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

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KYORITSU
HOTELS & DORMITORIES

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1st Section, TSE 9616

Contents

01 Financial highlights P. 2

02 Results by business segment P. 5

03 Reference materials P.15

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Financial highlights

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

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Consolidated Financial Results and KPIs

(100 million yen)

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

※1 : With an eye toward future growth, progress was made on review of businesses to further strengthen the business foundations, including closure of one site in South Korea and of the Global Cabins and other facilities. These resulted in extraordinary losses of 2.1 billion yen, which combined with losses such as those from temporary closures to stop the spread of COVID-19 totaled 5 billion yen.

※2 : Cash flow: Net income + depreciation

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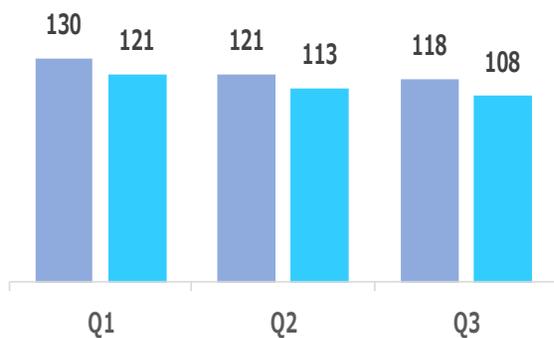
Net sales and operating income by main business segments

■ FY 3/20 ■ FY 3/21

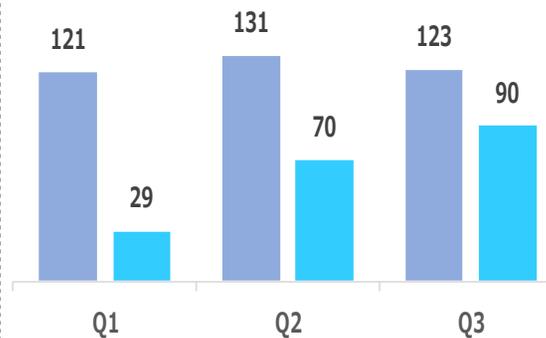
(100 million yen)

Net Sales

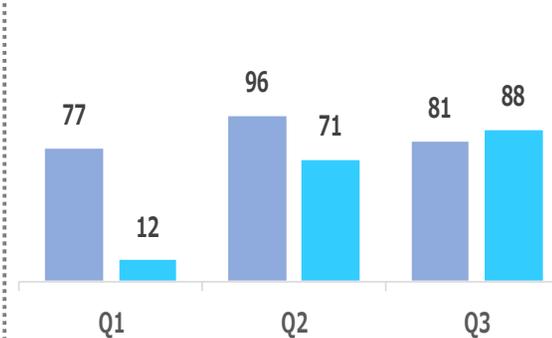
Dormitory



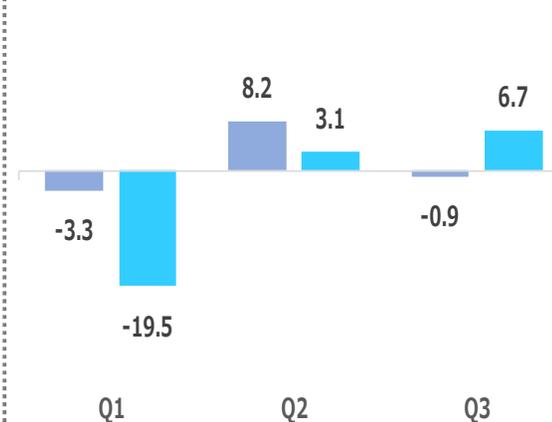
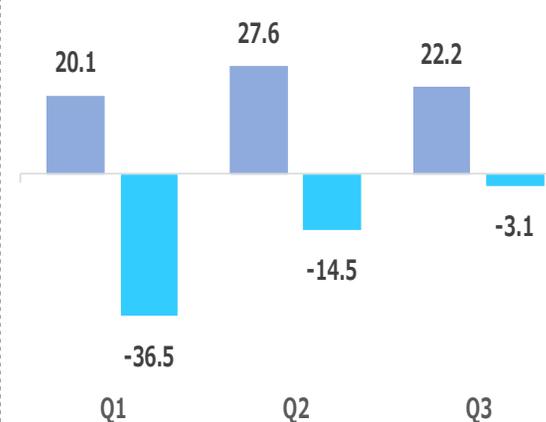
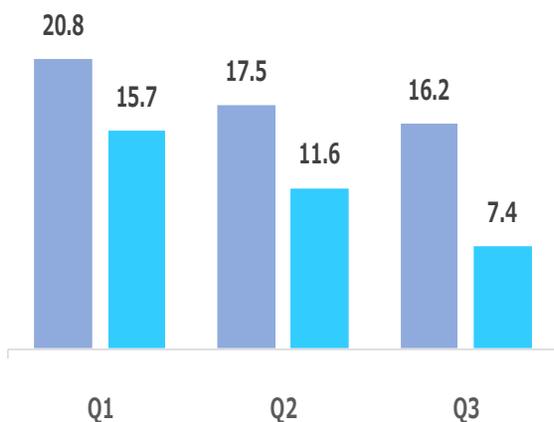
Dormy Inn



