Asante Incorporated

Financial Results for FY Ended March 2024



May 17, 2024

TSE Prime Section Securities Code 6073

Contents

1. Financial Results for FY3/24 ・・・ 02

2. Progress of Priority Strategies and Policies for Future Initiatives ・・・ 12

3. Forecasts for FY3/25 and Mid-term Business Plan ・・・ 24

Appendix ・・・ 31

Financial Results for FY3/24



Financial Results for FY3/24

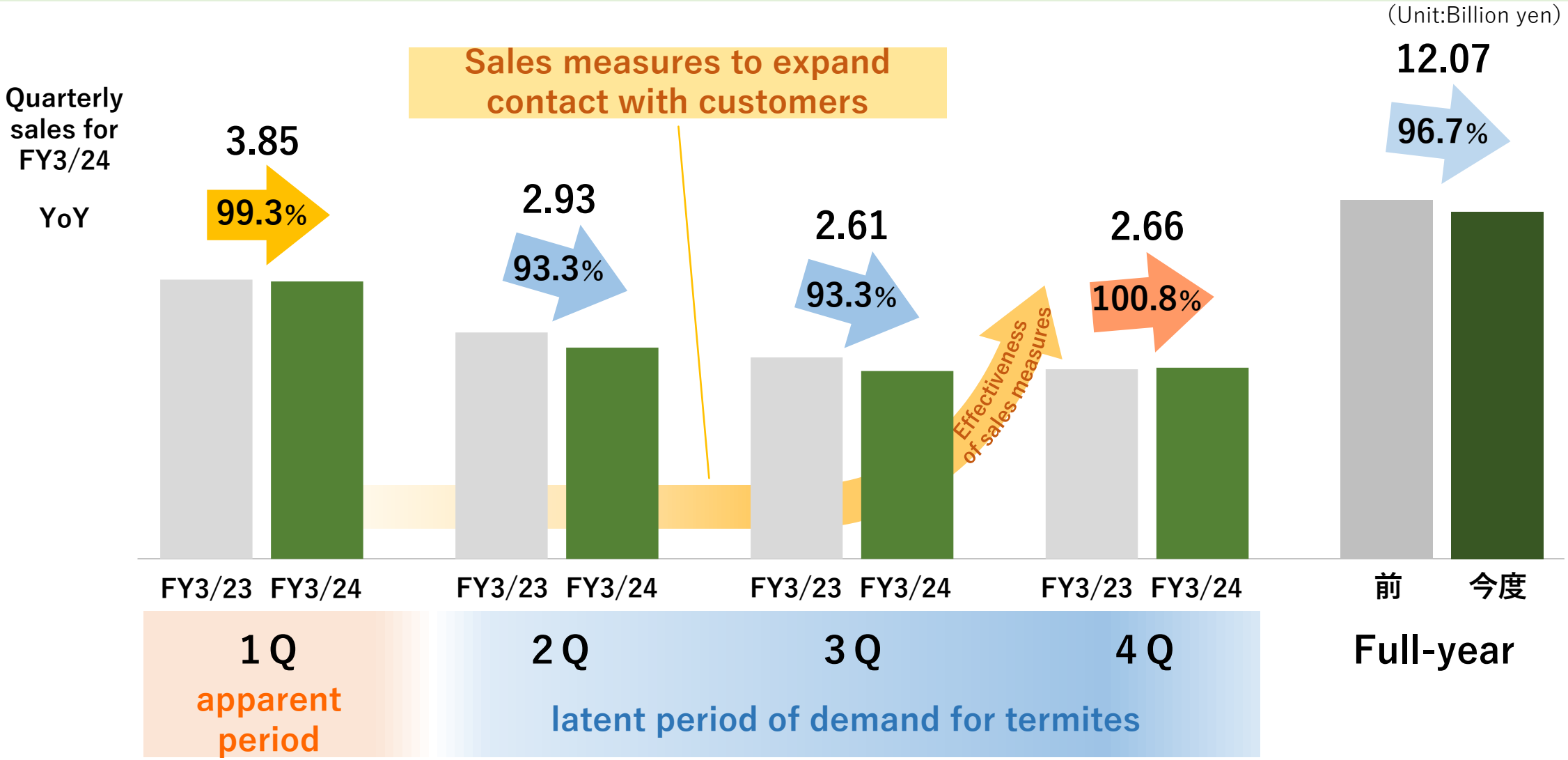
(Unit:Billion yen)	FY3/24		YoY		Forecast (Announced on Mar. 19, 2024)	
	Results	Composition ratio	Change	Change of ratio	Change	Achievement Ratio
Net sales	13.69	-	-0.44	-3.2%	-0.06	99.5%
Operating income	0.94	6.9%	-0.43	-31.4%	-0.02	97.6%
Ordinary income	0.98	7.2%	-0.41	-29.4%	-0.02	97.6%
Net income	0.54	4.0%	-0.33	-38.2%	-0.05	90.2%

Net Sales by Service for FY3/24

(Unit:Billion yen)	FY3/24		YoY	
	Results	Composition ratio	Change	Change of ratio
Net sales	13.69	-	-0.44	-3.2%
Termite control	5.77	42.2%	-0.20	-3.5%
Anti-humidity measures	2.76	20.2%	-0.11	-4.0%
Anti-earthquake measures	3.53	25.8%	-0.08	-2.3%
Others	1.61	11.8%	-0.04	-2.6%

- **Termite control**
  - Number of closed contracts declined in the process of encouraging latent needs through door-to-door sales
  - Number of applications for surveys in the 2H increased significantly from the previous year due to strengthened marketing efforts
  - Renewal TC targets existing customers and maintained contact through after-sales service
- **Anti-humidity measures**
  - Number of contracts associated with new TC dropped
  - Price revision implemented in July 2023 increased unit sales price (number of cases decreased)
- **Anti-earthquake measures**
  - Sales increased in 4Q due to the Noto earthquake, frequent mid-size earthquakes in various regions, and strengthened sales

Trends in Net Sales of the 3 Main Services for FY3/24



Number of Staffs, Sales per Staff for FY3/24

	FY3/24	YoY	
		Change	Change of ratio
Net sales (Billion yen)	13.69	-0.44	-3.2%
Average number of staffs during the period	1,017	-17	-1.6%
Sales per staff (Thousand yen/month)	1,121	-17	-1.6%
Number of staffs at end of period	998	-39	-3.8%

