

Integrated Report 2024

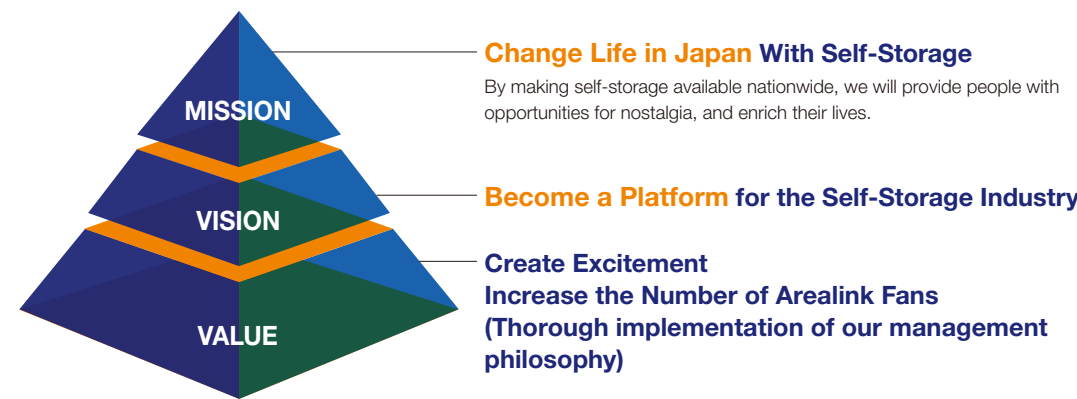
Year ended December 31, 2024



Securities Code: 8914

Management Philosophy

Provide Convenience, Joy, and Excitement



Arealink operates service-oriented, cumulative-type businesses that make use of under-utilized real estate. In the Self-Storage Business, Arealink manages self-storage units nationwide under the Hello Storage brand, where it has established a position as a leading company in the industry. Following a management philosophy of “Provide convenience, joy, and excitement,” Arealink contributes to enriching people’s lives through self-storage. We aim for sustainable growth and steady improvement in corporate value centered on a foundation of stable earnings from self-storage and other cumulative-type businesses.

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About this report This report has been prepared to help our stakeholders better understand our medium- to long-term growth strategy. In line with this goal, this report presents information on financial factors, including financial performance and corporate strategy, as well as non-financial factors, such as information on governance reforms, environmental and social matters, in an integrated fashion. In preparing this report, we have made reference to the Global Reporting Initiative (GRI) standard and international reporting frameworks, including those provided by the IFRS Foundation

Editorial Policy Arealink Integrated Report 2024 was compiled as a financial and non-financial information report for Arealink Co., Ltd. The report is focused on activities in FY2024 (from January 1, 2024 to December 31, 2024) and some reports from after January 2025 are included. Moreover, department and job titles of related parties are those at the time of the activity. We also provide comprehensive and detailed information for our stakeholders to better understand our Company on our website (<https://www.arealink.co.jp/en/>).

Disclaimer This report contains statements about Arealink's future plans, strategies, performance forecasts, and outlooks. These are projections based on our beliefs and assumptions using the information currently available to the Company at the time of compilation.

At a Glance (As of December 31, 2024)

Net Sales
¥24.70 billion
(YoY+9.9%)

Operating Income
¥4.91 billion
(YoY+18.1%)

ROE
12.4%
(YoY+0.7ppt)

Total Number of Units
110,442 units
(YoY+9,063 units)

6%
15%

2024
Net Sales
¥24.70 billion

79%

7%
8%

2024
Operating Income
¥4.91 billion

85%

Self-Storage Business Land Rights Consolidation Business Other Operational Services Business

Self-Storage Business

The Self-Storage Business leases, or acquires and holds, land and buildings that it then manages as rental storage space. This business also receives orders and sells storage containers and building-type units (Self-Storage Mini) as investment products.

Net sales: **19.47 billion** Sales composition ratio: **78.8%**

Self-Storage Management

Operation, marketing, and management of rental storage spaces

Net sales: **17.83 billion** Sales composition ratio: **72.2%**

Self-Storage Brokerage

Received orders and sales of self-storage properties as investment products

Net sales: **1.64 billion** Sales composition ratio: **6.6%**

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%**

Indoor Types

Building Type (Self-Storage Mini)

Purchase of land

A single building designed exclusively for self-storage. Full range of facilities including air conditioning, security systems, and private parking lots.

Yield: **Approx. 8%** (while held by Arealink) Feature: **Located in residential areas** No. of units: **Approx. 50**

In-Building Type

Lease of building floor or land

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.

Yield: **Approx. 18%** Feature: **Located in urban centers** No. of units: **Approx. 30**

Outdoor Type

Container Type

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

Yield: **Approx. 18%** Feature: **Located in suburban and regional areas** No. of units: **Approx. 30**

Land Rights Consolidation (Leasehold Land) Business

Net sales: **3.70 billion** Sales composition ratio: **15.0%**

Resolution of issues between landowners and leasehold rights holders through the buying and selling of leasehold land with complex rights circumstances.

Arealink operates a land rights consolidation business through which it buys land rights from landowners, and at the appropriate timing, sells them to leaseholders.

Other Operational Services Business

Net sales: **1.53 billion** Sales composition ratio: **6.2%**

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

SOHO

Arealink provides rental office spaces that allow small businesses to curb startup costs as much as possible.

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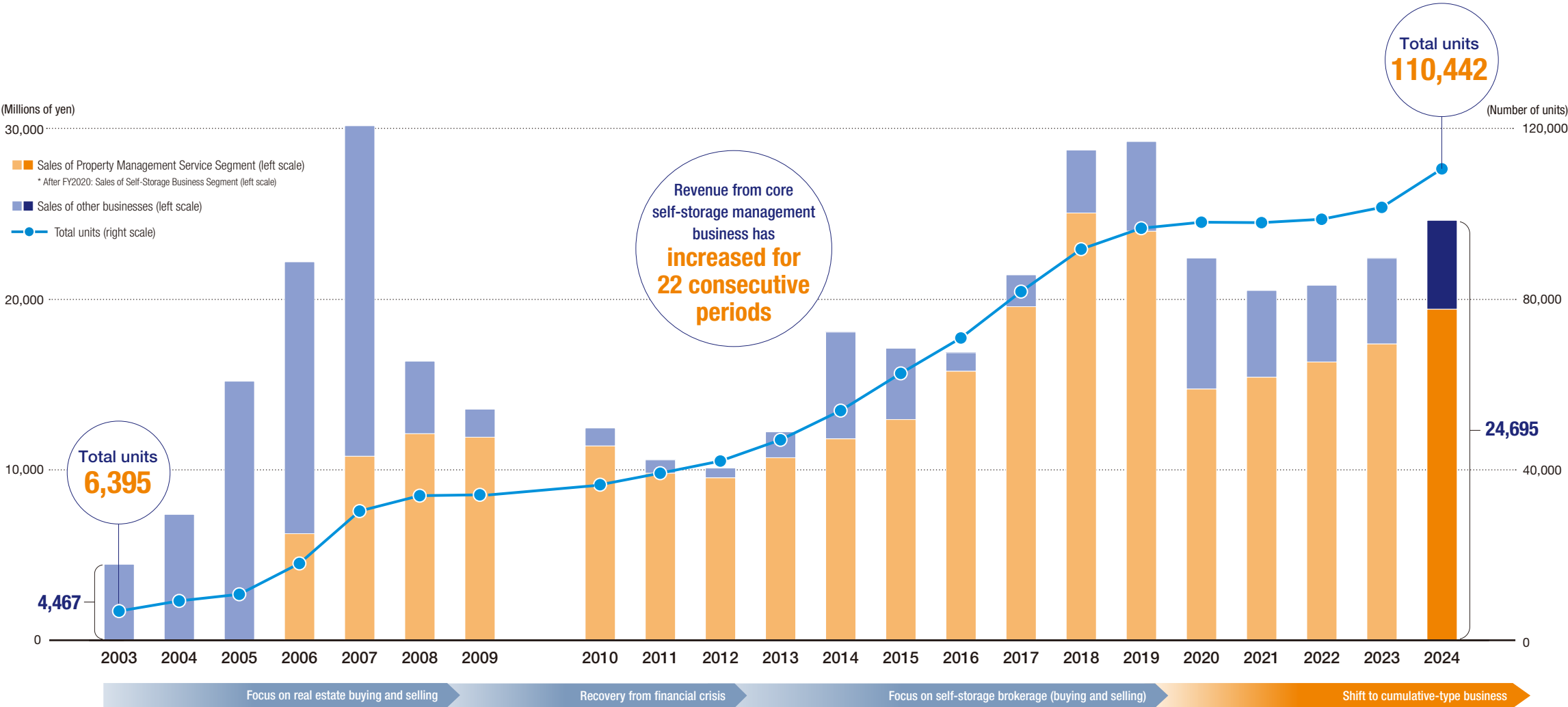
Arealink’s Growth Trajectory

Arealink was established in 1995 by Naomichi Hayashi, the current Representative Director and Chairman (CEO). At the time of its establishment, the Company engaged in the land leasing and hourly paid parking businesses. In 1999, we launched a business of installing storage containers on vacant lots and leasing them, representing the precursor to the Company’s core self-storage business today.

In 2001, we started a business to lease storage space using vacant buildings, **effectively diversifying the services we provided in the self-storage business, which manages rental storage spaces**. In 2002, we established a business to manage our real estate portfolio, and in 2004, we started a rental office business (both of which are currently part of the Other Operational Services Business). In 2014, we expanded our business footprint by launching a leasehold land sales business (currently the Land Rights Consolidation Business).

At the same time, we have promoted **the selection and concentration of businesses**, such as transferring to other companies the land leasing business and paid parking business, which we had been involved in since our founding.

From fiscal 2020, we shifted our policy to focus on cumulative-type earnings from asset management (lending to users) rather than selling self-storage properties to investors. In this way, since our founding, we have drawn up **a sustainable growth model in cumulative-type businesses** so that we can survive even in the most challenging economic environment.



1995s

April 1995
WELL's Giken K.K. (currently Arealink) is established
in Funabashi City, Chiba Prefecture



- 1995 Apr** WELL's Giken K.K. is established with capital of 30 million yen in Funabashi City, Chiba Prefecture in order to accommodate business of WELL's21, an office with an attached warehouse.
- 1996 Apr** The Company launches a property leasing business.
- 1996 Jun** The Company launches the coin-operated hourly parking lot business Hello Parking.
- 1998 Jul** The head office is relocated to Mihama Ward, Chiba City.
- 1999 Mar** The Company launches the Hello Container business, which involves installing storage containers on vacant land and renting them out.

2000s

February 2001
Began offering **indoor self-storage units**



- 2000 Sep** The Company's trade name is changed to Arealink Co., Ltd.
- Dec** The Company launches the weekly/monthly apartment retail business Hello Monthly.
- 2001 Jan** The head office is relocated to Ginza, Chuo Ward, Tokyo.
- Feb** The Company launches the Hello Trunk business, which involves renting out storage spaces set up in vacant buildings.
- Aug** The head office is relocated to Kasumigaseki, Chiyoda Ward, Tokyo.
- 2002 Sep** The Company launches a property management service through its proprietary land and buildings.
- 2003 Jun** Hello Bike Box, an indoor parking lot only for motorbikes, is opened.
- Aug** The Company is listed on TSE Mothers.
- 2004 Jan** The Company launches the Hello Office SOHO business, which makes use of vacant buildings.

2005s

November 2005
Hello Storage business **surpassed 10,000 units**



- 2005 Feb** The Company executes a stock acquisition of Space Products K.K., a company from the same industry that operates Rakuchin Box.
- Nov** The number of storage rooms operated by the Hello Storage business exceeds 10,000.
- 2007 Apr** The head office is relocated to Akasaka, Minato Ward, Tokyo.
- 2008 Jan** The number of storage rooms operated by the Hello Storage business exceeds 30,000.
- The Company acquires Space Products Co., Ltd. by absorption.
- Nov** The Company transfers all of the shares of affiliated company Good Communication Co., Ltd.
- 2009 Apr** The head office is relocated to Kanda Ogawamachi, Chiyoda Ward, Tokyo.

2010s

June 2014
Hello Storage business **surpassed 50,000 units**



- 2010 Jan** The Company acquires Yubara Resort Co., Ltd. by absorption.
- Jun** The Company transfers the mister business to WELL's21 Co., Ltd. The Company assumes the parking business from WELL's21 Co., Ltd.
- Dec** The Company sells part of its holdings of consolidated subsidiary Hello Techno Co., Ltd.
- 2012 May** The Company sells all of the shares of affiliate Hello Techno Co., Ltd.
- 2014 Jun** The number of storage rooms operated by the Hello Storage business exceeds 50,000.

2015s

2015
Began offering **self-storage type properties with land**



- 2015 Jul** The number of storage rooms operated by the Hello Storage business exceeds 60,000.
- 2015 Aug** The Company opens the suburban indoor retail storage facility, 2 x 4 Trunk.
- 2016 Dec** The head office is relocated to Sotokanda, Chiyoda Ward, Tokyo. The number of storage rooms operated by the Hello Storage business exceeds 70,000.
- 2017 Nov** The number of storage rooms operated by the Hello Storage business exceeds 80,000.
- 2018 Nov** The number of storage rooms operated by the Hello Storage business exceeds 90,000.

2020s

April 2022
Market listing transferred to **TSE Standard Section**



- 2020 May** The Company changes listing markets to the TSE Second Section.
- 2021 Mar** The Company transfers the parking business to Hello Techno Co., Ltd.
- 2022 Apr** The Company changes listing markets to the TSE Standard Section.
- 2023 Sep** The number of storage rooms operated by the Hello Storage business exceeds 100,000.
- Oct** The Hello Storage business now operates in all 47 prefectures of Japan.
- 2024 Feb** The Company acquired all the shares of LIFULL SPACE Co., Ltd. to make it a wholly-owned subsidiary. LIFULL SPACE Co., Ltd. changed its trade name to Japan Trunkroom Co., Ltd.

Message from the Chairman



With human capital at its core, Arealink will continue to evolve into the future, following its corporate philosophy of “Provide Convenience, Joy, and Excitement.”

Chairman and Representative Director Naomichi Hayashi

Philosophy

“Provide Convenience, Joy, and Excitement”

Concrete principles

- 1 A company where employees and their families are happy
- 2 A company where employees, their families, customers, and related parties (owners, business partners, shareholders) all become fans
- 3 A company that inspires people
- 4 A company that evaluates people based on their ability, regardless of age, gender, or nationality
- 5 A company that can grow over 100 years

Arealink’s founding and the start of our business venture

I founded WELL’s Giken, the predecessor of Arealink, in 1995. Even before the business infrastructure was in place, we had a strong determination to become No. 1, however niche the category. We started by focusing on the rental land and parking business, and finally decided on the self-storage business to

achieve our goal. Amid major changes in Japan’s social structure, I was convinced that businesses that truly matter to people and provide value to society as a whole were where we should focus our efforts.

