



Dormy Inn Kobe Motomachi

# Kyoritsu Maintenance Co., Ltd. Consolidated Financial Results for FY 3/22 Q1

よい朝のために。

**KYORITSU**  
HOTELS & DORMITORIES

August 2021  
1st Section, TSE 9616

# Contents

- 01** Summary of Financial Results for FY 3/22 Q1 **P. 2**
- 02** Projected consolidated financial results for FY 3/22 **P. 15**

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

# Consolidated business results and main financial indicators

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

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

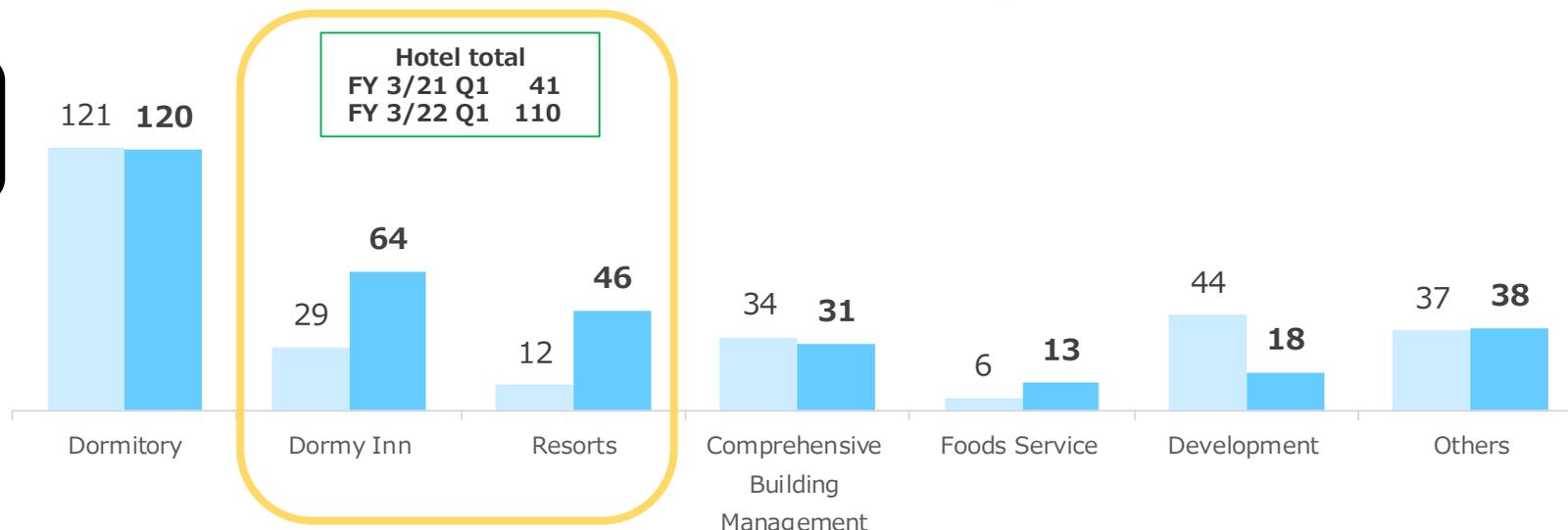
\* 2. Cash flow : Net income + depreciation

# Net sales and operating income broken down by segment

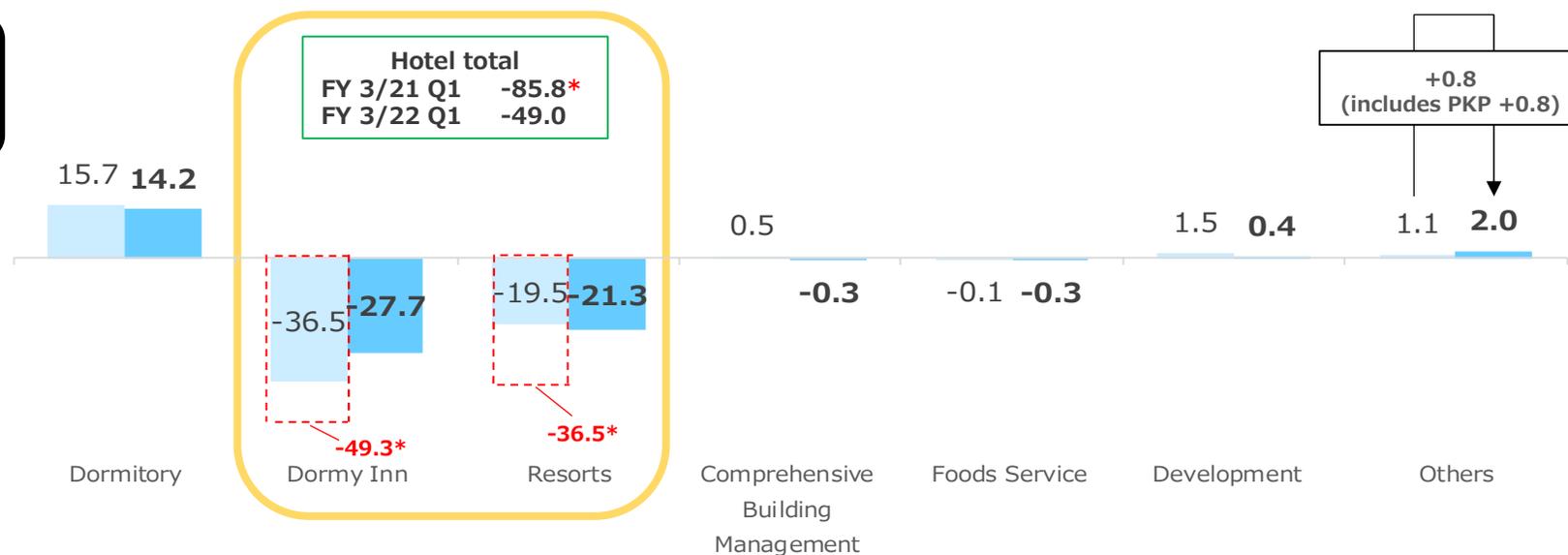
■ FY 3/21 Q1 ■ FY 3/22 Q1

(100 million yen)

