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Results Briefing

Second Quarter, Fiscal Year Ending December 2013

August 1, 2013

Exciting Company



Arealink Co.,Ltd.

Securities code: 8914

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Part I

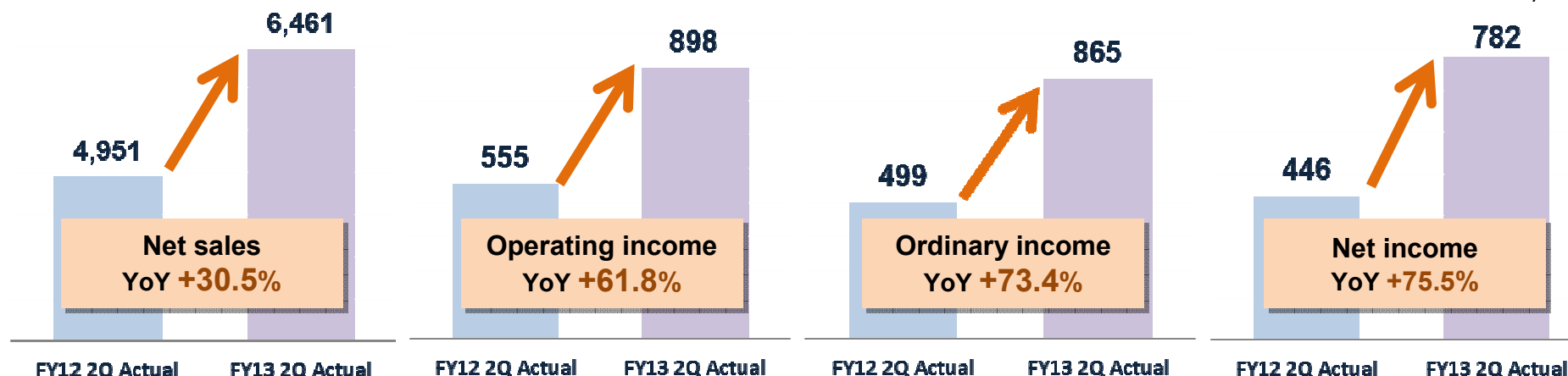
Results Overview

- Note: Figures in this report presented in units of billions have been rounded off, while figures in units of millions have been rounded down.

Overview of FY13

All businesses steadily expanded. Results significantly exceeded targets, with double-digit growth in revenue and earnings year on year.

Unit: Millions of yen



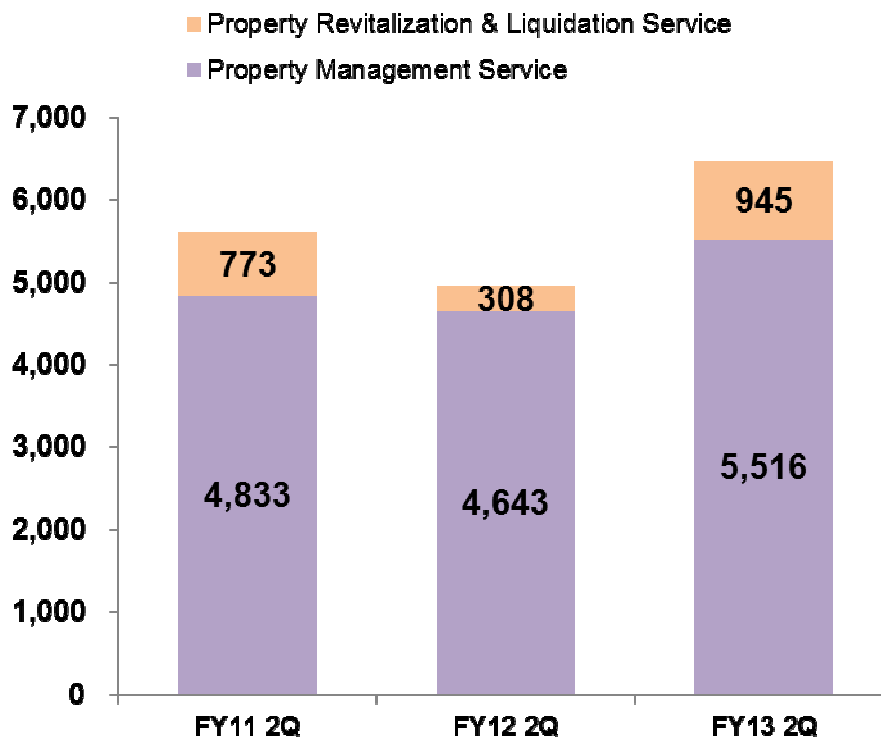
	FY12 2Q Cumulative		FY13 2Q Cumulative (plan)		FY13 2Q Cumulative (actual)		Actual vs. Initial plan		YoY	
	Actual	(%)	Plan	(%)	Actual	(%)	Variance	% Change	Variance	% Change
(Millions of yen)										
Net sales	4,951	(100.0)	5,372	(100.0)	6,461	(100.0)	1,088	20.3%	1,509	30.5%
Cost of sales	3,710	(74.9)	4,061	(75.6)	4,684	(72.5)	622	15.3%	973	26.2%
Gross profit	1,240	(25.1)	1,310	(24.4)	1,777	(27.5)	466	35.6%	536	43.2%
SG&A expenses	685	(13.8)	693	(12.9)	878	(13.6)	185	26.7%	192	28.1%
Operating income	555	(11.2)	617	(11.5)	898	(13.9)	281	45.5%	343	61.8%
Ordinary income	499	(10.1)	574	(10.7)	865	(13.4)	291	50.8%	366	73.4%
Net income	446	(9.0)	473	(8.8)	782	(12.1)	309	65.3%	336	75.5%

Net Sales and Gross Profit by Segment

Net sales and segment profit rose steadily in all business segments.

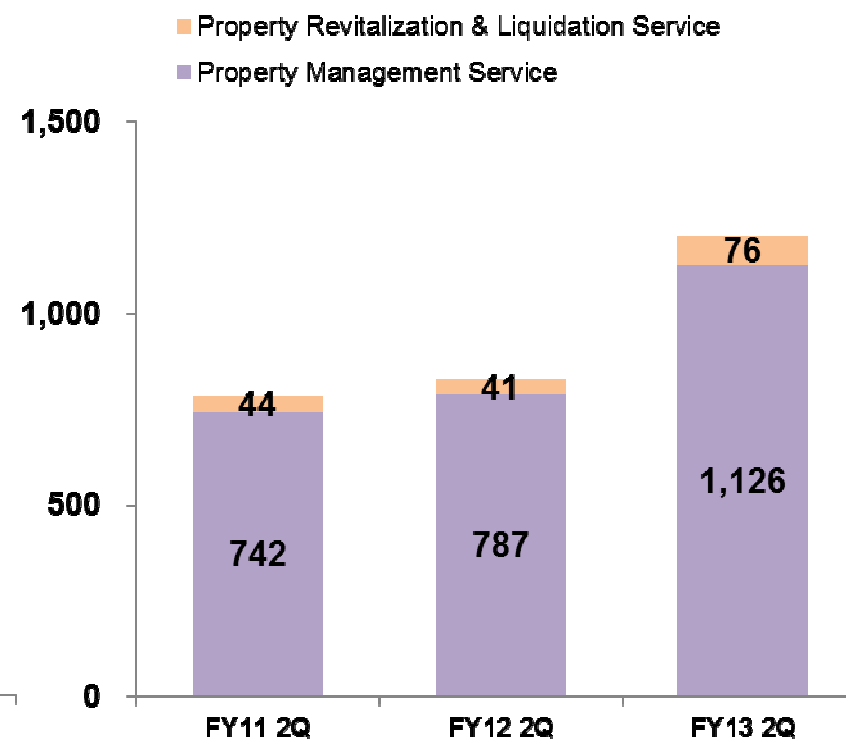
Net sales

(Unit: Millions of yen)



Segment profit

(Unit: Millions of yen)



Profit Margin by Segment

Both the gross profit margin and operating income margin rose steadily on the whole in all business segments.

Unit: Millions of yen

			FY12 (actual)		FY13 (initial budget)		FY 13 (actual)	
			Full year actual	Profit margin	Initial budget	Profit margin	1H actual	Profit margin
	Storage management	Net sales	5,184		5,535		2,775	
		Gross profit	1,402	27.1%	1,469	26.5%	827	29.8%
		Operating income	932	18.0%	1,068	19.3%	603	21.7%
	Storage liquidation	Net sales	1,085		1,530		1,250	
		Gross profit	393	36.2%	422	27.6%	512	41.0%
		Operating income	160	14.7%	198	13.0%	236	18.9%
	Other property management service	Net sales	3,281		2,858		1,489	
		Gross profit	721	22.0%	703	24.6%	337	22.7%
		Operating income	596	18.2%	606	21.2%	287	19.3%
Property Management Service Total	Net sales	9,551		9,923		5,516		
	Gross profit	2,516	26.4%	2,594	26.1%	1,678	30.4%	
	Operating income	1,688	17.7%	1,874	18.9%	1,126	20.4%	
Property Revitalization & Liquidation Service	Net sales	573		800		945		
	Gross profit	112	19.6%	80	10.0%	98	10.4%	
	Operating income	71	12.4%	48	6.1%	76	8.1%	
Other	Net sales	—		—		—		
	Gross profit	—		—		—		
	Operating income	(594)		(630)		(304)		
Total	Net sales	10,124		10,723		6,461		
	Gross profit	2,629	26.0%	2,674	24.9%	1,777	27.5%	
	Operating income	1,165	11.5%	1,292	12.1%	898	13.9%	

Quarterly Net Sales, Gross Profit, and Operating Income by Segment

Period results rose steadily in all business segments.
We expect projects in the Property Revitalization & Liquidation Service segment to continue to contribute to earnings.