The self-storage market is a blue ocean

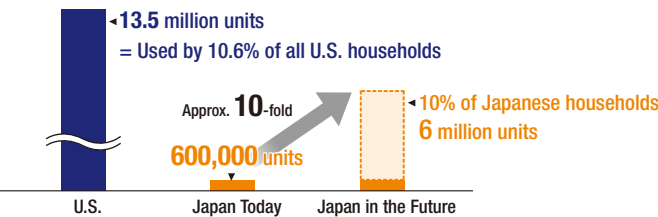
In 2023, a quarter of a century after we started the self-storage business, the total number of units we had under management nationwide exceeded 100,000, and we currently have 110,442 units (as of the end of December 2024). Arealink has grown to exert an overwhelming presence as the leading company in Japan’s self-storage industry. However, the penetration rate for self-storage in Japan is only about 1% of households, significantly below the 10% in the United States. In other words,

there is still a huge untapped market before us. Houses in Japan are small, and there is a deep-rooted need for storage space. Especially since the COVID-19 pandemic, the “home” in Japan has evolved from simply a place to live, to a space that provides comfort and functionality. We have been quick to respond to these social changes, developing a range of products to meet new needs, from container type storage to in-building type and motorcycle-specific type spaces, which has

allowed us to maintain a high utilization rate. Going forward, we will continue to provide new value by carefully monitoring and adapting to changes in lifestyles and urban environments.

Reference: U.S.: Self Storage Association “DEMAND STUDY”
Japan Today: Research by Arealink
Japan in the Future: Calculated by Arealink as 10% of all households in Japan*
*Reference: 2020 Population Census, Statistics Bureau of Japan, Ministry of Internal Affairs and Communications

Comparison with U.S. Self-Storage Usage



Strengthening human capital management

The driving force for Arealink’s growth is human capital management. We provide far-reaching training in thinking skills and execution through our unique education and training system, the Arealink Master program, as well as by utilizing such tools as the Task Notebook and Solution Sheet, so that every employee has the capability to think and act on their own, and generate results as a matter of habit. At times we demand strictness from our employees, but this is what has enabled the

organization to become truly self-sustaining and continuously grow. In fact, operating income per employee has grown dramatically, from ¥15.3 million in 2013 to around ¥61.3 million today, with our “small-group management” system steadily producing results. We have achieved this with structures that fully draw out the capabilities of our employees, and the regular practice of continuous improvement.

Developing the partner system as a platform for the self-storage industry

A particular focus for Arealink currently is the full-scale development of the “partner system” in the self-storage business. This is a system in which Arealink acts as property manager (PM) for self-storage facilities owned and operated by other companies, with the aim of standardization, and raising the level of the self-storage industry overall. Many aspects of self-storage management and operations in Japan are handled individually or on an ad hoc basis, leading to such issues as variability in quality by site, and lowered profitability.

Arealink utilizes its 25 years of accumulated proprietary data and analytical know-how, and the “cockpit” system that enables price optimization and immediate visibility of operating status, to provide high-quality operational support to partner companies. We are also considering introducing AI and robotics at some point in the future, leading the industry in productivity innovation. By providing solutions to the challenges facing the self-storage industry, and raising standards, we will continue to build a platform for the storage industry in the truest sense.

Efforts for sustainability management

One of Arealink’s environmental initiatives is the Container Building 100-Year Utilization Project. Regular property maintenance will allow us to move away from the scrap-and-build model to more sustainable self-storage unification. Further, all Arealink employees acquire certification as a “Seiri-Shuno Advisor” (expert in organizing and storage), helping to reduce wasteful consumption and optimization of space by encouraging

the development of a culture that values things. Utilizing self-storage to keep things tidy and in order is more than just a storage solution. It frees up space in the home, improves quality of life, and in turn, affords people time and mental space. We consider it our mission to make such richness of life available to all of society.

100 years and beyond

Under our corporate philosophy of “Provide convenience, joy, and excitement,” by providing solutions to the problems people face, we hope to remain a company considered necessary by society. The ability to continually move forward steadily and honestly, even in difficult times, is the single greatest driving force that has allowed Arealink to reach this point. Going forward, we aim to be a company that can grow for 100 or 200 years while integrating human capital and technology, and achieving harmony with the environment. We

will continue to be an organization that enriches the lives of people in Japan and the future of society from the standpoint of self-storage. I would like to express my appreciation to all stakeholders, including tenants, business partners, shareholders and investors, employees, and local communities, and ask for your continued support.

Naomichi Hayashi
Chairman and Representative Director

Message from the President

As a platform company for the self-storage industry, we aim to achieve a 30% market share in Japan by 2032.

President and Representative Director
Yoshika Suzuki

Management policies

- POLICY1** Contributing to enriching people’s lives with self-storage
- POLICY2** Achieving stable growth over the medium to long term with a cumulative-type business
- POLICY3** Deploying ESG management to solve social issues

Strengthening proactive location development

Since joining Arealink in April 2011 as a new graduate, I have been involved with our core business of self-storage. After assuming the role of Director and General Manager of the Self-Storage Division in 2016, my career included responsibility for the entire Self-Storage Business, from location openings and facility development and construction, to attracting tenants, managing operations, maintaining relationships with facility owners, and handling closures. In March 2023, I was appointed President and Representative Director. Even after assuming the position of president, I have continued to move the business forward in a desire to make life in Japan better through self-storage.

In Fiscal 2023 (ended December 2023), we completed reforms to our business structure to establish a cumulative-type business. In Fiscal 2024, we built on that structure to strengthen location openings even more proactively, and as a new measure, took steps to launch and expand our partner system, aiming to achieve the ambitious goal of 200,000 units by 2029. Leveraging the data analysis capabilities that we have developed, and which is one of our company’s core strengths, by the end of Fiscal 2024 our business had grown to more than 2,400 locations and 110,000 units. Further, we have expanded our market share while maintaining a high utilization rate. We plan to add 15,000 new units in 2025.

Aiming for a domestic market share of 24% by 2029, and 30% or higher by 2032

Through growth in the Self-Storage Business, by fiscal 2029, we aim to achieve company-wide net sales of ¥33.5 billion, with operating income of ¥8.0 billion, and an operating profit margin of 23.8%. In the self-storage business alone, we are aiming for

net sales of ¥30.0 billion (¥26.7 billion in self-storage management and ¥3.3 billion yen in self-storage brokerage), with operating income of ¥9.0 billion. The reason why the target for company-wide operating income is lower than that of the

Self-Storage Business is that the company-wide figure also includes businesses other than self-storage, and Administration Division expenses.

In the Self-Storage Business, we will significantly improve the efficiency of location openings through the full-scale development of the partner system. In particular, we plan to

concentrate on opening locations in the Kanto and Kansai metropolitan areas, which are highly profitable. Through these efforts, we aim to have a total of more than 200,000 units under management by 2029 (175,000 company-owned locations and 25,000 partner facilities), with a 24% market share in Japan, increasing to more than 30% by 2032.

Continued strengthening of growth investments and shareholder returns

Cash allocation in the three-year Medium-Term Management Plan 2025-2027 is structured to support continued strengthening growth investments and shareholder returns, with the aim of achieving sustainable growth. Approximately ¥15.0 billion in operating cash flow, and ¥16.5 billion from borrowings and the sale of business assets such as containers, has been prioritized for growth and business investments, with total investment of approximately ¥27.5 billion. The main component of this spending is ¥24 billion for new self-storage locations, along with ¥0.5–1 billion for human capital, DX and AI investments, and ¥1–2 billion for M&A. In the Self-Storage Business, we plan to add a total of 54,000 units over the next

three years, including partner facilities. In terms of human capital, we will continue to invest in improving the work environment for employees and health management, as well as skill development. For Digital Transformation (DX), we are currently incorporating AI into call center operations, and optimizing customer data management systems. Through DX, we are also pursuing work style reforms by outsourcing tasks that can be outsourced, and concentrating internal resources on core operations. Regarding shareholder returns, our policy is to maintain a dividend payout ratio of 35% or higher with no reduction in dividends compared to the previous fiscal year, for which we have earmarked approximately ¥4 billion.

Modernizing the Self-Storage Business

Arealink is leveraging IT to modernize the Self-Storage Business. Going forward, we plan to contribute to raising the level of the industry overall through more extensive use of smart operations. Based on our corporate philosophy of “Provide convenience, joy, and excitement,” we will continue to open new facilities in convenient locations near where customers live, and make a

concerted effort as a company to enrich life in Japan through self-storage.

I thank all stakeholders, and ask for your continued support of Arealink moving forward.

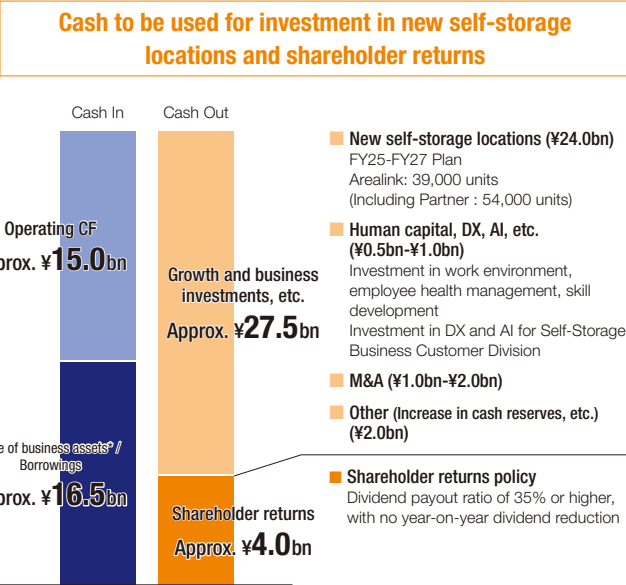
Yoshika Suzuki
President and Representative Director

Target Values for Fiscal 2029

Through growth in the Self-Storage Business, Arealink aims to have a total of 200K units under management by 2029		
Whole Company	Self-Storage Business	
Net sales ¥33.5 billion	Net sales ¥30.0 billion	No. of units 200K units
	Management ¥26.7 billion Brokerage ¥3.3 billion	Arealink 175K unit Partner 25K unit
Operating income ¥8.0 billion		
Profit margin 23.8%	Business profit ¥9.0 billion	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.

Net MTMP 2025-2027 – Cash Allocation



Arealink’s Value Creation Process






As a leader in the self-storage business, Arealink engages in business activities that contribute to enriching people’s lives while valuing environmental conservation and connections with local communities. We create

social and economic value by making maximum use of our resources and taking on the challenge of solving various social issues.



Risks & Opportunities and Our Response

Arealink is aware of the following risks and opportunities facing its businesses, which we are addressing.

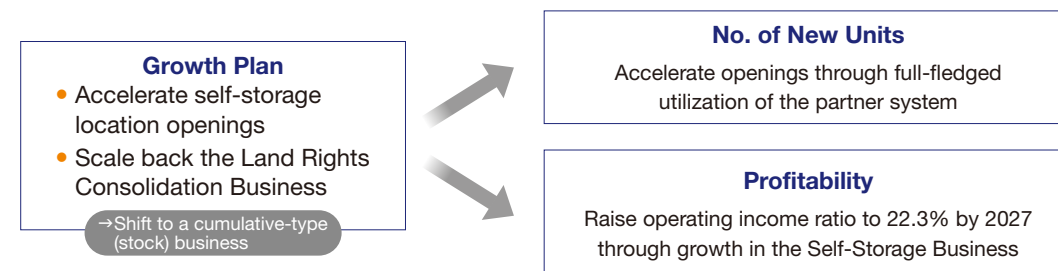
Issue	Risks	Opportunities	Main Initiatives
 <p>Changes in external operating environment including customer needs and market conditions</p>	<ul style="list-style-type: none">Impact of changes in social conditions on self-storage demand such as the economy and real estate marketImpact of demand trends and legal regulations in the self-storage industry as a wholeA significant decrease in demand, a decrease in utilization rate, an increase in rent arrears, etc. due to rapid changes in the external environmentImpact of inflation and yen depreciation on increased container procurement costs	<ul style="list-style-type: none">Growing momentum and awareness of increased demand for self-storageUtilize our nationwide database of self-storage location openings to further improve location opening accuracy and utilization rate	<ul style="list-style-type: none">Conduct regular monitoring of economic and real estate market conditionsFoster a market view according to area, scale, use, and property characteristicsStrengthen investment judgment and leasing capabilities
 <p>Real estate ownership risks</p>	<ul style="list-style-type: none">Impact of the decline in land prices, etc. due to deterioration in the real estate market in the purchase and holding of real estate, such as asset indoor type "self-storage properties with land" in which the self-storage business purchases land and constructs buildings and real estate for sale purchased and held in the land rights consolidation businessDecline in appetite for investment in real estate, a decrease in real estate transactions, stricter loans to individuals, and a significant decline in rents due to the deterioration of economic conditions in Japan and overseas		<ul style="list-style-type: none">Conduct regular monitoring of economic and real estate market conditionsCarefully consider the selection of properties that meet customer needs, taking into account the location conditions and the market conditions in the surrounding areaDownscale land-rights consolidation business
 <p>Natural disasters, etc.</p>	<ul style="list-style-type: none">Impacts on self-storage operation sites and substantial damage in the value of the real estate operated and managed by the Company due to natural disasters, such as a major earthquake, storm, and floods, etc., which could occur in the futureDepending on the affected area, the utilization rate may drop significantly and repair costs may be required for restoration	<ul style="list-style-type: none">Growing demand for storage units in preparation for disaster	<ul style="list-style-type: none">Purchase properties based on location conditions that are less susceptible to damageIn the event of a natural disaster, etc., utilize the business continuity workflow formulated by each businessMeasures to ensure the continuation or early recovery of important businesses even in the event of a disaster
 <p>Low barriers to entry</p>	<ul style="list-style-type: none">Competition intensifies due to the follow-up entry of other companies since we can't legally exclude other companies by using patent rights, etc., and the business model is simple	<ul style="list-style-type: none">Further increase market share by securing the superiority of Arealink	<ul style="list-style-type: none">Raise awareness of the Hello Storage brandStrengthen PR activitiesDifferentiate by developing new products and services and acquire a customer base
 <p>Stricter regulations placed on the self-storage business</p>	<ul style="list-style-type: none">The number of outdoor container-type rental storage spaces is rapidly increasing, including those of other companies in the same industryUnexpected costs may be incurred if a building approval application based on the Building Standards Act of the Ministry of Land, Infrastructure, Transport and Tourism requires existing containers to comply with building standards due to further tightening of regulations	<ul style="list-style-type: none">Highlight the safety of Arealink's container-type self-storage	<ul style="list-style-type: none">Promote measures that put the safety of customers and residents in the surrounding area firstEnhance educational activities on container safety and improve patrol and maintenance systems

Strategy to Increase Self-Storage Location Openings

Medium-Term Management Plan 2025-2027 - The Self-Storage Business Is the Growth Driver

In the new three-year Medium-Term Management Plan starting in 2025, the target figures for both net sales and operating income have been changed to reflect the downsizing of the Land Rights Consolidation Business. Meanwhile, the Self-Storage Business is expected to grow by an average of 10% or more over the next three years on an operating income basis, thanks to accelerated new location openings and expansion of the partner system. Including the

locations opened through the partner system, Arealink plans to expand the number of new self-storage locations by 15,000, 18,000, and 21,000 units during three-year period beginning in 2025. We will continue to strengthen our cumulative-type business by focusing more on the Self-Storage Business, and at the same time, we will not only expand the scale of the business but also increase profitability.



