Asante Incorporated

Financial Results for the Second Quarter (Interim Period) Ended September 30, 2024

November 7, 2024

TSE Prime Section Securities Code 6073

Contents

Financial Results for FY3/25 1H

Financial Results for FY3/25 1H

(Unit:Billion yen)	FY3/25 1H		YoY		Forecast	
	Results	Composition ratio	Change	Change of ratio	Change	Achievement Ratio
Net sales	7.84	-	0.22	3.0%	-0.03	99.6%
Operating income	1.15	14.7%	0.28	32.6%	0.05	104.8%
Ordinary income	1.09	13.9%	0.19	21.1%	0.03	103.2%
Net income attributable to owners of parent	0.71	9.1%	0.13	23.1%	0.02	103.0%

Financial Results for FY3/25（1Q・2Q）

(Unit:Billion yen)		FY3/25	YoY	
		Results	Change	Change of ratio
1Q	Net Sales	4.27	0.03	0.9%
	Operating income	0.74	0.09	13.9%
	Operating income ratio	17.4%	2.0pt	–
2Q	Net Sales	3.57	0.19	5.7%
	Operating income	0.40	0.19	88.5%
	Operating income ratio	11.5%	5.0pt	–

- **1 Q**

Net Sales

- **Slight increase** mainly due to higher renewal TC sales

Operating income

- **Increase** due to higher sales of termite control and the effect of price revisions for some services implemented in July 2023, etc

- **2 Q**

Net Sales

- **Increase** due to higher sales of termite control and Anti-earthquake measures

Operating income

- **Increase** in profit due to increase in top-line sales

Ratios to Estimates for FY3/25

(Unit:Billion yen)	FY3/25 1H		FY3/25 Full-year	
	Results	Composition ratio	Forecasts	Progress Ratio
Net Sales	7.84	-	14.27	55.0%
Operating Income	1.15	14.7%	1.42	81.2%
Ordinary income	1.09	13.9%	1.37	79.8%
Net income attributable to owners of parent	0.71	9.1%	0.84	84.6%

Net Sales by Service for FY3/25 1H

(Unit:Billion yen)	FY3/25 1H		YoY	
	Results	Composition ratio	Change	Change of ratio
Net sales	7.84	-	0.22	3.0%
Termite control	3.62	46.2%	0.14	4.1%
Anti-humidity measures	1.65	21.1%	-0.01	-1.0%
Anti-earthquake measures	1.71	21.9%	0.07	4.5%
Others	0.85	10.8%	0.02	3.6%

- **Termite control（Increase）**
  - 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（Remained unchanged）**
- **Anti-earthquake measures (Increase)**
  - Customers‘ awareness of disaster prevention has increased since the announcement of extra information on the Nankai Trough Earthquake
  - Strengthen sales to meet growing needs

Number of Staffs, Sales per Staff for FY3/25 1H

	FY3/25 1H	YoY	
		Change	Change of ratio
Net Sales (Billion yen)	**7.84**	**0.22**	**3.0%**
Average number of staffs during the period	**987**	**-38**	**-3.7%**
Sales per staff (Thousand yen/month)	**1,325**	**86**	**7.0%**
Number of staffs at end of period	**976**	**-39**	**-3.8%**

＊ ”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 for FY3/25 1H

(Unit:Billion yen)	FY3/25 1H	YoY	
		Change	Change of ratio
Net sales	7.84	0.22	3.0%
Cost of sales	2.28	-0.00	-0.3%
Material costs	0.98	0.00	0.8%
Labor costs	0.70	0.00	0.5%
Other cost of sales	0.59	-0.01	-3.1%
Gross profit	5.56	0.23	4.5%
SG&A expenses	4.41	-0.04	-1.0%
Personnel expenses	2.74	-0.08	-2.8%
Advertising expenses	0.36	0.03	11.7%
Other SG&A expenses	1.30	-0.00	-0.3%
Operating income	1.15	0.28	32.6%

Cost of sales

Material costs

- Unchanged from the previous year
- Material cost ratio decreased 0.3 pt. YoY to 12.5%