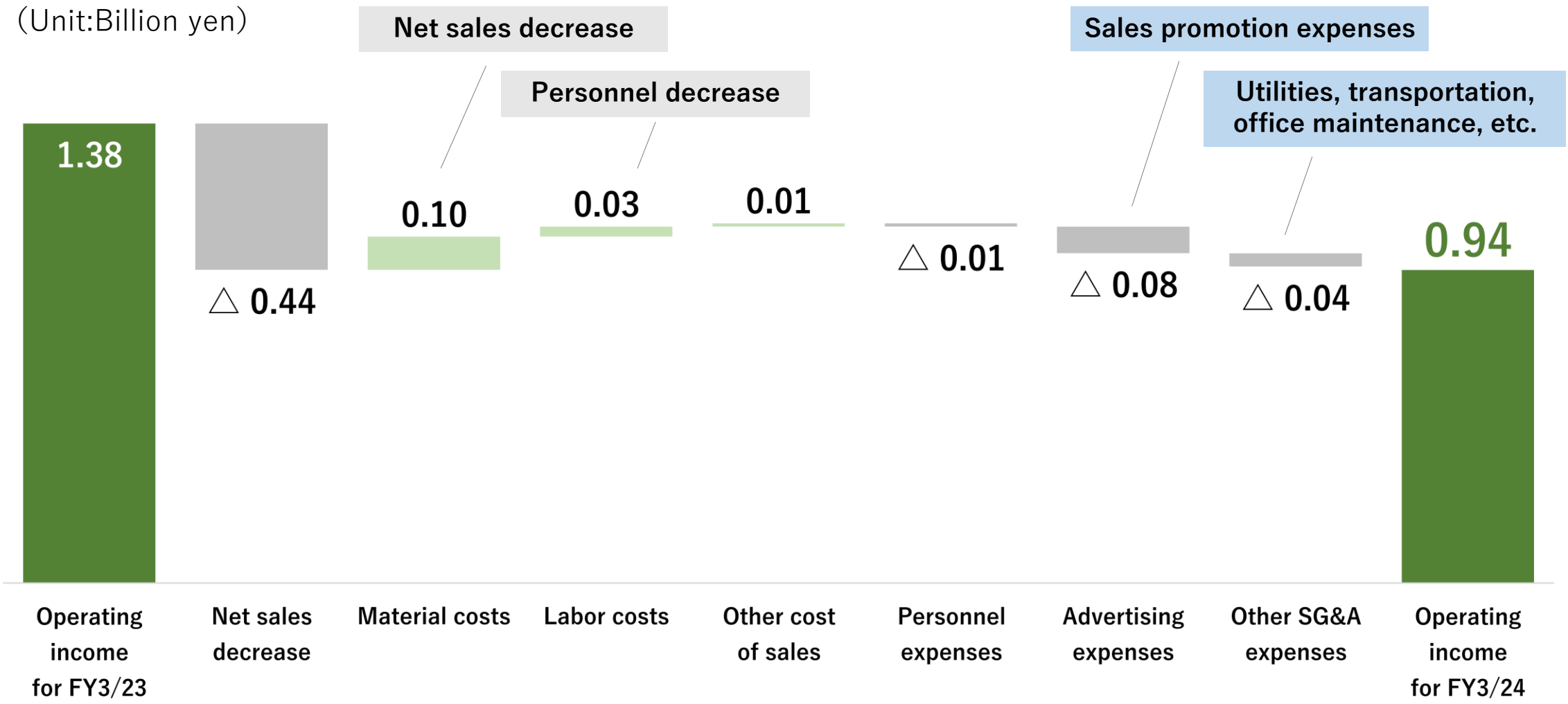
＊ Number of staffs : total number of staffs actually working including part-time employees and contract employees (excluding dispatched and seconded staffs)

Breakdown of Cost of Sales and SG&A Expenses for FY3/24

(Unit:Billion yen)	FY3/24	YoY	
		Change	Change of ratio
Net sales	**13.69**	**-0.44**	**-3.2%**
Cost of sales	**4.25**	**-0.16**	**-3.6%**
Material costs	1.79	-0.10	-5.7%
Labor costs	1.34	-0.03	-2.6%
Other cost of sales	1.12	-0.01	-1.5%
Gross profit	**9.43**	**-0.28**	**-3.0%**
SG&A expenses	**8.49**	**0.14**	**1.7%**
Personnel expenses	5.51	0.01	0.3%
Advertising expenses	0.41	0.08	24.6%
Other SG&A expenses	2.56	0.04	1.8%
Operating income	**0.94**	**-0.43**	**-31.4%**

- **Material costs**
  - Material cost ratio remained unchanged from the previous year at 13.1%
  - As a measure to mitigate rising material costs, prices of some products that contain metals and minerals as raw materials were revised in July 2023
- **Personnel expenses**
  - Increased the proportion of salary raises to retain personnel (included in the FY3/24 plan as a strategic cost)
- **Advertising expenses**
  - Strategically increased advertising expenses and invested in sales promotions such as TV commercials and web ads (included in the FY3/24 plan as a strategic cost)
- **Other SG&A expenses**
  - Increase in recruiting expenses, land rent, stock administration fees, training fees, etc.
  - Decrease in utilities, transportation, office maintenance, etc. due to cost reductions and expense reviews

Analysis of Increase/Decrease in Operating Income for FY3/24



Balance Sheet

(Unit:Billion yen)	FY3/23	FY3/24	YoY Change	Main Factors for Changes	
Current Assets	8.83	11.06	2.23	Cash and deposits	2.06
Non-current Assets	5.62	5.04	-0.58	Investment securities	-0.50
Deferred assets	0.00	0.01	0.01		
Total Assets	14.45	16.12	1.66		
Current Liabilities	2.19	1.95	-0.24	Accrued income taxes	-0.14
Non-current Liabilities	0.52	2.42	1.89	Convertible-Bond Share Acquisition Rights	1.99
Total Liabilities	2.72	4.38	1.65		
Total Net Assets	11.73	11.74	0.01		

Cash Flow Statement

(Unit:Billion yen)	FY3/23	FY3/24	Main Factors
Cash Flows from Operating Activities	1.20	0.44	Income before income taxes 0.96 Trade receivables -0.16 Payments of income taxes -0.55
Cash Flows from Investing Activities	-0.44	0.38	Redemption of Investment securities 0.50
Free Cash Flows	0.75	0.83	
Cash Flows from Financing Activities	-0.75	1.22	Issuance of Convertible-Bond Share Acquisition Rights 1.98
Cash and Cash Equivalents at End of Period	6.65	8.71	

Management Indicator

	FY3/22	FY3/23	FY3/24	YoY Change
Equity-to-asset ratio	82.1%	81.1%	72.7%	-8.4pt
Interest-bearing debt dependency	3.4%	2.9%	2.2%	-0.7pt
Operating income ratio	9.7%	9.8%	6.9%	-2.8pt
ROA (Ratio of ordinary income to total assets)	9.5%	9.8%	6.4%	-3.3pt
ROE (Ratio of net income to shareholders' equity)	5.0%	7.5%	4.6%	-2.9pt
EPS (yen)	52.82	79.74	49.24	-30.50
BPS (yen)	1,053.10	1,067.64	1,066.24	-1.40
Payout ratio	117.4%	77.8%	125.9%	48.2pt

Progress of Priority Strategies and Policies for Future Initiatives



Assumptions for Priority Strategies

Market Trends

Chance Increased awareness of house maintenance and disaster prevention

- Increased time at home
- Frequent earthquakes, torrential rains and other disasters

Chance Improvement of environment for distribution of existing houses and expansion of renovation market

- Promotion of extending the life of existing houses and formation of high-quality housing stock based on the Housing Life Master Plan
- Support for energy-saving renovation of houses (subsidies, tax reduction, etc.)

