

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

APAMAN Co., Ltd.

May 12, 2023

Tokyo Stock Exchange (Standard): 8889

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2Q FY2023 Financial Summary

Topics

Net sales

¥**22.8** billion

Up **0.6%** YoY

EBITDA

¥**1.68** billion

down **0.6%** YoY

Operating
profit

¥**0.90** billion

down **2.4%** YoY

Profit attributable to
owners of parent

¥**-8** million

down **¥0.169** billion

Net sales, EBITDA and operating profit were generally as planned.
Profit: Foreign exchange loss was 0.14 billion yen
(Foreign exchange gain of 0.11 billion yen in FY2022)

Financial Summary | Overview of Consolidated Statement of Income

(Millions of yen)

	2Q FY2022	Ratio to net sales	2Q FY2023	Ratio to net sales	YoY change
Net sales	22,744	-	22,889	-	+144
Gross profit	5,305	23.3%	5,406	23.6%	+100
SG&A expenses	4,377	19.2%	4,500	19.7%	+122
Operating profit	927	4.1%	905	4.0%	-22
Ordinary profit	701	3.1%	455	2.0%	-246
Profit attributable to owners of parent	161	0.7%	-8	-0.0%	-169
EBITDA ^{Note}	1,696	7.5%	1,685	7.4%	-10

- Non-operating income: Foreign exchange gains/loss; loss of ¥140 million (down ¥250 million YoY)
- Non-operating expenses: Equity-method profit/loss; loss of ¥120 million (down ¥40 million YoY)
- Extraordinary income: Loss (gain) on sales of non-current assets; loss of ¥20 million (down ¥30 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	2Q FY2023	Change
Current assets	16,450	16,207	-242
Cash and deposits	8,318	8,115	-203
Accounts receivable-trade	1,817	1,971	+153
Operational investment securities	1,054	1,037	-16
Other	5,258	5,082	-176
Non-current assets	19,094	18,746	-348
Property, plant and equipment	2,687	2,706	+19
Intangible assets	9,776	9,730	-45
Goodwill	5,604	5,227	-376
Other	4,172	4,503	+331
Investments and other assets	6,630	6,309	-321
Total assets	35,545	34,954	-591

