

NON-CONSOLIDATED FINANCIAL REPORT (Japanese GAAP)
FIRST QUARTER OF THE FISCAL YEAR ENDING
December 31, 2013
(January 1, 2013 to December 31, 2013)

April 26, 2013

Arealink Co., Ltd. is listed on the Mothers market of the Tokyo Stock Exchange under the securities code number 8914.

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Supplemental materials prepared for quarterly financial results: No

Holding of quarterly financial results meeting: No

Dividend payment commencement date (planned): —

(Millions of yen rounded down)

1. Non-Consolidated Operating Results for the First Quarter of Fiscal 2013
(January 1, 2013 to March 31, 2013)

(1) Non-Consolidated Operating Results (Cumulative)

(Percentage figures are the increase / (decrease) for the corresponding period of the previous fiscal year.)

	Operating Revenues		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
1Q FY2013	3,392	47.5	354	55.1	346	76.5	294	88.1
1Q FY2012	2,299	(24.1)	228	51.1	196	82.3	156	(3.4)

	Net Income per Share	Net Income per Share after Dilution
	Yen	Yen
1Q FY2013	240.25	—
1Q FY2012	127.74	—

(2) Non-Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio
	Millions of yen	Millions of yen	%
March 31, 2013	20,561	11,231	54.6
December 31, 2012	18,612	10,935	58.8

(Reference) Shareholders' equity: March 31, 2013: 11,231 million yen December 31, 2012: 10,935 million yen

2. Dividends

(Record Date)	Dividends per Share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal 2011	—	0.00	—	0.00	0.00
Fiscal 2012	—	—	—	—	—
Fiscal 2013 (Forecast)	—	0.00	—	2.50	2.50

Note: Revision to the most recently announced cash dividend forecast: None

Effective July 1, 2013, Arealink Co., Ltd. plans to conduct a 1:100 split of its common stock. As a result, the forecast period-end cash dividend per share for the fiscal year ending December 31, 2013 is presented taking into consideration the common stock split. Meanwhile, the annual cash dividend is forecast at ¥250 per share (comprising

an interim cash dividend of ¥0 per share and a period-end cash dividend of ¥250 per share) when the aforementioned common stock split is not taken into consideration.

3. Forecasts of Non-Consolidated Operating Results for the Fiscal Year Ending December 31, 2013 (January 1, 2013 to December, 2013)

(% figures for the full fiscal year represent year-on-year increase or decrease)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Interim period	5,372	8.5	617	11.2	574	15.0	473	6.2	3.86
Fiscal year ending December 31, 2013	10,723	5.9	1,292	10.9	1,200	11.7	1,071	7.3	8.28

Note: Revision to the most recently announced operating results forecast: None

Effective July 1, 2013, Arealink Co., Ltd. plans to conduct a 1:100 split of its common stock. As a result, the forecast net income per share for the fiscal year ending December 31, 2013 is presented taking into consideration the common stock split. Meanwhile, net income per share is forecast at ¥828.77 per share (¥386.11 per share for the interim period) when the aforementioned common stock split is not taken into consideration.

Notes

- (1) Application of Special Accounting Practices in the Preparation of the Quarterly Non-Consolidated Financial Statements: No
- (2) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatements
 - 1) Changes of accounting principles in line with revisions to accounting and other standards: No
 - 2) Changes of accounting principles other than 1) above: No
 - 3) Changes in accounting estimates: No
 - 4) Retrospective restatement: No
- (3) Number of Shares Issued and Outstanding (Common Stock)
 1. Total number of shares issued and outstanding (including treasury stock) as of the period-end:
 March 31, 2013: 1,257,630 shares December 31, 2012: 1,257,630 shares
 2. Total number of treasury stock as of the period-end:
 March 31, 2013: 30,000 shares December 31, 2012: 30,000 shares
 3. Average number of shares for the period (Cumulative total for the quarterly non-consolidated period)
 First quarter fiscal 2013: 1,227,630 shares First quarter fiscal 2012: 1,227,630 shares

Regarding the Status of Quarterly Review Procedure Implementation

This financial report for the first quarter of fiscal 2013 is not subject to the quarterly review procedures stipulated in the Financial Instruments and Exchange Act of Japan. As of the date of disclosure of this report, the review procedures for the quarterly financial statements under the Financial Instruments and Exchange Act had not been completed.

Cautionary Statement Concerning Operating Results Forecasts and Other Special Items

The aforementioned forecasts were made based on information available to management as of the date of this report. Actual results could differ significantly from forecasts due to a variety of factors. Please refer to "Qualitative Information Regarding Forecasts of Non-Consolidated Business Results" on page 4 for assumptions of the revision of forecasts of business results.

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1. Qualitative Information Regarding Non-Consolidated Quarterly Business Results

(1) Qualitative Information Regarding Non-Consolidated Operating Results

During the first quarter (the three-month period from January 1, 2013 to March 31, 2013) of fiscal 2013 (the fiscal year ending December 31, 2013), the Japanese economy witnessed an upswing in share prices and a downturn in the value of the yen. This largely reflected positive expectations toward the wide-ranging pump-priming measures announced and implemented by the government as well as steps to ease monetary conditions. Despite this scenario and signs of an economic pickup, any impact on the real economy remains at an early stage. Taking these factors into consideration, uncertainty continues to cloud future operating conditions. In the real estate industry, a key area in which the Company operates, operating conditions are being impacted by the low interest rate environment and measures by the government to stimulate the economy. While there are signs of a partial recovery, conditions in general remain shrouded in uncertainty. Under these circumstances, Arealink Co., Ltd. maintained its focus on promoting a stock-type business model principally through its mainstay property management service activities.

In its Property Management Service business, the Company continued to adopt a stringent approach toward the selection of regions with respect to the opening of bases of operations taking into consideration door-to-door marketing concerns in its principal storage business activities. By increasing the number of operating facilities successful steps were taken to boost sales. During the period under review, Arealink held onsite customer tours of its new operating bases in order to lift the pace of operations and use. In addition to this and other marketing activities that were deeply rooted in each local community, the Company placed considerable emphasis on the upgrade and maintenance of existing facilities based on feedback and recommendations received from customers through comment cards. These cards continue to form the basis for ongoing improvements in usability and convenience. In its Asset business, Arealink acquired income-generating properties to further bolster its long-term holdings. This initiative helped to boost revenues while further fortifying the earnings base of the Company's stock-type business. Accounting for each of the aforementioned factors, net sales for the first quarter of fiscal 2013 in this segment amounted to ¥2,502 million.

Turning to the Property Revitalization & Liquidation Service business, Arealink acquired properties for sale throughout the period under review focusing mainly on such sales classifications as retail facilities, offices, and residential condominiums. During the first quarter of fiscal 2013, trends in sales remained steady. As a result, sales in this segment totaled ¥889 million.

Drawing on its operating performance in principal areas of activity, Arealink reported net sales of ¥3,392 million for the first quarter of the fiscal year under review, a 47.5% increase compared with the corresponding period of the previous fiscal year. From a profit perspective, operating income climbed 55.1% year on year to ¥354 million. Ordinary income was ¥346 million, 76.5% higher than the level recorded in the corresponding period of the previous fiscal year. Net income surged 88.1% year on year to ¥294 million.

(2) Qualitative Information Regarding Non-Consolidated Financial Position

Total assets as of the end of the first quarter of fiscal 2013 stood at ¥20,561 million, up ¥1,948 million compared with the end of the previous fiscal year. This principal movements were land and buildings, which climbed ¥1,749 million and ¥841 million, respectively. At the same time, cash and deposits decreased ¥489 million.

Total liabilities as of March 31, 2013 came to ¥9,329 million, an increase of ¥1,651 million compared with the previous fiscal year-end. The major components were long-term loans payable, short-term loans payable, and other non-current liabilities, which rose ¥1,270 million, ¥180 million, and ¥103 million, respectively.

Total net assets totaled ¥11,231 million as of the end of the first quarter of fiscal 2013, ¥296 million higher compared with the balance as of December 31, 2012. The main movement was in retained earnings, which increased ¥294 million. Accounting for each of these movement, the net assets to total assets ratio stood at 54.6%.

(3) Qualitative Information Regarding Forecasts of Non-Consolidated Business Results

Looking at business results forecasts for the interim and full fiscal year periods of the fiscal year ending December 31, 2013, results in each business continue to progress steadily. As a result, the business results forecasts announced together with the Company's Financial Results Report for the Fiscal 2013 dated February 14, 2013 remain unchanged.

Turning to cash dividends for the fiscal year ending December 31, 2013, Arealink expects to resume payment with a forecast annual cash dividend of ¥2.50 per share. This forecast takes into account

the Company's basic policy regarding the return of profits to shareholders as well as current operating results forecasts. Arealink does not intend to pay an interim cash dividend.

2. Summary Information and Notes

Not applicable.

3. Quarterly Financial Statements

(1) Non-Consolidated Quarterly Balance Sheets

	(Thousands of yen)	
	End of the Fiscal Year Ended December 31, 2012 (As of December 31, 2012)	End of the First Quarter of the Fiscal Year Ending December 31, 2013 (As of March 31, 2013)
ASSETS		
Current assets:		
Cash and deposits	3,084,972	2,595,460
Accounts receivable — trade	155,729	162,233
Accounts receivable from completed construction contracts	50,044	97,114
Merchandise	458,858	441,521
Real estate for sale	1,356,298	1,227,700
Costs on uncompleted construction contracts	180	8,071
Supplies	1,181	1,642
Other current assets	671,504	755,596
Allowance for doubtful accounts	(26,135)	(29,429)
Total current assets	5,752,633	5,259,910
Noncurrent assets:		
Property, plant and equipment:		
Buildings	7,082,481	8,017,726
Accumulated depreciation	(1,418,527)	(1,511,951)
Accumulated impairment loss	(83,526)	(83,526)
Buildings, net	5,580,426	6,422,247
Land	3,759,735	5,509,622
Other	2,010,820	1,845,367
Accumulated depreciation	(462,957)	(493,426)
Other, net	1,547,862	1,351,941
Total property, plant and equipment	10,888,025	13,283,811
Intangible assets:		
Other	102,888	93,784
Total intangible assets	102,888	93,784
Investments and other assets:		
Other	3,180,057	3,231,973
Allowance for doubtful accounts	(1,310,642)	(1,308,306)
Total investments and other assets	1,869,414	1,923,666
Total noncurrent assets	12,860,328	15,301,263
Total assets	18,612,961	20,561,173

(Thousands of yen)

	End of the Fiscal Year Ended December 31, 2012 (As of December 31, 2012)	End of the First Quarter of the Fiscal Year Ending December 31, 2013 (As of March 31, 2013)
LIABILITIES		
Current liabilities:		
Accounts payable — trade	207,144	293,860
Accounts payable for construction contracts	179,820	156,645
Short-term loans payable	—	180,000
Current portion of long-term loans payable	696,876	669,565
Income taxes payable	24,633	37,255
Other	671,581	717,329
Total current liabilities	1,780,057	2,054,656
Noncurrent liabilities:		
Long-term loans payable	4,730,451	6,000,680
Asset retirement obligations	186,387	190,136
Other	980,703	1,083,868
Total noncurrent liabilities	5,897,542	7,274,685
Total liabilities	7,677,600	9,329,342
NET ASSETS		
Shareholders' equity:		
Capital stock	5,568,222	5,568,222
Capital surplus		
Legal capital surplus	5,612,719	5,612,719
Total capital surplus	5,612,719	5,612,719
Retained earnings		
Other retained earnings		
Retained earnings brought forward	10,676	305,612
Total retained earnings	10,676	305,612
Treasury stock	(256,584)	(256,584)
Total shareholders' equity	10,935,034	11,229,969
Valuation and translation adjustments:		
Valuation difference on available-for-sale securities	327	1,861
Total valuation and translation adjustments	327	1,861
Total net assets	10,935,361	11,231,831
Total liabilities and net assets	18,612,961	20,561,173

(2) Non-Consolidated Quarterly Statements of Income
First Quarter Cumulative

(Thousands of yen)

	First Quarter of the Fiscal Year Ended December 31, 2012 (January 1, 2012 to March 31, 2012)	First Quarter of the Fiscal Year Ending December 31, 2013 (January 1, 2013 to March 31, 2013)
Net sales	2,299,706	3,392,067
Cost of Sales	1,725,769	2,616,374
Gross profit	573,937	775,693
Selling, general and administrative expenses	345,609	421,552
Operating income	228,327	354,140
Non-operating income:		
Interest income	711	13,015
Reversal of allowance for doubtful accounts	1,800	2,248
Default charge income	2,155	2,075
Penalty income	—	9,700
Other	1,237	2,727
Total non-operating income	5,904	29,766
Non-operating expenses:		
Interest expenses	32,182	35,073
Other	5,423	1,873
Total non-operating expenses	37,606	36,947
Ordinary income	196,625	346,960
Extraordinary income:		
Gain on sales of noncurrent assets	9,760	—
Total extraordinary income	9,760	—
Extraordinary loss:		
Loss on retirement of noncurrent assets	26,108	3,336
Other	—	670
Total extraordinary losses	26,108	4,007
Net income before income taxes	180,277	342,953
Income taxes — current	1,648	29,667
Income taxes — deferred	21,811	18,350
Total income taxes	23,460	48,018
Net income	156,817	294,935

(3) Notes Regarding Going Concern Assumptions

Not applicable.

(4) Segment and Other Information

1) Overview of Reportable Segments

The reportable segments of the Company are components for which separate financial information is available and whose operating results are regularly reviewed by the Company's Board of Directors when making decision about the allocation of management resources and assessing performance.

Arealink is primarily engages in Property Management Service and Property Revitalization & Liquidation Service business activities. In its Property Management Service business, the Company leases land, vacant facilities, and other property assets while also acquiring, holding, and operating land, buildings, and other property assets. In addition, Arealink receives orders and provides for the installation and construction of containers and trunk rooms in accordance with the needs of land and building property owners. In the Property Revitalization & Liquidation Service business, the Company refurbishes existing real estate properties held for the purpose of adding value and increasing operating efficiency. These properties are then sold to investors and other interested parties.

2) Information Relating to the Amounts of Net Sales, Profit, and Loss

The first quarter of fiscal 2012 (January 1, 2012 to March 31, 2012)

(Thousands of yen)

	Reportable Segment			Adjustment amount	Amount recorded on consolidated quarterly statements of income
	Property Management Service	Property Revitalization & Liquidation Service	Total		
Net Sales					
Sales to Outside Customers	2,257,284	42,422	2,299,706	—	2,299,706
Inter-Segment Sales and Transfers	—	—	—	—	—
Total	2,257,284	42,422	2,299,706	—	2,299,706
Segment Profit	366,809	4,235	371,044	(142,717)	228,327

Notes:

1. The negative segment profit adjustment of ¥142,717 thousand represents corporate expenses that are not allocated to each segment. These expenses mainly relate to the Administration Division.
2. Segment profit is adjusted based on operating income recorded in the quarterly statement of income.

The first quarter of fiscal 2013 (January 1, 2013 to March 31, 2013)

(Thousands of yen)

	Reportable Segment			Adjustment amount	Amount recorded on consolidated quarterly statements of income
	Property Management Service	Property Revitalization & Liquidation Service	Total		
Net Sales					
Sales to Outside Customers	2,502,514	889,553	3,392,067	—	3,392,067
Inter-Segment Sales and Transfers	—	—	—	—	—
Total	2,502,514	889,553	3,392,067	—	3,392,067
Segment Profit	447,576	68,613	516,189	(162,048)	354,140

Notes:

1. The negative segment profit adjustment of ¥162,048 thousand represents corporate expenses that are not allocated to

- each segment. These expenses mainly relate to the Administration Division.
2. Segment profit is adjusted based on operating income recorded in the quarterly statement of income.

(5) Notes Regarding Substantial Changes in Shareholders' Equity

Not applicable.

(6) Important Subsequent Events

Not applicable.