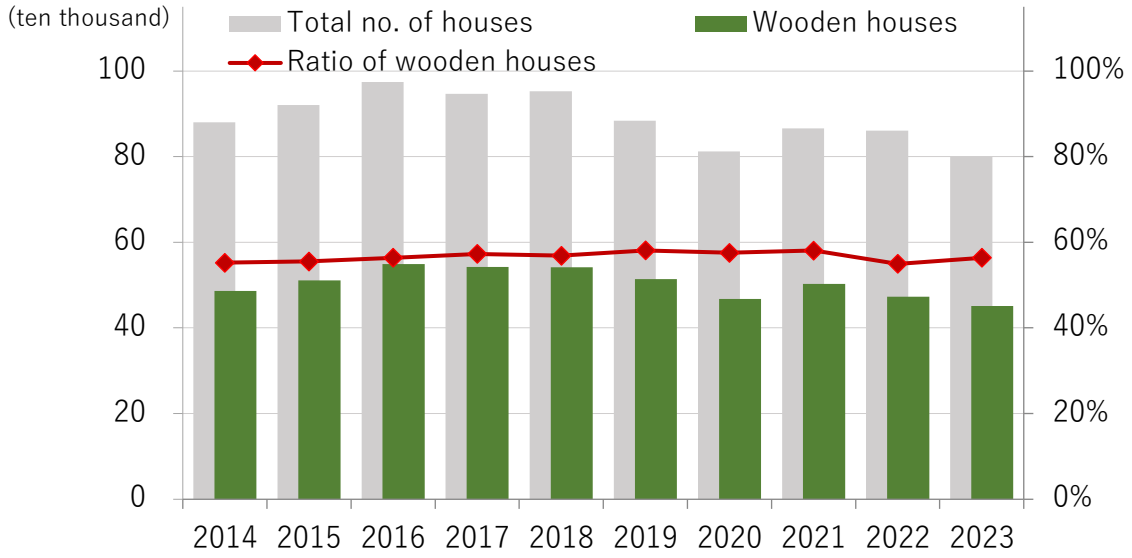
Risk Softening consumer sentiment toward house maintenance due to inflation, etc.

- Prospects for recovery are uncertain

Chance Huge number of wooden house stock

- Approx. 26 million wooden houses in Japan
- Ratio of wooden houses to new housing starts remained unchanged
- Strong preference for wooden houses

Changes in ratio of wooden house for the number of new housing starts * Reference: Materials of MLIT

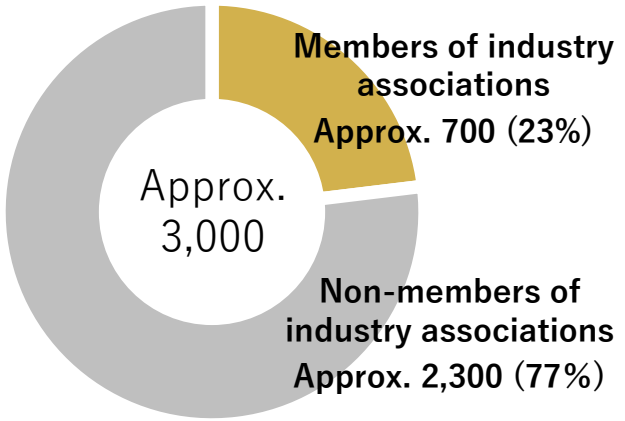


Assumptions for Priority Strategies

Termite Control Industry Trends

Number of TC industry workers

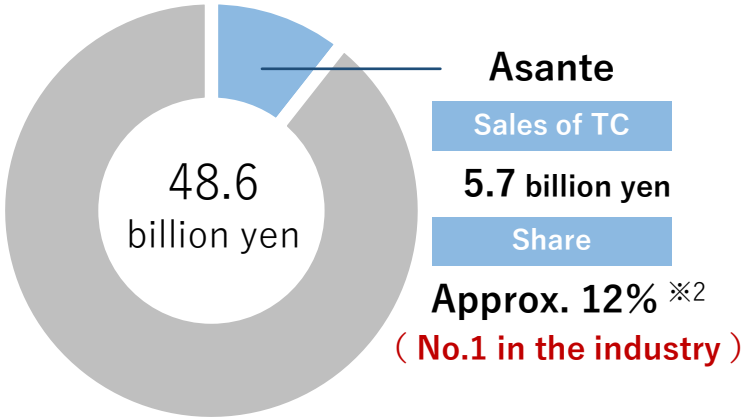
- Approx. 3,000 companies industry-wide
- Approx. 700 companies are members of industry associations
- High percentage of small enterprises
- The number of vendors is slowly declining



Chance Companies facing issues of business succession, personnel shortages, and compliance

Sales of termite control

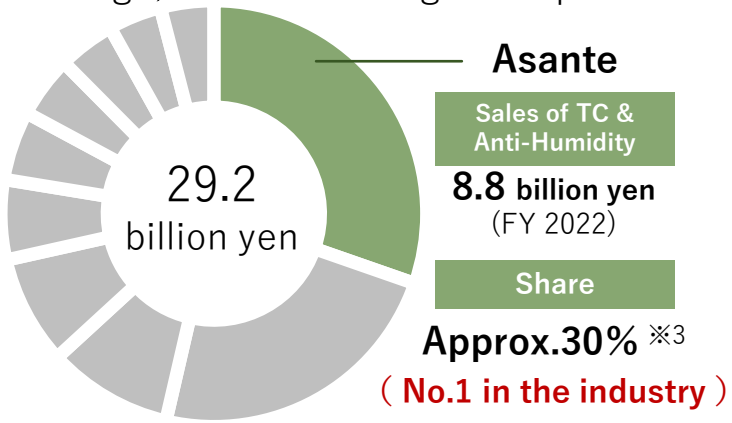
- Industry-wide sales of TC total 48.6 billion yen (TC only, Forecast for FY2020)※1
- Many companies mainly subcontract work to housing manufacturers, etc.



Chance Huge latent demand and room for growth in the industry spurred by national policy

Industry-leading firm (Termite control & Anti-humidity measures)

- Top 10 companies in the industry with sales of 29.2 billion yen (Termite control & Anti-humidity measures, Estimated for FY2022) ※3
- Fifth and below are in the billion yen per year range, with limited regional operations



Chance Room to expand market share through competitive advantage and financial strength

※1 Reference: Yano Research Institute Ltd. “2021 Edition: PCO/TCO/Fumigation Services Market Realities and Mid-term Prospects”
※2 Calculated by the Company based on data from Yano Research Institute Ltd.
※3 Estimated by the Company based on ※1 and information obtained by the Company

Management Resources Possessed by the Group

Strength

7 internal management resources to be further developed and utilized

- Well-established Basis of Operation / After-sales Service System
- Direct Contact with Customers through Direct Selling
- Superiority of Industry Leader
- High-quality Services and Educational System
- Significant Business Contributing to Environmental Protection and Disaster Reduction
- Thorough Compliance System
- Sound Finance

Assumptions for Priority Strategies

Sustainability Initiatives

The Group is committed to 3 materialities

E Contributing to the Improvement of Environmental Issues through our Business

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



Business Significance

Protecting people, homes, and forests
by providing termite control, anti-humidity measures and anti- earthquake measures

Reducing CO2 emissions by curbing wasteful deforestation	**Reduce waste** generated from rebuilding houses
Saving the lives of residents by preserving and improving durability	**Protecting assets** by maintaining housing value

S Developing Human Resources & Creating a Motivating Workplace



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

G Strengthen Management structure



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

Five Priority Strategies

5 priority strategies to achieve strong growth by leveraging opportunities and strengths

① Reinforcement of Sales Promotion Basis and Structure

- Expansion of sales area and sales channels
- Utilize M&A and strengthen group synergies

② Enhancing Productivity

- Improvement of sales efficiency
- Improvement of construction efficiency

③ Expansion of Services from the Customer's Perspective

- Design of high value-added services
- Further enhancement of after-sales service

④ Development and Utilization of Human Capital

- Enhancement of education system
- Maintenance of workplace environment

⑤ Contributing to Solving Social Issues through Our Business Activities

- Reduce the environmental impact of our business activities
- Expansion of services providing housing safety and environmental protection

Priority Strategies ① Reinforcement of Sales Promotion Basis and Structure

Major Initiatives (Progress)

