

ICHIKEN BUSINESS REPORT

2024 | Full-year: April 1, 2023 ▶ March 31, 2024

For Your Living Space
Since 1930

CROSS MUKOGAOKA (Kanagawa)



LOISIR HOTEL KYOTO TOJI (Kyoto)



Light Motor Vehicle Inspection Organization Fukuoka main office (Fukuoka)



OFFICIAL FERRARI DEALER MID SAPPORO (Hokkaido)



GRAND PALACE OYODOKAHAN (Miyazaki)



Bringing the future to you through innovative living spaces



Toward the centennial anniversary of foundation

Bringing the future to you through innovative living spaces

Greetings

Thank you for your continued support and patronage.

First and foremost, ICHIKEN hereby extends our heartfelt condolences to the victims of the Noto Peninsula Earthquake which occurred in January 2024 and our deepest sympathy to those affected by the disaster.

We hereby report on the summary of our business operations for the 98th fiscal year (April 1, 2023 to March 31, 2024).

Representative Director & President

June 2024

Hiroyuki Hasegawa

Summary of business operations

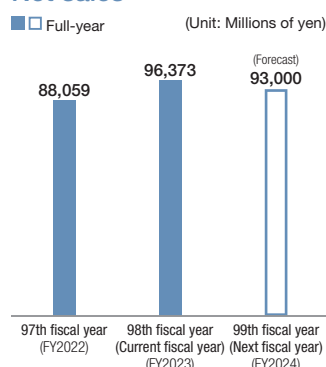
In the social environment surrounding ICHIKEN for the current fiscal year, although the economic recovery driven by the post COVID-19 market trend is still underway, an ongoing price transfer to products due to cost increases resulted in a good opportunity to overcome deflation. Amid this business environment, we newly formulated our long-term business plan “Vision 2030” and “Medium-term Business Plan (FY2023-2025).” In the first year, net sales increased by 9.4% year on year to 96,373 million yen. Profit also increased by 72.0% year on year to 2,938 million yen, partly due to a recording of gain on sale of non-current assets.

In our forecasts for the business environment in the future, our business will be affected by rising construction material and energy prices while the trend of investment to promote digitalization, enhance supply chains, cope with workforce shortage, and address other structural challenges will continue. Starting the second year under the Medium-term Business Plan, ICHIKEN will strive for achievement of “Vision 2030” along with our basic policy “We strive to stabilize our construction business while expanding and enhancing our business fields.” We will

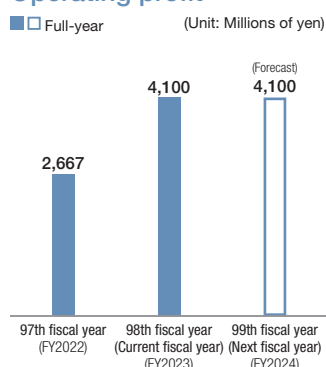
proactively develop business expansion measures, not only focusing on the immediate targets, but also keeping in mind success in the future and beyond.

Restrictions on the upper limit of overtime hours has been applied in the construction industry starting April this year. We have been working to reduce overtime by raising awareness through visually representing labor hours and by supporting IT-enabled operational efficiency mainly in DX promotion projects. ICHIKEN is moving forward to create an atmosphere which enables us to further promote work-life balance. In April this year, we introduced a five-day workweek and revised annual paid holidays, aiming to implement a work schedule in which construction sites are closed for eight days every four weeks. We also increased the base salary for all employees, aiming to secure our workforce in the future and as a proactive human capital investment. ICHIKEN will continue to strive for working environment improvement and human resource development for sustainable business and increase each of our employees' satisfaction at work, thereby enhancing our corporate value.

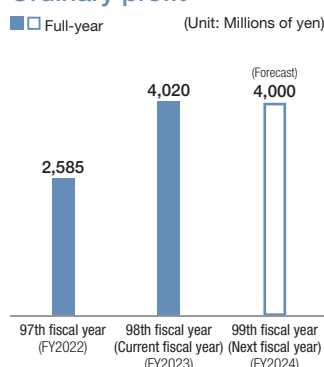
Net sales



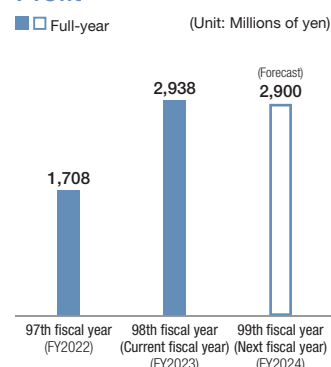
Operating profit



Ordinary profit



Profit



Vision 2030 and Medium-term Business Plan

Our Philosophy Structure

Management Philosophy

By striving to improve quality, ensuring thorough safety in construction, and always exercising creativity, ICHIKEN aims to materialize a comfortable and prosperous society through our commercial space business.

