

Briefings on Financial Results for the Fiscal Year Ended September 30, 2022 (FY2022)

APAMAN Co., Ltd.

November 11, 2022

Tokyo Stock Exchange (Standard): 8889

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FY2022 Financial Summary

Net sales

¥**44.9** billion

Up

1.1%

YoY

Operating profit

¥**1.89** billion

Up

39.6%

YoY

Profit attributable to owners of parent

¥**0.26** billion

Down

56.5%

YoY

Following the enactment of the digital reform laws, all formalities concerning rental contracts from May 18, 2022 onward are now processed online and productivity is increasing

Financial Summary | Overview of Consolidated Statement of Income

(Millions of yen)

	FY2021	Ratio to net sales	FY2022	Ratio to net sales	YoY change
Net sales	44,419	-	44,926	-	+507
Gross profit	10,385	23.4%	10,802	24.0%	+416
SG&A expenses	9,029	20.3%	8,909	19.8%	-119
Operating profit	1,356	3.1%	1,893	4.2%	+536
Ordinary profit	795	1.8%	1,419	3.2%	+623
Profit attributable to owners of parent	602	1.4%	262	0.6%	-340
EBITDA ^{Note}	2,944	6.6%	3,435	7.6%	+490

- Net sales and cost of sales: Decrease ¥690 million due to the application of the new revenue recognition standard
- Non-operating expenses: Equity-method profit/loss; loss of ¥60 million (down ¥170 million YoY)
- Non-operating income: Foreign exchange gains ¥290 million (up ¥240 million YoY)
- Extraordinary income: Gain on sales of shares of subsidiaries and associates ¥0 million (down ¥1,430 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-FY2021	End-FY2022	Change
Current assets	14,804	16,450	+1,646
Cash and deposits	7,359	8,318	+959
Accounts receivable-trade ^{Note 1}	1,742	1,817	+75
Operational investment securities	1,197	1,054	-142
Other	4,504	5,258	+754
Non-current assets	18,437	19,094	+657
Property, plant and equipment	3,275	2,687	-588
Intangible assets	9,070	9,776	+706
Goodwill	6,406	5,604	-801
Other	2,663	4,172	+1,508
Investments and other assets	6,091	6,630	+539
Total assets	33,241	35,545	+2,303

	End-FY2021	End-FY2022	Change
Current liabilities	10,202	11,952	+1,749
Accounts payable-trade	1,149	1,537	+387
Short-term borrowings ^{Note 2}	2,364	3,036	+672
Other	6,688	7,377	+689
Non-current liabilities	18,459	19,277	+817
Long-term borrowings	15,892	15,707	-185
Long-term lease and guarantee deposited	1,621	1,453	-167
Other	946	2,116	+1,170
Total liabilities	28,662	31,229	+2,566
Capital	7,983	8,002	+19
Net assets	4,578	4,315	-263
Total liabilities and net assets	33,241	35,545	+2,303

- Increase in non-current assets because of the increase in system development following the purchase of the stock of ARCHITECTS STUDIO JAPAN, INC. through a third-party allotment
- Increase in lease obligations

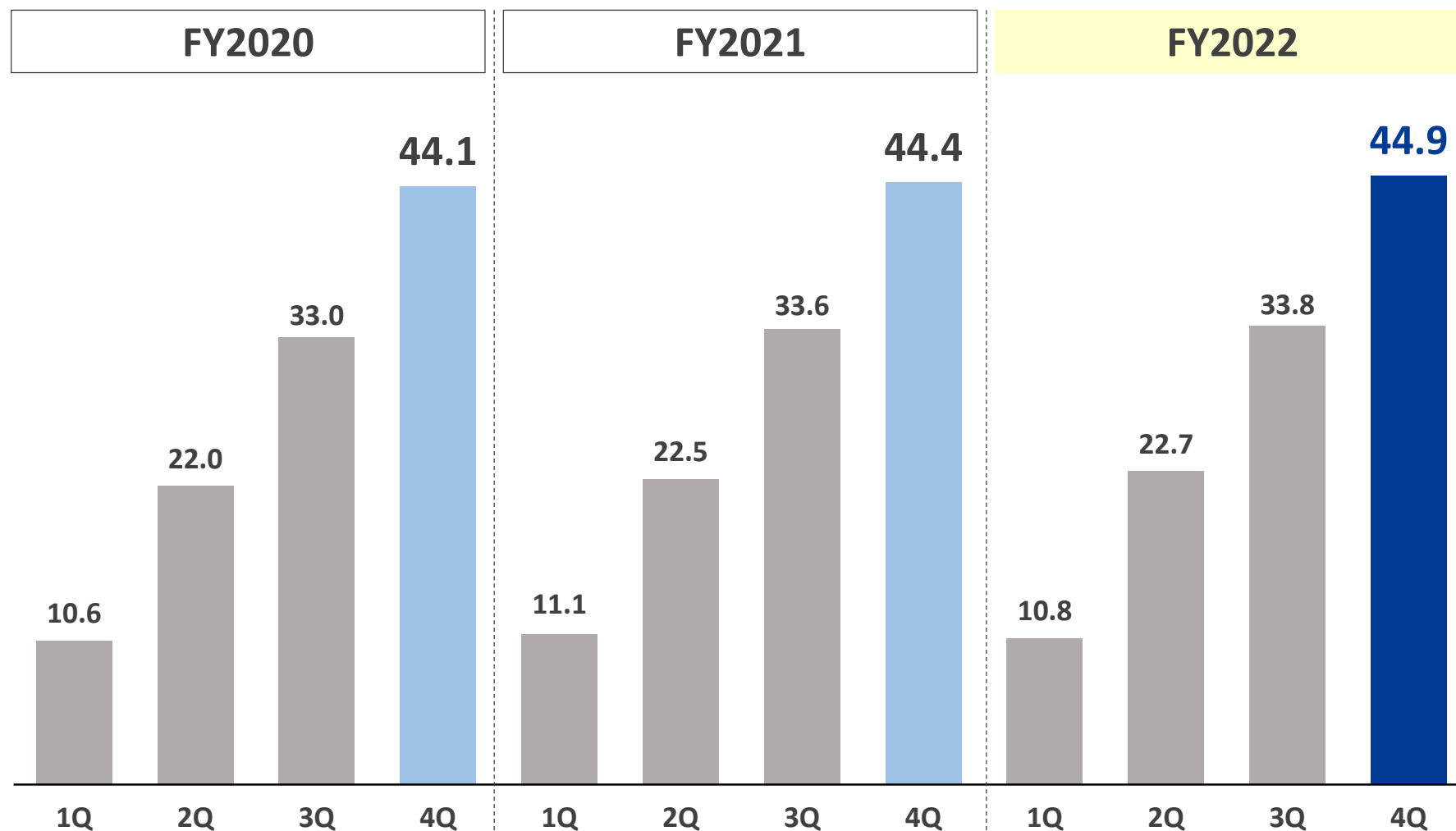
Notes: 1. End-FY2021: Notes and accounts receivable-trade

