

Briefings on Financial Results for the First Quarter of the Fiscal Year Ending September 30, 2022 (FY2022)

APAMAN Co., Ltd.

February 10, 2022

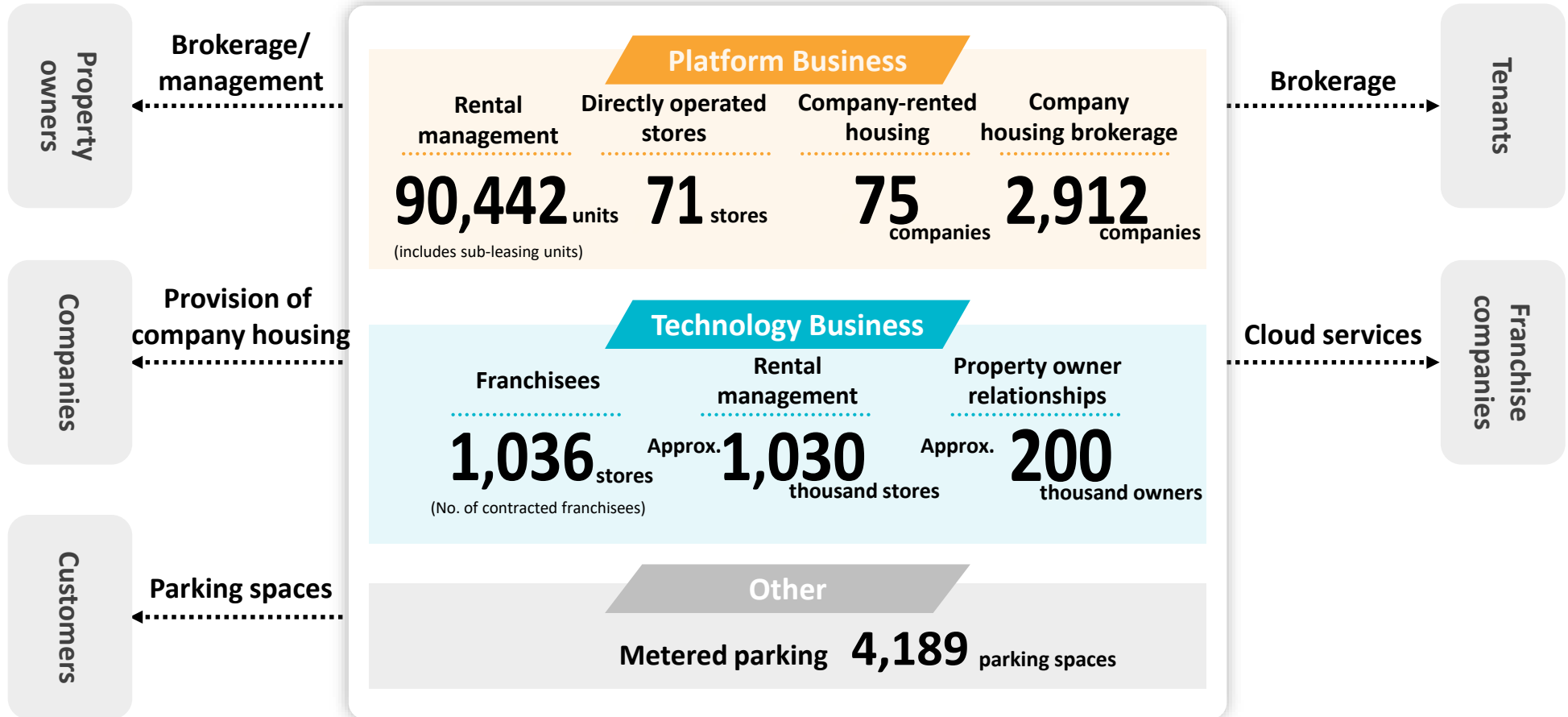
JASDAQ: 8889

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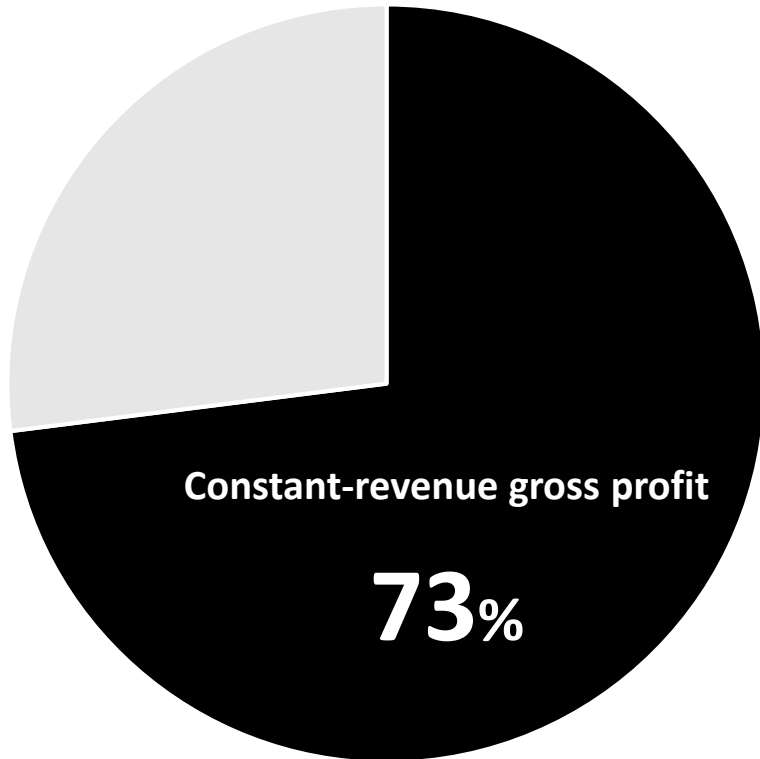
Main Business

Using the Platform Business, Technology Business and other activities to become a global company with innovative services centered on advanced technologies



As of Dec. 31, 2021

Constant revenue accounts for more than 70% of gross profit



Platform	Rental management <small>(Includes sub-leasing)</small>	Management fee
	Company-rented housings	Brokerage fee
Technology	Cloud service	Usage fee
	Franchise service	Royalty fee
Other	Metered parking	Parking fee

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.

