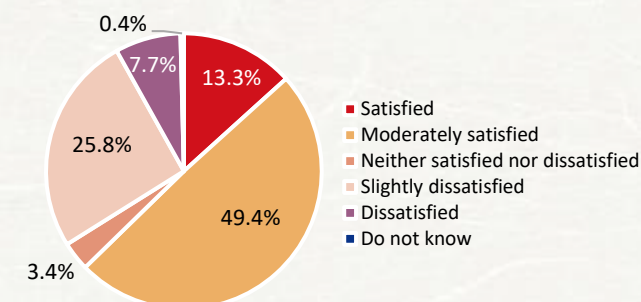
Source: A graph prepared by the Asset Manager based on "White Paper on Consumer Affairs 2020" by the Consumer Affairs Agency

🦋 Trends in the leisure market



Source: "Annual Report on the Tourism Trends Survey 2020"

🗳️ Level of satisfaction in a variety of fields in current lives –Leisure/ leisure life



Source: Public Opinion Survey on the Life of the People (a survey conducted in June 2019)

🏠 Priority matters in life



Source: Public Opinion Survey on the Life of the People (a survey conducted in June 2019)

- Data of the Consumer Affairs Agency also show a stable, increasing consumption trend for services.
- The leisure market centered on hotels has been expanding markedly in recent years.
- While "leisure" is ranked high in the public survey on "points of emphasis in one's future lifestyle," facilities that satisfy the needs remain insufficient.



V. Appendix

Appraisal Value

Property No.	Property name	Acquisition Price (million yen)	Book value (million yen)	Appraisal value (million yen)			Unrealized profits and losses (million yen)	Direct capitalization method			Discounted cash flow method					
				8th period May 31, 2020	9th period Nov.30, 2020	Change		Direct Cap Rate			Discount Rate			Terminal Cap Rate		
								8th period May 31, 2020	9th period Nov.30, 2020	valuation	8th period May 31, 2020	9th period Nov.30, 2020	valuation	8th period May 31, 2020	9th period Nov.30, 2020	valuation
S-1	Ooedo-Onsen Monogatari Reoma Resort	9,756	9,649	8,870	8,860	-10	-789	6.0%	6.0%	-	5.8%	5.8%	-	6.2%	6.2%	
S-2	Ooedo-Onsen Monogatari Ise-shima	3,656	3,345	3,830	3,830	-	+484	5.6%	5.6%	-	5.4%	5.4%	-	5.8%	5.8%	-
S-3	Ito Hotel New Okabe	2,657	2,592	2,810	2,810	-	+217	5.1%	5.1%	-	4.9%	4.9%	-	5.3%	5.3%	-
S-4	Ooedo-Onsen Monogatari Atami	2,997	2,810	3,200	3,200	-	+389	5.1%	5.1%	-	4.9%	4.9%	-	5.3%	5.3%	-
S-5	Ooedo-Onsen Monogatari Toi Marine Hotel	1,910	1,798	2,020	2,020	-	+221	5.6%	5.6%	-	5.4%	5.4%	-	5.8%	5.8%	-
S-6	Ooedo-Onsen Monogatari Awara	1,901	1,863	1,990	1,990	-	+126	5.9%	5.9%	-	5.7%	5.7%	-	6.1%	6.1%	-
S-7	Ooedo-Onsen Monogatari Kamoshika-so	1,222	1,179	1,260	1,260	-	+80	5.3%	5.3%	-	5.1%	5.1%	-	5.5%	5.5%	-
S-8	Ooedo-Onsen Monogatari Ikaho	1,299	1,275	1,370	1,370	-	+94	5.3%	5.3%	-	5.1%	5.1%	-	5.5%	5.5%	-
S-9	Ooedo-Onsen Monogatari Kimitsu-no-mori	819	838	859	859	-	+20	5.3%	5.3%	-	5.1%	5.1%	-	5.5%	5.5%	-
S-10	Ooedo-Onsen Monogatari Nagasaki Hotel Seifu	1,637	1,604	2,570	2,570	-	+965	5.2%	5.2%	-	5.0%	5.0%	-	5.4%	5.4%	-
S-11	Ooedo-Onsen Monogatari Kounkaku	1,040	1,016	1,220	1,220	-	+203	5.5%	5.5%	-	5.3%	5.3%	-	5.7%	5.7%	-
S-12	Kinugawa Kanko Hotel	3,870	3,649	6,130	6,130	-	+2,480	5.2%	5.2%	-	5.0%	5.0%	-	5.4%	5.4%	-
S-13	Ooedo-Onsen Monogatari Kinosaki	2,084	2,127	2,650	2,650	-	+522	5.4%	5.4%	-	5.2%	5.2%	-	5.6%	5.6%	-
S-14	Ooedo-Onsen Monogatari Higashiyama Grand Hotel	1,230	1,205	1,470	1,470	-	+264	5.9%	5.9%	-	5.7%	5.7%	-	6.1%	6.1%	-
Total		36,082	34,955	40,249	40,239	-10	+5,283	—	—	—	—	—	—	—	—	—

Introduction of Properties (1)

S-1 Ooedo-Onsen Monogatari Reoma Resort



Location: Marugame City,
Kagawa Prefecture

Site area: 665,403m² (Note)

Total floor area: 63,896m²

Area characteristics (Note)

- Marugame City, where this facility is located, is in the Seisan area (West Sanuki). Many tourist spots are within easy access, including Marugame Castle, Kotohira-gu Shrine and the Seto-ohashi Bridge, etc., meaning local sightseeing and leisure can be enjoyed together with the facility.



(Note) Part of the land (area: 196,542.20m²) is leased from a third party (domestic corporation).

S-2 Ooedo-Onsen Monogatari Ise-shima



Location: Shima City,
Mie Prefecture

Site area: 9,637m²

Total floor area: 9,782m²

Area characteristics

- Shima City is a large sightseeing spot in the Ise-Shima area. It includes Ise-jingu Shrine and a rias-style coastline.
- Ago-wan bay, where this facility is located, features many resort hotels and onsen ryokans that back onto the mountains and face the coast where the waves lap gently.



S-3 Ito Hotel New Okabe



Location: Ito City,
Shizuoka Prefecture

Site area: 2,945m²

Total floor area: 10,211m²

Area characteristics

- Ito City, which is designated a City of International Tourism and Hot Springs Culture, bustles with the Izu Kogen Sakura Festival and the Anjinsai Festival. The Umi no Hanabi Taikai fireworks display on the last day of the Anjinsai Festival attracts crowds of around 170,000 people.
- Ito-Onsen, where this facility located is one of Japan's leading hot springs from the Heian Period.



Introduction of Properties (1)

S-1 : Ooedo-Onsen Monogatari Reoma Resort 〈Hotel Reoma-no-mori〉

	2019	2020											Cumulative total	Previous corresponding period cumulative total	9th period cumulative Total	Change
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct	Nov.				
Room occupancy rate	90.5%	85.2%	80.4%	34.8%	8.9%	-	-	31.6%	47.2%	51.5%	75.9%	87.5%	49.4%	88.8%	49.0%	-39.8%
ADR (yen)	33,595	32,014	27,473	26,779	20,908	-	-	34,705	52,437	33,262	29,041	34,644	33,091	32,402	35,835	+3,433
RevPAR (yen)	30,403	27,275	22,088	9,319	1,860	-	-	10,966	24,750	17,129	22,042	30,313	16,346	28,772	17,559	-11,213
Sales (million yen)	292	266	207	89	18	0	0	92	208	145	198	260	1,778	1,670	904	-765

S-2 : Ooedo-Onsen Monogatari Ise-shima

	2019	2020											Cumulative total	Previous corresponding period cumulative total	9th period cumulative Total	Change
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct	Nov.				
Room occupancy rate	90.6%	95.0%	94.0%	73.1%	22.1%	18.0%	46.2%	55.1%	51.3%	64.4%	82.0%	90.5%	65.2%	93.2%	64.9%	-28.3%
ADR (yen)	32,160	31,032	27,775	26,183	19,926	19,800	23,026	29,957	41,044	28,905	30,502	36,091	30,231	33,324	31,980	-1,344
RevPAR (yen)	29,136	29,480	26,108	19,139	4,403	3,564	10,638	16,506	21,055	18,614	25,011	32,662	19,710	31,057	20,755	-10,302
Sales (million yen)	90	90	75	58	13	10	30	48	61	52	76	95	704	566	365	-200

S-3 : Ito Hotel New Okabe

	2019	2020											Cumulative total	Previous corresponding period cumulative total	9th period cumulative Total	Change
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct	Nov.				
Room occupancy rate	90.1%	88.4%	96.3%	68.1%	23.2%	-	-	36.0%	46.1%	58.1%	62.3%	75.1%	53.6%	92.2%	46.3%	-45.9%
ADR (yen)	30,377	28,287	22,447	21,936	16,226	-	-	24,530	34,374	23,627	26,534	33,013	26,828	28,537	28,723	+186
RevPAR (yen)	27,369	25,005	21,616	14,938	3,764	-	-	8,830	15,846	13,727	16,530	24,792	14,379	26,311	13,298	-13,013
Sales (million yen)	110	99	81	57	14	0	0	32	57	49	63	91	657	613	294	-319

Introduction of Properties (2)

S-4 Ooedo-Onsen Monogatari Atami



Location:	Atami City, Shizuoka Prefecture
Site area:	2,053㎡
Total floor area:	8,469㎡

Area characteristics

- Atami City, at the base of the Izu Peninsula, has been designated a City of International Tourism and Hot Springs Culture with its many tourist attractions, including Sun Beach (famous for the Atami Kaijo fireworks display) and "Omiya no Matsu" pine tree, etc. In recent years, it has been in the limelight again as an onsen resort that is "low-cost, near, for short stay" destination from the Tokyo metropolitan area.
- Atami-onsen, where this facility is located is one of Japan's leading hot spring sightseeing areas.



