



Tennen Onsen Renka no Yu Onyado Nono Kyoto Shichijo

Kyoritsu Maintenance Co., Ltd. Consolidated Financial Results for FY 3/21 Q3

よい朝のために。

KYORITSU
HOTELS & DORMITORIES

February, 2021
1st Section, TSE 9616

Contents

<u>01</u>	Financial highlights	P. 2
<u>02</u>	Results by business segment	P. 5
<u>03</u>	Reference materials	P.15

よい朝のために。

Financial highlights

- During Q3, the recovering trend continued from Q2, and profits showed further growth compared to Q2.
- In the Hotels Business, RevPAR showed further growth from Q2, backed by the effects of the Go To Travel Campaign.
- Despite the recovering trend through Q3, full-year forecasts remain unchanged due to uncertainty about future prospects in Q4, resulting from temporary suspension of the Go To Travel Campaign and the lengthening of the state of emergency.

Consolidated Financial Results and KPIs

(100 million yen)

	FY 3/21						FY 3/20	FY 3/21
	Q3 YTD Act (2020/4—12)	YOY change		Q1 Act (2020/4—6)	Q2 Act (2020/7—9)	Q3 Act (2020/10—12)	Q3 YTD Act (2019/4—12)	Forecast
Net sales	913.4	-417.5	-31.4%	236.0	326.4	350.9	1,330.9	1,320.0
Operating income	-37.4	-159.6	-	-45.2	0.3	7.4	122.2	-30.0
Ordinary income	-37.5	-159.0	-	-48.0	3.1	7.3	121.4	-30.0
Net income* ¹	-76.5	-158.3	-	-64.2	-14.3	2.0	81.8	-68.0
EPS (JPY)	-196.2	-406.1	-	-164.7	-36.7	5.2	209.9	-174.4
Capital investment	69.6	-93.9	-57.4%	26.0	20.7	22.7	163.6	Undecided
Depreciation expense	38.9	+0.9	+2.5%	12.7	13.0	13.1	38.0	53.5
Cash flow* ²	-37.5	-157.4	-	-51.5	-1.2	15.2	119.8	-14.4

※1 : 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 extraordinary losses of 2.1 billion yen, which combined with losses such as those from temporary closures to stop the spread of COVID-19 totaled 5 billion yen.

※2 : Cash flow: Net income + depreciation

よい朝のために。

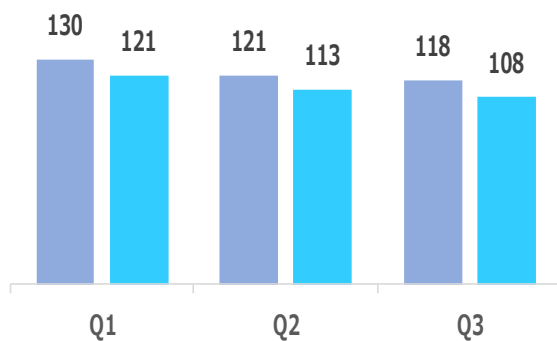
Net sales and operating income by main business segments

■ FY 3/20 ■ FY 3/21

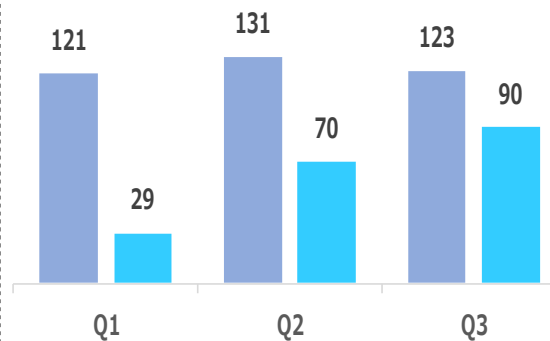
(100 million yen)

Net Sales

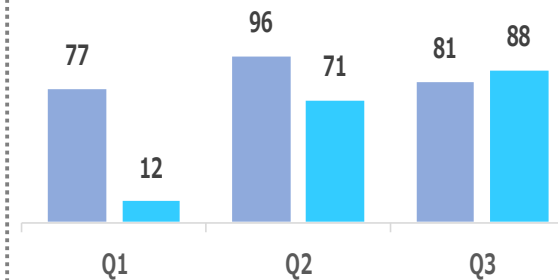
Dormitory



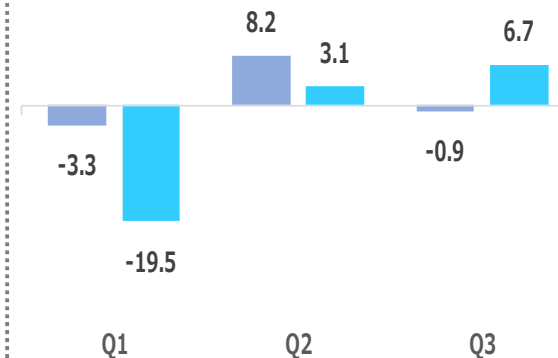
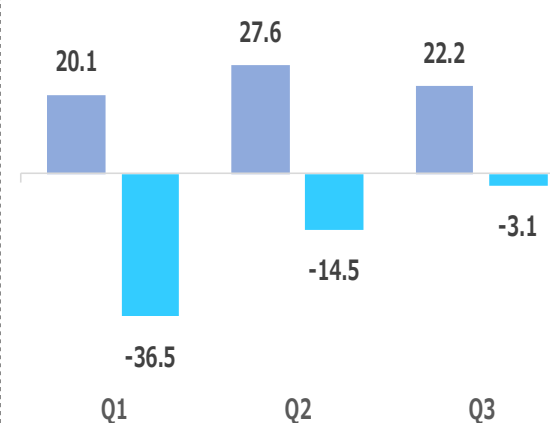
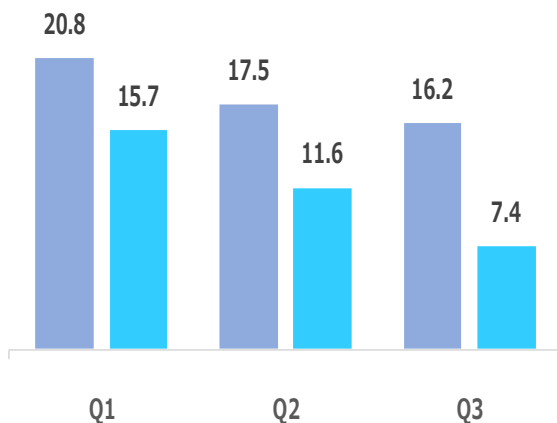
Dormy Inn



