

We supply the best use of space.

Results Briefing

Fiscal Year Ended December 2015

February 15, 2016

Exciting Company



Arealink Co.,Ltd.

Securities code:8914

Part I Results Overview

1. Overview of FY15	P4
2. Segment Breakdown	P5
3. Net Sales and Gross Profit by Segment	P6
4. Sales by Segment	P7
5. Profit Margin by Segment	P8
6. Quarterly Net Sales, Gross Profit, and Operating Income by Segment	P9
7. Completion Rate for Net Sales and Gross Profit Targets by Segment	P10
8. Quarterly Net Sales and Operating Income	P11
9. Breakdown of Non-Operating and Extraordinary Profit and Loss	P12
10. Financial Position	P13
11. Interest-Bearing Debt, Total Capital, and Shareholders' Equity	P14
12. Cash Flow	P15
13. Capital Efficiency	P16

Part II Summary of FY15

1. Overview of FY15	P18-19
---------------------	--------

Part-III Main Strategies for FY16 and FY16 Earnings Outlook

1. Main Strategies for FY16 (1): Strengthen the Self-storage Business	P21
2. Main Strategies for FY16 (2): Optimize Efficiency of Location Openings and Customer Acquisition	P22
3. Main Strategies for FY16 (3): Growth Investments and Strengthening of Base	P23-24
4. Main Strategies for FY16 (4): Other Businesses	P25
5. Main Strategies for FY16 (5): Human Resources Development	P26
6. FY16 Earnings Outlook	P27
7. Dividends and Payout Ratio	P28

Part-IV Medium-Term Management

1. Achieve high rate of growth with overwhelming superiority in the storage business	P30
2. Medium-Term Management Plan: Growth Trends for the Self-storage Business	P31
3. Medium-Term Management Plan: Growth Trends for New Businesses	P32
4. Medium-Term Management Plan: Key Measures (1)	P33
5. Medium-Term Management Plan: Key Measures (2)	P34
6. Exciting Company	P35

Part-V Reference Material

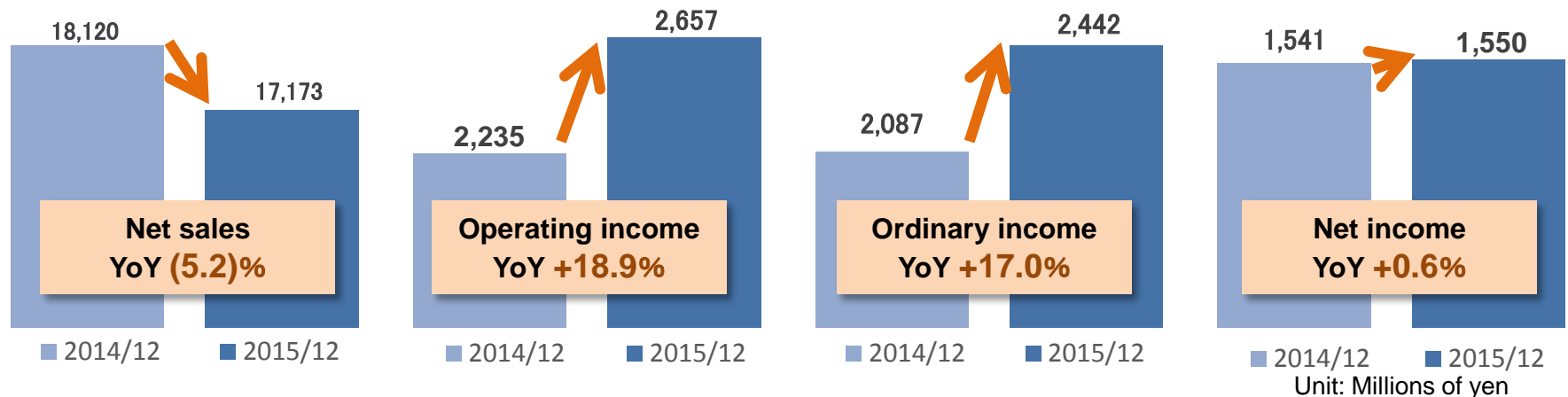
1. Major Indicators for the Past Six Years	P37
2. Storage Business (1): Market Scale Forecasts (1)	P38
3. Storage Business (2): Market Scale Forecasts (2)	P39
4. Storage Business (3): Competitive Environment	P40
5. Storage Business (4): Total Units, Units in Use, and Utilization Rate	P41
6. Storage Business (5) : Openings by Region	P42
7. Storage Business (6): User Analysis	P43
8. Examples of self-storage locations / Outdoor container type	P44-45
9. Examples of self-storage locations / Indoor building type	P46
10. Example of a "Storage Building" Type Unit	P47
11. Examples of self-storage locations / a "Storage Building" Type Unit	P48
12. Examples of self-storage locations	P49
13. Rental Meeting Rooms	P50
14. Front-loaded Annual Schedule to Achieve Earnings Targets	P51
15. Human Resources Development	P52
16. Breakdown of Real Estate Holdings	P53

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

Revenue was down year on year as a result of a sales decline in the Property Revitalization & Liquidation Service segment, though earnings rose as performance exceeded plan.



	FY14		FY15 Plan (after revised)		FY16		Actual vs. Initial plan		YoY	
	Actual	(%)	Plan	(%)	Actual	(%)	Variance	% Change	Variance	% Change
(Millions of yen)										
Net sales	18,120	(100.0)	17,425	(100.0)	17,173	(100.0)	(251)	(1.4)%	(946)	(5.2)%
Cost of sales	13,759	(75.9)	12,665	(72.7)	12,100	(70.5)	(565)	(4.5)%	(1,659)	(12.1)%
Gross profit	4,360	(24.1)	4,760	(27.3)	5,073	(29.5)	313	6.6%	712	16.3%
SG&A expenses	2,125	(11.7)	2,259	(13.0)	2,415	(14.1)	156	6.9%	290	13.7%
Operating income	2,235	(12.3)	2,500	(14.4)	2,657	(15.5)	157	6.3%	422	18.9%
Ordinary income	2,087	(11.5)	2,287	(13.1)	2,442	(14.2)	154	6.8%	355	17.0%
Net income	1,541	(8.5)	1,513	(8.7)	1,550	(9.0)	37	2.5%	9	0.6%

* Figures for FY15 plan (after revised) are announced on July 23, 2015.

Segment Breakdown

Property Management Service

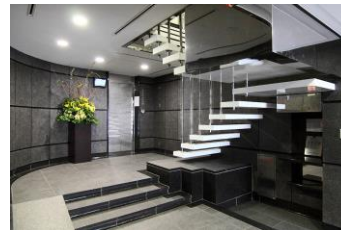
- Self-storage management (Hello Storage customer recruitment, operations and management)
- Self-storage brokerage (Hello Storage orders and location development)
- Other management services
 - Asset management (Tenant recruitment, operations and management of help properties)
 - SOHO (Hello Office / Hello Rental Meeting Room)
 - Parking lots, etc.



Hello Storage (Container type)



Hello Storage (Room type)



Property Holding (Kyodo Building entrance)



Hello Rental Meeting Room (Shibuya II)

Property Revitalization & Liquidation Service

- Real estate sales
 - * Renovate, provide added value, and sell



Sold property (Residential building and commercial building, Ichigaya)

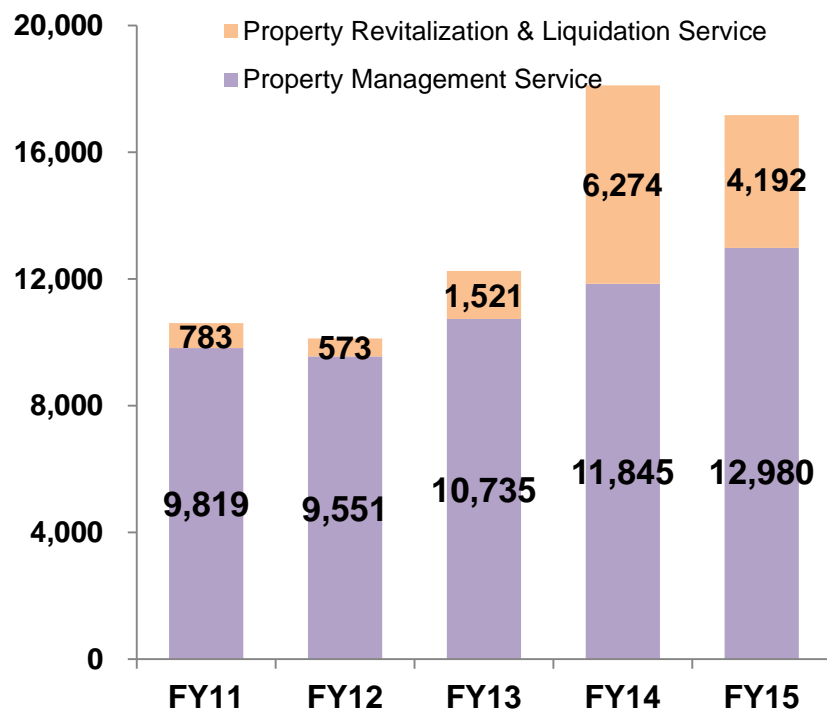
Net Sales and Gross Profit by Segment

Steady gains in the Property Management Service segment.
Substantial earnings increase in the Property Revitalization & Liquidation Service segment.

