



朝日工業社

# Financial results briefing materials for the fiscal year ended March 2025

May 29, 2025

TSE Prime Market (Securities Code: 1975)



Asahi Kogyosha  
Website



Writeup of Asahi Kogyosha  
Financial Results Briefing  
(logmi Finance)

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# 1. Company overview

## Installation Work Division

**One-stop provision of work related to installation**  
**Accounts for more than 90% of Asahi Kogyosha sales.**



## Equipment Division

**Independent development, design, manufacture, and sale of precision environmental control equipment, dryer systems, and other equipment for semiconductor and FPD (flat panel display) manufacturing equipment manufacturers**



**A rare presence in the industry with its combination of engineering and manufacturing capabilities**

## Basic company information

<b>Company name</b>	Asahi Kogyosha Co., Ltd.
<b>Date of establishment</b>	April 1925
<b>Representative</b>	President and Representative Director Yasutomo Takasu
<b>Head office location</b>	1-25-7 Hamamatsucho, Minato-ku, Tokyo
<b>Business lines</b>	The Installation Work Division plans, designs, and constructs air conditioning, water supply, drainage, sanitation, and other installations for various facilities in the private and public sectors. The Equipment Division develops, designs, manufactures, and sells precision environmental control equipment, dryer systems, and other equipment for the semiconductor, flat panel display (FPD), and other leading edge industries.
<b>Affiliates</b>	<p><b>Consolidated subsidiaries in Japan: one company</b> Asahi Hokkaido Cooling and Heating Co., Ltd.</p> <p><b>Overseas consolidated subsidiaries: two companies (Taiwan and Malaysia)</b> Asia-Pacific Asahi Co., Ltd. Asahi Engineering (Malaysia) Sdn.Bhd.</p>

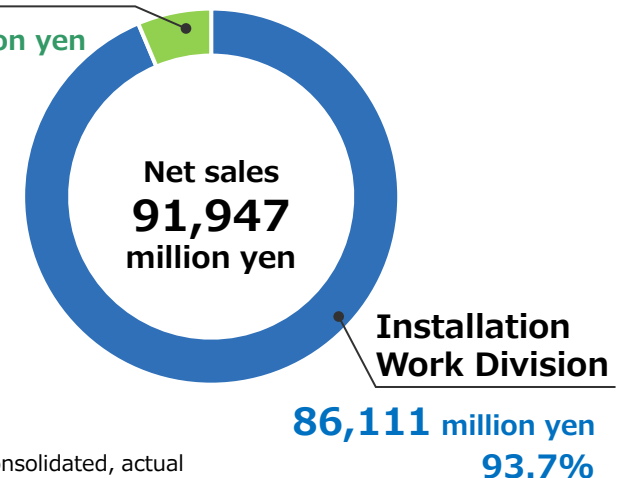
## Basic financial information (FY 3/25 consolidated results)

<b>Net sales</b>	91,947 million yen	<b>Ordinary income</b>	7,582 million yen
<b>Total assets</b>	80,861 million yen	<b>Net assets</b>	42,027 million yen
<b>Number of employees</b>	1,092	<b>ROE</b>	15.4%

## Net sales by segment

### Equipment Division

**5,835 million yen**  
6.3%



Note (1): FY 3/25, consolidated, actual





## 2. Overview of financial results for the fiscal year ended March 2025

# Overview of financial results for the fiscal year ended March 2025

- Orders **met our initial targets** but fell slightly below the figures for the previous fiscal year.
- Net sales remained largely unchanged, but **gross profit improved considerably** due to significant improvements in gross margins.
- Operating income and other profits at each stage below increased considerably, **reaching record figures for the second consecutive fiscal year**.

(Unit: million yen)	FY 3/23	FY 3/24	FY 3/25		
	Actual	Actual	Actual	YoY	Rate of change (%)
Orders	86,778	97,586	93,098	(4,487)	(4.6)
Carryovers for the subsequent fiscal year	82,380	88,290	89,441	1,151	1.3
Net sales	80,171	91,676	91,947	271	0.3
Gross profit	9,053	11,652	15,357	3,704	31.8
Margin	11.3%	12.7%	16.7%	4.0 pt	-
Selling, general, and administrative expenses	6,355	7,084	8,108	1,024	14.5
Operating income	2,697	4,568	7,248	2,679	58.7
Margin	3.4%	5.0%	7.9%	2.9 pt	-
Non-operating income/loss	429	328	334		
Ordinary income	3,127	4,896	7,582	2,685	54.8
Margin	3.9%	5.3%	8.2%	2.9 pt	-
Extraordinary income/loss	640	236	1,043	806	
Profit attributable to owners of parent	2,480	3,712	6,229	2,516	67.8
Margin	3.1%	4.0%	6.8%	2.8 pt	-

# Orders, net sales, and operating income by segment

- In the Installation Work Division, while both orders and net sales declined, **operating income grew significantly**.
- In the Equipment Division, **both orders and net sales grew significantly**, resulting in lower operating losses.

(Unit: million yen)	FY 3/23	FY 3/24	FY 3/25		
	Actual	Actual	Actual	YoY	Rate of change (%)
<b>Installation Work Division</b>					
Orders	82,093	93,161	85,716	(7,445)	(8.0)
Net sales	75,110	88,235	86,111	(2,123)	(2.4)
Operating income	2,571	5,111	7,606	2,495	48.8
Operating margin	3.4%	5.8%	8.8%	3.0 pt	-
<b>Equipment Division</b>					
Orders	4,685	4,424	7,382	2,958	66.9
Net sales	5,060	3,441	5,835	2,394	69.6
Operating income	126	(542)	(358)	184	-
Operating margin	2.5%	(15.8%)	(6.1%)	-	-
Total orders	86,778	97,586	93,098	(4,487)	(4.6)
Total net sales	80,171	91,676	91,947	271	0.3
Total operating income	2,697	4,568	7,248	2,679	58.7



# Trends in quarterly results

- Orders and net sales increased in the fourth quarter over the third quarter.
- Profits at each stage also grew significantly due to an improvement in the gross margin.

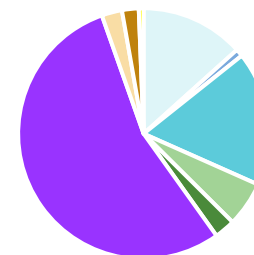
(Unit: million yen)	FY 3/24				FY 3/25			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
<b>Orders</b>	24,324	39,802	19,947	13,511	21,087	16,101	27,813	28,095
<b>Net sales</b>	19,215	22,781	23,884	25,795	18,471	22,031	22,174	29,271
<b>Gross profit</b>	2,186	3,219	2,501	3,745	2,554	3,664	3,226	5,911
Margin	11.4%	14.1%	10.5%	14.5%	13.8%	16.6%	14.6%	20.3%
<b>Selling, general, and administrative expenses</b>	1,615	1,578	1,834	2,056	1,663	1,758	1,975	2,711
<b>Operating income</b>	571	1,640	666	1,689	890	1,906	1,251	3,199
Margin	3.0%	7.2%	2.8%	6.6%	4.8%	8.7%	5.6%	10.9%
<b>Non-operating income/loss</b>	146	38	138	6	178	32	168	(45)
<b>Ordinary income</b>	717	1,678	804	1,696	1,069	1,939	1,419	3,153
Margin	3.7%	7.4%	3.4%	6.6%	5.8%	8.8%	6.4%	10.8%
<b>Extraordinary income/loss</b>	(9)	17	(1)	229	(2)	487	0	558
<b>Profit attributable to owners of parent</b>	468	1,147	527	1,569	708	1,654	962	2,904
Margin	2.4%	5.0%	2.2%	6.1%	3.8%	7.5%	4.3%	9.9%

# Actual results by segment Orders

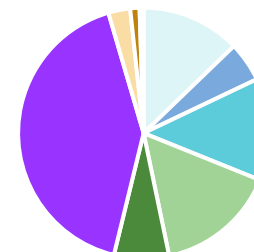
- Overall orders declined from the previous year.
- In the Installation Work Division, orders decreased for transportation/communication environment, health/medical environment, and distribution environment facilities, but increased for business environment and production environment facilities.
- In the Equipment Division, **orders grew dramatically for dryer-related, a new business.**

(Unit: million yen)		Orders				
		FY 3/23	FY 3/24	FY 3/25	YoY	Rate of change (%)
Installation Work Division	Business environment facilities (Office buildings, public office buildings, etc.)	11,580	12,481	16,227	3,746	30.0
	Transportation/communication environment facilities (Airport, train stations, TV stations, etc.)	834	5,012	603	(4,409)	(88.0)
	Living/cultural environment facilities (Schools, hotels, etc.)	15,058	12,862	12,063	(799)	(6.2)
	Health/medical environment facilities (Hospitals, nursing homes, etc.)	5,028	15,248	4,553	(10,695)	(70.1)
	Distribution environment facilities (Department stores, markets, etc.)	2,320	6,910	2,647	(4,263)	(61.7)
	Production environment facilities (Factories/laboratories, data centers, etc.)	47,273	40,648	49,623	8,975	22.1
Equipment Division	FPD (liquid crystal) -related	2,278	2,746	3,888	1,142	41.6
	Semiconductor-related	1,872	1,177	1,645	468	39.8
	Dryer-related and others	535	501	1,849	1,348	269.1
Total		86,778	97,586	93,098	(4,487)	(4.6)

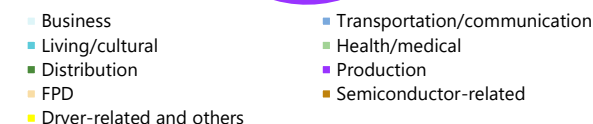
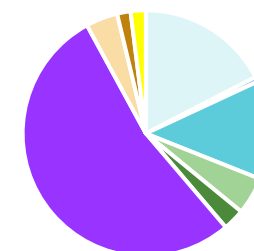
FY 3/23



FY 3/24



FY 3/25

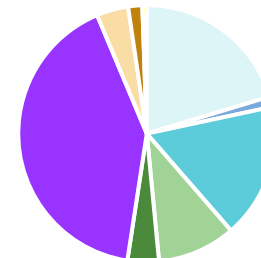


# Actual results by segment Net sales

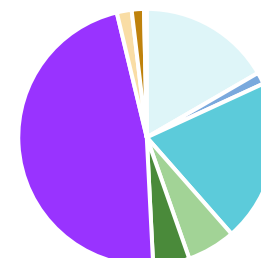
- Overall sales grew from the previous fiscal year.
- In the Installation Work Division, sales to living/cultural environment and production environment facilities declined; however, sales to business environment and health/medical environment facilities grew.
- In the Equipment Division, although semiconductor-related sales fell, FPD-related sales, dryer-related sales and sales of other products and services increased significantly.