As of Dec. 31, 2021

1Q FY2022 Financial Summary

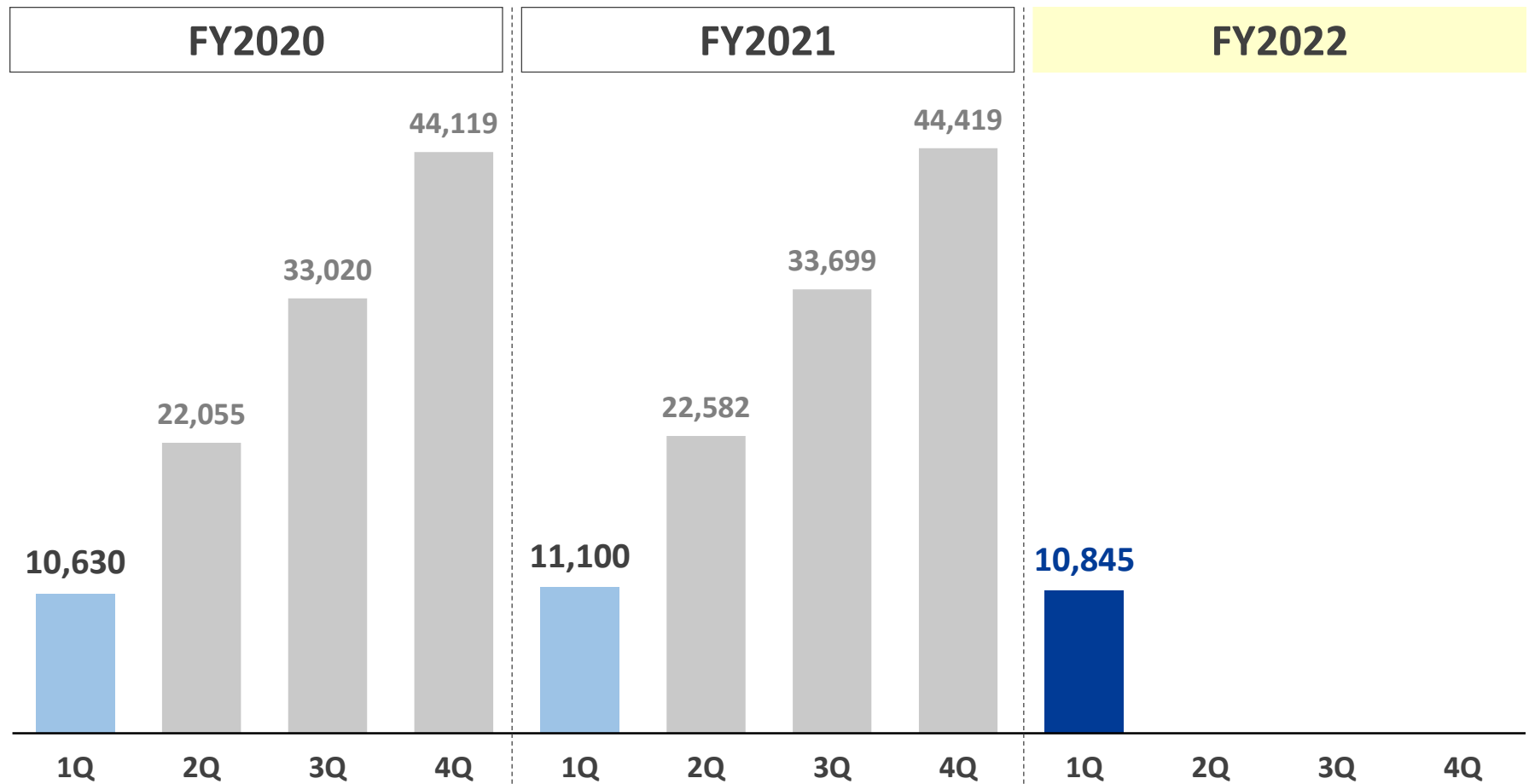
(Millions of yen)

	1Q FY2021	Ratio to net sales	1Q FY2022	Ratio to net sales	YoY change
Net sales	11,100	-	10,845	-	-254
Gross profit	2,526	22.8%	2,562	23.6%	+36
SG&A expenses	2,381	21.5%	2,170	20.0%	-210
Operating profit	144	1.3%	392	3.6%	+247
Ordinary profit	55	0.5%	226	2.1%	+170
Profit attributable to owners of parent	(122)	(1.1)%	79	0.7%	+201
EBITDA ^{Note}	493	4.4%	649	6.0%	+156

- Platform segment: profit up ¥160 million YoY; sales down ¥160 million due to the application of the new revenue recognition standard
- Effects of the deconsolidation of fabbit Co., Ltd. on January 1, 2021: sales down ¥270 million, gross profit down ¥40 million and operating profit up ¥70 million
- Equity-method profit/loss: loss of ¥90 million (down ¥140 million YoY)

