

APAMAN

Briefings on Financial Results for the Third Quarter of
the Fiscal Year Ending September 30, 2021 (FY2021)

August 2, 2021

APAMAN Co., Ltd.

JASDAQ: 8889



3Q FY2021 Consolidated Results

Overview of Consolidated Results (YoY comparison)

(Millions of yen)

	3Q FY2020	3Q FY2021	Remarks (Major factors)	YoY change
Net sales	33,020	33,699	Increase in number of units under management	+679
Gross profit	7,025	7,724	Increase in number of units under management Lower revaluation on operational investment securities (FY2020)	+699
SG&A expenses	6,568	6,786		+218
Operating profit	457	938	Lower revaluation on operational investment securities (FY2020) Termination of royalty reduction, etc.	+480
Ordinary profit	(154)	672	Increase in share of profit of entities accounted for using equity method	+826
Profit attributable to owners of parent	(900)	83	Gain on the change in ownership	+983
EBITDA ^{Note}	1,152	1,989	Increase in ordinary profit	+837

Note: EBITDA = Ordinary profit + interest expenses + depreciation + amortization of goodwill

Overview of Consolidated Balance Sheet (vs. end-FY2020)

(Millions of yen)

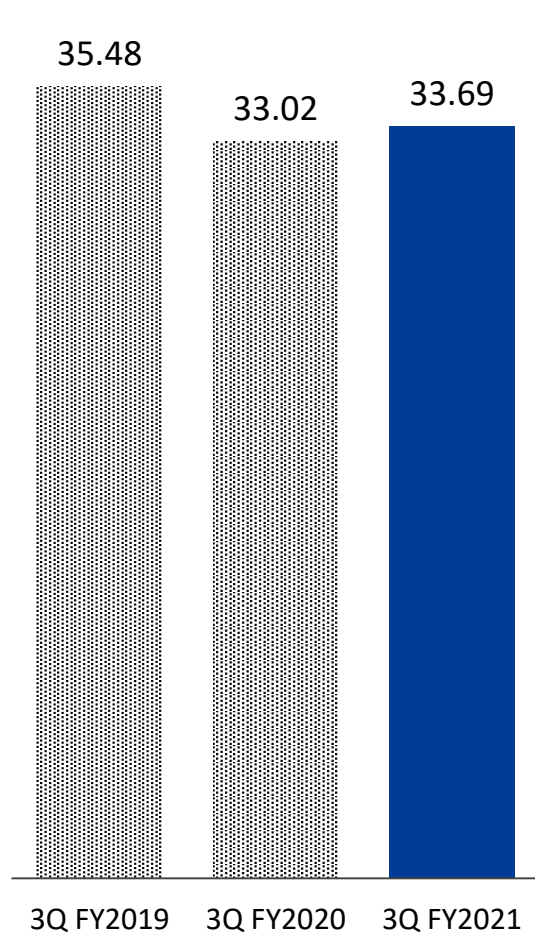
Assets	End-FY2020	3Q FY2021	Change
Current assets	14,824	13,345	-1,479
Cash and deposits	7,561	5,387	-2,174
Notes and accounts receivable-trade	1,746	1,797	+50
Operational investment securities	1,205	1,190	-15
Other	4,311	4,971	+659
Non-current assets	19,430	19,755	+324
Property, plant and equipment	3,733	3,609	-124
Intangible assets	9,022	9,049	+26
Goodwill	6,918	6,483	-434
Other	2,103	2,565	+461
Investments and other assets	6,674	7,096	+422
Total assets	34,255	33,101	-1,153

Liabilities and net assets	End-FY2020	3Q FY2021	Change
Current liabilities	9,190	10,034	+843
Accounts payable-trade	1,023	1,116	+92
Short-term borrowings ^{Note}	1,942	2,339	+396
Other	6,224	6,577	+353
Non-current liabilities	20,621	19,008	-1,612
Long-term borrowings	17,787	16,278	-1,508
Long-term lease and guarantee deposited	1,757	1,657	-99
Other	1,076	1,072	-4
Total liabilities	29,811	29,042	-769
Capital	7,983	7,983	-
Net assets	4,443	4,058	-384
Total liabilities and net assets	34,255	33,101	-1,153