(Unit: million yen)		Net sales				
		FY 3/23	FY 3/24	FY 3/25	YoY	Rate of change (%)
Installation Work Division	Business environment facilities (Office buildings, public office buildings, etc.)	16,309	15,259	17,373	2,114	13.9
	Transportation/communication environment facilities (Airport, train stations, TV stations, etc.)	1,048	1,364	1,526	162	11.9
	Living/cultural environment facilities (Schools, hotels, etc.)	13,598	18,698	16,051	(2,647)	(14.2)
	Health/medical environment facilities (Hospitals, nursing homes, etc.)	7,906	5,595	6,840	1,245	22.3
	Distribution environment facilities (Department stores, markets, etc.)	3,164	4,190	4,836	646	15.4
	Production environment facilities (Factories/laboratories, data centers, etc.)	33,085	43,129	39,485	(3,644)	(8.4)
Equipment Division	FPD (liquid crystal) -related	3,195	1,712	3,902	2,190	127.9
	Semiconductor-related	1,422	1,413	1,360	(53)	(3.8)
	Dryer-related and others	443	316	573	257	81.6
Total		80,171	91,676	91,947	271	0.3

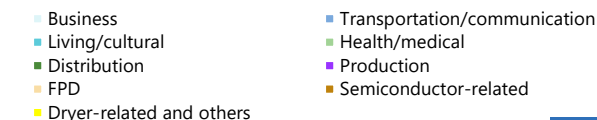
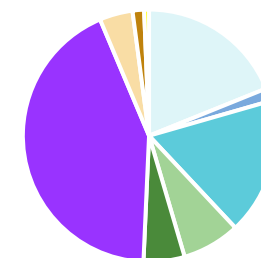
FY 3/23



FY 3/24



FY 3/25



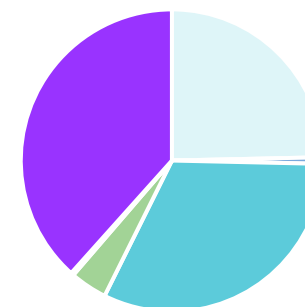
# Carryovers for the subsequent fiscal year

- Overall carryovers for the subsequent fiscal year remained high and nearly on par with the previous fiscal year.
- Carryovers for production environment facilities such as data centers grew significantly due to the emphasis on obtaining orders from these facilities.

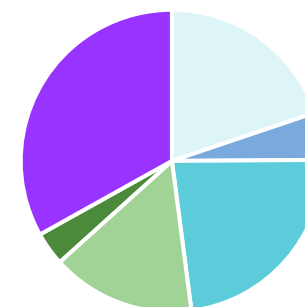
(Unit: million yen)

	Carryovers for the subsequent fiscal year				
	FY 3/23	FY 3/24	FY 3/25	YoY	Rate of change (%)
<b>Business environment facilities</b> (Office buildings, public office buildings, etc.)	19,183	16,405	15,259	(1,146)	(7.0)
<b>Transportation/communication environment facilities</b> (Airport, train stations, TV stations, etc.)	545	4,193	3,270	(923)	(22.0)
<b>Living/cultural environment facilities</b> (Schools, hotels, etc.)	24,901	19,065	15,077	(3,988)	(20.9)
<b>Health/medical environment facilities</b> (Hospitals, nursing homes, etc.)	3,083	12,736	10,449	(2,287)	(18.0)
<b>Distribution environment facilities</b> (Department stores, markets, etc.)	242	2,962	773	(2,189)	(73.9)
<b>Production environment facilities</b> (Factories/laboratories, data centers, etc.)	29,864	27,383	37,521	10,138	37.0
<b>Total</b>	77,818	82,744	82,348	(396)	(0.5)

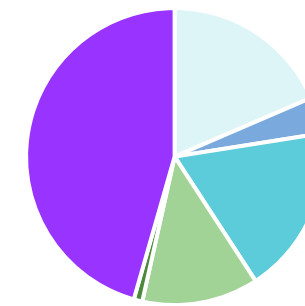
FY 3/23



FY 3/24



FY 3/25



■ Business  
■ Living/cultural  
■ Distribution  
■ Transportation/communication  
■ Health/medical  
■ Production

# Balance sheet

- Total assets decreased by 3,150 million yen from the end of the preceding fiscal year due to various factors, including a decrease in electronically recorded monetary claims.
- Total liabilities decreased by 6,421 million yen from the end of the preceding fiscal year due to various factors, including a decrease in electronically recorded monetary claims accompanying improved methods for paying subcontracting fees.
- Net assets increased by 3,271 million yen from the end of the preceding fiscal year due to various factors, including the buildup in retained earnings accompanying steady business performance.

(Unit: million yen)	FY 3/23	FY 3/24	FY 3/25	YoY	Rate of change (%)
Current assets	59,201	63,854	60,288	(3,566)	(5.6)
Non-current assets	19,740	20,157	20,573	416	2.1
Current liabilities	41,642	43,677	36,786	(6,890)	(15.8)
Non-current liabilities	1,918	1,578	2,047	469	29.8
Total liabilities	43,561	45,255	38,834	(6,421)	(14.2)
Net assets	35,380	38,756	42,027	3,271	8.4
Total Assets	78,941	84,012	80,861	(3,150)	(3.7)
Net assets per share (yen)	1,376.70	1,506.49	1,631.80	125.31	8.3
Shareholders' equity ratio (%)	44.8	46.1	52.0	5.9 pt	-
Interest-bearing debt	3,300	3,300	3,595	295	8.9

Note (1): The amount of net assets per share for FY 3/24 and earlier reflects the two-for-one stock split implemented on April 1, 2024.



# Statement of cash flows

- Cash flow from operating activities was positive by 1,276 million yen, due primarily to significant growth in profit before income taxes.
- Cash flow from investing activities was positive by 612 million yen, due primarily to income from the sale of investment securities.
- Cash flow from financing activities was negative 1,528 million yen due to dividend payments and other factors.
- The balance of cash and cash equivalents was 18,389 million yen, an increase of 409 million yen from the previous year.

(Unit: million yen)	FY 3/23	FY 3/24	FY 3/25	YoY
Cash flow from operating activities	(34)	2,010	1,276	(734)
Cash flow from investing activities	(481)	(304)	612	916
Cash flow from financing activities	(1,349)	(1,293)	(1,528)	(234)
Cash and cash equivalents at end of the fiscal year	17,540	17,979	18,389	409



### 3. Performance forecast for the fiscal year ending March 2026

# Forecast for the fiscal year ending March 2026

- Given the firm capital investment environment, we anticipate growth in orders and net sales over the fiscal year ended March 2025, and are targeting 100,000 million yen for each.
- Despite concerns that costs will rise due to the continuing high cost of materials and equipment, labor shortages, increasing costs to promote human capital management, and other factors, we will strive to improve construction profitability and achieve profits at each stage at a level equal to or beyond that achieved in the fiscal year ended March 2025.

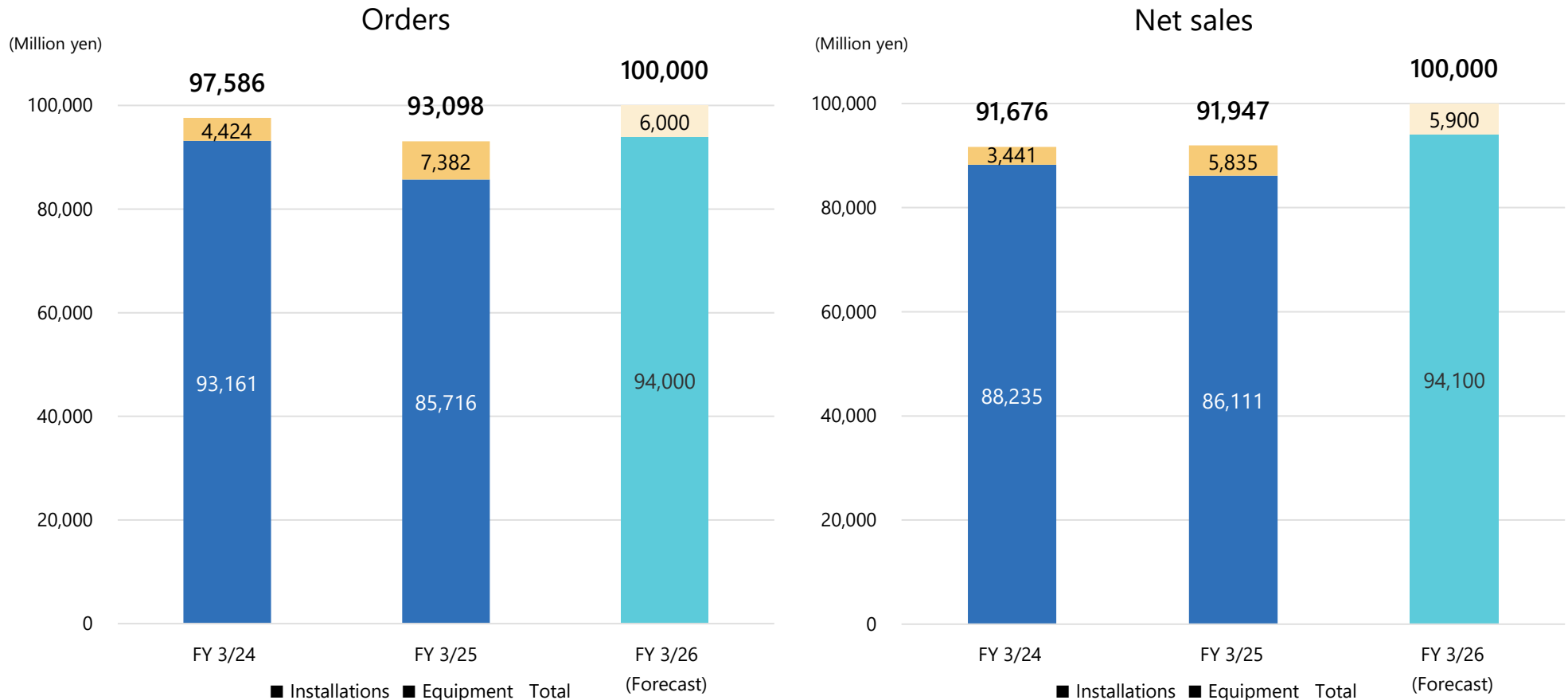
(Unit: million yen)