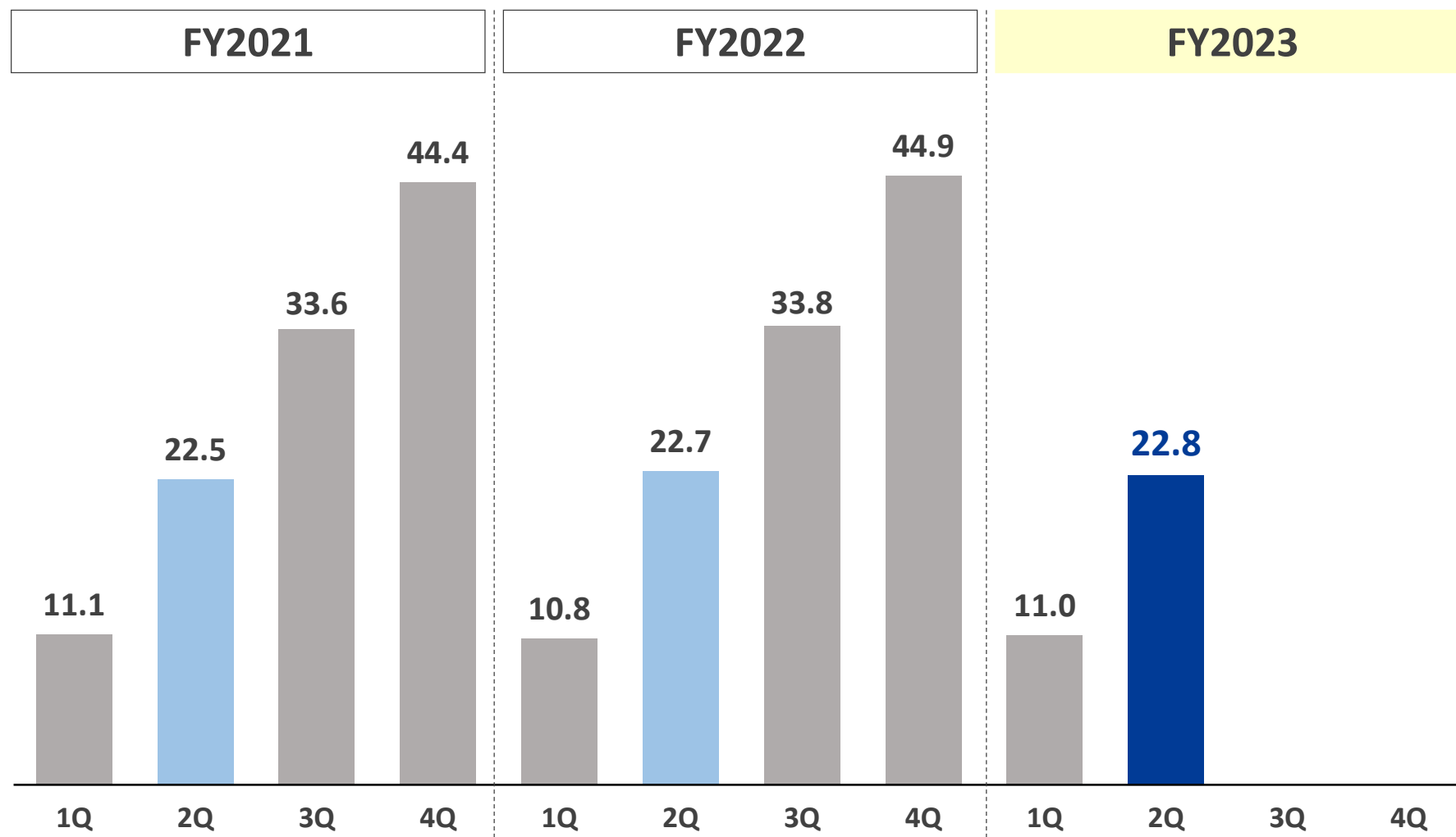
	End-FY2022	2Q FY2023	Change
Current liabilities	11,952	12,515	+563
Accounts payable-trade	1,537	1,580	+42
Short-term borrowings ^{Note 1}	3,036	3,349	+312
Other	7,377	7,585	+208
Non-current liabilities	19,277	18,324	-953
Long-term borrowings	15,707	14,548	-1,158
Long-term lease and guarantee deposited	1,453	1,398	-54
Other	2,116	2,377	-260
Total liabilities	31,229	30,839	-389
Capital	8,002	8,021	+18
Net assets	4,315	4,114	-201
Total liabilities and net assets	35,545	34,954	-591

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

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Financial Summary | Quarterly Sales

(Billions of yen)



