

Financial Results Briefing for Fiscal Year Ended March 31, 2020

With Our Proud History,
Creating a Desirable Future



Asanuma Corporation
Securities Code :1852

This material contains forward-looking statements regarding the Company's business performance and future prospects.

These statements are based on currently available information and assumptions regarding uncertain factors that may affect the future. Actual results may differ materially from these statements due to various factors.

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Creating a Desirable Future



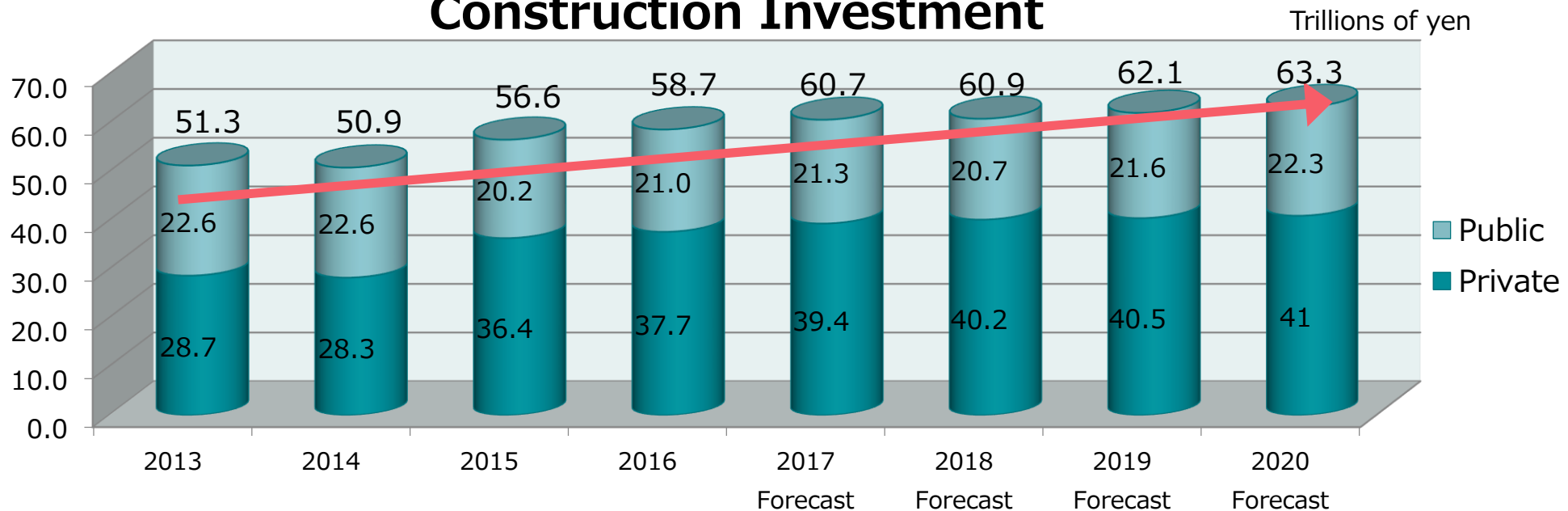
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Construction industry

