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Non-Consolidated Financial Results for the Three Months Ended March 31, 2025 [Japanese GAAP]



April 30, 2025

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 Stock exchange listing: Tokyo Stock Exchange
 Code number: 8914
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 Scheduled date of commencing dividend payments: –
 Availability of supplementary explanatory materials on financial results: Available
 Schedule of financial results briefing session: Not scheduled

(Amounts of less than one million yen are rounded down.)

1. Non-Consolidated Financial Results for the Three Months Ended March 31, 2025 (January 1, 2025 – March 31, 2025)

(1) Operating Results (cumulative) (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
Three months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2025	7,521	9.3	1,563	11.3	1,495	11.4	1,112	23.2
March 31, 2024	6,883	35.3	1,405	39.7	1,342	37.1	902	29.8

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
March 31, 2025	43.81	—
March 31, 2024	35.59	—

(Note) The Company carried out a two-for-one share split of its common shares effective July 1, 2024. The basic earnings per share figures have been calculated based on the assumption that the stock split had taken place at the beginning of the fiscal year ended December 31, 2024.

(2) Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of March 31, 2025	56,804	27,210	47.9
As of December 31, 2024	55,919	26,769	47.9

(Reference) Equity: As of March 31, 2025: ¥27,210 million

As of December 31, 2024: ¥26,769 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2024	—	39.00	—	25.00	—
Fiscal year ending December 31, 2025	—				
Fiscal year ending December 31, 2025 (Forecast)		25.00	—	23.00	48.00

(Notes) 1. Revision to the forecast for dividends announced most recently: None

2. The Company carried out a two-for-one share split of its common shares effective July 1, 2024. The year-end dividend per share for the fiscal year ended December 31, 2024 is indicated in an amount that reflects the impact of the share split, and a dash (“—”) is indicated as the total annual dividend per share. With the share split taken into account, the interim dividend per share for the fiscal year ended December 31, 2024 is ¥19.5, which brings the annual dividend per share to ¥44.5.

3. Non-Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2025 (January 1, 2025 – December 31, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	13,600	5.3	2,710	6.4	2,600	4.7	1,800	6.7	70.89
Full year	26,000	5.3	5,350	9.0	5,080	7.8	3,420	6.8	134.70

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

(1) Adoption of accounting treatment specific to the preparation of quarterly non-consolidated financial statements: None

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

- 1) Changes in accounting policies due to the revision of accounting standards: None
- 2) Changes in accounting policies other than 1) above: None
- 3) Changes in accounting estimates: None
- 4) Retrospective restatement: None

(3) Total number of issued and outstanding shares (common shares)

1) Total number of issued and outstanding shares at the end of the period (including treasury shares):

March 31, 2025: 25,881,800 shares
December 31, 2024: 25,881,800 shares

2) Total number of treasury shares at the end of the period:

March 31, 2025: 491,247 shares
December 31, 2024: 491,167 shares

3) Average number of shares during the period (cumulative from the beginning of the fiscal year):

Three months ended March 31, 2025: 25,390,565 shares
Three months ended March 31, 2024: 25,367,150 shares

(Note) The Company carried out a two-for-one share split of its common shares effective July 1, 2024. The figures for average number of shares during the period have been calculated based on the assumption that the stock split had taken place at the beginning of the fiscal year ended December 31, 2024.

* Review of the Japanese-language originals of the attached quarterly non-consolidated financial statements by certified public accountants or an audit firm: None

* Explanation of the proper use of financial results forecast and other notes

The forward-looking statements contained in this document, including the forecast for business results, are based on information available to the Company at the time of preparation of this document and certain assumptions that the Company deems to be reasonable. Actual results may differ materially from those statements due to a variety of different factors in the future. For details of assumptions for the financial results forecast and cautionary statements regarding the use of the forecast, please refer to “Explanation of Financial Results Forecast and Other Forward-Looking Information” on page 3 of the attachment for these quarterly non-consolidated financial results.

Attachment

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1. Qualitative Information on Quarterly Financial Results for the Period under Review

(1) Explanation of Operating Results

For the three months ended March 31, 2025, net sales were ¥7,521 million (up 9.3% year on year), operating profit was ¥1,563 million (up 11.3% year on year), ordinary profit was ¥1,495 million (up 11.4% year on year), and profit was ¥1,112 million (up 23.2% year on year). Both revenue and profit increased due to stable progress in the self-storage business, despite significant decreases in both revenue and profit in the land rights consolidation business due to the business downsizing.

The Company's business performance by segment is as follows.