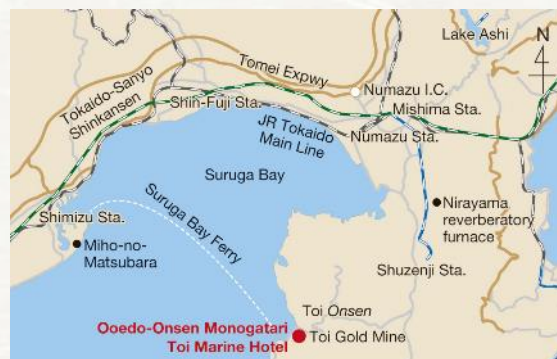
S-5 Ooedo-Onsen Monogatari Toi Marine Hotel



Location:	Izu City, Shizuoka Prefecture
Site area:	2,911㎡
Total floor area:	6,125㎡

Area characteristics

- Izu City is the Izu Peninsula's largest city located in the west of the central part of the peninsula. Facing Suruga Bay to the west and surrounded by the Mount Amagi range to the south, it is rich in natural, historical, and onsen tourist attractions.
- Toi-onsen, where this facility is located is the oldest hot spring in west Izu area. It is famous for "Toi gold mine" from Edo period collecting many sight seeing visitors.



S-6 Ooedo-Onsen Monogatari Awara



Location:	Awara City, Fukui Prefecture
Site area:	13,263㎡
Total floor area:	14,132㎡

Area characteristics

- Awara City is a scenic area facing the Japan Sea, surrounded by abundant nature. The Mikuni fishing port, which is well-known for Echizen crab, Tojinbo, a tourist attraction that is famous nationwide, and Eihei-ji Temple are close by, and the tourist industry centered on Awara Onsen is flourishing.
- Awara onsen, where this facility is located is called an inner parlor of Kansai region together with Kaga onsen resort area composed of adjacent Yamashiro, Yamanaka, Katayamazu onsen, etc. .



Introduction of Properties (2)

S-4 : Ooedo-Onsen Monogatari Atami

	2019	2020											Cumulative total	Previous corresponding period cumulative total	9th period cumulative Total	Change
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct	Nov.				
Room occupancy rate	93.6%	96.9%	97.6%	92.4%	30.0%	-	14.8%	53.8%	63.8%	66.1%	83.4%	90.5%	65.2%	94.0%	62.2%	-31.8%
ADR (yen)	34,144	31,039	29,022	24,950	17,429	-	23,765	26,858	40,545	28,450	28,535	33,309	30,066	33,901	31,316	-2,585
RevPAR (yen)	31,958	30,076	28,325	23,053	5,228	-	3,517	14,449	25,867	18,805	23,798	30,144	19,603	31,866	19,478	-12,388
Sales (million yen)	87	83	74	63	14	0	8	37	65	48	64	78	626	528	303	-225

S-5 : Ooedo-Onsen Monogatari Toi Marine Hotel

	2019	2020											Cumulative total	Previous corresponding period cumulative total	9th period cumulative Total	Change
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct	Nov.				
Room occupancy rate	84.7%	89.7%	95.5%	64.5%	10.6%	-	-	45.8%	69.0%	54.5%	64.3%	78.1%	54.7%	88.6%	52.1%	-36.5%
ADR (yen)	28,728	28,291	24,705	21,851	17,188	-	-	25,537	44,844	27,502	26,689	30,104	28,595	29,325	31,571	+2,246
RevPAR (yen)	24,332	25,377	23,593	14,093	1,821	-	-	11,695	30,942	14,988	17,161	23,511	15,641	25,981	16,448	-9,533
Sales (million yen)	54	56	50	31	4	0	0	25	65	31	38	51	410	343	212	-130

S-6 : Ooedo-Onsen Monogatari Awara

	2019	2020											Cumulative total	Previous corresponding period cumulative total	9th period cumulative Total	Change
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct	Nov.				
Room occupancy rate	80.8%	75.4%	85.0%	55.7%	10.7%	-	-	35.9%	45.9%	41.4%	61.0%	83.3%	47.9%	86.6%	44.6%	-42.0%
ADR (yen)	29,137	28,516	24,848	22,321	15,244	-	-	25,577	34,152	24,362	25,796	30,843	27,256	29,550	28,559	-991
RevPAR (yen)	23,542	21,501	21,120	12,432	1,631	-	-	9,182	15,675	10,085	15,735	25,692	13,055	25,590	12,737	-12,853
Sales (million yen)	89	82	75	42	5	0	0	29	49	31	52	82	542	555	246	-309

Introduction of Properties (3)

S-7 Ooedo-Onsen Monogatari Kamoshika-so



Location: Nasushiobara City,
Tochigi Prefecture

Site area: 7,734㎡

Total floor area: 5,947㎡

Area characteristics

- Since ancient times, many onsen villages have taken shape in the mountains and valleys around Nasushiobara City, including the Shiobara Hot Springs Area, Itamuro Onsen, etc. Hunter Mountain Shiobara, where meadows, skiing and autumnal leaves can be enjoyed, is nearby.
- Shiobara onsen resort area, where this facility is located is popular with its six different hot springs dating back 1,200 years ago.



S-8 Ooedo-Onsen Monogatari Ikaho



Location: Shibukawa City,
Gunma Prefecture

Site area: 6,805㎡

Total floor area: 5,177㎡

Area characteristics

- Shibukawa City is a regional city located in the center of Gunma Prefecture and it has long prospered as a transportation hub. Nature and onsen tourism is also a major industry.
- Ikaho onsen, where this facility is located is one of the representing hot springs of Kita-Kanto region as an inner parlor of Tokyo and is famous for "muddy gold spring" and transparent "white silver spring".



S-9 Ooedo-Onsen Monogatari Kimitsu-no-mori



Location: Kimitsu City,
Chiba Prefecture

Site area: 57,069㎡

Total floor area: 8,660㎡

Area characteristics

- Kimitsu City is located in the middle of Chiba Prefecture, and with significantly improvements in access by car from Chiba, Tokyo and Yokohama in the past few years due to the completion of the Tateyama Expressway and the Tokyo Bay Aqua-Line, an influx of visitors is expected.
- Inland Boso peninsula, where this facility is located is expected good demand of tourism with popular sight seeing spots in surrounding areas.



Introduction of Properties (3)

S-7 : Ooedo-Onsen Monogatari Kamoshika-so

	2019	2020											Cumulative total	Previous corresponding period cumulative total	9th period cumulative Total	Change
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct	Nov.				
Room occupancy rate	64.4%	58.5%	62.0%	52.3%	5.4%	-	-	32.1%	42.4%	45.1%	55.1%	71.4%	40.7%	85.9%	41.0%	-44.9%
ADR (yen)	29,412	29,528	25,576	19,097	16,978	-	-	26,613	31,335	24,716	25,799	26,638	26,448	27,534	26,919	-615
RevPAR (yen)	18,941	17,273	15,857	9,987	916	-	-	8,542	13,286	11,146	14,215	19,019	10,764	23,651	11,036	-12,615
Sales (million yen)	41	38	33	22	2	0	0	17	27	22	30	39	275	310	137	-172

S-8 : Ooedo-Onsen Monogatari Ikaho

	2019	2020											Cumulative total	Previous corresponding period cumulative total	9th period cumulative Total	Change
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct	Nov.				
Room occupancy rate	95.0%	88.5%	96.6%	87.7%	50.3%	-	-	89.0%	68.3%	69.2%	79.0%	89.3%	67.7%	99.0%	66.0%	-33.0%
ADR (yen)	31,286	28,521	23,696	22,749	16,931	-	-	24,836	29,681	27,644	28,585	32,003	26,965	31,227	28,517	-2,710
RevPAR (yen)	29,721	25,241	22,890	19,950	8,516	-	-	22,104	20,272	19,129	22,582	28,578	18,255	30,914	18,821	-12,093
Sales (million yen)	42	36	30	28	11	0	0	30	26	25	33	40	305	262	156	-106

