

APAMAN

Briefings on Financial Results for the First Quarter of
the Fiscal Year Ending September 30, 2020 (FY2020)

January 31, 2020

APAMAN Co., Ltd.

JASDAQ: 8889



Sharing economy

Sales and earnings increased from a year earlier

Significant increase in the number of "fabbit" co-working facility members



Platform

Sales and earnings decreased from a year earlier

Following the change in the business model



Cloud technology

Sales increased and earnings decreased from a year earlier

More support for franchised companies

1. Benefits of Upfront Investments –Sharing Economy Business

1. Co-working



fabbit Global Gateway "ACROS Fukuoka"

Note: The number of locations includes sites that have been leased but not yet started operations.
Also, the number of locations includes sites operated directly and by franchisees or companies where APAMAN has made an investment.

Co-working

As of September 30, 2019

45 locations



As of December 31, 2019

45 locations

1. Co-working

Significant increase in the number of members



Number of members

7,202



Number of locations

45



Number of matches

108,964



Number of events held

2,745

Note: As of December 31, 2019.

- The number of members includes fabbit, Compass and companies where the APAMAN Group has made an investment.
- The number of locations includes sites where design or construction work is under way and also includes Workbar, which has received an investment from the APAMAN Group.
- The number of matches (introductions) is the cumulative number of matches between members. One match is when two people are introduced to one person who attended an event or other gathering.
- The number of events is the cumulative number of events held by fabbit, Compass, Fukuoka Growth Next and companies where the APAMAN Group has made an investment. All events are included regardless of their size.

1. Co-working (Topics)

fabbit Global Gateway “San Francisco” opened on January 2020



1. Co-working (Public sector collaboration)

Public-private joint facilities and projects receiving local government subsidies



April 2017 to March 2019

Public-private joint facility
"Fukuoka Growth Next"



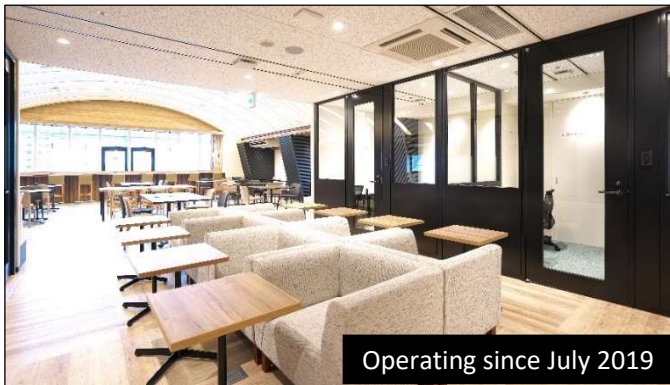
Operating since December 2017

Tokyo Tama manufacturing (monozukuri) support project
subsidized facility
"fabbit Hachioji"



Operating since June 2018

Public-private joint facility
"COMPASS Kokura"

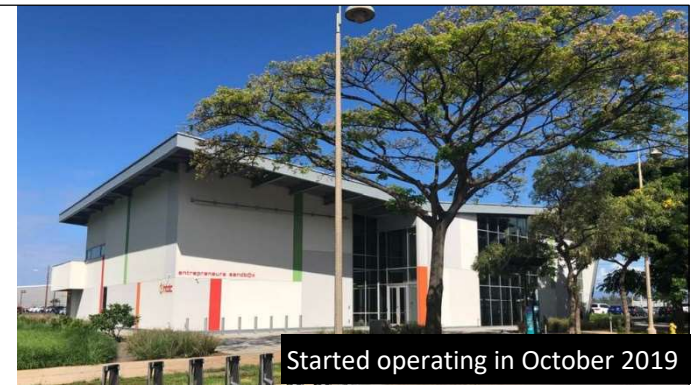


Operating since July 2019

Innovation hub promotion system
"fabbit Kobe Sannomiya"



A project supported by the U.S. Economic Development Administration
and the Hawaii Technology Development Corporation
"fabbit Hawaii"



Started operating in October 2019

1. Co-working (Many valuable services)

Major support programs provided by fabbit

- ◆ Business matching service using AI
- ◆ Support for the growth of start-ups and other companies
- ◆ Face-to-face interaction by holding seminars and other events
- ◆ Support for international business
- ◆ Provision of co-working and rental office space

Note: Includes support programs under development

1. Co-working (Alliances and other collaboration)

Interaction with many prominent ecosystem players in Japan and overseas



Note: Photos were taken at the fabbit National Conference 2018, held in Tokyo on December 5, 2018 and Global Innovators in Startup City Fukuoka on December 6, 2018.