Resorts



Operating income



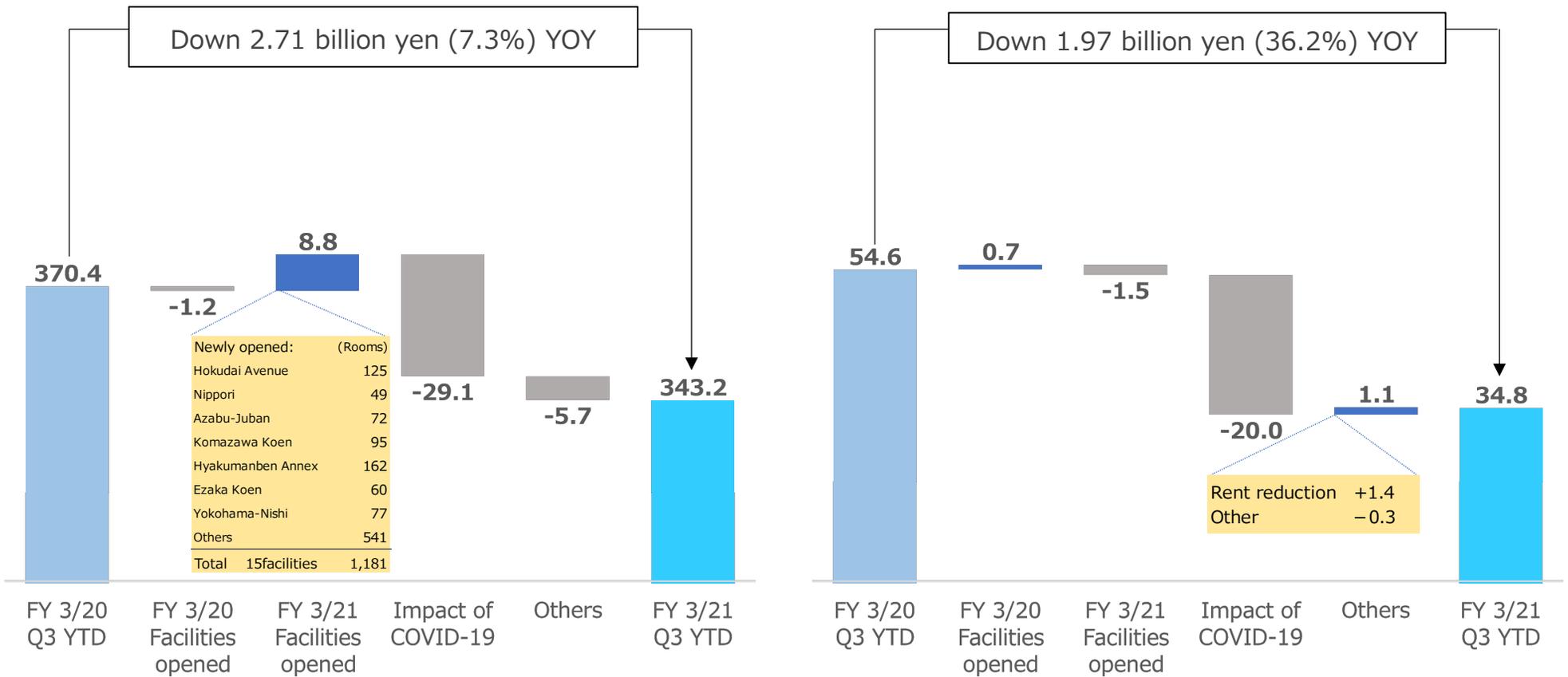
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Dormitory Business: Net sales and Operating income

Net sales

Operating income

(100 million yen)

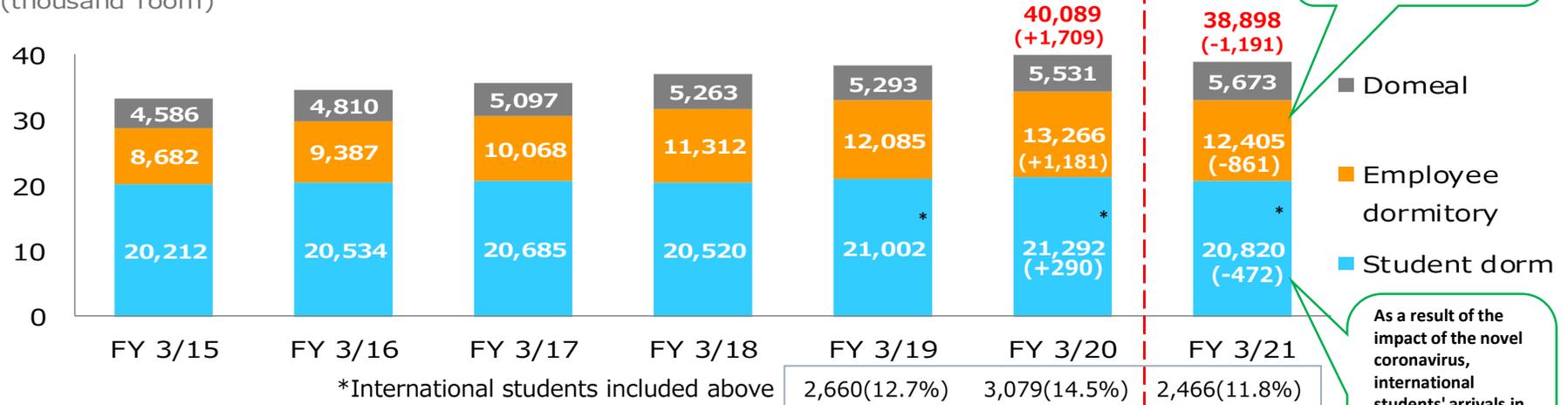


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Dormitory Business: Trends in initial number of leased units/occupancy rate

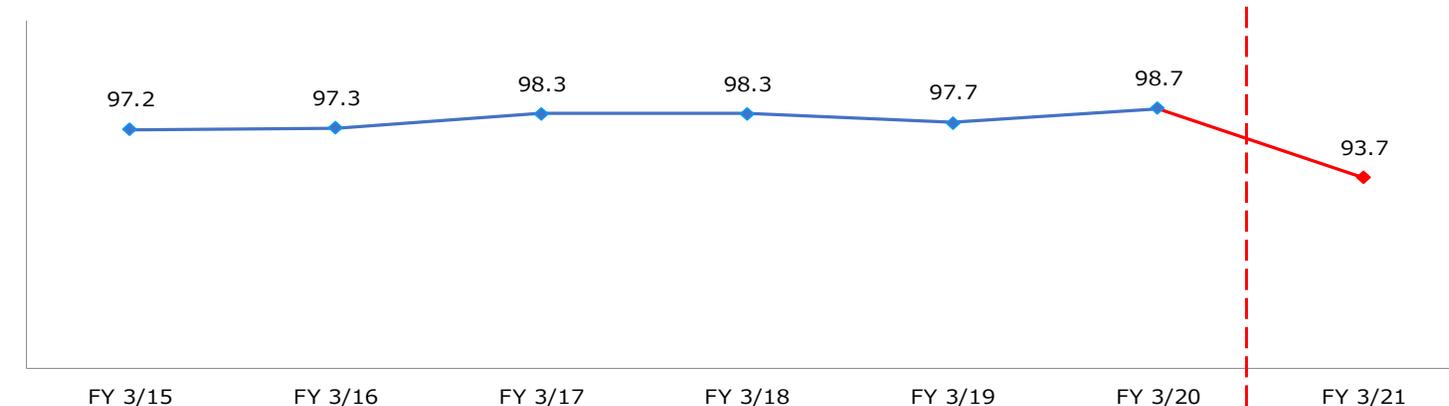
Trend in initial number of leased units (by category)

