

Briefings on Financial Results for the Third Quarter of the Fiscal Year Ending September 30, 2023 (FY2023)

APAMAN Co., Ltd.

August 10, 2023

Tokyo Stock Exchange (Standard): 8889

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3Q FY2023 Financial Summary

Net sales

¥**34.2** billion

Up **1.2%** YoY

EBITDA

¥**2.75** billion

Up **7.1%** YoY

Operating
profit

¥**1.55** billion

Up **9.9%** YoY

Profit attributable to
owners of parent

¥**250** million

Up **15.4%** YoY

- **Platform:** Increase in sales and earnings
- **Technology:** Increase in sales and decrease in earnings
- **Other:** Decrease in sales and loss reduction

Financial Summary | Overview of Consolidated Statement of Income

(Millions of yen)

	3Q FY2022	Ratio to net sales	3Q FY2023	Ratio to net sales	YoY change
Net sales	33,834	-	34,238	-	+403
Gross profit	8,010	23.7%	8,429	24.6%	+418
SG&A expenses	6,592	19.5%	6,871	20.1%	+278
Operating profit	1,417	4.2%	1,557	4.5%	+139
Ordinary profit	1,064	3.1%	964	2.8%	-99
Profit attributable to owners of parent	224	0.7%	258	0.8%	+34
EBITDA^{Note}	2,569	7.6%	2,750	8.0%	+181

- Non-operating expenses: Equity-method profit/loss; loss of ¥140 million (down ¥80 million YoY)
- Non-operating income: Foreign exchange gains/loss; loss of ¥20 million (down ¥230 million YoY)
- Extraordinary income: Loss (gain) on sales of non-current assets; loss of ¥20 million (up ¥50 million YoY)

Note: EBITDA = Operating profit + depreciation + amortization of goodwill

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Financial Summary | Overview of Consolidated Balance Sheet

(Millions of yen)

	End-FY2022	3Q FY2023	Change
Current assets	16,450	16,407	-43
Cash and deposits	8,318	8,487	+168
Accounts receivable-trade	1,817	1,695	-122
Operational investment securities	1,054	958	-95
Other	5,258	5,265	+6
Non-current assets	19,094	18,583	-510
Property, plant and equipment	2,687	2,657	-29
Intangible assets	9,776	9,678	-98
Goodwill	5,604	5,040	-564
Other	4,172	4,638	+466
Investments and other assets	6,630	6,247	-383
Total assets	35,545	34,991	-554