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

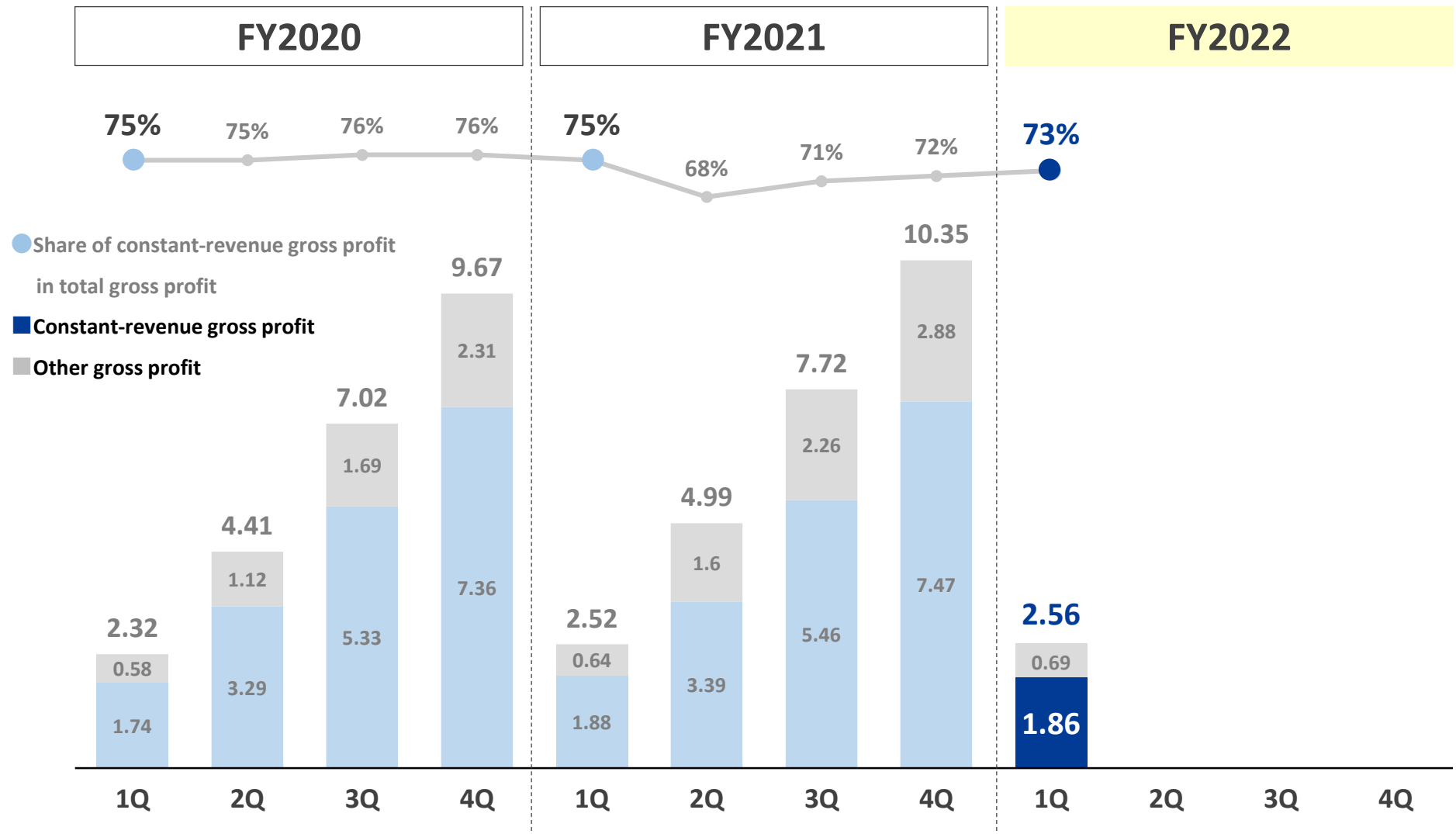
(Millions of yen)



- Deconsolidation of fabbit Co., Ltd. in 2Q FY2021: down ¥270 million
- Application of the new revenue recognition standard: down ¥160 million

Share and Amount of Constant Revenue Gross Profit (Cumulative)

(Billions of yen)



Overview of Consolidated Balance Sheet

1Q FY2022 Financial Summary

(Millions of yen)

	End-FY2021	1Q FY2022	Change
Current assets	14,804	13,461	-1,342
Cash and deposits	7,359	5,618	-1,741
Notes and accounts receivable-trade, and contract assets <small>Note 1</small>	1,742	1,777	+34
Operational investment securities	1,197	1,223	+26
Other	4,504	4,842	+337
Non-current assets	18,437	19,743	+1,306
Property, plant and equipment	3,275	3,249	-26
Intangible assets	9,070	9,513	+443
Goodwill	6,406	6,203	-203
Other	2,663	3,309	+646
Investments and other assets	6,091	6,980	+889
Total assets	33,241	33,205	-36

	End-FY2021	1Q FY2022	Change
Current liabilities	10,202	11,067	+864
Accounts payable-trade	1,149	1,884	+735
Short-term borrowings <small>Note 2</small>	2,364	2,528	+163
Other	6,688	6,654	-34
Non-current liabilities	18,459	17,812	-647
Long-term borrowings	15,892	15,350	-542
Long-term lease and guarantee deposited	1,621	1,589	-31
Other	946	872	-73
Total liabilities	28,662	28,880	+217
Capital	7,983	7,983	-
Net assets	4,578	4,325	-253
Total liabilities and net assets	33,241	33,205	-36

Non-current assets increased because of the addition of system development assets following the purchase of the stock of ARCHITECTS STUDIO JAPAN, INC. through a third-party allotment.

