

FY 3/23 H1 (4-9/2022)

Consolidated Financial Results

November 2022

Kyoritsu Maintenance Co., Ltd.

〔Securities Code 9616〕

Shionoyu Hot Spring Rengetsu



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01 Summary of Financial Results for FY 3/23 H1

02 Projected Consolidated Financial Results

03 Policy for Formulation of New Medium-Term Management Plan

First return to profitability in three fiscal years due to stable operations in the dormitory business and strong recovery in the hotel business

Dormitory Business

The occupancy rate at the beginning of the period started at 93.5%, up 1.4 points from the previous period due to a significant increase in the number of Japanese students, and during the period, the number of foreign students increased due to the easing of immigration restrictions.

Hotel Business

For the first time in three fiscal years, occupancy rates and average room rates rose sharply in an environment with no restrictions on activities, thanks in part to the effects of measures to stimulate tourism demand, such as the prefectural residents' discount, and recovered profitability by absorbing the cost of opening a new business.

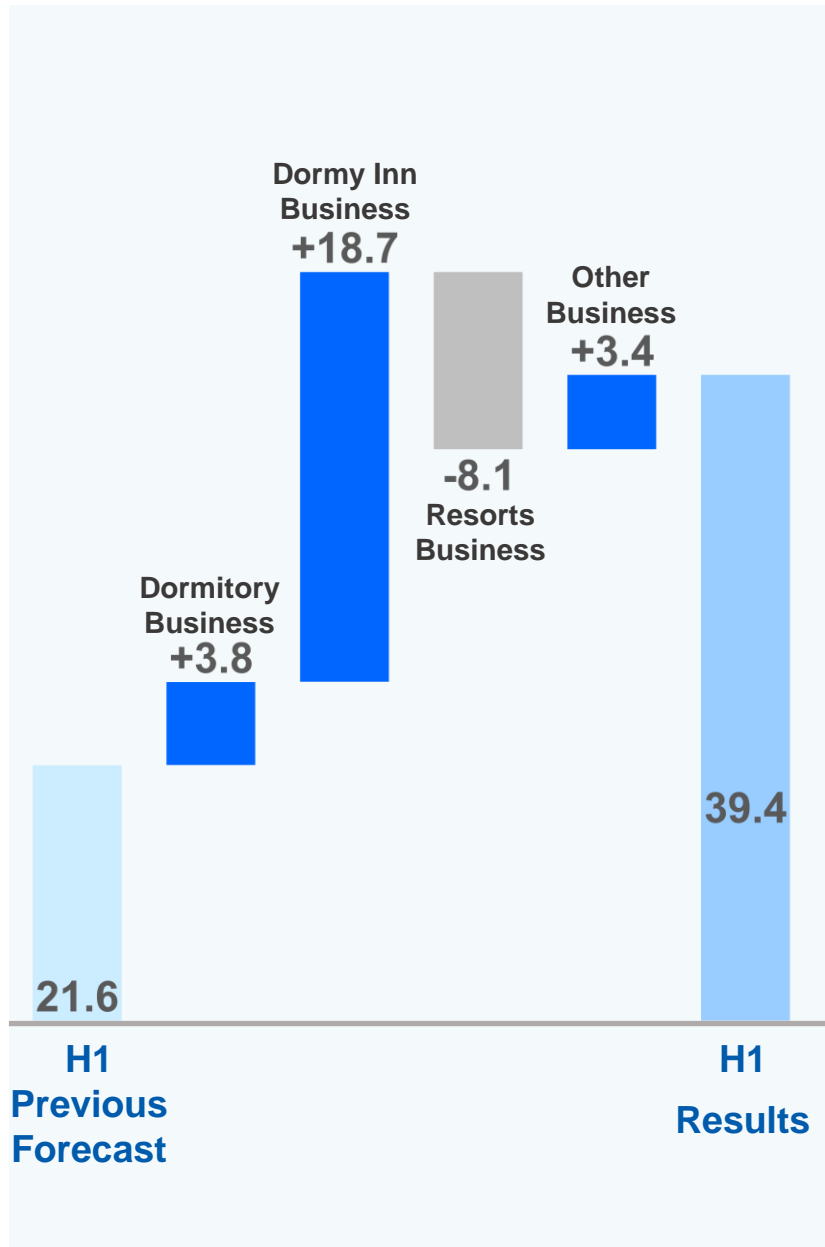
Consolidated Financial Results and Main Financial Indicators

100 million yen	FY 3/22	FY 3/23	FY 3/23	YoY Comparison		Comparison with Previous Forecasts*1		YoY Comparison of Increase/Decrease in Sales and Leaseback of Real Estate	YOY Comparison of Increase/Decrease in New Openings	YoY Comparison without Factors on the left	FY 3/23	Rate of Achievement	FY 3/23	Increase/Decrease
	H1 Results	H1 Previous Forecast*1	H1 Results	A							B	C	A - B - C	
	(4 - 9/2021)	(4 - 9/2022)	(4 - 9/2022)								I		II	
Net Sales	677	838	830	+153	+22.7%	-7	-0.9%	-51	+24	+180	1,740	47.8%	1,700	-40
Operating Income	-56	21	39	+95	-	+17	+82.4%	-5	-16	+118	30	131.5%	55	+25
Ordinary Income	-52		37	+90	-						22	171.9%	51	+29
Net Income	-40		22	+63	-						10	229.2%	28	+18
EPS (yen)	-104.6		58.8	+163.3	-						25.7	229.2%	71.8	+46.2
Depreciation Expense	29		28	-1	-3.7%						65	44.2%	65	-
Cash Flow*2	-10		51	+62	-						75	68.9%	93	+18
Capital Investment	26		33	+6	+25.5%						164	20.1%	164	-

*1 Stated on page 25 of the "Consolidated Financial Results for FY 3/22" released on May 24, 2022.

*2 Cash Flow: Net Income + Depreciation Expense

Factors for Deviation from Operating Income Forecast



Operating Income (100 million yen)		Q1 (4 – 6/2022)	Q2 (7 – 9/2022)	H1 (4 – 9/2022)	Main Cause
Dormitory Business	Previous Forecast	10	8	18	
	Result	12	9	22	
	Comparison with Forecast	+ 2	+ 1	+ 3	
Dormy Inn Business	Previous Forecast	8	14	22	<ul style="list-style-type: none"> The effect of the prefectural discount and other measures to stimulate tourism demand Request for extension of the Corona Accommodation and Recuperation Facility Agreement
	Result	14	26	41	
	Comparison with Forecast	+ 6	+11	+18	
Resorts Business	Previous Forecast	-13	8	-5	<ul style="list-style-type: none"> Re-expansion of new coronavirus infection since late June Unachieved due to high recovery rate planned
	Result	-13	- 0	-13	
	Comparison with Forecast	+ 0	- 8	- 8	
Other Business	Previous Forecast	-7	-6	-13	<ul style="list-style-type: none"> Foods and PKP Businesses exceeded the plan. Senior Life Business opened two new facilities as planned.
	Result	-3	-6	-10	
	Comparison with Forecast	+ 3	- 0	+ 3	
Total	Previous Forecast	-2	24	21	
	Result	10	28	39	
	Comparison with Forecast	+13	+ 4	+17	

Breakdown of Net Sales and Operating Income by Business Segments

Net Sales

FY 3/19 H1 FY 3/22 H1 FY 3/23 H1

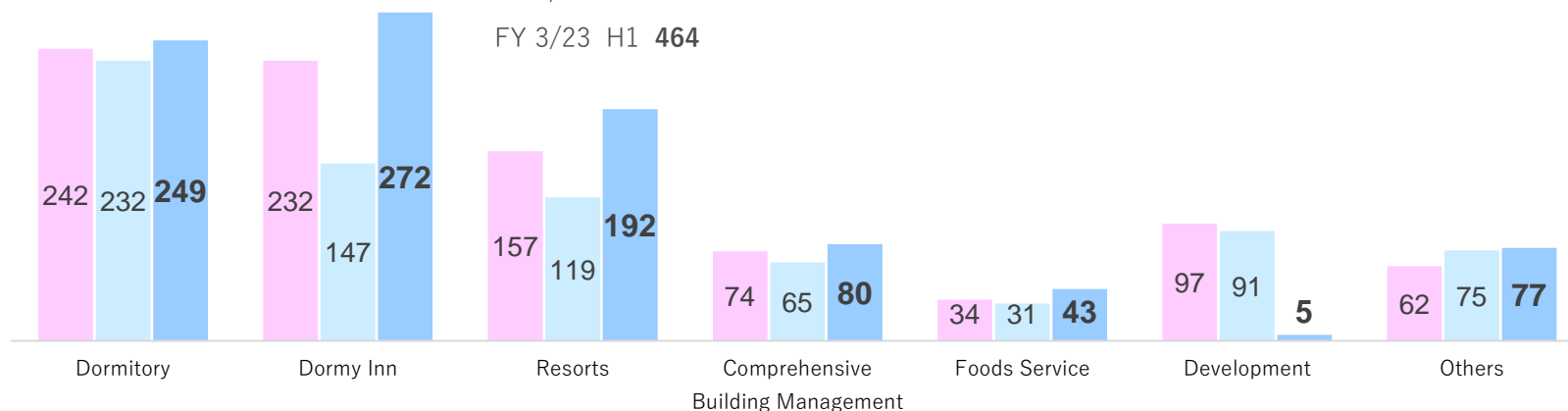
(100 million yen)

Hotel Business Total

FY 3/19 H1 389

FY 3/22 H1 266

FY 3/23 H1 464



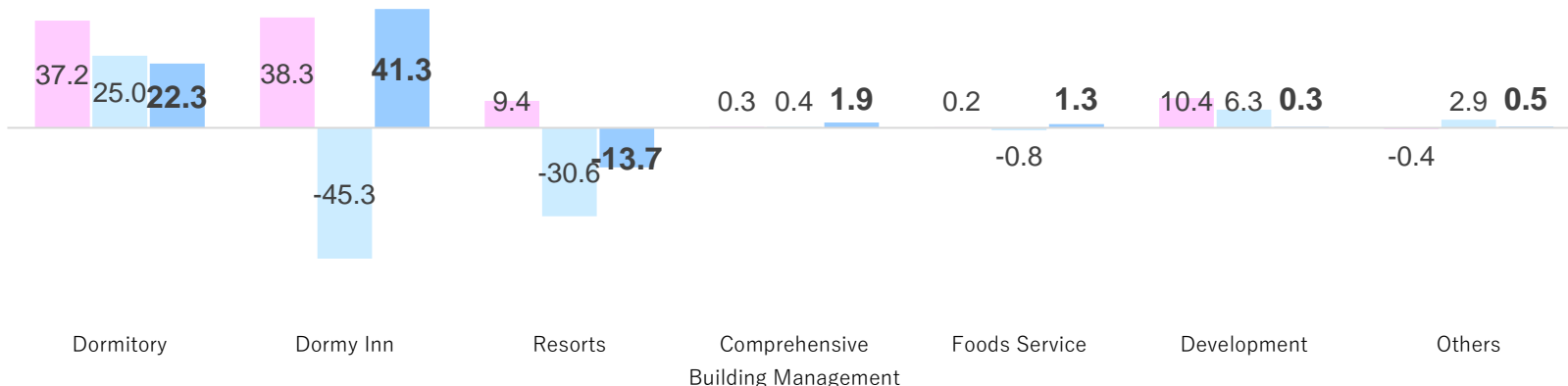
Operating Income

Hotel Business Total

FY 3/19 H1 47.7

FY 3/22 H1 -76.0

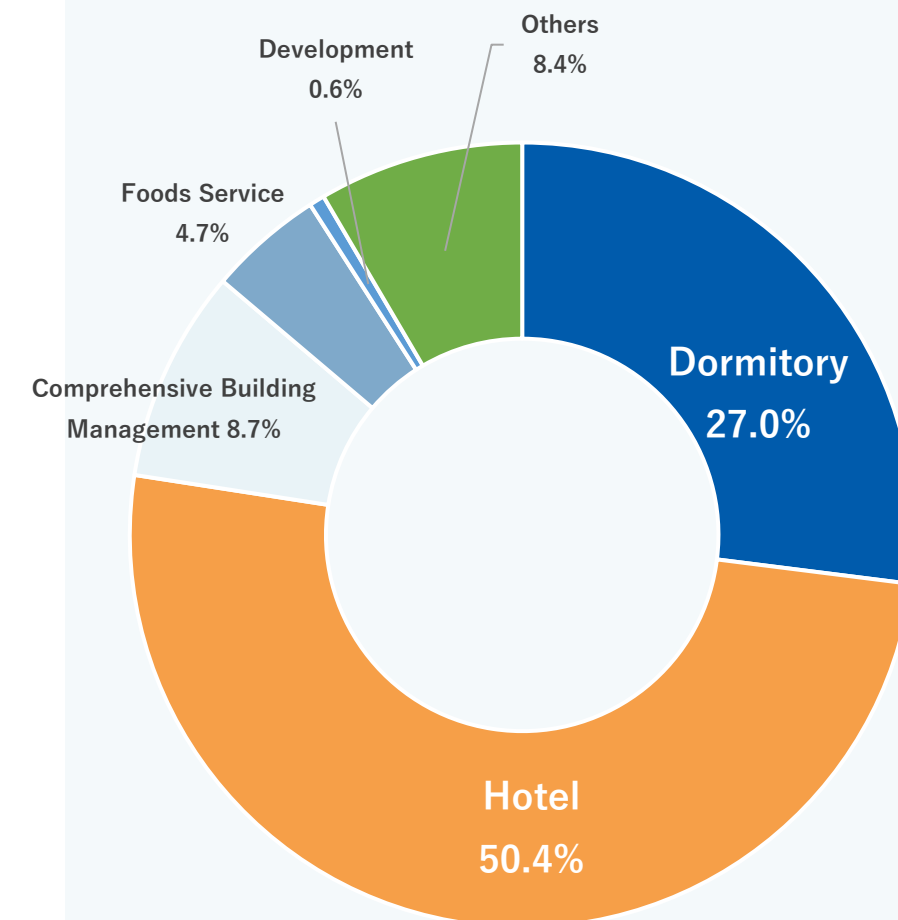
FY 3/23 H1 27.5



Sales Breakdown by Segment

FY 3/23 H1

(Including intersegment sales)

