

Arealink

Arealink Co., Ltd.

July 27, 2023

**Second Quarter, Fiscal Year
Ending December 2023**

- **FY12/23 2Q Business Results** **3-19**
- **Achieving the Medium-Term Management Plan** **20-39**
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FY12/23 2Q Business Results

Yasuaki Otaki
Director, Head of Administrative Division

◆ Self-Storage Business

- Progressed beyond plan, opening a total of 1,815 new units in the 1H, compared to the target of 4,700 units for the whole FY12/23
 - * From the beginning, the property opening target has been lower in the first half than the second half
- Although there were a total of 1,002 unit cancellations at properties under management (properties sold to the fund) in June 2023, the impact on July and beyond was minimal due to low profit margins
- In June 2023, one property was sold using the Act on Specified Joint Real Estate Ventures

YoY sales **up 4.9%** and operating profit **up 15.9%**

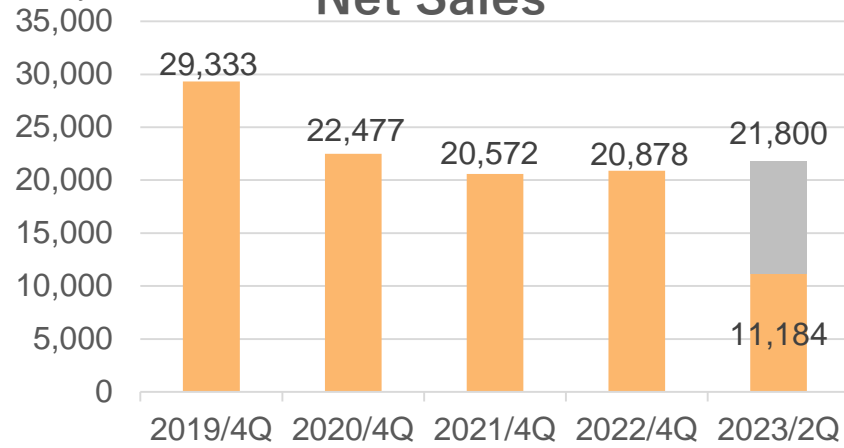
◆ Land Rights Consolidation Business

- The delay in 1Q was reversed in 2Q and progress was made beyond the plan

Arealink Past Four Years + FY12/23 Earnings Outlook and FY12/23 Progress

In Millions of yen

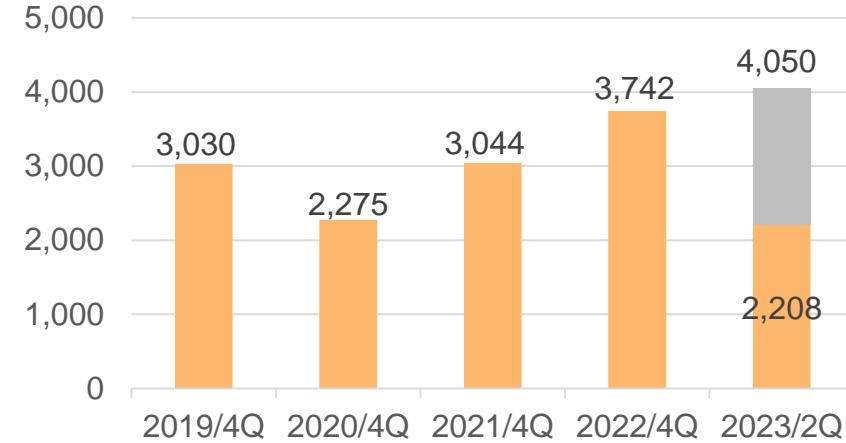
Net Sales



+5.4% YoY, 51.3% progress in FY12/23

In Millions of yen

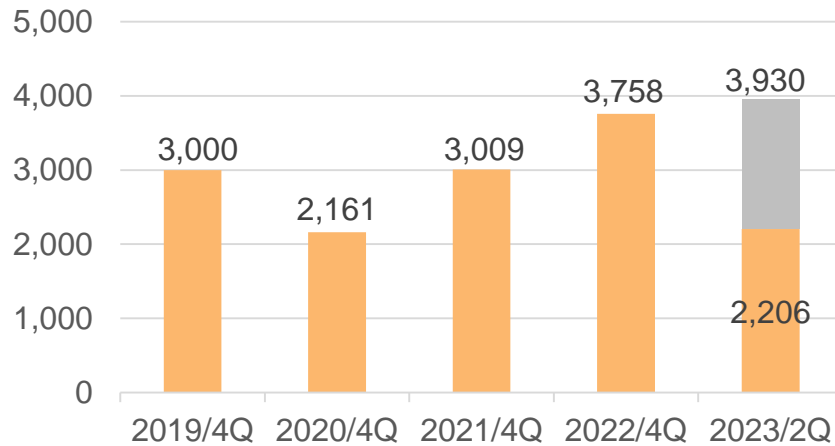
Operating Income



+14.7% YoY, 54.5% progress in FY12/23

In Millions of yen

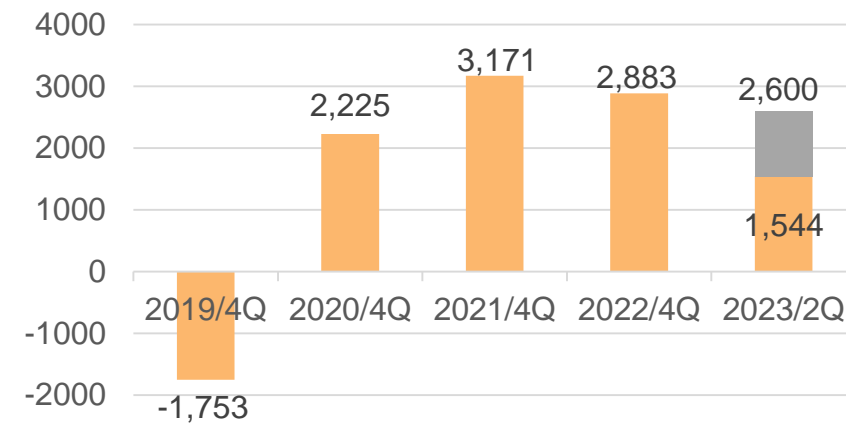
Ordinary Income



+11.2% YoY, 56.1% progress in FY12/23

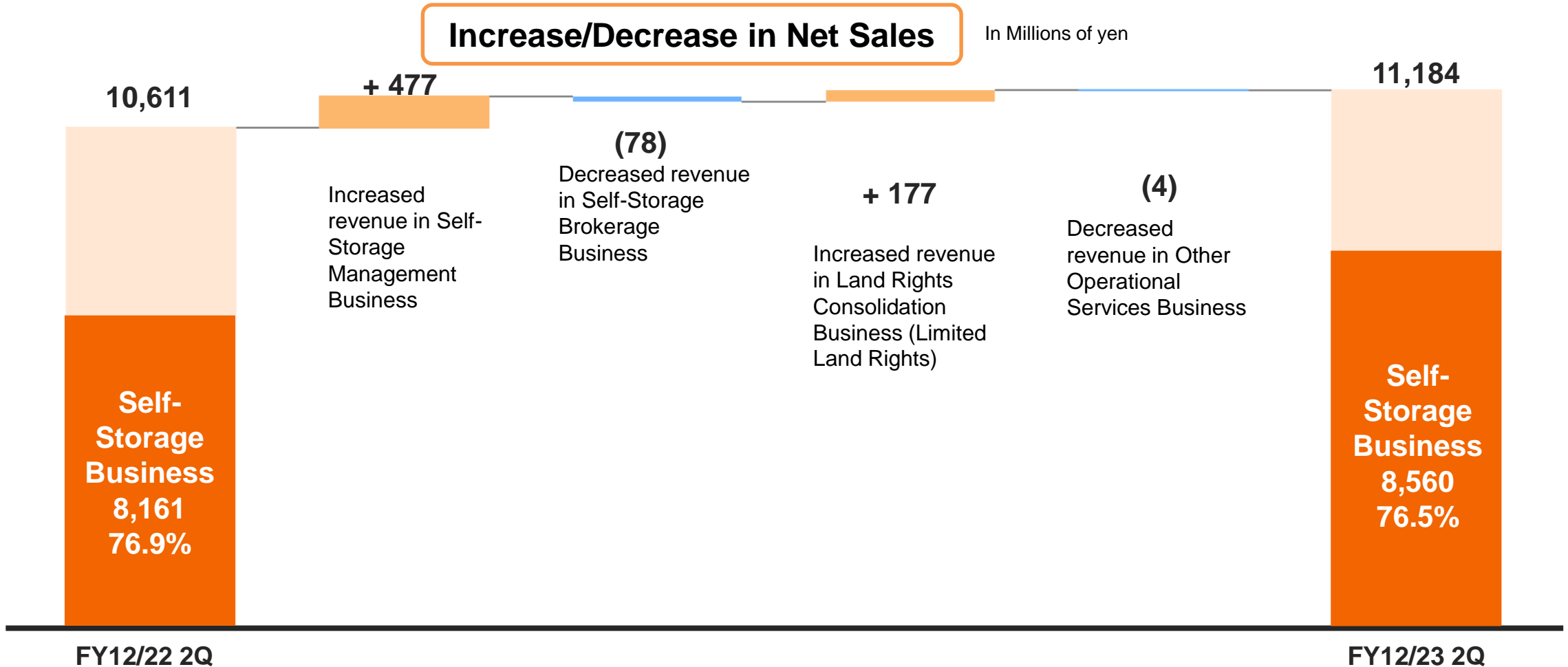
In Millions of yen

Net Income



- 3.0% YoY, 59.4% progress in FY12/23

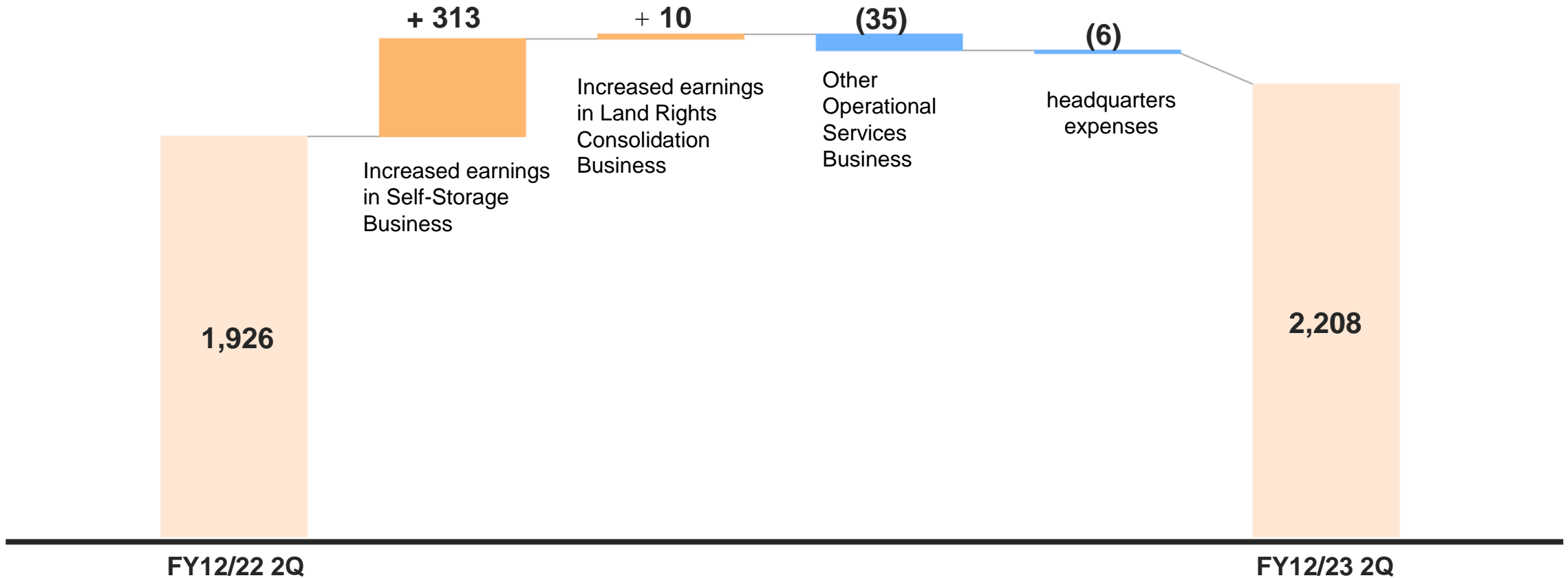
Overall Sales Increased by +5.4% due to Increased Sales in the Self-Storage Business



Profits Grew Steadily in the Self-Storage Business

Increase/Decrease in Operating Income

In Millions of yen



Steady Progress Has Been Made against the Full-Year Plan

In Millions of yen	FY12/22		FY12/23			
	Full-year Result	2Q	Full-year Plan	2Q	Progress	YoY
Net sales	20,878	10,611	21,800	11,184	51.3%	+5.4%
Operating income	3,742	1,926	4,050	2,208	54.5%	+14.7%
Ordinary income	3,758	1,984	3,930	2,206	56.1%	+11.2%
Net income	2,883	1,592	2,600	1,544	59.4%	-3.0%

Compensation for Relocation Due to Withdrawals From Office Properties, Etc. Are Recorded

In Millions of yen	FY12/22 2Q	FY12/23 2Q	Increase (Decrease)
Operating income	1,926	2,208	+282
Non-operating income	129	125	(4)
Non-operating expenses	70	127	+56
Ordinary income	1,984	2,206	+221
Extraordinary income	8	39	+30
Extraordinary loss	8	8	+0
Income before income taxes	1,984	2,236	+252
Income taxes — current	279	597	+317
Income taxes — deferred	112	95	+17
Net income	1,592	1,544	(48)

Non-operating income
Compensation for transfer ¥84 million

Non-operating expenses
Interest expenses ¥68 million
Commission expenses ¥46 million

Arealink Overview of FY12/23 2Q Business Results (by segment)

In Millions of yen			FY12/22 2Q		FY12/23 2Q		
			Actual	Percent of Sales	Actual	Percent of Sales	YoY
	Self-Storage Management	Net sales	7,760	—	8,237	—	+ 6.1%
		Gross profit	2,669	34.4%	3,080	37.4%	+ 15.4%
	Self-Storage Brokerage	Net sales	401	—	323	—	- 19.5%
		Gross profit	28	7.0%	21	6.8%	- 22.2%
Self-Storage Business		Net sales	8,161	—	8,560	—	+ 4.9%
		Gross profit	2,697	33.1%	3,101	36.2%	+ 15.0%
		Business profit	1,974	24.2%	2,288	26.7%	+ 15.9%
Land Rights Consolidation Business (Limited Land Rights)		Net sales	1,758	—	1,935	—	+ 10.1%
		Gross profit	481	27.4%	657	34.0%	+ 36.7%
		Business profit	363	20.7%	374	19.3%	+ 3.0%
Other Operational Services Business		Net sales	691	—	687	—	- 0.6%
		Gross profit	223	32.2%	199	29.0%	- 10.6%
		Business profit	190	27.6%	155	22.6%	- 18.7%
Headquarters expenses		Business profit	(603)	—	(609)	—	- 1.0%
Total for All Businesses		Net sales	10,611	—	11,184	—	+ 5.4%
		Gross profit	3,401	32.1%	3,958	34.5%	+ 16.4%
		Operating income	1,926	18.2%	2,208	19.7%	+ 14.6%

Steady Increase in Users and Stable Increase in Revenue

Self-Storage Business

In Millions of yen	FY12/22 2Q	FY12/23 2Q	YoY	FY12/23 Plan	Progress
Net sales (Self-storage management)	7,760	8,237	+ 6.1%	—	—
Net sales (Self-storage brokerage)	401	323	- 19.5%	—	—
Net sales	8,161	8,560	+ 4.9%	17,200	49.8%
Gross profit (Self-storage management)	2,669	3,080	+ 15.4%	—	—
Gross profit (Self-storage brokerage)	28	21	- 22.2%	—	—
Gross profit	2,697	3,101	+ 15.0%	—	—
SG&A expenses	722	813	+ 12.6%	—	—
Business profit	1,974	2,288	+ 15.9%	4,440	51.5%

Self-Storage Management

- The utilization rate remained high at 89.2%, and despite the ending of the peak season, revenue and profits increased from the previous quarter.