Notes: 1. End-FY2021: Notes and accounts receivable-trade
2. Includes current portion of long-term borrowings

1Q FY2022 Results by Segment

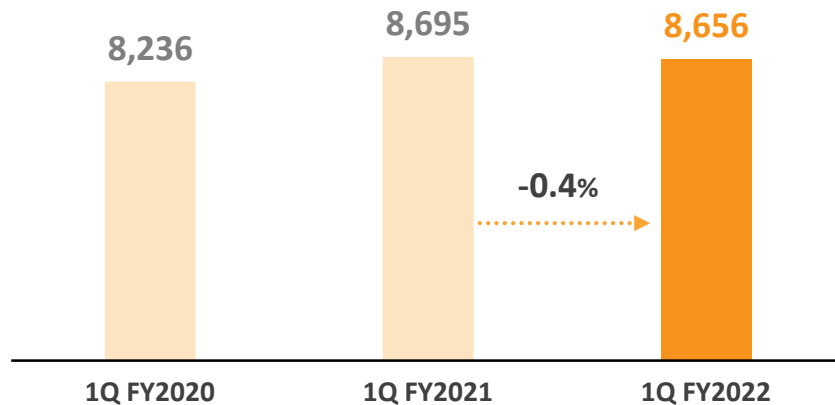
(Millions of yen)



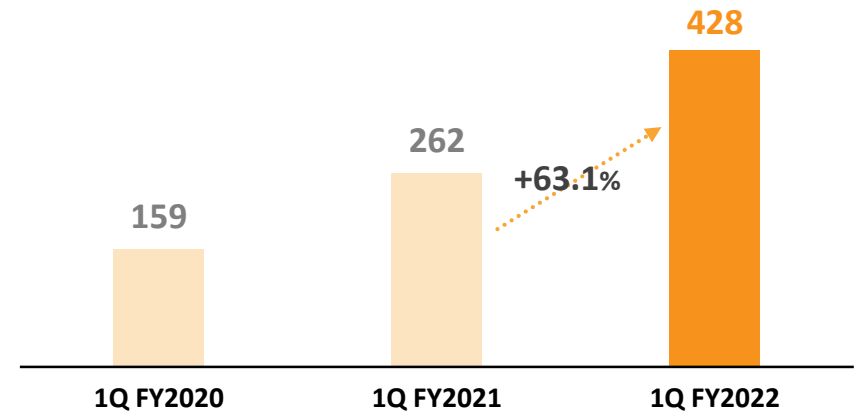
Topics

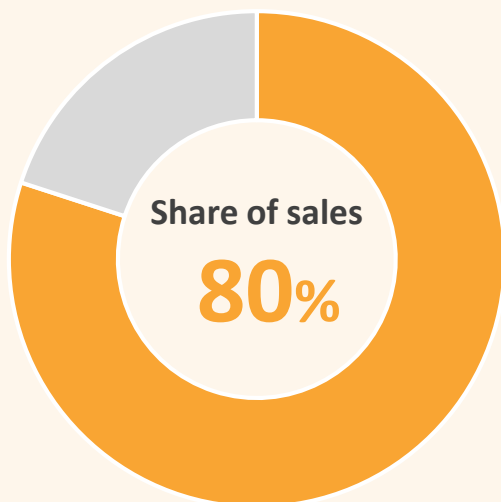
- Sales and the cost of sales were each reduced by 164 million yen by the switch to net figures for agency and some other activities due to the application of the new revenue recognition standard
- Higher earnings at directly operated stores due to growth of online operations
- Increase in earnings from property management and company-rented housing businesses

Segment sales



Segment profit



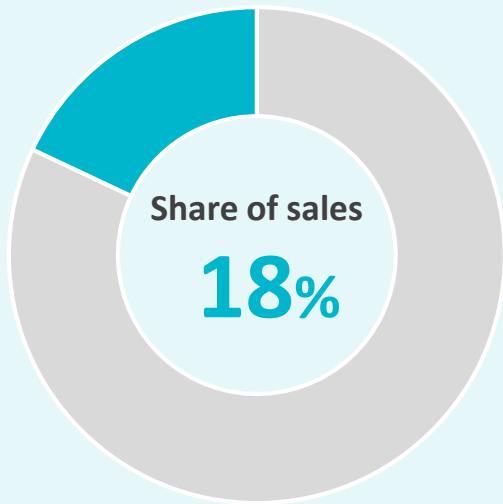


Topics

- The number of units under management decreased because of changes in ownership of apartment buildings and other reasons
- Cumulative associated services increased
- The number of company housing alliances increased

	1Q FY2021	1Q FY2022	YoY Change
No. of units under property management	91,822	90,442	-1,380
No. of directly managed franchised stores	69	71	+2
Gross profit of included and associated services	351 million yen	357 million yen	+6 million yen
No. of companies using the company-rented housing service	3	75	+72
No. of companies using the company housing agency service	2,678	2,912	+234

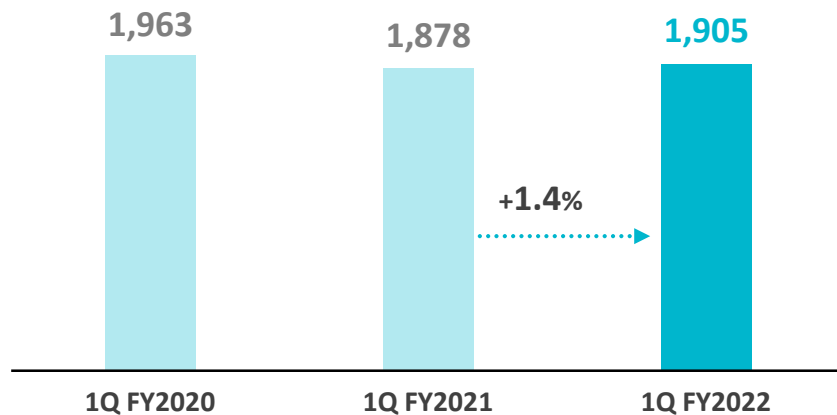
(Millions of yen)