Resorts



Operating income



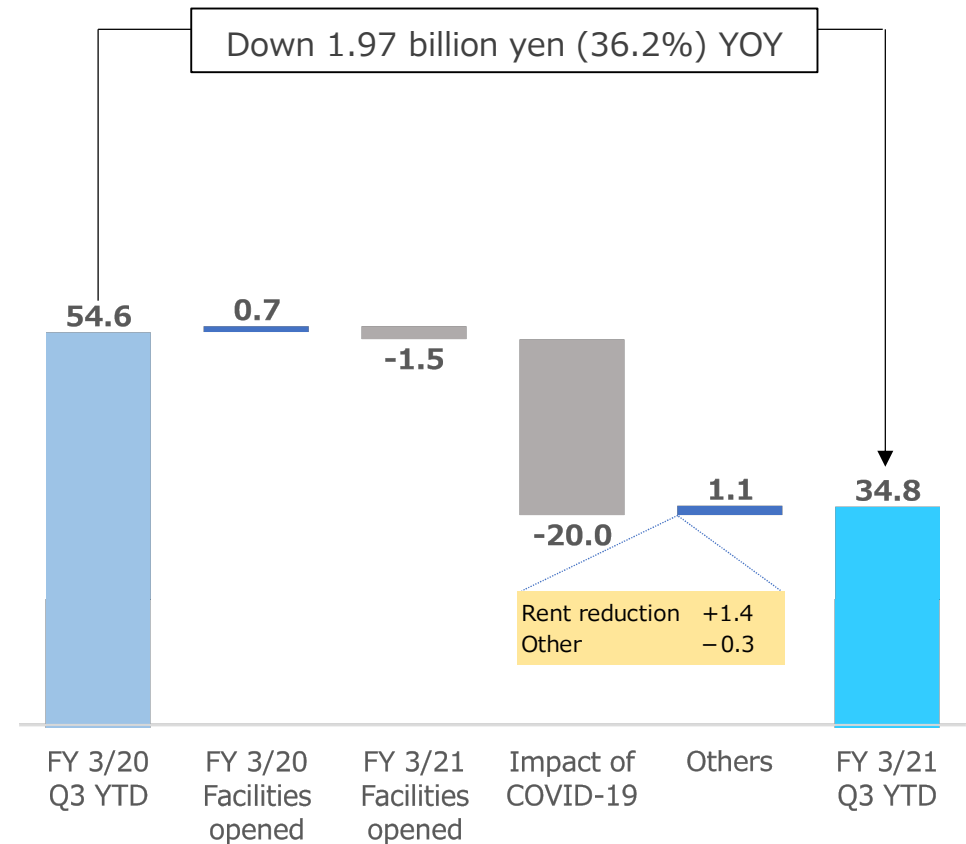
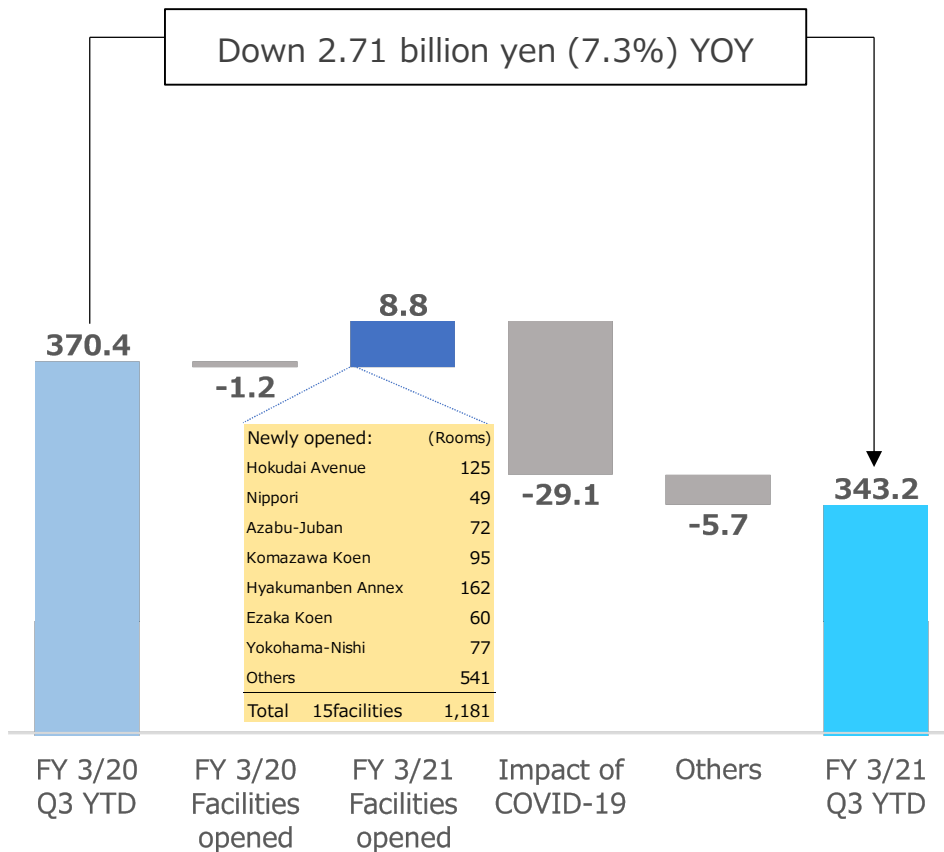
よい朝のために。

Dormitory Business: Net sales and Operating income

Net sales

Operating income

(100 million yen)

