



“We supply the best use of space.”

Results Briefing Fiscal Year Ended December 2020

February 12, 2021
Arealink Co., Ltd.



Trunk House 24 Edogawa Chuo,
51 units



Hello Storage Ichikawa Kounodai,
22 units

I. FY12/20 Business Results/ FY21 Earnings Outlook

II. Basic Policies and Main Measures

III. Appendix

FY12/20 Business Results

FY21 Earnings Outlook

Wataru Sasaki
Executive Officer,
Head of Administrative Division

【Full-Year Results】 FY12/20 Business Results

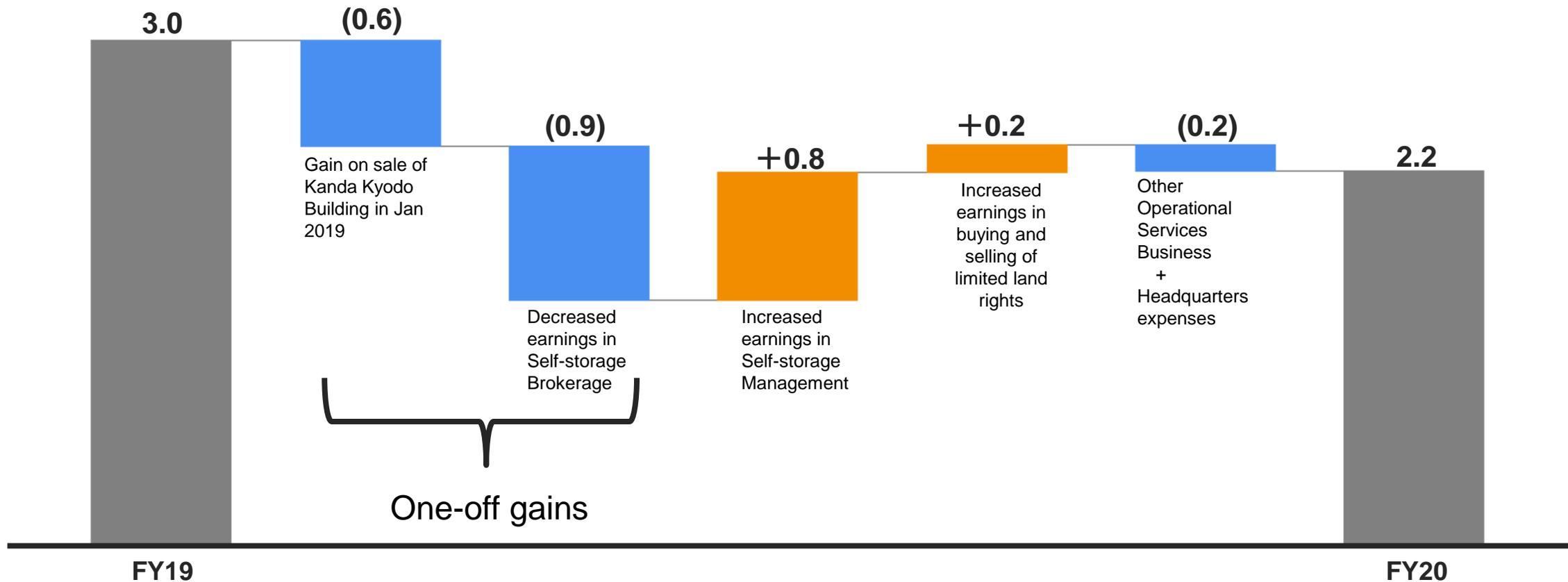
Finished just close to budget; Revenue and earnings decreased but turned into gains

In Millions of yen	FY12/19		FY12/20		
	Actual	Percent of Sales	Actual	Percent of Sales	YoY
Net sales	29,333	—	22,477	—	—23.4%
Cost of sales	22,669	77.3%	16,977	75.5%	—25.1%
Gross profit	6,663	22.7%	5,499	24.5%	—17.5%
SG&A expenses	3,633	12.4%	3,223	14.3%	—11.3%
Operating income	3,030	10.3%	2,275	10.1%	—24.9%
Ordinary income	3,000	10.2%	2,161	9.6%	—28.0%
Extraordinary profit and loss	(5,861)	—	1,123	5.0%	—
Income before income taxes	(2,860)	—	3,284	14.6%	—
Net income	(1,753)	—	2,225	9.9%	—

**One-off gains of ¥1.6 billion in FY19 is the factor for earnings decrease;
Core business, Self-storage Management sees earnings increase**

Increase/decrease in operating income

Unit: Billion yen



Significant increase in earnings for Self-storage Management; Limited Land Rights sees profit ratio decline due to inventory reduction

In Millions of yen

		FY19		FY20		
		Actual	Percent of Sales	Actual	Percent of Sales	YoY
Self-storage management	Net sales	12,797	—	14,027	—	+ 9.6%
	Gross profit	2,526	19.7%	3,502	25.0%	+ 38.7%
	Operating income	1,534	12.0%	2,333	16.6%	+ 52.0%
Self-storage brokerage	Net sales	9,290	—	746	—	−92.0%
	Gross profit	1,543	16.6%	111	14.9%	−92.8%
	Operating income	773	8.3%	(148)	—	—
Self-storage Business	Net sales	22,087	—	14,773	—	−33.1%
	Gross profit	4,069	18.4%	3,614	24.5%	−11.2%
	Operating income	2,308	10.5%	2,184	14.8%	−5.4%
Land Rights Consolidation Business (Limited Land Rights)	Net sales	5,402	—	6,063	—	+ 12.2%
	Gross profit	1,888	34.9%	1,362	22.5%	−27.8%
	Operating income	1,344	24.9%	872	14.4%	−35.1%
Other Operational Services Business	Net sales	1,842	—	1,640	—	−11.0%
	Gross profit	706	38.3%	522	31.9%	−25.9%
	Operating income	546	29.7%	396	24.2%	−27.6%
Management Division	Net sales	—	—	—	—	—
	Gross profit	—	—	—	—	—
	Operating income	(1,169)	—	(1,178)	—	+ 0.8%
Total for All Businesses	Net sales	29,333	—	22,477	—	−23.4%
	Gross profit	6,663	22.7%	5,499	24.5%	−17.5%
	Operating income	3,030	10.3%	2,275	10.1%	−24.9%

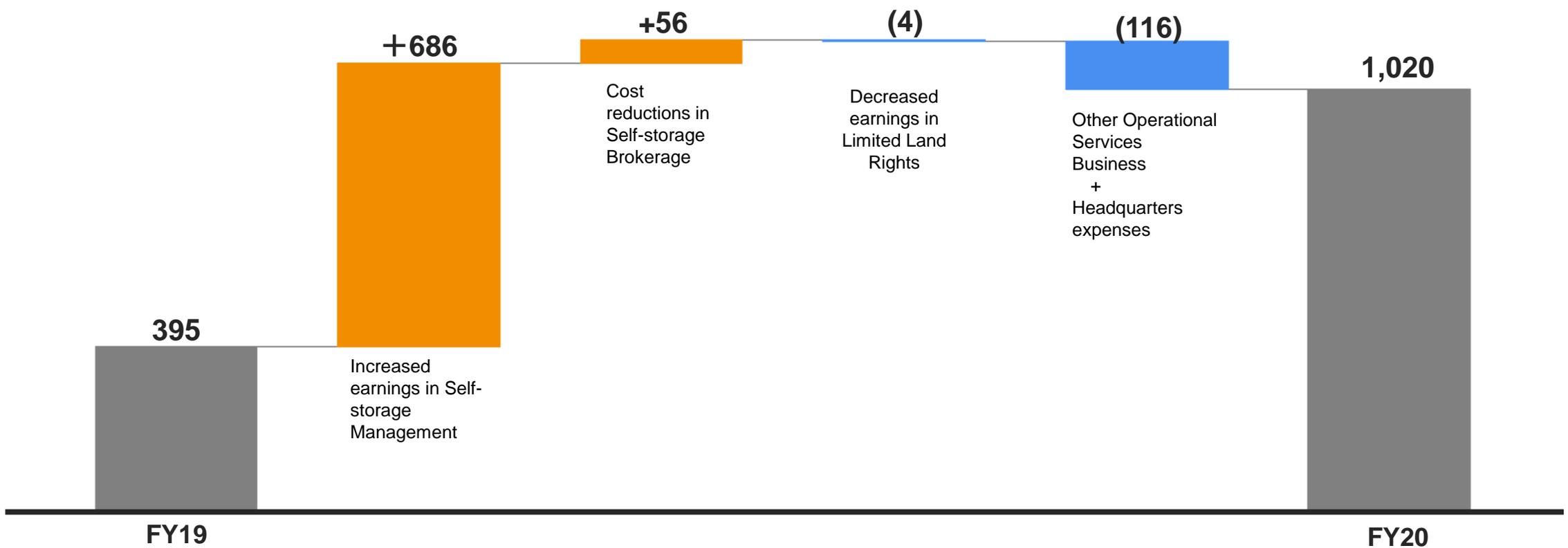
Profit ratio significantly improved on increased revenue and earnings