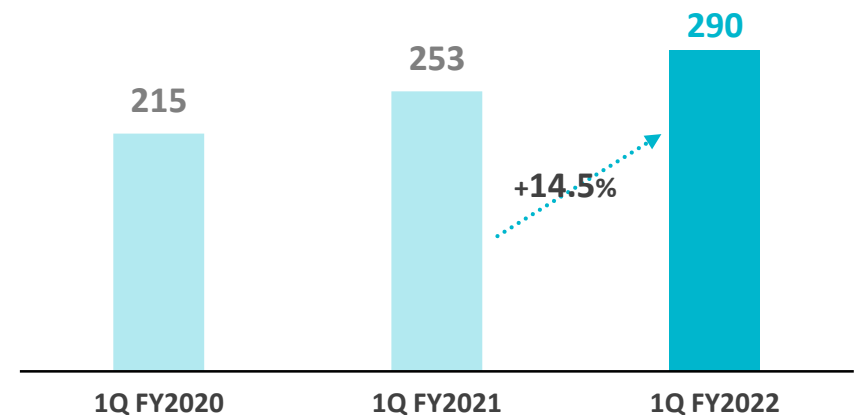
Topics

- Higher sales due to growth of online operations
- Used SKIPS (cloud) to increase productivity
- The use of e-contracts is expected to increase

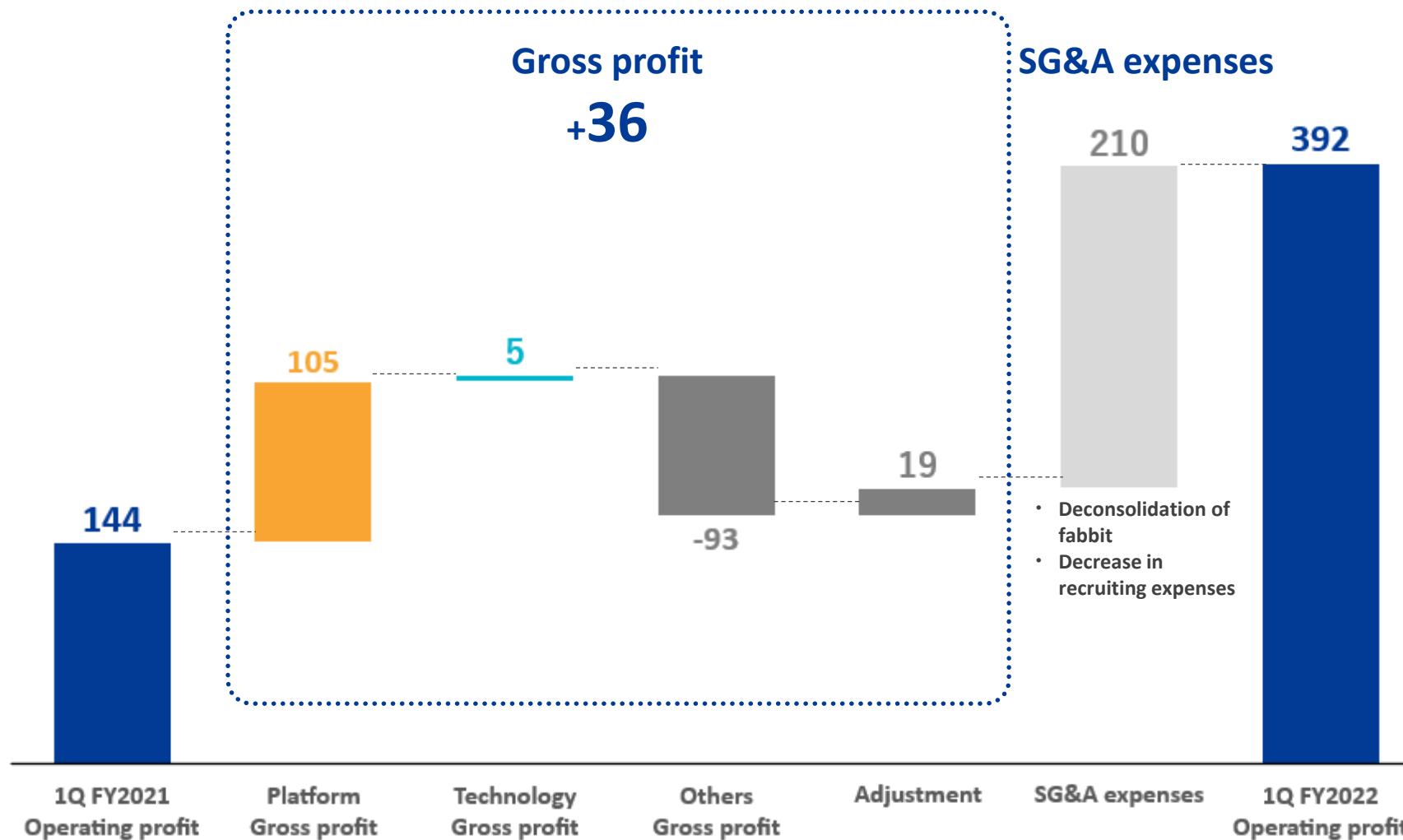
Segment sales



Segment profit



(Millions of yen)



FY2022 Consolidated Forecast

Overview of Consolidated Forecast

(Millions of yen)