	FY 3/24	FY 3/25	FY 3/26		
	Actual	Actual	Forecast	YoY	Rate of change (%)
<b>Orders</b>	97,586	93,098	<b>100,000</b>	<b>6,902</b>	<b>7.4</b>
<b>Carryovers for the subsequent fiscal year</b>	88,290	89,441	<b>89,441</b>	-	-
<b>Net sales</b>	91,676	91,947	<b>100,000</b>	<b>8,053</b>	<b>8.8</b>
<b>Gross profit</b>	11,652	15,357	<b>16,050</b>	<b>693</b>	<b>4.5</b>
Margin	12.7%	16.7%	<b>16.1%</b>	<b>(0.6 pt)</b>	-
<b>Operating income</b>	4,568	7,248	<b>7,450</b>	<b>202</b>	<b>2.8</b>
Margin	5.0%	7.9%	<b>7.5%</b>	<b>(0.4 pt)</b>	-
<b>Ordinary income</b>	4,896	7,582	<b>7,650</b>	<b>68</b>	<b>0.9</b>
Margin	5.3%	8.2%	<b>7.7%</b>	<b>(0.5 pt)</b>	-
<b>Profit attributable to owners of parent</b>	3,712	6,229	<b>6,400</b>	<b>171</b>	<b>2.7</b>
Margin	4.0%	6.8%	<b>6.4%</b>	<b>(0.4 pt)</b>	-

# Outlook by segment

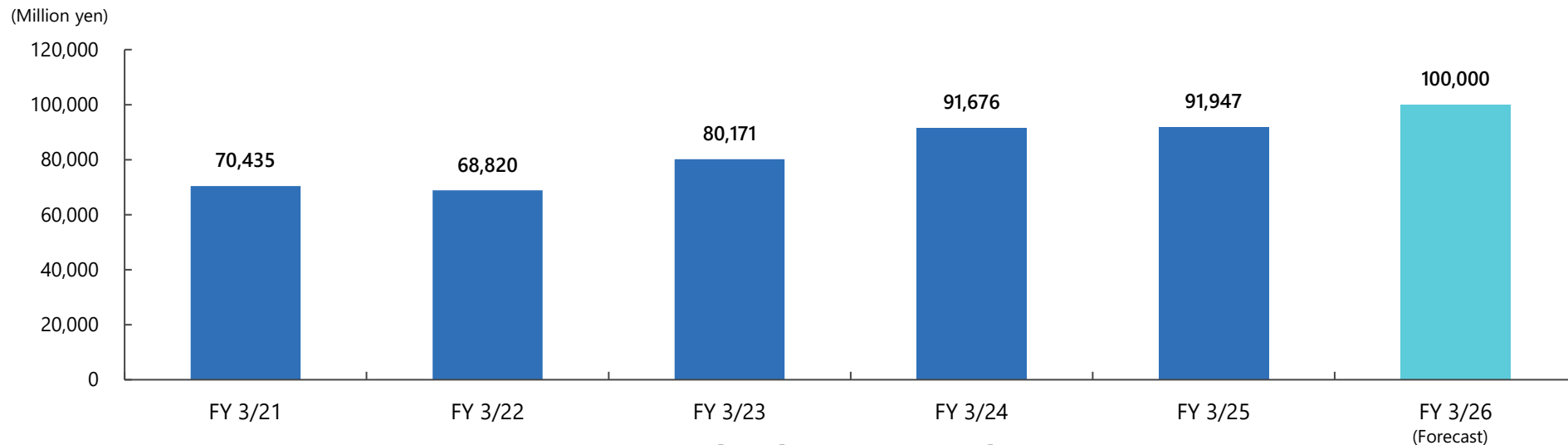
- In the Installation Work Division, given the strong appetite for capital investments, we anticipate significant growth in both orders and net sales.
- In the Equipment Division, both orders and net sales for semiconductors and FPDs are expected to remain firm. For dryer products, based on the number of major orders won in the fiscal year ended March 2025, we anticipate a relative decline for the fiscal year ending March 2026. While sales for those orders will be recorded for the fiscal year ending March 2027 and beyond, the total amount of net sales will exceed those for the fiscal year ended March 2025.