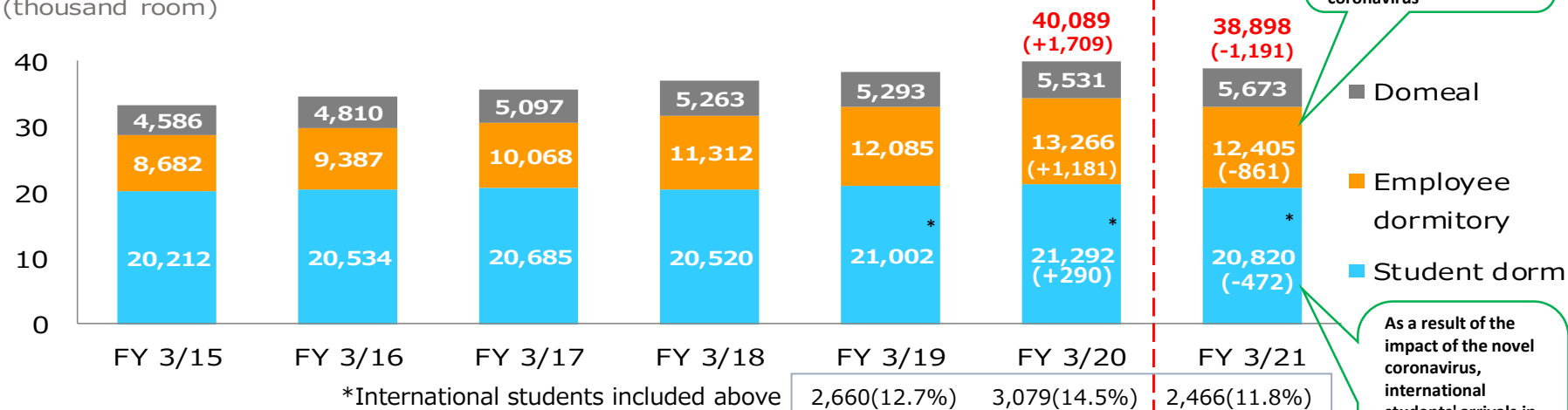


よい朝のために。

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

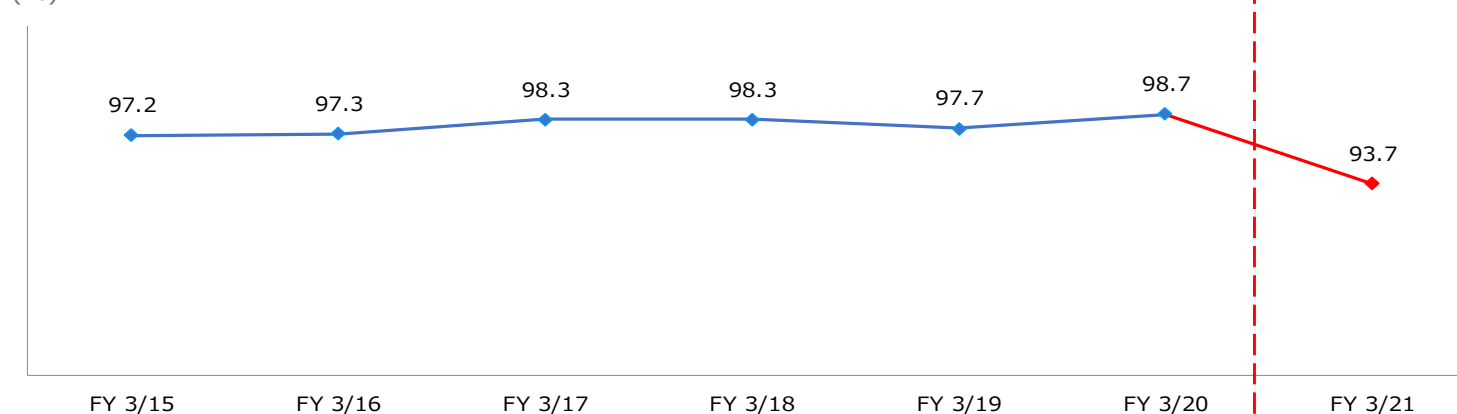
Trend in initial number of leased units (by category)

(thousand room)



Trend in initial occupancy rate

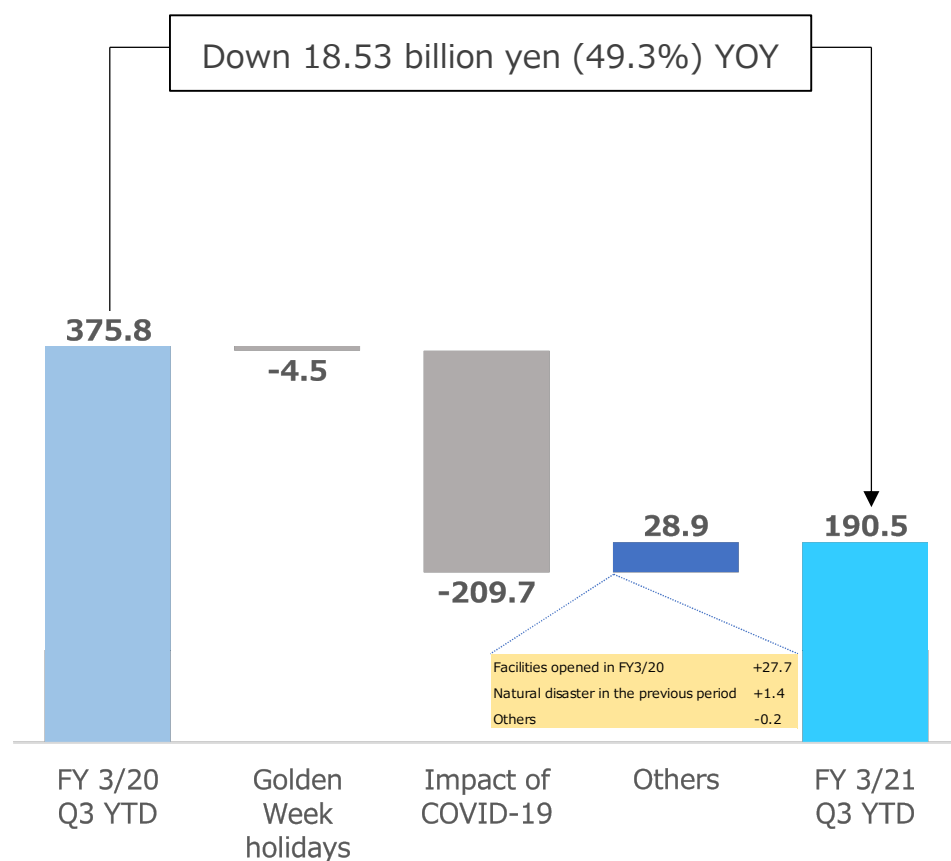
(%)



よい朝のために。

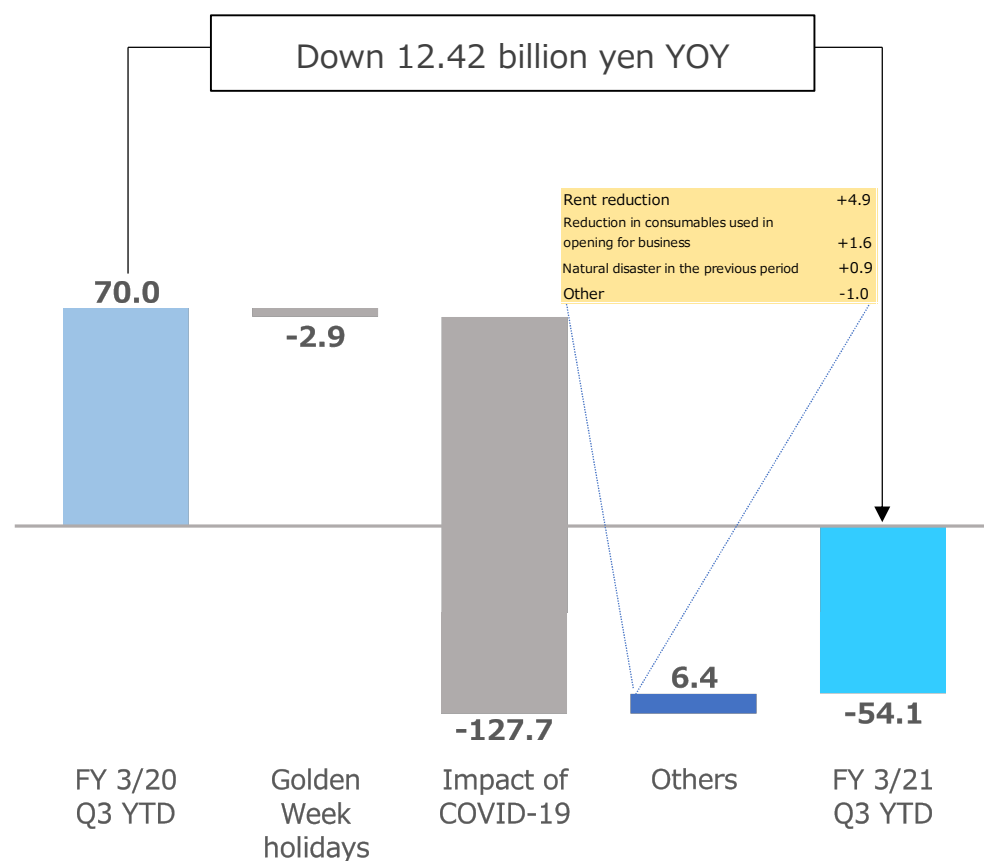
Dormy Inn Business: Net sales and operating income

