

# Imperial Hotel, Ltd. Financial Results for the Fiscal Year Ended March 2024



IMPERIAL HOTEL

May 10, 2024, Imperial Hotel, Ltd. (Code 9708, TSE Standard)



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# Consolidated Operating Results



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Unit (million yen)

Note: Amounts less than one million yen are rounded down to the nearest million yen.

|   | FY03/2024           | FY03/2023    | YoY Difference<br>(amount) | YoY<br>Difference<br>(%) |
|---|---------------------|--------------|----------------------------|--------------------------|
| <b>Net Sales</b>                        | <b>53,335</b>       | 43,772       | 9,562                      | 21.8                     |
| EBITDA*1                                | 5,813               | 4,365        | 1,448                      | 33.2                     |
| Operating Profit                        | 2,839               | 348          | 2,491                      | 715.9                    |
| Ordinary Profit                         | 3,296               | 1,652        | 1,643                      | 99.4                     |
| Profit Attributable to Owners of Parent | 3,377               | 1,951        | 1,425                      | 73.1                     |
| Basic Earnings per Share*2              | Yen<br><b>28.46</b> | Yen<br>16.45 | Yen<br>12.01               | 71.8                     |

\*1 EBITDA is a widely-used profit indicator obtained by adding interest expense and depreciation to ordinary profit; the Company has set this indicator as a quantitative target in the Medium- to Long-Term Management Plan 2036.

\*2 On October 1, 2023, Imperial Hotel conducted a 2-for-1 common stock split. Accordingly, basic earnings per share is calculated on the assumption that the stock split was conducted at the beginning of the fiscal year ended March 31, 2023.

- In the hotel & tourism industry, we have observed a trend of continuous improvement, driven by factors such as higher domestic tourism demand and increased inbound consumption due to yen depreciation, along with a recovery in corporate demand.  
- At the Imperial Hotel Group, in the final fiscal year of Phase 1 of the Medium- to Long-Term Management Plan 2036, we have endeavored to increase net sales and profit by providing high-quality, value-added products and services, aiming to capture both domestic tourism demand and inbound demand.

# Consolidated Income Statement

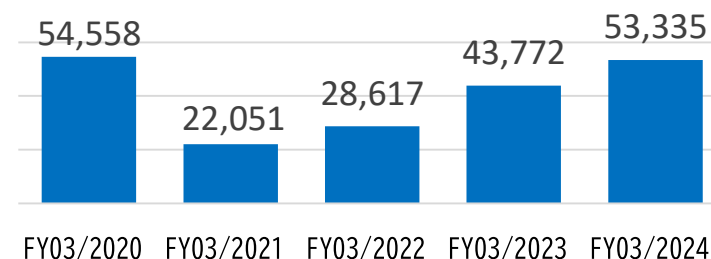


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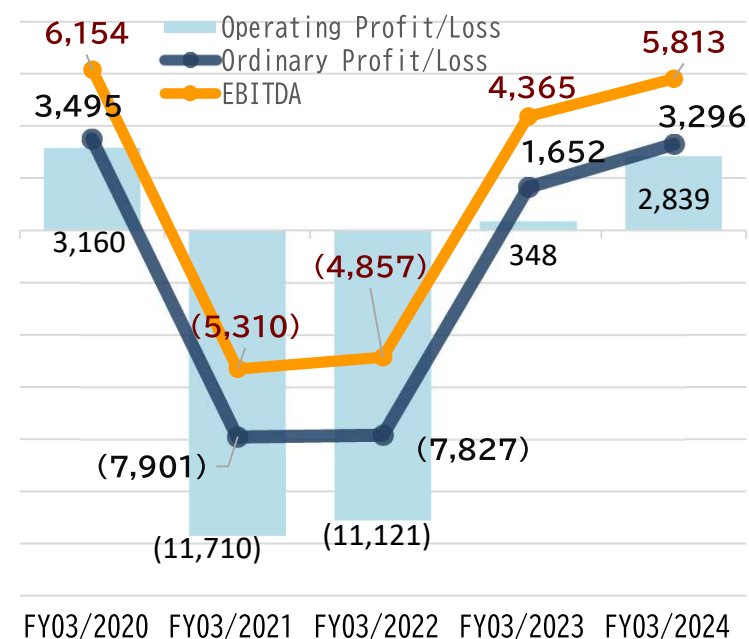
Unit (million yen)

|  | FY03/2024 | FY03/2023 | YoY Difference | YoY Difference (%) |
|--|-----------|-----------|----------------|--------------------|
| Net Sales                                    | 53,335    | 43,772    | 9,562          | 21.8               |
| Material Cost                                | 11,033    | 9,552     | 1,481          | 15.5               |
| Gross Profit                                 | 42,301    | 34,219    | 8,081          | 23.6               |
| Selling, General and Administrative Expenses | 39,461    | 33,871    | 5,589          | 16.5               |
| Operating Profit                             | 2,839     | 348       | 2,491          | 715.9              |
| Non-operating Income                         | 463       | 1,307     | (843)          | (64.5)             |
| Non-operating Loss                           | 7         | 2         | 4              | 178.7              |
| Ordinary Profit                              | 3,296     | 1,652     | 1,643          | 99.4               |
| Profit                                       | 3,377     | 1,951     | 1,425          | 73.1               |
| Profit Attributable to Owners of Parent      | 3,377     | 1,951     | 1,425          | 73.1               |
| EBITDA                                       | 5,813     | 4,365     | 1,448          | 33.2               |

## Net Sales



## Operating Profit, Ordinary Profit, EBITDA



# By Segment



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Unit (million yen)

|  |                | FY03/2024 | FY03/2023 | YoY Difference | YoY Difference (%) |
|--|----------------|-----------|-----------|----------------|--------------------|
| Hotel Business   | Net Sales      | 51,125    | 40,581    | 10,544         | 26.0               |
|  | Segment Profit | 4,855     | 904       | 3,951          | 437.0              |
| Real Estate Rental Business                            | Net Sales      | 2,219     | 3,200     | (981)          | (30.7)             |
|  | Segment Profit | 408       | 1,360     | (951)          | (70.0)             |
| Adjustment*1   | Net Sales      | (9)       | (9)       | —              | —                  |
|  | Segment Profit | (2,424)   | (1,916)   | (507)          | —                  |
| Amount Recorded in Consolidated Financial Statements*2 | Net Sales      | 53,335    | 43,772    | 9,562          | 21.8               |
|  | Segment Profit | 2,839     | 348       | 2,491          | 715.9              |

\*1. Adjustment of segment profit refers to corporate expenses that are not allocated to each reportable segment. Corporate expenses mainly consist of general and administrative expenses that do not belong to any reportable segment.

\*2. Segment profit is adjusted with Operating profit in the consolidated income statement.

