

# Financial Results Briefing for Fiscal Year Ended March 31, 2021

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.**

With Our Proud History,  
Creating a Desirable Future



Page	Item
P 3	Business Environment
P 4~	Previous The Three-Year Medium-Term Plan Status of Consolidated Financial Results
P 6	Previous The Three-Year Medium-Term Plan Return to Shareholders Dividend payout ratio plan
P 7~	Previous The Three-Year Medium-Term Plan Fund Injection Plan
P 13~	New The Three-Year Medium-Term Plan Long-term Vision and Positioning
P 15~	New The Three-Year Medium-Term Plan ①~⑥
P 21	Corporate Governance System
P 22	Topics

## Construction industry

In the construction industry, public construction investment is expected to remain firm as the five-year plan for measures of BUILDING NATIONAL RESILIENCE has been decided since 2021. Regarding private construction investment, however, we expect that capital investment will recover after bottoming out in fiscal 2021 as the willingness of the manufacturing industry returns to invest in major countries and the expansion of COVID19 is expected to converge along with the progress in corona vaccination. However, we need to closely monitor the delayed economic recovery due to the delay in the convergence and the negative impact on domestic economic activities due to intensified trade frictions between the U.S. and China.

## Construction Investment



# Previous The Three-Year Medium-Term Plan Status of Consolidated Financial Results ①



## ○FY2018 and FY2019

- Rush to win orders ahead of the consumption tax hike, orders for large-scale construction, ample construction on hand, improved profitability of construction, etc.  
Orders received, net sales, operating income, and net income all achieved the targets of the medium-term plan.

## ○FY2020

- The annual plan was revised downward from the mid-term plan in consideration of the impact of COVID19, but other than orders received, the annual plan was achieved.

## ○3-year average

- Operating income fell short of the medium-term plan, but orders received, net sales, and net income achieved the medium-term plan.

(Hundred million yen)

Key Performance Indicators (Consolidated)	FY2018 Medium-term Plan	FY2018 Results	FY2019 Medium-term Plan	FY2019 Results	FY2020 Medium-term Plan	FY2020 Plan	FY2020 Results	Medium-term Plan 3 years Average	Results and Plan Average
<b>Orders received</b>	1,300	1,537	1,330	1,483	1,360	1,261	1,206	1,330	1,408
<b>Net sales</b>	1,295	1,357	1,366	1,415	1,389	1,345	1,389	1,350	1,387
<b>Operating income</b>	49.0	57.0	62.0	66.0	72.0	52.5	52.9	61.0	58.6
<b>Profit attributable to owners of parent Net profit</b>	32.0	41.8	40.0	43.0	47.0	40.2	41.4	39.7	42.1

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

# Previous The Three-Year Medium-Term Plan Status of Consolidated Financial Results ②



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

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

Key Performance Indicators (Consolidated)	FY2018 Medium-Term Plan	FY2018 Results	FY2019 Medium-Term Plan	FY2019 Results	FY2020 Medium-Term Plan	FY2020 Plan	FY2020 Results
Operating income margin	3.8%	4.2%	4.6%	4.7%	5.2%	3.9%	3.8%
Return on equity(ROE)	9.0%	11.5%	10.6%	11.3%	11.4%	10.0%	10.3%
Cost of capital (WACC)	5.0%	5.1%	5.0%	6.0%	5.0%	6.0%	6.2%
Return on Invested Capital (ROIC)	7.0%	8.1%	8.4%	9.1%	9.2%	7.0%	7.0%
Cost of shareholders' equity	7.3%	7.4%	7.3%	8.0%	7.3%	8.0%	8.0%
Equity ratio	36.0%	36.6%	41.0%	38.0%	47.0%	43.0%	45.0%