Net sales



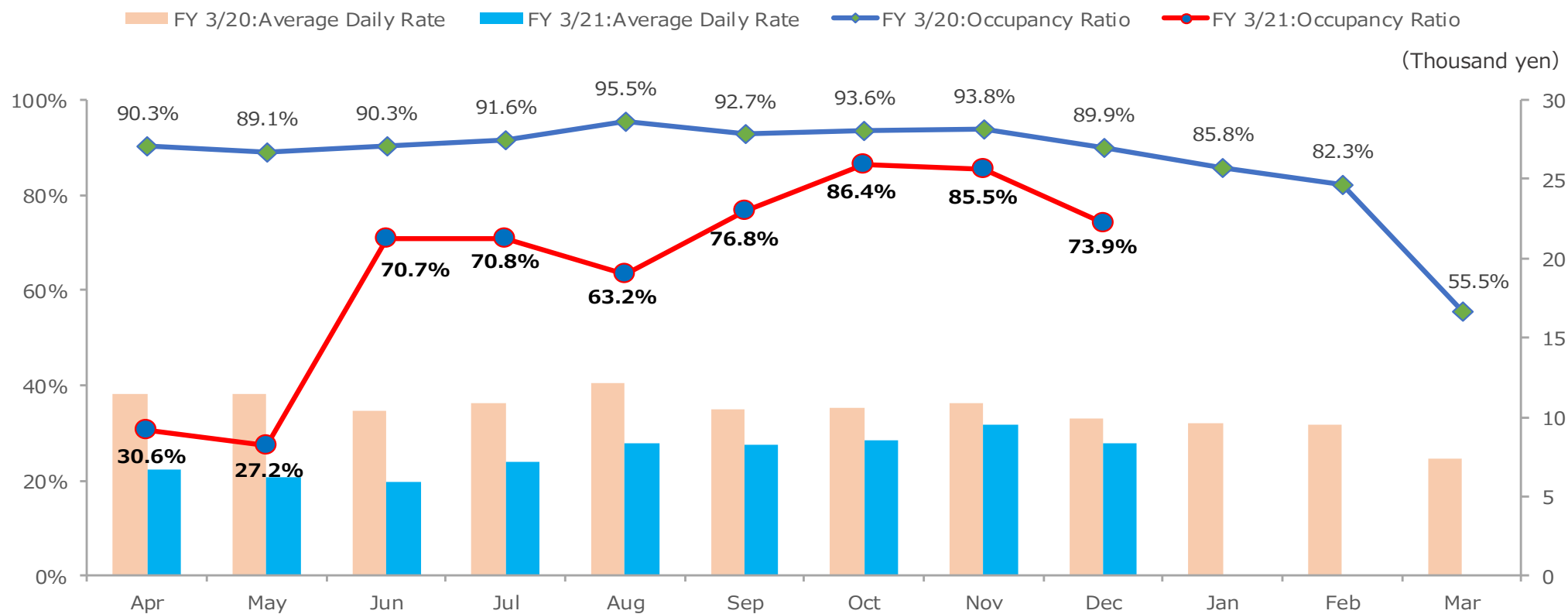
Operating income

(100 million yen)



よい朝のために。

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



Occupancy Ratio

	Q1	Q2	Q3	Q3 Cumulative	Q4	Annual cumulative total
FY 3/20 (actual results)	89.9%	93.3%	92.4%	91.9%	74.3%	87.5%
FY 3/21 (actual results)	42.7%	70.2%	81.9%	65.7%		
YOY change	-47.2pp	-23.1pp	-10.5pp	-26.2pp		

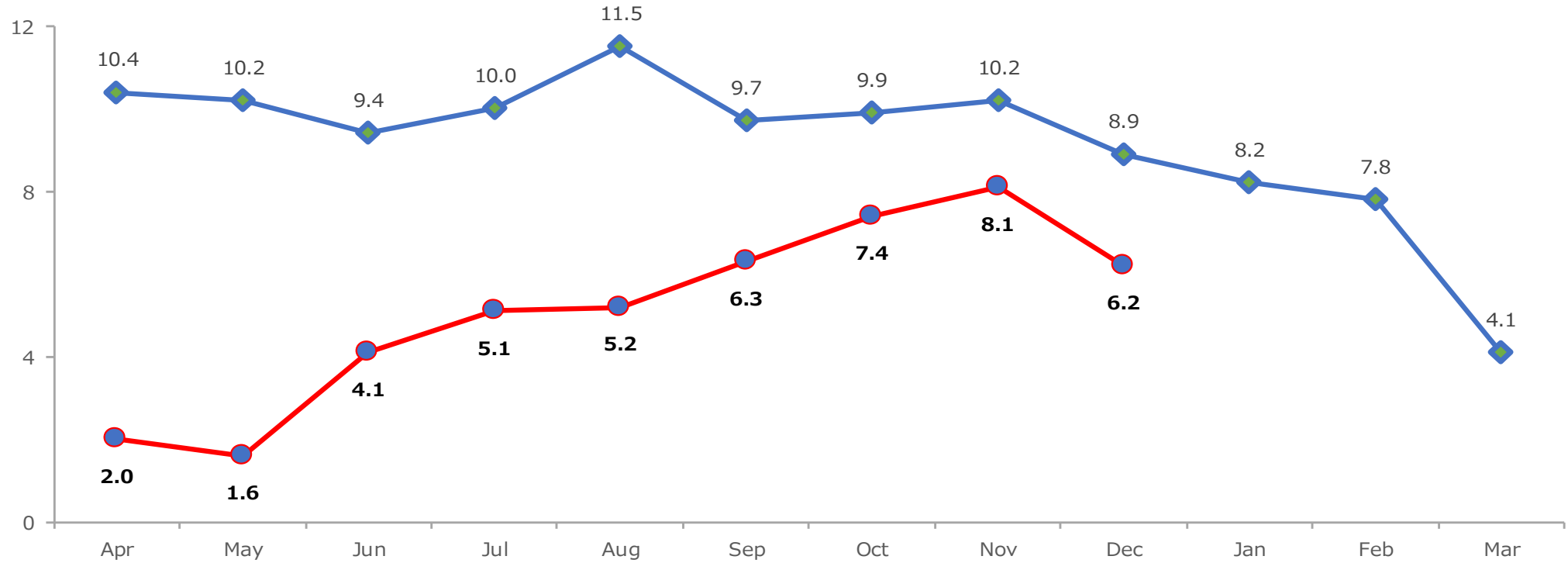
Average Daily Rate

	Q1	Q2	Q3	Q3 Cumulative	Q4	Annual cumulative total
FY 3/20 (actual results)	11.1	11.2	10.5	10.9	9.0	10.5
FY 3/21 (actual results)	6.1	7.9	8.8	7.9		
YOY change	-4.9	-3.3	-1.6	-3.0		

よい朝のために。

Dormy Inn Business: RevPAR by month

(Thousand yen)



