

**We supply the best use of space.**

# Results Briefing

First Quarter, Fiscal Year Ending December 2016

**May 2, 2016**

**Exciting Company**



**Arealink Co.,Ltd.**

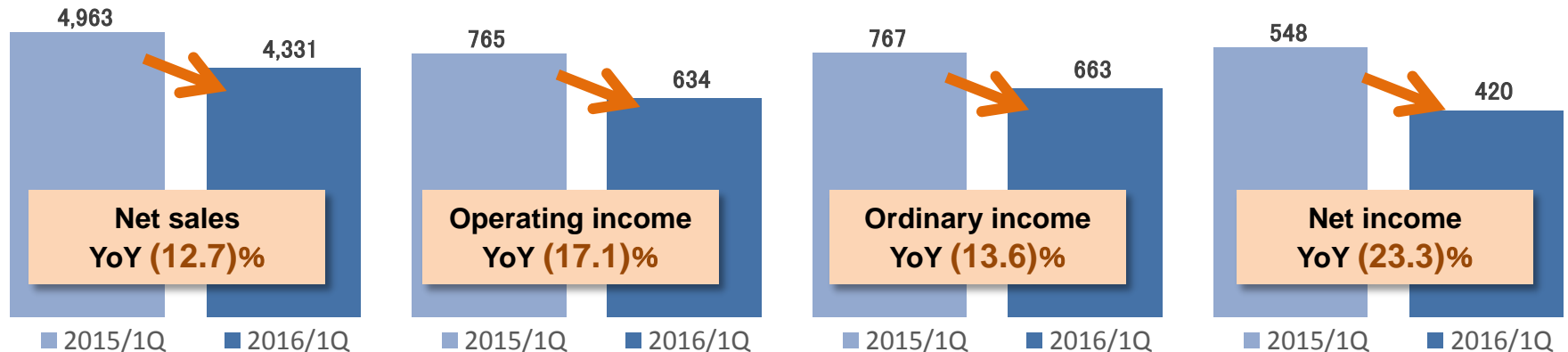
Securities code:8914

# 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 and earnings were down year on year in the Property Revitalization & Liquidation Service segment as a result of a sales decline, but performance was in line with forecasts.



Unit: Millions of yen

(Millions of yen)	FY15 1Q		FY16 1Q		YoY		FY16 Plan		
	Actual	(%)	Actual	(%)	Variance	% Change	Plan	(%)	Completion rate
Net sales	4,963	(100.0)	4,331	(100.0)	(631)	(-12.7)	16,806	(100.0)	(25.8)
Cost of sales	3,616	(72.9)	3,043	(70.3)	(572)	(-15.8)	12,697	(75.6)	(24.0)
Gross profit	1,346	(27.1)	1,288	(29.7)	(58)	(-4.4)	4,108	(24.4)	(31.4)
SG&A expenses	581	(11.7)	653	(15.1)	72	(12.4)	2,432	(14.5)	(26.9)
Operating income	765	(15.4)	634	(14.6)	(130)	(-17.1)	1,675	(10.0)	(37.9)
Ordinary income	767	(15.5)	663	(15.3)	(104)	(-13.6)	1,650	(9.8)	(40.2)
Net income	548	(11.0)	420	(9.7)	(128)	(-23.3)	1,091	(6.5)	(38.5)

## Steady progress with business measures

- ✓ Storage location openings and operations proceeding smoothly.
- ✓ Total number of storage units increased to 64,749 units.  
(+2,424 units compared to FY15-end)
- ✓ New IT systems introduced (such as revenue management, Salesforce).  
→ Greater efficiency in customer acquisition and location openings
- ✓ Property Revitalization & Liquidation Service business growing steadily, centered on land rights for lease-land properties.

# Segment Breakdown

## Property Management Service

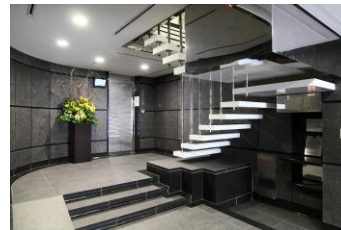
- Self-storage management (Hello Storage customer recruitment, operations and management)
- Self-storage brokerage (Hello Storage orders and location development)
- Other management services
  - Asset management (Tenant recruitment, operations and management of help properties)
  - SOHO (Hello Office / 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)

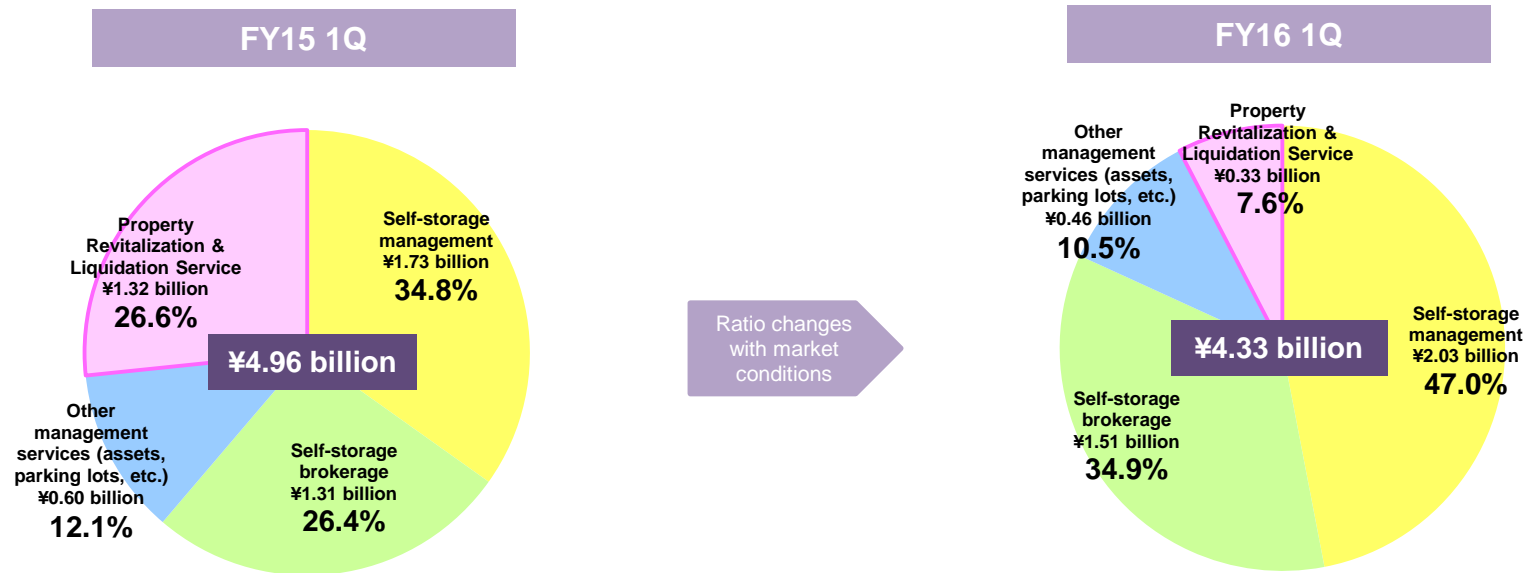
## Property Revitalization & Liquidation Service

