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KYORITSU HOTELS & DORMITORIES

FY 3/26 (4/2025-3/2026)

Consolidated Financial Results

May 29, 2026
Kyoritsu Maintenance Co., Ltd.
〔Securities Code 9616〕

Good morning, everyone.
I am Takaku from Kyoritsu Maintenance.

Thank you very much for taking the time out of your busy schedules to attend the Kyoritsu Maintenance Co., Ltd. Financial Results Briefing for the Fiscal Year Ended March 2026.

For today's briefing, we not only have domestic investors but also many investors from overseas joining again. I would like to express my deepest gratitude for your continued support.

During this fiscal year, brisk accommodation demand driven by the Expo 2025 Osaka, Kansai, along with inbound tourism surging past a record-breaking 42 million annual visitors, provided a powerful foundation for our hotel business.

On the other hand, we continue to see environmental changes that require careful monitoring, including persistent high costs, as well as Japan-China relations and the situation in the Middle East. We believe it is essential to monitor these unpredictable changes in the external environment more closely than ever and respond with flexibility.

Against this backdrop, in today's briefing, I will present the financial results overview for the fiscal year ended March 2026—which marked our third consecutive year of record-high profits—as well as our full-year earnings forecasts for the fiscal year ending March 2027, and the progress of our Medium-Term Management Plan announced in May 2023.

Contents

 1

First, I, Takaku will present the Summary of Financial Results for FY March 26.

Following that, our President, Nakamura, will explain the FY March 27 Consolidated Financial Forecasts and the progress on the Medium-Term Management Plan.

 2

Now, I will begin.

FY3/26 Financial Highlights

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Recorded highest profits for 3 consecutive years, Net income increased 28.5% YoY to 18.7 billion yen.

Dormitory Business

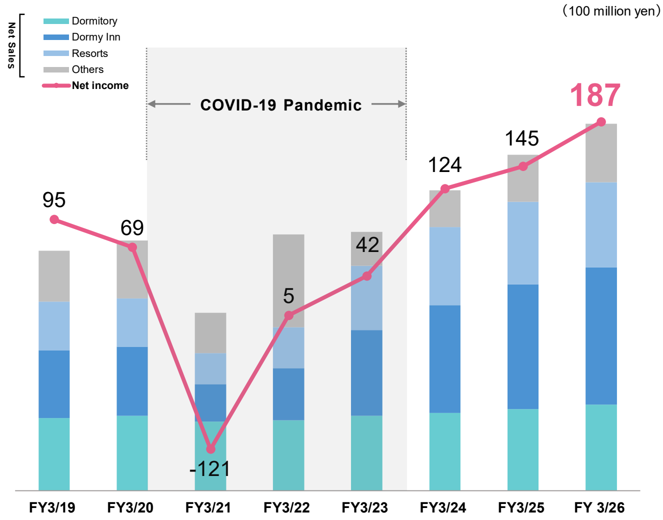
- Increased revenuedue due to an increases in occupied rooms and sales price optimization.
  └ Occupancy Ratio at the Beginning 97.4%(+0.4 pt YoY)
- Increased profit despite higher operating costs, such as food and other expenses.

Hotel Business

- Increased both revenue and profit by promoting sales price optimization and absorbing cost increases.
- Inbound tourism ratio：21.4%(+1.1 pt YoY)
- Company website reservation ratio：25. 8%(+3.0 pt YoY)
  └ Dormy's membership reached 2.01 million (+61.4% YoY).

Others

- Real estate securitization was carried out for four properties.
  └ Net Sales 35.0 billion yen Operating Income 2.3 billion yen



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First, are the Financial Highlights for Fiscal Year Ended March 2026.

Although consolidated financial results for this fiscal year were impacted by rising costs such as food and labor expenses, brisk accommodation demand driven by the Expo 2025 Osaka, Kansai, combined with the sustained popularity of inbound tourism, allowed us to record the highest profits for the third consecutive year across all profit lines.

Looking at the main topics by business segment:

First, in the Dormitory Business, we expanded into areas where we didn't have presence—specifically Okayama, Takamatsu, and Tokushima—while successfully kicking off the year with a high occupancy ratio at the beginning of the year at 97.4%, outperforming the previous year.
Furthermore, we recorded an increase in both revenue and profit, driven by steady growth in long-term leased units for both student and employee dormitories, alongside our continuous efforts toward sales price optimization.

Next, in the Hotel Business, we achieved growth in both revenue and profit by accurately capturing inbound and domestic lodging demand, while successfully promoting the optimization of sales prices. The inbound ratio rose to 21.4%, and the company website reservation ratio increased to 25.8%. Additionally, membership for our "Dormy's" program successfully surpassed the 2.0 million milestone.

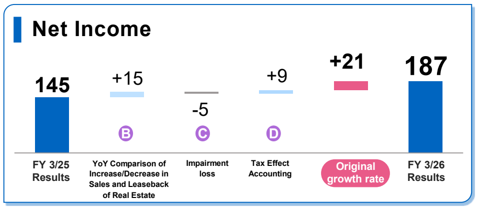
In other business areas, we executed a total of four real estate securitization projects, recording net sales of 35.0 billion yen and an operating income of 2.3 billion yen. This allowed us to achieve early recovery of investment capital while carefully managing our financial balance.

Overview of Consolidated Financial Results and Main Financial Indicators

KYORITSU HOTELS & DORMITORIES

(100 million yen)

	FY 3/25 Results (4/2024–3/2025)	FY 3/26 Results (4/2025–3/2026)	YoY Comparison Ⓐ		Special Causes: YoY Comparison of Increase/Decrease in Sales and Leaseback of Real Estate Ⓑ	Special Causes: Impairment loss Ⓒ	Special Causes: Tax Effect Accounting Ⓓ	YoY Comparison without Factors on the Left Ⓐ−Ⓑ−Ⓒ−Ⓓ	
Net Sales	2,289	2,752	+463	+20.2%	+325	—	—	+137	+6.0%
Operating Income	204	248	+43	+21.2%	+21	—	—	+21	+10.7%
Ordinary Income	214	262	+47	+22.3%	+21	—	—	+26	+12.3%
Net Income	145	187	+41	+28.5%	+15	-5	+9	+21	+15.0%
EPS(yen) *1	186.6	*1 221.8	+35.3	+18.9%					
Depreciation Expense	77	90	+13	+17.1%					
Cash Flow	222	277	+54	+24.5%					
Capital Investment	480	421	-58	-12.2%					



*1 The EPS figures shown are calculated taking into account the impact of the issuance of new shares (12,804,084 shares) through the exercise of convertible bonds with stock acquisition rights made between April 1, 2025 and March 31, 2026. EPS excluding the impact of the issuance of new shares through the exercise of convertible bonds with stock acquisition rights is 239.6 yen (up 28.4% YoY).
*2 Cash Flow: Net Income + Depreciation Expense.

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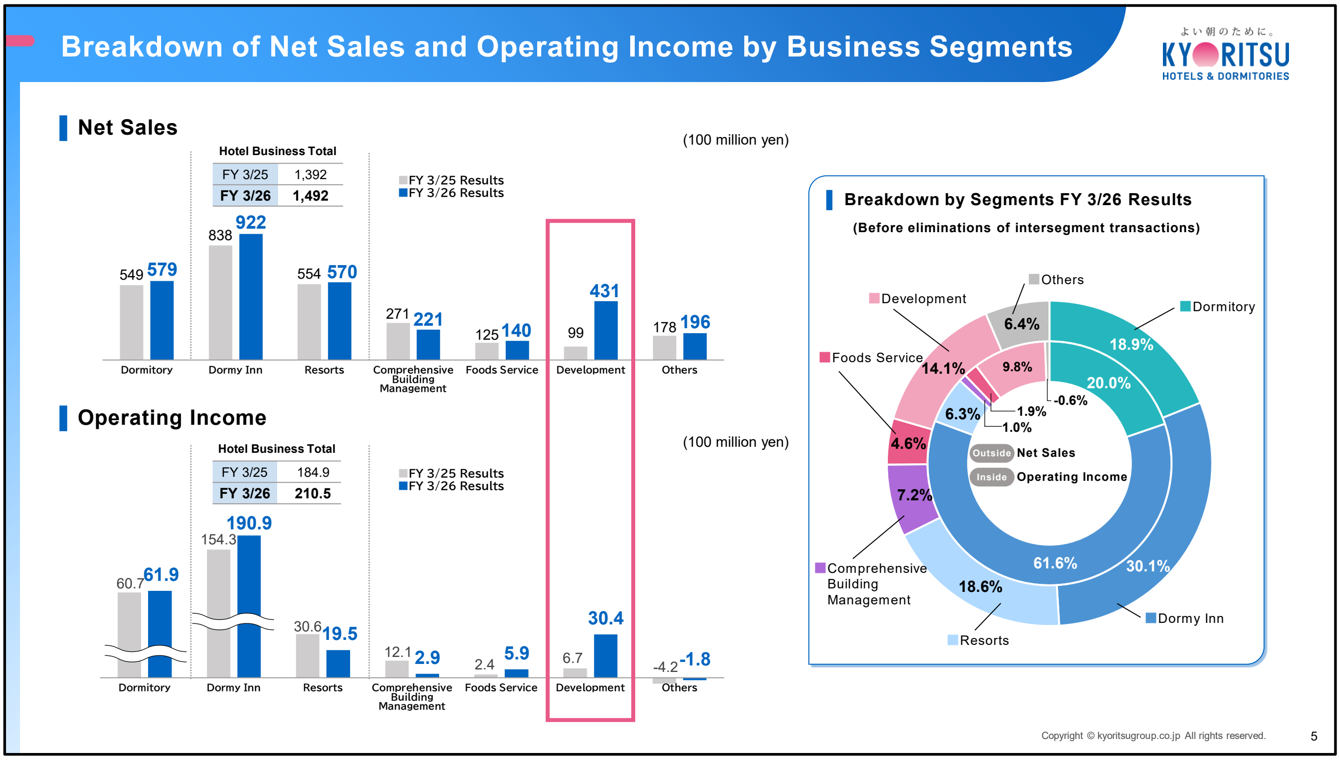
Next, I will explain our Consolidated Financial Results and Main Financial Indicators.
Net Sales increased by 20.2% year-on-year to 275.2-billion-yen, Operating Income rose by 21.2% year-on-year to 24.8 billion yen, and Ordinary Income grew by 22.3% year-on-year to 26.2 billion yen.

