

# Financial Results Briefing for the Second Quarter of the Fiscal Year Ending March 31, 2021

With Our Proud History,  
Creating a Desirable Future



November 20, 2020 (Friday)

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.**

With Our Proud History,  
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## Construction industry

The expansion of COVID19 led to the economic downturn, including the disappearance of inbound tourists and a drop in consumer spending. In Private construction-related investment, demand for logistics facilities remained firm due to changes in lifestyles, while housing demand declined and capital investment was discontinued or postponed. Due to BUILDING NATIONAL RESILIENCE, public construction investment remained firm, including disaster prevention and mitigation measures for repeated natural disasters, measures for aging infrastructure, and demand for disaster recovery and reconstruction. If the Corona crisis persists in the future, there are concerns about a decline in construction investment due to further postponement or restraint of capital investment.

## Construction Investment



By Research Institute of Construction and Economy

# Overview of the Second Quarter of the Fiscal Year Ending March 31, 2021



( Hundred million yen)

	FY2018 Q2 Results	FY2019 Q2 Results	FY2020 Q2 Plan	FY2020 Q2 Results	YoY	Ratio to the plan
Orders received	695	699	630	563	△136	△67
Net sales	549	687	566	634	△53	68
Operating income (Margin)	15 2.8%	34 4.9%	13 2.3%	22 3.4%	△12 △1.5P	9 1.1P
Profit attributable to owners of parent Net profit (Margin)	10 1.8%	22 3.2%	7 1.3%	12 2.0%	△9 △1.2P	5 0.7P

# Three-Year Medium-Term Plan

## Progress of Consolidated Results ①



(Hundred million yen)

	FY2018 Medium- Term Plan	FY2018 Results	FY2019 Medium- Term Plan	FY2019 Results	FY2020 Medium- Term Plan	FY2020 Plan	Medium- Term Plan 3 years Average	Results and Plan Average
Orders	1,300	1,537	1,330	1,483	1,360	1,261	1,330.0	1,427.0
Net sales	1,295	1,357	1,366	1,415	1,389	1,345	1,350.0	1,372.3
Operating income	49	57	62	66	72	53	61.0	58.7
Profit attributable to owners of parent Net income	32	42	40	43	47	40	39.7	41.6

(Figures in the medium-term plan are as of May 11, 2018)

# Three-Year Medium-Term Plan

## Progress of Consolidated Results ②



### Major Management Indicators in the Medium-Term Plan (Consolidated for Fiscal 2020, the Final Year)

Operating income margin	Over 5%
Return on Equity (ROE)	Over 10.0%
Equity ratio	40% level
Return on Invested Capital	Exceed the cost of capital in all three years

	FY2018 Medium-Term Plan	FY2018 Results	FY2019 Medium-Term Plan	FY2019 Results	FY2020 Medium-Term Plan	FY2020 Plan	Medium-Term Plan 3 years Average	Results and Plan Average
Operating income margin	3.8%	4.2%	4.6%	4.7%	5.2%	3.9%	4.5%	4.3%
Return on equity (ROE)	9.0%	11.5%	10.6%	11.3%	11.4%	10.0%	10.3%	11.4%
Equity ratio	36.0%	36.6%	41.0%	38.0%	47.0%	43.0%	41.3%	40.5%
Return on Invested Capital (ROIC)	7.0%	8.1%	8.4%	9.1%	9.2%	7.0%	8.2%	8.8%
Cost of capital (WACC)	5.0%	5.1%	5.0%	6.0%	5.0%	6.0%	5.0%	5.4%

(Figures in the medium-term plan are as of May 11, 2018)

# Three-Year Medium-Term Plan

## Fund injection Plan



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

	Medium-Term Plan	Investment Results and Schedule
■ Investment plan		
◆ Investments in technology and systems	¥5 billion	¥2 billion
◆ Investing in New Domains (Overseas and New Fields)	¥5 billion	¥1.5 billion
■ Application of funds		
◆ Switch to cash payments to subcontractors to strengthen partnership	¥10 billion	¥14.5 billion
<b>Total</b>	<b>¥20 billion</b>	<b>¥18 billion</b>