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



Sold property (Residential building and commercial building, Ichigaya)

# Sales Breakdown by Segment



- ✓ Component ratio has changed compared to FY15 1Q.
- ✓ The mainstay self-storage management and self-storage brokerage businesses grew steadily in FY16 1Q.
- ✓ Property Revitalization & Liquidation Service segment 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 gains overall.

Unit: Millions of yen

			FY15 (actual)		FY16 (initial budget)		FY 16 1Q (actual)	
			Actual	Profit margin	Initial budget	Profit margin	Actual	Profit margin
	Self-storage management	Net sales	1,729		8,482		2,034	
		Gross profit	504	29.2%	2,259	26.6%	576	28.3%
		Operating income	362	20.9%	1,530	18.0%	399	19.7%
	Self-storage brokerage	Net sales	1,310		5,684		1,509	
		Gross profit	390	29.8%	1,072	18.9%	416	27.6%
		Operating income	221	16.9%	575	10.1%	223	14.8%
	Other property management service	Net sales	601		1,815		456	
		Gross profit	195	32.5%	562	31.0%	174	38.2%
		Operating income	148	24.8%	390	21.5%	127	27.8%
<b>Property Management Service Total</b>	Net sales	3,641		15,982		4,000		
	Gross profit	1,090	30.0%	3,894	24.4%	1,166	29.2%	
	Operating income	732	20.1%	2,497	15.6%	750	18.8%	
<b>Property Revitalization &amp; Liquidation Service</b>	Net sales	1,322		823		331		
	Gross profit	256	19.4%	213	25.9%	121	36.6%	
	Operating income	212	16.1%	153	18.6%	104	31.7%	
<b>Other (Headquarter expenses)</b>	Net sales	—		—		—		
	Gross profit	—		—		—		
	Operating income	(180)		(974)		(220)		
<b>Total</b>	Net sales	4,963		16,806		4,331		
	Gross profit	1,346	27.1%	4,108	24.4%	1,288	29.7%	
	Operating income	765	15.4%	1,675	10.0%	634	14.6%	

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

Steady earnings gains in self-storage management. Property Revitalization & Liquidation Service business limited to sales of land rights for lease-land properties.

Unit: Millions of yen

			FY14 (Full year)	FY15					FY16
			Cumulative	1Q	2Q	3Q	4Q	Cumulative	1Q
	Self-storage management	Net sales	6,406	1,729	1,843	1,904	1,978	7,455	2,034
		Gross profit	1,692	504	544	482	423	1,955	576
		Operating income	1,170	362	389	326	242	1,320	399
	Self-storage brokerage	Net sales	2,718	1,310	1,104	782	327	3,525	1,509
		Gross profit	967	390	331	229	102	1,054	416
		Operating income	430	221	190	101	(3)	509	223
	Other property management service	Net sales	2,721	601	496	448	453	1,999	456
		Gross profit	831	195	197	161	174	729	174
		Operating income	664	148	157	115	125	546	127
<b>Property Management Service Total</b>	Net sales	11,845	3,641	3,445	3,134	2,759	12,980	4,000	
	Gross profit	3,491	1,090	1,072	874	701	3,739	1,166	
	Operating income	2,266	732	736	543	363	2,376	750	
<b>Property Revitalization &amp; Liquidation Service</b>	Net sales	6,274	1,322	2,701	158	10	4,192	331	
	Gross profit	869	256	1,008	46	23	1,334	121	
	Operating income	690	212	924	19	13	1,170	104	
<b>Other (Headquarter expenses)</b>	Net sales	—	—	—	—	—	—	—	
	Gross profit	—	—	—	—	—	—	—	
	Operating income	(721)	(180)	(238)	(223)	(246)	(889)	(220)	
<b>Total</b>	Net sales	18,120	4,963	6,147	3,293	2,769	17,173	4,331	
	Gross profit	4,360	1,346	2,081	920	724	5,073	1,288	
	Operating income	2,235	765	1,422	339	130	2,657	634	



