



大江戸温泉リート投資法人

Ooedo Onsen Reit Investment Corporation

Results of 12th Fiscal Period ended May 31, 2022

Presentation Material

July 21, 2022

(Asset Manager) Ooedo Onsen Asset Management Co., Ltd.

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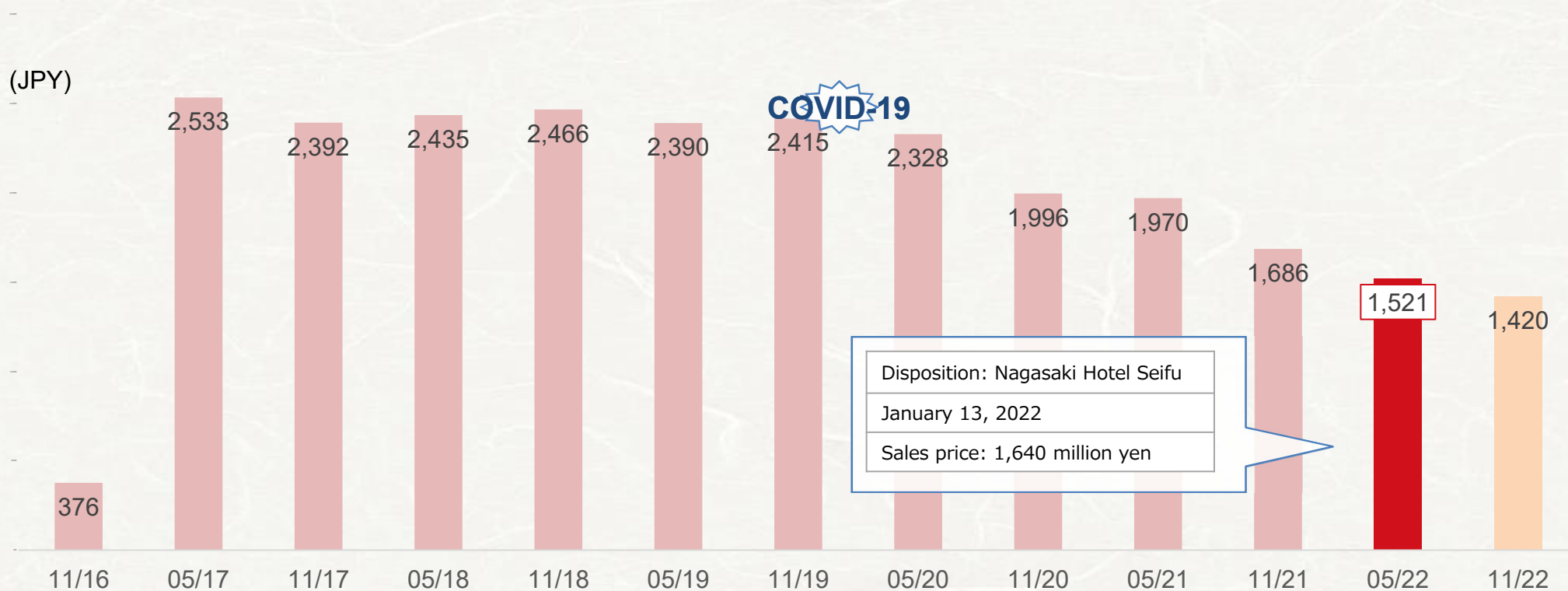


I . Highlights



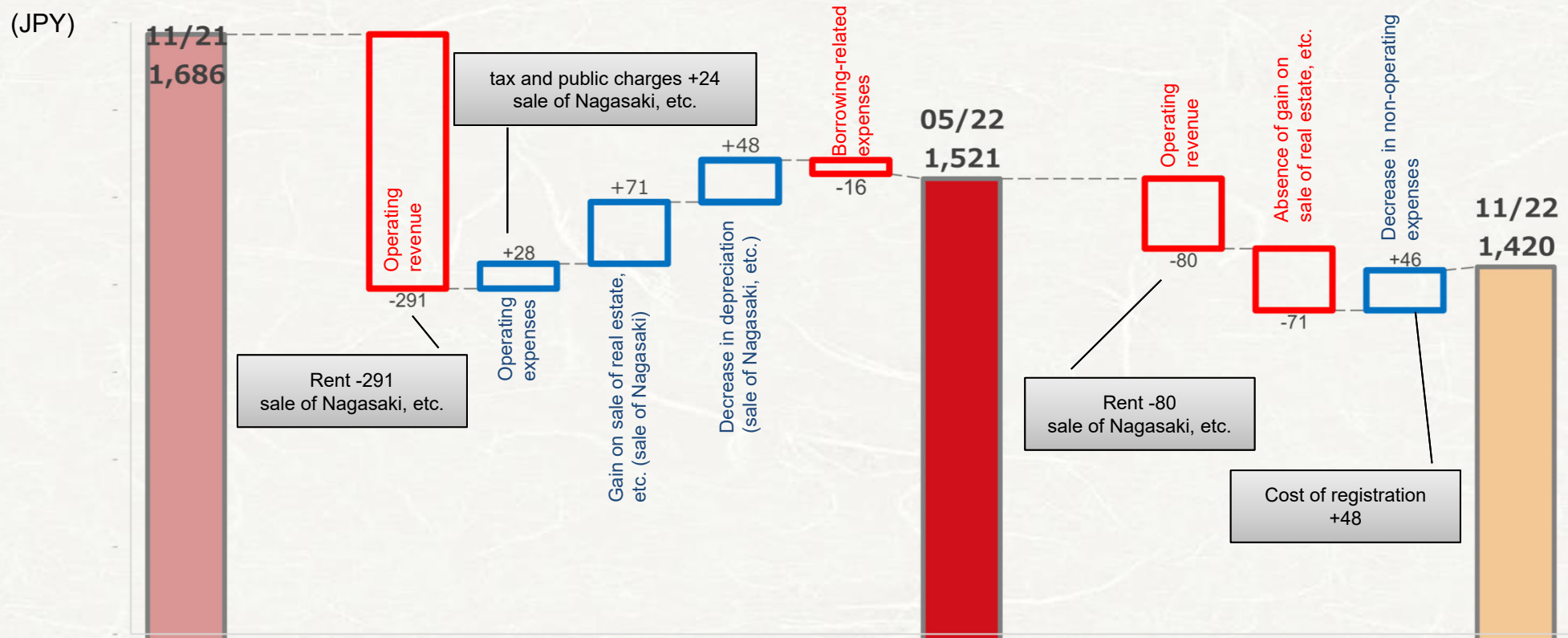
DPU Summary

Nov. 2021	May. 2022	Nov. 2022
JPY 1,686	JPY 1,521	JPY 1,420



DPU Summary

Nov. 2021	May. 2022	Nov. 2022
JPY 1,686	JPY 1,521	JPY 1,420



After the Change of the Shareholder of the Sponsor

■ Resumption of the growth of the sponsor and solutions to issues at the Investment Corporation are discussed with the new shareholder.

- Strengthening the financial base of the sponsor (reducing debt and setting a funding framework through a capital increase when the shareholder of the sponsor changed)
 - Continuing to discuss with the sponsor about actions to take to overcome short-term crises and improve the finances of the Investment Corporation
- ⇒ Priority in light of the Investment Corporation is an early business recovery at the Ooedo Onsen Monogatari Group.

■ Operators to enhance the value of their facilities and resume opening new facilities

- Making investments to renew facilities, which has been postponed amid the COVID-19 pandemic, and strengthen safety measures
- Making investments sequentially to add value to facilities and increase unit sales prices
- Resuming opening new facilities after suspension amid the COVID-19 pandemic

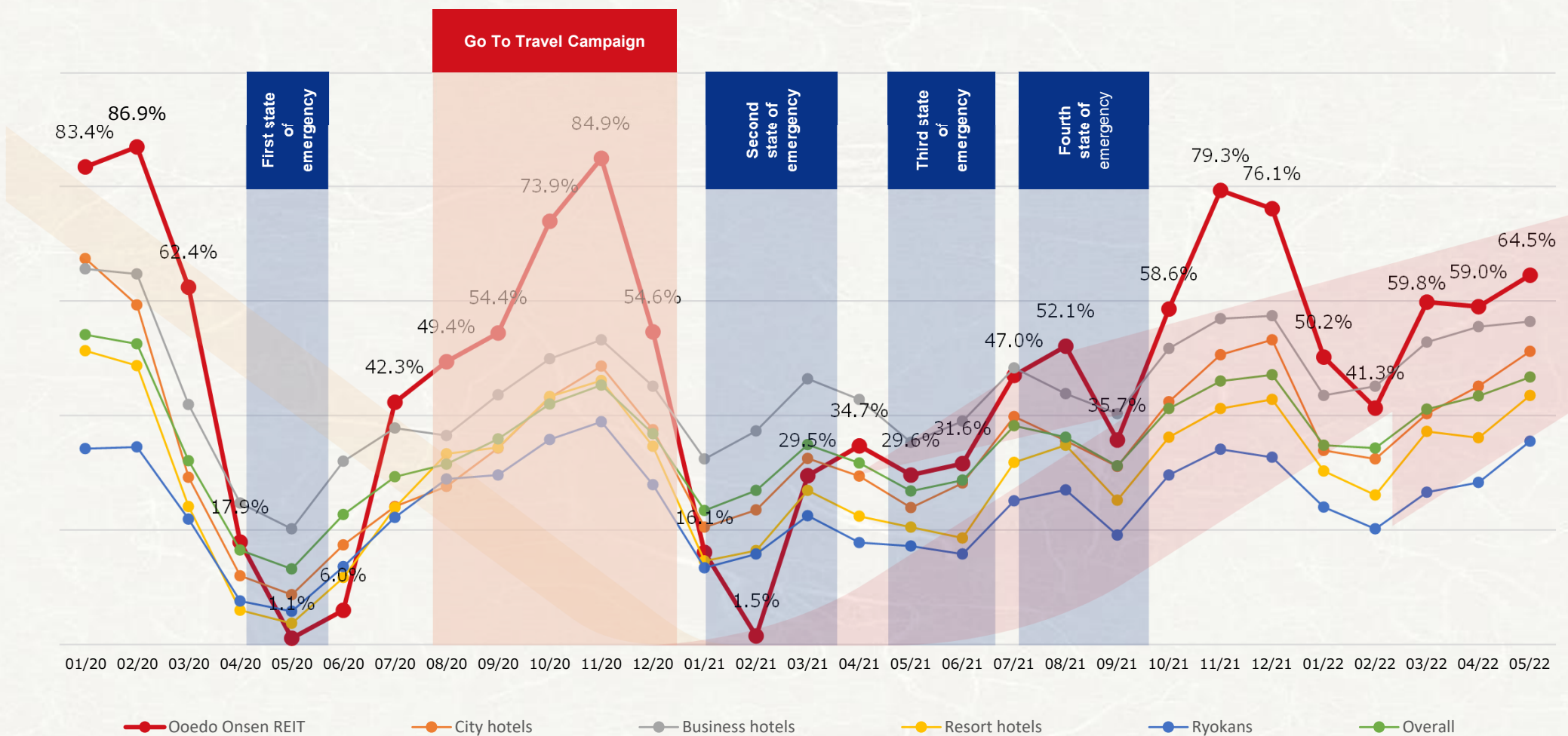
■ Examining and discussing a new rent structure to realize the upside potential of the Investment Corporation

- Give and take: increases in rental income during good times, changes in fixed cost at tenants during a downturn and in a crisis
- Reviewing the ratio of fixed rent and variable rent and discussing a new rent structure, which includes the expansion of performance-linked elements

Recovering Tenant Performance and Occupancy (1)

Signs of recovery on the back of the third round of vaccinations and a decrease in the number of COVID-19 cases and the government's support to tourism

Average occupancy rate by industry for the hotel sector

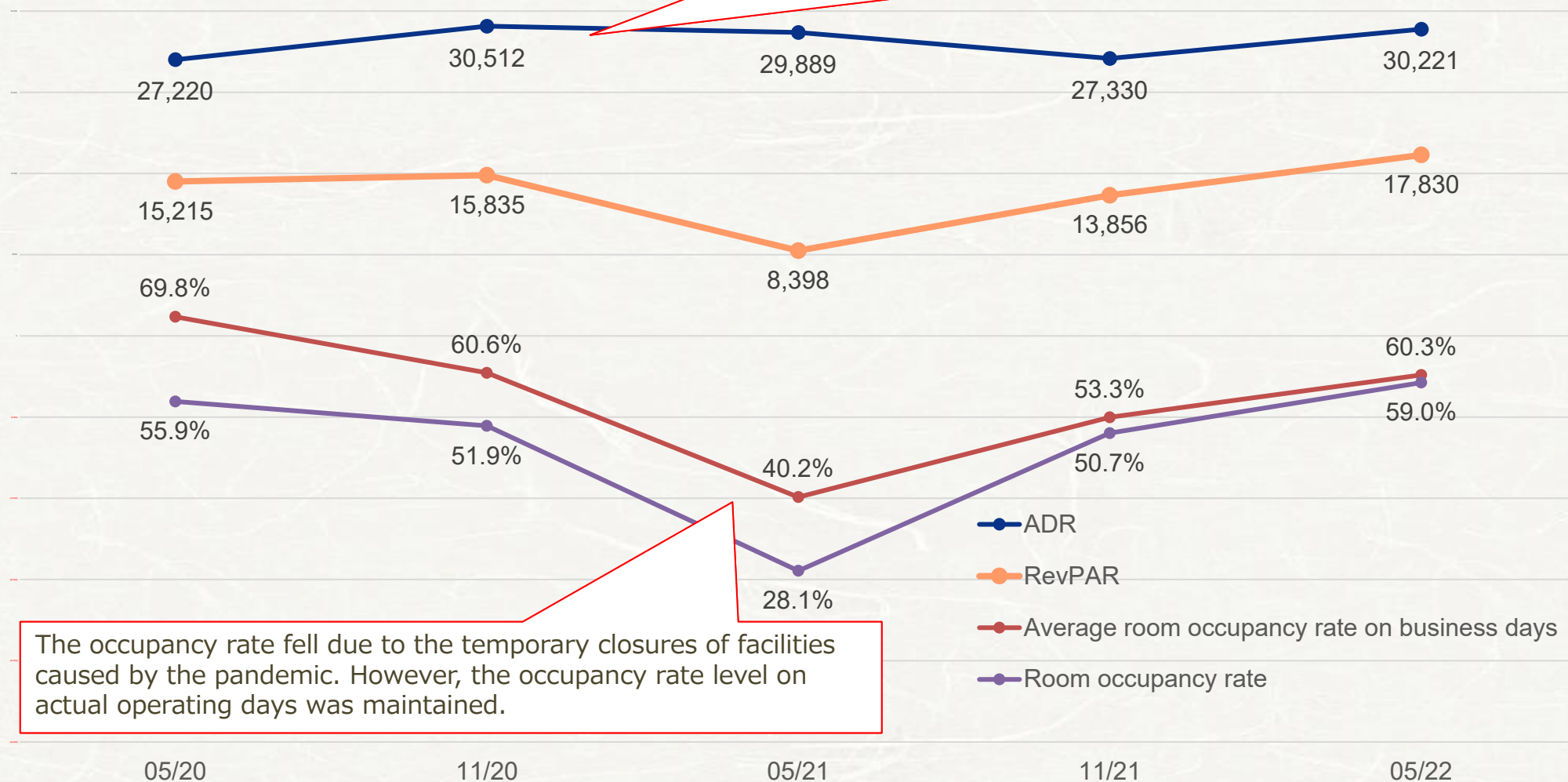


Recovering Tenant Performance and Occupancy (2)

The COVID-19 pandemic is continuing, and difficulty in forecasting.

ADR/RevPAR/Occupancy rate

Maintained the ADR level despite a decline in the occupancy rate.
-> Maintained the brand power and made preparations in anticipation of a recovery phase.



The occupancy rate fell due to the temporary closures of facilities caused by the pandemic. However, the occupancy rate level on actual operating days was maintained.

