



Code : 4651

Financial Results Briefing For FY2019

May 14, 2020

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in the Fiscal Year Ending March 31, 2021 Page. 15**

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.

() in operating income, ordinary income and net income indicate operating loss, ordinary loss and net loss respectively. In case of negative or above 1,000%, margin is expressed by "%".

1. Financial Results for FY2019

Consolidated Financial Results for FY2019

(Millions of Yen)

	FY2018	FY2019				
	Results	Results	Y o Y	Difference	Plan	to Plan
Net Sales	50,719	52,531	103.6%	+ 1,811	51,082	1,448
Gross Profit	14,830	17,556	118.4%	+ 2,726	17,556	(0)
Gross Profit Margin	29.2%	33.4%			34.4%	
Operating Income	1,224	2,791	227.9%	+ 1,566	2,550	240
Operating Income Margin	2.4%	5.3%			5.0%	
Ordinary Income	1,182	2,592	219.2%	+ 1,409	2,330	261
Ordinary Income Margin	2.3%	4.9%			4.6%	
Profit attributable to owners of parent	240	1,850	770.7%	+ 1,610	1,808	41
Net Income Margin	0.5%	3.5%			3.5%	

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As for net sales in the fiscal year under review, sales increased in the Solar Engineering (SE), Home Sanitation (HS), Establishment Sanitation (ES) and Environmental Resources Development (ERD) Divisions, and net sales of the entire Group stood at ¥52,531 million (up 3.6% year on year).

Profit increased significantly as a reaction to the adverse effects of the Hokkaido Eastern Iburi earthquake that occurred in the previous fiscal year in the ERD Division.

As a result, for the entire Group, operating income came to ¥2,791 million (up 127.9% year on year), and ordinary income amounted to ¥2,592 million (up 119.2% year on year).

Net income attributable to the owners of the parent company stood at ¥1,850 million (up 670.7% year on year), showing a significant rise as a result of posting expenses for restoring the facilities due the aforementioned earthquake as extraordinary losses of ¥472 million in the previous fiscal year.

Results of each segment for FY2019

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(Millions of Yen)

	FY2018	FY2019		
	Results	Results	YoY	Plan
Net Sales	50,719	52,531	103.6%	51,082
SE Division	14,427	15,195	105.3%	13,177
HS Division	10,752	11,235	104.5%	11,348
ES Division	1,926	2,261	117.4%	2,194
ERD Division	14,116	16,759	118.7%	16,290
EB Division	10,609	9,132	86.1%	10,251
Adjustment of inter-segment sales	(1,113)	(2,053)	-	(2,180)
Operating Income	1,224	2,791	227.9%	2,550
SE Division	1,204	901	74.9%	894
HS Division	2,231	2,061	92.4%	2,032
ES Division	287	281	98.1%	228
ERD Division	423	3,483	821.7%	2,874
EB Division	412	(485)	-	102
Group	(3,335)	(3,452)	-	(3,581)

Breakdown of sales

Legend: SE (orange), HS (purple), ES (blue), ERD (green), EB (yellow)

Inner chart : FY2018
Outer chart : FY2019

Division	FY2018 (%)	FY2019 (%)
SE	28.4%	28.9%
HS	21.2%	21.4%
ES	3.8%	4.3%
ERD	27.8%	31.0%
EB	20.9%	17.4%

The figures in ERD Division, Energy Division, and Intersegment sales adjustment for the fiscal year ended March 2019 are based on the new reportable segments for comparison with the fiscal year ended March 2020.

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[Net Sales]

In the breakdown of sales, the ERD Division increased mainly because the Tomakomai Power Plant operated in the full year.