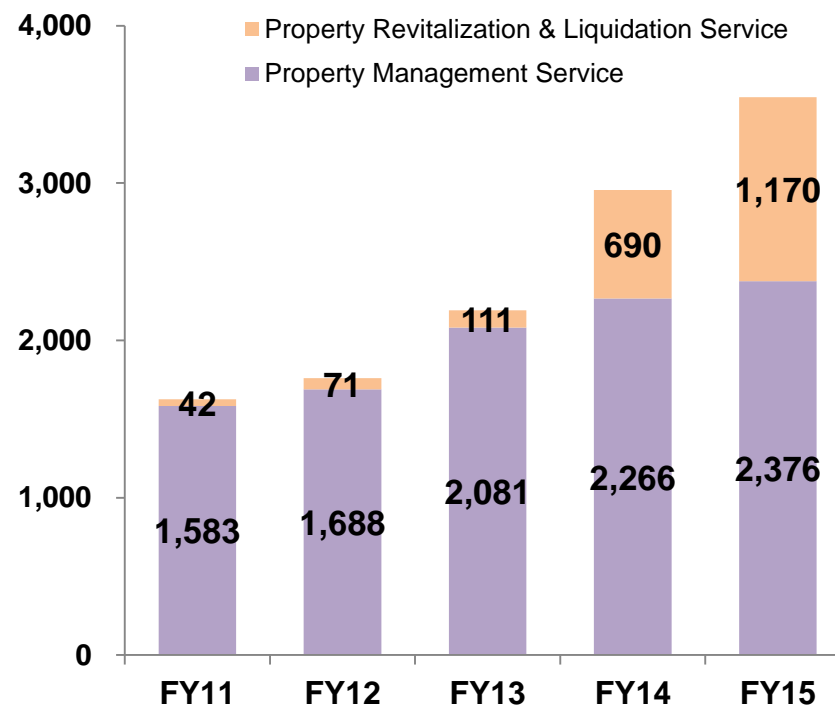
Net sales

Segment profit

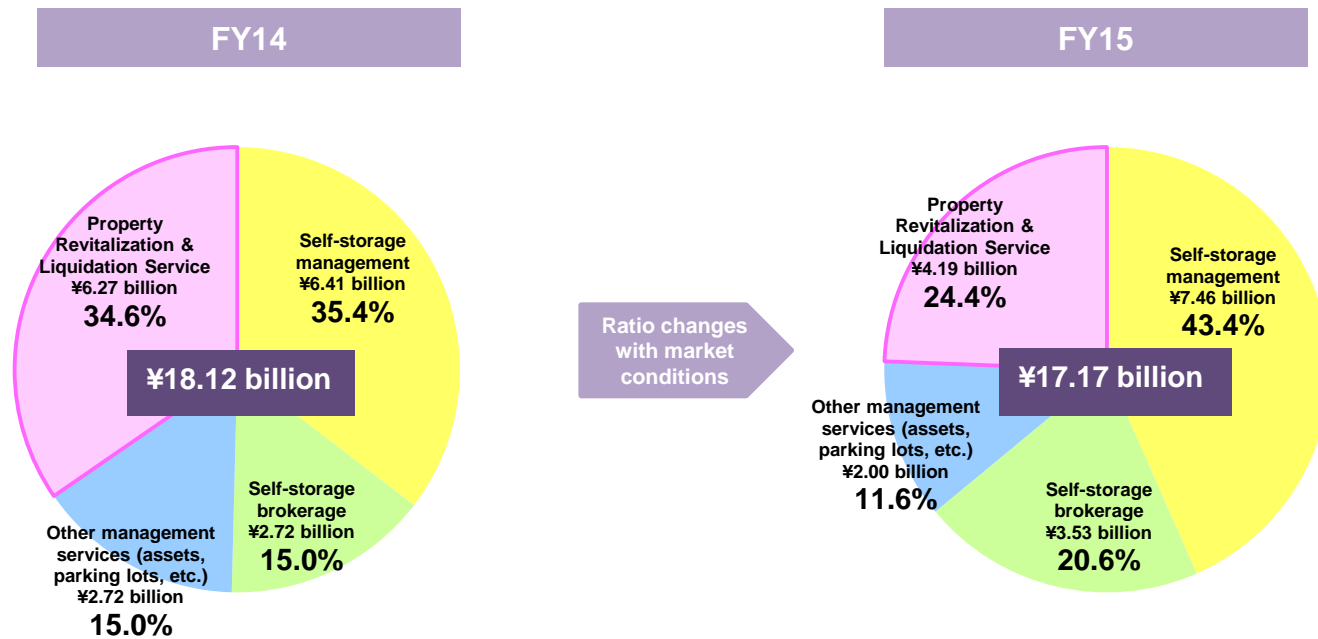
(Unit: Millions of yen)



(Unit: Millions of yen)



Sales Breakdown by Segment



- ✓ Component ratio in FY15 changed compared to FY14.
- ✓ Sales ratio for the Property Revitalization & Liquidation Service segment declined in FY15.
- ✓ Cumulative-type businesses such as self-storage management and other management services were mostly in line with plan.

Profit Margin by Segment

Increase in both the gross profit margin and operating income margin, with steady gain in overall performance.

Unit: Millions of yen

			FY14 (actual)		FY15 (initial budget)		FY 15 (actual)	
			Full year actual	Profit margin	Initial budget	Profit margin	Full year actual	Profit margin
Property Management Service	Self-storage management	Net sales	6,406		7,339		7,455	
		Gross profit	1,692	26.4%	1,661	22.6%	1,955	26.2%
		Operating income	1,170	18.3%	1,013	13.8%	1,320	17.7%
	Self-storage brokerage	Net sales	2,718		2,439		3,525	
		Gross profit	967	35.6%	615	25.2%	1,054	29.9%
		Operating income	430	15.8%	286	11.8%	509	14.5%
	Other property management service	Net sales	2,721		2,012		1,999	
		Gross profit	831	30.5%	648	32.2%	729	36.5%
		Operating income	664	24.4%	489	24.3%	546	27.3%
Property Management Service Total	Net sales	11,845		11,791		12,980		
	Gross profit	3,491	29.5%	2,925	24.8%	3,739	28.8%	
	Operating income	2,266	19.1%	1,789	15.2%	2,376	18.3%	
Property Revitalization & Liquidation Service	Net sales	6,274		505		4,192		
	Gross profit	869	13.9%	140	27.7%	1,334	31.8%	
	Operating income	690	11.0%	73	14.6%	1,170	27.9%	
Other	Net sales	—		—		—		
	Gross profit	—		—		—		
	Operating income	(721)		(802)		(889)		
Total	Net sales	18,120		12,296		17,173		
	Gross profit	4,360	24.1%	3,065	24.9%	5,073	29.5%	
	Operating income	2,235	12.3%	1,060	8.6%	2,657	15.5%	

Steady earnings gains in self-storage management. Focus on the self-storage business led to decline in the Property Revitalization & Liquidation Service segment from 3Q.

Unit: Millions of yen

		FY14 (full year)	FY15					
		Cumulative	1Q	2Q	3Q	4Q	Cumulative	
Property Management Service	Self-storage management	Net sales	6,406	1,729	1,843	1,904	1,978	7,455
		Gross profit	1,692	504	544	482	423	1,955
		Operating income	1,170	362	389	326	242	1,320
	Self-storage brokerage	Net sales	2,718	1,310	1,104	782	327	3,525
		Gross profit	967	390	331	229	102	1,054
		Operating income	430	221	190	101	(3)	509
	Other property management service	Net sales	2,721	601	496	448	453	1,999
		Gross profit	831	195	197	161	174	729
		Operating income	664	148	157	115	125	546
Property Management Service Total		Net sales	11,845	3,641	3,445	3,134	2,759	12,980
		Gross profit	3,491	1,090	1,072	874	701	3,739
		Operating income	2,266	732	736	543	363	2,376
Property Revitalization & Liquidation Service		Net sales	6,274	1,322	2,701	158	10	4,192
		Gross profit	869	256	1,008	46	23	1,334
		Operating income	690	212	924	19	13	1,170
Other		Net sales	—	—	—	—	—	—
		Gross profit	—	—	—	—	—	—
		Operating income	(721)	(180)	(238)	(223)	(246)	(889)
Total		Net sales	18,120	4,963	6,147	3,293	2,769	17,173
		Gross profit	4,360	1,346	2,081	920	724	5,073
		Operating income	2,235	765	1,422	339	130	2,657

Completion Rate for Net Sales and Gross Profit Targets by Segment

Unit: Millions of yen

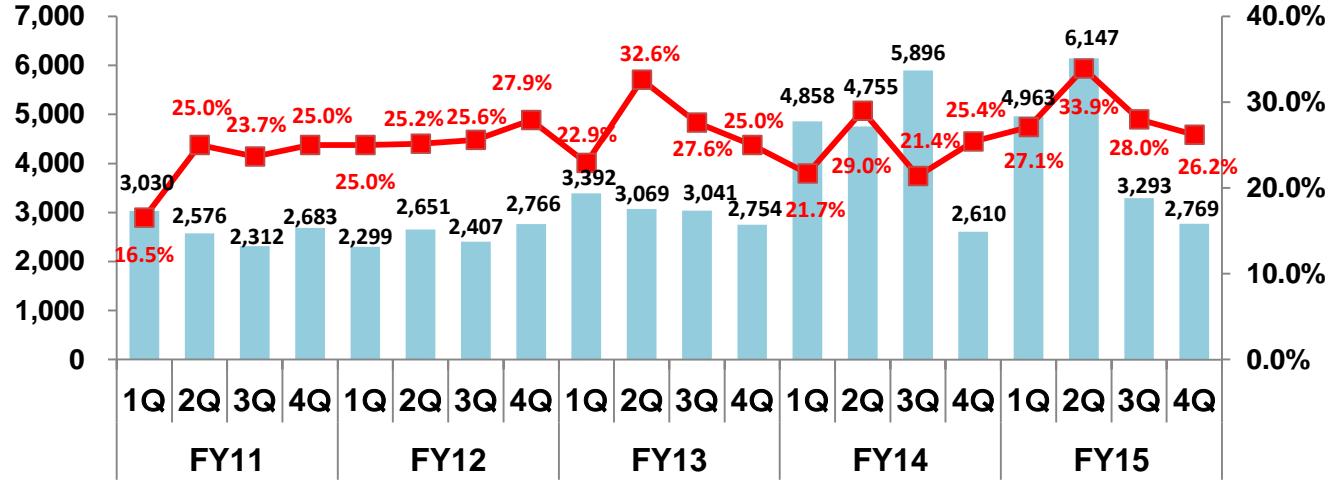
		FY14		FY15 (initial plan)		FY15 (actual)		
		Full Year	Component Ratio	Full Year	Component Ratio	Actual	Component Ratio	Completion Rate
Net sales	Property Management Service	11,845	65.4%	11,791	95.9%	12,980	75.6%	110.1%
	Self-storage management	6,406	35.4%	7,339	59.7%	7,455	43.4%	101.6%
	Self-storage brokerage	2,718	15.0%	2,439	19.8%	3,525	20.5%	144.5%
	Parking	540	3.0%	204	1.7%	209	1.2%	102.9%
	Asset	1,520	8.4%	1,103	9.0%	1,083	6.3%	98.2%
	SOHO	644	3.6%	692	5.6%	693	4.0%	100.2%
	Other	15	0.1%	12	0.1%	12	0.1%	104.9%
	Property Revitalization & Liquidation Service	6,274	34.6%	505	4.1%	4,192	24.4%	830.2%
Total	18,120	100.0%	12,296	100.0%	17,173	100.0%	139.7%	
Gross profit	Property Management Service	3,491	80.1%	2,925	95.4%	3,739	73.7%	127.8%
	Self-storage management	1,692	38.8%	1,661	54.2%	1,955	38.5%	117.7%
	Self-storage brokerage	967	22.2%	615	20.1%	1,054	20.8%	171.3%
	Parking	86	2.0%	65	2.1%	76	1.5%	116.6%
	Asset	552	12.7%	343	11.2%	387	7.6%	112.6%
	SOHO	198	4.6%	226	7.4%	251	5.0%	111.0%
	Other	(6)	(0.2)%	12	0.4%	14	0.3%	120.0%
	Property Revitalization & Liquidation Service	869	19.9%	140	4.6%	1,334	26.3%	953.1%
Total	4,360	100.0%	3,065	100.0%	5,073	100.0%	165.5%	

Quarterly Net Sales and Operating Income

Profitability, including net sales and operating profit margins, declined from FY15 3Q mainly due to curbs in the Property Revitalization & Liquidation Service segment. Preparations for the next fiscal year have begun.