Management Vision

We aim to be a corporation that contributes to society through the creation of richly appointed and comfortable living spaces.

VISION 2030

A company that steadily grows while contributing to sustainable development of society

Management Philosophy
[ICHIKEN's Values]

Management Vision
[ICHIKEN's Future Course and Vision and Outlook]

VISION 2030
(FY2023 - FY2030)

The medium-term business plan (FY2023-2025)

Purpose

Purpose

To be a construction business operator that is capable of not only providing buildings that offer high customer satisfaction in terms of both quality and price but also considering the global environment for a sustainable society.

The medium-term business plan (FY2023-2025)
Stability and enhancement

Basic Policies

Strive for the stability of the construction business and the expansion and enhancement of business areas

- 1 Stability of the construction business that is the core of our business
- 2 Expansion of business areas for sustainable growth
- 3 Implementation of ESG (Environmental, Social, and Governance) management

Management Targets

Net sales	¥93.0 bn	Operating profit margin	Around 5%
ROE	At least 8%	Dividend payout ratio	Around 30%

Investment Plan

Investment of approximately 10 billion yen

*From total ¥30.0 billion investment category of VISION 2030

Business Measures

Construction Business

- Strengthen earning capacity from commercial facilities
- Promote digital transformation
- Continue to consider capital and operational alliances with operating companies in the construction and construction-adjacent sectors

Real Estate Business

- Increase rental income
- Expand sale and purchase transactions

Overseas Business

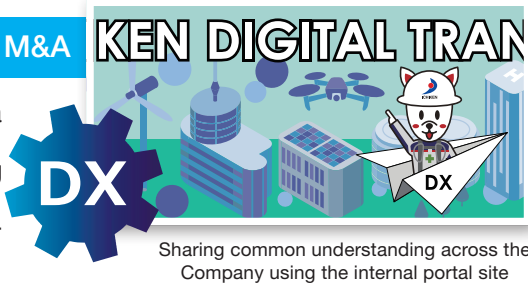
- Demonstrate the feasibility of Vietnam business (full-scale business activities, strengthen collaboration with IKVC)
- IKVC : ICHIKEN Vietnam Construction Co.,Ltd.



Progress in First Year
PICKUP 2023

Construction Business/DX Promotion and M&A

- DX Promotion Project → Preparing for building a specialized organization
- Establishing BIM Promotion Dept. → Strengthening the production BIM structure
- Undertaking M&A in the construction business-related sector
- Considering effective use of drones and promoting acquisition of qualifications



Sharing common understanding across the Company using the internal portal site

Real Estate Business/Circular Real Estate Investment

- Completion of the sale of hotel androoms Shin-Osaka
- Termination of the master lease agreement for Wao City Misato buildings
- Undertaking planning, designing, and construction work for the vacant lot use project (scheduled to be completed in July)
- Undertaking closure, sale, and demolition of Akatonbo-hiroba Shopping Center and a project for the use of the vacant lot is under development
- Purchase and acquisition of Hakone-Gora property, start planning for its use



Opened in 1974 and closed in 2022



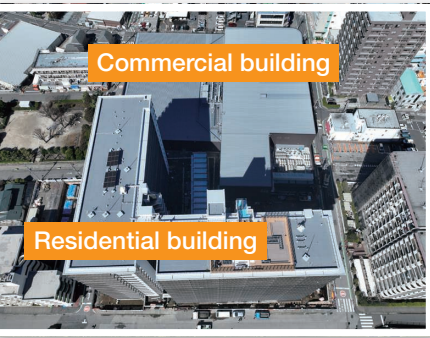
Before demolition



After demolition



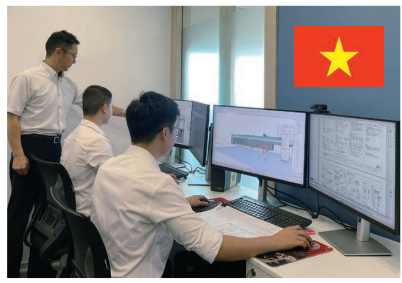
Images taken by the Company using a drone



Wao City Misato vacant lot under development

Overseas Business/Demonstration of the Feasibility of Vietnam Business (IKVC)