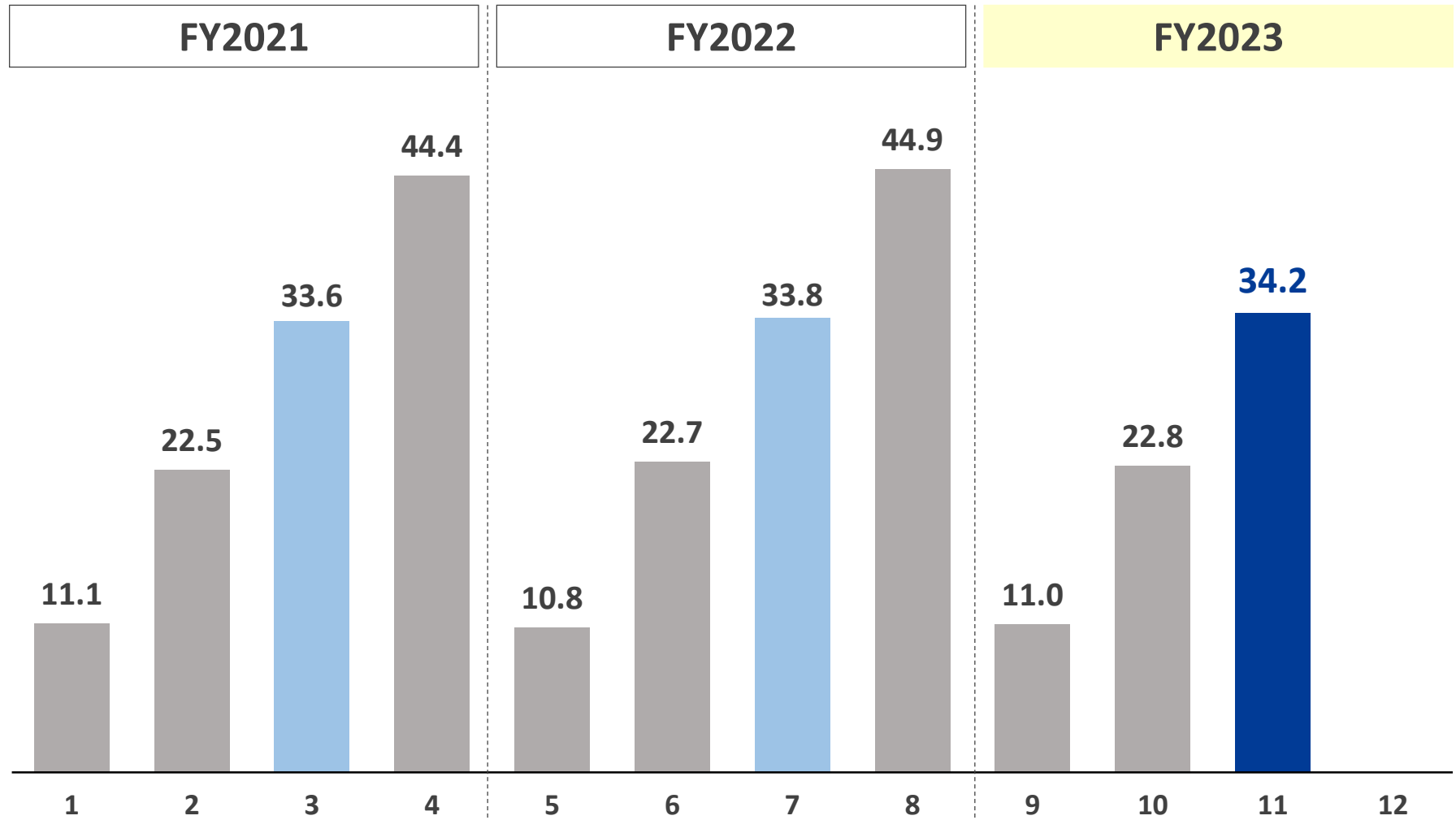
	End-FY2022	3Q FY2023	Change
Current liabilities	11,952	12,977	+1,024
Accounts payable-trade	1,537	1,470	-67
Short-term borrowings ^{Note 1}	3,036	3,855	+818
Other	7,377	7,651	+273
Non-current liabilities	19,277	17,728	-1,548
Long-term borrowings	15,707	14,043	-1,664
Long-term lease and guarantee deposited	1,453	1,333	-120
Other	2,116	2,352	-235
Total liabilities	31,229	30,705	-523
Capital	8,002	8,021	+18
Net assets	4,315	4,285	-30
Total liabilities and net assets	35,545	34,991	-554

Note: 1. Includes current portion of long-term borrowings

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Financial Summary | Quarterly Sales

(Billions of yen)



