

SAMTY Co., Ltd.

Financial Result Explanatory Material

Third Quarter of Fiscal Year Ending November 30, 2021



S-RESIDENCE Souen
(Chuo-ku, Sapporo-shi)

SAMTY

TSE First Section 3244

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**Reflection on Samty Toughening Plan
(Post-COVID Version),
Our New Medium-Term Management Plan**

- Following a review, two concepts from among the basic policies in the medium-term management plan have been carried over from the previous Samty Toughening Plan. Having added new strategies, we have updated the target levels and adjusted the end date of the plan. The policy is to look at social trends and make a structural shift for stable profit expansion.
- We aim to nearly double the current levels on a sales and operating income basis while maintaining an equity ratio of 30% in FY11/2025.

Basic Policies in Samty Toughening Plan (Post-COVID Version)

1

*Switch to “develop and own” business

3

Continuation of strategic investments in regional metropolitan areas

2

Continuation of efforts toward establishment of hotel REIT

4

*Building a profit base in overseas business

*Basic policies 1 and 4 have been formulated from the current fiscal year. Basic policies 2 and 3 have been implemented since FY11/2019.

Key Performance Indicators (KPIs)

	FY11/2020 Result	FY11/2023 Target	FY11/2025 Target
Net sales (Of which, rental income, etc.)	¥101.1 bn (¥8.2 bn)	¥170.0 bn (¥35.0 bn) level	¥220.0 bn (¥45.0 bn) level
Operating income	¥17.3 bn	¥20.0 bn or over	¥35.0 bn or over
ROE	14.3%	12.0%–15.0% level	15.0% level
ROA*	7.4%	6.0%– 7.0% level	7.0% level
Equity ratio	30.7%	27.0%–30.0% level	30.0% or over

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

Transformation of profit structure

[Reform of domestic business model]

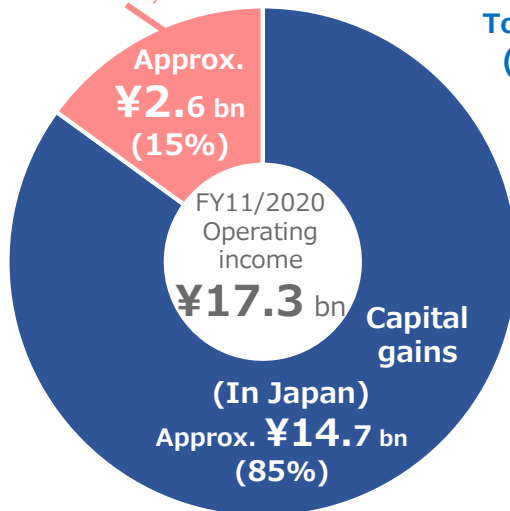
Shift from focus on capital gains (development profit, etc.), **increase proportion of income gains (rental income, etc.), a major source of profit.**

We will shift to a profit model that emphasizes sustainability.

[Contribution to profit from overseas business]

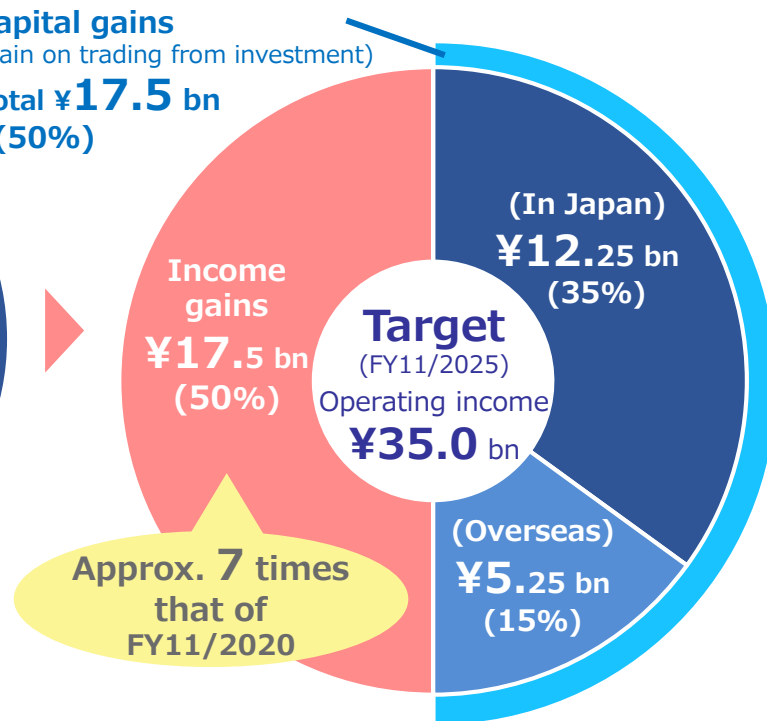
It is expected that expanding into overseas business will contribute to the Group's growth potential from a medium- to long-term perspective.

Income gains
(continuous income obtained from owned assets)



Capital gains
(gain on trading from investment)

Total ¥17.5 bn (50%)



Approx. 7 times that of FY11/2020

* Calculated as a percentage based on the deduction of general and administrative expenses not attributable to a reporting segment.

Growth of Samty Group assets

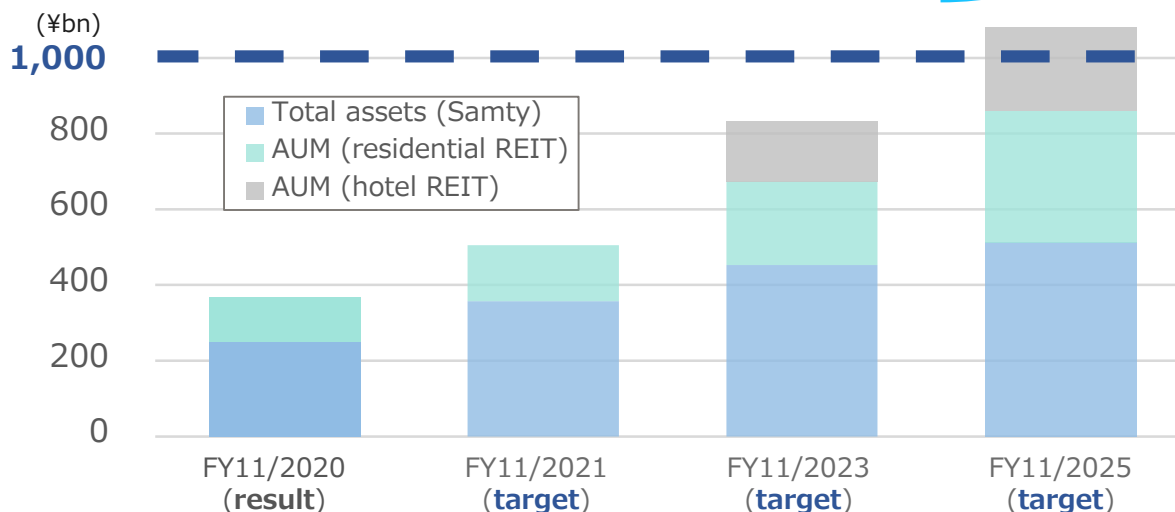
[Expansion of asset scale]

Promote ownership of completed properties and continuous growth support for REITs.

Aiming for **Group assets of ¥1 trillion*** by FY11/2025

* Group assets

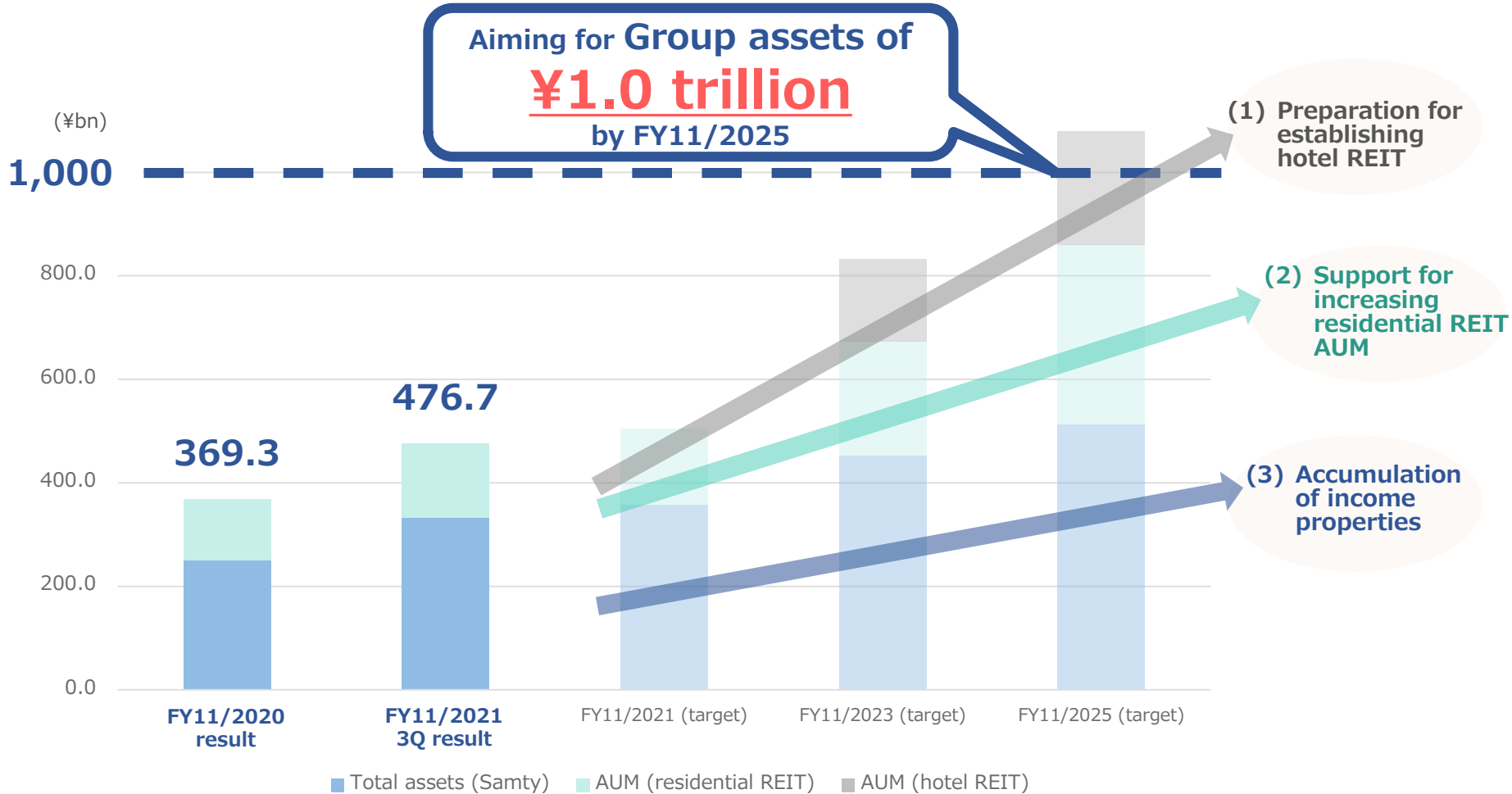
These are calculated by adding Samty's total assets + the balance of REIT AUM (assets under management) entrusted to the management of the Group.



