



大江戸温泉リート投資法人
Oedo Onsen Reit Investment Corporation

Results of 15th Fiscal Period ended November 30, 2023
Presentation Material

January 23, 2024


(Asset Manager) APA Investment Management Co., Ltd.

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I . Highlights



Highlights

Nov. 2023	May 2024 Forecast	Nov. 2024 Forecast
<p>DPU</p>		
<p>Forecast on September 25, 2023: 1,431 yen</p> <p>Actual: 1,464 yen</p> <p>Difference: +2.3% (+33 yen)</p>	<p>Forecast on September 25, 2023: 1,502 yen</p> <p>Forecast: 1,490 yen</p> <p>Difference: -0.7% (-12 yen)</p>	<p>Forecast: 1,672 yen</p> <p>Difference: +12.2% (+182 yen)</p>
<p>Reasons for change</p>		
<p><u>From forecasts</u></p> <p>Insurance income (Reoma Resort, etc.) +18 yen</p> <p>Decrease in depreciation, etc. +11 yen</p>	<p><u>From forecasts</u></p> <p>Decrease in variable rents -17 yen</p> <p>Decrease in depreciation, etc. +15 yen</p> <p>Increase in SG&A expenses -13 yen</p>	<p><u>From forecasts</u></p> <p>Increase in variable rents +23 yen</p> <p>Increase in depreciation -22 yen</p> <p>Increase in property other taxes -12 yen</p> <p>Decrease in SG&A expenses +25 yen</p> <p>(General Unitholders' Meeting) +166 yen</p> <p>Decrease in refinancing cost, etc.</p>

Highlights: Nov. 2023

Change of Sponsor	<p>The APA Group will acquire all shares of the Asset Manager from the Ooedo Onsen Monogatari Group.</p>	<ul style="list-style-type: none"> • Sponsor support provided by the APA Group. • Continuation of policies for investment and management.
	<p>The APA Group acquired investment units of the Investment Corporation held by Ooedo Onsen Monogatari Co., Ltd.</p>	<ul style="list-style-type: none"> • Continuation of the management structure of the Asset Manager

	Priority measures	Result
External Growth	<u>Acquisition of accommodation facilities</u>	<ul style="list-style-type: none"> • Acquired leisure facilities in 4 properties for approx. 4.9 billion yen
Financial Strategy	<u>Lender formation restructuring</u>	<ul style="list-style-type: none"> • Made new borrowings and invited new lenders
Internal Growth	<u>Raising variable rents for Ooedo Onsen properties</u>	<ul style="list-style-type: none"> • Operation of properties held by the REIT improved.
Tenant Overview	<u>Improvement of the performance of the Ooedo Onsen Monogatari Group</u>	<ul style="list-style-type: none"> • Variable rents recovered.
Other	<u>ESG</u>	<ul style="list-style-type: none"> • Signatory to the Principles for Financial Action for the 21st Century • Set reduction targets for energy consumption

Highlights: Overview of APA Holdings

Company Name	APA Holdings Co., Ltd.	Representative	Isshi Motoya, President and CEO
Capital	90 million yen (as of Nov 30. 2023)	Employees (consolidated)	4,469 (as of April 1, 2023)
Address	3-2-3, Akasaka, Minato-ku, Tokyo	Business Performance (consolidated)	Sales : 138.2 billion yen Ordinary profit : 35.3 billion yen (FY November 2022)
Date of incorporation	May 1971	Business	Urban development, comprehensive construction, facility management of hotels · restaurants · resorts, real estate and financial business

- ✓ APA Group has the largest hotel network in Japan with 115,124 rooms in 756 hotels (as of Nov. 2023, including hotels under construction or design, overseas hotels, franchise hotels, and Hotels participating in the APA direct reservation system).
- ✓ Inheriting the "SUMMIT 5 (Summit Strategy)" launched in April 2010, the new 5-year plan "AIM5 - APA Innovative Movement" will be launched in April 2022.
- ✓ While capturing the changing needs and the wave of DX in the after-corona, APA aims to become the dominant No. 1 hotel chain in Japan, and to develop 150,000 rooms as the APA Hotel Network by the end of March 2027.

Highlights: Change of Sponsor

Overview

✓ **Change of main sponsor**

The APA Group will acquire all shares of the Asset Manager from the Ooedo Onsen Monogatari Group.

✓ **Same-boat investment**

The APA Group will acquire the investment units of the Investment Corporation from the Ooedo Onsen Monogatari Group.

✓ **Sponsor support provided by the APA Group.**

Granting of preferential rights for negotiation with respect to properties held, and the provision of the warehousing function and information on properties for sale and the market, etc.

✓ **Continuation of policies for investment and management.**

No change will be made to the investment target of the Investment Corporation (facilities for utilizing leisure time and those for accommodation).

Certain conditions, such as those regarding preferential rights for negotiation and the use of trademarks in the support agreement with the Ooedo Onsen Monogatari Group, will continue to take effect.

✓ **Continuation of the management structure of the Asset Manager**

✓ **Change of the trade name of the Asset Manager**

✓ **Signing of memorandum with the Ooedo Onsen Monogatari Group as a tenant**

No cancellation and change of conditions allowed for 5 years

The following are expected from the alliance with the APA Group.

✓ **Financial Strategy**

Expansion of correspondent financial institutions and improvement of financing conditions

✓ **External Growth**

Use of warehousing function and networks

✓ **Internal Growth**

Provision of hotel operator function, etc.

Highlights: External Growth

Newly acquisition of 4 accommodation facilities in September 2023



	L-Place Miyazakidai	JMR Residence Shin-Osaka	K.Ryokuchi	Fiel Hakusankoen Niigata Hakusankoen building	Total
Address	Kawasaki City, Kanagawa	Osaka City, Osaka	Suita City, Osaka	Niigata City, Niigata	—
Use	Residence	Residence, Garage, Office	Residence	Residence, Office	—
Purchase date	Sep 28, 2023	Sep 28, 2023	Sep 28, 2023	Sep 28, 2023	—
Purchase price	1,053 mn yen	1,255 mn yen	990 mn yen	1,600 mn yen	4,898 mn yen
Appraisal value	1,120 mn yen	1,340 mn yen	1,030 mn yen	1,610 mn yen	5,100 mn yen
Appraisal NOI yield	4.5%	4.5%	4.5%	5.2%	4.7%

Highlight: External Growth

Change of the portfolio due to the acquisition of the 4 accommodation facilities

- ✓ Due to the acquisition of the 4 accommodation facilities in September 2023, the total acquisition price increased to 36.0 billion yen
- ✓ Asset types has diversified through the acquisition of accommodation facilities
- ✓ The portfolio exited "single tenant" status.

	Before the acquisition	the acquisition of the 4 accommodation facilities in September 2023	After the acquisition
Number of properties	11	+4	15
Total acquisition price	31.1 billion yen	4.9 billion yen	36.0 billion yen
Percentage of accommodation facilities to the portfolio	0%	—	14%
Appraisal value	33.6 billion yen	5.1 billion yen	38.7 billion yen
NOI yield	6.7%	4.8%	6.5%
NOI yield after depreciation	4.0%	4.1%	4.1%

(note) NOI yield and NOI yield after depreciation are annualized figures. The NOI before this acquisition is based on the fixed rent after the end of the fixed rent reduction period, which ended in February 2023.

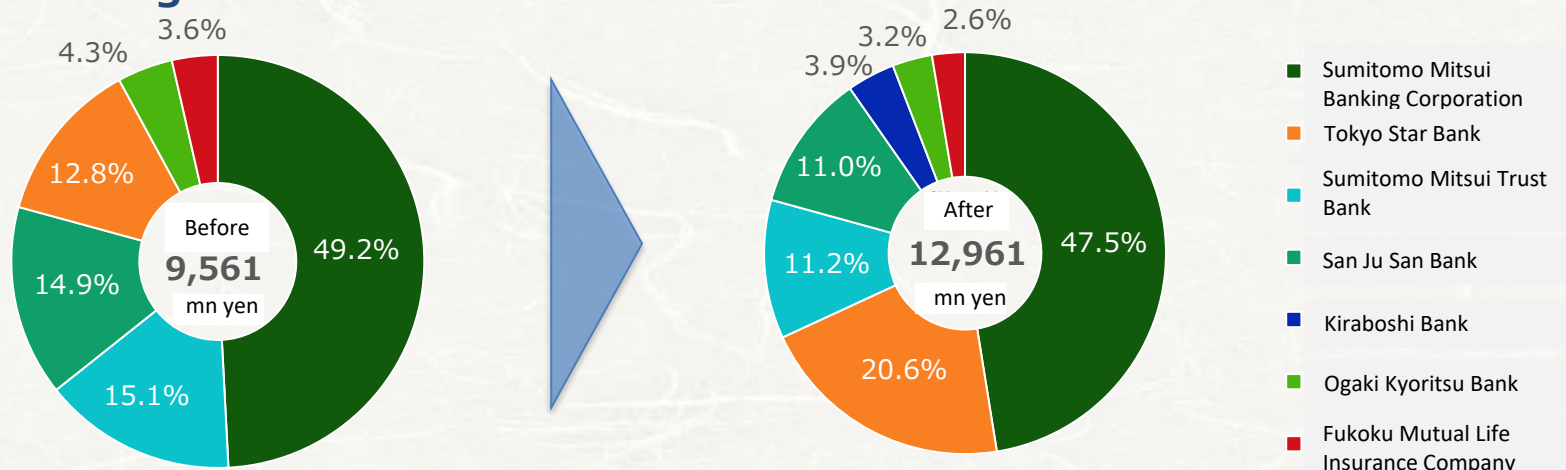
Highlights : Nov. 2023 Financial strategy

Overview of New Debt Funding

- ✓ In September 2023, 3.4 billion yen new loan (loan term:3 years) was executed.
- ✓ LTV was 30.0% as of May 2023, after the new loan executed, LTV was 36.5% (book value basis)
- ✓ Kiraboshi Bank joined the loan syndicate as a new lender.

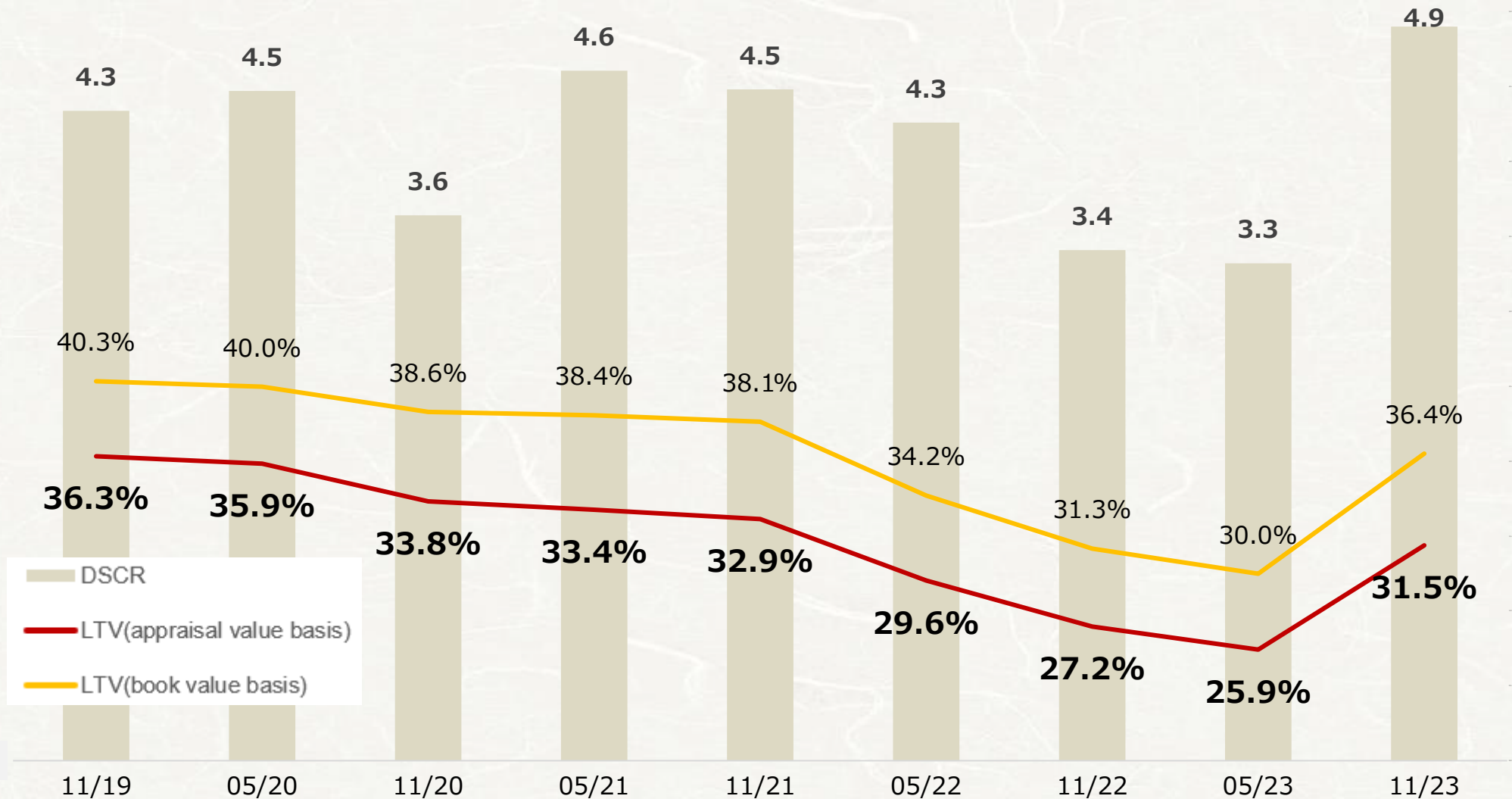
	May 2023	Loan executed in Sep 2023	After the new loan executed
Number of Lenders	6 Lenders	3 Lenders	7 Lenders
Total borrowings	9.6 billion yen	+3.4 billion yen	13.0 billion yen
LTV (book value basis)	30.0%	-	36.5%
Average Maturity	0.5 years	3.0 years	1.2 years