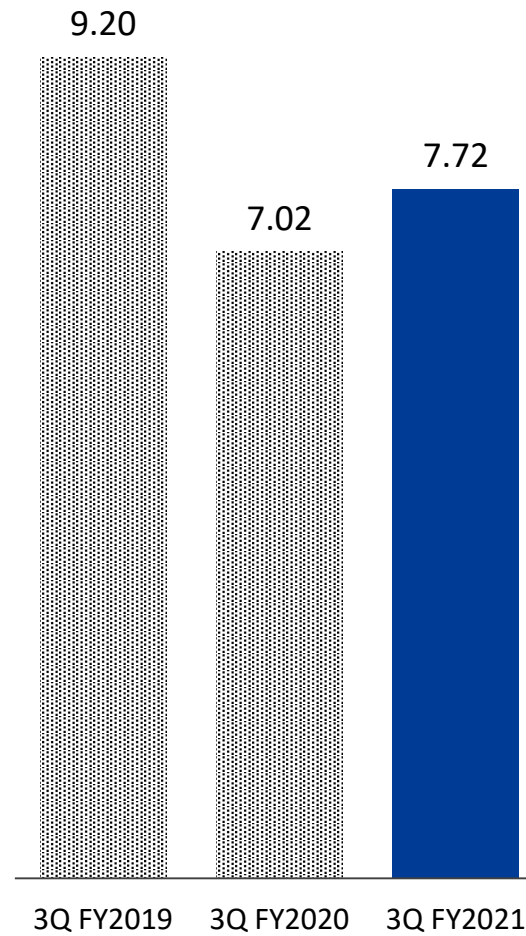
Note: Includes current portion of long-term borrowings

(Billions of yen)

