

Financial Results Briefing for the Fiscal Year Ended March 31, 2022

May 20, 2022 (Friday)

Asanuma Corporation
Securities Code :1852

With Our Proud History,
Creating a Desirable Future



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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Business Results



(Unit: 100 million yen)

Major Indicators (Consolidated)	FY 2021			FY 2022			FY2023
	Medium-term Plan	Results	YOY	Medium-term Plan	Modified Plan	YOY	Medium-term Plan
Orders received	1,321	1,366	45	1,415	1,416	1	1,466
Completed construction contracts	1,390	1,344	△46	1,345	1,433	88	1,363
Gross profit on completed construction contracts	136	131	△5	149	143	△6	151
Rate	9.8%	9.8%	—	11.1%	10.0%	△1.1P	11.1%
SGA cost	86	86	—	87	90	3	87
Operating income	53	48	△5	65	56	△9	67
Profit attributable to owners of parent Net income	42	37	△4	44	41	△3	45
Construction carried forward from the beginning of the period	1,392	1,478	86	1,462	1,461	△1	1,565
Dividend	¥363	¥363 (Scheduled)	—	*¥191 (¥382)	*¥191 (¥382)	—	*¥197.5 (¥395)
Dividend payout ratio	70.2%	78.1%	7.9P	70.1%	74.8%	4.7P	70.4%

* We plan to split each common share at a rate of 2 shares effective August. 1, 2022. Therefore, for the year ending March 2023, the expected amount of a per-share divide is calculated based on the effect of the split.

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)	FY 2021			FY 2022			FY 2023
	Medium-term Plan	Results	YOY	Medium-term Plan	Modified Plan	YOY	Medium-term Plan
Ratio of operating income to sales	3.8%	3.6%	△0.2P	4.8%	3.9%	△0.9P	5.0%
Return on Equity (ROE)	10.1%	9.0%	△1.1P	10.2%	9.5%	△0.7P	10.0%
Cost of shareholders' equity	8.0%	7.5%	△0.5P	8.0%	7.5%	△0.5P	8.0%
Return on Invested capital (ROIC)	7.1%	6.4%	△0.7P	8.3%	7.3%	△1.0P	8.3%
Cost of capital (WACC)	6.0%	6.1%	0.1P	6.0%	6.0%	—	6.0%

Building renovation



Domestic building renovation

(Unit: 100 million yen)

	FY2021			FY2022			FY2023
	Medium-term Plan	Results	YOY	Medium-term Plan	Modified Plan	YOY	Medium-term Plan
Orders received	200	166	△34	250	200	△50	300
NET SALES	200	171	△29	250	180	△70	300
Operating income	12.0	13.8	1.9	14.5	11.6	△2.9	17.4
Share of operating income	22.5%	28.5%	6.0P	22.2%	20.7%	△1.5P	25.8%

Target

In FY 2023, operating income from the Domestic Building Renovation Business will increase to 25% of consolidated operating income.

ASEAN building renovation

Orders received	14	26	18	65	67	2	66
NET SALES	18	23	7	63	78	15	66
Operating income	0.5	△0.2	△0.7	5.6	4.8	△0.8	6.8
Share of operating income	0.9%	△0.4%	△1.5P	8.6%	8.6%	—	10.1%

Target

In FY2023, operating income from the ASEAN Building Renovation Business will increase to 10% of consolidated operating income.

Building renovation total

Share of operating income	23.4%	28.1%	4.7P	30.8%	29.3%	△1.5P	35.9%
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Target

In FY 2023, operating income from the Building Renovation Business will increase to 35% of consolidated operating income.

Major Measures in the Three-Year Medium-Term Plan



— Basic Policy —

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

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
	1. Continue to strengthen renovation business in ASEAN region. 2. Promoting "ReQuality" Renovation Brand Strategy. 3. Strengthen initiatives for disaster prevention and mitigation and national resilience-related projects by expanding seismic technologies and upgrading seismic isolation and shock control technologies .
	★ Decline in the productive labor force in the construction sector.
	1. Promoting the Utilization and Introduction of ICT-Related Systems 2. Promoting cooperation with subcontractors
	★ Momentum to improve corporate reputation through non-financial management activities (ESGs, SDGs, etc.)
	1. "E": Promotion of "Eco-Friendly ASANUMA21". 2. "S": Obtaining WELL certification as part of "ReQuality". 3. "G": Reduction of Policy Holding Shares.