# Investment Plan Technology and Systems ①

## Expansion and renovation of the Technical Research Institute (opened at the end of March 2019)

- |   |   |
|---|---|
| 1 | Expansion of training areas <ul style="list-style-type: none"><li>• Training for young employees and engineers at partner companies, and hands-on training</li></ul>  |
| 2 | Advancement of seismic isolation and vibration control technologies <ul style="list-style-type: none"><li>• Seismic damping structure equipped with an earthquake monitoring system</li><li>• Updating test equipment</li></ul> |
| 3 | Installation of a multi-purpose experimental space <ul style="list-style-type: none"><li>• Large experimental space for all-weather response</li></ul>  |



Training area of one existing building



Seismic dampers  
in two additional buildings



Full view



Multi-Purpose Experimental  
Space Using Natural Lighting  
in Three Expansion Buildings

## Ai-MAP SYSTEM

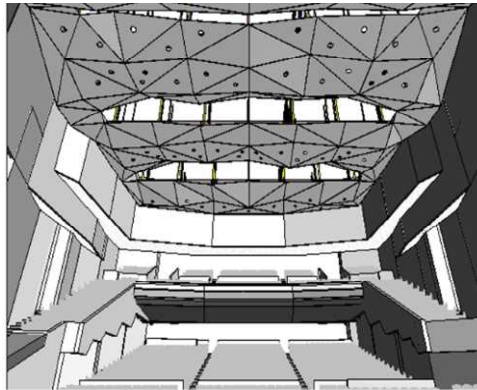
Developed to pass on skills of skilled workers at work sites and improve productivity

Details	Characteristics	Effect
Skill operation analysis	Mount GPS cameras and sensors to a skilled person, or analyze movies, behaviors, and sounds as data through movie shooting.	Inheritance of skills
Infrastructure communication management	Promoting the implementation and streamlining of production management at remote sites through the use of telecommunications systems	Productivity improvement

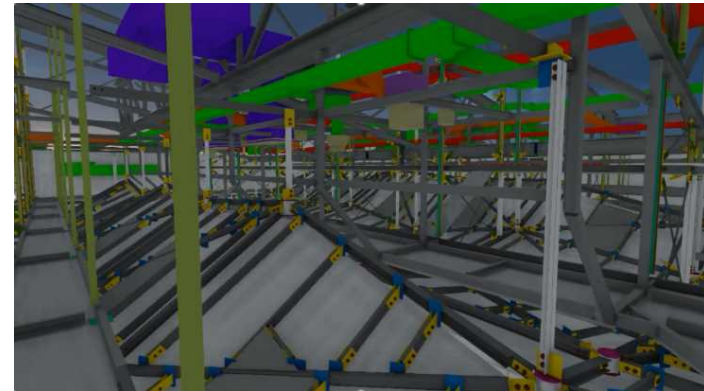
## BIM and CIM utilization

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.

- Buildings with complex tops are taken from 3D Scanners to verify the construction process and datum of renovations (BIM)

