



Fiscal Year Ended March 31, 2022

Financial Results Briefing Materials

June 3, 2022

ICHIKEN Co., Ltd.

Bringing the future to you through innovative living spaces

~For Your Living Space~

| | page |
|--|-----------|
| I. Overview of Financial Results for the Fiscal Year Ended March 31, 2022 | 3 |
| II. Progress of the Medium-Term Business Plan | 14 |
| III. Compliance Plan to Meet Continued Listing Criteria Under New Market Segments | 18 |

I.

Overview of Financial Results for the Fiscal Year Ended March 31, 2022

Business Environment

1. Although there were signs of recovery amidst the effects of the COVID-19 pandemic as a result of various policies taken, the business outlook remains uncertain due to concerns surrounding geopolitical risks arising from the situation in Ukraine and other factors
2. The construction industry continues to face a tough business environment resulting from increasingly intense competition for orders, soaring labor costs due to a shortage of skilled workers, and rising prices for construction materials amid economic uncertainty caused by the COVID-19 pandemic and other factors

Corporate Efforts

1. Maintained precautionary measures against the spread of COVID-19 to continue our business activities
2. Aggressively sought orders to meet the demand for new construction, interior design, and renovations for stores and other businesses by leveraging upon our know-how from our core commercial facility construction business as well as our planning and proposal expertise. Also engaged with a wide range of private sector businesses, including condominiums, logistics facilities, medical and welfare facilities, etc.

Financial Results for FYE March 2022

Summary

- [Decreased Revenue]** Completed construction contracts decreased in the current fiscal year (ended March 2022) due to a decline in orders in the previous fiscal year (ended March 2021) and less contracts being carried over into the current fiscal year
- [Decreased Profit]** Profit declined due to a decrease in completed construction contracts

(Millions of yen)

| | FYE March 2021 | FYE March 2022 | | | Target | vs. Target |
|------------------------------|----------------|----------------|------------|------------|--------|------------|
| | Amount | Amount | YOY Change | Change (%) | Amount | Change (%) |
| Orders | 84,968 | 93,969 | 9,001 | 10.6% | - | - |
| Contracts carried over | 73,516 | 84,169 | 10,652 | 14.5% | - | - |
| Net sales | 88,624 | 83,776 | (4,848) | (5.5%) | 85,000 | (1.4%) |
| Gross profit | 7,661 | 7,387 | (274) | (3.6%) | - | - |
| SG&A | 2,903 | 2,712 | (190) | (6.6%) | - | - |
| Operating profit | 4,758 | 4,674 | (83) | (1.8%) | 4,390 | 6.5% |
| Ordinary profit | 4,673 | 4,636 | (36) | (0.8%) | 4,290 | 8.1% |
| Extraordinary income or loss | (28) | (419) | - | - | - | - |
| Profit | 3,161 | 2,985 | (176) | (5.6%) | 2,960 | 0.9% |

○ Breakdown by Category

(Millions of yen)

| | | Orders | | Completed Construction Contracts | | Contracts Carried Over | | |
|----------------------------------|------------------------------|----------------------|--------|----------------------------------|--------|------------------------|--------|-------|
| | | Amount | Share | Amount | Share | Amount | Share | |
| Construction Business | Commercial facilities | 49,772 | 52.9% | 49,178 | 59.0% | 34,747 | 41.3% | |
| | Breakdown | Retail stores | 43,316 | 46.1% | 39,215 | 47.0% | 28,760 | 34.2% |
| | | Lodging facilities | 4,838 | 5.1% | 5,378 | 6.5% | 5,883 | 7.0% |
| | | Amusement facilities | 1,167 | 1.7% | 4,584 | 5.5% | 103 | 0.1% |
| | | Residential | 27,869 | 29.7% | 22,193 | 26.6% | 35,519 | 42.2% |
| | Offices | 924 | 1.0% | 2,424 | 2.9% | 695 | 0.8% | |
| | Factories & warehouses | 12,933 | 13.8% | 4,400 | 5.3% | 9,927 | 11.8% | |
| | Medical & welfare facilities | 2,155 | 2.3% | 3,143 | 3.8% | 3,249 | 3.9% | |
| | Other | 313 | 0.3% | 1,976 | 2.4% | 30 | 0.0% | |
| | Total | 93,969 | 100.0% | 83,316 | 100.0% | 84,169 | 100.0% | |
| Civil Engineering Business Total | | - | - | - | - | - | - | |
| Total | | 93,969 | 100.0% | 83,316 | 100.0% | 84,169 | 100.0% | |

Major Completed Projects & Orders Received

Major Projects Completed

| Client | Project Name | Location |
|---|--|----------|
| ES-CON JAPAN Ltd. | Tsukuba CREO Renovation | Ibaraki |
| KING-KANKO Co., Ltd. | Meieki 4-chome New Construction Plan (tentative name) | Aichi |
| Minato City, Tokyo | Shiba 5-chome Multipurpose Complex New Construction | Tokyo |
| NISSHO ESTEM Co., Ltd. | Estem Court Amagasaki-shi Konakajima 1-chome New Construction (tentative name) | Hyogo |
| APA Home Co., Ltd. APA Mansion Co., Ltd. | APA Hotel Ueno Ekimae Project New Construction (tentative name) | Tokyo |
| Central General Development Co., Ltd. | Clare Homes Hassamu 5-8 Buildings A & B New Construction (tentative name) | Hokkaido |
| SMFL MIRAI Partners Co., Ltd. | Minami Semba Hotel New Construction Plan (tentative name) | Osaka |



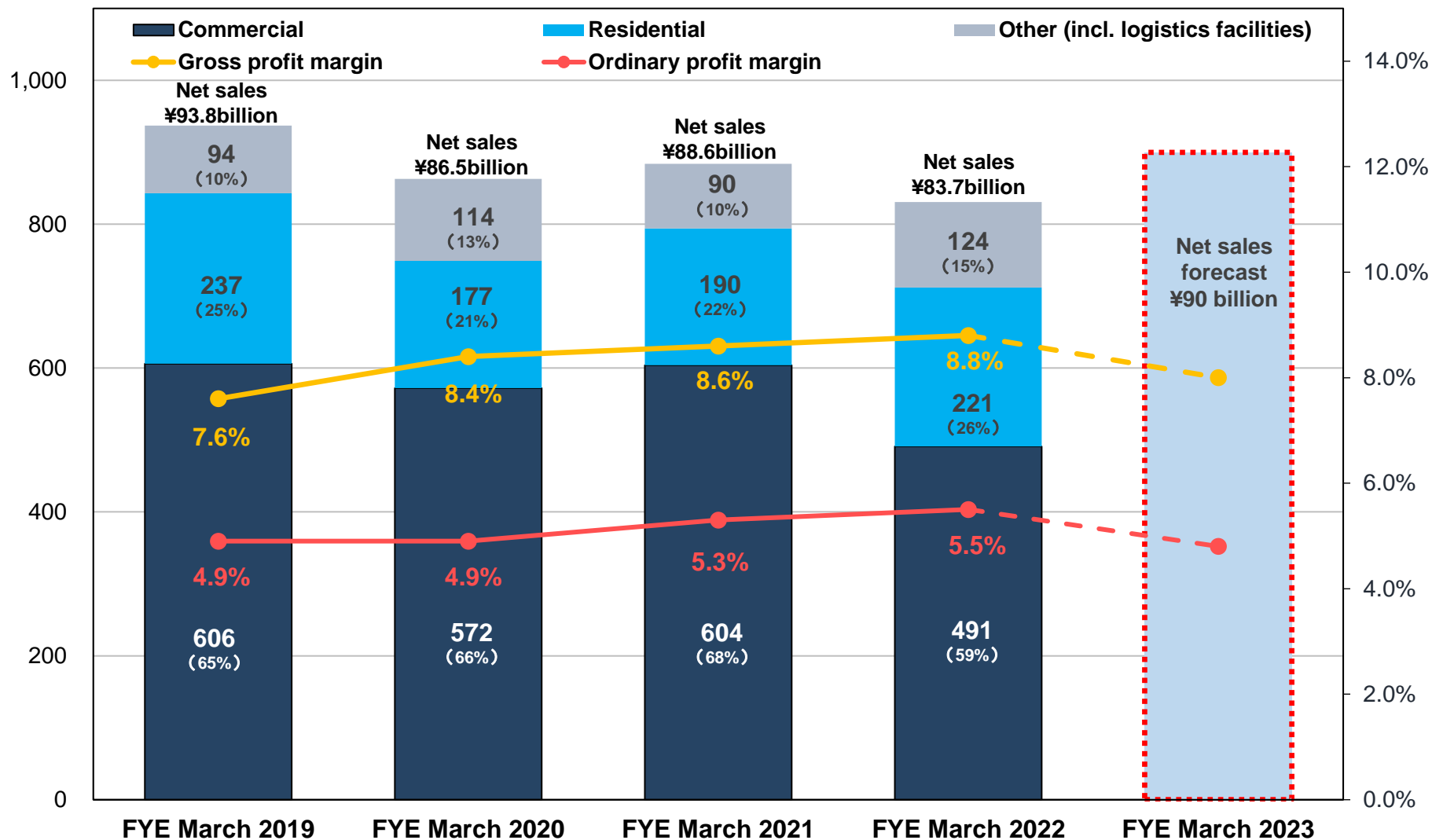
Major Orders Received

| Client | Project Name | Location |
|---------------------------------------|---|-----------|
| NITORI Co., Ltd. | Nitori Shin-Kobe DC New Construction (tentative name) | Hyogo |
| Mitsubishi Estate Residence Co., Ltd. | Misato-shi Misato 1-chome Planned New Construction | Saitama |
| AEON MALL Co., Ltd. | Jiyugaoka 2-chome Planned New Construction (tentative name) | Tokyo |
| Joshin Denki Co., Ltd. | Shin Nipponbashi Ten New Construction (tentative name) | Osaka |
| Ginza Holdings Co., Ltd. | Mukogaoka-Yuen GH Multipurpose Complex New Construction (tentative name) | Kanagawa |
| Daiichi Realtor Co., Ltd. | Kyoto Nishikujo Hotel Planned New Construction (tentative name) | Kyoto |
| NISSHO ESTEM Co., Ltd. | Estem Court Hiroshima-shi, Naka-ku, Kokutajimachi 2-chome New Construction (tentative name) | Hiroshima |