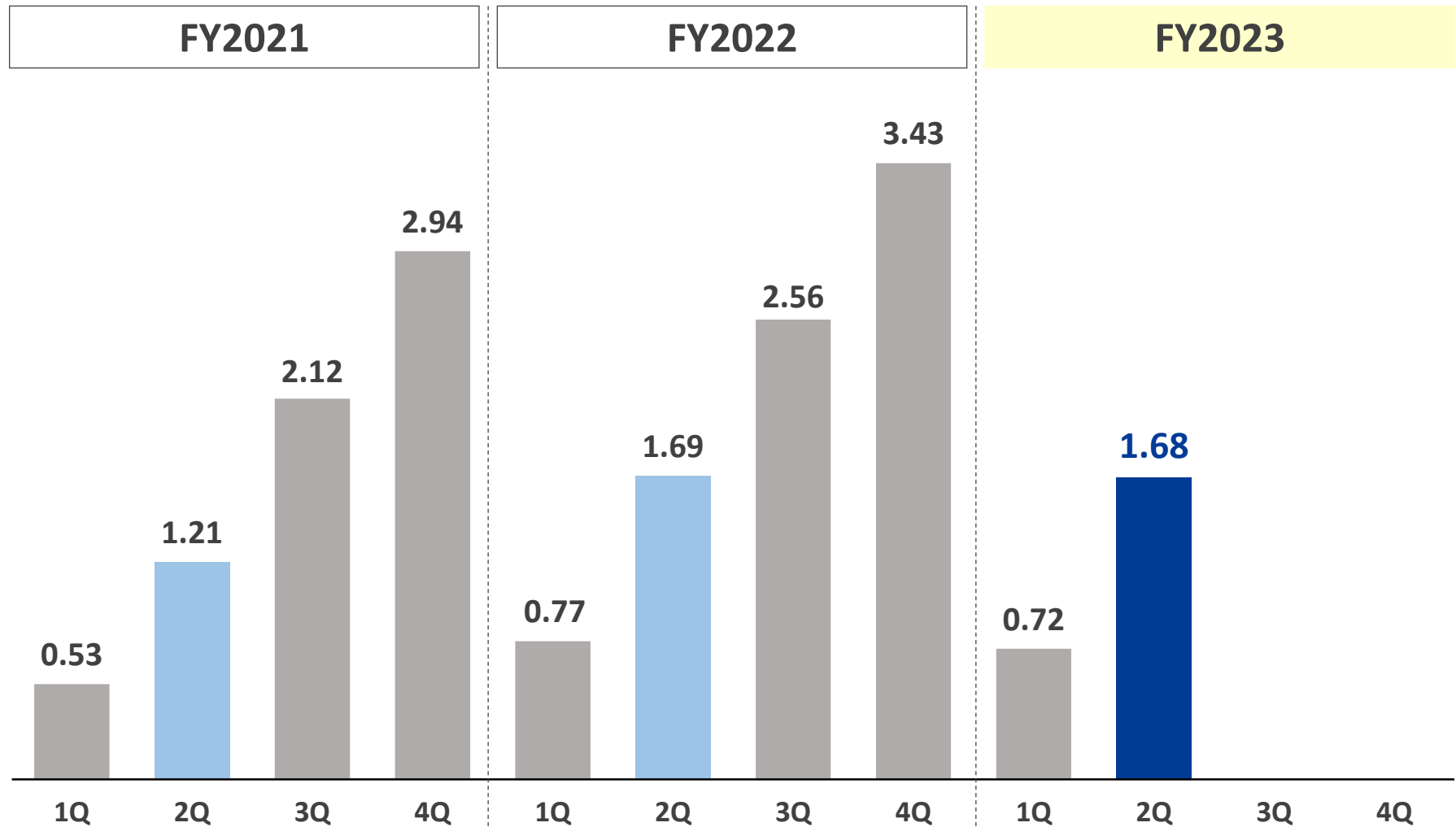
➤ Effect on the application of the accounting standard for revenue recognition: 2Q FY2023 -¥360 million (2Q FY2022 -¥340 million, 2Q FY2021 -)

Note: Quarterly sales are cumulative results.

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Financial Summary | Quarterly EBITDA ^{Note}