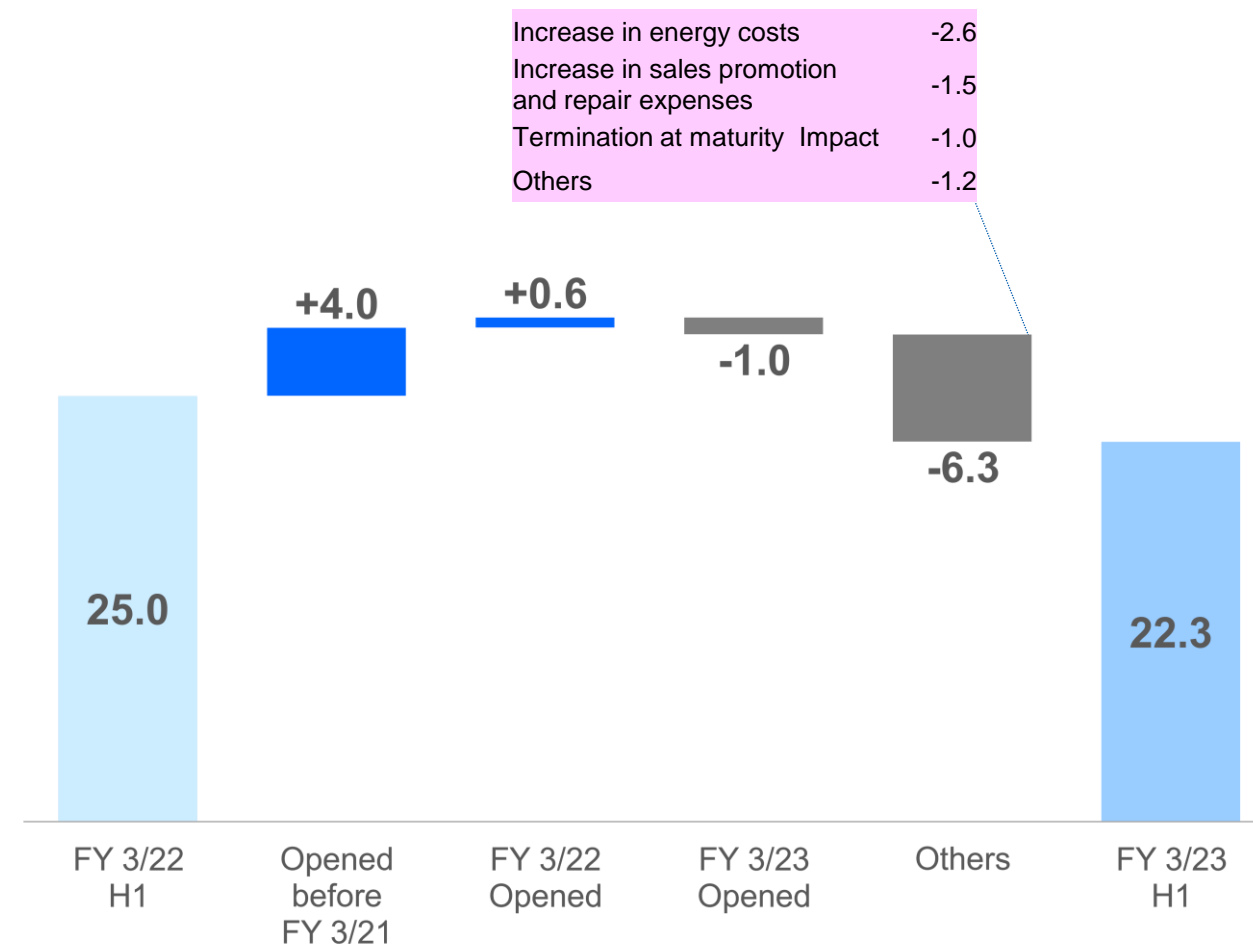
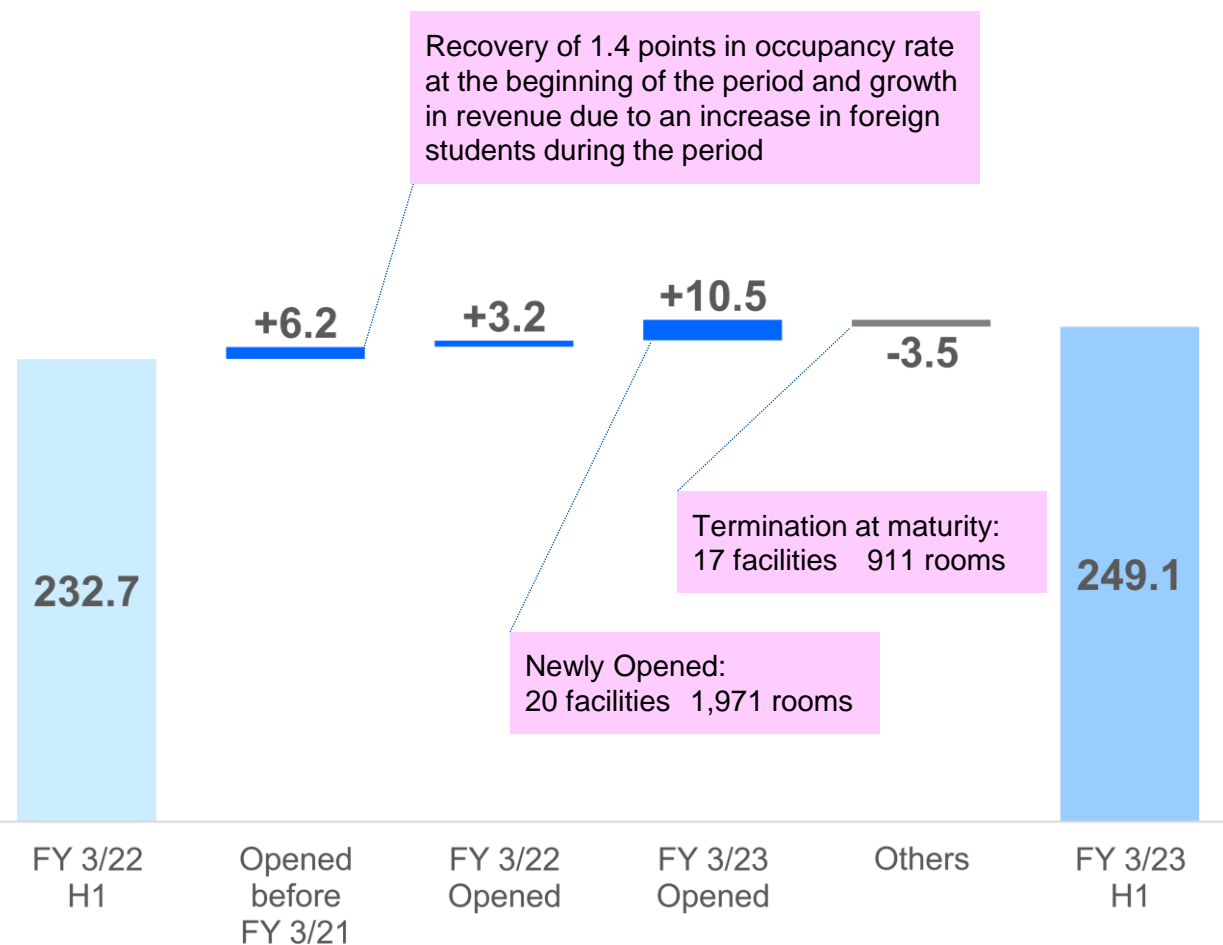


Dormitory Business: Net Sales and Operating Income

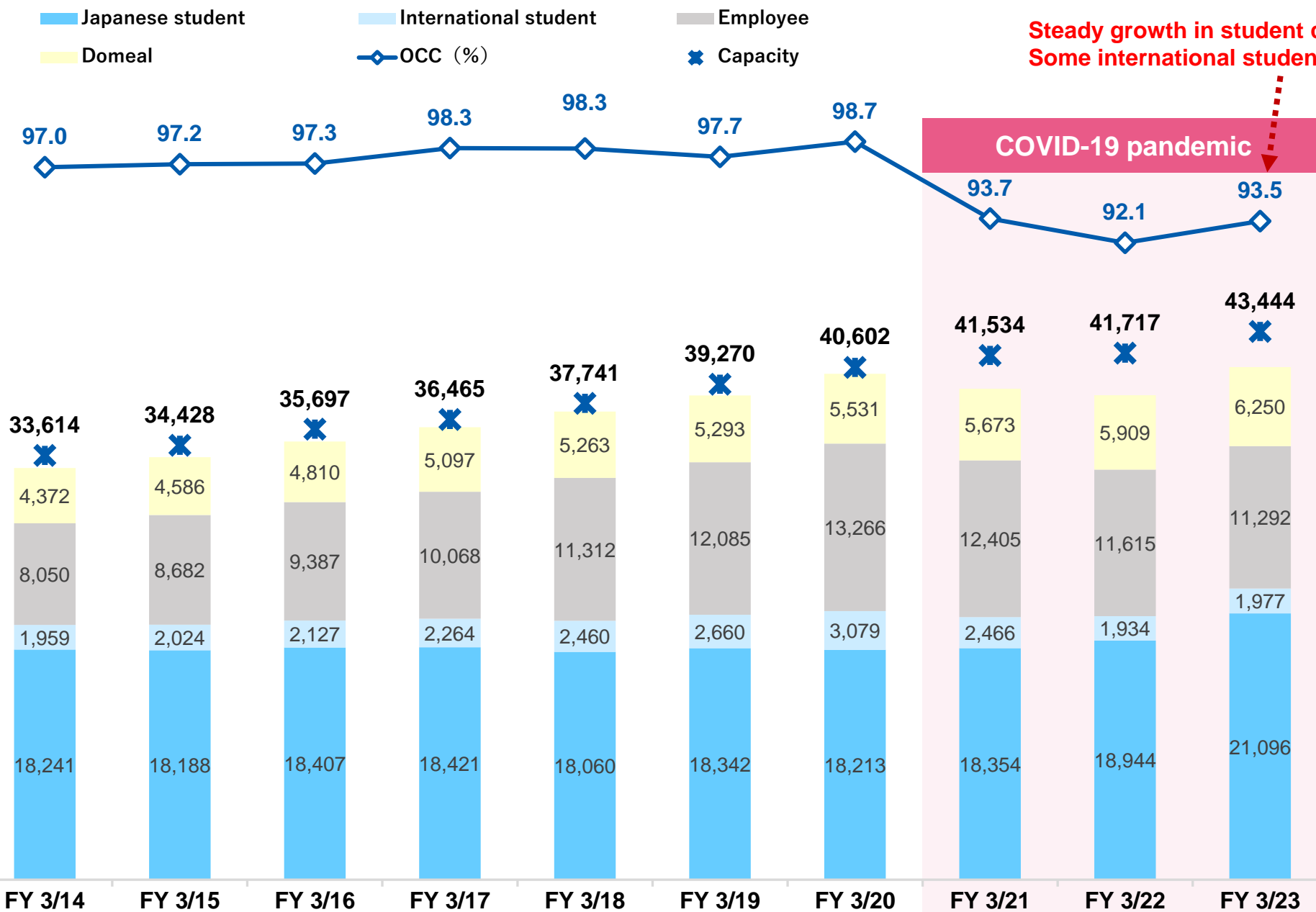
(100 million yen)

Net Sales Up 16.0 (+7.0%) YoY

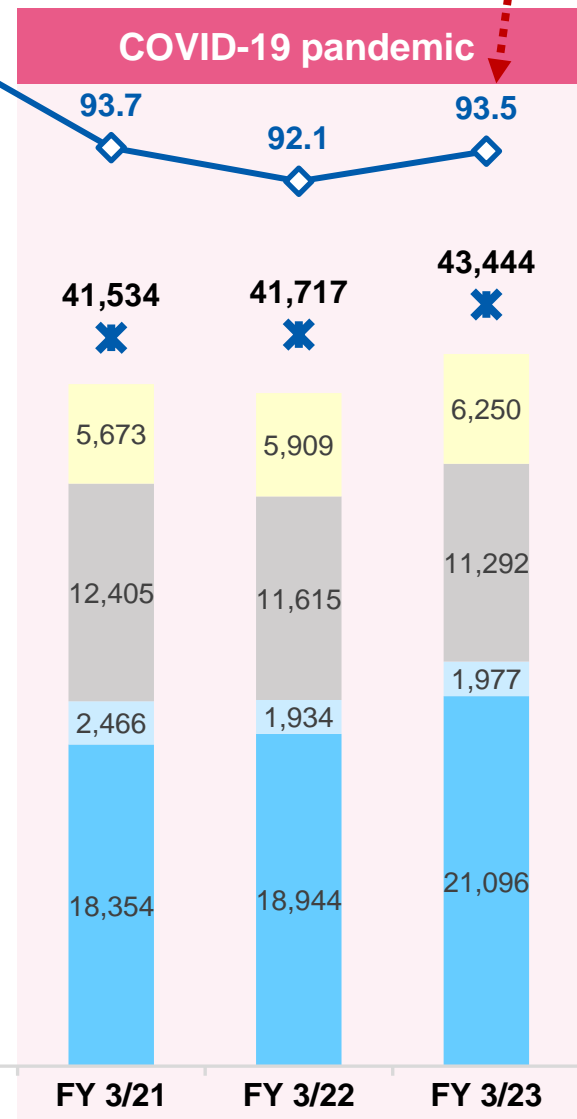
Operating Income Down 2.7 (-10.8%) YoY



Dormitory Business: Trends in Initial Number of Leased Units/Occupancy Ratio



Steady growth in student contracts.
 Some international students postponed their entry.



	FY 3/22	FY 3/23	YOY
Occupancy Ratio at the beginning	92.1%	93.5%	+1.4pt
Number of Properties (facilities)	502	514	+12
Number of Rooms	41,717	43,444	+1,727
Number of Rooms Occupied	38,402	40,615	+2,213

Breakdown of occupied rooms (rooms)

	FY 3/22	FY 3/23	YOY
Domeal	5,909	6,250	+341
Employee	11,615	11,292	-323
International Student	1,934	1,977	+43
Japanese Student	18,944	21,096	+2,152

Dormitory Business: Newly Opened

Opened a total of 1,971 rooms at 20 facilities locations, including Dormy Nakakasai Global House, which opened in September

Facility Name	Prefecture	Opening Month
Teikyo University Hachioji Otsuka	Tokyo	4/2022
Aichi Toho University Kyushinkan	Aichi	4/2022
Dormy Kyoto Yamashina	Kyoto	4/2022
Dormy Sazanuma	Kanagawa	4/2022
Dormy Utsunomiya	Tochigi	4/2022
Dormy Sapporo Oyachi	Hokkaido	4/2022
Dormy Sendai Yamamotocho	Miyagi	4/2022
Dormy Nishi-Shinjuku	Tokyo	4/2022
Dormy Kindaimae	Osaka	4/2022
Global House Nishinomiya Kitaguchi	Hyogo	4/2022

Facility Name	Prefecture	Opening Month
Dormy Minamimorimachi	Osaka	4/2022
Dormy Hiroshima Ekimae	Hiroshima	4/2022
RYUKOKU STUDENT HOME Koki	Kyoto	4/2022
DormyTokai University-Mae	Kanagawa	4/2022
Dormy Kokura Sakura-dori	Fukuoka	4/2022
Dormy Nakano-Sakaue	Tokyo	4/2022
Guranserio Oasa	Hokkaido	4/2022
Urban Terrace Ryokuchi Park	Osaka	4/2022
Domeal Kashiwa	Chiba	4/2022
Dormy Nakakasai Global House	Tokyo	9/2022
Total	20 facilities	1,971 rooms



