



ONYADO NONO Kanazawa

# Kyoritsu Maintenance Co., Ltd.

## Consolidated Financial Results for FY 3/22 H1

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**KYORITSU**  
HOTELS & DORMITORIES

November, 2021  
1st Section, TSE 9616

**01** Summary of Financial Results for FY 3/22 H1 **P. 2**

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## 01 Summary of Financial Results for FY 3/22 H1

## 02 Projected consolidated financial results for FY 3/22

# Financial highlights

- Income decreased in the dormitory business due to the impact of COVID-19, but generally in line with plan
- Hotel business continues to reduce deficit, but failed to achieve this year's plan due to extension of state of emergency
- Implemented cost-saving and real estate sales and leaseback as a countermeasure
- Full-year earnings forecast revised downward; interim dividend 10 yen, year-end dividend 10 yen planned

# Consolidated business results and main financial indicators

100 million yen	FY 3/21 H1 Results (4/2020—9/2020)	FY 3/22 H1 Forecast (4/2021—9/2021)	FY 3/22 H1 Results <b>A</b> (4/2021—9/2021)	YoY Comparison		Comparison with Forecasts		FY 3/21 Results before the implementation of extraordinary loss processing due to temporary closure <b>B</b>	FY 3/22 sales and leaseback Results <b>C</b>	YoY Comparison without factors on the left <b>A - B - C</b>
Net sales	562	722	<b>677</b>	+114	+20.4%	-45	-6.3%	562	51	<b>+62</b> +11.2%
Operating income	-44	-7	<b>-56</b>	-11	-	-48	-	-72	5	<b>+12</b> -
Ordinary income	-44		<b>-52</b>	-7	-			-72	5	<b>+16</b> -
Net income*1	-78		<b>-40</b>	+37	-			-78	5	<b>+32</b> -
EPS (yen)	-201.4		<b>-104.5</b>	+96.9	-					
Depreciation expense	25		<b>29</b>	+4	+15.7%					
Cash flow*2	-52		<b>-10</b>	+41	-					
Capital investment	46		<b>27</b>	-19	-40.7%					
Investment recovery by sales and leaseback	0		<b>51</b>	+51	-					

\*1. Extraordinary losses of 4.9 billion yen were recorded in the same period of the previous year, including losses of 2.8 billion yen due to the temporary closure to prevent the spread of COVID-19 infections, and losses of 2 billion yen due to the closure of one site in South Korea, the Global Cabins and other facilities. In addition, extraordinary losses of 0.1 billion yen were recorded in this first half year.

FY 3/21 : Ordinary Income -4.4 ⇒ Net Income -7.8 (corporate taxes of -1.4 billion yen adjusted, based on tax effect accounting)

FY 3/22 : Ordinary Income -5.2 ⇒ Net Income -4.0 (corporate taxes of -1.3 billion yen adjusted, based on tax effect accounting)

\*2. Cash flow : Net income + depreciation

# Factors causing discrepancies between consolidated results and forecasts

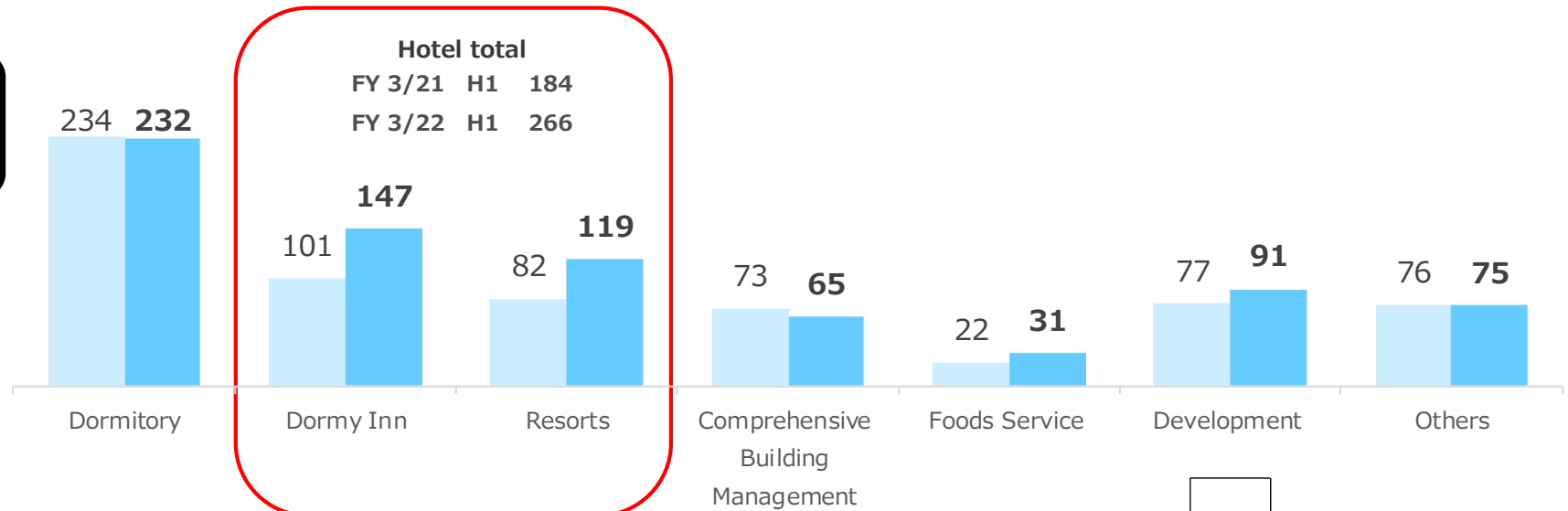
Operating income (100 million yen)		Q1 (4 - 6/2021)	Q2 (7 - 9/2021)	Q2 cumulative (4 - 9/2021)	
Dormitory business	FY 3/22 Forecast	14	8	22	Generally in line with plan
	FY 3/22 Act	14	10	25	
	Comparison with Forecasts	—	+2	+2	
Dormy Inn business	FY 3/22 Forecast	-24	13	-10	Despite a recovery in hotel occupancy rates due to an increase in domestic travelers, especially on weekends, the forecast was missed as a result of a delayed market recovery due to the fourth state of emergency in Q2
	FY 3/22 Act	-27	-17	-45	
	Comparison with Forecasts	-3	-31	-35	
Resorts business	FY 3/22 Forecast	-18	14	-4	
	FY 3/22 Act	-21	-9	-30	
	Comparison with Forecasts	-2	-23	-25	
Sales and leaseback of real estate business	FY 3/22 Forecast	—	—	—	Sales and leaseback of existing hotels.
	FY 3/22 Act	—	5	5	
	Comparison with Forecasts	—	+5	+5	
Others	FY 3/22 Forecast	-7	-7	-14	Generally in line with plan
	FY 3/22 Act	-5	-4	-10	
	Comparison with Forecasts	+1	+2	+4	
Total	FY 3/22 Forecast	-36	28	-7	
	FY 3/22 Act	-40	-15	-56	
	Comparison with Forecasts	-3	-44	-48	

# Net sales and operating income broken down by segment

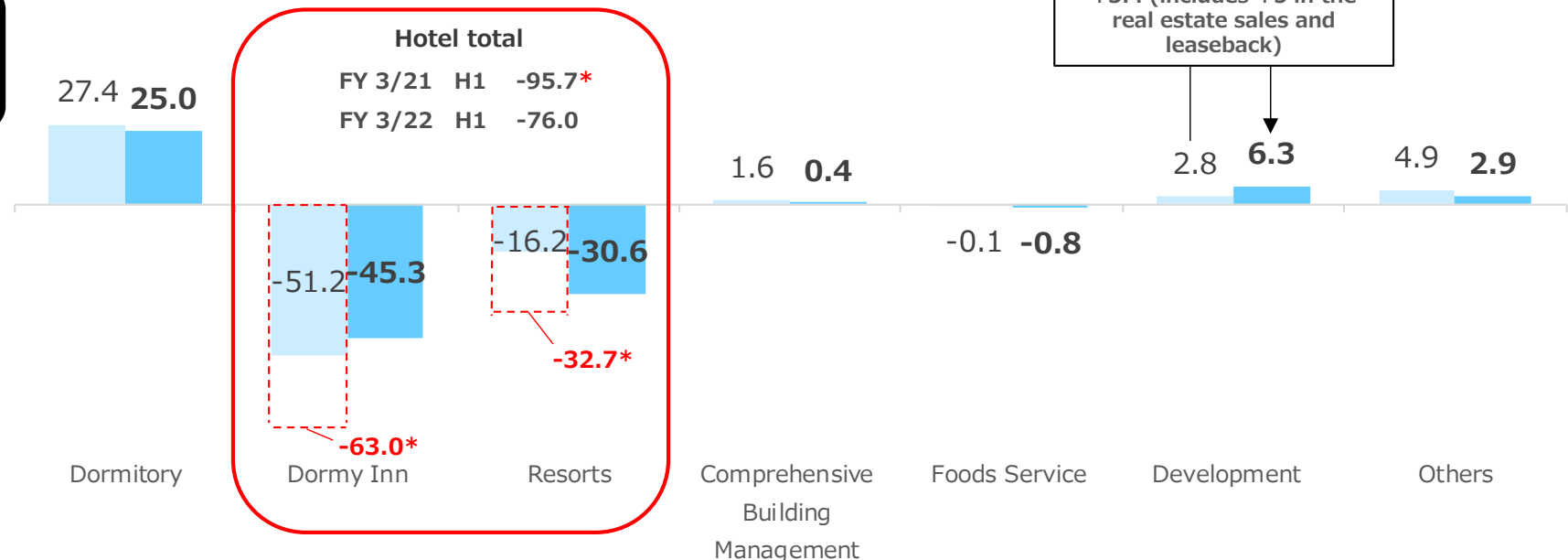
■ FY 3/21 H1 ■ FY 3/22 H1

(100 million yen)

## Net sales



## Operating income

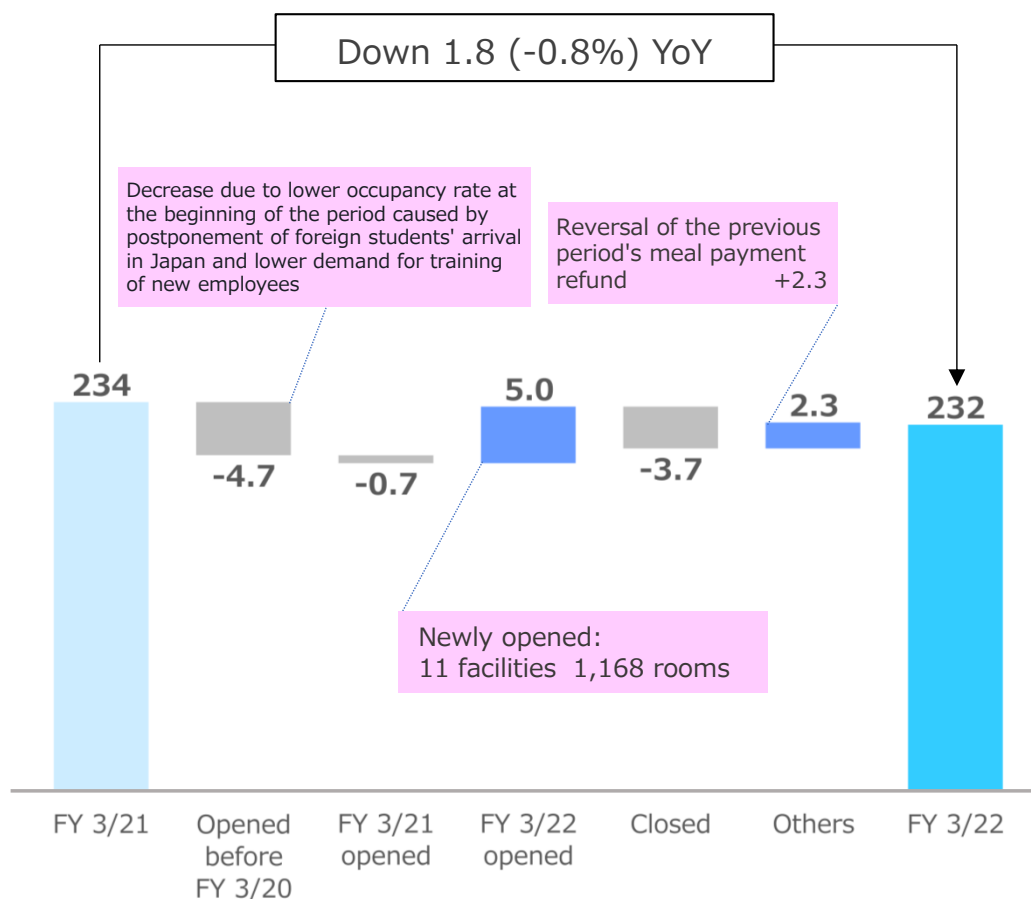


\* In the same period of FY 3/21, our hotels were temporarily closed in response to the request for closure due to the state of emergency, and the losses incurred were posted as extraordinary losses (Dormy Inn: 1.18 billion yen, Resort: 1.64 billion yen)

