Asante Incorporated

Financial Results for FY Ended March 2025



May 15, 2025

TSE Prime Section Securities Code 6073

Contents

1 Summary of Financial Results for FY3/25 ・・・ 2

2 Details of Financial Results for FY3/25 ・・・ 8

3 Progress of Priority Strategies ・・・ 19

4 Forecasts for FY3/26 and Mid-term Business Plan ・・・ 26

5 Capital Management and Shareholder Returns ・・・ 31

Appendix ・・・ 35

1 Summary of Financial Results for FY3/25

2 Details of Financial Results for FY3/25

3 Progress of Priority Strategies

4 Forecasts for FY3/26 and Mid-term Business Plan

5 Capital Management and Shareholder Returns



Net Sales, Operating Income

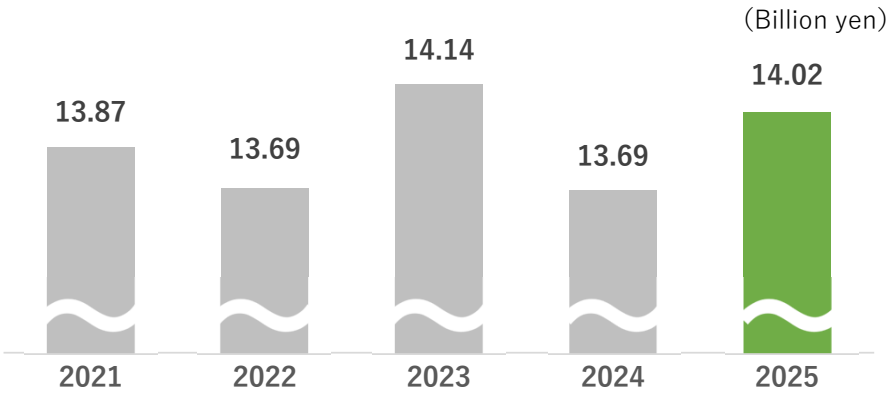
Consolidated Net Sales

14.02 Billion yen

YoY **+0.33** Billion yen

+2.4%

Revenues increased as business strategy initiatives began to produce results



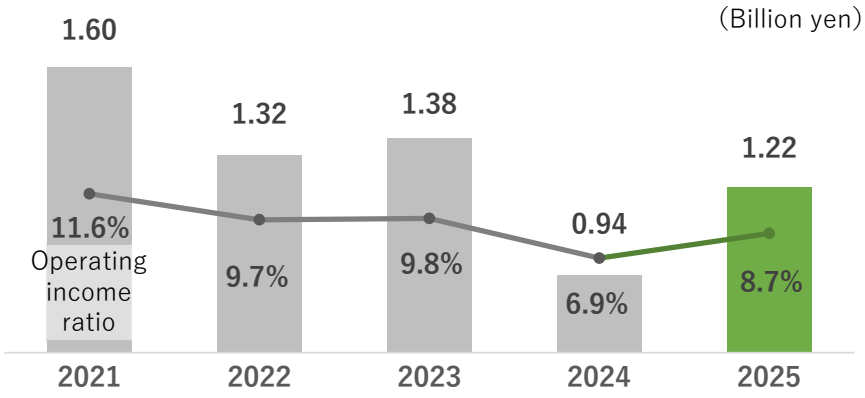
Operating Income

1.22 Billion yen

YoY **+0.27** Billion yen

+29.5%

Increased mainly due to expansion of top line



Sales Channels

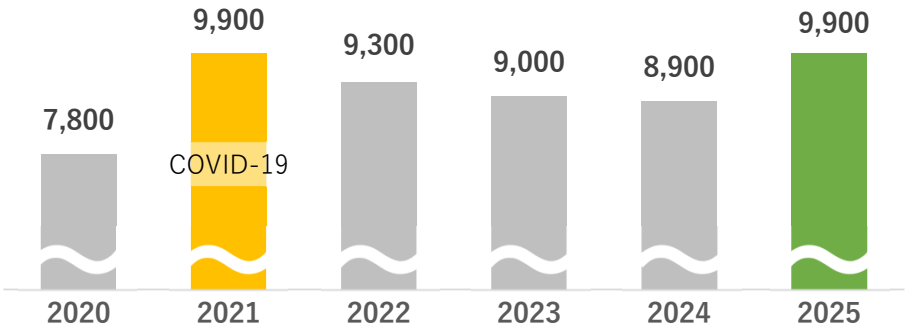
Number of Applications for Inspection

9,900

YoY +1,000

+11.2%

Increased number of applications for inspection due to expanded sales channels



※ The number of applications for inspection is rounded down to the nearest 100

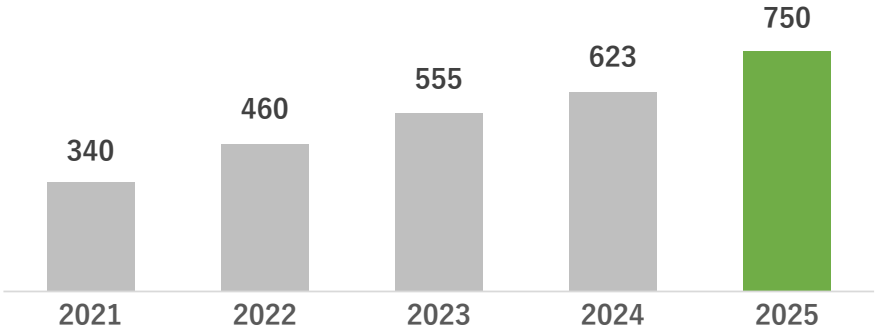
Number of Business Partners

750

YoY +127

+20.1%

Steady increased number of business partners due to the establishment of specialized department



Staffs, Productivity

Average number of staffs during the period

980

YoY ▲37

▲3.7%

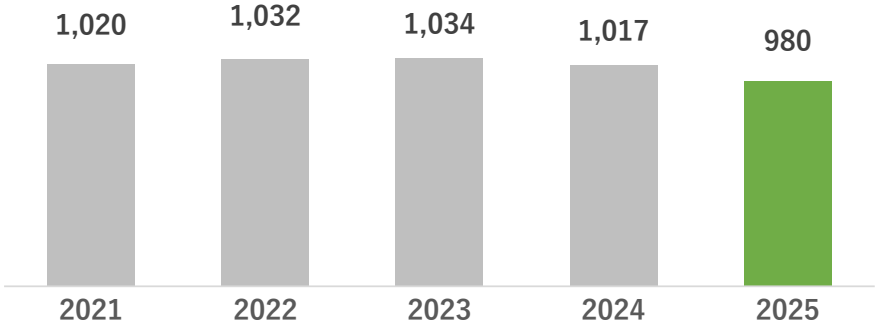
Sales per staff

1,192 Thousand yen/month

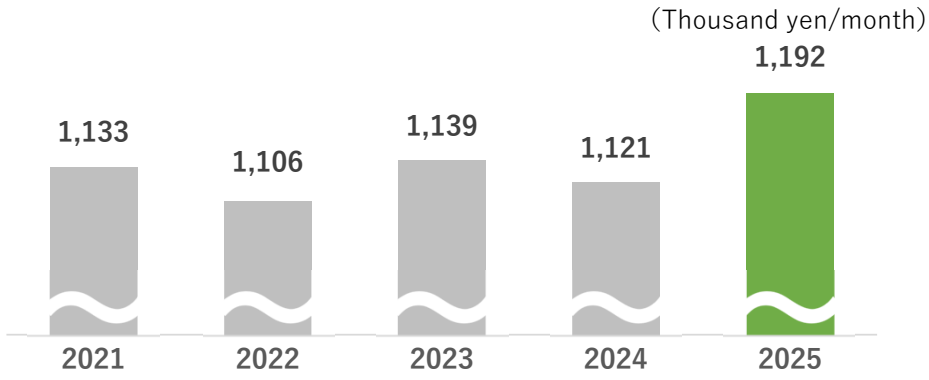
YoY +70 Thousand yen/month

+6.3%

Decreased due to tight labor supply and demand



Increased productivity due to increased applications and sales efficiency



Business Environment

Consumer Confidence

Continued low consumer confidence in our services due to price hikes in food, daily necessities, etc.

Main measures ： Expanding points of contact by improving the efficiency of sales activities, strengthen advertising and expansion of partners

Sense of Caution

Frequent reports of robberies temporarily heightened caution about door-to-door sales

Main measures ： Advance notice of visiting activities and strengthen advertising

Recruitment

Competition for human resources is intensifying due to the decline in the working population, and the recruitment environment remains chronically difficult

Main measures ： Diversification of working conditions, clarified career paths for young employees and improvement of employee benefits

Business Costs

Costs for fuel, raw materials, etc. remained high due to soaring prices, and expenses associated with benefits improvements to secure human resources increased

Main measures ： Focused spending on measures expected to be reflected directly in business performance in the short term (marketing, DX, etc.)