2. Includes current portion of long-term borrowings

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Financial Summary | Quarterly Sales

(Billions of yen)

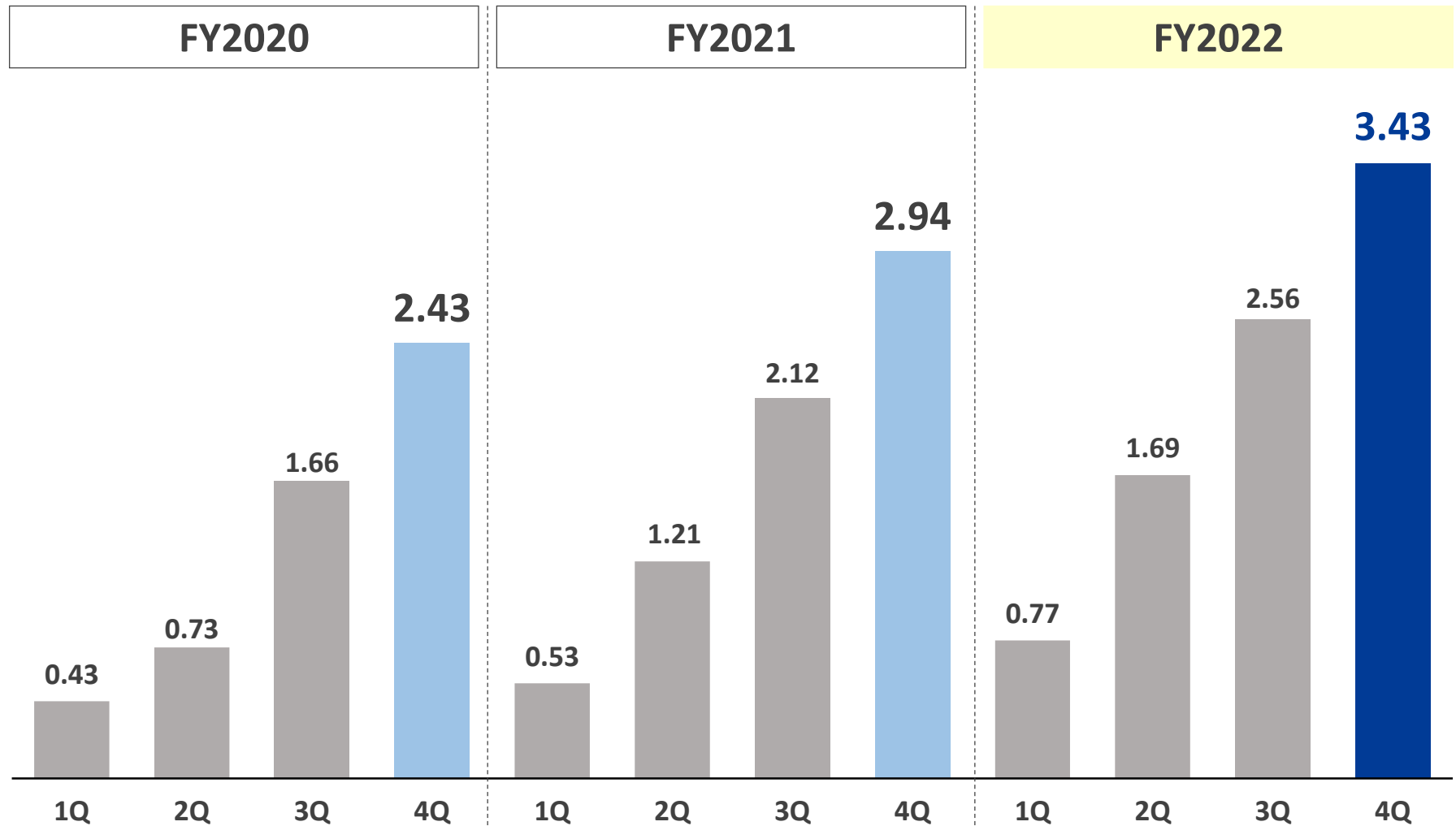


➤ Effect on the application of the accounting standard for revenue recognition: -¥690 million

Note: Quarterly sales are cumulative results.