Changes in Net Sales by Project Type

(Hundreds of millions of yen)

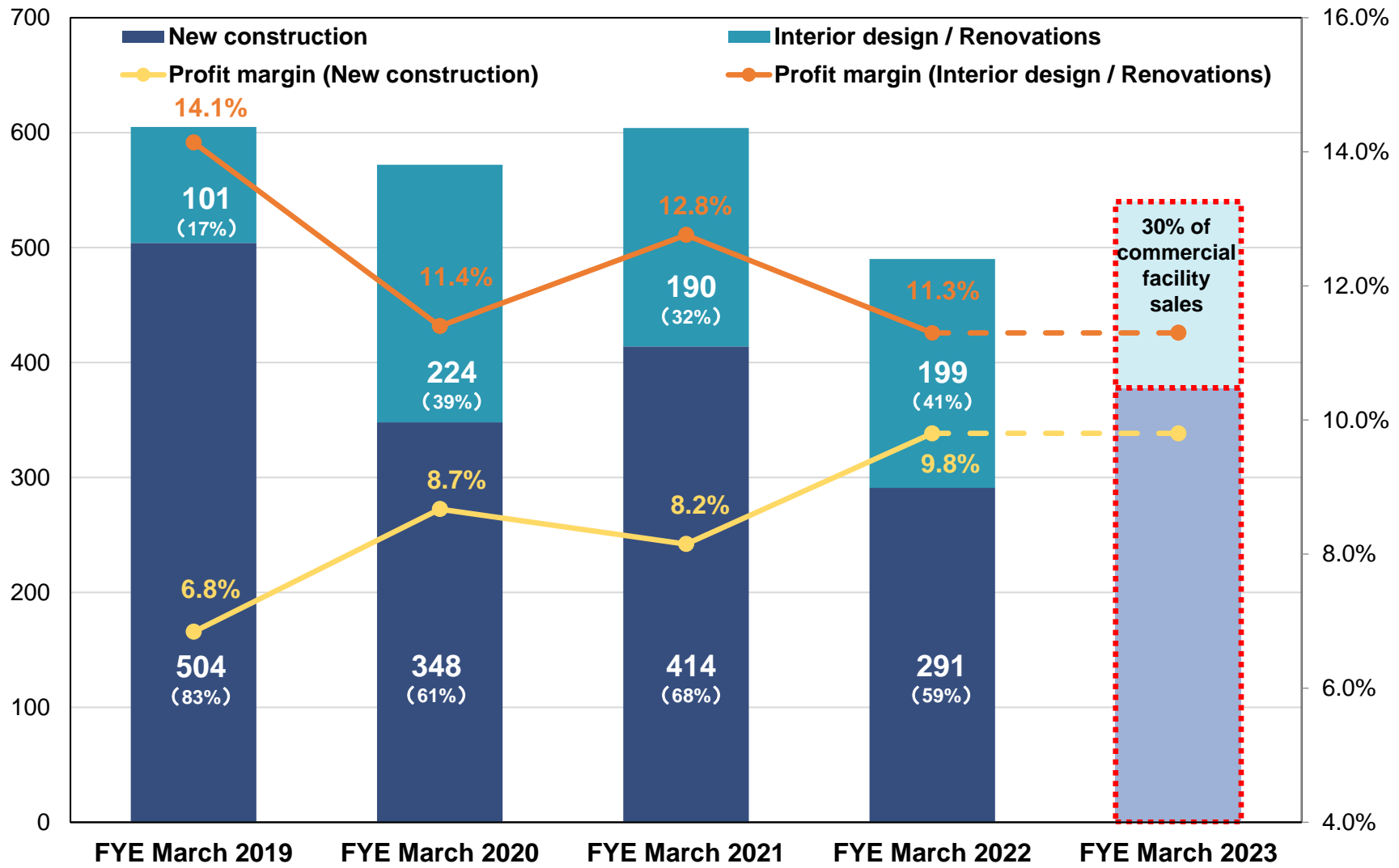




Changes in Net Sales

[Commercial facilities: new construction vs. interior design work / renovations]

(Hundreds of millions of yen)



○ Comparative Balance Sheet

(Millions of yen)

| | FYE March 2021 | FYE March 2022 | YOY Change |
|---------------------------------|-------------------|-------------------|--------------|
| Total assets | 54,028 | 57,617 | 3,589 |
| Current assets | 44,606 | 48,324 | 3,718 |
| Non-current assets | 9,421 | 9,292 | (129) |
| Total liabilities | 29,408 | 30,819 | 1,410 |
| Current liabilities | 23,170 | 24,613 | 1,443 |
| Non-current liabilities | 6,238 | 6,206 | (32) |
| Total net assets | 24,619 | 26,798 | 2,178 |
| Owners' equity | 24,592 | 26,775 | 2,183 |
| Share acquisition rights | 27 | 22 | (4) |

[Assets] Increased by ¥3,589 million
(Main increases)

- Notes receivable - trade +¥5,477 million
- Accounts receivable from completed construction contracts +¥851 million
- Electronically recorded monetary claims - operating +¥276 million

(Main decreases)

- Costs on construction contracts in progress (¥2,704 million)
- Buildings & structures (¥348 million)
- Land (¥282 million)

[Liabilities] Increased by ¥1,410 million
(Main increases)

- Accounts payable for construction contracts +¥2,109 million
- Electronically recorded obligations - operating +¥1,474 million

(Main decreases)

- Notes payable - trade (¥652 million)
- Accrued consumption taxes (¥232 million)
- Advances received on construction contracts in progress (¥154 million)

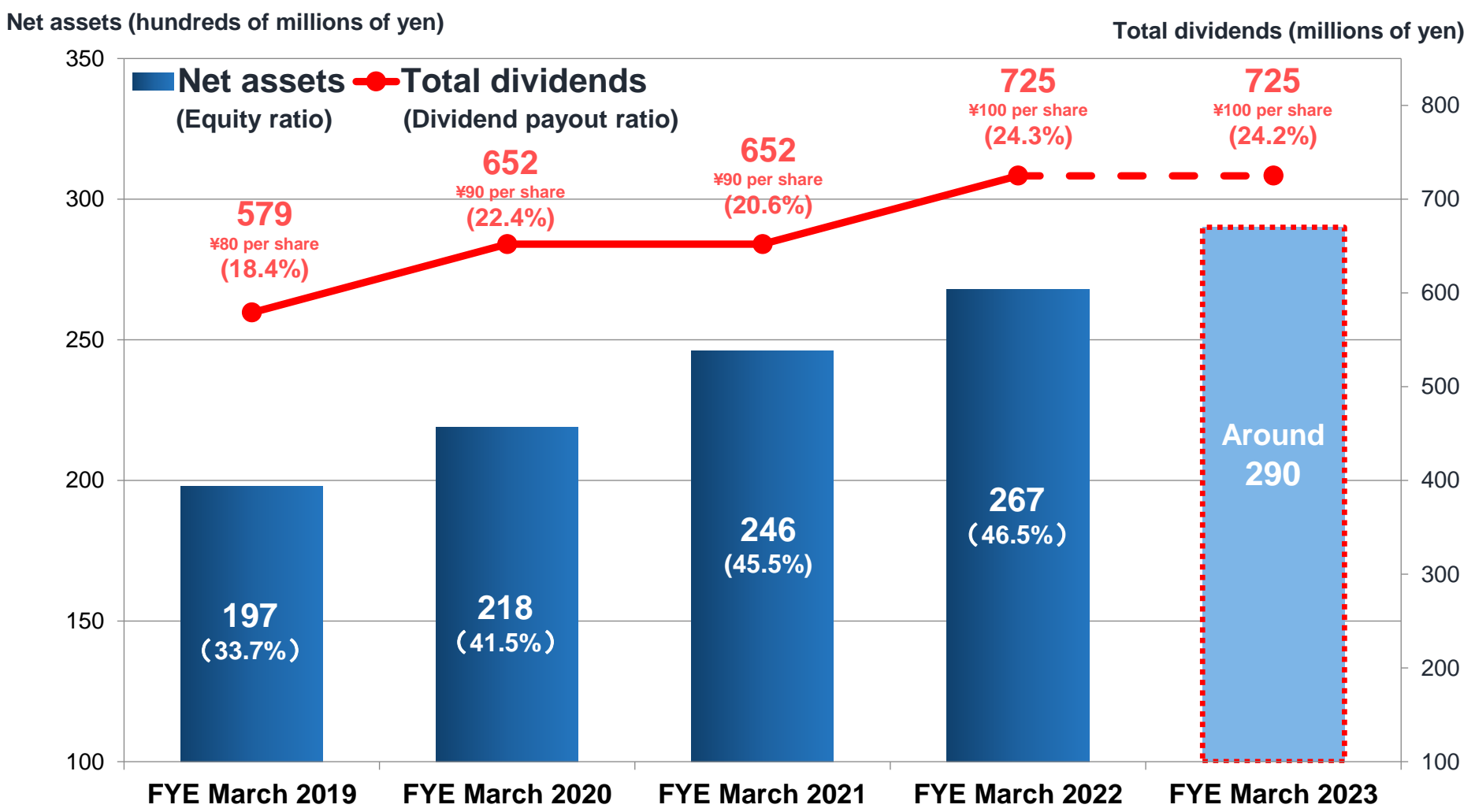
[Net assets] Increased by ¥2,178 million
(Main increases)

