



"We supply the best use of space."

Results Briefing
Second Quarter, Fiscal Year
Ending December 2020

July 29, 2020
Arealink Co., Ltd.

Securities code: 8914



Hello storage (Outdoor type)
HS Nerima Oizumi Inter, 26 units



Trunk House 24 (Indoor type)
Trunk House 24 Megurohoncho, 38 units

**Part- I . Summary of FY12/20 2Q
and FY12/20 Earnings Outlook**

Part- II . Basic Policy and Main Measures

Part-III. Reference Material

Part- I

Summary of FY12/20 2Q and FY12/20 Earnings Outlook

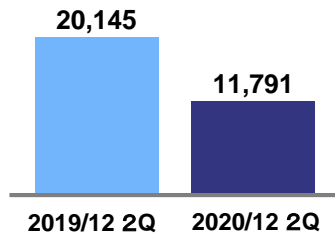
Summary of FY12/20 2Q

First half (6 months): Significant year-on-year drop in revenue and earnings, yet result better than budget

Upward swing: Sales ¥400 million, operating income ¥300 million

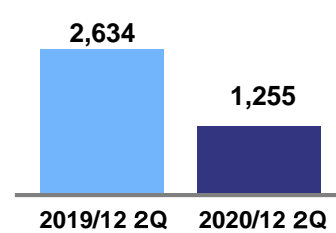
Net sales

YoY **-41.5%**



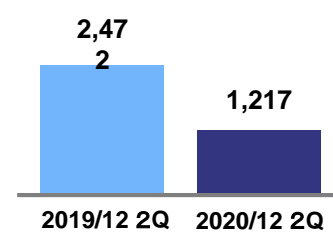
Operating income

YoY **-52.3%**



Ordinary income

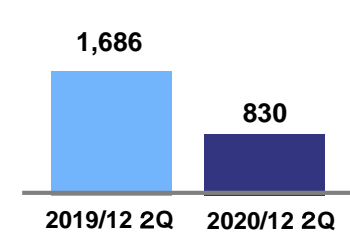
YoY **-50.8%**



Net income

YoY **-50.8%**

In Millions of yen

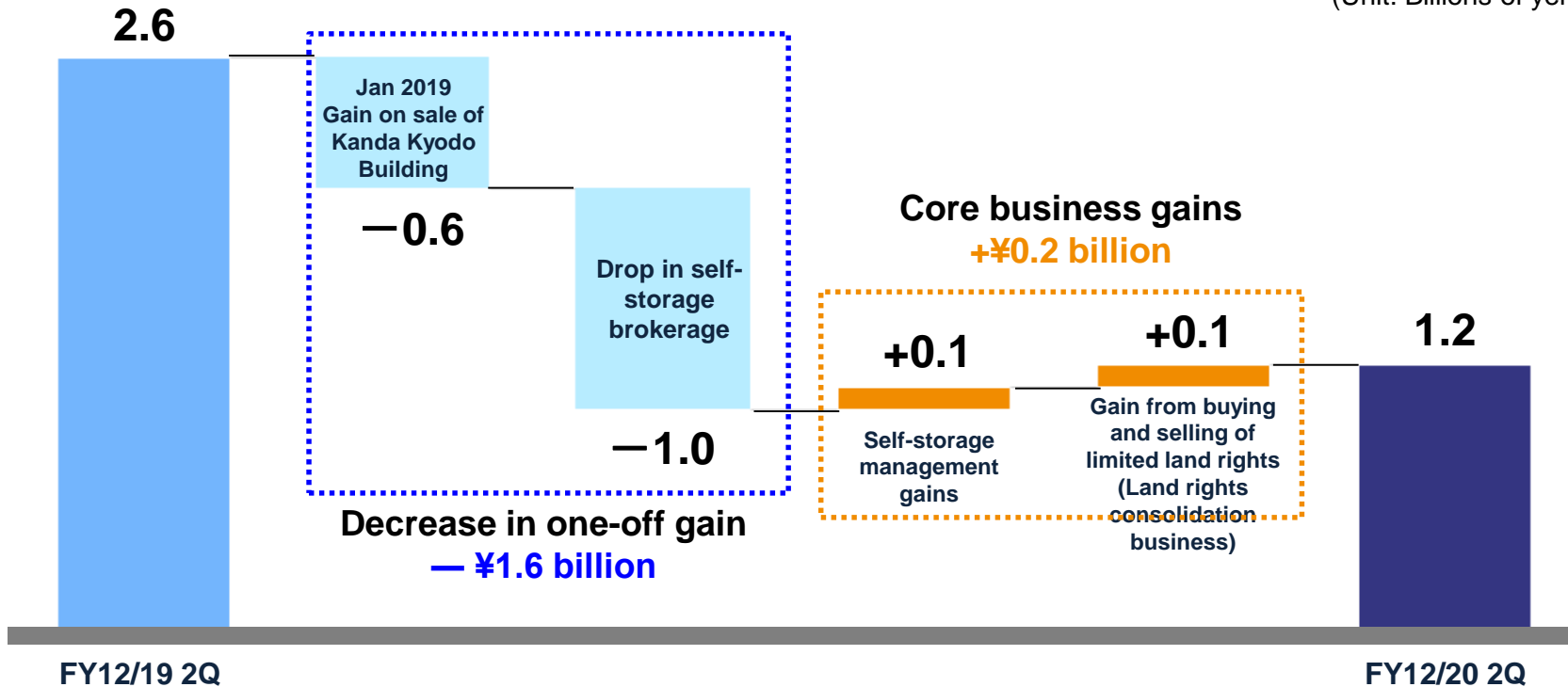


(In Millions of yen)	FY19 2Q Cumulative	Percent of Sales (%)	FY20 2Q Cumulative	Percent of Sales (%)	YoY
Net sales	20,145	—	11,791	—	-41.5%
Cost of sales	15,413	76.5%	8,802	74.7%	-42.9%
Gross profit	4,731	23.5%	2,988	25.3%	-36.8%
SG&A expenses	2,097	10.4%	1,733	14.7%	-17.4%
Operating income	2,634	13.1%	1,255	10.7%	-52.3%
Ordinary income	2,472	12.3%	1,217	10.3%	-50.8%
Net income	1,686	8.4%	831	7.0%	-50.8%

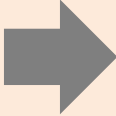




Main factors for drop in earnings: One-off gain of ¥1.6 billion recorded in first half of FY12/19
 ¥200 million earnings increase in core business (self-storage management and limited land rights)

Breakdown of Operating Income Increase

(Unit: Billions of yen)



Limited impact on core business
Impact on some businesses (Rental meeting rooms, Asset management)

Business	Position	Impact	Sale Composition (Plan for this year)
Self-storage		Slower pace of location openings	65%
Land rights consolidation (limited land rights)		Stopped procurement Focus on sales activities	30%
Other operations (rental office)		Maintained utilization rate	1%
Other operations (asset management)		Some tenants requested lower rent	3%
Other operations (rental meeting rooms)		Significant drop in users	1%

Overview of FY12/20 2Q by Segment

Self-storage Business: Significant decrease in revenue and earnings, mainly due to decrease in self-storage brokerage
Land Rights Consolidation Business: Decrease in earnings and revenue

In Millions of yen

			FY19 2Q Cumulative		FY20 2Q Cumulative		YoY
			Actual	Profit margin	Actual	Profit margin	% Change
	Management	Net sales	6,288	—	6,869	—	9.2%
		Gross profit	1,240	19.7%	1,494	21.8%	20.5%
		Operating income	822	13.1%	933	13.6%	13.6%
	Brokerage	Net sales	8,302	—	569	—	−93.1%
		Gross profit	1,444	17.4%	75	13.3%	−94.8%
		Operating income	909	11.0%	(68)	—	—
Self-storage Business	Net sales	14,951	—	7,439	—	−49.0%	
	Gross profit	2,685	18.4%	1,570	21.1%	−41.5%	
	Operating income	1,731	11.9%	865	11.6%	−50.0%	
Land Rights Consolidation Business	Net sales	4,620	—	3,482	—	−24.6%	
	Gross profit	1,681	36.4%	1,098	31.5%	−34.7%	
	Operating income	1,245	27.0%	778	22.4%	−37.5%	
Other Operational Services Business	Net sales	933	—	869	—	−6.8%	
	Gross profit	365	39.1%	320	36.9%	−12.2%	
	Operating income	289	31.0%	247	28.5%	−14.3%	
Management Division Expenses	Net sales	—	—	—	—	—	
	Gross profit	—	—	—	—	—	
	Operating income	(632)	—	(635)	—	−0.5%	
Total for All Businesses	Net sales	20,145	—	11,791	—	−41.5%	
	Gross profit	4,731	23.5%	2,988	25.3%	−36.8%	
	Operating income	2,634	13.1%	1,255	10.7%	−52.3%	

Self-storage management: Achieved budget and increased revenue and earnings
Self-storage brokerage: Decrease in revenue and earnings; Shift to company-held storage

- **Total number of self-storage units increased to 98,691 (+2,222 units since Dec 31, 2019, and +4,806 units since June 30, 2019)**
- **Utilization rate of 77.76%, increase of 3.13 ppt (compared to June 30, 2019)**
Improved new utilization rate as a result of careful selection of location openings in anticipation of market downturn
Container properties opened in regional towns and cities contribute to improved utilization rate
- **Management achieved budgets for both sales and earnings, resulting in increased revenue and earnings**
Improved profitability as a result of conservative budgeting and container repurchases
- **Brokerage achieved budgets for both sales and earnings but decrease in revenue and earnings**
- Shift away from self-storage sales to investors, to company-held/investment model

**Achieved budget with reduced revenue and earnings.
Revenue and earnings increased without taking into consideration the
sale of Kanda Kyodo Building in first half of last year.**