Self-Storage Business

Arealink's mainstay self-storage business comprises the two subsegments of self-storage management and self-storage brokerage.

In self-storage management, the utilization rate for Hello Storage, the self-storage ("trunk rooms") brand under which the Company operates its self-storage business, decreased by 0.27 percentage points to 85.64% from the end of the previous fiscal year due to the effect of an increase in the number of newly opened self-storage units, but remained at a high level. The main factors behind the high utilization rate were the steady conclusion of contracts as a result of the improved precision of store openings through data analysis (population, number of households, income group etc.) based on information on store openings and customers that have been enormously accumulated, openings at smaller locations, and improved product recognition achieved through proactive PR efforts, etc.

In the self-storage business, while aiming to add 4,700 new openings, the Company opened a total of 5,800 units (including additions of 430 units in existing properties) in the fiscal year ended December 31, 2023. In the fiscal year ended December 31, 2024, with the aim of adding 10,400 new openings, the Company opened a total of 10,545 units (including addition of 435 units in existing properties). With the aim of adding 15,000 new openings in the fiscal year ending December 31, 2025, the Company opened a total of 3,555 units (including additions of 30 units in existing properties) so far, which accounts for 23.7% of the target. The number of self-storage units totaled 113,416 units, a steady increase of 2,974 units from the end of the previous fiscal year due to the factors such as regularly scheduled closures. In terms of contracts concluded, the Company steadily expanded the number of storage units utilized by capturing demand through efforts such as leveraging its database established to further improve the precision of new location openings and shift to openings at smaller locations, as well as strengthened public relations, which improved the recognition of Arealink storage products. As for profitability, the Company increased revenue from self-storage management by curbing discount rates through controlled sales campaigns, reviewing some rent, and carrying out efficient advertising, in addition to maintaining its style of having the bulk of openings centered on high-margin company-owned locations.

The self-storage brokerage business recorded 10 sales for indoor asset-type "self-storage properties with land."

Consequently, net sales in the self-storage business amounted to ¥6,356 million (up 23.1% year on year), and operating profit was ¥1,680 million (up 21.0% year on year), resulting in increases in both revenue and profit.

Land Rights Consolidation Business

Net sales in the land rights consolidation business amounted to ¥777 million (down 42.3% year on year), and operating profit was ¥98 million (down 59.5% year on year), resulting in significant decreases in revenue and profit following the business downsizing policy. In terms of purchases, the Company concentrated on purchasing properties of good quality in line with the business downsizing scale, and asset value resulted in a decrease of ¥364 million from the end of the previous fiscal year to ¥2,573 million.

Other Operational Services Business

The other operational services business comprises businesses with a revenue base of rent income, such as asset business and office business, both of which maintained stable utilization rate. As a result, net sales in the other operational services business amounted to ¥388 million (up 4.4% year on year), and operating profit was ¥111 million (up 8.8% year on year), resulting in increases in both revenue and profit.

(2) Explanation of Financial Position

Total assets as of March 31, 2025 increased by ¥885 million compared to the end of the previous fiscal year to ¥56,804 million. This was mainly attributable to increases of ¥763 million in cash and deposits, ¥420 million in tools, furniture and fixtures, ¥338 million in real estate for sale in process, ¥244 million in accounts receivable - other, ¥153 million in buildings, and ¥146 million in land, as well as a decrease of ¥1,336 million in real estate for sale.

Total liabilities as of March 31, 2025 increased by ¥444 million compared to the end of the previous fiscal year to ¥29,594 million. This was mainly attributable to increases of ¥641 million in short-term borrowings and ¥299 million in long-term accounts payable - other, as well as decreases of ¥284 million in current portion of long-term borrowings and ¥270 million in income taxes payable.

Net assets as of March 31, 2025 increased by ¥440 million compared to the end of the previous fiscal year to ¥27,210 million. This was mainly attributable to an increase of ¥477 million in retained earnings (an increase of ¥1,112 million due to profit and a decrease of ¥634 million due to the payment of dividends). As a result, the equity ratio was 47.9%.

(3) Explanation of Financial Results Forecast and Other Forward-Looking Information

No changes have been made to the financial results forecast for the six months ending June 30, 2025 and for the full year ending December 31, 2025 in “Non-Consolidated Financial Results for the Fiscal Year Ended December 31, 2024,” which was announced on February 14, 2025.

With regard to dividends for the fiscal year ending December 31, 2025, the Company plans to distribute an annual dividend of ¥48 per share (of which ¥25 is an interim dividend) according to the basic policy and the current business performance forecast.

