

Shirasaginoyu Noto Kaishu

Kyoritsu Maintenance Co., Ltd. Consolidated Financial Results for FY 3/21

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KYORITSU
HOTELS & DORMITORIES

May, 2021
1st Section, TSE 9616

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01 Summary of Financial Results for FY 3/21

02 Projected consolidated financial results for FY 3/22

03 Medium-term outlook

Financial highlights

➤ Losses recorded due to the impact of COVID-19

- (i) Large-scale decreases in revenues of the dormitory, hotel, food service, and other businesses due to intermittent declaration and extension of states of emergency (Q1, Q4)
- (ii) Strategic investment in measures toward a recovery in business performance in the next period
 - Costs of opening new business sites (two dormitories and seven hotels)
 - Costs of conclusion of a committed syndicated loan agreement

➤ Cost reduction and new-product planning in response to COVID-19

➤ Securing business funding for the next three periods, and dividend policy

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Consolidated business results and main financial indicators

(100 million yen)	FY 3/20 Act (4/2019-3/2020)	FY 3/21					YoY	
		Act (4/2020-3/2021)	Q1 (4-6/2020)	Q2 (7-9/2020)	Q3 (10-12/2020)	Q4 (1-3/2021)		
Net sales	1,697	1,212	236	326	350	299	-484	-28.6%
Operating income	112	-90	-45	0	7	-53	-202	-
Ordinary income	124	-91	-48	3	7	-53	-216	-
Net income*2	69	-121	-64	-14	2	-45	-190	-
EPS (yen)	177.6	-311.9	-	-	-	-	-489.6	-
Capital investment	226	124	26	20	22	54	-101	-45.0%
Depreciation expense	52	49	12	13	13	10	-2	-5.7%
ROE	8.5%	-	-	-	-	-	-	-
Net D/E Ratio	0.9x	1.5x	-	-	-	-	+0.6x	-
Dividends per share (yen)	45	20	-	-	-	-	-25	-55.6%
Payout ratio	25.3%	-	-	-	-	-	-	-
Cash flow*1	121	-72	-51	-1	15	-34	-193	-

*1 Cash flow: Net income + depreciation

*2 With an eye toward future growth, progress was made on review of businesses to further strengthen the business foundations, including closure of one site in South Korea and of the Global Cabins and other facilities. These resulted in losses of 2.5 billion yen, which combined with losses of 2.8 billion yen such as those from temporary closures to stop the spread of COVID-19 and others totaled 5.9 billion yen in extraordinary losses. Net loss totaled 12.1 billion yen due to income tax of -2.7 billion yen resulting from tax-effect accounting and ordinary loss of 9.1 billion yen.

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Main factors behind differences between consolidated financial results and projected consolidated financial results

→ Disclosure of projected consolidated financial results

Ordinary income (100 million yen)		Q1 (4-6/2020)	Q2 (7-9/2020)	Q3 (10-12/2020)	Q4 (1-3/2021)	Full year (4/2020-3/2021)	
Total	Forecast	-48	3	12	2	-30	
	Act	-48	3	7	-53	-91	
	YoY	-	-	-5	-55	-61	
Business operations	Forecast	-48	3	12	2	-30	Temporary suspension of the Go To Travel Campaign in Q3. The declaration of another state of emergency in Q4, and its subsequent extension, led to decreased revenues chiefly in the hotel business.
	Act	-48	3	7	-26	-63	
	YoY	-	-	-5	-28	-33	
Dormitory/hotel facility opening costs	Forecast	-	-	-	-	-	A total of nine new facilities (two dormitories and seven hotels) opened in preparation for a V-shaped recovery in business performance in the next period
	Act	-	-	-	-17	-17	
	YoY	-	-	-	-17	-17	
Costs of conclusion of a committed syndicated loan agreement	Forecast	-	-	-	-	-	Raising long-term working capital for the next three periods, including the current period, to secure financial stability.
	Act	-	-	-	-9	-9	
	YoY	-	-	-	-9	-9	

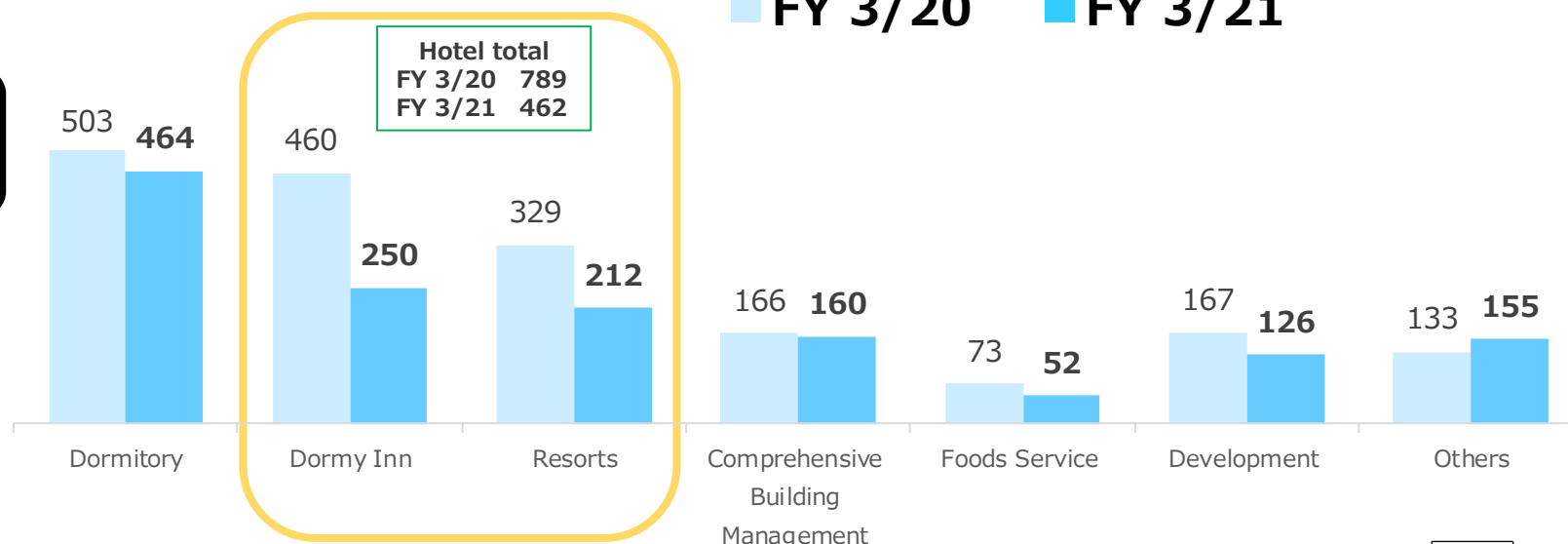
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Net sales and operating income broken down by segment

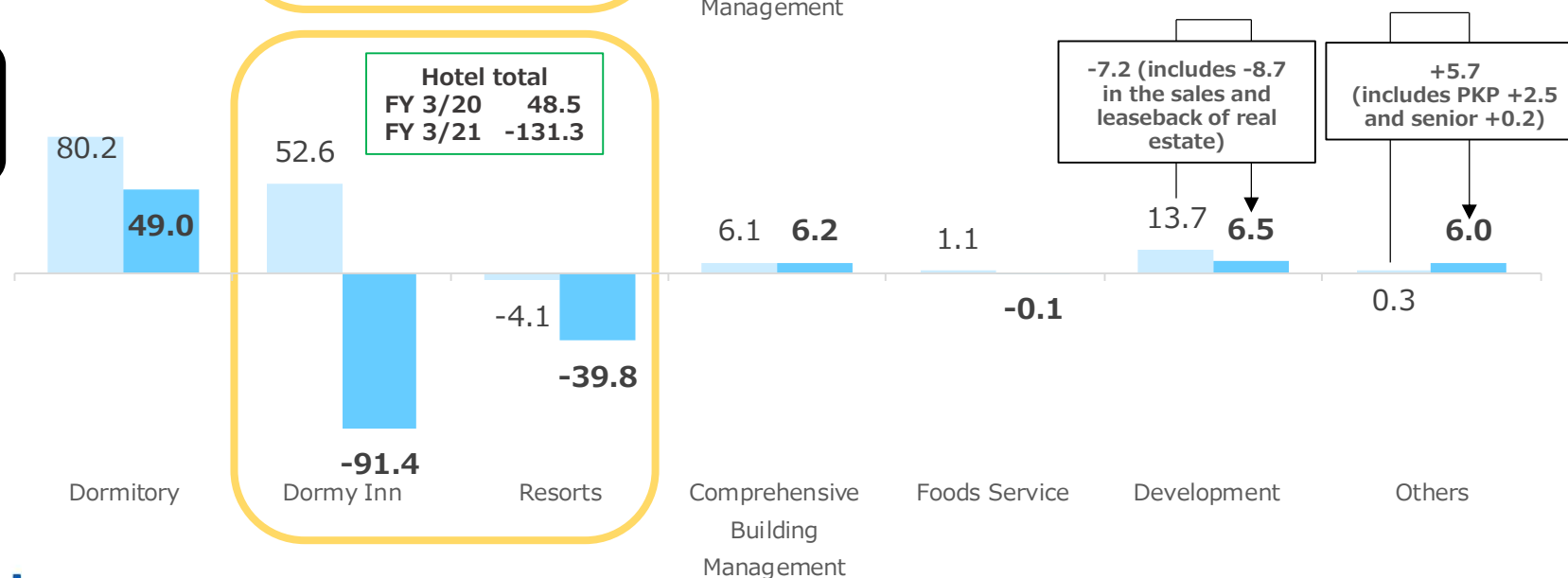
(100 million yen)

FY 3/20 FY 3/21

Net Sales



Operating income



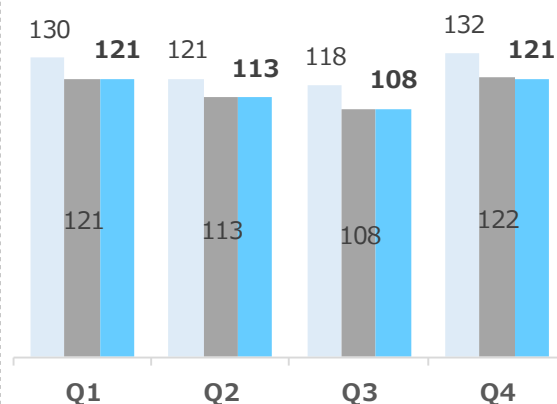
Net sales and operating income by main business segments

(100 million yen)

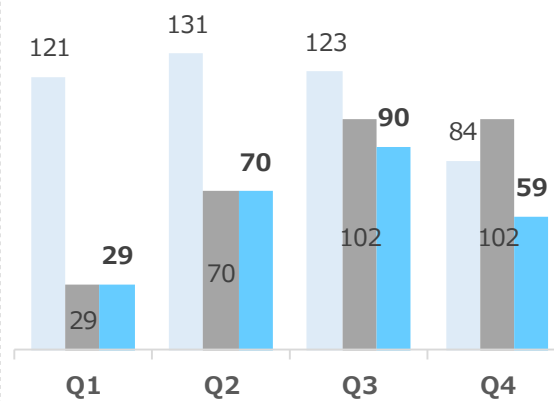
■ FY 3/20 Act ■ FY 3/21 Forecast ■ FY 3/21 Act

Net
Sales

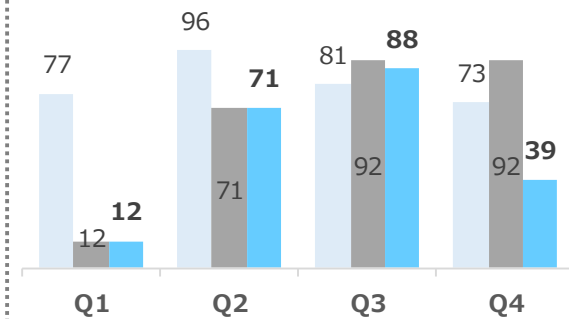
Dormitory business



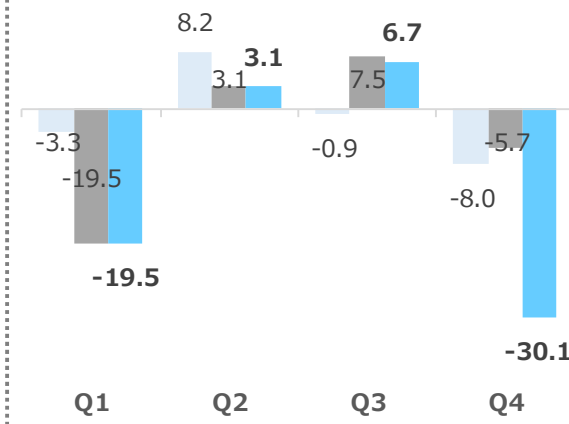
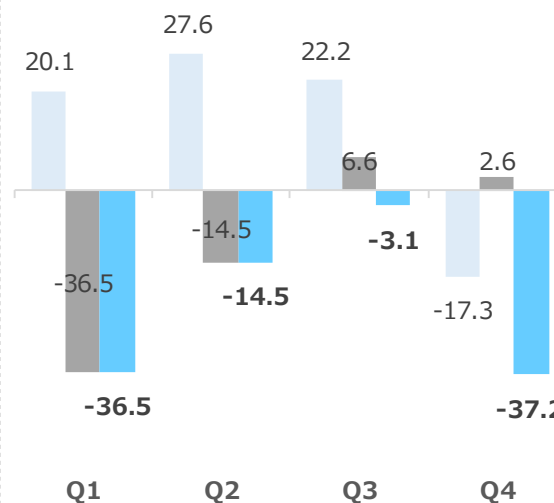
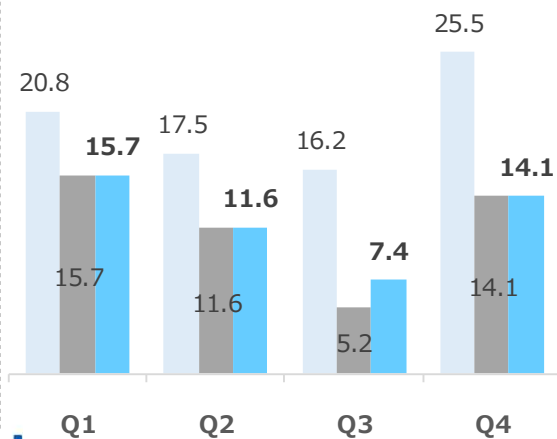
Dormy Inn business