Topics

TOB for own shares

Aug. 2024

Acquisition of 1,250,000 shares of the Company's common stock held by the asset management company of the founding family, a major shareholder of the Company

Date of Disclosure : Aug. 20, 2024

Tender Offer Period : Aug. 21 to Sep. 18, 2024

Date of Settlement : Oct. 11, 2024

Tender Offer Price : 1,532 yen per share

Official Youtube Channel

Jan. 2025

Our official Youtube channel has been relaunched

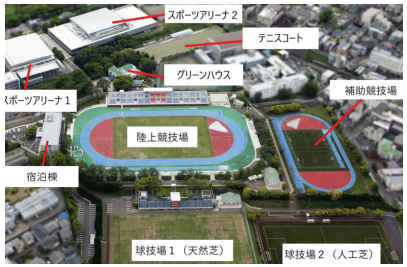




Asante Sports Park

Mar. 2025

Acquired naming rights for Kanagawa Prefectural Sports Center (Zengyo, Fujisawa City, Kanagawa Prefecture)





Wood Culture Inheritance PJ

Mar. 2025

Press Conference for the Inauguration of the “Wood Culture Inheritance Project” was held at Kanda Myojin, Tokyo





1 Summary of Financial Results for FY3/25

2 Details of Financial Results for FY3/25

3 Progress of Priority Strategies

4 Forecasts for FY3/26 and Mid-term Business Plan

5 Capital Management and Shareholder Returns

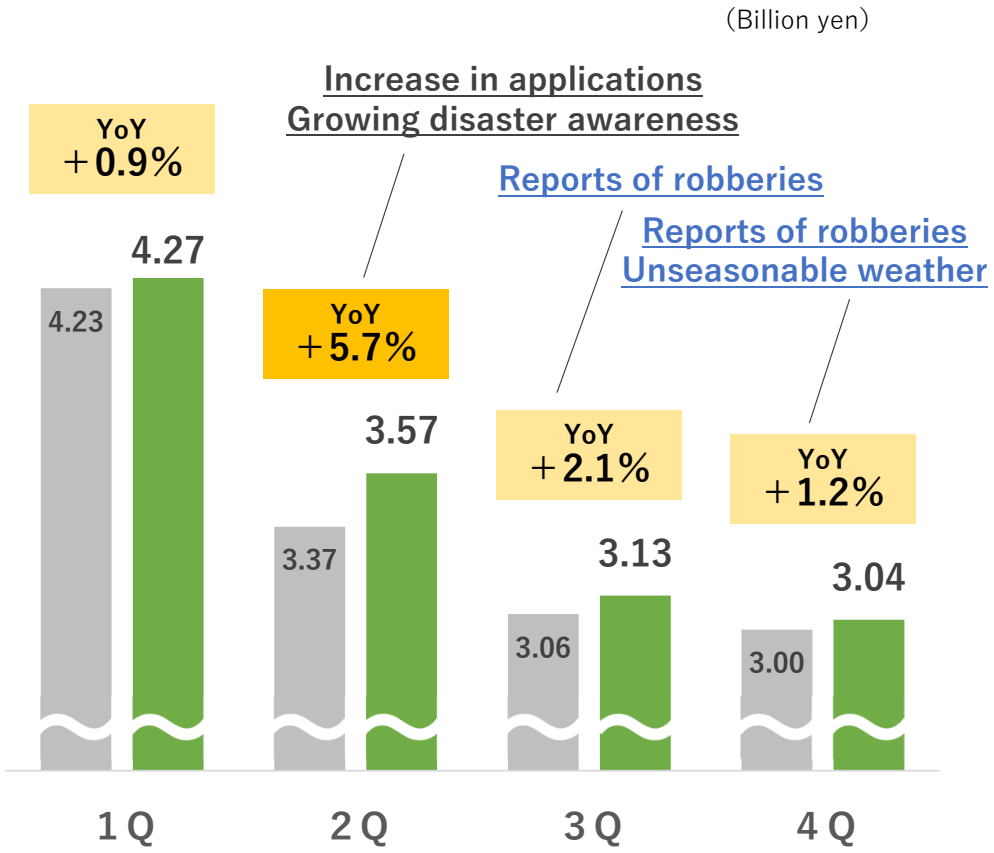


Financial Results

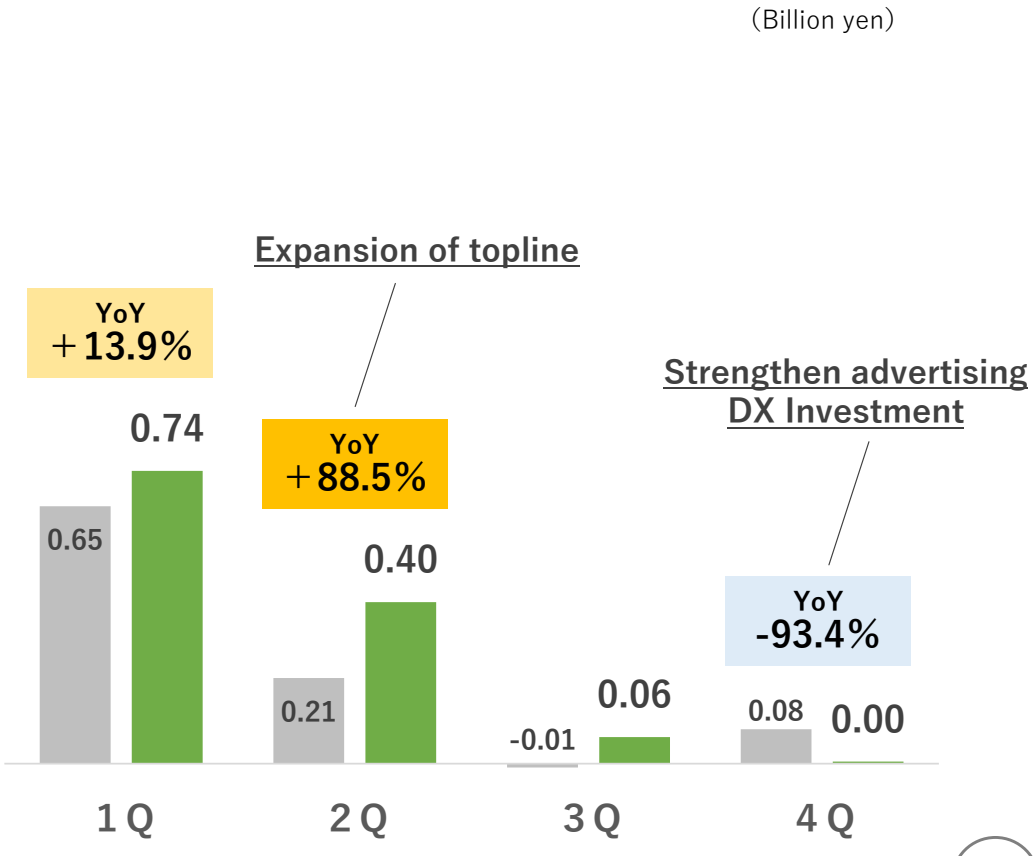
(Unit : Billion yen)	FY3/25		YoY		Forecast (Announced on Mar. 8, 2024)	
	Results	Composition ratio	Change	Change of ratio	Change	Achievement ratio
Net sales	14.02	-	0.33	2.4%	-0.24	98.3%
Operating income	1.22	8.7%	0.27	29.5%	-0.19	86.4%
Ordinary income	1.16	8.3%	0.17	17.9%	-0.20	84.8%
Net income	0.68	4.9%	0.14	27.1%	-0.15	81.9%

Financial results (Quarterly YoY)

Net sales



Operating income



Net Sales by Service

(Unit : Billion yen)	FY3/25		YoY	
	Results	Composition ratio	Change	Change of ratio
Net sales	14.02	-	0.33	2.4%
Termite control	5.95	42.4%	0.17	3.1%
Anti-humidity measures	2.82	20.1%	0.05	2.0%
Anti-earthquake measures	3.49	24.9%	-0.03	-1.1%
Others	1.75	12.5%	0.13	8.3%

- **Termite control**
  - Increased sales for both new and renewal TC
  - (New TC) Increase in applications via advertising and partners

    (Renewal TC) Increase in the number of existing customers eligible for renewal TC
- **Anti-humidity measures**
  - Cross-selling with new TC
  - Strengthen sales to existing customers
- **Anti-earthquake measures**
  - Sales increased in 2Q due to the announcement of extra information on the Nankai Trough Earthquake(Aug. 2024), but remained generally flat for the full year
- **Others**
  - Service area for pest and vermin control services for individual customers expanded
  - Increase in Heartful Home Co., Ltd. revenues

Net Sales by Service

Others

Sales 1.7
Share 13%

- Heartful Home Co., Ltd.
- Highly heat insulate construction
- Pest control
- Housing Renovation
- Others

Anti-earthquake measures

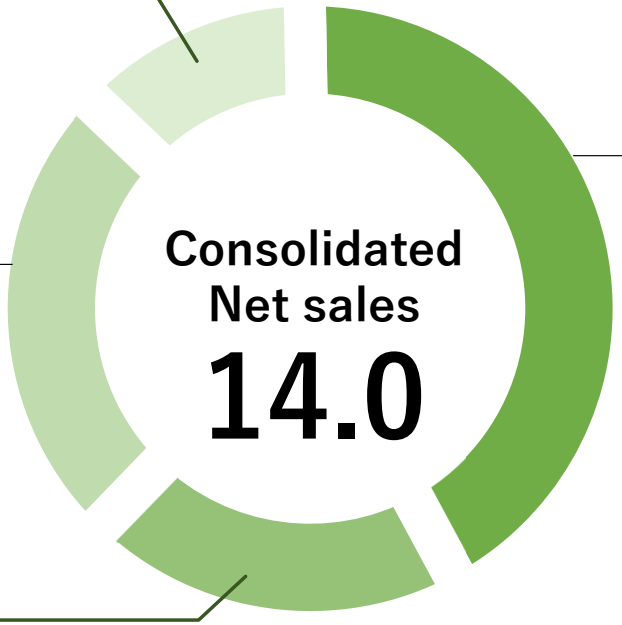
Sales 3.4
Share 25%

- Repair housing foundations
- Housing reinforcement

Anti-humidity measures

Sales 2.8
Share 20%

- Underfloor ventilation fans
- Humidity adjusting materials



Termite control

Sales 5.9
Share 42%



Top of residential termite control
From Toyo Keizai “Kaisha Shikiho”
2025, Vol. 2

