

Arealink

Arealink Co., Ltd.

**February 14, 2025
Results Briefing
Fiscal Year Ended
December 2024**

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FY12/24 Business Results

Yasuaki Ootaki
Director, Head of Administrative Division

Self-Storage Business

YoY sales up 11.7% and business profit up 18.1%

- Opened a total of 10,545 new units compared to the target of 10,400 units for the whole FY12/24
- Newly opened properties in 2023-2024 had steady utilization
- 10 building types (self-storage minis) were sold in FY12/24 (Jan. to Dec.)

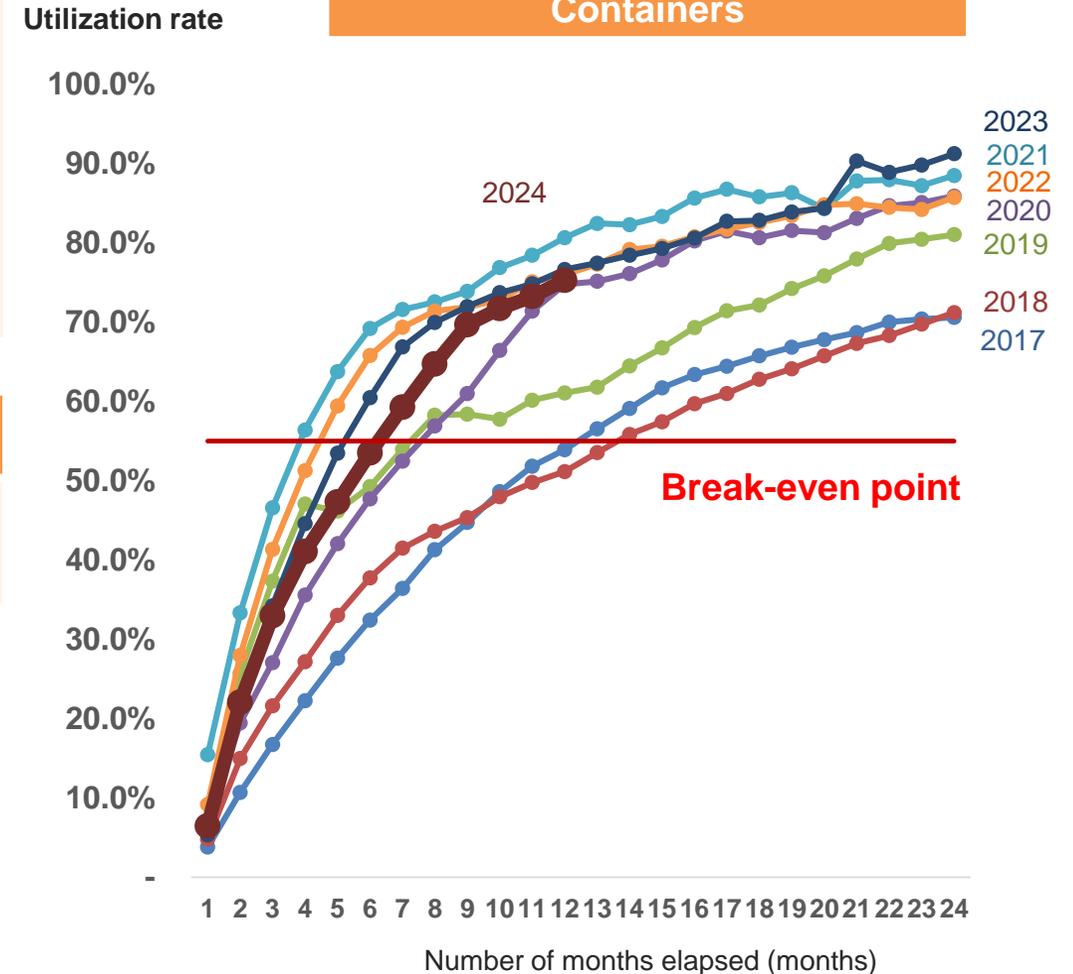
Land Rights Consolidation Business

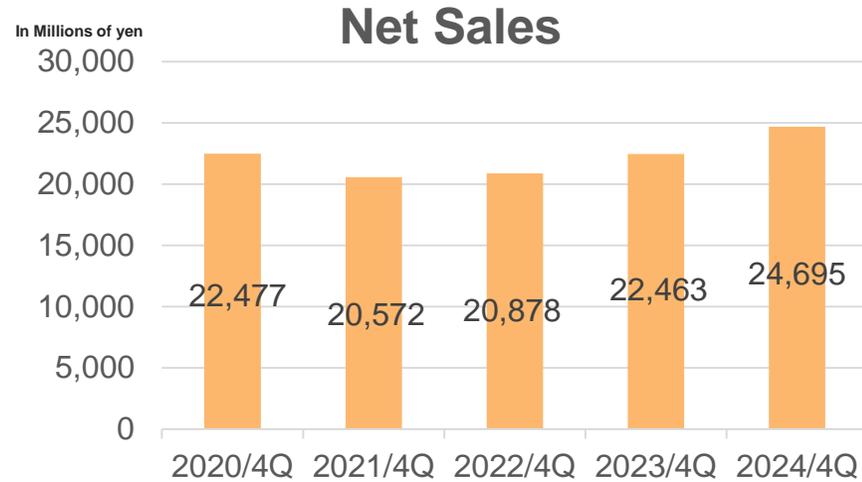
- Both sales and profit were 1.5 times above plan, partly due to the impact of the settlement of a large project

Company Updates

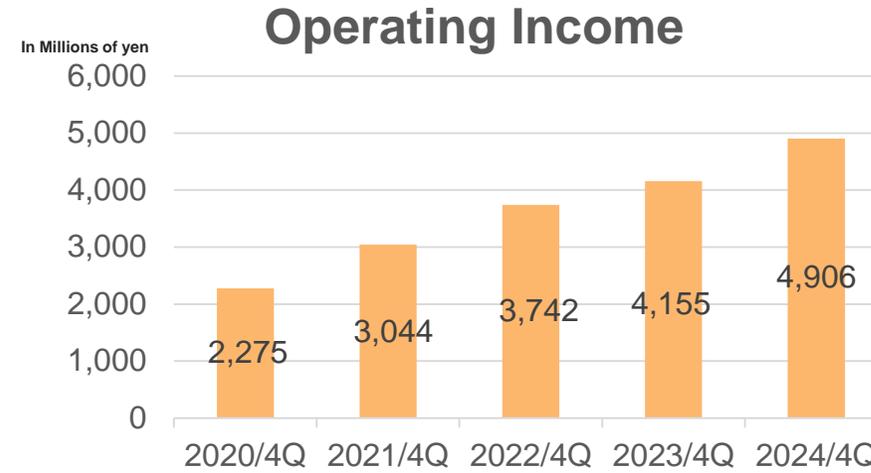
- Carried out a two-for-one share split effective July 1, 2024
- Implement interim dividends starting FY12/24
- Change our dividend policy starting FY12/24 (Payout ratio 30% → 35%)

Utilization rate trends by year of opening of new properties
Containers

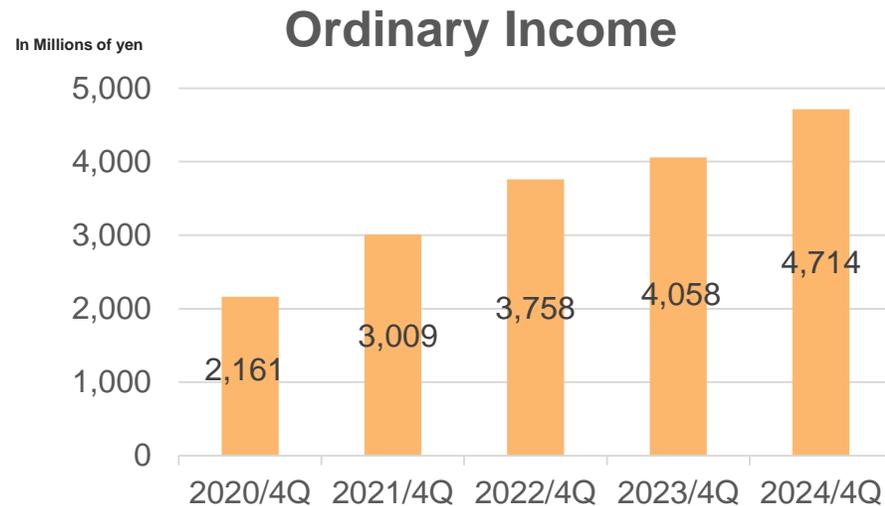




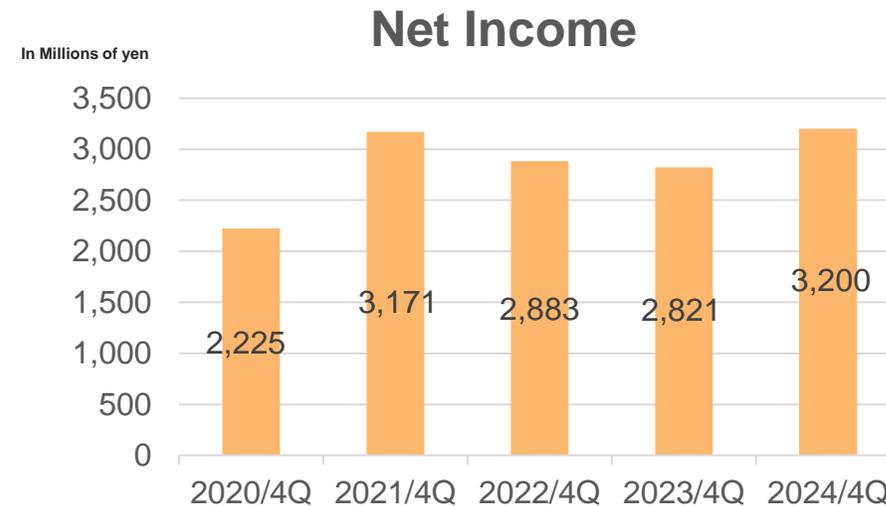
+ 9.9% YoY, 101.2% achievement in FY12/24



+ 18.1% YoY, 105.5% achievement in FY12/24



+ 16.2% YoY, 104.3% achievement in FY12/24



+ 13.5% YoY, 103.9% achievement in FY12/24

Overall Sales Increased by +9.9% due to Each Segment Progressing Steadily

Increase/Decrease in Net Sales

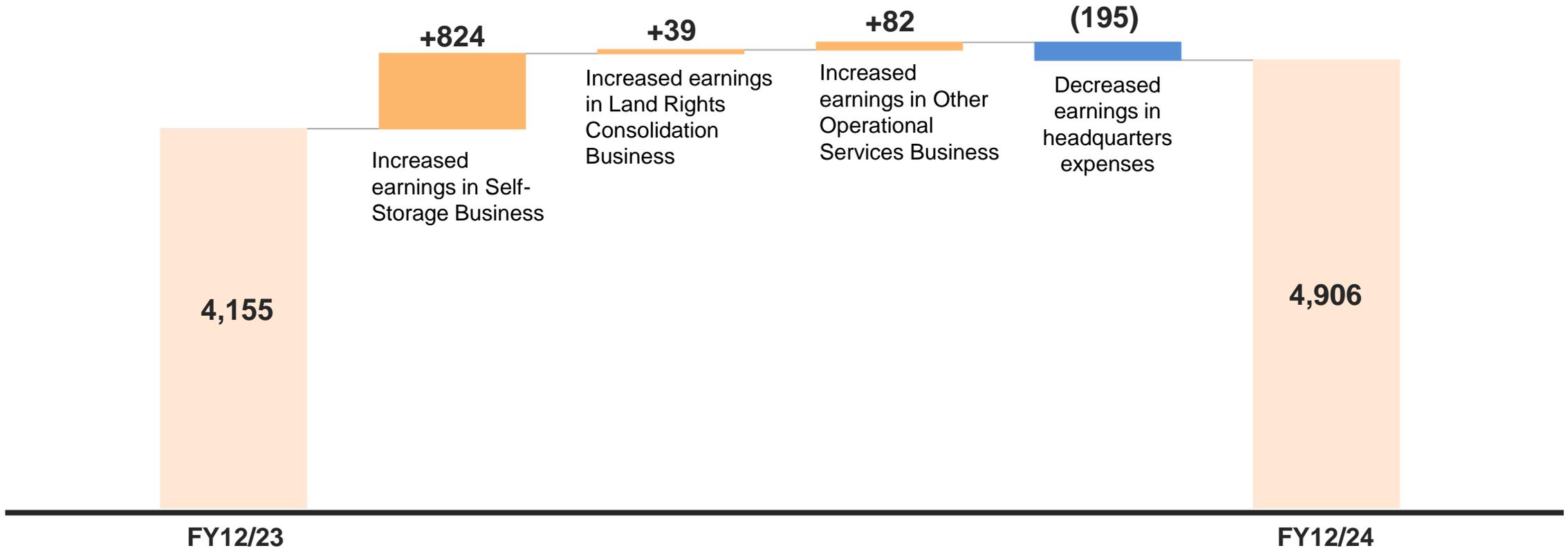
In Millions of yen



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

Increase/Decrease in Operating Income

In Millions of yen



Double-Digit YoY Growth in All Types of Profit

	FY12/23	FY12/24			
	Full-year Result	Full-year Plan	Full-year Result	Compared to plan	YoY
In Millions of yen					
Net sales	22,463	24,400	24,695	101.2%	+ 9.9%
Operating income	4,155	4,650	4,906	105.5%	+ 18.1%
Ordinary income	4,058	4,520	4,714	104.3%	+ 16.2%
Net income	2,821	3,080	3,200	103.9%	+ 13.5%

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

In Millions of yen	FY12/23	FY12/24	Increase (Decrease)
Operating income	4,155	4,906	751
Non-operating income	133	199	65
Non-operating expenses	231	391	160
Ordinary income	4,058	4,714	655
Extraordinary income	64	3	(61)
Extraordinary loss	52	145	93
Income before income taxes	4,070	4,571	500
Income taxes — current	1,104	1,189	85
Income taxes — deferred	145	180	35
Net income	2,821	3,200	379

Non-operating income
Compensation for relocation ¥132 million

Non-operating expenses
Interest expenses ¥204 million
Commission expenses ¥183 million