- **Achieved budget** for both sales and earnings but resulted in **drop in revenue and earnings**
Revenue and earnings increased on an actual basis due to the sale of real estate owned in first half of 2019 (Kanda Kyodo Building: sales ¥1.4 billion, operating income approx. ¥0.6 billion)

- **Focused on procurement in second half of 2019 to expand business, but stopped procurement in anticipation of market downturn. Swiftly shifted focus on to sales to realize cash gains**
Inventory value: ¥7.1 billion at end of Dec. 2019
¥6.3 billion at end of June 2020 (down ¥0.8 billion from Dec 31, 2019)
***¥4.4 billion at end of June 2019**

- **Strengthen inventory management system with view to resuming procurement in near future**

**Drop in revenue and earnings; sales achieved budget but not earnings.
Rental meeting room business continues to be affected by COVID-19.**

- **Other operational services business resulted in reduced revenue and earnings, Sales achieved budget but not earnings.**
- **Rental meeting room business**
Not achieved budget for both sales and earnings, drop in revenue and earnings.
Business continues to be affected by COVID-19.
Boost promotions to capture demand for working remotely.
- **Asset management business (rental and maintenance management of owned properties)**
Increase in revenue and earnings, achieved budget.
Responded to requests from some tenants for lower rent
- **Rental office business**
Achieved budget with reduced revenue and increased earnings. Utilization rate remained strong despite drop in revenue due to closure of underperforming properties.
Focus on measures to capture demand for satellite offices

Breakdown of Non-Operating and Extraordinary Profit and Loss

Major non-operating income

Compensation for transfer ¥24 million

Major non-operating expenses

Interest expenses
Commission fee

¥66 million
¥8 million

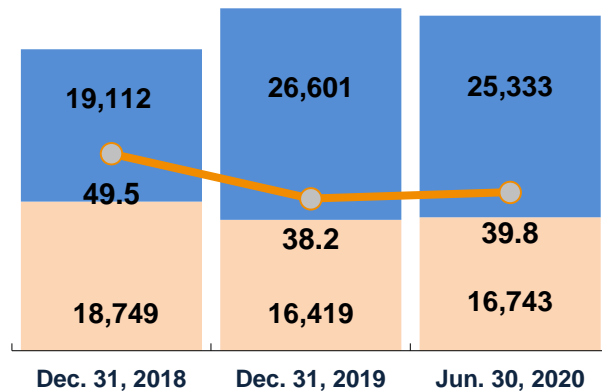
In Millions of yen

Step income	FY12/19 2Q	FY12/20 2Q	YoY (%)
Operating income	2,634	1,255	-52.3%
Non-operating income	23	47	+87.6%
Non-operating expenses	184	83	-55.1%
Ordinary income	2,472	1,219	-50.8%
Extraordinary income	8	9	+10.1%
Extraordinary loss	21	8	-60.6%
Income before income taxes	2,460	1,220	-50.5%
Income taxes — current	1,589	239	-85.0%
Income taxes — deferred	(815)	149	-118.3%
Net income	1,686	831	-50.8%

Continue to reduce real estate for sale (limited land rights)

Liabilities, net assets, equity ratio

Net assets Liabilities Equity ratio
In Millions of yen



In Millions of yen

	Dec. 31, 2018	Dec. 31, 2019	Jun. 30, 2020
Current assets	25,840	19,903	(A) 17,701
Noncurrent assets	12,022	23,117	24,375
Total assets	37,862	43,020	42,076
Current liabilities	6,607	11,913	9,324
Noncurrent liabilities	12,505	14,687	(B) 16,008
Total liabilities	19,112	26,601	25,333
Net assets	18,749	16,419	16,743

Financial position (As of June 30, 2020)

(A) Assets

Down ¥1.1 billion (Current assets + Noncurrent assets)

Cash reductions (due mainly to corporate tax payments)
—¥1.5 billion
Reductions in real estate for sale (sale of limited land rights)
—¥0.9 billion
Increase in tools, equipment and fixtures (location openings from own investment, container repurchases) +¥0.9 billion

* Comparison between Jun. 30, 2020 and Dec. 31, 2019

(B) Liabilities

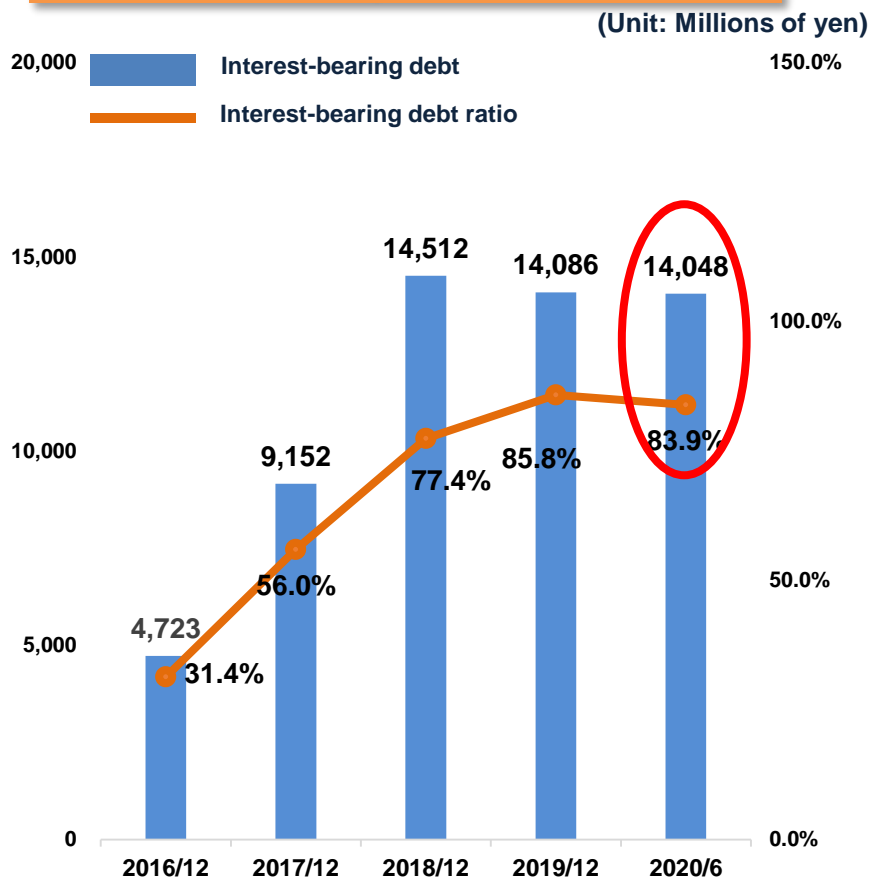
Down ¥1.4 billion (Current liabilities + Noncurrent liabilities)

Income taxes payable, etc. —¥1.1 billion
Provision for loss on repurchases —¥0.5 billion

* Comparison between Jun. 30, 2020 and Dec. 31, 2019

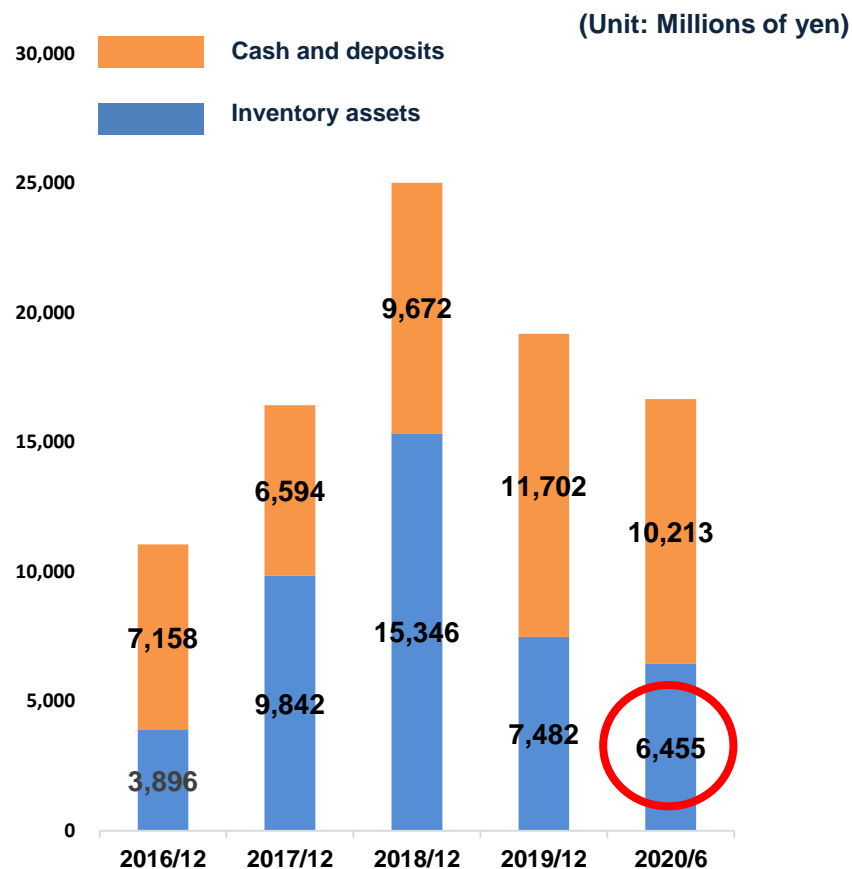
Reduce inventory assets and secure cash

Interest-bearing debt and interest-bearing debt ratio



Interest-bearing debt: Short-term loans payable + bonds payable (including current portion of bonds) + long-term loans payable (including current portion of long-term loans payable) + lease obligations

Inventory assets and cash and deposits



Inventory assets: Real estate for sale + Real estate for sale in process

Retain ¥10 billion in cash assets Aim to maintain stable, positive operating cash flow

