



**Fiscal Year Ended November 30, 2021
Financial Result Explanatory Material**

SAMTY Co., Ltd. (securities code: 3244)



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Fiscal Year Ended November 30, 2021

Overview of Consolidated Financial Statements





Previous Fiscal Year

39th Fiscal Year
(Ended November 30, 2020)

Reflection

Current Fiscal Year

40th Fiscal Year
(Ended November 30, 2021)

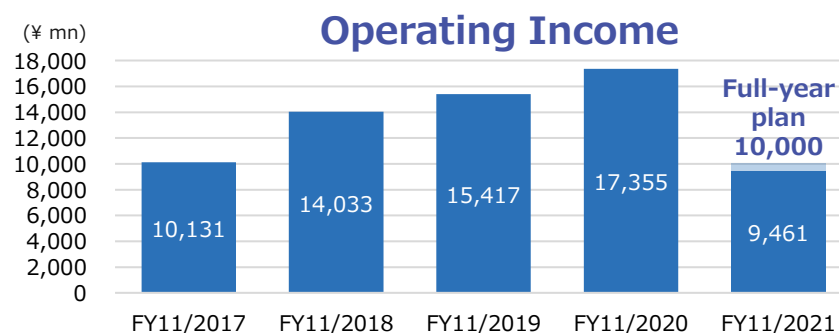
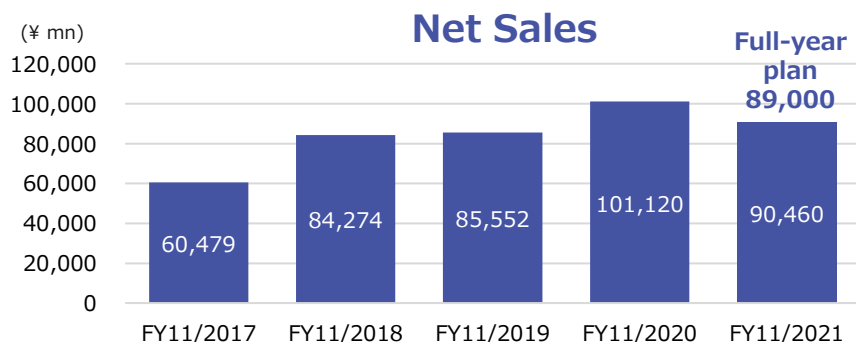
Overview

- (1) **In response to market fluctuations** due to the COVID-19 pandemic, the Samty Group postponed the establishment of the hotel REIT that had been planned and **changed its plans by the replacement of the properties planned to be sold.**
As a result, managed to achieve higher revenue than initially planned, **achieving a record profit for the eighth consecutive fiscal year.**
- (2) Gain on sales from supplying properties to the hotel REIT and accumulation of fees from entrustment with asset management will be from the next fiscal year onward.
- (1) **In January 2021, reviewed the medium-term management plan** with the aim of transforming the profit structure in view of changes in the business environment.
- (2) In the current fiscal year, in order to achieve our investment plan and KPI targets for the next five years, **switched to an “asset-holding” type of business designed to maximize income gains.**
- (3) Had to sell residential properties due to a change in plans in the previous fiscal year. This fiscal year, **focused on replenishing residential properties** to promote asset expansion at an accelerated rate. Strengthened both the acquisition of income properties and land for development.
- (4) Regarding the hotels planned to be sold, **the hotels are planned to be sold in the next fiscal year (41st fiscal year) toward the listing of the hotel REIT.**
Although a period of transition, pushed forward with business activities being strongly particular about net income and EPS.
- (5) Possessing strengths in hotel development and operation, **Wealth Management, Inc. was converted into an entity accounted for using the equity method (equity-method affiliate).**

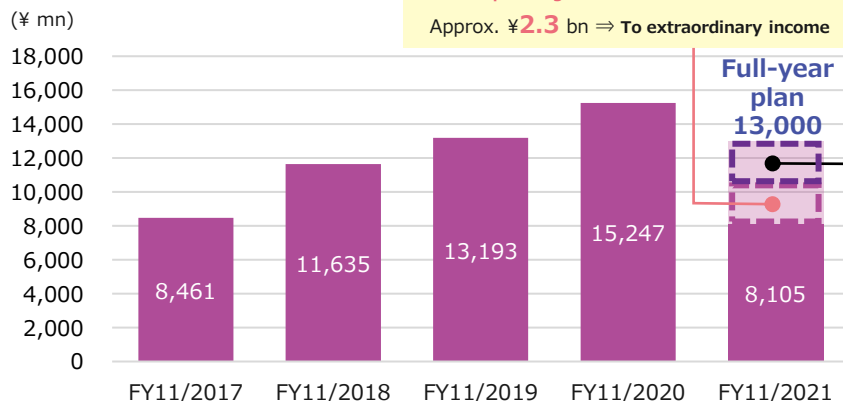
**Implementing structural reforms while maintaining maximization of shareholder return.
Carrying out initiatives aimed at renewing our highest profit and
at continuing to increase dividends consecutively.**

Revised Accounting for Gain on Bargain Purchase in 4Q

- While progress was being made in line with the full-year earnings forecast up to the 3Q, the gain on investment in two hotel investments was subject to review. Non-operating income and extraordinary income were revised. Net income ended up being a slight decrease compared with the previous fiscal year.



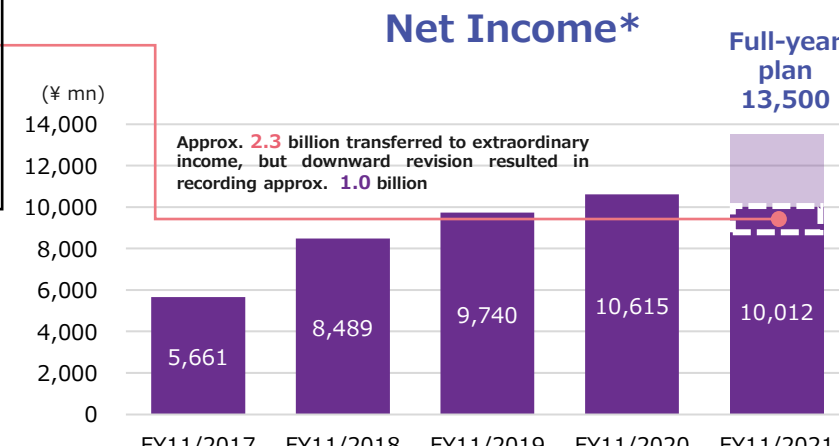
Ordinary Income



(2) Shangri-La Kyoto Nijojo Special Purpose Company
Share of profit of entities accounted for using equity method
Approx. ¥2.7 bn ⇒ Conservatively postponed recording

Contribute as income from the next fiscal year onward

(1) R&K Limited
Non-operating income from business combination
Approx. ¥2.3 bn ⇒ To extraordinary income



*Profit attributable to owners of parent

- As a result of promoting business from the perspective of purchasing in advance through transformation of the profit structure, net sales and the various stages of profit decreased temporarily compared with the previous fiscal year.
- As the revised accounting for gain on bargain purchase in the 4Q decreased non-operating income by approximately ¥2.3 billion and extraordinary income by approximately ¥2.7 billion, notices on the differences were released on the date of the announcement of financial results. Ordinary income and net income fell below the full-year forecast disclosed at the end of September.

(Unit: Millions of yen)	FY11/2020		FY11/2021		Year on Year		FY11/2021 Full-Year Forecast	
	Result	Ratio	Result	Ratio	Amount of increase/decrease	Rate of increase/decrease	Before announcing differences	Rate of achievement
Net sales	101,120	100.0	90,460	100.0	-10,660	-10.5%	89,000	101.6%
Cost of sales	73,456	72.6	72,606	80.3	-850			
Selling, general and administrative expenses	10,308	10.2	8,392	9.3	-1,916			
Operating income	17,355	17.2	9,461	10.5	-7,894	-45.5%	10,000	94.6%
Non-operating income	139	0.1	2,134	2.4	1,995			
Non-operating expenses	2,246	2.2	3,491	3.9	1,245			
Ordinary income	15,247	15.1	8,105	9.0	-7,142	-46.8%	13,000	62.3%
Extraordinary income	203	0.2	4,307	4.8	4,104			
Extraordinary loss	108	0.1	201	0.2	93			
Profit attributable to owners of parent	10,615	10.5	10,012	11.1	-603	-5.7%	13,500	74.2%
Net income per share (yen)	261.23	-	242.52	-	-18.71	-7.2%	326.98	-

(Note) Concerning net income per share in the consolidated earnings forecast for the fiscal year ending November 2021, we are considering the use of convertible bond-type bonds with stock acquisition rights, as described in the "Notice Concerning Completion of First Conversion of Unsecured Convertible Bond-Type Bonds with Stock Acquisition Rights" announced on September 30 (Japanese only).

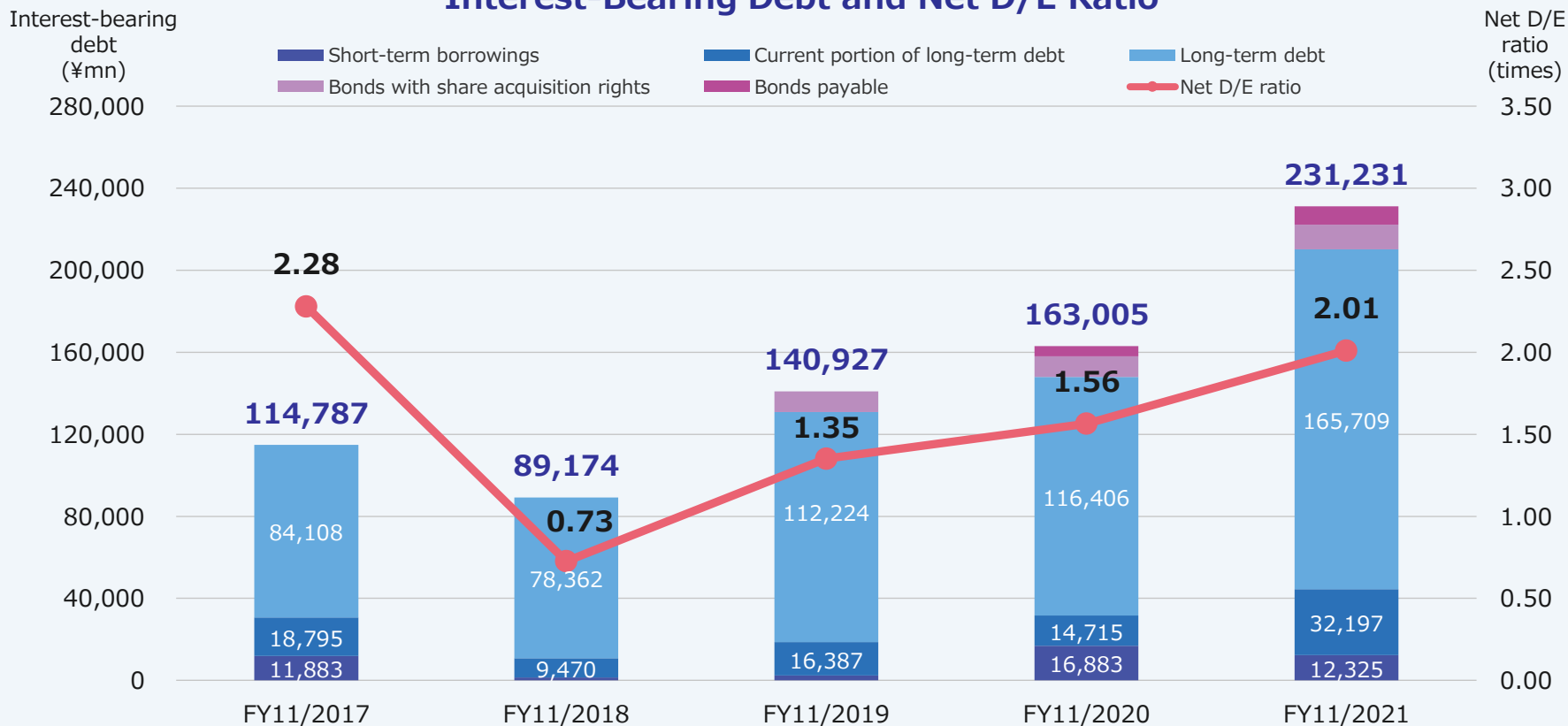
- Steadily carrying out accumulation of assets. The policy is to proactively acquire land for development and income properties while emphasizing capital efficiency, financial discipline, etc.

(Unit: Millions of yen)	FY11/2020 Result	FY11/2021 Result	Amount of Increase/Decrease
Total assets	250,864	349,194	98,330
Current assets	158,608	225,094	66,486
Cash and deposits	42,511	41,646	-865
Real estate for sale	58,265	107,875	49,610
Real estate for sale under construction	42,512	71,075	28,562
Non-current assets	92,255	124,048	31,792
Property and equipment	71,938	91,306	19,367
Intangible assets	143	426	282
Investments and other assets	20,173	32,315	12,141
Total liabilities	173,164	246,166	73,002
Current liabilities	39,497	54,618	15,121
Short-term borrowings	16,883	12,325	-4,558
Current portion of long-term debt	14,715	32,197	17,481
Non-current liabilities	133,666	191,547	57,880
Long-term debt	116,406	165,709	49,303
Bonds payable	5,000	9,000	4,000
Bonds with share acquisition rights	10,000	12,000	2,000
Net assets	77,699	103,028	25,328
Total liabilities and net assets	250,864	349,194	98,330
Interest-bearing debt	163,005	231,231	68,226
Shareholders' equity	76,945	93,336	16,391
Equity ratio (%)	30.7%	27.0%	-3.7%

Main Reasons for Increase/Decrease	
◇Real estate for sale	
Property acquisitions	+62,993 million
Transfers and other	+49,497 million
Property sales	-62,846 million
◇Real estate for sale under construction	
Acquisition of land for development, and building costs	+66,185 million
Transfers and other	-37,616 million
◇Property and equipment	
Acquisition of income properties	+33,841 million
Transfers and other	-14,473 million
◇Shareholders' equity	
Conversion of convertible bonds	+8,852 million
Net income	+9,970 million
Dividend payments	-3,344 million
Treasury stock	+883 million

- Continuing to make growth investments while paying close attention to financial discipline. With the increase in borrowings, promoting the staggering of debt maturities and reduction of the average borrowing interest rate.
- The average long-term borrowing period is 13.2 years, the average borrowing interest rate is 1.12%, of which the borrowing period is 14.4 years, and the borrowing average interest rate is 1.13% for income properties.

Interest-Bearing Debt and Net D/E Ratio



(Note) Net debt equity ratio = (Interest-bearing debt - Cash and deposits) / Equity

Fiscal Year Ended November 30, 2021

Overview by Segment



[Real Estate Development Business]

Holding off on selling assets with the promotion of the strategy to “develop and own” designed to maximize income gains led to sales decreasing for this segment, but sales for the other segments were on an increasing trend.

[Real Estate Leasing Business]

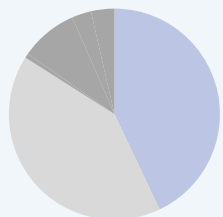
Both sales and income fell slightly short of the full-year plan due to the impact of selling numerous rental condominiums in the previous fiscal year.

[Hotel Business]

Sales decreased due to the impact of COVID-19. Promotion of strategic initiatives for recovery in business performance underway.

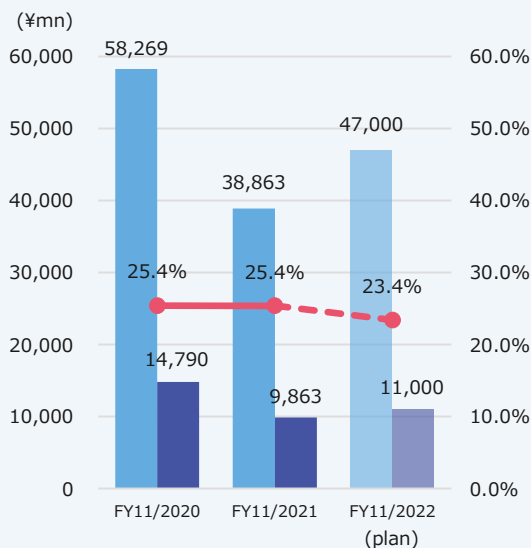
(Unit: Millions of yen)	FY11/2020		FY11/2021		Year on Year		Full-Year Forecast	
	Result	Operating profit ratio	Result	Operating profit ratio	Amount of increase/decrease	Rate of increase/decrease	Before announcing differences	Rate of achievement
Net sales	101,120	-	90,460	-	-10,660	-10.5%	89,000	101.6%
Real Estate Development Business	58,269	-	38,863	-	-19,405	-33.3%	38,500	100.9%
Real Estate Solution Business	30,361	-	37,128	-	6,766	+22.3%	37,000	100.3%
Overseas Business	499	-	595	-	95	+19.1%	500	119.0%
Real Estate Leasing Business	7,787	-	7,949	-	162	+2.1%	8,300	95.8%
Hotel Business	2,089	-	2,784	-	695	+33.3%	2,600	107.1%
Real Estate Management Business	2,863	-	3,845	-	982	+34.3%	2,900	132.6%
Adjustment	-750	-	-707	-	43	-	-800	-
Operating income	17,355	17.2%	9,461	10.5%	-7,894	-45.5%	10,000	94.6%
Real Estate Development Business	14,790	25.4%	9,863	25.4%	-4,926	-33.3%	10,100	97.7%
Real Estate Solution Business	3,682	12.1%	3,042	8.2%	-640	-17.4%	3,000	101.4%
Overseas Business	385	77.2%	298	50.1%	-87	-22.6%	270	110.4%
Real Estate Leasing Business	4,109	52.8%	3,779	47.5%	-329	-8.0%	4,650	81.3%
Hotel Business	-641	-	-2,596	-	-1,955	-	-2,590	-
Real Estate Management Business	308	10.8%	550	14.3%	241	+78.6%	470	117.0%
Adjustment	-5,279	-	-5,475	-	-196	-	-5,900	-

Real Estate Development Business

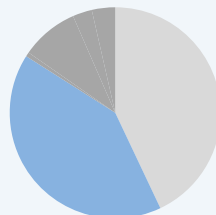


Sales composition ratio:
42.9%

- Achieved the full-year sales plan.
- The decrease in segment sales is due to transformation of the business model to switch to owning after development.
- A certain level of flow-type business (transaction-based) revenue from property sales to REITs and such continues to be expected.