In Millions of yen	FY12/19		FY12/20		
	Actual	Percent of Sales	Actual	Percent of Sales	YoY
Net sales	9,187	—	10,685	—	+ 16.3%
Cost of sales	7,255	79.0%	8,175	76.5%	+ 12.7%
Gross profit	1,931	21.0%	2,510	23.5%	+ 30.0%
SG&A expenses	1,536	16.7%	1,490	13.9%	−3.0%
Operating income	395	4.3%	1,020	9.5%	+ 157.6%
Ordinary income	527	5.7%	944	8.8%	+ 79.0%
Extraordinary profit and loss	(5,848)	—	1,122	10.5%	—
Income before income taxes	(5,321)	—	2,066	19.3%	—
Net income	(3,439)	—	1,394	13.1%	—

Significant increase in earnings for core business, Self-storage Management

Increase/decrease in operating income

Unit: Million yen



Significant increase in earnings for Self-storage Management; Limited Land Rights business sees profit ratio decline

In Millions of yen

		FY19 3-4Q		FY20 3-4Q		
		Actual	Percent of Sales	Actual	Percent of Sales	YoY
Self-storage management	Net sales	6,508	—	7,158	—	+ 10.0%
	Gross profit	1,285	19.8%	2,008	28.1%	+ 56.2%
	Operating income	712	11.0%	1,399	19.5%	+ 96.3%
Self-storage brokerage	Net sales	987	—	176	—	−82.2%
	Gross profit	98	10.0%	35	20.3%	−63.7%
	Operating income	(135)	—	(79)	—	−41.6%
Self-storage Business	Net sales	7,495	—	7,334	—	−2.1%
	Gross profit	1,384	18.5%	2,044	27.9%	+ 47.7%
	Operating income	576	7.7%	1,319	18.0%	+ 128.8%
Land Rights Consolidation Business (Limited Land Rights)	Net sales	782	—	2,580	—	+ 229.7%
	Gross profit	206	26.4%	264	10.2%	+ 27.6%
	Operating income	98	12.6%	94	3.7%	−4.0%
Other Operational Services Business	Net sales	909	—	770	—	−15.2%
	Gross profit	340	37.5%	202	26.3%	−40.6%
	Operating income	257	28.3%	148	19.2%	−42.5%
Management Division	Net sales	—	—	—	—	—
	Gross profit	—	—	—	—	—
	Operating income	(536)	—	(542)	—	+ 1.0%
Total for All Businesses	Net sales	9,187	—	10,685	—	+ 16.3%
	Gross profit	1,931	21.0%	2,510	23.5%	+ 30.0%
	Operating income	395	4.3%	1,020	9.5%	+ 157.6%

Slight increase in total number of units on previous year with utilization rate at 80.66%, highest rate in past 10 years

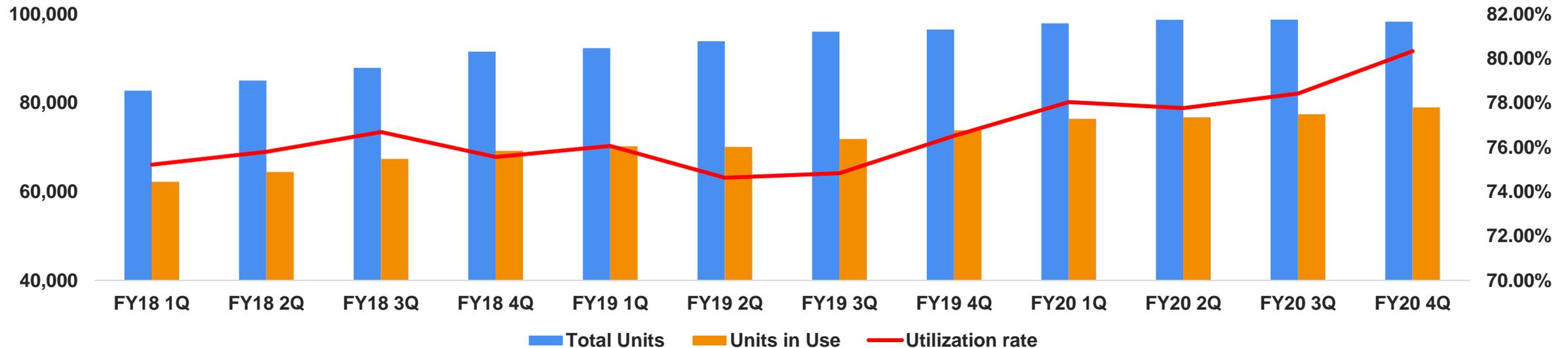
◆ **Total number of self-storage units was 97,885 (up 1,818 units on previous year)**

A result of location openings being suspended (now resumed) due to the coronavirus pandemic

◆ **Utilization rate was 80.66% (up 3.82 ppt on previous year, a large improvement)**

Utilization of existing units was 82.17%, almost the same as the previous year, but due to a large improvement in the utilization of new units, which was 65.10%, overall utilization improved significantly.

Change in numbers of unit over past 3 years



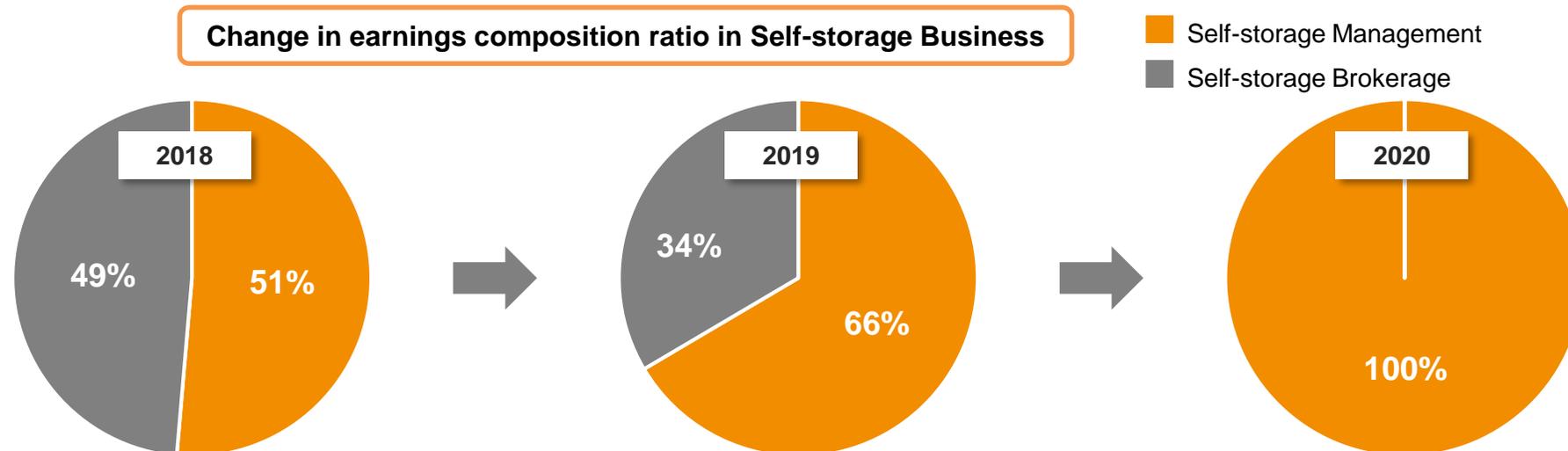
Transition to Cumulative-type centered business operation led to Self-storage Management 's target achieved

◆ Self-storage Management: Achieved budget on increased revenue and earnings

- Operating income increased by 52.0%, resulting in significantly increased earnings
- Increased sales through controlling discount rate, and cost reductions through container purchases and rent reductions have all contributed.