Financial Summary | Quarterly EBITDA ^{Note}

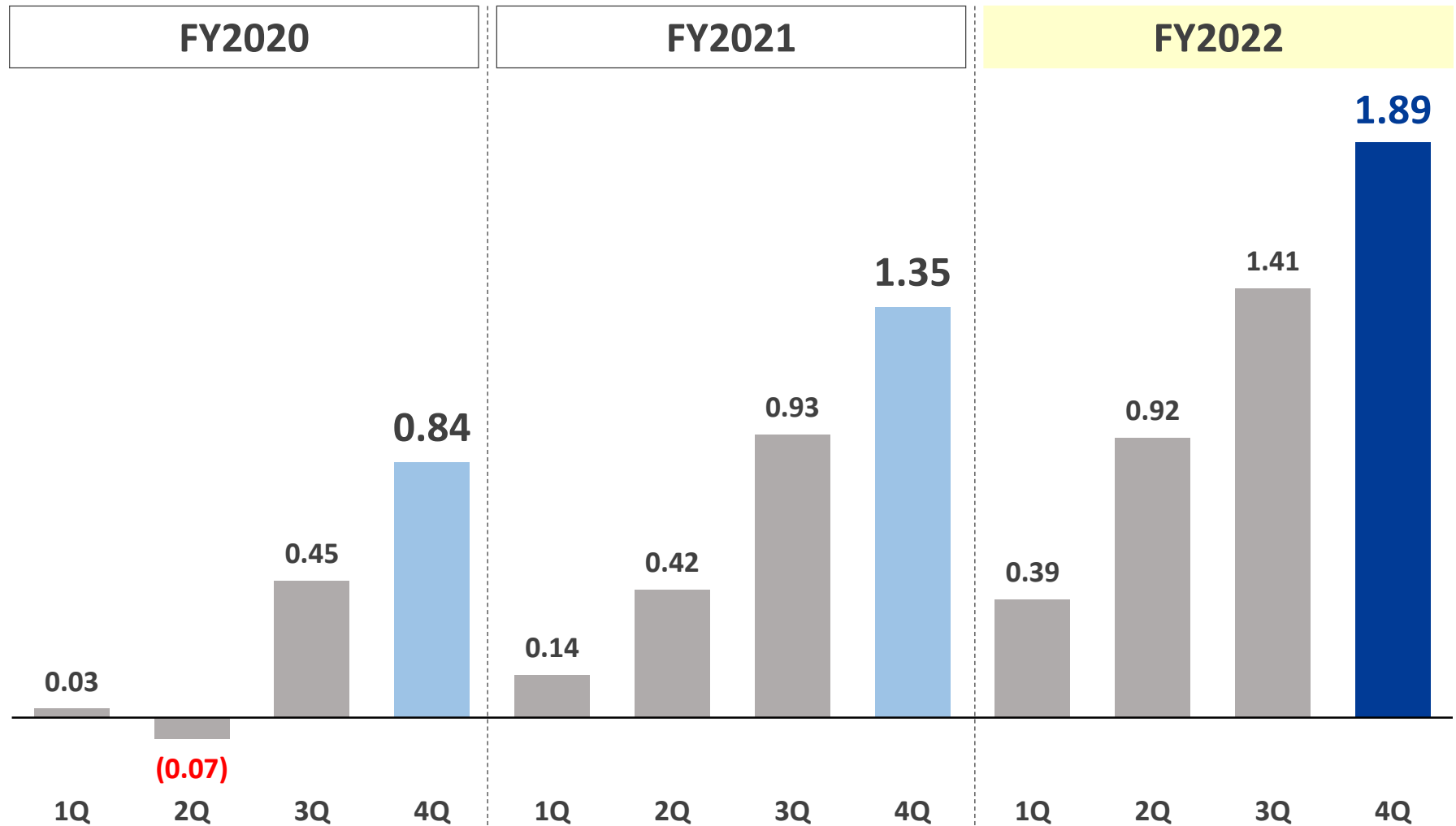
(Billions of yen)



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

Financial Summary | Quarterly Operating Profit

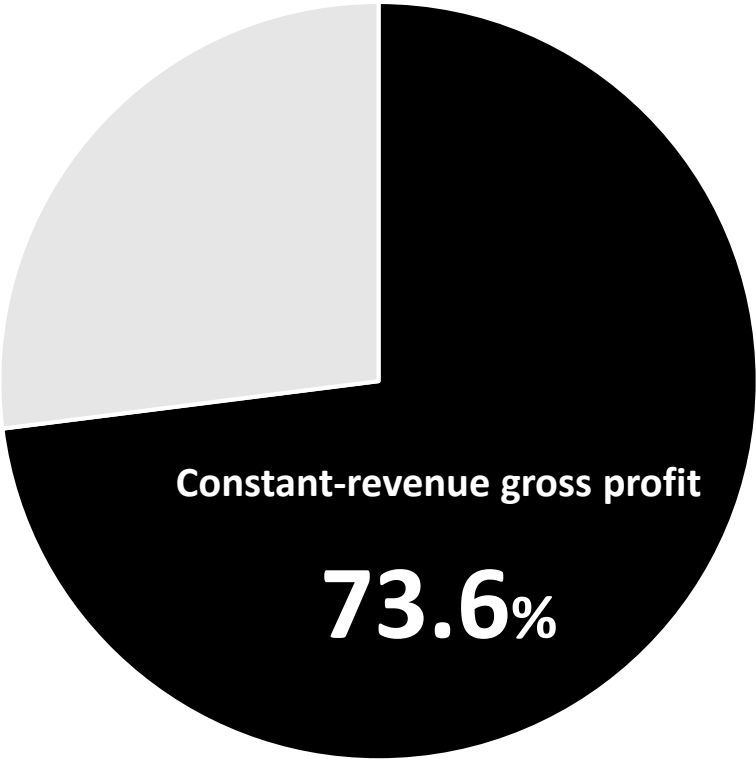
(Billions of yen)



Note: Quarterly operating profit is cumulative results.