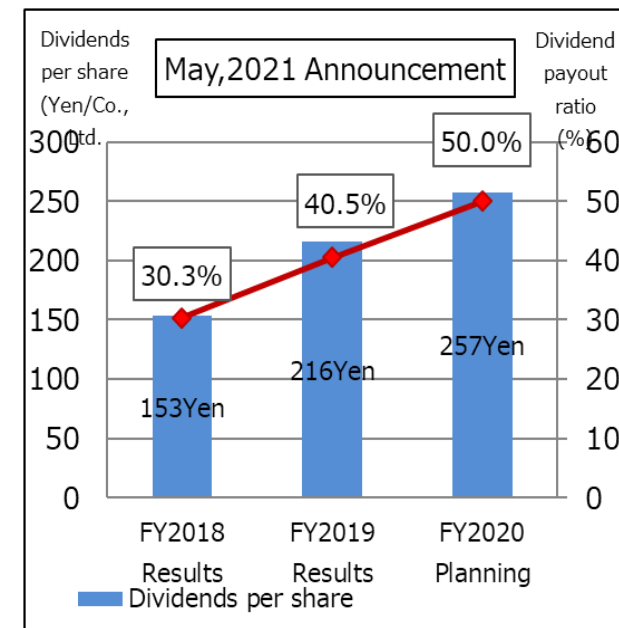
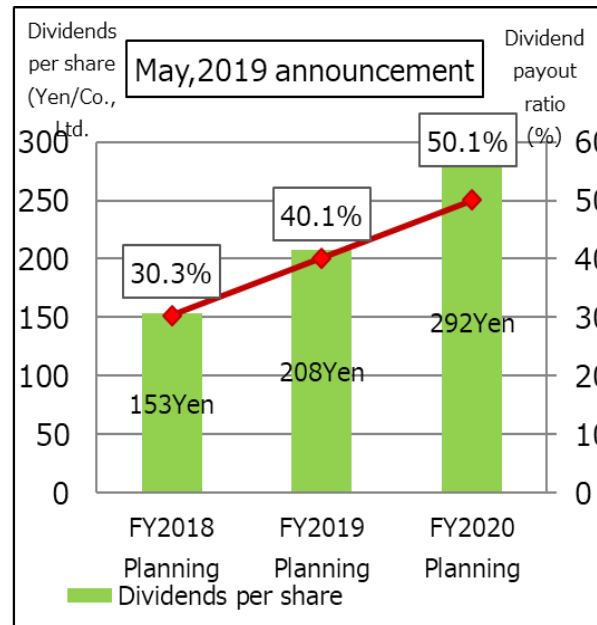
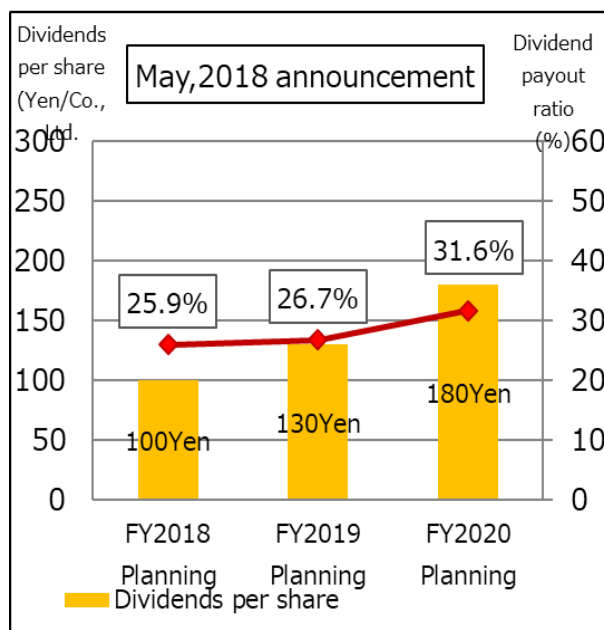
	March ,2021
Interest expense	106
Interest-bearing debt	11,026
Cost of debt	0.96%
10-year JGB yield	0.104%
$\beta$ value	1.138
Market Expected Yield	7.00%
Cost of shareholders' equity	7.95%
Market capitalization	36,094
Tax rate	0.304
<b>Cost of capital (WACC)</b>	<b>6.25%</b>

