APAMAN

4 April, 2018

Company name: Apaman Co., Ltd.

Representative: Koji Omura

President and CEO

Securities code: 8889 (JASDAQ)

Releases of overseas road show data

We will hold meetings with institutional investors in Singapore on April 5th - 6th, 2018.

Therefore, in accordance with the Fair Disclosure Rule, we will publish the materials used for this meeting as outlined.

We will continue to positively hold meetings with institutional investors.

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APAMAN

FY2018 1Q FINANCIAL RESULTS & OUR STRATEGY

5-6 Apr. 2018
Singapore road show

Apaman Co., Ltd
JASDAQ : 8889

agenda

1. 1Q of FY2018 Topics
2. 1Q of FY2018 Consolidated Results
3. 1Q of FY2018 Results by Segment
4. FY2018 Consolidated Forecast
5. Growth strategy （Expansion of sharing business centered on technology）
6. Growth strategy ① Sharing economy（private lodging）
7. Growth strategy ② Sharing economy（Coworking）
8. Growth strategy ③ Sharing economy（Share Cycle）
9. Growth strategy ④ Sharing economy（Parking）
10. CSR

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1. 1Q of FY2018 Topics

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（1）Topics

■ Results of Operations（Promote work-style reforms and prior investment）

(YoY,millions of yen)

Net sales	Operating income	Ordinary income	Profit
up3.6%	Down28.6%	Down67.7%	up13.9%
(9,416 → 9,756)	(242 → 173)	(134 → 43)	(61 → 69)

■ Business Topics （ Expanded our Sharing economy business rapidly ）

private lodging	Coworking	Share Cycle	Parking
			

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(2) Our view

- Looking forward to expanding the global sharing economy as an opportunity, we will make upfront investment to rapidly expand our share business
- The Platform business, which is an existing business, also achieved steady growth due to increased managed properties and expansion of incidental business
- The business utilizing RPA and AI also steadily expanded Approximately 200 engineers and creators

In order to further speed up the above, we sell fixed assets and are turning to upfront investment

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2. 1Q of FY2018 Consolidated Results

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(1)Over view of Consolidated Results (YoY)

(Millions of yen)

	FY2017 1 Q	FY2018 1 Q	YoY change	
			Amount	Rate
Net Sales	9,416	9,756	+340	+3.6%
Gross profit	2,430	2,536	+106	+4.4%
SG&A Expenses	2,187	2,363	+176	+8.0%
Operating income	242	173	▲69	▲28.6%
Ordinary income	134	43	▲91	▲67.7%
Profit attributable to owners of parent	61	69	+8	+13.9%
E B I T D A	658	585	▲73	▲11.1%

■The reason of increase for Net sales and Gross profit → Increase for number of units under management

■The reason of decrease for Operating income and Ordinary income → Prior investment for Sharing economy businesses

＊EBITDA＝Ordinary income＋interest expenses + depreciation + amortization of goodwill

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（2）The reason of results

The reason of increase for Net sales and Gross profit

Increase for number of units under management

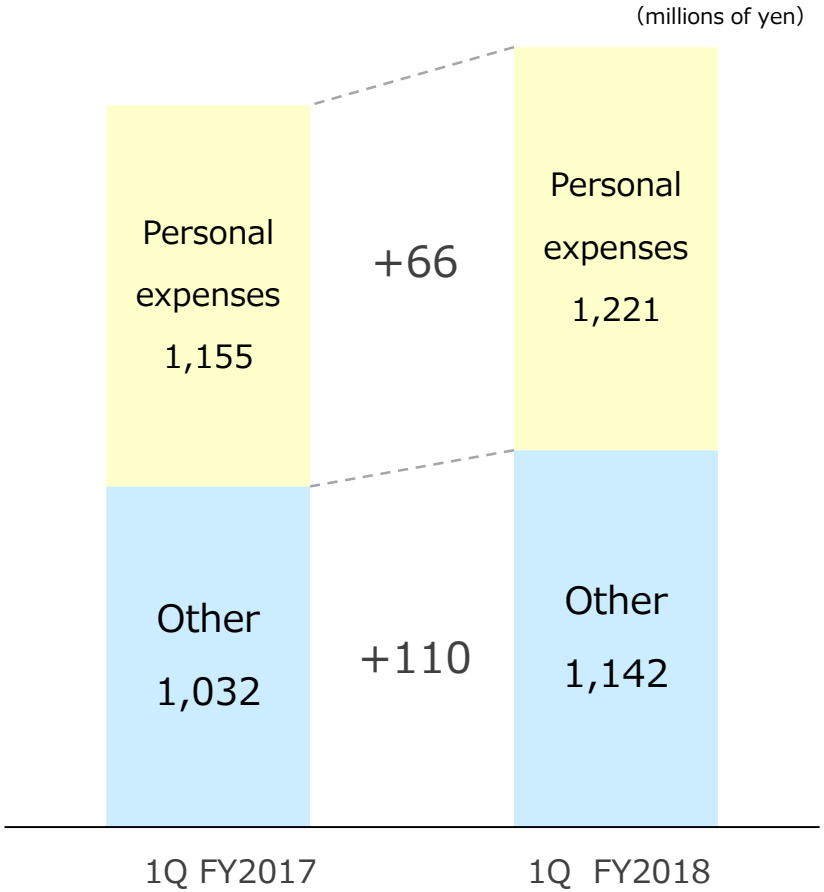
+2,954units

70,516units → **73,470units**



The reason of decrease for Operating income and Ordinary income

Prior investment for Sharing economy businesses



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（3） Overview of Consolidated Balance Sheet（vs.FY2017 end）

The transfer of fixed assets (16.6 billion yen) carried out on January 26, 2018 will affect the results of 2Q