Materialization of Financial Risks and Countermeasures

■ **Worsening borrowing conditions due to the prolonged COVID-19 pandemic**

- > Generally worsening credit environment in the hotel sector
- > Prolonged adverse effects of COVID-19 on the sponsor
- > No specific policies given shape by the new shareholder of the sponsor yet

■ **Multiple banks did not accept requests for refinancing due to the abovementioned factors.**

■ **Increased borrowings from the main bank and top lenders and used cash on hand.**

■ **A new lender (Ogaki Kyoritsu Bank) took part in, by transfer of loan from the main bank.**



Expanding the share of the main bank (from 38% to 46%)

Continuing to examine increasing cash on hand to address refinancing risk

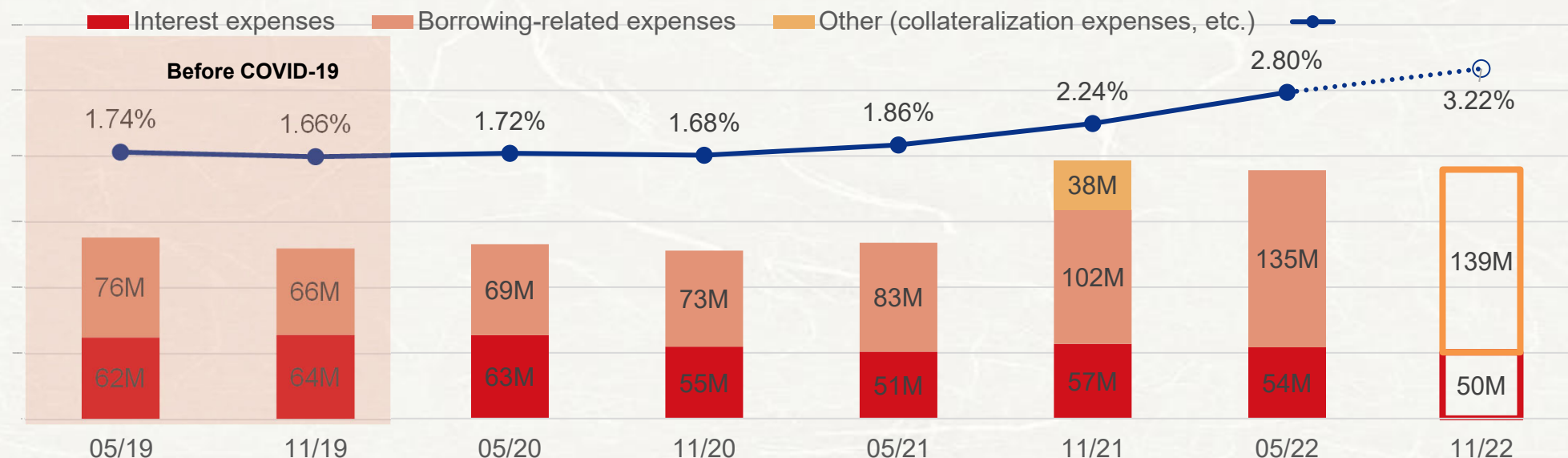
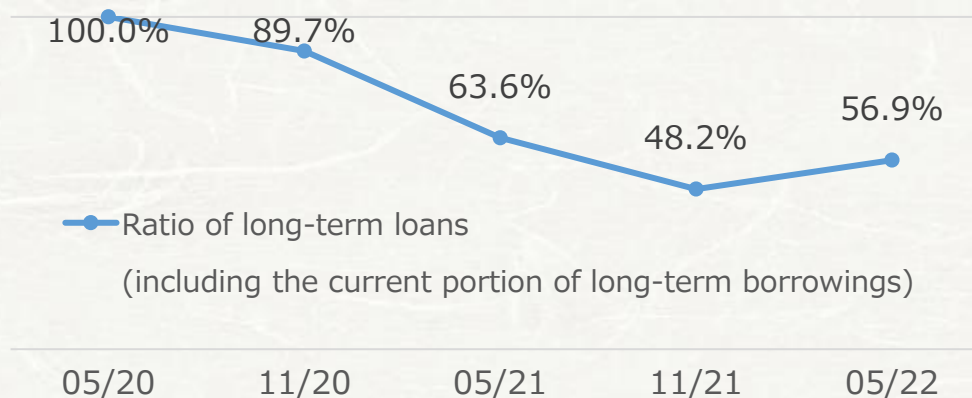
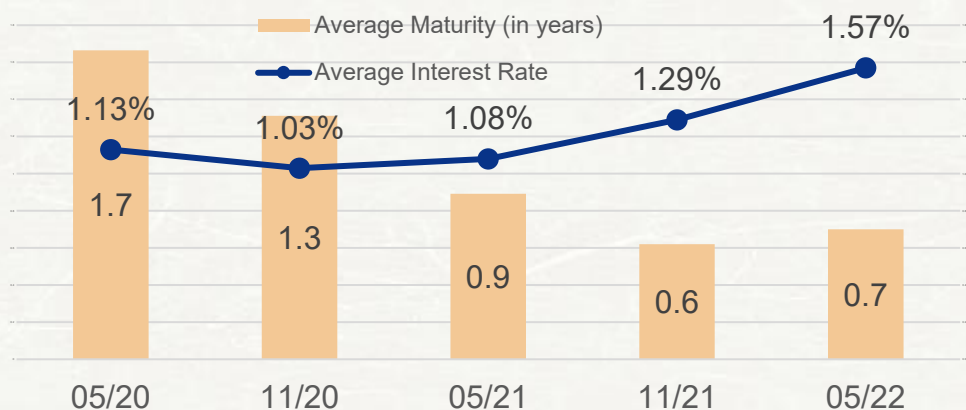
	Nov. 2021		May. 2022
Average remaining duration	0.6 years	▶	0.7 years
Financing Cost	JPY 102 M	▶	JPY 135 M
LTV	book value basis 38.1% appraisal value basis 32.9%	▶	book value basis 34.2% appraisal value basis 29.6%



Materialization of Financial Risks and Countermeasures : Increasing Financing Cost

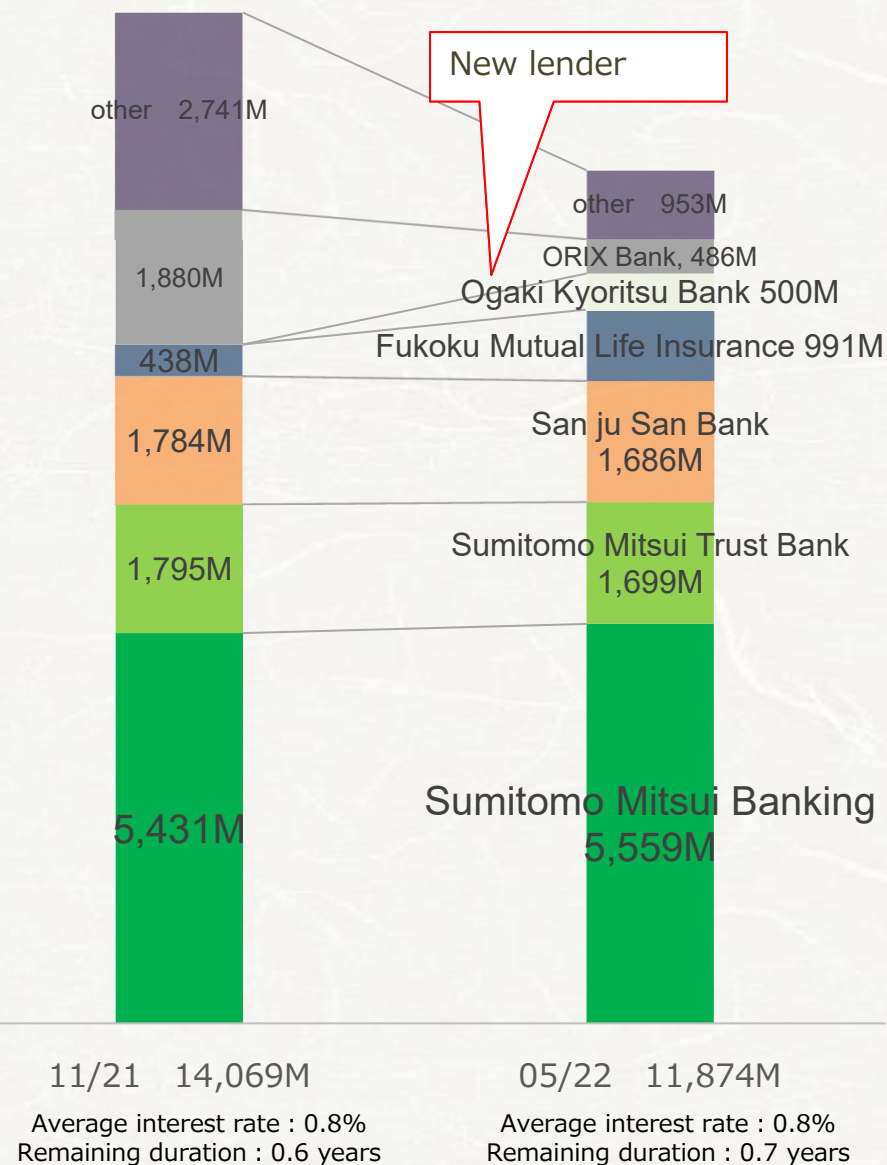
■ Rising interest rates and to shorter financing terms

- Worsening credit environment in the hotel sector
- Worsening environment for refinancing loans due to uncertainty



Status of Borrowings

Breakdown of borrowing

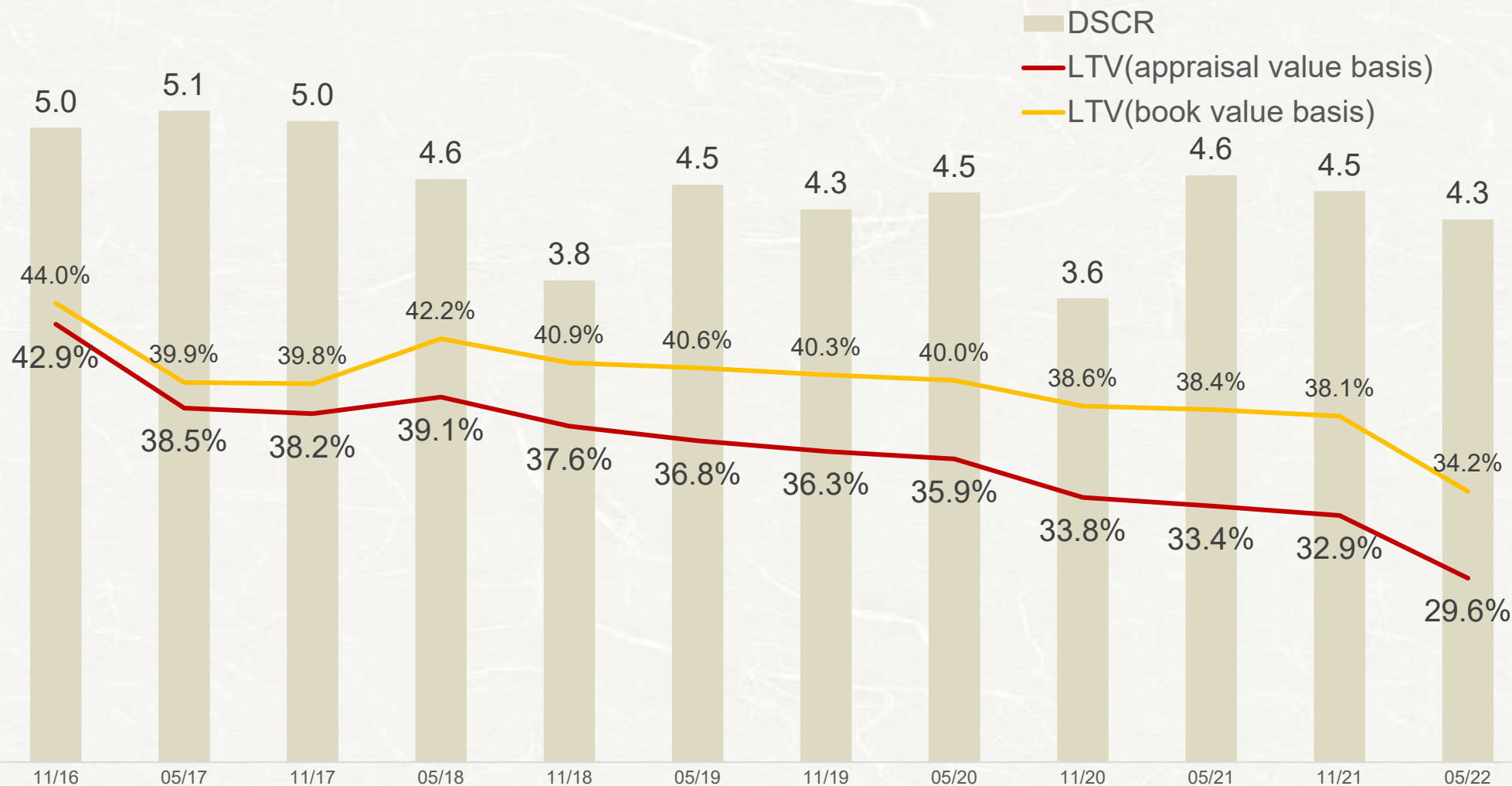


List of lenders

	Lender	Balance	Interest rate Security	Drawdown/ Repayment date
Short-term	Sumitomo Mitsui Banking Fukoku Mutual Life Insurance	1,736M	1-month Yen Tibor + 0.70% Secured and unguaranteed	May 31, 2022 Aug 31, 2022
	Sumitomo Mitsui Banking Sumitomo Mitsui Trust Bank	3,173M	1-month Yen Tibor + 0.75% Secured and unguaranteed	May 31, 2022 Feb 28, 2023
	Sumitomo Mitsui Banking	210M	1-month Yen Tibor + 0.75% Secured and unguaranteed	May 31, 2022 Feb 28, 2023
Long-term	Sumitomo Mitsui Banking San ju San Bank Ogaki Kyoritsu Bank Fukoku Mutual Life Insurance	3,185M	3-month Yen Tibor + 0.75% Secured and unguaranteed	Feb 28, 2022 Feb 28, 2023
	Sumitomo Mitsui Banking Sumitomo Mitsui Trust Bank ORIX Bank San ju San Bank The Towa Bank The Iyo Bank The Nomura Trust and Banking The Bank of Fukuoka The Juhachi-Shinwa Bank	3,132M	3-month Yen Tibor + 0.80% Secured and unguaranteed	May 31, 2019 May 31, 2023
	Sumitomo Mitsui Banking	436M	3-month Yen Tibor + 1.25% Secured and unguaranteed	Sep 1, 2016 May 31, 2023
Total		11,874M		

Materialization of Financial Risks and Countermeasures : Reducing Financial Risk

🏠 Trends in LTV / DSCR



(Note) DSCR is calculated based on (operating income + depreciation + amortization of leasehold + gain (loss) on sale of real estate) / (scheduled repayments + interest expenses).
 Payment before maturity, the amount paid off on due date, and reductions due to refinancing are excluded.



II. Financial Results



May. 2022

Revenue and profits decreased from the previous period due to a decline in rent income as a result of the sale of Nagasaki Hotel Seifu. Distributions per unit increased 92 yen from the revised forecast and decreased 165 yen from the previous period.

	Nov. 2021	May. 2022	Difference	(In thousand of JPY)		
				May. 2022 (Forecast as of Feb. 22, 2022)	Difference	
Operating revenue	1,344,058	1,291,399	-52,659	1,285,699	+5,700	
Primary rent	1,230,417	1,172,269	-58,148	1,172,269	-	
Fixed rent	1,230,417	1,172,269	-58,148	1,172,269	-	
Variable rent	0	0	-	0	-	
Secondary rent	112,434	101,888	-10,546	101,896	-8	
Others	1,206	640	-566	532	+108	
Lease operations revenue gain/loss	770,023	715,424	-54,599	717,376	-1,952	Reasons for change from forecasts
Gain on sale of real estate	-	16,601	+16,601	11,000	+5,601	Lease operations revenue gain/loss -1,952
Operating income	589,408	554,645	-34,762	539,765	+14,880	Gain on sale of real estate, etc. (sale of Nagasaki) +5,601
Ordinary income	393,492	354,835	-38,656	333,171	+21,664	Decrease in selling, general and administration (appraisal cost, etc.) +11,231
Net income	392,536	353,824	-38,712	332,171	+20,653	Operating income +14,880
						Decrease in non-operating expenses (arrangement fees, etc.) +10,258
						Ordinary income +21,664
Excess cash distribution	4,236	4,236	-	4,236	-	Reasons for change from Nov. 2021
Total distribution	396,795	357,962	-38,833	336,453	+21,509	Decrease in rent (sale of Nagasaki, etc.) -68,443
Total units outstanding	235,347	235,347	-	235,347	-	Decrease in tax and public charges (sale of Nagasaki, etc.) +5,669
DPU (yen)	1,686	1,521	-165	1,429	+92	Decrease in depreciation (sale of Nagasaki, etc.) +11,298
(Excess cash distribution per unit)	18	18	-	18	-	Lease operations revenue gain/loss -54,599
FFO per unit (yen)	3,589	3,306	-283	3,349	-43	Decrease in selling, general and administrative expenses (system expenses, management fees, etc.) -3,234
						Gain on sale of real estate, etc. (sale of Nagasaki) +16,601
NOI	1,222,312	1,156,414	-65,898	1,169,811	-13,397	Operating income -34,762
Depreciation	452,288	440,990	-11,298	441,435	-445	Increase in non-operating expenses (financing cost) -3,699
CAPEX	146,433	207,379	+60,946	236,687	-29,308	Ordinary income -38,656
						Main financial indicators (In million of JPY)
						Total assets 34,760
						Interest-bearing debt 11,874
						Total liabilities 13,782
						Total net assets 20,978
						LTV (book value basis) 34.2%
						NAV per unit 111,763円

Nov. 2022 Forecasts

The results compared with the previous period were fully affected by the rent income decline as a result of the sale of Nagasaki Hotel Seifu and absence of profit on sale. Distributions per unit are expected to decrease 60 yen from the revised forecast and decrease 101 yen from the previous period, despite a decline in cost of registration.

