

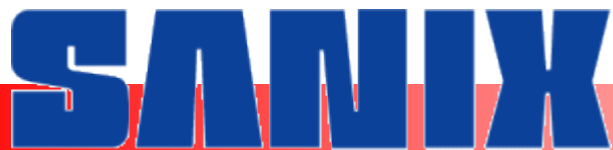
SANIX

Listed on the 1st section of
TSE and FSE. Ticker:4651

FOR SANITARY AMENITY
Commercial Photovoltaic Solution
Home Sanitation
Establishment Sanitation
Environment Resources Development

Consolidated Financial Statements For the First Quarter ended June 30,2013

SANIX INCORPORATED
AUGUST 8,2013



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Disclaimer

This material contains certain forward-looking statements. Such forward-looking statements are not intended to provide guarantees of our future performance and are based on certain assumptions and management's judgment based on currently available information. Therefore, actual results in future earnings and operating results may materially differ from those contained in the forward-looking statements.

The following items are among the factors that could cause actual results to differ materially from the forward-looking statements in this material:

changes in economic environment in Japan and abroad, business condition in Japanese manufacturing industry, competition with other manufacturers, changing technology, regulatory environment, new legislation and any other factors which are beyond our control.

In addition, this presentation is not intended to solicit investment to securities issued by us. We assume no responsibility for any losses and liabilities that may be incurred because of information contained in this material.

(Note) Numbers are rounded off to the nearest whole number.

The logo for SANIX, featuring the word "SANIX" in a bold, blue, sans-serif font. The letters are slightly shadowed, giving a 3D effect. The logo is positioned in the top left corner of the slide. The background behind the logo consists of a red horizontal bar that transitions into a yellow horizontal bar.

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**Summary of First Quarter
(ended June 30, 2013)**

(Millions of Yen)	FY2012 1Q	FY2013 1st Quarter			
	Actual	Results	YOY	Forecasts	% to Forecasts
Net Sales	8,822	15,753	178.6%	16,470	95.6%
Gross Profit	2,554	4,631	181.3%	5,121	90.4%
Ratio of Gross Profit to Net Sales	28.9%	29.4%		31.1%	
Operating Income	(115)	965	—	1,045	92.4%
Operating Income Margin	—	6.1%		6.3%	
Ordinary Income	(115)	924	—	1,048	88.3%
Ordinary Income Margin	—	5.9%		6.4%	
Net Income	(170)	778	—	396	196.6%
Net Income Margin	—	4.9%		2.4%	

(1)Sales The Net Sales of the Commercial PV Solution (CPS)Division in the first quarter recorded significant increase with the “commercial solar power system” contributing to the sales, the construction of which started in full scale during the 4th quarter of this fiscal year. The Home Sanitation (HS) Division recorded a revenue decrease in sales of “residential solar power system” due to the personnel cut and shift to the CPS Division. The Establishment Sanitation (ES) Division recorded a revenue growth in the commercial solar power systems for buildings and condominiums contributing to the result. In the Environmental Resources Development (ERD)Division, the revenues from plastic fuel increased and those from the electricity sales also increased because TOMAKOMAI Power Plant continued to be in stable operation. As a consequence, the Net Sales of the entire group were 15,753million yen, or up 78.6% from a year earlier.

(2)Incomes The CPS Division turned profitable and became a important pillar mainly due to the revenue growth of commercial solar power system. In the HS Division, although the significant decrease of revenue from the sales of “residential solar power system”, recorded significant increase in profit due to the increase in sales of existing products with good net sales raw material ratio such as “termite control” and “sub-floor/roof ventilation system”. The ERD Division recorded profit increase due to revenue growth of all products in this division.

As a consequence, for the whole group, the operating income increased to 1,056million yen compared to the loss of 115million yen in the same period of a prior year, and the ordinary income was 965million yen(loss of 115million yen in the same period of a prior year), with the net income increasing to 778million yen from loss of 170million yen of net income in the year earlier period.

Statement of Net Sales and Income of each segment

SANIX
FY2013

	FY2012 1Q	FY2013 1Q				
(Millions of Yen)	Actual	Results	Propotion	YOY	Forecasts	% to Forecasts
Sales	8,822	15,753	100.0%	178.6%	16,470	95.6%
CPS Division	360	7,455	47.3%	—	8,684	85.9%
HS Division	4,140	3,114	19.8%	75.2%	2,826	110.2%
ES Division	723	1,196	7.6%	165.4%	1,223	97.8%
ERD Division	3,597	3,986	25.3%	110.8%	3,737	106.7%
Gross Profit	2,554	4,631	29.4%	181.3%	5,121	90.4%
SG&A	2,669	3,665	23.3%	137.3%	4,076	89.9%
Operating Income	(115)	965	6.1%	—	1,045	92.4%
CPS Division	(38)	554	<u>7.4%</u>	—	727	76.3%
HS Division	159	601	<u>19.3%</u>	376.7%	573	104.9%
ES Division	11	31	<u>2.6%</u>	275.2%	64	49.3%
ERD Division	294	439	<u>11.0%</u>	149.2%	405	108.5%
Group	(542)	(660)		—	(724)	—

(note)The underlined percentage indicate Operating Margin of each segment.