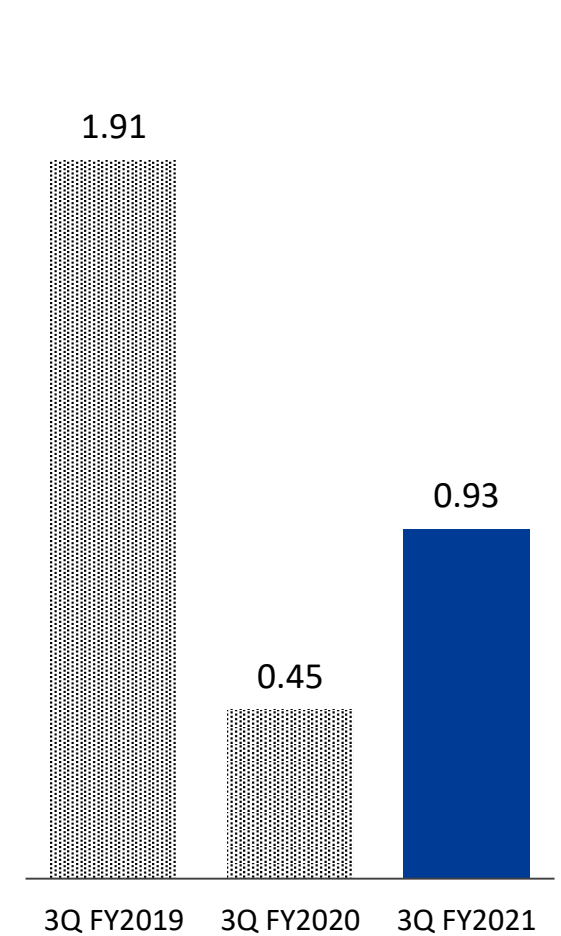
Net sales



Gross profit

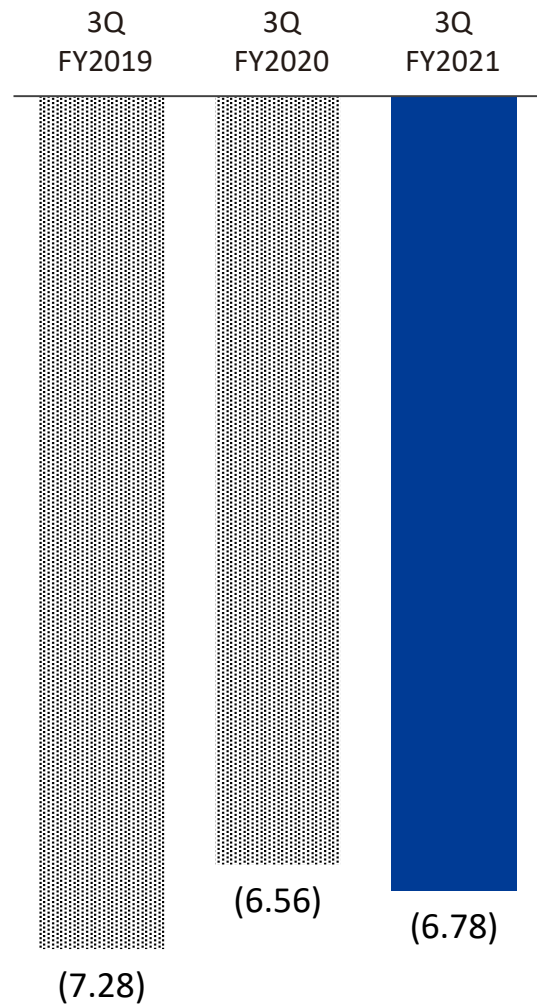


Operating profit

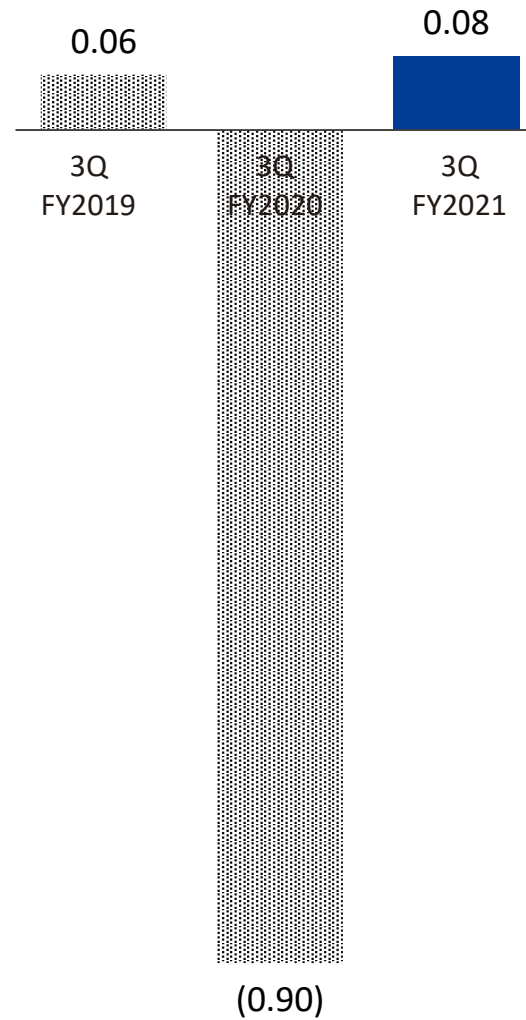


(Billions of yen)

SG&A expenses



Profit attributable to owners of parent



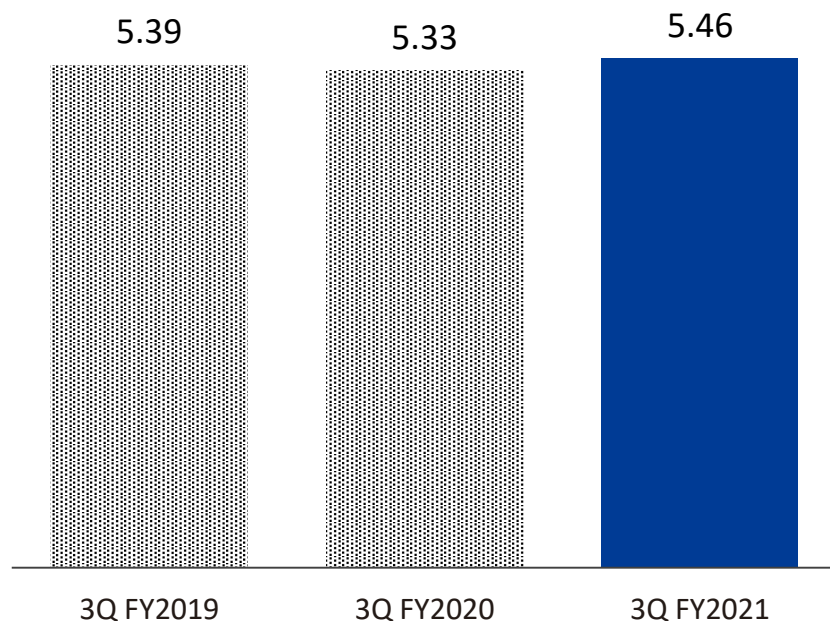
(Billions of yen)

Constant-revenue gross profit

Property management/sub-leasing, cloud/franchise services, utilization fees for co-working locations (fabbit) and others

Higher gross profit due to an increase in the number of units under management

Lower gross profit due to higher purchase price of the electric retailing business