Number of Staffs, Sales per Staff

	FY3/25	YoY	
		Change	Change of ratio
Net Sales (Billion yen)	14.02	0.33	2.4%
Average number of staffs during the period	980	-37	-3.7%
Sales per staff (Thousand yen/month)	1,192	70	6.3%
Number of staffs at end of period	983	-15	-1.5%

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

Profit and Loss, Cost of Sales and SG&A Expenses

(Unit:Billion yen)	FY3/25	YoY	
		Change	Change of ratio
Net sales	**14.02**	**0.33**	**2.4%**
Cost of sales	**4.31**	**0.06**	**1.5%**
Material costs	1.84	0.05	2.8%
Labor costs	1.35	0.00	0.5%
Other cost of sales	1.12	0.00	0.7%
Gross profit	**9.70**	**0.26**	**2.8%**
SG&A expenses	**8.47**	**-0.01**	**-0.2%**
Personnel expenses	5.37	-0.13	-2.5%
Advertising expenses	0.52	0.11	27.4%
Other SG&A expenses	2.57	0.01	0.4%
Operating income	**1.22**	**0.27**	**29.5%**

Cost of sales

Material costs

- Increased due to rising net sales
  Material cost ratio was 13.1%
  (unchanged from the previous year)

SG&A expenses

Personnel expenses

- Decrease in retirement benefit expenses
- Incentives and expenses associated with benefits increased due to higher sales per employee, but were offset by a decrease in headcount

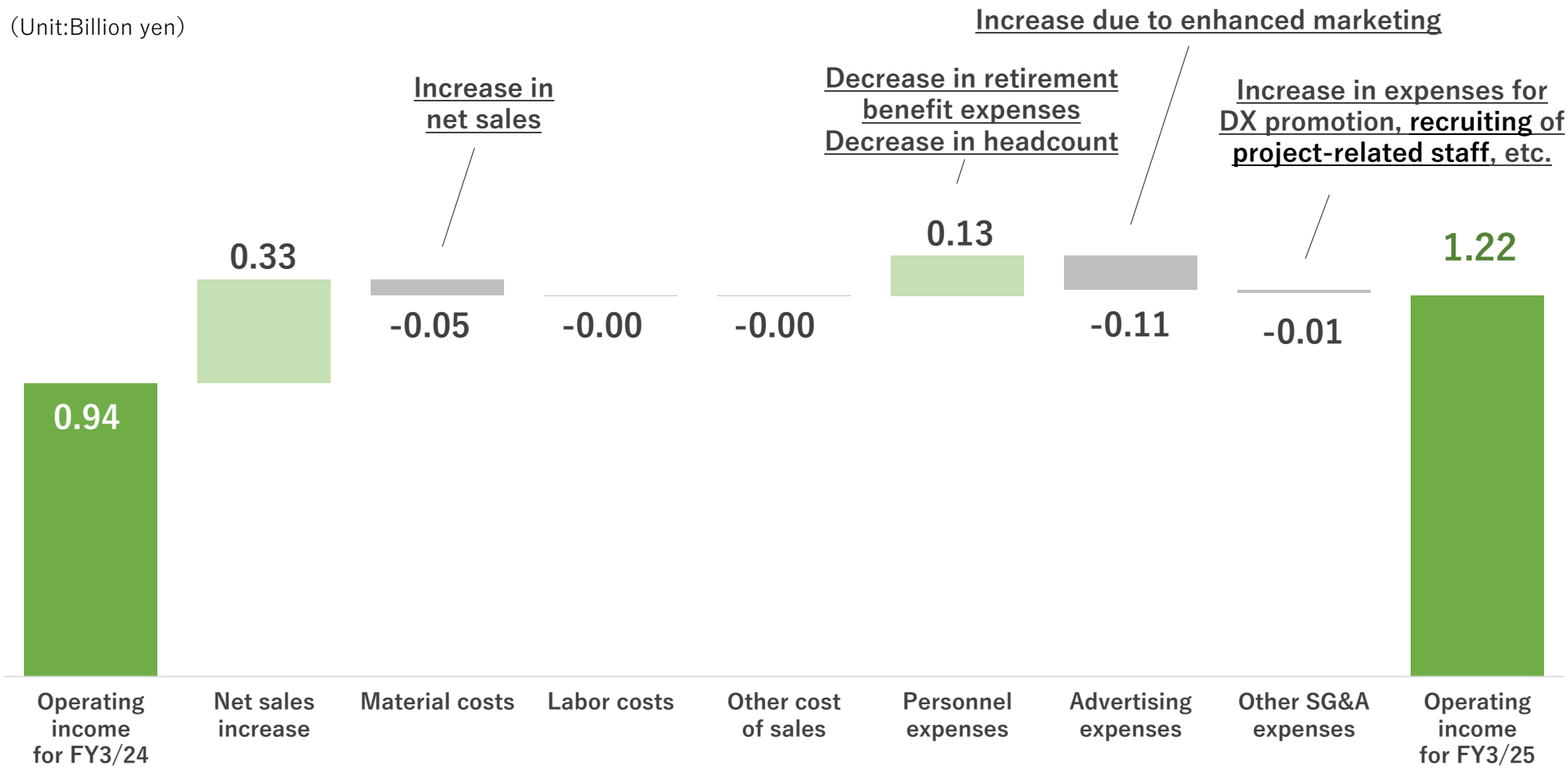
Advertising expenses

- Significant increase due to strategic advertising
- Advertising expense ratio was 3.7% (+0.7 pt from YoY)

Other SG&A expenses

- Increased mobile device and license expenses due to DX promotion
- Increase in recruiting expenses for project-related staff

Analysis of Increase/Decrease in Operating Income



Balance Sheet

(Unit:Billion yen)	FY3/24	FY3/25	YoY Change	Main Factors for Changes	
Current Assets	11.06	9.35	-1.71	Cash and deposits	-1.61
Non-current Assets	5.04	4.98	-0.05		
Deferred assets	0.01	0.01	-0.00		
Total Assets	16.12	14.34	-1.78		
Current Liabilities	1.95	2.06	0.10	Accrued income taxes Retirement benefit liability	0.07 0.07
Non-current Liabilities	2.42	2.53	0.10		
Total Liabilities	4.38	4.60	0.21		
Total Net Assets	11.74	9.74	-1.99	Increase in treasury shares	-1.89

Retained earnings

(Unit:Billion yen)	FY3/24	FY3/25	Main Factors
Cash Flows from Operating Activities	0.44	1.12	Net income before income taxes 1.13 Decrease in trade receivables 0.10 Payments of income taxes -0.35
Cash Flows from Investing Activities	0.38	-0.06	
Free Cash Flows	0.83	1.05	
Cash Flows from Financing Activities	1.22	-2.67	Purchase of treasury shares -1.96 Payments of Dividends -0.68
Cash and Cash Equivalents at End of Period	8.71	7.10	

Management Indicator

	FY3/23	FY3/24	FY3/25	YoY Change
Equity-to-asset ratio	81.1%	72.7%	67.8%	-4.9pt
Interest-bearing debt dependency	2.9%	2.2%	2.5%	0.3%
Operating income ratio	9.8%	6.9%	8.7%	1.8pt
ROA (Ratio of ordinary income to total assets)	9.8%	6.4%	7.6%	1.2pt
ROE (Ratio of net income to shareholders' equity)	7.5%	4.6%	6.4%	1.8pt
EPS (yen)	79.74	49.24	66.02	16.79
BPS (yen)	1,067.64	1,066.24	996.76	-69.47
Payout ratio	77.8%	125.9%	93.9	-32.0pt

1 Summary of Financial Results for FY3/25

2 Details of Financial Results for FY3/25

3 Progress of Priority Strategies

4 Forecasts for FY3/26 and Mid-term Business Plan

5 Capital Management and Shareholder Returns



Five Priority Strategies

① Reinforcement of Sales Promotion Basis and Structure

② Enhancing Productivity

③ Expansion of Services from the Customer’s Perspective

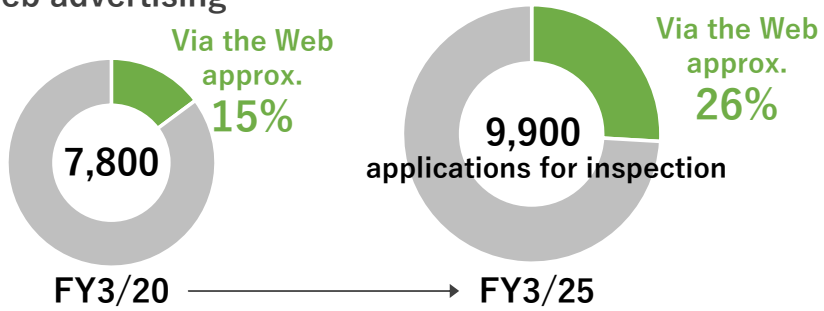
④ Development and Utilization of Human Capital