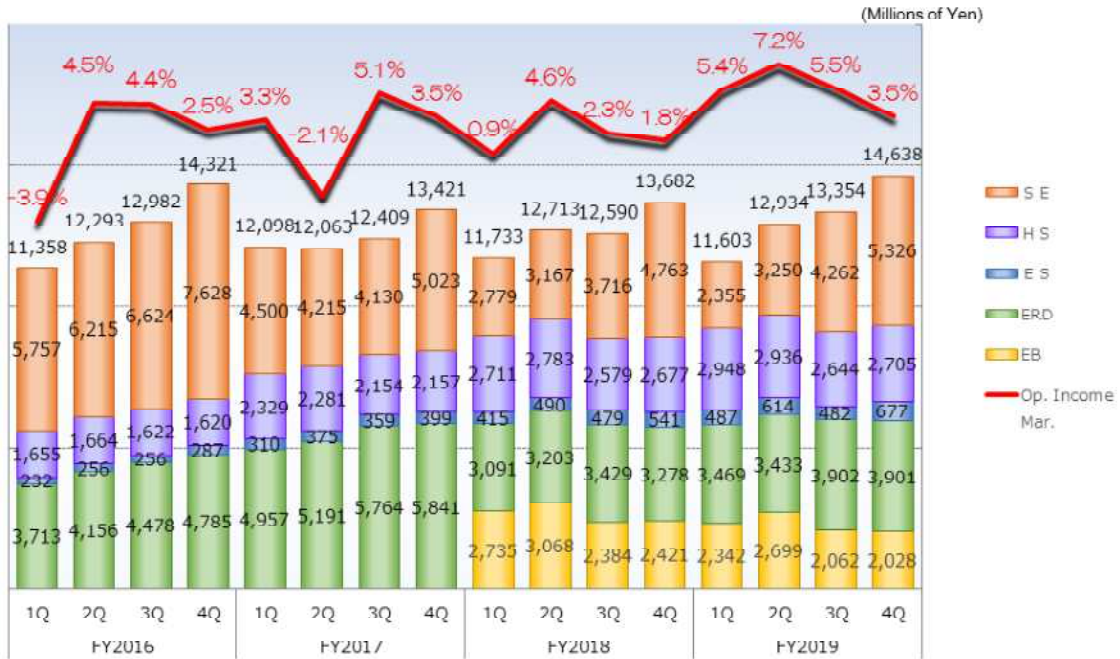
[Operating Income]

In addition to the full-year operation of the Tomakomai Power Plant as mentioned above, operating income also increased in Plastic Fuels, Organic Wastewater and Final Disposal.

In addition, operating income declined in the SE Division due to the posting of loss on valuation of inventories of ¥644 million in material costs.

The Energy Business Division experienced a loss compared with operating income in the previous fiscal year due to a significant profit decline.

Quarterly Segment Information (changes)



The intersegment sales adjustment is subtracted from the sales at ERD Div.

Changes in quarterly net sales are as shown in the above chart.

Segment Information for FY2019 (SE Division)

(Millions of Yen)

	FY2018		FY2019				
	Results	Prop.	Results	Prop.	YoY	Plan	% to Plan
Net Sales	14,427		15,195		105.3%	13,177	
Direct Sales	13,661	94.7%	14,807	97.4%	108.4%	12,812	97.2%
Whole Sales	578	4.0%	269	1.8%	46.7%	246	1.9%
Others	188	1.3%	117	0.8%	62.6%	118	0.9%
Costs of Sales	9,740	67.5%	10,886	71.6%	111.8%	8,796	66.8%
Material costs	5,978	41.4%	6,711	44.2%	112.3%	5,290	40.1%
Labor costs	1,018	7.1%	715	4.7%	70.2%	687	5.2%
Gross Profit	4,687	32.5%	4,308	28.4%	91.9%	4,380	33.2%
SG&A	3,482	24.1%	3,406	22.4%	97.8%	3,486	26.5%
Personnel expenses	1,724	12.0%	1,878	12.4%	108.9%	1,896	14.4%
Operating Income	1,204	8.4%	901	5.9%	74.9%	894	6.8%

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In the SE Division, the solar electric power market, which had continued contracting, bottomed out and turned upward from the previous fiscal year. The Company also reviewed sales prices in response to lower FIT prices and promoted new sales approaches, such as sales of solar electric power systems with land for investors who do not own land. As a result, sales of solar electric power systems increased 8.4% year on year, and net sales came to ¥15,195 million (up 5.3% year on year).

Operating income increased due to higher sales and a fall in the cost of materials, but the Division decided to record inventories for power conditioners that were manufactured in house and posted ¥644 million as a loss on valuation of inventories. This was because the Division revised the sales forecast and took the collectability of receivables into account following the abolishment of sales of all electricity of 10kW or more and less than 50kW and its shift from surplus electricity sales to sales for self-consumption in the FIT system from FY2020. As a result, the Division posted operating income of ¥901 million (down 25.1% year on year).