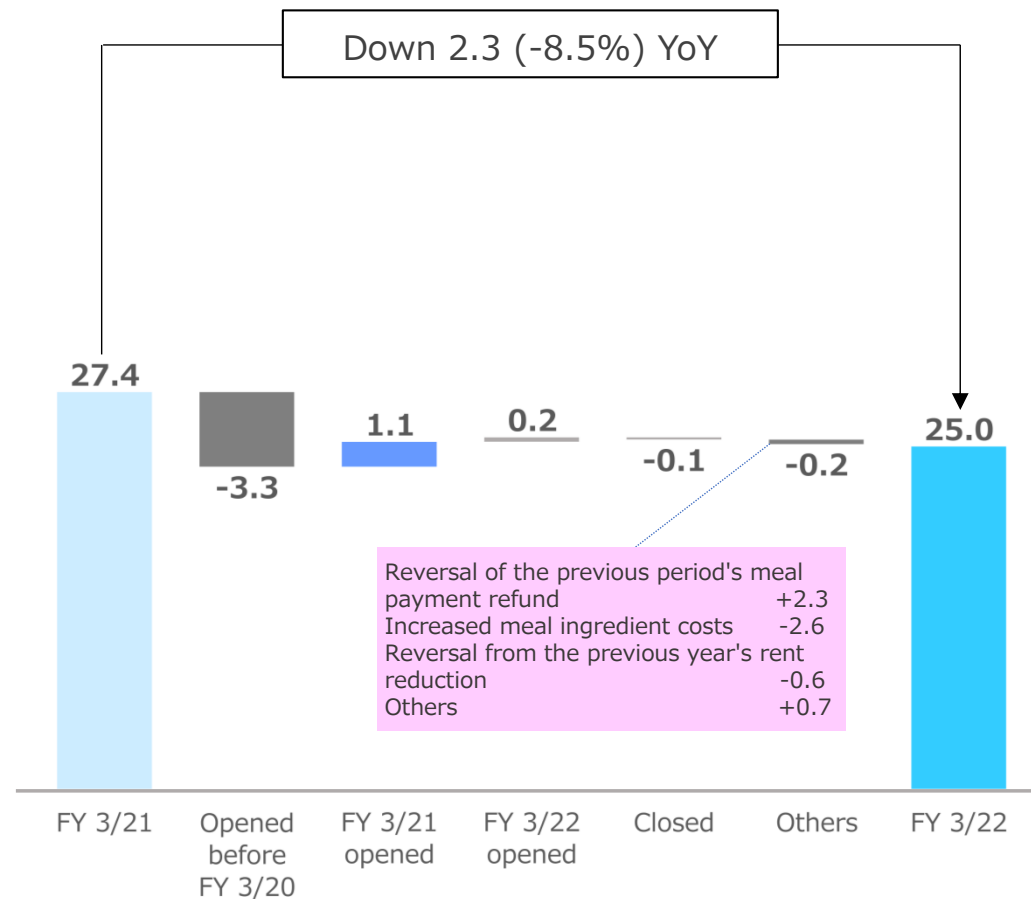
# Dormitory Business: Net sales and Operating income

(100 million yen)

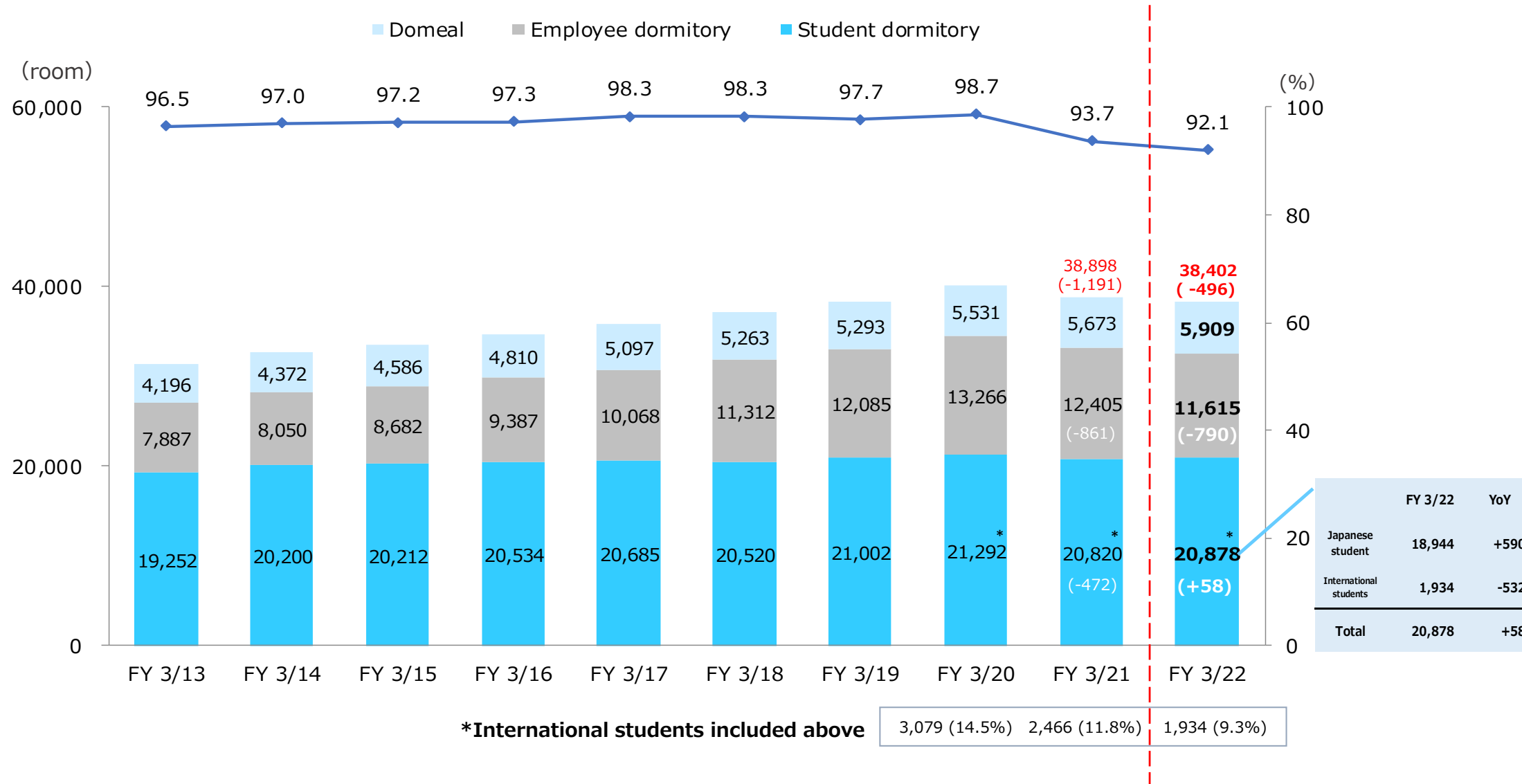
## Net sales



## Operating income



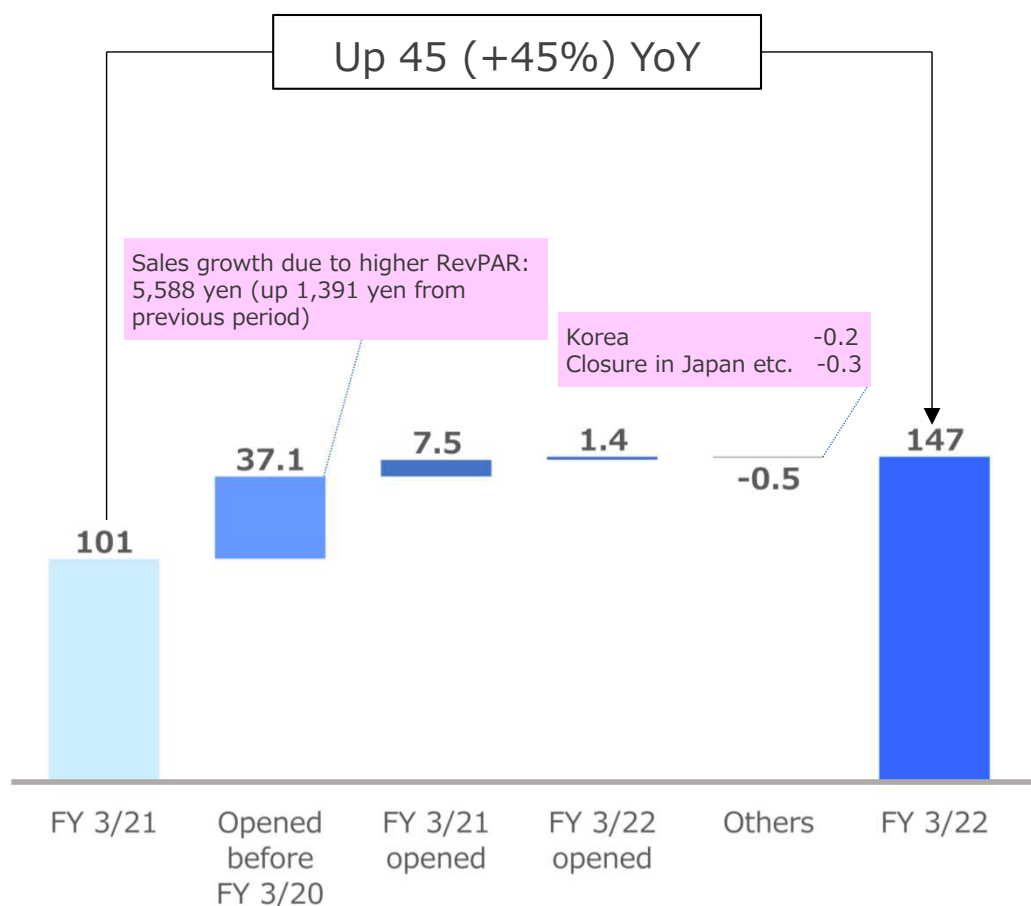
# Dormitory Business: Trends in initial number of leased units/occupancy ratio



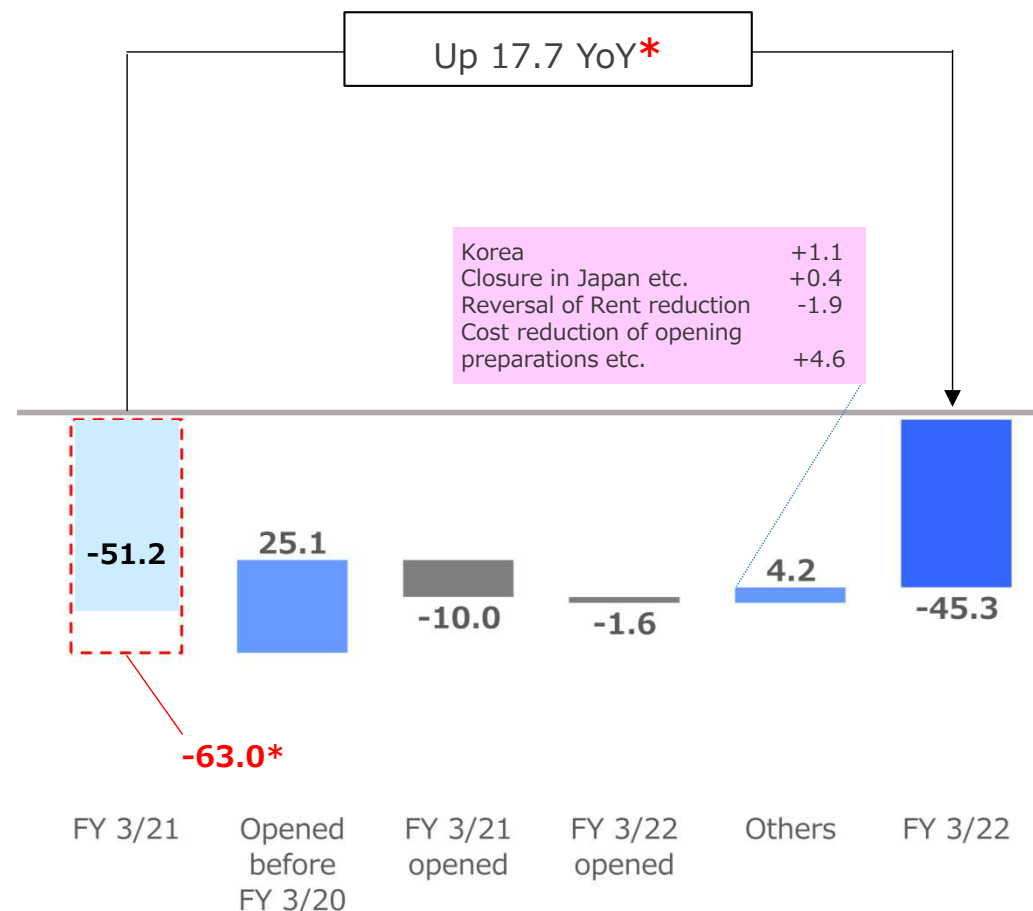
# Dormy Inn Business: Net sales and operating income

(100 million yen)

## Net sales

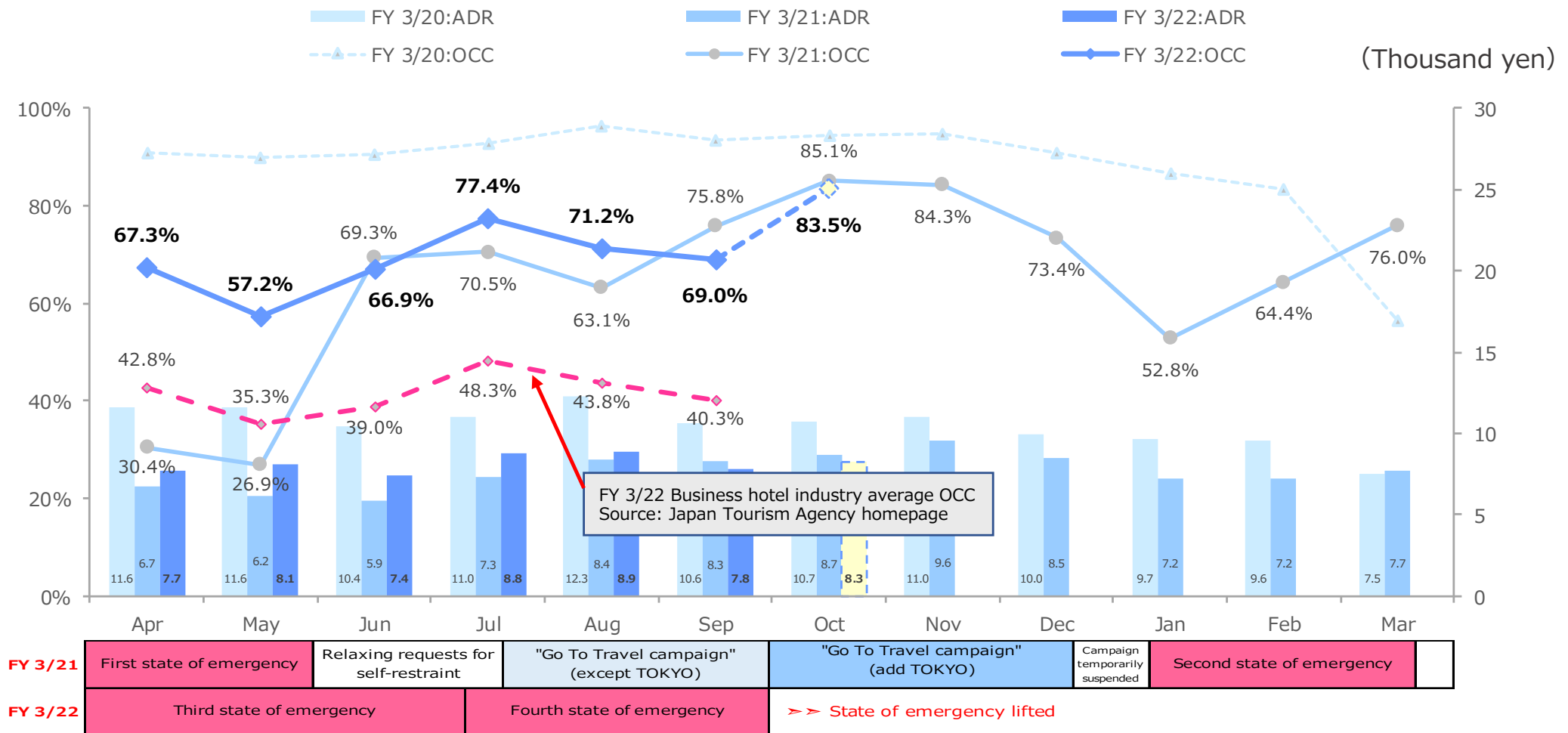


## Operating income



\*Including extraordinary losses of 1.18 billion yen caused by a temporary closure of hotels in the same period of FY 3/21

