Financial Results for the Second Quarter Ended September 30, 2019
- Supplementary material

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Asante Incorporated

【TSE First Section Securities Code 6073】

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Results for Profit and Loss (1H YoY)

- Net sales increased by 223 million yen
  Operating income increased by 120 million yen

(Unit: Million yen)	FY3/19 1H	FY3/20 1H	YoY	
	Results	**Results**	Change	Change in Ratio
Net Sales	8,015	**8,238**	223	2.8%
Gross Profit	5,837	**6,012**	175	3.0%
Gross profit ratio	72.8%	73.0%	+0.1pt	—
Operating Income	1,652	**1,772**	120	7.3%
Operating income ratio	20.6%	21.5%	+0.9pt	—
Ordinary Income	1,672	**1,783**	111	6.7%
Ordinary income ratio	20.9%	21.6%	+0.8pt	—
Net Income	1,121	**1,201**	79	7.1%
Net income ratio	14.0%	14.6%	+0.6pt	—
EPS (yen)	90.85	**97.32**	6.47	7.1%

Results for Profit and Loss (1H Ratio of Forecasts)

- Net sales　Achievement ratio on 1H forecasts : 96.2%
  Operating income　Achievement ratio on 1H forecasts : 102.1%

(Unit: Million yen)	FY3/20 1H			
	Forecasts	**Results**	Ratio of Forecasts	**Achievement Ratio**
Net Sales	8,562	**8,238**	-323	96.2%
Gross Profit	6,243	**6,012**	-231	96.3%
Gross profit ratio	72.9%	73.0%	+0.1pt	—
Operating Income	1,735	**1,772**	37	102.1%
Operating income ratio	20.3%	21.5%	+1.2pt	—
Ordinary Income	1,751	**1,783**	31	101.8%
Ordinary income ratio	20.5%	21.6%	+1.2pt	—
Net Income	1,180	**1,201**	20	101.8%
Net income ratio	13.8%	14.6%	+0.8pt	—
EPS (yen)	95.64	**97.32**	1.68	101.8%

Net Sales by Service (1H YoY)

- Net sales: +2.8%
- Termite Control: +4.8%
  (Termite control for new customers: +0.5%, Renewal termite control : +9.7%)
- Anti-humidity measures: +0.8%
- Anti-earthquake measures: +1.8%

(Unit: Million yen)	FY3/19 1H		FY3/20 1H		YoY	
	Results	Composition ratio	**Results**	**Composition ratio**	Change	Change in ratio
Net sales	8,015	–	**8,238**	–	223	2.8%
Termite control	3,513	43.8%	**3,680**	**44.7%**	167	4.8%
New	1,884	23.5%	**1,893**	**23.0%**	8	0.5%
Renewal	1,629	20.3%	**1,787**	**21.7%**	158	9.7%
Anti-humidity measures	1,900	23.7%	**1,915**	**23.2%**	15	0.8%
Anti-earthquake measures	2,269	28.3%	**2,309**	**28.0%**	39	1.8%
Others	332	4.1%	**333**	**4.0%**	1	0.4%

Number of Staffs, Sales per Staff (YoY)

■ Average number of staffs decreased by 39

	FY3/19 1H	FY3/20 1H	YoY	
	Results	**Results**	Change	Change in ratio
Net Sales (Million yen)	8,015	**8,238**	223	2.8%
Within the three services	7,683	**7,905**	222	2.9%
Average number of staffs during the period	1,035	**996**	-39	-3.7%
Within the three services	833	**795**	−38	−4.6%
Within sales staffs	436	**392**	−44	−10.0%
Sales per staff (Thousand yen/month)	1,290	**1,378**	87	6.8%
Within the three services	1,536	**1,656**	119	7.8%
Number of staffs at end of period	1,010	**992**	-18	-1.8%
Within the three services	811	**791**	−20	−2.5%

- ”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 (1H YoY)

(Unit: Million yen)	FY3/19 1H	FY3/20 1H	YoY	Change in Ratio	Main factors for changes
Net Sales	8,015	8,238	223	+2.8%	
Cost of Sales	2,178	2,226	48	+2.2%	
Material Costs	965	961	-3	-0.4%	
Labor Costs	755	771	15	+2.1%	Increase in technical staffs
Other Cost of Sales	457	493	36	+8.1%	
Gross Profit	5,837	6,012	175	+3.0%	
SG&A Expenses	4,184	4,239	54	+1.3%	
Personnel Expenses	2,658	2,622	-35	-1.3%	Decrease in sales staffs
Recruiting Expenses	106	109	3	+2.9%	
Sales Promotional Expenses	313	390	77	+24.7%	
Other SG&A Expenses	1,106	1,116	9	+0.9%	
Operating Income	1,652	1,772	120	+7.3%	

- Sales Promotional Expenses：Advertising expenses related to promotional activities

Ratios to Estimates

- Net sales Progress ratio on full-year forecasts: 53.4%
- Operating income Progress ratio on full-year forecasts: 67.8%

(Unit: Million yen)	FY3/20 1H	FY3/20 Full-year	
	Results	Forecasts	**Progress Ratio**
Net Sales	**8,238**	15,430	**53.4%**
Gross Profit	**6,012**	11,107	**54.1%**
Gross profit ratio	73.0%	72.0%	—
Operating Income	**1,772**	2,615	**67.8%**
Operating income ratio	21.5%	17.0%	—
Ordinary Income	**1,783**	2,628	**67.9%**
Ordinary income ratio	21.6%	17.0%	—
Net Income	**1,201**	1,752	**68.6%**
Net income ratio	14.6%	11.4%	—
EPS (yen)	**97.32**	141.96	**68.6%**