Unit: Millions of yen

	FY19 2Q	FY20 2Q	
Cash flows from operating activities	7,489	592	Income before income taxes ¥1,218 million Decrease in inventories ¥1,024 million Income taxed paid ¥(1,274) million
Cash flows from investing activities	(623)	(1,532)	Purchase of noncurrent assets ¥(1,513) million
Cash flows from financing activities	(1,883)	(548)	Proceeds from long-term loans payable ¥2,240 million Repayment of long-term loans payable ¥(1,470) million Net increase (decrease) in short-term borrowings ¥(562) million Cash dividends paid ¥(503) million
Cash and cash equivalents at the end of period	14,655	10,213	

FY20 Earnings Outlook

**Announce revision of first half forecasts on July 27,
but no change to full-year forecasts**

	FY2019		FY2020		YoY	
In Millions of yen	Actual	(%)	Forecast	(%)	Variance	% Change
Net sales	29,333	(—)	24,700	(—)	(4,633)	—15.8%
Self-storage Business	22,087	—	14,571	—	(7,616)	—34.0%
Land Rights Consolidation Business	5,402	—	8,436	—	3,033	56.2%
Other Operational Services Business	1,842	—	1,691	—	(151)	—8.2%
Operating income	3,030	(10.3)	2,300	(9.3)	(730)	—24.1%
Self-storage Business	2,308	—	1,850	—	(458)	—19.9%
Land Rights Consolidation Business	1,344	—	1,270	—	(74)	—5.5%
Other Operational Services Business	546	—	420	—	(126)	—23.2%
Management Division Expenses	(1,169)	—	(1,240)	—	(70)	6.1%
Ordinary income	3,000	(10.2)	2,200	(8.9)	(800)	—26.7%
Net income	(1,753)	(—)	1,300	(5.3)	3,053	—
Net income per share (yen)	(138.81)	—	102.93	—	—	—

**Self-storage business make up for sluggish land rights consolidation business.
Second half net sales —¥400 million, operating income —¥300 million**

- **Company-wide revision in second half, —¥400 million for sales and —¥300 million for operating income**
- **Land rights consolidation business: With uncertainty in the markets, aiming to reduce inventories so profit margins expected to decline**
- **Self-storage business: Profit improvement measures (1) Profit improvement through container repurchases (2) Cost reductions for underperforming properties (including requests for lower ground rents)**

In Millions of yen

Net sales/operating income		Second half (Apr. announcement)	Second half (July announcement)	Difference
Self-storage Business	Net sales	7,434	7,132	(302)
	Operating income	704	985	+ 281
Land Rights Consolidation Business	Net sales	5,016	4,954	(63)
	Operating income	1,020	491	(528)
Other Operational Services Business	Net sales	827	822	(5)
	Operating income	231	172	(59)
Management Division Expenses	Net sales	—	—	—
	Operating income	(621)	(604)	+ 16
Total for All Businesses	Net sales	13,277	12,909	(369)
	Operating income	1,334	1,045	(290)

No change to dividend forecast

Dividends and Payout Ratio

	FY2019	FY2020 (Forecast)
Cash dividends per share	40 yen	31 yen
Payout ratio	—	30.1%

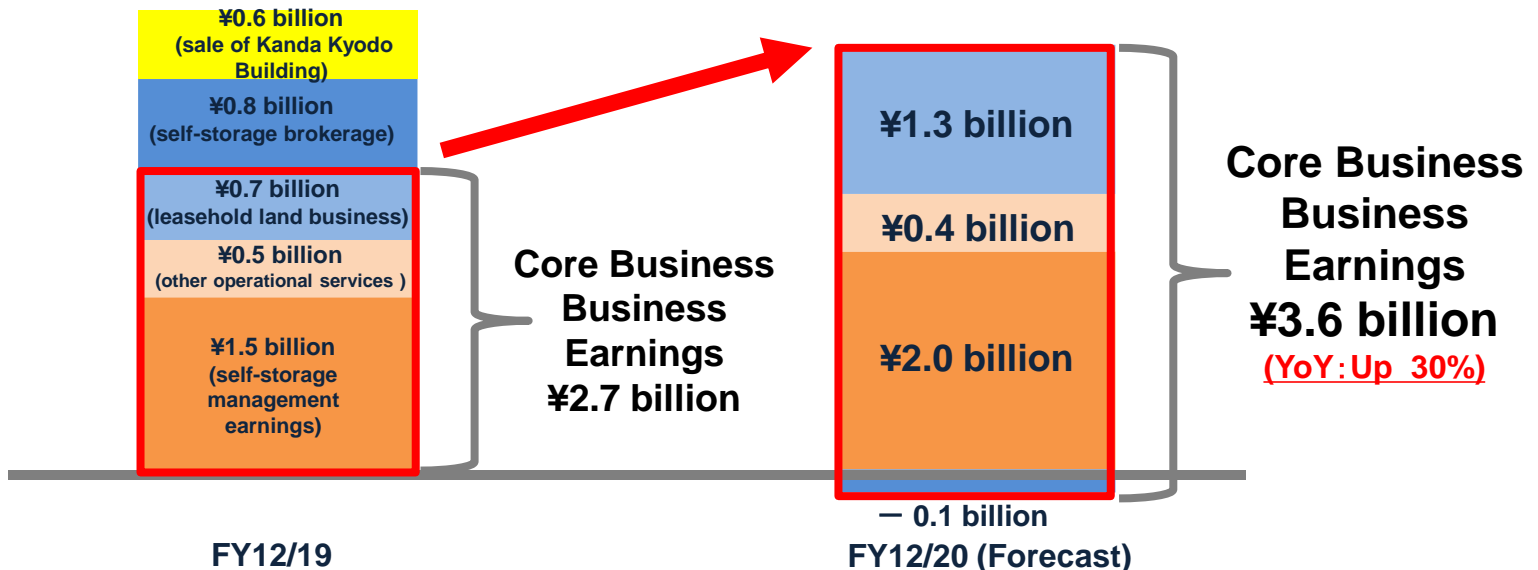
Part- II

Basic Policy and Main Measures

Major Shift in Profit Structure

shift from a company dependent on transient earnings,
to a company founded on core businesses.

- 2019: Business structure dependent on transient earnings (Kanda Kyodo Building (¥600mn), self-storage brokerage (¥800mn))
- 2020: Although revenue and earnings declined on a company-wide basis, achieved earnings gains of 30% year on year in core businesses (Self-storage management and Land rights consolidation)



*Business Earnings: Management Division Expenses before deduction

improved considerably as a result of the crisis preparedness measures initiated two years ago.

Further evolution in the business structure, shifting focus from “quantity” to “quality.”

- **Results of crisis preparedness measures**
As a result of the crisis preparedness measures from two years ago, improvements in the business structure are complete. Consequently, the impact from COVID-19 was limited.
- **Shift focus from “quantity” to “quality” in preparation for the coming crisis**
 - **Self-storage Business**
Make on-site improvements, renegotiate rents, and relocate unprofitable location
 - **Land Rights Consolidation Business**
Limit business risks, and establish a business with stable earnings
Use strict criteria for purchases, establish a holdings management structure, and enhance holdings turnover
 - **New product development**
Business Self-storage, Business House
Expand SOHO business

We are inspecting locations, and fundamentally revising businesses. The two-year restructuring plan has been completed, but we will implement further measures throughout the company.

● **Self-storage Business**

- **Revised (scaled back) location opening plan, focusing strictly on prime properties.**
- **Conducted on-site improvements of problem locations nationwide. (Relocation of unprofitable locations, negotiations to lower land rents, etc.)**

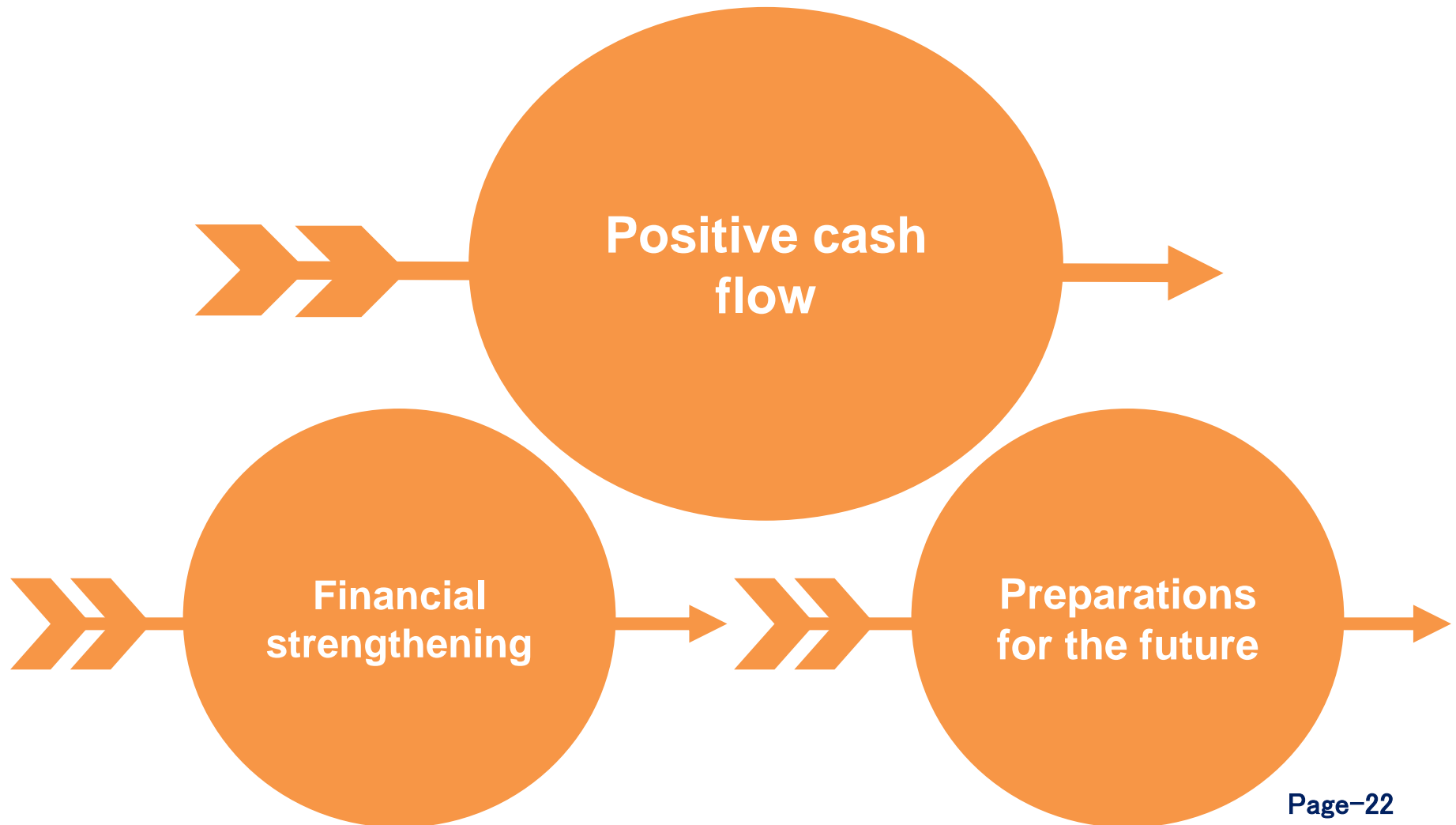
● **Land Rights Consolidation Business**