Segment Information for FY2019 (HS Division)

(Millions of Yen)

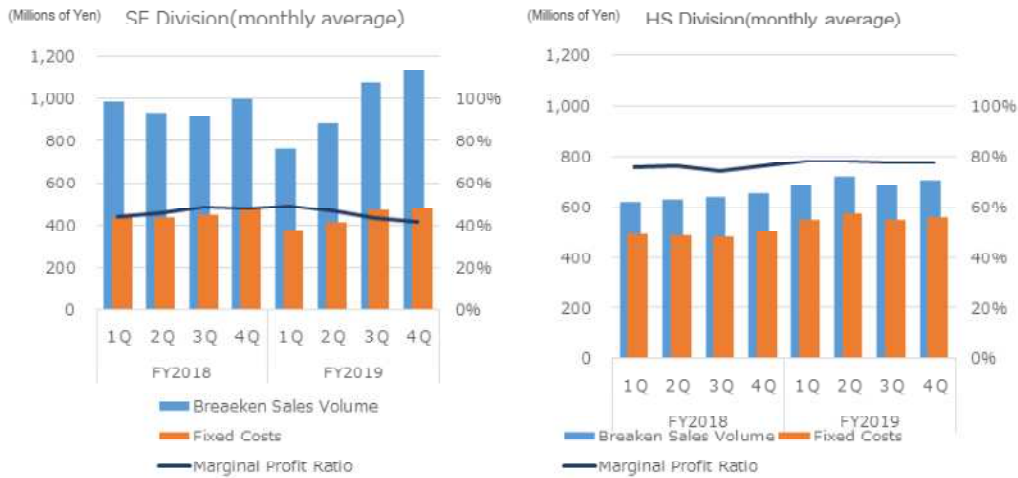
	FY2018		FY2019				
	Results	Prop.	Results	Prop.	YoY	Plan	% for Plan
Net Sales	10,752		11,235		104.5%	11,348	
Termite Eradication Service	3,441	32.0%	3,547	31.6%	103.1%	3,603	31.8%
Under-Roof/Roof Ventilation System	1,799	16.7%	2,497	22.2%	138.8%	2,328	20.5%
Foundation Repairing/Home Reinforcement System	2,126	19.8%	1,881	16.7%	88.4%	2,024	17.8%
Other	3,384	31.5%	3,308	29.4%	97.7%	3,393	29.9%
Cost of Sales	4,380	40.7%	4,488	39.9%	102.5%	4,590	40.4%
Labor costs	1,373	12.8%	1,606	14.3%	117.0%	1,628	14.3%
Gross Profit	6,371	59.3%	6,746	60.1%	105.9%	6,758	59.6%
SG&A	4,139	38.5%	4,684	41.7%	113.2%	4,725	41.6%
Personnel expenses	2,540	23.6%	2,911	25.9%	114.6%	2,949	26.0%
Operating Income	2,231	20.8%	2,061	18.4%	92.4%	2,032	17.9%

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The HS Division strengthened the sales and construction systems for the Division to be able to carefully craft proposals for the maintenance of ordinary houses by increasing personnel through recruitment and newly establishing two sales bases (Karatsu Sales Office and Omura Sales Office). As a result, termite extermination increased 3.1% year on year, and underfloor/ceiling ventilation systems rose 38.8% year on year, resulting in the division's sales of ¥11,235 million (up 4.5% year on year).

Operating income stood at ¥2,061 million (down 7.6% year on year) due to a rise in costs such as personnel expenses caused by the addition of personnel to expand our operations despite higher sales.

【Reference】
Changes of Profitability of SE/HS Division



While ¥152 million was posted in 4Q of FY2018 and ¥644 million was posted in 4Q of FY2019 in material costs among various costs as loss on valuation of inventories, their impacts are excluded from the calculation of the marginal profit ratio.

The ratio of subcontract expenses to net sales is rising due to an increase in sales of solar electric power systems with land, and the marginal profit ratio is on a declining trend. In addition, administrative expenses for land transactions are increasing, making fixed costs rise.

The HS Division is able to maintain a high marginal profit ratio and will continue to build a stable profit base.

Segment Information for FY2019 (ES Division) **SANIX**

(Millions of Yen)

	FY2018		FY2019				
	Result	Prop.	Result	Prop.	YoY	Plan	% for Plan
Net Sales	1,926		2,261		117.4%	2,194	
Costs of Sales	933	48.4%	1,072	47.4%	115.0%	1,064	48.5%
Labor costs	215	11.2%	256	11.3%	118.9%	254	11.6%
Gross Profit	993	51.6%	1,188	52.6%	119.7%	1,130	51.5%
SG&A	706	36.6%	907	40.1%	128.5%	901	41.1%
Personnel expenses	418	21.7%	538	23.8%	128.6%	561	25.6%
Operating Income	287	14.9%	281	12.5%	98.1%	228	10.4%

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The ES Division enhanced relationships with the owners of buildings and condominiums and partner companies, including management companies, by increasing personnel through recruitment and newly establishing a sales base (Saitama Office). As a result, sales of anti-rust equipment installation (brand name: Daelman Shock), our main product, increased 21.3% year on year, and sales of building waterproof paint repair increased 55.3% year on year, resulting in the division's sales of ¥2,261 million (up 17.4% year on year).