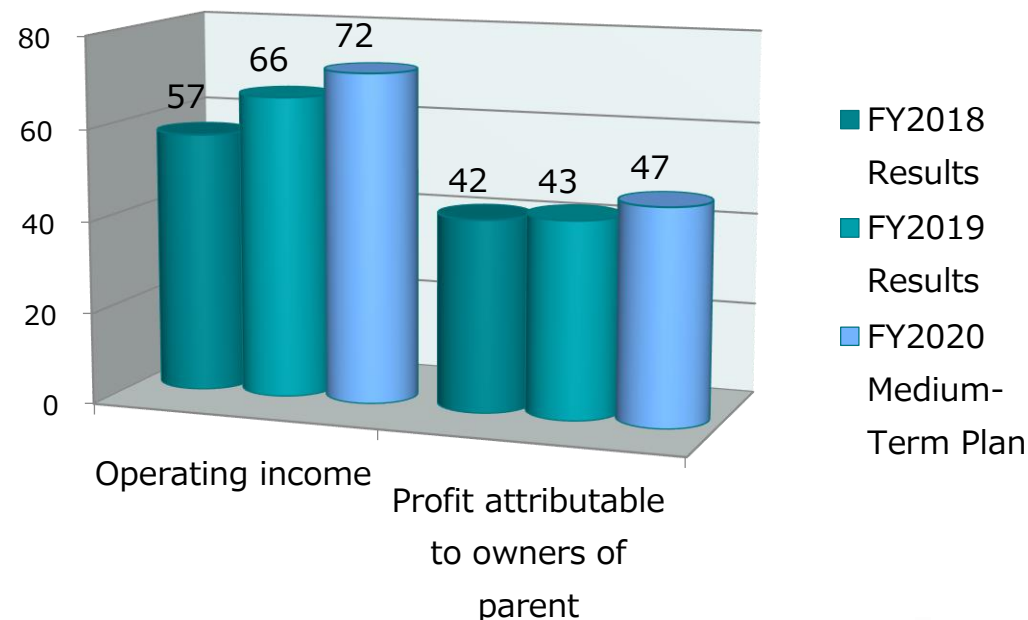
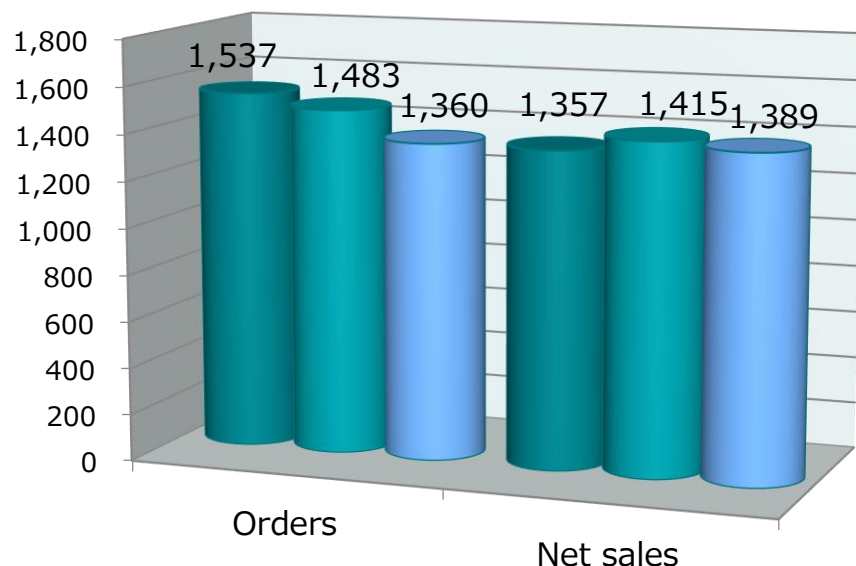
In fiscal 2019, although housing investment in Private was sluggish, capital investment increased gradually, and public construction investment remained at a high level. The business climate remained favorable until the business climate changed due to the expansion of COVID-19 from near the end of the fiscal year. If the impact of COVID-19 is expected to continue, there will be concerns about a decline in construction investment due to the advancement of capital investment and restraint.

Construction Investment



From the Institute of Construction Economics

Three-Year Medium-Term Plan Progress of Consolidated Results ①



(Hundred million yen)

	FY2018 Medium-Term Plan	FY2018 Results	FY2019 Medium-Term Plan	FY2019 plan	FY2019 Results	FY2020 Medium-Term Plan	FY2020 plan
Orders received	1,300	1,537	1,330	1,343	1,483	1,360	Undecided
Net sales	1,295	1,357	1,366	1,347	1,415	1,389	Undecided
Operating income	49	57	62	63	66	72	Undecided
Profit attributable to owners of parent	32	42	40	42	43	47	Undecided

(Medium-Term Plan figures are as of May 11, 2018)