S-9 : Ooedo-Onsen Monogatari Kimitsu-no-mori

	2019	2020											Cumulative total	Previous corresponding period cumulative total	9th period cumulative Total	Change
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct	Nov.				
Room occupancy rate	92.8%	97.5%	99.2%	91.5%	46.3%	-	-	58.7%	80.6%	68.5%	80.1%	87.1%	66.8%	69.6%	62.7%	-6.9%
ADR (yen)	26,873	24,788	22,941	17,790	11,504	-	-	23,079	36,307	24,943	25,229	27,318	24,626	26,842	27,722	+880
RevPAR (yen)	24,938	24,168	22,757	16,277	5,326	-	-	13,547	29,263	17,085	20,208	23,793	16,450	18,682	17,381	-1,301
Sales (million yen)	45	46	38	32	10	0	0	18	39	26	32	37	329	208	154	-53

Introduction of Properties (4)

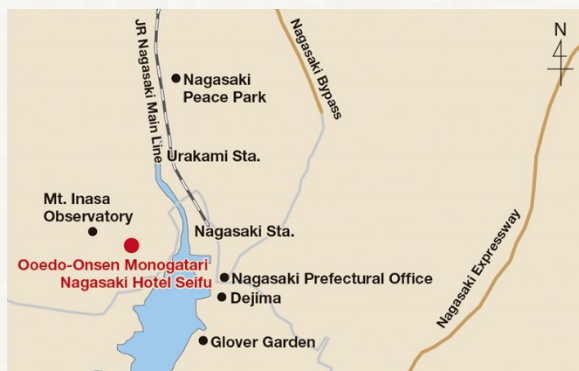
S-10 Ooedo-Onsen Monogatari Nagasaki Hotel Seifu



Location:	Nagasaki City, Nagasaki Prefecture
Site area:	5,092㎡
Total floor area:	11,114㎡

Area characteristics

- Nagasaki City is a tourist city with abundant tourism resources such as having been registered in the World Heritage List as "Sites of Japan's Meiji Industrial Revolution: Iron and Steel, Shipbuilding and Coal Mining" in 2015.
- The Inasayama where the facility stands is famous for night views and has been certified by General incorporated association YAKEI Convention & Visitors Bureau as one of the three new greatest night view spots along with Monaco and Hong Kong.



S-11 Ooedo-Onsen Monogatari Kounkaku



Location:	Osaki City, Miyagi Prefecture
Site area:	11,829㎡
Total floor area:	10,843㎡

Area characteristics

- Narukoonsenkyo where the facility is located has nearly 400 spring sources, with 9 types of spring water out of only 11 found in Japan. It is a hot spring site boasting ample volume of water.
- Temporary bus services ("Momiji-go") are operated during every autumn color season from Naruko Onsen Station to Nakayamadaira-Onsen Station via Naruko Valley.



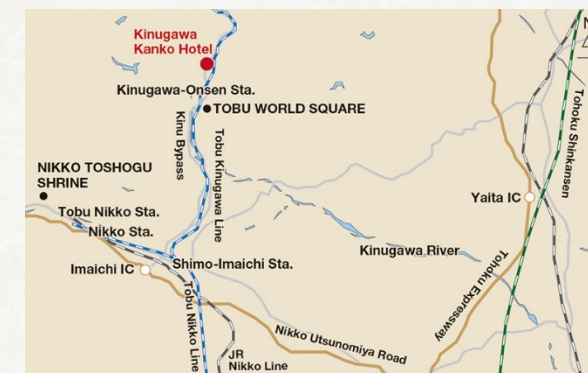
S-12 Kinugawa Kanko Hotel



Location:	Nikko City, Tochigi Prefecture
Site area:	6,719㎡
Total floor area:	22,402㎡

Area characteristics

- Nikko City is located northwest of Tochigi Prefecture and is a hot spring tourist destination with tourism resources including domestically and internationally well-known Nikko Toshogu Shrine and Lake Chuzenji.
- Kinugawa Onsen where the facility is located is a hot spring resort around Tokyo which was rapidly developed during and after the period of high economic growth.



Introduction of Properties (4)

S-10 : Ooedo-Onsen Monogatari Nagasaki Hotel Seifu

	2019	2020											Cumulative total	Previous corresponding period cumulative total	9th period cumulative Total	Change
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct	Nov.				
Room occupancy rate	88.2%	84.7%	87.9%	84.4%	20.9%	-	20.7%	72.8%	42.8%	61.9%	81.1%	93.0%	61.5%	93.9%	62.1%	-31.8%
ADR (yen)	33,830	32,133	26,413	22,943	15,895	-	27,186	27,203	33,097	28,152	29,676	34,596	29,300	31,919	30,406	-1,513
RevPAR (yen)	29,838	27,216	23,217	19,363	3,322	-	5,627	19,803	14,165	17,426	24,067	32,174	18,019	29,971	18,882	-11,089
Sales (million yen)	102	95	76	67	11	0	18	67	47	57	83	107	736	622	382	-240

S-11 : Ooedo-Onsen Monogatari Kounkaku

	2019	2020											Cumulative total	Previous corresponding period cumulative total	9th period cumulative Total	Change
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct	Nov.				
Room occupancy rate	74.2%	81.3%	97.1%	53.7%	19.0%	-	-	29.6%	41.2%	44.1%	68.5%	70.2%	48.1%	82.2%	42.3%	-39.9%
ADR (yen)	26,792	23,870	20,408	19,109	13,487	-	-	21,220	24,994	21,423	24,903	28,572	23,359	24,478	24,885	+407
RevPAR (yen)	19,879	19,406	19,816	10,261	2,562	-	-	6,281	10,297	9,447	17,058	20,057	11,235	20,120	10,526	-9,594
Sales (million yen)	87	81	80	43	10	0	0	25	40	36	71	79	555	498	252	-245

S-12 : Kinugawa Kanko Hotel

	2019	2020											Cumulative total	Previous corresponding period cumulative total	9th period cumulative Total	Change
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct	Nov.				
Room occupancy rate	80.2%	76.4%	73.9%	51.8%	13.7%	-	-	27.3%	31.0%	48.8%	78.7%	89.6%	47.6%	88.5%	45.9%	-42.6%
ADR (yen)	32,629	31,778	25,915	21,741	16,107	-	-	26,735	31,662	26,517	27,882	30,719	28,468	30,013	28,846	-1,167
RevPAR (yen)	26,168	24,278	19,151	11,261	2,206	-	-	7,298	9,815	12,940	21,943	27,524	13,550	26,561	13,240	-13,321
Sales (million yen)	189	171	126	74	14	0	0	44	58	75	138	167	1,059	1,075	484	-591

Introduction of Properties (5)

S-13 Ooedo-Onsen Monogatari Kinosaki



Location:	Toyooka City, Hyogo Prefecture
Site area:	11,350㎡
Total floor area:	10,602㎡

Area characteristics

- Kinosaki Onsen represented by stone bridges over a small river and streets lined with willow trees is one of Japan's most famous onsen resorts, where guests can enjoy seven public hot springs.
- The facility is located a little more than 10 minutes on foot from JR Kinosaki Onsen Station and bus services (public hot spring tour bus) to the hot spring quarter are available after 5 p.m.



S-14 Ooedo-Onsen Monogatari Higashiyama Grand Hotel



Location:	Aizuwakamatsu City, Fukushima Prefecture
Site area:	12,451㎡ (Note)
Total floor area:	16,665㎡ (Note)

Area characteristics

- Aizuwakamatsu City is located in the west of Fukushima Prefecture with scenic natural landscape surrounded by Mt. Bandai, Lake Inawashiro and such.
- Tour bus services going around major tourist spots such as Higashiyama Onsen and Tsurugajo Castle are operated from the JR Aizuwakamatsu Station.

(Note) The areas include leasing sections.