Completed M&A of two companies in Singapore

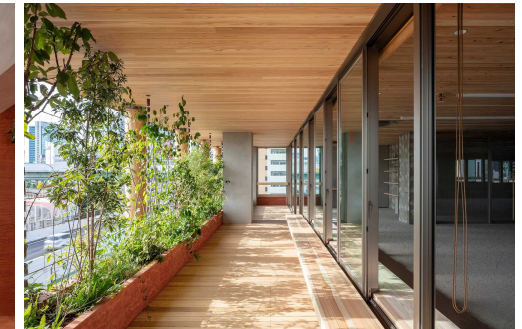
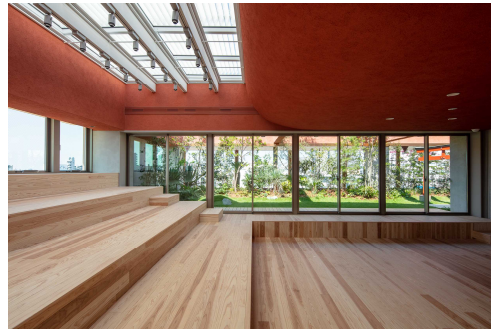
Name	Description of Businesses	Acquisition
SINGAPORE PAINTS & CONTRACTOR PTE. LTD.	Building painting and repair work contractors	October 2018
EVERGREEN ENGINEERING & CONSTRUCTION PTE. LTD.	Maintenance services, Electrical engineering services	January 2022

Completed establishment of two companies in Thailand

Name	Description of Businesses	Incorporation
Thai Asanuma Holdings Co.,Ltd.	Holding company	June 2021
Thai Asanuma Construction Co.,Ltd.	Maintenance of highways and bridges	July 2021

Promoting "ReQuality" Renovation Brand Strategy

First renovation of the Nagoya Branch of "ReQuality"



- Much use of natural materials (soil and wood)



Healthcare Space Retrofit

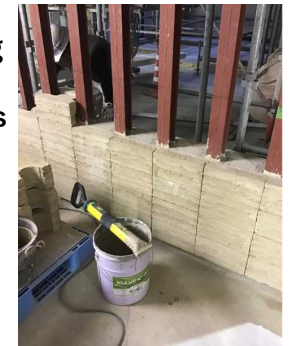


Soil wall construction system

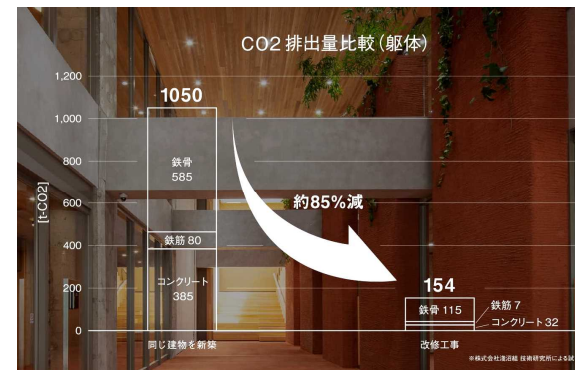


Reception set made by up-cycling waste materials (stone)

Ring soil block using surplus soil from suburban workshops



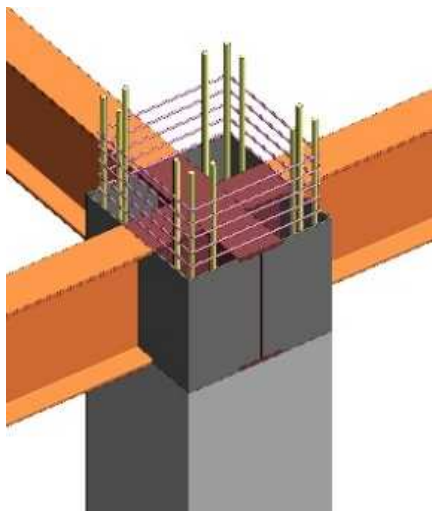
- Reduce CO2 emissions by 85% compared to rebuilding as a new building
- Acquired ZEBready certification, reducing energy consumption by 52% compared to pre-renovation
- Scheduled to acquire WELL certification for assessing buildings based on health/comfort standards. (It was the first time in Japan to renovate the entire 30-year-old building and receive official certification.)