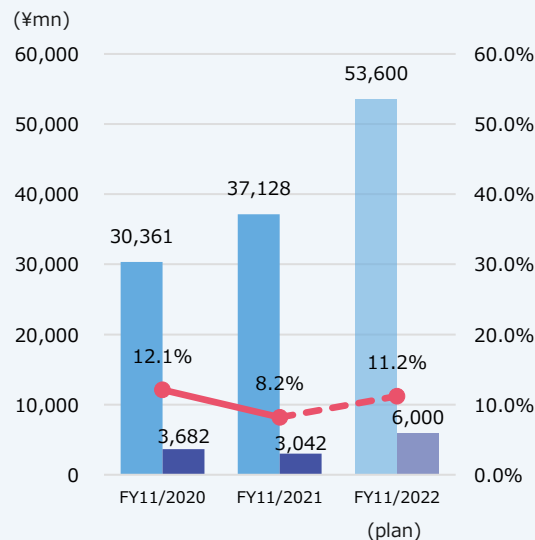


Real Estate Solution Business

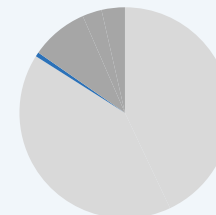


Sales composition ratio:
41.0%

- Achieved the full-year sales plan.
- Segment sales increased by approximately ¥7.0 billion compared with the previous fiscal year. Landed at approximately ¥3.0 billion in terms of segment income.
- Like the Development Business, will keep continuing to sell to REITs and such as exits.

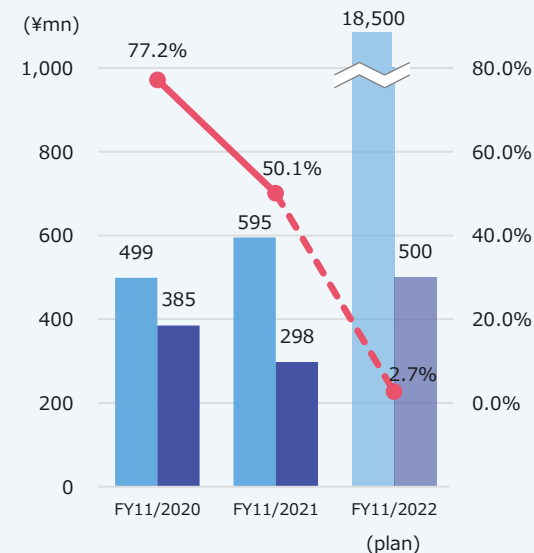


Overseas Business



Sales composition ratio:
0.7%

- The investment in a Ho Chi Minh real estate company operating development and leasing businesses we have been investing in through a fund since 2016 has been redeemed.
- Expecting to record income from THE SAKURA PROJECT from the next fiscal year onward.



■ Net sales ■ Segment income ● Segment operating profit ratio

(Note) Net sales for the sales composition ratio is calculated based on the amount of net sales to third parties

- The full-year result in the acquisition of land for development was 61 properties or approximately ¥28.0 billion based on the total acquisition amount.
The above is the **result excluding hotel development projects acquired through SPCs**. When this portion is factored in, the **plan for acquisition of land for development has been achieved by a rate exceeding 100%**.
- Purchasing for FY11/2022 onward also off to a smooth start with acquisition of land for development of 34 properties or approximately ¥15.5 billion planned to be settled one after another.

Land for development: Based on acquisition amount (Rate of achievement)

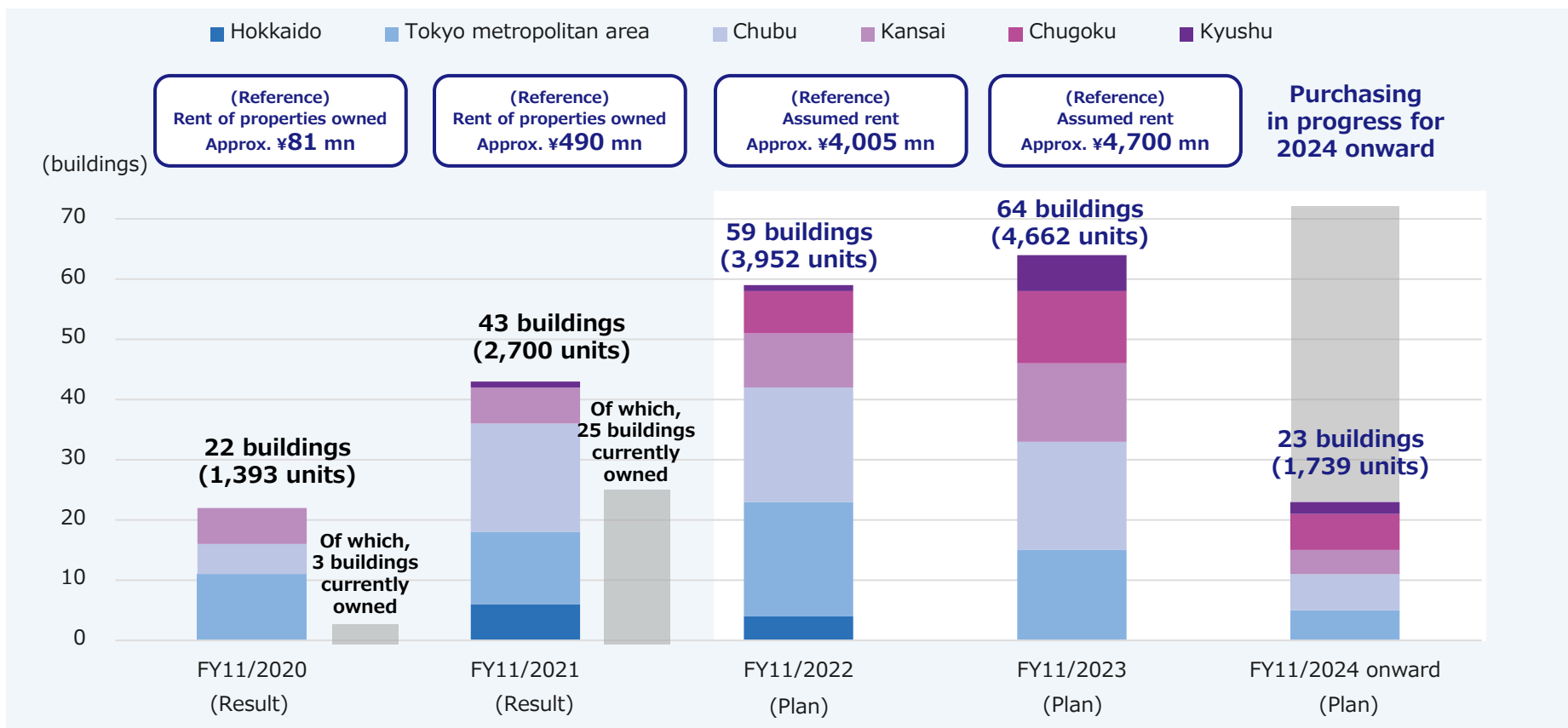
FY11/2021			Planned Settlement (Contracted + Sold)	FY11/2022	
Full-year plan	Result	Rate of achievement		Full-year plan	Rate of progress
¥39.7 bn	¥28.0 bn	70.5%	¥15.5 bn	¥45.0 bn	34.4%

(Note) Outperforming the purchasing plan when factoring for the actual amount having been calculated by excluding Six Senses Kyoto and Shangri-La Kyoto Nijojo Project (tentative name), which are projects acquired through SPCs for which the amounts have not been disclosed.

Land for development: Based on number of acquisitions (by region)

	Hokkaido	Tokyo metropolitan area	Chubu	Kansai	Chugoku	Kyushu	Total
FY11/2021 Acquisition result	3	18	13	12	10	5	61
FY11/2022 Settled or yet to be settled	4	8	10	4	5	3	34
Total	7	26	23	16	15	8	95

- In FY11/2021, 43 residential buildings (2,700 units) have been completed. A **total of 146 buildings (approximately 10,353 units)** are under or in the planning for development in cities nationwide to follow.
- Can expect synergistic effects leading to greater income gains ahead through the strategy of owning for a certain period after development.



(Note 1) Total of development plan/result for S-RESIDENCE and investment unit sales in lots.

(Note 2) Rental income for properties with completion in FY11/2020 and FY11/2021 are calculated based on the total amount of the FY11/2021 rental income of properties owned. (The number of buildings owned in FY11/2021 includes properties yet to commence occupancy.) Rental income for properties with completion in FY11/2022 and FY11/2023 are calculated based on the amount of rent assumed for the project on the basis of full occupancy.

- Hida Takayama Hotel Project is slated for completion in FY11/2022.
- Added Odori-Nishi 5-Chome Office Building Project (Sapporo) as an upcoming project for office building development.

Type	FY Start	Project Name (Tentative name)	Location	No. of Units	Planned Opening (completion)
HOTEL	2022	Hida Takayama Hotel Project (tentative name)	Takayama-shi, Gifu	161 (planned)	Winter 2022
	2023 onward	Haneda Hotel Project (tentative name)	Ota-ku, Tokyo	363 (planned)	Fall 2023
		SIX SENSES Kyoto	Higashiyama-ku, Kyoto	81 (planned)	Spring 2024
		Shangri-La Hotel Kyoto Nijojo Project (tentative name)	Kamigyo-ku, Kyoto	80—100 (planned)	Spring 2025
Total: 4 buildings			685—705 (planned)		
Office	2023 onward	Nakamura-Ku Noritake 1-Chome Office Building Project (tentative name)	Nakamura-ku, Nagoya-shi	-	2024
		Odori-Nichi 5-Chome Office Building Project (tentative name)	Chuo-ku, Sapporo-shi	-	2024
Total: 2 buildings			-		

(Note) The above development plan figures are as of the date of this document and may change in the future.



Six Senses Kyoto
Exterior



Six Senses Kyoto
Guest room (Presidential Suite)



Shangri-La Hotel Kyoto Nijojo Project (tentative name)
Exterior

(Note) The images are renderings of the completed project still in the consideration stage and may change in the future.

- Sold 24 properties in the Real Estate Development Business and 33 properties in the Real Estate Solution Business for a total of 57 properties.
Of this, a total of 26 properties (Development Business: 5 properties; Solution Business: 21 properties) were supplied to Samty Residential Investment Corporation.
- A total of 31 properties (Development Business: 19 properties; Solution Business: 12 properties), including 2 hotels, were sold to third parties.
- The sales result was achievement of the full-year plan at a rate of 101.8% based on the number of buildings.

Based on number of sales (Rate of achievement)

Segment	Full-year Plan	FY11/2021	
		Result	Rate of achievement
Real Estate Development Business	23	24	104.3%
(S-RESIDENCE)	(19)	(19)	-
(Investment unit sales in lots)	(2)	(2)	-
(Hotel and other)	(2)	(3)	-
Real Estate Solution Business	33	33	100.0%
Total	56	57	101.8%



Based on number of sales (by region)

Segment/Region	Hokkaido	Tokyo metropolitan area	Chubu	Kansai	Kyushu	Total
Real Estate Development Business	1	10	8	5	-	24
(S-RESIDENCE)	(1)	(8)	(8)	(2)	-	(19)
(Investment unit sales in lots)	-	(1)	-	(1)	-	(2)
(Hotel and other)	-	(1)	-	(2)	-	(3)
Real Estate Solution Business	2	13	9	5	4	33
Total	3	23	17	10	4	57



- With social distancing easing in Vietnam, progress in sales is roughly as planned as per segment performance. Currently in initial sales, applications for the V8 building (684 units + shophouse 19 units) hit 368 units in total by January 2022.
- On the upcoming schedule is the launch of sales for the V9 building (1,103 units + shophouse 23 units), which is scheduled to become the second completed building.

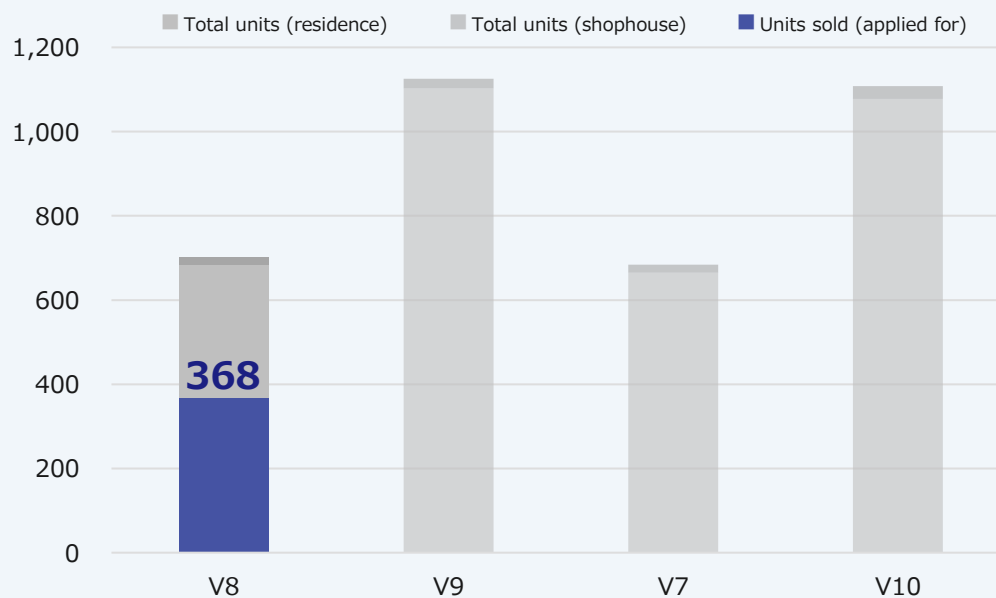


Entrance (artist's impression)



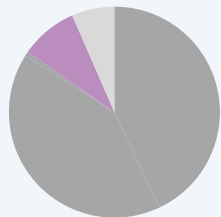
Japanese garden (artist's impression)

Timing of Delivery and Status of Sales (As of End of Jan. 2022)



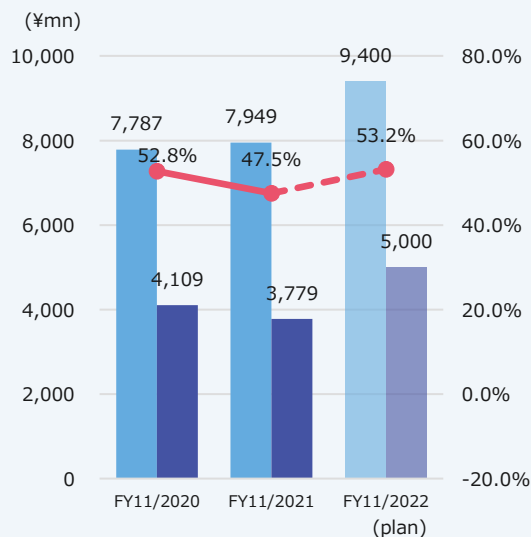
Delivery	Fall 2022 plan	Fall 2022 plan	Fall 2023 plan	Fall 2023 plan
Status of sales	Currently for sale	Not yet for sale	Not yet for sale	Not yet for sale

Real Estate Leasing Business

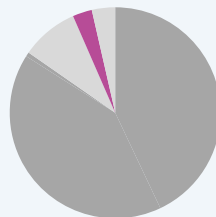


Sales composition ratio:
8.8%

- Segment sales increased and income decreased. This was due to having sold numerous rental condominiums at the end of FY11/2020.
- Will work to accelerate growth of this business as it is a key one in the expansion of income gains.

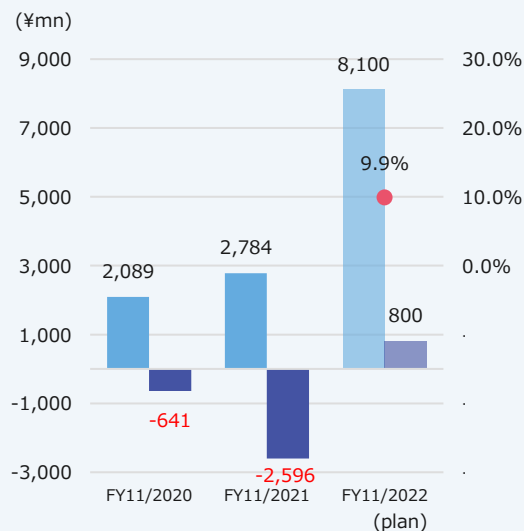


Hotel Business

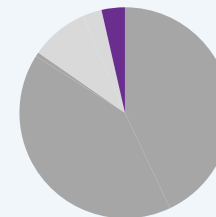


Sales composition ratio:
3.0%

- Operating loss resulted from the impact of the declarations of a state of emergency and equivalent restrictions on movement being issued for over 80% of the consolidated accounting period.
- Demand is expected to recover going forward as the flow of people that had been stagnant becomes more active.

