

# Financial Results for FY Ended March 2022

May 13, 2022



**Detection Dog Team "Kunkuns"**



**Asante Incorporated**

【TSE Prime Section Securities Code 6073】

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# I . Financial Results for FY3/22

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Consumer caution for visitors remains high due to the impact of COVID-19.

Despite signs of recovery in consumer spending reflecting the resumption of economic activities, the outlook remains uncertain due to the re-expansion of the infection and rising resource prices.

The national policy of "emphasizing life extension and maintenance of existing houses" remains unchanged, and there is also an enormous latent demand.

Reflecting the increase in stay-at-home hours, awareness of life extension and maintenance of houses increased.

# Effects of New Coronavirus (COVID-19) Infections



## ■ Business activities

- We continued our business activities while paying close attention to the trends of the infection and paying sufficient attention to infection control measures.
- In the fifth wave during the 2Q period, the impact on our business exceeded the assumptions, due to the repeated extension of the State of Emergency Declaration, which increased the sense of caution in society and reduced opportunities for meeting with customers.
- In the sixth wave during the 4Q period after vaccine dissemination, the impact of the COVID-19 continues to be felt as the rapid re-spread of the number of cases and the application of pre-emergency measures to prevent the spread of the infection has affected the sense of caution and consumer confidence.

## ■ Customer trends

- Decrease in opportunity for visits due to growing concern about the spread of the infection and uncertainty about the future continue to decrease consumer confidence.

# Business Plan & Specific Initiatives in 1H



## 1. Strengthening of compliance and increase of customer satisfaction

- Build a thorough compliance-oriented sales system

## 2. Securing of excellent human resources and strengthening of education system

- Reduce the number of retirees and increase the retention rate by improving the working environment
- Strengthened recruiting and training functions by integrating the recruiting and education divisions into a single organization and linking the two sides.

## 3. Enhancing productivity

- Efficient demand stimulation and customer acquisition through advertising and sales promotion
- Continue to improve efficiency by systematizing operations

## 4. Promoting area expansion

- Established Nanyo Sales Office to expand area and business partners in Shikoku region.

## 5. Measures to prevent the spread of the COVID-19

- Implement measures to ensure the safety of customers and employees to prevent the spread of infections





## TV commercial Leaflets & web advertisements



株式会社 アサント  
東証プライム 上場  
No.1  
迅速対応  
0120-557-419  
無料相談はこちらから

100% 自社社員が行う高品質なサービス  「5年保証」と年に1度の「無料定期点検」で任せて安心

アサントが選ばれる理由 羽アリ(シロアリ)の被害・対策 相談から施工までの流れ お客様の声

シロアリ駆除ならあなたの街のアサントにお任せ。

その羽アリ、シロアリですよ!

一部のシロアリが黒褐色の羽アリになる時期です。

全国シェア No.1  
東証プライム上場

シロアリの発見・駆除をするなら今!!

業者選びで悩んだらまずはアサントにご相談ください

雨上がりの晴れた日に羽アリを見たら、すぐ近くにシロアリが生息している可能性があります!

## Sponsorship

- Signed a sponsorship deal with Kawasaki Frontale  
(2021 Meiji Yasuda Life Insurance J1 League)