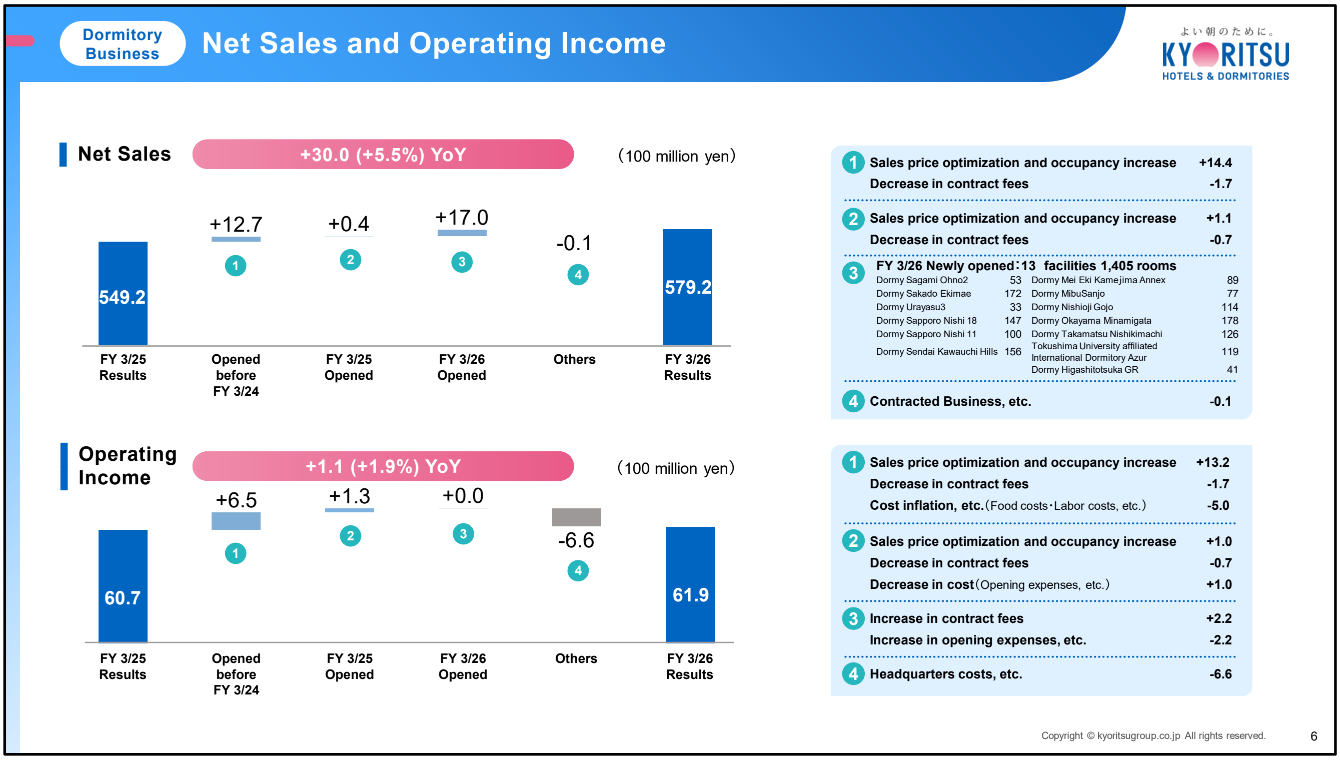
Regarding Net Income, despite recording an impairment loss of approximately 1.1 billion yen, supported in part by the positive impact of tax effect accounting, it increased by 28.5% year-on-year to 18.7 billion yen. As a result, we recorded our highest profits for the third consecutive year across all profit lines.

On the right side of the table, we have provided figures excluding special causes to show a year-on-year comparison on an underlying basis. Regarding the real growth rate after accounting for changes from the sales and leaseback of real estate in Column B, impairment loss in Column C, and tax effect accounting in Column D, net sales increased by 13.7 billion yen. Furthermore, we achieved solid growth exceeding 2.0 billion yen and 10% across all profit lines, with increases of 2.1 billion yen in Operating Income, 2.6 billion yen in Ordinary Income, and 2.1 billion yen in Net Income



The next slide shows a breakdown of Net Sales and Operating Income by Business Segments in comparison with the previous fiscal year.

The substantial increase in profit for the Development Business was driven by the execution of real estate securitization (sales and leaseback) for four properties, including La Vista Atami Terrace.



From here, I will explain the details for each segment.

First, regarding the Dormitory Business, our key performance indicator (KPI), the Occupancy Ratio at the Beginning of the fiscal year, started strong at 97.4%, up 0.4 percentage points year-on-year. Driven by factors such as sales price optimization and the addition of 13 newly opened facilities with 1,405 rooms during this fiscal year, Net Sales increased by 5.5% year-on-year to 57.92 billion yen.

Operating Income grew by 1.9% year-on-year to 6.19 billion yen; while we benefited from the profit-increase due to higher revenue, it was partially offset by cost inflation—such as food expenses—and an increase in headquarters costs.

Dormitory Business

Trends in Initial Number of Leased Units & Occupancy Ratio

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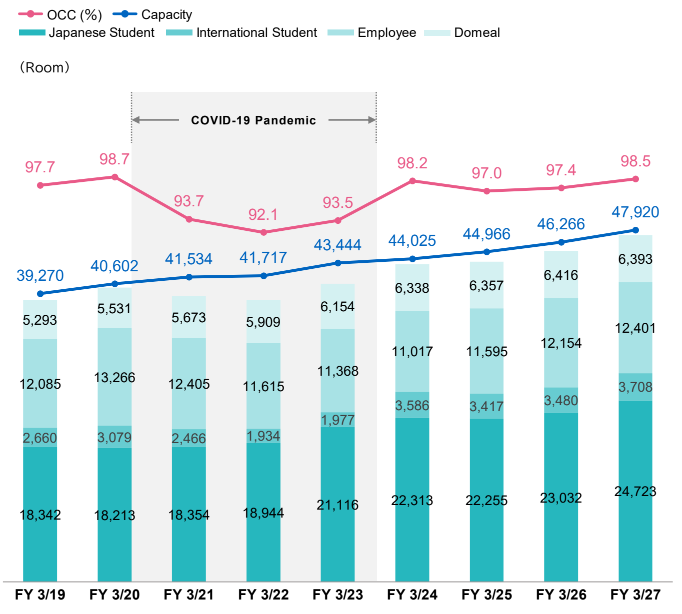

	FY 3/26	FY 3/27	YoY
Occupancy Ratio at the Beginning	97.4%	98.5%	+1.1pt
Number of Properties (Facilities)	536	542	+6
Number of Rooms	46,266	47,920	+1,654
Number of Rooms Occupied	45,082	47,225	+2,143

Breakdown of Occupied Rooms (Unit: room)

	FY 3/26	FY 3/27	YoY
Domeal	6,416	6,393	-23
Employee	12,154	12,401	+247
International Student	3,480	3,708	+228
Japanese Student	23,032	24,723	+1,691

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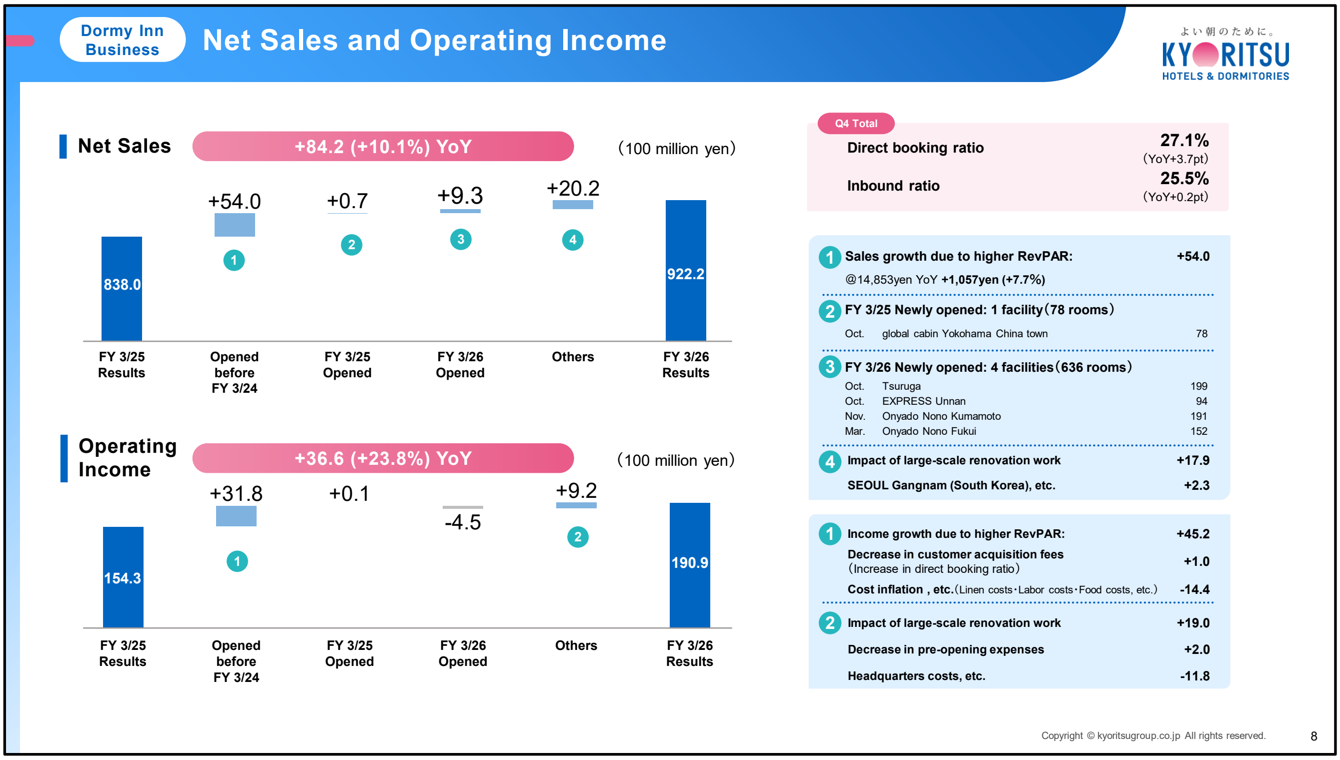
This slide shows the Occupancy Ratio at the Beginning and the trends in leased units, which are the KPIs for our Dormitory Business.

As you can see, the occupancy ratio at the beginning for the fiscal year ended March 2026 started at 97.4%, up 0.4 percentage points year-on-year.

Furthermore, the occupancy ratio at the beginning of the current fiscal year ending March 2027 (as of this April) marked a strong start at 98.5%, up 1.1 percentage points year-on-year.

Regarding the number of occupied rooms at the beginning of the fiscal year ending March 2027, driven in part by the opening of large-scale facilities primarily for student dormitories, the number of units for Japanese Students increased by 1,691 year-on-year to 24,723 rooms.

The number of units for Employees increased by 247 year-on-year to 12,401 rooms. In total, including International Students and Domeal, we started the year with 47,225 occupied rooms, which is an increase of 2,143 rooms compared to the previous year.



Moving on to the Dormy Inn Business,

The fiscal year started with strong lodging demand driven by Expo 2025 Osaka, Kansai. However, we later faced challenges, including misinformation of the so-called "July 5 disaster prediction" and the impact of heightened political tensions between Japan and China.