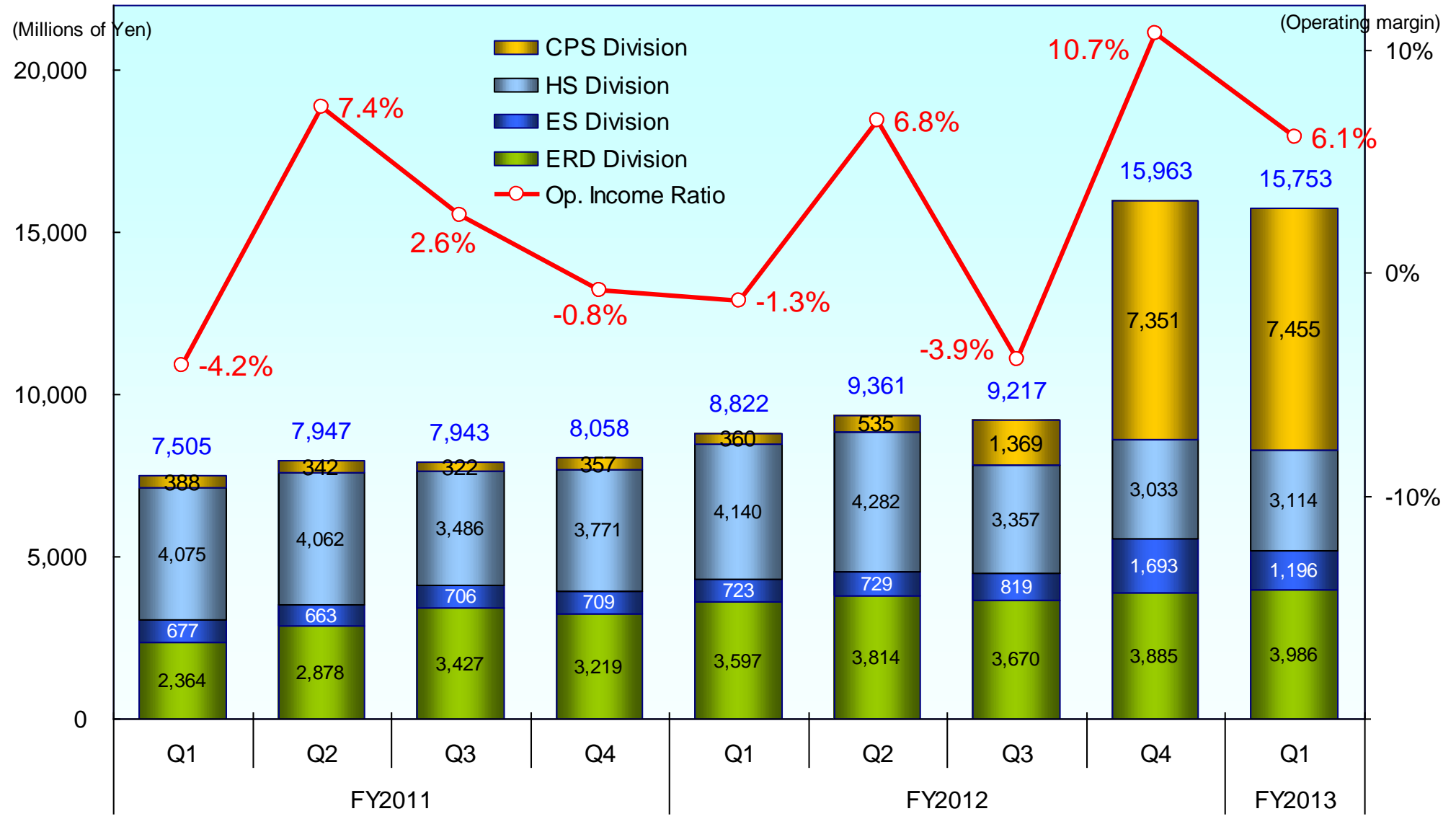
Segment Information (Quarterly)

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FY2013

(Millions of Yen)		FY2012								FY2013	
		1Q		2Q		3Q		4Q		1Q	
		Actual	%	Actual	%	Actual	%	Actual	%	Results	%
CPS Division	Sales	360	—	535	—	1,369	—	7,351	—	7,455	—
	Gross Profit	58	16.3%	(12)	-2.4%	261	19.1%	1,961	26.7%	1,803	24.2%
	Op. Income	(38)	—	(141)	—	(613)	—	993	13.5%	554	7.4%
HS Division	Sales	4,140	—	4,282	—	3,357	—	3,033	—	3,114	—
	Gross Profit	1,413	34.1%	1,996	46.6%	1,719	51.2%	1,148	37.9%	1,548	49.7%
	Op. Income	159	3.9%	836	19.5%	727	21.7%	171	5.7%	601	19.3%
ES Division	Sales	723	—	729	—	819	—	1,693	—	1,196	—
	Gross Profit	223	31.0%	252	34.7%	243	29.8%	362	21.4%	272	22.8%
	Op. Income	11	1.6%	39	5.4%	(1)	—	89	5.3%	31	2.6%
ERD Division	Sales	3,597	—	3,814	—	3,670	—	3,885	—	3,986	—
	Gross Profit	857	23.8%	1,055	27.7%	677	18.5%	1,149	29.6%	1,006	25.3%
	Op. Income	294	8.2%	498	13.1%	134	3.7%	640	16.5%	439	11.0%
Group	Op. Income	(542)	—	(593)	—	(604)	—	(191)	—	(660)	—
TOTAL	Sales	8,822	—	9,361	—	9,217	—	15,963	—	15,753	—
	Gross Profit	2,554	28.9%	3,292	35.2%	2,902	31.5%	4,621	29.0%	4,631	29.4%
	Op. Income	(115)	—	639	6.8%	(358)	—	1,704	10.7%	965	6.1%