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

Millions of yen	FY12/23	FY12/24	Increase (Decrease)	Rate of change
Directors' Compensation	148	200	52	+35.2%
Salary and allowances	943	1,026	83	+8.8%
Advertising and publicity costs	256	277	21	+8.2%
Commission expenses	596	720	123	+20.7%
(Sales commissions)	(267)	(353)	(85)	+32.0%
Compensation expenses	401	398	(2)	-0.6%
Taxes and public dues	201	258	57	+28.7%
Others	849	979	130	+15.3%
Total SG&A expenses	3,397	3,862	465	+13.7%

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

In Millions of yen			FY12/23		FY12/24		
			Actual	Percent of Sales	Actual	Percent of Sales	YoY
Self-Storage Management	Net sales	16,668	—	17,830	—	+ 7.0%	
	Gross profit	6,227	37.4%	7,043	39.5%	+ 13.1%	
Self-Storage Brokerage	Net sales	755	—	1,637	—	+ 116.9%	
	Gross profit	61	8.2%	307	18.8%	+ 399.0%	
Self-Storage Business	Net sales	17,423	—	19,468	—	+ 11.7%	
	Gross profit	6,288	36.1%	7,351	37.8%	+ 16.9%	
	Business profit	4,563	26.2%	5,387	27.7%	+ 18.1%	
Land Rights Consolidation Business (Limited Land Rights)	Net sales	3,623	—	3,695	—	+ 2.0%	
	Gross profit	828	22.9%	905	24.5%	+ 9.2%	
	Business profit	446	12.3%	485	13.1%	+ 8.9%	
Other Operational Services Business	Net sales	1,416	—	1,531	—	+ 8.1%	
	Gross profit	435	30.7%	512	33.4%	+ 17.8%	
	Business profit	345	24.4%	427	27.9%	+ 23.8%	
Headquarters expenses	Business profit	(1,199)	—	(1,394)	—	+ 16.3%	
Total for All Businesses	Net sales	22,463	—	24,695	—	+ 9.9%	
	Gross profit	7,552	33.6%	8,769	35.5%	+ 16.1%	
	Operating income	4,155	18.5%	4,906	19.9%	+ 18.1%	

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

Self-Storage Business

In Millions of yen	FY12/23	FY12/24	YoY	FY12/24 Plan	Compared to plan
Net sales (Self-storage management)	16,668	17,830	+ 7.0%	—	—
Net sales (Self-storage brokerage)	755	1,637	+ 116.9%	—	—
Net sales	17,423	19,468	+ 11.7%	20,500	95.0%
Gross profit (Self-storage management)	6,227	7,043	+ 13.1%	—	—
Gross profit (Self-storage brokerage)	61	307	+ 399.0%	—	—
Gross profit	6,288	7,351	+ 16.9%	—	—
SG&A expenses	1,725	1,963	+ 13.8%	—	—
Business profit	4,563	5,387	+ 18.1%	5,360	100.5%

Self-Storage Management

- The utilization rate remained high at 85.91% despite increase in the number of new units, and revenue and profits increased year on year

Self-Storage Brokerage

- Sales and profit increased due to the sale of 10 building-type (self-storage mini) properties, but did not achieve the plan

Land Rights Consolidation Business Achieved 1.5 Times above Plan

Land Rights Consolidation Business (Limited Land Rights)					
In Millions of yen	FY12/23	FY12/24	YoY	FY12/24 Plan	Compared to plan
Net sales	3,623	3,695	+ 2.0%	2,400	154.0%
Gross profit	828	905	+ 9.2%	—	—
SG&A expenses	382	419	+ 9.6%	—	—
Business profit	446	485	+ 8.9%	320	151.8%

Land Rights Consolidation Business (Limited Land Rights)

- Inventory was 2,938 million yen, a decrease of 871 million yen compared to the end of the previous fiscal year
- Achieved plan considerably due to the settlement of a large project

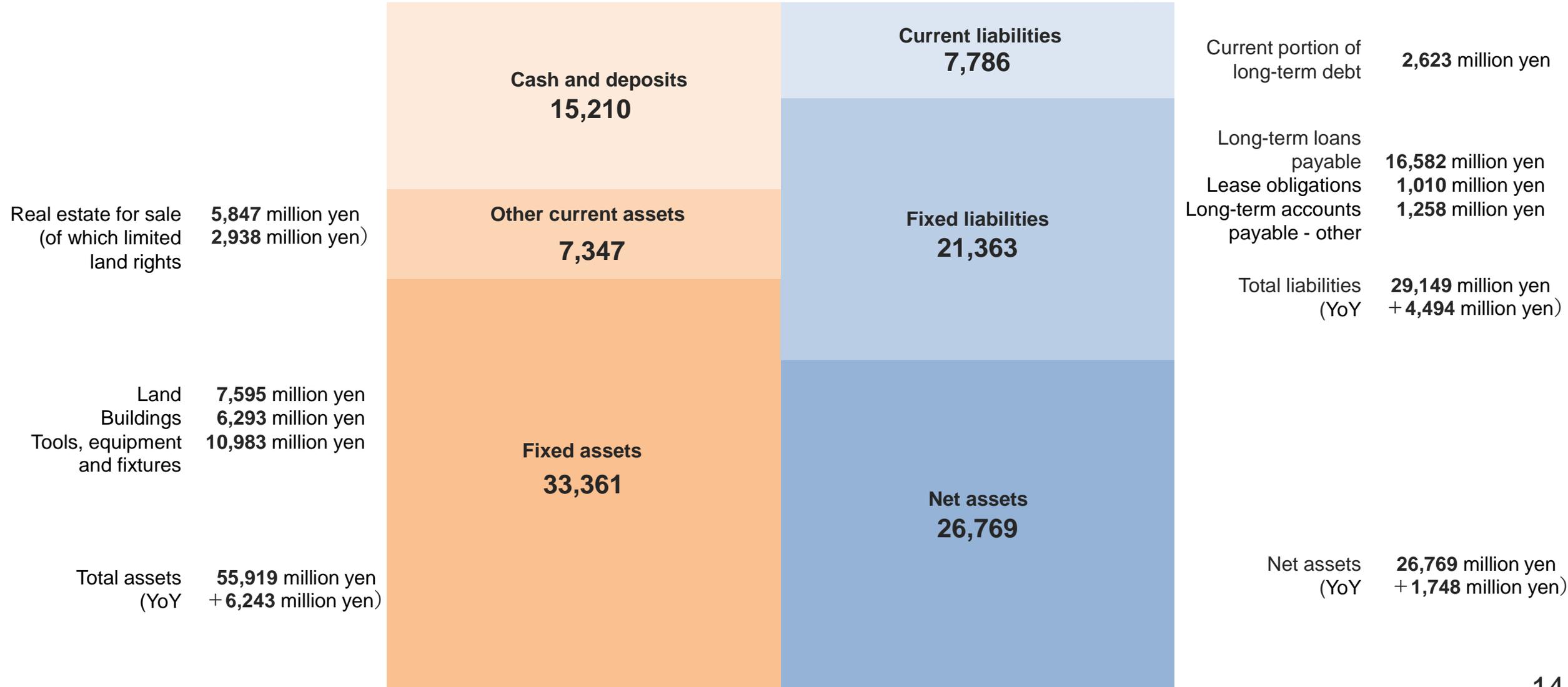
Other Operational Services Business					
In Millions of yen	FY12/23	FY12/24	YoY	FY12/24 Plan	Compared to plan
Net sales	1,416	1,531	+ 8.1%	1,500	102.1%
Gross profit	435	512	+ 17.8%	—	—
SG&A expenses	89	84	-5.6%	—	—
Business profit	345	427	+ 23.8%	300	142.7%

Other Operational Services Businesses

- Steadily progressing above plan

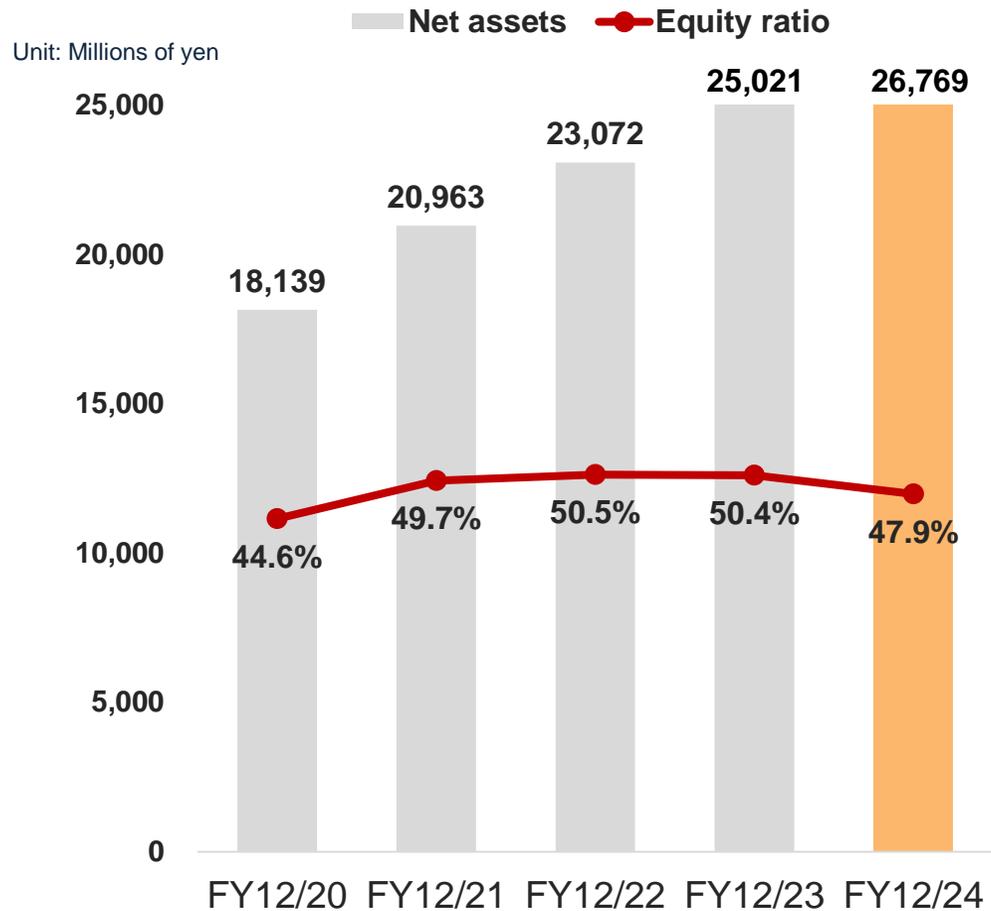
Stable Financial Base With Cash Deposits of 15.2 Billion Yen

In Millions of yen

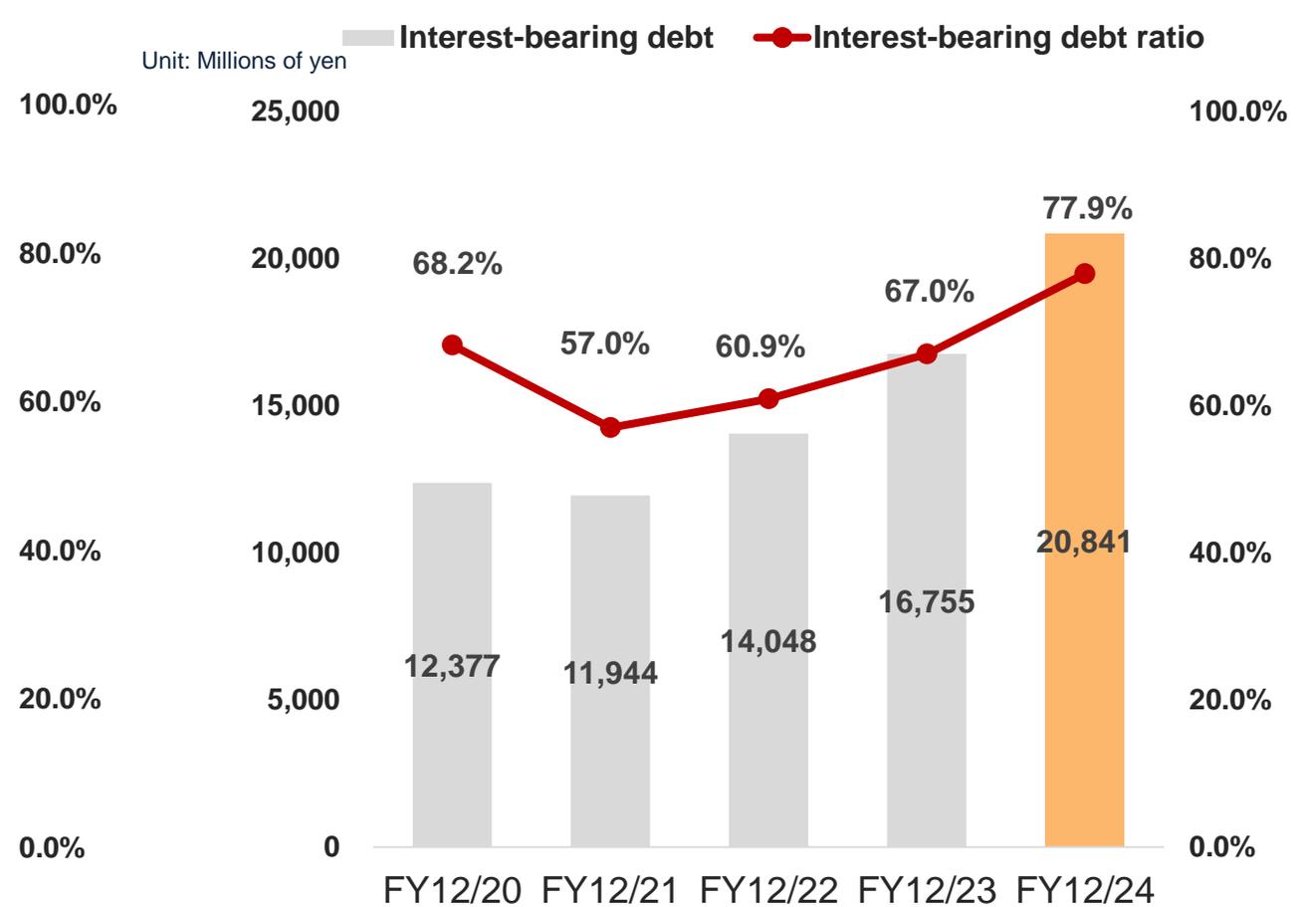


Equity Ratio Remained Stable at 47.9%

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

Maintained Cash and Deposits of 15.2 Billion Yen and Achieved Stable Positive Operating Cashflow.