Unit: Millions of yen

		FY11 (full year)	FY12					FY13			
			Cumulative	1Q	2Q	3Q	4Q	Cumulative	1Q	2Q	2Q Cumulative
Property Management Service	Storage management	Net sales	4,893	1,254	1,295	1,305	1,328	5,184	1,355	1,420	2,775
		Gross profit	1,265	335	346	348	372	1,402	378	449	827
		Operating income	901	227	231	234	240	932	259	343	603
	Storage liquidation	Net sales	880	127	265	206	486	1,085	410	840	1,250
		Gross profit	287	41	88	75	187	393	160	352	512
		Operating income	85	(10)	45	28	97	160	58	177	236
	Other property management service	Net sales	4,046	875	824	796	784	3,281	737	752	1,489
		Gross profit	752	189	183	166	181	721	155	182	337
		Operating income	595	149	144	142	160	596	129	158	287
Property Management Service Total		Net sales	9,819	2,257	2,385	2,308	2,599	9,551	2,502	3,013	5,516
		Gross profit	2,305	566	618	590	741	2,516	693	984	1,678
		Operating income	1,583	366	420	404	498	1,688	447	679	1,126
Property Revitalization & Liquidation Service		Net sales	783	42	265	98	166	573	889	55	945
		Gross profit	59	7	48	25	31	112	81	16	98
		Operating income	42	4	36	9	20	71	68	8	76
Other		Net sales	0	0	0	—	—	—	0	0	0
		Gross profit	0	0	0	—	—	—	0	0	0
		Operating income	(581)	(142)	(130)	(158)	(163)	(594)	(162)	(142)	(304)
Total		Net sales	10,603	2,299	2,651	2,407	2,766	10,124	3,392	3,069	6,461
		Gross profit	2,365	573	667	615	772	2,629	775	1,001	1,777
		Operating income	1,044	228	326	256	353	1,165	354	544	898

Completion Rate for Net Sales and Gross Profit Targets by Segment

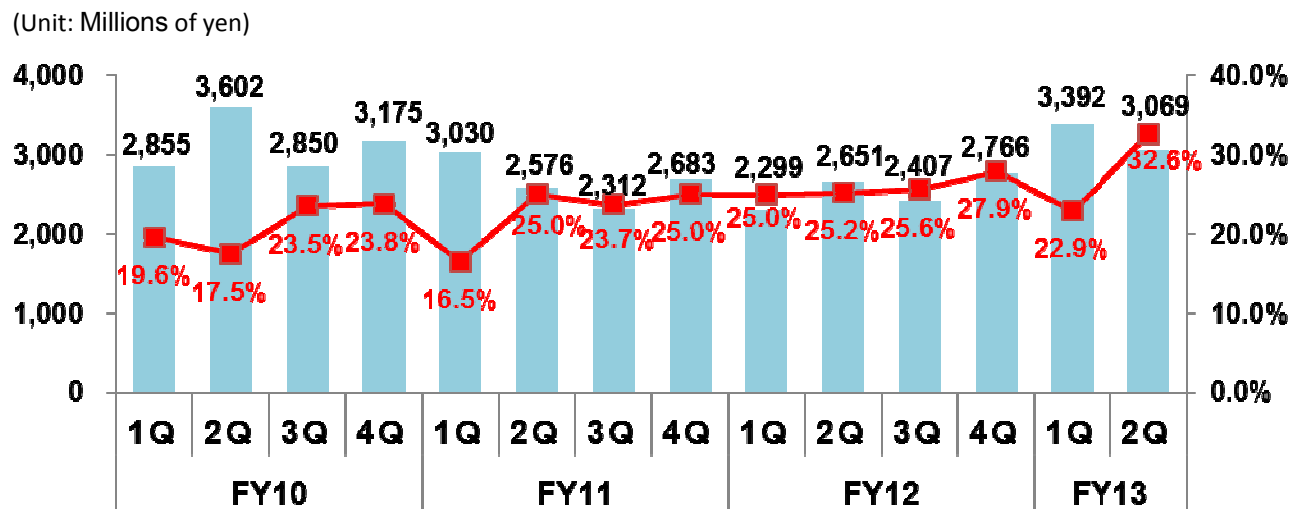
Unit: Millions of yen

		FY12		FY13 (plan)				FY13 2Q Cumulative (actual)			
		2Q Cumulative	Component Ratio	Full Year	Component Ratio	Initial 1H Plan	Component Ratio	Actual	Component Ratio	Completion Rate	Completion Rate vs. Initial 1H Plan
Net sales	Property Management Service	4,643	93.8%	9,923	92.5%	4,972	92.6%	5,516	85.4%	55.6%	110.9%
	Storage management	2,549	51.5%	5,535	51.6%	2,703	50.3%	2,775	43.0%	50.1%	102.7%
	Storage liquidation	393	7.9%	1,530	14.3%	774	14.4%	1,250	19.4%	81.8%	161.6%
	Parking	637	12.9%	792	7.4%	473	8.8%	423	6.6%	53.5%	89.5%
	Asset	706	14.3%	1,459	13.6%	721	13.4%	758	11.7%	52.0%	105.2%
	SOHO	290	5.9%	588	5.5%	291	5.4%	292	4.5%	49.7%	100.2%
	Other	65	1.3%	17	0.2%	8	0.2%	14	0.2%	83.3%	166.6%
	Property Revitalization & Liquidation Service	308	6.2%	800	7.5%	400	7.5%	945	14.6%	118.1%	236.3%
	Total	4,951	100.0%	10,723	100.0%	5,372	100.0%	6,461	100.0%	60.3%	120.3%
Gross profit	Property Management Service	1,184	95.5%	2,594	97.0%	1,270	96.9%	1,678	94.5%	64.7%	132.1%
	Storage management	681	54.9%	1,469	54.9%	715	54.6%	827	46.6%	56.3%	115.6%
	Storage liquidation	130	10.5%	422	15.8%	213	16.3%	512	28.9%	121.5%	240.2%
	Parking	48	3.9%	69	2.6%	39	3.0%	19	1.1%	27.6%	48.3%
	Asset	216	17.5%	504	18.9%	236	18.0%	255	14.4%	50.6%	108.0%
	SOHO	61	4.9%	111	4.2%	56	4.3%	63	3.6%	56.9%	112.9%
	Other	46	3.8%	17	0.7%	8	0.7%	(0)	(0.0)%	—	—
	Property Revitalization & Liquidation Service	56	4.5%	80	3.0%	40	3.0%	98	5.6%	123.1%	246.3%
	Total	1,240	100.0%	2,674	100.0%	1,310	100.0%	1,777	100.0%	66.5%	135.6%

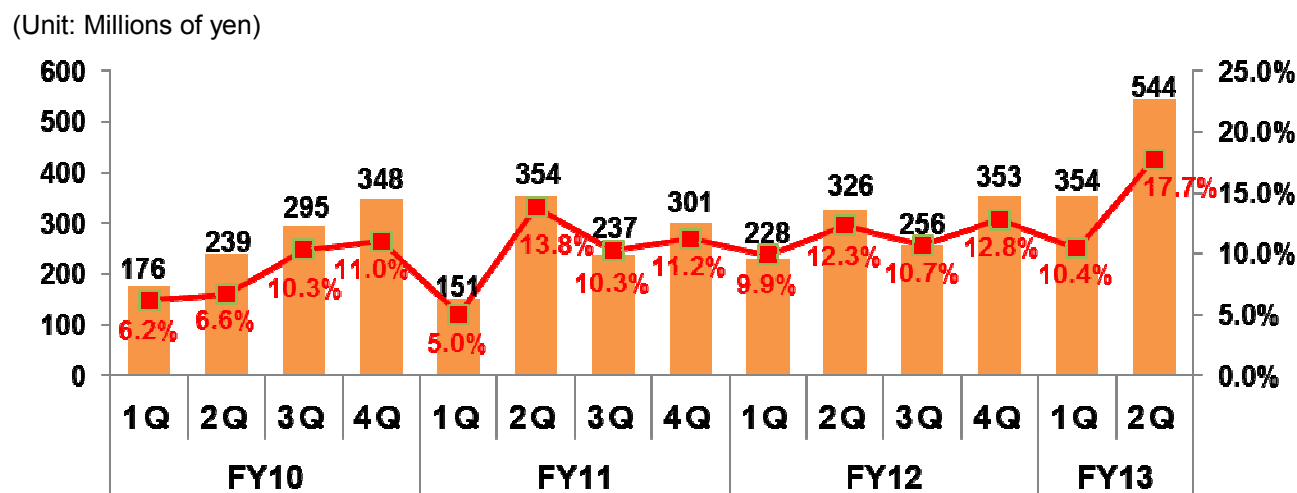
Quarterly Net Sales and Operating Income

Earnings structure strengthened by decline in cost rate; Operating income margin also rises steadily

Trends in net sales and gross profit margin



Trends in operating income and operating income ratio



Note: Figures from fiscal 2010 and earlier are on a consolidated basis. Figures from fiscal 2011 and later are non-consolidated.