2. Parking



Parking

As of September 30, 2019

3,589 parking spaces



As of December 31, 2019

3,600 parking spaces

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

3. Share Cycle

The ecobike business currently has agreements with 12 municipalities in Japan for the provision of its Share Cycle service.

Going on more step, ecobike has started a Share Cycle Residence service that allows residents of a condominium building to use a single pool of bicycles. ecobike had a total of 927 bicycles at the end of December 2019 in the Share Cycle, Share Cycle Residence and Cycle Share Space services.

Share Cycle



Share Cycle Residence



Bicycle sharing agreements have been signed with the following municipalities:

Fukutsu City, Iizuka City, Koga City, Munakata City, Nakagawa City, Taito-ku, Yamato City, Chiba City, Saitama City, Isen-cho, Tokunoshima-cho, Amagi-cho

Note: The number of bicycles includes bicycles that have been contracted but are not yet in use .

2. 1Q FY2020 Consolidated Results

1. Overview of Consolidated Results (YoY comparison)

(Millions of yen)

	1Q FY2019	1Q FY2020	Remarks (Major factors)	YoY change	
				Amount	%
Net sales	11,290	10,630	Lower store sales (Platform)	-660	-5.8%
Gross profit	2,647	2,331	Same as the above	-315	-11.9%
SG&A expenses	2,470	2,298	Decrease in number of stores	-172	-7.0%
Operating profit (operating margin)	177 (1.6%)	33 (0.3%)	Same as the above	-143	-81.2%
Ordinary profit	(2)	(198)	Share of loss of entities accounted for using equity method -70 million yen	-195	-
Profit attributable to owners of parent	(1,208)	(325)	Loss on retirement of non-current assets, Impairment loss	+882	-
EBITDA ^{Note}	416	237		-179	-42.9%

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

2. Overview of Consolidated Balance Sheet (vs. end-FY2019)

(Millions of yen)

Assets	End-FY2019	1Q FY2020	YoY change	Remarks
Current assets	15,122	13,878	-1,244	
Cash and deposits	7,959	6,633	-1,325	
Notes and accounts receivable-trade	1,669	1,792	+123	
Operational investment securities	1,105	1,458	+352	
Other	4,388	3,993	-394	Short-term loans receivable: -358
Non-current assets	18,807	18,496	-310	
Property, plant and equipment	4,299	4,242	-57	
Intangible assets	8,667	8,484	-183	
Goodwill	6,741	6,567	-173	
Other intangible assets	1,925	1,916	-9	
Investments and other assets	5,839	5,769	-70	
Total assets	33,929	32,374	-1,555	