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

# Previous The Three-Year Medium-Term Plan Return to Shareholders Dividend payout ratio plan



- **May 2018: Dividend plan at the time of announcement of medium-term plan (initial)**
- **May 2019: Upwardly revised dividend plan (increased FY2018 dividend by ¥53)**
- **May 2020: Upwardly revised dividend plan (increased FY2019 dividend by ¥8)**
- **Aug 2020: In light of the impact of COVID-19, the FY2020 plan was revised downward from the medium-term plan, and the FY2020 dividend plan was reduced by ¥42**
- **May 2021: Upwardly revised dividend plan (increased FY2020 dividend by ¥7)**



## ○ Purchase of treasury stock

- Shares purchased 313,600 shares
- Purchase costs of shares ¥999,933,700
- Period from November 12, 2018 to January 16, 2019

## ○ Cancellation

- 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

# Previous The 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
■ 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>  |



1 Training area of existing building



2 Seismic dampers in additional buildings



Full view



3 Multi-Purpose Experimental Space Using Natural Lighting in 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



**Wearable camera  
(Ai-LOGGER)**

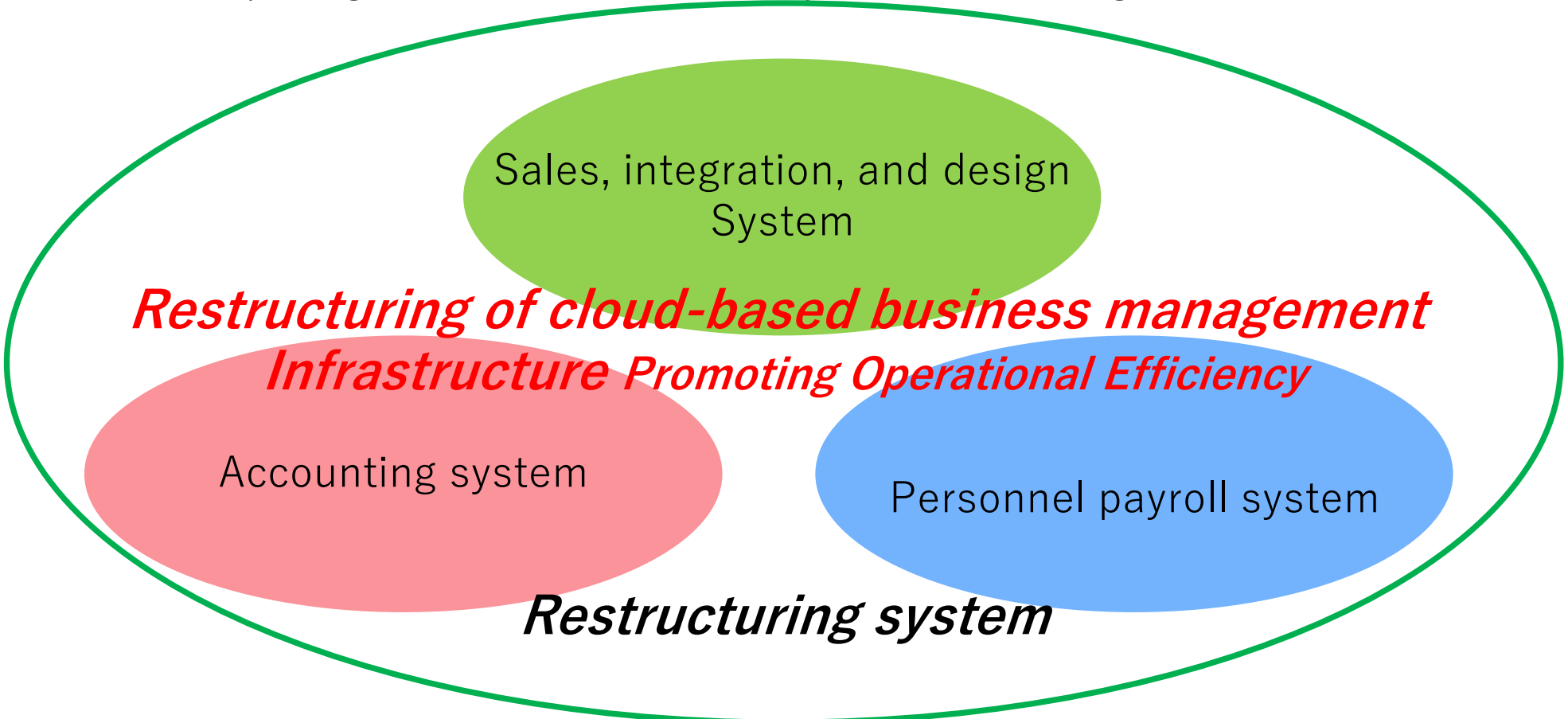


**Infrastructure  
Communication  
System (Ai-TEC)**

## Restructuring of the core system

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

Updating of various mission-critical systems in the management division



Sales, integration, and design  
System

***Restructuring of cloud-based business management  
Infrastructure Promoting Operational Efficiency***