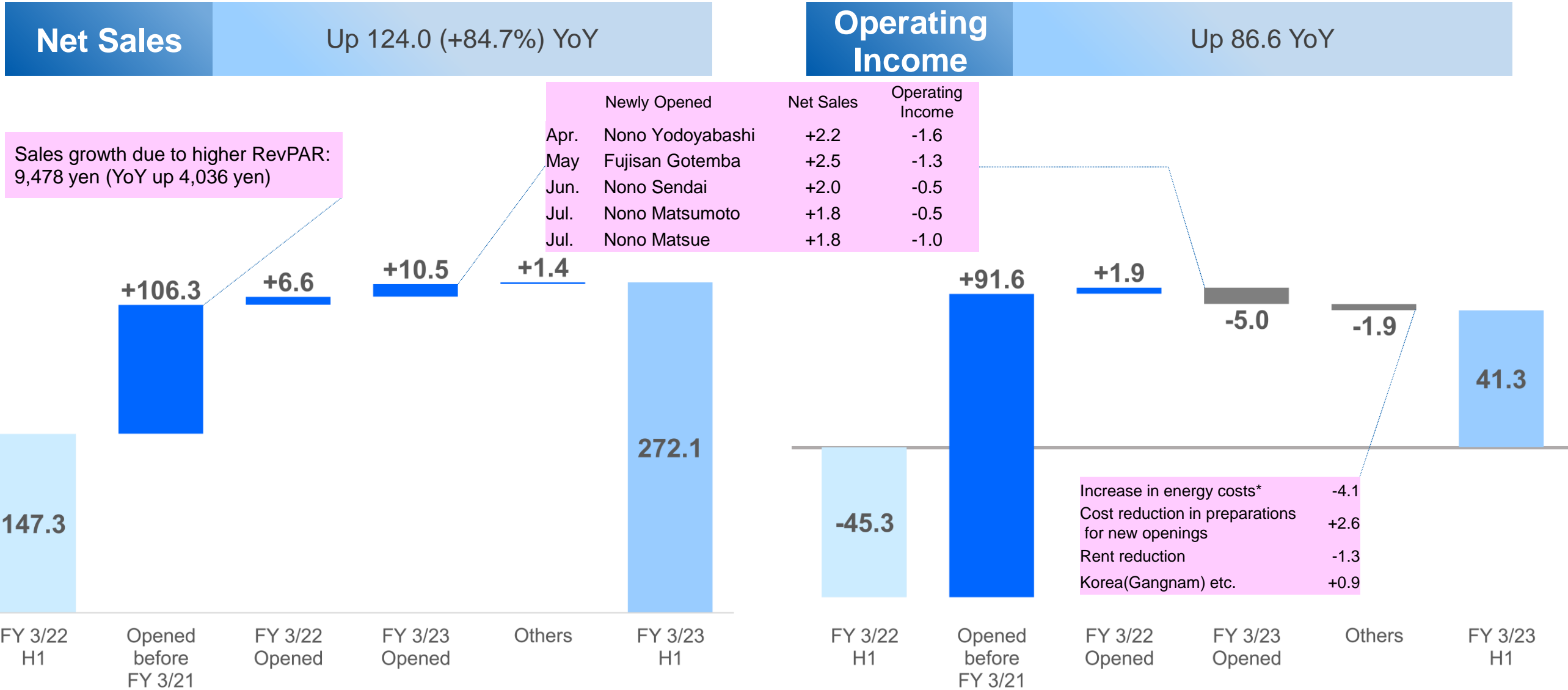
Teikyo University Hachioji Otsuka



RYUKOKU STUDENT HOME Koki

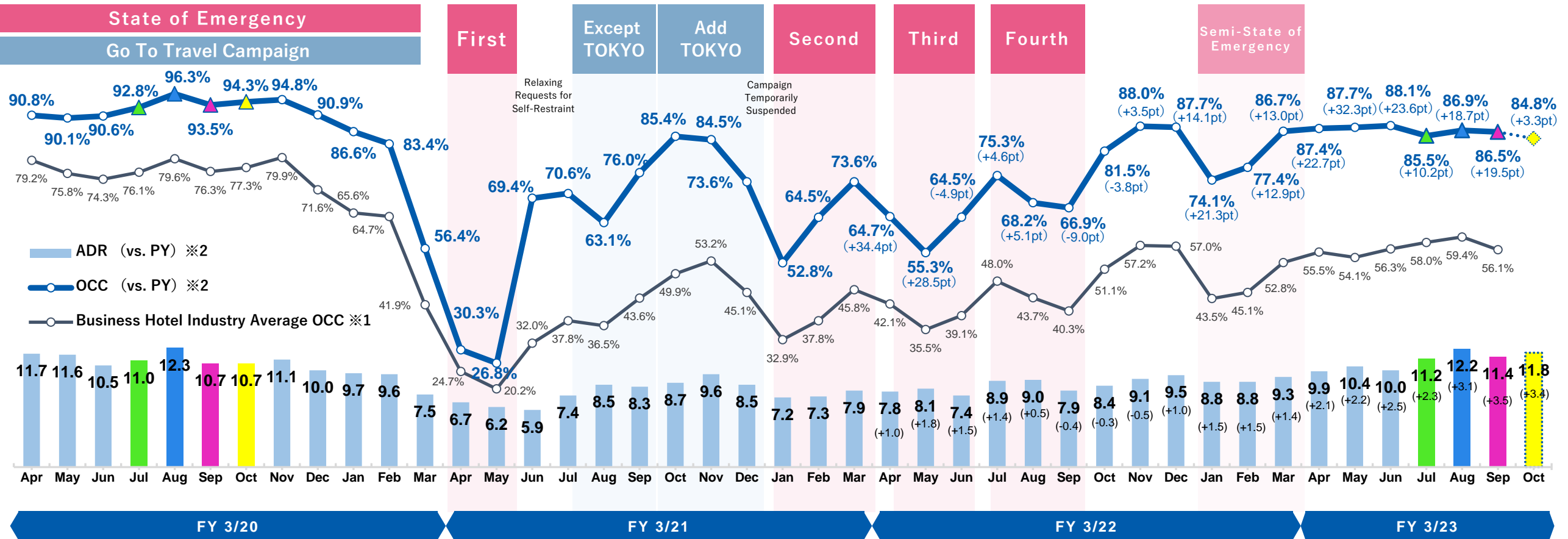
Dormy Inn Business: Net Sales and Operating Income

(100 million yen)



*RevPAR recovered by 4,036 yen from the previous period and the increase in energy cost, which was expected to be 280 yen in terms of RevPAR, was settled at 160 yen.

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

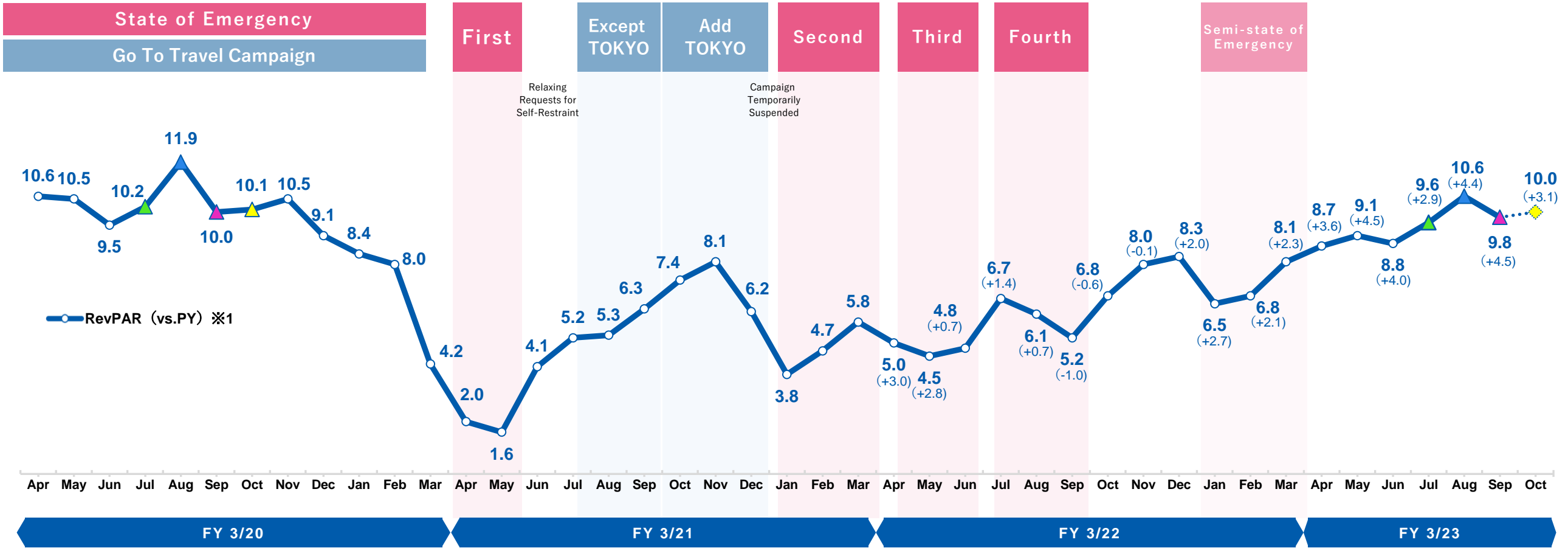


	(%)	FY 3/20					FY 3/21					FY 3/22					FY 3/23	
		Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year	Q1	Q2
OCC by Quarter ※2	Results (vs. PY)	90.5%	94.2%	93.3%	74.9%	88.1%	42.1%	69.8%	81.1%	63.8%	64.7%	61.5% (+19.3pt)	70.2% (+0.3pt)	85.7% (+4.6pt)	79.5% (+15.6pt)	74.2% (+9.5pt)	87.7% (+26.3pt)	86.3% (+16.1pt)
ADR by Quarter ※2	Results (vs. PY)	FY 3/20					FY 3/21					FY 3/22					FY 3/23	
		Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year	Q1	Q2
	(Thousand Yen)	11.3	11.4	10.6	9.1	10.6	6.2	8.0	8.9	7.5	7.9	7.8 (+1.6)	8.6 (+0.5)	9.0 (+0.0)	9.0 (+1.5)	8.7 (+0.7)	10.1 (+2.3)	11.6 (+3.0)

※1 Source: Japan Tourism Agency Homepage

※2 The table above shows figures excluding hotels that opened in April 2021 or later, in order to enable comparison between the three periods under the same conditions.

Dormy Inn Business: RevPAR by Month



RevPAR by Quarter ※1 (Thousand Yen)	FY 3/20					FY 3/21					FY 3/22					FY 3/23	
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year	Q1	Q2
	Results (vs. PY)	10.2	10.7	9.9	6.8	9.4	2.6	5.6	7.2	4.8	5.1	4.8 (+2.1)	6.0 (+0.4)	7.7 (+0.4)	7.2 (+2.3)	6.4 (+1.3)	8.8 (+4.0)

※1 The table above shows figures excluding hotels that opened in April 2021 or later, in order to enable comparison between the three periods under the same conditions.

Dormy Inn Business: Evaluations and Awards

Dormy Inn attained first place for the business hotel department at JCSI in 2021

Score of Customer Satisfaction in the Business Hotel Category

Ranking	2019	2021
1	↑ Dormy Inn 81.7	⇒ Dormy Inn 82.3
2	↓ Richmond Hotels 81.0	⇒ Richmond Hotels 82.2
3	⇒ Comfort Hotels 79.1	↑ Super Hotels 78.8
4	⇒ Super Hotels 78.5	↓ Comfort Hotels 76.9
5	⇒ Daiwa Roynet Hotels 77.4	

*In FY2020, no survey was conducted due to the COVID-19.



“JCSI(Japanese Customer Satisfaction Index)” is a survey of the customer satisfaction index in the service industries.

Japan Productivity Center is conducting a survey at six times per year, approximately 30 industries, about 400 companies are targeted.

Dormy Inn won first place in the ranking of “your most favorite business hotel”

Survey period: April 17 to April 24, 2022

Research organization: Netorabo Survey Team (Softbank Group, IT media Inc.)

Ranking	Name of Hotel	Vote tally
1	Dormy Inn	3,357
2	Route Inn Hotels	1,651
3	TOYOKO INN	1,096
4	Daiwa Roynet Hotels	992
5	Super Hotels	705
6	Richmond Hotels	560
7	Mitsui Garden Hotels	486
8	APA Hotels	414
9	Sotetsu Hotels	236
10	Tokyu REI Hotels	187
11	Mystays	111
12	Hotel Livemax	103
13	Smile Hotels	94
	Others	383

“Dormy Inn SEOUL KANGNAM” has received more than 8.0 customer points (out of 10 points) and Agoda Customer Review Awards 2022 for providing high quality service.



Agoda Customer Review Awards

Awarded to properties with an average customer review score of 8.0 or higher and meeting other criteria

Evaluated based on customer surveys in terms of cleanliness, facilities, location, room comfort, quality, service, and price

Dormy Inn Business: Newly Opened

"Nono" series is the center of the opening of 5 facilities with approximately 800 rooms, and EXPRESS Fujisan Gotemba, the first roadside store to open in 5 years, has also been very popular.

Facility Name	Prefecture	Number of Rooms	Opening Month
Onyado Nono Yodoyabashi	Osaka	159 rooms	4/2022
Dormy Inn EXPRESS Fujisan Gotemba	Shizuoka	150 rooms	5/2022
Onyado Nono Sendai	Miyagi	125 rooms	6/2022
Onyado Nono Matsumoto	Nagano	168 rooms	7/2022
Onyado Nono Matsue	Shimane	199 rooms	7/2022
Dormy Inn Okayama	Okayama	152 rooms	11/2022
Dormy Inn PREMIUM Ginza	Tokyo	154 rooms	Scheduled to open in 3/2023
Total	7 facilities	1,107 rooms	



Onyado Nono Yodoyabashi



Dormy Inn EXPRESS Fujisan Gotemba



Onyado Nono Sendai



Onyado Nono Matsumoto



Onyado Nono Matsue

Resorts Business: Net Sales and Operating Income

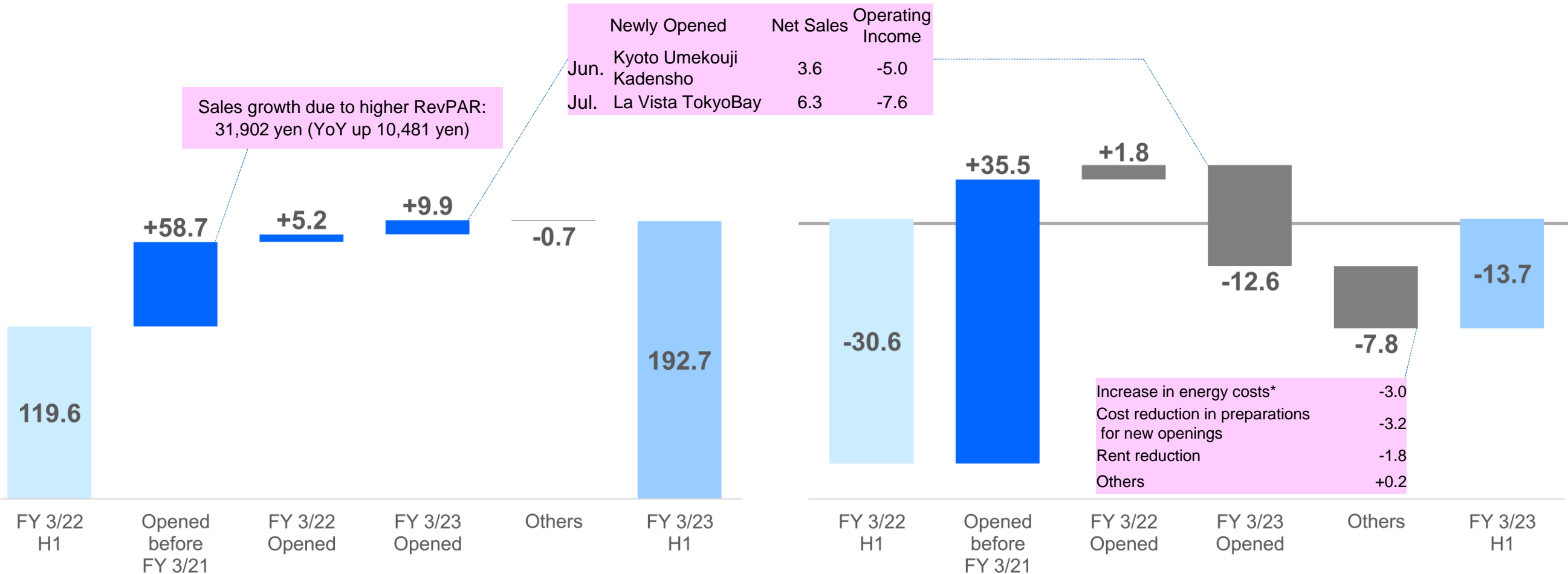
(100 million yen)

Net Sales

Up 73.0 (+61.1%) YoY

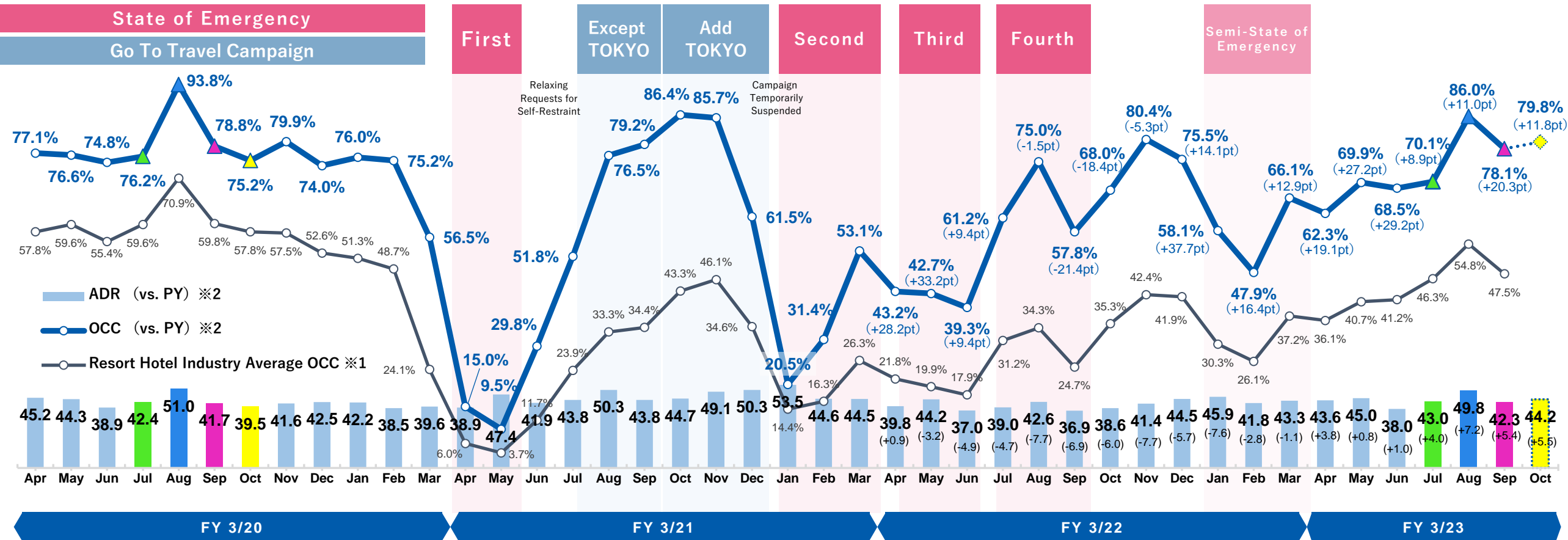
Operating Income

Up 16.9 YoY



*RevPAR recovered by 10,481 yen from the previous period and the increase in energy cost, which was expected to be 580 yen in terms of RevPAR, was settled at 551 yen.

