



Ticker 4651

for Energy, for Environment

Photovoltaic Solution

Total Sanitation

Environmental Resources Development

Consolidated Financial Statements

For the First 3 Quarters ended December 31,2014

3Q

FEB. 13,2015



for Energy, for Environment

1. Financial Results for FY2014 3Q(ended Dec. 31,2014)

Page3

2. Forecast for FY2014(ending March 31,2015)

Page12

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 changes of the Feed-in-Tariff (FIT) scheme for renewable energy and changes of the utility company's policy for installation of renewable energy, 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.



for Energy, for Environment

1. Financial Results for FY2014 3Q(ended Dec. 31,2014)

The Group changed the name of the Commercial Photovoltaics (PV) Division to the Solar Engineering (SE) Division and also transferred the business of PV systems for homes, etc. belonging to the Home Sanitation (HS) Division and the Establishment Sanitation (ES) Division to the SE Division, effective from this first quarter under review.

Summary of First 3Q FY2014, Overview

SANIX
FY2014-3Q

(Millions of Yen)

	FY2013 3Q	FY2014 3Q			
	Results	Results	YoY	Forecasts	% to Forecasts
Net Salse	51,532	69,627	135.1%	74,234	93.8%
Gross Profit	14,068	13,741	97.7%	16,431	83.6%
Gross Profit Margine	27.3%	19.7%		22.1%	
Operating Income	2,421	(3,779)	—	(1,541)	—
Operating Income Margine	4.7%	—		—	
Ordinary Income	2,185	(4,049)	—	(1,859)	—
Ordinary Income Margine	4.2%	—		—	
Net Income	1,301	(5,244)	—	(2,452)	—
Net Income Margine	2.5%	—		—	

Forecasts indicate the numbers as announced on Oct.31, 2014.

1)Sales The SE Division posted substantial revenue growth in PV systems. In the Environmental Resources Development (ERD) Division, revenue from the electricity sales of TOMAKOMAI Power Plant increased, but plastic fuel revenue and organic waste processing revenue declined due to decreases acceptance volumes. The HS and ES Divisions posted sharp revenue declines because they transferred PV business to the SE Division and focused on sanitation-related maintenance for existing customer. As a consequence, the Net Sales of the entire group were ¥69,935 million, or up 35.7% from a year earlier.

2)Profit In the SE Division, PV systems registered increased profit. However, the Company was impacted due to the inability to engage in construction projects, with some exceptions, in the Kyushu district due to Kyushu Electric Power's decision to suspend its response to applications. As a result, profit growth was not enough to absorb fixed costs and the segment posted an operating loss. The ERD Division reported decreased profit due to a reduction in acceptance volumes. The HS and ES Divisions showed decreased profits due to lower sales as a result of switching to a system of focusing on maintenance for existing customer. As a consequence, for the whole group, the operating loss of ¥3,303 million compared to the operating income of ¥2,421 million in the same period of a prior year, and the ordinary loss was ¥3,520 million (ordinary income of ¥2,185 million in the same period of a prior year), with the net loss of ¥3,954 million from net income of ¥1,301 million of net income in the year earlier period.

Statement of Net Sales and Income by Segment

SANIX
FY2014-3Q

(Millions of Yen)

	FY2013 3Q		FY2014 3Q				
	Results	Proportion	Results	Proportion	YoY	Forecasts	% to Forecasts
Net Salse	51,532		69,627		135.1%	74,234	93.8%
SE	30,454	59.1%	51,752	74.3%	169.9%	55,760	92.8%
ERD	12,053	23.4%	11,152	16.0%	92.5%	11,580	96.3%
HS/ES	9,024	17.5%	6,721	9.7%	74.5%	6,893	97.5%
Gross Profit	14,068	27.3%	13,741	19.7%	97.7%	16,431	83.6%
SG&A	11,647	22.6%	17,520	25.2%	150.4%	17,972	97.5%
Operating Income	2,421	4.7%	(3,779)	—	—	(1,541)	—
SE	2,215	7.3%	(3,075)	—	—	(961)	—
ERD	1,087	9.0%	708	6.3%	65.1%	844	83.8%
HS/ES	947	10.5%	1,217	18.1%	128.5%	1,299	93.6%
Group	(1,828)	—	(2,628)	—	—	(2,723)	—