## Net sales



## Operating income

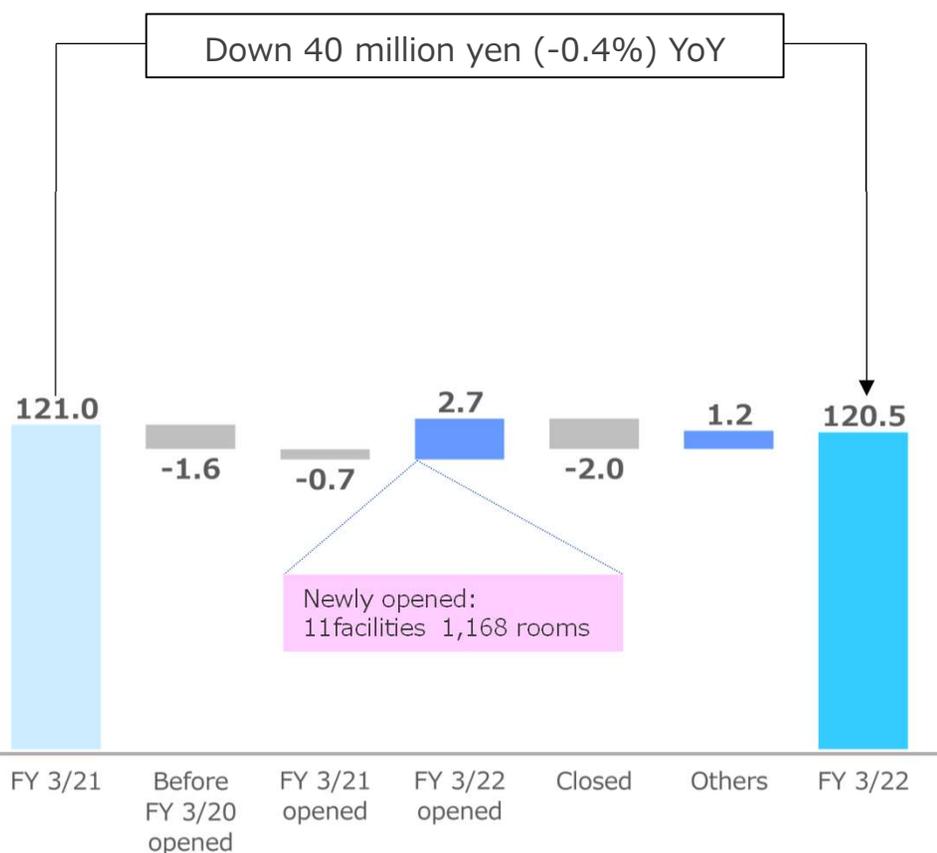


\* Losses from temporary closure of hotels in the same period last year have been recorded to non-operating losses and extraordinary losses (1.27 billion yen at Dormy Inn and 1.7 billion yen in the Resorts Business).

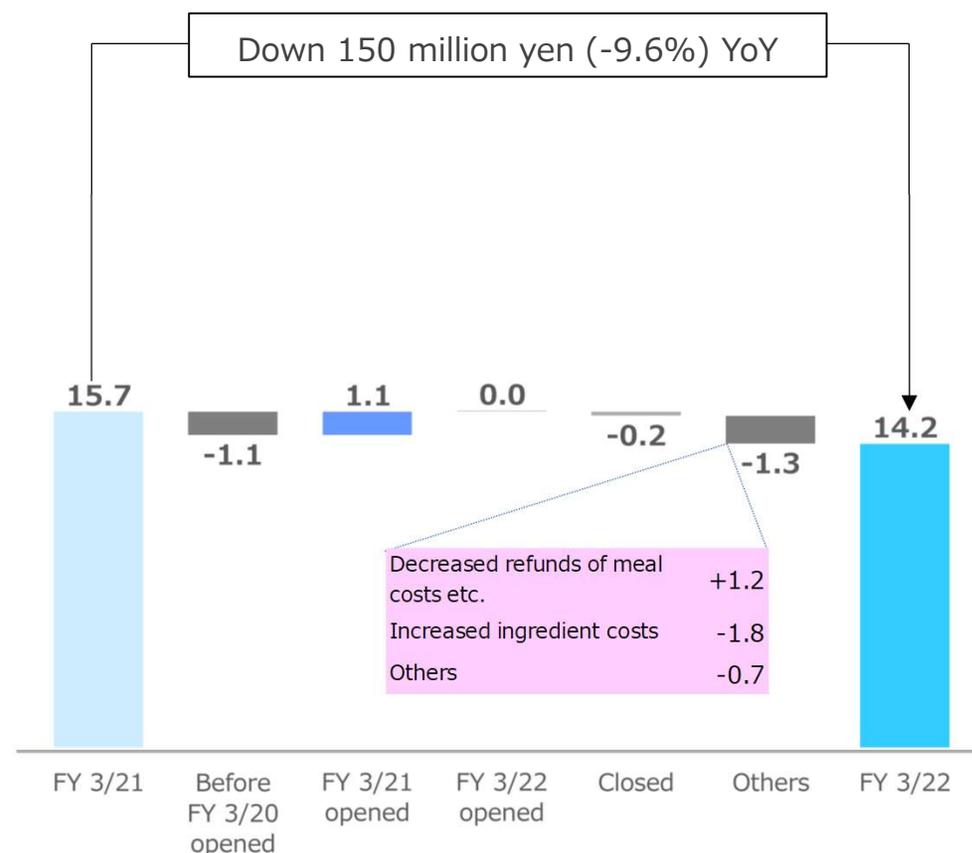
# Dormitory Business: Net sales and Operating income

(100 million yen)