(Millions of yen)

Assets	FY2017 end	FY2018 1Q end	change
Current assets	**8,733**	**8,663**	**▲70**
Cash and deposits	3,201	2,400	▲800
Notes and accounts receivable-trade	1,473	1,465	▲8
Securities	581	591	+10
Other	3,477	4,205	+727
Non-current assets	**34,912**	**34,856**	**▲56**
Property, plant and equipment	16,625	16,930	+305
Intangible assets	11,687	11,457	▲229
Goodwill	9,769	9,480	▲289
Other intangible assets	1,917	1,977	+59
Investments and other assets	6,600	6,467	▲132
Total assets	**43,646**	**43,519**	**▲127**

Liabilities and net assets	FY2017 end	FY2018 1Q end	change
Current liabilities	**9,393**	**9,936**	**+543**
Accounts payable-trade	1,464	1,892	+428
Short-term loans payable*	2,915	3,242	+326
Other	5,013	4,801	▲211
Non-current liabilities	**28,230**	**27,706**	**▲524**
Long-term loans payable	23,596	23,018	▲578
Long-term lease and guarantee deposited	4,159	4,129	▲30
Other	473	558	+84
Total liabilities	**37,623**	**37,642**	**+18**
Capital stock	**7,983**	**7,983**	**±0**
Net assets	**6,023**	**5,877**	**▲146**
Total liabilities and net assets	**43,646**	**43,519**	**▲127**

*Include current portion of long-term loans payable

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3. 1Q of FY2018 Results by Segment

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（1）About New Segment

Sharing economy	Platform	Cloud technology	Other Businesses
private lodging	Sales of primary products and services	Technology for FC	Principal Investment and Fund Management Business
ecobike	Directly managed shop		etc.
fabbit	Property Management		
Parking Lot			

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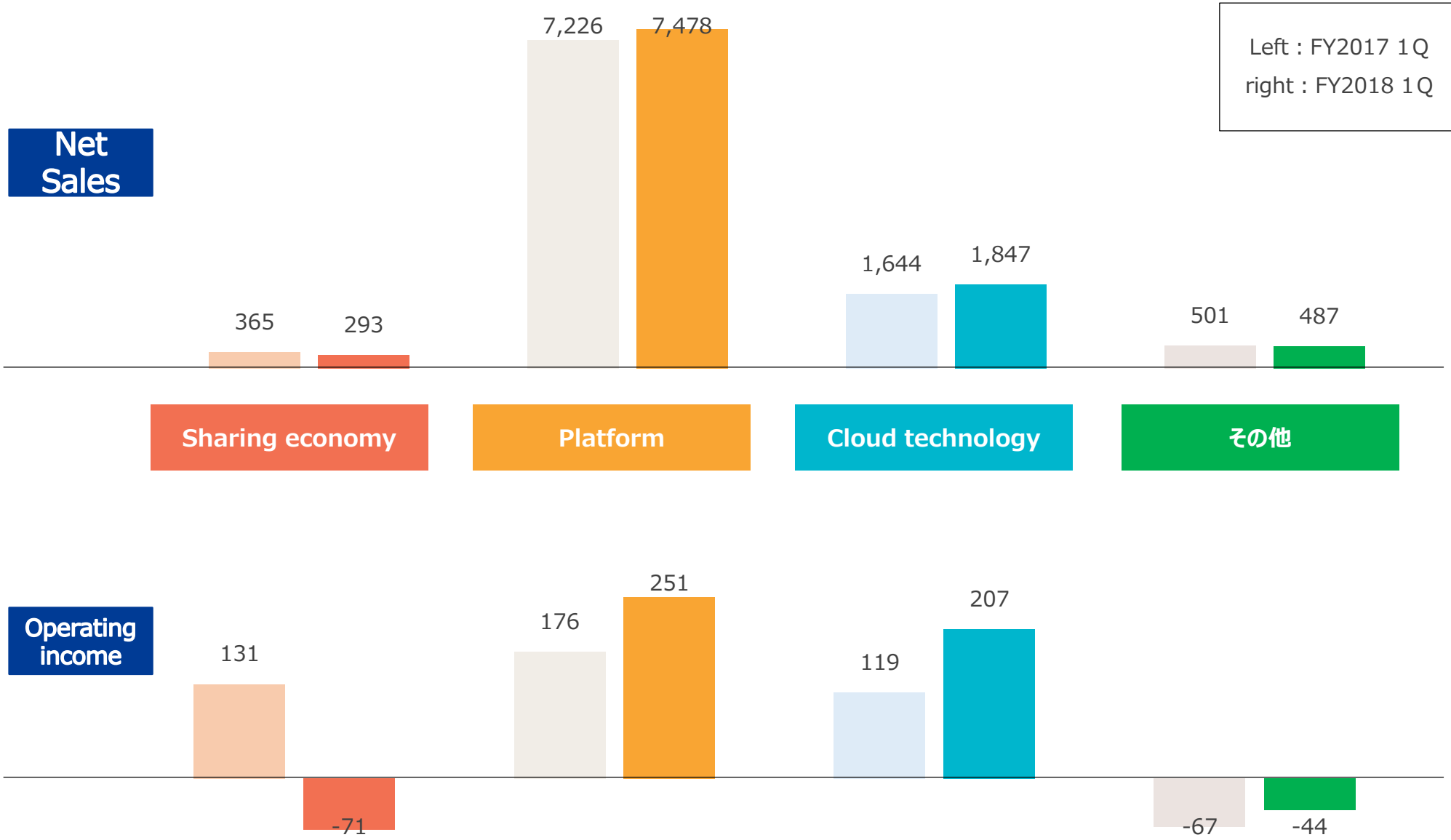
(2) Net Sales・Operating income by segment （YoY）