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

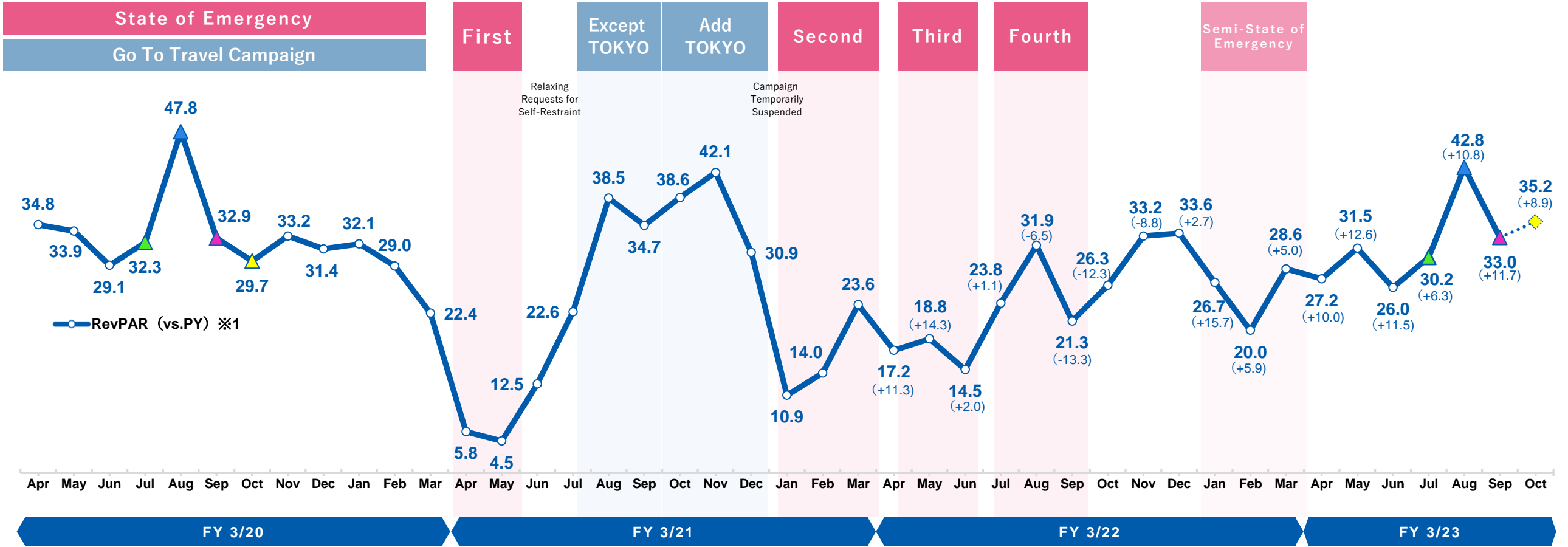


	(%)	FY 3/20					FY 3/21					FY 3/22					FY 3/23	
		Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year	Q1	Q2
OCC by Quarter ※2	Results (vs. PY)	76.2%	82.9%	76.3%	69.0%	76.1%	17.1%	69.3%	77.3%	35.0%	51.8%	41.7% (+24.7pt)	64.7% (-4.6pt)	74.5% (-2.8pt)	57.7% (+22.6pt)	59.7% (+7.9pt)	67.0% (+25.2pt)	78.1% (+13.4pt)
ADR by Quarter ※2	(Thousand Yen)	FY 3/20					FY 3/21					FY 3/22					FY 3/23	
		Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year	Q1	Q2
	Results (vs. PY)	43.0	45.4	41.2	40.2	42.5	41.9	46.3	47.9	46.4	46.6	40.5 (-1.3)	39.8 (-6.4)	41.5 (-6.3)	43.8 (-2.5)	41.4 (-5.2)	42.2 (+1.7)	45.3 (+5.5)

※1 Source: Japan Tourism Agency Homepage

※2 The table above shows figures excluding hotels that opened in April 2021 or later, in order to enable comparison between the three periods under the same conditions.

Resorts Business: RevPAR by Month



RevPAR by Quarter ※1 (Thousand Yen)	FY 3/20					FY 3/21					FY 3/22					FY 3/23	
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year	Q1	Q2
	Results (vs. PY)	32.7	37.7	31.4	27.7	32.3	7.1	32.0	37.0	16.2	24.1	16.9 (+9.7)	25.7 (-6.3)	30.9 (-6.0)	25.3 (+9.0)	24.7 (+0.5)	28.3 (+11.4)

※1 The table above shows figures excluding hotels that opened in April 2021 or later, in order to enable comparison between the three periods under the same conditions.

Resorts Business: Evaluations and Awards

Japan Brand Collection 2022

Awarded for two consecutive years

Hotels TOP100 (MEDIA PAL Co., Ltd.)



Onyado Shikishimakan



Inazumi Hot Spring

JTB's Choice for Best Service Ryokan·Hotel 2021

JTB's Choice for Best Service Ryokan·Hotel 3 facilities awarded



Inazumi Hot Spring



Inishie no yado Keiun



La Vista Kirishima Hills

Rakuten Travel Awards 2021

Gold Award·Japan Inn Award TOP47



Hamachidori no Yu Kaishu

Tokenoyu Setsugetsuka
Arashiyama Hot Spring
Kadensho in Kyoto
La Vista Hakodate Bay
Onyado Shikishimakan

Jalan Awards 2021

Jalan Pack Professional Award



La Vista Hakodate Bay

60th Hokkaido Food Sanitation Conference

Hokkaido Governor's Award



Kita-no-Banya

Restaurant in La Vista Hakodate Bay "Kita-no-Banya" was awarded the Hokkaido Governor's Award for Excellence in Food Hygiene as a store with excellent food hygiene.

Resorts Business: Newly Opened

Grand opening of 2 urban resorts with about 760 rooms and, in the 2nd half of the year, 3 well-located facilities are in progress as planned.

Facility Name	Prefecture	Number of Rooms	Opening Month
Kyoto Umekouji Kadensho	Kyoto	180 rooms	6/2022
La Vista TokyoBay	Tokyo	582 rooms	7/2022
Shionoyu Hot Spring Rengetsu	Tochigi	89 rooms	10/2022
Jozankei Yuraku Souan	Hokkaido	102 rooms	11/2022 Pre-Opening
La Vista Hakodate Bay ANNEX	Hokkaido	74 rooms	Scheduled to pre-open in 2/2023
Total	5 facilities	1,027 rooms	



Kyoto Umekouji Kadensho



La Vista TokyoBay



Shionoyu Hot Spring Rengetsu



Jozankei Yuraku Souan



La Vista Hakodate Bay ANNEX

Other Businesses: Newly Opened

Senior Life Business steadily opened 2 new facilities with 103 rooms, and Foods business resumed store openings.

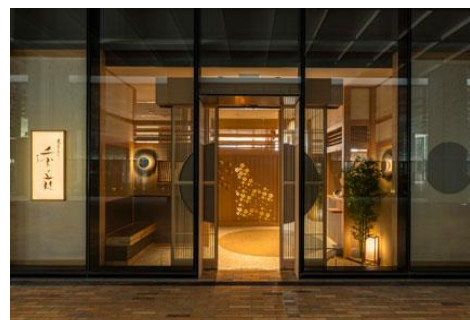
	Facility Name	prefecture	number of rooms	Opening Month
Senior Life Business	Dormy Iwatsuki Levi II	Saitama	50 rooms	6/2022
	Dormy Tsukishima Ekimae	Tokyo	53 rooms	9/2022
Foods Business	Toki no Niwa La Vista TokyoBay Toyosu Store	Tokyo		4/2022
	CAFE OASIS La Vista TokyoBay Toyosu Store	Tokyo		4/2022
	Ryotei Sato Toki no Niwa Akasaka Store Koryori Koyuki	Tokyo		8/2022



Dormy Iwatsuki Levi II



Dormy Tsukishima Ekimae



Toki no Niwa La Vista TokyoBay Toyosu Store



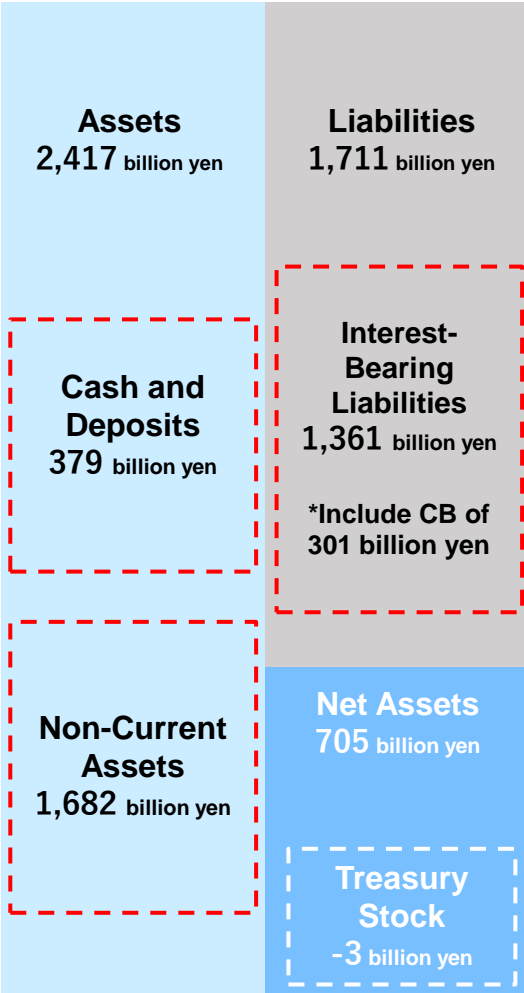
CAFE OASIS La Vista TokyoBay Toyosu Store



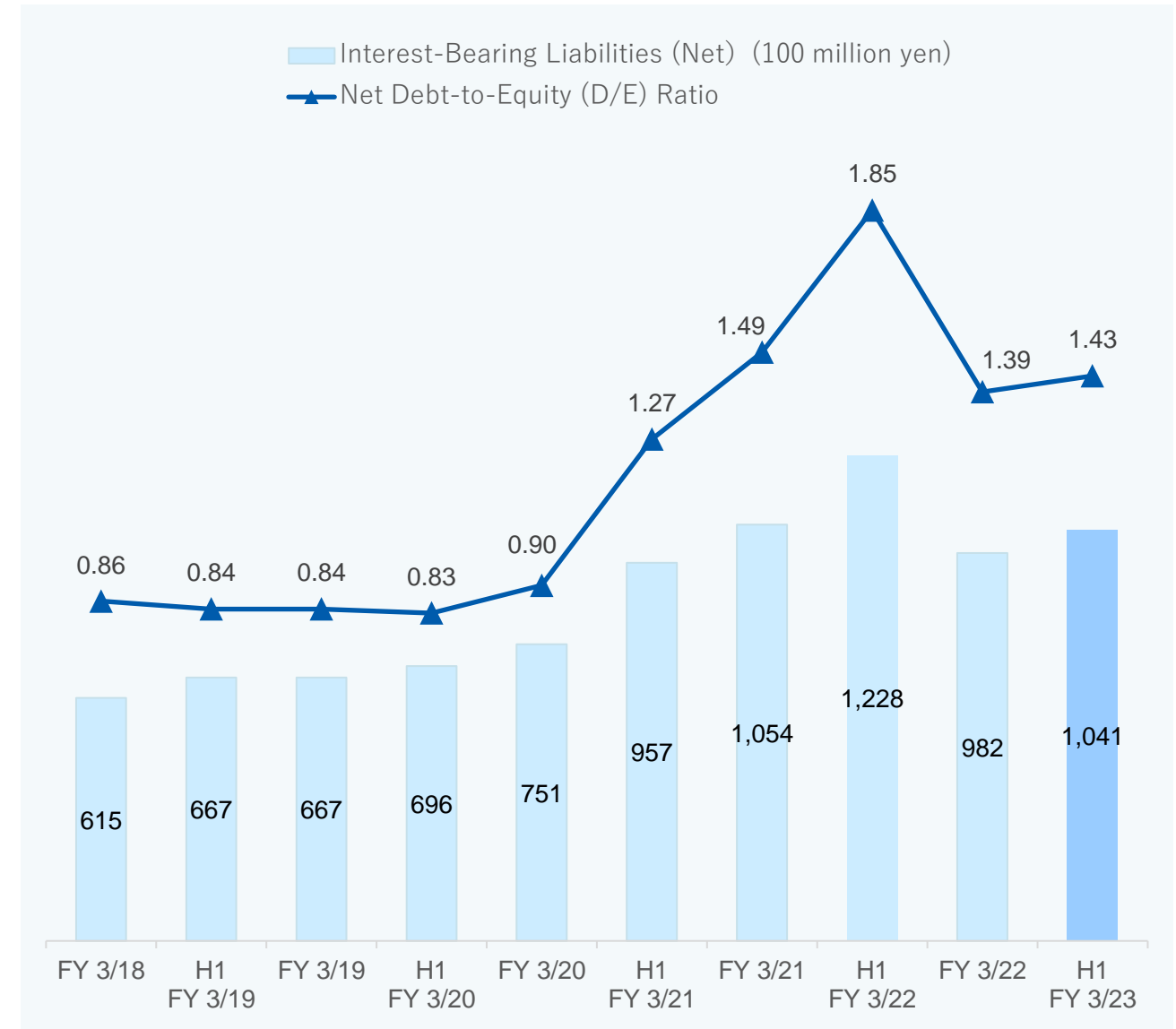
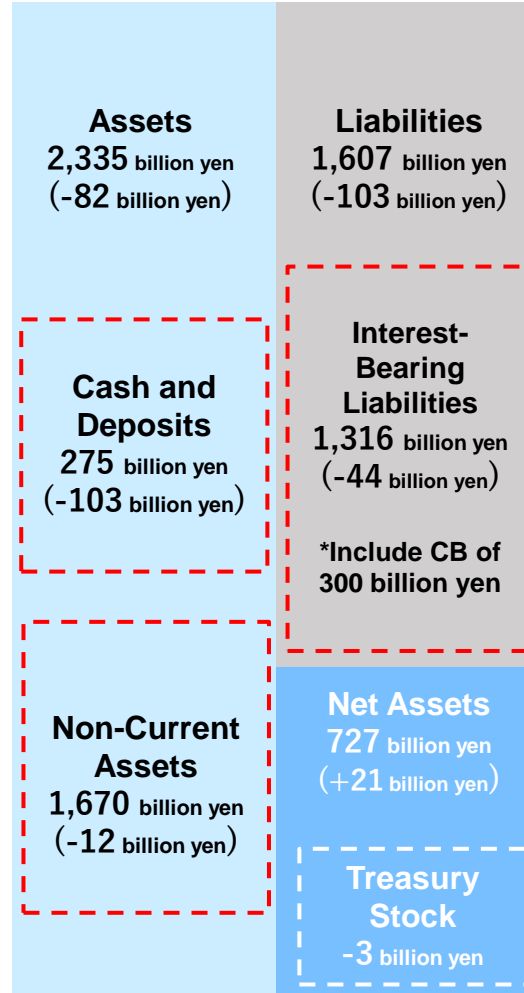
Ryotei Sato Toki no Niwa Akasaka Store Koryori Koyuki