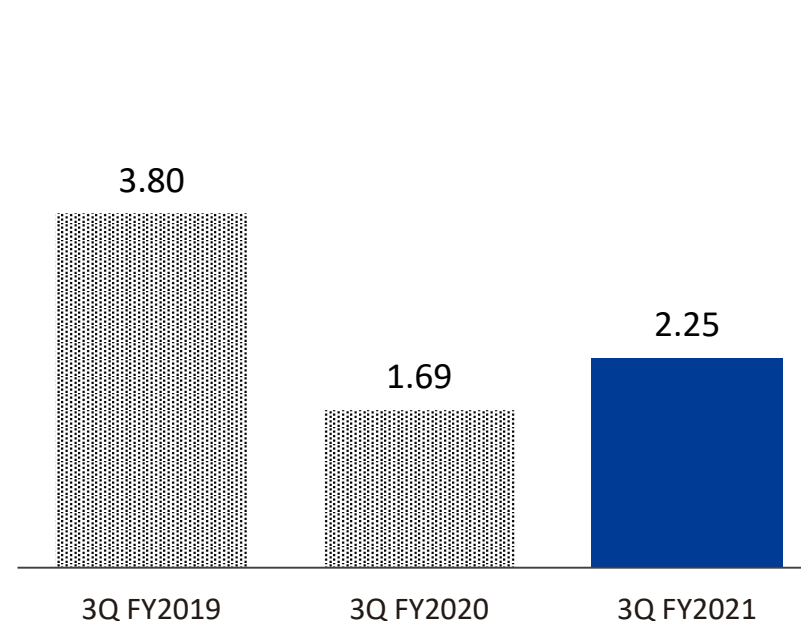


Other gross profit

Brokerage fees, consulting fees, operational investment securities and others

Valuation loss on of operational investment securities (FY2020)

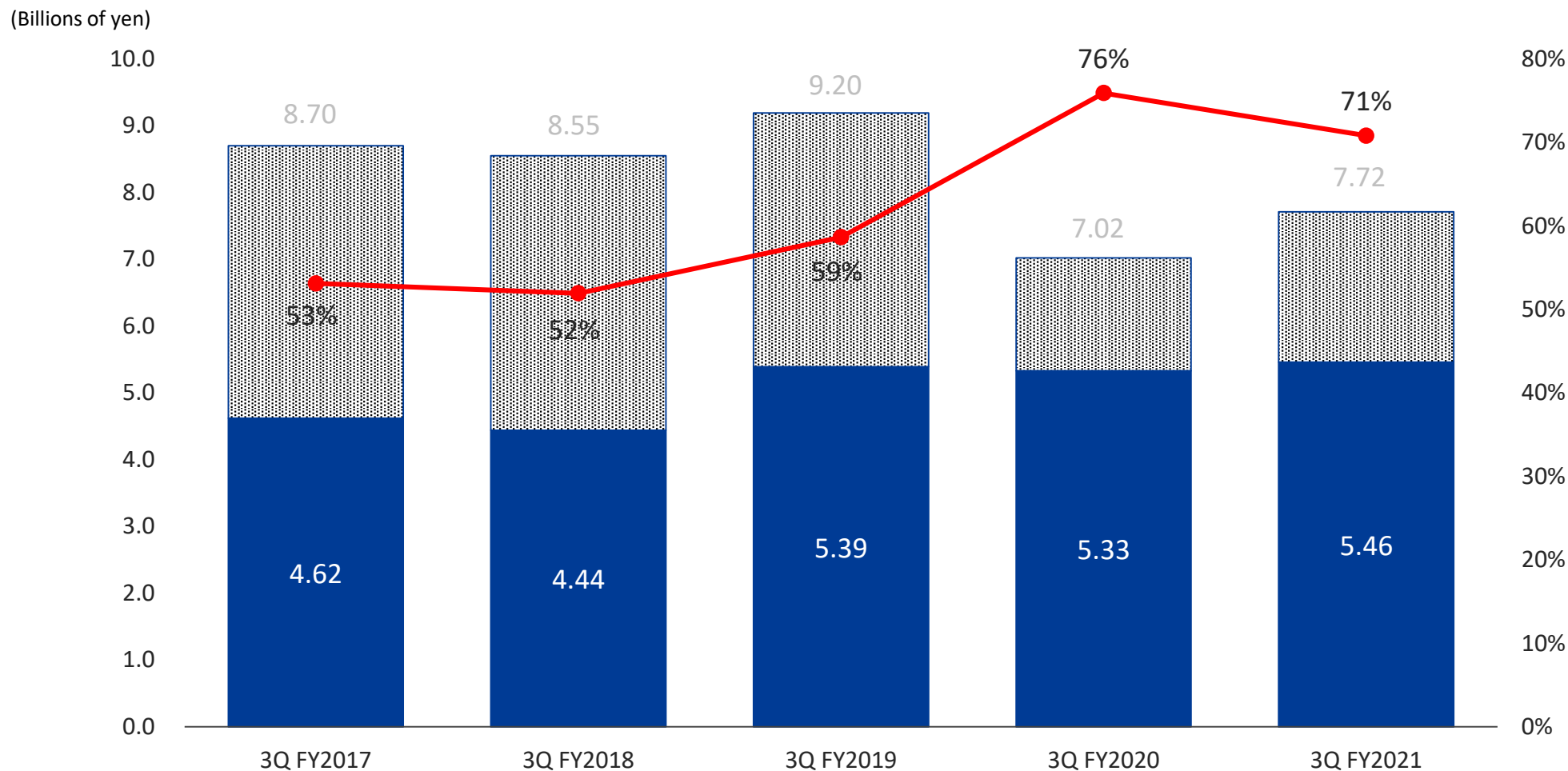
Online support at directly operated stores



Note: Sales for businesses in the same segment that are divided between constant-revenue and other gross profit include transactions within the segment that are eliminated in the consolidated financial statements.