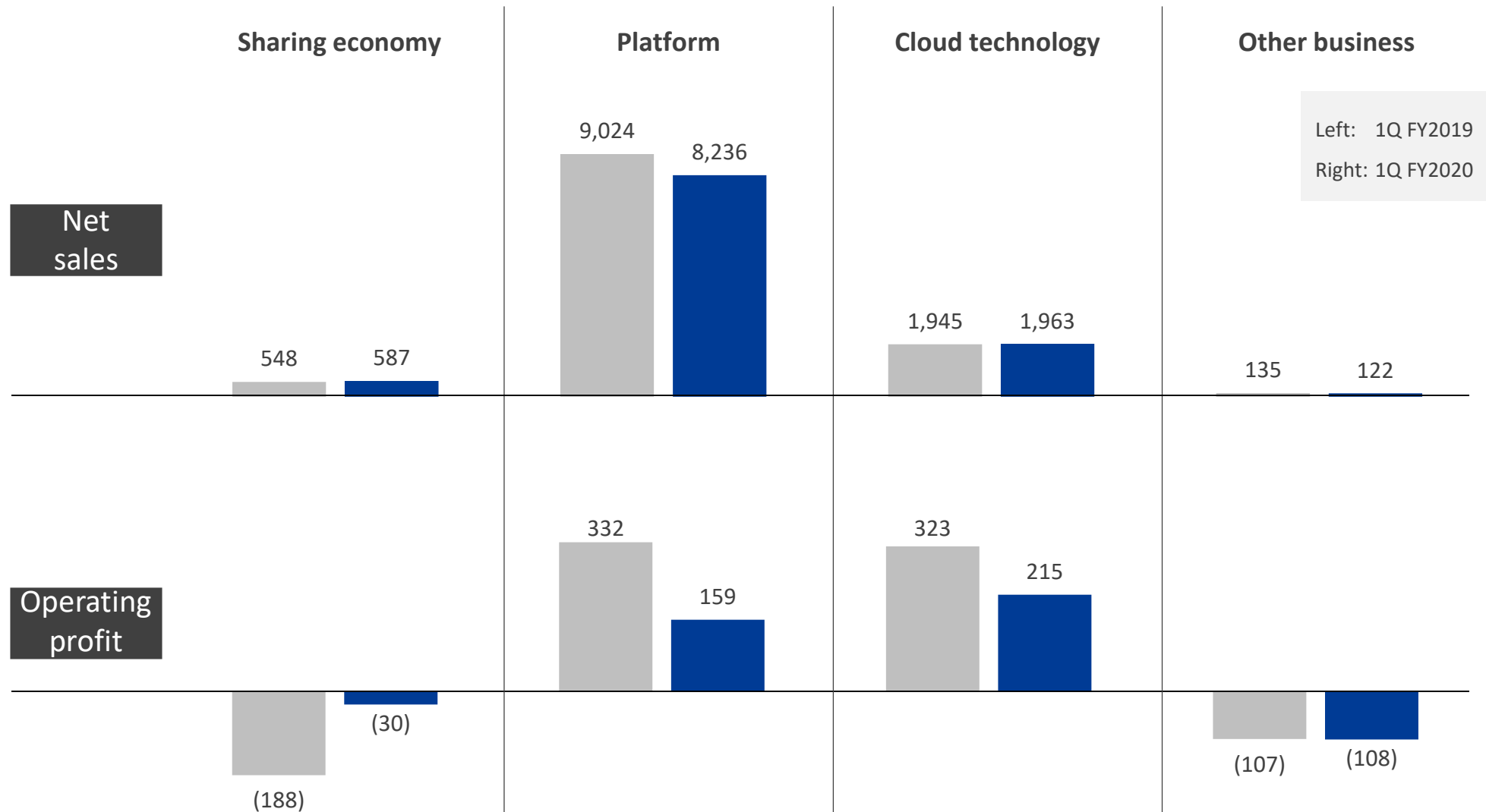
Liabilities and net assets	End-FY2019	1Q FY2020	YoY change	Remarks
Current liabilities	10,223	10,040	-183	
Accounts payable-trade	909	980	+71	
Short-term loans payable ^{Note}	2,053	2,268	+215	
Other	7,260	6,791	-469	Accounts payable-other: -327
Non-current liabilities	18,844	18,234	-609	
Long-term loans payable	16,076	15,564	-511	
Long-term lease and guarantee deposited	1,642	1,617	-25	
Other	1,125	1,052	-72	
Total liabilities	29,068	28,274	-793	
Capital	7,983	7,983	-	
Net assets	4,861	4,099	-761	
Total liabilities and net assets	33,929	32,374	-1,555	

Note: Includes current portion of long-term loans payable

3. 1Q FY2020 Results by Segment

1. Net Sales and Operating Profit by Segment (YoY comparison)

(Millions of yen)



2. Sharing Economy Business (YoY comparison)

(Millions of yen)