◆ Self-storage Brokerage: Achieved budget with significantly decreased revenue and earnings - Break away from dependence on Self-storage Brokerage

- Achieved budget despite significant decrease in revenue and earnings due to policy change to in-house investment model



Inventory reduction to rebuild business model resulted in profit ratio decline, budget not achieved

◆ Increased revenue but decreased earnings resulting in earnings budget not achieved, affected by inventory reductions

- Revenue increased as a consequence of restrained sales in the second half of 2019, but profit ratio declined due to impact of sales promotion of slow-moving inventory
- Sales achieved, but earnings not achieved with respect to budget; Inventory reduced to ¥4.2 billion, down ¥2.8 billion over FY2019

◆ Some inventories recorded valuation loss, and some of the others transferred to fixed assets for long-term holding

- Closely examined inventories with focus on slow-moving inventories, valuation losses were recorded on some inventories
- Switched to a rental income model for some inventories and transferred ¥200 million to fixed assets

◆ Suspended procurement due to business model restructuring, but now resumed

- As a result of analysis, procurement was on hold to make improvements in decision making at time of purchase.
- Resumed procurement with new method that has a more concrete exit strategy by utilizing Salesforce

Rental Meeting Room did not achieve its target and withdrawn from business

- ◆ **Rental Meeting Room: Significant decrease in revenue and earnings, resulting in withdrawal from business in 2020**
 - Affected by the pandemic, withdrawal from the business was decided after assessing future potential
 - Costs of restoring properties back to their original condition and any penalties scheduled to be incurred after January 2021 have all been recognized in FY12/20

- ◆ **Asset Management Business: Decrease in revenue and increase in earnings; budget not achieved for revenue but achieved for earnings**
 - Accept requests from some tenants for lower rent due to effects of COVID-19
 - Flat earnings as a result of controlling selling and administration expenses

- ◆ **Rental Office Business: Achieved budget while revenue and earnings decreased**
 - Steady improvement in utilization rate resulting in budget achieved. Decrease in revenue and earnings from large properties in Dec 2019.

Extraordinary Income: Recorded reverse gain with provision for loss on repurchases

In Millions of yen	FY19	FY20	YoY
Operating income	3,030	2,275	−24.9%
Non-operating income	245	67	−72.4%
Non-operating expenses	275	182	−33.9%
Ordinary income	3,000	2,161	−28.0%
Extraordinary income	17	1,495	+ 8263.8%
Extraordinary loss	5,878	372	−93.7%
Income before income taxes	(2,860)	3,284	—
Income taxes — current	1,694	463	−72.6%
Income taxes — deferred	(2,801)	596	—
Net income	(1,753)	2,225	—

Non-operating income
Compensation for transfer ¥27 million

Non-operating expenses
Interest expenses ¥133 million

Extraordinary income
Reverse gain with provision for loss on repurchases ¥1,477 million

Extraordinary loss
Impairment loss ¥343 million

Purchased 25% of the total (by value), continue purchases in 2021

Change in provision for loss on repurchases

(In millions of yen)

Initial Balance	Used for Intended Purpose (Purchases)	Purchases Not Required	Others (Reassessing, etc.)	End Balance
5,195	1,276	1,105	515	2,297

- ◆ **Continue negotiations with customers not settled in 2020**
- ◆ **Basic policy on purchases is installment payments so no effect on cash flow**
- ◆ **Purchasing boost Self-storage Management's profits**

Balance Sheet

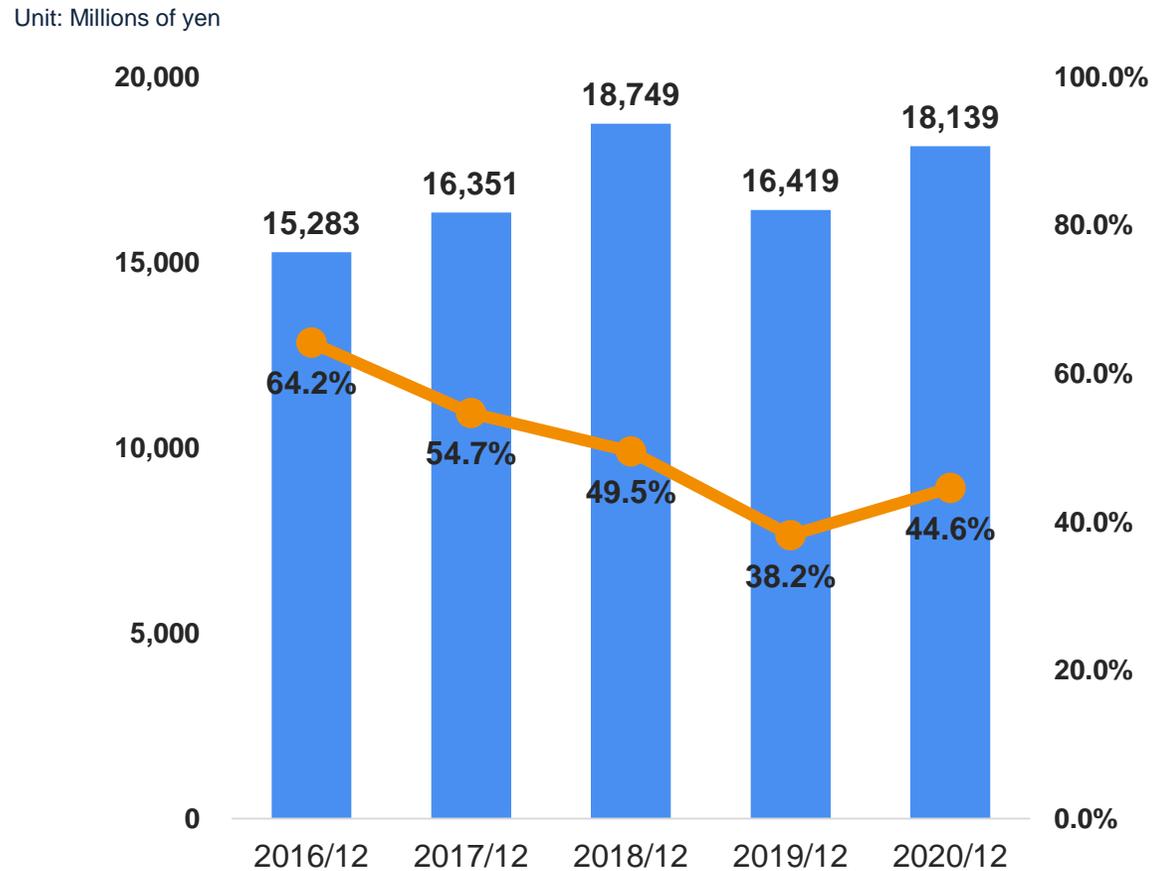
**Maintained cash and deposits of ¥9.7 billion;
Limited land rights inventories down ¥2.8 billion on previous year**