Three-Year Medium-Term Plan Progress of Consolidated Results

②



	FY2018 Medium- Term Plan	FY2018 Results	FY2019 Medium- Term Plan	FY2019 Plan	FY2019 Results	FY2019 Medium- Term Plan	FY2020 Plan
Operating income margin	3.8%	4.2%	4.6%	4.7%	4.7%	5.2%	Undecided
Return on Invested Capital (ROIC)	7.0%	8.1%	8.4%	8.4%	9.1%	9.2%	Undecided
Return on Equity (ROE)	9.0%	11.5%	10.6%	10.6%	11.3%	11.4%	Undecided
Equity ratio	36.0%	36.6%	41.0%	41.0%	38.0%	47.0%	Undecided
Cost of capital (WACC)	5.0%	5.1%	5.0%	5.1%	6.0%	5.0%	Undecided

(Medium-Term Plan figures are as of May 11, 2018)

	FY2019
Interest expense	118
Interest-Bearing Debt	11,364
Cost of debt	1.04%
10-year JGB yield	0.031%
βvalue	1.147
Market Expected Yield	7.00%
Cost of Equity	8.02%
Market capitalization*	30,420
Tax-rate	30.4%
Cost of capital (WACC)	6.04%

* As of March 31,2020
(Excluding treasury stock)

Millions of yen)

Three-Year Medium-Term Plan Fund Injection Plan



Planning on investments of **¥20 billion**
during the medium-term plan (three years)

■ Plan for investments

- ◆ Investment in technology and systems
- ◆ Investments for concessions and overseas growth (M&A and other activities)

¥5 billion

¥5 billion

■ Plan for other uses of funds

- ◆ Switch to cash for payments for the purpose of building stronger ties with subcontractors and other partner companies

¥10 billion

■ Fund injection results from FY2018 to FY2019

About ¥15 billion

Technical research center Expansion and renovation (open at the end of March 2019)

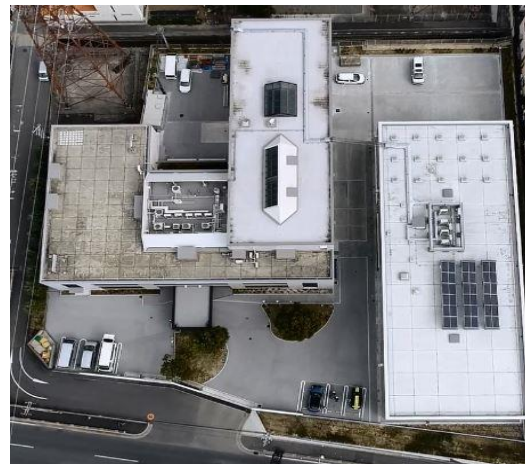
Special Feature	<ul style="list-style-type: none"> • Top-class facilities in the Kansai region in the renovation field • Cooperation with universities and public laboratories in the Kansai region
Renovation	<ul style="list-style-type: none"> • Established training and meeting areas to train young employees and engineers from partner companies, and provide hands-on training • Renewal of test equipment
Expansion	<ul style="list-style-type: none"> • Establishment of seismic monitoring system • Installation of a multi-purpose laboratory space



Expansion Building and Multipurpose Experimental Space Using Natural Light Illumination



Extension building



Panoramic view



Quake-absorbing dampers

Renewal Branding Plan

In order to further differentiate, strengthen, and deepen our products, we are preparing to improve market recognition and create new business opportunities by branding renewal technologies.



Exhibition scene

Promote aggressive efforts in new technologies and construction methods

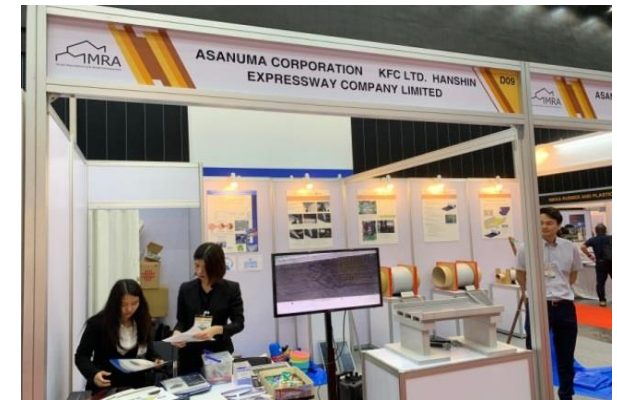
We have developed a specially laminated fiber sheet.