- Started BIM operation work
- Outsourcing from Japan, cooperation with Construction Technology Support Dept.
- Continue project management operations for FujiMart, a Japan-based supermarket
- Development of Vietnamese technical engineers, human resources exchange between Vietnam and Japan



BIM operation by IKVC

Expansion of Human Capital/Human Resource Development and Work-style Reform

- Started the application of the restrictions on the upper limit of overtime hours
- Exchanged between new-graduate job applicants and employees through a volunteer activity
- Aiming for establishing comfortable workplaces → Business casual dress code
- Hosted an internship BIM experience event



Introduced a business casual dress code

Vision2030

100th anniversary of foundation

Long-term Business Plan "VISION 2030"
Growth and expansion

Basic Policies

- 1 Stabilize and enhance the core construction business, expand the real estate and overseas businesses as strategic businesses, and aim for the expansion of business operations, including new businesses
- 2 Achieve steady growth with the business of construction of commercial spaces at the core
- 3 Pursue quality, safety, environment, cost, and productivity as a group of engineers
- 4 Strive for the enhancement and stability of our financial base
- 5 Pursue comfortable workplaces and elevate the abilities and sense of reward in the work of each individual employee
- 6 Always respond to society's needs and become a company that will stand up to environmental changes

Management Targets (FY2030)	Net sales	¥100.0 bn	Operating profit margin	Around 5%
	Total assets	Around ¥90.0 bn	Number of workforce (End of FY2030)	Around 800 people

Investment plan
Invest a total of ¥30.0 bn

Growth Investments	Real Estate Business	Overseas Business
Use M&A, etc. ¥10.0 bn	Complement income from construction business ¥10.0 bn	Promote roll-out of Vietnam business ¥3.0 bn
Human Resources Development	Digitalization	
Expand human capital ¥4.0 bn	Respond to digitalized society ¥3.0 bn	



Strategic Business/New Business

- Real Estate Business
 - Secure profitable properties (increase real estate lease business)
 - Create construction subcontracting projects that combine real estate development and sale/purchase
- Overseas Business
 - Promote Vietnam business
- New Business
 - Consider approaches to construction-adjacent sectors, including strengthening of existing businesses

WORKS PICKUP!

Our Work for Popular Commercial Establishments

Opening of MINOH Q's MALL STATION Building

Official website of Q's MALL → <https://qs-mall.jp>

MINOH Q's MALL STATION Building, constructed by ICHIKEN, was opened on Saturday, March 23, 2024 together with the opening of the new Minoh-Kayano Station of Kita-Osaka Kyuko Railway. The station directly connects to the Osaka Metro Midosuji Line and features convenient access to central Osaka.



Property Description

Project name: (Tentative name) Minoh-Kayano Station Front Area Development Project New Construction
Construction period: From December 1, 2022 to February 29, 2024
Construction site: 1-13-30 Nishijuku, Minoh City, Osaka
Structure: S-Structured, 3 above-ground floors
Use application: Stores/complex commercial facility
Site area: 3,296.14 m²
Total floor space: 6,962.13 m²
Project owner: TOKYU LAND CORPORATION
Design: Tokyu Architects & Engineers INC.
Construction: ICHIKEN Co., Ltd.
Store Building Construction Dept.,
Kansai (Osaka) Branch
Site manager: Shunichiro Mitsuoaka

Our Design and Construction Work for Logistics Warehouses

Receiving a New Construction Order for the NITORI Fukuoka Distribution Center (tentative name)

Orders for logistics warehouses have increased every year due to the increasing demand for delivery arising from the expansion of the EC market, the demand for reconstruction of aging buildings, and the rising need for construction partly due to logistics warehouses being considered an investment option in REITs.

With good evaluation for our design and construction work for the NITORI Kobe Distribution Center, completed in November 2022, we received a new design and construction order for a distribution center in Fukuoka Prefecture, Kyushu region, from NITORI Co., Ltd. (scheduled to be completed in 2025)

Picture of NITORI Kobe Distribution Center



Actions on SDGs and ESG Materiality

■ Forest preservation volunteer activities

Led by the President, 40 members including employees working in ICHIKEN's Tokyo office and their families took part in "Tokyo Greenship Action," a natural environmental protection activities project held in the Matsuyama Forest Preservation Area in Kiyose City, a *Satoyama* area in Tokyo, for the second time.

We will continue to expand activities such as this to our branches all over Japan.

Let's make a start! ICHIKEN's SDGs and ESG 



■ Sponsorship for Japan Blind Judo Federation

ICHIKEN is pleased to become an official top partner to sponsor the Japan Blind Judo Federation. This is a part of our initiative for "sponsoring para-sports and female athletes," defined as one of our ESG materiality issues. We will continue to promote diversity through sponsoring sporting competitions.