（Millions of yen）

Left：FY2017 1Q
right：FY2018 1Q



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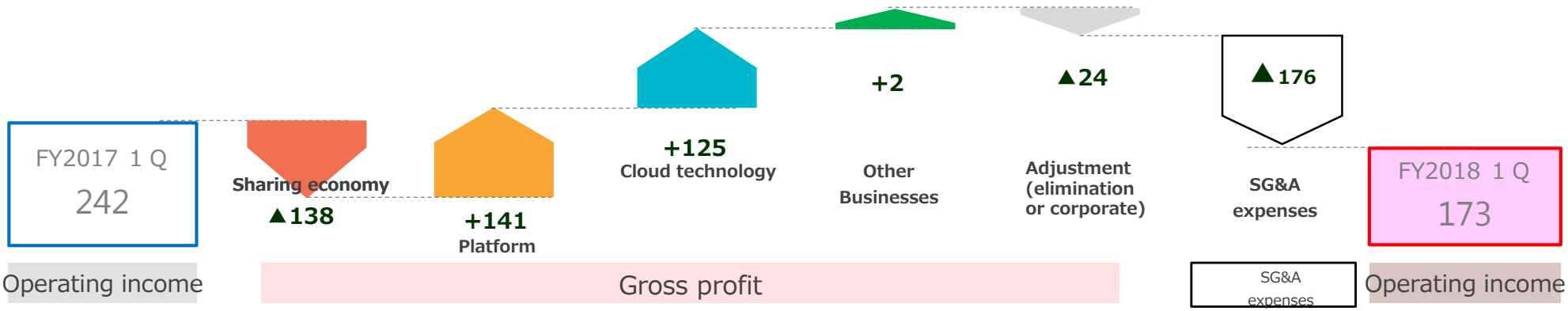
(3) Analysis of Net Sales and Operating income by Segment (YoY)

(Millions of yen)

	FY2017 1Q			FY2018 1Q			YoY		
	Net Sales	Gross profit	Gross profit margin	Net Sales	Gross profit	Gross profit margin	Net Sales	Gross profit	Gross profit margin
Sharing economy	365	183	50.1%	293	44	15.1%	▲72	▲138	▲34.9%
Platform	7,226	1,912	26.4%	7,478	2,053	27.4%	+252	+141	+1.0%
Cloud technology	1,644	340	20.7%	1,847	466	25.2%	+202	+125	+4.5%
Other Businesses	501	171	34.2%	487	174	35.8%	▲14	+2	+1.5%
Adjustment(elimination or corporate)	-321	-178	-	-349	-202	-	▲28	▲24	-
合計	9,416	2,430	25.8%	9,756	2,536	26.0%	+340	+106	+0.2%
SG&A expenses (SG&A expenses rate)	2,187		23.2%	2,363		24.2%	+176		+1.0%
Operating income (Operating margin)	242		2.6%	173		1.7%	▲69		▲0.8%



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(4) Overview of Sharing economy Business (YoY)

(Millions of yen)

	FY2017 1 Q	FY2018 1 Q	YoY	
			Amount	Rate
Net Sales	365	293	▲72	▲19.7%
Operating income (Operating income margin)	131 (35.8%)	▲71 (-)	▲202	– (–)

private lodging



Start from June

(Invested in Grandouce Inc.)

GRANDOUCE

ecobike



Started in Tokyo & Fukuoka

(Business partnership with OpenStreet Co.,Ltd)

YAHOO! JAPAN SoftBank Open Street

fabbit



Direct opeRaten19shops,Partner 18shops

(Buyout of Mario Philippines／
Invest in Workbar in U.S.A.)

WORKBAR

Parking



Coin parking for 2,337cars

Invested in nokisaki Inc.

軒先 nokisaki PARKING

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(5) Overview of Platform Business (YoY)

(Millions of yen)

		FY2017 1 Q	FY2018 1 Q	YoY Amount	YoY Rate
Net Sales		7,226	7,478	+252	+3.4%
Operating income (Operating income margin)		207 (2.6%)	251 (3.2%)	+43	+20.8%
Total number of units under management		70,516	73,470	+2,954	–
Per 1,000 units	Net Sales	87	86	▲1	–
	Operating income	3.4	5.1	+1.7	–
NO. of contracted franchises		1,149	1,144	▲5	–
Directly managed shops		104	107	+3	–
Per directly managed shop (Japan)	Net Sales	10.0	10.3	+0.3	–
	Operating income	0.4	0.0	▲0.4	–

Note: Net sales and operating income per shop are calculated based on the average number of directly managed shops (Japan) operated during the period.

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(6) Platform Business Strategy

Increasing profits due to an increase in types of supplementary products and in-house production

Monetizing services for about 200,000 owners





Monetizing services for about 1 million owners





Emergency assistance



Insurance



Rent guarantees



Energy



Telecommunications



Financial services



NHK fee collection

NHK

Deodorants



Water dispensers



ire retardant



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(7) Overview of Cloud technology Business (YoY)

(Millions of yen)

	FY2017 1 Q	FY2018 1 Q	YoY	
			Amount	Rate
Net Sales	1,644	1,847	+202	+12.3%
Operating income (Operating income margin)	119 (7.2%)	207 (11.2%)	+88	+74.3%

■ Example of Cloud technology

Introduction CLOUD



Store visitor CLOUD



Appraisal CLOUD



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(8) Cloud technology Business Strategy

Aggressive deployment of Cloud Services・AI・RPA

AR-Tech

A lineup of 14 cloud services



Appraisal CLOUD



Introduction CLOUD



Store visitor CLOUD

など

Sharing Key

Key units using 3G/LTE



RPA

A robot automatically collets property information and sends the data to the core system



apamanshop.com



DocuSign



Evaluation system



fabbit tenant system



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4. FY2018 Consolidated Forecast