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Constant revenue accounts for about 70% of gross profit



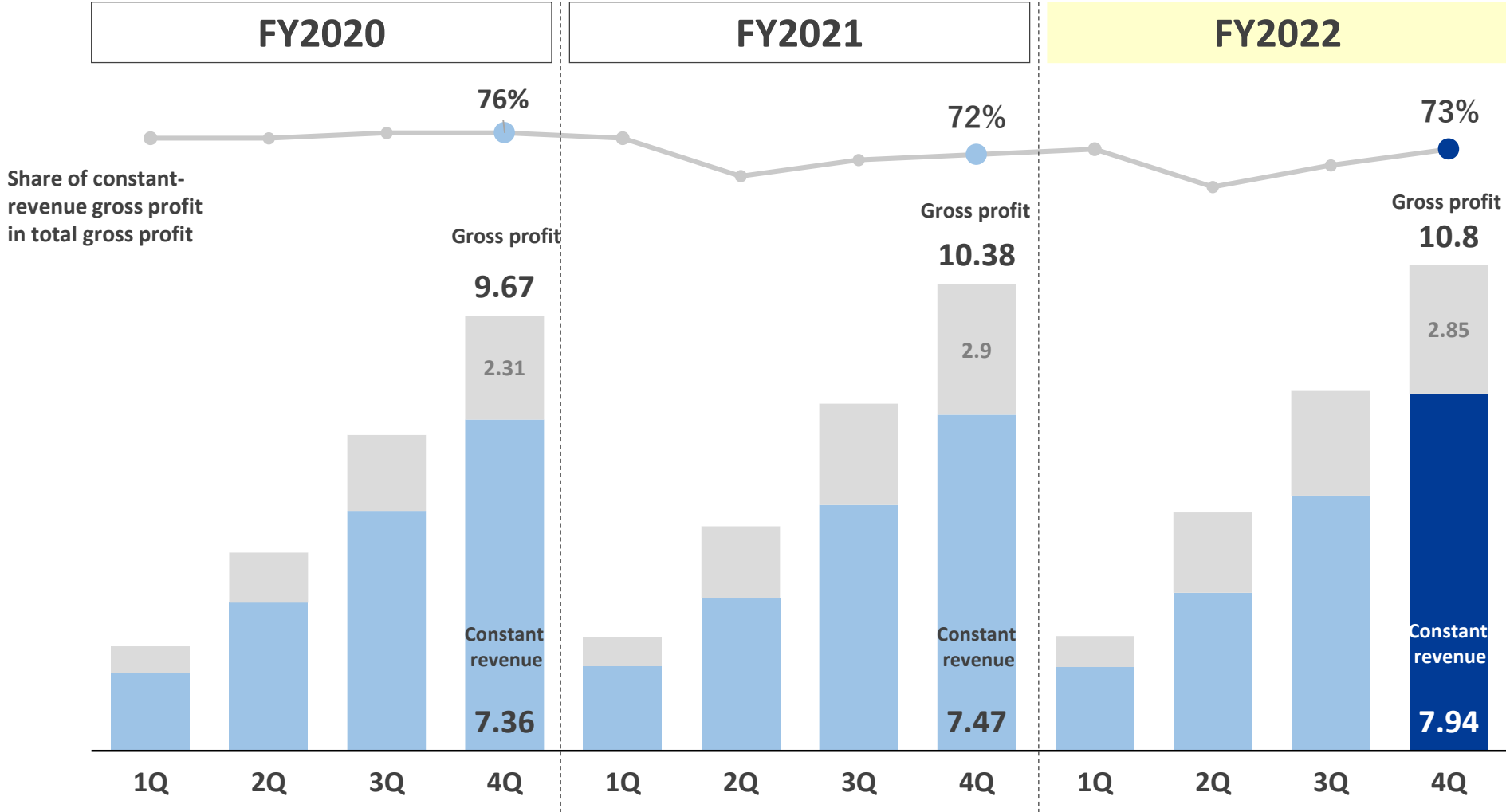
Platform	Rental management <small>(Includes sub-leasing)</small>	Management fee
	Company-rented housings	Brokerage fee
Technology	Cloud service	Usage fee
	Franchise service	Royalty fee
Other	Metered parking	Parking fee

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 Sep. 30, 2022

Financial Summary | Share and Amount of Constant Revenue Gross Profit

(Billions of yen)



Note: Quarterly gross profit is cumulative results.

- 1. Growth of Online Activities**
- 2. More Company Housing Alliances**

Significant Events | Growth of Online Activities

Online real estate procedures are on the increase following the enactment of digital reform laws

Automated rental management

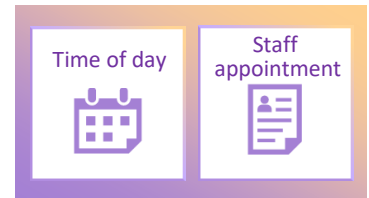
SKIPS



Online First
Locate and rent an
apartment online



**New way to search for an
apartment**



Marketing Automation
Use of AI for marketing
activities



Online seminars/meetings
(Property owners, franchised
companies, members)