Self-Storage Brokerage

- In 2Q, revenue and profits declined despite sales of three properties.

Steady Progress Made Against the Full-Year Plan Increasing Revenue and Profits YoY

Land Rights Consolidation Business (Limited Land Rights)

In Millions of yen	FY12/22 2Q	FY12/23 2Q	YoY	FY12/23 Plan	Progress
Net sales	1,758	1,935	+ 10.1%	3,250	59.6%
Gross profit	481	657	+ 36.7%	—	—
SG&A expenses	117	282	+ 141.0%	—	—
Business profit	363	374	+ 3.0%	520	72.0%

Land Rights Consolidation Business (Limited Land Rights)

- Inventory was 4,472 million yen, an increase of 516 million yen compared to the end of the previous fiscal year.
- Progressed as Planned
Significantly improved progress rate in 2Q

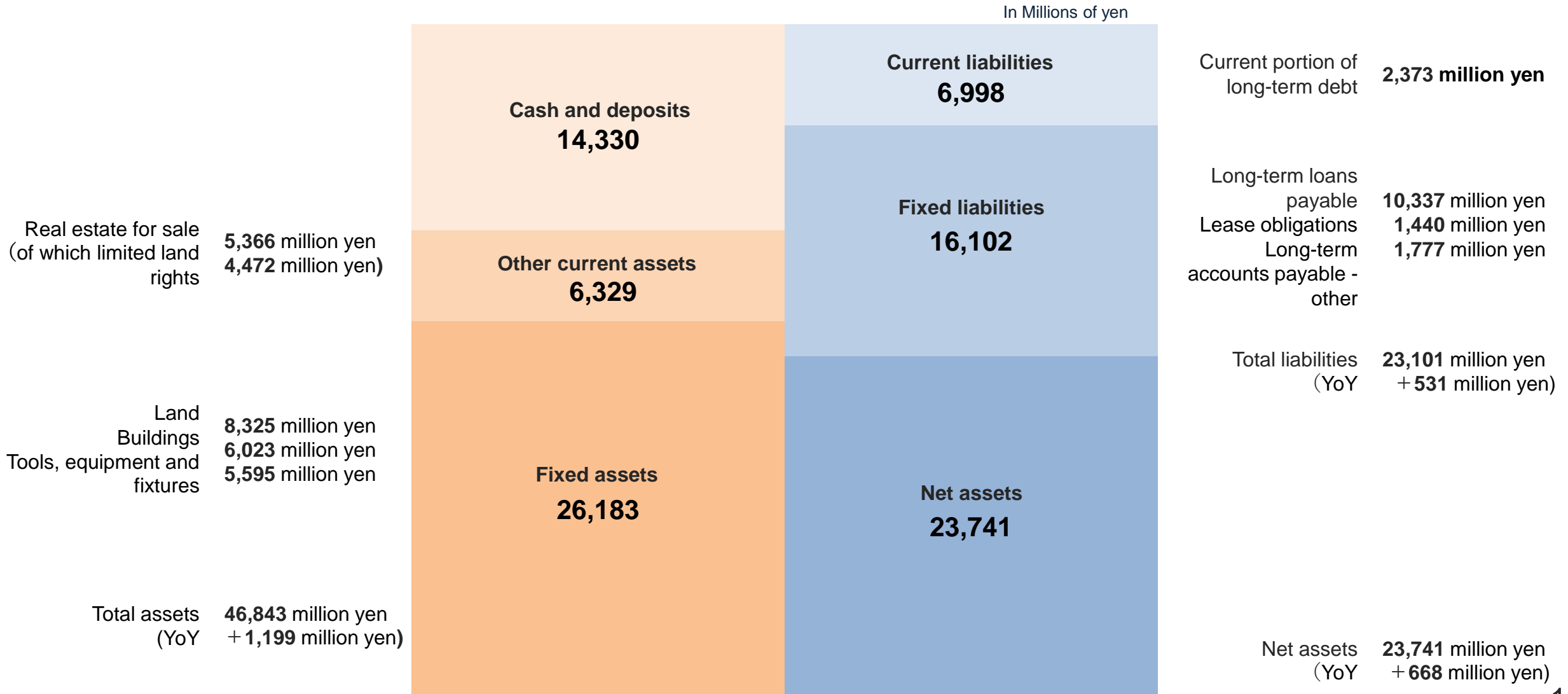
Other Operational Services Business

In Millions of yen	FY12/22 2Q	FY12/23 2Q	YoY	FY12/23 Plan	Progress
Net sales	691	687	- 0.6%	1,350	50.9%
Gross profit	223	199	- 10.6%	—	—
SG&A expenses	32	44	+ 37.7%	—	—
Business profit	190	155	- 18.7%	305	50.9%

Other Operational Services Businesses

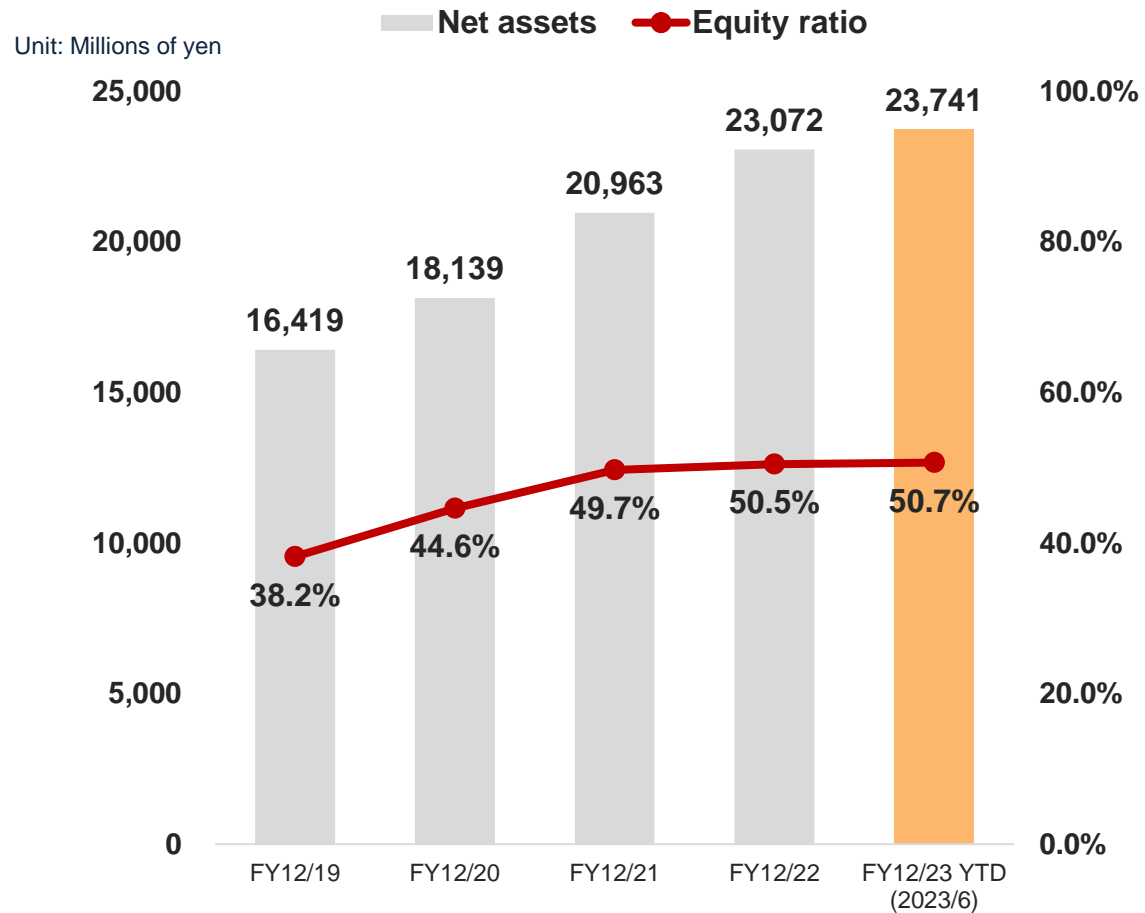
- Progressed almost as expected despite the decrease in revenue and profit YoY due to cancellation of some properties, etc.

Stable Financial Base With Cash Deposits of 14.3 Billion Yen

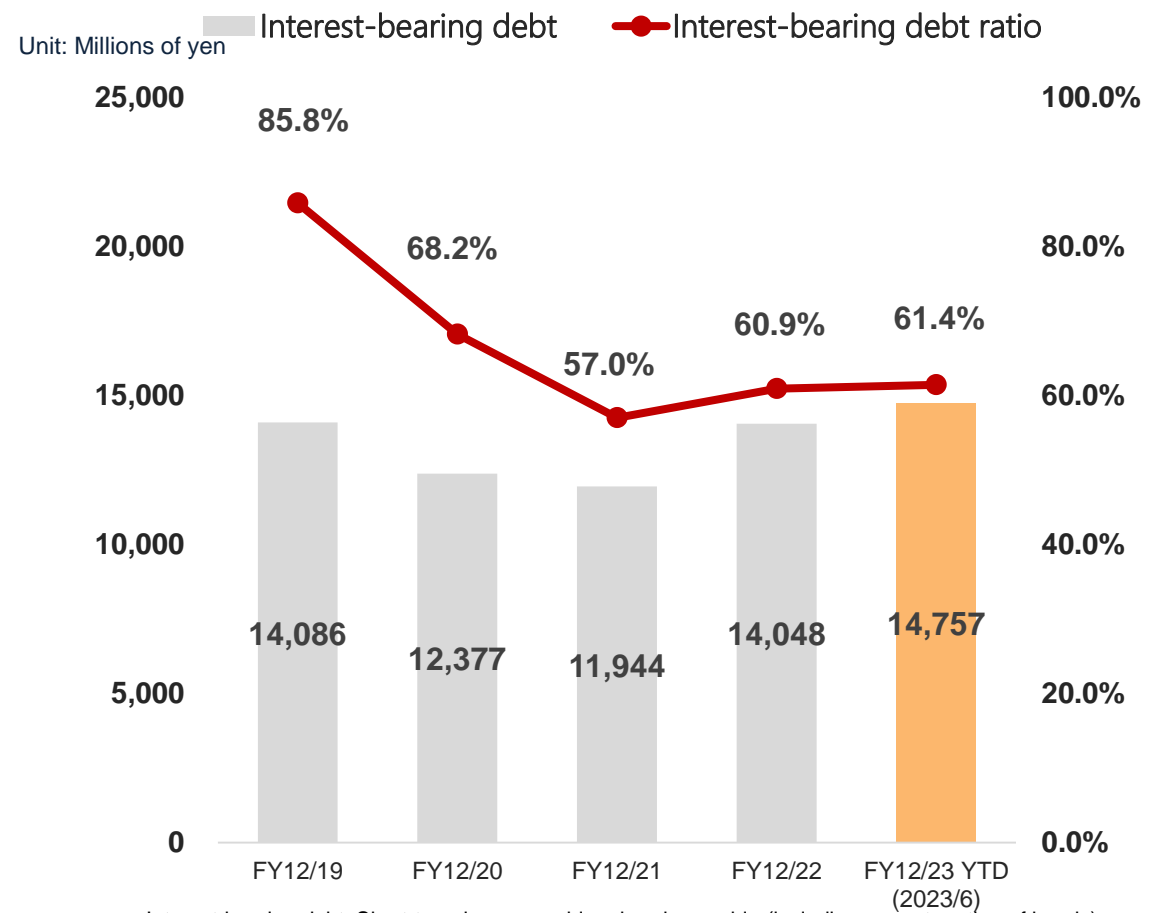


Equity Ratio Remained Stable at 50.7%

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

**Cash and Deposits Maintained at 14.3 Billion Yen;
Stable Surplus in Operating CF Achieved**

Unit: Millions of yen

	FY12/22 2Q	FY12/23 2Q		
Cash flows from operating activities	907	1,443	Income Before Income Taxes	¥2,236 million
			Decrease in Inventories	¥(525) million
			Income Taxed Paid	¥(654) million
Cash flows from investing activities	(1,387)	(1,258)	Purchase of Noncurrent Assets	¥(1,367) million
Cash flows from financing activities	272	(177)	Proceeds From Long-Term Loans Payable	¥2,095 million
			Repayment of Long-Term Loans Payable	¥(1,273) million
			Net Increase (Decrease) In Short-Term Borrowings	¥97 million
Cash and cash equivalents at the end of period	13,259	14,330	Cash Dividends Paid	¥(711) million

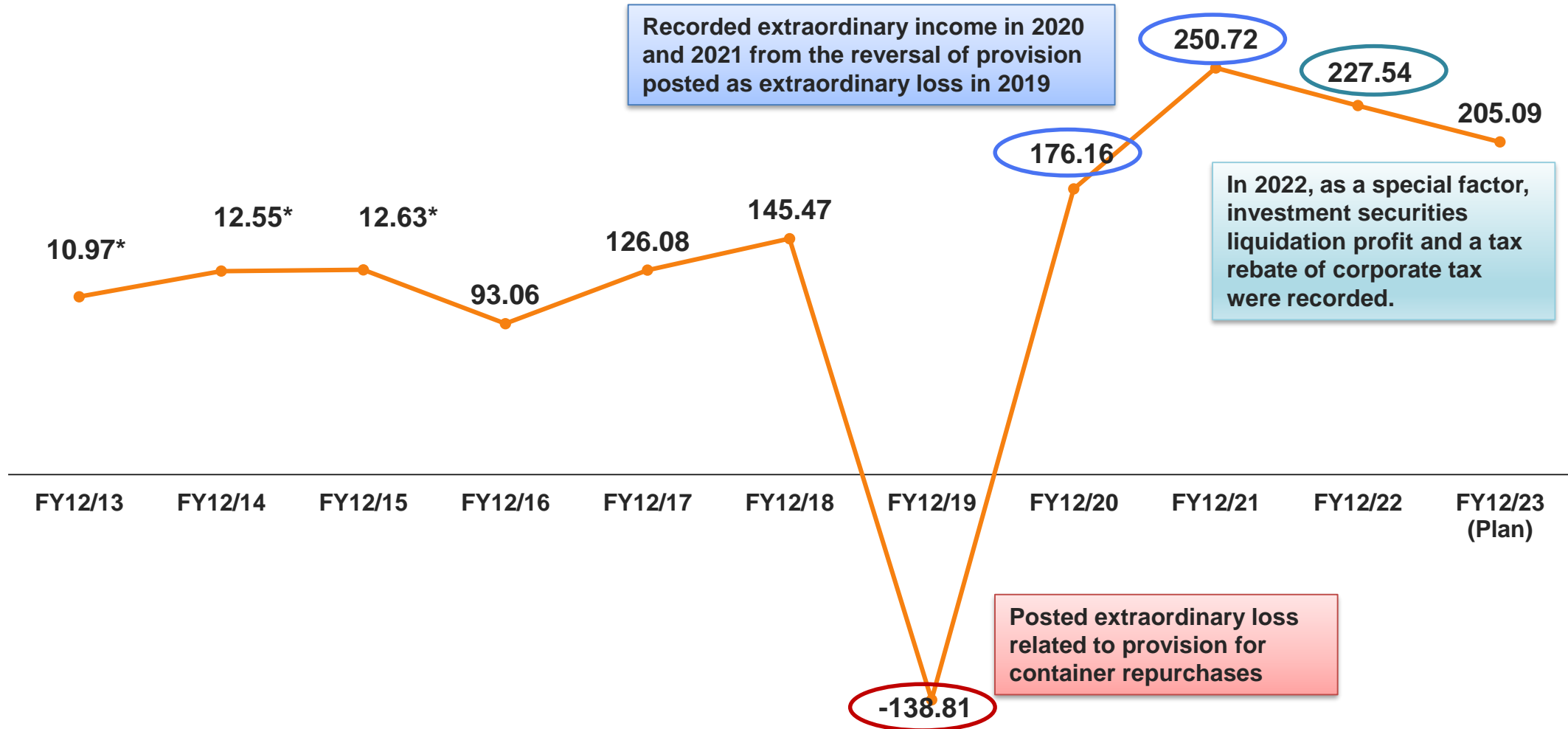
In Millions of yen	FY12/22		FY12/23		
	Actual	Percent of Sales	Plan	Percent of Sales	YoY
Net sales	20,878	—	21,800	—	+4.4%
Operating income	3,742	17.9%	4,050	18.6%	+8.2%
Ordinary income	3,758	18.0%	3,930	18.0%	+4.6%
Net income	2,883	13.8%	2,600	11.9%	− 9.8%