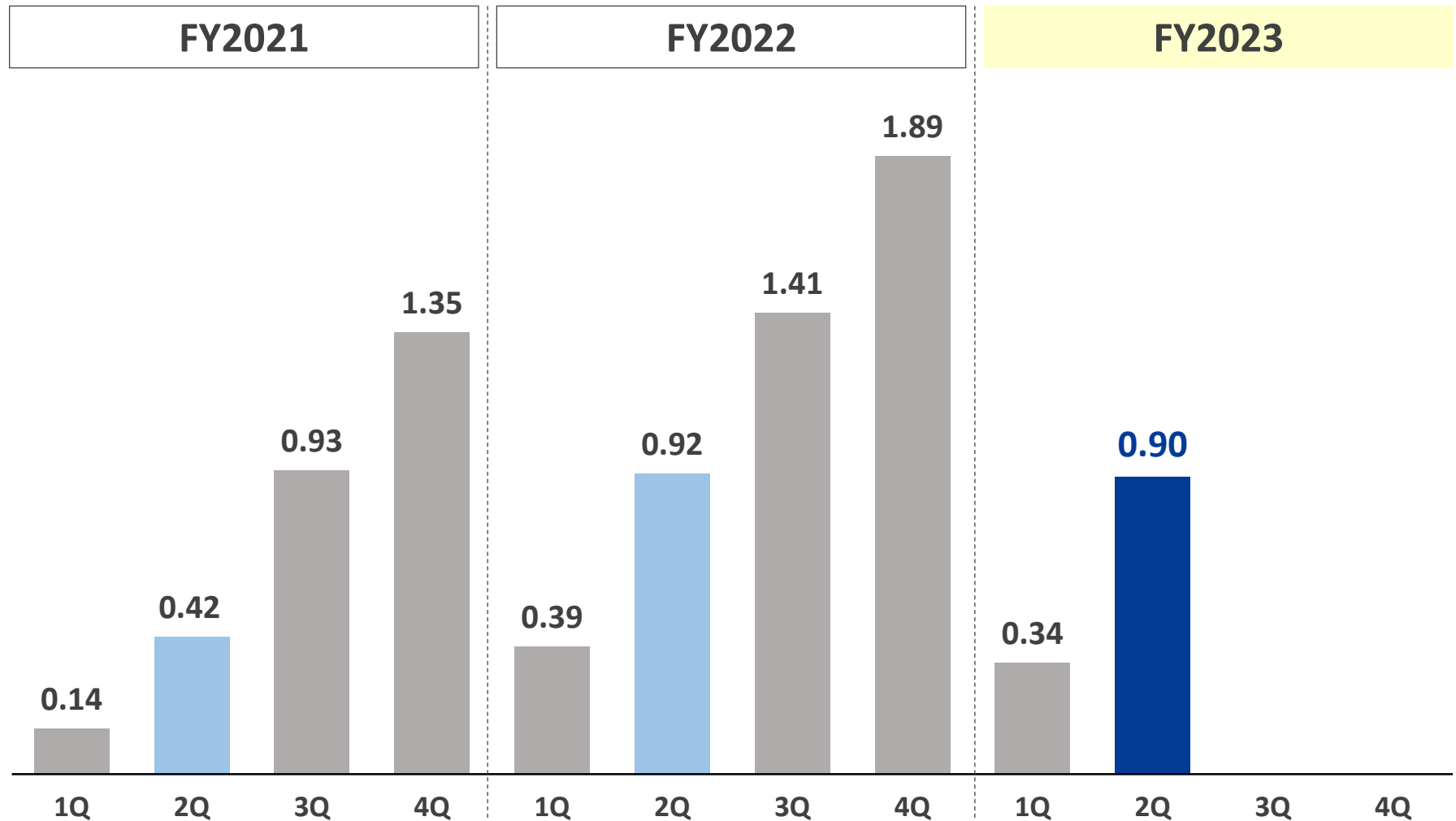
(Billions of yen)