Expansion of marketing areas through expanded tie-ups with JA



Expand alliances with JAs in existing areas



Opened sales offices in Hiroshima and Kochi

Strengthen approach to corporate partners

Partner Expansion Project (PJ)



Establishment of new department to promote corporate alliances



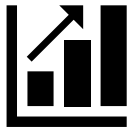
Strengthen alliances with existing partners

Strengthen marketing

Marketing Enhancement PJ



Increased marketing efficiency



Increase in applications during latent demand period

Establishment of active M&A promotion system

M&A PJ



Create a short list of potential destinations



Adjustment of optimal approach route

Upcoming Initiatives

- Promote alliances with unaffiliated JAs in existing areas
- New JA alliance in Western Japan

➡ Increase in the number of houses in operation
➡ Increase in sales

- Strengthening relationships with partners
- Proactive approach to developing partnerships

➡ Increase in applications
➡ Increase in sales

- Improvement of marketing accuracy during apparent demand for termites (1Q)
- Expand marketing during latent demand for termites (2-4Q)

➡ Increase in applications
➡ Increase in sales

- Consideration of M&A in the same industry where high synergy effects are expected

➡ Discontinuous growth

Priority Strategies ② Enhancing Productivity

Major Initiatives (Progress)

Promote adoption and retention of mobile terminals and printers



Digitization of contract document preparation



Use of product explanation videos

Research on electronic maps to improve sales efficiency



Examination of electronic map specifications

DX and Data Utilization PJ



Customer data organization

Labor-saving operations through the use of digital technology

DX and Data Utilization PJ



Verification of room for business process review

Improved construction safety



Promote adoption and retention of new safety equipment



Promote acquisition of occupational safety-related qualifications and employee training

Upcoming Initiatives

- Promoting the use of digital technology to improve sales efficiency and reduce the burden on customers

→ Improved sales efficiency → Increase in sales per staff

- Introduction of electronic maps
- Utilization of customer data in door-to-door sales

→ Maximization of activity → Increase in sales per staff

- Digital shift in operations
- Labor savings through review of business design

→ Improved operational efficiency → Increase in profit

- Research on construction equipment and methods that lead to improved labor safety and construction quality

→ Improved construction efficiency → Increase in profit

Priority Strategies ③ Expansion of Services from the Customer's Perspective

Major Initiatives (Progress)	Upcoming Initiatives	
Responding to diversifying customer needs Introduction of natural termite control chemicals with plant-derived ingredients Research on termite control methods that do not involve chemical spraying	◆ Research and introduction of termite control methods that respond to customer needs and improve quality	Improve customer satisfaction Increase in sales
Establishment of service provision system for vermin and pest control (other than termites) Develop a system to provide vermin and pest control for individual customers, whose needs are increasing	◆ Expansion of service area for vermin and pest control for individual customers	Improve customer satisfaction Increase in sales
Expansion of heat insulation-related product lineup Research and development to expand the lineup of insulation-related products that are highly energy-efficient and eligible for subsidies	◆ Start sales of ceiling insulation ◆ Research and development to expand lineup of insulation-related products	Improve customer satisfaction Increase in sales

Priority Strategies ④ Development and Utilization of Human Capital

Major Initiatives (Progress)

Improve employee satisfaction

Human Resources Development PJ



Identification of issues through organizational improvement survey



Choice of number of days off per year (for some positions)
Promoting the use of parental leave

Continuous education for managerial positions



Education for managerial positions to strengthen the organization, improve performance, and enhance human resource development

Substantial internal training



Increase in the number of internal training programs and number of participants

Operation of internal skill certification system



Operation of skill certification system that clarifies career plans and increases motivation

Upcoming Initiatives

- Conduct periodic organizational improvement surveys and resolve issues
- Consideration of diverse work styles, including the addition of new job types

→ Improvement of workplace environment
➡ Increase in personnel

- Continuous education for managerial positions
- Training of leadership in on-the-job training

→ Improvement of workplace environment
➡ Increase in personnel

- Further enhancement of the education system mainly through the training centers
- Improving the educational environment by introducing e-learning

→ Improving skills
➡ Increase in personnel & sales per staff

- Expanding the contents of internal skill certification system
- Obtain certification under the internal skill certification system by the Ministry of Health, Labor and Welfare

→ Improving skills & job satisfaction
➡ Increase in personnel & sales per staff

Priority Strategies ⑤ Contributing to Solving Social Issues through Our Business Activities

Major Initiatives (Progress)

Increase in sales of 3 main services

Strengthened sales of three main services, but FY2023 sales were 96.7% of the previous year's level

Development of new products that promote the longevity of houses and disaster mitigation

Research and development of new products that also contribute to environmental protection

Promote energy conservation and eco-driving

Internal energy-saving campaign
Suppression of Electricity Consumption

Promote eco-driving
Reduced gasoline consumption

Upcoming Initiatives

- Increase in sales of three main services through steady implementation of priority strategies
- Strengthen PR activities to raise awareness of the need for termite control

Reduction of CO2 emissions
Promotion of disaster mitigation

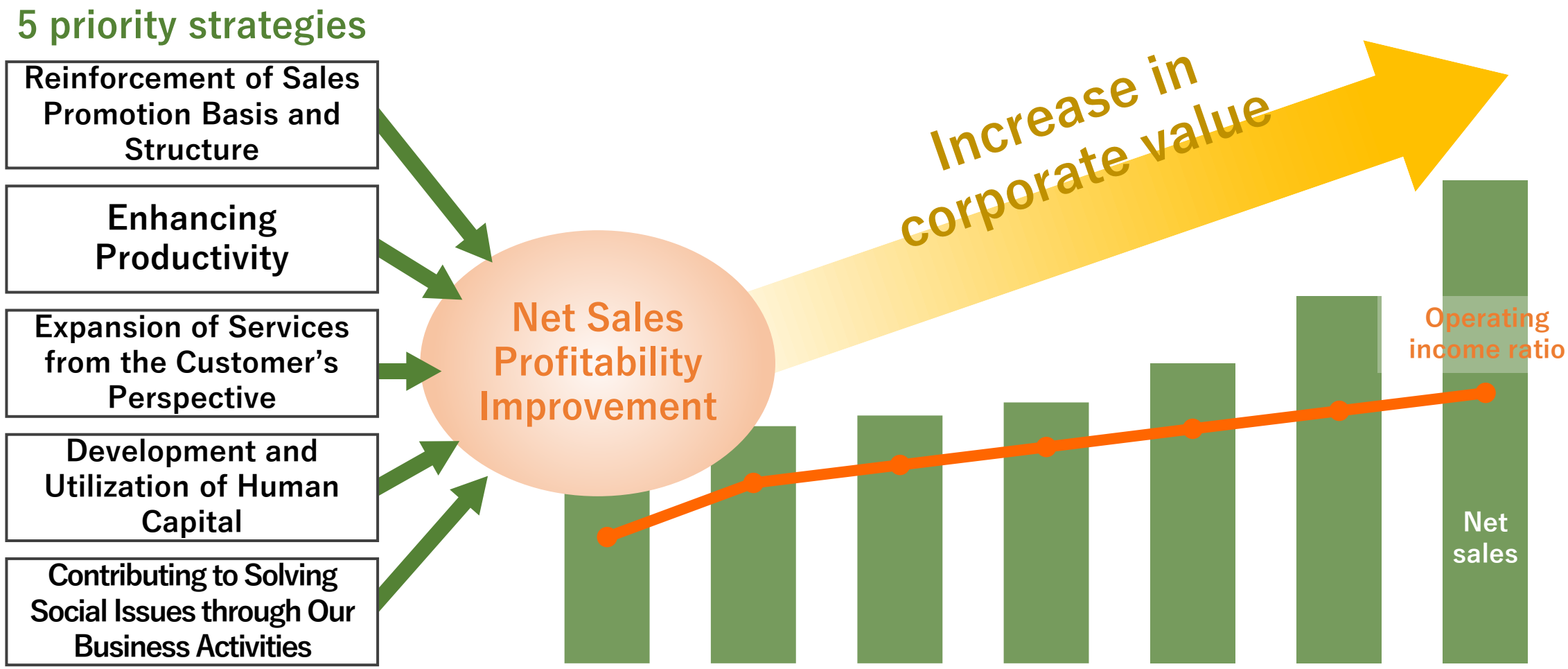
- Research and development of new products consistent with our management philosophy

