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KYORITSU

HOTELS & DORMITORIES

FY 3/25 (4/2024-3/2025)

Consolidated Financial Results

May 23, 2025

Kyoritsu Maintenance Co., Ltd.

〔Securities Code 9616〕

| | | |
|------------------|--|-------------|
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| <u>02</u> | FY 3/26 Consolidated Financial Forecasts | P.15 |
| <u>03</u> | Progress on the Medium-Term Management Plan | P.27 |

| | | |
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Recorded highest profits for 2 consecutive years, exceeding 20 Billion Yen
Dividends to be increased by 55.1% compared to the previous fiscal year.

Dormitory Business

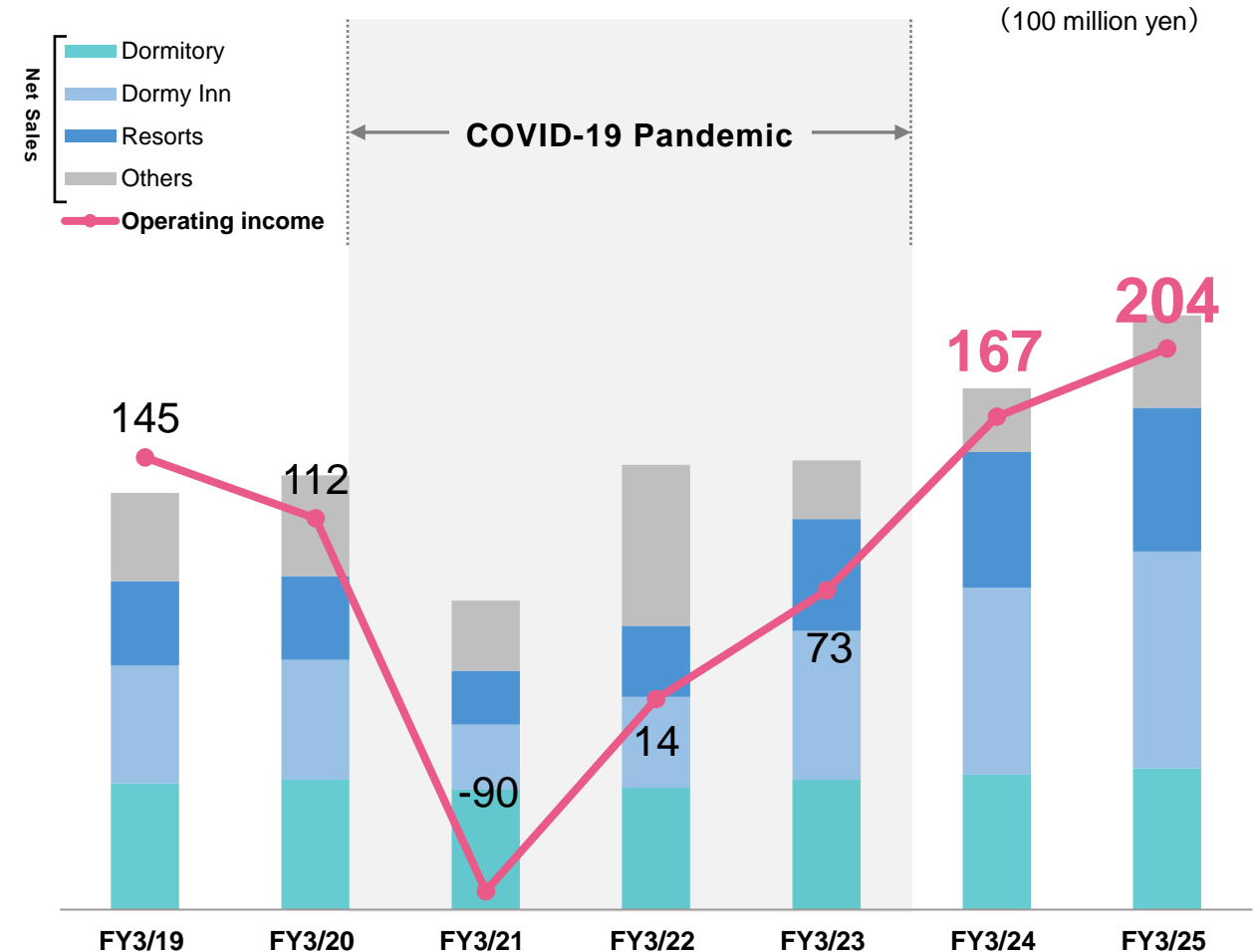
Following the improvement of the employment work environment, both sales and income were increased because of a significant increase in the number of contracted rooms for the employee dormitory and the optimization of sales prices in addition.

Hotel Business

Based on growing both domestic and inbound demand for accommodations, both sales and income were increased thanks to aggressive sales activities and thorough revenue management absorbing the impact of natural disasters and cost increase.

Others

- Recorded the share of income of investment in COSMOS INITIA Co., Ltd. accounted for using the equity method.
- Real estate securitization was carried out for the first time in last three years.
- Annual dividend is expected to be 38 yen (13.5 Yen increase), 55.1% increase from the previous fiscal year.



Overview of Consolidated Financial Results and Main Financial Indicators

(100 million yen)

| | FY 3/24 Results (4/2023–3/2024) | FY 3/25 Forecast <small>Feb 7 – Revised forecasts</small> (4/2024–3/2025) | FY 3/25 Results (4/2024–3/2025) | YoY Comparison | | Special Causes | | | | YoY Comparison without Factors on the Left | |
|----------------------|---------------------------------------|--|---------------------------------------|----------------|---------|----------------|-----|-----|-----|--|--------|
| | | | | A | | B | C | D | E | A–B–C–D–E | |
| Net Sales | 2,041 | 2,300 | 2,289 | +248 | +12.2% | -15 | +59 | | +25 | +178 | +8.8% |
| Operating Income | 167 | 210 | 204 | +37 | +22.6% | -25 | +16 | | +1 | +44 | +26.7% |
| Ordinary Income*1 | 211 | 215 | 214 | +3 | +1.4% | -25 | +16 | -36 | +1 | +46 | +22.1% |
| Net Income | 124 | 140 | 145 | +21 | +17.3% | | | | | | |
| EPS(yen)*2 | 159.1 | 179.3 | 186.6 | +27.4 | +17.2% | | | | | | |
| Depreciation Expense | 67 | 78 | 77 | +9 | +13.8% | | | | | | |
| Cash Flow*3 | 191 | 218 | 222 | +30 | +16.1% | | | | | | |
| Capital Investment | 179 | 400 | 480 | +301 | +168.4% | | | | | | |

Operating Income

| Item | Value |
|---|-------|
| FY 3/24 Results | 167 |
| YoY Comparison of Increase/Decrease in Cost for Large-Scale Renewal (B) | -25 |
| YoY Comparison of Increase/Decrease in opened after April 2023 onwards (C) | +16 |
| YoY Comparison of Increase/Decrease in Sales and Leaseback of Real Estate (E) | +1 |
| Original growth rate (A) | +44 |
| FY 3/25 Results | 204 |

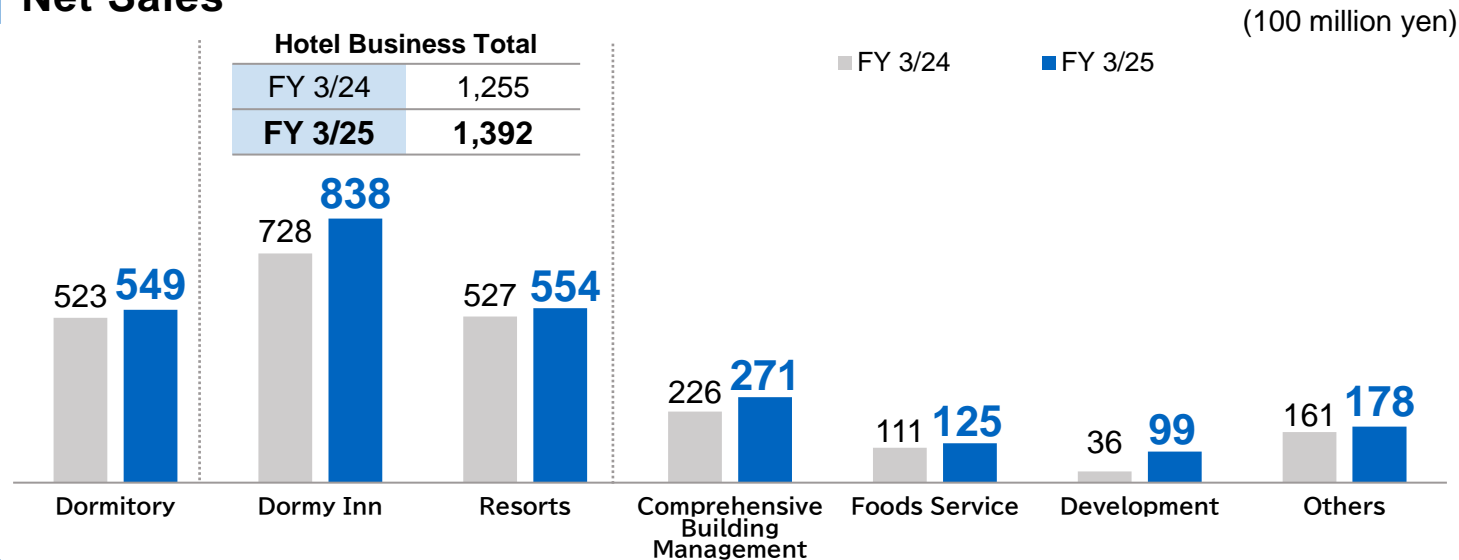
*1 5.02 billion yen of Equity in earnings was recorded on equity method investment gain(gain from negative goodwill) in the fiscal year ending 2024 and 1.33 billion yen of Equity in earnings of affiliated companies was recorded in the fiscal year ending 2025 due to the acquisition of COSMOS INITIA Co.,Ltd

*2 The Company carried out a stock split on April 1, 2024, at a ratio of two shares per one common share. Accordingly, EPS have been calculated presuming that this stock split was carried out at the start of fiscal year ending March 31, 2024.

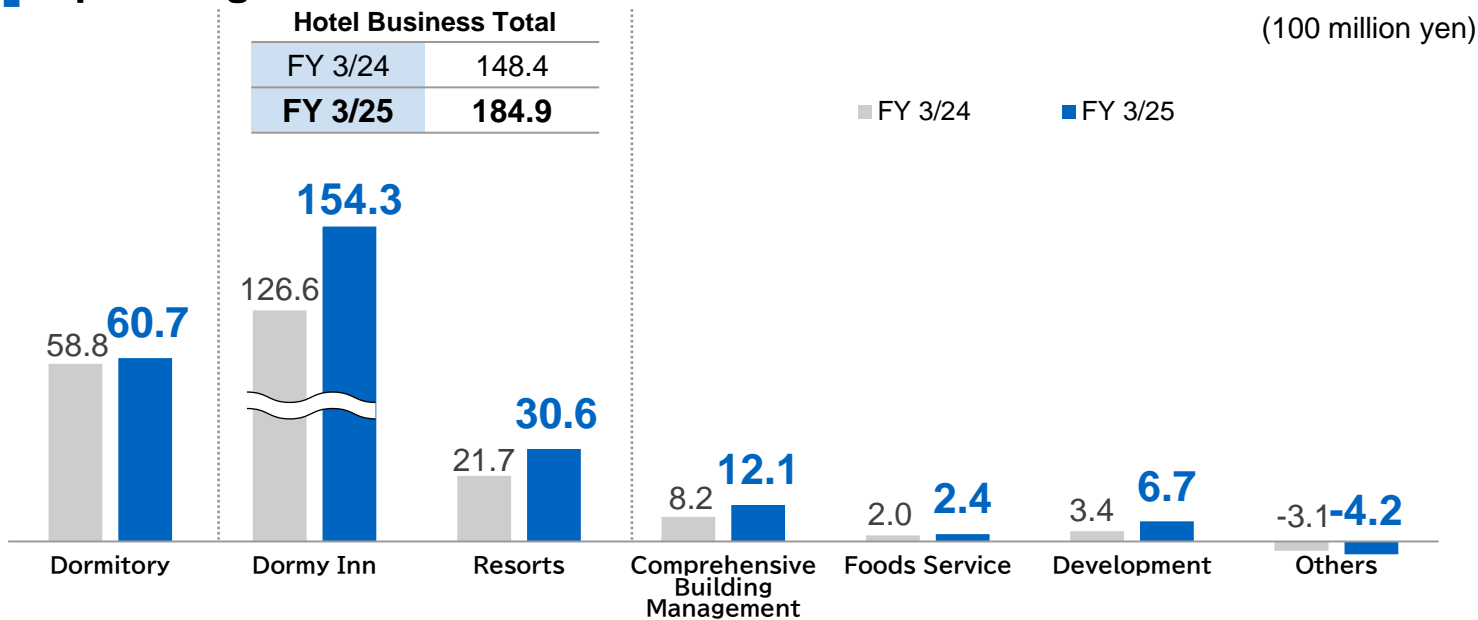
*3 Cash Flow: Net Income + Depreciation Expense

Breakdown of Net Sales and Operating Income by Business Segments

Net Sales



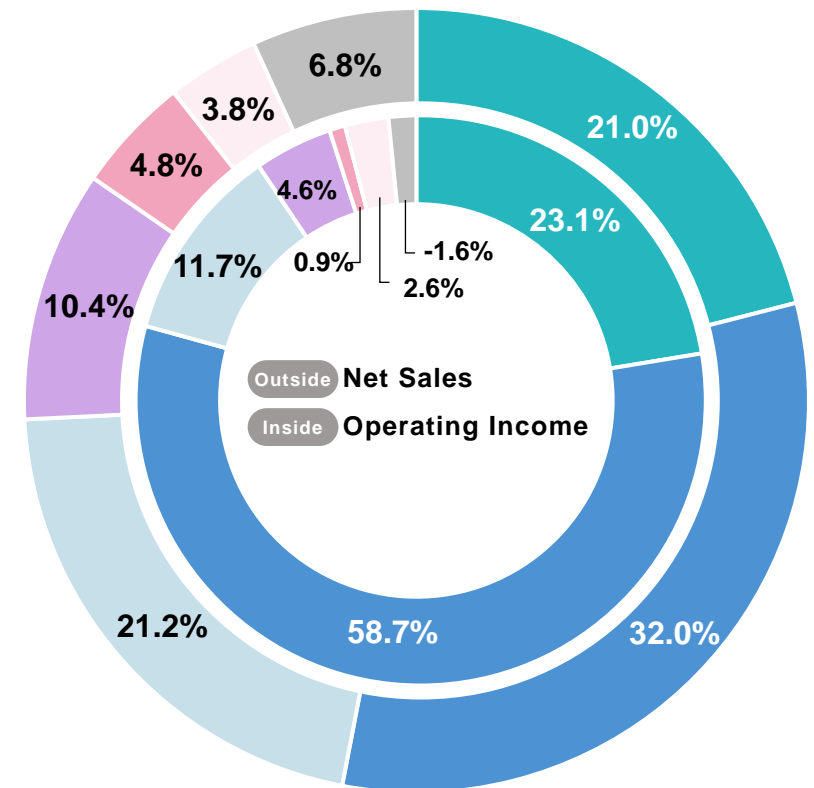
Operating Income



Breakdown by Segments FY 3/25

(Before eliminations of intersegment transactions)

■ Dormitory
 ■ Dormy Inn
 ■ Resorts
 ■ Comprehensive Building Management
 ■ Foods Service
 ■ Development
 ■ Others