Labor costs

- Unchanged from the previous year

SG&A expenses

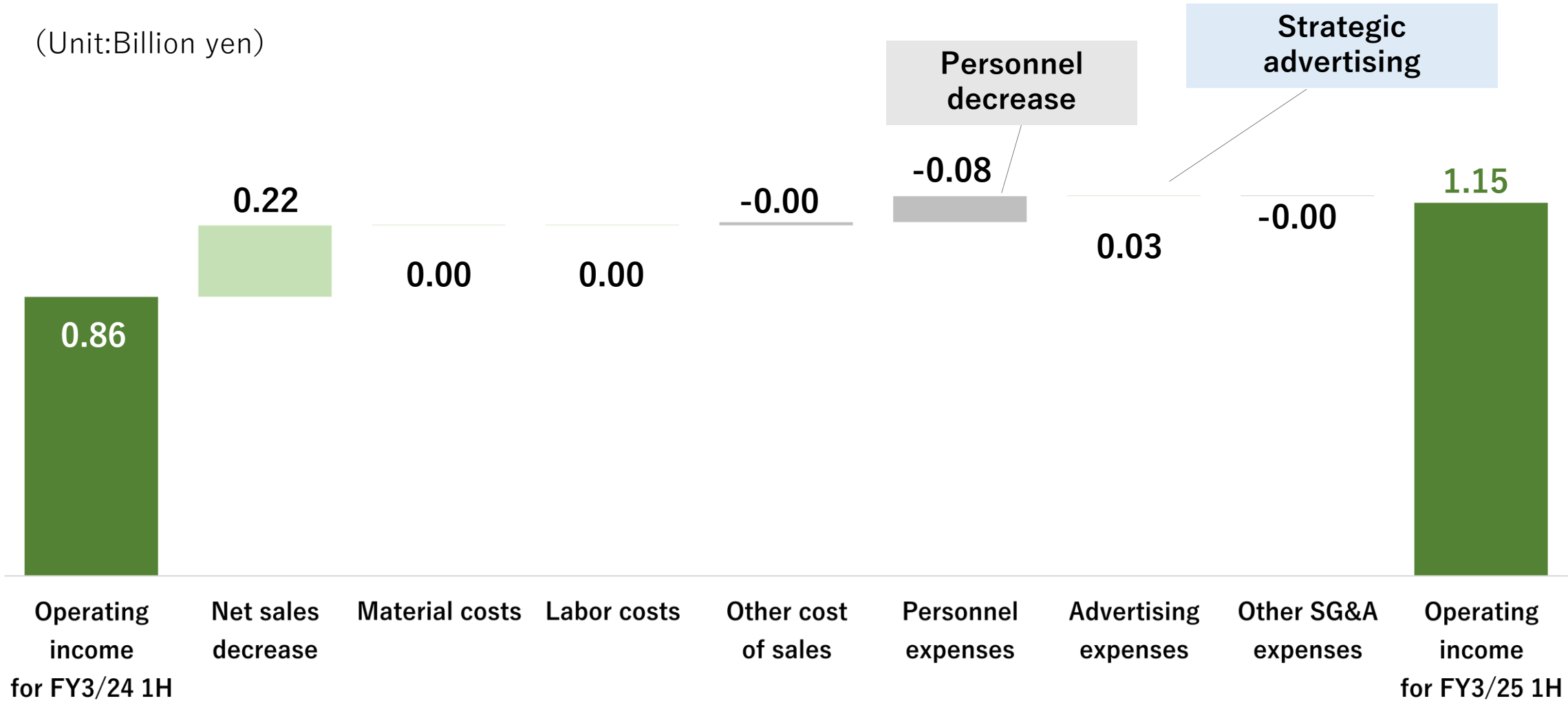
Personnel expenses

- Decrease in personnel (Sales incentives increased due to higher sales per staff)
- Decrease in retirement benefit expenses

Advertising expenses

- Increase due to strategic advertising
- Advertising expense ratio increased 0.4 pt. YoY to 4.7%

Analysis of Increase/Decrease in Operating Income for FY3/25 1H



Balance Sheet

(Unit:Billion yen)	FY3/24	FY3/25 1H	YoY Change	Main Factors for Changes	
Current Assets	11.06	11.79	0.72	Cash and deposits	0.75
Non-current Assets	5.04	5.05	0.01		
Deferred assets	0.01	0.01	-0.00		
Total Assets	16.12	16.86	0.73		
Current Liabilities	1.95	2.23	0.27	Accrued income taxes	0.23
Non-current Liabilities	2.42	2.51	0.08	Long term loan payable	0.06
Total Liabilities	4.38	4.74	0.36		
Total Net Assets	11.74	12.12	0.37	Retained earnings	0.36

Retained earnings

(Unit:Billion yen)	FY3/24 1H	FY3/25 1H	Main Factors	
Cash Flows from Operating Activities	0.62	1.05	Net income before income taxes Payments of income taxes	1.09 -0.14
Cash Flows from Investing Activities	-0.02	-0.03		
Free Cash Flows	0.60	1.02		
Cash Flows from Financing Activities	-0.32	-0.27	Payments of Dividends	-0.34
Cash and Cash Equivalents at End of Period	6.93	9.47		

Progress of Priority Strategies and Policies for Future Initiatives

Five Priority Strategies

Internal projects (PJ) in operation to promote priority strategies

① Reinforcement of Sales Promotion Basis and Structure

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

- WEB Marketing Enhancement PJ
- PR Promotion PJ
- Value Transfer Rationalization PJ
- Partner Expansion Project (PJ)
- M&A PJ

② Enhancing Productivity

Improvement of sales efficiency, Improvement of construction efficiency

- DX and Data Utilization PJ

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

- Human Resources Development PJ

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

Reinforcement of Sales Promotion Basis and Structure – Expansion of sales channels

Increase in the number of applications due to the results of advanced advertising

In the 2Q, when the need for TC is latent, applications were also received due to the effectiveness of web ads.

Major initiatives (progress)

- **Optimization of web ads**

  Optimize ad distribution, SEO, and expand use of SNS

- **Expand ads (newspaper inserts, TV CM, DM, etc.)**

  Aggressive advertising in the potential demand period (2Q) in addition to the actual demand period (1Q)

- **PR enhancement**

  Began strengthening PR to increase advertising effectiveness, including distribution of newsletters

Future initiatives： Improvement of ads, Expansion of advertising during the period of potential demand, and Enhancement of PR

Reinforcement of Sales Promotion Basis and Structure – Expansion of sales channels

Established new specialized department in April, and number of business partners increased