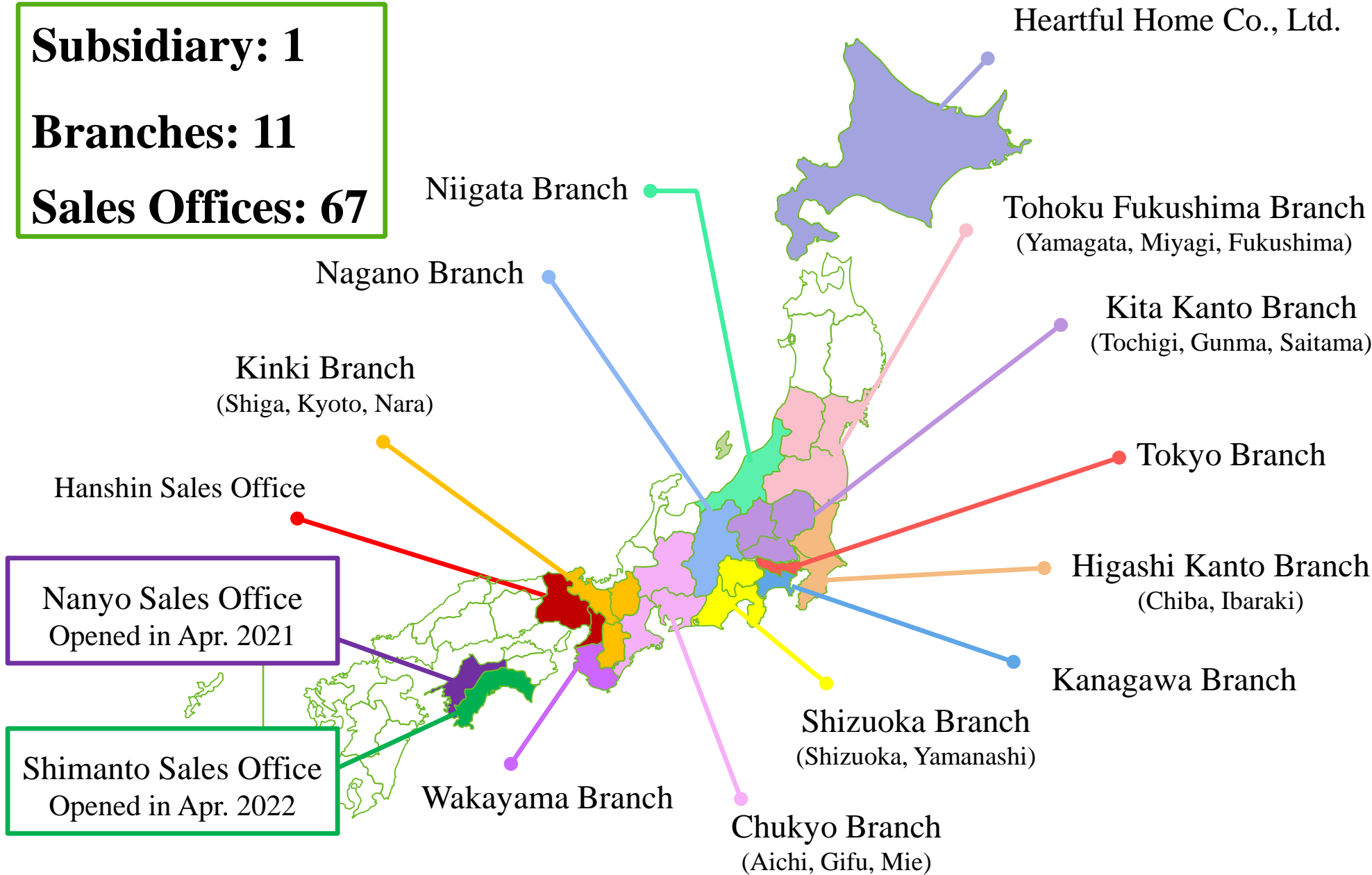


© KAWASAKI FRONTALE CO.,LTD

# Marketing Area Development



**Subsidiary: 1**  
**Branches: 11**  
**Sales Offices: 67**





# Results for Profit and Loss (Full-year / YoY)



(Unit: Million yen)	(Consolidated from 2Q) FY3/21	(Consolidated) FY3/22	YoY	
	Results	Results	Change	Change in Ratio
Net Sales	13,872	13,699	-172	-1.2%
Gross Profit	9,709	9,416	-292	-3.0%
Gross profit ratio	70.0%	68.7%	-1.3pt	—
Operating Income	1,602	1,324	-277	-17.3%
Operating income ratio	11.6%	9.7%	-1.9pt	—
Ordinary Income	1,703	1,348	-355	-20.8%
Ordinary income ratio	12.3%	9.8%	-2.4pt	—
Net income attributable to owners of parent	1,063	579	-484	-45.5%
Net income ratio	7.7%	4.2%	-3.4pt	—
EPS (yen)	89.52	52.82	-36.71	-41.0%

# Results for Profit and Loss (Full-year / Ratio of Forecasts)

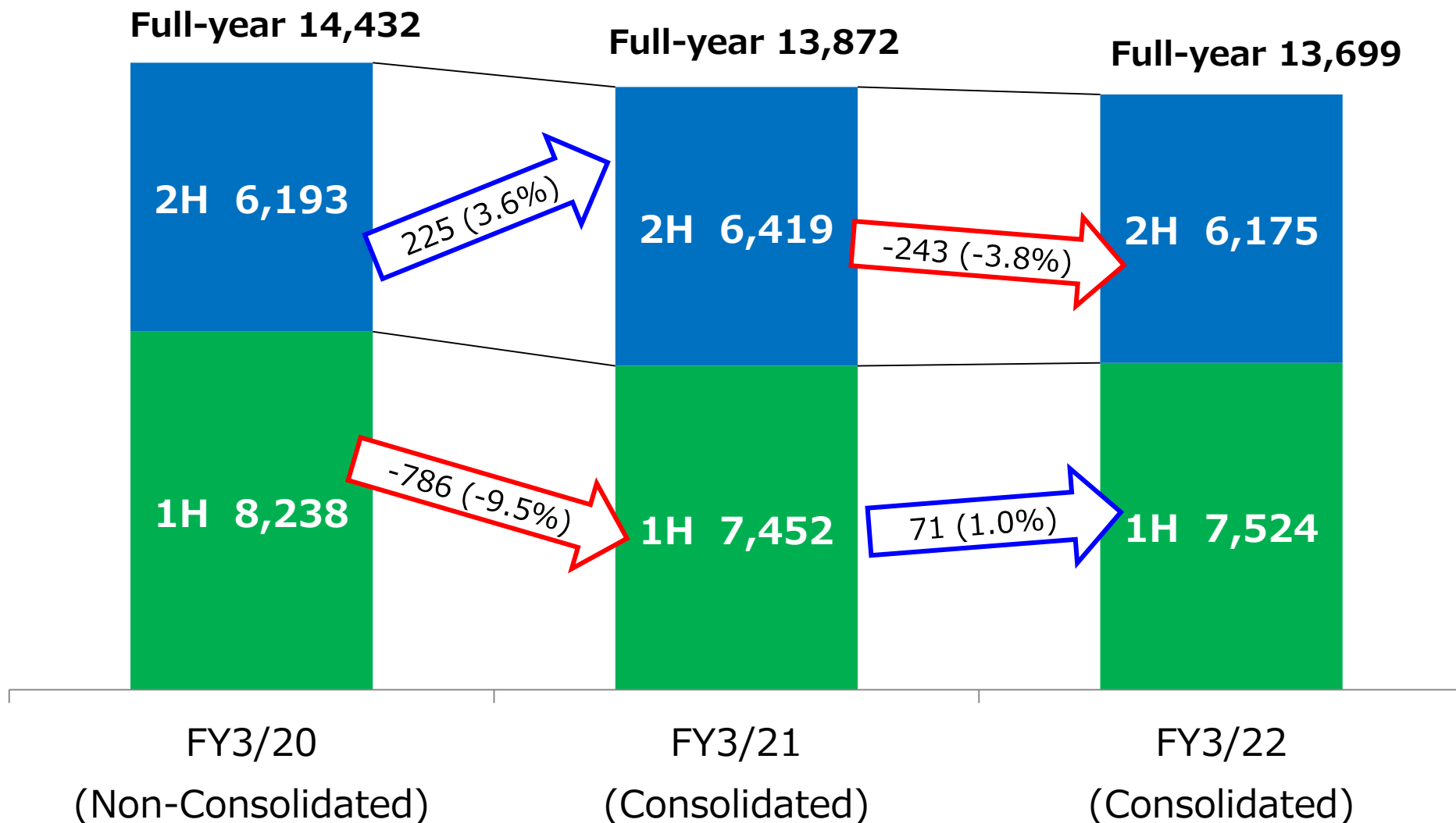
- Net sales Achievement ratio on full-year forecasts: 97.2%
- Operating income Achievement ratio on full-year forecasts: 86.5%

(Unit: Million yen)	<b>(Consolidated) FY3/22</b>			
	<b>Forecasts</b> (Announced on Nov. 2, 2021)	<b>Results</b>	<b>Ratio of Forecasts</b>	<b>Achievement Ratio</b>
Net Sales	14,098	<b>13,699</b>	-398	97.2%
Gross Profit	9,735	<b>9,416</b>	-318	96.7%
Gross profit ratio	69.1%	68.7%	-0.3pt	—
Operating Income	1,530	<b>1,324</b>	-206	86.5%
Operating income ratio	10.9%	9.7%	-1.2pt	—
Ordinary Income	1,555	<b>1,348</b>	-207	86.7%
Ordinary income ratio	11.0%	9.8%	-1.2pt	—
Net income attributable to owners of parent	973	<b>579</b>	-394	59.5%
Net income ratio	6.9%	4.2%	-2.7pt	—
EPS (yen)	88.77	<b>52.82</b>	-35.95	59.5%