Reduction of CO2 emissions
Promotion of disaster mitigation

- Introduction of electric vehicles
- Strengthen energy conservation and eco-driving campaigns
- Investigation of introduction of energy-saving derived electricity

Reduction of CO2 emissions
Cost containment

Growth Image



Forecasts for FY3/25 and Mid-term Business Plan



Profit and Loss, Cost of Sales and SG&A Expenses for FY3/25 Forecast

(Unit:Billion yen)	FY3/25 Forecast	YoY	
		Change	Change of ratio
Net sales	14.27	0.57	4.2%
Cost of sales	4.31	0.06	1.5%
Gross profit	9.95	0.51	5.4%
SG&A expenses	8.53	0.04	0.5%
Operating income	1.42	0.47	50.0%
Ordinary income	1.37	0.38	39.0%
Net income	0.84	0.29	55.2%

Breakdown of cost of sales

	FY3/25 Forecast	YoY	
		Change	Change of ratio
Material costs	1.86	0.07	3.9%
Labor costs	1.32	-0.02	-1.7%
Other cost of sales	1.13	0.01	1.4%

Breakdown of SG & A expenses

	FY3/25 Forecast	YoY	
		Change	Change of ratio
Personnel expenses	5.46	-0.04	-0.9%
Advertising expenses	0.41	0.00	0.7%
Other SG&A expenses	2.65	0.08	3.4%

Number of Staffs, Sales per Staff for FY3/25 Forecasts

	FY3/25 Forecast	YoY		Initiatives to Achieve Financial Forecasts
		Change	Change of ratio	
Net sales (Billion yen)	14.27	0.57	4.2%	• Expansion of sales area and sales channels • Design of high value-added services • Expansion of services providing housing safety and environmental protection • Further enhancement of after-sales service
Average number of staffs during the period	1,021	3	0.3%	• Enhancement of education system • Maintenance of workplace environment
Sales per staff (Thousand yen/month)	1,165	43	3.9%	• Expansion of sales channels • Improvement of sales and construction efficiency • Design of high value-added services
Number of staffs at end of period	1,028	30	3.0%	

＊ Number of staffs : total number of staffs actually working including part-time employees and contract employees (excluding dispatched and seconded staffs)

(Rolling System) Mid-term Business Plan for FY3/25 - FY3/27

(億円)	FY3/24 Results	FY3/25 Forecast	FY3/26 Plan	FY3/27 Plan	FY3/27 Change (Compared to FY3/24)	
Net Sales	13.69	14.27	14.83	15.50	1.80	13.2%
Operating Income	0.94	1.42	1.57	1.86	0.91	96.5%
Operating Income Ratio	6.9%	10.0%	10.6%	12.0%	5.1pt	-
Net Income	0.54	0.84	0.99	1.20	0.65	121.6%
Net Income Ratio	4.0%	5.9%	6.7%	7.7%	3.8pt	-

Policies regarding the management with awareness of cost of capital and stock price

Recognition of current cost of capital and return on capital

awareness of the present situation

- The cost of equity is estimated at 4-5% by CAPM
- ROE for FY3/24 is 4.6%
- Increase in corporate value, aiming to secure higher level of return on capital

Trends in Indicators

	FY3/20	FY3/21	FY3/22	FY3/23	FY3/24
Cost of Shareholders' Equity (based on CAPM)	**Estimated at 4-5%**				
ROE	12.2%	9.1%	5.0%	7.5%	4.6%
PBR (times)	1.4	1.7	1.4	1.5	1.6

Policies regarding the management with awareness of cost of capital and stock price

Policy on Initiatives to Enhance Corporate Value / Medium- to Long-Term ROE Targets

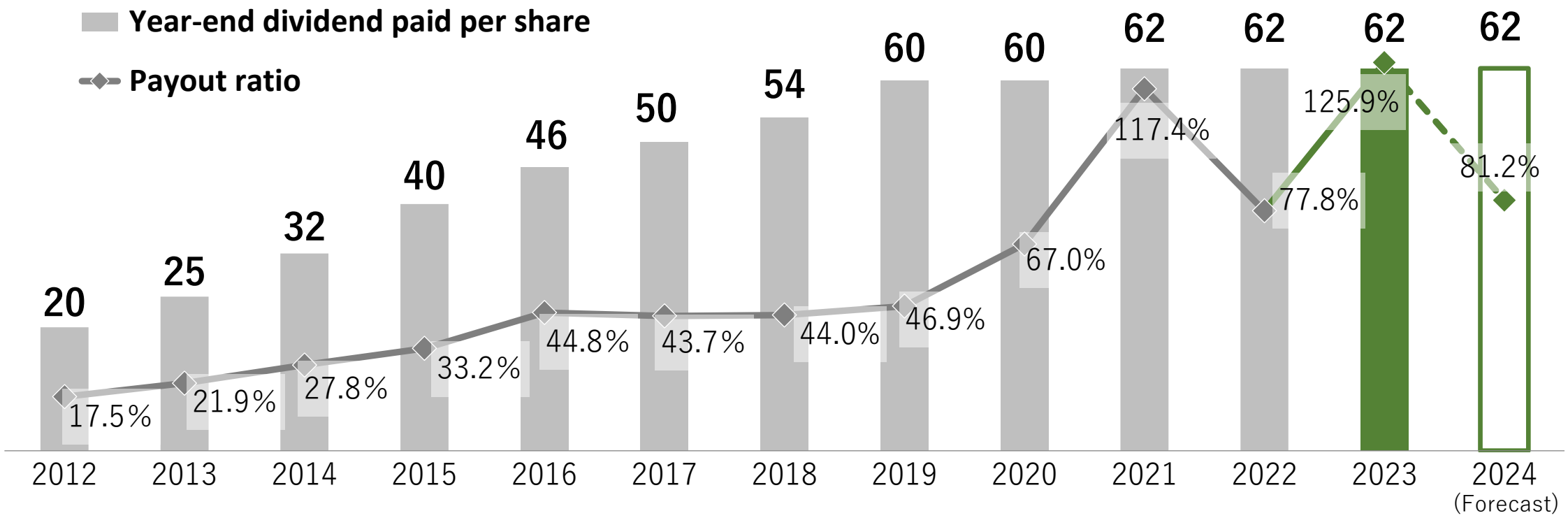
- **Strengthen Profitability**
  - Profit growth in line with sales growth
  - Improve profitability by promoting 5 priority strategies
- **Enhancement of IR activities**
  - Active dialogue with institutional investors
  - Holding of individual investor meetings
  - Enhance disclosure and dissemination of information to stakeholders
- **Shareholder Returns and Capital Management**
  - Continuation of stable dividends
  - Consideration of appropriate capital policies such as share repurchases