⑤ Contributing to Solving Social Issues through Our Business Activities

① Reinforcement of Sales Promotion Basis and Structure

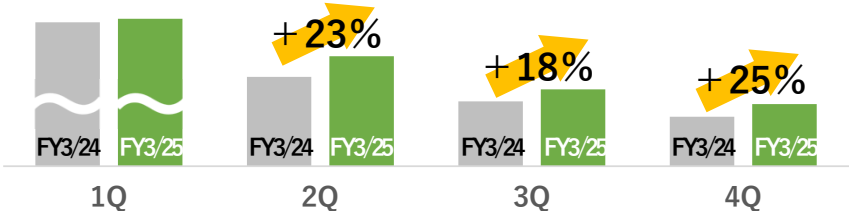
Marketing Advancement

- Steady growth in the number and share of applications for inspection via the web due to optimization of the website and strengthening of web advertising



- Increased number of applications for inspection in 2Q-4Q, when the need for termite control is latent, due to improved appeal

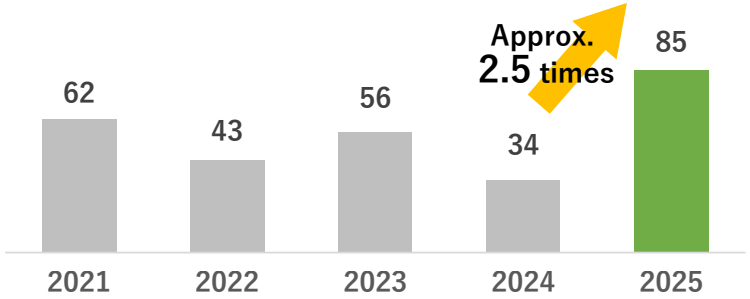
Applications for Inspection (Quarterly YoY)



Enhancement of PR activities

- Strengthen PR activities to spread awareness of our company and the need for TC
- Significant increase in TV, newspaper/magazine, and web media exposure

Number of Media Exposures



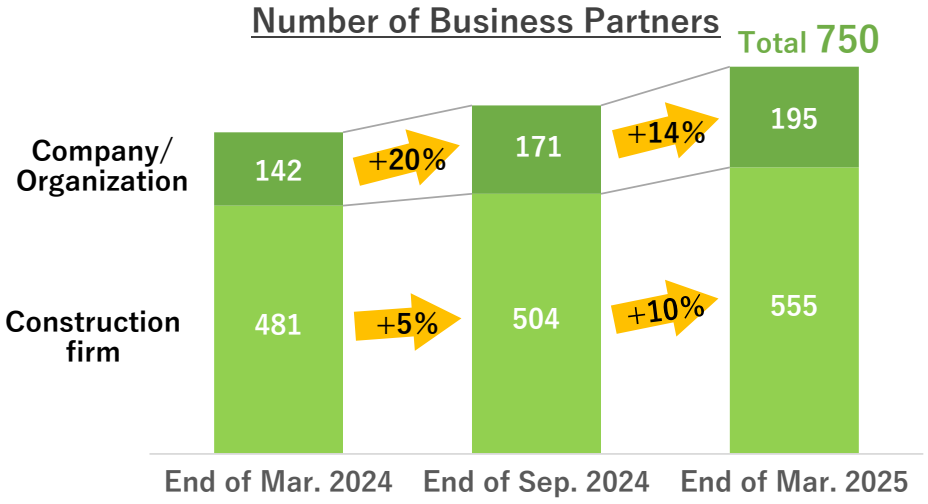
Major Initiatives

- Media caravans, promotions
- Distribution of news releases and newsletters
- Launch of new PR activities
- Utilization of existing PR assets
- Acquisition of naming rights

① Reinforcement of Sales Promotion Basis and Structure

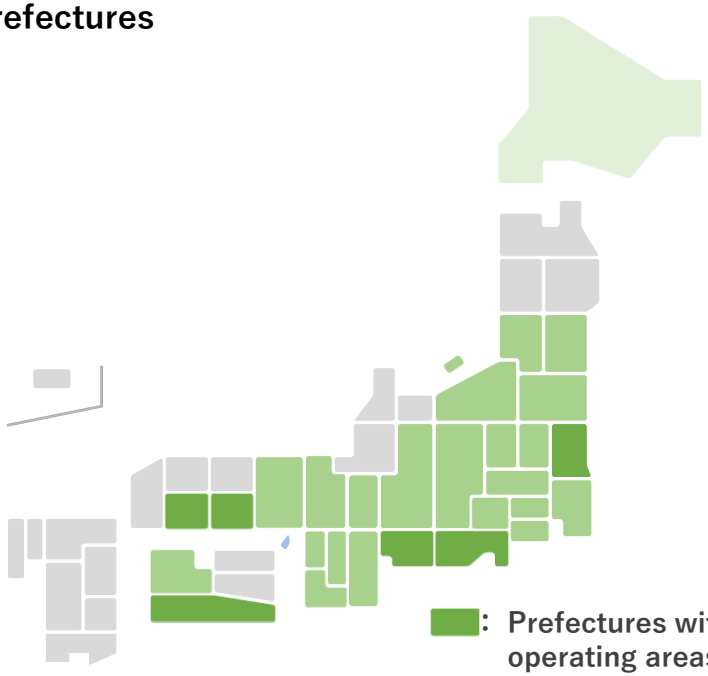
Expansion of business partners

- Establish a department dedicated to promoting corporate alliances in April 2024
- Steady increase in the number of business partners as the enhancement of the promotion system through continuous recruitment of human resources
- At the same time, focus on up-selling to existing business partners through sales promotions, etc.



Expansion of sales areas

- JA partnerships expanded in Ibaraki, Shizuoka, Aichi, Okayama, Hiroshima, and Kochi Prefectures
- Continued negotiations with JA to expand into new prefectures



② Enhancing Productivity / ③ Expansion of Services from the Customer's Perspective

Improve efficiency of sales activities

- Development of electronic map system for door-to-door sales completed
- Distributed tablets to sales staff and began using



  - Expansion of information management items related to door-to-door sales activities
  - Accelerate confirmation of customer information, activity reports, etc.
  - Improve efficiency of door-to-door sales through the use of customer data
  - Quantification of visitation activities and use for case studies (human resource development)

Review of business processes

- Conducted an inventory of sales-related operations using external resources and initiated a review of business processes
- Development of a system to reduce the time and improve the accuracy of contract documents at customers' homes is underway

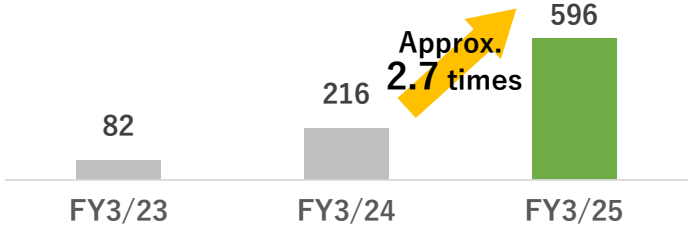
Expansion of areas handling pest and vermin control

- Improved the system for providing pest and vermin control services to individual customers and expanded the areas handled



- Increased the number of applications received for pest and vermin related products through proposals and sales promotions to existing customers in line with the expansion of the service area

Number of applications received for pest and vermin related products



④ Development and Utilization of Human Capital

Design a human resource system leading to increased employee satisfaction

- Enhancement of the personnel system and development of measures to improve job satisfaction

Major Initiatives

- Increase in sales office manager's allowance
- Review of sales incentives
- Introduction of scholarship repayment support system

- Increased motivation for career advancement by clarifying career paths for younger employees

Major Initiatives

- Creation of new positions for young staff
- Review of evaluation requirements

- Diversify working conditions and establish new job categories with different annual holidays and daily working hours

Efforts are beginning to produce results, and the number of applications for employment is currently on the rise

Strengthen training system for staff involved in sales and construction

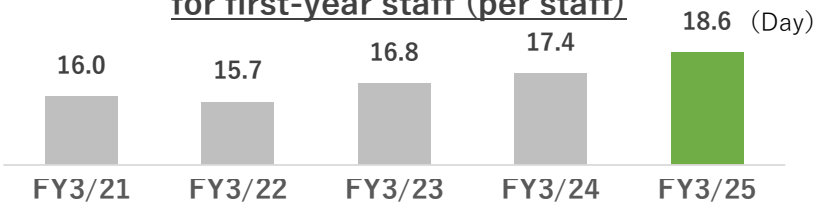
- Training for managers to improve the work environment and upgrade OJT training

Major Initiatives

- Ongoing management training for sales office managers and leaders
- Training for training personnel (OJT supervisors)

- Improvement of job satisfaction through skill enhancement and appropriate evaluation by expanding in-house skill tests
- Promoting early conversion to a competitive workforce and retention by enhancing training for first-year employees