Operating income declined to ¥281 million (down 1.9% year on year) due to a rise in costs such as personnel expenses caused by the addition of personnel to expand the business size despite higher sales.

Segment Information for FY2019 (ERD Division)

(Millions of Yen)

	FY2018		FY2019				
	Result	Prop.	Result	Prop.	YoY	Plan	% for Plan
Net Sales	14,116		16,759		118.7%	16,290	
Plastic fuels	8,615	61.0%	10,111	60.3%	117.4%	9,719	59.7%
Power Stations	2,107	14.9%	3,023	18.0%	143.5%	3,240	19.9%
Organic Waste Water	1,958	13.9%	1,968	11.7%	100.5%	1,951	12.0%
Final Disposal	788	5.6%	1,122	6.7%	142.4%	843	5.2%
Others	646	4.6%	533	3.2%	82.5%	535	3.3%
Cost of Sales	11,955	84.7%	11,375	67.9%	95.1%	11,530	70.8%
Labors Cost	1,630	11.6%	1,820	10.9%	111.6%	1,821	11.2%
Gross Profit	2,160	15.3%	5,384	32.1%	249.2%	4,760	29.2%
SG&A	1,736	12.3%	1,901	11.3%	109.5%	1,885	11.6%
Personnel expenses	898	6.4%	1,067	6.4%	118.8%	1,045	6.4%
Operating Income	423	3.0%	3,483	20.8%	821.7%	2,874	17.6%

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Plastic fuel sales increased 17.4% year on year because the Division emphasized an improvement in the profitability and quality of plastic fuels, although the acceptance volume of waste plastics decreased due to the careful examination of accepted articles. At the Tomakomai Power Plant, power plant sales increased 43.5% year on year as a reaction to six months of suspended operation in the third and fourth quarters of the previous fiscal year (September 2018 to March 2019) caused by the Hokkaido Eastern Iburi earthquake. Final disposal also rose 42.4% year on year. As a result, net sales amounted to ¥16,759 million (up 18.7% year on year).

Operating income increased to ¥3,483 million (up 721.7% year on year) thanks to a rise in the number of operation days at the Tomakomai Power Plant and higher sales of the final disposal business, in addition to an improvement in the profitability and quality of plastic fuels due to the careful examination of waste plastics and accepted articles in the organic wastewater recycling.

Segment Information for FY2019 (EB Division) **SANIX**

(Millions of Yen)

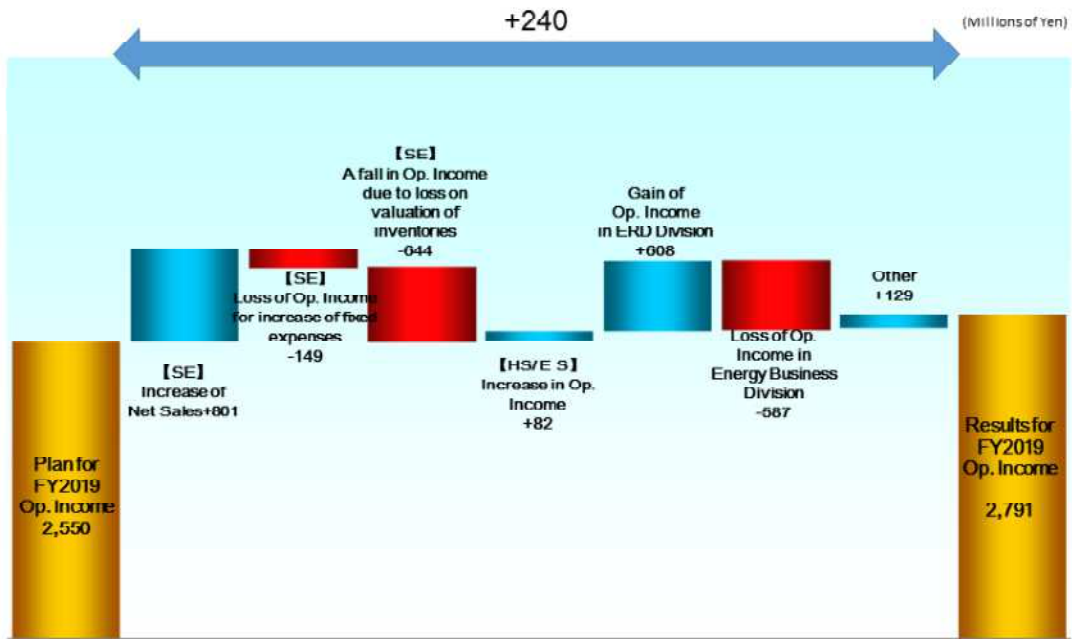
	FY2018		FY2019				
	Results	Prop.	Resultsw	Prop.	YoY	Plan	% for Plan
Net Sales	10,609		9,132		86.1%	10,251	
Costs of Sales	9,992	94.2%	9,203	100.8%	92.1%	9,724	94.9%
Material costs	9,325	87.9%	8,795	96.3%	94.3%	9,265	90.4%
Gross Profits	616	5.8%	(71)	-	-	527	5.1%
SG&A	204	1.9%	413	4.5%	202.2%	425	4.1%
Personnel expenses	107	1.0%	228	2.5%	212.8%	224	2.2%
Operating Income	412	3.9%	(485)	-	-	102	1.0%