Unit: Millions of yen

	FY12/23	FY12/24		
Cash flows from operating activities	3,530	5,746	Income before income taxes	4,571 million yen
			Decrease (increase) in inventories	637 million yen
			Income taxes paid	(806) million yen
Cash flows from investing activities	(4,667)	(8,181)	Purchase of noncurrent asset	(6,713) million yen
			Purchase of shares of subsidiaries and associates	(1,150) million yen
Cash flows from financing activities	1,818	2,616	Proceeds from long-term loans payable	8,055 million yen
			Repayment of long-term loans payable	(3,736) million yen
Cash and cash equivalents at the end of year	14,995	15,210	Cash dividends paid	(1,469) million yen

In Millions of yen	FY12/24		FY12/25		
	Actual	Percent of Sales	Plan	Percent of Sales	YoY
Net sales	24,695	—	26,000	—	+ 5.3%
Operating income	4,906	19.9%	5,350	20.6%	+ 9.0%
Ordinary income	4,714	19.1%	5,080	19.5%	+ 7.8%
Net income	3,200	13.0%	3,420	13.2%	+ 6.8%

The Difference from the Previous MTMP is due to the Impact of the Land Rights Consolidation Business

- Revised the company-wide plan due to the impact of the policy of downsizing the Land Rights Consolidation Business
- Decrease in company-wide plan contraction due to growth and expansion of Self-Storage Business

In Millions of yen		FY12/25				
		Before revision		After revision		
		(Announced on February 14, 2023)		(Announced on today)		
		Plan	Percent of sales	Plan	Percent of sales	Comparison with the previous medium-term management plan
Total for All Businesses	Net sales	28,100	—	26,000	—	(2,100)
	Operating income	5,500	19.6%	5,350	20.6%	(150)
Land Rights Consolidation Business (Limited Land Rights)	Net sales	3,868	—	1,800	—	(2,068)
	Business profit	622	16.1%	310	17.2%	(312)

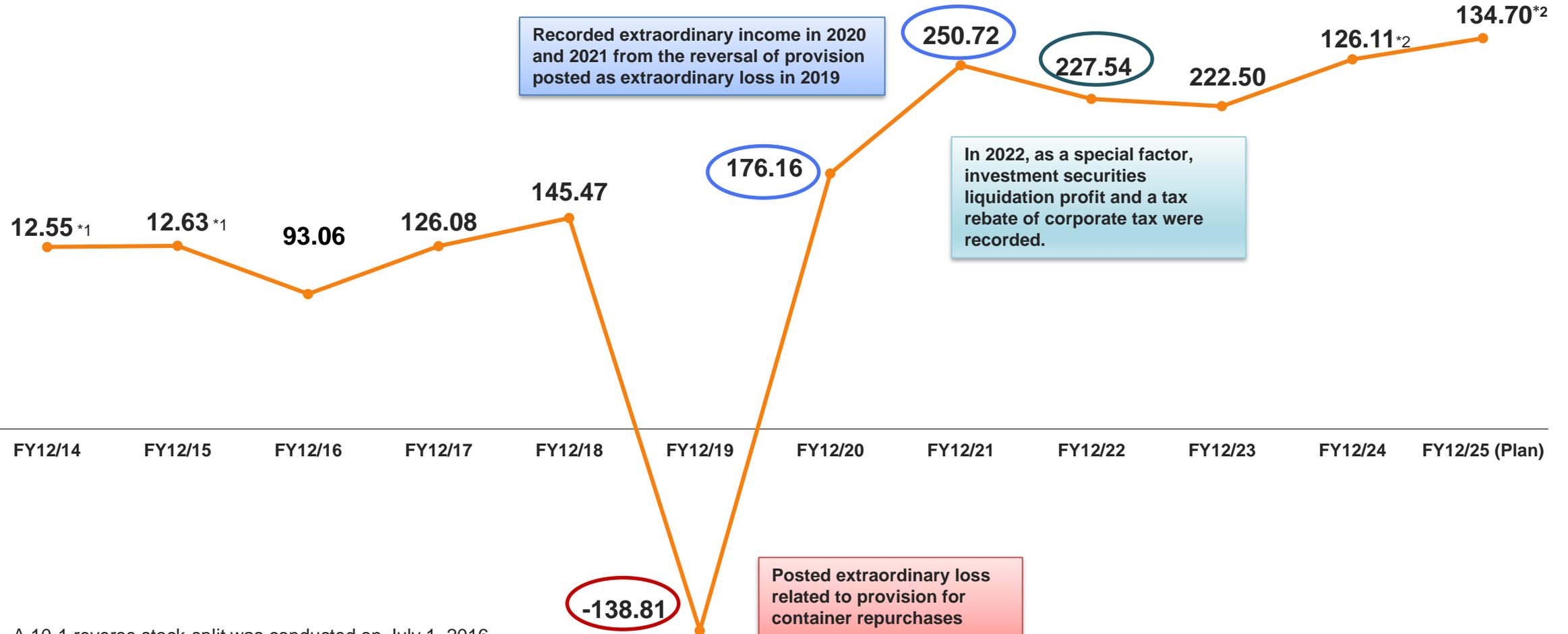
FY12/25 Earnings Outlook (by Segment)

In Millions of yen			FY12/24		FY12/25		YoY
			Actual	Percent of Sales	Actual	Percent of Sales	
	Self-Storage Management	Net sales	17,830	—	19,400	—	+ 8.8%
		Gross profit	7,043	39.5%	7,800	40.2%	+ 10.7%
	Self-Storage Brokerage	Net sales	1,637	—	3,300	—	+ 101.5%
		Gross profit	307	18.8%	530	16.1%	+ 72.1%
Self-Storage Business	Net sales	19,468	—	22,700	—	+ 16.6%	
	Business profit	5,387	27.7%	6,040	26.6%	+ 12.1%	
Land Rights Consolidation Business (Limited Land Rights)	Net sales	3,695	—	1,800	—	- 51.3%	
	Business profit	485	13.1%	310	17.2%	- 36.2%	
Other Operational Services Business	Net sales	1,531	—	1,500	—	- 2.1%	
	Business profit	427	27.9%	400	26.7%	- 6.5%	
Headquarters expenses	Business profit	(1,394)	—	(1,400)	—	- 0.4%	
Total for All Businesses	Net sales	24,695	—	26,000	—	+ 5.3%	
	Operating income	4,906	19.9%	5,350	20.6%	+ 9.0%	

Self-storage No. of new units	10,545 units	Arealink	10,000 units
		Partner*	5,000 units
		Total	15,000 units

*Properties managed by Arealink through contract with existing self-storage providers nationwide

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

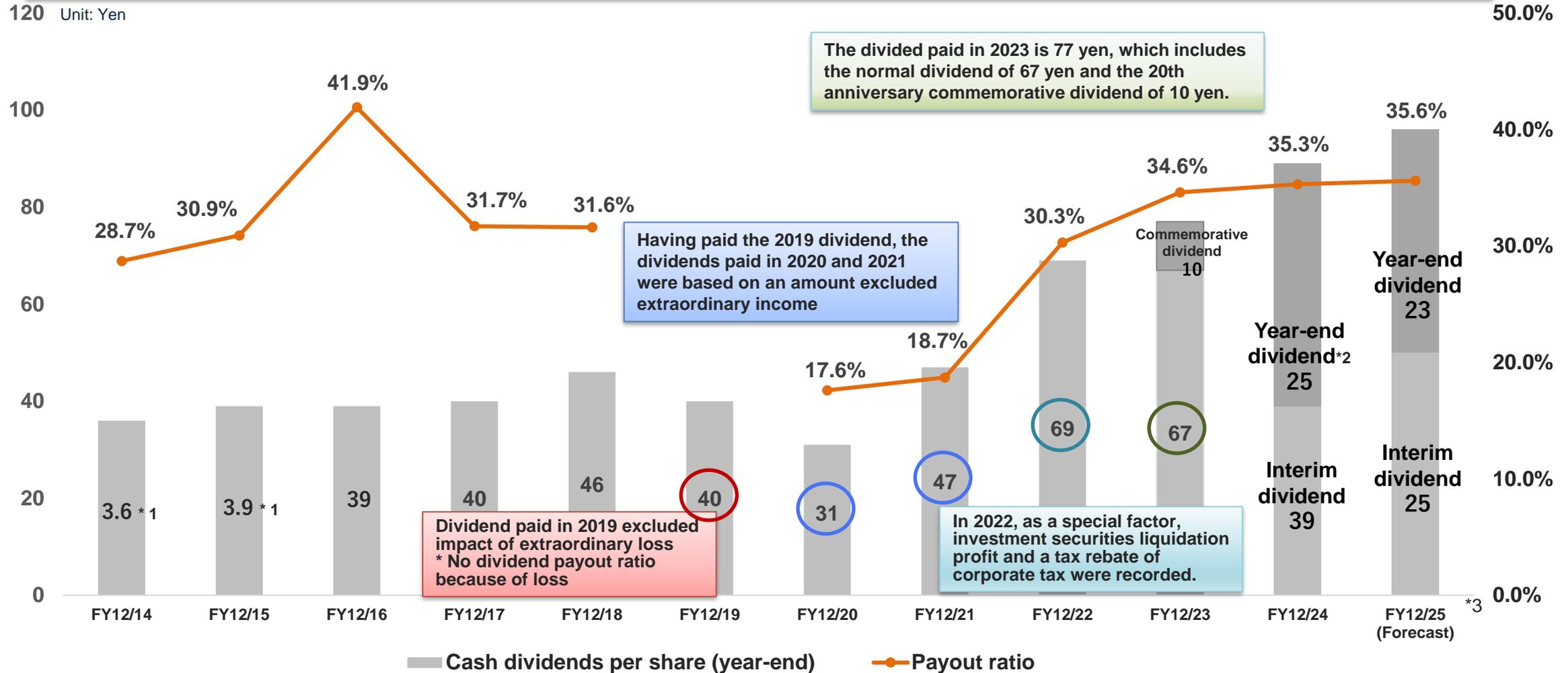


*1 A 10-1 reverse stock-split was conducted on July 1, 2016.

*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 and fiscal year ending December 31, 2025, without considering the share split, are 252.22 yen and 269.40 yen (plan), respectively.

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, without considering the share split, is 50 yen, and the annual dividend per share is 89 yen.

*3 The annual dividend per share for the fiscal year ending December 31, 2025 (forecast), without considering the share split, is 96 yen.

New Medium-Term Management Plan (MTMP)

Yoshika Suzuki
Representative Director and President (CEO)

Growth Plan	No. of New Units	Profitability
<ul style="list-style-type: none"> Accelerate self-storage location openings Scale back the land rights consolidation business →Shift to a cumulative-type (stock) business	Accelerate openings through full-fledged utilization of the partner system 2022 - 2,915 units 2023 - 5,800 units 2024 - 10,545 units * Results	Raise operating income ratio to 22.3% by 2027 through growth in the self-storage business

In Millions of yen	2025		2026		2027	
	Projected	Profit margin	Projected	Profit margin	Projected	Profit margin
Net sales	26,000	—	27,500	—	29,400	—
Operating income	5,350	20.6%	5,850	21.3%	6,550	22.3%
Ordinary income	5,080	19.5%	5,520	20.1%	6,170	21.0%

Self-storage No. of new units (Unit : Units/Excludes cancellations)	Opening Scheme	1H	2H	Full-year	Full-year
	Arealink	5,000	5,000	13,000	16,000
	Partner*	3,000	2,000	5,000	5,000
	Total	8,000	7,000	18,000	21,000
		15,000			

*Properties managed by Arealink through contract with existing self-storage providers nationwide

The Self-Storage Business will be the Growth Driver for the MTMP

In Millions of yen		2025		2026		2027	
		Projected	Percent of Sales	Projected	Percent of Sales	Projected	Percent of Sales
Self-Storage Business	Net sales	22,700	—	24,220	—	26,120	—
	Business profit	6,040	26.6%	6,610	27.3%	7,360	28.2%
Land Rights Consolidation Business (Limited Land Rights)	Net sales	1,800	—	1,800	—	1,800	—
	Business profit	310	17.2%	310	17.2%	310	17.2%
Other Operational Services Business	Net sales	1,500	—	1,480	—	1,480	—
	Business profit	400	26.7%	375	25.3%	375	25.3%
Headquarters expenses	Business profit	(1,400)	—	(1,445)	—	(1,495)	—
Total for All Businesses	Net sales	26,000	—	27,500	—	29,400	—
	Operating income	5,350	20.6%	5,850	21.3%	6,550	22.3%

Through growth in the self-storage business, Arealink aims to have a total of 200K units under management by 2029

