

Self-storage investment in Japan: Overview

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Ichigo is an SSAA Industry Leader Sponsor.

Japan's self storage industry snapshot

- Japan is a home of the oldest self storage facility in Asia (built in 1931).
- By the number of facilities and total rentable area, Japan has been the largest self storage market in Asia.
- Outdoor containers have traditionally occupied a major market share (outdoor JPY40.8B v. indoor JPY29.6B in 2018).
- The most well-regulated self storage industry (construction, fire safety, etc.) in Asia.
- Recently valet storage powered by tech startups has attracted some public attentions.

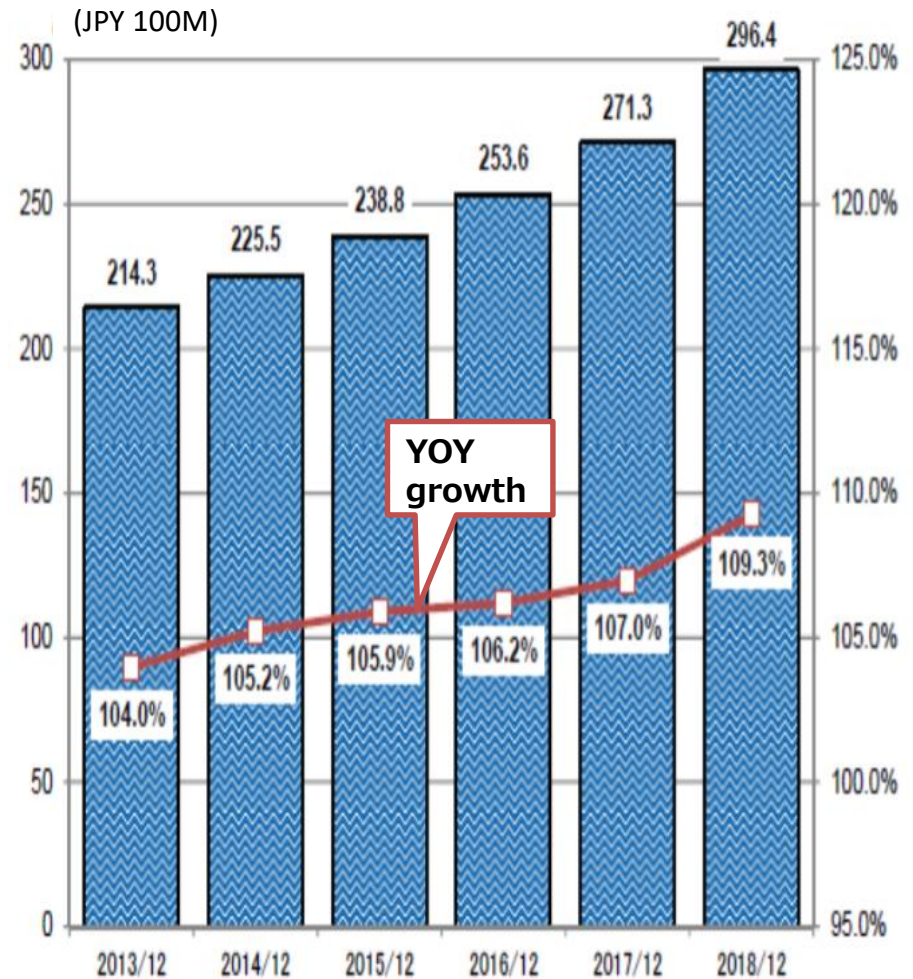


Market growth

- The market in Japan has experienced **steady growth** and is expected to keep growing.
- **The late real estate cycle** has made acquisitions difficult but **low borrowing cost** has helped relatively high use of leverage.



Market size (estimated revenue) of the self-storage industry in Japan.



The figures do not include outdoor containers.

Source: Yano Institute

Comparisons to other Asian markets

- Japan is the largest self storage market in Asia.
- Because of the density, HK and SGP have higher penetrations.

	Population (MM)	# of facilities	Total rentable area (MM sqf)	Gross floor area per capita (sqf)	# of facilities per million population
PRC	1,395.4	423	3.336	0.004	0.30
HK	7.5	418	2.402	0.618	55.88
Taiwan	23.6	117	0.607	0.042	4.96
Japan	126.5	3,234	5.681	0.069	25.57
Malaysia	32.6	14	0.158	0.008	0.43
Singapore	5.6	60	2.057	0.536	10.64
Thailand	69.2	13	0.106	0.002	0.19
The Philippines	107.2	12	0.008	0.001	0.11
US	327.2	54,000	1,700.000	5.400	165.04

*These do not include outdoor containers data.
Source: SSAA, etc.

Key operators standings (# of units)

- Still relatively fragmented market. Big players focus on large cities (there is no truly national brand).