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

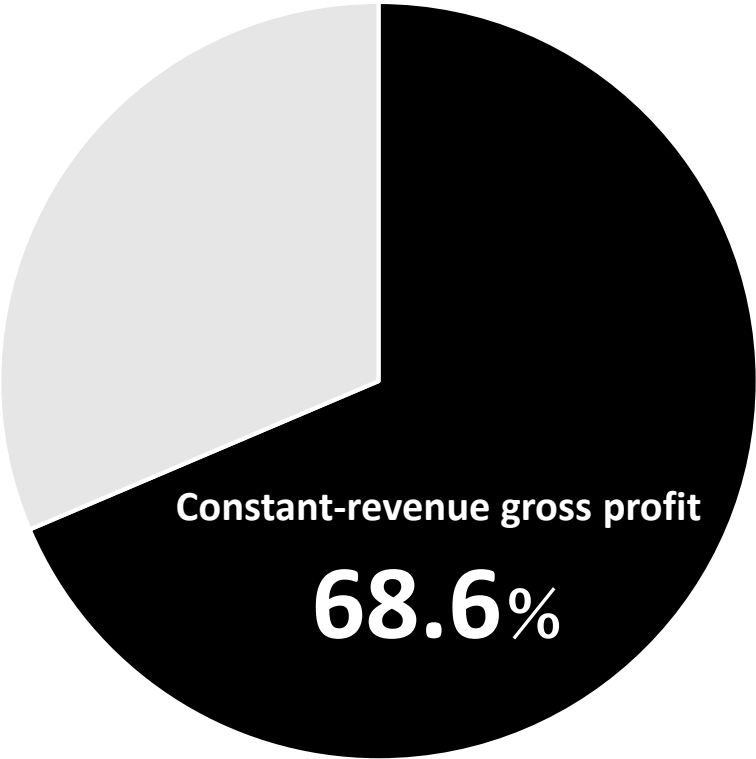
Financial Summary | Quarterly Operating Profit

(Billions of yen)



Note: Quarterly operating profit is cumulative results.

Constant revenue accounts for about 70% of gross profit



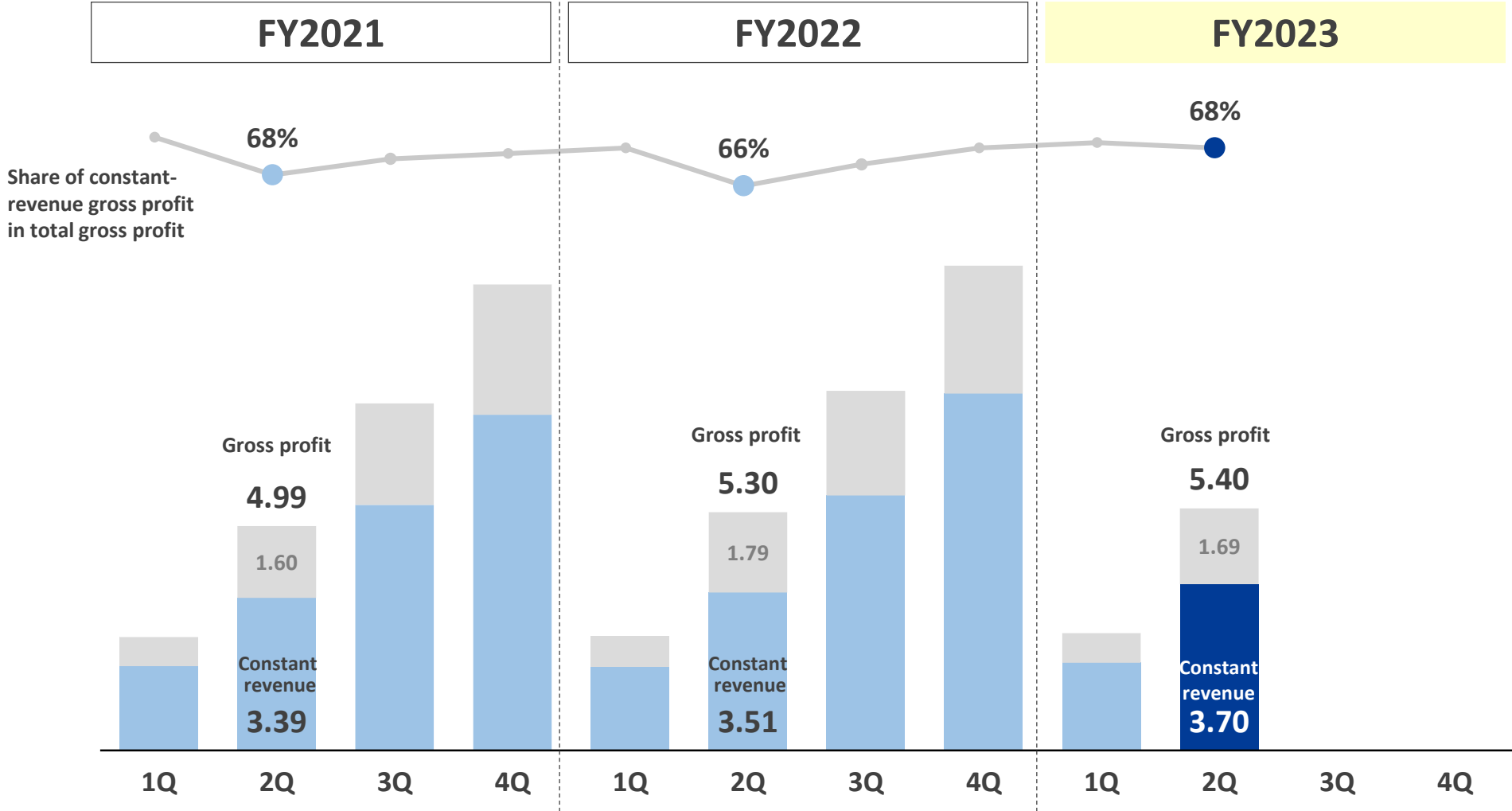
Platform	Rental management <small>(Includes sub-leasing)</small>	Management fee
	Company-rented housings	Brokerage fee
Technology	Cloud service	Usage fee
	Franchise service	Royalty fee
Other	Metered parking	Parking fee