(thousand room)



Trend in initial occupancy rate

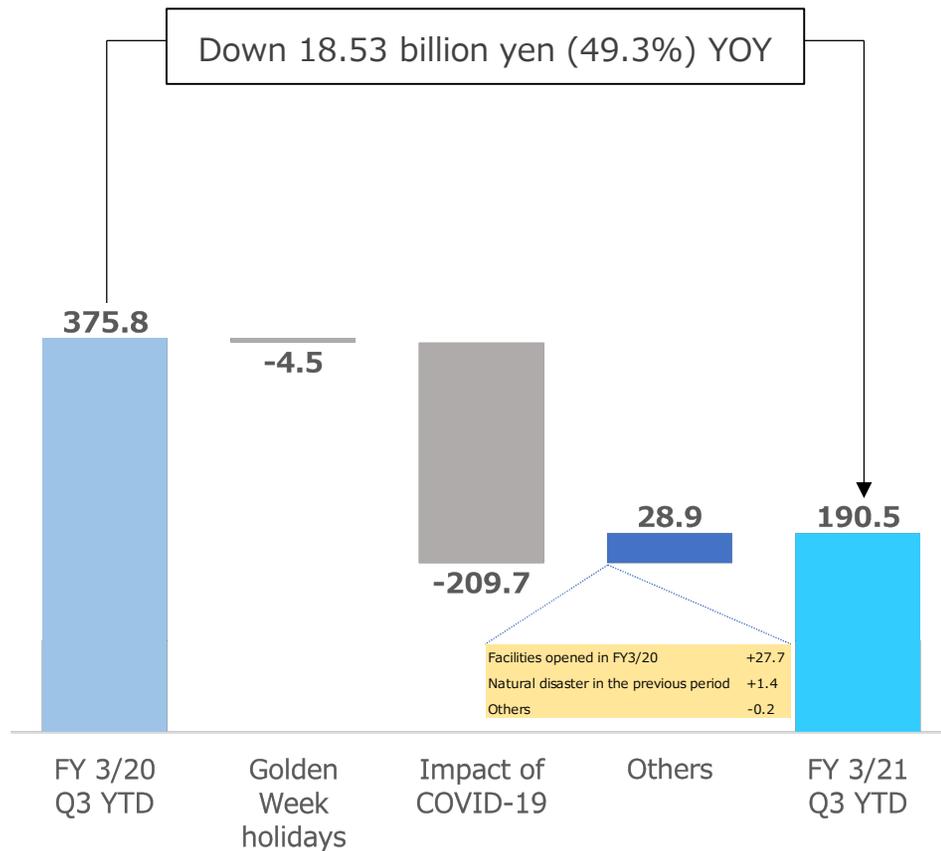
(%)



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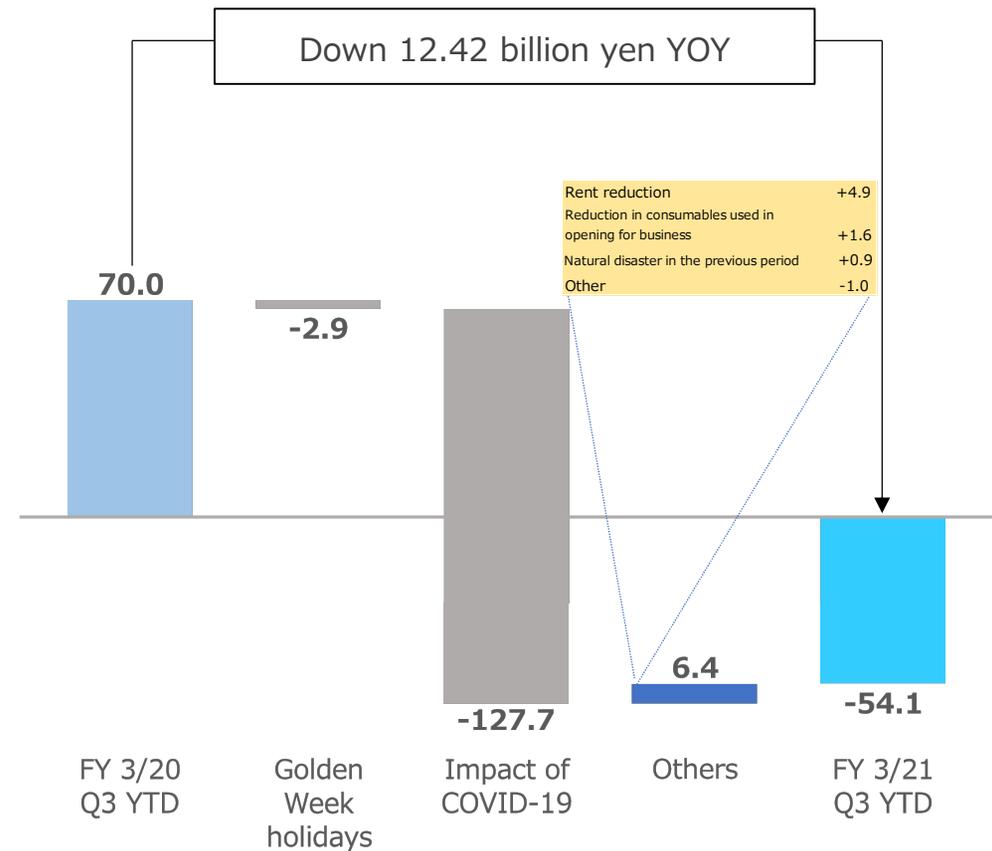
Dormy Inn Business: Net sales and operating income