2. Quarterly Non-Consolidated Financial Statements and Primary Notes

(1) Quarterly Non-Consolidated Balance Sheets

(Thousand yen)

	For the fiscal year ended December 31, 2024 (As of December 31, 2024)	For the first quarter ended March 31, 2025 (As of March 31, 2025)
Assets		
Current assets		
Cash and deposits	15,210,595	15,974,113
Accounts receivable - trade	165,870	294,020
Real estate for sale	5,847,211	4,510,592
Real estate for sale in process	735,353	1,073,744
Costs on construction contracts in progress	34,664	28,321
Supplies	47,163	52,734
Other	550,236	960,214
Allowance for doubtful accounts	(33,037)	(39,678)
Total current assets	22,558,058	22,854,062
Non-current assets		
Property, plant and equipment		
Buildings	10,573,830	10,830,732
Accumulated depreciation	(3,637,254)	(3,740,436)
Accumulated impairment	(643,234)	(643,234)
Buildings, net	6,293,340	6,447,061
Tools, furniture and fixtures	14,444,917	15,039,430
Accumulated depreciation	(3,183,549)	(3,370,566)
Accumulated impairment	(277,984)	(264,868)
Tools, furniture and fixtures, net	10,983,383	11,403,995
Land	7,595,818	7,742,596
Other	7,451,129	7,511,851
Accumulated depreciation	(3,050,196)	(3,199,105)
Accumulated impairment	(813,518)	(812,976)
Other, net	3,587,414	3,499,770
Total property, plant and equipment	28,459,957	29,093,424
Intangible assets		
Other	166,888	164,069
Total intangible assets	166,888	164,069
Investments and other assets		
Shares of subsidiaries and associates	1,150,000	1,150,000
Deferred tax assets	1,591,493	1,580,603
Other	2,622,990	2,592,629
Allowance for doubtful accounts	(629,770)	(629,828)
Total investments and other assets	4,734,713	4,693,405
Total non-current assets	33,361,559	33,950,899
Total assets	55,919,618	56,804,962

(Thousand yen)

	For the fiscal year ended December 31, 2024 (As of December 31, 2024)	For the first quarter ended March 31, 2025 (As of March 31, 2025)
Liabilities		
Current liabilities		
Accounts payable - trade	153,291	253,852
Short-term borrowings	331,140	972,750
Current portion of long-term borrowings	2,623,903	2,339,144
Income taxes payable	689,965	419,662
Provision for loss on sublease	3,342	1,222
Lease obligations	294,079	294,764
Other	3,690,393	3,651,492
Total current liabilities	7,786,116	7,932,888
Non-current liabilities		
Long-term borrowings	16,582,382	16,630,432
Long-term unearned revenue	753,803	692,660
Lease obligations	1,010,035	936,086
Asset retirement obligations	1,433,258	1,497,482
Provision for loss on sublease	2,791	835
Long-term accounts payable - other	1,258,895	1,558,489
Other	322,455	345,248
Total non-current liabilities	21,363,622	21,661,235
Total liabilities	29,149,738	29,594,124
Net assets		
Shareholders' equity		
Share capital	6,111,539	6,111,539
Capital surplus		
Legal capital surplus	6,156,037	6,156,037
Other capital surplus	10,668	13,647
Total capital surplus	6,166,705	6,169,685
Retained earnings		
Retained earnings brought forward	14,685,198	15,162,849
Total retained earnings	14,685,198	15,162,849
Treasury shares	(215,621)	(215,801)
Total shareholders' equity	26,747,823	27,228,272
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	22,056	-
Deferred gains or losses on hedges	-	(17,434)
Total valuation and translation adjustments	22,056	(17,434)
Total net assets	26,769,879	27,210,838
Total liabilities and net assets	55,919,618	56,804,962

(2) Quarterly Non-Consolidated Statements of Income
Three Months Ended March 31

(Thousand yen)