Breakdown of Non-Operating and Extraordinary Profit and Loss

Interest expense increased with increase in borrowings.

Non-operating income

Interest income ¥26 million
Penalty income ¥9 million

Non-operating expenses

Interest expenses ¥76 million

Extraordinary income

Gain on sales of noncurrent assets ¥15 million

Extraordinary loss

Loss on retirement of noncurrent assets ¥9 million

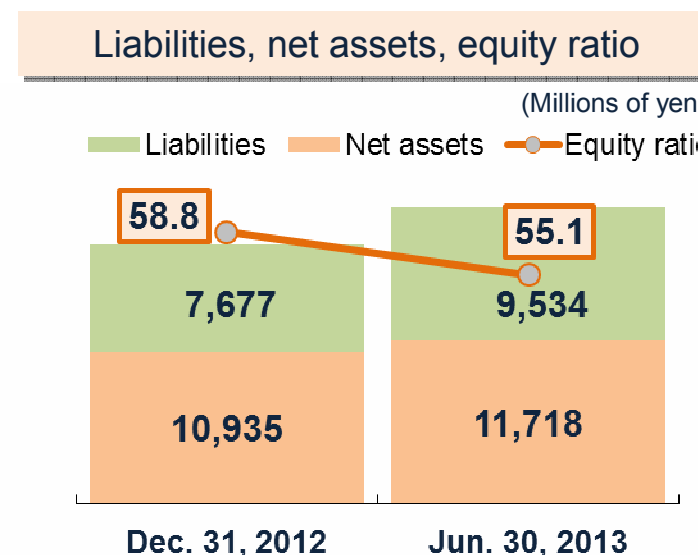
Unit: Millions of yen

Step income	2012/3 1Q period	2012/6 2Q period	2012/6 2Q cumulative	2013/3 1Q period	2013/6 2Q period	2013/6 2Q cumulative	Variance	% Change
Operating income	228	326	555	354	544	898	343	61.8
Non-operating income	5	17	23	29	17	47	24	105.1
Non-operating expenses	37	41	79	36	43	80	(1)	(1.5)
Ordinary income	196	302	499	346	518	865	366	73.4
Extraordinary income	9	2	12	—	17	17	5	40.9
Extraordinary loss	26	6	33	4	8	12	20	37.3
Income before income taxes	180	298	478	342	527	870	392	82.0
Income taxes — current	1	1	3	29	63	93	(90)	(2646.8)
Income taxes — deferred	21	6	28	18	(24)	(5)	34	—
Net income	156	289	446	294	488	782	336	75.5

Financial Position

Despite increase in interest-bearing debt, owned capital remained stable on increase in earnings.

Financial Position	
As of June 30, 2013 *Figures in parentheses indicate changes from the end of December 31, 2012.	
Total assets ¥21.25 billion (+¥2.63 billion)	Liabilities ¥9.53 billion (+1.85 billion)
	Net assets ¥11.71 billion (+0.78 billion)



(Millions of yen)	Dec. 31, 2012	Jun. 30, 2013
Current assets	5,752	6,057
Noncurrent assets	12,860	15,195
Total assets	18,612	21,252
Current liabilities	1,780	2,251
Noncurrent liabilities	5,897	7,283
Total liabilities	7,677	9,534
Net assets	10,935	11,718

Increase in land	¥1.74 billion
Increase in buildings	¥0.77 billion
Increase in cash and deposits	¥0.35 billion

Increase in long-term loans payable	¥ 1.11 billion
Increase in current portion of long-term loans payable	¥0.17 billion

Increase in retained earnings	¥0.78 billion
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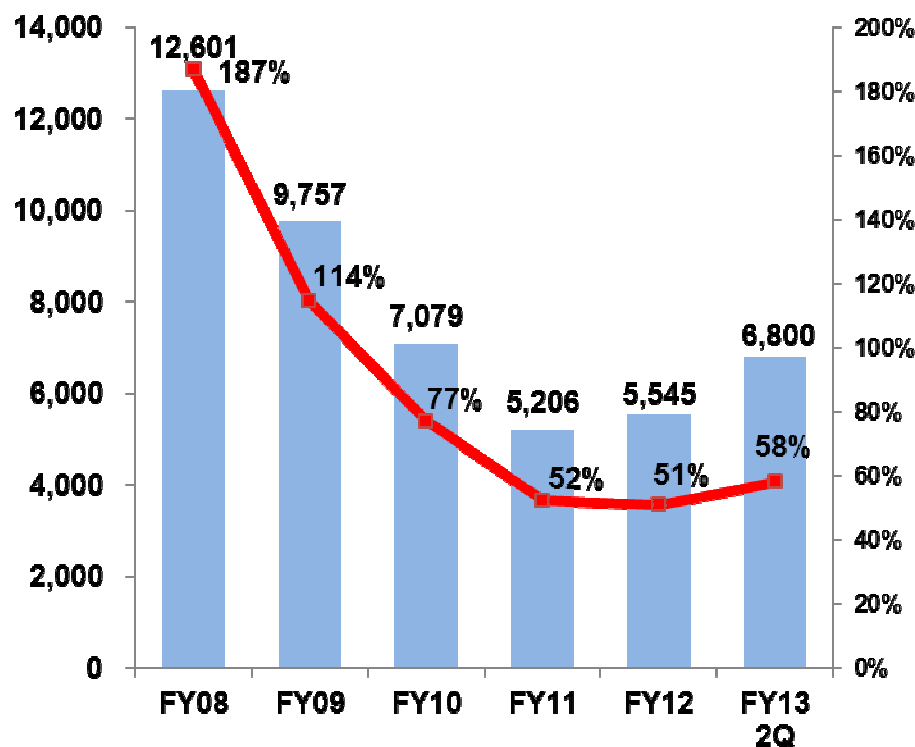
Note: The breakdown of real estate held is presented on page 51 of the accompanying material.

Interest-Bearing Debt, Total Capital, and Shareholders' Equity

Although interest-bearing debt increased from borrowings for real estate investment, we maintained a sound financial position as a result of an increase in shareholders' equity.

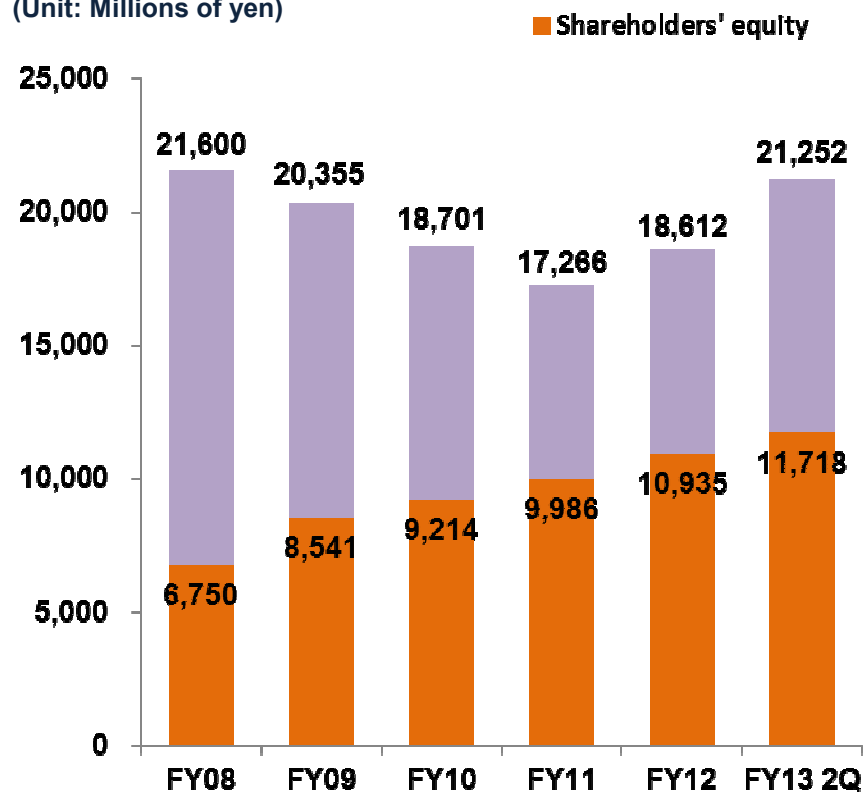
Interest-bearing debt and interest-bearing debt ratio

(Unit: Millions of yen)



Total capital and shareholders' equity

(Unit: Millions of yen)



Cash Flow

The cash flow balance is increasing on improvement in business performance.