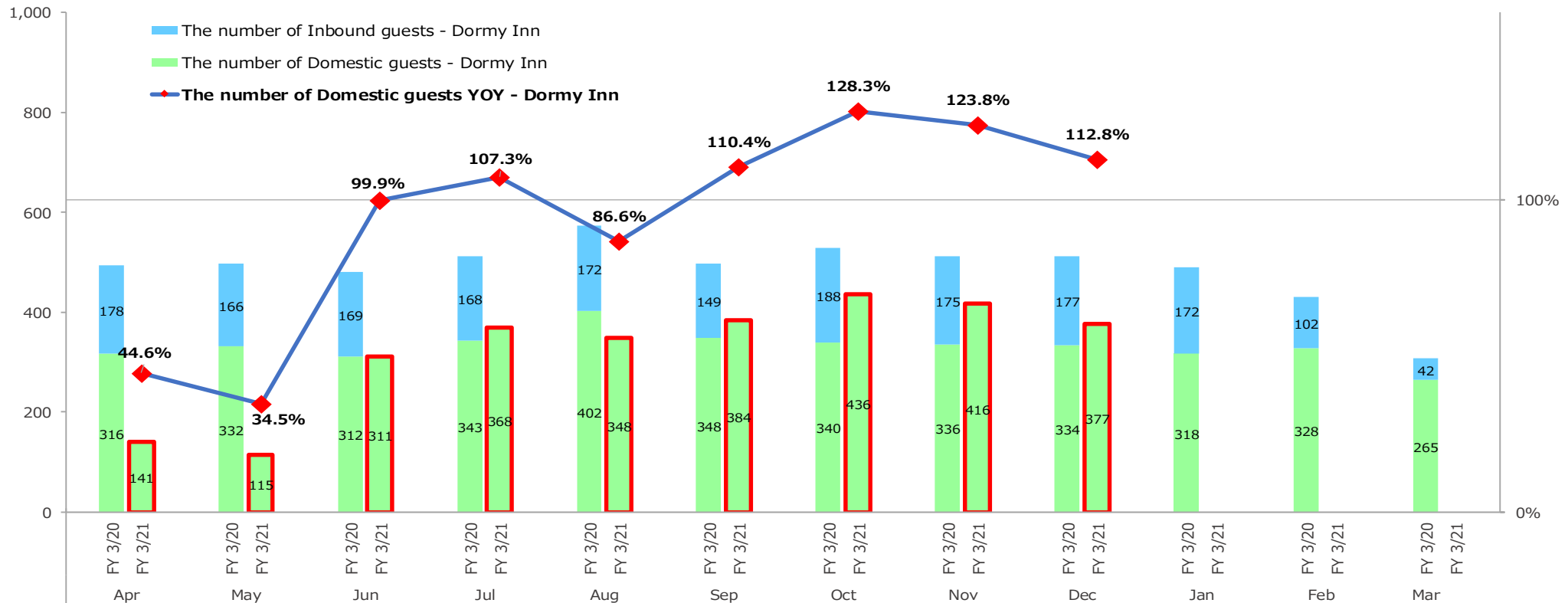
RevPAR	(Thousand yen)					
	Q1	Q2	Q3	Q3 Cumulative	Q4	Annual cumulative total
FY 3/20 (actual results)	10.0	10.4	9.7	10.0	6.7	9.2
FY 3/21 (actual results)	2.6	5.5	7.2	5.2		
YOY change	-7.4	-4.9	-2.4	-4.8		

よい朝のために。

(Note) The table above shows figures not including hotels that opened in April 2019 or later (to enable comparison between the two periods under similar conditions)

Dormy Inn Business: the number of guests of Dormy Inn

(Thousand people)



The number of Domestic guests - Dormy Inn

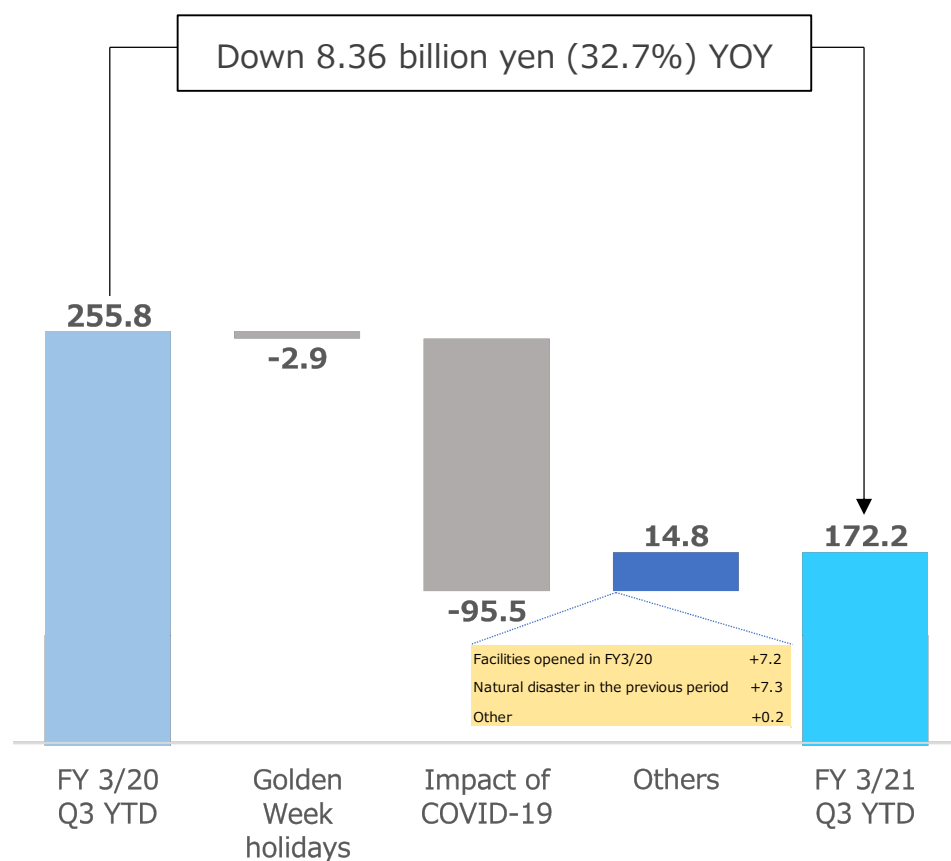
(Thousand people)

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Annual cumulative total
FY 3/20 (actual results)	316	332	312	343	402	348	340	336	334	318	328	265	3,974
FY 3/21 (actual results)	141	115	311	368	348	384	436	416	377				
YOY change	-175	-217	-0	+25	-54	+36	+96	+80	+43				
	44.6%	34.5%	99.9%	107.3%	86.6%	110.4%	128.3%	123.8%	112.8%				

よい朝のために。

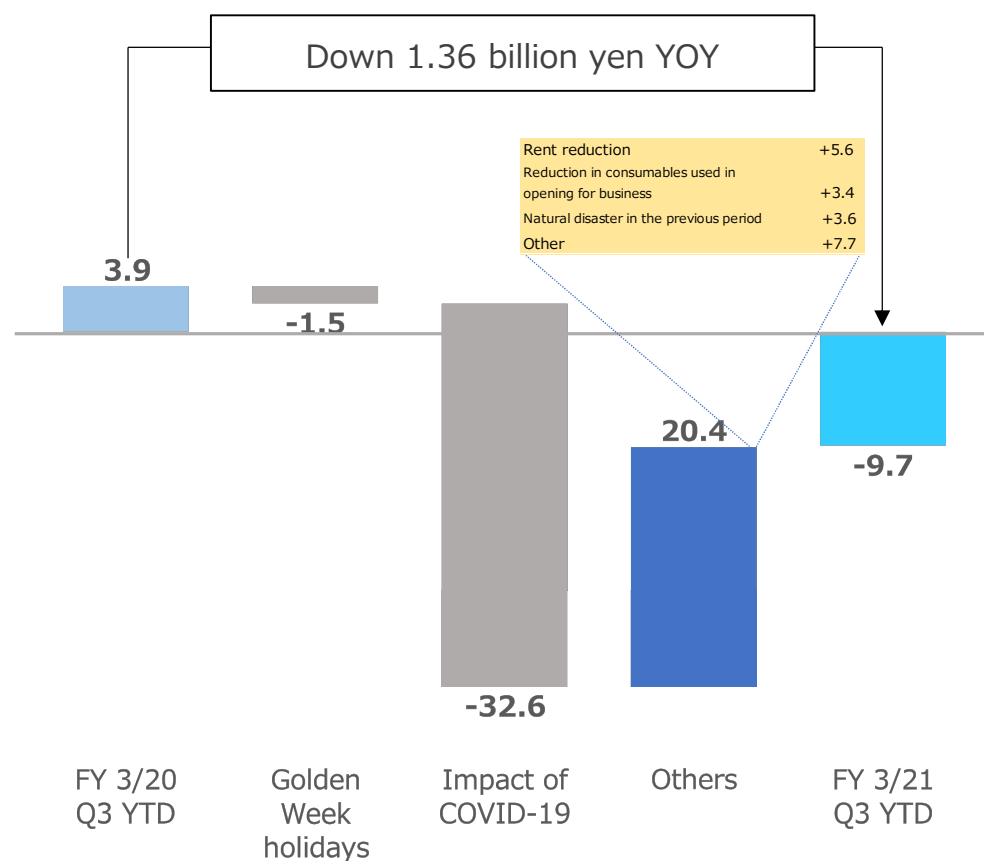
Resorts Business: Net sales and operating income

