

SANIX

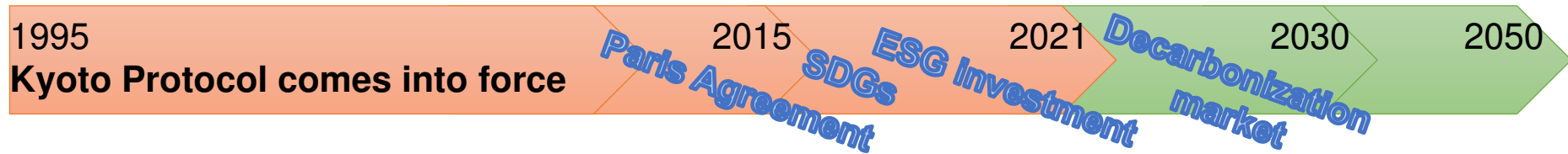
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SANIX Long-Term Vision 2030

~Clean and comfortable environment
for the next generation~

Sanix Incorporated
May 24, 2021





Measures addressing global warming

Measures addressing resource depletion

Green Growth Strategy

Formulation of the Long-Term Vision for 2030

Toward a sustainable society “Clean and comfortable environment for the next generation”

Improvement of residential environment
- Safe and comfortable living -

Residential Environment Field

- ✓ make it natural “A comfortable living environment is linked to the next generation”
 - Termite prevention and extermination
 - House reinforcement and renovation
 - Building and condominium durability improvement
 - Hygiene management

Transition to a decarbonized society

Energy Field

- ✓ make it common “Energy with low environmental impact”
 - Sales and construction of PV system
 - Retail and wholesale electricity

Transition to a circular society

Resource circulation

- ✓ make it common “Recycling resources without abandoning them”
 - Conversion of waste plastics into fuel
 - Thermal power generation using waste plastic-based fuel
 - Organic Waste Water
 - Conversion of sludge to fuel

Increase net sales for FY2030 ending March 31, 2031 to 100 billion yen, double the amount planned for the fiscal year under review.

Gross profit margin 10%

ROE 17%

ROI 15%

Goals for 2030



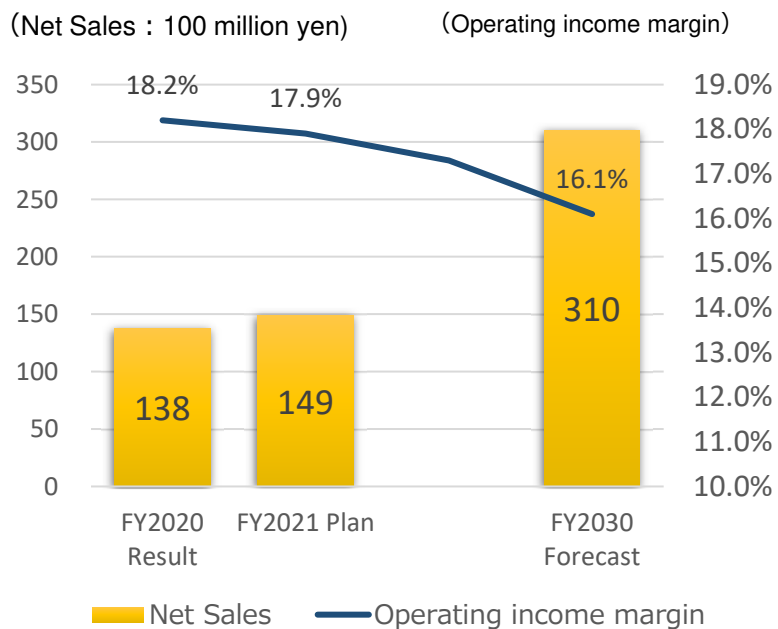
	FY2020 Results	FY2021 Plans	FY2030 Goals
Net Sales	494.1 <small>(100 million yen)</small>	497.3 <small>(100 million yen)</small>	1,000 <small>(100 million yen)</small>
Operating income <small>(Operating income margin)</small>	23.2 <small>(100 million yen)</small> 4.7%	23.9 <small>(100 million yen)</small> 4.8%	100 <small>(100 million yen)</small> 10%
Net income	19.6 <small>(100 million yen)</small>	15.4 <small>(100 million yen)</small>	72 <small>(100 million yen)</small>
ROE	27.9%	17.5%	17%
ROI	11.2%	9.0%	15%

Strategies by Business Segment

Residential Environment Field



make it natural “A comfortable living environment is linked to the next generation”



	FY2020 Results	FY2021 Plans	FY2030) Goals
Net Sales	138 (100 million yen)	149 (100 million yen)	310 (100 million yen)
Operating Income	25 (100 million yen)	26 (100 million yen)	50 (100 million yen)
Operating income margin	18.2%	17.9%	16.1%
Number of personnel	821	883	1,450
Number of sites	57	64	125

- Increase personnel

H S : 676 → **1,150**

E S : 145 → **300**

- Increase the number of stores and expand the sales area
→ **Nationwide deployment**

