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**KYORITSU**  
HOTELS & DORMITORIES

Integrated Report 2024

# Our Identity

The history of Kyoritsu Maintenance began on September 27, 1979.

We have expanded business domains from our core Dormitory Business, which operates student and employee dormitories, to the Hotel Business, which operates business hotels and resort hotels, and the Senior Life Business, which operates housing for the elderly.

Each of these businesses is firmly founded on providing food and housing services.

## The concept behind the company name

**Kyoritsu**

This means “stand together” and embodies our desire to stand together with customers, society, and all the people who support us, and maintain a solid presence in this world.

**Maintenance**

Derived from the root meaning of the word maintenance, meaning to sustain livelihoods, it embodies our desire to be a company that contributes to comfortable living for customers together with society, expressed as human maintenance.

## Business Outline

### Dormy

#### Secure housing with our devotion to the spirit of “welcome home”

Resident dormitory managers and matrons are considerate of each and every resident and handcraft breakfast and dinner based on meal plans devised by a registered dietitian. They also provide support for both mental and physical wellbeing, including private consultations.

### Dormy Inn

#### The best business hotel for relaxation

Whether on a business trip or on vacation, we help soothe away the fatigue of work as if you just came home, which is why we focus on comfort. This idea is what inspired our business hotels, which value a feeling of being at home.

## The spirit of the company is to put customers first

### Kyoritsu Resort

#### Relaxation resorts for healing your mind and body

Healing hot spring inns with cuisine made from seasonal vegetables and carefully selected local ingredients. Dedicated to friendly hospitality, these inns provide a high-class space that lets you unwind in peace.

### Dormy Senior

#### Supporting each of our customer’s activities for life

By creating comfortable spaces and addressing the three lifestyle habits of meals, daytime activities, and sleep, we help each and every customer stay active for life.





# Origins > The True Meaning of “Customers First” Never Changes

## The Desire to Never Let Customers Down That Drove the Company's Foundation

The student dormitory business, with signs reading “(School Name) Dormitory,” was something I created over 50 years ago at the company where I worked. The business was growing steadily, but the company decided to switch from the designated school dormitories I had developed to student halls bearing the company name. I naturally opposed this, but the company policy remained unchanged.

What I refused to compromise on was the stance of being in charge of room and board for the schools we served.

The schools entrusted their dormitories to us because they were designated school dormitories. The dormitory residents trusted the dormitory because it belonged to the school they attended. So did their parents. Even if we did not change any of the services we provided, switching so that the student halls bore the company

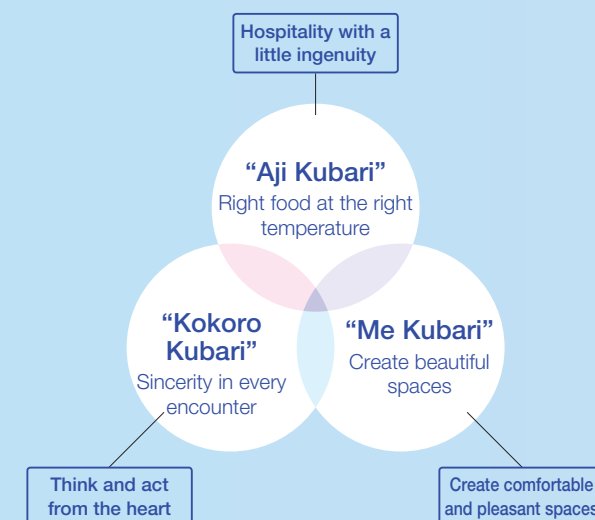
name felt as though we were ending the designated school dormitory program and letting down our customers who had chosen our dormitories.

With this in mind, I decided that, to provide services that would delight customers, I had to do things myself, and so in 1979, I established Kyoritsu Maintenance Co., Ltd.

## The Spirit of Room-and-Board

### The Will to Take Proper Care of Customers

For many of the students who moved in, this was their first time living in Tokyo, and having the will to take proper care of these students was of the utmost importance. The resident dormitory matrons and managers who interact with residents do so with this spirit of room-and-board. Taking meals as an example, workers look residents in the eye and say, “Good morning” when serving breakfast and “Welcome home” when serving dinner, never letting their attention slip until the last dish is served. This spirit of the dormitory matrons and managers has spread to form the culture of Kyoritsu Maintenance.



## Our Founding Spirit

### Culture of Hospitality

The culture of hospitality rooted in Kyoritsu Maintenance is something our dormitory matrons have taught us since our foundation. A culture of hospitality cannot be created through commands. Junior employees absorb the atmosphere created by dormitory matrons and managers working on site and master language, attitudes, and ways of thinking through working with them. That is why working with customers on the front lines is so important. I believe that cherishing and staying true to this spirit has increased the number of employees who believe they should strive harder as well.

### Standing on Our Customers' Side

Even if we try our best, one wrong step can take all of our hard work in the wrong direction. Take, for example, our Yonaki Soba (late-night ramen), which has become a specialty at our hotels. When I asked how it was served at the hotels at that time, I was told it was limited to one bowl per customer. Were I a customer, I would have wanted unlimited refills, but that was not what was happening.

In other words, business growth should not be prioritized over the phrase “customers first.” We must think and act in a way that is purely “customers first,” not for the sake of ourselves or the company. While we are steadily establishing the practice of thinking from the customer's perspective, we must constantly battle worldly desires that lead us to act in our own interest.

## Into the Next Era

### The Most Important Thing

I myself escaped from worldly desires when I stepped down as president and became chairman at age 60. At that time, I had a clear realization.

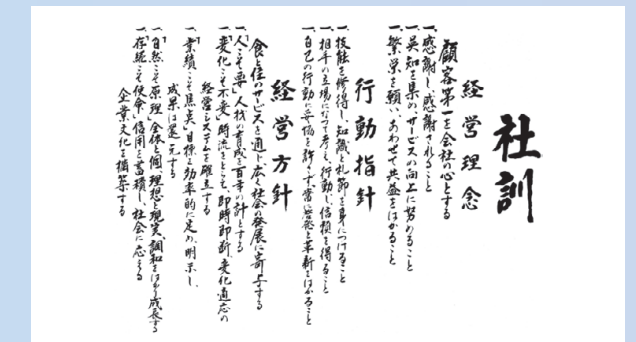
Simply put, it was that all we need to do is to make customers happy.

The most important thing for Kyoritsu Maintenance as it continues to grow is to value customers. I want the company to focus solely on making customers happy, and concentrate all our thoughts and actions toward that goal.

### Looking to the Future

When we are lost, the times and the customers will always show us the answer and the path forward. If there is a business where we are unable to find a way forward despite this, we should withdraw from it.

By having the company and all of its employees properly address what each era wants us to be and what each customer wants us to do, we will remain trusted by the people while contributing to society, something that never changes, whether it be the past or future.



**Haruhisa Ishizuka**  
Chairman

# Foundation > Evolution >

# Development > Endeavors >

## Building a business model

In 1980, student dormitory business operations commenced through a business partnership with vocational schools.

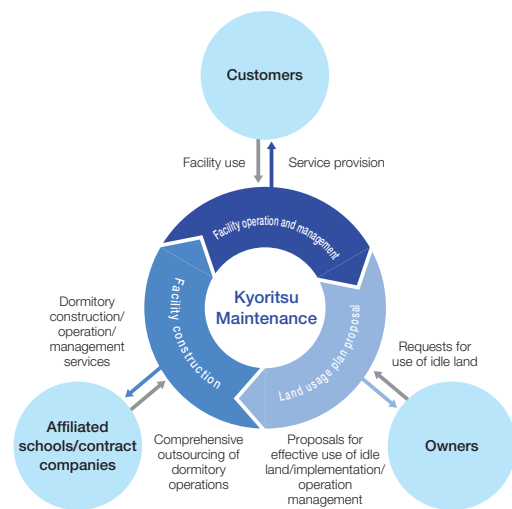
A unique business model using lease contracts was created to achieve mutual prosperity with customers, affiliated schools, contract companies, and property owners. In 1985, employee dormitory business operations commenced, expanding our business scale.

### Benefits for affiliated schools and contract companies

- Lower initial investment costs and lower running costs compared to owning facilities
- Enhanced welfare benefits at a low cost

### Benefits for owners

- Effective use of idle land and buildings to achieve stable long-term income
- Design and construction of facilities with a focus on safety and cost balance

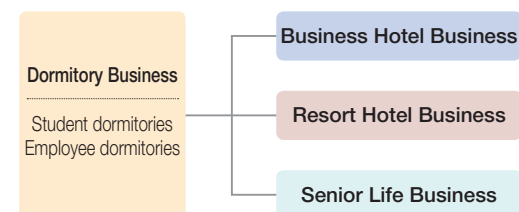


## Creating new businesses using our dormitory expertise

In 1993, in response to customer feedback asking if they could use employee dormitories like hotels for business trips, we launched the business hotel business (now the Dormy Inn Business) using the expertise cultivated in operating dormitories. We also began operating corporate resort facilities to help improve welfare benefits for our contract companies. We then expanded our business scale to the Resorts Business, which offers lodging to general customers.

Furthermore, in 1996, we launched the Senior Life Business, which operates housing for the elderly, as a solution to social issues.

### 3 pillars of business descended from our core Dormitory Business.



## Developing products and services tailored to customer needs

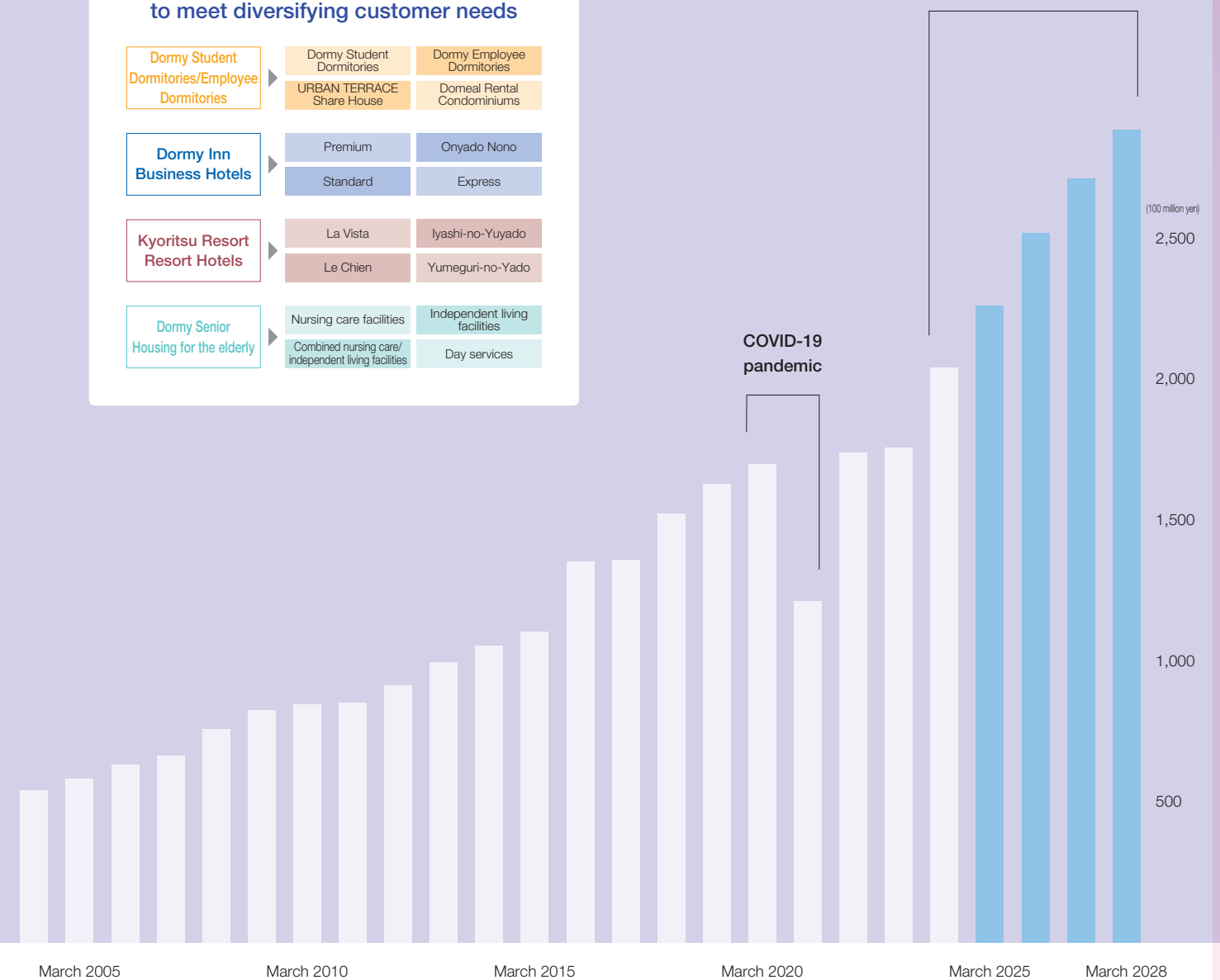
We constantly absorb changes in the needs of the times and customer values to create new brands. In developing products and services customers continue to support and choose, we strive to further strengthen our management foundation.

### Segmentation of products and services to meet diversifying customer needs

Dormy Student Dormitories/Employee Dormitories	Dormy Student Dormitories	Dormy Employee Dormitories
	URBAN TERRACE Share House	Domeal Rental Condominiums
Dormy Inn Business Hotels	Premium	Onyado Nono
	Standard	Express
Kyoritsu Resort Resort Hotels	La Vista	Iyashi-no-Yuyado
	Le Chien	Yumeguri-no-Yado
Dormy Senior Housing for the elderly	Nursing care facilities	Independent living facilities
	Combined nursing care/independent living facilities	Day services

### Medium-Term Management Plan

### Rise Up Plan 2028



**1980**  
Launch of the Student Dormitory Business

**1985**  
Launch of the Employee Dormitory Business

**1993**  
Launch of the Hotel Business

**1994**  
Completed OTC stock registration

**1996**  
Launch of the Senior Life Business

**1999**  
Listed on the Second Section of the Tokyo Stock Exchange

**2001**  
Listed on the First Section of the Tokyo Stock Exchange

Sales trends

March 1980

March 1985

March 1990

March 1995

March 2000

March 2005

March 2010

March 2015

March 2020

March 2025

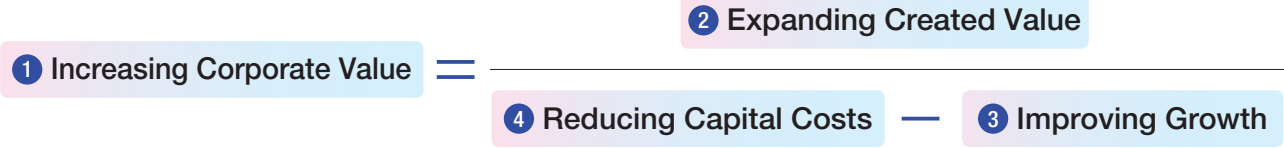
March 2028



What This Report Hopes to Convey

We believe that balancing a variety of initiatives is vital to improving sustainable corporate value. Coexistence and growing together with customers and all our stakeholders, rather than simply pursuing business growth, lies at the core of our management. In this Report, we share what we consider corporate value to be and the measures we have taken to improve it. We hope that reading this Report will help you understand our management philosophy.

Our approach to improving corporate value



**1 Increasing Corporate Value**

Here, we present the reason for Kyoritsu Maintenance's existence and the kind of company we aim to be.

**2 Expanding Created Value**

Here, we present growth and financial strategies to secure stable income.

**3 Improving Growth**

Here, we discuss the strengths of each business and future strategies for growth.

**4 Reducing Capital Costs**

Here, we present initiatives for systems to support growth from the perspective of ESG.

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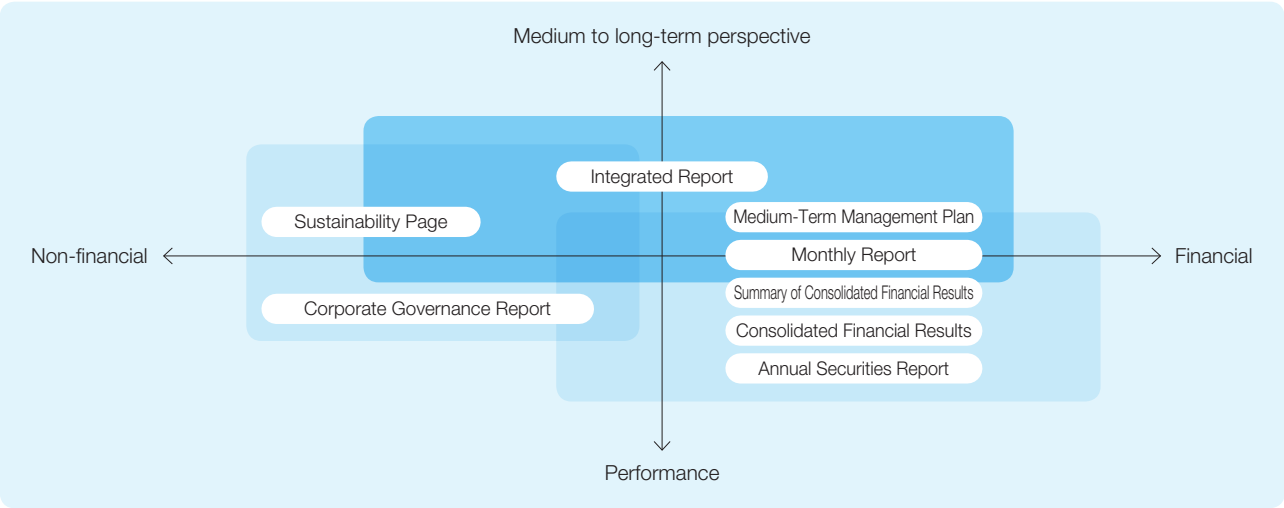
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Editorial Policy and Disclosure in Media

Editorial Policy	This Integrated Report has been published as a comprehensive report on the Group management strategies, performance, and sustainability initiatives for shareholders, investors, and all other stakeholders. The International Integrated Reporting Framework advocated by the IFRS Foundation and Guidance for Collaborative Value Creation advocated by the Ministry of Economy, Trade and Industry were referenced in the editing of this Report. This report has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated version and the Japanese original, the original shall prevail.
Organizations Covered in This Report	Kyoritsu Maintenance Co., Ltd. and Group companies
Reporting Period	FY 2023 (April 1, 2023 to March 31, 2024) (Note: Some efforts from FY 2024 have been included as well)
Publication Date	March 2025
Cautionary Statement Regarding Forward-Looking Statements	Earnings forecasts and other forward-looking statements contained in this Report are based on the information available to the Company at the time as well as on certain assumptions deemed reasonable by the Company, and as such do not constitute any sort of promise that the Company will achieve these. Actual business results may differ significantly from forecasts due to a variety of factors.

Position of this Report



Information on Other Data Disclosure

• Annual Securities Report

This includes data not only on financial results and financial position, but also on business prospects, risks, corporate governance, and more.

• Consolidated Financial Results

Financial data is disclosed once every quarter. Videos of financial results briefings held twice a year may also be viewed.

• Monthly Report

This management data lists timely performance data. This reports preliminary monthly figures primarily for investors.

Materials may be viewed below.



## Message From the President

**Providing unique services in room, board, and relaxation with innovative values that set us apart from other companies.**

### Koji Nakamura

President

#### Thoughts on Kyoritsu Maintenance

I joined Kyoritsu Maintenance in 1995 after working at another company. The year before I joined marked the Company's 15th anniversary, and it had just been listed on the stock market with the Student Dormitory Business as its main business. At the time, the Dormitory Business was the core business, and a new Business Development Department was established to venture into new fields based on those management resources. The Development Division now develops real estate properties used by the Company, but at that time it was established to develop new businesses. New businesses were proposed based on the domains of food and housing that the Company had cultivated since its foundation and included the business hotel business, which served as the prototype of the current Dormy Inn; the resort hotel business; the cafeteria and catering business; the restaurant business; and a housing business for the elderly. For the 30 years I have been with Kyoritsu Maintenance, and all the way back to its foundation, the Company has taken on all kinds of challenges to create innovative services and business models, which has led to the current blossoming of our Hotel Business, which now serves as a major growth driver for the Company.

Our two core businesses—the steadily growing Dormitory Business and the vigorously growing Hotel Business—have led to current net sales over 200 billion yen, and more than 15,000 employees, including part-time workers, a scale I could not have imagined when I joined the Company. One of our strengths is the leadership of Chairman Ishizuka, who has led the

Company to this point, but we still face the challenge of building the organizational capability of the management team, myself included, as well as that of the entire group.

I have of course been profoundly influenced by Chairman Ishizuka. While there are many business leaders who have inspired me, the two who have directly influenced me are the president and owner at my previous job and Chairman Ishizuka at Kyoritsu Maintenance. Ever since I was young, I liked the phrase “playing it by ear,” meaning to approach the world in a flexible way, and one of the management principles I was taught at my previous company as a new graduate was to create opportunities for yourself, and let opportunities change you. People with the will to do so can find opportunities to change, and through these opportunities, the people they meet and their ways of thinking change, allowing them to change in a positive way. This requires a powerful sense of responsibility. To this day, I continue to hold onto this mindset. When I joined Kyoritsu Maintenance, then-President Ishizuka told me to coordinate the new Business Division, then later to begin formulating a medium-term management plan. I learned that, at the time, President Ishizuka had been handling all of the detailed operations related to business execution himself. Everything from organizational HR to fundraising, dealing with auditors, designing meal menus for dormitories and hotels, drafting detailed architectural plans on graph paper by hand, selecting construction companies, negotiating construction costs... I thought, “Aside from frontline operations, this company runs on a single person,” and, “We lack organizational capability, so I have no choice

but to create it—but is that possible?” Subsequently, both the Company and I, myself, have continued to take on bold challenges. These challenges have been supported and driven to success by our corporate culture that asks “how to make customers happy” and puts the “customers first.” The source of this culture is Chairman Ishizuka, and his passion has spread throughout the Company, taking shape in our service and products of Human Maintenance, the origin of our company name, which means to take care of people.