MTMP 2025-2027 (Whole Company)

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

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

MTMP 2025-2027 (by Segment)

In Millions of yen

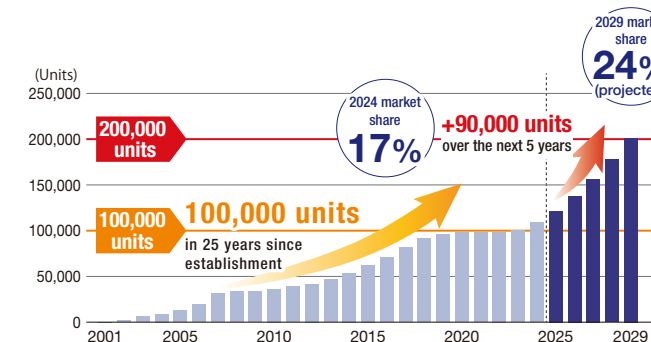
		2025		2026		2027	
		Projected	Percent of Sales	Projected	Percent of Sales	Projected	Percent of Sales
Self-Storage Business	Net sales	22,700	—	24,220	—	26,120	—
	Business profit	6,040	26.6%	6,610	27.3%	7,360	28.2%
Land Rights Consolidation Business (Limited Land Rights)	Net sales	1,800	—	1,800	—	1,800	—
	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%

Expand Market Share Through Full-Fledged Utilization of the Partner System - Surpass 200,000 Units by 2029

Arealink will accelerate its strategy of increasing locations by improving the accuracy of new location openings. The plan is to increase the number of units by approximately 90,000 over the five-year period from 2025 to 2029, raising the total number of units to 200,000, approximately double the

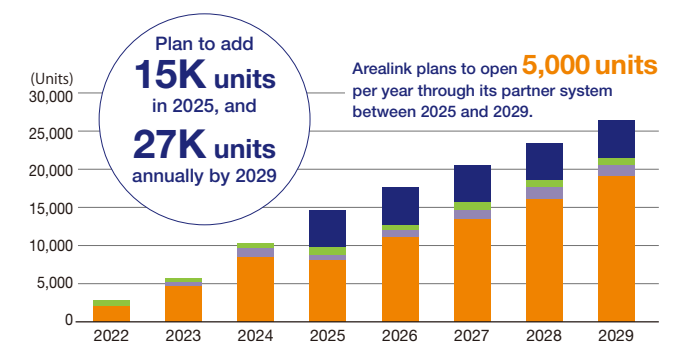
current total. To achieve this plan, in addition to the existing container, in-building trunk type, and building types, we will open new locations through the partner system starting in 2025. We plan to open 15,000 units per year in 2025 and 27,000 units per year in 2029.

Self-Storage Business – New Location Opening Plan



*Market share is estimated by Arealink

Self-Storage Unit Addition Plan



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

How the Partner System Works

This business partner system enables a one-stop service from the start-up of storage to the provision of services. From marketing and signing and terminating contracts to regular cleaning and primary response to problems, Arealink

undertakes all operations related to the management of self-storage facilities. We expect to reduce labor and system development costs and increase sales by increasing utilization rates, and we return 90% of rent to our partners.



COLUMN

Examples of Support for Partner System Operation

- December 2024** We began providing operational support for Happy Storage trunk rooms developed by Nihon House Holdings Co., Ltd.
- February 2025** We decided to start supporting approximately 2,000 trunk room units owned by JR East Urban Development Corporation.
- February 2025** We decided to start operational support for TRUNK Mi Kachidoki, provided by Mitsui Fudosan Residential Co., Ltd.



TRUNK Mi Kachidoki, a single indoor building with a total of 174 units, is conveniently located approximately 3 minutes from the nearest station.

Financial Strategy

Business Results in Fiscal 2024

For the fiscal year under review, net sales were ¥24,695 million (up 9.9% year on year), operating income was ¥4,906 million (up 18.1% year on year), ordinary income was ¥4,714

million (up 16.2% year on year), and net income was ¥3,200 million (up 13.5% year on year), resulting in increases in both revenue and profit.

KPIs

To sustainably enhance corporate value, we have committed to enhancing profitability, capital efficiency, and cash flows while keeping return on equity (ROE) above cost of capital. Our financial KPIs include operating income-based ROE, return on invested income (ROIC), and interest-bearing debt

ratio. In the year under review, we achieved an operating income-based ROE of 18.9% and a weighted average cost of capital (WACC) of 4.63% (by our calculation). We have committed to keeping ROIC above WACC. Our benchmark for interest-bearing debt ratio is less than 90%.

	2020/12	2021/12	2022/12	2023/12	2024/12
Operating income-based ROE (%) ^{*1}	13.2	15.6	17.0	17.3	18.9
ROIC (%) ^{*2}	5.0	6.4	7.5	6.9	7.1
Interest-bearing debt ratio (%)	68.2	57.0	60.9	67.0	77.8

^{*1} Operating income-based ROE is calculated as operating income divided by net assets (the mean of opening and closing balance) multiplied by 100.
^{*2} ROIC is calculated as operating income after tax divided by invested capital (interest-bearing debt plus net assets) multiplied by 100.

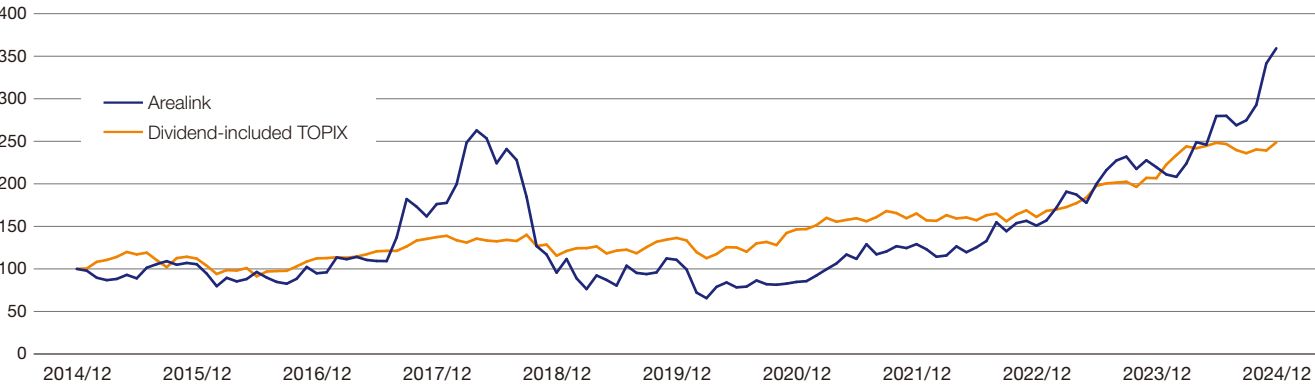
Funding

We will cover growth capital needs through operating cash flow and sales of business assets. In the event that capital needs exceed these, we will secure liquidity and flexibly utilize external funds such as borrowings. In fiscal 2024, we raised 8,145 million yen through borrowings to fund the development of self-storage units and working capital. As a result, interest-bearing debt at the end of the fiscal year was 20,841 million yen.

With regard to the financial resources of our capital and the liquidity of funds, we believe that it is extremely important to maintain a level of funds that can be accessed flexibly, such

as for opening self-storage units, purchasing leasehold land, and developing system infrastructure, and to appropriately maintain interest-bearing debt in consideration of financial soundness as we accelerate the growth rate of each business. Therefore, we finance capital by securing retained earnings and borrowing working capital from financial institutions to secure highly liquid funds. Leasehold land recorded in real estate for sale is purchased and sold using retained earnings while maintaining an appropriate inventory level, taking into account scrutiny at the purchasing stage and exit strategies.

TSR (10 years, including dividend)



Total Shareholders' Return

	1 year	3 years		5 years		10 years	
		Cumulative	Annualized	Cumulative	Annualized	Cumulative	Annualized
Arealink	74.6%	215.2%	46.6%	264.4%	29.5%	259.3%	13.6%
Dividend-included TOPIX	20.5%	50.7%	14.6%	82.5%	12.8%	148.8%	9.5%

^{*}Total Shareholder Return (TSR): Factors in capital gains and dividends when measuring the total return generated by a stock
^{*}TSR is calculated by Arealink using cumulative dividends and share price fluctuations whereas TOPIX is calculated using share price indices including dividends (formulated by the Company based mainly on Japan Exchange Group, Inc. (JPX)'s data).
^{*}Graph values are indexed market prices in terms of TSR, with December 31, 2014 closing price data set at 100 (holding period through end-December 2024).

Investment Strategy

We are systematically making capital and IT investments necessary to increase corporate value. Total capital expenditures for fiscal 2024 were 6,878 million yen. The main investment is related to the Self-Storage Business, including location openings and development. In addition to investing in new self-storage

units and building maintenance, we are investing in IT to customize and develop optimal products in areas nationwide based on data such as customer attributes, period, time of year, and area, aiming to improve long-term profitability. We invested a total of 1,235 million yen (up 8.2% year on year) in human capital.

Dividend Policy

The Company views increasing long-term and comprehensive profits to shareholders as an important management goal. Based on the medium- to long-term business plan, the Company's basic policy is to maintain stable dividends with a target payout ratio of 35% and no reduction in dividends compared to the preceding fiscal year, while considering the market environment and capital investment timing, ensuring internal reserves for reinvestment, and comprehensively taking into account financial position and profit levels.

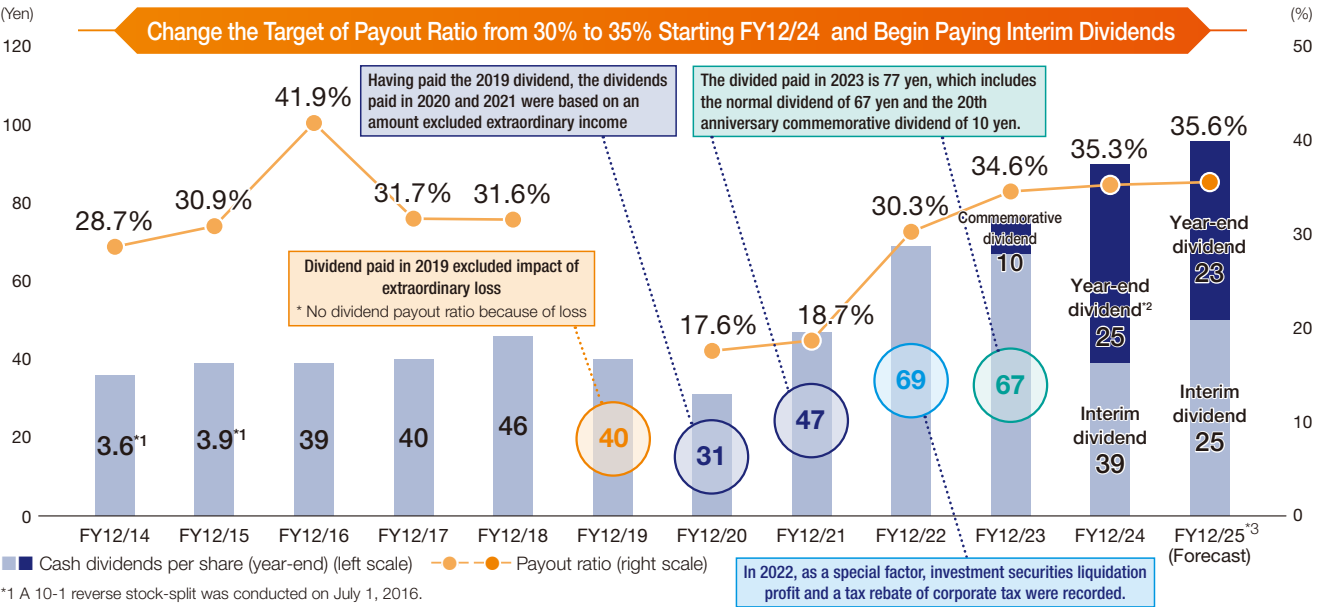
Of note, the Company's Articles of Incorporation stipulate that "The Company may make an interim dividend payment, with a record date of June 30 each year, by resolution of the Board of Directors." Accordingly, the determining body for dividends of surplus is the General Meeting of Shareholders for year-end dividends and the Board of Directors for interim dividends.

For the fiscal year ended December 31, 2024, the Company plans to pay an annual dividend of ¥44.5 per share (adjusted for the stock split), including an interim dividend of ¥39.0 per share

(before adjustment for the stock split), a year-end dividend of ¥25.0 per share (adjusted for the stock split), after comprehensively taking into account the current economic conditions, financial condition, the business performance during the fiscal year, etc.
For fiscal 2025, we will pay an annual dividend of 48.0 yen per share, consisting of an interim dividend of 25.0 yen per share and a year-end dividend of 23.0 yen per share. This proposed dividend is consistent with the above dividend policy and commensurate with the latest earnings forecasts.
In addition, as a flexible capital policy method, we recognize that share buybacks are one option.

The total shareholder return (TSR) ratio including dividends over the past 10 years is shown in the figure. Our TSR has exceeded TOPIX in the most recent fiscal year ended December 2024. Going forward, we will continue to implement growth strategies and appropriate financial and capital policies so that we can increase our TSR by paying stable and continuous dividends and increasing corporate value.

Dividends and Payout Ratio



^{*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.

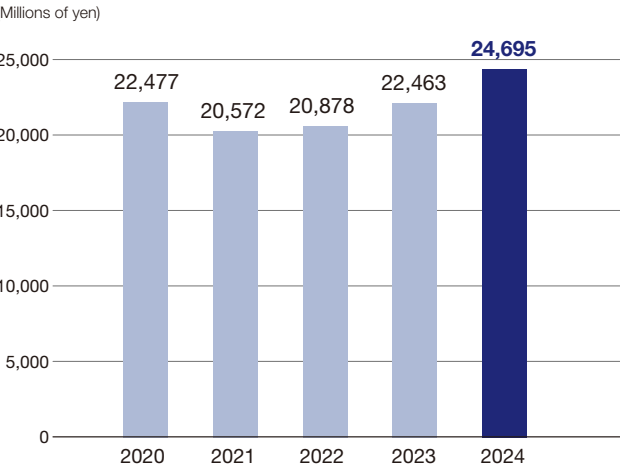
Trends in the total number of shares issued and outstanding

Fiscal year	2003	2004	2005	2006	2007	2008	2009	2013	2016	2018	2024-
Number of outstanding shares issued	12,562	111,758	224,316	992,012	993,660	995,196	1,257,630	125,763,000	12,576,300	12,940,900	25,881,800

Financial and Non-Financial Highlights

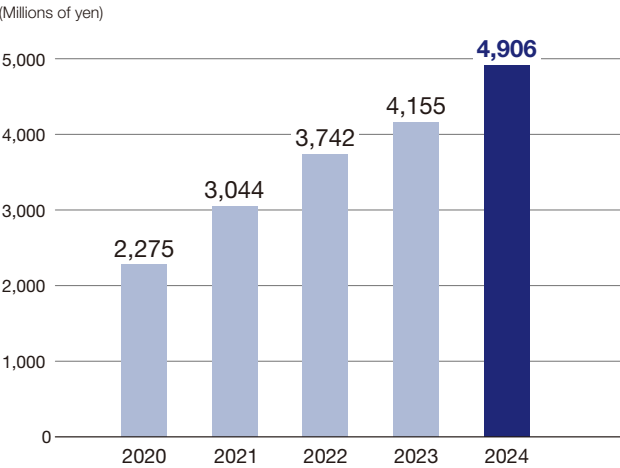
Financial Highlights

Net Sales



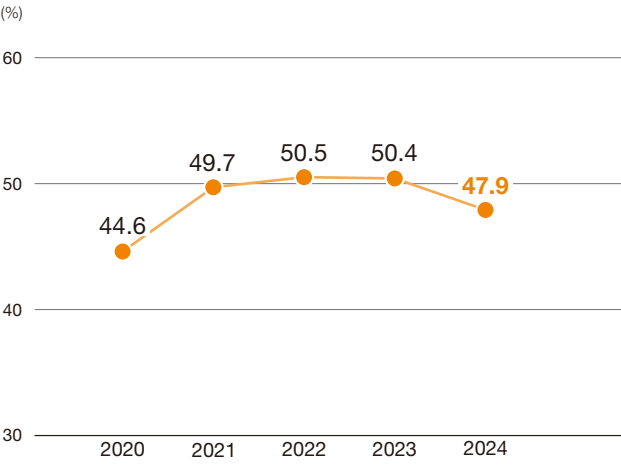
Net sales for fiscal 2024 totaled 24,695 million yen (up 9.9% year on year). Net sales in the Self-Storage Business increased to 19,468 million yen (up 11.7%) due to growth in self-storage management. On the other hand, net sales in the Land Rights Consolidation Business amounted to 3,695 million yen (up 2.0%) and net sales in the Other Operational Services Business amounted to 1,531 million yen (up 8.1%).