# Completion Rate for Net Sales and Gross Profit Targets by Segment

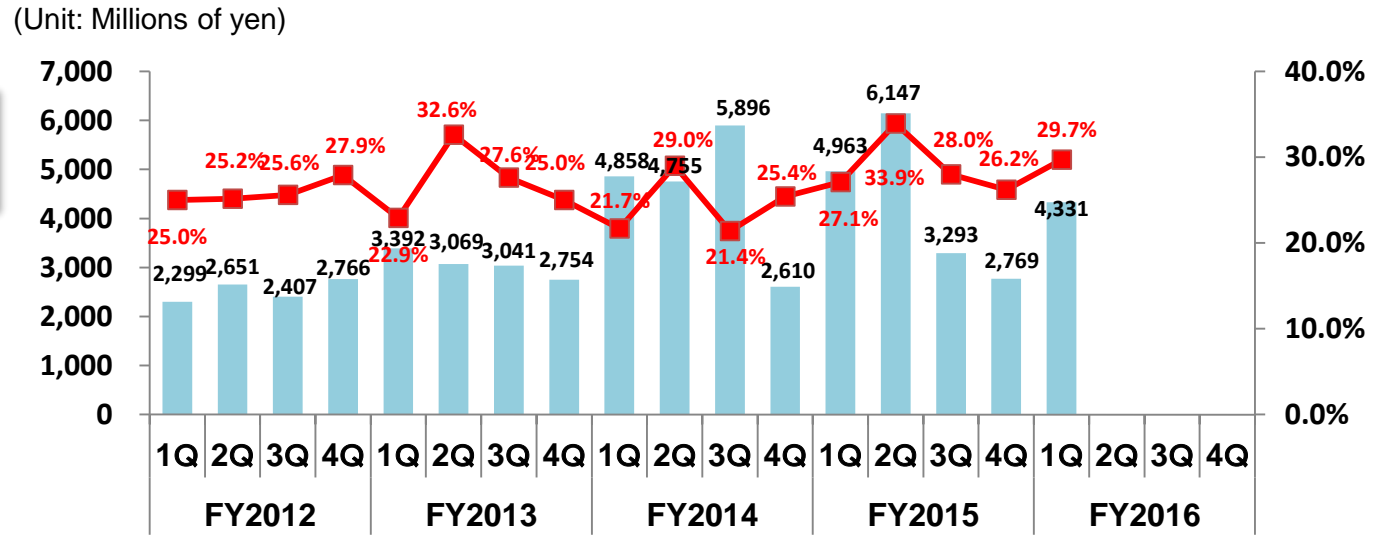
Unit: Millions of yen

		FY15 (actual)		FY16 (initial plan)		FY16 1Q (actual)		
		Full Year	Component Ratio	Full Year	Component Ratio	Actual	Component Ratio	Completion Rate
Net sales	Property Management Service	12,980	75.6%	15,982	95.1%	4,000	92.4%	25.0%
	Self-storage management	7,455	43.4%	8,482	50.5%	2,034	47.0%	24.0%
	Self-storage brokerage	3,525	20.5%	5,684	33.8%	1,509	34.8%	26.6%
	Parking	209	1.2%	100	0.6%	25	0.6%	25.0%
	Asset	1,083	6.3%	935	9.0%	253	5.8%	27.1%
	SOHO	693	4.0%	767	5.6%	174	4.0%	22.8%
	Other	12	0.1%	12	0.1%	3	0.1%	25.2%
	Property Revitalization & Liquidation Service	4,192	24.4%	823	4.9%	331	7.6%	40.2%
Total	17,173	100.0%	16,806	100.0%	4,331	100.0%	25.8%	
Gross profit	Property Management Service	3,739	73.7%	3,894	94.8%	1,166	90.5%	30.0%
	Self-storage management	1,955	38.5%	2,259	55.0%	576	44.7%	25.5%
	Self-storage brokerage	1,054	20.8%	1,072	26.1%	416	32.3%	38.8%
	Parking	76	1.5%	72	1.8%	18	1.4%	25.2%
	Asset	387	7.6%	287	7.0%	93	7.2%	32.5%
	SOHO	251	5.0%	190	4.6%	59	4.6%	31.3%
	Other	14	0.3%	12	0.3%	3	0.2%	25.2%
	Property Revitalization & Liquidation Service	1,334	26.3%	213	5.2%	121	9.4%	56.8%
Total	5,073	100.0%	4,108	100.0%	1,288	100.0%	31.4%	

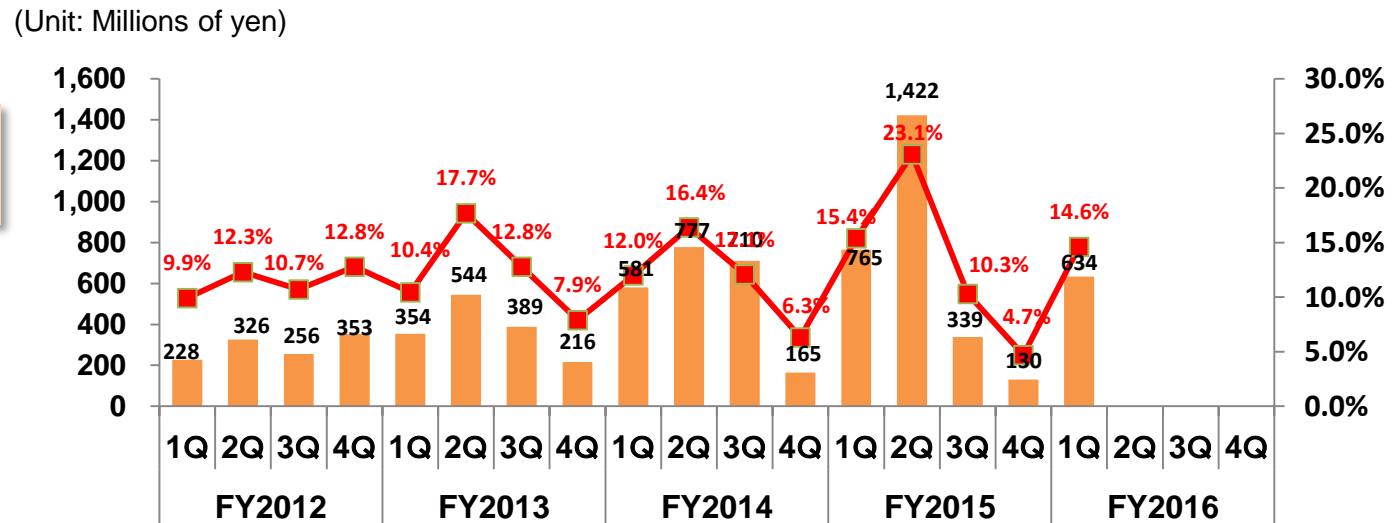
# Quarterly Net Sales and Operating Income

Steady growth, including net sales and operating profit margins.

Trends in net sales and gross profit margin



Trends in operating income and operating income ratio



# Breakdown of Non-Operating and Extraordinary Profit and Loss

Unit: Millions of yen

**Non-operating income**  
Compensation for transfer  
¥41 million

**Non-operating expenses**  
Interest expenses  
¥8 million

**Extraordinary income**  
Gain on sales of noncurrent  
assets  
¥4 million

**Extraordinary loss**  
Loss on redemption of  
investment securities  
¥2 million

Step income	2015/3 1Q period	2015/6 2Q period	2015/9 3Q period	2015/12 4Q period	2015/12 cumulative	2016/3 1Q period	Variance	% Change
Operating income	765	1,422	339	130	2,657	634	(130)	(17.1)%
Non-operating income	20	13	10	6	48	50	29	144.7%
Non-operating expenses	18	220	9	18	264	21	3	18.2%
Ordinary income	767	1,215	340	117	2,442	663	(104)	(13.6)%
Extraordinary income	8	16	7	7	39	7	(1)	(13.8)%
Extraordinary loss	1	0	0	74	76	2	1	95.3%
Income before income taxes	774	1,232	347	50	2,405	668	(106)	(13.8)%
Income taxes — current	79	487	146	61	774	170	91	114.9%
Income taxes — deferred	147	(26)	(7)	(32)	80	77	(69)	(47.5)%
Net income	548	771	209	21	1,550	420	(128)	(23.3)%

# Financial Position

Equity ratio maintained at over 70%.

