



Dormy Inn Kobe Motomachi

Kyoritsu Maintenance Co., Ltd.

Consolidated Financial Results for FY 3/22 Q1

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KYORITSU
HOTELS & DORMITORIES

August 2021
1st Section, TSE 9616

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Financial highlights

- **Sales increased and losses narrowed YoY, which was more strongly impacted by COVID-19**
 - (i) Signs of a recovery in occupancy rates in the Hotels Business, especially on weekends
 - (ii) In the Dormitory Business, contracts with Japanese students are increasing as in-person classes resume, although delays in international students coming to Japan continue
- **Sales begin of new products in response to COVID-19**
 - "WORK PLACE DORMY (offices and hotels where you can stay and live)"
 - "Shiki Club" Kyoritsu General Corporate Membership Program

Consolidated business results and main financial indicators

100 million yen	FY 3/21 Q1 Act (4/2020—6/2020)	FY 3/22 Q1 Forecast (4/2021—6/2021)	FY 3/22 Q1 Act (4/2021—6/2021)	YoY Comparison	Comparison with Forecasts	FY 3/22 Forecast (4/2021—3/2022)
Net sales	236	306	296	+60 +25.6%	-10 -3.4%	1,745
Gross income	-5	14	7	+13 -	-6 -44.7%	272
Operating income	-45	-36	-40	+4 -	-3 -	40
Ordinary income	-48		-36	+11 -		34
Net income*1	-64		-27	+36 -		16
EPS (JPY)	-164.7		-71.8	+92.9 -		41.0
Capital investment	26		14	-11 -45.2%		200
Depreciation expense	12		14	+1 +14.5%		57
Cash flow*2	-51		-13	+38 -		73

* 1. Temporary closures to stop the spread of COVID-19 losses of 2.8 billion yen in extraordinary losses in the same period of the previous year.

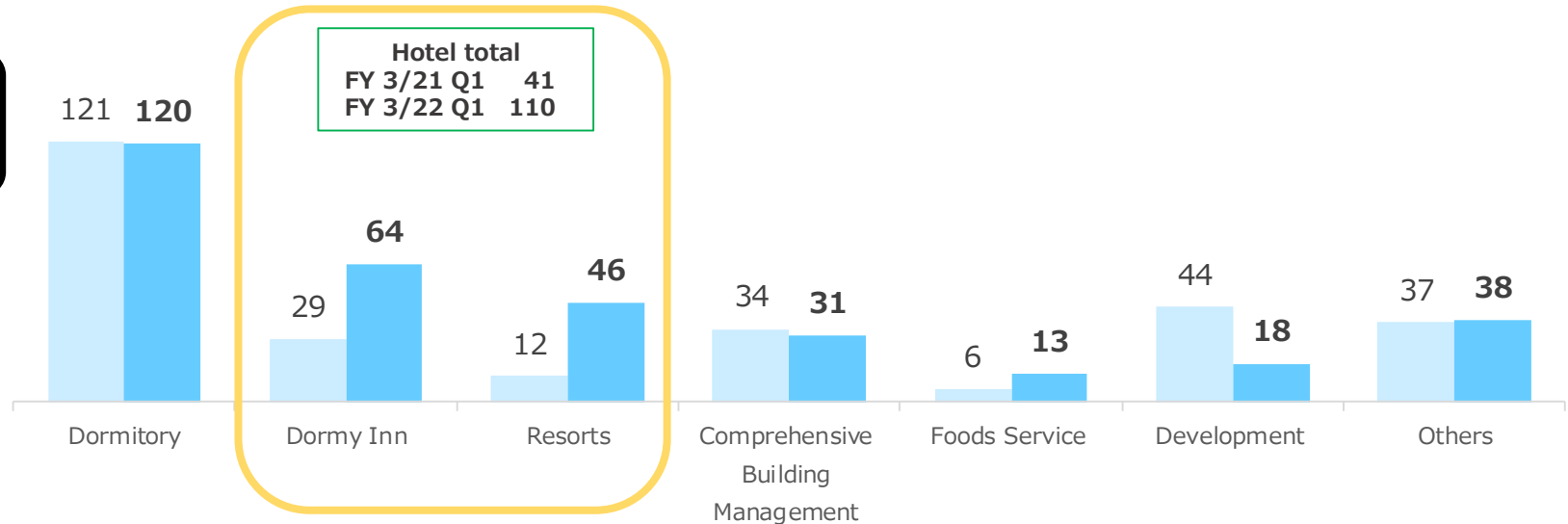
* 2. Cash flow : Net income + depreciation

Net sales and operating income broken down by segment

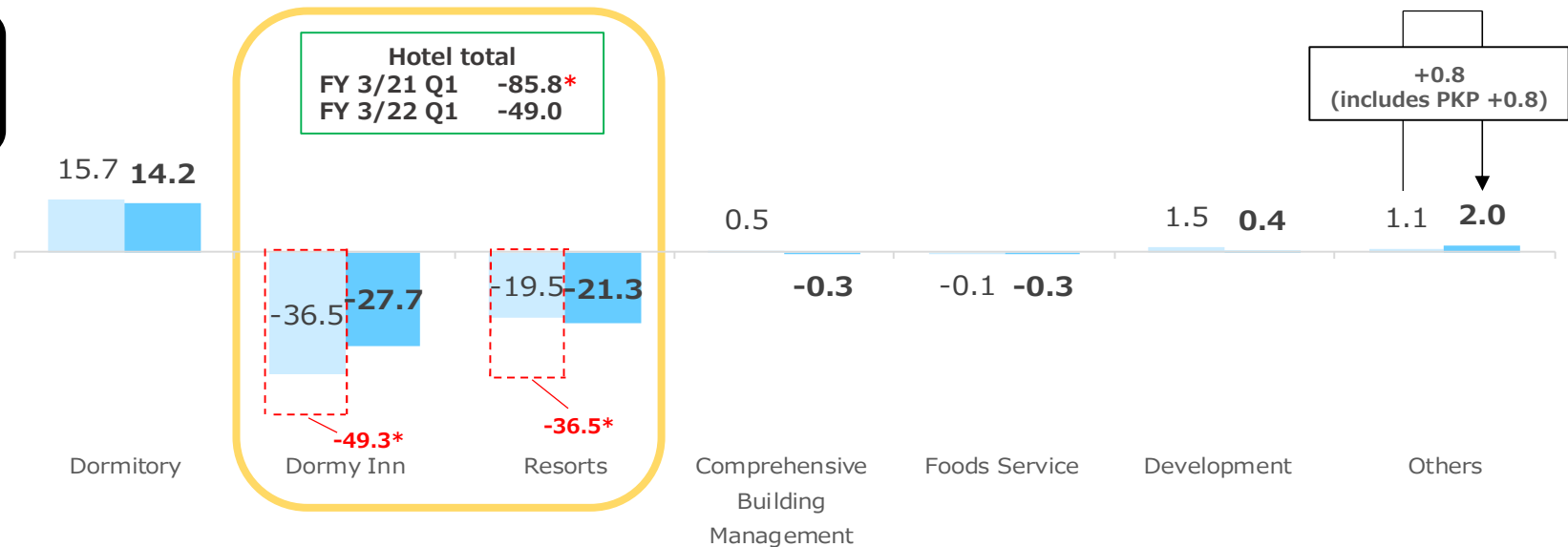
■ FY 3/21 Q1 ■ FY 3/22 Q1

(100 million yen)