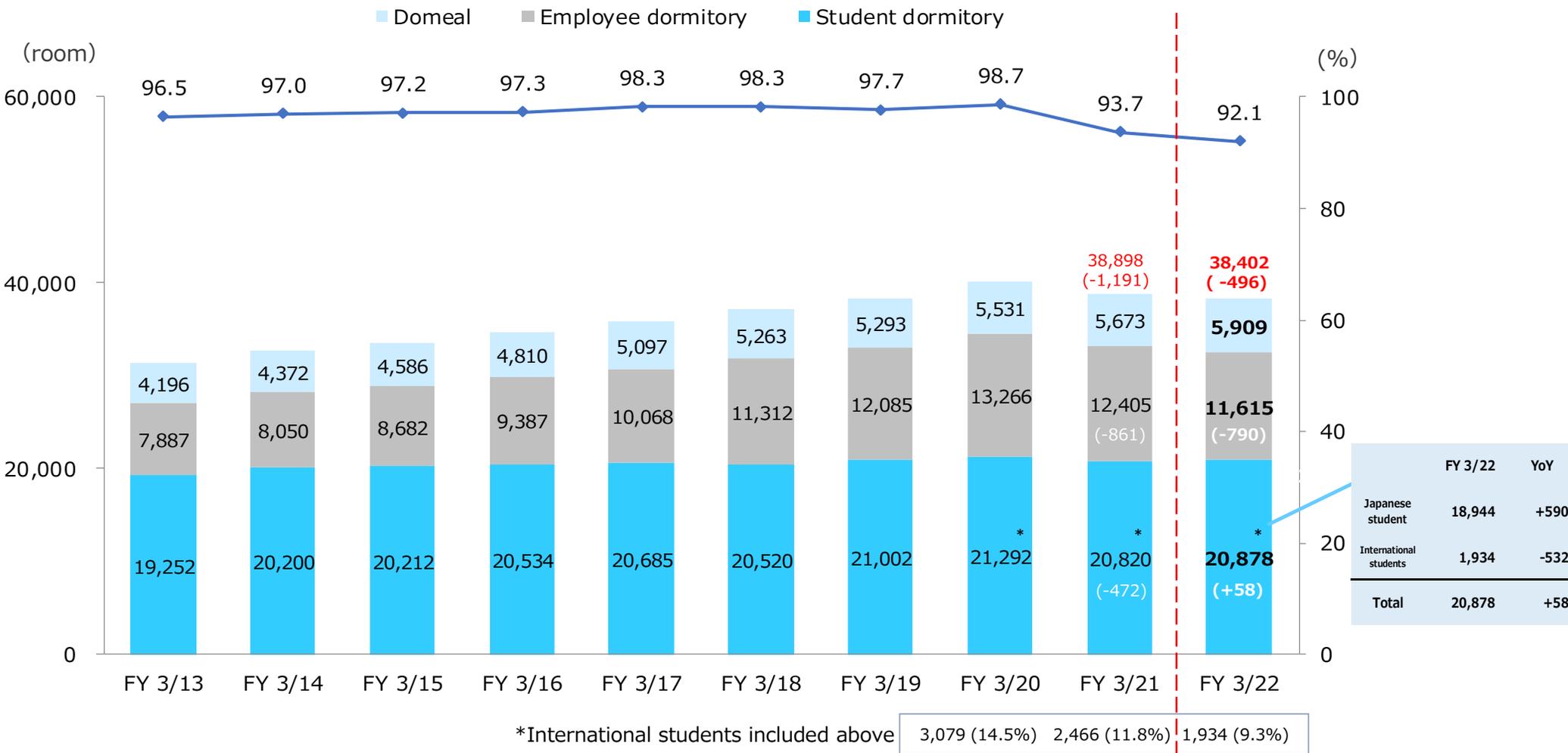
## Net sales



## Operating income



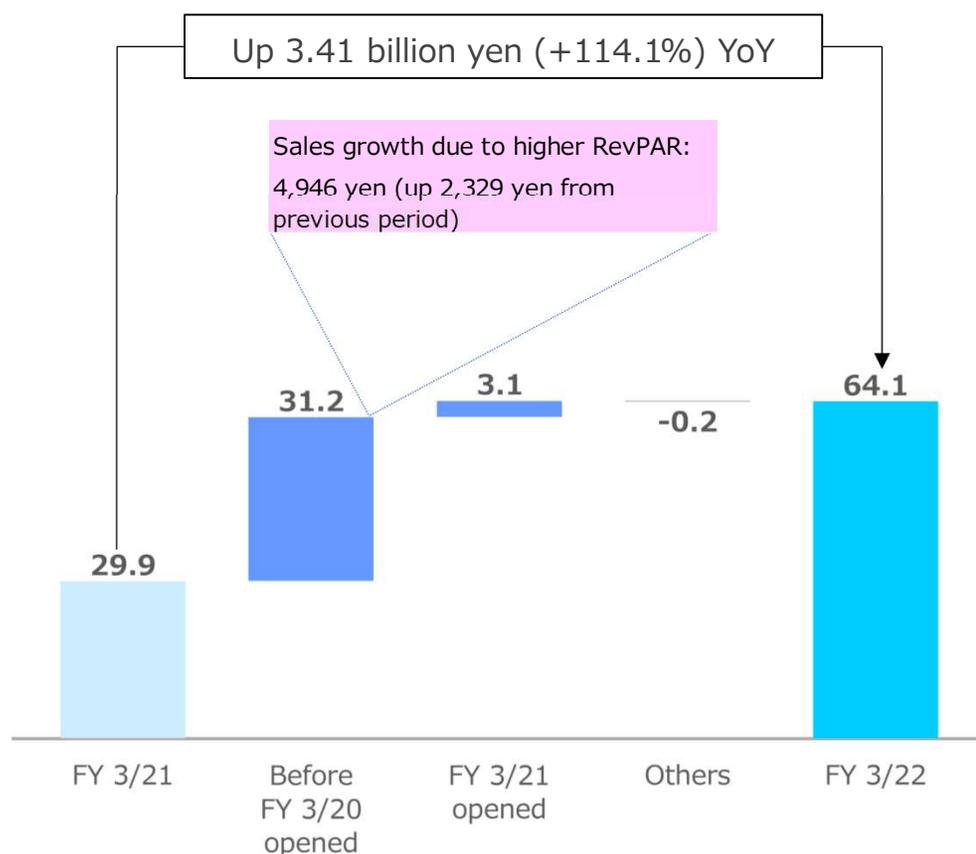
# Dormitory Business: Trends in initial number of leased units/occupancy ratio



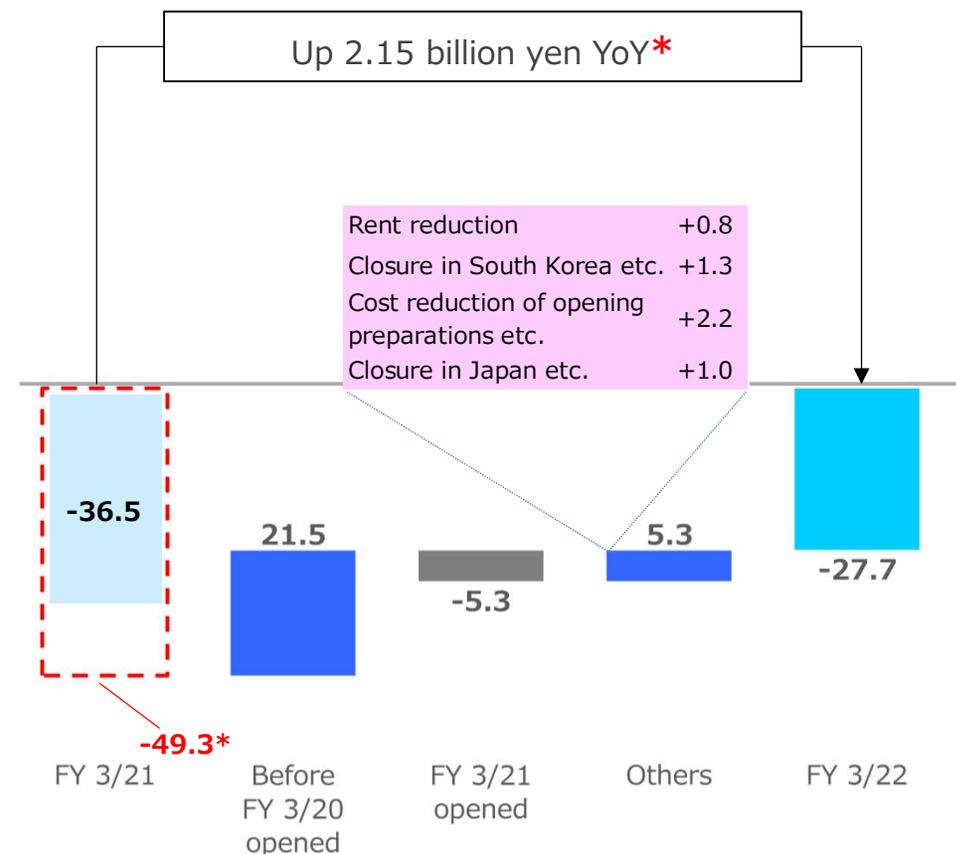
# Dormy Inn Business: Net sales and operating income

(100 million yen)