- **The focus in FY19 2H was purchases to expand the business, but purchases are currently halted in anticipation of the coming economic crisis.**
- **Concentrated on sales in FY20 1H, liquidating assets as quickly as possible.**

● **Administrative Divisions**

- **Personnel assignments were revised for optimal allocation, along with a thorough cost review and company-wide cuts.**

We are releasing three "arrows" for reforms to establish a more robust corporation.



Pursue cash flow management rooted in our accumulation-type businesses*

Background

- The coming economic crisis is expected to be even more severe than the 2008 financial crisis. There's a good chance that a major depression can be avoided, but we should not relax.
- Arealink began implementing crisis measures two years ago, and has completed improvements for a muscular company. As a result of improvements aimed at profitability derived from accumulation-type business earnings minus company-wide expenditures, we have reached a level where profitability is the highest since our founding.

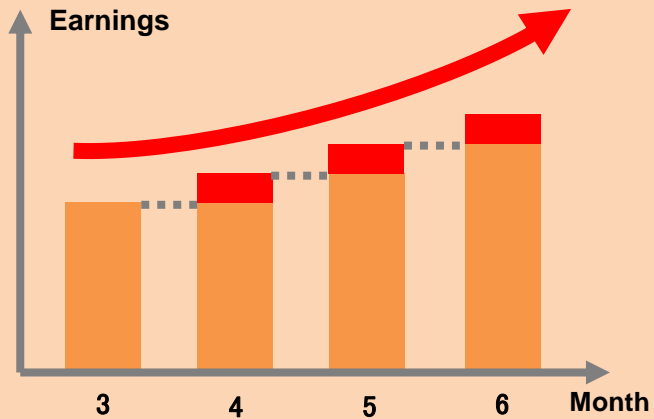
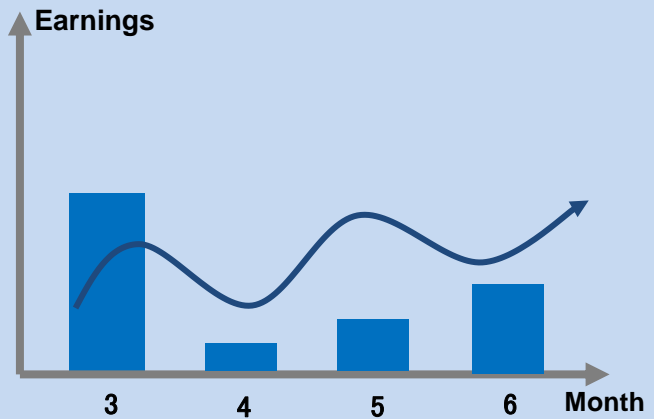
*Accumulation-type businesses: Businesses with stable earnings (Self-storage management; Other management services; Land rents)



**Profitability sufficient to cover expenses, dividends, taxes, and debt repayment
= Cash flow management**

Accumulation-type Businesses and Non-accumulation-type Businesses

**Accumulation-type Businesses: Businesses that are less susceptible to market conditions, and generate stable earnings.
Earnings sources that support cash flow management**

	Accumulation-type Businesses	Non-accumulation-type Businesses
Business	<ul style="list-style-type: none"> • Self-storage management • Land rights consolidation (rents) • Other management services 	<ul style="list-style-type: none"> • Land rights consolidation (buying and selling) • Self-storage brokerage
Business characteristics	<ul style="list-style-type: none"> • Less susceptible to market conditions • Accumulate monthly income (stable) 	<ul style="list-style-type: none"> • More susceptible to market conditions • Start with no monthly income (unstable)
Earnings model		

Improve revenue and expenditure so that accumulation-type businesses cover all company expenses.
Supported by reductions in company-wide expenses, and improvement in self-storage business earnings.

Improvement in Profitability (Accumulation-type businesses minus company-wide expenses)

 Accumulation-type businesses gross profit

 Company-wide expenses

* Graph is for illustrative purposes only

Deficit

Surplus



May 2018
(Single month)

May 2020
(Single month)

**Improvement in profitability of
accumulation-type businesses**

Improved profitability of self-storage
business
(Higher utilization rate, improvement in
discount rate)

Increase in leasehold land rent income

Continued revenue from rental offices
and asset management

**Reduction in company-wide
expenses**

Appropriate allocation of personnel
(Non-accumulation-type businesses,
management divisions)

Reduction in general expenses
(Company-wide)

**Stable financial base achieved with crisis strategies launched two years ago.
Further strengthen framework, and pursue sound management practices.**

● **Maintain current level of savings**

**Two years of
reform**

**Improve current level of savings:
¥6.5 billion (2017) → ¥11.7 billion (2019)**

**Future
direction**

**Maintain current level, pursue sound management
practices.**

● **Strengthen financial stability**

**Two years of
reform**

**Shift from short-term borrowings to long-term loans,
and reduce risk.**

**Future
direction**

**Strengthen relations with financial institutions,
aiming to establish a more stable financial base.**

Shift focus from “quantity” to “quality” in asset efficiency as well,
Reduce holdings of land with leasehold rights
Improve cash flow, and implement restructuring for a business with a high
turnover rate

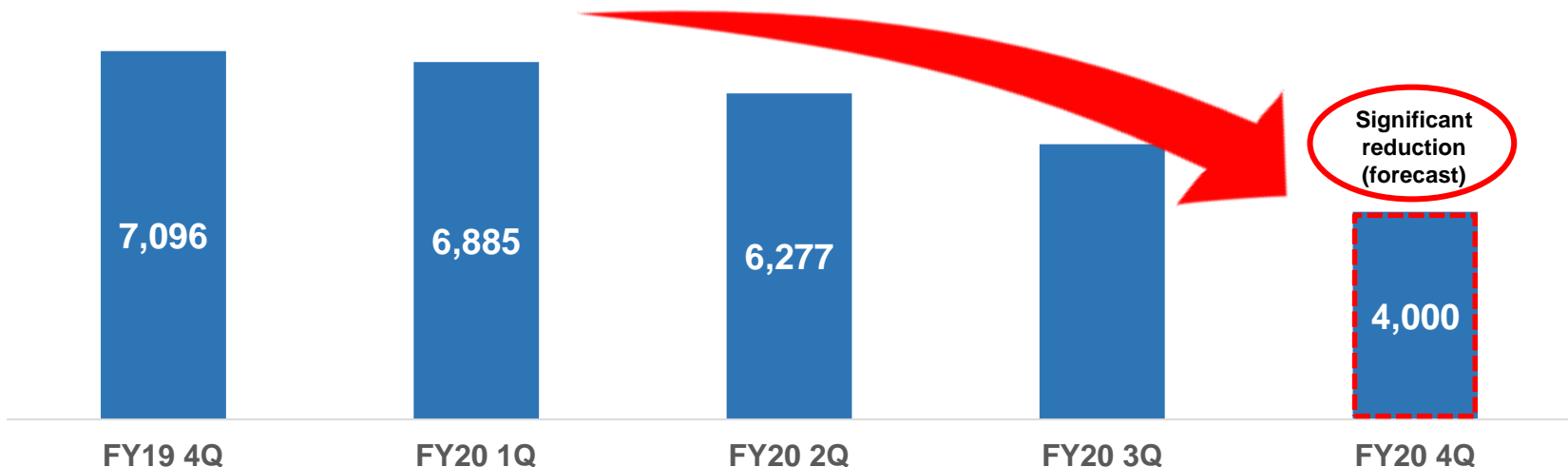
● Upgrade Land Rights Business’s Efficiency

Future
direction

We will suspend purchases, and focus on sales.
We will accelerate liquidation, improving cash flow and
raising the holdings turnover rate.