Hanshin High-Speed Technology Co., Ltd. and K-F-C Co., Ltd. Jointly developed

This revolutionary method enables the use of a single-layer reinforcement that requires multiple layers of construction. It is applicable not only to concrete but also to steel and Building Construction structures.

[Features]

- 1) High work efficiency: This material used is lightweight, so it can be constructed with a simple scaffold even at high places, and construction is easy in a short period.
- 2) High quality: High quality reinforcement is possible with high performance impregnating agent without occurrence of impregnation unevenness.
- 3) Low cost: Low cost because material cost is low, construction is easy, and work time can be shortened.
- 4) Material selection according to strength: Impregnating agents and reinforcing fibers can be selected according to the required strength of reinforcement.



Exhibition in Bangkok, Thailand

This technology is currently under preparation for practical application in the Kingdom of Thailand.

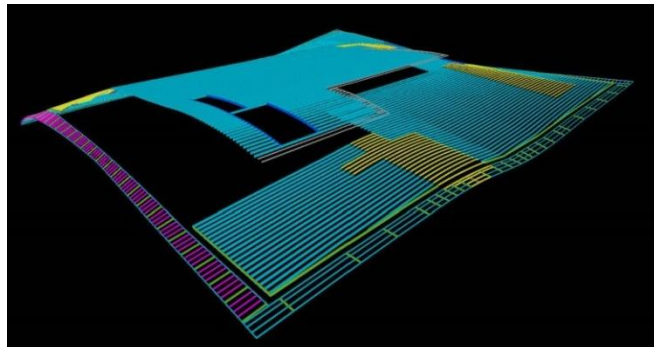


Utilization of BIM and CIM

We are actively introducing BIM and CIM, which make planes three-dimensional in order to improve business efficiency.

We are promoting utilization at the design, construction planning, and construction management stages.

- Used to check the ceiling mounting procedure and workability of buildings with complicated ceilings

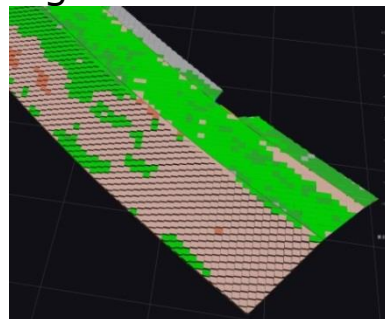


Ceiling diagram
by BIM



Completion

- Survey using a laser scanner to process data, which is ineffective shortening the construction period and reducing costs.



3D of
surveying
data



Completion

Development of learning system using VR technology

We have developed a hands-on field training system using 3D models and VRs.

[Features]

- 1) 3D visualization of the working process makes it easy to grasp the flow of constructions.
- 2) Walk-through experience at 3D virtual site allows you to experience various sites in a short period of time
- 3) Quiz-style exercises and descriptions allow you to learn about quality-control and safety-control (QCDSE) as knowledgeable.