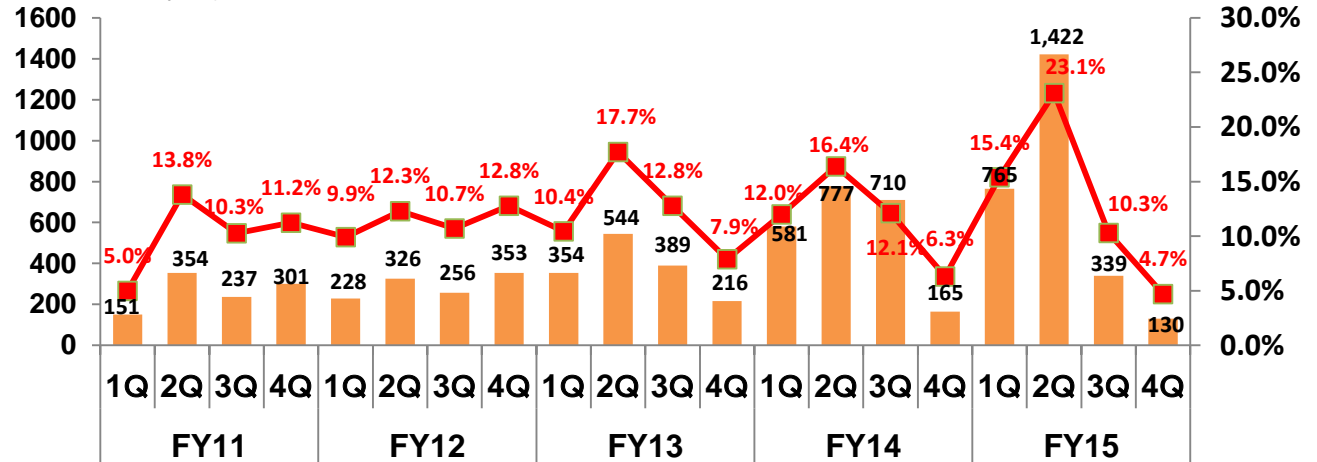
(Unit: Millions of yen)

Trends in net sales and gross profit margin



(Unit: Millions of yen)

Trends in operating income and operating income ratio



Breakdown of Non-Operating and Extraordinary Profit and Loss

Non-operating expenses rose due to fees from early repayment of loans.
Extraordinary loss increased on rise in impairment loss.

Non-operating income

Interest income ¥12 million

Extraordinary income

Gain on sales of noncurrent
assets ¥27 million

Unit: Millions of yen

Non-operating expenses

Early repayment of loans
¥161 million

Extraordinary loss

Impairment loss ¥58 million

Step income	2014/12 cumulative	2015/3 1Q period	2015/6 2Q period	2015/9 3Q period	2015/9 4Q period	2015/12 cumulative	Variance	% Change
Operating income	2,235	765	1,422	339	130	2,657	422	18.9%
Non-operating income	63	20	13	10	6	48	(14)	(22.6)%
Non-operating expenses	211	18	220	9	18	264	52	25.0%
Ordinary income	2,087	767	1,215	340	117	2,442	355	17.0%
Extraordinary income	206	8	16	7	7	39	(166)	(80.8)%
Extraordinary loss	71	1	0	0	74	76	5	7.4%
Income before income taxes	2,222	774	1,232	347	50	2,405	182	8.2%
Income taxes — current	163	79	487	146	61	774	610	373.1%
Income taxes — deferred	517	147	(26)	(7)	(32)	80	(437)	(84.5)%
Net income	1,541	548	771	209	21	1,550	9	0.6%

Financial Position

Owned capital further increased on reduction in interest-bearing debt and higher earnings.

Financial Position

As of Dec. 31, 2015

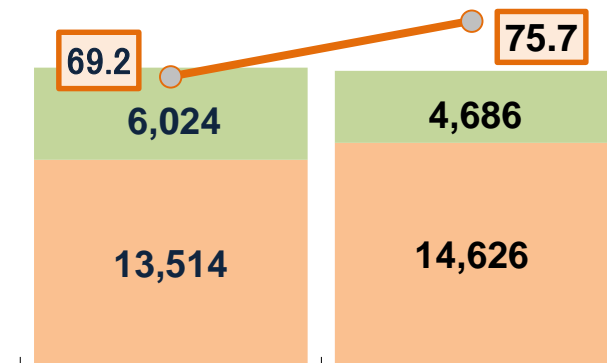
*Figures in parentheses indicate changes from the end of December 31, 2014.

Total assets ¥ 19,312 million (- ¥ 226 million)	Liabilities ¥4,686 million (- ¥ 1,338 million)	Liabilities
	Net assets ¥14,626 million (+ ¥ 1,111 million)	Net assets

Liabilities, net assets, equity ratio

(Millions of yen)

— Net assets — Liabilities — Equity ratio (%)



(Millions of yen)	Dec. 31, 2014	Dec. 31, 2015
Current assets	10,115	9,121
Noncurrent assets	9,423	10,191
Total assets	19,539	19,312
Current liabilities	2,462	2,880
Noncurrent liabilities	3,561	1,805
Total liabilities	6,024	4,686
Net assets	13,514	14,626

Increase in cash and deposits ¥ 0.98 billion
 Decrease in real estate for sale ¥ 1.91 billion
 Increase in noncurrent assets ¥ 0.70 billion

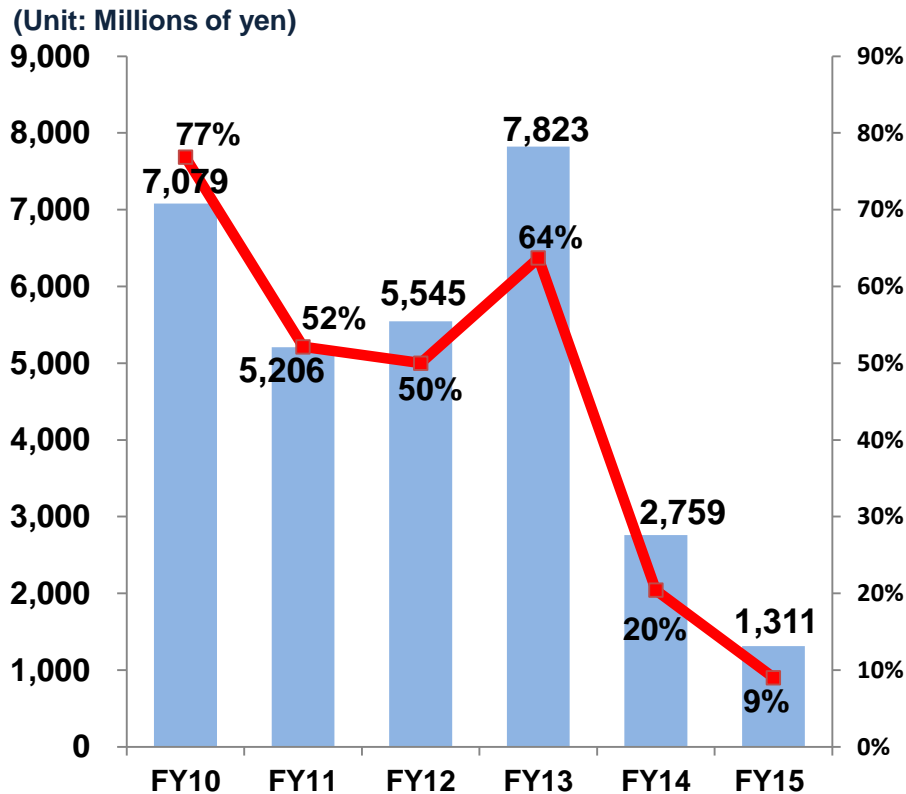
Decrease in long-term loans payable ¥ 1.68 billion

Increase in retained earnings ¥ 1.11 billion

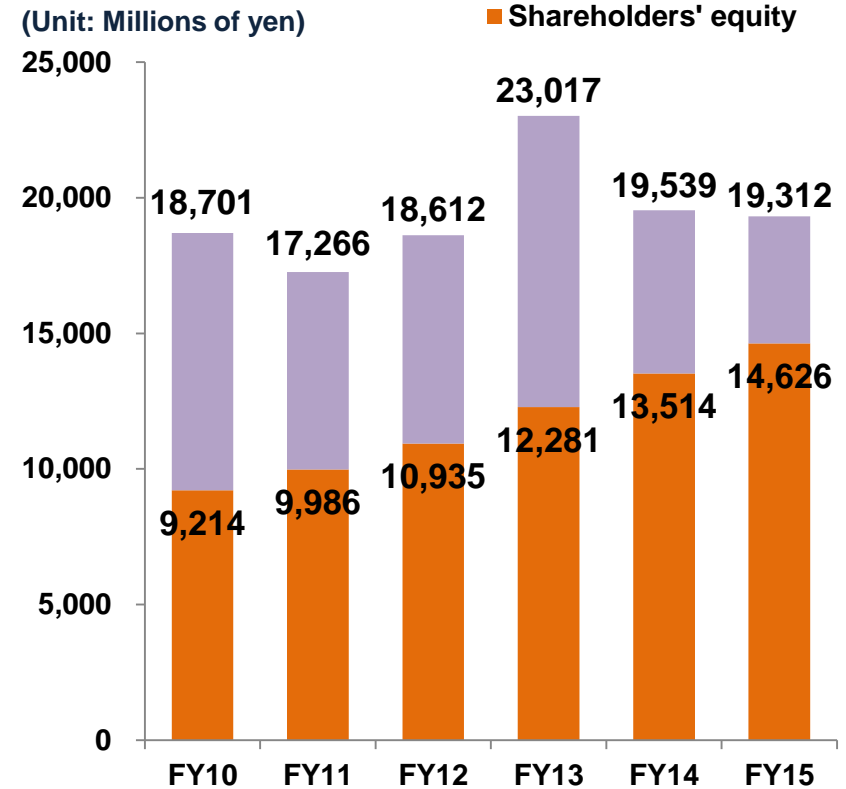
Interest-Bearing Debt, Total Capital, and Shareholders' Equity

Sound financial condition maintained by repayment of borrowings to lower interest-bearing debt, and increasing shareholders' equity.