Against this backdrop, we implemented proactive sales initiatives and disciplined revenue management to effectively capture demand.

As shown in the upper-right corner, the direct booking ratio increased 3.7 percentage points year on year to 27.1%, while the inbound ratio rising 0.2 percentage points to 25.5%.

As a result, at existing properties, RevPAR increased by ¥1,057 or 7.7%, year on year, driving a ¥5.4 billion increase in revenue and a ¥3.18 billion increase in profit.

In addition, under "Others," lower expenses related to large-scale renovation work more than offset increases in headquarters costs and other expenses, resulting in a positive profit impact of ¥920 million year on year.

As a result, the Dormy Inn Business as a whole recorded net sales of ¥92.22 billion, up 10.1% year on year, and operating income of ¥19.09 billion, representing a substantial 23.8% increase year on year.

Dormy Inn Business — Monthly Trends in Occupancy Ratio, Average Daily Rate and RevPAR

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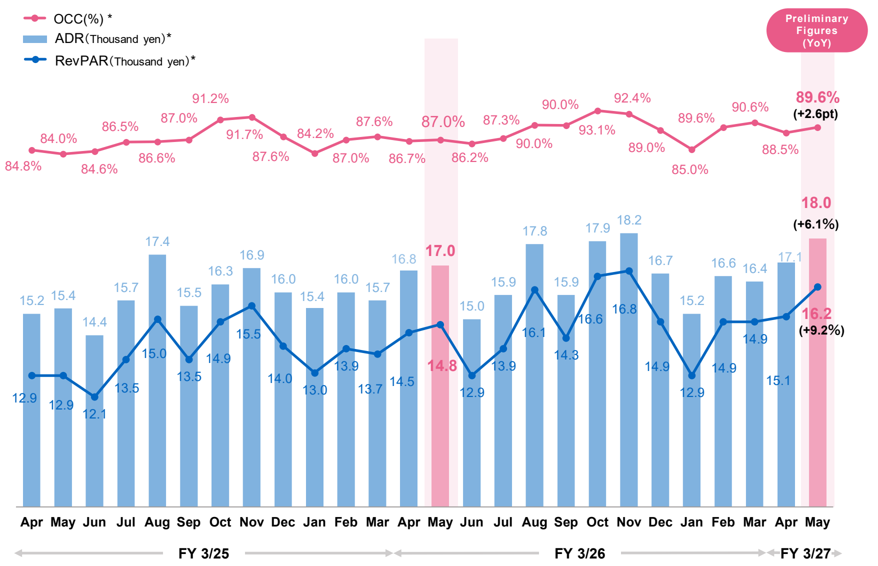

* The table above shows figures excluding hotels that opened in April 2024 or later, in order to enable comparison under the same conditions.

OCC (%)

	Q1	Q2	Q3	Q4	Full Year
FY 3/25	84.5	86.7	90.2	86.2	86.9
FY 3/26	86.6	89.1	91.5	88.4	88.9
YoY	+2.2pt	+2.4pt	+1.3pt	+2.1pt	+2.0pt

ADR (thousand yen)

	Q1	Q2	Q3	Q4	Full Year
FY 3/25	15.0	16.2	16.4	15.7	15.8
FY 3/26	16.3	16.6	17.6	16.1	16.7
YoY	+1.2	+0.3	+1.2	+0.3	+0.8

RevPAR (thousand yen)

	Q1	Q2	Q3	Q4	Full Year
FY 3/25	12.7	14.0	14.8	13.5	13.7
FY 3/26	14.1	14.8	16.1	14.2	14.8
YoY	+1.4	+0.7	+1.3	+0.6	+1.0

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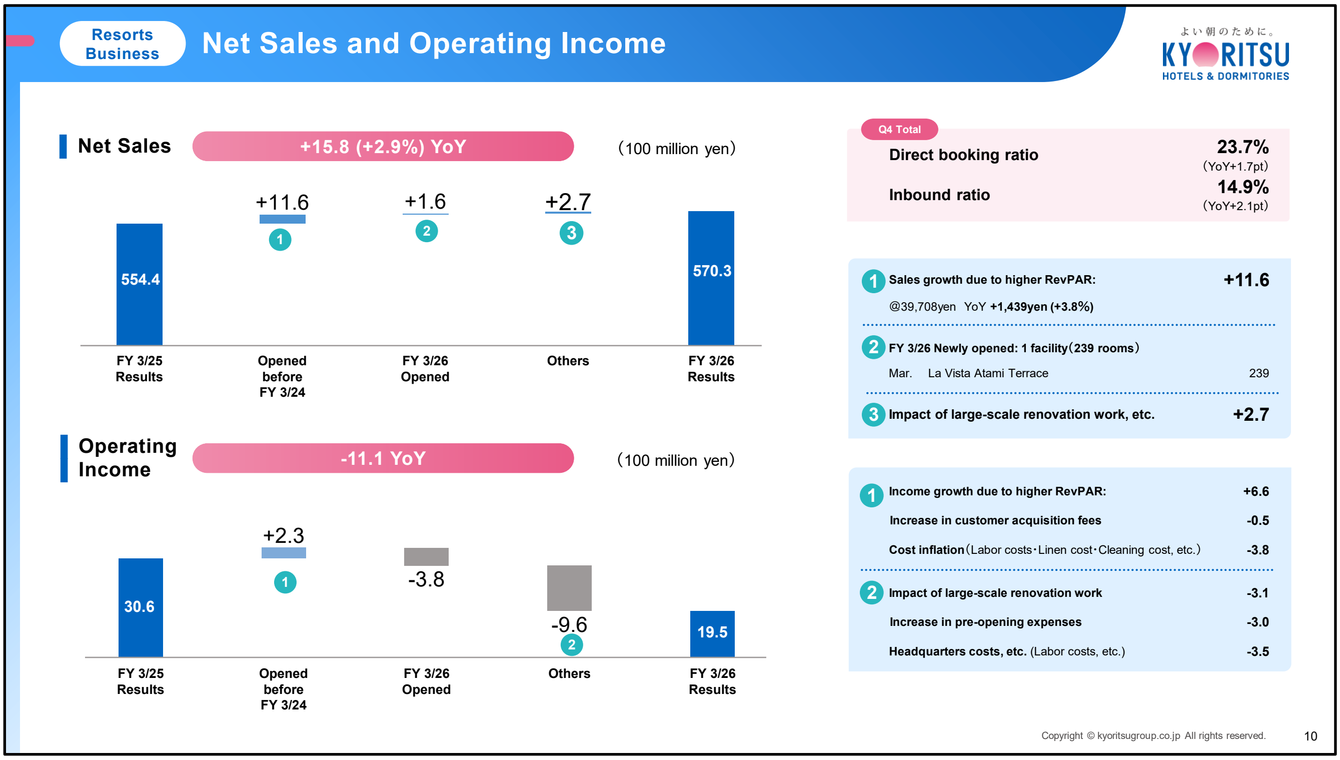
This slide shows the monthly trends in the Dormy Inn Business KPIs; occupancy ratio, ADR, and RevPAR.

For the fiscal year, occupancy ratio increased 2 percentage points year on year, while ADR rose by ¥830. As a result, RevPAR increased by ¥1,057 year on year to ¥14,853.

While performance initially benefited from Osaka Expo-related demand, market conditions changed during the year due to a sharp decline in Asian demand following the July 5 disaster misinformation, and the impact of heightened Japan-China political tensions that became more evident from November onward.

In response, we strengthened sales efforts to capture demand from other domestic and international segments. Although occupancy improved, ADR growth moderated due to a temporary decline in market prices.

As shown on the slide, April performance remained solid. Looking at the preliminary figures for May highlighted in red, as of May 26, occupancy ratio stood at 89.6%, ADR at ¥18,094, and RevPAR at ¥16,206.



Moving on to the Resorts Business,

As with the Dormy Inn Business, we implemented proactive sales initiatives and disciplined revenue management.

As shown in the upper-right corner, the direct booking ratio increased 1.7 percentage points year on year to 23.7%, while the inbound ratio rose 2.1 percentage points year on year to 14.9%.

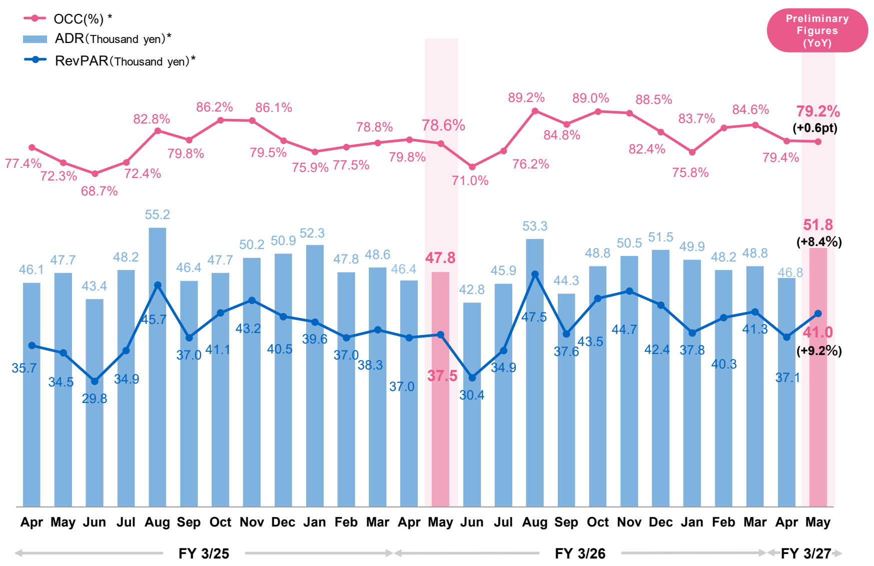
At existing properties, RevPAR increased by ¥1,439, or 3.8%, year on year, resulting in a ¥1.16 billion increase in revenue. On the profit side, we absorbed cost inflation and achieved a ¥230 million increase in profit.

Under “Others,” revenue increased due to recovery from temporary closures for large-scale renovation work in the previous fiscal year, but higher depreciation expenses and headquarters costs resulted in a negative profit impact of ¥960 million year on year.

As a result, the Resorts Business as a whole recorded net sales of ¥57billion, up 2.9% year on year, and operating income of ¥1.95 billion, down ¥1.11 billion year on year.

Resorts Business

Monthly Trends in Occupancy Ratio, Average Daily Rate and RevPAR



＊The table above shows figures excluding hotels that opened in April 2024 or later, in order to enable comparison under the same conditions.