Introduction of Properties (5)

S-13 : Ooedo-Onsen Monogatari Kinosaki

	2019	2020											Cumulative total	Previous corresponding period cumulative total	9th period cumulative Total	Change
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct	Nov.				
Room occupancy rate	99.2%	98.7%	98.8%	99.1%	23.2%	-	14.3%	52.2%	68.5%	62.4%	77.3%	87.8%	65.1%	97.8%	60.5%	-37.3%
ADR (yen)	31,309	30,356	28,848	28,895	18,933	-	24,461	29,282	39,121	29,817	28,153	36,387	30,779	30,092	32,517	+2,425
RevPAR (yen)	31,058	29,961	28,501	28,634	4,392	-	3,497	15,285	26,797	18,605	21,762	31,947	20,037	29,429	19,672	-9,757
Sales (million yen)	120	116	102	102	15	0	12	54	93	65	83	115	882	674	424	-250

S-14 : Ooedo-Onsen Higashiyama Grand Hotel

	2019	2020											Cumulative total	Previous corresponding period cumulative total	9th period cumulative Total	Change
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct	Nov.				
Room occupancy rate	66.7%	65.3%	79.4%	51.6%	13.8%	-	-	39.8%	48.2%	52.6%	79.2%	88.7%	48.7%	87.1%	51.5%	-35.6%
ADR (yen)	33,305	28,162	24,590	20,282	16,773	-	-	28,163	32,075	25,317	26,993	31,191	27,686	27,719	28,841	+1,122
RevPAR (yen)	22,214	18,389	19,524	10,465	2,314	-	-	11,208	15,460	13,316	21,378	27,666	13,483	24,143	14,853	-9,290
Sales (million yen)	106	85	91	47	10	0	0	47	64	53	90	111	709	662	367	-294

S-1 : Ooedo-Onsen Monogatari Reoma Resort 〈New Reoma Resort〉

	2019	2020											Cumulative total	Previous corresponding period cumulative total	8th period cumulative Total	Change
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct	Nov.				
Number of guests	54,736	36,014	28,679	8,341	2,350	-	-	13,137	39,357	33,960	39,480	59,940	461,545	331,425	185,874	-145,551
Sales (million yen)	191	142	96	35	9	0	0	55	165	131	159	215	1,203	1,298	727	-571

Financial Indices

Indices	8th period (May 31, 2020)	9th period (Nov. 30, 2020)	Calculation formula
Ordinary income	546 mn yen	467 mn yen	
Net income	545 mn yen	466 mn yen	
Depreciation	438 mn yen	444 mn yen	
CAPEX	169 mn yen	175 mn yen	
Total assets	38,327 mn yen	37,428 mn yen	
Total net assets	21,183 mn yen	21,102 mn yen	
BPS (Total net assets/unit)	90,011 yen	89,666 yen	
Unit price (End of each period)	71,800 yen	68,500 yen	
Total units outstanding	235,347 units	235,347 units	
Total distribution	547 mn yen	469 mn yen	
DPU	2,328 yen	1,996 yen	
Distribution yield	6.5%	5.8%	DPU (annualized)/Unit price as of end of period
FFO	983 mn yen	895 mn yen	Net income + Depreciation – profit or loss on sale of real estate
FFO per unit	4,178 yen	3,803 yen	
FFO multiple	8.6x	9.0x	Unit price as of end of period/FFO per unit (annualized)
PER	15.5x	17.3x	Unit price as of end of period/Net income per unit (average during the periods, annualized)
PBR	0.8x	0.8x	Unit price as of end of period/Net assets per unit
ROA	1.4%	1.2%	Ordinary income/Average of total assets during the period
Annualized	2.8%	2.5%	
ROE	2.6%	2.2%	Net income/Average of total net assets during the period
Annualized	5.1%	4.4%	
NAV	25,577 mn yen	26,385 mn yen	Total net assets + Total appraisal value - Total book value - Total liabilities
NAV per unit	108,678 yen	112,115 yen	
NAV multiple	0.7x	0.6x	Unit price as of end of period/NAV per unit
Interest-bearing debt	15,319 mn yen	14,457 mn yen	
LTV (book value basis)	40.0%	38.6%	Interest-bearing debt/Total assets
LTV (appraisal value basis)	35.9%	33.8%	Interest-bearing debt/(Total assets + Total appraisal value - Total book value)
Operating days	183 days	183 days	

Balance Sheet

	(thousand yen)	
	8th period (period ended May 31, 2020)	9th period (period ended Nov. 30, 2020)
Assets		
Current assets		
Cash and deposits	2,210,622	2,245,992
Prepaid expenses	138,154	140,140
Other	6,251	6,546
Total current assets	2,355,028	2,392,678
Non-current assets		
Property, plant and equipment		
Buildings	26,493,480	26,667,147
Accumulated depreciation	-2,796,416	-3,239,601
Buildings, net	23,697,064	23,427,545
Structures	10,979	10,979
Accumulated depreciation	-1,247	-1,616
Structures, net	9,731	9,362
Machinery and equipment	600	600
Accumulated depreciation	-79	-97
Machinery and equipment, net	520	502
Tools, furniture and fixtures	3,498	5,772
Accumulated depreciation	-1,050	-1,402
Tools, furniture and fixtures, net	2,448	4,370
Land	11,988,187	11,208,770
Total property, plant and equipment	35,697,951	34,650,550
Intangible assets		
Leasehold right	157,802	305,228
Software	2,149	1,347
Total intangible assets	159,951	306,575
Investments and other assets		
Deferred tax assets	15	16
Long-term prepaid expenses	104,578	68,483
Lease and guarantee deposits	10,089	10,089
Total investments and other assets	114,684	78,589
Total non-current assets	35,972,587	35,035,715
Total assets	38,327,616	37,428,394

	(thousand yen)	
	8th period (period ended May 31, 2020)	9th period (period ended Nov. 30, 2020)
Liabilities		
Current liabilities		
Operating accounts payable	50,556	118,701
Short-term loans payable	-	1,487,480
Current portion of long-term loans payable	6,240,110	6,194,120
Accounts payable - other	89,251	82,190
Accrued expenses	8,329	8,190
Income taxes payable	936	940
Accrued consumption taxes	39,513	34,980
Advances received	261,314	246,412
Other	5,795	7,260
Total current liabilities	6,695,808	8,180,276
Non-current liabilities		
Long-term loans payable	9,078,890	6,776,000
Tenant leasehold and security deposits	1,230,706	1,230,692
Asset retirement obligations	138,288	138,691
Total non-current liabilities	10,447,884	8,145,384
Total liabilities	17,143,692	16,325,661
Net assets		
Unitholders' equity		
Unitholders' capital	20,653,023	20,653,023
Deduction from unitholders' capital		
Allowance for temporary difference adjustment	-14,292	-17,116
Total deduction from unitholders' capital	-14,292	-17,116
Unitholders' capital, net	20,638,731	20,638,731
Surplus		
Unappropriated retained earnings (undisposed loss)	545,192	466,826
Total surplus	545,192	466,826
Total unitholders' equity	21,183,923	21,102,733
Total net assets	21,183,923	21,102,733
Total liabilities and net assets	38,327,616	37,428,394

Statement of Income

	(thousand yen)	
	8th period (from December 1, 2019 to May 31, 2020)	9th period (from June 1, 2020 to November 30, 2020)
Operating revenue		
Lease business revenue	1,433,658	1,342,970
Gain on sales of real estate properties	-	15,785
Total operating revenue	1,433,658	1,358,755
Operating expenses		
Expenses related to rent business	566,328	574,661
Asset management fee	125,121	122,870
Asset custody fee	1,731	1,720
Administrative service fees	17,161	17,258
Directors' compensations	3,600	3,600
Other operating expenses	41,276	44,313
Total operating expenses	755,219	764,424
Operating income	678,438	594,331
Non-operating income		
Interest income	10	10
Reversal of distributions payable	563	1,212
Total non-operating income	573	1,222
Non-operating expenses		
Interest expenses	63,464	54,683
Borrowing related expenses	69,268	73,230
Total non-operating expenses	132,732	127,914
Ordinary income	546,279	467,639
Extraordinary losses		
Loss on tax purpose reduction entry of non-current assets	233	-
Total extraordinary losses	233	-
Income before income taxes	546,045	467,639
Income taxes - current	937	942
Income taxes - deferred	0	-0
Total income taxes	938	942
Net income	545,107	466,697
Retained earnings brought forward	85	128
Unappropriated retained earnings (undisposed loss)	545,192	466,826

Debt Status



List of lenders

(as of November 30, 2020)

	Lender	Balance (mn yen)	Interest rate (%)	Drawdown date	Repayment date	Security
Short term	Sumitomo Mitsui Banking Corporation The Nomura Trust and Banking Co., Ltd.	1,487	Base rate (JBA 3-month Yen TIBOR) + 0.50%	November 30, 2020	August 31, 2021	Unsecured and unguaranteed
Long term	Sumitomo Mitsui Banking Corporation	453	Base rate (JBA 3-month Yen TIBOR) + 1.25%	September 1, 2016	May 31, 2023	Unsecured and unguaranteed
	The Mie Bank, Ltd. The Tochigi Bank, Ltd. The First Bank of Toyama, Ltd. Fukoku Mutual Life Insurance Company The Bank of Kochi, Ltd. The Bank of Fukuoka, Ltd. The Juhachi-Shinwa Bank, Ltd.	2,267	Base rate (JBA 3-month Yen TIBOR) + 0.80%	December 4, 2017	November 30, 2021	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited ORIX Bank Corporation The Mie Bank, Ltd. The Towa Bank, Ltd. The Iyo Bank, Ltd. The Nomura Trust and Banking Co., Ltd. The Bank of Fukuoka, Ltd. The Juhachi-Shinwa Bank, Ltd.	3,235	Base rate (JBA 3-month Yen TIBOR) + 0.65%	May 31, 2019	May 31, 2022	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited ORIX Bank Corporation The Mie Bank, Ltd. The Towa Bank, Ltd. The Iyo Bank, Ltd. The Nomura Trust and Banking Co., Ltd. The Bank of Fukuoka, Ltd. The Juhachi-Shinwa Bank, Ltd.	3,235	Base rate (JBA 3-month Yen TIBOR) + 0.80%	May 31, 2019	May 31, 2023	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation ORIX Bank Corporation The Mie Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited	3,528	Base rate (JBA 3-month Yen TIBOR) + 0.35%	May 29, 2020	May 31, 2021	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation	250	Base rate (JBA 1-month Yen TIBOR) + 0.35%	May 29, 2020	May 31, 2021	Unsecured and unguaranteed
Total		14,457				

