

APAMAN

Briefings on Financial Results for the Fiscal Year Ended
September 30, 2021 (FY2021)

November 12, 2021
APAMAN Co., Ltd.
JASDAQ: 8889



FY2021 Consolidated Results

Overview of Consolidated Results (YoY comparison)

(Millions of yen)

	FY2020	FY2021	Remarks (Major factors)	YoY change
Net sales	44,119	44,419	Contribution from M&A in the Platform Business	+299
Gross profit	9,678	10,385	Contribution from M&A in the Platform Business Lower revaluation on operational investment securities (FY2020)	+707
SG&A expenses	8,837	9,029		+191
Operating profit	840	1,356	Lower revaluation on operational investment securities (FY2020) Increase in earnings in the Platform Business	+516
Ordinary profit	8	795	Increase in operating profit Increase in equity-method profit	+787
Profit attributable to owners of parent	166	602	Increase in ordinary profit Gain on sales of shares of subsidiaries and associates, etc.	+436
EBITDA ^{Note}	1,743	2,541	Increase in ordinary profit	+798

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

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

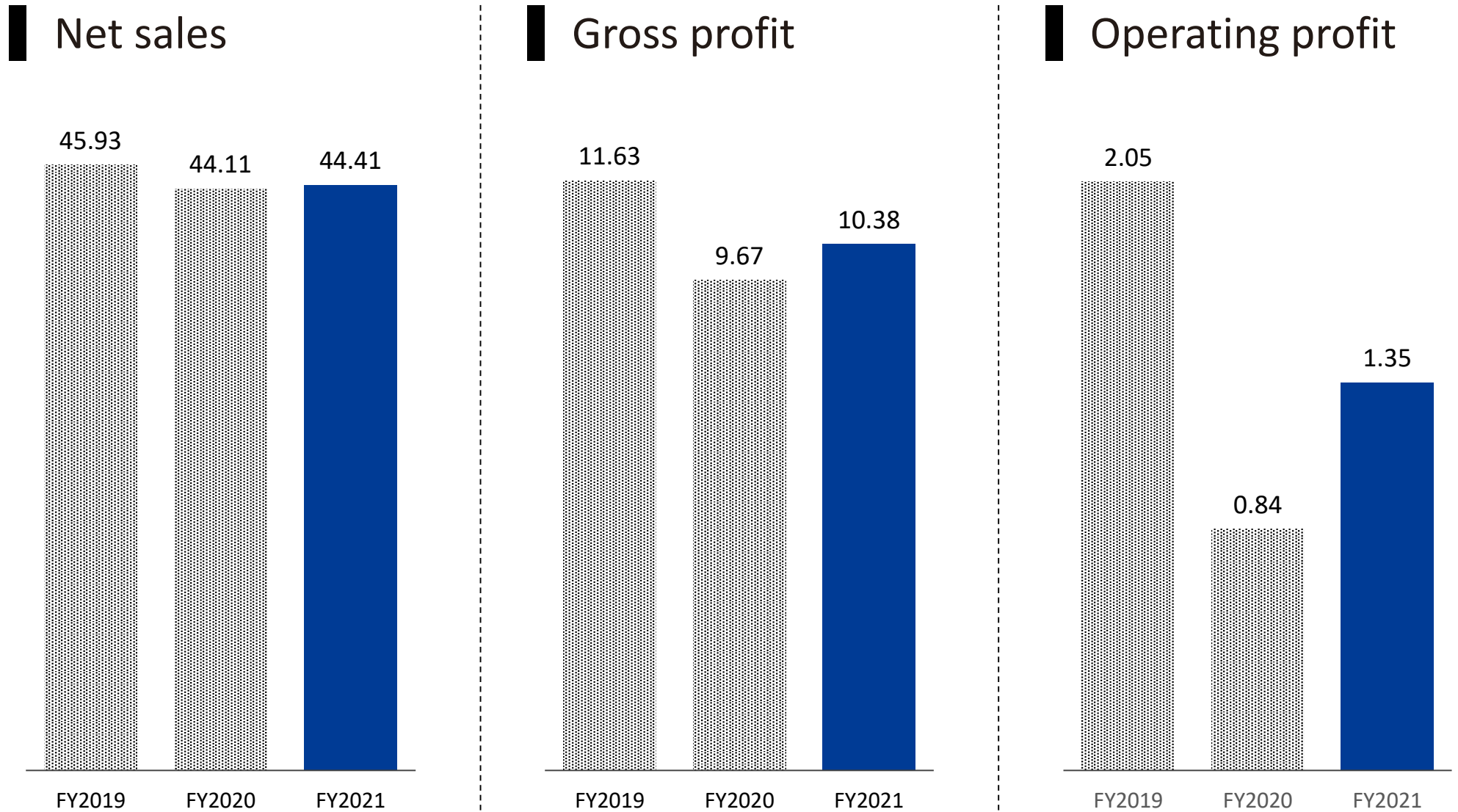
(Millions of yen)