In Millions of yen

		FY12/22		FY12/23		
		Actual	Percent of Sales	Forecast	Percent of Sales	YoY
Self-Storage Business	Net sales	16,366	—	17,200	—	+5.1%
	Operating income	4,084	25.0%	4,440	25.8%	+8.7%
Land Rights Consolidation Business (Limited Land Rights)	Net sales	3,110	—	3,250	—	+4.5%
	Operating income	464	14.9%	520	16.0%	+12.0%
Other Operational Services Business	Net sales	1,400	—	1,350	—	-3.6%
	Operating income	373	26.7%	305	22.6%	-18.4%
Management Division	Net sales	—	—	—	—	—
	Operating income	(1,180)	—	(1,215)	—	+2.9%
Total for All Businesses	Net sales	20,878	—	21,800	—	+4.4%
	Operating income	3,742	17.9%	4,050	18.6%	+8.2%

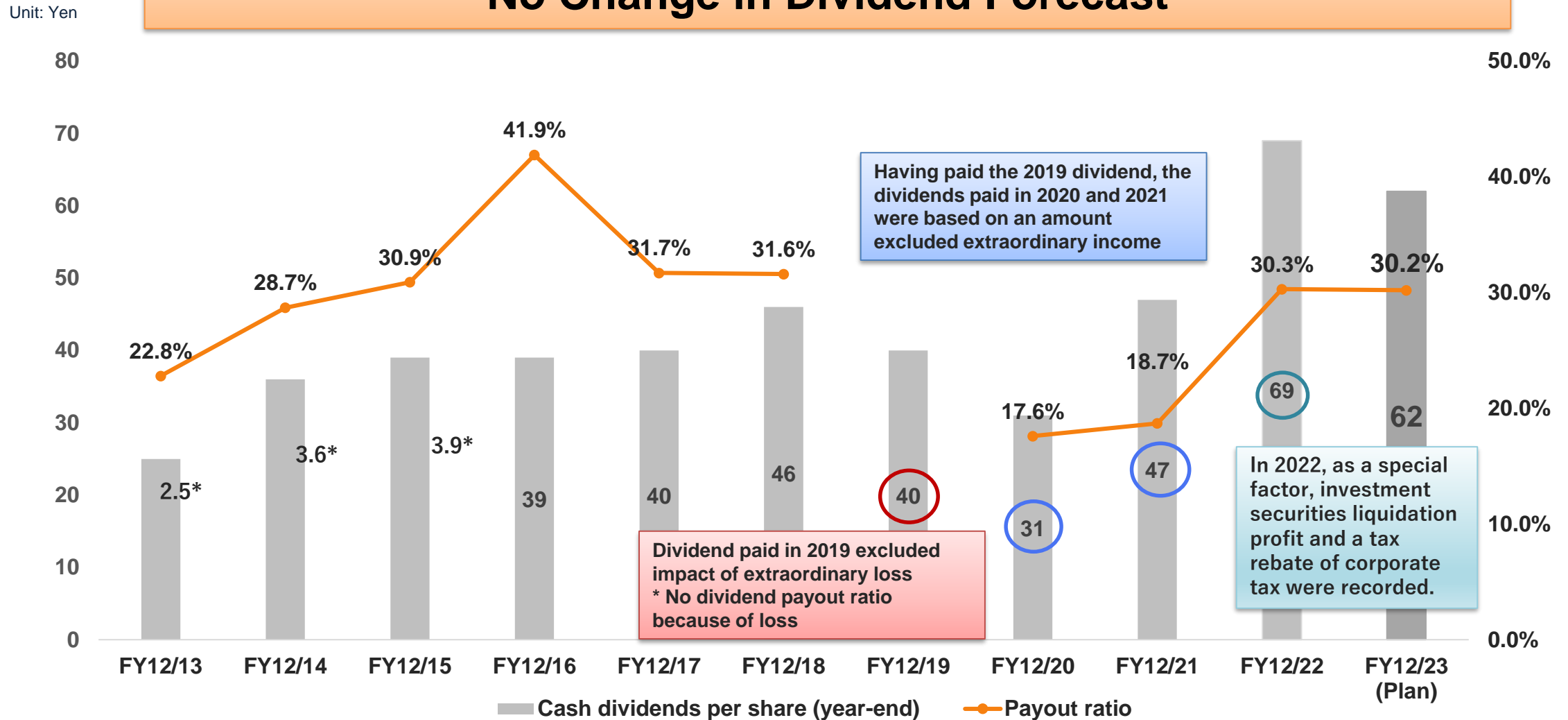
- In the Self-Storage Business, revenue and profit are expected to increase steadily
- In the Land Rights Consolidation Business, revenue and profit are expected to increase due to an increase in profit margin

Following Impact of Extraordinary Income and Loss Over Past Three Years, Returned to Normal Starting 2023



* A 10-1 reverse stock-split was conducted on July 1, 2016.

**Currently, Dividends Are Based on 30% of Net Income
No Change in Dividend Forecast**



* A 10-1 reverse stock-split was conducted on July 1, 2016.

Achieving the Medium-Term Management Plan

Yoshika Suzuki
Representative Director and President (CEO)

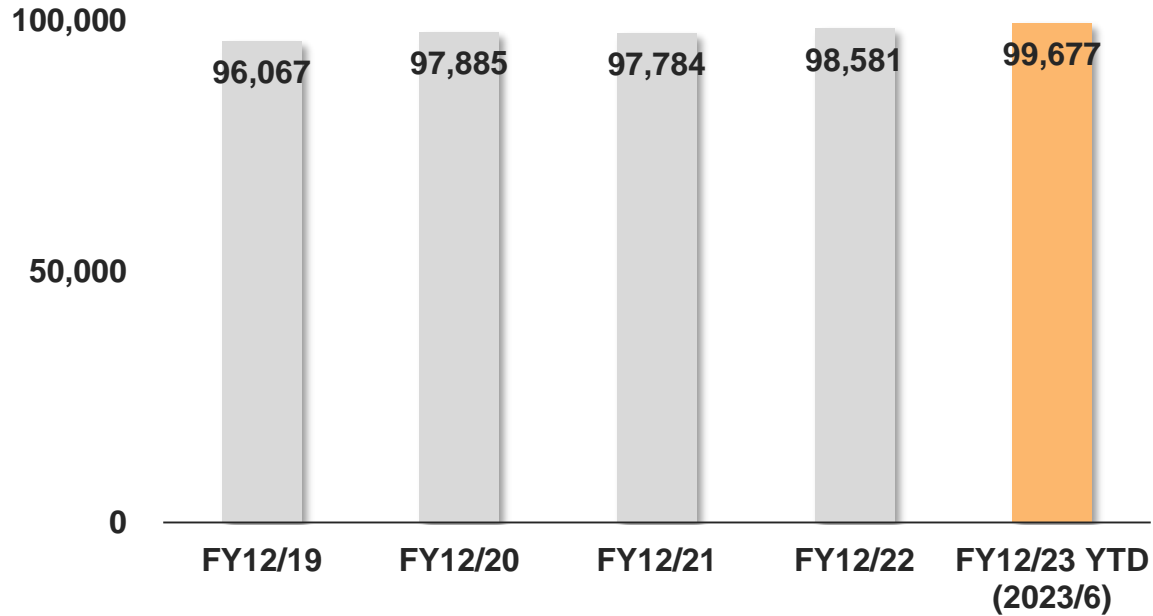
In Millions of yen	2022		2023		2024		2025	
	Actual	Profit Margin	Projected	Profit Margin	Projected	Profit Margin	Projected	Profit Margin
Net sales	20,878	—	21,800	—	24,400	—	28,100	—
Operating income	3,742	17.9%	4,050	18.6%	4,650	19.1%	5,500	19.6%
Ordinary income	3,758	18.0%	3,930	18.0%	4,520	18.5%	5,350	19.0%

Self-storage No. of new units*	2,915 units	4,700 units	10,400 units	14,000 units
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*Excludes cancellations

- **Growth plan – Complete structural transformation to a stock business and plan to increase net sales through accelerated opening**
- **New units: Accelerate new openings from 2,915 in 2022 to 4,700 in 2023 and then over 10,000 in 2024**
- **Aim to quickly achieve an operating income ratio of 20% by steadily improving income ratio**

Change in Number of Self-Storage Units



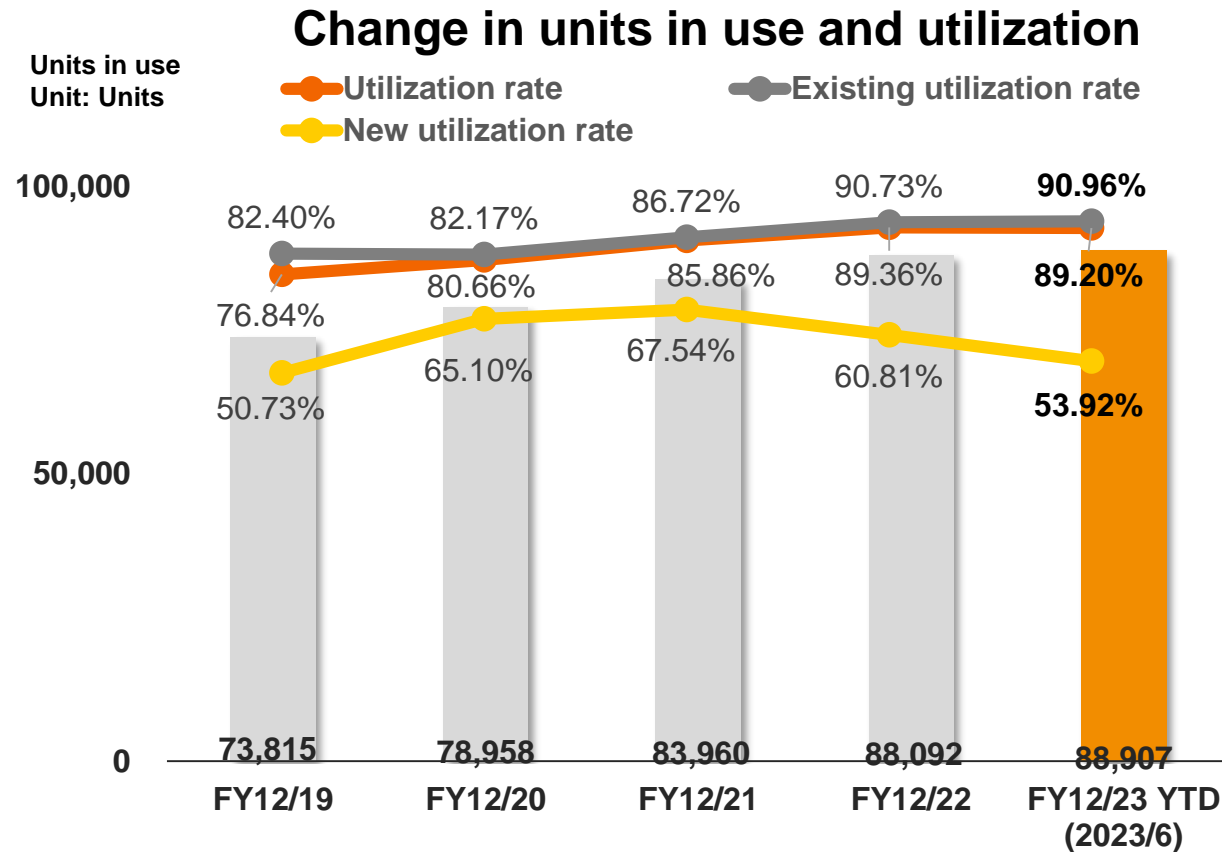
	Full-year plan	FY12/23 2Q Number of new units	FY12/23 2Q Cumulative number of units
Container	4,000	1,762	74,809
Indoor Storage Unit Type	500	53	15,171
Self-Storage Mini	200	0	9,697

1H: Progress on Schedule
 2H: Significant Increase in The
 Number of Units Expected

Full Year Forecast : Approx. 5,500 units

	Plan	FY12/23 Actual
New Units in 2023	4,700	1,815

Utilization Rate Continues to Be High



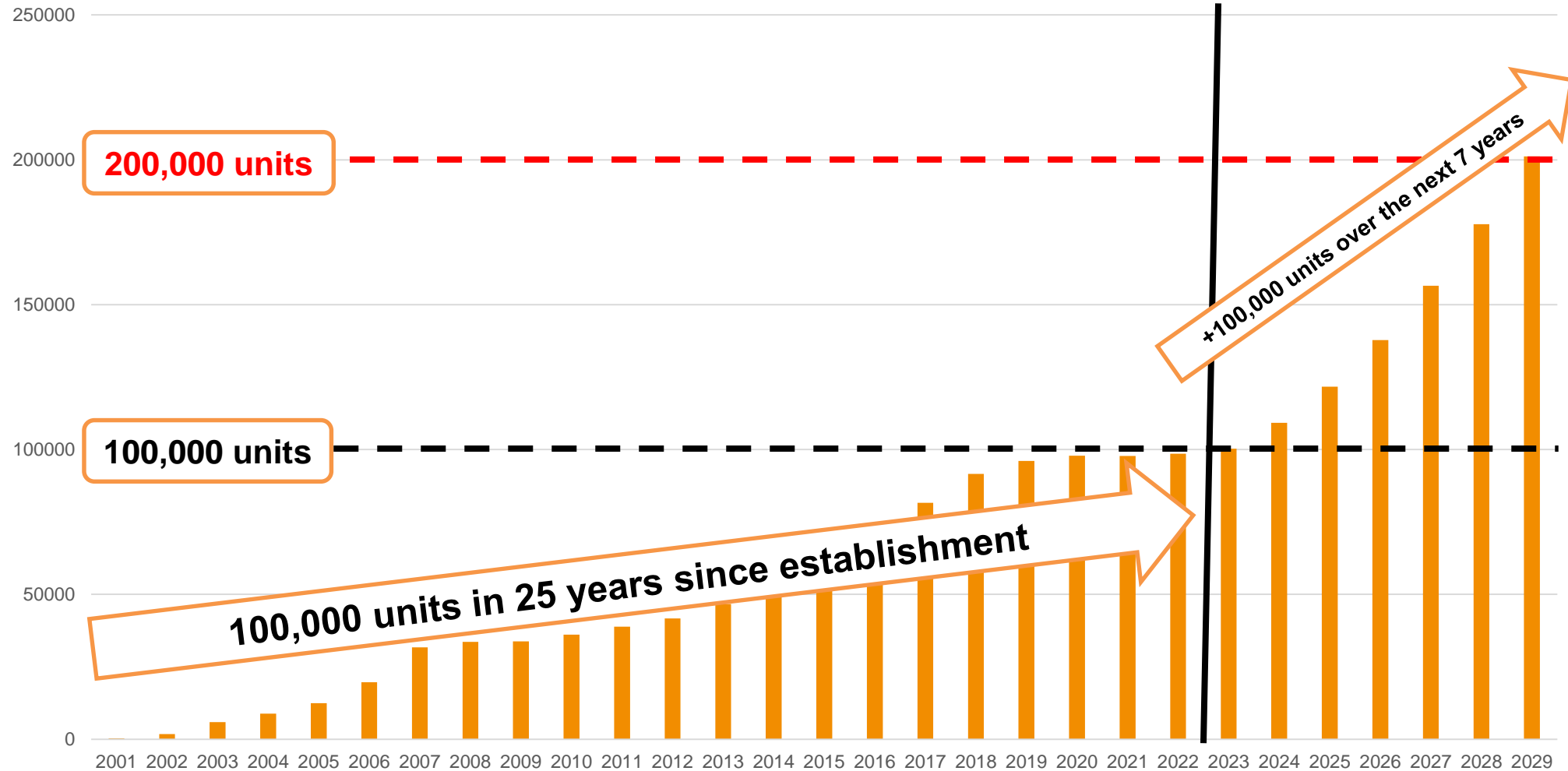
- The utilization rate continues to improve year by year, and the overall utilization rate remains high
 - Overall 89.20% Existing 90.96%
- The utilization rate of new properties is improving year by year
- Openings by Region
 - Tokyo and Three Neighboring Prefectures:
 - 807 units in 21 properties
 - Kyoto, Osaka, Kobe:
 - 200 units in 6 properties
 - Other Region:
 - 808 units in 29 properties

Why the Utilization Rate Has Risen So Sharply?