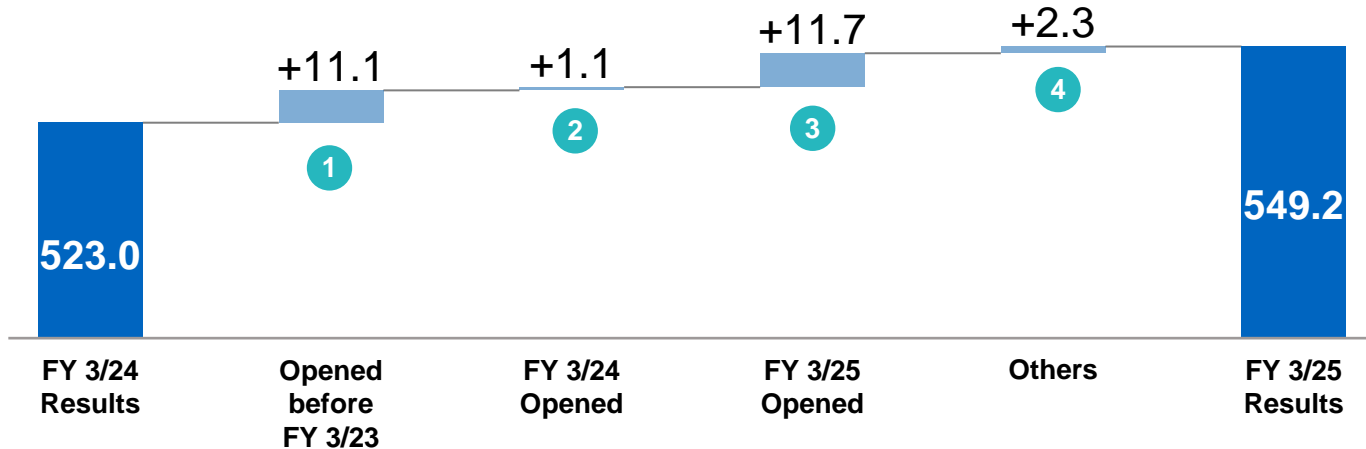
Factors for Deviation from FY 3/24

| Operating Income (100 million yen) | | Q1 (4-6/2024) | Q2 (7-9/2024) | Q3 (10-12/2024) | Q4 (1-3/2025) | Full Year (4/2024-3/2025) | Main Cause |
|---------------------------------------|-----------------|------------------|------------------|--------------------|------------------|------------------------------|---|
| Dormitory Business | FY 3/24 Results | 16 | 13 | 8 | 20 | 58 | <ul style="list-style-type: none"> • Even though occupancy rate in the beginning of this fiscal year started, 97%(-1.2 points vs previous period), income was resulted increase thanks to aggressive sales activities and thorough revenue management absorbing increased cost. |
| | FY 3/25 Results | 19 | 12 | 8 | 20 | 60 | |
| | YoY | +3 | -0 | -0 | -0 | +1 | |
| Dormy Inn Business | FY 3/24 Results | 28 | 40 | 39 | 18 | 126 | <ul style="list-style-type: none"> • Well capturing strong trend of demand both by domestic and inbound, income was significantly increased with improving RevPAR from previous fiscal year by optimizing sales prices and aggressive sales activities absorbing increased cost. |
| | FY 3/25 Results | 35 | 51 | 53 | 14 | 154 | |
| | YoY | +6 | +10 | +13 | -3 | +27 | |
| Resorts Business | FY 3/24 Results | -6 | 9 | 13 | 4 | 21 | <ul style="list-style-type: none"> • Since our company's founding, biggest large-scale renewal work was carried out to maintain and improve customer satisfaction. Influenced income YoY resulted -24 yearly (-14 in Q4) • The Impact by warnings of a Nankai Trough earthquake and typhoons was limited. |
| | FY 3/25 Results | -5 | 13 | 18 | 3 | 30 | |
| | YoY | +0 | +3 | +5 | -0 | +8 | |
| Others | FY 3/24 Results | -9 | -8 | -10 | -11 | -40 | <ul style="list-style-type: none"> • Business of Development, Comprehensive Building Management and senior life brought significantly high income(0.9 billion Yen) • Real estate securitization were carried out (Dormy Inn EX Toyohashi) • Increase in consolidated eliminations and unallocated head office expenses (0.7 billion Yen) |
| | FY 3/25 Results | -10 | -9 | -8 | -12 | -40 | |
| | YoY | -1 | -0 | +1 | -0 | -0 | |
| Total | FY 3/24 Results | 29 | 54 | 51 | 31 | 167 | |
| | FY 3/25 Results | 38 | 67 | 72 | 26 | 204 | |
| | YoY | +9 | +13 | +20 | -4 | +37 | |

Net Sales

+26.2 (+5.0%) YoY

(100 million yen)

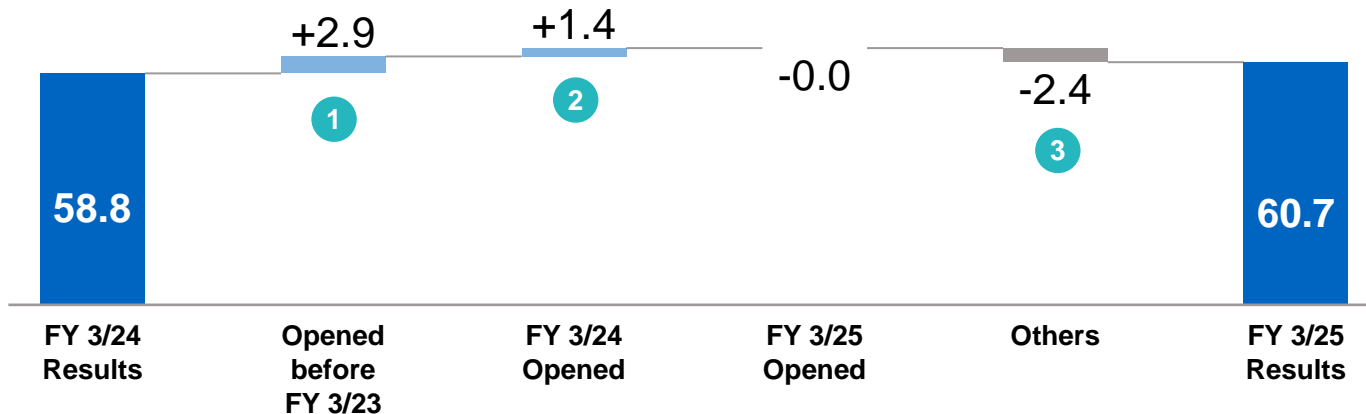


| | | |
|---|---|-------|
| 1 | Sales increase due to optimization of sales prices | +17.9 |
| | Revenue decrease due to reduced occupancy | -6.8 |
| 2 | Sales price optimization and occupancy increase | +2.0 |
| | Contract fee decrease | -0.9 |
| 3 | FY 3/25 Newly opened: 8 facilities 907 rooms | |
| | Omori-Kita | 50 |
| | Nishi-Kasai North Exit | 53 |
| | Nishi-Kasai South Exit | 122 |
| | Chikusa Minami | 62 |
| | Global House Nigawa | 138 |
| | KU ROKKO HOUSE | 175 |
| | Osaka Kyobashi | 220 |
| | Sakai Kaigan Dori | 87 |
| 4 | Contracted Business, etc. | +2.3 |

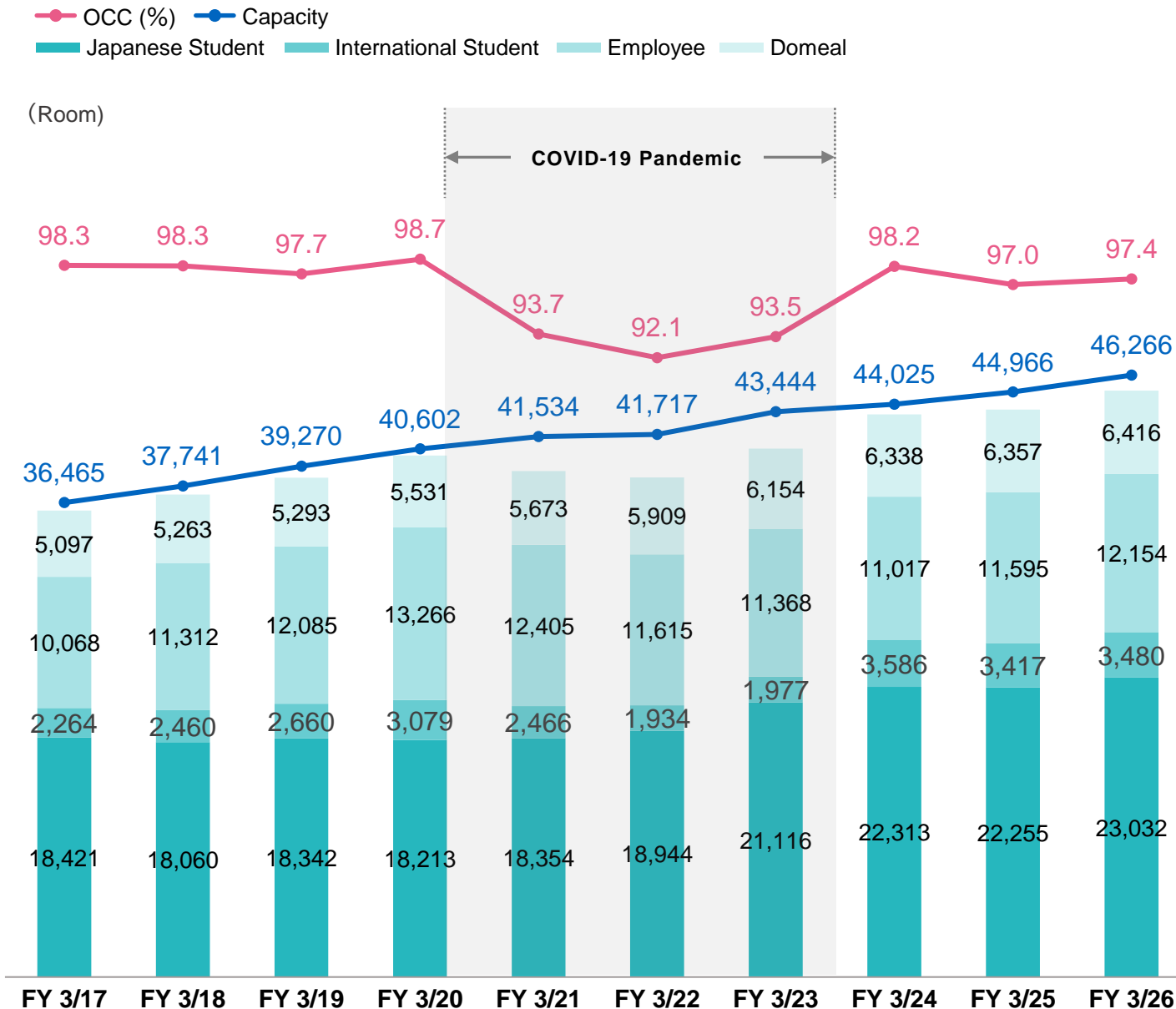
Operating Income

+1.9 (+3.3%) YoY

(100 million yen)



| | | |
|---|---|-------|
| 1 | Profit increase due to optimization of sales prices | +17.9 |
| | Profit decrease from reduced occupancy | -5.4 |
| | Cost inflation, etc. (Food costs, renovation costs, utilities, etc.) | -9.6 |
| 2 | Profit increase due to sales price optimization and occupancy increase | +1.7 |
| | Contract fee decrease | -0.9 |
| | Decrease in opening expenses, etc. | +0.6 |
| 3 | Large-scale renewal work increase/decrease | -0.4 |
| | Headquarters costs, etc. | -2.0 |



| | FY 3/25 | FY 3/26 | YoY |
|-----------------------------------|---------|---------|--------|
| Occupancy Ratio at the Beginning | 97.0% | 97.4% | +0.4pt |
| Number of Properties (Facilities) | 526 | 536 | +10 |
| Number of Rooms | 44,966 | 46,266 | +1,300 |
| Number of Rooms Occupied | 43,624 | 45,082 | +1,458 |

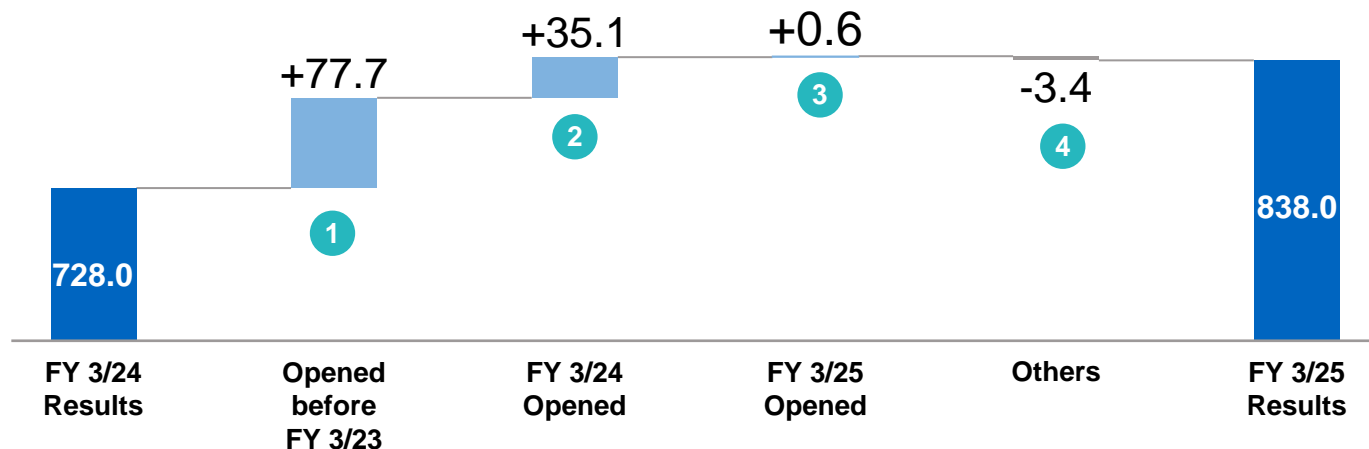
Breakdown of Occupied Rooms (Unit: room)

| | FY 3/25 | FY 3/26 | YoY |
|-----------------------|---------|---------|------|
| Domeal | 6,357 | 6,416 | +59 |
| Employee | 11,595 | 12,154 | +559 |
| International Student | 3,417 | 3,480 | +63 |
| Japanese Student | 22,255 | 23,032 | +777 |

Net Sales

+110.0 (+15.1%) YoY

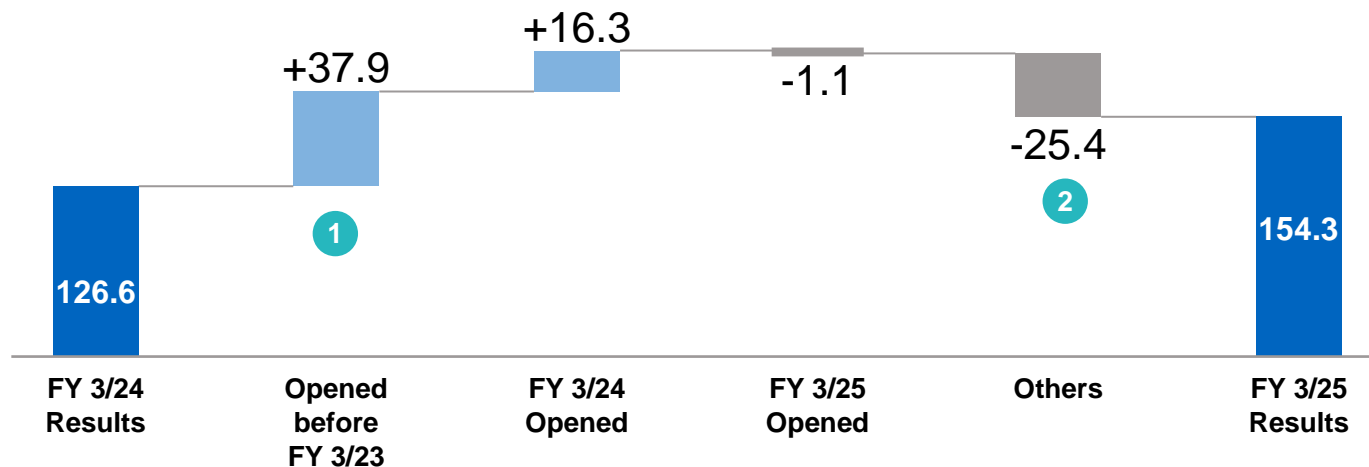
(100 million yen)



Operating Income

+27.6 (+21.8%) YoY

(100 million yen)