State of Progress in Medium-Term Management Plan

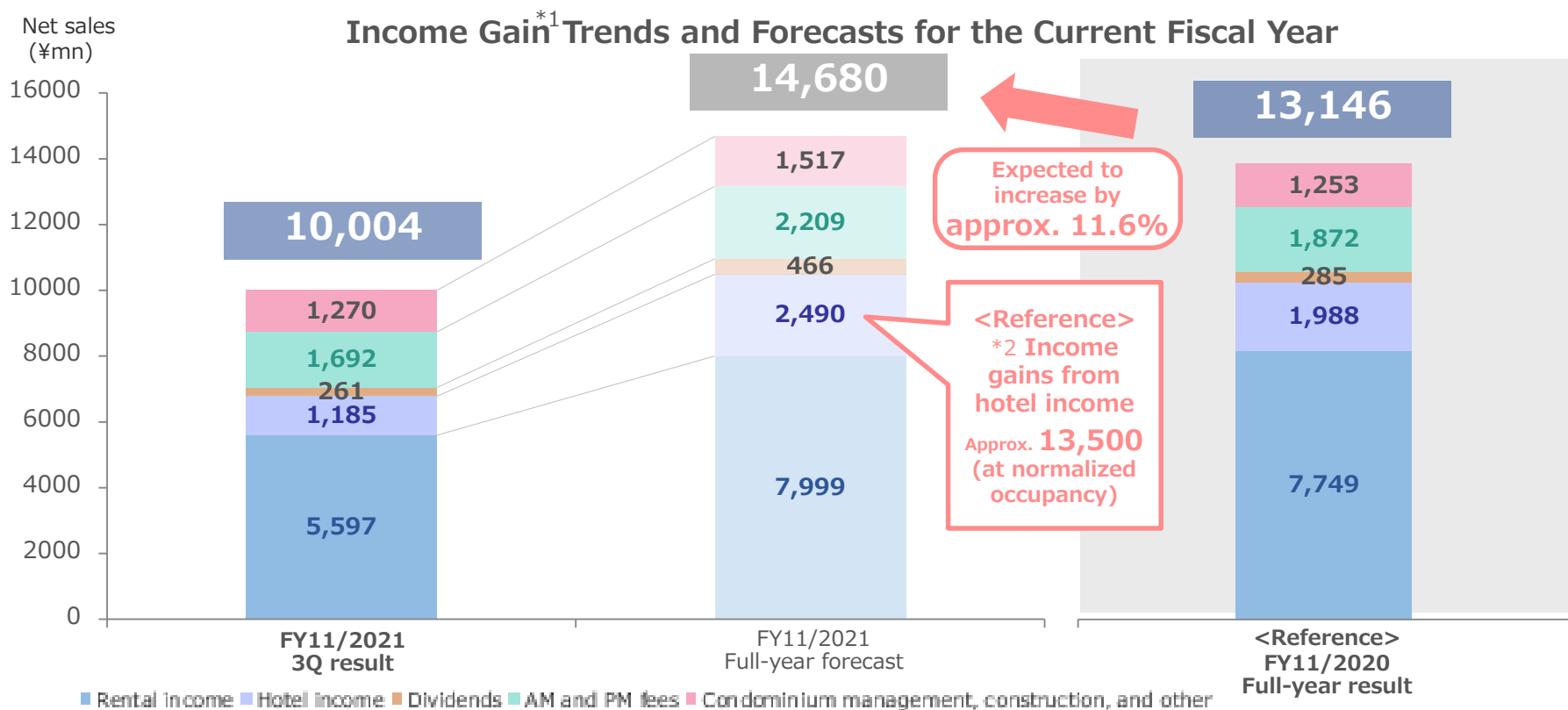
- In the 3Q, Group assets* increased by ¥107.4 billion (+29.0%) compared with the end of the previous fiscal year due to the increase in total assets.
- To steadily increase assets by FY11/2025, we are promoting strategic initiatives under the themes (1) through (3) listed below.

* 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 August 2021.



<Future Outlook>

- Rental income for the current fiscal year is expected to exceed the previous fiscal year's results through strengthening of leasing of the properties we have developed and further acquisition of properties.
- In the 3Q, the pace of the increase in sales was flat due to the state of emergency declaration being extended when still in effect. At the end of the fiscal year, we expect sales to have greatly exceeded the results of the previous fiscal year.
- The receipt of a dividend payment from our interests in Samty Residential Investment Corporation (SRR) is planned in the 4Q. Dividend payments are expected to increase due to the increase in the number of investment units during the period.
- Acquisition fees increased due to SRR's 3Q property acquisitions. Due to the expansion of asset scale, AM/PM fees are expected to exceed the previous year's results.
- We expect to exceed the previous fiscal year's results, due mainly to an increase in the number of construction orders received.

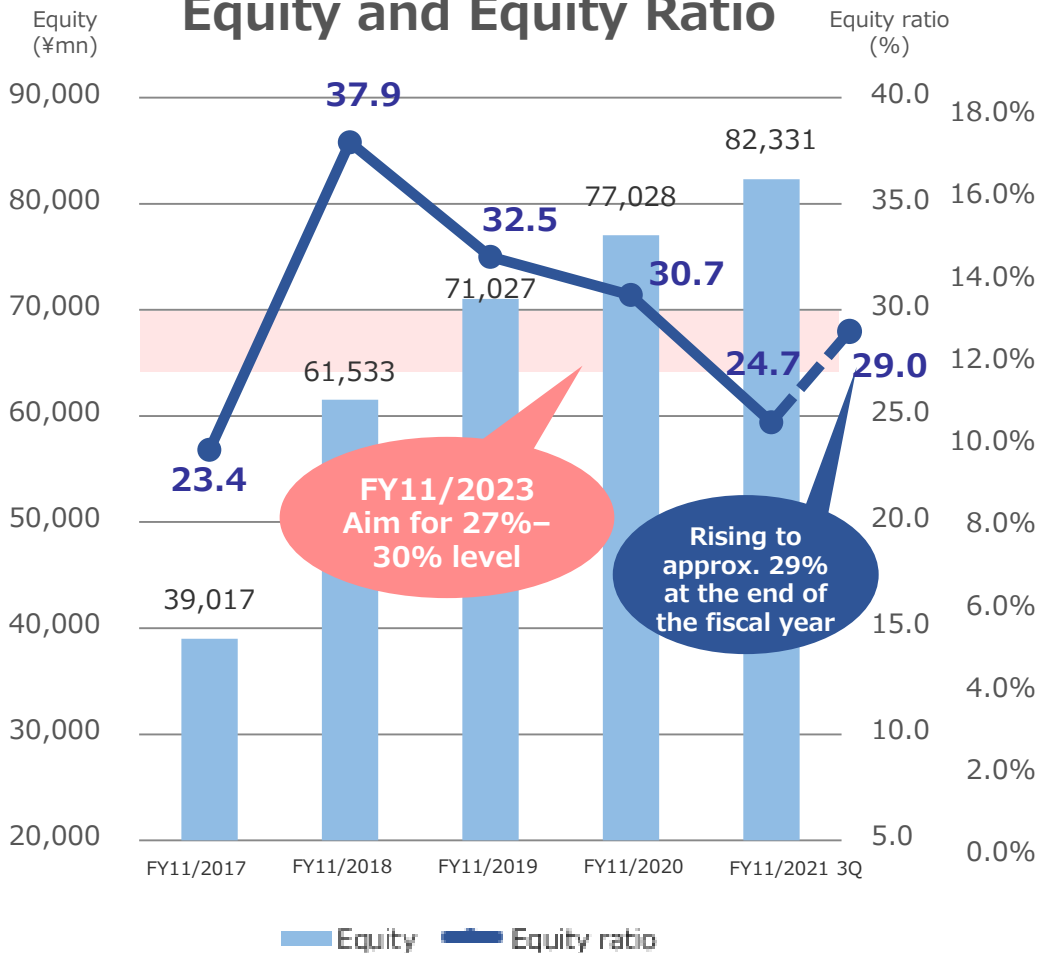


*1 Income gain is calculated by aggregating the figures of each business before segment offset removal from the net sales figure of each segment.

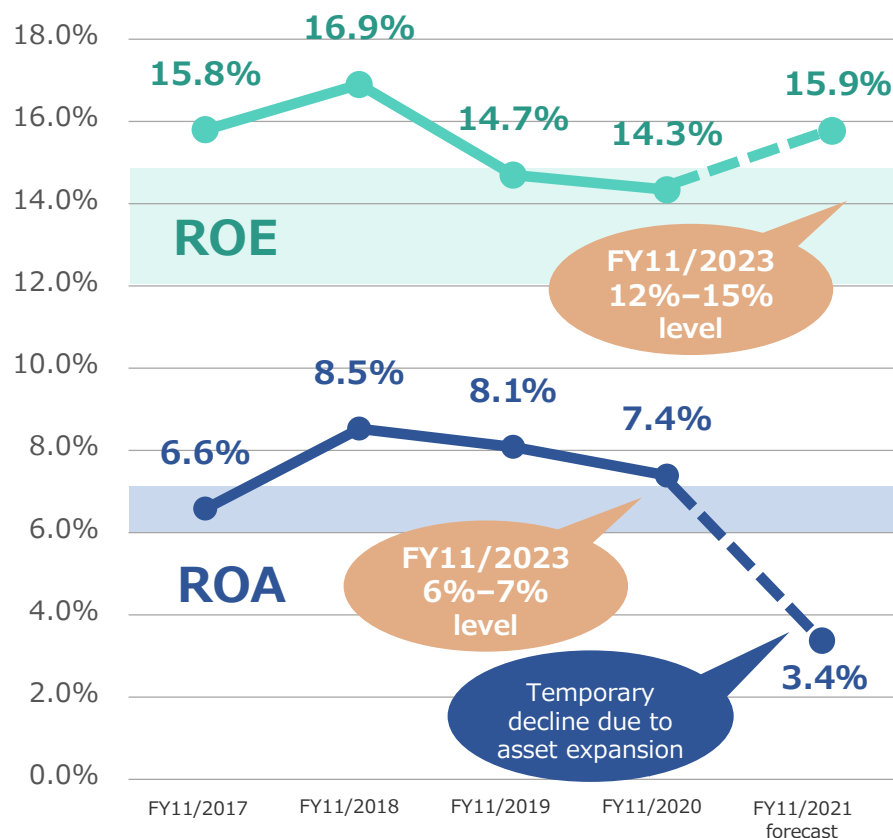
*2 Of the hotels in which the Group has an interest, a total of 18 hotels owned by the Company or for which a master lease contract is in effect are eligible. Net sales at times when occupancy rates are steady are calculated based on estimates by each hotel.

- We are implementing structural reforms to ensure stable and continuous earnings, with the view of evolving from the previous asset recycling business model.
- In accordance with the significantly increased assets held during the period to promote the Company's "develop and own" business, the capital ratio was on a downward trend compared with up to and including the previous fiscal period. However, due to the conversion of convertible bonds by Daiwa Securities Group, the ratio is expected to rise to about 29% at the end of the fiscal year.

Equity and Equity Ratio



ROE and ROA



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

- In accordance with the updating of the Samty Toughening Plan (Post-COVID Version), we will expand to a new plan from the current fiscal year and make growth investments.
- The total investment amount over the five years (2021–2025) is approximately ¥750 billion. The cumulative total investment amount as of the 3Q was **¥242.1 billion (progress rate 32.3%)**, and we expected to be able to achieve one-third of the investment plan in the initial fiscal year of the plan. The progress rate by theme is as follows.

Investment plan target by FY11/2025:

Approx. **¥750 billion** (¥242.1 billion / progress rate: 32.3%)



Development of residential properties

(S-RESIDENCE)
(One-room apartments for investors)

Target amount
¥300.0 bn

<State of progress>
Approx. **¥78.9 bn**
(26.3%)



Development of hotels and office buildings

Target amount
¥120.0 bn

<State of progress>
Approx. **¥59.2 bn**
(49.4%)



Acquisition of income properties

(fixed property)
(inventory property)

Target amount
¥250.0 bn

<State of progress>
Approx. **¥68.9 bn**
(27.6%)



Overseas Business

Target amount
¥80.0 bn

<State of progress>
Approx. **¥35.0 bn**
(43.8%)

(Note) For projects contracted and settled or planned to be settled from December 2020 onward. Project total cost price values given for state of progress figures.