Accounting system

Personnel payroll system

***Restructuring system***

## Launched "ReQuality", a renewal business concept.

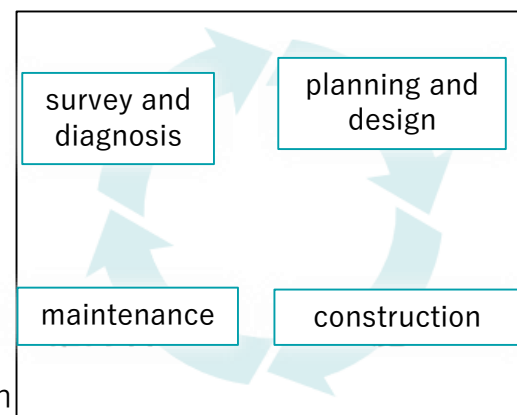
Considering not only the human environment, but also the global environment in the future, **"ReQuality"** recycles resources and improves the patrol of people who spend there. ASANUMA CORPORATION's concept is to create such a better circulation through its renewal business.

**"GOOD CYCLE PROJECT"**, a recycling-oriented project, was launched on April 1, 2021 under the theme of "Good Circulation for Humans and the Earth."

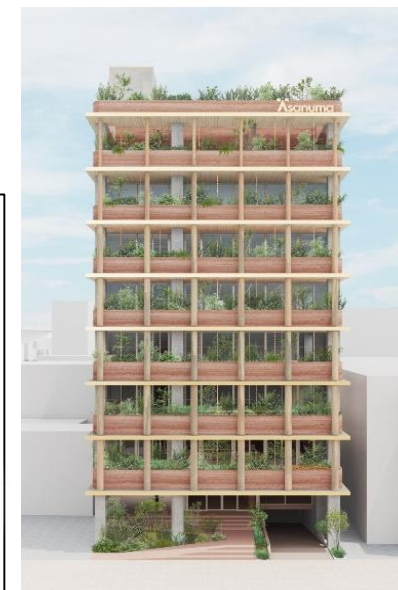


## "GOOD CYCLE PROJECT" will be deployed by the following four actions.

- ① **"GOOD CYCLE PRODUCT"**: Cloud funding  
(Reuse of residual materials from Yoshino cedar in Nagoya Branch Office renovation work)
- ② **"GOOD CYCLE SERVICE"**: Renewal business  
(In addition to making Building Construction to buildings by leveraging our expertise and technological expertise, we aim to become a partner that will serve our customers throughout their lifecycles.)
- ③ **"GOOD CYCLE BUILDING"**: Renewal of Nagoya Branch Office  
(Reproducing the better circulation proposed by ASANUMA CORPORATION)
- ④ **"GOOD CYCLE TALK"**: Opened owned media  
(To be serialized on the website on the theme of good circulation for humans and the earth)



GOOD CYCLE SERVICE



GOOD CYCLE BUILDING

## Strengthen overseas business

### ○ Acquisition of subsidiary

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.

It was also adopted by JICA's SDGs business support program, and we will promote initiatives to contribute to SDGs goals 9 and 11.