H S : Advance into eastern Japan and improve businesses in western Japan

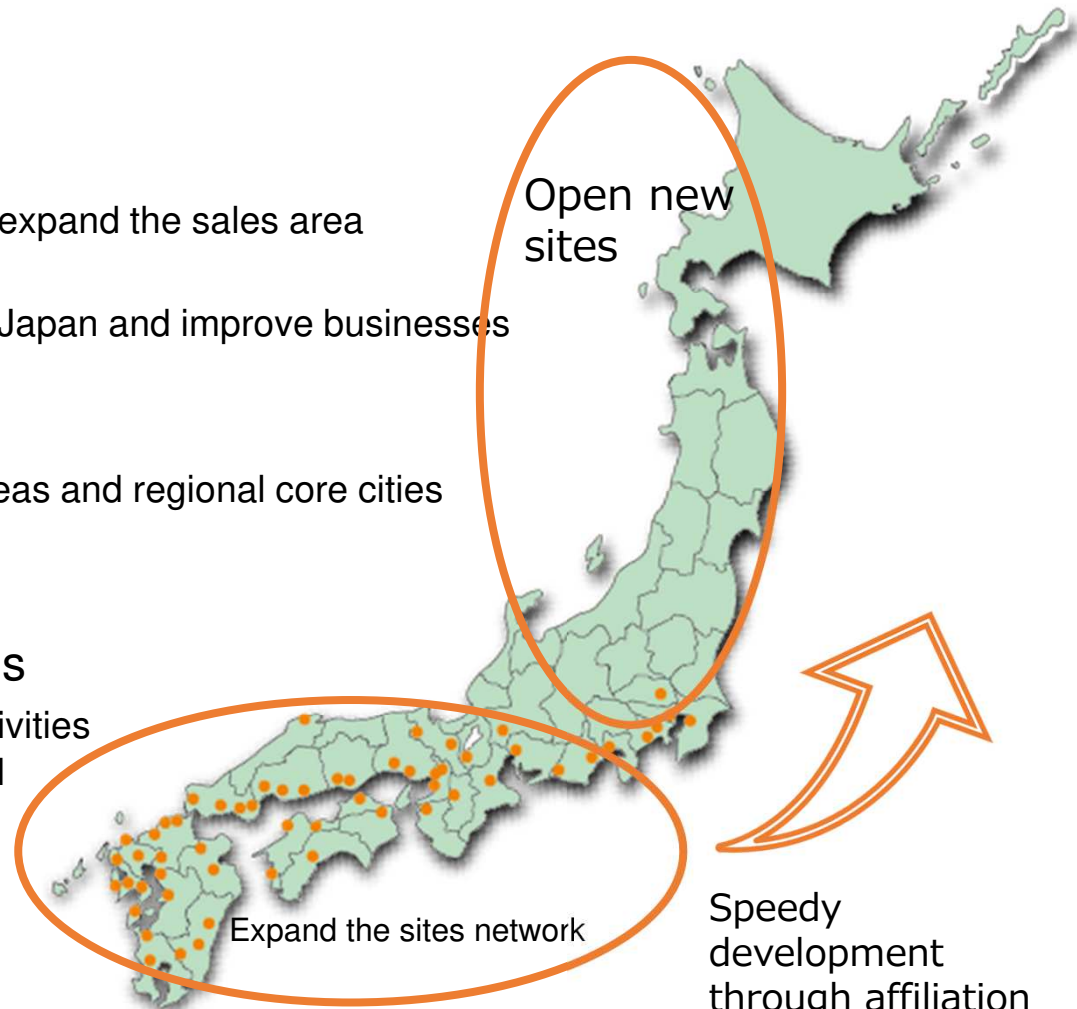
48 → **100**

E S : Centered on urban areas and regional core cities

9 → **25**

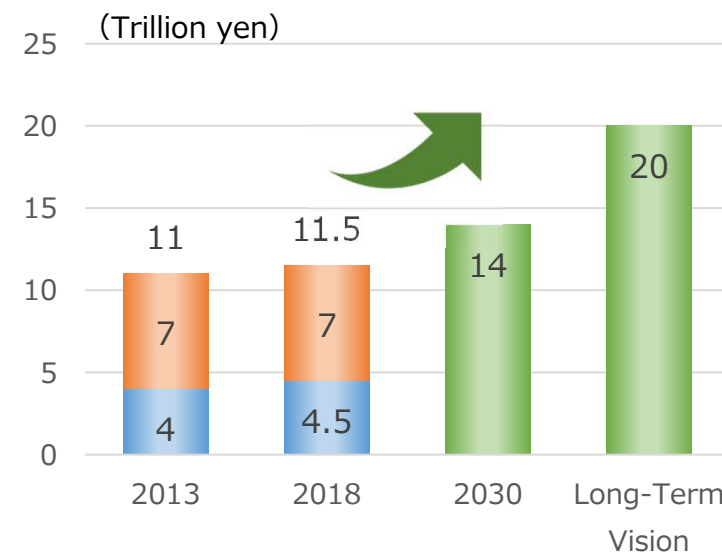
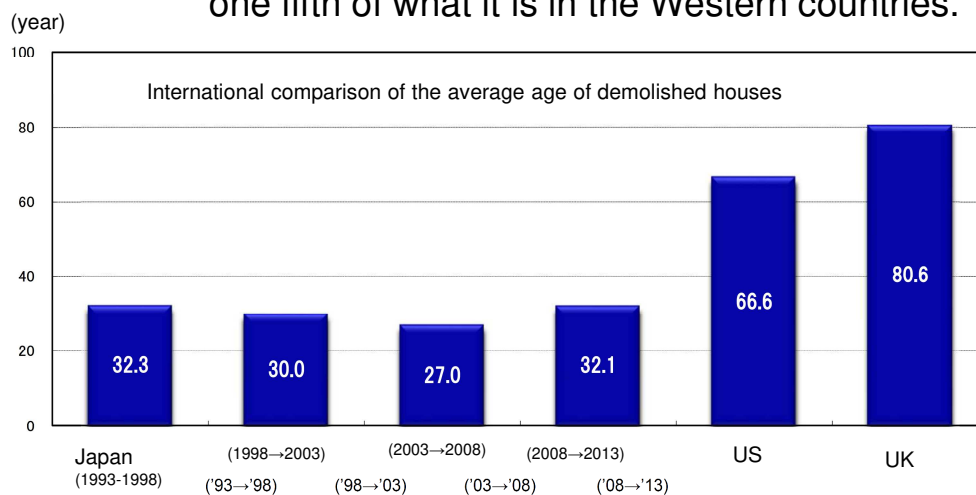
- Diversity marketing methods

Improve the efficiency of sales activities by increasing the number of affiliated corporations and organizations and using the Internet



In March 2021, the Cabinet published a new Basic Plan for Residential Life to provide direction to activate and expand the existing residence and renovation markets.

- The average age of demolished houses in Japan is less than a half the age of demolished houses in foreign countries.
- Existing houses are approx. 14.5% of all housing sales (2018), which is roughly one sixth or one fifth of what it is in the Western countries.



Source
 Japan: Ministry of Internal Affairs and Communications, "Housing and Land Survey 1993, 1998, 2003, 2008, and 2013" (Data: 2003 and 2009)
 US : U.S.Census Bureau 「American Housing Survey 2003,2009」 (data : 2003 ,2009) <http://www.census.gov/>
 UK(England) : Communities and Local Government 「2001/02 , 2007/08 Survey of English Housing 」 (data : 2001,2007) <http://www.communities.gov.uk/>
 Based on the above, estimated by the Ministry of Land, Infrastructure, Transport and Tourism
 From materials of the subcommittee on formation of good housing stock to activate existing houses distribution market and enhancement of consumer protection

■ Existing and Sold ■ Renovation ■ Total
 From performance indicators in the Basic Plan for Residential Life for 2021/3