(In thousand of JPY)

項目	May. 2022	Nov. 2022	Difference	Nov. 2022 (Forecast as of Feb. 22, 2022)	Difference
Operating revenue	1,291,399	1,256,160	-35,239	1,255,815	+345
Primary rent	1,172,269	1,154,936	-17,333	1,154,936	-
Fixed rent	1,172,269	1,154,936	-17,333	1,154,936	-
Variable rent	0	0	-	-	-
Secondary rent	101,888	100,353	-1,535	100,353	-
Others	640	871	+231	275	+596
Lease operations revenue gain/loss	715,424	697,224	-18,200	698,517	-1,293
Gain on sale of real estate	16,601	0	-16,601	0	-
Operating income	554,645	520,362	-34,283	522,139	-1,777
Ordinary income	354,835	330,745	-24,090	345,105	-14,360
Net income	353,824	329,745	-24,079	344,105	-14,360
Excess cash distribution	4,236	4,471	+235	4,236	+235
Total distribution	357,962	334,192	-23,770	348,313	-14,121
Total units outstanding	235,347	235,347	-	235,347	-
DPU (yen)	1,521	1,420	-101	1,480	-60
(Excess cash distribution per unit)	18	19	+1	18	+1
FFO per unit (yen)	3,306	3,282	-24	3,349	-67
NOI	1,156,414	1,139,937	-16,477	1,142,588	-2,650
Depreciation	440,990	442,713	+1,723	444,071	-1,358
CAPEX	207,379	171,000	-36,379	166,803	+4,197

Reasons for change from forecasts

Retirement due to equipment replacement (Kimitsu)	-1,351
Lease operations revenue gain/loss	-1,293
Operating income	-1,776
Increase in refinancing cost	-12,583
Ordinary income	-14,360

Reasons for change from May. 2022

Decrease in rent (sale of Nagasaki, etc.)	-18,868
Lease operations revenue gain/loss	-18,200
Absence of gain on sale of real estate, etc.	-16,001
Operating income	-34,283
Decrease in non-operating expenses (Cost of registration, etc.)	+11,238
Ordinary income	-24,090

Main financial indicators (In million of JPY)

Total assets	34,332
Interest-bearing debt	11,686
Total liabilities	13,382
Total net assets	20,949
LTV (book value basis)	34.0%

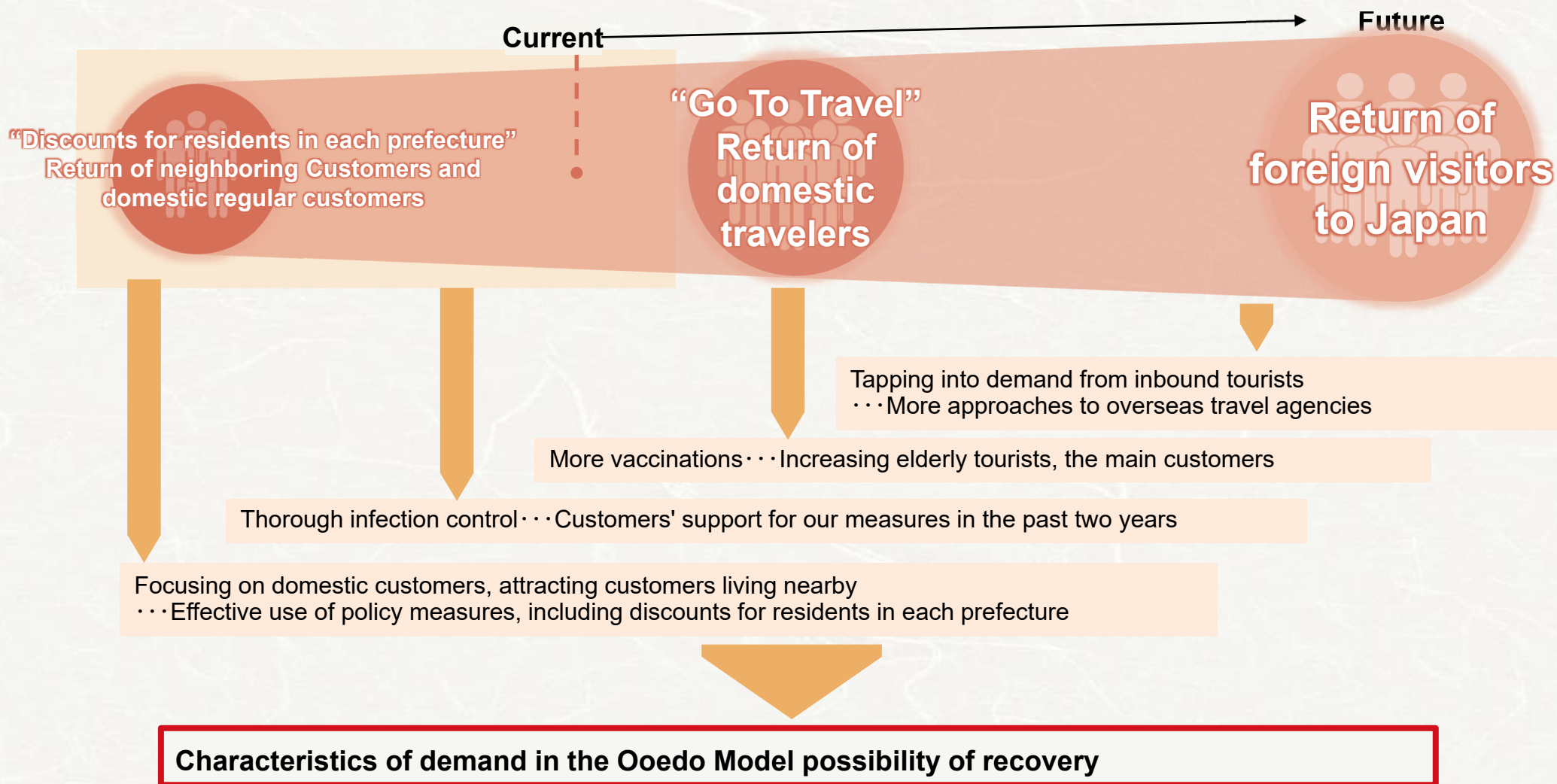


Ⅲ. Growth Strategy



To the Next Growth Stage After Overcoming Crisis

Recovery in the flow of people and the position of the Ooedo business model



External Growth

Many pipelines

We have a number of sponsor pipelines and pipelines in the market. We aim to build a diverse portfolio and expand the portfolio.

Sponsor Pipeline

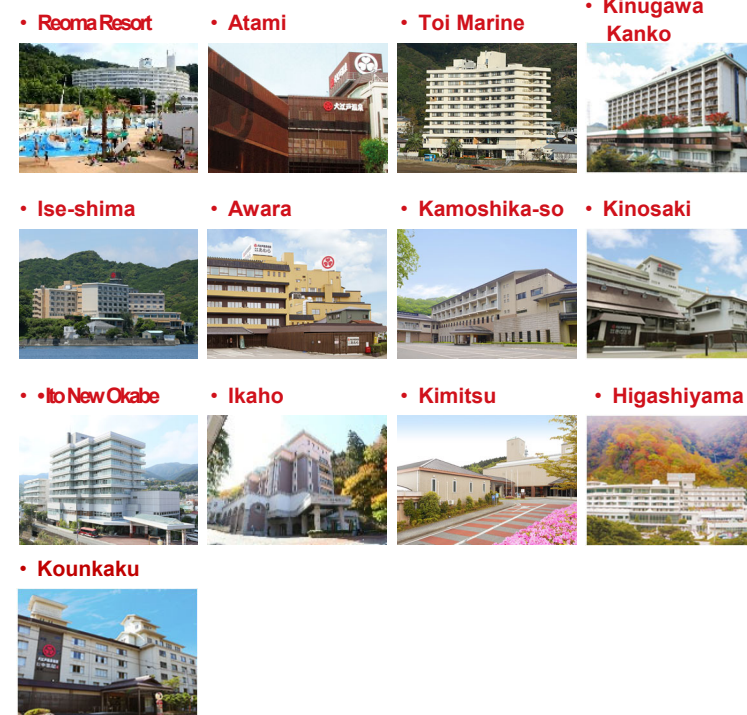
- Aizu • Sohkan • Yamashitaya • Kakeyu • New Shiobara
- Nikko Kirifuri • Minoh Kanko • Nagayama • Masuya • Suiyotei
- Beppu Seifu • Gero Shin-kan • Nanki-kushimoto • Kisoji
- TAOYA Shima • Amakusa • Shiomi-so • Saikaibasi
- Iwanumaya • Kinugawa-Gyoen

The number of properties which can be considered as investment targets is high.

- Acquisition of properties that can be operated stably.
- Portfolio replacement in consideration of a balance, etc.

Ooedo Onsen Reit Investment Corporation

13 Properties



Other Than Those from the Sponsor

Aiming for risk diversification

- Diverse portfolio
- Reducing dependency on a single tenant

		Ordinance -designated cities	Core cities	Other	Total	Pipeline
Onsen /Spa	Lodging	7	1	13	21	1
	Other (day trips, etc.)	0	2	1	3	1
Other lodgings		34	7	8	49	14
Entertainment, Amusement		0	0	1	1	1
Sports, beauty, health promotion facilities		0	0	0	0	0
Total		41	10	23	74	17

Internal Growth

Leasing and rent structure

- The basic policy is combining fixed rent for stability and variable rent, which enables us to realize upside potential.

Expected tenant performance and rent

For the time being

- Tapping into increasing demand for leisure activities in the recovery phase and demand from customers who could take outbound tours.
- Monitoring tenant performance and examining and discussing a new rent structure to earn rent income in the medium to long term.

Future

- Tapping into demand for inbound tourism, making investments in leisure facilities in urban areas.
- Expanding upside potential chiefly by changing the rent structure through diversification in the portfolio

Future challenges -Raising the level of rent revenue in the medium to long term through value-increasing investment

- Increasing cash flow generated from the difference between depreciation and capex by expanding assets under management
- Stable loan to value ratio and flexible financing
 - Effective utilization of unused land and buildings
 - Pursuit of significant value increasing through investment in extension and an increase in the number of rooms in the medium to long term

Financial Strategy

Pursuit of significant value increasing through investment in extension and an increase in the number of rooms in the medium to long term

Current policy

- LTV control => Respond to the COVID-19 crisis and reduce LTV for the time being. Create financing capacity with a level of around 40% after recovery.
- Extend the maturity of debt and diversification of repayment periods, strive to make loans unsecured again => Reduce debt cost.
- Initiatives in equity finance in which a long-term improvement in the investment unit value and an increase in distributions can be expected
- Initiatives in debt financing for acquiring properties using debt capacity generated by a low loan to value ratio

Future challenges

- Promotion of scale expansion and the diversification of risks in portfolio
 - Acquisition of a high rating and new financing methods, such as investment corporation bonds through the high rating
 - Agility and improved flexibility in LTV control in the short term.
 - Improvement in the FFO payout ratio and expansion of reserve capacity for free cash flows (creation of reserve capacity for value-increasing investment) through an improvement in the terms of debt financing

Investing Targets and Building of the Portfolio

Investments are made in a wide range of leisure facilities, particularly those related to onsen/spas, that provide consumers with an enjoyable and rich experience during their leisure time.

< Ooedo Onsen Reit's Investment Targets >



Building of a portfolio as a REIT focused on leisure facilities

- With onsen/spa-related facilities as the focused targets,
- Taking note of consumption for services (experience-based consumption) for which demand is expected to increase both in Japan and among inbound tourists,
- Facilities that provide consumers with a rich experience during their leisure time, that are supported by consumers
= Aim to build a portfolio focused on facilities aiming at utilizing leisure time

Building of a hybrid portfolio that satisfies both stability and growth

- Maintenance of stable operation exemplified by the Ooedo business model and the stable core portfolio centered on fixed rent and net lease
- Acquisition of new growth factors by incorporating ever-increasing inbound tourism demand in the long term, new types of accommodation, various leisure facilities, etc.



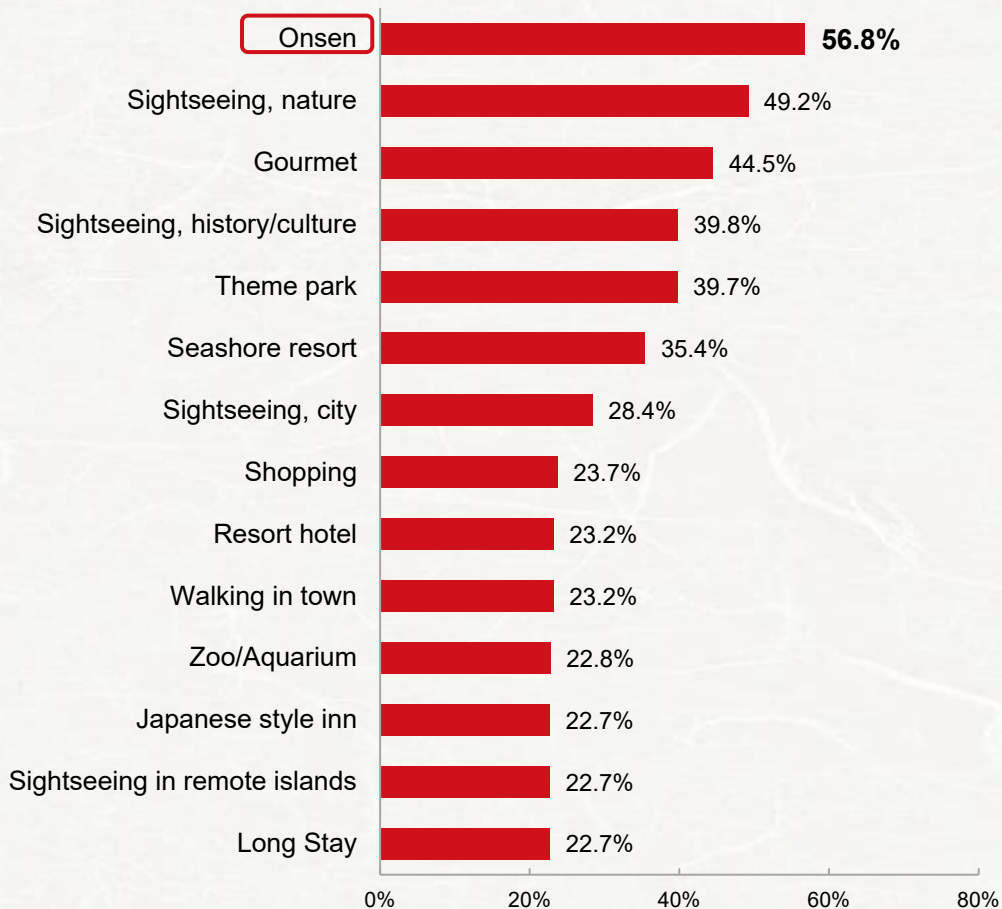
IV. Market Environment



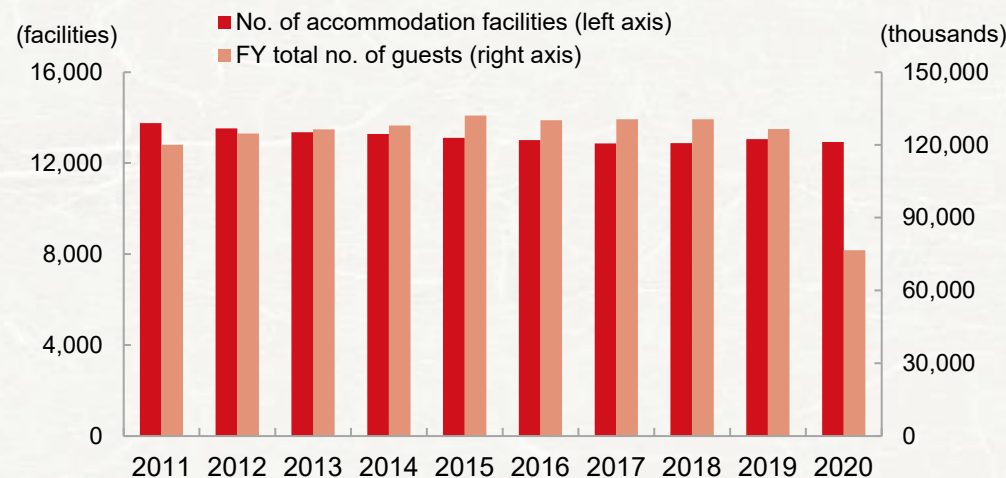
Stable Onsen/Spa-Related Market

Market for onsen and spa-related facilities that forms the basis for the stability of the portfolio centered on properties operated by the sponsor.

🦋 Type of trip desired in the next 1-2 years (multiple responses)



🌸 Trends in number of accommodation facilities and FY total number of guests



Source: Onsen Use (2010 – 2018), Nature Conservation Bureau, Ministry of the Environment

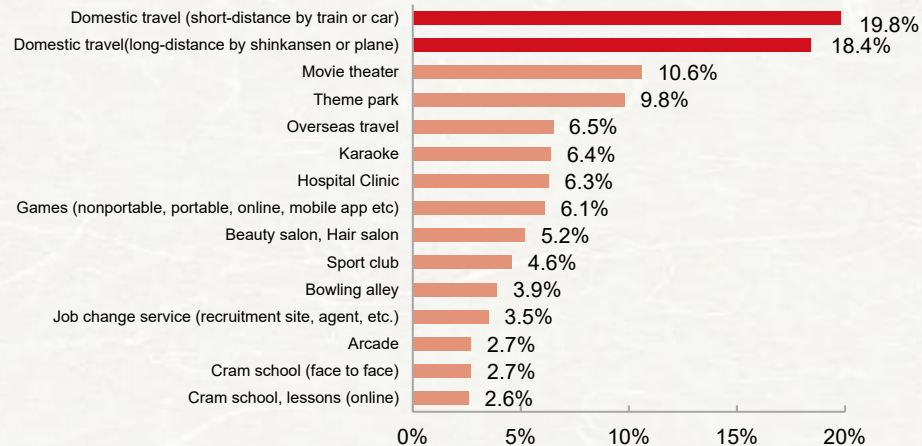
- According to the Annual Report on the Tourism Trends Survey, "onsen" ranked number one among the types of trip respondents would like to try.
- The number of accommodation facilities' guests has been stable since FY2011 according to the Onsen Use Survey by the Ministry of the Environment, but the number declined temporarily due to COVID-19.

Source: JTBF Travel Intentions Survey (from "Annual Report on the Tourism Trends Survey 2021" by Japan Travel Bureau Foundation)

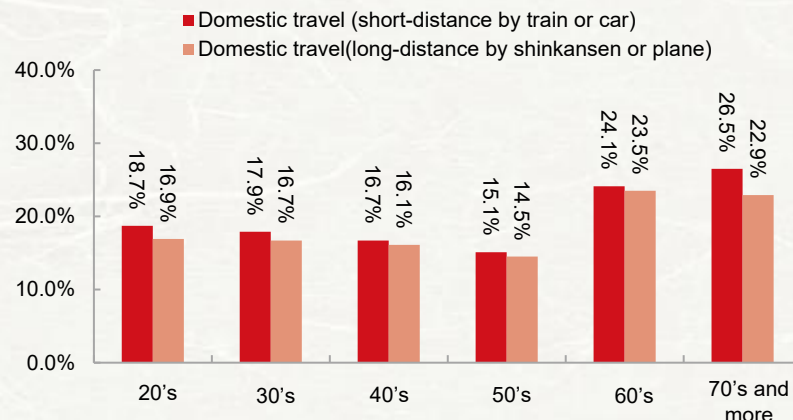
Future Leisure Market

Leisure Market after the COVID-19: Potential Demand for Domestic Travel.