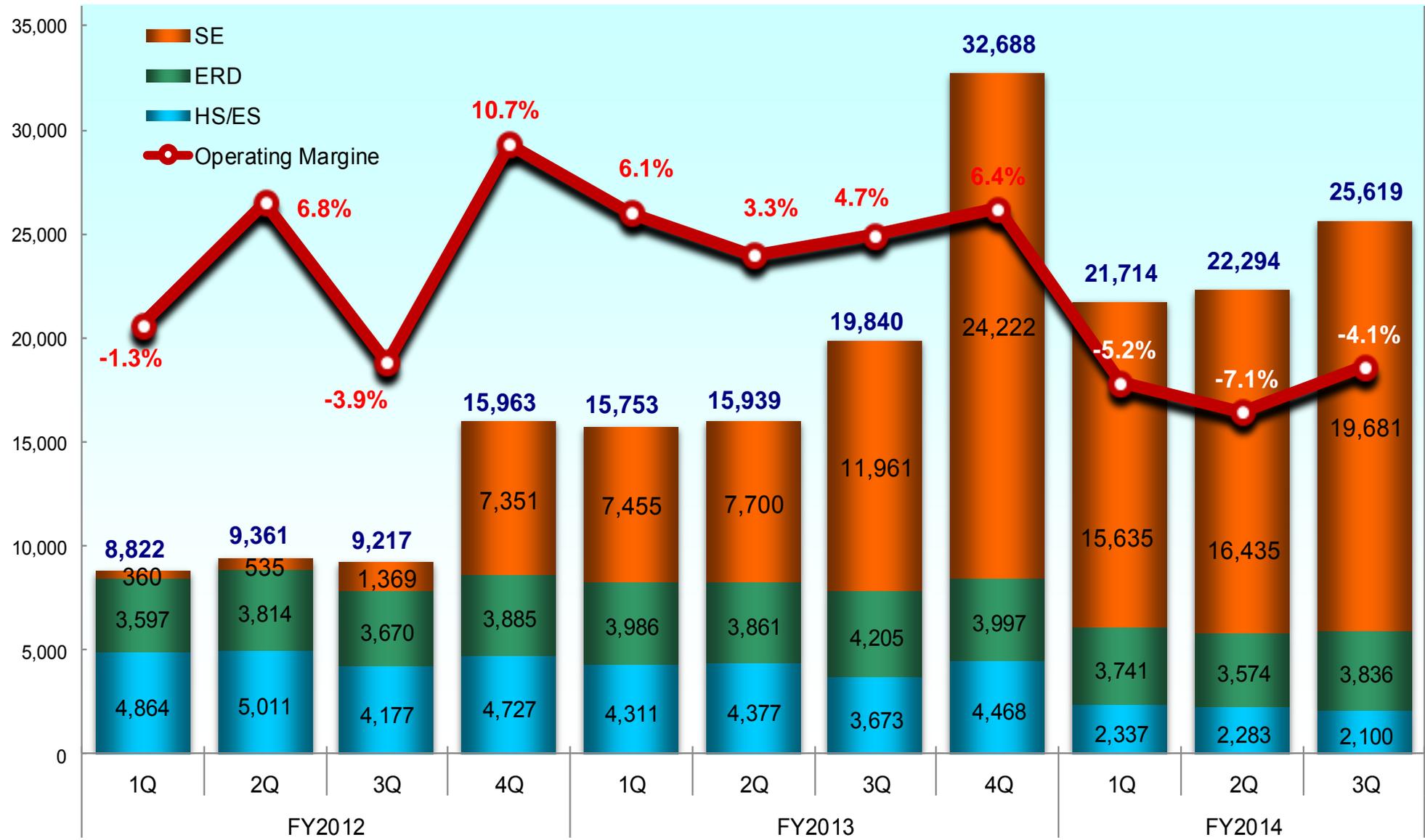
Forecasts indicate the numbers as announced on Oct.31, 2014.

Figures for the same period of the previous year have been restated to reflect the new segment classification for year on year comparison.

The underlined percentage indicate Operating Margin of each segment.

Segment Information (changes)

Millions of Yen



Figures for the same period of the previous year have been restated to reflect the new segment classification for year on year comparison.

Segment Information (SE)

SANIX
FY2014-3Q

(Millions of Yen)

	FY2013		FY2014 3Q				
	Results	Proportion	Results	Proportion	YoY	Forecasts	% to Forecasts
Net Sales	30,454		51,752		169.9%	55,760	92.8%
Photovoltaic System							
Direct (Western Japan)	23,326	76.6%	42,377	81.9%	181.7%	46,072	92.0%
Direct (Eastern Japan)	2,270	7.5%	6,259	12.1%	275.7%	6,605	94.8%
Wholesale (Eastern)	4,809	15.8%	3,039	5.9%	63.2%	3,009	101.0%
Others	48	0.2%	76	0.1%	155.7%	72	104.5%
Gross Profit	7,390	24.3%	8,462	16.4%	114.5%	11,035	76.7%
SG&A	5,174	17.0%	11,537	22.3%	223.0%	11,997	96.2%
advatising Expence	1,370	4.5%	1,160	2.2%	84.7%	1,221	95.0%
Allowance for doubtful accounts	240	0.8%	698	1.3%	289.7%	889	78.5%
Operating Income	2,215	7.3%	(3,075)	—	—	(961)	—

Forecasts show the numbers as announced on Oct.31, 2014.

Figures for the same period of the previous year have been restated to reflect the new segment classification for year on year comparison.

The number of installations of commercial PV systems, which are the main product in this segment, increased to ¥51,572 million. The division posted an operating loss of ¥3,075 million (compared with operating income of ¥2,215 million in the same period of the previous year), reflecting a sharp increase in fixed costs such as labor costs as a percentage of sales. This is because the Group expects the number of installations of PV systems to increase steadily through the second half of fiscal year and continued to actively recruit installation staff necessary to improve and expand the installation system. However, in the first half under review, the timing of installations was delayed largely because power companies took a long time investigation grid connection and sales only increased 69.9 compared with the same period of the previous year.