Ooedo-Onsen Monogatari Group (1)

“At any time, lightheartedly, repeatedly, onsen with a festive atmosphere and filled with smiles,” is the catchphrase Ooedo-Onsen Monogatari Group uses in its business operations. The group aims to revitalize the onsen ryokan industry by continuously acquiring onsen and spa-related facilities throughout the country and rolling out the Ooedo business model to provide customers with high-quality services at an affordable price, and to help them enjoy the sense of openness and festivity of onsen.

Overview

Company Name	Ooedo-Onsen Monogatari Hotels & Resorts Co., Ltd.
Capital	100 million yen (as of February 29, 2020)
Address	1-9-4 Nihonbashi-honcho, Chuo-ku, Tokyo
Establishment	December 5, 2017 (founded in November 2001)
Representative	Representative Director Mitsumasa Morita
No. of Employees	1,408 (as of July 31, 2020, excluding fixed-term employees) *The total number of employees on a group-wide basis

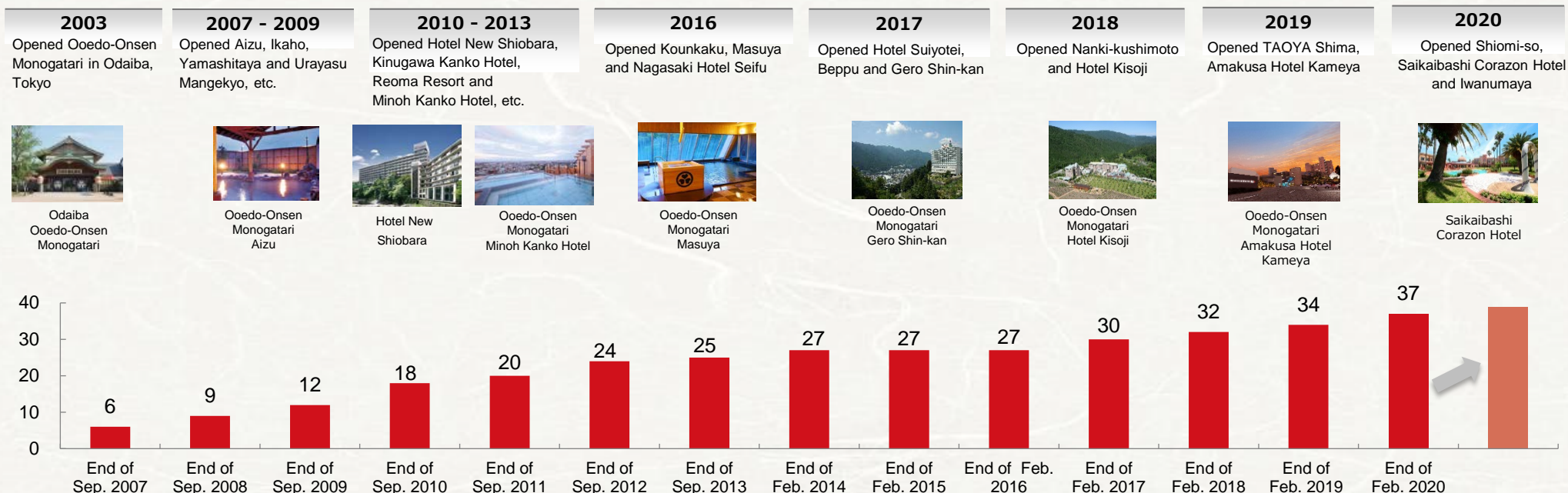
Financial Results (Feb. 2020)

Consolidated Net Sales: 50,810 million yen
Consolidated Total Assets: 80,971 million yen
Net Assets: 19,321 million yen

Businesses

- Reinvigorating onsen ryokan, hotels, spa-related facilities, theme parks around the country
- We started with the onsen theme park, “Ooedo-Onsen Monogatari,” which has an Edo culture theme. As of Feb. 29, 2020, we operate 37 onsen and spa-related facilities

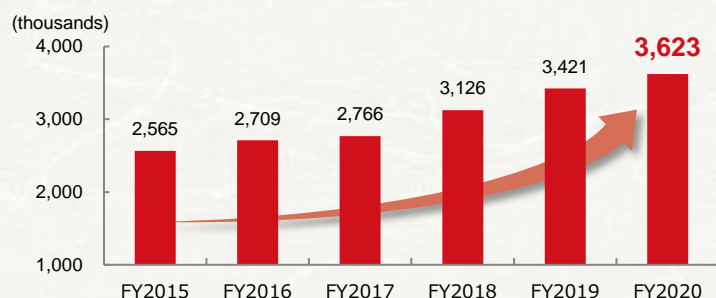
Trends in number of facilities



Ooedo-Onsen Monogatari Group (2)

The total number of guests staying at onsen/spa facilities operated by the Ooedo-Onsen Monogatari Group is steadily increasing year by year. In addition, the group is expanding its business scale actively through a range of initiatives such as the acquisition of 13 facilities ^(Note) since 2016 when the investment corporation was established.

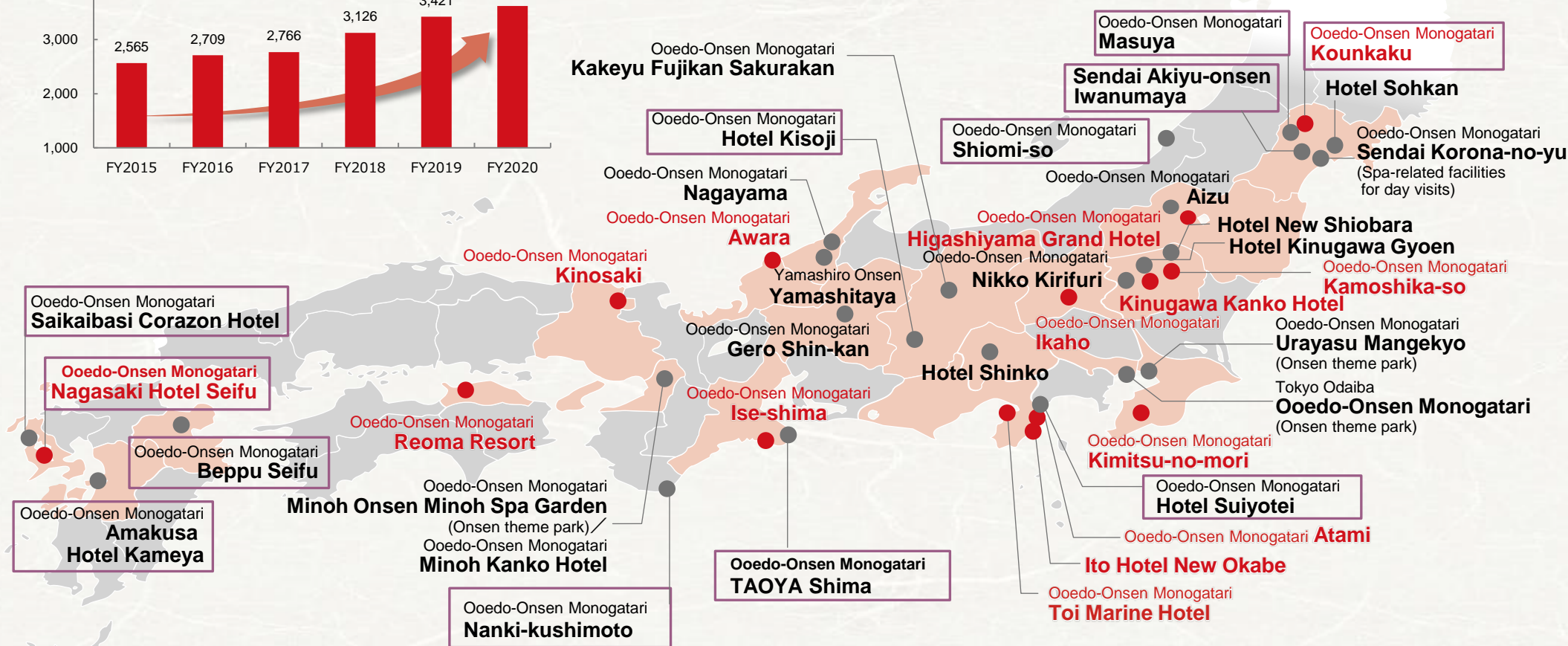
Trend in total number of hotel guests at Ooedo-Onsen Monogatari Group facilities



Onsen and spa-related facilities operated by the Ooedo-Onsen Monogatari Group

REIT acquired assets

Facilities acquired after 2016



“Ooedo Business Model” with Stable Operations and Sustainable Growth (1)

Ooedo business model achieving both high quality and reasonable price

Provision of services that lead to the creation of repeat customers

Services created from a customer perspective

- Well-thought-out **onsen facilities** and merchandising facilities
- **Buffet-style restaurants** that offer more than 100 different dishes in total every morning and evening
- Continuous efforts to attract more guests with **in-facility entertainment** (including popular theater shows, etc.)