**Company that continues to boldly challenge and demonstrate its uniqueness in response to dramatic changes in the external environment**

**By promoting the environmentally friendly renewal brand "ReQuality" and expanding the renewal business in ASEAN region, we will renew our greatest strengths and continue to grow stably and increase corporate value over the long term regardless of any environmental changes.**

# New The Three-Year Medium-Term Plan Positioning



## — Positioning —

Deep dive into the unique characteristics of  
ASANUMA CORPORATION  
in order to realize the Long-Term Vision

Strengthening  
the foundations

**Complete  
foundation  
consolidation**

Further Enhancing Corporate Value by  
Realizing Solid and Sustainable Growth

Taking on the challenge of drastic changes in the external environment  
(continuing to respond swiftly and appropriately)

Pursuit of the unique  
characteristics of  
ASANUMA  
CORPORATION

**Deep dive into the  
unique characteristics  
of ASANUMA  
CORPORATION**

Toward the Realization of the Long-Term Vision  
Stage of demonstration of the unique  
characteristics of ASANUMA CORPORATION

2018 2019 2020 2021 2022 2023 2024 2025 2026 2027 ... ..

The Three-Year Medium-Term Plan  
(FY2021-FY2023)

## — Basic Policy —

"Challenge change" by deeping dive into the unique characteristics of ASANUMA CORPORATION

### The unique characteristics of ASANUMA CORPORATION

A company that provides a diverse range of services backed by its unique technologies and know-how based on its commitment to manufacturing up to honesty and a spirit of bold challenge without fear of change

#### Take on the challenge Changes in the external environment

★	Domestic construction investment, which is shrinking over the long term, and domestic maintenance and repair investment, which is steady due to the aging of infrastructure and Building Construction structures
	<ol style="list-style-type: none"> <li>1. Expansion of the accumulation and utilization of cost data by the estimation and construction departments.</li> <li>2. Continue to strengthen renovation business in ASEAN region.</li> <li>3. Promoting ReQuality Renewal Brand Strategy.</li> </ol>
★	Decline in the productive labor force in the construction sector
	<ol style="list-style-type: none"> <li>1. Enhance the proprietary "Ai-MAP SYSTEM".</li> <li>2. Strengthen recruitment of female and foreign employee.</li> <li>3. Promote and expand CCUS (Construction Career Upgrade System).</li> </ol>
★	Momentum to improve corporate reputation through non-financial management activities (ESG, SDGs, etc)
	<ol style="list-style-type: none"> <li>1. "E" : Promotion of "Eco-Friendly ASANUMA21".</li> <li>2. "S" : Obtaining WELL certification as part of "ReQuality".</li> <li>3. "G" : inue to reduce strategic shareholdings.</li> </ol>



## Eco-Friendly ASANUMA 21

### Set long-term targets for reducing CO<sub>2</sub>

"Reduce CO<sub>2</sub> emissions per 100 million yen of construction by 50% by 2030 and 70% by 2050 compared to 1990"

#### 【Promotion of decarbonization】

~Toward the Realization of a Decarbonization Society~

##### 1 Promote decarbonization by extending the life of building

Utilization and development of technologies of building diagnostics to extend the life of buildings

##### 2 Promotion of decarbonization at the operation stage

Design and development of decarbonized buildings

- Promotion of energy conservation in designed properties
- Aim to be higher than CASBEE A ranking
- Aiming to obtain ZEB and WELL certifications



RM Retrofit Shear Wall



Smooth Fill-Crete



CCB-NAC

##### 3 Promotion of decarbonization at the construction stage

- ① To reduce CO<sub>2</sub> at the construction stage
- ② Setting long-term targets for reducing CO<sub>2</sub>

#### 【Recycling of resources】

~Toward the realization of a recycling-oriented society ~

##### 1 Reduction of construction by-products

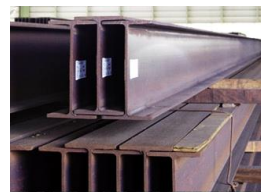
##### 2 Recycling and proper disposal of construction by-products