Net sales



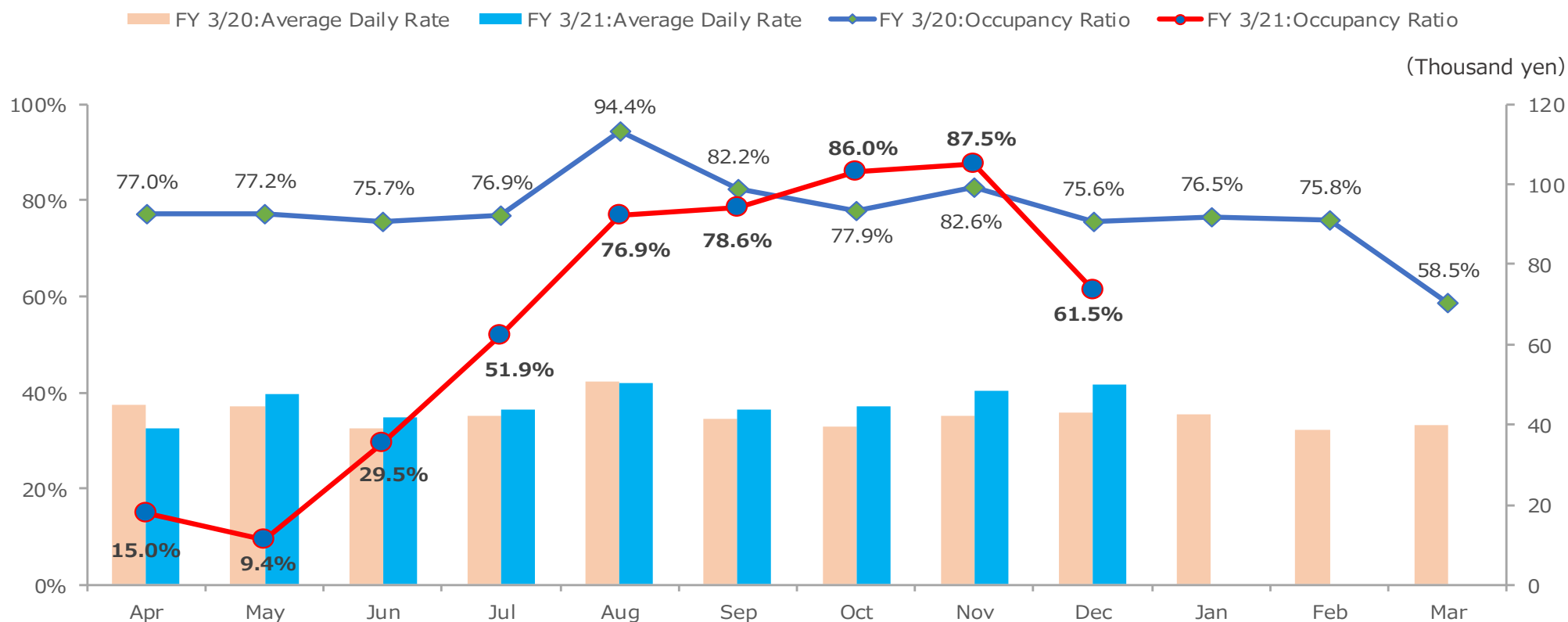
Operating income

(100 million yen)



よい朝のために。

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



Occupancy Ratio

	Q1	Q2	Q3	Q3 Cumulative	Q4	Annual cumulative total
FY 3/20 (actual results)	76.7%	84.6%	78.7%	80.0%	70.1%	77.5%
FY 3/21 (actual results)	17.0%	69.4%	77.9%	58.3%		
YOY change	-59.7pp	-15.2pp	-0.8pp	-21.8pp		

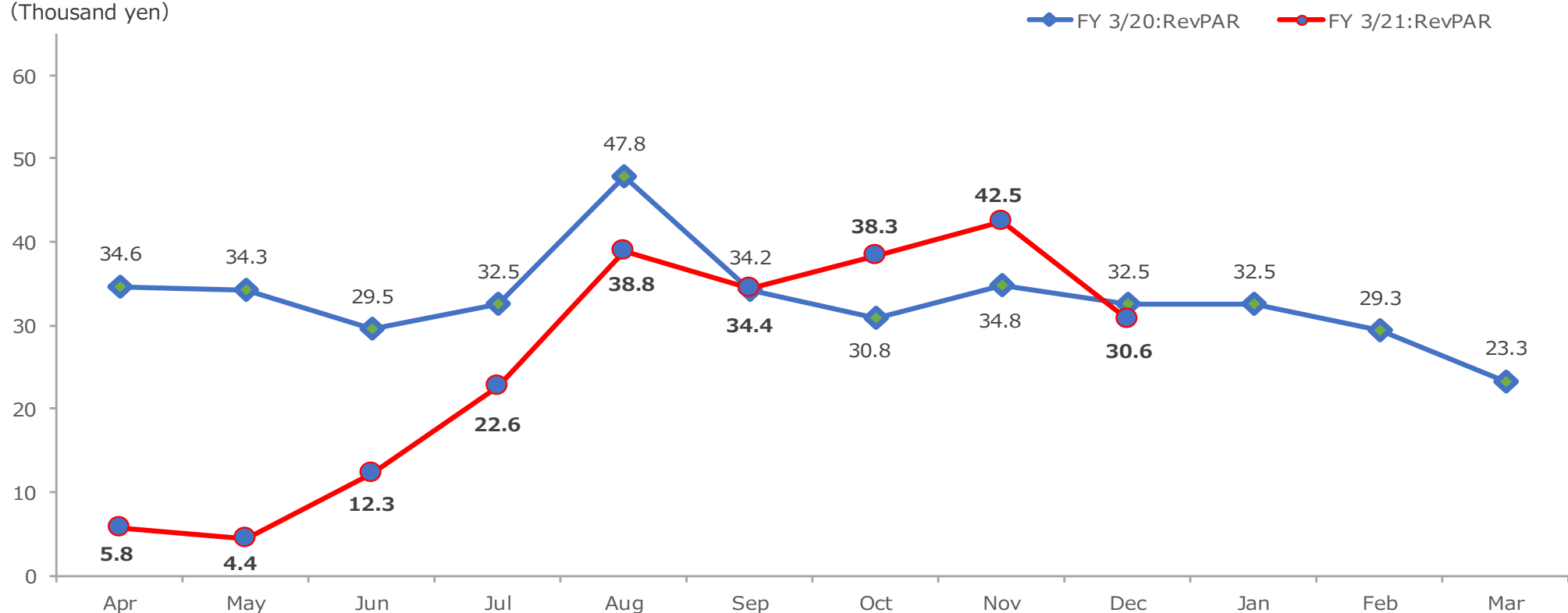
Average Daily Rate

	Q1	Q2	Q3	Q3 Cumulative	Q4	Annual cumulative total
FY 3/20 (actual results)	43.0	45.2	41.5	43.3	40.4	42.6
FY 3/21 (actual results)	41.8	46.3	47.5	46.5		
YOY change	-1.1	+1.0	+5.9	+3.2		