Application of a unique corporate-owned chain operation (Ooedo business model)

Efficient operation

- Adoption of **a centralized purchasing system** for foodstuffs, fixings and amenities
- Detailed programs for cost management
- Efficient placement of staff members

Marketing programs to maximize customer reach

- Measures to attract more customers led by the headquarters of the Ooedo-Onsen Monogatari Group
- Efforts to attract more customers by utilizing **in-house facilities** such as reservation centers

High-quality service

+

Affordable price



Ongoing support from a wide-ranging customer base centered on the senior age group



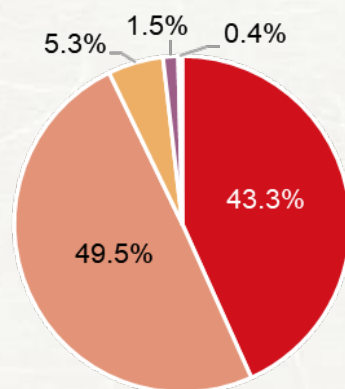
“Ooedo Business Model” with Stable Operations and Sustainable Growth (2)

Maintaining high customer satisfaction and room occupancy rates surpassing the industry average despite the impact of COVID-19 since March

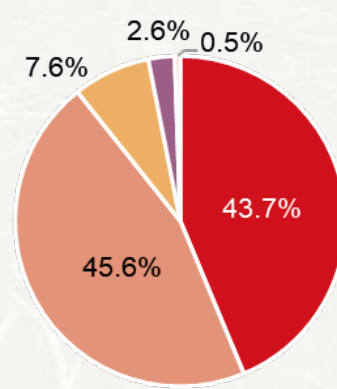
● Ooedo-Onsen Monogatari Group hotel guest questionnaire (conducted from June 1, 2020 to November 30, 2020)

✿ Trends in average monthly occupancy rates for each type of accommodation facility

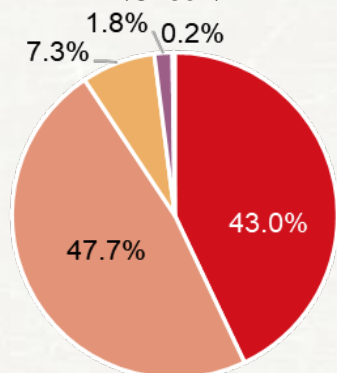
<Overall satisfaction>



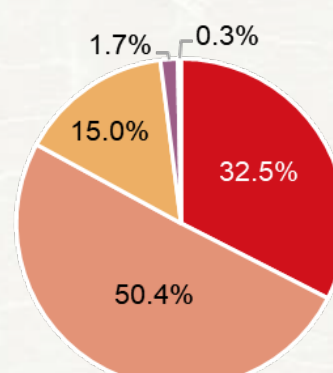
<Meal (breakfast and dinner)>



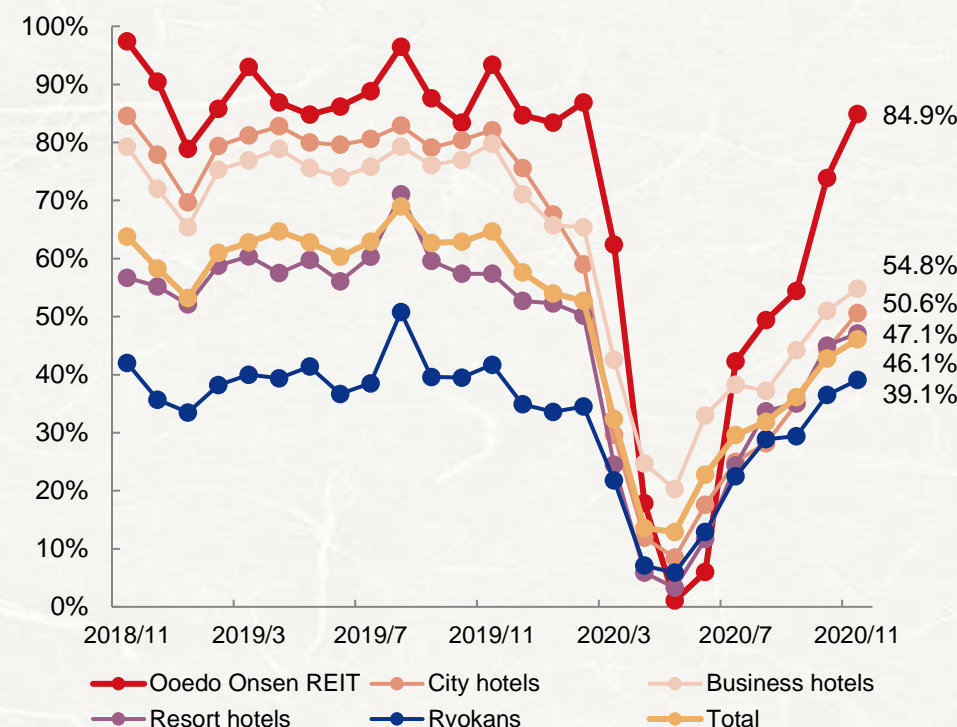
<Onsen>



<Type of services inside the facility>



Very satisfied Satisfied Fair
Unsatisfied Very unsatisfied



(Note) All facilities held by the Investment Corporation have been successively and temporarily closed since April 2020 due to the spread of COVID-19

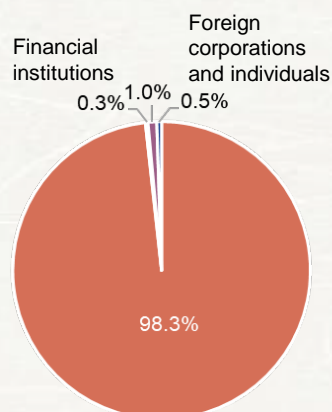
Source: Data on city hotels, business hotels, resort hotels, ryokan and all types of accommodation are compiled by the asset manager based on a statistical survey on trips with accommodation conducted by the Ministry of Land, Infrastructure, Transport and Tourism.

Unitholders Breakdown

Ratio by number of unitholders

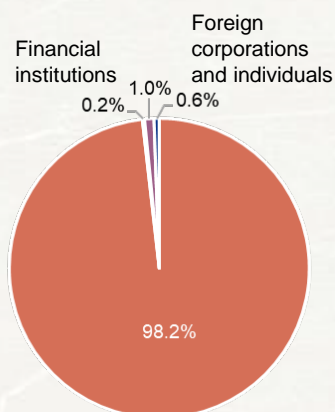
<End of 8th fiscal period>

19,558 unitholders

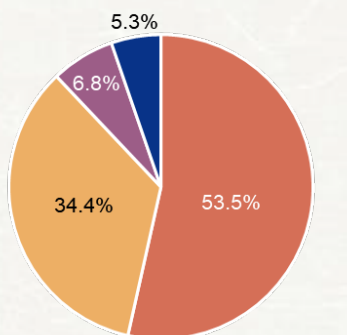


<End of 9th fiscal period>

19,352 unitholders



Ratio by number of investment units







■ Individuals
■ Financial institutions (Incl. securities companies)
■ Other domestic corporations
■ Foreign corporations and individuals

Top 10 unitholders

Rank	Name	Number of units held	Ratio
1	The Master Trust Bank of Japan, Ltd. (Trust Account)	24,022	10.2%
2	Custody Bank of Japan, Ltd. (Trust Account)	15,089	6.4%
3	The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	10,287	4.4%
4	Ooedo-Onsen Mongatari Co., Ltd.	9,246	3.9%
5	Custody Bank of Japan, Ltd. (Securities Investment Trust Account)	4,207	1.8%
6	Morgan Stanley MUFG Securities Co., Ltd.	3,671	1.6%
7	DFA INTERNATIONAL REAL ESTATE SECURITIES PORTFOLIO	3,149	1.3%
8	BNYM SA/NV FOR BNYM FOR BNYM GCM CLIENT ACCTS M ILM FE	3,030	1.3%
9	YONEZAWA SHINKIN BANK	3,000	1.3%
10	Banshu Shinkin BANK	2,880	1.2%
Total		78,581	33.4%