(For reference: Changes in SE Division staff: Average number of staff increased from 683 in Apr-Dec 2013 to 2,706 in Apr-Dec 2014)

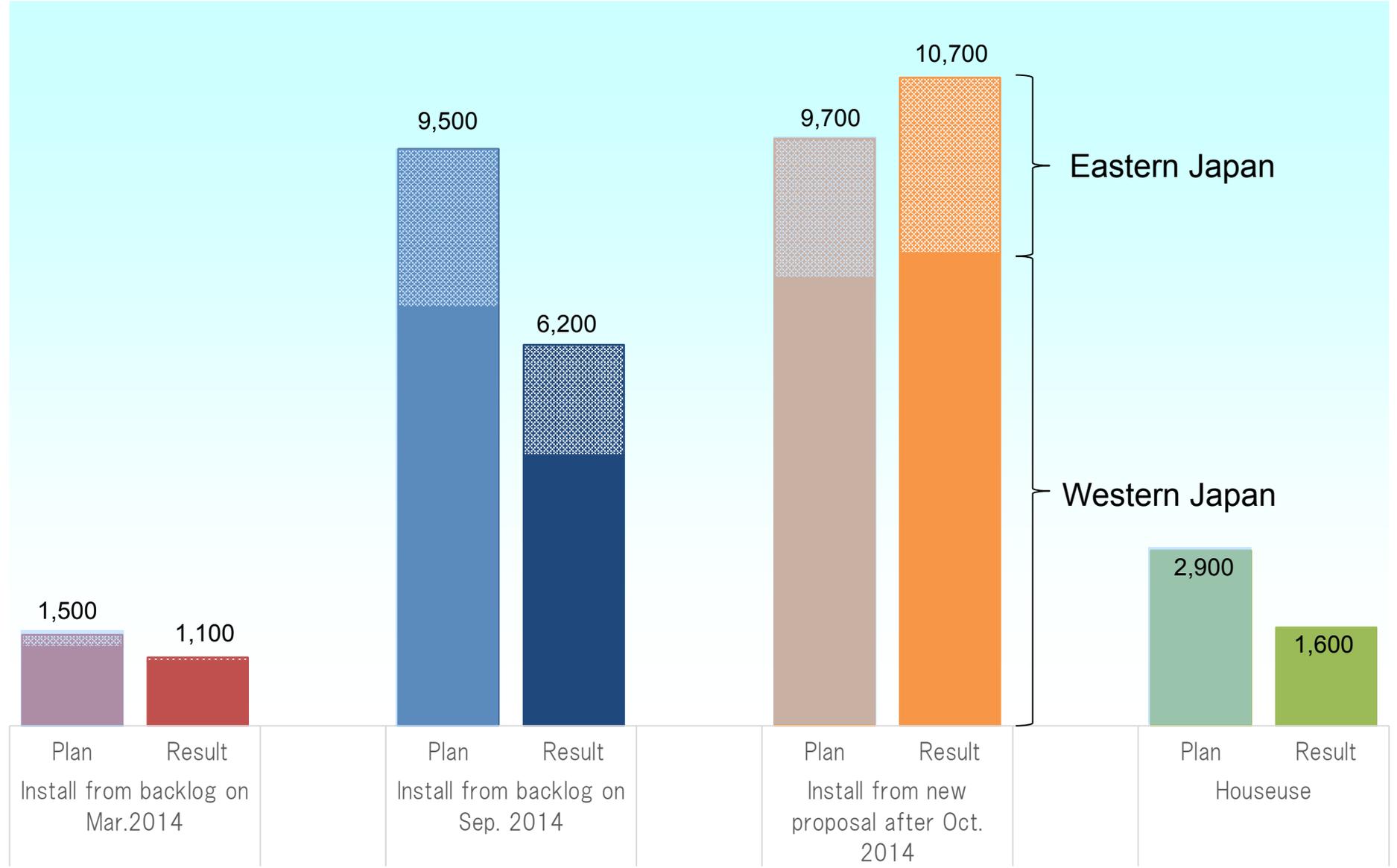
(Millions of Yen)

	FY2014									
	1Q		2Q		3Q				End of 3Q	
	Results	Prop.	Results	Prop.	Results	Prop.	Forecast	Prop.	Results	Prop.
Net Sales	15,635		16,435		19,681		23,689		51,752	
Cost of Sales	12,689	81.2%	13,619	82.9%	16,981	86.3%	18,415	77.7%	43,290	83.6%
Materials	8,218	52.6%	8,709	53.0%	11,134	56.6%	13,077	55.2%	28,062	54.2%
Labour	2,070	13.2%	2,306	14.0%	2,608	13.3%	2,247	9.5%	6,985	13.5%
Outsourcing	1,191	7.6%	1,067	6.5%	1,338	6.8%	1,501	6.3%	3,597	7.0%
Others	1,209	7.7%	1,535	9.3%	1,900	9.7%	1,588	6.7%	4,644	9.0%
Gross Profit	2,946	18.8%	2,816	17.1%	2,700	13.7%	5,273	22.3%	8,462	16.4%
SG&A	3,876	24.8%	4,163	25.3%	3,498	17.8%	3,957	16.7%	11,537	22.3%
Personnel	1,327	8.5%	1,610	9.8%	1,678	8.5%	1,804	7.6%	4,615	8.9%
Advertising	527	3.4%	406	2.5%	226	1.2%	288	1.2%	1,160	2.2%
Allowance	603	3.9%	286	1.7%	(190)	—	0	0.0%	698	1.3%
Others	1,418	9.1%	1,861	11.3%	1,784	9.1%	1,865	7.9%	5,063	9.8%
Operating Income	(930)	—	(1,347)	—	(798)	—	1,315	5.6%	(3,075)	—

Forecasts show the numbers as announced on Oct.31, 2014.

(reference) Reason of Sales Unreached

(Millions of Yen)



(Millions of Yes)

	FY2013 3Q		FY2014 3Q				
	Results	Proportion	Results	Proportion	YoY	Forecast	% to Forecast
Net Sales	12,053		11,152		92.5%	11,580	96.3%
Plastic Fuels	6,963	57.8%	5,862	52.6%	84.2%	6,543	89.6%
Power Generation	2,478	20.6%	2,808	25.2%	113.3%	2,655	105.8%
Organic Waste Water	1,360	11.3%	1,158	10.4%	85.2%	1,230	94.2%
Final Disposal	515	4.3%	491	4.4%	95.5%	494	99.5%
Others	736	6.1%	832	7.5%	113.0%	657	126.6%
Gross Profit	2,786	23.1%	2,090	18.7%	75.0%	2,230	93.7%
SG&A	1,699	14.1%	1,382	12.4%	81.3%	1,385	99.8%
Operating Income	1,087	9.0%	708	6.3%	65.1%	844	83.8%

Forecasts show the numbers as announced on Oct.31, 2014.