	Operators	# of units
1	Quraz, Ltd.	35,554
2	Reise Co., Ltd. (incl. Tokyo Reise)	25,853
3	Area Link co., Ltd.	22,472
4	Kase Group	16,068
5	Ambitious Co., Ltd.	5,962
6	Keiyo Butsuryu Co., Ltd.	5,146
7	Sankyo Frontier Co., Ltd.	4,005
8	Storage PLUS Corp.	3,034
9	City Housing Co., Ltd.	2,799
10	U.S. Hirota Co., Ltd.	2,749

December 2018

Source: Yano Institute

Why invest in self storage business in Japan?

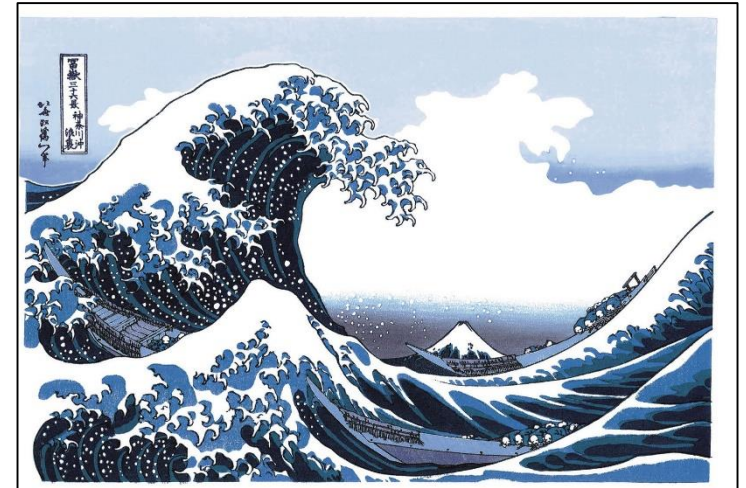
Why in Japan?

- ✓ Scale and market potential
- ✓ Developed and well-regulated market (transparency)
- ✓ Safety and labor market stability
- ✓ Finance environment



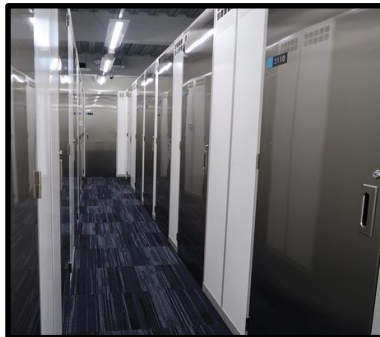
Risks

- ✓ Deflation
- ✓ Natural disasters
- ✓ Real estate cycle





Newest addition at Itabashi, Tokyo



- Ichigo acquired Storage PLUS in 2017 (originally developed by **Mitsui & Co. in 2006**).
- All facilities are **un-staffed** (24/7 remote access).
- Recently, experimenting with collaboration with **laundromats and café**.

Facilities info

100+

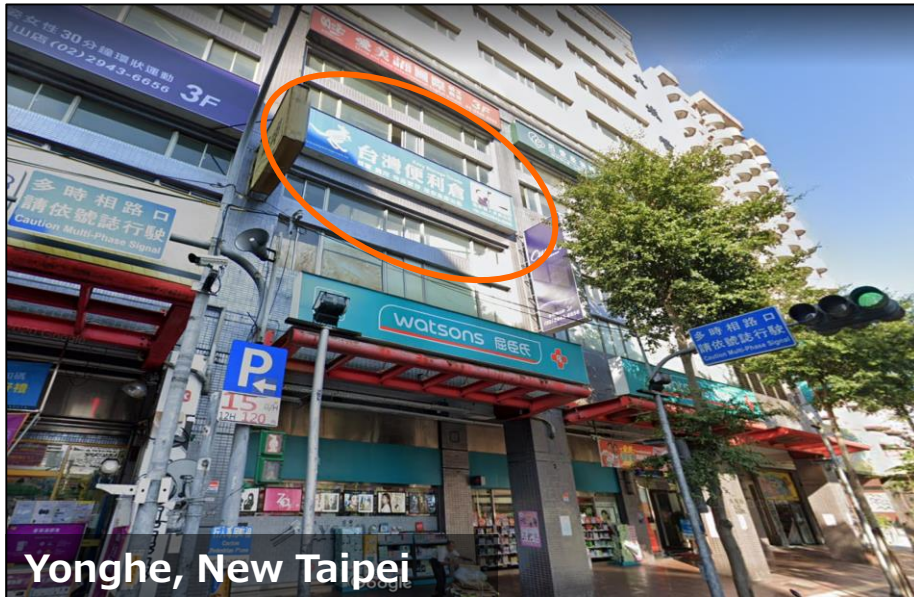
The average # of units per facility.
The largest: **440**



Portfolio diversification:
16 facilities in Tokyo,
13 in Kanagawa,
and 1 in Fukuoka.



Some leased and some owned.
Many whole buildings and some strata leased/owned.



- One of the very first self-storage operators in Taiwan (since 2010). Ichigo became the principal shareholder in 2019.
- Due to decreasing household spaces and lifestyle changes, Taiwan continues to present opportunities with strong self-storage demands.



Facilities info

178+

The average # of units per facility.
The largest: **279**



3 facilities in New Taipei City,
5 in Taipei.
All in CBD or major residential areas.



All facilities are leased, taking advantage of lower rents.