Leasehold Land Holdings

Unit: Millions of yen

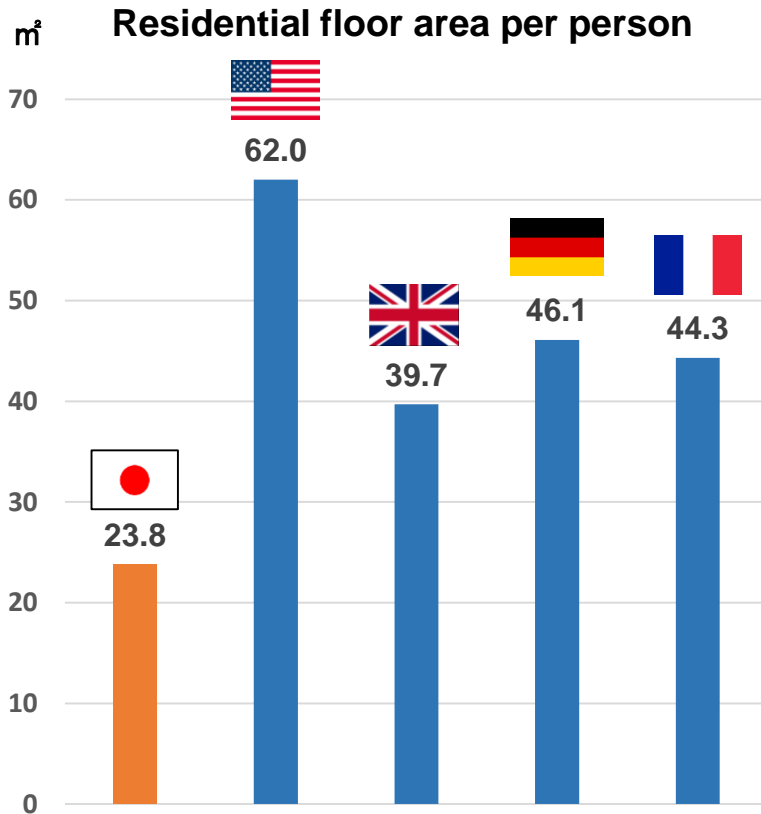


COVID-19 has affected certain aspects of our business, but the continued expansion in the self-storage market is unchanged.

- **Impact of COVID-19 on the self-storage market**
Positive aspects: Increase in telework and SOHO has boosted demand for storage.
Negative aspects: Certain users in arrears, and increase in contract cancellations.
- **Continued expansion in the self-storage market is unchanged**
Economic environment in Japan
 - Concentrated population: Patchy pattern, urbanization increasing nationwide.
 - Smaller homes compared to Western standard: Less floor space, rising rents.

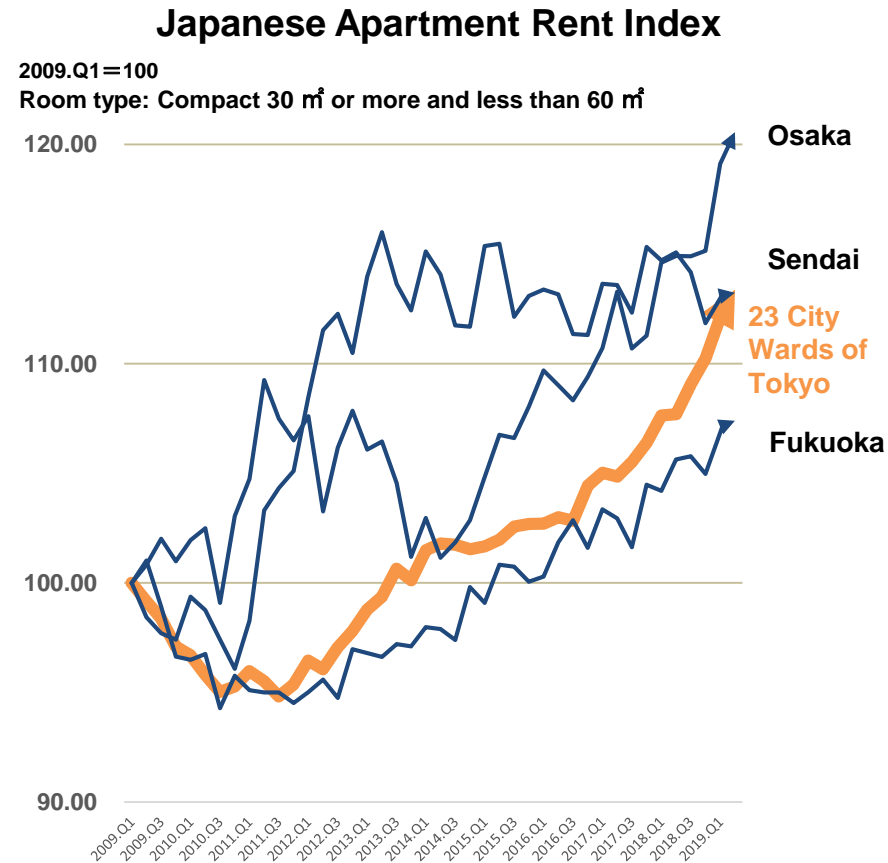
⇒ No change in latent demand for self-storage

**Japanese residences are small compared to Western standards, and rents are rising.
Finding additional storage space in a residence is difficult.**



(Source: Japan: Ministry of Internal Affairs and Communications, "2013 Housing and Land Survey" (data, 2013, Kanto, major cities [rented houses]); U.S.: U.S. Census Bureau, "2015 American Housing Survey" (data, 2015); U.K.: Department for Communities and Local Government, "English Housing Survey Statistical Data Sets" (data, 2015); Germany: Bundesministerium für Verkehr, Bau und Stadtentwicklung, "Wohnen und Bauen in Zahlen 2011/2012" (data, 2010); France: Insee, "Enquête Logement 2013")

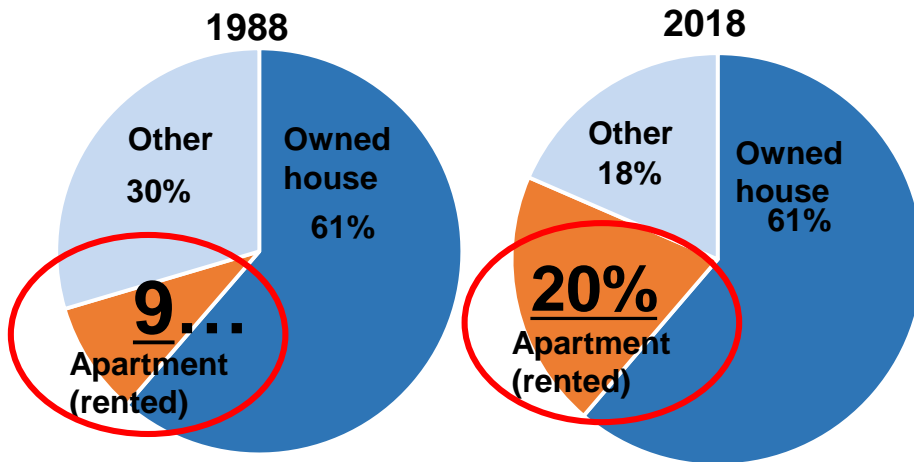
Notes: 1. Floor area calculated using center line of wall where possible (U.S. x 0.94, Germany/France x 1.10)
2. U.S. floor area is the median
3. The survey (data) year and report announcement year differ for the German data



Source: Condominium Rent Index created by Arealink (based on material from At Home Co., Ltd., and Sumitomo Mitsui Trust Research Institute Co., Ltd.)

**Proportion of people living in apartments is increasing, and the amount of residential floor space is declining.
Latent demand for self-storage is firm.**

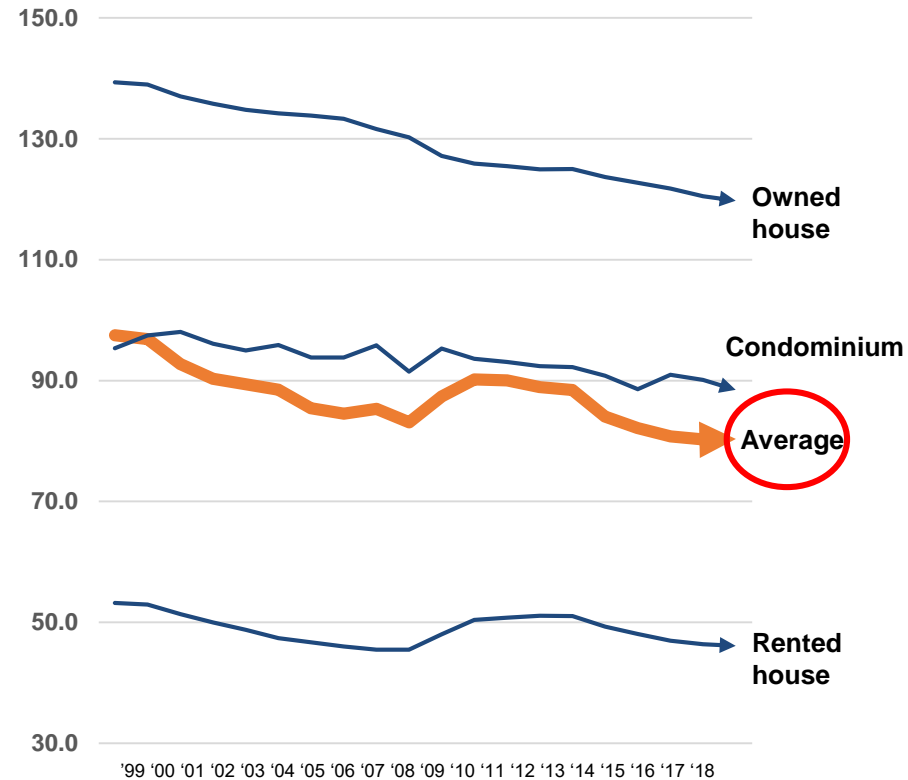
Household Residential Types



Source: Ministry of Internal Affairs and Communications, "2018 Housing and Land Survey"
 Apartment (rented): Private rented apartment complex (non-wood); Other: Private rented houses (detached + row houses + apartment complexes (wooden) + other) + employee housing + rented houses (all types of public housing)

Floor area per residence (Japan)

(m² / residence)



Source: Ministry of Land, Infrastructure, Transport and Tourism, "Statistical Survey on Construction Starts"
 Target: New housing starts

Shift to self-storage that is “more familiar, easy to access,
and commonly used.”

Aim to improve convenience and raise visibility from a customer perspective.

● Differentiation by offering greater convenience

- **Expand the “Raku-Raku Transport Service”**
Items in the home placed into storage with a single phone call.
All-inclusive service including packing, transport, and carrying.
- **Launch of storage units equipped with racks**
Efficient utilization of storage space, easier to find stored items, and to move in and out.



● Increase visibility

- **Launch of model rooms for self-storage with land.**
Visual examples of how self-storage units can be used creates a more familiar service.