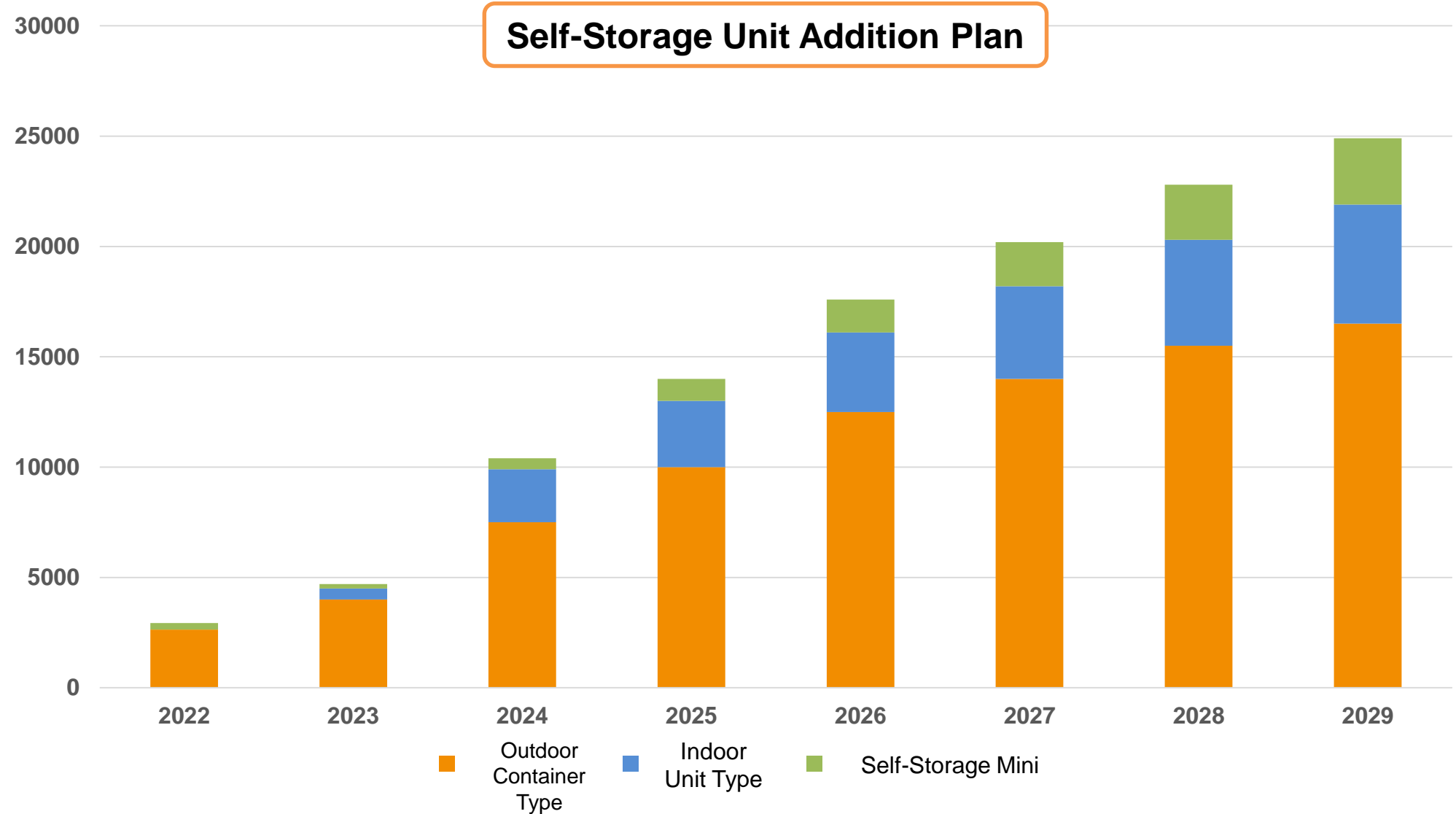
■ Factors Behind the Increase in Utilization Rate

- Greater precision in location opening strategies (type, area, scale, price) derived from Arealink's database
- Development of multiple, small-scale properties
- Greater consumer awareness of self-storage as a product and service
- Demand for better home organization as remote work becomes common
- Impact of smaller living spaces and rising housing prices
- Continuous use supported by comprehensive services that set Arealink apart from other companies

Acceleration of Openings: Aiming to Double the Current Figure to 200K Units by 2029
Past: 100,000 Units in 25 Years → Future: 100,000 Units in 7 Years (4X Speed)



Plan to Annually Add Around 10K Units in 2024 and 25K Units in 2029



Indoor Types



In-Building Type



Remodeled floor of a building partitioned to make self-storage units. Facilities such as private parking, EV stations, and air conditioning vary depending on the property.

Yield: Approx. 18% Rent vacant office space and conduct business



Building Type



A single building designed exclusively for self-storage. Full range of facilities including air conditioning and security.

Yield: Approx. 8% Buy land and build

Outdoor Type



Container Type



Self-storage using shipping containers. The site can be accessed by car, with parking alongside the unit.

Yield: Approx. 18% Rent land and conduct business



In-Building Type

Feature: Located in urban centers
No. of units: Approx. 30

Arealink Is the ONLY Company

That Offers Three Types of Products



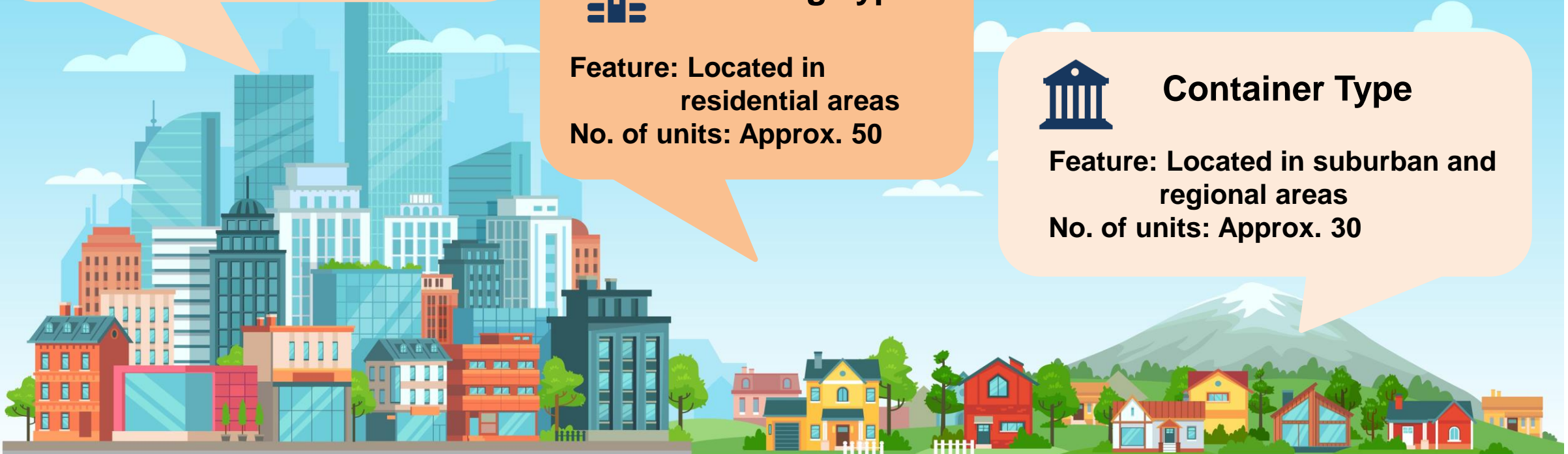
Building Type

Feature: Located in residential areas
No. of units: Approx. 50



Container Type

Feature: Located in suburban and regional areas
No. of units: Approx. 30



◆ High Profitability

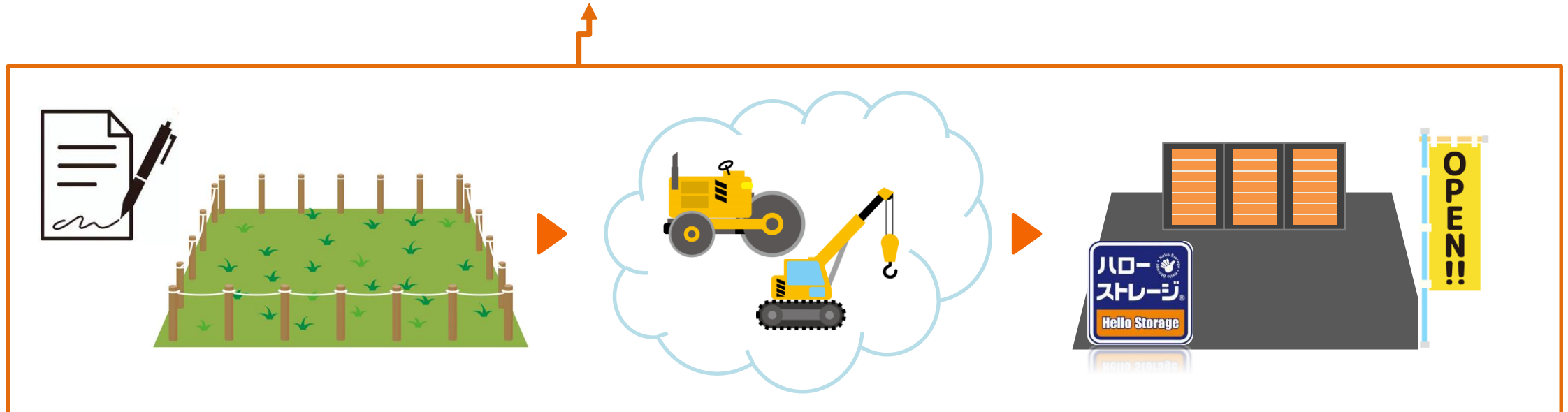
Container and in-building types require minimal investment because the land and office space are leased, and have a high yield of 18%.

◆ Unattended Operation Enables Low Cost and High Profit Margin

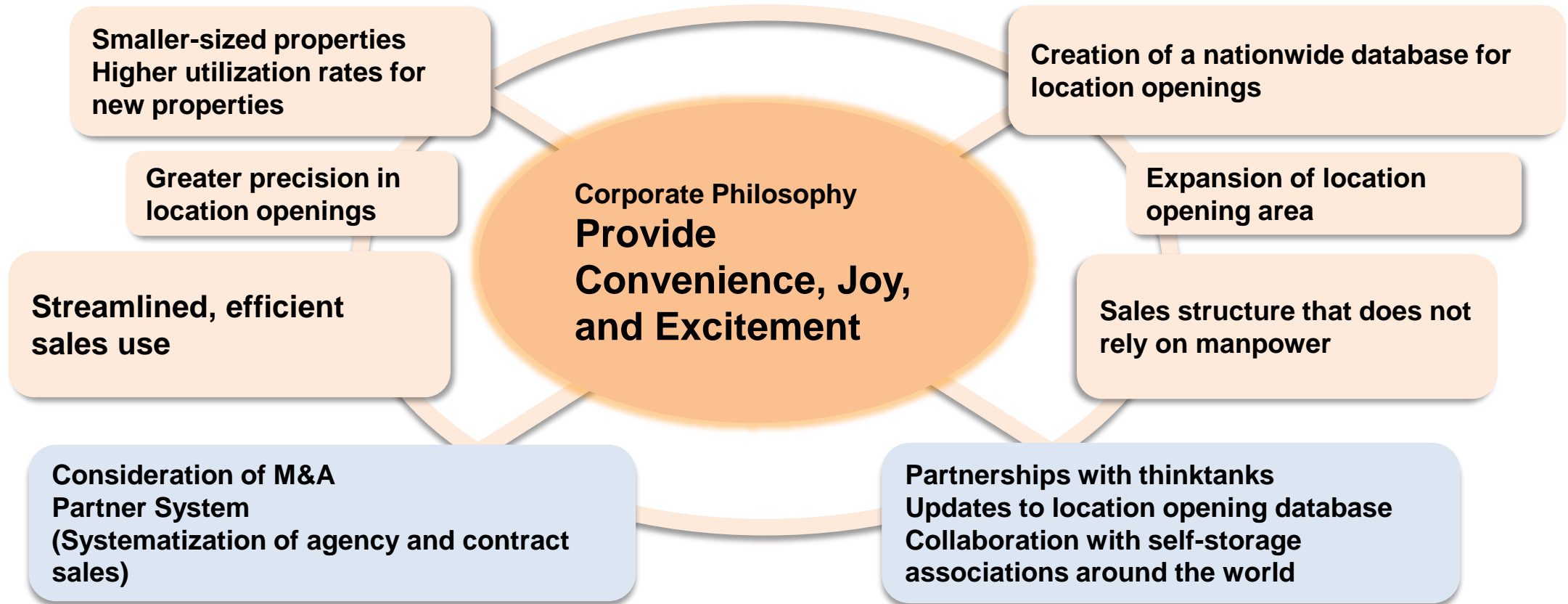
Operations are managed centrally by the head office, so even as the number of properties increases, personnel and advertising costs are contained.