よい朝のために。

Resorts Business: RevPAR by month

(Thousand yen)



RevPAR (Thousand yen)						
	Q1	Q2	Q3	Q3 Cumulative	Q4	Annual cumulative total
FY 3/20 (actual results)	32.9	38.2	32.7	34.7	28.3	33.1
FY 3/21 (actual results)	7.1	32.1	37.0	27.1		
YOY change	-25.8	-6.1	+4.2	-7.5		

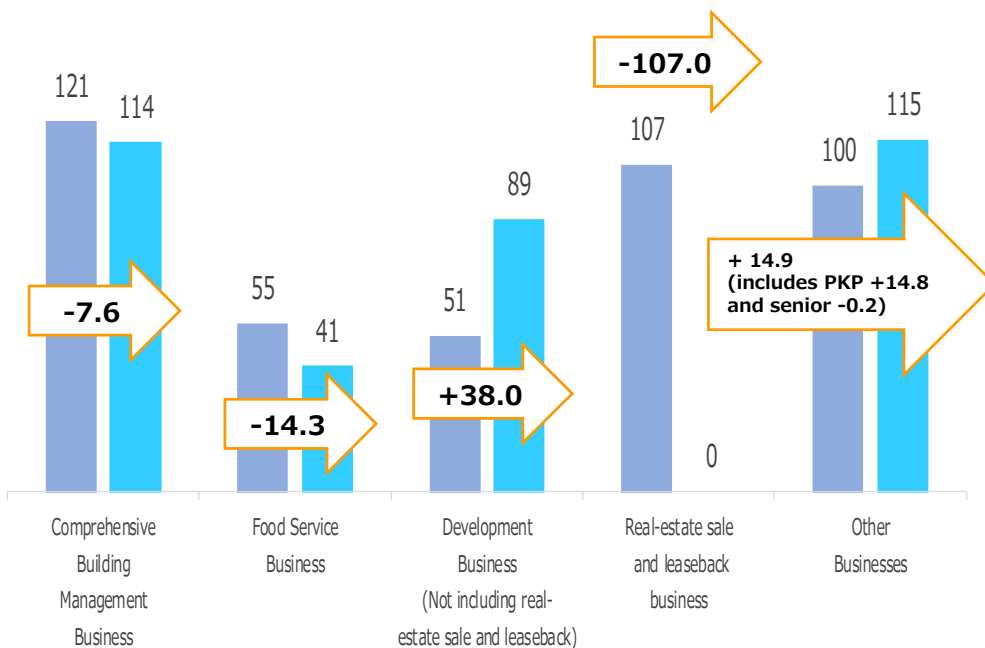
よい朝のために。

Other Businesses: Net sales and operating income

(100 million yen)