In Millions of yen

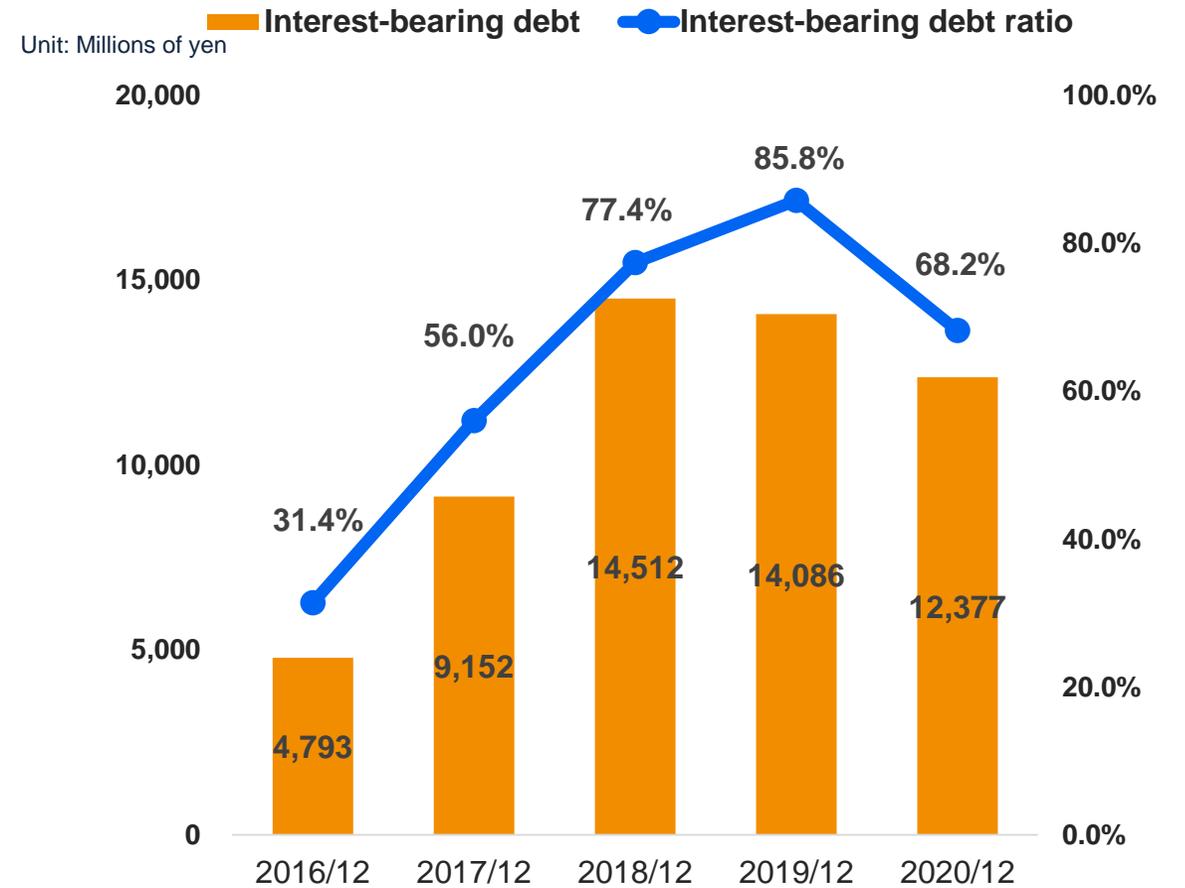
	Cash and deposits 9,776	Current liabilities 6,785	Provision for loss on repurchases 2,297 million yen Current portion of long-term debt 1,616 million yen
Real estate for sale 4,523 million yen (of which limited land rights 4,266 million yen)	Other current assets 6,170	Fixed liabilities 15,777	Long-term loans payable 7,817 million yen Lease obligations 2,129 million yen
Land 7,798 million yen Buildings 6,067 million yen Tools, equipment and fixtures 3,484 million yen	Fixed assets 24,755	Net assets 18,139	Total liabilities 22,563 million yen (YoY -4,037 million yen)
Total assets 40,702 million yen (YoY -2,317 million yen)			Net assets 18,139 million yen (YoY + 1,720 million yen)

Improving Financial Condition: Equity ratio of 44.6%, lower interest-bearing debt ratio

Equity ratio



Interest-bearing debt



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
 Interest-bearing debt ratio= Interest-bearing debt/Net assets × 100

**Transition to Cumulative-type Business:
Revenue decrease and earnings increase, net income is growing in real terms**

In Millions of yen	FY12/20		FY12/21		
	Actual	Percent of Sales	Plan	Percent of Sales	YoY
Net sales	22,477	—	19,700	—	−12.4%
Operating income	2,275	10.1%	2,500	12.7%	+ 9.8%
Ordinary income	2,161	9.6%	2,400	12.2%	+ 11.0%
Net income	2,225	9.9%	1,400	7.1%	−37.1%

FY12/21 Earnings Outlook by Segment

Factors for revenue decrease: Impact from Land Rights Consolidation Business

In Millions of yen

		FY12/20		FY12/21		
		Actual	Percent of Sales	Plan	Percent of Sales	YoY
Self-Storage Business	Net sales	14,773	—	15,300	—	+ 3.6%
	Operating income	2,184	14.8%	3,000	19.6%	+ 37.3%
Land Rights Consolidation Business (Limited Land Rights)	Net sales	6,063	—	3,200	—	−47.2%
	Operating income	872	14.4%	500	15.6%	−42.7%
Other Operational Services Business	Net sales	1,640	—	1,200	—	−26.8%
	Operating income	396	24.2%	300	25.0%	−24.3%
Management Division	Net sales	—	—	—	—	—
	Operating income	(1,178)	—	(1,300)	—	+ 10.4%
Total for All Businesses	Net sales	22,477	—	19,700	—	−12.4%
	Operating income	2,275	10.1%	2,500	12.7%	+ 9.8%

Further Accelerate the Transition to Cumulative-type Business centered, achieving quality profit

- ◆ **Factors behind revenue decrease: Limited Land Rights sales in line with inventory reduction have completed**
Accelerate transition to Cumulative-type business for “quality sales and profits”
- ◆ **Self-storage Business: Management continued to increase revenue and earnings, Brokerage on a par with 2020**
Improved utilization rate of opened units invested in-house from the latter half of 2019 to 2020 boost profitability
- ◆ **Limited Land Rights: Conversion to new system; Improving profit ratio and quality despite expected revenue and earnings decrease**
Strengthened sales from inventory reduction have come to an end, switch to procurement and sales of high-quality limited land rights, expecting revenue and earnings decrease
- ◆ **Other Operational Services Business: Decrease in revenue and earnings**
Revenue decrease due to the withdrawal from Rental Meeting Room Business; Asset Management and Rental Offices expect revenue and earnings increase

Stable Dividend Payout Ratio: Excluding the impact of reverse gains on provision for repurchases

◆ Dividend increase of ¥3 per share: Excluding impact of extraordinary income

Dividend per share and payout ratio

	FY2020 (Plan)	FY2021 (Forecast)
Dividend per share (yen)	31.0	34.0
Payout ratio	17.6%*	30.7%

* For FY2019, dividends were paid based on results excluding extraordinary losses associated with container repurchases. Therefore, for FY2020 as well, Arealink plans to pay dividends based on results excluding impact of reverse gains.

