

Arealink

Arealink Co., Ltd.

**October 29, 2024
Results Briefing
Third Quarter, Fiscal Year
Ending December 2024**

- **FY12/24 3Q Business Results** **3-19**
- **Achieving the Medium-Term Management Plan**
20-34
- **Human Capital Management and Growth**
Strategies
The Future of Arealink **35-49**
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FY12/24 3Q Business Results

◆ Self-Storage Business

YoY sales up **12.3%** and business profit up **15.8%**

- Opened a total of 7,490 new units in 3Q compared to the target of 10,400 units for the whole FY12/24
- Newly opened properties in 2023-2024 had steady utilization
- 9 building types (self-storage minis) were sold in FY12/24 3Q cumulatively (Jan. to Sep.)

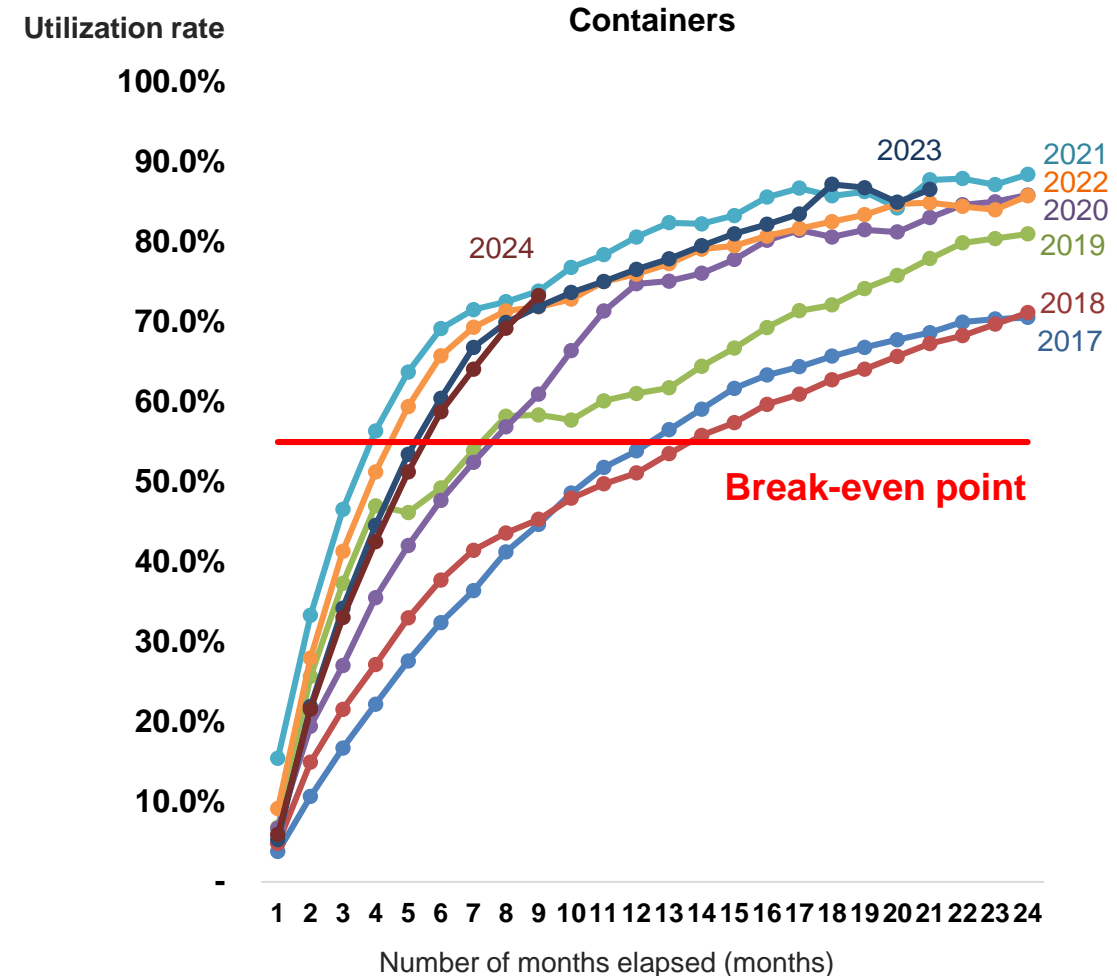
◆ Land Rights Consolidation Business

- Both sales and profit progressed beyond plan while some projects have been advanced

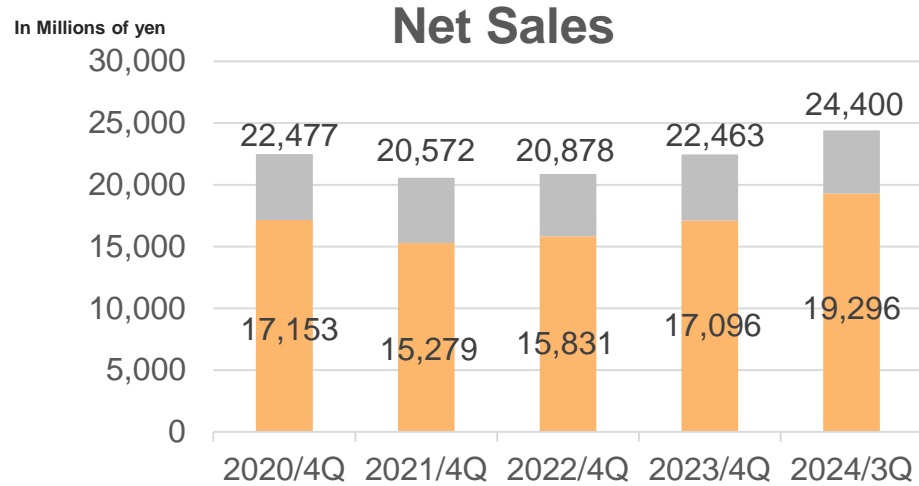
◆ Company Updates

- Carried out a two-for-one share split effective July 1, 2024
- Implement interim dividends starting FY12/24
- Change our dividend policy starting FY12/24 (Payout ratio 30% → 35%)

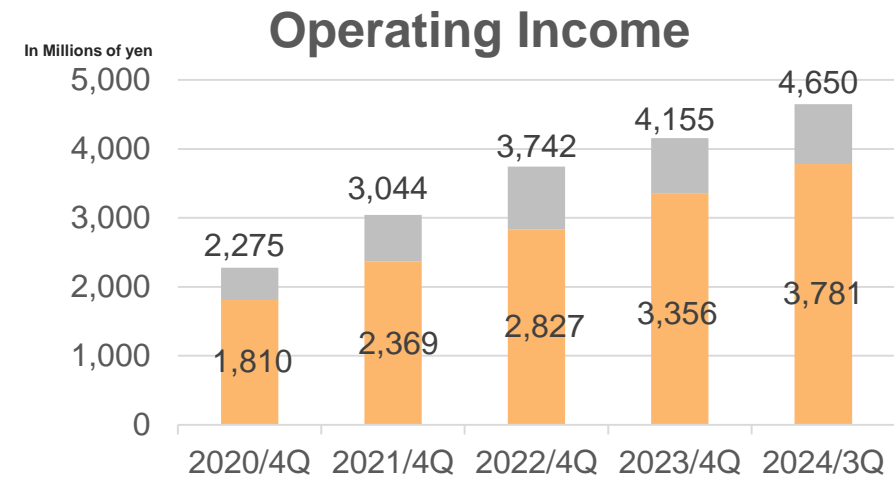
Utilization rate trends by year of opening of new properties



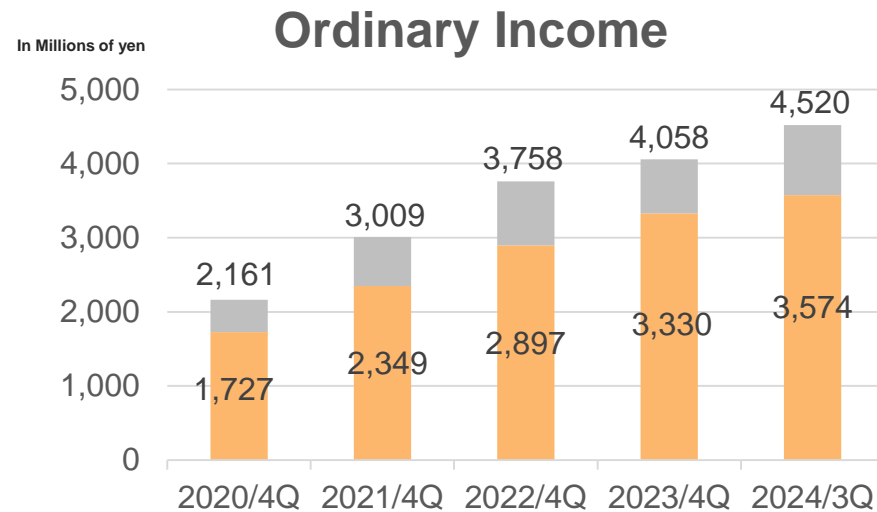
Arealink Past Four Years + FY12/24 Earnings Outlook and FY12/24 3Q Progress



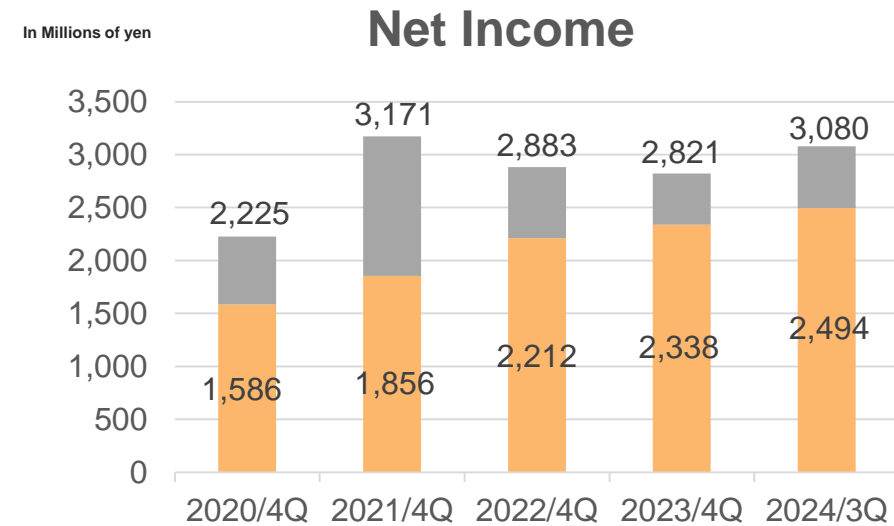
+ 12.9% YoY, 79.1% achievement in FY12/24



+ 12.7% YoY, 81.3% achievement in FY12/24



+ 7.3% YoY, 79.1% achievement in FY12/24

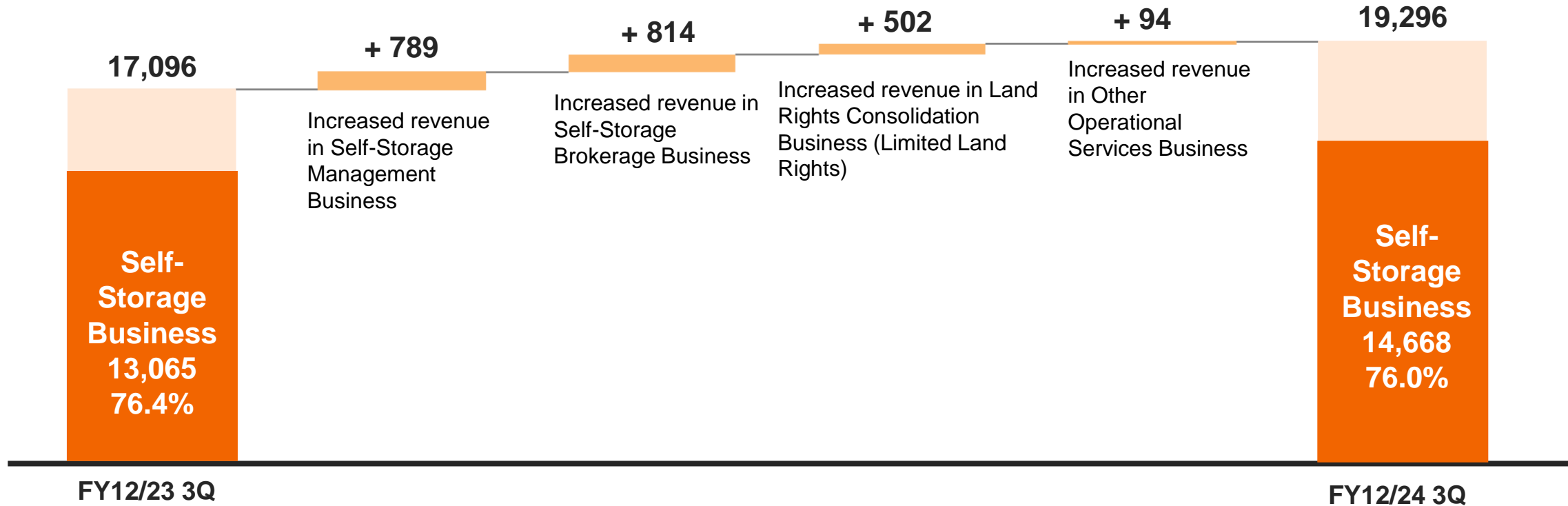


+ 6.7% YoY, 81.0% achievement in FY12/24

Overall Sales Increased by +12.9% due to Each Segment Progressing Steadily

Increase/Decrease in Net Sales

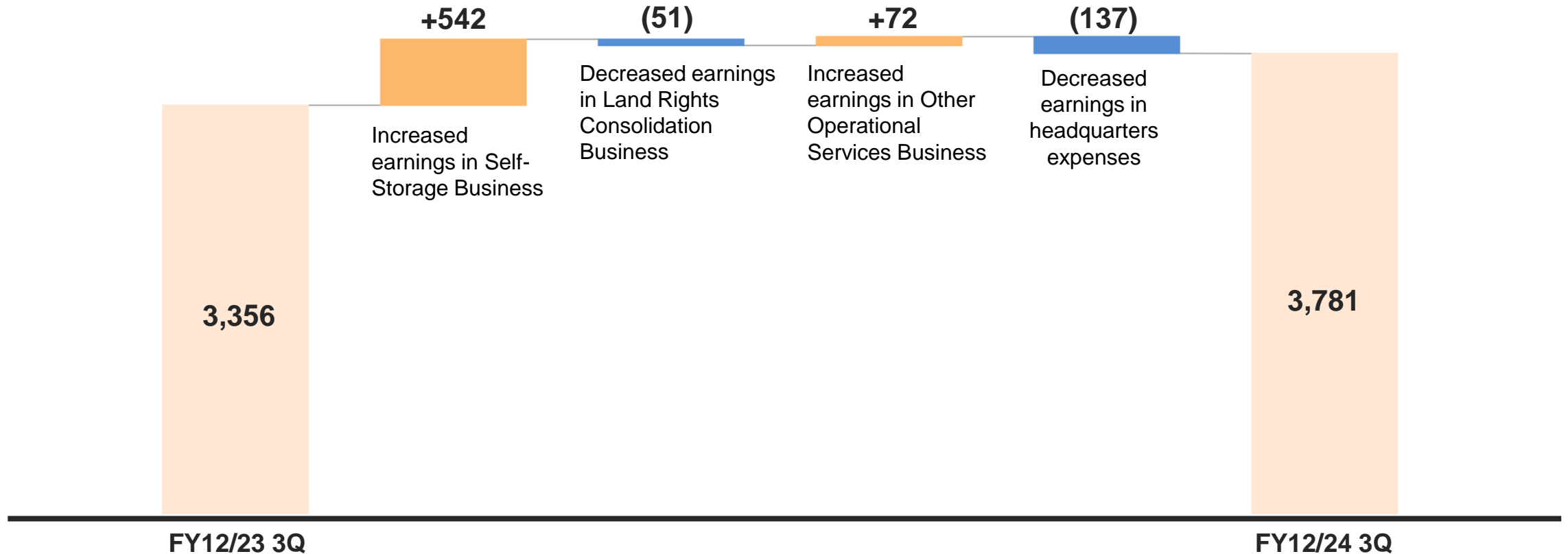
In Millions of yen



Profits Grew Due to Continued High Utilization Rate for Self-Storage Business, Etc.