Operating Income



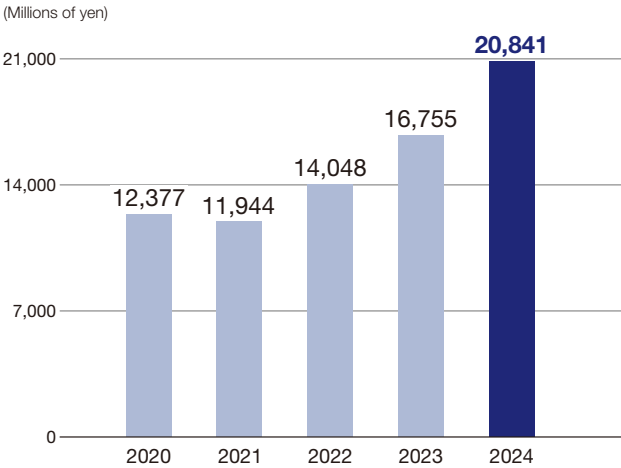
Operating income for fiscal 2024 increased to 4,906 million yen (up 18.1% from the previous year). Operating income in the Self-Storage Business grew to 5,387 million yen (up 18.1%) by curbing discount rates, and reviewing some rent, in addition to maintaining the practice of having the bulk of openings centered on high-margin company-owned locations. Operating income in the Land Rights Consolidation Business increased to 485 million yen (up 8.9%), and operating income in the Other Operational Services Business increased to 427 million yen (up 23.8%).

Equity Ratio



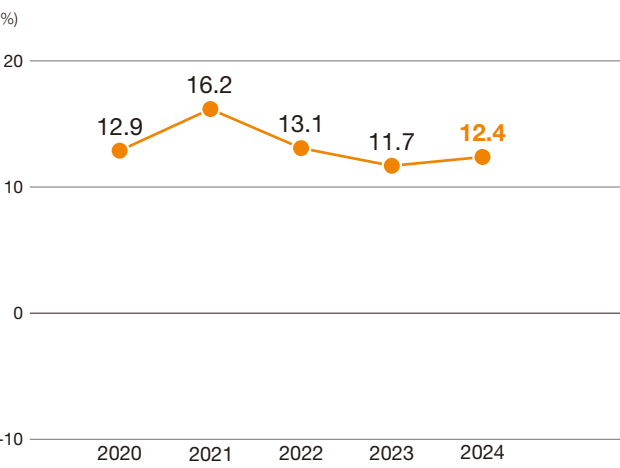
The equity ratio for fiscal 2024 was 47.9%, a decrease of 2.5 points from the previous fiscal year, but our financial position is stable.

Interest-bearing Debt



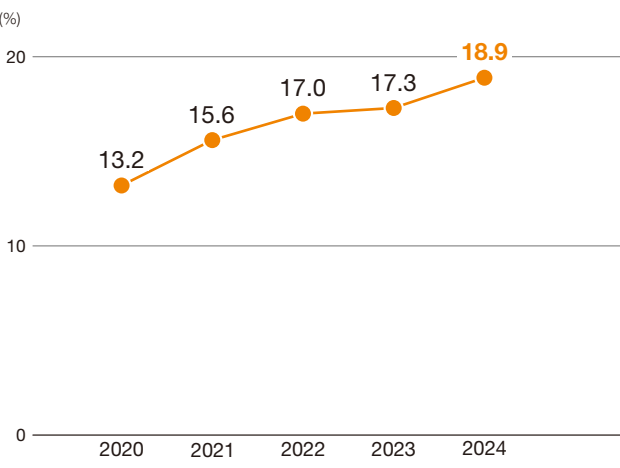
Interest-bearing debt in fiscal 2024 amounted to 20,841 million yen (up 24.4% year on year) due to an increase in long-term borrowings and other factors.

Return on Equity (ROE)



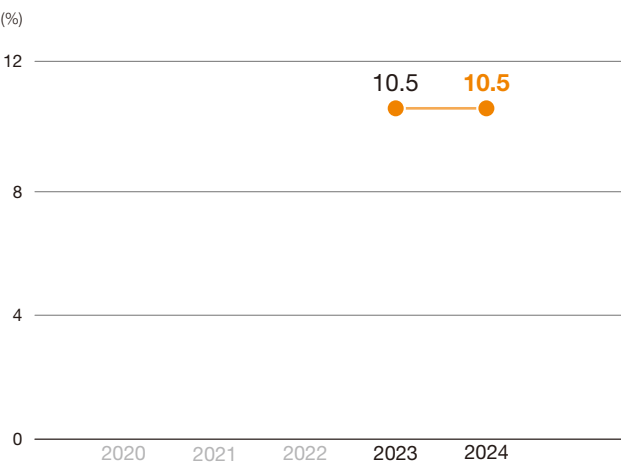
ROE in the fiscal 2024 was 12.4%, up 0.7 points from the previous fiscal year. This was due to an increase in net income.

Operating income-based ROE



In fiscal 2024, operating income-based ROE was 18.9%, up 1.6 points from the previous year. This increase reflects growth in operating income.

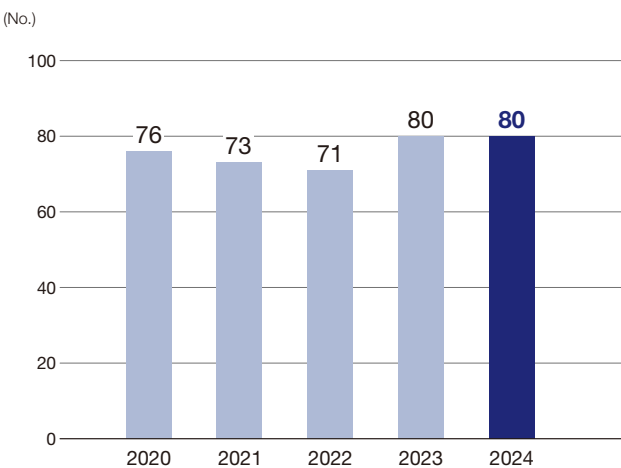
Percentage of management posts held by women*



In fiscal 2024, 10.5% of management posts were held by women, the same as the previous fiscal year.

* We started disclosing this KPI in fiscal 2023.

Number of employees (excluding directors, temporary employees, and contract employees)



The number of employees for fiscal 2024 was 80, the same as the previous fiscal year, as we are promoting small-group management.

Business Activities



Self-Storage Business

Business Features and Strengths

Arealink’s core Self-Storage Business encompasses the leasing or purchase of land and buildings, and managing them as rental storage space. It also includes establishing containers and self-storage buildings under contract, and selling them as investment products.

The main style of storage we operate is based on renting vacant land or existing buildings to operate as locations. This allows for a lower investment per property and maintains a **higher yield** after deduction of rent paid to the owner. In

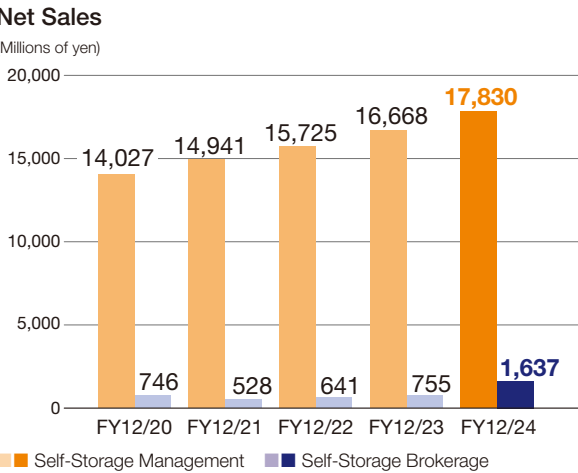
addition, **all** of our storage facilities are **unattended**, and operations are managed centrally at our head office. Therefore, even if the number of properties managed increases, personnel and advertising costs can be controlled, and **a high profit margin** can be secured **at low cost**. The Self-Storage Business can be operated without problems even on land far from train stations or in unfavorable locations, and can generate **stable earnings over the long term**.

Fiscal 2024 Business Results

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 room) brand under which the Company operates its Self-Storage Business, decreased by 2.38 percentage points to 85.91% 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 has been enormously accumulated, openings at smaller locations, and improved product recognition achieved through proactive PR efforts, etc.

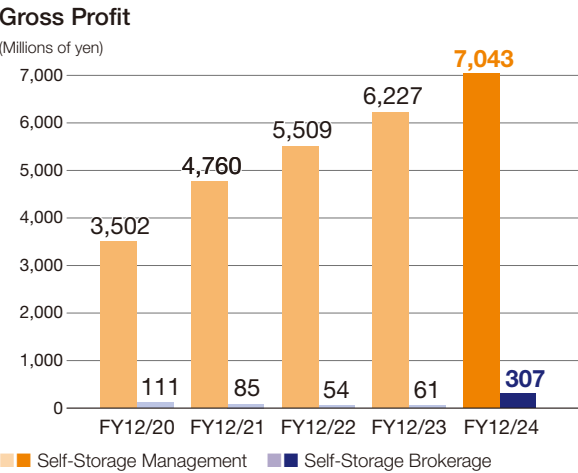
In the Self-Storage Business, while aiming to add 4,700 new openings, the Company opened a total of 5,800 units (including an addition of 430 units in existing properties) in the fiscal year ended December 31, 2023. In the fiscal year ended December 31, 2024, with the aim of adding 10,400 new openings, the Company opened a total of 10,545 units



(including an addition of 435 units in existing properties). The number of self-storage units totaled 110,442 units, an increase of 9,063 units from the end of the previous fiscal year, offsetting the impact of regularly scheduled annual 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 sales of 10 properties for indoor asset-type “self-storage properties with land.”

As a result, net sales in the Self-Storage Business amounted to ¥19,468 million (up 11.7% year on year), and operating profit was ¥5,387 million (up 18.1% year on year), recording increases in both revenues and profits.



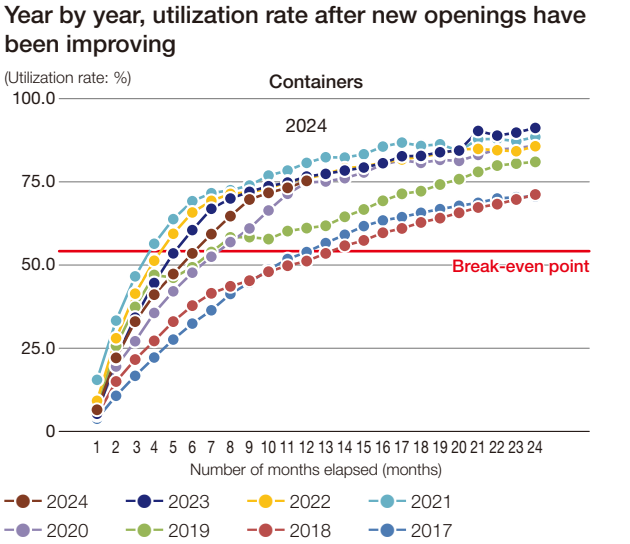
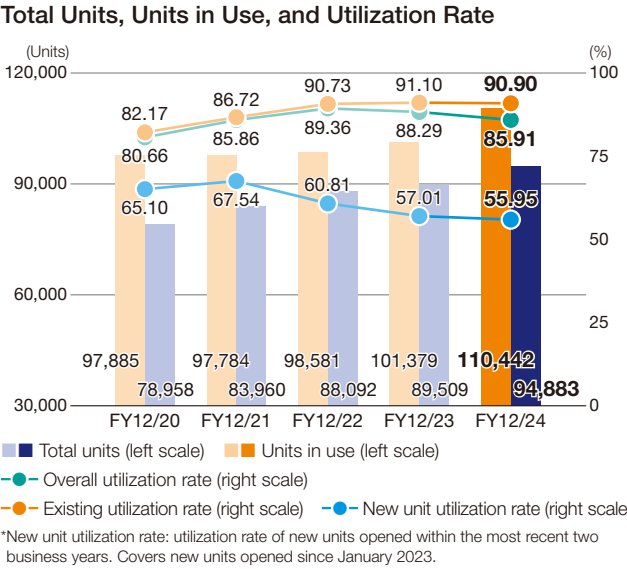
Maintaining High Utilization

Among our existing self-storage facilities, utilization rates have improved year after year since 2020, topping 90.90% at the end of 2024. Overall utilization rate (including both existing facilities and newly opened ones) remains very high, at over 85.91%, despite the fact that we are opening new facilities at a quicker pace.

An inter-year comparison in monthly utilization rate reveals that utilization rate among newly opened facilities is much better now than it was in 2017 and 2018, when the number of newly opened facilities was at its highest.

Factors contributing to the increase in the utilization rate

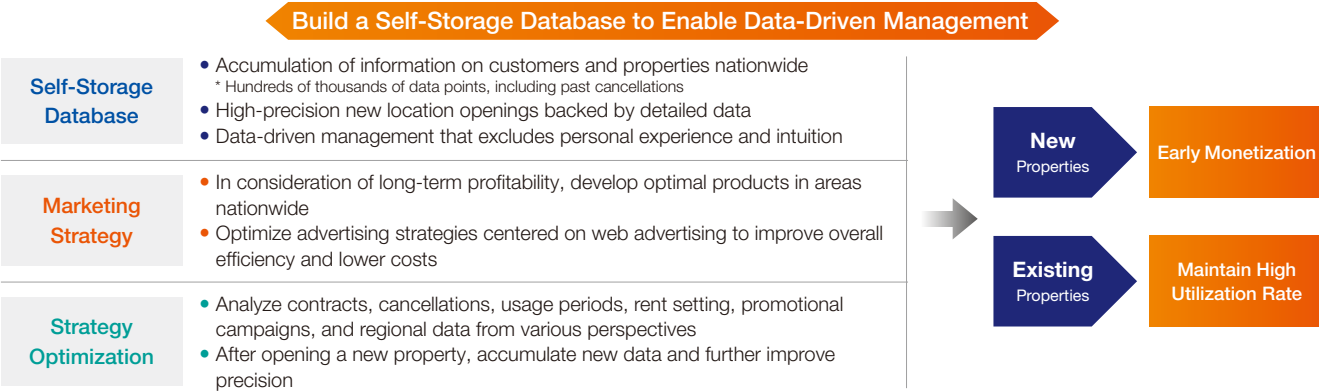
- ✓ Greater precision of location opening strategies (type of product, area, number of units, price) from use of databases (population, number of households, income brackets, etc.)
- ✓ Development of small-scale properties in multiple locations
- ✓ Smaller residential spaces and rising house prices
-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



Promoting Data-Driven Management

Having a nationwide self-storage database is a clear differentiator from our competitors and is our greatest strength. We have analyzed past customer data from various perspectives such as the area, population, income, usage period, and contract rent, to expand our location area and greatly improve our location precision.