Interest-bearing debt and interest-bearing debt ratio



Total capital and shareholders' equity



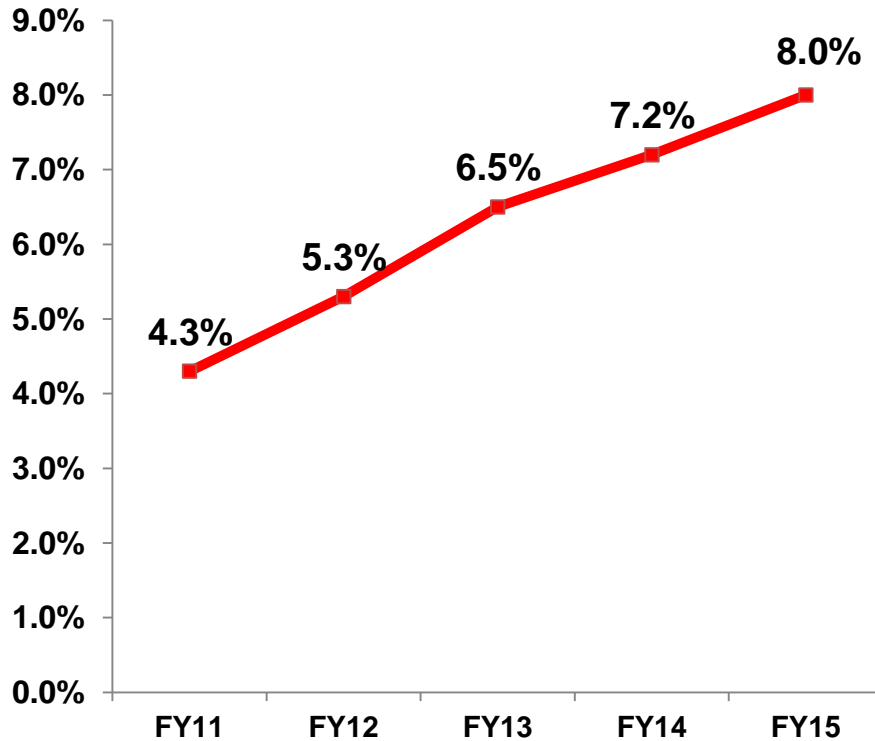
Cash balance increased overall, as higher PPE expenditures were offset by earnings gains and a decline in long-term debt repayment.

Unit: Millions of yen

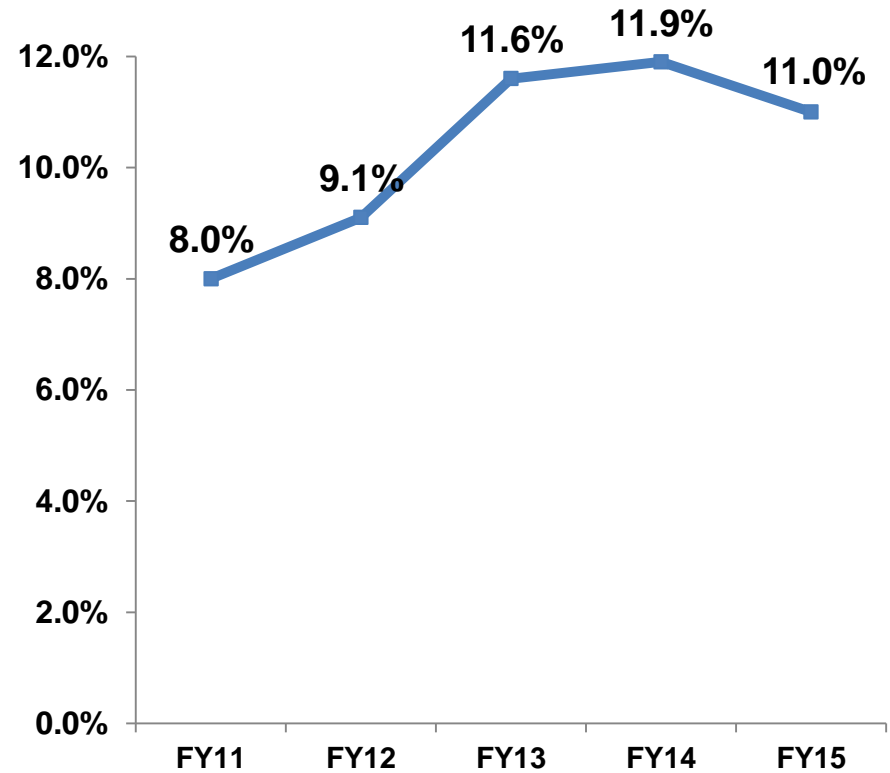
	FY14	FY15		
Cash flows from operating activities	7,123	3,941	Income before income taxes	¥2,405 million
			Decrease in inventories	¥1,872 million
Cash flows from investing activities	146	(1,069)	Purchase of noncurrent assets	¥(1,055) million
Cash flows from financing activities	(5,429)	(1,888)	Repayment of long-term loans payable	¥(1,879) million
Cash and cash equivalents at the end of period	5,431	6,415		

Capital efficiency rose further on higher profits.

Return on assets (ROA)



Return on shareholders' equity (ROE)



Part- II

Summary of FY15

Ordinary income +17.0% YoY
¥2.09 billion (FY14) ⇒ ¥2.44 billion (FY15)

- **Results positive, forecasts revised upward in 1H**
- **Net sales were down 5.2% (in line with plan), as steady growth in the self-storage business was offset by curbs in the Property Revitalization & Liquidation Service segment.**
- **Operating income +18.9%, ordinary income +17.0**

Steady progress with business measures

- **Self-storage management and brokerage businesses stable**
 - ✓ Steady location openings and management operations
 - ✓ Increase to total of 62,325 units
(+8,761 units, or 16.4%, from end-FY14)
 - ✓ Strengthened community-centered business offices specializing in location openings and customer acquisition
 - ✓ Shizuoka business office established in October
 - ✓ Expanded media exposure through TV and magazines led to moderate increase in visibility of Hello Storage
- **Property Revitalization & Liquidation Service segment contributed to earnings**
 - ✓ Proactive sales of previously held properties
 - ✓ Strengthened ownership of leased land

Part-III

Main Strategies for FY16 and FY16 Earnings Outlook

➤ **Strengthening Marketing (1)**

- ✓ **Introduce IT systems**
 - ✓ **Salesforce, Google Apps**
 - ✓ **System investments of ¥300-500 million under consideration**
 - ✓ **Use data to elucidate the “intuition” that has been the standard for location openings**
 - ✓ **Automated checks for appropriate product types**
 - ✓ **Support customer acquisition and management services for other companies**
- ✓ **Establish a support center**
 - ✓ **Compile examples of successful and failed location openings and customer acquisition, and create a database. Refine and share know-how.**
- ✓ **Data analysis by the Marketing Department**
 - ✓ **Conduct system-based checks for customer acquisition and store openings based on data analysis rather than feelings.**

➤ Strengthening Marketing (2)

- ✓ **Continue marketing using signs**
 - ✓ Sow seeds for the future
 - ✓ Strengthen relations with property owners
 - ✓ Signs installed on more than 200 sites (at end-FY15)



- ✓ **Open antenna stores overseas**
 - ✓ Consider investments of ¥500-1,000 million to purchase overseas self-storage locations.
 - ✓ Aim is to analyze the makeup of advanced overseas markets, and improve our business model.

➤ “2x4 Trunk” locations

- ✓ Buy sites and open locations.
- ✓ Allows for openings under broader terms (location, area size).
- ✓ Trunk room-specific designs to enhance convenience and design appeal
⇒ Expand the range of end users
- ✓ In future, offer “2x4 Trunk” to investors as a fresh alternative to apartment units.
- ✓ Create a structure to expand orders



Hello Storage Funabashi
Sakae-machi
Opened Aug. 2015



Hello Storage Miyanogi Premier
Opened Dec. 2015 (Night view)



Interior of Hello Storage Funabashi
Sakae-machi



Surveillance monitor inside Hello
Storage Miyanogi Premier



Handwashing area at Hello
Storage Miyanogi Premier

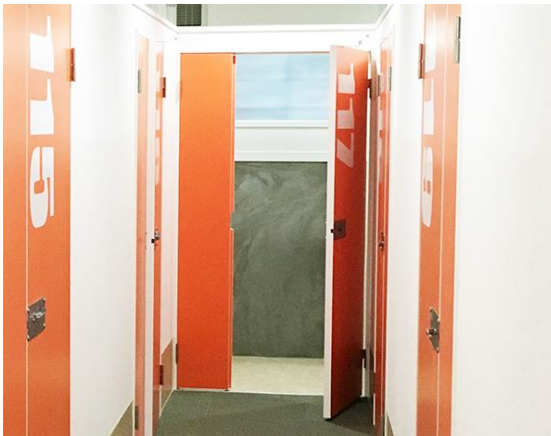
Main Strategies for FY16 (3): Growth Investments and Strengthening of Base



Hello Storage Funabashi Sakae-machi
Opened Aug. 2015



Hello Storage Miyanogi Premier
Opened Dec. 2015



New kind of partition opens wider than previous types



Surveillance monitor inside Hello Storage Miyanogi Premier



Handwashing area at Hello Storage Miyanogi Premier

Main Strategies for FY16 (4): Other Businesses

➤ Land rights business: Land development business

- ✓ Purchase land for leased-land properties with complicated rights, and hold as asset
- ✓ Sell to leaseholders when timing is right
- ✓ Returns of 3% annually, with 20% gain on sale (after 1-2 years)
- ✓ Invest ¥2.0 billion, with expected return of ¥0.3-1.0 billion after three years

➤ Hello Rental Meeting Rooms

- ✓ Open locations only in buildings in prime urban areas
- ✓ Develop bigger properties of over 100 tsubo (330m²)

Conditions for entering new business

Businesses in which we anticipate leading market share, and a return of more than ¥1.0 billion

➤ **Systemize framework for enhancing employee capabilities**

- ✓ **Original in-house manual “Simple Honesty Overcomes Even the Best!”**
- ✓ **Training retreats**
- ✓ **Objective clarification warp sheets**
 - **Clarify the objectives of each employee, for continued operational improvements**
- ✓ **Enhance the overall capabilities of all employees**
- ✓ **Continual improvement in operational efficiency through the Arealink Master Program**



Continue various measures, aiming to achieve goals in 2-3 years

- ✓ **Salaries 1.5 times average**
- ✓ **150 days of holiday annually**
- ✓ **Company with minimal overtime**

FY16 Earnings Outlook

We anticipate steady gains in the self-storage business, with net sales rising 23.1% from the previous fiscal year. We will concentrate on the self-storage business, while for real estate we will only pursue stable deals that provide revenue of more than ¥1.0 billion annually, such as land rights for lease-land properties.

*The self-storage business belongs to Property Management Service segment in the following table.