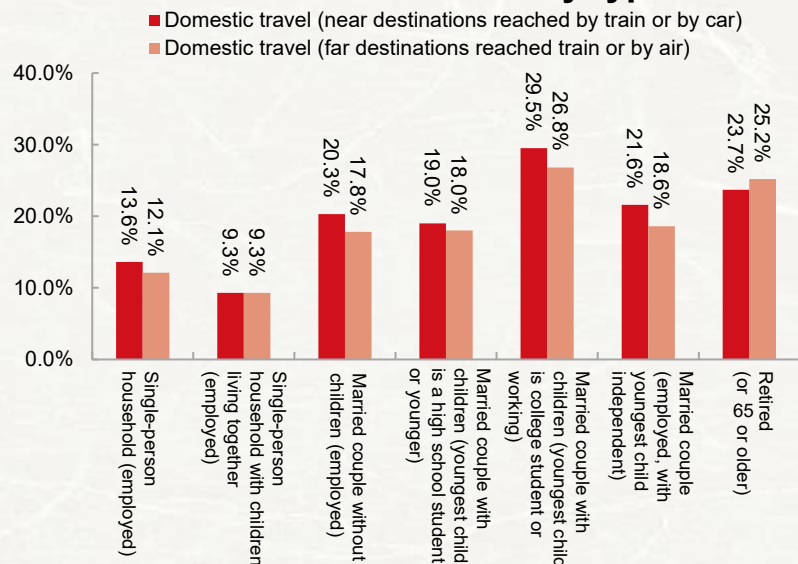
Percentage of respondents who say frequency (of use) will increase after the pandemic subsides



Percentage of respondents who say that the frequency of domestic travel will increase by age group



Percentage of respondents who say that the frequency of domestic travel will increase by type of family



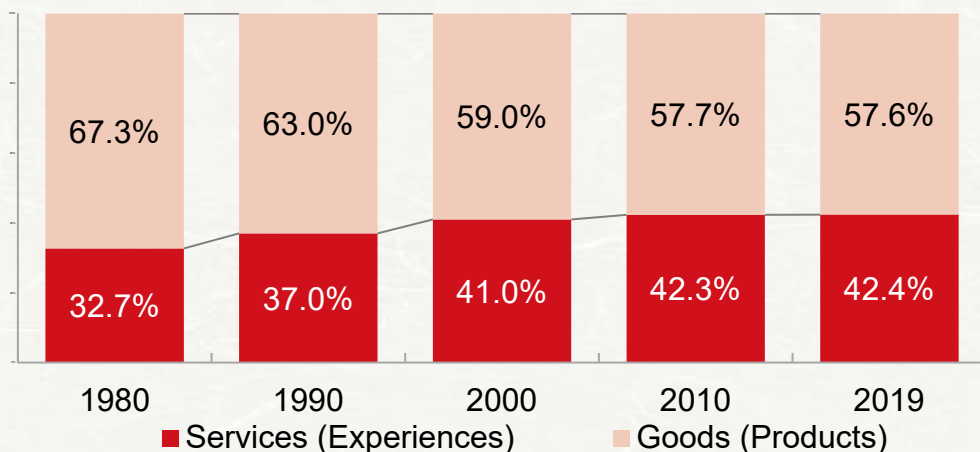
Source: All graphs are prepared by the Asset Manager based on the survey "Consumers' Vision of the World after the COVID-19 Pandemic: Expectations of a Recovery in Service-Oriented Consumption" of SMBC Nikko Securities Inc.

- The percentage of respondents who say the frequency of domestic travel will increase is larger than the percentages for any other leisure activities.
- The percentage of respondents who say the frequency of domestic travel will increase is high in all age groups. The percentage is particularly high among the elderly, who are the targets of the Investment Corporation.
- By family type, the percentage is particularly high for married couples who have children living together or the retired.

Future Leisure Market

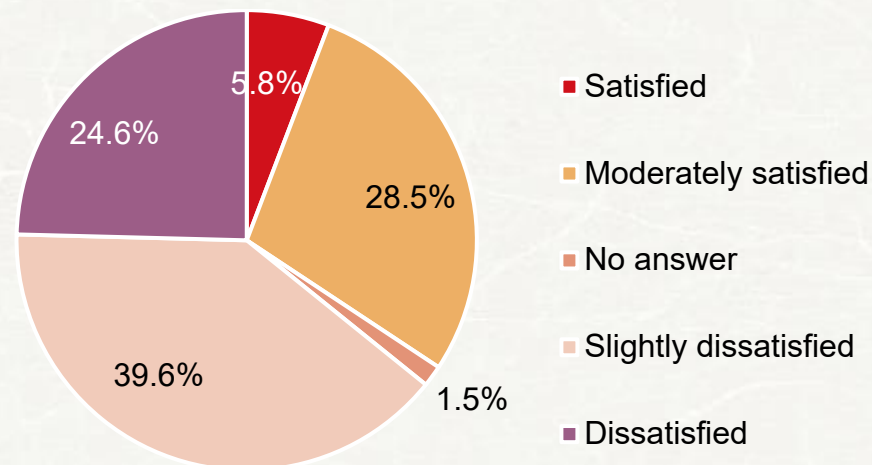
Domestic demand: Expansion of consumption for services or experience-oriented activities means future potential of the leisure market both qualitatively and quantitatively.

🌸 Trends in the consumption of services



Source: A graph prepared by the Asset Manager based on "White Paper on Consumer Affairs 2020" by the Consumer Affairs Agency

🚶 Level of satisfaction in a variety of fields in current lives – Leisure/ leisure life



Source: Public Opinion Survey on the Life of the People (a survey conducted in June 2021 by the Cabinet Office)

🌂 Priority matters in life



Source: Public Opinion Survey on the Life of the People (a survey conducted in June 2019 by the Cabinet Office)

- Data of the Consumer Affairs Agency also show a stable, increasing consumption trend for services.
- While "leisure" is ranked high in the public survey on "points of emphasis in one's future lifestyle," facilities that satisfy the needs remain insufficient.



Appendix



ESG Initiatives

The Investment Corporation and the Asset Manager believe that ESG initiatives are important. We take the environment and society into consideration and are enhancing corporate governance.

Environment

Energy-saving construction work

Replacement of air-conditioners

Higashiyama: Buffet hall, Arcadia

Ise-shima: Game floor, kitchen

Toi: Lobby (1F), karaoke room

Reoma World: ticket sales office

Kounkaku: Hyakujoburo baths

Replacement of Elevators

Ito: Sagamitei

Replacement of pumps, inverters, etc

Awara: Replacement of warming pumps

Reoma no Mori: Replacement of water pumps and sewage pumps

Kounkaku: Replacement of hot water supply pumps

Ito: Replacement of warming pumps

Higashiyama: Replacement of hot water supply pumps and heat exchangers

Kimitsu: Replacement of drainage pumps

Kamoshika: Replacement of filtering pump inverters

Social

■ Helping employees to acquire expertise

To enhance employees' skills and maintain and enhance their expertise, we help employees to obtain qualifications, including real estate transaction certification and ARES Certified Master.

■ Diverse ways of working

Introduced remote work and online meetings

Governance

■ Flow for careful decision making about transactions with interested parties

The attendance of external members at meetings of the Compliance Committee and the Investment Committee and the approval by them are required.

■ Same boat investment of the sponsor

Oedo Onsen Monogatari Co., Ltd. holds 3.9% of the investment units issued by the Investment Corporation (as of November 30, 2021).

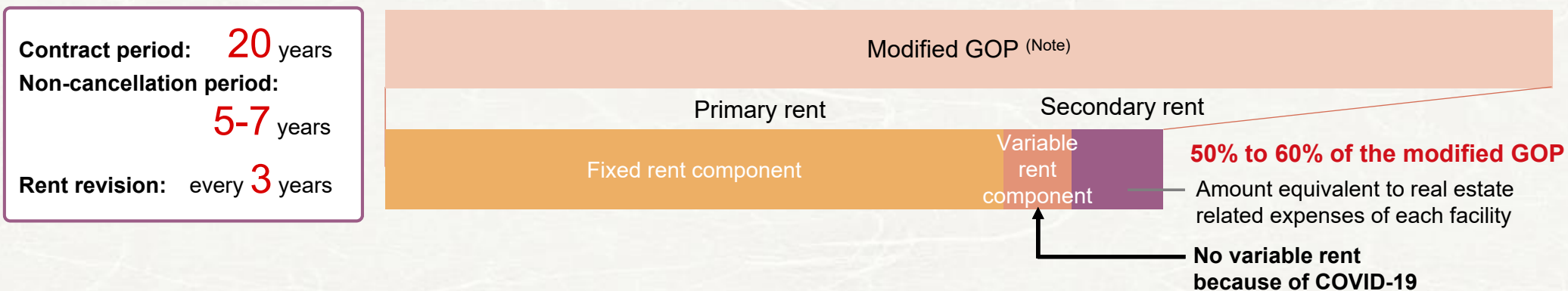
■ Asset Manager's own human resources playing a core role at the company

The President and Representative Director is one of the Asset Manager's own human resources

The department heads and those in higher positions have experience working at listed REITs, real estate funds, financial institutions, etc.

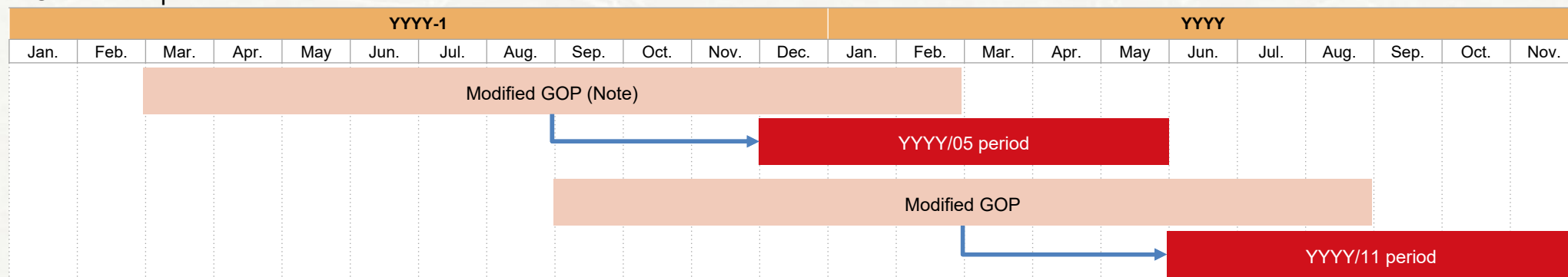
Rent Structure

Lease conditions for properties master-leased to the Oedo-Onsen Monogatari Group



- Primary rent = Fixed rent component (monthly amount stipulated by each lease agreement of each facility) + variable rent component (Variable rent = Modified GOP for each facility × the fixed rate stipulated by each lease agreement)
- Secondary rent = The total of taxes and public dues that is liable for the Investment Corporation + nonlife insurance premiums + other expenses

< Calculation period of variable rent >



(Note) "GOP" refers to gross operating profit, which is the amount remaining after deducting expenses arising directly from managing each facility, such as labor expenses and general and administrative expenses, from each facility's sales. "Modified GOP" is the amount remaining after deducting real estate-related expenses for the property to be borne by the tenant (including, but not limited to, taxes and public charges, non-life insurance premiums and land and house rent, but excluding an amount equivalent to Secondary rent) from the GOP of each facility for the Modified GOP Calculation Period. The same applies hereinafter.

Portfolio Data : List

(In million of JPY)

Property No.	Property name	Location	Building age (years)	Number of rooms	Room occupancy rate (Note 1)	Acquisition price	Appraisal value	NOI	NOI yield (Note 2)	After depreciation NOI yield (Note 2)	PML
S-1	Ooedo-Onsen Monogatari Reoma Resort	Kagawa Prefecture	30.9/31.2 (Note 3)	241	46.4%	9,756	8,750	310	6.4%	4.5%	2.0/1.6%
S-2	Ooedo-Onsen Monogatari Ise-shima	Mie Prefecture	42.2	83	75.5%	3,656	3,830	107	5.9%	3.0%	14.2%
S-3	Ito Hotel New Okabe	Shizuoka Prefecture	31.6	73 (Note 4)	67.4%	2,657	2,800	72	5.5%	3.3%	12.0%
S-4	Ooedo-Onsen Monogatari Atami	Shizuoka Prefecture	48.4	76	72.9%	3,000	3,420	92	6.2%	3.9%	13.1%
S-5	Ooedo-Onsen Monogatari Toi Marine Hotel	Shizuoka Prefecture	47.7	64	63.5%	1,910	2,020	53	5.6%	2.4%	15.4%
S-6	Ooedo-Onsen Monogatari Awara	Fukui Prefecture	40.8	95	58.0%	1,901	2,020	64	6.8%	4.5%	15.5%
S-7	Ooedo-Onsen Monogatari Kamoshika-so	Tochigi Prefecture	26.3	60	60.8%	1,222	1,260	34	5.7%	3.5%	3.0%
S-8	Ooedo-Onsen Monogatari Ikaho	Gunma Prefecture	38.6	40	81.4%	1,299	1,370	35	5.5%	3.4%	1.0%
S-9	Ooedo-Onsen Monogatari Kimitsu-no-mori	Chiba Prefecture	26.2	41	82.1%	819	859	23	5.8%	3.6%	4.8%
S-11	Ooedo-Onsen Monogatari Kounkaku	Miyagi Prefecture	56.5	98 (Note 5)	43.9%	1,040	1,220	41	7.9%	3.5%	3.9%
S-12	Kinugawa Kanko Hotel	Tochigi Prefecture	40.8	172	47.9%	3,870	6,130	172	8.9%	5.6%	2.1%
S-13	Ooedo-Onsen Monogatari Kinosaki	Hyogo Prefecture	53.6	103	71.6%	2,084	2,650	78	7.6%	5.5%	11.8%
S-14	Ooedo-Onsen Higashiyama Grand Hotel	Fukushima Prefecture	57.7	123	53.9%	1,230	1,470	50	8.3%	3.6%	4.6%
Total/Average			40.6	1,269	59.0%	34,449	37,799	1,156	6.7%	4.2%	2.9%

(Note 1) Room occupancy rate is for the 12th period ended May 31,2022, of the investment corporation.


(Note 2) (Average) NOI yield and (average) after depreciation NOI yield indicate annualized figures.

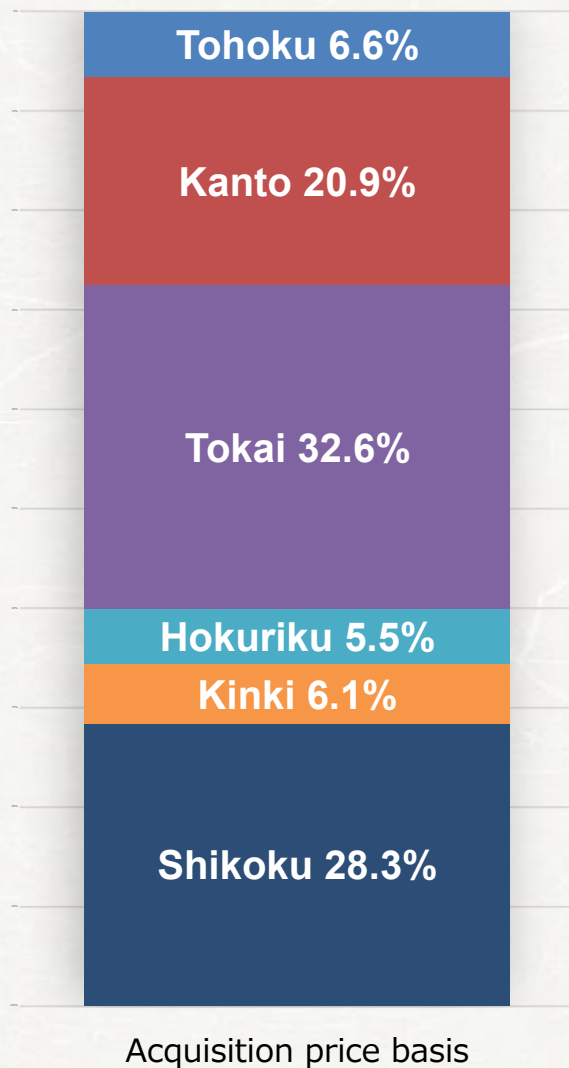
(Note 3) As for Building age and PML of Ooedo-Onsen Monogatari Reoma Resort, figures on the left indicate those of Hotel Reoma no Mori while figures on the right indicate those of New Reoma World.

(Note 4) The room occupancy rate of Ito Hotel New Okabe is a comprehensive figure including the rate of Surugatei, a property not owned by the investment corporation.

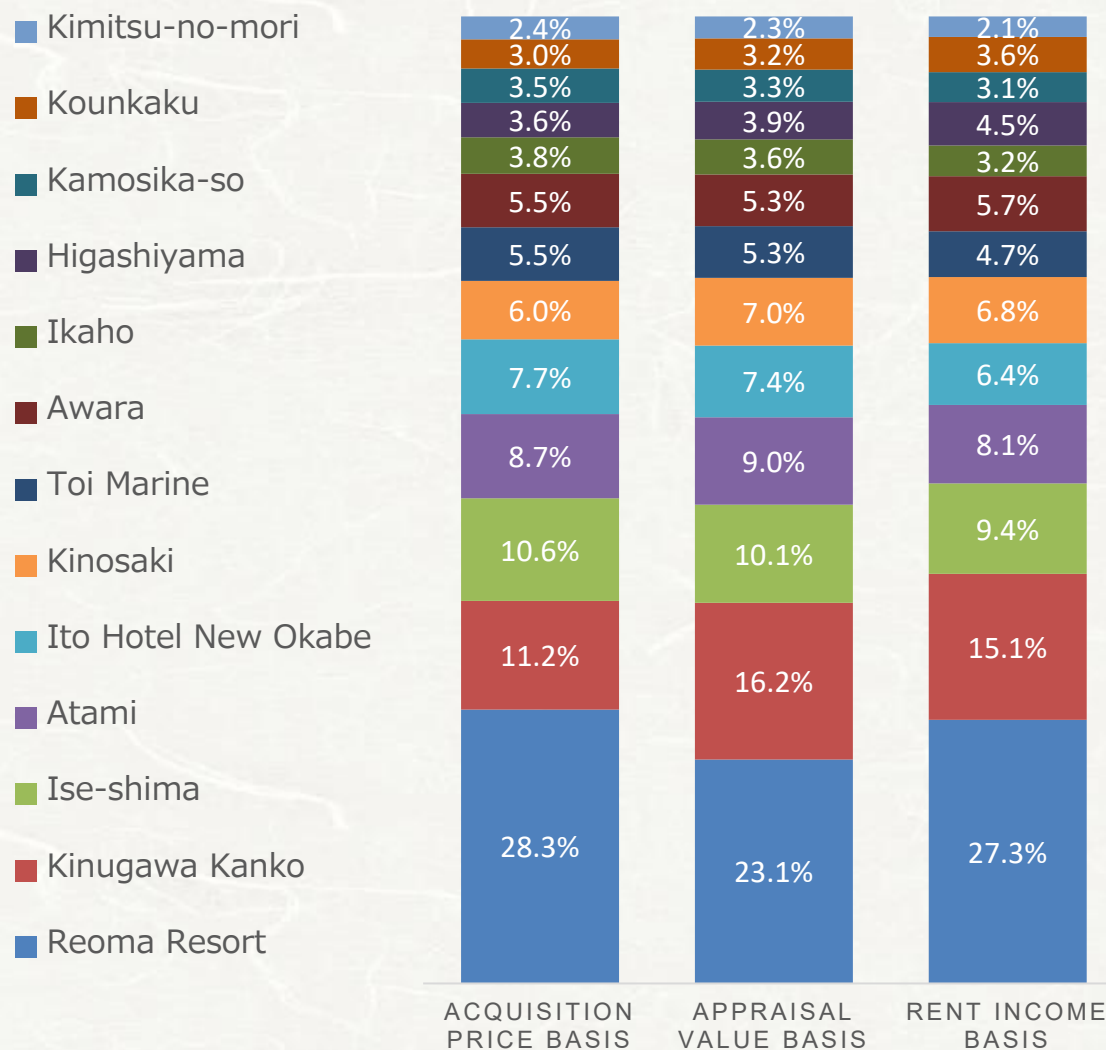
(Note 5) The room occupancy rate of Ooedo-Onsen Monogatari Kounkaku is a comprehensive figure including the rate of the Annex, a property not owned by the investment corporation.