◆ Operations Can Be Started in a Short Timeframe After Securing the Site

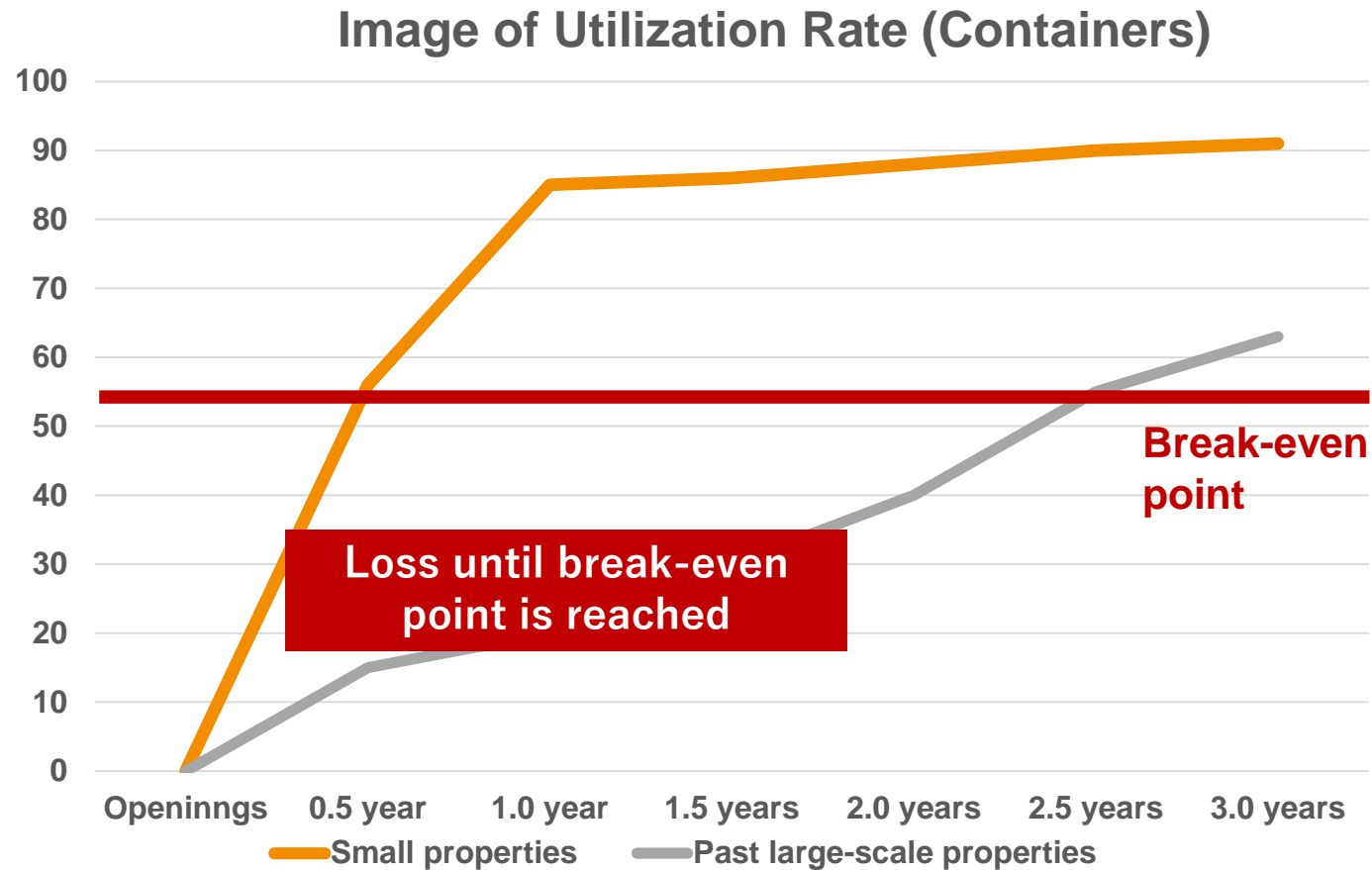
Average time to opening is four months (container and in-building type).



Arealink Aims to Be the Undisputed Leader in the Japanese Market, and Expand Worldwide



Now that the stage is set, **ACCELERATE location openings**
 → Open locations in anticipation of **a 50% market share**



- ◆ By improving the precision of location openings and downsizing properties, Arealink is able to achieve **profitability at an early stage (about 6 months)** from opening
- ◆ A large property may take 2-3 years to become profitable.

- **Greater Precision** in Location Openings Derived From Creating a **Database**
- **Maintain High Utilization Rate** Focusing on the Development of **Small Properties** And **Multiple Property Operation**

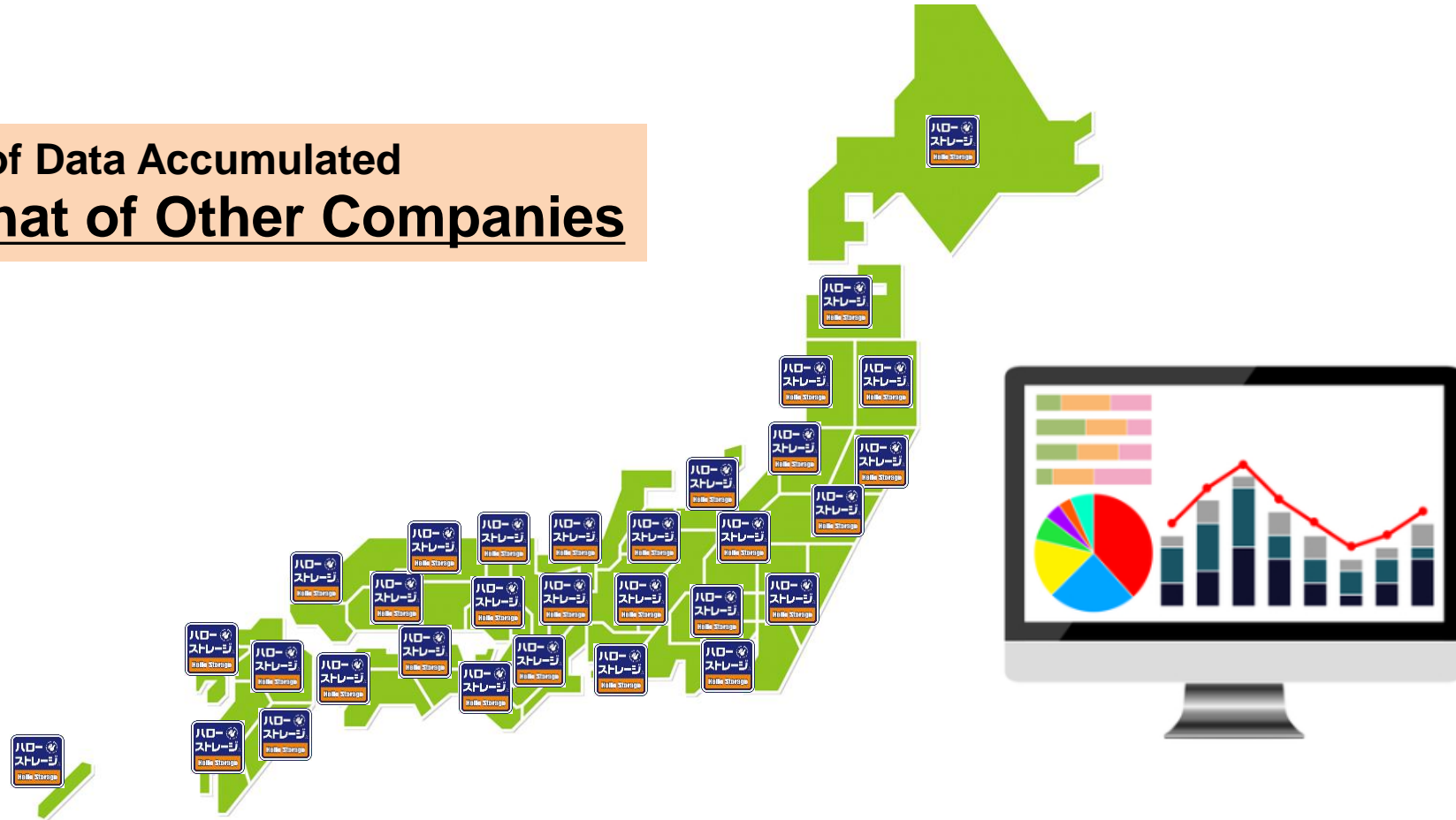
Arealink's Location Opening Strategy: Focus On Small Properties That Can Generate Profit Quickly

Comparison items	Other Companies	Arealink
Size	Large	Small
Location	Urban Centers	Nationwide (Urban Centers, Regional Areas)
No. of Units	More than 100 units	30-40 units
Building Construction	Steel-frame, reinforced concrete	Wood / Containers
Operating Style	Attendant on duty	Unattended
Profitability	Lossmaking for the first few years	Profitable within the initial fiscal year
Comparable to...	Large supermarkets	Convenience stores
Data analysis	Data volume according to the <u>number of locations</u>	<u>Vast amount</u> of data accumulated from the all areas under operation

Digitization and Accumulation of Past Customer Data

- ◆ **Hundreds of thousands of data points have been accumulated, including past cancellations**
- ◆ **Accumulated data such as population, household income, and usage are accumulated; Using these data to offer products of the type, size, and price best suited for each area**
- ◆ **Locations can be opened with high precision, without relying on the experience and intuition of salespeople**
- ◆ **Results have been evident since 2021, with high utilization rates for both new and existing locations**

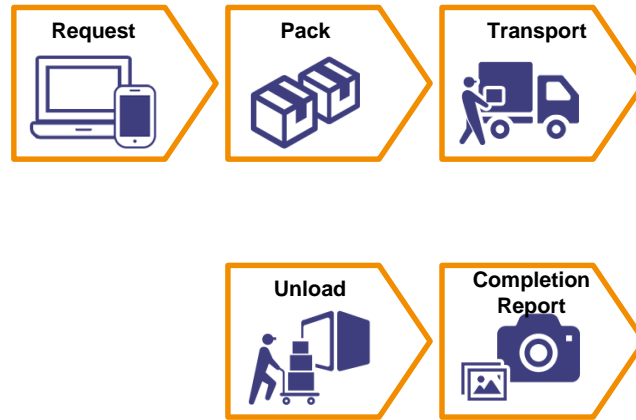
**Amount and Scale of Data Accumulated
Far Exceeds That of Other Companies**



- ◆ Arealink is the **ONLY company** with data for **all over Japan**. **Extensive amount** of data is unmatched by other companies.
- ◆ As more locations opens, more data will be accumulated, and precision will improve

Arealink Is Never Satisfied, Continually Pursuing Greater Customer Convenience

“Hello Home Delivery” Courier Service



- Allows items to be easily moved from the home to the self-storage unit.
- Provide service with noticeable value and convenience.

Storage Rack Sales and Assembly



- Increases storage capacity, and makes organization easier
- Units with storage racks are popular

▼

Storage rack sales and assembly services are currently being provided in Tokyo, Kanagawa, Chiba, Saitama, Osaka, and Aichi.

Transport IC Card Security System



- Less hassle with keycard issuance and management
- No need to issue additional keycards for multiple users
- Smartphone app can be used as a key

Dispatch of Organization and Storage Advisors (Optional Service)



- Organization professionals consider lifestyle, family structure, personality, and other factors to propose organization and storage methods best suited to the customer.
- *Customers who apply at the same time as Hello Storage receive a discount on Inbloom Co., Ltd.'s tidying concierge service.

Support for Online Contracts and Credit Card Payments



- Arealink is the only company offering online contracts and credit card payments.

Future



- Arealink is considering expanding services using digital technologies for greater convenience.
- Introduction of AI tools

Customers can comfortably utilize a comprehensive range of services unique to Arealink

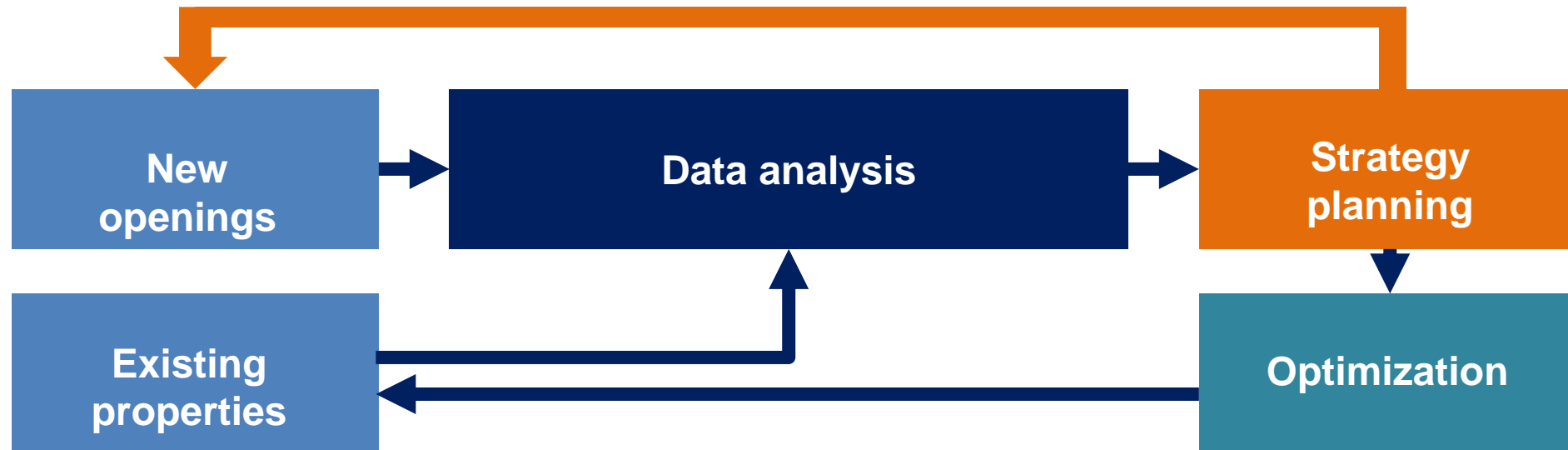
Introduction of New Self-Storage Designs

- ◆ Color scheme of gray and orange to blend with residential areas
- ◆ Plans to change all properties to the new design nationwide over the next decade



Data-Driven Strategy and Product Development Capabilities

- ◆ In consideration of long-term profitability, Arealink customizes products for the optimal service in each area nationwide, based on such data as customer attributes, term, period, and area.
- ◆ After a location/product is opened, new data is accumulated to improve precision → Ensures stable profitability



Arealink's Unique Business Development Cycle Enables Speedy Location Openings;
Accelerate Location Opening!



No.1 Company in Rental Storage Space!

