

# ICHIKEN BUSINESS REPORT

## 2022

For Your Living Space  
Since 1930

Nitori Meguro-dori Store (Tokyo)



Fukuoka Nissan Motor Co., Ltd. Fukuoka Store



K's Denki Higashiumiyoshi Nakano Store (Osaka)



Ace Japan Headquarters and Plant (Soraku District, Kyoto)



Denmark Inn Tsutsujigaoka (Tokyo)  
(Assisted living apartment building)



Ice no ie (Yubari District, Hokkaido)



Bringing the future to you through innovative living spaces



Stock Exchange Code: 1847

November 29, 2022

# Top message

Toward the centennial anniversary of foundation

## Bringing the future to you through innovative living spaces



### Greetings

Thank you for your continued support and patronage. We hereby report on the summary of our business operations for the first half of the 97th fiscal year (April 1, 2022 to September 30, 2022).

September 2022

Hiroyuki Hasegawa Representative Director & President

### Summary of business operations

The state of the economy surrounding Japan remains uncertain due to factors such as the global increase in energy costs caused by the Ukraine situation and fluctuations in financial markets resulting from the sharp fall in the yen.

Although we cannot predict how COVID-19 will unfold going forward, the Japanese government is accelerating measures for living with the disease, such as encouraging travel throughout Japan, lifting the ban on visiting Japan as individuals, and removing limits on the number of international arrivals, in an effort to facilitate economic recovery from the pandemic.

Amidst this business environment, we set a goal to grow into a company that exceeds 100 billion yen in net sales by our 100th anniversary in 2030 and are driving business activities to achieve it.

As we work toward this long-term goal, orders in the first half of the fiscal year — the last year of our current medium-term business plan — came to 39,520 million yen, a 10% decrease from the previous fiscal year, due to factors such as intensified competition and an increase in construction costs resulting from the surge in materials prices. Net sales increased to 44,534 million yen, but profit decreased to 1,106 million yen due to a slowdown in gross profit and posting of provisions.

We aim to recover in the second half to achieve our full-year performance target, but in order to enhance opportunities to return profit to shareholders this fiscal year, we have decided to pay dividends from surplus twice per year — one interim dividend and one year-end dividend — instead of paying one year-end dividend per year.

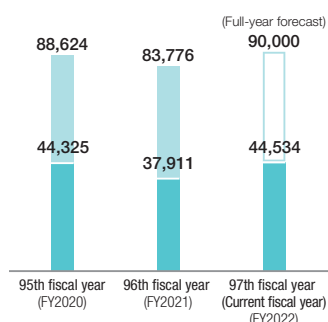
Currently there is a pressing need for the construction industry to engage in efforts to comply with the overtime limits that will go into effect in April 2024.

We have been working to reduce overtime by improving awareness through visualizing work hours and facilitating the improvement of operational efficiency with IT. In June, we launched the DX Promotion Project to drive digital transformation in anticipation of the coming digitized society. Focusing first on the construction site, we are bringing initiatives into full swing to increase productivity and rectify overtime by improving work efficiency.

Furthermore, as a company listed on the Tokyo Stock Exchange Prime Market, we have declared our endorsement of the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), an organization that aims to actively promote the disclosure of financial information on climate change. As part of our efforts to realize a sustainable society, we will carry out ESG management which will in turn lead to enhancing our corporate value.

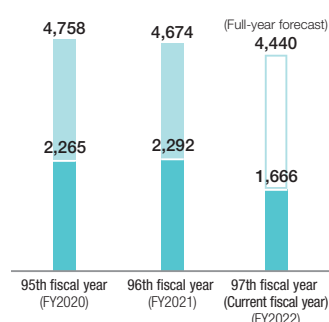
#### Net sales

■ First half ■ Full-year (Unit: Millions of yen)



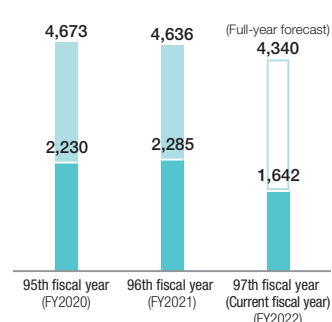
#### Operating profit

■ First half ■ Full-year (Unit: Millions of yen)



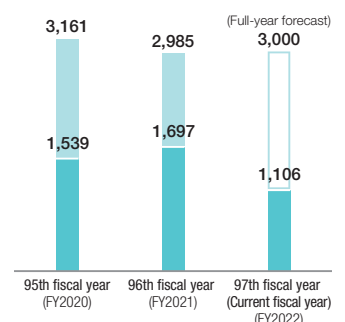
#### Ordinary profit

■ First half ■ Full-year (Unit: Millions of yen)



#### Profit

■ First half ■ Full-year (Unit: Millions of yen)



## Discovering ICHIKEN's ZEBs (Net-Zero Energy Buildings)

### Acquired BELS<sup>1</sup> and ZEB-Ready<sup>2</sup> certification for the Former Yokohama Minami Ward General Government Building Site Development Plan



#### What is ZEB?

A Net-Zero Energy Building (ZEB) is a building designed in pursuit of cutting energy consumed in building operations to nearly zero by conserving energy and using renewables while maintaining the quality of the indoor environment.