1 Sales growth due to higher RevPAR: **+77.7**
13,655 yen (YoY +1,196 yen)

2 FY 3/24 Newly opened: 4 facilities 750 rooms

| | | | | | |
|------|-----------|-----|------|---------------------|-----|
| Sep. | Aomori | 194 | Feb. | Toyohashi | 170 |
| Jan. | NonoBeppu | 269 | Mar. | Nono Asakusa Bettei | 117 |

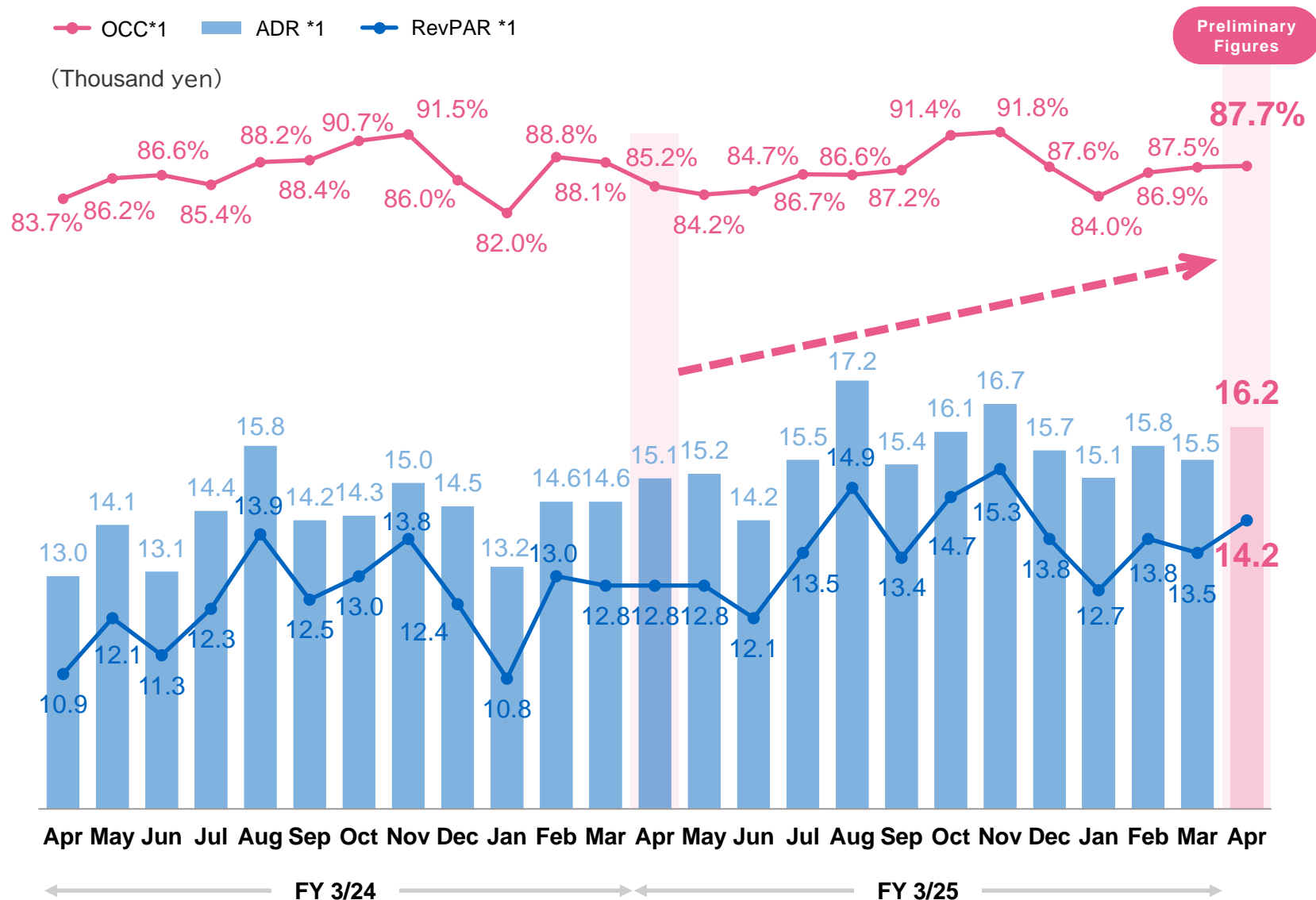
3 FY 3/25 Newly opened: 1 facilities 78 rooms

| | | |
|------|--|----|
| Oct. | global cabin Yokohama Chugoku town (reopening) | 78 |
|------|--|----|

4 Large-scale renewal work increase/decrease **-6.2**
SEOUL Gangnam (South Korea), etc. **+2.8**

1 Income growth due to higher RevPAR: **+56.3**
Cost inflation **-18.4**
(Food costs, linen, cleaning costs, etc.)

2 Large-scale renewal work increase/decrease **-17.1**
SEOUL Gangnam (South Korea) **+0.5**
Headquarters costs, etc. **-8.8**

Monthly Trends in Occupancy Ratio, Average Daily Rate
and RevPAR

OCC (%)

| | Q1 | Q2 | Q3 | Q4 | Full Year |
|---------|--------|--------|--------|--------|-----------|
| FY 3/24 | 85.5 | 87.3 | 89.4 | 86.2 | 87.1 |
| FY 3/25 | 84.7 | 86.8 | 90.2 | 86.1 | 87.0 |
| YoY | -0.8pt | -0.5pt | +0.9pt | -0.1pt | -0.1pt |

ADR (thousand yen)

| | Q1 | Q2 | Q3 | Q4 | Full Year |
|---------|------|------|------|------|-----------|
| FY 3/24 | 13.4 | 14.8 | 14.6 | 14.2 | 14.3 |
| FY 3/25 | 14.8 | 16.1 | 16.2 | 15.5 | 15.7 |
| YoY | +1.4 | +1.2 | +1.5 | +1.3 | +1.3 |

RevPAR (thousand yen)

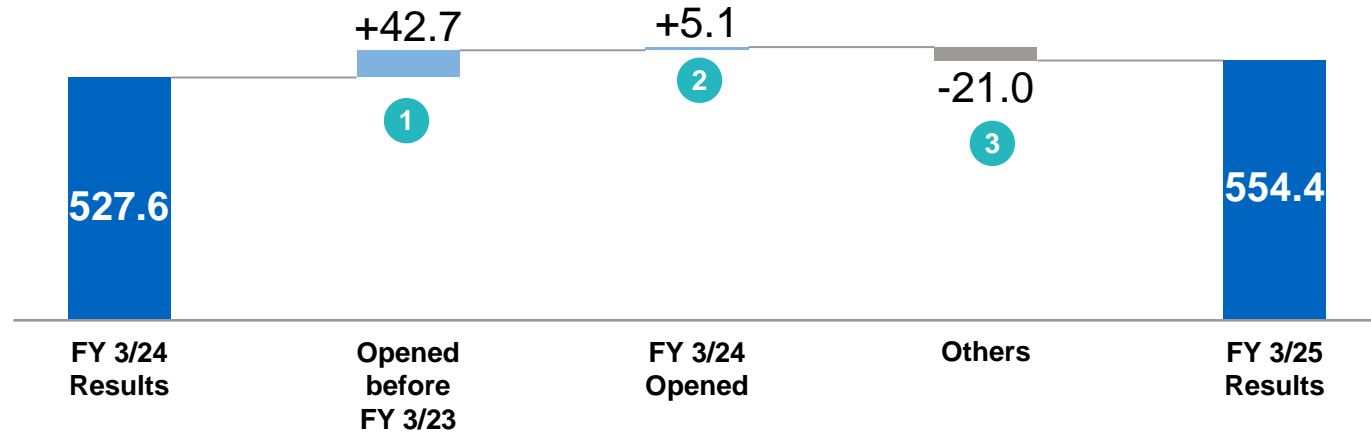
| | Q1 | Q2 | Q3 | Q4 | Full Year |
|---------|------|------|------|------|-----------|
| FY 3/24 | 11.4 | 12.9 | 13.1 | 12.2 | 12.4 |
| FY 3/25 | 12.6 | 13.9 | 14.6 | 13.3 | 13.6 |
| YoY | +1.1 | +1.0 | +1.5 | +1.1 | +1.1 |

*1 The table above shows figures excluding hotels that opened in April 2023 or later, in order to enable comparison under the same conditions.

Net Sales

+26.7 (+5.1%) YoY

(100 million yen)



1 Sales growth due to higher RevPAR: **+42.7**
 38,336 yen (YoY +2,922 yen)

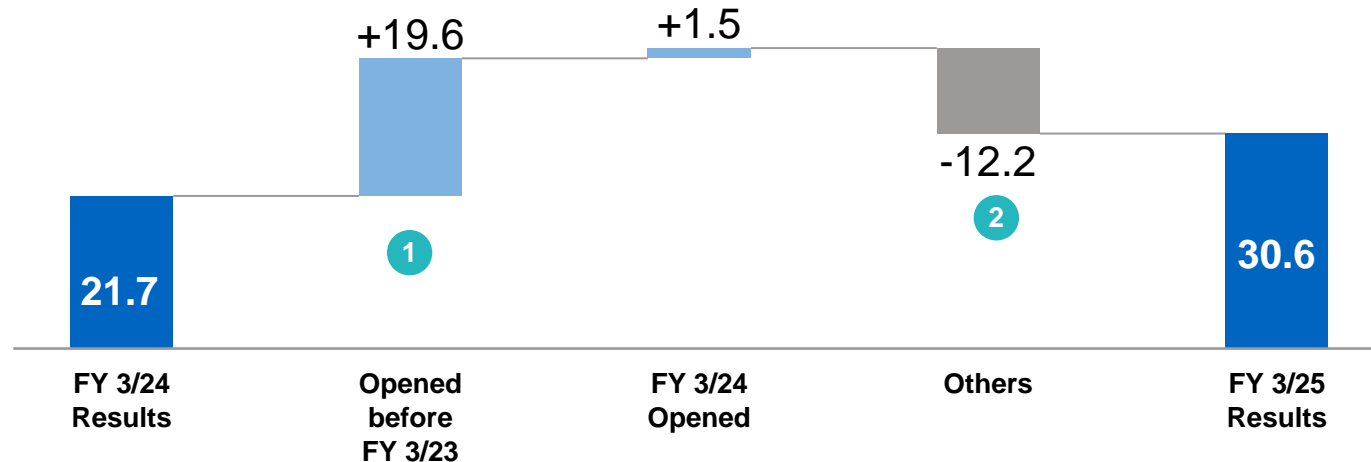
2 FY 3/24 Newly opened: 1 facility 75 rooms
 Sep. La Vista Yokosuka Kannonzaki Terrace 75

3 Large-scale renewal work increase/decrease **-9.6**
 Suspended operations (Noto Kaishu), etc. **-11.4**

Operating Income

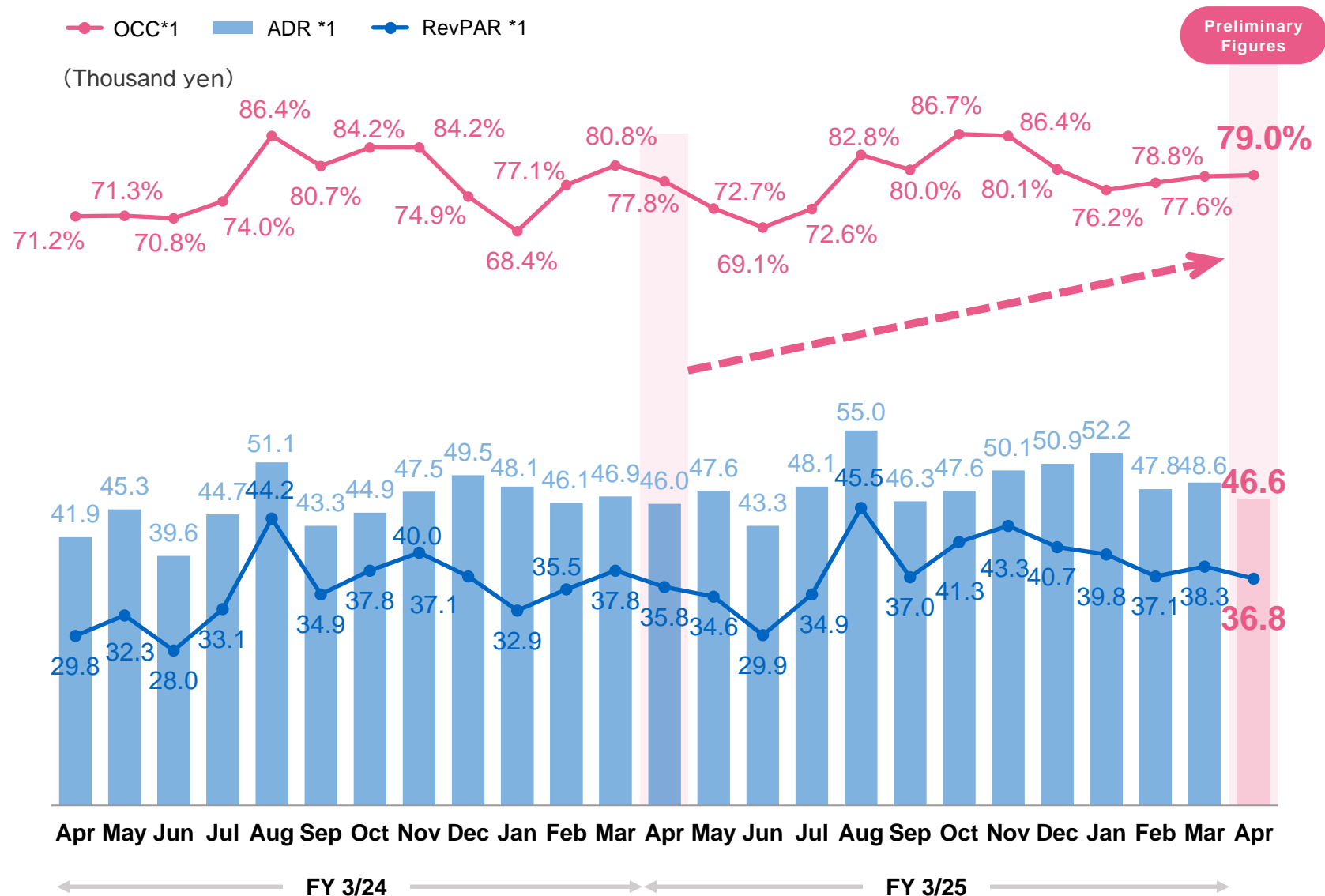
+8.9 (+41.0%) YoY

(100 million yen)



1 Income growth due to higher RevPAR: **+29.4**
 Cost inflation **-9.8**
 (Linen, cleaning costs, utilities, etc.)

2 Large-scale renewal work increase/decrease **-7.7**
 Headquarters costs, etc. **-4.5**

Monthly Trends in Occupancy Ratio, Average Daily Rate
and RevPAR

OCC (%)

| | Q1 | Q2 | Q3 | Q4 | Full Year |
|---------|--------|--------|--------|--------|-----------|
| FY 3/24 | 71.1 | 80.4 | 81.1 | 75.4 | 77.1 |
| FY 3/25 | 73.4 | 78.5 | 84.4 | 77.5 | 78.5 |
| YoY | +2.2pt | -1.9pt | +3.3pt | +2.1pt | +1.4pt |

ADR (thousand yen)

| | Q1 | Q2 | Q3 | Q4 | Full Year |
|---------|------|------|------|------|-----------|
| FY 3/24 | 42.4 | 46.6 | 47.2 | 47.0 | 45.9 |
| FY 3/25 | 45.8 | 50.0 | 49.5 | 49.5 | 48.8 |
| YoY | +3.4 | +3.3 | +2.2 | +2.5 | +2.8 |

RevPAR (thousand yen)

| | Q1 | Q2 | Q3 | Q4 | Full Year |
|---------|------|------|------|------|-----------|
| FY 3/24 | 30.1 | 37.5 | 38.3 | 35.4 | 35.4 |
| FY 3/25 | 33.6 | 39.2 | 41.8 | 38.4 | 38.3 |
| YoY | +3.4 | +1.7 | +3.4 | +2.9 | +2.9 |

*1 The table above shows figures excluding hotels that opened in April 2023 or later, in order to enable comparison under the same conditions.