## Net sales

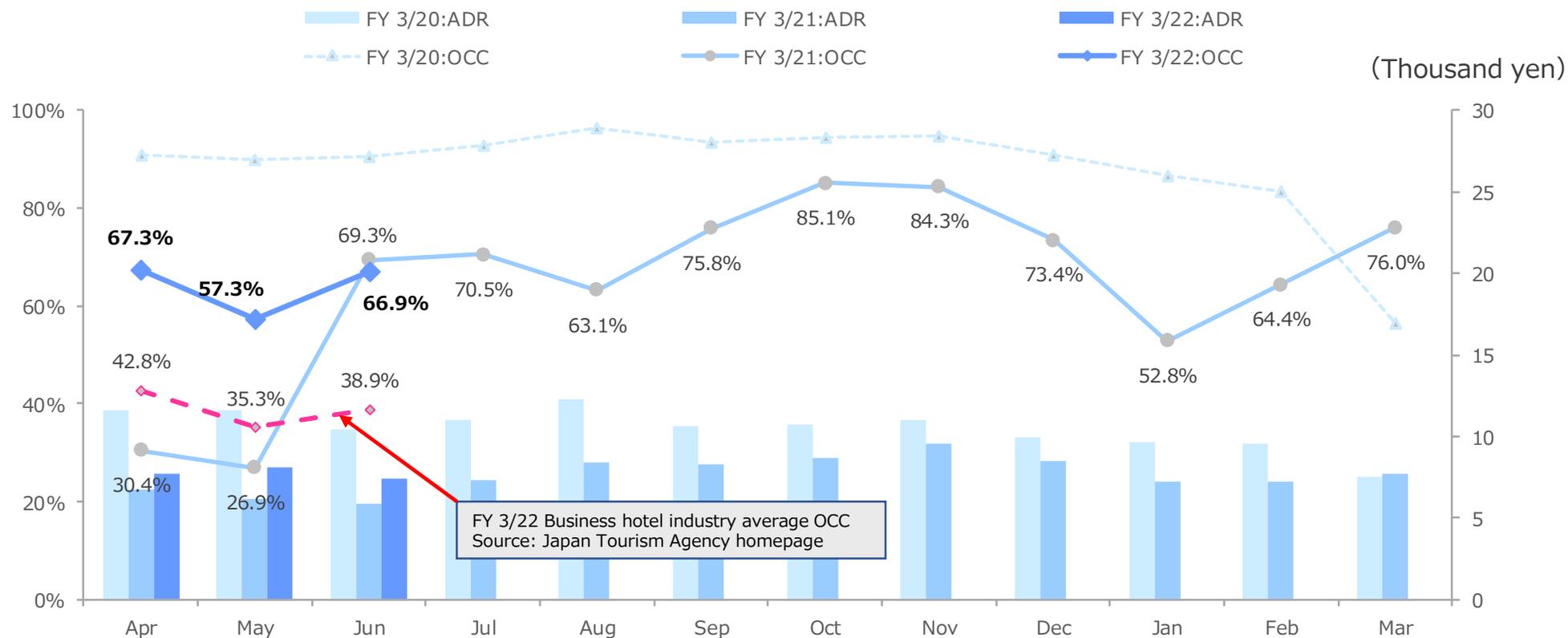


## Operating income



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

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



FY 3/22 Business hotel industry average OCC  
 Source: Japan Tourism Agency homepage

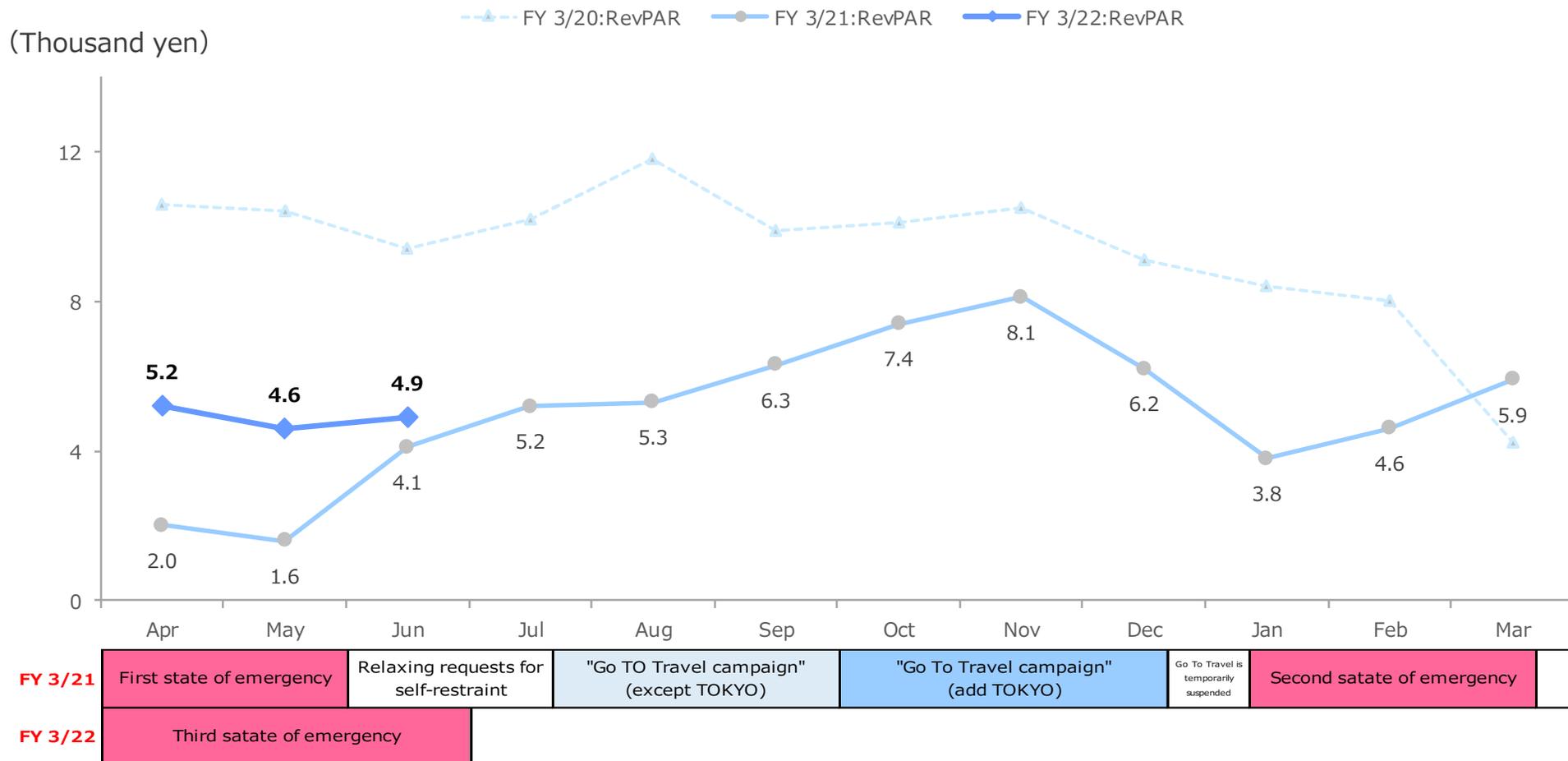
<b>FY 3/21</b>	First state of emergency	Relaxing requests for self-restraint	"Go TO Travel campaign" (except TOKYO)	"Go To Travel campaign" (add TOKYO)	Go To Travel is temporarily suspended	Second satate of emergency
<b>FY 3/22</b>	Third satate of emergency					