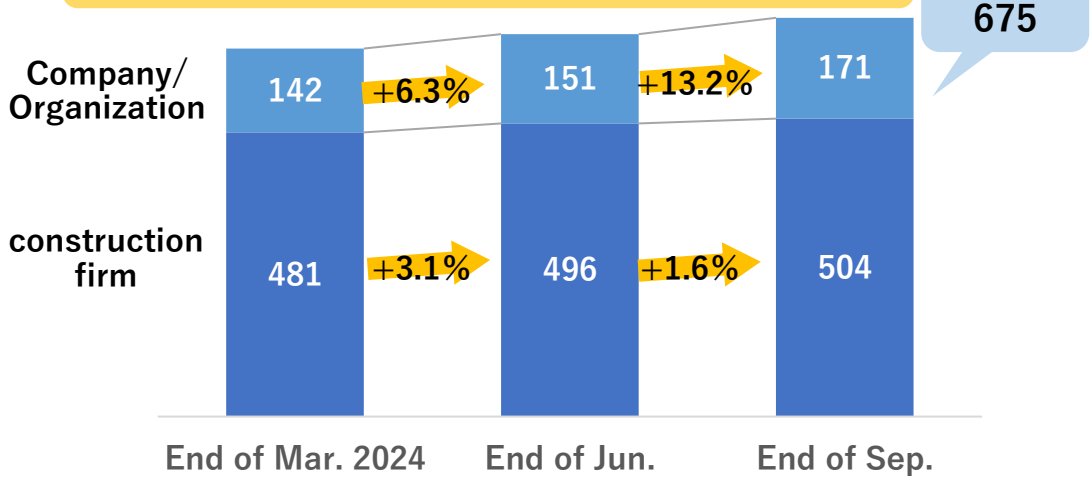
Strengthened relationships with existing partners and cultivated new partners

Major initiatives (progress)

- **Established new specialized department**
  - Staffing, increase through career hiring
- **Strengthened relationships with existing partners**
  - Revitalization of existing business partners through sales promotions, etc.
- **Cultivated new business partners**
  - Proactive approach to diverse industries

Number of Business Partners

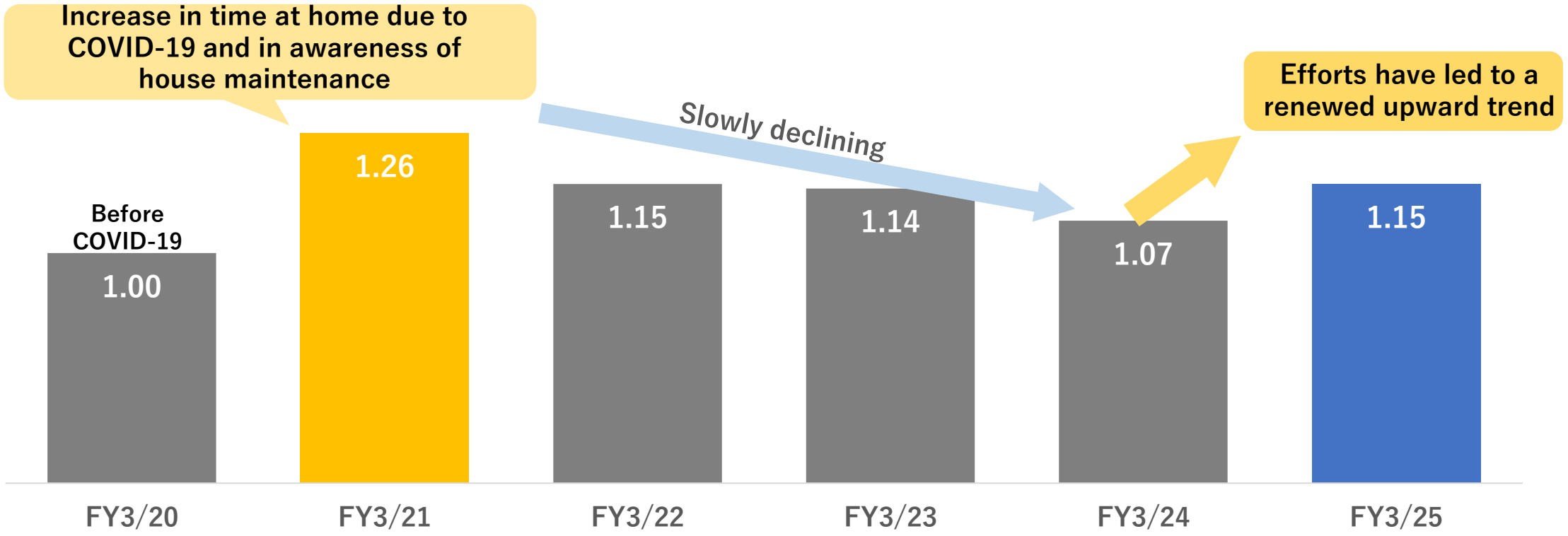
Steady increase in the number of business partners after the establishment of a specialized department



Future initiatives： Further strengthen the promotion structure and expand approaches to existing and new partners

Reinforcement of Sales Promotion Basis and Structure – Expansion of sales channels

Total number of applications for inspection（1H）



- Total number of applications for inspection：
  Number of inspections from all applications received by the Company, including those via advertising and via partners.
- Number of cases in FY 2019 as 1.00