Portfolio Data : Investment ratio

 Investment ratio by region



 Investment ratio by facility



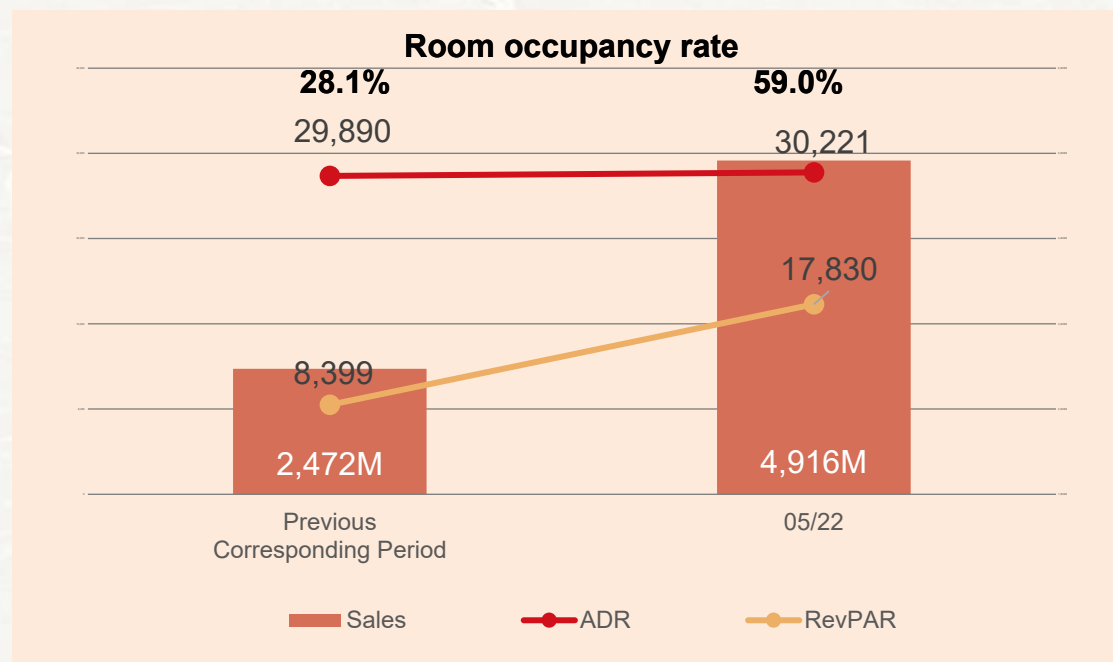
Portfolio Data : Status of appraisal value

There are some slight changes due to a review of the capex plan after receiving the reviewed ER. The data for Atami have been affected by the acquisition of a mineral spring site.

(In million of JPY)

Property No.	Property name	Acquisition Price	Book value	Appraisal value			Unrealized profits and losses	Direct capitalization method			Discounted cash flow method					
				11/21	05/22	change		Direct Cap Rate			Discount Rate			Terminal Cap Rate		
								11/21	05/22	valuation	11/21	05/22	valuation	11/21	05/22	valuation
S-1	Ooedo-Onsen Monogatari Reoma Resort	9,756	9,504	8,800	8,750	-50	-754	6.0%	6.0%	-	5.8%	5.8%	-	6.2%	6.2%	-
S-2	Ooedo-Onsen Monogatari Ise-shima	3,656	3,217	3,830	3,830	-	+612	5.6%	5.6%	-	5.4%	5.4%	-	5.8%	5.8%	-
S-3	Ito Hotel New Okabe	2,657	2,526	2,800	2,800	-	+273	5.1%	5.1%	-	4.9%	4.9%	-	5.3%	5.3%	-
S-4	Ooedo-Onsen Monogatari Atami	3,000	2,722	3,180	3,420	+240	+697	5.1%	5.1%	-	4.9%	4.9%	-	5.3%	5.2%	-0.1%
S-5	Ooedo-Onsen Monogatari Toi Marine Hotel	1,910	1,742	2,010	2,020	+10	+277	5.6%	5.6%	-	5.4%	5.4%	-	5.8%	5.8%	-
S-6	Ooedo-Onsen Monogatari Awara	1,901	1,818	1,980	2,020	+40	+201	5.9%	5.9%	-	5.7%	5.7%	-	6.1%	6.1%	-
S-7	Ooedo-Onsen Monogatari Kamoshika-so	1,222	1,151	1,260	1,260	-	+108	5.3%	5.3%	-	5.1%	5.1%	-	5.5%	5.5%	-
S-8	Ooedo-Onsen Monogatari Ikaho	1,299	1,236	1,370	1,370	-	+133	5.3%	5.3%	-	5.1%	5.1%	-	5.5%	5.5%	-
S-9	Ooedo-Onsen Monogatari Kimitsu-no-mori	819	818	859	859	-	+40	5.3%	5.3%	-	5.1%	5.1%	-	5.5%	5.5%	-
S-11	Ooedo-Onsen Monogatari Kounkaku	1,040	975	1,220	1,220	-	+244	5.5%	5.5%	-	5.3%	5.3%	-	5.7%	5.7%	-
S-12	Kinugawa Kanko Hotel	3,870	3,493	6,130	6,130	-	+2,636	5.2%	5.2%	-	5.0%	5.0%	-	5.4%	5.4%	-
S-13	Ooedo-Onsen Monogatari Kinasaki	2,084	2,113	2,650	2,650	-	+536	5.4%	5.4%	-	5.2%	5.2%	-	5.6%	5.6%	-
S-14	Ooedo-Onsen Higashiyama Grand Hotel	1,230	1,151	1,470	1,470	-	+318	5.9%	5.9%	-	5.7%	5.7%	-	6.1%	6.1%	-
Total		34,449	32,474	37,559	37,799	+240	+5,324	-	-	-	-	-	-	-	-	-

Portfolio Data : Operating Results for the Entire Portfolio



Portfolio operating results

	06/21	07/21	08/21	09/21	10/21	11/21	12/21	01/22	02/22	03/22	04/22	05/22	Total	Previous corresponding period cumulative total	05/22 period cumulative Total	Change
Room Occupancy Rate	31.6%	47.0%	52.1%	35.7%	58.6%	79.3%	76.1%	50.2%	41.3%	59.8%	59.0%	64.5%	54.7%	28.1%	59.0%	+ 110.0%
ADR (JPY)	19,746	28,723	37,266	22,416	24,471	27,156	32,313	32,383	23,622	29,949	28,882	31,136	28,837	29,890	30,221	+ 331
RevPAR (JPY)	6,239	13,499	19,415	8,002	14,340	21,534	24,590	16,256	9,755	17,909	17,040	20,082	15,773	8,399	17,830	+ 9,431
Sales (million)	305	672	955	390	725	1,056	1,223	756	412	824	764	935	9,022	2,472	4,916	+ 98.8%

Portfolio Data : Operating Results for the Entire Portfolio

Achieved a significant recovery due to a decrease in the number of COVID-19 cases during the second half of the period under review and measures for supporting the tourism business such as discounts for residents in each prefecture.

No.	Name	Room occupancy rate			ADR (JPY)			RevPAR (JPY)			Sale (million)		
		Previous corresponding period average	05/22 period average	Change	Previous corresponding period Average	05/22 period average	Change	Previous corresponding period average	05/22 period average	Change	Previous corresponding period average	05/22 period average	Change
S-1	Ooedo-Onsen Monogatari Reoma Resort < Hotel Reoma-no-mori >	21.1%	46.4%	+ 119.9%	33,846	32,748	-3.2%	7,141	15,195	+ 112.8%	374	793	+ 111.5%
S-2	Ooedo-Onsen Monogatari Ise-shima	46.4%	75.5%	+ 62.7%	31,272	30,942	-1.1%	14,510	23,361	+ 61.0%	251	399	+ 58.7%
S-3	Ito Hotel New Okabe	29.7%	67.4%	+ 126.9%	28,843	29,313	+ 1.6%	8,566	19,756	+ 130.6%	189	432	+ 128.8%
S-4	Ooedo-Onsen Monogatari Atami	44.4%	72.9%	+ 64.2%	30,008	31,137	+ 3.8%	13,323	22,698	+ 70.4%	208	349	+ 67.3%
S-5	Ooedo-Onsen Monogatari Toi Marine Hotel	29.2%	63.5%	+ 117.5%	28,848	28,282	-2.0%	8,423	17,959	+ 113.2%	108	228	+ 109.6%
S-6	Ooedo-Onsen Monogatari Awara	29.3%	58.0%	+ 98.0%	27,120	27,963	+ 3.1%	7,946	16,218	+ 104.1%	153	312	+ 103.1%
S-7	Ooedo-Onsen Monogatari Kamoshika-so	21.7%	60.8%	+ 180.2%	26,041	29,264	+ 12.4%	5,650	17,792	+ 214.9%	69	214	+ 206.9%
S-8	Ooedo-Onsen Monogatari Ikaho	39.6%	81.4%	+ 105.6%	27,612	32,151	+ 16.4%	10,934	26,170	+ 139.3%	90	214	+ 137.9%
S-9	Ooedo-Onsen Monogatari Kimitsu-no-mori	43.7%	82.1%	+ 87.9%	26,723	27,110	+ 1.4%	11,677	22,257	+ 90.6%	111	215	+ 92.5%
S-11	Ooedo-Onsen Monogatari Kounkaku	9.6%	43.9%	+ 357.3%	26,866	27,292	+ 1.6%	2,579	11,981	+ 364.6%	61	281	+ 357.8%
S-12	Kinugawa Kanko Hotel	20.5%	47.9%	+ 133.7%	28,700	29,280	+ 2.0%	5,883	14,025	+ 138.4%	213	499	+ 133.9%
S-13	Ooedo-Onsen Monogatari Kinosaki	41.2%	71.6%	+ 73.8%	30,888	33,194	+ 7.5%	12,725	23,766	+ 86.8%	265	496	+ 87.4%
S-14	Ooedo-Onsen Higashiyama Grand Hotel	23.1%	53.9%	+ 133.3%	28,944	28,811	-0.5%	6,686	15,529	+ 132.3%	161	373	+ 132.2%
	Total	28.1%	59.0%	+ 110.0%	29,890	30,221	+ 1.1%	8,399	17,830	+ 112.3%	2,472	4,916	+ 98.8%

No.	Name	Number of guests			Sale (million)		
		Previous corresponding period average	05/22 period average	Change	Previous corresponding period average	05/22 period average	Change
S-1	Ooedo-Onsen Monogatari Reoma Resort< New Reoma World >	114,140	239,826	+ 110.1%	402	933	+ 132.5%

(Note) Number of guests is the total number of people using New Reoma World during the period.

Portfolio Data : Introduction of Properties (1)

S-1 Ooedo-Onsen Monogatari Reoma Resort



Location: Marugame City,
Kagawa Prefecture

Site area: 669,420 m² (Note)

Total floor area: 63,896 m²

Area characteristics (Note)

- Marugame City, where this facility is located, is in the Seisan area (West Sanuki). Many tourist spots are easily accessible, including Marugame Castle, Kotohira-gu Shrine and the Great Seto Bridge, etc., meaning local sightseeing and leisure can be enjoyed together with the facility.



(Note) Part of the land (area: 194,222.16 m²) is leased from a third party (domestic corporation).

S-2 Ooedo-Onsen Monogatari Ise-shima



Location: Shima City,
Mie Prefecture

Site area: 9,637 m²

Total floor area: 9,782 m²

Area characteristics

- Shima City is a large sightseeing spot in the Ise-shima area. It includes Ise Jingu Shrine and a ria coastline.
- Ago Bay, where this facility is located, features many resort hotels and onsen ryokans that back onto the mountains and face the coast where the waves lap gently.



S-3 Ito Hotel New Okabe



Location: Ito City,
Shizuoka Prefecture

Site area: 2,945 m²

Total floor area: 10,211 m²

Area characteristics

- Ito City, which is designated a City of International Tourism and Hot Springs Culture, bustles with the Izu Kogen Sakura Festival and the Anjinsai Festival. The Umi no Hanabi Taikai fireworks display on the last day of the Anjinsai Festival attracts crowds of around 170,000 people.
- Ito Onsen, where this facility located, is one of Japan's leading hot springs from the Heian Period.



Portfolio Data : Introduction of Properties (1)

S-1: Ooedo-Onsen Monogatari Reoma Resort (Hotel Reoma-no-mori)

	06/21	07/21	08/21	09/21	10/21	11/21	12/21	01/22	02/22	03/22	04/22	05/22	Cumulative total	Previous corresponding period cumulative total	05/22 period cumulative Total	Change
Room occupancy rate	11.7%	37.7%	49.1%	23.0%	41.9%	63.0%	70.7%	37.3%	22.9%	44.5%	37.8%	62.6%	42.1%	21.1%	46.4%	+ 119.9%
ADR (yen)	24,594	38,685	48,447	25,664	25,111	27,422	34,526	36,114	22,383	32,138	32,714	32,603	32,950	33,846	32,748	-3.2%
RevPAR (yen)	2,877	14,584	23,787	5,902	10,521	17,275	24,409	13,470	5,125	14,301	12,365	20,409	13,871	7,141	15,195	+ 112.8%
Sales (million yen)	26	129	210	53	98	154	213	118	42	127	105	184	1,465	374	793	+ 111.5%

S-2: Ooedo-Onsen Monogatari Ise-shima

	06/21	07/21	08/21	09/21	10/21	11/21	12/21	01/22	02/22	03/22	04/22	05/22	Cumulative total	Previous corresponding period cumulative total	05/22 period cumulative Total	Change
Room occupancy rate	52.0%	67.5%	58.5%	45.7%	66.7%	88.4%	84.6%	66.0%	62.4%	78.6%	80.0%	80.3%	69.3%	46.4%	75.5%	+ 62.7%
ADR (yen)	19,426	29,601	45,036	24,287	24,804	29,245	33,969	30,543	23,337	32,857	30,602	31,877	30,090	31,272	30,942	-1.1%
RevPAR (yen)	10,101	19,980	26,346	11,099	16,544	25,852	28,737	20,158	14,562	25,825	24,481	25,597	20,852	14,510	23,361	+ 61.0%
Sales (million yen)	29	57	75	31	49	74	84	59	38	75	68	74	717	251	399	+ 58.7%

S-3: Ito Hotel New Okabe

	06/21	07/21	08/21	09/21	10/21	11/21	12/21	01/22	02/22	03/22	04/22	05/22	Cumulative total	Previous corresponding period cumulative total	05/22 period cumulative Total	Change
Room occupancy rate	45.0%	40.9%	50.2%	36.2%	49.1%	69.4%	79.0%	59.9%	56.8%	76.3%	71.7%	59.9%	57.9%	29.7%	67.4%	+ 126.9%
ADR (yen)	17,950	26,229	34,060	19,928	22,176	24,766	31,588	31,953	22,248	29,293	27,400	31,966	27,307	28,843	29,313	+ 1.6%
RevPAR (yen)	8,077	10,727	17,098	7,213	10,888	17,187	24,954	19,139	12,636	22,350	19,645	19,147	15,810	8,566	19,756	+ 130.6%
Sales (million yen)	29	40	62	26	41	64	93	71	42	83	71	70	697	189	432	+ 128.8%

Portfolio Data : Introduction of Properties (2)

S-4 Ooedo-Onsen Monogatari Atami



Location: Atami City,
Shizuoka Prefecture

Site area: 2,066 m²

Total floor area: 8,469 m²

Area characteristics

- Atami City, at the base of the Izu Peninsula, has been designated a City of International Tourism and Hot Springs Culture with its many tourist attractions, including Sun Beach (famous for the Atami Kaijo fireworks display) and "Omiya no Matsu" pine tree, etc. In recent years, it has been in the limelight again as an onsen resort that as a destination is "low-cost, nearby, and offers short stays" with respect to the Tokyo metropolitan area.
- Atami Onsen, where this facility is located, is one of Japan's leading hot spring sightseeing areas.



S-5 Ooedo-Onsen Monogatari Toi Marine Hotel



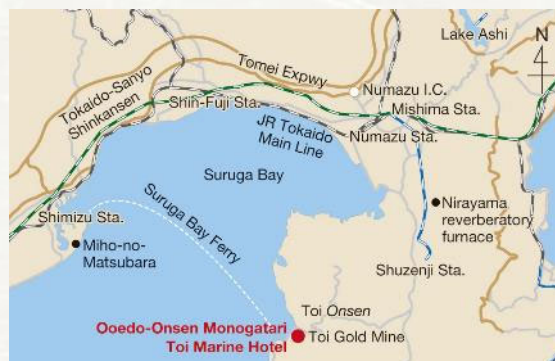
Location: Izu City,
Shizuoka Prefecture

Site area: 2,911 m²

Total floor area: 6,125 m²

Area characteristics

- Izu City is largest city on the Izu Peninsula, located on the central western part of the peninsula. Facing Suruga Bay to the west and surrounded by the Mount Amagi range to the south, it is rich in natural, historical, and onsen tourist attractions.
- Toi Onsen, where this facility is located, is the oldest hot spring in the west Izu area. It is famous for the "Toi Gold Mine" from the Edo period and attracts many visitors.



S-6 Ooedo-Onsen Monogatari Awara



Location: Awara City,
Fukui Prefecture

Site area: 13,263 m²

Total floor area: 14,132 m²

Area characteristics

- Awara City is a scenic area facing the Sea of Japan and is surrounded by nature. Mikuni Fishing Port, which is well-known for Echizen crab, Tojinbo, a tourist attraction with nationwide fame, and Eihei-ji Temple are close by, and the tourist industry centered on Awara Onsen is flourishing.
- Awara Onsen, where this facility is located, is referred to as an inner parlor of the Kansai region together with the Kaga Onsen resort area composed of adjacent Yamashiro Onsen, Yamanaka Onsen, Katayamazu Onsen, etc.