Unitholder Benefit Program

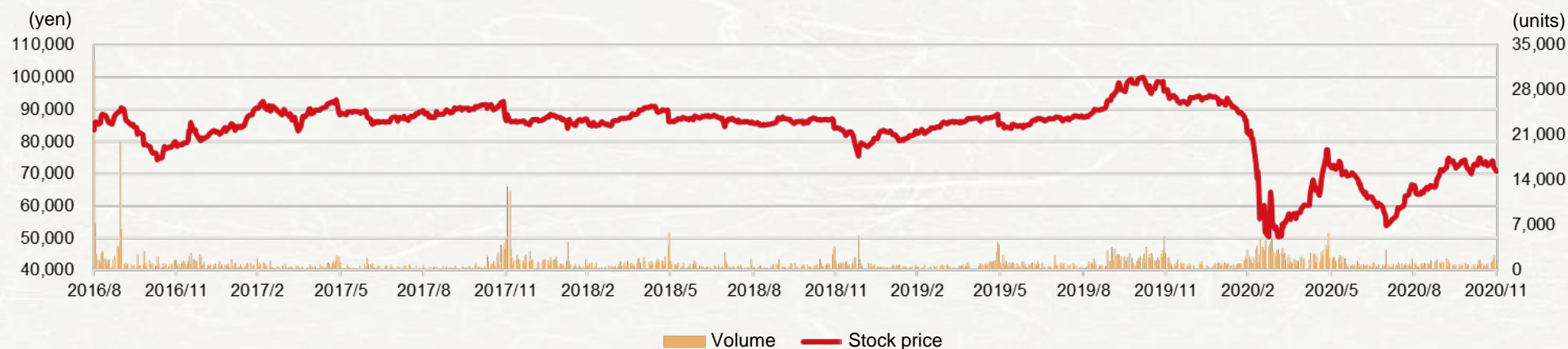
Provide unitholders opportunity to experience facilities held by the Investment Corporation and to deepen unitholders' understanding of those facilities.

Commencement period and target unitholders	Targets unitholders listed or recorded on Unitholders' Registry as of November 30, 2020 (record date), end of 9th fiscal period.									
Eligible persons	The program is also available for those other than unitholders with coupons transferred from unit holders (not registered)									
Benefits	<p>Coupons offering discounts of 1,000 yen per coupon from the accommodation fee for applicable facilities on weekdays (excluding specified dates) will be sent</p> <table><tr><td>① Unitholders holding 5 units or more and less than 10 units</td><td><u>1 coupon</u></td><td><u>Equivalent to 1,000 yen</u></td></tr><tr><td>② Unitholders holding 10 units or more</td><td><u>2 coupons</u></td><td><u>Equivalent to 2,000 yen</u></td></tr></table> <p>Coupons can be used together with other discount coupons, etc. provided by Ooedo-Onsen Monogatari Group</p>		① Unitholders holding 5 units or more and less than 10 units	<u>1 coupon</u>	<u>Equivalent to 1,000 yen</u>	② Unitholders holding 10 units or more	<u>2 coupons</u>	<u>Equivalent to 2,000 yen</u>		
① Unitholders holding 5 units or more and less than 10 units	<u>1 coupon</u>	<u>Equivalent to 1,000 yen</u>								
② Unitholders holding 10 units or more	<u>2 coupons</u>	<u>Equivalent to 2,000 yen</u>								
Applicable facilities	<p>Onsen and spa-related facilities that are owned by the Investment Corporation in each fiscal period and leased by Ooedo-Onsen Monogatari Group</p> <p><Facilities applicable> Ooedo-Onsen Monogatari Reoma Resort, Ooedo-Onsen Monogatari Ise-shima, Ito Hotel New Okabe, Ooedo-Onsen Monogatari Atami, Ooedo-Onsen Monogatari Toi Marine Hotel, Ooedo-Onsen Monogatari Awara, Ooedo-Onsen Monogatari Kamoshika-so, Ooedo-Onsen Monogatari Ikaho, Ooedo-Onsen Monogatari Kimitsu-no-mori, Ooedo-Onsen Monogatari Nagasaki Hotel Seifu, Ooedo-Onsen Monogatari Kounkaku, Kinugawa Kanko Hotel, Ooedo-Onsen Monogatari Kinosaki and Ooedo-Onsen Monogatari Higashiyama Grand Hotel <14 facilities in total></p>									
Schedule of sending and period of validity	<p>Coupons will be sent each year in mid-February for fiscal periods ended in November and in mid-August for fiscal periods ended in May</p> <table><tr><td>① When coupons are sent in mid-February:</td><td>Valid for 1 year from March 1st to the last day of the following February</td></tr><tr><td>② When coupons are sent in mid-August:</td><td>Valid for 1 year from September 1st to the last day of the following August</td></tr></table>		① When coupons are sent in mid-February:	Valid for 1 year from March 1st to the last day of the following February	② When coupons are sent in mid-August:	Valid for 1 year from September 1st to the last day of the following August				
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② When coupons are sent in mid-August:	Valid for 1 year from September 1st to the last day of the following August									

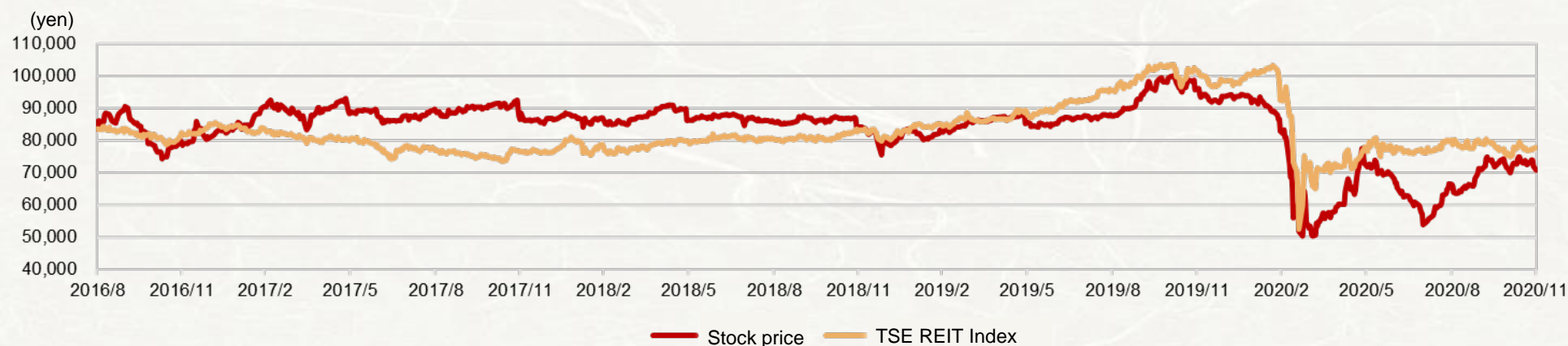
(Note) The period of validity of unitholder benefits for the 6th period (ended May 2019) has been extended from August 31, 2020, to November 30, 2020 and the period of validity of unitholder benefits for the 7th period (ended November 2019) has been extended from February 28, 2021, to March 31, 2021, due to the closure of some or all of the facilities owned by the Investment Corporation due to declaration of a state of emergency and other effects of COVID-19.

Track Record of Investment Unit Price

🌸 Change in investment unit price and trading volume



🌸 Relative comparison of investment unit price and TSE REIT index



(Note) TSE REIT Index is indexed based on the listed date (August 31, 2016) and indicates relative performance with investment unit price.

Governance Structure

Introduction of performance-linked element in asset management fee structure

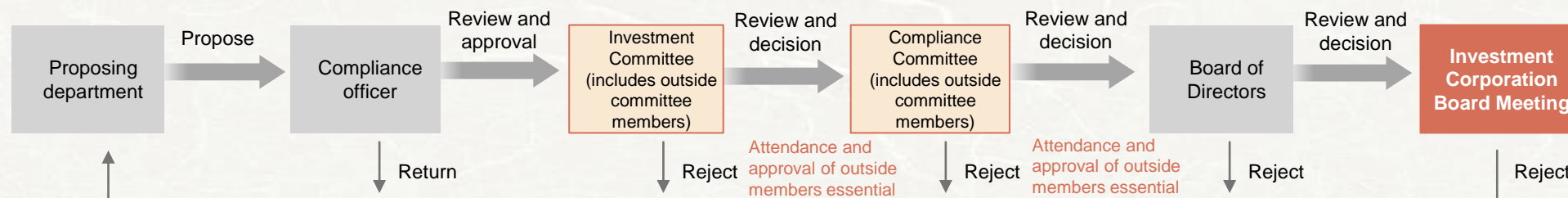
Remuneration paid by the Investment Corporation to the asset manager consists of management fee I, management fee II, acquisition fee, disposition fee, and merger fee.