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(1) Overview of Consolidated Forecast （YoY)

（millions of yen）

	FY2017 Results	FY2018 forecast	YoY	
			Amount	Rate
Net Sales	40,262	40,500	+238	+0.6%
Gross profit	11,806	11,900	+94	+0.8%
Operating income	2,556 (6.4%)	2,600 (6.4%)	+44	+1.7% (±0%)
Ordinary income	2,017	2,100	+83	+4.1%
Profit attributable to owners of parent	1,300	800	▲500	▲38.5%

The extraordinary profit (about 2 Billions of yen) and income taxes incurred (approximately 800 million yen).
Notice on January 11, 2018 "Notice on Recording of Extraordinary Income and Income Taxes due to Fixed Assets Transfer, Repayment of Borrowings and Reduction in Deposit."

＊EBITDA＝Ordinary income＋interest expenses + depreciation + amortization of goodwill

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5. Growth strategy（Expansion of sharing business centered on technology）

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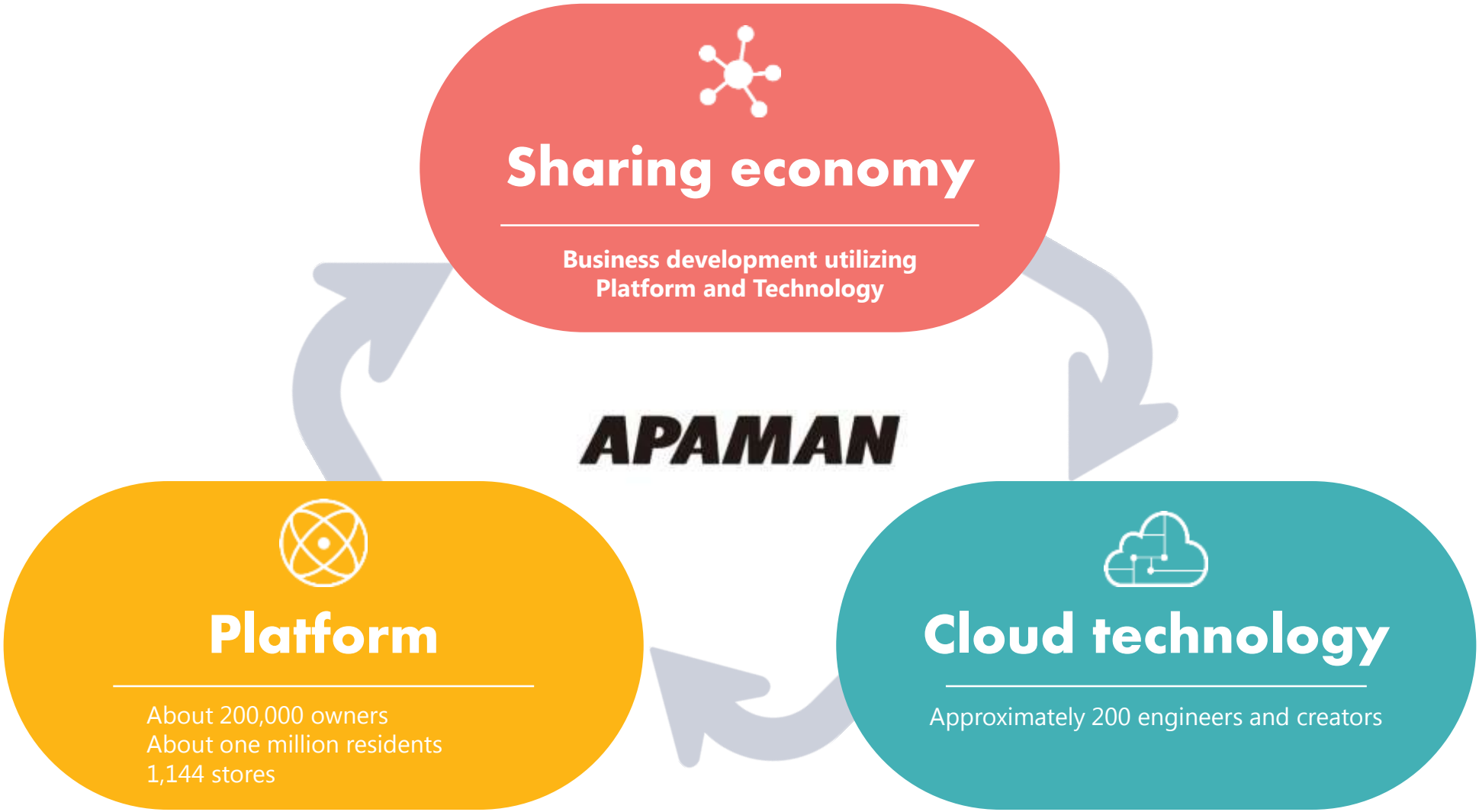
（1）Our Strength



* Platform figures above include FC member companies

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（2）Sharing economy business of the APAMAN group is rapidly expanding since 2018

Sharing economy

Private lodging



June Start

Target : 5,000 rooms

Coworking



Direct Operation 19stores,Partner 18stores

Target : 100stores in domestic and overseas

Parking



Coin parking for 2,337 cars

Target : 30,000 cars

Share bike

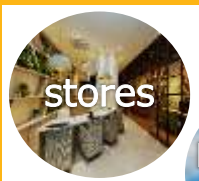


May Start

Target :100,000 bicycles

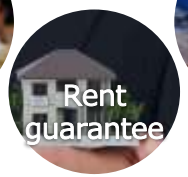
Aim 40 billion yen sales in the Sharing economy business (Private lodging・Coworking・Parking・Share bike)

Platform











etc.