#### The Reason for Kyoritsu Maintenance's Existence

While I am still told that the name Kyoritsu Maintenance is difficult to understand, I always explain that, “Maintenance in fact means Human Maintenance.” In today's stressful world, our specialty and strength is creating places where people can relax and unwind, whether they are returning to Dormy, our student and employee dormitories; staying at Dormy Inn or Onyado





## ■ Message From the President

Nono hotels on a business or leisure trip; or vacationing at Kyoritsu Resort Iyashi-no-Yuyado inns or La Vista. We say “room and board,” but I feel that adding “relaxation” for “room, board, and relaxation,” where we provide customers with baths, saunas, meals, and communication with on-site workers, is the reason for our existence as a company and what society needs from us.

In customer satisfaction (CS) surveys, our Dormy Inn and Kyoritsu Resort hotels have ranked high even in brand rankings that include famous hotels that are often featured in the media. I take pride in believing that the source of these high ratings is our unique services. Guests can enjoy large communal hot spring baths, saunas, complimentary ice cream, Yonaki Soba (late-night ramen), and breakfast buffets with 60 different menu items. We are confident that other business hotels cannot match these offerings. While efficiency and cost-effectiveness are fundamental to our services, we are rooted in the philosophy of putting the customers first, which means investing costs where needed to ensure customer satisfaction. There are hotel operators with higher profits and profit margins than us. While we also focus on profitability, we place even greater importance on customer satisfaction, which has enabled us to grow our business. What makes us unique is that we approach business with values that are different from other operators.

The COVID-19 pandemic reaffirmed our belief in our

approach. Despite posting losses during this unprecedented pandemic, financial institutions provided loans to help us overcome the crisis, and owners of our dormitories, hotels, and other facilities worked with us to reduce or defer rent payments, and what’s more, they did so proactively. This experience made me feel that our unique business approach of putting the customers first has been recognized by society.

### Long-Term Vision and Medium-Term Management Plan

We have formulated a long-term vision entitled KYORITSU Growth Vision “For The Next Future: 3&3&3 (Triple Threes)” and a five-year medium-term management plan called “Rise Up Plan 2028” to achieve this vision. The long-term vision clearly shows our vision for 2030, our 50th anniversary milestone, and sets as its quantitative targets net sales of 300 billion yen and an operating income of 30 billion yen, which I have strong confidence will be achieved through further improvements in customer and employee satisfaction, brand power, labor productivity, and expansion of new service areas. In the medium-term management plan to achieve this vision, we are currently moving at a pace roughly one year ahead of schedule and are generally on track; however, we recognize that, while Dormy Inn Business in particular is a major growth driver, on an individual level some departments are developing and

providing strong products and services while others are struggling despite having growth potential.

The key to strengthening our management foundation will be our human resource strategies. We are working on digital transformation (DX) to improve labor productivity and place particular emphasis on hiring and training people who actually provide services. For this, I believe we still have much room for growth and must work to boost credibility and steadily increase name recognition as a company as well as first and foremost create an appealing workplace where people would like to work, as our basic metrics such as annual income levels and paid leave cannot be called sufficient.

In increasing brand value, we recognize that our service style is in a completely different realm from luxury resort hotels and business hotels and feel that our brand value comes from providing unique services as a Japanese-style hospitality provider. We will further increase the value of each of our brands—Dormy, Dormy Inn, Onyado Nono, Iyashi-no-Yuyado, La Vista, and others—by staying slightly ahead of the times with unique offerings in their respective fields.

We will invest in DX infrastructure aimed at increasing customer satisfaction, improving labor productivity, and normalizing marketing costs to boost profitability. At the same time, we will work to strengthen security alongside these DX initiatives.

In terms of growth, the structure of our Dormitory Business, which serves as the basis for building trust, and our Hotel Business, the driver of growth, remains unchanged. In addition to this, we also plan to grow new hybrid-type senior residences with services for seniors as options. Our targets for numbers of residential and guest rooms in 2028 include 50,000 dormitory rooms, 20,000 Dormy Inn rooms, and 5,500 resort rooms, and we will continue working to normalize selling prices.

### Recent Performance and Initiatives

For the fiscal year ended March 31, 2024, we focused on moving the medium-term management plan forward and were able to make significant progress on our goals. In individual businesses, the Dormitory Business has performed steadily despite impacts from rising


variable costs such as food, energy, laundry, and cleaning, thanks to student occupancy contracts exceeding pre-COVID levels, ongoing stringent cost control measures, and efforts to normalize selling prices. The Hotel Business achieved record-high profits backed by greater recovery in domestic demand than expected as well as growth in inbound tourism, with the number of foreign visitors to Japan exceeding 3 million in a single month for the first time in March 2024 (“Number of Foreign Visitors to Japan,” Japan National Tourism Organization (JNTO)). We also proactively carried out major renovation work to improve customer satisfaction in the Hotel Business and were able to generate profits despite the impact of lost sales opportunities during facility closures and rising construction costs.

Beyond just quantitative targets, we have had a fulfilling start to the first fiscal year of our medium-term management plan in terms of building ways to deal with cost inflation, which is expected to continue going forward.

### Sustainable Management

Diversity is our highest priority issue, as women and seniors in particular are important contributors to our business. We have 15,000 to 16,000 people working at the Company, including part-time workers. While we have many female employees on the front lines and at headquarters, the fact is that the percentage of female managers has not yet increased much. Some women do not wish to be managers. There are a variety of practical issues involved in this. I hope that understanding these issues in earnest and responding as an organization will motivate more women to become managers. We currently also have around 400 to 500 foreign nationals working for us, a number that will likely increase in the future, invariably leading to greater diversity. We cannot sustain our business through Japanese mentality and values alone. I believe that our ability to play things by ear will ultimately serve as a strength in the globalization of our products and services.

Among the institutional investors who invest in the Company is a Dutch financial institution that works on ESG investments for projects that contribute to a sustainable society or otherwise help create a better



Putting customers first  
has driven business  
growth.

## Message From the President

**Maintaining annual profit growth of 10% with a unique business model focused on food.**

world. In our annual meeting, when I told their representatives that our ESG initiatives were not quite there yet, they said that one of their investment areas is “healthy and happy individuals,” and that, “Kyoritsu Maintenance’s business domain is precisely that—the business itself is sustainable,” which reaffirmed for me that this is where the value and true worth of our products and services lie.

## To Our Stakeholders

If I were asked, “Who are the stakeholders of Kyoritsu Maintenance?” I would say they are our shareholders, customers, employees, business partners, property owners who lease dormitories and hotels to us, financial institutions that lend us business funds, and the local community itself, along with the local residents. In some cases, what these stakeholders want may conflict. Still, I want all of our stakeholders to feel happy to have worked with Kyoritsu Maintenance. As our Chairman wisely said, “Put yourself in the other person’s shoes. Nothing will go well if you only ever think about your own profit.” To achieve this with all stakeholders, it is vital to understand what each stakeholder wants, strike the appropriate balance, and explain things properly. When I became president, I told my secretary, “I want to meet with each of our stakeholders at least once, no matter how many years it takes. Please schedule visits.” This is still ongoing, as we continue to meet new stakeholders, and while I don’t know how many more years it will take, I am determined to continue.

What I especially want to convey to our stakeholders is that Kyoritsu Maintenance will strive to remain a company that is needed in today’s society, one that people are glad exists. For this, it is essential to have a

unique business model. We want to take on challenges that are different from other companies, things that are slightly ahead but make people think, “It would be nice to have that.” I would like us to be a company that consistently delivers innovation by implementing these slightly ahead-of-the-curve surprises within our products and services. In particular, the Japanese cuisine we provide featuring seasonal and local characteristics, is where I believe we are most unique. Our commitment to this will remain our top priority going forward.

What I would like to focus on as a management goal is continuing to achieve 10% profit growth each year. While this may eventually slow down as we expand in scale, we aim to maintain a good balance between profit growth rate and returns to stakeholders and evolve as a corporate entity based on mutual prosperity, with an essential presence in each local community. While it may still be a ways off, we plan to update our management systems in line with the times by shifting to a holdings structure as a sustainable management system, job-based hiring for management positions, and other initiatives to better meet the expectations of our investors and all other stakeholders.

Our Dormitory Business maintained a stable revenue structure even during the COVID-19 pandemic and continues to grow steadily as the foundation for building trust in Kyoritsu Maintenance. Our Hotel Business, backed by the tourism sector that is becoming a key industry in Japan, is undergoing strong growth, both now and in the future. With these two unique businesses as our main portfolio and our strengths, we will continue to provide innovative products and services that embody our management philosophy: The spirit of the company is to put customers first. We sincerely hope you’ll continue to support us going forward.

Long-Term Vision

# KYORITSU Growth Vision

Triple Threes  
For The Next Future: **3&3&3**

Our Vision for 2030

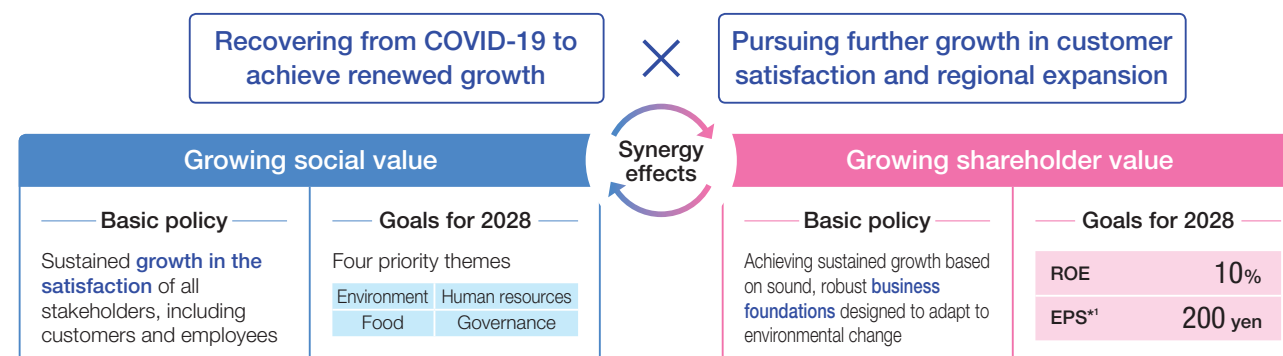
Continuing to increase customer satisfaction, employee satisfaction, brand power, and labor productivity while expanding our new service areas to mark our 50th anniversary

**2030:** Net sales of **300** billion yen and an operating income of **30** billion yen

## Medium-Term Management Plan “Rise Up Plan 2028”

### Overview

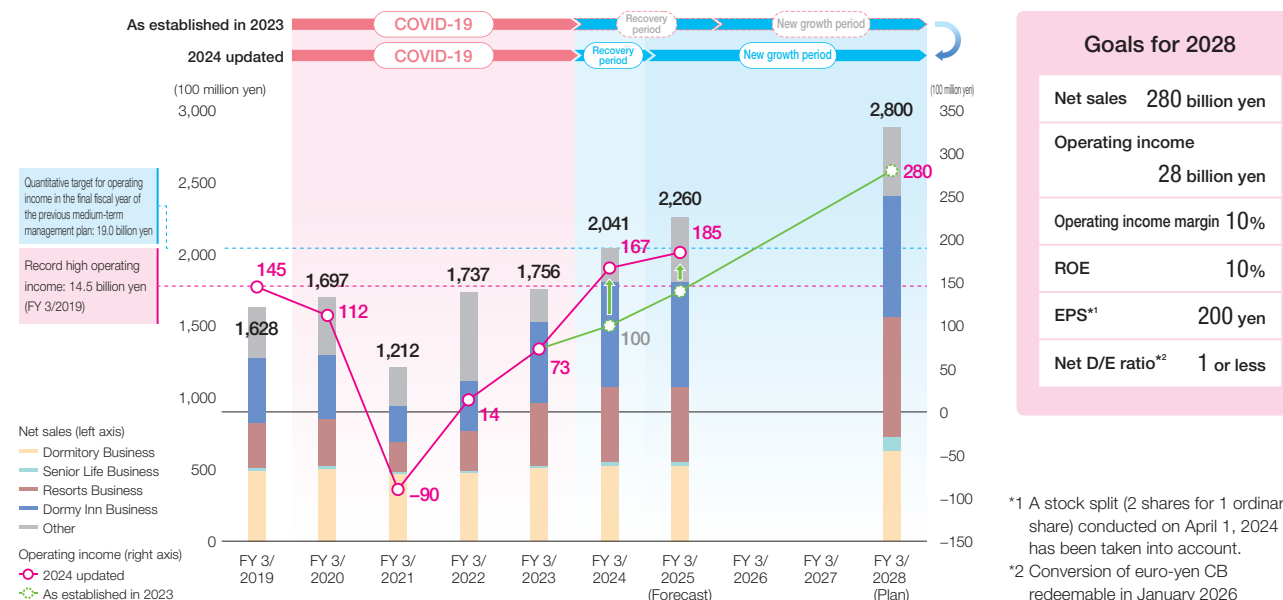
Practicing management to grow both social value and shareholder value to achieve the Group’s mission and sustained growth



### Quantitative targets

Targeting average rates of growth of 10% in net sales and 30% in operating income over five years based on steady growth in the Dormitory and Hotel Businesses

\* The medium-term management plan was updated in 2024 due to our early recovery from the COVID-19 pandemic.



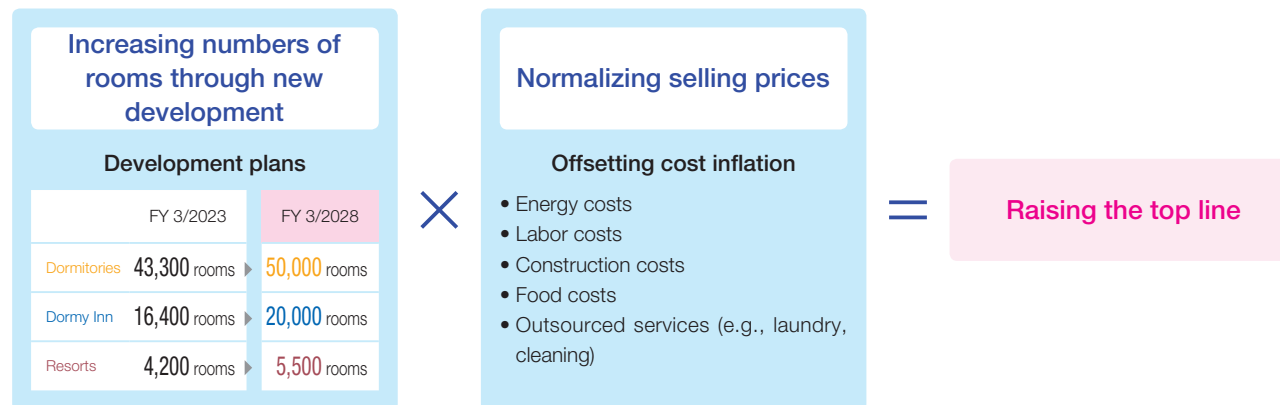
\*1 A stock split (2 shares for 1 ordinary share) conducted on April 1, 2024 has been taken into account.  
\*2 Conversion of euro-yen CB redeemable in January 2026



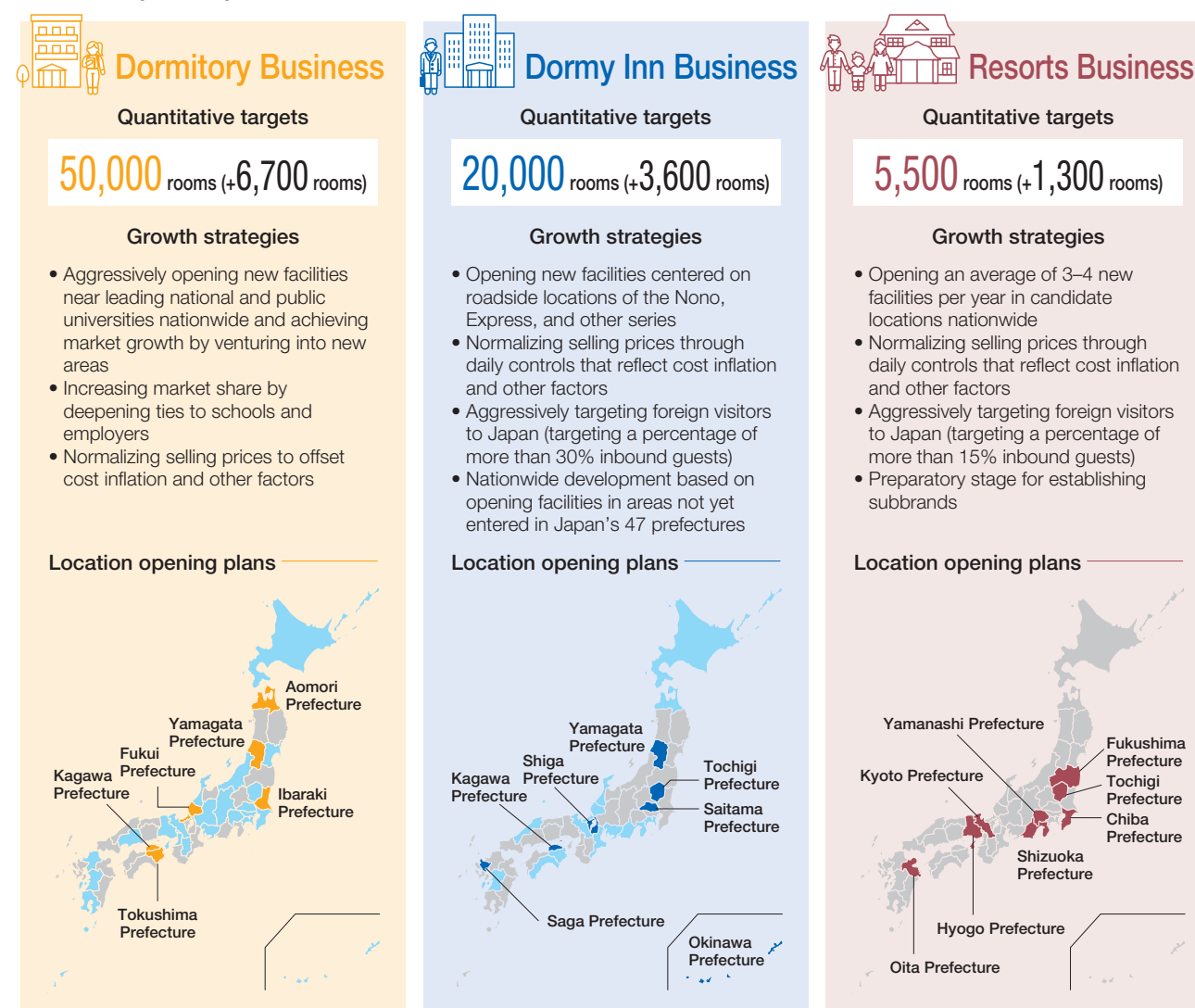
## Medium-Term Management Plan “Rise Up Plan 2028”

### External growth

Striving to lift the top line even higher by promoting growth in numbers of residential and guest rooms through new development and normalized selling prices



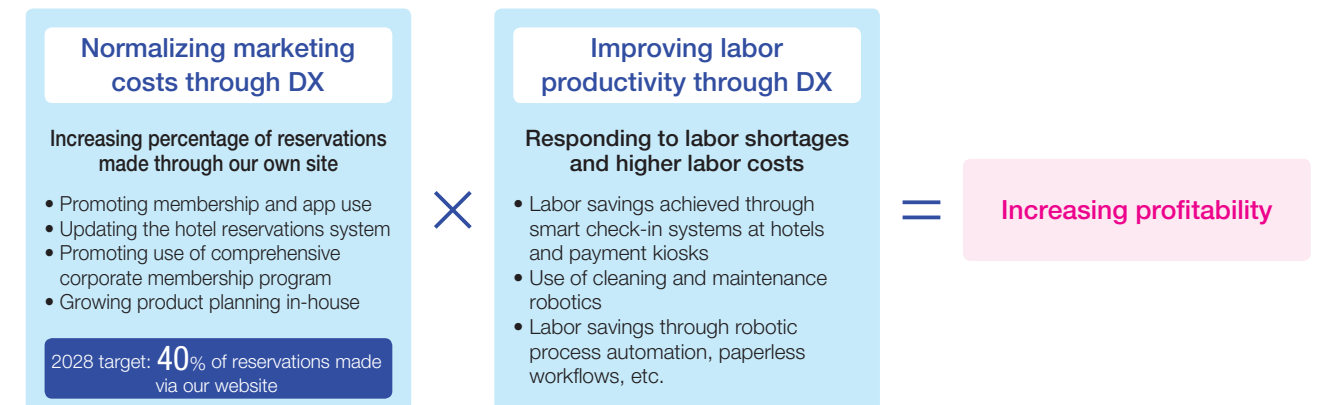
### Development plans



Note: Light blue indicates location opening plans. Other colors indicate prefectures where we are opening new locations.

### Internal growth

Striving to increase profitability by normalizing marketing costs and improving labor productivity through DX



### Investments, returns to shareholders, and fundraising

We plan to invest energetically in development, large-scale renovations, and DX to build the foundations needed for future growth. We will raise the funds needed for investments through means such as real estate sales and leaseback and financing from financial institutions in addition to cash flow from operations, which is recovering. We will implement more practical real estate sales and leaseback efforts under a new comprehensive basic agreement concluded with SMFL Mirai Partners Co., Ltd.