	FY2015		FY2016		YoY	
	Actual (A)	(%)	Forecast	(%)	Variance	(%)
(Millions of yen)						
Net sales	17,173	(100.0)	16,806	(100.0)	(367)	(2.1)%
Property Management Service	12,980	—	15,982	—	3,001	23.1%
Property Revitalization & Liquidation Service	4,192	—	823	—	(3,369)	(80.4)%
Operating income	2,657	(15.5)	1,675	(10.0)	(981)	(36.9)%
Property Management Service	2,376	—	2,497	—	121	5.1%
Property Revitalization & Liquidation Service	1,170	—	153	—	(1,016)	(86.9)%
Elimination & Corporate	(889)	—	(974)	—	(85)	(9.6)%
Ordinary income	2,442	(14.2)	1,650	(9.8)	(791)	(32.4)%
Net income	1,550	(9.0)	1,091	(6.5)	(456)	(29.6)%
ROE (%)	11.0	—	7.3	—	(3.7)pt	—
ROA (%)	8.0	—	5.6	—	(2.4)pt	—

Dividends and Payout Ratio

Maintain stable dividends with a target payout ratio of 30%

Dividends and Payout Ratio

	FY2014	FY2015	FY2016 (Forecast)
Cash dividends per share	3.6 yen	3.9 yen	3.3 yen
Payout ratio	28.7%	30.9%	37.1%

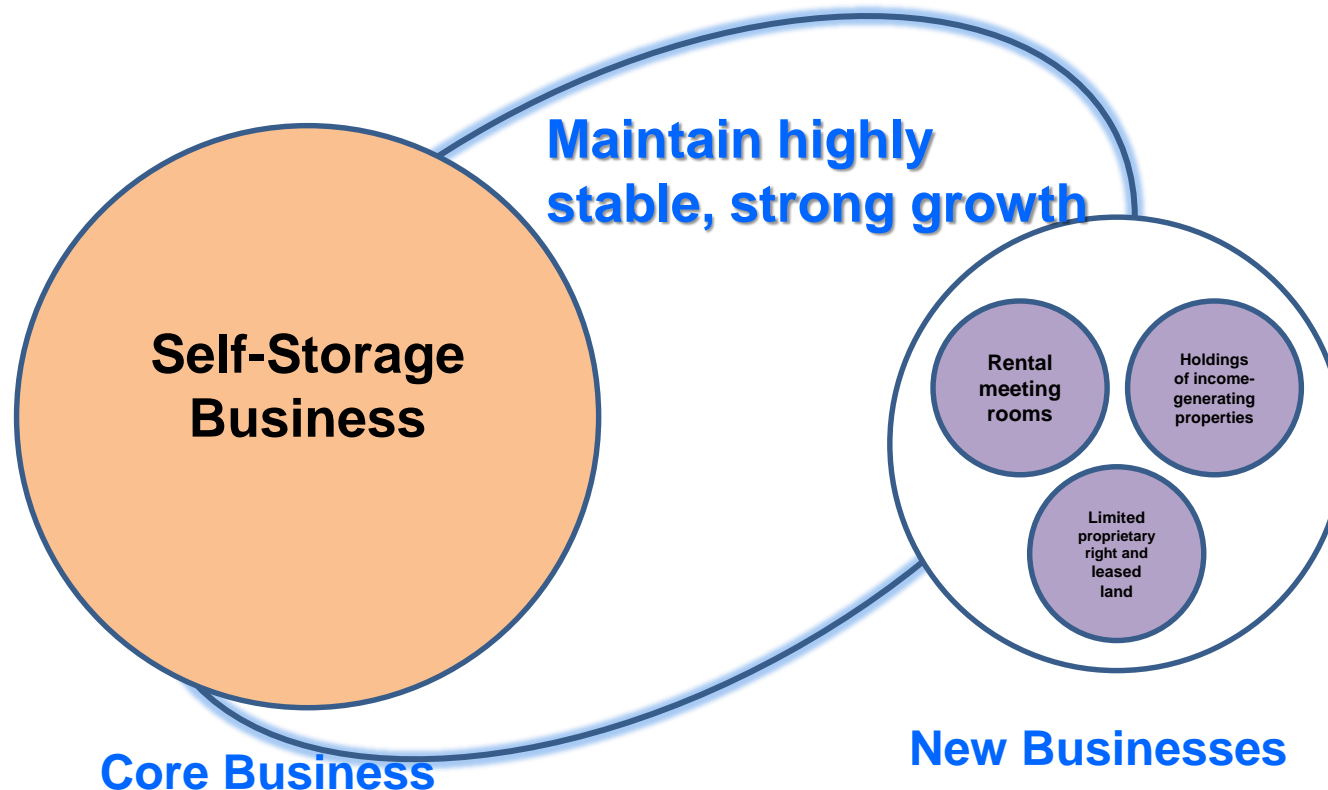
Part-IV Medium-Term Management Plan

* Details of the Medium-Term Management Plan outlined in Part-IV were announced on February 16, 2015.

The mainstay storage business provides a stable earnings foundation and high rate of growth. Conditions for entering new business: Businesses in which we anticipate leading market share, and a return of more than ¥1.0 billion.

【 Our Ideal Real Estate Model 】

Focus investment on storage business

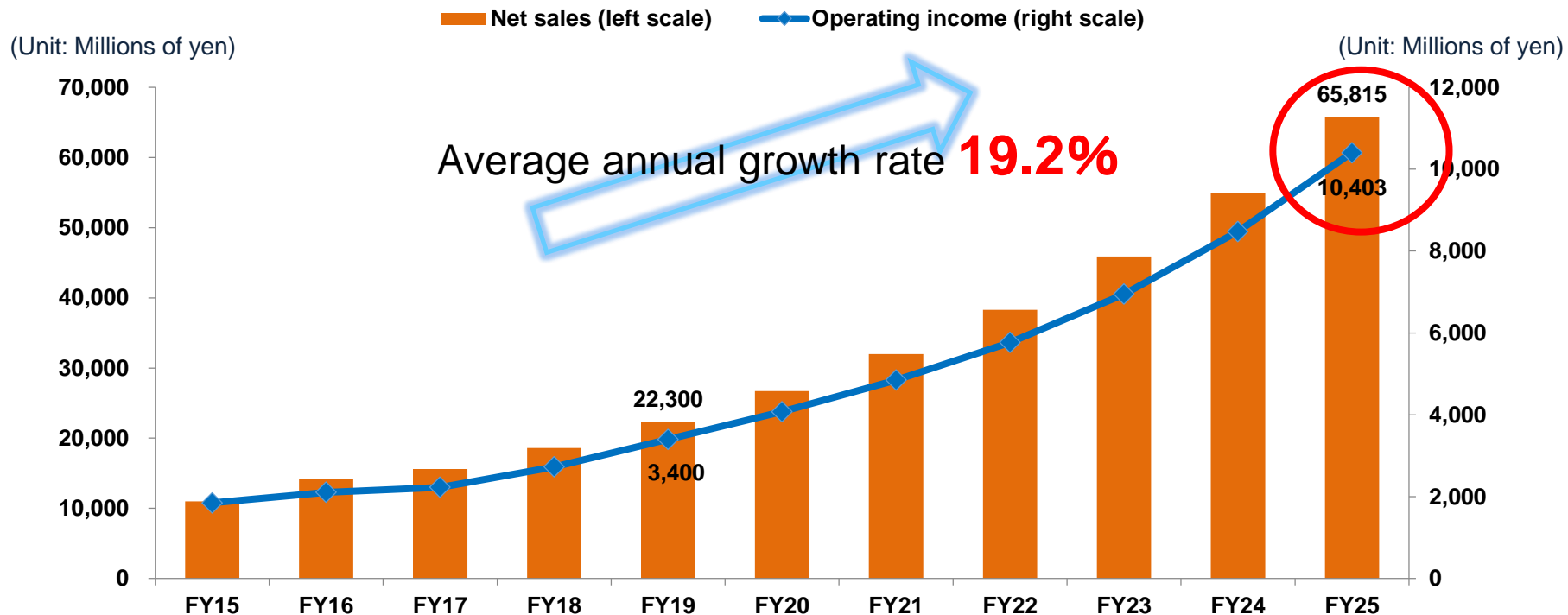


Medium-Term Management Plan: Growth Trends for the Self-storage Business

In the mainstay self-storage business*, average annual revenue growth of 19.2%
By 2019, the self-storage business is anticipated to have ¥22.3 billion in sales with operating income of ¥3.4 billion.
By 2025, this business will have ¥65.8 billion in sales with operating income of ¥10.4 billion.

* The self-storage business represents “Self-storage management” and “Self-storage brokerage”.

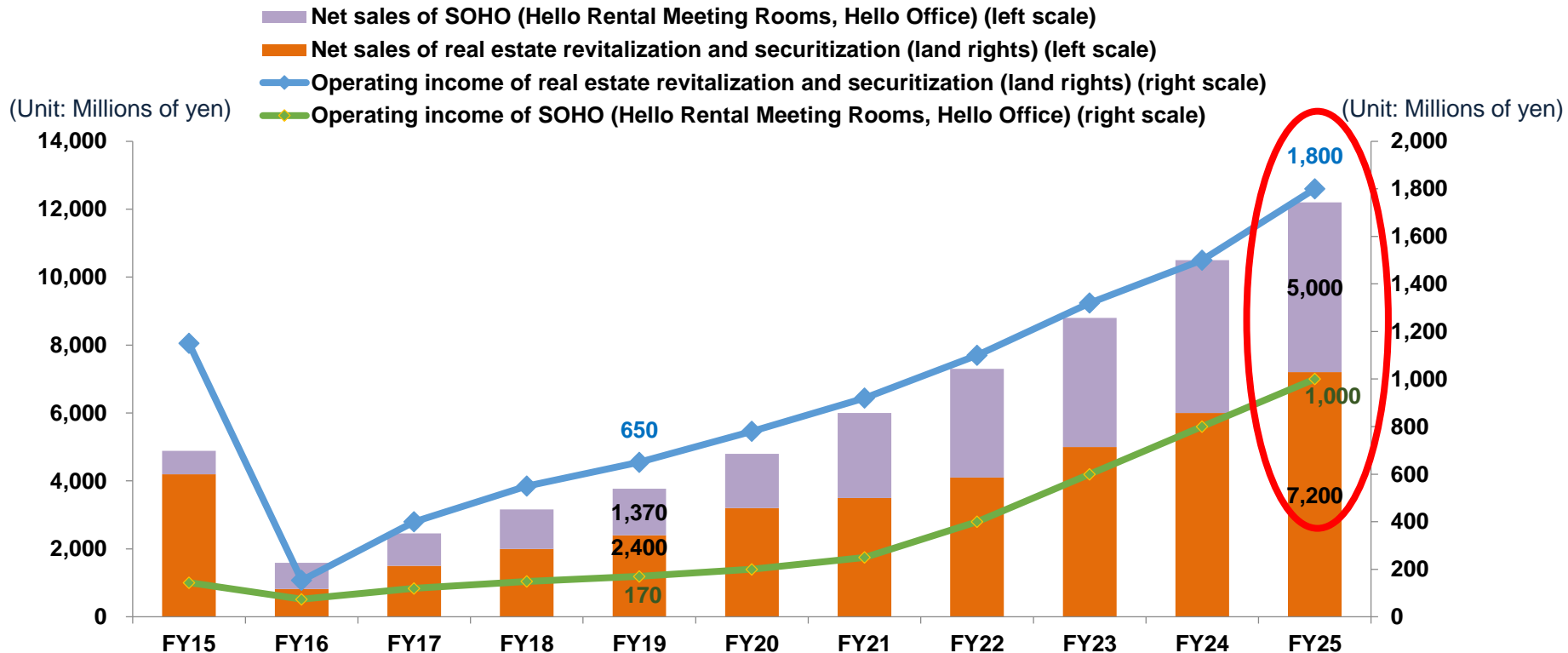
Outlook for net sales and ordinary income



Medium-Term Management Plan: Growth Trends for New Businesses

New businesses, the total of real estate revitalization and securitization (land rights) and SOHO (Hello Rental Meeting Rooms, Hello Office), by 2019 is anticipated to have ¥3.77 billion in revenue, with operating income of ¥0.82 billion.
By 2025, the total will reach ¥12.2 billion in revenue, with operating income of ¥2.8 billion.