Consolidated Balance Sheet

End of March 2024

| Assets | Liabilities |
|---|--|
| 270.9 billion yen | 184.3 billion yen |
| Cash and Deposits 31.8 billion yen | InterestBearing Liabilities 138.6 billion yen <small>*Include CB of 30.0 billion yen</small> |
| Non-Current Assets 190.2 billion yen | Net Assets 86.6 billion yen |
| | Treasury Stock -0.3 billion yen |

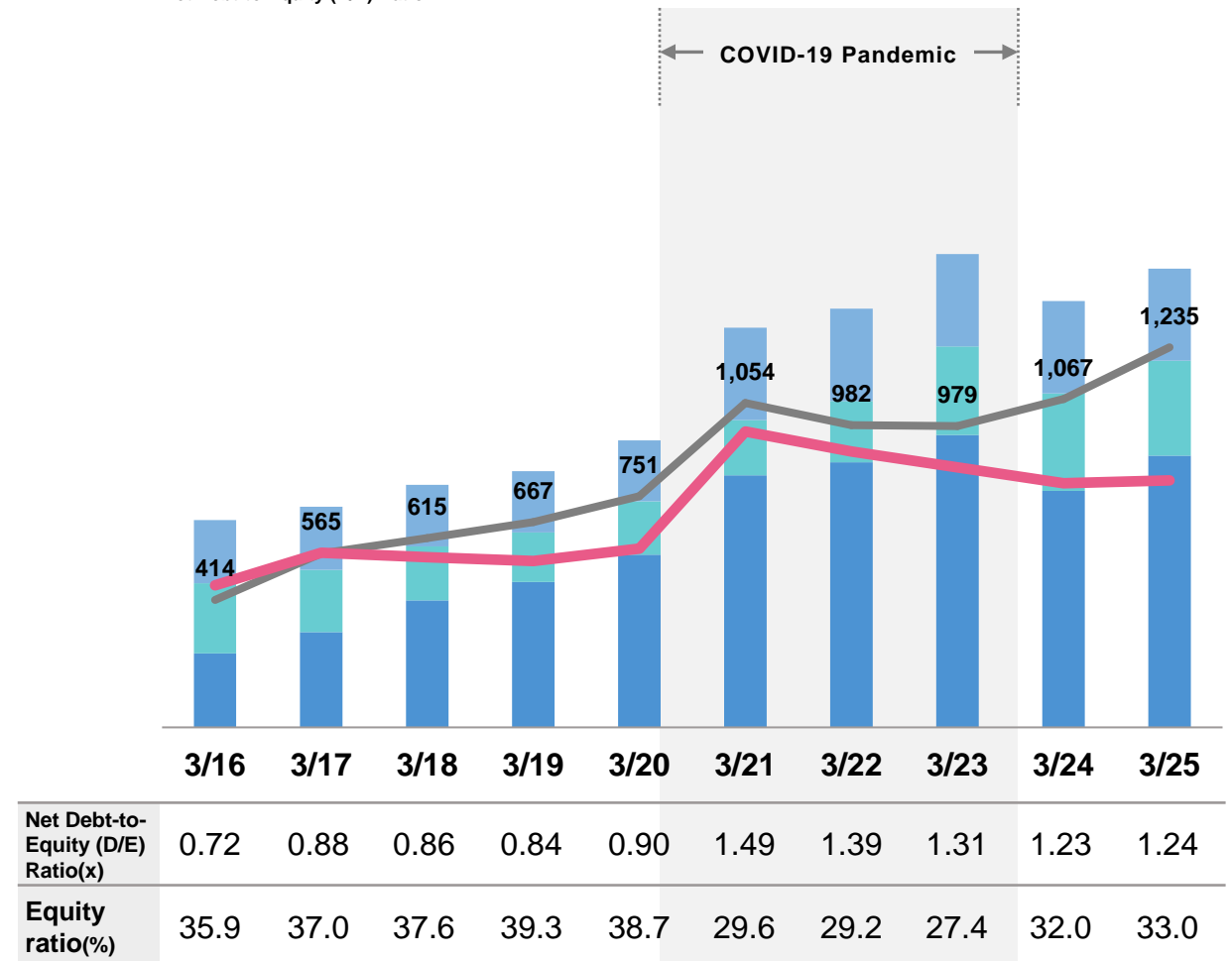
End of March 2025

| Assets | Liabilities |
|--|---|
| 301.4 billion yen (+30.5 billion yen) | 202.1 billion yen (-17.7 billion yen) |
| Cash and Deposits 25.6 billion yen (-6.1 billion yen) | InterestBearing Liabilities 149.2 billion yen (+10.6 billion yen) <small>*Include CB of 30.0 billion yen</small> |
| Non-Current Assets 231.6 billion yen (+41.4 billion yen) | Net Assets 99.3 billion yen (+12.7 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)

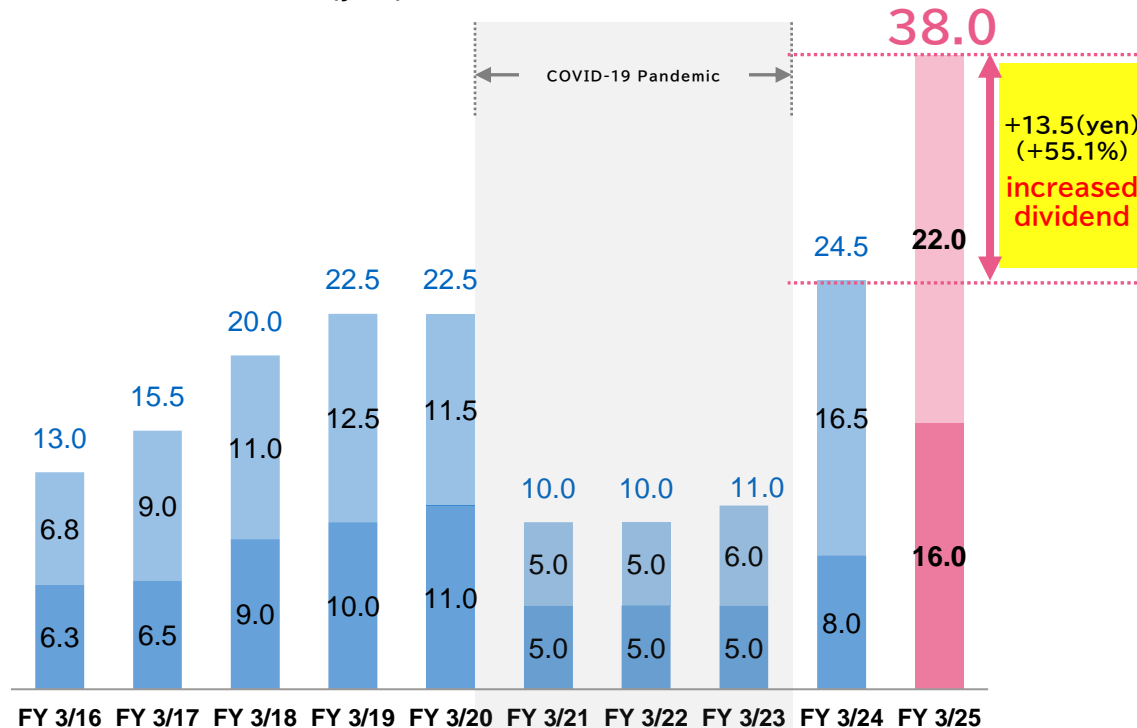
Net Debt-to-Equity (D/E) Ratio

Long-term loans payable
Convertible bonds (CB)
Net Debt-to-Equity (D/E) Ratio
Short-term loans payable
Interest-Bearing Liabilities (Net)(100 million yen)



Dividends

- Interim dividend (yen)
- Year-end dividend (yen)



| EPS (yen) | 78.6 | 92.2 | 113.0 | 122.7 | 117.7 | -156.0 | 7.0 | 54.3 | 159.1 | 186.6 |
|------------------|------|------|-------|-------|-------|--------|-------|------|-------|-------|
| Payout ratio (%) | 16.5 | 16.8 | 17.7 | 18.3 | 25.3 | - | 144.6 | 20.2 | 15.4* | 20.4 |

* 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%.
Note: The dividend amount, EPS is calculated taking into account the 2-for-1 stock split of common shares both on April 1, 2017 and April 1, 2024.

Shareholder Benefits

- Enhancement of "Shareholder Benefit Vouchers" (twice yearly) and "Long-term Shareholder Benefit Vouchers" (once yearly)

Applicable to shareholders registered as of end of March 2025

| Number of shares owned | Previous* | After change* | Difference |
|--|-----------|---------------|------------|
| 100 shares or more ~ Less than 200 shares | 3,000 | 6,000 | +3,000 |
| 200 shares or more ~ Less than 500 shares | 3,000 | 12,000 | +8,000 |
| 500 shares or more ~ Less than 1,000 shares | 8,000 | 22,000 | +14,000 |
| 1,000 shares or more ~ Less than 2,000 shares | 21,000 | 42,000 | +21,000 |
| 2,000 shares or more ~ Less than 5,000 shares | 40,000 | 80,000 | +40,000 |
| 5,000 shares or more ~ Less than 10,000 shares | 70,000 | 140,000 | +70,000 |
| 10,000 shares or more | 150,000 | 300,000 | +150,000 |

* Calculated by combining "Shareholder Benefit Vouchers" (twice yearly) and "Long-term Shareholder Benefit Vouchers" (once yearly). Please check our website for details.

* Long-term Shareholder Benefit Vouchers are for shareholders who have held shares continuously for 3 or more years as of March 31.

- Improving Shareholder Benefit Convenience

Extended usage period

6 months

12 months

Digitalization of shareholder benefit vouchers

Paper vouchers (1,000 yen)

Electronic points (1 yen unit)

| | | |
|-----------|---|-------------|
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| <u>03</u> | Progress on the Medium-Term Management Plan | P.27 |

Expect highest profits also for FY26 in plan as three consecutive years, expect to hit 25 billion Yen operating income and 21% increase of devind

Dormitory Business

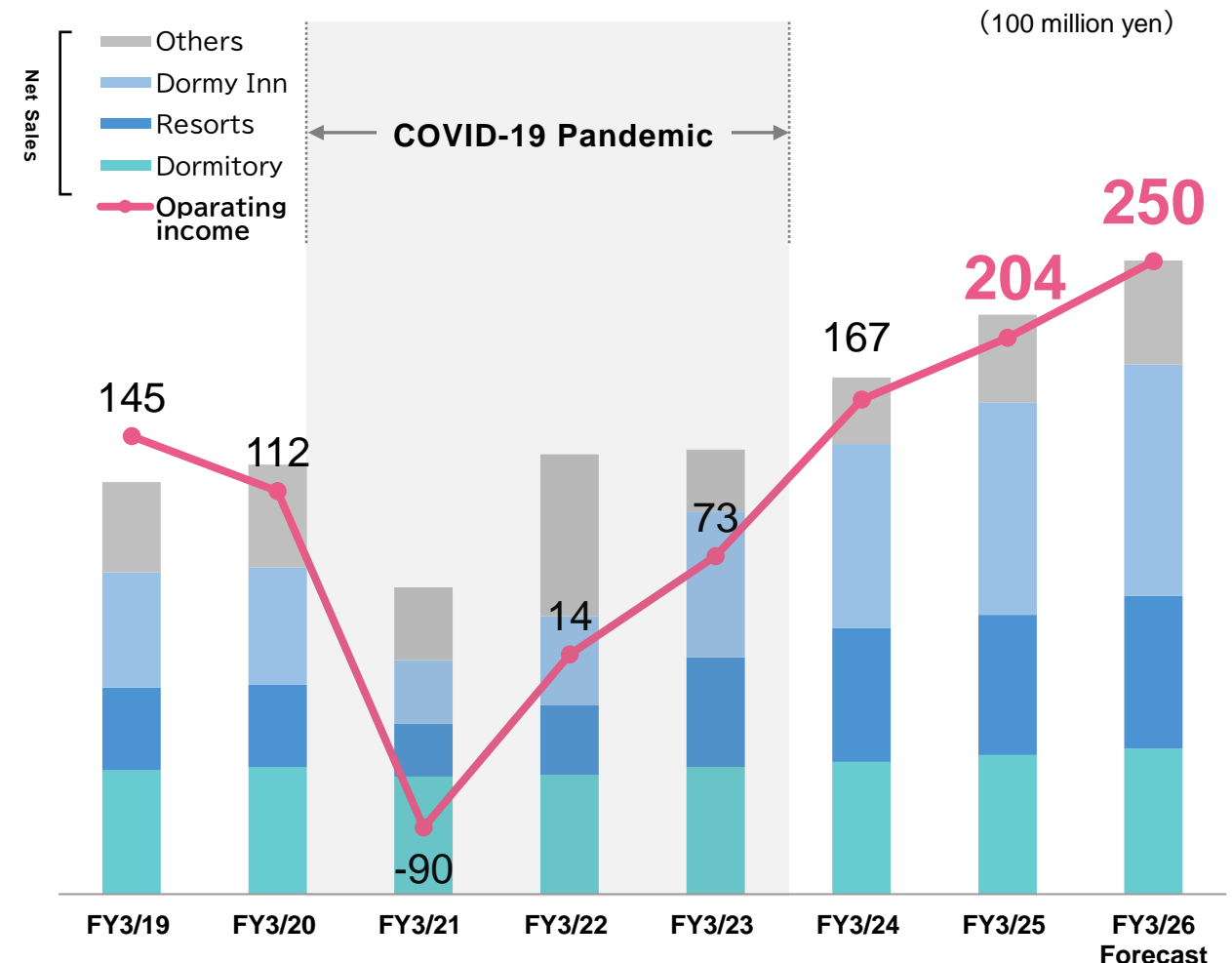
- In April, OCC ratio was successfully started high as 97.4% (0.4% higher on YoY basis) by newly opening 12 facilities with 1,364 rooms
- Increased income by opening new facilities and increased both sales and income by steadily optimizing sales prices.

Hotel Business

- 6 facilities with 943 rooms are expected to be opened as "First year of aggressive new development & new opening"
- Well capturing strong trend of demand both by domestic and inbound, strongly continued thorough revenue management by dynamic pricing.

Others

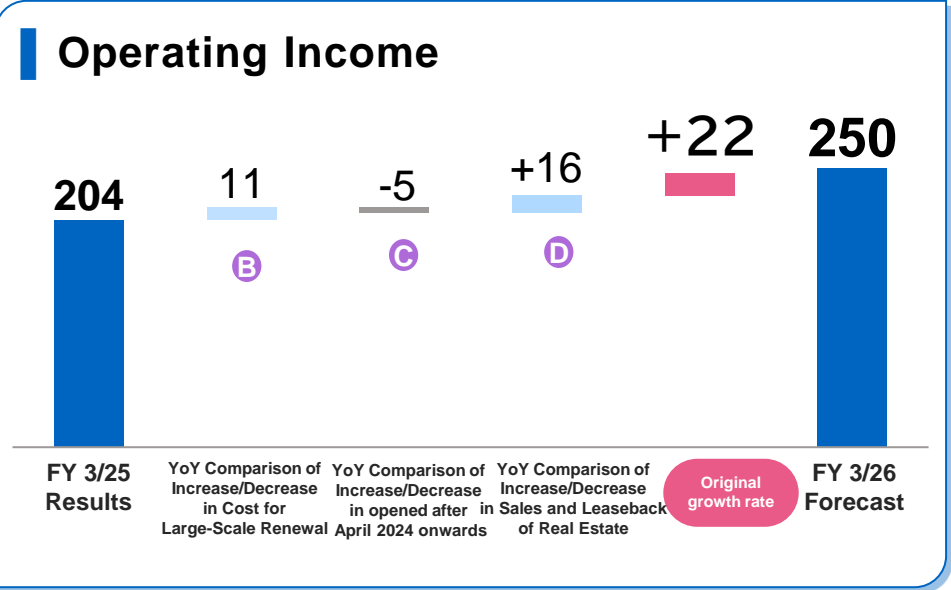
Expected 1.8 billion Yen sales profit by 4 facility's real estate securitization
In order to recover capital and offset start-up costs.