Change of Total Borrowings



Highlights : Nov. 2023 Financial strategy

Trends in LTV / DSCR

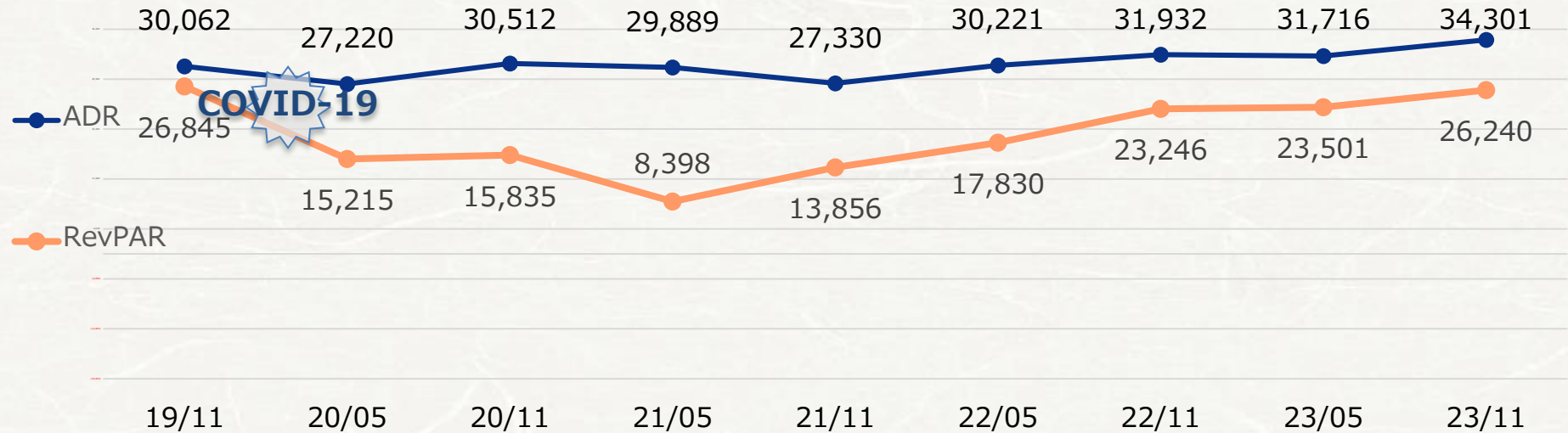


(Note) DSCR is calculated based on (operating income + depreciation + amortization of leasehold + gain (loss) on sale of real estate) / (scheduled repayments + interest expenses). Payment before maturity, the amount paid off on due date, and reductions due to refinancing are excluded.

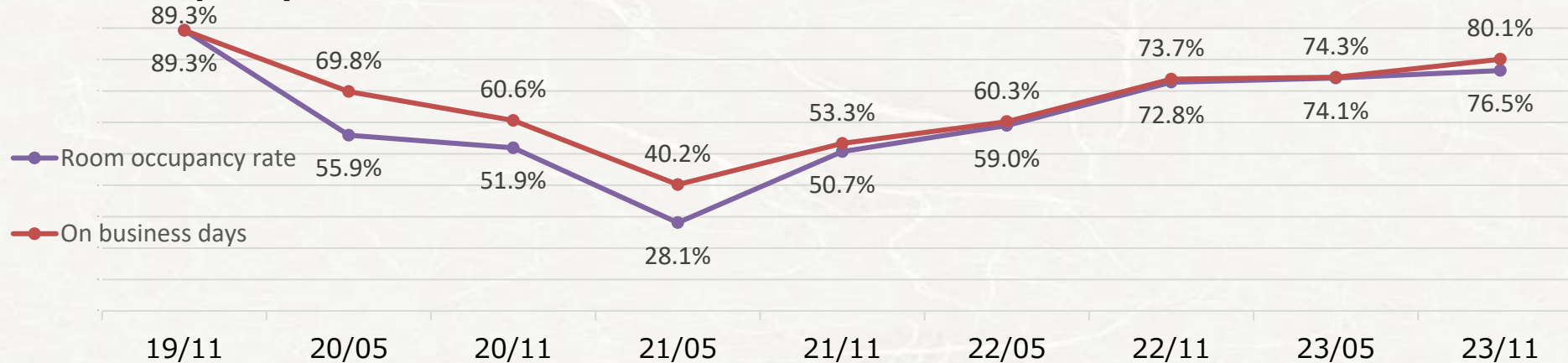
Highlights : Nov. 2023 Tenant overview

Various indicators are approaching pre-COVID-19 levels due to market recovery

ADR/RevPAR



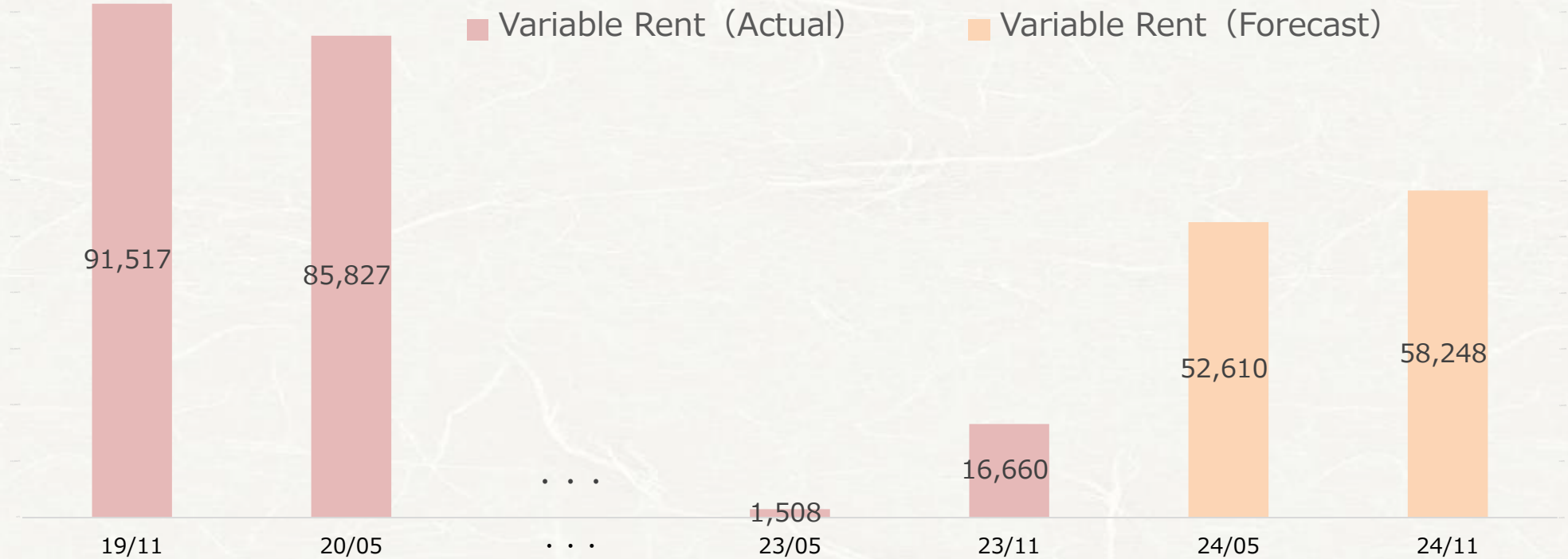
Room occupancy rate



Highlights : Nov. 2023 Internal Growth

Change of Variable Rent

(In thousand of JPY)



(Note 1) The number of properties from FP11/2019 to FP05/2020 is 14.

(Note 2) The variable rent forecast is calculated independently by the AM company based on the actual results and business plans obtained from tenants, and its achievement is not guaranteed.

Highlight: Nov. 2023 Other

ESG Policy

June 2023: Signatory to the Principles for Financial Action for the 21st Century

The Asset Management Company signed its name in support of the concept of the Principles for Financial Action towards a Sustainable Society. (so-called the Principles for Financial Action for the 21st Century) proposed by the Ministry of the Environment as the action guidelines for financial institutions wishing to fulfill the responsibility and play a role necessary for creating a sustainable society.

August 2023: Establishment of Reduction Target for Energy Consumption

A 10% reduction of power and fuel consumption and water and waste discharge by FY2030 (April 1, 2030 - March 31, 2031) from those in FY2018 (April 1, 2018 - March 31, 2019)

Highlights: After May 2024

Strategy		
Financial Strategy	Short term	<ul style="list-style-type: none"> Restructuring of lender formation (at refinance in February / May 2024)
	Medium term	<ul style="list-style-type: none"> Collateral release / Debt cost reduction / the third-party credit rating
External Growth	Short term	<ul style="list-style-type: none"> Leveraging the APA Group's network in addition to the Asset Manager's own network. Use of the APA Groups warehousing function
	Medium term	<ul style="list-style-type: none"> Full-scale acquisition from properties owned by APA Group
Internal Growth	Short term	<ul style="list-style-type: none"> Raising variable rents through recovery in the performance of the Oedo Onsen Monogatari Group
	Medium term	<ul style="list-style-type: none"> Raising variable rents through added-value renovations of the Oedo Onsen Monogatari facilities
ESG	Short term	<ul style="list-style-type: none"> Acquisition of environmental certifications for each property
	Medium term	<ul style="list-style-type: none"> Consider participation in GRESBB

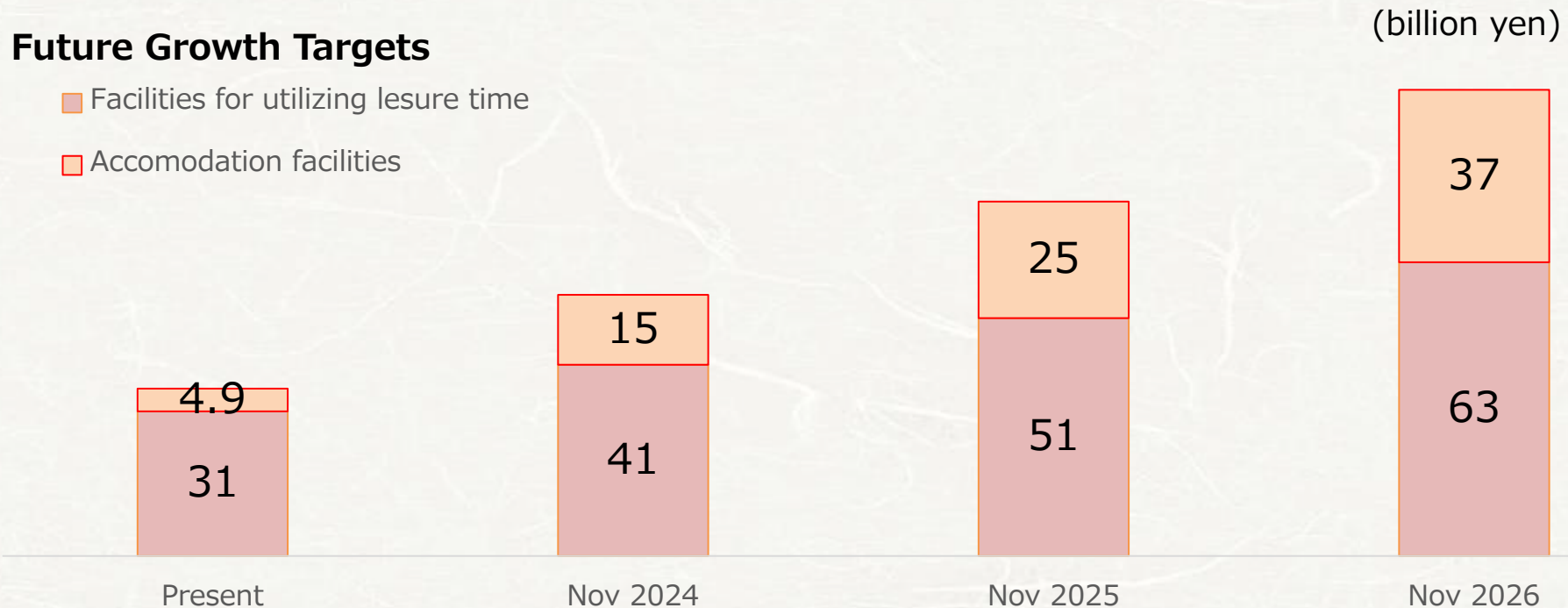
Highlights : After May. 2024 External Growth

Short Term

- Utilization of the APA Group's network in addition to the asset management company's own network
- Utilization of APA Group's warehousing function

Medium Term

- Acquisition from properties owned by APA Group in full scale



Note: No decisions have been made regarding future property acquisitions, nor are there any specific plans for such acquisitions.