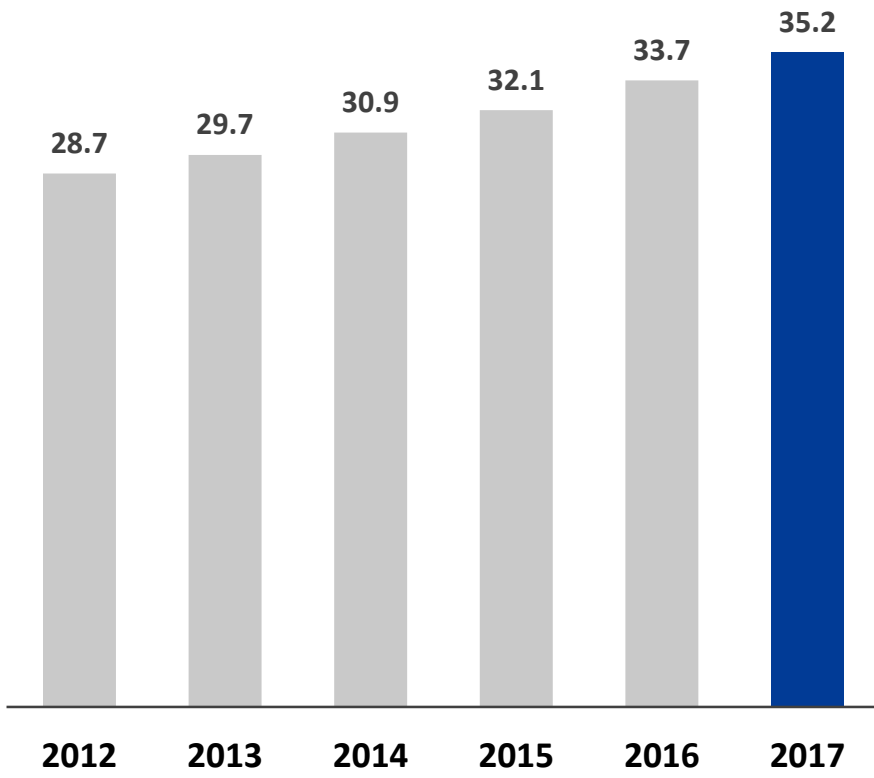
	FY2021 Results	FY2022 Forecast	Change
Net sales	44,419	45,000	+580
Operating profit	1,356	1,800	+443
Ordinary profit	795	1,000	+204
Profit attributable to owners of parent	602	200	-402

Business Climate and APAMAN Activities

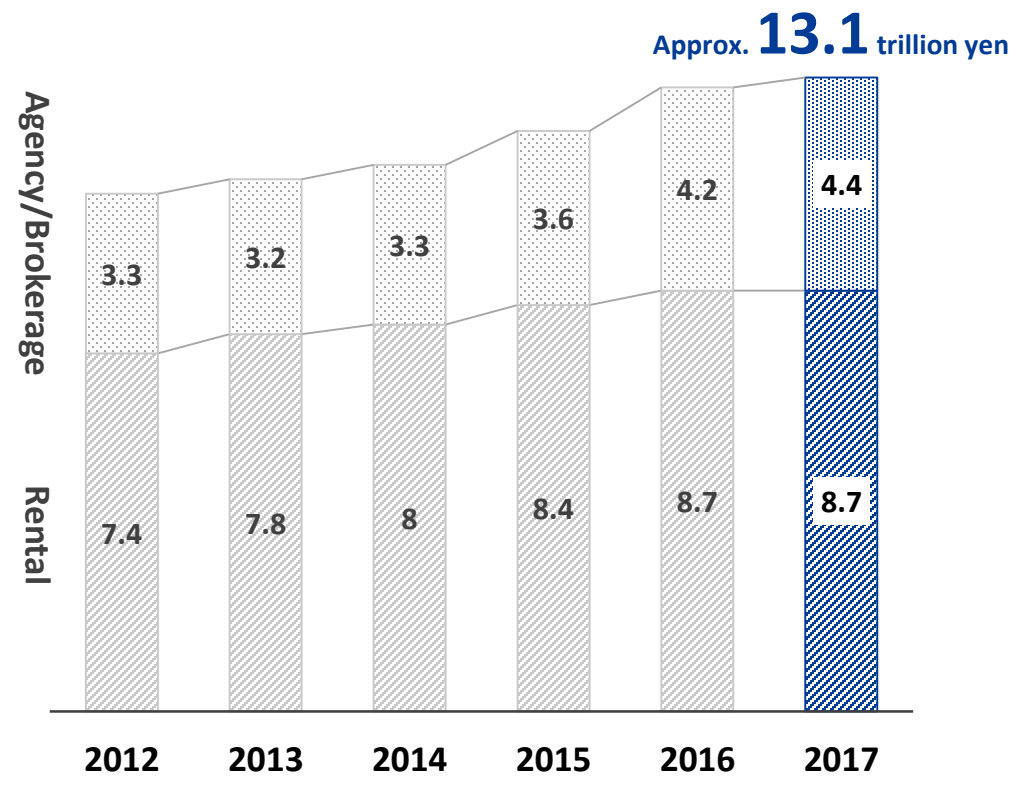
(Trillions of yen)

Annual sales in Japan's real estate market are about 35.2 trillion yen and annual transactions in categories where APAMAN operates are about 13.1 trillion yen