Assets	End-FY2020	End-FY2021	Change
Current assets	14,824	14,804	-20
Cash and deposits	7,561	7,359	-201
Notes and accounts receivable-trade	1,746	1,742	-4
Operational investment securities	1,205	1,197	-8
Other	4,311	4,504	+193
Non-current assets	19,430	18,437	-993
Property, plant and equipment	3,733	3,275	-458
Intangible assets	9,022	9,070	+47
Goodwill	6,918	6,406	-512
Other	2,103	2,663	+559
Investments and other assets	6,674	6,091	-583
Total assets	34,255	33,241	-1,013

Liabilities and net assets	End-FY2020	End-FY2021	Change
Current liabilities	9,190	10,202	+1,012
Accounts payable-trade	1,023	1,149	+125
Short-term borrowings ^{Note}	1,942	2,364	+422
Other	6,224	6,688	+464
Non-current liabilities	20,621	18,459	-2,161
Long-term borrowings	17,787	15,892	-1,894
Long-term lease and guarantee deposited	1,757	1,621	-135
Other	1,076	946	-130
Total liabilities	29,811	28,662	-1,149
Capital	7,983	7,983	-
Net assets	4,443	4,578	+135
Total liabilities and net assets	34,255	33,241	-1,013

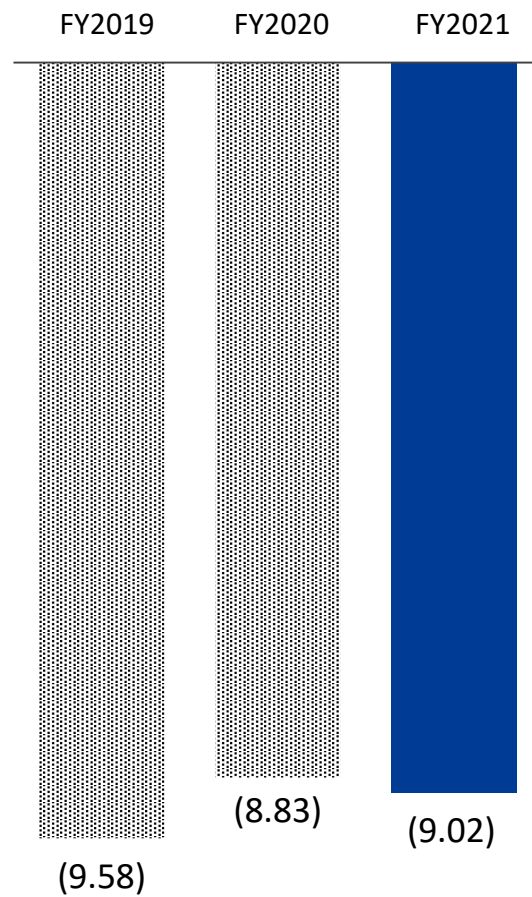
Note: Includes current portion of long-term borrowings

(Billions of yen)