(100 million yen)

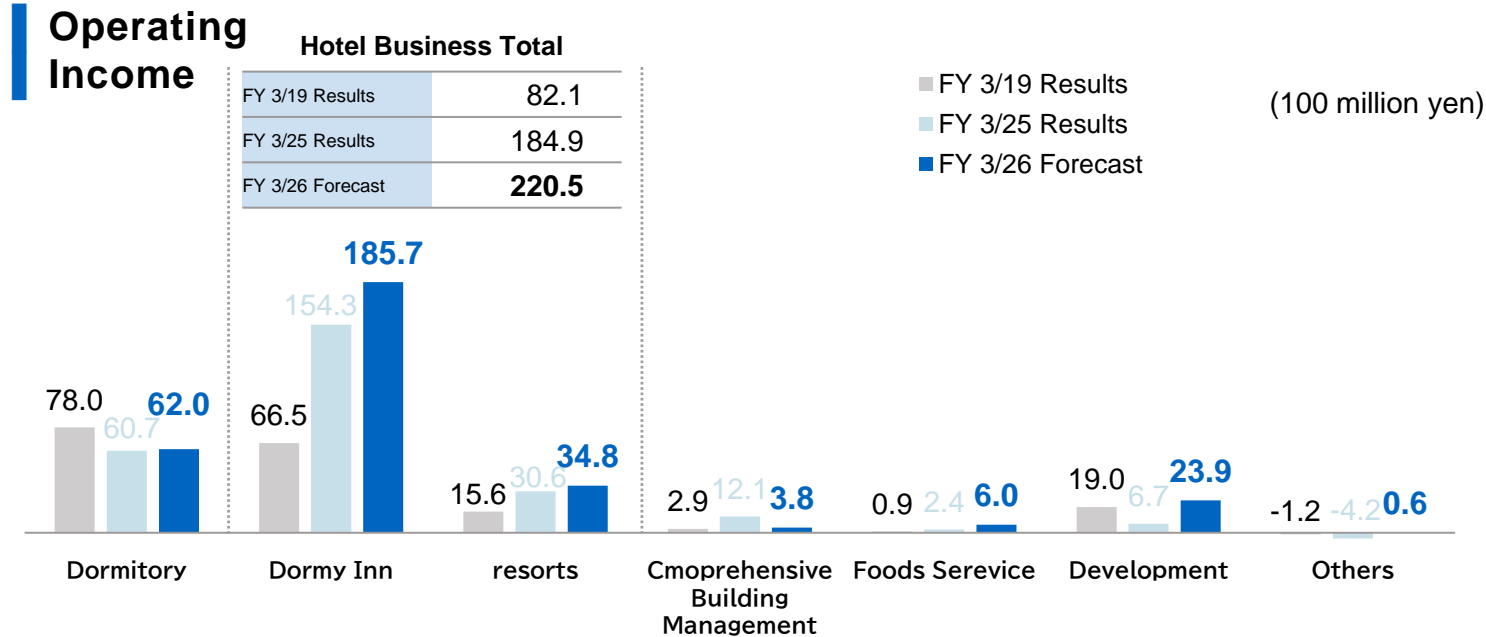
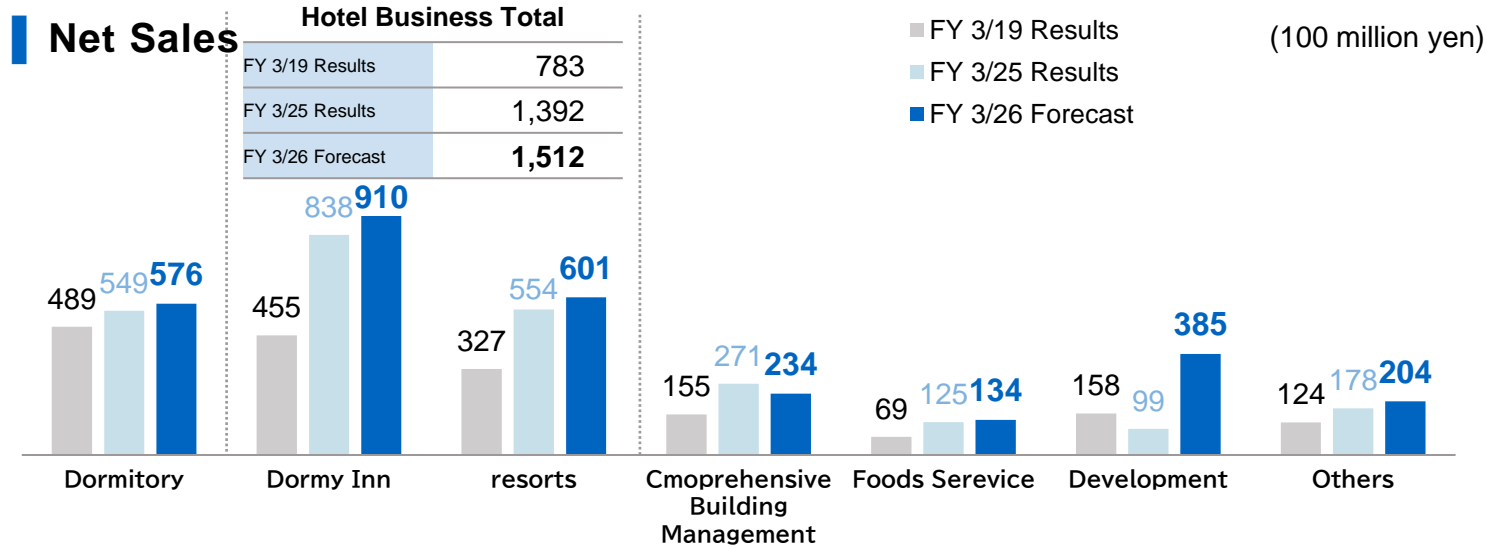
| | FY 3/25 Results (4/2024–3/2025) | FY 3/26 Forecast (4/2025–3/2026) | YoY Comparison Ⓐ | |
|----------------------|---------------------------------------|--|---------------------|--------|
| Net Sales | 2,289 | 2,740 | +450 | +19.7% |
| Operating Income | 204 | 250 | +45 | +22.0% |
| Ordinary Income | 214 | 250 | +35 | +16.7% |
| Net Income | 145 | 180 | +34 | +23.6% |
| EPS (yen) | 186.6 | 230.6 | +44.0 | +23.6% |
| DPS (yen) | 38.0 | 46.0 | +8 | +21.1% |
| Depreciation Expense | 77 | 95 | +17 | +23.1% |
| Cash Flow* | 222 | 275 | +52 | +23.4% |
| Capital Investment | 480 | 550 | +69 | +14.5% |

| Special Causes | | | YoY Comparison without Factors on the Left Ⓐ-Ⓑ-Ⓒ-Ⓓ | |
|---|--|--|---|--------|
| YoY Comparison of Increase/Decrease in Cost for Large-Scale Renewal Ⓑ | YoY Comparison of Increase/Decrease in opened after April 2024 onwards Ⓒ | YoY Comparison of Increase/Decrease in Sales and Leaseback of Real Estate Ⓓ | | |
| -7 | +39 | +287 | +131 | +5.7% |
| +11 | -5 | +16 | +22 | +11.1% |



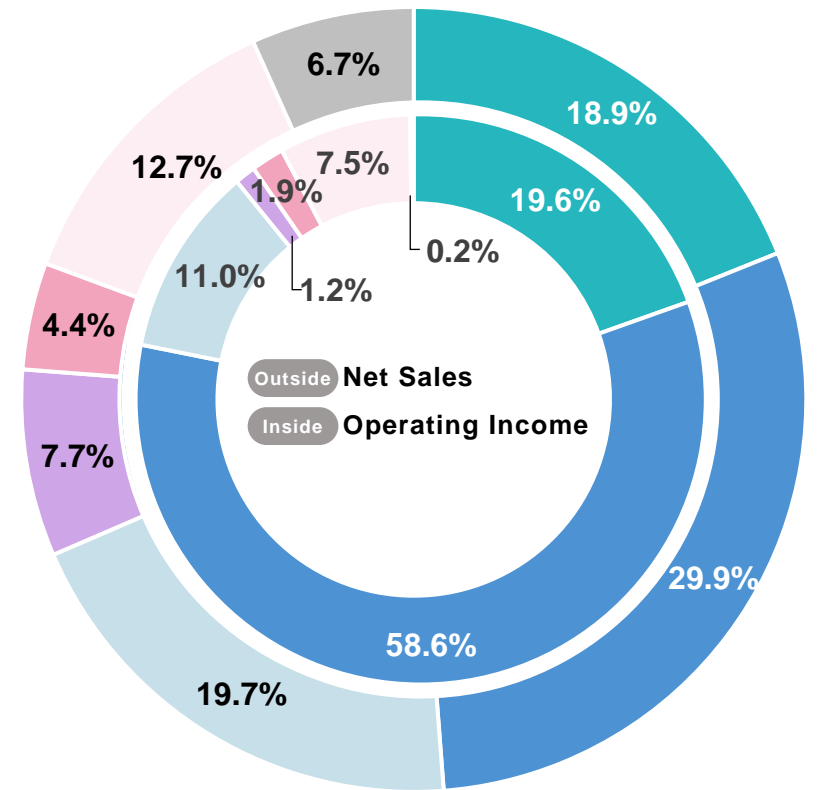
* Cash Flow: Net Income + Depreciation Expense

Consolidated Financial Forecast: Breakdown by Segments



Breakdown by Segments FY 3/26 Forecast (Before eliminations of intersegment transactions)

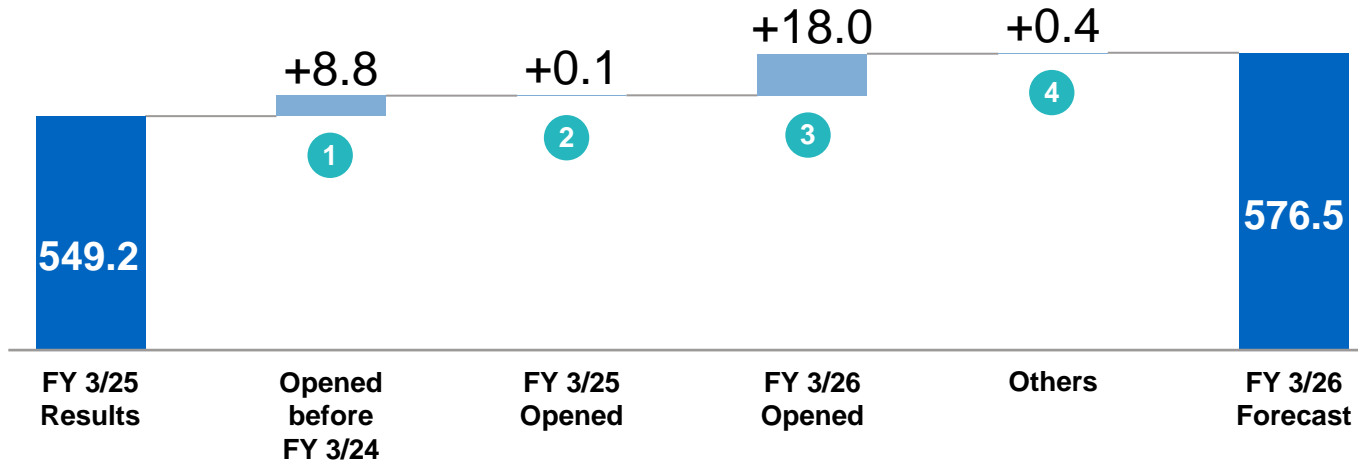
■ Dormitory
 ■ Dormy Inn
 ■ Resorts
 ■ Comprehensive Building Management
 ■ Foods Service
 ■ Development
 ■ Others



Net Sales

+27.3(+5.0%)YoY

(100 million yen)



1

Sales increase due to optimization of sales prices
Revenue decrease due to reduced occupancy

+11.9
-3.1

2

Sales increase due to optimization of sales prices
Revenue decrease due to reduced occupancy

+0.9
-0.8

3

FY 3/26 Newly opened:12 facilities 1,364 rooms

| | | | |
|-----------------------------|-----|--|-----|
| Dormy Sagami Ohno2 | 53 | Dormy Mei Eki Kameshima Annex | 89 |
| Dormy Sagami Ohno2 | 172 | Dormy MibuSanjo | 77 |
| Dormy Urayasu3 | 33 | Dormy Nishioji Gojo | 114 |
| Dormy Sapporo Nishi 18 | 147 | Dormy Okayama Minamigata | 178 |
| Dormy Sapporo Nishi 11 | 100 | Dormy Takamatsu Nishikicho | 126 |
| Dormy Sendai Kawauchi Hills | 156 | Tokushima University affiliated International Dormitory Azur | 119 |

4

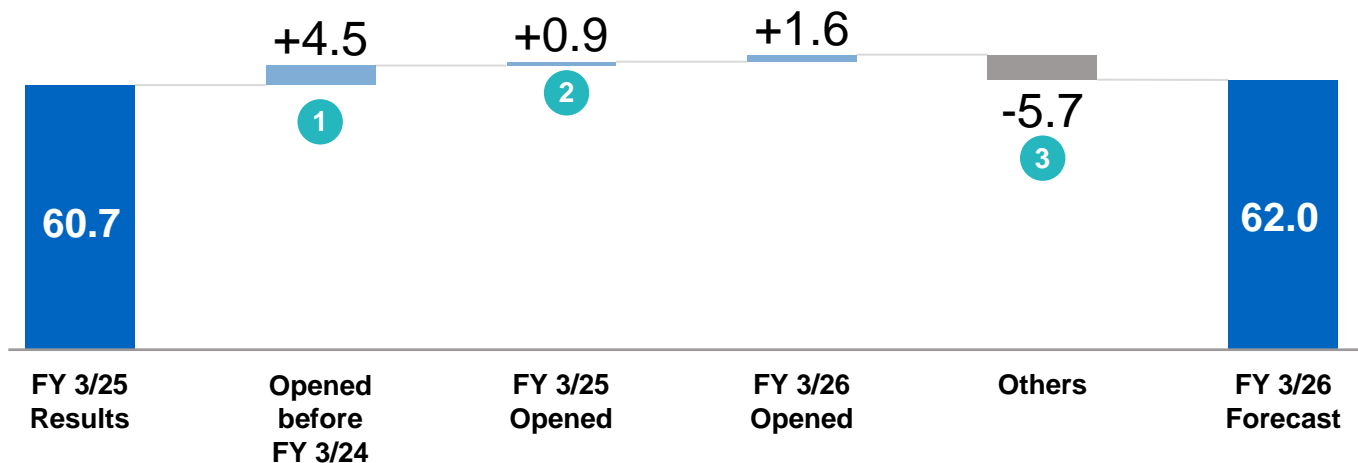
Contracted Business, etc.