## Financial Position

As of March 31, 2016

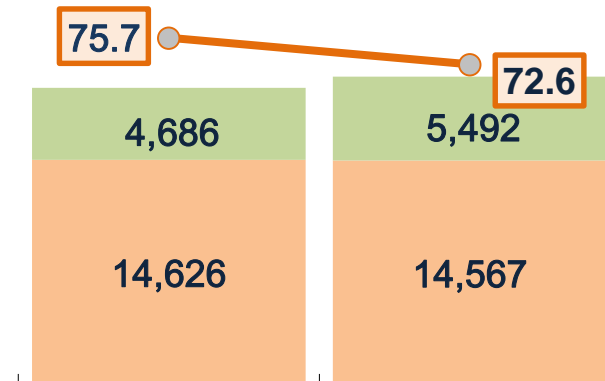
\*Figures in parentheses indicate changes from the end of December 31, 2015

Total assets ¥20,060 million (+ ¥ 747 million)	Liabilities ¥5,492 million (+ ¥806 million)	Liabilities
	Net assets ¥14,567 million (− ¥58 million)	Net assets

## Liabilities, net assets, equity ratio

(Millions of yen)

Net assets Liabilities Equity ratio (%)



(Millions of yen)	Dec. 31, 2014	Mar. 31, 2016
<b>Current assets</b>	9,121	9,844
<b>Noncurrent assets</b>	10,191	10,215
<b>Total assets</b>	19,312	20,060
<b>Current liabilities</b>	2,880	3,477
<b>Noncurrent liabilities</b>	1,805	2,014
<b>Total liabilities</b>	4,686	5,492
<b>Net assets</b>	14,626	14,567

Increase in real estate for sale ¥ 0.61 billion  
 Increase in cash and deposits ¥ 0.33 billion  
 Decrease in costs on uncompleted construction contracts ¥ 0.18 billion

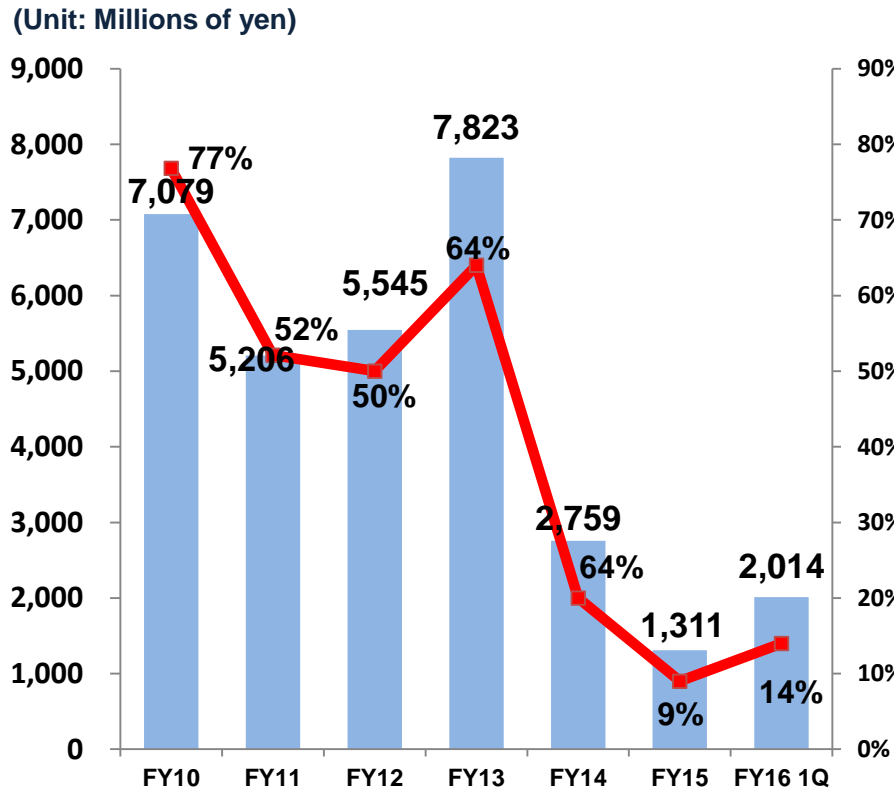
Increase in short-term loans payable ¥ 0.78 billion  
 Increase in bonds payable ¥ 0.20 billion

Decrease in dividend payments income ¥ 0.48 billion  
 Increase in net income ¥ 0.42 billion

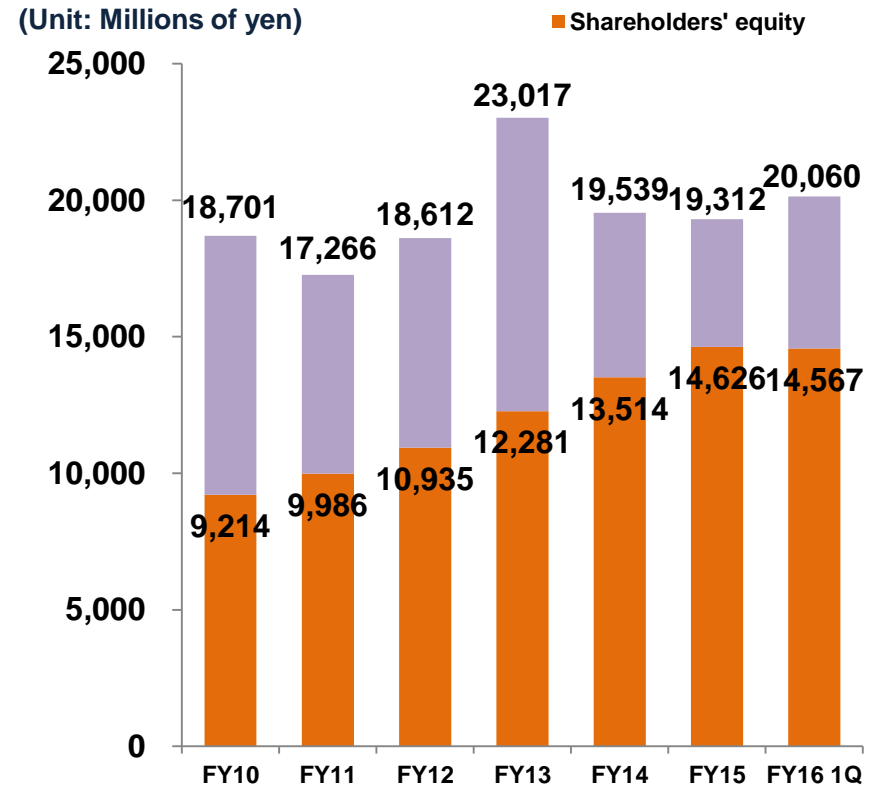
# Interest-Bearing Debt, Total Capital, and Shareholders' Equity

Sound financial condition maintained

Interest-bearing debt and interest-bearing debt ratio



Total capital and shareholders' equity



# FY16 Earnings Outlook

For the Property Management Service segment, the representative core self-storage business, Arealink is forecasting steady gains, with net sales rising 23.1% year on year.