Outlook for net sales and ordinary income



Aim for a 50% share of the self-storage market

- ✓ **Establish brand image**
 - ✓ **Install LED signage**
(approx. 350 locations *at end-2015)
- ✓ **Service differentiation**
 - ✓ **Enhance customer convenience with IT and web-based systems**
(Speed 3-Minute Contract, online floor plans)
- ✓ **Human resources development**
 - ✓ **Train future managers by emphasizing independent profitability**



LED signage

Medium-Term Management Plan: Key Measures (2)

- **Investments for business IT systems**
- **Collect information from around the world over the next few years: Buy self-storage facilities, begin test marketing**
 - ✓ **Analyze market structure in North America, Europe, and Asia, and use this information for future business expansion**
- **Develop “Arealink Consulting” as a new business direction**
 - ✓ **Develop new products like “2x4 Trunk” for future commercialization**



- ✓ **In ten years, ¥10 billion in ordinary income with 200 employees**
- ✓ **Make steady progress to meet target of ¥50 million in ordinary income per employee**
 - ⇒ Aim for efficient management**

Exciting Company

Bringing the world convenience,
enjoyment, and excitement

Part- V

Reference Material

Major Indicators for the Past Six Years

(Unit: Millions of yen)

	FY10	% Change	FY11	% Change	FY12	% Change	FY13	% Change	FY14	% Change	FY15
Net sales	11,143	-4.8%	10,603	-4.5%	10,124	+21.1%	12,256	+47.8%	18,120	(5.2)%	17,173
Gross profit	2,176	+8.7%	2,365	+11.2%	2,629	+26.8%	3,306	+31.9%	4,360	+16.3%	5,073
Gross profit margin (%)	19.5	+2.8pt	22.3	+3.5pt	26.0	+1.2pt	26.9	(2.8)pt	24.1	(3.9) pt	29.5
SG&A expenses	1,169	+12.9%	1,320	+10.9%	1,464	+24.9%	1,800	+16.3%	2,125	+13.7%	2,415
Operating income	1,006	+3.8%	1,044	+11.6%	1,165	+29.2%	1,505	+48.5%	2,235	+18.9%	2,657
Operating income ratio (%)	9.0	+0.8pt	9.8	+1.7pt	11.5	+0.8pt	12.3	+0.0pt	12.3	+2.4pt	15.5
Ordinary income	774	+23.1%	953	+12.8%	1,075	+33.3%	1,433	+45.6%	2,087	+17.0%	2,442
Net income	673	+14.7%	772	+22.7%	948	+42.0%	1,346	+14.4%	1,541	+1.0%	1,550
ROA (%)	3.4	+0.9pt	4.3	+1.0pt	5.3	+1.2pt	6.5	+0.7pt	7.2	+0.8pt	8.0
ROE (%)	7.6	+0.4pt	8.0	+1.1pt	9.1	+2.5pt	11.6	+0.4pt	11.9	(0.8) pt	11.0
Interest-bearing debt	7,079	-26.5%	5,206	+6.5%	5,545	+41.3%	7,837	(35.1)%	2,759	(52.5)%	1,311
Total assets	18,701	-7.7%	17,266	+7.8%	18,612	+23.7%	23,017	(15.1)%	19,539	(1.2)%	19,312
Net assets	9,214	8.4%	9,987	+9.5%	10,935	+12.3%	12,282	+10.0%	13,514	+8.3%	14,626
Shareholders' equity ratio (%)	49.3	+8.5pt	57.8	+1.0pt	58.8	(5.4)pt	53.4	+15.8pt	69.2	+6.6pt	75.7
Net income per share (Yen)	5.48	+14.7%	6.29	+22.7%	7.72	+42.0%	10.97	+14.4%	12.55	+1.0%	12.63
Net assets per share (Yen)	75.06	+8.4%	81.35	+9.5%	89.08	+12.3%	100.05	+10.0%	110.09	+5.7%	119.14
Number of employees	60	+21.7%	73	+12.3%	82	+19.5%	98	+8.2%	106	+16.0%	123

On July 1, 2013, the Company conducted a stock split at a ratio of 100 shares for each of the Company's common shares. Accordingly, net income per share and net assets per share before 2012 have been calculated assuming that the subject stock split was conducted at the beginning of the previous fiscal year.

Storage Business (1): Market Scale Forecasts (1)

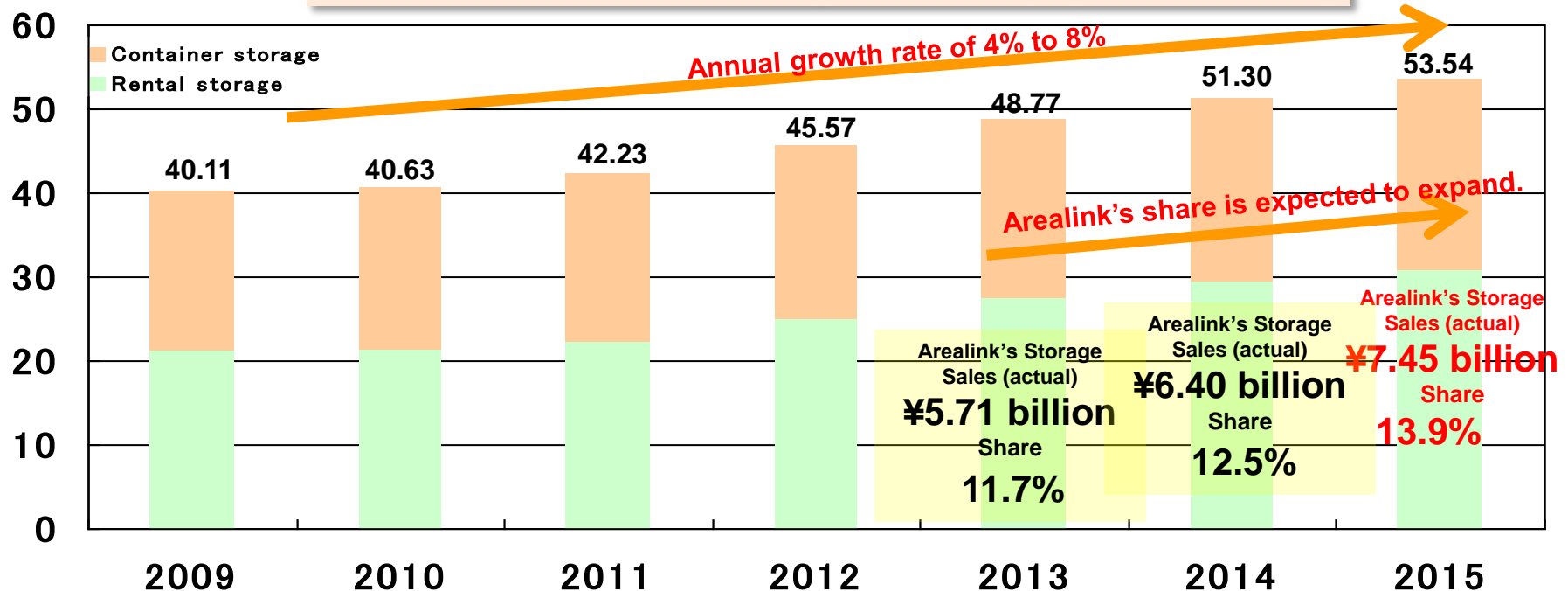
The Japanese self-storage market is expected to expand to ¥53.54 billion by 2015.

Arealink expects to maintain its leading market share of 13.9%.

- Scale of the Japanese self-storage market (2015 estimate) ¥53.54 billion
- Arealink's self-storage net sales (2015 actual) ¥7.46 billion
- Arealink's market share (net sales) 13.9% (No.1 in Japan)

(Unit: Billions of yen)

Market scale of the self-storage business (Japan nationwide)

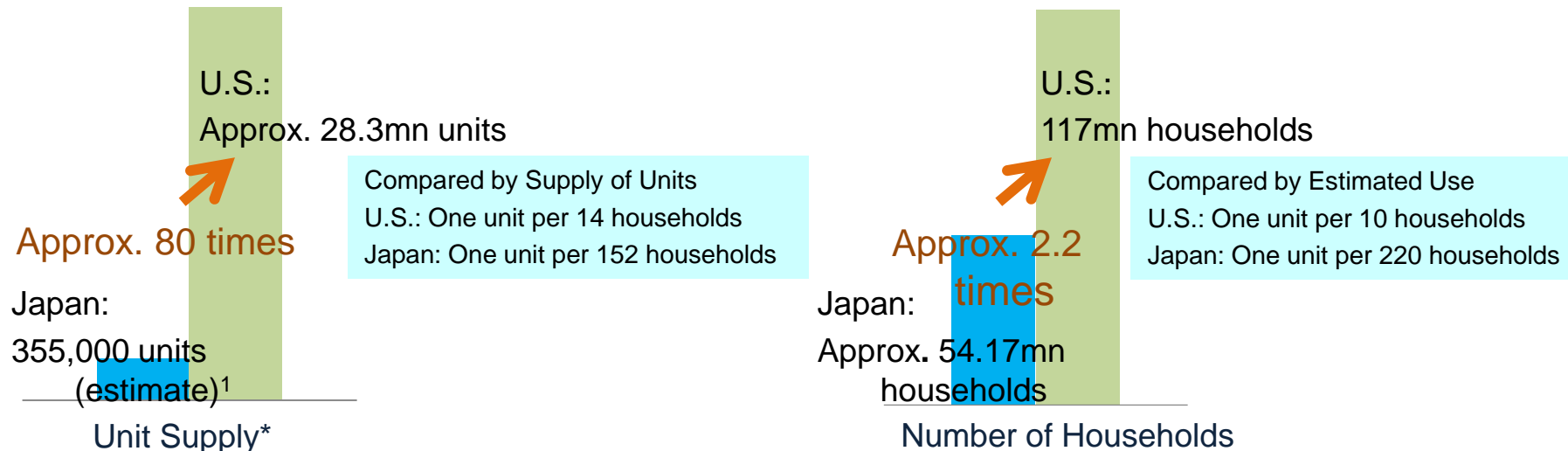


Storage Business (2): Market Scale Forecasts (2)

Japan's storage market is expected to grow to be on a par with the U.S. in the future.