Whole Company

Net sales
¥33.5 million

Operating income
¥8.0 million

Profit margin
23.8 %

Self-Storage Business

Net sales
¥30.0 million
Management ¥26.7 million
Brokerage ¥3.3 million

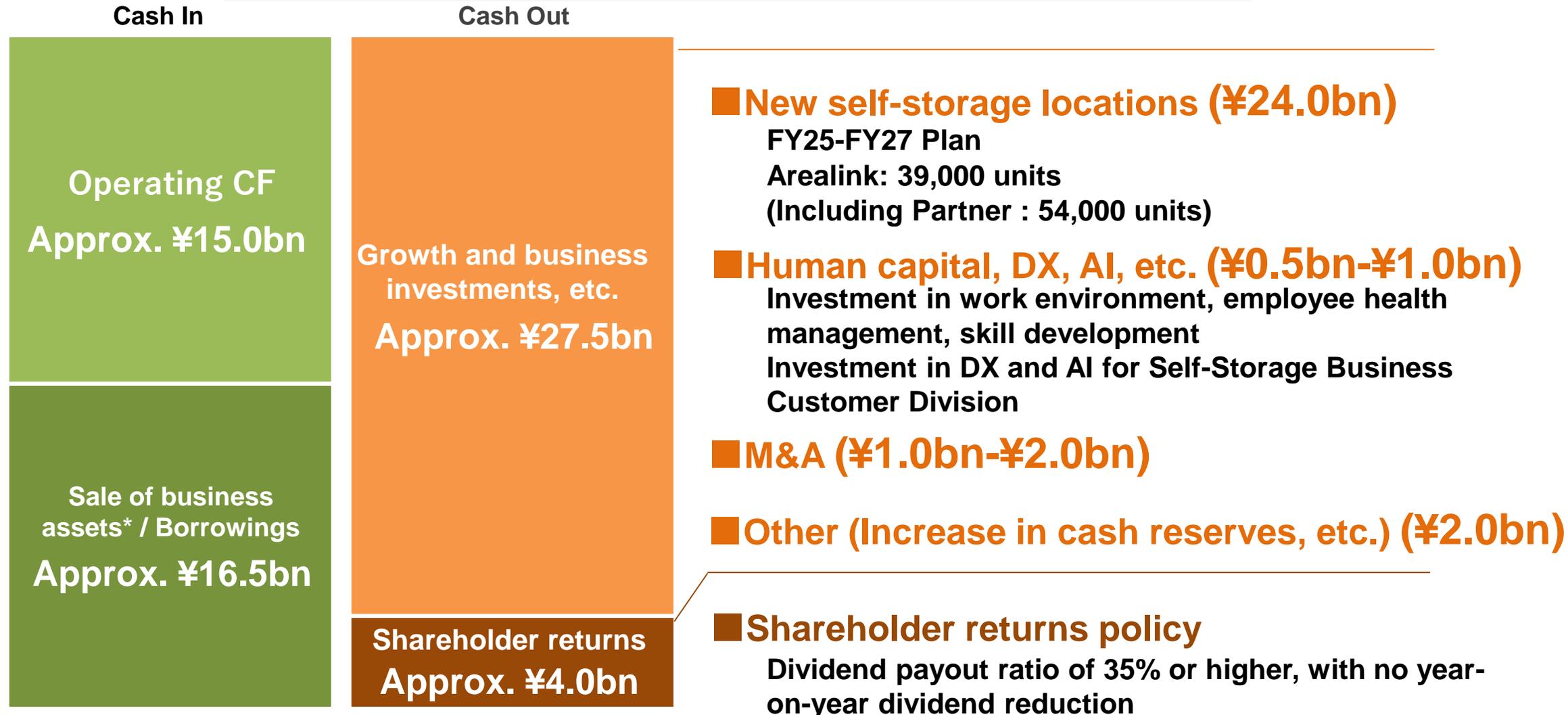
Business profit
¥9.0 million

No. of units
200K units
Arealink **175K units**
Partner **25K units**

Total utilization rate
83 %
* Excluding Partner

* Sales and operating income figures for “Total for all businesses” include businesses other than the Self-Storage Business, and headquarters expenses.

Cash to be Used for Investment in New Self-Storage Locations and Shareholder Returns



* Sale of containers

Self-storage No. of new units

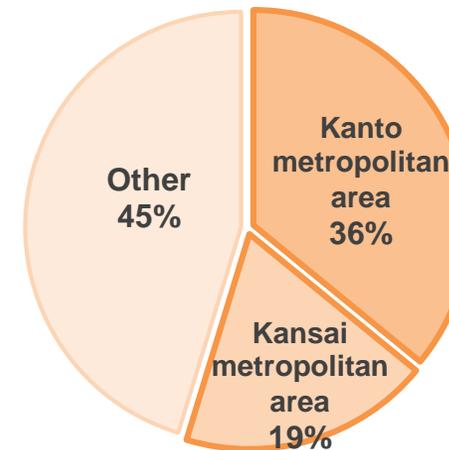
	FY12/23	FY12/24	
	Actual	Plan	Actual
Container Type	4,813 (301)	8,700	8,722 (375)
In-Building Type	535 (129)	1,200	1,187 (60)
Building Type (Self-storage Mini)	452 (0)	500	636 (0)
Total	5,800 (430)	10,400	10,545 (435)

*Unit: Number of units

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

New Location Openings by Geographic Area

* No. of units	Container Type (Not including expansion of existing locations)	All Types (Including expansion of existing locations)
Kanto metropolitan area	3,022	4,230
Kansai metropolitan area	1,577	1,809
Other	3,808	4,506
Total	8,347	10,545



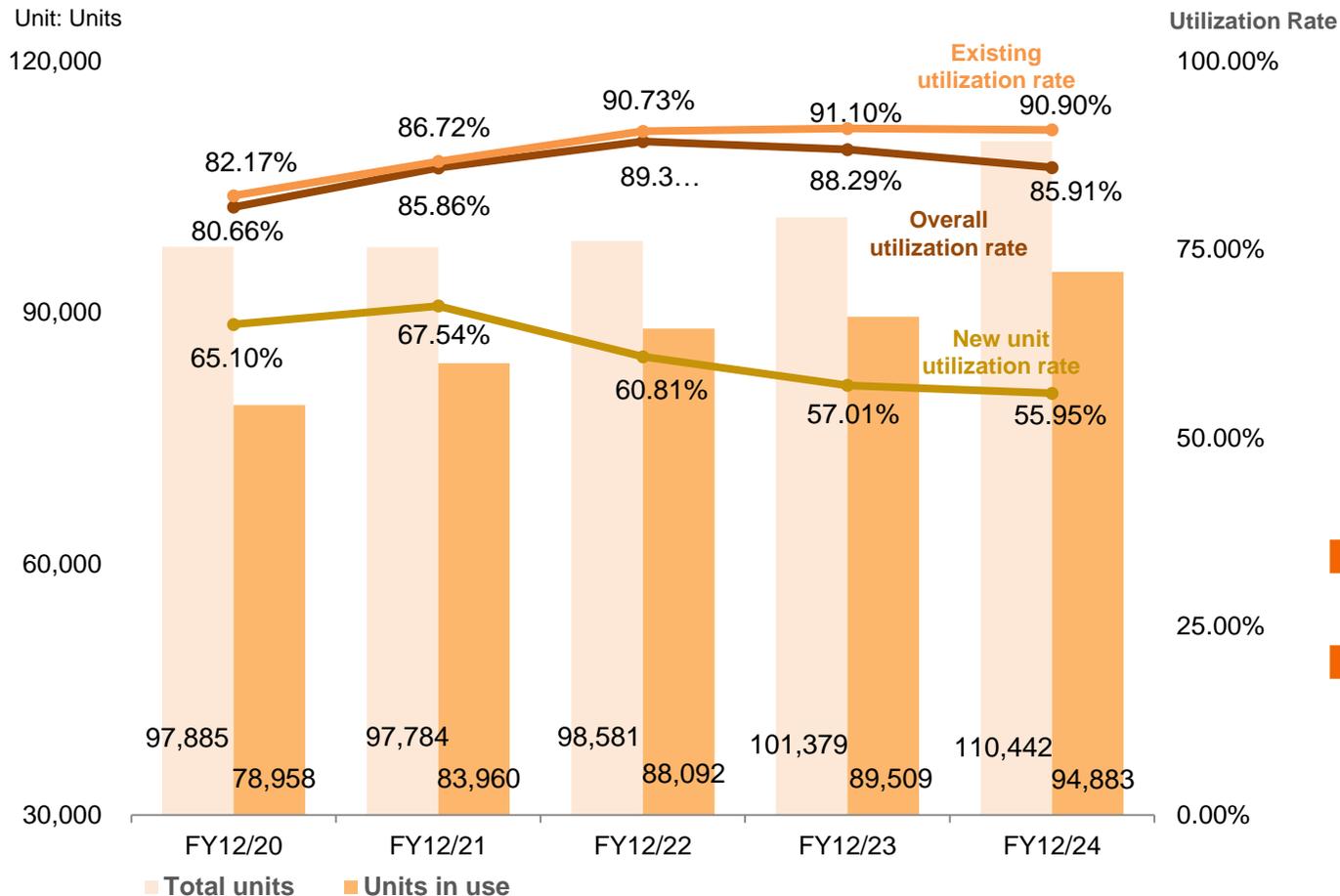
The area for new container-type location openings is about 55% of the total of Kanto and Kansai metropolitan areas

* Kanto Metropolitan Area: Tokyo, Kanagawa, Chiba, and Saitama prefectures

* Kansai Metropolitan Area: Osaka, Hyogo, and Kyoto prefectures

Utilization Rate Continues to Be High

Total Units, Units in Use, and Utilization Rate



**Total units
110,442 units**

**Overall utilization rate
85.91%**

**Existing utilization rate
90.90%**

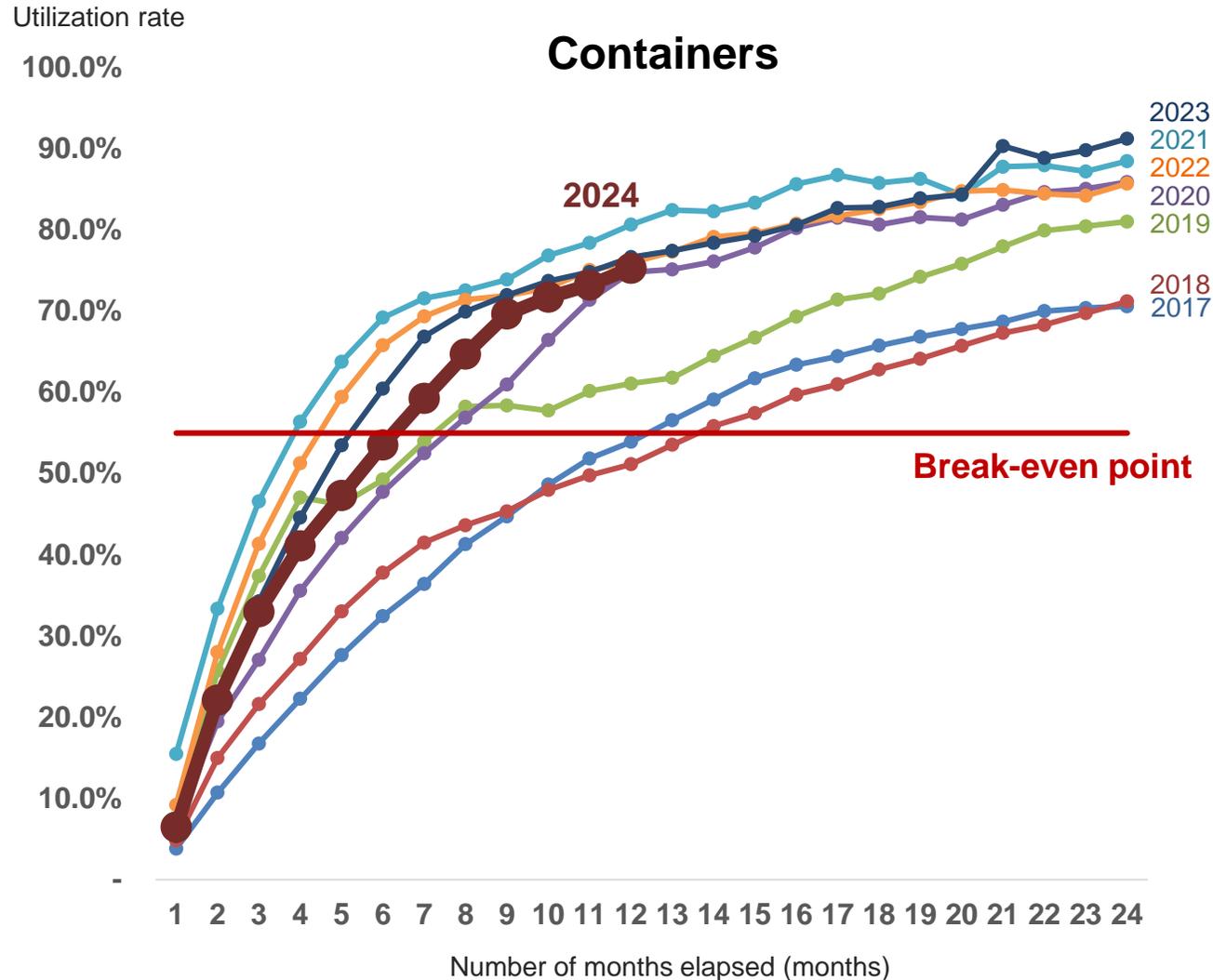
**New unit utilization rate
55.95%**

*As of December 30, 2024

- Utilization rate of established locations remains high at over 90%
- Effective utilization of new properties at startup remains steady

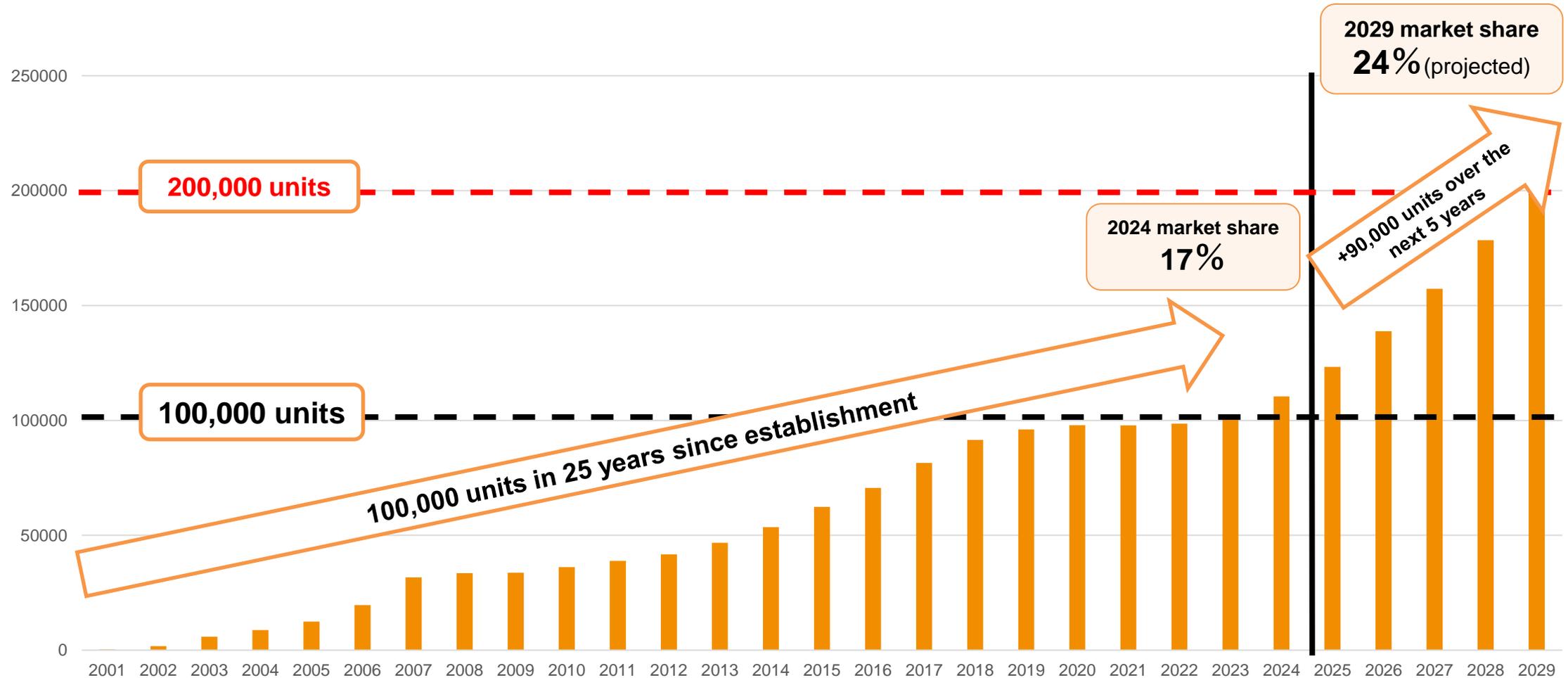
*New unit utilization rate: utilization rate of new units opened within the most recent two business years. Covers new units opened since January 2023.