Highlights: After May 2024 Internal Growth (Facilities for Utilizing Leisure Time)



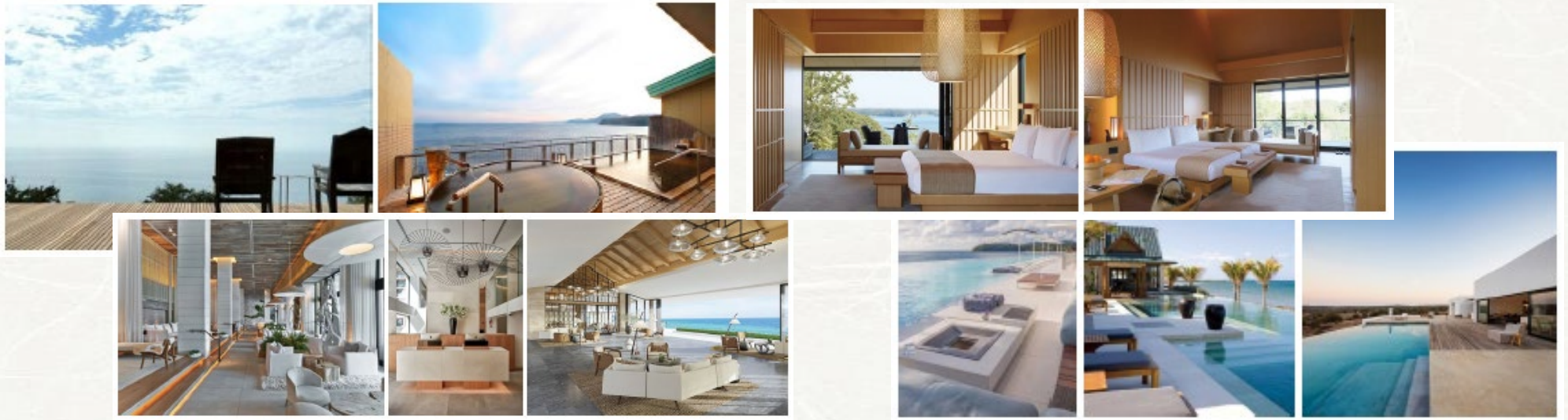
Implementation of added-value renovations of existing five properties to Ooedo Onsen Premium

		Standard series	Premium series
		Affordable onsen hotels (no renewal)	Modern onsen hotels (with renewal)
Category	Item	Weekday overnight stay 8,000 yen - 13,000 yen	Weekday overnight stay 13,000 yen - 18,000 yen
Service	Feel of entertainment	Guests enjoy themselves without need to care about others	Same standard
	Atmosphere	Noisy, bustling, and crowded	Same standard plus renewal and cleanliness
	Level of customer service	Minimum interaction, no excessive and high level of entertainment and customer service	Same standard
	Content	Comics, table tennis, karaoke, relaxation, and massage chair	Same standard plus free lounge and free massage chair
Food	Menu	Ooedo buffet (steaks, tempura, sushi, and rice bowls)	In addition to the left, roast beef, etc. and Häagen-Dazs ice cream
Key Word		Lively, enjoyable, and casual	Nice, clean, and renovated

	ADR		Construction items
	2020Result	2027 Estimate	
Ooedo-Onsen Monogatari Ise-shima Construction period (plan): March to June 2024	32,855 yen	41,452 yen	New lounge and Ocean Terrace Additional open-air bath Restaurants and guest rooms: renovations
Kinugawa Kanko Hotel Construction period (plan): March to July 2024	30,039 yen	38,479 yen	Large baths and guest rooms: renovations New premium lobby lounge
Ito Hotel New Okabe Scheduled construction period: from 2025 on	28,484 yen	40,152 yen	Restaurants and sundries store: renovations Front lobby: new lounge Guest rooms: Change to Japanese-style bedding
Ooedo-Onsen Monogatari Atami Construction period (plan): April to July 2024	33,229 yen	45,248 yen	Restaurants and guest rooms: renovations Large baths: renovations Front lobby: new lounge
Ooedo-Onsen Monogatari Ikaho Scheduled construction period: from 2025 on	30,291 yen	39,392 yen	Large baths: renovations Restaurants: full-renovation Front lobby: new lounge

Highlights: After May 2024 Internal Growth (Value-up renovations)

Ooedo Onsen Monogatari Premium Ise Shima (images after the renovations)

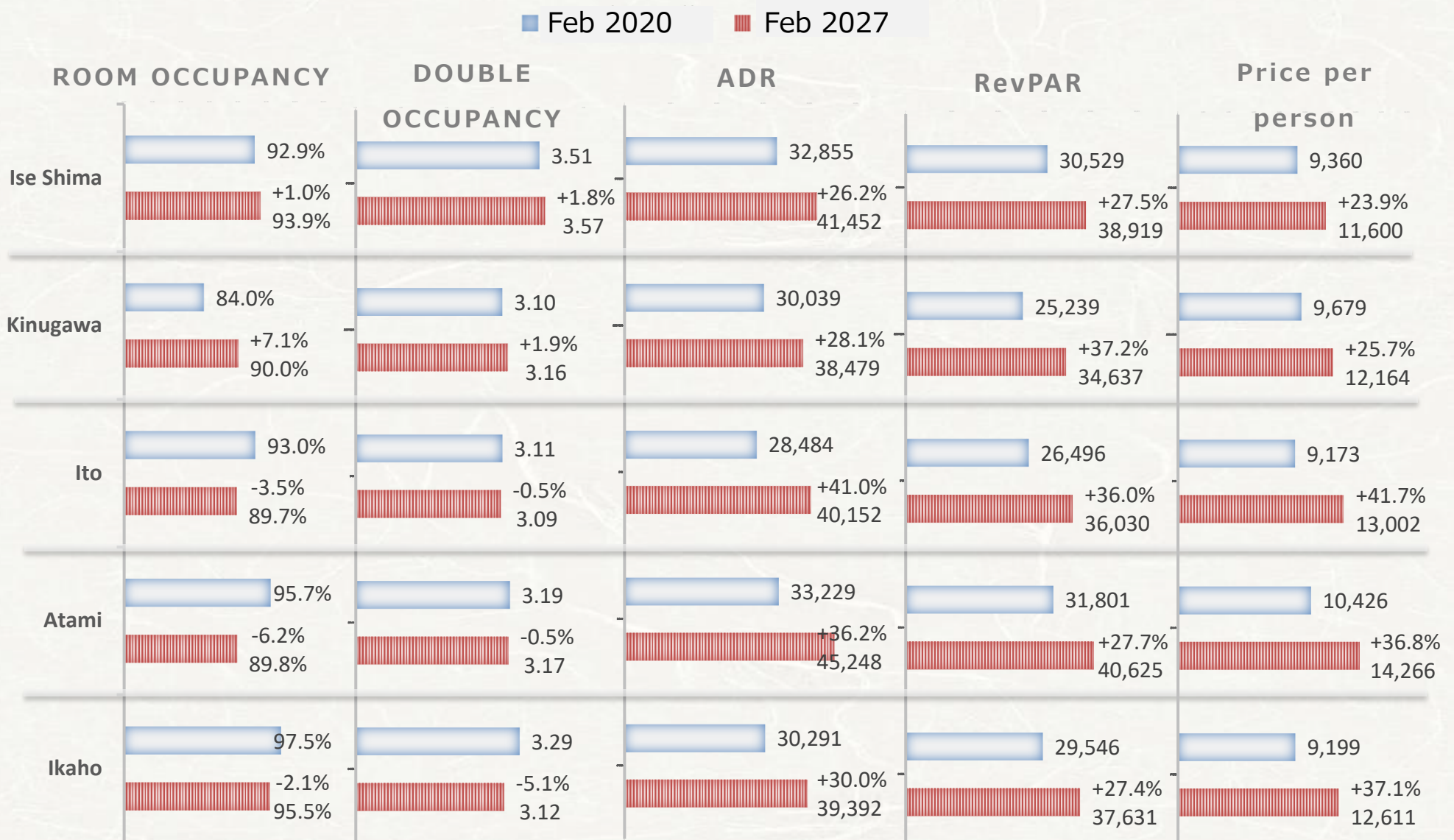


Ooedo Onsen Monogatari Premium Kinugawa Kanko (images after the renovations)



Highlights: Internal Growth in and after Period Ending May 31, 2024

Added-value renovations of properties held

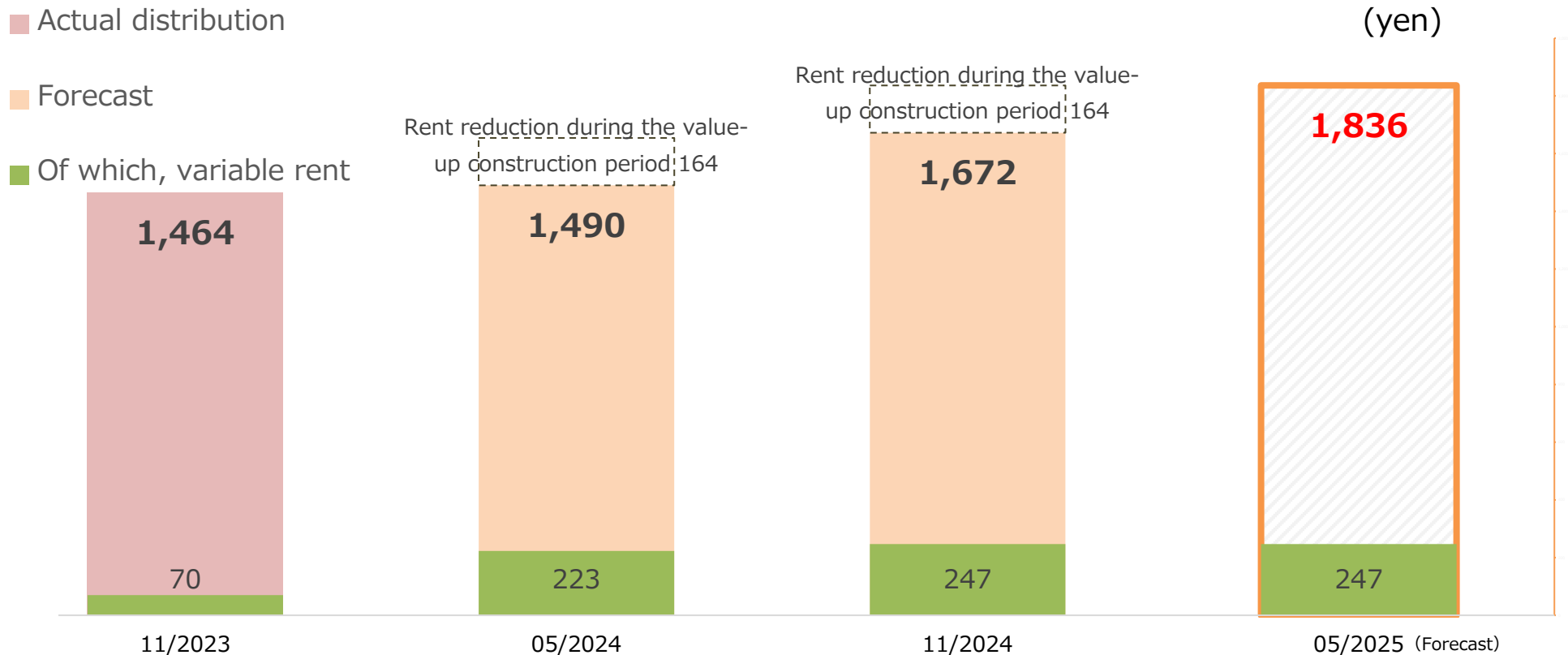


Note: The above values have been calculated independently by the Asset Management Company based on business plans for the tenants' accounting periods obtained from the tenants, which do not guarantee the actual results.

Highlights : Distribution Forecast (Trial calculation)

Change in distribution due to increase in variable rent (No acquisition of new properties is expected)

Variable Rent	Value-up construction projects
FP11/2023 : 16 million yen (70 yen/unit)	Temporary reduction of the fixed rents of Kinugawa Kanko Hotel and Ise-shima
FP05/2024 : 52 million yen (223 yen/unit)	Construction period: March to June 2024
FP11/2024 : 58 million yen (247 yen/unit)	FP05/2024: -38 million yen (-164 yen/unit)
FP05/2025 : 58 million yen (247 yen/unit) Forecast	FP11/2024: -38 million yen (-164 yen/unit)



(Note 1) The variable rent forecast is calculated independently by the AM company based on the actual results and business plans obtained from tenants, and its achievement is not guaranteed.

(Note 2) Distributions from the fiscal period ending May 2024 are estimates based on the amounts of distributions in the fiscal period ending November 2024 that take into account only the impact of changes in variable rents and VU work, and no guarantees are made that they will be achieved. The actual amount of distributions will vary depending on actual variable rents, added-value renovations and other factors.