In addition, this database allows us to optimize and streamline our primarily web-based advertising strategy to develop low-cost, effective strategies for marketing. We will continue to establish the two axes of “early monetization of new properties” and “maintenance of high utilization rates in existing properties” through data-driven management by building a database.



Business Activities

(Self-Storage Business)

Increase Market Share Through New Self-Storage Locations of Both Arealink and Partner

Partner location openings, while small in terms of sales size, offer high gross margins and constant returns, thereby reducing the risk of opening locations. We will continue to increase our market share by taking advantage of “no upfront investment cost” and “no deficit period,” which are the benefits of partner location openings, as well as by opening Arealink locations.

Benefits and Profit Structures of Location Opening by Arealink and with Partners

Opening Scheme	Arealink	Partner
Location Opening	<ul style="list-style-type: none">Data-driven new location openingsBreak-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 costsNo deficit periodIncrease in Arealink’s market share
Operation	Arealink Attracting customers, contracts, cancellations, regular cleaning, dealing with problems, etc.	
Profit Structure	<div><p>Revenue</p><p>Other fees, etc.</p><p>Rent</p><p>Management fee</p></div> <div><p>Cost</p><p>Gross Profit</p><p>Land rent</p><p>Depreciation</p><p>Costs</p><p>Gross profit</p></div> <ul style="list-style-type: none">After the depreciation period, the gross profit amount increases	<div><p>Revenue</p><p>Other fees, etc.</p><p>90% of rent (Returned to partner company)</p><p>10% of rent</p><p>Management fee</p></div> <div><p>Cost</p><p>Gross Profit</p><p>Costs</p><p>Gross profit</p></div> <ul style="list-style-type: none">Gross profit margin is high even though revenue is low.

COLUMN

Hello Storage Yokosuka Sanocho won the Multi-Site Operator Store of the Year (Japan category) at “Self Storage Awards Asia 2024” which awards excellent trunk rooms in Asia.

On May 8, 2024, Hello Storage Yokosuka Sanocho won the Multi-Site Operator Store of the Year (Japan category) at the Self Storage Awards Asia 2024 organized by the Self Storage Association of Asia (SSAA).

The Self Storage Awards Asia is an annual awards program that recognizes outstanding Asian trunk room operators, based on independent judging criteria such as business performance, location, construction techniques and appearance, and safety. Our Hello Storage was evaluated based on the fact that we, as a leading company in the storage industry, provide easy-to-use services to our customers with the largest number of locations in Japan, and that the applicant store, Hello Storage Yokosuka Sanocho, has a chic design that blends well with the cityscape.



Hello Storage Yokosuka Sanocho



Land Rights Consolidation Business

Business Strengths

The Land Rights Consolidation Business focuses on the purchase and sale of residential leasehold land. The business aims to mediate between leasehold land rights owners who are unable to freely utilize their property, and leasehold rights holders who can continue living on a property but are unable to utilize the land, to provide solutions.

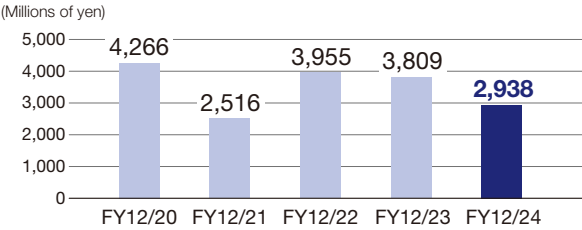
There is little competition in this niche business because

rights relationships are complex, and since the sale of such buildings is not subject to real estate market conditions due to firm demand from leaseholders, the business provides steady earnings. In addition, since leasehold land generates rental income while it is held, it is increasingly attracting attention as an investment product, making sales to investors an exit strategy option.

Fiscal 2024 Business Results

Net sales in the Land Rights Consolidation Business amounted to 3,695 million yen (up 2.0% year on year), and operating profit was 485 million yen (up 8.9% year on year), due in part to the conclusion of a large-scale project. As a result, both revenue and profit increased. In terms of purchases, while the Company continued to concentrate on purchasing properties of good quality, asset value resulted in a decrease of 871 million yen from the end of the previous fiscal year to 2,938 million yen.

Asset Value of Leasehold Land



Other Operational Services Business

Business Strengths

The Other Operational Services Business comprises asset management and serviced offices, mainly the leasing or acquisition of land and buildings, enhancing their added value with the “Hello” series of services, and conducting operation and management. In the asset management

business, earnings are derived mainly from rental income from yieldable properties. In the serviced office business, Arealink link operates Hello Office, small offices in city centers. Both businesses are cumulative-type businesses.

Fiscal 2024 Business Results

The Other Operational Services Business comprises businesses with a revenue base of rent income, such as the asset business and the office business. In the asset business, the Company recorded increases in both revenue and profit as a result of maintaining stable high utilization rate. In the office business, both revenue and profit increased partly due to two properties newly opened in February 2023 that have been increasingly utilized, and have contributed to sales and profit. As a result, in the other operational services business, net sales amounted to 1,531 million yen (up 8.1% year on year), and operating profit was 427 million yen (up 23.8% year on year), resulting in increases in both revenue and profit.



Hello Office entrance and interior



Example of owned property (Kanda BM Bldg.)

Human Capital Management

Strengthening Human Resource Development

In the belief that human resource development is an integral part of corporate development, Arealink focuses on employee education aimed at supporting merit-based, small-group management. This allows us to manage approximately 2,400 properties with just over 80 full-time employees.

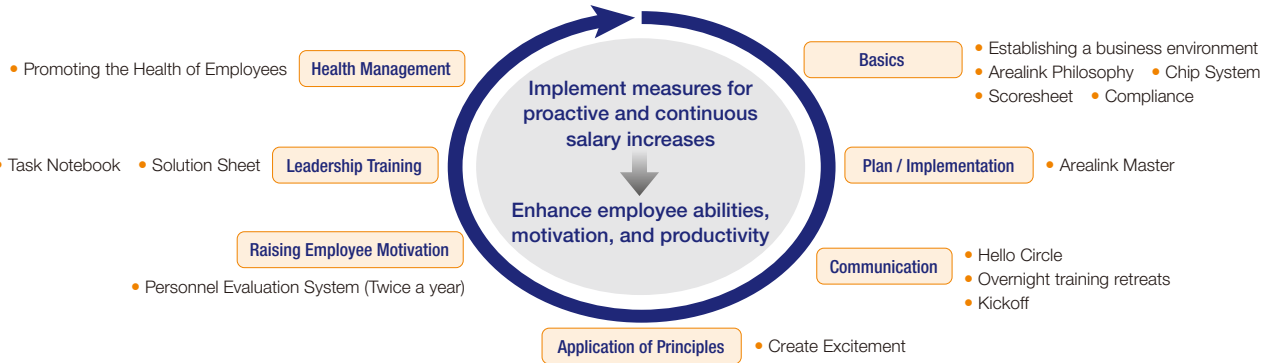
Arealink Method to Achieve Small-Group Management

When educating and developing human resources, which are the assets most essential to practice business operations with a small workforce, the Company has focused on bringing the best out of each employee. The Company has a proprietary human resources education and development program called the Arealink Method. Its scheme and in-house training of each employee help unlimitedly increase the productivity of each employee, department, and team. In addition to the effect of the scheme, the elaborately designed education and evaluation system help each and every employee grow, and, as a result, we can realize business operations with a small workforce.

Human Capital Management Metrics and Targets

- ✓ Target metrics for 2026 for education and development of human resources and an organization in which diverse human resources can play active roles:
 - (1) 28 hours of training per employee annually.
 - (2) A response rate of 98% or higher to internal ES surveys.
 - (3) An employee evaluation score of 9.5 or higher for personnel evaluations.
- ✓ We will also continue efforts to raise the percentage of female employees to 50% or more of all employees.

Implement Employee Training Method to Achieve Small-Group Management



Improving Per Capita Profit

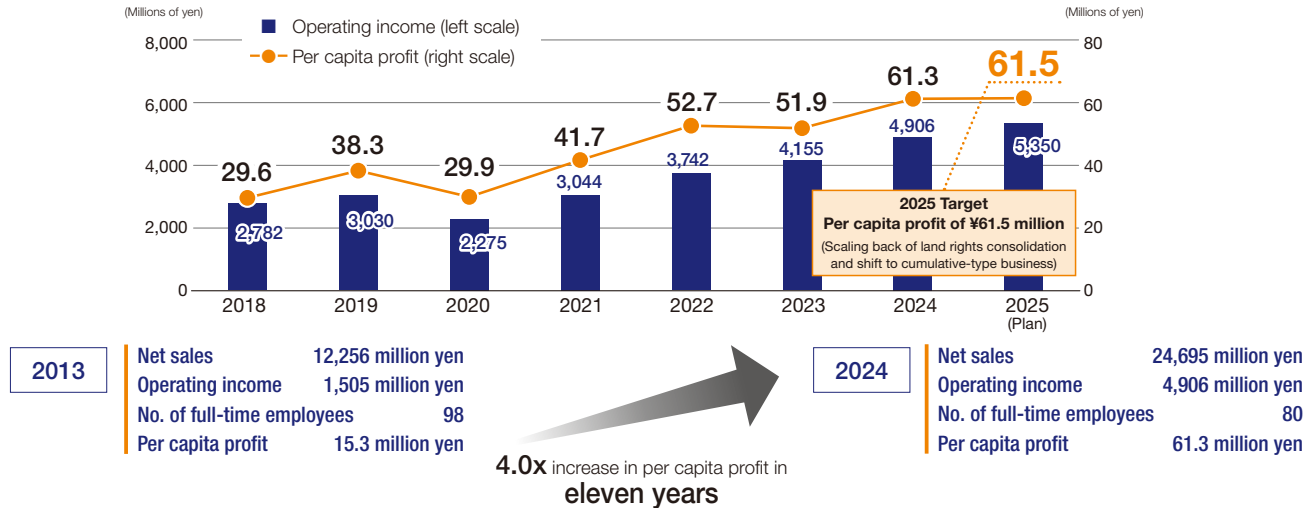
To create an environment where employees can work with a sense of safety, we have organized a project team within the Company to implement various measures and actively work toward the management and promotion of employee health, in addition to putting in place the internal environment.

We believe that the growth of each employee will lead to corporate growth (higher per capita profits), which in turn will

improve the work environment through the implementation of further personnel and other measures, thereby repeating the virtuous cycle of sustainable business growth and new value creation to ultimately contribute to improving sustainable corporate value.

We will promote the enhancement of corporate value with the goal of achieving a per capita profit of 61.5 million yen in 2025.

Operating Income per Employee (Per Capita Profit)



Corporate Governance

Arealink has introduced an executive officer system alongside its corporate auditor system, while ensuring separation and control over business execution and auditing/supervisory functions, including appointing outside directors. The Board of Auditors and accounting auditor exchange information as required, providing for effective operational and account auditing. Arealink has also established an Internal Audit Office as the body for conducting internal audits. The Board of Auditors and Internal Audit Office, in order to enhance the effectiveness and efficiency of audit functions, exchange opinions and information on a regular basis, and as necessary.

The business execution, auditing/supervisory, nomination, remuneration determination, and other functions are as follows.

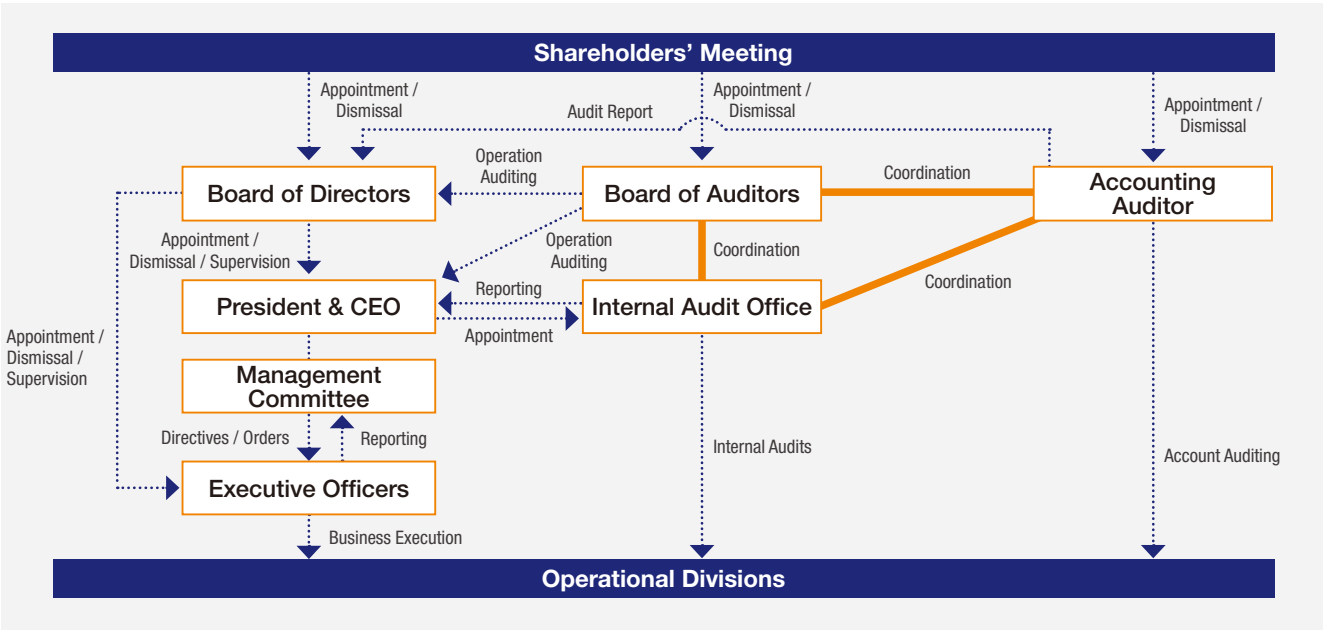
The Board of Directors convenes monthly, and holds extraordinary sessions as necessary. It makes decisions regarding important

business execution and legal matters, and supervises business execution. Arealink's Board of Directors comprises six members, two of whom are outside directors.

The main activities of the Board of Auditors include having company auditors attend meetings of the Board of Directors and full-time company auditors attend Management Committee sessions and other important meetings, as well as conducting audits of internal departments regarding the status of business execution. Arealink's Board of Auditors comprises three members, of which all three are outside auditors (with one full-time company auditor).

The Management Committee is a space for the discussion of Arealink's management strategy. It comprises internal directors and persons designated by them. The Management Committee meets three times per month in principle.

Corporate Governance System



Effectiveness Analysis and Evaluation of the Board of Directors

The Company's Board of Directors receives positive and negative opinions from the Auditors in reference to each director's self assessment, and the Board of Directors engages in lively

discussions on the effectiveness of the Board as a whole.

In the future, we will consider disclosing the results of such analysis and evaluation with more specific explanations.

Results of Board of Directors Meetings

Date	Contents of Discussion
Jan 25, 2024	Mid- to long-term strategies, internal control, financial results and performance, business, and human resources.
Feb 22, 2024	Mid- to long-term strategies, finance, internal control, financial results and performance, business, human resources, securities held, and individual projects.
Mar 19, 2024	Mid- to long-term strategies, finance, financial results and performance, business, human resources, and individual projects.
Mar 27, 2024	Human resources, compliance, compensation, sustainability.
Apr 18, 2024	Mid- to long-term strategies, dividends, finance, internal control, financial results and performance, business, human resources, and individual projects.
May 23, 2024	Mid- to long-term strategies, finance, internal control, financial results and performance, business, human resources, and individual projects.