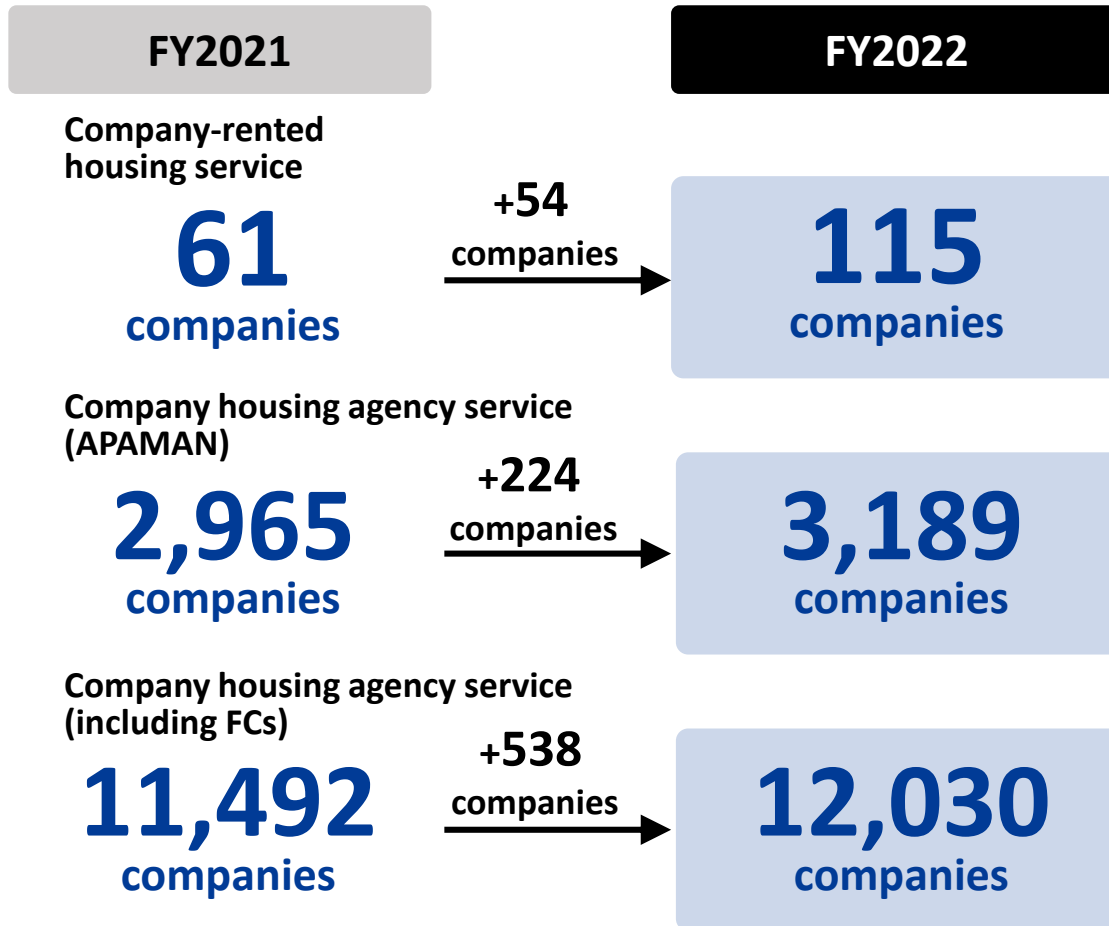


Using innovative technologies to search for apartments

- Online customer interaction
- Online viewing of apartments
- Online detailed explanations
- Designation of specific staff member/
Date and time reservation



Increasing the number of partner companies for company housing



FY2022 Results by Segment

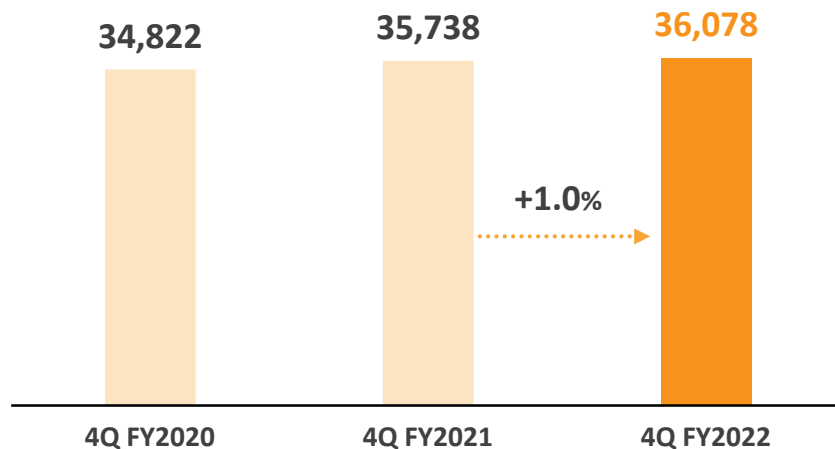
Results by Segment | Platform Business (PM + Company Housing + Store Operations)

(Millions of yen)

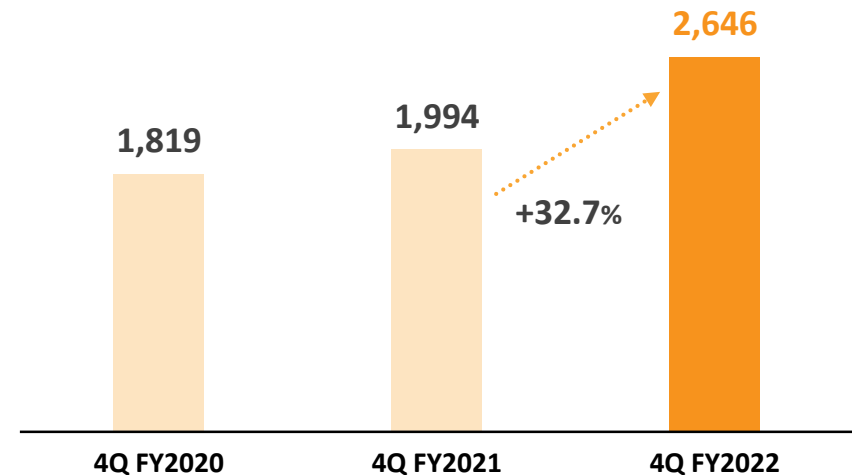
Topics

- Higher sales and earnings at directly operated stores due to growth of online operations
- Contribution from M&A management companies

Segment sales



Segment profit



➤ Lower sales due to the application of the accounting standard for revenue recognition: -¥690 million

Results by Segment | Platform Business

(PM + Company Housing + Store Operations)