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

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

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

# Dormy Inn Business: RevPAR by month



RevPAR

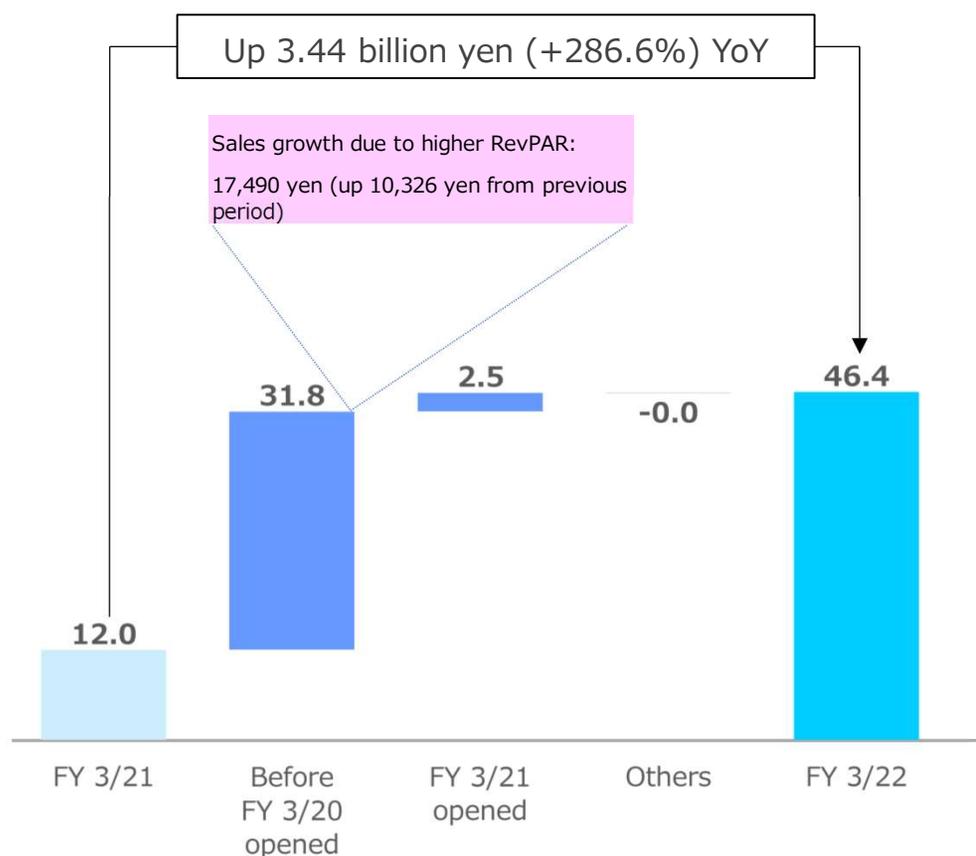
(thousand yen)	Q1	Q2	Q3	Q4	Annual cumulative total
FY 3/20 (Act)	10.1	10.6	9.9	6.8	9.3
FY 3/21 (Act)	2.6	5.6	7.2	4.8	5.1
<b>FY 3/22 (Act)</b>	<b>4.9</b>				
YoY	+2.3				

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

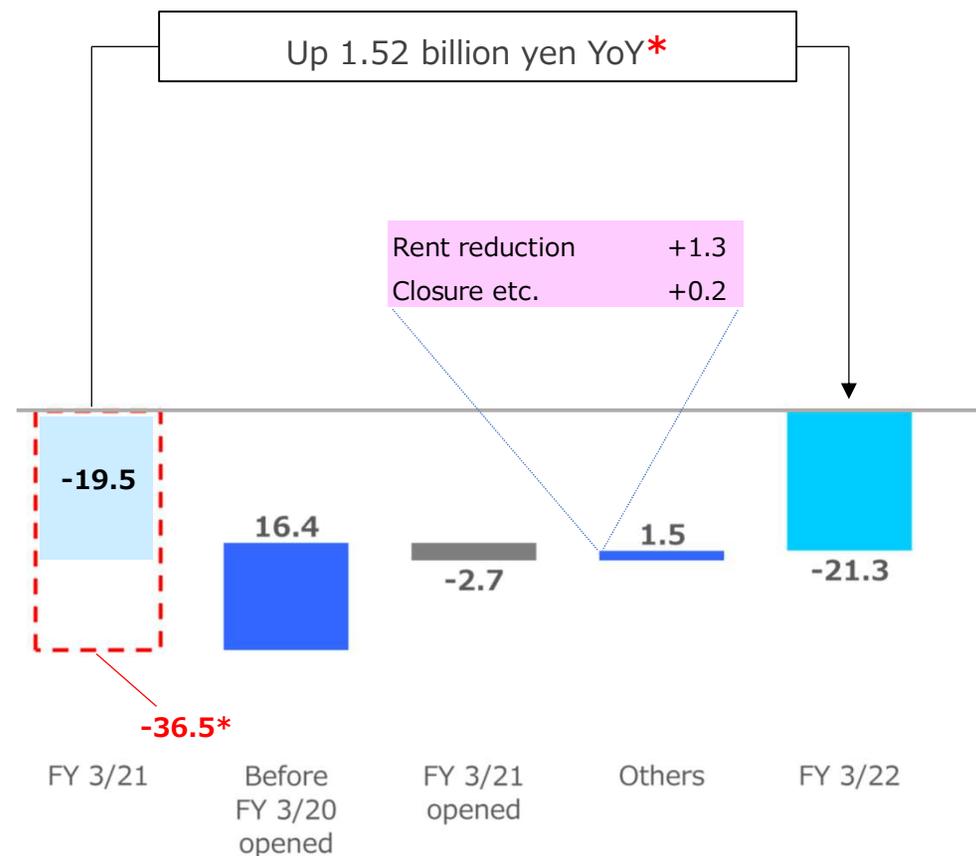
# Resorts Business: Net sales and operating income

(100 million yen)