Net sales



Operating income

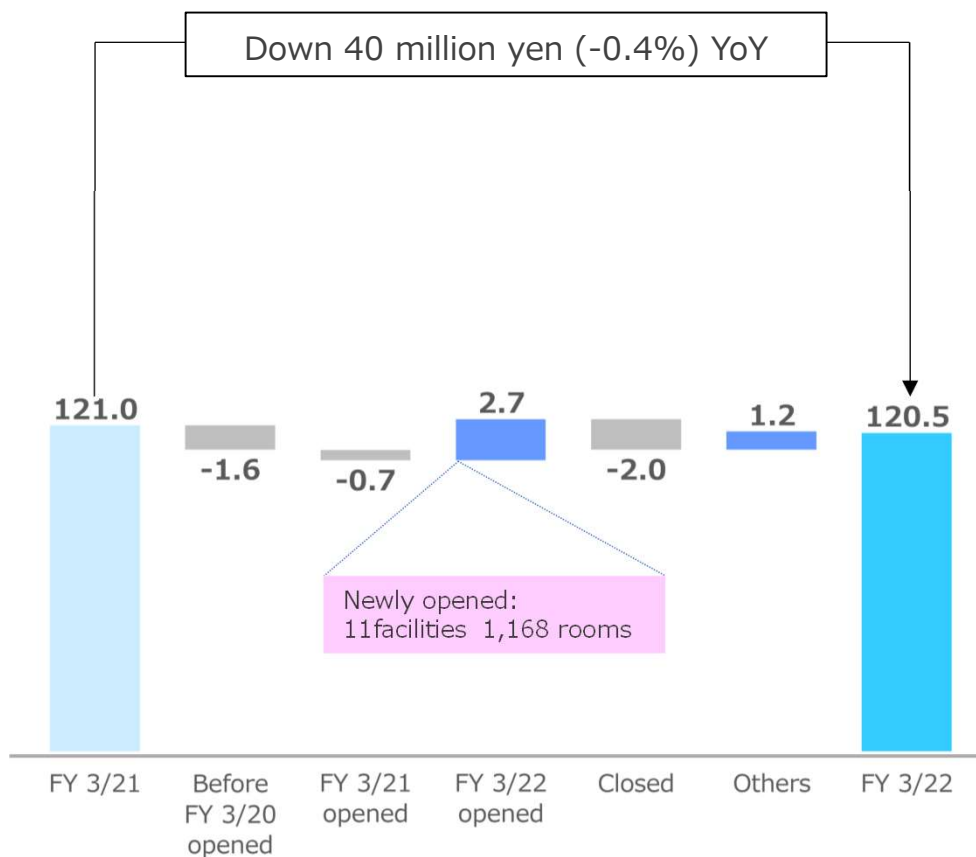


* Losses from temporary closure of hotels in the same period last year have been recorded to non-operating losses and extraordinary losses (1.27 billion yen at Dormy Inn and 1.7 billion yen in the Resorts Business).

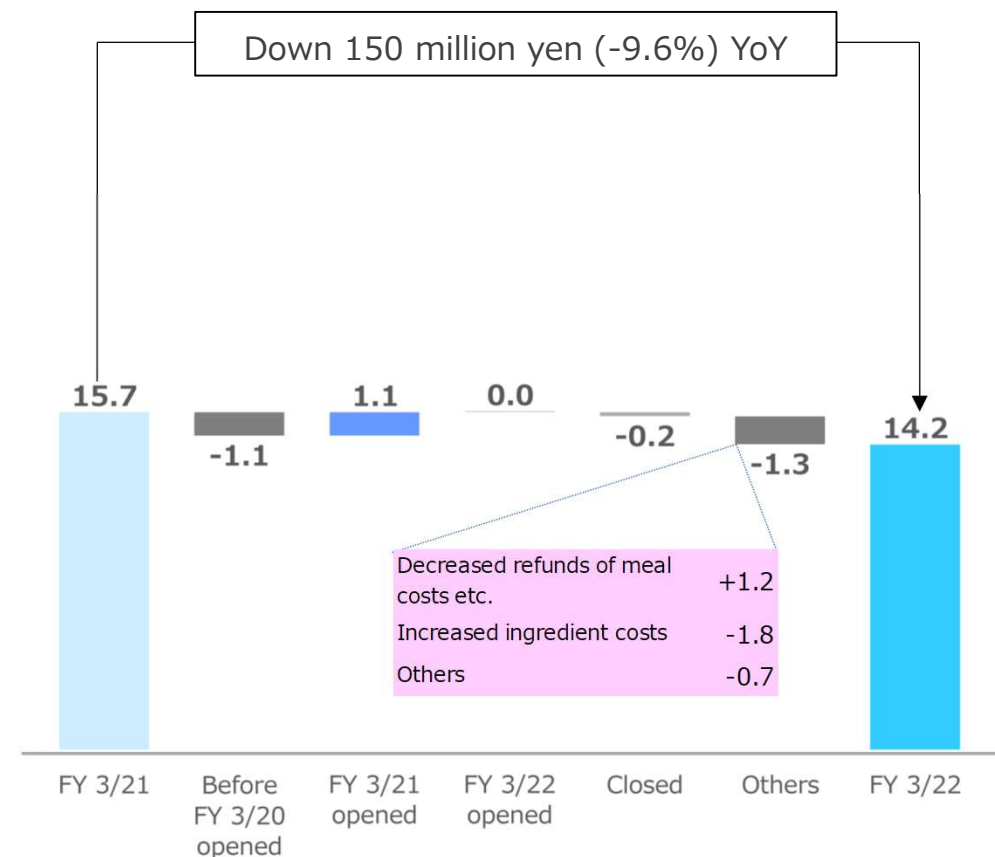
Dormitory Business: Net sales and Operating income

(100 million yen)