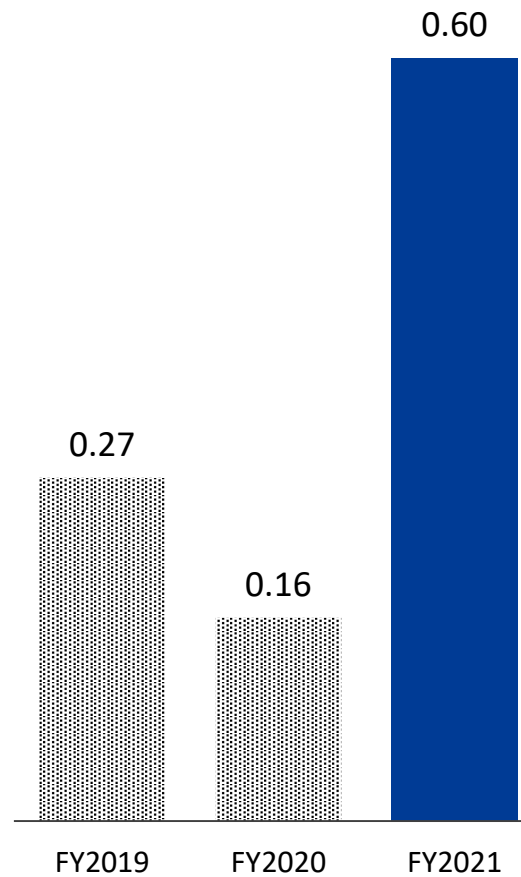


(Billions of yen)

SG&A expenses



Profit attributable to owners of parent



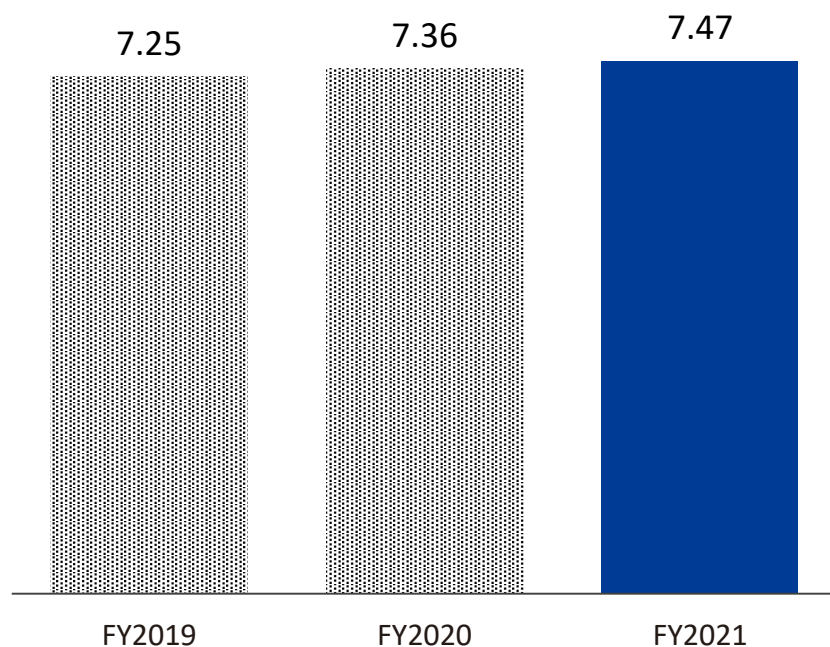
Consolidated Results of Operations Composition of Gross Profit

(Billions of yen)