## Net sales

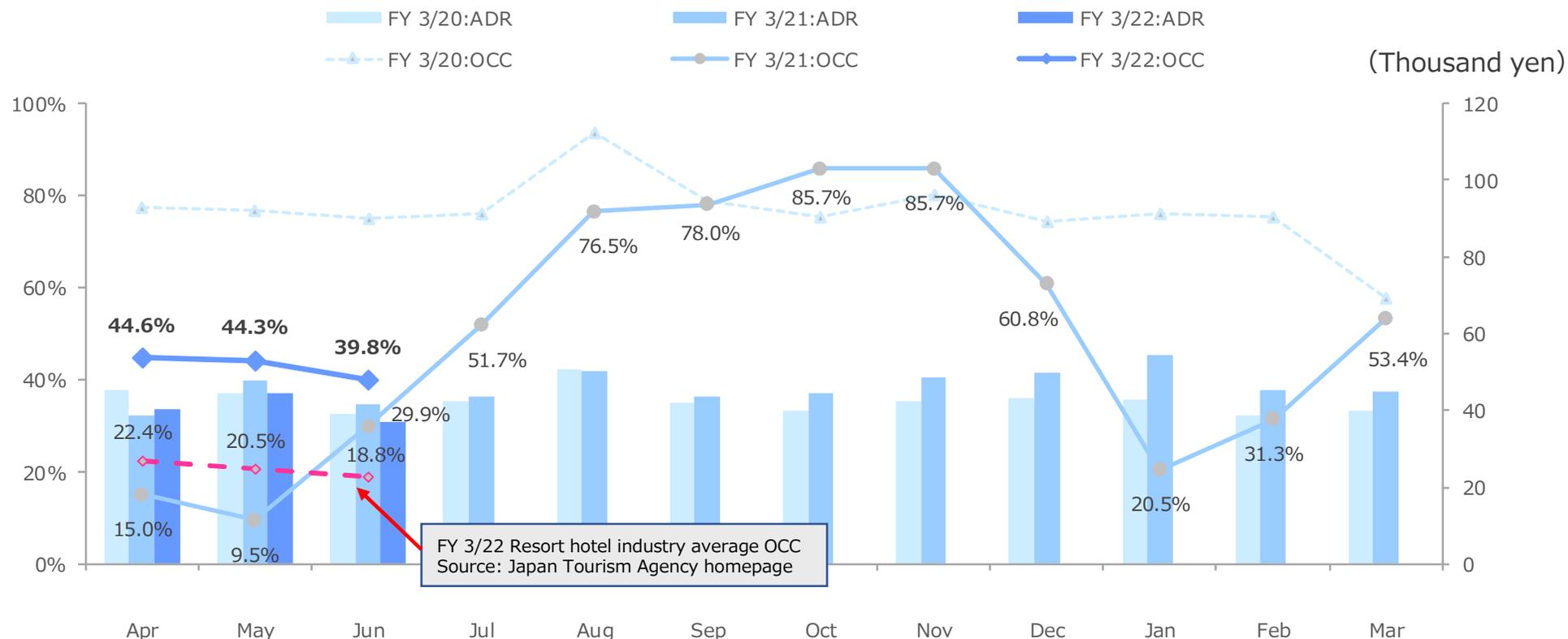


## Operating income



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

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



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

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

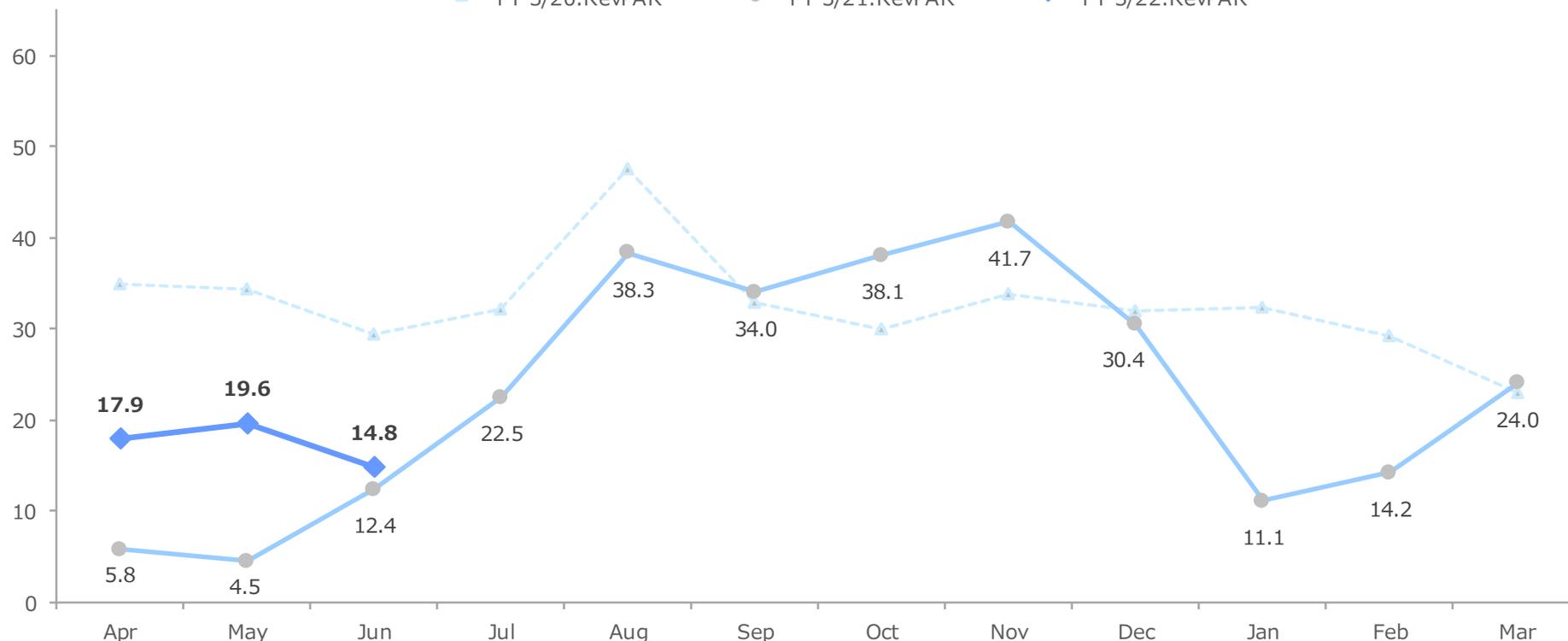
ADR					
(thousand yen)	Q1	Q2	Q3	Q4	Annual cumulative total
FY 3/20 (Act)	43.2	45.3	41.7	40.5	42.7
FY 3/21 (Act)	41.7	46.1	47.5	47.0	46.6
<b>FY 3/22 (Act)</b>	<b>40.7</b>				
YoY	-0.9				

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

# Resorts Business: RevPAR by month

(Thousand yen)