Interior finish for apartment houses



Bar arrangement work



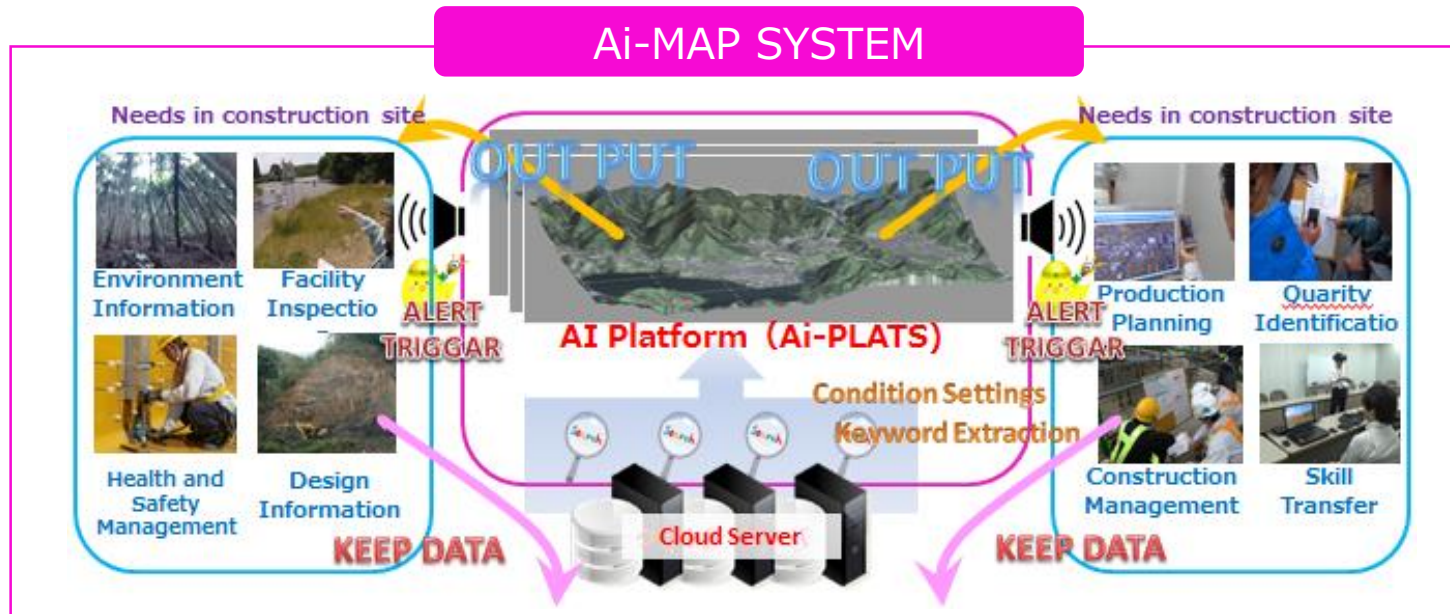
High-speed cross-bridge pier repair

Development of a skilled skill maintenance system

We have developed a system to visualize the skills and experiences (cans and knacks) of skilled workers.

You can aggregate the experienced worker movements and eye-line data into a cloud server and extract the data on-site to take advantage of it in your actual work.

Ai-MAP SYSTEM consists of multiple systems, and its combination enables more effective response. It can also be applied to communication methods in the event of a disaster, and we will continue to develop this system with the aim of further improving production efficiency.



◆ To strengthen overseas operations

Corporate Name	SINGAPORE PAINTS & CONTRACTOR PTE. LTD.
Address	Singapore
Business content	Building painting and repair contracting
Percent ownership of voting rights	October 2018 Acquisition of 80% of shares October 2023 Acquisition of 20% of shares plan
Reason for acquisition	Renewal business development in ASEAN region