⇒ See pp. 19–20 for details.

### DX strategy

Drawing on digital technologies, we will seek to improve labor productivity and increase profitability by making business operations more efficient, in parallel with increasing customer convenience and satisfaction through higher-quality services.

⇒ See pp. 25–26 for details.

### Human resource strategies

Increasing employee satisfaction by enhancing and revising training and HR systems and securing a stable supply of capable human resources as the foundations for business growth

⇒ See pp. 37–40 for details.

### Prospective business & International business expansion

- Actively developing the Senior Life Business (management and operation of senior residences), which will play a main role in the Company
- During the period covered by the new medium-term management plan, we will resume our study of international business expansion, particularly in the Dormitory and Dormy Inn Businesses, which had been suspended due to COVID-19, and proceed to the stage of business potential verification.

⇒ See pp. 22–24 for details.

### Sustainability strategies

Having identified 11 materiality topics in four priority themes reflecting the Group Mission, we will strive to strengthen corporate value over the medium to long term, as well as realize a sustainable society of healthy and happy individuals while anticipating changes in the Group's business environment.

⇒ See pp. 31–32 for details.

### Food initiatives

“Food” is at the center of our business model, and a team of food professionals who put their heart into every meal works on menu development for all of our businesses.

⇒ See pp. 41–44 for details.

# Value Creation Process

## MISSION

Contributing to the progress of society as a whole through

food and housing

### Input

### Unique Business Model

### Output

### Outcome

#### Financial capital

Total assets	270,921 million yen
Total net assets	86,604 million yen
Cash and deposits	31,807 million yen
Commitment line agreement	30.0 billion yen

#### Manufacturing capital

- Dormitory Business  
Total of 519 facilities, 44,057 rooms
- Hotel Business  
Total of 137 facilities, 21,367 rooms
- Senior Life Business  
Total of 13 facilities, 805 rooms

#### Intellectual capital

- Expertise inherited based on operating dormitories nationwide
- Regulations, manuals, and operational systems to maintain safety and security in food and housing
- RA Program  
A program that appoints student leaders called RAs (Resident Assistants) to stimulate communication among dormitory residents and foster an environment for learning and growth

#### Human capital

- Number of employees 3,048  
Note: Total number of regular and contract employees of Kyoritsu Maintenance (non-consolidated)
- Implementation of educational training programs to develop conceptual skills

#### Social and relationship capital

- Number of affiliated schools About 1,300
- Number of dormitory residents 43,624
- Number of dormitories with the RA Program 57
- Number of hotel guests 9,379,973
- Number of residents in housing for the elderly 520
- Number of Kyosei-Kai (organization of partner companies) member companies 123

#### Natural capital

- Power consumption 190,000 MWh
- City gas consumption 11.75 million m<sup>3</sup>
- Freshwater consumption 5.99 million m<sup>3</sup>

- Short-term risks
  - Rising construction costs
  - Rising interest rates
  - Rising costs (food, linen laundry, labor, utilities)
- Long-term risks
  - Declining birthrate and aging population/declining population
  - Intensifying competition (new/foreign companies)
  - Labor shortages
  - Natural disasters and pandemics
- Opportunities
  - Increasing numbers of domestic and foreign tourists
  - Growing health consciousness
  - Utilizing technology

Understanding the needs of customers and society

**Product Development**  
Proposals tailored to life stages

Unique products and services  
Creating new value

**Menu Development**  
Seasonal meals supervised by registered dietitians

**Facility Development**  
Rapid and stable business expansion

Highly efficient operations

Medium-Term Management Plan  
Rise Up Plan 2028

#### Sustainable Management

Human resource development

Environmental considerations

Food initiatives

Corporate governance

Management Philosophy

The spirit of the company is to put customers first

Be thankful and be appreciated

Always desire for prosperity and work to achieve mutual profits

Gather wisdom and work to improve the service

## Dormitory Business



Business features

- A dormitory manager and matron are stationed at all times
- Each menu item is devised by a registered dietitian and is handmade
- All rooms come with furniture, and the room type can be selected
- Convenient shared facilities such as dining rooms and laundry rooms

### Student Dormitories/Employee Dormitories (Dormy)

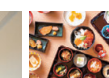
By product type	Dormy Student Dormitories	Dormy Employee Dormitories
	URBAN TERRACE Share House	Dormae Rental Condominiums



## Hotel Business

### Business Hotels (Dormy Inn)

By product type	Premium	Onyado Nono
	Standard	Express



Business features

- Clean, comfortable rooms
- Spacious hot spring-style large communal baths
- Carefully prepared breakfasts made with local ingredients
- Free services such as Yonaki Soba (late-night ramen)

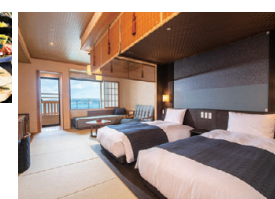


Business features

- Extensive hospitality starting with a variety of free services
- Free private baths so guests can bathe in privacy  
Note: Excludes certain facilities
- Cuisine made from seasonal vegetables and carefully selected local ingredients

### Resort Hotels (Kyoritsu Resort)

By product type	La Vista	Iyashi-no-Yuyado
	Le Chien	Yumeguri-no-Yado



## Senior Life Business

### Housing for the elderly (Dormy Senior)

By product type	Nursing care facilities	Independent living facilities
	Combined nursing care/ independent living facilities	Day services



Business features

- Helping customers stay active for life through a unique approach to the three lifestyle habits of meals, daytime activities, and sleep
- Organizing teams of employees with specialized knowledge and skills to support customers in their daily lives



Value provided through our businesses

FY 3/2024

### Economic value

#### Growing shareholder value

Net sales	204,126 million yen
Ordinary income	21,116 million yen
Equity ratio	32.0%
ROE	15.4%
EPS	159.1 yen

#### Pursuing customer satisfaction

- Major repairs/renovations  
Dormitories: 6 facilities Hotels: 16 facilities

#### Expanding our customer base

- Release of the "Dormy's" hotel membership program
- Number of international students accepted 5,546
- Number of inbound tourist guest rooms  
Dormy Inn 754,340 rooms  
Kyoritsu Resort 115,332 rooms  
Total 869,672 rooms

### Social value

#### Creating new employment

- Number of new graduates hired 261
- Number of mid-career hires 393  
Note: Total number of regular employees of Kyoritsu Maintenance (non-consolidated)

#### Diverse human resources

- Percentage of female managers 15.8%
- Percentage of mid-career managers 77%
- Percentage of foreign nationals 4.1%  
Note: Total number of regular employees of Kyoritsu Maintenance (non-consolidated)

#### Providing learning opportunities

- A total of 779 RA graduates who are working members of society
- Conducting hotel career experience programs for junior and senior high school students

#### Promoting cross-cultural exchange

- Number of dormitories for international students 274

#### Community contribution efforts

- Implementing children's cafeterias
- Conducting beach cleanup efforts



# Financial Strategy: Message From the CFO



## Ongoing, proactive growth investment focused on capital efficiency and financial discipline.

**Manabu Takaku**  
Managing Director responsible for Planning and Development Group

During the COVID-19 pandemic, as hotel sales vanished while labor, rent, and other costs continued to accrue, we strove to secure funding for survival and were able to raise 10 billion yen from the Development Bank of Japan, 30 billion yen from euro-yen convertible bonds (CB), and 62 billion yen from a syndicated loan led by Sumitomo Mitsui Banking Corporation, for a total of 102 billion yen. We also requested temporary reductions in rent from property owners, many of whom cooperated. I would like to take this opportunity once again to express my gratitude to all our stakeholders.

## Financial Strategy

Kyoritsu Maintenance is a growing company, and to actively support this growth, Financial Affairs raises investment funds not only through bank loans and other indirect financing but also through direct financing, sales and leaseback of real estate, and a variety of other diversified procurement methods.

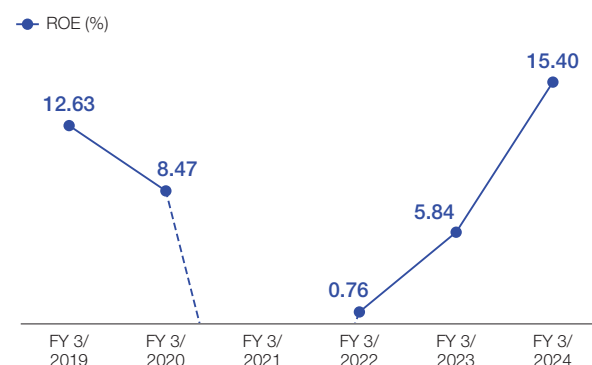
The financial KPIs we focus on are ROE, which indicates capital efficiency, and net debt-to-equity (D/E) ratio, which indicates financial discipline.

For the net D/E ratio, we have always maintained a standard of 1 or less; prior to the COVID-19 pandemic, we maintained annual growth at a ratio of around 0.8, which is why I believe that sufficient growth is possible even at a ratio of 1 or less.

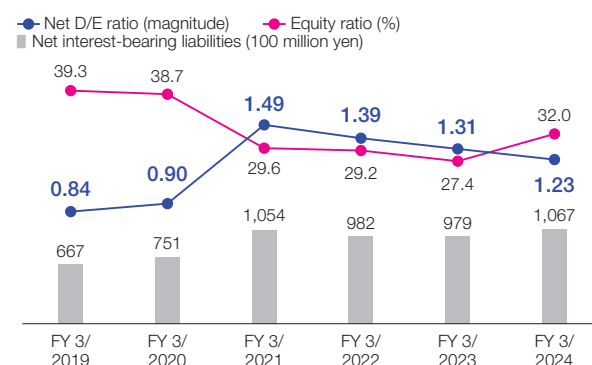
We are also currently examining the impact that the new lease accounting standards slated for the fiscal year ending March 31, 2028 will have on finances, as well as accounting procedures and systems to implement.

In shareholder returns, we aim for stable and continuing growth in dividends by returning earnings to shareholders through dividends linked to business results and earnings, with a core policy of steady, stable returns to shareholders over the long term. Regarding the dividend payout ratio, we currently target 20% or higher, but we intend to increase this target ratio to enhance shareholder returns while maintaining our focus on financial balance.

### ROE trends



### Net D/E ratio and related indicator trends



## Medium-Term Management Plan

The financial targets for the final fiscal year of the current medium-term management plan (fiscal year ending March 31, 2028) are net sales of 280 billion yen, operating income of 28 billion yen, operating income margin of 10%, EPS of 200 yen<sup>\*1</sup>, ROE of 10%, and net D/E ratio of 1 or less. In the fiscal year ended March 31, 2024, the first year of the plan, we started with net sales of 204.1 billion yen, operating income of 16.7 billion yen, operating income margin of 8.2%, EPS of 159.1 yen, ROE of 15.4%, and net D/E ratio of 1.23. While we had initially positioned the first two years of this five-year medium-term management plan as a recovery period and the following three years as a period of new growth, we have been able to enter the period of new growth a year ahead of schedule thanks to performance that exceeded expectations and led to significant recovery in the first fiscal year (fiscal year ended March 31, 2024).

It is in this context that we are working on increasing the number of rooms and normalizing selling prices under External growth, one of the key points in the medium-term management plan. Although “increasing the number of rooms” has been affected by rising construction costs, we are addressing this in the Hotel Business by focusing development on the relatively cost-efficient Onyado Nono series. Current progress toward our 2028 development targets is generally on track, with the Dormitory Business at 97% of the 50,000-room target, the Dormy Inn Business at 102% of the 20,000-room target, and the Resorts Business at 98% of the 5,500-room target. To secure human resources in line with these facility increases, we expect to hire more than 300 new graduates as planned for the next fiscal year, thanks in part to our relationships with schools in the Dormitory Business.

Meanwhile, under “normalizing selling prices,” both the Dormitory and Hotel Businesses have maintained steady business and absorbed the impact of cost inflation.

Internal growth, another key, is also proceeding as planned, primarily in the areas of streamlining operations through DX utilizing IT.

Our investment plan includes a total investment of 240 billion yen over five years, consisting of 195 billion yen for developing new business sites as the foundation for renewed growth, 35 billion yen for large-scale renovations aimed at improving customer satisfaction, and 10 billion yen for DX investment to improve both customer satisfaction and labor productivity. Meanwhile, in fund procurement, we will secure funds based on 115 billion yen in operating cash flow, supplemented by financing from financial institutions as well as sales and leaseback of real estate.

## Human Capital

Kyoritsu Maintenance is in the service industry with a primary focus on care and hospitality, meaning human capital is crucial to our business. We recognize the importance of creating an environment where all employees are able to thrive and feel positive about their work which will in turn benefit our customers. We understand that we cannot increase customer satisfaction (CS) without increasing employee satisfaction (ES).

That is why we have improved compensation packages, including base salary increases for two consecutive fiscal years, and are considering further improvements for the next fiscal year and beyond. We are also working to create more comprehensive education and training systems as well as revise leave programs such as childcare leave, expand employee stock ownership plans, improve employee access to company facilities, and otherwise actively enhance employee benefits to provide a better work environment.

## To Our Shareholders and Investors

Kyoritsu Maintenance conducted a 2-for-1 stock split of common shares on April 1, 2024. The goal behind this was to lower the investment unit, create an environment that makes it easier for shareholders and investors to invest, improve stock liquidity, and expand our investor base.

We have also decided to enhance our shareholder benefit program as of March 31, 2025, for even greater returns to shareholders.

We closely monitor our assessment in the stock market and have a particular focus on investor relations (IR) efforts. We are working proactively to create additional opportunities to promote our business to more stakeholders and investors, including resuming international IR efforts that were suspended during the COVID-19 pandemic. Furthermore, to address the issue of people knowing Dormy Inn but not Kyoritsu Maintenance or Kyoritsu, we will work to go beyond IR efforts to boost brand recognition through advertising during the Hakone Ekiden and other PR efforts.

Through ongoing growth investment to increase corporate value and a focus on better shareholder returns and sustainable improvements in ROE, we will continue to create value in the Kyoritsu Maintenance way. We will also convey our sustainable growth story, the appeal and potential of our business, and our track record to our stakeholders in a timely manner and we ask for your continued support.

### Investments, returns to shareholders, and fundraising



<sup>\*1</sup> The 2-for-1 stock split of common shares conducted on April 1, 2024 has been taken into account.

<sup>\*2</sup> Figures in red indicate updated numbers from the medium-term management plan announced in May 2023.

# Business Overview

The Group operates three businesses across Japan—Dormitory, Hotel, and Senior Life—based on our core concept of “providing food and housing services,” and provides support to help make customers’ daily lives more comfortable and replete through relaxation at all life stages.



## Dormitory Business



Kyoritsu Maintenance operates dormitories, the core business since our foundation, for about 1,300 educational institutions and about 1,000 companies. This unique business model, with resident dormitory managers and matrons who support the physical and mental wellbeing of its users, underpins the steady growth of this business.

Number of facilities: 519 Number of rooms: 44,057

## Hotel Business



We possess strong brand power and operate business hotels and resort hotels nationwide. We aim for new developments as a growth driver for the Group.

● Dormy Inn Number of facilities: 95 Number of rooms: 17,107  
● Kyoritsu Resort Number of facilities: 42 Number of rooms: 4,260

## Senior Life Business



A developing business that operates paid nursing homes for seniors, paid residential homes for seniors, and serviced housing for the elderly. The aim of these initiatives is to help residents stay active for life by maintaining the three lifestyle habits of meals, daytime activities, and sleep.

Number of facilities: 13 Number of rooms: 805

Increasing Corporate Value

Expanding Created Value

Improving Growth

Reducing Capital Costs

Basic Data

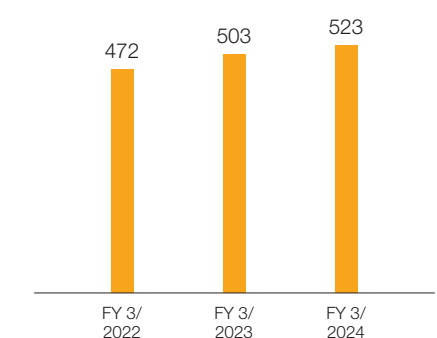
## Dormitory Business

The Dormitory Business has grown steadily since the Group's foundation and has continued to meet customer expectations, with steady business even during the COVID-19 pandemic. Our aim is not to simply provide food and housing but to be Japan's leading provider of room and board. We will expand our distinctive dormitory services, which focus on residents and food, to include everyone from international students to those in the sports industry, as well as work to create international technical intern training centers, international employment support facilities, and other food-focused facilities (dorms).

### Overview of FY 2023

In FY 2023, we opened 12 new facilities, and our occupancy rate returned to its pre-COVID level of 98%. Normally, new facilities start with a deficit due to opening costs, but this year, we started with nearly 100% occupancy rates, which offset these deficits. Furthermore, we achieved higher sales and profits by promoting acceptance of international students and technical interns, working to attract dormitories to national and public universities in regional areas, and revitalizing aging facilities as share houses. Installation of ultra-high-speed internet prior to the pandemic as well as a COVID-19 response that supported residents without creating a single cluster helped strengthen our bonds with schools and companies, who referred many residents to us, ultimately leading to our current high occupancy rates.

Net sales (100 million yen)



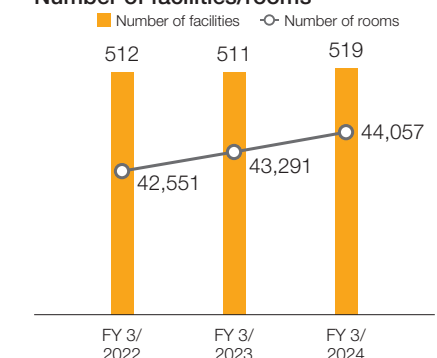
### Strategies and Major Initiatives in the Medium-Term Management Plan

Growing our student and employee dormitories in a steady and sustainable manner forms the base of our business. Sales, number of rooms, and contracts have all grown steadily, and right now we are focusing on regional universities. We currently have locations in 20 prefectures, with finalized plans to enter 7 more. While rising construction costs pose a risk to opening new locations, we will consider new construction methods while opening locations through renovations—our specialty. We are also working to increase our market share by building deeper relationships with schools and companies and normalizing selling prices in response to cost inflation.

### FY 2024 Outlook

We'd like to maintain our increased sales and profits despite expected rises in energy costs by forging deeper relationships with customers, conducting rigorous cost management, and normalizing selling prices.

Number of facilities/rooms



### Unique Business Model

**Yasuo Ohara**  
Managing Director  
responsible for  
Dormitory Group



In our Dormitory Business, every one of our employees considers the needs of dormitory residents and focuses on their daily mental wellbeing. This is our greatest strength and most distinguishing feature. Food in particular is our emphasis; we never outsource, but do all meal preparation ourselves, from cutting ingredients to cooking, and serve hot meals while they are still hot. We focus on seasonal menus, for example, always serving Pacific saury in autumn despite rising prices. We are committed to having residents enjoy freshly cooked food even if it means having to ask them to wait a moment. While operating Japan's largest network of student and employee dormitories that put residents first, we have also ventured into new endeavors such as International Mixed Dormitories, which create interactions between international and Japanese students; Meal Training, which supports athletes through food; and Dormy for All, a place where people of all ages can live.



## Business Overview

# Hotel Business

By offering cost-effective products and services created from our relentless pursuit of customer satisfaction, the Hotel Business has received patronage from customers from Japan and abroad and serves as a driver of the Group growth. Alliances between Dormy Inn and Kyoritsu Resort, as well as between urban and suburban hotels will connect regions and people to evolve as a comprehensive hotel network that revitalizes society.

### Overview of FY 2023

In FY 2023, we achieved early recovery at a pace that greatly exceeded our expectations for the post-COVID recovery stage. Despite intensifying cost inflation, we achieved record-high profits by responding with precision to rapid environmental changes, such as the recovery of domestic business and leisure travel as well as a surge in inbound tourism, while also successfully normalizing selling prices in line with the times. While many competitors had to limit operations due to an inability to restore business systems that shrunk during the COVID-19 pandemic, the Group, which worked to protect employment, was able to operate almost at full capacity, which contributed significantly to this success.

### Strategies and Major Initiatives in the Medium-Term Management Plan

Our fundamental growth strategy is to develop business through both external and internal growth. In external growth, we will work to expand scale through proactive openings in new areas to build a nationwide network to make our dream of having customers we have yet to meet experience a good morning at our hotels a reality. For internal growth, we will proactively invest in DX, normalize marketing costs by strengthening our owned booking websites, and boost labor productivity through Quick Check-In systems and more to further increase profitability.

### FY 2024 Outlook

Despite a temporary slump in summer demand due to the effects of Nankai Trough earthquake advisories and typhoons, both the Dormy Inn and the Resorts Businesses are expected to perform steadily throughout the fiscal year as we accurately capture high domestic and international demand while implementing measures such as further normalization of selling prices and strengthening our official websites.

