Financial Results for the Second Quarter Ended September 30, 2020
- Supplementary material

Nobember 6, 2020

< Contents >

Results for Profit and Loss (1H)*	P 2
Results for Profit and Loss (1H Ratio of Forecasts)	P 3
Net Sales by Service (1H)*	P 4
Number of Staffs, Sales per Staff *	P 5
Factors for Changes in Operating Income (1H)*	P 6
Ratios to Estimates	P 7

* We adopted consolidated accounting from the second quarter of the fiscal year ending March 2021.
Comparisons with the same period of the previous year (non-consolidated) are provided as a reference.

Asante Incorporated

【TSE First Section Securities Code 6073】

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. No matter what purpose investors use this document for, it is provided with the understanding that they will use it based on their own judgment and responsibility, and the Company shall bear no responsibility for its use.

Results for Profit and Loss (1H)

- Net sales 7,452 million yen
  Operating income 1,166 million yen

(Unit: Million yen)	(Non-Consolidated) FY3/20 1H	(Consolidated) FY3/21 1H	YoY	
	Results	**Results**	Change	Change in Ratio
Net Sales	8,238	**7,452**	-786	-9.5%
Gross Profit	6,012	**5,334**	-677	-11.3%
Gross profit ratio	73.0%	71.6%	−1.4pt	—
Operating Income	1,772	**1,166**	-606	-34.2%
Operating income ratio	21.5%	15.7%	−5.9pt	—
Ordinary Income	1,783	**1,265**	-517	-29.0%
Ordinary income ratio	21.6%	17.0%	−4.7pt	—
Net income attributable to owners of parent	1,201	**825**	-375	-31.3%
Net income ratio	14.6%	11.1%	−3.5pt	—
EPS (yen)	97.32	**66.84**	-30.47	-31.3%

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

- Net sales　Achievement ratio on 1H forecasts : 102.2%
  Operating income　Achievement ratio on 1H forecasts : 118.9%

(Unit: Million yen)	(Consolidated) FY3/21 1H			
	Forecasts	**Results**	Ratio of Forecasts	**Achievement Ratio**
Net Sales	7,292	**7,452**	160	102.2%
Gross Profit	5,160	**5,334**	173	103.4%
Gross profit ratio	70.8%	71.6%	+0.8pt	—
Operating Income	981	**1,166**	185	118.9%
Operating income ratio	13.5%	15.7%	+2.2pt	—
Ordinary Income	1,036	**1,265**	229	122.2%
Ordinary income ratio	14.2%	17.0%	+2.8pt	—
Net income attributable to owners of parent	661	**825**	163	124.7%
Net income ratio	9.1%	11.1%	+2.0pt	—
EPS (yen)	53.60	**66.84**	13.25	124.7%

Net Sales by Service (1H)

- Net sales: -9.5%
- Termite Control: -6.3%
  (Termite control for new customers: -7.1%, Renewal termite control : -5.3%)
- Anti-humidity measures: -11.4%
- Anti-earthquake measures: -23.7%

(Unit: Million yen)	(Non-Consolidated) FY3/20 1H		(Consolidated) FY3/21 1H		YoY	
	Results	Composition ratio	**Results**	**Composition ratio**	Change	Change in ratio
Net sales	8,238	–	**7,452**	–	-786	-9.5%
Termite control	3,680	44.7%	**3,450**	**46.3%**	-230	-6.3%
New	1,893	23.0%	**1,758**	**23.6%**	-134	-7.1%
Renewal	1,787	21.7%	**1,691**	**22.7%**	-95	-5.3%
Anti-humidity measures	1,915	23.2%	**1,696**	**22.8%**	-218	-11.4%
Anti-earthquake measures	2,309	28.0%	**1,761**	**23.6%**	-547	-23.7%
Others	333	4.0%	**543**	**7.3%**	210	63.2%

Number of Staffs, Sales per Staff

■ Average number of staffs increased by 21

	(Non-Consolidated) FY3/20 1H	(Consolidated) FY3/21 1H	YoY	
	Results	**Results**	Change	Change in ratio
Net Sales (Million yen)	8,238	**7,452**	-786	-9.5%
Within the three services	7,905	**6,908**	−996	−12.6%
Average number of staffs during the period	996	**1,017**	21	2.1%
Within the three services	795	**795**	0	0.0%
Sales per staff (Thousand yen/month)	1,378	**1,221**	-157	-11.4%
Within the three services	1,656	**1,447**	−208	−12.6%
Number of staffs at end of period	992	**1,036**	44	4.4%
Within the three services	791	**797**	6	0.8%

- ”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 (1H)

(Unit: Million yen)	(Non-Consolidated) FY3/20 1H	(Consolidated) FY3/21 1H	YoY	Change in Ratio
Net Sales	8,238	7,452	-786	-9.5%
Cost of Sales	2,226	2,117	-108	-4.9%
Material Costs	961	891	-70	-7.3%
Labor Costs	771	738	-32	-4.2%
Other Cost of Sales	493	487	-6	-1.3%
Gross Profit	6,012	5,334	-677	-11.3%
SG&A Expenses	4,239	4,168	-71	-1.7%
Personnel Expenses	2,622	2,596	-25	-1.0%
Recruiting Expenses	109	81	-28	-26.0%
Sales Promotional Expenses	390	277	-112	-28.8%
Other SG&A Expenses	1,116	1,212	95	+8.6%
Operating Income	1,772	1,166	-606	-34.2%

- Sales Promotional Expenses：Advertising expenses related to promotional activities

Ratios to Estimates

- Net sales　Progress ratio on full-year forecasts: 54.2%
- Operating income　Progress ratio on full-year forecasts: 87.2%

(Unit: Million yen)	(Consolidated) FY3/21 1H	(Consolidated) FY3/21 Full-year	
	Results	Forecasts	**Progress Ratio**
Net Sales	**7,452**	13,762	**54.2%**
Gross Profit	**5,334**	9,521	**56.0%**
Gross profit ratio	71.6%	69.2%	—
Operating Income	**1,166**	1,338	**87.2%**
Operating income ratio	15.7%	9.7%	—
Ordinary Income	**1,265**	1,385	**91.4%**
Ordinary income ratio	17.0%	10.1%	—
Net income attributable to owners of parent	**825**	841	**98.0%**
Net income ratio	11.1%	6.1%	—
EPS (yen)	**66.84**	68.18	**98.0%**