◆ Cash payments to strengthen collaboration with partner companies

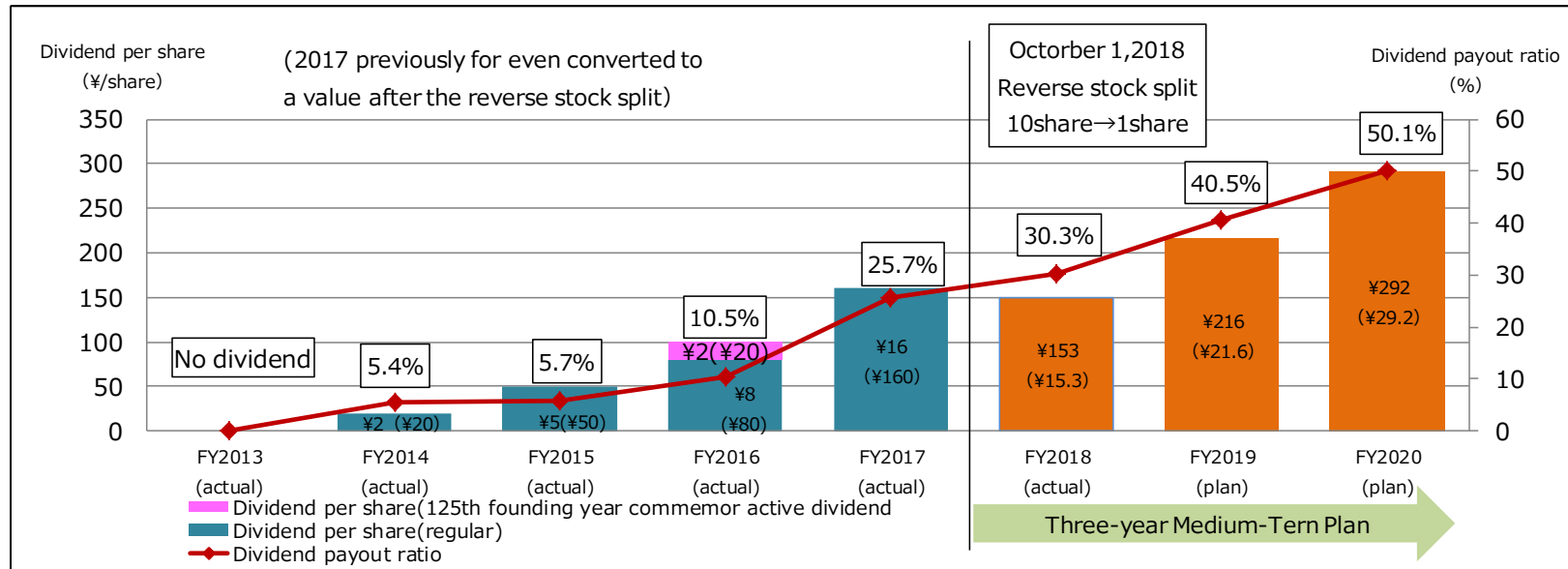
Cash ratio improvement	<ul style="list-style-type: none"> From August 2018, the cash payment ratio was increased, and the ratio of cash payments was increased to 90%. 100% cash payment from January 2020
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Return to Shareholders

Dividend payout ratio plan (revised on May 10, 2019)



Dividends



Purchase of treasury stock and Cancellation

Details of acquisition	<ul style="list-style-type: none"> Total number of shares to be repurchased: 330,000 shares (maximum) Total amount of purchase costs of shares: ¥ 1,000,000,000 (maximum) 				
Acquisition Results	<ul style="list-style-type: none"> Shares purchased 313,600 shares Purchase costs of shares ¥ 999,933,700 Period from November 12, 2018 to January 16, 2019 				
Cancellation	<ul style="list-style-type: none"> Number of shares to be cancelled 430,000 shares (5.05% of the total number of issued shares before cancellation) Date of cancellation May 31, 2019 Number of Shares issued <table border="0" style="margin-left: 20px;"> <tr> <td>Before cancellation</td> <td>8,508,629 shares</td> </tr> <tr> <td>After cancellation</td> <td>8,078,629 shares</td> </tr> </table> 	Before cancellation	8,508,629 shares	After cancellation	8,078,629 shares
Before cancellation	8,508,629 shares				
After cancellation	8,078,629 shares				