Net sales



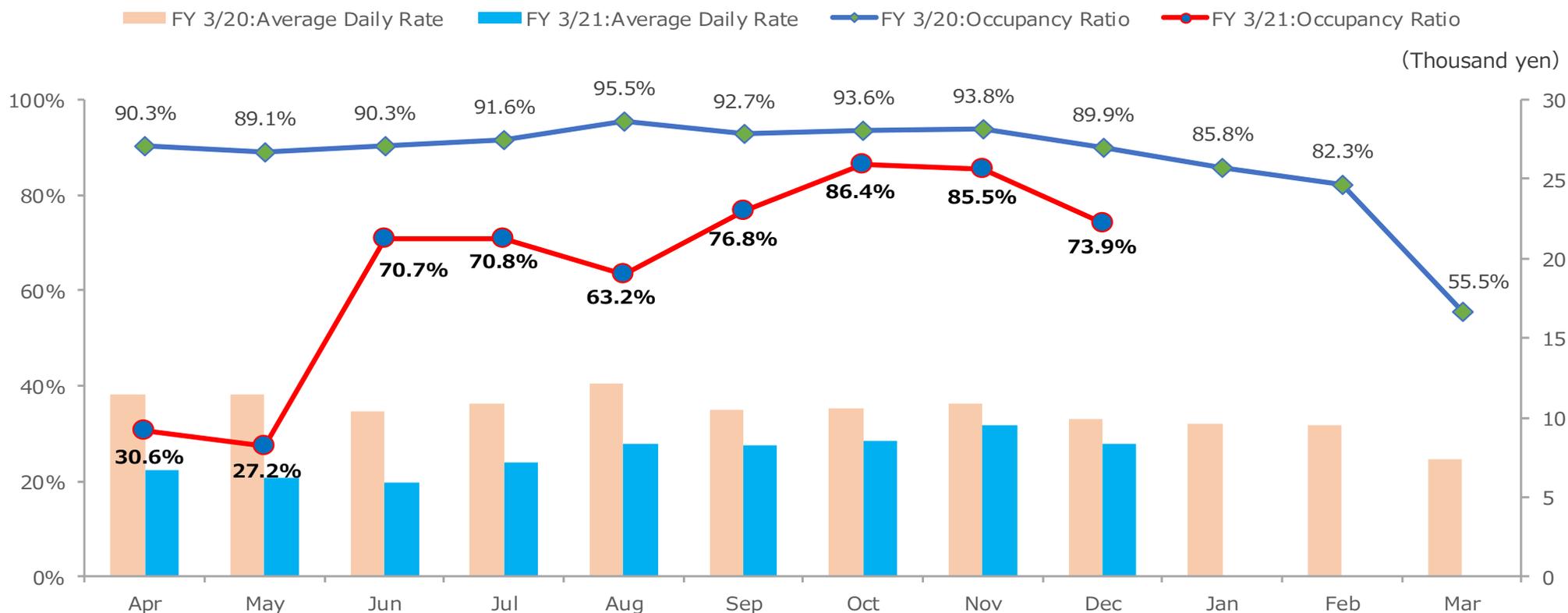
Operating income

(100 million yen)



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



Occupancy Ratio

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

Average Daily Rate

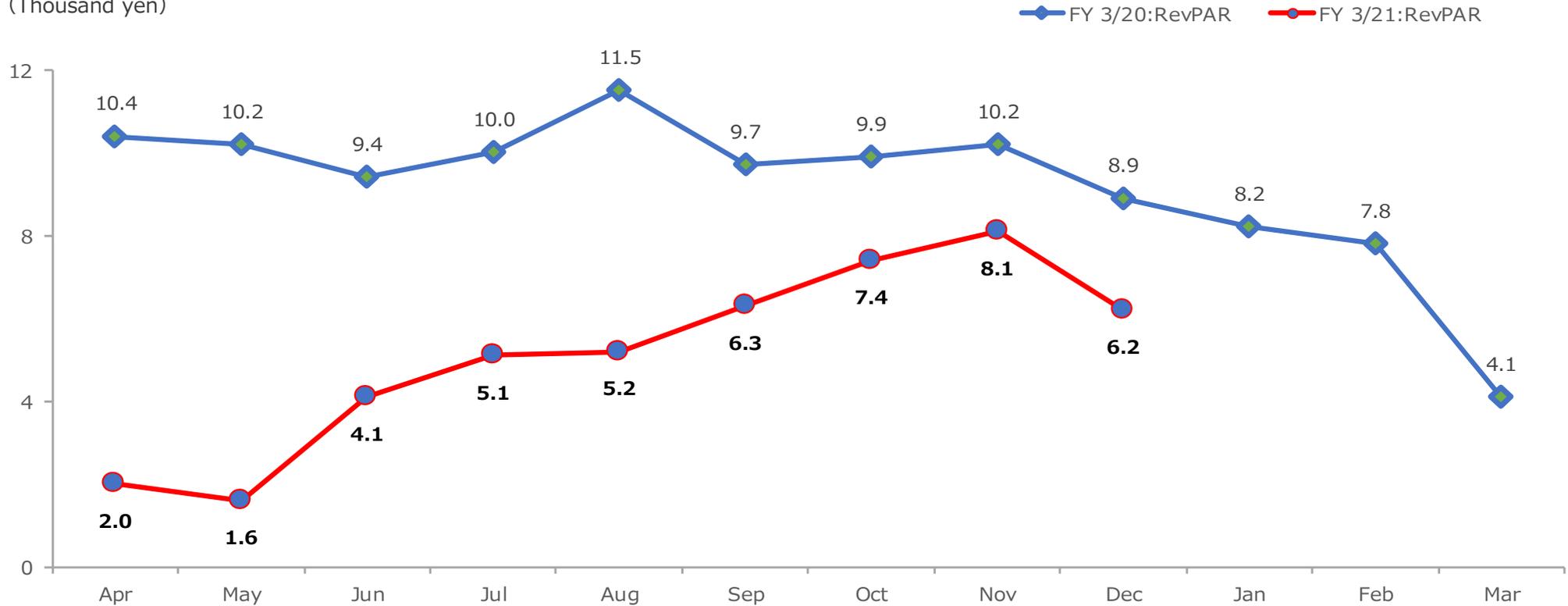
	Q1	Q2	Q3	Q3 Cumulative	Q4	Annual cumulative total
FY 3/20 (actual results)	11.1	11.2	10.5	10.9	9.0	10.5
FY 3/21 (actual results)	6.1	7.9	8.8	7.9		
YOY change	-4.9	-3.3	-1.6	-3.0		