# Net Sales by 1H and 2H



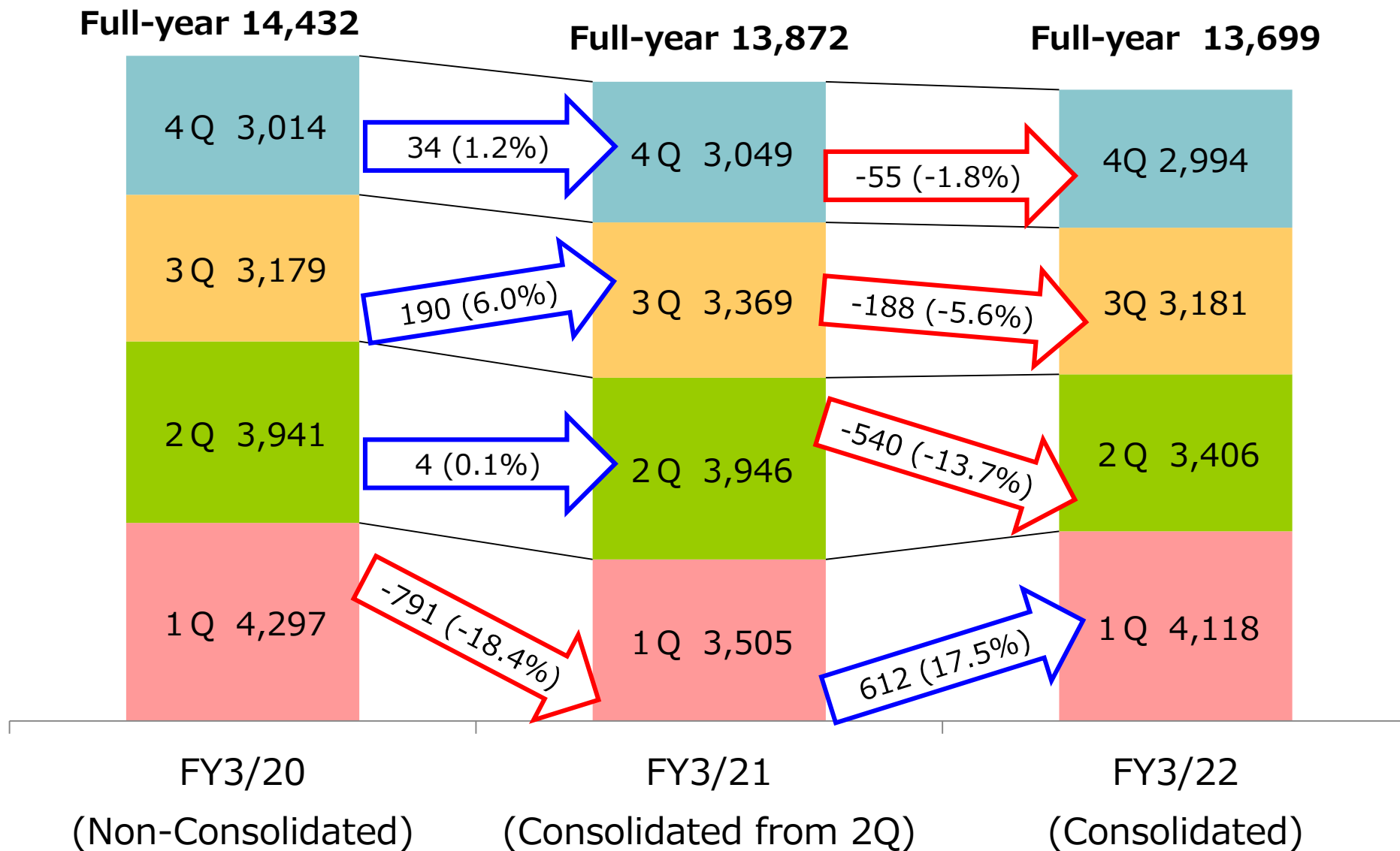
(Unit : Million Yen)



# Net Sales by Quarter



(Unit : Million Yen)

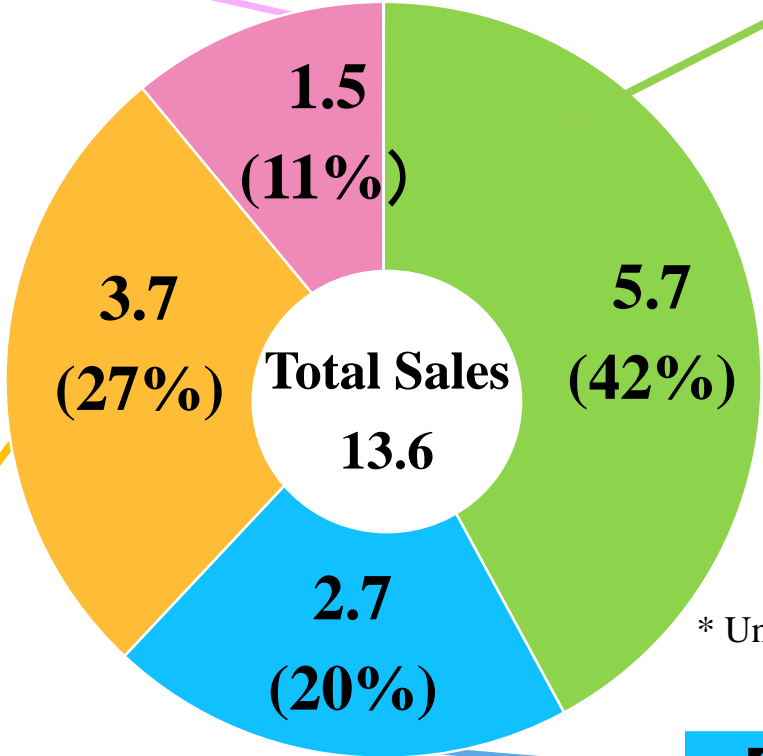


# Sales Composition by Service



**【 Other 】**

- Heartful Home Co., Ltd
- Pest Control
- Housing Renovation
- Others



**【Termite Control】**

\* Unit: Billion yen

**【 Anti-earthquake Measures 】**

Repair Housing Foundations

Housing Reinforcement

**【 Anti-humidity Measures 】**

Underfloor Ventilation Fans

Humidity Adjusting Materials

# Net Sales by Service (Full-year / YoY)



- Net sales decreased by 1.2%
- Termite control increased by 0.1%  
(New termite control decreased by 4.2%, Renewal termite control increased by 4.6%)
- Anti-humidity measures decreased by 6.9%
- Anti-earthquake measures decreased by 3.0%

(Unit: Million yen)	(Consolidated from 2Q) FY3/21		(Consolidated) FY3/22		YoY	
	Results	Composition ratio	Results	Composition ratio	Change	Change in ratio
Net sales	13,872	—	13,699	—	-172	-1.2%
Termite control	5,759	41.5%	5,768	42.1%	8	0.1%
New	2,916	21.0%	2,793	20.4%	-122	-4.2%
Renewal	2,843	20.5%	2,974	21.7%	131	4.6%
Anti-humidity measures	2,922	21.1%	2,720	19.9%	-201	-6.9%
Anti-earthquake measures	3,819	27.5%	3,703	27.0%	-116	-3.0%
Others	1,370	9.9%	1,507	11.0%	136	10.0%