Constant-revenue gross profit

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

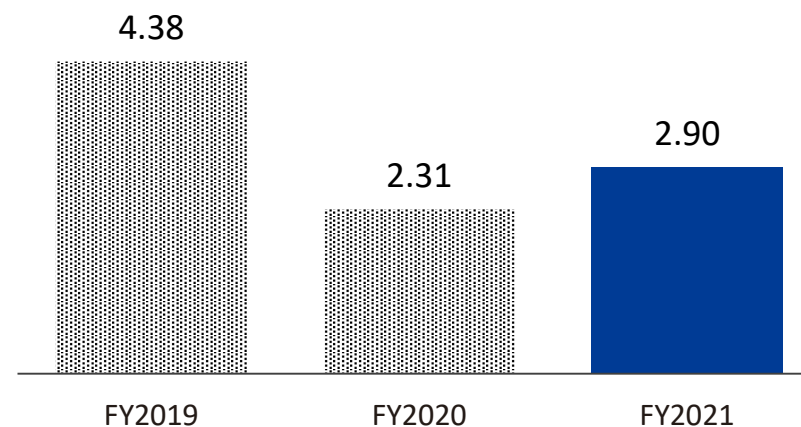
Higher gross profit due to an increase in the number of units under management
Lower gross profit due to higher purchase price of the electric retailing business



Other gross profit

Brokerage fees, consulting fees, operational investment securities and others

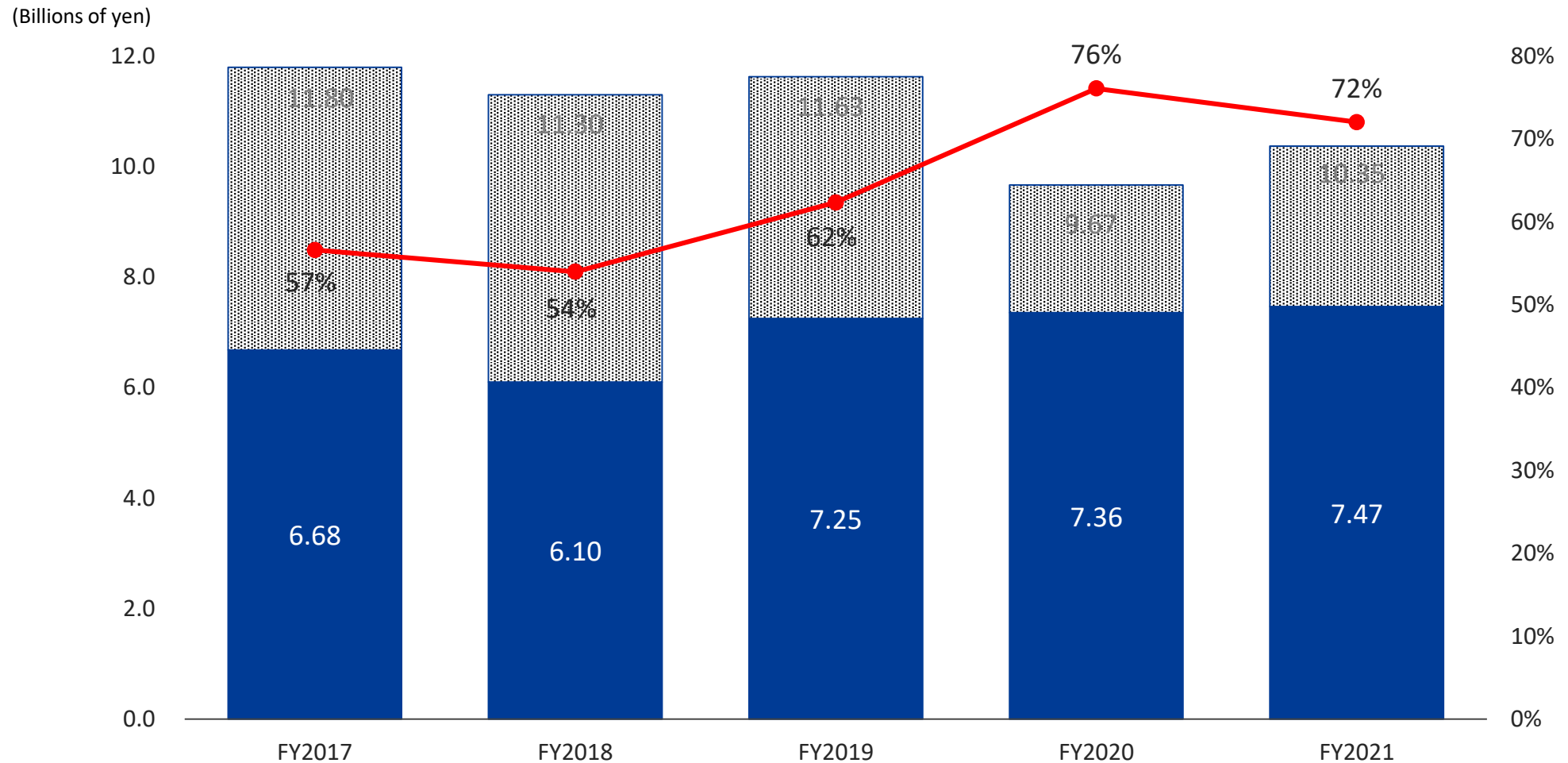
Valuation loss on operational investment securities (FY2020)
Online support at directly operated stores