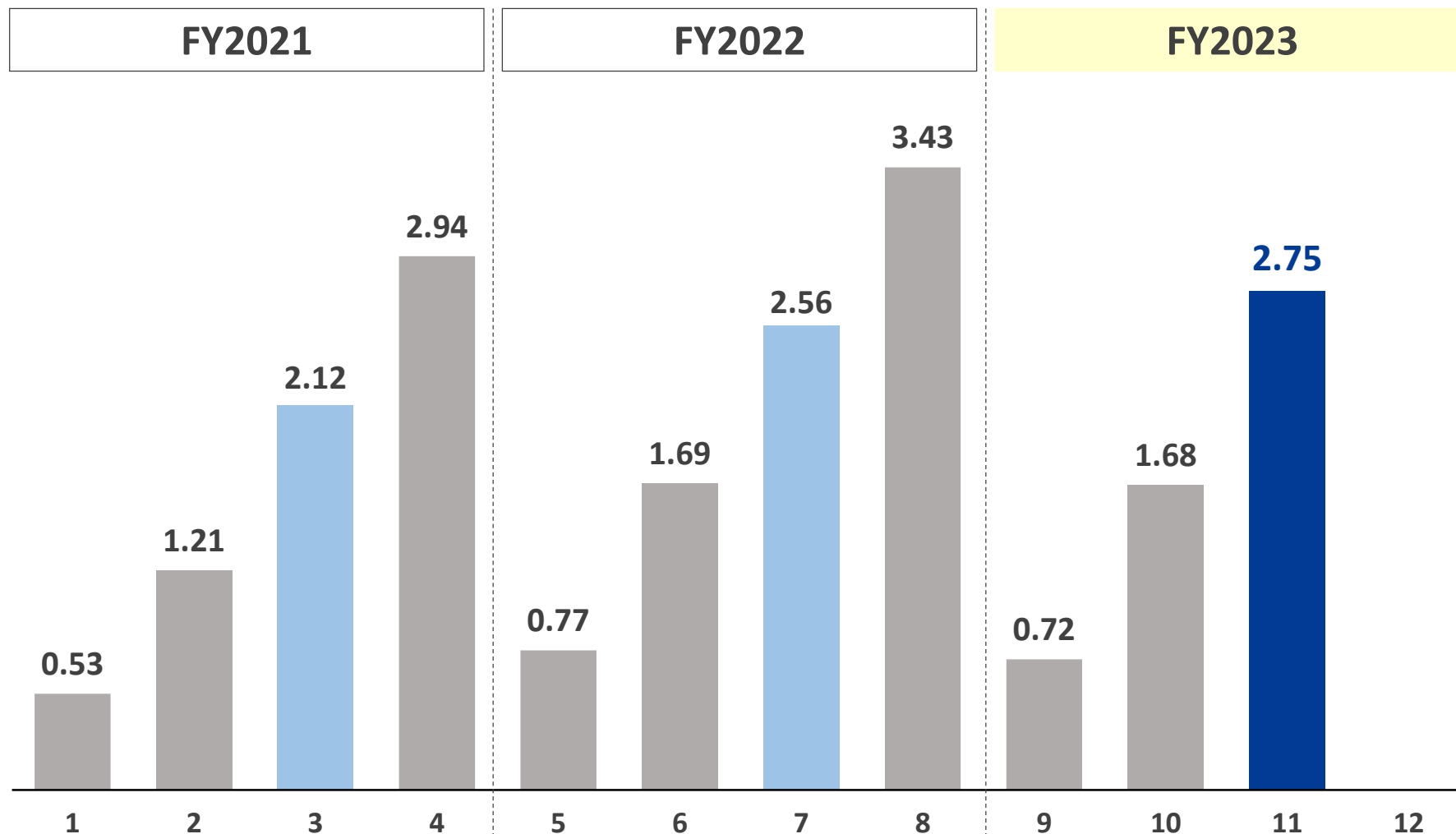
➤ Effect on the application of the accounting standard for revenue recognition: 3Q FY2023 -¥550 million (3Q FY2022 -¥510 million, 3Q FY2021 -)

Note: Quarterly sales are cumulative results.

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Financial Summary | Quarterly EBITDA ^{Note}