**Steady earnings growth despite the pandemic;
Plan to continue growing ordinary income by a solid 10% each year**

Medium-term Business Plan Management Targets

In Millions of yen	2020		2021		2022		2023	
	Actual	Profit Ratio	Projected	Profit Ratio	Projected	Profit Ratio	Projected	Profit Ratio
Net sales	22,477	—	19,700	—	21,800	—	23,800	—
Operating income	2,275	10.1%	2,500	12.7%	2,800	12.8%	3,200	13.4%
Ordinary income	2,161	9.6%	2,400	12.2%	2,700	12.4%	3,100	13.0%

Self-storage No. of new units*	2,780 units	1,000 units	2,800 units	3,700 units
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*Excludes cancellations

Basic Policies and Main Measures

Naomichi Hayashi
President & CEO

From “Buy and Sell” to “Management-centered”

Utilization rates have remained steady even during the coronavirus crisis.

Self-storage is a product people need



Shift to management that makes society better through self-storage

- ◆ **Growth centered on Self-storage Management = ☺**
- ◆ **Management and growth strategies that rely on buying and selling (brokerage) = ✕**
 - Susceptible to market conditions
 - Large-scale self-storage properties with land intended for sale are relatively difficult to manage
 - Inventory management structure revised in response to drastic increase in purchases of limited land rights
 - Employee development and systems neglected due to prioritization of one's own position to meet targets

Management in accordance with the following major policies, based on analysis of past successes and failures

1. Maintain focus on Self-storage Management

- Pursue company-owned properties to improve profitability
- Open small wood-frame locations "Self-storage Mini" (provisional name)

2. Receive orders, hold, and sell Hello Biz Storage

3. Sell and hold limited land rights utilizing "New-System"

Develop self-storage properties with land of an optimal size, based on analysis of previous location opening

- ◆ If the self-storage units of competitors are like large supermarkets, then Arealink’s small, wood-frame locations are like convenience stores. We aim to offer products that competitors cannot emulate.
 - Three-story wood-frame structures with 40 units that can be opened in regional cities with populations of around 100,000 people
 - Small wood-frame: A type of product that competitors cannot emulate in terms of financing
- ◆ Aim to open locations throughout Japan, with a view to overseas development in the future
- ◆ Hello Storage colors (orange and blue) used for the exterior, giving the buildings a stylish appearance

Artist’s rendering of “Self-storage Mini”
(provisional name)▶



Hello Biz Self-storage also suitable for residential use planned to be opened in March 2021

- ◆ **Hello Biz Self-storage: Combined warehouse, office, residence, and parking lot**
 - Further evolve Biz Self-storage launched in 2020 by making them also suitable for residential use to increase demand
 - Opening in Machida, Tokyo planned for March 2021
 - Openings are planned mainly in suburban areas, with combination of company-owned properties, orders, and sales

Artist's rendering of Machida location



Example of Business Self-storage usage
1F Storage



2F Office



Enhance customer-first service, and offer a better life by using self-storage

◆ “Hello Home Delivery” service: Enhancing customer convenience

- One-stop solution for moving goods from home to self-storage unit

◆ Develop locations using transport IC card security system

- Transport IC card can be used as the key for their self-storage unit
- Single card that each customer already has can be used as keys to multiple self-storage units
- Start introducing the service for the Trunk House 24 series, with plan for gradual expansion

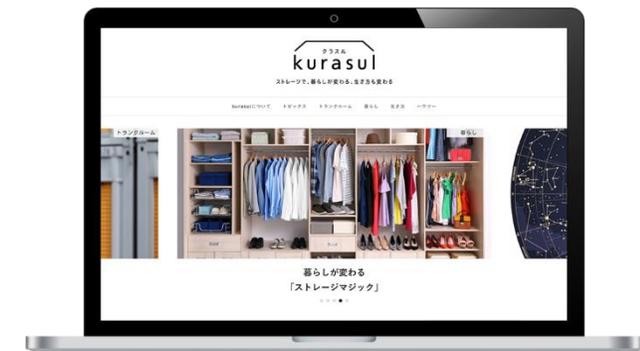
◆ Provide information through the “kurasul” website.

- Continually present ideas for a richer life using self-storage

Location with a transport IC card security system



“kurasul” idea website



“Get to Know Arealink Products” project for employees launched in 2021

◆ Employees Experience the Use of Self-storage

- Employees can use Self-storage units under benefit program
- Considering the plan to expand the indoor-type Self-storage Mini (provisional name) series, the program is limited to the same style of indoor-type self-storage, with the aim of enhancing product and service quality
- “Hello Home Delivery” service also made available to employees so that they can experience the service

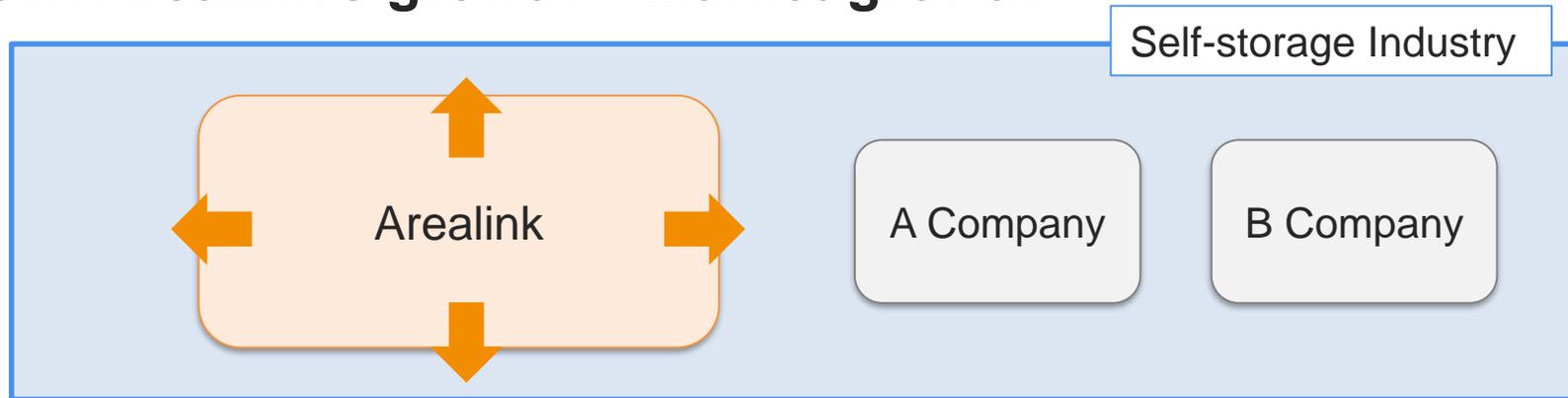
◆ "Storage Grand Prix" by Employees

- Prizes awarded for the best use of storage
- Promotes a user perspective, and ideas for improvements

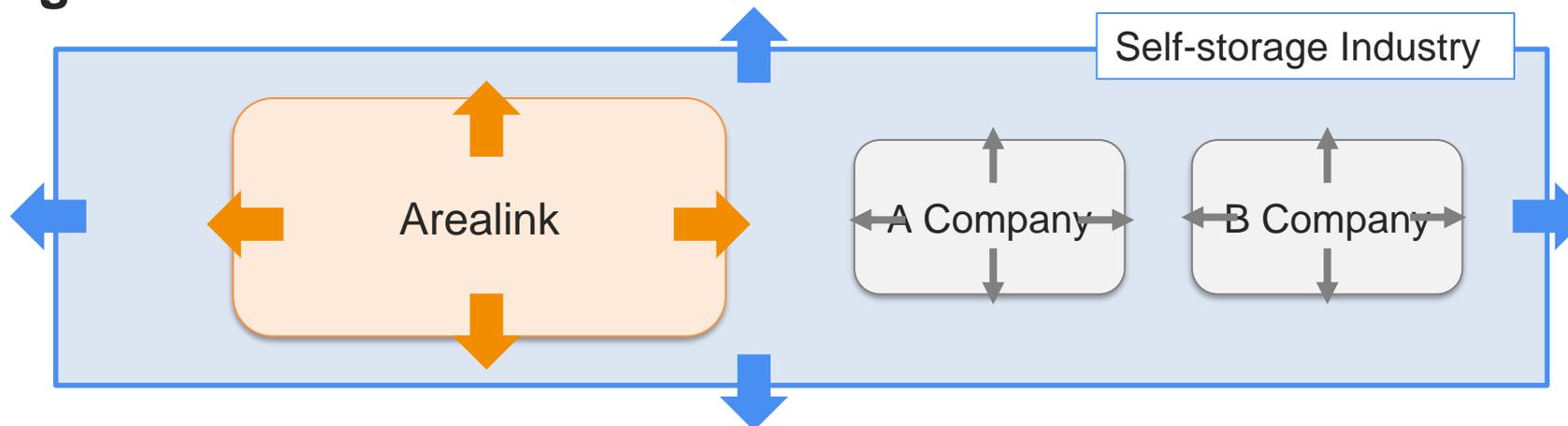


Promote the Excellence of Self-Storage as an Industry

- ◆ Up to now: Arealink's growth = Market growth



- ◆ Going forward: Promote the excellence of self-storage as an industry, and grow together with the market