Steady Progress in Utilization After New Openings



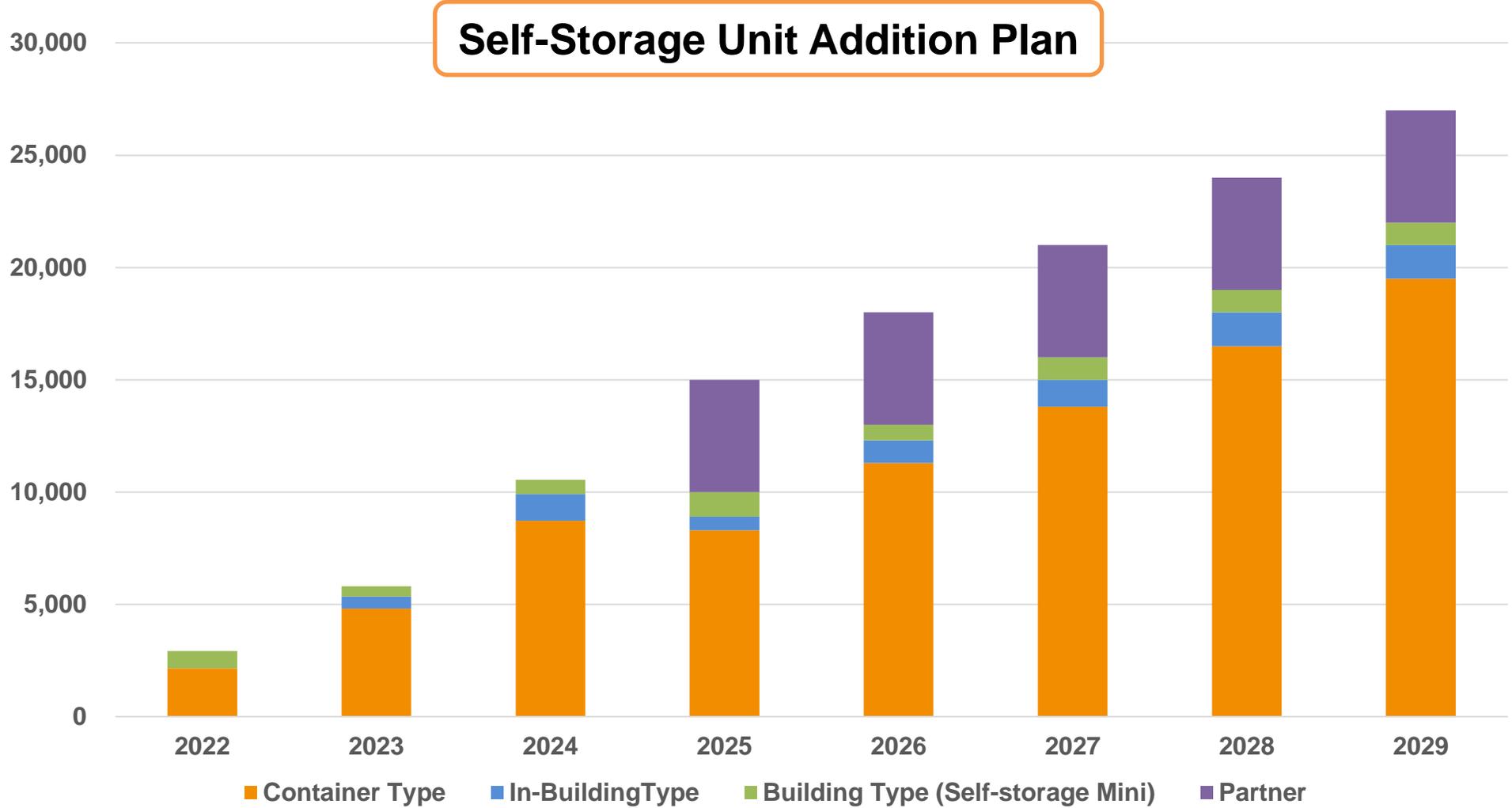
- Factors contributing to the increase in the utilization rate**
 - Greater precision of location opening strategies (type of product, area, number of units, price) from use of databases (population, number of households, income brackets, etc.)
 - Development of small-scale properties in multiple locations
 - 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



*Market share is estimated by Arealink

Plan to add 15K units in 2025, and 27K units annually by 2029



*Properties managed by Arealink through contract with existing self-storage providers nationwide

- ◆ **High profitability, and low cost due to unattended operation (some locations have staff on site)**

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

- ◆ **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).



- ◆ **Marketing research and site selection are important when opening new locations**

Opening locations without sufficient study increases the risk of a longer deficit period.

- ◆ **A certain level needs to be reached to benefit from economy of scale**

Operating costs and advertising unit costs can be contained in proportion to the business scale.

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 into 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



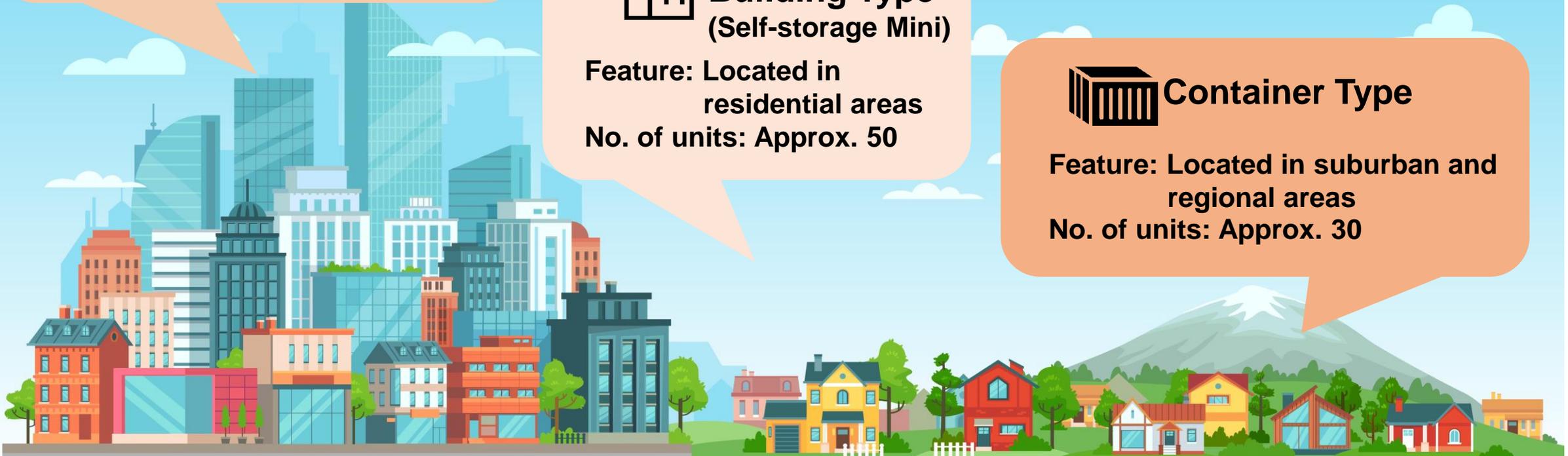
Building Type (Self-storage Mini)

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

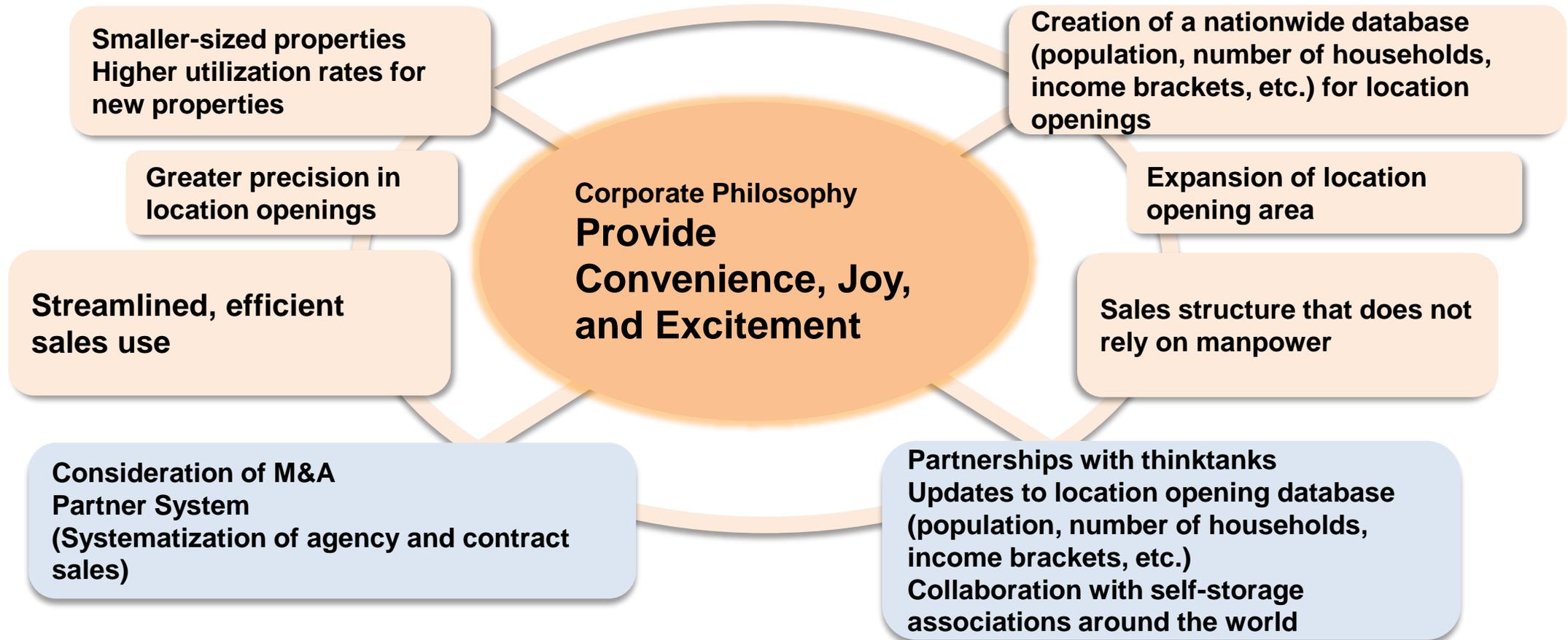


Container Type

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% by 2032** with proactive openings

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

Self-Storage Database

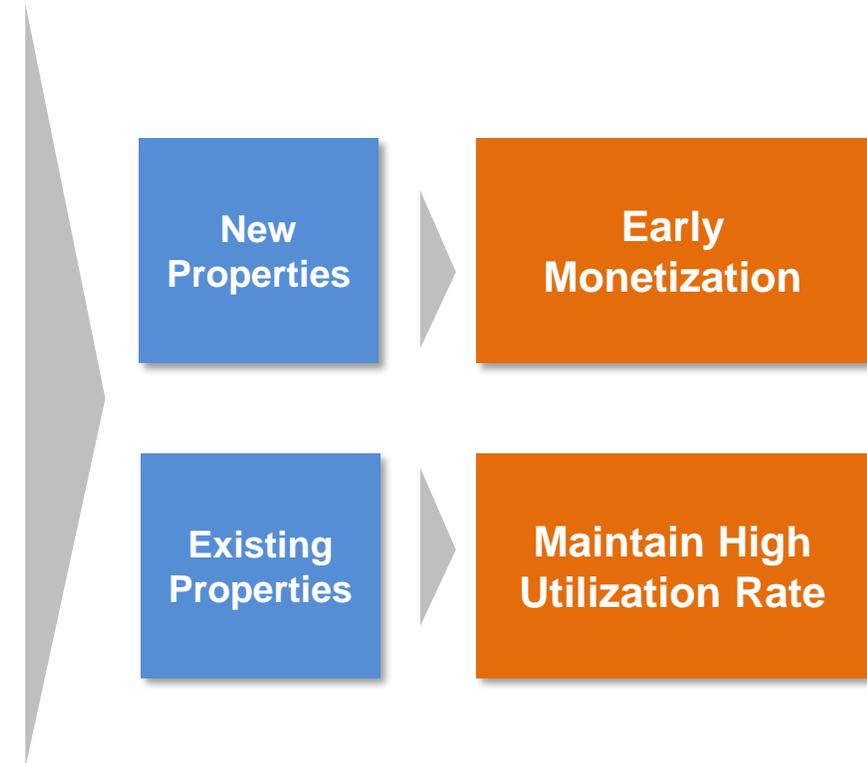
- Accumulation of information on customers and properties nationwide
 - * Hundreds of thousands of data points, including past cancellations
- High-precision new location openings backed by detailed data
- Data-driven management that excludes personal experience and intuition