Cloud technology











etc.

＊The above figures are target figures and are not numerical values that can be confirmed.
＊Coworking stores target number of 100 stores : 50 directly operated stores, and 50 managed stores.

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（3）Image of Net sales

Sharing economy

Private lodging	Coworking	Parking	Share bike
1 room average ¥2 million @year × 5,000 rooms	1 store average ¥200 million @year × 50 stores (directly managed)	1 car average ¥0.33 million @year × 30,000 cars	1 bike average ¥0.1 million @year × 100,000 bicycles
Aim 10 billion yen	Aim 10 billion yen	Aim 10 billion yen	Aim 10 billion yen

Aim 40 billion yen sales in the Sharing economy business（Private lodging・Coworking・Parking・Share bike）

* The above figures are target figures to the last, not numerical values that can be confirmed.

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(4) Open innovation to sharing business (Investment, Alliance etc.)

Operation and management of Private lodging

Grandouce Inc.

Investment

Call center for foreigners

Inbound Tech Inc.

Investment

Japanese Cultural experience service

Okeiko Japan

Investment

Japanese Cultural experience service

Pokekaru Kyushu

Alliance

Smart lock

Tsumug Inc.

Investment

Share parking lot/ Share Space

Nokisaki Inc.

Investment

Share cycle

OpenStret

Alliance

Coworking

Workbar Inc.

Investment

Coworking

Philippine marimo

Investment

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6. Growth strategy
① Sharing economy （private lodging）

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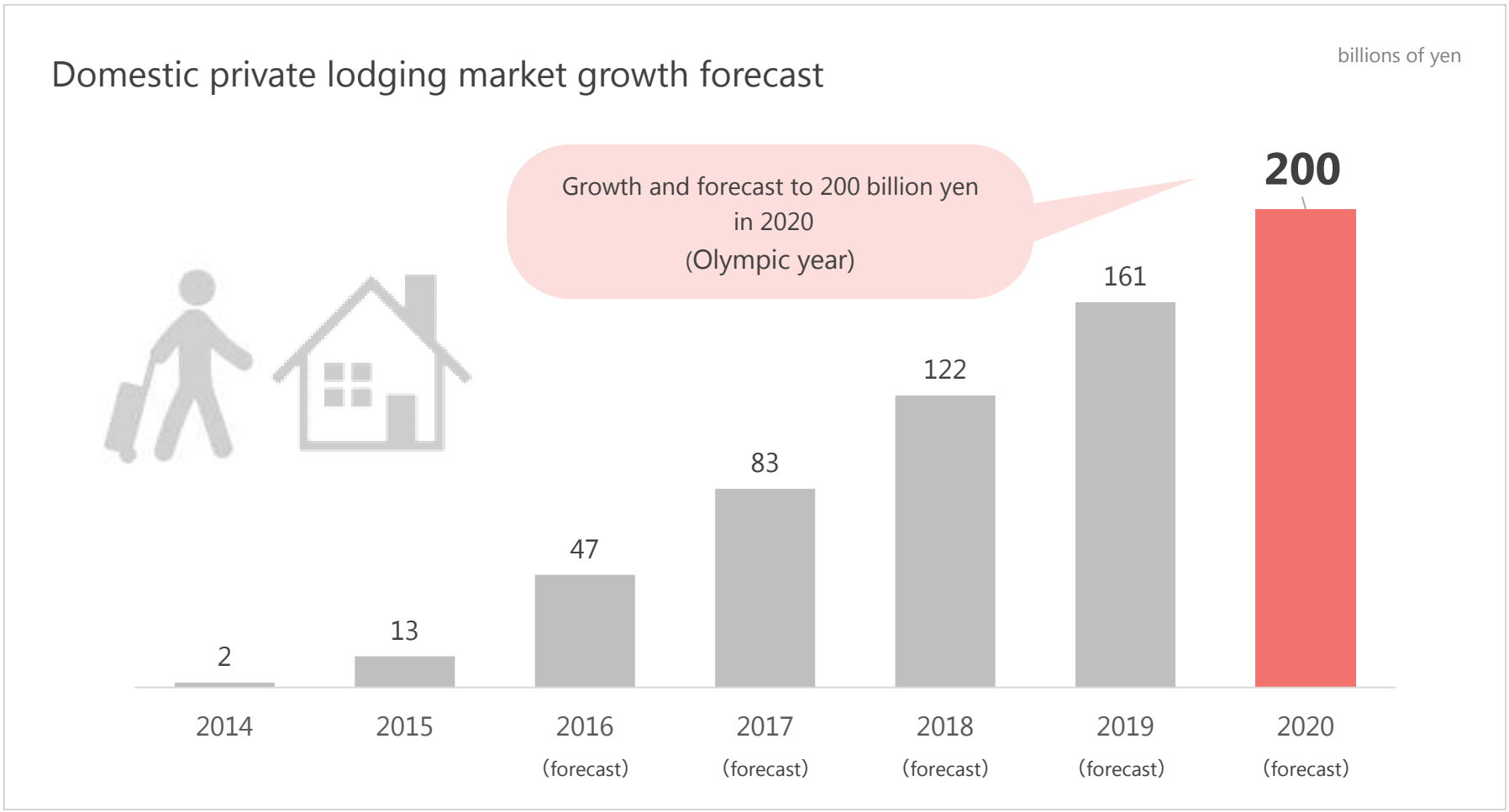
（1）Domestic Market of Private lodging

Insufficient supply of accommodation due to the rapid increase of foreigners visiting Japan is factor of the private lodging increase



＊SPIKE data "Domestic private housing market growth forecast"