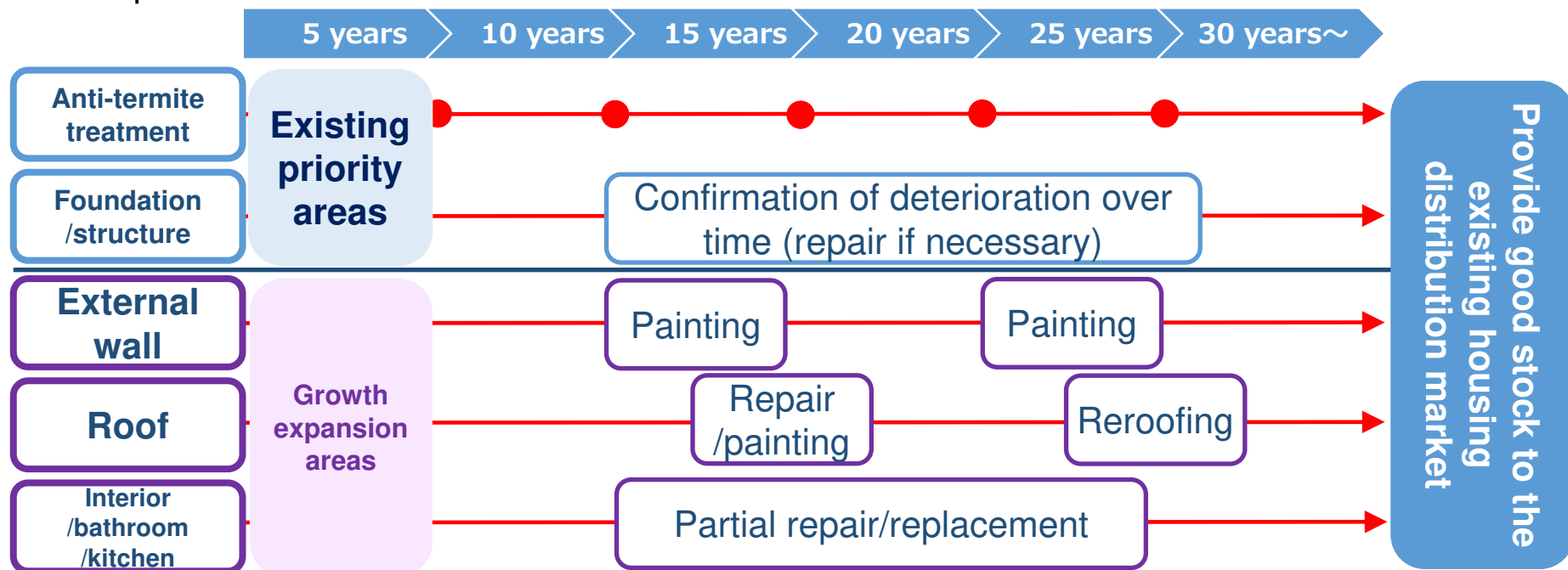
Strategies by Business Segment

Residential Environment Field



For both detached houses and condominiums, the goal is to build a system that enables us to make the optimal comprehensive proposal tailored to each customer's/property's lifecycle and conditions, leveraging our business model that regularly checks the condition of properties.
Build the system through M&A activities, business affiliations and the Company's own management resources.

【Example of Detached house】



Forecasting that the need for additional performance and value will increase, in addition to needs for preservation and maintenance

- Hygienic environment
- Energy-saving performance
- Disaster resilience performance
- Barrier-free

Strategies by Business Segment Energy Field



make it common “Energy with low environmental impact”

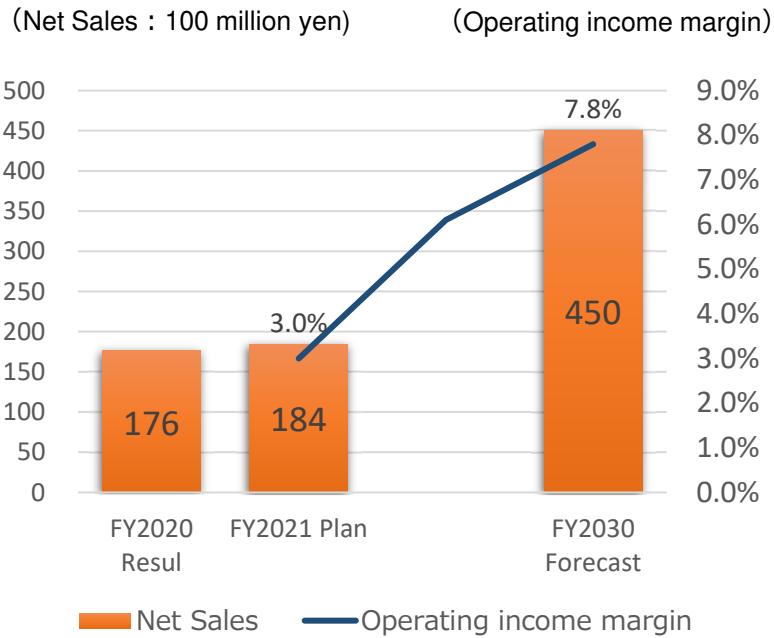
Increasing need for renewable energy



Cost of photovoltaics and storage batteries falling



Maintenance
Reuse/recycle
Technology development



	FY2020 Results	FY2021 Plans	FY2030 Goals
Net Sales	176 (100 million yen)	184 (100 million yen)	450 (100 million yen)
Operating Income	-3 (100 million yen)	5 (100 million yen)	35 (100 million yen)
Operating Income Margin	—	3.0%	7.8%
Solar installation capacity	55MW	47MW	200MW

Need for renewable energy is rising, on both the supply and demand side

Supply side

- In its review of its Basic Energy Plan, the government projected that the percentage of power from renewable energy will increase.
- Focusing on 2030, photovoltaics is promising in terms of the speed of realization

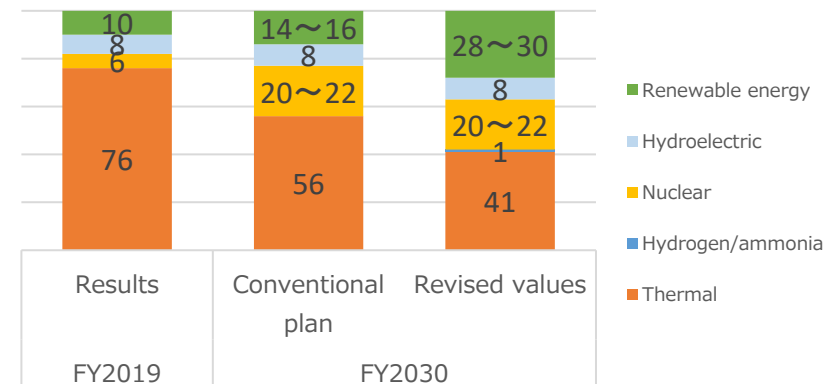
Demand side

- Increasing opportunities to select renewable energy as the source of energy to achieve RE100, ESG, and other goals.

Reduce costs to facilitate the introduction of photovoltaics, storage batteries, and the like.