---▲--- FY 3/20:RevPAR    ●--- FY 3/21:RevPAR    ◆--- FY 3/22:RevPAR



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

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

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

# Sales of new products in FY 3/22

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

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



## ■ "Shiki Club" Kyoritsu General Corporate Membership Program

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

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



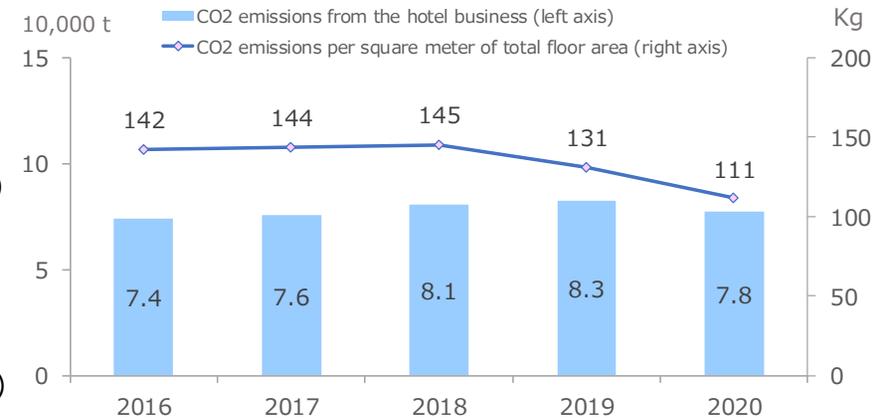
# ESG initiatives

## Affordable and clean energy



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

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



## Human rights and diversity



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

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

## Enhancing corporate governance

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

# Projected consolidated business results and main financial indicators

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

\* Cash flow: Net income + depreciation

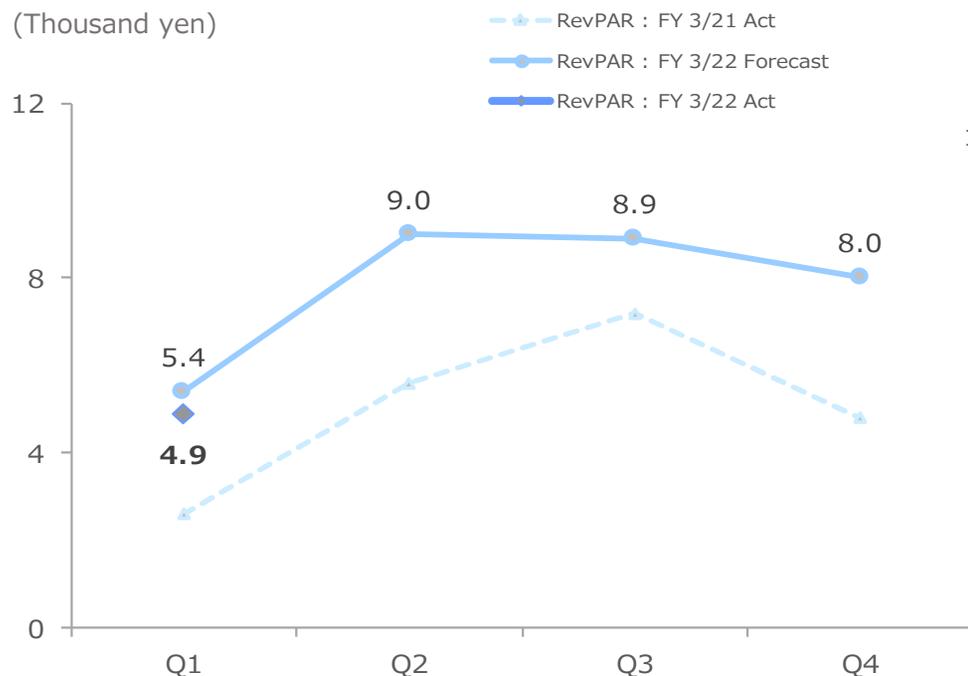
# Projected consolidated financial results: quarterly operating income in main segments

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

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

## RevPAR

(Thousand yen)

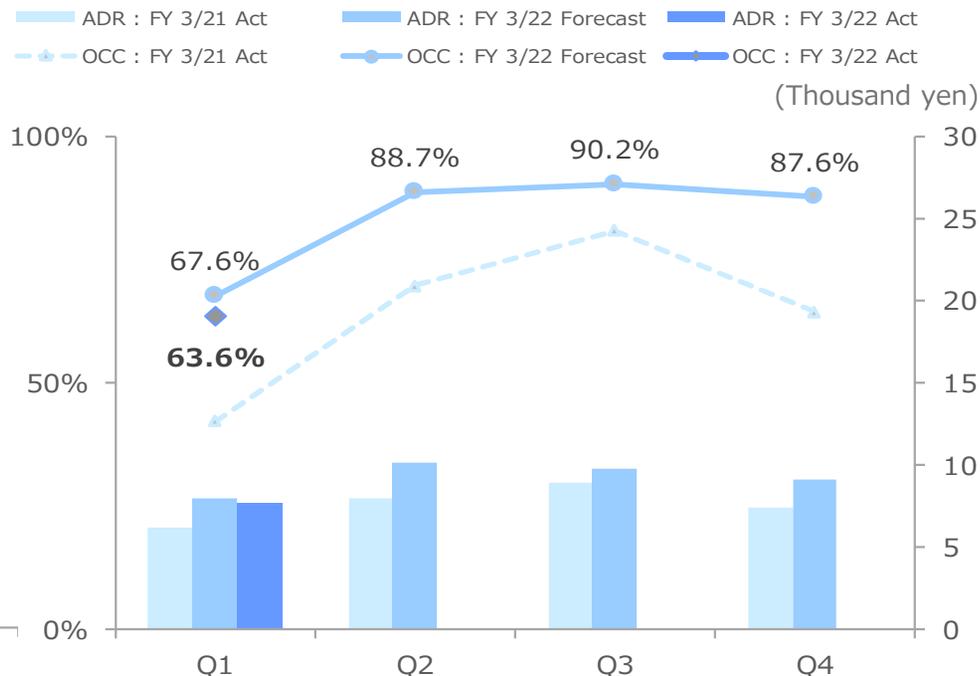


### RevPAR

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

## OCC·ADR

(Thousand yen)



### OCC

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

### ADR

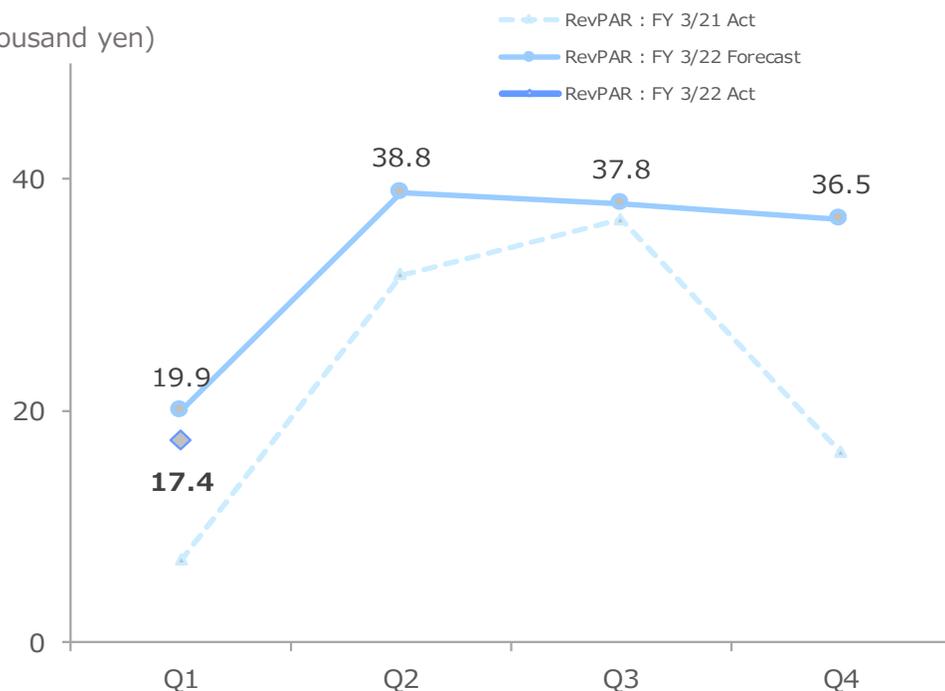
(thousand yen)	Q1	Q2	Q3	Q4	Annual cumulative total
FY 3/21 (Act)	6.2	8.0	8.9	7.4	7.9
FY3/22 (Forecast)	8.0	10.1	9.8	9.1	9.4
<b>FY3/22 (Act)</b>	<b>7.7</b>				
Comparison with Forecasts	-0.3				