Management fee I	Total assets at end of previous accounting period ^(Note1) × 1.0% per annum (ceiling)
Management fee II	Management fee II for previous accounting period × (DPU before deduction of current period management fee II/DPU before deduction of previous period management fee II) × management fee II revised ratio
Acquisition fee^(Note 2)	Acquisition price × 1.0% (ceiling) (transaction with related party: 0.5% (ceiling))
Disposition fee	Disposition price × 1.0% (ceiling) (transaction with related party: 0.5% (ceiling))
Merger fee	Appraisal value at the time when a merger takes effect × 1.0% (upper limit)

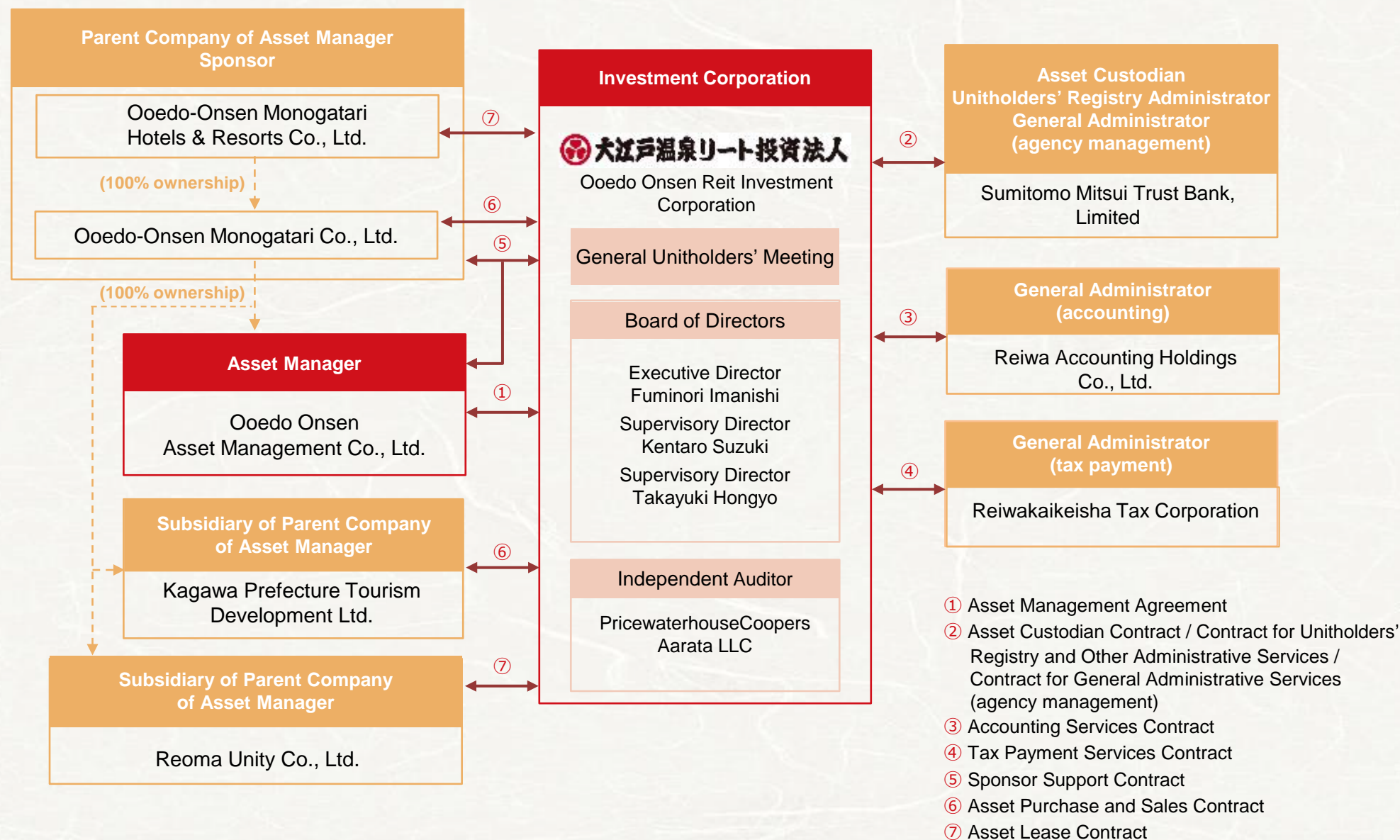
(Note 1) Subject to adjustment for asset acquisitions and asset dispositions during the relevant calculation period.

(Note 2) Where the sum calculated for an acquired asset is less than 5 million yen, the acquisition fee is set at 5 million yen.

Flow of decision making for transactions with related parties in acquisition and disposition of assets



Overview of Investment Corporation



Overview of Asset Manager

Name : Ooedo Onsen Asset Management Co., Ltd.

Address : 3-3-4, Nihonbashi-Honcho, Chuo-Ku, Tokyo

Established : April 24, 2015

Capitalization : 50 million yen

Representative : Fuminori Imanishi

Shareholder : Ooedo-Onsen Monogatari Co., Ltd. 100%

Registrations and Licenses : Real estate brokerage, Governor of Tokyo (2) No. 98032

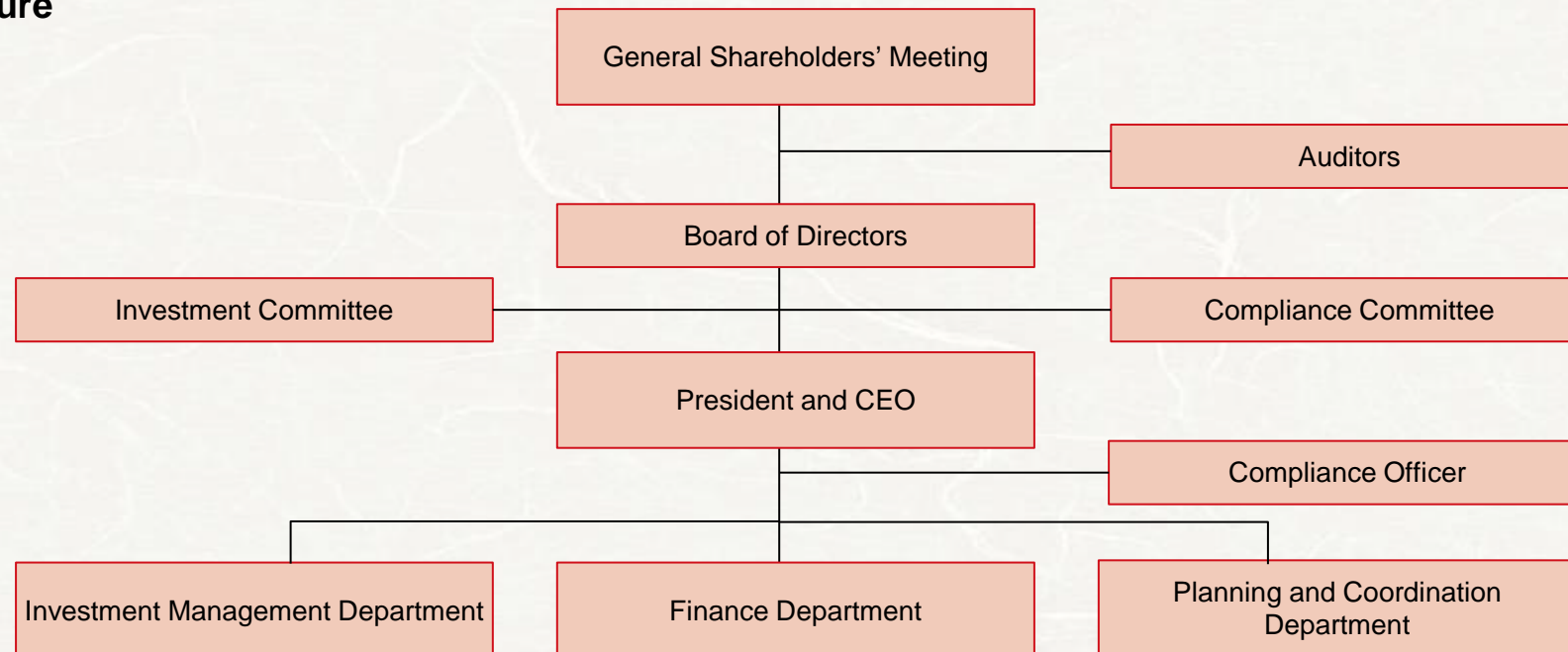
Discretionary transaction agent, Minister of Land, Transport and Tourism License No. 102

Financial instruments business, Director of Kanto Local Finance Bureau (Kinsho) No. 2906

Member of the Investment Trusts Association, Japan

Employees : 13 (as of November 30, 2020)

🦋 Structure



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