**Strong latent demand for "Warehouse + Office + Garage"
⇒ Capture demand with Business Self-storage (provisional name)**

- **Develop new product (Business Self-storage / Business House)**
 - Opened in 2020, with 100% utilization by end of June (all corporate contracts).
 - Strong suburban demand (Warehouse + Office + Garage).
 - Profitability generated from location earlier than that for self-storage.
- **Aim to open locations to order, mainly in Tokyo metropolitan area**

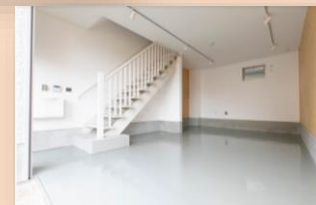
**Business Storage
(Inage-ku, Chiba)**



Interior (2F)



Interior (1F)



Utilization example



Even though a major depression may be averted, we are scaling back cash outflows, and being cautious about opening locations to prepare for a worst-case scenario.

- **We anticipate and are preparing for an economic downturn, but it could be delayed.**
 - **We will carefully consider economic trends and cash flow, in anticipation of resuming location openings.**

- **Outlook for location openings**

Shifting focus from “quantity” to “quality,” this year and next we will open locations depending on the situation, but with careful planning.

 - **Containers**

Utilize stock of used containers and transferred properties
 - **Self-storage with land**

Aim for around five buildings annually, limited to pinpoint prime locations.
 - **Business self-storage (provisional name)**

Full-fledged business development to start next year

No change in company policy Progress with container purchases over the last three months

- **Since the announcement on February 14, detailed explanations provided to investors.
Purchase negotiations ongoing.**
- **Purchases from certain investors completed, with total purchase amount ¥2.6 billion (as of July 29).**
- **No change in policy of continuing purchases going forward.
Whole picture of purchases anticipated in 2H.**
- **Investor needs cover a broad range, so we will present solutions according to requests.**

Business is becoming a second earnings pillar, but holdings management is a challenge.

We will establish a structure to generate earnings with fewer holdings.

- **Rapidly expanding to become a second earnings pillar, with sales increasing five-fold in four years.**
Net sales 2016: ¥1.1 billion ⇒ 2019: ¥5.2 billion
Holdings amount increased to ¥7.1 billion at end-Dec. 2019
- **Holdings management is a challenge, with increase in long-term holdings.**
Purchases halted in anticipation of market downturn.
Establish a structure to continually generate earnings with optimum holdings.
- **Holdings scaled back to ¥6.3 billion by end-June 2020.**
Target reduction to ¥4.0 billion within the year.
⇒ Aiming to remodel the Land Rights Consolidation Business
- **Purchases are currently suspended, but will resume accordingly to strict criteria when structural improvements have been confirmed.**

**A company that will do something
to help with difficulties**

Provide convenience, joy, and excitement

Part-III

Reference Material

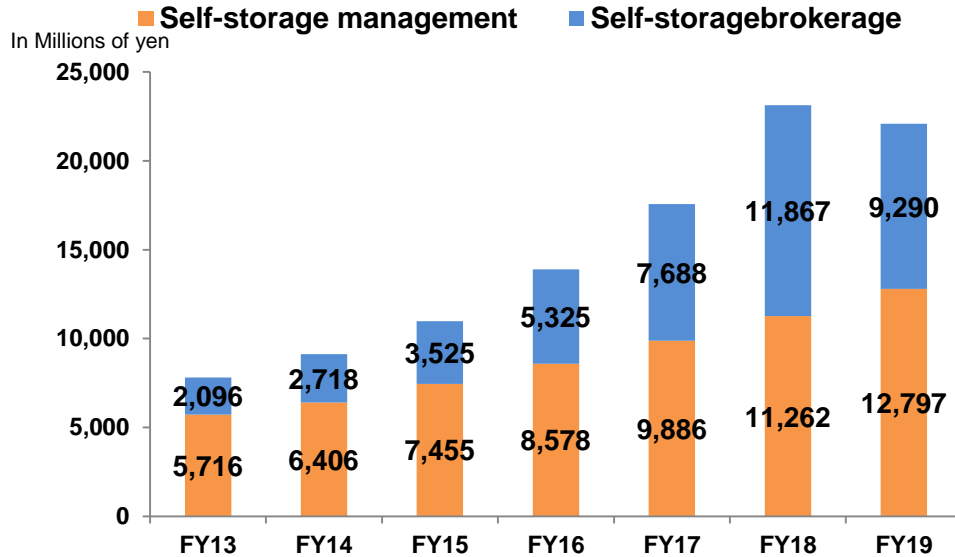
Profit Margin by Segment (Quarterly)

In Millions of yen

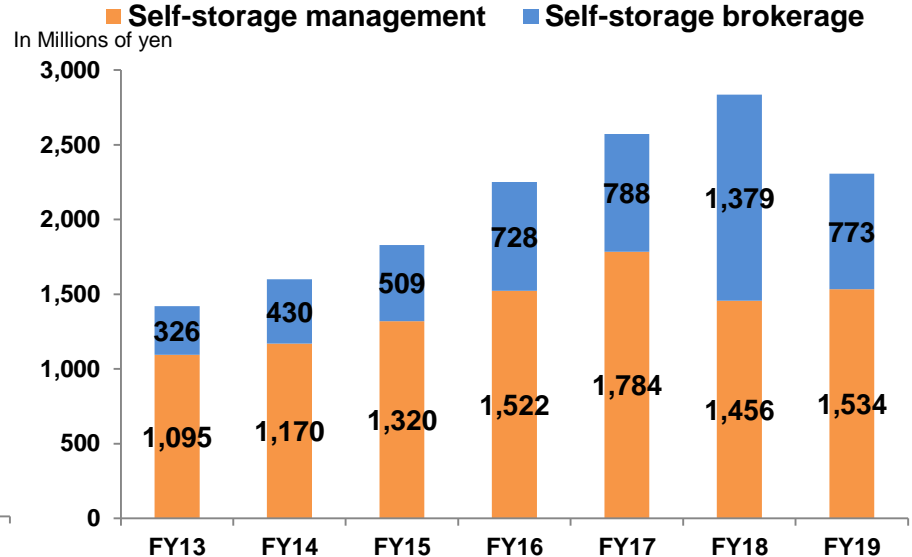
			FY19 (full year)	FY20				
			Cumulative	1Q	2Q	3Q	4Q	Cumulative
	Self-storage management	Net sales	12,797	3,383	3,485	—	—	6,869
		Gross profit	2,526	720	773	—	—	1,494
		Operating income	1,534	445	488	—	—	933
	Self-storage brokerage	Net sales	9,290	427	142	—	—	569
		Gross profit	1,543	49	25	—	—	75
		Operating income	773	(39)	(29)	—	—	(68)
Self-storage Business Segment Total		Net sales	22,087	3,811	3,627	—	—	1,966
		Gross profit	4,069	770	799	—	—	801
		Operating income	2,308	405	459	—	—	641
Land Rights Consolidation Business Segment Total		Net sales	5,402	2,255	1,227	—	—	3,482
		Gross profit	1,888	843	254	—	—	1,098
		Operating income	1,344	597	181	—	—	778
Other Operational Services Business Segment Total		Net sales	1,842	456	412	—	—	869
		Gross profit	706	177	142	—	—	320
		Operating income	546	135	111	—	—	247
Management Division Expenses		Net sales	—	—	—	—	—	—
		Gross profit	—	—	—	—	—	—
		Operating income	(1,169)	(343)	(292)	—	—	(635)
Total for All Businesses		Net sales	29,333	6,523	5,267	—	—	11,791
		Gross profit	6,663	1,791	1,196	—	—	2,988
		Operating income	3,030	795	460	—	—	1,255