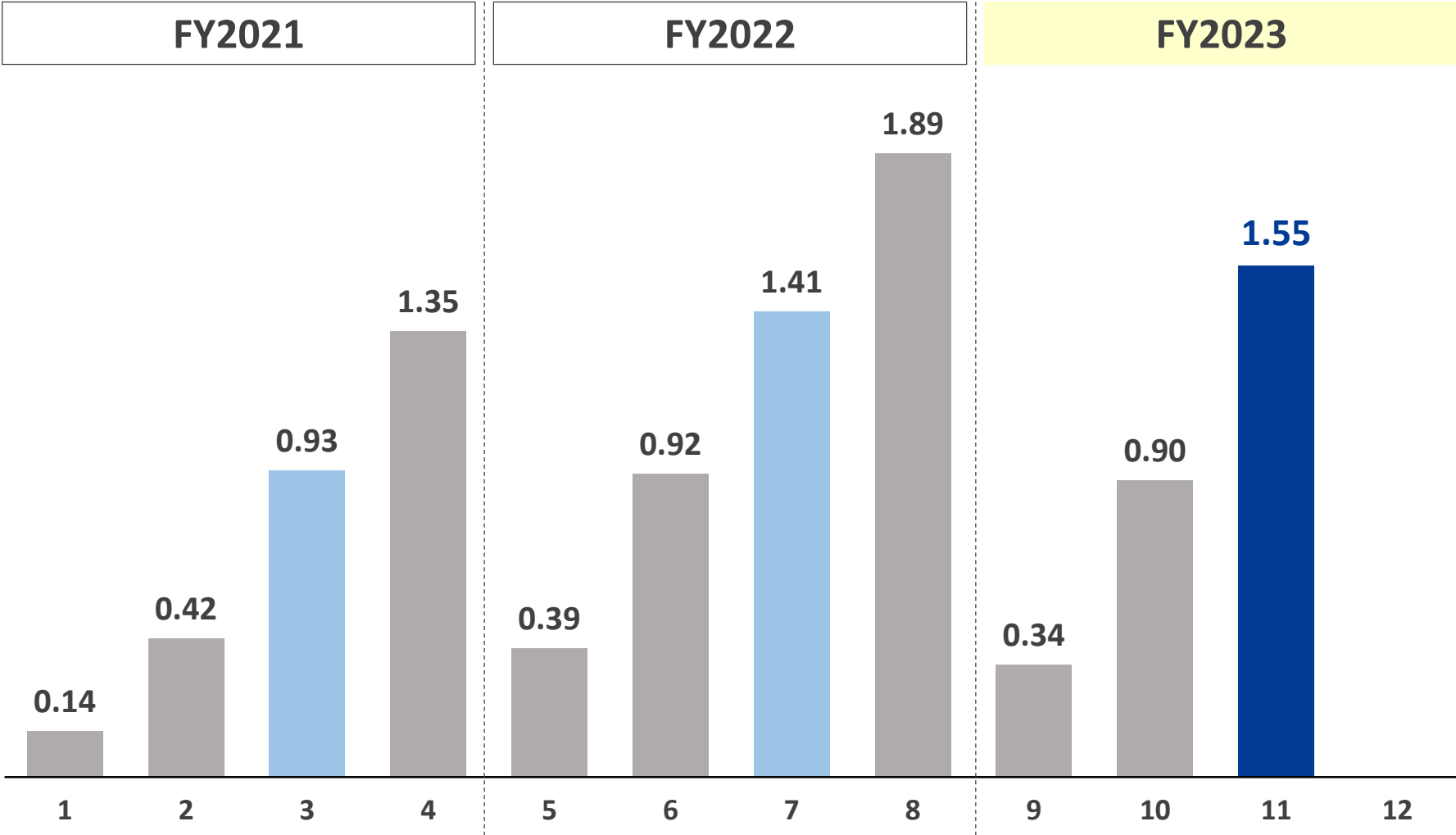
(Billions of yen)



Note: EBITDA = Operating profit + depreciation + amortization of goodwill
Quarterly EBITDA is cumulative results.

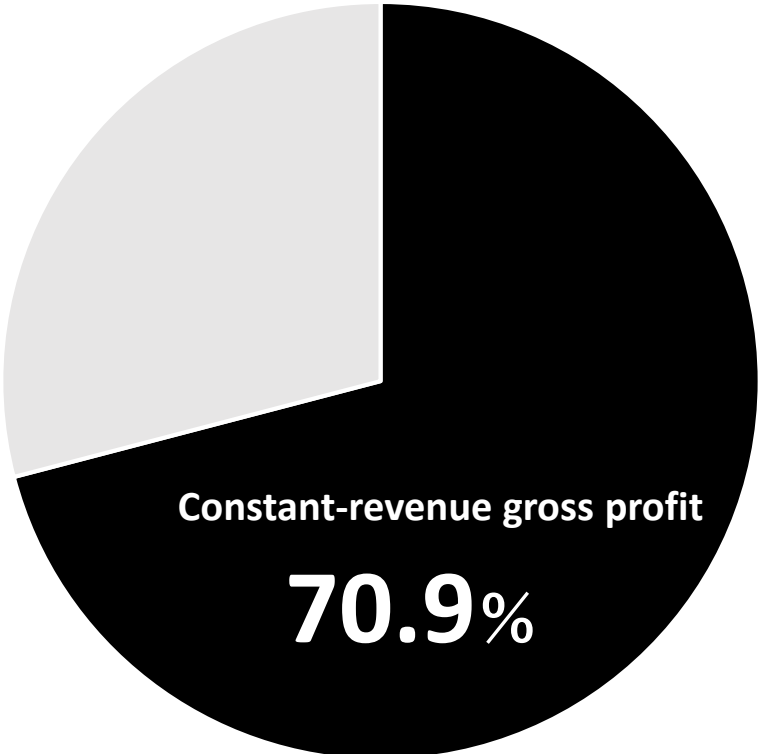
Financial Summary | Quarterly Operating Profit