Examined Issues in 2020, Establish and Implement the New Style from 2021

- ◆ **Up to now: Sell to leaseholder (decreasing land price) or purchase and resell leasehold rights (increasing land price)**



- ◆ **Going forward: Create a business focused on limited land rights with various types of arrangements.**
 - Sell limited land rights to real estate investors, aiming for yield (around 3%) from ground rent
 - Acquire leasehold rights, renovate buildings (apartments, etc.), and hold or sell

What is our duty as a leading company?



Together with market growth, start to solve social and environmental issues



**Business
income
growth**



**ESG/CSR
measures**

Improve the living environment in Japan, and contribute to environmental conservation with efficient use of resources

- ◆ **Self-storage: Improve the living environment in Japan, and contribute to the current momentum for telework**
- ◆ **Pursue environmental measures**
 - **Wood-frame self-storage: Open locations that can serve "50 years", longer than useful life of tax depreciation**
 - **Containers: Conduct regular maintenance to ensure long-term use (50-75 years)**
 - (1) Beautify outward appearance to provide harmony with the surrounding neighborhood, and enhance security
 - (2) “Red rust” that is the source of corrosion → Convert to benign “Black rust”



Before maintenance



After maintenance



Red rust



Conversion
material
used



Black rust

Human resources development: Along with existing systems, develop methods for executive training

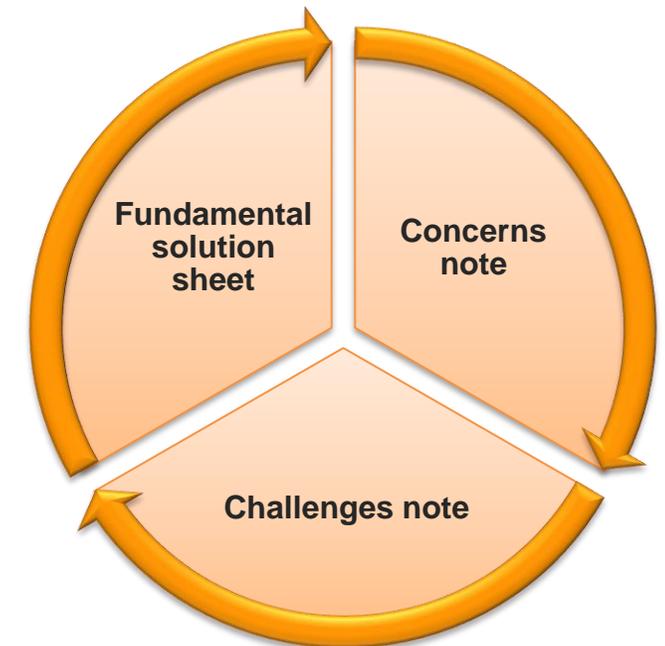
- ◆ Have been recruiting telecommuters long before the recent COVID crisis; Promote diverse working styles with systems that allow people with small children or providing nursing care to work reduced hours or from home
- ◆ Develop methods for human resource development and executive training using proprietary tools

(1) Regular Employees

Increase business function level through the Arealink Master program

(2) Executives

System to create lists to manage future management risks and challenges, consider fundamental solutions, and take preemptive action.



Management Philosophy

Provide convenience, joy, and excitement

Vision

1. Contribute to better lifestyles for people through self-storage
2. Achieve stable growth over the longer term with service-oriented businesses
3. Pursue ESG management and solve social challenges

Steadily increase earnings even during the coronavirus crisis, aiming for 10% annual growth in Cumulative-type businesses

Medium-term Business Plan Management Targets

	2020	2021	2022	2023
Net Sales	22.4 billion	19.7 billion	21.8 billion	23.8 billion
Operating Income	2.2 billion	2.5 billion	2.8 billion	3.2 billion
Ordinary Income	2.1 billion	2.4 billion	2.7 billion	3.1 billion

Self-storage No. of new units*	2,780 units	1,000 units	2,800 units	3,700 units
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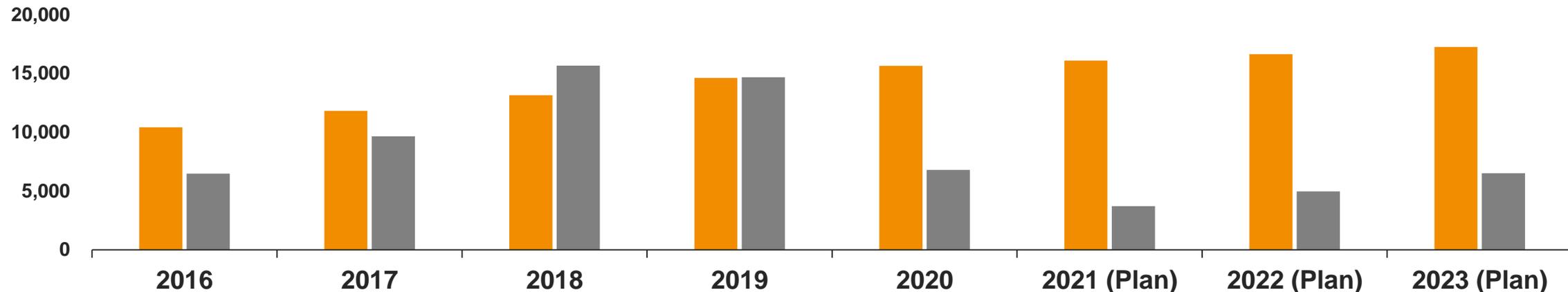
* Excludes cancellations

Transition to a company with revenue and earnings based on Cumulative-type businesses

Unit: Millions of yen

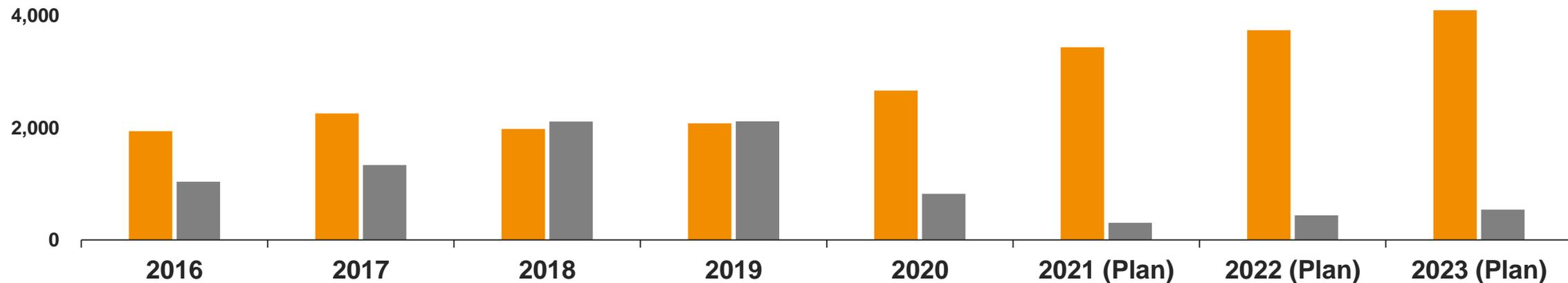
■ Cumulative-type
■ Non-cumulative

Net Sales



Unit: Millions of yen

Business Earnings



- ◆ **Location opening plan: Annual net increase of self-storage units in operation of around 5,000 units**
 - Focus on quality over quantity, and maintain policy of careful selection for location openings
 - Plan to open around 5,000 units annually keeping pace with the target for annual net increase
 - Containers: Pursue openings with used containers, targeting cities with populations of around 100,000 people
 - Slow start as to the number of location openings due to longer construction periods for Self-storage Mini (provisional name)