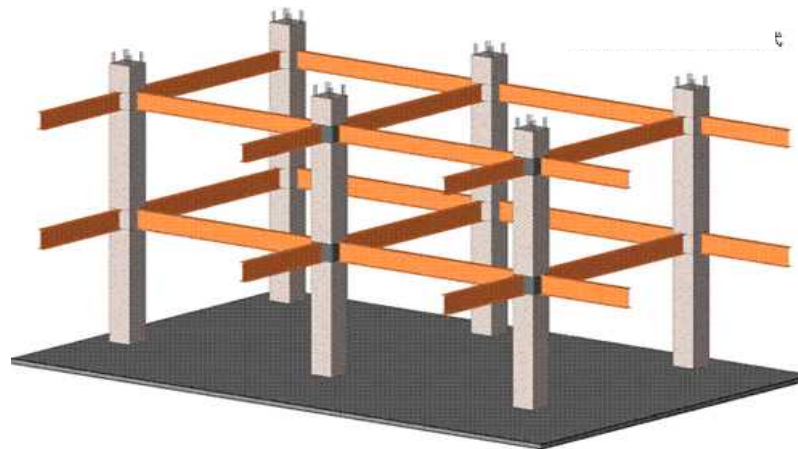
Development of new construction methods and design methods for large distribution warehouses

○ Improvement of Column RC Beam S Hybrid Construction Method

- Leveraging the characteristics of steel structures, we have reduced the number of columns, Capable of improving earthquake resistance while ensuring large space.
- Cost reduction of about 10% is possible in the frame compared with the whole steel frame structure.



Joint Details of Column RC Beams S Hybrid Construction Method



Frame image

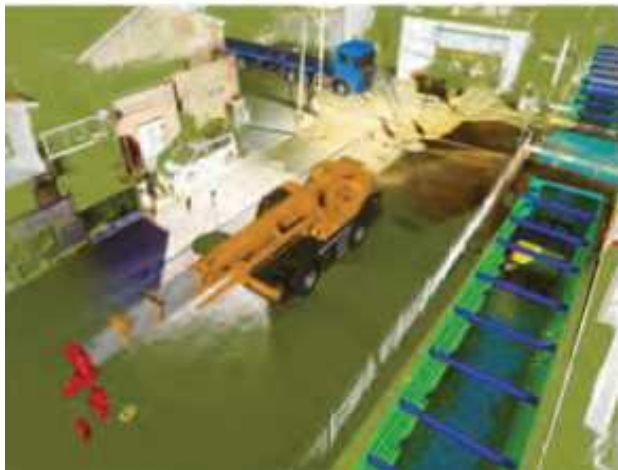
○ Development of design method using energy method to Optimize Vibration Structure

- Improves vibration control efficiency and reduces costs.
- New design method that makes effective use of vibration dampers and achieves both superior seismic resistance and economic efficiency in comparison with the general design method.



Utilization of VR model for on-site construction plan

Understanding buried pipes for gas and water





Confirmation of the positional relationship between the steel pipe pile and the stratum serving as the bearing stratum



Sharing of construction procedures, etc. to prevent accidents



Promoting cooperation with subcontractors

<p>Promotion of the Construction Carrier-Up System (CCUS)</p>	<p>○To improve the attractiveness of the construction industry, this system aims to improve the treatment of construction technicians, clarify the career paths, and visualize construction capabilities.</p> <ul style="list-style-type: none"> • Support Secretariat established from October 1, 2021 to March 31, 2022 • Implementation of online briefing sessions (six times from September to December 2021)
<p>Introduction of CI-NET systems</p>	<p>○System that enables efficient exchange of services such as contracts, estimates, volume, and billing through a network</p> <ul style="list-style-type: none"> • Networking of contracts as the first step
<p>Promotion of Asanuma Meister</p>	<ul style="list-style-type: none"> • Selected as Asanoma Meister among the chiefs of subcontractors • Provision of incentives to improve wage-related compensation
<p>Awards and presentation sessions for productivity improvement measures at work sites</p>	<p>○Joint efforts with subcontractors at each worksite to solicit measures to improve productivity</p> <p>Award and presentation meeting held (Third held on October 29, 2021) (Cost reduction, shortening of construction period, introduction of new technology, etc. 77 editions)</p> <div style="display: flex; justify-content: space-around;">   </div>