	1Q FY2019	1Q FY2020	YoY change	
			Amount	%
Net sales	548	587	+38	+7.0%
Operating profit	(188)	(30)	+158	-

Co-working



Directly managed locations

45 → **45**

Parking



3,589 parking spaces

→ **3,600** parking spaces

Share Cycle



Contracted bicycles

905 bicycles → **927** bicycles

Notes: The number of locations/bicycles includes sites/bicycles that have been leased but not yet started operations or not yet in use
Share cycle includes contracted bicycles at alliance partners

3. Platform Business (YoY comparison)

(Millions of yen)

	1Q FY2019	1Q FY2020	YoY change	
			Amount	%
Net sales	9,024	8,236	-787	-8.7%
Operating profit	332	159	-173	-52.1%

Stores



Number of directly managed
franchised stores

92 stores → **87** stores

Property management



Number of units under management

87,970 units → **86,506** 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

508 million yen → **339** million yen

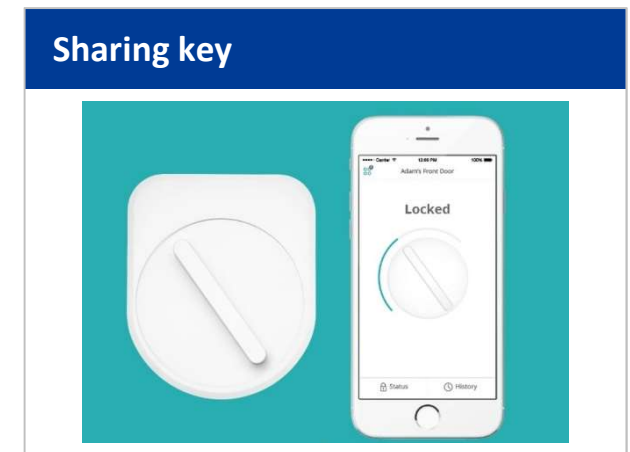
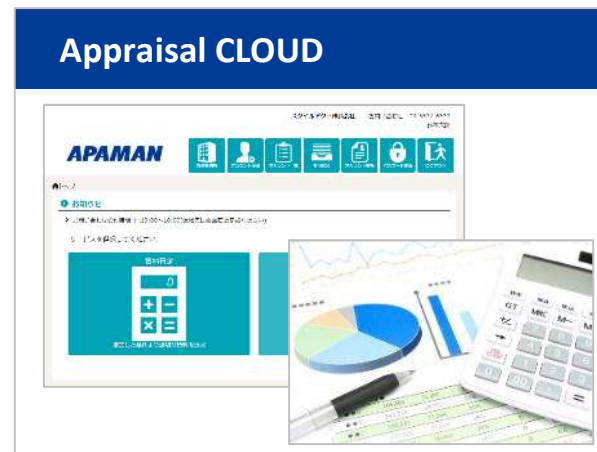
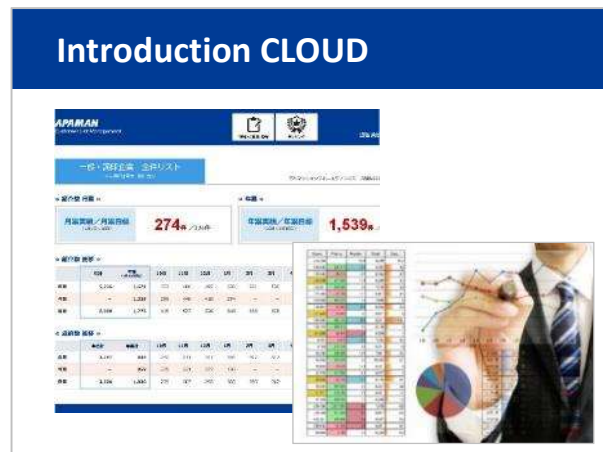
Note: Directly managed stores are gradually converted to franchised stores

4. Cloud Technology Business (YoY comparison)

(Millions of yen)

	1Q FY2019	1Q FY2020	YoY change	
			Amount	%
Net sales	1,945	1,963	+18	+0.9%
Operating profit	323	215	-108	-33.4%







