

Facilities for Utilizing Leisure Time

Ooedo Onsen Facilities Portfolio

17th fiscal Period ended November 2024

- Portfolio-wide occupancy rates, ADRs, and RevPAR all increased year-on-year
- Ise-Shima, Kinugawa, Atami : Value-up construction ("VU", facility renovation to rank up from "Ooedo-Onsen Monogatari" to "Ooedo-Onsen Monogatari **Premium**") completed and reopened.

Next step / Strategy

- Ito and Ikaho: Value-up construction in 2025
- Increase in variable rents from five properties subject to value-up construction (RevPAR is expected to increase by approximately 10% compared to the tenant's fiscal year ending February 2024)

	23/11 FP15 Actual	24/5 FP16 Actual	24/11 FP17 Actual	YoY vsFP15	QoQ vsFP16	25/5 FP18 Forecast	vsFP17	25/11 FP19 Forecast	vsFP18
Occupancy	80.1%	72.3%	83.2%	3.1% pt	10.9% pt	75.1%	-8.1% pt	80.1%	5.0% pt
ADR	34,301 yen	34,622 yen	35,140 yen	839yen (2.4%)	518yen (1.5%)	34,789 yen	-351yen (▲1.0%)	36,773 yen	1,984yen (5.7%)
RevPAR	27,475 yen	25,031 yen	29,236 yen	1,761yen (6.4%)	4,205yen (16.8%)	26,126 yen	-3,110yen (▲10.6%)	29,455 yen	3,329yen (12.7%)

APA Hotel

H-1 APA Hotel (Asakusabashi Ekimae)

	Until November 2024 Last 12 Months Results	25/5 FP18 Forecast	25/11 FP19 Forecast
Occupancy	98.3%	98.3%	98.3%
ADR	10,763 yen	10,763 yen	10,763 yen
RevPAR	10,582 yen	10,582 yen	10,582 yen

H-2 APA Hotel (Nanba Mianmi Daikokucho Ekimae)

	Until November 2024 Last 12 Months Results	25/5 FP18 Forecast	25/11 FP19 Forecast
Occupancy	89.2%	89.2%	89.2%
ADR	8,682 yen	8,682 yen	8,682 yen
RevPAR	7,745 yen	7,745 yen	7,745 yen

Facilities for Utilizing Leisure Time : Actual and Prospects for Variable Rents

■ **Actual 17th fiscal period ended November 2024: 38 million yen** (-14 million yen compared to the previous period)

Major causes of variance (compared to the previous fiscal period): In Reoma, Toi, and Kimitsu, the actual performance in the calculation period did not meet the variable rent accrual level.

■ **Forecast 18th fiscal period ending May 2025: 71 million yen** (+33 million yen compared to the previous period)

Major causes of variance (compared to the previous fiscal period): Based on the most recent results, Ikaho will not meet the variable rent generation standard, but the variable rent ratio will increase due to the transition to a new rent system on the back of strong business performance in Awara, variable rent will occur in Reoma, Kinugawa, Asakusabashi and Daikokucho, and variable rent is expected to increase in Ise-shima and Atami.

■ **Forecast 19th fiscal period ending November 2025: 89 million yen** (+18 million yen compared to the previous period)

Major causes of variance (compared to the previous fiscal period): Variable rents are expected to occur in Toi and Ikaho, and variable rents are expected to increase in Ise-shima, Ito, Atami, Kinugawa, and Higashiyama

(thousand yen)

	23/11 FP15 Actual	24/5 FP16 Actual	24/11 FP17 Actual	25/5 FP18 Forecast	25/11 FP19 Forecast	Period of VU construction to be scheduled	Period that VU construction contributes in full	Main factor of variables
Ooedo Onsen								
S-1 Reoma Resort	-	6,933	-	6,439	6,439	-	-	FP17: Decline of visitors and sales due to rainy summer
S-2 Ise-shima	5,925	7,691	7,869	8,592	9,650	Completed 2024	25/11~	After FP18: Contribution of VU construction
S-3 Ito	-	8,734	8,804	7,543	9,718	Scheduled 2025	26/11~	FP18: Impact of the typhoon and earthquake warning in FP17
S-4 Atami	5,312	6,273	7,143	7,646	9,077	Completed 2024	25/11~	After FP18: Contribution of VU construction
S-5 Toi	5,422	6,355	-	-	6,529	-	-	FP18: Impact of the typhoon and earthquake warning in FP17
S-6 Awara	-	3,806	5,037	24,927	24,927	-	-	From FP18: Transition to a new rent system (variable rent ratio increased)
S-8 Ikaho	-	4,447	4,016	-	4,518	Scheduled 2025	26/11~	FP18: the variable rent benchmark is not expected to be achieved
S-9 Kimitsu	-	2,384	-	-	-	-	-	-
S-11 Kounkaku	-	-	-	-	-	-	-	-
S-12 Kinugawa	-	-	-	8,158	10,283	Completed 2024	25/11~	After FP18: Contribution of VU construction
S-14 Hitgashiyama	-	5,665	5,414	6,384	7,150	-	-	FP17: Decrease business days due to building maintenance
Sub total	16,660	52,291	38,286	69,691	88,295			
APA Hotel								
H-1 Asakusabashi	-	-	-	646	646	-	-	FP18: Estimated amount based on actual results
H-2 Daikokucho	-	-	-	998	998	-	-	FP18: Estimated amount based on actual results
Sub Total				1,645	1,645			
Variable Rent Total	16,660	52,291	38,286	71,336	89,940			
Comparing to the previous period			▲14,005	33,050	18,604			