Date	Contents of Discussion
Jun 20, 2024	Mid- to long-term strategies, finance, financial results and performance, business, human resources, and individual projects.
Jul 18, 2024	Mid- to long-term strategies, financial results and performance, business, human resources, and individual projects.
Aug 28, 2024	Mid- to long-term strategies, finance, internal control, financial results and performance, business, human resources, securities held, and individual projects.
Sep 19, 2024	Mid- to long-term strategies, finance, financial results and performance, business, human resources, and individual projects.
Oct 17, 2024	Mid- to long-term strategies, internal control, financial results and performance, business, human resources, and individual projects.
Nov 21, 2024	Mid- to long-term strategies, finance, financial results and performance, business, human resources, and individual projects.
Dec 19, 2024	Mid- to long-term strategies, finance, internal control, financial results and performance, business, human resources, and individual projects.

Corporate Governance

Judgment Criteria for the Independence and Qualifications of Independent Outside Directors

The Company uses the independence standards established by the Tokyo Stock Exchange as its selection criteria, and selects as candidates individuals who are independent of the Company's management, and who possess the knowledge and experience necessary for deliberating on Board of Directors' proposals, and the track record and insight necessary for exercising management oversight functions.

Independent Officers

As independent officers, Kazuhiro Furuyama and Masanori Koda are appointed as outside directors, and Hideto Kojima and Iwao Aoki are appointed as outside auditors.

Name	Reasons for Appointment
Kazuhiro Furuyama	As an advisor to the Matsushita Institute of Government and Management, he has a wide range of personal connections and deep insight in politics, business, and academia, and we have elected him as an outside director in the belief that he will play a sufficient role in determining management policy and supervising business execution with independence. Furthermore, he is appointed as an independent director/auditor because he is qualified as an independent officer who is free from any possibility of conflict of interest with general shareholders.
Masanori Koda	He has served as representative director and president of Network88 Co., Ltd. for many years, and is appointed as an outside director based on his extensive experience and track record as a corporate manager and his broad knowledge of management in general, which we believe will enable him to play a sufficient role in determining management policies and supervising business execution with independence. Furthermore, he is appointed as an independent director/auditor because he is qualified as an independent officer who is free from any possibility of conflict of interest with general shareholders.
Hideto Kojima	He has held positions of increasing responsibility, and we have appointed him as an outside auditor so that he can apply his wealth of insight to our auditing system. Furthermore, he is appointed as an independent director/auditor because he is qualified as an independent officer who is free from any possibility of conflict of interest with general shareholders.
Iwao Aoki	We have appointed him as an outside auditor so that he can apply his experience as a corporate auditor at other companies to our auditing system. We also value his extensive experience and wide-ranging knowledge as the representative director and president of Capital Advisory Co., and his ample experience in the realty industry and wish to benefit from his supervision and effective advice on all areas of management. Furthermore, he is appointed as an independent director/auditor because he is qualified as an independent officer who is free from any possibility of conflict of interest with general shareholders.

* Outside Auditor Koji Tamura is not included in the above list because he is not an independent officer. The reasons for Mr. Tamura's appointment are as follows:

Koji Tamura	We have appointed him as an outside auditor so that he can apply his expertise as a lawyer and his extensive experience as an auditor at other companies to our auditing system.
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Succession Planning

In March of 2023, we appointed a CEO who is relatively young as the CEO of a listed company. Although the Company does not currently have a specific succession plan for the CEO or other senior management, it recognizes the importance of such a plan. In the future, the Board of Directors plans to appropriately oversee the development of the next generation of executives to enhance corporate value over the medium to long term.

Incentives

The Company grants performance-linked remuneration (bonus) which is a short-term incentive and performance-linked remuneration (restricted stock; RS) which is a medium- to long- term incentive to directors (excluding outside directors), to share the benefits and risks of stock price fluctuations with shareholders and motivate directors to contribute more than ever before to increasing the stock price and improving corporate value. In determining the amount of bonus for each director, the representative directors determine the amount based on the results obtained by multiplying the base amount (monetary remuneration) determined for each position by coefficients. From the management's viewpoint of placing importance on results, these coefficients are the degree of achievement of ordinary profit and net profit based on the financial results forecast announced at the beginning of each fiscal year; the year-on-year growth rates of these profits; and the degree of contribution by each director as determined by the Evaluation Council attended by directors (excluding outside directors), executive officers, and personnel managers.

Compensation for Directors

The representative directors, who are appointed by resolution of the Board of Directors, have the authority to determine the compensation for directors within the limit of the total amount of compensation resolved at the General Meeting of Shareholders, taking into consideration each director's duties, contribution and performance, etc. The Evaluation Council of the Company, with the directors, auditors (other than outside directors and outside auditors), executive officers, and personnel managers as participants, performs personnel evaluations of directors. The compensation offered to directors is determined by the representative directors on the basis of those evaluations. Furthermore, after compensation decisions are made, the Board of Directors receives feedback from outside directors, and incorporates this feedback into the next compensation decision, to prevent arbitrary decisions by representative directors. Compensation for auditors is determined by consultation among auditors, within the limit of the total amount of remuneration resolved at the General Meeting of Shareholders.

Total Compensation of Directors and Auditors

Category	Number of personnel	Total by category of compensation			Total amount distributed
		Fixed income	Performance-linked remuneration	Non-monetary compensation	
	(people)	(thousands of yen)	(thousands of yen)	(thousands of yen)	(thousands of yen)
Directors (including outside directors)	6 (2)	166,529 (10,800)	— (—)	20,662 (—)	187,191 (10,800)
Auditors (including outside auditors)	4 (4)	13,200 (13,200)	— (—)	— (—)	13,200 (13,200)
Total	10	179,729	—	20,662	200,391

(Note) 1. The total of the compensation, etc. of directors does not include employee salaries of individuals who are both employees and directors.
2. The maximum compensation to directors was established to be 300 million yen (30 million yen in the case of outside directors) at the 23rd annual meeting of the Board of Directors held on March 28, 2018. The number of directors as of the conclusion of the annual meeting of the Board of Directors in question was six (two of which are outside directors). Moreover, with regards to the breakdown of the compensation in question, a resolution was made at the 26th annual meeting of the Board of Directors held on March 24, 2021 to set Restricted Stock Unit to 50 million yen per year for Company directors (excluding outside directors). The number of directors subject to this system as of the conclusion of the annual meeting of the Board of Directors in question was three.
3. The maximum compensation to auditors was established to be 20 million yen at the 6th annual meeting of the Board of Directors held on March 31, 2001. The number of auditors as of the conclusion of the annual meeting of the Board of Directors in question was three.
4. The results of the performance indicators used in calculating the compensation, etc. interlocked with business results are as follows.

	Results for the fiscal year ended December 31, 2023	Forecast as of January 1, 2024	Results for the fiscal year ended December 31, 2024	YoY growth rate	Vs. beginning forecast
Ordinary income	¥4,058 million	¥4,520 million	¥4,714 million	16.2%	4.3%
Net income	¥ 2,821 million	¥3,080 million	¥3,200 million	13.5%	3.9%

Shareholdings

(i) Criteria and approach for classification of investment shares

The Company classifies investment shares as those held for pure investment and those held for purposes other than pure investment, depending on whether the purpose of holding them is solely to receive returns from stock price fluctuations and/or dividends. One of the criteria to make a substantive decision about the holding of such investment shares is whether there are only reports on stock price fluctuations and/or dividends or there are also other reports on business alliances and other forms of partnerships (including consideration of forming them) at important internal meetings such as those of the Board of Directors and the Management Committee.

(ii) Investment shares held for purposes other than pure investment

a. Shareholding policy, method of verification of the rationale for shareholdings, and details of verification by the Board of Directors of the appropriateness of shareholdings in individual issues

The main purpose of our cross-shareholdings is to maintain and strengthen stable and long-term relationships with business partners and stakeholders in order to improve our corporate value and build relationships with stakeholders over the medium to long term.

The Board of Directors regularly verifies the rationale for, and the appropriateness of, cross-shareholdings of individual issues by reviewing the significance of the shareholdings and specifically examining whether the benefits and risks associated with the shareholdings are commensurate with the cost of capital, among others. The Company will sell or reduce the number of shares of individual issues if they are deemed to have little significance to hold.

b. Number of issues and carrying amount

	Number of issues (Issues)	Total carrying amount (Thousands of yen)
Unlisted shares	2	0
Shares other than unlisted shares	2	36,591


Directors and Auditors

(As of March 26, 2025)

Directors

Naomichi Hayashi

Representative Director and Chairman (CEO)



Number of company shares held:
4,679,134 shares

Number of Board of Directors meetings attended (attendance rate):
13 times/13 times (100%)

April1978Joined Chikuma Real Estate Co., Ltd. (now Starts Corporation Inc.)

April1995Became representative director and president after the Company was established

February2010Director, Japan Self Storage Association

May2019Representative director, Japan Self Storage Association (to present)

September2019Representative director and president, executive officer, and general manager of the Marketing Development Division of the Company


September2020Representative director and president, and executive officer, of the Company

March2022Representative director and president of the Company

March2023Representative director and chairman of the Company (to present)

Yoshika Suzuki

Representative Director and President (CEO)



Number of company shares held:
160,601 shares

Number of Board of Directors meetings attended (attendance rate):
13 times/13 times (100%)

April2011Joined the Company

August2014Head of the Tokyo Office, Storage Location Development Division of the Company

February2015Executive officer and head of the Tokyo Office, Storage Location Development Division of the Company

March2016Director of the Company, General Manager responsible for self-storage management, Storage Business Division, branch office manager of the Tokyo and Chiba Offices

July2018Director, general manager of the Storage Division, and manager of the Storage Department of the Company

September2019Director and executive officer, and general manager of the Storage Division of the Company


March2021Managing director and executive officer, and general manager of the Storage Division of the Company

March2022Senior managing director and executive officer, and general manager of the Storage Division of the Company

March2023Representative director and president of the Company (to present)

Yasuaki Otaki

Director and Executive Officer



Number of company shares held:
24,774 shares

Number of Board of Directors meetings attended (attendance rate):
13 times/13 times (100%)

April2001Joined the Company

March2011Executive officer, assistant to general manager of the Administration Division, and manager of the General Affairs Department of the Company

March2012Director and general manager of the Administration Division of the Company

March2017Executive officer and general manager of Administration Division of the Company

March2019Manager of Accounting Department of the Company

September2019Assistant to the general manager of the Administration Division, and manager of Accounting Department of the Company


March2021Executive officer, assistant to the general manager of the Administration Division, and manager of Accounting Department of the Company

March2022Director, executive officer, assistant to the general manager of Administration Division, and manager of Accounting Department of the Company

March2023Director, executive officer, general manager of the Administration Division, and manager of Accounting Department of the Company (to present)

Minoru Nishizawa

Director and Executive Officer



Number of company shares held:
15,292 shares

Number of Board of Directors meetings attended (attendance rate):
13 times/13 times (100%)

April2001Joined the Company

March2012Director and manager of the Storage Department of the Company

March2016Executive officer, assistant to the general manager of the Storage Division and manager of the Storage Department of the Company

March2017Director, assistant to the general manager of the Storage Division, and manager of Storage Department 2 of the Company

March2019General manager of the Future-Oriented Ideal Company Promotion Office of the Company


March2021Executive officer, assistant to the general manager of the Storage Division, and manager of the Customer Contact Department of the Company

March2022Director and executive officer, assistant to the general manager of the Storage Division, and manager of the Customer Contact Department of the Company

March2023Director, executive officer, general manager of the Storage Division, and manager of the Customer Contact Department of the Company (to present)

Kazuhiro Furuyama

Outside Director



Number of company shares held:
0 shares

Number of Board of Directors meetings attended (attendance rate):
13 times/13 times (100%)

April1986Instructor, University of Tasmania (Australia)

April1987Established Gaigo Gakuin Tokyo Forum Representative

April2002Training Manager, The Matsushita Institute of Government and Management

September2002Head Teacher, The Matsushita Institute of Government and Management

April2004Managing Director, The Matsushita Institute of Government and Management

April2013Review Committee Member and Instructor, Japan Institute of Agricultural Management

March2015Director, the Company (to present)

April2016Advisor, The Matsushita Institute of Government and Management Advisor, AGRI CONNECT Co., Ltd. (to present)

March2019Review Committee Member, Japan Institute of Agricultural Management

Masanori Koda

Outside Director



Number of company shares held:
0 shares

Number of Board of Directors meetings attended (attendance rate):
13 times/13 times (100%)

March1971Joined Japan Recruit Center Inc. (Now Recruit Holdings Co., Ltd.)

April1989Representative director and president, Network88 Co., Ltd. (to present)

March2015Outside Director, DAIEISANGYO Co., Ltd. (to present)

March2017Director of the Company (to present)

July2019Outside director, Green Ship Co., Ltd. (to present)

Introduction

Value creation

Strategy and resource allocation

Business strategy and performance


The foundation that supports sustainability

Data section

Auditors

Hideto Kojima

Full-Time Company Auditor



Number of company shares held:
0 shares

Number of Board of Directors meetings attended (attendance rate):
13 times/13 times (100%)

April1970Joined Asahi Mutual Life Insurance Co.

April1993Managing director, Asahi Life Investment Management Co., Ltd

April2002Managing director and general manager of General Affairs Department, Asahi Life Building Co., Ltd


August2003Managing director and general manager of General Affairs Department, Asahi Insurance Service Co., Ltd

June2004Full-time Audit & Supervisory Board Member, The Keihin Co., Ltd.

March2010Auditor of the Company (to present)

Koji Tamura

Auditor



Number of company shares held:
0 shares

Number of Board of Directors meetings attended (attendance rate):
13 times/13 times (100%)

October2000Passed the bar exam

October2002Registered with Tokyo Bar Association, joined Kotobuki Law Office

January2007Partner, Kotobuki Law Office

October2011Auditor, Zenkankyo SSI Holdings, Inc.

December2011Provisional auditor of the Company


March2012Auditor of the Company (to present)

May2013Representative attorney at Keimei Law Office

October2020Lawyer at Ocean Law Offices (to present)

Iwao Aoki

Auditor



Number of company shares held:
0 shares

Number of Board of Directors meetings attended (attendance rate):
12 times/13 times (92%)

April1992Joined Fujita Corporation

October2004Representative director and president, Asset Managers K.K. (currently Ichigo Inc.)

April2009Representative director and president, Capital Advisory Co. (to present)

December2010Outside auditor, Nexyz.Group Corporation

July2014Outside auditor, Balnibarbi (to present)

March2016Outside director, SOMETHING Holdings Co., Ltd.

March2017Auditor of the Company (to present)

December2019Outside director (Audit & Supervisory committee member), Nexyz.Group Corporation (to present)

October2024Outside director (Audit & Supervisory committee member), Balnibarbi (to present)

Skill Matrix of Directors

	Position in Arealink	Areas of Contribution (Max 3)						
		Corporate Management	Industry Knowledge	Sales/Marketing	Finance/ Accounting	Legal/ Governance	Human Resources/ Training	IT
Naomichi Hayashi	Representative Director and Chairman (CEO)	●	●	●				
Yoshika Suzuki	Representative Director and President (CEO)		●	●				●
Yasuaki Otaki	Director and Executive Officer				●	●		
Minoru Nishizawa	Director and Executive Officer		●	●				
Kazuhiro Furuyama	Director (Independent Outside)					●	●	
Masanori Koda	Director (Independent Outside)	●	●					

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Messages from Outside Directors

Aiming to be a “role model as a future-oriented company,” we emphasize dialogue with stakeholders

Kazuhiro Furuyama
Outside Director



As social infrastructure that enhances the quality of urban life, Arealink contributes to the creation of a sustainable future by working to solve the problems of Japan’s living environment and proposing new lifestyles that make the most of limited space. We also aim to be a “role model as a future-oriented company” that maximizes value in a flexible and efficient manner by leveraging the creativity of all employees and the strengths of our small organization.