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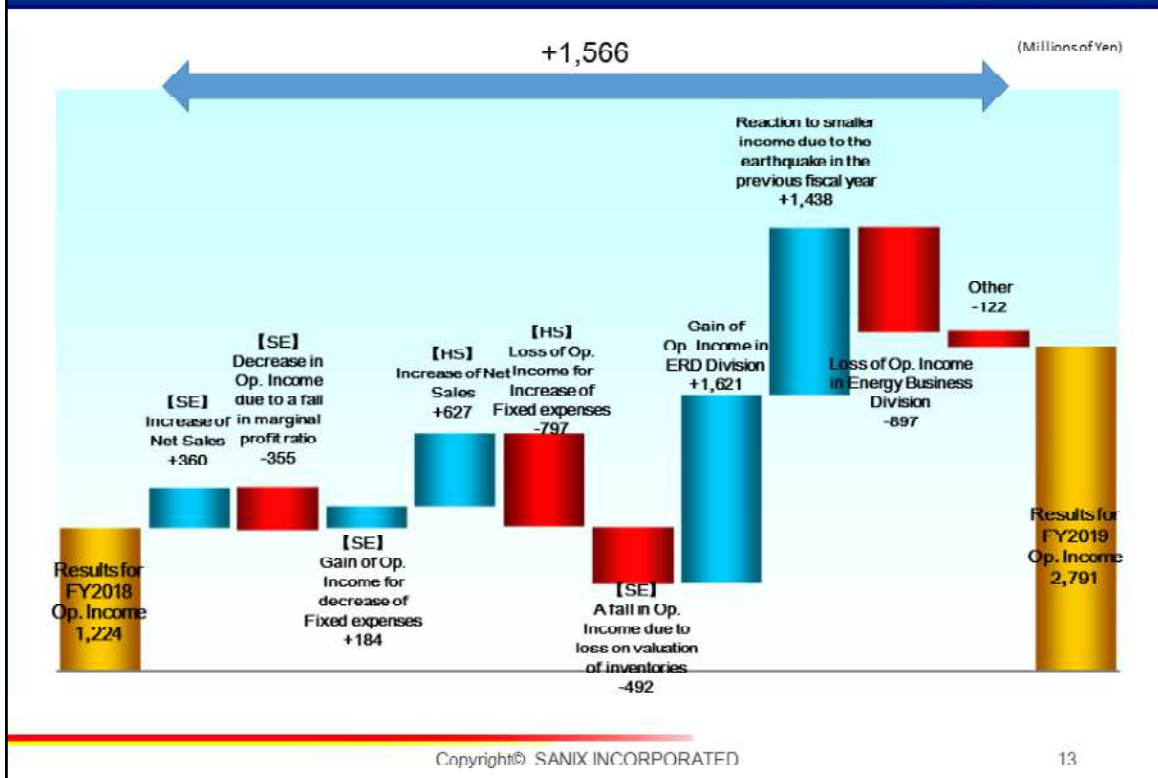
In the Energy Business Division, net sales declined due to a fall in retail sales caused by the declining number of high pressure contracts in the Power Producer and Supplier (PPS) business and a fall in the wholesale unit price caused by declining transaction prices in the wholesale market (JEPX). On the other hand, the Division started business that combined solar power generation and electricity retailing as a set in partnership with other companies, but this was insufficient to offset the sales decline. As a result, net sales stood at ¥9,132 million (down 13.9% year on year).