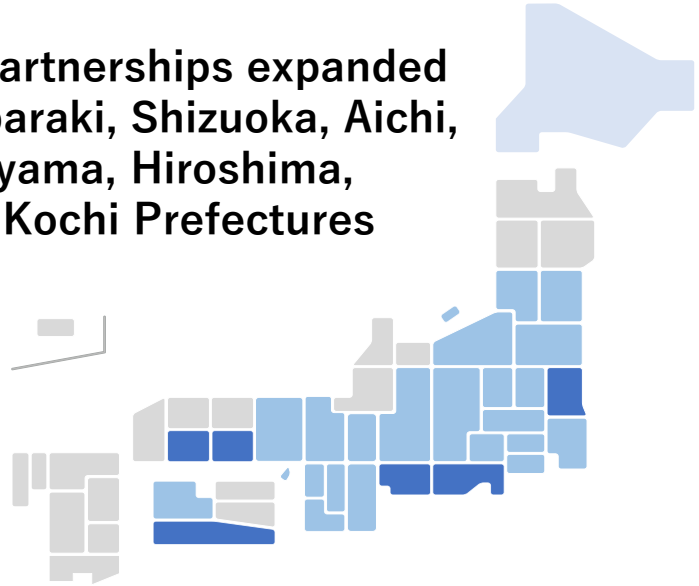
Reinforcement of Sales Promotion Basis and Structure – Expansion of sales areas, M&A

Partnership with JA expanded

Achieved new JA partnerships within existing areas

Major initiatives (progress)

- **JA partnerships expanded in Ibaraki, Shizuoka, Aichi, Okayama, Hiroshima, and Kochi Prefectures**



Future initiatives： Promote alliances with unaffiliated JAs in existing areas and develop new areas

Promote M&A initiatives

Working on concrete actions to realize

Major initiatives (progress)

- **Approaches to potential clients**

  Active approach to potential clients based on the list

- **Expansion of approach routes**

  Strengthen coordination with financial institutions, intermediaries, etc.

Future initiatives： Continuation of active approach, preparation for the materialization of projects

Enhancing Productivity

Expanding use of tablet devices

Launch of measures to improve efficiency of door-to-door sales

Major initiatives (progress)

- **Test introduction of electronic maps**

Selected electronic map system and installed in some areas

- **Use of Video Content**

Leveling of proposal capabilities through use of explanatory videos

Future initiatives： Deployment of electronic maps to all areas and improvement of sales efficiency by data utilization

Improving the efficiency of sales operations

Aiming for drastic operational efficiency by utilizing external resources

Major initiatives (progress)

- **Redesign of sales-related operations**

Use of external consultants to clarify points of efficiency improvement through digitalization, such as

- Improve efficiency of sales management
- Labor savings in sales-related operations
- Strengthening of compliance

Future initiatives： Steadily promote system development leading to increased productivity

Expansion of Services from the Customer's Perspective

Expansion of provision system for vermin and pest control

Expanded coverage area for individual customers

Major initiatives (progress)

- **Expansion of areas served for vermin and pest control**

  Expanding the area for vermin and pest control, for which needs are increasing

- **Acquisition of new customers through advertising for vermin and pest control**

  Strengthening customer attraction and forming a potential customer base for TC

Future initiatives： Establishment of a system for vermin and pest control throughout the sales area

Responding to diverse needs

Expansion of high value-added lineups

Major initiatives (progress)

- **Expansion of TC lineup in line with customer needs**

  Began handling natural products for TC in some areas

- **Research & Development of new services**

  Continued research on dealing with exotic species and on res-chemical construction methods

Future initiatives： Expand lineup and continue research and development to provide diverse value

Development and Utilization of Human Capital

Promote optimization of work environment

Improving work environment for greater job satisfaction

Major initiatives (progress)

- **Improvement of work environment**

Conduct periodic organizational improvement surveys and use the results to improve the work environment

- **Enhancement of skill certification system**

Expanding the content of the skills certification system to improve skills and motivation

Future initiatives： Redesign personnel evaluation system, enhance educational opportunities

Strengthening efforts to secure personnel

Implement measures to secure the number of new employees and promote retention

Major initiatives (progress)

- **Diversification of working conditions**

Increase the number of patterns of working conditions and create an environment for diverse human resources to perform actively

- **Management education**

Provide ongoing training for sales office managers who will be responsible for training others

Future initiatives： Strengthen recruitment and create an environment for a diverse workforce

Contributing to Solving Social Issues through Our Business Activities

Promote longevity and disaster mitigation of houses

Protecting the global environment through our business

Major initiatives (progress)

- **Expansion of sales structure for three main services**

  Expanding the sales structure of our services that contribute to extending the life of houses and reducing disasters

- **Reduction of CO2 emissions**

  Reduction of electricity and gasoline consumption through energy-saving activities and eco-driving

Future initiatives： Expand provision of main services and strengthen PR activities to raise awareness of the need for TC

Expanded handling of energy-saving products

Focus on expanding sales of services leading to energy savings

Major initiatives (progress)

- **Expansion of heat insulation-related product lineup**

  Expanded area for handling ceiling insulation (13 prefectures in total)

- **Developing services leading to house safety and environmental protection**

  Continued research and development of window insulation, repair materials for termite-damaged areas, etc.