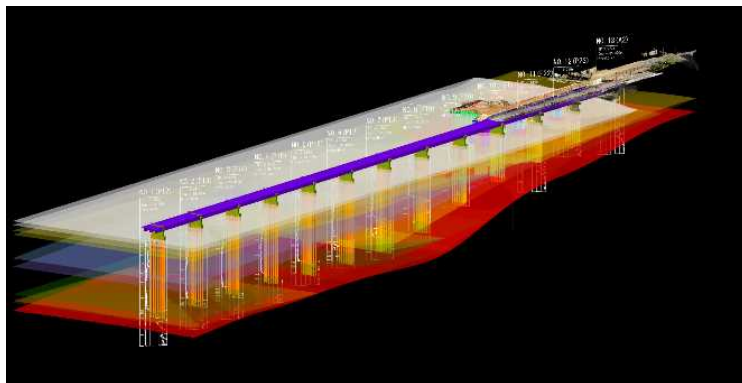


General view of the hole



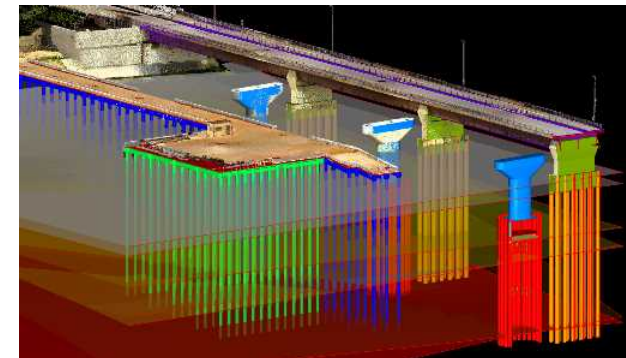
Drawing inside the ceiling of the hall

- Imaging of data from 3D Scanners for use in assessing conditions in the ground and managing processes (CIM)



General view

Made national highway bridge piles, etc. into 3D

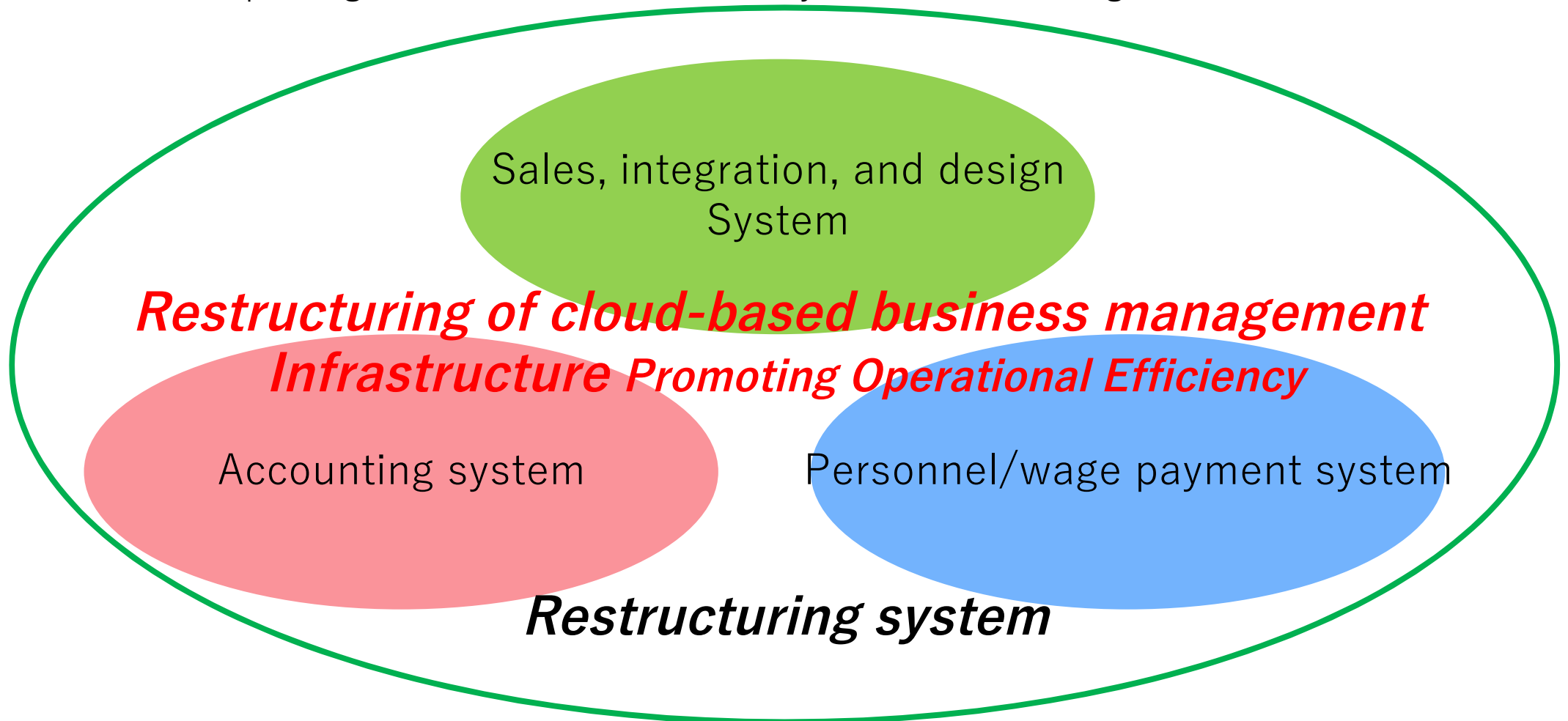


Situation of Piles in the Ground

## Restructuring of the core system

Comprehensive cloud computing for sales, integration and design, accounting, and personnel and payroll systems