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



OCC						
(%)	Q1	Q2	H1	Q3	Q4	Annual cumulative total
FY 3/20 (Act)	90.4%	94.2%	92.3%	93.3%	75.0%	88.1%
FY 3/21 (Act)	42.2%	69.8%	56.7%	80.9%	64.3%	64.8%
<b>FY 3/22 (Act)</b>	<b>63.7%</b>	<b>72.6%</b>	<b>68.2%</b>			
YoY	+21.6pp	+2.8pp	+11.5pp			

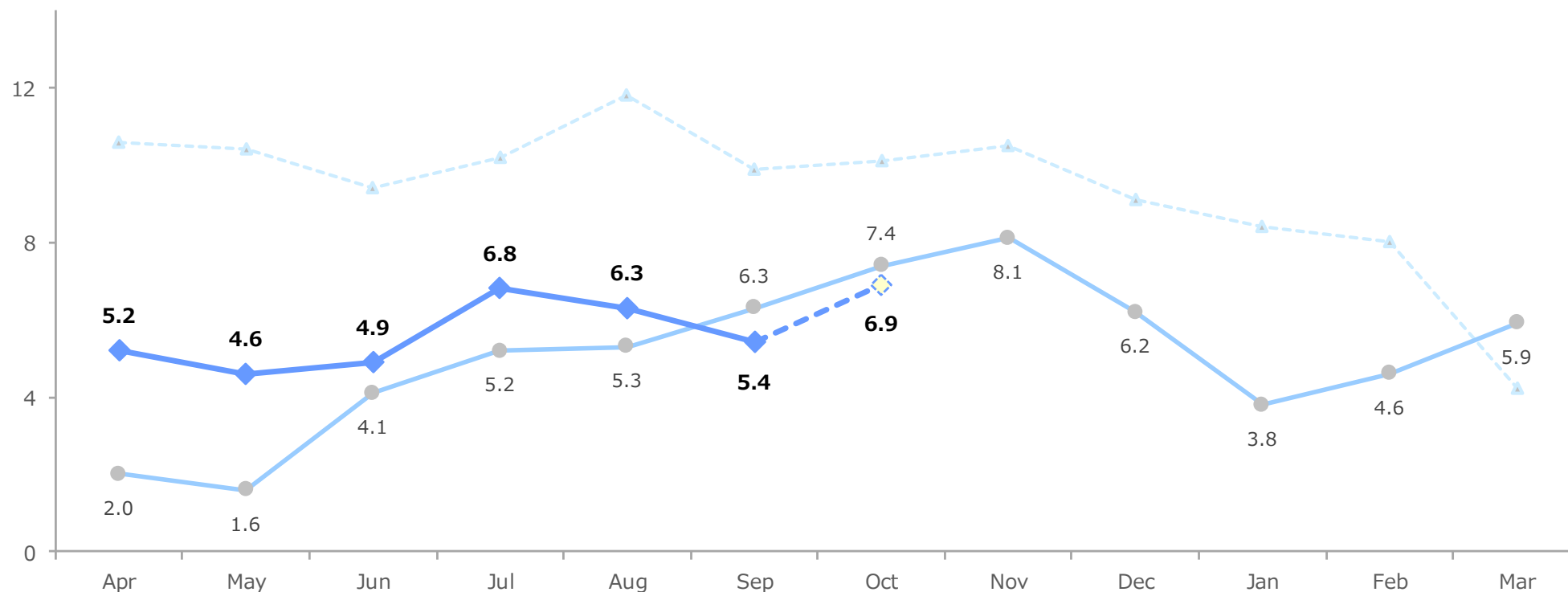
ADR						
(thousand yen)	Q1	Q2	H1	Q3	Q4	Annual cumulative total
FY 3/20 (Act)	11.2	11.3	11.3	10.6	9.1	10.6
FY 3/21 (Act)	6.2	8.0	7.4	8.9	7.4	7.9
<b>FY 3/22 (Act)</b>	<b>7.7</b>	<b>8.5</b>	<b>8.1</b>			
YoY	+1.5	+0.5	+0.7			

(Note) The table above shows figures excluding hotels that opened in April 2020 or later, in order to enable comparison between the three periods under the same conditions

# Dormy Inn Business: RevPAR by month

(Thousand yen)

---△--- FY 3/20:RevPAR    —●— FY 3/21:RevPAR    —◆— FY 3/22:RevPAR



<b>FY 3/21</b>	First state of emergency	Relaxing requests for self-restraint	"Go To Travel campaign" (except TOKYO)	"Go To Travel campaign" (add TOKYO)	Campaign temporarily suspended	Second state of emergency	
<b>FY 3/22</b>	Third state of emergency		Fourth state of emergency		>> State of emergency lifted		

RevPAR

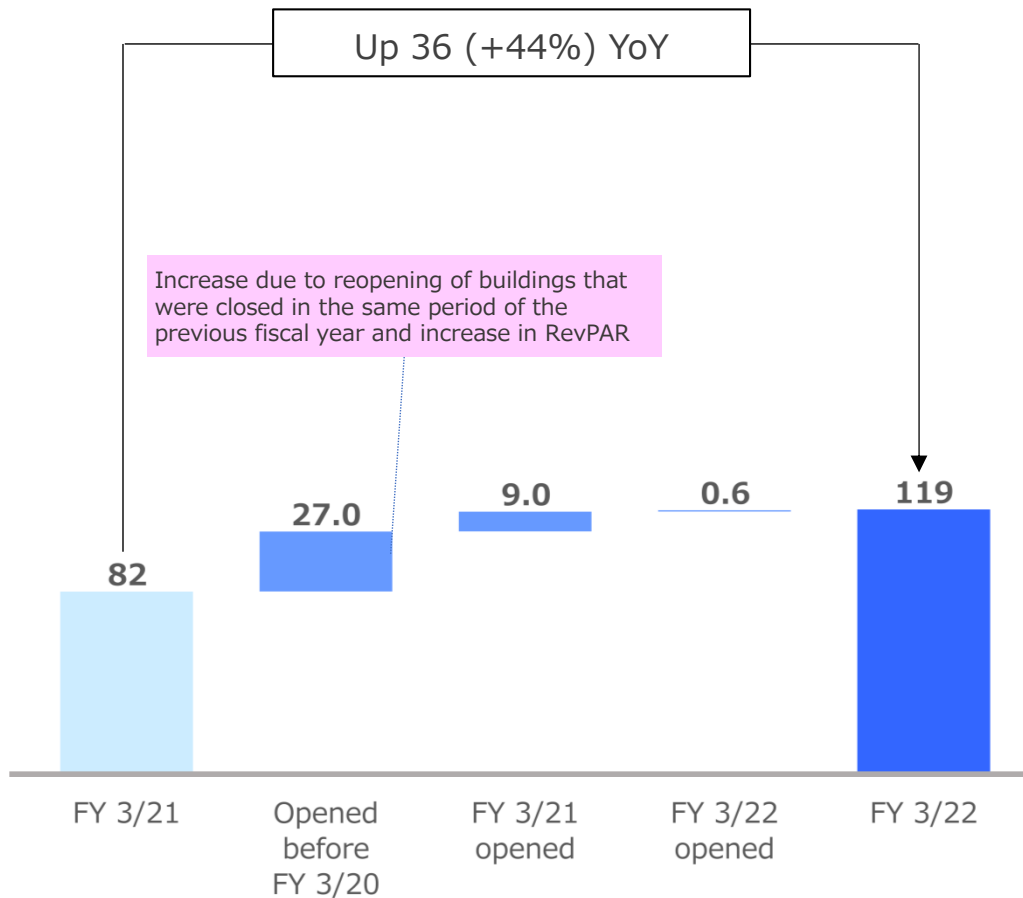
(thousand yen)	Q1	Q2	H1	Q3	Q4	Annual cumulative total
FY 3/20 (Act)	10.1	10.6	10.4	9.9	6.8	9.3
FY 3/21 (Act)	2.6	5.6	4.1	7.2	4.8	5.1
<b>FY 3/22 (Act)</b>	<b>4.9</b>	<b>6.2</b>	<b>5.5</b>			
YoY	+2.3	+0.6	+1.3			

(Note) The table above shows figures excluding hotels that opened in April 2020 or later, in order to enable comparison between the three periods under the same conditions

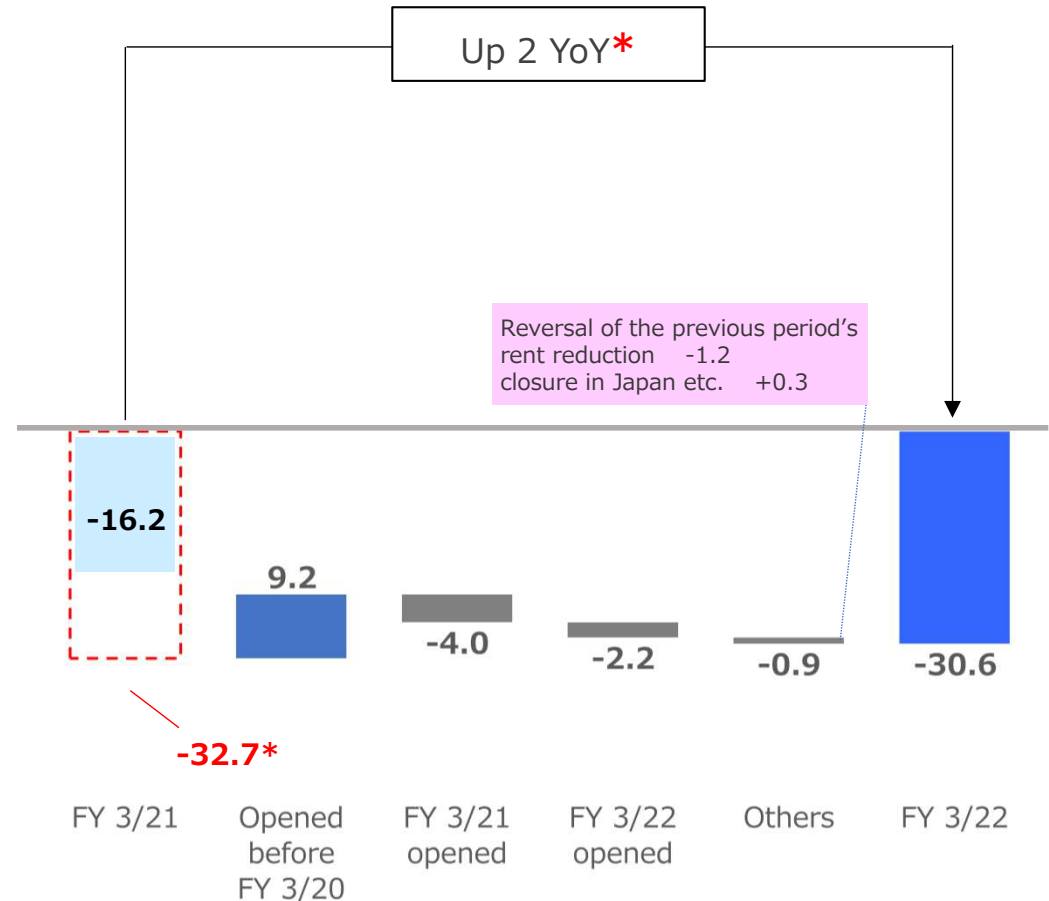
# Resorts Business: Net sales and operating income

(100 million yen)

## Net sales

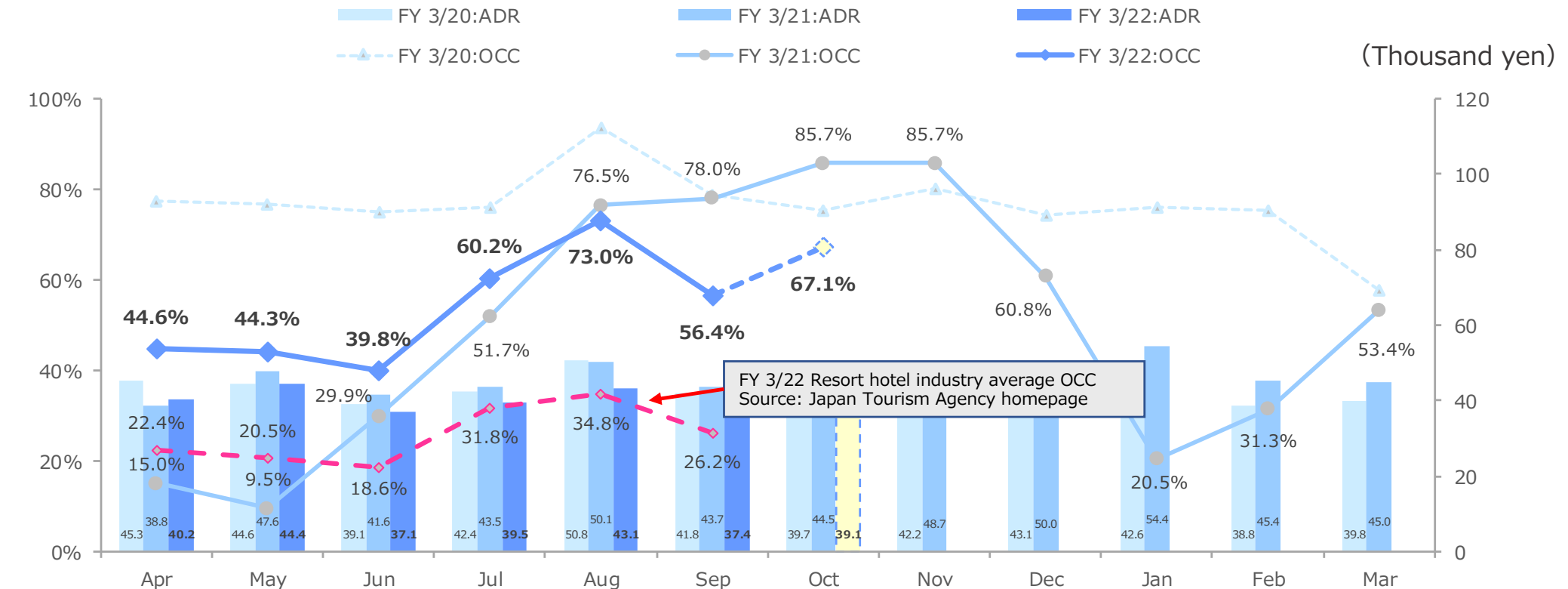


## Operating income



\*Including extraordinary losses of 1.64 billion yen caused by a temporary closure of hotels in the same period of FY 3/21