Portfolio Data : Introduction of Properties (2)

S-4: Ooedo-Onsen Monogatari Atami

	06/21	07/21	08/21	09/21	10/21	11/21	12/21	01/22	02/22	03/22	04/22	05/22	Cumulative total	Previous corresponding period cumulative total	05/22 period cumulative Total	Change
Room occupancy rate	61.7%	49.2%	59.2%	52.7%	62.0%	86.2%	90.5%	71.6%	68.0%	88.2%	42.9%	74.7%	67.3%	44.4%	72.9%	+64.2%
ADR (yen)	19,588	25,776	31,345	22,804	24,625	27,940	33,404	30,191	25,463	31,492	32,667	32,694	28,568	30,008	31,137	+3.8%
RevPAR (yen)	12,085	12,681	18,556	12,017	15,267	24,084	30,230	21,616	17,314	27,775	14,014	24,422	19,226	13,323	22,698	+70.4%
Sales (million yen)	31	33	48	29	41	61	79	56	41	71	35	63	595	208	349	+67.3%

S-5: Ooedo-Onsen Monogatari Toi Marine Hotel

	06/21	07/21	08/21	09/21	10/21	11/21	12/21	01/22	02/22	03/22	04/22	05/22	Cumulative total	Previous corresponding period cumulative total	05/22 period cumulative Total	Change
Room occupancy rate	44.6%	54.8%	60.8%	37.5%	48.3%	71.4%	77.6%	48.3%	46.1%	70.2%	72.2%	65.4%	58.2%	29.2%	63.5%	+117.5%
ADR (yen)	16,940	32,146	46,920	20,878	22,188	24,346	29,797	30,802	22,073	28,241	26,835	30,170	28,311	28,848	28,282	-2.0%
RevPAR (yen)	7,555	17,616	28,527	7,829	10,716	17,383	23,122	14,877	10,175	19,825	19,374	19,731	16,477	8,423	17,959	+113.2%
Sales (million yen)	16	38	60	16	23	37	50	32	19	42	40	42	420	108	228	+109.6%

S-6: Ooedo-Onsen Monogatari Awara

	06/21	07/21	08/21	09/21	10/21	11/21	12/21	01/22	02/22	03/22	04/22	05/22	Cumulative total	Previous corresponding period cumulative total	05/22 period cumulative Total	Change
Room occupancy rate	37.0%	54.2%	69.8%	47.9%	67.4%	81.7%	70.2%	53.1%	42.8%	62.4%	58.3%	59.8%	58.9%	29.3%	58.0%	+98.0%
ADR (yen)	19,852	28,342	37,036	20,918	22,717	27,289	30,774	29,992	23,316	27,028	26,038	28,653	27,429	27,120	27,963	+3.1%
RevPAR (yen)	7,345	15,361	25,851	10,019	15,311	22,295	21,603	15,925	9,979	16,865	15,180	17,134	16,155	7,946	16,218	+104.1%
Sales (million yen)	24	50	84	32	50	71	71	52	29	54	47	55	625	153	312	+103.1%

Portfolio Data : Introduction of Properties (3)

S-7 Ooedo-Onsen Monogatari Kamoshika-so



Location: Nasushiobara City, Tochigi Prefecture

Site area: 7,734 m²

Total floor area: 5,947 m²

Area characteristics

- Since ancient times, many onsen villages have taken shape in the mountains and valleys around Nasushiobara City, including the Shiobara Hot Springs Area, Itamuro Onsen, etc. Hunter Mountain Shiobara, where meadows, skiing and autumnal leaves can be enjoyed, is nearby.
- The Shiobara Onsen resort area, where this facility is located, is popular with its six different hot springs dating back 1,200 years.



S-8 Ooedo-Onsen Monogatari Ikaho



Location: Shibukawa City, Gunma Prefecture

Site area: 6,805 m²

Total floor area: 5,177 m²

Area characteristics

- Shibukawa City is a regional city located in the center of Gunma Prefecture and has long prospered as a transportation hub. Nature and onsen tourism is also a major industry.
- Ikaho Onsen, where this facility is located, is one of the representative hot springs of the Kita-Kanto region as an inner parlor of Tokyo and is famous for its “muddy gold spring” and transparent “white silver spring.”



S-9 Ooedo-Onsen Monogatari Kimitsu-no-mori



Location: Kimitsu City, Chiba Prefecture

Site area: 57,069 m²

Total floor area: 8,660 m²

Area characteristics

- Kimitsu City is located in the center of Chiba Prefecture, and with significant improvements to vehicle access from Chiba, Tokyo and Yokohama in the past few years due to the completion of the Tateyama Expressway and the Tokyo Bay Aqualine, an influx of visitors is expected.
- Inland Boso Peninsula, where this facility is located, is expecting robust tourism demand with popular sightseeing destinations nearby.



Portfolio Data : Introduction of Properties (3)

S-7: Ooedo-Onsen Monogatari Kamoshika-so

	06/21	07/21	08/21	09/21	10/21	11/21	12/21	01/22	02/22	03/22	04/22	05/22	Cumulative total	Previous corresponding period cumulative total	05/22 period cumulative Total	Change
Room occupancy rate	40.2%	52.1%	59.7%	34.1%	65.9%	90.4%	75.7%	53.4%	39.0%	47.7%	65.3%	81.9%	59.0%	21.7%	60.8%	+ 180.2%
ADR (yen)	19,621	25,730	33,001	23,654	24,519	25,188	30,422	31,132	24,918	29,965	28,145	29,299	27,549	26,041	29,264	+ 12.4%
RevPAR (yen)	7,887	13,405	19,701	8,066	16,158	22,769	23,029	16,624	9,718	14,293	18,378	23,995	16,253	5,650	17,792	+ 214.9%
Sales (million yen)	15	27	39	16	33	46	47	34	18	28	36	48	393	69	214	+ 206.9%

S-8: Ooedo-Onsen Monogatari Ikaho

	06/21	07/21	08/21	09/21	10/21	11/21	12/21	01/22	02/22	03/22	04/22	05/22	Cumulative total	Previous corresponding period cumulative total	05/22 period cumulative Total	Change
Room occupancy rate	68.3%	70.6%	68.4%	69.9%	89.4%	94.3%	94.7%	78.7%	67.1%	71.9%	88.4%	86.2%	79.1%	39.6%	81.4%	+ 105.6%
ADR (yen)	20,123	24,605	32,260	23,489	26,817	30,735	35,583	32,675	24,611	32,104	31,952	33,444	29,453	27,612	32,151	+ 16.4%
RevPAR (yen)	13,744	17,371	22,065	16,418	23,974	28,983	33,697	25,715	16,513	23,082	28,245	28,828	23,297	10,934	26,170	+ 139.3%
Sales (million yen)	18	24	29	21	33	39	46	35	21	31	38	40	382	90	214	+ 137.9%

S-9: Ooedo-Onsen Monogatari Kimitsu-no-mori

	06/21	07/21	08/21	09/21	10/21	11/21	12/21	01/22	02/22	03/22	04/22	05/22	Cumulative total	Previous corresponding period cumulative total	05/22 period cumulative Total	Change
Room occupancy rate	63.2%	73.7%	74.4%	59.3%	71.1%	82.9%	89.1%	84.8%	77.4%	78.1%	82.4%	80.2%	76.4%	43.7%	82.1%	+ 87.9%
ADR (yen)	19,105	24,555	34,299	21,376	22,172	22,864	27,070	27,100	22,274	26,721	28,863	30,015	25,816	26,723	27,110	+ 1.4%
RevPAR (yen)	12,074	18,097	25,518	12,675	15,764	18,954	24,119	22,980	17,240	20,869	23,783	24,072	19,723	11,677	22,257	+ 90.6%
Sales (million yen)	19	28	39	20	27	31	39	37	25	34	37	40	382	111	215	+ 92.5%

Portfolio Data : Introduction of Properties (4)

S-11 Ooedo-Onsen Monogatari Kounkaku



Location: Osaki City, Miyagi Prefecture
 Site area: 11,829 m²
 Total floor area: 10,843 m²

Area characteristics

- Naruko-kyo Gorge, where the facility is located, has 400 spring sources offering 9 of Japan's 11 types of spring water nearby. It is a hot spring site boasting ample volume of water.
- Temporary bus services ("Momiji-go") are operated between Naruko Onsen Station and Nakayamadaira-Onsen Station via Naruko-kyo Gorge each autumn when the leaves change color.



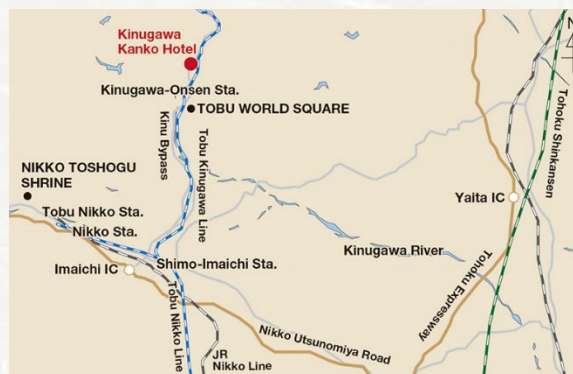
S-12 Kinugawa Kanko Hotel



Location: Nikko City, Tochigi Prefecture
 Site area: 6,719 m²
 Total floor area: 22,402 m²

Area characteristics

- Nikko City is located in northwestern Tochigi Prefecture and is a hot spring tourist destination with tourism resources including domestically and internationally well-known Nikko Toshogu Shrine and Lake Chuzenji.
- Kinugawa Onsen, where the facility is located, is a hot spring resort accessible from Tokyo and was rapidly developed during and after the period of high economic growth.



S-13 Ooedo-Onsen Monogatari Kinosaki



Location: Toyooka City, Hyogo Prefecture
 Site area: 11,350 m²
 Total floor area: 10,602 m²

Area characteristics

- Kinosaki Onsen, represented by stone bridges stretching over a small river and streets lined with willow trees, is one of Japan's most famous onsen resorts where guests can enjoy seven public hot springs.
- The facility is located a little more than 10 minutes on foot from JR Kinosaki Onsen Station and bus services (public hot spring tour bus) to the hot spring quarter are available after 5 p.m.



Portfolio Data : Introduction of Properties (4)

S-11: Ooedo-Onsen Monogatari Kounkaku

	06/21	07/21	08/21	09/21	10/21	11/21	12/21	01/22	02/22	03/22	04/22	05/22	Cumulative total	Previous corresponding period cumulative total	05/22 period cumulative Total	Change
Room occupancy rate	18.6%	37.6%	34.6%	19.4%	47.3%	65.7%	66.4%	40.4%	31.8%	47.7%	34.0%	41.5%	40.5%	9.6%	43.9%	+ 357.3%
ADR (yen)	18,819	21,443	25,314	18,227	23,390	24,712	28,358	30,839	24,346	25,703	24,614	28,120	25,282	26,866	27,292	+ 1.6%
RevPAR (yen)	3,500	8,062	8,758	3,536	11,063	16,235	18,829	12,458	7,742	12,260	8,368	11,669	10,239	2,579	11,981	+ 364.6%
Sales (million yen)	13	30	34	13	44	64	75	49	28	48	32	46	482	61	281	+ 357.8%

S-12: Kinugawa Kanko Hotel

	06/21	07/21	08/21	09/21	10/21	11/21	12/21	01/22	02/22	03/22	04/22	05/22	Cumulative total	Previous corresponding period cumulative total	05/22 period cumulative Total	Change
Room occupancy rate	15.6%	32.6%	38.9%	30.0%	58.8%	81.6%	66.7%	37.5%	25.6%	50.0%	59.0%	46.9%	45.4%	20.5%	47.9%	+ 133.7%
ADR (yen)	21,589	26,436	32,024	21,815	23,422	25,855	31,476	32,889	21,831	27,324	27,299	31,439	27,535	28,700	29,280	+ 2.0%
RevPAR (yen)	3,367	8,618	12,457	6,544	13,772	21,097	20,994	12,333	5,588	13,662	16,106	14,744	12,500	5,883	14,025	+ 138.4%
Sales (million yen)	20	52	74	38	84	127	128	75	31	82	93	88	895	213	499	+ 133.9%

S-13: Ooedo-Onsen Monogatari Kinosaki

	06/21	07/21	08/21	09/21	10/21	11/21	12/21	01/22	02/22	03/22	04/22	05/22	Cumulative total	Previous corresponding period cumulative total	05/22 period cumulative Total	Change
Room occupancy rate	19.2%	58.6%	67.0%	41.1%	60.4%	92.7%	85.4%	54.0%	51.7%	81.6%	75.4%	79.5%	64.1%	41.2%	71.6%	+ 73.8%
ADR (yen)	22,671	31,084	41,285	25,466	26,036	30,626	34,922	37,776	27,212	35,260	30,587	32,015	32,203	30,888	33,194	+ 7.5%
RevPAR (yen)	4,352	18,215	27,660	10,466	15,725	28,390	29,823	20,399	14,068	28,772	23,062	25,451	20,642	12,725	23,766	+ 86.8%
Sales (million yen)	14	65	95	35	57	100	107	73	44	99	79	91	865	265	496	+ 87.4%

Portfolio Data : Introduction of Properties (5)

S-14 Ooedo-Onsen Monogatari Higashiyama Grand Hotel



Location: Aizuwakamatsu City,
Fukushima Prefecture

Site area: 12,451 m²

Total floor area: 16,665 m²

Area characteristics

- Aizuwakamatsu City is located in the west of Fukushima Prefecture with scenic natural landscapes nestled between Mt. Bandai, Lake Inawashiro and such.
- Tour bus services running between major tourist sites such as Higashiyama Onsen and Tsurugajo Castle are operated from JR Aizuwakamatsu Station.



Portfolio Data : Introduction of Properties (5)

S-14: Ooedo-Onsen Monogatari Higashiyama Grand Hotel

	06/21	07/21	08/21	09/21	10/21	11/21	12/21	01/22	02/22	03/22	04/22	05/22	Cumulative total	Previous corresponding period cumulative total	05/22 period cumulative Total	Change
Room occupancy rate	44.1%	44.2%	49.1%	40.2%	76.3%	87.8%	65.5%	43.5%	32.2%	40.3%	68.3%	71.9%	55.4%	23.1%	53.9%	+ 133.3%
ADR (yen)	19,013	24,030	29,379	20,936	24,306	25,273	30,191	33,070	23,071	26,548	27,676	29,610	26,432	28,944	28,811	-0.5%
RevPAR (yen)	8,384	10,621	14,425	8,416	18,545	22,189	19,775	14,385	7,428	10,698	18,902	21,289	14,643	6,686	15,529	+ 132.3%
Sales (million yen)	32	43	58	32	76	88	81	59	27	43	75	87	705	161	373	+ 132.2%

S-1: Ooedo-Onsen Monogatari Reoma Resort (New Reoma Resort)

	06/21	07/21	08/21	09/21	10/21	11/21	12/21	01/22	02/22	03/22	04/22	05/22	Cumulative total	Previous corresponding period cumulative total	05/22 period cumulative Total	Change
Number of guests	15,636	36,124	37,968	16,138	45,293	73,030	84,229	28,753	9,650	27,267	32,945	56,982	464,015	114,140	239,826	+ 110.1%
Sales (million yen)	50	151	174	58	172	274	312	113	30	108	132	236	1,815	402	933	+ 132.5%

Financial Indices

Indices	Nov. 2021	May. 2022	Calculation formula
Ordinary income	393 mn yen	354 mn yen	
Net income	392 mn yen	353 mn yen	
Depreciation	452 mn yen	440 mn yen	
CAPEX	146 mn yen	207 mn yen	
Total assets	36,926 mn yen	34,760 mn yen	
Total net assets	21,021 mn yen	20,978 mn yen	
BPS (Total net assets/unit)	89,320 yen	89,138 yen	
Unit price (End of each period)	75,000 yen	70,700 yen	
Total units outstanding	235,347 units	235,347 units	
Total distribution	396 mn yen	357 mn yen	
DPU	1,686 yen	1,521 yen	
Distribution yield	4.5%	4.3%	DPU (annualized)/Unit price as of end of period
FFO	844 mn yen	778 mn yen	Net income + Depreciation – profit or loss on sale of real estate
FFO per unit	3,589 yen	3,306 yen	
FFO multiple	10.5x	10.7x	Unit price as of end of period/FFO per unit (annualized)
PER	22.5x	23.4x	Unit price as of end of period/Net income per unit (average during the periods, annualized)
PBR	0.8x	0.8x	Unit price as of end of period/Net assets per unit
ROA	1.1%	1.0%	Ordinary income/Average of total assets during the period
Annualized	2.1%	2.0%	
ROE	1.9%	1.7%	Net income/Average of total net assets during the period
Annualized	3.7%	3.4%	
NAV	26,850 mn yen	26,303 mn yen	Total net assets + Total appraisal value - Total book value - Total liabilities
NAV per unit	114,089 yen	111,763 yen	
NAV multiple	0.7x	0.6x	Unit price as of end of period/NAV per unit
Interest-bearing debt	14,069 mn yen	11,874 mn yen	
LTV (book value basis)	38.1%	34.2%	Interest-bearing debt/Total assets
LTV (appraisal value basis)	32.9%	29.6%	Interest-bearing debt/(Total assets + Total appraisal value - Total book value)
Operating days	183 days	182 days	

Balance Sheet

(thousand yen)

	Nov. 2021	May. 2022
Assets		
Current assets		
Cash and deposits	2,475,520	2,078,428
Prepaid expenses	107,620	180,239
Other	6,799	6,030
Total current assets	2,589,940	2,265,102
Non-current assets		
Property, plant and equipment		
Buildings	26,896,509	25,880,675
Accumulated depreciation	-4,135,462	-4,403,860
Buildings, net	22,761,046	21,476,814
Structures	16,979	29,989
Accumulated depreciation	-2,525	-3,199
Structures, net	14,453	26,789
Machinery and equipment	600	600
Accumulated depreciation	-132	-150
Machinery and equipment, net	467	449
Tools, furniture and fixtures	15,651	16,314
Accumulated depreciation	-3,039	-4,310
Tools, furniture and fixtures, net	12,612	12,004
Land	11,208,770	10,657,384
Total property, plant and equipment	33,997,351	32,173,441
Intangible assets		
Leasehold right	302,274	300,798
Software	50	-
Total intangible assets	302,325	300,798
Investments and other assets		
Deferred tax assets	16	19
Long-term prepaid expenses	26,374	11,250
Lease and guarantee deposits	10,089	10,089
Total investments and other assets	36,481	21,359
Total non-current assets	34,336,158	32,495,599
Total assets	36,926,098	34,760,701