* Variable rent is calculated independently by the asset management company based on the actual results and business plans obtained from tenants and not guaranteed its realization.

Accommodation Facilities

17th fiscal period ended November 2024

- Occupancy: 97.5% (+0.9%pt compared to the previous period)
- Average rent slightly decreased by 0.5% pt compared to the previous period due to the impact of Fiel Hakusankoen.

Next Step / Strategy

- Continue to ensure stable operations
- Regarding the properties with a rent gap (the difference between the current rent and the market rent), we will pursue an increase in rent at the time of tenant replacement.

	23/11	24/5	24/11	25/5	25/11
Occupancy	FP15 Actual	FP16 Actual	FP17 Actual	FP18 Forecast	FP19 Forecast
A-1 L Place Miyazakidai	100.0%	100.0%	100.0%	100.0%	100.0%
A-2 JMR Residence Shin-Osaka	97.9%	99.5%	98.4%	97.1%	97.1%
A-3 K.Ryokuchi	100.0%	100.0%	100.0%	98.2%	95.1%
A-4 Fiel Hakusankoen Niigata Hakusankoen building	89.2%	91.5%	94.6%	95.8%	97.5%
A-5 INSURANCE BLDG Ⅷ (Toyoshiki)	-	-	-	97.0%	97.0%
A-6 Urban Flats Shin-Kawasaki	-	-	-	100.0%	100.0%
A-7 Oshiage Park Square	-	-	-	97.5%	97.5%
A-8 U residence Kitami	-	-	-	95.0%	95.0%
A-9 U residence Musashi-Koganei	-	-	-	95.0%	95.0%
A-10 T's eco Kawasaki	-	-	-	97.4%	97.4%
Total	95.3%	96.6%	97.5%	97.5%	97.5%
Of which, 4 existing properties	95.3%	96.6%	97.5%	97.3%	97.4%
Of which, 6 newly acquired properties	-	-	-	97.6%	97.6%
Average Rent (yen/Tsubo)					
A-1 L Place Miyazakidai	7,340	7,340	7,340	7,340	7,340
A-2 JMR Residence Shin-Osaka	7,179	7,195	7,218	7,252	7,252
A-3 K.Ryokuchi	7,164	7,164	7,164	7,485	8,163
A-4 Fiel Hakusankoen Niigata Hakusankoen building	6,414	6,386	6,307	6,326	6,328
A-5 INSURANCE BLDG Ⅷ (Toyoshiki)	-	-	-	6,010	6,010
A-6 Urban Flats Shin-Kawasaki	-	-	-	4,690	4,690
A-7 Oshiage Park Square	-	-	-	9,728	9,728
A-8 U residence Kitami	-	-	-	8,681	8,681
A-9 U residence Musashi-Koganei	-	-	-	8,014	8,014
A-10 T's eco Kawasaki	-	-	-	10,529	10,529
Total	6,924	6,914	6,883	7,124	7,169
Of which, 4 existing properties	6,924	6,914	6,883	6,950	7,058
Of which, 6 newly acquired properties	-	-	-	7,251	7,251

Rent gap of the residential part

- Rent gap : about 8%
- Not included in the earnings forecast

Existing Rent

- Rent unit price as of the end of December 2024
- Miyazakidai, Ryokuchi, and Shin-Kawasaki buildings under lease are calculated by correcting the current contracted area base to the occupied area base.

Market Rent

- 4 existing properties: New rents stated in the appraisal report as of the end of the fiscal year ending November 2024
- 6 new properties: New rents listed in the appraisal report as of October 1, 2024

Actual Rent	Market Rent	Rent Gap
9,712	11,500	18.4%
7,215	7,169	-0.6%
7,164	8,200	14.5%
6,036	6,400	6.0%
6,015	6,000	-0.2%
4,947	6,300	27.4%
10,161	11,200	10.2%
8,680	8,669	-0.1%
8,014	7,841	-2.2%
10,632	11,800	11.0%
7,255	7,864	8.4%

* K.Ryokuchi, since the building lease agreement with the lessee who leases the whole building and subleases it to individual sublessees is scheduled to be terminated at the end of March 2025, the average rents (from FP15 till FP19th) are re-calculated by changing area size from the existing lease agreement basis to the net rentable area basis.