OCC (%)

	Q1	Q2	Q3	Q4	Full Year
FY 3/25	73.0	78.4	83.9	77.4	78.2
FY 3/26	76.6	83.4	86.6	81.3	82.1
YoY	+3.7pt	+5.0pt	+2.7pt	+3.9pt	+3.8pt

ADR (thousand yen)

	Q1	Q2	Q3	Q4	Full Year
FY 3/25	45.9	50.1	49.5	49.6	48.9
FY 3/26	45.9	48.0	50.2	49.0	48.3
YoY	-0.0	-2.0	+0.7	-0.6	-0.5

RevPAR (thousand yen)

	Q1	Q2	Q3	Q4	Full Year
FY 3/25	33.5	39.3	41.6	38.4	38.2
FY 3/26	35.1	40.1	43.5	39.8	39.7
YoY	+1.6	+0.8	+1.9	+1.4	+1.4

The next slide shows the monthly trends in the Resorts Business KPIs; occupancy ratio, ADR, and RevPAR.

For the fiscal year, occupancy ratio increased 3.8 percentage points year on year to 82.1%, while ADR declined by ¥520 to ¥48,394.
As a result, RevPAR increased by ¥1,439 year on year to ¥39,708.

During the year, as with Dormy Inn, market conditions shifted due to a sharp decline in Asian demand and the impact of Japan-China relations. Nevertheless, through continued proactive sales initiatives, occupancy ratio improved significantly throughout the year.
On the other hand, ADR ended slightly lower, reflecting the lingering impact of a temporary decline in market prices.

Now, turning to the preliminary figures for May highlighted in red on the right,

as of May 26, ADR stood at ¥51,865 and RevPAR at ¥41,060, representing a strong 9.2% year-on-year increase.

We have now moved past the temporary negative impact seen in the previous fiscal year, and performance has been trending steadily.

Financial indicators

Consolidated Balance Sheet

End of March 2025

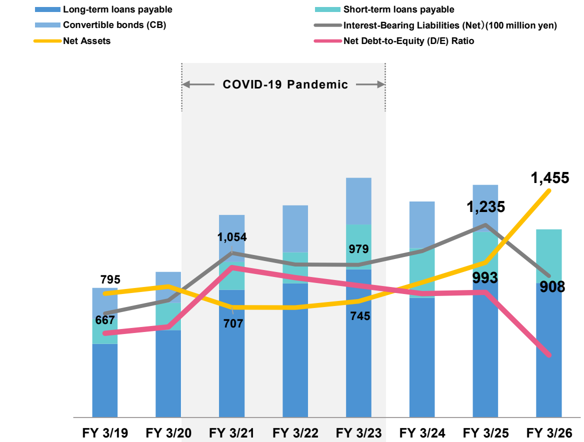
- Assets: 301.4 billion yen
  - Current assets 69.5 billion yen
    - Cash and deposits 25.6 billion yen
  - Non-Current Assets 231.6 billion yen
    - Land･Construction in progress 51.8 billion yen
- Liabilities: 202.1 billion yen
  - Current liabilities 108.0 billion yen
  - InterestBearing Liabilities 149.2 billion yen (*Include CB of 30.0 billion yen)
  - Non-current liabilities 94.0 billion yen
- Net Assets: 99.3 billion yen
  - Treasury Stock -0.2 billion yen

End of March 2026

- Assets: 316.6 billion yen (+15.1 billion yen)
  - Current assets 75.0 billion yen (+5.4 billion yen)
    - Cash and deposits 29.9 billion yen (+4.2 billion yen)
  - Non-Current Assets 241.4 billion yen (+9.8 billion yen)
    - Land･Construction in progress 60.4 billion yen (+8.6 billion yen)
- Liabilities: 171.1 billion yen (-30.9 billion yen)
  - Current liabilities 78.9 billion yen (-29.1 billion yen)
  - InterestBearing Liabilities 120.7 billion yen (-28.4 billion yen)
  - Non-current liabilities 92.1 billion yen (-1.8 billion yen)
- Net Assets: 145.5 billion yen (+46.1 billion yen)
  - Treasury Stock -0.2 billion yen

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

Trends in Key Financial KPI



	FY 3/19	FY 3/20	FY 3/21	FY 3/22	FY 3/23	FY 3/24	FY 3/25	FY 3/26
Net Debt-to-Equity (D/E) Ratio(x)	0.84	0.90	1.49	1.39	1.31	1.23	1.24	0.62
Equity ratio(%)	39.3	38.7	29.6	29.2	27.4	32.0	33.0	46.0

Let me now discuss the consolidated balance sheet and key financial KPIs.

As of the end of March, total assets increased by ¥15.1 billion year on year to ¥316.6 billion.

The main drivers were an increase in cash and deposits, and growth in buildings and structures associated with the progress of hotel development projects.

Meanwhile, on the liabilities and net assets side, due in part to the conversion of ¥30 billion in convertible bonds during the fiscal year, interest-bearing debt decreased by ¥28.4 billion from the end of the previous fiscal year, while net assets increased by ¥46.1 billion to ¥145.5 billion.

As a result, the equity ratio improved by 13 percentage points from 33% at the end of the previous fiscal year to 46%, while net interest-bearing debt declined from ¥123.5 billion to ¥90.8 billion.

As shown in the graph on the right, the net D/E ratio also improved significantly, from 1.24x at the end of the previous fiscal year to 0.62x, achieving our pre-COVID financial guideline of maintaining a net D/E ratio below 1x.

Going forward, while continuing sustainable growth investments supported by a stable financial base, we will also utilize early capital recovery measures, including real estate securitization, to maintain an appropriate financial balance.

Dividends/Shareholder Benefits

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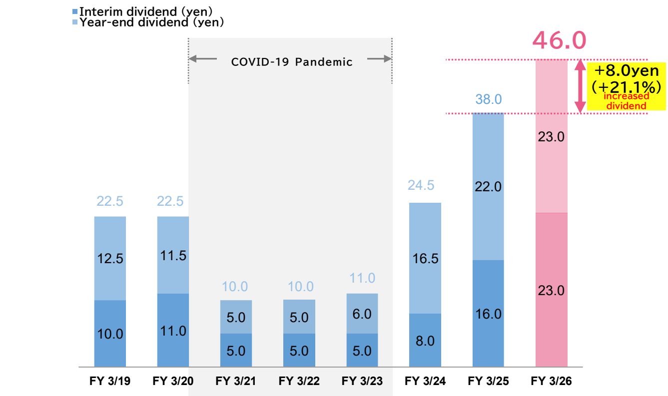
Dividends



	FY 3/19	FY 3/20	FY 3/21	FY 3/22	FY 3/23	FY 3/24	FY 3/25	FY 3/26
EPS (yen)	122.7	88.8	-156.0	6.9	54.4	159.1	186.6	**221.8**
Payout ratio (%)	18.3	25.3	-	144.6	20.2	*15.4	20.4	**20.7**

* The dividend payout ratio excluding the effects of special factors in FY 3/24, i.e., the equity method investment gain of 5.02 billion yen and the impairment loss of 2.01 billion yen, is 20.3%.

Shareholder Benefits

- 「Shareholder Discount Electronic Vouchers」 (Jul・Dec)
- 「Long-term Shareholder Discount Electronic Vouchers」 (Jul)
- 「Shareholder Resort Hotel Benefit Electronic Vouchers」 (Jul・Dec)

Number of Shares Owned	Shareholder Discount Electronic Vouchers	Long-term Shareholder Discount Electronic Vouchers*	Shareholder Resort Hotel Benefit Electronic Vouchers*
100 shares or more ~ Less than 200 shares	2,000	2,000	1 voucher
200 shares or more ~ Less than 500 shares	4,000	4,000	2 vouchers
500 shares or more ~ Less than 1,000 shares	8,000	6,000	
1,000 shares or more ~ Less than 2,000 shares	16,000	10,000	3 vouchers
2,000 shares or more ~ Less than 5,000 shares	30,000	20,000	10 vouchers
5,000 shares or more ~ Less than 10,000 shares	50,000	40,000	
10,000 shares or more	120,000	60,000	

* Available for shareholders who have continuously held our company's shares for 3 years or more as of March 31.
The discount rates (approximate) for the "Resort Hotel Special Offer" are as follows. Please check our corporate website for details.
Weekdays (and certain specific periods): Approximately 30% off regular rates
Days before holidays and special days: Approximately 10% off regular rates

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Lastly, I will share updates on dividends and shareholder benefits.

Regarding dividends, we position performance-linked dividends based on a target dividend payout ratio of 20% as one of our highest priorities.

Reflecting our record-high earnings for the fiscal year, we plan annual dividend of ¥46 per share, representing an 8 yen or 21.1% increase year on year, with a planned payout ratio of 20.7%.

Next, on shareholder benefit program,
This program provides benefit vouchers that can be used across all of our facilities and services.

As shown in the table on the right, the benefit amount varies depending on the number of shares owned and the holding period.

Beginning last fiscal year, we transitioned from paper vouchers to electronic vouchers to enhance convenience. We also offer long-term shareholder benefit vouchers for shareholders who have held shares continuously for more than three years, and "Resort Hotel Benefits Vouchers," which provide discounts of approximately 30% off regular weekday rates.

We will continue working to improve convenience for our shareholders and further enhance the program.

Going forward, we will remain committed to our core philosophy of delivering stable and steady returns to shareholders over the long term, and strive for continuous dividend growth and enhancement of corporate value.

This concludes my presentation on the financial results summary for fiscal year March 26.

Next, President Nakamura will present the full-year earnings forecast for fiscal year March 27.

Thank you very much for your attention.

I am Nakamura.

I will now present our Consolidated Financial Forecasts for FY 3/27 and the progress on the Medium-Term Management Plan.

Steady Sustainable Growth: Operating Profit of 26.0 Billion Yen with 12.7% Organic Growth Net of Real Estate Liquidation

Dormitory Business

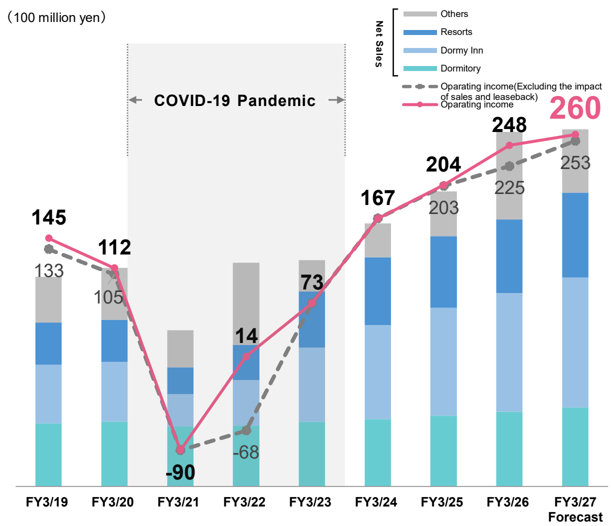
- OCC ratio was successfully started high as 98.5%(1.1pt higher on YoY basis) by newly opening 15 facilities with 2,466 rooms.
- Plan to increase both sales and income by opening new facilities and steadily optimizing prices.

Hotel Business

- Plan to open 8 new facilities with 1,197 rooms through a combination of new construction and rebranding.
- Targeting double-digit growth by accurately capturing strong lodging demand and consistently implementing revenue management through dynamic pricing, while offsetting increases in pre-opening and operating costs.