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	91,421 units (down 1,225 units YoY)	
	Directly operated stores	68 stores (down 4 stores YoY)	
Technology	Cloud service	Stores	1,036 stores
	Franchise service	Property management/ Sub-leasing	Approx. 1,030,000 units
		Property owner relationships	Approx. 200,000 owners
Others	Metered parking	4,320 parking spaces nationwide (up 269 parking spaces YoY)	

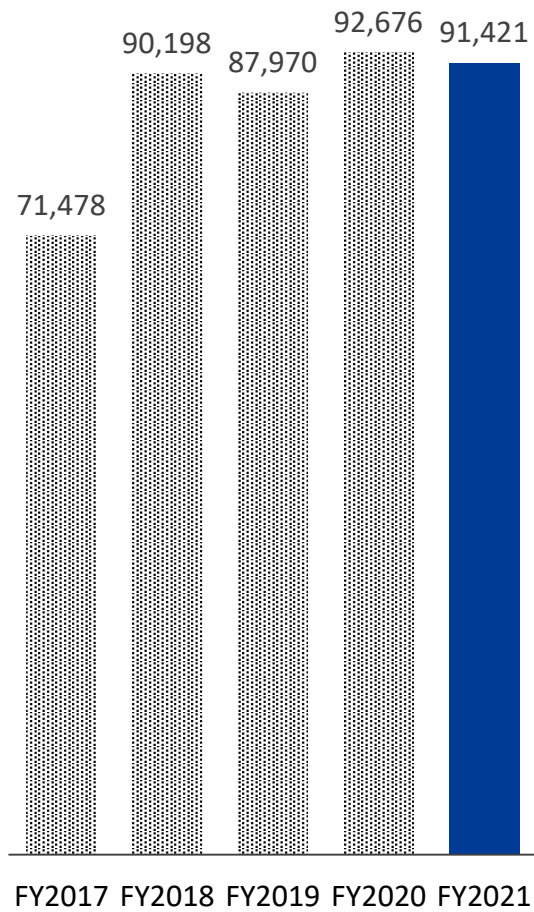
Notes: Rental management and sub-leasing, directly operated stores and metered parking businesses include directly operated stores and cloud service, and franchise service includes FCs.