Topics and Future Initiatives

(1) Relocation of Osaka Head Office and Osaka Branch Office, Opening of Kobe Sales Office

In anticipation of increased security and virus infection control measures as well as future increases in the number of employees, we are in the process of building offices compatible with the changes in the social environment by, for example, sequentially introducing a free address system at our bases nationwide. Going forward, we will advance business expansion together as a group.

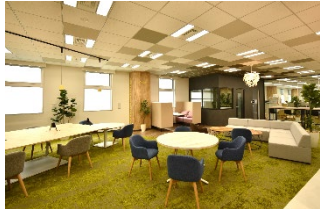
Relocation of Osaka Head Office and Osaka Branch Office (Business started on September 13, 2021)

Location: S-BUILDING Shin-Osaka, 1-8-39 Nishimiyahara, Yodogawa-ku, Osaka-shi

- Moved the Osaka Head Office and Osaka Branch Office to S-BUILDING Shin-Osaka, a Samty-developed property.
(Subsidiaries Samty Property Management Co., Ltd. and Samty Hotel Management Co., Ltd. Have also moved to the new office.)
- We are working to strengthen our organizational capabilities by improving business efficiency and invigorating employee communications by means of consolidating the Group's floors and improving the layout environment.



(Office)
Enhancement of security measures



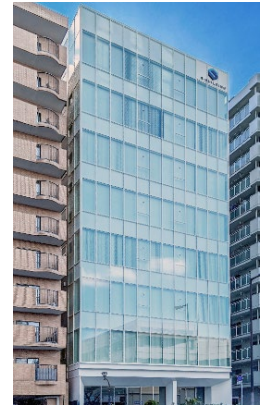
(Office)
Free address system adopted



Installation of video-conferencing booths compatible with the new normal



Refreshment area



**S-BUILDING
Shin-Osaka
(Samty-developed property)**

Opening of Osaka Branch Office's Kobe Office (opened August 2, 2021)

Location: 7F, Meiji Yasuda Life Insurance Kobe Building, 8-3-5 Isogami-dori, Chuo-ku, Kobe-shi

- For the purpose of strengthening sales in the Hyogo area, a new office was opened in Kobe under the Osaka Branch Office's control.
- Implementing business reforms utilizing the network of bases in local cities. Increasing opportunities to utilize the office as a venue where productivity can be increased.



Reception area

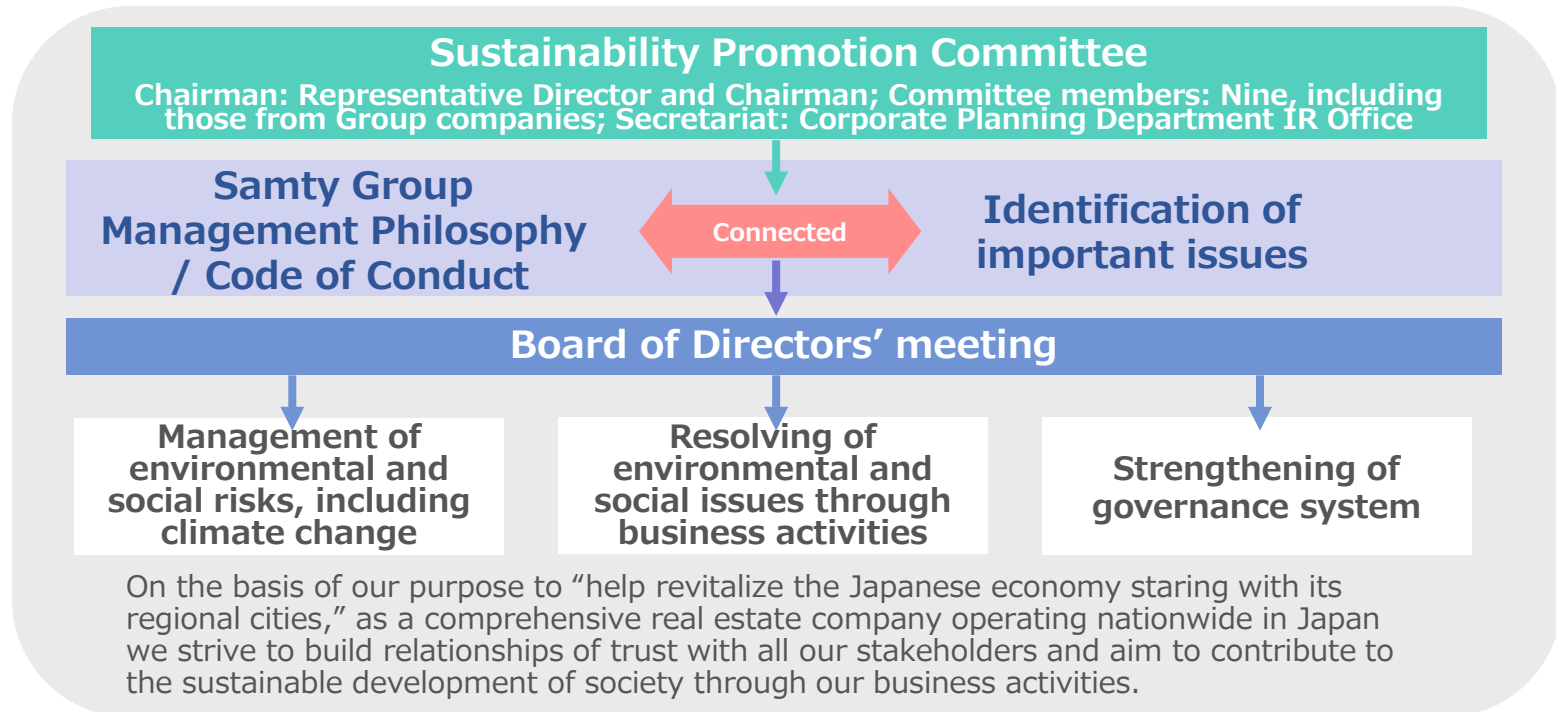


Video-conferencing booth

(2) Sustainability Promotion Committee Established (in July 2021)

- Formed a cross-company organization that includes all Group companies to promote and manage sustainable corporate activities.
- In addition to formulating basic policy for sustainability management while verifying management policy and medium-term management plans through its meetings, this committee reports to the Board of Directors on initiatives designed to address sustainability issues and implements plan proposals and other initiatives.

Main Activity Promotions



Examples of efforts to date

Responses toward acquisition of environmental certifications

We are planning to obtain certifications, such as DBJ Green Building implemented by the Development Bank of Japan, for the real estate developed by the Company and that to be developed from now on.



Participation in Osaka Zero Carbon Foundation

We aim to build a sustainable decarbonized society through partnerships by means of public collaboration with Osaka Prefecture and private companies.



- Formulated external slogans and corporate statements that describe the direction we should aim for and our overall corporate activities.
- Looking ahead to the milestone of fiscal 2022, which will mark the 40th anniversary of our founding, we are planning PR activities and branding strategies geared toward the Company's sustainable growth.

New Samty Group slogan

Samty, Beyond real estate

Corporate Statements Decided!

The first person to have thought “Let’s live in this place made from trees” must surely have been laughed at as a nonconformist. However, an accumulation of acts that appeared to defy common sense have created the present. We at Samty want to be real estate nonconformists. We want to surprise a world that says, “Now why didn’t we think of that?” Please stay tuned to Samty, as we make our spirits dance and launch ourselves at challenges you have not yet envisaged.

Thoughts behind Our Slogan

Taking **real estate** as its starting point, Samty is an unusual company in that each and every employee has been taking on new challenges without being restricted by accepted practice.

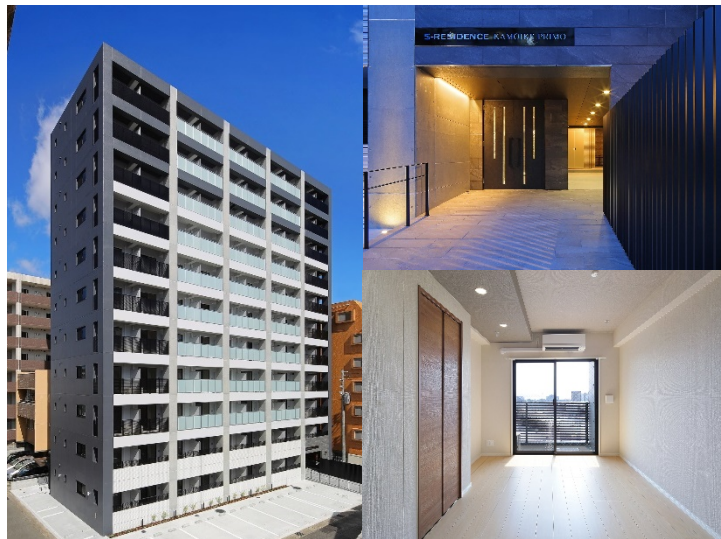
Here “**Beyond**” means thinking without being bound by conventional wisdom and established rules, while referring to a series of actions that produce results beyond imagination by bringing about breakthroughs.

Together with our vision, values and social mission, we plan to sequentially implement communication measures initially devised around this slogan and statements via our website and media.

(4) First S-RESIDENCE in Kyushu Area Completed

- S-RESIDENCE Kamoike PRIMO, Kyushu's first S-RESIDENCE Series property, completed in Kagoshima City.
- Development of the area around Kagoshima Central Station, where the JR Kyushu Shinkansen terminates, is well advanced, and the area is one in which demand for housing is rising.
- There is also a university in the vicinity, and it is judged that stable operation can be expected for students and single people embarking on their adult lives.

● Property Overview



Name of property

S-RESIDENCE Kamoike PRIMO

Location

2-2-7 Kamoike, Kagoshima-shi, Kagoshima

Transportation links

Three minutes' walk from the Kishaba stop on the Kagoshima City Taniyama tramway line

Completion date

August 31, 2021

Structure and scale

Reinforced concrete, 11-story structure
(Total of 108 dwellings: one room/kitchen)

**The Tenmonkan downtown shopping district is reachable by one tram ride
Within walking distance of various facilities, such as the Kagoshima Prefectural Office, Kagoshima City Library, and Kamoike Park**

In line with its purpose of “strategic investment in regional metropolitan areas,” the Samty Group will continue to focus on development in all regional cities, including those in the Kyushu region.

(Note) Refer to page 29 for details of the residence development plan.

Six Senses Kyoto Project

Overview

On September 28, 2021, we invested 38.5% of the total investment of a silent partnership in a special company that holds trust beneficiary rights in the SIX SENSES Kyoto Project, a hotel development project being promoted by Wealth Management, Inc., a capital and business alliance partner.

Future Outlook

- The project is scheduled to open as the first hotel to be operated in Japan under the high-class SIX SENSES hotel brand being developed by IHG Japan Management LLC (Intercontinental Hotels Group), a global hotel chain.
- The Group will hold the hotel for a fixed period of time after its opening, enjoy the vested profit of its equity interest, and consider incorporating the property into the hotel REIT that is being prepared for establishment in the future.



Lobby (Artist's impression)



Name	(Tentative name) SIX SENSES Kyoto
Location	431 Myohoinkawacho, Myohoinkitamonmae, Umamachidori, Kyoto Higashiyama-ku, Kyoto
Access	One minute's walk from Kyoto City Bus Higashiyama-7jo terminal Approx. seven minutes by taxi from Kyoto Station on all JR lines
Number of guest rooms	81 (planned)
Site area	4,857.76m ²
Completion date	December 2024 (planned)



Guest room: Presidential Suite Master bedroom (Artist's impression)

Note: Artist's impressions are subject to change.