For the Property Revitalization & Liquidation Service segment, we will focus on sales of land rights for lease-land properties.

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

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

# Dividends and Payout Ratio

**Maintain stable dividends with a target payout ratio of 30%**

## Dividends and Payout Ratio

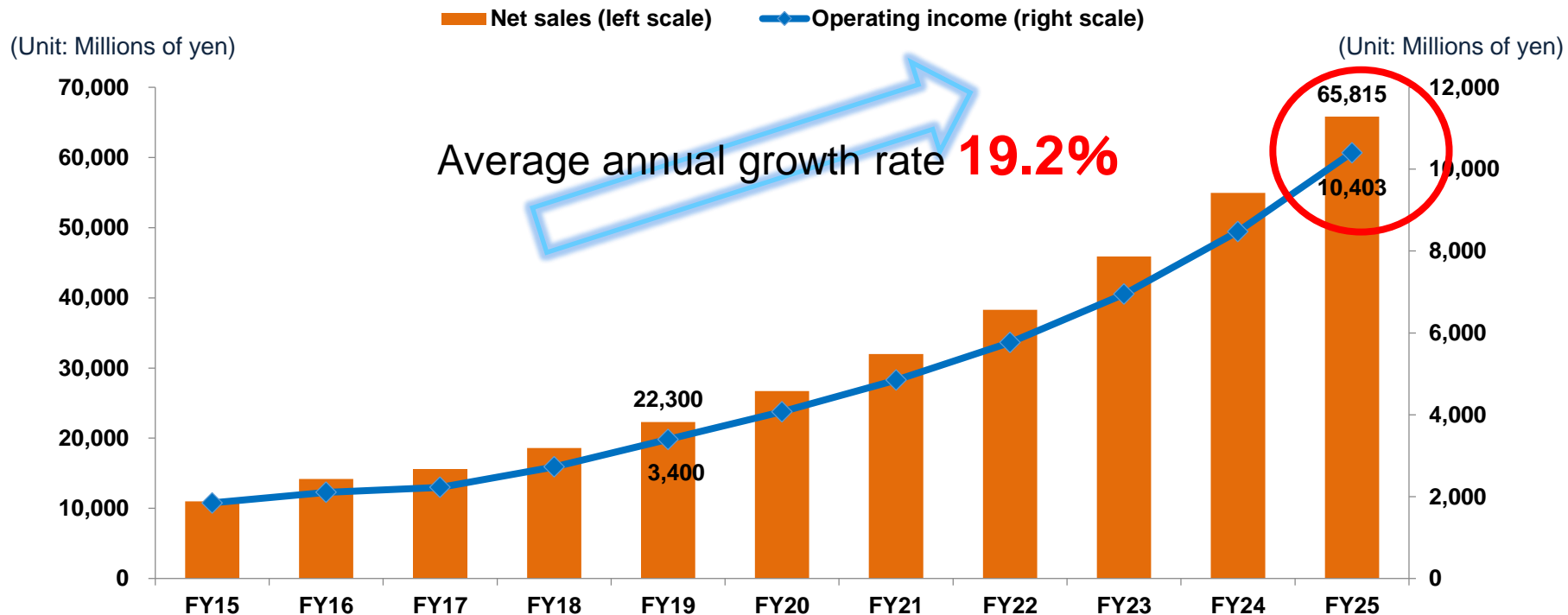
	FY2014	FY2015	FY2016 (Forecast)
Cash dividends per share	3.6 yen	3.9 yen	3.3 yen
Payout ratio	28.7%	30.9%	37.1%

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

In the mainstay self-storage business<sup>\*</sup>, 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.

<sup>\*</sup> The self-storage business represents “Self-storage management” and “Self-storage brokerage”.