II . Financial Results



Nov. 2023

(In thousand of JPY)

Item	FP05/2023	Nov. 2023	YoY	Nov. 2023 (Forecast as of September 25, 2023)	Change from forecast
Operating revenues	Component ratio 1,221,530	Component ratio 1,202,665	-18,864	1,197,796	+4,869
Lease operations revenue	99.0% 900,964	99.5% 1,196,325	+295,360	1,195,970	+354
Other lease operations revenue	1.0% 9,109	0.5% 6,340	-2,769	1,825	+4,514
Lease operations revenue gain/loss	381,352	670,920	+289,568	664,059	+6,861
Gain on sale of real estate	311,456	-	-311,456	0	+0
Operating income	523,856	516,465	-7,391	509,216	+7,248
Ordinary income	349,858	342,442	-7,415	334,666	+7,776
Net income	349,041	341,530	-7,510	333,666	+7,864
Excess cash distribution	-9,178	3,059	+12,238	3,059	+0
Total distributions	339,841	344,548	+4,706	336,781	+7,766
Total units outstanding	235,347	235,347	+0	235,347	+0
DPU (yen)	1,444	1,464	+20	1,431	+33
(Excess cash distribution per unit)	-39	13	+52	13	+0
FFO per unit (yen)	1,927	3,229	+1,302	3,202	+27
NOI	797,371	1,089,398	292,027	1,084,122	5,276
Depreciation	416,019	418,477	2,458	420,063	-1,585
CAPEX	138,820	144,657	5,837	156,000	-11,342

Reasons for change from forecasts		(In thousand of JPY)
Insurance income		+4,270
Decrease in depreciation, etc.		+2,590
Lease operations revenue gain/loss		+6,861
Decrease in SG&A expenses (related to IR, etc.)		+386
Operating income		+7,248
Decrease in non-operating expenses (interests paid, etc.)		+527
Ordinary income		+7,776

Reasons for change from May 2023		(In thousand of JPY)
Increase in fixed rents (offsets decrease in rents)		+232,799
Increase in variable rents		+15,151
Increase in accommodation facilities (2-month contribution)		+38,052
Decrease in property and city planning taxes (for the sale of Kinosaki in period ended May 2023)		+3,564
Lease operations revenue gain/loss		+289,568
Decrease in SG&A expenses (General Unitholders' Meeting held in previous period, non-deductible consumption tax, etc.)		+14,495
Gain on sales of real estate (70% co-ownership of Kinosaki in period ended May 2023)		-311,456
Operating income		-7,391
Increase in non-operating income (distributions unpaid due to expiration of statute of limitations)		+1,014
Increase in non-operating expenses (arrangement fees, etc.)		-1,038
Ordinary income		-7,415

Main financial indicators		(In million of JPY)
Total assets		35,426
Interest-bearing debt		12,888
Total liabilities		14,459
Total net assets		20,967
LTV (book value basis)		36.4%
NAV per unit		112,187 yen

May 2024: Forecasts

(In thousand of JPY)

Item	Nov. 2023 Actual	May. 2024 Forecast	YoY	May. 2024 (Forecast as of September 25, 2023)	Change from forecast
Operating revenues	Component ratio 1,202,665	Component ratio 1,293,590	+90,924	1,294,703	-1,113
Lease operations revenue	99.5% 1,196,325	99.7% 1,289,351	+93,026	1,290,440	-1,089
Other lease operations revenue	0.5% 6,340	0.3% 4,239	-2,101	4,262	-23
Lease operations revenue gain/loss	670,920	730,061	+59,140	730,465	-404
Gain on sale of real estate	0	0	+0	0	+0
Operating income	516,465	560,035	+43,569	563,530	-3,495
Ordinary income	342,442	348,711	+6,268	351,608	-2,897
Net income	341,530	347,711	+6,180	350,608	-2,897
Excess cash distribution	3,059	3,059	+0	3,059	+0
Total distributions	344,548	350,667	+6,119	353,491	-2,824
Total units outstanding	235,347	235,347	+235,347	235,347	+0
DPU (yen)	1,464	1,490	+26	1,502	-12
(Excess cash distribution per unit)	13	13	+0	13	+0
FFO per unit (yen)	3,229	3,298	+69	3,320	-22
NOI	1,089,398	1,158,748	69,349	1,161,401	-2,653
Depreciation	418,477	428,686	10,208	430,936	-2,249
CAPEX	144,657	165,940	21,282	156,000	9,940

Reasons for change from forecasts		(In thousand of JPY)
Decrease in variable rent (Kimitsu, etc.)		-4,070
Decrease in depreciation, etc.		+3,665
Lease operations revenue gain/loss		-404
Increase in SG&A expenses (BELS certification, etc.)		-3,091
Operating income		-3,495
Decrease in interest expenses, etc.		+597
Ordinary income		-2,897

Reasons for change from May 2023		(In thousand of JPY)
Decrease in fixed rents (Ise Shima and Kanko renovations)		-38,609
Increase in variable rents		+35,949
Increase in accommodation facilities (6-month contribution)		+66,271
Increase in depreciation, etc.		-4,471
Lease operations revenue gain/loss		+59,140
Increase in SG&A expenses (Management Fee I, General Unitholders' Meeting held, etc.)		-15,570
Operating income		+43,569
Distributions unpaid due to expiration of statute of limitations, etc.		-1,308
Increase in cost of new borrowings, etc.		-35,992
Ordinary income		+6,268

Main financial indicators		(In million of JPY)
Total assets		35,303
Interest-bearing debt		12,731
Total liabilities		14,329
Total net assets		20,973
LTV (book value basis)		36.0%

Nov. 2024: Forecasts

(In thousand of JPY)

Item	May. 2024 Forecast	Nov. 2024 Forecast	YoY
Operating revenues	Component ratio 1,293,590	Component ratio 1,300,274	+6,684
Lease operations revenue	99.7% 1,289,351	99.7% 1,296,027	+6,676
Other lease operations revenue	0.3% 4,239	0.3% 4,246	+7
Lease operations revenue gain/loss	730,061	727,401	-2,659
Gain on sale of real estate	0	0	+0
Operating income	560,035	563,493	+3,457
Ordinary income	348,711	391,273	+42,561
Net income	347,711	390,273	+42,561
Excess cash distribution	3,059	3,059	+0
Total distributions	350,667	393,500	+42,833
Total units outstanding	235,347	235,347	+0
DPU (yen)	1,490	1,672	+182
(Excess cash distribution per unit)	13	13	+0
FFO per unit (yen)	3,298	3,502	+204
NOI	1,158,748	1,161,398	2,650
Depreciation	428,686	433,997	5,310
CAPEX	165,940	164,889	-1,050

Reasons for change from May 2023

(In thousand of JPY)

Increase in variable rent (Kimitsu, etc.)	+5,638
Increase in depreciation	-5,310
Increase in property and city planning taxes, etc. (full-contribution of new properties acquired)	-2,987

Lease operations revenue gain/loss

Decrease in SG&A expenses (General Unitholders' Meeting held)	+6,117
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Operating income

Decrease in financial costs (no refinancing)	+39,104
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Ordinary income

	+42,561
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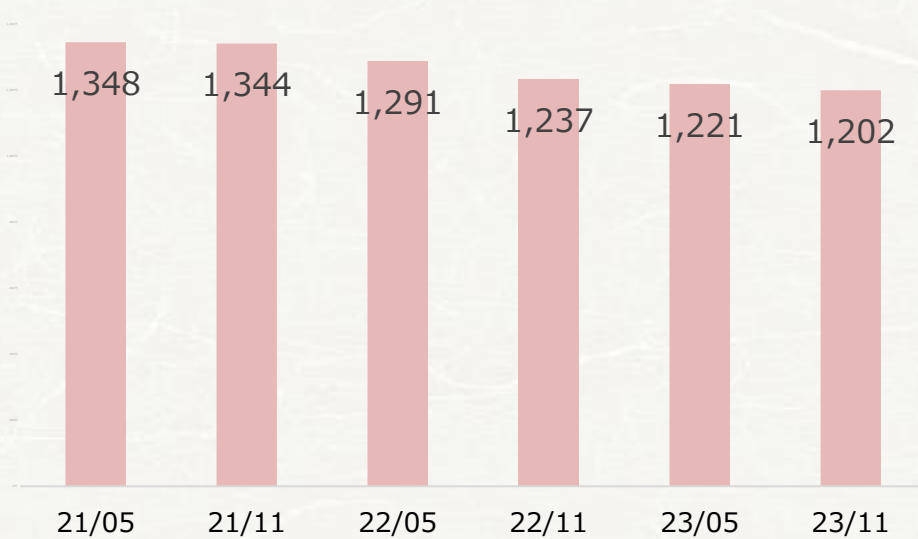
Main financial indicators

(In million of JPY)

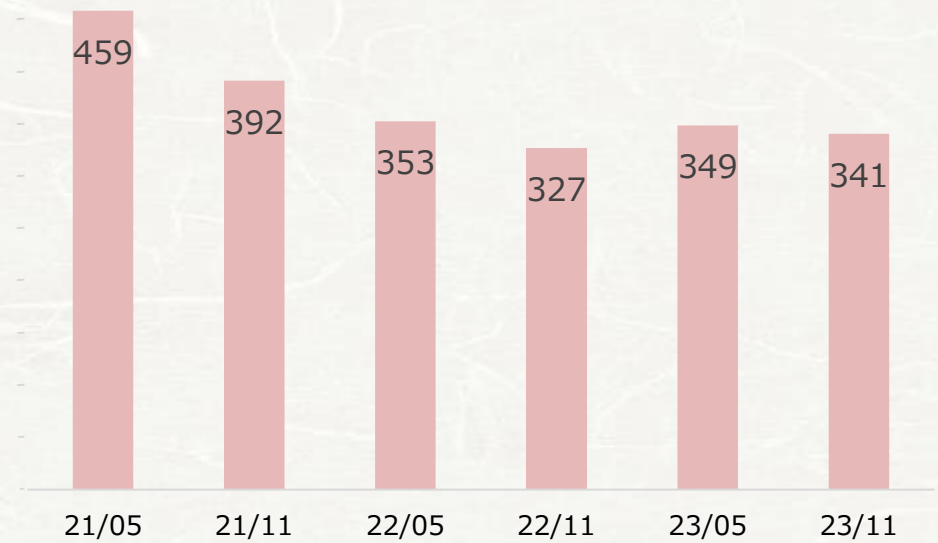
Total assets	35,237
Interest-bearing debt	12,584
Total liabilities	14,215
Total net assets	21,021
LTV (book value basis)	35.7%

Financial Results Highlights

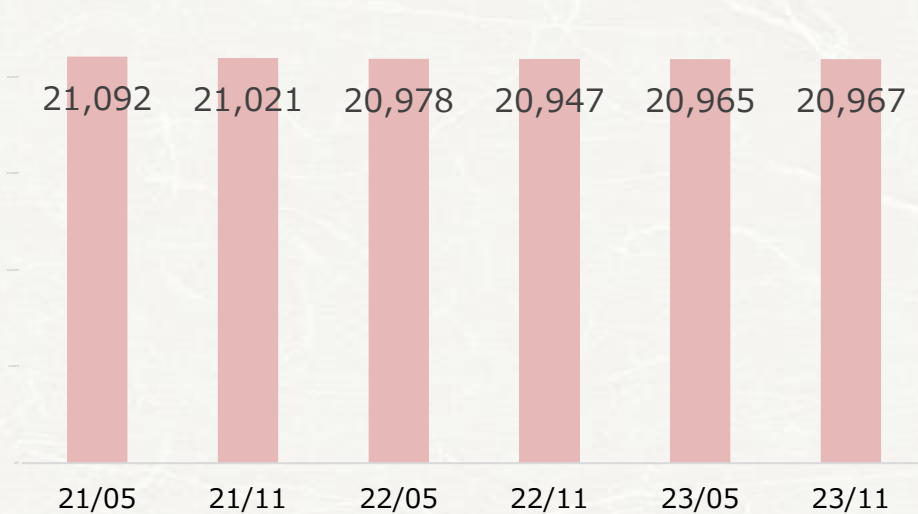
Operating revenues (mn yen)



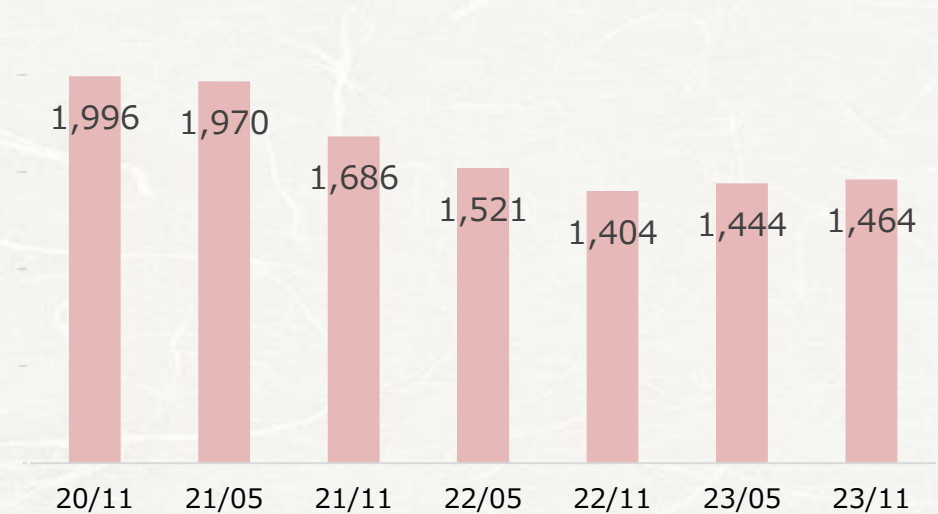
Net income (mn yen)



Net assets (mn yen)



Distribution per unit (yen)