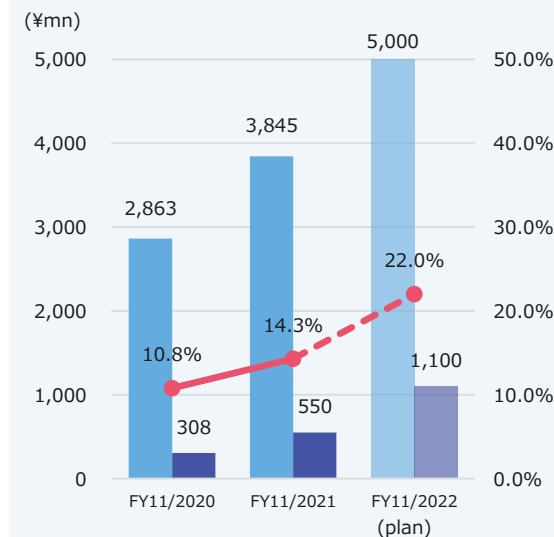


Real Estate Management Business



Sales composition ratio:
3.6%

- Both segment sales and income increased due to asset management (AM) and property management (PM) fees increasing with the expansion of asset size of the residential REIT.
- Will keep further expanding non-asset-based income with the hotel REIT's formation and expansion of asset size.



■ Net sales ■ Segment income ● Segment operating profit ratio

(Note) Net sales for the sales composition ratio is calculated based on the amount of net sales to third parties

- Acquired income properties in major cities across Japan of 49 properties or approximately ¥42.1 billion. The above is **the result excluding a hotel acquired through an SPC**. When this portion is factored in, **the plan for acquisition of income properties has been achieved by a rate exceeding 100%**.
- Purchasing for FY11/2022 onward also off to a smooth start with acquisition of income properties of 34 properties or approximately ¥27.3 billion settled or planned to be settled one after another.

Income Properties: Based on acquisition amount (Rate of achievement)

FY11/2021			Planned Settlement (Contracted + Acquired)	FY11/2022	
Full-year plan	Result	Rate of achievement		Full-year plan	Rate of progress
¥48.0 bn	¥42.1 bn	87.7%	¥27.3 bn	¥49.5 bn	55.2%

(Note) Outperforming the purchasing plan when factoring for the actual acquisition amount and the number of acquisitions having been calculated by excluding Aloft Osaka Dojima, which is an income property acquired through an SPC for which the amount has not been disclosed.

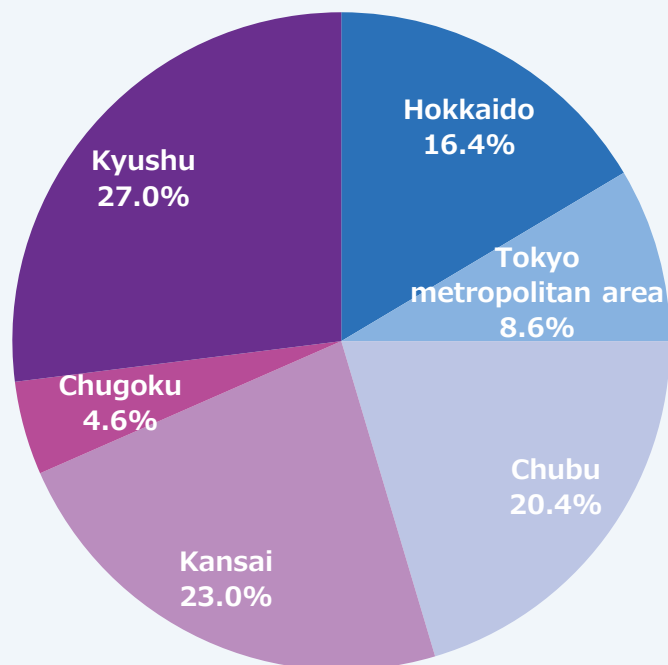
Income Properties: Based on number of acquisitions (by region)

	Hokkaido	Tokyo metropolitan area	Chubu	Kansai	Chugoku	Kyushu	Total
FY11/2021 Acquisition result	6	14	9	8	1	11	49
FY11/2022 Settled or yet to be settled	8	6	5	6	5	4	34
Total	14	20	14	14	6	15	83

(Note) The acquisition amount and the number of acquisitions are calculated by excluding Aloft Osaka Dojima, which was acquired through an SPC.

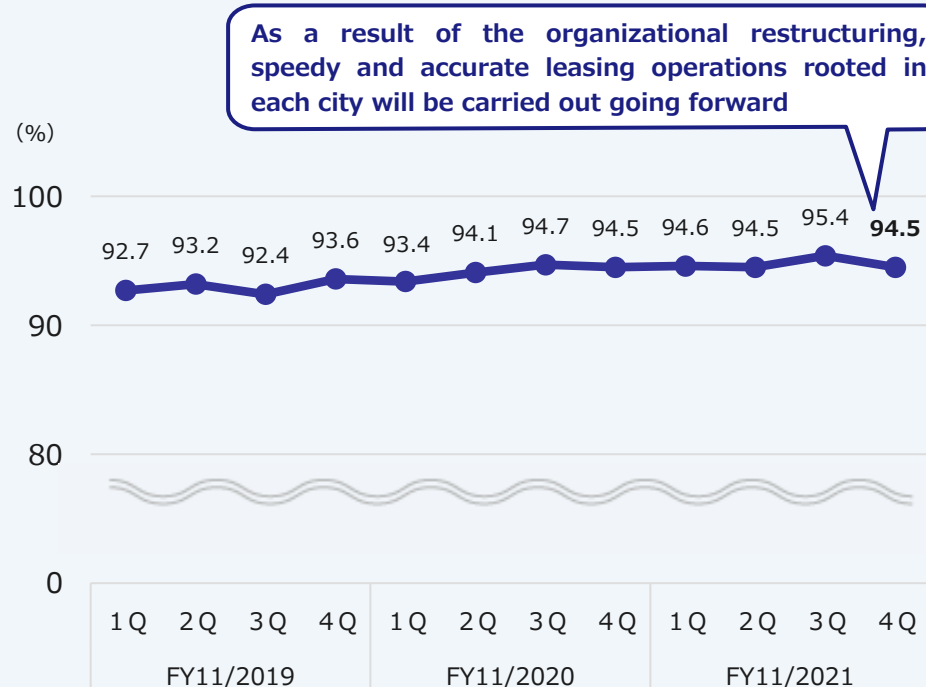
- We possess a well-balanced portfolio by holding rental real estate diversified across major cities throughout the country.
- Residential occupancy rates maintained at levels of around 95%. Will continue to strive for continuously stable earnings insusceptible to economic fluctuations.
- Effective FY11/2022, the leasing management business operations (leasing sales, management, etc.) are consolidated to a division newly established at Samty Asset Management Co., Ltd.

Asset Holdings by Region



(Note) As of November 30, 2021. Aggregated based on the total floor area of real estate for sale and non-current assets owned by the Samty Group on a consolidated basis.

Residential Occupancy Rates



(Note) Average occupancy rate at end of each quarter
Total floor area basis (weighted average): Total leased area of each property / Total leasable area

* Excluded from the aggregation are special properties, such as newly built properties or properties that are acquired that have not passed a certain period of time.

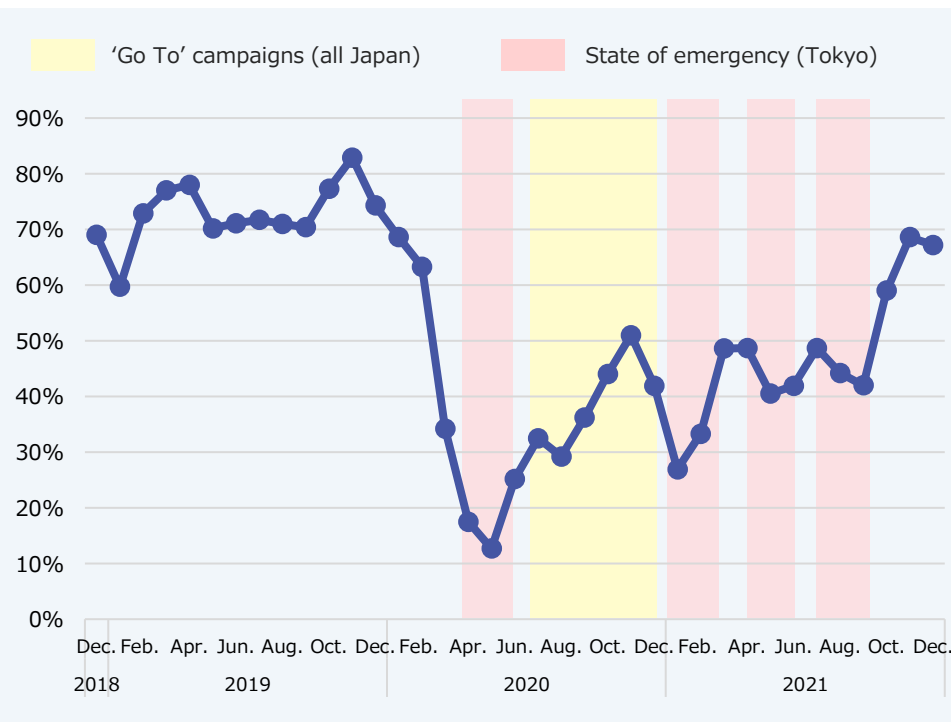


- Continued to be at a standstill due to restricted social and economic activities with the declaration of a state of emergency being extended mainly in urban areas, but occupancy rates recovered to generally levels above 60% from October 2021 onward after the lifting of the declaration.
- As the Samty Group recognizes the environment to be one in which there are expectations for recovery in the lodging and tourism markets with the resumption of 'Go To Travel' and such to the extent exceeding the sense of uncertainty over the future due to COVID-19 variants, enhancement of profitability will be aimed by continuing to keep making selective investment as a growth engine from a long-term perspective.

Hotels in Which Samty Is Involved (In Order of Acquisition/Development)

No.	Region	Hotel name	Rooms	Remark
1	Tokyo metropolitan area	Center Hotel Tokyo	108	Owned
2	Kansai	Amano Hashidate Hotel (including Auberge)	86	Owned
3	Kanto	HOTEL SUNSHINE UTSUNOMIYA	160	
4	Kyushu	S-PERIA HOTEL Nagasaki	155	
5	Kansai	GOZAN	21	Owned
6	Kyushu	S-PERIA HOTEL Hakata	287	Developed
7	Tokyo metropolitan area	S-PERIA INN Nihombashihakozaki	114	Developed
8	Kansai	S-PERIA INN Osakahommachi	125	Developed
9	Kansai	S-PERIA HOTEL Kyoto	165	Developed and Owned
10	Chugoku	NEST HOTEL HIROSHIMA HATCHOBORI	126	Owned
11	Chugoku	NEST HOTEL HIROSHIMA STATION	84	Owned
12	Kansai	Mercure Kyoto Station	225	Developed
13	Chubu	Ibis Styles Nagoya	284	Developed and Owned
14	Kansai	Agora Kyoto Karasuma	140	Developed
15	Kansai	Agora Kyoto Shijo	80	Developed
16	Kansai	Aloft Osaka Dojima	305	Owned
17	Kyushu	S-PERIA HOTEL Fukuoka Nakasu	87	Developed and Owned
18	Kansai	Oakwood Hotel Kyoto Oike	120	Developed and Owned
Total		18 hotels	2,672 rooms	

Average Occupancy Rates



(Note) Calculated based on a weighted average of the average occupancy rate of each hotel in which Samty is involved. The number of properties is aggregated based on data as of the end of each month. Excluded from the aggregation are properties that have not passed one year after newly opening.

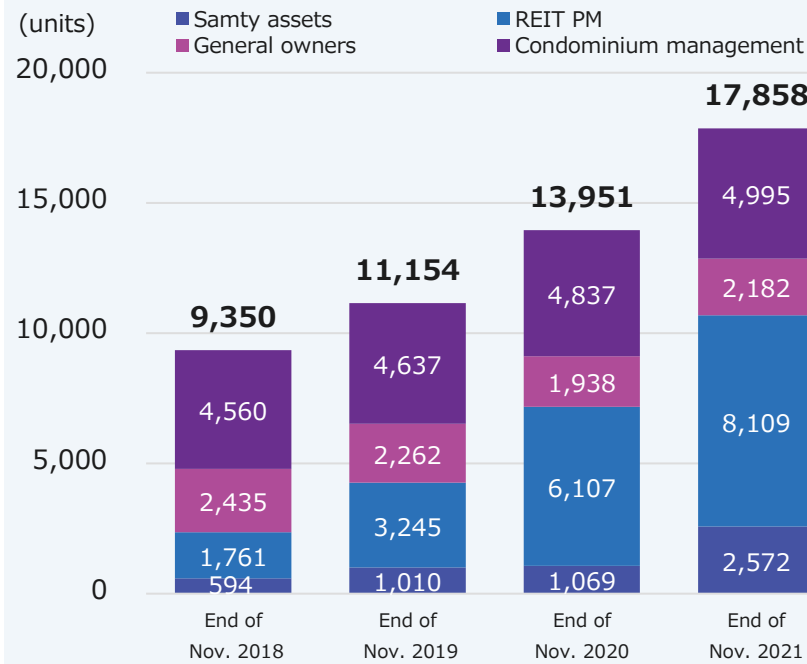
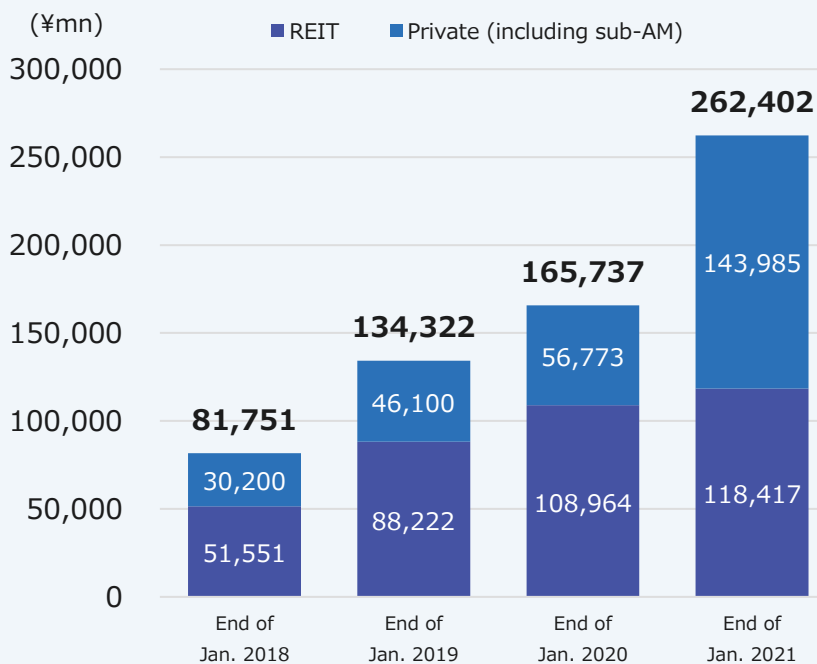
- With the increase in assets under sub-AM (asset management) accompanying the residential REIT's asset expansion and the hotel REIT's formation, AUM more than tripled over three years.
- The policy is to keep continuing to work to expand asset size through the sponsor support of the Samty Group.



- With the increase in the Samty Group's rental real estate and AUM, the number of units under PM (property management) expanded to approximately a two-fold level over three years.
- Further growth is expected going forward under the strategy to expand Group assets by carrying out the plans of the medium-term management plan.

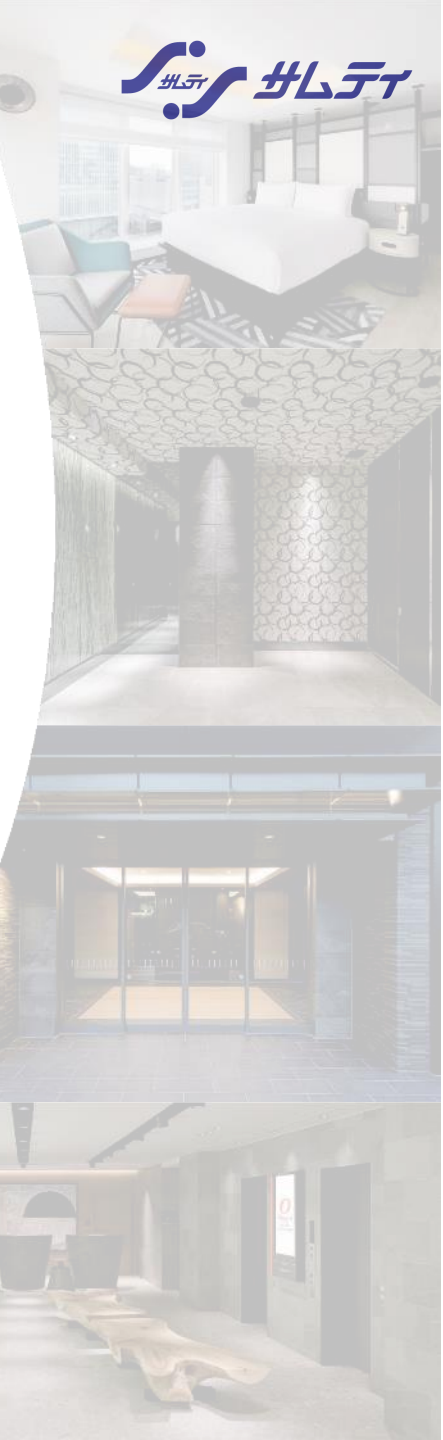
AUM

Number of Units Under Management



Fiscal Year Ended November 30, 2021

Topics and Future Initiatives



- In November 2021, a hotel REIT, Samty Japan Hotel REIT, Inc., was established and the various notifications filed.
- The Samty Group conducts same-boat investment in the REIT as the second one for which the Group serves as the main sponsor.
- Going forward, Samty Asset Management Co., Ltd., the asset management company, will be advancing preparations for listing on the Tokyo Stock Exchange.