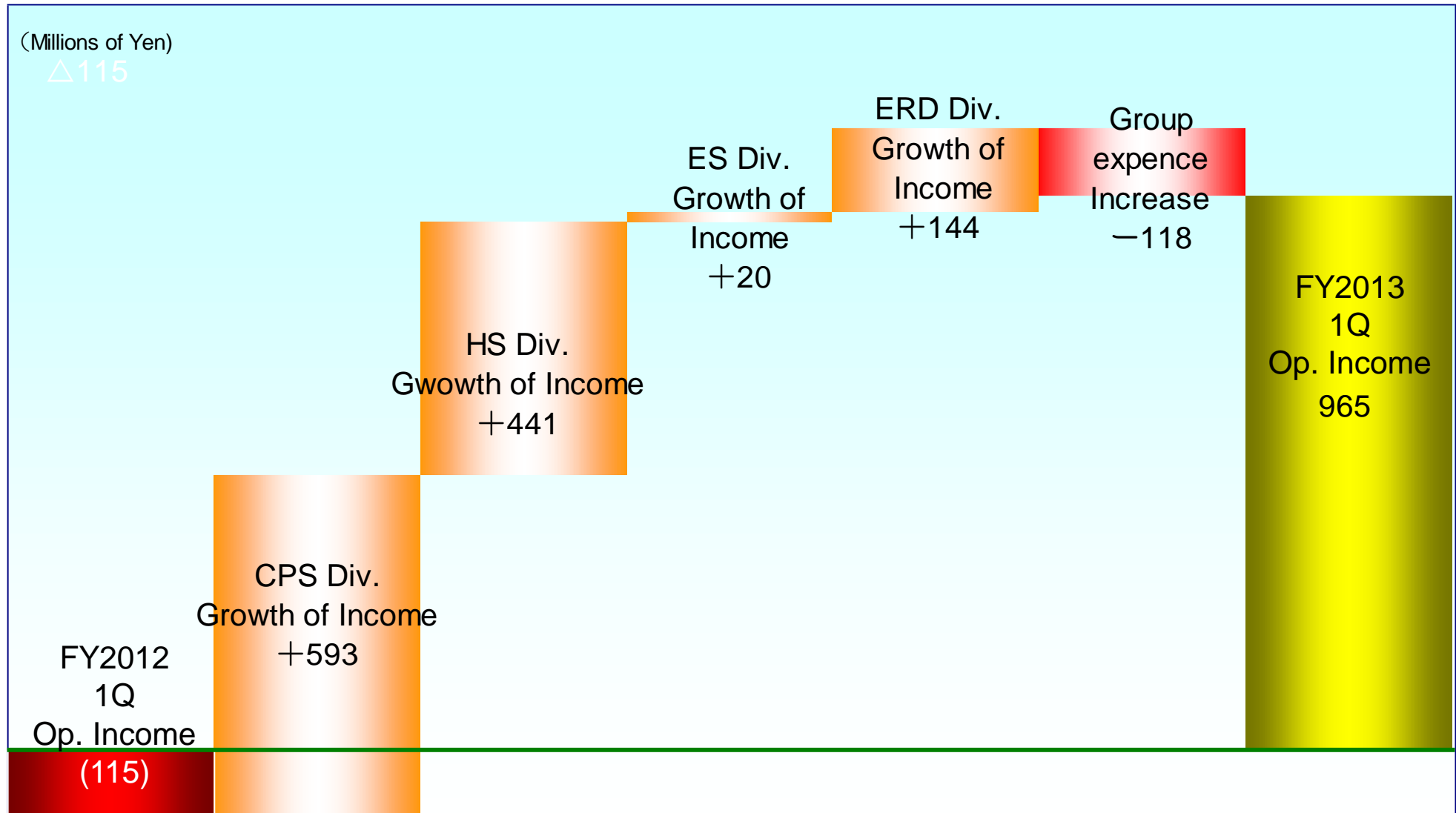
Segment Information (changes)

Changes Net Sales and Operating Income on each segment



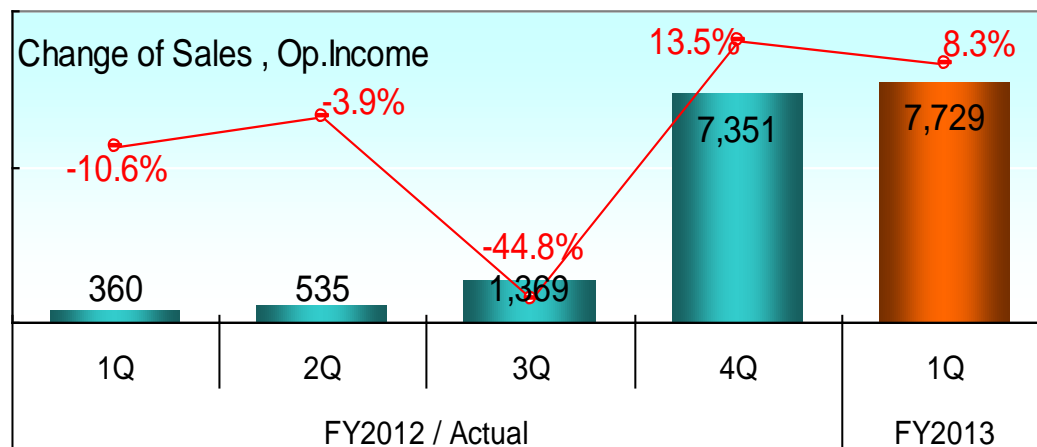
Analysis of Income growth (YOY)

Change of Operating Income compare to same period of a prior year.



The group operating income recorded 1,056MY due to profitability improved on every segments.(loss of 115MY in the same period of a prior year)

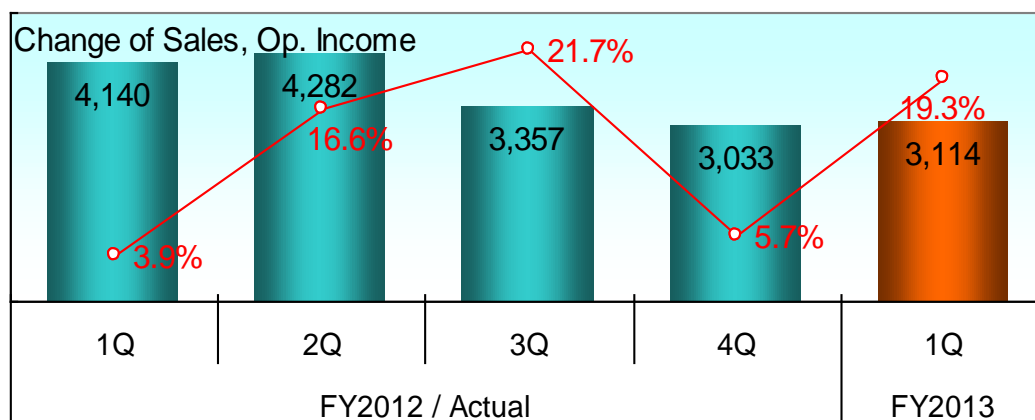
CPS Division (Millions of Yen)	FY2012 / Actual				FY2013 / 1Q			
	1Q	2Q	3Q	4Q	Results	YOY	Forecasts	% to Forecasts
Sales	360	535	1,369	7,351	7,455	—	8,684	85.9%
Commercial PV system	—	—	450	5,622	5,695	—	7,045	80.8%
Wholesale of PV components	360	535	918	1,728	1,760	487.7%	1,639	107.4%
Gross profit	58	(12)	261	1,961	1,803	—	2,281	79.1%
Gorss Profit Margin	16.3%	-2.4%	19.1%	26.7%	24.2%	+7.9pt	26.3%	-2.1pt
SG&A	97	128	875	968	1,248	—	1,554	80.3%
advertising expence	0	2	525	301	594	—	872	68.1%
Operating Income	(38)	(141)	(613)	993	554	—	727	76.3%
Operating Income Margin	—	—	—	13.5%	7.4%	+18.0pt	8.4%	-1.0pt



Sales of commercial PV system started to contribute fully to the overall revenues from the Q4 of the last fiscal year recorded 5,695MY, and the wholesale of commercial PV components increased to 387.7%. As a result, the sales increased to 7,455MY compared to the sales of 360MY in the same period of a prior year.

The operating income was 554MY compared to the loss of 38MY in the same period of a year earlier, absorbing advertising costs for newspaper ads and others.

