

APAMAN

Real Estate
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Technology

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

February 5, 2021

APAMAN Co., Ltd.

JASDAQ: 8889

1Q FY2021 Consolidated Results

Overview of Consolidated Results (YoY comparison)

(Millions of yen)

	1Q FY2020	1Q FY2021	Remarks (Major factors)	YoY change
Net sales	10,630	11,100	Increase in number of units under management	+470
Gross profit	2,331	2,526	Increase in number of units under management Improvement in rental brokerage service	+194
SG&A expenses	2,298	2,381		+82
Operating profit	33	144	Increase in number of units under management Improvement in rental brokerage service	+111
Ordinary profit	(198)	55	Increase in share of profit of entities accounted for using equity method	+254
Profit attributable to owners of parent	(325)	(122)		+203
EBITDA ^{Note}	237	493	Increase in ordinary profit	+255

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

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

(Millions of yen)

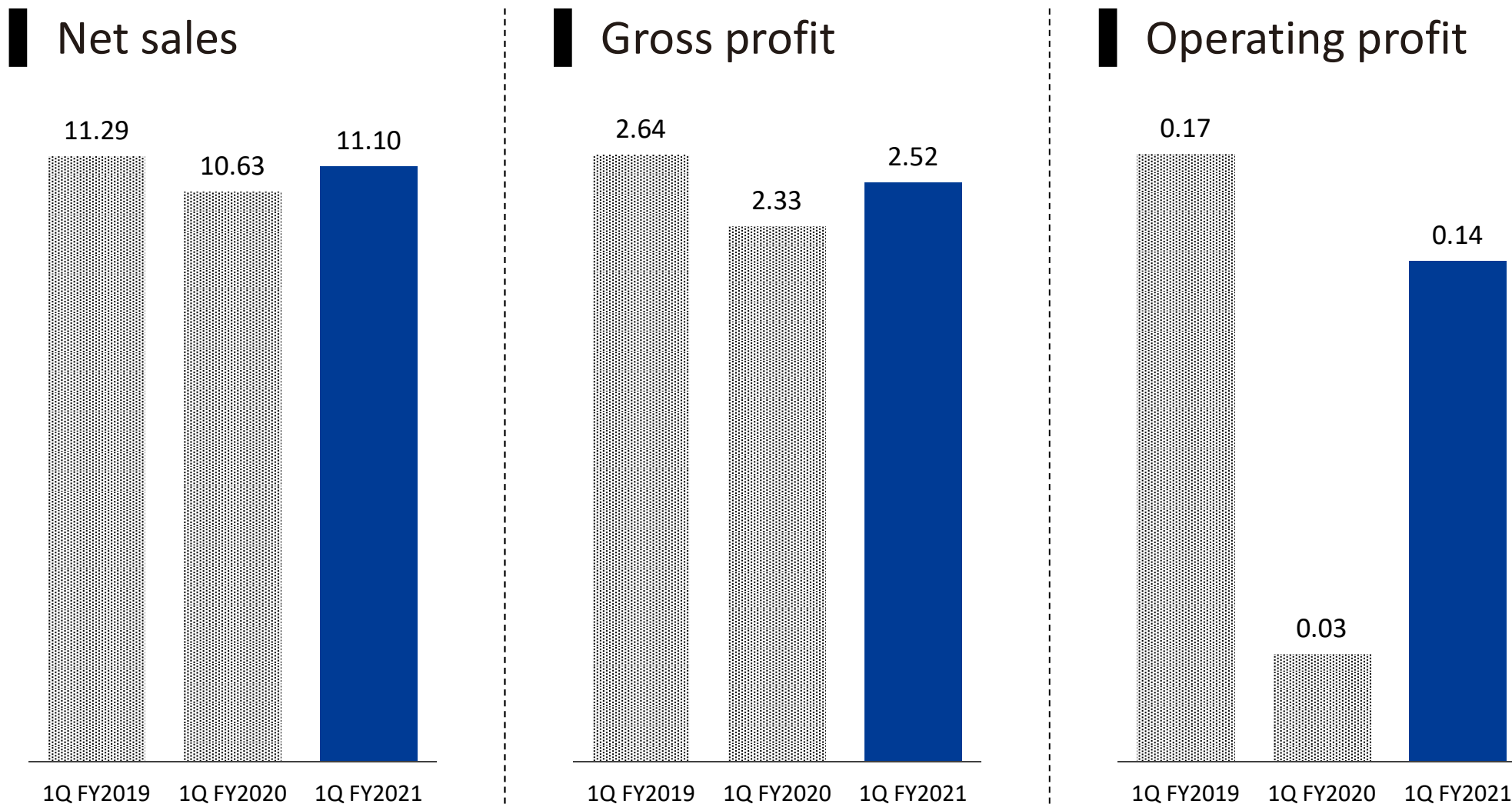
Assets	End-FY2020	1Q FY2021	Change
Current assets	14,824	14,393	-430
Cash and deposits	7,561	6,995	-565
Notes and accounts receivable-trade	1,746	1,734	-12
Operational investment securities	1,205	1,180	-25
Other	4,311	4,482	+171
Non-current assets	19,430	19,187	-243
Property, plant and equipment	3,733	3,670	-63
Intangible assets	9,022	8,794	-227
Goodwill	6,918	6,720	-197
Other	2,103	2,073	-30
Investments and other assets	6,674	6,722	+48
Total assets	34,255	33,582	-673