Topics

- Gross profit of cumulative included services increased
- The number of companies using the company-rented housing service and company housing agency service increased

	4Q FY2021	4Q FY2022	YoY Change
No. of units under management	91,421	90,608	-813
No. of directly managed stores	68	71	+3
Gross profit of included and associated services	1,461 million yen	1,519 million yen	+58 million yen
No. of companies using the company housing agency service	2,965	3,189	+224
No. of companies using the company-rented housing service	61	115	+54

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

Promotional activities targeting property owners



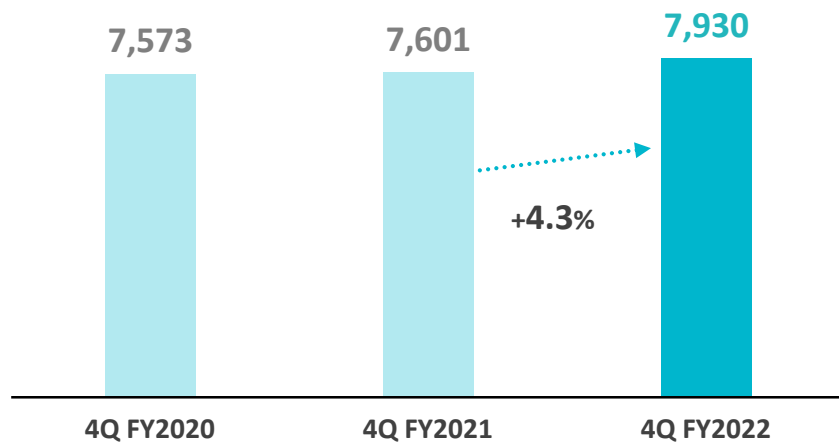
Results by Segment | Technology Business (FC)

(Millions of yen)