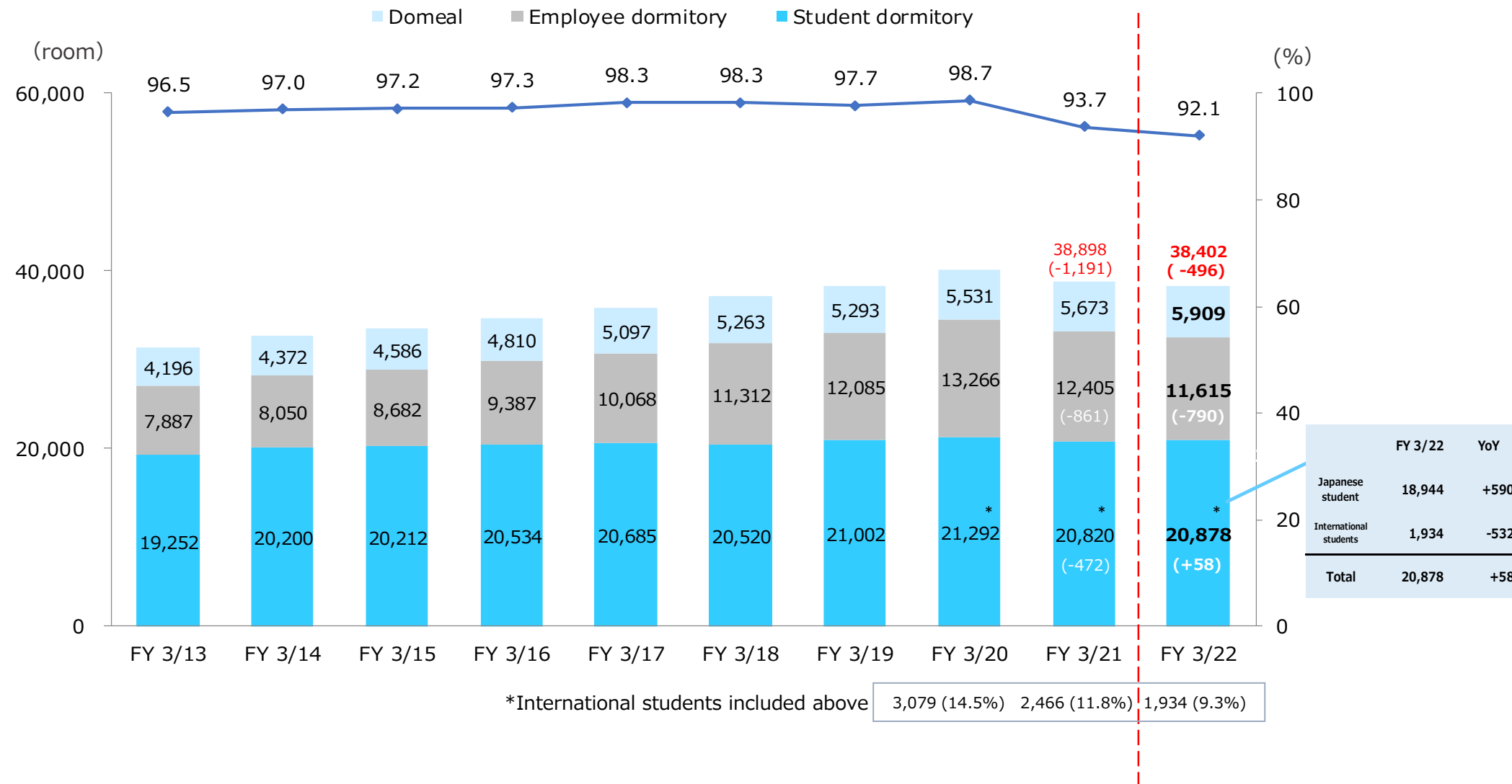
Net sales



Operating income



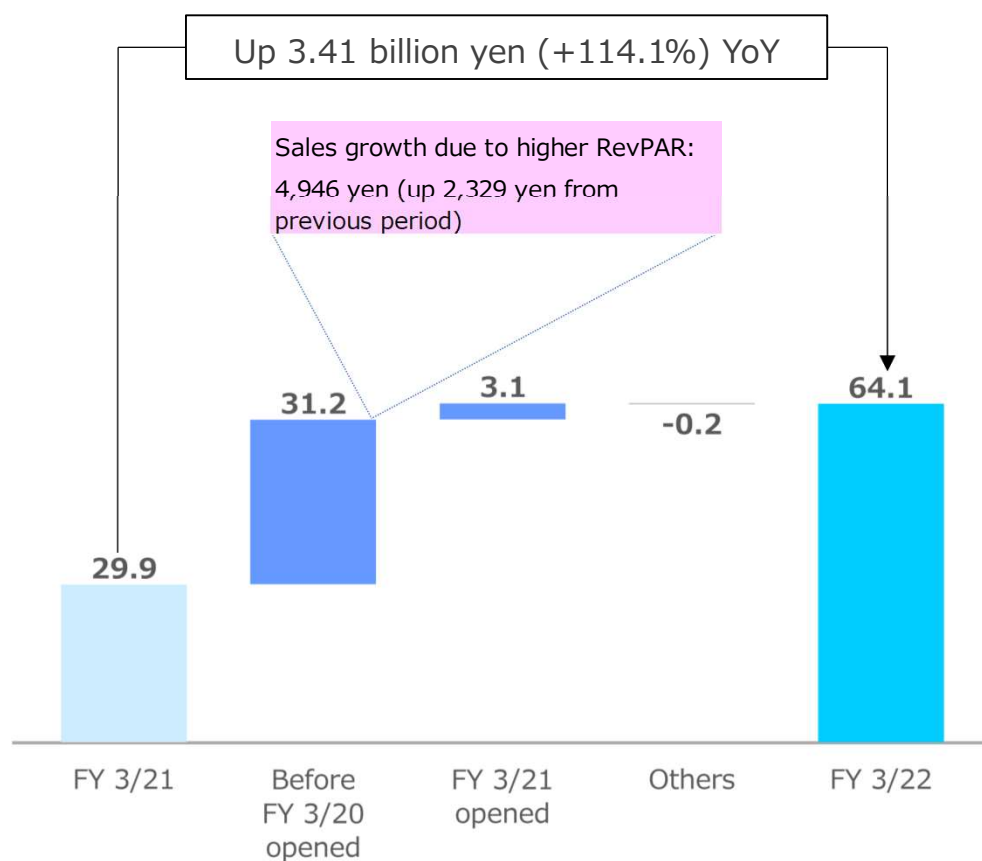
Dormitory Business: Trends in initial number of leased units/occupancy ratio



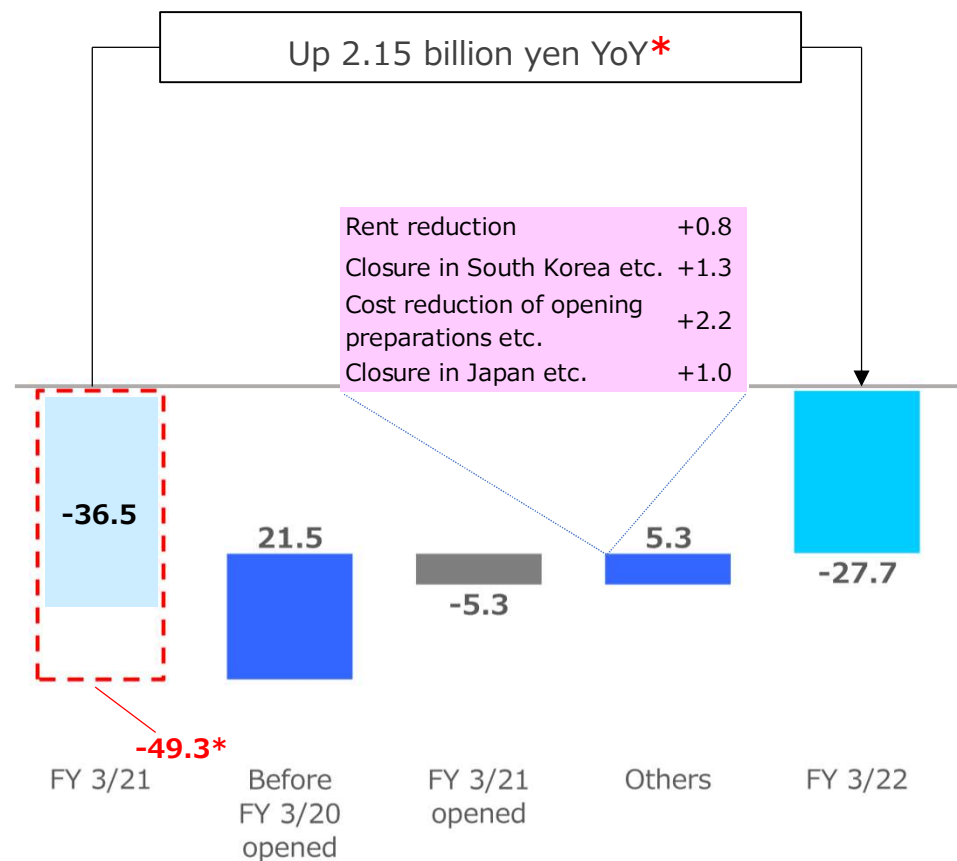
Dormy Inn Business: Net sales and operating income

(100 million yen)