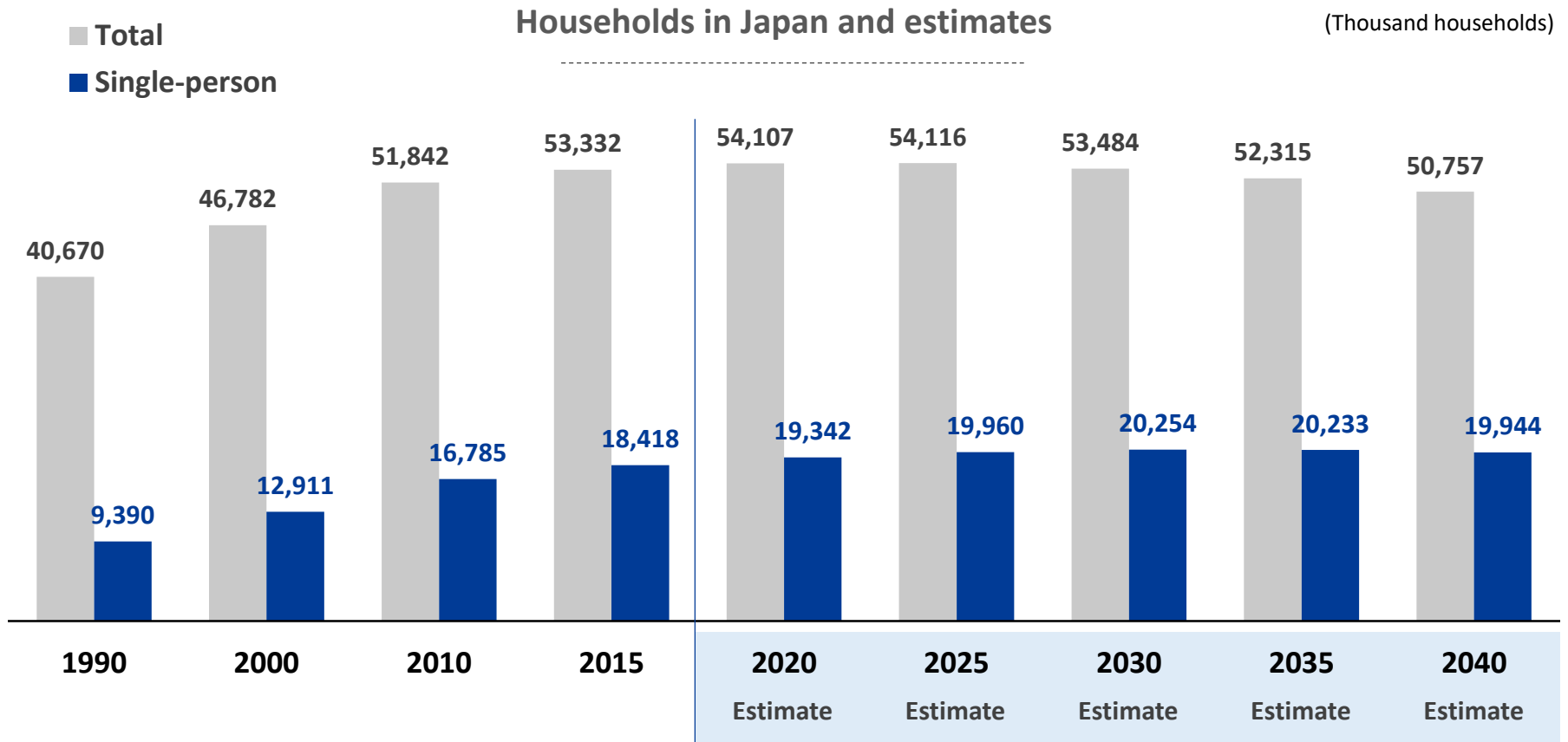
Annual real estate industry sales



Annual rental and agency/brokerage sales

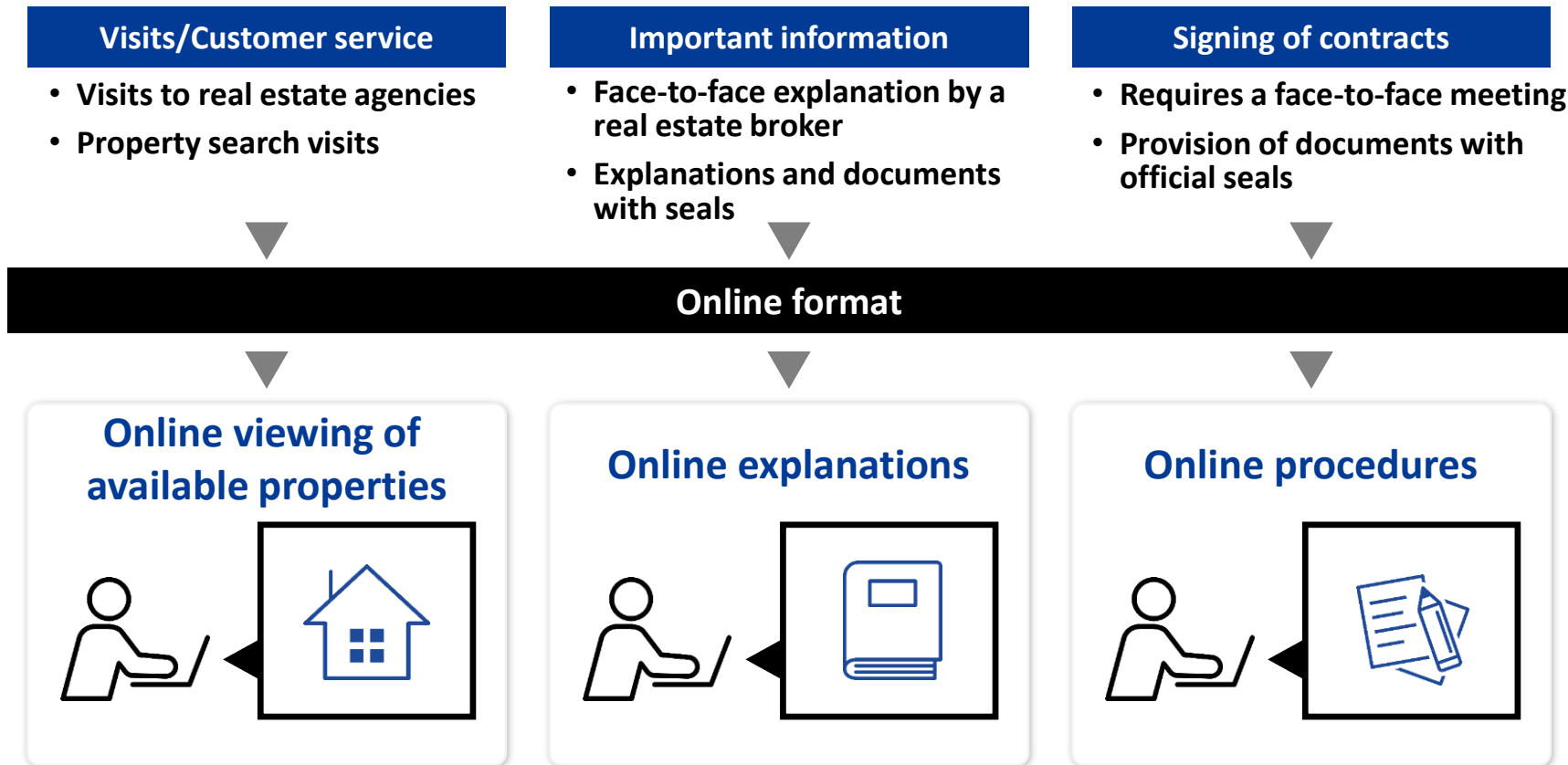


The number of households in Japan is decreasing as the population declines, but the number of single-person households is expected to decrease only at a slow pace



Source: Prepared by APAMAN based on data from National Institute of Population and Social Security Research

Amendments to the Building Lots and Buildings Transaction Business Act allows conducting real estate transactions with no face-to-face meetings^{Note}. The use of online services will increase as demand for online real estate procedures grows.



Note: The amendments are to become effective by no later than May 2022. With the consent of the customer, there is no need for the official seal of the real estate broker when providing explanations and lease contracts to the customer because an electronic format is used.

Pandemic safety and working style reforms are other reasons for the increasing use of online real estate procedures

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)



The use of technology for a new way to search for an apartment

Time of day



- Customers can select a time of day when visiting the store is easier
- Improves the efficiency of store operations

Staff appointment



- Assigning the most suitable individual for each customer's requirements improves customer satisfaction and the pct. of customers who lease an apartment from APAMAN

Apamanshop Online



- More efficient customer services
- More diversity for working styles

Online interaction



Online property viewing



Online explanations



Mailing



Activities for raising the market share of the APAMAN Group and awareness of the APAMAN brand

Strategy 1

Become the leader in leasing properties for company housing

Increase the number of company housing alliances

- Create more business opportunities by increasing the number of salespeople
- Improve sales efficiency to increase the number of companies served by each salesperson

Strategy 2

More stores and units under management

Increase the use of M&A and outsourced rental property management

- Use the M&A team to acquire information about opportunities
- More rental property management outsourced by property owners
- Increase customer satisfaction

Appendix

Company Profile

Company name	APAMAN Co., Ltd.
Established	October 1999
Head office	Asahi Seimei Otemachi Building, 2-6-1, Otemachi, Chiyoda-ku, Tokyo 100-0004
Capital	7,983 million yen (as of December 31, 2021)
Board members	Koji Omura, President and CEO Takashi Kawamori, Managing Director Akihito Watanabe, Outside Director Takeshi Yamada, Outside Audit & Supervisory Board Member Yujirou Takahashi, Outside Director Takaaki Yamazaki, Full-time Audit & Supervisory Board Member Makoto Ariyasu, Outside Audit & Supervisory Board Member