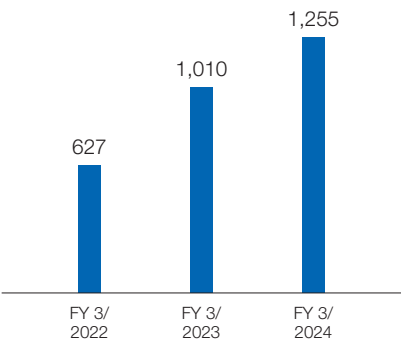
### Unique Business Model

**Masaki Suzuki**  
Director, General Manager  
of Hotel Business  
Strategy Division

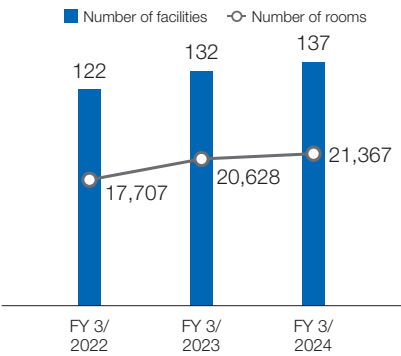


The strength of our Group is our relentless pursuit of customer satisfaction. We continually refine our corporate motto of a “customers first” mindset to ensure it remains genuine. We want Dormy Inn and Kyoritsu Resort to be hotels full of surprises that demonstrate the ingenuity and commitment of all employees, who stand in customers’ shoes and view things from their perspective. This is why human resources are at the core of our business model; because we believe improving employee satisfaction is the key to improving customer satisfaction, we are focusing more than ever on improving working conditions and the work environment as well as creating meaningful work. Going forward, we will strive to be a hotel group tailored to customers’ lives, that goes beyond the existing frameworks of business and resort hotels to create roadside hotels, pet-friendly hotels, and other diverse hotels, maintaining our unwavering core value of people caring about people as we set our sights on expanding our hotel network to connect people and regions across Japan and the world.

Net sales (100 million yen)



Number of facilities/rooms



# Senior Life Business

The Senior Life Business supports each of its residents’ activities for life. Through meals made with love and by using our expertise in creating pleasant spaces for dormitories and hotels, we help make each day comfortable and replete for residents. We will continue to evolve this business into our third pillar alongside the Dormitory and Hotel Businesses.

### Overview of FY 2023

In FY 2023, we opened two paid nursing homes for seniors, bringing our total to 13 facilities with 805 rooms. With contribution from these two new facilities, sales have increased by 28.6% year-on-year, while profits have decreased by approximately 180 million yen year-on-year due to opening costs and other costs for the new facilities. While these new facilities have made steady progress in terms of occupancy, we recognize the need to step things up further.

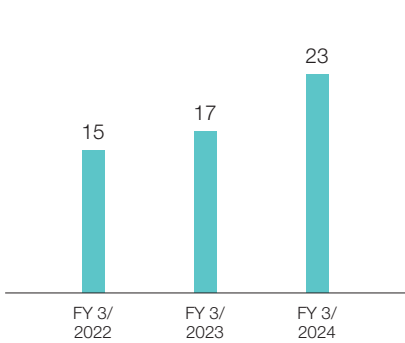
### Strategies and Major Initiatives in the Medium-Term Management Plan

We have continued to open two facilities a year, primarily paid nursing homes for seniors with 70–80 rooms, and plan to have 16 facilities with 1,040 rooms by FY 2025. For development, we plan to focus on stabilizing occupancy rates at 90% or higher across all facilities once we have over 1,000 of these rooms. Meanwhile, we aim to open new facilities by developing properties based on new concepts as well as through novel initiatives such as transitioning existing dormitories to multi-generational facilities that can accommodate seniors through collaboration with the Dormitory Business.

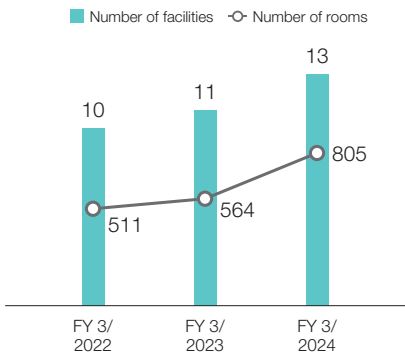
### FY 2024 Outlook

In FY 2024, we will open Dormy Nakano Yayoicho, an 85-room paid nursing home for seniors that marks our 14th facility in the Senior Life Business. This has brought our total to 890 rooms in 14 facilities (a 10.6% increase over the previous fiscal year) as of March 31, 2025. Furthermore, the occupancy rates for Dormy Mejirodai and Dormy Suginami Imagawa, paid nursing homes for seniors opened in the previous fiscal year, have steadily increased, and we will work to achieve further business growth.

Net sales (100 million yen)



Number of facilities/rooms



### Unique Business Model

**Yoshio Kimizuka**  
Director, General Manager  
of Senior Life Business  
Division



It is extremely rare for a company to develop menus, select ingredients, and cook meals within the facilities, but this is the approach that Dormy Senior has focused on for its meals. We want residents to gain energy through these delectable meals; engage proactively in daytime activities to regulate their biorhythm; and then get high-quality sleep. Through this cycle of meals, daytime activities, and sleep, Dormy Senior aims to prevent and improve lifestyle diseases and dementia and support residents’ activities for life.”

The Senior Life Business delivers the “customers first” mindset we have fostered in our Dormitory and Hotel Businesses to the elderly with even greater care. Taking the “customers first” mindset to an even higher level and serving even more residents will help us achieve business growth.

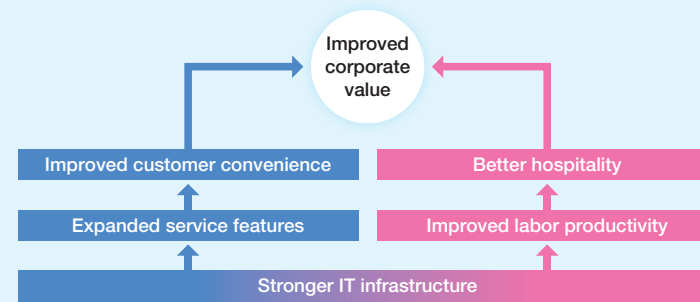
Special Feature (1) A Stronger Management Foundation to Help Boost Corporate Value

## Pursuing Personalized Services Only a Human Can Provide Through Phased Operation Reforms Using Digital Technology

Amid concerns about a declining labor force due to low birthrates and an aging society, it is now vital to invest in IT and use digital technology to maintain and improve customer satisfaction.

But making everything digital is not our goal. Instead, we view reducing employee workload so they can focus on **personalized services only a human can provide** in order to create an environment that embodies our management philosophy—The spirit of the company is to put customers first—as a key to internal growth.

Goal: An optimal relationship between people and digital technology



### Dormitories

**Domico, a Special App to Support Dorm Life That Has Reduced Food Waste**

We provide a smartphone app called Domico for residents of our student and employee dormitories. This not only serves as a tool for communicating with dormitory managers and matrons, but aims to reduce food waste by managing meal consumption through the app.

Putting procedures for moving in and residency online and creating databases also helps reduce consumption of paper resources, helping build a more sustainable society.

Improved customer value **Features of Domico**

1 **Allows for meal reservations anytime, anywhere**

Meal reservations, which were previously accepted only in the dining hall, can now be made easily on a smartphone. (An entire month of meal reservations completed in 3 steps)

2 **Shows the number of leftover meals**

This app can accommodate unexpected meal needs, such as when residents forget to make a reservation but don't want to buy something at the convenience store, or when their plans change suddenly and they return earlier than expected.

3 **Displays menus in detail**

Daily menus are displayed with photographs as well as information on estimated caloric intake and nutrients to provide support for those concerned about nutritional balance.



4 **Makes all procedures simple**

Residents can communicate easily with individual dormitory managers and matrons through the messaging feature and perform online procedures for moving in and requesting overnight stays.

Improved business continuity **Operational benefits through digitalization**

- Proper ordering that allows for ingredient cost control
- Reduced man-hours for new/renewal procedures
- Stronger safety confirmation systems
- Stronger business continuity planning (BCP) measures through hazard maps that show evacuation sites



### Hotels

**A Pleasant Stay That Starts With Quick Check-In**

We have expanded our Quick Check-In service that lets guests who have made a hotel reservation register guest data in advance, allowing for smooth check-in. Instead of filling out a registration card at reception, guests can complete check-in simply by scanning a QR code\* after registering the necessary data in advance through our Dormy's membership program. As of November 2024, this service is available at three hotels: Dormy Inn Tokyo Hatchobori, La Vista Tokyo Bay, and Global Cabin Yokohama Chukagai. We plan to implement this at approximately 80 hotels by July 2025.

Improved customer value

**Features of Quick Check-In**

Scan a QR code\* received in advance at a machine installed at the hotel to check in. Receive your key card or room key to complete the check-in process.

\* QR code is a registered trademark of DENSO WAVE INCORPORATED.



Improved business continuity **Operational benefits through digitalization**

- Reduced staff workload for check-in/check-out procedures
- Reduced human errors by automation



### Senior Life

**Quantifying Sleep Quality to Regulate Circadian Rhythm and Sustain Health**

At Dormy Senior, we recognize the correlation between sleep quality and dementia and focus on improving residents' sleep quality.

Improved customer value

**System features**

1 **Room Monitoring AI Sensor**

This system detects anomalies such as residents collapsing within the room or falling from their beds and notifies staff members on a tablet. Having the room monitoring AI sensor reduces the need for excessive nighttime room visits, which helps avoid disturbing residents' sleep.



2 **Synca: A Lighting Adjustment System**

A lighting system that simulates natural light has been installed to help regulate residents' circadian rhythms and help sustain health.



Improved business continuity **Operational benefits through digitalization**


- Minimized room visits to reduce staff workload
- Instant assessment of residents that require urgent attention
- Consideration of evidence-based recurrence prevention measures



Special Feature (2) My Customers First Mindset

# Each and Every Employee Caring for Customers, for Greater Customer Satisfaction


The foundation of Kyoritsu Maintenance is our management philosophy, “The spirit of the company is to put customers first.” Employees notice what customers want and work wholeheartedly to fulfill those wishes, striving to provide hospitality that exceeds imagination and expectations.



**Dormy Dormitory Manager And Matron**

**Living alone without being alone**


Everyone experiences loneliness when leaving home, which is why I prioritize communication with dormitory residents above all else. I've developed the ability to recognize when a resident might be feeling unwell or if something might be wrong just by their face or demeanor.



**Dormy Inn Area Leader**

**Leaders are the mood makers for employees**


Ever since I heard in a management training session that “we cannot increase customer satisfaction (CS) without increasing employee satisfaction (ES),” I've been committed to creating a positive workplace, working with each manager to ensure that employees can work with a smile, as I know we cannot create customer smiles without this.



**Kyoritsu Resort Restaurant Staff**

**Able to think half a step ahead to make serving customers more fun**


I don't overlook even the slightest customer movement, adjusting the air conditioning if they look cold or quickly bringing new chopsticks when I hear them drop, all before being asked. Recently, I can even tell what customers have dropped just by the sound (laughs).



**Dormy Senior Care Staff**

**Going beyond sorrow to nourish the soul**

Here, we interact every day with customers as though they were family, learning their life stories and the circumstances that have brought them to our residence. Being present at the end of a customer's life serves more than a source of sadness—the experience itself becomes nourishment for the soul, helping hone the mind as a human being.



**Foods Specialist**

**Embodying the spirit of “devotion to each meal”**

To avoid bothering the cooks, I visit the facilities in person and plan menus based on a feeling of what I would like customers to eat while listening to feedback from both cooks and customers.

## Case Study | The “Good Connection” Kyoritsu Story

Thanks to the care and hospitality shown by employees working on the front lines, we receive words and letters of gratitude from customers daily. These are featured in a series in the company newsletter entitled “The ‘Good Connection’ Kyoritsu Story,” through which employees can experience and share the strengths and culture we have cultivated as a company, all in the pursuit of even greater customer satisfaction.

### The Concept Behind “The ‘Good Connection’ Kyoritsu Story”

This series was created out of a desire to uncover episodes in which employees have done a **good** job, helping to build a **good** connection between customers and employees, and to share these stories throughout the company amid a lack of communication during the COVID-19 pandemic.

#### Message From a Customer Student Dormitory Chapter

A message sent by the grandmother of a dormitory resident who recently completed their residence to express her gratitude to the dormitory matrons and part-time employees who provided her grandchild with homemade meals every day.

Meals are extremely important provisions that must be provided three times a day, 365 days a year. When my grandson first began living at your dormitories, he would send me photographs every day saying, “Today's meal.” Seeing these, I would be delighted, saying “Oh!! That looks delicious” or “What is this?”

Later, my grandson and I would have lively conversations, with him saying things like, “In the morning, there's bread, but when I ask for rice, they are kind enough to give me the coffee that usually comes only with the bread...” and me replying, “You can't have both!” Going to eat seemed to be a great pleasure for my grandson. Looking at the photographs gave

me a glimpse into how much thought went into the menu planning, which reassured me beyond my imagination. Thank you so much for the past three years.

I cannot fully express in words my gratitude for all of your hard work.

I am sure a day will come when my grandson will recall the tasty meals provided at Dormy Hyakumanben and remember how happy he was back then. Thank you very much.



#### Message From a Customer Dormy Inn Chapter

A message sent to an employee who stayed at Dormy Inn as a student and was so moved by a bowl of Yonaki Soba (late-night ramen) that he joined the company to provide customers with the same experience.

A legendary Yonaki Soba (late-night ramen) chef has appeared.

When I previously visited Dormy Inn Premium Nagasaki Ekimae, I ate Yonaki Soba made by a high-spirited male employee. The experience was unforgettable, and so I always stay at Nagasaki Ekimae whenever I am on a business trip to Nagasaki, but during recent stays, I hadn't seen him. Yesterday, I saw him again at last. His energy was higher than ever, creating an atmosphere more compelling and vibrant

than an authentic ramen shop. The flavor was as delicious as always. I stay at other Dormy Inns as well, but I believe only at Nagasaki Ekimae is there someone with such a sincere attitude and genuine passion for Yonaki Soba. I saw in the reviews an employee speaking passionately about Yonaki Soba, and I believe that was likely him. I hope he continues doing what he does.



#### Message From a Customer Kyoritsu Resort Chapter

A letter received when a new employee, who began studying sign language on her own after feeling frustrated at being unable to assist a hearing-impaired customer smoothly, later served another hearing-impaired customer despite her still-clumsy ability.

My hearing-impaired parents love travel, but are also concerned about inconveniencing others. They were overjoyed when, during their travels, one of your employees approached them warmly and even greeted them with newly learned sign language. Like any language, sign language is quickly forgotten if it isn't used, so I hope you will continue providing hospitality to people with hearing impairments. Yesterday, as the employee greeted us in sign language, I noticed a colleague watching over her from behind. It made

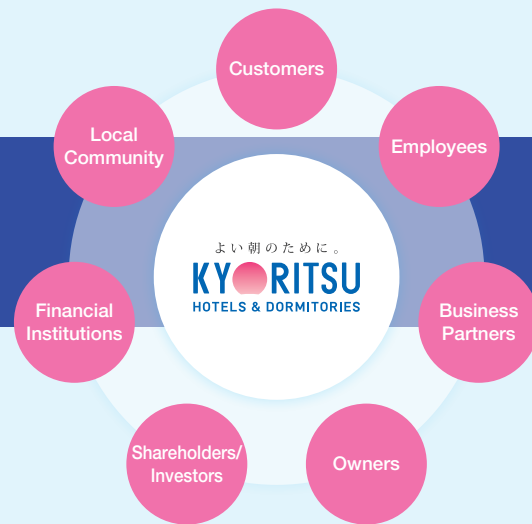
me think that this must be a great working environment, where colleagues encourage their efforts.

Our time at the hotel was very pleasant and created another great memory for us. We would like to visit again. Thank you very much.



## Value Created Through Kyoritsu Maintenance Partnerships

The Kyoritsu Maintenance philosophy states “always desire for prosperity and work to achieve mutual profits,” and coexistence and co-prosperity with stakeholders is a prerequisite for our business efforts. We will work to create sustainable value while fostering communication with all of the stakeholders who support Kyoritsu Maintenance.



Stakeholders	Relationship with Stakeholders	Main Method of Dialogue	Stakeholder Expectations
Customers	<p><b>Creating products and services that satisfy customers with a “customers first” mindset</b></p> <p>We focus on sensing what each customer wants, taking each situation seriously, and responding with care. We also work to improve and develop products and services based on customer feedback to improve customer satisfaction.</p>	<ul style="list-style-type: none"> <li>Opinions and requests received at our facilities</li> <li>Corporate inquiry desk</li> <li>Facility support desks</li> <li>Customer surveys</li> <li>Community website</li> <li>Social media</li> </ul>	<ul style="list-style-type: none"> <li>That we pursue high-value-added products and services with safety and security as our top priority</li> <li>That we anticipate needs that customers themselves are unaware of and propose solutions</li> </ul>
Employees	<p><b>Creating a workplace that lets individual talents shine</b></p> <p>Our corporate culture, where bringing customers joy serves as our own joy, has been passed down through generations of employees with whom our founder's company motto resonated. In pursuing new workstyles and supporting autonomous growth, we are working to create a workplace that draws out the potential of each and every employee.</p>	<ul style="list-style-type: none"> <li>Education and training based on career</li> <li>HR evaluation system and feedback interviews</li> <li>Career surveys</li> <li>Compliance hotline (internal reporting system)</li> <li>Company newsletter, department bulletins, business chats</li> <li>Interview sessions with the President</li> </ul>	<ul style="list-style-type: none"> <li>Physical and mental health</li> <li>Fair and impartial assessments and treatment</li> <li>Flexible working styles that allow for work-life balance</li> <li>Creating an environment that lets employees take on challenges</li> <li>Opportunities for career advancement and learning</li> <li>Respect for human rights and compliance with labor laws</li> </ul>
Business Partners	<p><b>Promoting coexistence, mutual benefit, and sustainability</b></p> <p>We practice fair, transparent dealings and responsible procurement. We also promote understanding and partnership throughout the supply chain (purchasers, manufacturers, contractors, etc.) to promote sustainable procurement efforts and maintain relationships where we can grow together.</p>	<ul style="list-style-type: none"> <li>Publication of the Kyosei-Kai bulletin Banryu</li> <li>Supplier shareholder association</li> <li>Human rights due diligence</li> <li>Declaration of partnership building</li> <li>Compliance hotline (external reporting system)</li> </ul>	<ul style="list-style-type: none"> <li>Providing equal opportunities, clear and fair selection</li> <li>Information sharing and collaboration for sustainable procurement</li> </ul>
Owners	<p><b>Stable asset management that respects the wishes of owners</b></p> <p>We preserve the assets important to owners over the long term and conduct renovations and upgrades in accordance with business plans, procure equipment, consumables, and energy for business sites, and promote safe, secure, and stable business operations.</p>	<ul style="list-style-type: none"> <li>Regular visits by representatives</li> <li>Management reports twice a year</li> <li>Renovation work and regular inspections in accordance with the law</li> <li>Contract renewal</li> </ul>	<ul style="list-style-type: none"> <li>Stability and continuity of asset management</li> <li>Trust in our products and services</li> <li>Maintenance of asset value</li> </ul>
Shareholders/Investors	<p><b>Deeper mutual understanding to improve corporate value</b></p> <p>We provide corporate data that may influence investment decisions such as our financial conditions and future business plans in a timely, fair, and continuous manner. We also regularly report opinions and concerns received through dialogue at meetings attended by management, using this feedback to improve business management and increase corporate value over the medium to long term.</p>	<ul style="list-style-type: none"> <li>Shareholders meetings</li> <li>Financial results briefings</li> <li>One-on-one meetings</li> <li>International IR</li> <li>Briefings for individual investors</li> </ul>	<ul style="list-style-type: none"> <li>Communication through IR activities</li> <li>Enhanced data disclosure</li> <li>Responding to external evaluation organizations</li> <li>Promoting sustainable management</li> </ul>
Financial Institutions	<p><b>Building trust to secure stable business funding</b></p> <p>We strive to provide clear data disclosure so that financial institutions can understand our business operations and financial situation and properly assess the soundness of our management as well as communicate proactively to build mutual understanding and trust.</p>	<ul style="list-style-type: none"> <li>Regular visits by representatives</li> <li>Performance reports</li> </ul>	<ul style="list-style-type: none"> <li>Stable business expansion</li> <li>Growth investment that maintains financial discipline</li> <li>Information sharing and collaboration that leads to business development</li> </ul>
Local Community	<p><b>Creating jobs and revitalizing local economies</b></p> <p>We work to create jobs in areas where we open locations as well as form sustainable towns and revitalize local communities. We also participate in district councils and work to resolve regional issues through our business to help improve area value and create economic benefits.</p>	<ul style="list-style-type: none"> <li>Recruitment briefings in areas where we open locations</li> <li>Cleanup efforts in areas where we open locations</li> <li>Event management that contributes to regional revitalization</li> </ul>	<ul style="list-style-type: none"> <li>Creating economic benefits through business</li> <li>Workplace tours and vocational experiences</li> </ul>

## Highlights

### Customers

### On the Frontlines of Student Dormitories! The 9th RA (Resident Assistant) Summit 2024 Activity Report

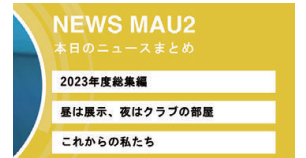
At our student dormitories, we have appointed student dormitory leaders called RAs (Resident Assistants) to stimulate communication among residents, evolving from merely a place to live to a place for learning and growth. We adopted this RA Program, in which RAs plan and run events, in FY 2014, and at the 9th RA (Resident Assistant) Summit 2024, an activity report conference held once a year, 154 RAs from 49 dormitories at 44 universities participated, presenting initiatives to improve their dormitories.



### Comments From RA Presenters

#### Musashino Art University Student Dormitory 2

We structured our presentation to incorporate documentary footage, referencing evening news programs for filming techniques and announcer-like speech patterns. We hope to run workshop tours, art event visits, and other events befitting an art university dormitory going forward!



#### Dormy Seiseki Sakuragaoka

We created a presentation that would convey the good relationships among dormitory residents while also incorporating elements of “fun” throughout. We also listened to presentations from other dormitories, which was very inspiring. We'd like to focus on event efforts next fiscal year to make it a year of further growth!