Enhancing corporate value and aiming for ROE of 10% or more in the medium to long term

Dividend Forecast

Maintain dividends in accordance with the basic dividend policy of "maintaining stable dividends"

(Unit：Yen)



＊ Introduced interim dividends from FY 2016

Appendix

- Overview
- Termites
- Business Model
- Education
- Compliance
- Public Relations



Corporate Philosophy・Vision

Corporate Philosophy

Protecting People, Houses and Forests by Fostering our own People and Technology

We provide safety, security, and comfort to our customers through termite control and measures against earthquakes etc., and contribute to solving social issues such as environmental problems by promoting extended the life of existing houses

Vision

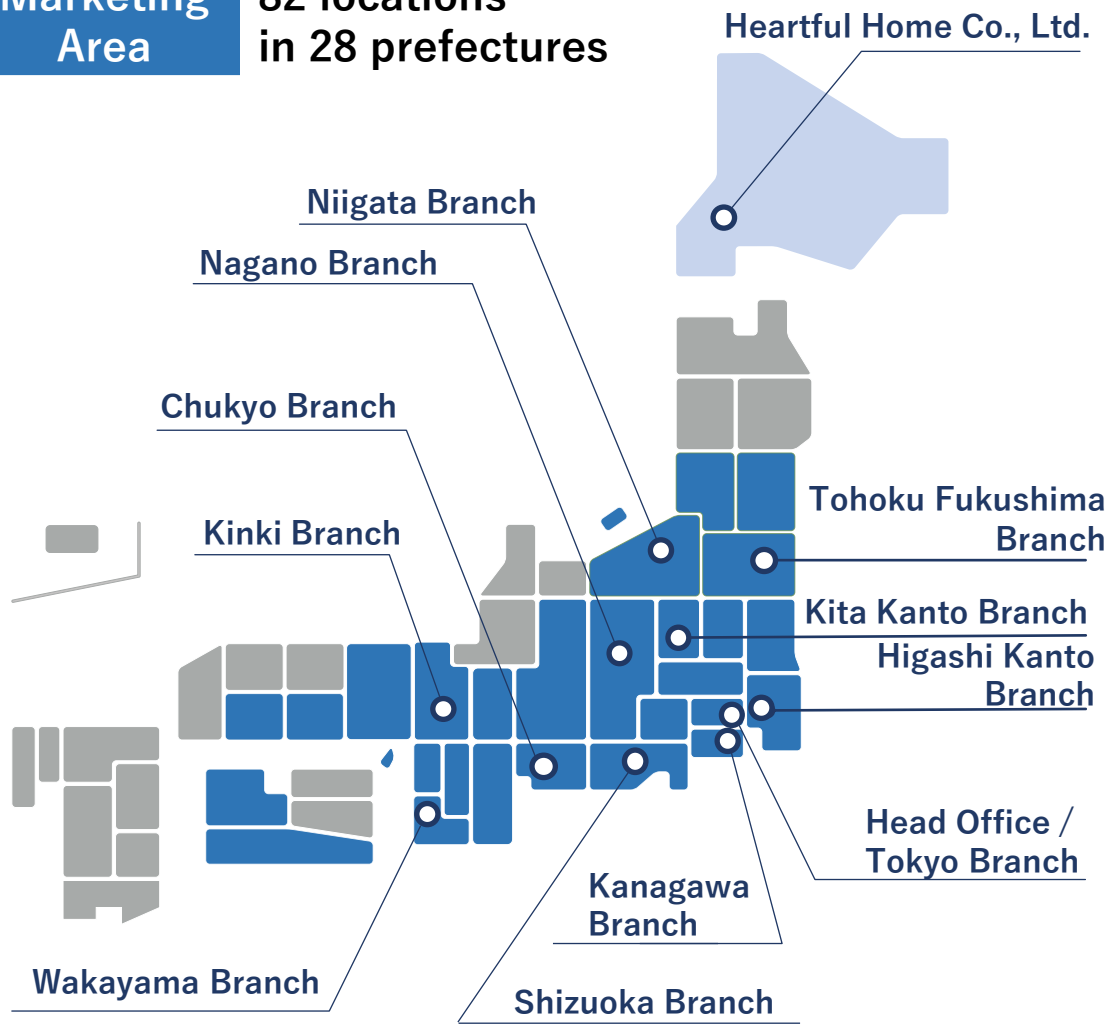
Through Extending the Life of Wooden Houses and Improving the Wellbeing of Employees, Protecting the Environment and Becoming the Most Trusted Company by our Customers and Society

We keep working lively and provide the highest quality services to extend the life of wooden houses and protect the environment, mainly through termite control, to offer safe, secure, and comfortable living throughout Japan and continue to grow together with society

Overview

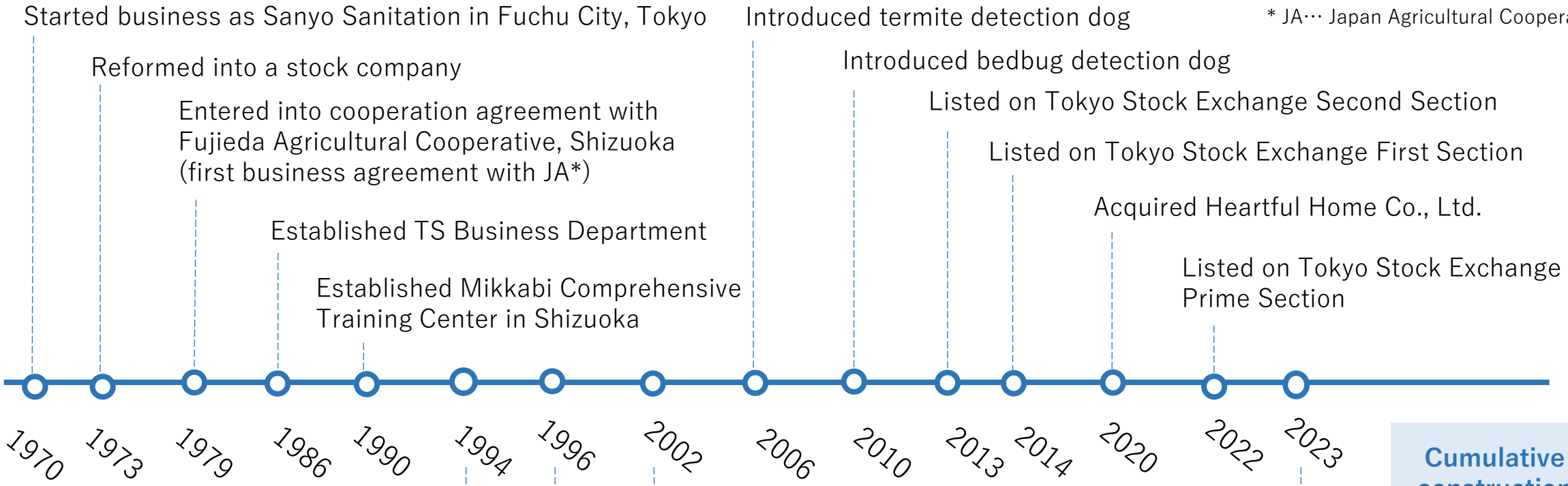
Name	Asante Incorporated
Head Office	33-15, Shinjuku 1-Chome, Shinjuku-ku, Tokyo
Representative	Sei Miyauchi
Since	May 1970
Established	September 1973
Trading Market	TSE Prime Section (Securities Code 6073)
Capital Stock	1.1 billion yen (End of FY3/24)
Number of Employees	998 (Consolidated) (End of FY3/24)
Group Companies	**Heartful Home Co., Ltd.** (Consolidated : Investment Ratio 100%) **Human Green Service Co., Ltd.** (Non-consolidated)