Increase/Decrease in Operating Income

In Millions of yen



**Both Sales and Profit Made Steady Progress
Against the Full-Year Plan**

	FY12/23		FY12/24			
	Full-year Result	3Q	Full-year Plan	3Q	Relative to Plan	YoY
In Millions of yen						
Net sales	22,463	17,096	24,400	19,296	79.1%	+ 12.9%
Operating income	4,155	3,356	4,650	3,781	81.3%	+ 12.7%
Ordinary income	4,058	3,330	4,520	3,574	79.1%	+ 7.3%
Net income	2,821	2,338	3,080	2,494	81.0%	+ 6.7%

Compensation for Relocation Due to Withdrawals from Storage Properties, Etc. Are Recorded

In Millions of yen	FY12/23 3Q	FY12/24 3Q	Increase (Decrease)
Operating income	3,356	3,781	425
Non-operating income	141	98	(42)
Non-operating expenses	166	305	139
Ordinary income	3,330	3,574	243
Extraordinary income	63	1	(62)
Extraordinary loss	9	7	(2)
Income before income taxes	3,384	3,568	183
Income taxes — current	894	984	90
Income taxes — deferred	152	88	(63)
Net income	2,338	2,494	156

Non-operating income
Compensation for relocation ¥72 million

Non-operating expenses
Interest expenses ¥144 million
Commission expenses ¥158 million

Aggressive Measures to Increase Salaries in Order to Practice Business Operations with a Small Workforce.

Millions of yen	FY12/23 3Q	FY12/24 3Q	Increase (Decrease)	Rate of change
Directors' Compensation	110	147	36	+32.8%
Salary and allowances	708	770	62	+8.8%
Advertising and publicity costs	182	206	23	+13.2%
Commission expenses	505	626	120	+23.8%
(Sales commissions)	(261)	(353)	(92)	+35.4%
Compensation expenses	299	300	1	0.4%
Taxes and public dues	161	209	47	+29.4%
Others	604	711	106	+17.7%
Total SG&A expenses	2,573	2,971	398	+15.5%

* The amount of sales commissions within commission expenses is the commission expenses for real estate transactions, etc. (variable cost).

Arealink Overview of FY12/24 3Q Business Results (by segment)

In Millions of yen			FY12/23 3Q		FY12/24 3Q		
			Actual	Percent of Sales	Actual	Percent of Sales	YoY
	Self-Storage Management	Net sales	12,416	—	13,205	—	+ 6.4%
		Gross profit	4,626	37.3%	5,188	39.3%	+ 12.1%
	Self-Storage Brokerage	Net sales	649	—	1,463	—	+ 125.4%
		Gross profit	54	8.4%	248	17.0%	+ 355.4%
Self-Storage Business		Net sales	13,065	—	14,668	—	+ 12.3%
		Gross profit	4,680	35.8%	5,436	37.1%	+ 16.1%
		Business profit	3,434	26.3%	3,976	27.1%	+ 15.8%
Land Rights Consolidation Business (Limited Land Rights)		Net sales	2,982	—	3,484	—	+ 16.9%
		Gross profit	933	31.3%	937	26.9%	+ 0.4%
		Business profit	583	19.6%	531	15.3%	- 18.8%
Other Operational Services Business		Net sales	1,048	—	1,142	—	+ 9.0%
		Gross profit	314	30.0%	379	33.2%	+ 20.5%
		Business profit	246	23.5%	318	27.9%	+ 29.2%
Headquarters expenses		Business profit	(907)	—	(1,045)	—	+ 15.1%
Total for All Businesses		Net sales	17,096	—	19,296	—	+ 12.9%
		Gross profit	5,929	34.7%	6,753	35.0%	+ 13.9%
		Operating income	3,356	19.6%	3,781	19.6%	+ 12.7%

Steady Increase in Revenue and Profits in Management While Stably Increasing New Units

Self-Storage Business					
In Millions of yen	FY12/23 3Q	FY12/24 3Q	YoY	FY12/24 Plan	Compared to plan
Net sales (Self-storage management)	12,416	13,205	+ 6.4%	—	—
Net sales (Self-storage brokerage)	649	1,463	+ 125.4%	—	—
Net sales	13,065	14,668	+ 12.3%	20,500	71.6%
Gross profit (Self-storage management)	4,626	5,188	+ 12.1%	—	—
Gross profit (Self-storage brokerage)	54	248	+ 355.4%	—	—
Gross profit	4,680	5,436	+ 16.1%	—	—
SG&A expenses	1,246	1,459	+ 17.1%	—	—
Business profit	3,434	3,976	+ 15.8%	5,360	74.2%

Self-Storage Management

- The utilization rate remained high at 86.57% despite increase in the number of new units, and revenue and profits increased year on year

Self-Storage Brokerage

- Both sales and profit increased due to sales of nine properties of storage with land (Building Type (Self-storage Mini))

Land Rights Consolidation Business Progressed Ahead of and Above Plan

Land Rights Consolidation Business (Limited Land Rights)					
In Millions of yen	FY12/23 3Q	FY12/24 3Q	YoY	FY12/24 Plan	Compared to plan
Net sales	2,982	3,484	+ 16.9%	2,400	145.2%
Gross profit	933	937	+ 0.4%	—	—
SG&A expenses	350	405	+ 15.6%	—	—
Business profit	583	531	-8.8%	320	166.2%

Other Operational Services Business					
In Millions of yen	FY12/23 3Q	FY12/24 3Q	YoY	FY12/24 Plan	Compared to plan
Net sales	1,048	1,142	+ 9.0%	1,500	76.2%
Gross profit	314	379	+ 20.5%	—	—
SG&A expenses	68	60	-10.9%	—	—
Business profit	246	318	+ 29.2%	300	106.2%

Land Rights Consolidation Business (Limited Land Rights)

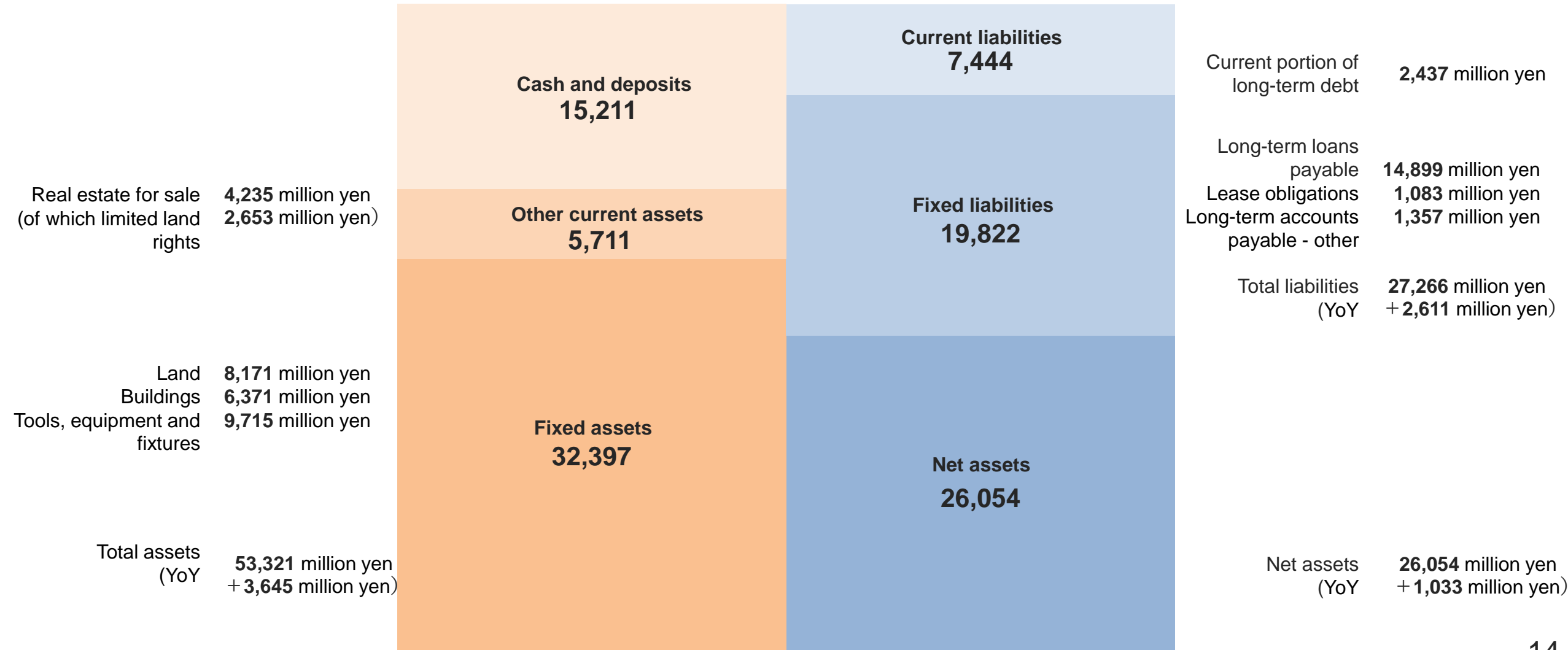
- Inventory was 2,653 million yen, a decrease of 1,156 million yen compared to the end of the previous fiscal year
- Both sales and profit progressed beyond plan despite some projects being settled ahead of plan

Other Operational Services Businesses

- Steadily progressing above plan

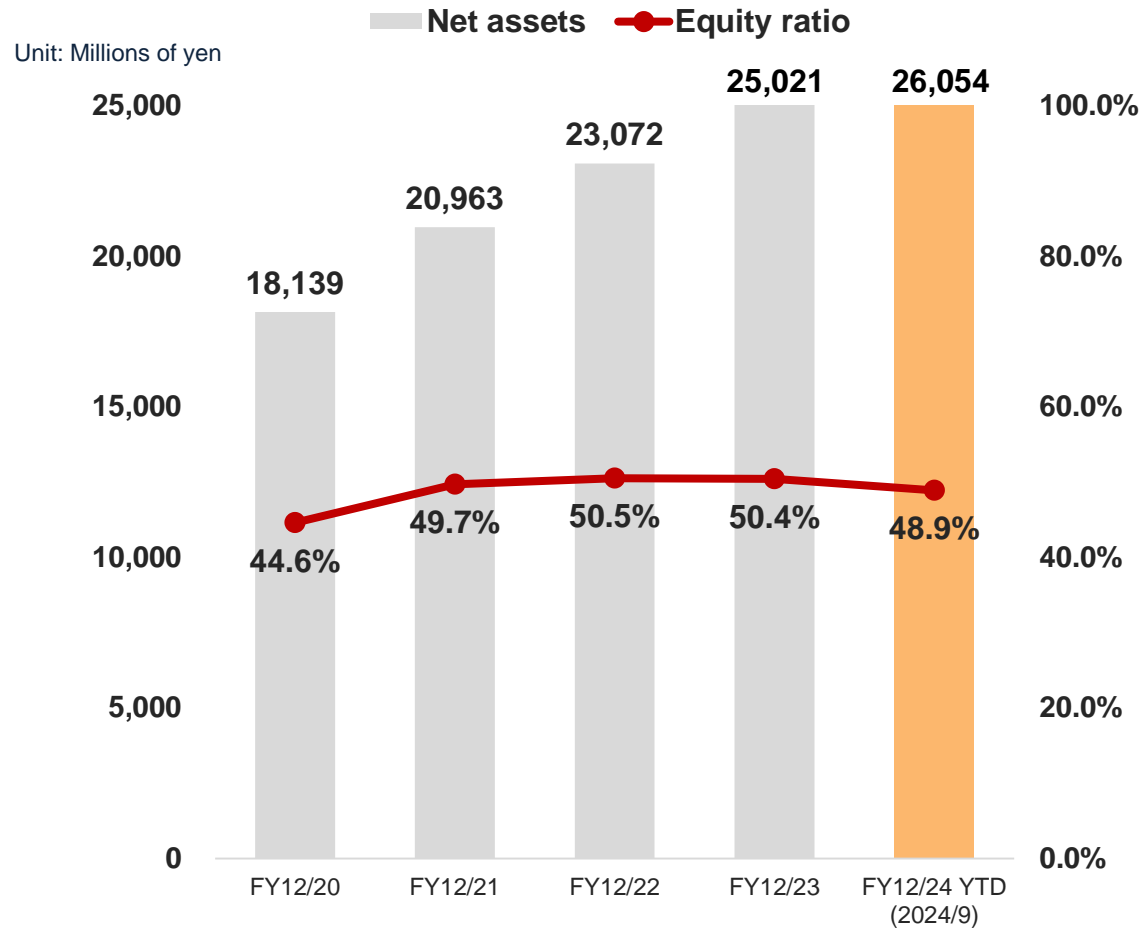
Stable Financial Base With Cash Deposits of 15.2 Billion Yen