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

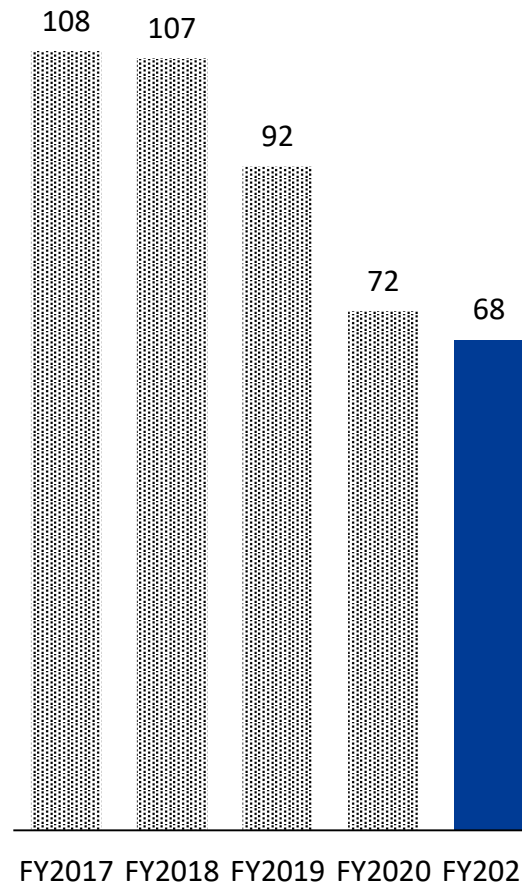
Number of units under management

(Units)



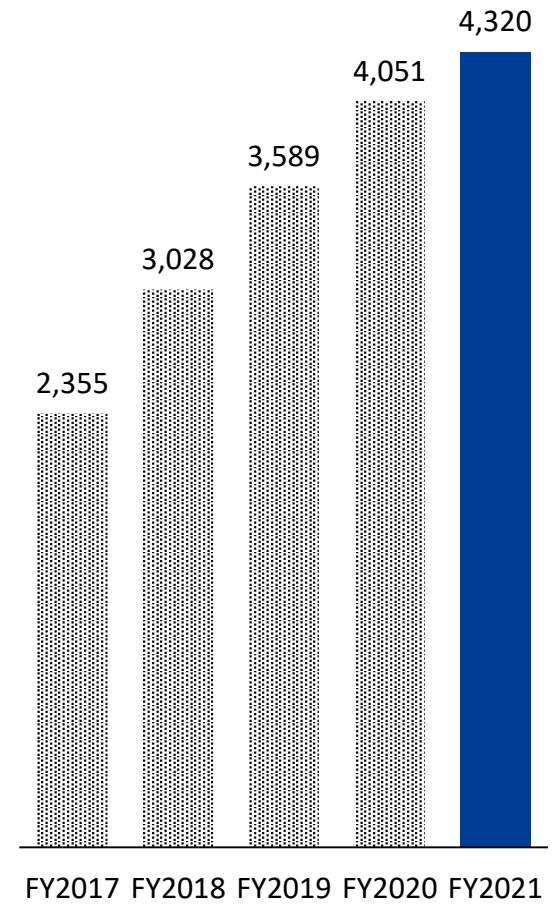
Directly managed stores

(Stores)



Metered parking

(Vehicles)