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

Dormy Inn Business: RevPAR by month

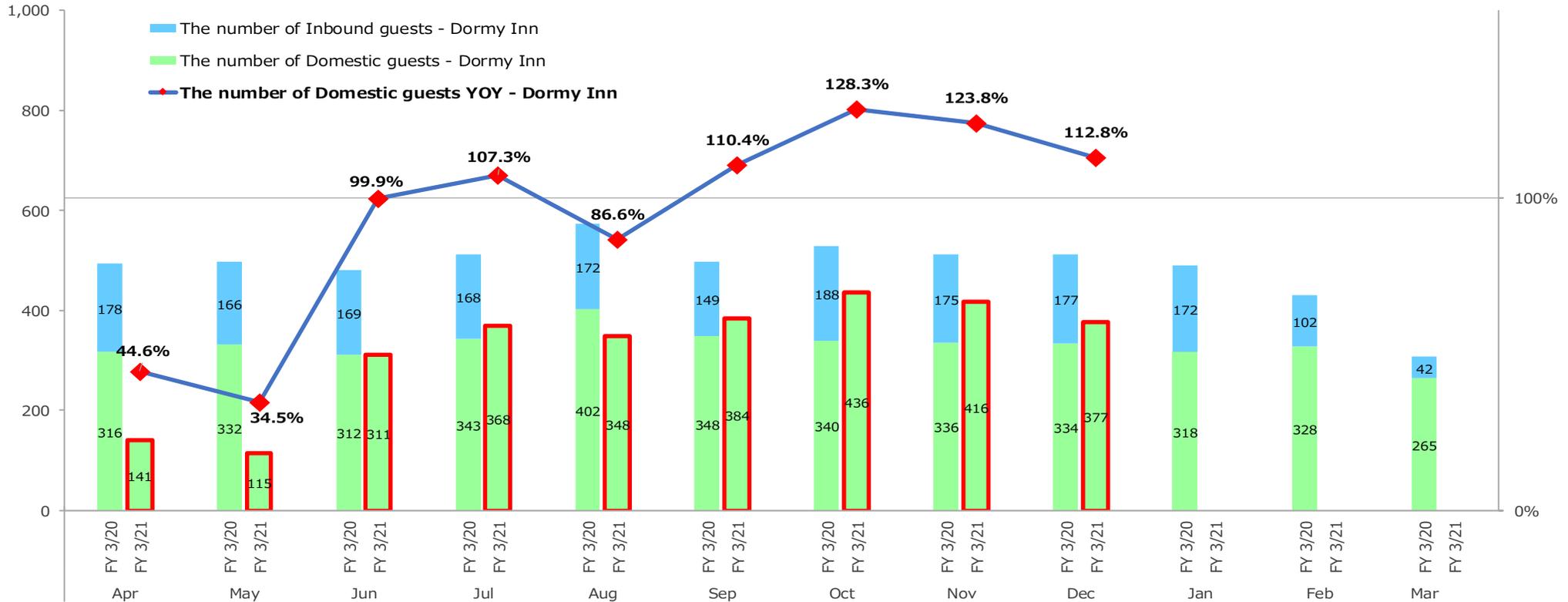
(Thousand yen)



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

Dormy Inn Business: the number of guests of Dormy Inn

(Thousand people)



The number of Domestic guests - Dormy Inn

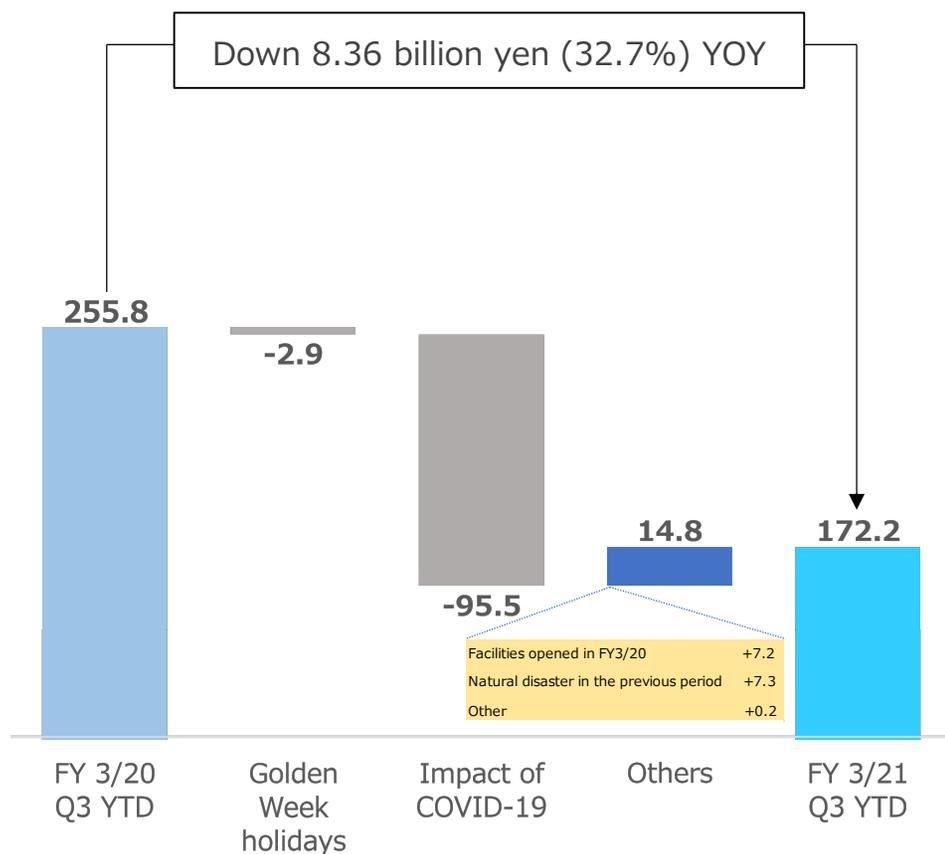
(Thousand people)