In Millions of yen

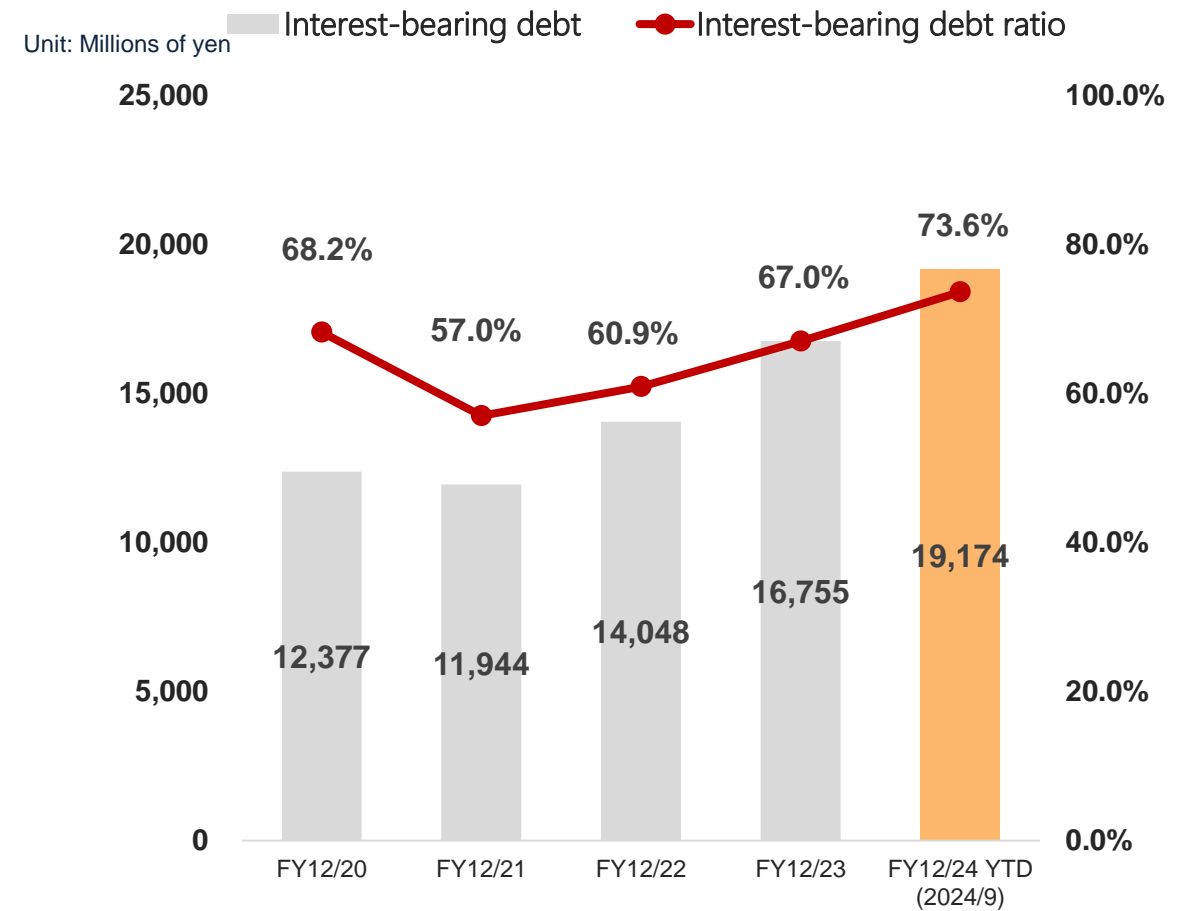


Equity Ratio Remained Stable at 48.9%

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

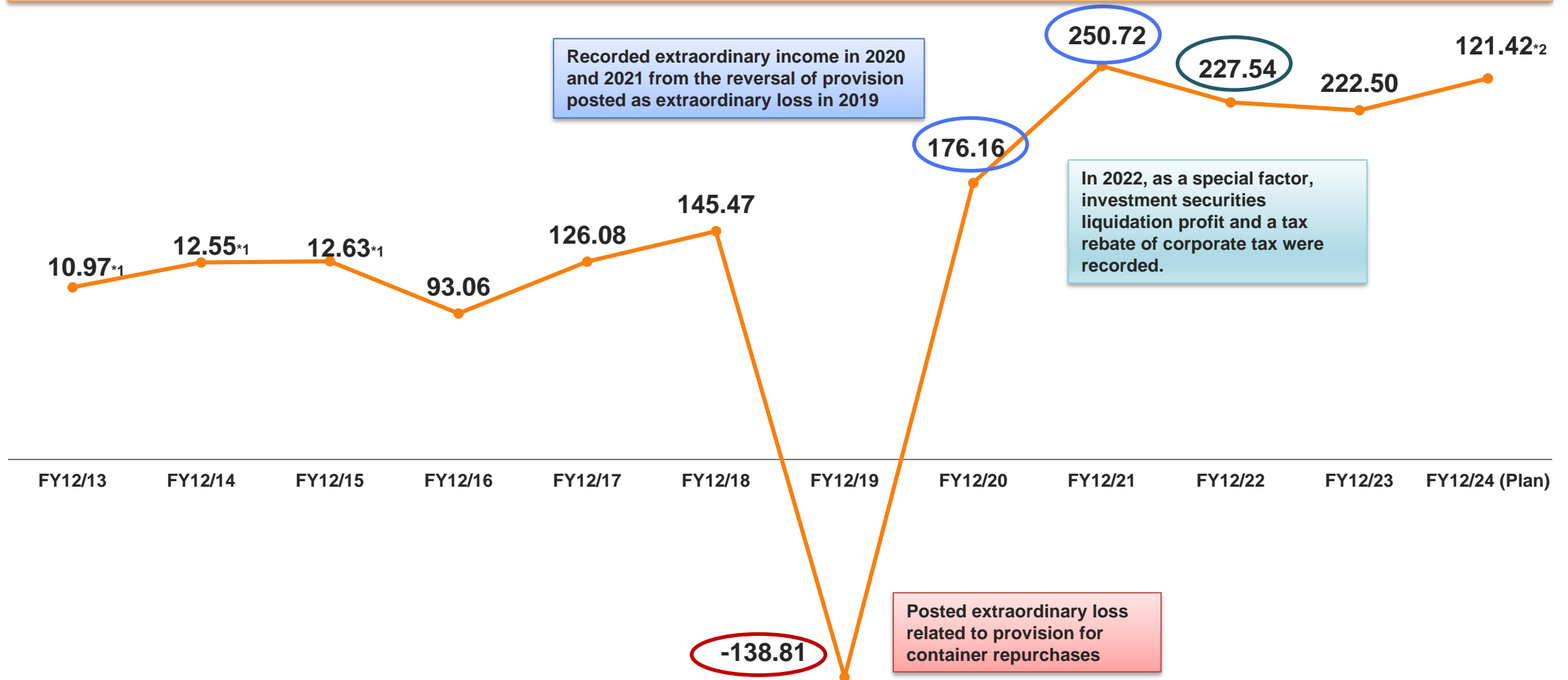
In Millions of yen	FY12/23		FY12/24		
	Actual	Percent of Sales	Plan	Percent of Sales	YoY
Net sales	22,463	—	24,400	—	+ 8.6%
Operating income	4,155	18.5%	4,650	19.1%	+ 11.9%
Ordinary income	4,058	18.1%	4,520	18.5%	+ 11.4%
Net income	2,821	12.6%	3,080	12.6%	+ 9.2%

FY12/24 Earnings Outlook (by Segment)

In Millions of yen		FY12/23		FY12/24		
		Actual	Percent of Sales	Forecast	Percent of Sales	YoY
Self-Storage Business	Net sales	17,423	—	20,500	—	+ 17.7%
	Operating income	4,563	26.2%	5,360	26.1%	+ 17.5%
Land Rights Consolidation Business (Limited Land Rights)	Net sales	3,623	—	2,400	—	− 33.8%
	Operating income	446	12.3%	320	13.3%	− 28.3%
Other Operational Services Business	Net sales	1,416	—	1,500	—	+ 5.9%
	Operating income	345	24.4%	300	20.0%	− 13.2%
Management Division	Net sales	—	—	—	—	—
	Operating income	(1,199)	—	(1,330)	—	+ 10.9%
Total for All Businesses	Net sales	22,463	—	24,400	—	+ 8.6%
	Operating income	4,155	18.5%	4,650	19.1%	+ 11.9%

- In the Self-Storage Business, revenue and profit are expected to increase steadily
- Intend to downsize the Land Rights Consolidation Business

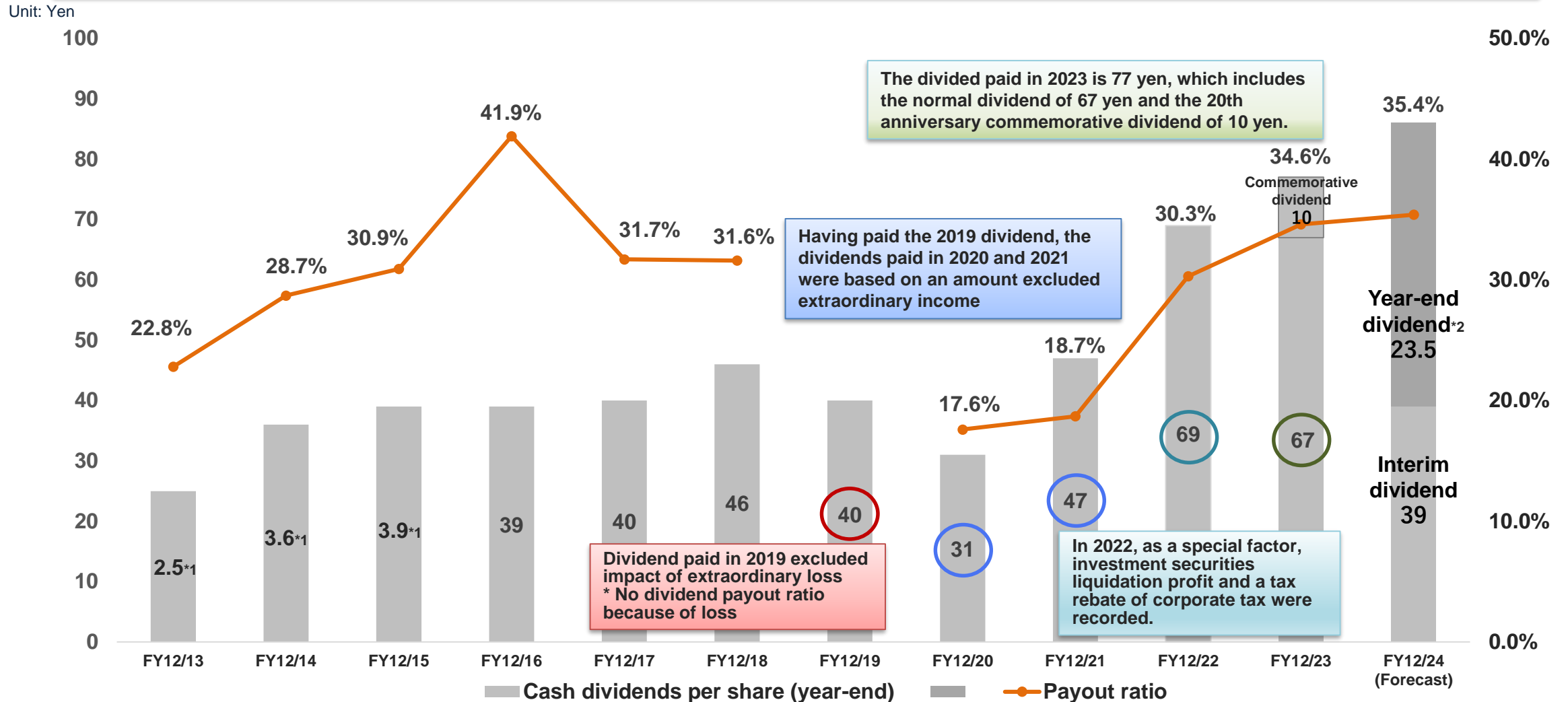
**Following Impact of Extraordinary Income and Loss from 2019 Onwards,
Returned to Normal Starting 2023**



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

^{*2} The Company carried out a two-for-one share split of common stock effective July 1, 2024. Earnings per share (EPS) for the fiscal year ending December 31, 2024 (forecast) without considering the share split is 242.83 yen.

Change the Target of Payout Ratio from 30% to 35% Starting FY12/24



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

*2 The Company carried out a two-for-one share split of common stock effective July 1, 2024. The year-end dividend per share for the fiscal year ending December 31, 2024 (forecast) without considering the share split is 47 yen per share, and the annual dividend per share is 86 yen per share.