(Billions of yen)



Note: Quarterly operating profit is cumulative results.

Constant revenue accounts for about 70% of gross profit



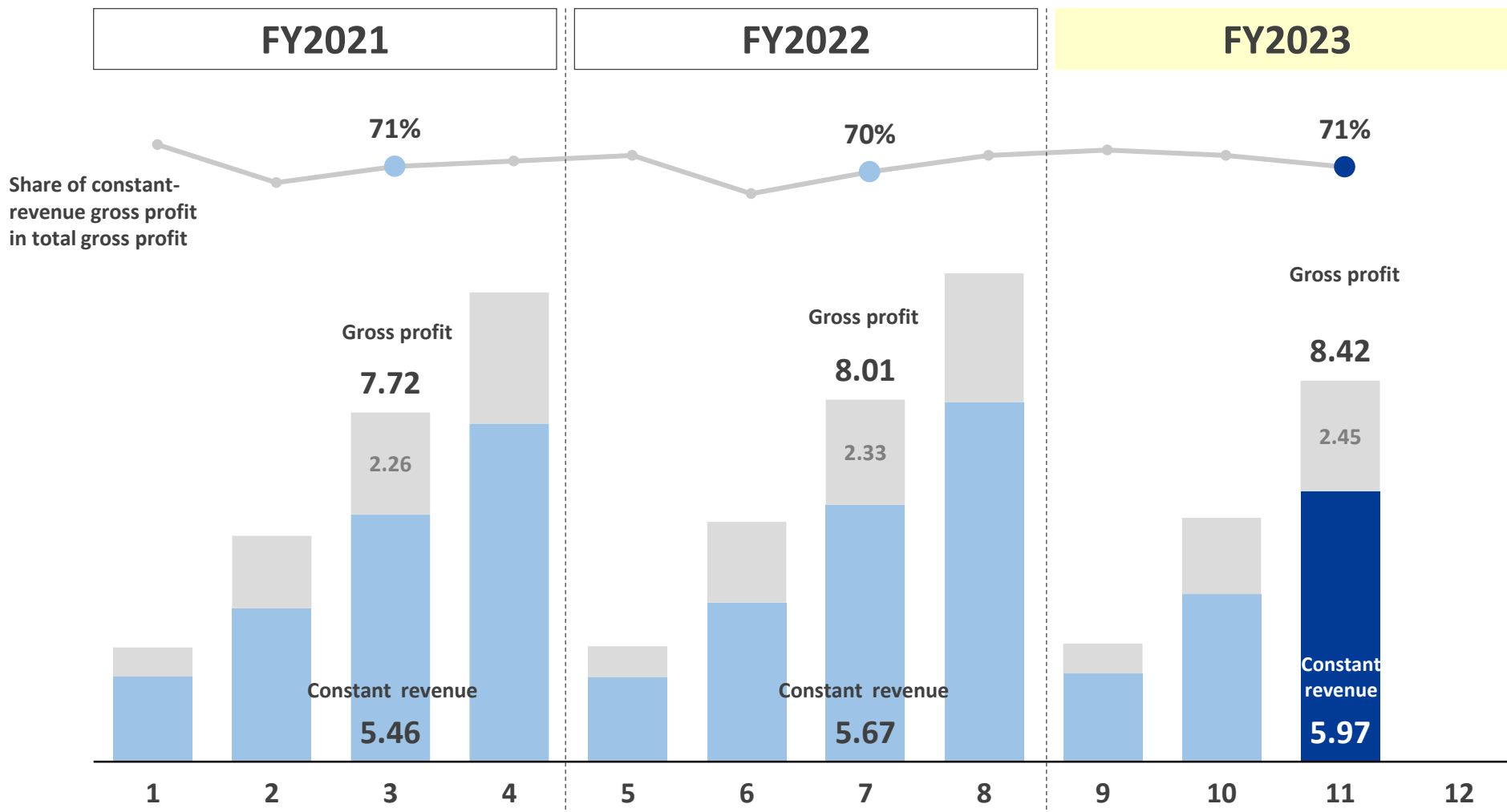
Platform	Rental management <small>(Includes sub-leasing)</small>	Management fee
	Company-rented housings	Brokerage fee
Technology	Cloud service	Usage fee
	Franchise service	Royalty fee
Other	Metered parking	Parking fee

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 Jun. 30, 2023

Financial Summary | Share and Amount of Constant Revenue Gross Profit

(Billions of yen)



Note: Quarterly gross profit is cumulative results

3Q FY2023 Results by Segment

Results by Segment | Platform Business (PM + Company Housing + Store Operations)

Topics

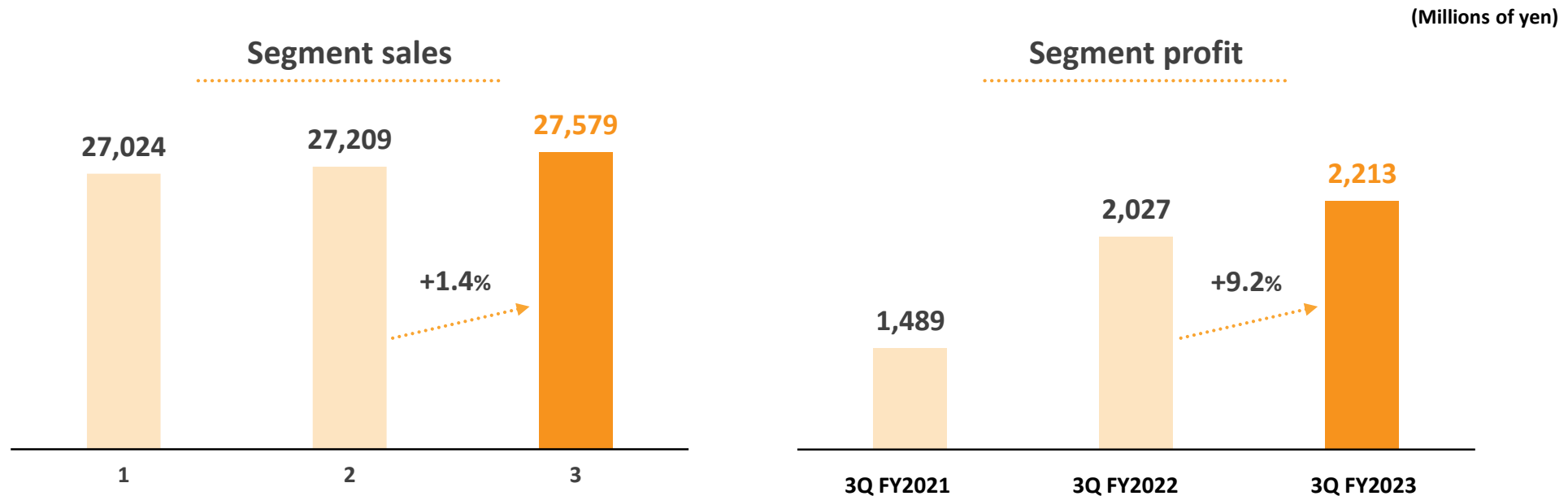
- The number of companies using the company-rented housing service and company housing agency service increased

	3Q FY2022	3Q FY2023	YoY Change
No. of units under management	90,476	90,102	-374
No. of directly managed stores	71	72	+1
No. of companies using the company housing agency service	3,189	3,272	+83
No. of companies using the company-rented housing service	107	132	+25

Results by Segment | Platform Business (PM + Company Housing + Store Operations)

Topics

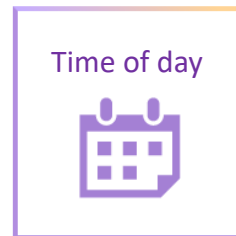
- Sales in PM, company housing and store operations were firm
- Subleased company-rented housing reached 1,000 units



- Lower sales due to the application of the accounting standard for revenue recognition: -¥550 million in 3Q FY2023
- Lower sales due to the application of the accounting standard for revenue recognition: -¥510 million in 3Q FY2022

Results by Segment | Platform Business (PM + Company Housing + Store Operations)

The use of technology 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

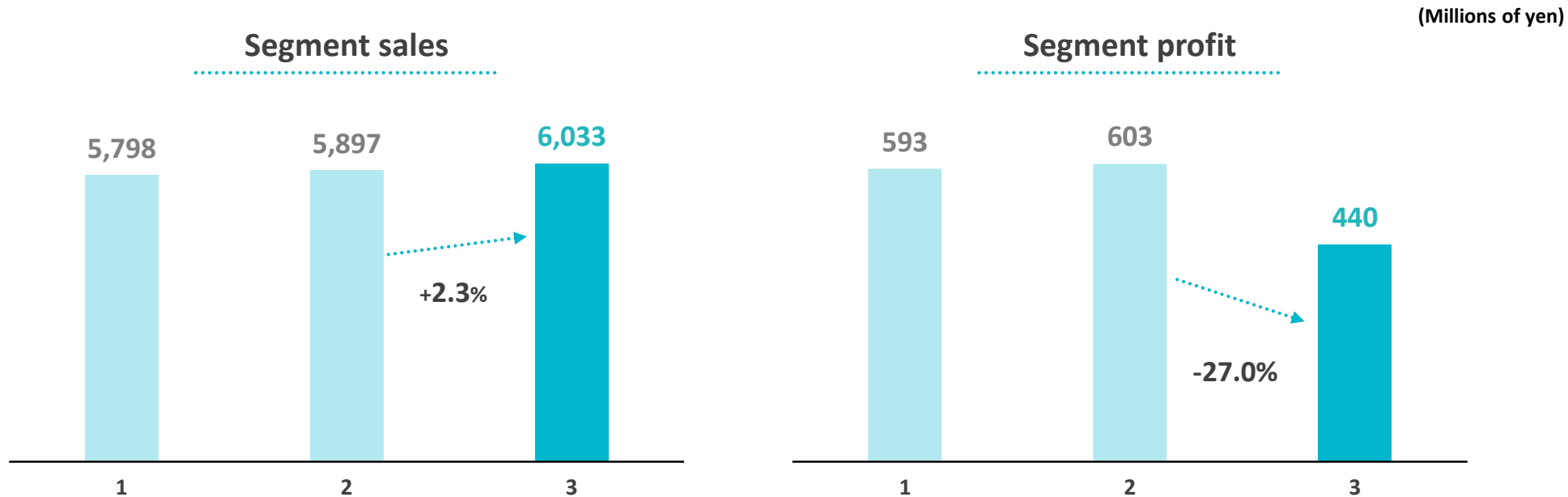
- More efficient customer services

*Images are for illustration purposes.

Results by Segment | Technology Business (FC)