○Major Initiatives of the Sustainability Promotion Committee (Established in November 2021)

① Initiatives to Promote Environmental Management

- Established a working group to promote environmental management and examined it from a technical perspective
- Establishment of the Environmental Technology Award at the Technology Presentation Meeting

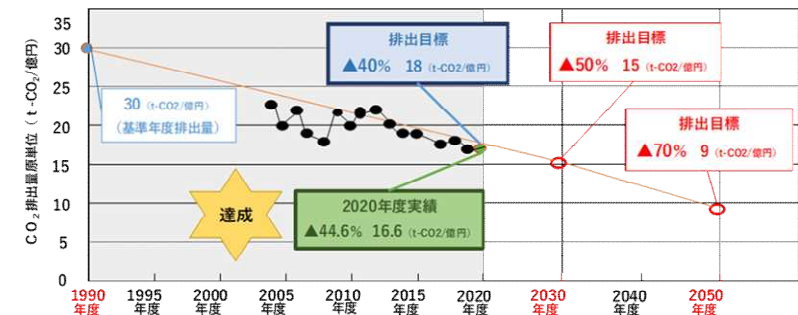
② Promotion of activities related to TCFD(Task Force on CLIMATE-RELATED FINACIAL DISCLOSURES)

○Medium-to long-term targets related to climate change

"ReduceCO2 emissions per 100 million yen of construction to 50% by FY2030 and 70% by FY2050 compared to FY1990"

○Promote decarbonization efforts in business activities

- Introduction of 100% renewable energy power to all worksites
- "Guidelines for Preventing Global Warming at Workplaces" revised
- Promotion of activities to improve the implementation rate of fuel-efficient driving education

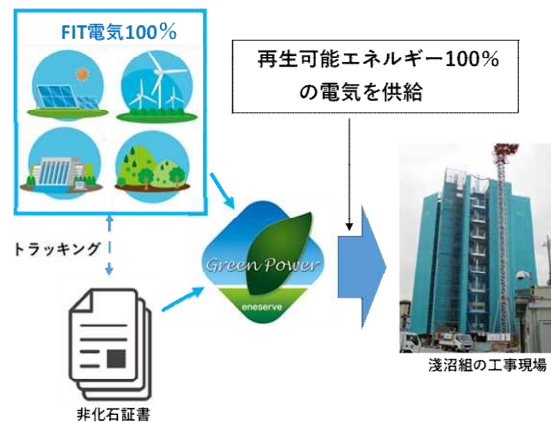


Future Activities

- ③ Establishment of "KPIs" in sustainability management and consideration of fund investment in relation thereto
- ④ Securing diversity of core human resources and promoting human resource development policies
- ⑤ Promotion of measures that take human right into consideration
- ⑥ Established DX Promotion Committee to promote centralized management of construction-related digital technologies

To reduce CO2 at the construction stage

Started supplying 100% renewable energy to workplaces that meet RE100 standards (100% renewable energy)



Global Warming Prevention Measures at Workplaces Guideline

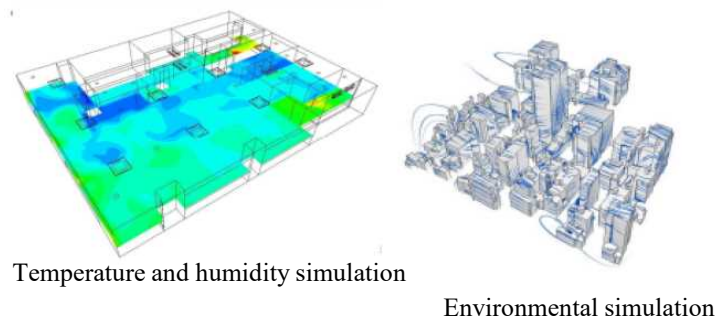


Efforts for CASBEE
CASBEE in designing and construction projects (Comprehensive Assessment System for Building Environment) is incorporated, A rank rating of 50% or higher

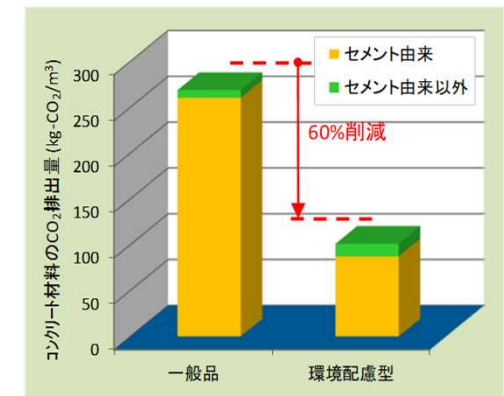


Decarbonization technology

Environmental simulation
Propose increased cost and comfort in indoor environments