Liabilities and net assets	End-FY2020	1Q FY2021	Change
Current liabilities	9,190	9,611	+420
Accounts payable-trade	1,023	1,188	+164
Short-term borrowings ^{Note}	1,942	2,134	+191
Other	6,224	6,288	+63
Non-current liabilities	20,621	19,986	-634
Long-term borrowings	17,787	17,240	-546
Long-term lease and guarantee deposited	1,757	1,722	-34
Other	1,076	1,023	-53
Total liabilities	29,811	29,597	-214
Capital	7,983	7,983	-
Net assets	4,443	3,984	-459
Total liabilities and net assets	34,255	33,582	-673

Note: Includes current portion of long-term borrowings

Consolidated Results of Operations 3-year Trend

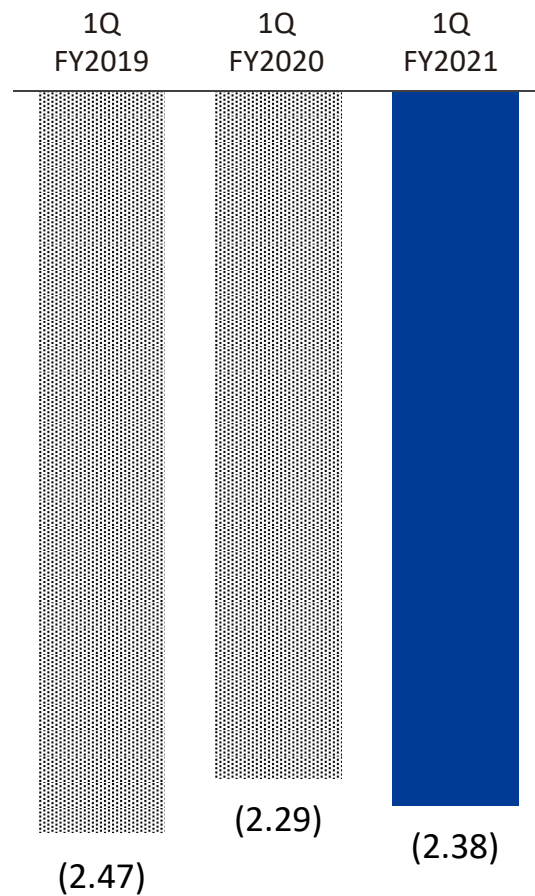
(Billions of yen)



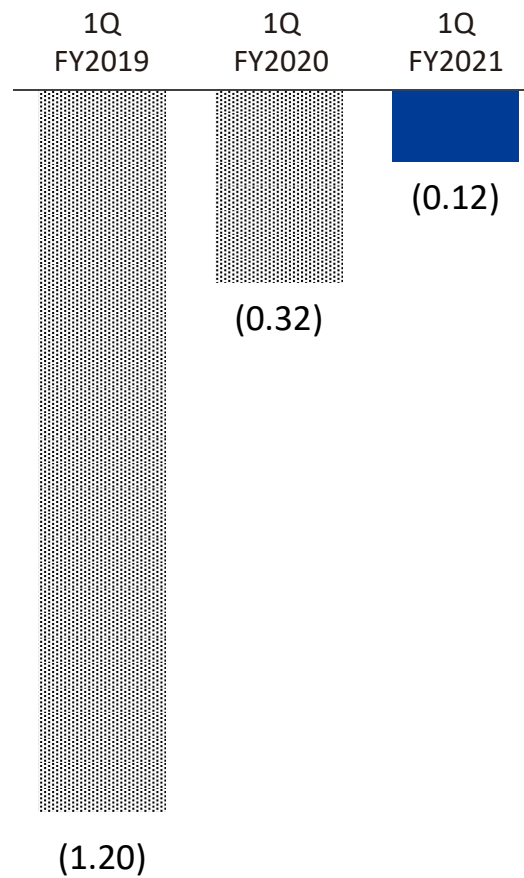
Consolidated Results of Operations 3-year Trend