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

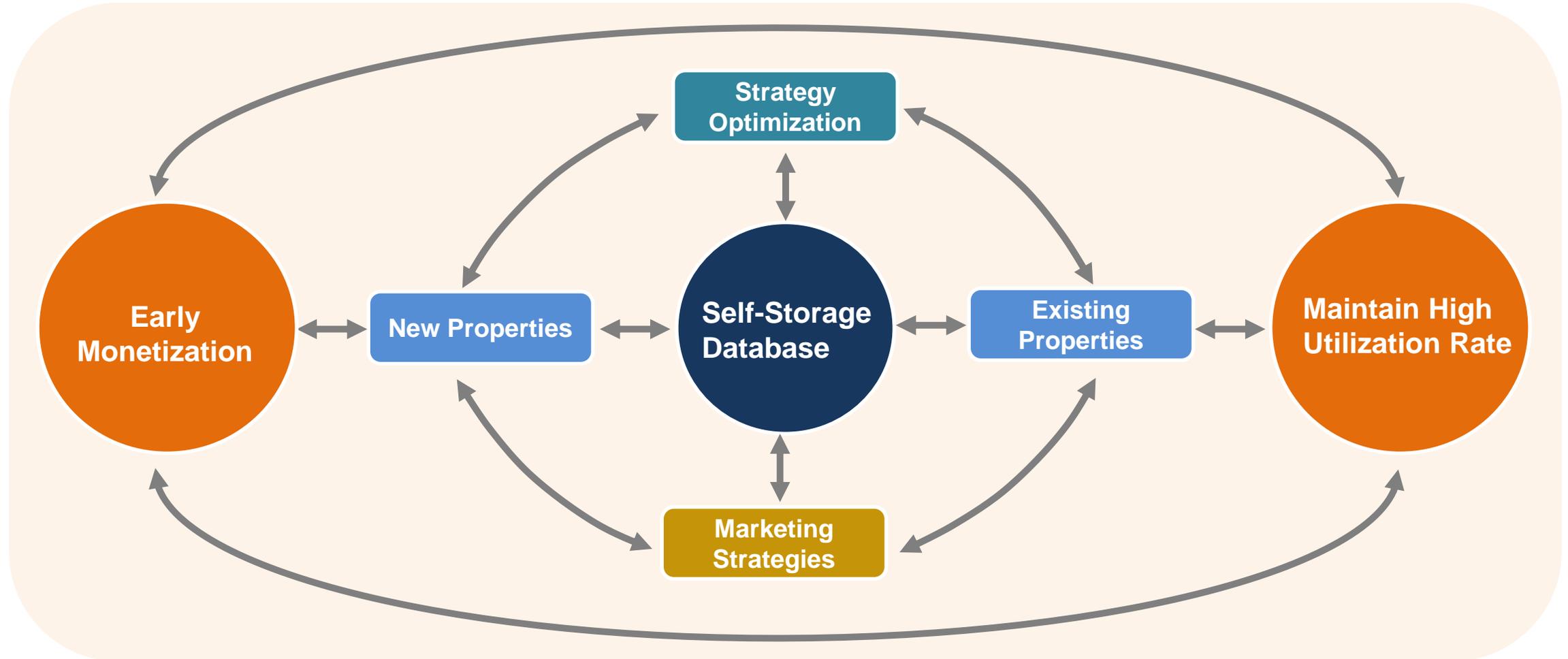
Strategy Optimization

- 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.



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”)
- KENZA Market
- Nikkei Trendy
- Nikkei ESG
- Housing Journal
- Kabunushitecho
- Nikkei ESG

Internet



President’s Dictionary

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

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

Naomichi Hayashi
Representative Director and Chairman (CEO)

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.

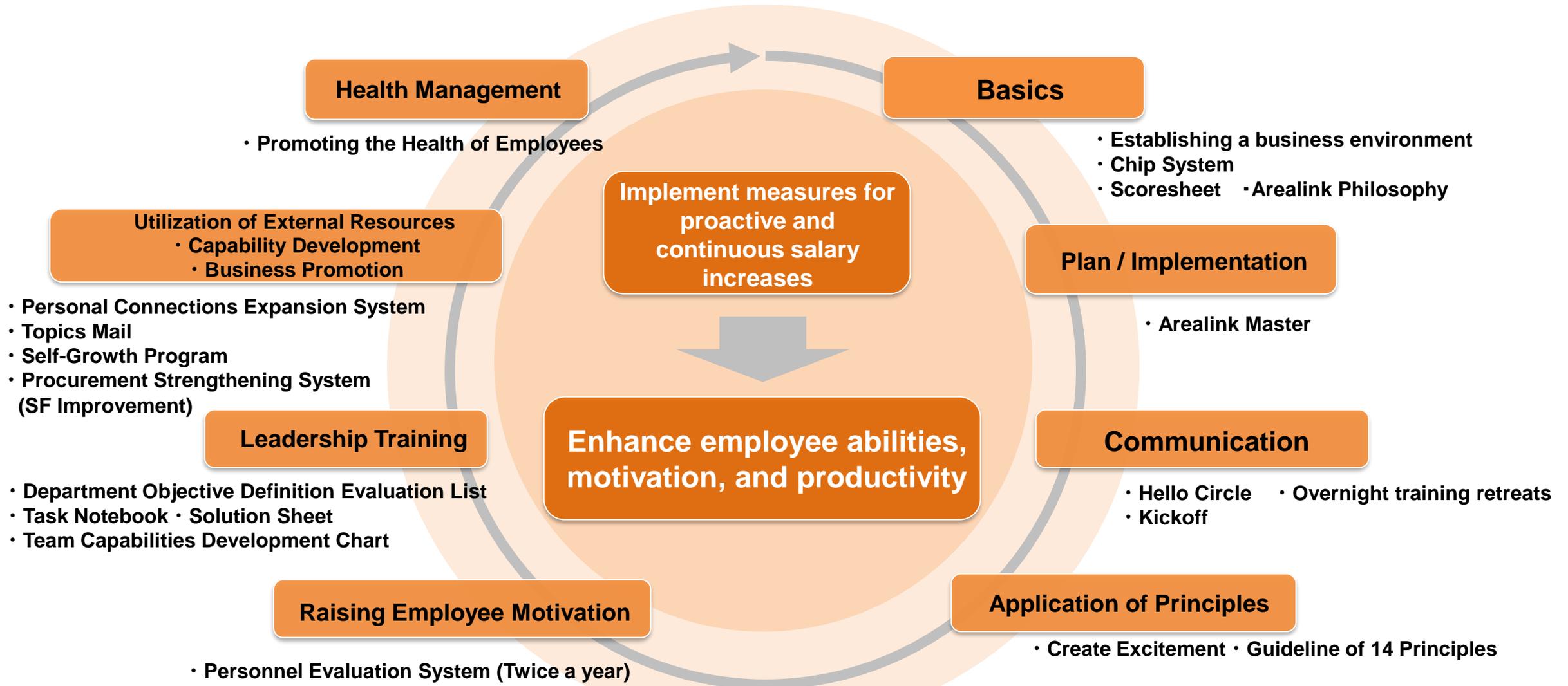
VISION

**Become a Platform
for the Self-Storage Industry**

VALUE

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

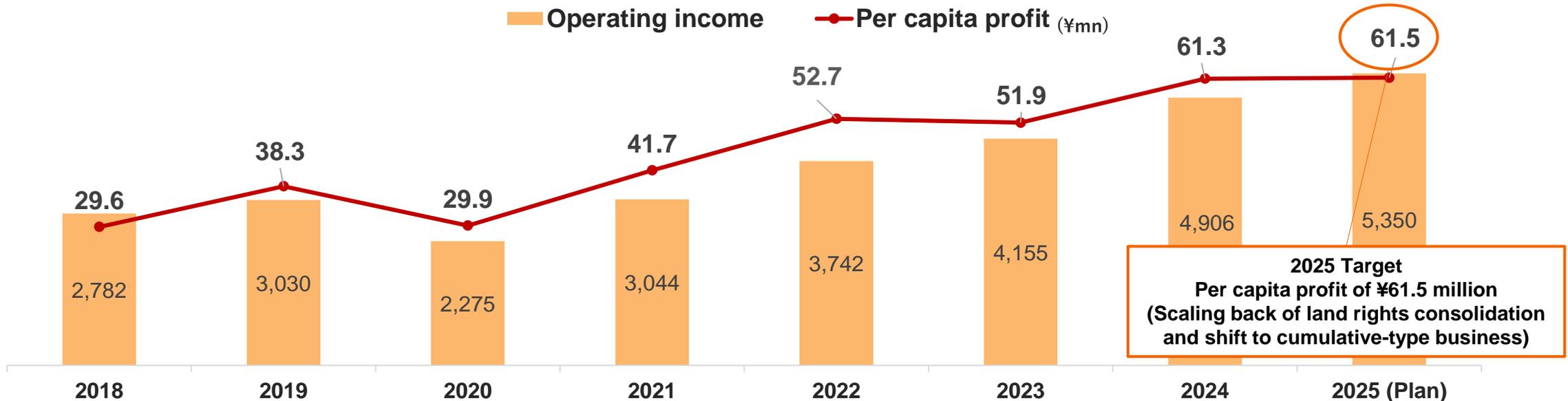
Implement Employee Training Method to Achieve Small-Group Management



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		4.0x increase in per capita profit in eleven years	2024	
Net sales	12,256 million yen		Net sales	24,695 million yen
Operating income	1,505 million yen		Operating income	4,906 million yen
No. of full-time employees	98		No. of full-time employees	80
Per capita profit	15.3 million yen	Per capita profit	61.3 million yen	



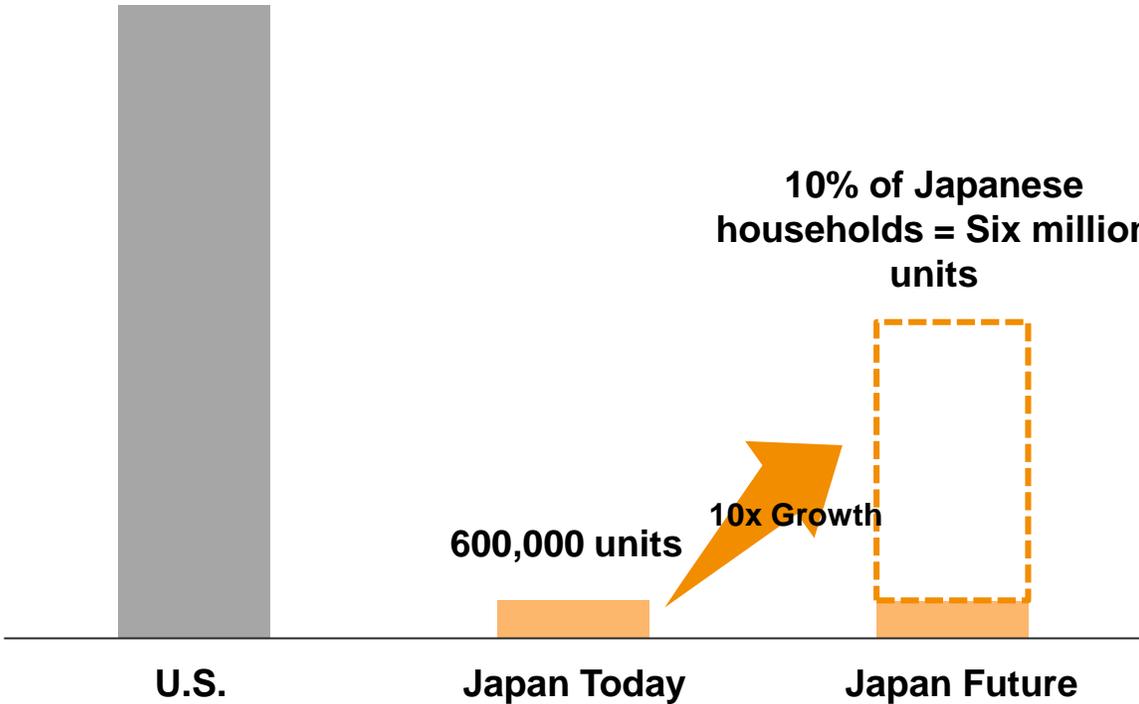
Japanese Market Has Potential for Ten-Fold Growth Compared to the U.S.

Comparison With U.S. Self-Storage Usage

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

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

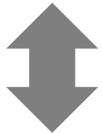
10% of Japanese households = Six million units



U.S.

Public Storage
(Market Cap \$52.6bn, PER 29.8 times, PBR 9.9 times)

Extra Space Storage
(Market Cap \$31.7bn, PER 36.7 times, PBR 2.2 times)



Japan

Arealink
(Market Cap ¥59.1bn, PER 18.8 times, PBR 2.2 times)

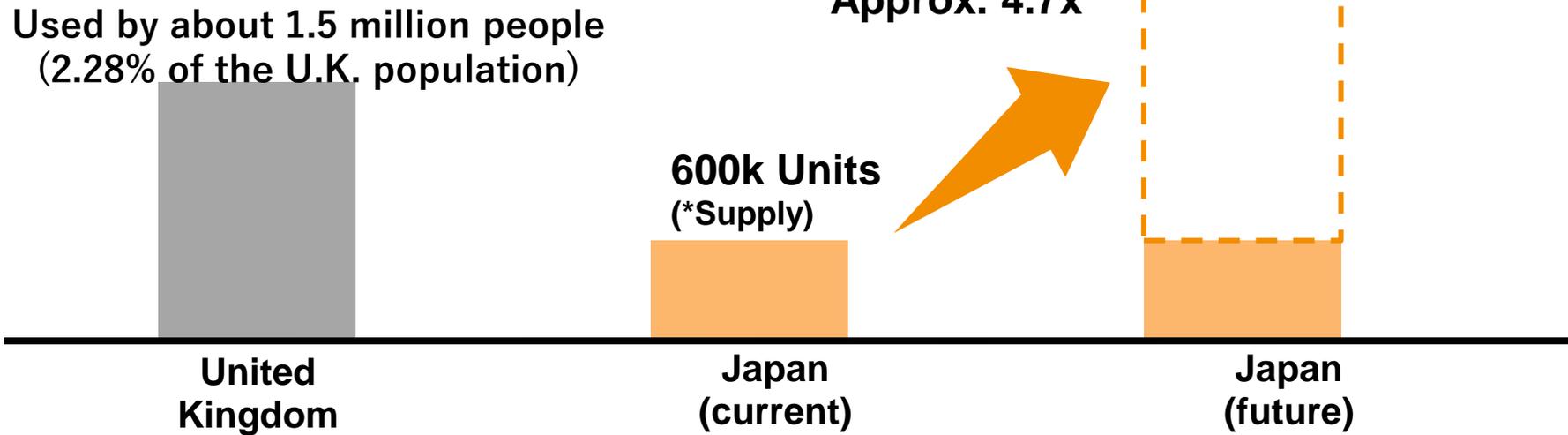
As of December 30, 2024

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)