Share of constant-revenue gross profit in total gross profit

- Constant-revenue gross profit
- Share of constant-revenue gross profit in total gross profit



Note: Sales for businesses in the same segment that are divided between constant-revenue and other gross profit include transactions within the segment that are eliminated in the consolidated financial statements.

Business Domain (Constant revenue, Others)

Constant revenue business / Other business

Segment	Main business	Constant revenue	Primary income source
Platform	Rental management and sub-leasing	○	Management fee
	Rental brokerage	×	Brokerage fee
Technology	Cloud service	○	Usage fee
	Franchise service	○	Royalty fee
Others	Co-working, etc.	○	Usage fee
	Metered parking	○	Parking fee

Size of Customer Base

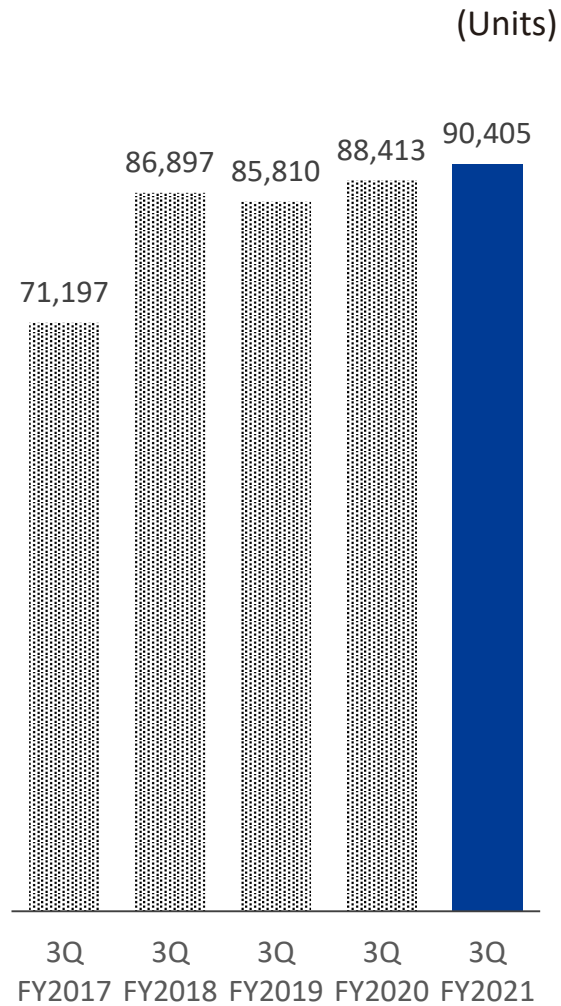
Segment	Main business	Customers/Market size	
Platform	Rental management and sub-leasing	90,405 units (up 1,992 units YoY)	
	Directly operated stores	69 stores (down 8 stores YoY)	
Technology	Cloud service	Stores	1,043 stores
	Franchise service	Property management/Sub-leasing	Approx. 1,030,000 units
		Property owner relationships	Approx. 200,000 owners
Others	Metered parking	4,321 parking spaces nationwide (up 410 parking spaces YoY)	

Notes: Rental management and sub-leasing, directly operated stores and metered parking businesses include directly operated stores and cloud service, and franchise service include FCs.