Future initiatives： Expand sales and develop services in line with customer needs and our management philosophy

Initiatives to Enhance Corporate Value

ROE of 10% or more in the medium to long term

- **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

◆ TOB for own shares

- **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**
- **Announced on Aug. 20, Settlement completed on Oct. 11**

Tender Offer Period	: Aug. 21 to Sep. 18, 2024
Date of Settlement	: Oct. 11, 2024
Tender Offer Price	: 1,532 yen per share

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

Announced on May 8
(no revision)

(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%

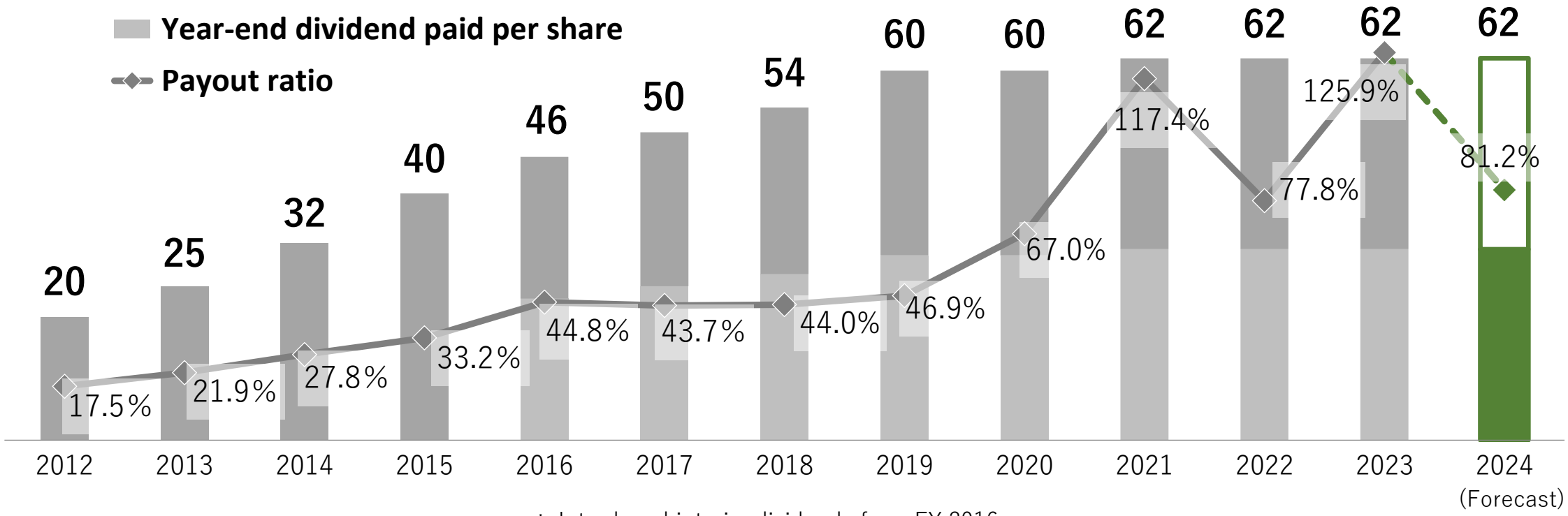
Breakdown of SG & A expenses

	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%

Dividend Forecast

Announced on May 8
(no revision)

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



＊ Introduced interim dividends from FY 2016

Appendix

- Overview
- Termites
- Industry
- 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

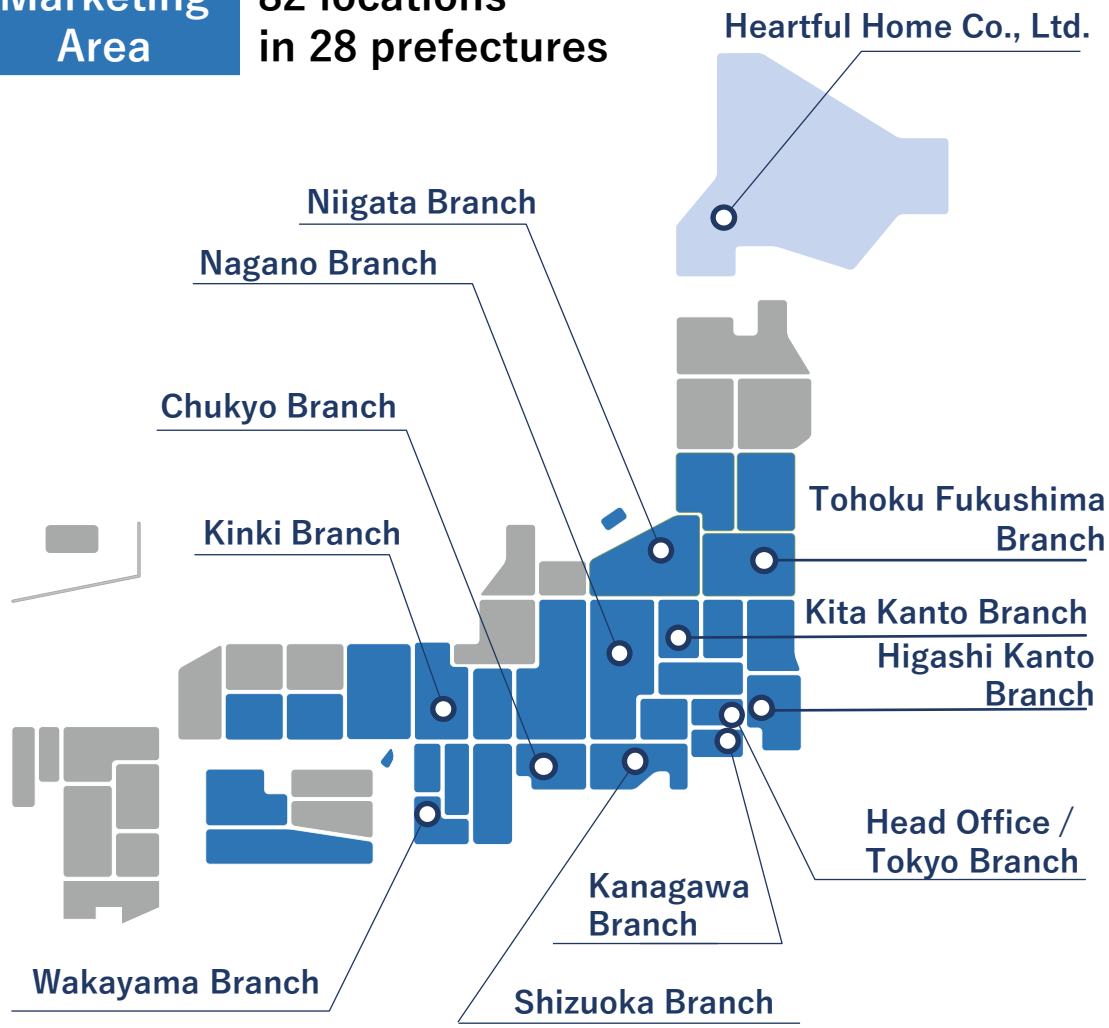
Through Extending the Life of Wooden Houses and Improving the Wellbeing of Employees, Protecting the Environment and Becoming the Most Trusted Company by our Customers and Society