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

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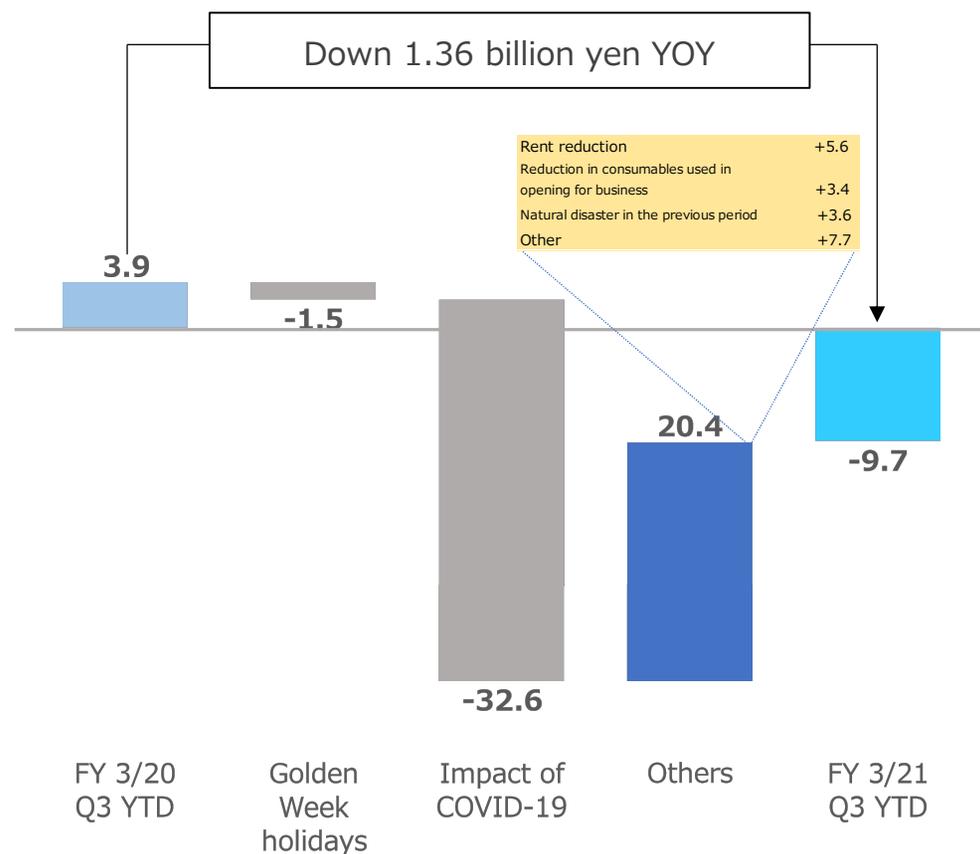
Resorts Business: Net sales and operating income

Net sales



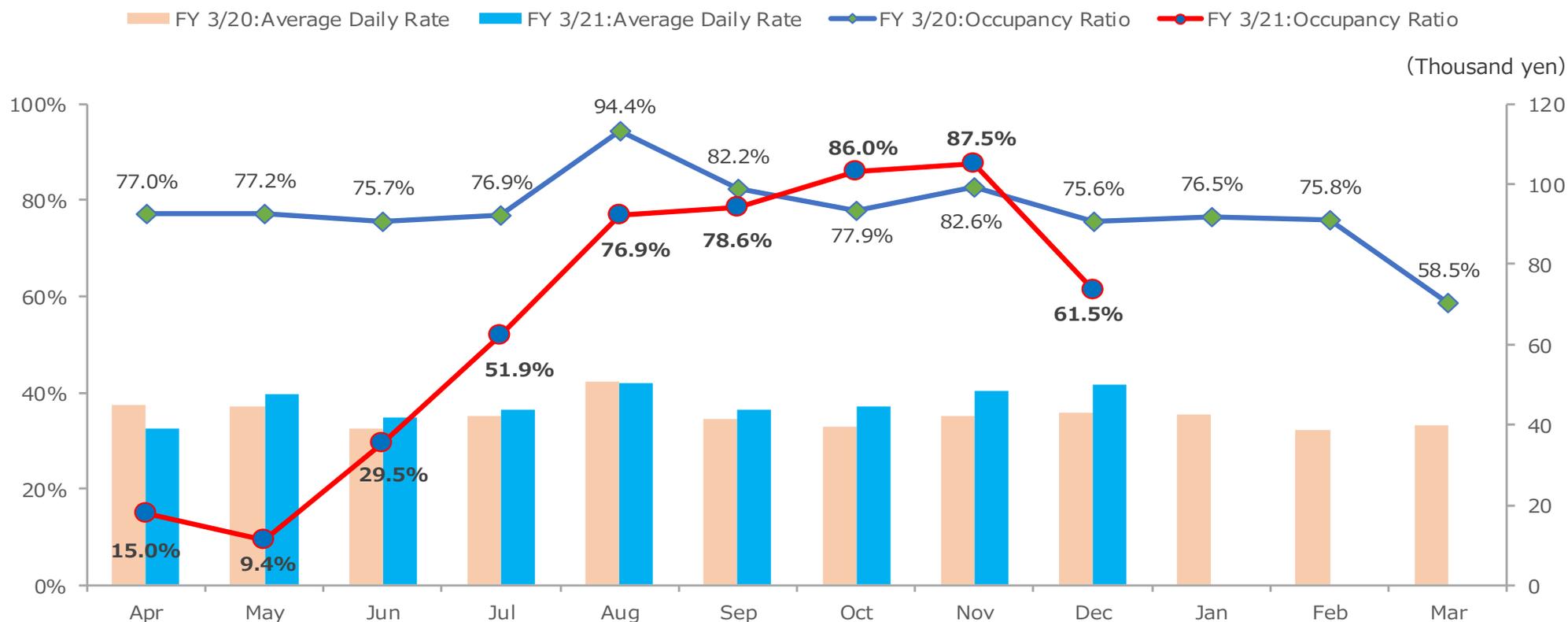
Operating income

(100 million yen)