Self-Storage Business: Business Performance

Self-Storage Business Net Sales



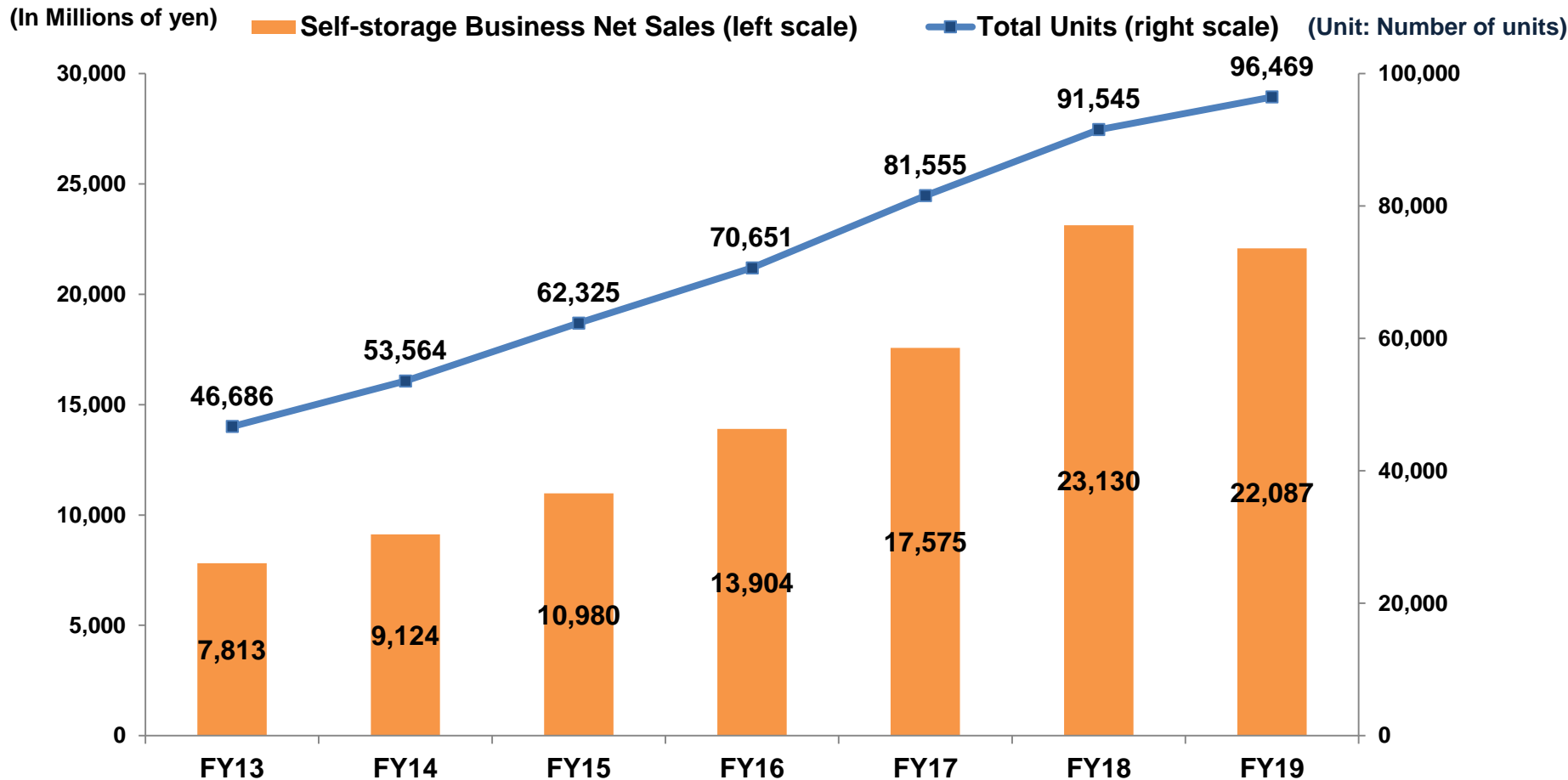
Self-Storage Business Operating Income



(Millions of yen)	FY13	FY14	FY15	FY16	FY17	FY18	FY19
Self-storage management	5,716	6,406	7,455	8,578	9,886	11,262	12,797
Self-storage brokerage	2,096	2,718	3,525	5,325	7,688	11,867	9,290
Self-Storage Business Net Sales	7,813	9,124	10,980	13,904	17,575	23,130	22,087
Self-storage management	1,095	1,170	1,320	1,522	1,784	1,456	1,534
Self-storage brokerage	326	430	509	728	788	1,379	773
Self-Storage Business Operating Income	1,421	1,600	1,829	2,251	2,572	2,836	2,308