Oakwood Hotel Oike Kyoto (Opened October 1, 2021)



Exterior

Hotel Concept

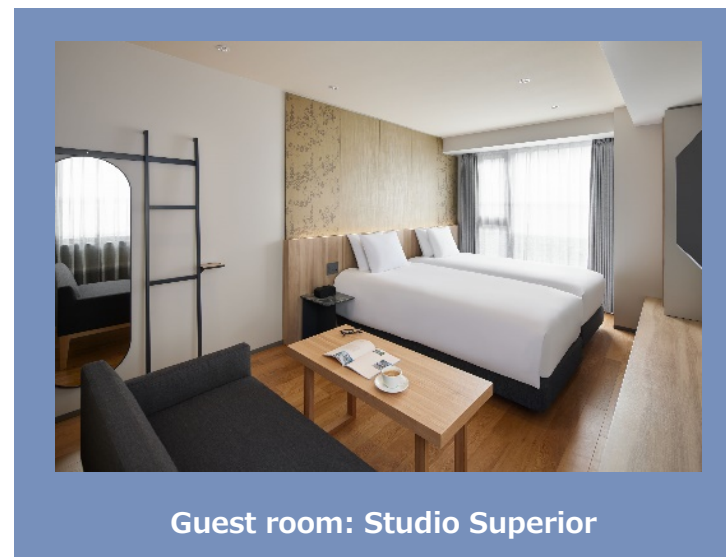
The Company welcomed Oakwood, which develops serviced apartments all over the world, as the operator of this property. A new style of hotel that possesses the functions of both a hotel and serviced apartments, Oakwood Hotel Oike Kyoto combines the convenience of everyday life with the comforts of hotel life.

Guests will be able to enjoy to the full its location in the ancient city of Kyoto and top-class service.

Future Outlook

Under the Group's medium-term management plan, Samty Toughening Plan (Post-COVID Version), one of the priority strategies is the roll-out of hotel developments, and the plan is to establish a hotel REIT in 2022. With a view to incorporating them into the REIT, our policy is to proactively acquire and develop excellent hotels and to consider these hotels as a pipeline.

Name	Oakwood Hotel Oike Kyoto
Location	165-1165-1 Moriyamacho, tominokojidorioikeagaru, Nakagyo-ku, Kyoto-shi
Access	Two minutes' walk from Kyoto-Shiyakushomae Station (Exit 9) on Kyoto City Subway Tozai Line Six minutes' walk from Karasuma-Oike Station (Exit 1) on Kyoto City Subway Karasuma and Tozai lines
Number of guest rooms	120 rooms (104 hotel rooms, 16 serviced apartments)
Site area	707.68㎡
Total floor area	4134.81㎡



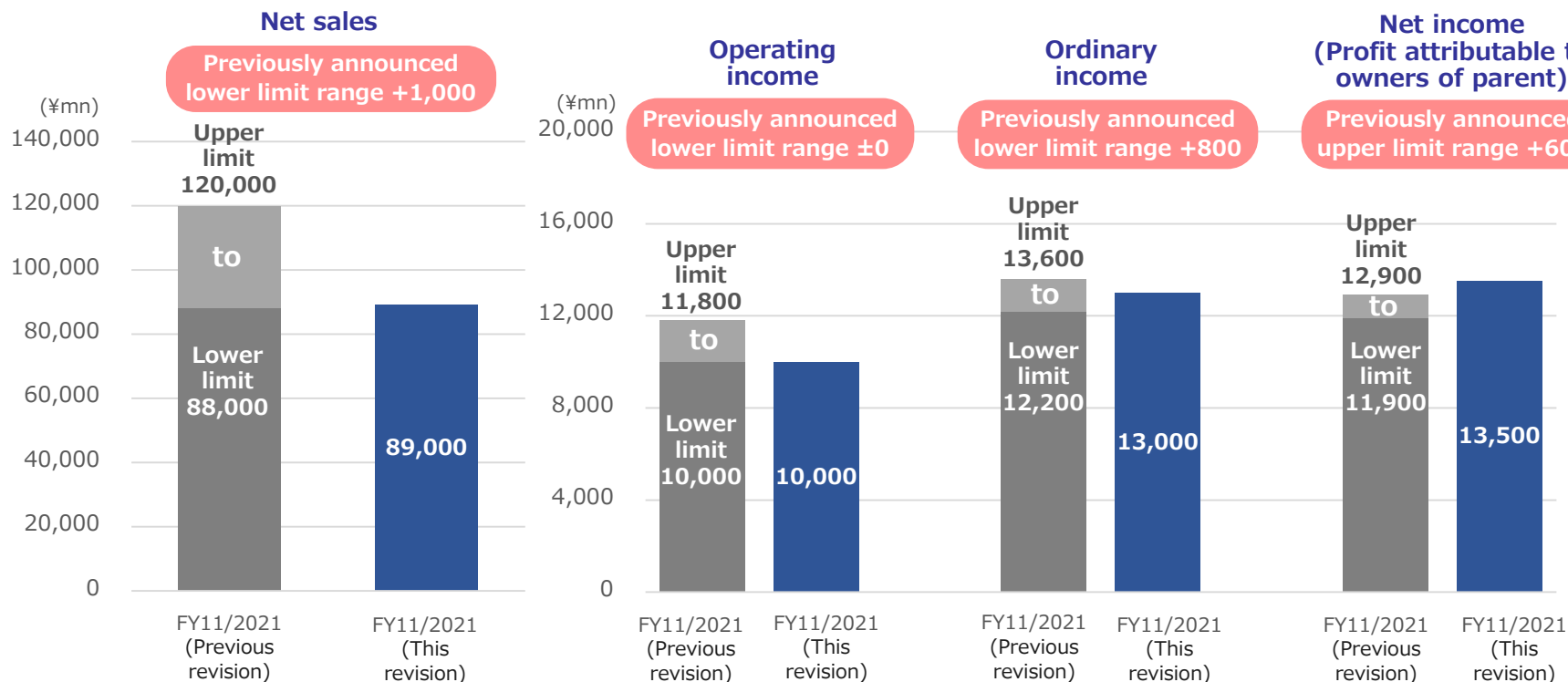
Guest room: Studio Superior

**Third Quarter of Fiscal Year Ending
November 30, 2021
Overview of Consolidated Financial Statements**

Revision of Earnings Forecast and Revision of Dividends (Released on September 30, 2021)



- We revised our earnings forecast for this fiscal year a third time. Looking toward the end of the fiscal year, the plan was revised from the range format to specific values on the expectation that highly accurate aggregation could be carried out. In the case of net income, we had extended the range parameters at the time of the previous revision. **We expect to achieve an increase in profit for a ninth consecutive fiscal year.**
- Based on the abovementioned revision of the earnings forecast, the dividend forecast has been revised, the aim being a dividend payout ratio of 30%. **We plan further increases in dividends. We have increased the year-end dividend by 4 yen from 47 yen to 51 yen, and the total full-year dividend is 90 yen.**
(Reference/half-year dividend: 39 yen)



Main reason for increase in profits

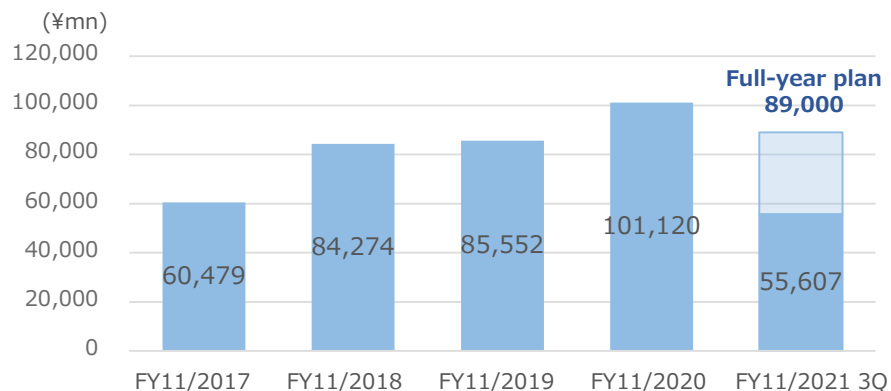
Record-high profits are planned due to the upswing of negative goodwill associated with the application of the equity method for Wealth Management, Inc.

Third Quarter of Fiscal Year Ending November 30, 2021 Results Summary

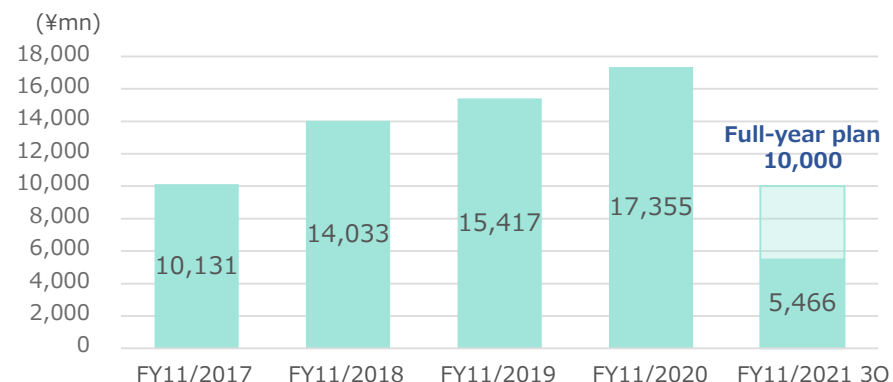


- In the fiscal year ending November 2021, **budget formation is heavily weighted on the second half**. We are implementing a plan that focuses on the purchase of properties in the first half and sales in the second half.
- Compared with the revised plan, net sales and quarterly net income were about 60%, operating income was about 55%, and ordinary income was up to about 50%.
- We are implementing efforts to achieve the full-year plan by boosting rental income obtained from assets accumulated during the progression stage and by advancing the projects planned for during the 4Q that are not yet settled.

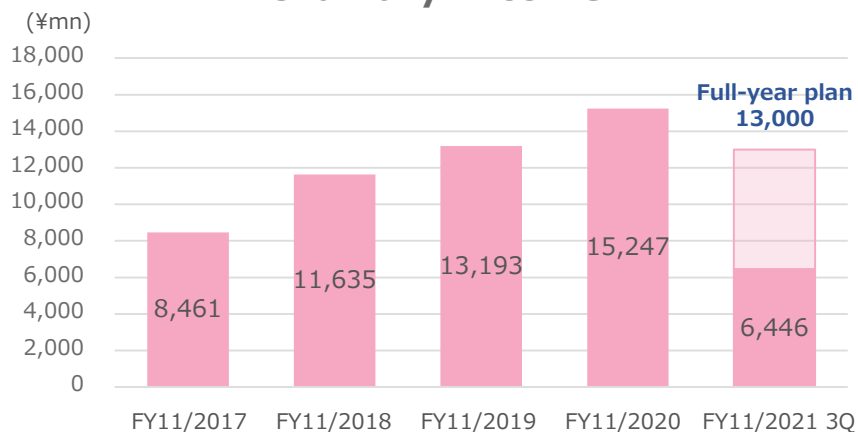
Net Sales



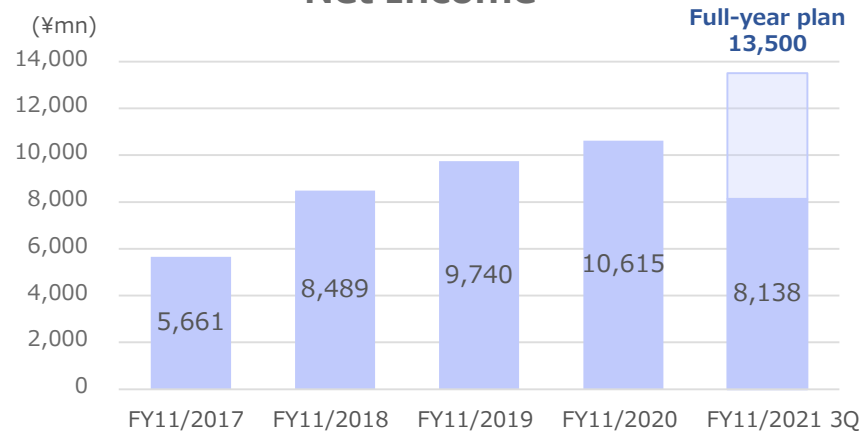
Operating Income



Ordinary Income



Net Income*



* Profit attributable to owners of parent

Third Quarter of Fiscal Year Ending November 30, 2021 Overview of Consolidated Statements of Income



- Based on the medium-term management plan targets, we are implementing a strategy geared toward the maximization of income gain.
- Sales and various profits increased in 3Q due to the supply of properties to Samty Residential Investment Corporation (SRR), which was implemented in August. Sales, ordinary income, and net income have tended to exceed those of the same period of the previous fiscal year.
- The full-year forecast has been revised from a range forecast to specific values, and the probability of achievement is high due to the sale of properties scheduled by the end of the fiscal year.