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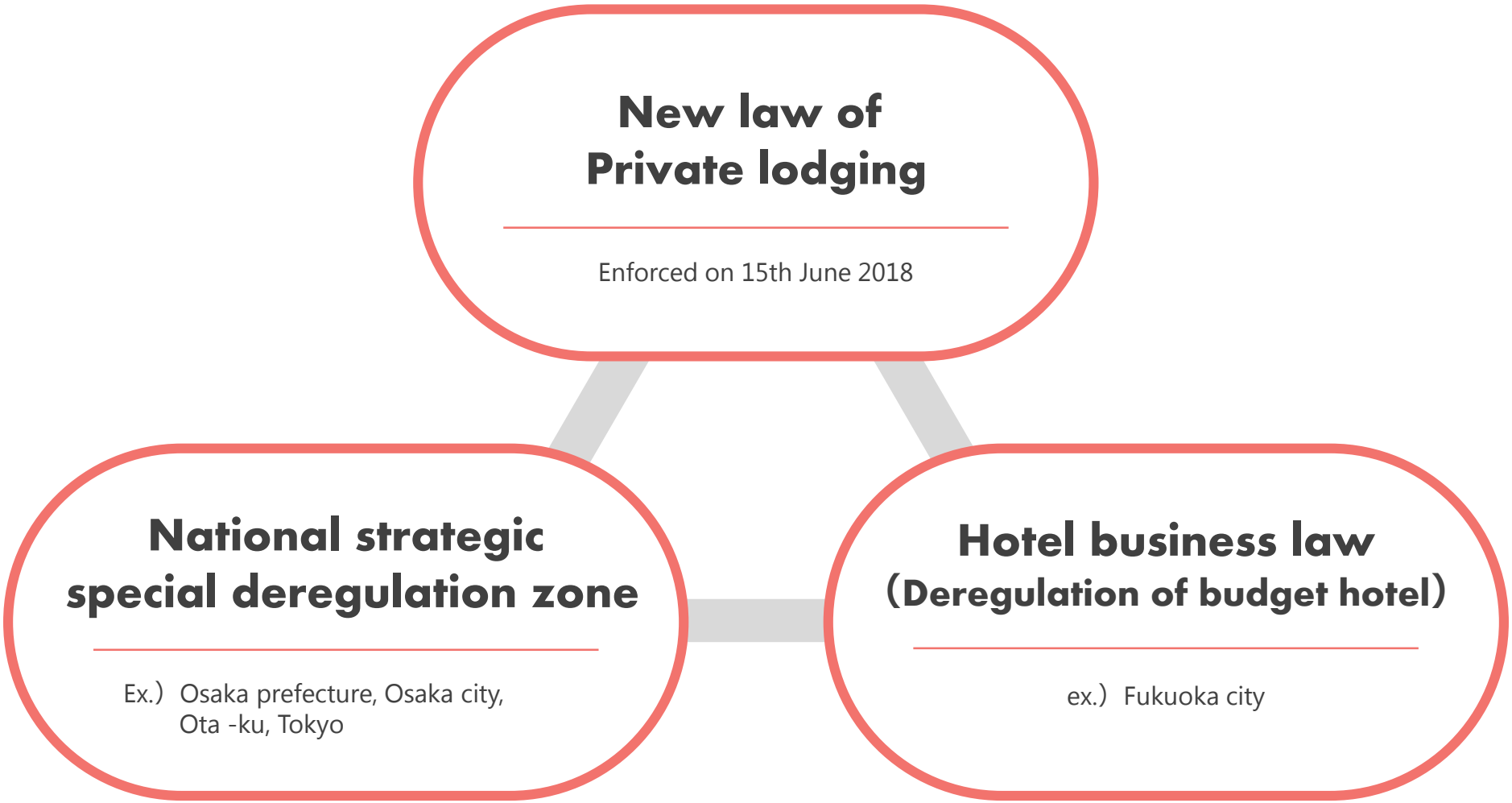
（2）Types of Private lodging in Japan



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(3) The role of players and APAMAN group in private lodging

Host

Provide
rooms or houses



APAMAN Group
Business with
About 200,000 owners

Operator

APAMAN
(Provisional)

GRANDOUCE
Vacation Rental

Group Company

Media

A-bnb NETWORK
(Provisional)

airbnb

Booking.com

agoda

tripadvisor

Guest

Stay at a room or
a house
Provided by host



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(4) Our investment for Private lodging Business

Invested in “GRANDOUCE” which legally carries out private lodging and “INBOUNDTECH” which manages call centers for foreigners

GRANDOUCE
Vacation Rental



INBOUNDTECH



- Field survey
- Design
- Facility operation
- multilingual support
- Attracting customer
- Check-in
- High quality cleaning
- Emergency call

English	Thai
Chinese	Vietnam
Korean	Russian
Portuguese	French
Spanish	etc.

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(5) Our Private lodging

It is possible to have management properties in the downtown area

Private lodging for business people

airbnb







It can be done since there are sales bases in 47 prefectures

Private lodging with Japanese cultural experiences

okeiko Japan

※Investment Company



It can be done because it possesses many quality properties

High Quality Private lodging



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(6) Our Private lodging ①Private lodging for business people

Private lodging operation in urban center studios



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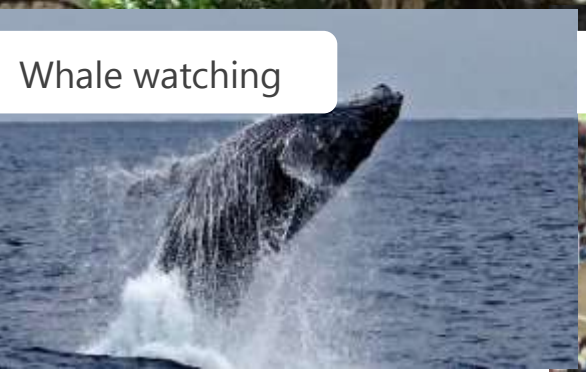
(7) Our Private lodging ②Private lodging with Japanese Cultural experiences

Challenge to develop private lodging in 47 prefectures including social contribution

ex. Kagoshima Prefecture Amami Archipelago Schedule of cooperation with Isen-town (Kodakara Mountain / Birthrate Japan / Bullfighting / World Heritage / Whale Watching / 300 year old banyan/ Sea Turtle)
ex. Hiroshima Prefecture Miyajima Okeiko Japan cooperation schedule (kimono dress-up, tea ceremony, cooking) * Investment company
ex. Established Pokekaru Kyusyu with Pokekaru Inc.