# Net Sales by 3 Service (Full-year)



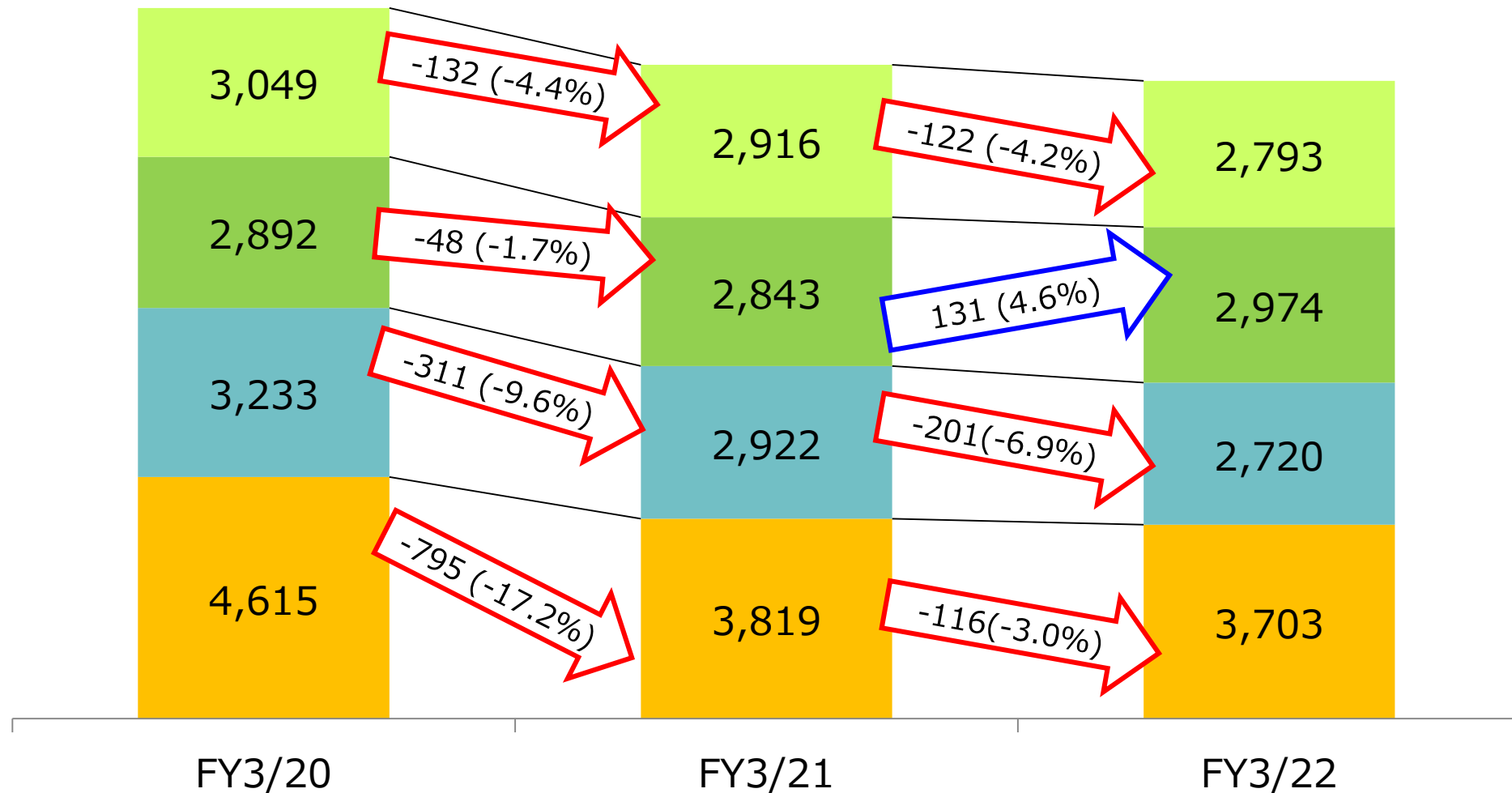
(Unit : Million Yen)

■ New TC

■ Renewal TC

■ Anti-humidity Measures

■ Anti-earthquake Measures



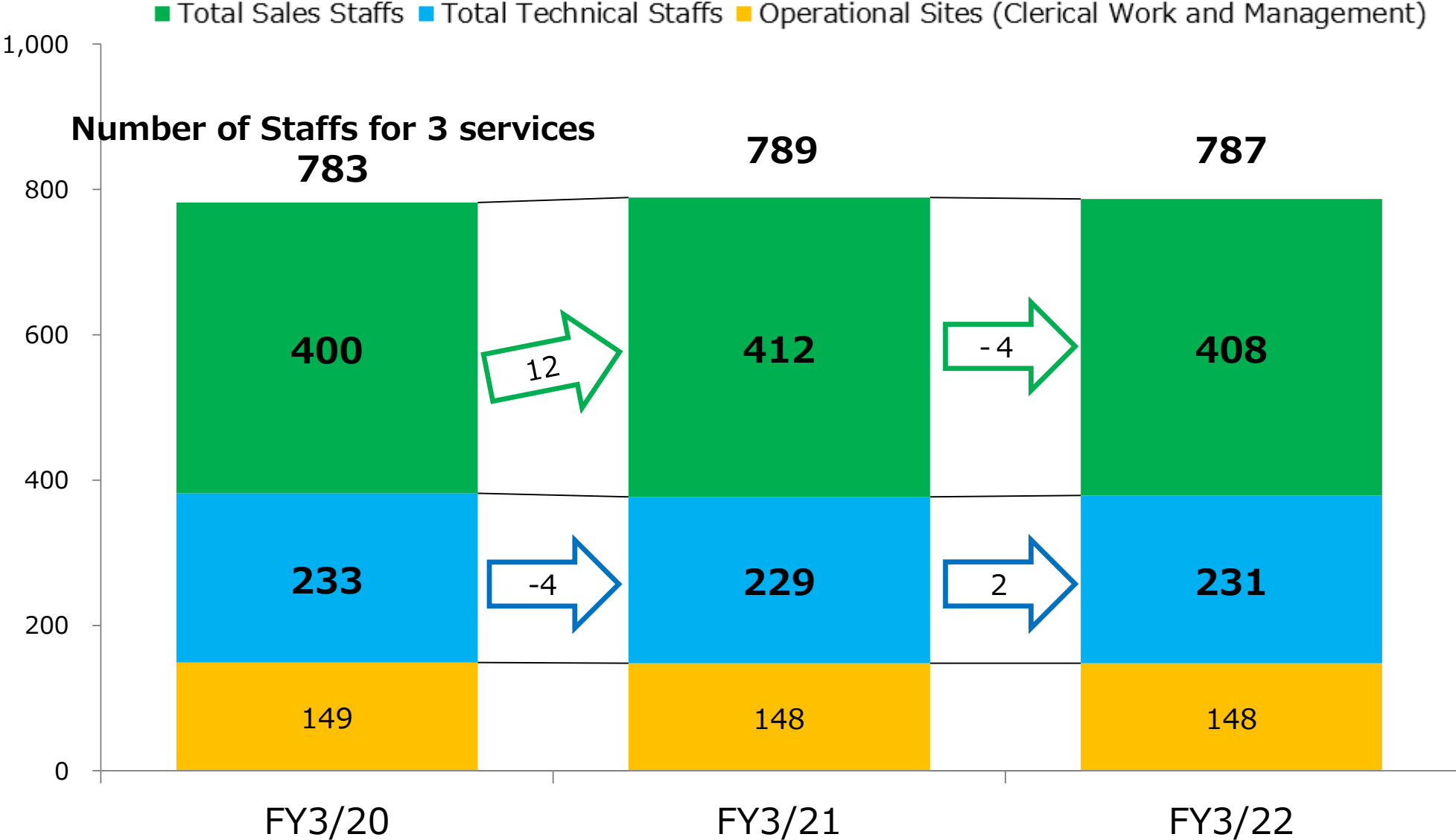
# Number of Staffs, Sales per Staff (Full-year YoY)