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

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

## RevPAR

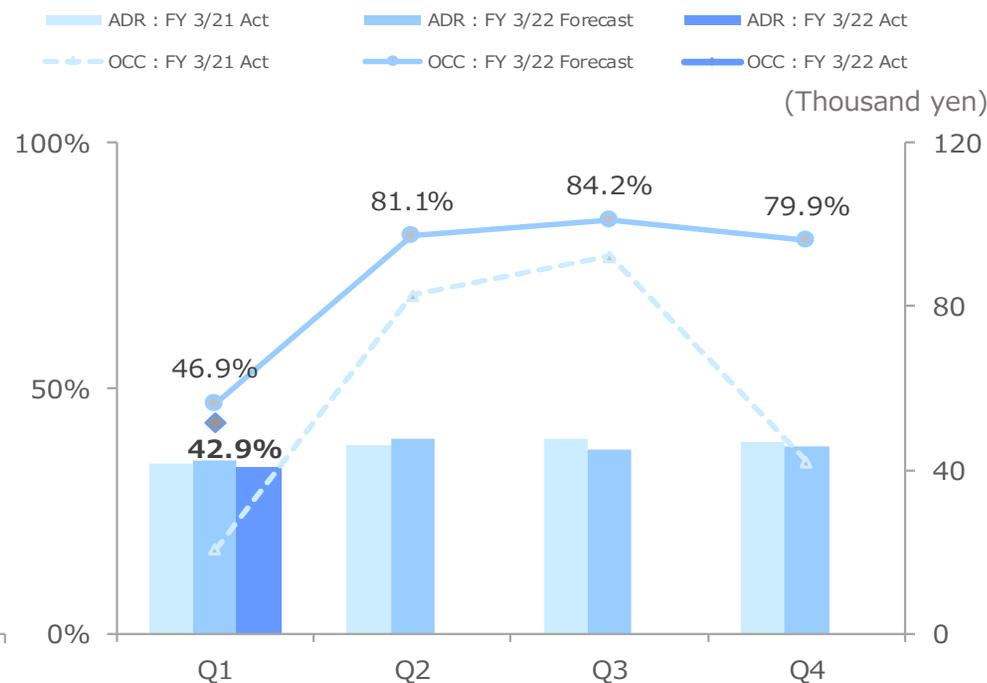
(Thousand yen)



### RevPAR

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

## OCC·ADR



### OCC

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

### ADR

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

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

# Dormitory/hotel development plans and sales and leaseback projects for real-estate

## Planned

	FY 3/21		FY 3/22		FY 3/23		FY 3/24		FY 3/25		FY 3/26	
<b>Dormitories, Domeal</b>	+15 facilities*	+1,181 rooms*	+12 facilities*	+1,204 rooms*	+16 facilities*	+1,600 rooms*	+14 facilities*	+1,400 rooms*	+14 facilities*	+1,400 rooms*	+14 facilities*	+1,400 rooms*
	Ending number of facilities	507 facilities	Ending number of facilities	503 facilities	Ending number of facilities	519 facilities	Ending number of facilities	533 facilities	Ending number of facilities	547 facilities	Ending number of facilities	561 facilities
	Ending guest capacity	41,927 rooms	Ending guest capacity	41,753 rooms	Ending guest capacity	43,353 rooms	Ending guest capacity	44,753 rooms	Ending guest capacity	46,153 rooms	Ending guest capacity	47,553 rooms
	Leasing rate	87.9%	Leasing rate	87.8%	Leasing rate	88.0%	Leasing rate	88.4%	Leasing rate	88.7%	Leasing rate	89.1%
	[L] Hokudai Avenue, [L] Nippori, [L] Sendai Tsutsujigaoka, [L] Nagakute, [L] Hamadayama, [L] Komazawa Park, [L] Esaka Park, [L] Yokohama-Nishi, [L] Hyakumanben Annex, [L] Azabujuban etc.		[L] Sakado Hanamachi, Niigata Akashidori, [L] Chuo University Nanpei, [L] Iriya, [L] Duo Jiyugaoka, [L] Kameari, [L] Angeliqur Cour, [L] Tsuruma Park, [L] Osaka Fukushima, [L] Kyoto Kuinabashi, [L] Hirao, etc.		[L] Nishi-Shinjuku, Teikyo University Hachioji, [L] Nakano Saka-ue, [L] Utsunomiya, [L] Tokaidagakumae, [L] Tobetsu, [L] Sendai Yamamotocho, [L] Kyoto Fukakusa, [L] Nishinomiya Kitaguchi, [L] Kokura Sakuradori, etc.		[L] Hirosaki, [L] Sendai Teppo-chonishi, [L] Kyoto Fushimi, [L] Kyoto Saiin, [L] Otsuka, [L] Sendai komatsushima, etc.		To be determined		To be determined	
<b>Dormy Inn</b>	+4 facilities*	+1,166 rooms*	+5 facilities*	+938 rooms*	+4 facilities*	+658 rooms*	+7 facilities*	+1,135 rooms*	+2 facilities*	+351 rooms*	+3 facilities*	+518 rooms*
	Ending number of facilities	85 facilities	Ending number of facilities	90 facilities	Ending number of facilities	94 facilities	Ending number of facilities	101 facilities	Ending number of facilities	103 facilities	Ending number of facilities	106 facilities
	Ending guest capacity	15,219 rooms	Ending guest capacity	16,157 rooms	Ending guest capacity	16,815 rooms	Ending guest capacity	17,950 rooms	Ending guest capacity	18,301 rooms	Ending guest capacity	18,819 rooms
	Leasing rate	99.1%	Leasing rate	99.1%	Leasing rate	99.2%	Leasing rate	98.4%	Leasing rate	98.5%	Leasing rate	98.5%
	[L] Premium Nagasaki Ekimae, [L] Nono Kyoto Shichijo, [L] Kobe Motomachi, [L] Ikebukuro.		[L] Nono Kanazawa, <b>Express Toyohashi, Premium Ginza,</b> [L] Express Fujisan Gotemba, [L] Nono Osaka Yodoyabashi.		<b>Nono Matsue,</b> [L] Nono Matsumoto, [L] Nono Sendai, [L] Hiroshima Annex.		<b>Nono Asakusa Bettel,</b> [L] Nono Okayama, [L] Nono Beppu, [L] Aomori, Rikuzentakata, [L] Nono Ise, etc.		[L] Nono Fukui, etc.		<b>Yokkaichi,</b> [L] Nono Kumamoto, etc.	
<b>Resorts</b>	+3 facilities*	+297 rooms*	+2 facilities*	+158 rooms*	+4 facilities*	+938 rooms*	+1 facilities*	+72 rooms*	+1 facilities*	+72 rooms*	+2 facilities*	+337 rooms*
	Ending number of facilities	36 facilities	Ending number of facilities	38 facilities	Ending number of facilities	42 facilities	Ending number of facilities	43 facilities	Ending number of facilities	44 facilities	Ending number of facilities	46 facilities
	Ending guest capacity	3,135 rooms	Ending guest capacity	3,293 rooms	Ending guest capacity	4,231 rooms	Ending guest capacity	4,303 rooms	Ending guest capacity	4,375 rooms	Ending guest capacity	4,712 rooms
	Leasing rate	52.0%	Leasing rate	56.5%	Leasing rate	66.1%	Leasing rate	66.7%	Leasing rate	67.2%	Leasing rate	69.6%
	Shuzenji Hot Spring Katsuragawa, Okuhida Hot Spring Hirayukan, [L] Wakura Hot Spring Noto Kaishu.		<b>Nasu Shiobara Rengetsu, La Vista Kusatsu Hills.</b>		<b>Jozankei,</b> [L] Hakodate Bay Annex, [L] Kyoto Umekoji, [L] La Vista Tokyo Bay.		<b>Kyoto Ninnaji.</b>		<b>La Vista Enoshima Terrace,</b>		<b>Kurokawa Hot Spring, La Vista Atami Terrace.</b>	
Companywide leasing rate	88.9%		89.1%		89.5%		89.7%		90.0%		90.3%	

(Note) [L] indicates a leased property; red text indicates a property planned for real-estate securitization in the future.

\* Indicates numbers of increases in facilities and rooms from development projects (does not indicate numbers of increases from the end of the previous year for facilities and rooms in operation at the end of the year)

## Important notes

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

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

### Forward-looking statements

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

よい朝のために。

よい朝のために。

**KY  RITSU**

**HOTELS & DORMITORIES**