## Outlook for net sales and ordinary income

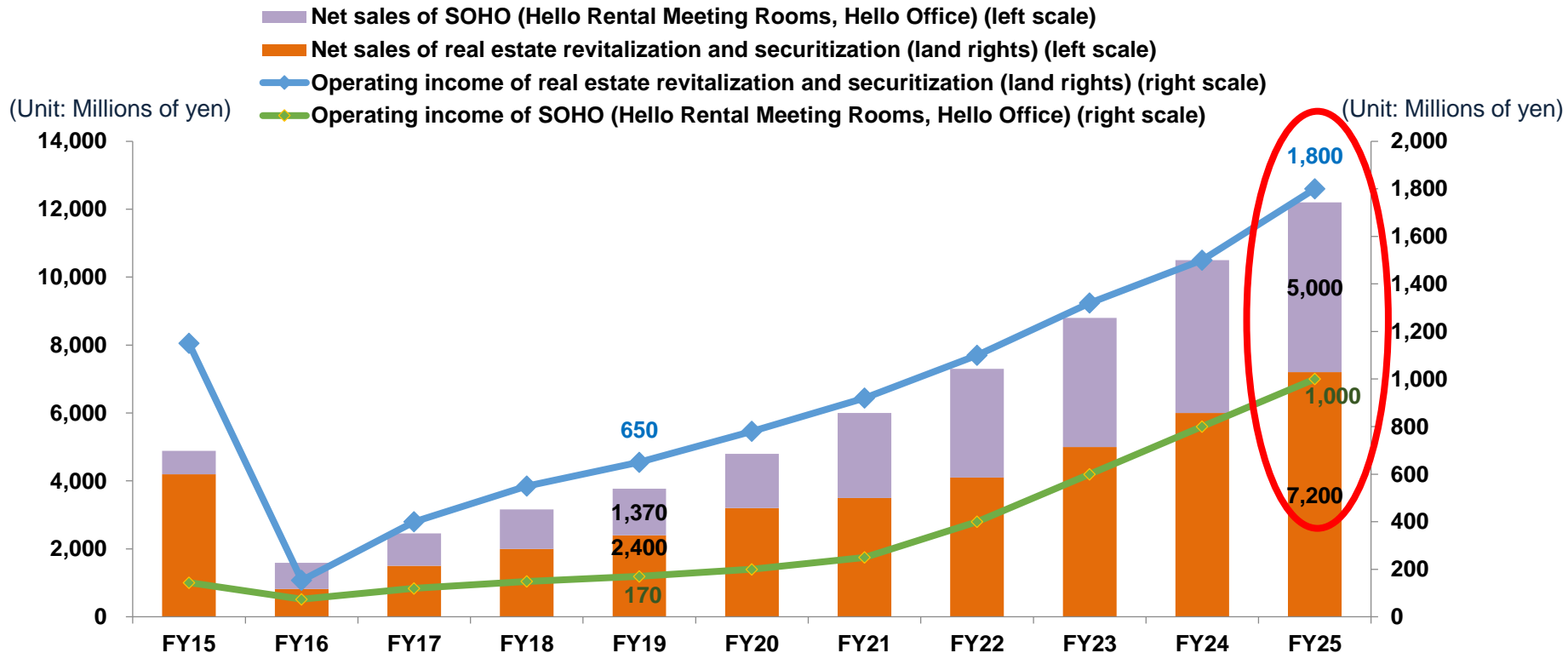




# Medium-Term Management Plan: Growth Trends for New Businesses

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



# Exciting Company

Bringing the world convenience,  
enjoyment, and excitement

# **Part- II**

# **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)

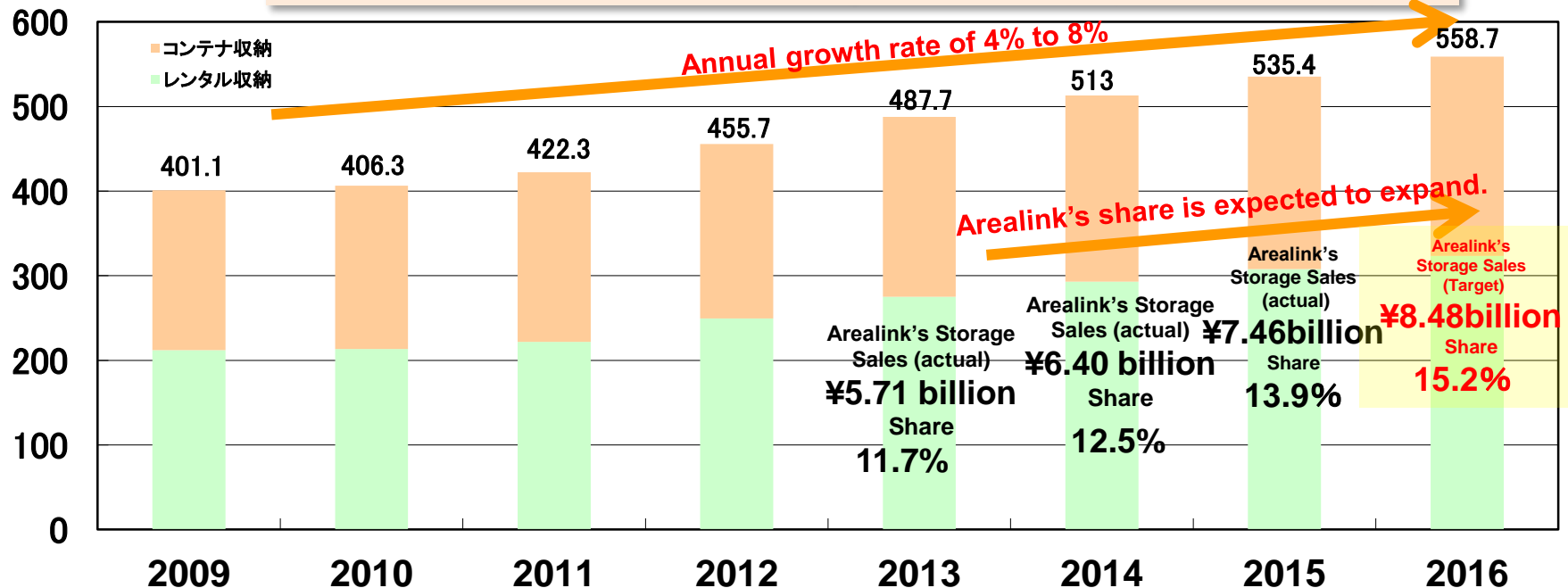
The Japanese self-storage market is expected to expand to ¥53.54 billion by 2015.

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)



Source: Yano Research Institute, "Thorough Survey of the Growing Self-Storage Business" 2013 Edition (Japan)

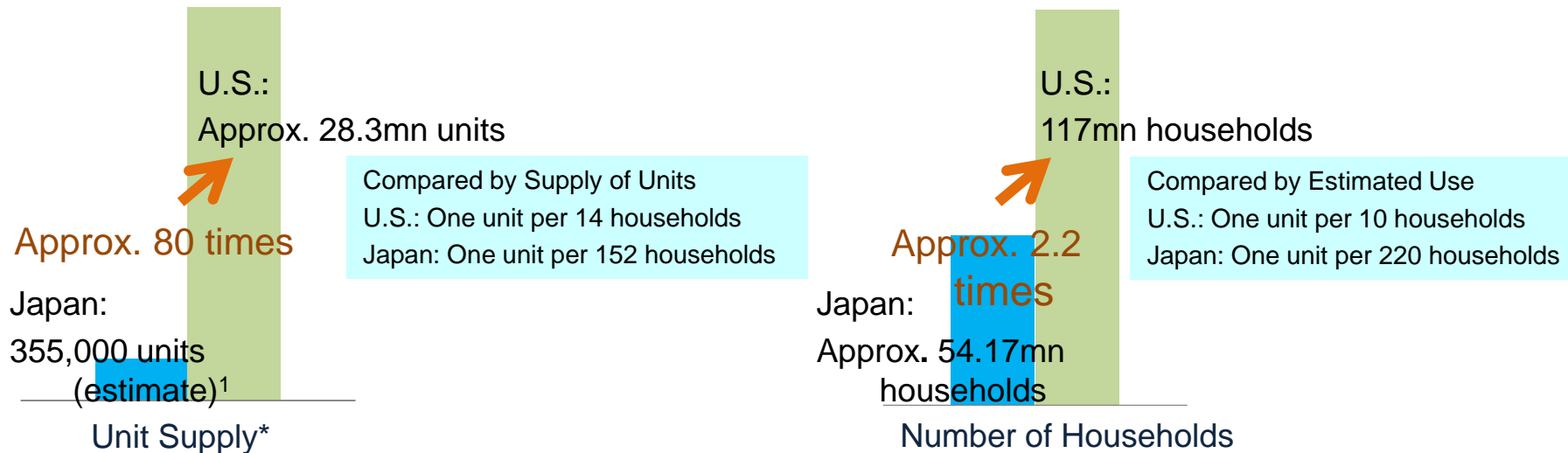
Figures for the scale of Japan's storage market are the combined total of moderate-range projections for rental storage and container storage using our own calculation method.