Appendix



Portfolio Data : List

Property No.	Property name	Location	Building age (years)	Number of rooms	Purchase Price(mn yen)	NOI (mn yen)	NOI yield	NOI yield aft depreciation (note2)	PML
S001	Ooedo-Onsen Monogatari Reoma Resort	Kagawa Prefecture	31.9/32.2 (Note1)	241	9,697	313	6.5%	4.5%	2.0/1.6%
S002	Ooedo-Onsen Monogatari Ise-shima	Mie Prefecture	43.7	83	3,656	112	6.2%	3.3%	14.3%
S003	Ito Hotel New Okabe	Shizuoka Prefecture	33.1	73	2,657	72	5.5%	3.3%	12.4%
S004	Ooedo-Onsen Monogatari Atami	Shizuoka Prefecture	49.9	76	3,000	98	6.6%	4.2%	13.1%
S005	Ooedo-Onsen Monogatari Toi Marine Hotel	Shizuoka Prefecture	49.2	64	1,910	59	6.2%	2.9%	15.4%
S006	Ooedo-Onsen Monogatari Awara	Fukui Prefecture	42.3	95	1,901	65	6.9%	4.4%	15.5%
S008	Ooedo-Onsen Monogatari Ikaho	Gunma Prefecture	40.1	40	1,299	35	5.5%	3.4%	1.1%
S009	Ooedo-Onsen Monogatari Kimitsu-nomori	Chiba Prefecture	27.7	41	819	23	5.7%	3.5%	4.5%
S011	Ooedo-Onsen Monogatari Kounkaku	Miyagi Prefecture	58.0	98	1,040	41	8.0%	3.5%	3.9%
S012	Kinugawa Kanko Hotel	Tochigi Prefecture	42.3	172	3,870	171	8.9%	5.6%	2.1%
S014	Ooedo-Onsen Higashiyama Grand Hotel	Fukushima Prefecture	59.2	123	1,230	37	6.2%	1.4%	4.6%
Facilities for utilizing leisure time Total / Average			42.0	1,106	31,085	1,045	6.7%	4.3%	-
Property No.	Property name	Location	Building age (years)	Number of rooms	Purchase Price(mn yen)	NOI (mn yen)	NOI yield	NOI yield aft depreciation (note2)	PML
A001	L-Place Miyazakidai	Kanagawa Prefecture	31.9	85	1,053	8	4.8%	4.6%	10.80%
A002	JMR Residence Shin-Osaka	Osaka Prefecture	29.6	70	1,255	11	5.1%	4.7%	14.70%
A003	K.Ryokuchi	Osaka Prefecture	25.7	88	990	8	5.0%	4.6%	8.20%
A004	Fiel Hakusankoen Niigata Hakusankoen building	Niigata Prefecture	19.1	97	1,600	15	5.4%	4.0%	9.80%
Accommodation Facilities Total / Average				340	4,898	44	5.1%	4.4%	-
Portfolio Total / Average			41.5	-	35,983	1,089	6.5%	4.3%	2.90%

(Note 1) 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 2) NOI yield and NOI yield after depreciation indicate annualized figures. In addition, the figure is based on fixed rents after the end of the fixed rent reduction period that ended in February 2023.

Portfolio Data : Appraisal data

(mn yen)

No.	Property Name	Acquisition Price	Book value	Appraisal value			Unrealized profits and losses	Direct capitalization method			Discounted cash flow method					
				05/23	11/23	change		Direct Cap Rate			Discount Rate			Terminal Cap Rate		
								05/23	11/23	change	05/23	11/23	change	05/23	11/23	change
S001	Ooedo-Onsen Monogatari Reoma Resort	9,697	9,250	8,700	8,700	-	△550	6.0%	6.0%	-	5.8%	5.8%	-	6.2%	6.2%	-
S002	Ooedo-Onsen Monogatari Ise-shima	3,656	3,082	3,800	3,820	+20	+737	5.6%	5.6%	-	5.4%	5.4%	-	5.8%	5.8%	-
S003	Ito Hotel New Okabe	2,657	2,460	2,810	2,820	+10	+359	5.1%	5.1%	-	4.9%	4.9%	-	5.3%	5.3%	-
S004	Ooedo-Onsen Monogatari Atami	3,000	2,680	3,460	3,470	+10	+789	5.1%	5.1%	-	4.9%	4.9%	-	5.2%	5.2%	-
S005	Ooedo-Onsen Monogatari Toi Marine Hotel	1,910	1,676	2,010	2,020	-	+343	5.6%	5.6%	-	5.4%	5.4%	-	5.8%	5.8%	-
S006	Ooedo-Onsen Monogatari Awara	1,901	1,799	2,020	2,020	-	+220	5.9%	5.9%	-	5.7%	5.7%	-	6.1%	6.1%	-
S008	Ooedo-Onsen Monogatari Ikaho	1,299	1,206	1,350	1,360	+10	+153	5.3%	5.3%	-	5.1%	5.1%	-	5.5%	5.5%	-
S009	Ooedo-Onsen Monogatari Kimitsu-nomori	819	815	829	829	-	+13	5.3%	5.3%	-	5.1%	5.1%	-	5.5%	5.5%	-
S011	Ooedo-Onsen Monogatari Kounkaku	1,040	936	1,190	1,190	-	+253	5.5%	5.5%	-	5.3%	5.3%	-	5.7%	5.7%	-
S012	Kinugawa Kanko Hotel	3,870	3,345	6,050	6,050	-	+2,704	5.2%	5.2%	-	5.0%	5.0%	-	5.4%	5.4%	-
S014	Ooedo-Onsen Higashiyama Grand Hotel	1,230	1,087	1,410	1,410	-	+322	5.9%	5.9%	-	5.7%	5.7%	-	6.1%	6.1%	-
Facilities for utilizing leisure time Total		31,085	34,331	33,629	33,689	+60	+5,349	-	-	-	-	-	-	-	-	-
A001	L-place Miyazakidai	1,053	1,079	-	1,120	-	+40	-	3.9%	-	3.5%	3.5%	-	-	4.1%	-
A002	JMR Residence ShinOsaka	1,255	1,289	-	1,360	-	+70	-	3.7%	-	3.6%	3.5%	-	-	3.9%	-
A003	K.Ryokuchi	990	1,015	-	1,040	-	+24	-	3.7%	-	3.6%	3.5%	-	-	3.9%	-
A004	Feel Hakusan Koen・Niigata Hakusan Koen Building	1,600	1,658	-	1,610	-	△48	-	4.6%	-	4.4%	4.4%	-	-	4.8%	-
Accommodation Facilities Total		4,898	5,041	-	5,130	-	+86	-	-	-	-	-	-	-	-	-
Total		35,983	33,383	-	38,819	-	+5,435	-	-	-	-	-	-	-	-	-

Portfolio Data : Operating Results of Facilities for utilizing leisure time

No.	Name	Room occupancy rate (%)			ADR (JPY)			RevPAR (JPY)			Sale (million yen)		
		Previous corresponding period average	11/23 period average	Change	Previous corresponding period Average	11/23 period average	Change	Previous corresponding period average	11/23 period average	Change	Previous corresponding period average	11/23 period average	Change
S-1	Ooedo-Onsen Monogatari Reoma Resort < Hotel Reoma-no-mori >	66.7	75.8	+13.6%	35,243	36,541	+3.7%	23,507	27,698	+17.8%	1,273	1,490	+17.0%
S-2	Ooedo-Onsen Monogatari Ise-shima	81.3	82.2	+1.1%	33,633	37,569	+11.7%	27,343	30,881	+12.9%	476	529	+11.1%
S-3	Ito Hotel New Okabe	70.4	80.5	+14.3%	32,646	34,824	+6.7%	22,982	28,033	+22.0%	501	606	+21.0%
S-4	Ooedo-Onsen Monogatari Atami	81.6	76.0	△6.9%	33,330	39,960	+19.9%	27,197	30,369	+11.7%	427	467	+9.3%
S-5	Ooedo-Onsen Monogatari Toi Marine Hotel	72.7	76.1	+4.7%	34,307	34,957	+1.9%	24,941	26,602	+6.7%	317	338	+6.5%
S-6	Ooedo-Onsen Monogatari Awara	74.1	74.6	+0.7%	29,485	33,512	+13.7%	21,848	24,999	+14.4%	424	479	+12.9%
S-8	Ooedo-Onsen Monogatari Ikaho	80.2	88.4	+10.2%	33,421	35,596	+6.5%	26,803	31,466	+17.4%	224	254	+13.6%
S-9	Ooedo-Onsen Monogatari Kimitsu-no-mori	78.7	78.5	△0.3%	28,690	31,735	+10.6%	22,579	24,911	+10.3%	220	239	+8.9%
S-11	Ooedo-Onsen Monogatari Kounkaku	48.6	58.5	+20.4%	26,250	27,437	+4.5%	12,757	16,050	+25.8%	305	376	+23.4%
S-12	Kinugawa Kanko Hotel	78.1	80.6	+3.2%	30,861	33,650	+9.0%	24,102	27,121	+12.5%	854	955	+11.7%
S-14	Ooedo-Onsen Higashiyama Grand Hotel	80.7	79.7	△1.2%	27,578	30,342	+10.0%	22,255	24,182	+8.7%	545	585	+7.4%
	Total	72.3	76.5	5.8%	31,662	34,301	8.3%	22,891	26,240	14.6%	5,572	6,324	+13.5%

No.	Name	Number of guests			Sale (million yen)		
		Previous corresponding period average	11/23 period average	Change	Previous corresponding period average	11/23 period average	Change
S-1	Ooedo-Onsen Monogatari Reoma Resort< New Reoma World >	303,087	284,885	△6.0%	1,215	1,309	+7.7%

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

Portfolio Data : Facilities for utilizing leisure time

S-1 Ooedo-Onsen Monogatari Reoma Resort



Location: Marugame City,
Kagawa Prefecture

Site area: 665,144 m²

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: 211,089.59 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 : Facilities for utilizing leisure time

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

	12/22	01/23	02/23	03/23	04/23	05/23	06/23	07/23	08/23	09/23	10/23	11/23	Cumulative total	Previous corresponding period cumulative total	11/23 period cumulative Total	Change
Room occupancy rate	80.7%	50.8%	61.5%	82.0%	70.6%	68.7%	62.9%	68.9%	84.9%	70.6%	80.8%	86.2%	72.5%	66.7%	75.8%	+9.1%
ADR (yen)	35,801	35,768	27,814	37,478	32,075	36,089	25,324	40,334	60,135	30,548	28,081	30,693	35,553	35,243	36,541	+1,298
RevPAR (yen)	28,891	18,170	17,105	30,731	22,644	24,793	15,928	27,790	51,054	21,566	22,689	26,457	25,775	23,507	27,698	+4,191
Sales (million yen)	252	159	142	280	207	233	155	253	451	189	207	233	2,767	1,273	1,490	+216

S-2 : Ooedo-Onsen Monogatari Ise-shima

	12/22	01/23	02/23	03/23	04/23	05/23	06/23	07/23	08/23	09/23	10/23	11/23	Cumulative total	Previous corresponding period cumulative total	11/23 period cumulative Total	Change
Room occupancy rate	91.3%	78.7%	85.3%	93.1%	67.3%	74.0%	77.1%	73.4%	76.6%	81.2%	93.0%	91.6%	81.9%	81.3%	82.2%	+0.9%
ADR (yen)	35,723	33,303	31,317	40,065	35,008	36,444	29,403	37,971	53,831	33,255	34,130	37,497	36,528	33,633	37,569	+3,936
RevPAR (yen)	32,615	26,209	26,713	37,300	23,560	26,968	22,669	27,870	41,234	27,003	31,740	34,347	29,916	27,343	30,881	+3,538
Sales (million yen)	97	77	72	111	66	79	65	80	116	76	93	96	1,035	476	529	+53

S-3 : Ito Hotel New Okabe

	12/22	01/23	02/23	03/23	04/23	05/23	06/23	07/23	08/23	09/23	10/23	11/23	Cumulative total	Previous corresponding period cumulative total	11/23 period cumulative Total	Change
Room occupancy rate	81.6%	75.9%	84.9%	88.8%	69.2%	76.6%	68.0%	73.2%	84.9%	89.4%	84.2%	83.2%	80.0%	70.4%	80.5%	+10.1%
ADR (yen)	37,338	34,482	30,913	34,525	30,305	34,105	28,780	35,224	49,223	29,164	31,284	33,994	34,288	32,646	34,824	+2,178
RevPAR (yen)	30,467	26,171	26,245	30,658	20,971	26,124	19,570	25,783	41,790	26,072	26,341	28,283	27,430	22,982	28,033	+5,051
Sales (million yen)	112	96	89	115	75	96	70	94	147	93	98	101	1,192	501	606	+105

Portfolio Data : Facilities for utilizing leisure time

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



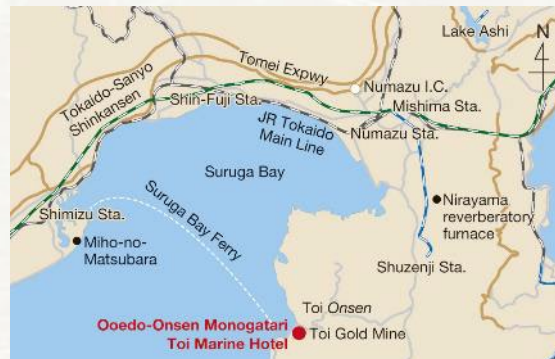
Location: Izu City,
Shizuoka Prefecture

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 : Facilities for utilizing leisure time