Revenue from plastic fuel decreased 15.8% year on year, reflecting a reduction in the acceptance volume of waste plastic. Revenue from electricity sales rose 13.3% compared to the same period of the previous year due to stable operation of the TOMAKOMAI Power Plant. Revenue from organic waste processing fell 14.8% year on year, due to decreased acceptance volume. As a result, the net sales decreased 7.5% to ¥11,152 million compared to the year earlier period. The operating income decreased 34.9 to ¥708 million due to decrease in sales.

(Millions of Yen)

	FY2013 3Q		FY2014 3Q				
	Results	Proportion	Results	Proportion	YoY	Forecasts	% to Forecast
Net Sales	9,024		6,721		74.5%	6,893	97.5%
HS	7,381	81.8%	5,934	88.3%	80.4%	6,158	96.4%
ES	1,642	18.2%	787	11.7%	47.9%	735	107.0%
Gross Profit	3,892	43.1%	3,189	47.4%	81.9%	3,165	100.8%
SG&S	2,944	32.6%	1,972	29.3%	67.0%	1,865	105.7%
Operating Income	947	10.5%	1,217	18.1%	128.5%	1,299	93.6%

Forecasts show the numbers as announced on Oct.31, 2014.

Figures for the same period of the previous year have been restated to reflect the new segment classification for year on year comparison.

The HS Division transferred house-use PV system business, which was included in its results for the first half of the previous fiscal year, to the SE Division and focused on sanitation management-related maintenance for existing customer including “termite control” and “sub-floor/roof ventilation system”. As a result, the net sales decreased 19.6% to ¥5,934 million compared to the year earlier period. The operating income increased 28.5% to ¥1217 million due to decrease in sales.

The ES Division transferred PV system business, which was included in its results for the first half of the previous fiscal year, to the SE Division and focused on sanitation management-related maintenance for existing customer of buildings, condominiums, etc. As a result, the net sales decreased 521% to ¥787 million compared to the year earlier period.

SANIX

for Energy, for Environment

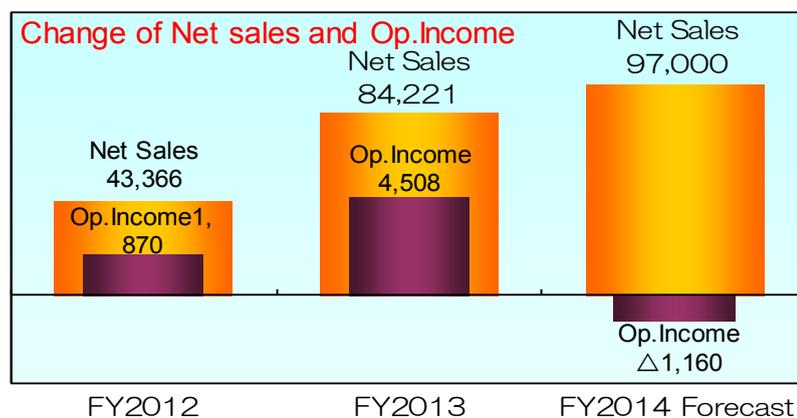
2. Forecast for FY2014(ending March 31,2015)

Forecasts for FY2014 (ending March 31,2015)

The Company has revised the consolidated earning forecast for the fiscal year ending March 31,2015,which were announced on Oct.31, 2014 on Feb.12 2015.

(Millions of Yen)

	FY2013	FY2014 Revised Forecast				
		Results	Forecast	YoY	Forecast on 31 Oct.	
					Forecast	Difference
Net Sales	84,221	97,000	115.2%	118,000	-21,000	
Gross Profit	21,421	21,088	98.4%	27,693	-6,604	
Gross Profit Margin	25.4%	21.7%				
Operating Income	4,508	(1,160)	—	3,640	-4,800	
Operating Income Margin	5.4%	—				
Ordinary Income	4,309	(1,430)	—	3,200	-4,630	
Ordinary Income Margin	5.1%	—				
Net Income	2,964	(2,720)	—	1,300	-4,020	
Net Income Margin	3.5%	—				



1)Sales

Sanix has determined that it would not be able to post sales of new projects it had expected to receive and install in the second half of the fiscal year before the end of the term due to the decision among utility companies to suspend their response. In addition, the Company has determined that with some exceptions, intentional low-voltage division on the same business premises, which were incorporated in the initial forecast, will not be posted as sales before the end of the current fiscal year.

2)Profit

The Company forecasts a recovery in earnings on the expected increase in net sales and cost-cutting measures in the second half of the fiscal year. However, operating income, ordinary income and net income are all expected to be lower than the previous forecast due to net sales ending lower than the previous forecast.

Segment Forecast for FY2014

SANIX
FY2014-3Q

The Company has revised the consolidated earning forecast for the fiscal year ending March 31, 2015, which were announced on Oct. 31, 2014 on Feb. 12 2015.