- Profit +¥2,985 million

(Main decreases)

- Fiscal year-end dividends (¥652 million)
- Valuation and translation adjustments (¥153 million)

Changes in Net Assets and Total Dividends



○ Comparative Statements of Cash Flows

(Millions of yen)

| | | FYE March 2021 | FYE March 2022 |
|--|--|-------------------|-------------------|
| Cash flows from operating activities | | 543 | 757 |
| Cash flows from investing activities | | (63) | (136) |
| Cash flows from financing activities | | (797) | (799) |
| Total cash flow | | (317) | (178) |
| Cash and cash equivalents at end of period | | 11,835 | 11,657 |

**[CF from operating activities] ¥757 million
increase in funds**

- Profit before income taxes +¥4,217 million
- Increase in trade payables +¥2,931 million
- Decrease in costs on construction contracts in progress +¥2,704 million
- Increase in notes and accounts receivable-trade and others (¥6,602 million)
- Decrease in accrued consumption taxes (¥232 million)
- Income taxes paid (¥1,608 million)

**[CF from investing activities] ¥136 million
decrease in funds**

- Proceeds from sale of investment securities +¥201 million
- Purchase of investment securities (¥200 million)
- Purchase of intangible assets (¥77 million)

**[CF from financing activities] ¥799 million
decrease in funds**

- Proceeds from long-term borrowings +¥978 million
- Repayments of long-term borrowings (¥1,089 million)
- Dividends paid (¥651 million)

○ FYE March 2023 Financial Results Forecast

- Fiscal year ending March 2023 marks the final year of the medium-term business plan
- We will achieve our targets and establish the foundation for the next medium-term business plan

(Millions of yen)

| | FYE March 2022 Results | FYE March 2023 Forecast | | |
|-------------------------------------|------------------------|-------------------------|------------|------------|
| | Amount | Amount | YOY Change | Change (%) |
| Net sales | 83,776 | 90,000 | 6,223 | 7.4% |
| (Gross profit margin) | (8.8%) | - | - | - |
| Operating profit | 4,674 | 4,440 | (234) | (5.0%) |
| Ordinary profit | 4,636 | 4,340 | (296) | (6.4%) |
| Profit | 2,985 | 3,000 | 14 | 0.5% |
| Fiscal year-end dividends per share | ¥100 | ¥100 | - | - |

*Regarding the financial results forecast

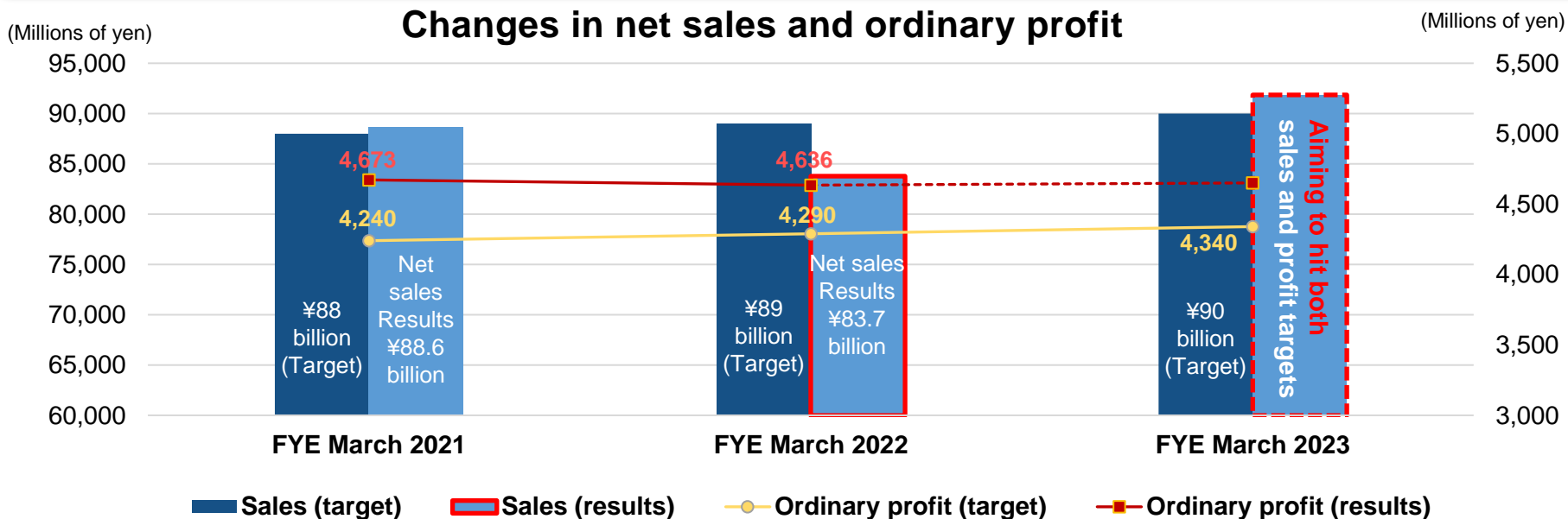
The prolonged or worsened spread of COVID-19 could potentially impact business performance. However, as it is difficult to predict how the virus will spread moving forward, we have not factored such potential impacts into our forecast at this time. We will carefully evaluate future developments and promptly provide a revised forecast should it be deemed necessary.

II.

Progress of the Medium-Term Business Plan (FYE March 2021 - FYE March 2023)

Overview of Financial Results - Sales Fall Short but Profit Exceeds Target -

- Construction contracts carried over into the next fiscal year increased by approximately ¥10 billion YOY as of the end of FYE March 2022
- Aiming to achieve our FYE March 2023 target figures, the last year of the current medium-term business plan



| | FYE March 2021 | | | | | FYE March 2022 | | | | | FYE March 2023 | |
|------------------|----------------|---------------|---------|---------------|------------------|----------------|---------------|---------|---------------|------------------|----------------|---------------|
| | Target | Profit margin | Results | Profit margin | Achievement rate | Target | Profit margin | Results | Profit margin | Achievement rate | Target | Profit margin |
| Net sales | 88,000 | | 88,624 | | 100.7% | 89,000 | | 83,776 | | 94.1% | 90,000 | |
| Operating profit | 4,340 | 4.9% | 4,758 | 5.4% | 109.6% | 4,390 | 4.9% | 4,674 | 5.6% | 106.5% | 4,440 | 4.9% |
| Ordinary profit | 4,240 | 4.8% | 4,673 | 5.3% | 110.2% | 4,290 | 4.8% | 4,636 | 5.5% | 108.1% | 4,340 | 4.8% |
| Profit | 2,930 | 3.3% | 3,161 | 3.6% | 107.9% | 2,960 | 3.3% | 2,985 | 3.6% | 100.9% | 3,000 | 3.3% |

○ Progress of Each Policy Measure (Overview)

Priority Measures

Our basic strategy is to differentiate and establish the superiority of our core construction business

Measure 1

Enhance our technical proposal skills

- Certified for our “one pillar-one pile method” performance, an industry-academia collaborative initiative
- Promoted storefront building information modeling (BIM) projects; promoted projects selected for ZEB verification subsidies

Measure 2

Strengthen efforts focused on profitability and productivity in our construction business

- Increased ratio of design–build projects
- Promoted digitalization of on-site administrative work, etc.

Measure 3

Expand real estate business

- Examined exit strategy for real estate holdings and acquisition of new income-generating properties
- Promoted initiative for planning and development projects related to real estate

Measure 4

Engage in new business - Building a new foundation for growth -

- Established and began operating a Vietnamese subsidiary in April 2022
- M&A an ongoing subject

Measure 5

Improve management skills

- Strengthened corporate governance system / Transitioned to a company with an audit and supervisory committee
- Developed human resources through systematic training

Established Overseas Subsidiary in Vietnam



ICHIKEN VIETNAM CONSTRUCTION CO., LTD.