1. Creating Sustainable Lifestyles

The adverse effects of mass-production and mass-consumption lifestyles on the living environment have become a major factor in undermining the quality of urban life. We are helping people realize an organized and comfortable lifestyle by promoting of out-of-home storage that complements the limited space in homes. In addition, every Arealink employee is a licensed Seiri-Shuno Advisor, meaning an expert at decluttering and tidying away, and we not only provide storage solutions, but also work to promote an environmentally friendly lifestyle culture by integrating traditional Japanese values such as “using things carefully” and “reducing waste” into modern urban living.

2. Containers as New Infrastructure

Our storage containers are more than just storage space; they have value as a new infrastructure for urban living. With proper construction at the

time of installation and ongoing maintenance, the design allows long-term use and reuse, helping to reduce environmental impact. By promoting the 100-Year Container Building Utilization Project, we propose a sustainable space for the next generation by achieving effective use of limited land and resources.

3. Corporate Governance and Future-Oriented Management Structure

We have a small management structure that emphasizes flexibility and speed, while always pursuing a high level of corporate governance. The Board of Directors strives to evolve sustainable management through discussions from diverse perspectives, including compliance with laws and regulations, human resource development, and addressing ESG issues. Based on our corporate philosophy of “Provide Convenience, Joy, and Excitement,” we have established the following five specific guidelines: (1) A company where employees and their families are happy, (2) A company where all stakeholders become fans, (3) A company that inspires people, (4) A company that evaluates employees based on their ability, regardless of age, gender, or nationality, and (5) A company that can grow over 100 years. Based on these philosophy and management guidelines, we will continue to value dialogue with our stakeholders and play a proactive role in realizing a sustainable society as a company that contributes to the future of urban life and people.

Contributing to a corporate development truly accepted and more acclaimed by society

Hideto Kojima
Full-time Company Auditor (Outside Auditor)



As an organization that wants to provide convenience, joy, and excitement, and with its small-workforce ethos, Arealink is enriching lives through its Self-Storage Business, based on the stable revenue streams of cumulative-type businesses. In other words, it is combining steady earnings growth with the creation of long-term value.

Recent performance is particularly striking. The latest medium-term plan (2025–27) sets out an ambitious target for expanding the storage network: 15,000 new storage units to be opened in 2025, 18,000 units to be opened in 2026, and 21,000 units to be opened in 2027 (compared to 10,545 that were opened in 2024). In 2025 (the first of the three years), the Company made headway toward this goal.

Arealink is no less ambitious when it comes to sustainability. The Company is stepping up stakeholder engagement and talent development

and taking action to promote workstyle reform and diversity. As part of its contribution to society, the Company enriches lives and the planet with storage services that are environmentally friendly (in that they minimize waste and use long-life storage units) and that can serve as critical resources in a disaster.

In my time as an auditor at Arealink, I have focused on the core duties of auditors: working with my fellow auditors to monitor directors’ execution of business from an impartial and objective perspective, checking whether the Company has compliance structures and internal controls in place, and checking whether these structures and controls are working properly.

I will continue to discharge this checking role and be forthright in offering constructive ideas and advice to the management, so that Arealink can maintain the public’s trust and earn even higher acclaim.

Compliance & Risk Management

The Status of Our Internal Control Systems

Our system to ensure that the execution of duties by directors complies with laws and regulations and the Articles of Incorporation, and other systems to ensure the appropriateness of the Company’s operations, are as described below.

Matters Related to Internal Control Systems, etc.	Basic Approach and System Development Status
System to ensure that the execution of duties by directors and employees complies with laws, regulations, and the Articles of Incorporation	To promote compliance, the Company has established a Compliance Manual to serve as a code of conduct for directors and employees. When a case of suspected violation of laws or regulations is reported, we will promptly confirm the facts and take appropriate action, as stipulated in the Compliance Manual, and take the utmost care to ensure that the reporter will not suffer any disadvantage. As a company that provides real estate management services, the Real Estate Brokerage Act and construction-related laws and regulations are vitally important to use, and we strive for compliance by listening to the opinions of outside experts.
Rules and systems for managing loss risks	The Company will establish regulations for risk management in order to collect and analyze information to prevent the occurrence of loss risks and to prevent the spread of losses that do occur. In addition, the department in charge of each risk is designated, and the Board of Directors and the department in charge manage each risk in a comprehensive and general manner. The Internal Audit Office audits the status of risk management and reports the results to the Board of Directors and the Board of Auditors.
System to ensure that directors execute their duties efficiently	The Company holds regular meetings of the Board of Directors at least once a month to flexibly make decisions on basic and important matters related to business execution. In addition, the Company will endeavor to make decisions efficiently and flexibly by delegating authority through the establishment of rules of authority and other regulations.
System for storage and management of information related to execution of duties by directors	Important documents, etc. related to execution of duties by directors and employees, such as minutes of board meetings and various approval documents, shall be properly stored in accordance with laws and regulations and internal rules such as document management rules, and directors and auditors shall have access to these documents, etc. at all times.
System concerning assistants to auditors, and system to ensure the effectiveness of instructions to such employees	In order to enhance the operation of the auditing system by auditors, the Company makes it possible to assign employees to assist corporate auditors upon consultation between the Board of Directors and corporate auditors, if corporate auditors request the assignment of such employees to assist their duties. The authority to direct such employees shall be delegated to the auditors, to ensure their independence from directors. In addition, the appointed employees will work under the direction of the auditors, with the authority to collect information necessary for auditing purposes.
System for reporting to auditors by directors, employees, etc., and system to ensure that reporters are not treated disadvantageously for doing so	When a director or employee discovers a fact that may cause significant damage to the Company, he or she shall promptly report it to the auditors in accordance with applicable laws and regulations. In addition, the Company prohibits any disadvantageous treatment, in terms of personnel treatment, etc., to directors, employees, etc. of the Company because they have made such reports to the auditors.
Procedures for advance payment and reimbursement of expenses incurred in the performance of duties by corporate auditors, policies regarding the treatment of such expenses and liabilities, and systems to ensure the effectiveness of audits by the Company’s auditors	With respect to expenses, etc. incurred in the performance of duties by auditors, unless the Company certifies that such expenses are not necessary for the performance of such auditors’ duties, the Company shall establish a system whereby the auditors may receive advance payment and reimbursement of expenses, and may request that the Company take necessary measures such as budgeting. The Company will ensure that the auditors are able to attend all important meetings as necessary, in addition to meetings of the Board of Directors.

Risk Management System

The Company’s Board of Directors develops internal control and risk management systems by receiving reports from the Compliance Committee on the establishment of risk management systems and the results of internal control audits related to financial reporting, identifying internal control issues, and determining policies for dealing with them. In the

event that internal auditing identifies problems with the risk management system and assurance of compliance, the Internal Audit Office reports to the Compliance Committee, which is attended by all members of the Board of Directors, and the Compliance Committee uses the Internal Audit Department to provide supervision.

Internal Reporting System

The Company has established an internal reporting system that allows anonymous internal reporting (whistle-blowing) and prevents the disclosure of reports made by employees of any department when an external contact is used, so that employees can communicate information and sincere doubts, regarding illegal or inappropriate conduct or information disclosure, without fearing any risk of being

disadvantaged. Important matters regarding internal reporting cases are reported to the Compliance Committee. The Compliance Committee includes all members of the Board of Directors as well as legal counsel, and reports to the Compliance Committee replace supervision of operations by the Board of Directors.

Environmental and Social Initiatives

Stakeholder Engagement

Through proactive information disclosure and communication with stakeholders, Arealink will deepen relationships of trust and promote sustainability management.

Stakeholder		Main Means of Dialogue/Communication
Customers	We will provide genuine satisfaction that captures the hearts and minds of customers by offering new value.	<ul style="list-style-type: none">Regular sales activitiesCustomer surveys
Shareholders	We will increase corporate value over the long term through highly profitable and highly efficient management.	<ul style="list-style-type: none">Annual Shareholders MeetingsResults presentations for institutional investors and analystsIntegrated ReportIR website
Employees	We will create rewarding workplaces where results and contributions are fairly evaluated, and where employees can demonstrate their abilities and grow.	<ul style="list-style-type: none">Employee trainingEmployee surveysInternal reporting system (internal and external contact points)
Communities	As a good corporate citizen, we will contribute to community development and promote environmentally friendly business practices.	<ul style="list-style-type: none">Social contribution activities for local communities
Government	We will work with local governments to solve social issues.	<ul style="list-style-type: none">Participation in industry groups

Environmental Initiatives

Through its Self-Storage Business, Arealink is working to improve the living environment in Japan and conserve the environment through the effective use of resources. In addition to utilizing self-storage to create a comfortable and affluent society that values and takes care of things, we are conducting the “Containers and Buildings 100-Year Utilization Project” as a means of addressing environmental issues.

Reduction of Waste

Utilization of Arealink’s self-storage facilities allows customers to safely store their belongings and organize their living spaces, helping to foster a culture of valuing things by limiting wasteful spending such as impulse purchases, and reducing waste through storage use. In addition, when Arealink is contracted to dispose of stored items as part of its service, we take steps to reduce the environmental impact by selecting the optimal method from the perspective of the 3Rs (Reduce, Reuse, Recycle).

Introduction of Green Electricity

From January 1, 2025, Arealink switched all electricity used in company offices to green energy sources. This shift is expected to reduce CO2 emissions from business activities by approximately 43.2 tons per year. Green electricity,

generated from green energy sources such as solar, wind, and hydro, is expected to contribute to countering global warming.

Introduction of Paper File Folders

On January 7, 2025, Arealink began using environmentally friendly paper file folders, with the aim of contributing to the prevention of global warming and addressing the problem of marine plastics. Since paper folders can be disposed of as combustible waste, they are environmentally friendly, and are expected to reduce plastic waste by about 1,400 sheets per year.

Long-term Utilization of Self-storage Facilities

Compared to residential buildings, Arealink’s container-type and building-type self-storage properties can be used for a long time because they do not require plumbing facilities. In addition, when a container property operated by Arealink is closed due to the expiration of the contract, the containers can be painted and refurbished, and reused at another location. Going forward, we will continue to work to establish appropriate maintenance methods, and reduce our environmental impact through long-term use of containers for 50 or 100 years.

Containers and Buildings 100-Year Utilization Project

Containers, after 30 or more years following installation, can develop rust or scratches. We are advancing a project so that containers can be used for 100 years through thorough installation efforts and maintenance of buildings that include containers.

- Since it is difficult to perform maintenance on the front of a container after installation, we perform scratch-resistant measures before installation
- For the bottoms of containers, we provide a structure that makes it difficult for water pooling, a cause of rusting, to occur
- In order to quickly ascertain signs of abnormalities, we have shortened regular maintenance from every 10 years to every 5 years
- Plans to change all properties to the new design nationwide over the next decade

Example of maintenance work



Arealink is committed to improving the outward appearance of self-storage containers and protecting them from corrosion.

Human Rights Initiatives

Issues such as respect for human rights by preventing harassment, and consideration for the health of employees by preventing long working hours, are shared with Arealink’s Board of Directors.

Social Contribution Activities

Supporting Diverse Work Styles

Even before the COVID-19 pandemic, Arealink had established a work system that included telecommuting and shorter working hours. We place importance on creating a work environment that embraces diversity based on individual career perspectives, and allows for work styles not bound by location, so that all employees are able to conduct their duties efficiently and independently. For example, we have enhanced efficiency by digitizing data so that work can be done anywhere with a single computer. Moreover, in October 2023, in order to allow for telework and communication, we established a Metaverse office that connects real offices with each other. By providing environments that make it easy to work in this matter, we aim to achieve employee satisfaction with their working environment of at least 80%.

Enriching the Lives of People in Japan with Storage

As “professionals in organization and storage,” all employees at our Company received the “Arrangement and Storage Advisor Class 2” certification in 2022. In the same year, the Japan Self Storage Association (JSSA) hosted the “Self-Storage Photo Contest” as an opportunity to convey the importance of organization and storage and



The “3rd Self-Storage Photo Contest” hosted by the Japan Self-Storage Association (JSSA)

to promote the use of self-storage. We will continue contributing to the creation of an environmentally-friendly society where people can lead vibrant lives, by expanding and popularizing self-storage throughout Japan.

Contributing to Society with Trunk Rooms – Using Containers in Times of Disaster

Arealink has been exploring ways to utilize self-storage trunk rooms for disaster preparedness ever since the 2011 earthquake and tsunami. Building on our experience of providing free use of our self-storage units for those affected by the 2016 Kumamoto Earthquake, we will establish a system to provide self-storage units free of charge in the event of a large-scale disaster, and support the reconstruction of the affected areas.

In 2017, Arealink concluded a disaster prevention agreement with Ota Ward in Tokyo to provide free storage units to stock emergency supplies for people unable to return home following a disaster. The stockpiled goods include blankets, carpets, and other items necessary for people to stay temporarily in shelters.

During the Hokkaido Eastern Iburi Earthquake that occurred in September 2018, Arealink provided storage units in the outskirts of Sapporo, Hokkaido, free of charge to areas affected by the disaster.

Going forward, Arealink will continue to strengthen its disaster preparedness initiatives throughout Japan to fulfill its social responsibilities.