Achieving the Medium-Term Management Plan

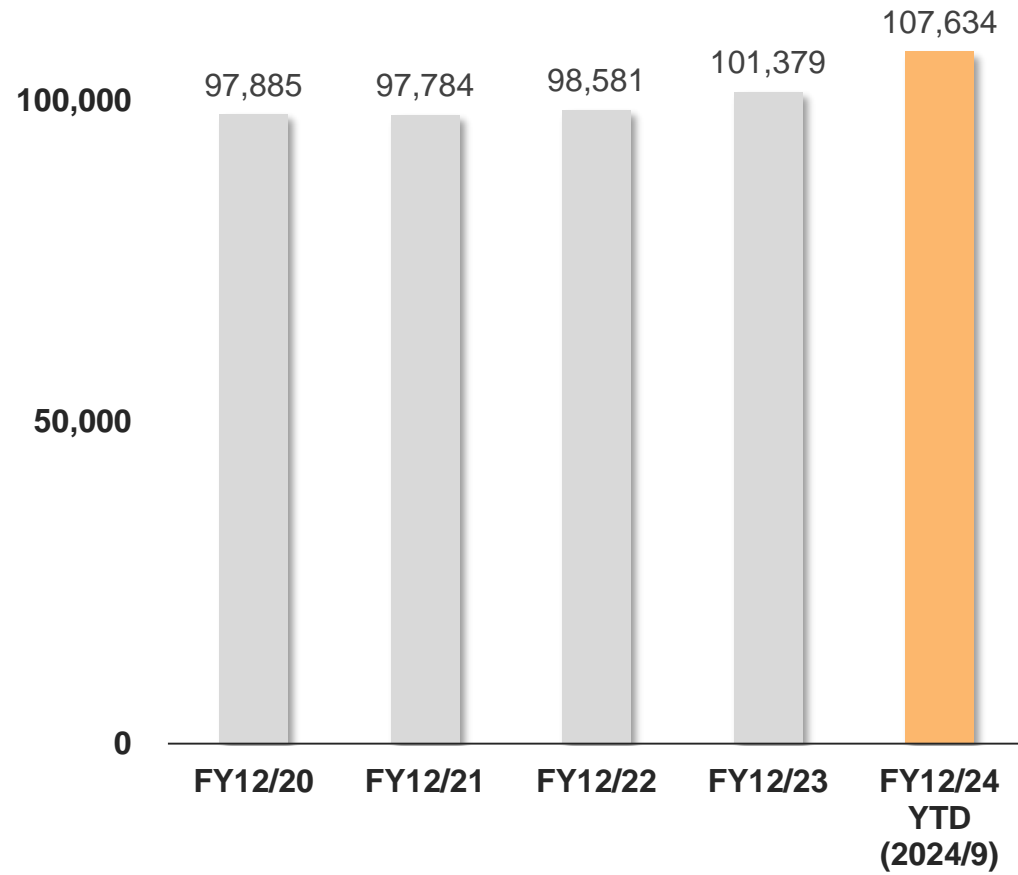
In Millions of yen	2023					2024		2025	
	Projected	Profit Margin	Actual	Profit Margin	Achievement rate	Projected	Profit Margin	Projected	Profit Margin
Net sales	21,800	—	22,463	—	103.0%	24,400	—	28,100	—
Operating income	4,050	18.6%	4,155	18.5%	102.6%	4,650	19.1%	5,500	19.6%
Ordinary income	3,930	18.0%	4,058	18.1%	103.3%	4,520	18.5%	5,350	19.0%

Self-storage No. of new units*	4,700	5,800	10,400	14,000
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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 5,800 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



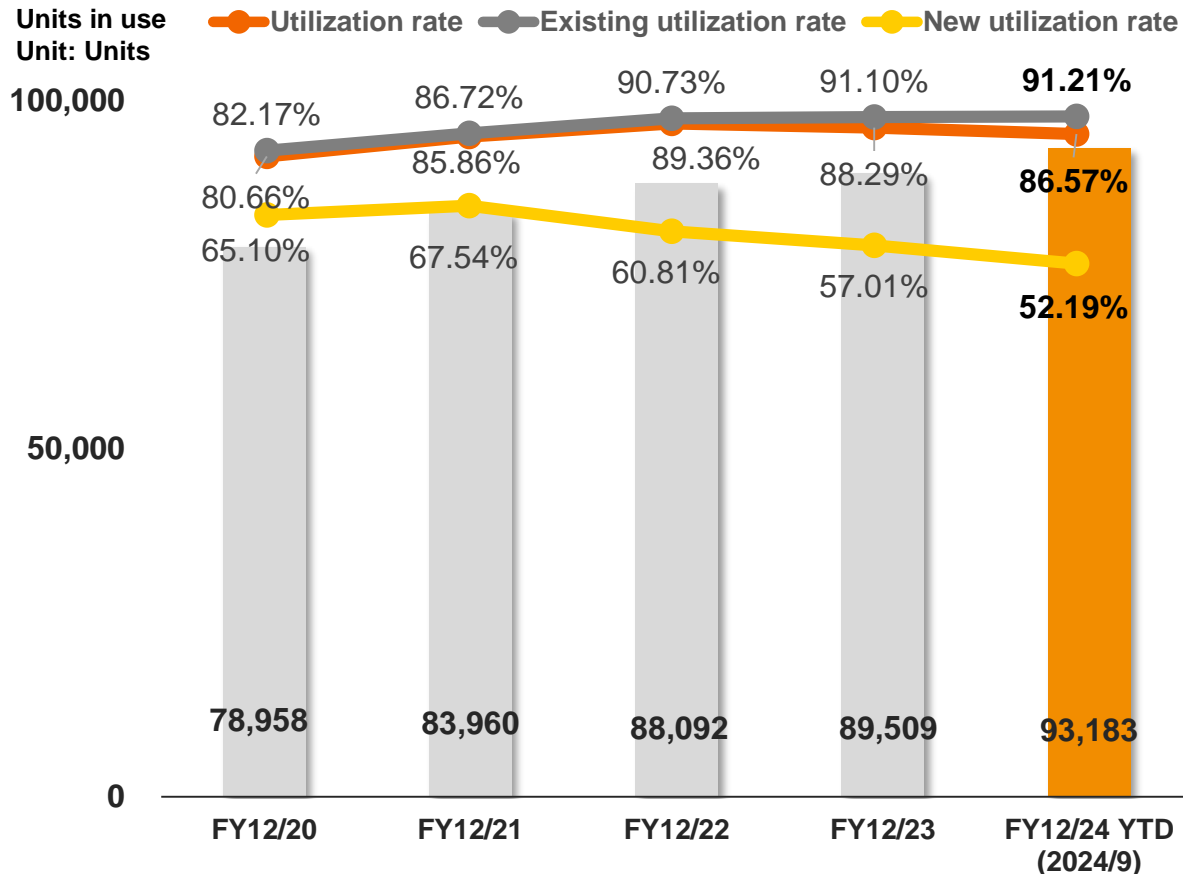
	Full-year plan	FY12/24 3Q Number of new units	FY12/24 3Q Cumulative number of units
Container Type	8,700	6,121 (363)	82,771
In-Building Type	1,200	877 (18)	16,117
Building Type (Self-storage Mini)	500	492 (0)	8,746

	Plan	FY12/24 3Q Actual
New Units in 2024	10,400	7,490 (381)

* Figures in parentheses are the number of units from expansion of existing locations.

Utilization Rate Continues to Be High

Change in units in use and utilization rate



- The utilization rate continues to improve year by year, and the overall utilization rate remains high

Overall 86.57% Existing 91.21%

- Effective utilization of new properties at startup remains steady

- Openings by Region

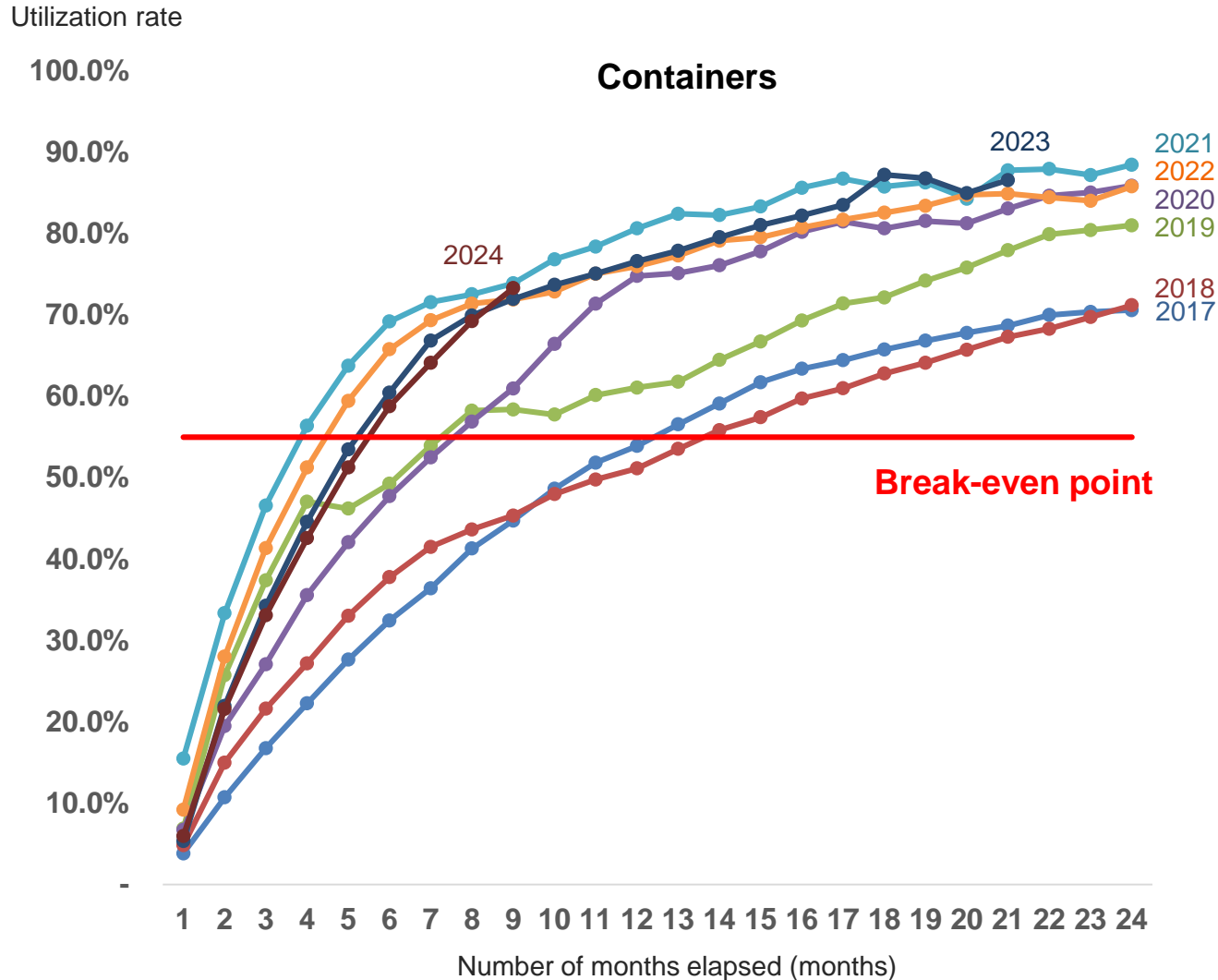
Tokyo and Three Neighboring Prefectures: 3,136 units

Kyoto, Osaka, Kobe: 1,290 units

Other Region: 3,064 units

* New facilities are locations opened during and after the previous fiscal year. For FY12/24, new facilities are those opened during FY12/23 and FY12/2024.

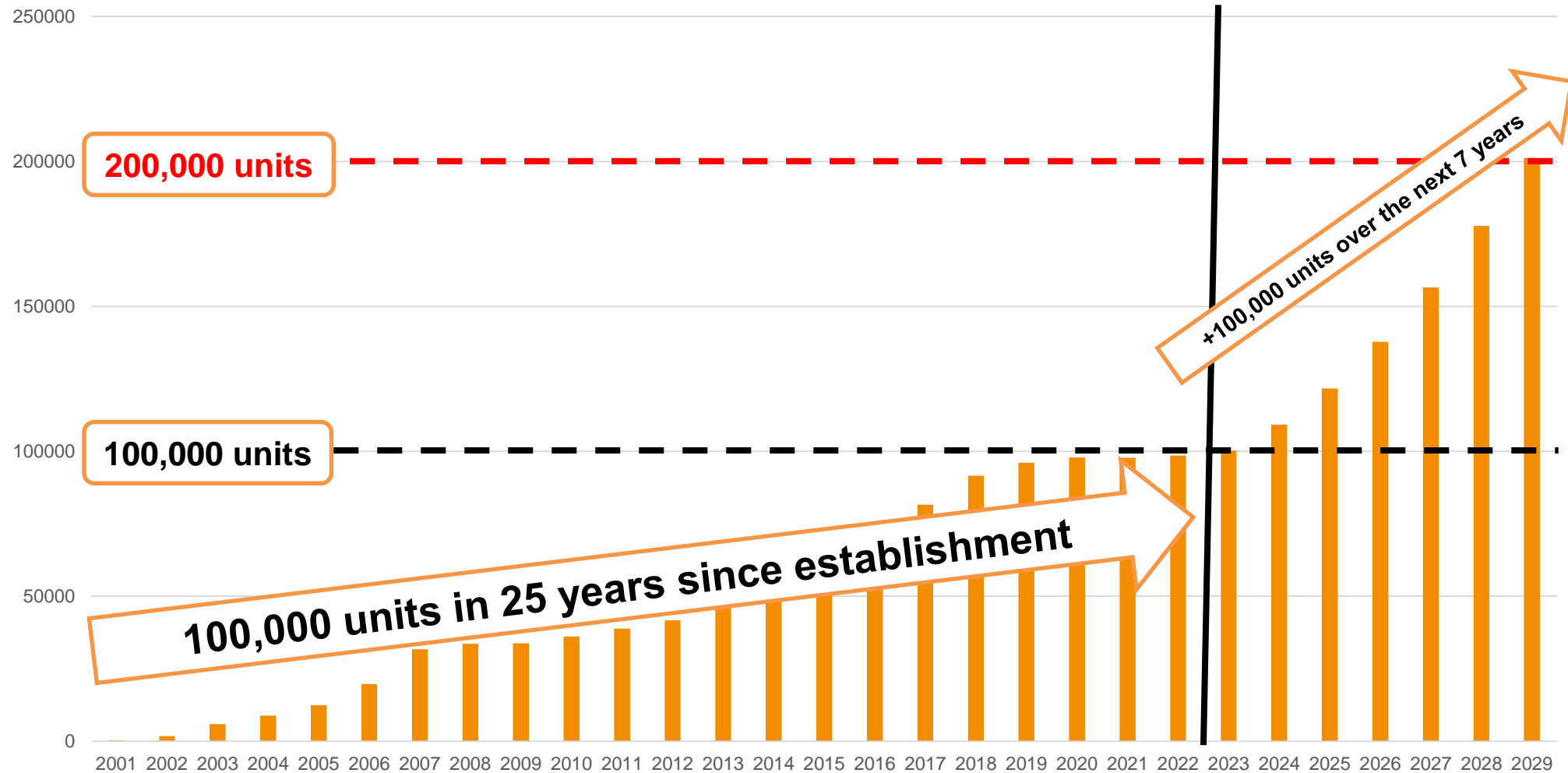
Steady Progress in Utilization After New Openings