Official website: <https://judob.or.jp/>

 日本視覚障害者柔道連盟
JAPAN BLIND JUDO FEDERATION



Company Information

Company Profile

(As of March 31, 2024)

Trade name: ICHIKEN Co., Ltd.
Established: June 1930
Capital: 4,329,646,860 yen
Listed stock exchange: Tokyo Stock Exchange
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: 652
Headquarters: Hamamatsucho Bldg. 6F, 1-1-1, Shibaura, Minato-ku, Tokyo 105-0023

Office Network

(As of April 1, 2024)

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

Company Officers

(As of June 26, 2024)

Representative Director & President:	Hiroyuki Hasegawa	President and Operating Officer:	Hiroyuki Hasegawa
Director:	Hiroaki Masakiyo	Managing Executive Officer:	Hiroaki Masakiyo
Director:	Keiji Isono	Managing Executive Officer:	Keiji Isono
Director:	Mitsuru Kotani	Managing Executive Officer:	Mitsuru Kotani
Outside Director:	Hideaki Takeuchi	Senior Operating Officer:	Shingo Maeda (Promotion)
Outside Director:	Shunji Ichiji	Senior Operating Officer:	Akira Nakamura
Outside Director:	Hirotake Kubota	Senior Operating Officer:	Akiyoshi Toyoshima
Director (Audit and Supervisory Committee Member):	Shiro Yuasa	Operating Officer:	Nobutaka Ohta (New election)
Outside Director (Audit and Supervisory Committee Member):	Takashi Hatsuse	Operating Officer:	Ikuhisa Okuda
Outside Director (Audit and Supervisory Committee Member):	Akiko Inoue	Operating Officer:	Kouichi Narikawa
Outside Director (Audit and Supervisory Committee Member):	Sumihito Kido	Operating Officer:	Katsumi Aoi
		Operating Officer:	Kan Akashi
		Operating Officer:	Naruki Seo (New election)

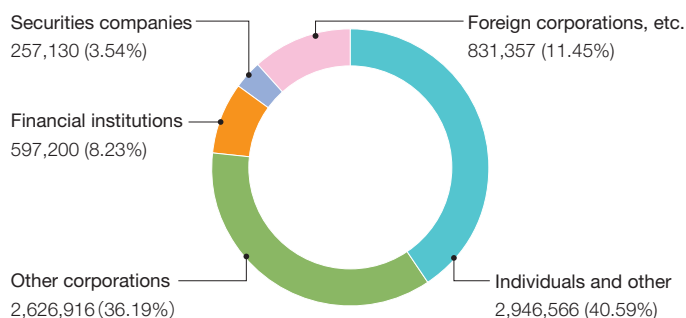
Status of Shares

(As of March 31, 2024)

Total number of authorized shares 22,240,000
Total number of issued shares 7,284,400
(Including 25,231 treasury shares)
Number of shareholders 6,643

Distribution of shares by shareholder type

(As of March 31, 2024)



Major Shareholders

(As of March 31, 2024)

Name Number	Number of shares held (shares)	Shareholding ratio (%)
MARUHAN Corporation	2,342,800	32.27
Zenkoku Ichieikai Shareholding Association	248,700	3.42
The Master Trust Bank of Japan, Ltd. (Trust account)	247,100	3.40
Custody Bank of Japan, Ltd. (Trust account)	228,200	3.14
BBH LUX/BROWN BROTHERS HARRIMAN (LUXEMBOURG) SCA CUSTODIAN FOR SMD-AM FUNDS - DSBI JAPAN EQUITY SMALL CAP ABSOLUTE VALUE	150,000	2.06
Hisami Hara	90,900	1.25
Masato Takeuchi	84,500	1.16
Hideki Utou	80,400	1.10
DFA INTL SMALL CAP VALUE PORTFOLIO	76,103	1.04
Sumitomo Realty & Development Co., Ltd.	74,100	1.02

(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.

一緒に知ろう Learn together

みんなで変えよう Make changes together

SDGs未来の授業

SDGs Lessons for the Future

Learn more about SDGs/MIRAI KAIGI

ICHIKEN was featured in a book published by the SDGs MIRAI KAIGI project as "a company committed to accomplishing the SDGs" with "ICHIKEN's ZEB."



- SDGs and Discovering Life Career BOOK
- SDGs Lessons for the Future Learn ICHIKEN through the video /Now on YouTube

Don't miss it!

Access YouTube