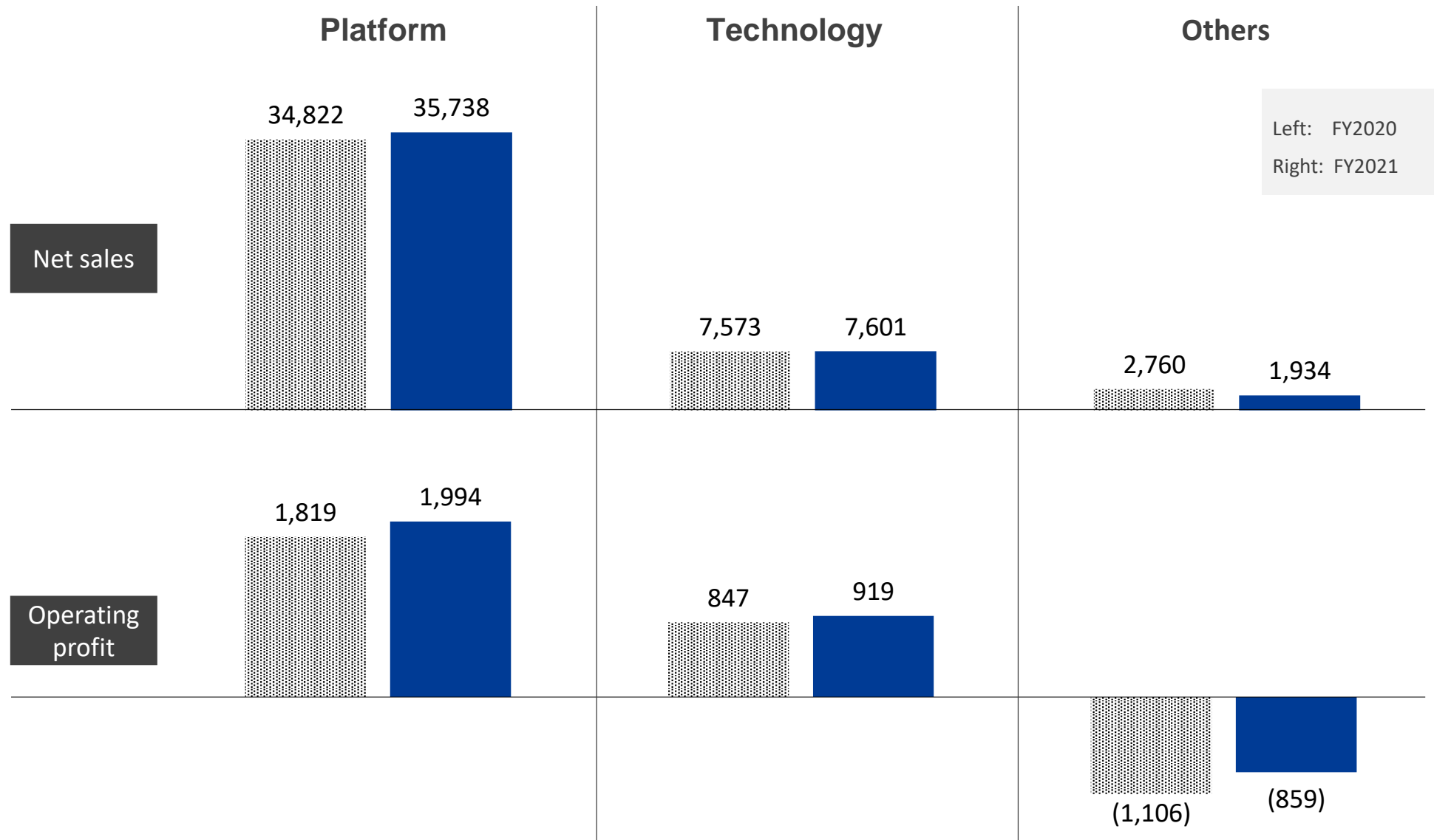




FY2021 Results by Segment

Net Sales and Operating Profit by Segment (YoY comparison)

(Millions of yen)



Platform Business (YoY comparison)

**Number of units under management down 1,225 YoY;
Higher purchase price of the electric retail business reduced operating profit by 100 million yen**

(Millions of yen)

	FY2020	FY2021	YoY change	
			Amount	%
Net sales	34,822	35,738	+915	2.6%
Operating profit	1,819	1,994	+175	9.6%

Stores



Number of directly managed
franchised stores
72 stores (FY2020) → **68** stores

PM



Number of units under management
92,676 units → **91,421** 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
1,499 million yen (FY2020) → **1,461** million yen

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

Technology Business (YoY comparison)

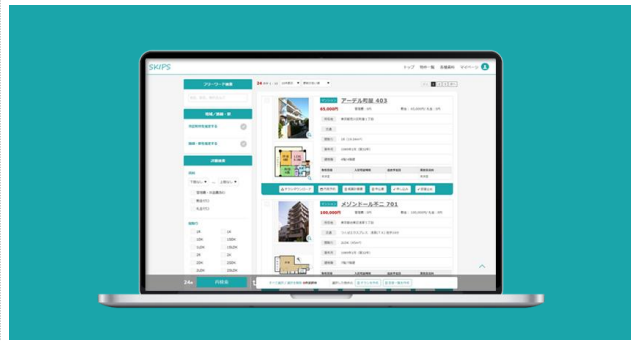
Termination of royalty reduction due to the COVID-19 infection