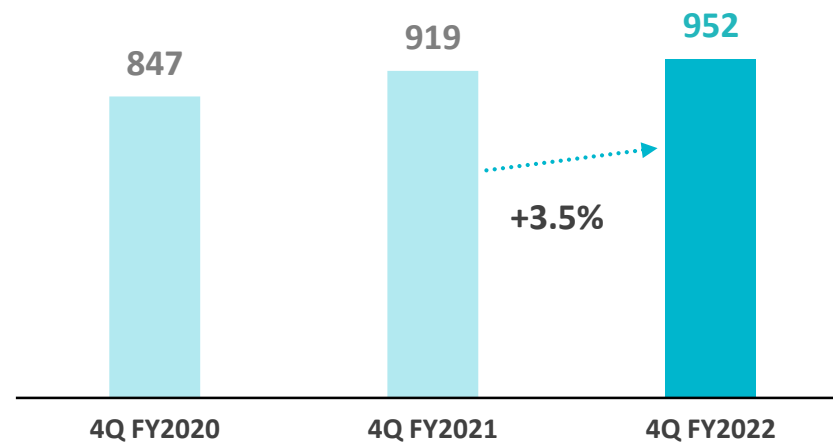
Topics

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

Segment sales

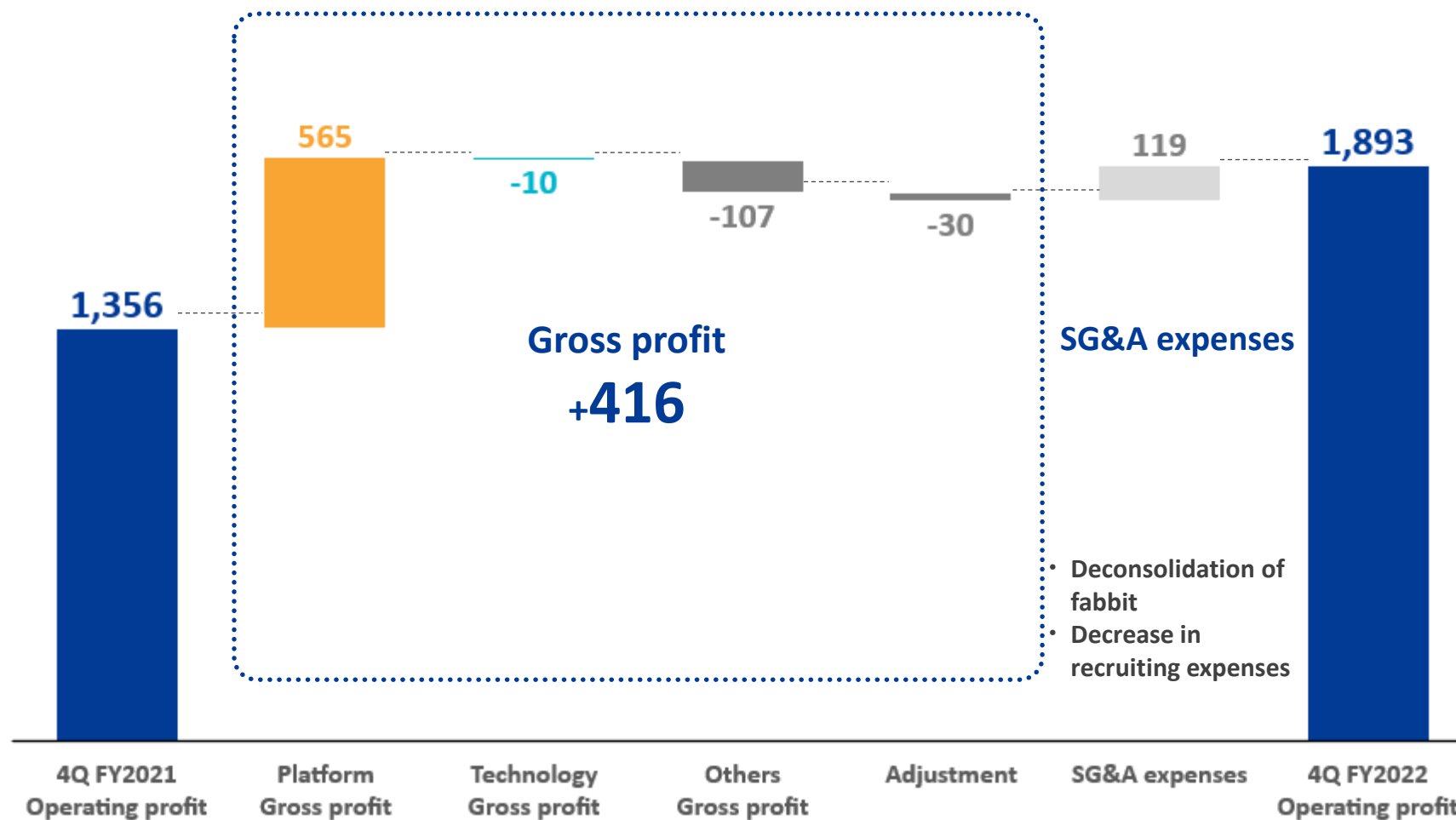


Segment profit



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

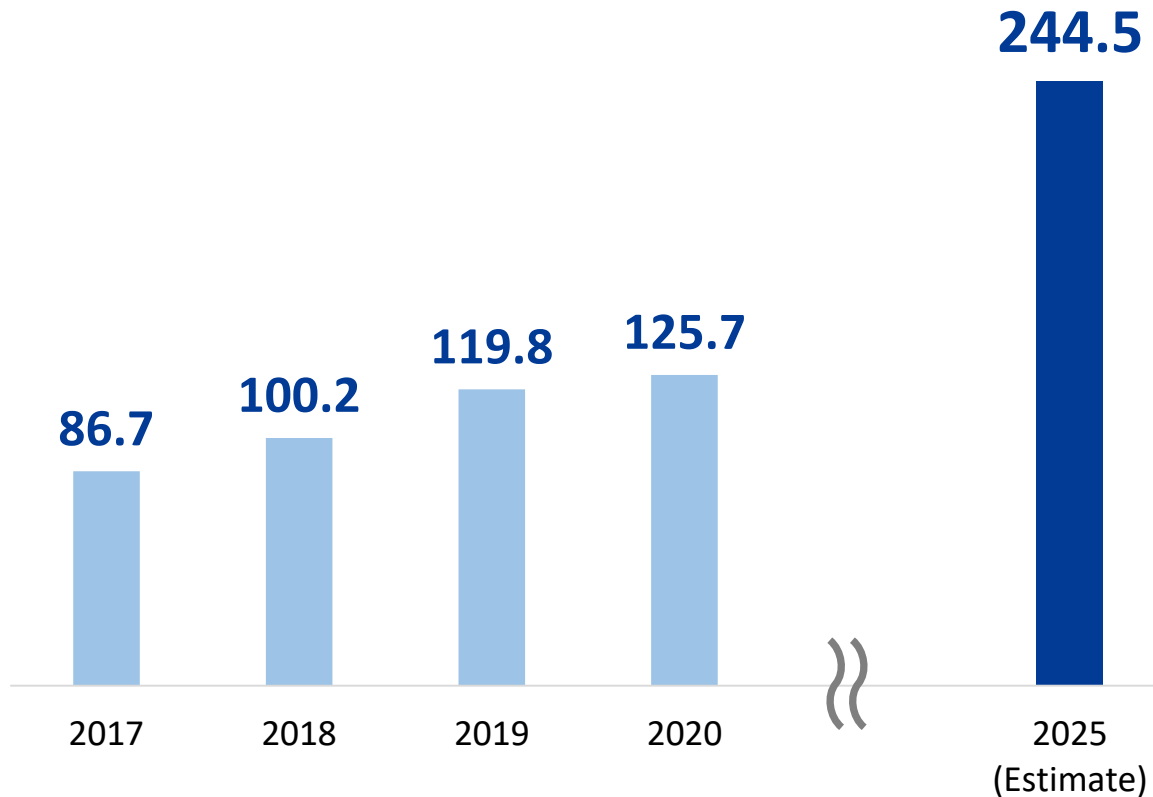
	FY2022 Results	FY2023 Forecast	Change
Net sales	44,926	45,700	+773
Operating profit	1,893	1,900	+6
Ordinary profit	1,419	1,300	-119
Profit attributable to owners of parent	262	300	+37

Growth Strategy

Real Estate × Technology

Services with value for society

Japan's B-to-B real estate DX market is expected to grow to ¥244.5 billion in 2025



The property management support market is growing rapidly and growth is expected to continue

Primary Goals

- 1. More progress with the digital transformation of APAMAN**
- 2. Growth of earnings and the scale of operations (company housing, number of rental properties under management)**

Primary Goals | More Progress with the Digital Transformation of APAMAN

(1) Example of IT Services

AOS

A rental brokerage system that uses a single computer to handle everything from listing properties to working with customers.



apamanshop.com

One of Japan's largest websites for searching for an apartment to rent



BIG DATA

An information analysis service that uses big data



APS

A rental property management system that can process aggregate annual payments of more than ¥200 billion



SKIPS

An integrated system for raising the productivity of customers, rental brokerage companies and rental property management companies



Apartment checking cloud

Uses photos of damage to determine the fair amount of payments required when a tenant departs



Primary Goals | More Progress with the Digital Transformation of APAMAN

(2) Example of IT Services

Store visitor cloud	Register customer personal data using a smartphone for automatic transfer to a data management system
Introduction cloud	Centralized management of customer introductions from business partners
RPA	Digital labor is used for maintaining up-to-date market information. The data management system is updated every day with the latest information.
APSS	Linkage with about 350 real estate developers, homebuilders and other companies allows automatically receiving information daily about 200,000 available properties
Amaren Net	Facilitates the sharing of information among franchisee companies, agents and others nationwide
OEM API link	Links the database of the main IT system with the websites of all franchisees