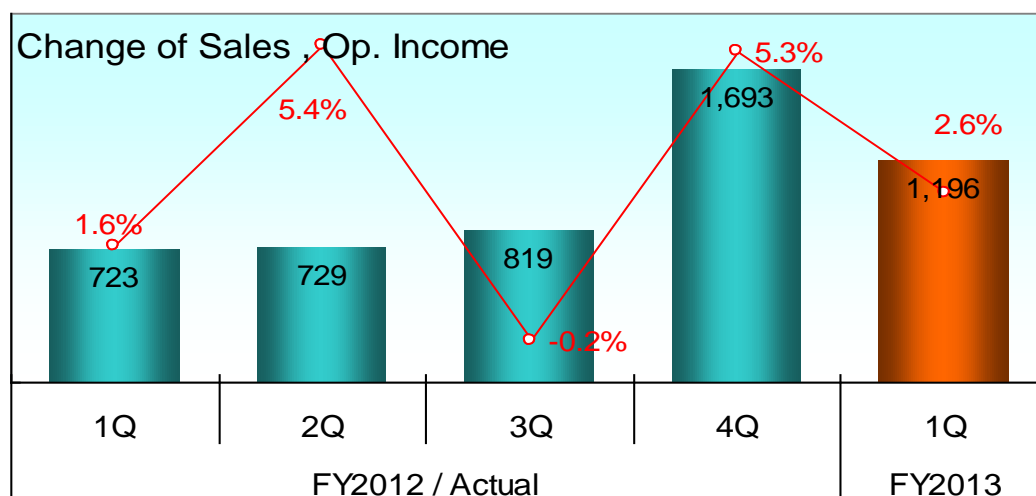
HS Division (Millions of Yen)	FY2012 / Actual				FY2013 / 1Q			
	1Q	2Q	3Q	4Q	Results	YOY	Forecasts	% to Forecasts
Sales	4,140	4,282	3,357	3,033	3,114	75.2%	2,826	110.2%
PV system	2,430	2,713	1,556	983	494	20.4%	392	126.3%
Termite Eradication Service	703	608	654	723	1,027	146.1%	955	107.5%
Under-Floor/-Roof Ventiration System	271	280	363	395	462	170.5%	377	122.6%
Foundation Repairing Treatment	186	140	220	284	290	155.7%	292	99.4%
others	548	540	562	646	839	153.0%	809	103.8%
Gorss Profit	1,413	1,996	1,719	1,148	1,548	109.6%	1,590	97.4%
Gorss Profit Margin	34.1%	46.6%	51.2%	37.9%	49.7%	+15.6pt	56.3%	-6.6pt
SG&A	1,254	1,160	991	976	947	75.6%	1,017	93.2%
Operating Income	159	836	727	171	601	376.7%	573	104.9%
Operating Income Margin	3.9%	19.5%	21.7%	5.7%	19.3%	+15.4pt	20.3%	-1.0pt



Sales of existing products such as “Termite Eradication” and “Under-floor/Roof Ventilation System ” increased 53.2% compared to last year, the revenues of residential solar power system decreased 79.6% compared to last year with the personnel shift to the CPS Division. As a result, the net sales of the division decreased 24.8% to 3,114MY compared to the year earlier period.

Operating income increased 276.7% to 601MY compared to the prior year, due to the increase in sales of existing products with better net sales raw material ratio.

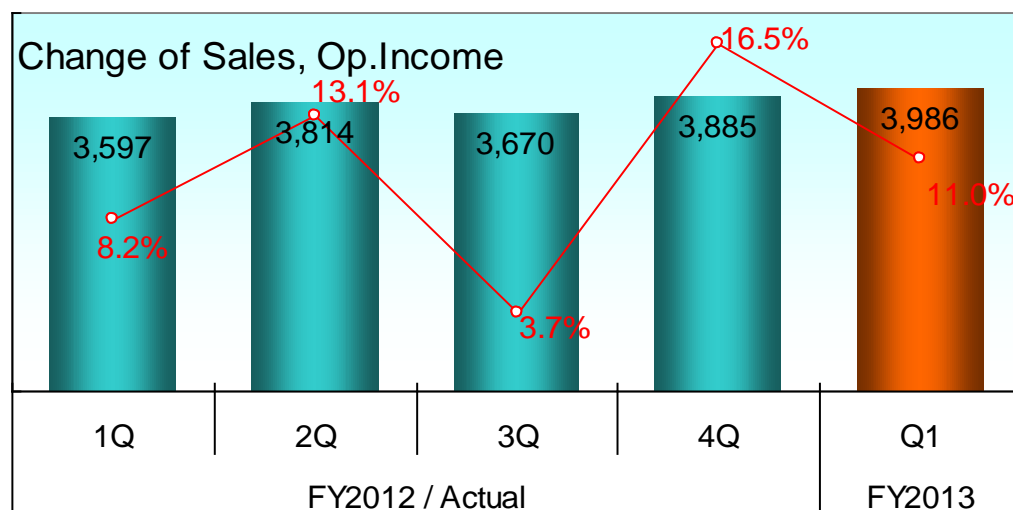
ES Division (Millions of Yen)	FY2012 / Actual				FY2013 / 1Q			
	1Q	2Q	3Q	4Q	Results	YOY	Forecasts	% to Forecast
Sales	723	729	819	1,693	1,196	165.4%	1,223	97.8%
PV system	119	131	296	1,166	599	502.6%	699	85.8%
Anti-Rust Equipment Installation	149	181	154	114	133	88.9%	110	121.0%
Repair of Building Waterworks	211	194	161	195	261	123.6%	205	127.4%
Waterproofing of building	74	81	72	71	59	79.8%	105	56.3%
Others	168	140	133	145	143	84.9%	103	138.1%
Gross Profit	223	252	243	362	272	121.7%	337	80.9%
Gross Profit Margin	31.0%	34.7%	29.8%	21.4%	22.8%	-8.2pt	27.6%	-4.8pt
SG&A	212	213	245	272	240	113.4%	273	88.3%
Operating Income	11	39	(1)	89	31	275.2%	64	49.3%
Operating Income Margin	1.6%	5.4%	—	5.3%	2.6%	+1.0pt	5.2%	-2.6pt



The sales of works on buildings and condominiums related to maintenance and management run on same level compared to the year earlier period. The sales of PV system increased 402.6% compared to the year earlier period after reinforcing the sales activities for corporate customers and the construction structure. As a result, the net sales increased 65.4% to 1,196MY compared to last year.