Arealink was featured on the Japanese TV program “**Cunning Takeyama’s No.1 Research Institute**” (broadcast on May 29, 2023, on Tokyo MX)

YouTube: <https://youtu.be/-jfYyyN1SUI>



◆ Energizing the Self-Storage Market

→Holding of self-storage events, and establishment of “Trunk Room Day”

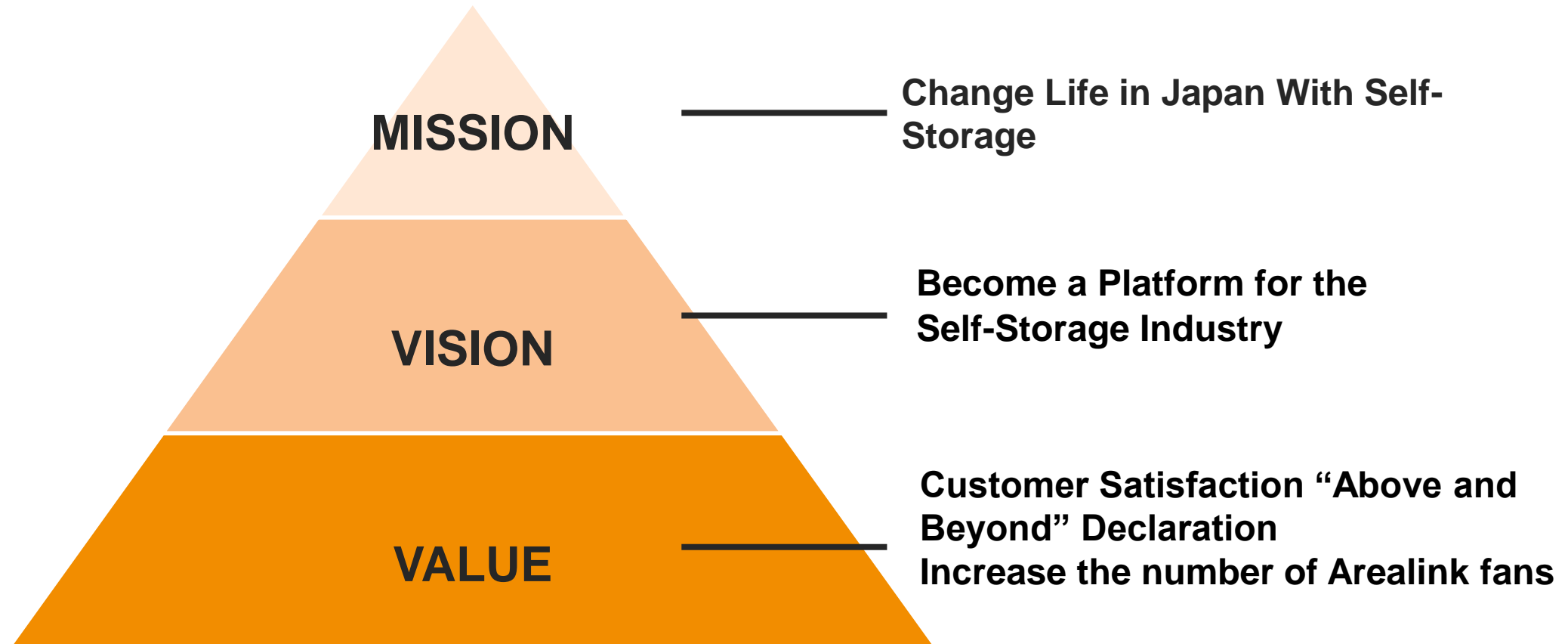
◆ Increasing Media Exposure to Boost Awareness of Self-Storage

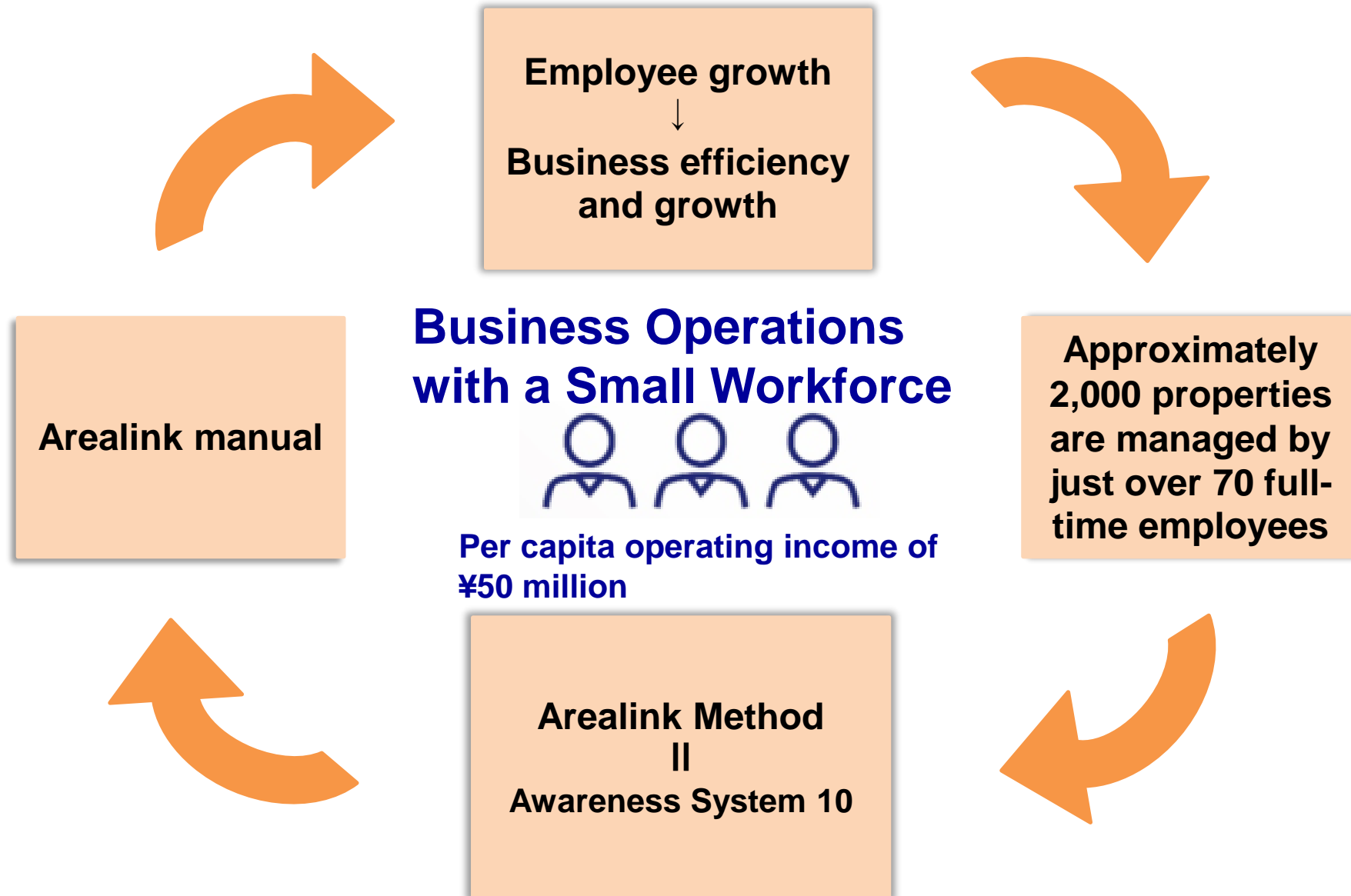
- TBS “Sakagami & Sashihara no Tsuburenai Mise”
- TOKYO MX “Cunning Takeyama’s No.1 Research Institute”
- ABC TV “News Okaeri”
- Aomori TV “Wacchi!”

Human Capital Management and Overseas Strategies

Naomichi Hayashi
Representative Director and Chairman (CEO)

Management Philosophy :
Provide Convenience, Joy, and Excitement





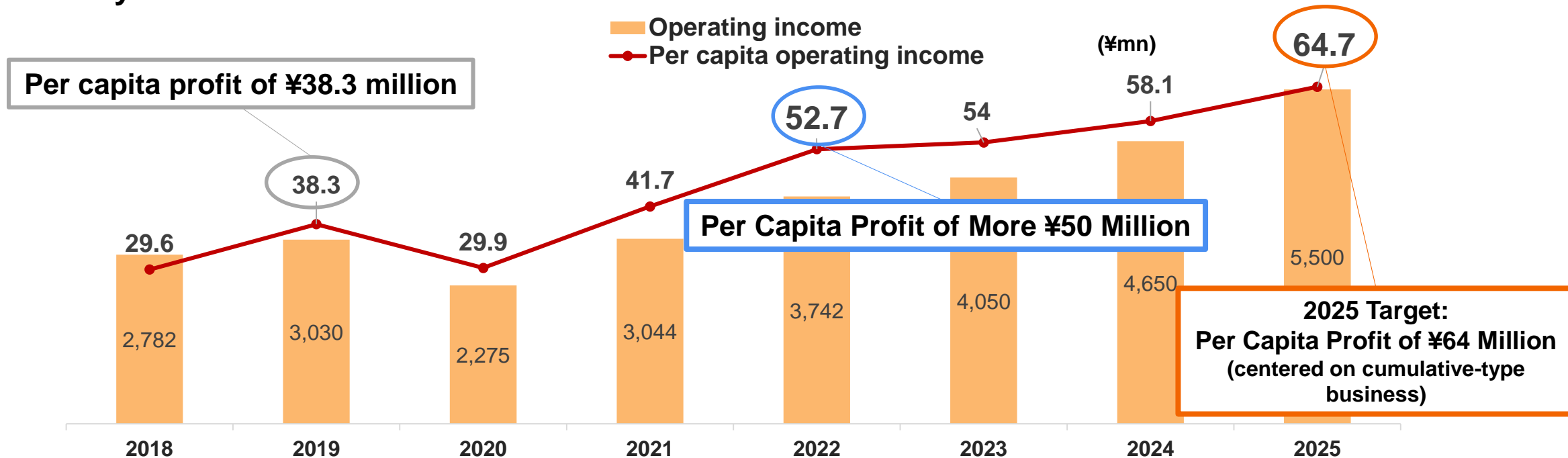
Arealink Method

	Category	Structure / System
1	Basics	Establishing a business environment, Arealink Manual, Chip System, Scoresheet
2	Plan / Implementation	Arealink Master
3	Communication	Hello Circle, Overnight training retreats, Kickoff
4	Application of Principles	“Above and Beyond”, Guideline of 14 Principles
5	Raising Employee Motivation	Personnel Evaluation System (Twice a year)
6	Leadership Training	Department Objective Definition Evaluation List, Team Capabilities Development Chart, Task Notebook, Solution Sheet
7	Utilization of External Resources	Personal Connections Expansion System, Topics Mail
8	Capability Development	Self-Growth Program
9	Business Promotion	Procurement Strengthening System (SF Improvement)
10	Health Management	General health

Arealink Ranked **26th** in Toyo Keizai Online's Ranking of the Top 500 Companies in Operating Income per Capita*

* Toyo Keizai Online, July 26, 2022

- ◆ In 2022, Arealink achieved per capita profit of ¥52 million, centered on cumulative-type business
- ◆ Arealink will further improve efficiency, aiming for per capita profit of ¥64 million by 2025



Japanese Market Has Potential for Ten-Fold Growth Compared to the U.S.

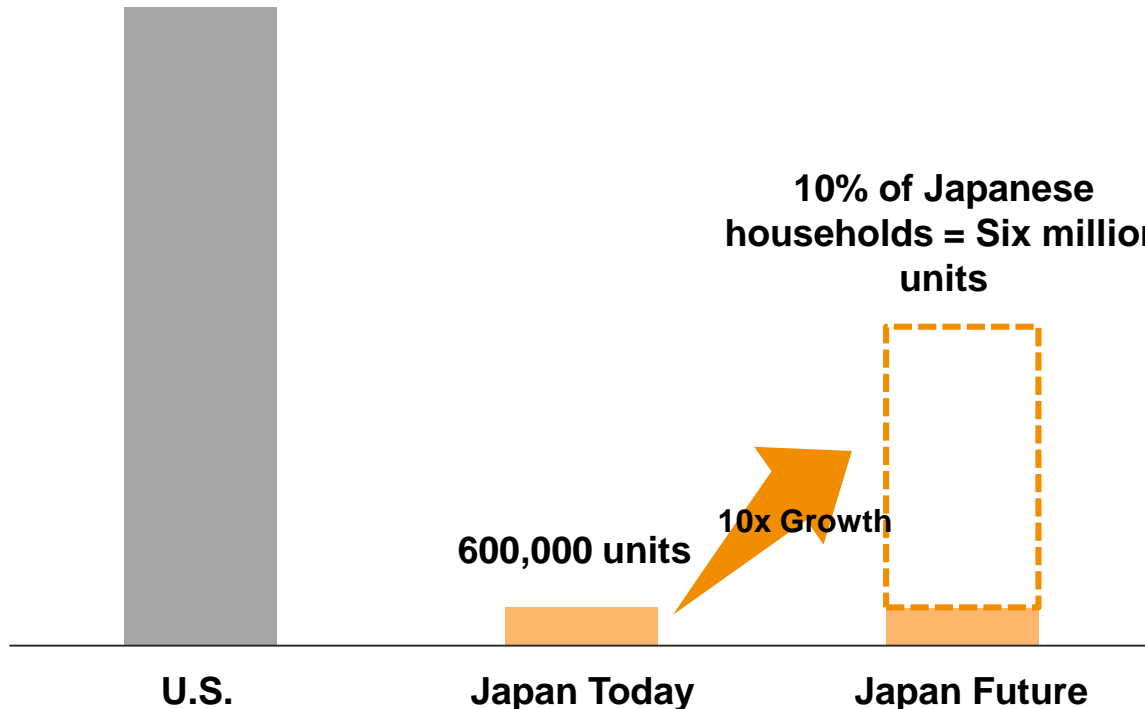
Comparison With U.S. Self-Storage Usage

13.5 million units = Used by 10.6% of all U.S. households

10% of Japanese households = Six million units

600,000 units

10x Growth



Comparison of Scale With U.S. Self-Storage Companies

U.S.

Public Storage

(Market Cap \$51.3bn, PER 25.5 times, PBR 8.95 times)

Extra Space Storage

(Market Cap \$21.1bn, PER 25.6 times, PBR 6.17 times)



Japan

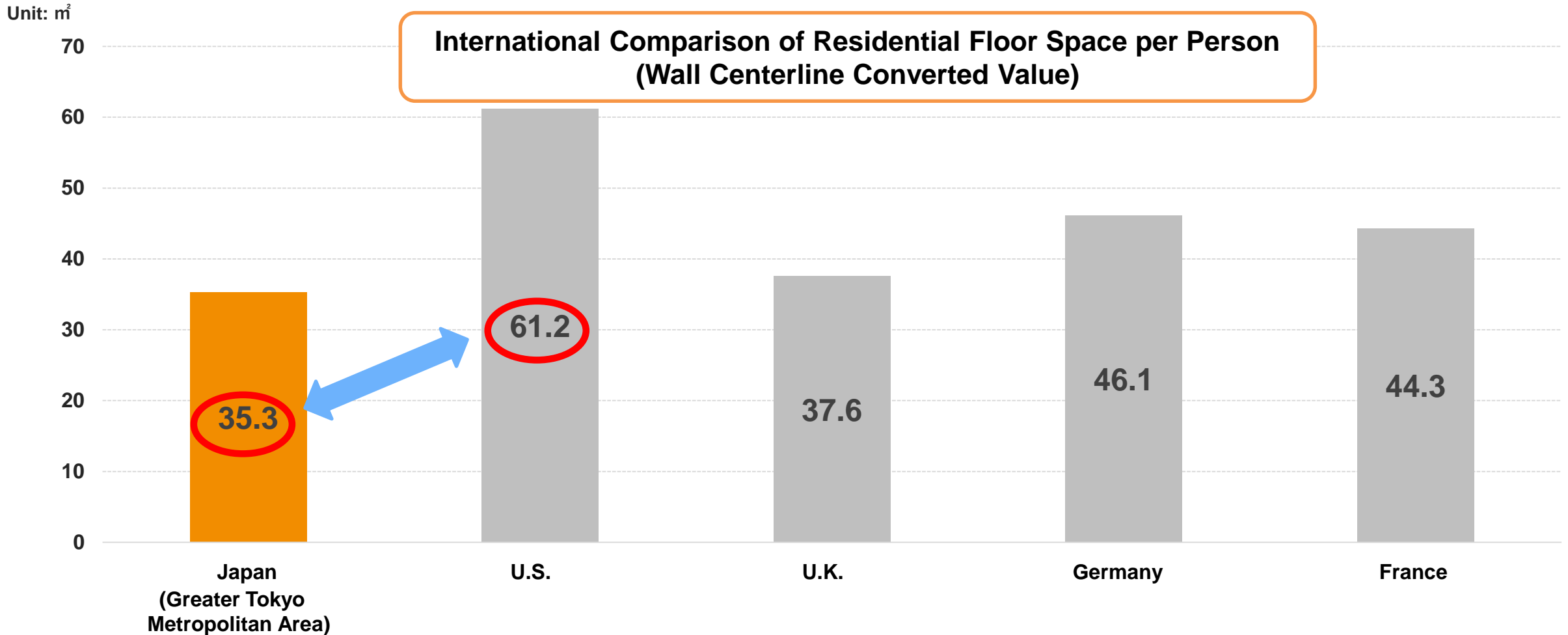
Arealink

(Market Cap ¥32.1bn, PER 12.1 times, PBR 1.37 times)