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7. Growth strategy
② Sharing economy（Coworking）

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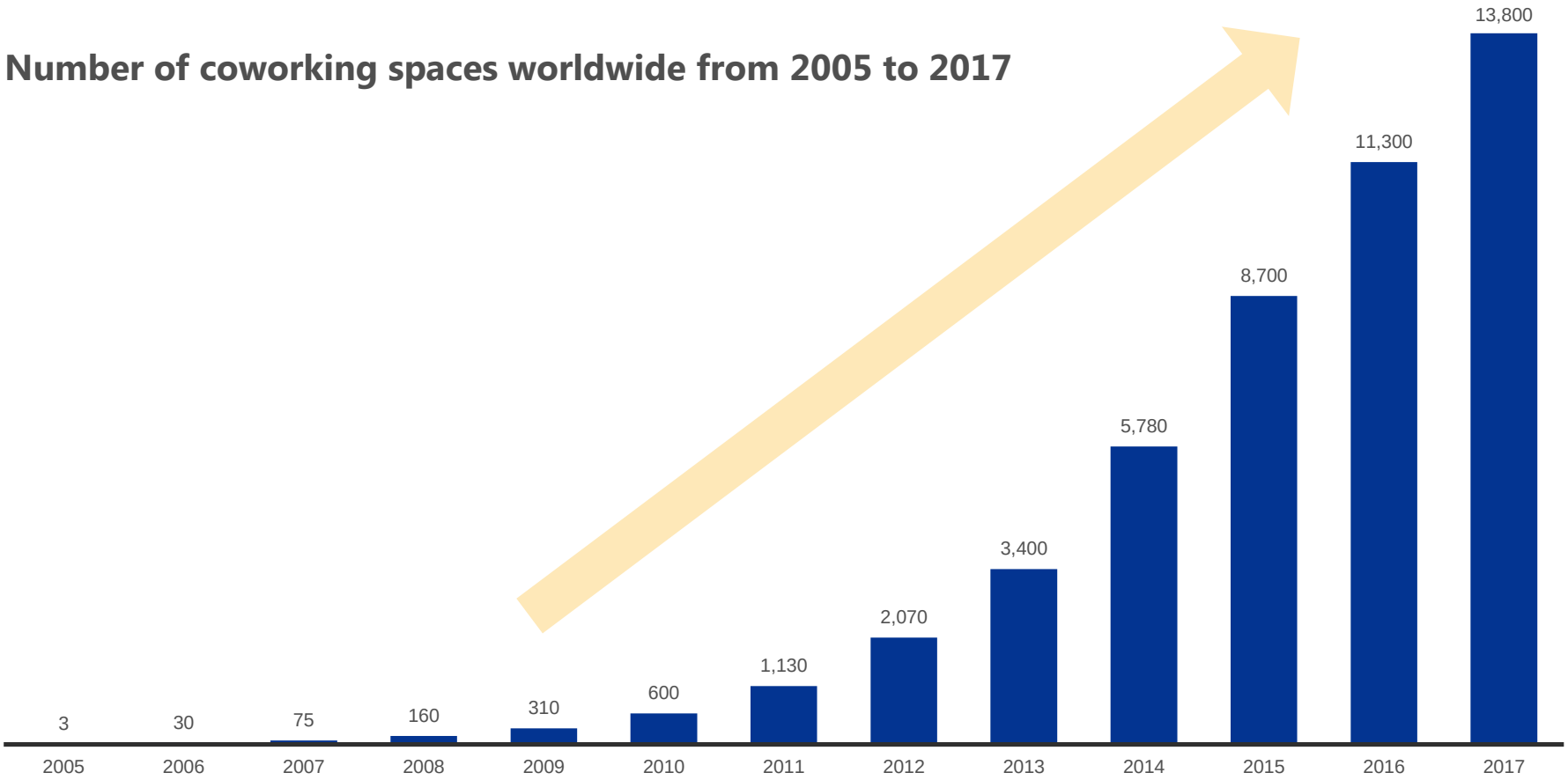
（1）Coworking Market

13,800 Coworking spaces already in operation around the world

Number of coworking spaces worldwide from 2005 to 2017



Note: Worldwide; 2005 to 2017; 1,876; as of October 31 of each year.
Further information regarding this statistic can be found on page 31.
Source: Deskmag; Nexudus; essensys; GCUC ID 554273

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（2）Japan's leading players in coworking space



Fabbit

· 18 domestic stores & Approximately 2,500 members (company)
· Fulfilling start-up support program
· Excellent advisory board
· Unlimited information supply during events

Regus



wework



＊The number of stores include designing / construction under construction

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（3）fabbit's biggest feature：The Startup Ecosystem

Support Programs

（1）Establishment of support forum

（2）Hosting monthly informational conferences

（3）Stepwise MTG by "Mentors" "Community Accelerators"
"Incubation Managers"

（4）Entrepreneur exchange meetings・Networking parties

（5）Producing pitch contests

（6）Information dissemination about financial institutions

（7）Introducing VC・Cloud Funding

（8）Design Lab・Creative Lab・Engineer Lab

（9）Annual Conference

Annual Conference



Accelerators and mentors with great track records

fabbit Advisory Board



Keith Krach
DocuSign, Inc.
Chairman of Board of Directors

Mr. Krach's accomplishments are numerous, from obtaining an MBA from Harvard University to being named the youngest VP in the history of GM, he was also the former CEO of Ariba. Mr. Krach has been named the National Entrepreneur of the year by Ernst & Young, and has won the Technology Pioneer Award at the World Economic Forum, etc.