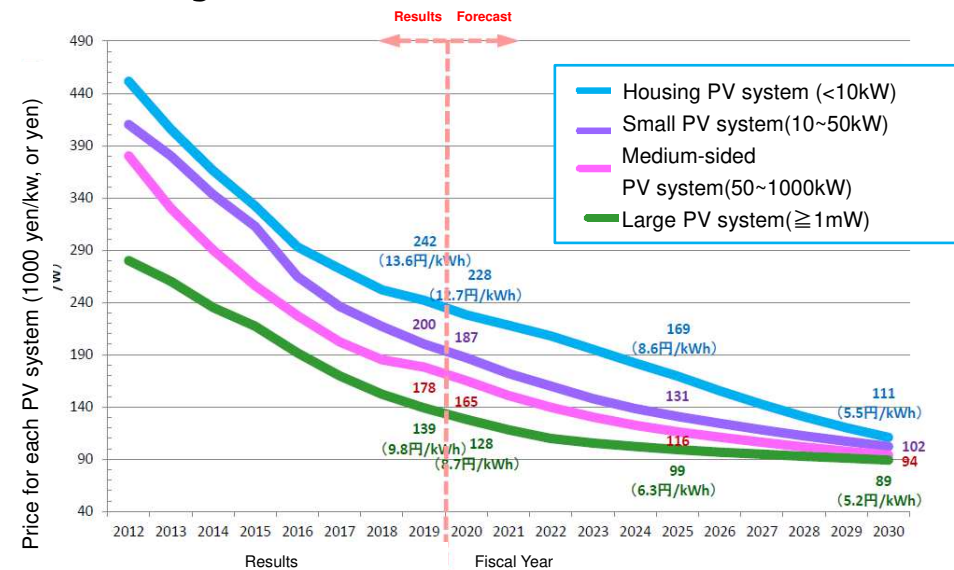
- The cost of privately generated electricity will be lower than the cost of purchased electricity

【Review of power composition ratio】



Source: Prepared by the Company based on information in the May 15, 2021 morning edition of the Yomiuri Shimbun

【Reviewing the cost of photovoltaics】



Source: RTS Corporation's Forecasting PV installed capacity in Japan toward FY2030/205

Strategies by Business Segment




Energy Field



The Company will build systems that are able to support photovoltaic systems in every administrative area, including maintenance, the reuse and recycling of power plant facilities and components as well as conventionally managed manufacturing and installation to ensure that photovoltaic generation is a permanent source of energy.



Strengthen initiatives after the commencement of operations

- Facility addition (storage batteries)**
 - Electricity purchase, Retail
 - VPP
- Maintenance**
 - Warranty systems
 - Remote monitoring
 - Others, List of paid maintenance services
- Electricity trading**
 - Retail
 - non-fossil value trading
 - P P A ,others etc

R&D for new initiatives

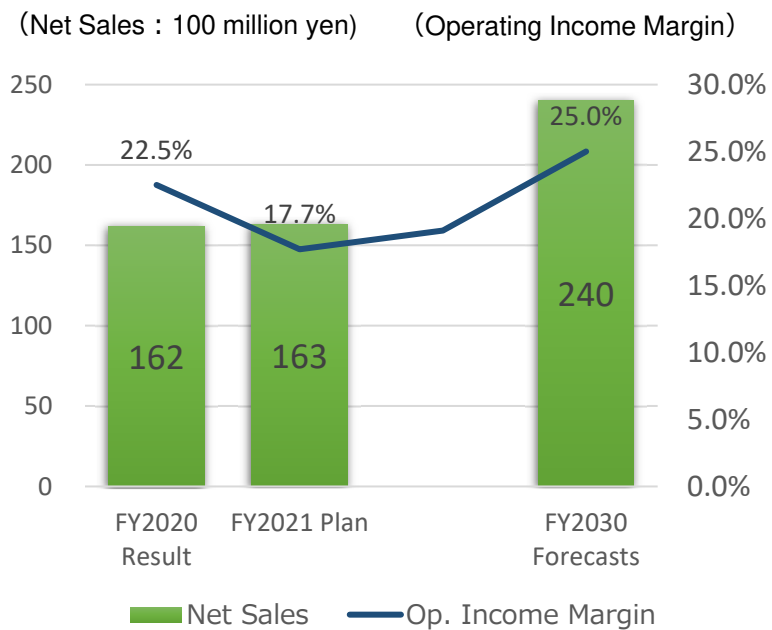
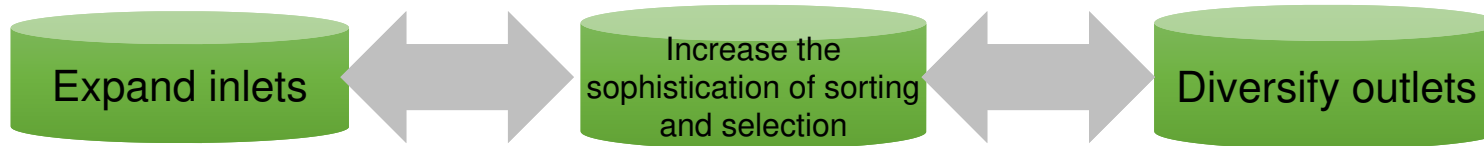
Reuse/recycle

Strategies by Business Segment

Resource circulation



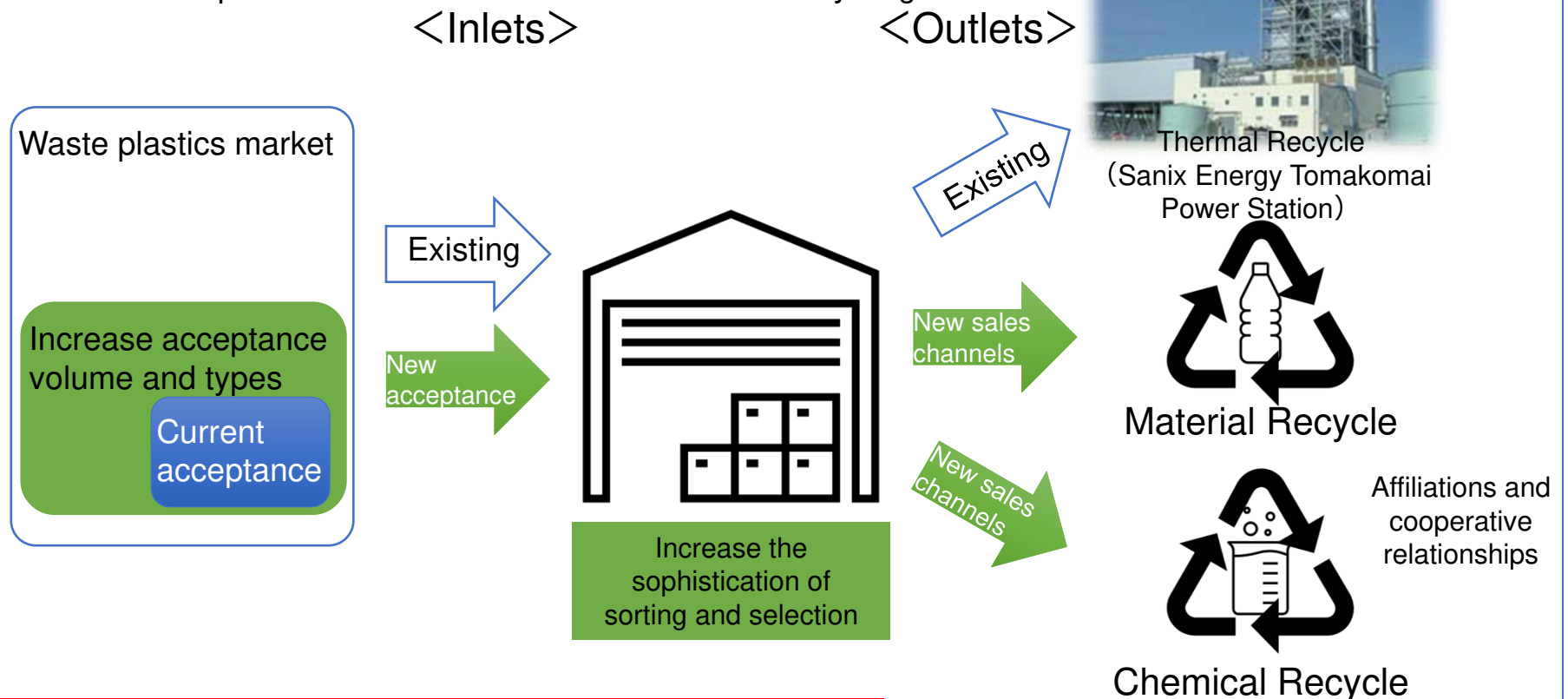
make it common “Recycling resources without abandoning them”