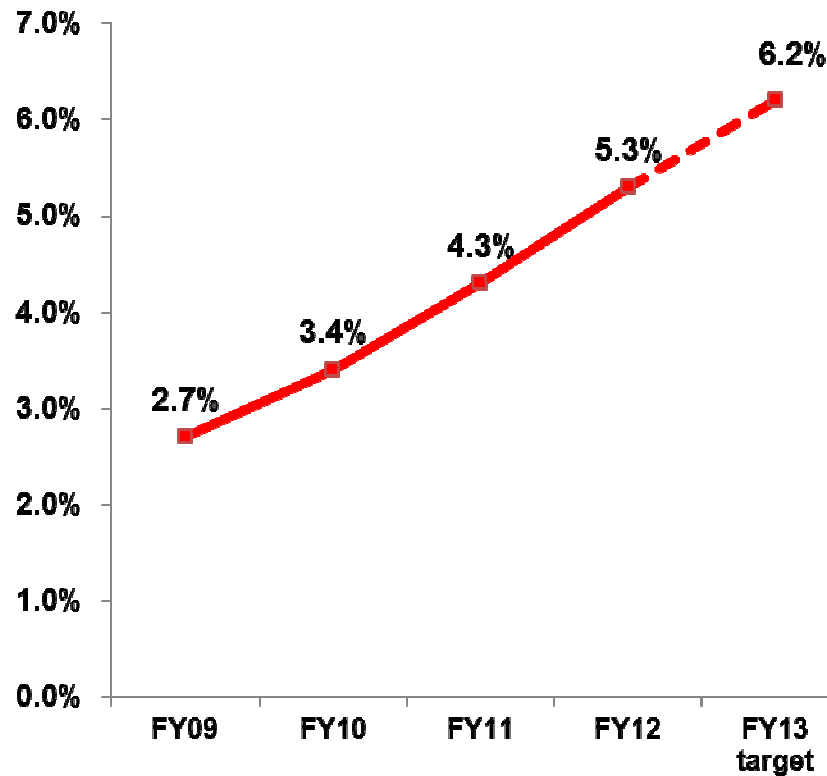
Unit: Millions of yen

	FY12 2Q	FY13 2Q	
Cash flows from operating activities	(345)	1,462	Income before income taxes ¥0.87 billion Depreciation ¥0.29 billion
Cash flows from investing activities	1,418	(2,330)	Purchase of noncurrent assets ¥(2.58) billion
Cash flows from financing activities	(674)	1,220	Proceeds from long-term loans payable ¥1.82 billion Repayment of long-term loans payable ¥(0.77) billion
Cash and cash equivalents at the end of period	3,217	3,436	

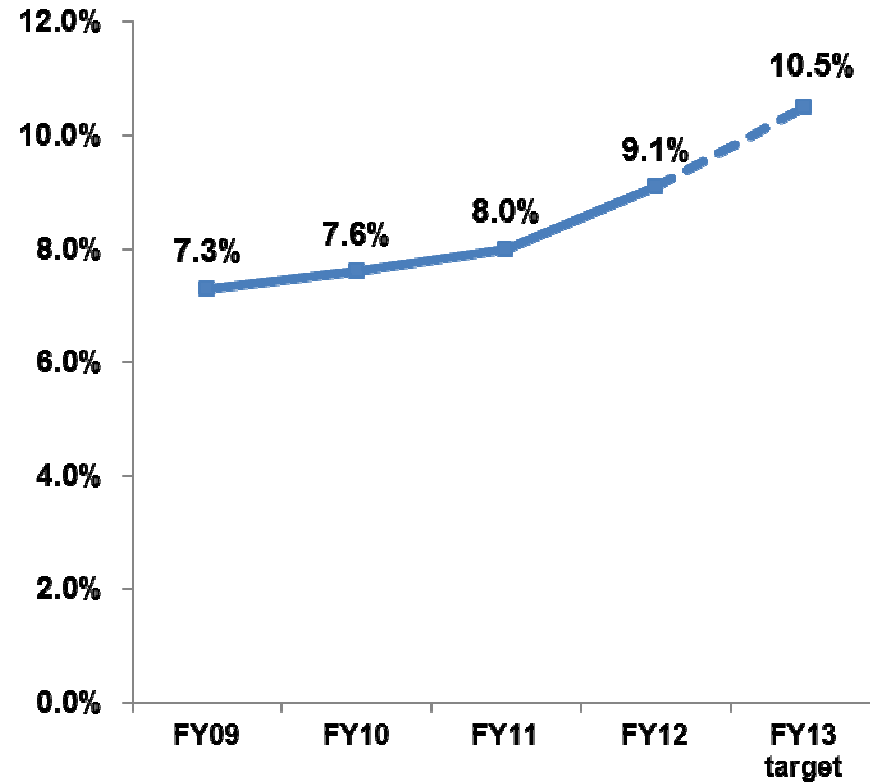
Capital Efficiency

Earnings are improving, capital efficiency increased steadily.

Return on assets (ROA)



Return on shareholders' equity (ROE)



* FY 13 target value is calculated based on the revised results forecasts for the fiscal year ending December 31, 2013, announced on July 22, 2013.

Part II

Summary of FY13 2Q and Full-Year Outlook

Ordinary income is **up 50%** over plan
¥574 million (plan) ⇒ ¥865 million (actual)

- ✓ **Adoption of front-loaded annual schedule**
- ✓ **Storage business openings and management proceeding favorably**

⇒ Total of 3,351 units added as of the end of June, 69.1% of our annual target of 4,850 units

⇒ Utilization remains steady at 78.3%, despite increase in number of vacant units as a result of new business openings

⇒ Organization shift from call centers to storage sales

⇒ Early start for the promotion period: Website promotions begun 3-4 weeks earlier than usual with the aim of an early rise in the utilization rate.

New measures progressed smoothly.

✓ **Property Revitalization & Liquidation Service business growing steadily**

⇒ We are developing the business in line with our sense of scale and quality, adapting to the changes in the market.

✓ **Business openings for rental meeting rooms proceeding in line with plan**

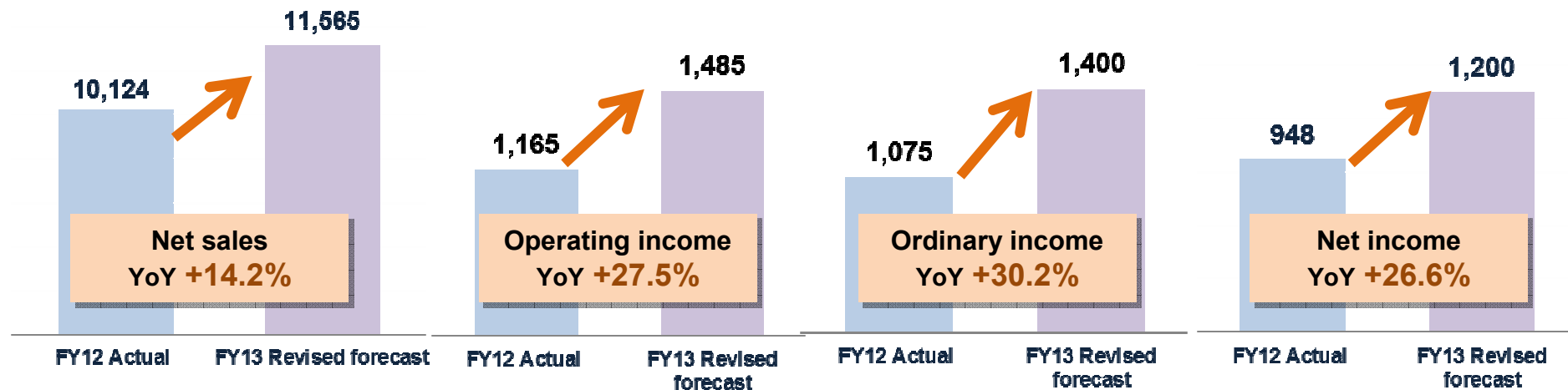
⇒ Currently 51 rooms in 36 locations (11 locations opened in first half, up 30% YoY)

We plan to continue expansion from fall 2013

Full-Year Earnings Outlook

Revenue and earnings forecasts both revised upward, with anticipation of double-digit

Unit: Millions of yen



(Millions of yen)	FY2012		FY2013				YoY	
	Actual (A)	(%)	Previous Forecast	(%)	Revised Forecast (B)	(%)	Variance (B-A)	% Change
Net sales	10,124	(100.0)	10,723	(100.0)	11,565	(100.0)	1,441	14.2%
Operating income	1,165	(11.5)	1,292	(12.0)	1,485	(12.8)	320	27.5%
Ordinary income	1,075	(10.6)	1,200	(11.2)	1,400	(12.1)	325	30.2%
Net income	948	(9.4)	1,017	(9.5)	1,200	(10.4)	252	26.6%
ROE (%)	9.1	—	8.9	—	10.5	—	+1.4pt	—
ROA (%)	5.3	—	5.2	—	6.2	—	+0.9pt	—

Premise for the Full-Year Outlook and Main Measures

Premise for the Full-Year

We will focus on measures for “sowing seeds” to expand our business not only in the short term but from the next year and beyond, and increase our customer roster.