S-4 : Oedo-Onsen Monogatari Atami

	12/22	01/23	02/23	03/23	04/23	05/23	06/23	07/23	08/23	09/23	10/23	11/23	Cumulative total	Previous corresponding period cumulative total	05/23 period cumulative Total	Change
Room occupancy rate	84.7%	85.4%	90.1%	97.0%	76.2%	80.7%	48.8%	77.2%	88.4%	85.3%	81.1%	74.3%	80.8%	81.6%	76.0%	△5.6%
ADR (yen)	36,515	33,960	31,594	34,141	33,174	36,792	31,945	38,782	57,387	34,890	34,172	37,409	37,011	33,330	39,960	+6,630
RevPAR (yen)	30,928	29,001	28,466	33,116	25,278	29,691	15,589	29,939	50,730	29,761	27,713	27,794	29,904	27,197	30,369	+3,172
Sales (million yen)	82	77	69	88	65	78	40	78	128	75	72	70	929	427	467	+39

S-5 : Oedo-Onsen Monogatari Toi Marine Hotel

	12/22	01/23	02/23	03/23	04/23	05/23	06/23	07/23	08/23	09/23	10/23	11/23	Cumulative total	Previous corresponding period cumulative total	05/23 period cumulative Total	Change
Room occupancy rate	84.3%	62.5%	83.7%	97.8%	53.0%	71.8%	61.8%	69.3%	84.7%	83.2%	79.3%	78.1%	75.8%	72.7%	76.1%	+3.4%
ADR (yen)	30,580	31,709	26,487	29,675	29,094	32,180	24,252	38,836	58,311	26,996	27,302	30,222	32,459	34,307	34,957	+650
RevPAR (yen)	25,778	19,818	22,169	29,022	15,419	23,105	14,987	26,913	49,389	22,460	21,650	23,603	24,603	24,941	26,602	+1,661
Sales (million yen)	56	42	44	63	32	49	31	57	103	47	47	50	627	317	338	+20

S-6 : Oedo-Onsen Monogatari Awara

	12/22	01/23	02/23	03/23	04/23	05/23	06/23	07/23	08/23	09/23	10/23	11/23	Cumulative total	Previous corresponding period cumulative total	05/23 period cumulative Total	Change
Room occupancy rate	75.4%	59.3%	64.0%	83.6%	76.8%	76.7%	64.4%	69.7%	84.3%	67.6%	74.7%	86.7%	73.7%	74.1%	74.6%	+0.5%
ADR (yen)	29,341	25,187	23,219	29,407	25,407	27,281	22,824	36,130	48,411	28,676	29,199	31,915	30,254	29,485	33,512	+4,027
RevPAR (yen)	22,123	14,935	14,860	24,584	19,512	20,924	14,698	25,182	40,810	19,384	21,811	27,670	22,297	21,848	24,999	+3,151
Sales (million yen)	73	49	45	81	62	69	47	82	128	61	72	87	860	424	479	+54

Portfolio Data : Facilities for utilizing leisure time

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.



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.



Portfolio Data : Facilities for utilizing leisure time

S-8 : Oedo-Onsen Monogatari Ikaho

	12/22	01/23	02/23	03/23	04/23	05/23	06/23	07/23	08/23	09/23	10/23	11/23	Cumulative total	Previous corresponding period cumulative total	11/23 period cumulative Total	Change
Room occupancy rate	85.7%	76.2%	85.6%	94.2%	87.1%	86.4%	80.9%	83.4%	89.7%	90.2%	92.1%	94.3%	87.1%	80.2%	88.4%	+ 8.2%
ADR (yen)	36,792	33,405	29,413	34,660	33,231	36,594	30,140	34,898	47,576	31,480	34,485	34,199	34,871	33,421	35,596	+ 2,175
RevPAR (yen)	31,530	25,454	25,177	32,649	28,944	31,617	24,383	29,104	42,675	28,394	31,760	32,249	30,372	26,803	31,466	+ 4,663
Sales (million yen)	44	35	31	45	38	43	32	40	56	38	44	43	493	224	254	+ 30

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

	12/22	01/23	02/23	03/23	04/23	05/23	06/23	07/23	08/23	09/23	10/23	11/23	Cumulative total	Previous corresponding period cumulative total	11/23 period cumulative Total	Change
Room occupancy rate	88.6%	85.3%	88.2%	93.2%	84.9%	85.8%	73.5%	71.0%	86.3%	81.3%	81.4%	77.3%	83.1%	78.7%	78.5%	△0.2%
ADR (yen)	31,651	29,883	27,728	30,206	30,133	33,010	26,841	32,187	41,091	28,084	28,837	32,157	31,071	28,690	31,735	+ 3,045
RevPAR (yen)	28,042	25,490	24,456	28,151	25,582	28,322	19,728	22,852	35,461	22,832	23,473	24,857	25,820	22,579	24,911	+ 2,332
Sales (million yen)	45	42	38	48	40	47	32	37	55	35	38	39	502	220	239	+ 19

S-11 : Oedo-Onsen Monogatari Kounkaku

	12/22	01/23	02/23	03/23	04/23	05/23	06/23	07/23	08/23	09/23	10/23	11/23	Cumulative total	Previous corresponding period cumulative total	11/23 period cumulative Total	Change
Room occupancy rate	73.0%	54.2%	58.8%	71.8%	50.7%	51.1%	52.4%	42.3%	54.4%	62.3%	68.6%	71.1%	59.2%	48.6%	58.5%	+ 9.9%
ADR (yen)	27,731	28,816	25,035	26,902	26,282	29,310	22,698	26,884	34,159	24,254	27,695	28,481	27,393	26,250	27,437	+ 1,187
RevPAR (yen)	20,243	15,618	14,720	19,315	13,324	14,977	11,893	11,371	18,582	15,110	18,998	20,249	16,216	12,757	16,050	+ 3,293
Sales (million yen)	81	62	54	79	52	59	47	46	70	58	75	78	767	305	376	+ 71

Portfolio Data : Facilities for utilizing leisure time

S-12 Kinugawa Kanko Hotel



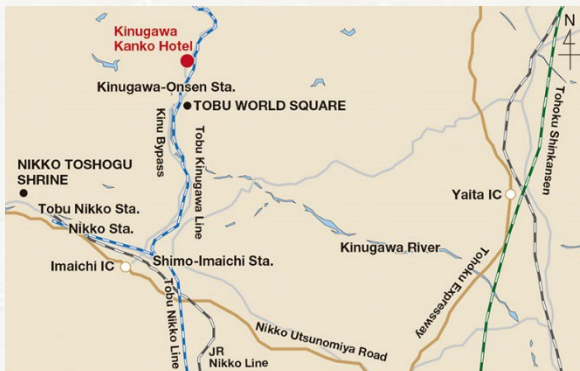
Location: Nikko City,
Tochigi Prefecture

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-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 : Facilities for utilizing leisure time

S-12 : Kinugawa Kanko Hotel

	12/22	01/23	02/23	03/23	04/23	05/23	06/23	07/23	08/23	09/23	10/23	11/23	Cumulative total	Previous corresponding period cumulative total	11/23 period cumulative Total	Change
Room occupancy rate	74.7%	54.5%	70.8%	88.5%	78.4%	79.8%	72.8%	70.8%	86.0%	80.9%	86.0%	87.3%	77.6%	78.1%	80.6%	+ 2.5%
ADR (yen)	32,974	32,910	25,876	33,517	29,517	33,187	25,381	32,033	45,682	29,835	32,823	34,032	32,610	30,861	33,650	+ 2,789
RevPAR (yen)	24,631	17,935	18,320	29,662	23,141	26,483	18,477	22,679	39,286	24,136	28,227	29,709	25,305	24,102	27,121	+ 3,019
Sales (million yen)	149	107	101	180	135	158	109	135	226	139	170	173	1,788	854	955	+ 100

S-14 : Oedo-Onsen Monogatari Higashiyama Grand Hotel

	12/22	01/23	02/23	03/23	04/23	05/23	06/23	07/23	08/23	09/23	10/23	11/23	Cumulative total	Previous corresponding period cumulative total	11/23 period cumulative Total	Change
Room occupancy rate	74.7%	52.8%	70.0%	84.3%	74.2%	71.0%	82.3%	61.6%	80.2%	81.7%	85.4%	87.3%	75.4%	80.7%	79.7%	△1.0%
ADR (yen)	28,567	27,723	23,641	25,150	29,353	32,135	25,844	29,805	37,028	27,822	30,202	31,124	29,131	27,578	30,342	+ 2,764
RevPAR (yen)	21,339	14,637	16,548	21,201	21,779	22,815	21,269	18,359	29,696	22,730	25,792	27,171	21,964	22,255	24,182	+ 1,927
Sales (million yen)	88	60	62	90	87	92	84	76	119	89	106	109	1,067	545	585	+ 40

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

	12/22	01/23	02/23	03/23	04/23	05/23	06/23	07/23	08/23	09/23	10/23	11/23	Cumulative total	Previous corresponding period cumulative total	11/23 period cumulative Total	Change
Number of guests	63,021	31,138	27,435	42,329	38,474	54,233	31,097	47,679	97,233	35,104	34,129	39,643	541,515	303,087	284,885	△18,202
Sales (million yen)	233	120	94	186	176	237	116	217	470	176	160	166	2,357	1,215	1,309	+ 93

Portfolio Data : Accommodation Facilities

A001 L-Place Miyazakidai

Location	Kawasaki City, Kanagawa
Station	8 min walk from Miyazakidai Station
Structure	RC / 5F
Construction Date	Jan 27, 1992
Rentable Area	1,993.01㎡
Rentable Units	85



A002 JMR Residence Shin-Osaka

Location	Osaka City, Osaka
Station	4min walk from Higashi-Yodogawa Station
Structure	SRC / 10F
Construction Date	April 28, 1994
Rentable Area	2,911.95㎡
Rentable Units	70



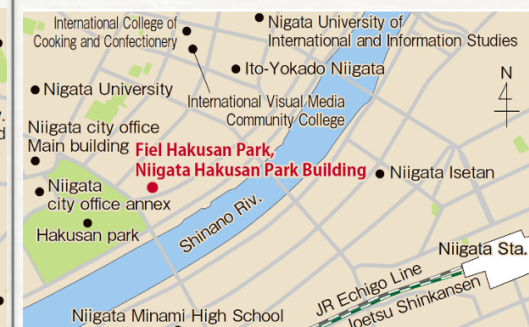
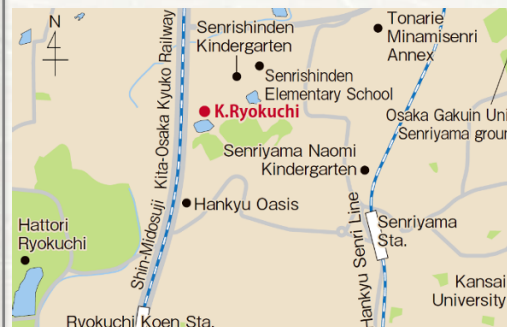
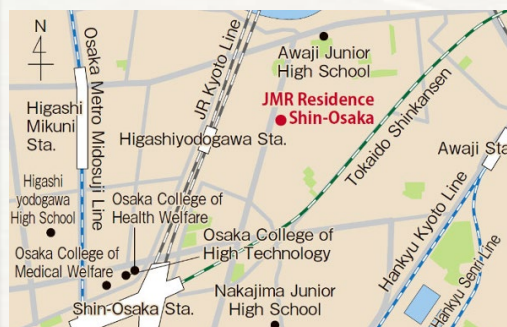
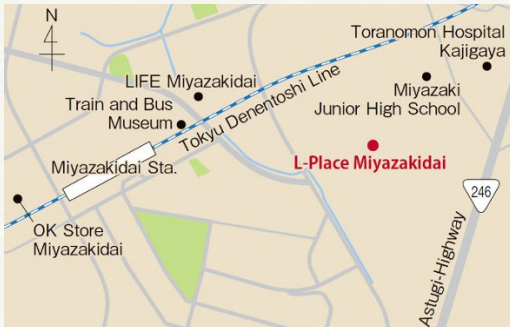
A003 K.Ryokuchi

Location	Suita City, Osaka
Station	11min walk from Ryokuchikoen Station
Structure	RC / 5F
Construction Date	Mar 18, 1998
Rentable Area	2,153.58㎡
Rentable Units	88



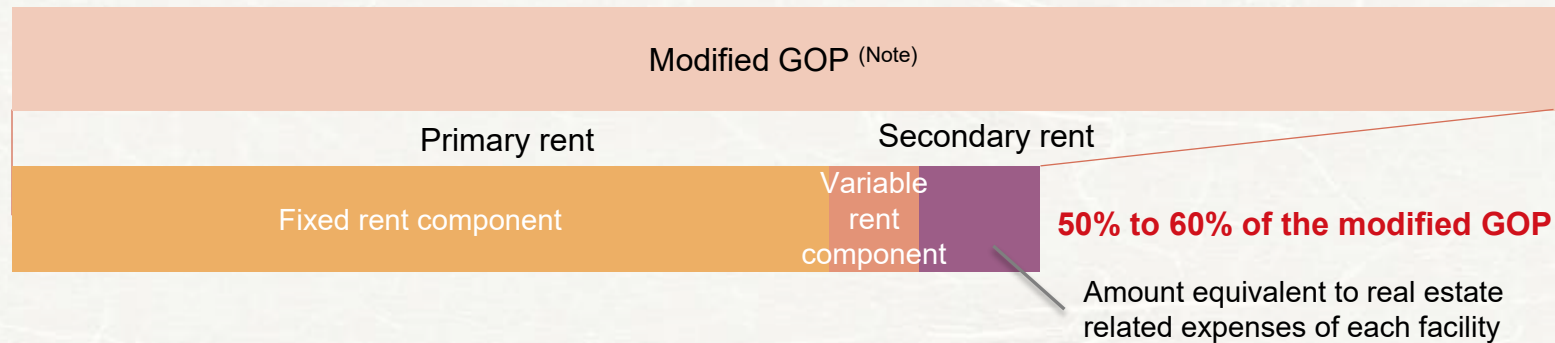
A004 Fiel Hakusankoen Niigata Hakusankoen building