+0.4

Operating Income

+1.2(+2.0%)YoY

(100 million yen)



| | | |
|---|---|-------|
| 1 | Profit increase due to optimization of sales prices | +11.1 |
| | Profit decrease from reduced occupancy | -3.1 |
| | Cost inflation, etc. (Food costs, renovation costs, utilities, etc.) | -3.5 |
| 2 | Profit increase due to optimization of sales prices | +0.7 |
| | Profit decrease from reduced occupancy | -0.8 |
| | Decrease in opening expenses | +1.0 |
| 3 | Headquarters costs (Sales promotion etc.) | -5.7 |

As for dormitory business, we opened newly for 3 prefectures
in Okayama, Kagawa and Tokushima

Dormitory Business ※All opened in April, 2025

| Name of facility | Prefecture | Number of rooms |
|--|----------------------|--------------------|
| Dormy Sagami Ohno2 | Kanagawa | 53 |
| Dormy Sakado Ekimae | Saitama | 172 |
| Dormy Urayasu3 | Chiba | 33 |
| Dormy Sapporo Nishi 18 | Hokkaido | 147 |
| Dormy Sapporo Nishi 11 | Hokkaido | 100 |
| Dormy Sendai Kawauchi Hills | Miyagi | 156 |
| Dormy Mei Eki Kameshima Annex | Aichi | 89 |
| Dormy MibuSanjo | Kyoto | 77 |
| Dormy Nishioji Gojo | Kyoto | 114 |
| Dormy Okayama Minamigata | Okayama | 178 |
| Dormy Takamatsu Nishikicho | Kagawa | 126 |
| Tokushima University affiliated International Dormitory Azur | Tokushima | 119 |
| In Total | 12 Facilities | 1,364 Rooms |



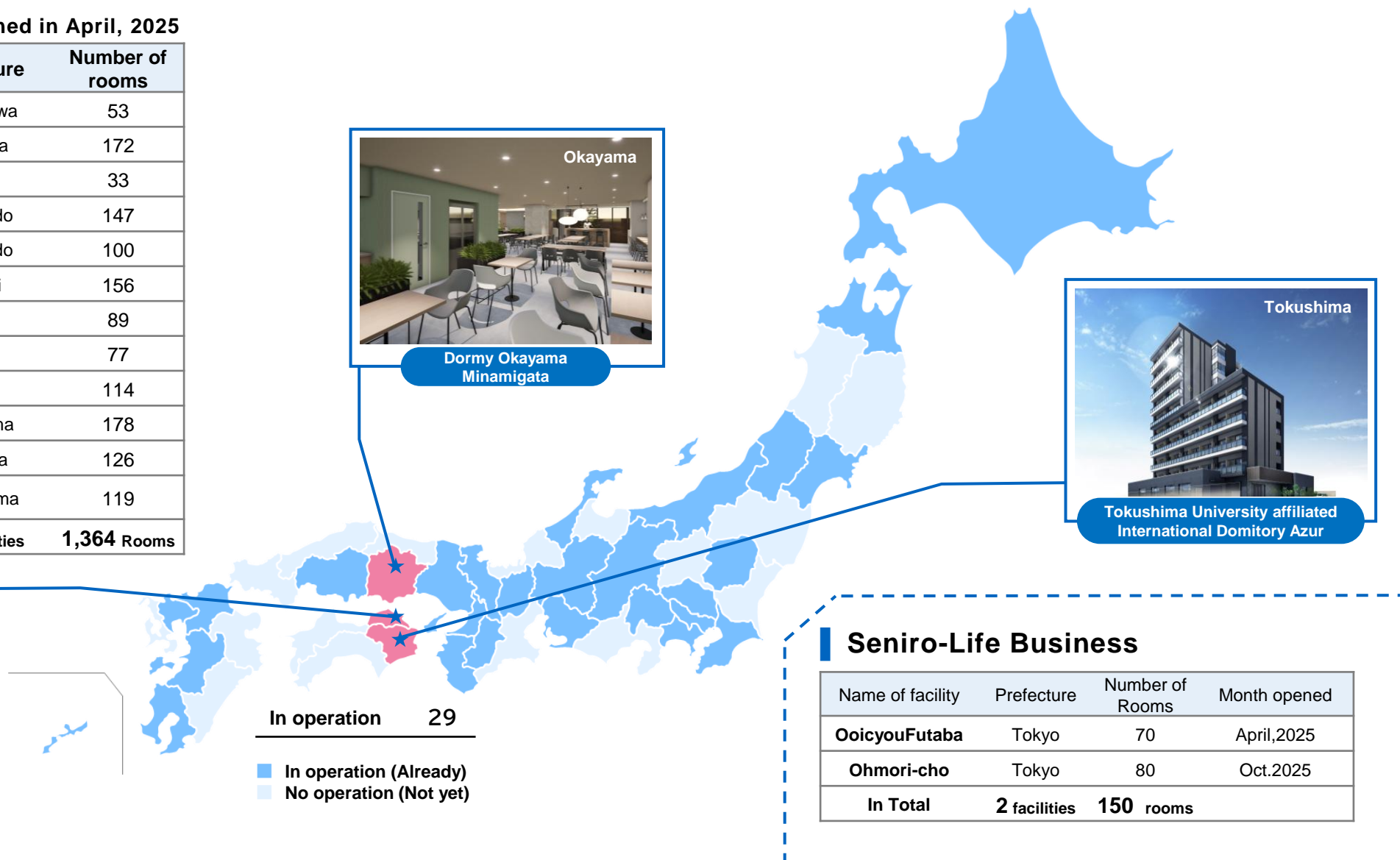
Dormy Okayama
Minamigata



Tokushima University affiliated
International Dormitory Azur



Dormy Takamatsu
Nishikicho



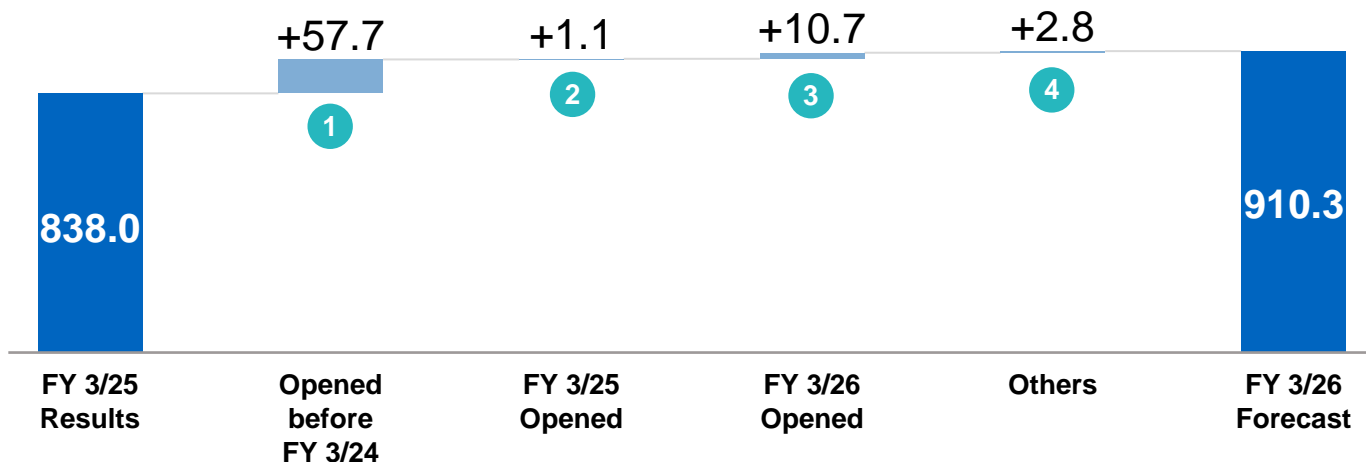
Seniro-Life Business

| Name of facility | Prefecture | Number of Rooms | Month opened |
|------------------|---------------------|------------------|--------------|
| OoicyouFutaba | Tokyo | 70 | April, 2025 |
| Ohmori-cho | Tokyo | 80 | Oct. 2025 |
| In Total | 2 facilities | 150 rooms | |

Net Sales

+72.2(+8.6%)YoY

(100 million yen)



1 Sales growth due to higher RevPAR: **+57.7**
14,549 yen (YoY +753 yen)

2 FY 3/25 Newly opened: 1 facilities 78 rooms
Oct. global cabin Yokohama Chugoku town (reopening) 78

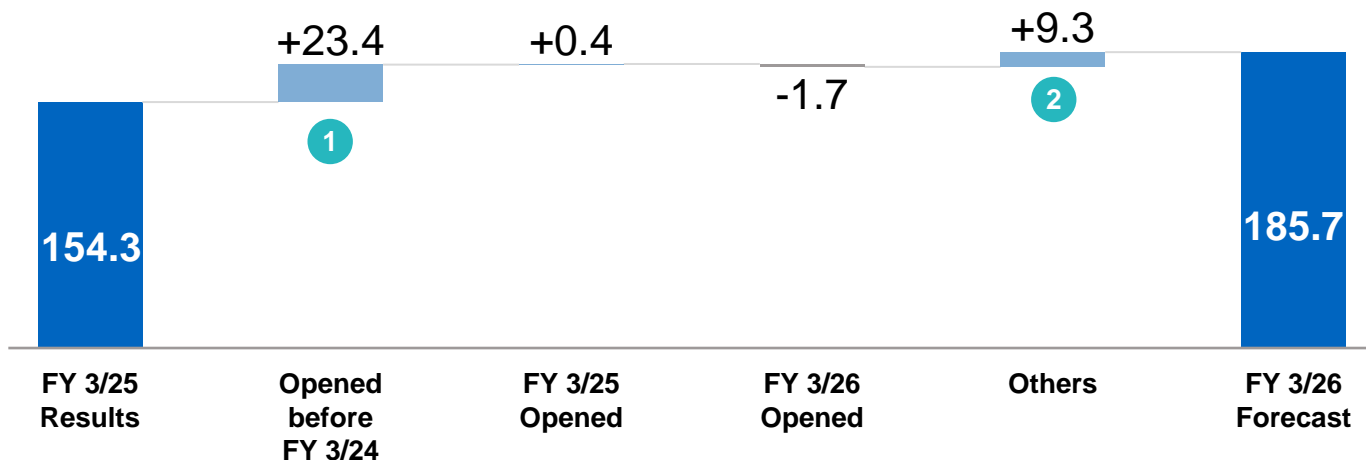
3 FY 3/26 Newly opened: 4 facilities 637 rooms
Oct. Tsuruga 199 Nov. Onyado Nono Kumamoto 191
Oct. EXPRESS Unnan 94 Feb. Onyado Nono Fukui 156

4 Large-scale renewal work increase/decrease **+2.3**
Seoul Gangnam(South Korea) , etc. **+0.5**

Operating Income

+31.3(+20.3%)YoY

(100 million yen)



1 Income growth due to higher RevPAR: **+41.5**
Cost inflation **-18.1**
(Food costs, renovation costs, utilities, etc.)

2 Large-scale renewal work increase/decrease **+15.4**
Headquarters costs, etc. **-6.1**

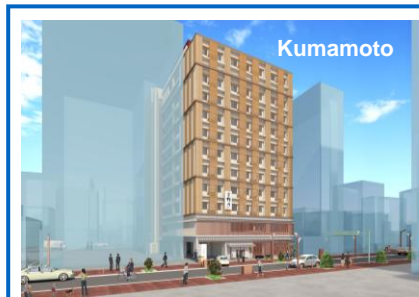
Newly opened 4 facilities mainly for series of “NONO”

Dormy Inn Business

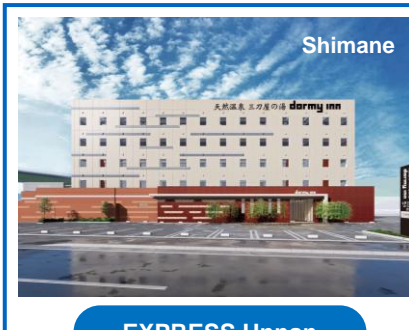
| Name of facility | Prefecture | Number of rooms | Month to be opened |
|-----------------------------|---------------------|------------------|--------------------|
| Tsuruga | Fukui | 199 | Oct. 2025 |
| EXPRESS Unnan | Shimane | 94 | Oct. 2025 |
| Onyado Nono Kumamoto | Kumamoto | 191 | Nov. 2025 |
| Onyado Nono Fukui | Fukui | 153 | Feb. 2026 |
| In Total | 4 facilities | 637 rooms | |

In operation 40

■ In operation (Already)
 ■ No operation (Not yet)



Onyado Nono Kumamoto



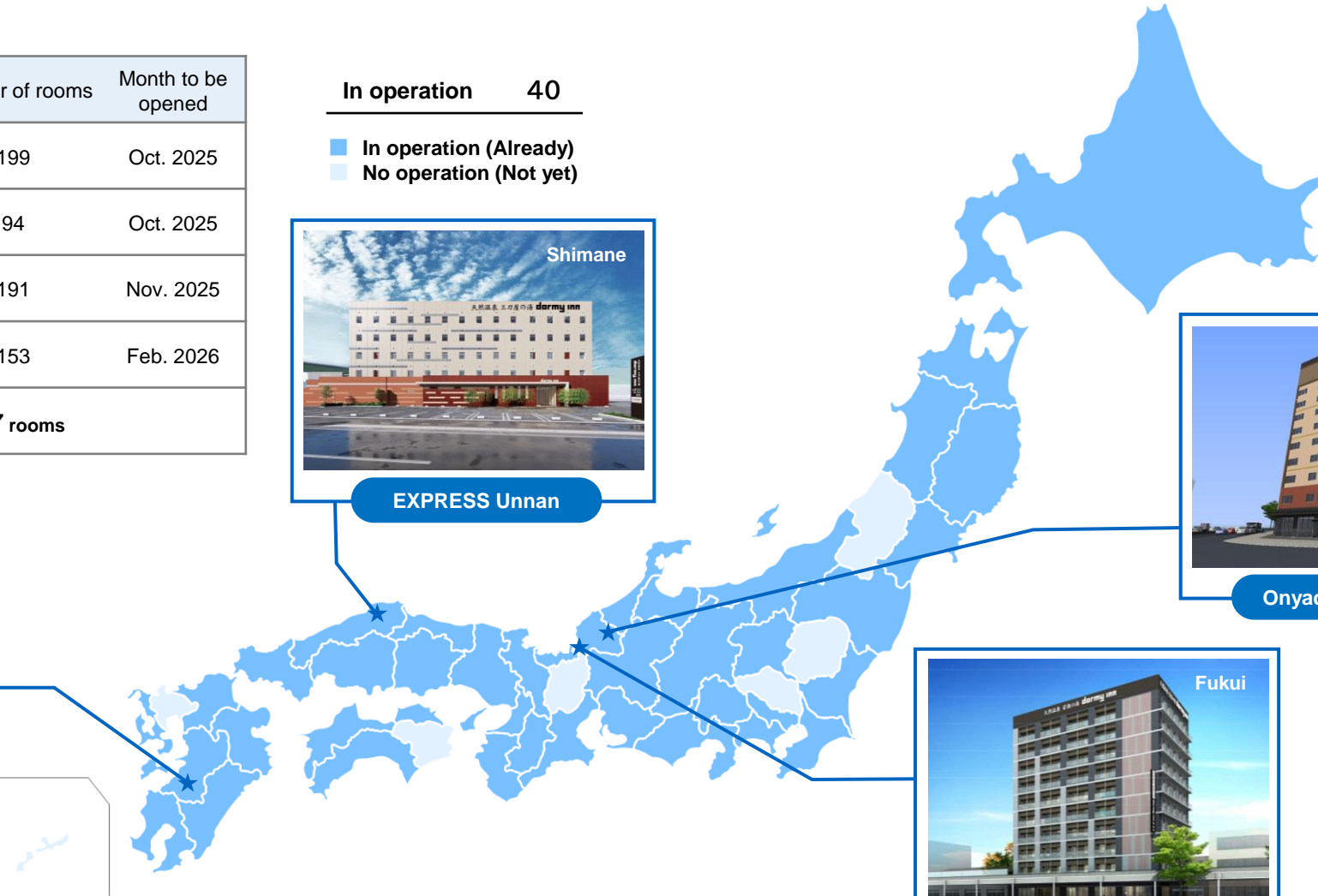
EXPRESS Unnan



Onyado Nono Fukui

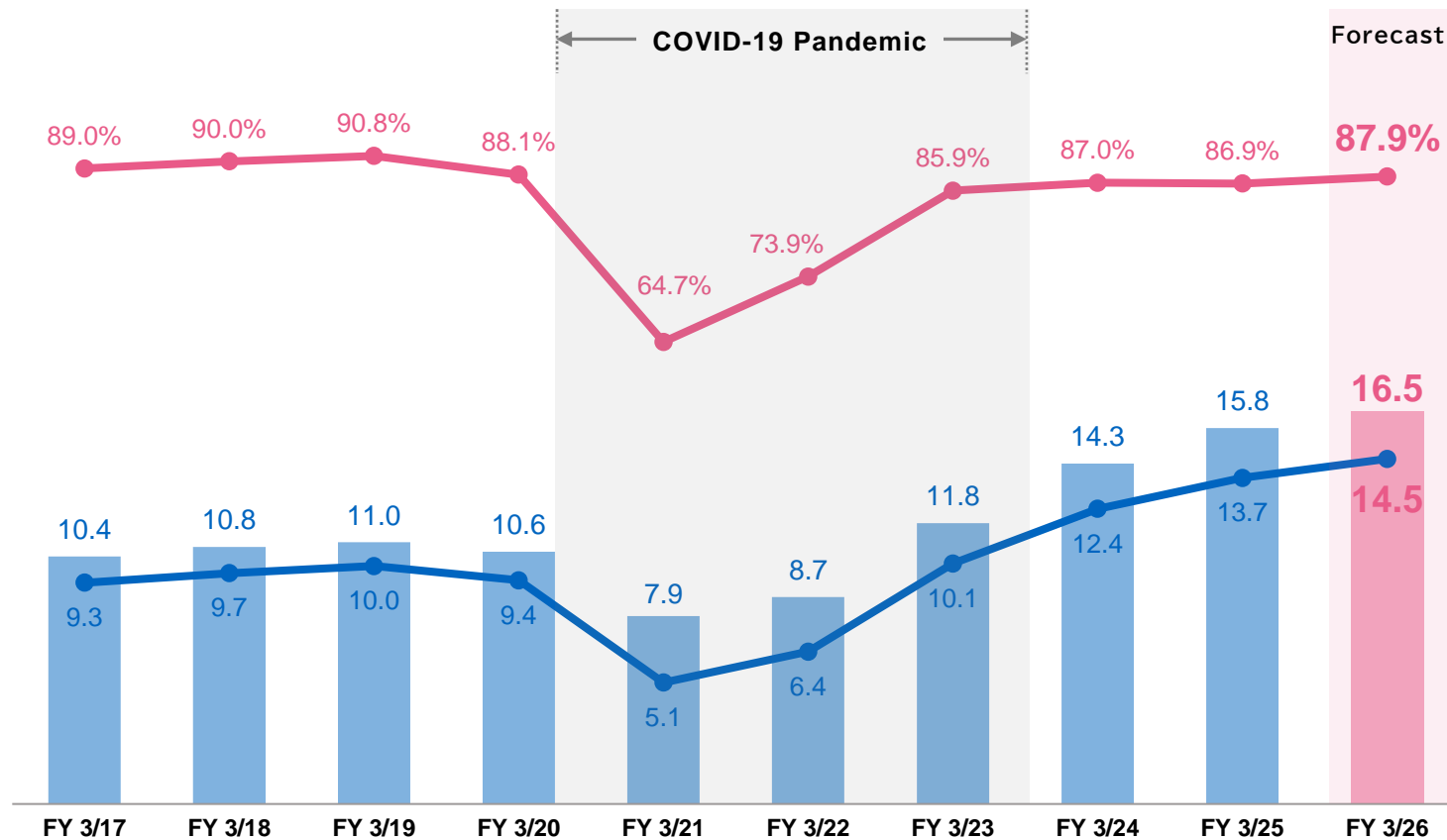


Tsuruga



—●— OCC ■ ADR —●— RevPAR

(Thousand yen)



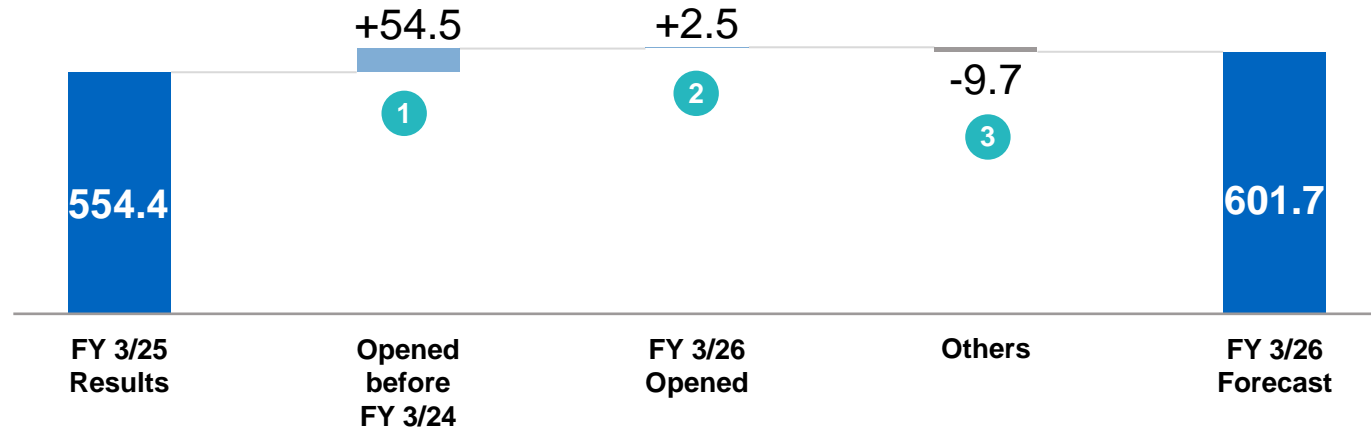
| | FY 3/25 | FY 3/26 | YoY |
|---------------------------------|---------|---------|---------------|
| OCC (%) | 86.9 | 87.9 | +1.0pt |
| ADR (thousand yen) | 15.8 | 16.5 | +4.3% |
| RevPAR (thousand yen) | 13.7 | 14.5 | +5.5% |

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

Net Sales

+47.2 (+8.5%) YoY

(100 million yen)



1 Sales growth due to higher RevPAR: +54.5
 41,833 yen (YoY +3,615 yen)

2 FY 3/26 Newly opened: 2 facilities 306 rooms

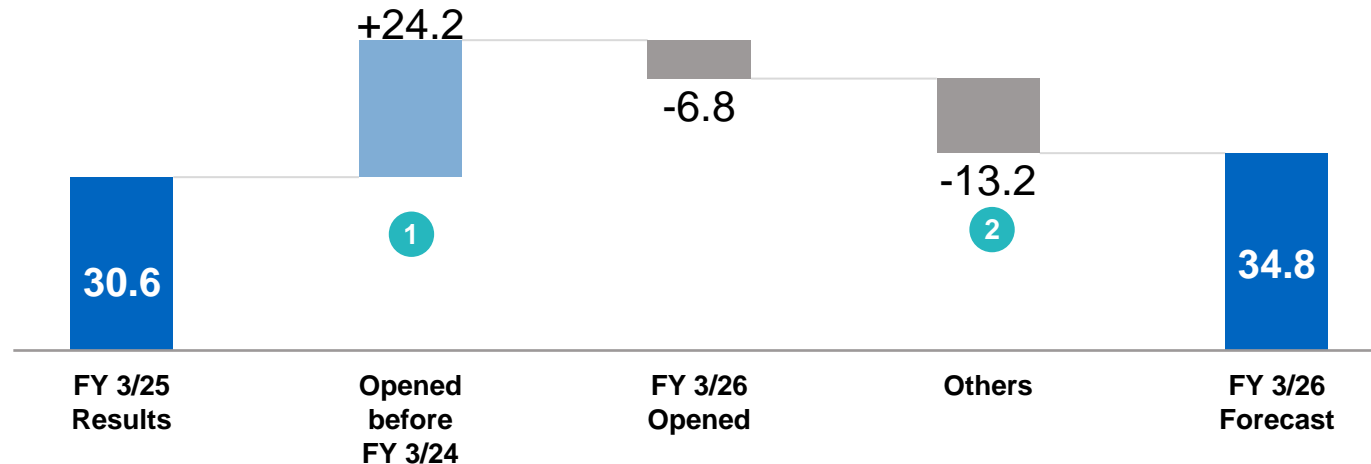
| | | |
|------|------------------------|-----|
| Mar. | Kyoto Omuro Kadensho | 67 |
| Mar. | La Vista Atami Terrace | 239 |

3 Large-scale renewal work increase/decrease -9.7

Operating Income

+4.1 (+13.6%) YoY

(100 million yen)



1 Income growth due to higher RevPAR: +34.7
Cost inflation -10.5
 (Food costs, renovation costs, utilities, etc.)

2 Large-scale renewal work increase/decrease -3.5
Headquarters costs, etc. -9.7

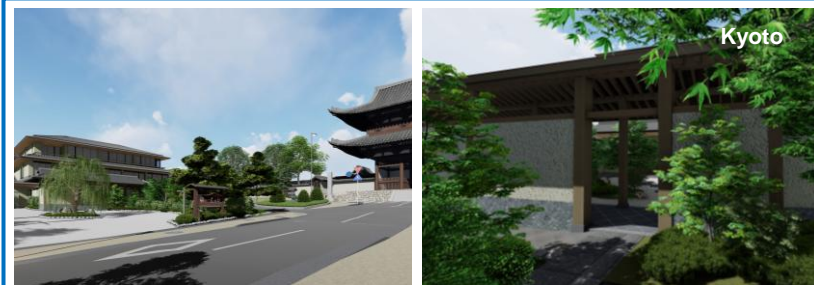
Opening a type of hotel complex "La Vista Atami Terrace"

Resort Business

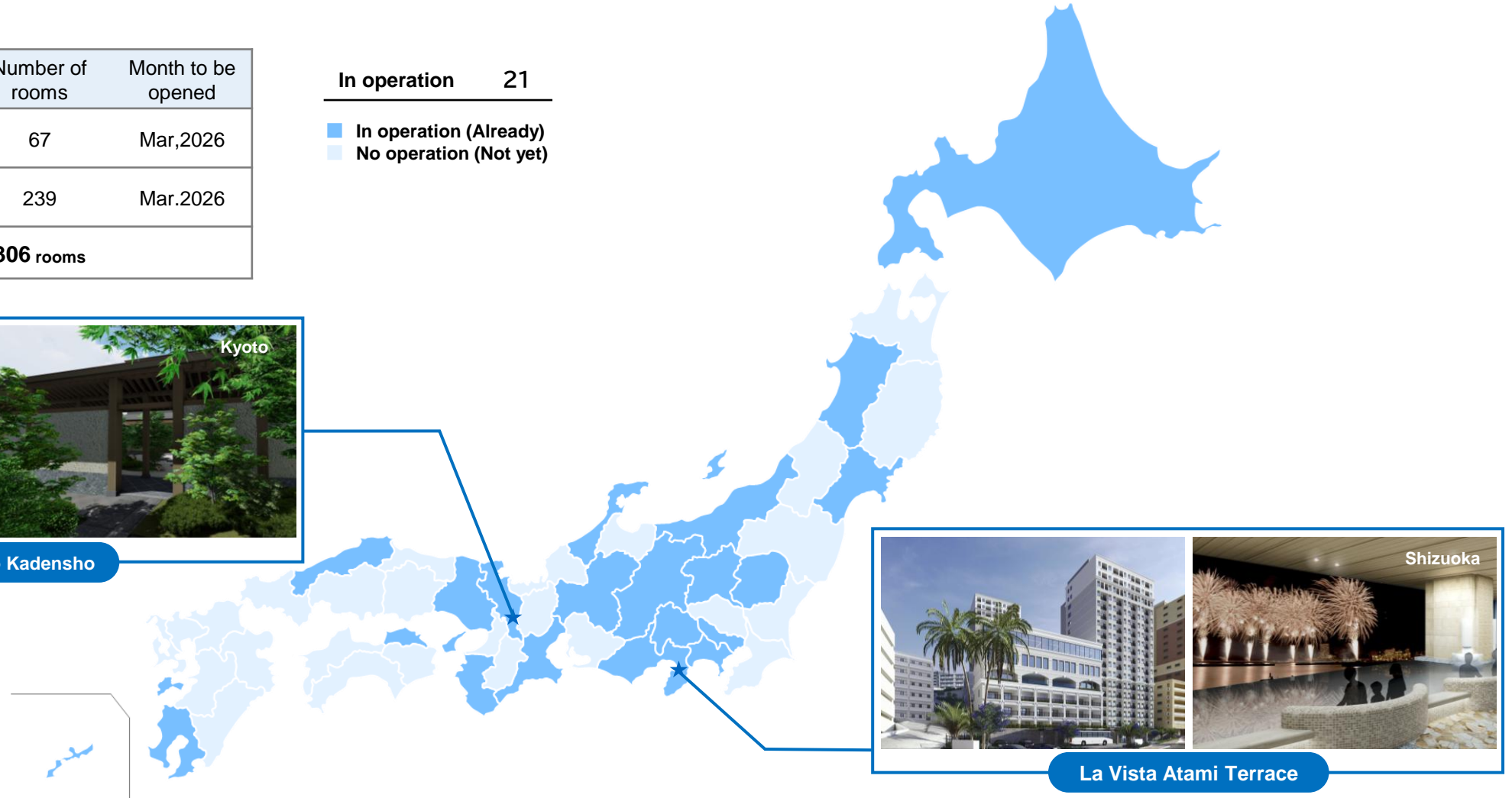
| Name of facility | Prefecture | Number of rooms | Month to be opened |
|------------------------|--------------|-----------------|--------------------|
| Kyoto Omuro Kadensho | Kyoto | 67 | Mar,2026 |
| La Vista Atami Terrace | Shizuoka | 239 | Mar,2026 |
| In Total | 2 facilities | 306 rooms | |

In operation 21

■ In operation (Already)
■ No operation (Not yet)



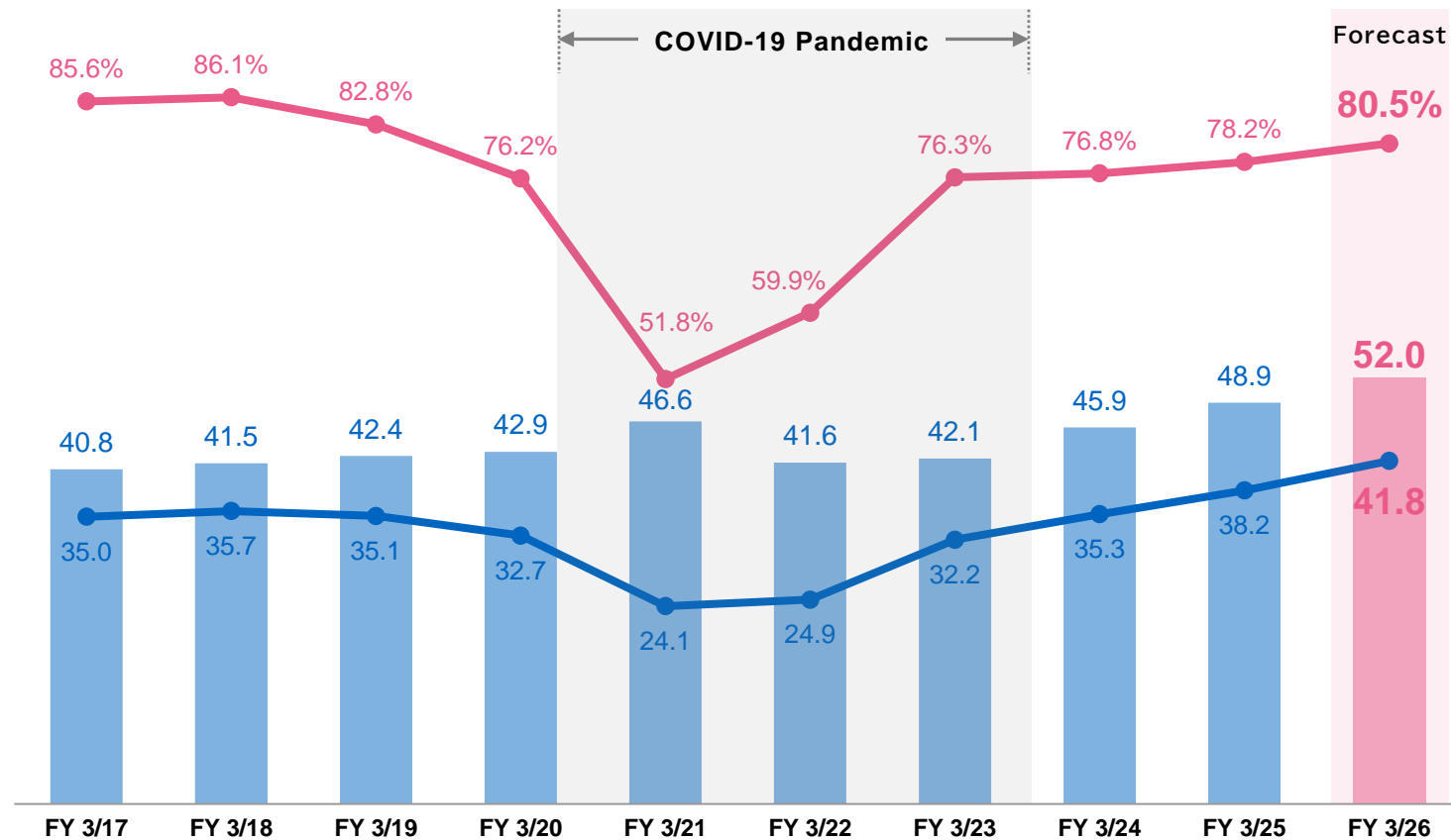
Kyoto Omuro Kadensho



La Vista Atami Terrace

● OCC ■ ADR ● RevPAR

(Thousand yen)