Main Measures for the Second Half

- ✓ Further expand the mainstay storage business, and move forward with the renovation and sale business
- ✓ Strengthen our network with property owners
- ✓ Concentrate on business openings for rental meeting rooms. Bolster the earnings base for stock-type businesses, and aim for an “extremely stable, high rate of growth”
- ✓ Further strengthen operations for the “Arealink Front-Loaded Annual Schedule,” as well as “Arealink Master Program” and other original human resources development programs
- ✓ Prioritized property maintenance, and cost reductions in management divisions

Part III

Storage Business Overview

Opening new bases of operation in self-storage business

1. Location Procurement Purpose
Specification Flow
2. Reasons We Are No.1
(Difference from Competitors)
3. Business Openings in Regional Cities

1. Location Procurement Purpose Specification Flow

<Points>

- Shortened period to the break-even point
- Six filters
- Proactively opening new bases at carefully selected locations

2. Reasons We Are No.1

- Emphasis on sales capabilities and customer satisfaction



3. Business Openings in Regional Cities

- Full-fledged start, targeting cities with populations over 700,000

Part IV

Growth Strategies

Synergies among our four core businesses provide a stable earnings foundation and high rate of growth

【Our Ideal Real Estate Model】
⇒ Four Core Businesses

Anticipatory Investment

Purchase of buildings and condominium complexes situated in prime locations with the aim of securing an annual investment return of 8% or more



Growth Engine

Purchase commercial buildings and apartment complexes in good locations, in whole or in part. Carry out renovations, and sell to yield investment returns



Platform Business

Generate stable cash flows by proactively opening new bases of operation and engaging in sound management



Focus on this rapidly growing field
Trial runs of using meeting rooms as event halls

Earnings Strategies – Arealink’s Front-Loaded Annual Schedule

We have divided the 12 months into three periods, and clarified the points we will focus on during each.

First Half

January – June: Buffer Period

Sprinting start to achieve our target ahead of schedule

- ✓ Implement sales strategies in a concerted manner as a company
 - ✓ Form a buffer team
 - ✓ Early property acquisition and business openings in the stock business
- ⇒ Establish base in January to April, with the final sprint in June



Achieve 72.1% of initial budget during the first half

* Ordinary income basis

Earnings Strategies – Arealink’s Front-Loaded Annual Schedule

Second Half

July – September: Refresh and Sowing Seeds Period
Sowing seed for the Furious Activity Period and for 2014

- ✓ Create a marketing list
- ✓ Maintenance of primary properties
- ✓ Cost reductions
- ✓ Improvement in C and D rank properties
- ✓ Enhance follow-up support for owners
- ✓ Strengthen network with property owners
- ✓ Simplify work for maintenance and administrative personnel

October – December: Furious Activity Period
Savings for the next year

Prepare for sprinting start in the first half of the next year
⇒ Finalize start for next fiscal year



Prepare for 2014 (next fiscal year)

Maintenance investments for storage and other businesses is returned as earnings

Broaden maintenance services for customers



Raise the added value of Arealink's products, and enhance competitiveness



Lease rate increases possible

Measures to Raise Employee Motivation, and Results

- ✓ Human resources training “Arealink Master Program”
 - ⇒ We set qualifications based on degree of practice, to transform to an organization in which employees think for themselves.
 - ⇒ The program has become widely accepted, with more than 30% of new graduates participating, accelerating growth capacity.
- ✓ Introduction of a “Chip System”
 - ⇒ We introduced an incentive program to evaluate improvement plans in five ranks, Diamond, Gold, Silver, Bronze, and Mini.
- ✓ Elimination of unnecessary data
 - ⇒ We saved labor on data entry, cutting a total of 402.4 work hours per month.
 - ⇒ Eliminating entry of data without a clear purpose improved the work efficiency of administrative staff, and allowed a shift to new improvements and other creative operations.
- ✓ Introduction of a “Purpose Specification Flow”



- ✓ Aim to be a company with an extremely stable, high rate of growth
 - ⇒ Ordinary income growth of at least 20% annually

Real Estate Holdings: Strategies and Measures

Acquire and hold large buildings for lease through a proper balance of company funds and debt

	Fiscal 2013 Investments (planned)	Net investment yield (forecast)
Property Holdings Business	2.0 billion yen	8%

Investment strategy

- Initial payment of 30% with 15-year loan
- Consider the location and development possibilities, and purchase properties looking 15 years ahead

Major properties during the subject period



Reale Ichigaya

- Nakano-machi, Ichigaya, Shinjuku-ku, Tokyo
- 4 min. walk from Akebonobashi Station on Toei Shinjuku Line
- Constructed January 1993
- Reinforced concrete; Flat roof; one floor below ground, six above
- Land area: 1,386.77 m²
- Floor space: 4,780.83 m²



Ciel Blue Kojimachi

- Kojimachi, Chiyoda-ku, Tokyo
- 1 min. walk from Kojimachi Station on Tokyo Metro Yurakucho Line
- Constructed April 1987
- Reinforced concrete; Flat roof; one floor below ground, five above
- Land area: 333.87 m²
- Floor space: 1,221.24 m²

Real Estate Sales: Strategies and Measures

Expand revenue and earnings through planned purchases of income properties, centering on commercial and office buildings

	Fiscal 2013 Investment Amount (planned)	Average earning rate (forecast)
Income Property Sales Business	1.0 billion yen	10%

Investment strategy

- Purchase of high-yield products as well as buildings and condominium complexes situated in prime locations; renovation and sale by individual floors and lots

Major properties during the subject period



Jingumae, Shibuya-ku, Tokyo
Single building, stores and offices
¥573 million

Togoshi, Shinagawa-ku, Tokyo
Single building, stores and residential complex
¥162 million

Sengawa-cho, Chofu-shi, Tokyo
Condominium units, stores
¥67 million

Comparative example: before or after renovation



Before renovation



After renovation

Company with an extremely stable, high rate of growth

- Target figures for the fiscal year ending December 2015

Net sales of ¥11,832 million, with operating income of ¥1,735 million

⇒ Potential to reach this target a year ahead of schedule in the fiscal year ending December 2014

(Millions of yen)	FY12 Actual	FY15 Target	Variance	Average YoY Growth
Net sales	10,124	11,832	+1,708	+5.3%
Operating income	1,165	1,735	+570	+14.2%
Operating income ratio (%)	11.5	14.7	+3.2pt	—
Ordinary income	1,075	1,597	+522	+13.9%
Net income	948	1,403	+455	+13.8%
ROA (%)	5.3	6.5	+1.2pt	—
Shareholders' equity ratio (%)	58.8	59.3	+0.5pt	—
Current ratio (%)	323.2	443.4	+120.2pt	—

Medium-Term Management Plan



Bringing the world convenience, enjoyment,
and excitement

- Become the acknowledged leader in the storage business in terms of both market share and quality
- Stock-type business comprising storage, assets, and rental meeting rooms
- Provide a pleasant work environment, enhance operational efficiency, and ensure a good work-life balance
- Secure stable earnings and strengthen our financial base to maintain shareholder returns and increase in the payout ratio

Achieve net sales of ¥80 billion and ordinary income of ¥10 billion within 10 years!

Main Points for Today

Point 1

Ordinary income figure is 50.8% ahead of plan as a result of steady implementation of Arealink's front-loaded annual schedule.

- ✓ We are 72.1% to our full-year ordinary income target.
- ✓ Full-year results forecasts are being revised upward.

Point 2

Steady progress is being made in all businesses.

- ✓ With improvement in the earnings structure, operating income is up 61.8% YoY.
- ✓ Ordinary income is up 73.4% YoY.
- ✓ Net income is up 75.5% YoY, ahead of plan.

* The ratio against plan is calculated based on the revised results forecasts, announced at the beginning of the fiscal year.

Main Points for Today (continued)

Point 3

Real estate management service business is growing steadily.

- ✓ As of the end of June, we had opened 3,351 offices, 69.1% of our target of 4,850 during the current fiscal year.
- ✓ In the storage business, business locations in the Tokyo area have spread beyond National Route 16 (a beltway around Tokyo). We are also expanding to major regional cities such as Hamamatsu and Sendai.
- ✓ For real estate holdings, we are purchasing properties ahead of schedule. We anticipate an increase in lease income from the second half.

Point 4

Enhanced promotion for the storage business

- ✓ We made an organizational shift from call centers to storage sales, with an evident improvement in the utilization rate.
- ✓ Early start for the promotion period: We began website promotions 3-4 weeks earlier than usual, resulting in an early rise in the utilization rate.