Daniel Fujii
Trust Capital Co., Ltd.
President & CEO

After acquiring both a bachelor's and master's degree from Harvard University, Mr. Fujii served as Blackstone's Managing Director and President. He serves as a board director of the Harvard Club of Japan, an officer of the Philips Andover Asia Council, and is on the Board of Councilors for the US-Japan Council.



Michimasa Naka
Boardwalk Capital Inc.
President & CEO

After graduating from Keio University with a Science and Engineering degree, he also obtained a Master's in Engineering degree in 1989. He served as the Deputy President and Head of the Global Investor Sales for Citigroup Japan. He is a guest lecturer in Hitotsubashi and Keio Universities.

President, fabbit Co., Ltd.



Yasunari Tanaka

After acquiring an MBA from Harvard Business School, Mr. Tanaka was in charge of trading and investment at Boston Consulting Group amongst other companies before becoming the Managing Director and President of fabbit.

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（4）fabbit's Target

100 domestic and overseas stores



Otemachi（Tokyo）



Aoyama（Tokyo）



Kyobashi（Tokyo）



Akihabara（Tokyo）



Ginza（Tokyo）



Jingumae（Tokyo）



Nihonbashi（Tokyo）



Hachioji（Tokyo）



Sakae（Nagoya）



Osaka Honmachi
（Osaka）



Shin Osaka
（Osaka）



Osaka Fukushima
（Osaka）



Hiroshima
（Hiroshima）



Kitakyushu
（Fukuoka）



Hakata
（Fukuoka）

＊The above figures are target figures and are not numerical values that can be confirmed.

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8. Growth strategy
③ Sharing economy（Share Cycle）

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（1）Significance of APAMAN group doing Share Cycle business

We will contribute to "CO2 reduction" etc. according to the "Bicycle Utilization Promotion Act"



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（2）Our Business Model

We will set up in various places throughout the country such as “stores" "private lodging property" “Managed property“ etc.

Installation in stores nationwide



Business demand, capture demand within region

Installation on Private lodging property



Capture tourism demand

Installation on Managed Property



Improvement of rental property value and improvement of tenant convenience

Possible to expand with coin parking lot

＊Includes FC merchant stores

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（3）Our Share Cycle Brand

Service started in Tokyo · Fukuoka!
Expanding all over the country



ecobike
Powered by HELLO CYCLING

The convenience that can be used anytime



Can be dumped at multiple bicycle parking spaces



Diversification of purpose of use



Shopping, commuting, school attendance, sightseeing promotion, health promotion etc.

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9. Growth Strategy
④ Sharing economy（Parking）

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（1）Domestic market of Coin parking lot



Unbalance of supply and demand

The number of cars
About 81 million cars

Number of coin parking lot spaces
about 1.2 million spaces

Needs of times

Park & Ride

Car sharing

Benefits of land owners

Initial investment	Property management	Fixed income
No need	No need	Gain

＊The number of coin parking lot passenger spaces is from the Parking Association of Japan (as of April 2015)
The number of vehicles owned is from the automobile inspection Registration Information Association (as of the end of May 2016)

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（2） Direction of parking lot business

Promote parking lot sharing business

Increase parking lot

Coin parking lot
（Time lent）



2,337 cars
（As of 31 Dec.， 2017）

Invested in Nokisaki Inc. Share IT system

Share parking lot
（Time & Day lent）



6,032 cars
（As of 27 Feb.， 2018）

＊Images are sample images.
＊The number of coin parking lot car spaces operated by APAMAN Group. The number of car spaces registered.

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10. CSR

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（1）Our Philosophy regarding Corporate Social Responsibility (CSR)

More social contribution by companies will make Japan absolutely make better

People are vital elements of society and society is vital to the existence of companies. This is why we believe a company must be essential for both people and society by making contributions to human and social progress.

Earnings are not the only standard we use for reaching decisions. We firmly believe that business activities themselves must produce benefits for society.
We also believe that companies should return part of their earnings and resources to society. Earnings are one key to the success of a company. But making profits and playing a role in social progress go hand in hand. This thinking explains why we regard the use of some earnings for CSR as an obligation of all companies.

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（2）Examples of Business Activities with CSR Benefits

Math making Support “JUNOALL”

Aiming at marriage of 10,000 pairs a year



Our CEO is a member of the Cabinet Office 'Strategy Council on Overcoming Declining Birthrate'



＊Source: NHK News Web January 22 "Strategy for Overcoming Declining Birth Strategy Conference Recommendations in June"

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(3) Company profile

Company name	Apaman Co., Ltd.
Established	October 20, 1999
President and CEO	Koji Omura
Capital	7,980 million yen (as of December 31, 2017)
Employees (Consolidated)	1,107 (as of December 31, 2017)
Head office	Asahi Seimei Otemachi Building,2-6-1, Otemachi, Chiyoda-ku, Tokyo
Group companies	Apaman Network Co., Ltd. Apaman Property Co., Ltd. Apamanshop Leasing Co., Ltd. Total of 24companies (Japan:20;Overseas:4)
Business	Sharing economy Platform Cloud technology
Securities Code	8889（JASDAQ Standard）





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