- Average number of staffs increased by 11

	(Consolidated from 2Q) FY3/21	(Consolidated) FY3/22	YoY	
	Results	Results	Change	Change in ratio
Net Sales (Million yen)	13,872	13,699	-172	-1.2%
Within the three services	12,501	12,192	-308	-2.5%
Average number of staffs during the period	1,020	1,032	11	1.1%
Within the three services	789	787	-2	-0.3%
Sales per staff (Thousand yen/month)	1,133	1,106	-26	-2.3%
Within the three services	1,321	1,291	-29	-2.2%
Number of staffs at end of period	1,049	1,046	-3	-0.3%
Within the three services	808	798	-10	-1.2%

- "Number of staffs": total number of staffs actually working including part-time employees and contract employees (excluding dispatched and seconded staffs)
- "Sales of three services": total sales of termite control, anti-humidity measures and anti-earthquake measures
- "Number of staffs for three services": total of staffs engaging in sales, technical, and clerical work and management of operational sites

# Number of Staffs for 3 Services (Full-year)



● "Number of staffs for three services": total of staffs engaging in sales, technical, and clerical work and management of operational sites working including part-time employees and contract employees (excluding dispatched and seconded staffs)

# Factors for Changes in Operating Income (Full-year / YoY)

(Unit: Million yen)	(Consolidated from 2Q) FY3/21	(Consolidated) FY3/22	YoY	
	Results	Results	Change	Change in Ratio
Net Sales	13,872	13,699	-172	-1.2%
Cost of Sales	4,162	4,283	120	2.9%
Material Costs	1,756	1,770	14	0.8%
Labor Costs	1,391	1,385	-5	-0.4%
Other Cost of Sales	1,014	1,127	112	11.1%
Gross Profit	9,709	9,416	-292	-3.0%
SG&A Expenses	8,107	8,092	-14	-0.2%
Personnel Expenses	5,306	5,281	-25	-0.5%
Recruiting Expenses	150	160	10	6.7%
Sales Promotional Expenses	324	319	-5	-1.7%
Other SG&A Expenses	2,324	2,330	6	0.3%
Operating Income	1,602	1,324	-277	-17.3%

- Sales Promotional Expenses : Advertising expenses related to promotional activities

# Balance Sheet



(Unit: Million yen)		(Consolidated) End of FY3/21	(Consolidated) End of FY3/22	Change	Main factors for changes
Current assets		8,765	8,810	44	Cash and deposits -18
					Raw materials and supplies 14
Non-current assets		5,663	5,263	-400	Goodwill -347
<b>Total Assets</b>		14,429	14,073	-355	
Current liabilities		2,178	2,000	-178	Loans payable -107
Non-current liabilities		584	515	-68	Long-term loans payable -57
<b>Total Liabilities</b>		2,762	2,515	-247	
<b>Total Net Assets</b>		11,666	11,558	-108	Retained earnings -89
Equity-to-asset Ratio		80.9%	82.1%	1.3pt	
BPS (yen)		1,064.09	1053.10	-10.99	

# Cash Flow Statement



(Unit: Million yen)	(Consolidated) FY3/21	(Consolidated) FY3/22	Factors for changes	
Cash flows from operating activities	929	<b>869</b>	Income before income taxes	1,073
			Income taxes paid	-499
Cash flows from investing activities	-309	<b>-40</b>		
Free cash flows	619	<b>829</b>		
Cash flows from financing activities	-2,991	<b>-847</b>	Net decrease in borrowings	-95
			Cash dividends paid	-668
Net increase/decrease in cash and cash equivalents	-2,372	<b>-18</b>		



# Management indicator



## ■ Financial safety is solid

	(Non-Consolidated) FY3/20	(Consolidated) FY3/21	(Consolidated) FY3/22	YoY Change
Equity-to-asset ratio	81.0%	80.9%	<b>82.1%</b>	1.3pt
Interest-bearing debt dependency	4.1%	4.5%	<b>3.4%</b>	-1.1pt
Operating income ratio	15.5%	11.6%	<b>9.7%</b>	-1.9pt
ROA	14.6%	11.8%	<b>9.5%</b>	-2.3pt
ROE	12.2%	9.1%	<b>5.0%</b>	-4.1pt
EPS (yen)	128.06	89.52	<b>52.82</b>	-36.71
BPS (yen)	1,087.20	1,064.09	<b>1,053.10</b>	-10.99
Payout ratio	46.9%	67.0%	<b>117.4%</b>	50.4pt
Net assets to dividend ratio	5.7%	5.6%	<b>5.9%</b>	0.2pt

- The calculations of ROA, ROE, and net assets to dividend ratio for the FY3/21 are based on year-end total assets, year-end shareholders' equity, and year-end consolidated net assets per share, respectively, since it is the first year of consolidation.

## II . Forecasts for FY3/23

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**1. Enhancement of Profitability**

**2. Securing and developing excellent human resources**

**3. Promotion of area expansion**

**4. Ensuring compliance**

**5. Prevention of COVID-19 infection**



## Opening of new sales office

### ■ Shimanto sales office (Opened on April 1, 2022)

We opened a new sales office in Kochi Prefecture in order to expand our sales area in western Japan for our main services such as termite control.