Eleven-Year Summary

Years ended December 31

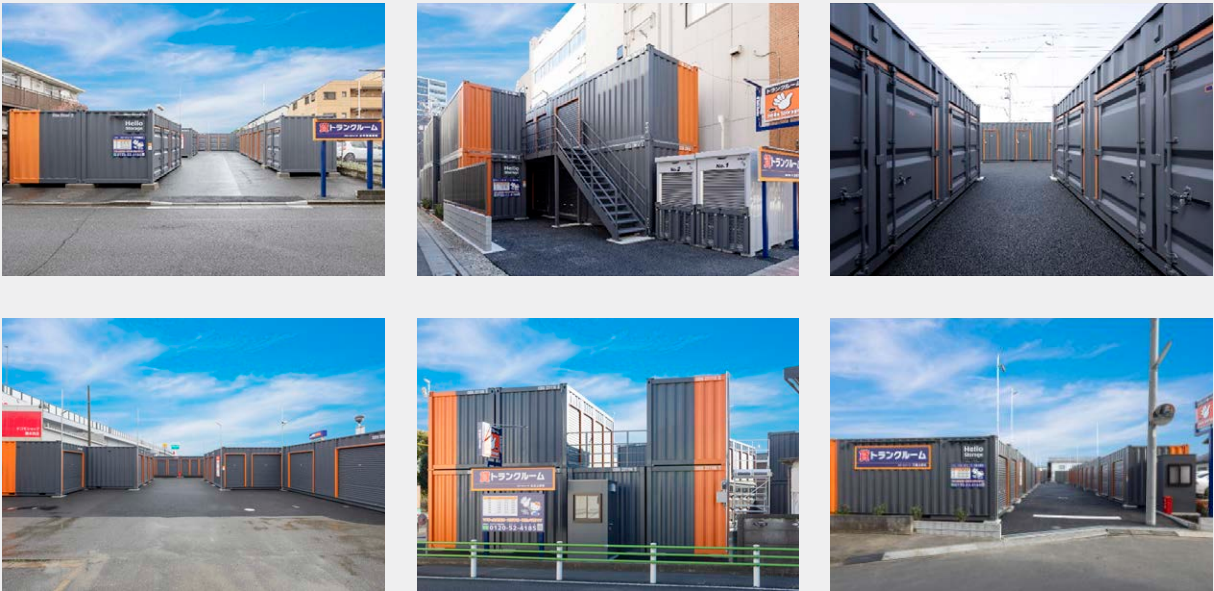
Summary of Income (Million of yen)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Net sales	¥24,695	¥22,463	¥20,878	¥20,572	¥22,477	¥29,333	¥28,828	¥21,489	¥16,908	¥17,173	¥18,120
Self-Storage Business*1	19,468	17,423	16,366	15,469	14,773	22,087	—	—	—	—	—
Land Rights Consolidation Business*1	3,695	3,623	3,110	3,716	6,063	5,402	—	—	—	—	—
Other Operational Services Business*1	1,531	1,416	1,400	1,385	1,640	1,842	—	—	—	—	—
Cost of sales	15,926	14,910	14,160	14,536	16,977	22,669	22,173	15,805	12,136	12,100	13,759
Gross profit	8,769	7,552	6,717	6,035	5,499	6,663	6,655	5,683	4,771	5,073	4,360
Selling, general and administrative expenses	3,862	3,397	2,975	2,990	3,223	3,633	3,873	3,303	2,835	2,415	2,125
Operating income	4,906	4,155	3,742	3,044	2,275	3,030	2,782	2,379	1,935	2,657	2,235
Ordinary income	4,714	4,058	3,758	3,009	2,161	3,000	2,536	2,441	1,968	2,442	2,087
Net income before income taxes	4,571	4,070	3,862	4,519	3,284	(2,860)	2,267	2,322	1,902	2,405	2,222
Net income	3,200	2,821	2,883	3,171	2,225	(1,753)	1,810	1,547	1,142	1,550	1,541
Financial Position (Million of yen)											
Total assets	55,919	49,676	45,643	42,202	40,702	43,020	37,862	29,904	23,791	19,312	19,539
Current assets	22,558	21,887	20,032	17,319	15,947	19,903	25,840	17,532	12,168	9,121	10,115
Noncurrent assets	33,361	27,788	25,610	24,882	24,755	23,117	12,022	12,372	11,622	10,191	9,423
Interest-bearing debt	20,841	16,755	14,048	11,944	12,377	14,086	14,512	9,152	4,793	1,311	2,759
Net assets	26,769	25,021	23,072	20,963	18,139	16,419	18,749	16,351	15,283	14,626	13,514
Cash Flows (Million of yen)											
Cash flows from operating activities	5,322	3,530	1,605	5,741	2,520	4,055	(2,380)	(2,992)	(708)	3,941	7,123
Cash flows from investing activities	(8,158)	(4,667)	(2,258)	(1,264)	(2,228)	(1,005)	(484)	(1,423)	(1,544)	(1,069)	146
Free cash flows	(2,836)	(1,136)	(653)	4,477	291	3,049	(2,865)	(4,416)	(2,253)	2,871	7,270
Cash flows from financing activities	3,018	1,818	1,492	(825)	(2,213)	(1,020)	5,944	3,854	2,999	(1,888)	(5,429)
Cash and cash equivalents at end of period	15,210	14,995	14,299	13,440	9,776	11,702	9,672	6,594	7,158	6,415	5,431
Amount per Share of Common Stock*2 (Yen)											
Net income per share (EPS)	126.11	111.25	113.77	125.36	88.08	(69.40)	72.74	63.04	46.53	63.15	62.75
Book value per share (BPS)	1,054.32	986.36	909.99	827.78	718.08	649.98	742.22	666.44	622.55	595.70	550.45
Cash dividends per share	44.5	38.5	34.5	23.5	15.5	20.0	23.0	20.0	19.5	19.5	18.0
Financial Indicators (%)											
Operating income ratio	19.9	18.5	17.9	14.8	10.1	10.3	9.7	11.1	11.4	15.5	12.3
Return on equity	12.4	11.7	13.1	16.2	12.9	(10.0)	10.3	9.8	7.6	11.0	11.9
Return on assets	6.1	5.9	6.6	7.6	5.3	(4.3)	5.3	5.8	5.3	8.0	7.2
Shareholders' equity ratio	47.9	50.4	50.5	49.7	44.6	38.2	49.5	54.7	64.2	75.7	69.2
Interest-bearing debt ratio	78	67	61	57	68	86	77	55	31	9	20
Investment Indicators (Times, %)											
Price/Earning value ratio—PER*3	18.1	12.1	7.8	6.1	5.4	—	8.06	18.8	13.4	11.4	11.2
Price/Book value ratio—PBR*4	2.17	1.36	0.98	0.93	0.66	1.04	0.79	1.78	1.00	1.21	1.27
Price/Cash flow ratio—PCFR*5	12.32	8.71	5.67	4.26	3.39	(4.49)	7.34	18.75	8.94	8.65	7.02
Total shareholder return (Comparison benchmark: TOPIX (total return))	361.6 (182.5)	251.8	167.7 (139.5)	141.0 (143.0)	86.6 (126.8)	118.5 (118.1)	—	—	—	—	—

*1 Reportable segments have been changed from the fiscal year ended December 31, 2020. The figures for the fiscal year ended December 31, 2019 have been revised retroactively.
*2 The Company carried out a two-for-one stock split of common stock effective July 1, 2024. Per share information is calculated assuming that the stock split took effect at the beginning of the fiscal year ended December 31, 2014.
*3 Year-end share price/Net income per share
*4 Year-end share price/Net assets per share
*5 Year-end share price/Cash flow per share

Self-Storage Business – Product Types

New Design for Both Container and Indoor Types Adopted in 2022
Chic Design That Retains Arealink’s Dark Gray and Orange Color Scheme

Container Type



In-Building Type



Building Type (Self-Storage Mini)



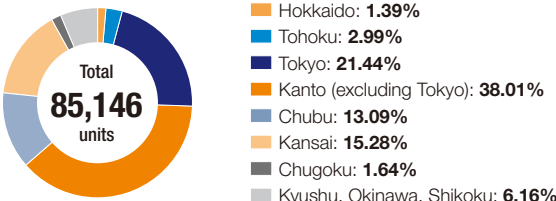
Status of Self-Storage Business

Storage Units by Region

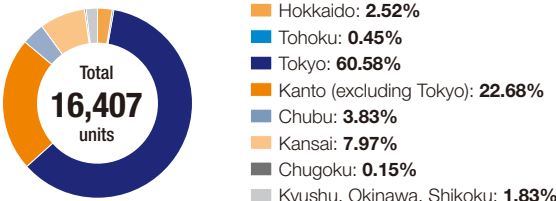
2,424 bases Total units 110,442 units (As of December 31, 2024)

	Total	Proportion of Total		Total	Proportion of Total
Hokkaido	1,736	1.57%	Shiga	445	0.40%
Aomori	157	0.14%	Kyoto	2,317	2.10%
Iwate	20	0.02%	Osaka	6,650	6.02%
Miyagi	2,007	1.82%	Hyogo	4,703	4.26%
Akita	80	0.07%	Nara	764	0.69%
Yamagata	160	0.14%	Wakayama	47	0.04%
Fukushima	285	0.26%	Tottori	115	0.10%
Ibaraki	1,452	1.31%	Shimane	92	0.08%
Tochigi	601	0.54%	Okayama	251	0.23%
Gunma	1,266	1.15%	Hiroshima	606	0.55%
Saitama	11,691	10.59%	Yamaguchi	400	0.36%
Chiba	12,242	11.08%	Tokushima	114	0.10%
Tokyo	31,094	28.15%	Kagawa	384	0.35%
Kanagawa	13,357	12.09%	Ehime	223	0.20%
Niigata	472	0.43%	Kochi	90	0.08%
Toyama	238	0.22%	Fukuoka	2,887	2.61%
Ishikawa	353	0.32%	Saga	106	0.10%
Fukui	166	0.15%	Nagasaki	164	0.15%
Yamanashi	294	0.27%	Kumamoto	397	0.36%
Nagano	688	0.62%	Oita	217	0.20%
Gifu	714	0.65%	Miyazaki	364	0.33%
Shizuoka	2,130	1.93%	Kagoshima	382	0.35%
Aichi	6,684	6.05%	Okinawa	321	0.29%
Mie	516	0.47%	Total	110,442	100.00%

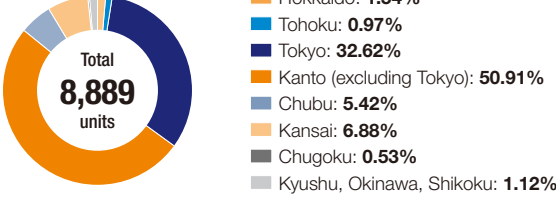
Container type: Breakdown of number of units by region



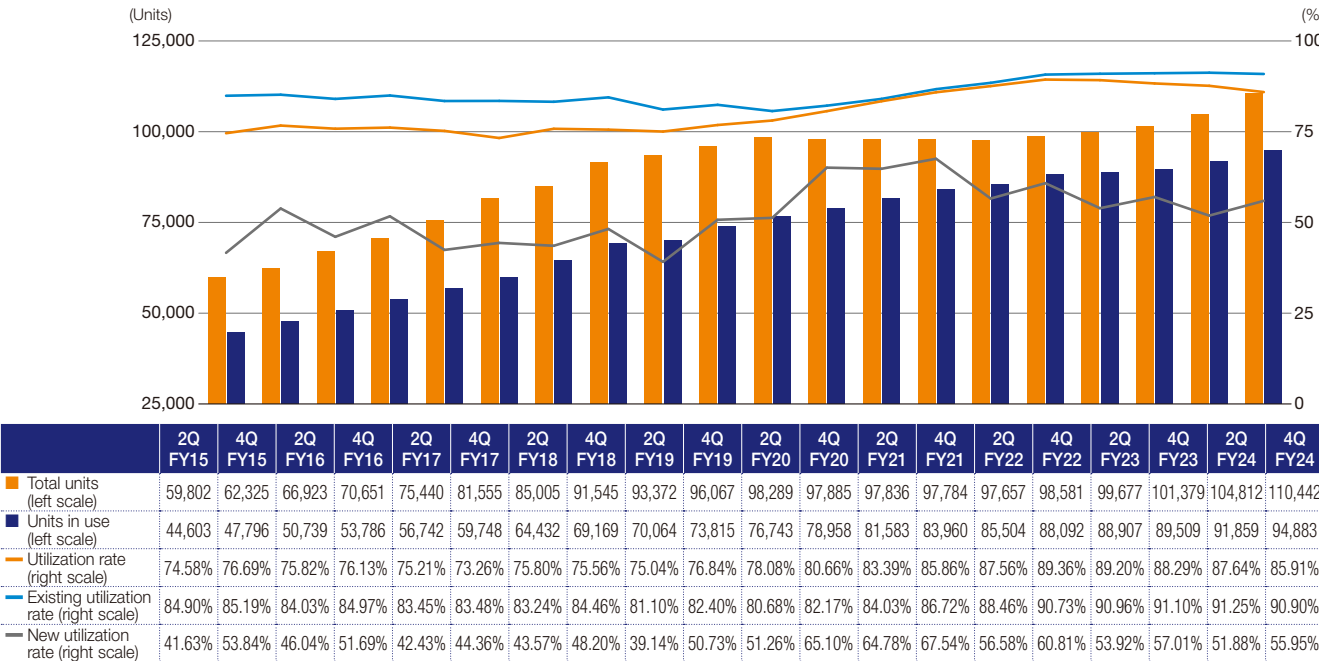
In-building trunk type: Breakdown of number of units by region



Self-storage properties with land type: Breakdown of number of units by region



Total Units in Use and Utilization Rates in the Self-Storage Business



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

Stock Information/Company Profile (As of December 31, 2024)

Securities Code	8914
Stock Listing	TSE Standard Market
Share Handling Agent	Mitsubishi UFJ Trust and Banking Corporation
Authorized Shares	35,760,000 Shares
Number of Shares Issued and Outstanding*1	25,881,800 Shares
Trading Unit of Shares	100 Shares
Number of Shareholders	5,515

*1 The Company carried out a two-for-one stock split of common stock effective July 1, 2024. As a result, the total number of shares issued and outstanding has increased by 12,940,900 shares.

Status of Shareholders

Principal shareholders	Number of shares held	% of total
Naomichi Hayashi	4,679,134	18.42
CEPLUX-THE INDEPENDENT UCITS PLATFORM 2	1,265,700	4.98
Takeyasu Tsujimoto	1,186,800	4.67
The Nomura Trust and Banking Co., Ltd. (Trust account)	690,000	2.71
GOLDMAN, SACHS & CO. REG	672,298	2.64
NIIHAMA IRON WORKS CO., LTD.	620,000	2.44
CACEIS BANK/QUINTET LUXEMBOURG SUB AC/UCITS CUSTOMERS ACCOUNT	531,800	2.09
Satoshi Nakajima	451,000	1.77
Amix Co., Ltd.	450,000	1.77
BBH FOR FIDELITY LOW-PRICED STOCK FUND (PRINCIPAL ALL SECTOR SUBPORTFOLIO)	429,539	1.69

Notes: 1. The list excludes Arealink, who owns 491,167 shares of its treasury stock.
2. The ownership percentages were calculated after exclusion of the 491,167 treasury shares.

Stock Price

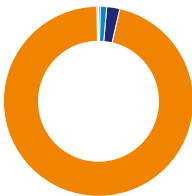
	2019/12	2020/12	2021/12	2022/12	2023/12	2024/12
High (Yen)	1,480	1,335	1,729	2,041	3,085	2,430
Low (Yen)	889	631	932	1,245	1,754	1,145*2
Close (Yen)	1,350	945	1,536	1,780	2,690	2,284
Market capitalization (Millions of yen)	17,470	12,229	19,877	23,034	34,811	59,114

*2 The Company carried out a two-for-one stock split of common stock effective July 1, 2024. The stock price on March 14, 2024, without considering the stock split, was 2,290 yen.

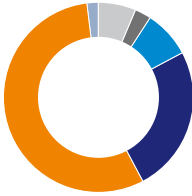
Company Profile

Company Name	Arealink Co., Ltd.
Head Office	4-14-1, Sotokanda, Chiyoda-ku, Tokyo 101-0021
Established	April 1995
Paid-in Capital	6,111,539 thousand yen
Number of Employees	80 (excluding Directors, temporary employees and contract employees)
Balance Date	December
Main Financing Banks	Resona Bank, Limited., Kiraboshi Bank, Ltd., The Chiba Bank, Ltd., Mizuho Bank, Ltd. and The Johoku Shinkin Bank
Website URL	https://www.arealink.co.jp/en/

Breakdown of Shareholders by Type



Breakdown of Shares by Type of Shareholder (Hundreds shares)



IR Communication

Arealink holds twice-yearly results briefings for institutional investors and securities analysts. These briefings include explanations of business results, and President Hayashi directly presents the Company's growth strategies. A video of the most recent results briefing is available on the Company's IR website, along with the presentation material.

Contact:

IR Office, Administrative Department
03-3526-8556

IR information website
<https://www.arealink.co.jp/en/ir/>



FY12/24 Results Briefing Video Streaming Site (Japanese)