Main Points for Today (continued)

Point 5

Currently number of rental meeting rooms expanded to 52 rooms in 35 locations

- ✓ We utilize a business model to limit the initial investment and fixed costs, allowing for operations with minimal risk.
- ✓ We've begun trial runs of using meeting rooms as event halls.

Point 6

Property Revitalization & Liquidation Service segment growing steadily with changes in the times.

- ✓ We have been successful with making renovations suited to the specific characteristics of the property, adding value and reselling.



Continued and stable strong growth

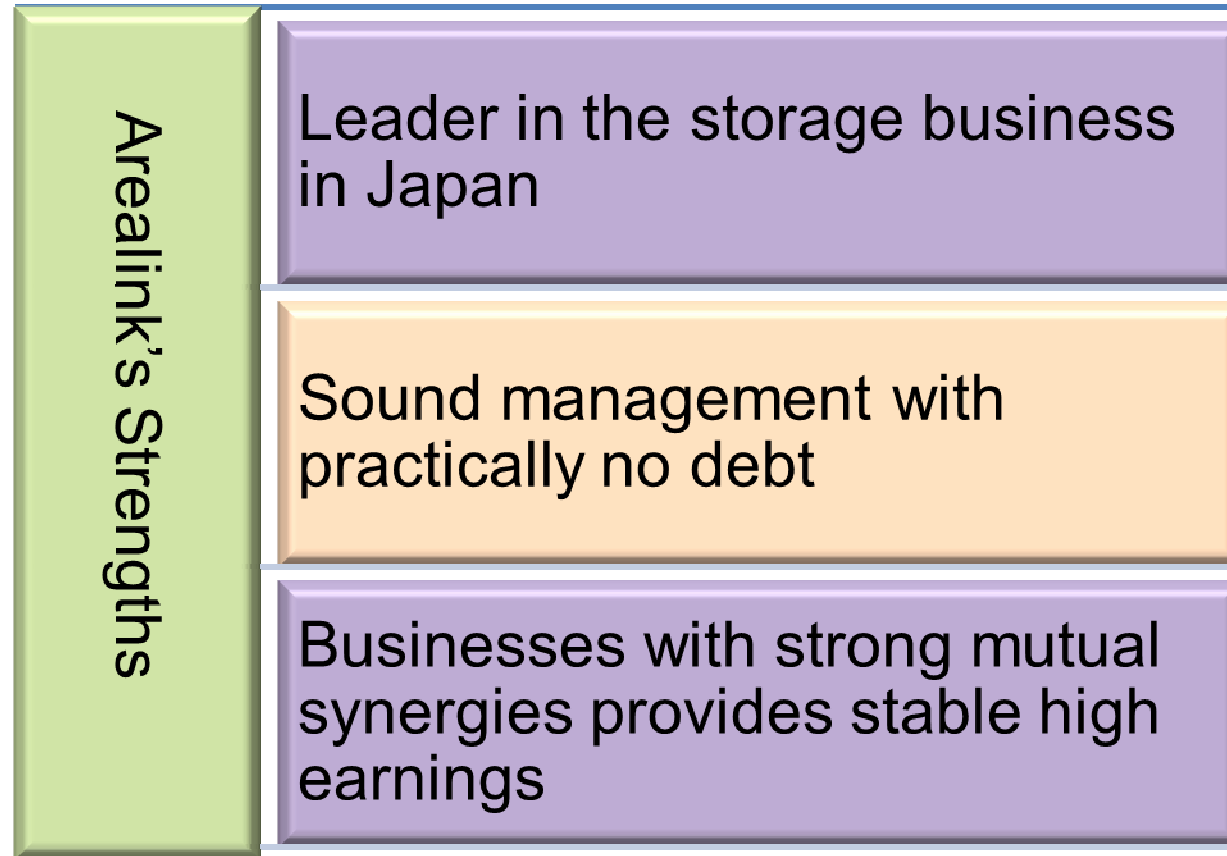
Exciting Company

Bringing the world convenience,
enjoyment, and excitement

Part V

Reference Material

Unique Characteristics of Arealink



Major Indicators for the Past Six Years

(Unit: Millions of yen)

	FY07	% Change	FY08	% Change	FY09	% Change	FY10	% Change	FY11	% Change	FY12
Net sales	29,952	-45.4%	16,347	-25.5%	12,183	-8.5%	11,143	-4.8%	10,603	-4.5%	10,124
Gross profit	7,174	-73.3%	1,912	21.2%	2,317	-6.1%	2,176	+8.7%	2,365	+11.2%	2,629
Gross profit margin (%)	24.0	-12.3pt	11.7	+7.3pt	19.0	+0.5pt	19.5	+2.8pt	22.3	+3.5pt	26.0
SG&A expenses	3,060	-35.6%	1,970	-39.3%	1,196	-2.3%	1,169	+12.9%	1,320	+10.9%	1,464
Operating income	4,113	—	(58)	—	1,121	-10.2%	1,006	+3.8%	1,044	+11.6%	1,165
Operating income ratio (%)	13.7	—	(0.4)	—	9.2	-0.2pt	9.0	+0.8pt	9.8	+1.7pt	11.5
Ordinary income	3,745	—	(516)	—	827	-6.3%	774	+23.1%	953	+12.8%	1,075
Net income	1,636	—	(8,254)	—	557	+20.8%	673	+14.7%	772	+22.7%	948
ROA (%)	4.7	—	(27.1)	—	2.7	+0.7pt	3.4	+0.9pt	4.3	+1.0pt	5.3
ROE (%)	11.0	—	(74.1)	—	7.3	+0.3pt	7.6	+0.4pt	8.0	+1.1pt	9.1
Interest-bearing debt	20,728	-40.0%	12,601	-22.6%	9,757	-27.4%	7,079	-26.5%	5,206	+6.5%	5,545
Total assets	39,319	-45.1%	21,600	-5.8%	20,355	-8.1%	18,701	-7.7%	17,266	+7.8%	18,612
Net assets	15,533	-56.7%	6,733	+26.6%	8,523	8.1%	9,214	8.4%	9,987	+9.5%	10,935
Shareholders' equity ratio (%)	39.5	-8.3pt	31.2	+10.7pt	41.9	+7.4pt	49.3	+8.5pt	57.8	+1.0pt	58.8
Net income per share (Yen)	1,649.67	—	(8,507.04)	—	538.22	+1.9%	548.48	+14.7%	629.31	+22.7%	772.26
Net assets per share (Yen)	15,632.30	-55.4%	6,976.03	-0.5%	6,942.68	+8.1%	7,506.06	+8.4%	8,135.45	+9.5%	8,907.70
Number of employees	62	+11.3%	69	-10.1%	62	-3.2%	60	+21.7%	73	+12.3%	82

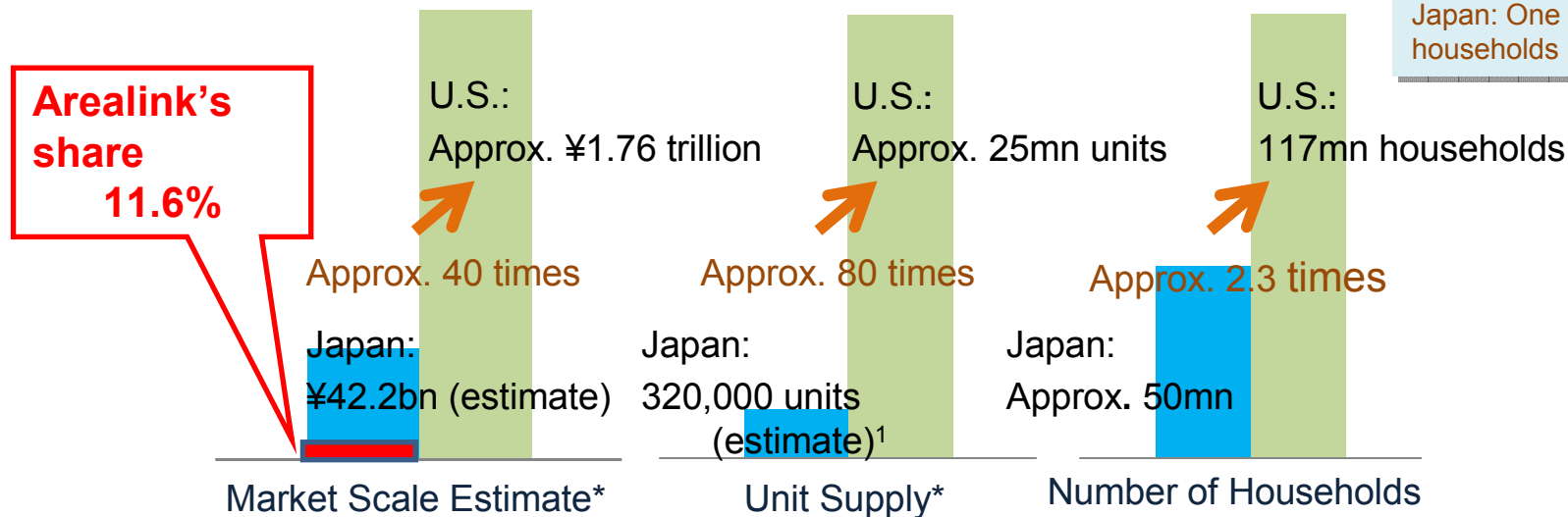
Storage Business: Market Scale Forecasts (1)

The expanding Japanese self-storage market is expected to grow to be on a par with the U.S. in the future.

