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To Whom It May Concern

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Notice Concerning Extraordinary Income and Revisions to Earnings Forecasts

Arealink recorded an extraordinary income (reversal of the provision for loss on repurchases) and has made the following revisions to the earnings forecasts for the full fiscal year ending December 31, 2020 announced on February 14, 2020.

1. Extraordinary Income on the Reversal of the Provision for Loss on Repurchases

Of the provision for loss on repurchases recorded in the fiscal year ended December 31, 2019, Arealink reversed the provision for containers which were decided not to be purchased in the third quarter and recognized 582 million yen as an extraordinary income.

2. Revised Earnings Forecasts

Revised earnings forecasts for the full fiscal year ending December 31, 2020 (January 1, 2020 to December 31, 2020)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share
Previous Forecast (A)	24,700	2,300	2,200	1,300	102.93 yen
Revised Forecast (B)	22,300	2,300	2,200	1,700	134.59 yen
Net Change (B-A)	(2,400)	—	—	400	—
Percentage Change	(9.7)	—	—	30.8	—
(Reference) The full fiscal year ended December 31, 2019	29,333	3,030	3,000	(1,753)	(138.81) yen

(Millions of yen, %)

3. Reason for the Revisions

Regarding the full-year earnings forecast for the fiscal year ending December 31, 2020, Arealink recognized an extraordinary income as described above. As a consequence, net income is expected to exceed initial forecasts.

However, in anticipation of worsening market conditions due to the coronavirus pandemic, sales in the land rights consolidation business are expected to be lower than initial forecast due to a halt in procurement to reduce inventories and sales promotion of slow-moving inventory. On the other hand, operating income and ordinary income have remained unchanged from initial forecasts because of better profit margins due to efforts to improve profitability (relocation and cancellation of underperforming properties, requests for lower ground rents, and container repurchases) in self-storage management.

Disclaimer: The earnings forecasts given above are based on the data available as of the date of this report. Actual results may differ significantly from these forecasts due to a variety of factors.

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