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



Occupancy Ratio

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

Average Daily Rate

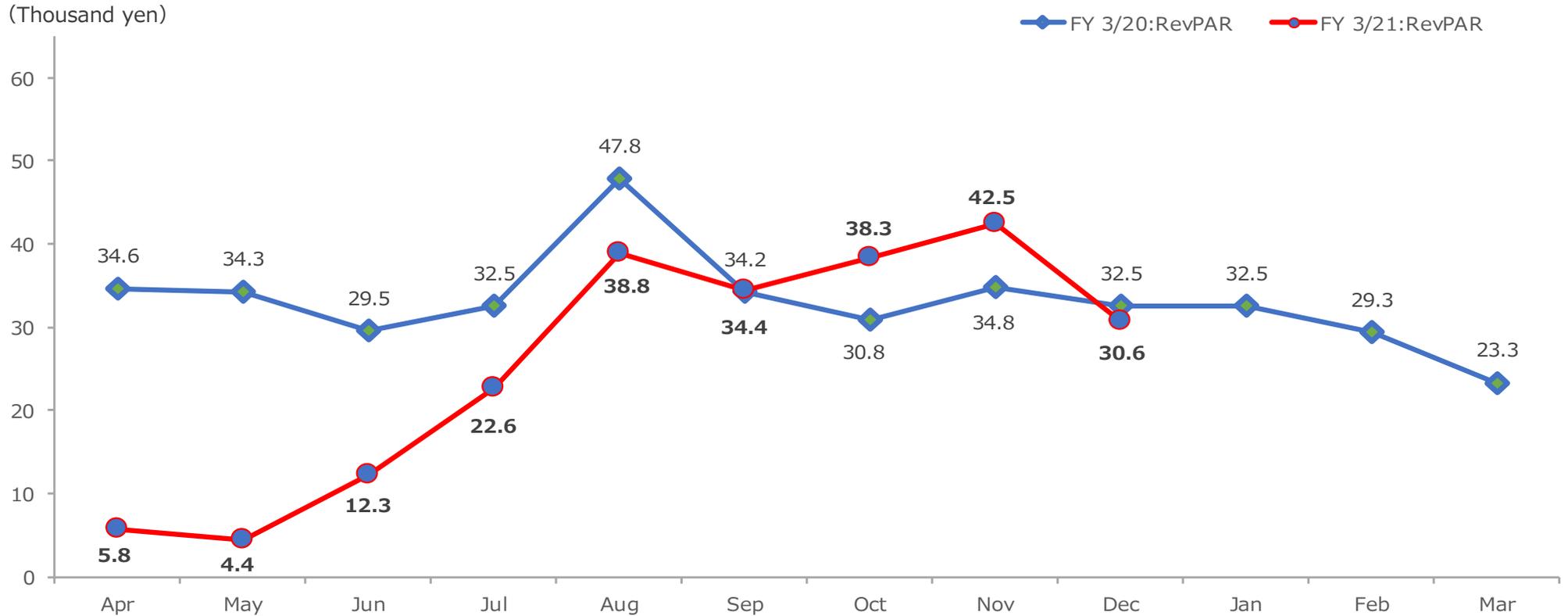
	Q1	Q2	Q3	Q3 Cumulative	Q4	Annual cumulative total
FY 3/20 (actual results)	43.0	45.2	41.5	43.3	40.4	42.6
FY 3/21 (actual results)	41.8	46.3	47.5	46.5		
YOY change	-1.1	+1.0	+5.9	+3.2		

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

Resorts Business: RevPAR by month

(Thousand yen)



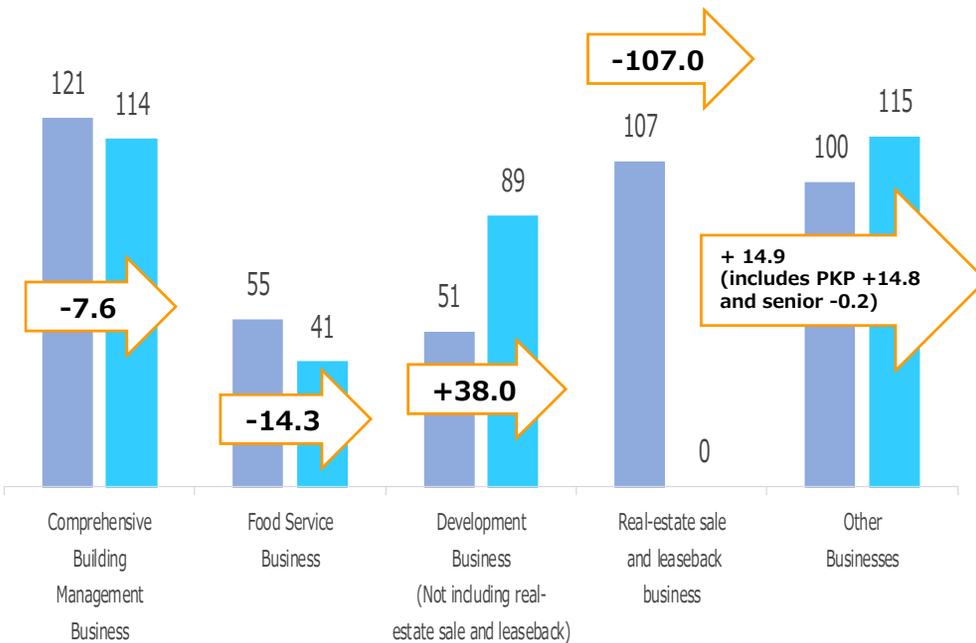
	Q1	Q2	Q3	Q3 Cumulative	Q4	Annual cumulative total
FY 3/20 (actual results)	32.9	38.2	32.7	34.7	28.3	33.1
FY 3/21 (actual results)	7.1	32.1	37.0	27.1		
YOY change	-25.8	-6.1	+4.2	-7.5		

Other Businesses: Net sales and operating income

(100 million yen)