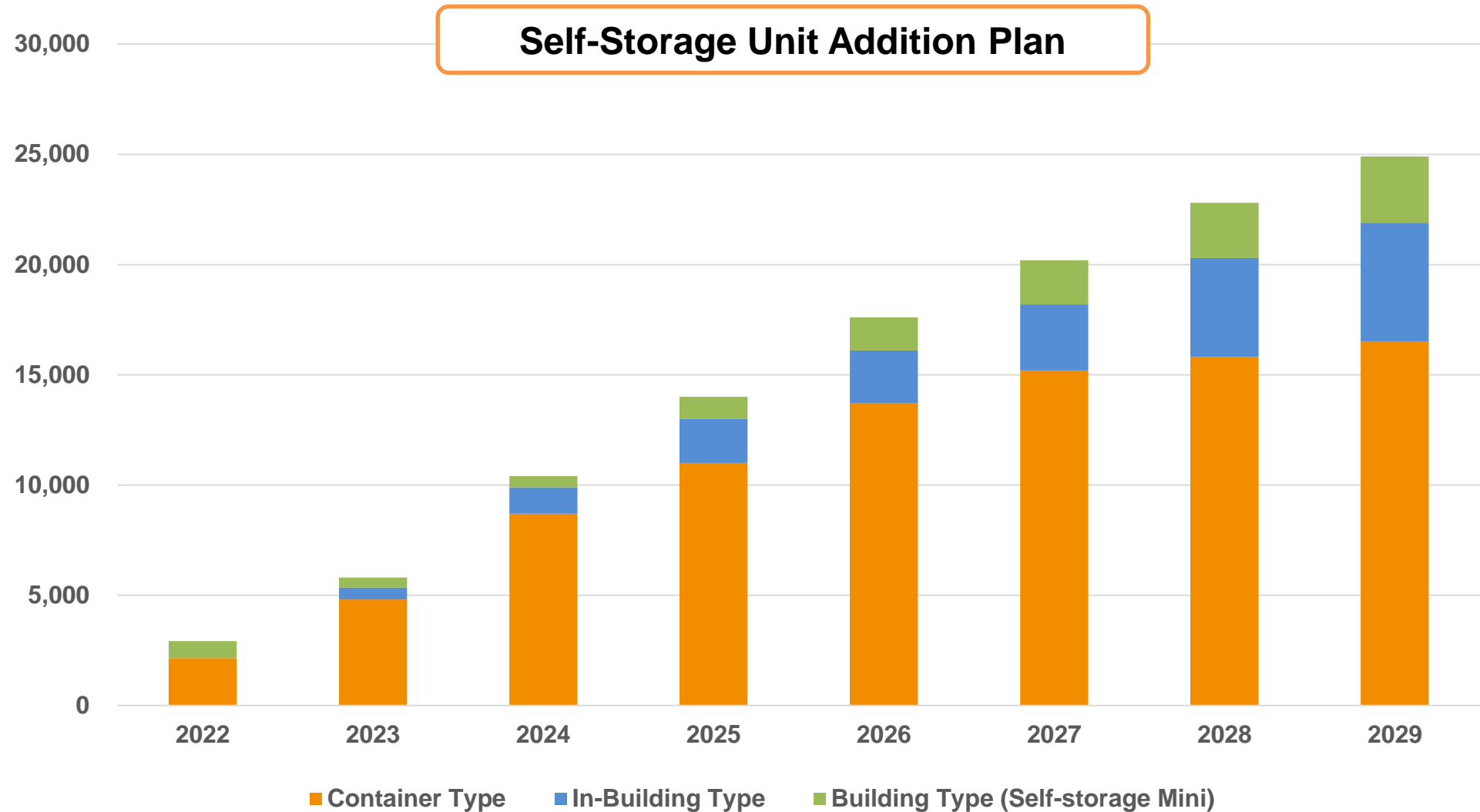
Factors contributing to the increase in the utilization rate

- Greater precision of location opening strategies (type of product, area, number of units, price) from use of databases (population, number of households, income brackets, etc.)
- Development of small-scale properties in multiple locations
- Demand for decluttering homes as remote work becomes established
- Smaller residential spaces and rising house prices
- Greater awareness of products and services as a focus on PR activities led to wide-ranging media uptake, mainly TV and online

Shift to a strategy of analyzing, verifying, and utilizing past data to improve the utilization rate for existing locations, and enhance the accuracy of new location openings



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



- ◆ **Unattended operation allows for low cost and high profitability (some locations have staff on site)**

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

- ◆ **Operated using leased land and buildings (some properties are owned)**

Sites can be located on leased land far from train stations for a long period at comparatively low cost.

- ◆ **Small-scale properties (convenience store feeling)**

Difficult for investment funds, REITs, and major companies to enter the market.

- ◆ **Awareness of self-storage remains low, so stable operation takes time**







Deficit period continues for about half a year

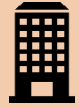
- ◆ **Possible to start operations in short period of time once the land contract is concluded**

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



Arealink Self-Storage Business – Product Development & Strategies (1)

Indoor Types		Outdoor Type
 Building Type (Self-storage Mini)	 In-Building Type	 Container Type
Purchase of land	Lease of building floor or land	
 <p>A single building designed exclusively for self-storage. Full range of facilities including air conditioning, security systems, and private parking lots.</p> <p>Yield: Approx. 8% (while held by Arealink)</p>	 <p>Remodeled floor of a building partitioned make self-storage units. Facilities such as private parking, EV stations, and air conditioning vary depending on the property.</p> <p>Yield: Approx. 18%</p>	 <p>Self-storage using shipping containers. The site can be accessed by car, with parking alongside the unit. Some locations</p> <p>Yield: Approx. 18%</p>



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 (Self-storage Mini)

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

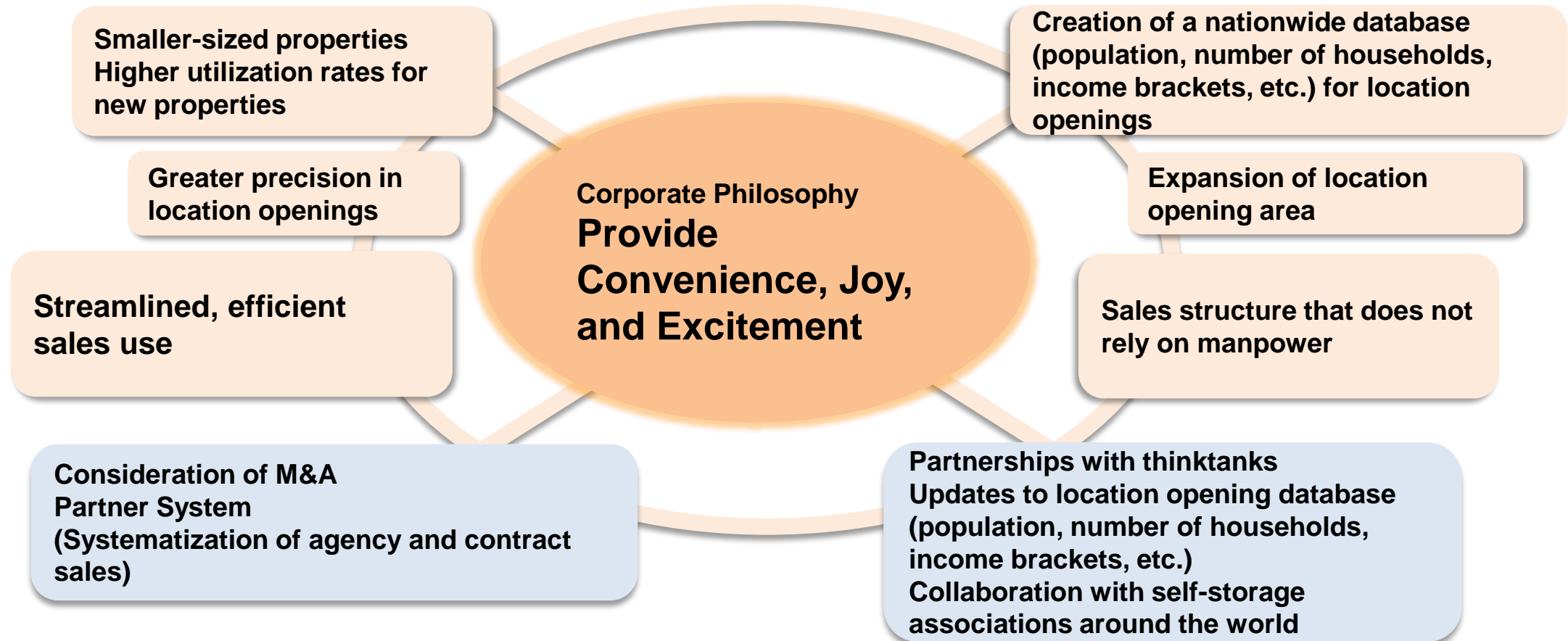


Container Type

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



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



Now that the stage is set, **ACCELERATE location openings**

→ Achieve a **market share of 30% within ten years** with proactive openings

Build a Self-Storage Database to Enable Data-Driven Management

Self-Storage Database

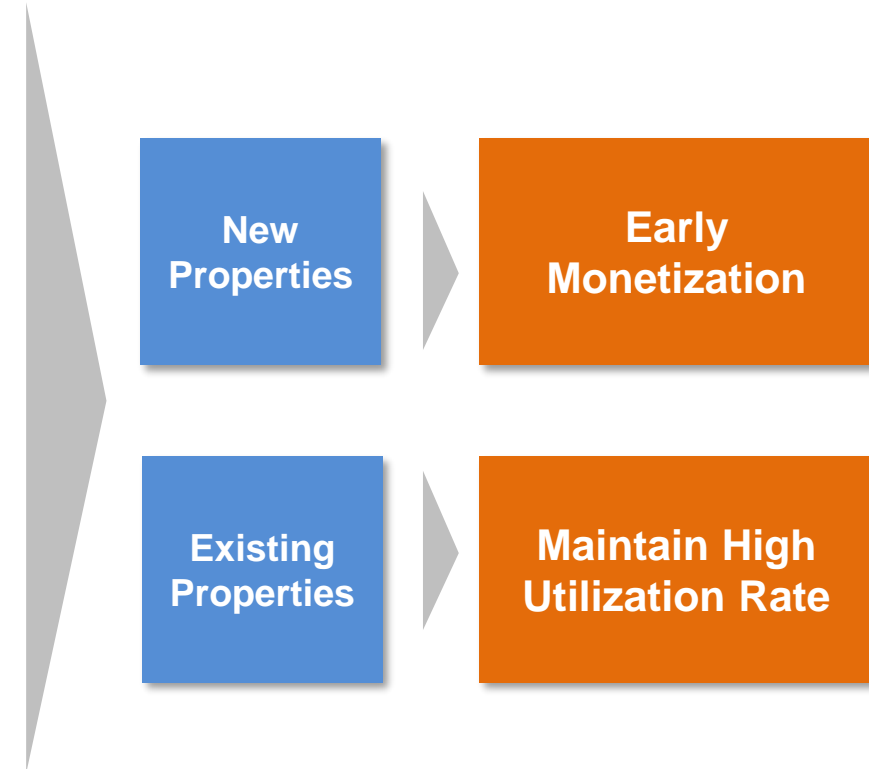
- Accumulation of information on customers and properties nationwide
 - * Hundreds of thousands of data points, including past cancellations
- High-precision new location openings backed by detailed data
- Data-driven management that excludes personal experience and intuition

Marketing Strategy

- In consideration of long-term profitability, develop optimal products in areas nationwide
- Optimize advertising strategies centered on web advertising to improve overall efficiency and lower costs

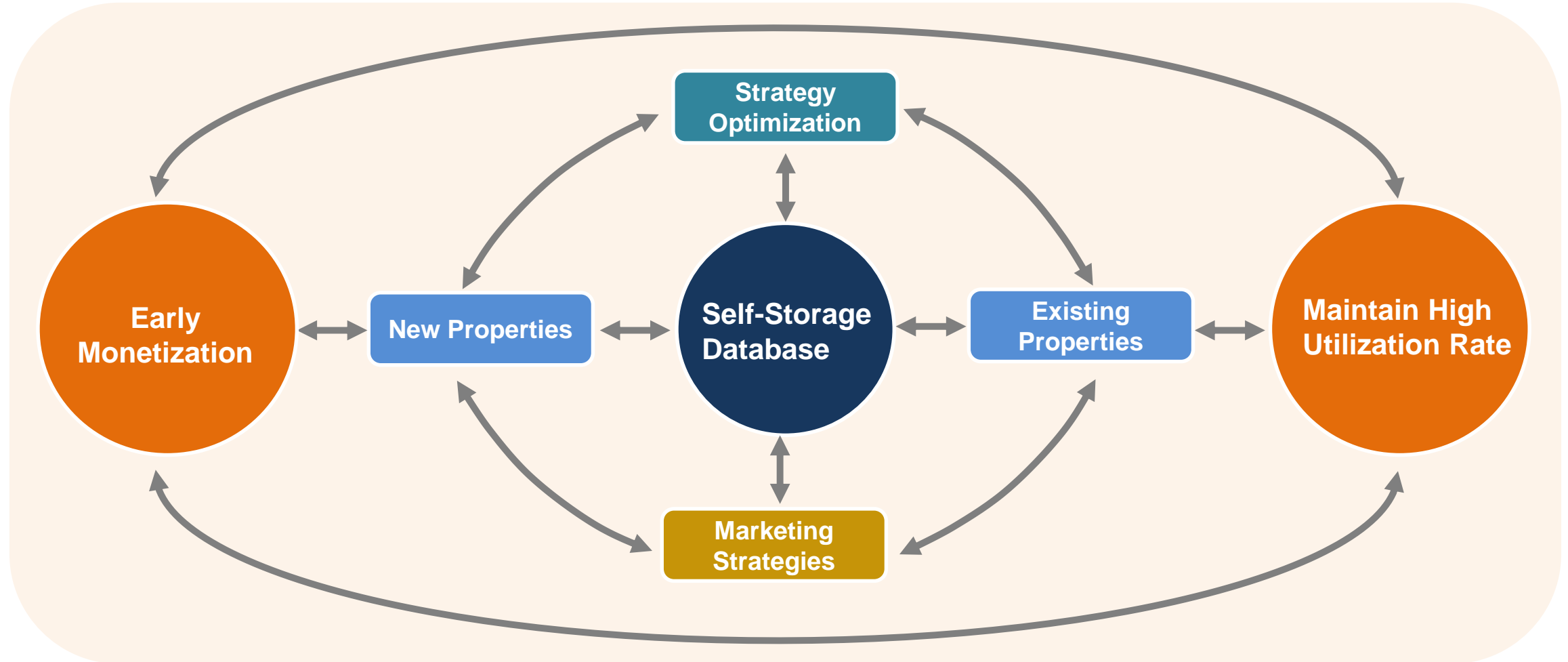
Strategy Optimization

- Analyze contracts, cancellations, usage periods, rent setting, promotional campaigns, and regional data from various perspectives
- After opening a new property, accumulate new data and further improve precision









Differentiation Strategies (2)

Two-pronged strategy of early monetization of new properties, and maintaining high utilization rates for existing properties – We have entered the phase of accelerating store openings.