To further strengthen corporate governance

Structure of the Board	<ul style="list-style-type: none"> • Ratio of outside directors: 1/3 (After the 85th Ordinary General Meeting of Shareholders to be held in late June of this year) • Including one female outside director
Composition of the Board of Corporate Auditors	<ul style="list-style-type: none"> • Ratio of Outside Corporate Auditors: Majority (After the 85th Ordinary General Meeting of Shareholders to be held in late June of this year)
Analysis and Evaluation of the Effectiveness of the Board of Directors	<ul style="list-style-type: none"> • Implemented using external organizations (FY2019)
Operation of the Nomination and Compensation Committee	<ul style="list-style-type: none"> • Chaired by both committees Outside Directors • Ratio of Outside Directors: Majority • Number of days held (seven times in FY2018, nine times in FY2019)
Strengthening IR	<ul style="list-style-type: none"> • Briefings for institutional investors (held twice a year) • Briefing for individual investors started from this year(February 2020)
Stock holdings	<ul style="list-style-type: none"> • Criteria for Judging Holding of Listed Stocks Reduction if the benefits of dividends and construction profits are less than Cost of capital (WACC) until March 31, 2019 Cost of equity from March 31, 2020 (Reference: End of March 2019: Total yield 14% > Cost of capital 5% End of March 2020: Total yield 16% > Cost of equity 8%) • Sale results: FY2018 1 billion yen ,FY2019 140 million yen ★ Reduce strategic shareholdings to less than 10% of consolidated net assets by the end of March 2022

Asanuma Social Contribution Basic Policy

In order to realize the ideal form of society as a member of society, each and every employee is aware of their social responsibilities and actively promotes social contribution activities.

FY2019 New Initiatives

Sponsorship of the Japan Physically Disabled Baseball Federation National Convention 11/2・3



Sponsorship of the Japan Blind Tennis Federation

Spanish International Convention 6/9

MR. Ohno

Boys in the B1 class win the club

Convention MVP



Sponsorship of Nara FM Program, 「Akio Okamoto Nara Oku no Oku」
Appearance of public recording 11/23

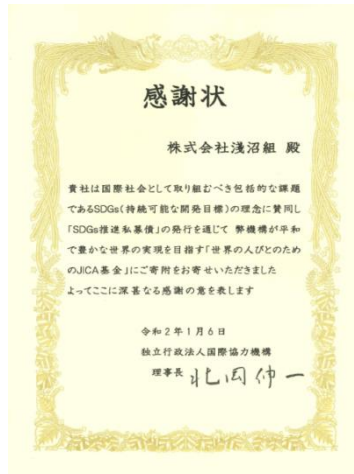
FY2019 New Initiatives



Co-sponsorship and co-operation of Building Construction Student Workshops

Since 2016/9, we have been supporting and dispatching lecturers to workshops where students majoring in Building Construction, environmental, and design are staying in the region.

The photo shows the scene when it was held in Izumo.



Contributed to the Japan International Cooperative Organization (JICA) through SDGs Promotion Private Bond issued by the Resona Bank, Ltd.



Air conditioner donated to Nara Prefectural Koriyama High School through SDGs Private Bond of Nanto Bank, Ltd.

This section introduces the recent topics of Asanuma

- 2019/8/1 Held technology presentation meetings
- 2019/10/30 Presentation Meeting on Measures to Improve Workplace Productivity
- 2020/2/21 Development of Experiential Field Education System Using VR

技術発表会

誇り確かめ合う場に

浅沼組は1日、東京本店をメイン会場に全国7本支店をテレビ会議システムでつなぎ、2019年度技術発表会を開いた。全店で約280人の社員が参加した。全日本建設技術協会の大石久和会長が「インフラが切り開く未来 経済成長なくして財政再建なし」と題して特別講演したほか、社員投票と審査で選ばれた発表者が施工技術・開発に関する5テーマで発表し、参加者と発表者は活発に質疑を交わした。

冒頭、あいさつに立った浅沼誠社長は「浅沼組の社員として誇りをもつて仕事をしたい。その誇りを支える大きな柱は技術へのこだわりだ。技術発表会は『浅沼組らしい技術へのこだわり』を共有し、誇りを確かめ合う場だと考えている。第12回となるこの技術発表会を通じて誇りとなる浅沼組らしい技術を育て、『浅沼組で良かった』と言ってもらえるような良いモノづくりをみんなが進めよう」と呼び掛けた。写真、発表演題は次のとおり。

〈社長賞〉コンクリート床のひび割れ対策

〈優秀賞〉シャッキアップ量を最小限にした免震装置交換工事▽超高層物件における「雨仕舞い技術」への取組みVJS（上成）工法による床コンクリート押入れの取組み▽西名阪自動車道連続8日間通行止め3班体制による背面空洞注入の施工について