Outline of the REIT

Trade name	Samty Japan Hotel REIT, Inc.
Location.	1-8-3 Marunouchi, Chiyoda-ku, Tokyo
Investor of capital at incorporation	Samty Co., Ltd.: 100% stake
Organizer and asset management company	Samty Asset Management Co., Ltd.
Executive director	Setsuo Ito Director and Head of Hotel REIT Division Samty Asset Management Co., Ltd.

Schedule



<Response of the Samty Group>

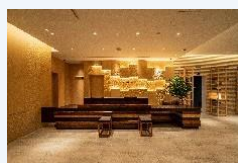
Pursue talks on joint sponsorship with Wealth Management, Inc. (WM), an equity-method affiliate. Consider selling mainly properties that are in operation, joint development projects with WM, etc. as assets to be incorporated into the portfolio, and pursue talks so as to contribute to also expansion of income for the Samty Group.

- Efforts will be made to strengthen the earning power of the hotels in which the Samty Group is involved, focusing mainly on properties that are in operation, and contribute to ongoing and attractive asset expansion for the REIT through pipeline support.

Properties available for pipeline support to hotel REIT: Scale of approx. ¥340.0 billion in total assets

(Note) The amount is an estimate made by Samty. There is no guarantee that all of the following properties will be provided to the REIT.

**In operation
(13 properties)**



S-PERIA HOTEL
Fukuoka Nakasu



S-PERIA HOTEL
Hakata



S-PERIA HOTEL
Kyoto



Oakwood Hotel
Kyoto Oike



S-PERIA INN
Nihombashihakozaki



S-PERIA INN
Osakahommachi



Mercure
Kyoto Station



Ibis Styles
Nagoya



S-PERIA HOTEL
Nagasaki



Center Hotel
Tokyo



GOZAN
(Kyoto)



NEST HOTEL
HIROSHIMA HATCHOBORI



NEST HOTEL
HIROSHIMA STATION

**Projects under development
(5 properties)**



Shangri-La Hotel Kyoto Nijojo
Project (tentative name)



SIX SENSES Kyoto

Haneda
Hotel Project

Hida Takayama
Hotel Project

Kanazawa
Hotel Project

**Sold / Preferential negotiation
(2 properties)**



Agora
Kyoto Karasuma



Agora
Kyoto Shijo

**WM preferential
negotiation
(10 properties)**



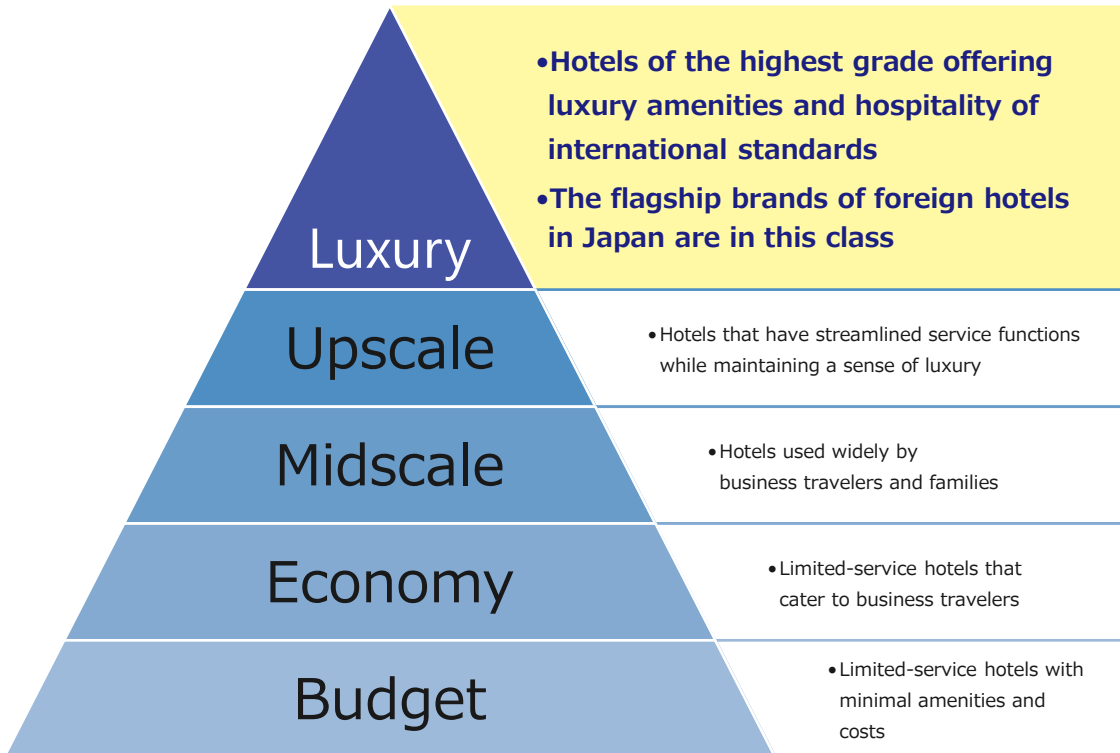
**Preferential negotiation
rights granted on
properties owned
by WM**

**Planned as pipeline
support properties for
incorporation into
the portfolio**

*Details up for future
discussion

- In Japan, hotels in the luxury class are in short supply compared with other countries and increasing affluent/luxury travelers that spend on enjoying culture visiting places of interest in Japan is key to the promotion of Japan as a tourism-oriented country as are shown in even sources such as government materials.
- Against such a backdrop, the Samty Group **is proactively embarking on joint projects with foreign hotel chains, starting from this fiscal year, based on the thinking that supplying high-quality hotels in regional areas would spark spending from high-net-worth individuals and thereby serve to become a driver of regional economic revitalization.** Proactive involvement will be made in also developing popular tourism destinations and drawing customers to existing tourist attractions, with the hotels to be supplied in the future at the core.

Market Classes



Luxury Hotels Slated for Development



New Inclusion in JPX-Nikkei Index 400

Newly selected as a constituent
of the **JPX-Nikkei Index 400**,
effective August 31, 2021.

A stock index composed of
“companies with high appeal for investors,”
inclusion in which is through a review of constituents
by scoring based on ROE, operating income,
market capitalization and qualitative factors.
Inclusion in also the already included
JPX-Nikkei Mid and Small Cap Index continues.



Transition to TSE Prime Market Decided

Of the new market segments of Tokyo Stock Exchange,
transition to which is scheduled for April 4, 2022,
decision has been made to
transition to the **Prime Market**
as per the initial selection application results.

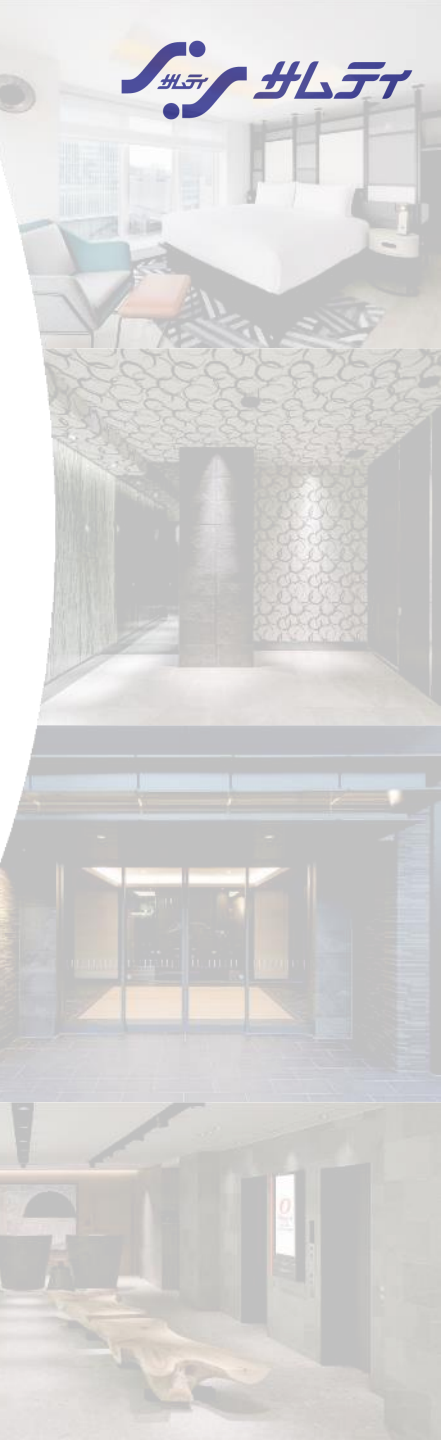
The market segment will be changed having met
all the listing requirements (liquidity, corporate
governance, business performance and financial status)
for that market.



**We will strive to further enhance corporate value to meet the expectations of investors
amid garnering attention from a wide range of investors more than ever before
at the milestone of marking the 40th anniversary of our founding and 15 years since listing.**

Fiscal Year Ending November 30, 2022

Consolidated Earnings Forecast



Plan is net sales of ¥140.0 billion, operating income of ¥18.0 billion, and ordinary income of ¥15.0 billion

- Sales plan

Real Estate Development Business:	Sell 27 properties; Net sales: Approx. ¥47.0 billion
Real Estate Solution Business:	Sell 24 properties; Net sales: Approx. ¥53.6 billion
- Investment plan

Acquisition of land for development:	Approx. ¥45.0 billion;
Acquisition of income properties:	Approx. ¥49.5 billion
- Shareholder returns **Interim: ¥39; Year-end: ¥51** (plan to pay dividend of **¥90** per share)

(Unit: Millions of yen)	FY11/2021	
	Full-year result	Ratio (Profit ratio)
Net sales	90,460	100%
Real Estate Development Business	38,863	43.0%
Real Estate Solution Business	37,128	41.0%
Overseas Business	595	0.7%
Real Estate Leasing Business	7,949	8.8%
Hotel Business	2,784	3.1%
Real Estate Management Business	3,845	4.3%
Adjustment	-707	-
Operating income	9,461	10.5%
Real Estate Development Business	9,863	25.4%
Real Estate Solution Business	3,042	8.2%
Overseas Business	298	50.1%
Real Estate Leasing Business	3,779	47.5%
Hotel Business	-2,596	-
Real Estate Management Business	550	14.3%
Adjustment	-5,475	-
Ordinary income	8,105	9.0%
Net assets	10,012	11.1%
Dividends per share (yen)	90.00	-
Net income per share (yen)	242.52	-

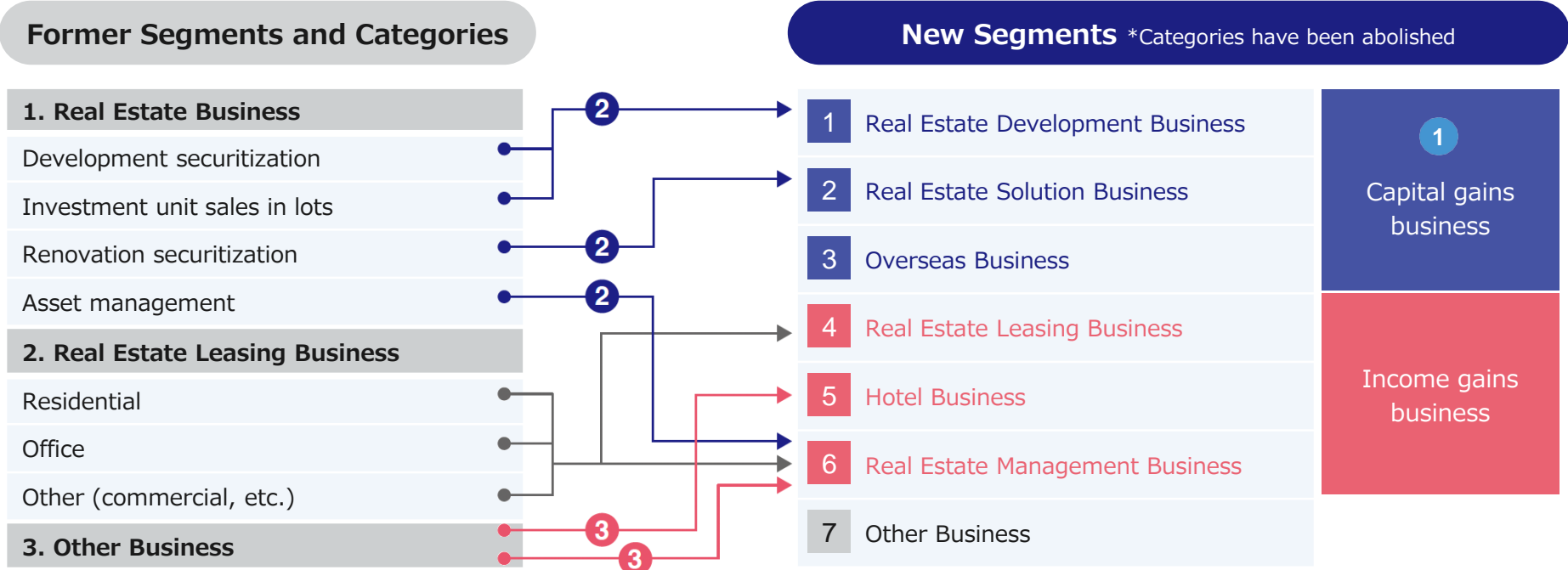
FY11/2022		Year on year	
Full-year forecast	Ratio (Profit ratio)	Amount of increase/decrease	Rate of increase/decrease
140,000	100%	49,540	+54.8%
47,000	33.6%	8,137	+20.9%
53,600	38.3%	16,472	+44.4%
18,500	13.2%	17,905	+3,009%
9,400	6.7%	1,451	+18.3%
8,100	5.8%	5,316	+190.9%
5,000	3.6%	1,155	+30.0%
-1,600	-	-893	-
18,000	12.9%	8,539	+90.3%
11,000	23.4%	1,137	+11.5%
6,000	11.2%	2,958	+97.2%
500	2.7%	202	+67.8%
5,000	53.2%	1,221	+32.3%
800	9.9%	3,396	-
1,100	22.0%	550	+100.0%
-6,400	-	-925	-
15,000	10.7%	6,895	+85.1%
10,200	7.3%	188	+1.9%
90.00	-	0.0	-
219.50	-	-23.0	-9.5%

State of Progress in Medium-Term Management Plan



Segments have been reclassified for the purpose of clearly showing the progress toward achievement of the medium-term management plan.

Starting from the FY11/2021 financial results announcement (January 14, 2022), information disclosure, including those for prior fiscal years, is made based on the following new segments.



1 Detailed presentation of capital gains and income gains, which had been mixed in the former segments

2 Of the former Real Estate Business categories, development securitization and investment unit sales in lots have been integrated as the Real Estate Development Business, renovation securitization split off as the Real Estate Solution Business, and asset management consolidated into the Real Estate Management Business

3 The former Other Business segment has been split into the Hotel Business and the Real Estate Management Business

Made investments exceeding one-third of the ¥750.0 billion investment plan in initial fiscal year of the plan

- In accordance with the updating of the Samty Toughening Plan (Post-COVID Version), we are promoting a new plan launched in the current fiscal year and making growth investments.
- The total investment amount over the five years (2021–2025) is approximately ¥750.0 billion. The cumulative total investment amount as of the end of the current fiscal year was approximately ¥288.7 billion (rate of progress: 38.5%), making investments exceeding one-third of the investment plan in the initial fiscal year of the plan. The rate of progress by theme is as follows:

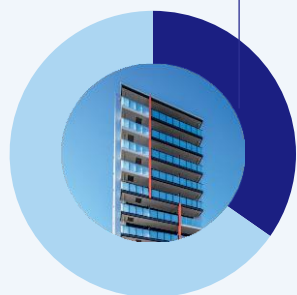
Rate of Progress by Theme

Development of Residential Properties

State of progress

¥**103.9** bn

34.7%



Target amount

¥**300.0** bn

Development of Hotels and Office Buildings

State of progress

¥**67.4** bn

56.2%



Target amount

¥**120.0** bn

Acquisition of Income Properties

State of progress

¥**82.3** bn

32.9%



Target amount

¥**250.0** bn

Overseas Business

State of progress

¥**35.0** bn

43.8%



Target amount

¥**80.0** bn

- In FY11/2021, as the initial fiscal year of the medium-term management plan, we pursued transformation of the business structure and promoted growth investments for the future as a key measure.
- Sales and operating income decreased temporarily, but the rental income, etc. (income gains) portion of net sales increased compared with the previous fiscal year.
- Continuing to transform the portfolio by strategically owning properties developed and accumulating prime assets for generating cash flows going forward.