# Results by Business



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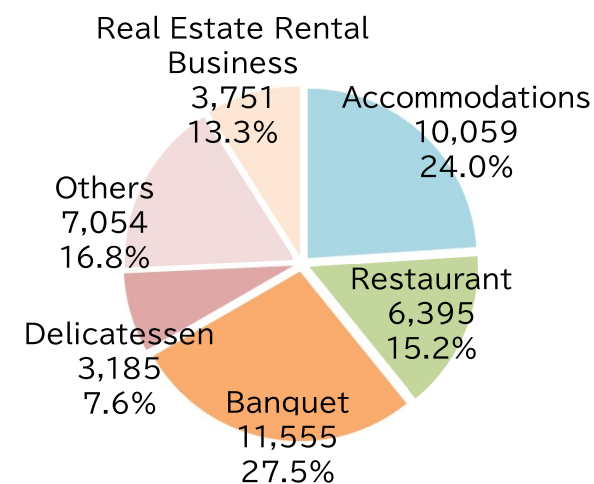
## Imperial Hotel Headquarters

Unit (million yen)

|                             |                | FY2023 | FY2022 | YoY<br>Difference | YoY<br>Difference<br>(%) |
|-----------------------------|----------------|--------|--------|-------------------|--------------------------|
| Hotel Business              | Accommodations | 10,059 | 6,802  | 3,257             | 47.9%                    |
|                             | Restaurant     | 6,395  | 5,751  | 644               | 11.2%                    |
|                             | Banquet        | 11,555 | 9,252  | 2,302             | 24.9%                    |
|                             | Delicatessen   | 3,185  | 3,320  | (134)             | (4.1%)                   |
|                             | Others         | 7,054  | 5,419  | 1,635             | 30.2%                    |
| Real Estate Rental Business |                | 3,751  | 4,673  | (921)             | (19.7%)                  |
| Total Net Sales             |                | 42,003 | 35,220 | 6,782             | 19.3%                    |



## Sales Composition Ratio



- Concerning Accommodations, in addition to continuous use by member customers, recovery of business and leisure demand and the increase in inbound demand accompanying yen depreciation has resulted in room occupancy rate rising to 64.8%, which is an 8.6 percentage point increase from the previous period. And concerning the average daily rate as well, we continued efforts for high unit price sales, resulting in 63,058 yen, which is a 31.4% increase from the previous period. Concerning Serviced Apartments, we implemented sales measures tailored to the busy and slow seasons to capture demand for short-term stays, which yielded a room occupancy rate of 65.1%. As a result, net sales rose to 10.059 billion, which is a 47.9% increase from the previous period.

- Concerning Restaurants, while we experienced a decline in dining demand due to a record-breaking heat wave, net sales increased as a result of renewing the Imperial Viking Sal and harvesting demand for celebrations, welcoming parties, and farewell parties.

- Concerning Banquets, with the transition of the COVID-19 pandemic to Class 5, there has been a recovery in corporate demand for general banquets. This has led to an increase in both the frequency and sizes of large-scale banquets, primarily featuring food and drink services, resulting in higher net sales. And while frequency and unit price has decreased for wedding ceremonies, efforts focused on promoting invitations for attendees have increased number of guests, resulting in a net sales increase.

# Results by Business

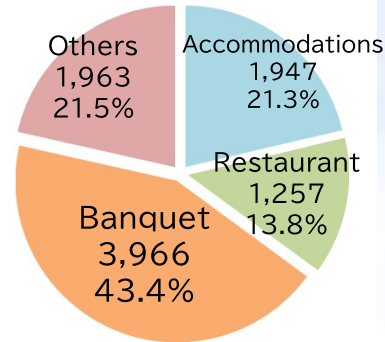


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## Imperial Hotel, Osaka

Unit (million yen) Sales Composition Ratio

|                        | FY2023       | FY2022 | YoY Difference | YoY Difference (%) |
|------------------------|--------------|--------|----------------|--------------------|
| Accommodations         | <b>1,947</b> | 1,117  | 829            | 74.3               |
| Restaurant             | <b>1,257</b> | 1,022  | 234            | 22.9               |
| Banquet                | <b>3,966</b> | 2,868  | 1,098          | 38.3               |
| Others                 | <b>1,963</b> | 1,637  | 325            | 19.9               |
| <b>Total Net Sales</b> | <b>9,134</b> | 6,645  | 2,488          | 37.4               |



- Concerning Accommodations, as a result of vigorous inbound demand and receiving stable orders for large groups both from within Japan and abroad, room occupancy rate rose to 49.5%, which is a 18.1 percentage point increase from the previous period. And net sales increased for the average daily rate as well, with a 10.2% increase to 28,442 yen as a result of implementing continuous high unit price sales.
- Concerning Restaurants, recovery in private and corporate usage and healthy sales for planned products like the Strawberry Sweets Buffet resulted in an increase for net sales.
- Concerning Banquets, orders for both standing and large-scale banquets increased, and wedding ceremonies as well experienced an increase in frequency, number of guests, and unit price in a rebound from the COVID pandemic, resulting in an increase in net sales.

## Kamikochi Imperial Hotel

Unit (million yen)

|                        | FY2023       | FY2022 | YoY Difference | YoY Difference (%) |
|------------------------|--------------|--------|----------------|--------------------|
| <b>Total Net Sales</b> | <b>1,686</b> | 1,480  | 205            | 13.9               |

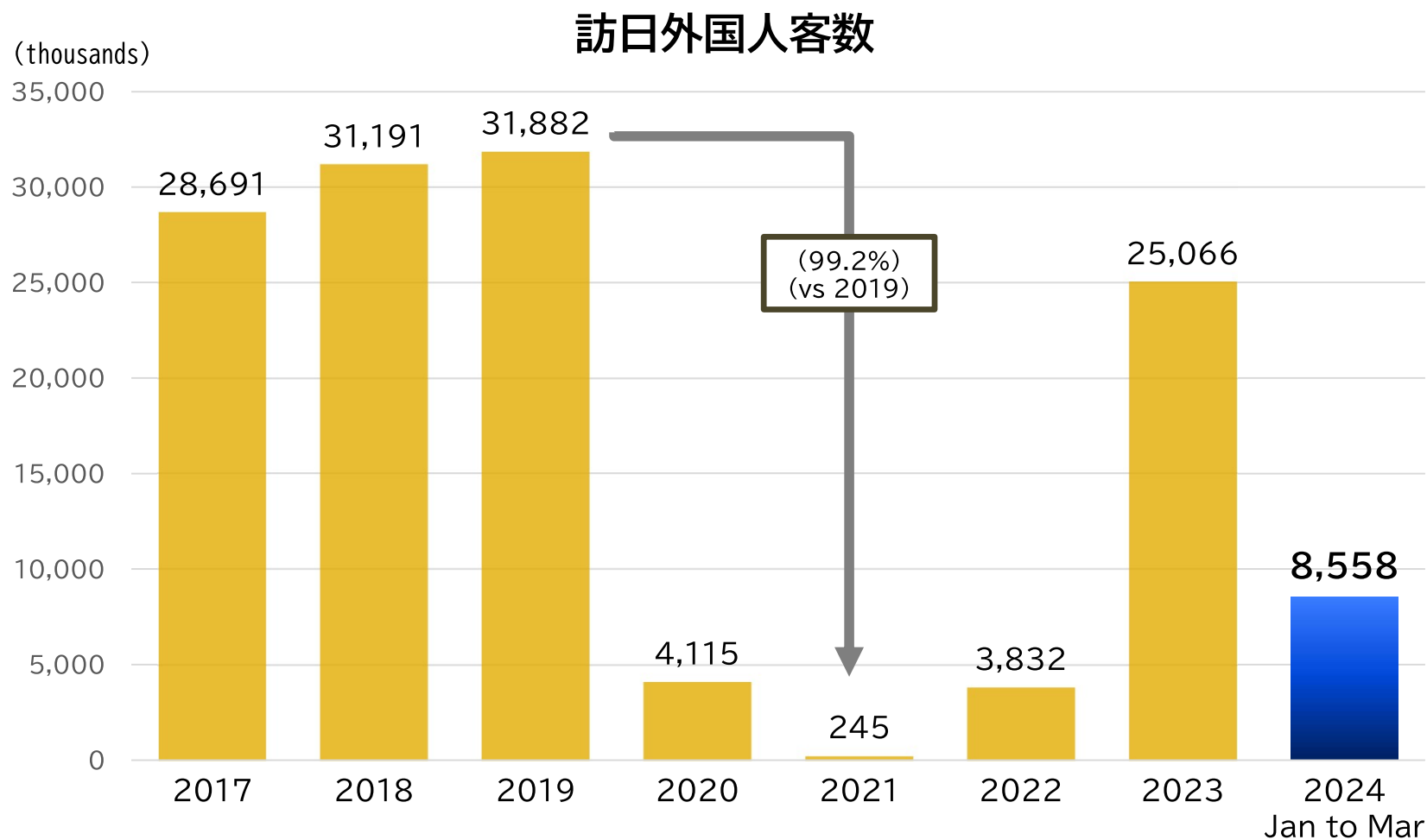
In commemoration of our 90th anniversary in April, the deployment of new events and continuous high unit price sales resulted in the high standard of 93.7% for room occupancy rate, a 5.0 percentage point increase from the previous period. And in restaurants and shops as well, we sold commemorative products and deployed high unit price measures, resulting in a net sales increase.