VIERRA Maita opened on October 20, 2022. JR West Real Estate & Development Company was selected as the contractor in an open call for bids for a problem-solving project using the site of the former Yokohama Minami Ward General Government Building in August 2019 and the project started.

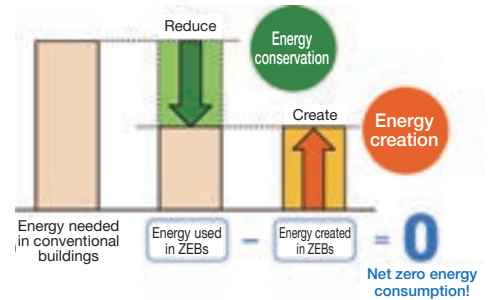
In response to needs for sustainable buildings toward a decarbonized society as a measure against global warming, we proposed to convert the property into a ZEB as a ZEB Planner, in accordance with Yokohama's Zero Carbon Yokohama declaration which aims to realize a decarbonized society and JR West Real Estate & Development Company's environmental guidelines which state to "contribute to the advancement of communities and society as a whole through environmentally-friendly urban development."

This will be the fourth complex commercial facility to be converted into a ZEB in Japan (at the time of the June 2020 plan). Unlike other properties like office buildings, making a commercial facility a ZEB is a concerted effort requiring the participation of both the building owner and tenants. Therefore, our first task was to gain the tenants' understanding on ZEB and convince them. Meeting conditions such as insulation, highly efficient equipment, and solar power, three companies jointly applied for ZEB certification: building framework and common area owner JR West Real Estate & Development Company as the head applicant, along with the main tenants Life Corporation of the supermarket area and Nissei Real Estate Co., Ltd. (RENNAISSANCE) of the sports club area. The building obtained the highest possible ranking in BELS (5 stars) and acquired ZEB-Ready certification.

Going forward, the state of energy consumption will be able to be ascertained with a BEMS<sup>3</sup>. Aiming to conserve energy further in the future, we will consider ZEB projects that incorporate new ZEB technology based on the results of this project and continue to drive environmental initiatives even more.

#### Property Description

Project name:	(Tentative name) Development of Site of Former Yokohama Minami Ward General Government Building
Facility name:	VIERRA Maita
Construction period:	From August 17, 2020 to September 30, 2022
Opened on:	October 20, 2022
Construction site:	48-1 Hananoki-cho 3-chome, Minami-ku, Yokohama
Structure:	RC-structured basement floors, S-structured above-ground 2 basement floors, 4 above-ground
Use application:	Complex commercial facility with retail stores, restaurants, sports club, and more
Site area:	4,399.83 m <sup>2</sup>
Building area:	3,504.30 m <sup>2</sup>
Total floor space:	16,549.23 m <sup>2</sup>
Client:	JR West Real Estate & Development Company
Design/management:	ICHIKEN Co., Ltd.
Constructor:	ICHIKEN/Ootani Kensetsu Joint Venture
Site manager:	Akihito Takeuchi, Store Construction & Interior Dept. 1, Tokyo Branch



\*1 BELS: Building-Housing Energy-efficiency Labeling System. A system in which a third-party rating agency assesses and certifies a building's energy conservation performance.

\*2 ZEB-Ready: A building that consumes at least 50% less primary energy than the standard primary energy consumption rate by conserving energy.

\*3 BEMS: Building and Energy Management System

## ICHIKEN TOPICS Launched DX Promotion Project

#### Purpose

Take the lead in utilizing IT and digital technologies with a focus on digital transformation (DX) to facilitate operational efficiency, a priority ESG materiality.