The operating income increased 175.2% to 31MY compared to a year earlier, due to increase in sales.

ERD Division (millions of Yen)	Actual FY2012				Q1 FY2013			
	Q1	Q2	Q2	Q4	Results	YOY	Forecasts	% to Forecasts
Salese	3,597	3,814	3,670	3,885	3,986	110.8%	3,737	106.7%
Waste Plastic Recycled	2,137	2,312	2,188	2,027	2,427	113.6%	2,182	111.2%
Power Generation	752	766	806	1,044	817	108.6%	855	95.6%
Organic Waste Water Recycled	412	374	370	444	441	107.1%	438	100.8%
Final Disposal	151	191	151	113	154	101.7%	114	135.1%
Others	144	169	154	254	145	100.9%	147	98.6%
Gross Profit	857	1,055	677	1,149	1,006	117.3%	913	110.3%
Gross Profit Margin	23.8%	27.7%	18.5%	29.6%	25.3%	+1.5pt	24.4%	+0.9pt
SG&A	563	556	543	508	567	100.7%	508	111.7%
Operating Income	294	498	134	640	439	149.2%	405	108.5%
Operating Income Margin	8.2%	13.1%	3.7%	16.5%	11.0%	+2.8pt	10.8%	+0.2pt



The sales from plastic fuel increased in terms of volume, resulting in 13.6% increase to the year-earlier period. The revenues from electricity sales showed increase of 8.6% compared to a year earlier. In addition, organic wastewater processing recorded 7.1% increase. As a result, the net sales increased 10.8% to 3,986MY compared to the year earlier period.

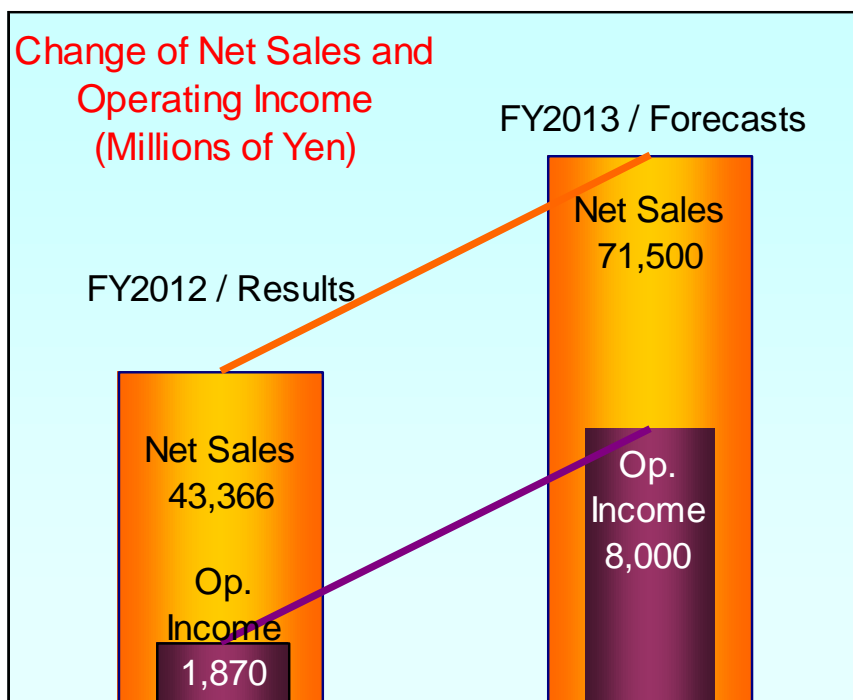
The operating income increased 49.2% to 439MY, along with the division turning profitable due to increase in sales of all domain and enhancement of profitability as a result of cost reduction.



**Consolidated Forecasts for FY2013
(Ending March 31, 2014)**

There is no change in the forecast announced on May 14, 2013.

(Millions of Yen)	FY2012 Results	FY2013 Forecasts	% YOY	Change YOY
Net Sales	43,366	71,500	164.9%	28,133
Operating Income	1,870	8,000	427.7%	6,129
Ordinary Income	1,788	7,950	444.4%	6,161
Net Income	1,575	5,100	323.8%	3,524



(1) Sales

CPS division is expected to generate a significant sales increase as a main business unit of our group by starting our sales promotion in full scale. Whole group Net Sales is forecasted increase 64.9% to 71,500MY.

(2) Income

The Group's operating income forecast increase 327.7% , reach to 8,000MY due to the increase in Net Sales and more cost reduction.