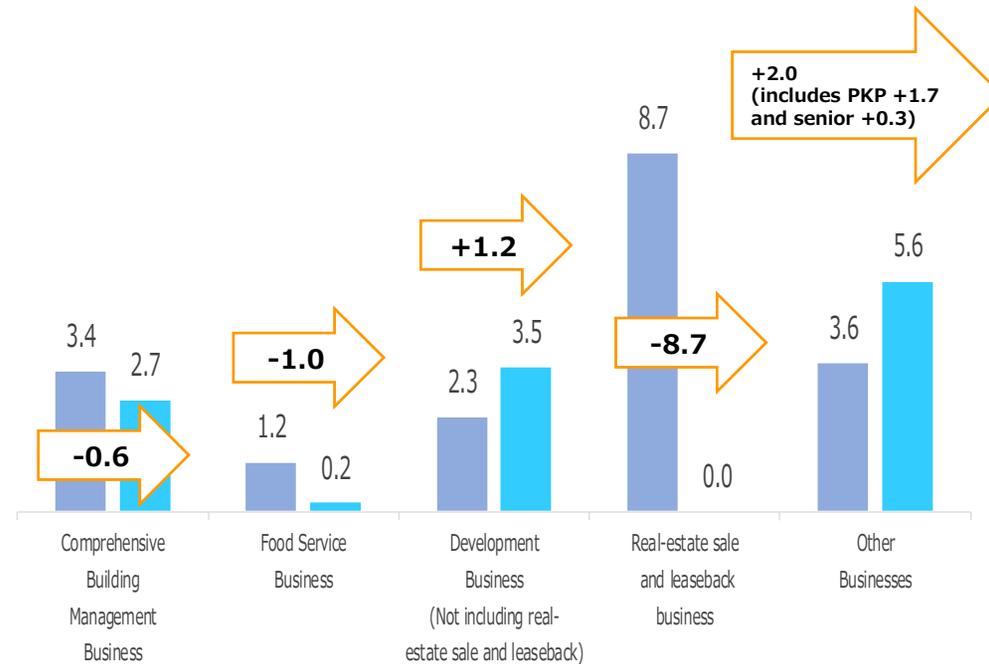
Net sales: Down 7.62 billion YOY

■ FY 3/20 Q3 YTD ■ FY 3/21 Q3 YTD



Operating income: Down 0.71 billion YOY

■ FY 3/20 Q3 YTD ■ FY 3/21 Q3 YTD



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Balance sheet

End of December 2019

Assets 211.6 billion yen	Liabilities 125.8 billion yen
Cash and deposits 15.0 billion yen	Interest-bearing debt 88.4 billion yen
	*Includes CB of 19.9 billion yen
Non-current assets 162.2 billion yen	Net assets 85.7 billion yen
	Treasury stock -0.3 billion yen

End of March 2020

Assets 217.0 billion yen	Liabilities 133.1 billion yen
Cash and deposits 18.3 billion yen	Interest-bearing liabilities 93.0 billion yen
	*Includes CB of 19.9 billion yen
Non-current assets 165.9 billion yen	Net Assets 83.9 billion yen
	Treasury shares -0.3 billion yen

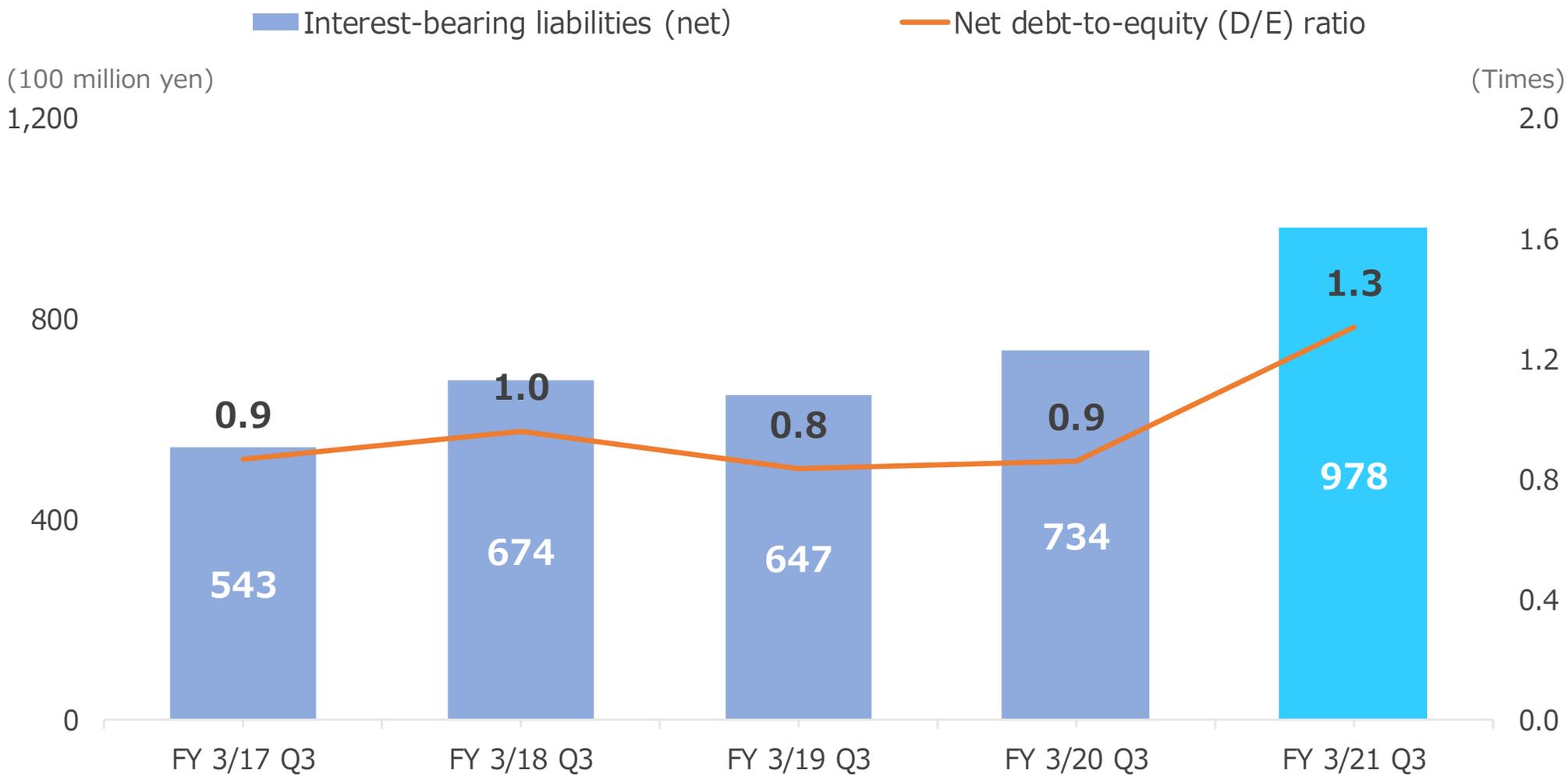
End of December 2020

Assets 229.0 billion yen (+17.4 billion yen)	Liabilities 153.9 billion yen (+28.0 billion yen)
Cash and deposits 19.1 billion yen (+4.1 billion yen)	Interest-bearing debt 117.0 billion yen (+28.5 billion yen)
	*Includes CB of 19.9 billion yen
Non-current assets 172.5 billion yen (+10.2 billion yen)	Net assets 75.1 billion yen (-10.6 billion yen)
	Treasury stock -0.3 billion yen

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

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Interest-bearing debt and Net D/E ratio



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

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



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