Promoting Recycling of Construction Byproducts and Appropriate Disposal

##### 3 Active Use of Recycled Materials



Reproduced crushed stones



Recycled steel

#### 【Coexistence with Nature and Society】

~Aiming for Harmonious Coexistence with Nature and Society~

##### 1 Conservation of the Natural Environment and Biodiversity

- ① Preserving biodiversity
- ② Utilization of local sediment



生物多様性簡易評価ツール「いきものプラス」

##### 2 Control of harmful environmental impact from construction

- ① Proper disposal of hazardous substances
- ② Consideration for local environment



Cleaning Up Local Communities

##### 3 Harmony with society

- ① Collaboration with local communities
- ② Contribution to Society

## Performance Indicators

(Hundred million yen)

Key Performance Indicators (Consolidated)	FY2020 Results	FY2021 Plan	FY2022 Plan	FY2023 Plan	Plan 3 years Average
Orders received	1,206	1,321	1,415	1,466	1,401
Net sales	1,389	1,400	1,355	1,373	1,376
Operating income	52.9	53.4	65.3	67.3	62.0
Profit attributable to owners of parent Net income	41.4	41.7	44.0	45.4	43.7
Domestic Building Construction renewal Orders received	138	200	250	300	250
Domestic Building Construction renewal Net sales	199	200	250	300	250
Domestic Building Construction renewal Operating income	11.8	12.0	14.5	17.4	14.6

## Performance Indicators

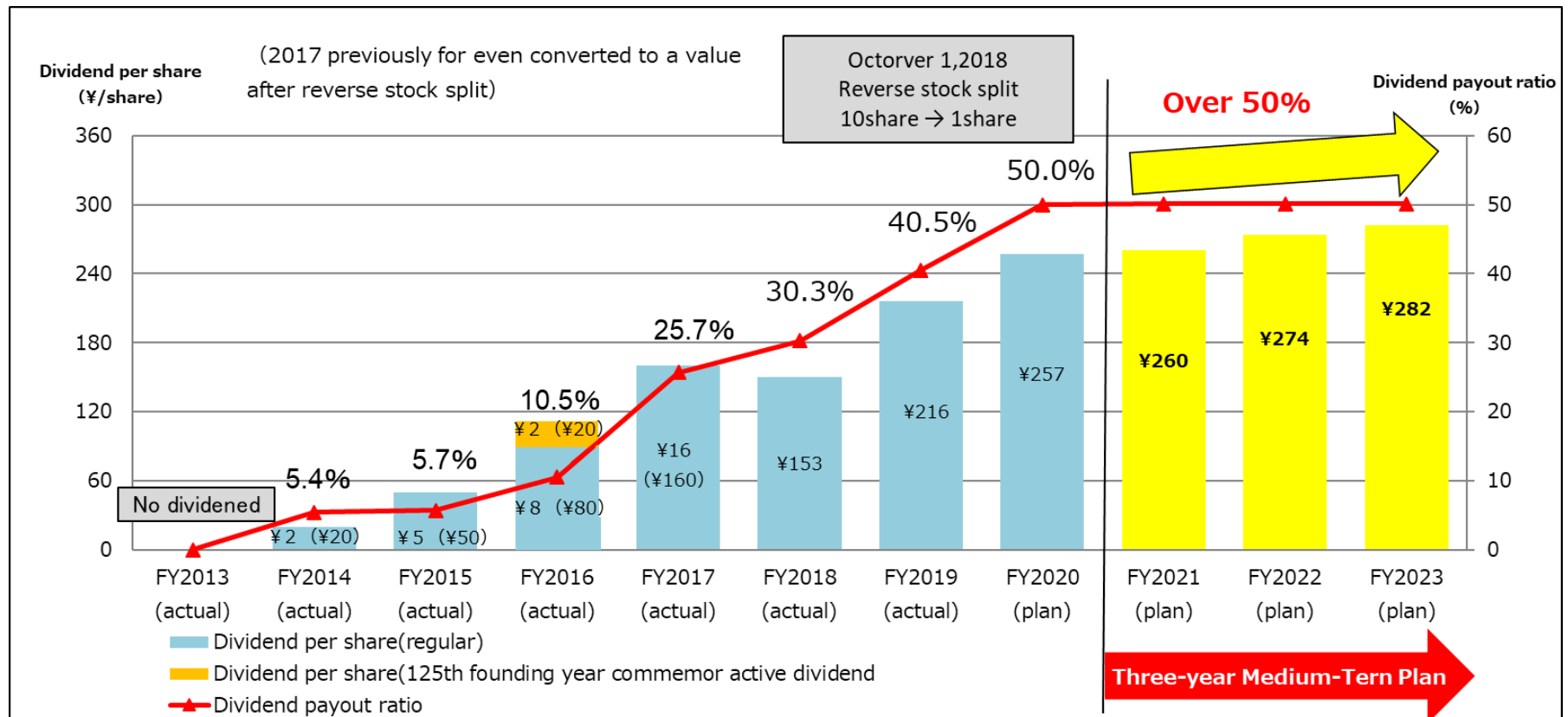
- The ratio of operating income to sales is projected to exceed 5.0% in FY 2023.
- Return on equity (ROE) is forecast at higher than 10.0% in all three years, exceeding the cost of shareholders' equity.
- The return on invested capital (ROIC) is projected to exceed the cost of capital (WACC) in all the three years of the plan period.