## Trends in orders and net sales

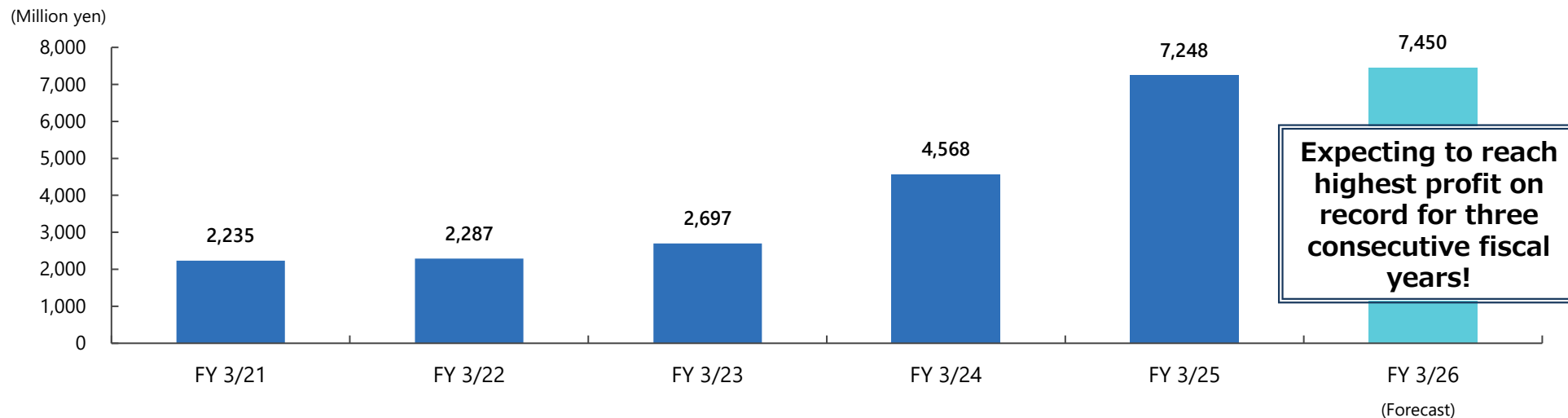


# Performance trends (past five years)

## Net sales trend



## Operating income trends





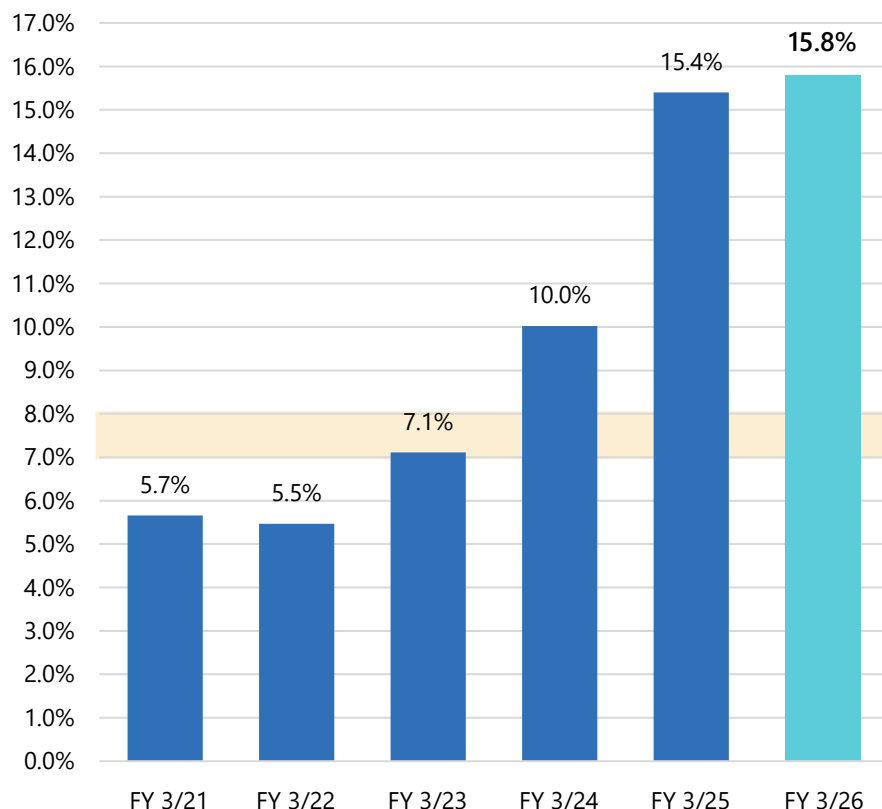


## 4. Capital policy

# Promoting management keenly aware of the cost of capital (past five years)

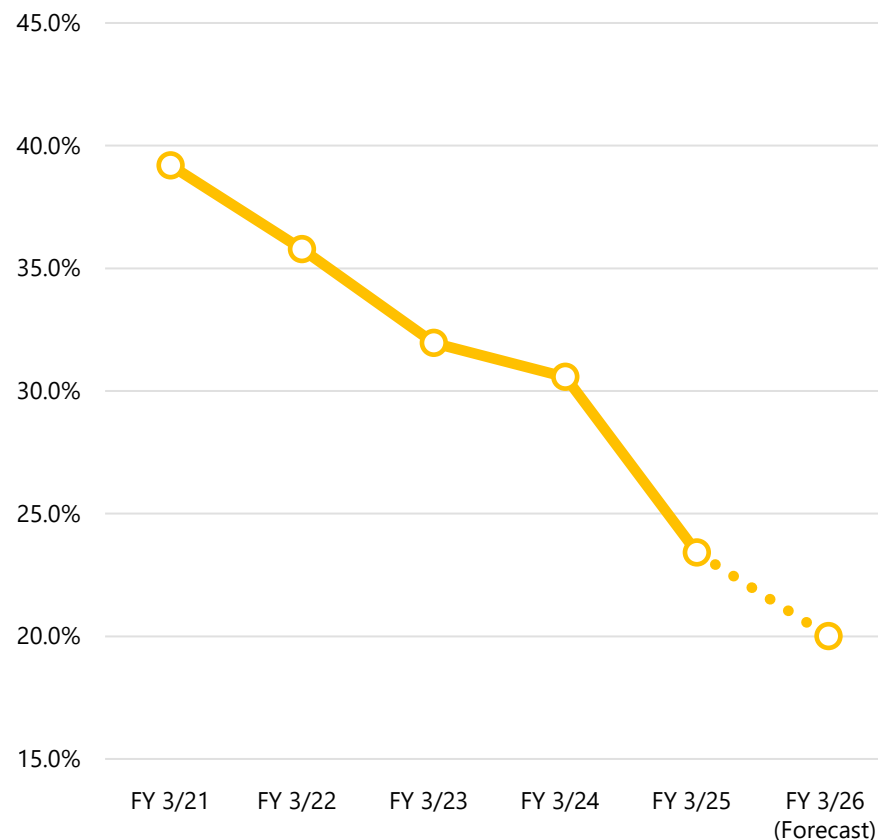
- Based on the ongoing improvements in capital efficiency, ROE for the fiscal year ended March 2025 **exceeded 15% and remains above** the Company's perceived **cost of shareholders' equity (7%-8%)**.
- We are steadily reducing cross-shareholdings in accordance with the 18th Medium-term Management Plan. During the period covered by the Medium-term Management Plan (April 2023 to March 2026), we will pursue reductions with a target level of 20%, facilitate enhancements in growth investments and returns to shareholders, and seek to improve capital efficiency.

## ROE trend



Note (1): The area shaded in beige represents the range of movement of the cost of shareholder equity (7%-8%).

## Status of reduction of cross-shareholdings

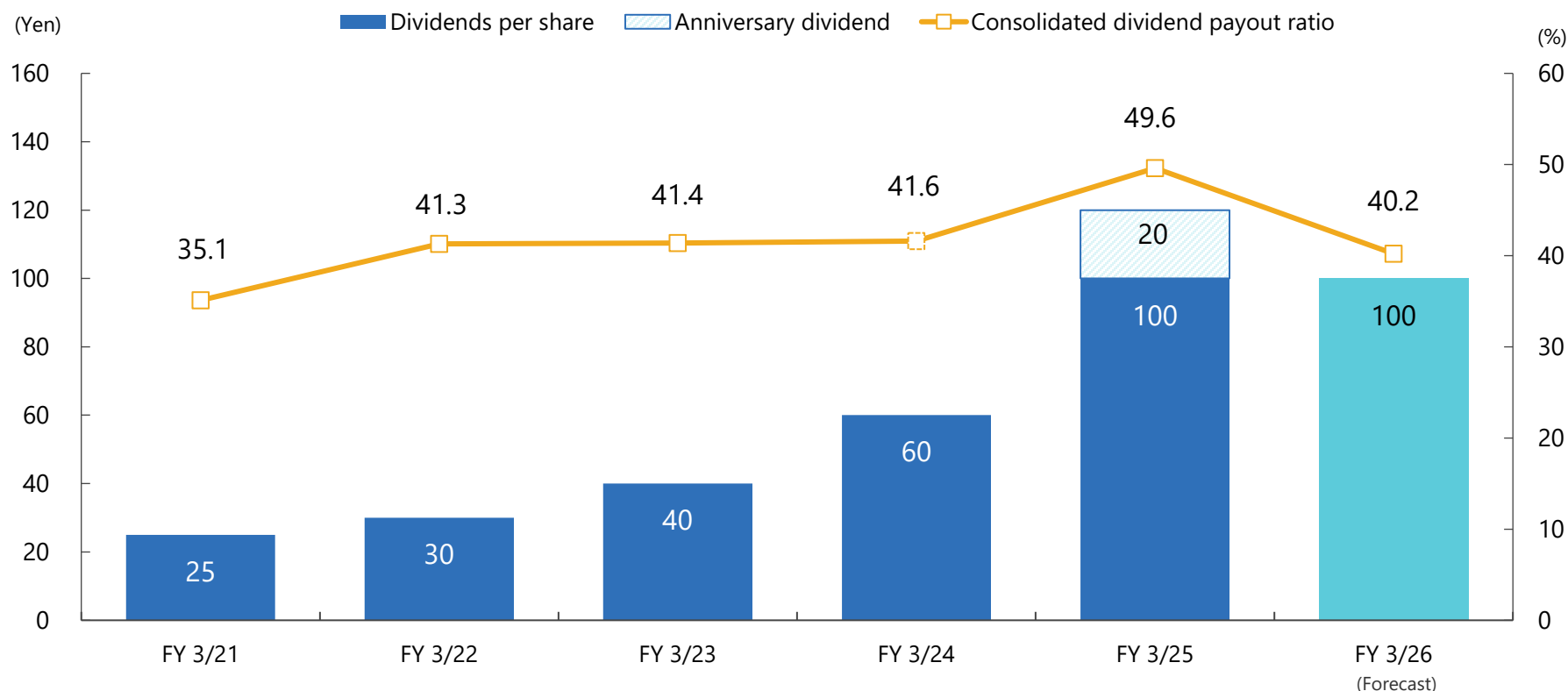


Note (2): Shown above are net assets divided by investment securities.

# Returns to shareholders (past five years)

- We have set a consolidated dividend payout ratio of **40% or more** as our target.
- To commemorate the 100th anniversary of the Company's founding (April 3, 2025) and the achievement of our highest profit on record, for year-end dividends for the fiscal year ended March 2025, we will pay **a special dividend of 50 yen and a 100th anniversary dividend of 20 yen**. This is expected to result **in a full-year dividend of 120 yen** when including our ordinary dividend of 50 yen, and **a consolidated dividend payout ratio of 49.6%**.
- For the fiscal year ending March 2026 as well, we will significantly surpass the target value set in our Medium-term Management Plan and **maintain our post-increase level of dividends** (excluding the amount of the anniversary dividend).

## Trends in dividends and dividend payout ratios



Note (1): The Company implemented two stock splits, one each on April 1, 2022 and April 1, 2024, both at a two for one ratio. The dividend for each fiscal year reflects the stock splits.

# Share price and trading value

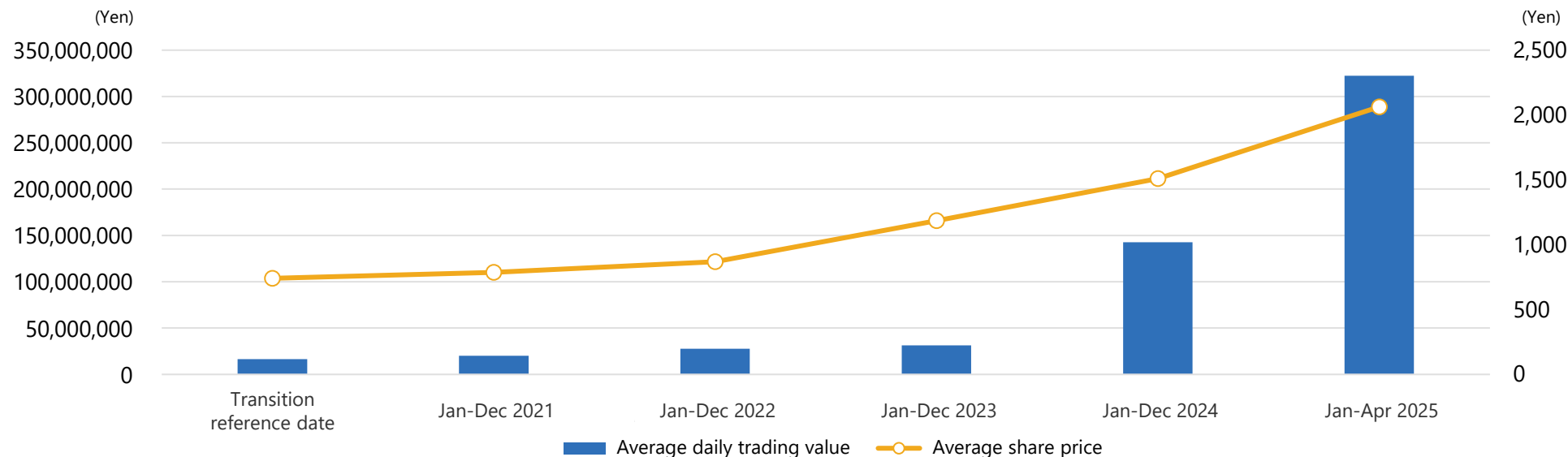
- Our stock price has risen significantly due to solid business performance and the continuing implementation of IR measures, among other factors.
- Our liquidity has improved significantly due largely to two stock splits. Average daily trading value has improved significantly and is now stably meeting the criteria for maintaining our listing on the Prime Market.