Net sales

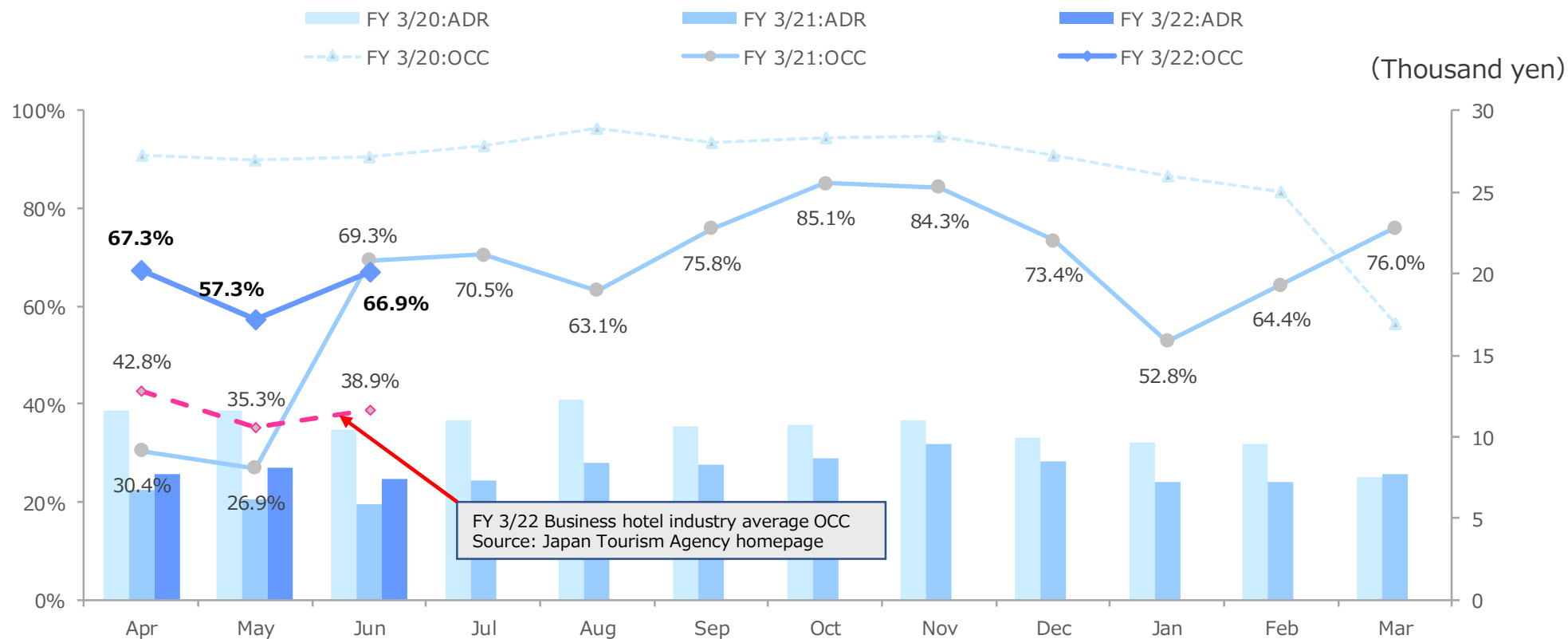


Operating income



* Losses from temporary closure of hotels in the same period last year have been recorded to non-operating losses and extraordinary losses (1.27 billion yen).

Dormy Inn 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)	Go To Travel is temporarily suspended	Second state of emergency
FY 3/22	Third state of emergency					

OCC

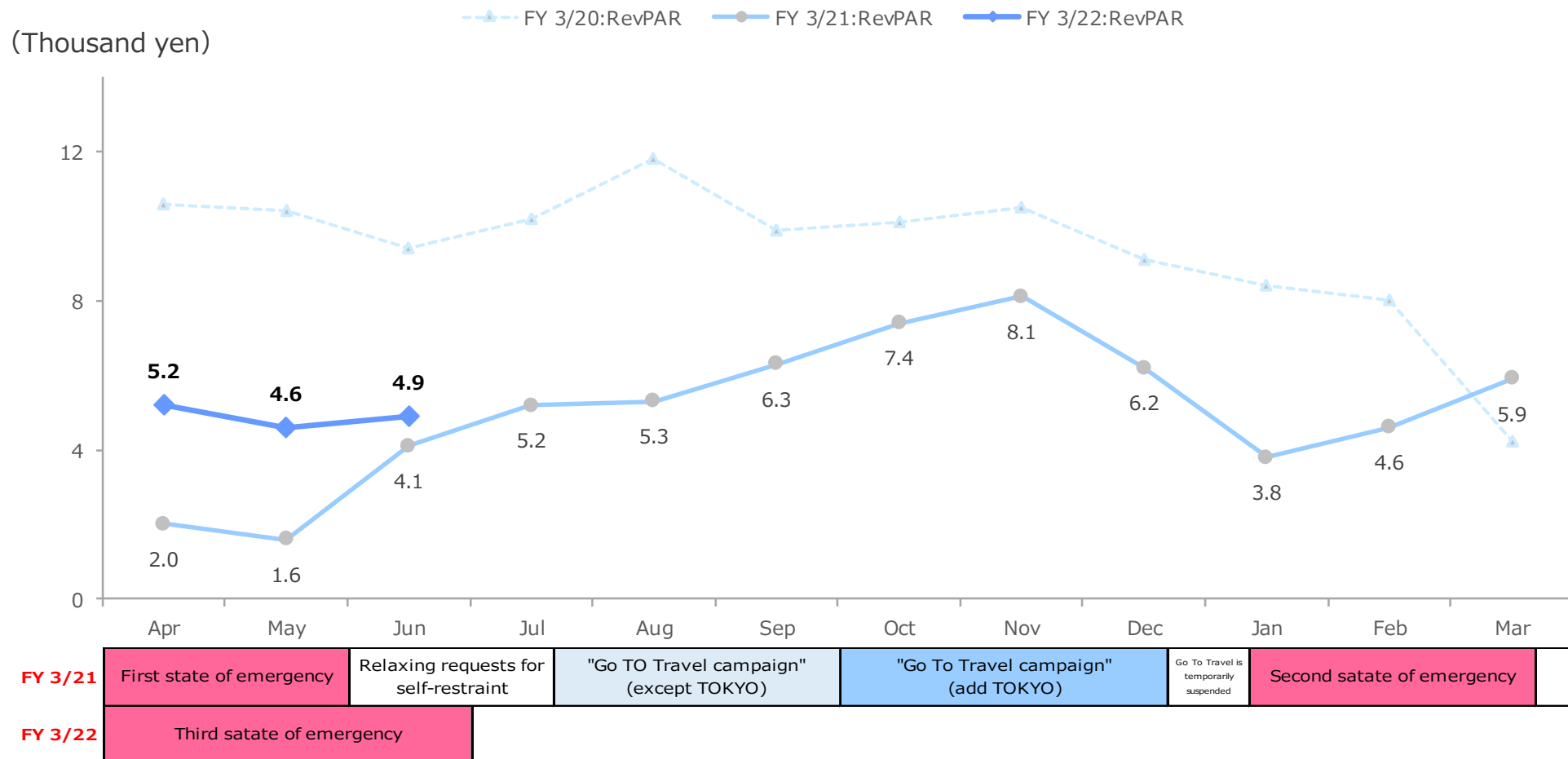
(%)	Q1	Q2	Q3	Q4	Annual cumulative total
FY 3/20 (Act)	90.4%	94.2%	93.3%	75.0%	88.1%
FY 3/21 (Act)	42.2%	69.8%	80.9%	64.3%	64.8%
FY 3/22 (Act)	63.8%				
YoY	+21.6pp				

ADR

(thousand yen)	Q1	Q2	Q3	Q4	Annual cumulative total
FY 3/20 (Act)	11.2	11.3	10.6	9.1	10.6
FY 3/21 (Act)	6.2	8.0	8.9	7.4	7.9
FY 3/22 (Act)	7.7				
YoY	+1.5				