# Supplements on Results by Business (Status of Inbound Tourism)



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Source: Japan National Tourism Organization (Statistics on foreign visitors to Japan)

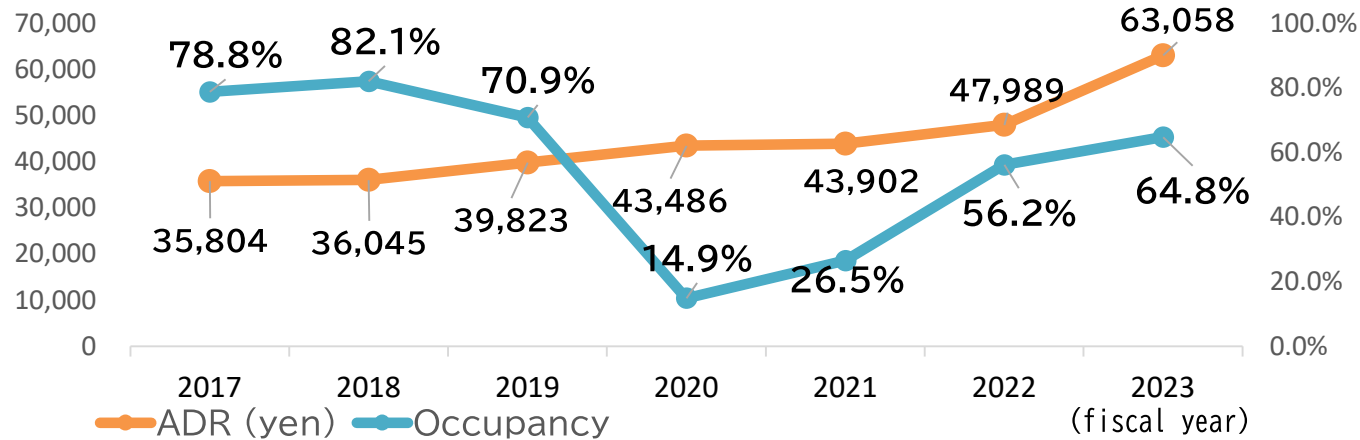


# Supplements on Results by Business (ADR, Occupancy)



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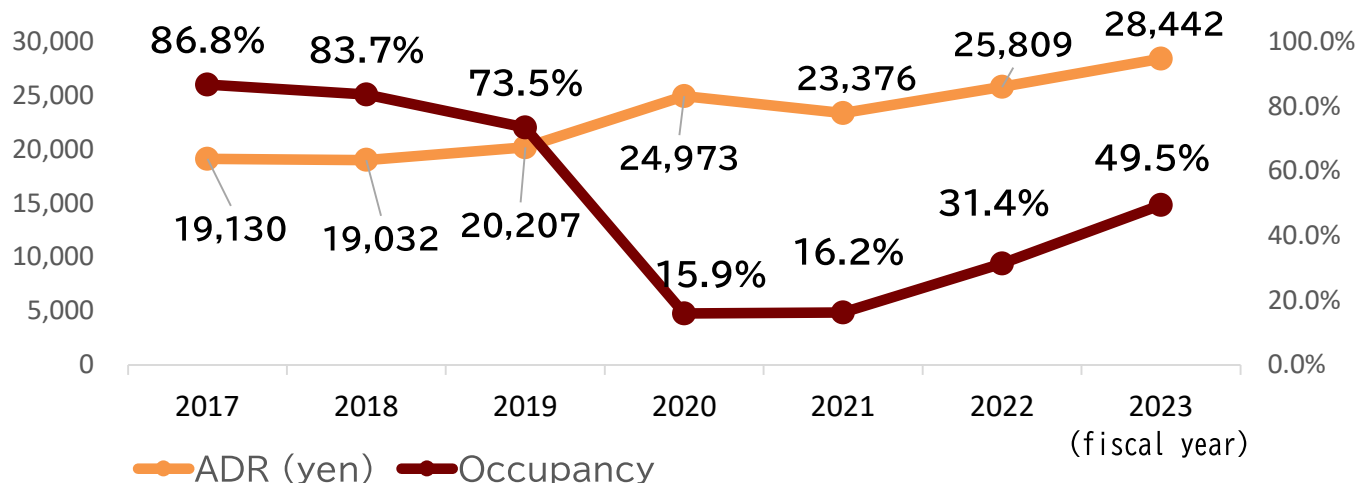
## Imperial Hotel, Tokyo



\* Serviced apartments are not included in ADR and occupancy for FY2021 and thereafter.



## Imperial Hotel, Osaka



# Consolidated Balance Sheet



IMPERIAL HOTEL  
Unit (million yen)

| Assets                              | March 31, 2024 | March 31, 2023 | Change from Previous Year-end | Change from Previous Year-end (%) | Reasons for YoY Difference                     |
|-------------------------------------|----------------|----------------|-------------------------------|-----------------------------------|--|
| Total Current Assets                | 35,606         | 34,807         | 798                           | 2.3                               | Accounts Receivable Increase                   |
| Total Non-current Assets            | 30,100         | 26,935         | 3,164                         | 11.7                              | Tangible Fixed Assets Increase                 |
| <b>Total Assets</b>                 | <b>65,706</b>  | <b>61,743</b>  | <b>3,963</b>                  | <b>6.4</b>                        |  |
| Liabilities                         | March 31, 2024 | March 31, 2023 | Change from Previous Year-end | Change from Previous Year-end (%) | Reasons for YoY Difference                     |
| Total Current Liabilities           | 12,394         | 10,628         | 1,765                         | 16.6                              | Arrears Increase                               |
| Total Non-current Liabilities       | 10,276         | 11,114         | (838)                         | (7.5)                             | Reconstruction Related Loss Allowance Decrease |
| <b>Total Liabilities</b>            | <b>22,670</b>  | <b>21,743</b>  | <b>927</b>                    | <b>4.3</b>                        |  |
| <b>Total Net Assets</b>             | <b>43,036</b>  | <b>40,000</b>  | <b>3,036</b>                  | <b>7.6</b>                        | Profit Attributable to Owners of Parent        |
| <b>Total Liabilities/Net Assets</b> | <b>65,706</b>  | <b>61,743</b>  | <b>3,963</b>                  | <b>6.4</b>                        |  |
| Equity Ratio                        | March 31, 2024 | March 31, 2023 | March 31, 2022                |                                   |  |
|                                     | 65.5%          | 64.8%          | 64.2%                         |                                   |  |

Imperial Hotel, Ltd. Financial  
Results for the Fiscal Year Ended  
March 2024

# Consolidated Statement of Cash Flow



IMPERIAL HOTEL

April 1, 2023 – March 31, 2024

Unit (million yen)

|  | FY2023         | FY2022  | YoY Difference | YoY Difference (%) |
|--|----------------|---------|----------------|--------------------|
| Cash Flow from Operating Activities                                  | <b>4,201</b>   | 3,938   | 263            | 6.7                |
| Cash Flow from Investing Activities                                  | <b>(3,073)</b> | (1,584) | (1,489)        | —                  |
| Cash Flow from Financing Activities                                  | <b>(718)</b>   | (240)   | (477)          | —                  |
| Balance of Cash and Cash Equivalents at the Beginning of Fiscal Year | <b>27,329</b>  | 25,215  | 2,113          | 8.4                |
| Balance of Cash and Cash Equivalents at End of Fiscal Year           | <b>27,738</b>  | 27,329  | 409            | 1.5                |

# Consolidated Earnings Forecast



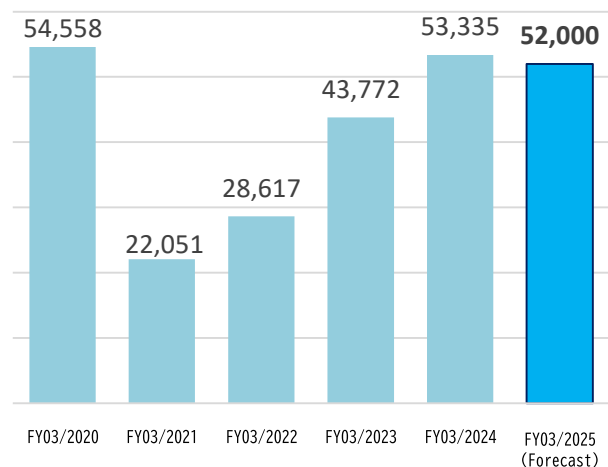
IMPERIAL HOTEL

Unit (million yen)

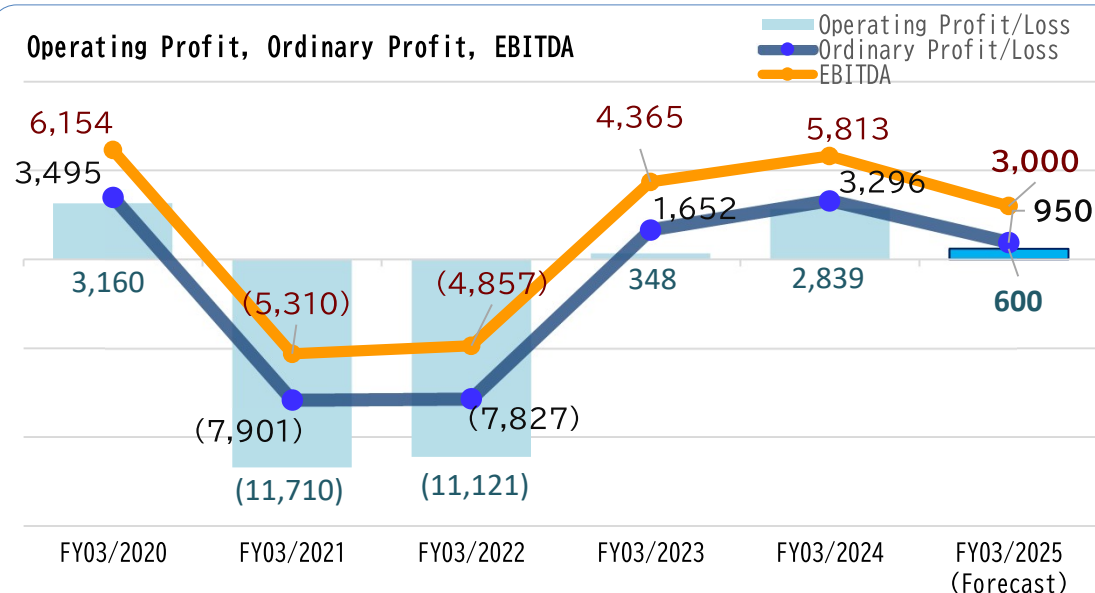
|   | FY03/2024 | FY03/2025 (forecast)  |        |           |         |
|---|-----------|-----------------------|--------|-----------|---------|
|   |           | H1 of the Fiscal Year |        | Full Year |         |
|   |           |                       | %      |           | %       |
| Net Sales                               | 53,335    | 24,000                | (1.0%) | 52,000    | (2.5%)  |
| Operating Profit                        | 2,839     | (900)                 | —      | 600       | (78.9%) |
| Ordinary Profit                         | 3,296     | (700)                 | —      | 950       | (71.2%) |
| Profit Attributable to Owners of Parent | 3,377     | (750)                 | —      | 900       | (73.3%) |
| Basic Earnings per Share                | 28.46 yen | (6.32Yen)             |        | 7.59Yen   |         |

% represent changes from the previous fiscal year for the full year and from the same quarter of the previous fiscal year for each quarter

## Net Sales



## Operating Profit, Ordinary Profit, EBITDA



# Shareholder Returns



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## Dividends

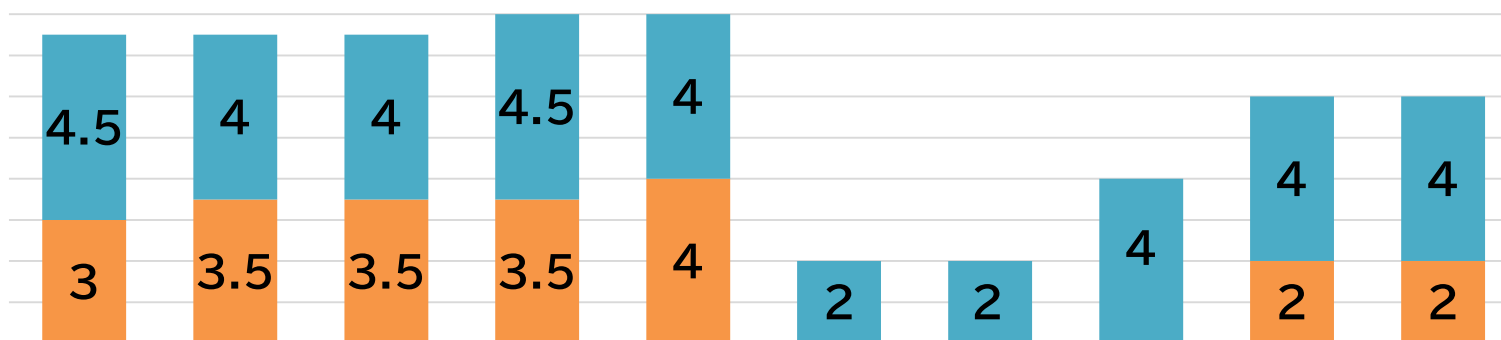
The Company's basic policy is to maintain stable dividends by securing a stable management base over the long term, and we will strive to return profits to shareholders.

For the FY03/2024, considering our business performance and basic policy and in order to show our appreciation for the continuous support from shareholders, we have set the year-end dividend to 4 yen, resulting in a total annual dividend of 6 yen, inclusive of interim dividend of 2 yen.

In addition, concerning the dividend forecast for the FY03/2025, which is the beginning of Phase 2 of Medium- to Long-term Management Plan 2036, a net sales decrease is forecasted in accordance with the Imperial Hotel Tokyo business scale decrease. However, in order to meet the growing expectations of shareholders regarding our future story and profitability improvement, the ordinary dividend is planned to be 6 yen per share (interim dividend of 2 yen, year-end dividend of 4 yen).

## Change in Dividends

■ Interim (yen) ■ Year End (yen)



|                      | FY03/16 | FY03/17 | FY03/18 | FY03/19 | FY03/20 | FY03/21  | FY03/22 | FY03/23 | FY03/24 | FY03/25 (forecast) |
|----------------------|---------|---------|---------|---------|---------|----------|---------|---------|---------|--------------------|
| Profit (million yen) | 3,163   | 3,689   | 3,399   | 3,686   | 2,404   | (14,363) | (7,886) | 1,951   | 3,377   | 900                |

# Shareholder Returns



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## Shareholder Benefit Program

We established the shareholder benefit program to express our gratitude to shareholders for their daily support, to enhance their familiarity with our business by providing access to our products and services, and to increase the attractiveness of investing in our stock so that more people will hold our stock over the medium to long term.

## Eligible Shareholders

Shareholders holding 100 or more shares who are listed or recorded in the shareholder register as of March 31 of each year are eligible, and we plan to send it together with the Notice of Resolutions of the Ordinary General Meeting of Shareholders, which is delivered once per year after the Imperial Hotel Ordinary General Meeting of Shareholders (late June).

## Shareholder Benefits

| Number of shares held                    | Benefit (hotel coupon)  |  |
|--|---|--|
|  | Shareholders with less than 5 years of continuous share retention     | Long-Term Shareholder Special Benefit Program<br>Shareholders with 5 or more years of continuous share retention |
| From 100 shares to under 300 shares      | 1,000 yen (one 1,000 yen certificate)                                 |  |
| From 300 shares to under 1,000 shares    | 3,000 yen (three 1,000 yen certificates)                              | The benefit on the left + 1,000 yen (one 1,000 yen certificate)  |
| From 1,000 shares to under 2,000 shares  | 10,000 yen (two 5,000 yen certificates)                               | The benefit on the left + 5,000 yen (one 5,000 yen certificate)  |
| From 2,000 shares to under 10,000 shares | 25,000 yen (five 5,000 yen certificates)                              | The benefit on the left + 15,000 yen (three 5,000 yen certificates)  |
| 10,000 shares or more                    | 25,000 yen (five 5,000 yen certificates)<br>One night stay invitation | The benefit on the left + 15,000 yen (three 5,000 yen certificates)  |

\*See our website for details including participating locations (<https://www.imperialhotel.co.jp/financial/incentives>) Imperial Hotel, Ltd. Financial Results for the Fiscal Year Ended March 2024



## Overview

|  |  |  |
|--|--|--|
| <p><b>Our Vision - What we aim for -</b><br/>                 As a "hotel that represents Japan" that inherits the founding spirit, we will further evolve the Imperial Hotel brand based on people.<br/>                 In addition, we will build a system that allows us to continue as a company under any business environment, and aim for the 150th anniversary of our opening in 2040.</p>  |  |  |
| <p><b>Phase 1: Current operating period (FY2022~FY2023)</b><br/>                 Optimization and review of services and further improvement<br/>                 Flexible response to changes in the external environment during the with/post-COVID-19 period<br/>                 ⇒ <u>Aiming for early recovery from COVID-19</u></p>  | <p><b>Phase 2: Tower building reconstruction period (FY2024~FY2030)</b><br/>                 Ensure continued business and employment during reconstruction<br/>                 Responding to changes in sales space and number of personnel due to the rebuilding of the Tokyo Office<br/>                 ⇒ <u>Steadily implement a rebuilding plan based on the premise of continuing business and securing employment</u></p> | <p><b>Phase 3: Main building reconstruction period (FY2031~FY2036)</b><br/>                 Inheritance of services and further new challenges<br/>                 Fully operational opening of the Hibiya Main Building<br/>                 ⇒ <u>Aiming for further growth as a hotel that represents Japan</u></p> |
| <p>● Beginning the Kyoto construction project in FY2022</p>  | <p>★ Kyoto opening in FY2026<br/>                 ★ Completion of the central area banquet hall and hotel in FY2029<br/>                 ★ Completion of new tower building in FY2030<br/>                 ● Demolition of the current tower building and construction of the new tower building in FY2024</p>   | <p>● Demolition of the current main building and construction of a new main building in FY2031</p>   |
| <p><b>Vision - Basic Strategy</b></p> <ol style="list-style-type: none"> <li>1. Evolution of Grand Hotel: Enhance the Company's brand power through hardware renewal by rebuilding the Hibiya Main Building and enhancing humanware by strengthening human resource development.</li> <li>2. Stable growth as a company: Strengthen earning power and financial base by expanding real estate business, etc., in order to establish a solid structure for the hotel business in the future.</li> <li>3. Solving social issues: Maximize the contribution of all our corporate activities to the SDGs.</li> </ol> |  |  |



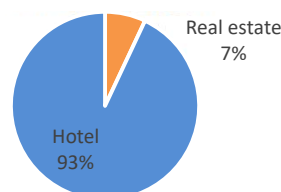
## Quantitative Targets

|   |   |
|---|---|
| Phase 1<br>(FY2022~FY2023)                              | Although the impact of COVID-19 is uncertain, we aim to quickly return to profitability and maximize profitability by responding to the new normal, by actively working on new businesses, and by thoroughly reducing costs.                                |
| Phase 2<br>(FY2024~FY2030)                              | Although a temporary decline in profitability is expected during the current main building's stand-alone operation period due to the closure of the tower building, the rebuilding plan will be steadily implemented in accordance with the financial plan. |
| Phase 3<br>(FY2031~FY2036)                              | After the opening of the new tower building, the central area banquet hall, and the hotel, the company aims to greatly improve profitability mainly by expanding its real estate business.  |
| After the opening of the new main building<br>(FY2037~) | In addition to the expansion of the real estate business, the profitability of the new main building, which has increased in value, will be enhanced to ensure that it is more profitable than the existing facilities.                                     |

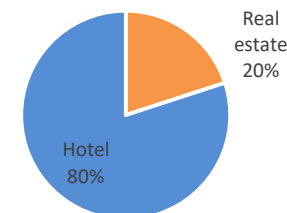
|                  | (Reference)<br>FY2019 Results | Current main<br>building solely<br>operating | New tower building,<br>central area banquet<br>hall, hotel operating | After opening of new<br>main building |
|------------------|-------------------------------|--|--|---------------------------------------|
| Net sales Target | 54.5 billion yen              | Over 50 billion yen                          | Over 45 billion yen  | Over 70 billion yen                   |
| EBITDA Target    | 6.1 billion yen               | Over 3 billion yen                           | Over 7 billion yen   | Over 17 billion yen                   |

\* The above are targets in our medium- to long-term management plan, and we do not guarantee or promise their realization.

FY2019 Net sales ratio



After opening of new main building





# Medium- to Long-Term Management Plan 2036



IMPERIAL HOTEL

**Phase 1: Current operating period (FY2022~2023)** Optimization and review of services and further improvement

Flexible response to changes in the external environment during the with/post COVID-19 period ⇒ **Aiming for early recovery from COVID-19**

## Major Progress in FY2023

### 1 Evolution of Grand Hotel

**Priority issue: Achieve early recovery of net sales from COVID-19**

Through efforts such as adjusting prices to meet inbound demand and enhancing sales activities to attract standing banquet demand, the major recoveries in the hotel business are as follows.

|  | Imperial Hotel Headquarters |         |         |         |         | Imperial Hotel, Osaka |         |         |         |         |        |  |
|--|-----------------------------|---------|---------|---------|---------|-----------------------|---------|---------|---------|---------|--------|--|
|  | FY2021                      |         | FY2022  |         | FY2023  |                       | FY2021  |         | FY2022  |         | FY2023 |  |
|  | Results                     | Results | vs 2021 | Results | vs 2021 | Results               | Results | vs 2021 | Results | vs 2021 |        |  |
| Occupancy*                               | 26.5%                       | 56.2%   | +29.7pt | 64.8%   | +38.3pt | 16.2%                 | 31.4%   | +15.2pt | 49.5%   | +33.3pt |        |  |
| ADR (Unit: yen)*                         | 43,902                      | 47,989  | + 9%    | 63,058  | +44%    | 23,376                | 25,809  | +10%    | 28,442  | +22%    |        |  |
| Lodging Net Sales (Unit: million yen)    | 3,582                       | 6,802   | +90%    | 10,059  | +181%   | 525                   | 1,117   | +113%   | 1,947   | +270%   |        |  |
| Restaurant Net Sales (Unit: million yen) | 3,419                       | 5,751   | +68%    | 6,395   | +87%    | 707                   | 1,022   | +44%    | 1,257   | +78%    |        |  |
| Banquet Net Sales (Unit: million yen)    | 5,428                       | 9,252   | +70%    | 11,555  | +113%   | 1,938                 | 2,868   | +48%    | 3,966   | +105%   |        |  |
| Hotel Business Total (Unit: million yen) | 19,651                      | 32,029  | +63%    | 39,793  | +102%   | 4,352                 | 6,645   | +53%    | 9,134   | +110%   |        |  |

\* The occupancy and ADR at the head office do not include serviced apartments.

\* Figures in the hotel business total are after the elimination of intersegment transactions.

Imperial Hotel, Ltd. Financial  
Results for the Fiscal Year Ended  
March 2024

# Medium- to Long-Term Management Plan 2036



IMPERIAL HOTEL

**Phase 1: Current operating period (FY2022~2023)** Optimization and review of services and further improvement

Flexible response to changes in the external environment during the with/post COVID-19 period ⇒ **Aiming for early recovery from COVID-19**

## Major Progress in FY2023

### 2 Stable Growth as a Company

**Priority issue: Increase resolve to take on new business arenas and categories (improve profitability)**

(1) The Imperial Hotel buffet restaurant Imperial Viking Sal, the first restaurant in Japan to serve the buffet style of eating. The restaurant was given a makeover renovation in commemoration of its 65th anniversary on August 1, 2023. For lunch and dinner, in addition to our traditional selection of high quality French cuisine, we now also have the new options of Chinese cuisine supervised by Imperial Hotel, Osaka's very own Jasmine Garden Chinese restaurant, and Japanese cuisine for experiencing the ingredients of each season.

(2) On March 1, 2024, we opened a new spot called THE RENDEZ-VOUS AWA that features a lineup of champagne and other sparkling beverages. This champagne bar with a casual and welcoming atmosphere operates under the concept of "a hub for get-togethers, both as a starting point and a destination" and utilizes its wonderful location as a part of the hotel's front lobby.

**Priority issue: Responding to the TSE market segment reorganization**

(1) To broaden investor participation and increase market liquidity, we conducted a 2-for-1 share split that was effective as of October 1, 2023, thereby reducing the minimum monetary value necessary for trading our shares.

(2) To express our gratitude to shareholders for their support and to enhance the attractiveness of Imperial Hotel shares and encourage more people to retain our shares in medium- to long-term durations, we started a shareholder benefit program on the last day of March 2024.



# Medium- to Long-Term Management Plan 2036



IMPERIAL HOTEL

**Phase 1: Current operating period (FY2022~2023)** Optimization and review of services and further improvement

Flexible response to changes in the external environment during the with/post COVID-19 period ⇒ **Aiming for early recovery from COVID-19**

## Major Progress in FY2023

### 3 Solving Social Issues

(1) Continued to be certified as a Corporation with Excellent Health Management 2024 (Large Corporation Category) following FY2023.



(2) To comply with the Law for Promotion of Recycling of Plastic Resources, at Tokyo, Osaka, and Kamikochi, we reduced the amount of plastic used in 12 target items by 89% per year (compared to FY2019) by switching some accommodation amenities to bamboo and wood.

(3) Imperial Hotel, Osaka is participating in the TEAM EXPO 2025 Co-Creation Challenge, a participation program hosted by the Japan Association for the 2025 World Exposition, and provides internships for foreign students, working with the Osaka Global Student Support Association (Osaka Convention & Tourism Bureau) and Transcend-Learning, a job placement support program for foreign students.



(4) In the 11th Good Life Awards, Kamikochi Imperial Hotel was presented with the Award for Kindness to People and the Earth in appraisal for supporting sustainable and high value-added tourism as a sustainable hotel existing in harmony with nature.



Please refer to the next page and beyond for other initiatives to promote sustainability.



## Sustainability Promotion Targets and Progress

### Reduction of CO2 Emissions

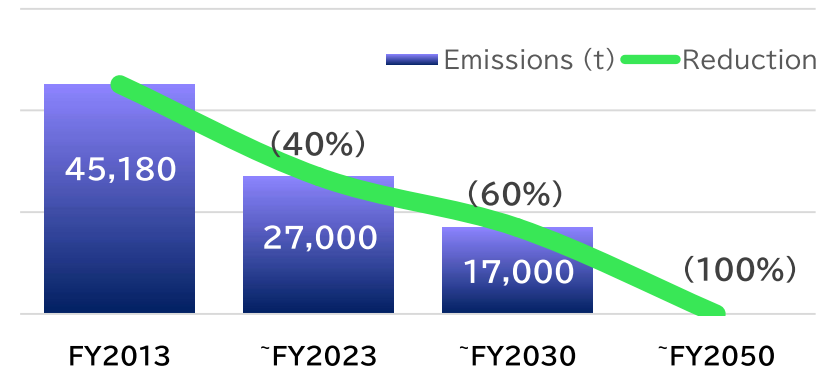
We set the target of reducing CO2 emissions (Scope 1+2) at our directly managed facilities by 60% (compared to FY2013) by FY2030 and to virtually zero by FY2050, and are proceeding with multiple measures for that goal.

In addition to promoting even more energy conservation activities and introducing renewable energy, by deploying the latest technology for new hardware installed during redevelopment, we are striving to reduce our environmental burden.

Imperial Hotel supports the SDGs (Sustainable Development Goals).



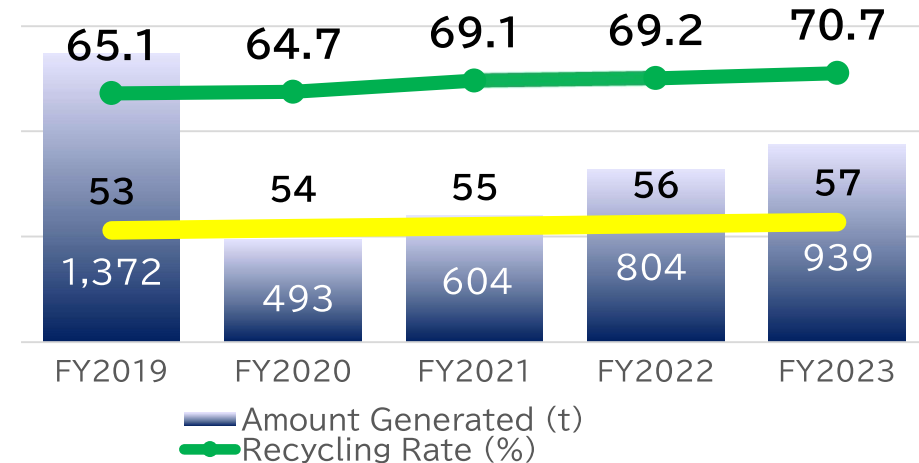
### Imperial Hotel Decarbonization Roadmap



### Reduction of food loss

Based on the idea of changing society in a delicious way, the Company Group is focusing on reducing food loss. We are advancing efforts in each division, such as the thorough management of ingredient procurement and the implementation of waste-minimizing techniques during the cooking process. The implementation rate of food waste recycling based on the Food Recycling Law (total of our four directly managed business sites) has been maintained to achieve the required value.

### Food Waste Generated and Recycling Rate





## Sustainability Promotion Targets and Progress

### Promoting Human Capital and Diversity

In order to realize human capital management, the Group is promoting various initiatives to maximize the capabilities of its diverse human resources.

#### Five Themes in Promoting Human Capital and Diversity

1. Reform the corporate culture to make diversity a strength of the organization (creation of communication)
2. Reform of work style (improvement of productivity)
3. Human resource development (investment in human resources)
4. Health management (individual revitalization)
5. Diverse human resources (utilization of women, people with disabilities, elderly, and global human resources)



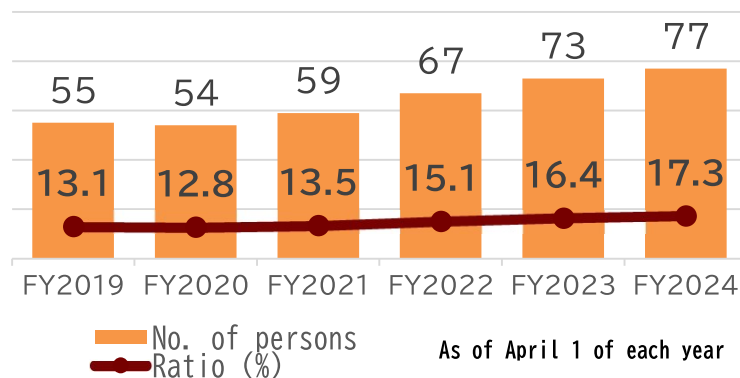
Imperial Hotel supports the SDGs (Sustainable Development Goals).



|           | Index   | Target Value  |
|-----------|---|---|
| Training  | Training costs per indefinite employee                    | +30% by FY2027 compared to FY2018                           |
| Liquidity | Turnover rate   | -20% by FY2027 compared to FY2018                           |
| Diversity | Percentage of female workers among employees              | Over 50% annually   |
|           | Difference in average service years between men and women | Less than 4 years by FY2027                                 |
|           | Employment rate of the disabled                           | Maintain a level above the legally mandated employment rate |
| Others    | Number of persons sent abroad                             | +50% by FY2027 compared to FY2018                           |

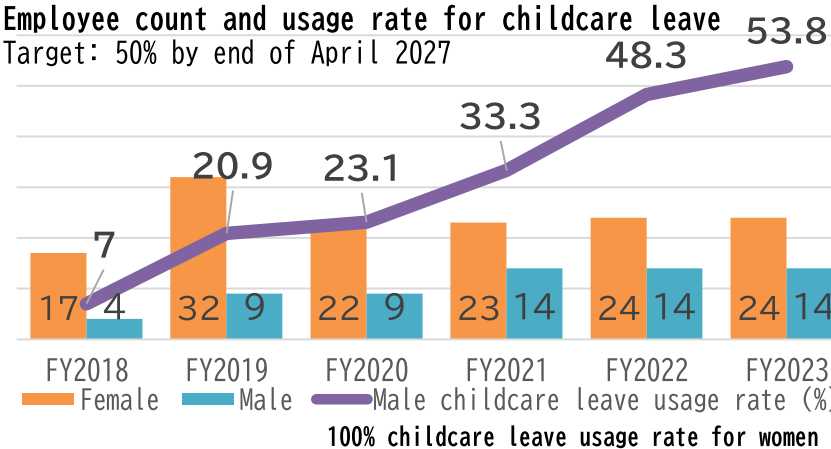
#### Number and Percentage of Female Managers

Target: 20% by end of April 2027



#### Employee count and usage rate for childcare leave

Target: 50% by end of April 2027



# Medium- to Long-Term Management Plan 2036

## Imperial Hotel Redevelopment Plan Overview (1)

### New Kyoto Business Plan

On May 12, 2021 we officially approved a new hotel plan to preserve and make use of a part of Yasaka Kaikan, which is situated within the grounds of Kyoto's Gion Kobu Kaburenjo.

This hotel plan in Gion, a signature location of Japan's representative city of Kyoto, was approved due to our recognition of Gion's high level of affinity with the history and corporate philosophy of the Imperial Hotel, which has served in the role of a state guest house since its inception. Kyoto is widely recognized as a global tourism destination. By establishing the hotel as a new hub and offering the services that reflect the expertise we have accumulated over the years, we aim to enhance our brand power as a company known to be a leading international hotel, representing Japanese hospitality in accommodation service.

### Kyoto Hotel Information

|                         |  |
|-------------------------|--|
| Size                    | 7 floors above ground level, 2 floors below ground level             |
| Main purposes           | Hotel (approx. 60 rooms), restaurant, bar, wellness facilities, etc. |
| Construction completion | October 2025   |
| Opening                 | Spring 2026  |



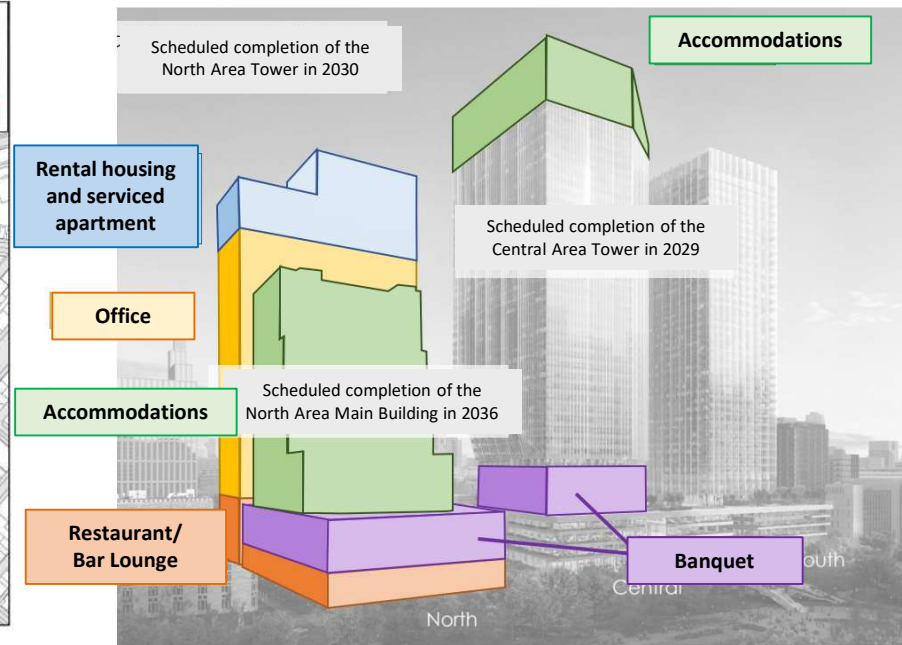
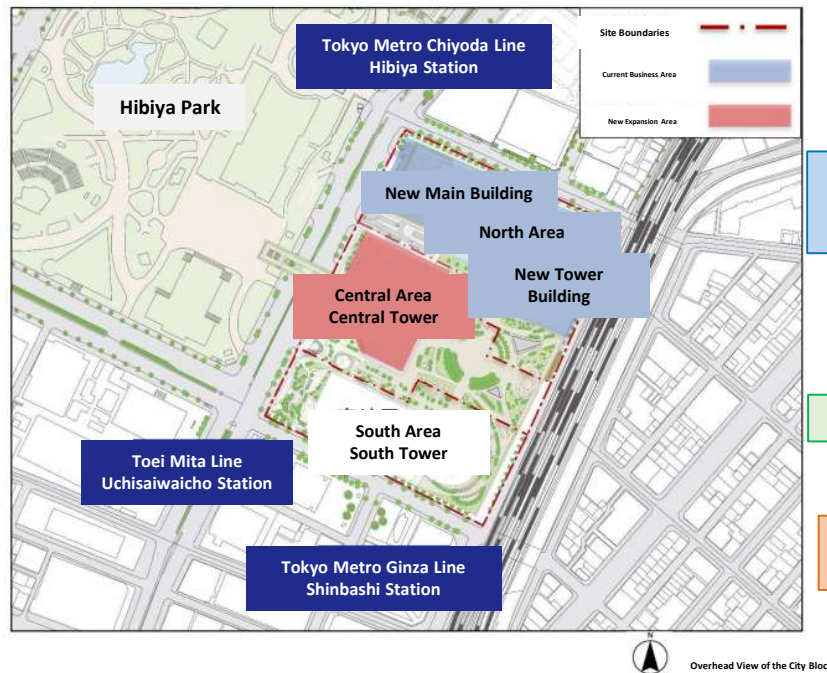
Rendering of completed new hotel (main building) in Kyoto

# Medium- to Long-Term Management Plan 2036

## Imperial Hotel Redevelopment Plan Overview (2)

### "Uchisaiwaicho 1-chome District Development Project" including reconstruction of Tokyo Office

In the reconstruction plan of the flagship hotel, the Imperial Hotel Tokyo, scheduled to be implemented from 2024 to 2036, it has been decided that in addition to the current main building and tower building, the business area will be expanded to the central area of the city block through the partnership of the "TOKYO CROSS PARK Concept (Uchisaiwaicho 1-chome District Development Project)" and that the hotel business will continue to grow by developing the Imperial Hotel's banquet business and the new hotel business.



# Future Outlook



IMPERIAL HOTEL

## ■ Business Environment

Although increasing in geopolitical risks and soaring of raw material and labor costs are expected to continue, consumer spending and corporate earnings are predicted to continue a recovery trend on the back of improved employment and income conditions.

## ■ Initiatives

### 1. Medium- to Long-Term Management Plan 2036

FY2024 starts Phase 2 of the Medium- to Long-Term Management Plan 2036 (Current Main Building Sole Operation Period). In Phase 2, in order to offset the decrease of net sales following the reduction of the Imperial Hotel, Tokyo business scale, we will optimize resources in the current main building and strive to maximize net sales and profit through appropriate price setting and effective sales promotion.

The Imperial Hotel, Osaka will be fully prepared to welcome guests and international visitors to Japan expected for the 2025 World Expo held in Japan (AKA Expo 2025 Osaka, Kansai), while the Kamikochi Imperial Hotel, which recently celebrated its 90th anniversary, will strive to further strengthen its product and service capabilities for the next anniversary at 100 years.

And with other examples including the steady rollout of preparations aimed at a FY2026 opening for the new Kyoto hotel as well, the entire company will work together to implement Medium- to Long-Term Management Plan 2036.

### 2. Investment in Human Capital

We regard human resources as the wellspring of our company and aim to maintain the ideal cycle of improving service levels through employee training and satisfaction, increasing net sales and profits, and using the proceeds to invest in human resources and facilities. We will continue to promote investment in human capital in order to pass on high quality service to the future after the launch of the new Kyoto hotel and the reconstruction of Imperial Hotel, Tokyo.

### 3. Solving Social Issues

With regard to SDGs initiatives, we will continue to address issues such as CO2 emissions, food loss reduction, corporate health management, and the promotion of women's inclusion,

fulfilling our social responsibilities while securing corporate earnings and achieving sustainable growth.



# Corporate Information



IMPERIAL HOTEL

|  |   |
|--|---|
| Company Name:                          | Imperial Hotel, Ltd.  |
| Headquarters Location:                 | 1-1-1 Uchisaiwaicho, Chiyoda-ku, Tokyo  |
| Founding Date:                         | December 14, 1887   |
| Date of opening:                       | November 3, 1890  |
| Listing Date:                          | October 2, 1961   |
| President and Representative Director: | Hideya Sadayasu   |
| Capital:                               | 1.485 billion yen   |
| Shares issued:                         | 118,800,000 shares (as of March 31, 2024)   |
| Number of employees (consolidated):    | 1,758 (As of March 31, 2024)  |
| Main offices:                          | Imperial Hotel Tokyo, Imperial Hotel Osaka, Kamikochi Imperial Hotel, The Crest Hotel Kashiwa |

## Main consolidated subsidiaries

|  |   |
|--|---|
| Imperial Hotel Enterprise Co., Ltd.        | Operation of community hotels (The Crest Hotel Kashiwa), etc. |
| Imperial Hotel Service Co., Ltd.           | Hotel ancillary services (cleaning and security), etc.        |
| Imperial Hotel Limousine Service Co., Ltd. | Passenger car transportation, parking lot management          |

## Affiliated companies

|                                  |  |
|----------------------------------|--|
| Imperial Hotel Kitchen Co., Ltd. | Manufacture and sale of prepared foods |
| New Service System Co., Ltd.     | Banquet Service, etc.                  |



Imperial Hotel, Tokyo



Imperial Hotel, Osaka



Kamikochi Imperial Hotel