## Trends in share price and trading volumes since the transition reference date

	Transition reference date (2021/6/30)	Jan-Dec 2021	Jan-Dec 2022	Jan-Dec 2023	Jan-Dec 2024	Jan-Apr 2025
Average share price (closing)	741 yen	786 yen	869 yen	1,186 yen	1,509 yen	2,063 yen (vs. reference date <b>+178%</b> )
Average daily trading value	16.46 mil yen	20.06 mil yen	27.83 mil yen	31.47 mil yen	142.59 mil yen	322.39 mil yen (vs. reference date <b>+1,859%</b> )

Note (1): The average stock price for the transition reference date is the average of the three months immediately preceding. The trading value is the average of the immediately previous year.

Note (2): The Company implemented two stock splits, one each on April 1, 2022 and April 1, 2024, both at a two for one ratio. The stock price for each period has been converted to the corresponding figure after the stock splits.





## 5. Progress on the 18th Medium-term Management Plan

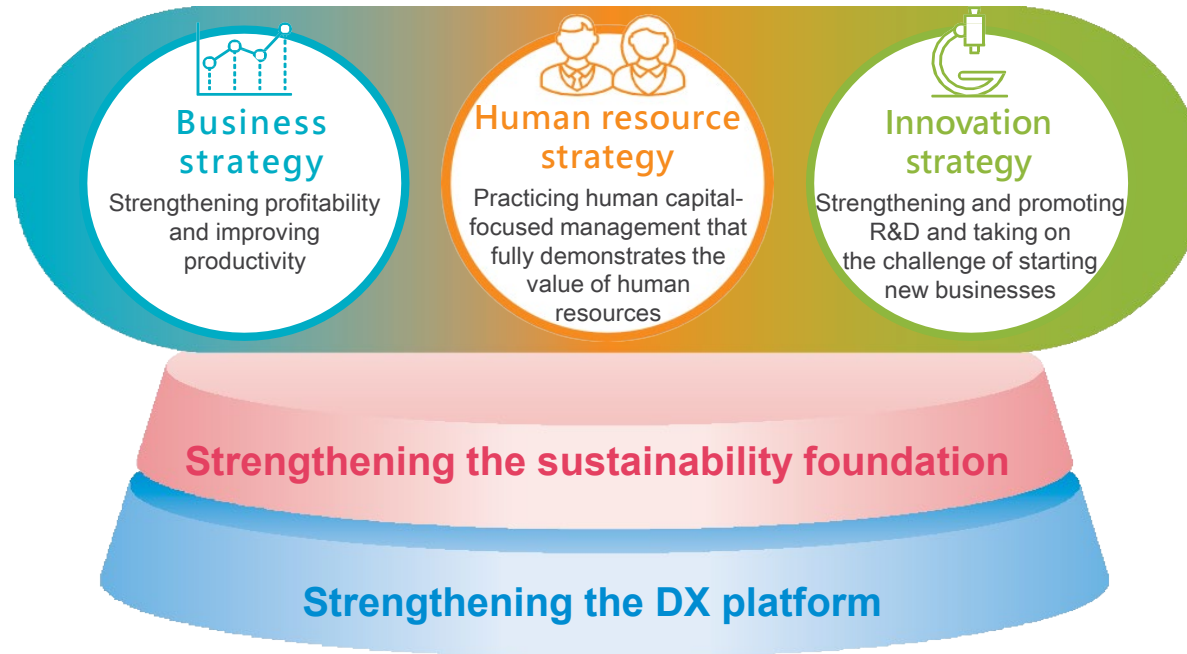


# Overview of the 18th Medium-term Management Plan

- Formulated as the final stage (plan period: April 2023 to March 2026) of the long-term vision ASAHI-VISION 100: Taking on Challenge to Change Transformation
- We are roughly two-thirds of the way through the plan period. We are steadily promoting associated initiatives.

## Basic policy

Looking ahead to the 100th anniversary in 2025 and beyond, we will work on three strategies and on strengthening the two foundations that underpin them.



[Reference: Link to 18th Medium-term Management Plan]

[18th Medium-term Management Plan of ASAHI KOGYOSHA CO., LTD. \(asahikogyosha.co.jp\)](https://asahikogyosha.co.jp)

# 18th Medium-term Management Plan: Progress in key numerical targets

- Focusing on promoting strategic activities to win orders—a priority target set under our Medium-term Management Plan—we achieved our profit target for the final year of the plan for two consecutive years.
- For our business targets for the fiscal year ending March 2026, we set figures beyond those of the preceding fiscal year for orders, net sales, and profit at each stage, looking beyond the values set in our Medium-term Management Plan.

(Unit: million yen)	FY 3/24			FY 3/25			FY 3/26	
	Business targets (year-start forecast)	Actual	Achievement rate	Business targets (year-start forecast)	Actual	Achievement rate	Medium-term Management Plan targets	Business targets
<b>Consolidated orders</b>	81,700	97,586	119.4%	84,700	93,098	109.9%	87,500	100,000
Installation Work Division	75,900	93,161	122.7%	78,700	85,716	108.9%		94,000
Equipment Division	5,800	4,424	76.3%	6,000	7,382	123.0%		6,000
<b>Consolidated net sales</b>	88,700	91,676	103.4%	92,500	91,947	99.4%	91,500	100,000
Installation Work Division	82,900	88,235	106.4%	86,500	86,111	99.5%		94,100
Equipment Division	5,800	3,441	59.3%	6,000	5,835	97.2%		5,900
<b>Consolidated operating income</b>	2,900	4,568	157.5%	3,600	7,248	201.3%	3,250	7,450
<b>Consolidated profit</b>	2,500	3,712	148.5%	3,100	6,229	200.9%	2,650	6,400
<b>Consolidated return on equity (ROE)</b>	8.0%	10.0%	125.0%	8.0%	15.4%	192.5%	8.0%	
<b>Consolidated dividend payout ratio</b>	40.0%	41.6%	104.0%	40.0%	49.6%	124.0%	40.0%	40.2%

# Mid-point progress on the 18th Medium-term Management Plan

- Having entered the final year of our 18th Medium-term Management Plan, we performed a self-evaluation of our initiatives to date.
- We remain committed companywide to achieving our targets while also striving for sustainable growth.

## Improving capital efficiency



- Endeavor to improve capital efficiency with a 20% reduction in cross-shareholdings as our target



## Progressing according to plan

- Reduced cross-shareholdings as a percentage of net assets by 23.4% as of the end of the fiscal year ended March 2025
- We plan to pursue reductions until they reach a net assets-to-cross-shareholdings ratio of 20% or below by the end of the fiscal year ending March 2026.

## Returns to shareholders



- Set a consolidated dividend payout ratio of 40% or higher.



## Made returns to shareholders that exceeded target by a large margin.

- Planning to pay a full-year dividend of 120 yen (including an anniversary dividend and special dividend) for the fiscal year ended March 2025
- Looking to surpass consolidated dividend payout ratio target by 40% or more for the fourth consecutive fiscal year

## Investment in the future



- We will make total strategic investments in the range of 7,000 million yen to strengthen R&D (approx. 4,000 million yen), promote DX (approx. 2,000 million yen), and promote sustainability and human capital management (approx. 1,000 million yen).



## Accumulated investment funds exceeding initial plans

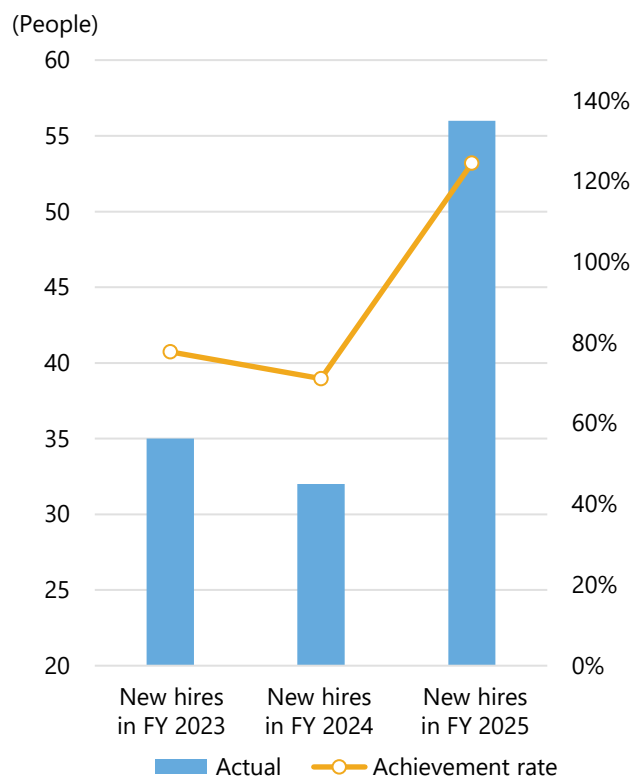
- Invested approx. 6,000 million yen to develop a new technical research institute.
- Invested approx. 1,440 million yen to promote DX.
- Invested approx. 710 million yen in sustainability and human capital management.

# Human resource strategy: investing in human capital

- We believe people are our greatest asset and the source of our competitiveness. We recognize securing and developing human resources as the most important issue.
- We will promote diversity and a work-life balance and focus on the development of human resources from a medium- to long-term perspective.