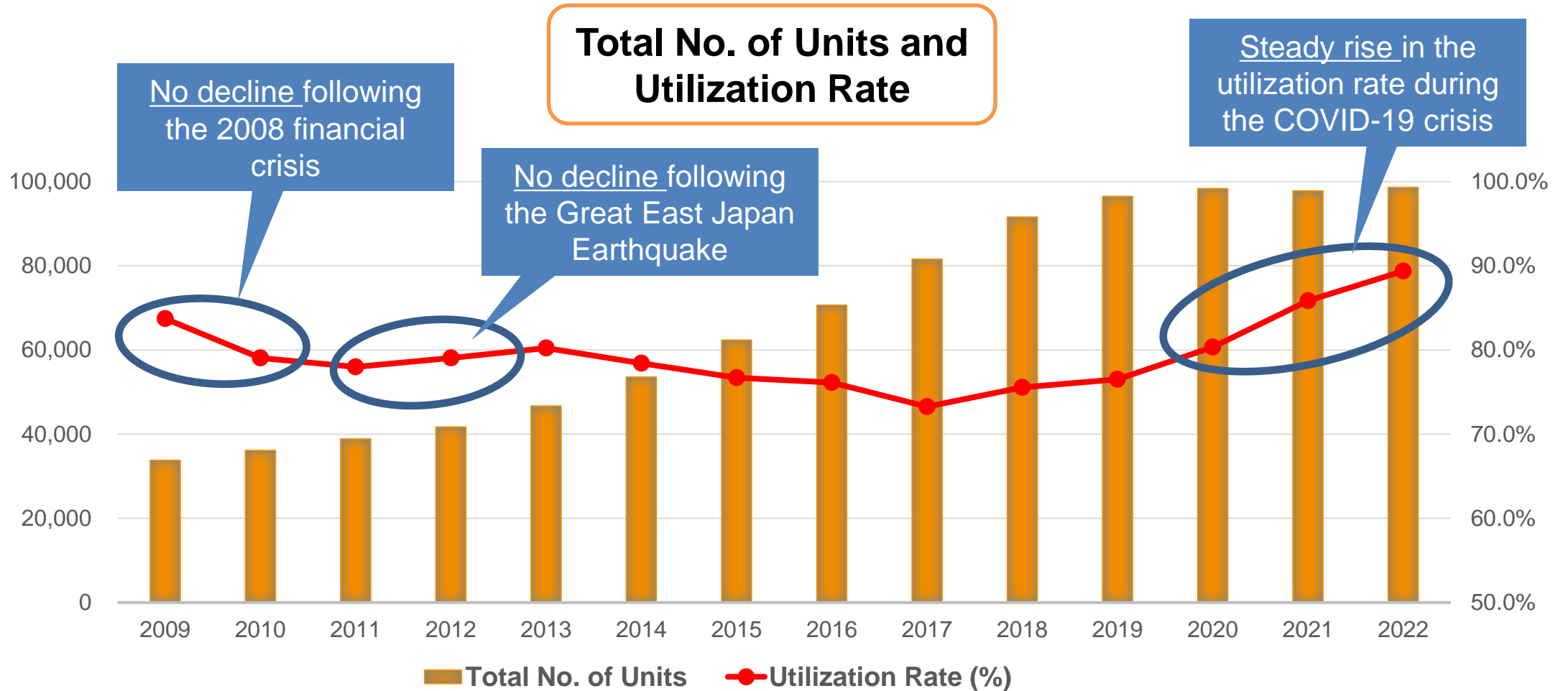
As of June 30, 2023

No. of units in use in the U.S. (Source Demand Study, Self Storage Association)
 Current situation in Japan (Source: Arealink)
 Future situation for Japan: Calculated by Arealink as 10% of all households in Japan*
 (*Reference: 2020 Population Census, Statistics Bureau of Japan)

Limited Living Space in Japanese Homes Creates Huge Potential Demand For Storage



Ref. Ministry of Land, Infrastructure, Transport and Tourism (MLIT), "2020 Housing Economy Related Data"
International Comparison of Housing Standards, 2) International Comparison of Residential Floor Space per Person (Wall Centerline Converted Value)



Stable Business Maintaining High Utilization Rate Not Affected by Disasters or Recessions
 → Potential for Further market growth

Start of Overseas Business Development – Purchase Properties Overseas and Gain Information

- ◆ Preparation for the Future: Begin overseas business development (Western countries) during the current fiscal year
- ◆ Purchase properties overseas, and gather information from overseas business associations and management companies
- ◆ Become Familiar With Self-Storage Around the World
⇒ Acquire know-how to improve marketing strategies and services in Japan



- ◆ **Purchase Overseas Properties and Join Local Industry Associations**
→ **Collect, analyze, and utilize information from countries with more developed self-storage industries (U.S., Europe, Australia)**
- ◆ **Acquire monthly data from around the world, such as sales in advanced countries, customer needs, methods of attracting customers, operational systems, tax systems, and storing method**
- ◆ **Be among the first to utilize information on systems, marketing, and methods to discern customer needs**

Ultimately, Arealink Plans to Expand Globally, Utilizing Know-How Honed in Japan



Consideration for the Environment

- Promote a comfortable and affluent society that values objects by utilizing self-storage
- Implement the “Container Building 100-Year Utilization Project”



Contribution to Society

- ⑩ Human resource development (Increase per capita profit by utilizing the Arealink method)
- Self-storage utilization in times of disaster



Governance

- ⑩ Appointment of two outside directors and four outside Audit & Supervisory Board members, and monthly meetings of the Board of Directors
- Stable shareholder returns with a target dividend payout ratio of 30%



Consideration for the Environment

- ◆ Utilize self-storage to allow people to experience the uplifting feeling of organization, and encourage a society without excess
- ◆ **“Container Building 100-Year Utilization Project”**
Arealink makes additional efforts such as painting container at the time of installation, and performs regular maintenance.
Containers can be used over the long term, saving valuable resources.
- ◆ Long-term use of self-storage mini (Building Type) properties, as they do not have plumbing facilities



Contribution to Society

◆ Time, Space, Money, and Peace of Mind

Greater use of self-storage is environmentally friendly and leads to joyful living

◆ Human Resource Development

Systematic implementation of the “**Arealink Method**” brings out the true abilities of ordinary people

◆ Utilization of Containers in Times of Disaster

Arealink’s self-storage units can be used to support reconstruction efforts in the event of a large-scale disaster.

System established to provide self-storage units free of charge to those affected by disaster.



Governance

- ◆ **Appointment of Two Outside Directors, or One-Third of the Directors**
Number of outside Audit & Supervisory Board members increased to four persons, with Board of Directors meetings held monthly
- ◆ **Compliance Committee Established**
- ◆ **Stable Shareholder Returns With a Target Dividend Payout Ratio of 30%**
- ◆ **Risk Management in Preparation for an Inevitable Economic Downturn**
- ◆ **Dialogue With Shareholders and Investors**
 - Semi-annual results briefings and small meetings
 - Individual interviews and IR seminars held as needed, with the president and directors attending

Appendix

Self-Storage Business

- ▶ **Management:** Rental income from operation of rental storage spaces (trunk rooms)



Container type



In-building type

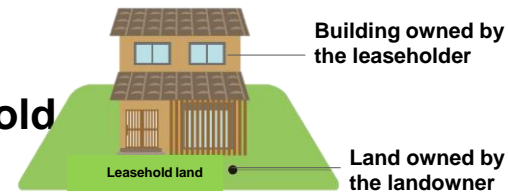


Building type (self-storage mini, interior)

- ▶ **Brokerage:** Contracts and sales of self-storage facilities (land and buildings)

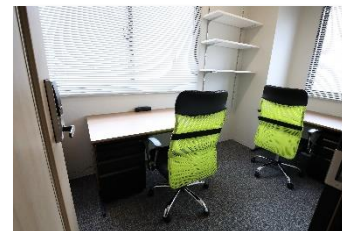
Land Rights Consolidation Business

Problem resolution service for both landowners and leaseholders through the purchase and sale of leasehold land with complex rights relationships



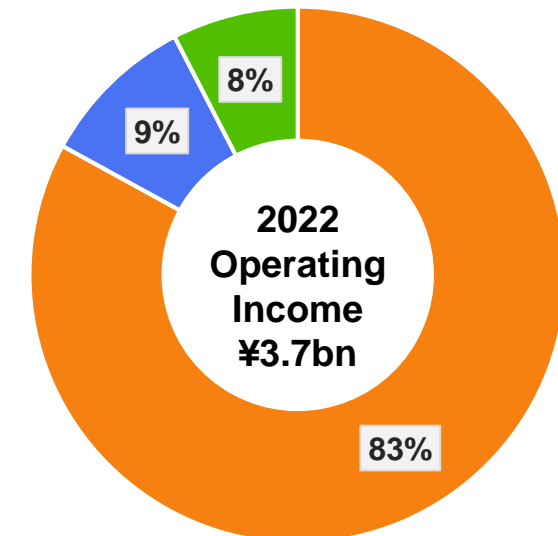
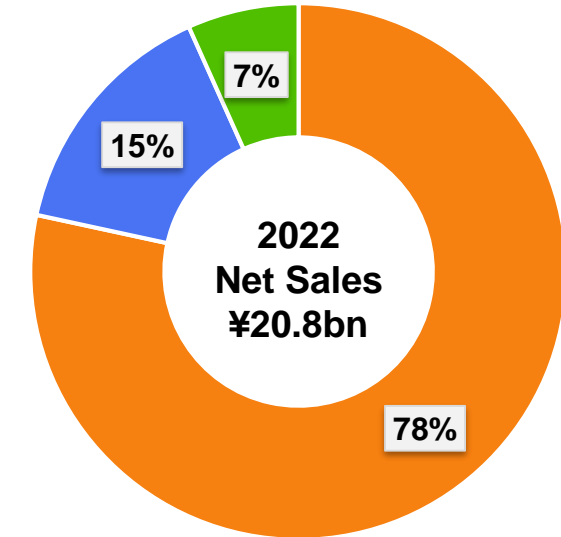
Other Operational Services Business

Rental income from serviced offices, real estate holdings, etc.



Serviced office

Net Sales and Operating Income by Segment



Cumulative-Type Business Accounted For More Than 95% Of Earnings in 2022

Business Segments and Association with Cumulative-Type or Flow-Type Business

Self-Storage Business

- ▶ Self-Storage Management
- ▶ Self-Storage Brokerage

Land Rights Consolidation Business

Other Operational Services Business

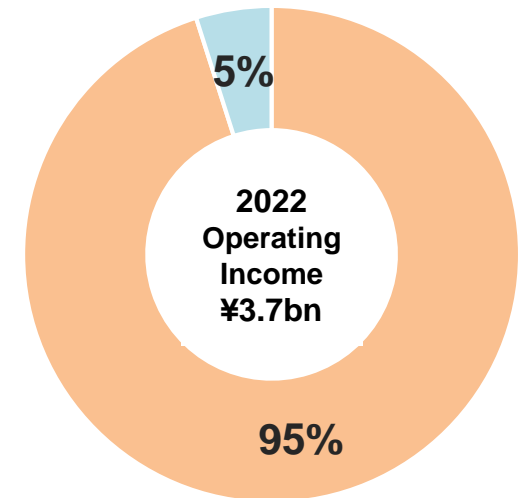
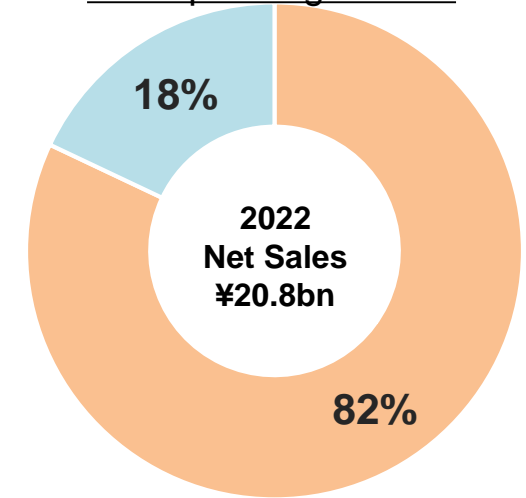
Cumulative-Type Businesses

- ◆ Self-Storage Management (core business)
- ◆ Other Operational Services Business

Flow-Type (Sales) Businesses

- ◆ Self-storage Brokerage
- ◆ Land Rights Consolidation Business

Ratio of Cumulative-Type Business Net Sales and Operating Income





- ◆ **Self-Storage Is the Partitioning of Containers or Buildings Into Individual Units, and Providing These Units as Rental Storage Spaces**

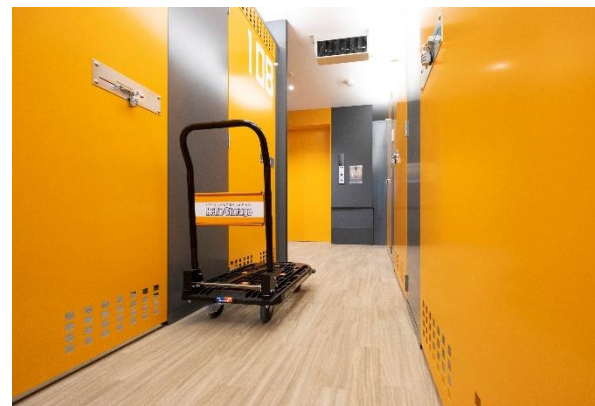
Known as “self-storage” in the United States, and commonly called “trunk rooms” in Japan

- ◆ **Arealink Provides Self-Storage Units Under the “Hello Storage” Brand**

Arealink is a leading company in the domestic market, with locations in 47 prefectures nationwide and a market share of approximately 17%

Arealink Has 2,000 Properties With 100,000 Units, the Most in Japan

New Design for Both Container and Indoor Types Adopted in 2022



Chic Design That Retains Arealink's Dark Gray and Orange Color Scheme

Aim to Resolve Problems by Coordinating Rights Relationships Through the Buying and Selling of Leasehold Land and Leasehold Land Rights



Leaseholder Rights

- Need to continue to pay land rent every month
- Landowner consent required for building extension or renovation

Leasehold Land Rights

- Land cannot be used freely
- Low liquidity, making it difficult to sell
- Low income compared to inheritance valuation

Basic Policy

- (1) Arealink purchases leasehold land from landowners facing difficulties, such as inheritance of leasehold land (Acquisition of the rights shown in orange above)
- (2) After adjusting the rights relationship, leasehold land is sold to the leaseholder (Rights shown in brown become 100%)



Image of the Final Goal

Cumulative-Type Business Comprising Mainly Real Estate Holdings and Serviced Offices

◆ Asset Business

- Mainly rental income from real estate holdings

◆ Serviced Office Business

- Operation of Hello Office, small offices in city centers
- Market with many competitors since the covid-19 pandemic

◆ Business Selection and Concentration

- Dec. 2020: Withdrawal from conference room rental business
- Mar. 2021: Withdrawal from parking business



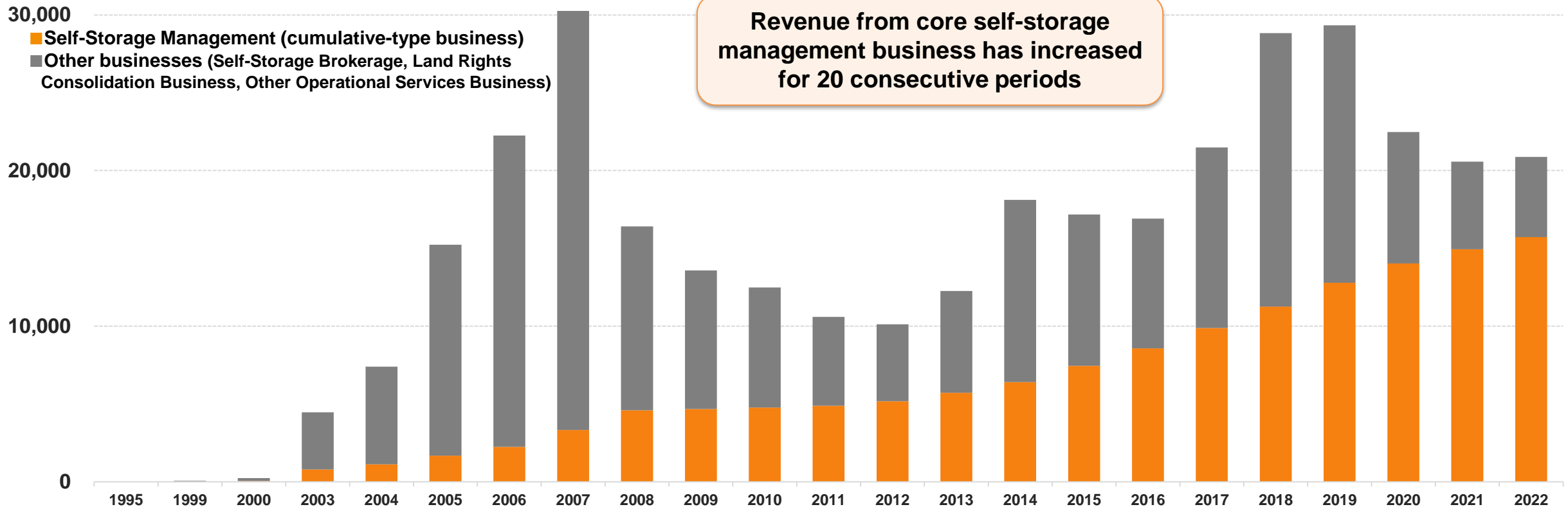
Example of owned property
(Kanda BM Bldg.)