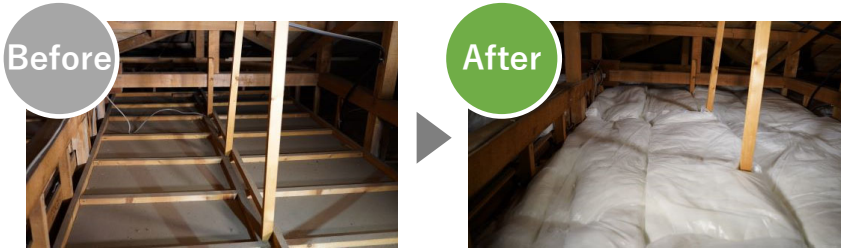
Number of days of training participation for first-year staff (per staff)



⑤ Contributing to Solving Social Issues through Our Business Activities

Expanding handling of energy-saving products

- Conducted training on installation procedures and sequentially expanded the area for handling ceiling insulation materials



- Performance testing of new energy-saving commercial products and services to extend the life of wooden houses

Window insulation



Resin repair of termite-damaged



Reduction of CO2 emissions from business activities

- Electric vehicles were introduced at two locations in Tokyo and operational verification began



- Steady decrease in Scope 1 and 2 due to energy-saving activities and promotion of eco-driving

(t-CO2)

	FY3/23	FY3/24	FY3/25
Scope1	3,743	3,652	3,521
Scope2	920	907	808

・Non-consolidated results

1 Summary of Financial Results for FY3/25

2 Details of Financial Results for FY3/25

3 Progress of Priority Strategies

4 Forecasts for FY3/26 and Mid-term Business Plan

5 Capital Management and Shareholder Returns



Profit and Loss, Cost of Sales and SG&A Expenses for FY3/26 Forecast

(Unit:Billion yen)	FY3/26 Forecast	YoY	
		Change	Change of ratio
Net sales	14.90	0.87	6.2%
Cost of sales	4.54	0.22	5.2%
Gross profit	10.35	0.65	6.7%
SG&A expenses	9.03	0.55	6.6%
Operating income	1.32	0.09	7.6%
Ordinary income	1.31	0.14	12.8%
Net income	0.82	0.13	19.2%

Breakdown of cost of sales

	FY3/26 Forecast	YoY	
		Change	Change of ratio
Material costs	1.93	0.09	5.2%
Labor costs	1.43	0.08	6.5%
Other cost of sales	1.16	0.04	3.5%

Breakdown of SG & A expenses

	FY3/26 Forecast	YoY	
		Change	Change of ratio
Personnel expenses	5.69	0.32	6.0%
Advertising expenses	0.60	0.08	15.9%
Other SG&A expenses	2.73	0.15	6.0%

Number of Staffs, Sales per Staff for FY3/26 Forecasts

	FY3/26 Forecast	YoY	
		Change	Change of ratio
Net Sales (Billion yen)	14.90	0.87	6.2%
Average number of staffs during the period	998	19	1.9%
Sales per staff (Thousand yen/month)	1,243	50	4.3%
Number of staffs at end of period	1,018	35	3.6%

＊ ”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 FY3/26 - FY3/28

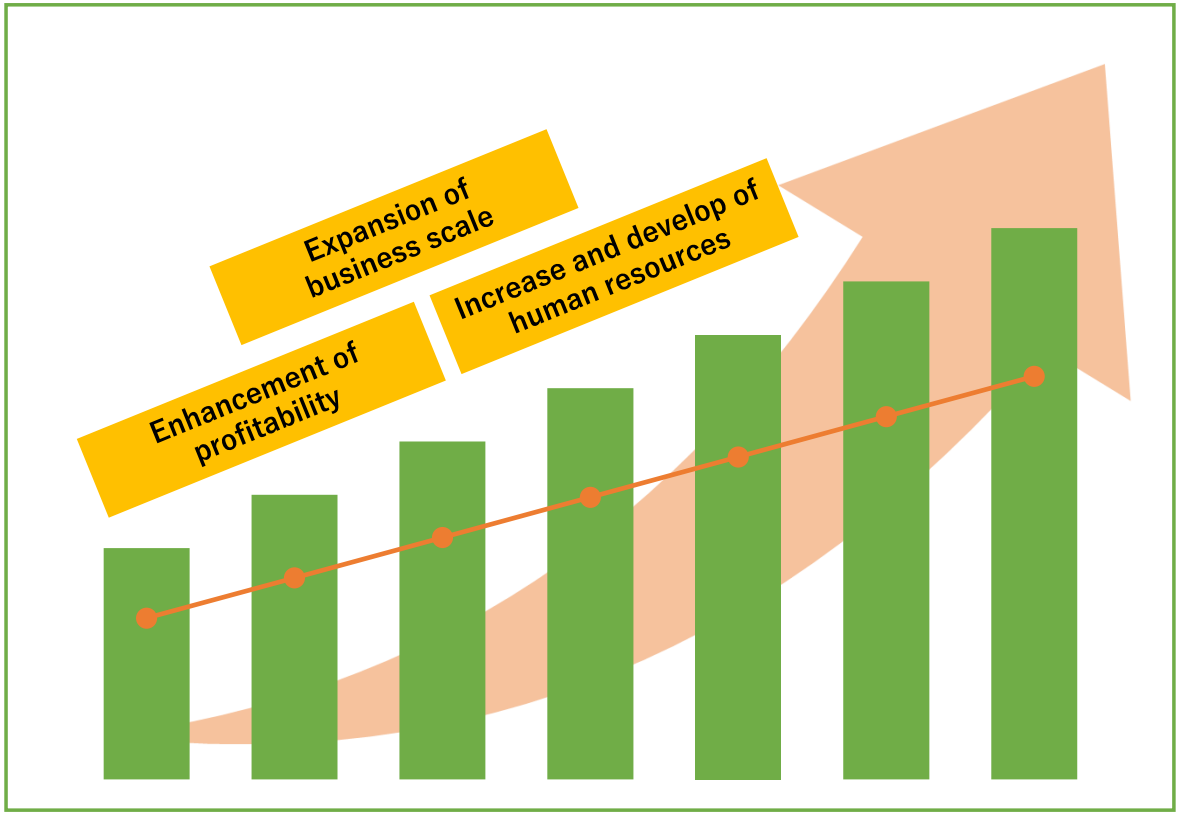
(Unit:Billion yen)	FY3/25 Results	FY3/26 Forecast	FY3/27 Plan	FY3/28 Plan	FY3/28 Change (Compared to FY3/25)	
Net Sales	14.02	14.90	15.52	16.02	1.99	14.2%
Operating Income	1.22	1.32	1.63	1.81	0.58	47.6%
Operating Income Ratio	8.7%	8.9%	10.5%	11.3%	2.6pt	-
Net Income	0.68	0.82	1.03	1.16	0.47	68.6%
Net Income Ratio	4.9%	5.5%	6.6%	7.2%	2.3pt	-

Growth Image

5 priority strategies

- Reinforcement of Sales Promotion Basis and Structure
- Enhancing Productivity
- Expansion of Services from the Customer's Perspective
- Development and Utilization of Human Capital
- Contributing to Solving Social Issues through Our Business Activities

Increase in Corporate Value



1 Summary of Financial Results for FY3/25

2 Details of Financial Results for FY3/25

3 Progress of Priority Strategies

4 Forecasts for FY3/26 and Mid-term Business Plan

5 Capital Management and Shareholder Returns



Recognition of the 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 FY3/25 is 6.4% (Improved 2.2 points YoY)
- Increase in corporate value, aiming to secure higher level of return on capital

Trends in Indicators

	FY3/21	FY3/22	FY3/23	FY3/24	FY3/25
Cost of Shareholders' Equity (based on CAPM)	Estimated at 4-5%				
ROE	9.1%	5.0%	7.5%	4.6%	6.4%
PBR (times)	1.7	1.4	1.5	1.6	1.6

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

Policy on Initiatives

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

Medium- to Long-Term ROE Targets

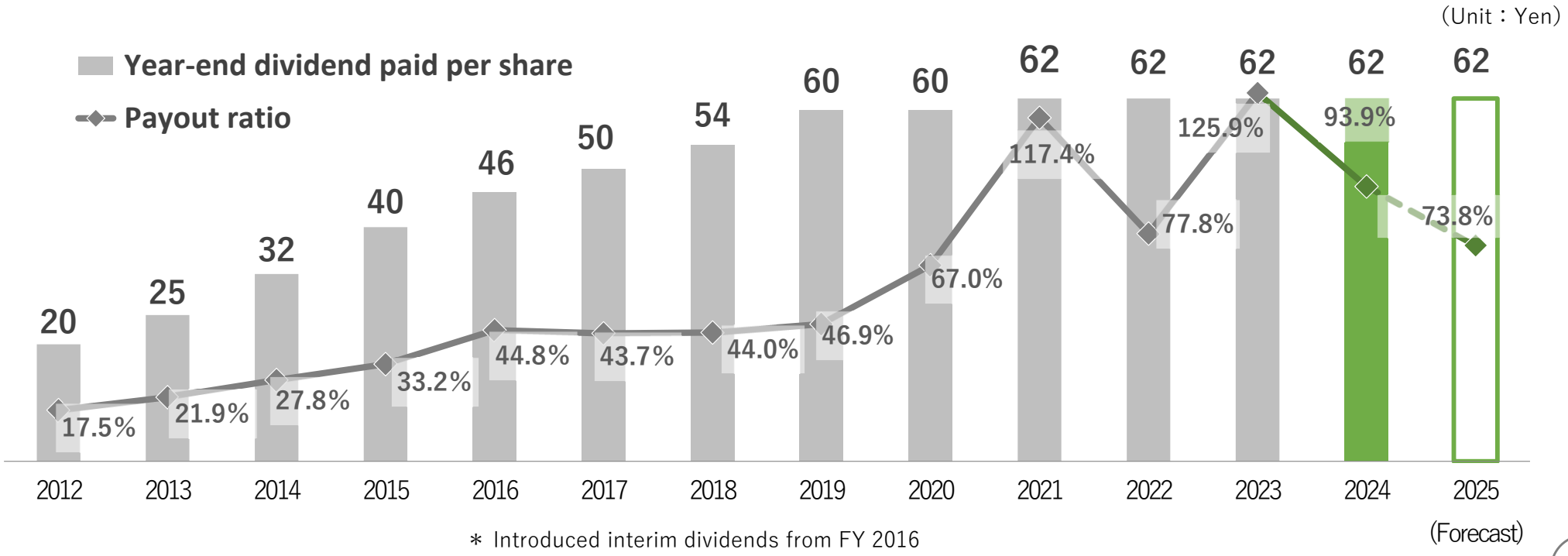
Enhancing corporate value and aiming for ROE of 10% or more in the medium to long term