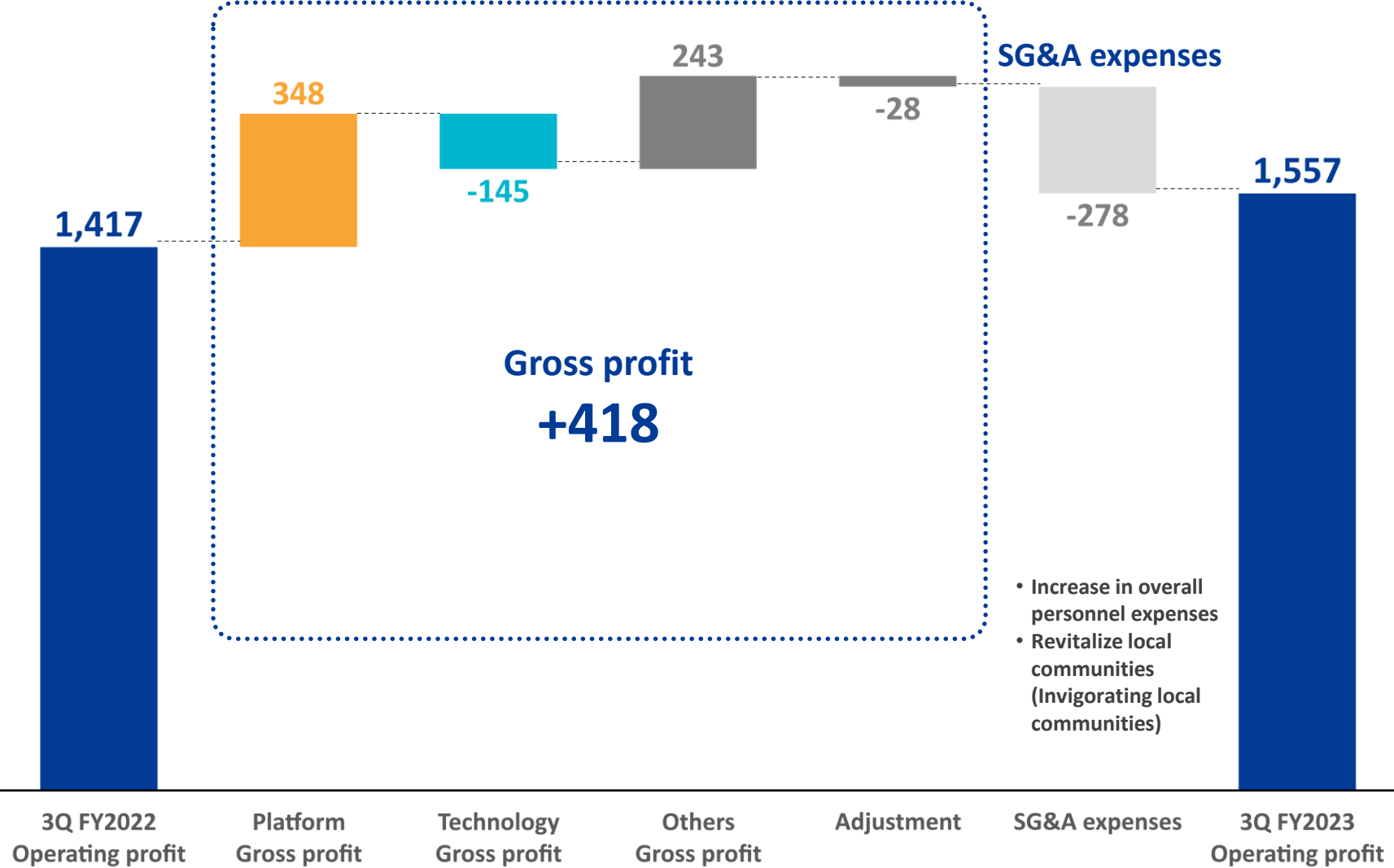
Topics

- Higher depreciation due to digital transformation of APAMAN
- Number of meetings increased for the first time in 3 years



Results by Segment | Analysis of Operating Profit (YoY Change)

(Millions of yen)



FY2023 Consolidated Forecast

Overview of Consolidated Forecast

(Millions of yen)

Forecast increases in business efficiency and depreciation due to the digital transformation of APAMAN

	FY2022 Results	FY2023 Forecast	Change
Net sales	44,926	45,700	+773
EBITDA	3,435	3,600	+164
Operating profit	1,893	1,900	+6
Ordinary profit	1,419	1,300	-119
Profit attributable to owners of parent	262	300	+37

Growth Strategy and Challenges

- 1. Growth of rental management revenues**
- 2. Acquisition of rental properties under management**
- 3. Expansion of company housing for employees**

- 1. Importance to cash flow**
- 2. Debt-free management** (Net Debt 0)
- 3. Reduction of assets held**

APAMAN

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