### Business Partners

### Kyosei-Kai: A Crucial Partner in Becoming a More Community-Focused Company

In 1994, the 16th anniversary of Kyoritsu Maintenance, founder Haruhisa Ishizuka began advocating for a more community-focused company able to provide good products at lower prices, and established Kyosei-Kai, an organization with companies that have partner relationships with Kyoritsu Maintenance. Ever since, members of this organization have supported each other through sharing of company business information and have honed themselves as companies through friendly rivalry, with 123 members as of FY 2024. What this organization values most is the bond as fellows who understand one another. To communicate this bond between people and companies in Kyosei-Kai to organization members and our employees, the bulletin Banryu was released in 2012. In FY 2024, we held financial results briefings, monitoring tours that involved overnight stays, and lectures on sustainable management.



### Owners

### Kamejimagawa Onsen Shinkawa no Yu Dormy Inn Tokyo Hatchobori

#### Comment From Keizo Sugita, Representative Director, Sugita Industries Co. Ltd.

Considering the influence it will have on the lives and culture of the region and its users for many years, Kyoritsu Maintenance's management philosophy has value. I believe it is the responsibility of landowners to choose this approach. When I stayed on the opening day once construction was complete, I was filled with happiness from a sense of fulfillment and gratitude for a job well done as I soaked in a long-awaited hot spring bath. Watching crowds of customers enjoying their meals, I suddenly realized that this might be the joy of being an owner. Of course, I did not plan this myself; it was made possible by the ideas and efforts of all the people involved in design, construction, financing, and more, and my role was simply to take final responsibility and give the go-ahead, but through this, we created a place that expresses the ideas and efforts of so many people, where customers can experience joy and memories that will last a lifetime.

When I thought of how providing such spaces is the very foundation of our business as a property owner, I truly felt for the first time that being able to experience a sense of reward equivalent to the weight of it is something only an owner can experience.





# Sustainable Management

## Sustainability Policy

We, the Kyoritsu Maintenance Group, are engaged in business activities to create good mornings for our customers by providing true relaxation and comfort through providing food and housing so that they can greet each new day full of hope, vitality, and abundance.

Naming ourselves “Kyoritsu” to imply that we stand together with our customers, society, and all the people who support us, and that we solidly maintain a presence in this world, since our founding, we have prioritized social responsibility as an important issue associated with our business activities.

This is also linked to our contribution to the achievement of the SDGs in recent years and our efforts to address environmental, social, and corporate governance (ESG) issues, and so we will continue to strive for the realization of a sustainable society while enhancing our corporate value over the medium to long term through our business activities.

## Sustainability Promotion Structure

In April 2022, we inaugurated the Sustainability Promotion Committee as a direct control organization, chaired by the President, to promote efforts to address issues surrounding sustainability.

In response to a policy from the Board of Directors, this committee will hold various discussions on sustainability, determine various policies, targets, and measures related to sustainability, and report regularly to the Board of Directors on the progress of these discussions.

In addition, the Board of Directors will annually deliberate and review the allocation of management resources and strategies related to our business portfolio as it confirms and analyzes the progress of management strategies and plans.



### Main Topics Discussed by the Sustainability Promotion Committee

- Information disclosure based on TCFD recommendations
- Calculation of greenhouse gas emissions
- Creation of various policies, etc.

## Message From the Sustainability Promotion Committee Manager

### Starting by Knowing What Lies Ahead of Our Customers

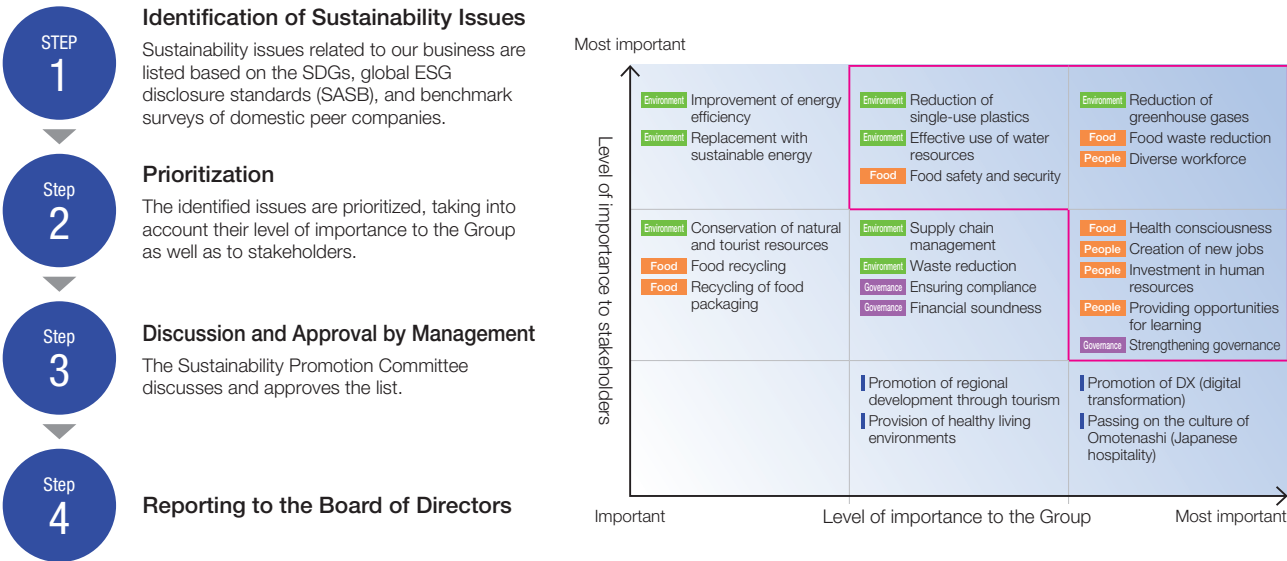
At Kyoritsu Maintenance, our culture of delighting customers is instilled in all employees. As reflected in our name “Kyoritsu (Stand Together) Maintenance,” our employees place high importance on standing together not only with the customers right before their eyes but with diverse stakeholders such as schools, local communities, shareholders, and investors by working to resolve sustainability issues. Through environmental conservation efforts in partnership with dormitory residents, the creation of jobs and learning opportunities nationwide through hotel openings, preparing cuisine featuring local food culture, and other efforts primarily in our Dormitory Business thus far, we have enabled business development that goes beyond economics. To meet the expectations and faith placed in us by our stakeholders, we will appropriately disclose the data that is the source of this trust while continuing to create new services and value in an effort to achieve a sustainable society.

Atsushi Kobayashi  
General Manager of Business Planning Division



## Materiality Identification Process

We have made a list of sustainability issues related to our business based on the SDGs, global ESG indicators, and benchmark surveys of domestic peer companies, prioritizing the identified issues based on their level of importance to the Group as well as to stakeholders.



The relevance of each materiality to the SDGs and the Company's initiatives are as follows.

Materiality		The Company's initiative	Related SDGs
E Environment	Reduction of greenhouse gases	• Management of industrial waste performance • Switch to energy-efficient equipment • Support for promotion of EVs (electric vehicles) and other eco-cars • Secondary use of heat from hot springs	6 CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
	Reduction of single-use plastics	• Review of amenity offerings	13 CLIMATE ACTION 14 LIFE BELOW WATER
	Effective use of water resources	• Cease routine changing of linens (WECO cleaning for consecutive nights) • Installation of water-saving equipment	
S Social	Creation of new jobs	• Active job creation • Employment of people with disabilities	
	Diverse workforce	• Increasing the percentage of women in management positions • Introduction of unisex uniforms	4 QUALITY EDUCATION 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH
	Investment in human resources	• Expansion of training programs	
	Providing opportunities for learning	• Implementation of RA program in dormitories • Offering programs to support school attendance • Support for overseas students through the Kyoritsu International Foundation Scholarship • Implementation of work experience programs at hotel business sites	
	Food safety and security	• Food safety and security through HACCP-compliant sanitation management	3 GOOD HEALTH AND WELL-BEING 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
	Food waste reduction	• Initiatives to reduce food waste at dormitory business sites • Food waste reduction and recycling	
G Governance	Health consciousness	• Provision of healthy meals • Children's cafeteria	
	Strengthening governance	• Development of governance structure • Promoting compliance • Implementation of harassment training	10 REDUCED INEQUALITIES 16 PEACE AND STRONG JUSTICE 17 PARTNERSHIPS FOR THE GOALS

Governance

Kyoritsu Maintenance has integrated climate change into its governance process, in which the Board of Directors, as the governing body for risk management, is involved in the process of managing climate change-related risks and opportunities, while the Sustainability Promotion Committee, which is subordinate to the Board of Directors, collects and classifies climate change-related information and develops and implements climate change-related policies under the Sustainability Policy.

Strategies

Since FY 2022, we have conducted scenario analyses to reaffirm the risks and opportunities associated with climate change, and for both the 1.5°C and 4°C global warming scenarios, we have assessed the expected events and financial impacts on the Company as well as the businesses affected from both transition risks and physical risks, setting the scale of financial impact to large, medium, or small along a timeline.

Risks and Opportunities in the 1.5°C Scenario

Perspective	Expected Events	Risks	Opportunities	Expected Financial Impact	Businesses Affected				Anticipated Time Frame & Scale of Financial Impact		
					Dorm	Inn	Resort	Senior	Short-Term	Medium-Term	Long-Term
Policy/Legal Regulations	Taxation on greenhouse gas emissions, such as carbon taxes	✓		Carbon tax levied according to greenhouse gas emissions (Scope 1 and 2)	✓	✓	✓	✓	-	Medium	Large
		✓		Rising prices for food, amenities, and equipment due to carbon taxes on business partners	✓	✓	✓	✓	-	Small	Medium
	Tighter regulations on food waste	✓		Reviewed cooking methods and new investments to reduce waste	✓	✓	✓	✓	-	Small	Medium
	Tighter regulations on plastic waste	✓		Promote reuse and reduction of plastic to mitigate impact from regulations	✓	✓	✓	✓	-	Small	Medium
Technology	Improved production efficiency of renewable energy		✓	Lower renewable energy prices make reducing carbon tax burden easier	✓	✓	✓	✓	-	Small	Medium
	Improved efficiency of energy-saving equipment	✓	✓	Equipment efficiency improvements may lead to both efficiency gains through replacements and stranded assets from replacing existing products	✓	✓	✓	✓	-	Small	Medium
Market	Shift in customer values due to growing climate crisis awareness and concerns	✓		Greenhouse gas emission reduction efforts appeal to customers choosing residences	✓			✓	Small	Small	Medium
Reputation	Increased climate change concerns among investors and job applicants	✓		Climate change response affects stock prices and recruitment efforts	✓	✓	✓	✓	Small	Medium	Medium

Risks and Opportunities in the 4°C Scenario

Perspective	Expected Events	Risks	Opportunities	Expected Financial Impact	Businesses Affected				Anticipated Time Frame & Scale of Financial Impact		
					Dorm	Inn	Resort	Senior	Short-Term	Medium-Term	Long-Term
Acute	Increased frequency and expanded damage from typhoons, torrential rain, and the accompanying floods and landslides	✓		Facility damage leading to repair costs	✓	✓	✓	*1	Small	Small	Medium
		✓		Facility damage leading to business suspension	✓	✓	✓	*1	Small	Small	Medium
		✓		Supply chain disruptions due to traffic blockages preventing food and materials from being delivered, resulting in business suspension	✓	✓	✓	*1	Small	Small	Medium
		✓		Traffic blockages preventing employees from commuting, resulting in business suspension			✓		Small	Small	Medium
Chronic	Rising average temperature due to global warming	✓		Increased risk of heatstroke for customers, leading to behavioral changes and poorer health	✓	✓	✓	✓	-	Small	Medium
		✓		Increased risk of heatstroke for employees, leading to changes in commuting and working styles	✓	✓	✓	✓	-	Small	Medium
		✓		Increased air conditioning costs	✓	✓	✓	✓	-	Small	Medium

\* Short-Term: 2024–2026, Medium-Term: Until 2030, Long-Term: Until 2050  
\* Scale of Financial Impact - Large: 1.5 billion yen or more, Medium: 500 million yen or more but less than 1.5 billion yen, Small: Less than 500 million yen  
\*1 In the Senior Life Business, we have a policy of not building facilities in locations with high risk of disaster.

Environment:



Initiatives for Environmental Issues & the Global Environment

We view our initiatives to address environmental issues and global warming as essential to our business development and a sustainable society. We also aim to realize a sustainable society and business development based on the preservation of natural capital and will comply with the following items to reduce our environmental impact through the services of all of our businesses.

Environmental Policy

The Group’s mission is contributing to the progress of society as a whole through food and housing, and we recognize that, in our business efforts, appropriate measures to address environmental issues are essential for creating a sustainable society. In light of the characteristics of the Group’s businesses and the nature of its services, we will apply the following basic principles in raising awareness, reducing environmental toll, and complying with laws and regulations.

Raising Awareness

We will make our stance on environmental conservation and improvement clear, raise awareness of legal compliance and environmental considerations, and contribute to efforts aimed at creating a sustainable society and preserving local ecosystems. We will also ask our customers and business partners to understand this policy and give their support.

Reducing Environmental Impact

- We will promote energy conservation by introducing high-efficiency equipment, regularly inspecting and repairing buildings, and strive to effectively use resources and reduce greenhouse gas emissions.
- We will strive to preserve the environment by reducing waste, switching from disposable to reusable items, thoroughly separating waste, and promoting recycling.

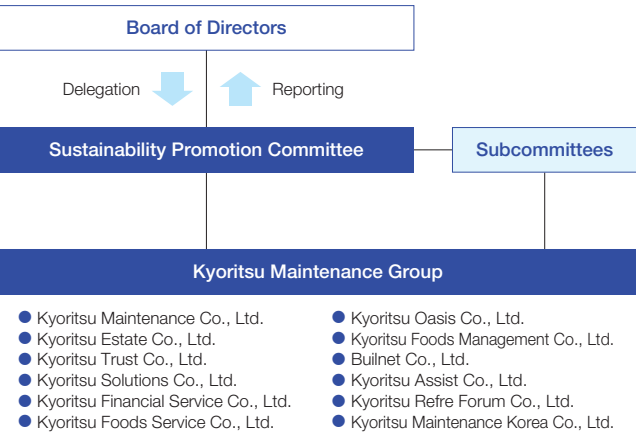
Legal Compliance

We will comply with environmental laws, regulations, and agreements. In the event of development or waste that conflicts with laws, regulations, or agreements, we will obtain environmental permits and implement appropriate management.

This policy will be reviewed continuously to ensure that environmental issues are addressed appropriately. This policy has been approved by the Board of Directors.

Promotion Framework

Subcommittees have been established for initiatives to address environmental issues and global warming, and the ESG Promotion Office collaborates with each department to gather and share data on efforts, develop strategies, monitor targets, and improve policies to promote environmental conservation efforts in a unified manner as a company.



Initiatives for Task Force on Climate-Related Financial Disclosures (TCFD)



We position our efforts to address climate change as essential both for our own business development and for the sake of a sustainable society. Therefore, in FY 2022, we endorsed the TCFD’s recommendations to assess and disclose the financial impact of climate change-related risks and opportunities on our management, and we will take an active role in the climate change initiative to disclose this information.



## Risk Management

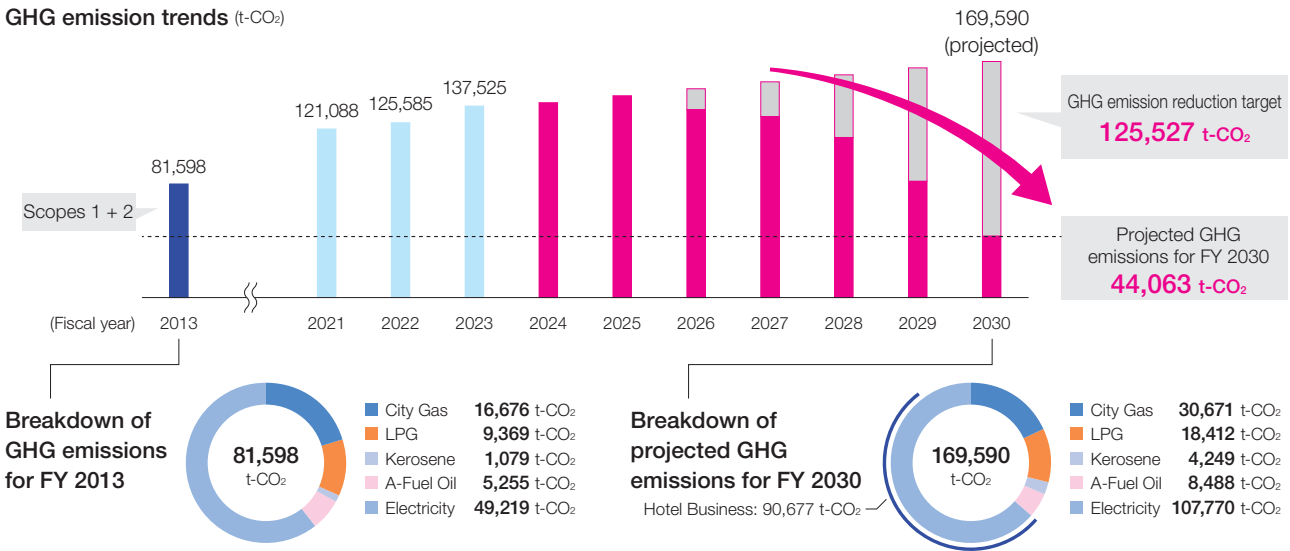
The Company recognizes that climate change is an important issue for the survival of corporations and believes that responding appropriately to climate change, not only in terms of risks but also opportunities, will lead to sustainable growth. As stated on page 33, the Sustainability Promotion Committee, which is delegated by the Board of Directors, evaluates the impact on our management in terms of both financial impact and likelihood of occurrence comprehensively, and then discusses priorities.

## Indicators and Targets

We aim to reduce greenhouse gas (Scope 1 and 2) emissions by the year 2030 by 46% compared to 2013, to 44,063 t-CO<sub>2</sub>.

Indicator	Description
Scope 1 emissions	GHG (greenhouse gas) emissions from fuel use by the Company (city gas/LPG/kerosene/A-fuel oil) Note: Usage is based on actual results and emission intensity is based on Ministry of Environment Database.
Scope 2 emissions	GHG emissions from electricity use by the Company (managed by classification into fossil fuel-derived/renewable energy-derived power) Note: Usage is based on actual results and emission intensity is based on figures published by contracted power providers.

GHG emission trends (t-CO<sub>2</sub>)



### Reduction Plan

Electricity

From FY 2026 onward, we will gradually switch to procurement (electricity supply contracts) of **power derived from renewable energy sources that do not emit CO<sub>2</sub>** and **non-fossil fuel certificates**, focusing primarily on facilities that use high amounts of electricity and receive high-voltage power.

City Gas

Starting in FY 2026, we will gradually switch to **carbon offset city gas**.  
We will gradually switch to carbon offset city gas, which allows the adjusted emitter coefficient in the GHG Accounting and Reporting System to be zero.

FY 2030 Total GHG emissions t-CO<sub>2</sub>

FY 2013 Total GHG emissions t-CO<sub>2</sub>

FY 2013 Total GHG emissions 46%

**125,527 t-CO<sub>2</sub>**  
FY 2030 GHG emission reduction target t-CO<sub>2</sub>

## Reduction of Greenhouse Gases

### Management of Industrial Waste Performance

For proper management of waste, we use manifest vouchers to compile annual performance data on the types of industrial waste and the amount of waste generated. Annual leakage of fluorocarbons, a type of greenhouse gas, is also tabulated and reported to each local government. Through these efforts, we are helping to reduce GHG emissions.

### Switch to Energy-Efficient Equipment

Air conditioning equipment and heating equipment such as boilers at our business sites consume large amounts of energy. As part of our efforts to reduce GHG emissions, we are systematically replacing our air conditioning and heating with high-efficiency equipment.

### Support for Promotion of EVs (electric vehicles) and Other Eco-Cars

We are striving to reduce environmental impact by supporting the popularization of electric vehicles, for instance by installing EV chargers at some of the Hotel Group's business sites. In addition, we will gradually transition the vehicles we use for business and transportation to eco-cars with lower environmental impact, in line with the future expansion of our vehicle lineup.



### Secondary Use of Heat From Hot Springs

A portion of the discharged hot spring water is used for secondary purposes such as preventing road surface icing (road heating) and melting snow on roofs in winter, making effective use of water resources and thermal energy.

## Reduction of Single-Use Plastics

### Review of Amenity Offerings

Disposable plastic toothbrushes and hairbrushes that used to be provided in guestrooms are now available to guests on an as-needed basis, and some of our resort hotels have introduced amenities made of decarbonized materials, thereby reducing the generation of plastic waste that causes ocean pollution.



## Effective Use of Water Resources

### Cease Routine Changing of Linens (WECO Cleaning for Consecutive Nights)

As part of our eco-friendly hospitality, we offer guests staying for consecutive nights a No Cleaning & Sheet Changing Required Card and encourage them to cooperate in the WECO Cleaning for Consecutive Nights program, which aims to reduce water used for laundry.

### Installation of Water-Saving Equipment

To make effective use of precious water resources, we are installing water-efficient facilities and equipment. For example, as showers and toilets are among the highest water-consuming equipment at our business sites, we are reducing water usage by adopting water-saving showerheads and toilets.