Balance Sheet, Net D/E Ratio

End of March 2022



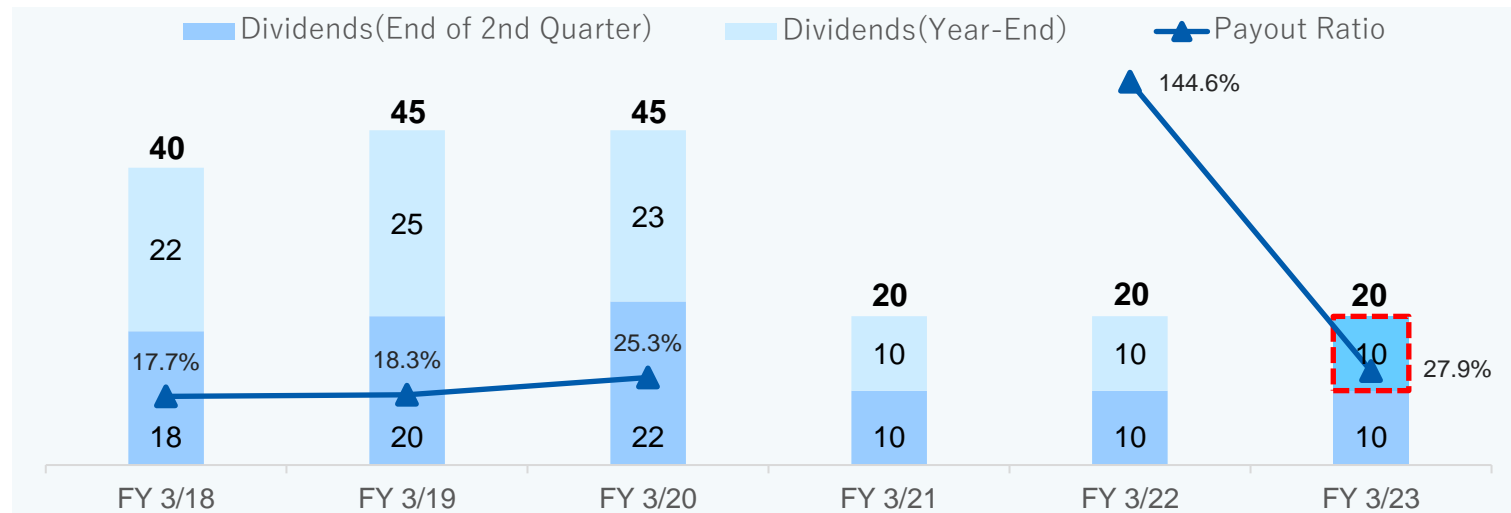
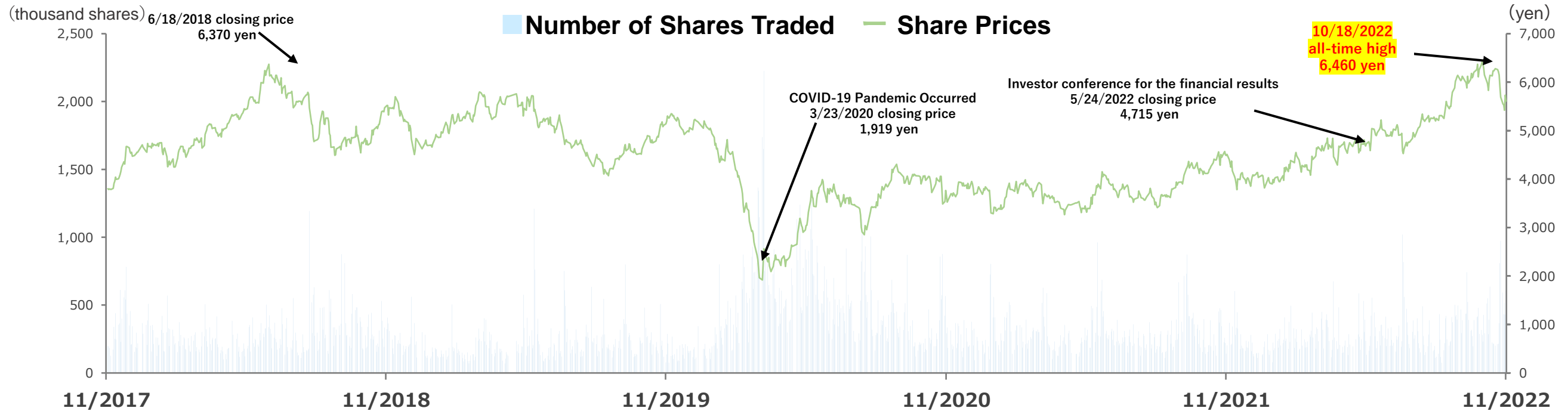
End of September 2022



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

Share Price and Dividend Trends

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Note) The Company's profit distribution is determined based on the perspective of "returning profits to shareholders through performance-linked and earnings-responsive dividends" and the basic stance of "rewarding shareholders through stable and steady dividends over the long term."

【Credit Rating】 10/3/2022 **JCR**
 Long-term Issuer Rating **BBB**
 Rating Outlook **Negative → Stable**

Reasons for the rating (excerpt) :
 The business foundation of the dormitory business is strong and supports the Company's performance. The hotel business is recognized for its strong competitiveness, and its differentiation measures, such as special meals and large public baths, are highly valued by customers. We expect the company's financial performance to gradually improve and its financial base to improve as well.

01 Summary of Financial Results for FY 3/23 H1

02 **Projected Consolidated Financial Results**

03 Policy for Formulation of New Medium-Term
Management Plan

Projected Consolidated Financial Results: Main Financial Indicators

100 million yen	FY 3/22 Results	FY 3/23 Previous Forecast	FY 3/23 Revised Forecast	Increase/ Decrease		FY 3/22 Results excluding sales and leaseback	YoY Comparison of Increase/Decrease in New Openings*1	Increase/ Decrease in Work Cost for Large-Scale Renewal*1	YoY comparison without factors on the left
	(4/2021 – 3/2022)	(4/2022 – 3/2023) A	(4/2022 – 3/2023) B	B – A		C	D	E	B – C – D – E
Net Sales	1,737	1,740	1,700	-40	-2.3%	1,363	+77	0	+259
Operating Income	14	30	55	+25	+83.3%	-68	-29	-7	+160
Ordinary Income	18	22	51	+29	+131.8%				
Net Income	5	10	28	+18	+180.0%				
EPS (yen)	13.8	25.6	71.8	+46.2	+180.0%				
DPS (yen)	20	20	20	—	—				
Depreciation Expense	60	65	65	—	—				
Cash Flow*2	66	75	93	+18	+24.0%				
Capital Investment	95	164	164	—	—				

*1 Changed from the gross figures in the "Financial Results for the Fiscal Year Ended March 31, 2022" released on May 24, 2022 to the figures for the increase/decrease compared to the previous fiscal year.

*2 Cash Flow: Net Income + Depreciation Expense

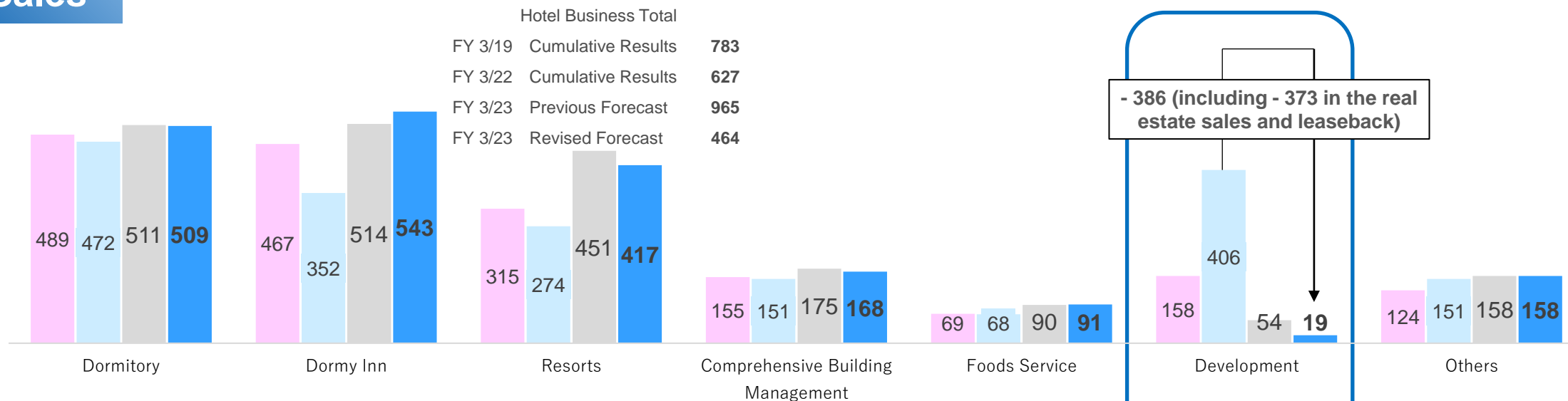
Projected Consolidated Financial Results : Breakdown by Segments

(100 million yen)

Net Sales

FY 3/19 Cumulative Results
 FY 3/23 Previous Forecasts

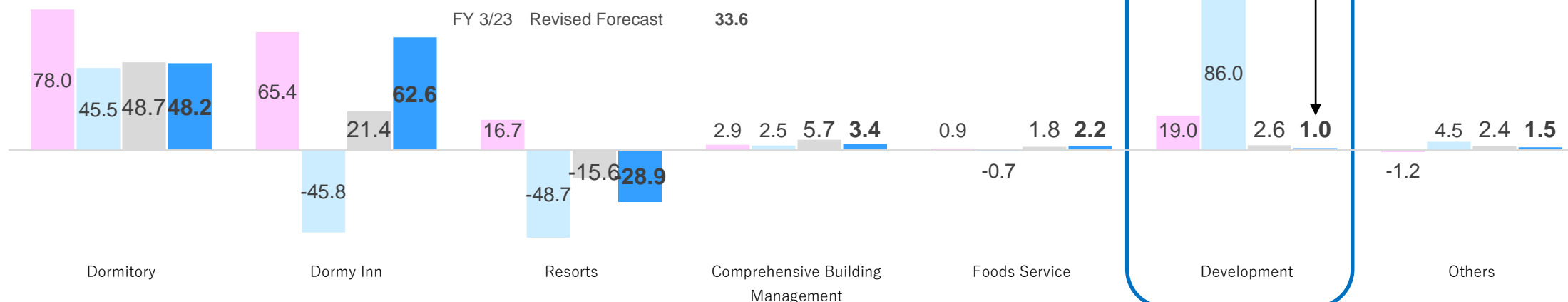
FY 3/22 Cumulative Results
 FY 3/23 Revised Forecasts



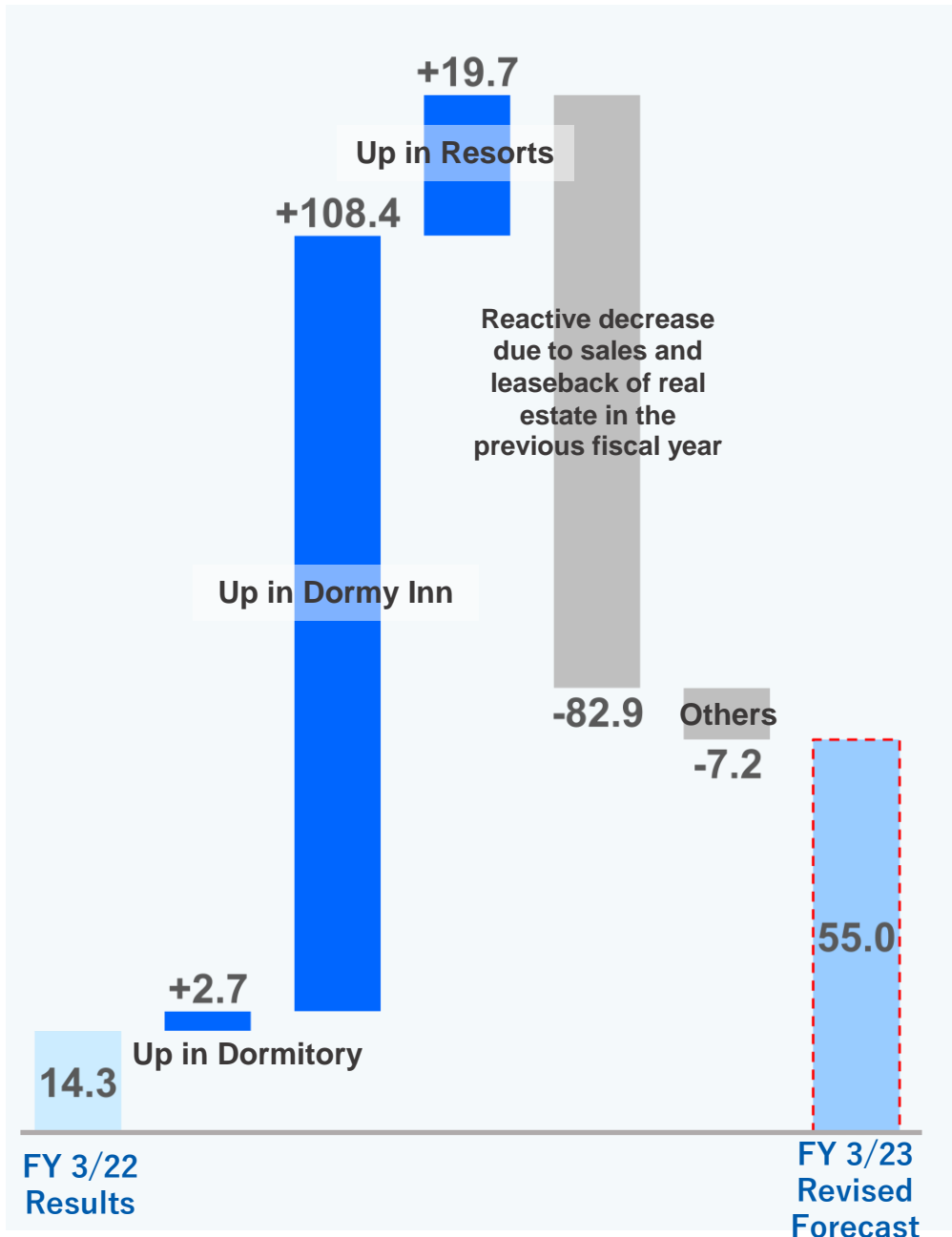
Operating Income

Hotel Business Total

FY 3/19 Cumulative Results	82.1
FY 3/22 Cumulative Results	- 94.5
FY 3/23 Previous Forecast	5.7
FY 3/23 Revised Forecast	33.6