2019/8/23
The daily Kensetsu-Tsushin
Newspaper

作業工程3D映像化

現場教育にリアリティー

浅沼組は、3DモデルやVR（仮想現実）を用いた体験型現場教育システムを開発した。作業工程を3D映像化し、建設の流れを容易につかむことが可能。入社1、2年目の社員を対象に、S造の研究開発施設などの施工工程をVRで体験してもらい、より現実に近い形で品質管理や安全管理の基本を学ぶことができる。クイズ形式の演習と解説を取り入れており、品質と安全管理などの知識を学習できる。隠れた危険や品質のチェック項目の見える化も可能となり、品質や安全管理などが高まるとみている。

同期3カ年計画で掲げている「ICT（情報通信技術）活用による生産性向上」などの一環となる。

同システムは、施工工程を映像化することも可能。技術研究所の増築時の流れを3D映像化しており、研修に利用している。今後は、土木工事などにも対応していく予定。

今後は、習得度合いによって現場が切り替わる機能の追加や、eラーニングなどにも対応できるようにしていく予定。同業他社との連携も検討するという。

△トンネル補修工事における3Dスキャナーデータを用いた現状把握▽西名阪自動車道田尻トンネル（上り線）他3トンネル背面空洞注入工事作業所とケー・エフ・

2020/2/21
The Daily Engineering & Construction Newspaper

協働の成果披露

浅沼組が初の作業所生産性向上策表彰式

浅沼組は10月30日、「第1回協力会社様協働による作業所生産性向上策表彰式・発表会」を大阪本店（大阪市）で開いた。大阪本店のほか東京本店と東北・北海道・広島・九州・名古屋の5支店ともテレビ会議でつなぎ、計200人が参加した。

同社作業所実践された生産性向上策の中から社員投票



社長賞表彰

などの審査を経て選出された社長賞と優秀賞計4件が表彰を受けた。式に先立ち浅沼誠社長は「作業所の生産性向上には、協力会社との協働による作業所独自のアイデアをもとに具現化した取り組みを情報収集し、水平展開することが有効だ。今回の発表内容に刺激を受けることで、ともに作業所で働く協力会社の皆さんと知恵を出し合い、さらに多くの生産性向上策が集まることを願っている」とあいさつした。

表彰式の後には受賞事例の発表も行われ、活発な質疑応答があった。4件の発表は次のとおり。

△深型枠ユニット化による工期

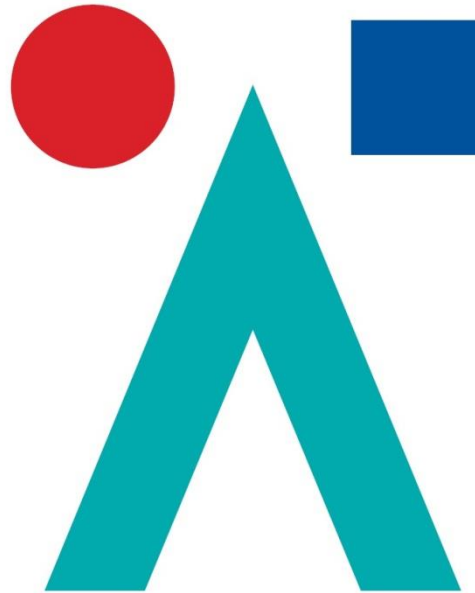
短縮（仮称）天王寺区東高津町計画新築工事作業所を第五建設。計画新築工事作業所を第五建設。

△既存支柱工法を活用すること

で梁底せき板を早期に解体できる理由から梁の型枠工事に副部のハリホルダーを使ってみた（仮称）タワー・ザ・ファースト名古屋栄作業所と吉重組

△路上駐車場防水せきコンクリートのワイヤメッシュ配筋にかわるバルチャップ採用による省人化・省力化（仮称）DPL川口留家新築工事作業所と飛田鉄筋工業

2019/11/8
The daily Kensetsu-Tsushin Newspaper



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