	For the three months ended March 31, 2024 (from January 1, 2024 to March 31, 2024)	For the three months ended March 31, 2025 (from January 1, 2025 to March 31, 2025)
Net sales	6,883,648	7,521,879
Cost of sales	4,514,326	5,036,503
Gross profit	2,369,322	2,485,375
Selling, general and administrative expenses	963,940	921,700
Operating profit	1,405,381	1,563,675
Non-operating income		
Interest income	20	12
Delinquency charge income	739	1,258
Foreign exchange gains	23,898	-
Insurance claim income	5,928	1,495
Compensation for forced relocation	40,993	74,902
Other	3,454	2,457
Total non-operating income	75,035	80,126
Non-operating expenses		
Interest expenses	41,703	71,982
Interest on bonds	19	-
Foreign exchange losses	-	9,087
Commission expenses	92,539	67,094
Other	3,594	7
Total non-operating expenses	137,857	148,172
Ordinary profit	1,342,559	1,495,629
Extraordinary income		
Gain on sale of investment securities	-	28,827
Total extraordinary income	-	28,827
Extraordinary losses		
Loss on sale of non-current assets	120	-
Loss on retirement of non-current assets	-	57
Total extraordinary losses	120	57
Profit before income taxes	1,342,439	1,524,399
Income taxes - current	370,803	383,663
Income taxes - deferred	68,814	28,318
Total income taxes	439,618	411,982
Profit	902,821	1,112,416

(3) Notes on Quarterly Non-Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes on significant changes in shareholders' equity)

Not applicable.

(Changes in accounting policies)

Not applicable.

(Segment information, etc.)

1. Overview of reportable segments

The Company's reportable segments are components of the Company whose separate financial information is available. These segments are subject to periodic examinations to enable the Company's Board of Directors to decide how to allocate resources and assess performance.

The three segments, "self-storage business," "land rights consolidation business," and "other operational services business" comprise the Company's reportable segments.

In the self-storage business, the Company rents land and vacant rooms in buildings or holds land and buildings to provide them as storage containers, trunk rooms, and other rental storage space for users. The business also involves receiving orders for the installation or construction of storage containers and trunk rooms and selling such self-storage properties to suit the needs of landowners and investors.

The land rights consolidation business offers resolution of issues between landowners and leasehold rights holders through the buying and selling of leaseholder rights and limited land rights with complex rights circumstances. Revenue earned from ground rent for a period during which the Company holds limited land rights, etc. and revenue generated by buying and selling income properties are also included.

The other operational services business includes the asset business, which handles the leasing, maintenance, and management of the Company's own properties (offices, stores, residences, hotels, etc.), the office business, which rents vacant rooms in buildings and provides them as small rental offices for users, and other businesses run by adding value to the Company's products.

2. Information on net sales and profit (loss) by reportable segment

For the three months ended March 31, 2024 (from January 1, 2024 to March 31, 2024)

(Thousand yen)

	Reportable segment				Adjustment	Amount recorded in Quarterly Non-Consolidated Statements of Income
	Self-storage Business	Land Rights Consolidation Business	Other Operational Services Business	Subtotal		
Net sales						
Net sales to outside customers	5,165,320	1,346,440	371,888	6,883,648	—	6,883,648
Intersegment net sales or transfers	—	—	—	—	—	—
Total	5,165,320	1,346,440	371,888	6,883,648	—	6,883,648
Segment profit	1,389,508	243,931	102,235	1,735,674	(330,293)	1,405,381

(Notes) 1. The adjustment to segment profit of ¥ (330,293) thousand is corporate expenses not allocated to reported segments. Corporate expenses are mainly expenses related to the Management Division.

2. Segment profit is adjusted with operating profit in the Quarterly Non-Consolidated Statements of Income.

For the three months ended March 31, 2025 (from January 1, 2025 to March 31, 2025)

(Thousand yen)

	Reportable segment				Adjustment	Amount recorded in Quarterly Non-Consolidated Statements of Income
	Self-storage Business	Land Rights Consolidation Business	Other Operational Services Business	Subtotal		
Net sales						
Net sales to outside customers	6,356,548	777,232	388,098	7,521,879	—	7,521,879
Intersegment net sales or transfers	—	—	—	—	—	—
Total	6,356,548	777,232	388,098	7,521,879	—	7,521,879
Segment profit	1,680,664	98,680	111,183	1,890,528	(326,853)	1,563,675

(Notes) 1. The adjustment to segment profit of ¥ (326,853) thousand is corporate expenses not allocated to reported segments. Corporate expenses are mainly expenses related to the Management Division.

2. Segment profit is adjusted with operating profit in the Quarterly Non-Consolidated Statements of Income.

(Notes on Quarterly Non-Consolidated Statements of Cash Flows)

Quarterly Non-Consolidated Statements of Cash Flows for the three months ended March 31, 2025 have not been prepared. Depreciation (including amortization of intangible assets) for the three months ended March 31, 2025 is as follows.

	(Thousand yen)	
	For the three months ended March 31, 2024 (from January 1, 2024 to March 31, 2024)	For the three months ended March 31, 2025 (from January 1, 2025 to March 31, 2025)
Depreciation	328,036	426,563

(Significant subsequent events)

Not applicable.