The Division posted an operating loss of ¥485 million (compared with operating income of ¥412 million in the previous fiscal year) due to lower net sales and the impact of the falling profit ratio resulted from the rising wholesale ratio.



The summary of the factors for the differences between the revised plan and the actual results of operating income is shown in the above chart.

【Reference】 Factors in increase or decrease of Op. Income



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The summary of the factors for the differences between operating income in the previous fiscal year and in the fiscal year under review is shown in the above chart.

2. Business Environment in the Fiscal Year Ending March 31, 2021

Impact of Measures to Prevent the Spread of COVID-19 on the Business Segments of the Company **SANIX**

Impact on the business segments of the Company

	Most recent or current situation	Concerns in cases where COVID-19 is prolonged
SE Division		<ul style="list-style-type: none"> Tightened loan screening Reduced motivation for capital investment
HS Division	<ul style="list-style-type: none"> Impact on door-to-door sales activities Postponement of construction schedule 	
ES Division	<ul style="list-style-type: none"> Suspension of activities of partner companies (management companies and real estate companies) 	
ERD Division		<ul style="list-style-type: none"> Stagnant operation of plants at waste producers
EB Division		<ul style="list-style-type: none"> Stagnant business activities of counterparties of supply contracts Restrictions on new sales activities
Head office Divisions		<ul style="list-style-type: none"> Front-loading of investment in systems to achieve function distribution and teleworking

Basic Policies for COVID-19 Control by the Japanese Government
 *9. Key Points (3) "Pandemic Prevention"

Voluntary ban on leaving home ("Reduction of chance of coming into contact by at least 70% or 80%, if possible")

Restrictions on the holding of events

Restrictions on the use of facilities (prefectures request restrictions on the use of facilities that could spread the infection)

Commuting to workplace (promotion of telework and staggered commuting)

Handling of schools (temporary closure)

Border control

Strengthening of measures to prevent clusters

Other common matters (implementation of measures tailored to regional characteristics)

Forecasts for the consolidated business results for the fiscal year ending March 31, 2021 have not yet been determined because it is difficult to rationally assess the impact that the COVID-19 outbreak will have on the Japanese economy and business results of the Company. The Company will announce them as soon as possible in the months ahead.

Each business segment could be affected by the spread of COVID-19, but we recognize that the HS Division in particular will be most affected because the Division implements door-to-door sales at customers' houses. The Company will take a flexible response in its business activities in light of the pandemic and the central and local government's requests for the voluntary suspension of business.

- In the FIT system, requirements for the self-consumption type of small solar power generation for businesses (10 – 50kW) have been set, and a shift from sales of all electricity to self-consumption + electricity sales will begin.

	FY2018	FY2019	Purchase period
Less than 10kW	¥24*	¥21	10 years
10-50kW		¥13 + tax	
50-250kW	¥14 + tax	¥12 + tax	20 years
250-500kW		Bidding	
500kW or more	Bidding		

Requirements for "self-consumption type" of solar power generation of 10 – 50kW

- At least 30% of electric power generated shall be used for self-consumption.
- The minimum equipment for use at the time of a disaster shall be installed.

*There is an obligation to install equipment to control output ¥26

- We will work to acquire projects for sales of surplus electricity in cooperation with other companies and develop the self-consumption type of solar power generation at the same time.



We engage in the sales and construction of "EneKari" for TEPCO HomeTech, Inc. (TEPCO Group company) (sales of surplus electricity).

The SE Division has been expanding the solar power electricity business with electricity generated by solar power as an investment product based on the FIT system under the assumption that all the electricity would be purchased. However, because the FIT system has become an institutional design based on self-consumption in the fiscal year under review, the Division expects that its product concept and its proposals will undergo significant changes. For this reason, the Division expects that, in the first half of the fiscal year ending March 31, 2021, its sales activities to be centered on the construction and sales of solar electric power systems with land to which FIT has already been applied by the fiscal year ended March 31, 2020 and that are currently under review or have already been accredited. Yet the Division anticipates that the second half will be a transitional period when it will try to gradually increase self-consumption projects.

The Division thinks that self-consumption-type solar power generation, which will be able to reduce environmental burdens and electricity costs, will become widespread over the medium to long term.

(Millions of Yen)

Capital Investment Plan		Amount
ERD Division	Updating of plant equipment	760
	Updating of equipment in organic wastewater recycling	300
	Expansion of landfill sites (to operate in the fiscal year ending March 31, 2022)	700
Head office divisions	Renewal of information systems (improvement in efficiency)	250

[Capital investment]

We will update and replace equipment at the plastic fuel plant in the ERD Division and construct a place to expand landfill sites in Tomakomai, which is planned to be used in the fiscal year ending March 31, 2022

The head office divisions will invest in information systems, including the replacement of core systems for the purpose of improving operational efficiency.