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



FY 3/21	First state of emergency	Relaxing requests for self-restraint	"Go To Travel campaign" (except TOKYO)	"Go To Travel campaign" (add TOKYO)	Campaign temporarily suspended	Second state of emergency
FY 3/22	Third state of emergency		Fourth state of emergency		>> State of emergency lifted	

OCC

(%)	Q1	Q2	H1	Q3	Q4	Annual cumulative total
FY 3/20 (Act)	76.4%	82.8%	79.8%	76.6%	69.4%	76.3%
FY 3/21 (Act)	17.2%	68.9%	46.7%	76.8%	35.0%	52.0%
<b>FY 3/22 (Act)</b>	<b>42.9%</b>	<b>63.3%</b>	<b>53.3%</b>			
YoY	+25.7pp	-5.7pp	+6.6pp			

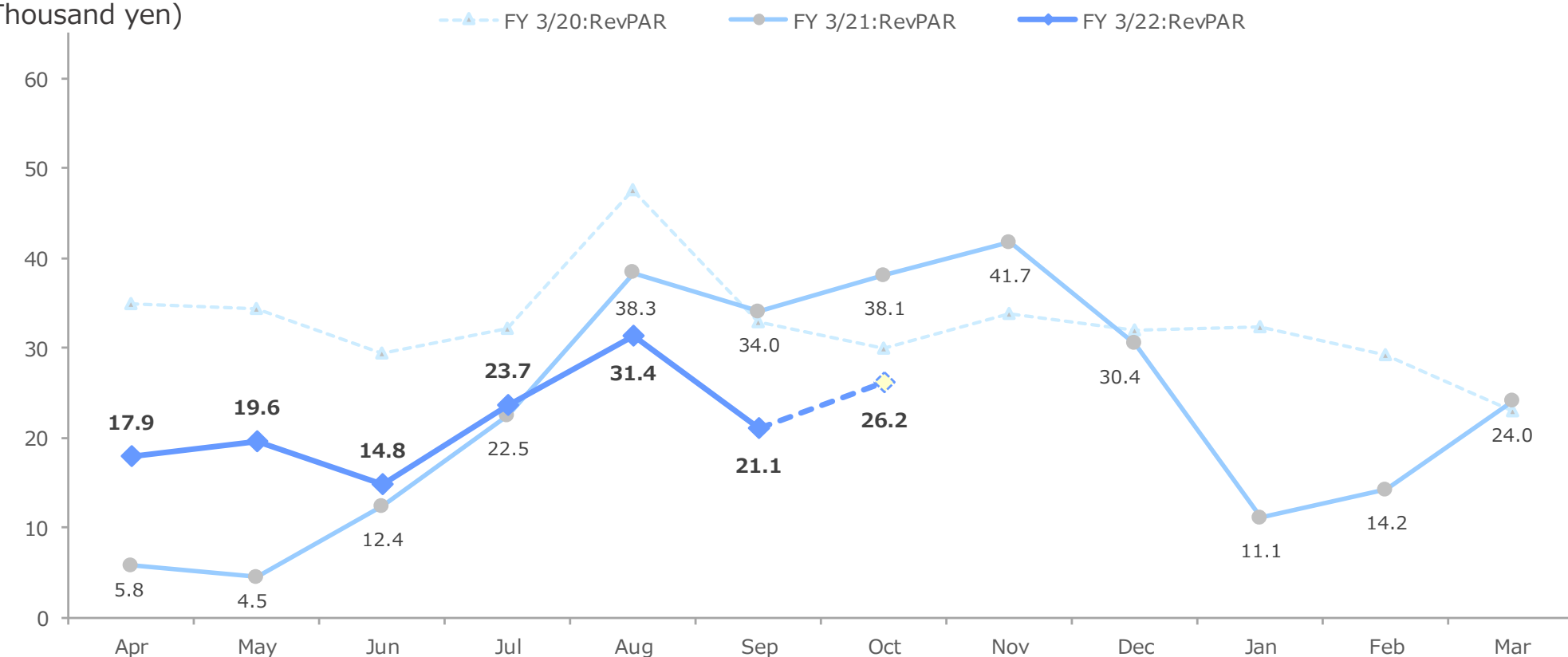
ADR

(thousand yen)	Q1	Q2	H1	Q3	Q4	Annual cumulative total
FY 3/20 (Act)	43.2	45.3	44.3	41.7	40.5	42.7
FY 3/21 (Act)	41.7	46.1	45.4	47.5	47.0	46.6
<b>FY 3/22 (Act)</b>	<b>40.7</b>	<b>40.3</b>	<b>40.4</b>			
YoY	-0.9	-5.7	-4.9			

(Note) The table above shows figures excluding hotels that opened in April 2020 or later, in order to enable comparison between the three periods under the same conditions

# Resorts Business: RevPAR by month

(Thousand yen)



<b>FY 3/21</b>	First state of emergency	Relaxing requests for self-restraint	"Go To Travel campaign" (except TOKYO)	"Go To Travel campaign" (add TOKYO)	Campaign temporarily suspended	Second state of emergency	
<b>FY 3/22</b>	Third state of emergency		Fourth state of emergency		>> State of emergency lifted		

RevPAR

(thousand yen)	Q1	Q2	H1	Q3	Q4	Annual cumulative total
FY 3/20 (Act)	33.0	37.5	35.4	31.9	28.1	32.6
FY 3/21 (Act)	7.1	31.7	21.1	36.5	16.4	24.2
<b>FY 3/22 (Act)</b>	<b>17.4</b>	<b>25.5</b>	<b>21.5</b>			
YoY	+10.3	-6.2	+0.3			

(Note) The table above shows figures excluding hotels that opened in April 2020 or later, in order to enable comparison between the three periods under the same conditions

# Balance sheet

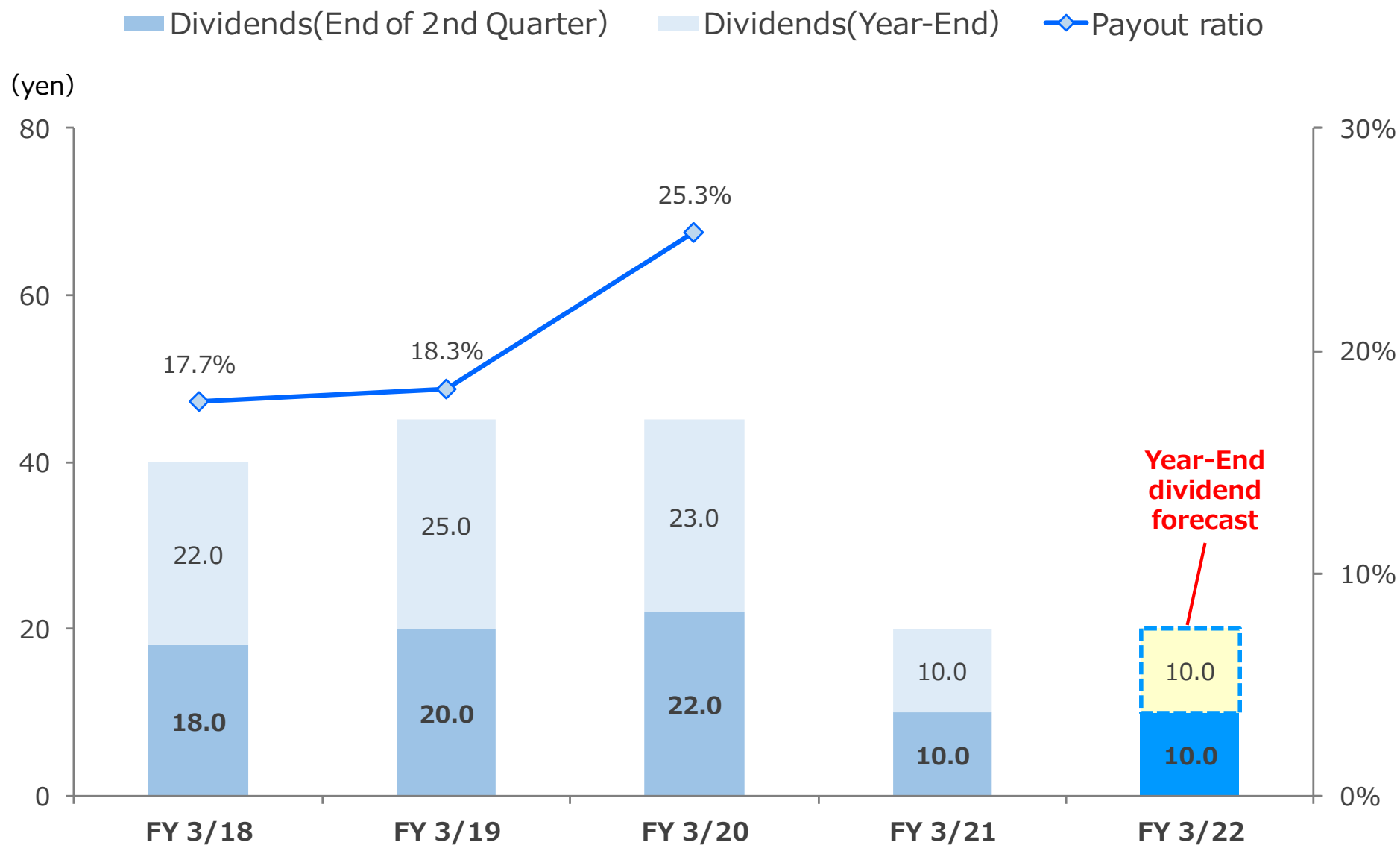
## End of March 2021

Assets 239.0 billion yen	Liabilities 168.2 billion yen
Cash and deposits 24.5 billion yen	Interest-bearing liabilities 130.0 billion yen
	*Includes CB of 30.1 billion yen
Non-current assets 176.4 billion yen	Net assets 70.7 billion yen
	Treasury stock -0.3 billion yen

## End of September 2021

Assets 230.4 billion yen (-8.5 billion yen)	Liabilities 164.1 billion yen (-4.0 billion yen)
Cash and deposits 13.7 billion yen (-10.8 billion yen)	Interest-bearing debt 136.6 billion yen (+6.5 billion yen)
	*Includes CB of 30.1 billion yen
Non-current assets 170.0 billion yen (-6.4 billion yen)	Net assets 66.3 billion yen (-4.4 billion yen)
	Treasury stock -0.3 billion yen

# Dividends



# Sales of new products in FY 3/22

## ■ WORK PLACE DORMY (Offices where you can stay and hotels where you can live)

- Dormy Inn (urban workcations), Kyoritsu Resort (workcations), Dormy (satellite offices): We offer new styles of work with contracts ranging from a minimum of four consecutive nights to a maximum of one year.
- Up to October, 63 companies have used 368 rooms.



## ■ Kyoritsu General Corporate Membership Program “Shiki Club”



- Kyoritsu General Corporate Membership Program “Shiki Club” provides corporate welfare services with a lineup of facilities that include Kyoritsu Resorts, Dormy Inn, restaurants, dormitories, senior life businesses, and other facilities that allow you to enjoy across Japan, from urban centers to local sightseeing spots.

- As of October, 47,485 members from 64 companies have joined.



## 01 Summary of Financial Results for FY 3/22 H1

## 02 Projected consolidated financial results for FY 3/22

# Projected consolidated business results and main financial indicators

100 million yen	FY 3/21 Results (4/2020-3/2021)	FY 3/22 Previous forecast <b>A</b> (4/2021-3/2022)	FY 3/22 Revised forecasts <b>B</b> (4/2021-3/2022)	Change <b>B - A</b>	FY 3/21 Results before the implementation of extraordinary loss processing due to temporary closure <b>C</b>	FY 3/22 Real Estate sales and leaseback Plan <b>D</b>	YoY Comparison without factors on the left <b>B - C - D</b>
Net sales	1,212	1,745	<b>1,730</b>	-15 -0.9%	1,212	352	<b>+164</b> +14.8%
Operating income	-90	40	<b>20</b>	-20 -50.0%	-118	73	<b>+66</b> -72.5%
Ordinary income	-91	34	<b>19</b>	-15 -44.1%	-119	73	<b>+66</b> -67.7%
Net income	-121	16	<b>1</b>	-15 -93.8%	-121	59	<b>+62</b> -64.1%
EPS (yen)	-311.9	41.0	<b>2.5</b>	-38.4 -93.8%			
Dividends per share (yen)	20	20	<b>20</b>	- -			
Depreciation expense	49	57	<b>57</b>	- -			
Cash flow *1	-72	73	<b>58</b>	-15 -			
Capital investment *2	124	200	<b>127</b>	-73 -36.5%			
Investment recovery by sales and leaseback	-	200	<b>352</b>	+152 -			

\*1. Cash flow: Net income + depreciation

\*2. Due to the decision to liquidate real estate, capital investment decreased from the previous forecast as a result of the transfer from tangible fixed assets to real estate for sale. Excluding this transfer, results were generally in line with the plan.