(Billions of yen)

SG&A expenses



Profit attributable to owners of parent



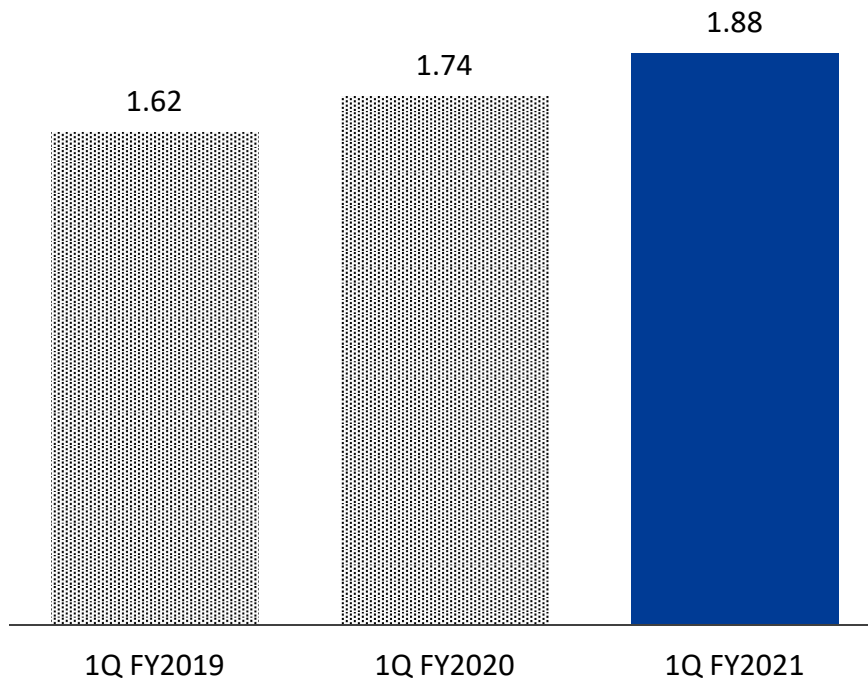
Consolidated Results of Operations Composition of Gross Profit

- ▶ Solid trend in constant-revenue gross profit
- Other gross profit includes revenue from online operations for directly operated locations

(Billions of yen)

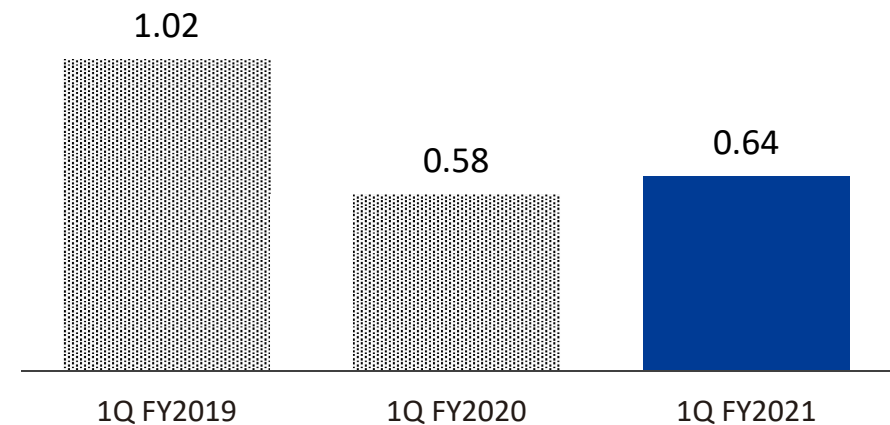
Constant-revenue gross profit

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



Other gross profit

Brokerage fees, consulting fees, operational investment securities and others



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
Cloud technology	Cloud service	○	Usage fee
	Franchise service	○	Royalty fee
Sharing economy	fabbit	○	Utilization fees
	fabbit	×	Consulting fee
	Metered parking	○	Parking fee