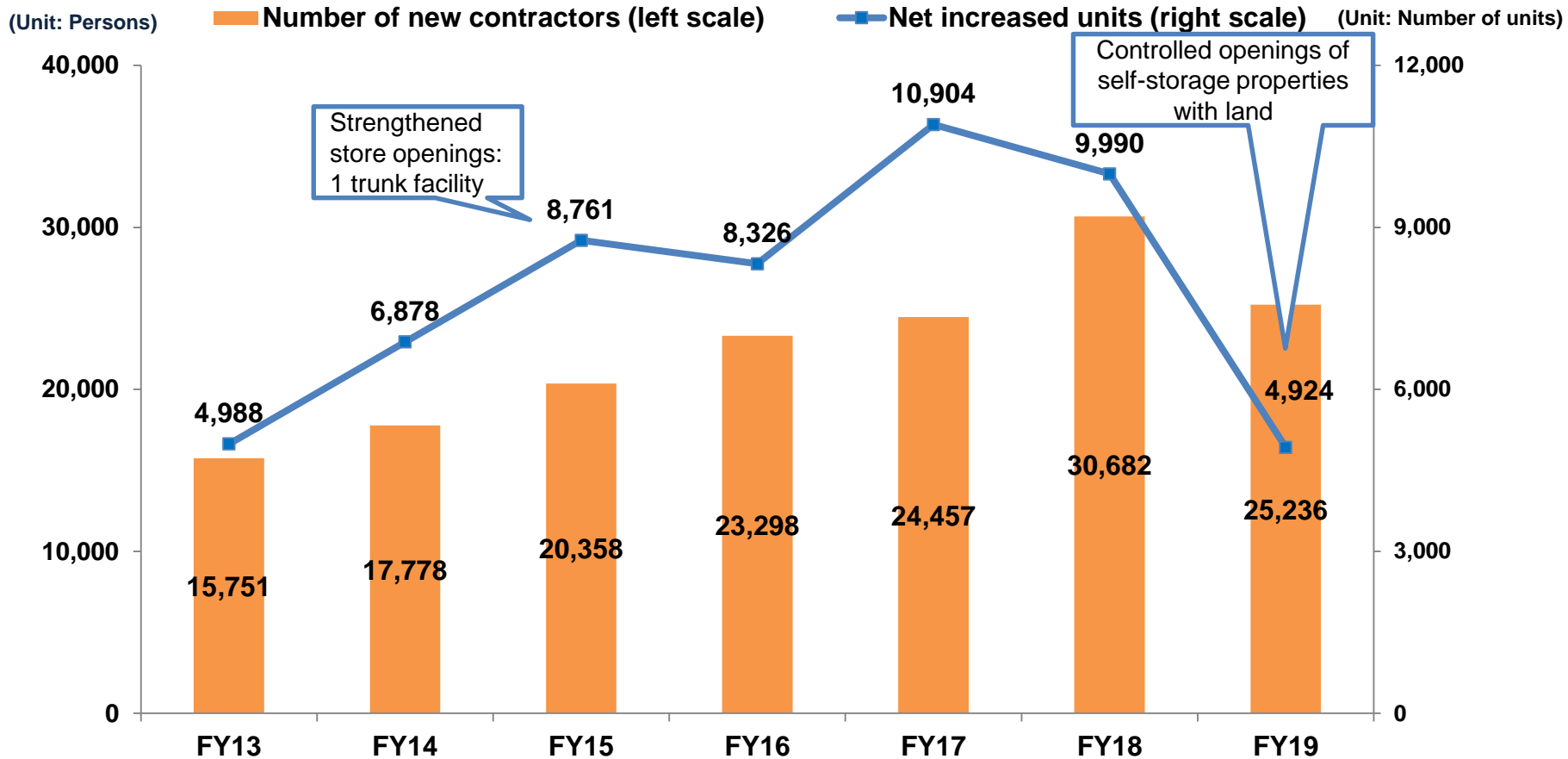
Self-Storage Business: Total Units

Self-Storage Business Net Sales and Total Units



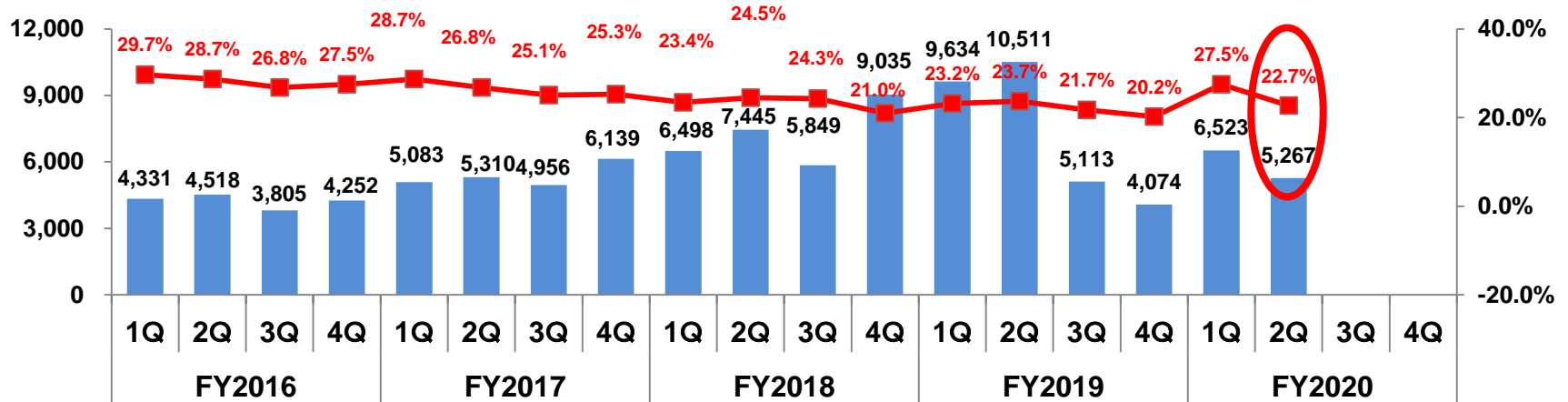
Self-Storage Business: Number of Users

Self-Storage Business Number of New Contractors and Net Increased Units



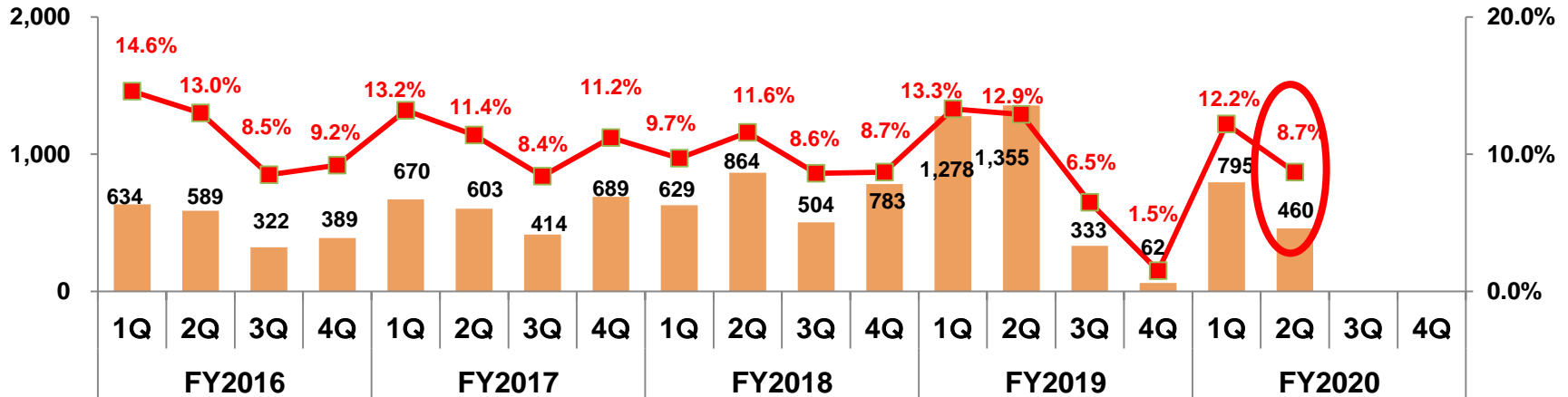
In net sales and gross profit margin

In Millions of yen



In operating income and operating income ratio

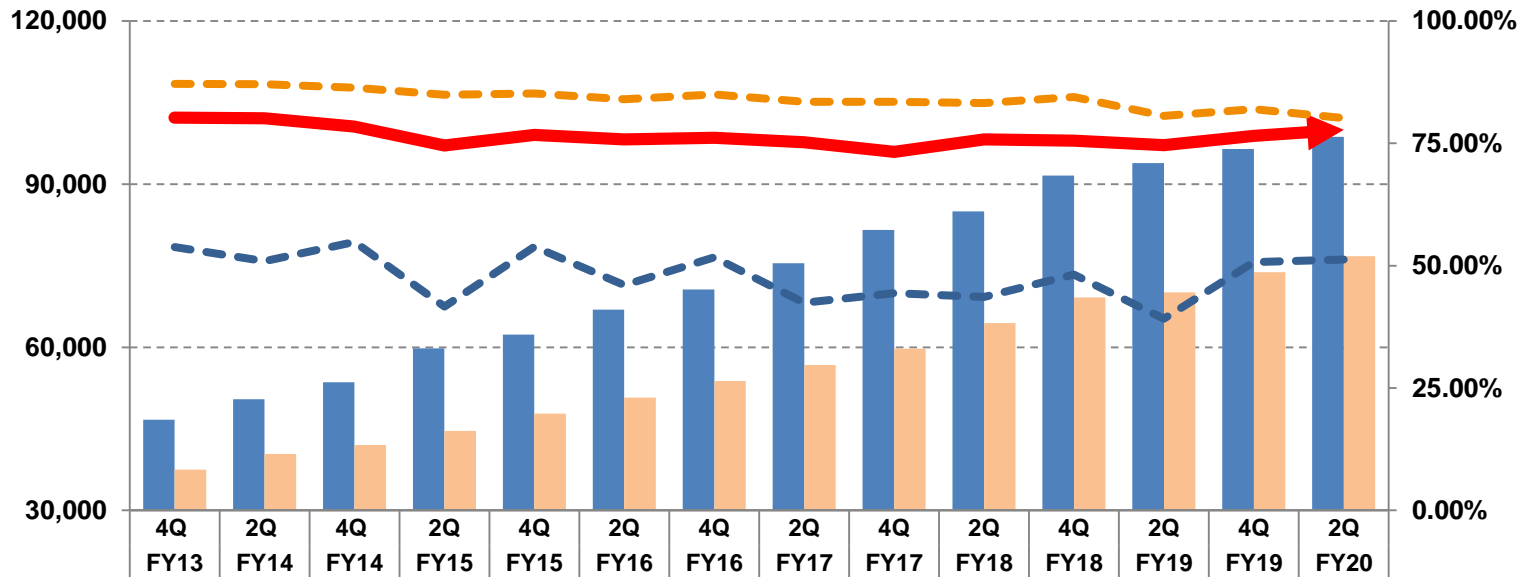
In Millions of yen








More than double the total number of storage units and units in use over 6 years

Total Units, Units in Use, and Utilization Rate

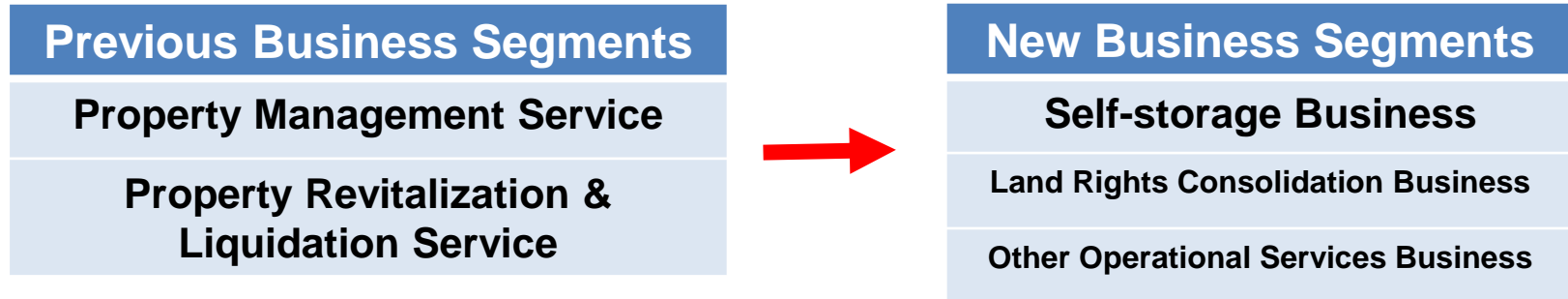
(Unit: Number of units)



 Total Units	46,686	50,422	53,564	59,802	62,325	66,923	70,651	75,440	81,555	85,005	91,545	93,885	96,469	98,691
 Units in Use	37,499	40,407	42,009	44,603	47,796	50,739	53,786	56,742	59,748	64,432	69,169	70,064	73,815	76,743
 Utilization Rate (%)	80.22%	80.14%	78.43%	74.58%	76.69%	75.82%	76.13%	75.21%	73.26%	75.80%	75.56%	74.63%	76.52%	77.76%
 Existing Utilization Rate (%)	87.15%	87.06%	86.36%	84.90%	85.19%	84.03%	84.97%	83.45%	83.48%	83.24%	84.46%	80.59%	81.99%	80.17%
 New Utilization Rate (%)	53.77%	50.90%	54.85%	41.63%	53.84%	46.04%	51.69%	42.43%	44.36%	43.57%	48.20%	39.14%	50.73%	51.26%

* Existing: Units after more than two years since they opened
 New: Units after less than two years since they opened
 New for FY 2020: Newly opened in 2019 and 2020

Reportable segments have been changed from FY12/20.



New Business Segments	Business Contents
Self-storage Business	Self-storage management and brokerage
Land Rights Consolidation Business	Buying and selling of land with leasehold interest; Buying and selling of real estate
Other Operational Services Business	Leasing, maintenance, and management of company-owned real estate; Rental offices; Rental meeting rooms; etc.

Main Properties of Real Estate Holdings

Property Name	Location	Number of properties	Purpose	Book Value (Land and Structure) Unit: ¥mn
Trunk House 24 Series	Tokyo and 4 other prefectures	31	Storage	6,379
Hotel (Comfort Inn・Best Inn)	Kofu City, Yamanashi Prefecture, and other	5	Hotel	1,274
Kanda BM Building	Chiyoda Ward, Tokyo	1	Office, store	955
Ginza Idei Building	Chuo Ward, Tokyo	1	Store	900
Overseas storage	Texas, U.S.	1	Storage	783



Trunk House 24
Megurohoncho
(Meguro Ward, Tokyo)



Trunk House 24
Kamiigusa (Suginami
Ward, Tokyo)



Ginza Idei Building
(Chuo Ward, Tokyo)



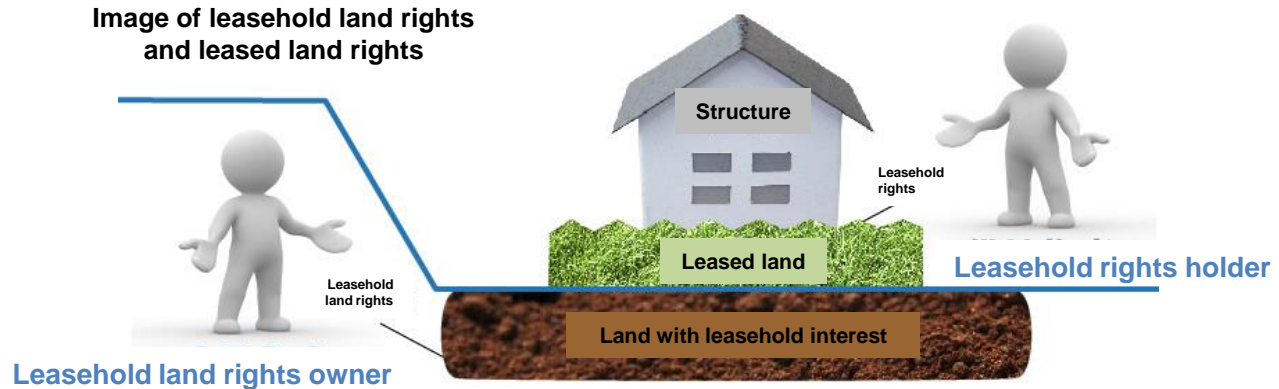
Kanda BM Building
(Chiyoda Ward, Tokyo)



Texas Storage
(Texas, U.S.)

Leasehold Land: Land with a leasehold interest, leased for the purpose of owning a building

Image of leasehold land rights and leased land rights



Situation for the leaseholder and landowner

Leasehold land rights owner (30 - 40% of property rights)

- Unable to utilize land freely
 - Low liquidity, difficult to sell
- * Land rights owner receives rent and renewal fees from leaseholder, but earnings are low compared to the inheritance tax asset valuation.

Leasehold rights holder (60 - 70% of property rights)

- Able to continue occupying land
- * Must meet the following conditions:
- 1) Pay rent (monthly) to the landowner
 - 2) Pay renewal fee to the landowner at contract renewal
 - 3) Landowner consent needed for extension or reconstruction of building

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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