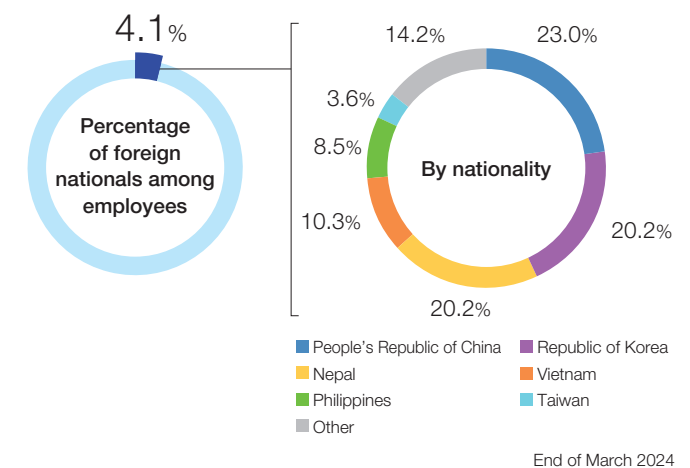


## Human Resources

We believe it is important to use knowledge and skills acquired through practical work as an axis for growth, while strengthening core competencies through training, as well as levelling up from growth on an individual scale to larger growth on an organizational scale, and as such are working to secure a stable supply of highly capable personnel who can respond to customer needs as one of our priority measures to improve customer satisfaction.

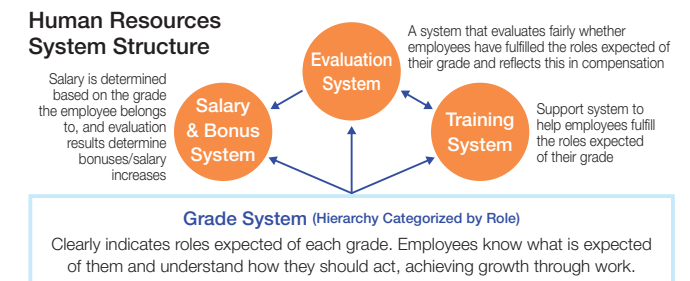
### 1 Recruiting a Diverse Workforce

We have a wide range of fields where employees can thrive regardless of age and nationality, and contribute to job creation as we expand our business. Dormitory management work, which allows employees to leverage careers in different occupations, has been chosen by people in their 40s to 60s as a place to rebuild their careers, with this demographic employed at more than 600 business sites nationwide. We are also focusing on securing future human resources by boosting local hiring in hotel development areas based on new development plans and promoting work experience programs and in-school lectures, thereby providing both educational support and recruitment activities. We will strive to secure human resources to support sustainable corporate growth by further improving recruitment efficiency through relationships with schools cultivated in our core Dormitory Business and local recruitment overseas in partnership with our group company, Kyoritsu Maintenance Korea Co., Ltd.



### 2 Practicing Management Philosophy Through Training

We introduced a course-based human resources system in 2016 to address our rapidly growing organization and diversifying job types. This system aims to contribute to company growth and development through employee growth and adopts Management by Objectives (MBO). In addition to performance targets that allocate goals to individual employees based on management plans, it has established behavioral evaluation items that emphasize the practice of our management philosophy to promote a culture that upholds the universal value—The spirit of the company is to put customers first—at all times. We have also established a system for promoting part-time and temporary employees to full-time positions based on supervisor recommendations, ensuring that employees who contribute to the organization are evaluated fairly and rewarded impartially through promotions and salary increases regardless of employment status in an effort to increase employee retention rates.



#### Course Categories

Course Name	Applicable Department
Generalist	All departments
Specialist	Food Division
Hotelier	Hotel Business sites
Welfare	Senior Life Business sites

**About Course Transfers**

Changing courses for the purpose of career development is called a "course transfer." Course transfers are determined through comprehensive assessments that take into account the staffing at the company and individual aptitudes and wishes.

### 3 Diverse Growth Opportunities and Support for Autonomous Career Development

We view the knowledge and skills acquired through practical work in the workplace as an axis of growth, and provide continuous learning and growth opportunities both in terms of on-the-job training and off-the-job training. In addition, we have introduced training systems that allow employees to gain learning opportunities through their own initiative and have established such programs as the Qualification Support System, where the company provides support for examination fees, and the Continuing Education Support System (commonly known as Kyoritsu University), which lets employees earn degrees (associate or bachelor's) while working. We also conduct selective training aimed at developing candidates for executive positions, making it possible for employees to advance their careers based on ability even if their years of service are short. Furthermore, we provide opportunities to transfer through internal job postings and promote the development of systems for appropriate human resources placement across departments in consideration of employee preferences, providing support for career development that maximizes employee strengths.



## S Social—Human Resources:



### The Source of Value Creation The Power of People Who Embody the Spirit of Putting the Customers First

How do we develop human resources who can stand by our customers?  
By drawing out the potential and individuality of our employees, we maximize our ability to create value.

#### Basic Views

Since our foundation, one of our key management policies has been that "people are the key (human resources are the pillar of our business)," and our corporate management is rooted in understanding human resources (recruitment, development, and effective deployment), DEI, and respect for human rights as crucial issues and promoting these in a motivated, planned manner.

Going forward, we will continue to strengthen our investment in human resources while maximizing the power of people and power of organizations that serve as the source of value creation in an effort to increase corporate value in a sustainable manner.

In promoting DEI (Diversity, Equity, and Inclusion), we believe that fostering a corporate culture where employees with different circumstances and backgrounds, such as those related to childbirth, parenting, nursing care, nationality, and being LGBTQ, accept and respect one another leads to creating workplaces where employees can serve customers with enthusiasm, something we are promoting across the company. We understand that the human rights of all those affected by our business activities must be respected, and we will respond appropriately to fulfill this obligation.

#### A Workforce That Supports Company Growth





## DEI

## Diverse Workforce



### Career Declaration System

The Career Declaration System is a program that helps create a comfortable working environment by allowing all employees to declare their future career plans, preferred work locations, and work environment preferences to the company once a year. Regularly collecting employee feedback allows us to incorporate it into system designs to create working environments where employees can thrive.

### Supporting the Balance Between Work and Childcare/Nursing Care

The Company provides support for employees who wish to balance work with childcare or nursing care by offering leave for set periods, shortened working hours, and nursing care/family care leave. We are working to foster a culture where both men and women can take childcare leave, and the number of male employees taking childcare leave, including those working at business sites, is increasing each year. Furthermore, as of FY 2024, we have expanded the scope of the shortened working hours system for childcare from covering children under 3 years old to covering children under 18 years old as a way to support more flexible working styles. Going forward, we will strive to establish regulations for remote work as working style that does not tie employees to a single location as well as introduce systems that allow employees who have resigned due to childcare, nursing care, or studying abroad to rejoin the company.



#### Welfare Benefits for Balancing Work and Childcare

##### Shortened working hours for childcare

To help balance work and childcare, employees and part-time employees raising children under 18 years of age can request shortened working hours for childcare.

##### Childcare support allowance system

This support system helps provide financial reassurance to employees who are parenting. The company will pay a childcare support allowance to employees for their third tax-dependent child and onward.

##### Restrictions on late-night work

Full-time and part-time employees raising preschool children can request restrictions on late-night work (work between 10 p.m. and 5 a.m.) for childcare purposes.

### Encouraging Enrollment in the Employee Stock Ownership Plan

At Kyoritsu Maintenance, we have introduced an employee stock ownership plan as part of our welfare benefits and are promoting enrollment to boost employee participation in management and awareness toward independent asset building. The employee stock ownership plan is a system in which the Company pays incentives when employees purchase shares, allowing them to acquire stock using minimal personal funds. The incentive is 20% of the unit purchase amount, creating a system where company performance that has improved through employee efforts is reflected in stock prices and returned to employees to help build assets. We are working to create a sustainable growth cycle by building systems that both help employees build assets and increase corporate value.



## Human Rights

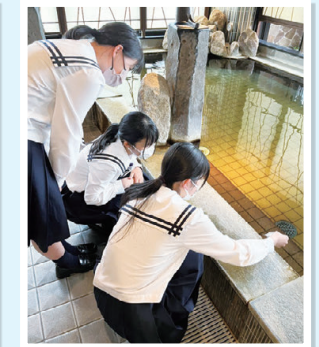
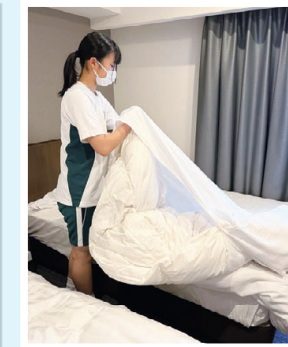
## Human Rights Initiatives

Kyoritsu Maintenance is rooted in our management philosophy, "The spirit of the company is to put customers first." Rather than following rigid manuals, we have consistently sought to be mindful of everything happening before us, constantly asking ourselves, "How do we make customers truly happy?" The source of this is our people, and as such we understand how important it is to respect the human rights of all people affected by our business activities, which is why we have established the Kyoritsu Maintenance Group Human Rights Policy based on the Guiding Principles on Business and Human Rights adopted by the UN Human Rights Council as a guideline to fulfill this obligation, and we will promote human rights initiatives.

## Providing Opportunities for Learning

### Fostering Professionalism Through the Dominista Challenge

In our Hotel Business, we have implemented the Dominista Challenge work experience program for junior and senior high school students since 2019 as a learning opportunity to experience the fun and pleasure of working at a hotel. In this program, students learn about the duties and roles of reception and other departments as well as ways to make stays more pleasant as part of career training to foster professionalism.



#### Feedback From Participants in the Dormy Inn PREMIUM Shimonoseki Work Experience Program

This felt like my first step toward thinking about my future. I realized how important cooperation among employees is, with everyone working together to run the hotel, and how much responsibility is required, since even small mistakes could cause big problems.

After trying it firsthand, I found it difficult to be both careful and fast. Thank you for this rare opportunity. It was fun.

2nd year high school student, female

#### Feedback From School Lecture Attendees

Through the lecture, I learned about the allure and sense of reward of being a hotelier. I understood that a hotelier's greatest role is to listen carefully to guest circumstances and propose the optimal solution. I discovered that skills such as listening without being dismissive and the ability to make proposals in consultation with guests can be developed in everyday life at school and home, so I would like to acquire these skills while still in high school.

1st year high school student, female

### Message From the Promotion Manager

#### Developing Human Resources Who Can Be There For Customers

Our top management philosophy is that "The spirit of the company is to put customers first." The key to practicing this philosophy is how we develop human resources who can be there for customers. Shortly after joining the company, employees learn to embrace "customers first" and "making customers happy" as second nature, growing into human resources who can be there for customers. I believe this is largely thanks to how deeply rooted our philosophy is in our corporate culture. Although securing staff to provide services on the front lines and specialized human resources is not easy, we are able to recruit from diverse channels thanks in part to the relationships we have built with schools through our Dormitory Business and the high level of recognition of Dormy Inn. We are currently working to create a workplace where employees can thrive by expanding shortened working hours for childcare until children are 18, and will focus on areas such as improving living environments to promote stable employment going forward.

**Takayuki Musha**  
Director responsible for Management Group  
and General Manager of Human Resources  
& General Affairs Division



# S Social — Food:



## The Source of Value Creation Commitment to Food That Embodies Customers First

How do we provide delicious food?

By leveraging power of ideas and innovation of our registered dietitians and frontline cooks, we maximize our ability to create value.

### Basic Views

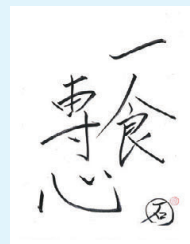
We have brought customers joy by focusing on providing safe, secure, delicious, and healthy meals from our own kitchens based on the idea that food is the source of life. While we have registered dietitians develop nutritionally balanced menus and select proper ingredients, we focus not only on nutrition but making meals that customers can enjoy every time they visit, with home-style cooking to provide vitality for the day, local cuisine unique to the region, and seasonal dining passed down through Japanese food culture, all tailored to the characteristics of the business for which food is being provided. Key issues going forward include building stronger support systems for business sites to accommodate our growing business and creating training programs for food professionals. The expertise we have cultivated in the operation of dormitories with meals nationwide, including our extensive menu repertoire, ordering systems, and distribution systems, is what currently bolsters “food” at Kyoritsu Maintenance.

We will continue to aim for further growth and innovation to achieve our materiality objectives of food safety and security, food waste reduction, and health consciousness.

### Our Goals in Meal Provision

#### “Devotion to each meal” to bring joy to both customers and cooks.

Through the phrase “devotion to each meal,” a spirit of cherishing each encounter has been passed down at Kyoritsu Maintenance, where our menu developers and cooks think “this might be the first and last time I am able to serve this customer” even though it may be one of thousands of meals. The stance of “never letting one’s attention slip” is instilled throughout the company in our daily menu planning and cooking.



### Achieve business strategy

#### Dormitory Business sites

- Practical kitchen manager culinary training
- “Eat to grow stronger” athlete menu training
- Sanitation workshops
- Regular kitchen sanitation inspections

#### Hotel Business sites

- Store operation training (practical training in menu development, sales promotion, and sanitation management)
- Practical drink service class (wine, sake)
- Sanitation workshops
- Regular kitchen sanitation inspections

#### Senior Life Business sites

- Practical kitchen chief culinary training
- Nursing care food training (meals tailored to chewing and swallowing abilities)
- Sanitation workshops
- Regular kitchen sanitation inspections

Support

Support

Support

### Stronger Support Systems for Business Sites p. 42

- 1 Establishing the Foods Specialist in the course-based human resources system
- 2 Implementation of regular kitchen sanitation inspections

#### Safety & Security p. 43

We have established the Food Sanitation Committee as an organization to promote sanitation in order to continuously provide safe and secure meals. We also conduct sanitation management in accordance with HACCP by implementing regular inspections by outside inspection specialists.

#### Food Waste Reduction p. 43

We strive to reduce food waste by properly controlling food inventory and procurement volume as well as managing food consumption.

#### Health Consciousness p. 43

We provide handmade meals with well-balanced nutrition, including traditional Japanese cuisine, food for special occasions, and seasonal ingredients and menus.

## Stronger Support Systems for Business Sites

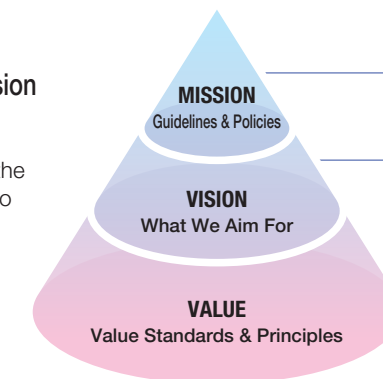


### 1 Establishing the Foods Specialist in the Course-Based Human Resources System

The Food Division handles menu creation and food procurement collectively and provides operational support to business sites for the meals we serve. To improve our ability to create value through food, the core of our business, we have established the Foods Specialist category in our course-based human resources system to strengthen our business site support structure and promote the concept of devotion to each meal, building a foundation for human resources training that establishes employees working in the Food Division as specialists.

#### Formulating & Instilling Our Vision

We have formulated a new vision for Foods Specialists that incorporates the practice of devotion to each meal into behavioral evaluations.



#### “Devotion to each meal”

A group of food professionals who put their hearts into each meal without ever cutting corners

#### For a better world and as many smiles as possible.

Food professionals who stand in the customers’ shoes to constantly hone their food skills (people able to level up consistently, as food has no end point)

#### Envision smiles on the faces of both the customers who eat and those who make the food.

- (1) Go to the front lines, then gain understanding and build mutual trust
- (2) Humbly accept feedback from customers and the front lines, then respond swiftly and improve
- (3) Understand circumstances on the front lines and provide optimal support

#### Attain food-related materiality objectives.

- (1) Select appropriate ingredients and procure them stably
- (2) Develop recipes that take into consideration safe and efficient work processes
- (3) Provide seasonal ingredients, traditional Japanese foods, and foods for special occasions

#### Contribute to SDG initiatives by reducing food loss.

#### Skill Evaluations to Boost Expertise

To boost expertise as Foods Specialists, we have introduced skill evaluations that divide the skills required of Foods Specialists into four categories: (1) Menu development, (2) Sanitation, (3) Opening business, and (4) Food procurement, with evaluation criteria set by grade.

Furthermore, we have introduced a Technical Master Certification as a practical test, and are working to emphasize that the goal is not simply to pass the test but also understand one’s own strengths and weaknesses accurately.

	Menu development	Sanitation	Opening business	Food procurement	
Grade 1	Menu creation 11 items	Knowledge/sanitation 8 items	Skills/opening business 11 items	Ordering/food procurement 14 items	→ 44 items
Grade 2	Menu creation 9 items	Knowledge/sanitation/skills 14 items	Opening business/implementation 11 items	Ordering/food procurement 11 items	→ 45 items



#### Feedback From Test Takers

As a menu developer for Dormy Inn, I often felt my cooking skills were insufficient. Since the difference between myself and other team members was evident, I decided to take the Technical Master Certification to improve my cooking skills. As a result, I was largely able to master Cutting Ingredients, but while I passed Cooking Techniques, there was still room for improvement. I have gained confidence in my strengths and accepted the weaknesses revealed through this test. My goal is to become an influential Foods Specialist equipped with both skills and experience.



### 2 Implementation of Regular Kitchen Sanitation Inspections

From April 2023 to March 2024, we conducted regular kitchen sanitation inspections of our business sites using outside contractors.

Inspection Overview	
Implementation	Once a year (conducted sequentially from April to March of the following year)
Inspection process	Preparation → Inspection → Results report → Improvement efforts → Improvement report
No. of inspection items	43 items with 100 checks (visual audit)

#### Award ceremony for the Outstanding Sanitary Kitchen Award

Business sites that scored 100 points were bestowed the Outstanding Sanitary Kitchen Award and were visited by the Chair of the Food Sanitation Committee, where an award ceremony was held to once again express gratitude for their efforts in providing meals with careful attention to safety and security.





## Safety & Security



### Sanitation Management in Accordance with HACCP

To continuously provide safe and secure meals, we established the Food Sanitation Committee in 2019, completely revised our Sanitation Management Standards, and introduced sanitation management in accordance with the principles of HACCP\* at all business sites. Going forward, we will collaborate with each department to collect and share information on efforts at business sites as well as develop strategies, monitor objectives, and establish policies to visualize sanitation management and establish sanitation education and training programs in a unified manner as a company to improve sanitation management levels and strengthen sanitation education.

\* HACCP is a sanitation management method in which food business operators identify hazards, such as contamination by bacteria that causes food poisoning or foreign matter, then manage particularly important processes to eliminate or reduce these hazards throughout all processes, from the receipt of raw materials to the shipment of products, in order to ensure product safety.



## Food Waste Reduction

### Reduction and Recycling of Food Waste

At our buffet restaurants, we not only control stock and consumption volume but exchange information with on-site staff regarding effective ingredient usage, development of menus that use inventory effectively, and efforts toward zero inventory at suppliers, all in an effort to reduce total food waste. Furthermore, to help build a circular economy, we have begun working with partner companies to collect used cooking oil and recycle it into biodiesel fuel and medicinal hand soap.



## Health Consciousness

### Providing Healthy Meals

At Dormy Senior, to help each resident stay active for life, we serve meals that consider health and nutritional balance made with primarily Japanese ingredients, such as linseed oil, which is believed to be effective in stimulating brain function, with meals handmade daily in the kitchens at each facility. For student and employee dormitories as well, we provide healthy meals with good nutritional balance that incorporate seasonal ingredients, centered on home-style cooking that residents won't tire of. We are also working on menus themed around beauty and health for women in their teens and twenties at Dormy Lei, our women-only dormitory.

### Column (1)

#### The My Original Recipe Contest



The My Original Recipe Contest began in 2004 as a contest to solicit recipe ideas from dormitory managers and matrons. To this day, many of these menu ideas have been served as dormitory meals, making this one of Kyoritsu's traditional events conducted out of a desire to provide delicious meals to dormitory residents through collaboration between on-site staff and divisions.



##### Selection criteria

- (1) Whether it is made with ingredients used in dormitory meals.
- (2) Whether mass production (100 meals) is possible.
- (3) Whether it complies with dormitory sanitation rules.

#### The 20th My Original Recipe Contest held in 2024

**Theme: Fried Food** Note: Excerpt of outstanding entries

##### Curry-flavored pita bread

We are a couple who enjoys making home-cooked meals and entertaining guests, and we taste what we make as we provide meals to dormitory residents each day. For this contest, I was inspired to make my favorite curry bread using the pita bread served at breakfast!



Outstanding entry

##### Pacific saury kabayaki rice bowl

Since the theme was Fried Food, I wanted to take something fried and put it atop a rice bowl. I chose ingredients that required minimal preparation.



Outstanding entry

### Column (2)

#### Dedication to Details at Dormy Inn—Gomen-Nasai (sorry noodles)



Yonaki Soba (late-night ramen) is a complimentary half-size ramen that has been served since 2009 as a late-night snack for guests who get hungry at night. However, there have been instances where guests looking forward to Yonaki Soba were unable to make it during the service hours of 9:30 p.m. to 11:00 p.m. due to circumstances. Our original instant ramen Gomen-Nasai (sorry noodles) was created with the desire to bring a smile to the faces of such guests. We offer this to guests who come to reception between 11:00 p.m. and 1:00 a.m., along with a feeling of "I'm sorry."



### Message From the Promotion Manager

#### Serving Food That Brings Customers Joy

Food is at the heart of our business and is where the Kyoritsu Maintenance spirit of "doing what makes customers happy" is most salient. In our Dormitory Business, we provide nutritionally balanced menus that change daily, while in our Hotel Business, we serve customers local cuisine, have open kitchens where they can taste freshly made food, and offer seasonal Japanese course meals that are a visual delight as well. In our Senior Life Business, we work to prevent and improve lifestyle diseases and dementia for residents by supporting healthy eating habits. What makes all of this possible is our in-house operations created with safety as our top priority and the passion of our frontline staff. It is also thanks to the understanding and cooperation of our business partners. Our wealth of expertise in food enables us to create new demand through food education efforts and menu development for athletes. We will continue to pursue flavor and safety to provide meals that bring customers joy.