(thousand yen)

	Nov. 2021	May. 2022
Liabilities		
Current liabilities		
Operating accounts payable	91,868	169,075
Short-term loans payable	7,293,300	5,119,741
Current portion of long-term loans payable	3,246,375	6,754,582
Accounts payable - other	88,362	85,321
Accrued expenses	8,389	3,251
Income taxes payable	955	1,012
Accrued consumption taxes	20,772	117,571
Advances received	245,331	230,392
Other	9,960	6,138
Total current liabilities	11,005,314	12,487,085
Non-current liabilities		
Long-term loans payable	3,529,625	-
Tenant leasehold and security deposits	1,230,441	1,155,461
Asset retirement obligations	139,502	139,909
Total non-current liabilities	4,899,568	1,295,371
Total liabilities	15,904,883	13,782,457
Net assets		
Unitholders' equity		
Unitholders' capital	20,653,023	20,653,023
Deduction from unitholders' capital		
Allowance for temporary difference adjustment	-24,411	-28,648
Total deduction from unitholders' capital	-24,411	-28,648
Unitholders' capital, net	20,628,611	20,624,375
Surplus		
Unappointed retained earnings (undisposed loss)	392,604	353,869
Total surplus	392,604	353,869
Total unitholders' equity	21,021,215	20,978,244
Total net assets	21,021,215	20,978,244
Total liabilities and net assets	36,926,098	34,760,701

Statement of Income

	(thousand yen)	
	Nov. 2021	May. 2022
Operating revenue		
Lease business revenue	1,344,058	1,274,798
Gain on sales of real estate properties	-	16,601
Total operating revenue	1,344,058	1,291,399
Operating expenses		
Expenses related to rent business	574,035	559,373
Asset management fee	118,566	113,160
Asset custody fee	1,665	1,637
Administrative service fees	16,511	16,612
Directors' compensations	3,600	3,600
Other operating expenses	40,270	42,369
Total operating expenses	754,649	736,753
Operating income	589,408	554,645
Non-operating income		
Interest income	10	13
Reversal of distributions payable	750	554
Total non-operating income	761	567
Non-operating expenses		
Interest expenses	56,914	54,234
Borrowing related expenses	102,177	134,905
Total non-operating expenses	196,678	200,377
Ordinary income	393,492	354,835
Extraordinary losses		
Loss on tax purpose reduction entry of non-current assets	-	-
Total extraordinary losses	-	-
Income before income taxes	393,492	354,835
Income taxes – current	956	1,014
Income taxes – deferred	-1	-2
Total income taxes	955	1,011
Net income	392,536	353,824
Retained earnings brought forward	67	45
Unappropriated retained earnings (undisposed loss)	392,604	353,869

Ooedo-Onsen Monogatari Group (1)

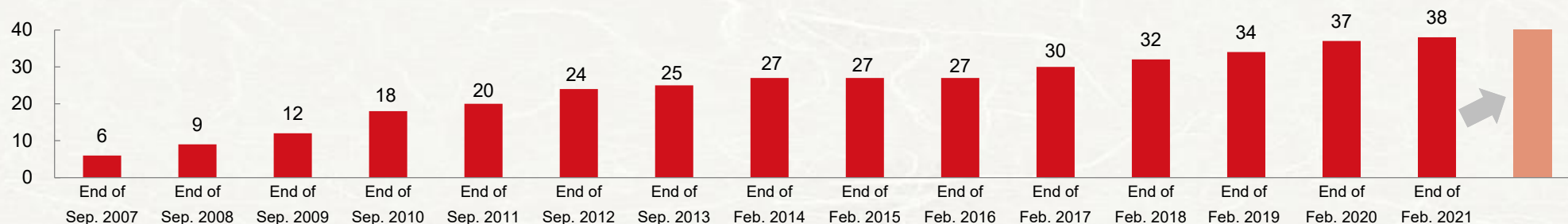
“At any time, lightheartedly, repeatedly, onsen with a festive atmosphere and filled with smiles,” is the catchphrase Ooedo-Onsen Monogatari Group uses in its business operations. The group aims to revitalize the onsen ryokan industry by continuously acquiring onsen and spa-related facilities throughout the country and rolling out the Ooedo business model to provide customers with high-quality services at an affordable price, and to help them enjoy the sense of openness and festivity of onsen.

Overview

Company Name	Ooedo-Onsen Monogatari Hotels & Resorts Co., Ltd.	Financial Results (Feb. 2022)	Consolidated Net Sales: 24,761 million yen
Capital	11,100 million yen (As of the end of February 2022)		Consolidated Total Assets: 69,272 million yen
Address	7-16-21 Ginza, Chuo-ku, Tokyo		Net Assets: 16,695 million yen
Establishment	December 5, 2017 (founded in November 2001)	Businesses	<ul style="list-style-type: none"> Reinvigorating onsen ryokan, hotels, spa-related facilities, theme parks around the country We started with the onsen theme park, “Ooedo-Onsen Monogatari,” which has an Edo culture theme. As of Feb. 28, 2022, we operate 38 onsen and spa-related facilities
Representative	Representative Director Mitsumasa Morita		
No. of Employees	1,254 (as of the end of February 2022) *The total number of employees on a group-wide basis		

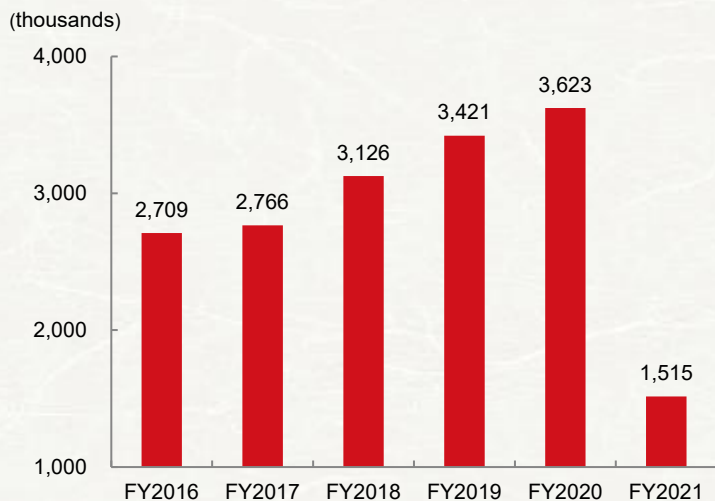
Trends in number of facilities

2003	2007 - 2009	2010 - 2013	2016	2017	2018	2019	2020
Opened Ooedo-Onsen Monogatari in Odaiba, Tokyo	Opened Aizu, Ikaho, Yamashitaya and Urayasu Mangekyo, etc.	Opened Hotel New Shiobara, Kinugawa Kanko Hotel, Reoma Resort and Minoh Kanko Hotel, etc.	Opened Kounkaku, Masuya and Nagasaki Hotel Seifu	Opened Hotel Suiyotei, Beppu and Gero Shin-kan	Opened Nanki-kushimoto and Hotel Kisoji	Opened TAOYA Shima, Amakusa Hotel Kameya	Opened Shiomi-so, Saikaibashi Corazon Hotel and Iwanumaya
		 					
Odaiba Ooedo-Onsen Monogatari	Ooedo-Onsen Monogatari Aizu	Hotel New Shiobara Ooedo-Onsen Monogatari Minoh Kanko Hotel	Ooedo-Onsen Monogatari Masuya	Ooedo-Onsen Monogatari Gero Shin-kan	Ooedo-Onsen Monogatari Hotel Kisoji	Ooedo-Onsen Monogatari Amakusa Hotel Kameya	Saikaibashi Corazon Hotel



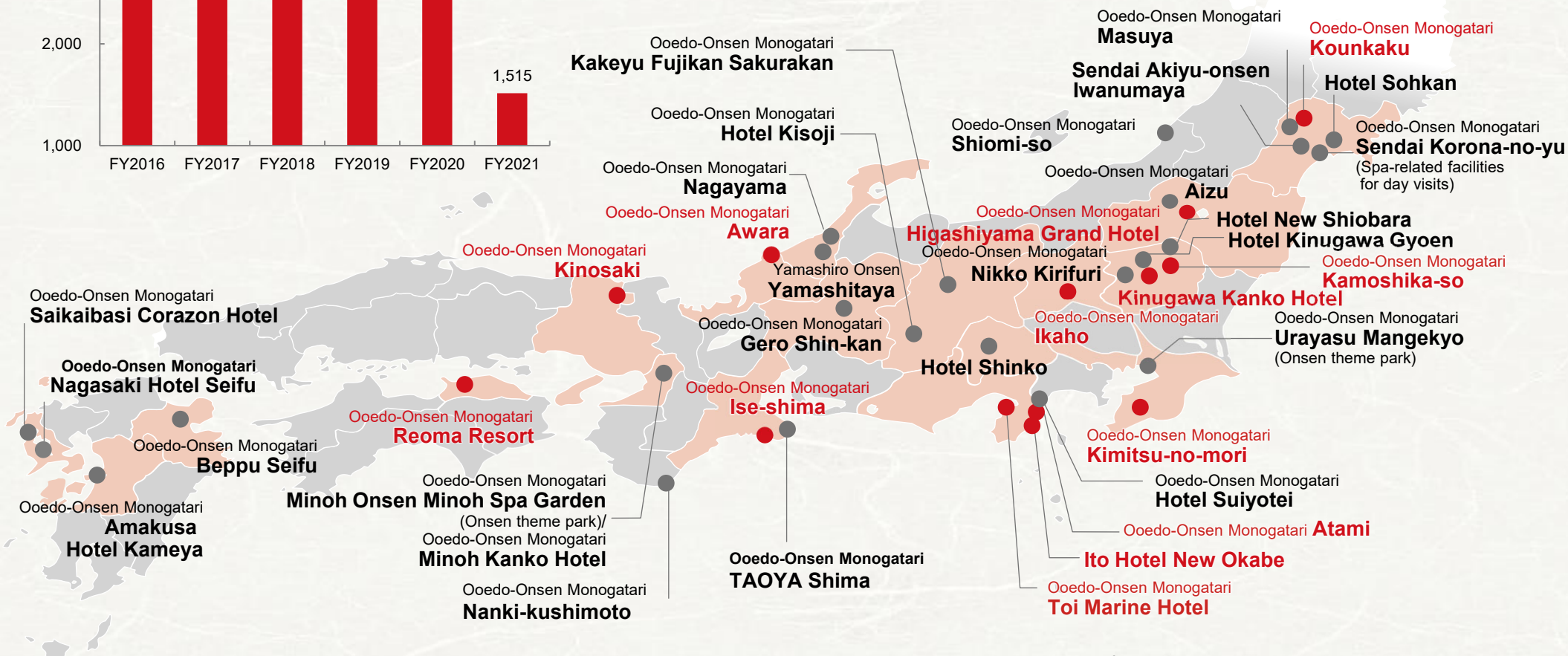
Ooedo-Onsen Monogatari Group (2)

Trend in total number of hotel guests at Ooedo-Onsen Monogatari Group facilities



Onsen and spa-related facilities operated by the Ooedo-Onsen Monogatari Group

REIT acquired assets



“Ooedo Business Model” with Stable Operations and Sustainable Growth (1)

Ooedo business model achieving both high quality and reasonable price.

Provision of services that lead to the creation of repeat customers

Services created from a customer perspective

- Well-thought-out **onsen facilities** and merchandising facilities
- **Buffet-style restaurants** that offer more than 100 different dishes in total every morning and evening
- Continuous efforts to attract more guests with **in-facility entertainment** (including popular theater shows, etc.)

Application of a unique corporate-owned chain operation (Ooedo business model)

Efficient operation

- Adoption of a **centralized purchasing system** for foodstuffs, fixings and amenities
- Detailed programs for cost management
- Efficient placement of staff members

Marketing programs to maximize customer reach

- Measures to attract more customers led by the headquarters of the Ooedo-Onsen Monogatari Group
- Efforts to attract more customers by utilizing **in-house facilities** such as reservation centers



High-quality service

+

Affordable price

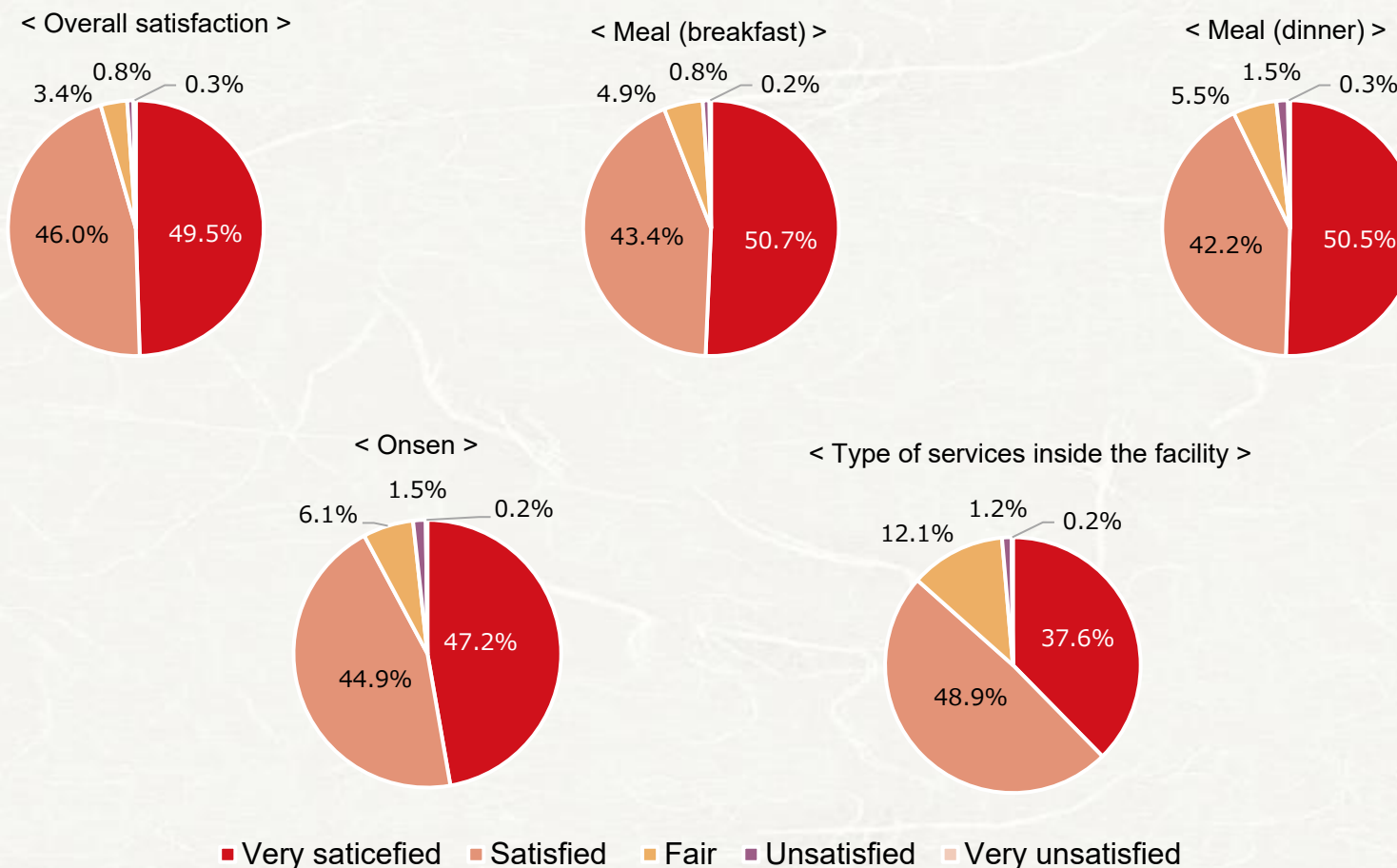
Ongoing support from a wide-ranging customer base centered on the senior age group



“Ooedo Business Model” with Stable Operations and Sustainable Growth (2)

Maintained high-level customer satisfaction, although the business continued to be affected by COVID-19 after March.

Ooedo-Onsen Monogatari Group hotel guest questionnaire (Nov. 30, 2021 – May. 31, 2022)



Measures Against COVID-19 Taken by the Ooedo-Onsen Monogatari Group

Providing hot spring trips where everyone can feel relieved: Promises of Ooedo-Onsen Monogatari

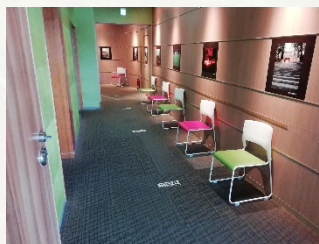
Since ancient times, Japanese people have enjoyed hot spring trips for relaxation. The Ooedo-Onsen Monogatari Group promises to provide spaces and services for people to feel relieved, especially in the current difficult times.

- The Group **conforms to the guidelines** of the government and industry and takes measures to prevent COVID-19 at the highest level, with more than 200 activities.
- **Ooedo Safety and Security Project Team** has been established in the Group, which ensures efforts made at each facility and provides employee training.
- The Group appointed **outside physicians of infectious diseases** as advisors and adds or renews measures against infectious diseases to be taken by the Group as well as new, safer activities as appropriate.

1. At restaurants

Safety and security, and full satisfaction
Enjoy a buffet in a new style.

- Distance of 1.5 meters maintained between tables.
- Disposable plastic gloves are distributed by our staff at the entrance for guests to wear while selecting food and drinks.
- Food boards, plates, tongs, and other shared utensils are disinfected with alcohol every 15 minutes and frequently replaced, etc.



Footprint stickers placed every two meters in front of restaurants

2. At baths

Safety and security, and relaxing spaces
Enjoy a luxurious hot spring experience.

- Guests are notified about the crowded hours of baths and are guided to select a different time.
- Changing rooms are ventilated 24 hours/day. Windows are kept open for more ventilation.
- Restrictions on the number of people who can use the sauna at the same time, etc.

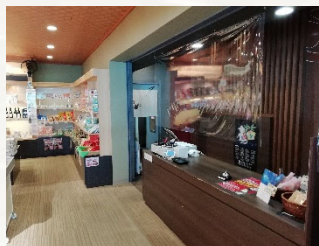


Slippers stored in a bag

3. Facility staff members

Safety and security, and sincere hospitality
Ooedo staff members help create exclusive, special memories.

- All workers inside the facilities wear masks.
- In-room amenities and fixtures are disinfected with alcohol and thoroughly wiped.
- Bedclothes in guest rooms are stored in tightly closed bags to prevent being touched after use, taken to a bedclothes storage room, and washed, etc.