- New partnership with JA in the region
- Community-based sales activities
- Promote area expansion to western Japan

# Forecasts of Profit and Loss (Full-year)



- Net sales to increase by 4.5%
- Operating income to increase by 11.1%

(Unit: Million yen)	(Consolidated) FY3/22	(Consolidated) FY3/23	YoY	
	Results	Forecasts	Change	Change in Ratio
Net Sales	13,699	14,320	620	4.5%
Gross Profit	9,416	9,898	481	5.1%
Gross profit ratio	68.7%	69.1%	0.4pt	—
Operating Income	1,324	1,471	146	11.1%
Operating income ratio	9.7%	10.3%	0.6pt	—
Ordinary Income	1,348	1,484	135	10.1%
Ordinary income ratio	9.8%	10.4%	0.5pt	—
Net income attributable to owners of parent	579	954	375	64.8%
Net income ratio	4.2%	6.7%	2.4pt	—
EPS (yen)	52.82	86.95	34.14	64.6%

# Number of Staffs, Sales per Staff (Full-year)



	(Consolidated) FY3/22	(Consolidated) FY3/23	YoY	
	Results	Results	Change	Change in ratio
Net Sales (Million yen)	13,699	14,320	620	4.5%
Within the three services	12,192	12,667	474	3.9%
Average number of staffs during the period	1,032	1,047	15	1.4%
Within the three services	787	800	13	1.6%
Sales per staff (Thousand yen/month)	1,106	1,140	33	3.0%
Within the three services	1,291	1,320	28	2.2%
Number of staffs at end of period	1,046	1,076	30	2.9%
Within the three services	798	828	30	3.8%

- "Number of staffs": total number of staffs actually working including part-time employees and contract employees (excluding dispatched and seconded staffs)
- "Sales of three services": total sales of termite control, anti-humidity measures and anti-earthquake measures
- "Number of staffs for three services": total of staffs engaging in sales, technical, and clerical work and management of operational sites



# Factors for Changes in Operating Income (Full-year / YoY)

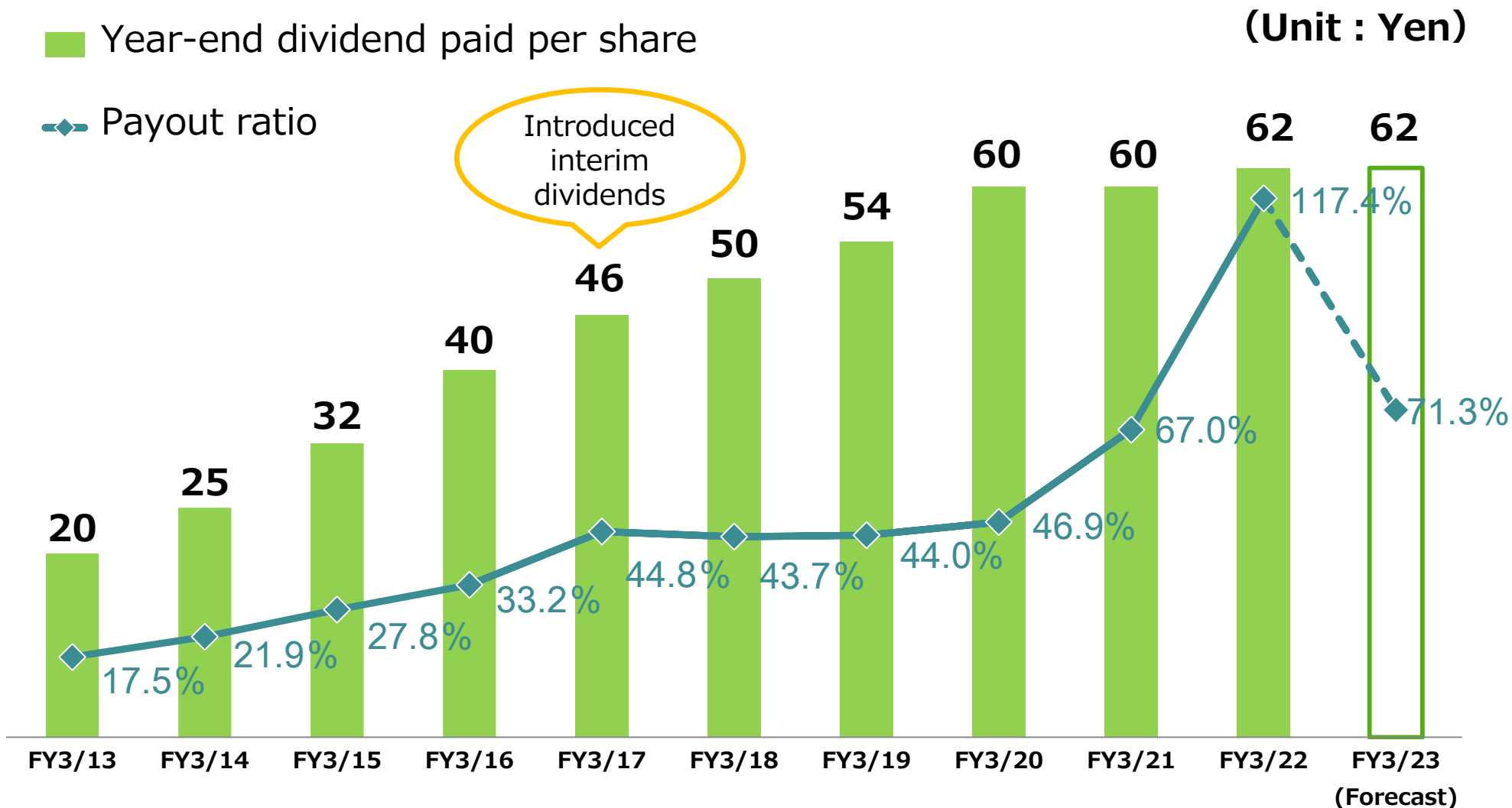
(Unit: Million yen)	(Consolidated) FY3/22	(Consolidated) FY3/23	YoY	
	Results	Forecasts	Change	Change in Ratio
Net Sales	13,699	14,320	620	4.5%
Cost of Sales	4,283	4,422	139	3.2%
Material Costs	1,770	1,881	111	6.3%
Labor Costs	1,385	1,399	13	1.0%
Other Cost of Sales	1,127	1,140	13	1.2%
Gross Profit	9,416	9,898	481	5.1%
SG&A Expenses	8,092	8,427	334	4.1%
Personnel Expenses	5,281	5,485	203	3.9%
Recruiting Expenses	160	160	-0	-0.3%
Sales Promotional Expenses	319	331	12	3.8%
Other SG&A Expenses	2,330	2,450	119	5.1%
Operating Income	1,324	1,471	146	11.1%

- Sales Promotional Expenses : Advertising expenses related to promotional activities

# Dividend (Results and Forecasts)



Since listing, we have focused on shareholder returns



\*We adopted consolidated accounting from the second quarter of the fiscal year ended March 2021.

## III. Mid-term Business Plan

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# Forecast of Business Environment



- **The impact of COVID-19 is expected to be moderated in the medium term**
  - Although the future outlook is uncertain due to the spread of infection caused by the new strain, economic activity will gradually become unhindered and consumer spending will increase.
  - Digitization, a rapidly growing trend, will remain strong.
- **Housing-related policies will continue to promote the expansion of the existing housing distribution and renovation markets**
  - Reflecting the increase in stay-at-home hours, awareness of housing maintenance and preference for detached houses will increase.
- **The scale of potential demand will not be changed significantly and will remain enormous**
- **Corporate recruiting activities will gradually become active**
  - Although the recruitment market is shifting to a buyer's market due to the impact of COVID-19, seller's market expected to turn in the medium term.
- **Soaring resource prices and material shortages**
  - Rising resource prices such as crude oil and unstable material supplies are expected to continue for the time being.