	FY2020 Results	FY2021 Plans	FY2030 Goals
Net Sales	162 (100 million yen)	163 (100 million yen)	240 (100 million yen)
Operating Income	36 (100 million yen)	29 (100 million yen)	60 (100 million yen)
Operating Income	22.5%	17.7%	25.0%
Acceptance volume(Plastic)	266 _{thousand t}	270 _{thousand t}	350 _{thousand t}
Acceptance volume (Organic Waste Water)	95 _{thousand t}	94 _{thousand t}	330 _{thousand t}

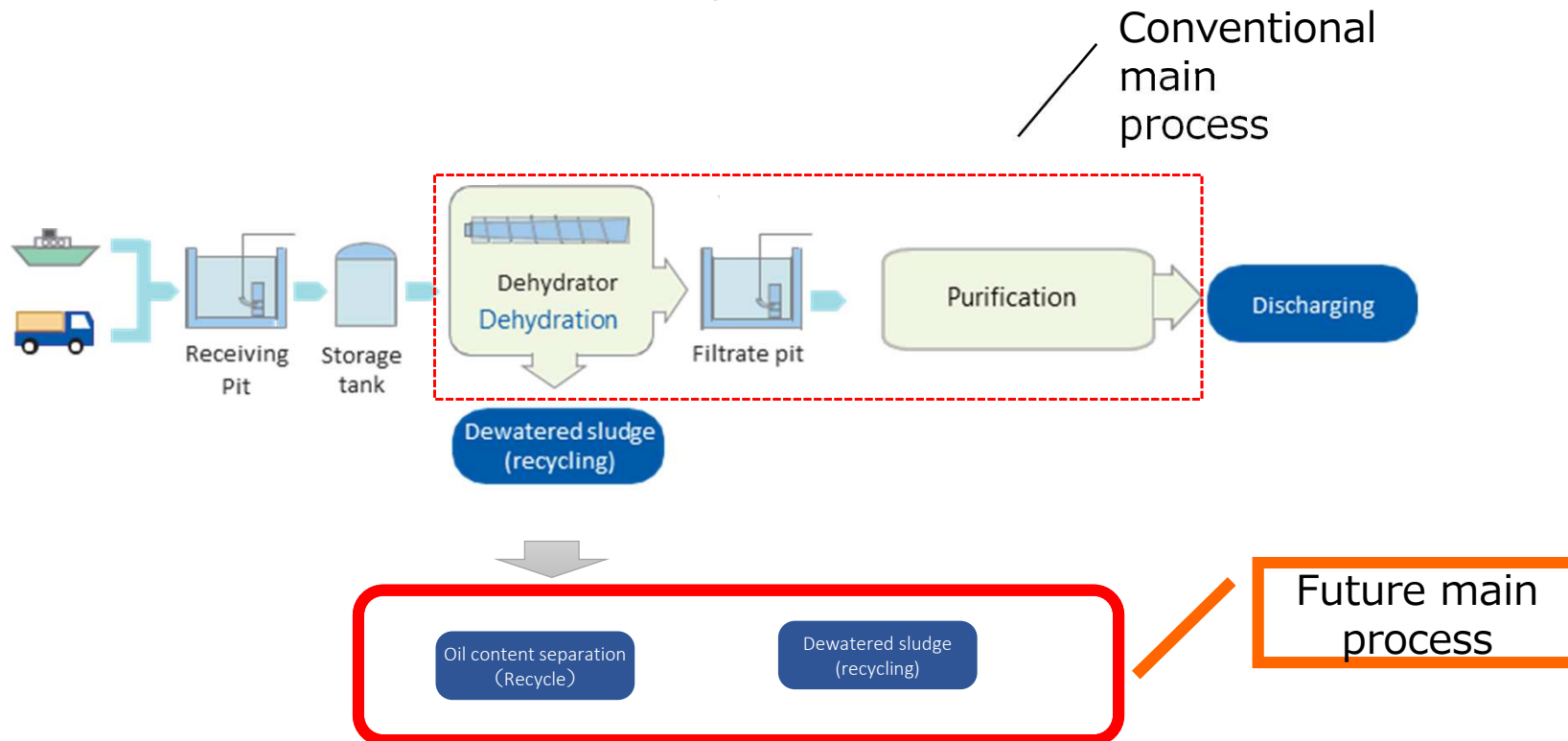
【Waste plastics】

- Increase the acceptance volume and types (inlets) by diversifying the uses of recycled materials (outlets)
 - Diversify the outlets for collected wastes (thermal, chemical, and material)
 - Adapt to the diversification of recycling methods, including through
 - affiliations with other companies
 - Development of selection methods suitable for recycling methods



【Organic waste liquid treatment】

- Expand the range of waste to be collected by diversifying the uses for recycled waste
 - Develop technologies to separate sludge and oil generated during the treatment process and convert them to fuel
 - Focus on the business moves to fuel production





E (Environment)

- Goal for 2030: Reduction of CO₂ emission to 50% of 2020 emissions
- Facilitate the installation of photovoltaic power generation equipment at Company facilities



S (Social)

- Serious occupational accidents and fatal accidents: 0
- Improvement of internal safety management system



G (Governance)

- Serious violations of laws and regulations: 0
- Construct an internal system that complies with the new governance code