- ◆ **Basic policy is to open company-owned locations considering the financial balance at the same time**
 - Openings with a combination of in-house investment and the owner's expense (orders and sales)
 - Drastically curb the proportion of earnings from orders and sales

- ◆ **Personnel structure: Maintain policy of small, highly skilled workforce**

Aim for “earnings of ¥50 million per employee by 2025” centered on Cumulative-type businesses

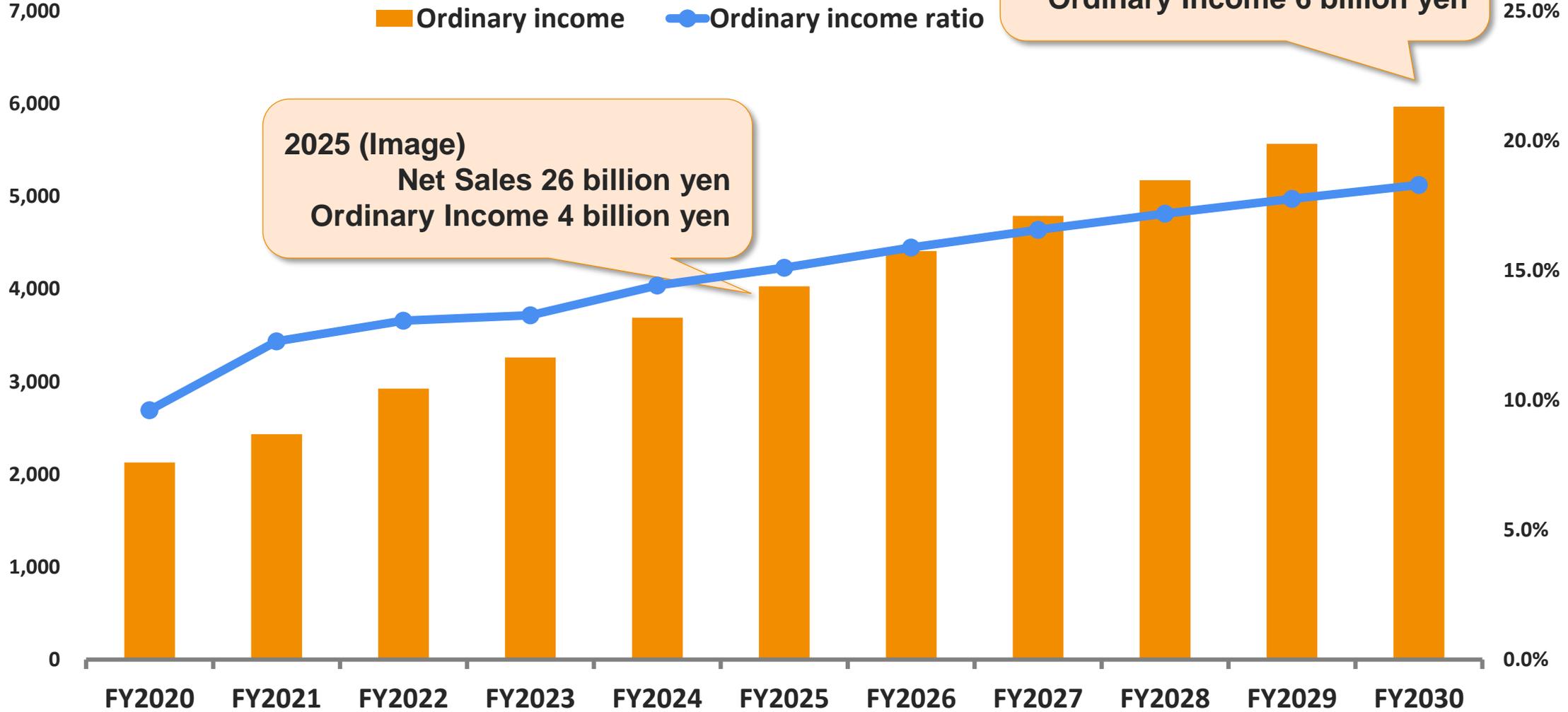
Long-term Vision

Ordinary Income Growth Image

2030 (Image)
Net Sales 32 billion yen
Ordinary Income 6 billion yen

2025 (Image)
Net Sales 26 billion yen
Ordinary Income 4 billion yen

Unit: Millions of yen



Appendix

Change in Reportable Segments

Reportable segments have been changed from FY12/20.

Prior Business Segments		
Property Management Service	Self-storage Management	
	Self-storage Brokerage	
	Other Property Management Services	Rental offices
		Assets
		Land with leasehold interest (rent income)
...		
Property Revitalization & Liquidation Service	Buying and selling of leasehold land and property	



New Business Segments	
Self-storage Business	Self-storage Management
	Self-storage Brokerage
Land Rights Consolidation Business	Buying and selling of leasehold land and property
	Land with leasehold interest (rent income)
Other Operational Services Business	Rental offices
	Assets
	...

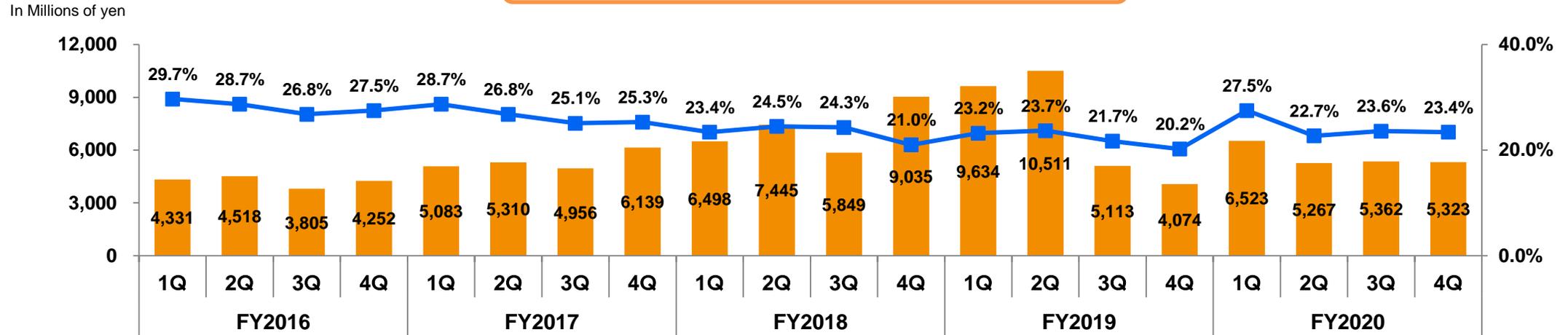
Segment Name	Segment Description
Self-storage Business	Self-storage Management: Operation, marketing, and management of rental storage spaces Self-storage Brokerage: Received orders and sales of self-storage properties as investment products
Land Rights Consolidation Business	Resolution of issues between land owners and leasehold rights holders through the buying and selling of leasehold land with complex rights circumstances
Other Operational Services Business	Businesses based on rent income, such as rental management of company-held properties, and rental offices