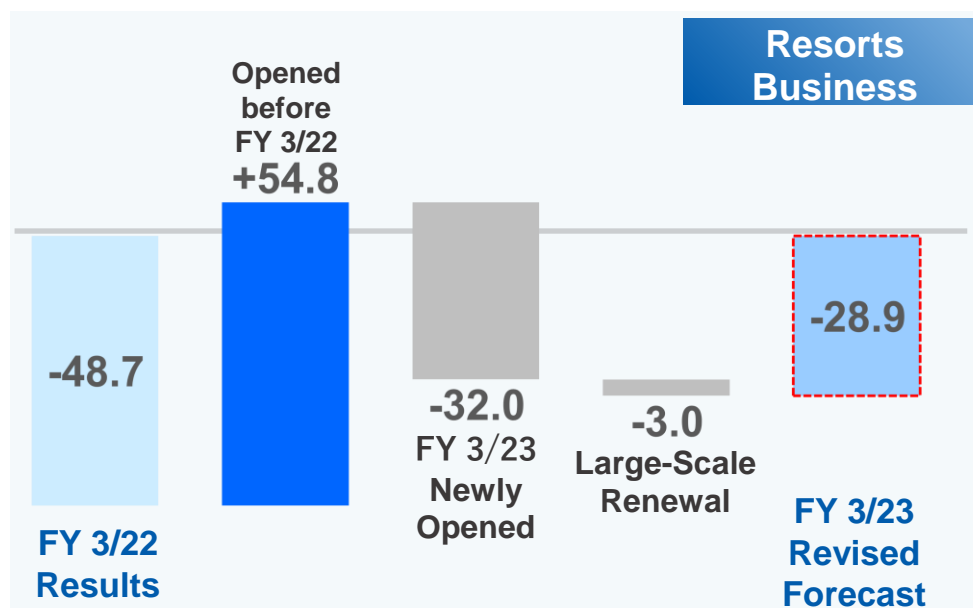
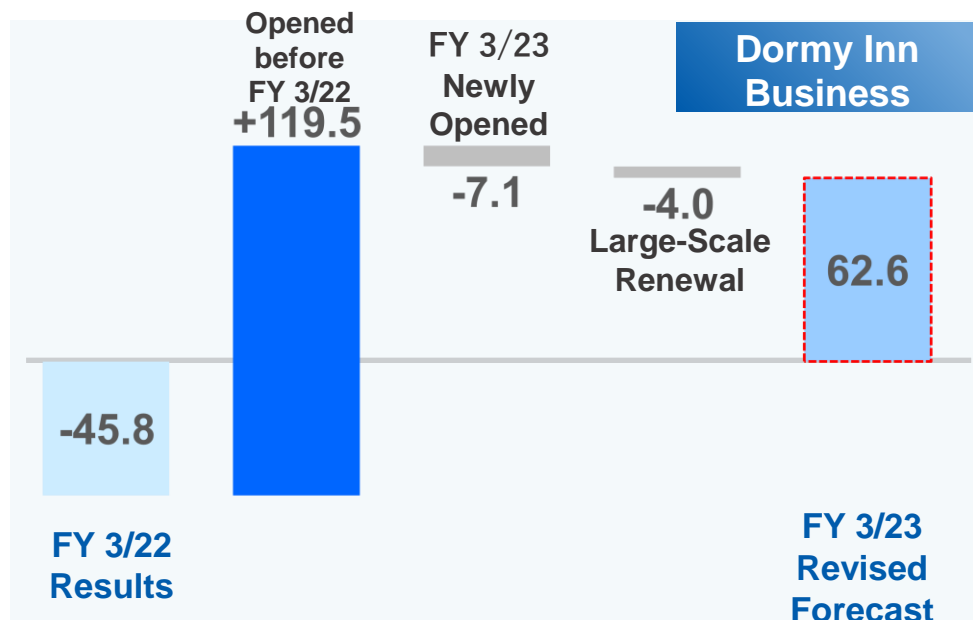


Projected Consolidated Financial Results : Quarterly Operating Income by Major Segments



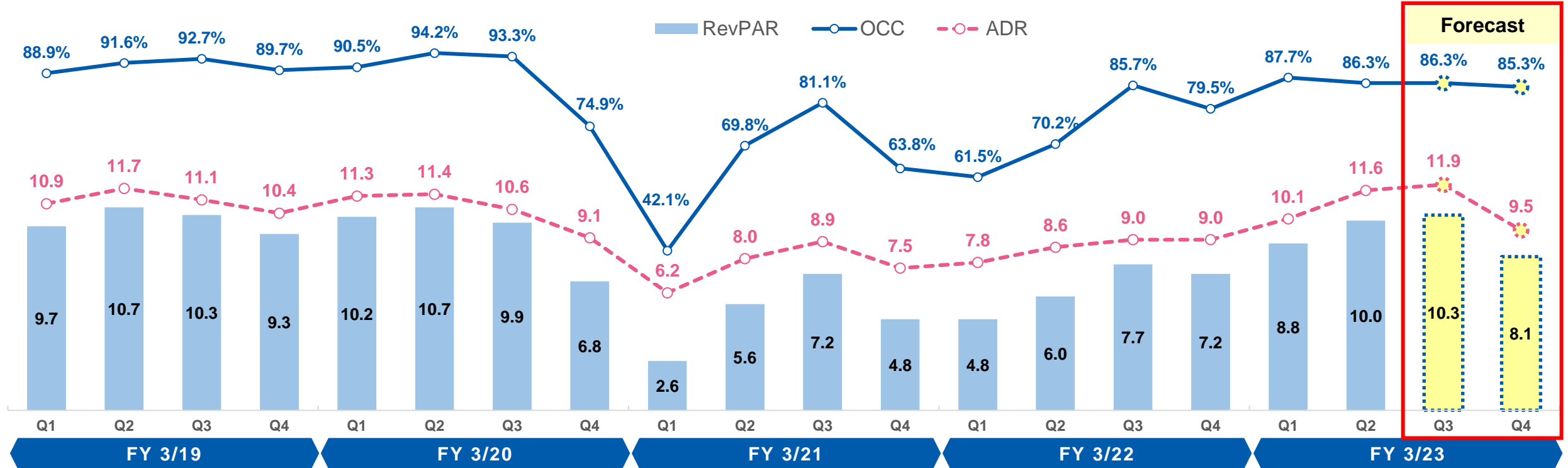
Operating Income (100 million yen)		Q1 (4 – 6)	Q2 (7 – 9)	Q3 (10 – 12)	Q4 (1 – 3)	Annual cumulative total
Dormitory Business	FY 3/22 Results	14	10	4	15	45
	FY 3/23 Previous Forecast	10	8	8	22	48
	FY 3/23 Revised Forecast	12	9	6	19	48
Dormy Inn Business	FY 3/22 Results	- 27	- 17	4	- 5	- 45
	FY 3/23 Previous Forecast	8	14	5	- 6	21
	FY 3/23 Revised Forecast	14	26	29	- 8	62
Resorts Business	FY 3/22 Results	- 21	- 9	- 1	- 16	- 48
	FY 3/23 Previous Forecast	- 13	8	1	- 11	- 15
	FY 3/23 Revised Forecast	- 13	- 0	5	- 20	- 28
Sales and Leaseback of Real Estate Business	FY 3/22 Results	–	5	–	77	82
	FY 3/23 Previous Forecast	–	–	–	–	–
	FY 3/23 Revised Forecast	–	–	–	–	–
Others Business	FY 3/22 Results	- 5	- 5	- 4	- 4	- 19
	FY 3/23 Previous Forecast	- 7	- 6	- 6	- 4	- 24
	FY 3/23 Revised Forecast	- 3	- 6	- 9	- 7	- 26
Total	FY 3/22 Results	- 40	- 15	3	66	14
	FY 3/23 Previous Forecast	- 2	24	8	- 0	30
	FY 3/23 Revised Forecast	10	28	32	- 16	55

Projected Consolidated Financial Results: Hotel Business by Sub-Segments



Operating Income		(100 million yen)					
		1Q	2Q	3Q	4Q	Annual cumulative total	
		(4 - 6)	(7 - 9)	(10 - 12)	(1 - 3)		
Dormy Inn Business	Opened before FY 3/22	FY 3/22 Results	- 27	- 17	4	- 5	- 45
		FY 3/23 Previous Forecast	10	16	8	- 2	32
		FY 3/23 Revised Forecast	18	27	30	- 3	73
	FY 3/23 Newly Opened (7 facilities)	FY 3/22 Results	-	-	-	-	-
		FY 3/23 Previous Forecast	- 2	- 1	- 2	- 0	- 6
		FY 3/23 Revised Forecast	- 3	- 1	0	- 2	- 7
	Large-Scale Renewal	FY 3/22 Results	-	-	-	-	-
		FY 3/23 Previous Forecast	-	-	- 1	- 3	- 4
		FY 3/23 Revised Forecast	-	-	- 1	- 3	- 4
	Total	FY 3/22 Results	- 27	- 17	4	- 5	- 45
		FY 3/23 Previous Forecast	8	14	5	- 6	21
		FY 3/23 Revised Forecast	14	26	29	- 8	62
Resorts Business	Opened before FY 3/22	FY 3/22 Results	- 21	- 9	- 1	- 16	- 48
		FY 3/23 Previous Forecast	- 10	14	10	0	15
		FY 3/23 Revised Forecast	- 9	8	10	- 3	6
	FY 3/23 Newly Opened (5 facilities)	FY 3/22 Results	-	-	-	-	-
		FY 3/23 Previous Forecast	- 3	- 6	- 8	- 9	- 28
		FY 3/23 Revised Forecast	- 3	- 8	- 4	- 14	- 32
	Large-Scale Renewal	FY 3/22 Results	-	-	-	-	-
		FY 3/23 Previous Forecast	-	-	-	- 3	- 3
		FY 3/23 Revised Forecast	-	-	-	- 3	- 3
	Total	FY 3/22 Results	- 21	- 9	- 1	- 16	- 48
		FY 3/23 Previous Forecast	- 13	8	1	- 11	- 15
		FY 3/23 Revised Forecast	- 13	- 0	5	- 20	- 28

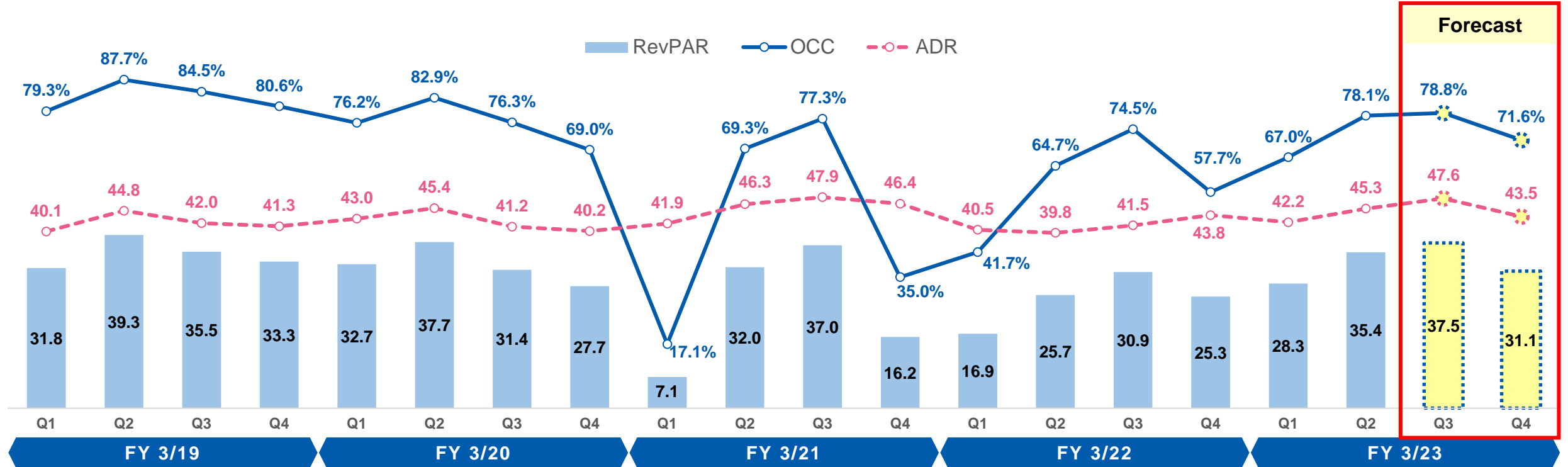
Projected Consolidated Financial Results: Quarterly Trends in KPI of the Dormy Inn Business



	OCC (%)					ADR (Thousand yen)					RevPAR (Thousand yen)				
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
FY 3/19	88.9	91.6	92.7	89.7	90.8	10.9	11.7	11.1	10.4	11.0	9.7	10.7	10.3	9.3	10.0
FY 3/20	90.5	94.2	93.3	74.9	88.1	11.3	11.4	10.6	9.1	10.6	10.2	10.7	9.9	6.8	9.4
FY 3/21	42.1	69.8	81.1	63.8	64.7	6.2	8.0	8.9	7.5	7.9	2.6	5.6	7.2	4.8	5.1
FY 3/22	61.5	70.2	85.7	79.5	74.2	7.8	8.6	9.0	9.0	8.7	4.8	6.0	7.7	7.2	6.4
FY 3/23 Previous Forecast	87.3	89.1	88.9	85.3	87.7	9.6	10.5	9.8	9.5	9.9	8.4	9.4	8.7	8.1	8.6
FY 3/23 Revised Forecast	87.7	86.3	86.3	85.3	86.4	10.1	11.6	11.9	9.5	10.8	8.8	10.0	10.3	8.1	9.3
FY 3/19 vs.	-1.1pt	-5.3pt	-6.4pt	-4.5pt	-4.3pt	-0.8	-0.1	+0.8	-0.8	-0.2	-0.8	-0.7	+0.0	-1.2	-0.7

Note) The table above shows figures excluding hotels that opened in April 2021 or later, in order to enable comparison between the three periods under the same conditions

Projected Consolidated Financial Results: Quarterly Trends in KPI of the Resorts Business



	OCC (%)					ADR (Thousand yen)					RevPAR (Thousand yen)				
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
FY 3/19	79.3	87.7	84.5	80.6	83.0	40.1	44.8	42.0	41.3	42.1	31.8	39.3	35.5	33.3	35.0
FY 3/20	76.2	82.9	76.3	69.0	76.1	43.0	45.4	41.2	40.2	42.5	32.7	37.7	31.4	27.7	32.3
FY 3/21	17.1	69.3	77.3	35.0	51.8	41.9	46.3	47.9	46.4	46.6	7.1	32.0	37.0	16.2	24.1
FY 3/22	41.7	64.7	74.5	57.7	59.7	40.5	39.8	41.5	43.8	41.4	16.9	25.7	30.9	25.3	24.7
FY 3/23 Previous Forecast	66.9	80.2	77.8	71.1	74.1	43.5	49.2	47.9	46.4	46.9	29.1	39.5	37.3	33.0	34.8
FY 3/23 Revised Forecast	67.0	78.1	78.8	71.6	73.9	42.2	45.3	47.6	43.5	44.8	28.3	35.4	37.5	31.1	33.1
FY 3/19 vs.	-12.3pt	-9.6pt	-5.6pt	-9.0pt	-9.1pt	+2.1	+0.4	+5.5	+2.1	+2.6	-3.4	-3.9	+2.0	-2.1	-1.8

Note) The table above shows figures excluding hotels that opened in April 2021 or later, in order to enable comparison between the three periods under the same conditions