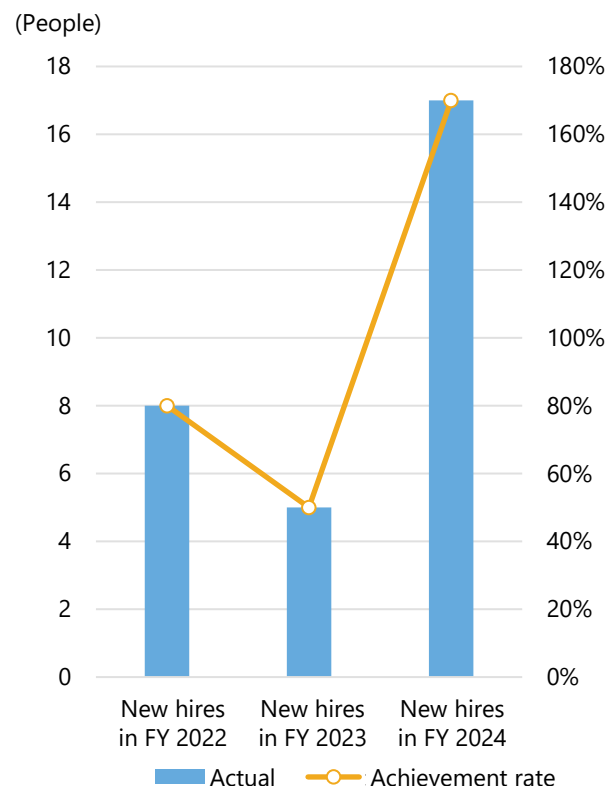
## Strengthening new graduate recruitment

- We made offers to 56 graduates to join the company in FY2025 relative to our target of 45.
- This is +75% over the result for the preceding fiscal year, and an achievement rate of 124%.



## Strengthening midcareer hire recruitment

- We recruited 17 midcareer hires in FY2024 relative to our target of 10.
- This is +240% over our result for the preceding fiscal year, and an achievement rate of 170%.



## Promoting human capital-focused management

### 1 Revisions of the compensation structure

- For two successive years since FY2023, we raised the wages of all employees by an average of 7%.
- In FY2024, the starting salary for new graduates was uniformly increased by 30,000 yen (university graduates: 250,000 yen → 280,000 yen).
- In February 2025, we established an evaluation that placed greater emphasis on results, based on a revision of our employee evaluation system (performance appraisal system).

### 2 Reforming workstyles at construction sites

- We implemented “centralization support for working drawings” whereby working drawings are created across all branches. We also bolstered back office staffing and mitigated document preparation workloads at various sites.
- We promoted construction methods and technologies to save energy and labor (energy-saving construction methods) and accelerated efficiency enhancements for construction management operations.
- We promoted the centralization of all construction management processes, from design and construction to operations and maintenance, through our ASAHI Workflow DX solution utilizing BIM.
- We improved work efficiency through proactive BPO for routine tasks.



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## 6. Projects for the 100th anniversary of the foundation



- We solicited designs through an internal competition and decided on our 100th anniversary logo.
- In March 2025, we launched the Asahi Kogyosha 100th Anniversary Website.
- To commemorate a century since our founding, we have scheduled the payment of a 20-yen anniversary dividend.

## The Asahi Kogyosha 100<sup>th</sup> Anniversary Website

### 1 Top Message

A message of gratitude from our President and Representative Director as we look towards our next centennial.



### 2 The path taken by Asahi Kogyosha over the course of a century

An introduction of our 100-year history since our founding in 1925



### 3 100<sup>th</sup>-anniversary projects

As a project to commemorate our centennial, we are currently building the Tsukuba Technical Research Institute in Tsukuba City. A time-lapse video of the building process is featured on the website.



### 4 100<sup>th</sup>-anniversary video

The website will feature a video summarizing our 100-year history. (Coming soon)



### 5 100<sup>th</sup>-anniversary logo

The website presents the commemorative logo selected based on an internal competition.



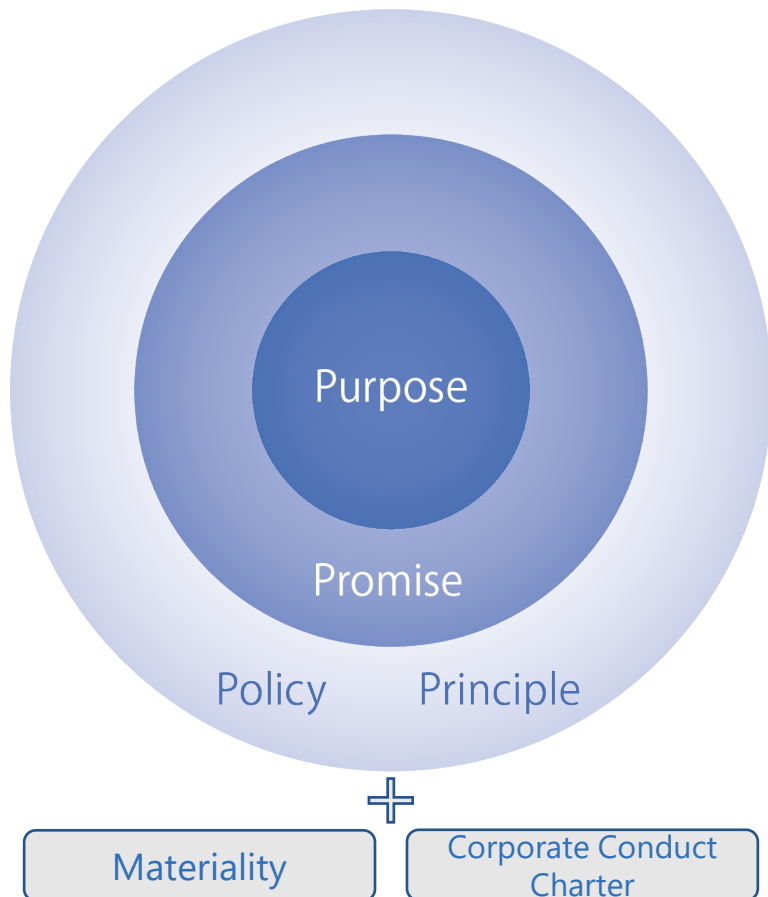
[Reference: Link to Asahi Kogyosha 100<sup>th</sup> Anniversary Website]

[100<sup>th</sup> Anniversary Website | Asahi Kogyosha, Leader in Air Conditioning Installation Work \(asahikogyosha.co.jp\)](https://asahikogyosha.co.jp)

# The ASAHI PHILOSOPHY: Our new corporate philosophy

- On the occasion of our centennial, we established the ASAHI PHILOSOPHY as the new corporate philosophy for the Asahi Kogyo Group.
- This philosophy consists of four Ps, centered on our Purpose.

## The ASAHI PHILOSOPHY: Our new corporate philosophy



### Purpose (Our reason for being)

To make the world still better through passion and technology

### Promise (Our commitment to customers and to society)

#### Our commitment to our customers

We will engage our customers in good faith and provide them with optimal solutions through unbounded curiosity and proven technologies

#### Our commitment to society

Based on an attentive, clear-eyed perspective on our times, we will create new value by drawing on leading technologies to establish a prosperous future for people and our planet.

### Policy (Our corporate activity policy)

- To contribute to the creation of a sustainable society through our businesses
- To prosper alongside our stakeholders based on a good-faith approach
- To safeguard the rights of all people and to respect diversity
- To support our employees in achieving both personal and professional growth

### Principle (Our guidelines for employee conduct)

- We will fulfill our work with passion and pride.
- We will set our sights at all times on new heights and pursue challenges without fear of failure.
- We will strive to improve ourselves for the sake of resolving customer and social challenges.
- We will cultivate mutual respect and strive to communicate effectively horizontally, vertically and diagonally.
- We will welcome the future and work as a team united based on the All-ASAHI approach.

# ASAHI VISION 2050: Our new long-term vision

- Based on ASAHI PHILOSOPHY, our new corporate philosophy, we've established ASAHI VISION 2050, a long-term vision for the next 100 years.
- Our slogan under this vision is **"Designing an Exciting Future ~Imagination & Creativity~"**
- Armed with Imagination and Creativity, we will create an exciting future based on the All-ASAHI approach.

## Six Key Themes (Materialities) for Realizing ASAHI VISION 2050

1. With the world as our field, we will consistently offer the best solutions with our proven technologies and a spirit of welcoming challenge.



2. We will create new value by drawing on innovative technologies and do our part to resolve social issues.



3. We will create an optimal future for people and our planet by achieving decarbonization and reducing environmental burdens.



4. We will maintain a stance of respect for all people at our core and strive to improve employee engagement.



5. We will build strategic partnerships targeting mutual growth and development.



6. We will strengthen governance and engage in active dialogue with our stakeholders.





# Appendix

- Our core competences lie in technical capabilities cultivated since our founding in air conditioning, sanitation, and water supply and drainage.
- Based on these core competences, we develop competitive advantages by operating as an integrated entity, in close contact with our customers and based on our position as a company offering leading expertise.



**Technological capabilities in handling air, water, and heat cultivated over 100 years since our founding**  
(core competences)

- Wealth of experience in air-conditioning installation and sanitation installation work
- Equipment Division with its expertise in air conditioning technologies
- Advanced technical capabilities responding to market trends



## Integrated project-based operations

- Comprehensive proposal capabilities that merge technologies related to air, water, and heat
- Increasing value added through synergies with the Equipment Division



## Operations in close contact with customers

- Cycle of improving competitiveness driven by a grasp of customer needs
- Deep accumulation of customer needs through tailor-made proposals
- Stable management achieved through acquisition of maintenance and renewal projects



## Positioning as a company offering leading expertise

- High profile in both the air conditioning and sanitation work markets
- Conducting business in commercial channels close to customers



# Advanced technological capabilities responsive to market trends

- Technologies responding to various trends have been developed as demands for industrial construction rise with the development of domestic production bases, etc.
- Accumulation of wide-ranging advanced technologies, such as environmentally-friendly energy-saving technologies and air conditioning technologies for production facilities requiring specialist expertise.
- Proactive acquisition of intellectual property rights to individual technologies responding to market trends to secure competitive advantage.