Arealink Is Never Satisfied, Continually Pursuing Greater Customer Convenience

“Hello Home Delivery” Courier Service	Storage Rack Sales and Assembly	Transport IC Card Security System
 <ul style="list-style-type: none"> Allows items to be easily moved from home to the self-storage unit. 	 <ul style="list-style-type: none"> 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. 	 <ul style="list-style-type: none"> 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)	Support for Online Contracts and Credit Card Payments	Future
 <ul style="list-style-type: none"> Organization professionals consider lifestyle, family structure, personality, and other factors to propose organization and storage methods best suited to the customer. <p>*Customers who apply at the same time as Hello Storage receive a discount on Inbloom Co., Ltd.'s tidying concierge service.</p>	 <ul style="list-style-type: none"> Ability to apply for a contract online, and register a credit card for payment. 	 <ul style="list-style-type: none"> Arealink is considering expanding services using digital technologies for greater convenience. Introduction of AI tools

Expanded Media Exposure to Boost Visibility of Self-Storage

TV Commercials



Mar. – May 2024 Saturdays 21:00-21:55
 “Discovery Masterpiece Selection”
 (BS 11, during program)

TV Exposure

Mar.
 “Super J Channel” (TV Asahi)

Print Media

- Nikkan Real Estate Economic News
- National Rental Housing News
- The Reuse Economic Journal
- Jinushi to Yanushi (“Landowner and Landlord”)
- Nikkei ESG
- KENZAI Market
- Kabunushitecho
- Housing Journal

Internet



President’s Dictionary

- President’s Dictionary – Media for Direct Connections to Company Presidents
- R.Eport
- tokyo chips
- Magazine Summit
- Fudousan Keizai Tsushin
- LOGISTICS TODAY
- Shindachi Housing
- Kabutan
- Jutaku-Shinpo Web
- Building Management Weekly

Award



Award-winning product : Hello Storage Yokosuka Sanocho

May

Received “Multi-Site Operation Store of the Year” (Japan Division) at the Self Storage Awards Asia 2024, honoring outstanding self-storage operators in Asia.

Recognized for designs that blend in with the cityscape, and our wide variety of services.

Human Capital Management and Growth Strategies

The Future of Arealink

Management Philosophy : Provide Convenience, Joy, and Excitement

MISSION

Change Life in Japan With
Self-Storage

By making self-storage available nationwide, we will provide people with opportunities for nostalgia, and enrich their lives.

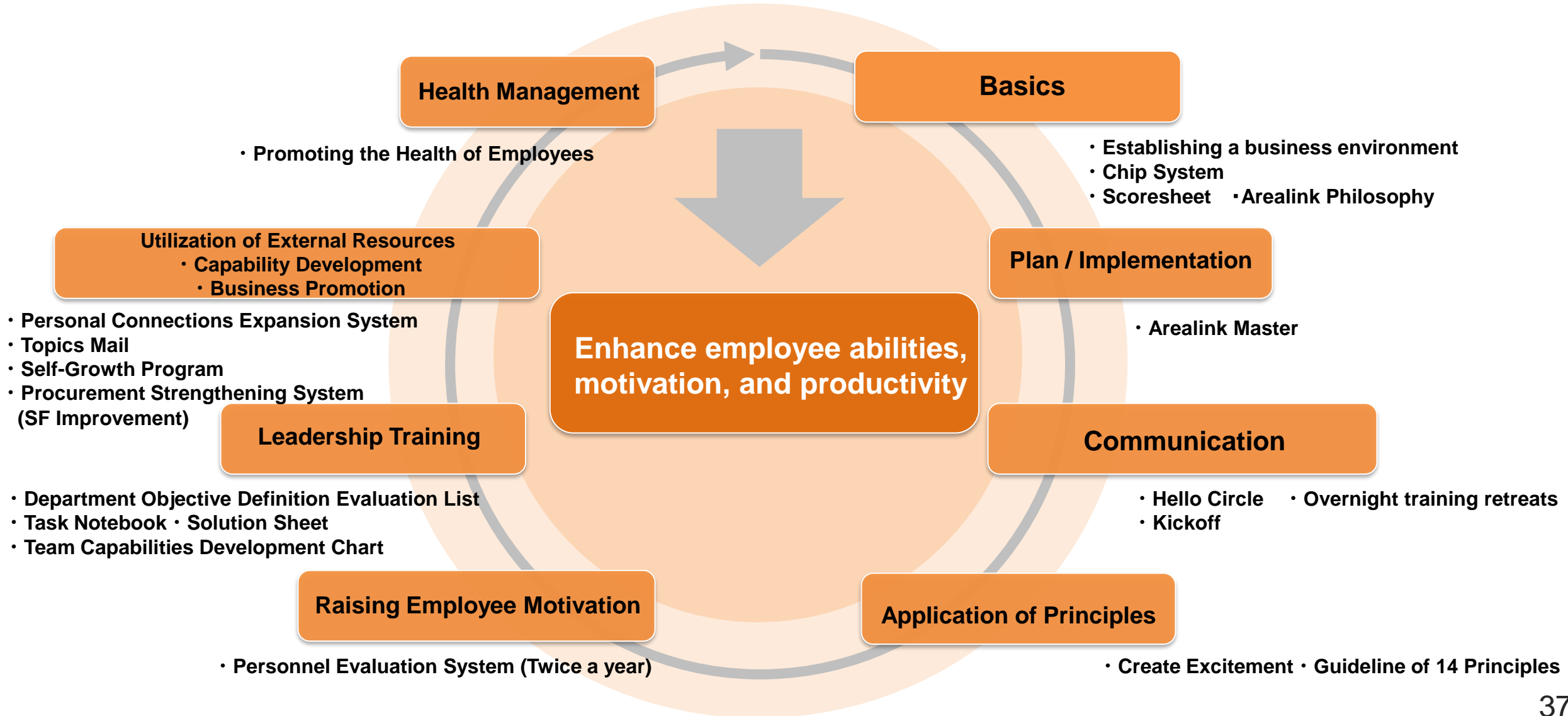
VISION

Become a Platform
for the Self-Storage Industry

VALUE

Create Excitement
Increase the number of Arealink fans
(Thorough implementation of our
management philosophy)

Training Manual Created to Implement Small-Group Management



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

* Source: *Toyo Keizai Online* "Top 500 companies that dramatically increase operating profit per employee," delivered on July 26, 2022

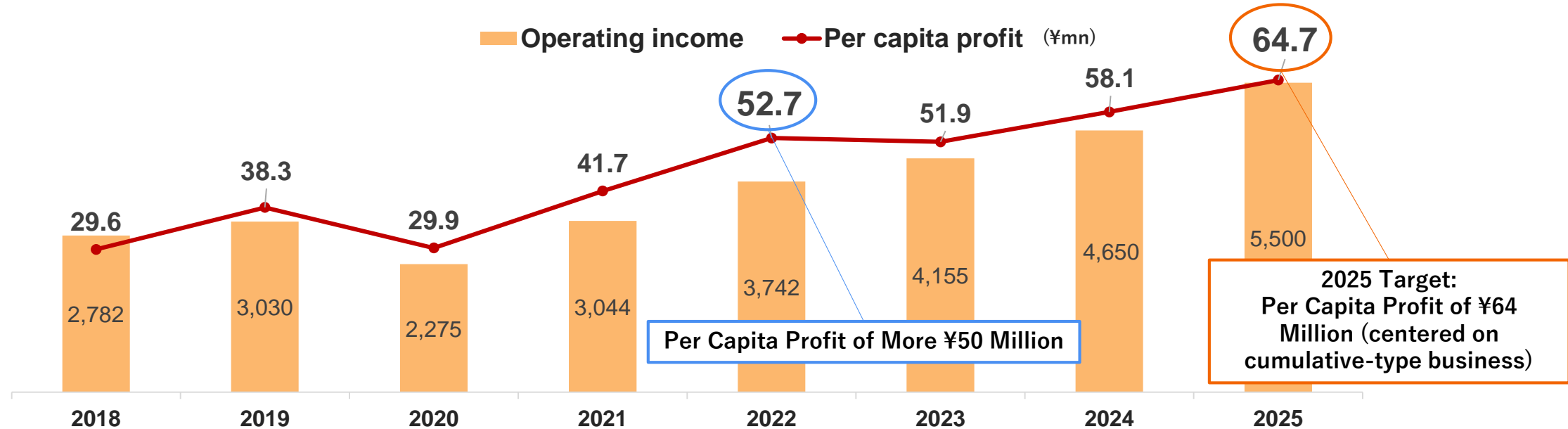
2013

Net sales	12,256 million yen
Operating income	1,505 million yen
No. of full-time employees	98
Per capita profit	15.3 million yen

**3.4x increase in
per capita profit
in ten years**

2023

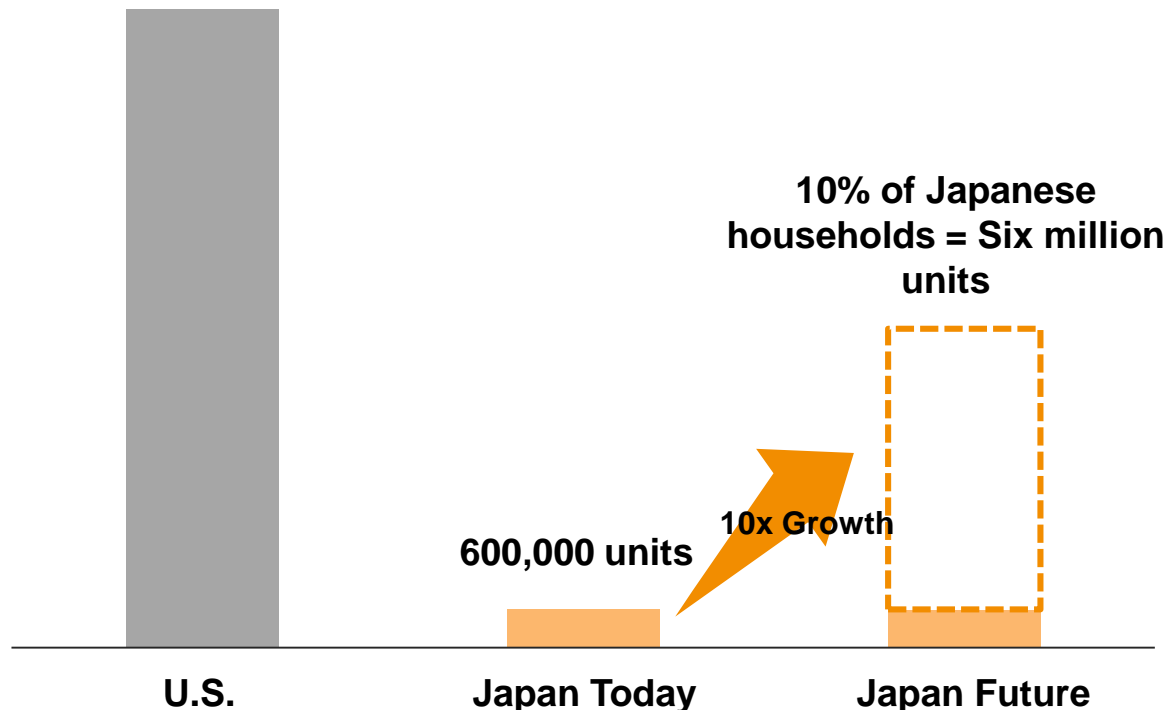
Net sales	22,463 million yen
Operating income	4,155 million yen
No. of full-time employees	80
Per capita profit	51.9 million yen



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



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)

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

U.S.

Public Storage

(Market Cap \$63.9bn, PER 34.9 times, PBR 12.0 times)

Extra Space Storage

(Market Cap \$38.1bn, PER 42.8 times, PBR 2.7 times)



Japan

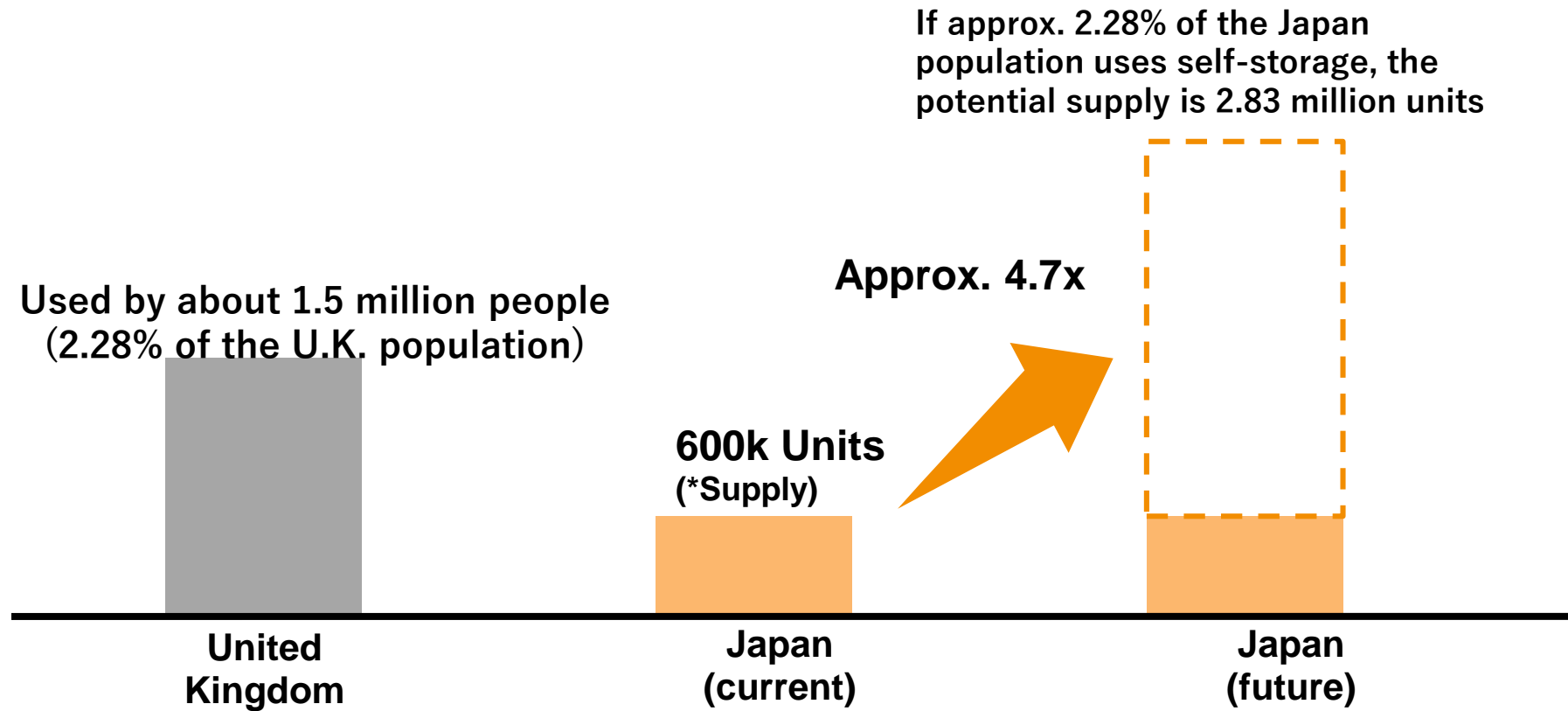
Arealink

(Market Cap ¥44.0bn, PER 14.0 times, PBR 1.6 times)