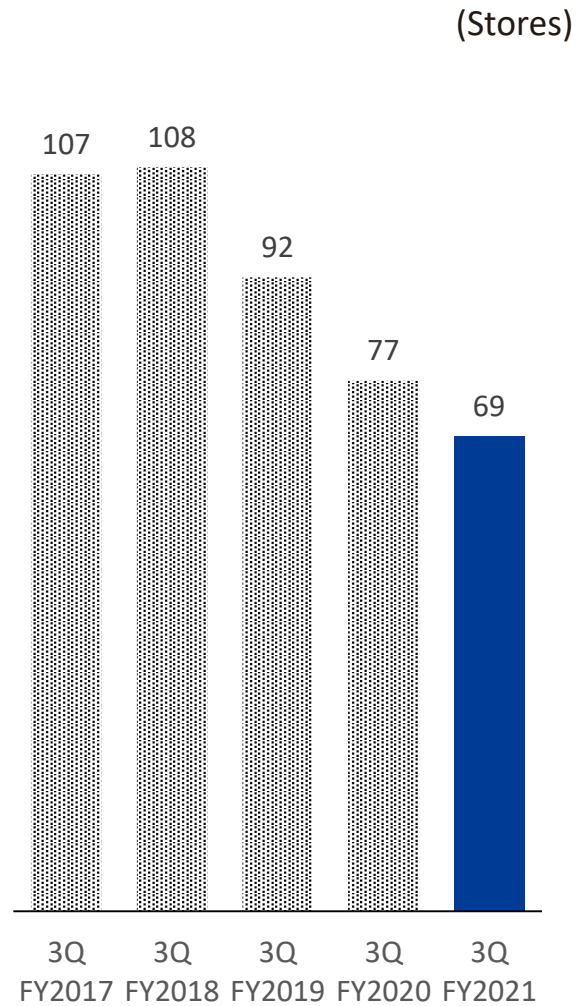
The number of property management/sub-leasing units (approx. 1,030,000 units) and the number of property owner relationships (approx. 200,000 owners) are as of September 2020 using Apaman Network data.