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

Self-Storage Usage Comparison

If approx. 2.28% of the Japan population uses self-storage, the potential supply is 2.83 million units

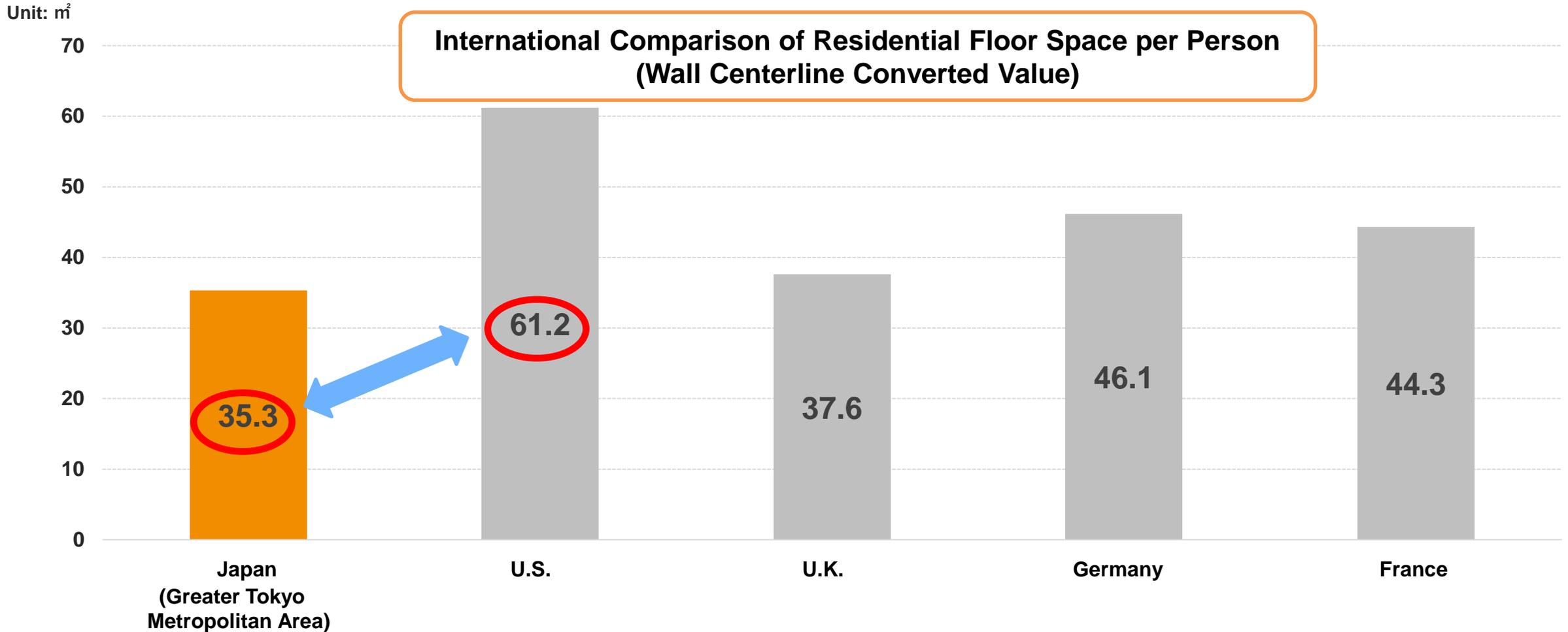


U.K. usage: (Source: 2022 SSA UK Annual Report, 2022 FEDESSA Industry Report, Statista)

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



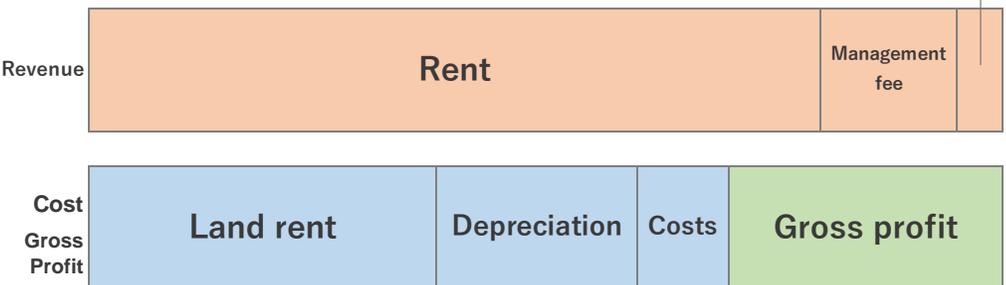
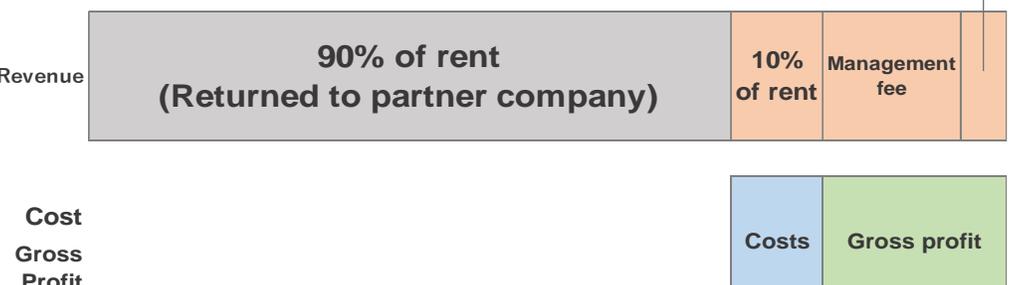
Ref. Ministry of Land, Infrastructure, Transport and Tourism (MLIT), "2020 Housing Economy Related Data"
International Comparison of Housing Standards, 2) International Comparison of Residential Floor Space per Person (Wall Centerline Converted Value)

Expand Market Share through the Partner System

Full-fledged rollout of the “Partner System” to provide comprehensive support for self-storage businesses nationwide, including new location openings and operational management for existing locations, from attracting customers to contract cancellations.



<p>Location Opening and Sales</p>	<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
<p>Construction</p>	<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
<p>Marketing</p>	<ul style="list-style-type: none"> • Operation of an in-house website with two million page views (PVs) annually (listings for more than 110,000 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)
<p>Property Management</p>	<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
<p>Data Analysis</p>	<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

Opening Scheme	Arealink	Partner
Location Opening	<ul style="list-style-type: none"> • Data-driven new location openings • Break-even point reached within six months on average (container type) • Open in four months on average from date of land contract (container and in-building types) 	<ul style="list-style-type: none"> • No upfront investment costs • No deficit period • Increase in Arealink's market share
Operation	Arealink Attracting customers, contracts, cancellations, regular cleaning, dealing with problems, etc.	
Profit Structure	<div style="text-align: right; margin-bottom: 10px;">Other fees, etc.</div>  <p>The diagram shows Revenue as a bar divided into Rent, Management fee, and Other fees, etc. Below it, Cost is divided into Land rent, Depreciation, and Costs. Gross Profit is the remaining portion of Revenue after Land rent, Depreciation, and Costs are subtracted.</p> <ul style="list-style-type: none"> • After the depreciation period, the gross profit amount increases 	<div style="text-align: right; margin-bottom: 10px;">Other fees, etc</div>  <p>The diagram shows Revenue as a bar divided into 90% of rent (Returned to partner company), 10% of rent, Management fee, and Other fees, etc. Below it, Cost is divided into Costs and Gross profit.</p> <ul style="list-style-type: none"> • Gross profit margin is high even though revenue is low.

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)
- Switch all electricity used in the head office to renewable green power
- Adoption of paper files (reduction of plastic waste)



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 three outside Audit & 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
- ◆ Switch all electricity used in the head office to renewable green power (solar, wind, hydro, etc.) to contribute to countering global warming.
- ◆ Adoption of eco-friendly paper files
Can be disposed of as combustible waste, reducing plastic waste

Containers and Buildings 100-Year Utilization Project

Introduction of a new self-storage design

Color scheme of gray and orange to blend with residential areas



Establishment of a maintenance system to support utilization for 100 years

Plans to change all properties to the new design nationwide over the next decade

Before [Example of maintenance work] 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 three 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

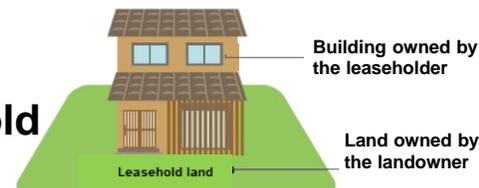


Building type (self-storage mini, interior)

- ▶ **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



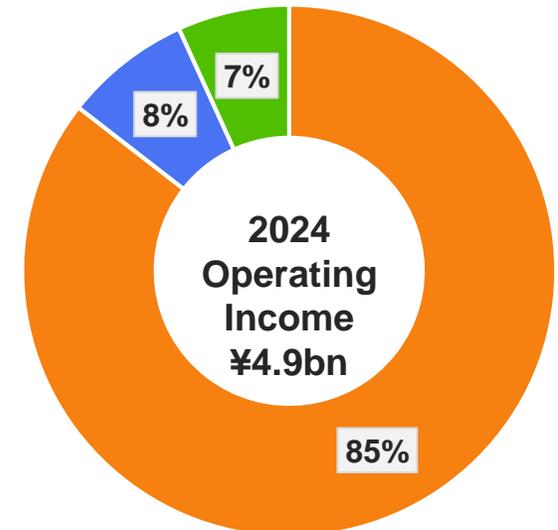
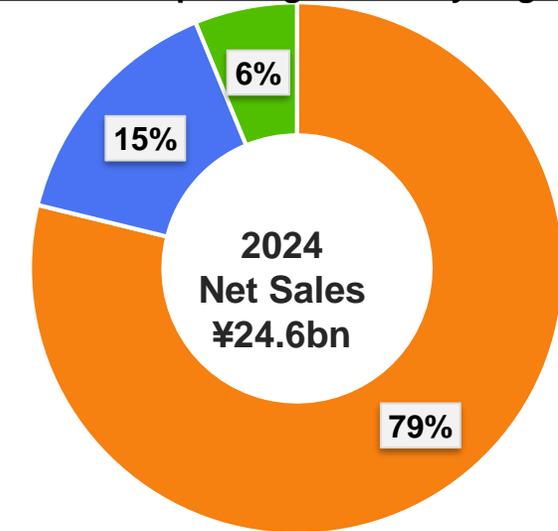
Other Operational Services Business

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



Serviced office

Net Sales and Operating Income by Segment



Cumulative-Type Business Accounted For 96% Of Earnings in 2024

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

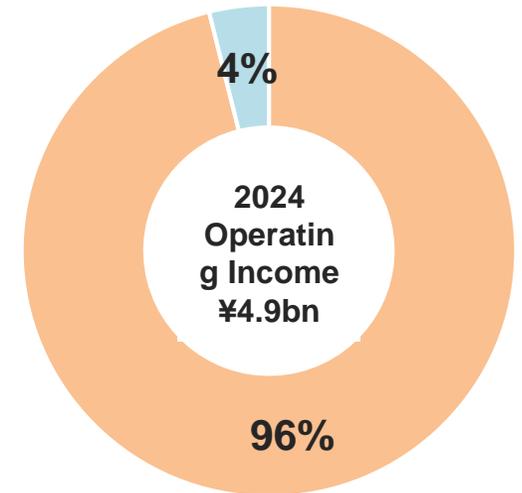
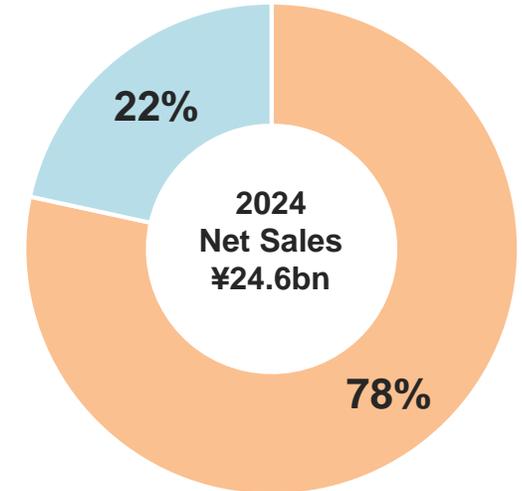
Cumulative-Type Businesses

- ◆ 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 2,420 Properties With approximately 110,000 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

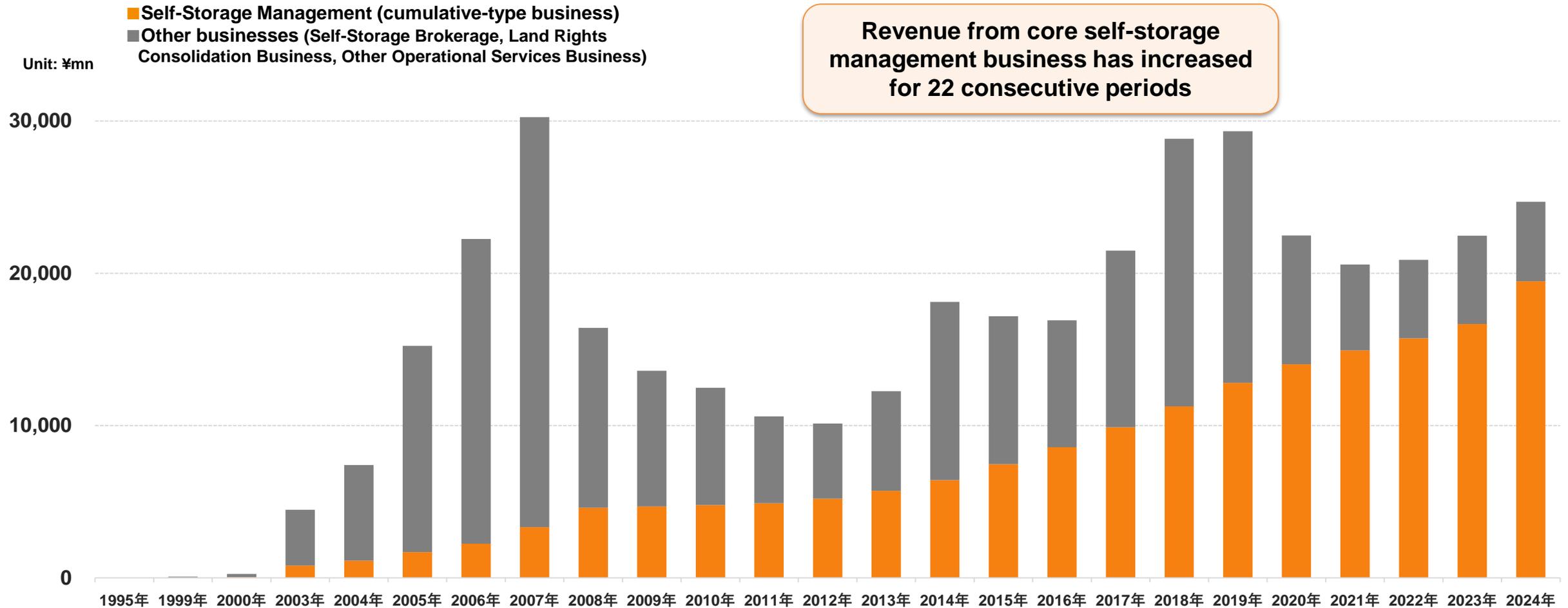


Example of owned property
(Kanda BM Bldg.)