(Unit: Millions of yen)	FY11/2020 3Q		FY11/2021 3Q		Year on year		FY11/2021 Full-year forecast	
	Result*	Ratio	Result	Ratio	Amount of increase/decrease	Rate of increase/decrease	Revision	Rate of progress
Net sales	47,394	100.0	55,607	100.0	8,213	17.3%	89,000	62.5%
Cost of sales	33,081	69.8	44,089	79.3	11,008			
Selling, general and administrative expenses	7,339	15.5	6,051	10.9	-1,288			
Operating income	6,973	14.7	5,466	9.8	-1,507	-21.6%	10,000	54.7%
Non-operating income	68	0.1	3,414	6.1	3,346			
Non-operating expenses	1,646	3.5	2,415	4.3	769			
Ordinary income	5,395	11.4	6,466	11.6	1,071	19.9%	13,000	49.7%
Extraordinary income	153	0.3	3,317	6.0	3,164			
Extraordinary loss	109	0.2	194	0.3	85			
Profit attributable to owners of parent	3,653	7.7	8,138	14.6	4,485	122.8%	13,500	60.3%
Net income per share	89.71	-	202.31	-	112.59	125.5%	326.98	-

*The figures shown are those reflecting the reclassification of the quarterly consolidated statements of income due to changes in the accounting policy for real estate for sale.

(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.

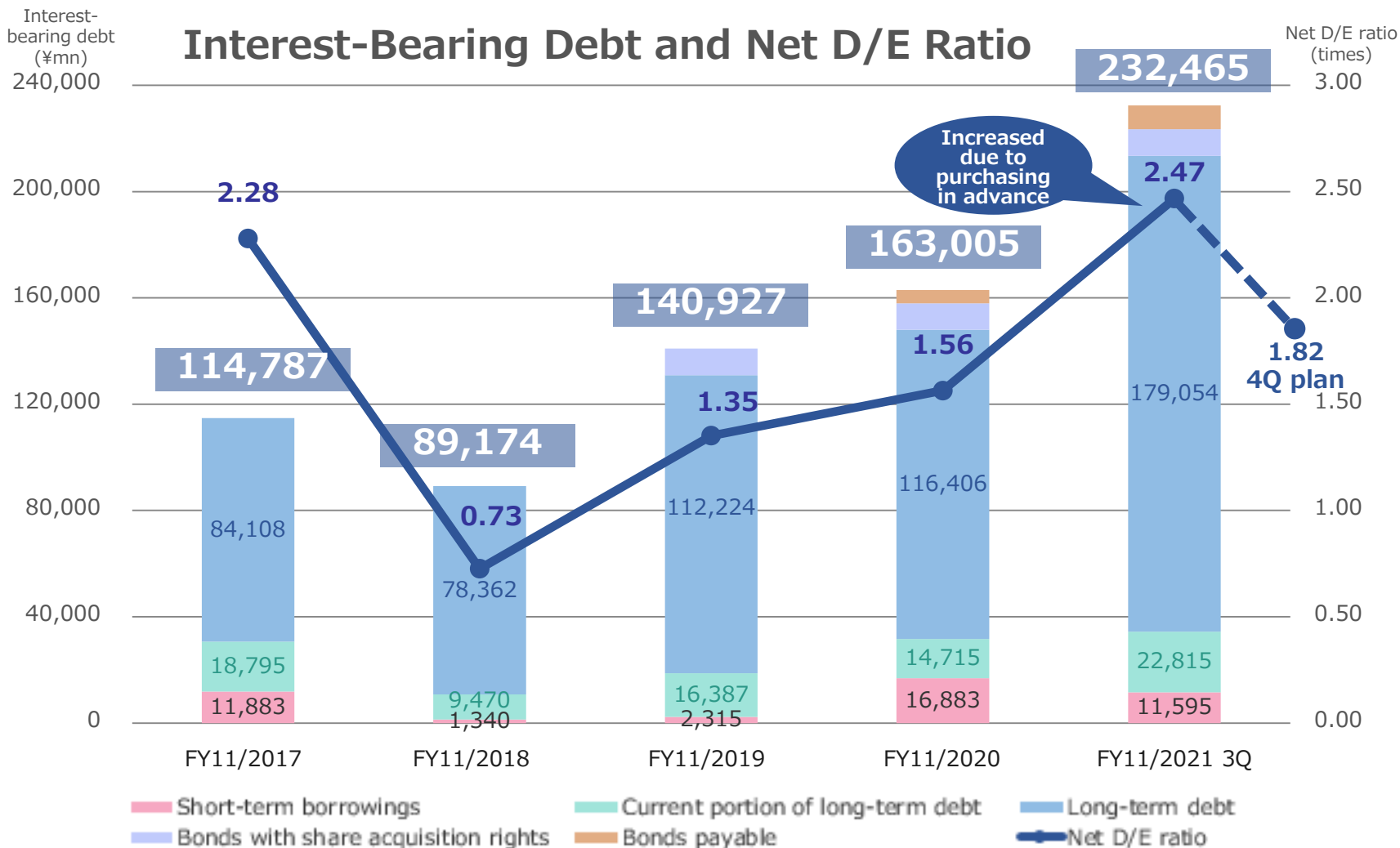
Third Quarter of Fiscal Year Ending November 30, 2021 Overview of Consolidated Balance Sheets



- Assets are being built up in the early stages of the planning period. The Group's total assets increased by approximately ¥82 billion compared with the end of the previous fiscal year.
- While emphasizing factors such as capital efficiency and financial discipline, we will continue to work to maximize income gain in the years to come.

(Unit: Millions of yen)	FY11/2020 Period-end results	FY11/2021 3Q results	Amount of increase/ decrease	Main reasons for increase/decrease
Total assets	250,864	332,925	82,061	◇Real estate for sale
Current assets	158,608	225,045	66,437	Property acquisitions +60,456 million
Cash and deposits	42,511	29,290	-13,221	Transfers and other +39,020 million
Real estate for sale	58,265	120,274	62,009	Property sales -36,738 million
Real estate for sale under construction	42,512	69,799	27,286	
Non-current assets	92,255	107,879	15,623	◇Real estate for sale under construction
Property and equipment	71,938	83,214	11,275	Acquisition of land for development, and building costs +53,818 million
Intangible assets	143	128	-15	Transfers and other -26,522 million
Investments and other assets	20,173	24,537	4,363	
Total Liabilities	173,164	244,001	70,837	◇Property and equipment
Current liabilities	39,497	40,444	946	Acquisition of income properties +25,359 million
Short-term borrowings	16,883	11,595	-5,287	Transfers and other -14,083 million
Current portion of long-term debt	14,715	22,815	8,099	
Non-current liabilities	133,666	203,557	69,890	◇Shareholders' equity
Long-term debt	116,406	179,054	62,648	Net income +8,211 million
Bonds payable	5,000	9,000	4,000	Dividend payments -3,344 million
Bonds with share acquisition rights	10,000	10,000	-	Acquisition of treasury stock -384 million
Net assets	77,699	88,923	11,223	
Total liabilities and net assets	250,864	332,925	82,061	
Interest-bearing debt	163,005	232,465	69,460	
Shareholders' equity	76,945	81,446	4,501	
Equity ratio (%)	30.7%	24.7%	-6.0%	

- We are making growth investments while paying close attention to fiscal discipline. As our borrowing increases, we will promote the spreading out of debt repayment deadlines and reductions of procurement interest payments.
- The average long-term borrowing period is 13.3 years, the average borrowing interest rate is 1.10%, of which the borrowing period is 15.0 years, and the borrowing interest rate is 1.10% for income properties.



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

**Third Quarter of Fiscal Year Ending
November 30, 2021
Overview of Consolidated Financial Statements
by Segment**

Third Quarter of Fiscal Year Ending November 30, 2021 Overview of Consolidated Financial Statements by Segment

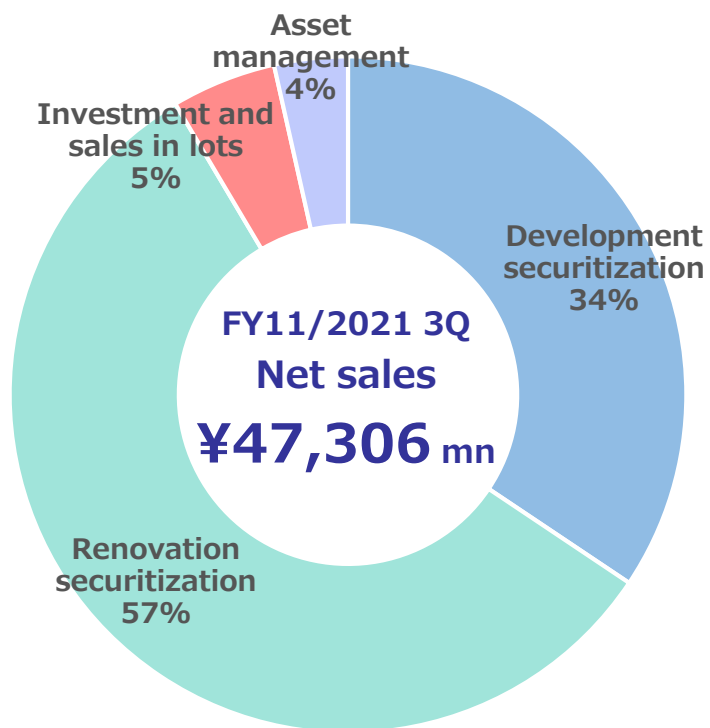


		Net sales	Year on year
Real Estate Business	Increased compared with the same period of the previous fiscal year due to the planned sale of properties in the second half. We are steadily promoting the reaching of the full-year forecast value by the sale of properties scheduled by the end of the fiscal year.	¥47,319 million	+19.5%
Property Leasing Business	Leasing business sales, which in the first half had fallen below the same period of the previous fiscal year, recovered to the same level. Since, depending on the supplier, contributions from rents to the increase in assets are expected in the future, we aim to earn further medium- to long-term profits.	¥6,133 million	+0.6%
Other Business	Compared with the same period of the previous fiscal year, sales increased due to increased hotel room revenues. Going forward, we are planning on occupancy rate recovery and improved profitability. In terms of segment profit, we will reduce the degree of deficit and promote the reaching of the full-year forecast.	¥2,447 million	+26.9%