For 2050

Material

<Global economic trends>

- **Intensifying global competition surrounding the fourth industrial revolution**
 - It is estimated that 35% of the workforce of the United Kingdom and 47% of the workforce of the United States will be replaced by AI and robots.
- **Global population migrations, competition to acquire human resources, and aging**
 - Demographic burdens will occur in six of the ten ASEAN countries before 2030.
- **Change of the global economic center**
 - China and India's percentage of the global GDP: 22% (2010) to 34% (2030)
- **Gigantic middle-class market will appear in Asia.**
 - Estimate of the upper and middle-class population in emerging Asian countries:
 - 1.9 billion (2014) to 3.4 billion (2030)
- **Increasing demand for resources and energy**
 - Global population will increase to 8.5 billion by 2030.
- **Long-term significant reduction of greenhouse gas emissions**
 - Advanced nations will achieve net zero greenhouse gas emissions by 2050.
- **Threats to cyber security**
- **Concerns about looming anti-globalization and protectionism**

<Japanese economic trends>

- **Realization of Society 5.0 will significantly impact the economy.**
 - If reforms addressing the fourth industrial revolution are not implemented, the number of employees is estimated to decrease by 7.35 million by FY2030.
- **Active exchange with many foreign human resources**
 - The number of tourists visiting Asia is estimated to double from 2015 to 2030.
- **Population decrease and aging**
 - The population that are 75 years old or older will increase by about 40% by 2030, and then gradually decrease.
- **Increase in the amount of decrepit or idle infrastructure and houses**
 - Increase in the amount of decrepit infrastructure (In 2033, about 50% of tunnels and 64% of river management facilities will be 50 years old or older.)
 - The percentage of vacant houses is forecast to be 30.2% in 2033.
- **The younger generations will lead a vigorous society.**
 - Millennials, digital natives that grew up in a time after the ubiquity of the internet and smartphones was established, will become the core of the working-age population.
- **Expansion of a mutually assisting society**

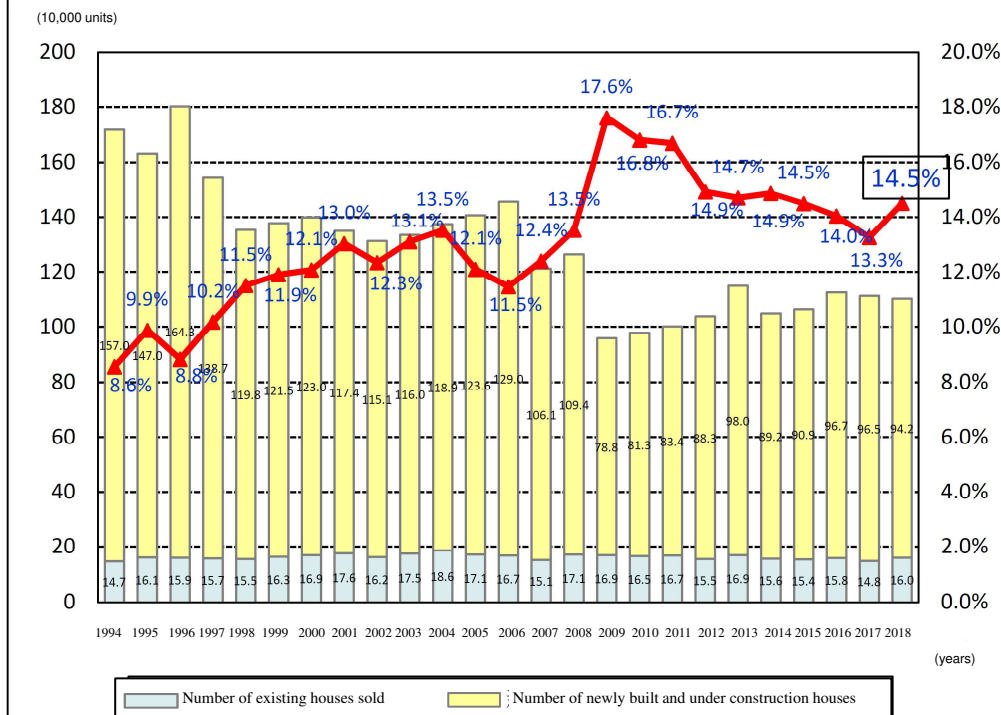
Source: Prepared based on the Outlook for 2030 and Reform Task-force Report published by the Cabinet Office Council on Economic and Fiscal Policy's Expert Committee in January 2017

Residential Environment Field Present Status and Global Comparison of Existing House Market



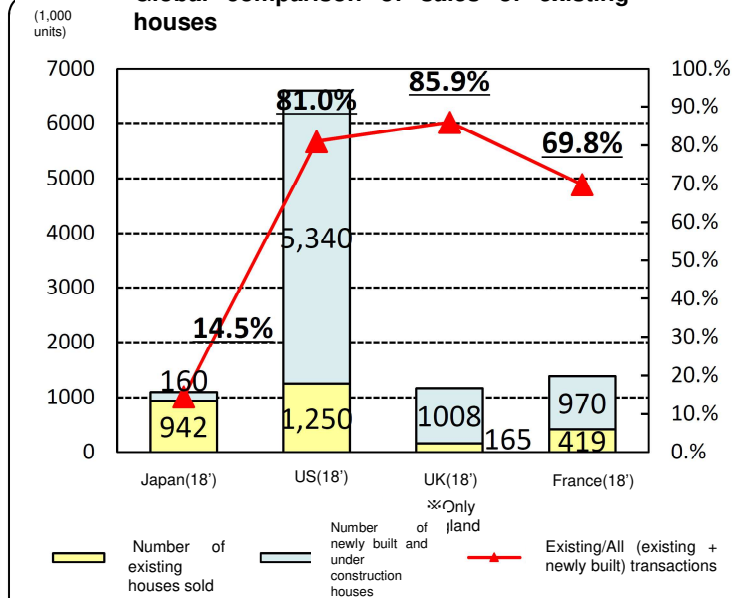
- The percentage of sales of existing houses remained at just 14.5% of all house sales (existing and sold + newly built and under construction), which is roughly one sixth or one fifth of what it is in Western countries (2018).

Trends in sales of existing houses



Source: Housing and Land Survey (MIC) and Statistics of Housing Starts (MLIT)
(Note) Existing house sales for 1998, 2003, 2008, 2013, and 2018 were calculated by annualizing the volume from January to September

Global comparison of sales of existing houses



(Information) Japan: MIC's Housing and Land Survey for 2018 and MLIT's Statistics on Housing Starts (2018)

US: U.S. Census Bureau 「New Residential Construction」, National Association of REALTORS 「Existing Home Sales」