As of September 30, 2024

Even Compared with the Developing Market in the U.K., Japan Has 4.7 Times More Room for Growth

Self-Storage Usage Comparison

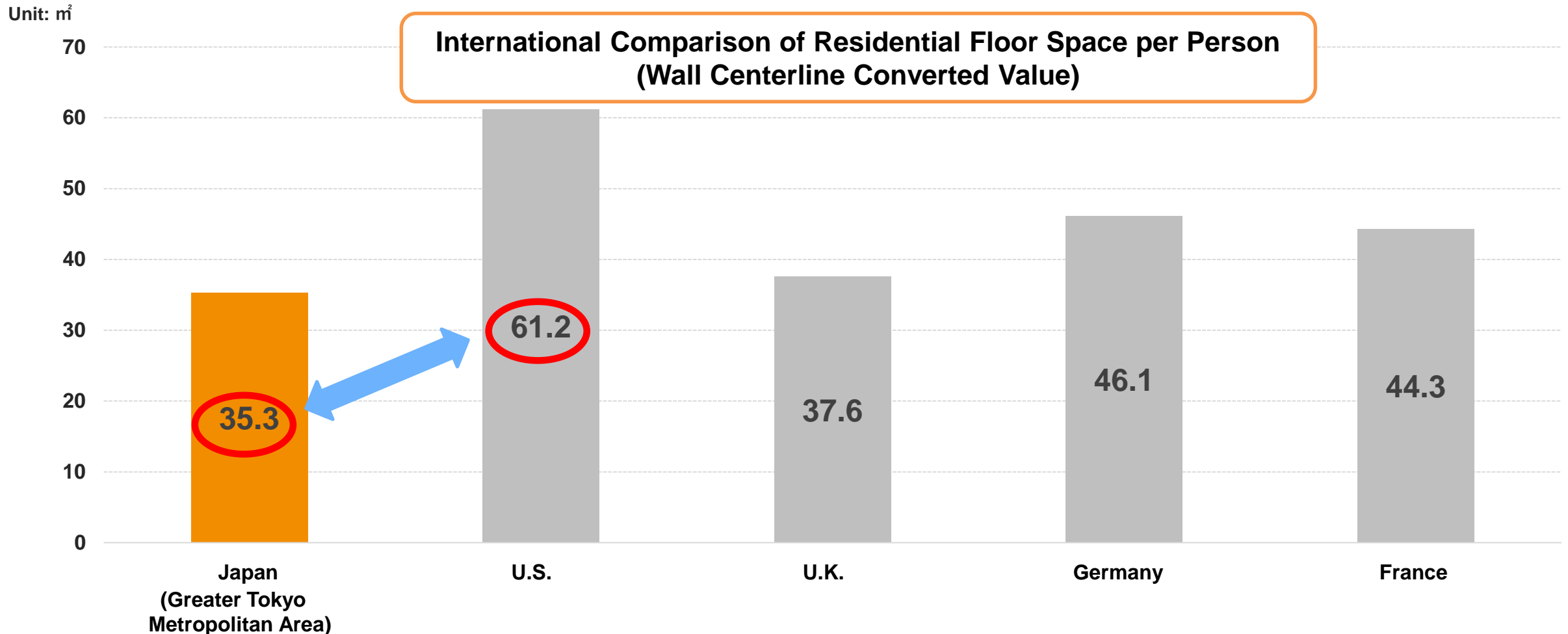


U.K. usage: (Source: 2022 SSA UK Annual Report, 2022 FEDESSA Industry Report, Statista)

Japan (current): (Source: Arealink)

Japan (future): Calculated by Arealink, assuming one unit per person for 2.28% of Japan's population. (Ref.: Statistics Bureau, Ministry of Internal Affairs and Communications)

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)

Expand market share through the partner system

Contract for facility management with existing self-storage providers nationwide

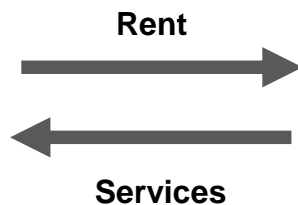
Advantages for Arealink

- ◆ Revenue comprising commission of 10% of rent + administrative fee
- ◆ Contract management has no initial opening cost or loss-making period
- ◆ New location openings support for existing business operators
→ Acceleration of location openings through contract management

Operational Structure



End Users



- Big Data with records on more than 100,000 units
- Dynamic pricing
- BI (business intelligence) tools

Data Analysis

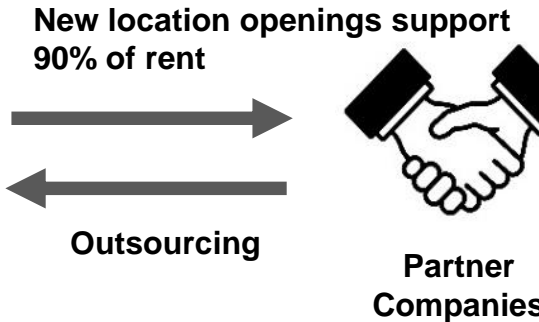


Marketing

- Hello Storage official website
- In-house call center
- Advertising
- Portal site

Property Management

- Nationwide administrative structure
- Delinquency guarantee
- Maintenance know-how



Location Opening and Sales	<ul style="list-style-type: none"> ◆ The only company with a comprehensive nationwide network of Container Type, In-Building Type, and Building Type (Self-storage Mini) locations ◆ Reach the break-even point faster through analysis of Big Data
Construction	<ul style="list-style-type: none"> ◆ Encompasses Container Type, In-Building Type, and Building Type (Self-storage Mini) locations ◆ Experience with more than 1,300 applications for verification of container-type locations ◆ Nationwide construction management system
Marketing	<ul style="list-style-type: none"> ◆ Operation of an in-house website with two million page views (PVs) annually (listings for more than 100,000 units nationwide) ◆ Handling of more than 2,000 applications, cancellations, inquiries, and customer interactions per month, management know-how, and outcall sales ◆ Operation of the leading portal site in terms of number of listings (more than 12,000 facilities)
Property Management	<ul style="list-style-type: none"> ◆ Comprehensive network of Container Type, In-Building Type, and Building Type (Self-storage Mini) nationwide ◆ Operational and maintenance know-how based on 25 years of experience
Data Analysis	<ul style="list-style-type: none"> ◆ Possession of Big Data on more than 300,000 customers ◆ Boost earnings through dynamic pricing and rent increases ◆ Visualization of Big Data by introducing BI tools

Utilization of “3UP” Racks



Value UP!!

- ◆ Know immediately where everything is, and prevent wasteful shopping
- ◆ Ability to store everything in a smaller unit with lower rent

Capacity UP!!

- ◆ Dead space is eliminated and limited space is used efficiently

Usability UP!!

- ◆ Entire space is immediately visible, making storage and retrieval easier



Basic Policy

Based on our management philosophy of “Provide Convenience, Joy, and Excitement,” we at Arealink value dialogue with all stakeholders, including customers, business partners, shareholders and investors, employees, and local communities, and will strive to play an active role in building a sustainable society, and will strive to play an active role in building a sustainable society, and enhance our corporate value.



Consideration for the Environment

- Organize one's home by using self-storage, and promote a comfortable and affluent society that values objects (Recycle and reuse to reduce waste)
- Implement the “Container Building 100-Year Utilization Project”
- Reduce paper waste from offices (paperless operations)



Contribution to Society

- Human resource development (Increase per capita profit by utilizing the Arealink method)
- Support for diverse working styles
- Self-storage utilization in times of disaster



Governance

- Appointment of two outside directors (of a total of six) and four outside Audit & Supervisory Board members
- Establishment of compliance and risk management systems
- Stable shareholder returns with a target dividend payout ratio of 35%



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
- ◆ Reduction of paper waste in offices

Containers and Buildings 100-Year Utilization Project

Introduction of a new self-storage design, and establishment of a maintenance system to support utilization for 100 years

- ◆ 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



Example of maintenance work

Before



After





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**
Working style reforms through systematic implementation of the Arealink Method to bring out the true abilities of ordinary people
- ◆ **Support for Diverse Working Styles (Remote work, shortened hours, hourly wage system, etc.)**
- ◆ **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
- ◆ **Compliance Committee Established**
- ◆ **Risk Management in Preparation for an Inevitable Economic Downturn or Natural Disaster**
- ◆ **Stable Shareholder Returns with a Target Dividend Payout Ratio of 35%, and No Year-on-Year Decrease in Dividend**
- ◆ **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

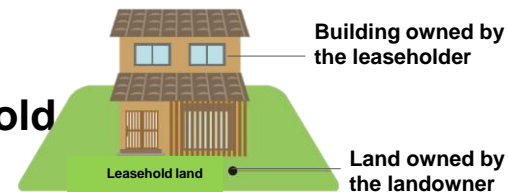


Building type (self-storage mini, interior)

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

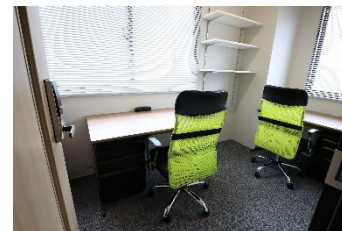
Land Rights Consolidation Business

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



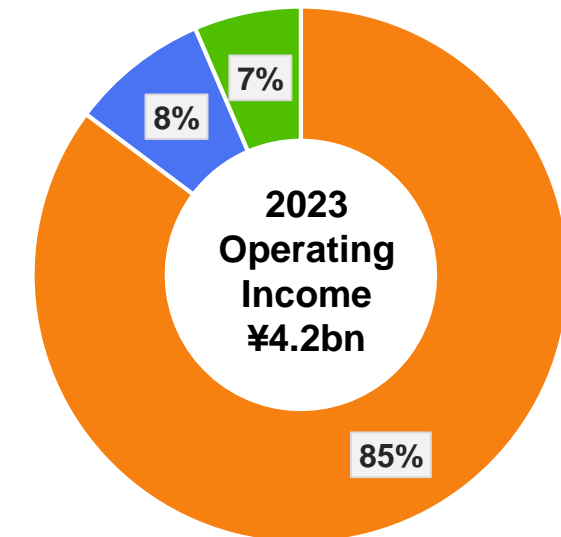
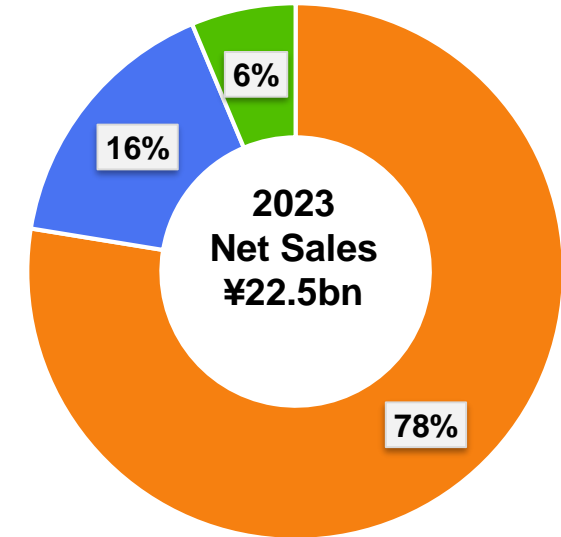
Other Operational Services Business

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



Serviced office

Net Sales and Operating Income by Segment



Cumulative-Type Business Accounted For 98% Of Earnings in 2023

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

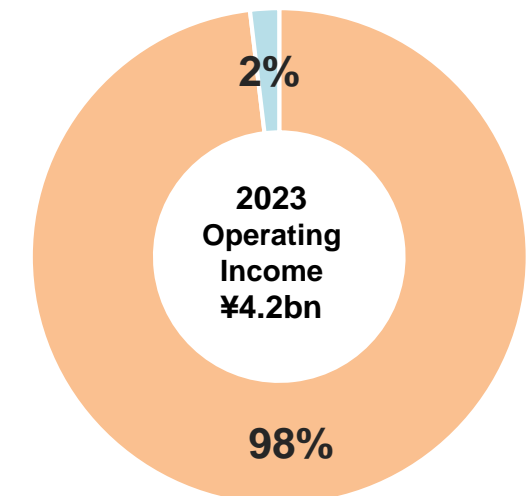
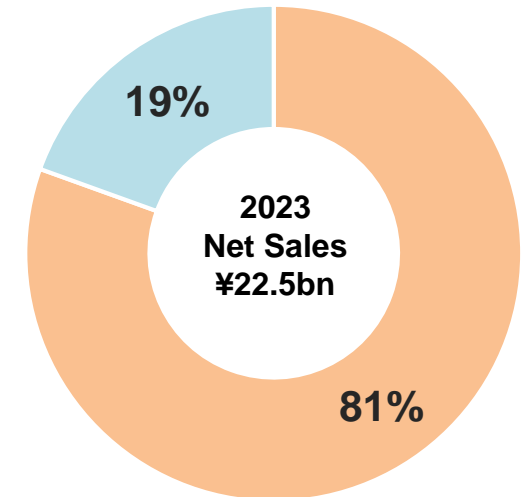
Cumulative-Type Businesses