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

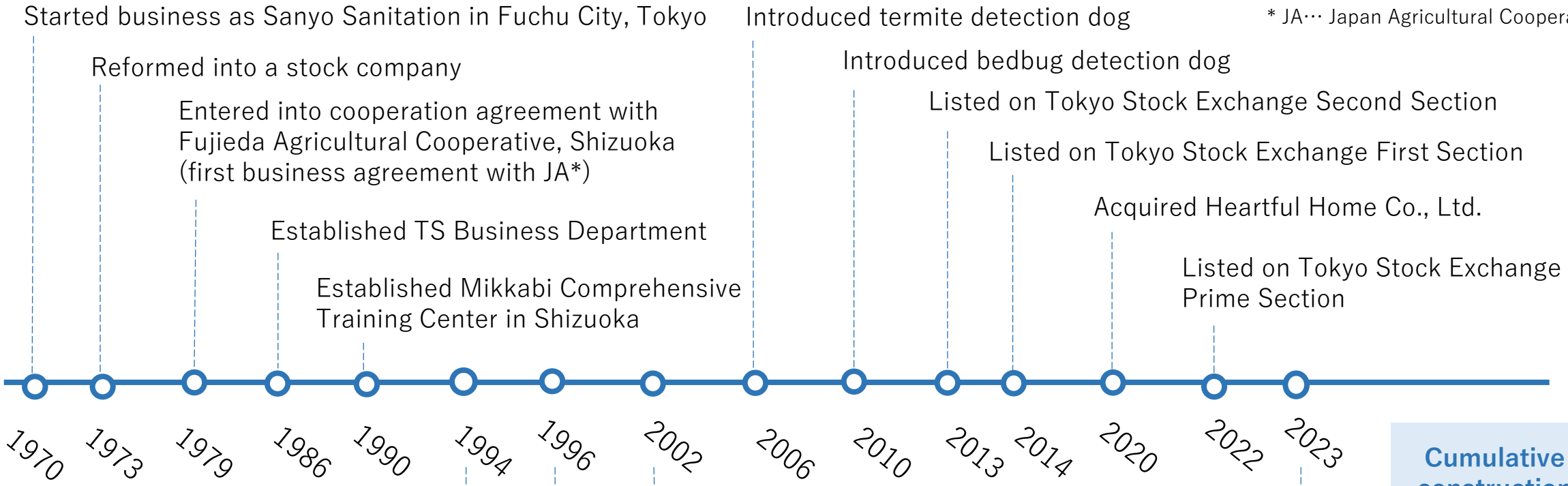
Name	Asante Incorporated
Head Office	33-15, Shinjuku 1-Chome, Shinjuku-ku, Tokyo
Representative	Sei Miyauchi
Since	May 1970
Established	September 1973
Trading Market	TSE Prime Section (Securities Code 6073)
Capital Stock	1.1 billion yen (End of FY3/24)
Number of Employees	998 (Consolidated) (End of FY3/24)
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 FY3/24)

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.

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

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.

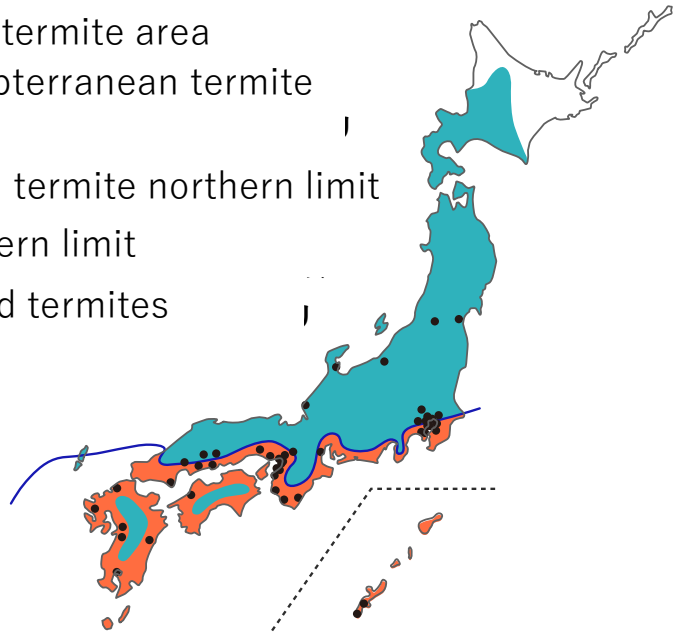
Japanese subterranean termite area

Formosan/Japanese subterranean termite mixed area

Formosan subterranean termite northern limit

Dry-wood termite northern limit

Spots Western dry-wood termites discovered

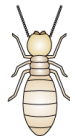


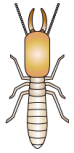
Reference: The Japan Termite Control Association, “Fundamental Knowledge on Termite Control and Rot Prevention” (Jan. 2021)