Key Performance Indicators (Consolidated)	FY2020 Results	FY2021 Plan	FY2022 Plan	FY2023 Plan
Ratio of operating income to sales	3.8%	3.8%	4.8%	5.0%
Return on Equity (ROE)	10.3%	10.1%	10.2%	10.0%
Cost of shareholders' equity	8.0%	8.0%		
Return on Invested capital (ROIC)	7.0%	7.1%	8.3%	8.3%
Cost of capital (WACC)	6.2%	6.0%		

## Return to Shareholders

Consolidated dividend payout ratio:

Continue to exceed **50%**, the highest level in the construction industry.



In order to realize our long-term vision,  
we will invest **¥8 billion in** three years  
after strictly assessing the effects of our investments.



◆ **Technology and research, ICT** : **¥3 billion**

(seismic resistance, vibration control and seismic isolation technologies, Ai-MAP SYSTEM advancement, environment-related technologies, etc.)

◆ **Investment related to new areas** : **¥5 billion**

(Expansion of ASEAN region renovation business, promotion of concession business, etc.)

※ **Investment effect**

$$\frac{\text{Increase in operating profit after tax (compared to FY 2020 in the FY 2023 plan)}}{\text{Investment amount in previous medium-term} + \text{Investment plan amount in new medium-term plan}} = \frac{14.4 \times 0.7}{115} = 8.7\% > \text{Cost of capital } 6.25\%$$

## 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> <li>• Including one female Outside Audit &amp; Supervisory Board Member (after the General Meeting of Shareholders held in June 2021)</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, 6 times FY2020)</li> </ul>
System of compensating directors	<ul style="list-style-type: none"> <li>• Introduction of a restricted transfer stock compensation system (after the General Meeting of Shareholders held in June 2021)</li> </ul>
Strengthening IR	<ul style="list-style-type: none"> <li>• Briefings for institutional investors (scheduled to be held four times a year from 2021)</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>• Listed Stock Suitability Evaluation Criteria <b>Reduced when the benefit of dividends and construction gross profit is less than "cost of equity"</b></li> <li>• Result of sale FY2018-FY2020 Total 3.09 billion yen (listed stocks)</li> <li>• Consolidated Net Assets Ratio <b>23.4% as of end March 2018 ⇒ Reduced to 13.3% as of end March 2021</b></li> </ul> <p>★ Reduce strategic shareholdings to <b>less than 10%</b> of consolidated net assets by the end of March 2022</p>

## Introducing recent topics

Kama City Office Building Each award  
 2020/11 JAPAN WOOD DESIGN AWARD  
 2020/ 3 Japan Concrete Institute Award  
 2021/ 4 Fukuoka Prefecture 木造・木質化建築 award