Explored overseas markets in response to the diminishing domestic construction market as part of our efforts to “engage in new business,” a priority measure from our medium-term business plan

(Issues faced)

- Decline in the total population of Japan
- Fewer new builds expected to start construction
- Increasingly severe shortage of skilled workers



[2030 Corporate Vision]

“We aim to contribute to the sustainable development of society while achieving stable growth”

[Business scale] Over ¥100 billion in net sales



Established overseas subsidiary for further business expansion
Operations began April 1, 2022

Company Profile

[On-site employee structure]



Operating Officer of the Company serving as Representative

Began operations as three-person team including two local Vietnamese hires

[Business overview]

1. Contract construction management services
(Consulting services on building construction)
2. BIM subcontracting services
3. Contract construction work for Japanese corporations and information broker/intermediary services

[Prospects]

We will establish a track record in collaboration with the support system in Japan, expand our scope of business, and consider additional staff as business progresses

III.

Compliance Plan to Meet Continued Listing Criteria Under New Market Segments



ICHIKEN Co., Ltd.

Stock code: 1847

Compliance Plan to Meet Continued Listing Criteria Under New Market Segments

December 24, 2021

Bringing the future to you through innovative living spaces

ICHIKEN For Your Living Space

Table of Contents

| | (Page No.) |
|--|------------|
| 1. Continued Listing Status | 21 |
| 2. Establishment of Basic Policy | 21 |
| 3. Reduction of Company Shares Held for Cross Holding Purposes | 22 |
| 4. Current Stock Price Analysis | 23-25 |
| 5. Measures to Improve Stock Price | 26 |
| 6. Management Policy | 27 |
| 7. Business Measures | 28 |
| 8. Growth Strategy | 29 |
| 9. Investment Plan | 30 |
| 10. Capital Measures and Enhancement of Corporate Governance System | 31 |

Continued Listing Status & Establishment of Basic Policy

Compliance with Prime Market continued listing criteria

We received notice from Tokyo Stock Exchange, Inc. that the Company has not met part of the criteria for the market restructuring to be implemented on April 4, 2022, as of the cutoff date (June 30, 2021)

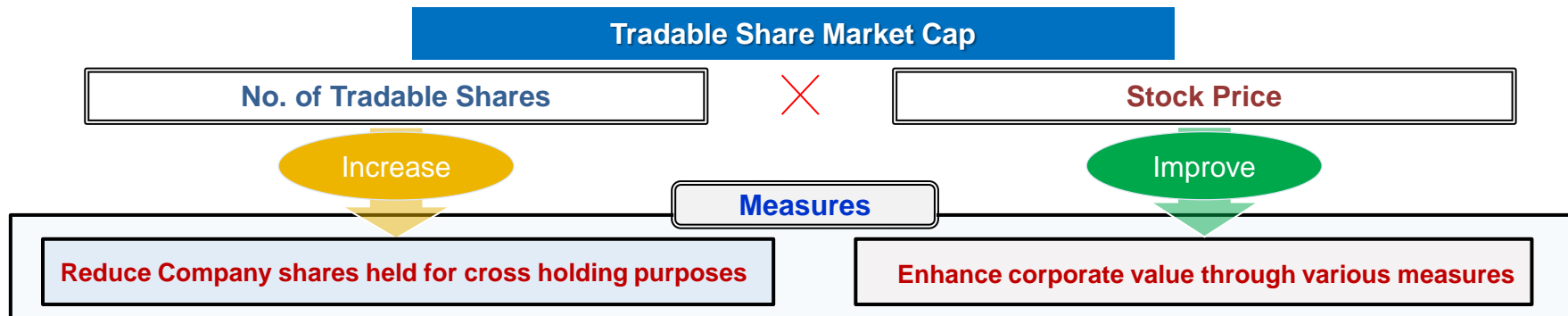
| | Continued Listing Criteria | Company Figures | Compliance Status |
|----------------------------------|-----------------------------|-----------------------|-------------------|
| No. of Shareholders | - | - | - |
| No. of Tradable Shares | At least 20,000 units | 42,213 units | Yes |
| Tradable Share Market Cap | At least ¥10 billion | ¥8,009,430,095 | No |
| Tradable Share Ratio | At least 35% | 57.9 % | Yes |
| Trading Value/Day | At least ¥20 million | ¥35,534,710 | Yes |
| Market Cap | - | - | - |

<Our goal is to increase our tradable share market cap to meet the continued listing criteria>
 The Company will work to meet the continued listing criteria **by the end of the fiscal year ending March 2023**, the final year of our medium-term business plan (FY2020-FY2022) by working on the initiatives outlined in this Compliance Plan in addition to those already set out in our medium-term business plan.

Basic Policy for Compliance with Continued Listing Criteria

Defining “tradable share market cap” as the number of tradable shares multiplied by the stock price, our basic policy is to increase the number of tradable shares by reducing Company shares held for cross holding purposes and improve our stock price by implementing various measures.

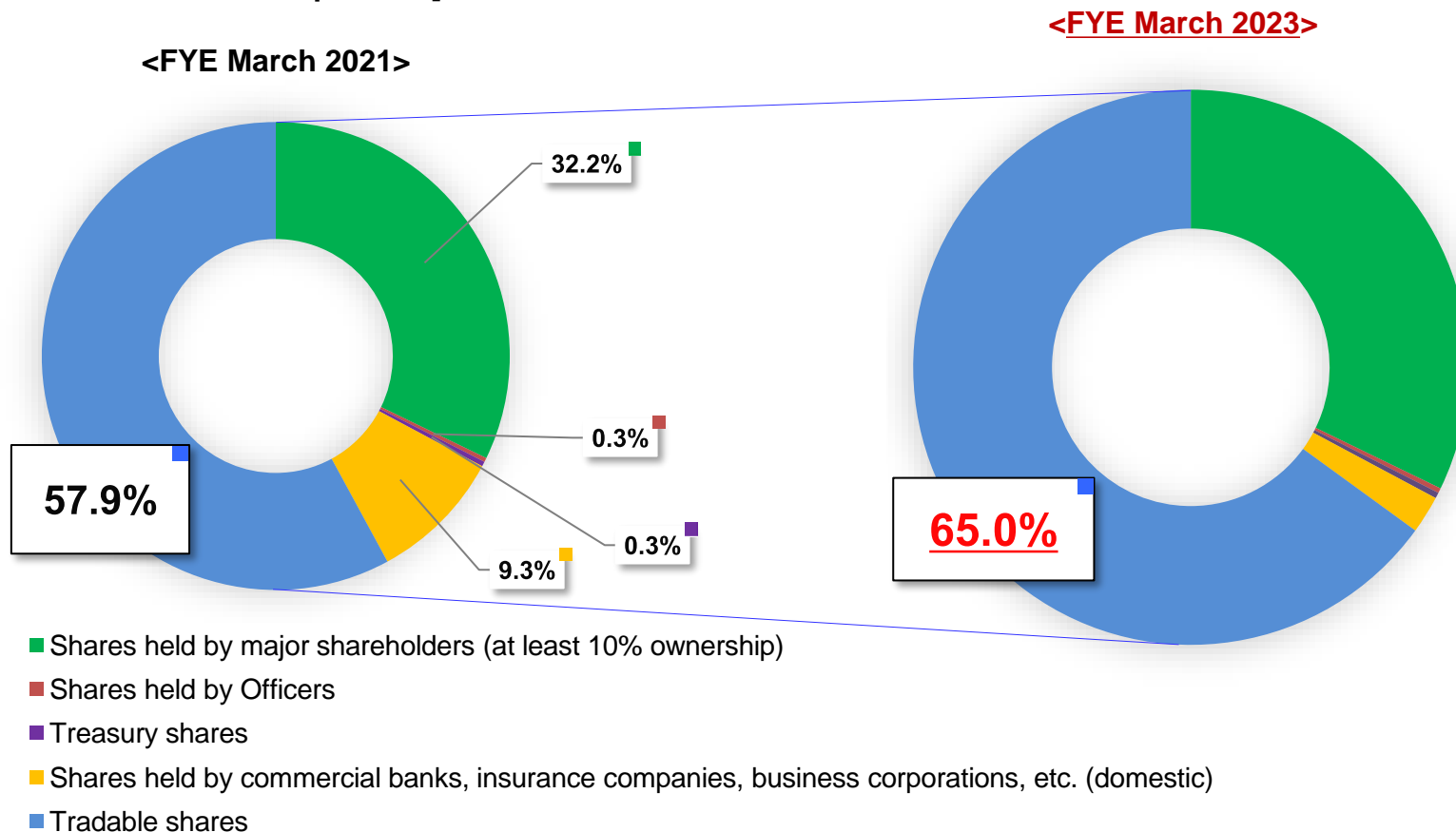
[Approach to improving tradable share market cap]



Reduction of Company Shares Held for Cross Holding Purposes

We will work to encourage a reduction in Company shares held for cross holding purposes and thereby increase the number of tradable shares by carefully explaining our measures to increase said tradable shares while respecting the policies of companies who hold them.