(Millions of Yen)

	FY2013		FY 2014 Revised Forecast				
	result	Proportion	Forecast	proportion	YoY	Forecast on 31 Oct.	
						Forecast	Difference
Net Sales	84,221		97,000		115.2%	118,000	-21,000
SE	56,637	67.2%	73,190	75.5%	129.2%	93,060	-19,870
ERD	16,051	19.1%	15,147	15.6%	94.4%	15,800	-653
HS / ES	11,533	13.7%	8,663	8.9%	75.1%	9,140	-477
Gross Profit	21,421	25.4%	21,088	21.7%	98.4%	27,693	-6,604
SG&A	16,912	20.1%	22,248	22.9%	131.5%	24,053	-1,804
Operating Income	4,508	5.4%	(1,160)	—	—	3,640	-4,800
SE	4,782	(8.4%)	(577)	—	—	4,133	-4,710
ERD	1,364	(8.5%)	1,419	(9.4%)	104.0%	1,348	71
HS / ES	959	(8.3%)	1,452	(16.8%)	151.4%	1,799	-347
Group	(2,598)	—	(3,454)	—	—	(3,640)	186
Ordinary Income	4,309	5.1%	(1,430)	—	—	3,200	-4,630
Net Income	2,964	3.5%	(2,720)	—	—	1,300	-4,020

Figures for the same period of the previous year have been restated to reflect the new segment classification for year on year comparison.

The underlined percentage indicate Operating Margin of each segment.

SE Segment Forecasts for FY2014

SANIX
FY2014-3Q

The Company has revised the consolidated earning forecast for the fiscal year ending March 31, 2015, which were announced on Oct. 31, 2014 on Feb. 12 2015.
(Millions of Yen)

	FY2013 3Q		FY2014 Full Year				
	Results	Proportion	Plan	Proportion	YoY	forecasts on on Oct.31	
						Plan	difference
Net Sales	56,637		73,190		129.2%	93,060	-19,870
Photovoltaic System							
Direct (Western Japan)	43,384	76.6%	55,885	76.4%	128.8%	72,168	-16,283
Direct (Eastern Japan)	4,012	7.1%	13,210	18.0%	329.3%	16,295	-3,085
Wholesale (Eastern)	9,172	16.2%	4,000	5.5%	43.6%	4,505	-505
Others	68	0.1%	94	0.1%	138.8%	91	3
Gross Profit	13,016	23.0%	13,923	19.0%	107.0%	20,298	-6,374
SG&A	8,234	14.5%	14,500	19.8%	176.1%	16,165	-1,664
advertising expence	1,749	3.1%	1,160	1.6%	66.3%	1,421	-261
personnel cost	3,109	5.5%	6,010	8.2%	193.3%	6,589	-579
allowance	497	0.9%	698	1.0%	140.4%	885	-187
Operating Income	4,782	8.4%	(577)	—	—	4,133	-4,710

Figures for the same period of the previous year have been restated to reflect the new segment classification for year on year comparison.

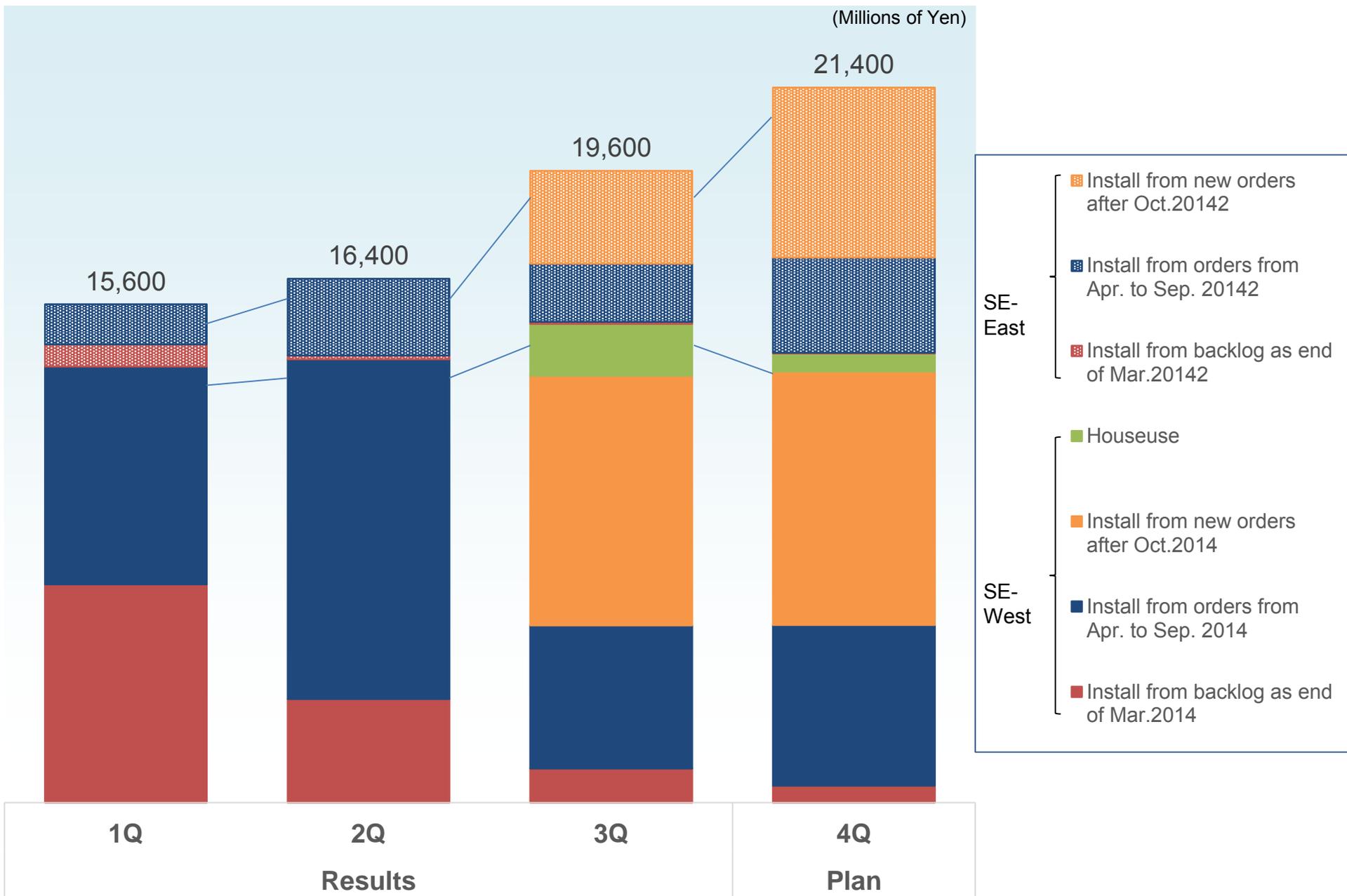
(reference) QonQ P/L Results and Forecast on SE

