

Internal Growth : New Rent Structure

current situation

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

New Rent Structure

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

Background

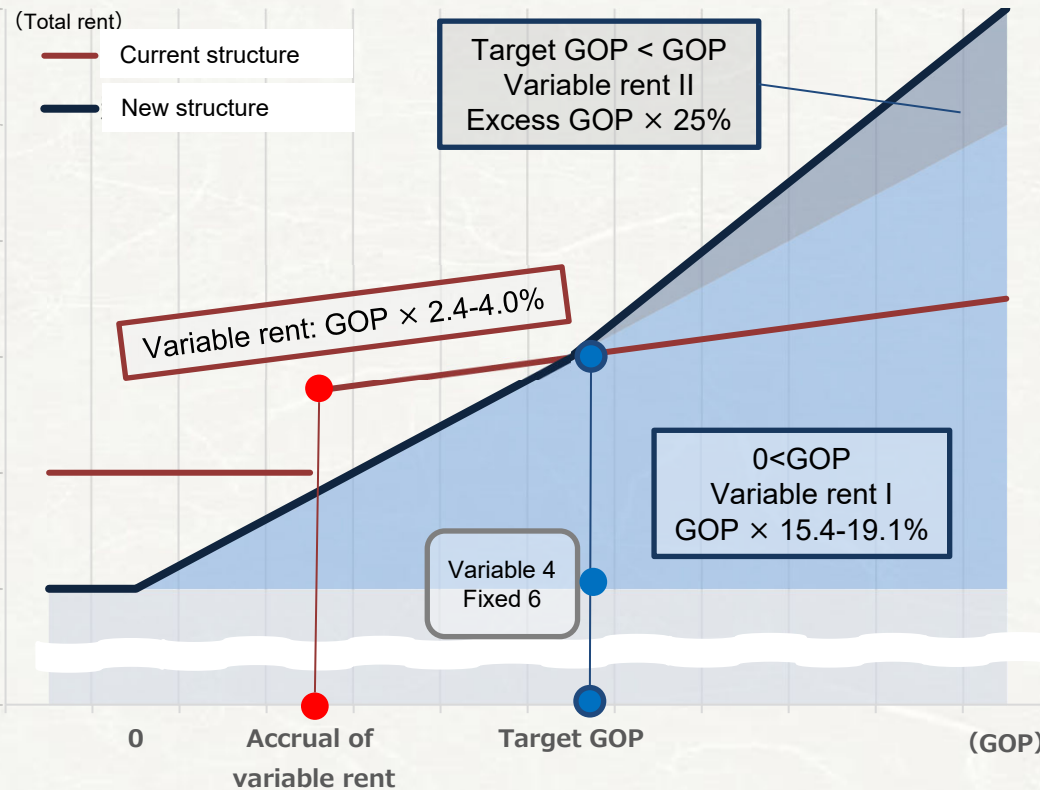
- The high fixed rent burden during a time of crisis such as the COVID-19 pandemic put pressure on tenants' finances and reduced the flexibility of operations.

Overview

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

Internal Growth : Illustration of New Rent Structure

Facilities subject to value-up program
(Ise-shima, Kinugawa Kanko Hotel)



Facilities not subject to value-up program
(facilities other than Ise-shima, Kinugawa Kanko Hotel)