Resorts business



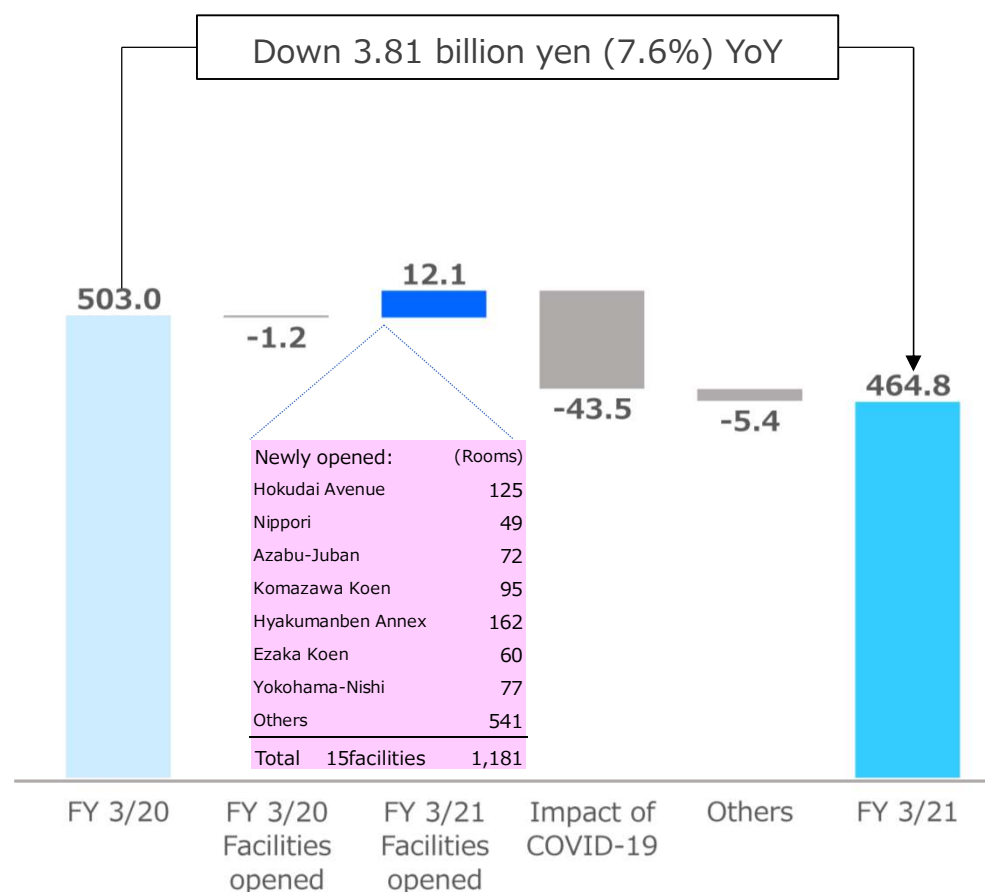
Operating
income



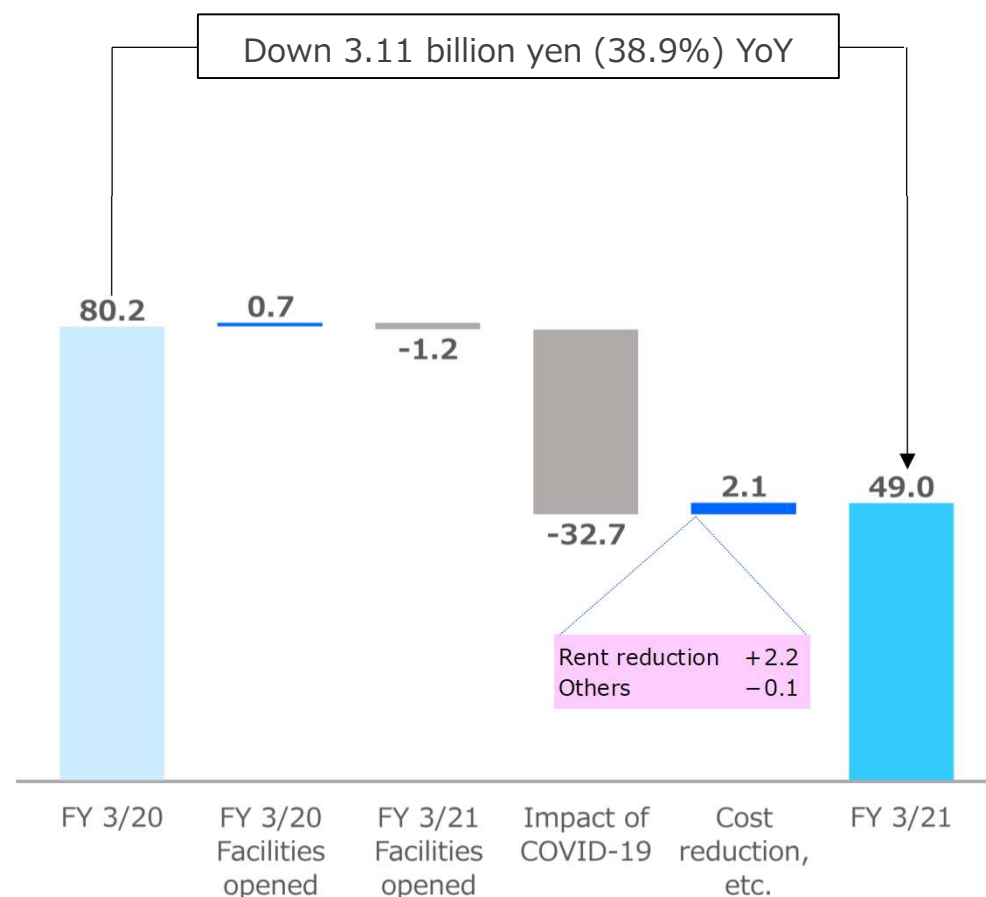
Dormitory Business: Net sales and Operating income

(100 million yen)

Net Sales



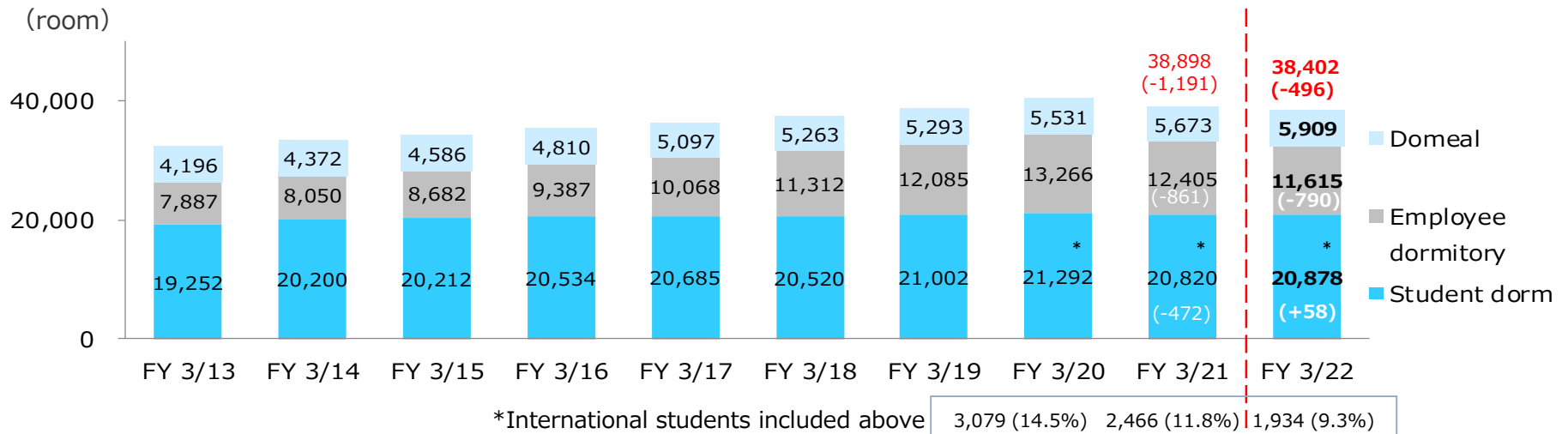
Operating income



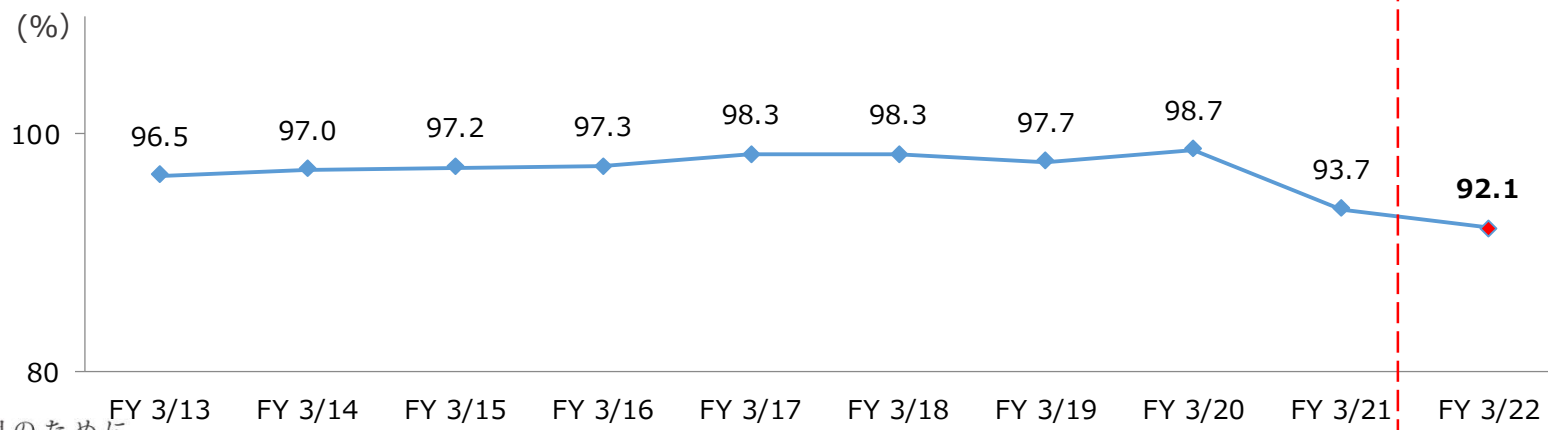
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Dormitory Business: Trends in initial number of leased units/occupancy rate

Trend in initial number of leased units (by category)



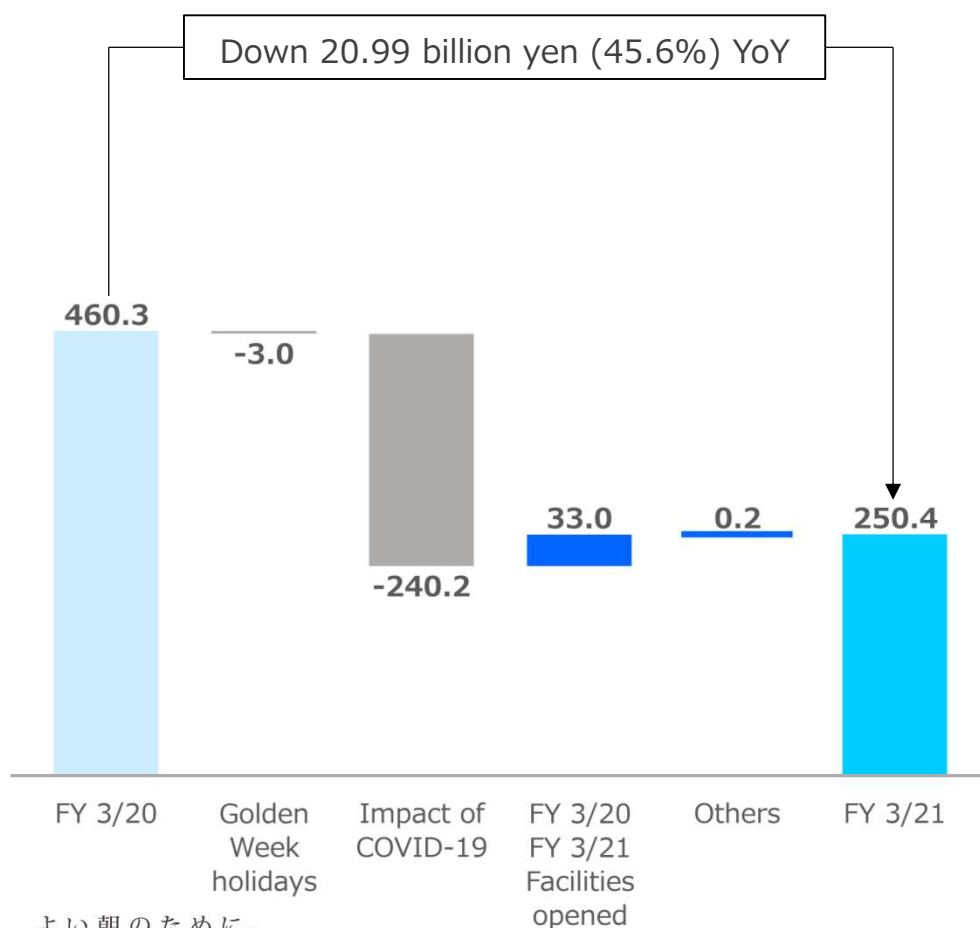
Trend in initial occupancy rate



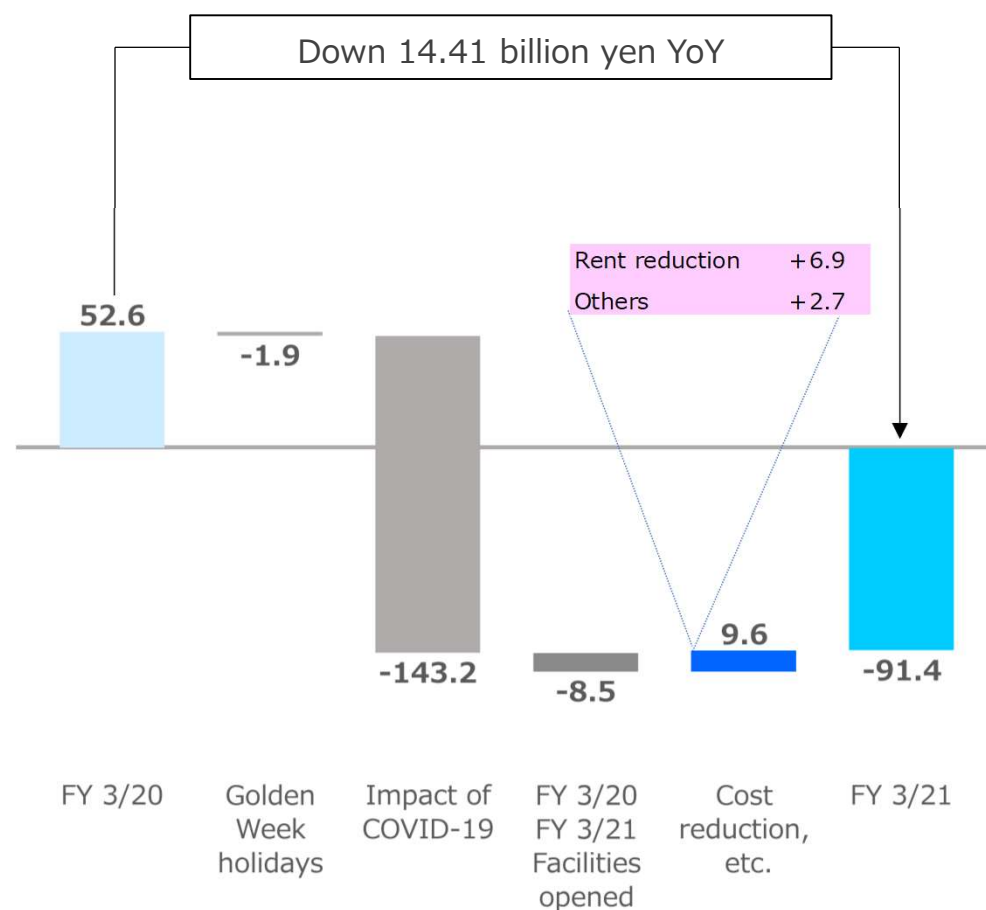
Dormy Inn Business: Net sales and operating income

(100 million yen)

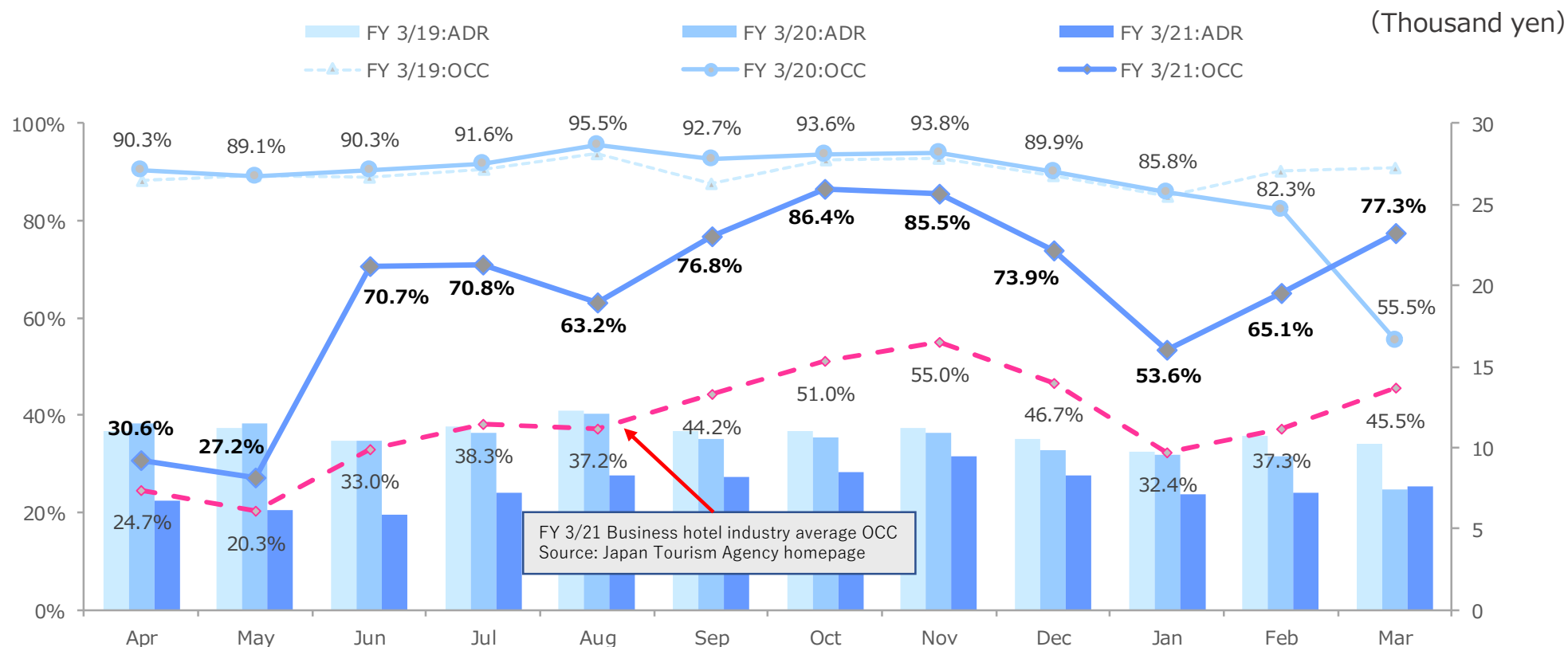
Net Sales



Operating income



Dormy Inn Business: Monthly trends in Occupancy Ratio and Average Daily Rate



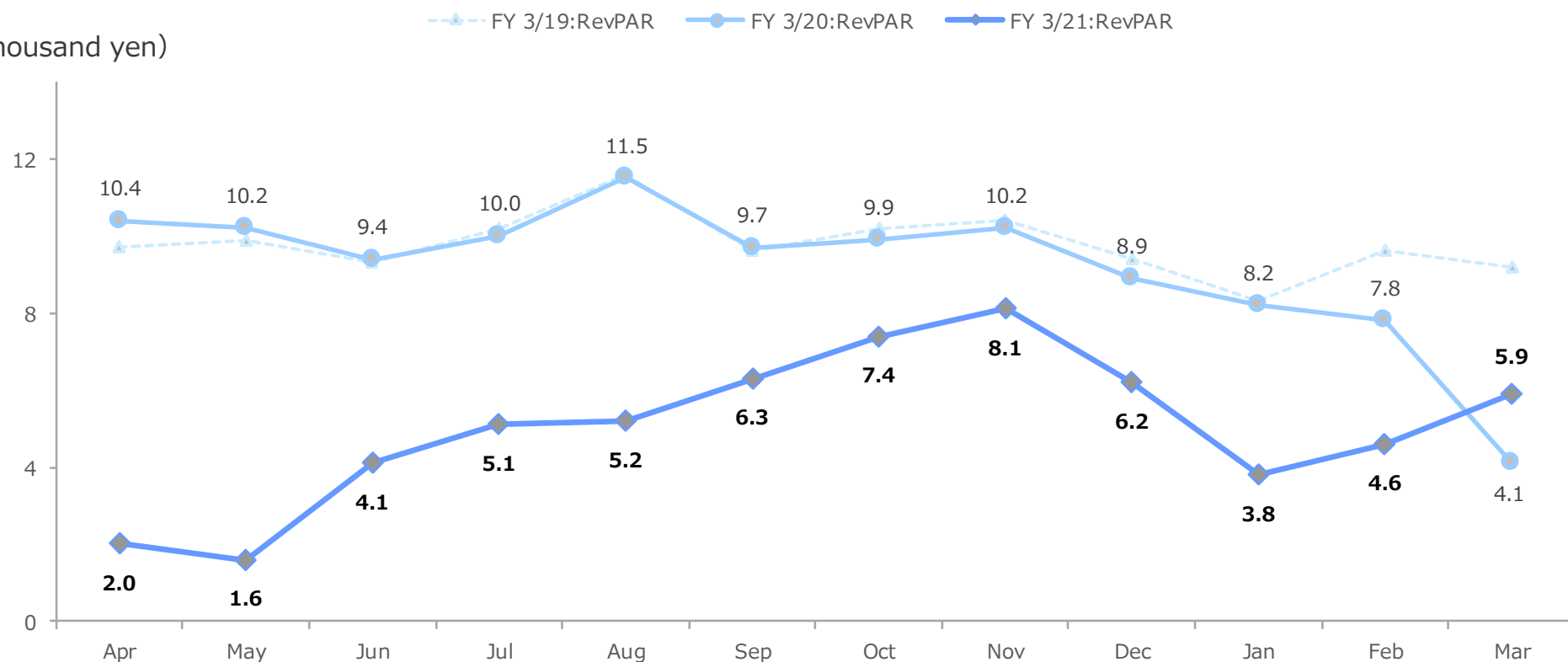
First state of emergency	Relaxing requests for self-restraint	"Go TO Travel campaign" (except TOKYO)	"Go To Travel campaign" (including TOKYO)	Go To Travel is temporarily suspended	Second state of emergency
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OCC						ADR					
	Q1	Q2	Q3	Q4	Annual cumulative total	(thousand yen)	Q1	Q2	Q3	Q4	Annual cumulative total
FY 3/19 (Act)	88.7%	90.7%	91.5%	88.6%	89.9%	FY 3/19 (Act)	10.9	11.6	10.9	10.2	10.9
FY 3/20 (Act)	89.9%	93.3%	92.4%	74.3%	87.5%	FY 3/20 (Act)	11.1	11.2	10.5	9.0	10.5
FY 3/21 (Act)	42.7%	70.2%	81.9%	65.3%	65.6%	FY 3/21 (Act)	6.1	7.9	8.8	7.3	7.8
YoY	-47.2pp	-23.1pp	-10.5pp	-9.1pp	-22.0pp	YoY	-4.9	-3.3	-1.6	-1.6	-2.7

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Dormy Inn Business: RevPAR by month

(Thousand yen)



First state of emergency	Relaxing requests for self-restraint	"Go TO Travel campaign" (except TOKYO)	"Go To Travel campaign" (including TOKYO)	Go To Travel is temporarily suspended	Second state of emergency
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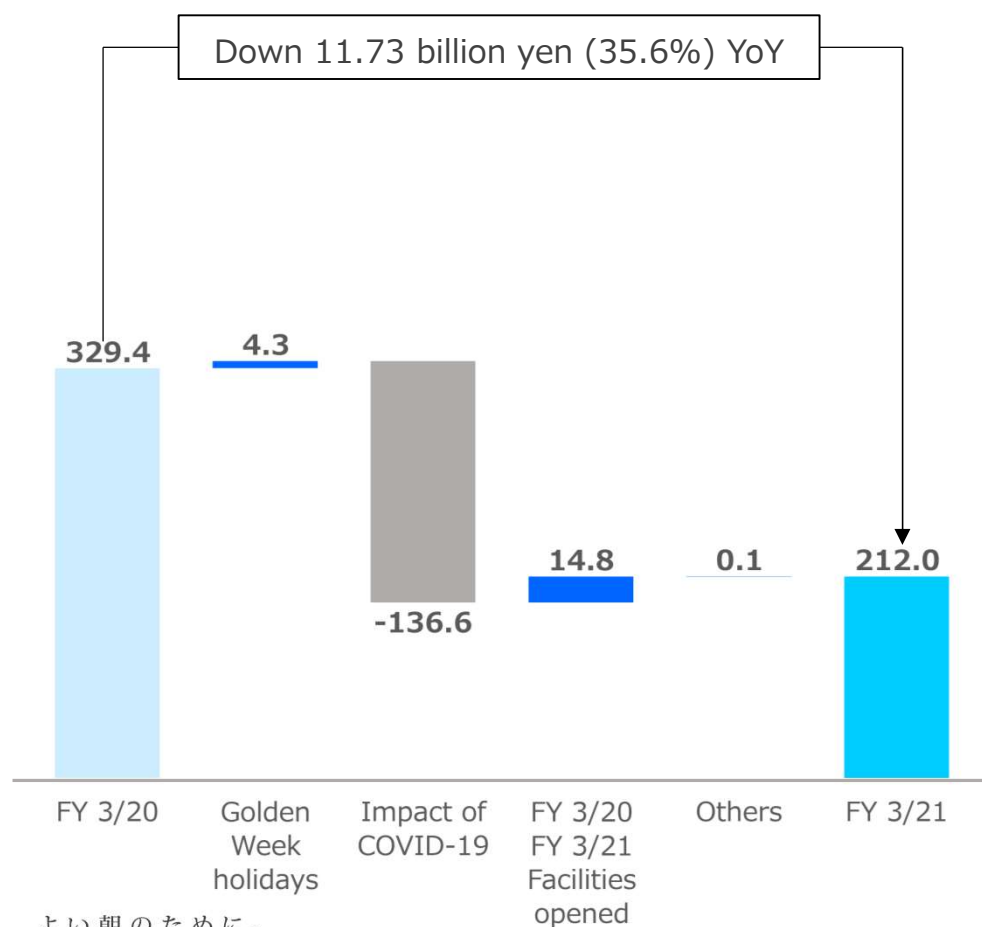
RevPAR

(thousand yen)	Q1	Q2	Q3	Q4	Annual cumulative total
FY 3/19 (Act)	9.6	10.5	10.0	9.0	9.8
FY 3/20 (Act)	10.0	10.4	9.7	6.7	9.2
FY 3/21 (Act)	2.6	5.5	7.2	4.8	5.1
YoY	-7.4	-4.9	-2.4	-1.8	-4.1

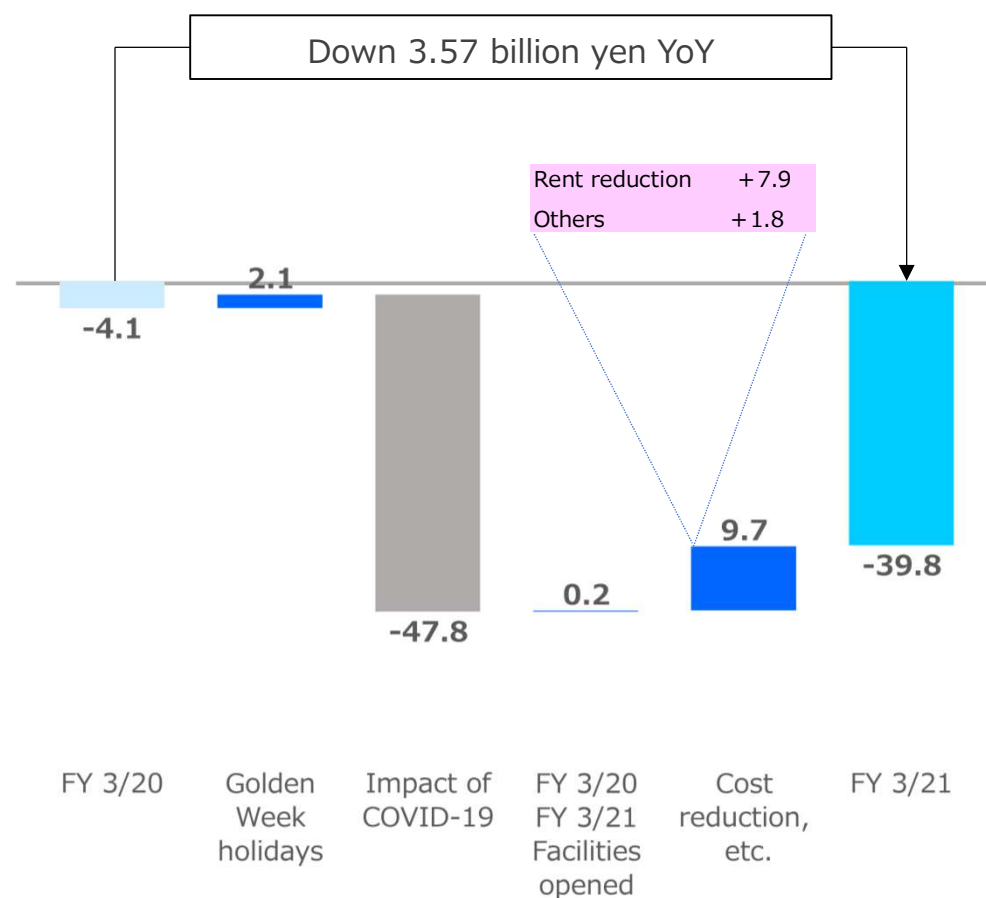
Resorts Business: Net sales and operating income

(100 million yen)

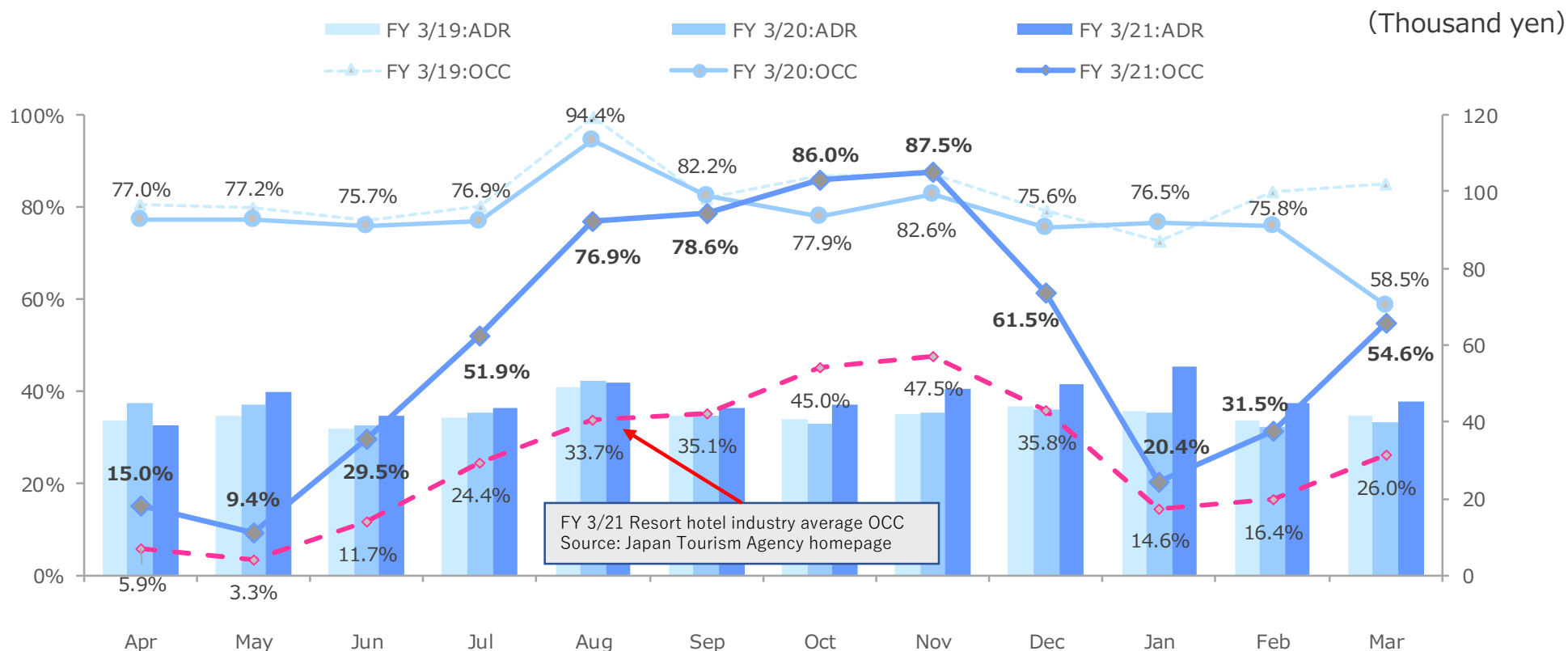
Net Sales



Operating income



Resorts Business: Monthly trends in Occupancy Ratio and Average Daily Rate



First state of emergency	Relaxing requests for self-restraint	"Go TO Travel campaign" (except TOKYO)	"Go To Travel campaign" (including TOKYO)	Go To Travel is temporarily suspended	Second state of emergency
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OCC

	Q1	Q2	Q3	Q4	Annual cumulative total
FY 3/19 (Act)	79.1%	87.3%	84.3%	80.2%	82.7%
FY 3/20 (Act)	76.7%	84.6%	78.7%	70.1%	77.5%
FY 3/21 (Act)	17.0%	69.4%	77.9%	35.5%	52.3%
YoY	-59.7pp	-15.2pp	-0.8pp	-34.7pp	-25.2pp

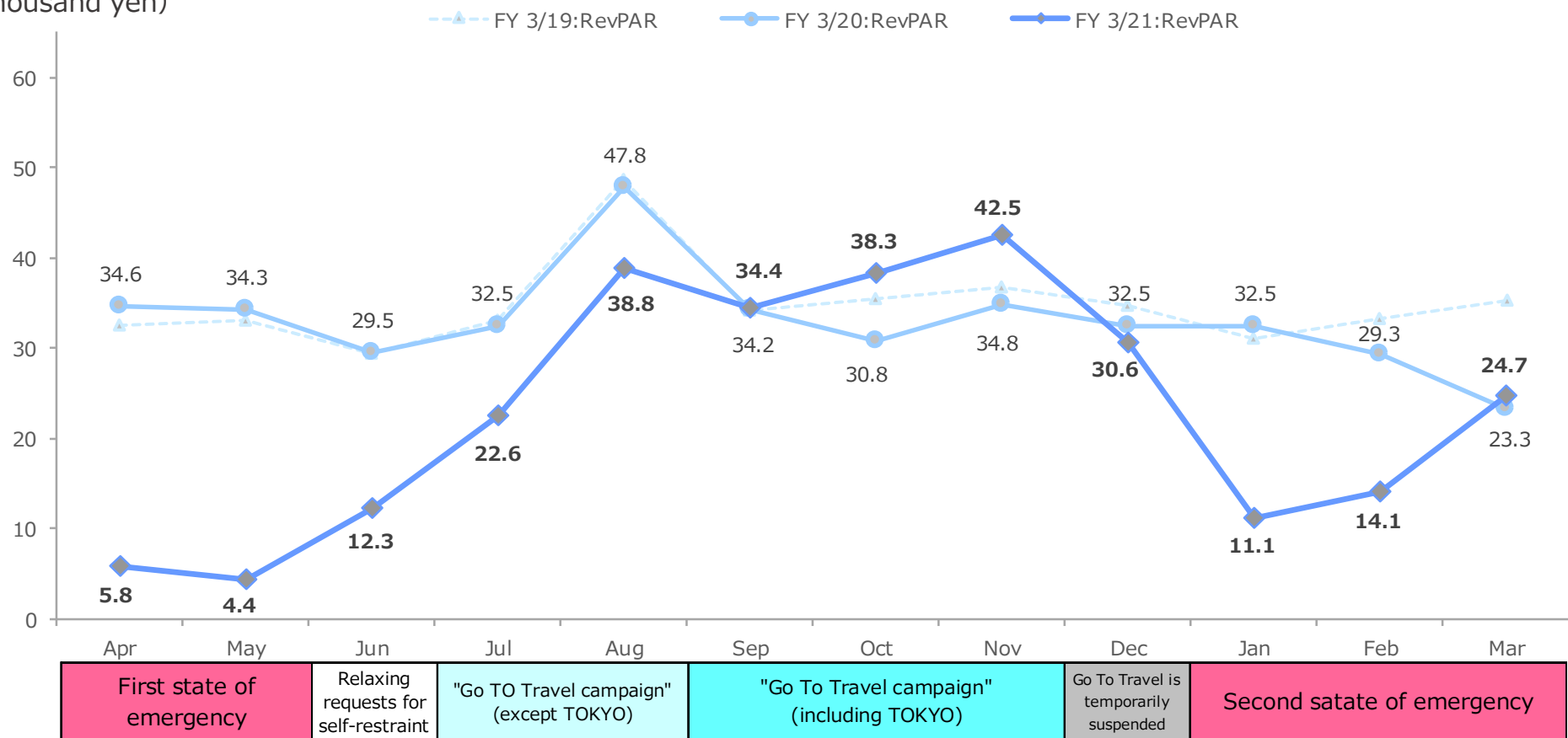
ADR

(thousand yen)	Q1	Q2	Q3	Q4	Annual cumulative total
FY 3/19 (Act)	40.0	44.3	42.3	41.4	42.1
FY 3/20 (Act)	43.0	45.2	41.5	40.4	42.6
FY 3/21 (Act)	41.8	46.3	47.5	47.0	46.6
YoY	-1.1	+1.0	+5.9	+6.5	+3.9

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Resorts Business: RevPAR by month

(Thousand yen)



RevPAR

(thousand yen)	Q1	Q2	Q3	Q4	Annual cumulative total
FY 3/19 (Act)	31.6	38.7	35.6	33.2	34.8
FY 3/20 (Act)	32.9	38.2	32.7	28.3	33.1
FY 3/21 (Act)	7.1	32.1	37.0	16.6	24.4
YoY	-25.8	-6.1	+4.2	-11.6	-8.6

Period ended March 2021: COVID-19 countermeasures and new-product planning

COVID-19 countermeasures

- All Group sites implement thorough measures to stop the spread of COVID-19 (taking temperatures, disinfection, photocatalytic coating, reducing opportunities for contact with customers, etc.)
- Some hotels and restaurants closed temporarily or operated under shortened working hours (keeping down variable costs)
- Reduced rent with cooperation of dormitory, hotel, and senior residence business office owners and utilized assistance programs (such as employment adjustment subsidies)

New-product planning

- Acceptance of applications for the COVID-19 school support program (interest-free loans for dormitory costs) began in June 2020
- Chokko Ofukubin from home to the resort (New lodging plans that include round-trip taxi transportation, jointly developed with a taxi company) began in June 2020
- Sales of New Local Stay plans (plans restricted to local accommodations) began in May 2020
- Sales of Social Distancing Safety plans began in January 2021
- Work Place Dormy ("overnight office" accommodations, residential hotels) plan: sales began in April 2021
- Shiki Club Kyoritsu General Corporate Membership Program plan: sales began in April 2021



Balance sheet

End of March 2020

Assets 217.0 billion yen	Liabilities 133.1 billion yen
Cash and deposits 18.3 billion yen	Interest-bearing liabilities 93.0 billion yen
Non-current assets 165.9 billion yen	*Includes CB of 19.9 billion yen
	Net assets 83.9 billion yen
	Treasury shares -0.3 billion yen

Interest-bearing liabilities = Short-term loans payable + Current portion of bonds + Bonds + Long-term loans payable + Convertible bonds (CB)

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End of March 2021

Assets 239.0 billion yen (+21.9 billion yen)	Liabilities 168.2 billion yen (+35.1 billion yen)
Cash and deposits 24.5 billion yen (+6.2 billion yen)	Interest-bearing debt 129.6 billion yen (+36.6 billion yen)
Non-current assets 176.4 billion yen (+10.5 billion yen)	*Includes CB of 30.1 billion yen
	Net assets 70.7 billion yen (-13.1 billion yen)
	Treasury stock -0.3 billion yen

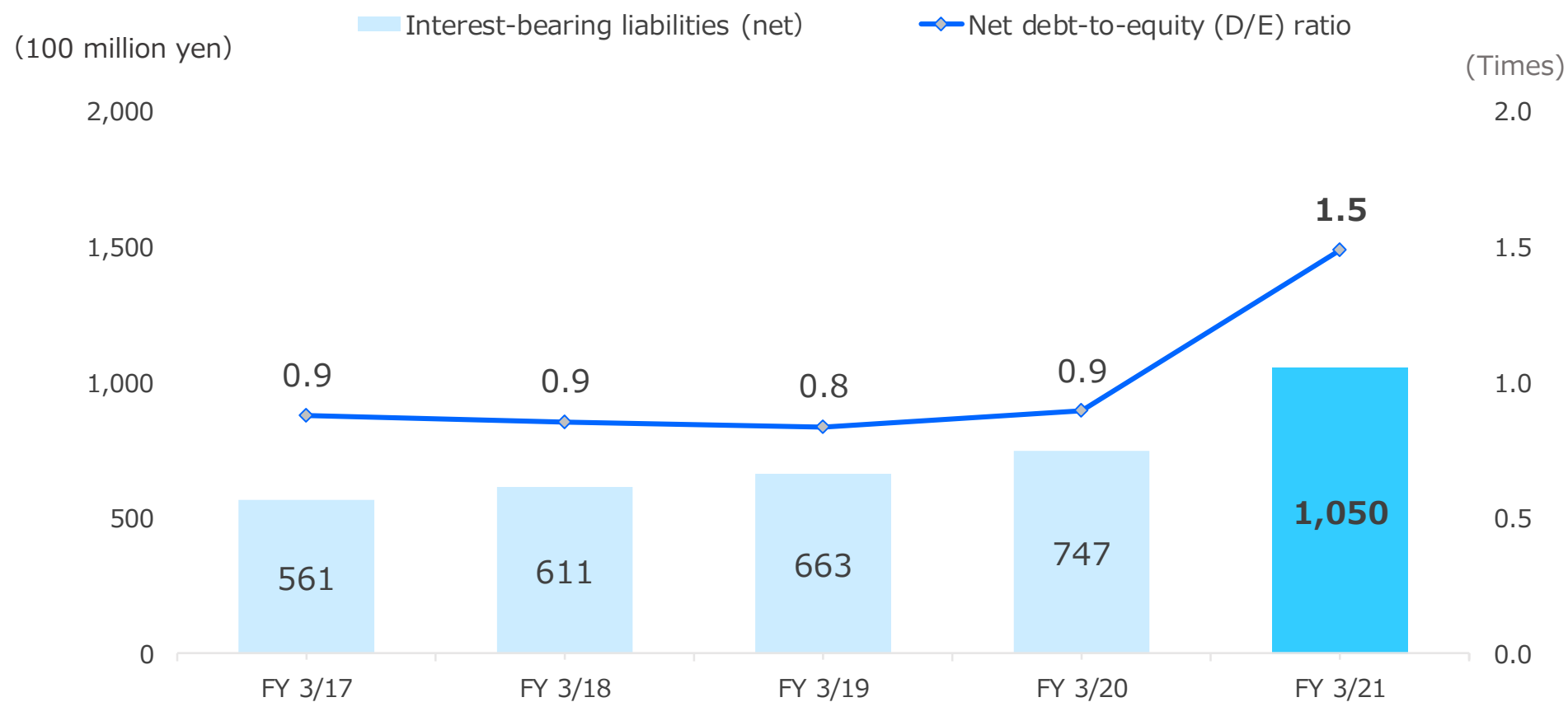
(Figures in parentheses represent YoY changes)

Factors behind increases/decreases in interest-bearing liabilities (billion yen)

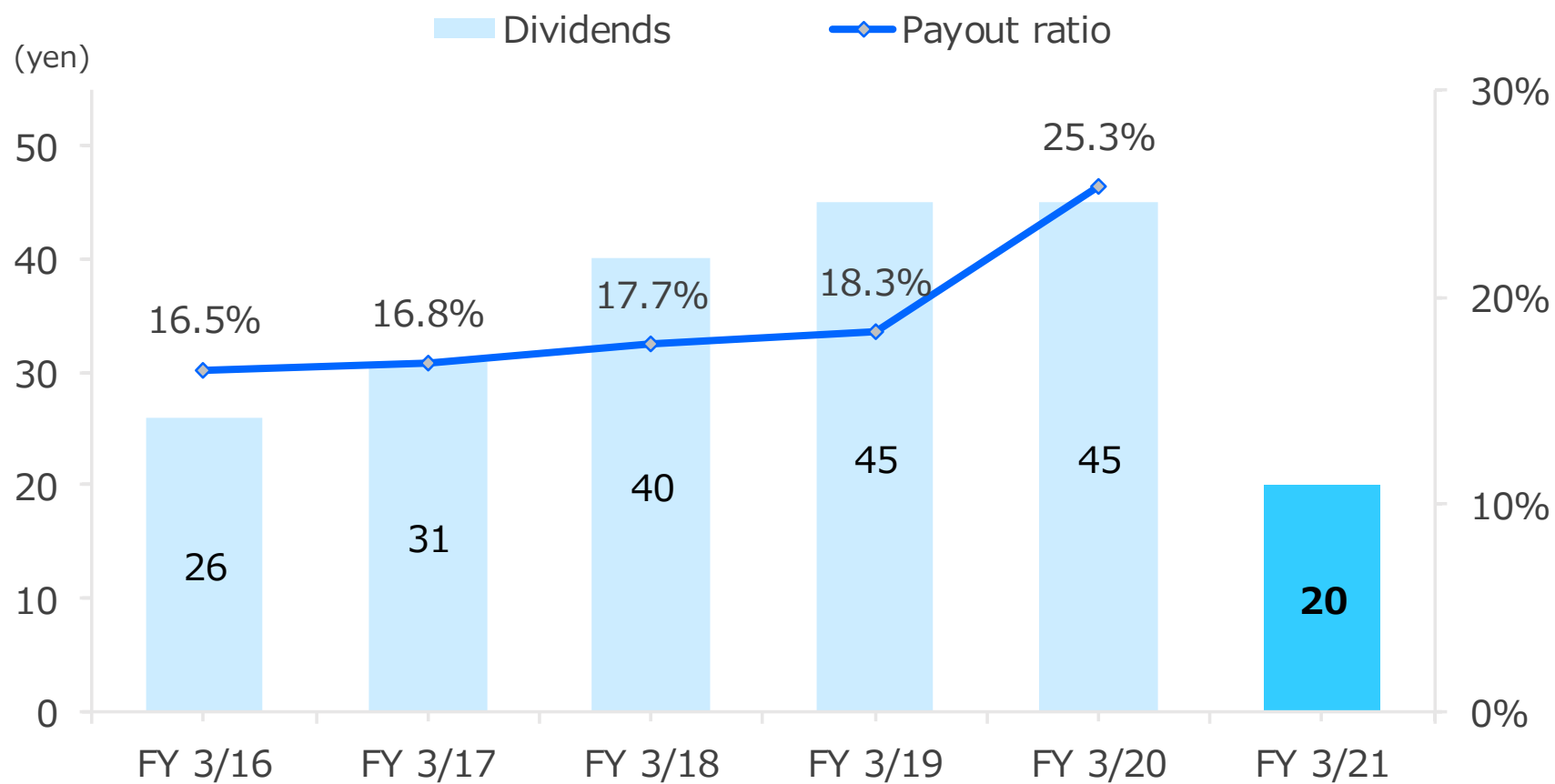
Increase	June 2020: Long-term loans payable to the Development Bank of Japan	+10
	January 2021: Issue of euro-yen CBs	+30
	March 2021: Partial exercise of line of credit under committed syndicated-loan agreement	+24
	Subtotal *	+64
Decrease	Fourth CB redemption	-19
	Repayment of short-/long-term loans payable etc.	-8
	Subtotal	-28
Differences		+36

* Fund-raising line of 102 billion yen secured in addition to 37.2 billion yen unexercised portion of syndicated-loan agreement.

Interest-bearing debt and Net D/E ratio



Dividends/payout ratio



(Note) 1:2 stock split was conducted on April 1, 2017.



01 Summary of Financial Results for FY 3/21

02 Projected consolidated financial results for FY 3/22

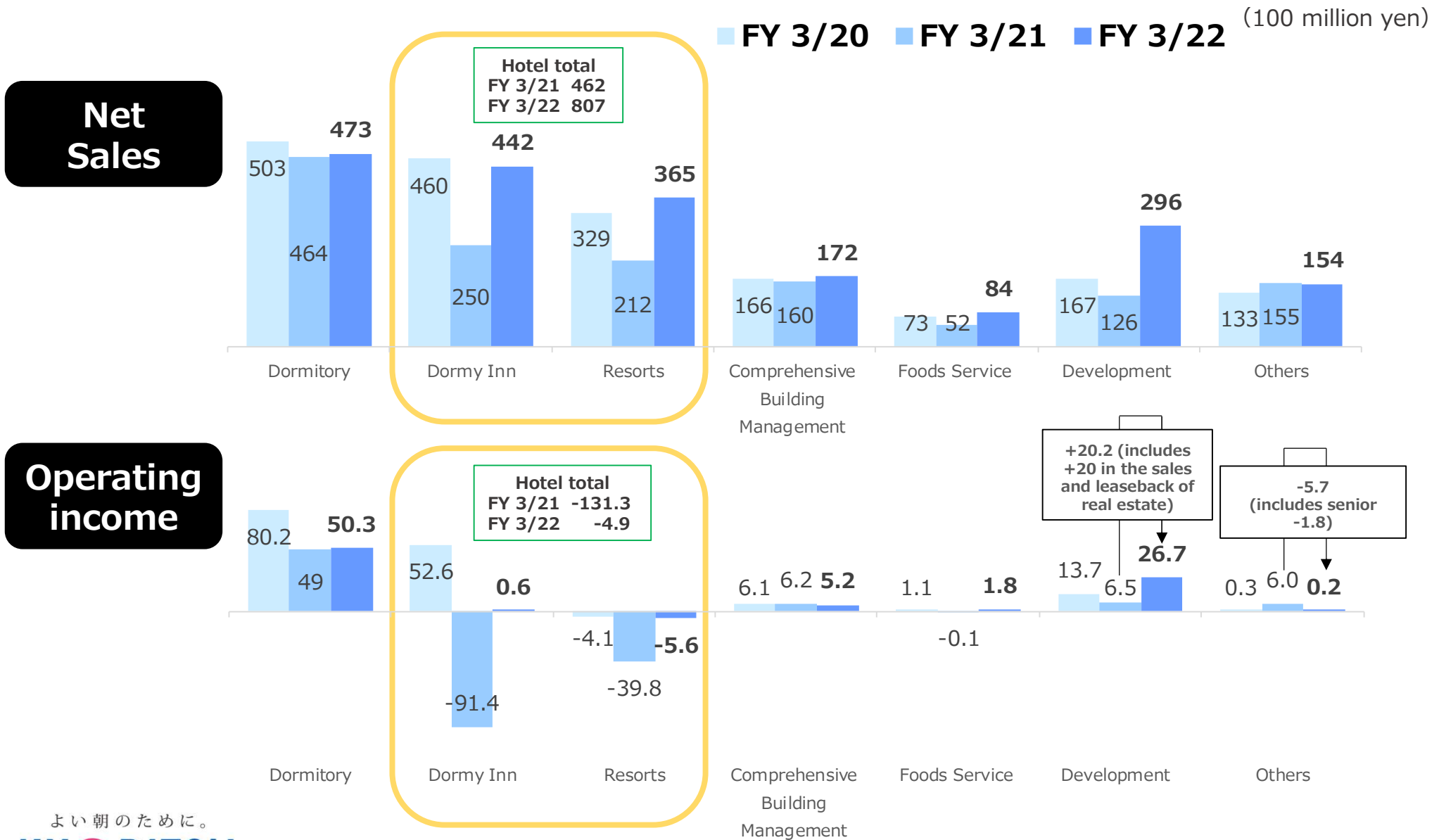
03 Medium-term outlook

Projected consolidated business results and main financial indicators

(100 million yen)	FY 3/21 Act (4/2020-3/2021)	FY 3/22 Forecast (4/2021-3/2022)	YoY	
Net sales	1,212	1,745	+532	+43.9%
Operating income	-90	40	+130	-
Ordinary income	-91	34	+125	-
Net income	-121	16	+137	-
EPS (yen)	-311.9	41.0	+353.0	-
Capital investment	124	200	+75	+60.8%
Depreciation expense	49	57	+7	+15.9%
Dividends per share (yen)	20	20	-	-
Payout ratio	-	48.7%	-	-
Cash flow*	-72	73	+145	-

* Cash flow: Net income + depreciation

Projected consolidated financial results: Net sales and operating income broken down by segment



Projected consolidated financial results: comparison of revenue and expenditure structures in main segments

	Dormitory Business			Dormy Inn Business(Japan)			Resorts Business		
	FY 3/20	FY 3/22	Differences	FY 3/20	FY 3/22	Differences	FY 3/20	FY 3/22	Differences
Net sales (%)	100	100	-	100	100	-	100	100	-
Guest capacity (rooms) at end of period	40,633	41,753	+1,120	14,783	15,938	+1,155	2,884	3,293	+409
OCC * (%)	98.7	92.1	-6.6	88.1	83.6	-4.5	76.3	73.0	-3.3
ADR * (yen)	Figures above indicate initial occupancy rates in the dormitory business.			10,652	9,406	-1,246	42,800	45,596	+2,796
RevPAR * (yen)				9,386	7,865	-1,521	32,644	33,269	+625
Cost of sales (%)	76.1	80.5	+4.4	72.8	85.8	+12.9	83.7	86.2	+2.5
Personnel costs/external service costs (%)	17.4	17.6	+0.2	26.0	28.5	+2.6	31.7	32.5	+0.7
Personnel costs and external service costs per room, per night (JPY)	657	635	△22	2,728	2,730	+3	13,629	14,809	+1,180
Rent and repayment costs (%)	41.3	45.6	+4.3	27.5	34.7	+7.2	16.9	18.6	+1.7
Rent and repayment costs per room, per night (JPY)	1,562	1,649	+86	2,895	3,322	+427	7,257	8,488	+1,231
Others (%)	17.4	17.3	-0.0	19.4	22.5	+3.1	35.0	35.1	+0.1
Selling, general, and administrative expenses (%)	8.5	8.9	+0.4	14.7	13.6	-1.2	17.6	15.2	-2.4
Sales-promotion expenses and fees paid (%)	2.0	2.4	+0.4	10.3	9.5	-0.8	11.0	9.8	-1.2
Others (%)	6.5	6.4	-0.0	4.4	4.1	-0.3	6.6	5.4	-1.2
Operating income(%)	15.4	10.6	-4.8	12.4	0.7	-11.7	-1.3	-1.4	-0.1
Leasing rate (%)	87.6	87.8	+0.3	99.0	99.1	+0.1	61.6	56.5	-5.1

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Projected consolidated financial results: quarterly operating income in main segments

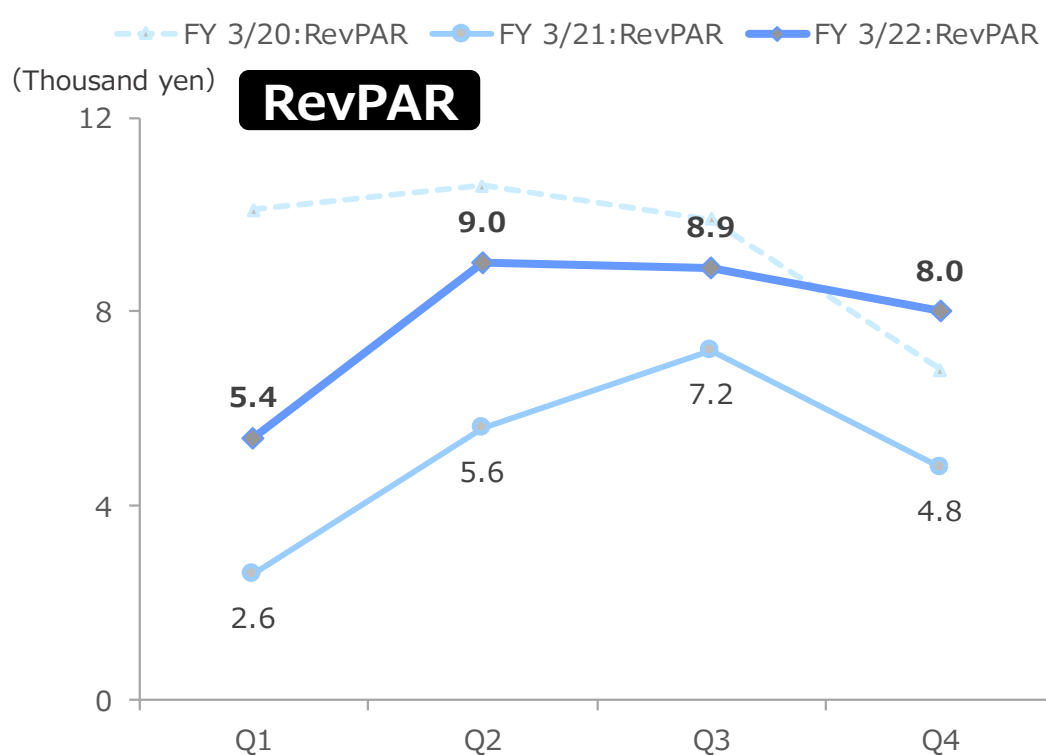
Operating income (100 million yen)		Q1	Q2	Q3	Q4	Full year
Dormitory business	FY 3/21 Act	15	11	7	14	49
	FY 3/22 Forecast	14	8	7	20	50
	YoY	-1	-3	-	+6	+1
Hotel business	FY 3/21 Act	-56	-11	3	-67	-131
	FY 3/22 Forecast	-42	27	18	-8	-4
	YoY	+13	+39	+15	+58	+126
sales and leaseback of real estate business	FY 3/21 Act	-	-	-	-	-
	FY 3/22 Forecast	-	-	-	20	20
	YoY	-	-	-	+20	+20
Others	FY 3/21 Act	-4	-	-3	-	-8
	FY 3/22 Forecast	-7	-7	-4	-5	-25
	YoY	-2	-7	-1	-5	-17
Total	FY 3/21 Act	-45	-	7	-53	-90
	FY 3/22 Forecast	-36	28	21	26	40
	YoY	+8	+28	+14	+79	+130

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Projected consolidated financial results: Hotel business subsegments

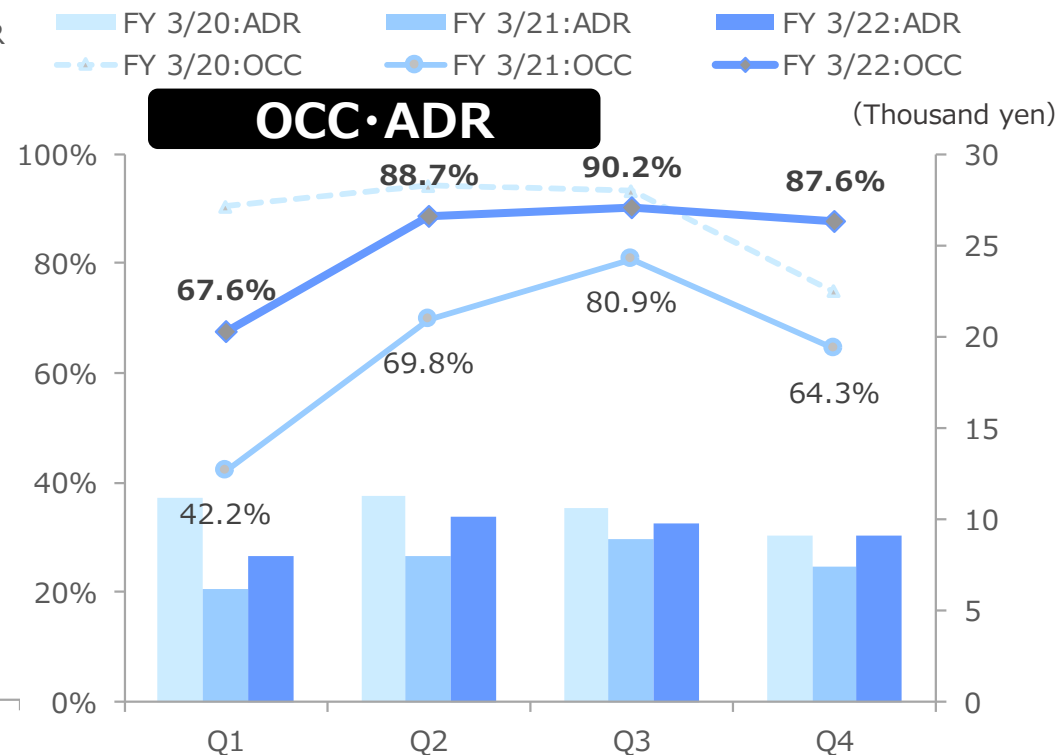
Operating income (100 million yen)		Q1	Q2	Q3	Q4	Full year
Dormy Inn Existing facilities	FY 3/21 Act	-36	-14	-3	-28	-82
	FY 3/22 Forecast	-18	15	12	-	9
	YoY	+17	+30	+15	+29	+92
Dormy Inn FY 3/21 FY 3/22 Facilities opened total	FY 3/21 Act	-	-	-	-8	-8
	FY 3/22 Forecast	-4	-2	-	-2	-9
	YoY	-4	-2	-	+6	-
Dormy Inn business	FY 3/21 Act	-36	-14	-3	-37	-91
	FY 3/22 Forecast	-23	13	12	-2	-
	YoY	+13	+28	+15	+35	+92
Resorts Existing facilities	FY 3/21 Act	-19	3	6	-22	-31
	FY 3/22 Forecast	-16	16	7	-2	4
	YoY	+2	+13	-	+19	+36
Resorts FY 3/21 FY 3/22 Facilities opened total	FY 3/21 Act	-	-	-	-7	-7
	FY 3/22 Forecast	-2	-2	-1	-3	-10
	YoY	-2	-2	-1	+4	-2
Resorts business	FY 3/21 Act	-19	3	6	-30	-39
	FY 3/22 Forecast	-19	13	6	-6	-5
	YoY	-	+10	-	+23	+34
Hotel business	FY 3/21 Act	-56	-11	3	-67	-131
	FY 3/22 Forecast	-42	27	18	-8	-4
	YoY	+13	+39	+15	+58	+126

Projected consolidated financial results: Quarterly trends in Dormy Inn business and KPIs



RevPAR

(thousand yen)	Q1	Q2	Q3	Q4	Annual cumulative total
FY 3/20 (Act)	10.1	10.6	9.9	6.8	9.3
FY 3/21 (Act)	2.6	5.6	7.2	4.8	5.1
FY3/22 (Forecast)	5.4	9.0	8.9	8.0	7.8
YoY	+2.8	+3.3	+1.6	+3.2	+2.7



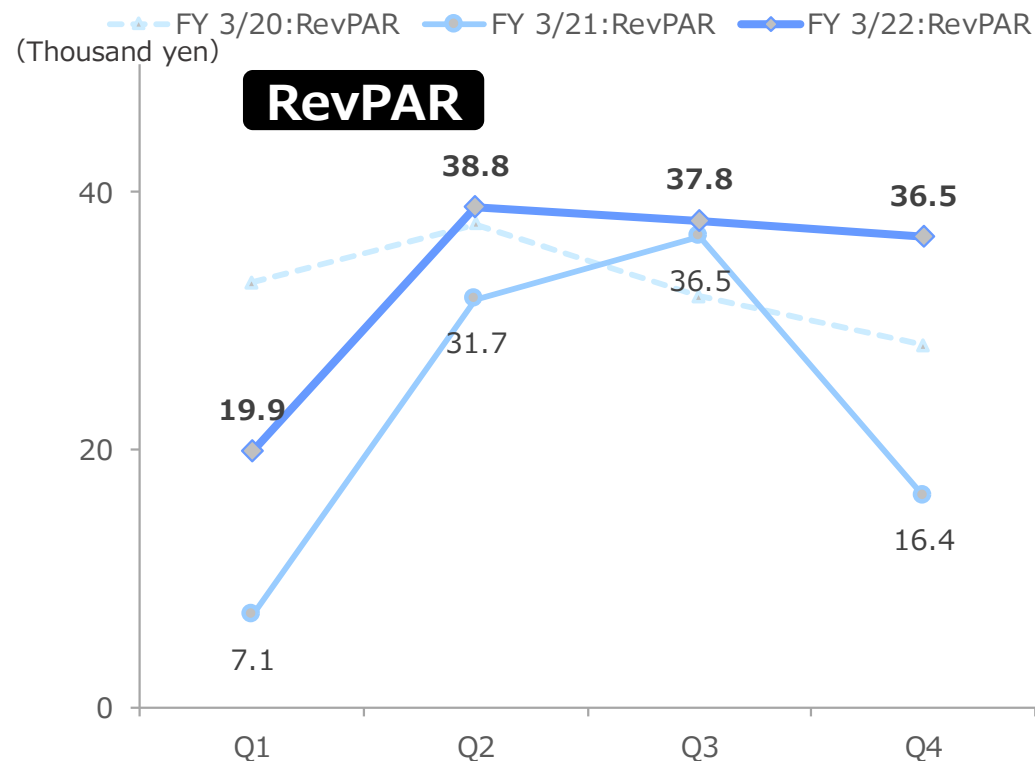
OCC

(%)	Q1	Q2	Q3	Q4	Annual cumulative total
FY 3/20 (Act)	90.4%	94.2%	93.3%	75.0%	88.1%
FY 3/21 (Act)	42.2%	69.8%	80.9%	64.3%	64.8%
FY3/22 (Forecast)	67.6%	88.7%	90.2%	87.6%	83.6%
YoY	+25.5pp	+19.0pp	+9.3pp	+23.3pp	+18.8pp

ADR

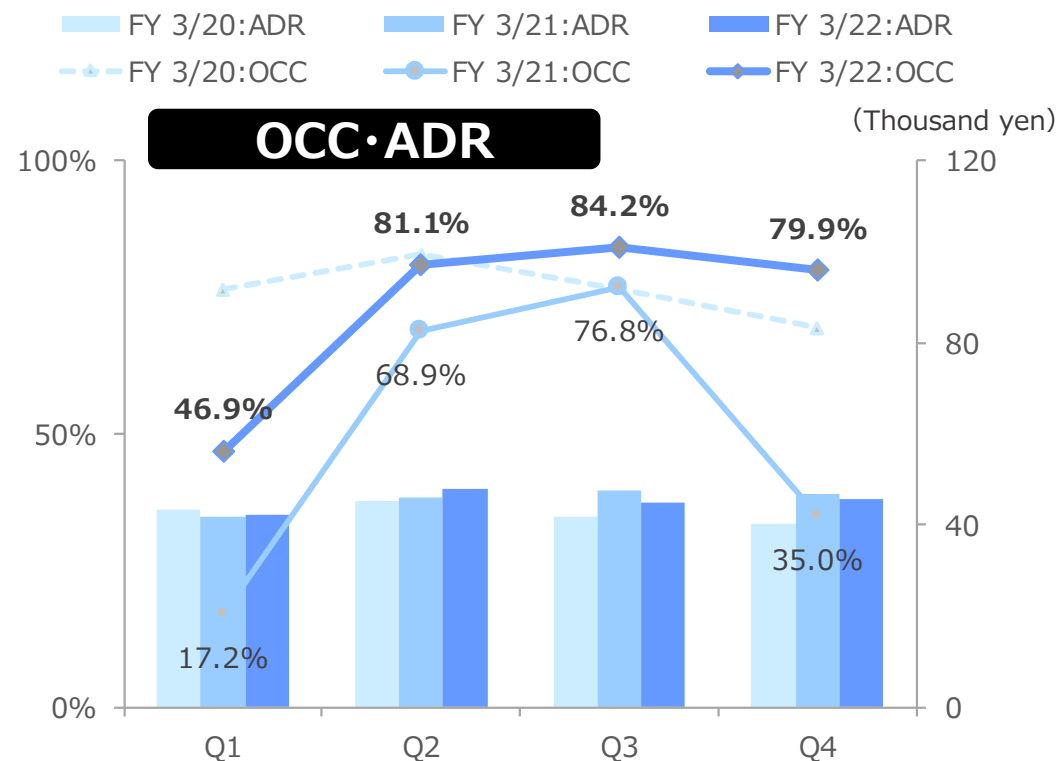
(thousand yen)	Q1	Q2	Q3	Q4	Annual cumulative total
FY 3/20 (Act)	11.2	11.3	10.6	9.1	10.6
FY 3/21 (Act)	6.2	8.0	8.9	7.4	7.9
FY3/22 (Forecast)	8.0	10.1	9.8	9.1	9.4
YoY	+1.8	+2.1	+0.9	+1.6	+1.4

Projected consolidated financial results: Quarterly trends in resorts business and KPIs



RevPAR

(thousand yen)	Q1	Q2	Q3	Q4	Annual cumulative total
FY 3/20 (Act)	33.0	37.5	31.9	28.1	32.6
FY 3/21 (Act)	7.1	31.7	36.5	16.4	24.2
FY3/22 (Forecast)	19.9	38.8	37.8	36.5	33.2
YoY	+12.7	+7.0	+1.2	+20.0	+9.0



OCC

(%)	Q1	Q2	Q3	Q4	Annual cumulative total
FY 3/20 (Act)	76.4%	82.8%	76.6%	69.4%	76.3%
FY 3/21 (Act)	17.2%	68.9%	76.8%	35.0%	52.0%
FY3/22 (Forecast)	46.9%	81.1%	84.2%	79.9%	73.0%
YoY	+29.7pp	+12.1pp	+7.3pp	+44.9pp	+21.0pp

ADR

(thousand yen)	Q1	Q2	Q3	Q4	Annual cumulative total
FY 3/20 (Act)	43.2	45.3	41.7	40.5	42.7
FY 3/21 (Act)	41.7	46.1	47.5	47.0	46.6
FY3/22 (Forecast)	42.4	47.8	44.9	45.6	45.5
YoY	+0.7	+1.7	-2.6	-1.3	-1.0

Dormitory/hotel development plans and real-estate securitization projects



Planned

	FY 3/21		FY 3/22		FY 3/23		FY 3/24		FY 3/25		FY 3/26	
Dormitories, Domeal	+15 facilities*	+1,181 rooms*	+12 facilities*	+1,204 rooms*	+16 facilities*	+1,600 rooms*	+14 facilities*	+1,400 rooms*	+14 facilities*	+1,400 rooms*	+14 facilities*	+1,400 rooms*
	Ending number of facilities	507 facilities	Ending number of facilities	503 facilities	Ending number of facilities	519 facilities	Ending number of facilities	533 facilities	Ending number of facilities	547 facilities	Ending number of facilities	561 facilities
	Ending guest capacity	41,927 rooms	Ending guest capacity	41,753 rooms	Ending guest capacity	43,353 rooms	Ending guest capacity	44,753 rooms	Ending guest capacity	46,153 rooms	Ending guest capacity	47,553 rooms
	Leasing rate	87.9%	Leasing rate	87.8%	Leasing rate	88.0%	Leasing rate	88.3%	Leasing rate	88.7%	Leasing rate	89.0%
	[L] Hokudai Avenue,[L] Nippori, [L] Sendai Tsutsujigaoka, [L] Nagakute,[L] Hamadayama, [L] Komazawa Park, [L] Esaka Park, [L] Yokohama-Nishi, [L] Hyakumanben Annex, [L] Azabujuban etc.		[L] Sakado Hanamachi, Niigata Akashidori, [L] Chuo University Nanpei, [L] Iriya,[L] Duo Jiyugaoka, [L] Kameari,[L] Angeliue Cour, [L] Tsuruma Park, [L] Osaka Fukushima, [L] Kyoto Kuinabashi, [L] Hirao, etc.		[L] Nishi-Shinjuku, Teikyo University Hachioji, [L] Nakano Saka-ue, [L] Utsunomiya, [L] Tokaidagakumae,[L] Tobetsu, [L] Sendai Higashiguchi Odawara, [L] Kyoto Fukakusa, [L] Nishinomiya Kitaguchi, [L] Kokura Sakuradori, etc.		[L] Hirosaki, [L] Sendai Teppo-cho, [L] Kyoto Fushimi, [L] Kyoto Saiin, [L] Otsuka, [L] Nishinomiya Nigawa, etc.		To be determined		To be determined	
Dormy Inn	+4 facilities*	+1,166 rooms*	+5 facilities*	+938 rooms*	+4 facilities*	+658 rooms*	+7 facilities*	+1,135 rooms*	+2 facilities*	+351 rooms*	+3 facilities*	+518 rooms*
	Ending number of facilities	85 facilities	Ending number of facilities	90 facilities	Ending number of facilities	94 facilities	Ending number of facilities	101 facilities	Ending number of facilities	103 facilities	Ending number of facilities	106 facilities
	Ending guest capacity	15,219 rooms	Ending guest capacity	16,157 rooms	Ending guest capacity	16,815 rooms	Ending guest capacity	17,950 rooms	Ending guest capacity	18,301 rooms	Ending guest capacity	18,819 rooms
	Leasing rate	99.1%	Leasing rate	99.1%	Leasing rate	99.2%	Leasing rate	98.4%	Leasing rate	98.5%	Leasing rate	98.5%
	[L] Premium Nagasaki Ekimae, [L] Nono Kyoto Shichijo, [L] Kobe Motomachi, [L] Ikebukuro.		[L] Nono Kanazawa, [L] Express Toyohashi, [L] Premium Ginza, [L] Express Fujisan Gotemba, [L] Nono Osaka Yodoyabashi.		[L] Nono Matsue, [L] Nono Matsumoto, [L] Nono Sendai, [L] Hiroshima Annex.		[L] Nono Asakusa Bettel, [L] Okayama, [L] Nono Beppu, [L] Aomori, Rikuzentakata, [L] Nono Ise, etc.		[L] Nono Fukui, etc.		[L] Yokkaichi, [L] Nono Kumamoto, etc.	
Resorts	+3 facilities*	+297 rooms*	+2 facilities*	+158 rooms*	+4 facilities*	+938 rooms*	+1 facilities*	+64 rooms*	+2 facilities*	+370 rooms*	+1 facilities*	+92 rooms*
	Ending number of facilities	36 facilities	Ending number of facilities	38 facilities	Ending number of facilities	42 facilities	Ending number of facilities	43 facilities	Ending number of facilities	45 facilities	Ending number of facilities	46 facilities
	Ending guest capacity	3,135 rooms	Ending guest capacity	3,293 rooms	Ending guest capacity	4,231 rooms	Ending guest capacity	4,295 rooms	Ending guest capacity	4,665 rooms	Ending guest capacity	4,757 rooms
	Leasing rate	52.0%	Leasing rate	56.5%	Leasing rate	66.1%	Leasing rate	66.6%	Leasing rate	69.3%	Leasing rate	69.9%
	Shuzenji Hot Spring Katsuragawa, Okuhida Hot Spring Hirayukan, [L] Wakura Hot Spring Noto Kaishu.		[L] Nasu Shiobara Rengetsu, [L] La Vista Kusatsu Hills.		[L] Jozankei, [L] Hakodate Bay Annex, [L] Kyoto Umekoji, [L] La Vista Tokyo Bay.		[L] Kyoto Ninnaji.		[L] La Vista Enoshima Terrace, [L] La Vista Atami Terrace.		[L] Kurokawa Hot Spring.	
Companywide leasing rate	88.9%		89.1%		89.5%		89.7%		90.0%		90.3%	

(Note) [L] indicates a leased property; red text indicates a property planned for real-estate securitization in the future.

* Indicates numbers of increases in facilities and rooms from development projects (does not indicate numbers of increases from the end of the previous year for facilities and rooms in operation at the end of the year)



01 Summary of Financial Results for FY 3/21

02 Projected consolidated financial results for FY 3/22

03 Medium-term outlook

Medium-term outlook: hotel market outlook

Analysis of the impact of COVID-19 on the number of international travelers to Japan

1 Up scenario

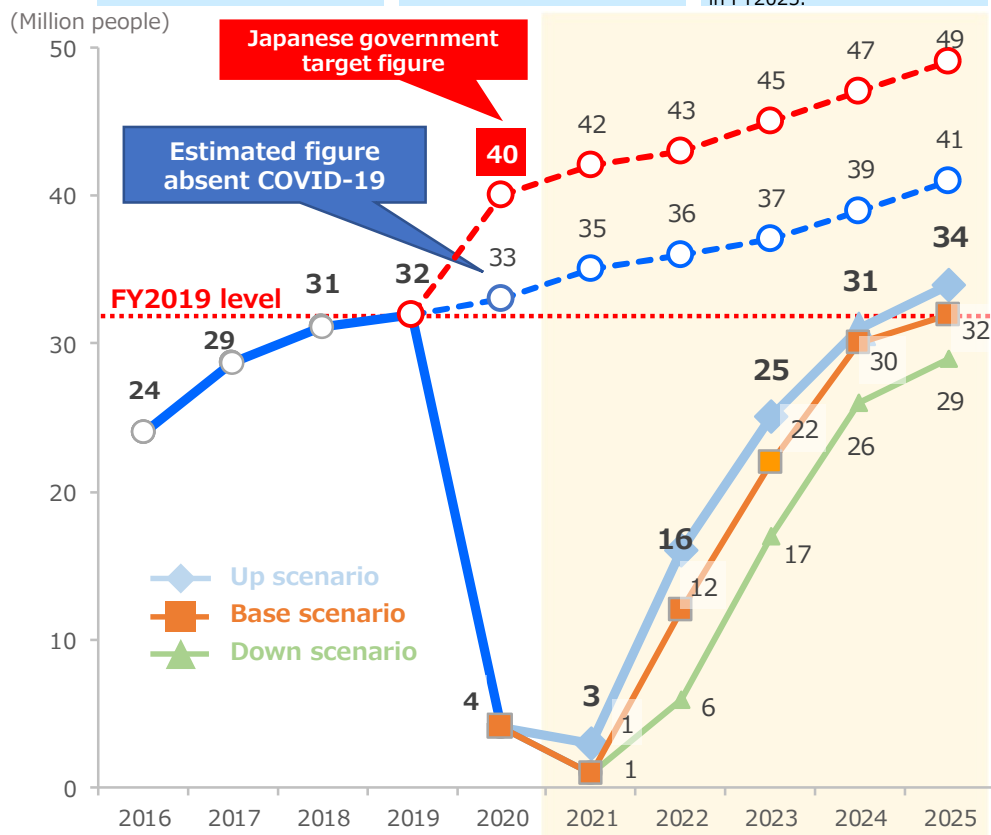
Recovery to FY2019 levels in FY2023, as restrictions on entry by tourists to Japan are lifted experimentally after the Tokyo Olympics in September 2021.

2 Base scenario

Recovery to FY2019 levels in FY2024, as restrictions on entry by tourists to Japan are lifted beginning in January 2022.

3 Down scenario

Tourists begin entering Japan in July 2022 as stability returns after vaccination spreads and herd immunity is attained. Recovery to FY2019 levels in FY2025.



Analysis of the impact of COVID-19 on the total number of domestic Japanese guests

1 Up scenario

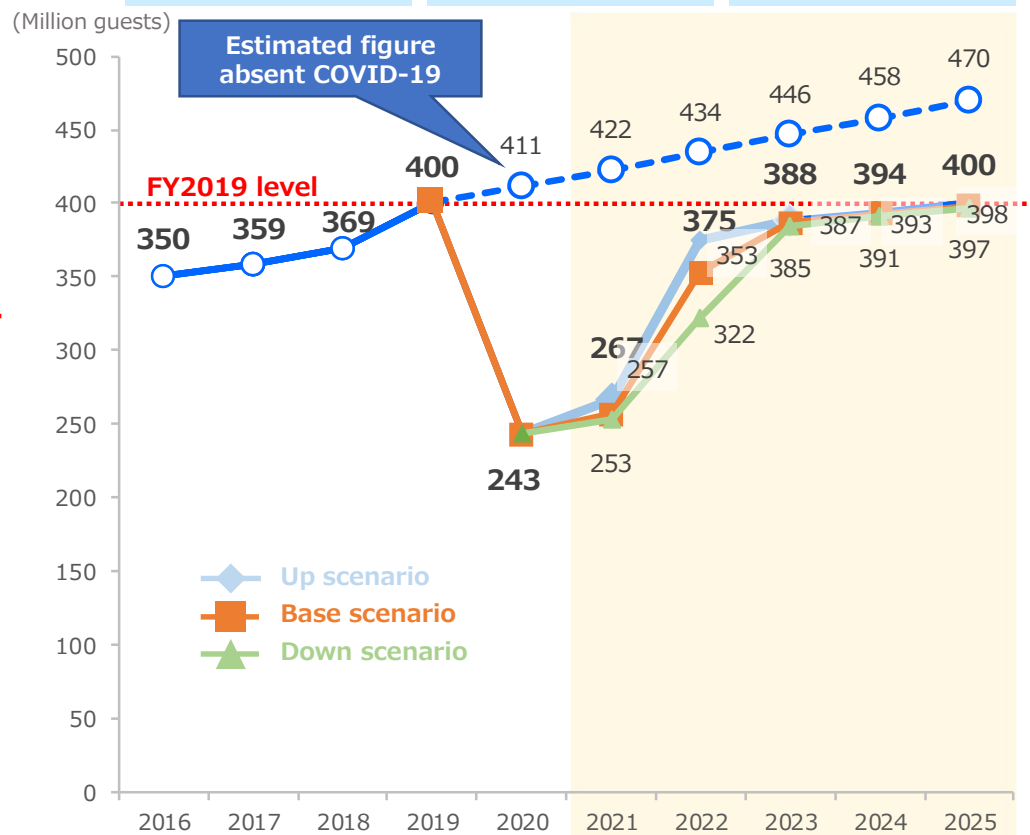
Tourism demand expected to recover to FY2019 levels in April 2022, conditional on attaining herd immunity through vaccination by that month.

2 Base scenario

Tourism demand expected to recover to FY2019 levels in July 2022, conditional on attaining herd immunity through vaccination by that month.

3 Down scenario

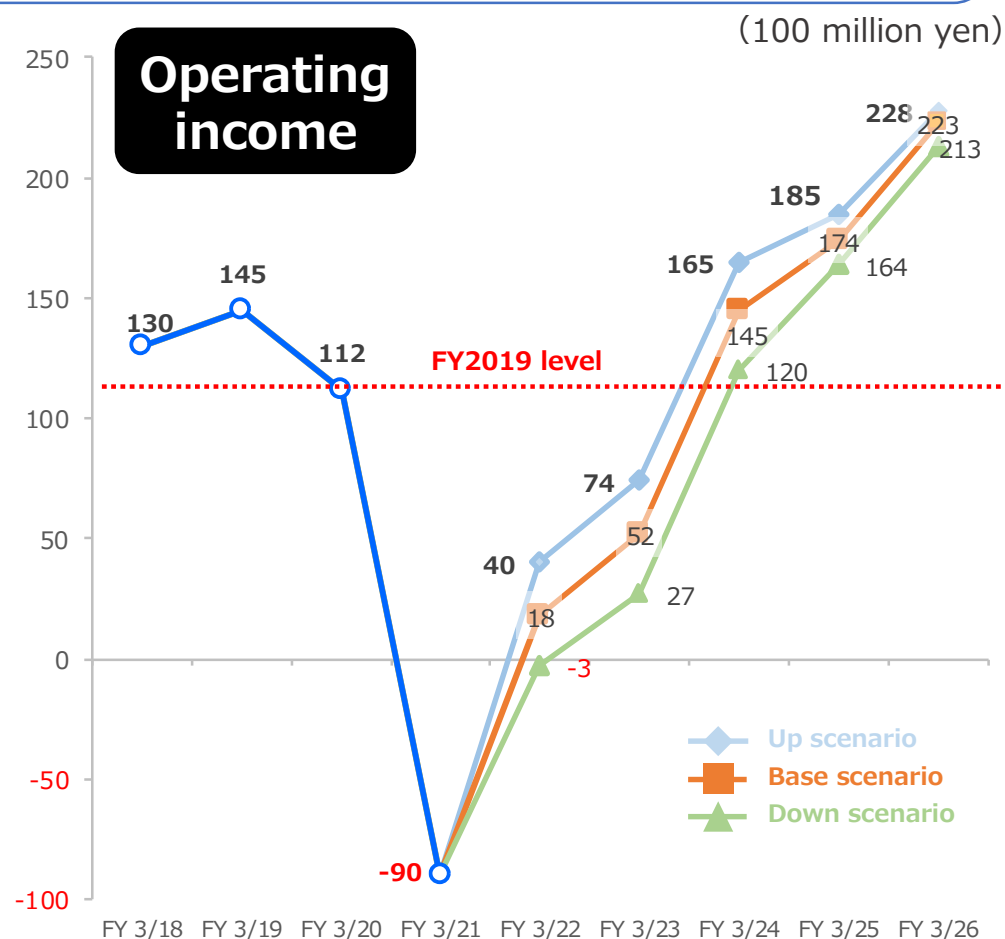
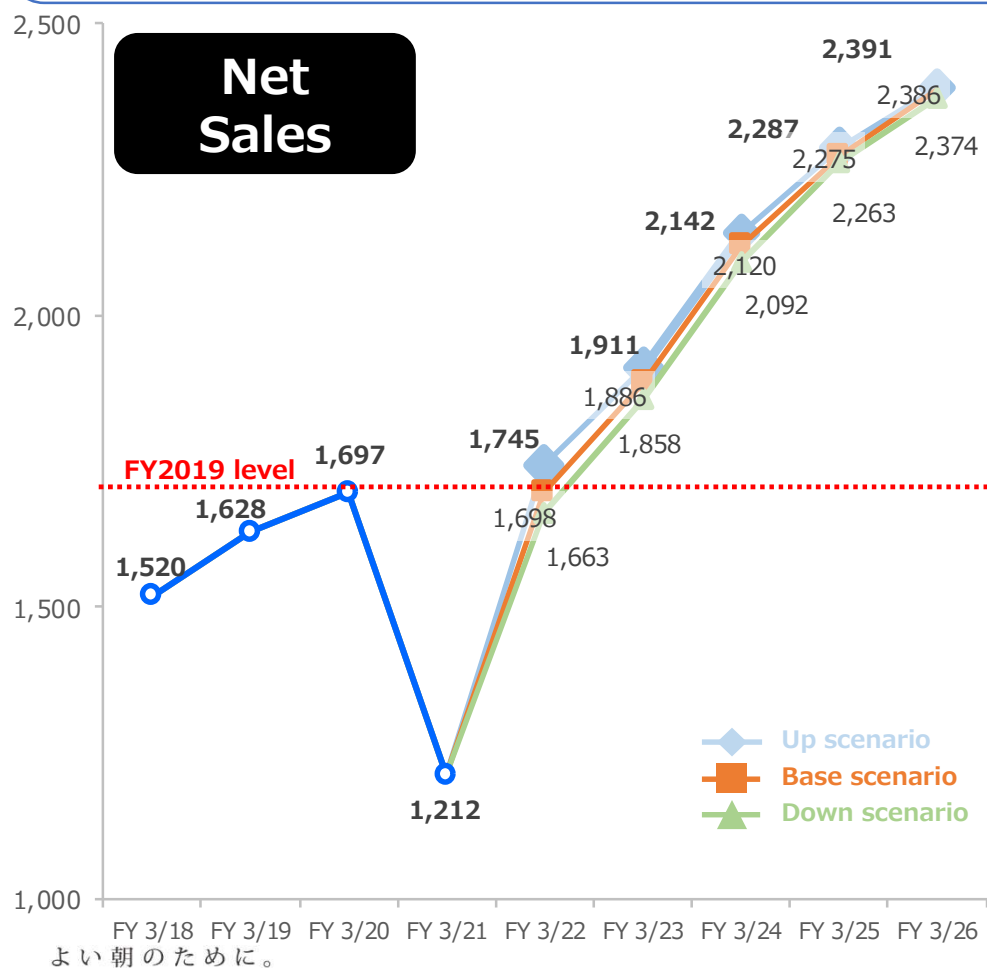
Tourism demand expected to recover to FY2019 levels in October 2022, conditional on attaining herd immunity through vaccination by that month.



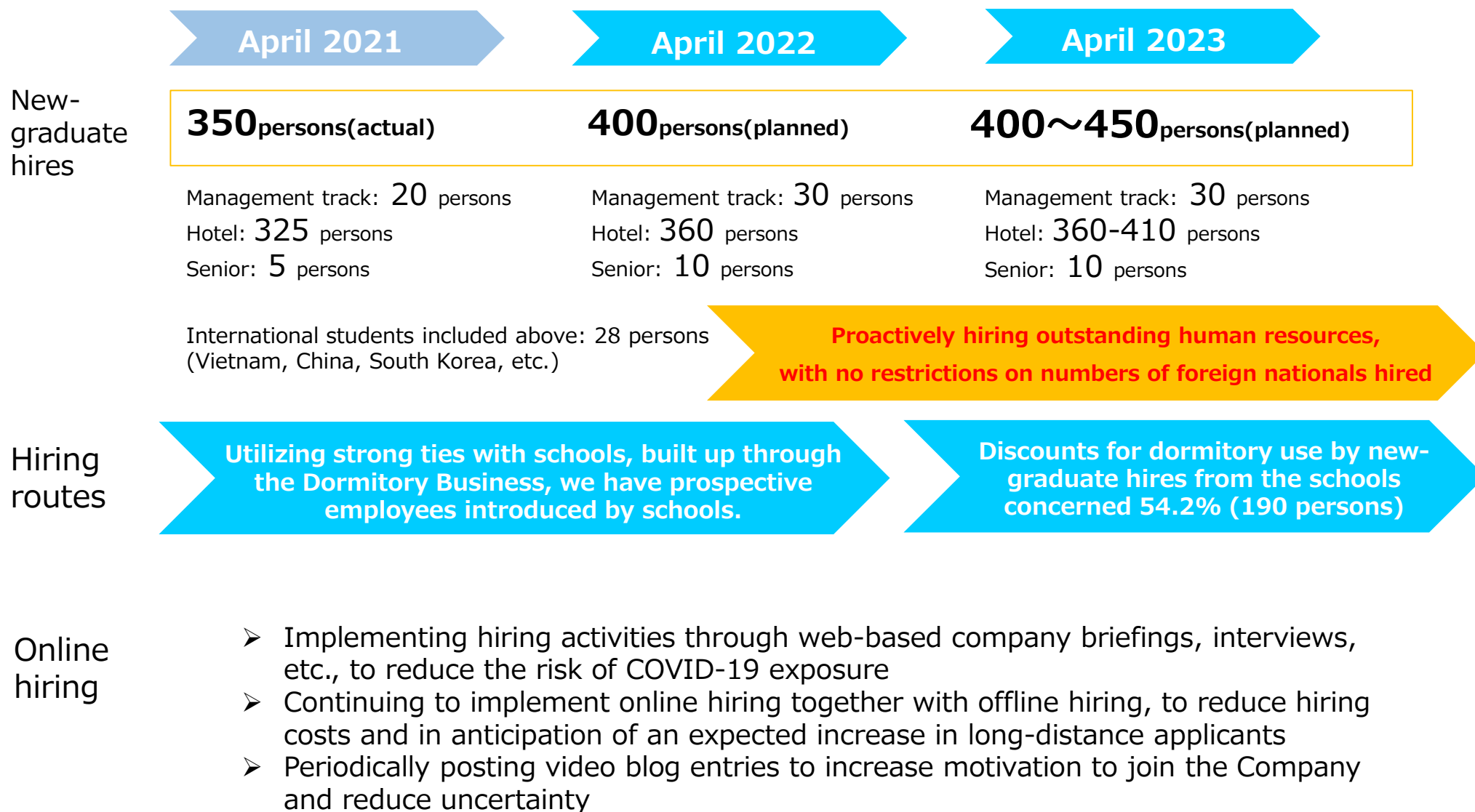
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Medium-term outlook: consolidated business results

- Dormitory Business.....**(i) Occupancy rates of existing sites return to FY 3/20 levels as leasing by international students and short-term leasing by professionals recover, assuming a recovery from COVID-19 in FY 3/23.
(ii) New sites continue to open at a pace of 1000-1500 rooms/year.
- Hotel Business.....**(i) RevPAR return to March FY 3/20 levels assuming a recovery in demand for accommodations from domestic and international travelers to previous peak levels in FY 3/26, as recovery from COVID-19 takes place in stages beginning in FY 3/23.
(ii) Plans for opening of new facilities in the previous medium-term plan called for proceeding with selective and restrained opening of new facilities while ascertaining financial conditions for the time being, peaking in FY 3/23.



Securing stable staffing and human resources



Measures to increase corporate name recognition

- **Attracting media coverage through press released**
(Plans such as direct transport from home to and from the resort hotel and Work Place Dormy ["overnight office" accommodations, residential hotels], etc.)
- **Corporate TV commercials aired during broadcasts of the Hakone Ekiden relay marathon**
- **Fan communication activities**
Cosponsoring the Nikkei Innovative Sauna event organized by Nikkei Inc.
- **Promotion on TBS radio programming**
Cosponsoring the "One-J" regional revitalization program
"Kyoritsu Resorts Presents New Discovery Travel Notes" now being broadcast
- **Advertising signage inside Haneda Airport**
- **2021 official sponsor of the Japan Women's Football League**



The Company will continue to support activities to promote the Nadeshiko League to convey its players' dreams and feelings to as many fans as possible.

ESG initiatives

• Enhancement of corporate governance

➤ Appointment of outside Directors

Three new outside Directors were appointed in June of last year, raising the proportion of Directors who are outside Directors to at least one-third.

Three outside Directors who are not members of the audit and supervisory board: Highly familiar with the fields of health and safety, education, economics, real estate, community development, and tourism

* The Company has established a structure under which the above outside Directors monitor Company management as independent Directors (of whom the Tokyo Stock Exchange has been notified). These independent Directors attend all meetings of the Board of Directors, where they offer proactive and constructive opinions.

➤ Shareholders will be provided with sufficient time for thorough consideration of the resolutions to be submitted to the General Meeting of Shareholders through means such as early notification, by electronic means, of convocation of the meeting.

• Realizing gender equality



- The Company appointed its first woman Director in June 2019, and one of the outside Directors appointed in June 2020 is a woman.
- The percentage of managerial positions filled by women is 11.6%. (The national average for all businesses is 7.8%; source: Teikoku Databank corporate attitude survey on promotion of women)

• Clean, renewable energy for all



- Renewable energy – Participating in the activities of the town of Nakanojo, Gunma Prefecture to promote community vitalization through local production and local consumption of electricity etc.
- Environmental protection activities – Adoption of business cards made from limestone (LIMEX business cards) etc.

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HOTELS & DORMITORIES