# Mid-term Management Policy ( Rolling System )



## Mid-term Management Policy

### **1 . Strengthen sales force and improve profitability**

To achieve steady growth in our business, we will implement the following initiatives to strengthen our sales force

We aim to increase sales by strengthening sales promotion, expanding and deepening sales areas, expanding service areas, and expanding business partners. At the same time, we aim to improve productivity and profitability through digitization, streamlining of operations, and improvement of cost structure.

### **2 . Strengthen human resources**

Excellent human resources are the source of our competitiveness and the most important capital for achieving sustainable growth. We will invest sufficiently by advancing initiatives related to the recruitment and development of human resources.

### **3 . Promoting initiatives to solve social issues**

Based on our management philosophy, we are committed to solving various social issues through our business activities in order to realize a sustainable society.

# Mid-term Profit and Loss Plan ( Rolling System )



(Unit: Million yen)	(Consolidated) FY3/22	(Consolidated) FY3/23	(Consolidated) FY3/24	(Consolidated) FY3/25		
	Results	Forecasts	Forecasts	Forecasts	Compared to FY3/22	
					Change	Change in ratio
Net sales	13,699	14,320	15,300	15,900	2,201	16%
Operating income	1,324	1,471	1,960	2,140	816	62%
Operating income ratio	9.7%	10.3%	12.8%	13.5%	3.8pt	—
Net income attributable to owners of parent	579	954	1,290	1,420	841	145%
Net income ratio	4.2%	6.7%	8.4%	8.9%	4.7pt	—

# Mid-term Number of Staffs, Sales per Staff ( Rolling System )

(Unit: Million yen)	(Consolidated) FY3/22	(Consolidated) FY3/23	(Consolidated) FY3/24	(Consolidated) FY3/25		
	Results	Forecasts	Forecasts	Forecasts	Compared to FY3/22	
					Change	Change in ratio
Net sales	13,699	14,320	15,300	15,900	2,201	16%
Average number of staffs during the period	1,032	1,047	1,070	1,095	64	6%
YoY Change in ratio	1.1%	1.4%	2.2%	2.4%	—	—
Sales per staff (Thousand yen/month)	1,106	1,140	1,197	1,214	107	10%
YoY Change in ratio	△2.3%	3.0%	5.0%	1.4%	—	—

# Mid-term Management Policy 1

(Strengthen sales force and improve profitability)



## Strengthen sales promotion

- Attract customers through advertising and sales promotion
- Strengthen our brand value

## Expansion of sales area

- Expansion into new areas in one or more prefectures each fiscal year
- Cultivation of existing areas

## Enhancement of services

- Introduce new services sequentially
- Expand sales of Highly heat insulate construction
- Expand sales of exterior wall remodeling through Heartful Home Co., Ltd

## Increase in partners

- Expand and deepen partnership with JA
- Expand alliances with companies and organizations other than JA



# Mid-term Management Policy 1

(Strengthen sales force and improve profitability)



**Strengthen sales promotion**

**Expansion of sales area**

**Enhancement of services**

**Increase in partners**

**Strengthen sales force**

## **Digitization Streamlining of operations**

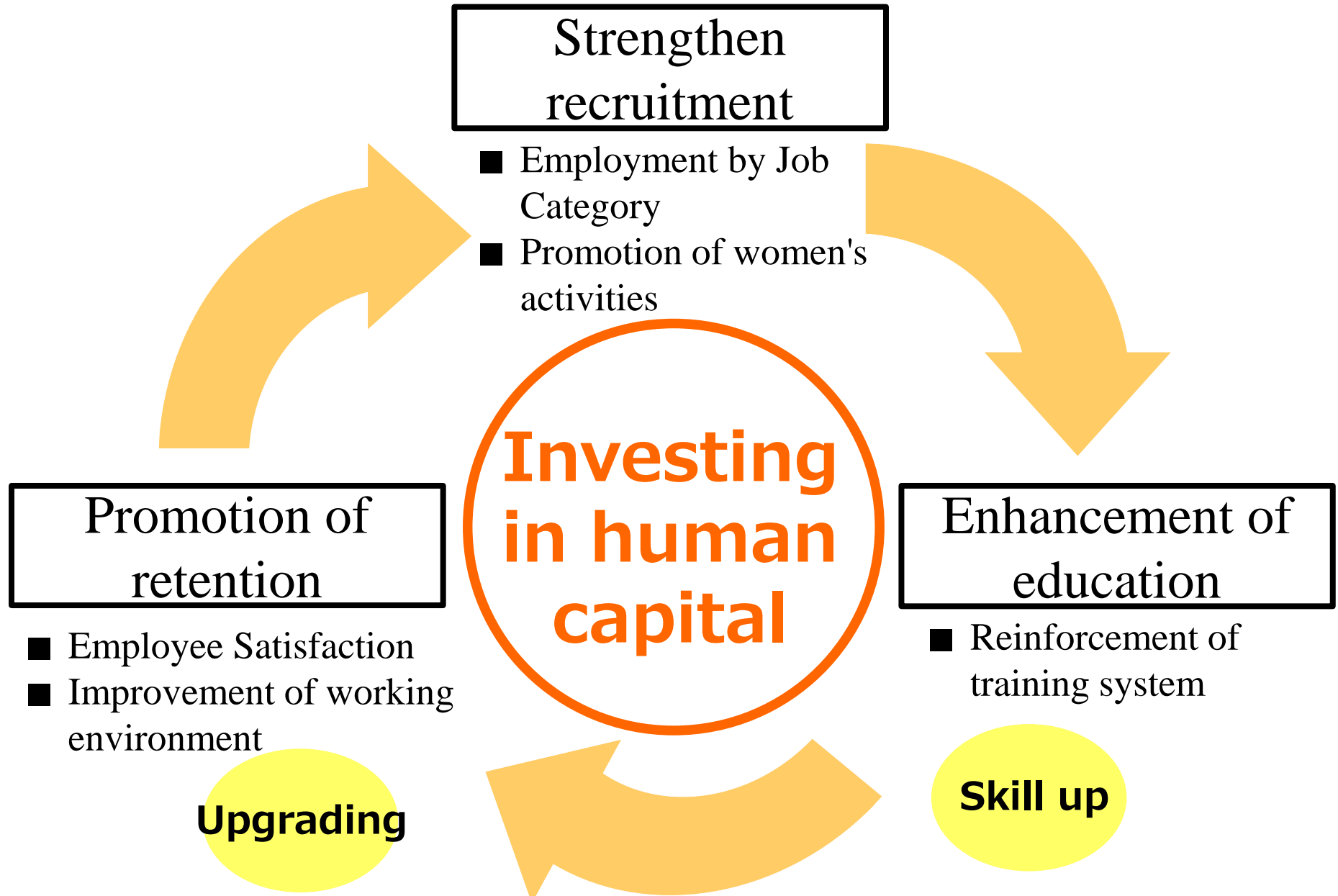
- Operating Efficiency
- Business efficiency
- Improvement of cost structure
- Ecological and energy-saving promotion