- ◆ 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 2,340 Properties With approximately 107,000 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



Image of the rights relationship for leasehold land

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



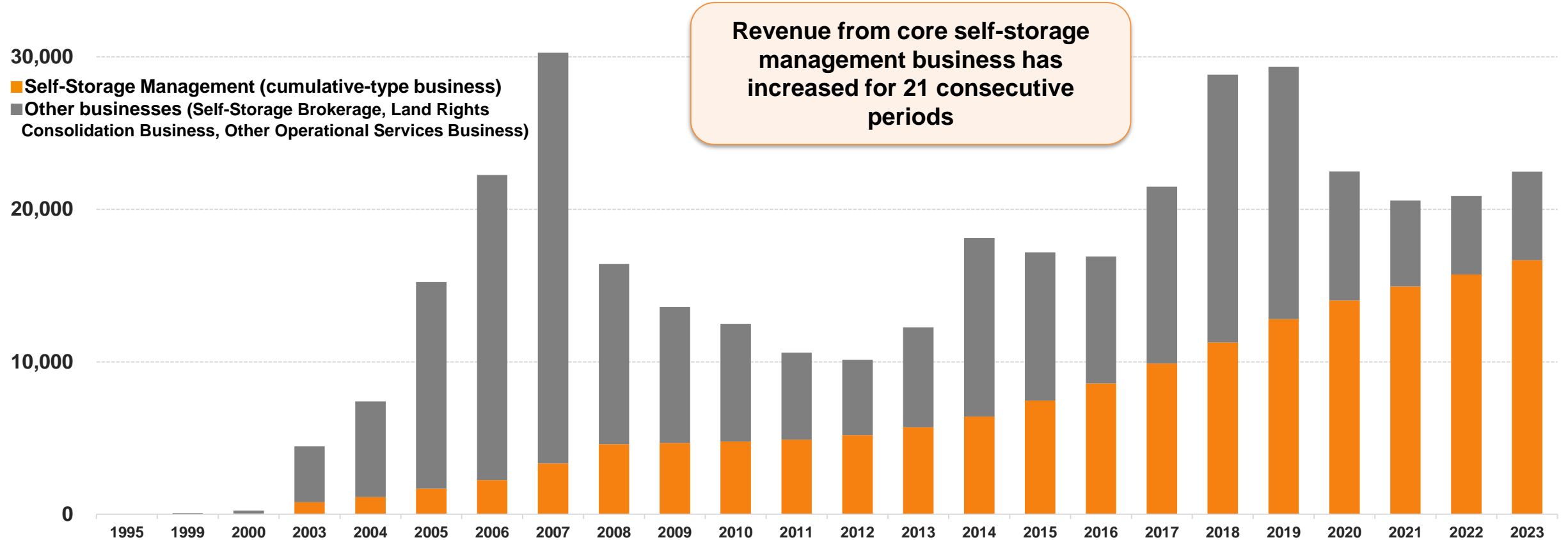
Example of owned property
(Kanda BM Bldg.)



Hello Office Entrance and Interior

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

Unit: ¥mn



Focus on real estate buying and selling

Recovery from financial crisis

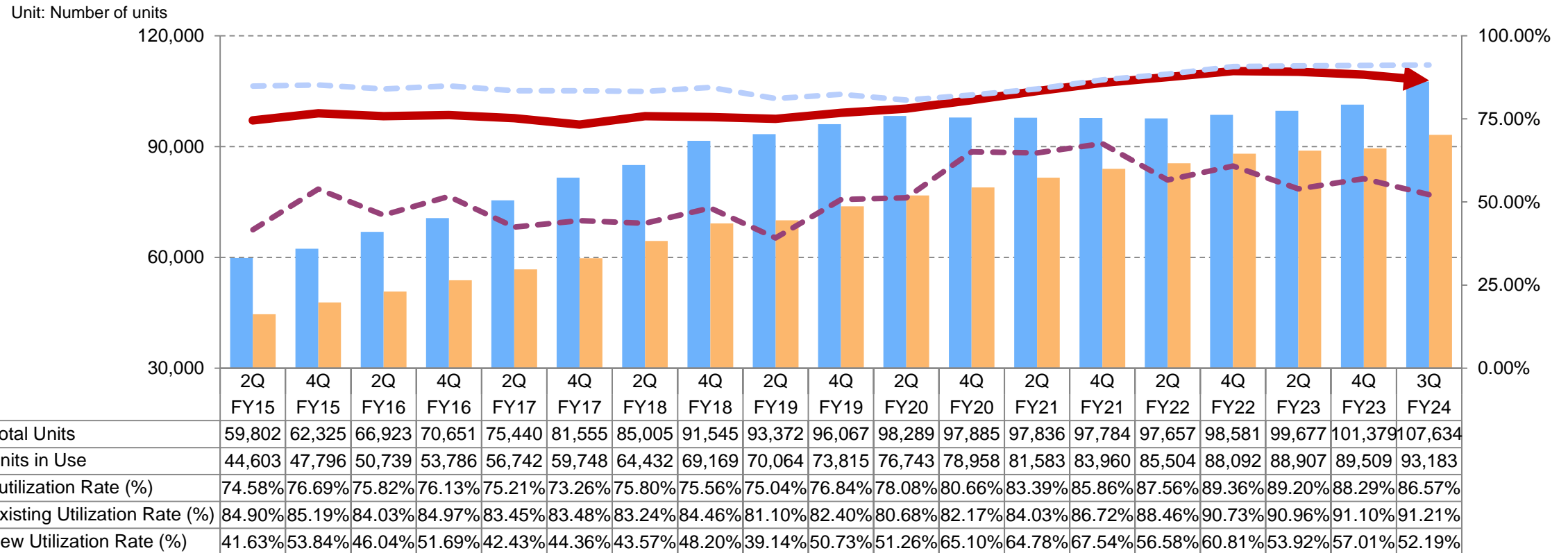
Focus on self-storage brokerage (buying and selling)

Shift to cumulative-type business

In Millions of Yen			FY12/23	FY12/24				
			Full-year	1Q	2Q	3Q	4Q	Cumulative
	Self-Storage Management	Net sales	16,668	4,316	4,388	4,500		13,205
		Gross profit	6,227	1,696	1,730	1,761		5,188
	Self-Storage Brokerage	Net sales	755	848	483	131		1,463
		Gross profit	61	167	60	20		248
	Self-Storage Business	Net sales	17,423	5,165	4,871	4,631		14,668
		Gross profit	6,288	1,863	1,790	1,781		5,436
		Business profit	4,563	1,389	1,298	1,288		3,976
	Land Rights Consolidation Business (Limited Land Rights)	Net sales	3,623	1,346	775	1,362		3,484
		Gross profit	828	383	154	398		937
		Business profit	446	243	95	192		531
	Other Operational Services Business	Net sales	1,416	371	379	391		1,142
		Gross profit	435	121	126	131		379
		Business profit	345	102	104	111		318
	Management Division	Business profit	(1,199)	(330)	(357)	(357)		(1,045)
	Total for All Businesses	Net sales	22,463	6,883	6,026	6,386		19,296
		Gross profit	7,552	2,369	2,071	2,312		6,753
		Operating income	4,155	1,405	1,141	1,234		3,781

Total 107,000 Units, with Openings Expected to Accelerate in the Future

Total Units, Units in Use, and Utilization Rate



※ New facilities are locations opened during and after the previous fiscal year. For FY12/24, new facilities are those opened during FY12/23 and FY12/24.

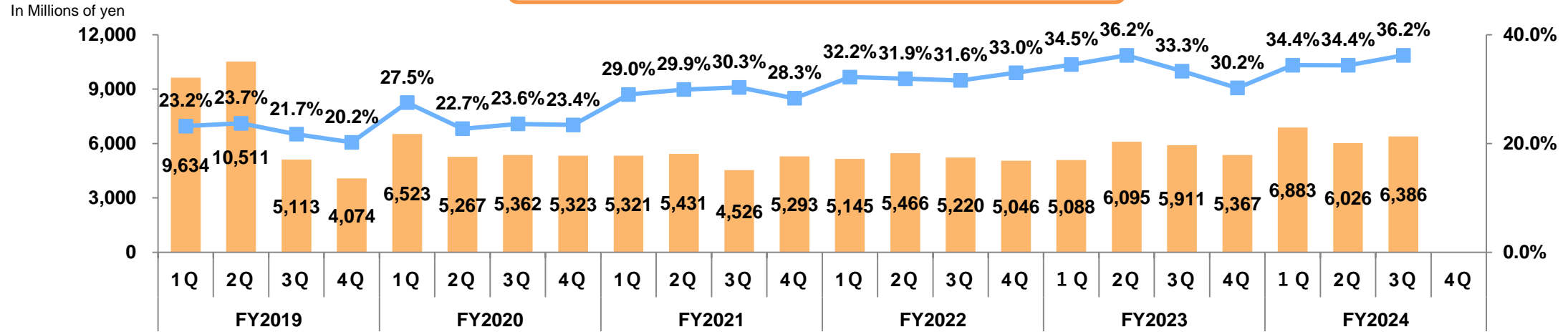
	Container Type	In-Building Type	Building Type (Self-storage Mini)	Total	Proportion of Total
Hokkaido	1,062	414	137	1,613	1.50%
Aomori	80	0	48	128	0.12%
Iwate	20	0	0	20	0.02%
Miyagi	1,845	32	38	1,915	1.78%
Akita	31	0	0	31	0.03%
Yamagata	102	0	0	102	0.09%
Fukushima	243	45	0	288	0.27%
Ibaraki	1,395	27	0	1,422	1.32%
Tochigi	603	0	0	603	0.56%
Gunma	1,165	0	0	1,165	1.08%
Saitama	8,953	681	1,696	11,330	10.53%
Chiba	10,477	255	1,412	12,144	11.28%
Tokyo	17,858	9,833	2,900	30,591	28.42%
Kanagawa	9,317	2,743	1,319	13,379	12.43%
Niigata	407	0	42	449	0.42%
Toyama	238	0	0	238	0.22%
Ishikawa	319	0	0	319	0.30%
Fukui	143	0	0	143	0.13%
Yamanashi	262	0	0	262	0.24%
Nagano	630	0	0	630	0.59%
Gifu	666	0	0	666	0.62%
Shizuoka	1,985	45	0	2,030	1.89%
Aichi	5,658	441	440	6,539	6.08%
Mie	436	50	0	486	0.45%

	Container Type	In-Building Type	Building Type (Self-storage Mini)	Total	Proportion of Total
Shiga	420	0	0	420	0.39%
Kyoto	1,996	152	119	2,267	2.11%
Osaka	4,989	907	402	6,298	5.85%
Hyogo	4,357	190	46	4,593	4.27%
Nara	764	0	0	764	0.71%
Wakayama	47	0	0	47	0.04%
Tottori	115	0	0	115	0.11%
Shimane	92	0	0	92	0.09%
Okayama	251	0	0	251	0.23%
Hiroshima	487	0	0	487	0.45%
Yamaguchi	315	0	47	362	0.34%
Tokushima	114	0	0	114	0.11%
Kagawa	284	100	0	384	0.36%
Ehime	223	0	0	223	0.21%
Kochi	90	0	0	90	0.08%
Fukuoka	2,649	96	0	2,745	2.55%
Saga	106	0	0	106	0.10%
Nagasaki	164	0	0	164	0.15%
Kumamoto	397	0	0	397	0.37%
Oita	198	0	0	198	0.18%
Miyazaki	276	40	48	364	0.34%
Kagoshima	382	0	0	382	0.35%
Okinawa	160	66	52	278	0.26%
Total	82,771	16,117	8,746	107,634	100.00%

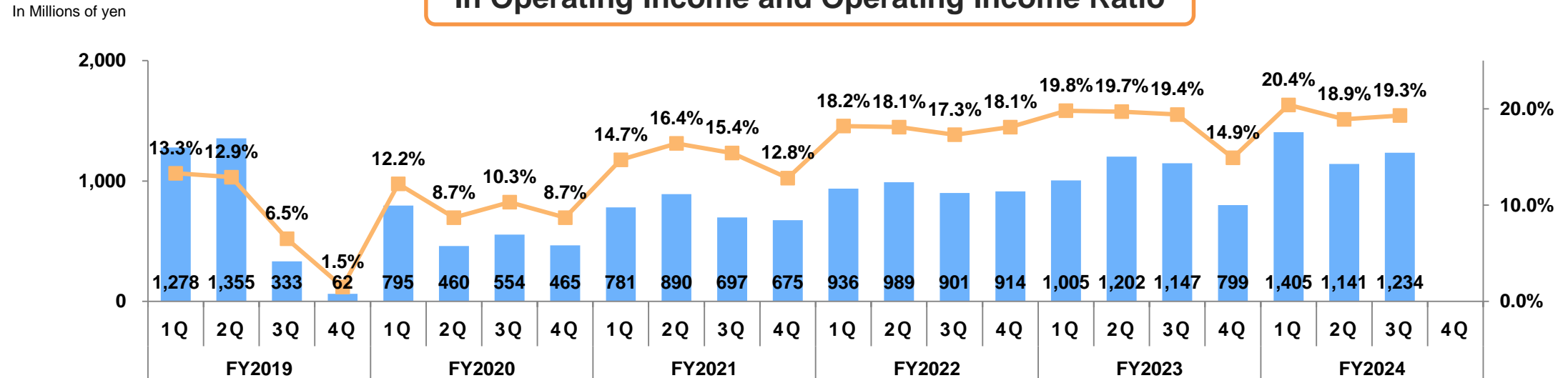
As of September 30, 2024

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 translations of financial results (full text), presentation materials, and Annual Securities Report(full text)
	English translation of earnings presentation materials
	Published report written by an overseas company
	Implemented 1-on-1s with foreign investors
	Overseas IR Road Show Late May to early June 2024 in 4 countries/7 cities (San Francisco, Chicago, Boston, New York, London, Paris, Frankfurt) Held in two markets in early October 2024 (Hong Kong, Singapore)

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-mal 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”



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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