

October 28, 2021

Arealink Co., LTD.

TSE 2nd section Code 8914



## FY2021 3Q Business Performance Summary

### ■FY12/21 3Q YTD Business Results (9 months)

Revenues decreased and earnings increased, progressing according to budget

In Millions of yen	FY12/20 3Q YTD (Jan.-Sept.)		FY12/21 3Q YTD (Jan.-Sept.)		
	Actual	Percent of Sales	Actual	Percent of Sales	YoY
<b>Net sales</b>	17,153	—	<b>15,279</b>	—	<b>- 10.9%</b>
Cost of sales	12,897	75.2%	<b>10,740</b>	<b>70.3%</b>	<b>- 16.7%</b>
Gross profit	4,256	24.8%	<b>4,538</b>	<b>29.7%</b>	<b>+ 6.6%</b>
SG&A expenses	2,445	14.3%	<b>2,168</b>	<b>14.2%</b>	<b>- 11.3%</b>
<b>Operating income</b>	<b>1,810</b>	<b>10.6%</b>	<b>2,369</b>	<b>15.5%</b>	<b>+ 30.9%</b>
<b>Ordinary income</b>	<b>1,727</b>	<b>10.1%</b>	<b>2,349</b>	<b>15.4%</b>	<b>+ 36.0%</b>
Extraordinary profit and loss	583	3.4%	<b>276</b>	<b>1.8%</b>	<b>- 52.6%</b>
Income before income taxes	2,311	13.5%	<b>2,625</b>	<b>17.2%</b>	<b>+ 13.6%</b>
<b>Net income</b>	<b>1,586</b>	<b>9.2%</b>	<b>1,856</b>	<b>12.2%</b>	<b>+ 17.0%</b>

In the first 9 months of the fiscal year ending December 2021, net sales of ¥15,279 million (down 10.9% year on year), operating income of ¥2,369 million (up 30.9%), ordinary income of ¥2,349 million (up 36.0%), and quarterly net income of ¥1,856 million (up 17.0%), resulted in a drop for revenue and an increase for earnings due to reversal gain on provision for loss on repurchases and transfer of Parking Business.

### ■Overview of FY12/21 3Q YTD by Segment

Self-storage management saw significant increase in earnings, and Land Rights Consolidation Business recorded decreased revenue and earnings as planned

In Millions of yen		FY12/20 3Q YTD (Jan.-Sept.)		FY12/21 3Q YTD (Jan.-Sept.)		
		Actual	Percent of Sales	Actual	Percent of Sales	YoY
<b>Self-storage management</b>	Net sales	10,416	—	<b>11,136</b>	—	<b>+ 6.9%</b>
	Gross profit	2,425	23.3%	<b>3,475</b>	<b>31.2%</b>	<b>+ 43.3%</b>
	Business profit	1,561	15.0%	<b>2,592</b>	<b>23.3%</b>	<b>+ 66.0%</b>
<b>Self-storage brokerage</b>	Net sales	746	—	<b>511</b>	—	<b>- 31.5%</b>
	Gross profit	112	15.0%	<b>68</b>	<b>13.4%</b>	<b>- 39.0%</b>
	Business profit	(79)	—	<b>(121)</b>	—	<b>+ 52.9%</b>
<b>Self-storage Business</b>	Net sales	11,162	—	<b>11,648</b>	—	<b>+ 4.3%</b>
	Gross profit	2,537	22.7%	<b>3,543</b>	<b>30.4%</b>	<b>+ 39.7%</b>
	Business profit	1,482	13.3%	<b>2,470</b>	<b>21.2%</b>	<b>+ 66.7%</b>
<b>Land Rights Consolidation Business (Limited Land Rights)</b>	Net sales	4,730	—	<b>2,591</b>	—	<b>- 45.2%</b>
	Gross profit	1,275	27.0%	<b>656</b>	<b>25.3%</b>	<b>- 48.5%</b>
	Business profit	889	18.8%	<b>434</b>	<b>16.8%</b>	<b>- 51.1%</b>
<b>Other Operational Services Business</b>	Net sales	1,260	—	<b>1,039</b>	—	<b>- 17.5%</b>
	Gross profit	443	35.2%	<b>338</b>	<b>32.5%</b>	<b>- 23.7%</b>
	Business profit	341	27.1%	<b>289</b>	<b>27.8%</b>	<b>- 15.3%</b>
<b>Management Division</b>	Net sales	—	—	—	—	—
	Gross profit	—	—	—	—	—
	Business profit	(902)	—	<b>(825)</b>	—	<b>- 8.5%</b>
<b>Total for All Businesses</b>	Net sales	17,153	—	<b>15,279</b>	—	<b>- 10.9%</b>
	Gross profit	4,256	24.8%	<b>4,538</b>	<b>29.7%</b>	<b>+ 6.6%</b>
	Operating income	1,810	10.6%	<b>2,369</b>	<b>15.5%</b>	<b>+ 30.9%</b>

**Self-Storage Business: Practically all business profits gained from self-storage management whose earnings significantly increased**

Self-storage business 3Q YTD sales were ¥11,648 million (up 4.3% year on year) and business profit was ¥2,470 million (up 66.7%), up significantly. Of this, self-storage management sales were ¥11,136 million (up 6.9%) and business profit was ¥2,592 million (up 66.0%) greatly helping to increase earnings of the segment as a whole.

The total number of units was 97,781, a decrease of 549 units (compared to end-Sept 2020), but the utilization rate was 83.91%, an increase of 5.17 ppt (compared to end-Sept 2020), a significant rise. In addition to increased utilization rate, earnings increased owing to cost reductions from container repurchases, etc.

**Land Rights Consolidation Business: Decreased revenue and earnings on recoil from promotion of sales to shrink inventory and sales of large projects in the previous term**

Net sales in 3Q YTD (nine months) were ¥2,591 million (down 45.2% year on year) resulting in business profit of ¥434 million (down 51.1% year on year). Significant decrease in revenue and earnings due to recoil from sales of large projects (¥1.1 billion in sales, ¥300 million in profit) in 1Q of 2020 and sales to promote shrinkage of inventory in H2 2020.

**■2021 Earnings Forecast: Revised upward, net income up ¥250 million**

In Millions of yen	FY12/20 Actual	FY12/21 Previous Forecast	FY12/21 Revised Forecast	YoY	Compared to Previous Forecast
<b>Net sales</b>	22,477	19,700	<b>19,700</b>	- 12.4%	—
<b>Operating income</b>	2,275	2,700	<b>2,900</b>	+ 27.4%	+ 200 (+ 7.4%)
<b>Ordinary income</b>	2,161	2,600	<b>2,800</b>	+ 29.5%	+ 200 (+ 7.7%)
<b>Net income</b>	2,225	1,750	<b>2,000</b>	- 10.1%	+ 250 (+ 14.3%)

**■Dividend Forecast: Revised upward ¥6 from initial forecast and payout ratio is expected to be 29.7%**

	FY2019	FY2020	FY2021 Previous Forecast	FY2021 Revised Forecast
<b>Net assets per share (yen)</b>	(138.81)	176.16	138.48	<b>158.23</b>
<b>Dividend per share (yen)</b>	40.0	31.0	41.0	<b>47.0</b>
<b>Payout ratio</b>	—*	17.6%*	29.6%	<b>29.7%*</b>

\*Since dividends were paid based on results excluding extraordinary losses associated with container repurchases in fiscal 2019, dividends in fiscal 2021 will be paid excluding any impact from the reversal gain of the above provision as in fiscal 2020.

**For other IR information, please see <https://www.arealink.co.jp/en/ir/>**