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

Dormy Inn Business: RevPAR by month



RevPAR

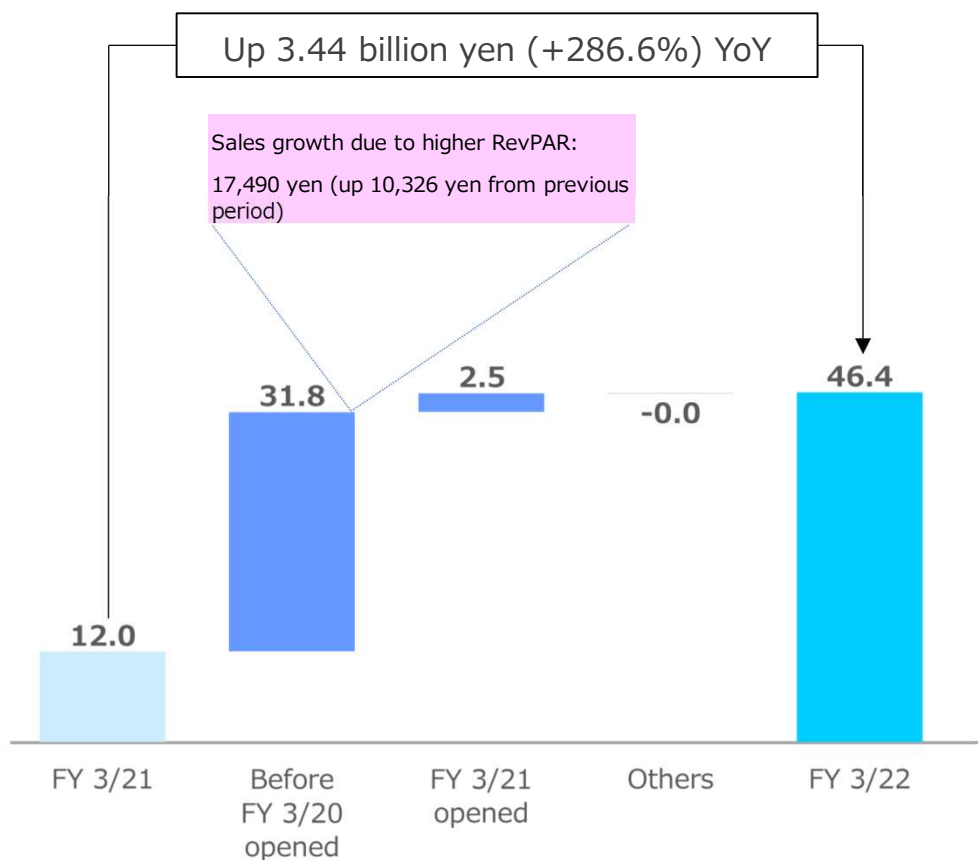
(thousand yen)	Q1	Q2	Q3	Q4	Annual cumulative total
FY 3/20 (Act)	10.1	10.6	9.9	6.8	9.3
FY 3/21 (Act)	2.6	5.6	7.2	4.8	5.1
FY 3/22 (Act)	4.9				
YoY	+2.3				

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

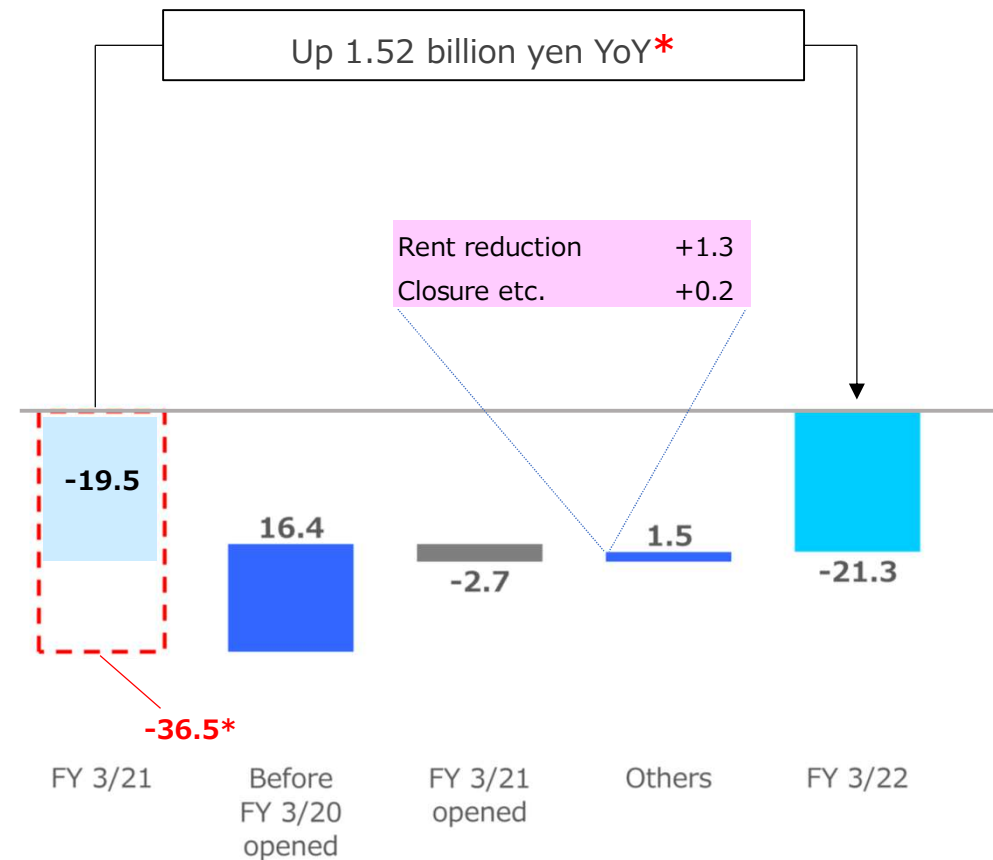
Resorts Business: Net sales and operating income

(100 million yen)

Net sales

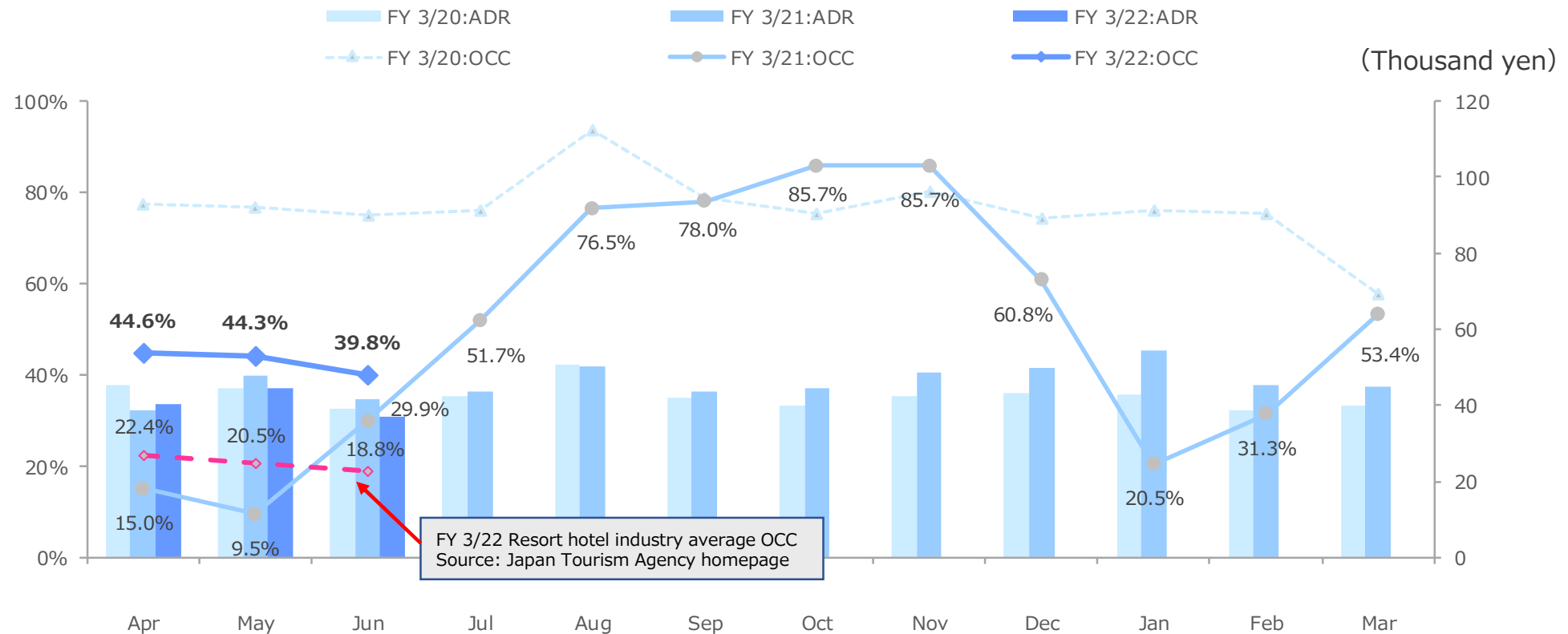


Operating income



* Losses from temporary closure of hotels in the same period last year have been recorded to non-operating losses and extraordinary losses (1.7 billion yen).