Location	Niigata City, Niigata
Station	20 min drive from Niigata Station
Structure	SRC / 10F
Construction Date	Oct 26, 2004
Rentable Area	4,446.05㎡
Rentable Units	97



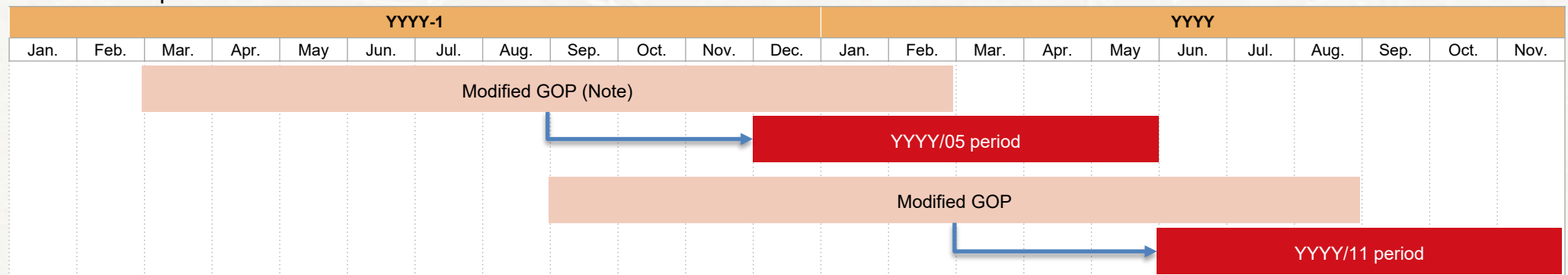
Rent Structure

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 >



(Note1) "Contract term" and "non-cancellation period" indicate the contract term and non-cancellation period at the time of conclusion of each lease contract for each facility, not the remaining contract term and non-cancellation period of each lease contract for each facility.

(Note2) "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.

Rent Structure : New Rent Structure

current situation

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

New Rent Structure

We have concluded a basic agreement to shift to the new rent structure for facilities that have achieved a certain GOP through the implementation of the Oedo-Onsen Monogatari Group's medium-term management plan.

Background

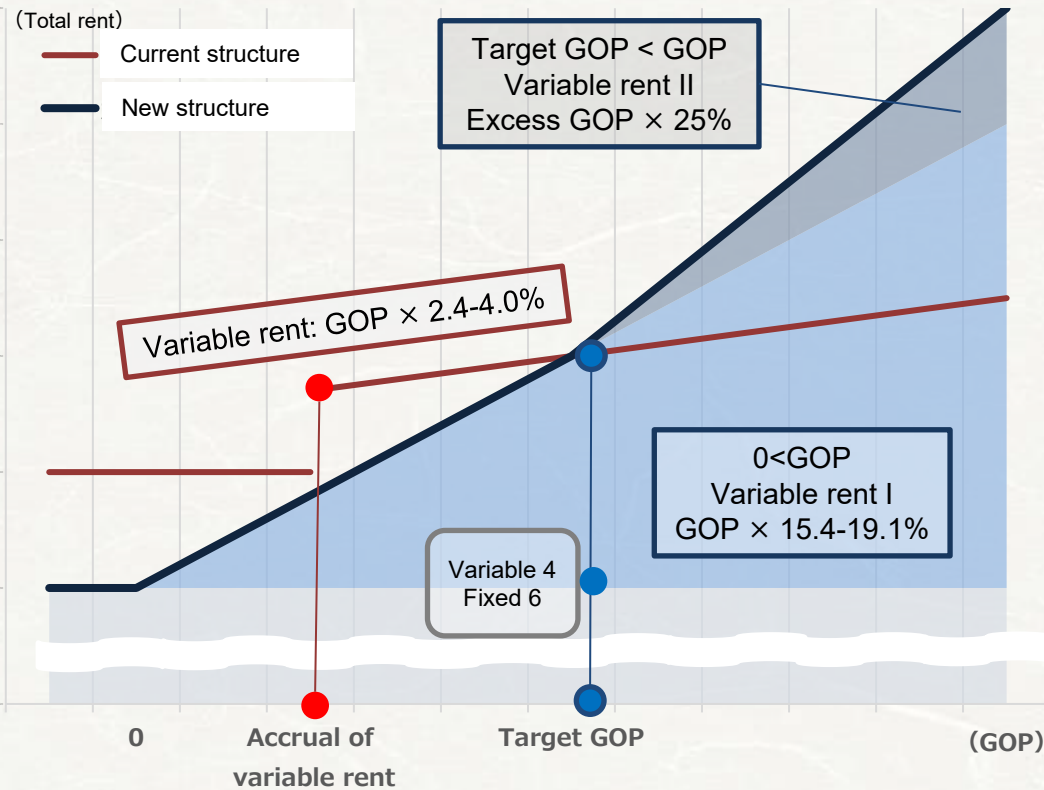
- The high fixed rent burden during a time of crisis such as the COVID-19 pandemic put pressure on tenants' finances and reduced the flexibility of operations.

Overview

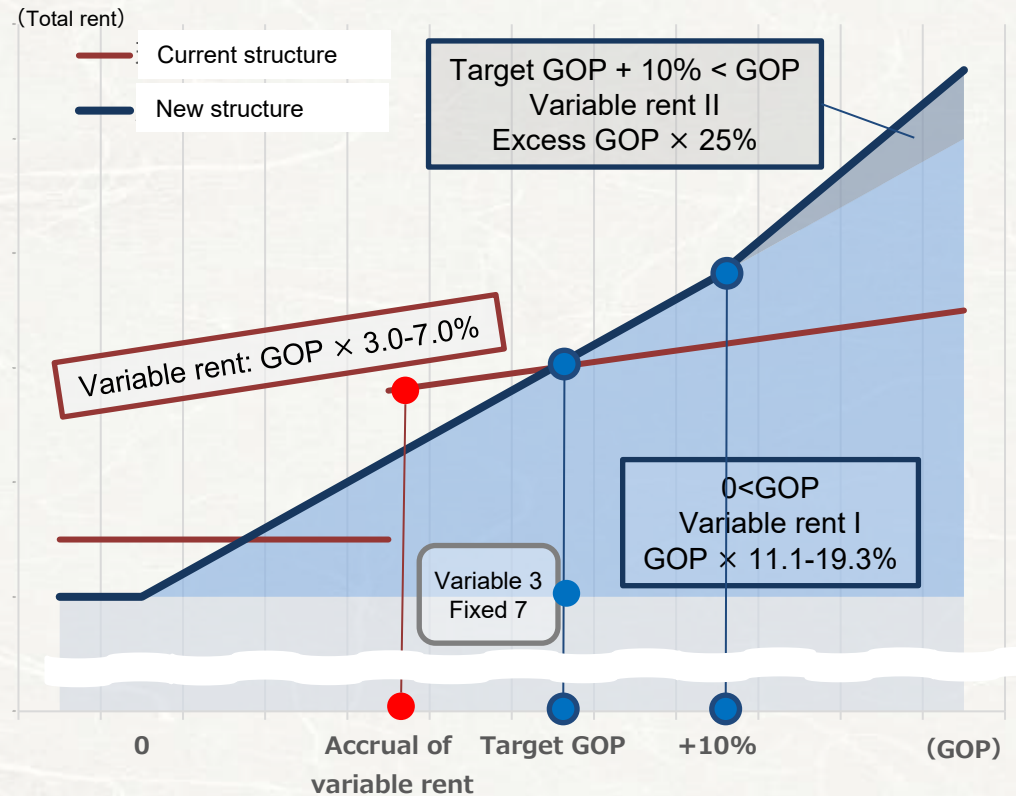
Timing of shift	<u>From the calculation period following achievement of the target GOP set for each property in the tenant business plan</u>
Variable rent I	<u>The component ratio is set higher than the current level to further increase the possibility of an increase in rent income</u>
Variable rent II	When better business results than those assumed in the tenant's business plan are achieved, for example, we turn a corner on the pandemic and demand for accommodation and hot springs starts to grow again, <u>more upside can be enjoyed</u>
Fixed rent	Fixed rent is set lower than the current level <u>to promote the continuation of tenant operations in the medium and long term and the stabilization of leases</u>

Rent Structure : Illustration of New Rent Structure

Facilities subject to value-up program
(Ise Shima, Kinugawa, Ito, Atami, Ikaho)



Facilities not subject to value-up program
(facilities other than the left)



Financial Indices

Indices	May. 2023	Nov. 2023	Notes
Ordinary income	349 mn yen	342 mn yen	
Net income	349 mn yen	341 mn yen	
Depreciation	416 mn yen	418 mn yen	
CAPEX	138 mn yen	144 mn yen	
Total assets	32,126 mn yen	35,426 mn yen	
Total net assets	20,965 mn yen	20,967 mn yen	
BPS (Total net assets/unit)	89,085 yen	89,092 yen	
Unit price (End of each period)	65,100 yen	62,400 yen	
Total units outstanding	235,347 units	235,347 units	
Total distribution	339 mn yen	344 mn yen	
DPU	1,444 yen	1,464 yen	
Distribution yield	4.4%	4.7%	DPU (annualized)/Unit price as of end of period
FFO	453 mn yen	760 mn yen	Net income + Depreciation – profit or loss on sale of real estate
FFO per unit	1,927 yen	3,229 yen	
FFO multiple	16.9x	9.7x	Unit price as of end of period/FFO per unit (annualized)
PER	21.8x	21.6x	Unit price as of end of period/Net income per unit (average during the periods, annualized)
PBR	0.5x	0.7x	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	1.7%	1.6%	Net income/Average of total net assets during the period
Annualized	3.4%	3.2%	
NAV	25,984 mn yen	26,402 mn yen	Total net assets + Total appraisal value - Total book value - Total liabilities
NAV per unit	110,411 yen	112,187 yen	
NAV multiple	0.6x	0.6x	Unit price as of end of period/NAV per unit
Interest-bearing debt	9,634 mn yen	12,888 mn yen	
LTV (book value basis)	30.0%	36.4%	Interest-bearing debt/Total assets
LTV (appraisal value basis)	25.9%	31.5%	Interest-bearing debt/(Total assets + Total appraisal value - Total book value)
Operating days	182 days	183 days	

Balance Sheet

(thousand yen)

	May. 2023	Nov. 2023
Assets		
Current Assets		
Cash and deposits	3,275,162	1,570,386
Cash and deposits in trust	-	97,181
Prepaid expenses	205,239	180,172
Operating accounts receivable	-	11,110
Consumption tax refundable	12,783	42,073
Other	5,003	3,598
Total current assets	3,498,189	1,904,523
Non-current assets		
Property, plant and equipment		
Buildings	24,020,462	24,155,919
Accumulated depreciation	△4,868,682	△5,276,598
Buildings, net	19,151,779	18,879,320
Structures	29,989	35,989
Accumulated depreciation	△5,127	△6,259
Structures, net	24,861	29,729
Machinery and equipment	600	600
Accumulated depreciation	△185	△203
Machinery and equipment, net	414	396
Tools, furniture and fixtures	17,692	19,397
Accumulated depreciation	△6,464	△7,833
Tools, furniture and fixtures, net	11,227	11,564
Land	9,097,457	9,097,457
Buildings in trust	-	1,042,242
Accumulated depreciation	-	△6,059
Buildings in trust, net	-	1,036,183
Land in trust	-	4,007,528
Total property, plant and equipment	28,285,739	33,062,180
Intangible assets		
Leasehold interests in land	323,277	321,541
Software	-	1,240
Total intangible assets	323,277	322,781
Investments and other assets		
Deferred tax assets	10	14
Long-term prepaid expenses	9,000	127,159
Lease and guarantee deposits	10,089	10,089
Total investments and other assets	19,099	137,264
Total non-current assets	28,628,117	33,522,226
Total assets	32,126,307	35,426,749

(thousand yen)

	May. 2023	Nov. 2023
Liabilities		
Current liabilities		
Operating accounts payable	110,491	96,806
Current portion of long-term borrowings	9,634,887	9,488,162
Accounts payable - other	80,766	75,122
Accrued expenses	209	291
Income taxes payable	812	914
Advances received	207,455	223,623
Other	5,111	8,712
Total current liabilities	10,039,734	9,893,633
Non-current liabilities		
Long-term borrowings	-	3,400,000
Leasehold and guarantee deposits received	1,040,847	1,040,803
Leasehold and guarantee deposits received in trust	-	45,589
Asset retirement obligations	79,798	79,107
Total non-current liabilities	1,120,645	4,565,499
Total liabilities	11,160,380	14,459,133
Net assets		
Unitholders' equity		
Unitholders' capital	20,653,023	20,653,023
Deduction from unitholders' capital		
Allowance for temporary difference adjustment	△36,179	△27,000
Total deduction from unitholders' capital	△36,179	△27,000
Unitholders' capital, net	20,616,843	20,626,023
Surplus		
Unappointed retained earnings (undisposed loss)	349,082	341,594
Total surplus	349,082	341,594
Total unitholders' equity	20,965,926	20,967,616
Total net assets	20,965,926	20,967,616
Total liabilities and net assets	32,126,307	35,426,749