Cloud technology services

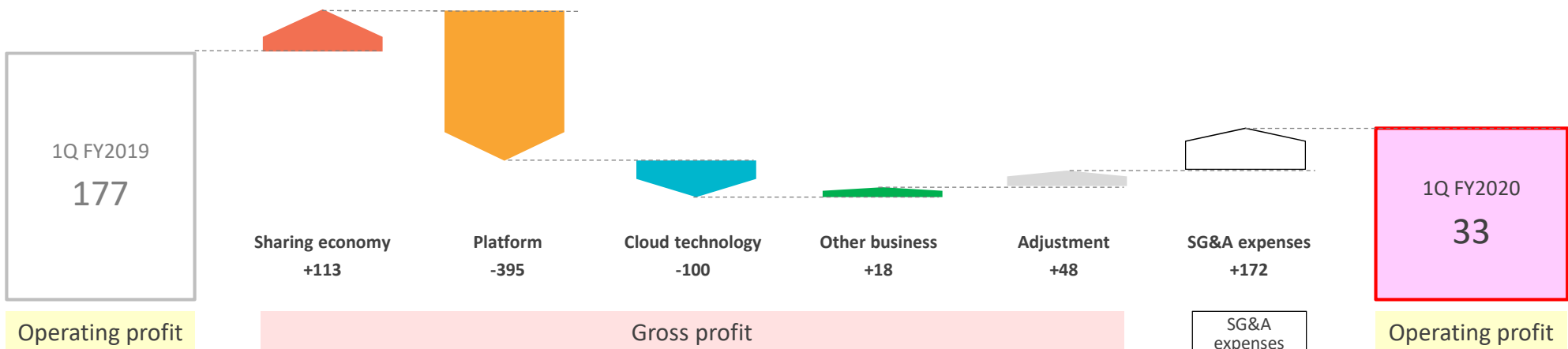


Note: The sharing key is a product of a company in which APAMAN has made an investment.

5. Analysis of Net Sales and Operating Profit by Segment (YoY)

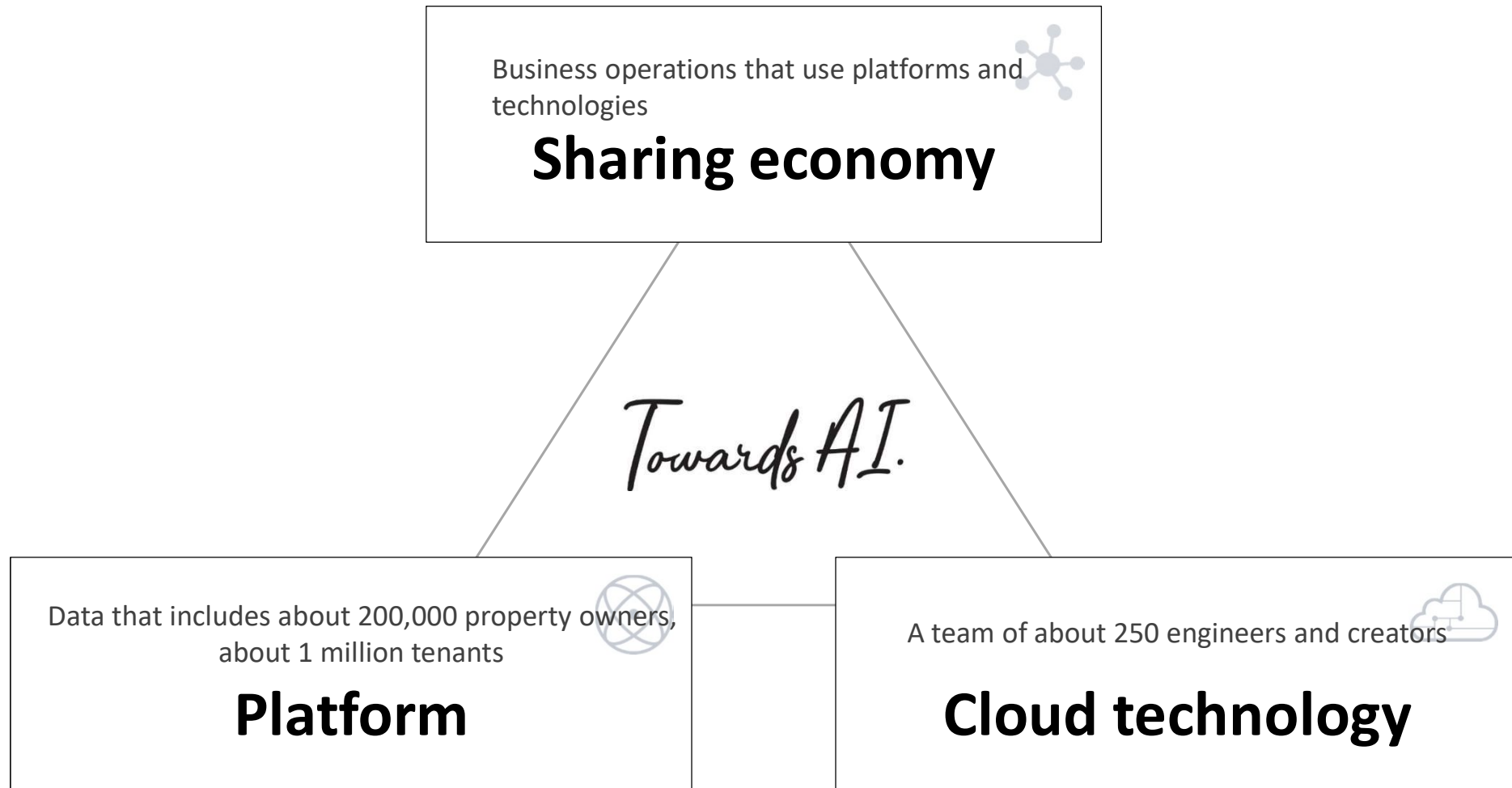
(Millions of yen)