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)	Go To Travel is temporarily suspended	Second state of emergency
FY 3/22	Third state of emergency					

OCC

(%)	Q1	Q2	Q3	Q4	Annual cumulative total
FY 3/20 (Act)	76.4%	82.8%	76.6%	69.4%	76.3%
FY 3/21 (Act)	17.2%	68.9%	76.8%	35.0%	52.0%
FY 3/22 (Act)	42.9%				
YoY	+25.7pp				

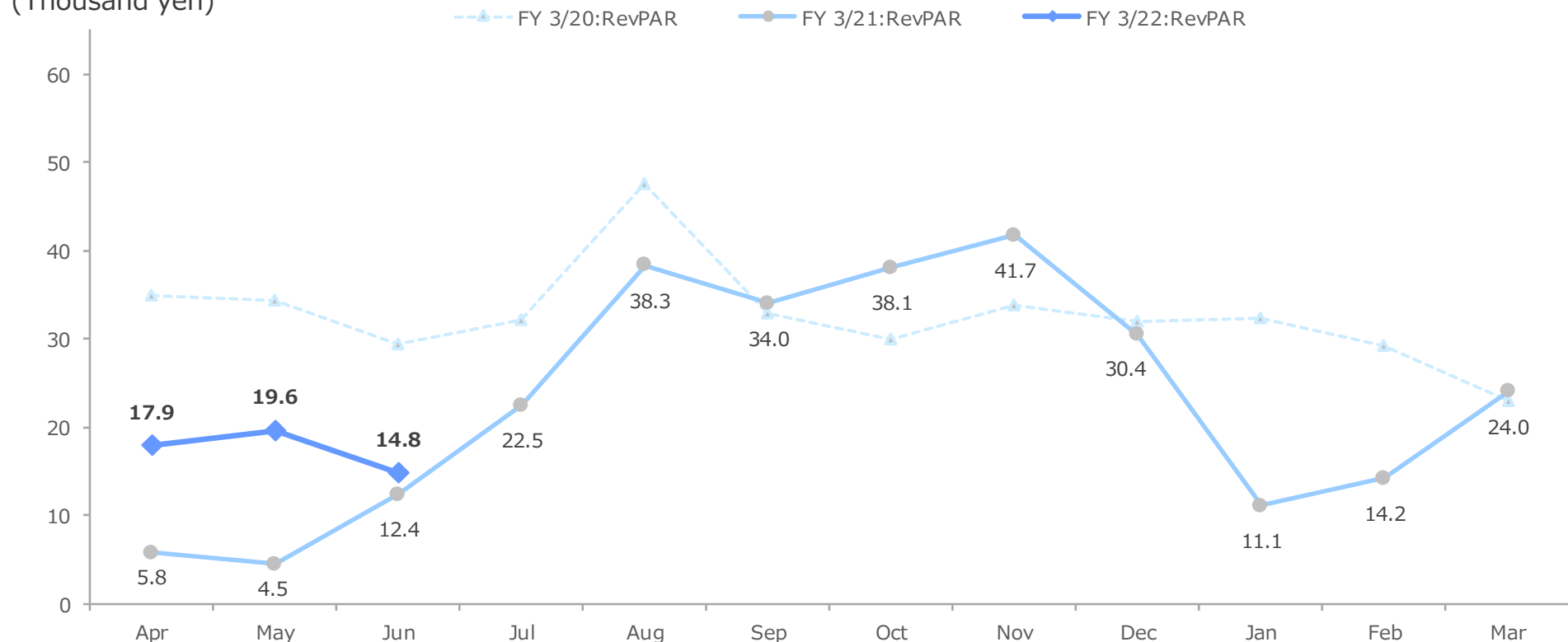
ADR

(thousand yen)	Q1	Q2	Q3	Q4	Annual cumulative total
FY 3/20 (Act)	43.2	45.3	41.7	40.5	42.7
FY 3/21 (Act)	41.7	46.1	47.5	47.0	46.6
FY 3/22 (Act)	40.7				
YoY	-0.9				

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

Resorts Business: RevPAR by month

(Thousand yen)



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

RevPAR

(thousand yen)	Q1	Q2	Q3	Q4	Annual cumulative total
FY 3/20 (Act)	33.0	37.5	31.9	28.1	32.6
FY 3/21 (Act)	7.1	31.7	36.5	16.4	24.2
FY 3/22 (Act)	17.4				
YoY	+10.3				

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

Sales of new products in FY 3/22

■ "WORK PLACE DORMY (offices and hotels where you can stay and live)"

- Dormy Inn (urban workations), Kyoritsu Resorts (workations), Dormy (satellite offices):
proposing three new work styles based on contracts for four consecutive nights through a full year
- These well-received services were in use by approximately 60 companies
in more than 300 rooms as of the end of July 2021.



■ "Shiki Club" Kyoritsu General Corporate Membership Program



- The "Shiki Club" Kyoritsu General Corporate Membership Program proposes employee benefit services to corporate clients based on a wide ranging lineup that includes Kyoritsu Resorts, Dormy Inn, and the food service, dormitory, and senior life businesses, in locations all across Japan, from urban centers to rural sightseeing spots.

- We also have begun development and sales of regional plans such as the Hokkaido Shiki Club, which includes 15 hotels in Hokkaido.



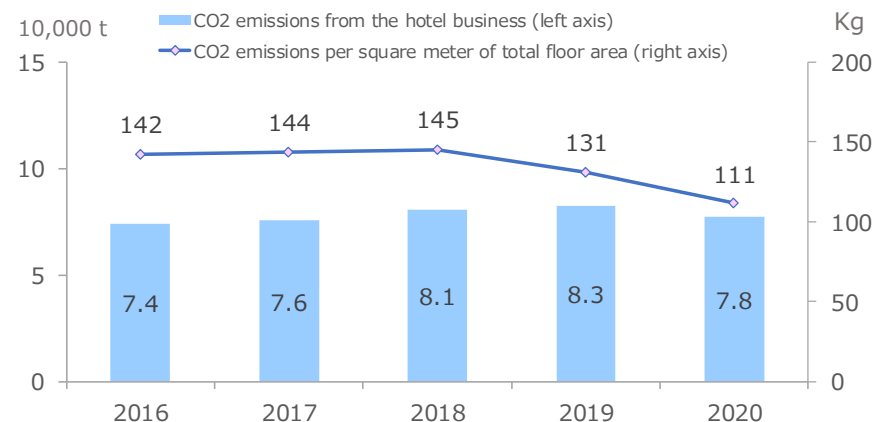
ESG initiatives

• Affordable and clean energy



We contribute to realizing a sustainable society by aiming to lessen environmental impacts and protect the environment in our business activities.

- Participation in the activities of the town of Nakanojo, Gunma Prefecture to promote community revitalization through local production and local consumption of electricity
- Adoption of business cards made from limestone (LIMEX business cards)
- Reducing electricity consumption through means such as conversion to LED lighting and adoption of energy-saving equipment
 - Conversion to energy-saving air-conditioning in 660 rooms at five hotels in FY2020 (Reducing CO2 emissions by 100 tons or more/year)



• Human rights and diversity



Recognizing the importance of respect for human rights, we aim to realize workplaces free from discrimination, prohibiting discrimination by gender, race, nationality, age, religion, etc. and all acts of harassment.

- The 350 new employees hired in April 2021 included 28 non-Japanese workers (8.0%). Intercultural training is conducted to enable people to work with high levels of motivation regardless of racial or cultural differences.
- Women made up 244 of the new employees (69.7%), as we maintain working environments in which people can succeed regardless of gender.
- We have set up a help hotline at the head office to prevent and quickly ascertain and resolve human-rights issues, harassment, etc.

• Enhancing corporate governance

- We have appointed four outside directors who are not members of the audit and supervisory board, who are highly familiar with the fields of health and safety, education, economics, real estate, community development, and tourism.
 - We have established a structure under which the above outside directors monitor Company management as independent directors (of whom the Tokyo Stock Exchange has been notified), with the participation of all directors in proactive exchange of constructive opinions.

Projected consolidated business results and main financial indicators

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

* Cash flow: Net income + depreciation

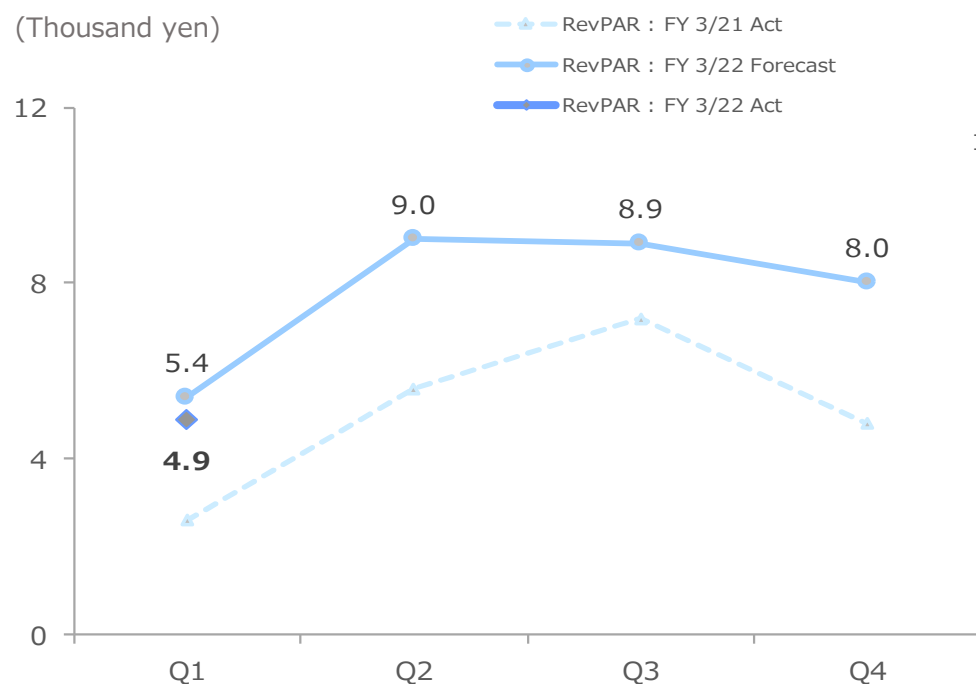
Projected consolidated financial results: quarterly operating income in main segments

Operating income (100 million yen)		Q1	Q2	Q3	Q4	Annual cumulative total
Dormitory business	FY 3/22 Forecast	14	8	7	20	50
	FY 3/22 Act	14				
	Comparison with Forecasts	-				
Dormy Inn business	FY 3/22 Forecast	-24	13	12	-2	-
	FY 3/22 Act	-27				
	Comparison with Forecasts	-3				
Resorts business	FY 3/22 Forecast	-18	14	6	-6	-5
	FY 3/22 Act	-21				
	Comparison with Forecasts	-2				
sales and leaseback of real estate business	FY 3/22 Forecast	-	-	-	20	20
	FY 3/22 Act	-				
	Comparison with Forecasts	-				
Others	FY 3/22 Forecast	-7	-7	-5	-6	-26
	FY 3/22 Act	-5				
	Comparison with Forecasts	+1				
Total	FY 3/22 Forecast	-36	28	21	26	40
	FY 3/22 Act	-40				
	Comparison with Forecasts	-3				

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

RevPAR

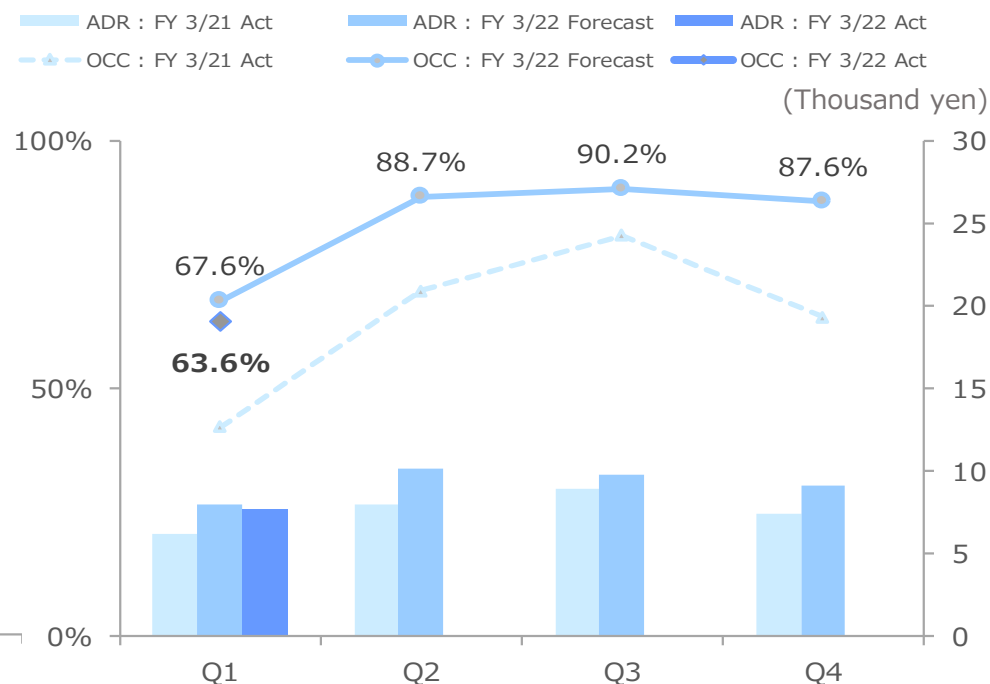
(Thousand yen)



RevPAR

(thousand yen)	Q1	Q2	Q3	Q4	Annual cumulative total
FY 3/21 (Act)	2.6	5.6	7.2	4.8	5.1
FY3/22 (Forecast)	5.4	9.0	8.9	8.0	7.8
FY3/22 (Act)	4.9				
Comparison with Forecasts	-0.5				

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OCC

(%)	Q1	Q2	Q3	Q4	Annual cumulative total
FY 3/21 (Act)	42.2%	69.8%	80.9%	64.3%	64.8%
FY3/22 (Forecast)	67.6%	88.7%	90.2%	87.6%	83.6%
FY3/22 (Act)	63.6%				
Comparison with Forecasts	-4.0pp				

ADR

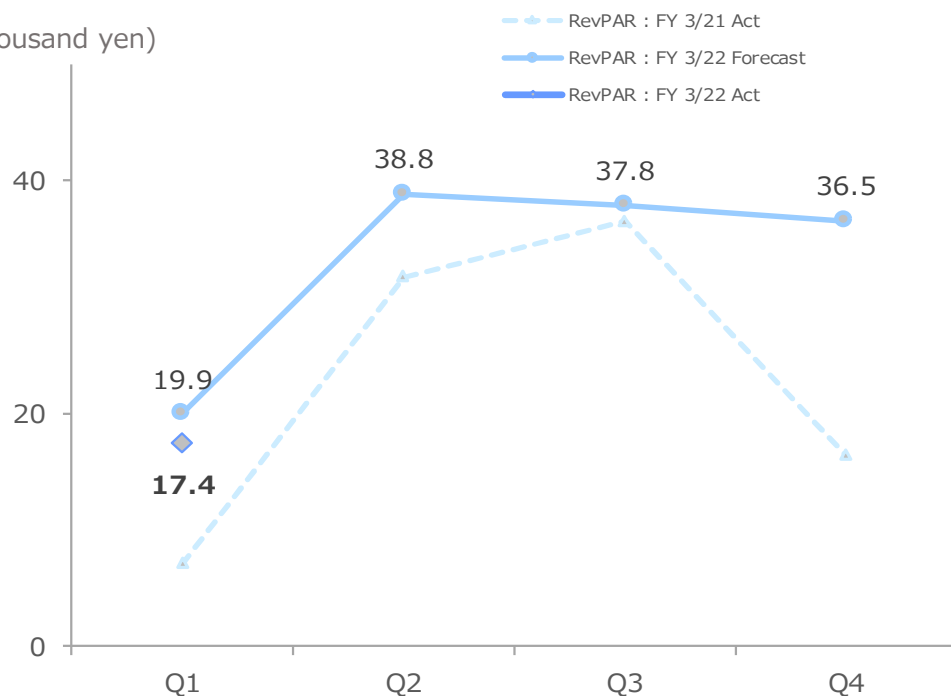
(thousand yen)	Q1	Q2	Q3	Q4	Annual cumulative total
FY 3/21 (Act)	6.2	8.0	8.9	7.4	7.9
FY3/22 (Forecast)	8.0	10.1	9.8	9.1	9.4
FY3/22 (Act)	7.7				
Comparison with Forecasts	-0.3				

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

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

RevPAR

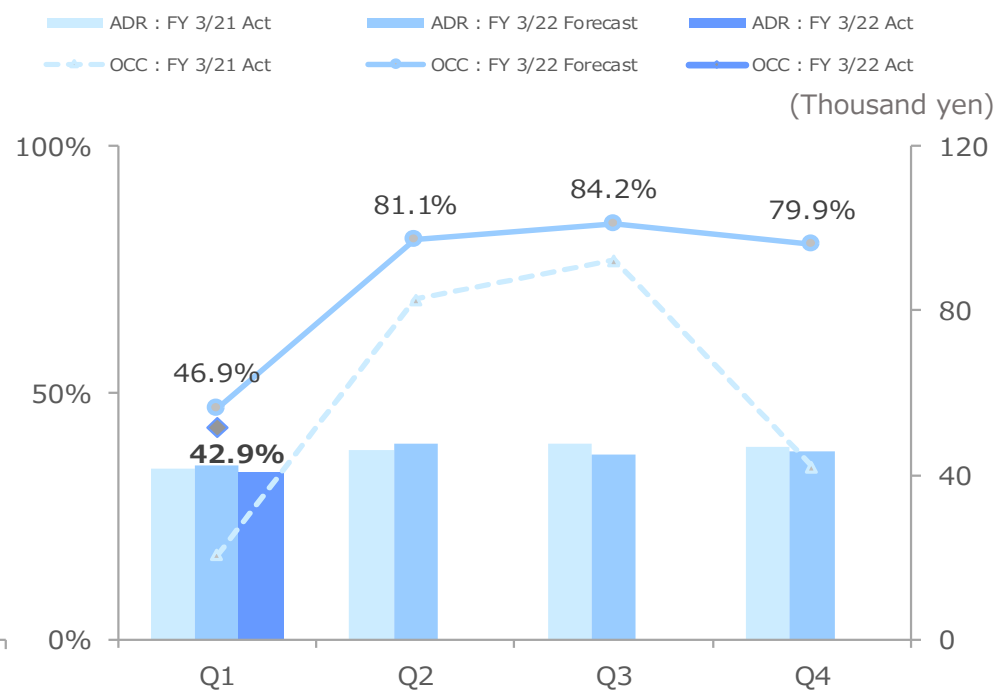
(Thousand yen)



RevPAR

(thousand yen)	Q1	Q2	Q3	Q4	Annual cumulative total
FY 3/21 (Act)	7.1	31.7	36.5	16.4	24.2
FY3/22 (Forecast)	19.9	38.8	37.8	36.5	33.2
FY3/22 (Act)	17.4				
Comparison with Forecasts	-2.4				

OCC・ADR



OCC

(%)	Q1	Q2	Q3	Q4	Annual cumulative total
FY 3/21 (Act)	17.2%	68.9%	76.8%	35.0%	52.0%
FY3/22 (Forecast)	46.9%	81.1%	84.2%	79.9%	73.0%
FY3/22 (Act)	42.9%				
Comparison with Forecasts	-4.0pp				

ADR

(thousand yen)	Q1	Q2	Q3	Q4	Annual cumulative total
FY 3/21 (Act)	41.7	46.1	47.5	47.0	46.6
FY3/22 (Forecast)	42.4	47.8	44.9	45.6	45.5
FY3/22 (Act)	40.7				
Comparison with Forecasts	-1.6				

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

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*	+1,600 rooms*	+14 facilities*	+1,400 rooms*	+14 facilities*	+1,400 rooms*	+14 facilities*	+1,400 rooms*
	Ending number of facilities	507 facilities	Ending number of facilities	503 facilities	Ending number of facilities	519 facilities	Ending number of facilities	533 facilities	Ending number of facilities	547 facilities	Ending number of facilities	561 facilities
	Ending guest capacity	41,927 rooms	Ending guest capacity	41,753 rooms	Ending guest capacity	43,353 rooms	Ending guest capacity	44,753 rooms	Ending guest capacity	46,153 rooms	Ending guest capacity	47,553 rooms
	Leasing rate	87.9%	Leasing rate	87.8%	Leasing rate	88.0%	Leasing rate	88.4%	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 Yamamotocho, [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, etc.		To be determined		To be determined	
Dormy Inn	+4 facilities*	+1,166 rooms*	+5 facilities*	+938 rooms*	+4 facilities*	+658 rooms*	+7 facilities*	+1,135 rooms*	+2 facilities*	+351 rooms*	+3 facilities*	+518 rooms*
	Ending number of facilities	85 facilities	Ending number of facilities	90 facilities	Ending number of facilities	94 facilities	Ending number of facilities	101 facilities	Ending number of facilities	103 facilities	Ending number of facilities	106 facilities
	Ending guest capacity	15,219 rooms	Ending guest capacity	16,157 rooms	Ending guest capacity	16,815 rooms	Ending guest capacity	17,950 rooms	Ending guest capacity	18,301 rooms	Ending guest capacity	18,819 rooms
	Leasing rate	99.1%	Leasing rate	99.1%	Leasing rate	99.2%	Leasing rate	98.4%	Leasing rate	98.5%	Leasing rate	98.5%
	[L] Premium Nagasaki Ekimae, [L] Nono Kyoto Shichijo, [L] Kobe Motomachi, [L] Ikebukuro.		[L] Nono Kanazawa, Express Toyohashi, Premium Ginza, [L] Express Fujisan Gotemba, [L] Nono Osaka Yodoyabashi.		Nono Matsue, [L] Nono Matsumoto, [L] Nono Sendai, [L] Hiroshima Annex.		Nono Asakusa Bettel, [L] Okayama, [L] Nono Beppu, [L] Aomori, Rikuzentakata, [L] Nono Ise, etc.		[L] Nono Fukui, etc.		Yokkaichi, [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.		Nasu Shiobara Rengetsu, La Vista Kusatsu Hills.		Jozankei, [L] Hakodate Bay Annex, [L] Kyoto Umekoji, [L] La Vista Tokyo Bay.		Kyoto Ninnaji.		La Vista Enoshima Terrace,		Kurokawa Hot Spring. La Vista Atami Terrace.	
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)

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