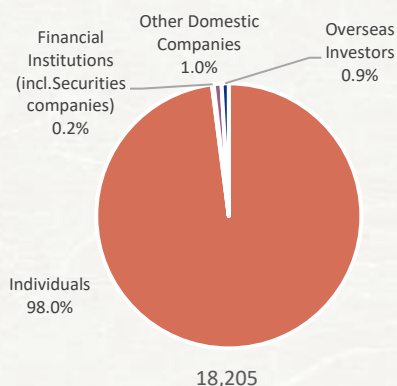
Statement of Income

	(thousand yen)	
	May 2023	Nov 2023
Operating revenue		
Lease business revenue	910,074	1,202,665
Gain on sales of real estate properties	311,456	-
Total operating revenue	1,221,530	1,202,665
Operating expenses		
Expenses related to rent business	528,722	531,744
Asset management fee	102,895	107,863
Asset custody fee	1,463	1,491
Administrative service fees	15,630	13,470
Directors' compensations	3,600	3,600
Other operating expenses	45,362	28,030
Total operating expenses	697,673	686,200
Operating income	523,856	516,465
Non-operating income		
Interest income	9	15
Reversal of distributions payable	794	1,802
Total non-operating income	804	1,818
Non-operating expenses		
Interest expenses	41,193	43,851
Borrowing related expenses	129,473	131,989
collateralization-related expenses	4,136	-
Total non-operating expenses	174,802	175,841
Ordinary income	349,858	342,442
Extraordinary profit		
Government grant income	14,396	-
Total extraordinary profit	14,396	-
Extraordinary losses		
Loss on retirement of non-current assets	14,396	-
Total extraordinary losses	14,396	-
Profit before income taxes	349,858	342,442
Income taxes - current	813	916
Income taxes - deferred	3	△4
Total income taxes	817	911
Profit	349,041	341,530
Retained earnings brought forward	41	63
Unappropriated retained earnings (undisposed loss)	349,082	341,594

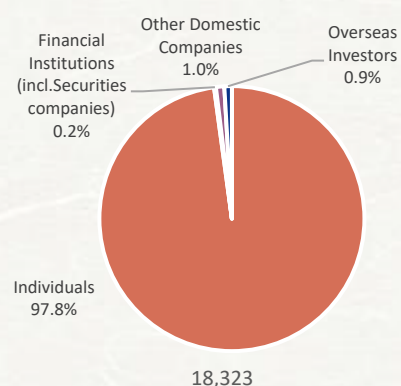
Unitholders Breakdown

Ratio by number of unitholders

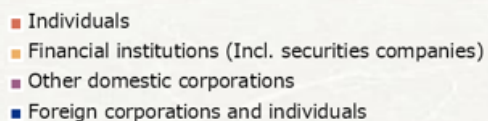
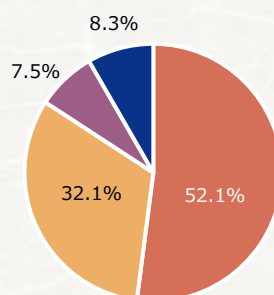
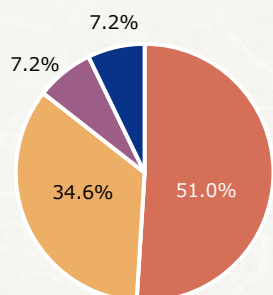
<May 2023>



<Nov. 2023>



Raito by number of investment units



Top 10 unitholders

	Name	Number of units held	Ratio
1	Custody Bank of Japan, Ltd. (Trust Account)	24,370	10.3%
2	The Master Trust Bank of Japan, Ltd. (Trust Account)	20,626	8.7%
3	The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	10,494	4.4%
4	Ooedo-Onsen Monogatari Co., Ltd.	9,246	3.9%
5	DFA INTERNATIONAL REAL ESTATE SECURITIES PORTFOLIO	2,723	1.1%
6	Yonezawa Shinkin Bank	2,500	1.0%
7	Fuji-Izu Japan Agricultural Cooperatives	2,230	0.9%
8	Individual	2,215	0.9%
9	MSIP CLIENT SECURITIES	2,059	0.8%
10	Osaka Shoko Shinkin Bank	2,000	0.8%
Total (Total units outstanding 235,347)		78,463	33.3%

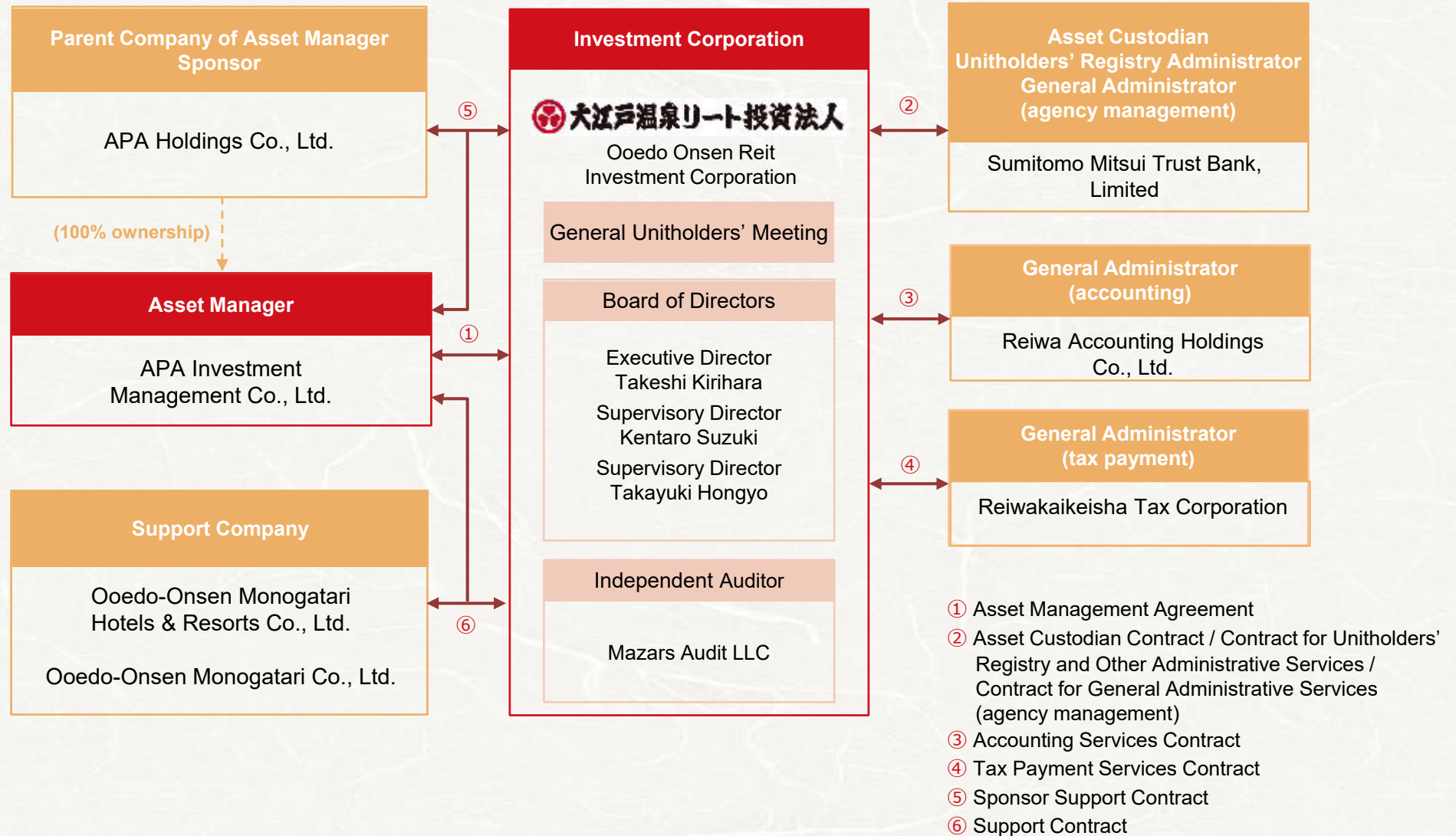
Track Record of Investment Unit Price

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.

Overview of Investment Corporation

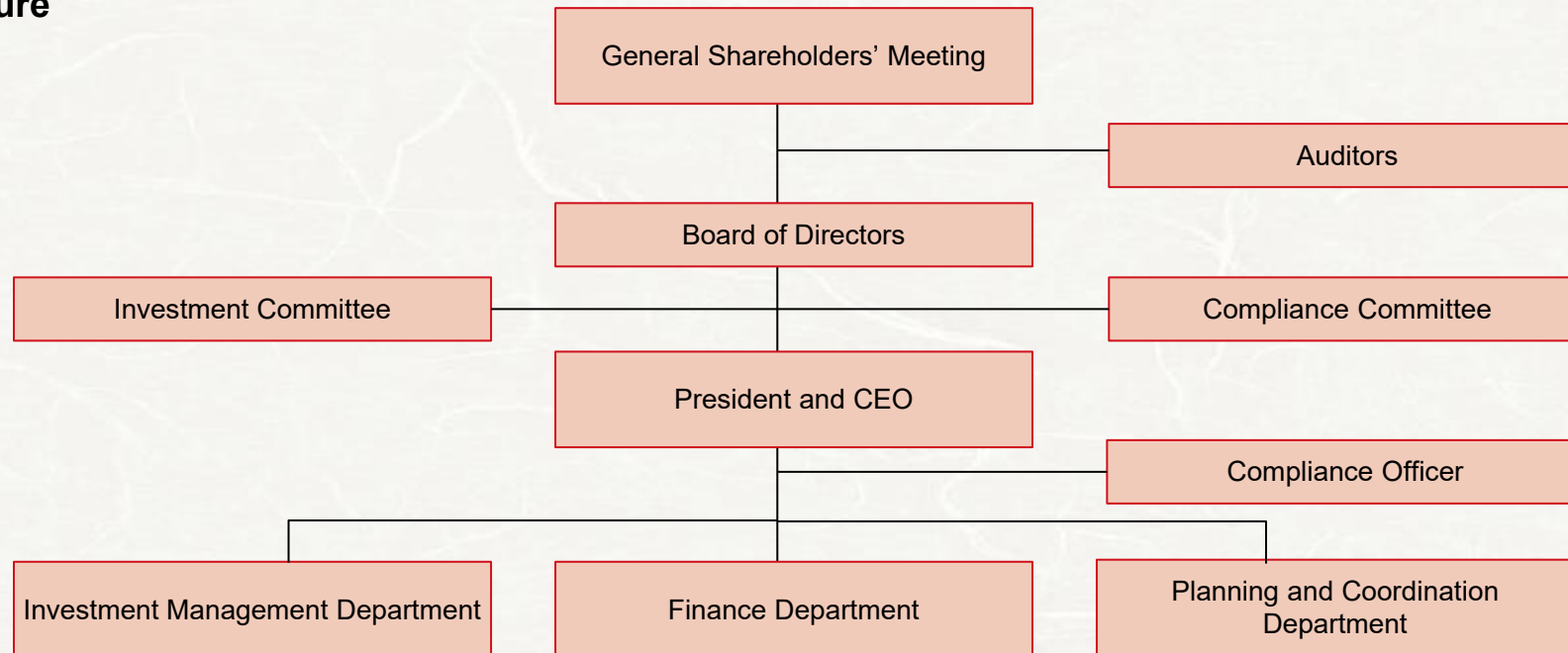


Overview of Asset Manager

Name : APA Investment Management Co., Ltd.
Address : 3-3-4, Nihonbashi-Honcho, Chuo-Ku, Tokyo
Established : April 24, 2015
Capitalization : 50 million yen
Representative : Takeshi Kirihara
Shareholder : APA Holdings 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 : 12 (as of January 1, 2024)

Structure



Governance Structure

Introduction of performance-linked elements in asset management fee structure

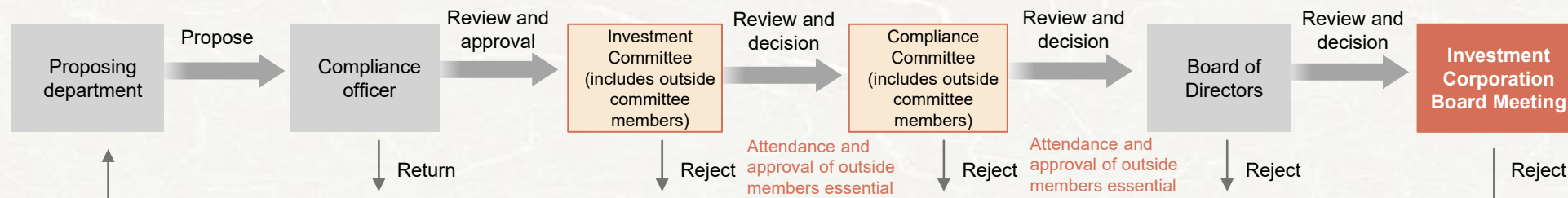
Remuneration paid by the Investment Corporation to the asset manager consists of management fee I, management fee II, acquisition fee, disposition fee, and merger fee.

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



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