Dividend Forecast

Dividend forecast for FY3/26

62 yen per share for the full year
(31 yen for interim and 31 yen for year-end)

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



＊ Introduced interim dividends from FY 2016

Appendix

- Overview ・・・ 36
- Sustainability ・・・ 41
- Industry ・・・ 42
- Business Model ・・・ 45
- Education ・・・ 48
- Compliance ・・・ 49
- Termites ・・・ 50
- Public Relations ・・・ 54



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

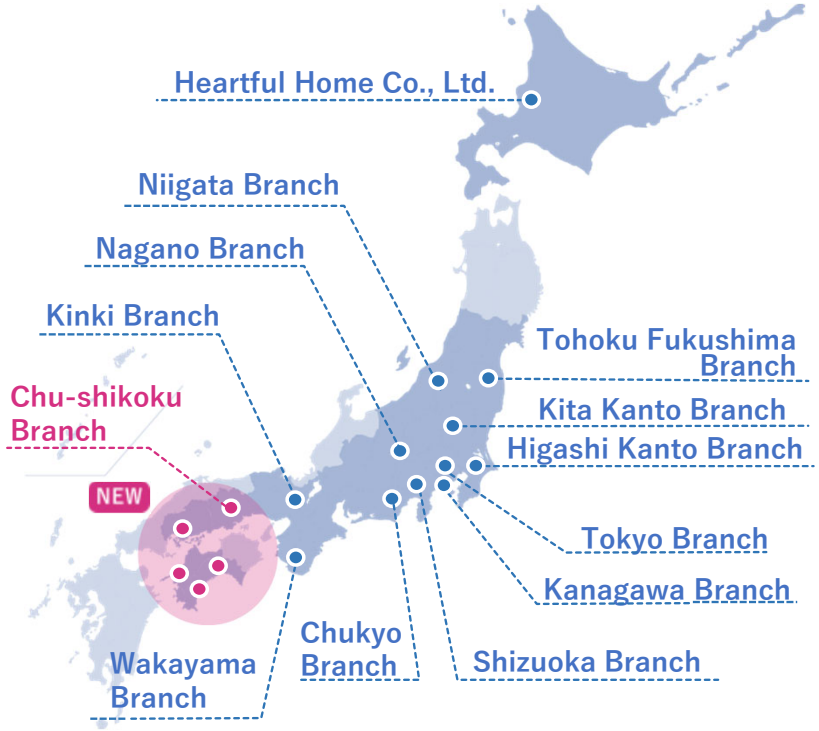
Overview

Name	Asante Incorporated
Trading Market	TSE Prime Section (Securities Code 6073)
Head Office	33-15, Shinjuku 1-Chome, Shinjuku-ku, Tokyo
Main Phone Number	03-3226-5511
Since	1970
Established	1973
Capital Stock	1.1 billion yen
Directors	・**Representative** Sei Miyauchi ・**Senior Managing Director** Masami Iishiba ・**Managing Director** Yoshiyuki Nakao ・**Director** Yoshimitsu Ishigami ・**Director** Tetsuji Hamazato ・**Director** Shungo Matsuo ・**Director(Outside)** Toshiya Natori ・**Director(Outside)** Michiaki Tanaka ・**Director(Outside)** Naoko Omura ・**Full-time Auditor** Takashi Miyachi ・**Auditor (Outside)** Shinichi Takano ・**Auditor (Outside)** Yoshihisa Uchida

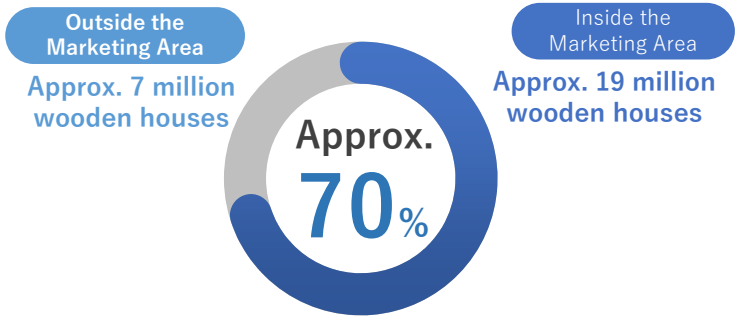
Number of Employees	983 (Consolidated) (End of FY3/25)
Net Sales	14.0 billion yen(Consolidated) (FY3/25)
Group Companies	• **Heartful Home Co., Ltd.** (Consolidated : Investment Ratio 100%) • **Human Green Service Co., Ltd.** (Non-consolidated)
Main Banks	MUFG Bank, Ltd.
Licenses and Permits	・**General Construction Business License** Licensed by the Minister of Land, Infrastructure, Transport and Tourism(Permit No. 16221, Category: Building and Electrical Work, General-2) ・**First-Class Architect Office Registration** Registered by the Governor of Tokyo(Registration No. 39895) ・**Poisonous and Deleterious Substances Retail License** Registration No. 4Shinhoyaku-392 ・**Pest Control Business Registration (Rats and Insects in Buildings)** Tokyo: Registration No. 2-Ne-223 Aichi: Registration No. 16-Ne-4
Memberships	• **Japan Direct Selling Association** • **Japan Termite Control Association** • **Japan Wood Protection Association** • **Japan Pest Control Association** • **Japan Institute of Insect and Microbial Damage to Cultural Properties**

Marketing Area

82 locations in 28 prefectures



1 Covering approximately 70% of detached wooden houses in Japan



2 Expanding our Marketing Area in Western Japan

Aiming for nationwide expansion, we have established five new sales offices in Western Japan since 2021.

(Nanyo Sales Office, Shimanto Sales Office, Okayama Sales Office, Hiroshima Sales Office, and Kochi Sales Office)

Company History

1970
Started business as Sanyo Sanitation in Fuchu City, Tokyo

1973
Reformed into a stock company and launched as Sanyo Sanitation Co., Ltd.

1979
Entered into cooperation agreement with Fujieda Agricultural Cooperative, Shizuoka(first business agreement with JA*)

1986
Established TS Business Department

1990
Established Mikkabi Comprehensive Training Center in Shizuoka



1994
Emphasized Corporate Identity and company name was changed to Asante Incorporated

1996
Started CS (Customer Satisfaction) operations

2002
Established Inawashiro Comprehensive Training Center in Fukushima



2006
Introduced termite detection dog



2010
Introduced bedbug detection dog



2013
Listed on Tokyo Stock Exchange Second Section



2014
Listed on Tokyo Stock Exchange First Section



2020
Acquired Heartful Home Co., Ltd.

2022
Listed on Tokyo Stock Exchange Prime Section



2023
Entered into business alliance with Advantage Advisors Co., Ltd.

Started handling New Product

2002 Housing Reinforcement | 2005 Repair housing foundations | 2019 Highly Heat Insulate Construction

Business Contents

1 Termite Control

Prevention and extermination of termites



2 Anti-humidity Measures

Prevention of rot, mold and termites



3 Anti-earthquake Measures

Repair of the basic concrete

Reinforcement for the wood junction



4 Maintain Measures

Housing renovation, new building construction, Seismic retrofit, Installation of heat insulator

5 Ecological Measures

Construction of photovoltaic power system

6 Pest control

Prevention and extermination of harmful insects (like cockroach, tick, bedbug, bee, etc.)

7 Anti-harmful Animal Measures

Prevention and extermination of harmful animals (like rat, dove, etc.)

8 Sanitary Measures

Sterilization of hospital facilities, etc.