Dormitory/Hotel Development Plans

	FY 3/21		FY 3/22		FY 3/23		FY 3/24		FY 3/25	
Dormitories, Domeal	+15 facilities*	+1,181 rooms*	+21 facilities*	+1,928 rooms*	+20 facilities*	+1,971 rooms*	+11 facilities*	+948 rooms*	+15 facilities*	+1,500 rooms*
	Ending number of facilities	507 facilities	Ending number of facilities	512 facilities	Ending number of facilities	513 facilities	Ending number of facilities	520 facilities	Ending number of facilities	531 facilities
	Ending guest capacity	41,927 rooms	Ending guest capacity	42,551 rooms	Ending guest capacity	43,280 rooms	Ending guest capacity	43,828 rooms	Ending guest capacity	44,928 rooms
	Leasing rate	87.9%	Leasing rate	87.7%	Leasing rate	87.6%	Leasing rate	87.8%	Leasing rate	87.8%
	[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 Minamidaira, [L] Iriya,[L] Duo Jiyugaoka, [L] Kameari,[L] Angeliq Cour, [L] Tsuruma Park, [L] Osaka Fukushima, [L] Kyoto Kuinabashi, Gennanso, etc.		[L] Nishi-Shinjuku, [L] Utsunomiya, [L]Kashiwa Teikyo University Hachioji, [L] Tokai University mae, [L] Sapporo Oyachi [L] Sendai Yamamotocho, [L] Minamimoricho, [L] Kyoto Yamashina, etc.		[L] Hirosaki, [L] Sendai Komatsushima, [L] Yamagata Honcho, [L] Asuto Nagamachi, [L] Otsuka, [L] Kyoto Saiin, [L] Sagami ono, [L] yamatominami [L] Nakano-sakaue, etc.		[L] Sapporo Nishi, [L] Sendai Kawauchi Mito wataricho [L] Kyoto Fushimi, [L] Osaka kyobashi, [L] Nigawa, [L] kobe rokkodai, etc.	
Dormy Inn	+4 facilities*	1,166 rooms*	+2 facilities*	+471 rooms*	+7 facilities*	+1,107 rooms*	+4 facilities*	+766 rooms*	+3 facilities*	+550 rooms*
	Ending number of facilities	85 facilities	Ending number of facilities	85 facilities	Ending number of facilities	91 facilities	Ending number of facilities	95 facilities	Ending number of facilities	98 facilities
	Ending guest capacity	15,219 rooms	Ending guest capacity	15,468 rooms	Ending guest capacity	16,447 rooms	Ending guest capacity	17,213 rooms	Ending guest capacity	17,763 rooms
	Leasing rate	99.1%	Leasing rate	99.1%	Leasing rate	99.1%	Leasing rate	99.2%	Leasing rate	99.2%
	[L] Premium Nagasaki Ekimae, [L] Nono Kyoto Shichijo, [L] Kobe Motomachi, [L] Ikebukuro.		[L] Nono Kanazawa, [L] Hiroshima Annex.		[L] Nono Osaka Yodoyabashi, [L] Express Fujisan Gotemba, [L] Nono Sendai, [L] Nono Matsumoto, [L] Nono Matsue, [L] Okayama, [L] Premium Ginza.		<u>Express Toyohashi, Nono Asakusa Bettei,</u> [L] Nono Beppu, [L] Aomori.		<u>"Nono" Series Roadside Dormy Inn</u>	
Resorts	+3 facilities*	+297 rooms*	+1 facilities*	+69 rooms*	+5 facilities*	+1,027 rooms*	+1 facilities*	+79 rooms*	+2 facilities*	+127 rooms*
	Ending number of facilities	36 facilities	Ending number of facilities	37 facilities	Ending number of facilities	41 facilities	Ending number of facilities	43 facilities	Ending number of facilities	45 facilities
	Ending guest capacity	3,135 rooms	Ending guest capacity	3,207 rooms	Ending guest capacity	4,193 rooms	Ending guest capacity	4,272 rooms	Ending guest capacity	4,399 rooms
	Leasing rate	58.3%	Leasing rate	64.2%	Leasing rate	73.6%	Leasing rate	74.1%	Leasing rate	74.9%
	Shuzenji Hot Spring Katsuragawa, Okuhida Hot Spring Hirayukan, [L] Wakura Hot Spring Noto Kaishu.		[L] La Vista Kusatsu Hills.		[L] Kyoto Umekouji Kadensho, [L] La Vista Tokyo Bay, <u>Nasu Shiobara Rengetsu,</u> [L] Jozankei Yuraku Souan, [L] Hakodate Bay Annex.		[L] Kannonzaki Hotel.		<u>Ninnaji, Takayu Hot Spring.</u>	
Companywide leasing rate	89.2%	89.3%	89.7%	89.9%	90.0%					

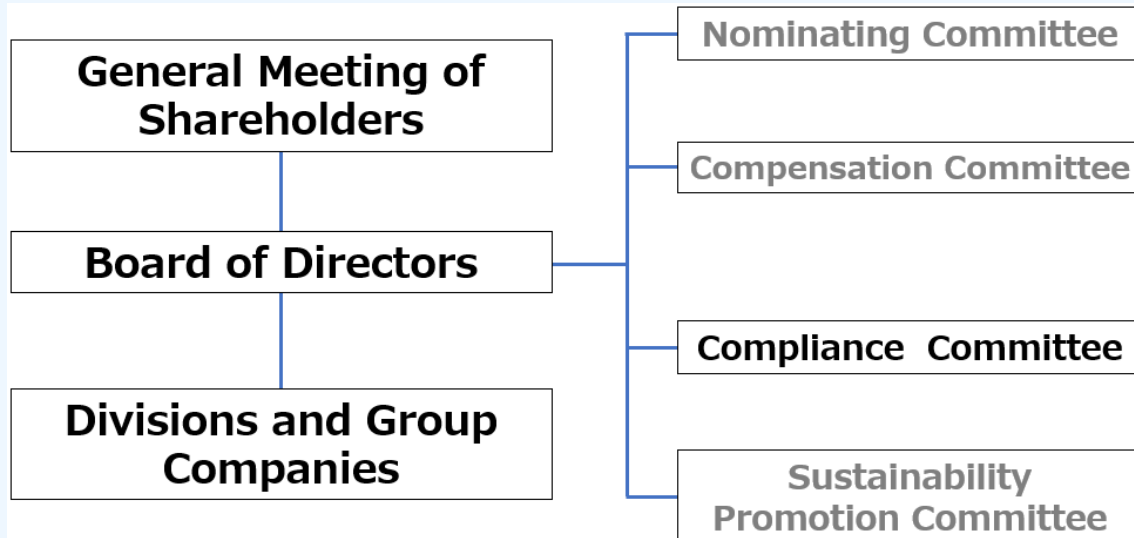
* Indicates numbers of increases in facilities and rooms from development projects (does not indicate numbers of increases from the end of the previous year for facilities and rooms in operation at the end of the year)
 (Note) [L] indicates a leased property; texts with underline indicate properties planned for real-estate securitization in the future.

Establishment and Operation of Sustainability Promotion Committee

The Sustainability Promotion Committee has been established since April 2022 and it has been consisted of five members in total including the president as a chairperson, each executive director and the general manager in charge of the Administration Group, the Planning and Development Group, the Human Resources & General Affairs Division and the Facilities Management Division.

An administrative office consisting of members from a wide range of departments has been also established as a subordinate organization of the committee to support the promotion of sustainability throughout the company.

With the aim of enhancing corporate value over the long term, they manage and supervise sustainability promotion efforts by formulating, discussing, and deciding on basic sustainability policy, materiality, and related policies.



Free Housing for Evacuee Students from Ukraine

As part of our support for Ukraine, we provide free housing for up to one year to students evacuated from Ukraine in cooperation with Kyoritsu International Exchange Scholarship Foundation. 12 students have currently moved in and we will continue to support Ukrainian students.

Human Resource Development

Various motivational activities utilizing our original training curriculum and "learning" from practice and experience

Realization of Gender Equality

Female employees will account for 72.5% of new hires in 2022. The ratio of female employees is 50.2%, and we have created a work environment where all employees can play an active role regardless of gender such as developing and introducing genderless uniforms. The percentage of women in management positions is currently 13.1% (up 1.4% from the previous year).

RA Program

RAs (Resident Assistants) are dormitory student leaders who support the activation of communicating within the dormitory and participate in various community-based events such as exhibiting at local events and holding collaborative events with local restaurants. RA activities can increase interest for the local community and promote communication and leadership skills, leading to the growth and development of dormitory students.

Diversity

151 foreign national employees, accounting for 5.5% out of all employees, play an active role in each region. We prepare various supporting system such as cross-cultural exchange training to ensure high motivation regardless of race or culture.

	Hokkaido	Tohoku	Kanto-Koshinetsu	Tokai-Hokuriku	Kinki	Chugoku-Shikoku	Kyushu-Okinawa	Total
Number of foreign employees	8	9	59	21	30	11	13	151
Ratio of foreign employees	3.7%	6.7%	4.4%	6.1%	9.3%	7.2%	6.0%	5.5%



Plastics Free

Since April 2022, with the aim of reducing Single-use plastic products, amenities such as toothbrushes and hairbrushes in guest rooms have been provided in dedicated booths in lobby and in-room amenities using decarbonized materials have been introduced in some resort hotels.



Electric Vehicle Charging Infrastructure Service

"Electric Vehicle Chargers", which is environmentally friendly by reducing CO2 emissions, have been installed at some of our business locations since 2016.

EV EXPERIENCE 2022 at La Vista Tokyo Bay

Participation in the latest electric vehicle experience event held at La Vista Tokyo Bay and Toyosu Smart City on October 23, 2022, which aims to promote and expand the use of electric vehicles.



- ◆ **Reduction and Recycling of Industrial Waste:** Collection and recycling of wasted cooking oil at dormitories and hotels.
- ◆ **Reduction of Food Waste:** Installation of dormitory life support application "Domico" leads to reduction of ordering mistakes and efficiency in managing the number of meals consumed.
- ◆ **Reduction of CO2 emissions by controlling electricity consumption:** Planned replacement with high-efficiency equipment at the time of renewal of construction facilities.
- ◆ **Hydroponics:** Initiation of "Agri-College," a new project that allows students to experience urban agriculture while living in dormitories.
- ◆ **Panda Bamboo Project:** Introducing of "Bamboo lights" made of bamboo left unfinished by giant pandas.

01 Summary of Financial Results for FY 3/23 H1

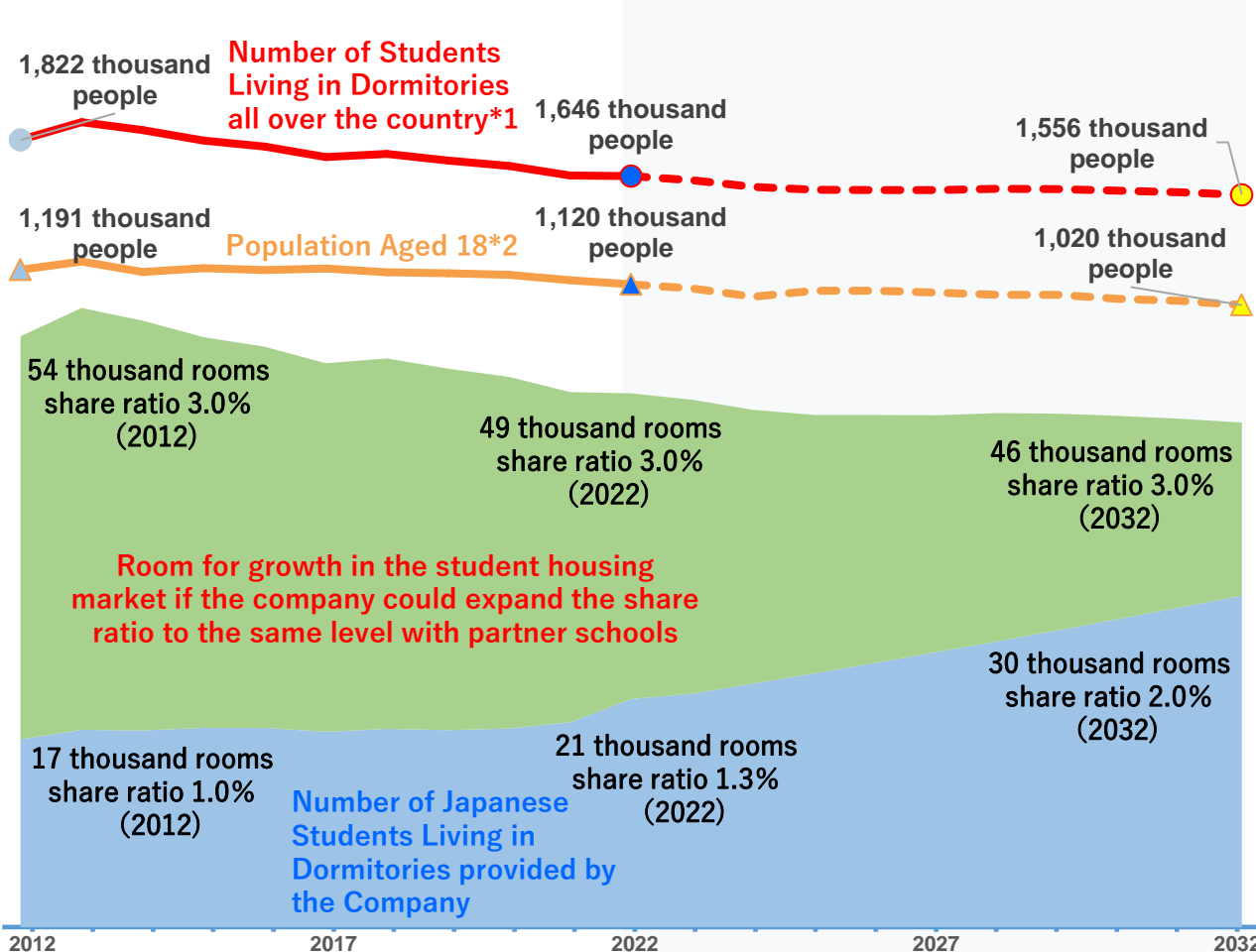
02 Projected Consolidated Financial Results