Employees	Consolidated: 1,129; Non-consolidated: 52 (as of September 30, 2021)
Main business	Platform Business, Technology Business, Other
Group companies	<p>Japan Apaman Network Co., Ltd, Apaman Property Co., Ltd., wepark Co., Ltd., Mi LIFE Co., Ltd., PLEAST SERVICE CO.,LTD., RE-Standard Co., Ltd., Apaman Energy Co., Ltd., AMENITY HOUSE Inc., Apamanshop Leasing Hokkaido Co., Ltd., FIRST LIVING Co., Ltd., Apart Center Co., Ltd., Gaspro Co.,Ltd., Apamanshop Sublease Co., Ltd., Rentalhouse Co.,Ltd., ClassHome Co.,Ltd., MYHOUSE Co.,Ltd, SUMiTAS Partner Co., Ltd., dplan Co.,Ltd., JK HOME Co., Ltd., AREA PLANNING Co., Ltd., TOKYO BIG HOUSE COMMUNITY Co., Ltd., SystemSoft Corporation, ARCHITECTS STUDIO JAPAN, INC.</p> <p>Overseas Apaman U.S.A., Corp., Global Capital Investments Holdings Limited, BETTER HOUSE Property Consultants (Shanghai) Limited, APAMANSHOP (THAILAND) CO.,Ltd, fabbit Philippines Inc., Hetai Real Estate Com.,Ltd.</p>

Platform Business

Rental brokerage

Information about rental properties by 71 directly operated stores (including 3 in other countries)

Rental management

Total support for operating residential rental properties as the needs of tenants continues to diversify

Company-rented housing business

Intermediary services for company housing and leasing of entire buildings for company housing

Platform Business

- **24-hour emergency assistance service**
Quick responses for lost keys, leaks, broken windows and other problems
- **Tenant insurance**
Insurance for damage to a tenant's possessions due to an accident and for repairs caused by damage due to a random event involving the property
- **Telecommunications business**
- **Energy business**

Technology Business

IoT/ Big Data/ AI

- **Shared electronic keys**
Issuance of one-time keys, management of key utilization history
- **Use of AI for the automatic creation of suitable properties for a customer**

RPA

Automation of business processes by using robots

AR-Tech

- **AOS**
Store operation IT system
- **APS**
Property management IT system
- **Apamanshop.com**
Portal site and app for rental properties
- **SKIPS**
Explanations using IT, customer services with no face-to-face contact
- **Owner portal**
A tool for communications with property owners
- **Introduction cloud**
Management of the provision of information about available properties to customers
- **Store visitor cloud**
Use of iPads for the analysis of customer data
- **Appraisal cloud**
Uses big data to determine the proper rent for individual properties

APAMAN

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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