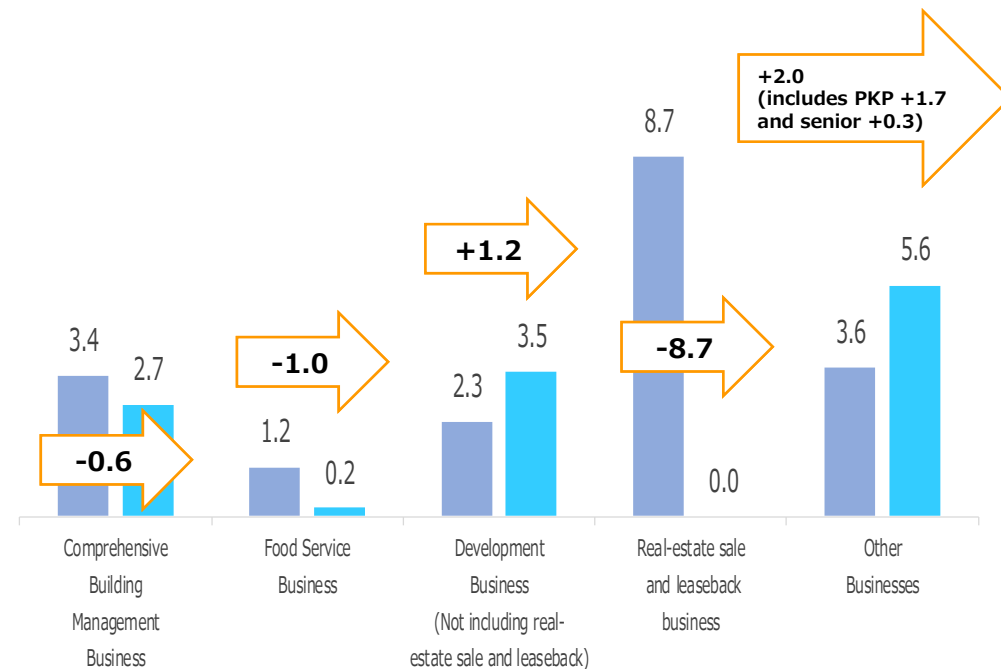
Net sales: Down 7.62 billion YOY

■ FY 3/20 Q3 YTD ■ FY 3/21 Q3 YTD



Operating income: Down 0.71 billion YOY

■ FY 3/20 Q3 YTD ■ FY 3/21 Q3 YTD



よい朝のために。

Balance sheet

End of December 2019

End of March 2020

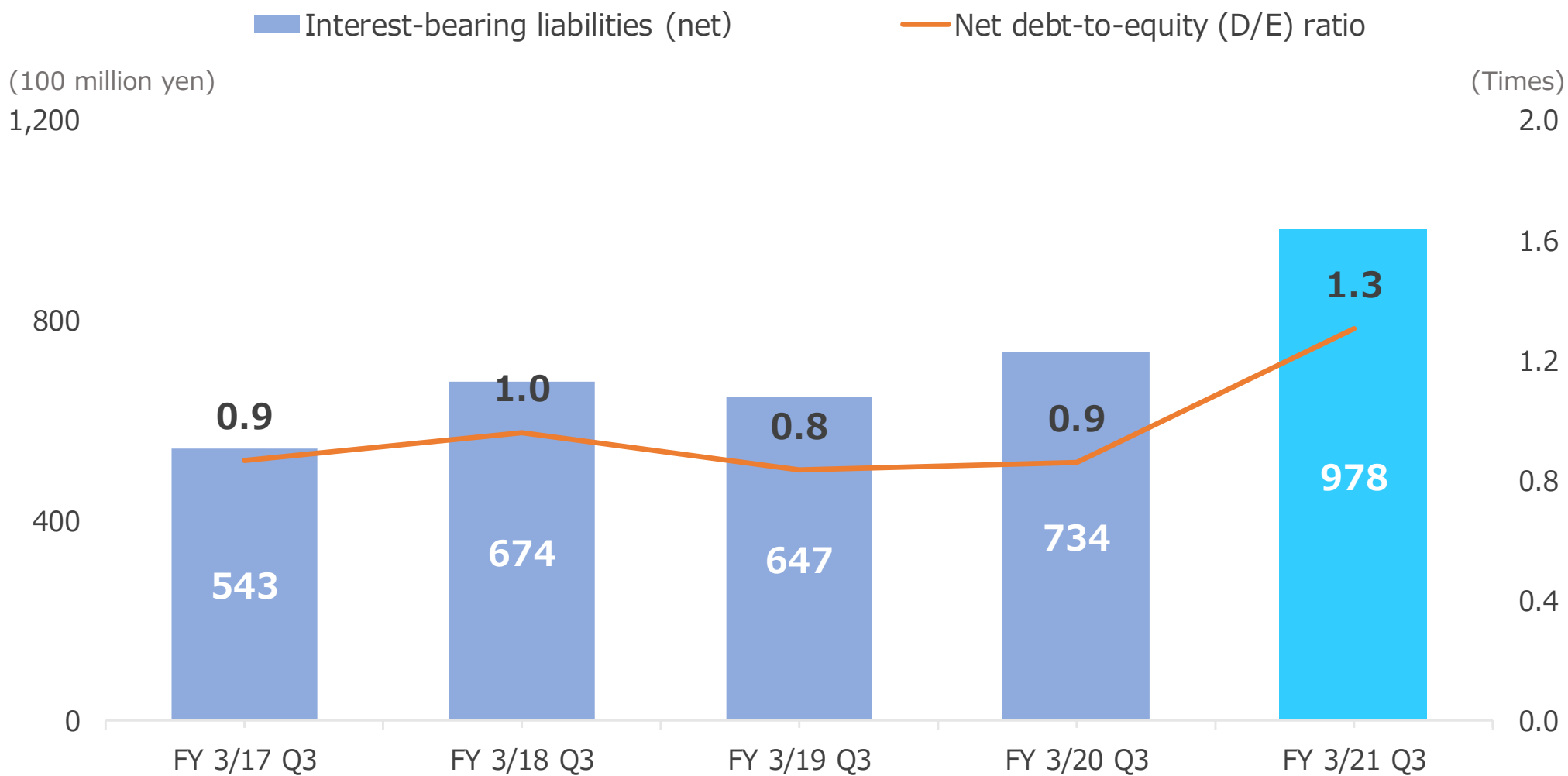
End of December 2020

<div>Assets 211.6 billion yen</div> <div>Cash and deposits 15.0 billion yen</div> <div>Non-current assets 162.2 billion yen</div>	<div>Liabilities 125.8 billion yen</div> <div>Interest-bearing debt 88.4 billion yen</div> <div>*Includes CB of 19.9 billion yen</div> <div>Net assets 85.7 billion yen</div> <div>Treasury stock -0.3 billion yen</div>
<div>Assets 217.0 billion yen</div> <div>Cash and deposits 18.3 billion yen</div> <div>Non-current assets 165.9 billion yen</div>	<div>Liabilities 133.1 billion yen</div> <div>Interest-bearing liabilities 93.0 billion yen</div> <div>*Includes CB of 19.9 billion yen</div> <div>Net Assets 83.9 billion yen</div> <div>Treasury shares -0.3 billion yen</div>
<div>Assets 229.0 billion yen (+17.4 billion yen)</div> <div>Cash and deposits 19.1 billion yen (+4.1 billion yen)</div> <div>Non-current assets 172.5 billion yen (+10.2 billion yen)</div>	<div>Liabilities 153.9 billion yen (+28.0 billion yen)</div> <div>Interest-bearing debt 117.0 billion yen (+28.5 billion yen)</div> <div>*Includes CB of 19.9 billion yen</div> <div>Net assets 75.1 billion yen (-10.6 billion yen)</div> <div>Treasury stock -0.3 billion yen</div>

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

よい朝のために。

Interest-bearing debt and Net D/E ratio



よい朝のために。

Measures taken in response to COVID-19 for the FY 3/21

- Measures have been introduced to support school attendance in response to COVID-19 by lending funds to students interest free to lessen their economic burdens.
- “Chokko Ofukubin” from home to the resort. New lodging plans that include round-trip taxi transportation, jointly developed with a taxi company, have been introduced.
- Development and sales of new Dormy Inn products to help stop the spread of COVID-19
 - **“Tomareru office” spaces for teleworking.**
Providing comfortable office spaces equipped with hot springs, saunas, Wi-Fi, ramen noodles at night, and meals.
 - **Residential hotel plans for long-term stays**
Customize the interior necessary for living in addition to the comfort of the hotel. Live in Dormy Inn as if you were at your own home.



Important notes

As used in these Notes, "presentation" refers to this Document explained or distributed by Kyoritsu Maintenance Co., Ltd. ("Kyoritsu" hereinafter), as well as oral presentations, questions and answers, and information provided in writing or orally. This presentation (including related oral explanations and questions and answers) does not constitute, state, or form, under any legal jurisdiction, a part of any proposal, guidance, or solicitation to purchase, acquire, apply for, exchange, trade, or otherwise dispose of any securities, or solicitation of any vote or approval.

Companies invested in by Kyoritsu, whether directly or indirectly, are separate companies. The term "Kyoritsu" may be used in this presentation for convenience' sake to refer to Kyoritsu and its subsidiaries in general. Similarly, the term "the Company" (including "we," "us," and "our") may be used to refer to the subsidiaries in general or to persons working for them. These terms also may be used in cases in which it would not be useful to specify a specific company.

Forward-looking statements

This presentation and materials distributed in connection with this presentation include forward-looking statements, ideas, or views regarding the Company's future businesses and future positions and results, including Kyoritsu estimates, projections, goals, and plans. While forward-looking statements often include terms such as "targets," "plans," "believes," "hopes," "continues," "expects," "aims," "intends," "will," "may," "should," "would," "could," "anticipates," "estimates," "projects," or similar terms, or negative expressions thereof, that is not necessarily always the case. The forward-looking statements in this document are based on current assumptions and ideas in light of the information currently available to the Company. Forward-looking statements are not guarantees by the Company or its executives of future business results, and they involve risks, both known and unknown, uncertainties, and other factors. Risks and uncertainties include, but are not limited to, the economic conditions of the Company's businesses, including general economic conditions in Japan and around the world, as well as the appearance or development of competing products, decisions by regulators and the timing thereof, and natural disasters. As a result of such factors, the Company's actual business performance, results, and financial details may differ substantially from the future business performance, results, and financial details described, whether explicitly or implicitly, in forward-looking statements. The Company and its executives make no guarantee of any kind regarding the ultimate accuracy of projections indicated in forward-looking statements, and actual business performance or results may differ substantially. Recipients of this presentation should not depend excessively on forward-looking statements. Kyoritsu is under no obligation to update the forward-looking statements contained in this presentation or presented by the Company through other means. Past performance is no indicator of future results, and Kyoritsu's business results as contained in this presentation are neither indicators, forecasts, projections, nor estimates of its future business results.

よい朝のために。

KY  RITSU

HOTELS & DORMITORIES