Numerical Targets and Progress of the Various KPI Themes

KPIs of Medium-Term Management Plan

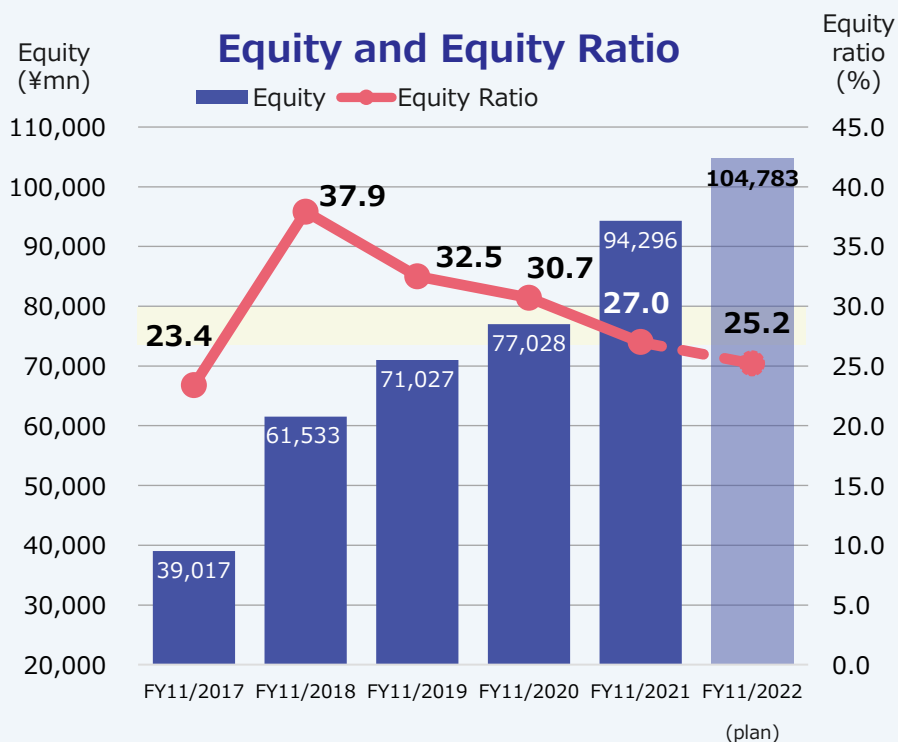
	FY11/2020 Result	FY11/2021 Result	FY11/2022 Plan	FY11/2023 Numerical Target	FY11/2025 Numerical Target
Net sales (Of which, rental income, etc.)	¥101.1 bn (¥12.1 bn)	¥90.4 bn (¥13.8 bn)	¥140.0 bn (¥20.9 bn)	¥170.0 bn (¥35.0 bn) level	¥220.0 bn (¥45.0 bn) level
Operating income	¥17.3 bn	¥9.4 bn	¥18.0 bn	¥20.0 bn or over	¥35.0 bn or over
ROE	14.3%	11.6%	11.9%	12.0%~15.0% level	15.0% level
ROA	7.4%	3.2%	4.8%	6.0%~7.0% level	7.0% level
Equity ratio	30.7%	27.0%	25.2%	27.0%~30.0% level	30.0% or over

(Note 1) ROA = Operating income / Total assets (average of FY start and end)

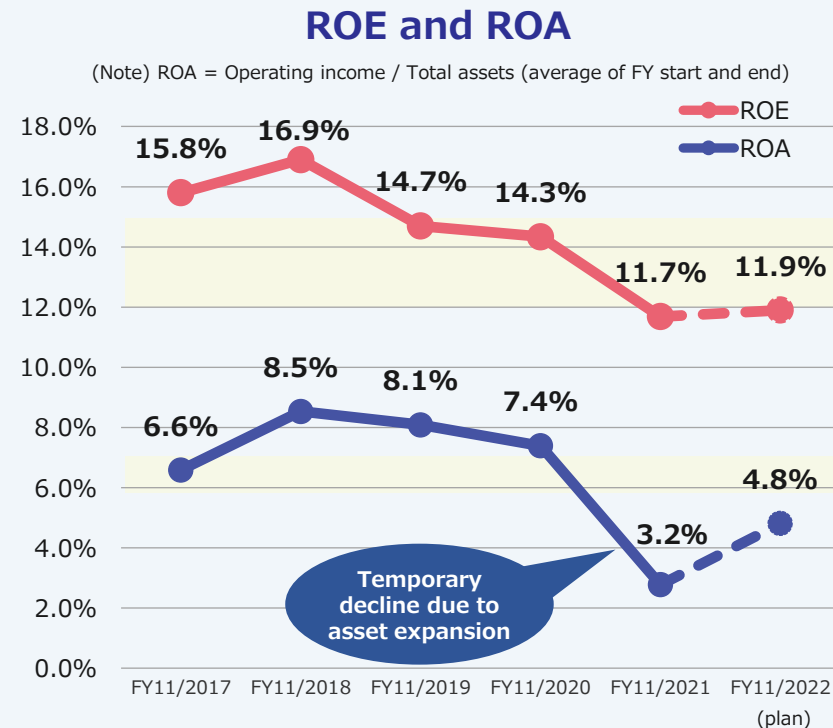
(Note 2) Net sales for the rental income, etc. portion of net sales is calculated based on the amount of net sales to third parties.

**To get on track for strong and sustainable growth...
Expansion of income gains is key. Sweeping structural reforms are underway.**

- Factors such as conversion of convertible bonds by Daiwa Securities Group resulted in equity ratio of 27.0%. ROE is generally maintaining the target level.
- ROA declined temporarily due to asset expansion and the decrease in operating income. Expecting to recover to approximately 4.8% in the next FY11/2022.
- Will continue to raise invested capital efficiency, while keeping the target levels of the medium-term management plan for FY11/2023 in mind.



Equity Ratio
FY11/2023: 27—30% level

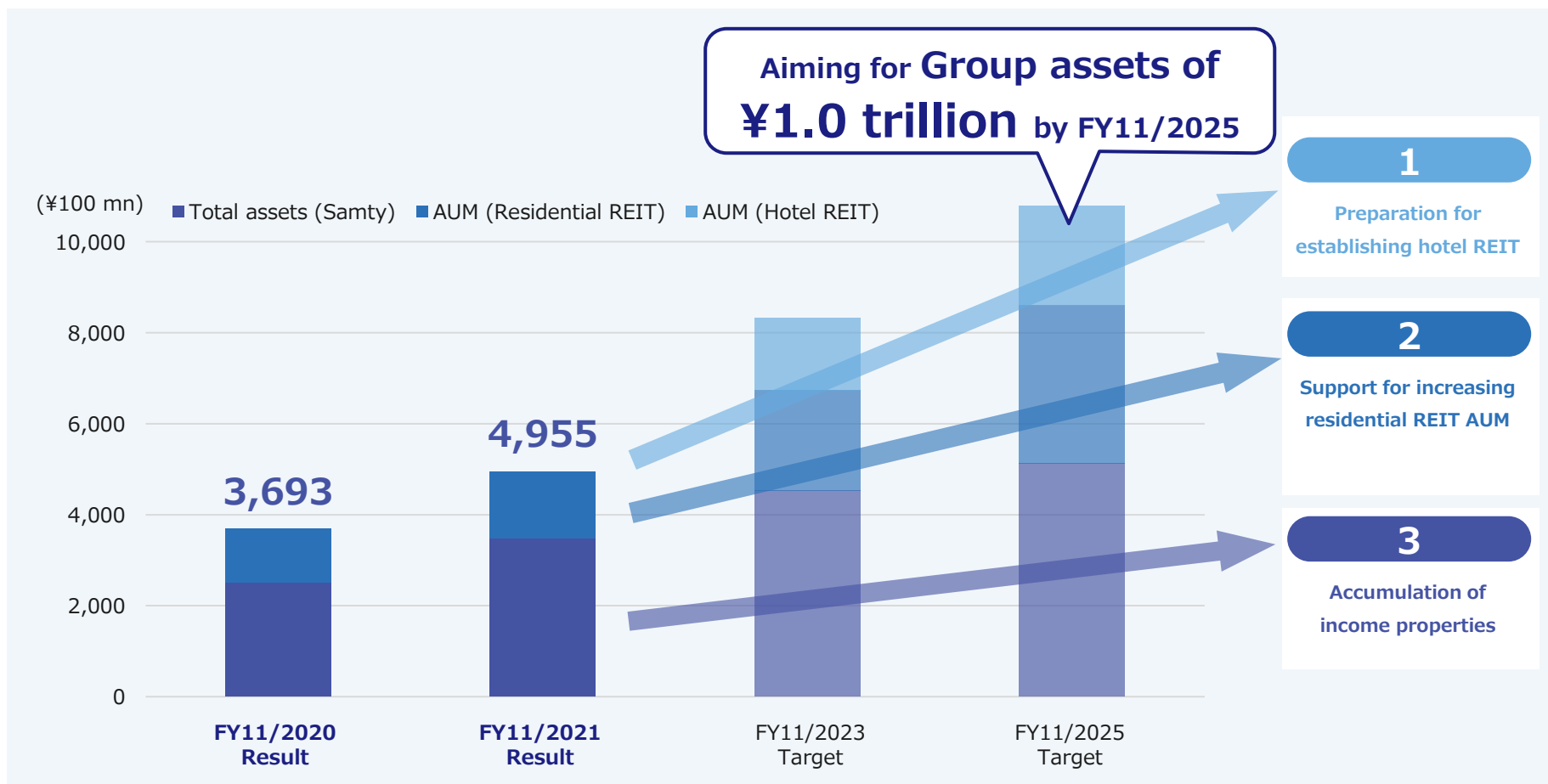


ROE
FY11/2023: 12—15% level

ROA
FY11/2023: 6—7% level

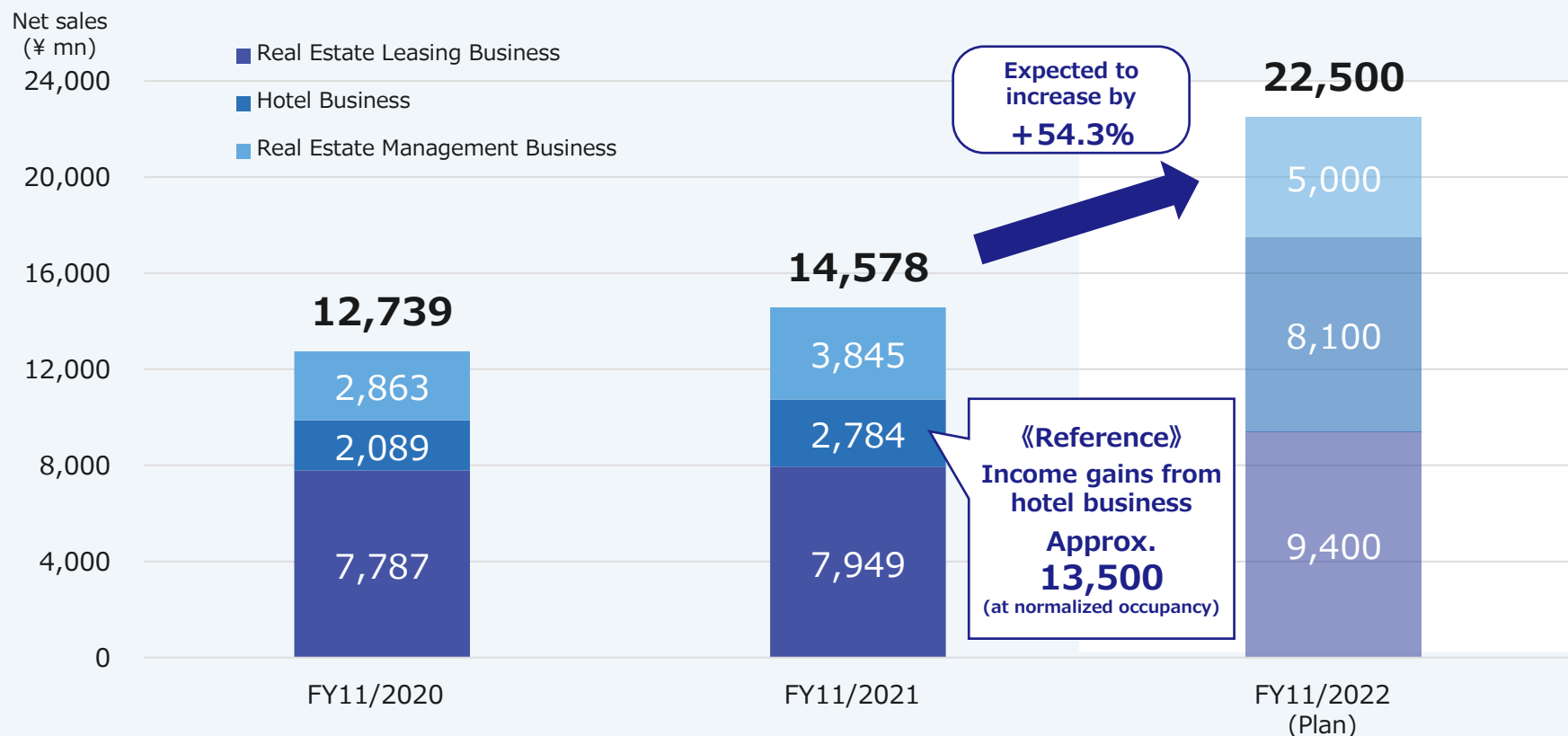
- Group assets increased by ¥126.2 billion (+34.1%) compared with the previous fiscal year due to the increase in total assets. Reached the level of around half of the target indicator (¥500.0 billion).
- To steadily increase assets by FY11/2025, we are promoting strategic initiatives under the themes (1) through (3) listed below.

(Note) Note on Group assets: These are calculated by adding Samty's total assets + the balance of REIT AUM (assets under management). REIT AUM is as at end of November 2021.



- Income gains based on net sales increased. Expecting to continue to increase further in proportion to the expansion of asset size.
- The Hotel Business has the largest growth potential, expecting to generate income gains of ¥13.5 billion or so at normalized occupancy.

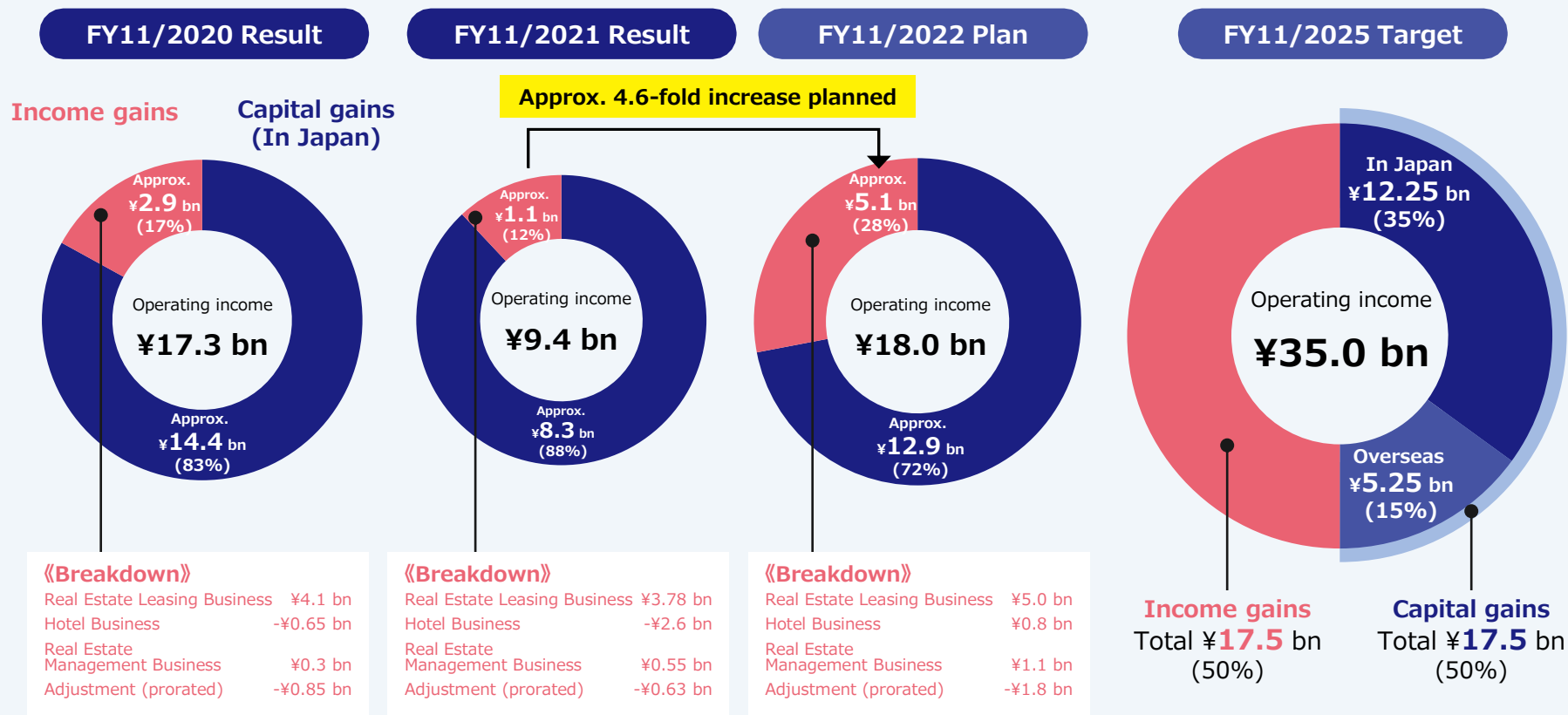
Income Gains (Based on Net Sales)



- (Note)
- With the reclassification into new segments, income gains is calculated based on the amount of net sales that is the total including inter-segment net sales of the relevant income gains business
 - Net sales at normalized occupancy is calculated based on the estimates of each hotel (scope: 18 hotels in which the Samty Group is involved)

- Income gains based on operating income decreased due to the impact of the COVID-19 pandemic on the Hotel Business.
- Aiming to expand income to approximately ¥17.5 billion, the FY11/2025 target level, through the strategy of transforming the business portfolio.