- Supply of units per household is less than one-tenth that of the U.S.
- The U.S. market is worth approximately ¥1.76 trillion, around 40 times that of Japan
- We will uncover latent demand with expectations of market growth

Comparison between Japan and U.S.



Figures for the market scale estimate and unit supply are estimated figures for 2012.

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" 2013 Edition (Japan) Self Storage Almanac 2013 (U.S.)
 Currency converted at ¥80/USD (2011 average)

Storage Business (3): Competitive Environment

■ Top Three Companies in the U.S. Self-Storage Market (Fiscal 2015)

Rank	Company Name	No. of Locations	No. of Units *	Market Share (by No. of Units)
1	Public Storage	2,466	1,477,630	7.4%
2	Extra Space Storage	1,312	871,000	4.4%
3	U-Haul	1,317	513,234	2.6%
Rank 4-10		7,202	2,434,318	5.6%
Top 10 companies total		41,443	3,996,182	20.1%

Source: Self Storage Almanac 2016

* The number of units are preliminary calculated since 2012, because it is a non-disclosure figure.

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

Founded in 1972, Selected for the S&P 500 and FT Global 500

● Operating revenue ¥267.8 billion (YoY+10.8%)

● Net income allocable to shareholders ¥139.5 billion (YoY+8.7%)

Source: Company's Annual Report 2014 (Currency converted at ¥122 USD (closing price as of December 2014))

■ 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%

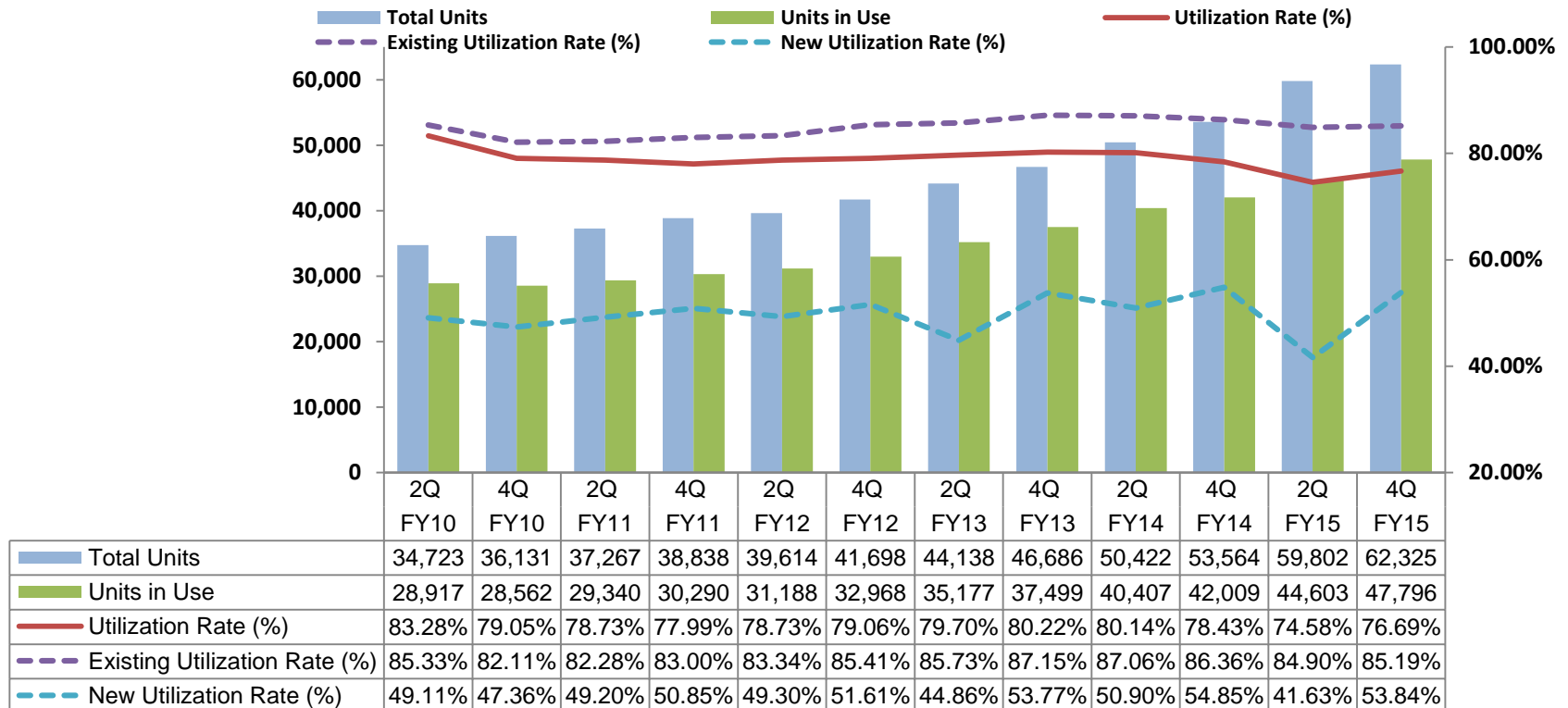


Storage Business (4): Total Units, Units in Use, and Utilization Rate

Accelerated program of business openings has maintained the higher utilization rate. Establishment of regional sales offices is also accelerating openings.

- 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 approximately 6,800 in 2014, to 10,900 in 2016.
- In FY15 openings of new units; 9,202 and closing of 441 units; The total number of units increased by 8,761 units from the end of the previous fiscal year.

Total Units , Units in Use, and Utilization Rate



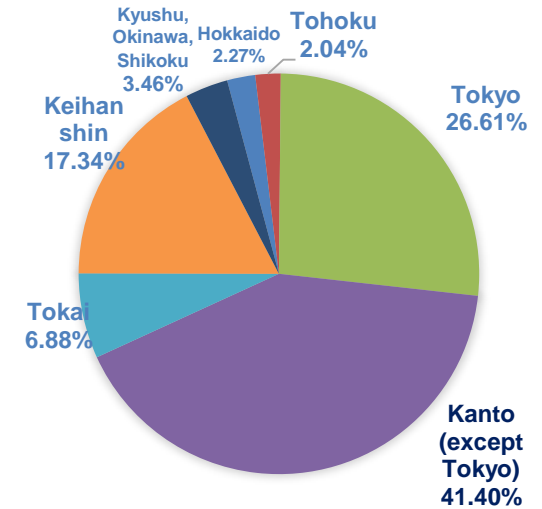
* Existing: Units after more than two years since they opened
New: Units after less than two years since they opened

Storage Business (5) : Openings by Region

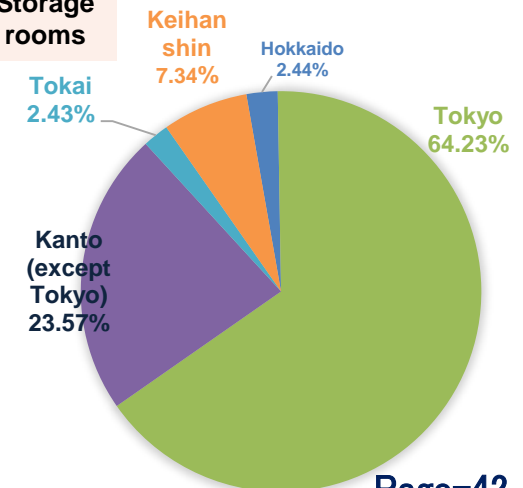
Establish 35 locations (branch offices and business offices) nationwide, aiming for a 50% domestic market share, and accelerate storage location openings.

Prefecture	Containers	Storage Rooms	Total	Proportion of Total
Hokkaido	1,024	422	1,446	2.32%
Miyagi	920	-	920	1.48%
Ibaraki	284	-	284	0.46%
Tochigi	81	-	81	0.13%
Gunma ^{NEW}	109	-	109	0.17%
Saitama	6,061	811	6,872	11.03%
Chiba	7,909	450	8,359	13.41%
Tokyo	11,989	11,093	23,082	37.03%
Kanagawa	4,208	2,810	7,018	11.26%
Gifu	483	-	483	0.77%
Shizuoka	356	-	356	0.57%
Aichi	2,107	369	2,476	3.97%
Mie	154	50	204	0.33%
Kyoto	972	154	1,126	1.81%
Osaka	3,002	1,004	4,006	6.43%
Hyogo	3,311	109	3,420	5.49%
Nara	499	-	499	0.80%
Wakayama ^{NEW}	27	-	27	0.04%
Kagawa ^{NEW}	45	-	45	0.07%
Fukuoka	932	-	932	1.50%
Kumamoto	48	-	48	0.08%
Oita	26	-	26	0.04%
Kagoshima	372	-	372	0.60%
Okinawa	134	-	134	0.22%
Total	45,053	17,272	62,325	100.00%

Container



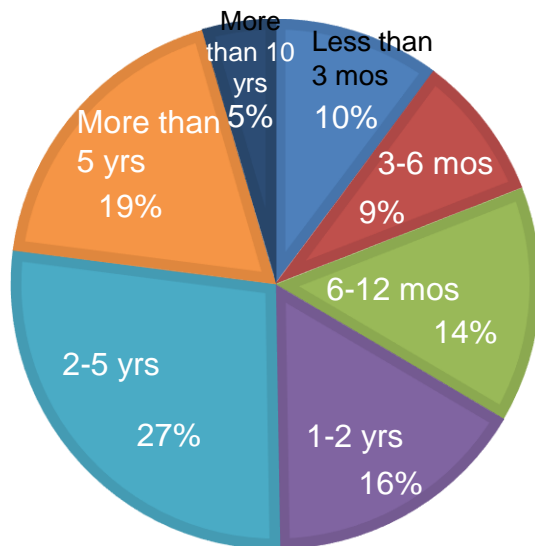
Storage rooms



Storage Business (6): User Analysis

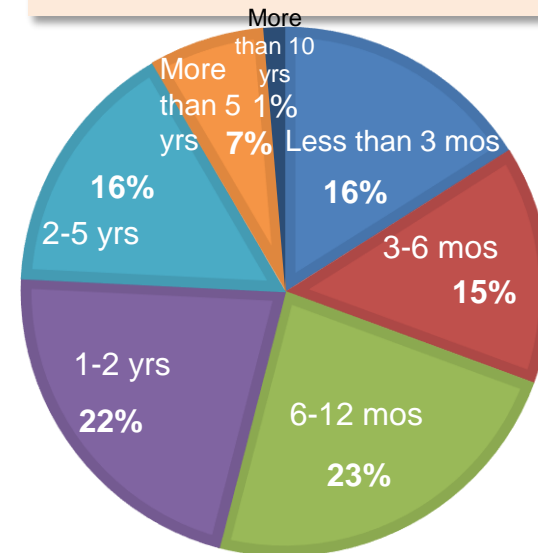
- Average usage period for current contract customers is 38 months (at February 2016).
- Average usage period for customers who have terminated contracts is 20 months (2015 result).
- Average monthly usage fee is ¥11,250 for a container type, and ¥12,500 for trunk type.