Business Performance Forecasts for FY2013

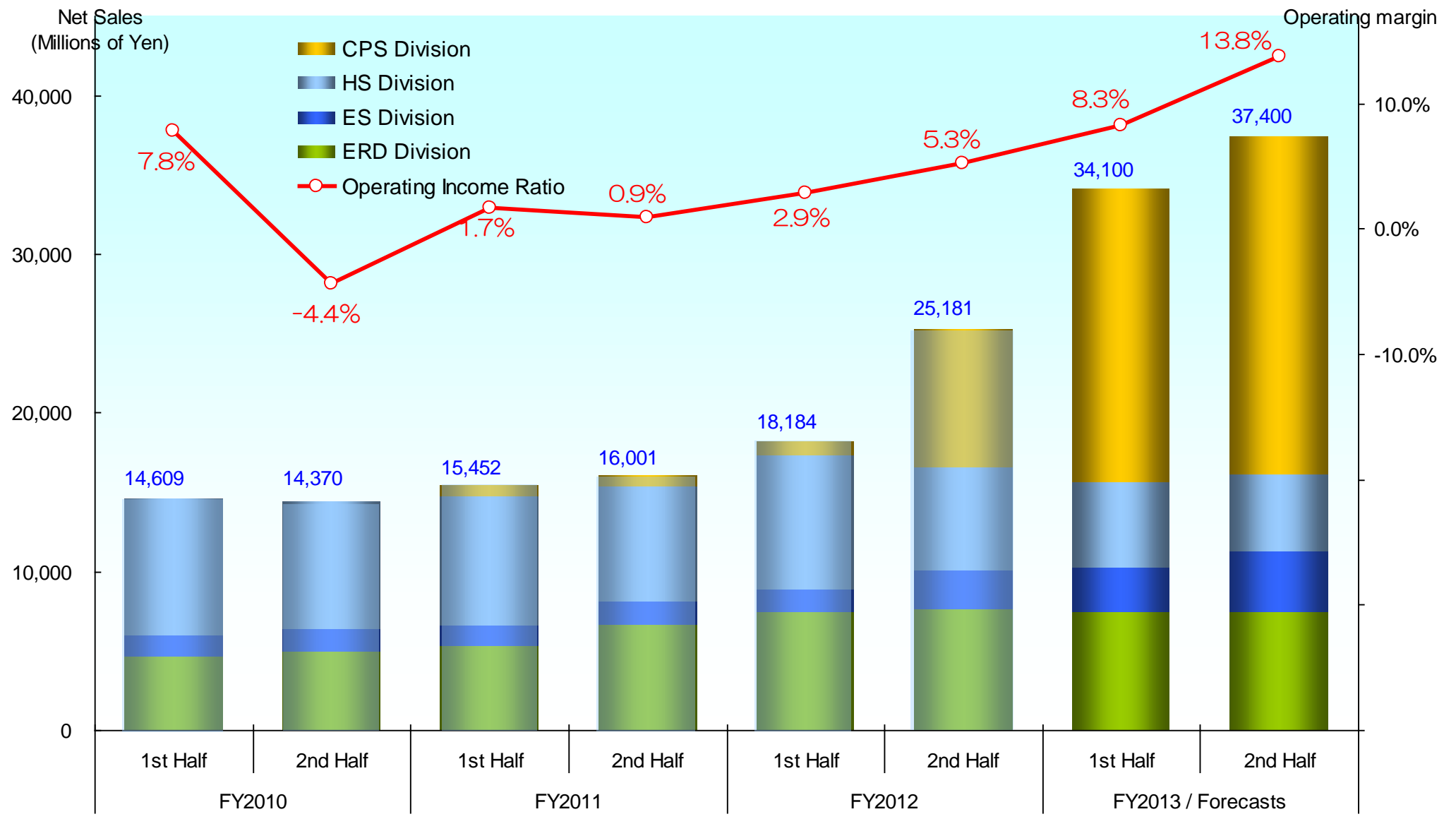
SANIX
FY2013

There is no change in the forecast announced on May 14, 2013.

FY2013	1Q	First Half	Full Year		
(Millions of Yen)	Results	Forecasts	Forecasts	% YOY	Change YOY
Net Sales	15,753	34,100	71,500	164.9%	28,133
CPS	7,455	18,481	39,764	413.4%	30,146
HS	3,114	5,368	10,273	69.3%	(4,541)
ES	1,196	2,853	6,613	166.8%	2,647
ERD	3,986	7,398	14,850	99.2%	(117)
Gross Profit	4,631	10,602	23,380	174.9%	10,009
SG&A	3,665	7,777	15,380	133.7%	3,880
Operating Income	965	2,825	8,000	427.7%	6,129
CPS	554	2,220	5,983	—	5,782
HS	601	1,180	2,250	118.7%	354
ES	31	249	646	463.1%	506
ERD	439	520	1,720	109.7%	152
Group	(660)	(1,344)	(2,599)	—	(666)
Ordinary Income	924	2,800	7,950	444.4%	6,161
Net Income	778	1,680	5,100	323.8%	3,524

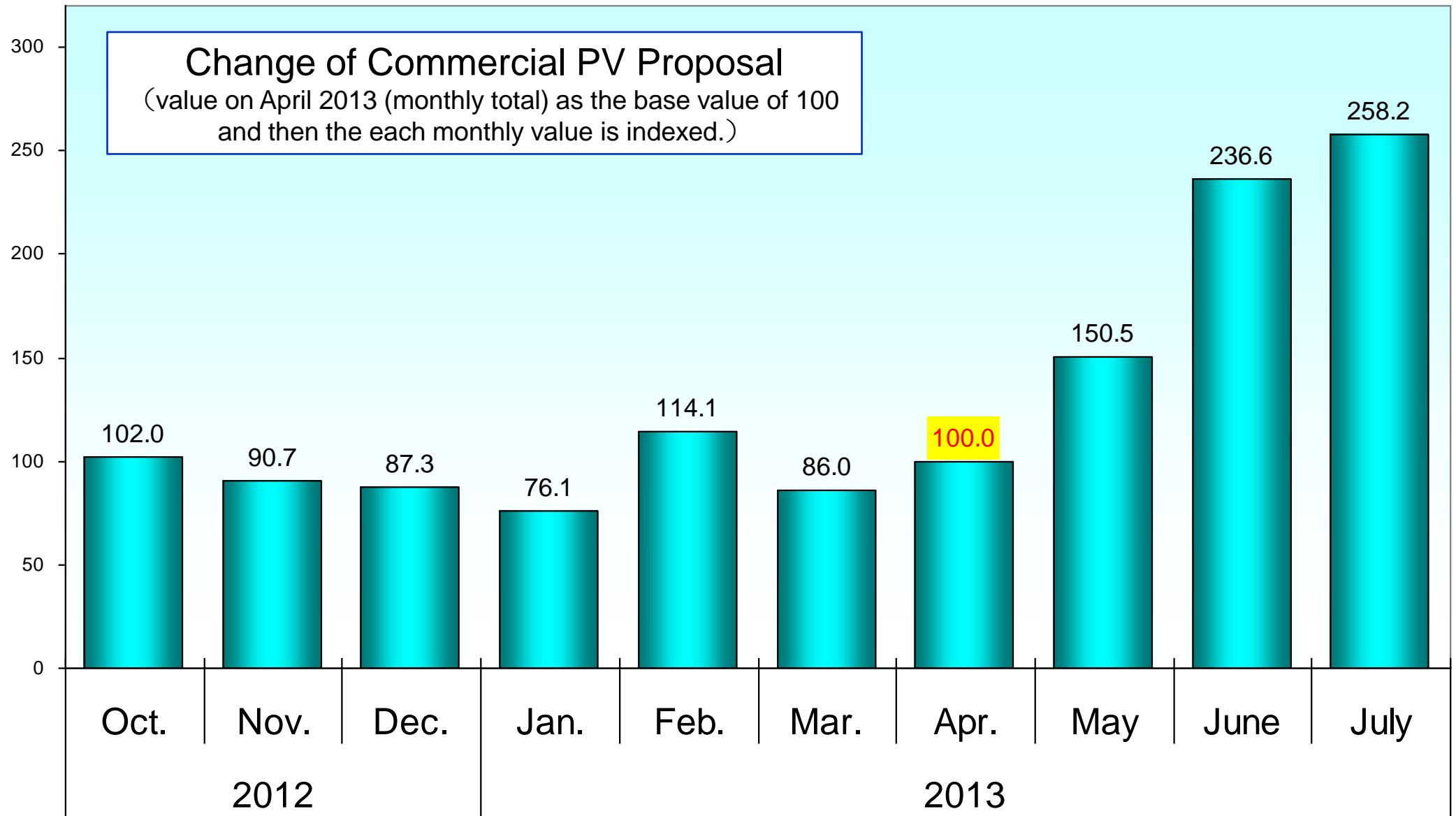
(Reference) Segments Performance Forecasts