**Rie Momose**  
Director, General Manager of Food Division



G

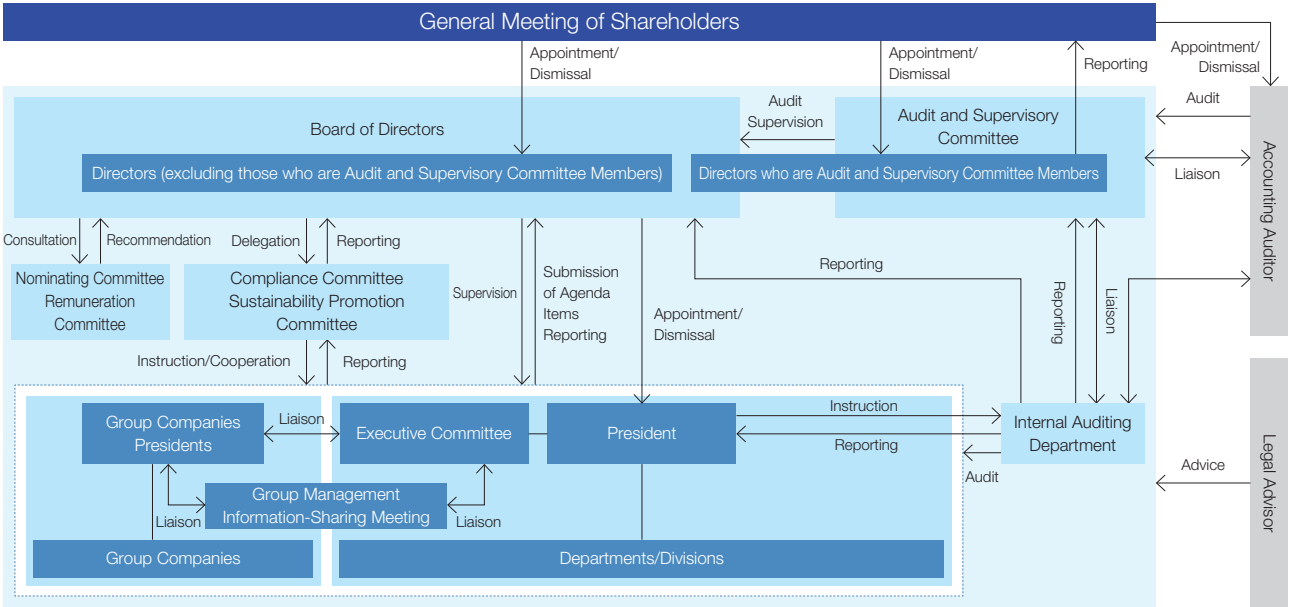
Governance: Corporate Governance

Basic Views

Since its foundation, the management philosophy at Kyoritsu Maintenance has been that “the spirit of the company is to put customers first,” with the mission of “contributing to the progress of society as a whole through food and housing.” The Company believes that enhancing corporate governance is essential for ongoing expansion and for the maximization of shareholder value over the long term. It is taking steps to speed up management decision-making, to strengthen supervision of management, to emphasize and fulfill accountability, and to disclose information promptly and appropriately, among other matters, and it recognizes that ensuring the transparency and soundness of management is an important issue.

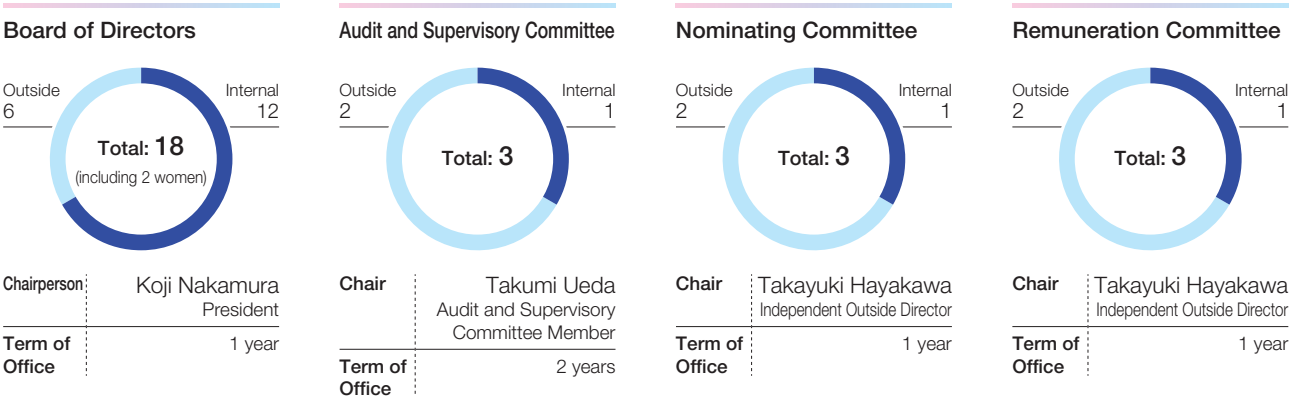
Governance Structure

The Company has established a General Meeting of Shareholders, a Board of Directors, and an Audit and Supervisory Committee as organizations based on the Companies Act, and has appointed an Accounting Auditor in accordance with said Act. In addition to these organizations, it has established a Nominating Committee, a Remuneration Committee, a Group Management Information-Sharing Meeting, an Executive Committee, a Compliance Committee, and a Sustainability Promotion Committee.



Overview of the Corporate Governance System

Organizational structure: Company with Audit and Supervisory Committee (as of the end of June 2024)



Board of Directors and Committee Overview

	Number of Sessions	Overview
Board of Directors	12	The Board of Directors meets regularly once a month for a total of 12 times per year based on the Board of Directors Rules and also holds extraordinary board meetings as necessary to report, deliberate, and make decisions on matters stipulated by laws and regulations as well as the Articles of Incorporation.
Audit and Supervisory Committee	12	The Audit and Supervisory Committee meets at least once a month based on the Audit and Supervisory Committee Rules and also holds ad hoc meetings as necessary to audit the performance of duties by the Board of Directors, create audit reports, and perform other duties stipulated by laws and regulations and the Articles of Incorporation, based on the Audit and Supervisory Committee Auditing Standards.
Nominating Committee	2	The Nominating Committee has been established to strengthen the fairness, transparency, and objectivity of procedures related to the nomination of directors and to enhance corporate governance at the Company. Specifically, the committee conducts interviews with candidates for directors and deliberates whether the selection reasons and capabilities of individual candidates are appropriate in light of the Company's director appointment policy.
Remuneration Committee	3	The Remuneration Committee has been established to strengthen the fairness, transparency, and objectivity of procedures related to director compensation and to enhance corporate governance at the Company. Specifically, the committee deliberates on individual director compensation, including basic compensation, director bonuses, and non-monetary compensation (stock compensation) related to restricted stock.

Effectiveness Assessment

The Company conducts an analysis and assessment of the effectiveness of the Board of Directors as a whole (Board of Directors Effectiveness Assessment) once a year from the end of March to May, the end of our fiscal year, in order to further improve the composition and operation of the Board of Directors in the future.

For the analysis and assessment method, all directors complete an anonymous self-assessment questionnaire, which is reviewed by the Board of Directors once responses are received from all participants. In the fiscal year ended March 31, 2024, the Company revised the questionnaire items referencing both information from competitors and external knowledge.

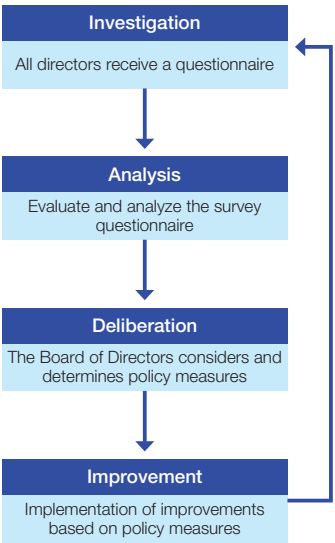
In the previous fiscal year's analysis and assessment, the composition and size of the Board of Directors, the operation of the Board of Directors, cooperation with auditing organizations, and relations with shareholders and investors were assessed highly, and the governance system was assessed as having grown compared to the previous fiscal year, leading to the analysis and assessment that the Company's Board of Directors is fulfilling the role expected of it in an appropriate manner and has ensured sufficient Board effectiveness.

In light of expectations for more replete opportunities for director training and to provide information on the Company and its business to outside directors to further demonstrate the role and function of the Board of Directors, we will consider concrete measures and continue to work to improve Board effectiveness.

Director Training

In addition to having newly appointed Directors, including Audit and Supervisory Committee Members, undergo external training in order to enhance their knowledge, the Company also provides opportunities for knowledge acquisition after they have been appointed, such as by holding study meetings with external specialists to address revisions to laws.

In order to ensure that the necessary knowledge is acquired by each operations division, the Company encourages appropriate participation in various external seminars, etc.





## List of Officers

### Director



**Haruhisa Ishizuka**

Chairman

#### Career summary, position, and responsibilities in the Company

1979 Sept. Established the Company  
1999 Apr. President of the Company  
2006 June Chairman (present position)



**Koji Nakamura**

President

#### Career summary, position, and responsibilities in the Company

1995 Apr. Joined the Company  
1999 Apr. Manager of Accounting Division, Administration Department  
2004 May Executive Officer, Manager of General Finance and Accounting Division, Group Administration Department  
2006 June Director, Manager of General Finance and Accounting Division, and Manager of Management and Administration Division, Group Administration Department  
2008 May Director responsible for Management Planning and Manager of General Planning Division, Manager of General Finance and Accounting Division, Group Administration Department  
2010 May Director, General Manager of Management Planning Department, Group Administration Supervisory Department  
2016 Apr. Director, General Manager of Management Planning Department  
2018 Apr. Director, General Manager of Management Planning Department and Manager of IR Section  
2019 Apr. Managing Director responsible for Planning and Development Group  
2021 Apr. President (present position)



**Yukihiro Sagara**

Managing Director  
responsible for Hotel  
Group

#### Career summary, position, and responsibilities in the Company

1991 Nov. Joined the Company  
2001 May Executive Officer, Manager of Dormy Inn Business Division  
2006 June Director, Manager of HOTEL & SPA Division, and General Manager of Spa Therapy Division, Business Development Department  
2006 Oct. Director, General Manager of Hotel Business Department  
2008 May Director responsible for Dormy Inn, Hotel Business Department  
2009 May Director, General Manager of Dormy Inn Business Department, Hotel Business Supervisory Department  
2011 June Director, General Manager of Dormy Inn Business Department and Manager of West Japan Business Division, and Manager of Overseas Business Development Division, Hotel Business Supervisory Department  
2016 Apr. Director, General Manager of Dormy Inn Business Department  
2019 Apr. Managing Director responsible for Hotel Group  
2022 June Managing Director responsible for Hotel Group, General Manager of Dormy Inn Business Department  
2023 Apr. Managing Director responsible for Hotel Group (present position)



**Takayuki Musha**

Director  
responsible for  
Management Group and  
General Manager of  
Human Resources &  
General Affairs Division

#### Career summary, position, and responsibilities in the Company

2011 Mar. Joined the Company  
2013 Apr. General Manager of Dormy Inn Operations Planning Office, Dormy Inn Business Department, Hotel Business Supervisory Department  
2014 Apr. Manager of West Japan Business Division and General Manager of Dormy Inn Operations Planning Office, Dormy Inn Business Department, Hotel Business Supervisory Department  
2015 Apr. General Manager of Dormy Inn Human Resources Development Department, Dormy Inn Business Department, Hotel Business Supervisory Department  
2016 Apr. Manager of Administration Supervisory Department, Dormy Inn Business Department  
2019 Apr. Manager of HR Department, Human Resources and General Affairs Division, Management Group  
2020 Apr. General Manager of Human Resources & General Affairs Division, Management Group  
2023 June Director responsible for Management Group, General Manager of Human Resources & General Affairs Division (present position)



**Hideaki Inaoka**

Director,  
General Manager of  
Group Sales Planning  
Division

#### Career summary, position, and responsibilities in the Company

1988 Apr. Joined Nikko Securities Co., Ltd. (Kabutocho Branch)  
2008 Aug. General Manager of Corporate Division, Nikko Citigroup Limited  
2009 Nov. Cordial Securities, Inc.  
2014 Mar. General Manager of Yokohama Branch, SMBC Nikko Securities Inc.  
2017 Mar. Executive Officer, Head of Kinki District, SMBC Nikko Securities Inc.  
2020 Apr. Managing Director, Nikko Investor Relations Co., Ltd.  
2023 Oct. Joined the Company, General Manager of Integrated Sales Division  
2024 Apr. General Manager of Group Sales Planning Division  
2024 June Director and General Manager of Group Sales Planning Division (present position)



**Shigeto Kubo**

Director

Independent Outside

#### Career summary, position, and responsibilities in the Company

1977 Apr. Joined Ministry of Land, Infrastructure, Transport and Tourism  
2010 Aug. Director-General of Railway Bureau, Ministry of Land, Infrastructure, Transport and Tourism  
2012 Sept. Deputy Vice-Minister, Minister's Secretariat, Ministry of Land, Infrastructure, Transport and Tourism  
2013 Aug. Commissioner of Japan Tourism Agency, Ministry of Land, Infrastructure, Transport and Tourism  
2015 Sept. Retired from Ministry of Land, Infrastructure, Transport and Tourism  
2016 June Director of Japan Travel and Tourism Association  
2019 June Director, the Company (present position)  
2020 June Senior Managing Director, Airport Transport Service Co., Ltd.  
2022 Apr. Chairman and Executive Officer, TOBU TOP TOURS CO., LTD (present position)



**Yasuo Ohara**

Managing Director  
responsible for Dormitory  
Group

#### Career summary, position, and responsibilities in the Company

1998 Jan. Joined the Company  
2007 June Manager of First Business Division at the East Japan Branch Office, Dormitory Operations Division  
2015 Apr. Executive Officer, General Manager of Dormitory Business Tokyo Metropolitan Area Department, Dormitory Business Supervisory Department and Manager of First Corporate Sales Division  
2017 Apr. Executive Officer, Manager of Tokyo Metropolitan Area Supervisory Department, Dormitory Operations Division  
2019 Apr. Executive Officer, General Manager of Dormitory Operations Division  
2021 Apr. Managing Executive Officer responsible for Dormitory Group, General Manager of Dormitory Operations Division  
2021 June Managing Director responsible for Dormitory Group, General Manager of Dormitory Operations Division  
2022 Apr. Managing Director responsible for Dormitory Group (present position)



**Manabu Takaku**

Managing Director  
responsible for Planning  
and Development Group

#### Career summary, position, and responsibilities in the Company

1997 Aug. Joined the Company  
2010 May Manager of General Finance and Accounting Division, Management Planning Department, Group Administration Supervisory Department  
2015 Apr. Manager of Management and Administration Division, and Manager of General Finance and Accounting Division, Management Planning Department, Group Administration Supervisory Department  
2016 Apr. Manager of Management and Administration Division, and Manager of Finance Division, Management Planning Department, Group Administration Department  
2017 Apr. Executive Officer, Manager of Management Planning Division, Management Planning Department  
2019 Apr. Executive Officer, General Manager of Management Planning Department and Manager of Management Planning Division  
2021 Apr. Managing Executive Officer responsible for Planning and Development Group, and General Manager of Management Planning Department  
2021 June Managing Director responsible for Planning and Development Group, and General Manager of Management Planning Department  
2022 Apr. Managing Director responsible for Planning and Development Group, General Manager of Corporate Planning Division, and General Manager of Integrated Sales Division  
2023 Oct. Managing Director responsible for Planning and Development Group, and General Manager of Management Planning Department  
2024 Apr. Managing Director responsible for Planning and Development Group (present position)



**Masaki Suzuki**

Director,  
General Manager of Hotel  
Business Strategy Division

#### Career summary, position, and responsibilities in the Company

1997 Sept. Joined the Company  
1998 Oct. Joined Kyoritsu Trust Co., Ltd.  
2003 Jan. Joined the Company  
2009 May Executive Officer, General Manager of Resorts Business Department, Hotel Business Supervisory Department  
2011 June Director, General Manager of Resorts Business Department, and Manager of East Japan Business Division, and Manager of Hotel Sales Promotion Division, Hotel Business Supervisory Department  
2012 May Director, General Manager of Resorts Business Department, Hotel Business Supervisory Department  
2016 Apr. Director, General Manager of Resorts Business Department  
2020 Apr. Director, General Manager of Resorts Business Department and Manager of Operation Promotion Department  
2021 Apr. Director, General Manager of Resorts Business Department  
2023 Apr. Director, General Manager of Hotel Business Strategy Division (present position)



**Yasunobu Hirata**

Director

Independent Outside

#### Career summary, position, and responsibilities in the Company

1974 Dec. Joined Internal Medicine Division, University of Tokyo Hospital  
1975 June Staff member for internal medicine, Mitsui Memorial Hospital  
1981 July Research Fellow, University of Minnesota Division of General Internal Medicine  
1992 Apr. Director, Internal Medicine, University of Tokyo Hospital  
2004 Apr. Manager, Cardiovascular Medicine, University of Tokyo Hospital  
2013 Apr. Director, Tokyo Teishin Hospital  
2019 Apr. Honorary Director, Tokyo Teishin Hospital (present position)  
2019 June Executive Director, Sleep Apnea Syndrome Support Center (present position)  
2020 June Director, the Company (present position)



**Takayuki Hayakawa**

Director

Independent Outside

#### Career summary, position, and responsibilities in the Company

1972 Apr. Joined Sumitomo Mitsui Banking Corporation  
2006 Apr. Executive Officer, Head of East Japan Middle Market Banking Division III, Sumitomo Mitsui Banking Corporation  
2009 May Senior Managing Executive Officer, Ginsen Co., Ltd.  
2010 June President, Yoei Holding Co., Ltd. and President, Yoei Co., Ltd.  
2013 June Audit & Supervisory Board Member, Riken Technos Corporation  
2016 June Director, Audit & Supervisory Committee Member, Riken Technos Corporation (present position)  
2017 May Director, TKP Corporation  
2017 June Director, Toyo Kasei Co., Ltd.  
2019 May Auditor, TKP Corporation (present position)  
2020 June Director, the Company (present position)



**Keiko Oda**

Director

Independent Outside

#### Career summary, position, and responsibilities in the Company

1994 Apr. Joined RSK Sanjo Broadcasting Co., Ltd.  
2001 Jan. Contracted with KUSHIMA PLANNING INC.  
2005 June President, JAT Inc. (present position)  
2017 Apr. Board Member, Regional Tourism Promotion Consortium  
2017 Dec. Member, Cool Japan Public-Private Partnership Platform, Cabinet Office (present position)  
2020 June Director, the Company (present position)



**Yoshio Kimizuka**

Director,  
General Manager of Senior  
Life Business Division

#### Career summary, position, and responsibilities in the Company

2009 May Joined the Company  
Executive Officer, Manager of Second Business Division, East Japan Department, Dormitory Business Supervisory Department  
2015 Apr. Executive Officer, General Manager of Dormitory Business Branch Office Supervisory Department, Dormitory Business Supervisory Department  
2016 June Director, General Manager of Dormitory Business Branch Office Supervisory Department, Dormitory Business Supervisory Department  
2016 Nov. Director, General Manager of Senior Life Business Division (present position)



**Hiroshi Yokoyama**

Director,  
General Manager of  
Development Division

#### Career summary, position, and responsibilities in the Company

1992 Nov. Joined the Company  
2007 June Executive Vice President of Bulnet Co., Ltd.  
2009 Apr. President of Bulnet Co., Ltd.  
2016 Apr. Joined the Company, Executive Officer, General Manager of Business Development Department  
2019 Apr. Director, General Manager of Business Development Department  
2019 June Director, General Manager of Development Division  
2023 Apr. Director, General Manager of Facility Development & Management Division  
2024 Apr. Director, General Manager of Development Division (present position)



**Rie Momose**

Director,  
General Manager of Food  
Division

#### Career summary, position, and responsibilities in the Company

2005 Nov. Joined the Company  
2011 June Manager of Food Development Department, Food Division  
2016 Apr. Executive Officer, General Manager of Food Management Department and Manager of Food Management Division  
2019 Apr. Executive Officer, General Manager of Food Division  
2019 June Director, General Manager of Food Division  
2020 July Director, General Manager of Food Division, and Manager of Menu Development Department  
2022 Apr. Director, General Manager of Food Division (present position)



**Takumi Ueda**

Director  
(Audit and Supervisory  
Committee Member)

#### Career summary, position, and responsibilities in the Company

2000 Apr. Joined the Company  
2000 June Director, General Manager of Group Management Division  
2002 Apr. Vice President and Director, General Manager of Administration Division  
2009 May Vice President and Director responsible for Group Administration Supervisory Division  
2016 Apr. Vice President and Director responsible for Group Administration Division, and General Manager of the Public Kyoritsu Partnership (PKP) Business Division  
2017 Apr. President of the Company  
2021 Apr. Director and Advisor  
2021 June Director (Audit and Supervisory Committee Member) (present position)



**Toshiaki Miyagi**

Director  
(Audit and Supervisory  
Committee Member)

#### Career summary, position, and responsibilities in the Company

1992 Aug. General Manager of Corporate Division at Nagoya Branch, SMBC Nikko Securities Inc.  
1997 Feb. General Manager of the Sakai Branch, SMBC Nikko Securities Inc.  
1998 Feb. General Manager of the First Financial Corporate Division, Head Office, SMBC Nikko Securities Inc.  
2000 Mar. General Manager of the Kabutocho Branch, SMBC Nikko Securities Inc.  
2001 Sept. Manager of the Customer Consultation Office, SMBC Nikko Securities Inc.  
2004 June Standing Statutory Auditor, Nikko Financial Intelligence, Inc.  
2008 June Director, NAITO SECURITIES CO., LTD.  
2010 June Standing Audit & Supervisory Board Member at Director, NAITO SECURITIES CO., LTD.  
2015 June Director (Audit and Supervisory Committee Member), the Company (present position)



**Tokio Kawashima**

Director  
(Audit and Supervisory  
Committee Member)

#### Career summary, position, and responsibilities in the Company

1982 Apr. Joined MUFG Bank, Ltd.  
2008 Sept. General Manager of German operations and the General Manager of the Düsseldorf Branch, MUFG Bank, Ltd.  
2011 Apr. Joined OMRON Corporation  
2011 June Audit & Supervisory Board Member, OMRON Corporation  
2019 June Director (Audit and Supervisory Committee Member), the Company (present position)  
2019 June Audit & Supervisory Board Member, DT Holdings, Inc. (present position)  
2020 June Director (Audit and Supervisory Committee Member) at RICOH LEASING COMPANY, LTD. (present position)

## Board of Director Skills

The Board of Directors consists of Directors who each possess a high level of expertise, with diversity ensured through a balance of different knowledge, experience, and capabilities as well as the appointment of female Directors. This skills matrix will be reviewed as needed based on the external environment and Company circumstances.