Typical termites damaging wooden houses

Japanese subterranean termite

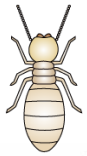
- Excluding some part of Hokkaido, they are distributed throughout Japan.
- Inhabits the subfloor and mainly attacks the building's subfloor materials.

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 

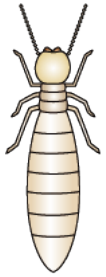
Soldier 

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

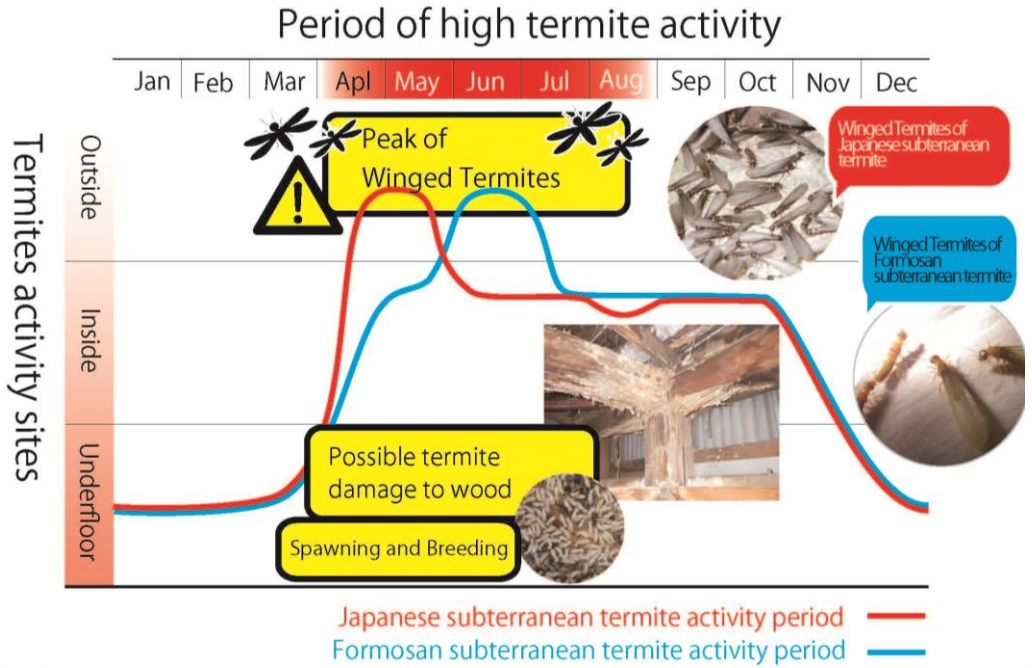
- The whole body turns black.
- wings are fragile and fall off easily.
- Four feathers are the same size

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.



Termites

Risk of Termites damage

Decreased durability of houses due to termites and moisture damage

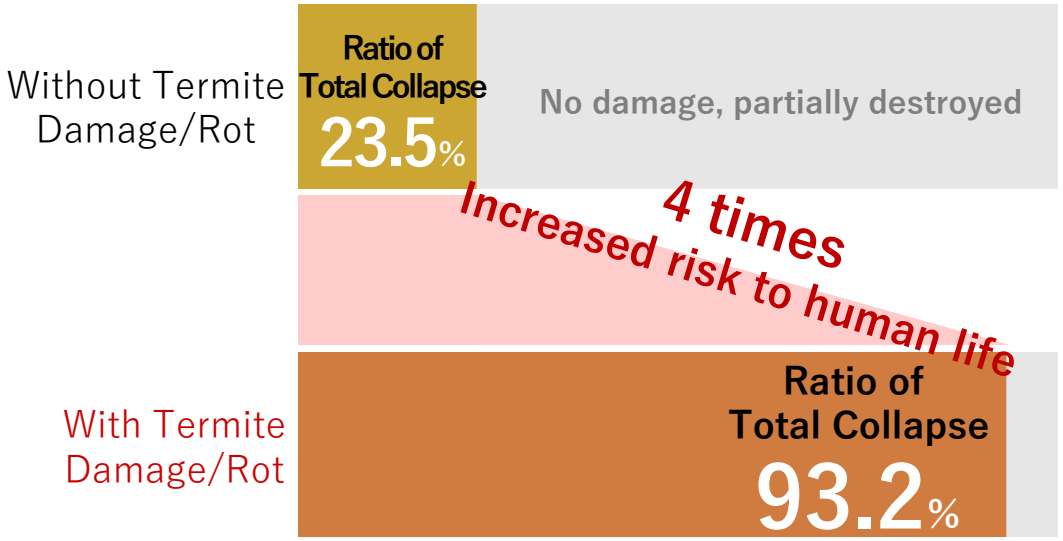
- Progressive termite and moisture damage reduces the wood's resistance.
- Pillars and foundations with lowered bearing capacity are at increased risk of not being able to withstand large forces such as earthquakes.