Business Segments – Quarterly Results

In Millions of yen			FY19	FY20				
			Full-year	1Q	2Q	3Q	4Q	Cumulative
	Self-storage management	Net sales	12,797	3,383	3,485	3,547	3,611	14,027
		Gross profit	2,526	720	773	930	1,077	3,502
		Operating income	1,534	445	488	627	771	2,333
	Self-storage brokerage	Net sales	9,290	427	142	176	—	746
		Gross profit	1,543	49	25	36	—	111
		Operating income	773	(39)	(29)	(10)	△68	△ 148
Self-storage Business	Net sales	22,087	3,811	3,627	3,723	3,611	14,773	
	Gross profit	4,069	770	799	967	1,077	3,614	
	Operating income	2,308	405	459	617	702	2,184	
Land Rights Consolidation Business	Net sales	5,402	2,255	1,227	1,247	1,332	6,063	
	Gross profit	1,888	843	254	177	86	1,362	
	Operating income	1,344	597	181	110	△ 16	872	
Other Operational Services Business	Net sales	1,842	456	412	391	379	1,640	
	Gross profit	706	177	142	122	79	522	
	Operating income	546	135	111	93	54	396	
Management Division	Net sales	—	—	—	—	—	—	
	Gross profit	—	—	—	—	—	—	
	Operating income	(1,169)	(343)	(292)	(266)	△ 275	△ 1,178	
Total for All Businesses	Net sales	29,333	6,523	5,267	5,362	5,323	22,477	
	Gross profit	6,663	1,791	1,196	1,267	1,243	5,499	
	Operating income	3,030	795	460	554	465	2,275	

Entire Business– Quarterly Results

In net sales and gross profit margin



In operating income and operating income ratio

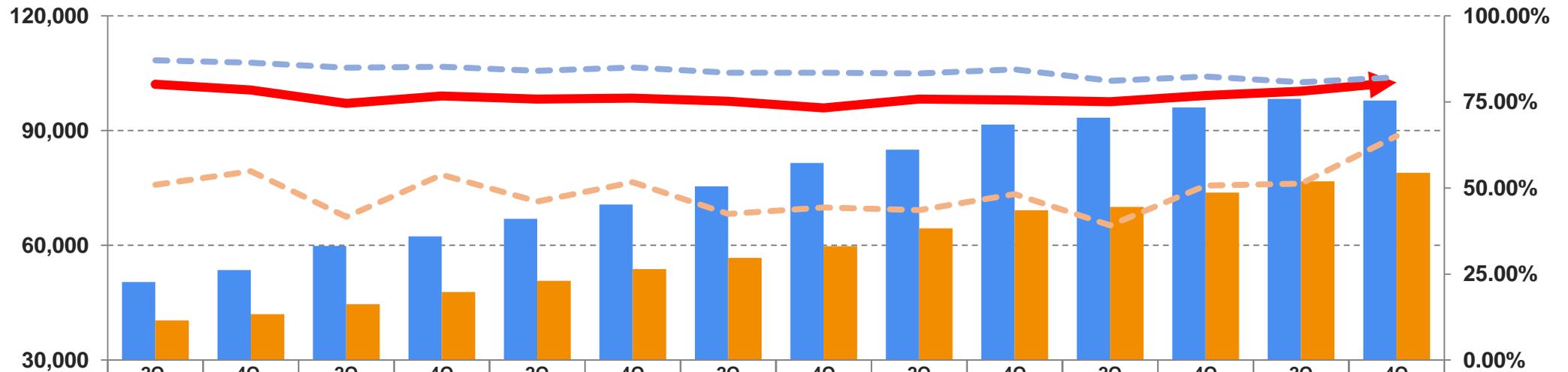


Status of Hello Storage Facilities

Utilization rate at 80.66%, highest rate in past 10 years due to carefully selected new store openings during 2019-2020

Total Units, Units in Use, and Utilization Rate

Unit: Number of units



	2Q FY14	4Q FY14	2Q FY15	4Q FY15	2Q FY16	4Q FY16	2Q FY17	4Q FY17	2Q FY18	4Q FY18	2Q FY19	4Q FY19	2Q FY20	4Q FY20
 Total Units	50,422	53,564	59,802	62,325	66,923	70,651	75,440	81,555	85,005	91,545	93,372	96,067	98,289	97,885
 Units in Use	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	78,958
 Utilization Rate (%)	80.14%	78.43%	74.58%	76.69%	75.82%	76.13%	75.21%	73.26%	75.80%	75.56%	75.04%	76.84%	78.08%	80.66%
 Existing Utilization Rate (%)	87.06%	86.36%	84.90%	85.19%	84.03%	84.97%	83.45%	83.48%	83.24%	84.46%	81.10%	82.40%	80.68%	82.17%
 New Utilization Rate(%)	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%	65.10%

* 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

Storage Business : Openings by Region

Prefecture	Containers	Trunk	Total	Propotion of Total
Hokkaido	918	559	1,477	1.5%
Aomori	30	0	30	0.0%
Miyagi	1,619	0	1,619	1.7%
Yamagata	29	0	29	0.0%
Fukushima	87	0	87	0.1%
Ibaraki	786	0	786	0.8%
Tochigi	313	0	313	0.3%
Gunma	953	0	953	1.0%
Saitama	8,756	2,157	10,913	11.1%
Chiba	10,187	1,506	11,693	11.9%
Tokyo	17,329	14,085	31,414	32.1%
Kanagawa	8,813	3,947	12,760	13.0%
Nigata	117	0	117	0.1%
Toyama	143	0	143	0.1%
Ishikawa	203	0	203	0.2%
Fukui	112	0	112	0.1%
Yamanashi	180	0	180	0.2%
Nagano	284	0	284	0.3%
Gifu	618	0	618	0.6%
Shizuoka	1,393	0	1,393	1.4%
Aichi	5,031	1,045	6,076	6.2%
Mie	378	50	428	0.4%
Shiga	235	0	235	0.2%

Prefecture	Containers	Trunk	Total	Propotion of Total
Kyoto	1,346	152	1,498	1.5%
Osaka	3,987	1,088	5,075	5.2%
Hyogo	3,717	121	3,838	3.9%
Nara	606	0	606	0.6%
Wakayama	27	0	27	0.0%
Tottori	52	0	52	0.1%
Shimane	30	0	30	0.0%
Okayama	218	0	218	0.2%
Hiroshima	345	0	345	0.4%
Yamaguchi	169	0	169	0.2%
Tokushima	27	0	27	0.0%
Kagawa	198	76	274	0.3%
Ehime	118	0	118	0.1%
Kochi	52	0	52	0.1%
Fukuoka	2,417	0	2,417	2.5%
Saga	106	0	106	0.1%
Nagasaki	118	0	118	0.1%
Kumamoto	402	0	402	0.4%
Oita	106	0	106	0.1%
Miyazaki	123	0	123	0.1%
Kagoshima	385	0	385	0.4%
Okinawa	36	0	36	0.0%
Total	73,099	24,786	97,885	100.0%

Main Properties of Real Estate Holdings

Property Name	Location	Number of properties	Purpose	Book Value (Land and Structure) Unit: ¥million
Trunk House 24 Series	Tokyo and 5 other prefectures	31	Storage	6,225
Hotel (Comfort Inn・Best Inn)	Kofu City, Yamanashi Prefecture, and other	5	Hotel	1,235
Kanda BM Building	Chiyoda Ward, Tokyo	1	Office, store	946
Ginza Idei Building	Chuo Ward, Tokyo	1	Store	896
Overseas storage	Texas, U.S.	1	Storage	773



**Trunk House 24
Megurohonocho
(Meguro Ward, Tokyo)**



**Trunk House 24
Hiratsukaoimatsucho
(Hiratsuka-shi, Kanagawa Prefecture)**



**Ginza Idei Building
(Chuo Ward, Tokyo)**



**Kanda BM Building
(Chiyoda Ward, Tokyo)**



**Texas Storage
(Texas, U.S.)**

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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