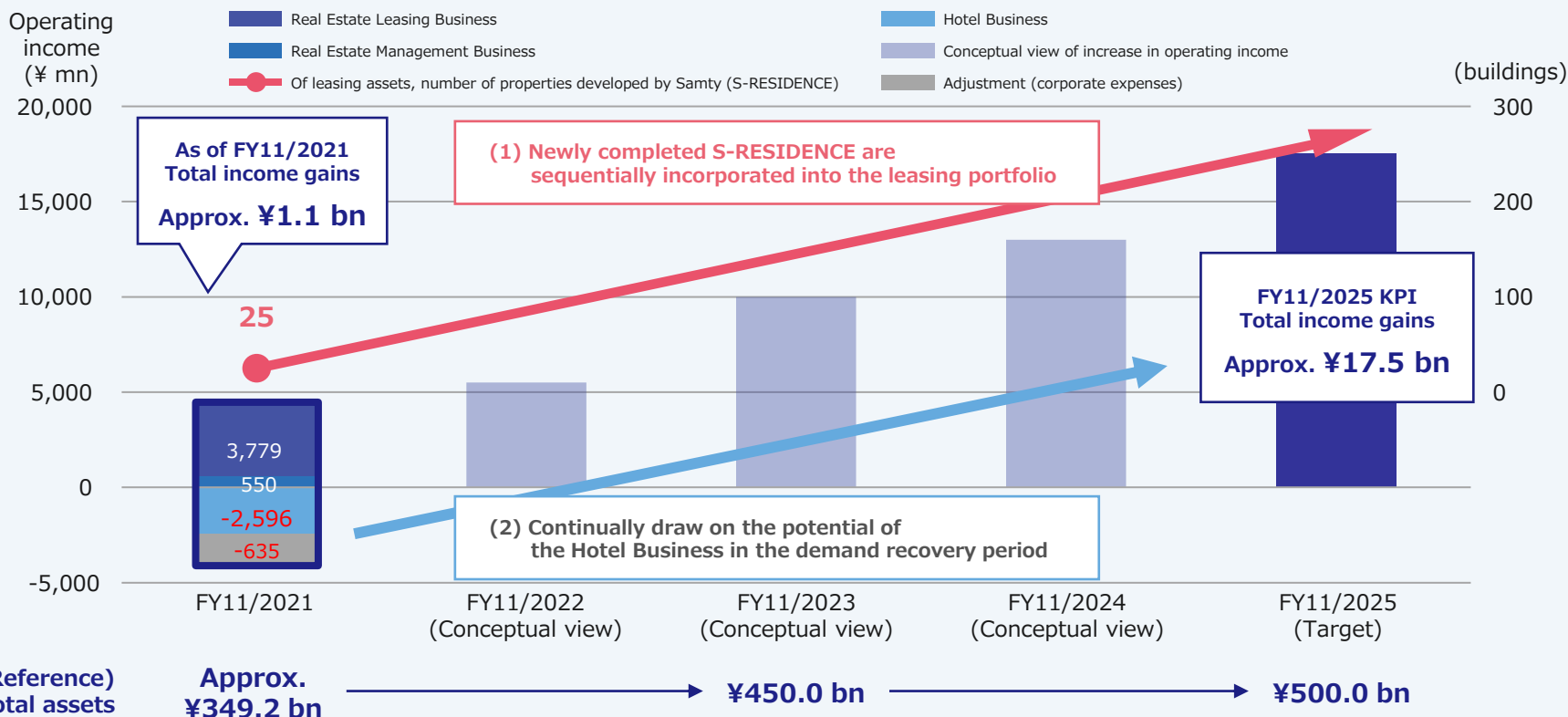
Ratio of Income Gains (Based on Operating Income)



(Note) Calculated as a percentage based on the deduction of general and administrative expenses not attributable to a reporting segment. Those for prior fiscal years have been revised to reflect the reclassification into new segments.

- Residential properties developed by Samty (S-RESIDENCE) held for leasing are currently 25 buildings. Expecting steady increase in income gains with the development plan steadily underway and future property completions continually contributing to forming the leasing portfolio.
- Improvement in income from a long-term perspective due to recovery in demand in the Hotel Business also expected to sequentially contribute to greater income gains.

Conceptual View of Increase in Income Gains (Based on Operating Income) With Growth of Assets Owned



(Note) The scope of the leasing assets for FY11/2021 is the income properties owned by the Samty Group on a consolidated basis (as of the end of November 2021)

Dividend Policy/Shareholder Returns

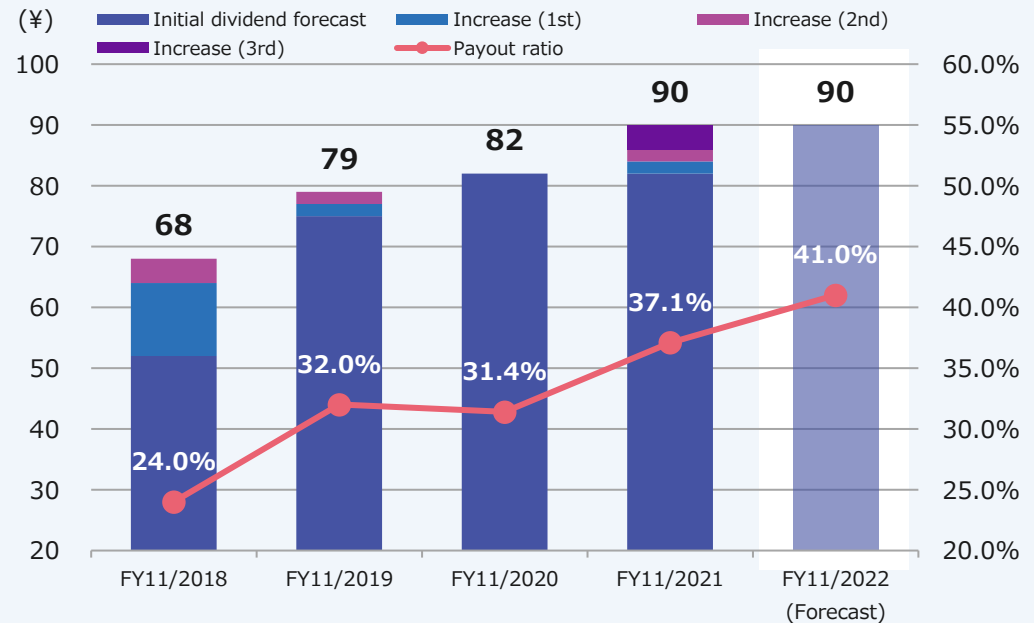


Dividend

For FY11/2021, paying +¥8 from the previous fiscal year for annual dividend of ¥90 (interim: ¥39; year-end: ¥51), increasing dividends for the fifth consecutive year.

The dividend forecast for FY11/2022 is also maintained at annual dividend of ¥90 (interim: ¥39; year-end: ¥51).

(Note) For the 2018 dividend, in August 2018, the dividend forecast of ¥52 was **increased by ¥44** to a **¥96 forecast**. With the subsequent allotment of share acquisition rights without contribution based on the rights offering dated October 1, 2018, increasing the number of shares issued and outstanding by 1.5 times, the dividend forecast became ¥96 divided by 1.5, making it ¥64. In addition, the year-end dividend was **increased by ¥4** for a total dividend of **¥68**.



Shareholder Returns

1. Shareholder Benefits

We send out vouchers for free accommodation at the hotels across Japan in which we are involved to our shareholders of record as of the end of November.

2. Increasing Ratio of Voting Rights Exercised (underway since 2020)

We give out QUO prepaid cards containing ¥1,000 balance to shareholders who have exercised their voting rights effectively.

(Reference indicator: Ratio of shareholders exercising voting rights increased by more than 30% for the second consecutive year)

Changes to and Enhancement of Shareholder Benefits Program



- Some changes have been made to the content of shareholder benefits for our shareholders of record at the fiscal year end (end of November).
- With a view to going paperless, enhancing convenience for shareholders and preventing fraud, we will be changing to **digital ticketing** for what used to be paper shareholder coupons.
- The digital tickets can be redeemed at hotels by presenting the screen accessed from the shareholder benefits cards sent to shareholders.

Main Changes with the Change to Digital Ticketing of Paper Shareholder Coupons

Item	Changes	Details of Changes
1. Number of coupons distributed	None	As shown in the table to the right. Digital tickets will be distributed according to the number of shares held based on the same thresholds for number of shares as those for paper coupons before the change.
2. Method of distributing coupons	Yes	The sending of paper coupons in booklets will be abolished and changed to sending one card per shareholder. Digital tickets will be distributed online upon reading the two-dimensional code on the card.
3. Method of booking stay	None	As before, please book directly with the hotels by phone.
4. Method of redeeming on day	Yes	To redeem digital tickets, please present the ticket screen on your smartphone or other device upon check-in.

Number of Shareholder Benefits Cards and Coupons (Digital Tickets) Distributed

Number of Shares Held	Number of Cards Sent	Number of Coupons Distributed
200 — 299 shares	Each 1 ticket	1
300 — 599 shares		2
600 — 999 shares		3
1,000 — 1,999 shares		4
2,000 — 4,999 shares		6
5,000 — 9,999 shares		8
10,000 or more shares		10

*The number of shareholder coupons distributed is the same as before the change.

- In order to offer more convenient use of shareholder benefits, the five hotels opened in 2021 (four we developed and one we acquired) were added to the list of eligible hotels, **increasing the number of eligible hotels from the previously 13 hotels to 18 hotels.**

No.	Eligible Hotels	Location	Number of Tickets Required
1	Center Hotel Tokyo	Chuo-ku, Tokyo	Each 1 ticket
2	S-PERIA INN Nihombashihakozaki	Chuo-ku, Tokyo	
3	S-PERIA INN Osakahommachi	Nishi-ku, Osaka-shi	
4	S-PERIA HOTEL Nagasaki*	Nagasaki-shi, Nagasaki	
5	S-PERIA HOTEL Hakata	Hakata-ku, Fukuoka-shi	
6	S-PERIA HOTEL Fukuoka Nakasu (NEW)	Hakata-ku, Fukuoka-shi	
7	S-PERIA HOTEL Kyoto	Shimogyo-ku, Kyoto-shi	
8	NEST HOTEL HIROSHIMA HATCHOBORI	Naka-ku, Hiroshima-shi	
9	NEST HOTEL HIROSHIMA STATION	Minami-ku, Hiroshima-shi	
10	HOTEL SUNSHINE UTSUNOMIYA	Utsunomiya-shi, Tochigi	
11	Ibis Styles Nagoya	Nakamura-ku, Nagoya-shi	
12	Auberge Amano Hashidate	Miyazu-shi, Kyoto	
13	Mercure Kyoto Station	Shimogyo-ku, Kyoto-shi	
14	Aloft Osaka Dojima (NEW)	Kita-ku, Osaka-shi	
15	Oakwood Hotel Kyoto Oike (NEW)	Nakagyo-ku, Kyoto-shi	
16	Agora Kyoto Karasuma (NEW)	Shimogyo-ku, Kyoto-shi	
17	Agora Kyoto Shijo (NEW)	Shimogyo-ku, Kyoto-shi	
18	Amano Hashidate Hotel	Miyazu-shi, Kyoto	3 tickets

*Temporarily unavailable for booking in response to the Nagasaki Prefectural Government's request for securing accommodation facilities for recovering COVID-19 patients. We will update when available for booking again.

Newly Added Hotels



S-PERIA HOTEL Fukuoka Nakasu



Oakwood Hotel Kyoto Oike



Aloft Osaka Dojima (Photo 1)



Aloft Osaka Dojima (Photo 2)



Agora Kyoto Karasuma



Agora Kyoto Shijo

Shares



Number of Shares/Shareholders

Total number of authorized shares	159,200,000 common shares
Total number of shares issued and outstanding	46,468,085 common shares
Number of shareholders (Common shares)	38,904

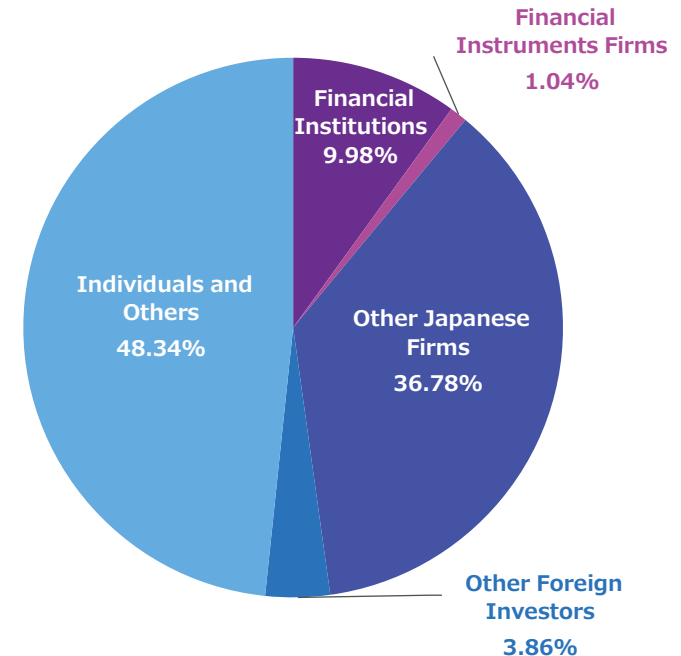
Main Shareholders (Top 10)

Name of Shareholder	Shareholding	Shareholding Ratio
Diwa Securities Group Inc.	13,195,050	28.40%
Shigeru Moriyama	3,006,572	6.47%
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,791,600	6.01%
Individual	1,388,566	2.99%
Daiwa PI Partners Co. Ltd.	1,250,000	2.69%
Tsuyoshi Building Ltd.	1,220,000	2.63%
Individual	1,200,000	2.58%
Kazushi Eguchi	803,824	1.73%
Fivesect Ltd.	735,300	1.58%
Custody Bank of Japan, Ltd. (Trust Account)	590,400	1.27%
Total	26,181,312	56.34%

*The shareholding ratio is calculated by excluding the treasury shares and rounding to the second decimal place.

Distribution of Shares by Owner

Owner	Number of Shares	Number of Shareholders	Ratio
Financial Institutions	4,636,850	26	9.98%
Financial Institutions Firms	485,587	25	1.04%
Other Japanese Firms	17,090,423	290	36.78%
Other Foreign Investors	1,794,346	196	3.86%
Individuals and Others	22,460,678	38,366	48.34%
Treasury Stock	201	1	0.00%
Total	46,468,085	38,904	100.00%



APPENDIX



- The Samty Group has set forth four important issues, which combine ESG (environmental, social, governance) indicators and disclosure items, as a guide for sustainability.
- To put its management philosophy of “Realization of Dreams through Ethics, Passion, and Challenge” into practice, the Group aims to create a future where all people will be able to grow with a dream by engaging itself in community-based activities as a member of society and pursuing efforts to realize a sustainable society and enhance corporate value from a medium- to long-term standpoint in response to the expectations and trust of all stakeholders.

Samty Group’s Basic Policy on Sustainability

Environmental Consideration

The Group will work to develop real estate and provide services with “coexistence of human and nature” in mind by capturing the changes in social conditions and giving consideration to energy and resources.

Coexistence with Local Communities

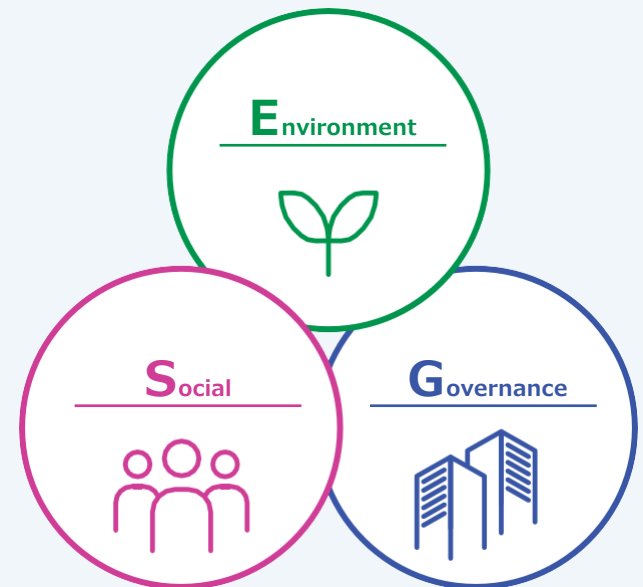
In order to establish a relationship of coexistence and co-prosperity with local communities through business, the Group will contribute to community development as a member of society by seeking activities that are suitable to the characteristics of each community.

Realization of Companies That Value People

By respecting the human rights and diverse views of all people involved in the Samty Group, the Group will contribute to the realization of a society in which the people of the next generation will be able to grow with a dream.

Strict Implementation of Corporate Ethics

The Group aims to become a company that is trusted by society by having its employees conduct business activities with high ethical standards while strengthening its corporate governance system and implementing thorough risk management based on the management philosophy and code of conduct.



By further advancing its sustainability management, which emphasizes creation of social value, the Group will take the initiative in solving social issues through its business activities.

- An online edition of “Dream Classes” that we sponsor in support of the initiatives of the JFA Kokoro Project organized by the Japan Football Association (JFA) was held on November 22, 2021. On the day, Junichi Miyashita, medalist in swimming at the Beijing Olympics, and Sotaro Yasunaga, a former J-League player, served as “Dream Teachers.”
- The Samty Group will continue to implement efforts which seek to coexist with local communities through “provision of support to people who strive for a dream” across the nation, such as children and current and former athletes.

About JFA Kokoro Project



JFA Kokoro Project is an activity in which former and current top athletes are dispatched to elementary and junior high schools as “Dream Teachers” to convey to children the “greatness of having a dream,” “importance of striving to make that dream come true,” and the “strength of mind to overcome failure and setbacks,” and aims to contribute to the healthy development of their bodies and minds.