#### Content of Initiatives

- Implement function to promote IT measures company-wide
- Ensure implementation and use of equipment that improves the productivity of worksite operations
- Decide official company-wide standardized apps and equipment to implement and use in the DX process

#### Goals

- Rectify overtime hours
- Formulate DX vision

# DX

#### Expected effects of DX



#### Work style reforms

- Implement "8 days off in a 4-week period" at worksites
- Improve retention rate of worksite employees
- Reduce overtime
- Changing lifestyles (Improve awareness and satisfaction of workers)



#### Securing future talent

- Pass on know-how through digitalization

# Company Information (As of September 30, 2022)

## Company Profile

Trade name:	ICHIKEN Co., Ltd.
Established:	June 1930
Capital:	4,329,644,860 yen
Stock exchange listing:	Tokyo Stock Exchange Prime Market
Account closing month:	March (once a year)
Principal operations:	General construction; building lease; housing, commercial facilities development; planning, design and management of complex commercial facilities; planning, design and management of specialty stores
Number of employees:	657
Headquarters:	Hamamatsucho Bldg. 6F, 1-1-1, Shibaura, Minato-ku, Tokyo 105-0023

## Office Network

Headquarters and Tokyo Branch	Overseas subsidiary: Hanoi, Vietnam
Kansai Branch	ICHIKEN Vietnam Construction
Kyushu Branch	Co.,Ltd.
Sapporo Branch	
Sendai Sales Office	
Nagoya Sales Office	
Hiroshima Sales Office	
Okinawa Sales Office	

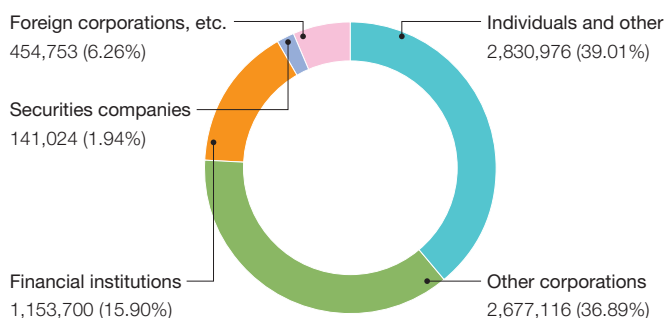
## Company Officers

Representative Director & President:	Hiroyuki Hasegawa	President and Operating Officer:	Hiroyuki Hasegawa
Director:	Tomoharu Yunokuchi	Managing Operating Officer:	Tomoharu Yunokuchi
Director:	Keiji Isono	Managing Operating Officer:	Keiji Isono
Director:	Mitsuru Kotani	Managing Operating Officer:	Hiroaki Masakiyo
Outside Director:	Hideaki Takeuchi	Operating Officer:	Mitsuru Kotani
Outside Director:	Shunji Ichiji	Operating Officer:	Minoru Tanaka
Outside Director:	Hirotake Kubota	Operating Officer:	Akira Hamano
Director (Audit and Supervisory Committee Member):	Shiro Yuasa	Operating Officer:	Akiyoshi Toyoshima
Outside Director, Audit and Supervisory Committee Member:	Takashi Hatsuse	Operating Officer:	Ikuhisa Okuda
Outside Director, Audit and Supervisory Committee Member:	Akiko Inoue	Operating Officer:	Akira Nakamura
		Operating Officer:	Kan Akashi
		Operating Officer:	Shingo Maeda

## Status of Shares

Total number of authorized shares	22,240,000
Total number of issued shares (Including 24,831 treasury shares)	7,282,400
Number of shareholders	5,154

## Distribution of shares by shareholder type



## Major Shareholders

Name	Number of shares held (shares)	Shareholding ratio (%)
MARUHAN Corporation	2,342,800	32.28
The Master Trust Bank of Japan, Ltd. (Trust account)	531,700	7.32
Custody Bank of Japan, Ltd. (Trust account)	316,900	4.36
Zenkoku Ichieikai Shareholding Association	228,300	3.14
BBH LUX/DAIWA SBI LUX FUNDS SICAV - DSB I JAPAN EQUITY SMALL CAP ABSOLUTE VALUE	150,000	2.06
Trustee of specified securities trusts: SMBC Trust Bank Ltd.	142,800	1.96
Hisami Hara	99,900	1.37
Masato Takeuchi	84,500	1.16
Sumitomo Realty & Development Co., Ltd.	78,000	1.07
Hiromi Hara	62,000	0.85

(Notes)

- The top 10 shareholders are listed.
- The shareholding ratios were calculated as the ratio of the number of shares held to the total number of shares outstanding, excluding treasury shares. Percentage figures are rounded to the second decimal place.
- Zenkoku Ichieikai Shareholding Association is a shareholding association consisting of the Company's business partner companies.

## ICHIKEN's profile video is now available!

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

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PR Manager  
**ICHIKEN-kun**