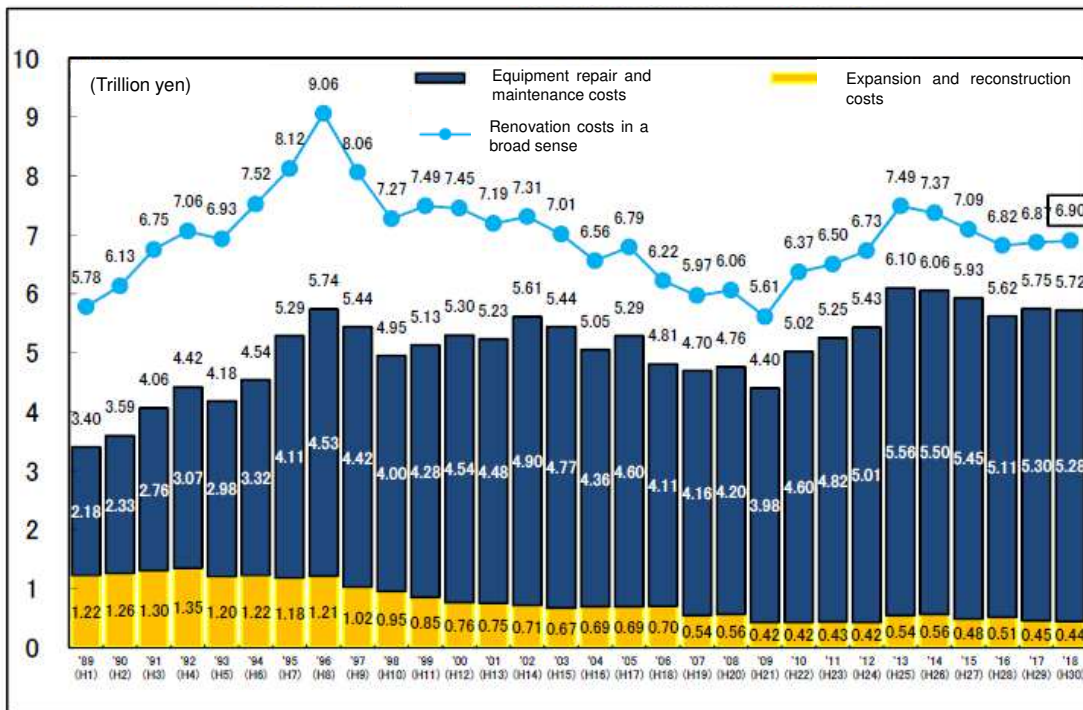
UK: Department for Communities and Local Government 「Housing Statistics」, HM Revenue & Customs 「UK Property Transactions Statistics」

France: Institut national de la statistique et des études économiques 「Number of started dwellings」, Conseil général de l'environnement et du développement 「House Prices in France: Property Price Index, French Real Estate Market Trends in the Long Run」

Note) U.K.: The number of existing house transactions is the sum of the quarterly numbers of house sold at a price of 40,000 pounds or more on a calendar year basis

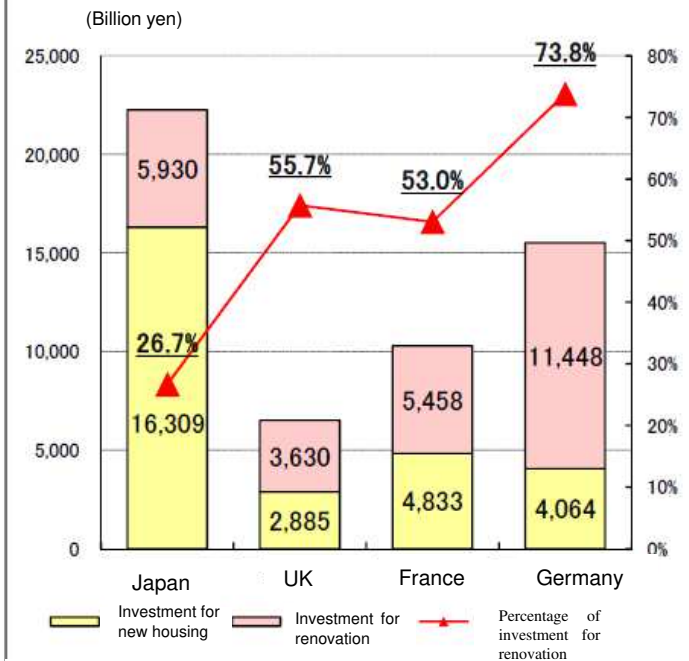
- **The size of the housing renovation market is estimated to be about 6.9 trillion yen (2018)**
- **The percentage of housing investment in Japan that is for renovation is 26.7%, which is extremely small compared to Western countries**

Size of the housing renovation market (estimated)



Source: Estimate by the Center for Housing Renovation and Dispute Settlement Support
 Note1: The estimate does not include large repairs of condominiums and other renovations of common areas or renovation and exterior construction such as the exteriors of rental housing by the owners
 Note2: "Renovation in a broad sense" was calculated by adding the cost of expansions accompanied by an increase in the number of units and reconstruction, and costs for the purchase of home-use durable consumer goods and interior goods relating to renovation

Global comparison of the percentage of housing investment that is for renovation



Source: Japan (2015): Estimated value by National Accounts (Cabinet Office) and the Center for Housing Renovation and Dispute Settlement Support
 U.K., France, and Germany (2012): Euroconstruct data

Residential Environment Field Housing Life-related Industries



- Housing life-related industries are expected to be a new growth industry responding to a wide range of household needs.

Housing asset management
- Using quality housing assets -

Housing life-related support services
- Comprehensive support familiar to individuals' lives -

Housing life-related business

- **Inspection and warranty**
 - Inspection
 - Defect insurance
 - Housing history information
- **Expert consultation/support**
 - End of life planning in terms of housing
 - DIY support
- **Vacant house management**
 - Patrol and management
 - Treatment of discarded items left behind
- **Use of existing houses**
 - Use by sharing services
 - Diverted use of existing houses
- **Community**
 - Community asset management

Housing industry

- **Newly built houses**
 - Supply of newly built houses
- **Distribution**
 - Distribution of existing houses
- **Renovation**
 - Renovation
- **Management**
 - Condominium management
 - Rental housing management

Next-generation housing - Evolution of houses

- **Housing with anti-disaster facilities**
 - Disaster-resilient housing
- **Energy-saving houses**
 - ZEH
 - Energy management system
 - Infrastructure free unit
- **Smart houses**
 - IoT houses

Finance/insurance

- **Finance**
 - Housing loans
 - Renovation loans
 - Integrated renovation loans
 - Reverse mortgage
- **Insurance**
 - Residential defect insurance
 - Fire insurance/ • Earthquake insurance
- **Debt insurance**
 - Guarantee of housing loan debt
 - Guarantee of rent debt

Housing life-related industries

- **Medical/nursing/welfare**
 - Observation and safety confirmation services
 - Supporting people's lives
 - Home medical care/nursing, and remote medical care
 - End of life planning
- **Childcare/education**
 - Child raising
 - Education/learning
- **Crime prevention/security**
 - Home security
 - Devices/sensors
- **Livelihood support**
 - Housekeeping support
 - Shopping support
 - Meals
 - Home delivery
 - Transportation support
 - Storage/safekeeping
- **Hobbies/culture**
 - Lifestyle support housing
 - Leisure/fitness
- **Work**
 - Working from home