Change in Customer Base

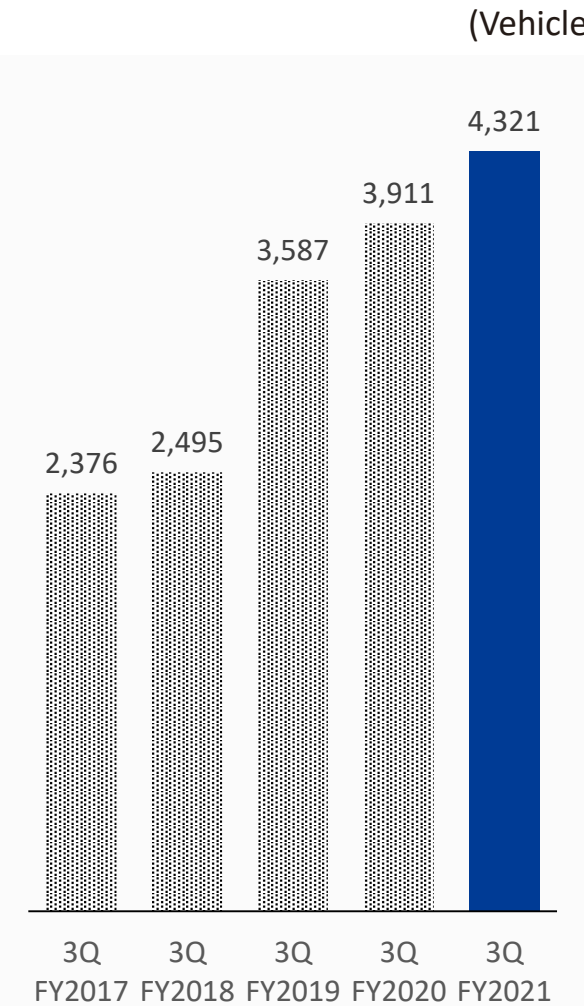
Number of units under management



Directly managed stores



Metered parking

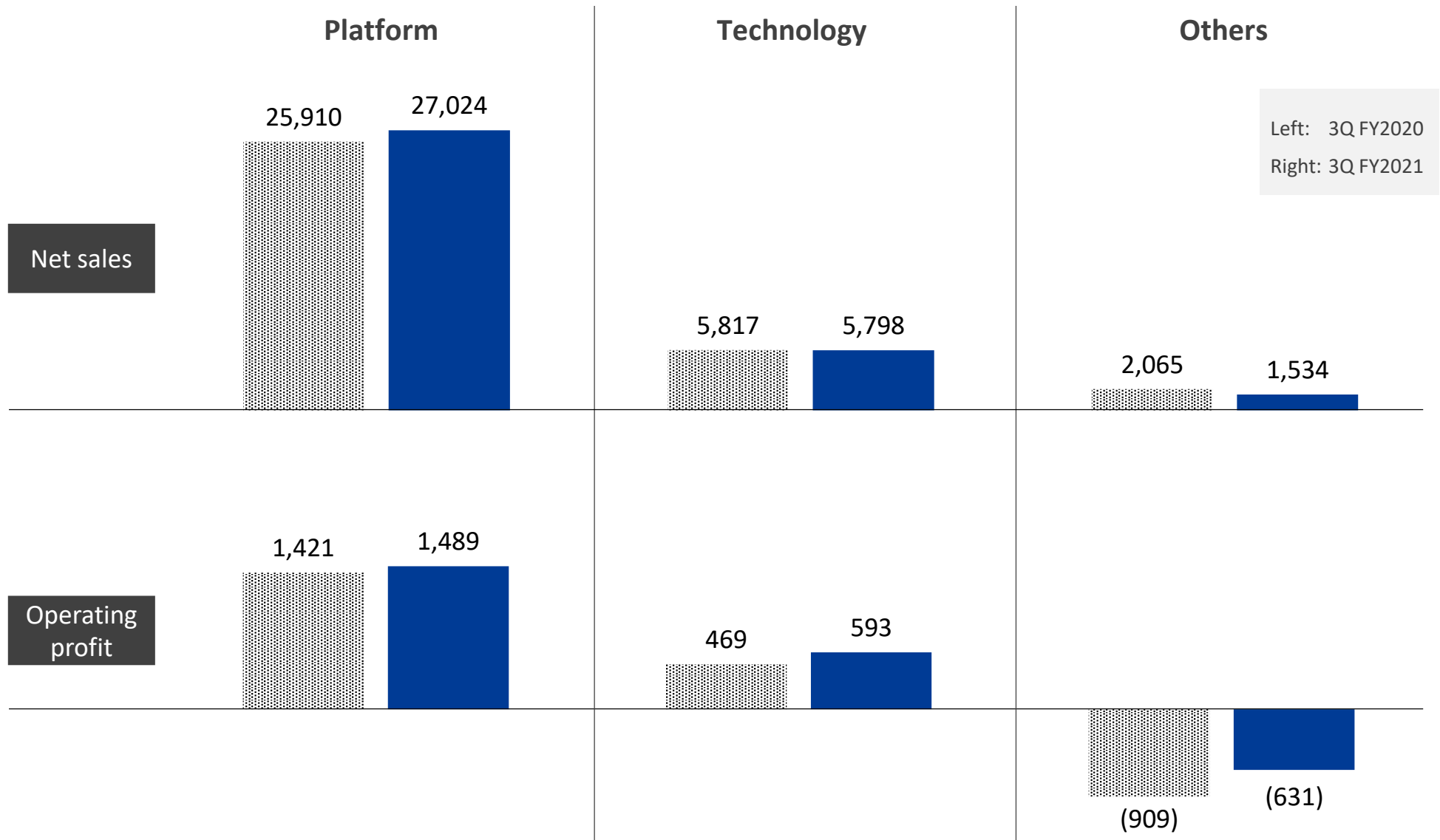




3Q FY2021 Results by Segment

Net Sales and Operating Profit by Segment (YoY comparison)

(Millions of yen)



Platform Business (YoY comparison)

Number of units under management up 1,992 YoY;
Higher purchase price of the electric retail business reduced operating profit by 100 million yen

(Millions of yen)

	3Q FY2020	3Q FY2021	YoY change	
			Amount	%
Net sales	25,910	27,024	+1,114	4.3%
Operating profit	1,421	1,489	+67	4.8%

Stores



Number of directly managed
franchised stores
77 stores (3Q FY2020) → **69** stores

PM



Number of units under management
88,413 units → **90,405** units

Examples of included and associated services

Insurance	Rent guarantees	Emergency assistance
Electricity/Gas	Money transfers	Telecommunications
Key exchange	Collection of fees for NHK subscriptions	Collection of fees for CATV subscriptions

Gross profit of included and associated services
1,136 million yen (3Q FY2020) → **1,106** million yen

Note: Due to measures to increase franchised stores, etc.

Technology Business (YoY comparison)

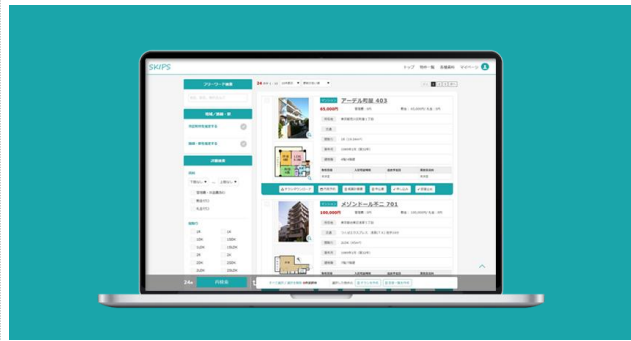
Termination of royalty reduction due to the COVID-19 infection

(Millions of yen)

	3Q FY2020	3Q FY2021	YoY change	
			Amount	%
Net sales	5,817	5,798	-19	-0.3%
Operating profit	469	593	+124	26.5%