SKIPS BB	One of Japan's largest B-to-B websites for rental property companies, linking the information of rental brokerage companies and rental property brokers
Owner Web	One of Japan's largest websites for creating a base of real estate owners
Renovation check cloud	Renovation companies use a smartphone to submit reports; report forms are generated automatically and data can be stored
Property patrol cloud	Uses a smartphone for internal reports about visits to buildings and owners; reports can be produced when away from the office
Appraisal cloud	Uses big data for instant assessments to determine the proper rent; can also automatically generate residential rental assessment reports
Owner portal	Allows property owners to use the internet to confirm financial other operational data. Property management companies can use charts for communications with owners.
Selkey cloud	A system that automates unlocking/locking doors of rental properties for rental property brokerage and property management companies; significantly improves productivity by eliminating the need to borrow keys

App production cloud, job opening website, franchise portal, e-learning and other services

Primary Goals | Growth of Earnings and the Scale of Operations

**More partner companies for
company housing**



**More rental properties under
management**

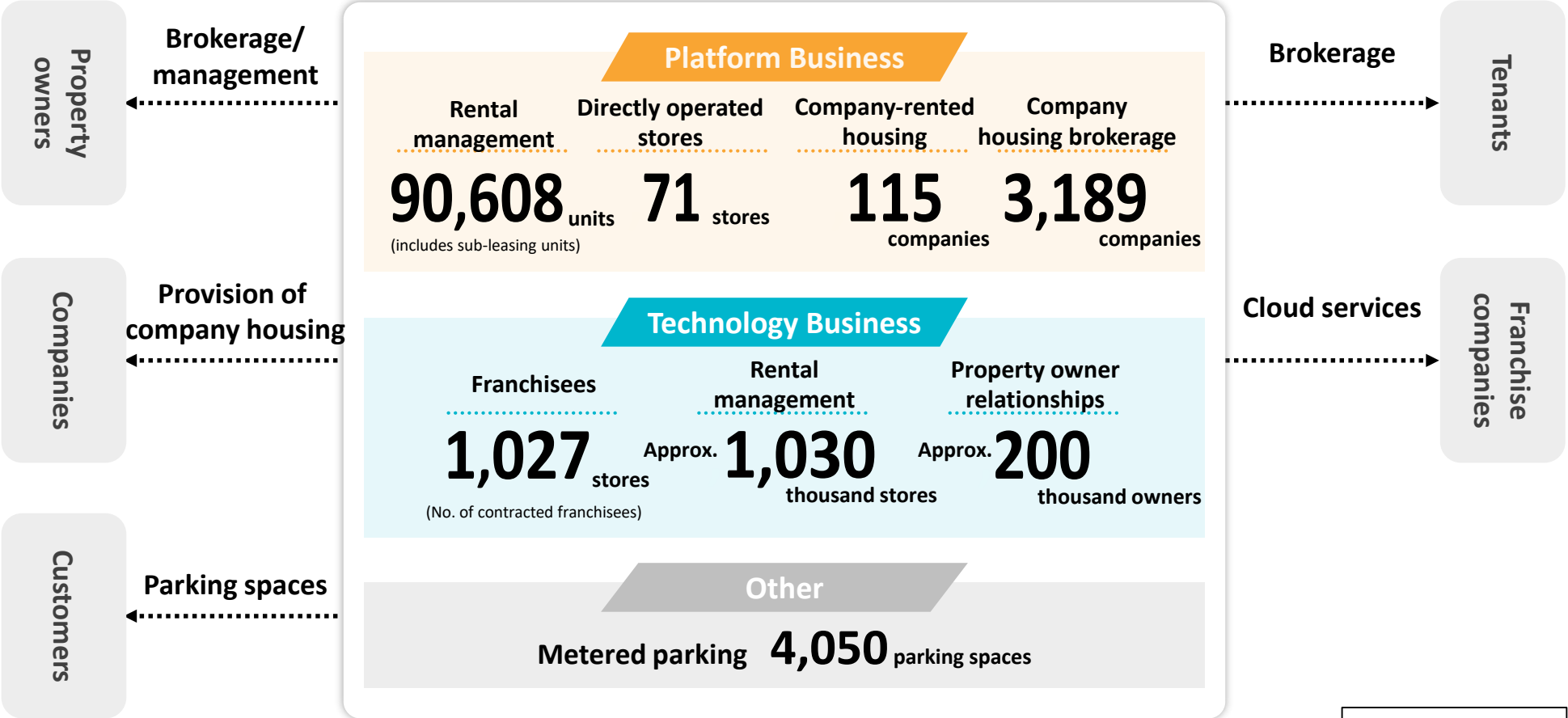


Appendix

Company Profile

Company name	APAMAN Co., Ltd.
Established	October 1999
Head office	Marunouchi Trust Tower North, 1-8-1 Marunouchi, Chiyoda-ku, Tokyo 100-0005
Capital	8,002 million yen (as of September 30, 2022)
Board members	<p>Koji Omura, President and CEO Takashi Kawamori, Managing Director Yujirou Takahashi, Outside Director Akihito Watanabe, Outside Director Takaaki Yamazaki, Full-time Audit & Supervisory Board Member Takeshi Yamada, Outside Audit & Supervisory Board Member Makoto Ariyasu, Outside Audit & Supervisory Board Member</p>
Employees	Consolidated: 1,099; Non-consolidated: 53 (as of September 30, 2022; excluding part-time employees)
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., Manshitsu Keiei Network Co., Ltd., ASK 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>

Using the Platform Business and Technology with innovative services centered on advanced technologies



As of Sep. 30, 2022

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

APAMAN

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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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