Marketing Area 82 locations in 28 prefectures



Company History

* JA… Japan Agricultural Cooperatives



Started handling New Product

2002 Housing Reinforcement

2005 Repair housing foundations

2019 Highly Heat Insulate Construction

Cumulative construction results

6.0 billion houses

(End of FY3/23)

Business Contents



Termite Control

Prevention and extermination of termites



Anti-humidity Measures

Prevention of rot, mold and termites



Anti-earthquake Measures

Repair of the basic concrete
Reinforcement for the wood junction

Maintain Measures	Housing renovation, new building construction, Seismic retrofit, Installation of heat insulator
Ecological Measures	Construction of photovoltaic power system
Pest control	Prevention and extermination of harmful insects (like cockroach, tick, bedbug, bee, etc.)
Anti-harmful Animal Measures	Prevention and extermination of harmful animals (like rat, dove, etc.)
Sanitary Measures	Sterilization of hospital facilities, etc.

Distribution and types of Termites

Distribution of termites damaging wooden houses

- There are 24 species of termites in Japan.
- Among them wooden houses pests are primarily 4.

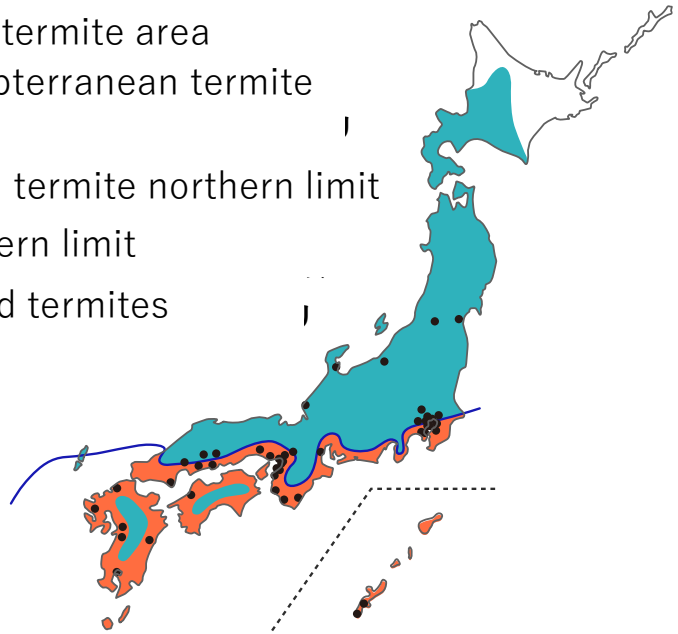
Japanese subterranean termite area

Formosan/Japanese subterranean termite mixed area

Formosan subterranean termite northern limit

Dry-wood termite northern limit

Spots Western dry-wood termites discovered

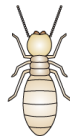


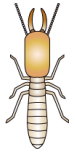
Reference: The Japan Termite Control Association, “Fundamental Knowledge on Termite Control and Rot Prevention” (Jan. 2021)

Typical termites damaging wooden houses

Japanese subterranean termite

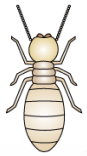
- Excluding some part of Hokkaido, they are distributed throughout Japan.
- Inhabits the subfloor and mainly attacks the building's subfloor materials.

Worker 

Soldier 

Formosan subterranean termite

- Distributed in warm areas along the coastline west of the Kanto region.
- Damage is done to the entire building, and the rate of assault is rapid.
- Named one of the 100 worst invasive alien species in the world

Worker 

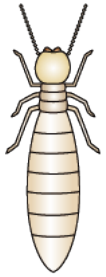
Soldier 

Termite Ecology and Seasonal fluctuations in Net Sales

Swarm

- Termites have a habit of swarming once a year, when they take off in large numbers on their wings to reproduce.
- Swarming occurs in somewhat developed nests.

The normal (termites)



Winged Termites



Feature of Winged Termites

- The whole body turns black.
- wings are fragile and fall off easily.
- Four feathers are the same size



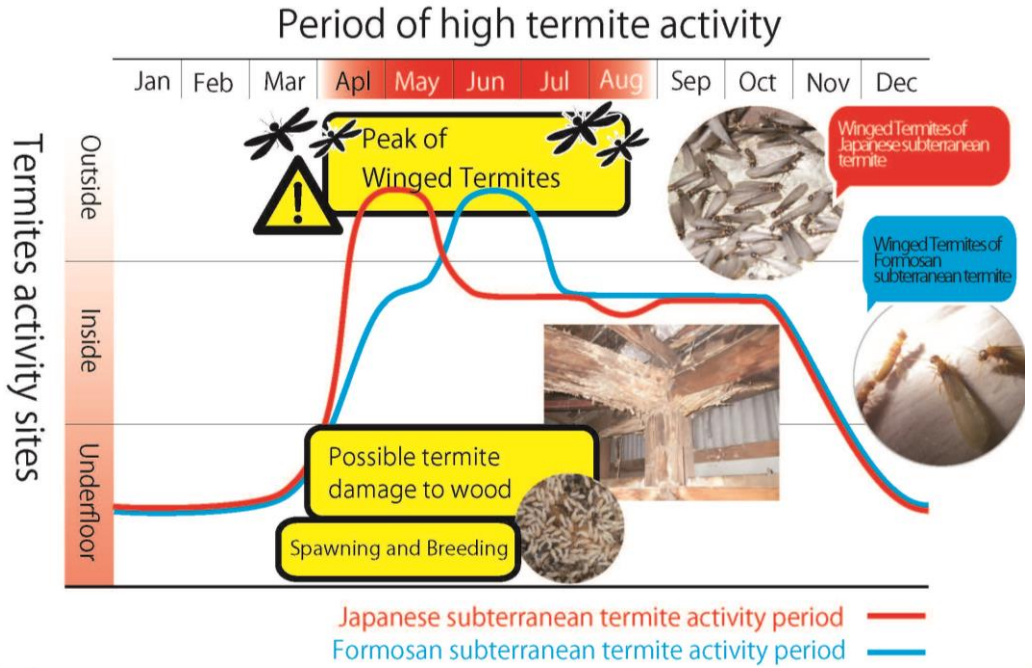
Winged Termites of Japanese subterranean termite
(Late April - June)



Winged Termites of Formosan subterranean termite
(June to early July)

Impact on Net Sales

- In swarming, many consumers notice the damage because the white ants, which normally inhabit unseen places, are visible to the human eye.
- During the swarming season, demand becomes apparent, applications and inquiries increase, and sales increase. After summer, demand becomes latent.



Risk of Termites damage

Decreased durability of houses due to termites and moisture damage

- Progressive termite and moisture damage reduces the wood's resistance.
- Pillars and foundations with lowered bearing capacity are at increased risk of not being able to withstand large forces such as earthquakes.