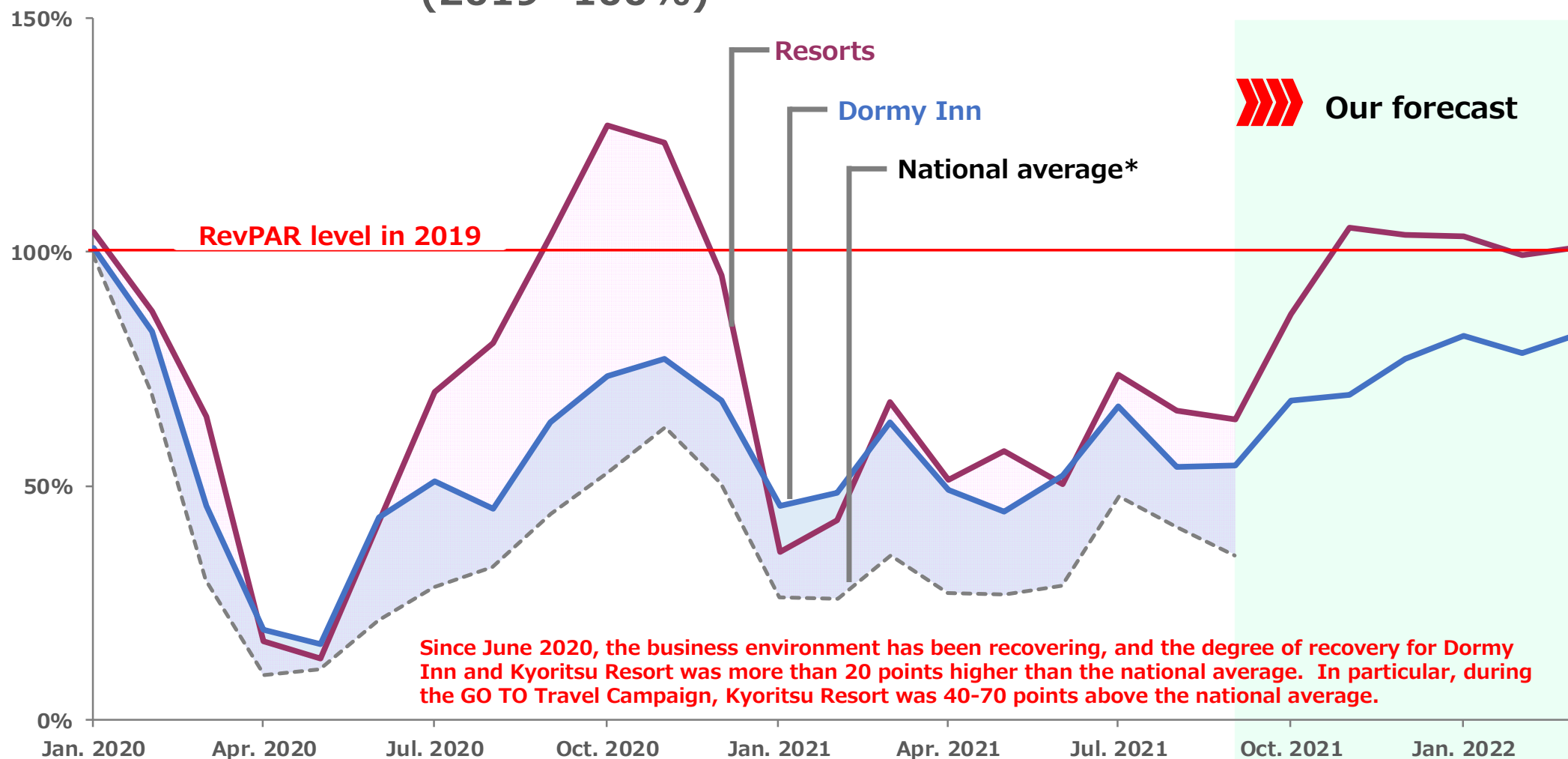
# Projected consolidated financial results: quarterly operating income in main segments

Operating income (100 million yen)		Q1 (4 - 6/2021)	Q2 (7 - 9/2021)	Q3 (10 - 12/2021)	Q4 (1 - 3/2022)	Annual cumulative total (4/2021 - 3/2022)
Dormitory business	FY 3/22 previous forecast	14	8	7	20	50
	FY 3/22 act & revised forecast	14	10	4	18	48
	<b>Comparison with Forecasts</b>	-	<b>+2</b>	<b>-2</b>	<b>-1</b>	<b>-1</b>
Dormy Inn business	FY 3/22 previous forecast	-24	13	12	-2	-
	FY 3/22 act & revised forecast	-27	-17	-5	-4	-54
	<b>Comparison with Forecasts</b>	<b>-3</b>	<b>-31</b>	<b>-17</b>	<b>-2</b>	<b>-54</b>
Resorts business	FY 3/22 previous forecast	-18	14	6	-6	-5
	FY 3/22 act & revised forecast	-21	-9	1	-3	-32
	<b>Comparison with Forecasts</b>	<b>-2</b>	<b>-23</b>	<b>-5</b>	<b>+3</b>	<b>-27</b>
Sales and leaseback of real estate business	FY 3/22 previous forecast	-	-	-	20	20
	FY 3/22 act & revised forecast	-	5	-	68	73
	<b>Comparison with Forecasts</b>	-	<b>+5</b>	-	<b>+48</b>	<b>+53</b>
Others	FY 3/22 previous forecast	-7	-7	-5	-6	-26
	FY 3/22 act & revised forecast	-5	-4	-3	-	-14
	<b>Comparison with Forecasts</b>	<b>+1</b>	<b>+2</b>	<b>+1</b>	<b>+6</b>	<b>+11</b>
<b>Total</b>	FY 3/22 previous forecast	-36	28	21	26	40
	FY 3/22 act & revised forecast	-40	-15	-2	78	20
	<b>Comparison with Forecasts</b>	<b>-3</b>	<b>-44</b>	<b>-24</b>	<b>+52</b>	<b>-20</b>

# Competitive Advantage of Dormy Inn & Kyoritsu Resort

## Hotel Business RevPAR Trends (2019=100%)

This table shows the relative value of RevPAR from 2020 to 2022, based on 2019.

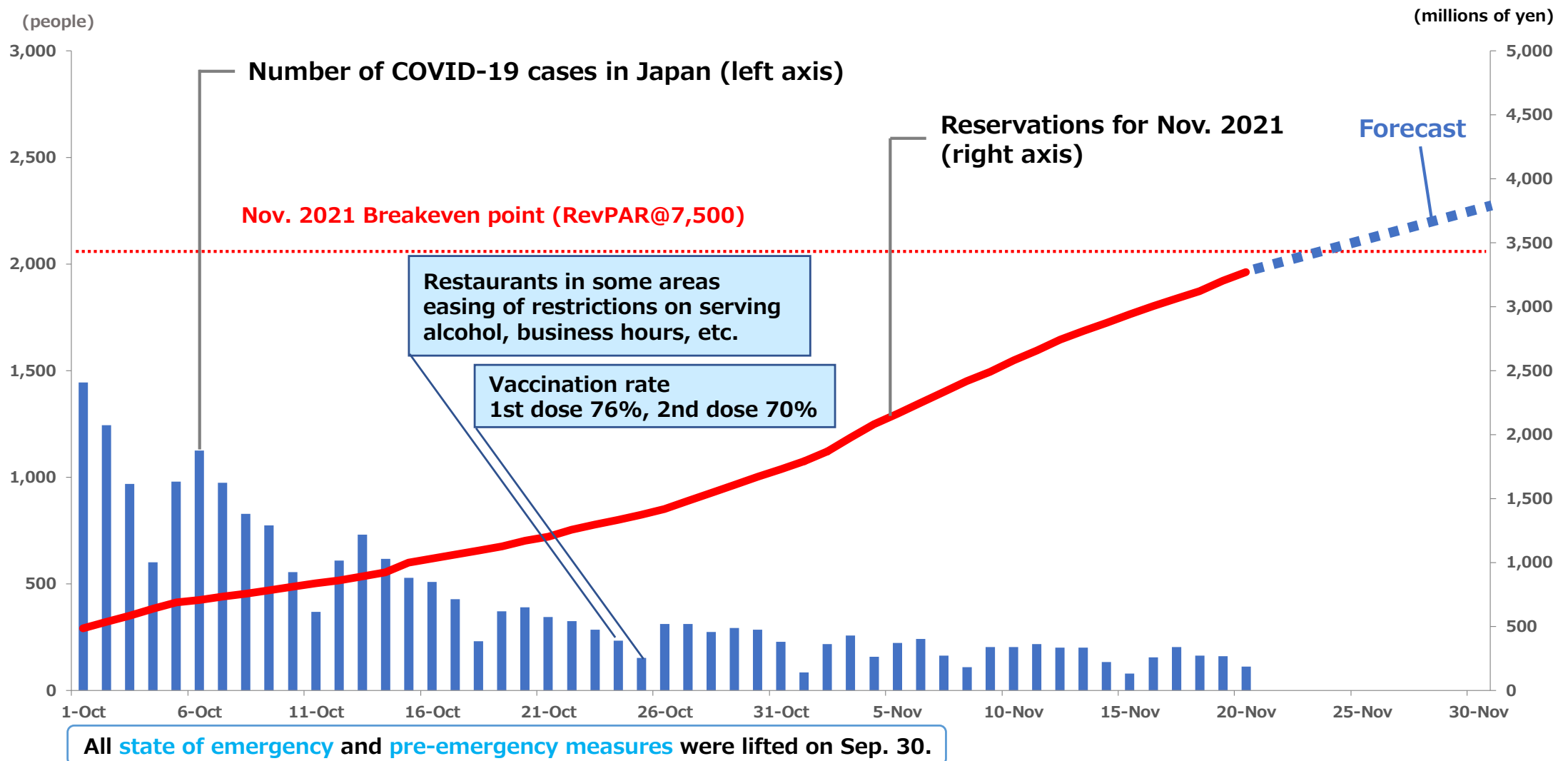


	First state of emergency	Relaxing requests for self-restraint	"Go To Travel campaign" (except TOKYO)	"Go To Travel campaign" (add TOKYO)	Campaign temporarily suspended	Second state of emergency	Third state of emergency	Fourth state of emergency	>> State of emergency lifted
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# Dormy Inn: Progress of reservations for Nov.

## Number of COVID-19 Infected People in Japan and Dormy Inn reservations for Nov. progress

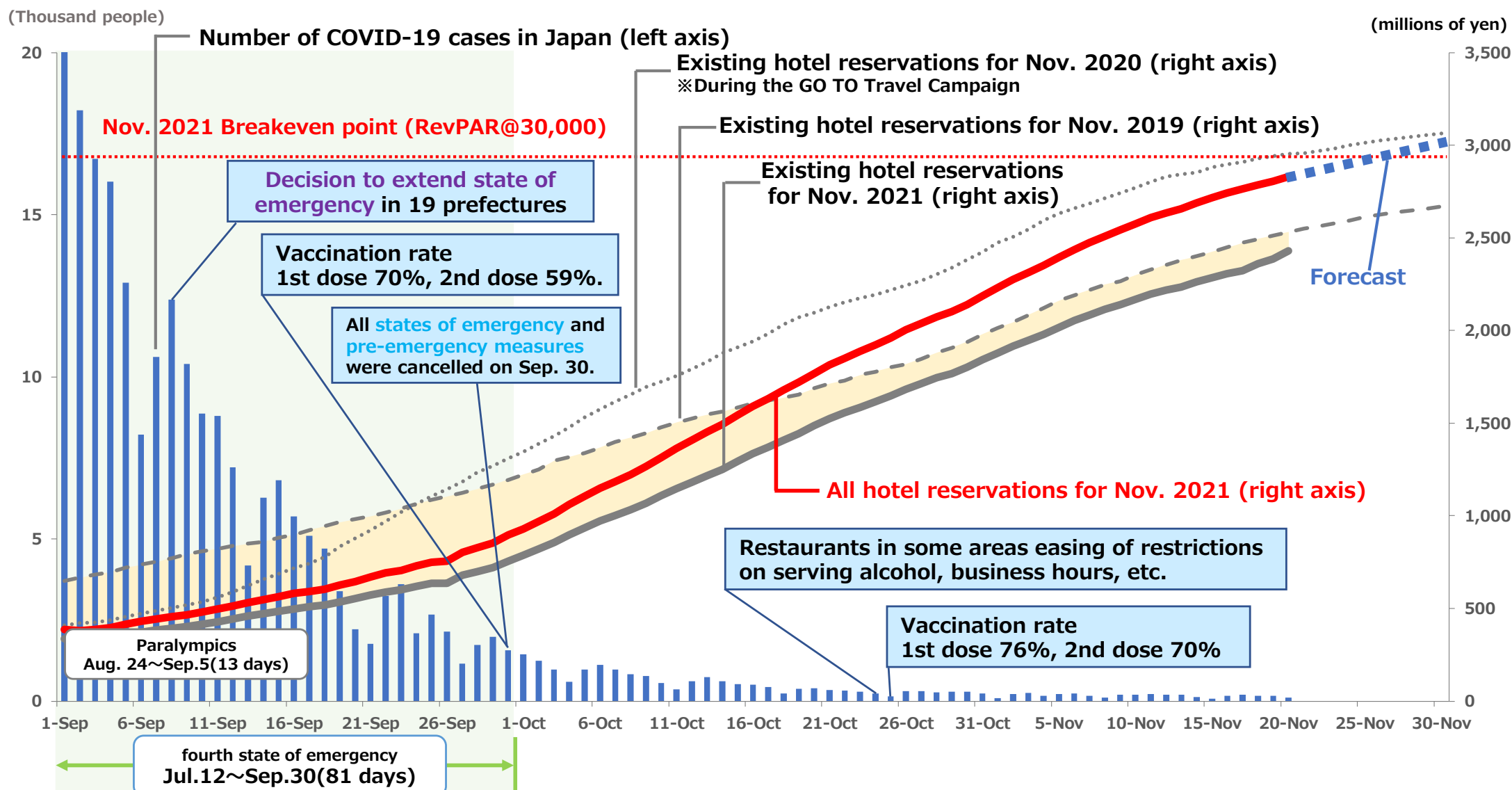
This table shows the number of reservations for November



# Kyoritsu Resort: Progress of reservations for Nov.

## Number of COVID-19 Infected People in Japan and Kyoritsu Resort reservations for Nov. progress

This table shows the number of reservations for November



(Notes) Existing buildings in the chart above are shown on a basis excluding hotels that opened or closed on or after Nov. 2019 (so that the three periods shown in the chart above can be compared under the same conditions).