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”

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.)

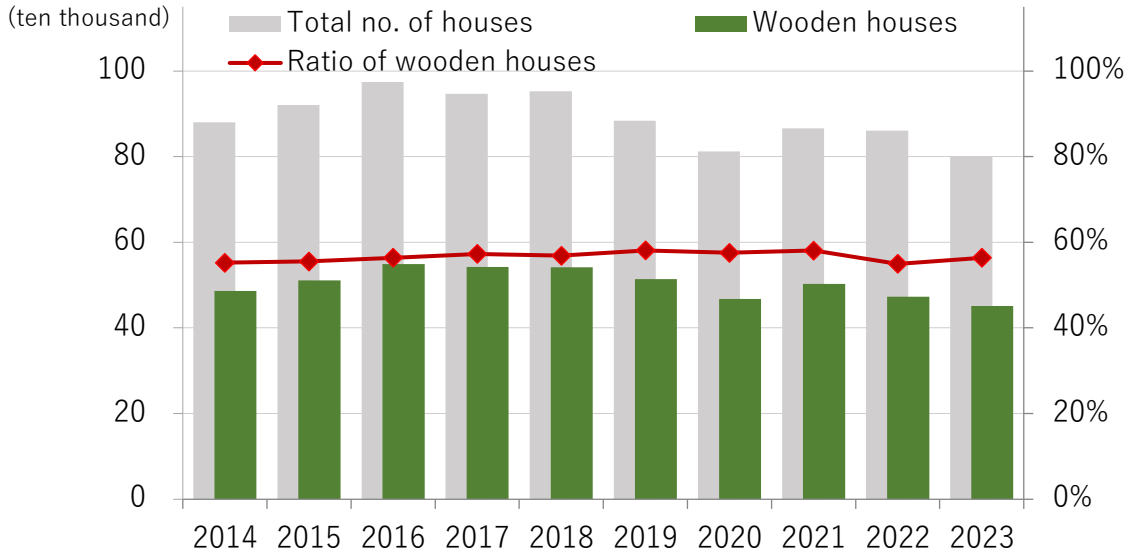
Risk Softening consumer sentiment toward house maintenance due to inflation, etc.

- 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

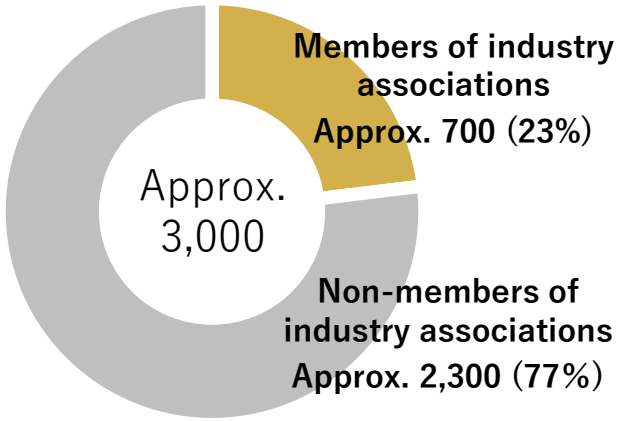


Industry

Termite Control Industry Trends

Number of TC industry workers

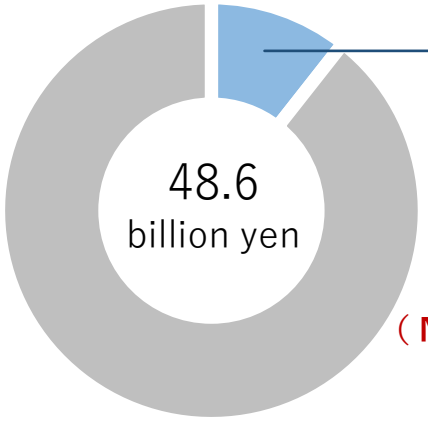
- Approx. 3,000 companies industry-wide
- Approx. 700 companies are members of industry associations
- High percentage of small enterprises
- The number of vendors is slowly declining



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.



Asante

Sales of TC

5.7 billion yen

Share

Approx. 12% ※2

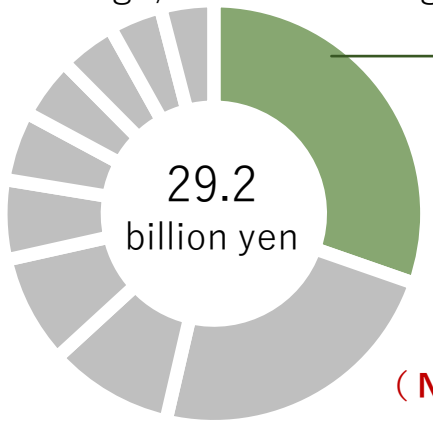
(No.1 in the industry)

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



Asante

Sales of TC & Anti-Humidity

8.8 billion yen
(FY 2022)

Share

Approx.30% ※3

(No.1 in the industry)

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

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

	FY3/24
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**

Achieving high quality construction level and sufficient training system

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

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Auditing by the Board of Directors

Auditing by Internal Audit Department

→

Improving customer satisfaction

Enhancing trust and competitiveness

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

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.

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)
“Tetsuro Degawa's Quiz Ho-School” (NHK in September 2024)

- **WEB**

“NEWS WEB” (NHK in May 2023)
“@DIME” (October 2024)

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

Notes on Future Forecasts

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