	1Q FY2019			1Q FY2020			YoY change		
	Net sales	Gross profit	Gross profit margin	Net sales	Gross profit	Gross profit margin	Net sales	Gross profit	Gross profit margin
 Sharing economy	548	29	5.3%	587	142	24.3%	+38	+113	+19.0%
 Platform	9,024	2,291	25.4%	8,236	1,895	23.0%	-787	-395	-2.4%
 Cloud technology	1,945	567	29.2%	1,963	466	23.8%	+18	-100	-5.4%
 Other business	135	24	18.0%	122	42	34.9%	-12	+18	16.9%
 Adjustment (elimination or corporate)	(363)	(264)	-	(279)	(216)	-	+83	+48	-
Total	11,290	2,647	23.5%	10,630	2,331	21.9%	-660	-315	-1.5%
 SG&A expenses (SG&A expenses ratio)	2,470		21.9%	2,298		21.6%	-172		-0.3%
Operating profit (operating margin)	177		1.6%	33		0.3%	-143		-1.3%



4. FY2020 Consolidated Forecast

1. Core Strengths of the APAMAN Group



Notes: Platform figures include the franchised operations.

Cloud Technology engineers and creators are totals for all group companies.

2. Overview of Consolidated Forecast (YoY comparison)

(Millions of yen)

	FY2019 Results	FY2020 Forecast	YoY change	
			Amount	%
Net sales	45,934	45,000	-934	-2.0%
Operating profit (operating margin)	2,055 (4.5%)	2,000 (4.4%)	-55 (-0.1%)	-2.7%
Ordinary profit	729	1,400	+670	+91.9%
Profit attributable to owners of parent	272	450	+177	+65.1%