Environmentally Conscious Concrete
60% less CO2 thanks to durability



Reduce strategic shareholdings to less than 10% of consolidated net assets by the end of March 2022

Criteria for Judging Holding of Listed Stocks

Reduction if the benefits of dividends and construction profits are less than Cost of capital (WACC)

Cost of equity 7.5% as of March 31, 2022

	End of March 2021	End of March 2022
Listed stock balance	¥5.56 billion	¥3.75 billion
Consolidated Net Assets Ratio	13.3%	8.8%
Benefits (Dividends and Construction Profits) / * Market Value	20.1%	32.9%

*Market value: Balance sheet amount

The Fund Injection



Disclosed on November 18, 2021

Shareholder returns increased due to a reduction in the initial funding plan following a review and revision of the overall funding plan, including investments associated with the promotion of concession business and other initiatives, and investments related to technology development and ICT-related investments, in light of the finalization of a portion of the investment amount for "investments related to new domains (expansion of ASEAN regional renewal business, promotion of concession business, etc.)."

	Before correction	After correction	FY2021 Results
Technology and research, ICT	¥3 billion	¥2.9 billion	¥1.5 billion
Investment related to new areas (M&A)	¥5 billion	¥3.4 billion	¥2.9 billion
Total	¥8 billion	¥6.3 billion	¥4.4 billion

Disclosed on November 18, 2021

Dividend

	Before correction	After correction	After split
Consolidated dividend payout ratio	Over 50%	Over 70%	
FY2021	¥260	¥363	—
FY2022	¥274	¥382	¥191
FY2023	¥282	¥395	¥197.5

Disclosed on March 31, 2022

Stock split

Purpose: Reduce the amount of shares per unit of investment, improve the liquidity of shares, create an investment environment, and expand the investor base.

Target: Split at the rate of two per stock of our common stock owned by the shareholder recorded in the shareholder register on July 31, 2022.



Renovation articles at Nagoya Branch
 ・ Oct.2021 SHINKENCHIKU

Other media

- ・ Nov.11 2021 NIKKEI ARCHITECTURE
- ・ Jan 2022 FRAU

着工する全現場 再エネ100%導入

浅沼組

浅沼組は、2022年度から着工するすべての建設現場（作業所）に、原則として「再生可能エネルギー100%電力」を導入する。脱炭素社会の実現に向けた対応を加速することが狙い。

同社は、10年に全社的な地

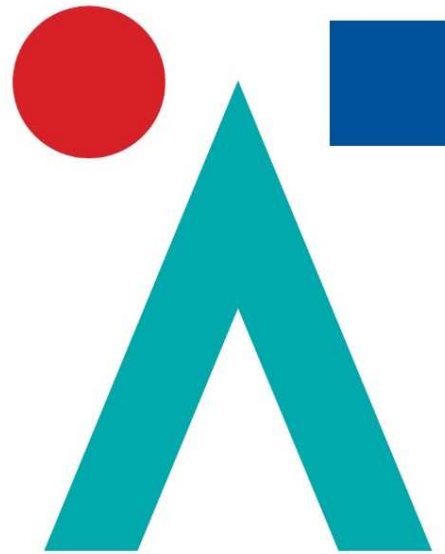
球温暖化防止対策活動「エコフレンドリーASANUMA 21」をスタートさせた。20年度に「施工高1億円当たりのCO₂排出量を20年度までに1990年比40%削減」という目標を達成。21年度から新たなCO₂削減目標を設定していた。

新たに設定したCO₂削減目標は「施工高1億円当たりのCO₂排出量を90年比で30年までに50%、50年までに70%削減」。そのための取り組みの1つとして、西日本を中心に作業所で再生可能エネルギー100%電力の導入を開始していたが、それを拡大・推進する形になる。

Apr.13 2022 The daily Kensetsu-Tsushin Newspaper

Other media

- ・ Apr.14 2022 The Daily Engineering & Construction Newspaper
- ・ Apr.16 2022 KENTSU SHINBUNSHA etc



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May 20, 2022

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