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 Mar. 31, 2023

Financial Summary | Share and Amount of Constant Revenue Gross Profit

(Billions of yen)



Note: Quarterly gross profit is cumulative results

2Q 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

	2Q FY2022	2Q FY2023	YoY Change
No. of units under management	90,532	90,657	+125
No. of directly managed stores	71	72	+1
No. of companies using the company housing agency service	3,050	3,259	+209
No. of companies using the company-rented housing service	96	128	+32

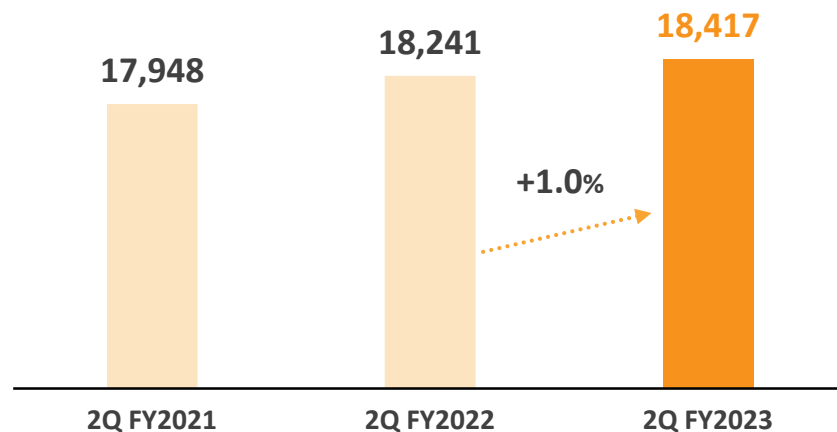
Results by Segment | Platform Business (PM + Company Housing + Store Operations)