Sustainability Initiatives

Basic policy

Based on our Corporate Philosophy of “Protecting People, Houses and Forests by Fostering our own People and Technology“ we are committed to addressing various social challenges through our business activities and contributing to the realization of a sustainable society, while striving to enhance our corporate value.。

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



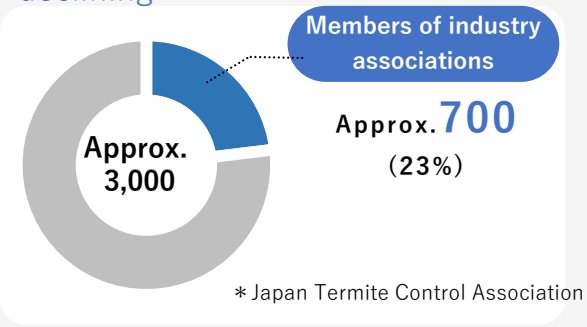
- Enhancement of Corporate Governance System
- Enhancement of compliance management system and education system

Market Trends

Growth Potential and Opportunities for Market Share Expansion in the Termite Control Industry

Number of TC industry workers

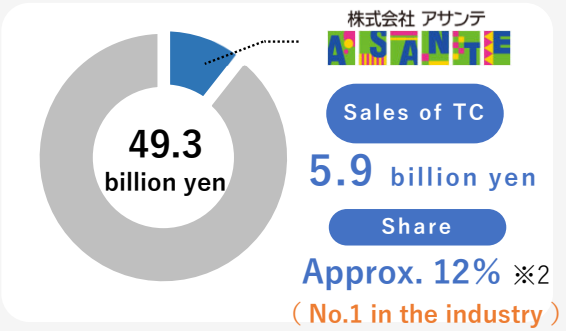
- Approx. 3,000 companies industry-wide
- Approx. 700 companies are members of industry associations
- High percentage of small enterprises
- The number of vendors is slowly declining



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

Sales of termite control

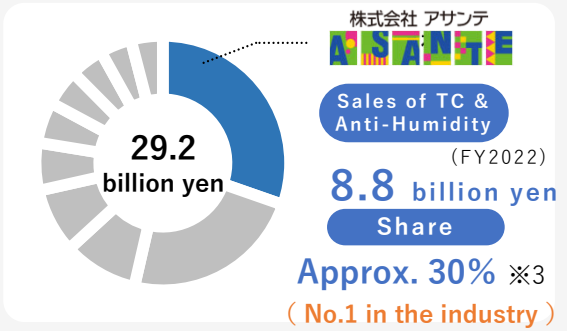
- Industry-wide sales of TC total 49.3 billion yen (TC only, Estimated for FY2022) ※1
- Many companies mainly subcontract work to housing manufacturers, etc.



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

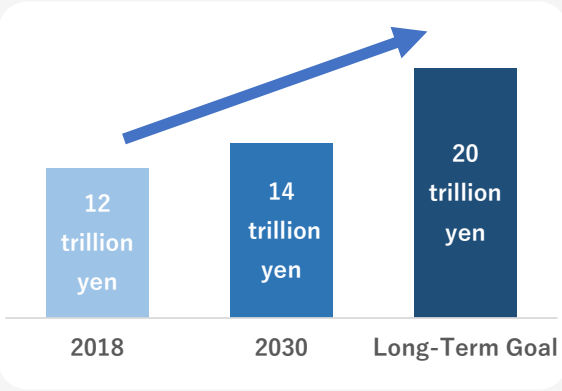
※1 Reference: Yano Research Institute Ltd. “2024 Edition: PCO/TCO/Fumigation Services Market Realities and Mid-term Prospects”
※2 Calculated by the Company based on data from Yano Research Institute Ltd. ※3 Estimated by the Company based on ※1 and information obtained by the Company

Supportive Housing Policies and a Large Stock of Residential Properties

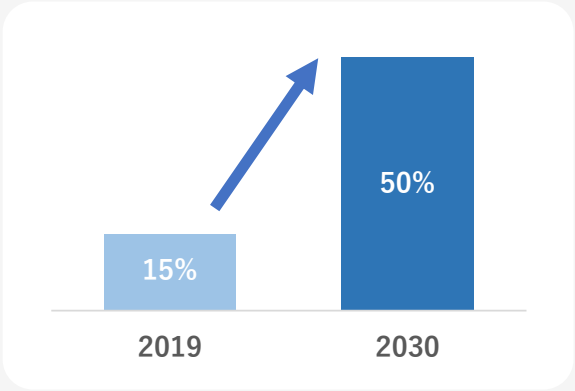
Housing Policies

Promotion of extending the life of existing houses and formation of high-quality housing stock based on the Housing Life Master Plan

Market Size of Existing Home Sales and Renovation

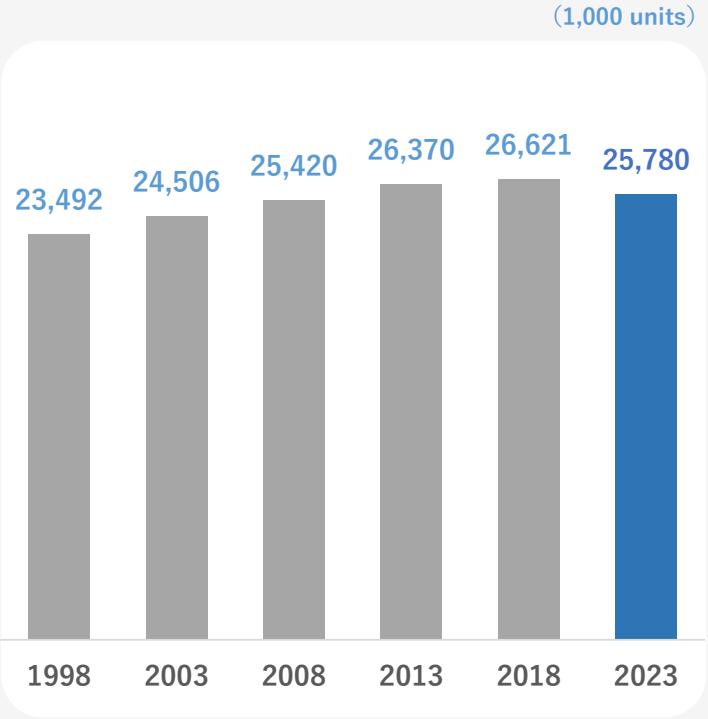


Proportion of Existing Home Transactions



Key Performance Indicators from the Housing Life Master Plan (Excerpt)

Trends in the Number of Wooden Houses (Nationwide)



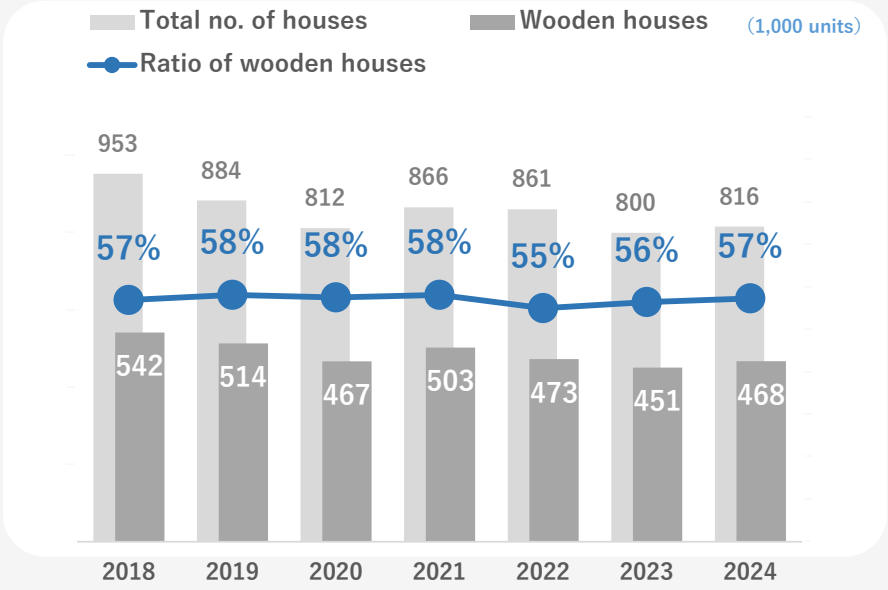
Reference: Statistics Bureau of Japan, Housing and Land Survey

Number of New Housing Starts and Intentions Regarding Wooden Houses

Stable number of new housing starts and strong preference for wooden detached houses

Changes in ratio of wooden house for the number of new housing starts

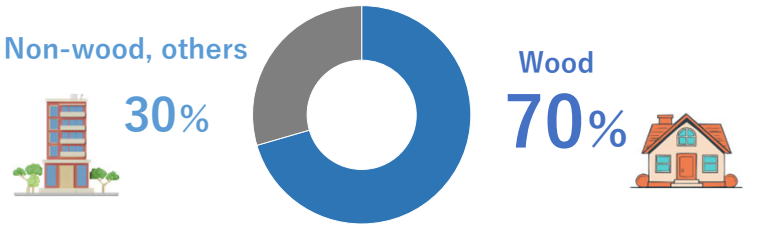
Ratio of wooden houses to new housing is stable



Reference: Ministry of Land, Infrastructure, Transport and Tourism (MLIT)

Intentions regarding wooden houses

Q What kind of houses do you want to choose when you build or buy a new house?



Reference : “Public Opinion Survey on the Forest and Life” (2023 Cabinet Office)

expect

The number of wooden houses targeted by our company is supported by the following factors, and we expect it to maintain a substantial scale in the future.

1. Huge number of wooden house stock of approximately 26 million units
2. Housing policies for longer lifespan and stock formation
3. Stable Supply of New Wooden Houses

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/ Application

We offer inspections through home visits, customer applications, and referrals.



Inspection

Inspection is conducted by entering directly under the floor



Report / Suggestion

Prepare a survey report, explaining and proposing necessary measures

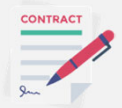


Contract

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

Head office

Confirmation of contract



"Thank You Calls"

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.

Repeat Contracts is proposed in the fifth 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.