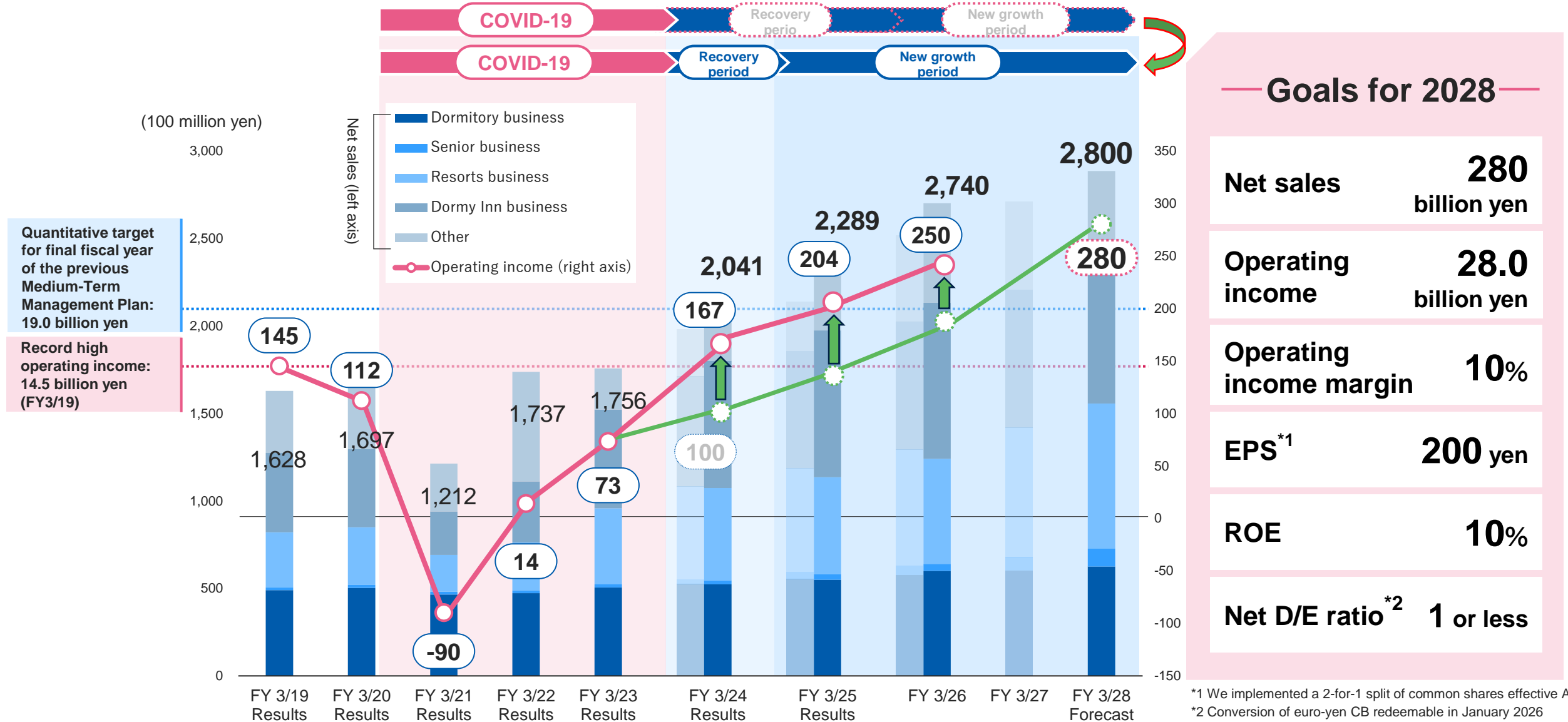


| | FY 3/25 | FY 3/26 | YoY |
|-----------------------|---------|---------|--------|
| OCC (%) | 78.2 | 80.5 | +2.2pt |
| ADR (thousand yen) | 48.9 | 52.0 | +6.4% |
| RevPAR (thousand yen) | 38.2 | 41.8 | +9.4% |

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

| | | |
|-----------|--|-------------|
| <u>01</u> | Summary of Financial Results for FY 3/25 | P.02 |
| <u>02</u> | FY 3/26 Consolidated Financial Forecasts | P.15 |
| <u>03</u> | Progress on the Medium-Term Management Plan | P.27 |

Targeting average rates of growth of 10% in net sales and 30% in operating income over five years based on steady growth in the dormitory and hotel businesses



*1 We implemented a 2-for-1 split of common shares effective April 1.

*2 Conversion of euro-yen CB redeemable in January 2026

Lifting the top line even higher by promoting new development and growth in numbers of residential and guest rooms as well as normalized selling prices

**Increasing numbers
of rooms through
new development**



**Normalizing selling
prices**



Raising the top line

Progress on development plans

| Number of Rooms (Thousand rooms) | FY 3/28 Forecast | FY 3/26 Forecast | Rate of progress | FY 3/28 Estimated | Rate of progress |
|--|---------------------|---------------------|---------------------|----------------------|---------------------|
| Dormitories | 50.0 | 46.1 | <u>92%</u> | 49.6 | <u>99%</u> |
| Dormy Inn | 20.0 | 17.8 | <u>89%</u> | 20.0 | <u>100%</u> |
| Resorts | 5.5 | 4.5 | <u>82%</u> | 4.9 | <u>89%</u> |

Progress on selling prices

| ADR (Thousand Yen) | FY 3/28 Forecast | FY 3/26 Forecast | Rate of progress |
|-------------------------------|---------------------|---------------------|---------------------|
| Dormitories (Monthly rent) | 106.5 | 102.7 | <u>96%</u> |
| Dormy Inn | 12.9 | 16.5 | <u>128%</u> |
| Resorts | 56.6 | 52.0 | <u>92%</u> |

Status of cost inflation

- Offsetting cost inflation by rigorously enforcing appropriate pricing while curbing labor, food, linen, cleaning, and other costs

Net Sales

| Net Sales (100 million yen) | FY 3/28 Forecast | FY 3/26 Forecast | Rate of progress |
|--------------------------------|---------------------|---------------------|---------------------|
| Dormitories | 620 | 576 | <u>93%</u> |
| Dormy Inn | 840 | 910 | <u>108%</u> |
| Resorts | 830 | 601 | <u>72%</u> |
| Others | 510 | 653 | <u>128%</u> |
| Total | 2,800 | 2,740 | <u>98%</u> |

Striving to increase profitability by normalizing marketing costs and improving labor productivity through digital transformation (DX)

**Normalizing
marketing costs
through DX**



**Improving labor
productivity through
DX**



**Increasing
profitability**

■ Status of reservation ratio through Company website

- Promoting membership and app use
- Updating the hotel reservations system
- Promoting use of comprehensive corporate membership program
- Growing product planning in-house

FY 3/24 Results : 22.5%

(FY 3/20 Results : 18%)

2028 target: 40%

■ Status of staff and labor costs ■ Responding to labor shortages and higher labor costs

- Labor savings achieved through smart check-in systems at hotels and payment kiosks.
- **To raise the penetration rate of automatic adjustment machines in Dormy Inns to 40% or higher in the fiscal year under review and to 100% the following fiscal year.**
- **Started trial operation of smart check-in systems.**
- Use of cleaning and maintenance robotics
- Labor savings through robotic process automation, paperless workflows, etc.

■ Positive Impact

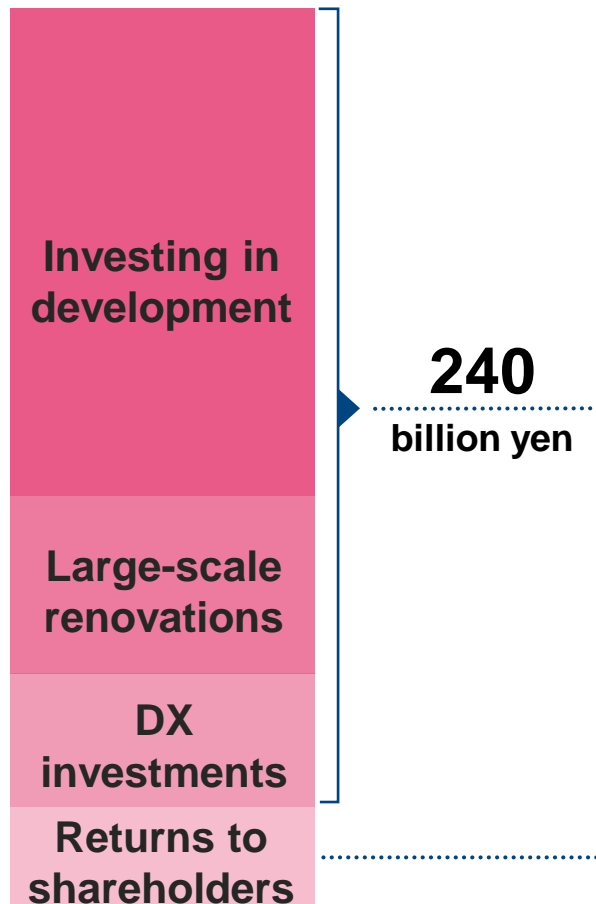
| Profit bases (100 million yen) | FY 3/28 Forecast | FY 3/26 Forecast | Rate of progress | FY 3/28 Estimated | Rate of progress |
|-----------------------------------|---------------------|---------------------|---------------------|----------------------|---------------------|
| Effect | 20.0 | 15.9 | <u>80%</u> | 27.8 | <u>139%</u> |
| Costs | -5.0 | -6.7 | <u>134%</u> | -7.7 | <u>154%</u> |
| Total | 15.0 | 9.1 | <u>61%</u> | 20.1 | <u>134%</u> |

We plan to invest energetically in development, large-scale renovations, and DX to build the foundations needed for future growth.

We will raise the funds needed for investments through means such as real estate sales and leaseback and financing from financial institutions in addition to cash flow from operations, which is recovering.

We will implement more practical real estate sales and leaseback efforts under a new comprehensive basic agreement concluded with SMFL Mirai Partners Co., Ltd.

Investment and returns to shareholders



Policy

Investing a grand total of 240 billion yen over five years to achieve renewed growth

Details

Capital investment in opening new business sites:
195 billion yen (20 billion yen in the dormitory business and 175 billion yen in the hotel business)

- Investing in the development of new business sites for renewed growth

Large-scale renovations: **35 billion yen**

- Large-scale renovations intended to maintain and increase customer satisfaction

DX investment: 10 billion yen

- DX investment to increase customer satisfaction and improve labor productivity

Payout ratio

20% or higher

Striving to achieve stable and continuing growth in dividends by returning earnings to shareholders through dividends linked to business results and earnings and a core policy of steady, stable returns to shareholders over the long term

Fundraising 240 billion yen

Financing from
financial institutions
70 billion yen
⇒ **60 billion yen**

Real estate
sales and
leaseback
55 billion yen

Cash flow
from
operations
115 billion yen
↓
125 billion yen

Dormitory / Hotel Development Plans

| | 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* | +12 facilities* | +1,364 rooms* | +10 facilities* | +2,195 rooms* | +11 facilities* | +1,245 rooms* | | |
| | Ending number of facilities | 519 facilities | Ending number of facilities | 526 facilities | Ending number of facilities | 536 facilities | Ending number of facilities | 546 facilities | Ending number of facilities | 557 facilities | | |
| | Ending guest capacity | 44,057 rooms | Ending guest capacity | 44,908 rooms | Ending guest capacity | 46,185 rooms | Ending guest capacity | 48,380 rooms | Ending guest capacity | 49,625 rooms | | |
| | Leasing rate | 86.9% | Leasing rate | 87.1% | Leasing rate | 87.1% | Leasing rate | 87.0% | Leasing rate | 86.5% | | |
| | [L] Hirosaki, [L] Sendai Komatsushima, [L] Sendai Teppochō, [L] Yamagata Honcho, [L] Asuto Nagamachi, [L] Otsuka, [L] Kasai Global House, [L] Sagami ono, [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] Urayasu3, [L] Sagami Ohno2 | | Hokkaido – Tohoku – Kanto/Koshinetsu 5 FAC Tokai/Hokuriku – Kinki 2 FAC Chugoku/Shikoku 1 FAC Kyushu/Okinawa 2 FAC | | Hokkaido – Tohoku – Kanto/Koshinetsu 3 FAC Tokai/Hokuriku 2 FAC Kinki 6 FAC Chugoku/Shikoku – Kyushu/Okinawa – | | | |
| Dormy Inn | +4 facilities* | +750 rooms* | +1 facility* | +78 rooms* | +4 facilities* | +637 rooms* | +6 facilities* | +1,135 rooms* | +6 facilities* | +1,123 rooms* | | |
| | Ending number of facilities | 95 facilities | Ending number of facilities | 96 facilities | Ending number of facilities | 100 facilities | Ending number of facilities | 106 facilities | Ending number of facilities | 112 facilities | | |
| | Ending guest capacity | 17,107 rooms | Ending guest capacity | 17,180 rooms | Ending guest capacity | 17,817 rooms | Ending guest capacity | 18,952 rooms | Ending guest capacity | 20,075 rooms | | |
| | Leasing rate | 97.5% | Leasing rate | 98.5% | Leasing rate | 96.9% | Leasing rate | 92.1% | Leasing rate | 89.8% | | |
| | <u>Express Toyohashi</u> , Nono Asakusa Bettei, [L] Nono Beppu, [L] Aomori | | [L] global cabin Yokohama China town. (reopening) | | <u>Tsuruga</u> , Express Unnan, [L] Nono Fukui, [L] Kumamoto | | Hokkaido 1 FAC Tohoku 1 FAC Kanto/Koshinetsu 1 FAC Tokai/Hokuriku 1 FAC Kinki 1 FAC Chugoku/Shikoku – Kyushu/Okinawa 1 FAC | | Hokkaido 1 FAC Tohoku – Kanto/Koshinetsu 1 FAC Tokai/Hokuriku 1 FAC Kinki 1 FAC Chugoku/Shikoku 2 FAC Kyushu/Okinawa – | | | |
| Resorts | +1 facility* | +75 rooms* | | | +2 facility* | +306 rooms* | +3 facilities* | +203 rooms* | +2 facilities* | +146 rooms* | | |
| | Ending number of facilities | 42 facilities | Ending number of facilities | 42 facilities | Ending number of facilities | 44 facilities | Ending number of facilities | 47 facilities | Ending number of facilities | 49 facilities | | |
| | Ending guest capacity | 4,260 rooms | Ending guest capacity | 4,260 rooms | Ending guest capacity | 4,566 rooms | Ending guest capacity | 4,769 rooms | Ending guest capacity | 4,915 rooms | | |
| | Leasing rate | 73.8% | Leasing rate | 73.8% | Leasing rate | 74.1% | Leasing rate | 71.0% | Leasing rate | 67.5% | | |
| | [L] La Vista Yokosuka Kannonzaki Terrace | | | | <u>Kyoto Omuro Kadensho</u> , [L] La Vista Atami Terrace | | Hokkaido – Tohoku – Kanto/Koshinetsu – Tokai/Hokuriku 1 FAC Kinki 1 FAC Chugoku/Shikoku – Kyushu/Okinawa 1 FAC | | Hokkaido – Tohoku – Kanto/Koshinetsu 1 FAC Tokai/Hokuriku – Kinki – Chugoku/Shikoku – Kyushu/Okinawa 1 FAC | | | |
| Companywide leasing rate | 88.7 % | | 89.2% | | 88.8% | | 87.3% | | 86.2% | | | |

* 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.

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