Others

- Net income expected to decrease slightly due to Special Causes with annual dividend planned at 46 yen, consistent with the previous year (23.2% payout ratio, +2.5 pt YoY).



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First, regarding the financial forecasts, operating Income is expected to increase by 4.6% year-on-year to 26 billion yen.

However, looking at the organic operating income from our core businesses—namely the management and operation of our dormitories and hotels—excluding highly volatile special causes such as real estate liquidation, we are planning for double-digit growth of 12.7% year-on-year.

Looking at the key points by business segment:
In the Dormitory Business, our total beginning of year occupancy ratio across all properties successfully kicked off at a high level of 98.5%, driven by the addition of 15 newly opened facilities with 2,466 rooms. Combined with continuous sales price optimization, this will offset rising costs and ensure both revenue and profit growth.

Next, in the Hotel Business, assuming the external market conditions remain around current levels, we have factored in a year-on-year increase in RevPAR for existing properties. At the same time, we plan to increase both revenue and profit by fully absorbing the pre-opening costs associated with newly opening 6 Dormy Inn facilities and 2 Resort properties.

Regarding Net Income, we anticipate a temporary slight decrease to 18.0 billion yen due to the absence of tax effect accounting from the previous year. However, as this does not reflect a decline in our core business performance, we plan to maintain the annual dividend at 46 yen per share—consistent with the previous fiscal year—representing a payout ratio of 23.2%, as we remain committed to stable and flexible shareholder returns.

Consolidated Financial Forecast: Main Financial Indicators

KYORITSU HOTELS & DORMITORIES

(100 million yen)

	FY 3/26 Results (4/2025–3/2026)	FY 3/27 Forecast (4/2026–3/2027)	YoY Comparison Ⓐ		Special Causes: YoY Comparison of Increase/Decrease in Sales and Leaseback of Real Estate Ⓑ	Special Causes: Impairment loss Ⓒ	Special Causes: Tax Effect Accounting Ⓓ	YoY Comparison without Factors on the Left Ⓐ−Ⓑ−Ⓒ−Ⓓ	
Net Sales	2,752	2,770	+17	+0.6%	-219	—	—	+237	+9.9%
Operating Income	248	260	+11	+4.6%	-16	—	—	+28	+12.7%
Ordinary Income	262	260	-2	-0.8%	-16	—	—	+14	+6.2%
Net Income	187	180	-7	-3.8%	-12	+7	-9	+7	+4.2%
EPS (yen)	221.8	*1 198.0	-23.9	-10.8%					
DPS (yen)	46.0	46.0	—	—					
Depreciation Expense	90	115	+24	+27.3%					
Cash Flow*2	277	295	+17	+6.3%					
Capital Investment	421	540	+118	+28.0%					

Net Income

*1 To ensure comparability by accounting for the impact of the conversion of convertible bonds with stock acquisition rights made between April 1, 2025 and March 31, 2026, EPS calculated based on the average number of shares outstanding during that period (84,340,121 shares) is 213.4 yen (down 3.8% YoY).

*2 Cash Flow: Net Income + Depreciation Expense.

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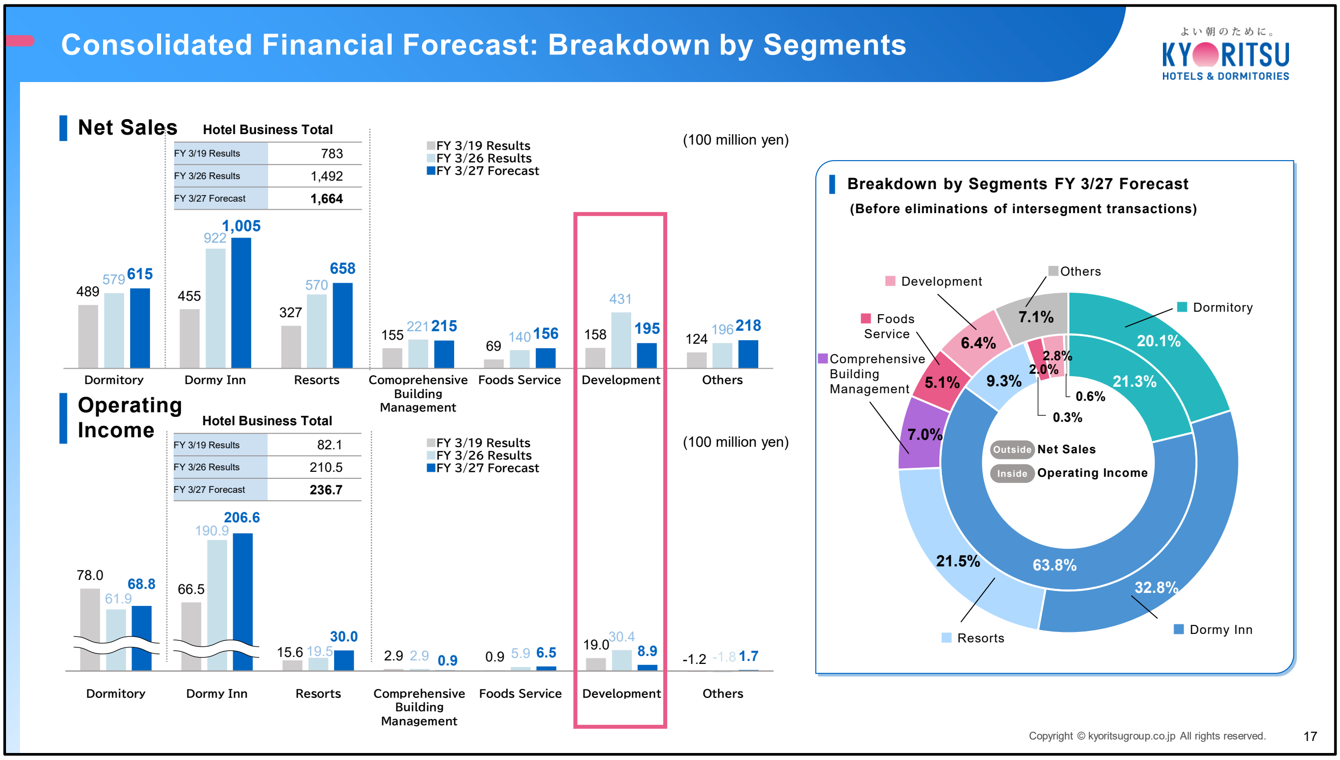
Next, I will explain the special causes factored into our financial forecasts and provide a comparative analysis after adjusting these factors.

For the FY 3/27 forecasts, we anticipate relatively moderate growth, with Net Sales up 0.6% year-on-year to 277billion yen and Operating Income up 4.6% year-on-year to 26billion yen.

Ordinary Income is projected at 26.0 billion yen, and Net Income is planned at 18billion yen, which is a slight decrease compared to the previous year.

However, when adjusting for the three special causes shown in the table to compare figures, net sales is expected to grow 9.9% and 12.7% for Operating Income.

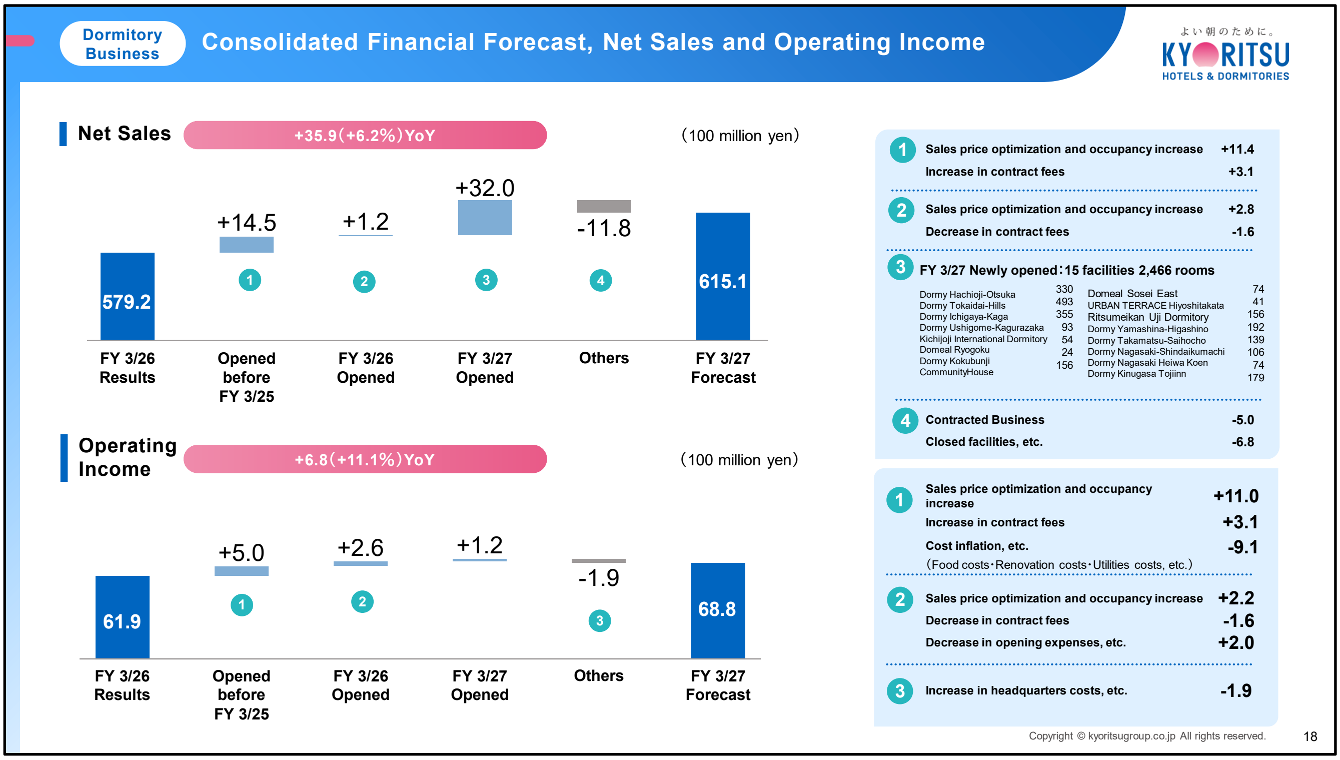
The same trend applies to Ordinary Income and Net Income, demonstrating that there is no slowdown in our underlying growth rate or earnings power.



Next, we have shown the breakdown of Net Sales and Operating Income by Business Segments forecasts as well as compare against previous fiscal year results, and the fiscal year ended March 2019, the pre-COVID-19 year.

The two engines driving our growth are the "Dormitory Business," which generates stable earnings, and the "Hotel Business," which is the source of our growth.

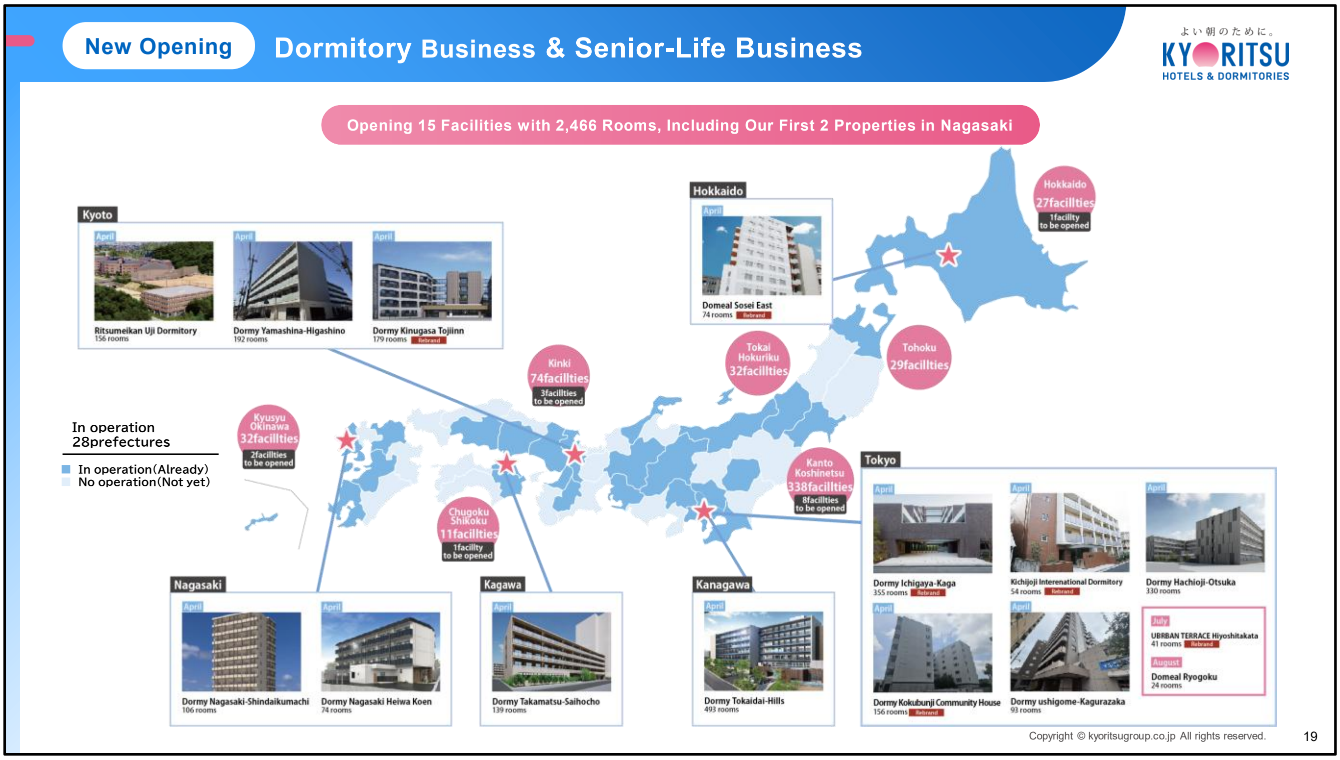
In addition, the decline in Net Sales for the "Development Business" is a temporary reaction to the large-scale real estate securitization executed in the previous fiscal year for the "La Vista Atami Terrace" hotel.



Next, I will explain the factors behind the change in sales and profits for each segment. First is the Dormitory Business.

Driven by high occupancy levels across all properties—including the 15 newly opened facilities with 2,466 rooms—along with sales price optimization for existing facilities, we project the top-line, Net Sales to increase by 6.2% year-on-year to 61.51 billion yen.

Regarding Operating Income, although cost increases for items such as food and utility costs are expected, we plan to absorb the increase through higher occupancy rates and optimized pricing, budgeting for an 11.1% increase year-on-year to 6.88 billion yen.

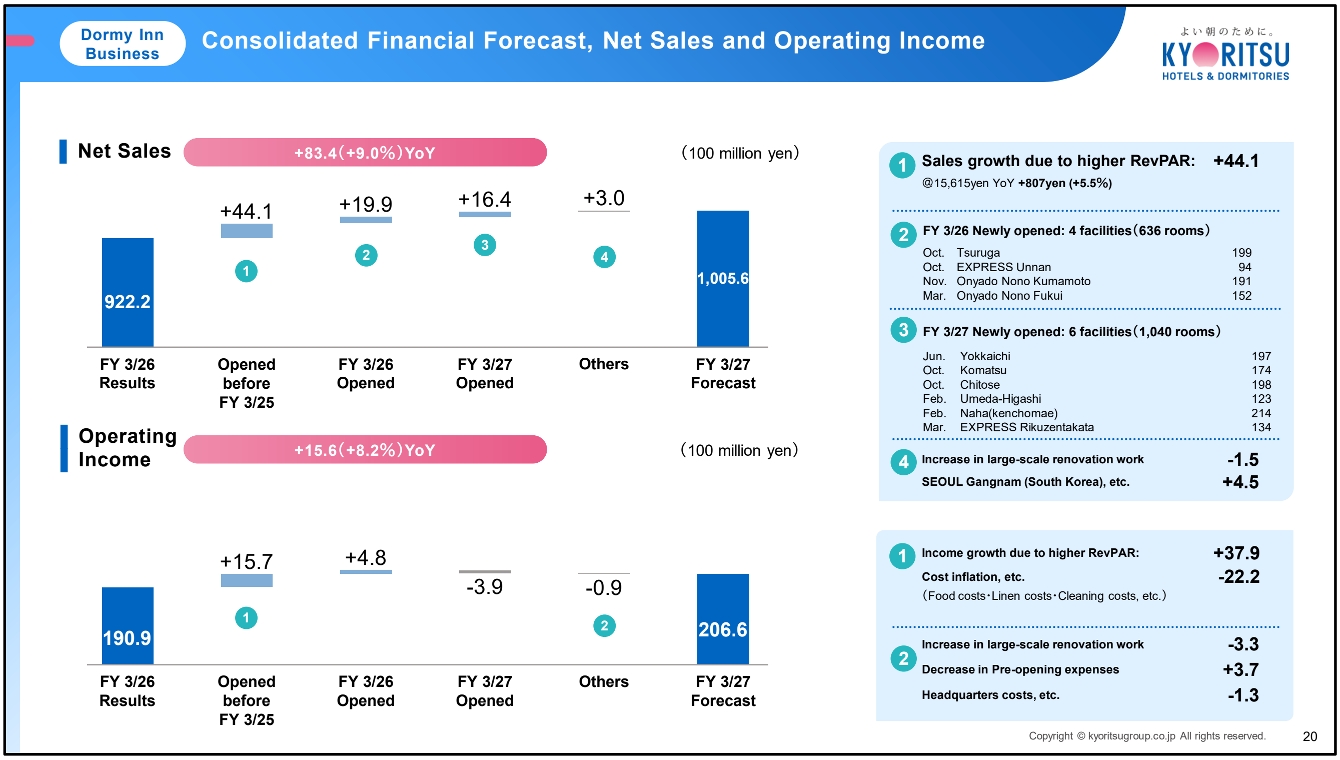


These are the newly opened facilities in our Dormitory Business.

While focusing our openings in metropolitan areas and government-designated cities where educational institutions and corporate clients are concentrated, we have also entered new areas through partnerships with regional national universities and major local enterprises, launching a total of 15 facilities with 2,466 rooms nationwide.

During this period, we expanded our footprint to 28 prefectures nationwide, highlighted by our first-ever expansion into Nagasaki Prefecture with the opening of two properties.

In response to recent spikes in construction costs, we are proactively implementing sustainable initiatives—such as restoring and repurposing secondhand dormitories through renovations and rebranding—thereby establishing a solid foundation for our medium-to-long-term growth in the coming fiscal years and beyond.

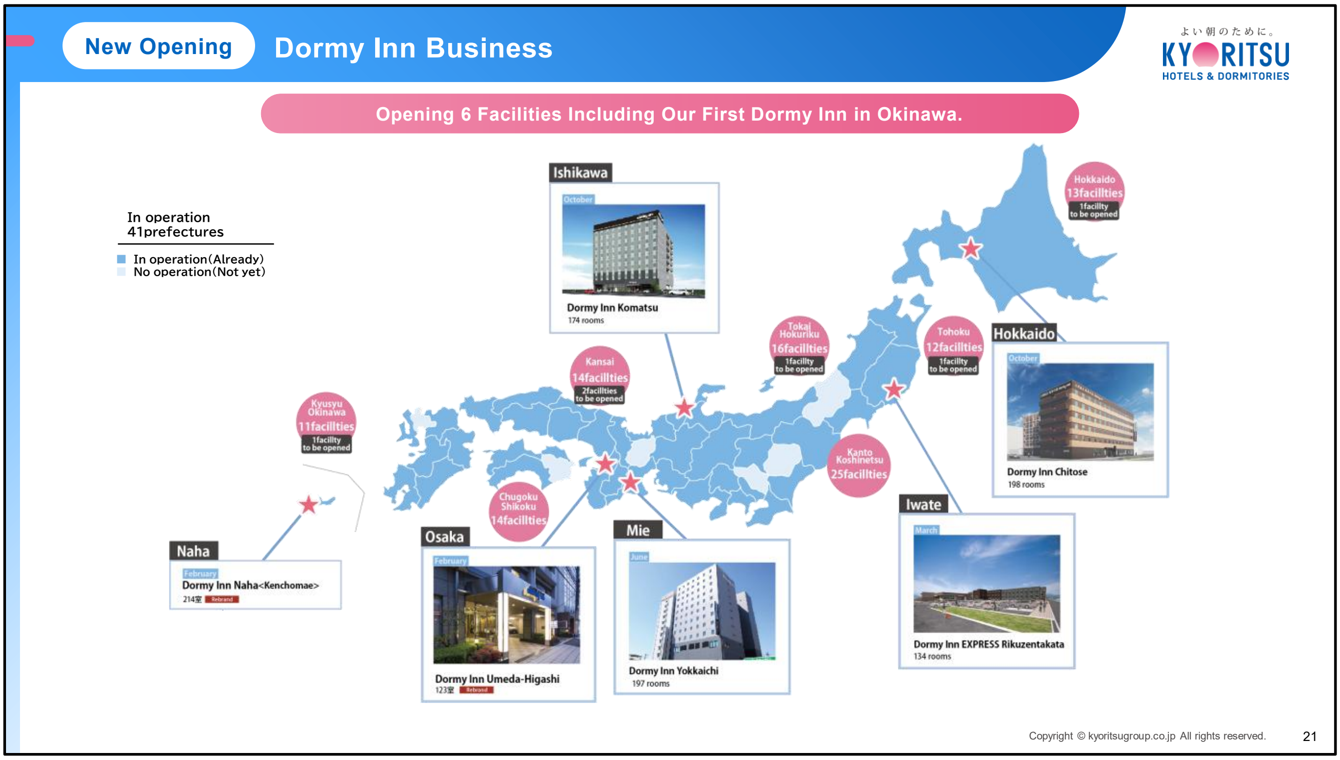


Next is the Dormy Inn Business. First, for existing properties, we have projected RevPAR to increase by 5.5% year-on-year to 15,615 yen, driving a 4.41 billion yen increase in Net Sales and a 1.57 billion yen increase in Operating Income.

In addition to a 1.99 billion yen increase in sales and a 480 million yen increase in profit from the full-year contribution of properties opened in the previous fiscal year, we have factored in a 1.64 billion yen increase in sales from 6 newly opened facilities (1,040 rooms) in the current fiscal year, offset by a 390 million yen decrease in profit due to pre-opening expenses.

We also anticipate an overall net negative impact of 90 million yen under "Others," consisting of a 330 million yen decrease in profit from an increase in large-scale renovation work, a 370 million yen increase in profit from a decrease in pre-opening expenses, and a 130 million yen decrease from headquarters costs and other expenses.

As a result, for the entire Dormy Inn Business, we forecast an increase in both revenue and profit, projecting Net Sales to grow by 9.0% year-on-year to 100.56 billion yen and Operating Income to rise by 8.2% year-on-year to 20.66 billion yen.



This slide details the current fiscal year's opening schedule for the Dormy Inn Business.

We plan to open 6 facilities with 1,040 rooms, which include:

"Dormy Inn Naha ," marking our first expansion into Okinawa Prefecture;
"Dormy Inn Yokkaichi" in Mie Prefecture, which will be our 100th property in Japan;
"Dormy Inn Komatsu" in Ishikawa Prefecture, serving as a gateway to the Hokuriku region to showcase local culture and cuisine; "Dormy Inn Chitose" in Hokkaido, an area thriving with industrial developments such as next-generation semiconductor plants; "Dormy Inn Umeda-Higashi" in Osaka, aimed at creating a dominant effect in an existing market; and "Dormy Inn EXPRESS Rikuzentakata" in Iwate Prefecture, which is expected to serve as a hub for regional revitalization and extended-stay tourism.

We will continue to expand by tailoring each property to its specific market characteristics.

We will steadily achieve external growth by deploying the Dormy Inn and Nono brands across target cities and developing roadside areas as outlined in our Medium-Term Management Plan, utilizing renovations and rebranding to navigate the challenges of soaring construction costs.

Dormy Inn Business

Consolidated Financial Forecast, Trends in KPI

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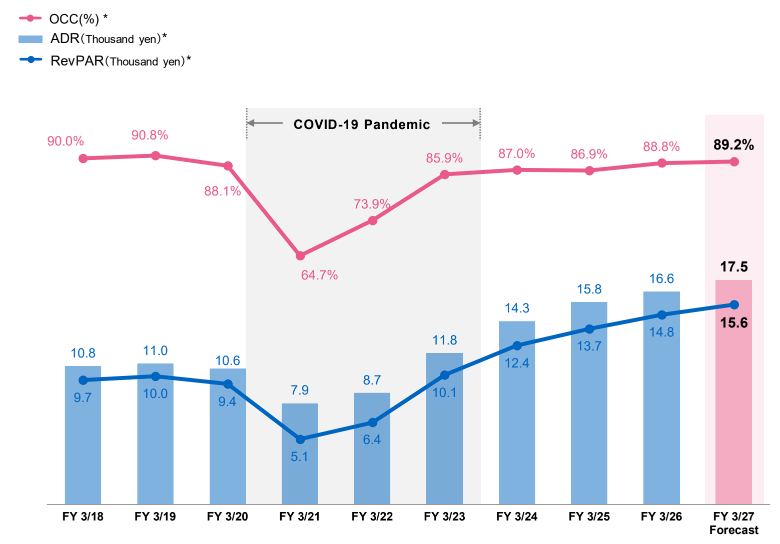

	FY 3/26	FY 3/27	YoY
OCC (%)	88.8	89.2	*+0.4pt*
ADR (thousand yen)	16.6	17.5	*+5.0%*
RevPAR (thousand yen)	14.8	15.6	*+5.5%*

＊The table above shows figures excluding hotels that opened in April 2025 or later, in order to enable comparison under the same conditions.

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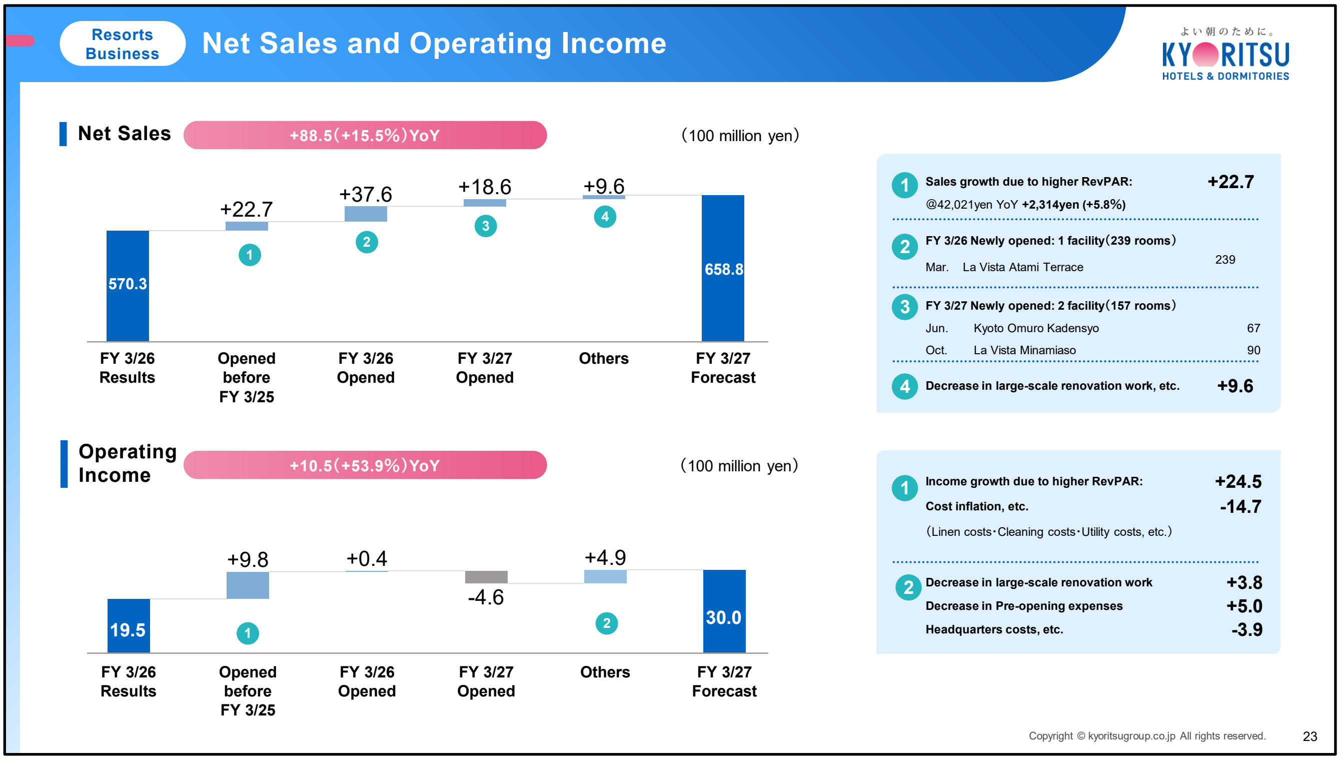
The next slide shows the historical trends in the Dormy Inn Business KPIs; occupancy ratio, ADR, and RevPAR over the past 10 years, using the current fiscal year as the reference point.

The table on the right compares fiscal year March 26 results with fiscal year March 27 plan with the year-on-year comparison highlighted in red.

For the current fiscal year, we project occupancy ratio to improve by 0.4 percentage points year on year and ADR to increase by ¥800 to ¥17,500, and, as a result, RevPAR to increase 5.5% to ¥15,600.

This fiscal year as well, we will continue leveraging AI and further strengthen our revenue management to ensure achievement of our targets.

For your reference, these KPIs have been trending slightly above plan in this month of May, indicating a solid start to the fiscal year.



Moving on to the Resorts Business,

First, we assume a 5.8% year-on-year increase in RevPAR at existing properties, which is expected to generate a ¥2.27 billion increase in revenue and a ¥980 million improvement in operating income.

For the two properties opening this fiscal year “Kyoto Omuro Kadensho” and “La Vista Minami Aso” totaling 157 rooms, we have factored in ¥1.86 billion in net sales and ¥460 million in pre-opening expenses.

On the cost side, while we expect higher headquarters costs and other expenses, we have incorporated a ¥380 million improvement from lower large-scale renovation expenses and a ¥500 million improvement from lower pre-opening expenses.

As a result, the Resorts Business as a whole is expected to generate net sales of ¥65.88 billion, up 15.5% year on year, and operating income of ¥3 billion, up 53.9% year on year.

This slide outlines the opening plan for the Resorts Business in the current fiscal year.

We plan to open two facilities with a total of 157 rooms.

Omuro Kadensho, a Japanese-style hotel located at the gate of Ninna-ji Temple, a UNESCO World Heritage Site registered in 1994 as part of the Historic Monuments of Ancient Kyoto.

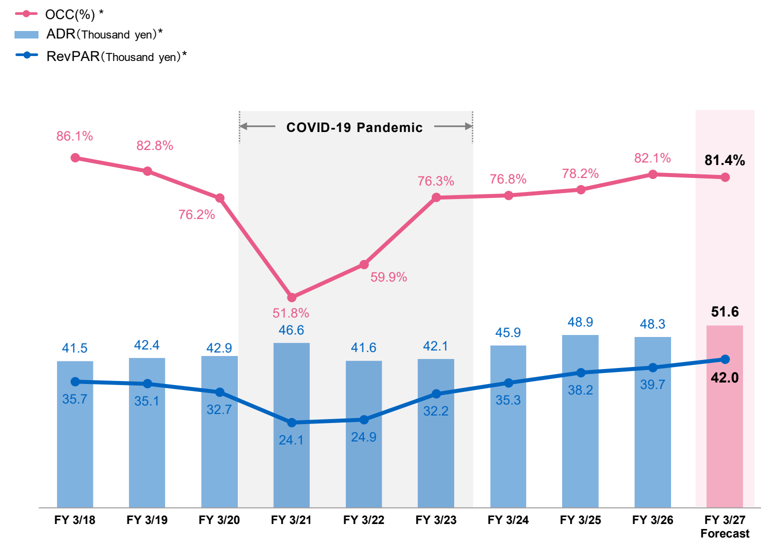
Situated in the Omuro district, where Kyoto's rich history and traditional charm remain deeply preserved, this property symbolizes our expansion in prime areas and is the highest-end property within our Resorts Business portfolio.