## Energy-saving technology (ZEB\*<sup>1</sup> air conditioning system)



### Liquid-cooled air conditioning system

A system that removes heat generated in various parts of the room from their sources. By flexibly supplying the necessary cold water to where it is needed, the heat load of heat-generating equipment scattered in indoor air conditioning can be treated locally, thus reducing temperature unevenness in rooms and saving energy.



### Low-temperature regeneration desiccant air conditioner

A desiccant air conditioning system that can accurately control dehumidification as a latent heat treatment device in separate latent heat / sensible heat air conditioning. Primary energy consumption is minimized through the use of low-temperature regeneration dehumidifiers and use of solar heat for regeneration heat.

Note (1): Buildings that reduce net annual primary energy consumption within the building to zero while achieving comfortable indoor environments

## Plant-growing environment control technologies



### Multi-tier cultivation shelves

Multi-tier cultivation shelves in plant cultivation facilities require uniform thermal and light environments. We have provided numerous solutions for high-quality, high-efficiency cultivation equipment. Multi-shelf cultivation equipment developed especially for laboratories features various functions, including the capacity to switch between a wide variety of lighting fixtures and to make shelf height adjustments.



### Rice cultivation room

Rice is a promising plant as a raw material for various pharmaceuticals, including oral cholera vaccines. Rice cultivation rooms are facilities in which optimal conditions for stable year-round cultivation are explored by controlling temperature, humidity, light environment, air quality, and culture media in an enclosed environment. This is the main agriculture-related research facility at our institute.

## Deodorization and VOC\*<sup>2</sup> countermeasures, air filtering, and sterilization technologies



### Cartridge adsorptive deodorizer

A deodorizing device that adsorbs and removes VOCs and other odors in indoor environments using activated carbon. Cartridges enable rapid replacement of activated carbon.



### AUX JET Exhaust Auxiliary Device

This energy-saving ventilation system creates safe working environments at factories and other sites. Using AUX JET in tandem with existing upper intake exhaust hoods makes it possible to efficiently collect VOCs and other harmful substances generated in various work processes, including coating and printing plants, and to vent them efficiently.

Note (2): Volatile organic compounds

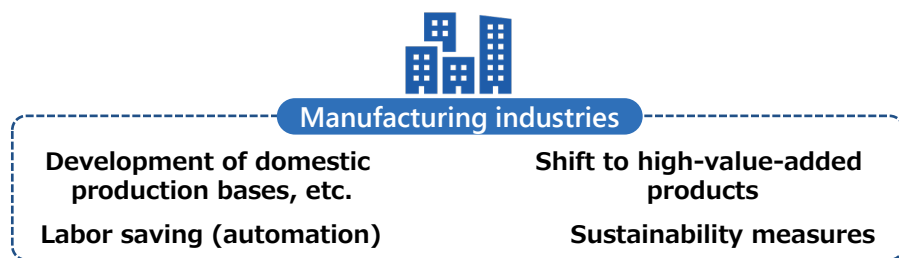
## Number of patents addressing market trends (including patents pending)





- We respond to corporate sustainability initiatives as an environment-creating company to develop domestic production bases amid the continuing shift toward labor savings and higher quality.
- In response to increasingly sophisticated customer needs, we provide solutions drawing on a comprehensive proposal system comprising the installation work branches, Equipment Division, and our technical research institutes.

## Core competencies addressing market trends



### Core competence

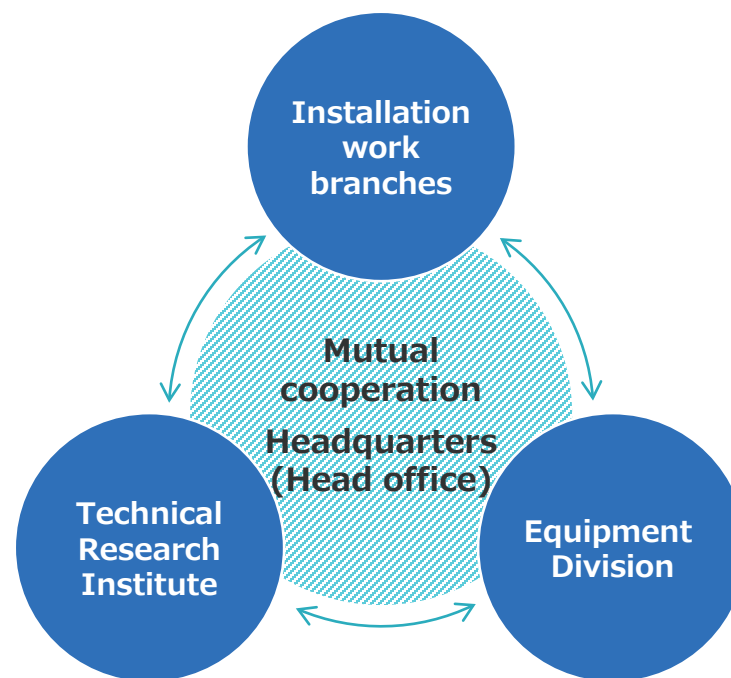


## Also responding to sustainability initiatives

Air conditioning  
installation work

Sanitation  
installation work

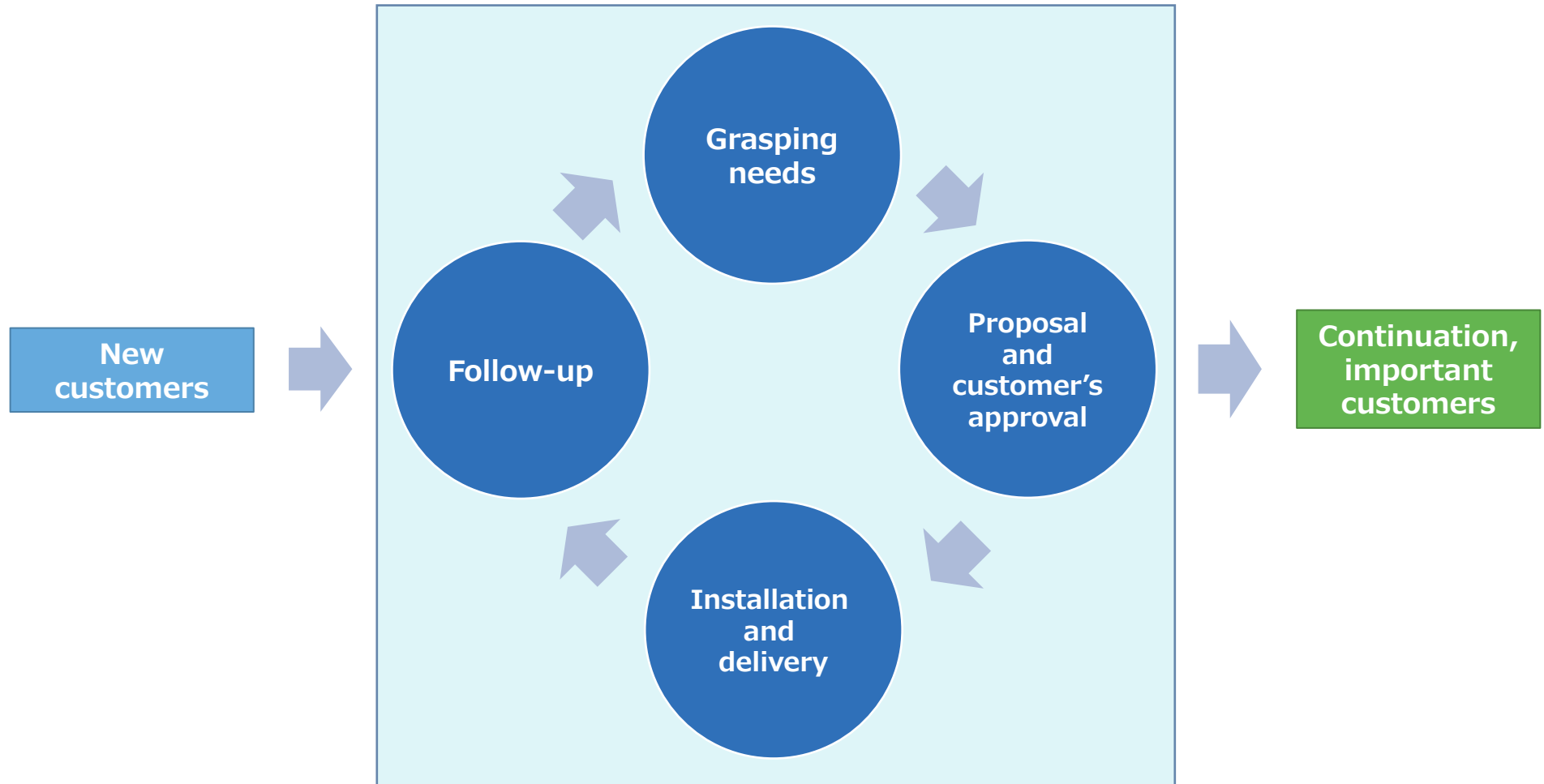
## Comprehensive proposal system responding to increasingly sophisticated customer needs



Sharing the knowhow of each group  
Joint proposals of solutions to customer needs












## Virtuous cycle driven by grasp of customer needs






- Operating in close contact with customers makes it possible to grasp diverse customer needs.
- We have established a virtuous cycle in which we leverage identified customer needs to develop technologies and improve service quality to win more customers.









# SDGs (1/4) Asahi Kogyosha Group's Basic Policy on SDGs

- The Group's corporate philosophy is to contribute to the development of culture by creating optimal spaces, drawing on advanced technologies based on the science of air, water, and heat while taking good care of the global environment and resources.
- Based on this philosophy and a full understanding of the spirit of the SDGs (Sustainable Development Goals), all officers and employees of the Group will actively work on the following six priority issues and strive to realize a sustainable society.