**CO<sub>2</sub>排出量63%減**  
 環境配慮型コンクリートで性能証明取得  
 材料に高炉スラグ微粉末  
 長谷工コーポレーション

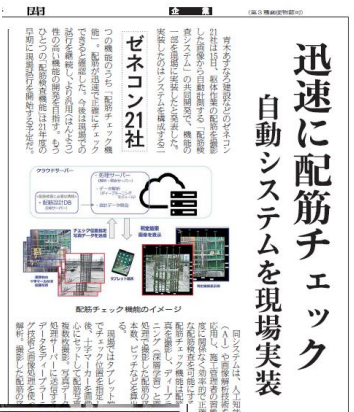
長谷工コーポレーションは、環境配慮型コンクリート（CEC）の開発に力を入れています。CECには、高炉スラグ微粉末（HSCA）が使用されています。HSCAは、従来のコンクリートに比べて、CO<sub>2</sub>の排出量を大幅に削減することができます。CECは、強度が高く、耐久性に優れています。また、HSCAの使用により、コンクリートの重量も軽くなります。CECは、環境に優しいコンクリートの代表として、国内外で広く採用されています。長谷工コーポレーションは、CECの開発と普及に貢献するために、積極的に活動しています。

大阪・なんばで  
 ホテル開発着手  
 大成建設、開発不動産  
 ㈱

大成建設は、大阪市のなんば地区に新しいホテルを開発する計画を発表しました。このホテルは、約15階建ての規模で、高層ビルに併設される予定です。大成建設は、このプロジェクトに積極的に参加し、開発と建設を担当することになりました。このホテルは、観光客にとって便利な立地にあるため、高い需要が期待されています。大成建設は、このプロジェクトを通じて、大阪市の観光振興に貢献することを目指しています。

2020/11/11 The Daily Engineering & Construction Newspaper  
 2020/11/2 The Daily Engineering & Construction Newspaper

2020/11/2 Environmentally Conscious Concrete  
 2020/11/11 Presentation Meeting on Measures to Improve Workplace Productivity  
 2020/12/16 Automatic bar arrangement check system  
 2021/3/1 Ai-MAP SYSTEM



**迅速に配筋チェック 自動システムを現場実装**

建設現場での配筋チェックは、従来は作業員が現場で図面を確認していたが、最近では自動システムを導入する現場が増えている。このシステムは、図面をデジタル化し、現場でスマートフォンやタブレットで確認できる。これにより、作業員が現場で迅速に配筋のチェックができ、作業の効率化が期待されている。



**熟練技術者が寄り添う環境づくりで伝承**

建設現場では、熟練技術者のノウハウを若い世代に伝えることが重要である。現場で経験を積ませ、技術を継承させるための取り組みが実施されている。現場の環境を整え、安全で快適な作業環境を提供することで、熟練技術者が安心して作業に集中でき、技術を伝授することができる。

2021/3/1 The daily Kensetsu-Tsushin Newspaper

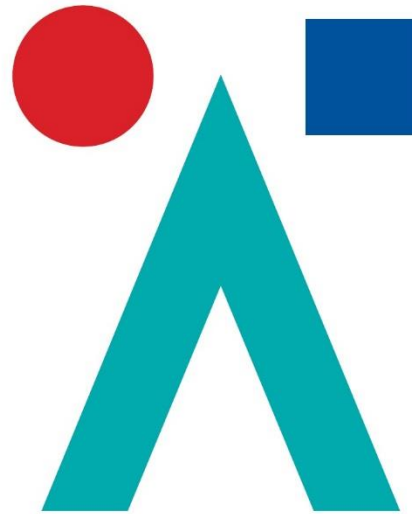
2020/12/16 The Daily Engineering & Construction Newspaper

## PRISMの現場試行で進化



**アイマップシステム**

建設現場での作業効率を向上させるために、PRISM（アイマップシステム）が導入されている。このシステムは、作業現場の状況をリアルタイムで把握でき、作業の進捗管理が容易になる。また、作業員間のコミュニケーションが促進され、作業の安全性も向上する。PRISMの導入により、現場での作業がよりスムーズに進むことが期待されている。



With Our Proud History,  
Creating a Desirable Future



May 21, 2021

Contact  
Corporate Communications Dept.  
Tel 06-6585-5500 Fax 06-6585-5556