Topics

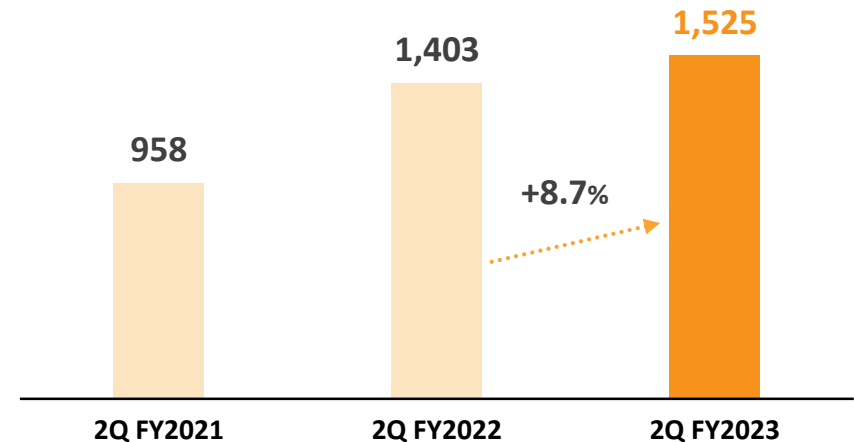
- Sales in PM, company housing and store operations were firm
- Subleased company-rented housing reached 1,000 units

(Millions of yen)

Segment sales



Segment profit



- Lower sales due to the application of the accounting standard for revenue recognition: -¥360 million in 2Q FY2023
- Lower sales due to the application of the accounting standard for revenue recognition: -¥340 million in 2Q 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

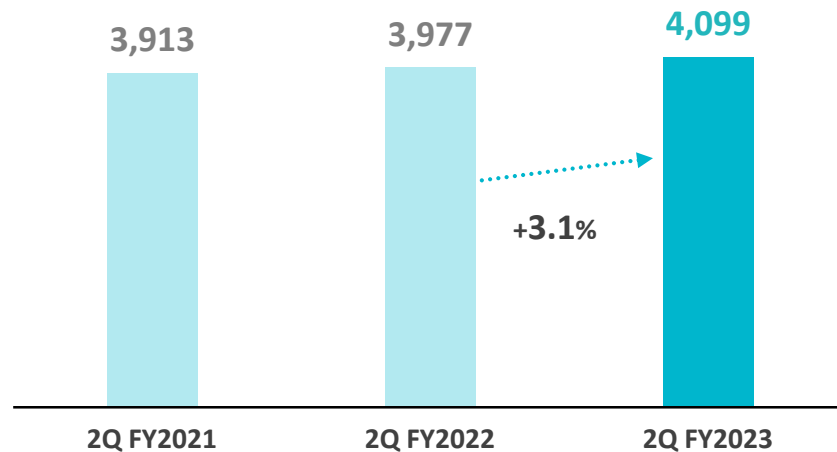
*Images are for illustration purposes.

Results by Segment | Technology Business (FC)

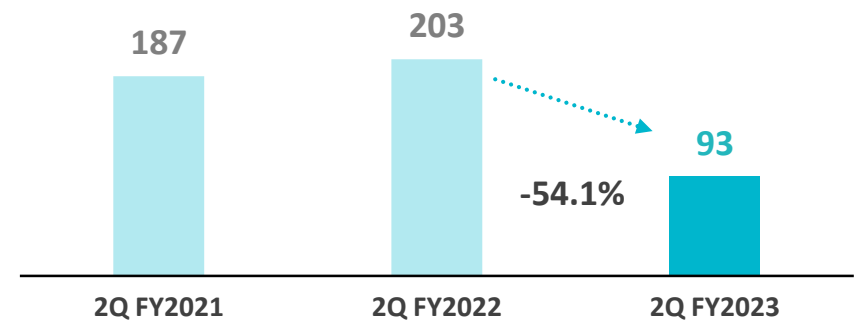
Topics

- Higher depreciation due to digital transformation of APAMAN
- Held FC National Conference Locally for the first time in 3 years