Size of Customer Base

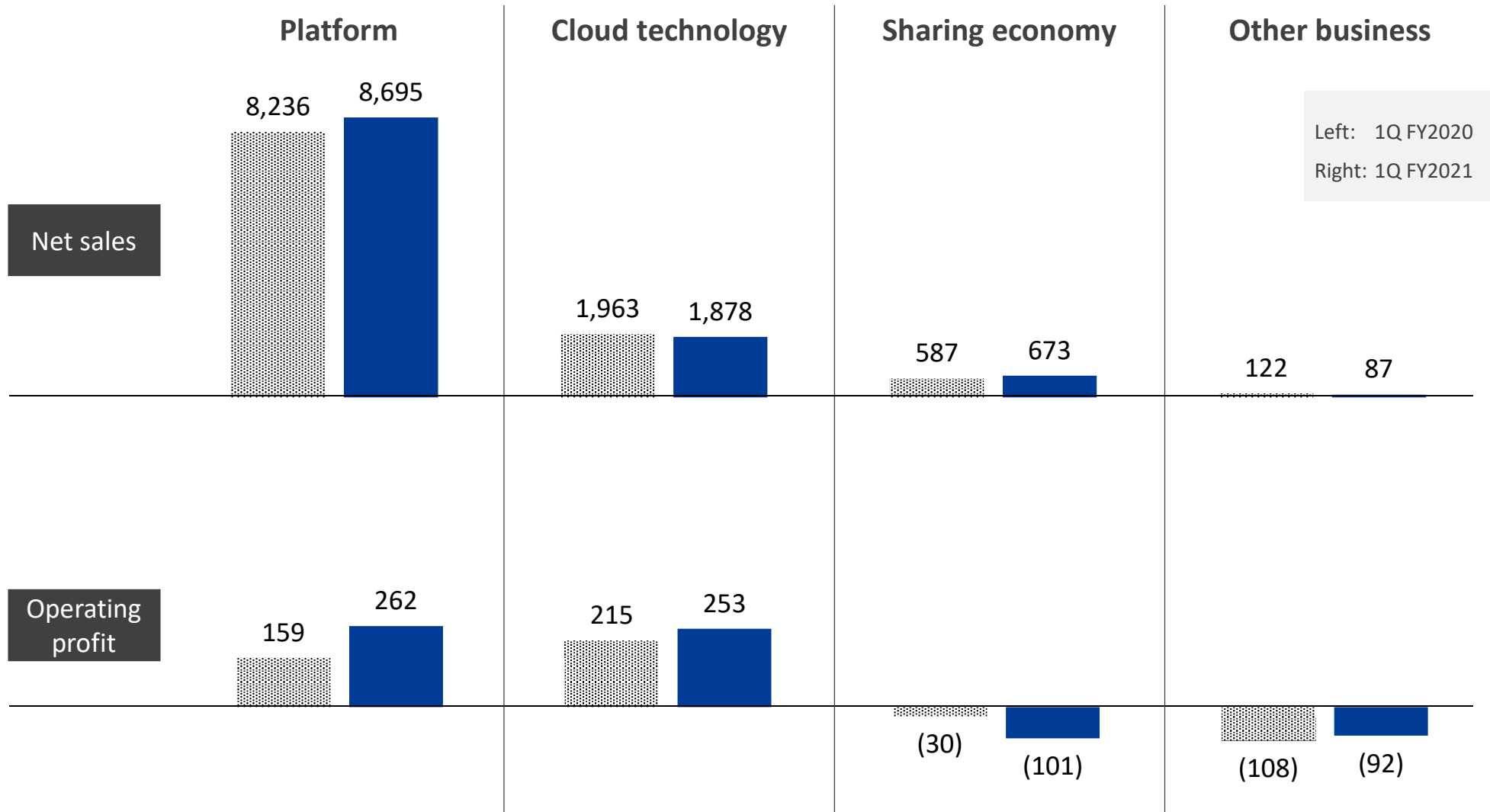
Segment	Main business	Customers/Market size	
Platform	Rental management and sub-leasing	91,822 units (up 5,316 units YoY)	
	Directly operated stores	69 stores (down 18 stores YoY)	
Cloud technology	Cloud service	Stores	1,044 stores
	Franchise service	Property management/Sub-leasing	Approx. 1,030,000 units
		Property owner relationships	Approx. 200,000 owners
Sharing economy	fabbit	12,711 members	
	Metered parking	4,167 parking spaces nationwide (up 567 parking spaces YoY)	