Hello Office Entrance and Interior

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



Revenue from core self-storage management business has increased for 22 consecutive periods

Focus on real estate buying and selling

Recovery from financial crisis

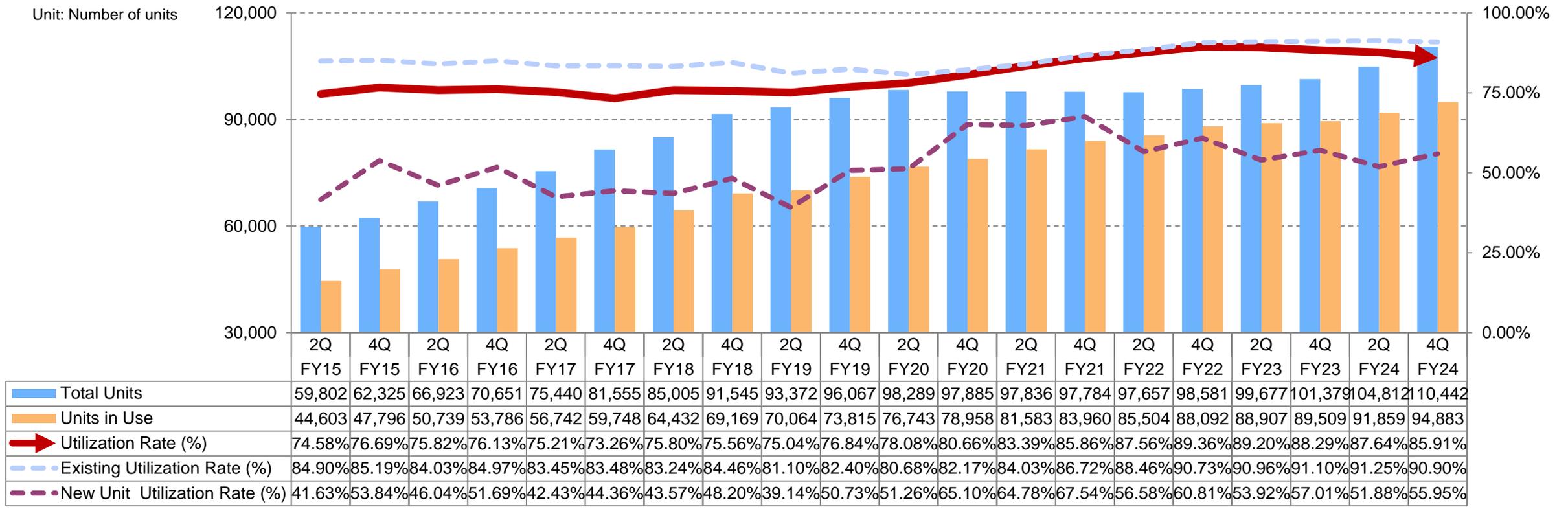
Focus on self-storage brokerage (buying and selling)

Shift to cumulative-type business

In Millions of Yen			FY12/19				FY12/20				FY12/21				FY12/22				FY12/23				FY12/24			
			1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q																
Self-Storage Management	Net sales	3,100	3,188	3,217	3,290	3,383	3,485	3,547	3,611	3,654	3,731	3,751	3,804	3,853	3,906	3,947	4,017	4,094	4,143	4,178	4,252	4,316	4,388	4,500	4,625	
	Gross profit	665	574	692	593	720	773	930	1,077	1,138	1,172	1,163	1,285	1,319	1,349	1,369	1,470	1,536	1,543	1,546	1,600	1,696	1,730	1,761	1,855	
Self-Storage Brokerage	Net sales	3688	4614	898	88	427	142	176	0	482	0	28	16	139	262	235	4	213	109	326	105	848	483	131	174	
	Gross profit	507	937	145	(46)	49	25	36	0	55	(3)	16	16	12	15	22	4	11	10	32	7	167	60	20	59	
Self-Storage Business	Net sales	6,788	7,802	4,116	3,379	3,811	3,627	3,723	3,611	4,136	3,731	3,780	3,821	3,992	4,169	4,183	4,021	4,307	4,252	4,504	4,357	5,165	4,871	4,631	4,799	
	Gross profit	1,172	1,512	837	546	770	799	967	1,077	1,194	1,168	1,180	1,302	1,332	1,364	1,391	1,474	1,548	1,553	1,578	1,608	1,863	1,790	1,781	1,915	
	Business profit	674	1,057	435	141	405	459	617	702	828	813	829	944	978	996	1,018	1,090	1,166	1,122	1,146	1,128	1,389	1,298	1,288	1,411	
Land Rights Consolidation Business (Limited Land Rights)	Net sales	2,390	2,229	540	242	2,255	1,227	1,247	1,332	834	1,359	397	1,125	810	947	675	676	441	1,494	1,046	641	1,346	775	1,362	210	
	Gross profit	895	785	106	100	843	254	177	86	232	343	81	87	214	266	147	76	110	546	276	(105)	383	154	398	(32)	
	Business profit	795	449	42	55	597	181	110	(16)	133	254	47	7	172	191	81	19	56	317	208	(136)	243	95	192	(46)	
Other Operational Services Business	Net sales	454	478	456	453	456	412	391	379	350	340	348	345	341	349	361	347	339	348	360	368	371	379	391	389	
	Gross profit	170	195	164	176	177	142	122	79	115	110	111	107	107	115	112	113	96	102	115	120	121	126	131	133	
	Business profit	133	155	123	133	135	111	93	54	98	95	95	93	94	96	90	92	73	82	91	99	102	104	111	109	
Headquarters expenses	Business profit	(324)	(307)	(269)	(267)	(343)	(292)	(266)	(275)	(278)	(272)	(274)	(370)	(308)	(294)	(288)	(288)	(290)	(319)	(298)	(291)	(330)	(357)	(357)	(349)	
Total for All Businesses	Net sales	9,634	10,511	5,113	4,074	6,523	5,267	5,362	5,323	5,321	5,431	4,526	5,293	5,145	5,466	5,220	5,046	5,088	6,095	5,911	5,367	6,883	6,026	6,386	5,399	
	Gross profit	2,238	2,493	1,108	823	1,791	1,196	1,267	1,243	1,542	1,622	1,373	1,497	1,655	1,746	1,651	1,664	1,755	2,203	1,970	1,623	2,369	2,071	2,312	2,016	
	Operating income	1,278	1,355	333	62	795	460	554	465	781	890	697	675	936	989	901	914	1,005	1,202	1,147	799	1,405	1,141	1,234	1,124	

Total 110,000 Units, with Openings Expected to Accelerate in the Future

Total Units, Units in Use, and Utilization Rate



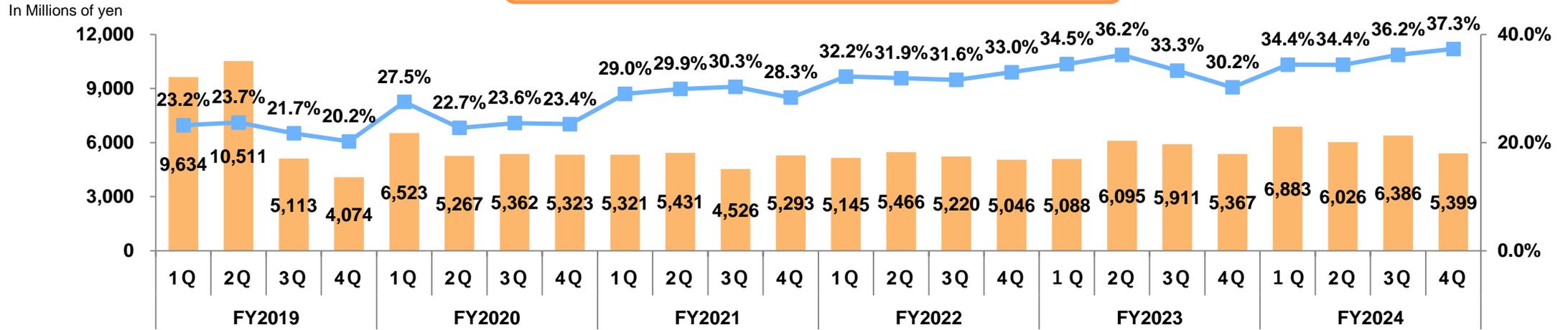
*New unit utilization rate: utilization rate of new units opened within the most recent two business years. Covers new units opened since January 2023.

	Container Type	In-Building Type	Building Type (Self-storage Mini)	Total	Proportion of Total
Hokkaido	1,185	414	137	1,736	1.57%
Aomori	109	0	48	157	0.14%
Iwate	20	0	0	20	0.02%
Miyagi	1,937	32	38	2,007	1.82%
Akita	80	0	0	80	0.07%
Yamagata	160	0	0	160	0.14%
Fukushima	243	42	0	285	0.26%
Ibaraki	1,427	25	0	1,452	1.31%
Tochigi	601	0	0	601	0.54%
Gunma	1,266	0	0	1,266	1.15%
Saitama	9,191	706	1,794	11,691	10.59%
Chiba	10,575	255	1,412	12,242	11.08%
Tokyo	18,255	9,939	2,900	31,094	28.15%
Kanagawa	9,303	2,735	1,319	13,357	12.09%
Niigata	430	0	42	472	0.43%
Toyama	238	0	0	238	0.22%
Ishikawa	353	0	0	353	0.32%
Fukui	166	0	0	166	0.15%
Yamanashi	294	0	0	294	0.27%
Nagano	688	0	0	688	0.62%
Gifu	687	27	0	714	0.65%
Shizuoka	2,088	42	0	2,130	1.93%
Aichi	5,735	509	440	6,684	6.05%
Mie	466	50	0	516	0.47%

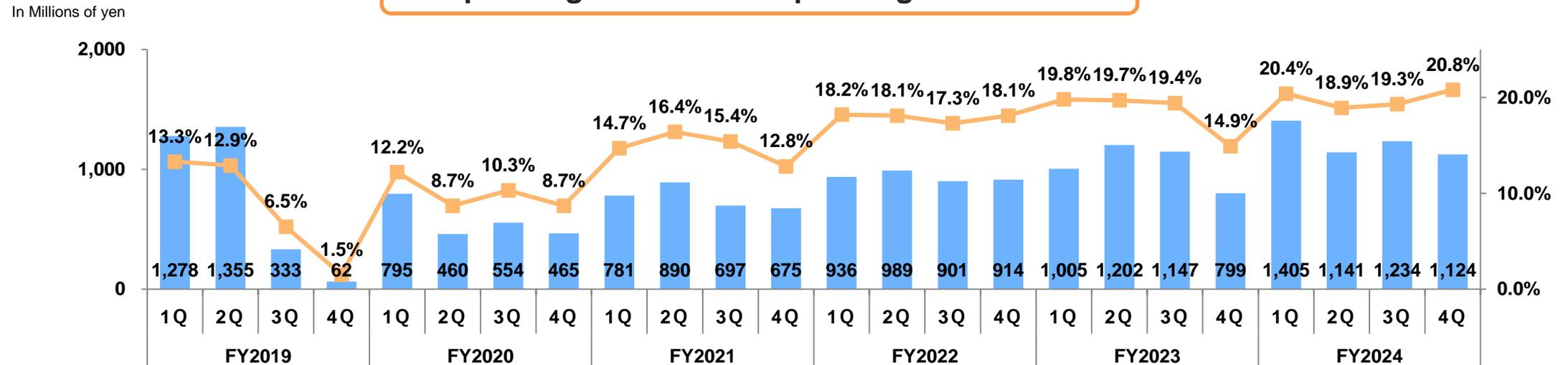
	Container Type	In-Building Type	Building Type (Self-storage Mini)	Total	Proportion of Total
Shiga	445	0	0	445	0.40%
Kyoto	2,046	152	119	2,317	2.10%
Osaka	5,238	965	447	6,650	6.02%
Hyogo	4,467	190	46	4,703	4.26%
Nara	764	0	0	764	0.69%
Wakayama	47	0	0	47	0.04%
Tottori	115	0	0	115	0.10%
Shimane	92	0	0	92	0.08%
Okayama	251	0	0	251	0.23%
Hiroshima	606	0	0	606	0.55%
Yamaguchi	329	24	47	400	0.36%
Tokushima	114	0	0	114	0.10%
Kagawa	284	100	0	384	0.35%
Ehime	223	0	0	223	0.20%
Kochi	90	0	0	90	0.08%
Fukuoka	2,791	96	0	2,887	2.61%
Saga	106	0	0	106	0.10%
Nagasaki	164	0	0	164	0.15%
Kumamoto	397	0	0	397	0.36%
Oita	217	0	0	217	0.20%
Miyazaki	276	40	48	364	0.33%
Kagoshima	382	0	0	382	0.35%
Okinawa	205	64	52	321	0.29%
Total	85,146	16,407	8,889	110,442	100.00%

As of December 31, 2024

In Net Sales and Gross Profit Margin



In Operating Income and Operating Income Ratio



Main Implementation Measures This Year

Issue	Measure
Improve Visibility	Conducted interviews with 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)
	Published report written by an overseas company
	Implemented 1-on-1s with foreign investors
	Overseas IR Road Show <ul style="list-style-type: none"> • 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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