Other than investments, the Tomakomai Power Plant plans to conduct the statutory inspection of boilers in the fourth quarter of the fiscal year ending March 31, 2021.

【Reference】
Financial Data Collection
(FY2019)

1. Consolidated Statements of Income



(Millions of Yen)

Classification	FY2019			
	1Q	2Q	3Q	4Q
	Results	Results	Results	Results
Net Sales	11,603	12,934	13,354	14,638
Cost of Sales	7,339	8,335	8,957	10,341
Gross Profit	4,263	4,599	4,397	4,296
Selling, General and Administrative expenses	3,640	3,070	3,004	3,789
Operating Income	623	928	732	506
Non-Operating Income	33	38	33	58
Non-Operating Expenses	56	137	107	61
Ordinary Income	600	829	658	504
Extra Ordinary Income	-	-	-	-
Extra Ordinary Loss	-	-	-	-
Income (Loss) Before Income Taxes and Minority Interests	600	829	658	504
Total Income Taxes	165	126	268	185
Net Income (Loss) Belonging to the Non-Controlling Shareholders	-1	-1	-1	0
Net Income (Loss) Belonging to the Shareholders of the Parent	436	704	391	319

2. Segment Information

(Millions of Yen)

Classification		FY2019							
		1Q		2Q		3Q		4Q	
		Results	Y o Y	Results	Y o Y	Results	Y o Y	Results	Y o Y
SE Division	Net Sales	2,355	84.7%	3,250	102.0%	4,202	114.7%	5,326	111.8%
	Gross Profit	814	107.0%	1,136	112.3%	1,314	98.6%	1,042	66.0%
	SG&A	793	93.4%	858	96.9%	871	99.5%	882	99.2%
	Operating Income	20	-	277	193.0%	443	96.7%	160	23.1%
HS Division	Net Sales	2,948	108.7%	2,936	105.5%	2,644	102.5%	2,705	101.0%
	Gross Profit	1,828	111.7%	1,778	105.2%	1,540	103.4%	1,500	103.0%
	SG&A	1,172	110.9%	1,190	116.1%	1,150	111.4%	1,162	114.2%
	Operating Income	655	113.0%	579	88.0%	398	85.5%	428	81.2%
ES Division	Net Sales	487	117.4%	614	125.3%	482	100.6%	677	125.1%
	Gross Profit	253	117.5%	317	123.5%	241	98.1%	376	137.2%
	SG&A	212	130.1%	220	122.1%	223	124.0%	250	136.5%
	Operating Income	40	77.5%	96	126.8%	18	27.1%	125	138.7%
ERD Division	Net Sales	4,093	112.2%	3,952	108.9%	4,248	123.9%	4,465	130.9%
	Gross Profit	1,329	168.6%	1,259	157.6%	1,135	238.4%	1,660	-
	SG&A	461	104.6%	472	108.1%	473	109.1%	493	116.4%
	Operating Income	867	250.4%	787	217.3%	662	-	1,166	-
EB Division	Net Sales	2,342	85.6%	2,699	88.0%	2,062	86.5%	2,028	83.8%
	Gross Profit	38	28.1%	107	52.6%	155	111.9%	-374	-
	SG&A	80	180.6%	96	213.8%	114	207.5%	121	204.8%
	Operating Income	-41	-	11	7.1%	40	48.7%	-495	-
Group	Operating Income	-919	-	-824	-	-830	-	-878	-

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3. Net Sales by Item

(Millions of Yen)