Net Sales and operating margin by each segment (Results and Forecasts)



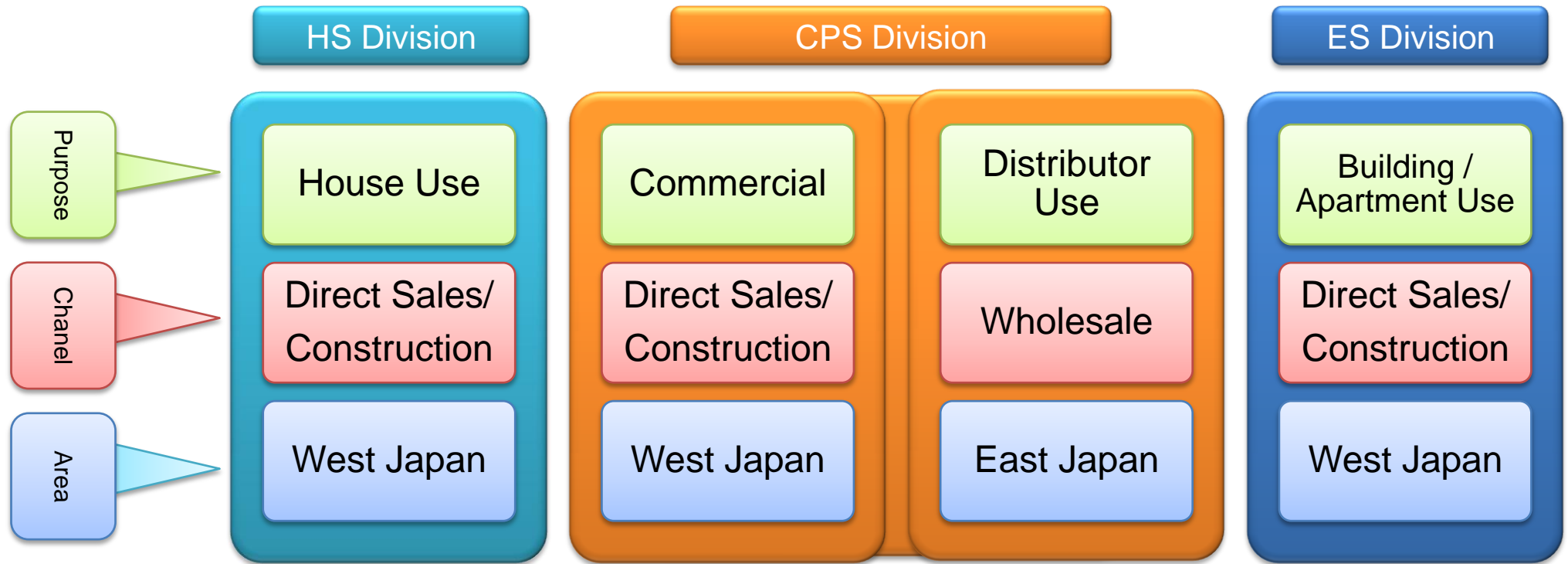
(Reference) Change of Commercial PV Proposal

Change of Commercial PV Proposal (Direct Sales) from Oct 2012.



“Proposal” means SANIX accept the application letter for ‘Certification of Generation Facilities for PV’ to government (METI) from our customers.

(Reference) Business Format of Photovoltaic Sales



Number of Working Staff on ended March 31 2013

Sales	143	46	12	12
Engineering	297	277	—	14

Number of Working Staff on ended June 30 2013

Sales	123	67	12	19
Engineering	203	438	—	14

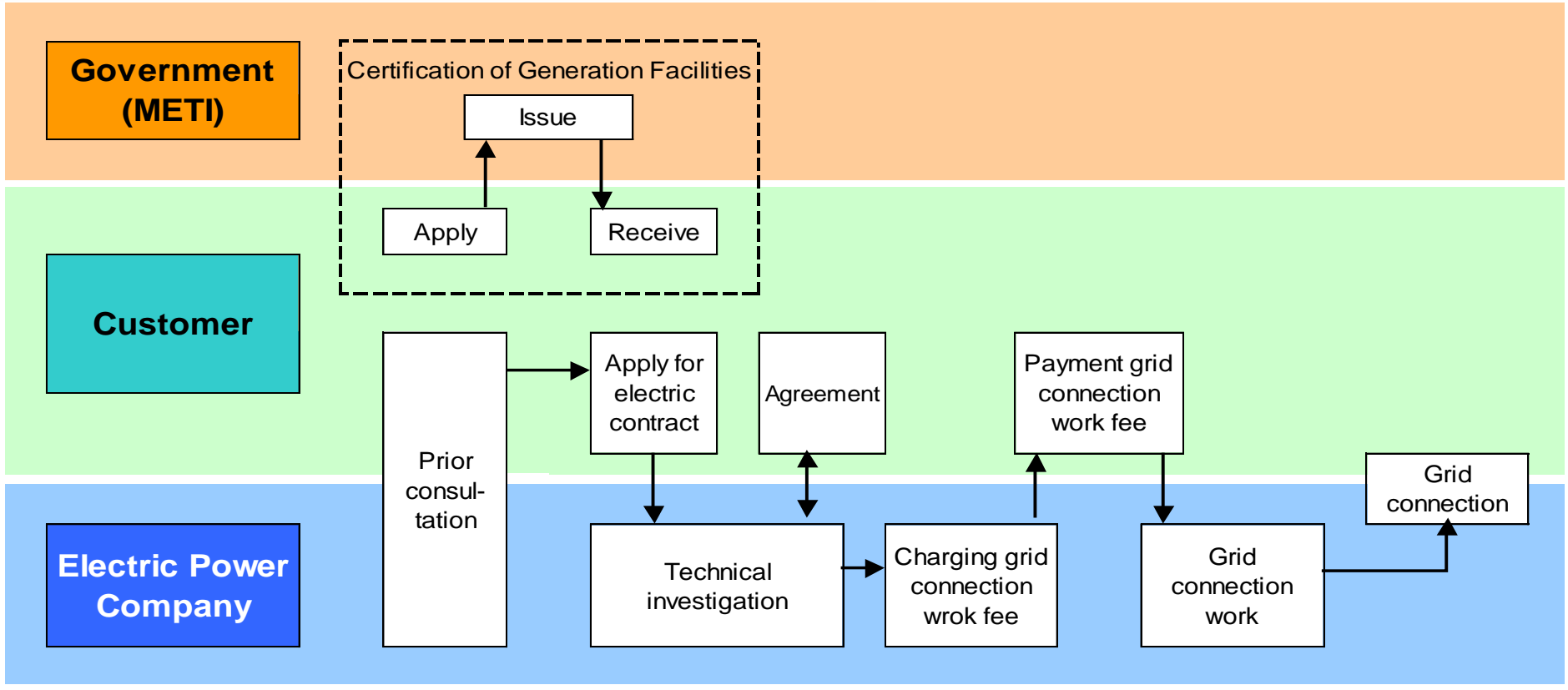
(Ref.) FIT scheme and Procedures to grid connection