5. Dividend Policy

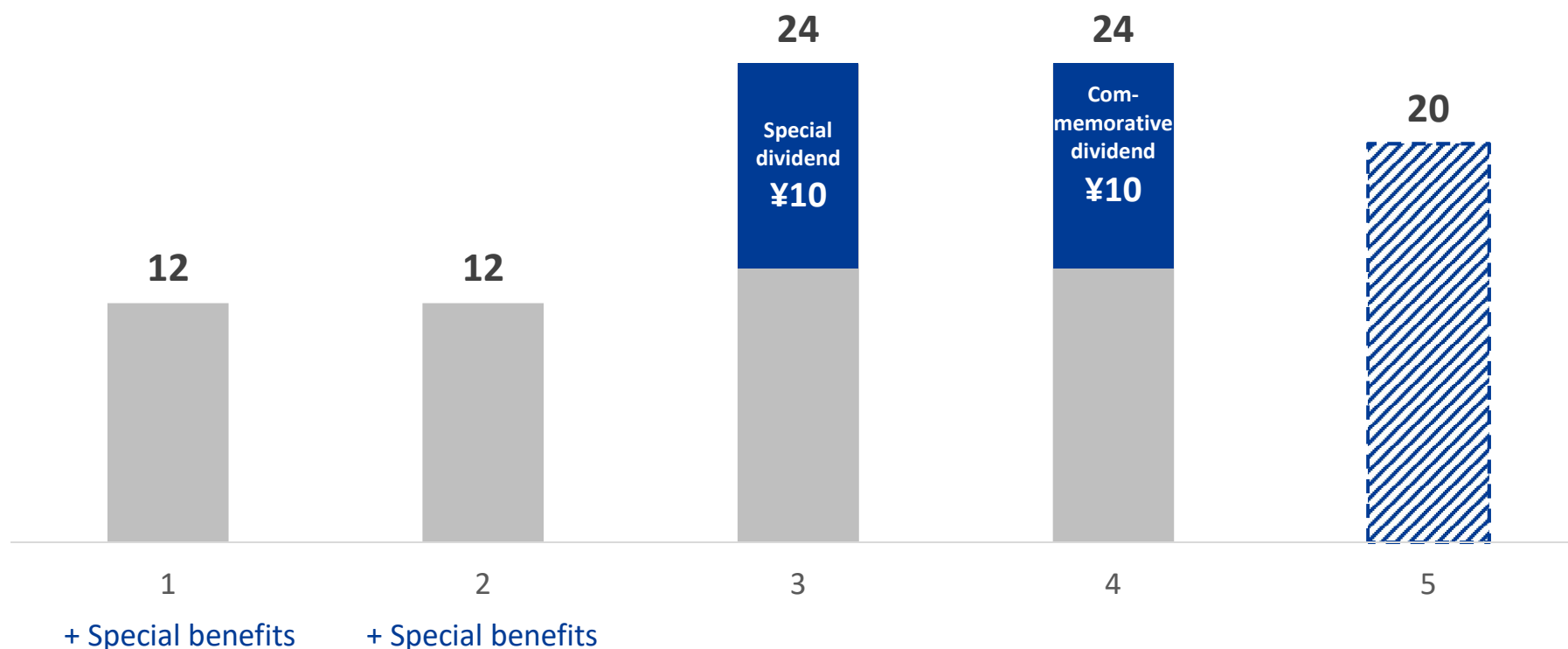
1. Dividend Policy

Distributing earnings to shareholders is one of our highest priorities. The basic policy is to distribute earnings in a manner that takes into account results of operations and other applicable items. October 20, 2019 was the 20th anniversary of the founding of APAMAN. To express our appreciation to shareholders for their support, a commemorative dividend of 10 yen per share will be paid in addition to the year-end ordinary dividend.

The dividend forecast for the fiscal year ending in September 2020 is 20 yen per share. This forecast is the result of a thorough examination of issues involving the dividend that took into account the FY2018 special dividend and FY2019 commemorative dividend, cash flows, and other applicable factors.

■ Year-end dividend per share

(Yen)



2. Company Profile

Company name	APAMAN Co., Ltd.
President and CEO	Koji Omura
Capital	7,980 million yen (as of September 30, 2019)
Employees (consolidated)	1,047 (as of September 30, 2019)
Head office	Asahi Seimei Otemachi Building, 2-6-1, Otemachi, Chiyoda-ku, Tokyo
Main business	Sharing Economy Platform Cloud Technology
Securities Code	8889 (JASDAQ Standard)



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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