Updating of various mission-critical systems in the management division





### Strengthen overseas business

#### ○ Acquisition of subsidiaries

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

#### ○ Efforts to Maintain Aging Expressways and Bridges in the Kingdom of Thailand

Using textile sheets, we are engaged in the maintenance business of aging expressways and bridges in the Kingdom of Thailand.

In recent years, public infrastructure investment in the Kingdom of Thailand has grown remarkably, and the demand for maintenance business has been rising along with this. We are working as part of our efforts to strengthen our renewal business and expand our business in ASEAN region.

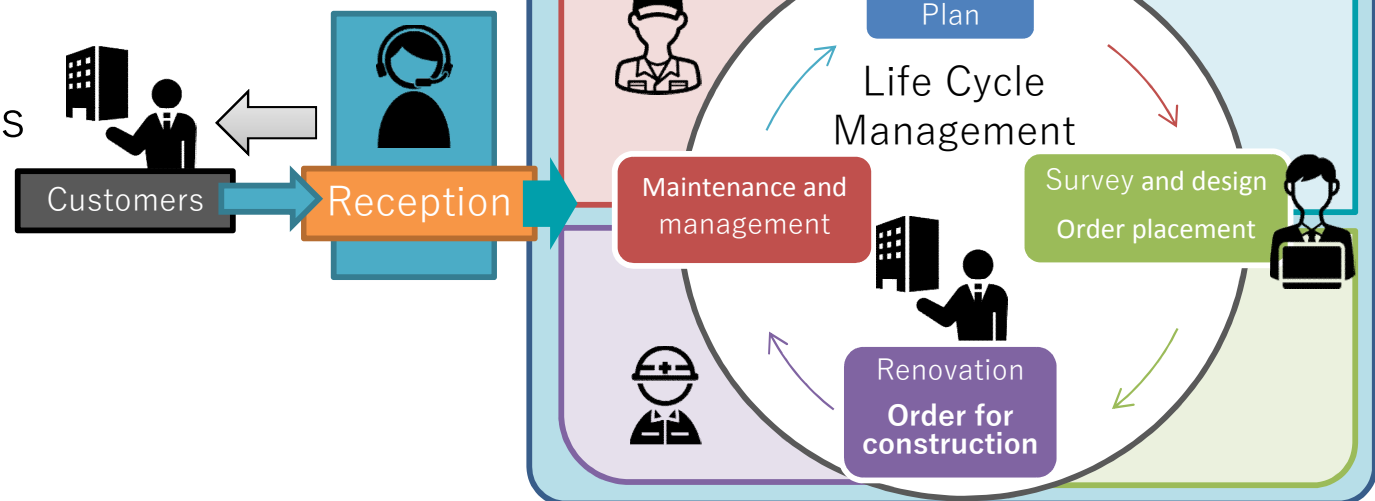
## Branding of the renovation business

- With an emphasis on people and the environment  
suitable for the age of the global environment

Launch of new renewal brands

(Scheduled to be announced in April, 2021)