- Scale of the Japanese self-storage market (2011 estimate) ¥42.20 billion
- Arealink's self-storage net sales (2011 actual) ¥4.89 billion
- Arealink's market share (net sales) 11.6% (No.1 in Japan)

Comparison between Japan and U.S.

Estimated Utilization Ratio
 U.S.: One unit per 10 households
 Japan: One unit per 220 households (estimated)



*Figures for the market scale estimate and unit supply are estimated figures for 2011.

Note 1: Number of units for rental storage space, as opposed to the warehouse industry
 Source: Yano Research Institute, "Thorough Survey of the Growing Self-Storage Business" 2011 Edition (Japan)

Currency converted at ¥80/USD (2011 average)

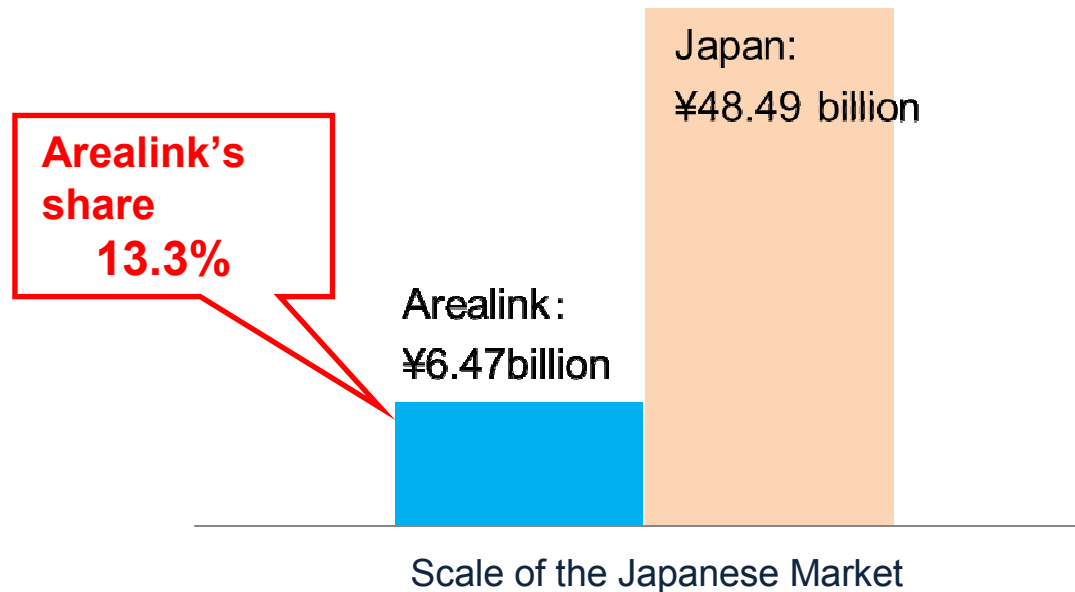
Source: Self Storage Almanac 2013 (U.S.)

Storage Business: Market Scale Forecasts (2)

We expect Arealink's share of the Japanese self-storage market to reach 13.3% by 2015

- Scale of the Japanese self-storage market (2015 forecast) ¥48.49 billion
- Arealink's self-storage net sales (2015 forecast) ¥6.47 billion
- Arealink's market share (net sales) 13.3% (No.1 in Japan)

Japan's Self-Storage Market in 2015



Source: Yano Research Institute, "Thorough Survey of the Growing Self-Storage Business" 2011 Edition (Japan)

Domestic and Overseas Storage Market Ranking

■ Top Three Companies in the U.S. Self-Storage Market (Fiscal 2012)

Rank	Company Name	No. of Locations	No. of Units	Market Share (by No. of Units)
1	Public Storage	2,253	1,350,000	5.43%
2	Extra Space Storage	882	584,804	2.35%
3	U-Haul	1,144	428,334	1.72%
Top 10 companies		5,773	3,267,596	13.14%
Total		50,859	24,870,000	100%

Source: Self Storage Almanac 2013

■ Overview of Public Storage, the Largest Self-Storage Company in the U.S.

● Storage net sales ¥158.3 billion

● Comprehensive income ¥83.3 billion

Source: Company's Annual Report 2012 (Currency converted at ¥86.7/USD (closing price as of December 2012))

■ Arealink's Position in Japan's Self-Storage Market

	Company Name	No. of Locations	No. of Units	Market Share (by No. of Units)
No.1	Arealink	798	44,929	12.7%
No.2	Company A	749	36,631	10.4%
No.3	Company B	47	26,192	7.4%
No.4	Company C	391	20,646	5.8%
No.5	Company D	255	11,445	3.2%
Total		7,419	352,929	100%

Source: Yano Research Institute survey 2013 Edition (Japan)



Reference Materials

Examples of self-storage locations / Outdoor container type



Sendai Iwakiri (Miyagi)



Fujimino Oi (Saitama)



Misato Kanamachi (Saitama)



Wako5 (Saitama)



Higashifuchu (Tokyo)



Hino, Koshu Kaido (Tokyo)



Hachioji Mejirodai (Tokyo)



Ariake, Toyosu, Shinonome (Tokyo)



Higashikasai (Tokyo)



Yotsugi4 (Tokyo)



Higashikurume2 (Tokyo)



Machida Oyamagaoka (Tokyo)



Mizuhomachi (Tokyo)



Kisarazu (Chiba)



Narashino1 (Chiba)



Yokosuka Kinugawa Inter (Kanagawa)



Motosumiyoshi (Kanagawa)



Hamamatsu Minamiasada (Shizuoka)



Owari Setoekimae (Aichi)



Kyoto Hachiman (Kyoto)



Sakai Kitahanada (Osaka)



Nara Shijooji (Nara)



Akashinishi2 (Hyogo)



Himeji Hirohata (Hyogo)

NEW : Newly opened in 2013

Reference Materials

Examples of self-storage locations / Indoor building type



Ageo (Saitama)



Shimoichiai (Tokyo)



Hashimoto (Tokyo)



Kouenji Kokashita2 (Tokyo)



Nlshinippori2 (Tokyo)



Adachi Takenozuka2 (Tokyo)



Atachi Hlgashiiko (Tokyo)



Nakajujo (Tokyo)



Shinonome (Tokyo)



Higashioshima (Tokyo)



Minamiazabu (Tokyo)



Iidabashi (Tokyo)



Musashikoyama1 (Tokyo)



Shjbuyahoncho (Tokyo)



Yokohama Kannai (Kanagawa)



Yokohama Aobadai (Kanagawa)



Mukogaokayuen (Kanagawa)



Azamino (Kanagawa)



Nagoya Higashikataha (Aichi)



Kyoto Fushimi (Kyoto)



Kyoto Shijokarasuma (Kyoto)



Osaka Edobori (Osaka)



Tanimachi 4-Chome (Osaka)



Amagasaki (Hyogo)

NEW : Newly opened in 2013

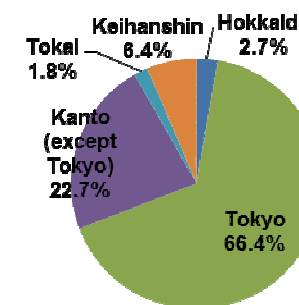
Storage Business Portfolio

We aim to increase the utilization rate through favorable locations in the Tokyo metropolitan area, opening of new locations, and high-quality service.

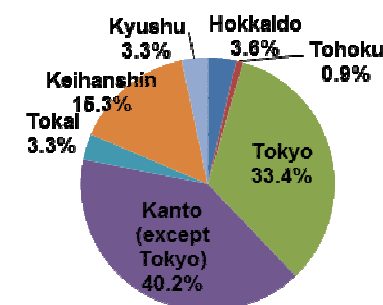
No. of Units (as of June 30, 2013)

Prefecture	Storage Rooms	Containers	Total	Proportion of Total
Hokkaido	426	1,044	1,470	3.3%
Miyagi	-	252	252	0.6%
Ibaraki	-	31	31	0.1%
Saitama	672	4,226	4,898	10.9%
Chiba	269	5,405	5,674	12.6%
Tokyo	10,474	9,735	20,209	45.0%
Kanagawa	2,635	2,073	4,708	10.5%
Gifu	-	30	30	0.1%
Shizuoka	-	63	63	0.1%
Aichi	241	832	1,073	2.4%
Mie	50	32	82	0.2%
Kyoto	154	179	333	0.7%
Osaka	810	1,974	2,784	6.2%
Hyogo	47	1,973	2,020	4.5%
Nara	-	337	337	0.8%
Fukuoka	-	346	346	0.8%
Kumamoto	-	48	48	0.1%
Oita	-	26	26	0.1%
Kagoshima	-	372	372	0.8%
Okinawa	-	173	173	0.4%
Total	15,778	29,151	44,929	100%

Storage Rooms



Containers



* Prefectures in red represent areas which Arealink conducted business openings during the first half of the fiscal year 2013.