**Improve productivity  
and profitability**

**➔ Sales and Profit Expansion**

# Mid-term Management Policy 2

(Strengthen human resources)



# Mid-term Management Policy 2

(Strengthen human resources)



**Strengthen recruitment**

**Promotion of retention**

**Enhancement of  
education**

**Investment in human capital**

**→ Strengthen human resources**

	FY3/22	FY3/23	FY3/24	FY3/25		
	Results	Forecasts	Forecasts	Forecasts	Compared to FY3/22	
					Change	Change in ratio
Average number of staffs during the period	<b>1,032</b>	<b>1,047</b>	<b>1,070</b>	<b>1,095</b>	64	6%
YoY Change in ratio	1.1%	1.4%	2.2%	2.4%	—	—

# Mid-term Management Policy 3

## (Promoting initiatives to solve social issues)



# Our business itself contributes to solving social issues

**Through Termite Control,  
Anti-humidity Measures,  
Anti-earthquake Measures**

**Save lives**

(Housing Preservation)



**Protect Assets**

(Maintain housing value)



**Extending the life of wooden houses**

Generated by house reconstruction

**CO2 Reduction**



**Waste Reduction**



**Affinity with national policy**

Housing Life Master Plan  
(National Plan) (By MLIT, March 2021)

Shift to a market model that utilizes housing stocks with promoting the distribution of existing housing through renovation and other means

**Tailwinds of national policy and market**

**Increase in stay-at-home hours**

Awareness of housing maintenance will increase.

**→ Aiming to create a sustainable society as an extension of our business**



# Mid-term Management Policy 3

(Promote initiatives to solve social issues)



**E**

## Contributing to the improvement of environmental issues through our business

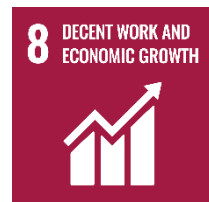
- Protecting Lives and Property
- Contribution to CO2 reduction by promoting the extending the life of wooden houses
- Reduce the environmental impact of our business activities



**S**

## Developing Human Resources and Creating a Motivating Workplace

- Enhancement of education system
- Promoting Diversity
- Promoting Occupational Safety and Health
- Occupational Accident Countermeasures



**G**

## Strengthen management structure

- Enhancement of Corporate Governance System
- Enhancement of compliance management system and education system

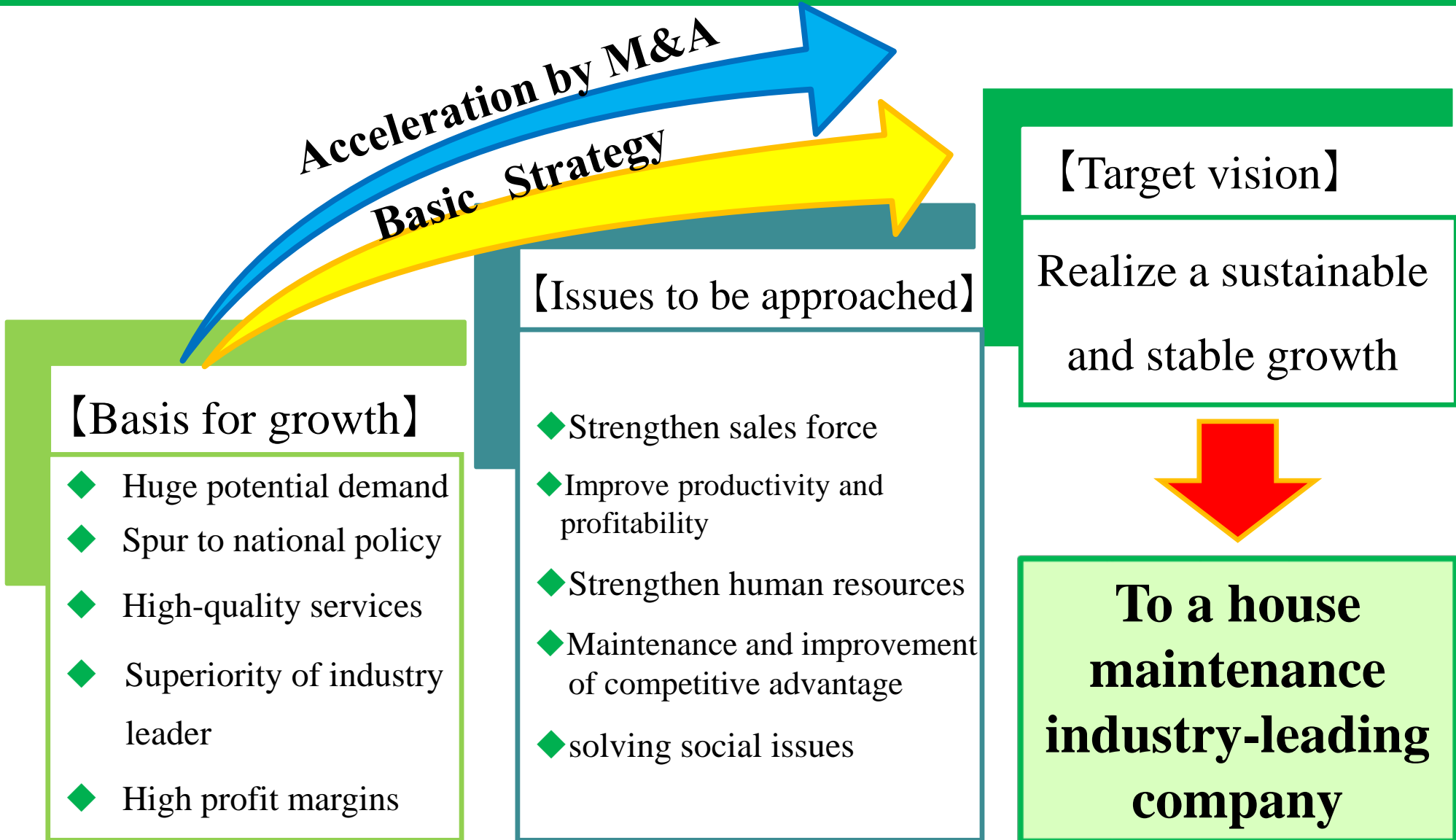


**➔ Contribution to society and**  
**enhancement of corporate value**

# Growth Strategy ( Future Image )



Sustainable growth with termite control-related services at the core



### Notes on Future Forecasts

This document is only to provide information to investors, and is not for the purpose of soliciting purchases or sales.

References to future forecasts in this document are based on goals and predictions, and are not certain or guaranteed.

When using this document, please be aware that the future results of the Company may differ from the current forecasts made by the Company.

Also, for references to the industry, etc., data thought to be trustworthy is used, but the Company provides no guarantees as to its accuracy or completeness.

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