# 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	<b>Arealink</b>	<b>798</b>	<b>44,929</b>	<b>12.7%</b>
No.2	<b>Company A</b>	<b>749</b>	<b>36,631</b>	<b>10.4%</b>
No.3	<b>Company B</b>	<b>47</b>	<b>26,192</b>	<b>7.4%</b>
No.4	<b>Company C</b>	<b>391</b>	<b>20,646</b>	<b>5.8%</b>
No.5	<b>Company D</b>	<b>255</b>	<b>11,445</b>	<b>3.2%</b>
<b>Total</b>		<b>7,419</b>	<b>352,929</b>	<b>100%</b>

Source: Yano Research Institute, "Thorough Survey of the Growing Self-Storage Business" 2013 Edition (Japan)

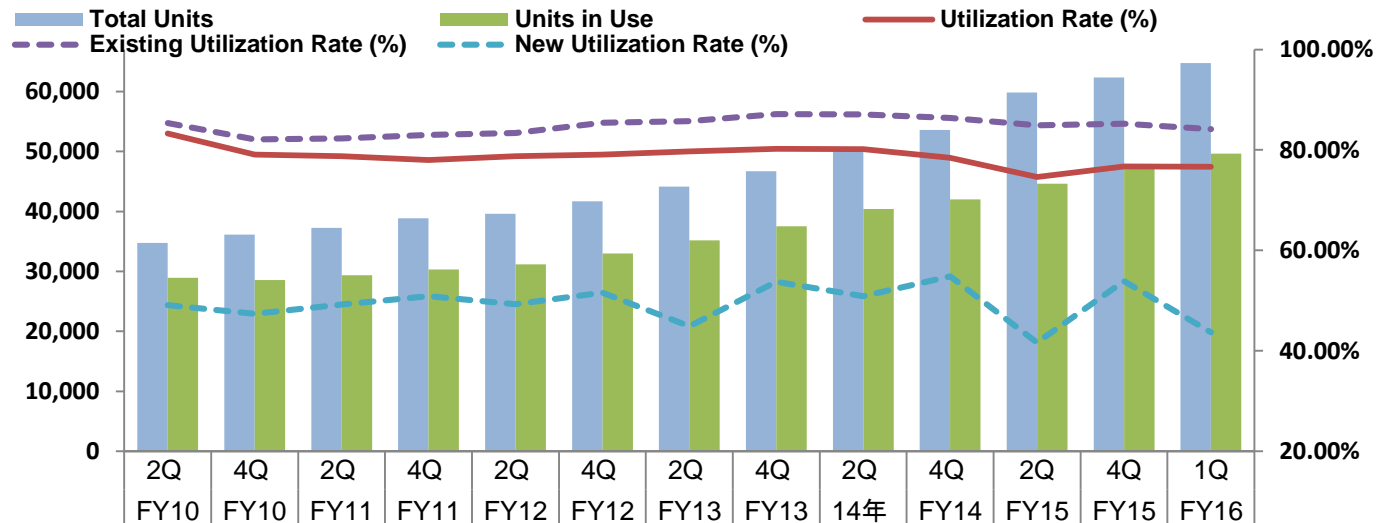


# Storage Business (4): Total Units, Units in Use, and Utilization Rate

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

- We are planning to open new business locations approximately 10,900 in 2016.
- In FY16 1Q, openings of new units; 2,725 and closing of 301 units; The total number of units increased by 2,424 units from the end of the previous fiscal year.
- 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



	2Q FY10	4Q FY10	2Q FY11	4Q FY11	2Q FY12	4Q FY12	2Q FY13	4Q FY13	2Q 14年	4Q FY14	2Q FY15	4Q FY15	1Q FY16
Total Units	34,723	36,131	37,267	38,838	39,614	41,698	44,138	46,686	50,422	53,564	59,802	62,325	64,749
Units in Use	28,917	28,562	29,340	30,290	31,188	32,968	35,177	37,499	40,407	42,009	44,603	47,796	49,609
Utilization Rate (%)	83.28%	79.05%	78.73%	77.99%	78.73%	79.06%	79.70%	80.22%	80.14%	78.43%	74.58%	76.69%	76.62%
Existing Utilization Rate (%)	85.33%	82.11%	82.28%	83.00%	83.34%	85.41%	85.73%	87.15%	87.06%	86.36%	84.90%	85.19%	84.12%
New Utilization Rate (%)	49.11%	47.36%	49.20%	50.85%	49.30%	51.61%	44.86%	53.77%	50.90%	54.85%	41.63%	53.84%	43.70%

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

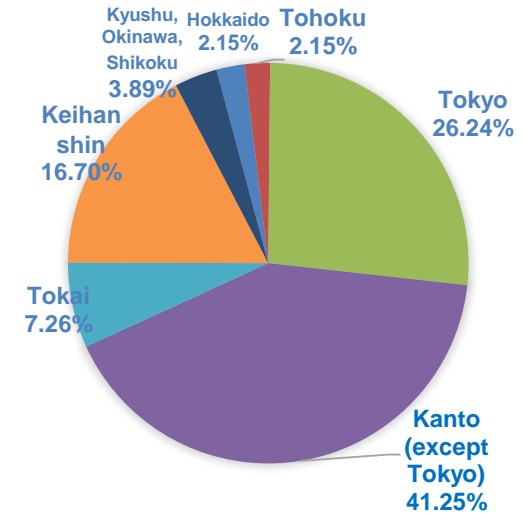


# Storage Business (5) : Openings by Region

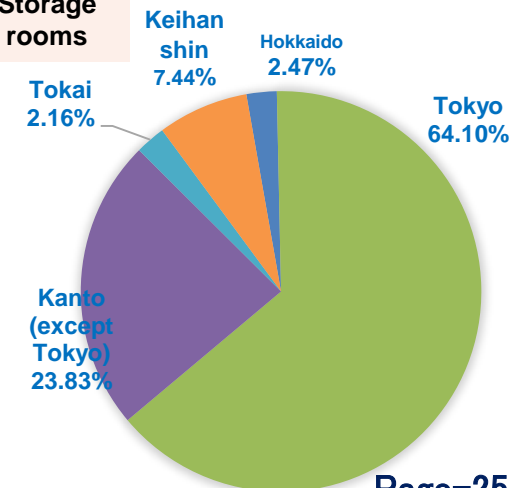
Aiming for a 50% domestic market share, and accelerate storage location openings.