(Millions of yen)

	FY2020	FY2021	YoY change	
			Amount	%
Net sales	7,573	7,601	+27	0.4%
Operating profit	847	919	+71	8.4%

Technology services

Automated rental management



Shared electronic keys for apartments



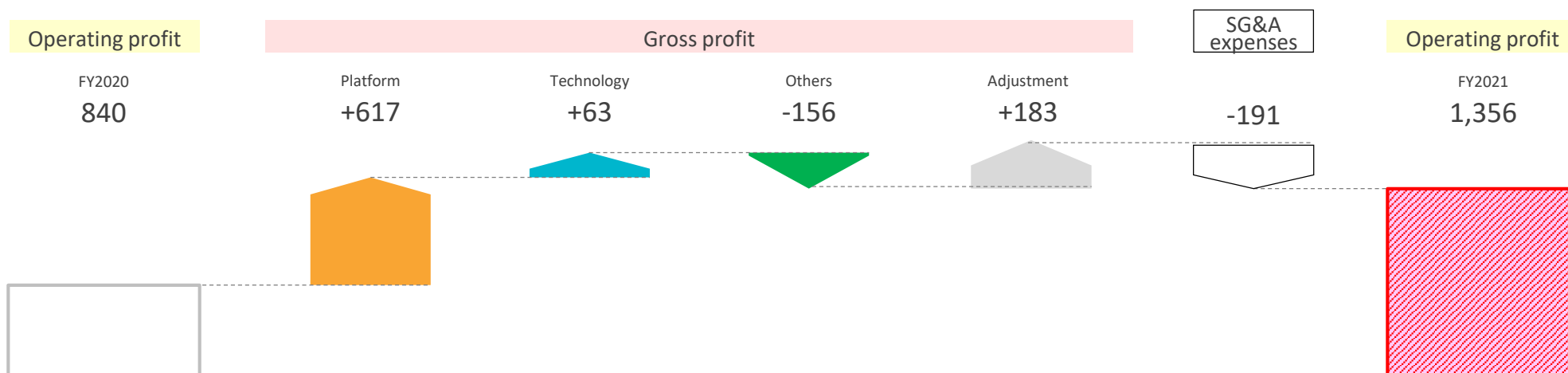
Core system for rental brokerage service



Analysis of Operating Profit by Segment (YoY)

(Millions of yen)

	FY2020			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	34,822	8,639	24.8%	35,738	9,256	25.9%	+915	+617	+1.1%
Technology	7,573	1,761	23.3%	7,601	1,825	24.0%	+27	+63	+0.8%
Others	2,760	112	4.1%	1,934	(43)	-2.3%	-826	-156	-6.3%
Adjustment (elimination or corporate)	(1,038)	(835)	-	(855)	(651)	-	+182	+183	-
Total	44,119	9,678	21.9%	44,419	10,385	23.4%	+299	+707	+1.4%
SG&A expenses (SG&A expenses ratio)	8,837		20.0%	9,029		20.3%	+191		+0.3%
Operating profit (operating margin)	840		1.9%	1,356		3.1%	+516		+1.1%





FY2022 Consolidated Forecast

Overview of Consolidated Forecast (YoY comparison)

(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	
Profit attributable to owners of parent	602	200	-402

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



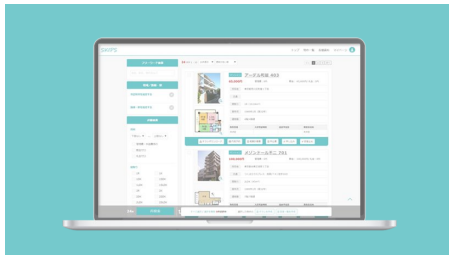
Shared electronic keys for apartments



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: down 1,225 properties YoY

Increase master leases for the provision of company housing

Results: 61 contracted companies

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Cautionary Statements

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