Feed-in Tariff (FIT) Scheme for Renewable Energy

Under the feed-in-tariff scheme, if a renewable energy producer requests an electric utility to sign a contract to purchase electricity at a fixed price and for a long-term period guaranteed by the government, the electric utility is obligated to accept this request.

Source	Tariff(Tax inclusive)	Duration	Purchase
Less than 10kW (Residential)	38Yen/kWh (with private power generator : 31Yen/kWh)	10years	Surplus
10kW or more (Commercial)	37.8Yen /kWh (36Yen/kWh + Tax)	20years	Full amount

Steps to grid connection for Commercial PV system



(Reference) SANIX Solar Park MUNAKATA

Mega-Solar Project in cooperation with industry - local government-university.

SANIX as industry , MUNAKATA-city as local government and KYUSHU SANGYO UNIVERSITY as university

Power Plant : SANIX Solar Park MUNAKATA

Site area : approx.36,000m²
Total output : 1,996kW
Number of PV modules : 8,148
Inverter : 250kW × 8 units



finishing grid connection at 28 June 2013, under trial operation from July.

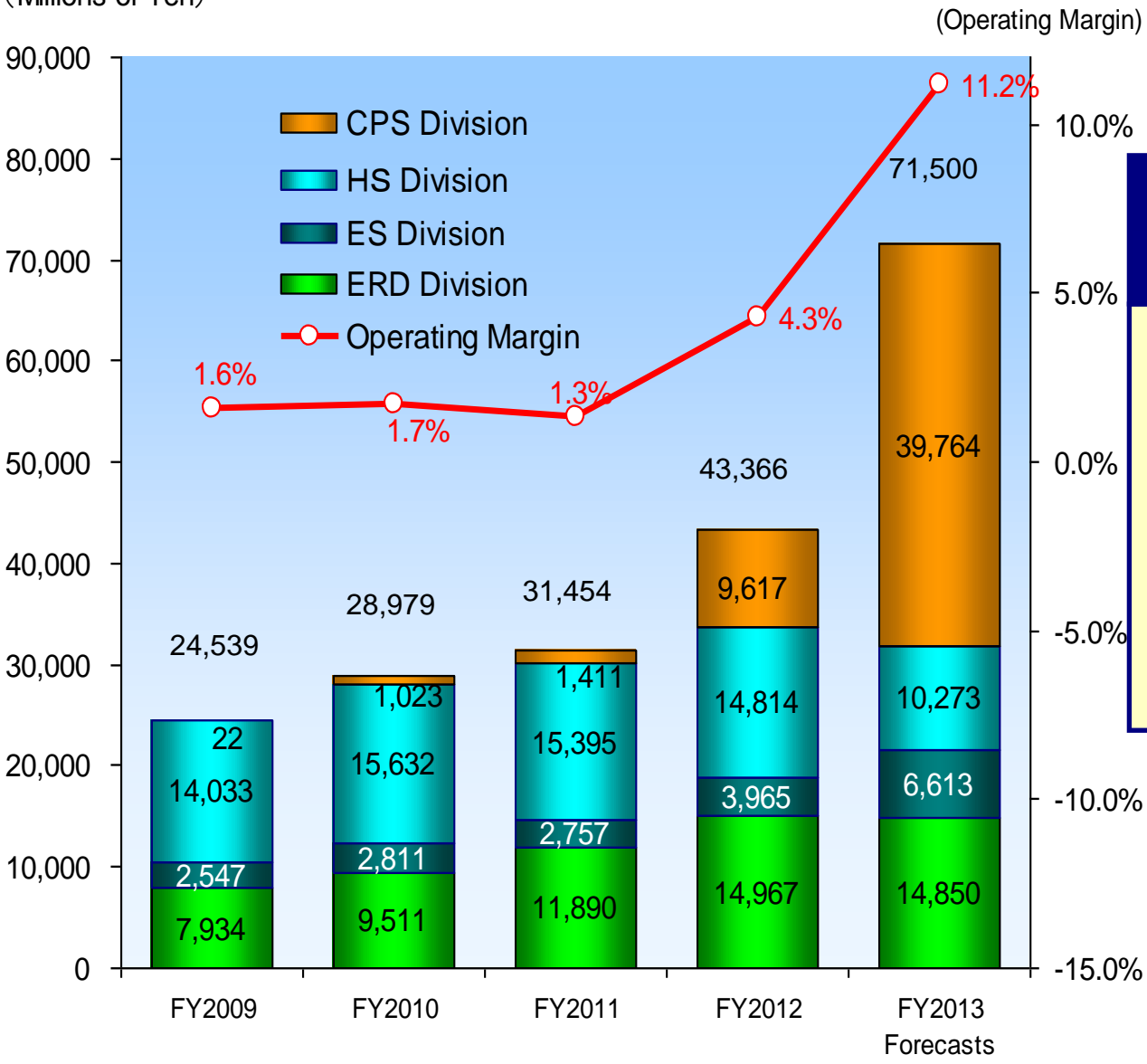
(we've already allowed the revenue to the forecasts of this fiscal year)

Whole Group Forecasts for FY2013

There is no change in the forecast announced on May 14, 2013.

Net Sales and Operating Margin

(Millions of Yen)



Forecasts for FY2013
(ending March 31, 2014)

Net Sales : 71,500MY

Operating Income : 8,000MY

Operating Margin : 11.2%