03 Policy for Formulation of New Medium-Term
Management Plan

Long-term Outlook for Market Conditions in the Dormitory Business

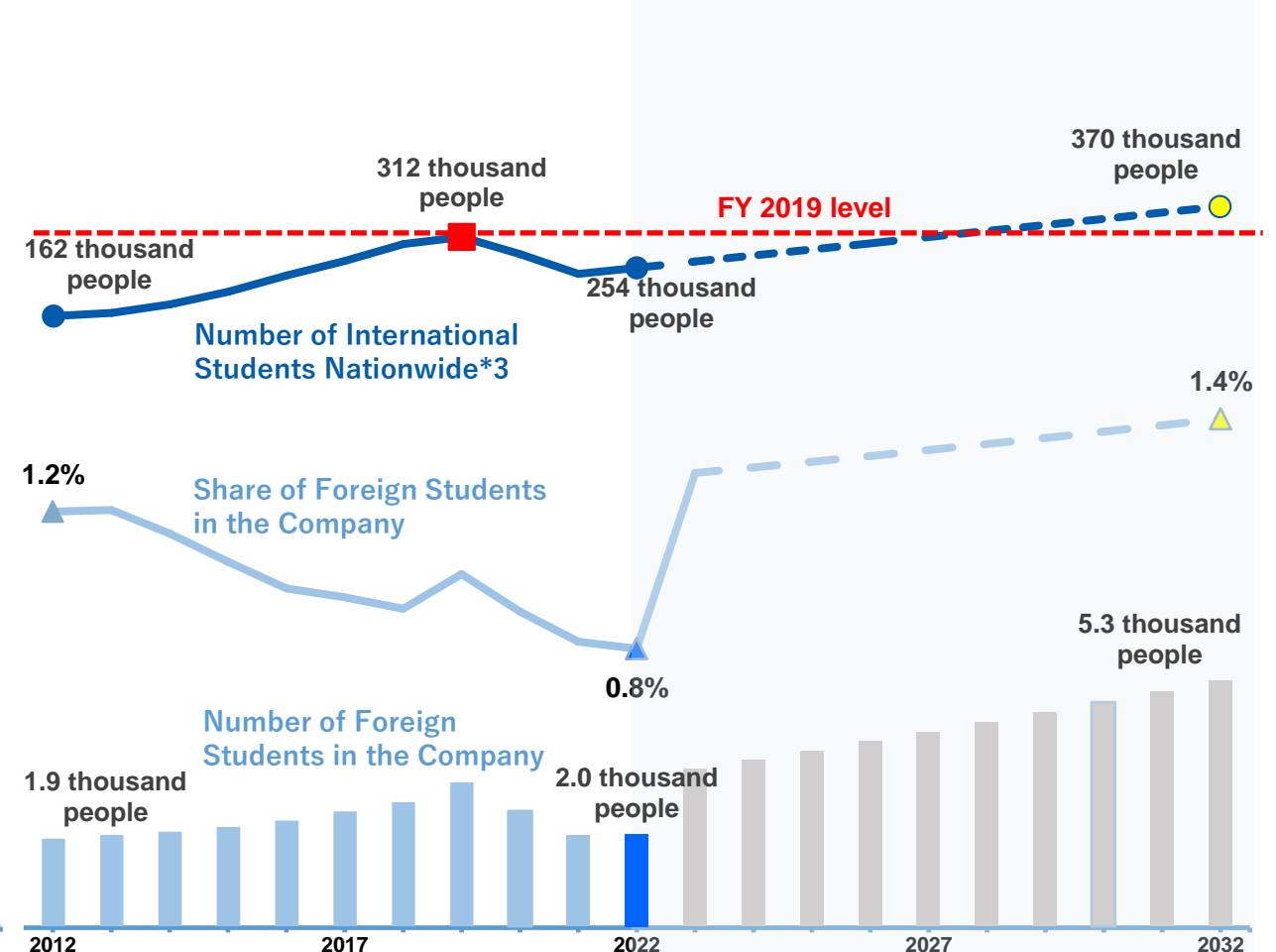
Impact Analysis of Japanese Students

Expanding business through growth in market share amid the continuing decline in the population of 18-year-olds



Impact Analysis of International Students

The proportions of overseas students are expected to recover moderately and increase thereafter. Planning to increase the number of rooms to meet the demand for internationalization of each university.



*1: Prepared by the Company based on "Results of the Survey on the Burden of Education Expenses" by Japan Finance Corporation and "Summary Report of the Survey on Student Lifestyles" by the National Federation of University Co-operative Associations.

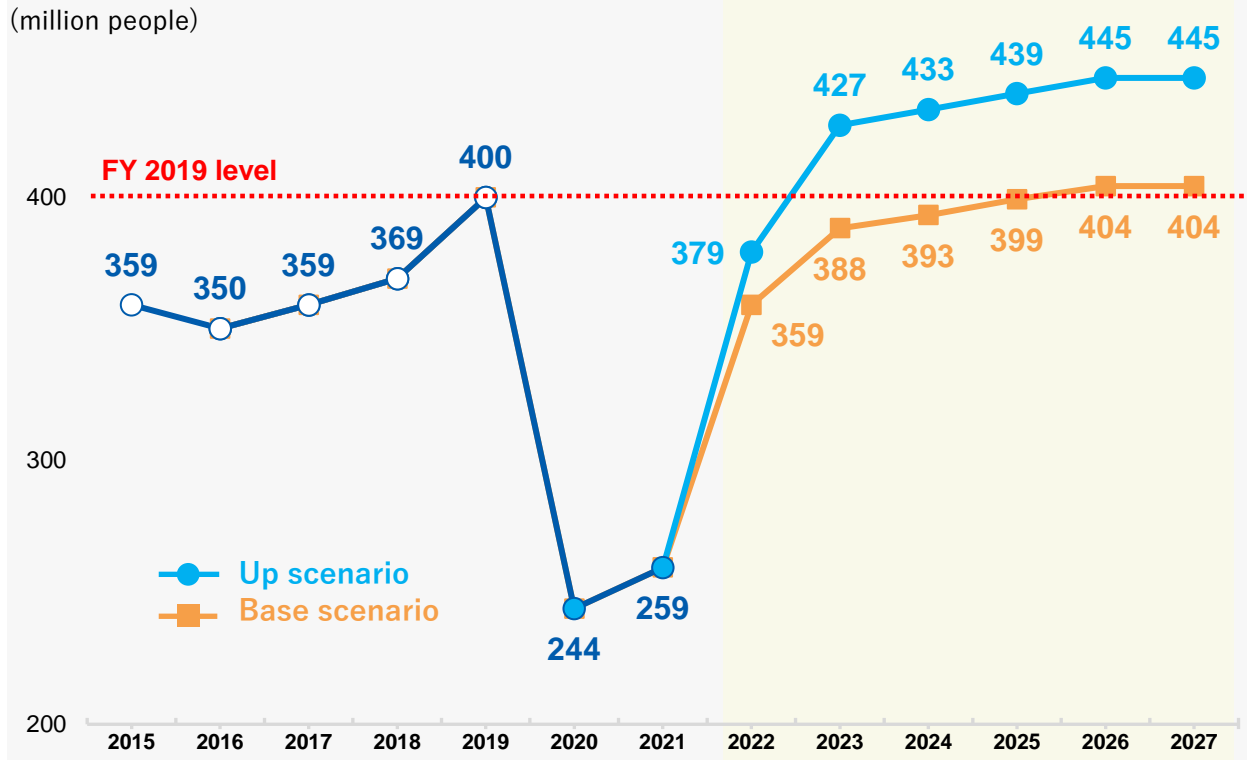
*2: Prepared by the Company based on "Future Estimates of the Number of Students Enrolling in Universities" by the Ministry of Education, Culture, Sports, Science and Technology's Future Vision Subcommittee.

*3: Forecasted based on the "Direction of Global Policy with a Focus on Higher Education (Draft)" by the Ministry of Education, Culture, Sports, Science and Technology's Subcommittee on Universities.

Outlook for Market Environment in the Hotel Business

Impact analysis of Total number of Japanese guests

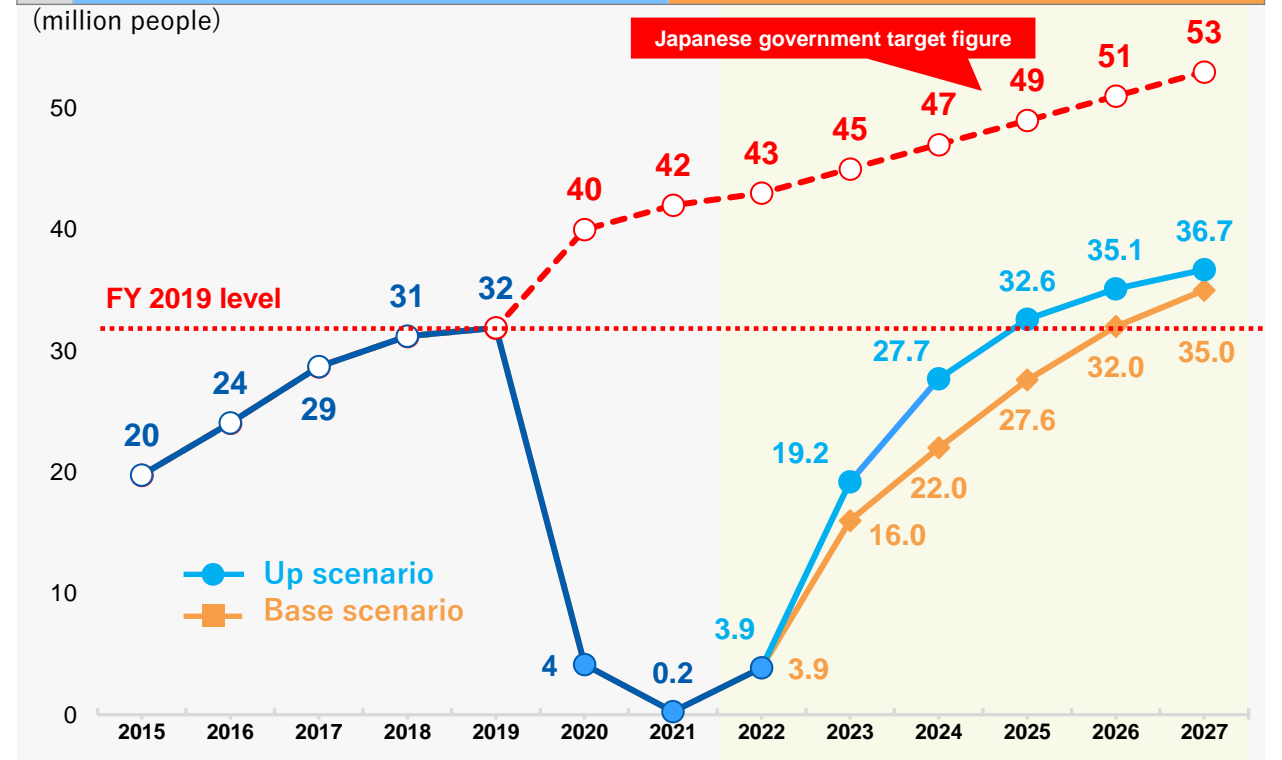
	Up scenario	Base scenario
Tourist	Achieved of 110% recovery rate compared to 2019.	Achieved of 100% recovery rate compared to 2019.
commercial customer	In light of the recent recovery trend in demand for commercial travel, assuming recovery rate by 100% at similar level to 2019.	Business travel demand declines due to the spread of digital devices. Assuming recovery rate by only 90% compared to the level in 2019.
Whole	↓ Estimated Time for recovering to 2019 levels ↓	
	CY2023	CY2025~2026



※Source: Based on "Lodging Travel Statistics Survey" by Japan Tourism Agency and "Sanitation Administration Report" by Ministry of Health, Labour and Welfare, major research organizations.

Impact Analysis on the Number of Foreign Visitors to Japan

	Up scenario	Base scenario
Tourist	Considering the impact of refraining from overseas travel, 4 months in Asia and 6 months in Europe and the U.S. are assumed spent for changing and recovering.	
commercial customer	After the changing period, analyzing the recovering rate of foreign visitors to Japan by nationality as a result of increasing in the number of passengers.	
Whole	Recovering to 100% of CY2019 level by the end of 2022	Recovering to 90% of CY2019 level by the end of 2022
	↓ Estimated Time for recovering to 2019 levels ↓	
	CY2025	CY2026~2027



*Source: Based on "Air Passenger Forecasts" by the International Air Transport Association (IATA), "Visitors to Japan" data by JNTO, and other major research organizations.

Policy for Formulation of New Medium-Term Management Plan I

		Previous Medium-Term Management Plan	New Medium-Term Management Plan(Policy Statement)
Applicable Period		4/2017 ~ 3/2022	4/2023 ~ 3/2028
Topic		① Improve customer satisfaction ② Preliminary development	① Recovery to Re-Growth External & Internal Growth ② Further pursuit of customer satisfaction and area expansion
Quantitative Target	Net sales	2,200 billion yen	<div style="border: 1px solid black; height: 20px; width: 100%;"></div> <div style="border: 1px solid black; height: 20px; width: 100%;"></div>
	Operating Income	190 billion yen	
Business Portfolio		Stable Foundation (Dormitory Business) Leading Business (Hotel Business) Growing Business(Senior Life Business etc.) Supporting Background Business(Comprehensive Building Management etc.)	Stable Foundation (Dormitory Business) Main Business for Recovering to Re-Growth(Hotel Business) Growing Business(Senior Life Business etc.) Supporting Background Business(Comprehensive Building Management etc.)
Market Environment and Business Strategy	Dormitory	Expanding market share through stable supply in urban areas Promotion of International Exchange Dormitories and On-Campus Dormitories	In addition to the existing strategies listed on the left, new store openings in locations of national university
	Hotel	Expansion of the network of bases and optimization of value and price to meet the rapid increase in demand against inbound travel	In addition to the existing strategies listed on the left, diversification of customers targeted and area expansion

Policy for Formulation of New Medium-Term Management Plan II

		Previous Medium-Term Management Plan	New Medium-Term Management Plan(Policy Statement)
Top Line	Dormitory	<ul style="list-style-type: none"> • Increase in capacity of rooms at a pace of 1,000-2,000 per year • Occupancy rate at the beginning of the period 95-98%, unchanged room rate • Planning annual revenue growth of 3-5% due to the effect of rooms increased 	<ul style="list-style-type: none"> • Increase in capacity of rooms at a pace of 1,000-2,000 per year • Occupancy rate at the beginning of the period 95-98%, corresponding to room rate inflation • Planning annual revenue growth of 3-5% due to the effect of rooms increased
	Hotel	<ul style="list-style-type: none"> • Rapid increase in the number of rooms in response to higher demand • Optimization of value and price, RevPAR rapidly increasing • 30% share of inbound tourism in the Dormy Inn Business 	<ul style="list-style-type: none"> • Re-Expansion of Dormy Inn, “Nono” brand and special type of roadside • 30% share of inbound tourism in the Dormy Inn Business • Revenue growth by increasing the total number of rooms in the Resorts business • Steady operation regardless of seasons with comprehensive corporate membership program
Cost		Compensation of soaring in construction costs by rising RevPAR	<ul style="list-style-type: none"> • A necessity for increasing labor cost per person • Measures against rising energy costs • Reduction in commission fee by improving the reservation website operated by the Company. • Responding to high construction costs

Policy for Formulation of New Medium-Term Management Plan III

		Previous Medium-Term Management Plan	New Medium-Term Management Plan(policy statement)
Development Investment		Development investment plan total 140 billion yen over 5 years	Achieving an annual profit growth rate of around 10% through development investment plan based on conventional developing way of effective use of existing properties and comprehensive alliance agreement.
	Dormitory	<ul style="list-style-type: none"> Conventional developing way of effective use of existing properties Investing to build dormitories in the school's lands (Ownership for on-campus dormitories) 	
	Hotel	<ul style="list-style-type: none"> Dormy Inn/ Conventional developing way of effective use of existing properties Resorts/Comprehensive alliance agreement in real estate securitization 	
Fundraising		Cash Flow Off-balance (sale & leaseback) External Financing D/E ratio (net)	70 billion yen 30 billion yen 40 billion yen Less than 1.0 times Considering the balance between fundraising based on the financial discipline and the development investment plan, which is formulated by effective use of existing properties and comprehensive alliance agreement.

Policy for Formulation of New Medium-Term Management Plan IV

		Previous Medium-Term Management Plan	New Medium-Term Management Plan(Policy Statement)
Human Resource		Stable human resources, improved training programs, appropriate utilization of human resources in diversity and hiring around 400 new recruiting annually	Stable human resources, incorporation of functions between labor management and education team, reviewing of the evaluation system, significant improvement in employee satisfaction, actively recruiting human resources in diversity and strengthening educational and training program
DX		Acquisition of regular customers through renewal of the company's website	Improving customer satisfaction and reducing costs through DX investment in human resources, customer management systems and office systems, etc.
ESG		Promotion of WECO plan (omission of daily cleaning for customers staying for two or more nights in a row.)	Prevention of food waste, promotion of plastics free, creation of opportunities for employment in the elderly, enhancement of promotion of female executives, active recruitment of human resources in diversity and improvement of risk management system
Overseas	Dormitory	Opened a store in Thailand	Began researching areas targeted for opening student dormitories.
	Hotel	Expansion to Korea, Taiwan, Vietnam and Thailand	Started organizing existing projects and researching areas for reopening.

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.

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Forward-looking statements

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