Prefecture	Containers	Storage Rooms	Total	Proportion of Total
Hokkaido	1,024	422	1,446	2.23%
Miyagi	1,195		1,195	1.85%
Ibaraki	428		428	0.66%
Tochigi	81		81	0.13%
Gunma	134		134	0.21%
Saitama	6,360	811	7,171	11.08%
Chiba	8,005	450	8,455	13.06%
Tokyo	12,508	10948	23,456	36.23%
Kanagawa	4,657	2810	7,467	11.53%
Gifu	523		523	0.81%
Shizuoka	494		494	0.76%
Aichi	2,444	369	2,813	4.34%
Mie	154	50	204	0.32%
Kyoto	1,008	154	1,162	1.79%
Osaka	2,943	957	3,900	6.02%
Hyogo	3,332	109	3,441	5.31%
Nara	496		496	0.77%
Wakayama	27		27	0.04%
Kagawa	86		86	0.13%
Fukuoka	1,206		1,206	1.86%
Kumamoto	32		32	0.05%
Oita	26		26	0.04%
Kagoshima	372		372	0.57%
Okinawa	134		134	0.21%
Total	47,669	17,080	64,749	100.00%

Container



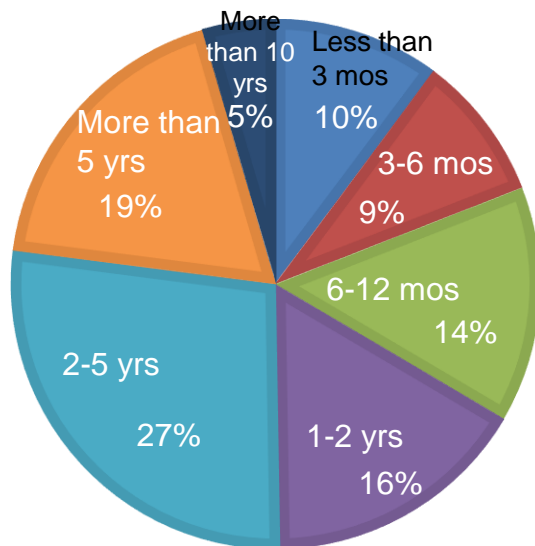
Storage rooms



# Storage Business (6): User Analysis

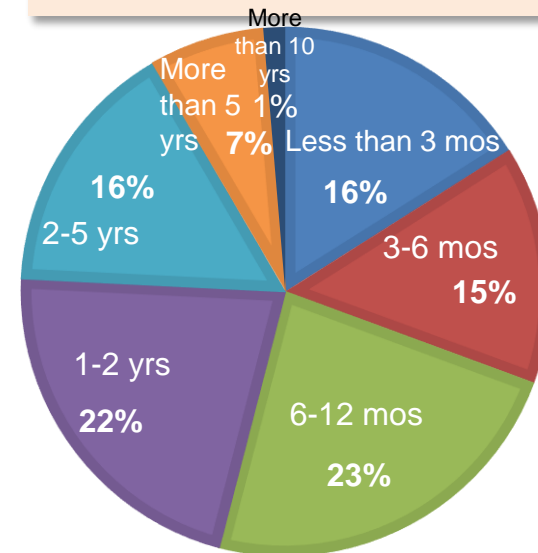
- Average usage period for current contract customers is 38 months (at February 2016).
- Average usage period for customers who have terminated contracts is 20 months (2015 result).
- Average monthly usage fee is ¥11,250 for a container type, and ¥12,500 for trunk type.

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



Ebetsushi Oasa Sakuragicho (Hokkaido)



Sendai Oroshimachi Higashi (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)



Nerima Yahara (Tokyo)



Utsunomiya Joto (Tochigi)



Mito 3 (Ibaraki)



Hodogaya Hosen 2 (Kanagawa)



Hamamatsu Minamiasada (Shizuoka)



Owari Setoekimae (Aichi)



Wakayama Matsuekita (Wakayama)



Kyoto Hachiman (Kyoto)



Osaka Kishiwada 2 (Osaka)



Nara Sahoda (Nara)



Akashinishi2 (Hyogo)



Takamastu Gotocho (Kagawa)

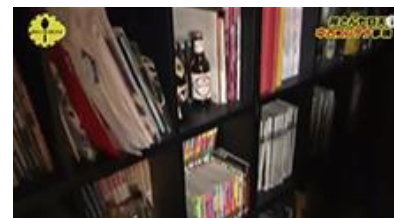
※ NEW Newly opened in 2015 and 2016



# 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)



Edogawabashi (Tokyo)



Nakajujo (Tokyo)



Shinonome (Tokyo)



Shinjuku Yotsuya 3-Chome 2 (Tokyo)



Minamiazabu (Tokyo)



Iidabashi (Tokyo)



Minamimagome (Tokyo)



Shjbuyahoncho (Tokyo)



Miyanogi Premier (Chiba)



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 2015 and 2016



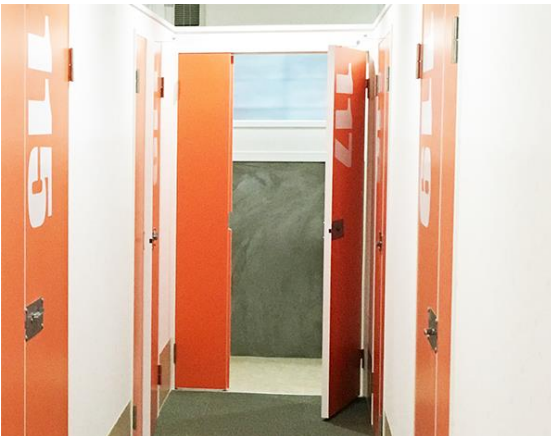
# Example of a “2x4 Trunk” Type Unit



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

# 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



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