SANIX
FY2014-3Q

(Millions of Yen)

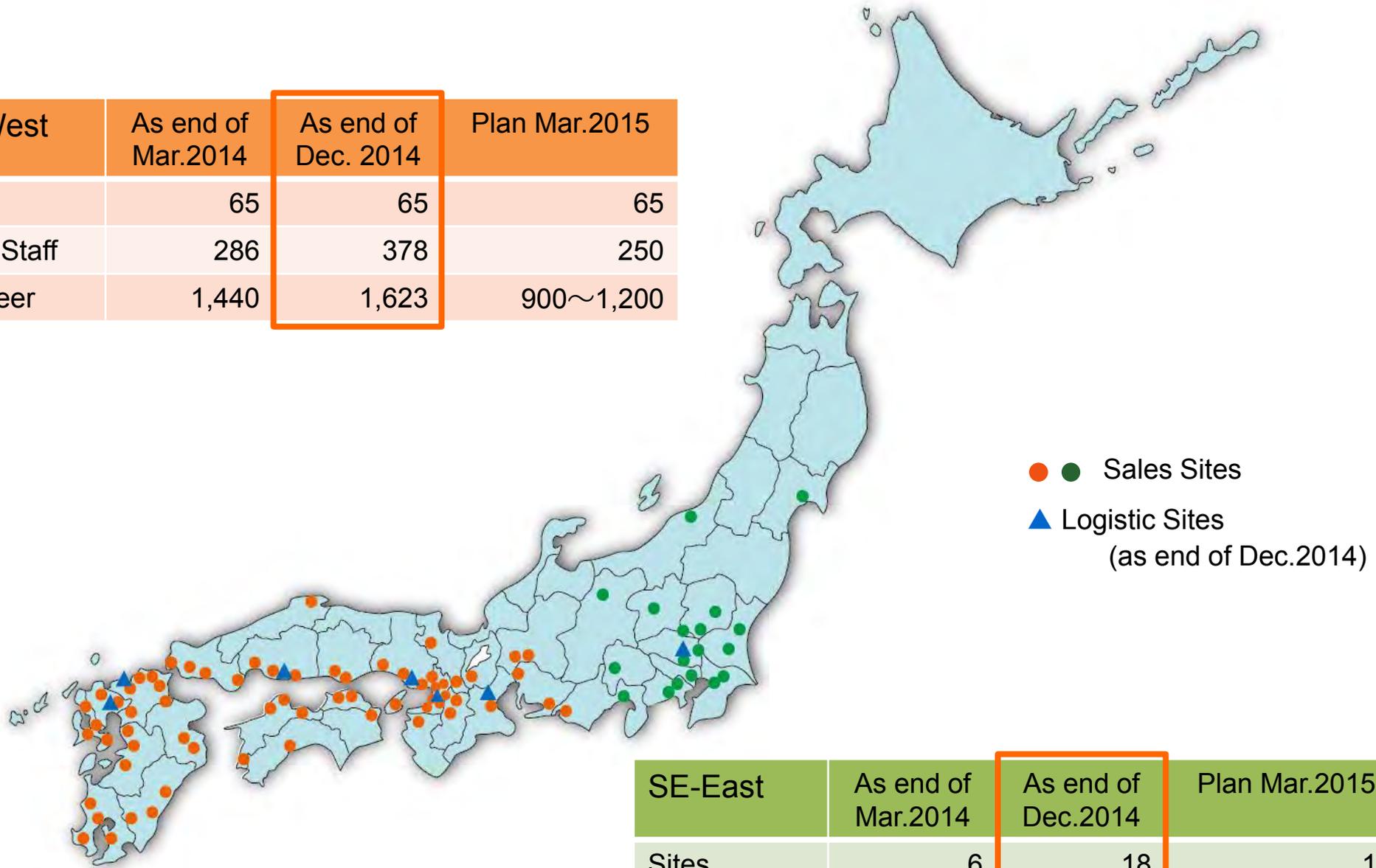
	FY2014									
	1Q		2Q		3Q		4Q		Full Year	
	Result	Prop.	Result	Prop.	Result	Prop.	Plan	Prop.	Plan	Prop.
Net Sales	15,635		16,435		19,681		21,437		73,190	
Cost of Sales	12,689	81.2%	13,619	82.9%	16,981	86.3%	15,976	74.5%	59,266	81.0%
Materials	8,218	52.6%	8,709	53.0%	11,134	56.6%	11,535	53.8%	39,598	54.1%
Engineers	2,070	13.2%	2,306	14.0%	2,608	13.3%	2,424	11.3%	9,410	12.9%
Outsourcing	1,191	7.6%	1,067	6.5%	1,338	6.8%	630	2.9%	4,227	5.8%
Others	1,209	7.7%	1,535	9.3%	1,900	9.7%	1,385	6.5%	6,030	8.2%
Gross Profit	2,946	18.8%	2,816	17.1%	2,700	13.7%	5,461	25.5%	13,923	19.0%
SG&A	3,876	24.8%	4,163	25.3%	3,498	17.8%	2,962	13.8%	14,500	19.8%
Personell	1,327	8.5%	1,610	9.8%	1,678	8.5%	1,394	6.5%	6,010	8.2%
Advtising	527	3.4%	406	2.5%	226	1.2%	0	0.0%	1,160	1.6%
Allowance	603	3.9%	286	1.7%	(190)	—	0	0.0%	698	1.0%
Others	1,418	9.1%	1,861	11.3%	1,784	9.1%	1,567	7.3%	6,631	9.1%
Operating Income	(930)	—	(1,347)	—	(798)	—	2,498	11.7%	(577)	—