Priority issues addressed by the Group	Related SDG goal
<b>[Planet]</b> <b>Realizing a decarbonized society by preserving the global environment and protecting resources</b> We will strive to preserve the global environment and resources in all of our business activities and will contribute to the realization of a decarbonized society.	 
<b>[Prosperity]</b> <b>Providing solutions that bring us closer to a sustainable society and ensuring quality, health/hygiene and safety</b> We will strive to provide solutions that bring us closer to a sustainable society and to ensure quality, health and safety by leveraging the energy conservation and other environmental technologies cultivated over the years and strengthening research and development.	  
<b>[People]</b> <b>Promoting work-life balance and diversity</b> We will promote work-life balance and diversity to secure and maintain a work environment where the human rights and health of all people involved in our business activities are respected and diverse human resources can fully demonstrate their abilities and feel rewarded.  <b>Promoting workstyle reform and improving productivity using digital technologies</b> We will promote workstyle reforms in all business processes and will strive to improve productivity by actively introducing and using digital technologies.	   
<b>[Partnership]</b> <b>Coexistence and co-prosperity with business partners and strengthening partnerships</b> We will strive to exist and prosper side by side with our affiliates (business partners) through fair, transparent, and appropriate transactions. Additionally, we will work to realize a sustainable society by strengthening partnerships with external organizations with joint efforts involving industry, academia, and government in mind.	
<b>[Peace]</b> <b>Enhancing corporate governance and strengthening compliance</b> We will work to enhance corporate governance to meet the expectations of various stakeholders. We will comply with domestic and international laws and regulations through a comprehensive approach to management that emphasizes compliance.	

Priority issues addressed by the Group	Related SDG goal	Initiative theme	Specific measures
[Planet] Realizing a decarbonized society by preserving the global environment and protecting resources	 	Reducing environmental impact through environmental management systems	Reducing energy consumption at business sites Recycling recovered fluorocarbons Ensuring the appropriate disposal of industrial waste
		Promoting initiatives targeting net zero greenhouse gas (GHG) emissions by FY2050	Ensuring to meet Scope 1 and 2 reduction targets for FY2025 (36.5% decrease from FY2019 levels) Improving the accuracy of GHG emissions calculations and reducing such emissions Expanding use of renewable energy companywide Participating in international initiatives and strengthening associated systems
[Prosperity] Providing solutions that bring us closer to a sustainable society and ensuring quality, health/hygiene and safety.	  	Providing solutions that bring us closer to a sustainable society	Presenting facility management proposals to customers Implementing visualization of CO <sub>2</sub> emissions reductions in energy-saving proposals Reducing CO <sub>2</sub> emissions in business activities
		Strengthening R&D	Researching the cultivation environment required for the MucoRice rice-type vaccine Improving proprietary ZEB air conditioning systems, mainly liquid-cooled air conditioning systems and separate latent heat/sensible heat air conditioning Developing R&D infrastructure
		Ensuring quality, health/hygiene and safety	Preventing problems and complaints; information sharing Promoting quality management and hygiene and safety management

Priority issues addressed by the Group	Related SDG goal	Initiative theme	Specific measures
[People] Promoting work-life balance and diversity  Promoting workstyle reforms and improving productivity using digital technologies		Promoting work-life balance	Reducing statutory overtime hours
			Encouraging employees to take paid leave
			Encouraging employees to take childcare leave
	   	Promoting diversity	Recruiting female career-track employees
			Appointing female managers
			Securing employment for persons with disabilities
			Promoting active participation of employees re-employed after retirement age
		Improving productivity via digital technologies	Introducing digital tools in construction work
			Improving business operations by promoting DX (streamlining and efficiency improvements)

Priority issues addressed by the Group	Related SDG goal	Initiative theme	Specific measures
[Partnership] Coexistence and co-prosperity with business partners Strengthening Partnerships		Promoting effective activities based on the dual axes of work accident prevention and productivity improvements	Strengthening relationships with partner companies to maintain appropriate relationships and to ensure quality and safety Assuring fair transactions with partner companies while enhancing incentives
		Strengthening cooperation with suppliers	Evaluating supplier sustainability and providing them with training assistance
		Strengthening partnerships with external organizations	Establishing sustainable business models and creating new opportunities
		Contributing to sound community development	Maintaining companywide activities to contribute to society (blood donations, ECOCAP activities, used book donations, and calendar donations)
[Peace] Enhancing corporate governance and strengthening compliance		Improving stakeholder engagement	Developing systems at partner companies to respect human rights
		Enhancing corporate governance	Continuously strengthening corporate governance systems
			Promoting public relations and IR
			Enhancing dialogue with investors
			Achieving further penetration of BCP
		Disseminating effective compliance	Ensuring and strengthening compliance



# Installation Work Division: business content and domains

- The Installation Work Division performs air-conditioning installation and sanitation installation work using air, water, and heat technologies and provides one-stop engineering for customer facilities, from planning and proposal to construction, maintenance, and renovation.
- As an illustration of recent achievements, production environment facilities centered on semiconductor factories, laboratories, pharmaceutical factories, food factories and automotive battery factories, which require a high technological level, account for approximately 46% of net sales.

## Business areas

### Air conditioning and sanitation installation work



#### Air conditioning and ventilation installations

The basics of creating a space involve creating optimal air environments. We maintain health and create comfortable workspaces by controlling airflow and pollutants, in addition to temperature and humidity. We control manufacturing and storage environments, which vary depending on the air conditioning equipment, with high accuracy.



#### Factory piping, drying, and dust removal installations

Manufacturing sites require building equipment that meets specifications quite different from building equipment intended for ordinary human environments. Certain technologies of applications may require technologies capable of supplying pure water and liquid chemicals free of impurities in the specified amounts and in real time without changing their qualities by eliminating the influence of the surrounding environment.



#### Water supply and drainage, sanitation, fire extinguishing installations

Water is essential to life, commercial, and industrial activities. We condition the temperature and composition of water for the intended application and appropriately treat and discharge dirty water after use. Protecting people and buildings from fire is another key mission related to building equipment.



#### Cleanroom installations

In hospitals, pharmaceuticals, and semiconductor factories, which require clean spaces, eliminating fine dust, chemical and biological contamination such as polluting gases and viruses is critical. We create clean spaces while allowing control to achieve optimal thermal environments.



## Business domains

### Distribution environment facilities 5.6%

Shopping malls, department stores, underground commercial facilities, markets, etc.

### Transportation/communication environment facilities 1.8%

Airports, train stations, TV stations, etc.

### Health/medical environment facilities 7.9%

Hospitals, nursing homes, etc.

### Business environment facilities 20.2%

Office buildings, government buildings, etc.

### Production environment facilities 45.9%

Factories, laboratories, data centers, etc.

**Composition of net sales by business domain (FY 3/2025)**

### Living/cultural environment facilities 18.6%

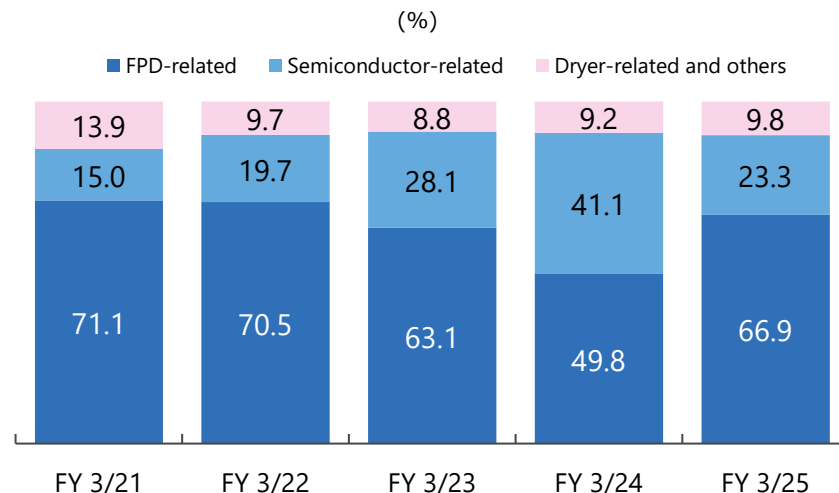
Schools, hotels, gymnasiums, concert halls, etc.

- We develop, manufacture, and sell precision environmental control equipment to leading-edge industries, including manufacturing equipment for semiconductors, FPDs, and electronics.
- By supplying primarily on an OEM-basis, we have focused on development, design, and manufacturing, accumulating advanced technological capabilities in air-filtering technology and thermal fluid control technology.
- We contribute to the Group's comprehensive strength by manufacturing air conditioning-related devices in collaboration with the Installation Work Division.

## Business overview

- Manufacture of high-performance temperature and humidity control equipment and their sale either independently or in combination with chambers (environmental chambers); manufacture and sale of environmental control devices for FPD/semiconductor manufacturing equipment installed in cleanrooms
- Development, design, manufacture, and sale of dryer systems for equipping in printers and coaters
- Products are mainly supplied on an OEM basis. Over 11,350 units have been shipped cumulatively over the more than 40 years since the Company's founding.
- Sales areas include China, South Korea, Taiwan, the United States, and Germany.

## Trends in composition of sales by product



## Main Products



Environmental chamber  
for FPD exposure systems



Environmental chamber  
for semiconductor  
lithography systems



ASC Series precision  
air conditioners



Dryer systems  
(exterior)

This document contains forward-looking statements regarding industry trends and the activities undertaken by Asahi Kogyosha based on current plans, estimates, expectations, and forecasts.

Various risks and uncertainties are inherent in these forward-looking statements.

Risks, uncertainties and other factors known or not yet known could cause results to differ from those contained in these forward-looking statements.

The future nature of the business undertaken by and the performance and other characteristics of Asahi Kogyosha may diverge from the forward-looking statements presented herein.

The forward-looking statements herein are based on information available as of May 29, 2025. Note that Asahi Kogyosha may not necessarily update or revise the forward-looking statements to reflect emerging events or circumstances.



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