Storage Business: Total Units, Units in Use, and Utilization Rate

Organizational change from call centers to storage sales has enhanced customer satisfaction with storage operations, and raised the utilization rate. Accelerated program of business openings in suburban and regional areas has also maintained the utilization rate.

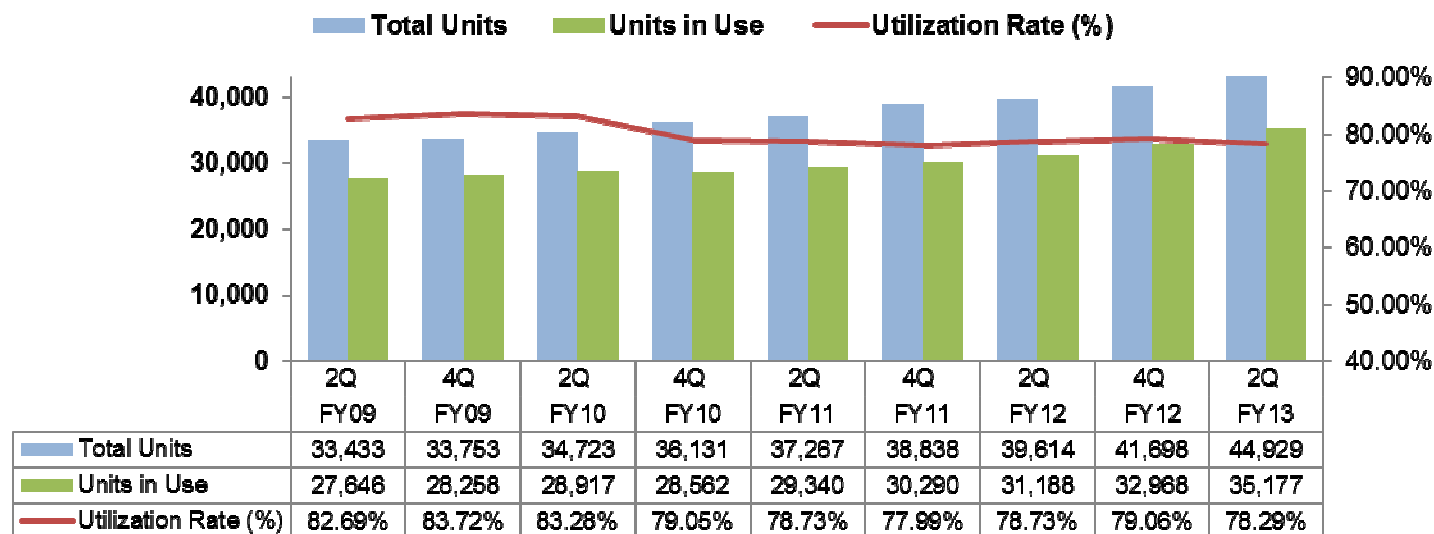
■ Storage (management)

We are improving our properties and operations by using comment/feedback cards for customer communication, with the aim of raising customer satisfaction.

■ Storage (liquidation)

We are planning a full-fledged business expansion from the Tokyo metropolitan area to major suburban and regional areas, which will increase the number of business locations from 4,850 in 2013, to 6,700 in 2015.

Total Units, Units in Use, and Utilization Rate



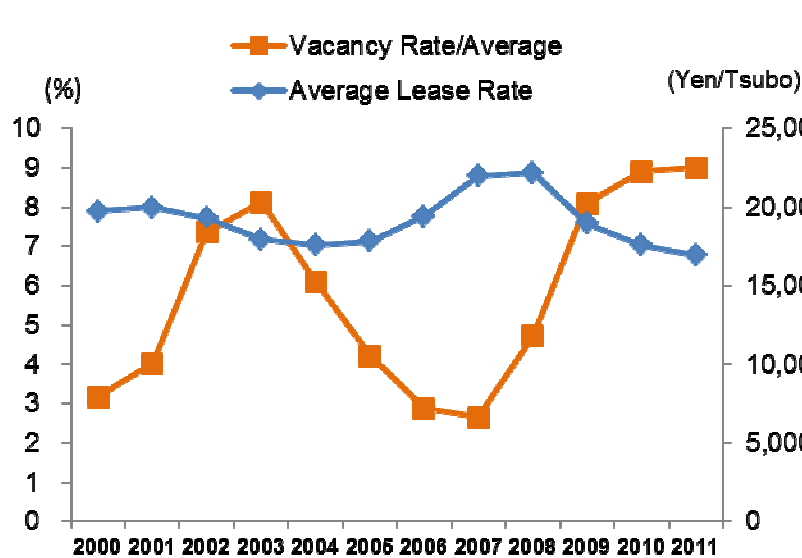
* Utilization rate includes units at newly opened locations

Real Estate Business: Vacancy Rate, Average Lease Rates, and Vacant Area

The vacancy rate has risen as a result of an oversupply of office space in central Tokyo, with the market shifting to differentiation by real estate-related companies.

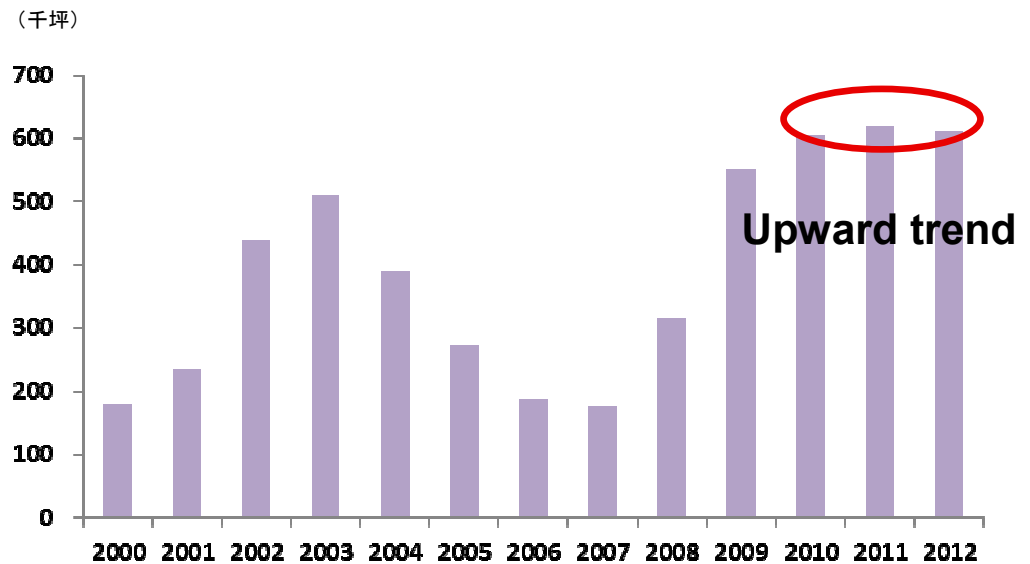
Leasing Business Market in the Tokyo Business District (Five Central Wards)

Vacancy Rate/Average and Average Lease Rate



1 tsubo = 3.305785 square meters

Vacant Area



Source: Miki Shoji Co., Ltd., "Recent trends in the office building market in Tokyo (five central wards)" January 2013 issue

Breakdown of Real Estate Holdings

Main Properties (partial list)

Property Name	Location	Purpose	Book Value (Land and Structure) Unit: ¥mn
Hirosaki Hotel	Hirosaki City, Aomori Pref.	Hotel	1,733
Reale Ichigaya	Shinjuku Ward, Tokyo	Residence	1,681
Kanda BM Building	Chiyoda Ward, Tokyo	Head Office, store	1,043
Kanda Kyodo Building	Chiyoda Ward, Tokyo	Office	931
Ginza 6-Chome Idei Building	Chuo Ward, Tokyo	Office	891
Ciel Blue Kojimachi	Chiyoda Ward, Tokyo	Office	590
Best Inn Omihachiman	Omihachiman City, Shiga Pref.	Hotel	489
Best Inn Kashima	Kamisu City, Ibaraki Pref.	Hotel	420
Reviere Miyanosaka	Setagaya Ward, Tokyo	Residence	390
Best Inn Uozu	Uozu City, Toyama Pref.	Hotel	311

The earnings forecasts, predictions, strategies, and other information presented in this report are as of the time of preparation. The report was prepared based on information reasonably available to the Company, with determinations made within foreseeable bounds.

However, there are risks that that actual performance may differ from the earnings forecasts in this report as a result of unforeseeable events and results.

The Company makes an effort to proactively disclose information considered important to investors, but readers are strongly advised to avoid decisions that place undue reliance solely on the earnings forecasts presented in this report.

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Inquiries: Administrative Division
Arealink Co., Ltd.
Tel: +81-3-5577-9250
Fax: +81-3-5577-9251