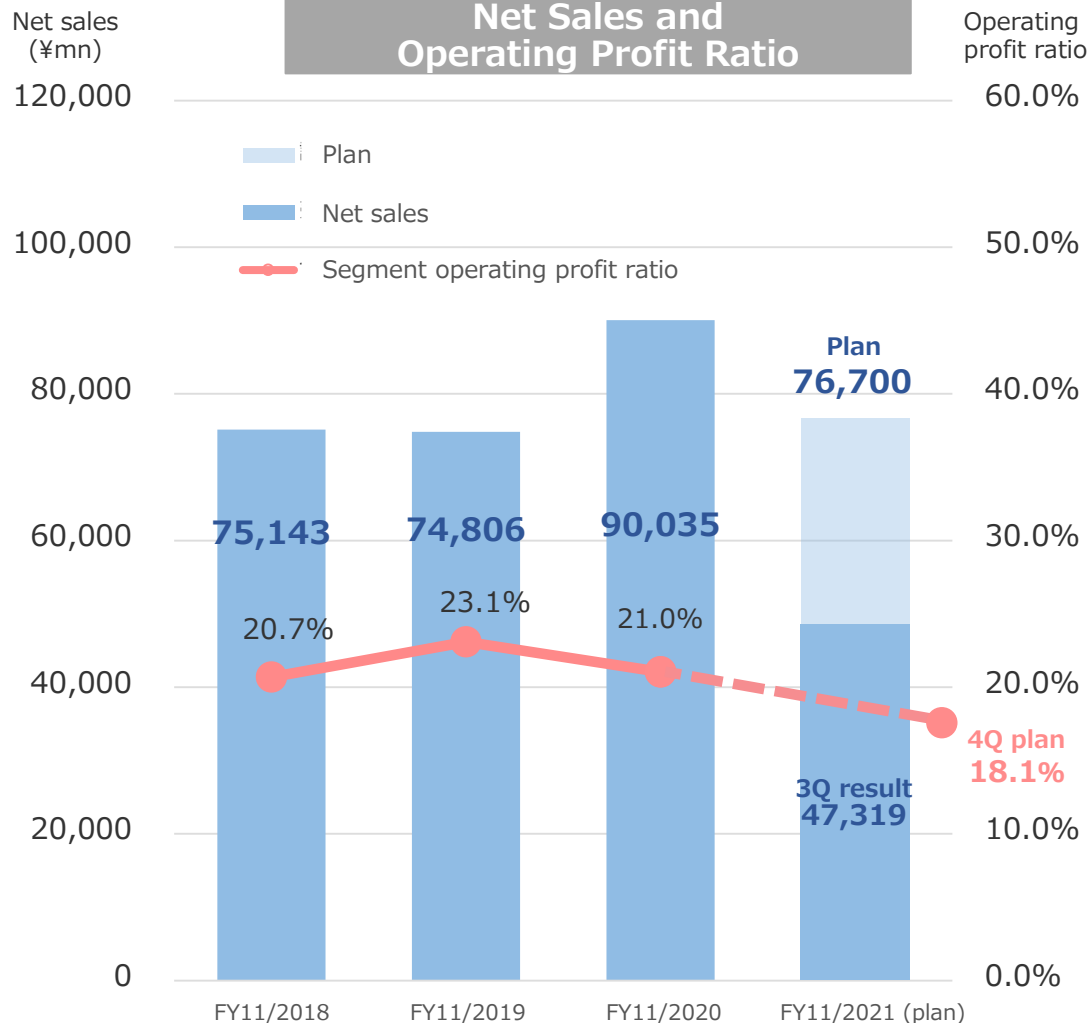
(Unit: Millions of yen)	FY11/2020 3Q		FY11/2021 3Q		Year on year		FY11/2021 Full-year forecast	
	Result	Operating profit ratio	Result	Operating profit ratio	Amount of increase/decrease	Rate of increase/Decrease	Revision	Rate of progress
Net sales	47,394	-	55,607	-	8,213	+17.3%	89,000	62.5%
Real Estate Business	39,589	-	47,319	-	7,729	+19.5%	76,700	61.7%
Property Leasing Business	6,098	-	6,133	-	35	+0.6%	8,500	72.2%
Other Business	1,929	-	2,447	-	518	+26.9%	4,200	58.3%
Adjustment	-223	-	-292	-	-69	-	-400	-
Operating income	6,973	14.7%	5,466	9.8%	-1,507	-21.6%	10,000	54.7%
Real Estate Business	8,330	21.0%	8,719	18.4%	388	+4.7%	13,900	62.7%
Property Leasing Business	2,721	44.6%	2,606	42.5%	-115	-4.2%	3,800	68.6%
Other Business	-602	-	-2,348	-	-1,745	-	-2,200	-
Adjustment	-3,476	-	-3,511	-	-35	-	-5,500	-

* The figures shown are those reflecting the reclassification of the quarterly consolidated statements of income due to changes in the accounting policy for real estate for sale.

Net Sales by Asset Category



Net Sales and Operating Profit Ratio



(Note) The detailed segment sales figures on the left are prior to intersegment adjustments, while the net sales figures on the right are after intersegment adjustments.

- Up to and including the 3Q, 45 properties were acquired, and about ¥18.2 billion of development land was acquired on an acquisition price basis.
- A total of 69 projects, including those scheduled to be settled, are in progress up to approximately ¥30.1 billion (75.8% when compared against the full-year plan).

Based on acquisition amount (progress)

Full-year budget	FY11/2021 up to 3Q		Planned settlement	Result + Contracted, yet to be settled	
	Result	Rate of progress			Rate of progress
¥39.7 bn	¥18.2 bn	45.9%	¥11.9 bn	¥30.1 bn	75.8%

(Note) Based on the acquisition amount of land

Based on number of acquisitions (by region)

	Hokkaido	Tokyo metropolitan area	Chubu	Kansai	Chugoku	Kyushu	Total
Acquisition settled (up to 3Q)	1	15	9	8	8	4	45
Contracted, yet to be settled	2	7	6	4	3	2	24
Total	3	22	15	12	11	6	69

(Note) Concerning the amount of money planned to be settled and the number of property acquisitions that have yet to be settled, calculated excluding SIX SENSES Kyoto and the (tentative name) Shangri-La Kyoto Nijojo, which are hotel projects to be acquired through an SPC.

- Up to the third quarter, we have sold 31 properties in total for development securitization and renovation securitization and sold 2 properties (132 units) for investment and sales in lots.
- Based on the number of buildings, the sales progress rate is 58.9%. Including properties scheduled to be settled, will increase to 94.6%.

**Based on number of sales
(progress)**

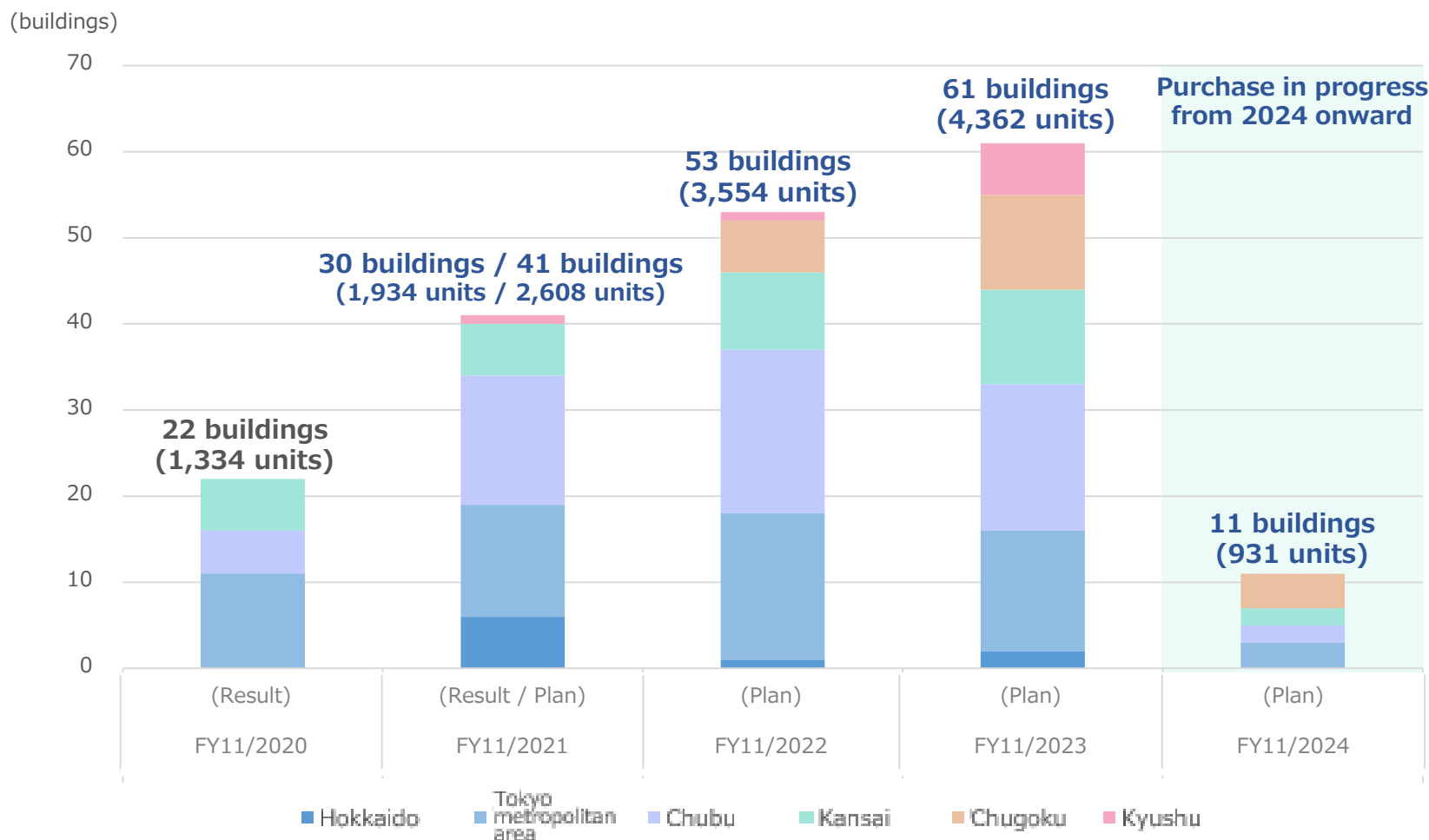
Sale type / Plan	Full-year plan	FY11/2021 up to 3Q		Planned sale	Result + Planned sale	
		Result	Rate of progress			Rate of progress
Development securitization (S-RESIDENCE)	21 (19)	5 (3)	23.8%	11 (11)	16 (14)	76.2%
(Hotel)	(2)	(2)	-	-	(2)	-
Renovation securitization	33	26	78.8%	9	35	106.1%
Investment and sales in lots*	2	2	100.0%	-	2	100.0%
Non-current assets	-	-	-	-	-	-
Total	56	33	58.9%	20	53	94.6%

* For investment and sales in lots, the properties for sale are aggregated on a building-by-building basis.

**Based on number of sales
(by region)**

Sale type / Area	Hokkaido	Tokyo metropolitan area	Chubu	Kansai	Kyushu	Total
Development securitization (S-RESIDENCE)	1 (1)	- -	2 (2)	2 -	- -	5 -
(Hotel, Office building)	-	-	-	(2)	-	-
Renovation securitization	1	9	8	4	4	26
Investment unit sales in lots	-	1	-	1	-	2
Non-current assets	-	-	-	-	-	-
Total	2	10	10	7	4	33

- Up to the third quarter of FY11/2021, 30 residential buildings (1,934 units) have been completed. Another 11 buildings (674 units) are slated for completion from the fourth quarter onward, 53 buildings (3,554 units) in FY11/2022, 61 buildings (4,362 units) in FY11/2023, and 11 buildings (931 units) in FY11/2024.
- A **total of 136 buildings (approximately 9,521 units)** are under or in the planning for development in cities nationwide. From 2022 onward, projects in the Hiroshima area are also slated for completion one after another.