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

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

Education system mainly through the training centers

Achieving high quality construction level and sufficient training system

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 〈FY3/24〉

Number of instructors at the training center	9
Annual training participants	1,827
Number of trainings held	662
Number of days of training participation for first-year employees	17.4
Qualified educational instructor of the JDSA (Japan Direct Selling Association)	59
Number of registered sales representatives for the JDSA	239

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

→



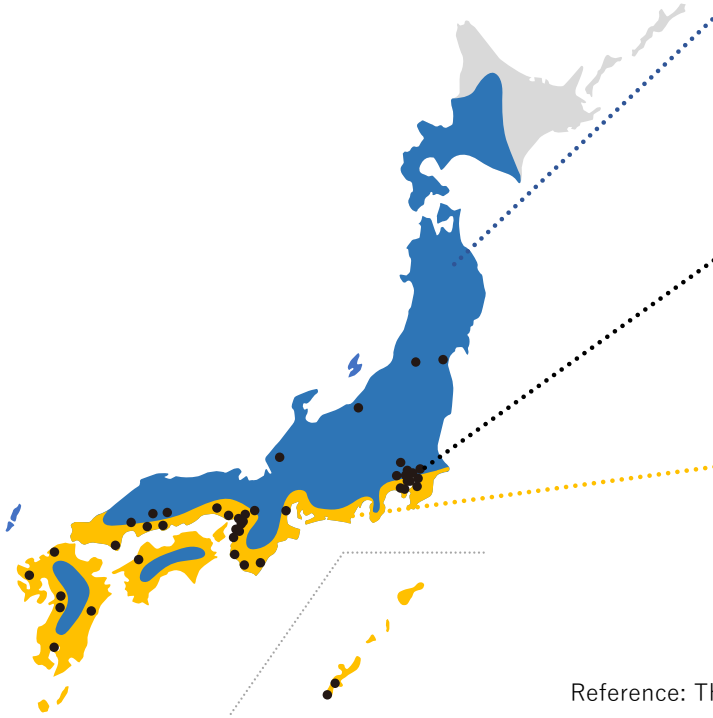
Improving customer Satisfaction



Enhancing trust and competitiveness

Distribution of Termites

Distribution of termites



Japanese subterranean termite — Habitat Area

Western dry-wood termite — Discovery Site

Formosan subterranean termite/ Japanese subterranean termite — Region of Coexistence

Reference: The Japan Termite Control Association, “Fundamental Knowledge on Termite Control and Rot Prevention”

Types of Termites

Major termite species that damage houses in Japan

Japanese subterranean termite



Worker



Soldier

- The most common termite species in Japan, distributed throughout the country except for northern Hokkaido.
- It damages moist wood, typically inhabits under floors, and the damage is often concentrated in water-related areas such as bathrooms, washrooms, and kitchens.
- The rate of damage is relatively slow.

Formosan subterranean termite



Worker



Soldier

- Found along the warm coastline west of Chiba, the Nansei Islands, and Ogasawara Islands.
- Damages even relatively dry wood, affecting the entire structure.
- Damage occurs rapidly and is severe.
- Listed by IUCN as one of the "100 Worst Invasive Alien Species."

Western dry-wood termite （invasive species）



Worker



Grainy Droppings

- Distributed across 24 prefectures from Miyagi to Okinawa, mainly in port towns.
- Damages dry wood, causing scattered damage that is difficult to detect.
- Excretes grain-like droppings from the infested wood.
- Damage occurs at a relatively slow rate.
- In the U.S., whole-house fumigation is used for control.

Swarm







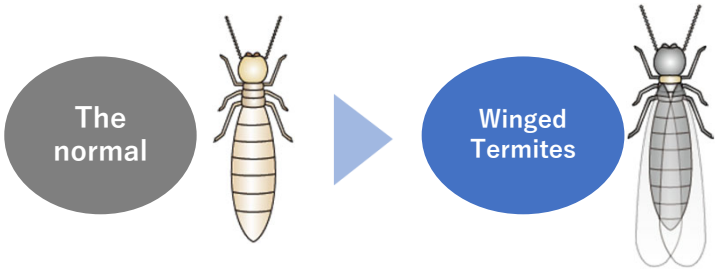
Winged termites floating in the bathtub



What is a swarm?

- Termites, after maturing, become winged and swarm from their nests for reproduction on humid days following rain from April to June.
- Many people realize they have a termite infestation when they see large numbers of winged termites, leading to frequent inquiries.

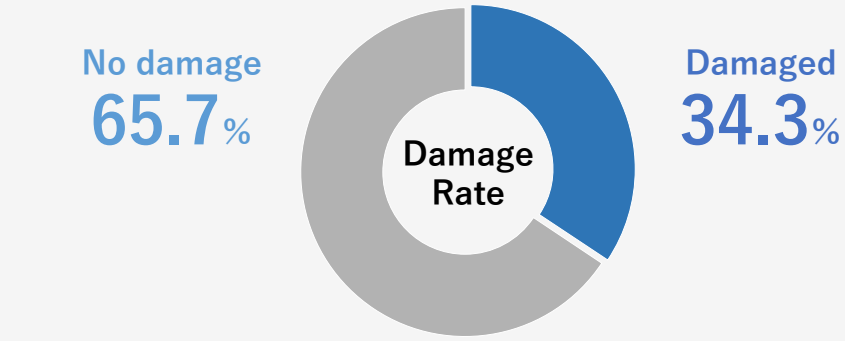
The process of change



Risk of Termites damage

Statistical Survey on Termite Damage

Approximately 1 in 3 houses is affected by termite damage.



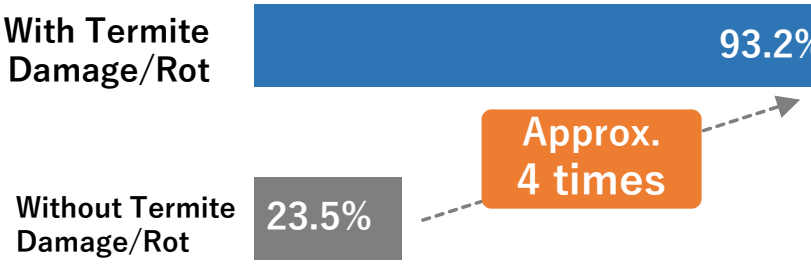
Reference ： Termite Damage Survey Report (FY2001) by the Japan Termite Control Association





Statistical Survey from the Great Hanshin-Awaji Earthquake

- Over 90% of houses with termite damage or decay were completely destroyed.
- Approximately 4 times higher than houses without damage or decay.



Reference ：Report by the Japan Housing and Wood Technology Center (Foundation)

Progressing termite damage weakens foundations and columns, increasing collapse risk.

Public Relations and Sponsor-ship

Termite Warning

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



Sponsor-ship

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





©KAWASAKI FRONTALE

TV CM

- Broadcast every year from April to June, mainly in the marketing area.
- It comically communicates the need for termite control and gives the impression that “Termite control is about ASANTE”.









Detection Dog Team “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 detect only 40–60% of bed bugs, scent detection achieves a high accuracy of around 98%.
- Able to detect even a few bed bugs.

Training Scene



Detection Dog Team “Kunkuns”

Main Activities

Inspection



Participation in events



Media exposure

TV

“Live News it!” (Fuji TV in July 2024 and March 2025)
“Good! Morning” (TV Asahi in February 2025)

WEB

“@DIME” (October 2024)
“Yahoo! News” (January 2025)

What is a bed bug ?

- Bed bugs are blood-sucking insects. Adults are about 5–8 mm in length, and nymphs are around 1–2 mm.
- During the day, they hide in gaps in bedding, electronics, and other narrow spaces, and become active at night. Their bites can cause intense itching (which varies by individual), often leading to stress.
- It is believed that bed bugs were brought into Japan via suitcases and belongings of international travelers.





Wood Culture Inheritance Project



Preserve historic wooden buildings

Preserve the culture of enjoying the four seasons

Building on over 50 years of expertise, we help preserve shrines, temples, cultural properties, and famous cherry blossom sites—regional treasures and key tourism assets. Through these efforts, we pass on Japan's proud wood culture to future generations.

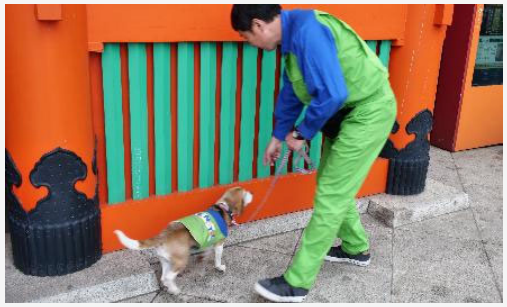
Press Conference for Project Launch (March 12, 2025)



Representative：Sei Miyauchi



Demonstration by Termite detection dogs



Inspection of the Zuishinmon Gate by Termite detection dogs

Wood Culture Inheritance Project

- Preservation of shrines, temples, and wooden cultural properties through termite control treatments
- Protection of famous cherry blossom sites by eradicating the red-necked longhorn beetle, which damages cherry trees

Shinto Shrines and Buddhist Temples





cultural properties





Preservation of Cherry Trees





Scenes from our termite control treatments for shrines, temples, and traditional wooden buildings, as well as our efforts to eradicate red-necked longhorn beetles from cherry trees.

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

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.

This document has been translated from the Japanese original for reference purposes only.

In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail