

# Value Creation Process

## MISSION

Contributing to the progress of society as a whole through

food and housing

### Input

### Unique Business Model

### Output

### Outcome

FY 3/2024

#### Financial capital

|                           |                     |
|---------------------------|---------------------|
| Total assets              | 270,921 million yen |
| Total net assets          | 86,604 million yen  |
| Cash and deposits         | 31,807 million yen  |
| Commitment line agreement | 30.0 billion yen    |

#### Manufacturing capital

|                        |                                       |
|------------------------|---------------------------------------|
| ■ Dormitory Business   | Total of 519 facilities, 44,057 rooms |
| ■ Hotel Business       | Total of 137 facilities, 21,367 rooms |
| ■ Senior Life Business | Total of 13 facilities, 805 rooms     |

#### Intellectual capital

|   |   |
|---|---|
| ■ Expertise inherited based on operating dormitories nationwide                                     |   |
| ■ Regulations, manuals, and operational systems to maintain safety and security in food and housing |   |
| ■ RA Program  | A program that appoints student leaders called RAs (Resident Assistants) to stimulate communication among dormitory residents and foster an environment for learning and growth |

#### Human capital

|   |       |
|---|-------|
| ■ Number of employees   | 3,048 |
| Note: Total number of regular and contract employees of Kyoritsu Maintenance (non-consolidated) |       |
| ■ Implementation of educational training programs to develop conceptual skills                  |       |

#### Social and relationship capital

|   |             |
|---|-------------|
| ■ Number of affiliated schools  | About 1,300 |
| ■ Number of dormitory residents   | 43,624      |
| ■ Number of dormitories with the RA Program                                 | 57          |
| ■ Number of hotel guests  | 9,379,973   |
| ■ Number of residents in housing for the elderly                            | 520         |
| ■ Number of Kyosei-Kai (organization of partner companies) member companies | 123         |

#### Natural capital

|                          |                  |
|--------------------------|------------------|
| ■ Power consumption      | 190,000 MWh      |
| ■ City gas consumption   | 11.75 million m³ |
| ■ Freshwater consumption | 5.99 million m³  |

- **Short-term risks**
- Rising construction costs
  - Rising interest rates
  - Rising costs (food, linen laundry, labor, utilities)

- **Long-term risks**
- Declining birthrate and aging population/declining population
  - Intensifying competition (new/foreign companies)
  - Labor shortages
  - Natural disasters and pandemics

- **Opportunities**
- Increasing numbers of domestic and foreign tourists
  - Growing health consciousness
  - Utilizing technology

Understanding the needs of customers and society

**Product Development**  
Proposals tailored to life stages

Unique products and services  
Creating new value

**Menu Development**  
Seasonal meals supervised by registered dietitians

**Facility Development**  
Rapid and stable business expansion

Highly efficient operations

Medium-Term Management Plan  
Rise Up Plan 2028

#### Sustainable Management

Human resource development

Environmental considerations

Food initiatives

Corporate governance

Management Philosophy

The spirit of the company is to put customers first

Be thankful and be appreciated

Always desire for prosperity and work to achieve mutual profits

Gather wisdom and work to improve the service

## Dormitory Business



Business features

- A dormitory manager and matron are stationed at all times
- Each menu item is devised by a registered dietitian and is handmade
- All rooms come with furniture, and the room type can be selected
- Convenient shared facilities such as dining rooms and laundry rooms

### Student Dormitories/Employee Dormitories (Dormy)

| By product type | Dormy Student Dormitories | Dormy Employee Dormitories |
|-----------------|---------------------------|----------------------------|
|                 | URBAN TERRACE Share House | Domeal Rental Condominiums |



## Hotel Business

### Business Hotels (Dormy Inn)

| By product type | Premium  | Onyado Nono |
|-----------------|----------|-------------|
|                 | Standard | Express     |



Business features

- Clean, comfortable rooms
- Spacious hot spring-style large communal baths
- Carefully prepared breakfasts made with local ingredients
- Free services such as Yonaki Soba (late-night ramen)

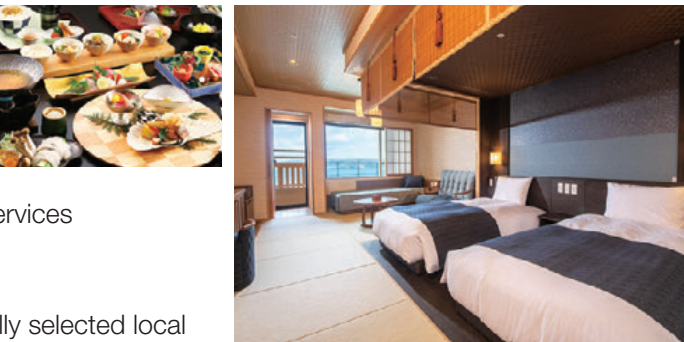


Business features

- Extensive hospitality starting with a variety of free services
- Free private baths so guests can bathe in privacy
- Note: Excludes certain facilities
- Cuisine made from seasonal vegetables and carefully selected local ingredients

### Resort Hotels (Kyoritsu Resort)

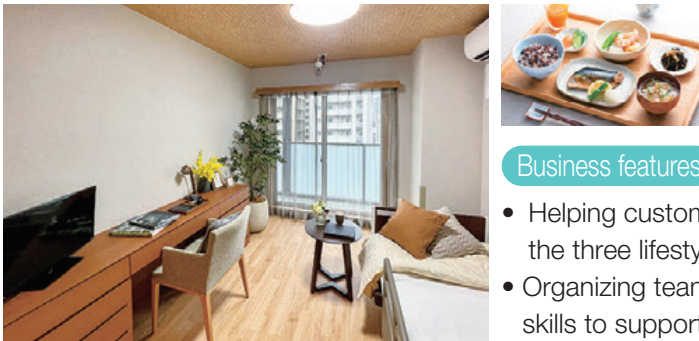
| By product type | La Vista | Iyashi-no-Yuyado |
|-----------------|----------|------------------|
|                 | Le Chien | Yumeguri-no-Yado |



## Senior Life Business

### Housing for the elderly (Dormy Senior)

| By product type | Nursing care facilities                             | Independent living facilities |
|-----------------|---|-------------------------------|
|                 | Combined nursing care/independent living facilities | Day services                  |



Business features

- Helping customers stay active for life through a unique approach to the three lifestyle habits of meals, daytime activities, and sleep
- Organizing teams of employees with specialized knowledge and skills to support customers in their daily lives



Value provided through our businesses

FY 3/2024

### Economic value

#### Growing shareholder value

|                 |                     |
|-----------------|---------------------|
| Net sales       | 204,126 million yen |
| Ordinary income | 21,116 million yen  |
| Equity ratio    | 32.0%               |
| ROE             | 15.4%               |
| EPS             | 159.1 yen           |

#### Pursuing customer satisfaction

|                             |                       |
|-----------------------------|-----------------------|
| ■ Major repairs/renovations |                       |
| Dormitories: 6 facilities   | Hotels: 16 facilities |

#### Expanding our customer base

|   |               |
|---|---------------|
| ■ Release of the “Dormy’s” hotel membership program |               |
| ■ Number of international students accepted         | 5,546         |
| ■ Number of inbound tourist guest rooms             |               |
| Dormy Inn   | 754,340 rooms |
| Kyoritsu Resort                                     | 115,332 rooms |
| Total   | 869,672 rooms |

### Social value

#### Creating new employment

|                                 |     |
|---------------------------------|-----|
| ■ Number of new graduates hired | 261 |
| ■ Number of mid-career hires    | 393 |

Note: Total number of regular employees of Kyoritsu Maintenance (non-consolidated)

#### Diverse human resources

|                                     |       |
|-------------------------------------|-------|
| ■ Percentage of female managers     | 15.8% |
| ■ Percentage of mid-career managers | 77%   |
| ■ Percentage of foreign nationals   | 4.1%  |

Note: Total number of regular employees of Kyoritsu Maintenance (non-consolidated)

#### Providing learning opportunities

- A total of 779 RA graduates who are working members of society
- Conducting hotel career experience programs for junior and senior high school students

#### Promoting cross-cultural exchange

|  |     |
|--|-----|
| ■ Number of dormitories for international students | 274 |
|--|-----|

#### Community contribution efforts

- Implementing children’s cafeterias
- Conducting beach cleanup efforts