[Changes in shareholder composition]



***The Company will remain flexible in considering and implementing other measures to increase the number of tradable shares in addition to the initiative described above.**

Current Stock Price Analysis (Stock Price Trends & Theoretical Price)

We conducted an analysis of our current stock price in an aim to improve it by first calculating the theoretical price using our PER and PBR values, typically used to calculate tradable share market cap, and then assessing any gap between the theoretical price and the current price. As a result, we confirmed that there is an overall gap between the theoretical price and our current share price, making our stock “undervalued” so to speak.



[Theoretical price based on PER/PBR]

*Theoretical price = PER x EPS or PBR x BPS

| EPS (Profit / Total number of issued shares) | | ¥435.86 | BPS (Net assets / Total number of issued shares) | | ¥3,390.14 | Theoretical price |
|--|--|---------|--|--|-----------|-------------------|
| PER | 5-year historical average | | 4.93x | | | ¥2,149 |
| | 5-year historical average for the construction industry (1st Section, TSE) | | 10.62x | | | ¥4,629 |
| PBR | 5-year historical average | | 0.92x | | | ¥3,119 |
| | 5-year historical average for the construction industry (1st Section, TSE) | | 0.97x | | | ¥3,288 |

PER (Price Earnings Ratio) = Stock price / Profit per share (EPS)

<An index to determine if a stock’s price is overvalued or undervalued relative to the company’s profit level>

PBR (Price-to-Book Ratio) = Stock price / Net assets per share (BPS) <An index to determine if a stock’s price is overvalued or undervalued by looking at the ratio between the stock price and net assets per share>

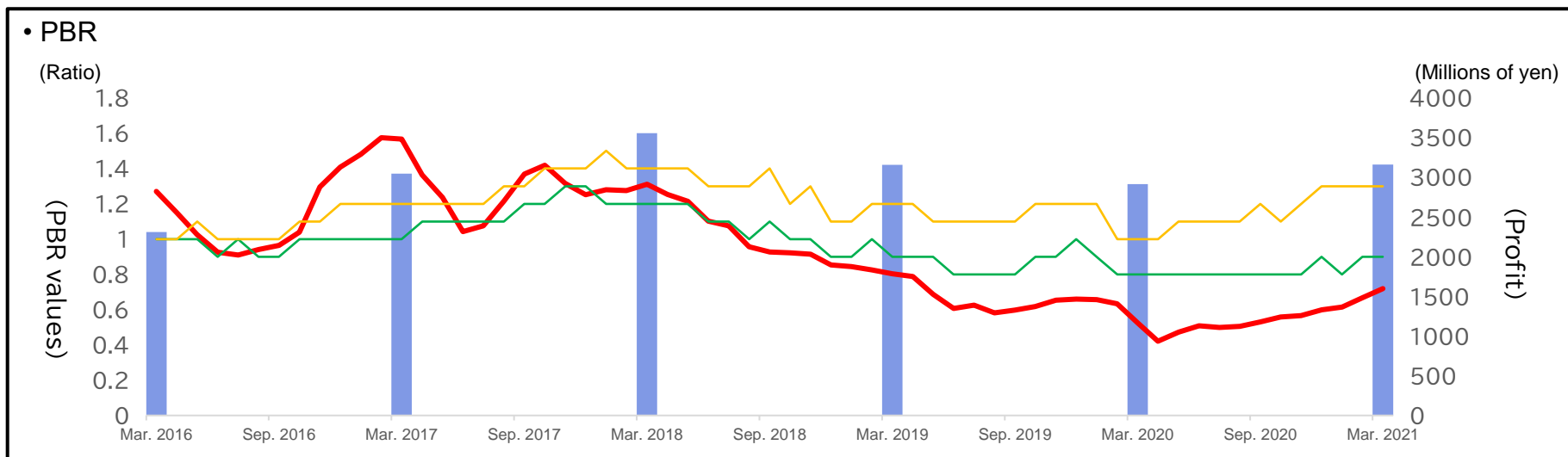
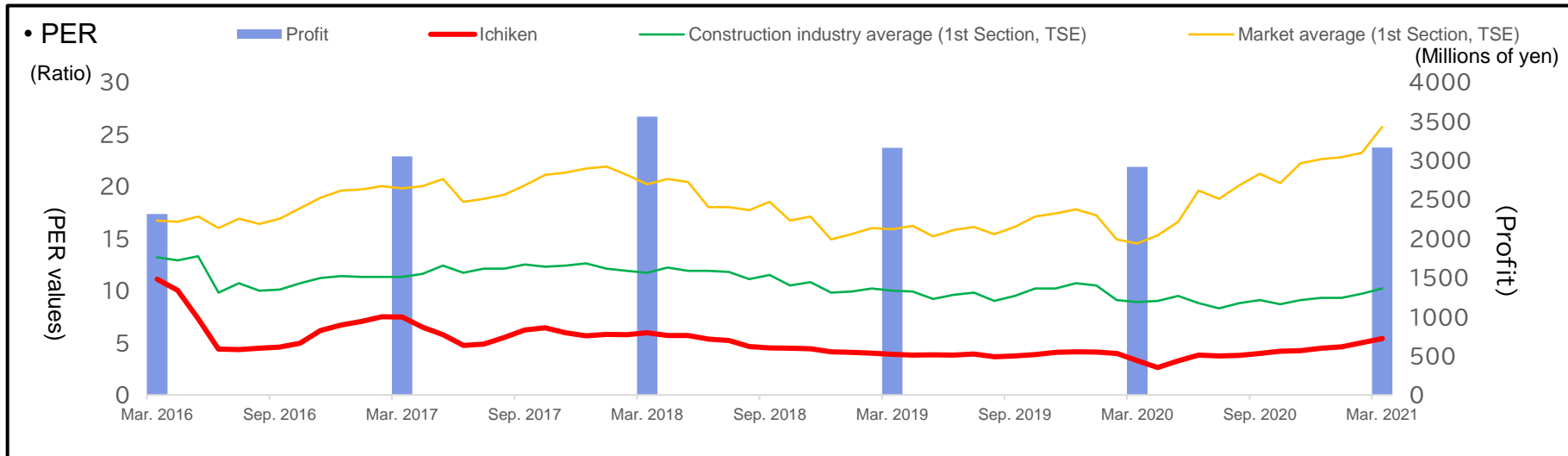
(Assumptions)

1. EPS and BPS calculated from May 18, 2021 figures
2. 5-year historical averages for PER and PBR based on our own research (partially sourced from TSE statistics)

Current Stock Price Analysis (5-Year Historical PER & PBR)

When comparing our PER and PBR (over the past five years) with the construction industry on the 1st Section of the TSE as well as all companies listed on the section, we found that there is also a gap here that **they are below where they should be**, as is the case with our stock price.

-> PER & PBR have been low despite steady profit (indicating a lack of adequate explanation on our future prospects)



Current Stock Price Analysis (Simulation)

If our PER and PBR were to reach the same level as the construction industry average on the 1st Section of the TSE, we would achieve the ¥10 billion tradable share market cap criteria as shown in the table below. **In order to improve both figures, we will promote investor engagement regarding our growth potential and implement the measures described in the following pages.**

$$\frac{\text{PER} \times \text{Forecast profit}}{\text{PBR} \times \text{Forecast net assets}} \times \text{Tradable Share Ratio} = \text{Tradable Share Market Cap}$$

| PER | Forecast Profit | Tradable Share Ratio | Tradable Share Market Cap | Compliance Status | Tradable Share Ratio | Tradable Share Market Cap | Compliance Status |
|--|-----------------------|----------------------|---------------------------|-------------------|----------------------|---------------------------|-------------------|
| 4.71x Calculated based on March 31, 2021 closing price *1 | ¥2,995 million *3 | 57.9% *4 | ¥8,167 million | No | 65% | ¥9,168 million | No |
| 4.93x 5-year historical average | | | ¥8,548 million | No | | ¥9,596 million | No |
| 10.62x 5-year historical average for the construction industry (1st Section, TSE) *2 | | | ¥18,414 million | Yes | | ¥20,672 million | Yes |
| PBR | Forecast Net Assets | Tradable Share Ratio | Tradable Share Market Cap | Compliance Status | Tradable Share Ratio | Tradable Share Market Cap | Compliance Status |
| 0.61x Calculated based on March 31, 2021 closing price *1 | ¥29,268 million *5 | 57.9% *4 | ¥10,337 million | Yes | 65% | ¥11,605 million | Yes |
| 0.92x 5-year historical average | | | ¥15,590 million | Yes | | ¥17,502 million | Yes |
| 0.97x 5-year historical average for the construction industry (1st Section, TSE) *2 | | | ¥16,438 million | Yes | | ¥18,453 million | Yes |

*1 Calculated based on May 18, 2021 figures *2 Sourced from TSE statistics

*3 Forecast profit of ¥2,995 million = FYE March 2023 forecast ordinary profit from the medium-term business plan (¥4,340 million) x 69% (assuming a 31% effective tax rate)

*4 As of March 31, 2021

*5 Forecast net assets of ¥29,268 million = FYE March 2022 net asset forecast (¥26,926 million (calculated based on May 18, 2021 figures)) + FYE March 2023 forecast profit (¥2,995 million) - dividends (¥653 million)

Measures to Improve Stock Price - Increase Awareness of Equity Story -

As per the previous slides, our analysis shows that our stock is undervalued, including in price estimates incorporating forecast figures, as highlighted by the gap between our PER/PBR values and the construction industry averages on the 1st Section of the TSE.