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

1Q 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 5,316 YoY;
Improvement in rental brokerage service

(Millions of yen)

	1Q FY2020	1Q FY2021	YoY change	
			Amount	%
Net sales	8,236	8,695	+458	+5.6%
Operating profit	159	262	+103	+64.9%

Stores



Number of directly managed
franchised stores
87 stores (1Q FY2020) → **69** stores

PM



Number of units under management
86,506 units → **91,822** units
(1Q FY2020)

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
339 million yen (1Q FY2020) → **351** million yen

Note: Due to COVID-19 and other factors

Cloud Technology Business (YoY comparison)

Termination of royalty reduction due to the COVID-19 infection

(Millions of yen)

	1Q FY2020	1Q FY2021	YoY change	
			Amount	%
Net sales	1,963	1,878	-84	-4.3%
Operating profit	215	253	+38	+17.9%

Cloud technology services

Automated rental management



Shared electronic keys for apartments



Core system for rental brokerage service



Sharing Economy Business (YoY comparison)

Lower fabbit and parking earnings due to the COVID-19 infection

(Millions of yen)

	1Q FY2020	1Q FY2021	YoY change	
			Amount	%
Net sales	587	673	+86	+14.7%
Operating profit	(30)	(101)	-70	-

Co-working



Directly managed locations

45 (1Q FY2020) → **46**

Parking









3,600 parking spaces (1Q FY2020)

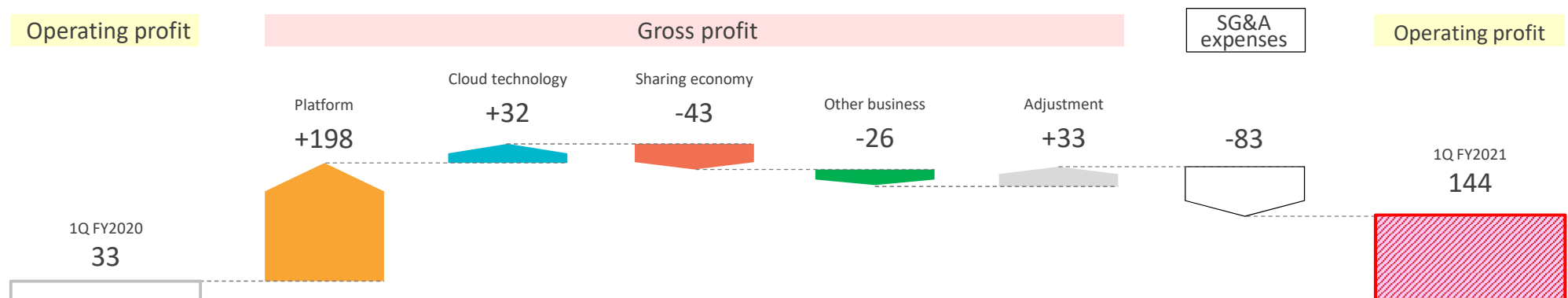
→ **4,167** parking spaces

Note: The number of locations includes sites that have been leased but not yet started operations.

Analysis of Operating Profit by Segment (YoY)

(Millions of yen)

	1Q FY2020			1Q 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	8,236	1,895	23.0%	8,695	2,093	24.1%	+458	+198	+1.1%
 Cloud technology	1,963	466	23.8%	1,878	499	26.6%	-84	+32	+2.8%
 Sharing economy	587	142	24.3%	673	99	14.8%	+86	-43	-9.5%
 Other business	122	42	34.9%	87	16	19.3%	-35	-26	-15.6%
 Adjustment (elimination or corporate)	(279)	(216)	-	(234)	(182)	-	+45	+33	-
Total	10,630	2,331	21.9%	11,100	2,526	22.8%	+470	+194	+0.8%
 SG&A expenses (SG&A expenses ratio)	2,298		21.6%	2,381		21.5%	+83		-0.2%
Operating profit (operating margin)	33		0.3%	144		1.3%	+111		+1.0%



Current Priorities



Growth of
digital
operations

Growth of
sources of
constant
revenue

Activities for the growth of digital 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)

Increase the number of managed/sub-leased properties

Increase the number of managed/sub-leased properties through M&A

Increase master leases for the provision of company housing

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

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Cautionary Statements

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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