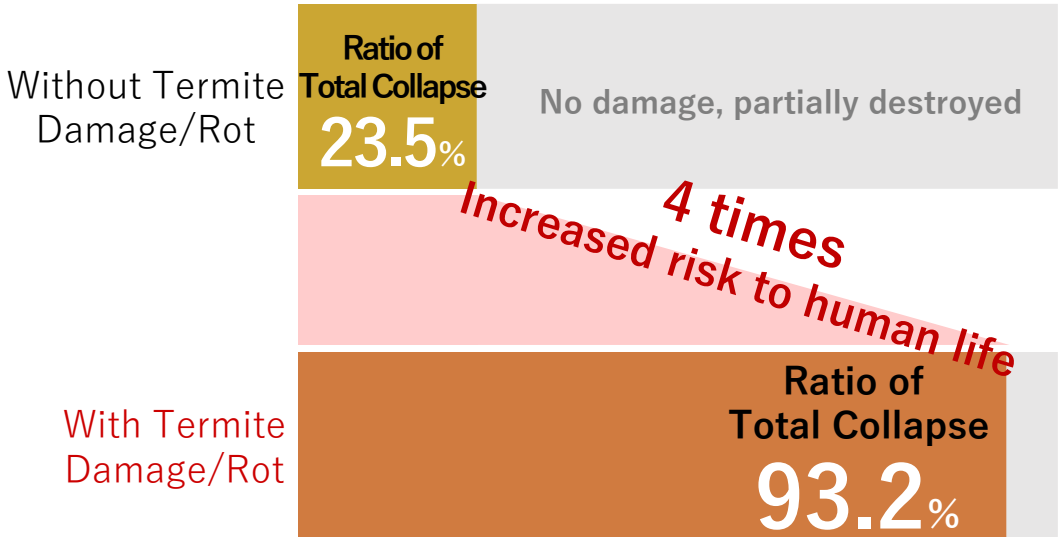

Wood with reduced resistance due to termite damage




Wood with reduced resistance due to moisture damage

Statistical Survey from the Great Hanshin-Awaji Earthquake

- The rate of total destructions of houses damaged by termites or decay was about four times higher than that of houses not damaged by termites or decay.



*Reference: Investigative Committee on Earthquake Damage to Wooden Houses (October 1995) “Report on Study of Disaster Damage of Wooden Houses, etc., in the 1995 Great Hanshin-Awaji Earthquake”

Business Model

Strong Contact with Customers and Direct Selling to Meet customer Needs

Uncovering latent demand through face-to-face sales, Identification of customer needs for after-sales maintenance

Staff engaging in new sales

Door-to-door sales



- Visiting each wooden house and guiding underfloor inspection

Inspection



- Inspection is conducted by entering directly under the floor

Report / Suggestion



- Prepare a survey report, explaining and proposing necessary measures

Contract



- If the customer is satisfied with the proposal, a contract is signed

Head office

"Thank You Calls"

Confirmation of contract

- Service Inspection Section at the head office calls the customer to confirm the customer's intention to enter into a contract and the contents of the contract documents

Technical staff

Construction



- High quality termite control construction based on the technical skills and know-how accumulated over many years

Staff engaging in renewal sales

During 5 years (the warranty period for TC), we conduct periodic inspections once a year.

First year inspection → 2nd year inspection → 3rd year inspection → 4th year inspection → 5th year inspection → Repeat Contracts → 5 year periodic inspection → Repeat Contracts → 5 year periodic inspection

- Periodic inspections are conducted to confirm the effectiveness of the construction and a report is prepared. If there are any defects, we will propose countermeasures.
- Repeat Contracts is proposed in the fifth year.

Business Model

Well-established Basis of Operation

Wide-ranging alliance with JA



- Sales activities using JA's name recognition and creditworthiness
- Community-based business operation
- Certainty of payment collection(control of bad debt)
- Strengthening compliance through third-party checks

➡ Achieved realized high operating efficiency

Sales Channels through Corporate/Organization partners

co-operative	platform service	service for members
welfare organizations of the private companies	welfare organizations of government and public offices	contractor
home improvement retailer	Building management company	Direct Selling companies

- Promote alliances with various companies and organizations that have house maintenance in their service lineups
- Providing “high-quality home maintenance services” to employees and members of partner companies and organizations
- Full support for sales promotion of partner companies

➡ Steadily Acquire applications from a variety of sales channels

Education system mainly through the training centers

Comprehensive Training Center

Mikkabi Comprehensive Training Center (Shizuoka)

* Established in 1990, rebuild in Mar. 2015





Inawashiro Comprehensive Training Center (Fukushima)

*Established in 2002





Data on Human Resources Education

	FY3/23
Number of instructors at the training center	**8**
Annual training participants	**1,337**
Number of trainings held	**507**
Number of days of training participation for first-year employees	**16.8**
Qualified educational instructor of the JDSA (Japan Direct Selling Association)	**54**
Number of registered sales representatives for the JDSA	**167**

Achieving high quality construction level and sufficient training system

Compliance

Thorough Compliance System

The Compliance Headquarters oversees the entire company from a cross-sectional perspective

Company Structure

- Formulated its own "Asante Compliance Program“
- Establishment of Internal Reporting Desk

Commitment to Customers

- Implementation of "Thank You Calls" to check the appropriateness of contracts
- Respond to complaints and questions from customers.
- Immediately share and collaborate with relevant departments on any comments received

Commitment to Employees

- Conducting compliance training at the beginning of employment and on a regular basis

+

Auditing by the Board of Directors

Auditing by Internal Audit Department

→

Improving customer satisfaction

Enhancing trust and competitiveness

Public Relations and Sponsor-ship

TV CM

- Broadcast in 1Q every year, mainly in marketing area.
- It comically communicates the need for termite control and gives the impression that “Termite control is about ASANTE.

FY3/24 ver.





FY3/25 ver.





Sponsor-ship

- Signed a sponsorship deal with Kawasaki Frontale.
- Exterminate pests in home stadiums.

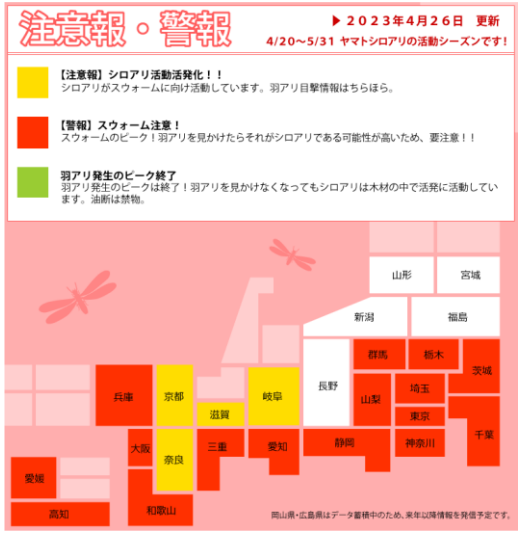




Ⓒ KAWASAKI FRONTALE CO.,LTD

Termite Warning

- Announcing during the swarming season.
- First-Time Initiative in our Industry in 2007.



Public Relations

Detection Dog Team “Kunkuns”

“Kunkuns”

Termite detection dogs



- They “smell” to find termite. So, non-destructive investigation is possible.
- Active in the survey of houses and cultural properties.
- Lots of termite detection dogs are working abroad.

Bedbug detection dog



- While visual inspections by humans have a detection rate of less than 30% for bed bugs, they can be detected with approximately 95% accuracy using their sense of smell.

Main Activities

Inspection



Participation in events



Media exposure

- **TV**

“Sat. WATCH 9” (NHK in December 2023)
“Sakagami Animal Kingdom” (Fuji Television in May 2022)

- **WEB**

“NEWS WEB” (NHK in May 2023)

Protecting People, Houses and Forests by Fostering our own People and Technology

Notes on Future Forecasts

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