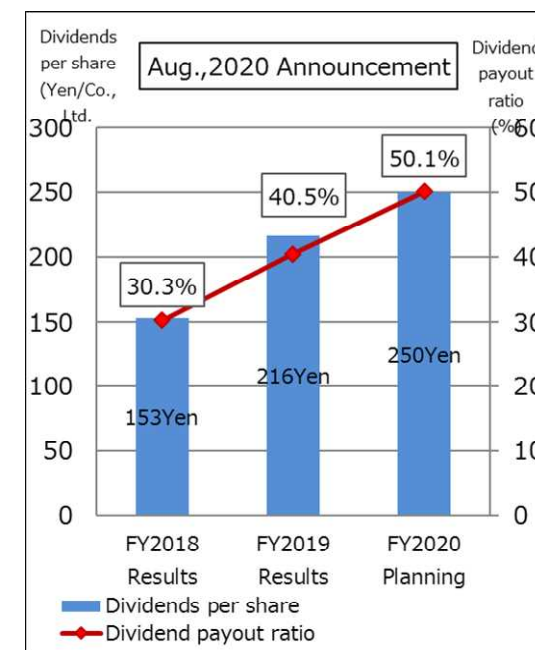
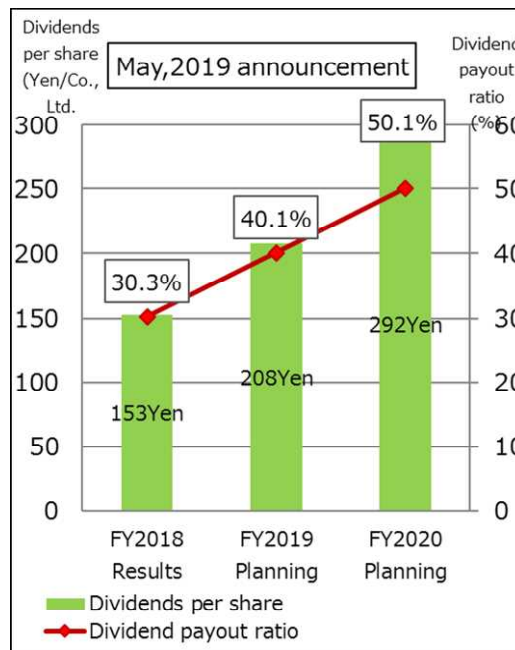
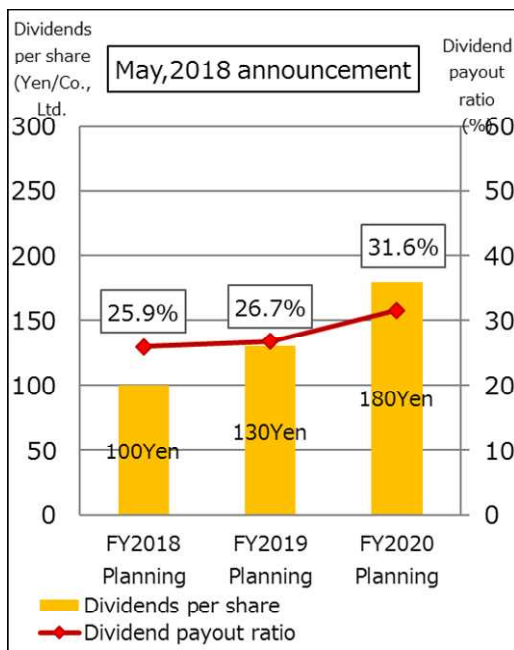
- Improve renovation services  
Unification of reception desks  
Strengthen lifecycle services



# Return to Shareholders

## Dividend payout ratio plan

### Transition



### Purchase of treasury stock and Cancellation

- Shares purchased 313,600 shares
- Purchase costs of shares ¥999,933,700
- Period from November 12, 2018 to January 16, 2019
- Number of shares 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  
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"> <li>Ratio of outside directors: <b>1/3</b> (after the General Meeting of Shareholders held in June 2020)</li> <li>Including one female outside director</li> </ul>
Composition of the Board of Corporate Auditors	<ul style="list-style-type: none"> <li>Ratio of Outside Audit &amp; Supervisory Board Members: <b>3/4</b> (after the General Meeting of Shareholders held in June 2020)</li> </ul>
Analysis and Evaluation of the Effectiveness of the Board of Directors	<ul style="list-style-type: none"> <li>Implemented using external organizations (since FY2019)</li> </ul>
Operation of the Nominations and Compensation Committee	<ul style="list-style-type: none"> <li>Chaired by both committees Outside Directors</li> <li>Ratio of Outside Directors: <b>Majority</b></li> <li>Number of days held (7 times FY2018, 9 times FY2019, 4 times FY2020)</li> </ul>
Strengthening IR	<ul style="list-style-type: none"> <li>Briefings for institutional investors (held twice a year)</li> <li>Briefings for individual investors (The first meeting was held in February of this year, and will be held twice a year in the future)</li> </ul>
Stockholdings	<ul style="list-style-type: none"> <li>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 <b>Cost of equity from March 31, 2020</b> (Reference: End of March 2019: Total yield 14% &gt; Cost of capital 5% End of March 2020: Total yield 16% &gt; Cost of equity 8%)</li> <li>Sale results: FY2018 1 billion yen ,FY2019 140 million yen</li> <li>★ Reduce strategic shareholdings to less than 10% of consolidated net assets by the end of March 2022</li> </ul>