La Vista Minami Aso, our first property in Kumamoto Prefecture, will be located in a prime location overlooking the vast natural landscape of Mt. Aso and will offer the scenic views that define the La Vista brand.

The hotel is being developed through a large-scale renovation and rebranding project and will achieve a finish comparable to a newly built property.

Resorts Business

Consolidated Financial Forecast, Trends in KPI



	FY 3/26	FY 3/27	YoY
OCC (%)	82.1	81.4	*-0.7pt*
ADR (thousand yen)	48.3	51.6	*+6.7%*
RevPAR (thousand yen)	39.7	42.0	*+5.8%*

* The table above shows figures excluding hotels that opened in April 2025 or later, in order to enable comparison under the same conditions.

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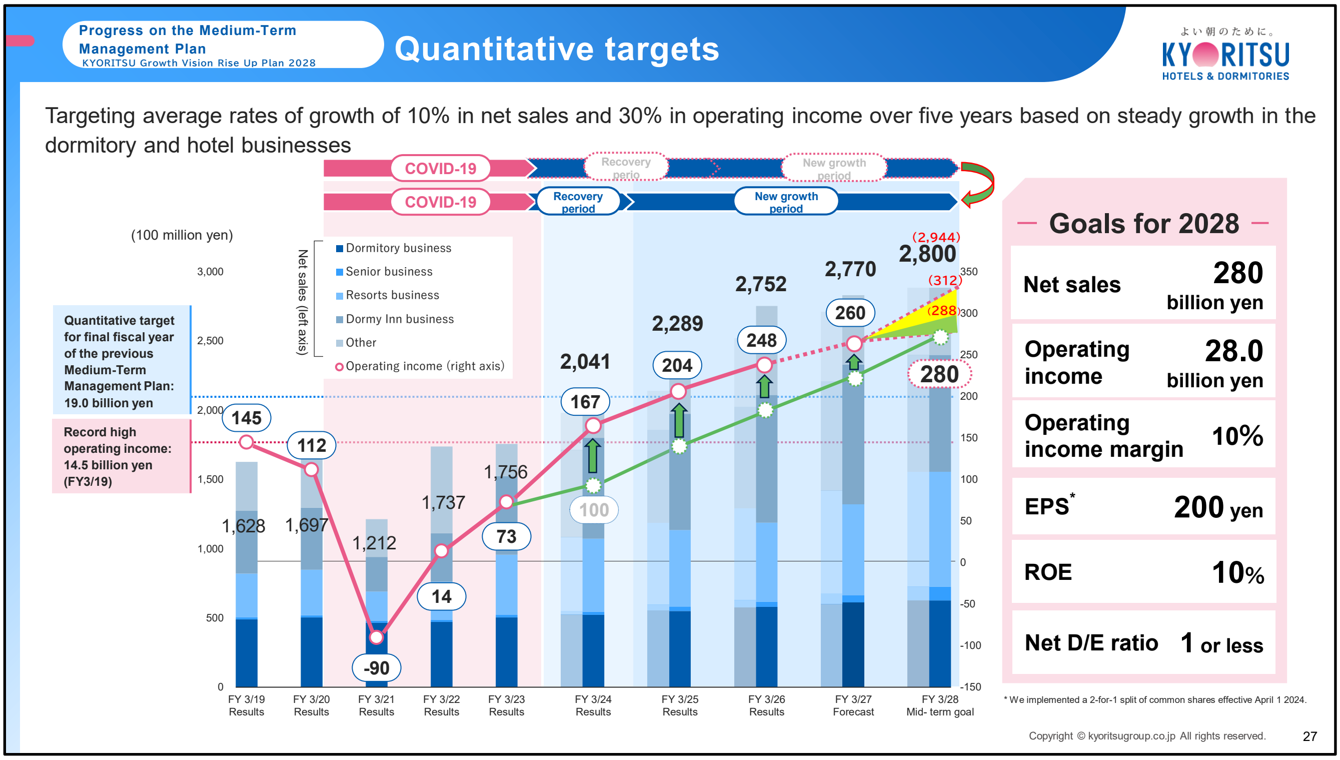
This next slide shows the KPI trends for the Resorts Business.

For the current fiscal year, we plan for occupancy ratio to decline by 0.7 percentage points year on year to 81.4%, while ADR to increase 6.7% to ¥51,600.

This fiscal year, we will further strengthen revenue management particularly for existing properties and prioritize sales price optimization as part of our operating strategy.

As a result, we plan for RevPAR to increase 5.8% year on year to ¥42,000.

In my last part, I will share progress and outlook under our Mid-term Plan.



First, on the quantitative targets, our progress and the outlook going forward,

At the outset of the plan, we positioned the first two years as a “recovery period” from COVID-19, and the following three-years as a “new growth period.” However, in the first year of fiscal March 24, inbound demand recovered far more strongly than anticipated, and our price optimization initiatives proved effective, enabling steady earnings growth through the previous fiscal year.

For the current fiscal year, despite an uncertain external environment, we assume conditions will remain broadly at current levels and have set our operating income target at ¥26billion, representing effective growth of more than 10%.

Looking further ahead to fiscal year March 28, the final year of the plan, while subject to various assumptions at this stage, we estimate net sales of ¥294.4 billion and operating income of ¥28.8 billion.

While not finalized, operating income under the new accounting rules is currently estimated at ¥31.2 billion.

While focusing on the achievement of this fiscal year’s targets, we will remain fully committed to the steady execution of the Mid Term Plan and begin preparations for the next medium-term plan.

Dormitory / Hotel Development Plans

KYORITSU HOTELS & DORMITORIES

		Results		Decision made・Scheduled to be commercialized		
		FY 3/24	FY 3/25	FY 3/26	FY 3/27	FY 3/28
Dormitories, Domeal		+12 facilities* +1,037 rooms*	+8 facilities* +907rooms*	+13 facilities* +1,405 rooms*	+15 facilities* +2,466 rooms*	+11 facilities* +1,203 rooms*
	Ending number of facilities	519 facilities	526 facilities	536 facilities	543 facilities	554 facilities
	Ending guest capacity	44,057 rooms	44,908 rooms	46,147 rooms	47,926 rooms	49,129 rooms
	Leasing rate	86.9%	87.1%	87.1%	86.9%	86.7%
		[L] Hirosaki, [L] Sendai Komatsushima, [L] Sendai Teppocho, [L] Yamagata Honcho, [L] Asuto Nagamachi, [L] Otsuka, [L] Kasai Global House, [L] Sagami Ohno, [L] Nakano-sakaue, [L] Yamatominami, [L] Kyoto Saiin, [L] Kobe Yamate	[L] Omori-Kita, [L] Sakai Kaigan Dori, [L] Nishi-Kasai North Exit, [L] Nishi-Kasai South Exit, [L] Chikusa Minami, [L] Osaka Kyobashi, [L] Global House Nigawa, [L] KU ROKKO HOUSE	[L]Sapporo Nishi 11, [L]Sapporo Nishi 18, [L]Takamatsu, [L]Sendai Kawauchi, [L]Nishioji Gojo, [L]Mibu Sanjo, [L]Sakado Ekimae, [L]Mei Eki Kamejima Annex, [L]Tokushima, Okayama Minamigata, [L]Higashi-Totsuka GR, [L]Sagami Ohno2, [L]Urayasu3	[L]Hachioji-Otsuka, [L]Tokaidai-Hills, [L]Sosei East, Ritsumeikan Uji Dormitory, [L]Yamashina-Higashino, [L]Kokubunji CommunityHouse, [L]Takamatsu-Saihocho, [L]NagasakiShindaikumachi, [L]Nagasaki Heiwa Koen, [L]Ichigaya-Kaga, [L]Kichijoji International Dormitory, [L]UshigomeKagurazaka, [L]Hiyoshitakata, [L]Ryogoku, Kinugasa Tojiin	Hokkaido – Tohoku 1 FAC Kanto/Koshinetsu 3 FAC Tokai/Hokuriku 1 FAC Kinki 5 FAC Chugoku/Shikoku 1 FAC Kyushu/Okinawa –
Dormy Inn		+4 facilities* +750 rooms*	+1 facility* +78 rooms*	+4 facilities* +636 rooms*	+6 facilities* +1,040 rooms*	+6 facilities* +1,111 rooms*
	Ending number of facilities	95 facilities	96 facilities	100 facilities	106 facilities	112 facilities
	Ending guest capacity	17,107 rooms	17,180 rooms	17,814 rooms	18,854 rooms	19,965 rooms
	Leasing rate	97.5%	98.5%	97.6%	96.6%	95.9%
		[L] Express Toyohashi, Nono Asakusa Bettei, [L] Nono Beppu, [L] Aomori	[L] global cabin Yokohama China town.	Tsuruga, Express Unnan, [L] Nono Fukui, [L] Nono Kumamoto	Yokkaichi, EXPRESS Rikuzentakata, [L]Chitose, [L]Umedahigashi, Komatsu, Naha Kenchomae	Standard – – Premium 1FAC 222rooms Onyado Nono 4FAC 710rooms EXPRESS 1FAC 179rooms Remodel – –
Resorts		+1 facility* +75 rooms*		+1 facility* +239 rooms*	+2 facilities* +157 rooms*	+2 facilities* +86 rooms*
	Ending number of facilities	42 facilities	42 facilities	43 facilities	45 facilities	47 facilities
	Ending guest capacity	4,260 rooms	4,260 rooms	4,476 rooms	4,633 rooms	4,719 rooms
	Leasing rate	73.8%	73.8%	75.1%	72.6%	71.2%
		[L] La Vista Yokosuka Kannonzaki Terrace		[L]La Vista Atami Terrace	Kyoto Omuro Kadensho, La Vista Minami Aso	Japanese style – – LA VISTA – – Resorts style 1FAC 24rooms Remodel 1FAC 62rooms
Companywide leasing rate		88.7 %	89.2%	89.0%	88.5%	88.2%

* 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)

(Note) [L] indicates a leased property; texts with underline indicate properties planned for real-estate securitization in the future; Red letters indicate planned commercialization.

Finally, this slide summarizes the actual and planned openings of dormitories and hotels during the Mid-Term Plan period.

For fiscal year March 27, as explained earlier, we plan to open 15 dormitory facilities totaling 2,466 rooms, six Dormy Inn properties with 1,040 rooms and two resort properties with 157 rooms in the Hotel business.

In terms of progress against the Mid-term plan,
in Dormitory, we expect to reach 49,100 rooms against the target of 50,000;
in Dormy Inn, we're in line with the target of 20,000 room; and in Resorts, we expect to reach 4,700 rooms against the target of 5,500.

While uncertainties remain, with persisting high construction costs and geopolitical risks, we will continue to pursue sustainable growth by adopting new approaches, including rebranding projects.

We will remain agile in responding to changes in the business environment while staying firmly committed to the successful achievement of this plan. We sincerely appreciate your continued guidance and support.

Thank you very much for your attention.

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