Skills Matrix

No.	Name	Gender	Current position in the Company		Knowledge of the Company's Business	Specific Industry Knowledge	Corporate Planning/ Management Strategy	Sales/ Marketing	Finance/ Accounting/IR	Legal/Risk Management	HR/Labor/ Personnel Development	DX/IT Strategy	ESG/ Sustainability
1	Haruhisa Ishizuka	Male	Chairman	Internal	○		○	○	○	○	○		
2	Koji Nakamura	Male	President	Internal	○		○	○	○				○
3	Yukihiro Sagara	Male	Managing Director	Internal	○		○	○				○	○
4	Yasuo Ohara	Male	Managing Director	Internal	○		○	○				○	○
5	Manabu Takaku	Male	Managing Director	Internal	○		○	○	○			○	○
6	Masaki Suzuki	Male	Director	Internal	○		○	○					
7	Yoshio Kimizuka	Male	Director	Internal	○		○	○					
8	Hiroshi Yokoyama	Male	Director	Internal	○		○						○
9	Rie Momose	Female	Director	Internal	○		○						○
10	Takayuki Musha	Male	Director	Internal	○		○			○	○	○	○
11	Hideaki Inaoka	Male	Director	Internal		○	○	○	○	○	○		○
12	Shigeto Kubo	Male	Director	Independent Outside	○	○	○			○	○		○
13	Yasunobu Hirata	Male	Director	Independent Outside		○	○			○	○		
14	Takayuki Hayakawa	Male	Director	Independent Outside		○	○	○	○	○	○		
15	Keiko Oda	Female	Director	Independent Outside		○	○	○			○		
16	Takumi Ueda	Male	Director (Audit and Supervisory Committee Member)	Internal	○	○	○		○	○	○		
17	Toshiaki Miyagi	Male	Director (Audit and Supervisory Committee Member)	Independent Outside		○	○	○					
18	Tokio Kawashima	Male	Director (Audit and Supervisory Committee Member)	Independent Outside		○	○		○	○			

Note: This represents the skills and experience in areas that the Company expects from that director in particular and does not represent all skills.

## Director Remuneration

Director remuneration is a remuneration system designed to function sufficiently as an incentive to continuously improve corporate value. Basic remuneration is determined according to individual evaluations, with decisions made annually after conducting individual evaluations of business performance, contribution to company management, etc. Director bonuses are performance-linked remuneration, with net income for the period used as the main indicator.

Types of Remuneration	Calculation Method
Basic remuneration	Individual evaluation of business performance, contribution to company management, etc.
Performance-linked remuneration (bonuses)	Individual net income for the period used as an indicator
Restricted share-based remuneration	Granted according to position and tenure

Director Category	Total remuneration (millions of yen)	Total remuneration by type (millions of yen)					Number of eligible directors
		Basic remuneration	Performance-linked remuneration	Retirement benefits	Restricted share-based remuneration	Of which, non-monetary remuneration	
Directors (excluding Audit and Supervisory Committee Members and Outside Directors)	706	257	418	-	30	30	11
Directors (Audit and Supervisory Committee Members excluding Outside Directors)	9	9	-	-	-	-	1
Outside Directors	27	27	-	-	-	-	6

# Compliance

## Basic Stance on Compliance

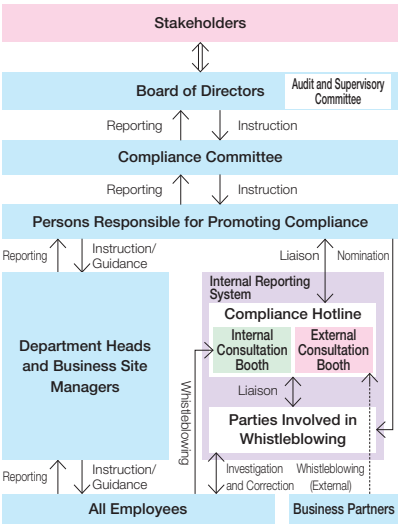
The Company has established the following basic stance on compliance, which it communicates to all employees.

The company name “Kyoritsu Maintenance” embodies our desire to stand together with our customers, with society, and with all those who support us, and maintain a solid presence in the world.

Abiding by the rules of the world and society is a fundamental premise to the survival of the Company and its business, and only by earning the trust of society can we grow.

The Kyoritsu Maintenance Group views compliance as one of its most important management issues and the foundation for the actions of each officer and employee.

By having each and every officer and employee comply with the Compliance Policy in our Compliance Manual in addition to our management philosophy, code of conduct, and management policies established as company precepts, we strive to be a company that is trusted on a deeper level and chosen by customers, business partners, shareholders, and all of our stakeholders.



## Internal Reporting System

In accordance with the intent of the Whistleblower Protection Act, we have established a Compliance Hotline based on internal reporting system regulations to detect and correct the following acts early and ensure social trust in the Group.

- Acts that violate the law and regulations
- Acts that violate internal regulations and manuals
- Socially inappropriate behavior

## External Reporting

As part of promoting compliance with this, we have established an external consultation booth for business partners and others outside the Company.

- Fraud, legal violations (kickbacks, fictitious billing, falsifying documents, demanding inappropriate entertainment/gifts, transactions suspected of money laundering, etc.)
- Human rights violations, discrimination, harassment
- Harassment using one's position
- Other illegal acts or violations of ethics

## Initiatives to Prevent Bribery

The Group recognizes the social importance of preventing bribery and corruption and has taken appropriate measures to establish the following basic policy and ensure that employees are made aware of it and comply with it.

(The following is an excerpt from the Company’s Compliance Manual “(Compliance Items) 5. Prohibition in principle of the receipt of money or gifts that are not part of commercial transactions and prohibition of bribery”)

We do not, in general, give or receive money or gifts not based on commercial transactions. We also do not provide gifts or entertainment to business partners beyond what is socially acceptable.

When providing gifts or entertainment to public officials or deemed public officials, we comply with the National Public Service Ethics Code and other relevant laws and regulations to avoid offering improper benefits.

- (1) Prohibition in principle of the receipt of money or gifts that are not part of commercial transactions**  
In principle, we shall decline offers of gifts of money or gifts from customers, business partners, etc. that are not part of commercial transactions.
- (2) Prohibition on giving/receiving excessive gifts, entertainment, etc.**  
We shall not give or receive entertainment, gifts, or other benefits that deviate from social conventions in our relationships with business partners and their officers and employees.
- (3) Prohibition of requests for kickbacks**  
We shall not use our business position to ask business partners for money, gifts, entertainment, or other kickbacks.

- (4) Prohibition of bribery, etc.**
  - (1) We shall not illicitly provide, or offer to illicitly provide, money or other benefits to a public official.
  - (2) We shall not provide public officials with gifts or entertainment that are in violation of the National Public Service Ethics Act, the National Public Service Ethics Code, or other similar rules and regulations established by various public agencies or local governments.
  - (3) We shall not request, or offer to provide, any money or other benefits to any officers or employee of a business partner as an incentive for misconduct for the purpose of improperly influencing business decisions, etc. Similarly, we shall not accept any such requests or offers.

# Risk Management

The Company has established the Risk Management Regulations and Other Systems as follows.

- (1) In accordance with the Basic Regulations on Risk Management, risk management is to be dealt with by the Compliance Committee.
- (2) The Risk Management Department is in charge of the Compliance Committee secretariat.
- (3) The Company, based on the Basic Regulations on Risk Management and Basic Regulations on Crisis Management, practices risk management and works to secure safety and minimize losses in the event of a crisis.

The Company conducts risk assessment efforts across the company for the following purposes.

- (1) To visualize risks facing the Company, determine their importance, and organize responses to high-priority risks.
- (2) To improve accountability to stakeholders regarding risks faced by the Company.
- (3) To increase employee literacy and awareness regarding risk management through the process of these activities.



# Corporate Data

Company Profile

(as of March 31, 2024)

Company name	Kyoritsu Maintenance Co., Ltd.
Established	September 27, 1979
Number of employees	5,939 (consolidated)
Capital	7,964,986,119 yen
Headquarters	2-18-8 Sotokanda, Chiyoda-ku, Tokyo 101-8621    Telephone: +81-3-5295-7777

Stock Information

(as of March 31, 2024)

Total number of authorized shares	59,000,000 shares <small>Note: The Company conducted a two-for-one stock split on common shares effective April 1, 2024. As a result, the total number of authorized shares has increased to 118,000,000 shares.</small>
Total shares issued	39,219,818 shares (including 205,451 treasury shares) <small>Note: The Company conducted a two-for-one stock split on common shares effective April 1, 2024. As a result, the total number of issued shares has increased by 39,219,818 shares.</small>
Number of shareholders at the end of the fiscal year	25,012

Major Shareholders

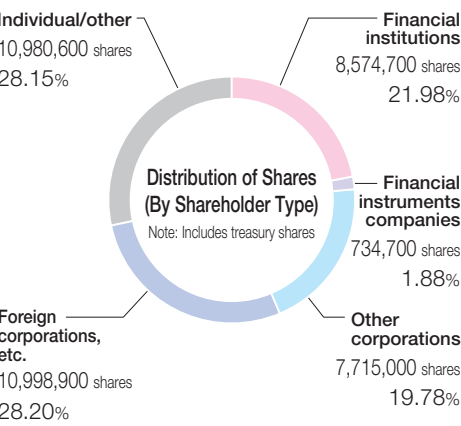
(as of March 31, 2024)

Shareholder name	Number of shares held (thousands)	Shareholding ratio (%)
Milestone Co.,Ltd.	4,242	10.87
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,409	8.73
Custody Bank of Japan, Ltd. (Trust Account)	2,457	6.29
KYORITSU INTERNATIONAL FOUNDATION	2,037	5.22
Haruhisa Ishizuka	1,052	2.69
NOMURA PB NOMINEES LIMITED OMNIBUS-MARGIN (CASHPB) Standing proxy: Nomura Securities Co., Ltd.	992	2.54
MSIP CLIENT SECURITIES Standing proxy: Morgan Stanley MUFG Securities Co., Ltd.	931	2.38
Sumitomo Mitsui Banking Corporation	792	2.03
Nippon Life Insurance Company Standing proxy: The Master Trust Bank of Japan, Ltd.	548	1.40
GOLDMAN, SACHS & CO. REG Standing proxy: Goldman Sachs Japan Co., Ltd.	521	1.33

Note: The shareholding ratio is calculated after treasury shares (205 thousand shares) have been deducted.

Share Ownership

(as of March 31, 2024)



Our Websites

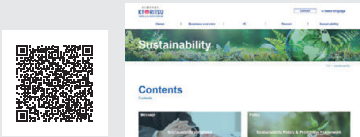
We provide timely information about management and sustainability initiatives on our websites. See our websites for the latest information.

IR Information



<https://www.kyoritsugroup.co.jp/en/ir/>

Sustainability



<https://www.kyoritsugroup.co.jp/en/sustainability/>

# Group Company Data

Company name	Kyoritsu Estate Co., Ltd.	Company name	Kyoritsu Trust Co., Ltd.
Established	April 1, 1983	Established	October 1, 1997
Business	Construction, planning, design, and brokerage business, condominium sales business, other development-related businesses	Business	Support business for people who live alone and the insurance agency business

Company name	Kyoritsu Foods Service Co., Ltd.	Company name	Kyoritsu Oasis Co., Ltd.
Established	June 19, 1998	Established	December 25, 2020
Business	Restaurant business	Business	Contracted hotel restaurant operation business

Company name	Kyoritsu Foods Management Co., Ltd.	Company name	Kyoritsu Solutions Co., Ltd.
Established	September 1, 2021	Established	December 3, 1999
Business	Contracted food service business	Business	Comprehensive human-resource services, The Public Kyoritsu Partnership (PKP) Business (services provided under contract to local governments)

Company name	Kyoritsu Financial Service Co., Ltd.	Company name	Builnet Co., Ltd.
Established	June 1, 2000	Established	November 4, 1960
Business	The financial business and the administrative outsourcing business	Business	Office building custodial services business, Residential building custodial services business

Company name	Kyoritsu Maintenance Korea Co., Ltd.	Company name	Kyoritsu Assist Co., Ltd. (special subsidiary company)
Established	July 18, 2011	Established	August 1, 2012
Business	Dormy Inn (business hotel) business	Business	Cleaning services and clerical support services

Company name	Kyoritsu Refre forum Co., Ltd.
Established	October 1, 2023
Business	Spa therapy business

Financial and Non-Financial Highlights

Category		Unit	Mar. 2020	Mar. 2021	Mar. 2022	Mar. 2023	Mar. 2024
Financial	Business performance						
	Net sales	(Millions of yen)	169,770	121,281	173,701	175,630	204,126
	Operating profit (operating loss)	(Millions of yen)	11,205	(9,057)	1,431	7,326	16,708
	Ordinary profit (ordinary loss)	(Millions of yen)	12,499	(9,116)	1,814	7,115	21,116
	Profit (loss)	(Millions of yen)	6,927	(12,164)	539	4,241	12,414
	Operating profit margin	(%)	6.6	-	0.8	4.2	8.2
	Capital investment	(Millions of yen)	22,632	12,440	9,520	13,338	17,904
	Depreciation and amortization	(Millions of yen)	5,260	4,962	6,070	6,117	6,780
	Financial status						
	Total assets	(Millions of yen)	217,086	239,032	241,723	272,308	270,921
	Cash and deposits	(Millions of yen)	18,303	24,588	37,942	56,027	31,807
	Liabilities	(Millions of yen)	133,131	168,247	171,137	197,728	184,317
	Interest-bearing liabilities	(Millions of yen)	93,444	130,043	136,172	153,932	138,603
	Net assets	(Millions of yen)	83,954	70,784	70,586	74,579	86,604
	Cash flows						
	Cash flows from operating activities	(Millions of yen)	16,460	(17,835)	25,721	7,753	24,083
	Cash flows from investing activities	(Millions of yen)	(22,904)	(10,006)	(16,731)	(6,651)	(31,533)
	Cash flows from financing activities	(Millions of yen)	8,208	34,239	4,130	16,982	(16,792)
	Free cash flow	(Millions of yen)	(6,444)	(27,841)	8,990	1,102	(7,450)
	Indicators per share						
	BPS*1	(Yen)	1,076.62	907.72	905.20	956.14	1,109.91
	EPS*1	(Yen)	88.84	(155.99)	6.91	54.38	159.12
	Dividend per share*1	(Yen)	22.5	10.0	10.0	11.0	24.5
	Financial indicators						
	Equity ratio	(%)	38.7	29.6	29.2	27.4	32.0
	ROE	(%)	8.5	-	0.8	5.8	15.4
	ROA	(%)	6.0	-	0.8	2.8	7.8
	Dividend payout ratio	(%)	25.3	-	144.6	20.2	15.4
Non-financial*2	Number of employees*3	(persons)	2,138	2,166	2,215	2,202	2,344
	Percentage of women in management positions*3	(%)	11.6	11.7	12.7	13.5	15.8
	Average years of service*3	(years)	5.1	6.0	6.5	6.7	6.5
	Average number of paid vacation days taken*3	(days)	8.3	8.1	7.6	9.3	10.4
	Childcare leave take-up rate*3	Female	100	100	100	100	100
		Male	3.0	12.2	40.0	38.1	51.4
	CO <sub>2</sub> emissions	(t-CO <sub>2</sub> )	-	-	121,088	125,585	137,525

\*1 The Company conducted a two-for-one stock split on common shares effective April 1, 2024. Net income per share (net loss per share) has been calculated assuming this stock split had taken place at the start of the fiscal year ended March 31, 2020. The amount of dividends shown also takes into account this stock split.  
\*2 Figures are for Kyoritsu Maintenance Co., Ltd.    \*3 Calculations include regular employees only.

Financial Data

Consolidated Statement of Income			(Millions of yen)	
		FY 3/2023 (April 1, 2022 to March 31, 2023)	FY 3/2024 (April 1, 2023 to March 31, 2024)	
Net sales		175,630	204,126	
Cost of sales		142,871	155,132	
Gross profit		32,758	48,993	
Selling, general and administrative expenses				
Salaries, allowances and bonuses		5,434	5,842	
Welfare expenses		1,147	1,301	
Provision for bonuses		606	1,009	
Provision for bonuses for directors		289	486	
Retirement benefit expenses		131	145	
Provision for retirement benefits for directors		1	2	
Promotion expenses		2,280	2,540	
Outsourcing expenses		2,085	2,504	
Rent expenses		1,361	519	
Commission expenses		10,254	14,733	
Depreciation and amortization		459	551	
Other		1,378	2,649	
Total selling, general and administrative expenses		25,431	32,285	
Operating profit		7,326	16,708	
Non-operating income				
Interest income		109	119	
Dividend income		129	161	
Gain on equity-method investments		-	5,025	
Other		577	497	
Total non-operating income		815	5,804	
Non-operating expenses				
Interest expenses		575	672	
Commission expenses		35	482	
Expenses for measures against novel infectious disease		100	-	
Other		314	240	
Total non-operating expenses		1,026	1,395	
Ordinary profit		7,115	21,116	
Extraordinary income				
Gain on sale of investment securities		18	-	
Total extraordinary income		18	-	
Extraordinary losses				
Loss on valuation of shares of subsidiaries		-	441	
Loss on business withdrawal		-	1,137	
Loss on impairment of non-current assets		345	2,015	
Other		371	453	
Total extraordinary losses		716	4,047	
Net income before taxes		6,417	17,069	
Income taxes		1,309	2,620	
Deferred		866	2,033	
Total income taxes		2,175	4,654	
Profit		4,241	12,414	
Profit attributable to owners of parent		4,241	12,414	



## Consolidated balance sheet

(Millions of yen)

	FY 3/2023 (as of March 31, 2023)	FY 3/2024 (as of March 31, 2024)
Assets		
Current assets		
Cash and deposits	56,027	31,807
Notes and accounts receivable - trade, and contract assets	15,211	17,915
Real estate held for sale	11,750	11,451
Real estate under construction held for sale	6,873	9,643
Costs on uncompleted construction contracts	95	265
Other	8,918	9,367
Allowance for doubtful accounts	(74)	(64)
Total current assets	98,802	80,385
Non-current assets		
Property and equipment		
Buildings and structures	88,893	94,006
Accumulated depreciation	(41,250)	(45,323)
Buildings and structures, net	47,643	48,682
Land	39,862	42,646
Construction in progress	14,811	18,850
Other	19,486	21,766
Accumulated depreciation	(14,849)	(16,643)
Other, net	4,637	5,123
Total property and equipment	106,954	115,303
Intangible fixed assets	4,154	4,487
Investments and other assets		
Investment securities	3,525	15,018
Long-term loans receivable	1,612	526
Guarantee deposits	18,581	18,893
Leasehold deposits	19,915	20,551
Deferred tax assets	5,864	3,525
Other	12,606	12,026
Allowance for doubtful accounts	(113)	(106)
Total investments and other assets	61,991	70,433
Total intangible fixed assets	173,100	190,224
Deferred assets		
Bond issuance costs	405	311
Total deferred assets	405	311
Total assets	272,308	270,921

(Millions of yen)

	FY 3/2023 (as of March 31, 2023)	FY 3/2024 (as of March 31, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,249	9,394
Short-term borrowings	23,947	26,860
Current portion of bonds payable	4,880	4,880
Income taxes payable	865	2,640
Provision for bonuses	1,935	2,928
Provision for bonuses for directors	289	486
Other	28,215	23,936
Total current liabilities	67,383	71,127
Non-current liabilities		
Bonds payable	18,580	13,700
Convertible bonds type bonds with share acquisition rights	30,082	30,052
Long-term borrowings	75,743	62,453
Long-term guarantee deposits received	3,066	3,305
Deferred tax liabilities	23	0
Retirement benefit liability	1,029	986
Provision for retirement benefits for directors	255	258
Provision for loss on business withdrawal	-	1,160
Asset retirement obligations	492	499
Other	1,072	773
Total non-current liabilities	130,345	113,189
Total liabilities	197,728	184,317
Net assets		
Shareholders' equity		
Share capital	7,964	7,964
Capital surplus	12,862	12,920
Retained earnings	53,845	65,167
Treasury shares	(349)	(331)
Total shareholders' equity	74,322	85,721
Accumulated other comprehensive income		
Unrealized holding gain (loss) on securities	160	675
Deferred gain (loss) on hedges	648	692
Foreign currency translation adjustments	(589)	(601)
Remeasurements of defined benefit plans	36	117
Total accumulated other comprehensive income	256	882
Total net assets	74,579	86,604
Total liabilities and net assets	272,308	270,921



**Kyoritsu Maintenance Co., Ltd.**

2-18-8 Sotokanda, Chiyoda-ku, Tokyo 101-8621