Hello Office Entrance and Interior

Fluctuations in Businesses Other Than Self-Storage Management Were a Major Factor Affecting Revenue Until 2019

Unit: ¥mn



Revenue from core self-storage management business has increased for 20 consecutive periods

Focus on real estate buying and selling

Recovery from financial crisis

Focus on self-storage brokerage (buying and selling)

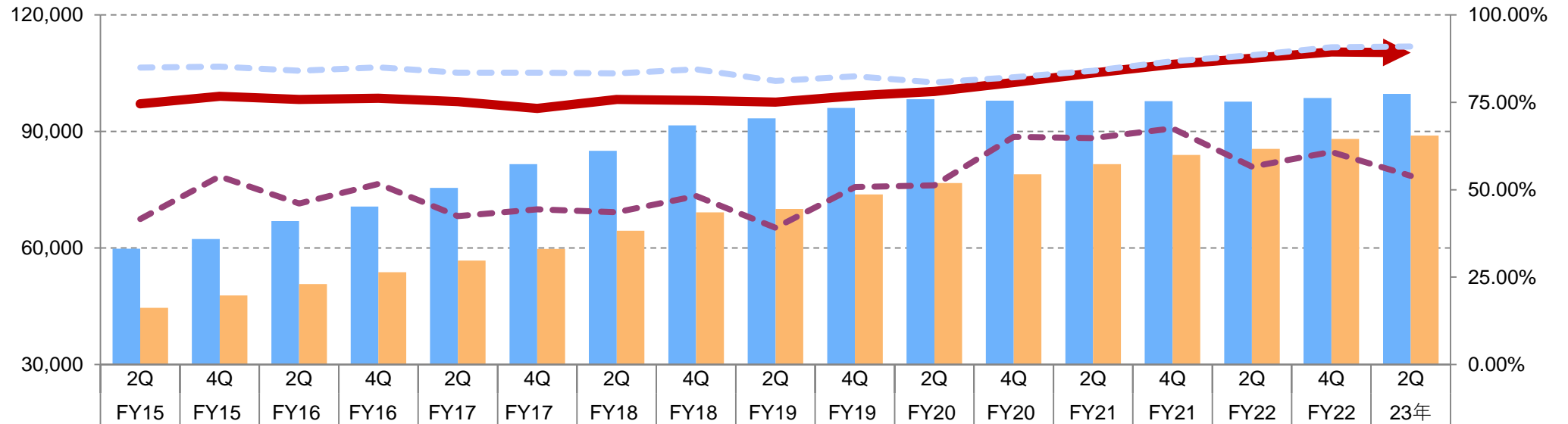
Shift to cumulative-type business

In Millions of yen			FY12/22	FY12/23				Cumulative
			Full-year	1Q	2Q	3Q	4Q	
Self-Storage Management	Net sales	15,725	4,094	4,142			8,237	
	Gross profit	5,509	1,536	1,543			3,080	
Self-Storage Brokerage	Net sales	641	213	109			323	
	Gross profit	54	11	10			21	
Self-Storage Business	Net sales	16,366	4,307	4,252			8,560	
	Gross profit	5,564	1,548	1,553			3,101	
	Business profit	4,084	1,166	1,122			2,288	
Land Rights Consolidation Business (Limited Land Rights)	Net sales	3,110	441	1,494			1,935	
	Gross profit	704	110	546			657	
	Business profit	464	56	317			374	
Other Operational Services Business	Net sales	1,400	339	348			687	
	Gross profit	448	96	102			199	
	Business profit	373	73	82			155	
Management Division	Business profit	(1,180)	(290)	(319)			(609)	
Total for All Businesses	Net sales	20,878	5,088	6,095			11,184	
	Gross profit	6,717	1,755	2,203			3,958	
	Operating income	3,742	1,005	1,202			2,208	

Total of Just Under 100,000 Units at End of FY12/22, Significant Increase Expected Going Forward

Total Units, Units in Use, and Utilization Rate

Unit: Number of units



	2Q FY15	4Q FY15	2Q FY16	4Q FY16	2Q FY17	4Q FY17	2Q FY18	4Q FY18	2Q FY19	4Q FY19	2Q FY20	4Q FY20	2Q FY21	4Q FY21	2Q FY22	4Q FY22	2Q 23年
Total Units	59,802	62,325	66,923	70,651	75,440	81,555	85,005	91,545	93,372	96,067	98,289	97,885	97,836	97,784	97,657	98,581	99,677
Units in Use	44,603	47,796	50,739	53,786	56,742	59,748	64,432	69,169	70,064	73,815	76,743	78,958	81,583	83,960	85,504	88,092	88,907
Utilization Rate (%)	74.58%	76.69%	75.82%	76.13%	75.21%	73.26%	75.80%	75.56%	75.04%	76.84%	78.08%	80.66%	83.39%	85.86%	87.56%	89.36%	89.20%
Existing Utilization Rate (%)	84.90%	85.19%	84.03%	84.97%	83.45%	83.48%	83.24%	84.46%	81.10%	82.40%	80.68%	82.17%	84.03%	86.72%	88.46%	90.73%	90.96%
New Utilization Rate (%)	41.63%	53.84%	46.04%	51.69%	42.43%	44.36%	43.57%	48.20%	39.14%	50.73%	51.26%	65.10%	64.78%	67.54%	56.58%	60.81%	53.92%

* **Existing:** Units after more than two years since they opened
New: Units after less than two years since they opened
New for FY 2023: Newly opened in 2022 and 2023

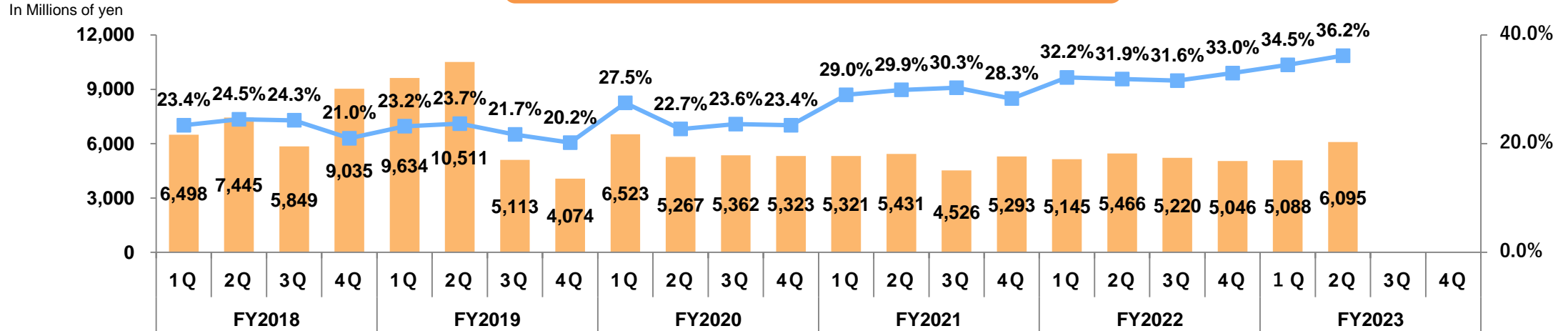
	Containers	Trunk	Other	Total	Proportion of Total
Hokkaido	958	414	137	1,509	1.51%
Aomori	50	0	48	98	0.10%
Iwate	20	0	0	20	0.02%
Miyagi	1,640	0	38	1,678	1.68%
Akita	31	0	0	31	0.03%
Yamagata	74	0	0	74	0.07%
Fukushima	167	0	0	167	0.17%
Ibaraki	969	0	0	969	0.97%
Tochigi	408	0	0	408	0.41%
Gunma	1059	0	0	1,059	1.06%
Saitama	8,286	658	1,447	10,391	10.42%
Chiba	9,923	250	1,365	11,538	11.58%
Tokyo	17,278	9,650	4,083	31,011	31.11%
Kanagawa	8,668	2,424	1,595	12,687	12.73%
Niigata	280	0	0	280	0.28%
Toyama	177	0	0	177	0.18%
Ishikawa	238	0	0	238	0.24%
Fukui	143	0	0	143	0.14%
Yamanashi	202	0	0	202	0.20%
Nagano	383	0	0	383	0.38%
Gifu	611	0	0	611	0.61%
Shizuoka	1,780	0	0	1,780	1.79%
Aichi	5,117	441	555	6,113	6.13%
Mie	367	50	0	417	0.42%

	Containers	Trunk	Other	Total	Proportion of Total
Shiga	292	0	0	292	0.29%
Kyoto	1,618	152	64	1,834	1.84%
Osaka	4,263	907	318	5,488	5.51%
Hyogo	3,799	121	0	3,920	3.93%
Nara	637	0	0	637	0.64%
Wakayama	27	0	0	27	0.03%
Tottori	85	0	0	85	0.09%
Shimane	30	0	0	30	0.03%
Okayama	218	0	0	218	0.22%
Hiroshima	416	0	0	416	0.42%
Yamaguchi	224	0	47	271	0.27%
Tokushima	49	0	0	49	0.05%
Kagawa	350	104	0	454	0.46%
Ehime	200	0	0	200	0.20%
Kochi	69	0	0	69	0.07%
Fukuoka	2,400	0	0	2,400	2.41%
Saga	106	0	0	106	0.11%
Nagasaki	144	0	0	144	0.14%
Kumamoto	371	0	0	371	0.37%
Oita	110	0	0	110	0.11%
Miyazaki	150	0	0	150	0.15%
Kagoshima	386	0	0	386	0.39%
Okinawa	36	0	0	36	0.04%
Total	74,809	15,171	9,697	99,677	100.00%

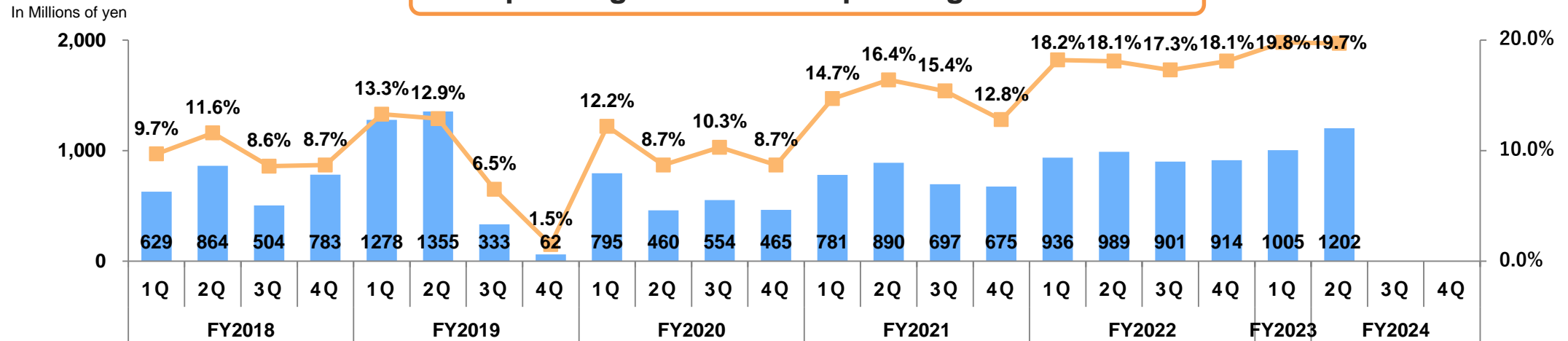
As of June 30, 2023

Entire Business— Quarterly Results

In Net Sales and Gross Profit Margin



In Operating Income and Operating Income Ratio



Main Implementation Measures This Year

Issue	Measure
Improve Visibility	Implemented seminars for individual investors
	Implemented small meetings
	Published external report
Help Investors Get To Know Arealink	Published self-storage monthly results
	Implemented 1-on-1s
	Delivered IR emails
	Gave property tours
	Published a detailed report written by an external company
Approach Foreign Investors	English translation of financial results (full text)
	English translation of earnings presentation materials
	Published report written by an overseas company
	Implemented 1-on-1s with foreign investors
	Overseas IR roadshow (planned)

Enhancing Information Dissemination to Domestic and Foreign Investors

◆ Shared Research (Japanese/English)

Information dissemination for domestic and foreign investors

<https://sharedresearch.jp/ja/companies/8914>



◆ Fisco (Japanese/English)

Information dissemination for domestic and foreign investors

<https://www.fisco.co.jp/service/report/>



◆ StormResearch (English)

Information dissemination for foreign institutional investors

<https://stormresearch.co.uk/>



◆ IR Email Distribution

IR E-mail Distribution is a service that provides timely IR information, including the latest news releases, via e-mail.

Emails will be sent to your registered email address through the RIMSNET service operated by the Transfer Agent Department of Mitsubishi UFJ Trust Banking Corporation.

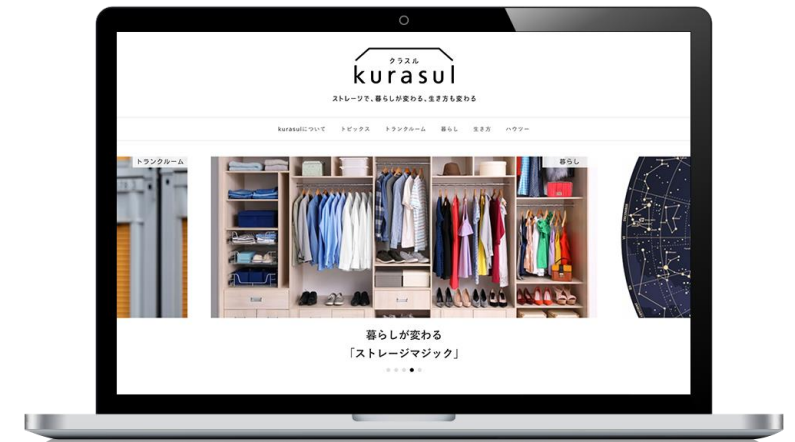
Access here to sign up → <https://rims.tr.mufg.jp/?sn=8914>

◆ Information Site On Living and Storage “kurasul”

Continuously proposing affluent lifestyles through self-storage

<https://kurasul.hello-storage.com/>

Scan this QR code
to visit “kurasul”! →



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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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