(Reference) Quarterly Sales Plan on SE



Plan of PV business operation system

SE-West	As end of Mar.2014	As end of Dec. 2014	Plan Mar.2015
Sites	65	65	65
Sales Staff	286	378	250
Engineer	1,440	1,623	900~1,200



SE-East	As end of Mar.2014	As end of Dec.2014	Plan Mar.2015
Sites	6	18	18
Sales Staff	60	155	170
Engineer	41	322	600~700

Forecasts of Expense Status of SE division

Change in Marginal Profit Ratio at SE Division(direct sales/installation)

A marginal profit ratio is shown as profit ratio which is subtracted variable cost such as material, expendables, outsourcing and transportation fee is used as a marginal profit Income ratio.

(%)	FY2014	FY2014				
	4Q	1Q	2Q	3Q	4Q Plan	FY Plan
Marginal Profit Ratio	34.4	35.2	34.9	31.1	39.8	35.4

Changes of Fixed cost ratio for business expansion of SE

The table shown implies the share of each fixed cost(personnel) and others(payroll cost, rent cost, transportation cost and common expense) in SE division.

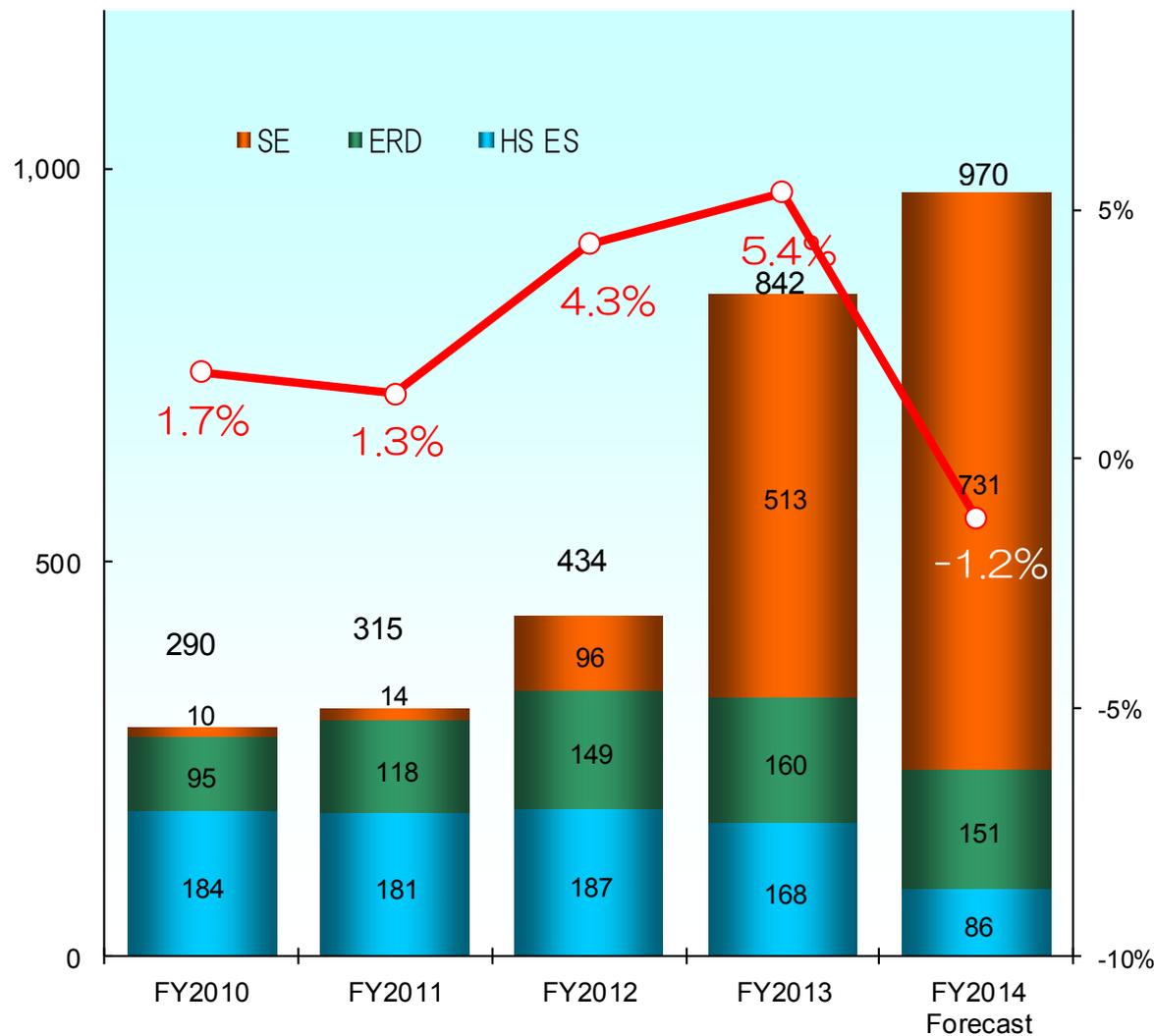
(%)	FY2013	FY2014				
	4Q	1 Q	2 Q	3 Q	4 Q Plan	FY Plan
Personnel Cost	13.1	21.7	23.8	21.8	17.8	21.1
Others	9.8	12.2	15.1	13.2	10.3	12.6
Fixed Cost Total	22.9	33.9	38.9	34.9	28.2	33.6