# External evaluation of hotel business 1

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**KYORITSU**  
HOTELS & DORMITORIES

## Jalan Awards 2019

La Vista Hakodate Bay

The Best Place to Stay Award (Dinner)

**1st**

The Best Place to Stay Award <Breakfast> <Overall>

**2nd**

ONYADO NONO Sakaiminato

The Best Place to Stay Award <Breakfast>

**2nd**

ONYADO NONO Toyama

Dormy Inn Izumo

The Best Place to Stay Award <Breakfast>

**3rd**

Komeya

The Best Place to Stay Award < Customer Service >

**1st**

Hakone Kowakudani Hot Spring Hakone Mizunoto

Gora Onsen Setsugetsuka Bettei Suiun

Best Selling Inn Awards

**1st**

Yumoto Kissho Naruko Hot Spring

Hakone Yumoto Hot Spring Tsuki no Yado Sara

Ancient Rest Inn Ikyu

Arashiyama Hot Spring Kadensho in Kyoto

Best Selling Inn Awards

**2nd**

Kusatsu Hot Spring Tokinoniwa

Best Selling Inn Awards

**3rd**

Yawatano Hot Spring Kiranosato

Professional Awards

**1st**

## Rakuten Travel Awards 2020



Rakuten Travel Gold Award 2020

La Vista Kushirogawa

Dormy Inn Morioka

Dormy Inn Matsumoto

Dormy Inn PREMIUM

Wakayama

La Vista Akangawa

Nankishirahama

Hamachidori no Yu Kaishu

The Beach Tower Okinawa  
Hotel



Rakuten Travel Silver Award 2020

ONYADO NONO Toyama

La Vista Hakodate Bay

Arashiyama Hot Spring

Kadenshou in Kyoto

Hotel & Spa Resort La Vista

Kirishima Hills



Rakuten Japan Inn Award 2020  
TOP47

OP47

Onyado Shikishimakan

# External evaluation of hotel business 2

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**KYORITSU**  
HOTELS & DORMITORIES

## Japan Brand Collection 2021 Inns & Hotels TOP100 (MEDIA PAL Co., Ltd.)

Inazumi Hot Spring

TOP100 selection



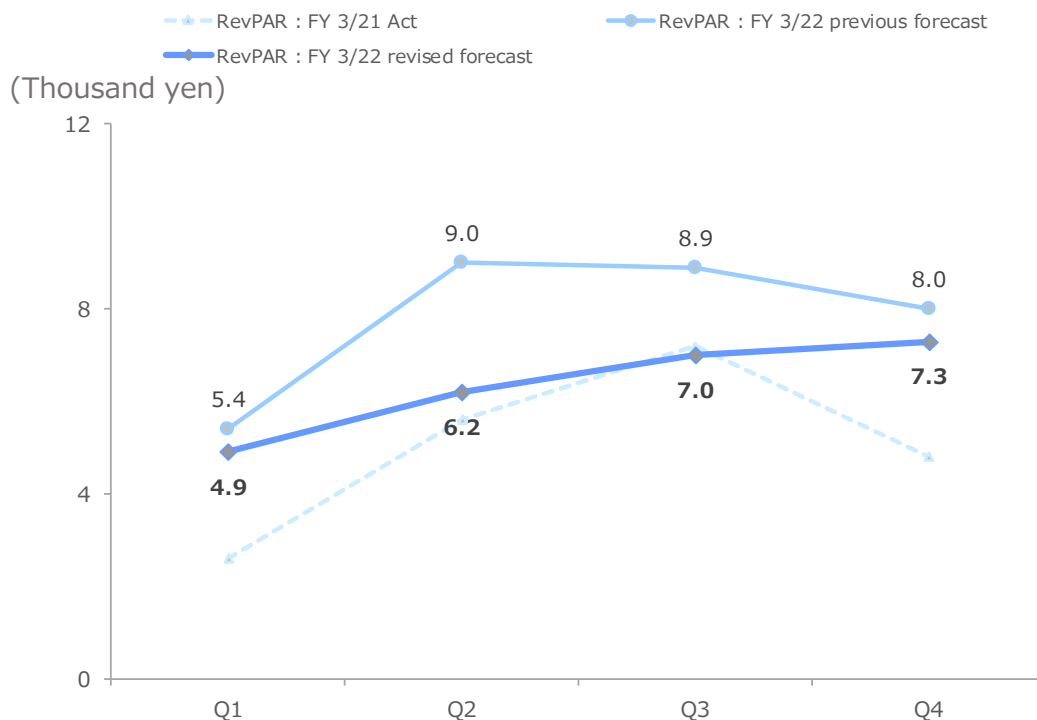
Kotohira hot Spring Onyado Shikishimakan

TOP100 selection



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

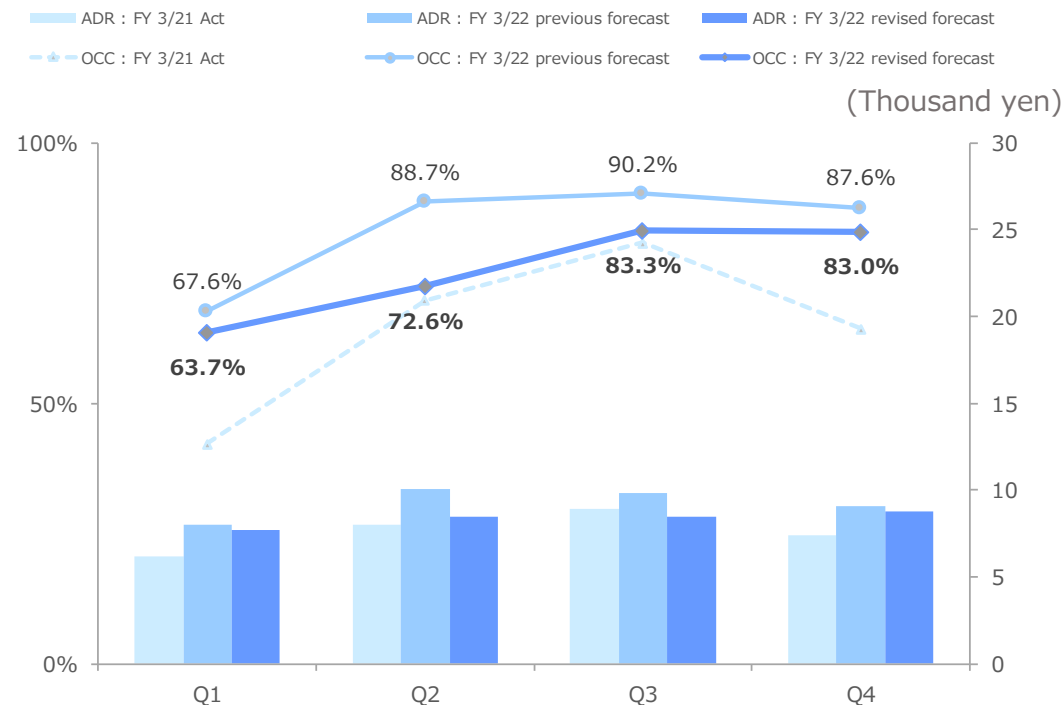
## RevPAR



RevPAR

(thousand yen)	Q1	Q2	Q3	Q4	Annual cumulative total
FY 3/21 (Act)	2.6	5.6	7.2	4.8	5.1
FY 3/22 previous forecast <b>A</b>	5.4	9.0	8.9	8.0	7.8
FY 3/22 revised forecast <b>B</b>	4.9	6.2	7.0	7.3	6.4
difference <b>B-A</b>	-0.5	-2.7	-1.8	-0.6	-1.4

## OCC・ADR



OCC

(%)	Q1	Q2	Q3	Q4	Annual cumulative total
FY 3/21 (Act)	42.2%	69.8%	80.9%	64.3%	64.8%
FY 3/22 previous forecast <b>A</b>	67.6%	88.7%	90.2%	87.6%	83.6%
FY 3/22 revised forecast <b>B</b>	63.7%	72.6%	83.3%	83.0%	75.7%
difference <b>B-A</b>	-3.9pp	-16.1pp	-6.9pp	-4.6pp	-7.9pp

ADR

(thousand yen)	Q1	Q2	Q3	Q4	Annual cumulative total
FY 3/21 (Act)	6.2	8.0	8.9	7.4	7.9
FY 3/22 previous forecast <b>A</b>	8.0	10.1	9.8	9.1	9.4
FY 3/22 revised forecast <b>B</b>	7.7	8.5	8.5	8.8	8.4
difference <b>B-A</b>	-0.2	-1.5	-1.3	-0.3	-0.9

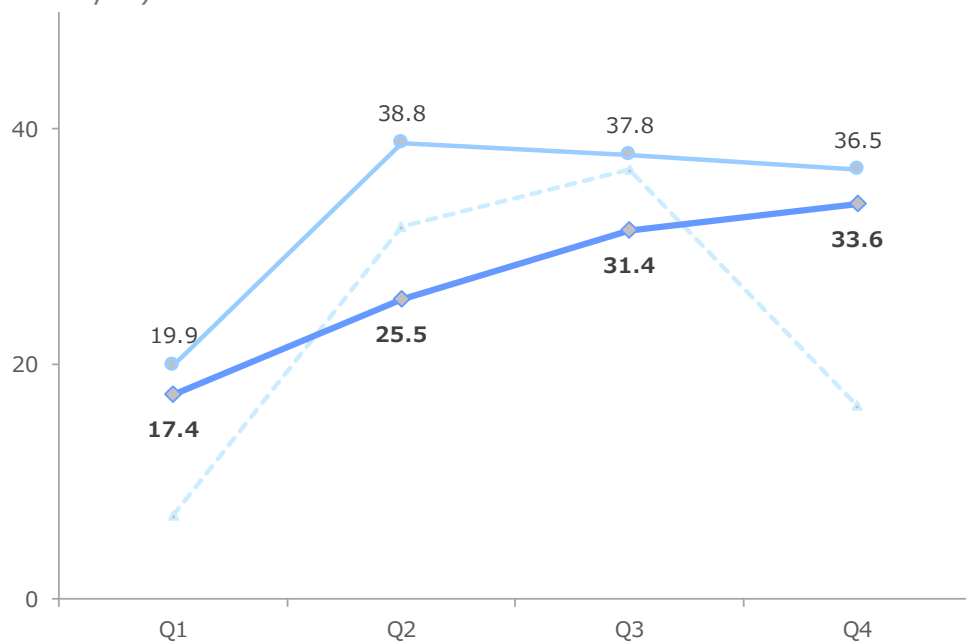
(Note) The table above shows figures excluding hotels that opened in April 2020 or later, in order to enable comparison between the two periods under the same conditions

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

## RevPAR

RevPAR : FY 3/21 Act  
 RevPAR : FY 3/22 previous forecast  
 RevPAR : FY 3/22 revised forecast

(Thousand yen)



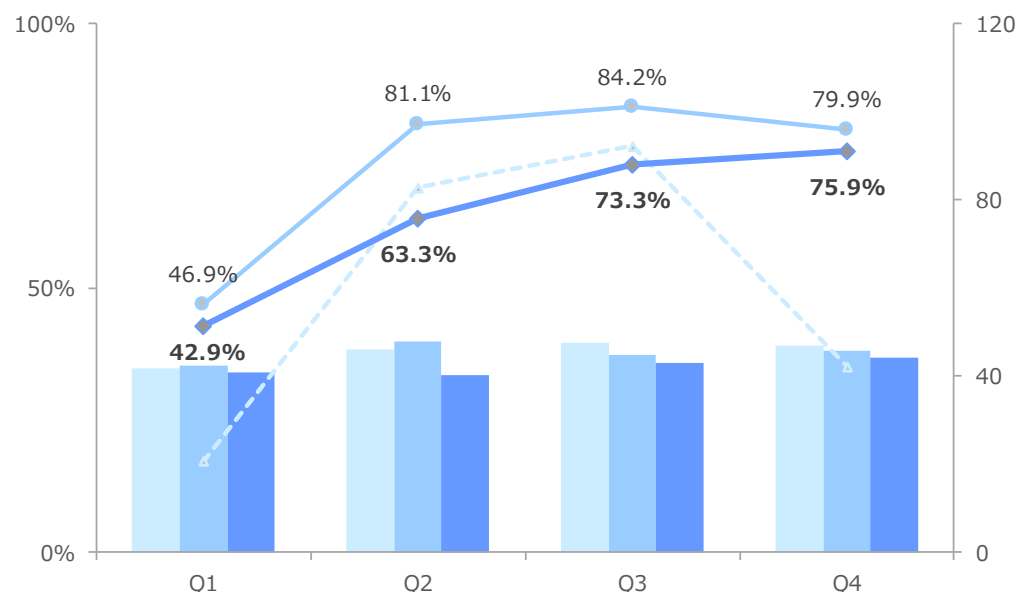
RevPAR

(thousand yen)	Q1	Q2	Q3	Q4	Annual cumulative total
FY 3/21 (Act)	7.1	31.7	36.5	16.4	24.2
FY 3/22 previous forecast <b>A</b>	19.9	38.8	37.8	36.5	33.2
<b>FY 3/22 revised forecast B</b>	<b>17.4</b>	<b>25.5</b>	<b>31.4</b>	<b>33.6</b>	<b>26.9</b>
difference <b>B-A</b>	-2.4	-13.3	-6.3	-2.8	-6.3

## OCC·ADR

ADR : FY 3/21 Act  
 ADR : FY 3/22 previous forecast  
 ADR : FY 3/22 revised forecast  
 OCC : FY 3/21 Act  
 OCC : FY 3/22 previous forecast  
 OCC : FY 3/22 revised forecast

(Thousand yen)