Blocking shields in front of a store

4. Requests for guests

To enjoy a wonderful experience at Ooedo-Onsen Monogatari, each guest is requested to do the following.

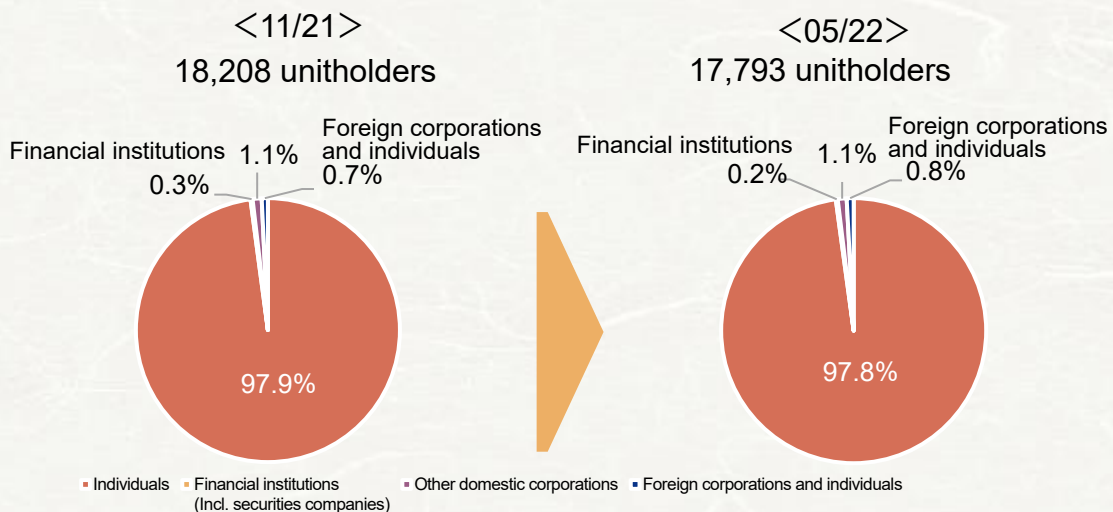
- Take their temperature and fill in a survey sheet when arriving at a facility.
- Refrain from coughing or sneezing in the presence of other guests, display good manners and refrain from loud conversations, etc.



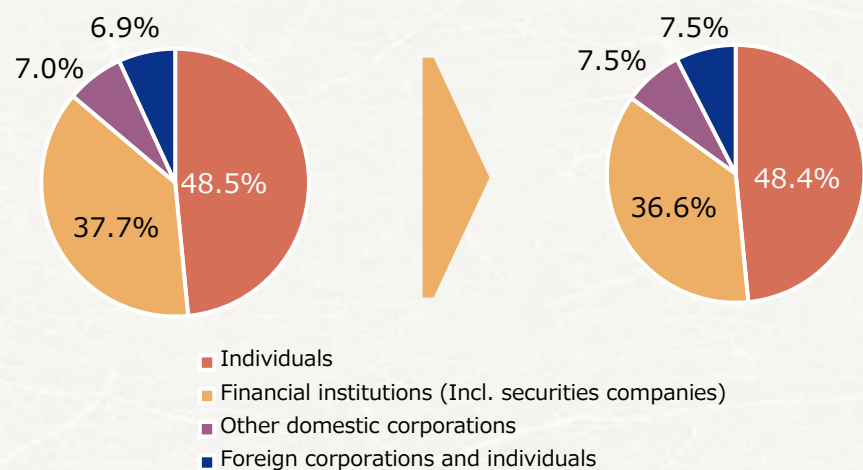
Alcohol hand sanitizers placed in various places

Unitholders Breakdown

Ratio by number of unitholders



Ratio by number of investment units

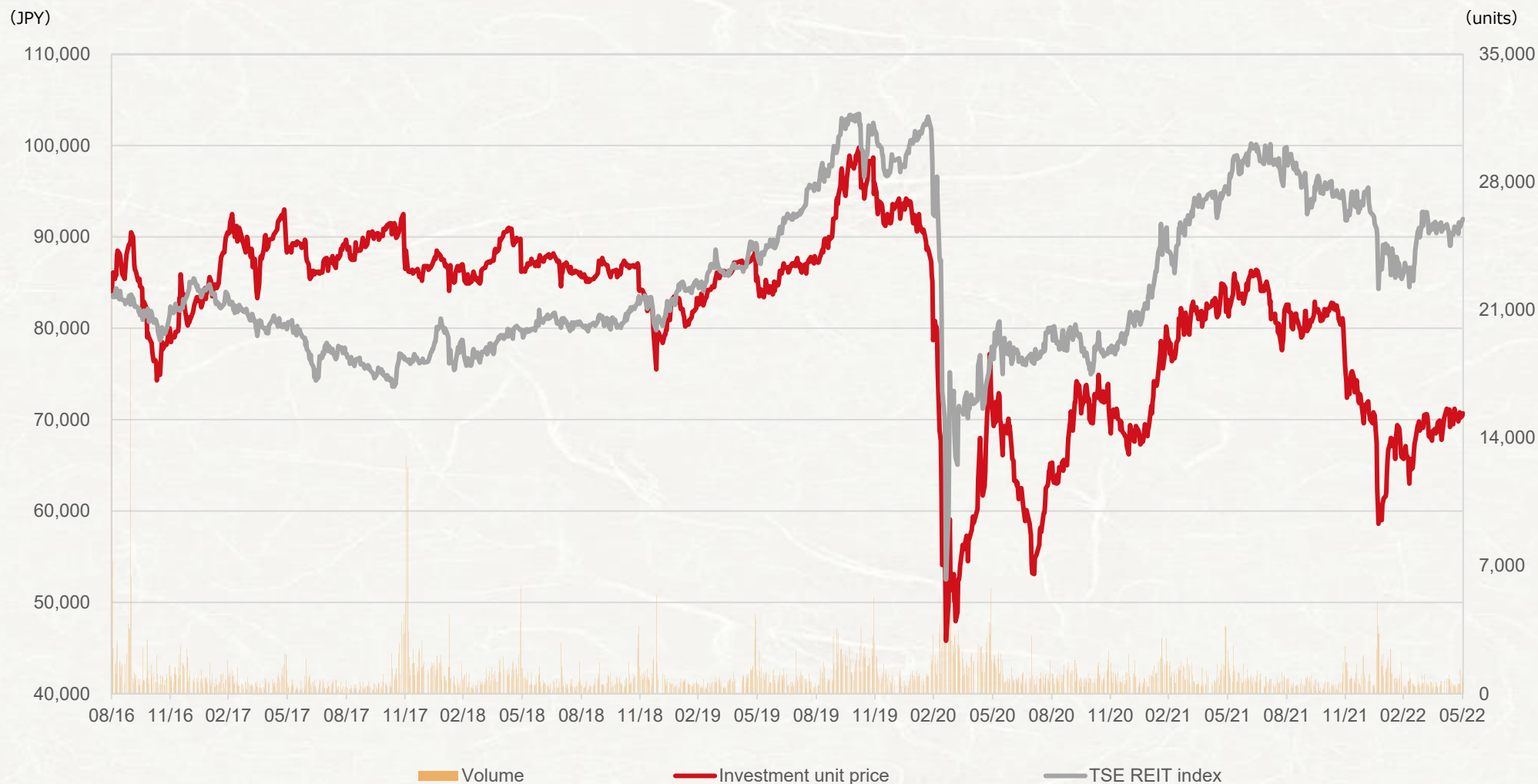


Top 10 unitholders

	Name	Number of units held	Ratio
1	The Master Trust Bank of Japan, Ltd. (Trust Account)	30,809	13.1%
2	Custody Bank of Japan, Ltd. (Trust Account)	24,934	10.6%
3	The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	10,605	4.5%
4	Ooedo-Onsen Monogatari Co., Ltd.	9,246	3.9%
5	Individual	3,295	1.4%
6	DFA INTERNATIONAL REAL ESTATE SECURITIES PORTFOLIO	2,934	1.2%
7	Banshu Shinkin BANK	2,880	1.2%
8	Morgan Stanley MUFG Securities Co., Ltd.	2,852	1.2%
9	YONEZAWA SHINKIN BANK	2,500	1.1%
10	osaka shoko shinkin bank	2,000	0.8%
Total (Total units outstanding 235,347)		92,055	39.1%

Track Record of Investment Unit Price

 Relative comparison of investment unit price and TSE REIT index / trading volume



(Note) TSE REIT Index is indexed based on the listed date (August 31, 2016) and indicates relative performance with investment unit price.

Governance Structure

Introduction of performance-linked elements in asset management fee structure

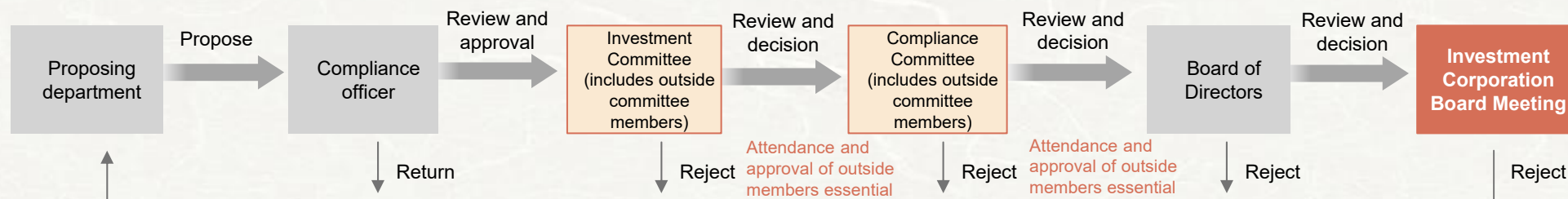
Remuneration paid by the Investment Corporation to the asset manager consists of management fee I, management fee II, acquisition fee, disposition fee, and merger fee.

Management fee I	Total assets at end of previous accounting period ^(Note 1) × 1.0% per annum (ceiling)
Management fee II	Management fee II for previous accounting period × (DPU before deduction of current period management fee II/DPU before deduction of previous period management fee II) × management fee II revised ratio
Acquisition fee^(Note 2)	Acquisition price × 1.0% (ceiling) (transaction with related party: 0.5% (ceiling))
Disposition fee	Disposition price × 1.0% (ceiling) (transaction with related party: 0.5% (ceiling))
Merger fee	Appraisal value at the time when a merger takes effect × 1.0% (upper limit)

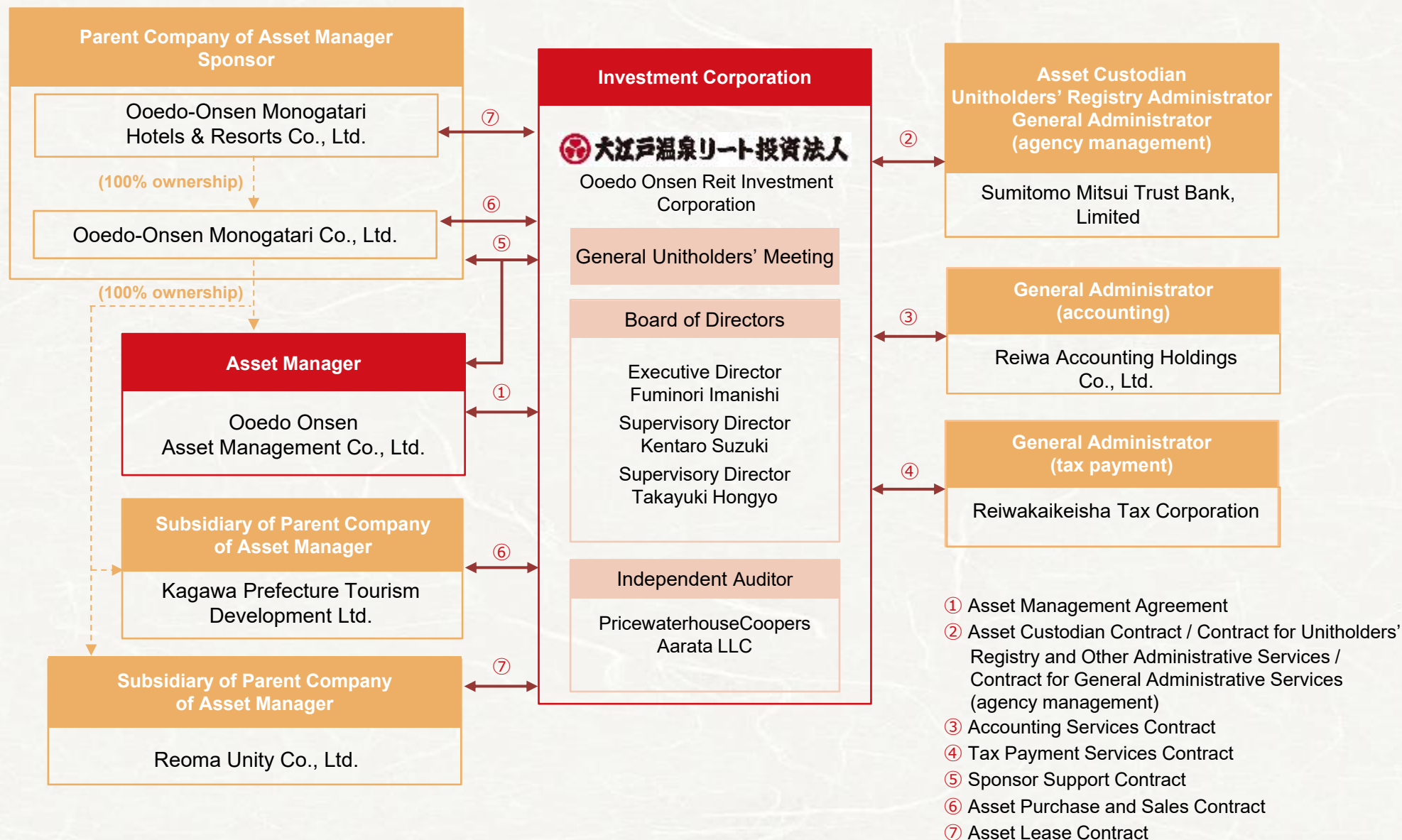
(Note 1) Subject to adjustment for asset acquisitions and asset dispositions during the relevant calculation period.

(Note 2) Where the sum calculated for an acquired asset is less than 5 million yen, the acquisition fee is set at 5 million yen.

Flow of decision making for transactions with related parties in acquisition and disposition of assets



Overview of Investment Corporation



Overview of Asset Manager

Name : Ooedo Onsen Asset Management Co., Ltd.

Address : 3-3-4, Nihonbashi-Honcho, Chuo-Ku, Tokyo

Established : April 24, 2015

Capitalization : 50 million yen

Representative : Fuminori Imanishi

Shareholder : Ooedo-Onsen Monogatari Co., Ltd. 100%

Registrations and Licenses : Real estate brokerage, Governor of Tokyo (2) No. 98032

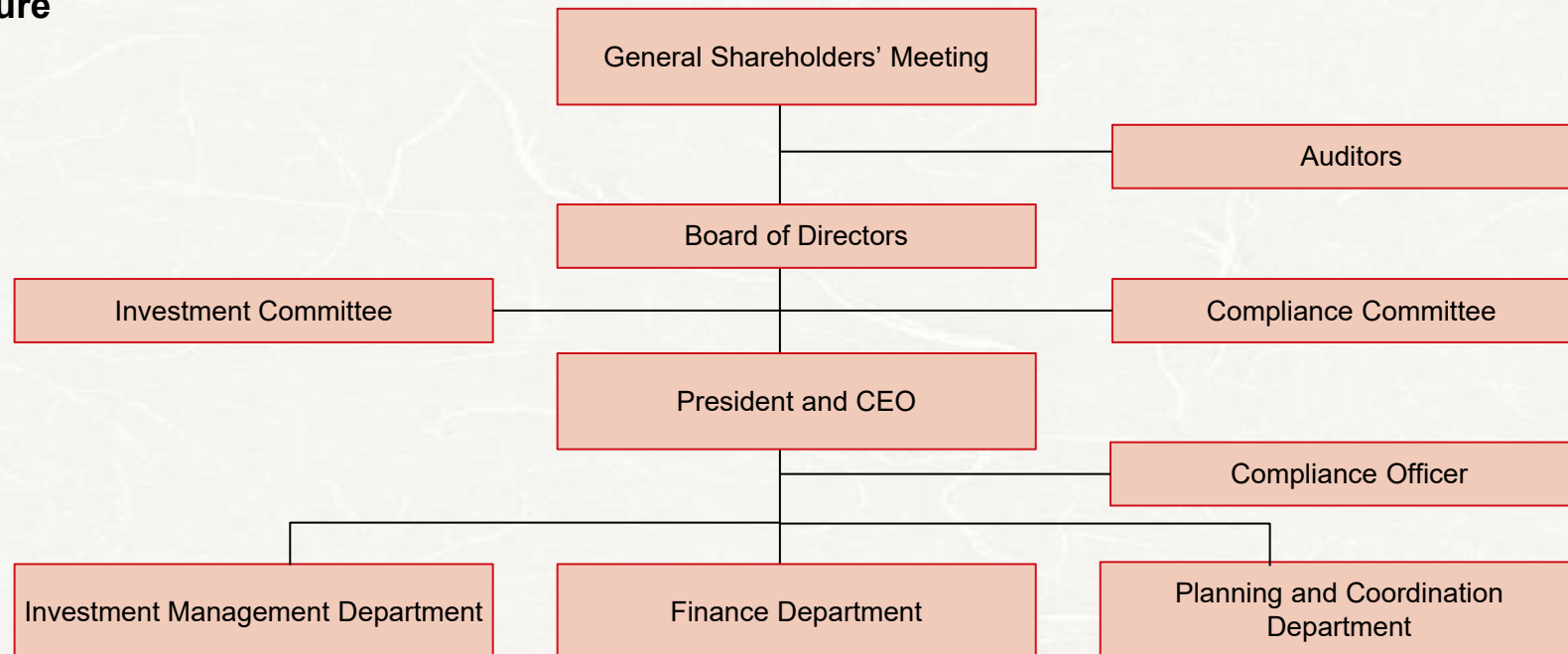
Discretionary transaction agent, Minister of Land, Infrastructure, Transport and Tourism License No. 102

Financial instruments business, Director of Kanto Local Finance Bureau (Kinsho) No. 2906

Member of the Investment Trusts Association, Japan

Employees : 13 (as of May 31, 2022)

Structure



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