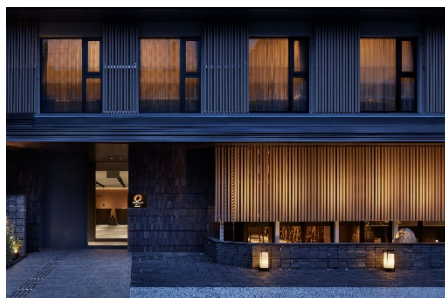


(Note) Total development results for S-RESIDENCE and investment unit sales in lots

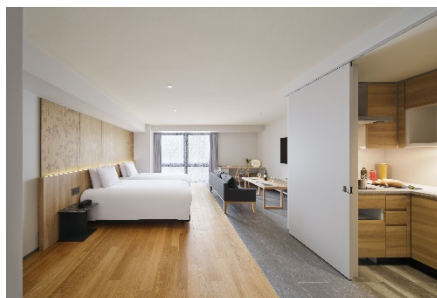
- Oakwood Hotel Oike Kyoto opened October 1, 2021
- SIX SENSES Kyoto Project added as a future target property for the hotel REIT project.

Type	FY start	Project name (Tentative name)	Location	No. of units	Planned opening (completion)
HOTEL	2021年	Oakwood Hotel Oike Kyoto	Nakagyo-ku, Kyoto	120	Opened October 1, 2021
		Total 1 building			120
	2022年以降	Hida Takayama Hotel Project (tentative name)	Takayama-shi, Gifu	161 (planned)	Winter 2022
		Haneda Hotel Project (tentative name)	Ota-ku, Tokyo	362 (planned)	Fall 2023
		SIX SENSES Kyoto (tentative name)	Higashiyama-ku, Kyoto	81 (planned)	Winter 2024
		Shangri-La Kyoto Nijojo (tentative name)	Kamigyo-ku, Kyoto	80-100 (planned)	Spring 2025
Total 4 buildings			684-704 (planned)		
Office	2024年	Odori-Nishi 5-Chome II Office Building Project (tentative name)	Chuo-ku, Sapporo	-	2024
		Total 1 building			

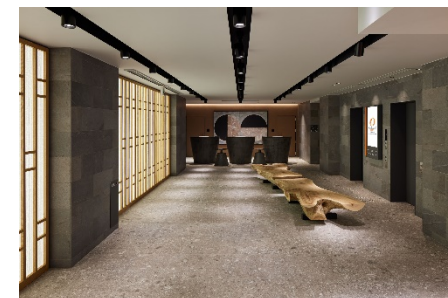
(Note) The above development plan figures are as of the date of this document and may change in the future.



Oakwood Hotel Oike Kyoto
Reception area

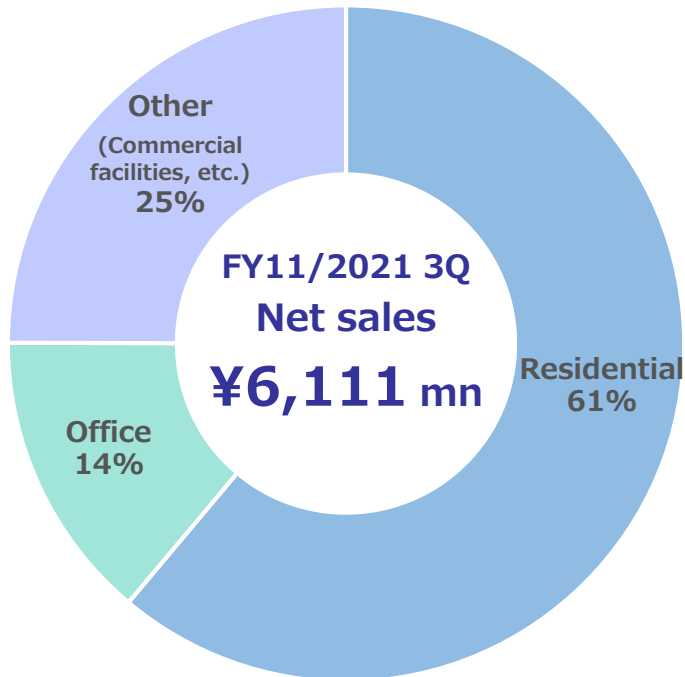


Oakwood Hotel Oike Kyoto
Guest room: Studio Deluxe

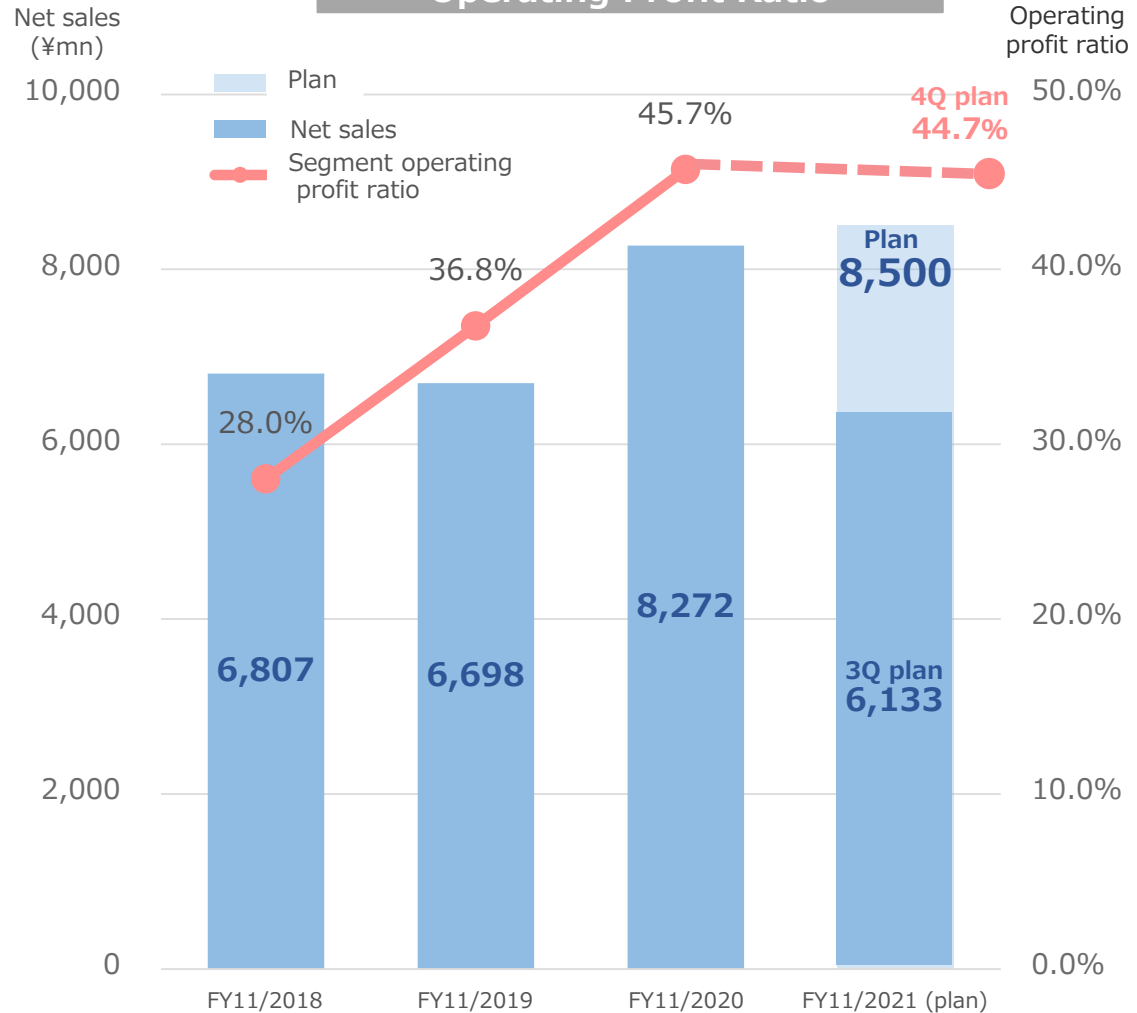


Oakwood Hotel Oike Kyoto
Lobby

Net Sales by Asset Category



Net Sales and Operating Profit Ratio



(Note) The detailed segment sales figures on the left are prior to intersegment adjustments, while the net sales figures on the right are after intersegment adjustments.

- Up to the third quarter, we have acquired income properties of a total of 46 properties or approximately ¥40.0 billion.
- Based on the amount, the acquisition progress rate is 83.3%. Trending at a steady pace, increases to 126.0% when properties for which future settlement plans have been confirmed are included. It is expected that the full-year acquisition plan can be achieved.

**Based on acquisition amount
(progress)**

Full-year budget	FY11/2021 up to 3Q	
	Result	Rate of progress
¥48.0 bn	¥40.0 bn	83.3%

Planned settlement	Result + Contracted, yet to be settled	
		Rate of progress
¥20.5 bn	¥60.5 bn	126.0%

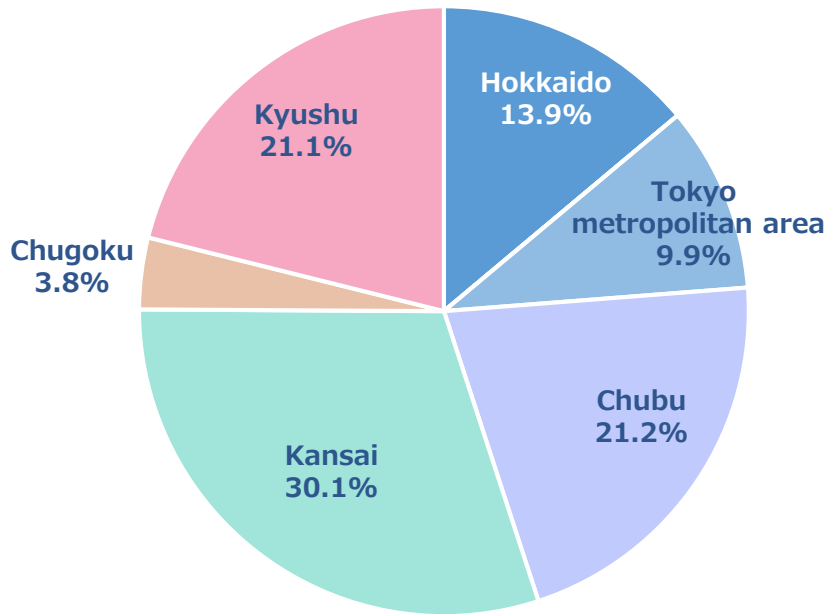
**Based on number of acquisitions
(by region)**

	Hokkaido	Tohoku	Tokyo metropolitan area	Koshinetsu	Chubu	Kansai	Chugoku	Kyushu	Total
Acquisition settled (up to 3Q)	5	-	12	0	9	8	1	11	46
Contracted, yet to be settled	5	-	4	1	3	5	1	2	21
Total	10	0	16	1	12	13	2	3	67

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

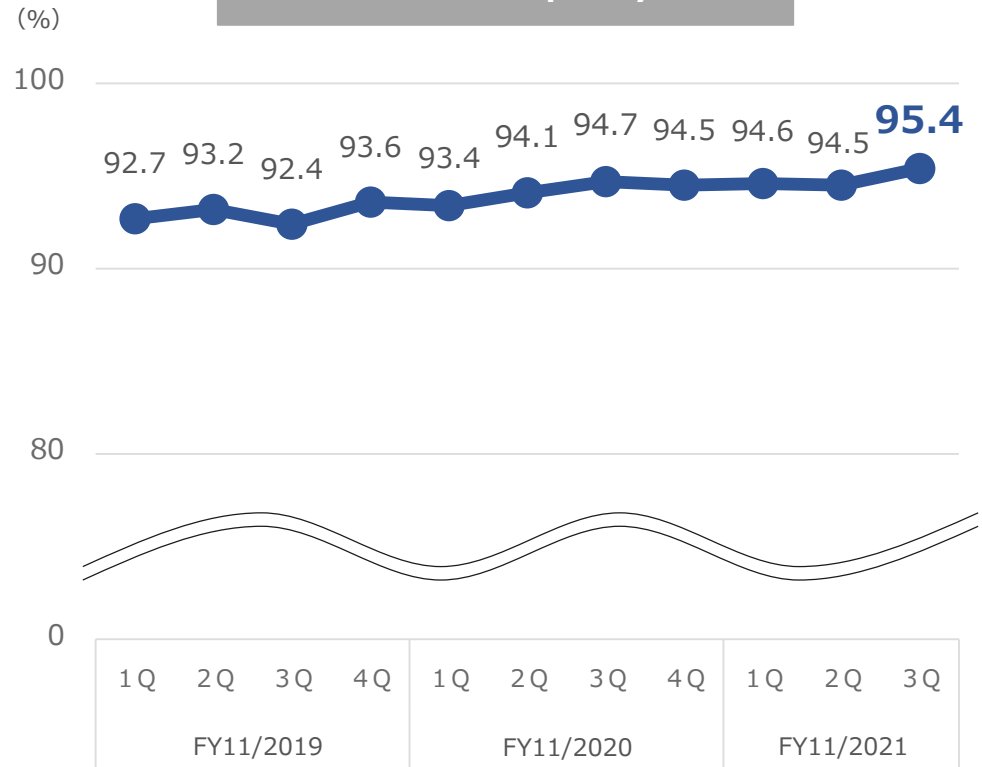
- We possess a well-balanced portfolio by holding rental real estate diversified across major cities throughout the country.
- We continue to maintain high residential occupancy rates of around 95%, and remain in a state that stable revenue can continue to be earned.