In order to improve our stock price, we will take measures to increase our market cap and expand our investor relations (IR) activities relating to our equity story in an effort to enhance our corporate value and thereby increase our stock price.

Measures to Improve Stock Price

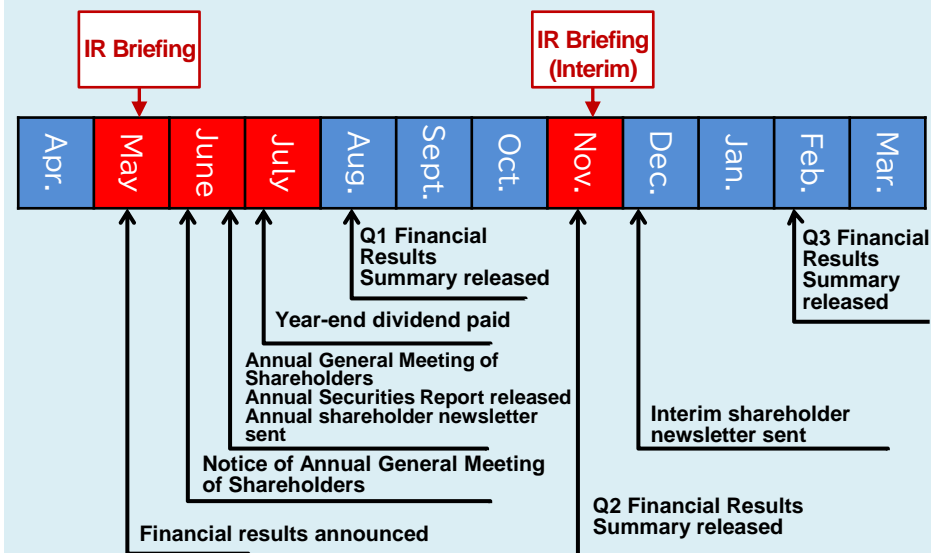
| | Items for Consideration | Efforts to Enhance Corporate Value |
|------|---|---|
| Item | <ul style="list-style-type: none"> ▼ Reduce shares held for cross holding ▼ Pay interim dividend ▼ Purchase treasury shares ▼ Split stock | <ul style="list-style-type: none"> ▼ Strengthen profitability ▼ Invest in growth areas ▼ Improve capital efficiency ▼ Raise dividends ▼ Strengthen corporate governance system |

| | | |
|-------|--|---|
| Steps | <ul style="list-style-type: none"> ◎ Implement measures flexibly while keeping an eye on profit/loss for the period | <ul style="list-style-type: none"> ◎ Carefully explain our management policy and business measures (Equity story) [See P8-P12] ◎ Expand IR activities [See right] |
|-------|--|---|

Expanded IR Initiatives

1. Disclose and provide information in English for overseas investors with a view to achieving sustainable growth and enhancing corporate value over the medium to long term.
2. Increase awareness of our equity story through regular IR briefings for institutional investors
3. Promote investor engagement by meeting with institutional investors in a prompt and flexible manner

[IR Activity Schedule]



Management Policy

We will celebrate the 100th anniversary of our founding in 2030. Through our management policy, we are working to promote our business from an ESG perspective so that our Company's purpose will be better understood.

We also recognize that enhancing corporate value and attaining a fair market assessment are important issues to be addressed in improving our stock price, and aim to strengthen our IR activities to do so.

Management Policy

[Management Philosophy]

We strive to improve quality and safety, constantly demonstrate our creativity, and aim to achieve a rich and comfortable society through our **commercial space business**.

[Management Vision]

We aim to contribute extensively to society by creating richer and more comfortable **living spaces**

[2030 Corporate Vision]

We aim to contribute to the **sustainable development of society** while achieving **stable growth**
















[Our Purpose]

To contribute to society through our construction business with a focus on commercial facilities in order to make various establishments necessary for daily life richer, more comfortable, and sustainable

SDG & ESG Initiatives

The Company has identified “material issues” (materiality) in achieving a sustainable society as part of our non-financial information. It is our belief that promoting our business with an awareness of resolving social issues through materiality initiatives will help enhance our corporate value.

We will implement business strategies that are based in ESG management and bear in mind the SDGs, as well as investment and capital strategies to achieve these business strategies.

| ESG Initiatives | | Content of Initiatives | Indicators | SDGs | | |
|--------------------------------|--|---|--|---|---|--|
| Priority Issues | Specific Items | | | | | |
| Environment | Address climate change risk | Build a decarbonized society | Reduce CO ₂ emissions at work sites Promote green procurement | Percent reduction in CO ₂ emission intensity (Scope 1 & 2) Quantity of green procurement Work sites (number of items) Offices (percent of procurement value) |   | |
| | | Propose environmentally friendly buildings | Propose ZEBs | Number of client proposals | | |
| | Build a circular society | Promote emission-free resource recycling | Promote performance evaluations through CASBEE Curb and reduce waste | Environmental performance efficiency (BEE value) Percentage of waste separated |   | |
| | Conserve biodiversity | Strictly prevent pollution | Protect the environment Manage hazardous substances and curb air, water, and other forms of pollution | Serious environmental shortcomings Amount of hazardous substances treated (percent properly treated) |   | |
| | | Support environmental conservation | Volunteer and donate money | Number of times conducted (number of activities, amount donated reported in environmental accounting) | | |
| Social | Improve job fulfillment (work life balance) | Create a healthy and safe work environment | Reduce overtime Increase the amount of paid leave taken Reduce turnover among employees who have been with the company less than three years | Percentage of employees working more than 45 hours of overtime per month (annual average) Rate of paid leave taken Turnover rate (less than three years at the Company) |   | |
| | | Develop human resources for a sustainable business | Encourage certification in related national qualifications, etc. Implement practical trainings | Percentage of employees with technical certifications (those who meet the qualification requirements) Attendance rate | | |
| | Promote diversity | Establish a diverse workforce and environment | Increase the ratio of employees taking childcare leave (by gender) | Ratio of employees taking childcare leave | Male Female |   |
| | | | Increase the number of female employees and mid-career hires in management positions | Female employees Mid-career hires | Percentage holding management positions Percentage holding management positions | |
| | Facilitate operational efficiency | Utilize IT and digital technologies | Promote digitalization leading up to DX Promote BIM initiatives that utilize digital twin technology | Rate of plan progression Rate of plan progression e-Phase 2 (2020-2022) |   | |
| Foster partnerships | Improve the working environment and train skilled workers at our business partners | Promote forward-looking technological development | Promote and commercialize useful technological developments through industry-academia collaboration | Number commercialized |   | |
| | | Promote the introduction of the Construction Career Up System | Promote health and safety activities | Percentage of employees with working history registered on the Construction Career Up System Frequency rate / Intensity rate Frequency rate | | |
| Strengthen business continuity | Ensure smooth business continuity in the event of disaster | Conduct trainings based on our Business Continuity Plan (BCP) | Number of trainings conducted / Response rate during safety confirmation drills (within one hour) | | | |
| Governance | Strengthen corporate governance | Improve the function of the Board of Directors | Compile the skills, etc. required of Directors Evaluate the effectiveness of the Board of Directors | Disclosure of skills matrix in convocation notices for general meetings of shareholders Effectiveness evaluations via surveys / Discussions |  | |
| | | Promote compliance | Strengthen information security Improve the effectiveness of our whistleblower system | Rate of plan progression (System improvement plan) (Information security training plan) Reports on operational status at meetings of the Compliance Promotion Committee | | |
| | Collaborate with stakeholders | Engage in active dialogue with investors | Continuously conduct IR activities | Continued IR briefings | | |
| | | | Expand scope of English-language information disclosure Enhance information disclosure related to sustainability | English translation of key parts of convocation notices for general meetings of shareholders and financial results summary Management and disclosure of ESG materiality progress | | |

Business Measures

Basic strategy is to differentiate and establish our superiority

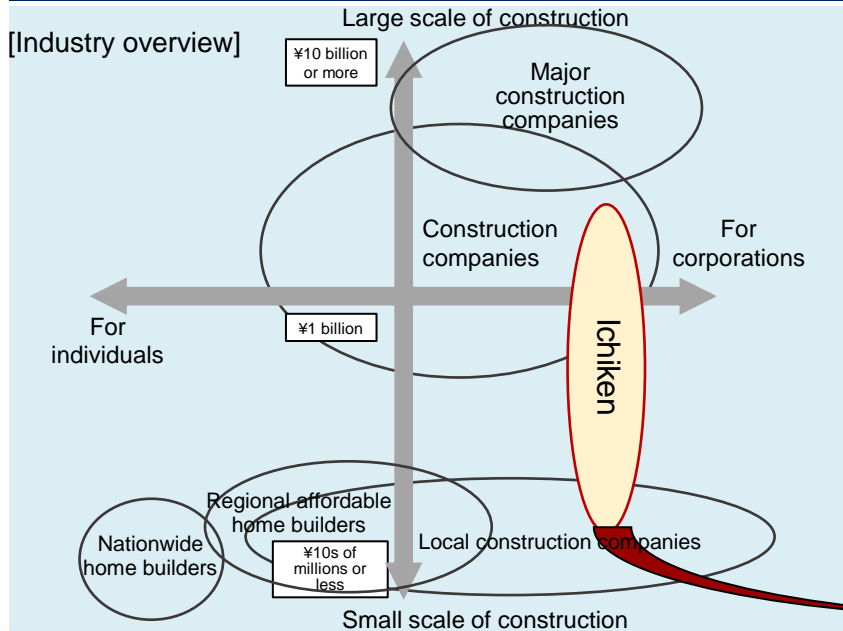
With BtoB transactions as our main focus, we will work to differentiate ourselves and establish our superiority in the construction industry to further heighten the perception of Ichiken as a “commercial construction company” among our clients’ industries.