Breakdown of usage period for current contract customers



* Analysis of customers with contracts at February 2016

Breakdown of usage period for customers who terminated contracts



* Analysis of customers who terminated contracts in 2016

Examples of self-storage locations / Outdoor container type



Sendai Tago (Miyagi)



Sendai Higashinakata (Miyagi)



Misato 2 (Saitama)



Wako5 (Saitama)



Higashifuchu (Tokyo)



Hino, Koshu Kaido (Tokyo)



Kodaira 3 (Tokyo)



Ariake, Toyosu, Shinonome (Tokyo)



Higashikasai (Tokyo)



Yotsugi4 (Tokyo)



Higashikurume2 (Tokyo)



Machida Oyamagaoka (Tokyo)



Hachioji 4 (Tokyo)



Utsunomiya Joto (Tochigi)



Mito Himeko (Ibaraki)



Motosumiyoshi (Kanagawa)



Hamamatsu Minamiasada (Shizuoka)



Owari Setoekimae (Aichi)



(Wakayama Matsuekita (Wakayama)



Kyoto Hachiman (Kyoto)



Izumi Fuchu (Osaka)



Nara Sahoda (Nara)



Akashinishi2 (Hyogo)



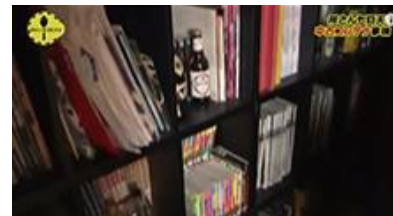
Takamastu Gotocho (Kagawa)

NEW : Newly opened in 2014 and 2015

Examples of self-storage locations / Outdoor container type



Featured on the TV Asahi Super J channel (October 8, 2014)



Featured on the NHK "Tokoro san! Taihendesuyo" (July 2, 2015)

Examples of self-storage locations / Indoor building type



Ageo (Saitama)



Shimoichiai (Tokyo)



Hashimoto (Tokyo)



Koudenji Kokashita2 (Tokyo)



Ginza 2 (Tokyo)



Adachi Takenozuka2 (Tokyo)



Adachi Higashiiko (Tokyo)



Nakajujo (Tokyo)



Shinonome (Tokyo)



Shinjuku Yotsuya 3-Chome 2 (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 Shjokarasuma (Kyoto)



Osaka Edobori (Osaka)



Tanimachi 4-Chome (Osaka)



Amagasaki (Hyogo)

NEW : Newly opened in 2014 and 2015

Example of a “Storage Building” Type Unit

We are developing “storage building” type rental spaces in order to enhance visibility in urban areas, where storage needs are high.

Hello Storage Warabi ▪ Hello Storage Kajigaya Part 2 **NEW** opened on February 1, 2015 simultaneously



Hello Storage Warabi (Chuo, Warabi-shi, Saitama Pref.) 211 rooms



Hello Storage Kajigaya Part 2 (Miyamae-ku, Kawasaki-shi, Kanagawa Pref.) 155 rooms

NEW New storage building openings

Hello Storage Monzen-nakacho

(Koto-ku, Tokyo) Opened May 2014, 93 rooms

Hello Storage Kita-ueno

(Taito-ku, Tokyo) Opened July 2014, 93 rooms

Hello Storage Yukigaya-otsuka

(Ota-ku, Tokyo) Opened October 2014, 171 rooms

Hello Storage Kanda Akihabata3

(Chiyoda-ku, Tokyo) Opened December 2014, 96 rooms

Examples of self-storage locations / a “Storage Building” Type Unit



Upper from left to right
 Hello Storage Kita-ueno
 Hello Storage Kanda Akihabara 3
 Hello Storage Monzen-nakacho

Lower from left to right
 Hello Storage Yukigata-otsuka
 Hello Storage Warabi
 Hello Storage Kajigaya 2

※ **NEW**
 Newly opened in 2014 and 2015

Examples of self-storage locations



Rental Meeting Rooms

- ✓ We are developing the Hello Meeting Room business nationwide with the aim of establishing a new earnings base, and being **the industry leader**.
 - Rental meeting room service launched in 2006, utilizing small and mid-sized office buildings, and vacant rooms in Tokyo, Yokohama, and Osaka.
 - Locations opened in Osaka in December 2013, and Nagoya in January 2014. New locations to be opened in central regional cities.
 - Instead of the former method of opening locations on a piecemeal basis, we will rent properties with favorable qualities.



Hello Meeting Room Shinbashi (Tokyo)

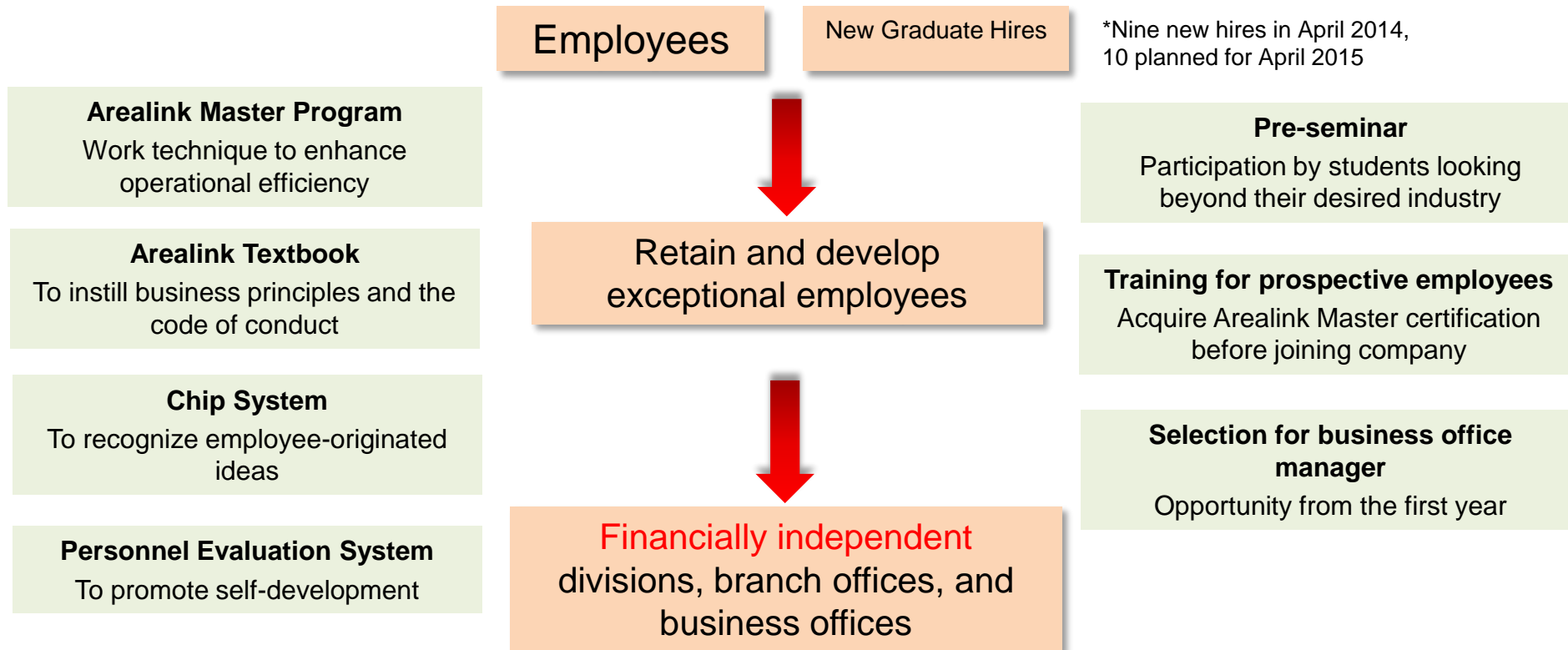
Front-loaded Annual Schedule to Achieve Earnings Targets

Clarify the points to focus on during each period of the front-loaded annual schedule

First Half	Second Half	
<p>January – June: Buffer Period Sprinting start to achieve our target ahead of schedule</p>	<p>July – September: Refresh and Sowing Seeds Period Sowing seed for the Furious Activity Period and for 2016</p>	<p>October – December: Furious Activity Period Savings for the next year</p>
<ul style="list-style-type: none"> ✓ Implement sales strategies in a concerted manner as a company ✓ Form a buffer team ✓ Early property acquisition and business openings in the stock business 	<ul style="list-style-type: none"> ✓ 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 	<p>Prepare for sprinting start in the first half of the next year</p>

Human Resources Development

We are creating mechanisms to enhance capabilities, and the effectiveness of new graduate employees.



Main Properties (partial list)

Property Name	Location	Purpose	Book Value (Land and Structure) Unit: ¥mn
Kanda BM Building	Chiyoda Ward, Tokyo	Head Office, store, office	1,002
Ginza 6-Chome Idei Building	Chuo Ward, Tokyo	Store	883
Kanda Kyodo Building	Chiyoda Ward, Tokyo	Office	866
Best Inn Omihachiman	Omihachiman City, Shiga Pref.	Hotel	437
Best Inn Kashima	Kamisu City, Ibaraki Pref.	Hotel	375
Best Inn Uozu	Uozu City, Toyama Pref.	Hotel	279
Best Inn Youkaichi	Higashiomi City, Shiga Pref.	Hotel	267
Best Inn Kofu	Kofu City, Yamanashi Pref.	Hotel	257
Hello Storage Machida	Machida City, Tokyo	Storage	251
Hello Storage Chofu	Chofu City, Tokyo	Storage	230

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.

This report may not be duplicated or forwarded without permission for any purpose.

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