Classification	FY2019							
	1Q		2Q		3Q		4Q	
	Results	Y o Y	Results	Y o Y	Results	Y o Y	Results	Y o Y
Commercial PV system	2,262	87.0%	3,154	106.6%	4,164	116.4%	5,225	116.6%
Wholesale of PV components	61	53.8%	59	34.3%	64	57.9%	83	47.2%
Others	31	49.6%	36	114.6%	33	126.9%	16	24.8%
Solar Engineering Division Total	2,355	84.7%	3,250	102.6%	4,262	114.7%	5,326	111.8%
Termite Eradication Service	1,024	110.8%	966	106.7%	770	97.3%	765	96.1%
Under-Floor/Roof Ventilation System	557	105.4%	629	107.2%	650	140.3%	654	109.0%
Foundation Repairing/In-situ Reinforcement	517	90.5%	452	83.9%	410	85.0%	492	90.0%
Others	640	105.7%	607	101.0%	790	95.1%	773	89.0%
Home Sanitation Division Total	2,940	100.7%	2,936	105.5%	2,044	102.5%	2,705	101.0%
Anti-rust equipment installation	250	121.6%	303	133.5%	209	89.7%	300	130.6%
Repair of building water-works	100	142.5%	107	85.9%	113	90.0%	140	115.9%
Water proofing of building	32	93.5%	111	246.2%	70	200.4%	79	107.4%
Others	96	97.0%	92	99.0%	89	104.4%	96	112.2%
Establishment Sanitation Division Total	487	117.4%	614	125.3%	482	100.0%	677	126.1%
Plastic fuel	2,367	115.3%	2,335	113.8%	2,780	118.5%	2,627	121.4%
Power Stations	668	106.2%	776	110.7%	567	266.7%	811	216.2%
Industrial waste(Organic Waste Water Recycle)	475	116.1%	467	94.5%	510	104.5%	495	91.0%
Final disposal	248	122.1%	222	127.8%	251	115.1%	400	207.7%
Others	134	81.7%	130	70.6%	137	84.3%	130	97.3%
Environmental Resources Development Division Total	4,093	112.2%	3,952	100.9%	4,240	120.9%	4,405	130.9%
Electricity sales	2,336	85.5%	2,672	87.1%	2,021	84.8%	1,921	79.4%
Others	3	-	26	-	41	-	106	-
Energy Business Division Total	2,342	85.6%	2,699	88.0%	2,062	86.5%	2,028	83.8%
Adjustment of inter-segment sales	-624	-	-518	-	-345	-	-564	-
Total Net Sales	11,603	98.9%	12,934	101.7%	13,354	100.1%	14,638	107.0%

4. Selling, general and administrative expenses



(Millions of Yen)

Classification	FY2019							
	1Q		2Q		3Q		4Q	
	Results	YoY	Results	YoY	Results	YoY	Results	YoY
Advertising expenses	136	84.2%	61	92.6%	65	110.1%	61	75.4%
Allowance for doubtful accounts	-1	-	-14	-	-21	-	-24	-
Personnel expenses	2,199	108.7%	2,254	110.7%	2,268	111.2%	2,417	118.8%
Rent expense	234	102.7%	230	98.6%	230	98.0%	232	99.1%
Depreciation	41	116.2%	44	115.2%	49	155.0%	53	123.0%
Communication and transportation expenses	186	107.4%	201	110.5%	205	107.7%	203	113.3%
Vehicle expenses	73	112.8%	77	114.3%	85	116.5%	89	128.9%
Others	760	100.0%	814	106.6%	781	98.7%	756	96.4%
Selling, General and Administrative expenses	3,640	105.9%	3,670	108.7%	3,664	107.6%	3,789	111.9%

5. Amount of Capital Investment and Depreciation **SANIX**

Classification		(Millions of Yen)	
		FY2018 Results	FY2019 Results
SE Division	Land	-	-
	Buildings	18	88
HS Division	Land	-	-
	Buildings	42	36
ES Division	Land	-	-
	Buildings	1	2
ERD Division	Land	-	230
	Buildings	821	1,972
ED Division	Land	-	-
	Buildings	1	6
Head office Division	Land	-	4
	Buildings	194	392
Subtotal in breakdown	Land	-	242
	Buildings	1,080	2,500
Total		1,080	2,742

Major capital investments are as follows.
(FY2018)

- Document digitalization systems ¥118 Millions
- Sales support systems ¥65 Millions
- Organic wastewater recycling plant ¥98 Millions

(FY2019)

- Equipment for core systems ¥276 Millions
- Organic wastewater recycling plant ¥257 Millions
- Solar electric power systems ¥115 Millions
(Tagajo Plant)

6. Changes in the Number of Employees by Business Segment



Classification	FY2018				FY2019			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	Results	Results	Results	Results	Results	Results	Results	Results
Average number of employees during the period	1,852	1,864	1,890	1,896	1,991	2,007	2,011	2,009
SE/HS/ES Business Headquarters	50	51	53	52	60	63	62	63
SE Division	474	450	437	437	437	425	412	406
HS Division	575	601	623	627	660	673	679	683
ES Division	95	99	101	102	125	124	125	123
ERD Division	367	372	383	387	396	396	399	398
EB Division	14	14	15	16	26	32	38	42
Head office Division	277	275	278	275	287	294	295	294