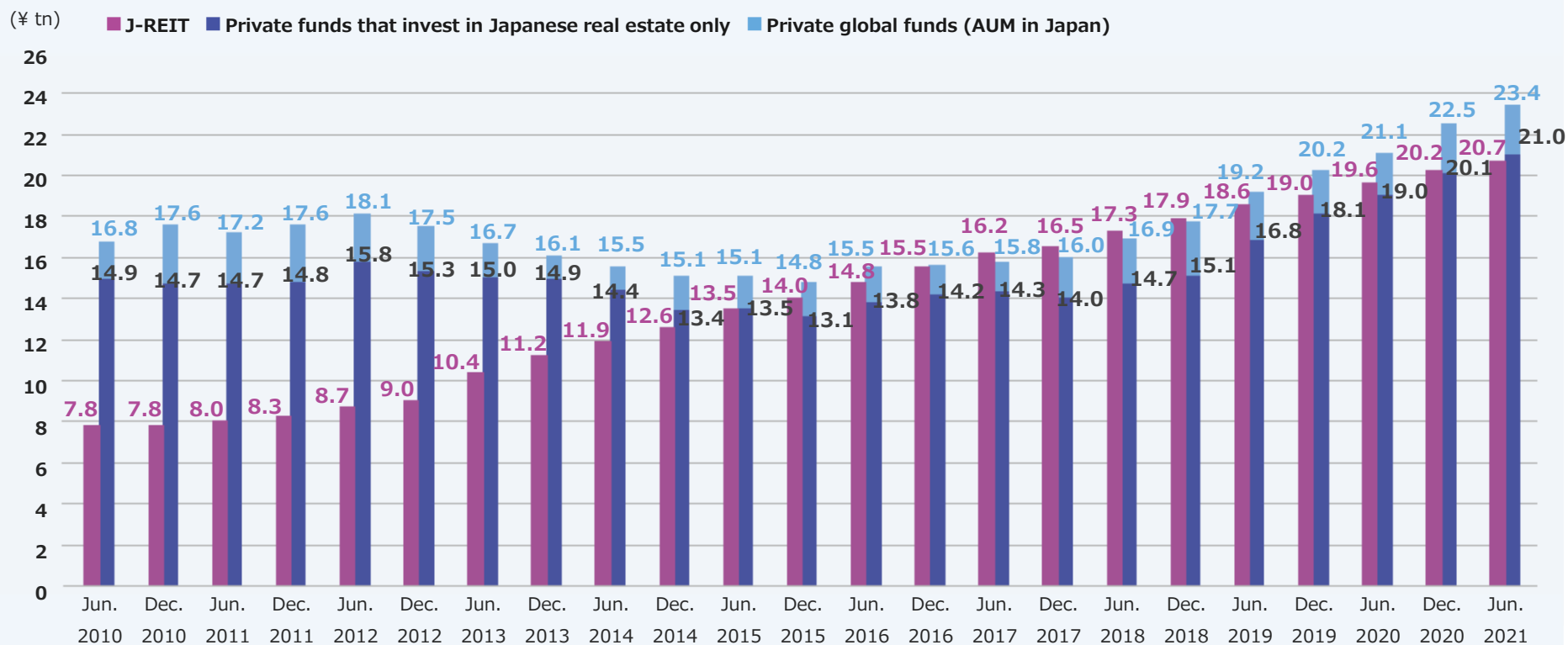
“Dream Sheets” Filled Out by Participants

A Dream Class ends with the Dream Sheets back in the hands of the students each containing individual feedback from the Dream Teacher.



- The estimated amounts of assets under management (AUM) of J-REITs and private real estate funds **hit new record highs again in the July 2021 survey.**
- Although the pace of increase in market size was slightly slower compared with the survey at the end of 2020, the growth in the market size of private funds that invest in Japanese real estate still continues even under the circumstances with the spread of COVID-19.

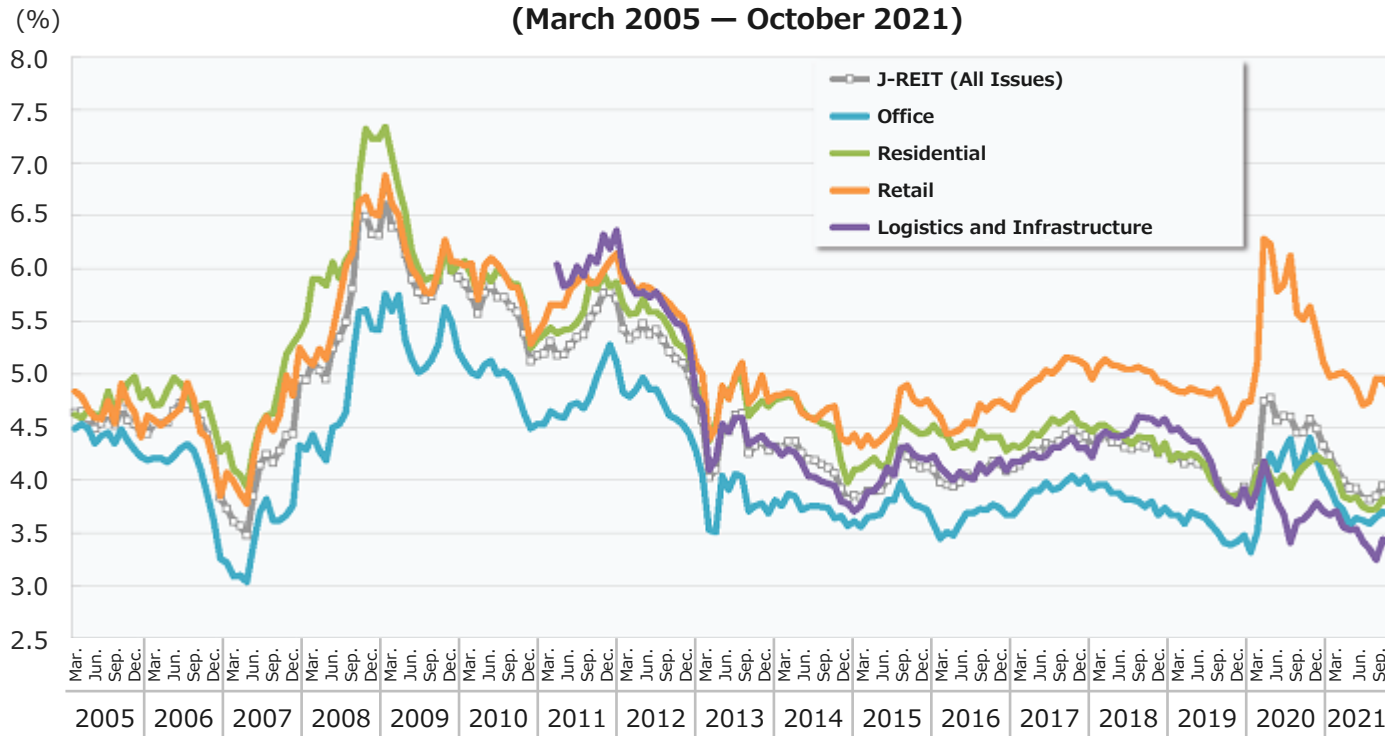
Market Size of J-REITs and Private Funds



Source: Prepared by Samty based on the data of Sumitomo Mitsui Trust Research Institute Co., Ltd.'s "Survey on Private Real Estate Funds" released on September 15, 2021

- Market prices for single buildings that are income properties are on an uptrend due to overheating in the inflow of capital such as foreign funds, and the cap rates eyed by players continually investing in rental condominiums, mainly residential REITs, continue to hover at low levels.

**SMTRI J-REIT Implied Cap Rate
(March 2005 – October 2021)**



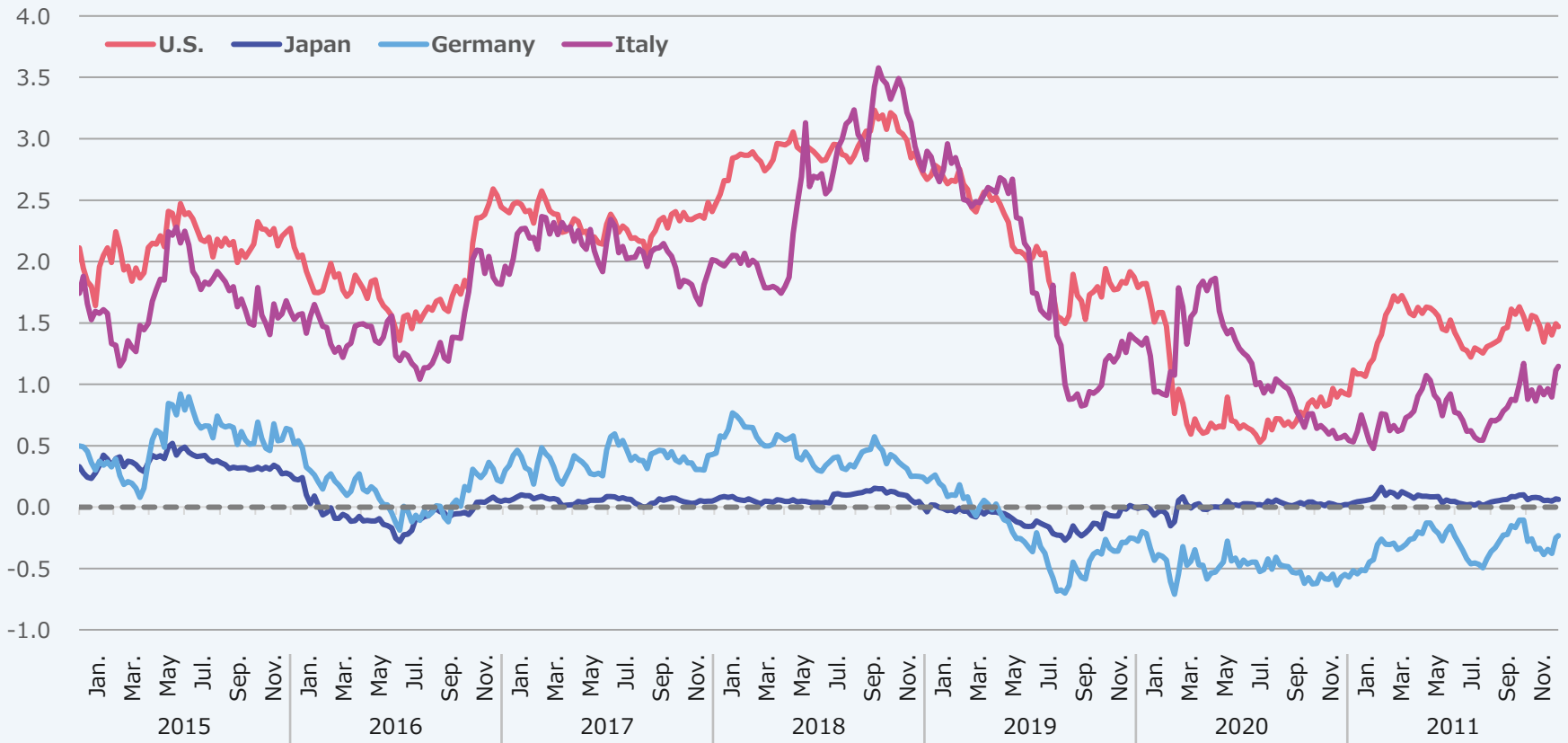
- Notes:
1. Implied cap rate = leasing business profits before depreciation / (Market cap + net interest-bearing debt + deposits from tenant)
 2. Portfolio NOI and B/S of each J-REIT is based on the forecast of SMTRI at the time, and NOI is the standard NOI (including properties scheduled for acquisition) after adjustment through expensing of property tax.
 3. "J-REIT (All Issues)" is composed by all Listed J-REIT issues since April 2014. It was calculated from selected major issues until March 2014

Source: Sumitomo Mitsui Trust Research Institute Co., Ltd.

Source: Cited from Sumitomo Mitsui Trust Research Institute Co., Ltd.'s "J-REIT Market: Implied Cap Rate" released on December 27, 2021

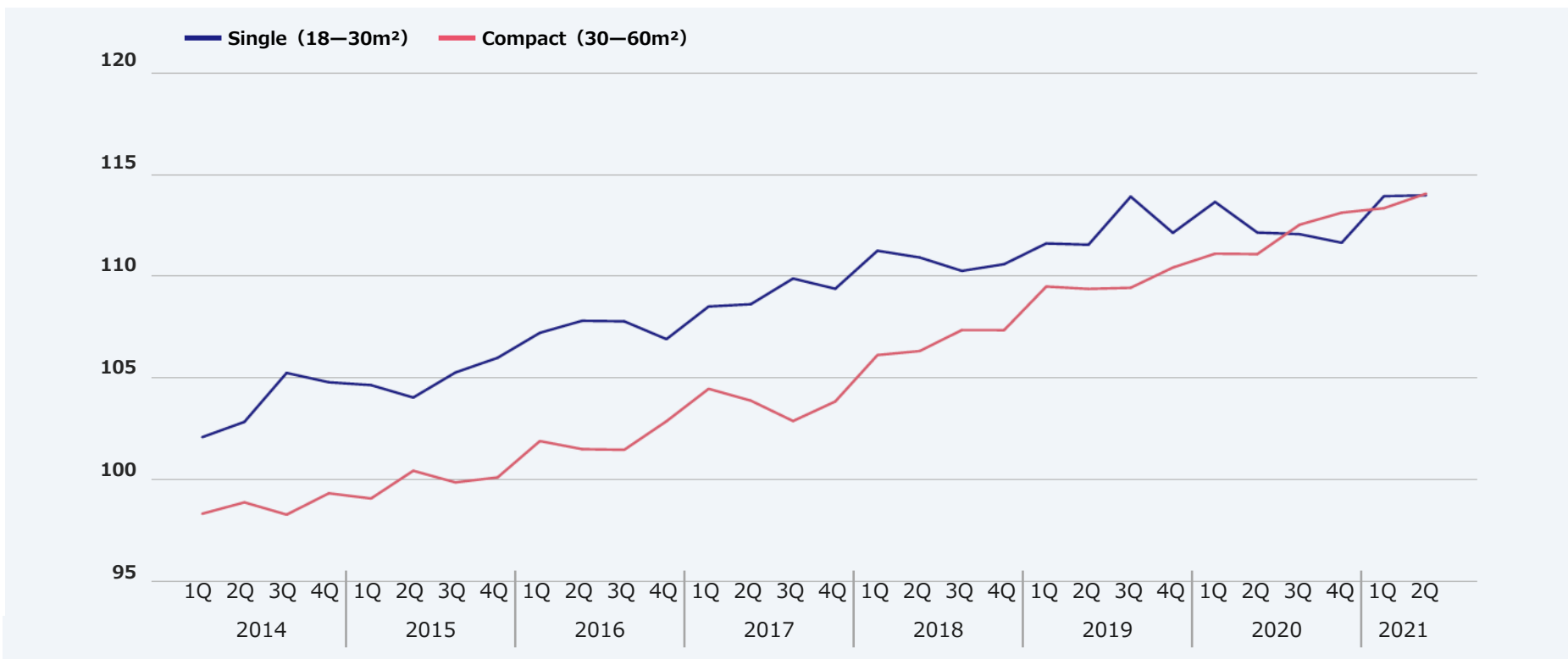
- With the decisions of overseas central banks having no immediate impact on the policies of the Bank of Japan, the Bank of Japan’s monetary easing measures are being maintained and the stably low levels of interest rates continue.
- The divergence with the U.S. and Europe that are moving to reduce monetary accommodation is widening. Coupled with also progress in depreciation of the yen against other currencies, the trend of overseas investors’ investment preferences for Japanese real estate continues.

Long-Term Interest Rates in Each Country



- Against the backdrop of rising population trends in urban areas and persistent demand to live near one's workplace and such, residential rents in urban areas have trended upward to more than 10 points compared with the 1Q of 2009 when the survey commenced and have continued to grow steadily and moderately since the global financial crisis.
- While shadows temporarily cast over rents for single-type properties against the backdrop of the COVID-19 pandemic, the rise in demand for properties with floor layout and area suitable for working at home was striking in comparison.