Technology services

Automated rental management



Shared electronic keys for apartments



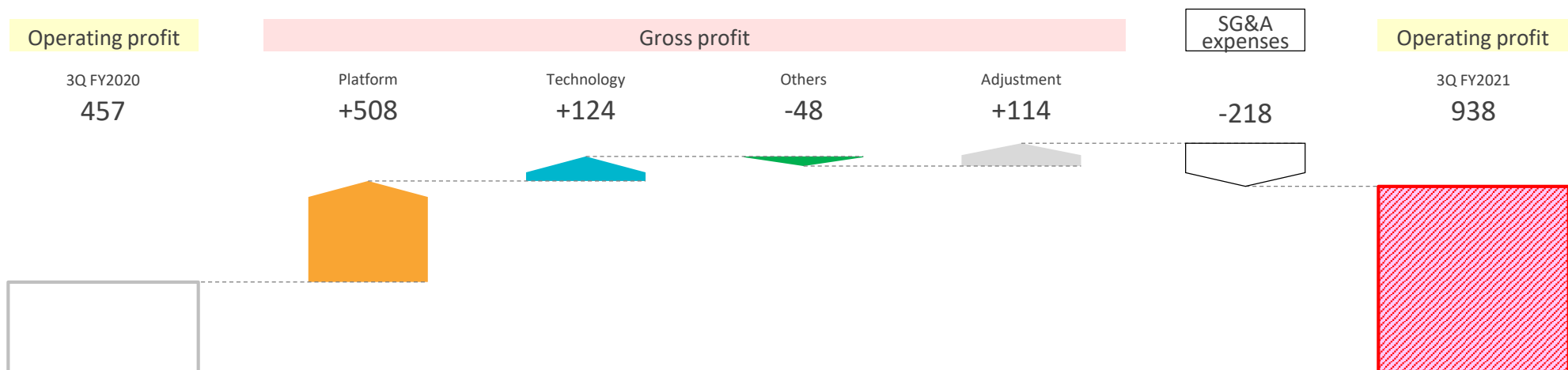
Core system for rental brokerage service



Analysis of Operating Profit by Segment (YoY)

(Millions of yen)

	3Q FY2020			3Q FY2021			YoY change		
	Net sales	Gross profit	Gross profit margin	Net sales	Gross profit	Gross profit margin	Net sales	Gross profit	Gross profit margin
Platform	25,910	6,456	24.9%	27,024	6,965	25.8%	+1,114	+508	+0.9%
Technology	5,817	1,141	19.6%	5,798	1,265	21.8%	-19	+124	+2.2%
Others	2,065	47	2.3%	1,534	(1)	(0.1)%	-531	-48	-2.4%
Adjustment (elimination or corporate)	(790)	(619)	-	(658)	(504)	-	+115	+114	-
Total	33,020	7,025	21.3%	33,699	7,724	22.9%	+679	+699	+1.6%
SG&A expenses (SG&A expenses ratio)	6,568		19.9%	6,786		20.1%	+218		+0.2%
Operating profit (operating margin)	457		1.4%	938		2.8%	+480		+1.4%





FY2021 Consolidated Forecast

Overview of Consolidated Forecast (YoY comparison)

(Millions of yen)

	FY2020 Results	FY2021 Forecast	Change
Net sales	44,119	44,500	+380
Operating profit	840	1,800	+959
Ordinary profit	8	1,000	+991
Profit attributable to owners of parent	166	550	+383

Challenges hampering growth

1. Growth of online operations
2. Increase the number of managed/sub-leased properties
3. Launch of the company-rented housing business (New business)

Activities for the growth of online operations

Online First

Locate and rent an apartment online



Online explanations and contracts



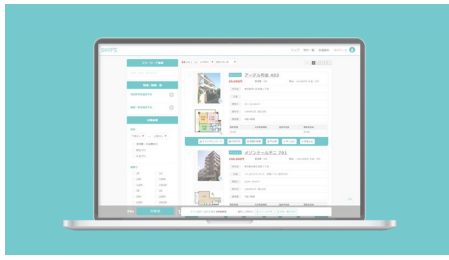
Shared electronic keys for apartments



Use of AI for marketing activities



Automated rental management



Automated rental brokerage service



Online meetings



(Property owners, franchised companies, members)

Online seminars



(Property owners, franchised companies, members)

2. Increase the number of managed/sub-leased properties
3. Launch of the company-rented housing business (New business)

Increase the number of managed/sub-leased properties

Results: up 1,992 properties YoY

Increase master leases for the provision of company housing

Results: 50 contracted companies

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Amounts are rounded down to the nearest million yen and percentages are rounded off to the first decimal place. Accordingly, figures calculated using mathematical formulas and the resulting figures stated in this material may not agree. The information presented in these materials, excluding past results but including management strategies, plans, and forecasts, is forward-looking information, based on certain assumptions deemed reasonable in light of the information available at the time these materials were prepared. Actual results may differ significantly from these forecasts as a result of a variety of factors going forward. The information contained in these materials is subject to change without notice.

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