Forecasts of Expense Status of SE division

The Company has revised the consolidated earning forecast for the fiscal year ending March 31, 2015, which were announced on Oct.31, 2014 on Feb.12 2015.

Net Sales and Operating Margin Ratio

(handred million yen)



Forecasts for FY2014

(ending March 31, 2015)

Net Sales : 97,000MY

Operating Loss: 1,160MY

Operating Margin : -1.2%

(reference)Time path of new renewable energy rules

	Electric Power Company	METI
2014/9/24	Kyushu Electric Company announced suspension to application for grid connections or renewable energy.	
9/30	Hokkaido, Tohoku, Shikoku, Okinawa Electric Power announced the suspension.	Started the Grid Working Group for fixed the possible volume of renewable energy for 7 utility company.
10/21	Kyushu Electric announced the resume replying to some applications for low-voltage facilities.	
12/16		7 utility company reported the results of calculation for possible volume on grid working group.
12/18	Announcement for release of suspension; Hokkaido, Tohoku, Okinawa Electric Powers. And Shikoku released a part of suspension.	METI decided the possible volume for renewable energy to grid connection on the 7 utility company. Announced the new control rules for renewable energy.
12/19		Announce that it will be ended the certification of Facilities of this fiscal year on 30 th Jan.2015 by METI.
12/22	Kyushu Electric announced the manual for release of suspension.	
2015/1/15		
1/22	Shikoku announced release of suspension for renewable energy.	
1/26		The effectuation of revised departmental instruction for new rule.
1/30		Ended the new certification of facilities on this fiscal year.
2/4	Kyushu Electric Power set the briefing for new guidance for application of connection.	

7 utility company : Hokkaido, Tohoku, Hokuriku, Chugoku, Shikoku, Kyushu, Okinawa.

(reference) Overview of new rule by METI

The new operation law for renewable energy

New output control rule

Change the target facility size for output control.
Change to time-controlled system from day-controlled system.
Designed utility company for new output control rule.

New rule for smooth and strong installation

Prevention rule against empty reservation for grid connection.
New rule for cancellation of facility certification by METI.

For fair price of renewable energy

Change the timing for decide the price for new entry and switch the facility's spec.

(reference) New rule for expansion of installation

New output control rule

	content		date of application
	Before new rule	After new rule	
Scope for output control facility	over 500kW	available for under 500kW included house-use under 10kW system. In addition, house-use system will be given high priority.	after Jan.26,2015
Change to time-controlled system	day-controlled (30days per year)	time-controlled (360hours per year)	after Jan. 26,2015
Designed utility company	The utility companies which the quantity of application for connection go over the possible quantity will be 'designed utility company'. The designed utility company can connect after no restrictions on output control.		refer next page

New rule for smooth and strong installation

	content	date of application
Prevention rule against empty reservation for grid connection	The utility companies can cancel the connection slot which have not make the connection fee payment on one month, or not start power generation on the contract deadline.	after Jan.26,2015
New rule for cancellation of facility certification by METI.	METI can cancel the facility certification which have not ensure the land and facilities within 180days after the certification on 50kW over generation facility.	after Apr.1,2014 (ongoing)

(reference) Overview of new control rule

New rule for renewable energy control by Utility Companies

Utility company	Control Limit	Under 10kW	10kW to 50kW	50kW to 500kW	Over 500kW
Tokyo Chubu Kansai	360hours/Year	No control	No control	Available from Apr.1 2015	From Jan.26 2015
Hokuriku Chugoku	360hours/Year	Available from Apr.1 2015	from Apr.1 2015	From Jan.26 2015	From Jan.26 2015
Shikoku Okinawa	360hours/Year	from Apr.1 2015	From Jan.26 2015	From Jan.26 2015	From Jan.26 2015
Hokkaido Tohoku Kyushu	No limit	from Apr.1 2015	From resume of application	From resume of application	From resume of application

 : the project made application before Mar.31,2015 not scope of output control.

Hokuriku, Chugoku, Shikoku, Okinawa : if the quantity of application for connection go over possible quantity, these utility company can connect on no restrictions for output control.

(reference) For fair price of renewable energy

For fair price on FIT program of renewable energy

	content		date of application
	Before new rule	After new rule	
Timing for determining the purchase price	when apply for connection	when conclusion of the contract of connection	after Apr.1,2015
Switch the spec of facility before operation start	high level spec switch : change the price	price on revised certification time	after Feb.15,2015
	price wasn't change on PV module spec change.		
Increase of output capacity of facility after operation started	price isn't change after output capacity changed	price of increased capacity will be price on changed time.	after Apr.1,2015

(reference) Summary of the new rules