We will also take on new businesses both in Japan and abroad, expanding our business structure which has historically focused on the domestic construction segment in an aim to enhance our corporate value.

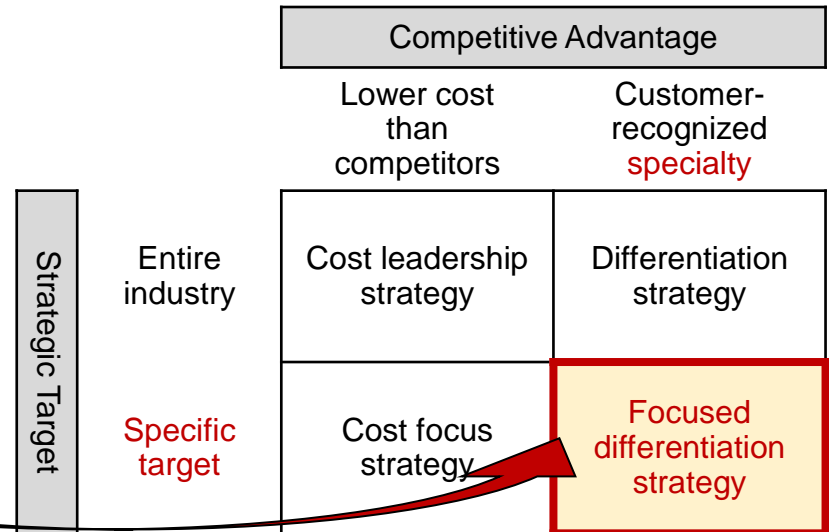
SWOT Analysis

| | | External Factors | | |
|------------------|-------------------|--|--|--|
| | | Opportunities | Threats | |
| Internal Factors | Strengths | <ul style="list-style-type: none"> • Growing need for renovation work • Increased demand for public works projects due to aging infrastructure • Opportunity to rebuild strategy due to TSE market | <ul style="list-style-type: none"> • Aging and declining domestic population, shortage of skilled workers • Changing social landscape (pursuit of profit + social responsibility) • Full-scale efforts toward a decarbonized society | |
| | | <Measures to leverage strengths and seize opportunities> | <Measures to differentiate that leverage strengths and turn threats into opportunities> | |
| | Weaknesses | <ul style="list-style-type: none"> • Track record of constructing buildings for a wide range of applications • Know-how from extensive track record of building and refurbishing commercial facilities • Virtually debt-free operation | <ul style="list-style-type: none"> • Differentiate and establish our superiority in the construction industry • Develop renovation and remodeling know-how • Define and expand business investments • Increase shareholder return | <ul style="list-style-type: none"> • Enhance our technical proposal skills • Actively promote measures to improve productivity • Propose environmentally-friendly buildings • Specify investment strategy |
| | | <Measures to address weaknesses and seize opportunities> | <Measures to avoid worst-case scenarios stemming from weaknesses> | |
| | | <ul style="list-style-type: none"> • Concentrated in the construction industry with no complementary business established to hedge risk • Low stock price (lack of market recognition) • Next-gen HR development (headcount, skills, mindset) | <ul style="list-style-type: none"> • Strengthen existing business through M&A, etc. • Strengthen IR activities and invest in raising awareness of equity story • Organize response to SDGs and instill ESG management • Strengthen corporate governance system and improve management capabilities | <ul style="list-style-type: none"> • Expand real estate business • Get Vietnam business off the ground • Expand dialogue opportunities with investors • Strengthen investment in developing humans resources who will lead the next generation |

Positioning Strategy in the Construction Industry



👉 Develop a differentiation strategy focused on a specific target



Growth Strategy

Focus on the “three elements of daily life” post-COVID that make up the “living space” we are targeting: E/T/L

Forecast Growth Areas in Target Market

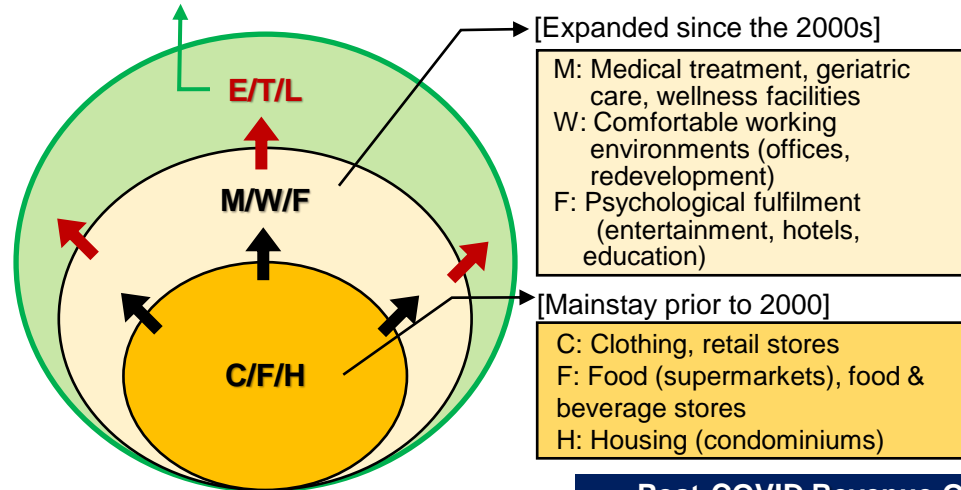
- We have expanded our business operations by adapting to the changing “three elements of daily life” that make up living spaces and building a track record in constructing buildings for a wide array of applications

[Post-COVID growth areas (forecast)]

E: e-commerce, eco (environmentally friendly), ethical consumption (environmental ethics)

T: Hands-on, realistic touch

L: Long lifespan society (lengthening healthy life expectancy)



[Expanded since the 2000s]
M: Medical treatment, geriatric care, wellness facilities
W: Comfortable working environments (offices, redevelopment)
F: Psychological fulfilment (entertainment, hotels, education)

[Mainstay prior to 2000]
C: Clothing, retail stores
F: Food (supermarkets), food & beverage stores
H: Housing (condominiums)

Initiatives Under Current Medium-Term Business Plan

- Construction business Key Performance Indicators (KPIs)

| Item | Annual target | FY2020 results | FY2021 H1 results |
|---------------------------------|---------------|----------------|-------------------|
| Commercial facility sales ratio | 70% | 68.8% | 59.9% |
| (Of which renovations) | (30%) | (31.5%) | (36.3%) |
| Design-build order ratio | 20% | 20.2% | 29.3% |
| Gross profit margin | 8% or more | 8.6% | 9.6% |

- Efforts to complement domestic construction business

| | |
|----------------------|---|
| Real estate business | 1. Secure income-generating properties |
| | 2. Promote development business |
| Vietnam operation | Promote local business (establish local subsidiary, etc.) |
| New businesses | Leverage M&A |



Post-COVID Revenue Opportunities

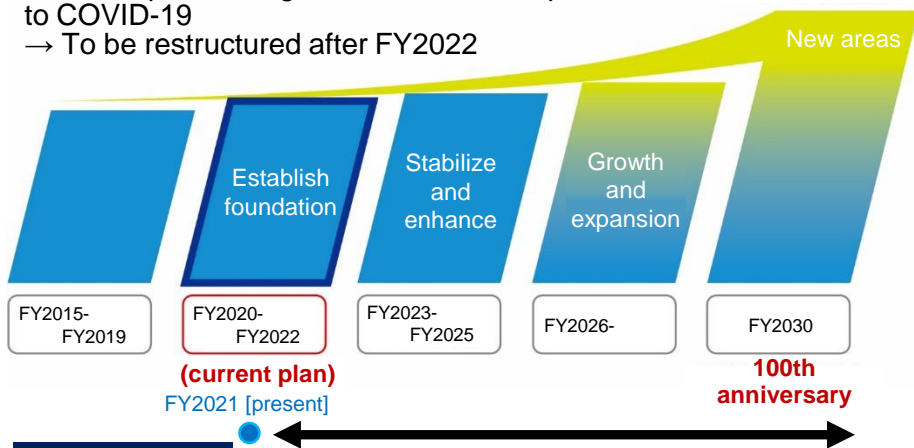
- ◎ Oversaturated commercial facilities (shift in building philosophy)
 - “Click & Mortar” (operation of both e-commerce sites and physical storefronts)
 - Increased demand for deliveries due to rapid e-commerce growth
 - Changing sales floor layouts
 - In-store experience (experiential consumption)
- ◎ Environmentally oriented trend toward decarbonized society
 - Introduction of eco-friendly technologies such as ZEBs (environmental investment)
 - Renovation and scrap & build demand to increase property value and improve energy efficiency
- ◎ Emergence of a long lifespan society
 - Declining working population (invest in manpower optimization)
 - Employment of seniors, barrier-free access
 - Health and longevity business
 - Demand for nursing homes
- ◎ Increased demand for in-person social events

Investment Plan

Our current medium-term business plan sets long-term goals for FY2030, the 100th anniversary of our founding. We will restructure our investment plan to achieve these goals and will invest a total of ¥30 billion by FY2030.