## Asanuma Social Contributions 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.

### Report on activities of sponsoring organizations since FY2019

The Japan Physically Disabled Baseball Federation  
National Convention November, 2019



The Japan Blind Tennis Federation  
Spanish International Convention June, 2019  
MR. Ohno  
Boys in the B1 class win the club  
Convention MVP



Nara FM Program, [Akio Okamoto Nara Oku no Oku]  
Appearance of public recording September, 2020



## Other activities



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

Since September, 2016, 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 at Todai-ji Temple in September, 2020.





## Here are the recent topics of Asanuma group.

- 2020/7/2 Awarded the 17th Public Building Construction Award for Excellence
- 2020/8/3 Acquired JNLA certification
- 2020/8/27 Held technology presentation meetings

浅沼組がJNLA認定事業者に登録  
2項目で第三者試験  
浅沼組は7月31日、製品評価技術基盤機構（NITE、辰巳敦理事長）による試験事業者登録制度である「JNLA認定」を受け、JNLA認定事業者として登録されたと発表した。技術研究所が2項目で認定を

2020/8/3 The Daily Engineering & Construction Newspaper



"Cosmos Fukiage-kan" Winner of the 17th Public Building Construction Award for Excellence

受けており、第三者試験機関として測定結果を報告できる。  
対象となる試験項目は、▽モルタルおよびコンクリートの長さ変化測定方法（第2部：コンタクトゲージ方法）▽コンクリート中性化深さの測定方法、耐震改修時の劣化診断やリニューアル事業における建物の健全性調査などに役立て

冒頭、浅沼誠社長は「新型コロナウイルスは、働き方やビジネスに新たな変化をもたらしつつある。コロナ危機後のニューノーマル時代を見据えながら、デジタル技術を活用した新たな働き方やビジネスの変革をさらに進めていきたい」と語った。写真。

社長賞は「3Dスキャナーを利用した3Dモデル作成とその活用」と「既存地下躯体の有効活用事例」の2件を担当者が発表した。優秀賞は▽RN強化に向けた外壁タイル張り改修方法の提案▽高速道路直下のボックスカルバートの推進施工▽海外製鉄骨を使用する事例の紹介の3件を報告した。

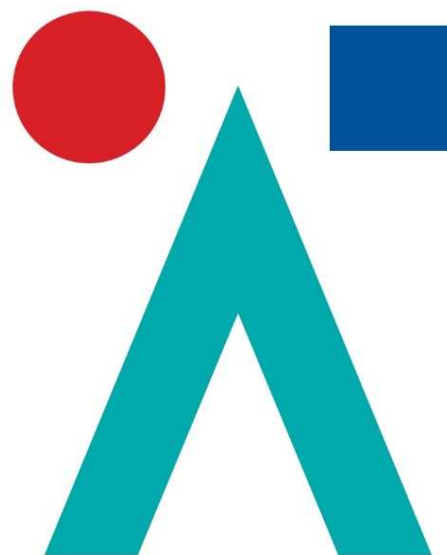
登録日は4月28日で、有効期間は2年間。同社によると、ゼネコンの技術研究所が試験事業者として登録を受けることは珍しいという。品質保証体制の強化が狙いとしている。

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社長賞など5件  
浅沼組が技術発表会  
浅沼組は2020年度の技術発表会を大阪、東京両本店で5日に開いた。社員投票と審査で選考された計5件を発表。新型コロナウイルスの感染拡大を防止するため参加人数を絞り、社内ネットワークで発表映像や資料を発信した。

2020/8/27 The Daily Engineering & Construction Newspaper



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November 20, 2020

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