Segment sales



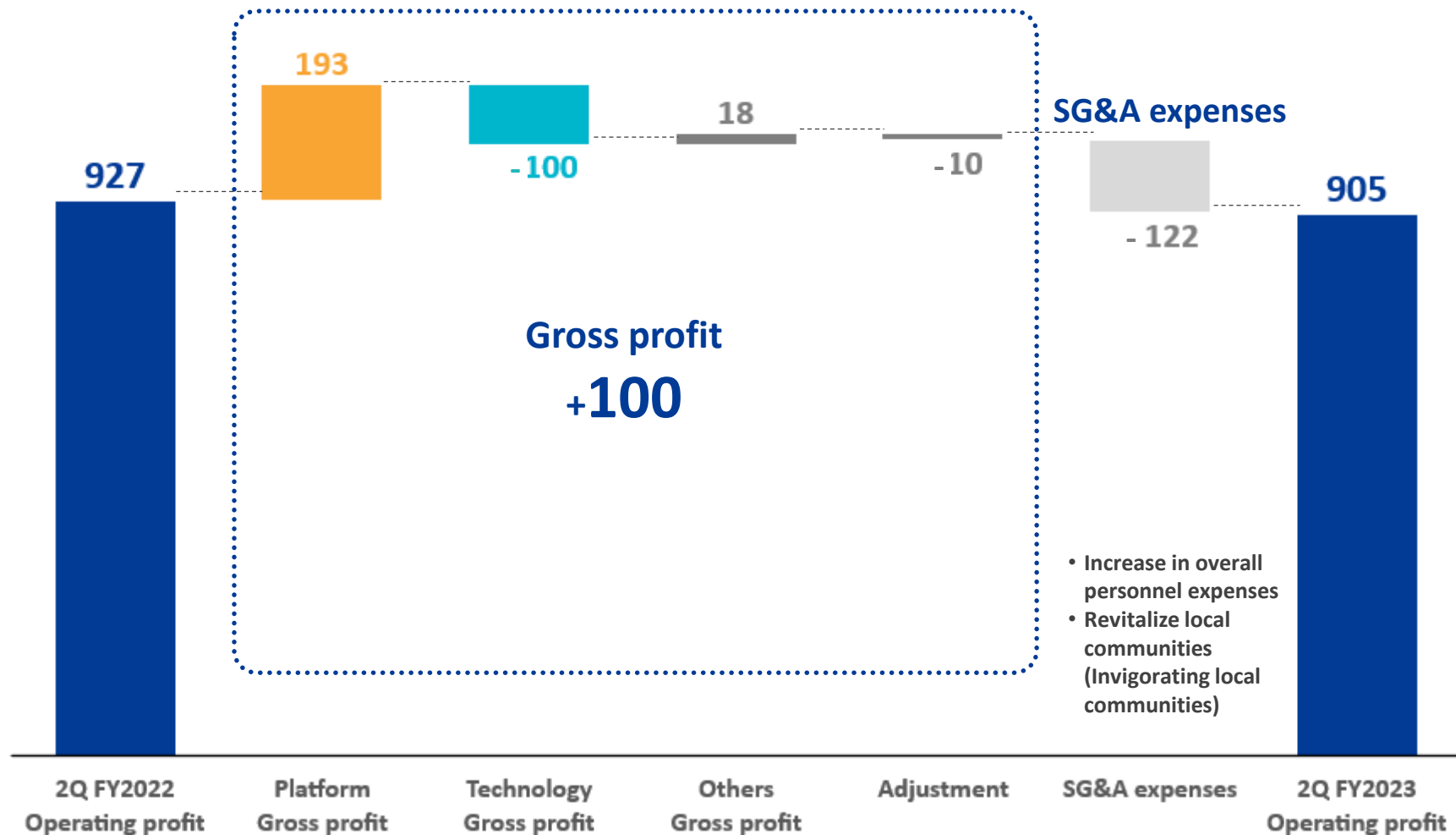
Segment profit



(Millions of yen)

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**
- 3. Reduction of assets held**

Management Philosophy

Management Philosophy

- I. We pursue the happiness of all employees and their families with a sense of mind.
- II. We raise a personality without being arrogant humbly and contribute to the community.
- III. Businesses dedicated to the happiness of our customers.

In line with our management philosophy

- ✓ **Salary increase of 8.0% over the past two years**
- ✓ **Introduction of a single-parent subsidy scheme**
- ✓ **Introduction of a defined contribution pension scheme**
- ✓ **Substantial increase in qualification allowances**

and more

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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