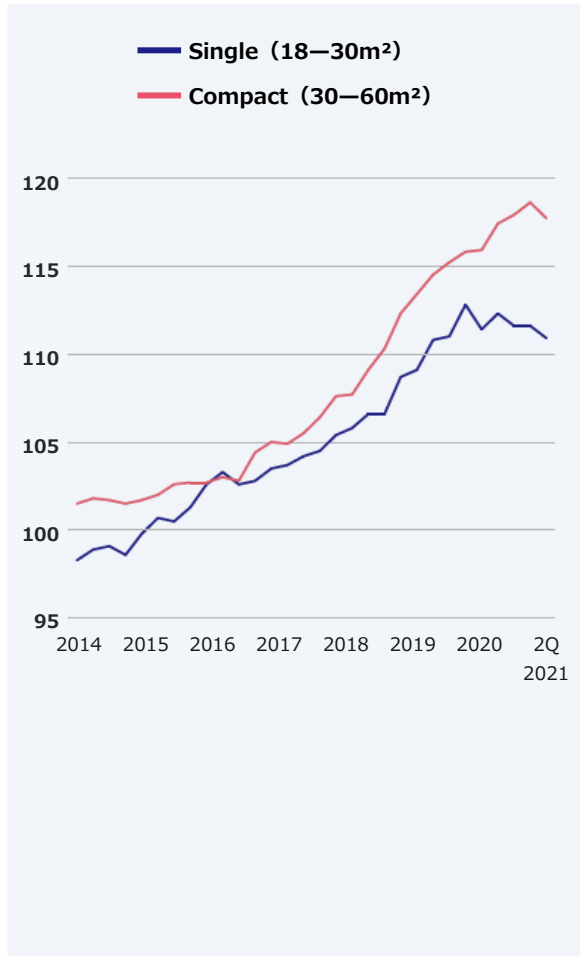
Average Rent by Type in the 5 Major Cities* (2009.1Q = 100)



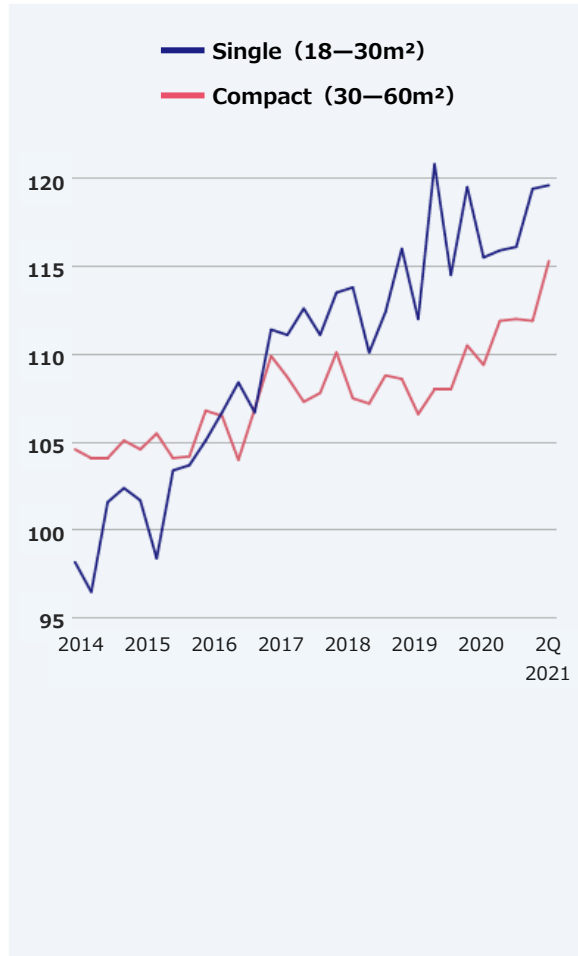
Source: Prepared by Samty based on the data of At Home Co., Ltd.'s and Sumitomo Mitsui Trust Research Institute Co., Ltd.'s "Residential Rent Index" released on September 21

*5 major cities: Tokyo (23 wards), Osaka, Nagoya, Sapporo and Fukuoka
 (1Q: January-March; 2Q: April-June; 3Q: July-September; 4Q: October-December)

Tokyo 23 Wards



Sapporo

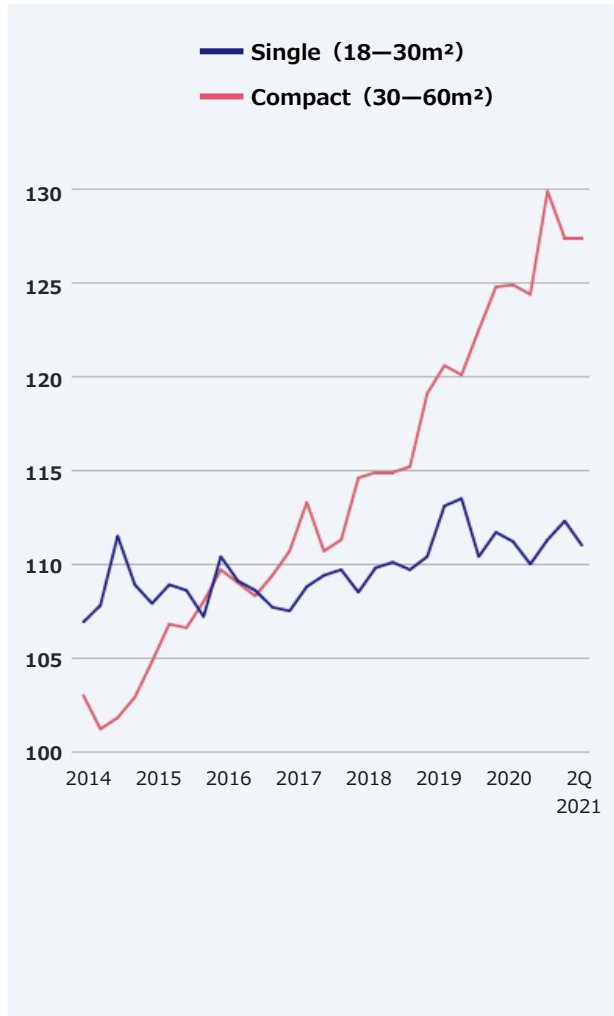


Nagoya





Osaka



Fukuoka

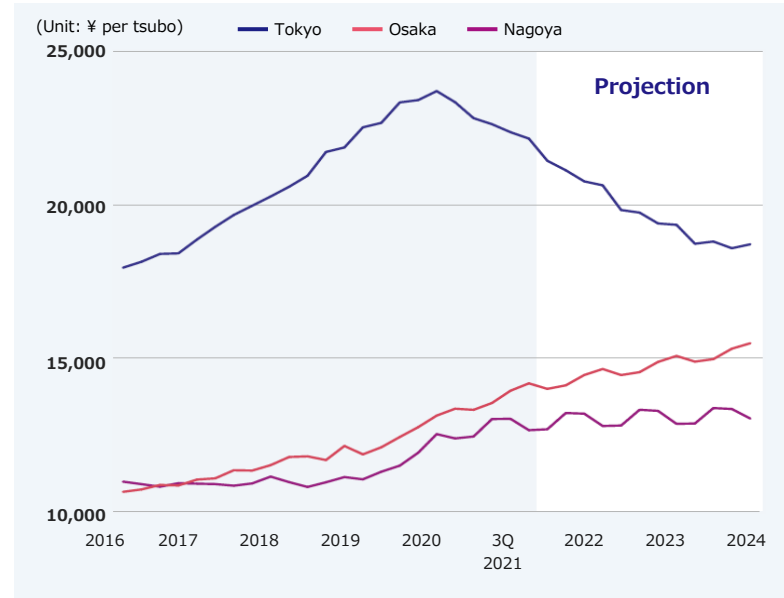
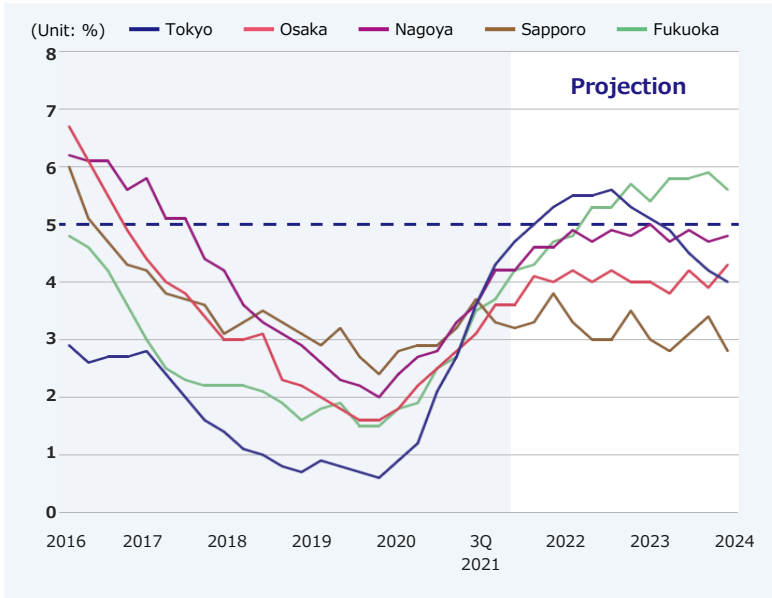


[Vacancy rates] Increasing in all major cities to between 3% and 4% for reasons such as relocation for rental floor space reduction due to the spread of teleworking. Areas projected to exceed the lender’s market level (5%) have emerged, but as there are still few regional companies that have clearly mapped out a post-COVID-19 workplace strategy, office needs in selected areas of major regional cities with limited new supply are inferred to be alive and well.

[Rents] Tokyo is expected to continue on a declining trend in rents for the foreseeable future. Osaka and Nagoya are expected to see rent increases as prior to COVID-19.

Trends and Projections of Office Vacancy Rates in the 5 Major Cities

Trends and Projections of Office Rents in the 3 Major Cities



Source: Prepared by Samty based on Commercial Property Research Institute, Inc.’s data on rental office buildings with a floor area of at least 50 tsubos per floor (medium-sized) for the 3Q of 2021

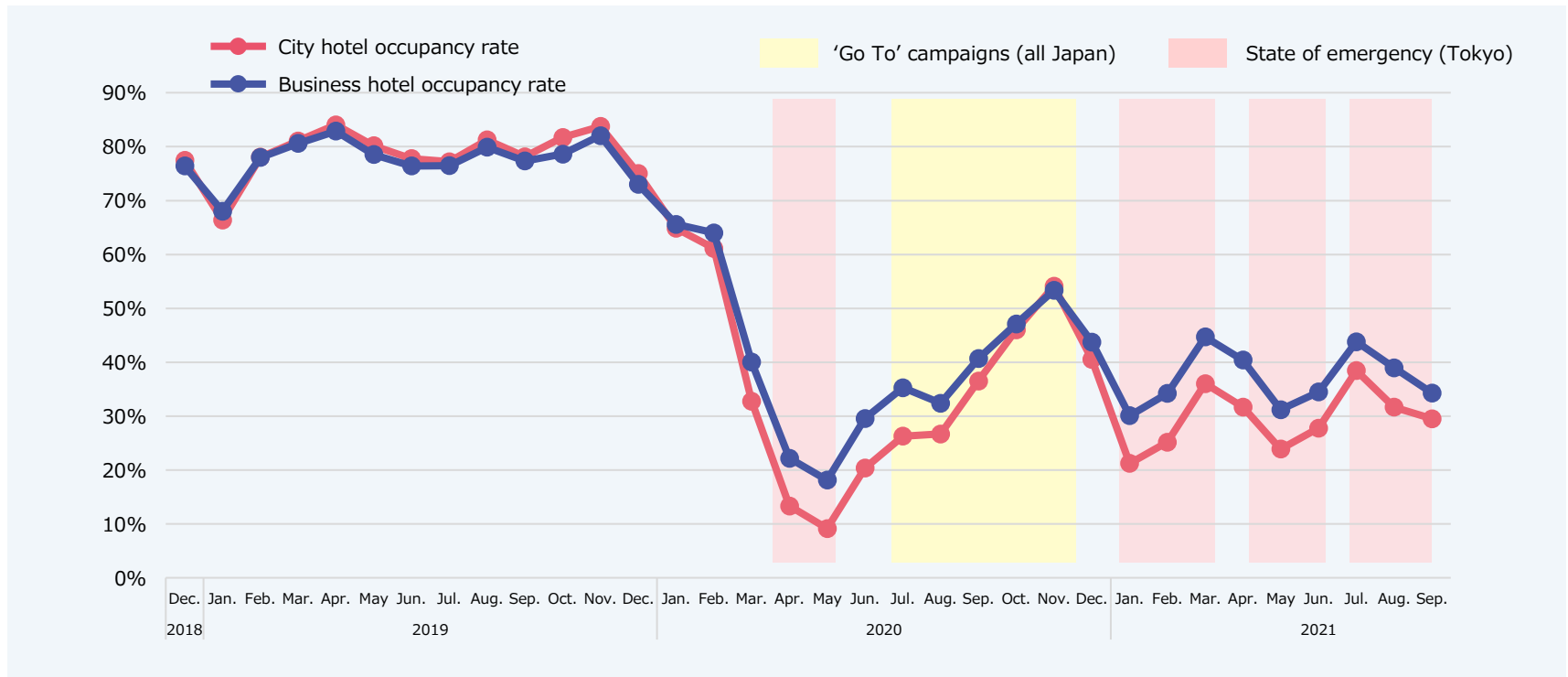
[Tokyo] Central 5 wards (Chiyoda, Chuo, Minato, Shibuya and Shinjuku);
 [Nagoya] Nagoya City; [Sapporo] Sapporo City; [Fukuoka] Fukuoka City

[Osaka] Central 3 wards (Kita, Chuo and Nishi);

(1Q: January–March; 2Q: April–June; 3Q: July–September; 4Q: October–December)

- The total number of overnight guests and room occupancy rates are on a recovery trend, driven by growing appetite for travel, expectations for resumption of 'Go To Travel' and campaigns by local governments and other bodies.
- As a move toward reviving tourism sustaining regional economies, infrastructure development for taking a turn to an offensive approach is underway, led by Japan Tourism Agency.
- Keeping an eye out for the return of inbound tourism, and deeply cultivating domestic residents' domestic business and leisure travel demand, which had accounted for over 80% of tourism demand from before the COVID-19 pandemic.

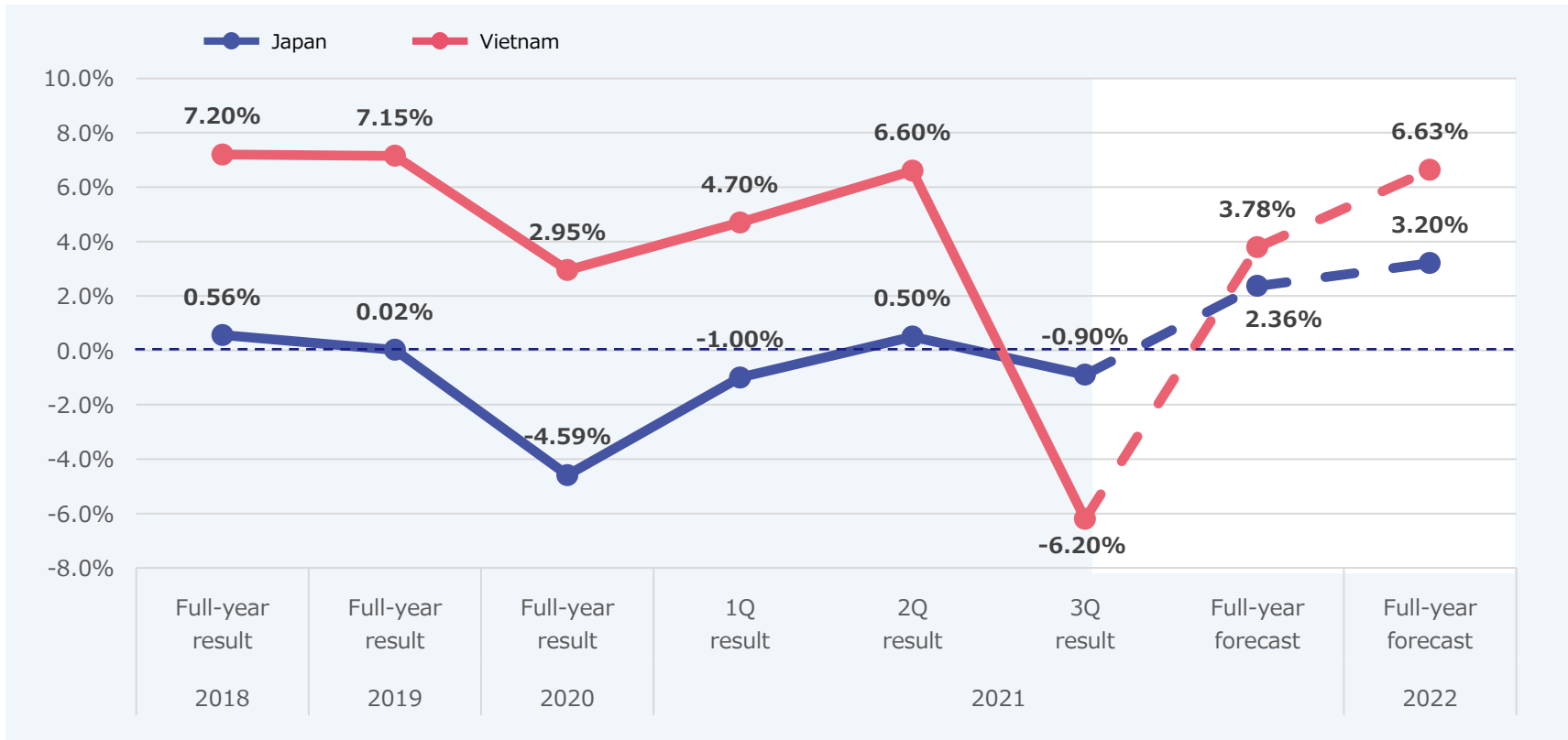
Average Occupancy Rates for Hotels (for the 8 prefectures where the hotels in which the Samty Group is involved are located)



Source: Prepared by Samty based on Japan Tourism Agency's "Overnight Travel Statistics Survey" [8 prefectures] Tochigi, Tokyo, Aichi, Kyoto, Osaka, Hiroshima, Fukuoka and Nagasaki

- The global economy continues its recovery from the downturn overall, albeit with disparities, and Japan, too, is starting to show signs of recovery to previous levels.
- Vietnam marked its first negative growth in the 3Q of 2021 owing to an extended strict lockdown due to a surge in Delta variant cases, but increasingly headed toward turning into positive growth thanks to brisk manufacturing and exports in the 4Q.

Economic Growth (Real GDP Growth)



Source: Prepared by Samty based on the data of each country's statistics in the case of the actual figures for the 1Q to 3Q of 2021 and the International Monetary Fund (October 2021) in the case of the full-year actual and forecast figures

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- This document contains forward-looking statements on our current plans and business performance based on information available as of the date of announcement. These statements involve risks and uncertainties that could affect our business performance in the future, and actual results may differ from these statements due to various factors.
- This document is merely intended to foster understanding of the Company and not necessarily intended as a solicitation for investment.

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