Investment Plan Restructuring

- Real estate investments in the medium-term business plan through FY2022 were suspended due to COVID-19
→ To be restructured after FY2022
- Total group sales of over ¥100 billion



Investment Plan Restructuring

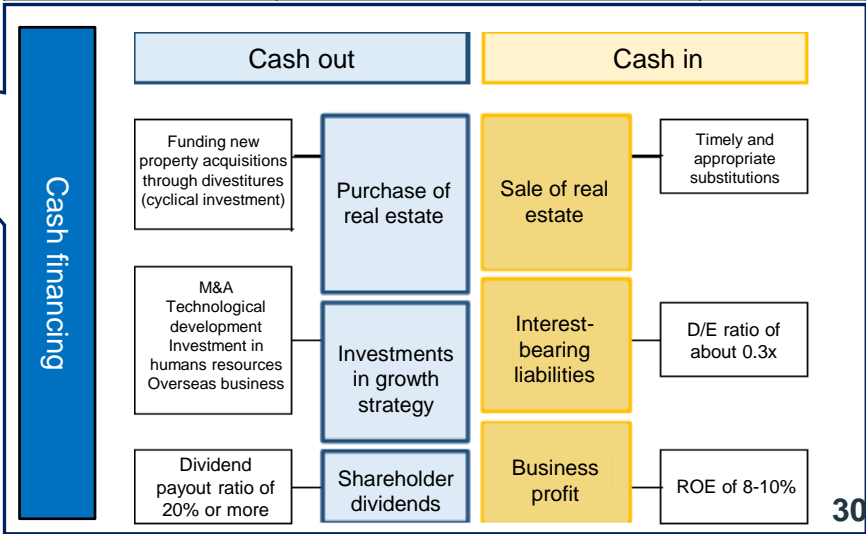
Total investments of ¥30 billion (FY2022-FY2030)

Areas of investment & objective

| | |
|-----------------------------|---|
| Real estate business | Fund new property acquisitions through divestitures in principle (cyclical investment) |
| Growth investment | Expand business fields, enhance functionality, attract human resources, acquire specialized technologies, develop/master construction methods |
| Overseas business | Promote business development in Vietnam |
| Human resources development | Foster next-generation leaders, headhunt |
| IT/Digital | Promote digital transformation |

Investment plan through FY2030

| Area | Content | Scope of investment |
|-----------------------------|---|---------------------|
| Real estate business | <ul style="list-style-type: none"> Secure income-generating properties Develop real estate for construction contracts | ¥10 billion |
| Growth investment | <ul style="list-style-type: none"> Allocate funds for M&A Fund research for technological development, etc. | ¥10 billion |
| Overseas business | <ul style="list-style-type: none"> Expand business, fund self-supporting operations | ¥3 billion |
| Human resources development | <ul style="list-style-type: none"> Train, educate, and secure personnel | ¥4 billion |
| IT/Digital | <ul style="list-style-type: none"> Fund updates and developments | ¥3 billion |



Capital Measures and Enhancement of Corporate Governance System

Balancing financial health and shareholder return

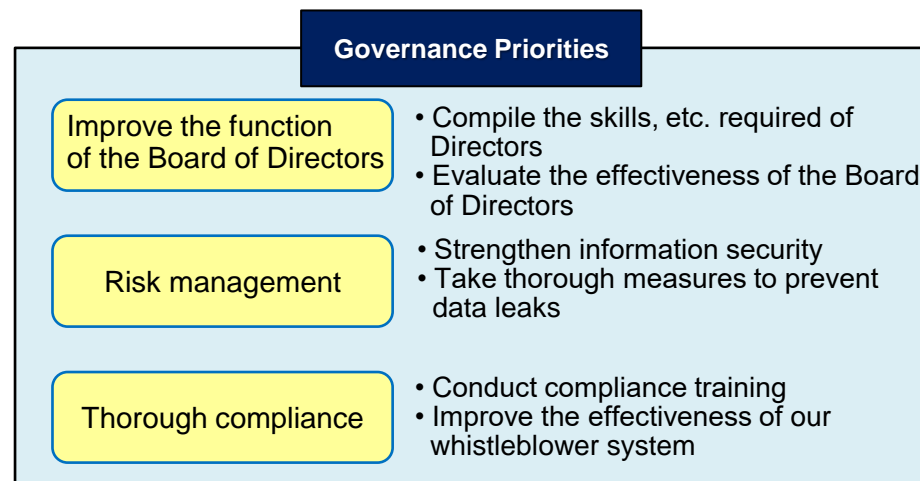
| | | Current mid-term business plan | By FY2030 |
|--------------------|-----------------------|--------------------------------|---|
| Financial health | D/E ratio | Around 0.25 | About 0.3 |
| | Equity ratio | About 40% | 50% or more |
| Capital efficiency | ROE | 10% or more | 8-10% |
| Shareholder return | Dividend payout ratio | 20% or more | To be reviewed when net assets exceed ¥30 billion |

[Management targets to achieve our capital policy]

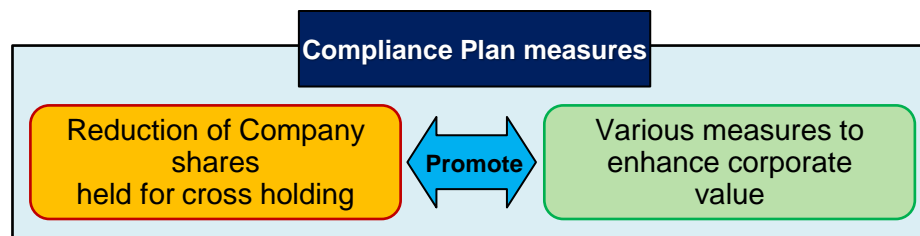
| | Current medium-term plan (FY2020-FY2022) | ➔ | By FY2030 |
|------------------|--|----------------------|--------------|
| Net sales | ¥85-90 billion | New medium-term plan | ¥100 billion |
| Operating profit | Around ¥4.5 billion | | ¥5 billion |
| Total assets | ¥55-60 billion | | ¥90 billion |
| Net assets | ¥25-30 billion | | ¥49 billion |

Strengthening of Corporate Governance System

Monitoring and improving the progress of each of the measures in this Compliance Plan are key governance priorities for the Company, and we will work on the following matters in accordance with the contents of the Corporate Governance Code revised in 2021.



Monitor progress and improve as needed



Bringing the future to you through innovative living spaces

~For Your Living Space~

Corporate Message

This message to all of our stakeholders, including customers, business partners, community members, as well as our employees and their families, embodies our corporate commitment to creating and proposing a vision for the future through our living space business, aiming to realize a rich and comfortable society and improve job fulfilment for our employees.

Discover ICHIKEN
with video

イチケン

You can watch many videos
about ICHIKEN's history
and business.



ICHIKEN Official YouTube channel
Please subscribe to our channel.

PR Manager

ICHIKEN-kun

A boy dog who's always wearing his trademark Ichiken helmet.

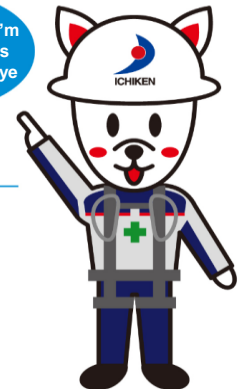
He's cheerful, energetic, and hardworking.

He works hard as Head of Publicity to let everyone know about Ichiken.

Birthday June 15 (Gemini)

Favorite phrase Safety first

I love construction and I'm always around Ichiken's work sites, so keep an eye out for me!



- These materials were prepared by ICHIKEN Co., Ltd. (the "Company") to promote understanding of the Company and are not intended to solicit investment.
- While care has been taken to ensure accuracy in preparing these materials, we cannot guarantee their complete integrity.
- We assume no liability for any losses or damages incurred as a result of the information contained herein.
- The financial forecasts and projections contained within these materials have been made by the Company based on information available at the time of preparation and involve potential risk and uncertainty. Changes in the business environment and various other factors may thus result in financial performance that materially differs from the projections referred to or indicated herein.

Takagaki & Watanabe
Finance & Accounting Dept.
ICHIKEN Co., Ltd.
TEL: (+81) 3-5931-5642