OCC

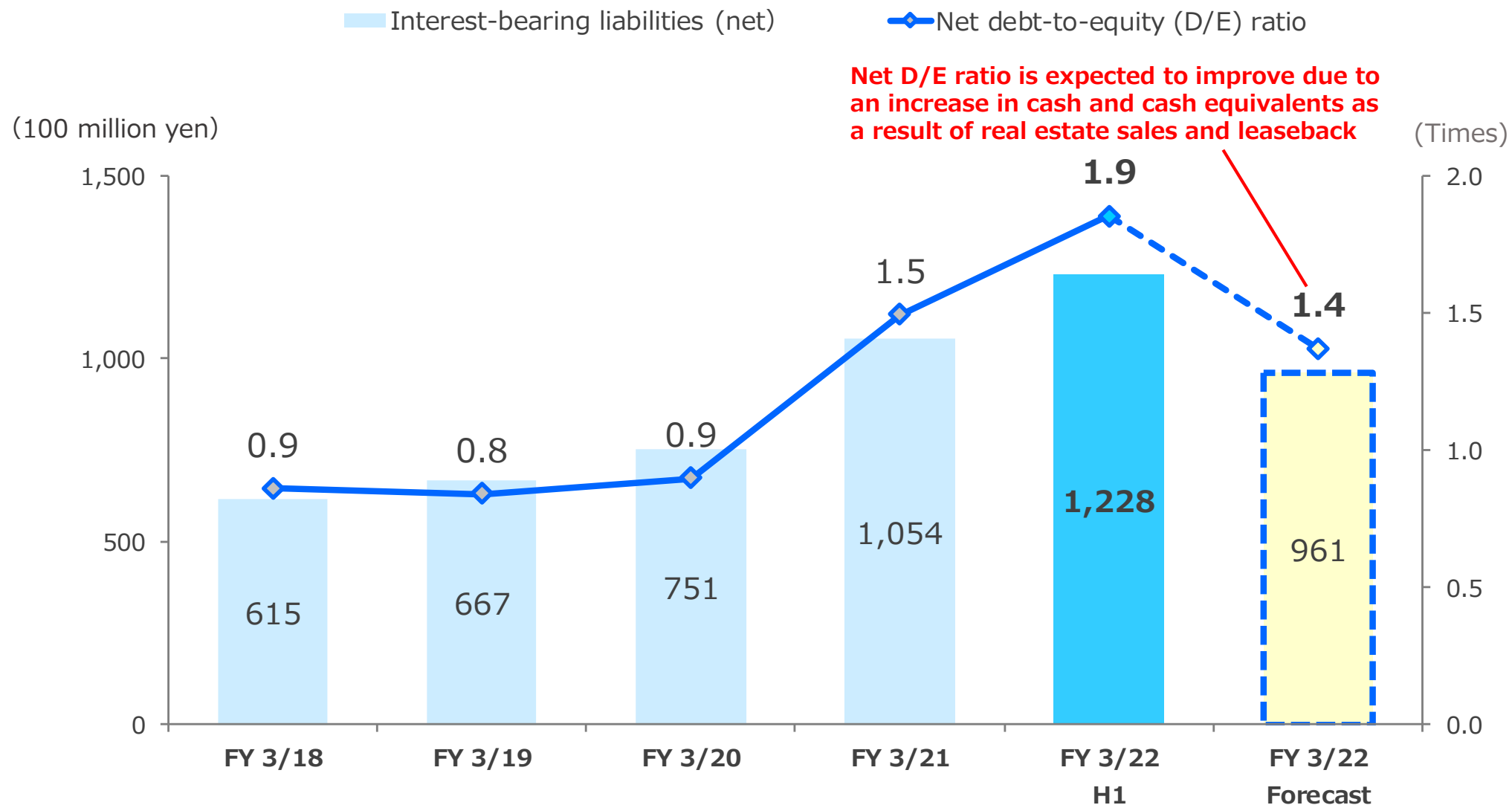
(%)	Q1	Q2	Q3	Q4	Annual cumulative total
FY 3/21 (Act)	17.2%	68.9%	76.8%	35.0%	52.0%
FY 3/22 previous forecast <b>A</b>	46.9%	81.1%	84.2%	79.9%	73.0%
<b>FY 3/22 revised forecast B</b>	<b>42.9%</b>	<b>63.3%</b>	<b>73.3%</b>	<b>75.9%</b>	<b>63.6%</b>
difference <b>B-A</b>	-4.0pp	-17.8pp	-10.9pp	-4.0pp	-9.3pp

ADR

(thousand yen)	Q1	Q2	Q3	Q4	Annual cumulative total
FY 3/21 (Act)	41.7	46.1	47.5	47.0	46.6
FY 3/22 previous forecast <b>A</b>	42.4	47.8	44.9	45.6	45.5
<b>FY 3/22 revised forecast B</b>	<b>40.7</b>	<b>40.3</b>	<b>42.9</b>	<b>44.3</b>	<b>42.2</b>
difference <b>B-A</b>	-1.6	-7.5	-1.9	-1.3	-3.3

(Note) The table above shows figures excluding hotels that opened in April 2020 or later, in order to enable comparison between the two periods under the same conditions

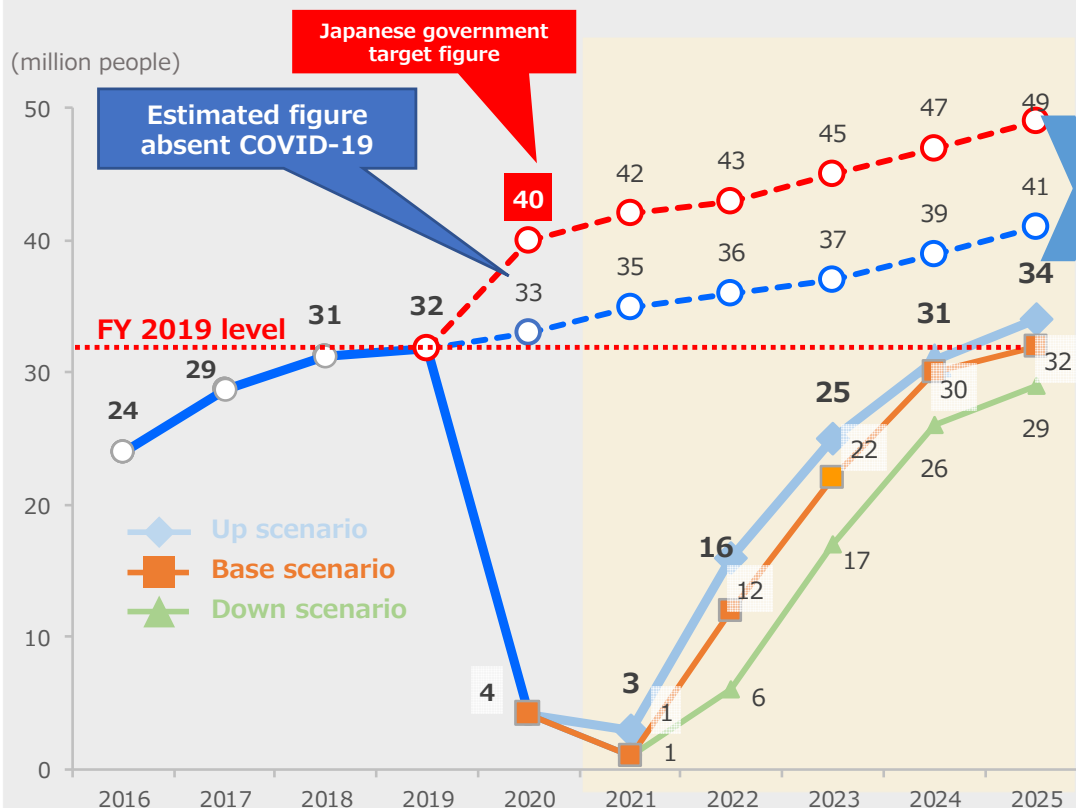
# Interest-bearing liabilities and Net D/E ratio



# Medium-Term Outlook : Analysis of the Impact of COVID-19 on the Number of Foreign Visitors to Japan

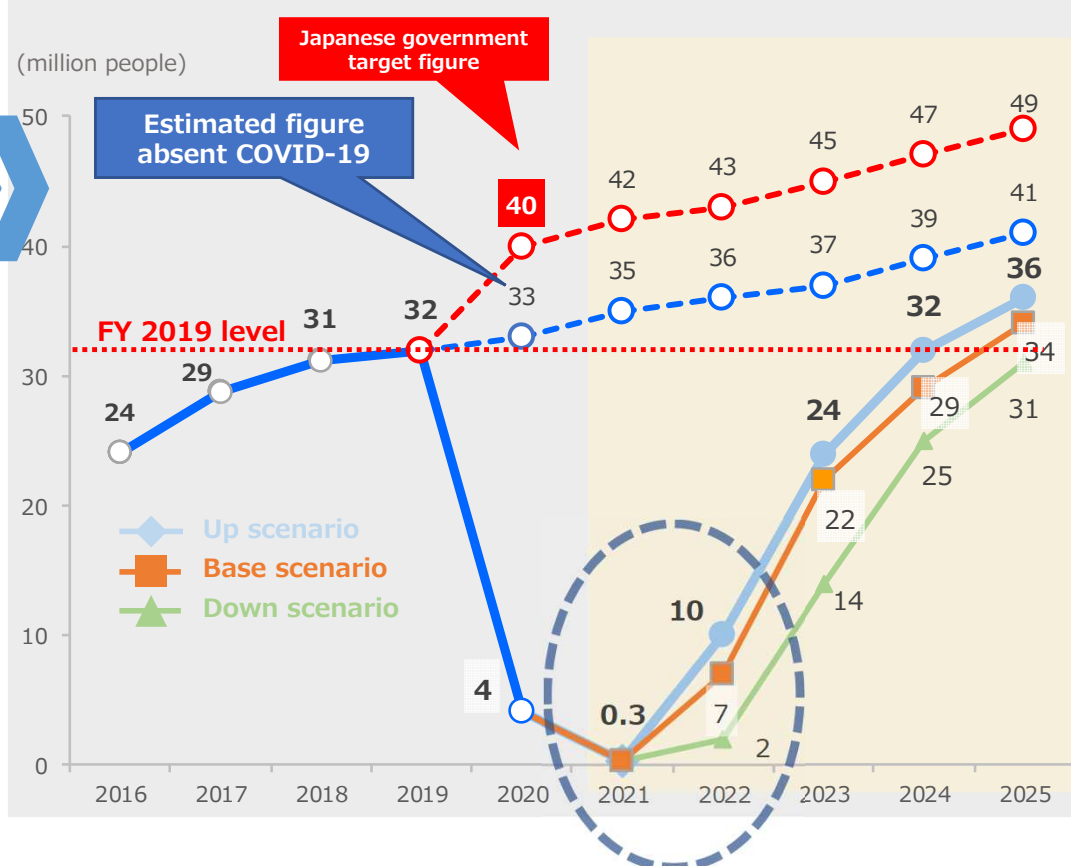
## <Updated May 2021>

- | 1 Up scenario  | 2 Base scenario  | 3 Down 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. | Recovery to FY2019 levels in FY2024, as restrictions on entry by tourists to Japan are lifted beginning in January 2022. | Tourists begin entering Japan in July 2022 as stability returns after vaccination spreads and herd immunity is attained. Recovery to FY2019 levels in FY2025. |



## <Updated Sep 2021>

- | 1 Up scenario   | 2 Base scenario   | 3 Down scenario   |
|---|---|---|
| The case of vaccine herd immunity of the Japanese to meet the government target and easing the entry of tourists in May 2022 (IATA up scenario) | The case of vaccine herd immunity of the Japanese in Jan 2022 and easing the entry of tourists in Jun 2022 (IATA baseline scenario) | The case of the fifth state of emergency due to delays in the acquisition of vaccine herd immunity of the Japanese, and easing the entry of tourists in Jan 2023. |



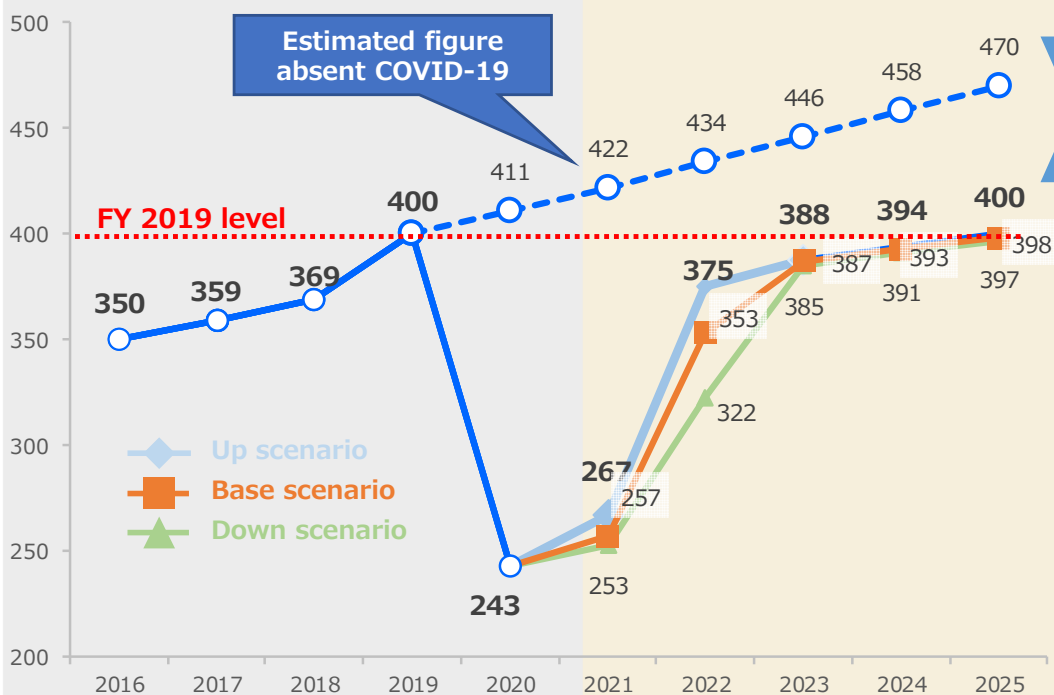
※Source: Survey by major research organizations

# Medium-Term Outlook : Analysis of the Impact of COVID-19 on the Number of Japanese Guests

## <Updated May 2021>

- | 1 Up scenario  | 2 Base scenario   | 3 Down scenario  |
|--|---|--|
| Tourism demand expected to recover to FY2019 levels in April 2022, conditional on attaining herd immunity through vaccination by that month. | Tourism demand expected to recover to FY2019 levels in July 2022, conditional on attaining herd immunity through vaccination by that month. | Tourism demand expected to recover to FY2019 levels in October 2022, conditional on attaining herd immunity through vaccination by that month. |

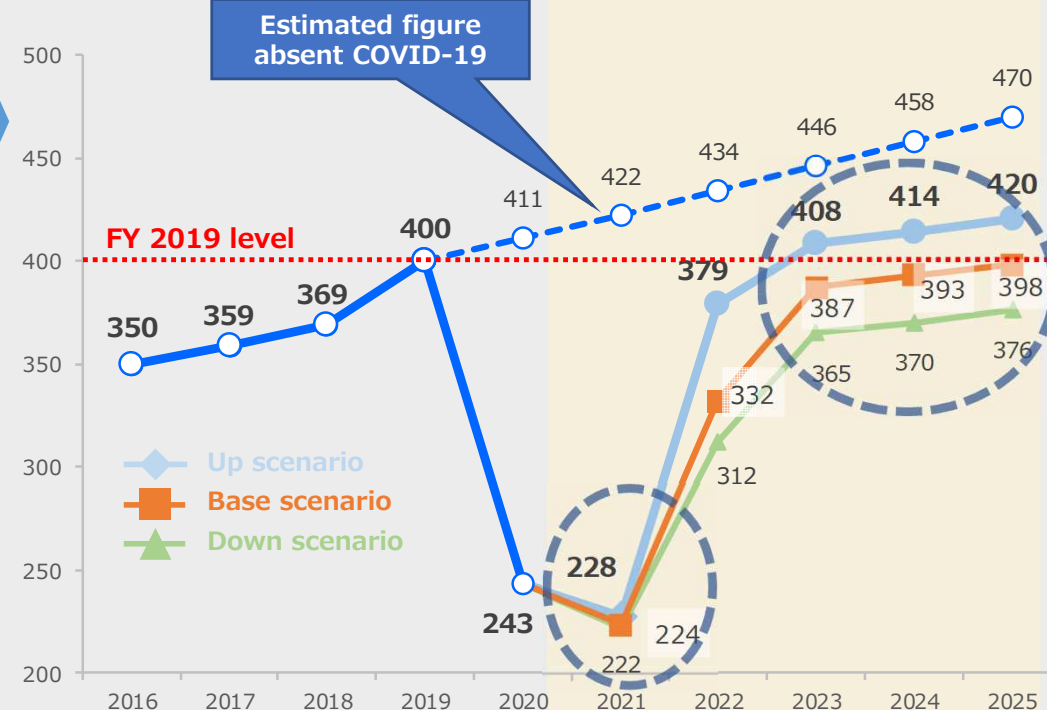
(million people·nights)



## <Updated Sep 2021>

- | 1 Up scenario  | 2 Base scenario  | 3 Down scenario   |
|--|--|---|
| The case assumes recovery to 2019 levels of tourism demand, assuming herd immunity is obtained until Jan 2022. | The case assumes recovery to 2019 levels of tourism demand, assuming herd immunity is obtained until Mar 2022. | The case assumes recovery to 2019 levels of tourism demand in Sep 2022 due to delays in obtaining group immunity. |

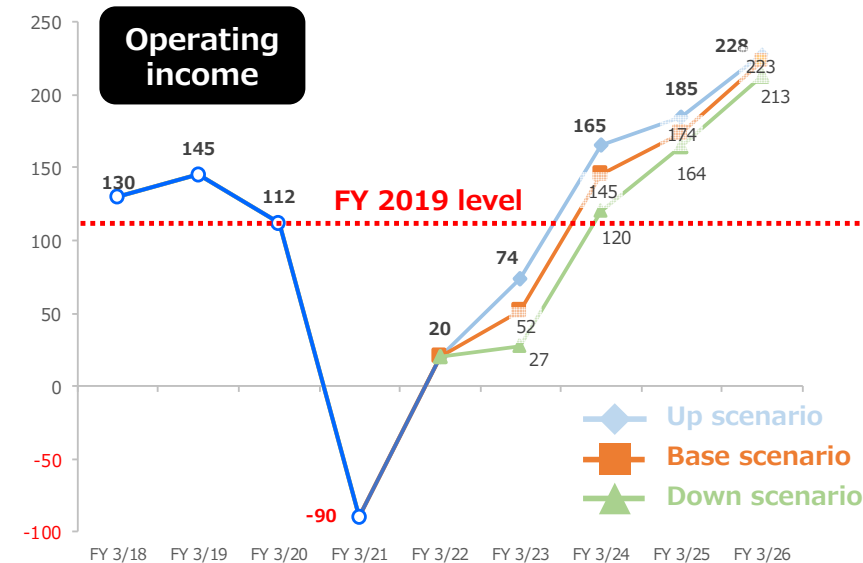
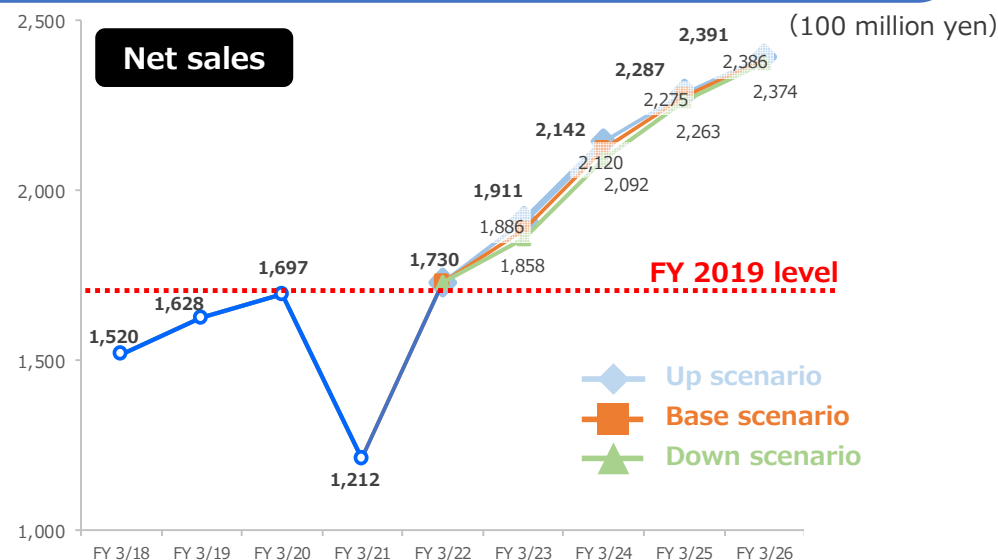
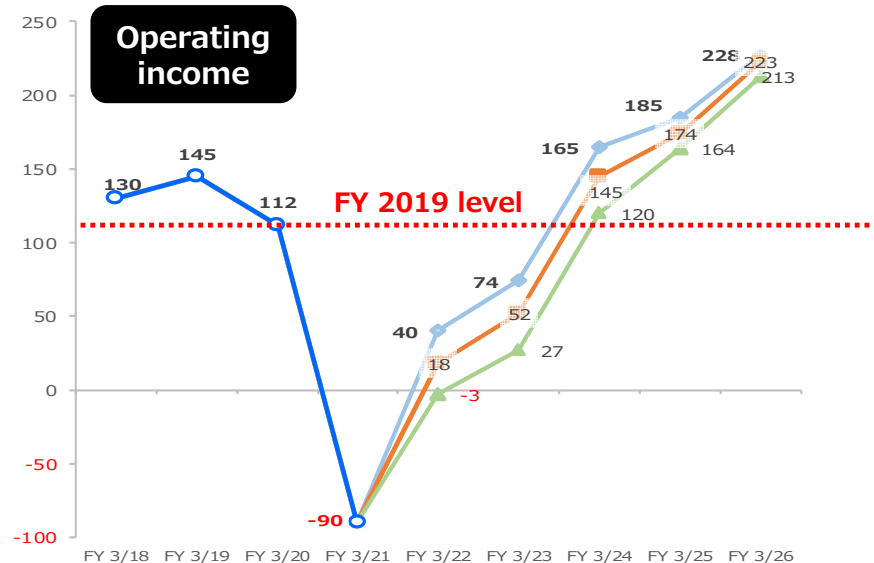
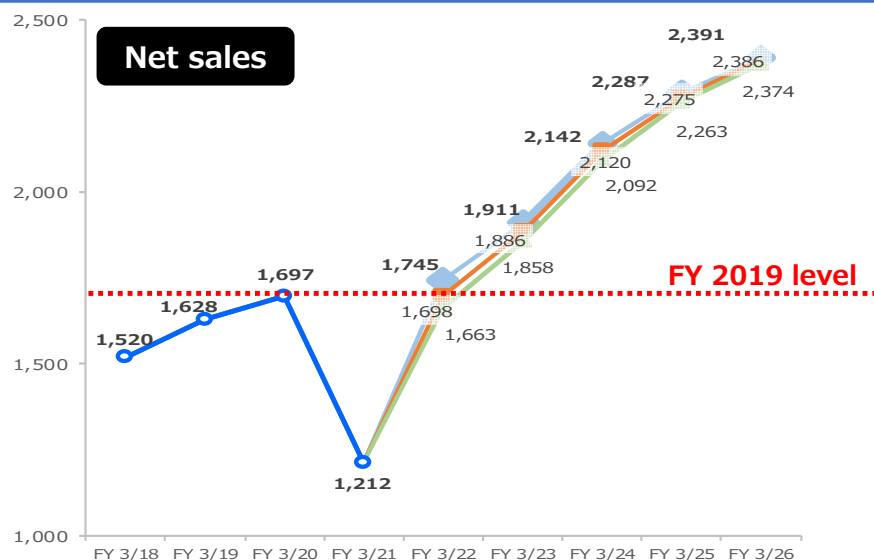
(million people·nights)



※Source: Survey by major research organizations

# 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.



# Dormitory/hotel development plans and sales and leaseback projects for real-estate

## 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*	+1,682 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	43,435 rooms	Ending guest capacity	44,835 rooms	Ending guest capacity	46,235 rooms	Ending guest capacity	47,635 rooms
	Leasing rate	87.9%	Leasing rate	87.8%	Leasing rate	88.0%	Leasing rate	88.4%	Leasing rate	88.7%	Leasing rate	89.1%
	[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 Higashiguti Odawara, [L] Kyoto Fukakusa, [L] Nishinomiya Kitaguchi, [L] Kokura Sakuradori, etc.		[L] Hirosaki, [L] Sendai Teppo-chonishi, [L] Kyoto Fushimi, [L] Kyoto Saiin, [L] Otsuka, [L] Sendai Komatsushima, [L] Yamagata Honcho etc.		[L] Nishinomiya Nigawa, etc.		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, <b>Express Toyohashi,</b> <b>Premium Ginza,</b> [L] Express Fujisan Gotemba, [L] Nono Osaka Yodoyabashi.		<b>Nono Matsue,</b> [L] Nono Matsumoto, [L] Nono Sendai, [L] Hiroshima Annex.		<b>Nono Asakusa Bettei,</b> [L] Okayama, [L] Nono Beppu, [L] Aomori, Rikuzentakata, [L] Nono Ise, etc.		[L] Nono Fukui, etc.		<b>Yokkaichi,</b> [L] Nono Kumamoto, etc.	
Resorts	+3 facilities*	+297 rooms*	+2 facilities*	+158 rooms*	+4 facilities*	+938 rooms*	+1 facilities*	+72 rooms*	+1 facilities*	+72 rooms*	+2 facilities*	+337 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	44 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	4,303 rooms	Ending guest capacity	4,375 rooms	Ending guest capacity	4,712 rooms
	Leasing rate	52.0%	Leasing rate	56.5%	Leasing rate	66.1%	Leasing rate	66.7%	Leasing rate	67.2%	Leasing rate	69.6%
	Shuzenji Hot Spring Katsuragawa, Okuhida Hot Spring Hirayukan, [L] Wakura Hot Spring Noto Kaishu.		<b>Nasu Shiobara Rengetsu,</b> <b>La Vista Kusatsu Hills.</b>		<b>Jozankei,</b> [L] Hakodate Bay Annex, [L] Kyoto Umeoji, [L] La Vista Tokyo Bay.		<b>Kyoto Ninnaji.</b>		<b>La Vista Enoshima Terrace,</b>		<b>Kurokawa Hot Spring.</b> <b>La Vista Atami Terrace.</b>	
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)

# ESG initiatives

## • Energy for All, Clean for All



We aim to reduce the environmental impact of our business activities and protect the global environment, contributing to realize a sustainable society.

→ Participate in activities in Nakanojo-machi, Gunma Prefecture that we promote to revitalize through local generation of electricity for local consumption by PKP (Public Kyoritsu Partnership) projects. (expected power generation: 1.37 million kWh/year, annual CO2 reduction: approximately 640 tons)

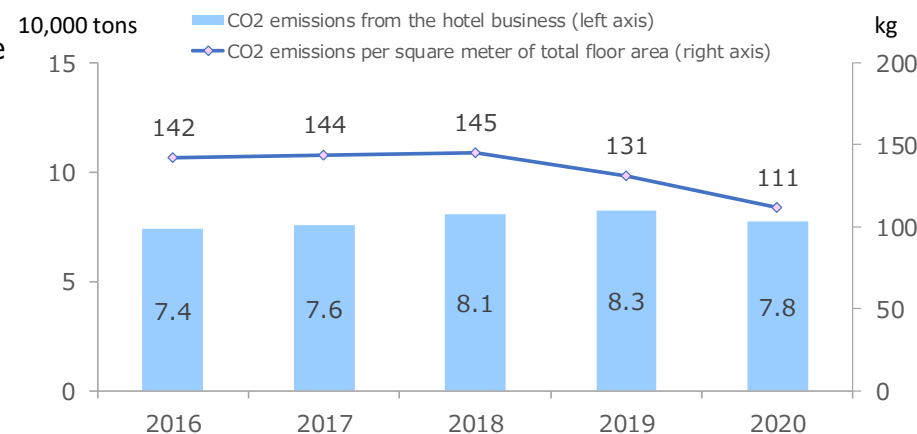
→ Introduced business cards made from LIMEX, a material derived from limestone

→ Planning to introduce LIMEX hangers in guest rooms at La Vista Tokyo Bay (scheduled to open in spring 2022)

→ Reduce electricity consumption by switching to LED lighting and introducing energy-saving equipment

- Replacement with energy-saving air conditioners in 660 rooms in five hotel buildings in FY2020

(Reduction of CO2 emissions of more than 100 tons/year)



## • Human Rights and Diversity



We recognize the importance of respecting human rights and prohibit discrimination based on gender, race, nationality, age, religion, etc., and harassment. We aim to create a workplace free of discrimination.

→ Of the 350 new employees who joined the company in April 2021, 28 (8.0%) are foreign nationals. We are conducting cross-cultural exchange training so that employees can work with high motivation regardless of race and cultural differences. (Actual number of new foreign employees hired: April 2019: 57 out of 296, April 2020: 62 out of 285)

→ 244 (69.7%) of new hires are female, creating a work environment in which employees can take an active role regardless of gender.

→ A help hotline has been set up in the head office to prevent human rights issues and harassment, and to identify and resolve such issues as early as possible.

- **Strengthening Corporate Governance**

→Appointment of four outside directors who are not members of the Audit Committee, with expertise in the fields of hygiene, education, economy, real estate, regional development, and tourism.

The directors have established a system for monitoring the Company's management as independent directors. (registered with the Tokyo Stock Exchange) They attend all board meetings and actively express their constructive opinions.

- **Application for a new market segment "Prime Market"**

→At the board meeting held on September 29, 2021, the Company decided to select the "Prime Market" as the new market segment to which the Company will belong. This was announced in the news release of the same date.

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