Asset Holdings by Region



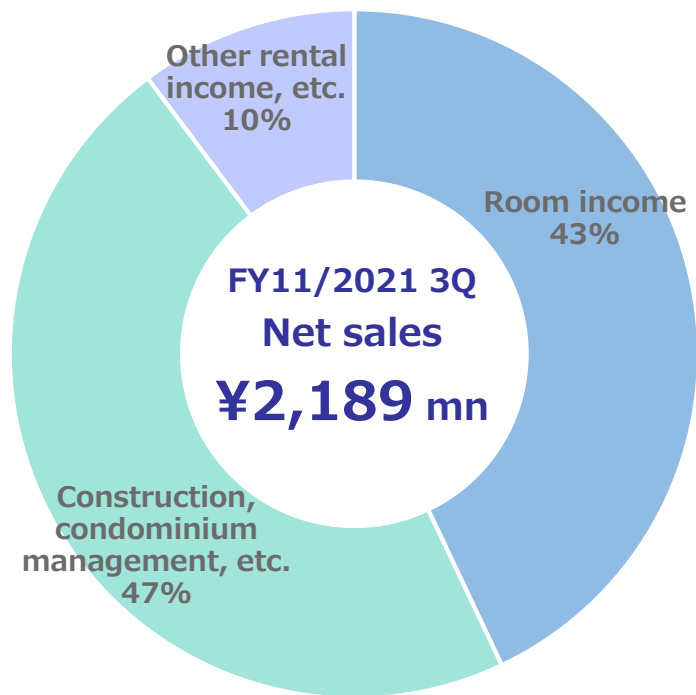
(Note) As of August 31, 2021. Aggregated based on the total floor area of real estate for sale and non-current assets owned by the Samty Group on a consolidated basis.

Residential Occupancy Rates

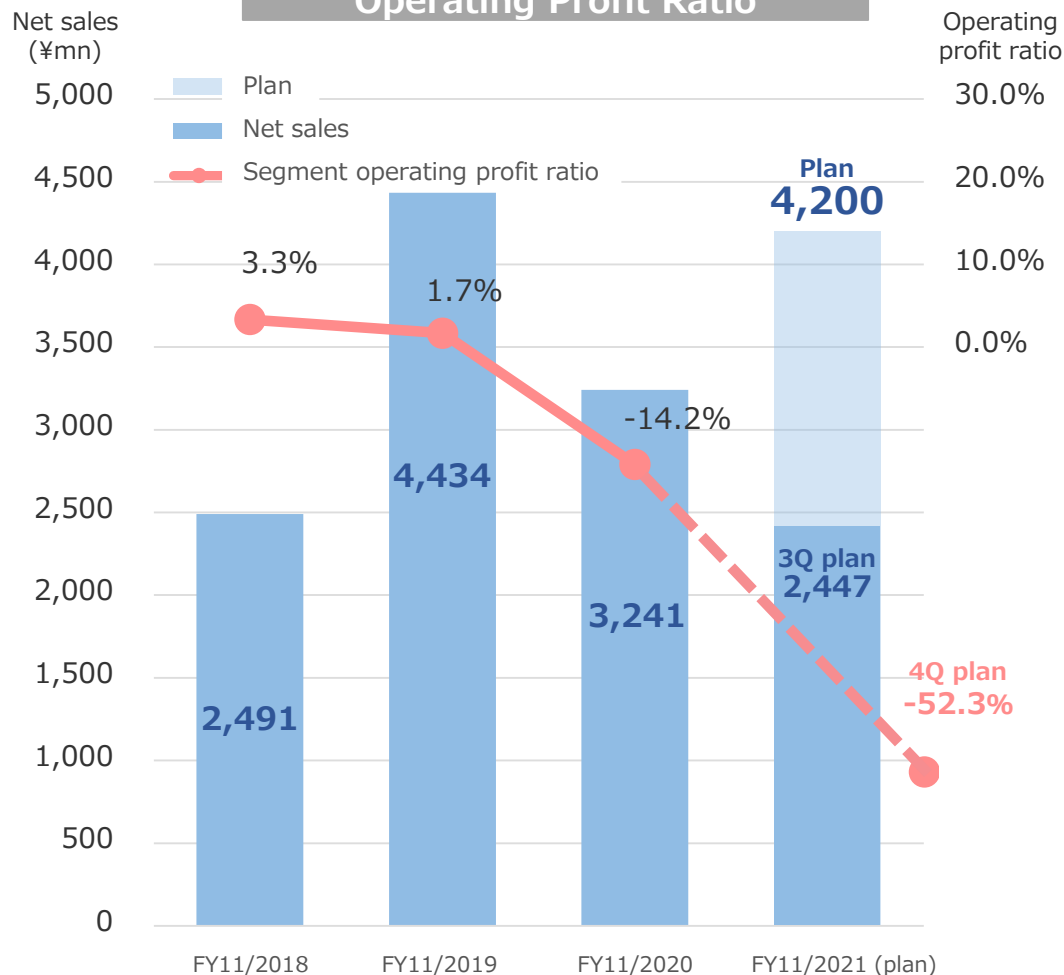


(Note) Average occupancy rate at end of each quarter
 Total floor area basis (weighted average): Total leased area of each property / Total leasable area
 * Excluded from the aggregation are special properties, such as newly built properties or properties that are acquired that have not passed a certain period of time.

Net Sales by Asset Category



Net Sales and Operating Profit Ratio



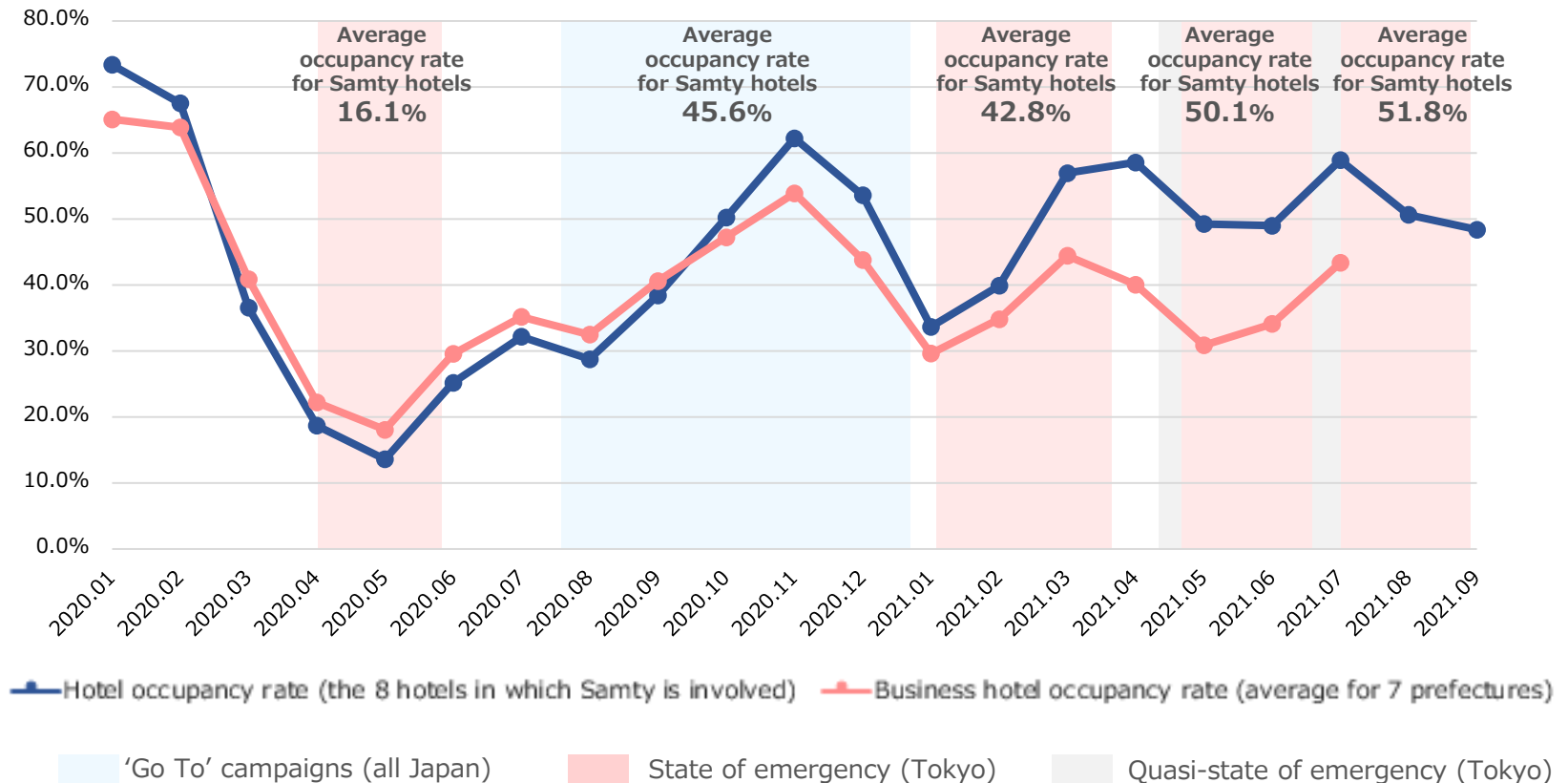
(Note) The detailed segment sales figures on the left are prior to intersegment adjustments, while the net sales figures on the right are after intersegment adjustments.

[Other Business] Trends in Hotel Occupancy Rates and External Environment



- Since October 2020, the hotels we are involved in have been outperforming the average occupancy rate of the seven covered prefectures in all months.
- Due to decreases in the numbers of both people newly infected with COVID and those in serious condition, the state of emergency declaration was lifted on September 30, 2021. The government continued with one-month transitional measures designed to curb the flow of people. Since it is expected that vaccination certificates and other means will be used to enable a relaxation of behavioral restrictions and that consumption stimulus measures such as the GoTo campaign will be resumed, it is hoped that the travel market and hotel occupancy rates will remain on a recovery trend.

Hotel Occupancy Rates



Source: Prepared by Samty based on Japan Tourism Agency's "Overnight Travel Statistics Survey"

[7 prefectures] Tochigi, Tokyo, Kyoto, Osaka, Hiroshima, Fukuoka and Nagasaki

[8 hotels] Hotel Sunshine Utsunomiya, Center Hotel Tokyo, S-PERIA INN Nihombashi Hakozaeki, S-PERIA INN Osaka Hommachi, S-PERIA HOTEL Kyoto, Nest Hotel Hiroshima Hatchobori, S-PERIA HOTEL Hakata, and S-PERIA HOTEL Nagasaki

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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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SAMTY