Basic Energy Plan and energy mix

June 2002

Basic Act on Energy Policy

October 2003
March 2007
June 2010

First Basic Energy Plan
Second Basic Energy Plan
Third Basic Energy Plan

April 2014

Fourth Basic Energy Plan

- Deliberated by the Advisory Committee on Natural Resources and Energy, before being approved by the Cabinet
- Nuclear power plants: Reduce as much as possible/Restart operation with the highest priority on safety, Renewable energy: Increase (over 20%)
- Examine every three years (Review as needed)

July 2015

Outlook for long-term energy demand (energy mix)

- Deliberated by the Advisory Committee on Natural Resources and Energy, before being approved by the Minister of Economy, Trade and Industry
- Nuclear power plants: 20-22% (Before the Great East Japan Earthquake: 30%) Renewable energy: 22-24% (Double the present volume)
- Review in accordance with deliberations on the Basic Energy Plan

July 2018

Fifth Basic Energy Plan

- Plan for 2030 and direction for 2050
- Absolutely achieve the targeted energy mix
- Determinedly proceed with energy conversion and decarbonization

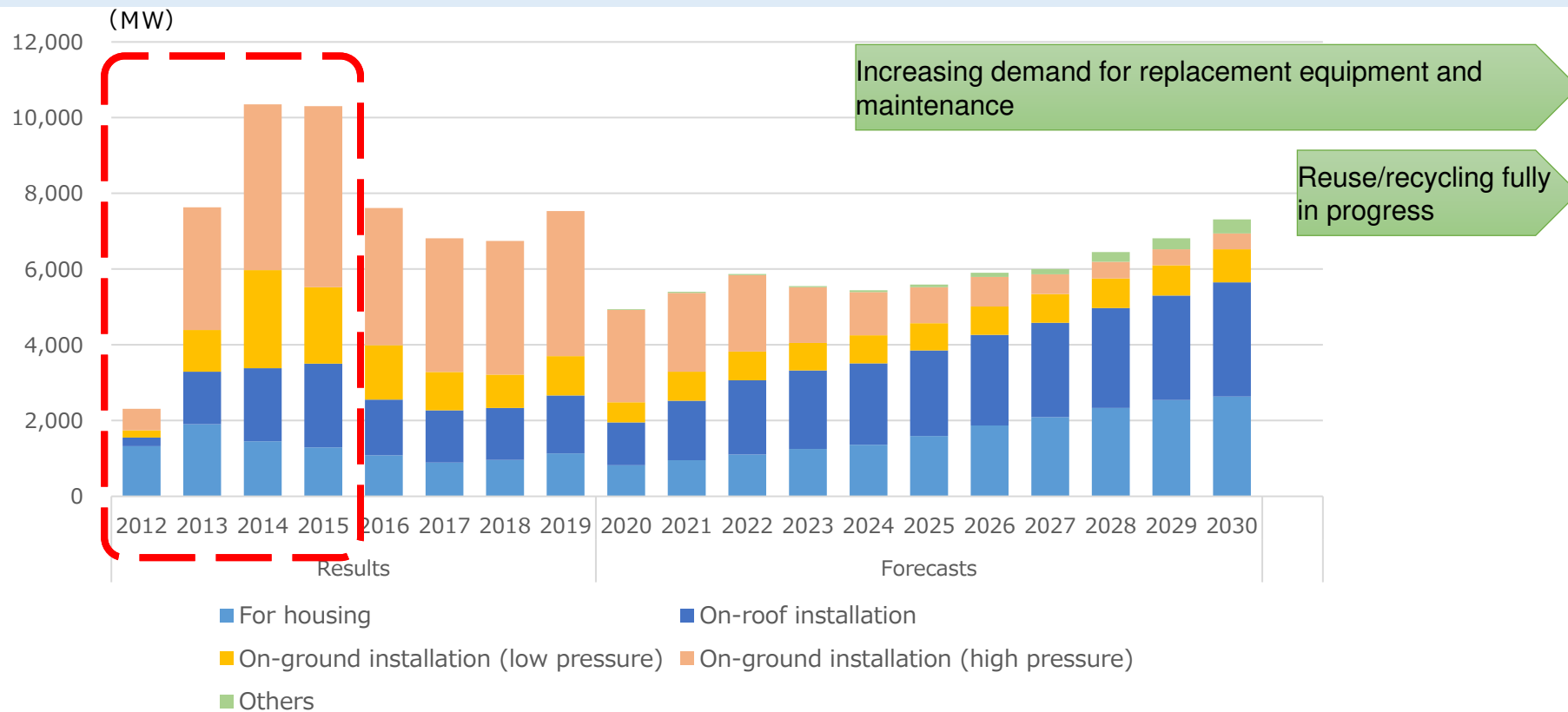


2021 Formulation of the sixth Basic Energy Plan (scheduled)

Energy Field PV System Market Forecast by Use

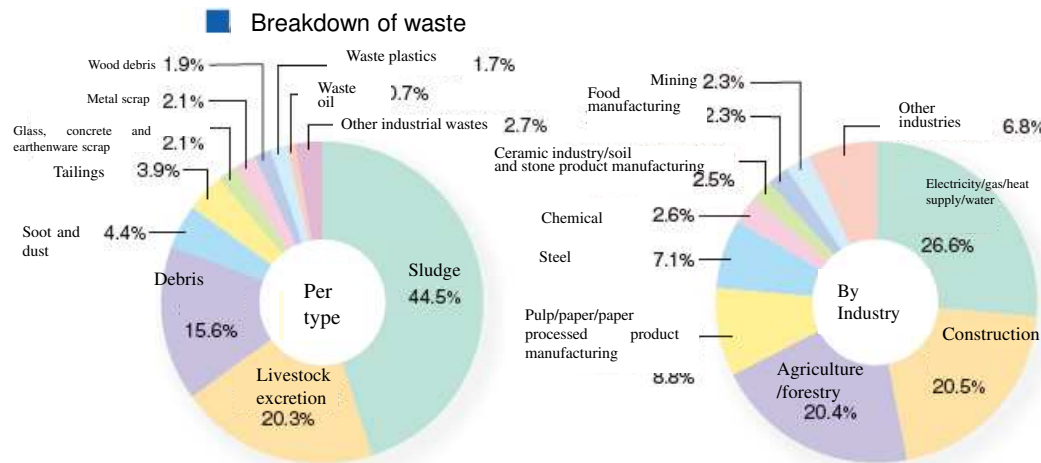
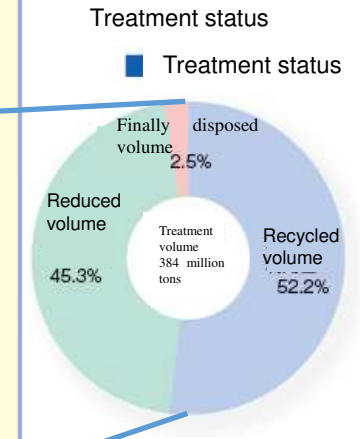
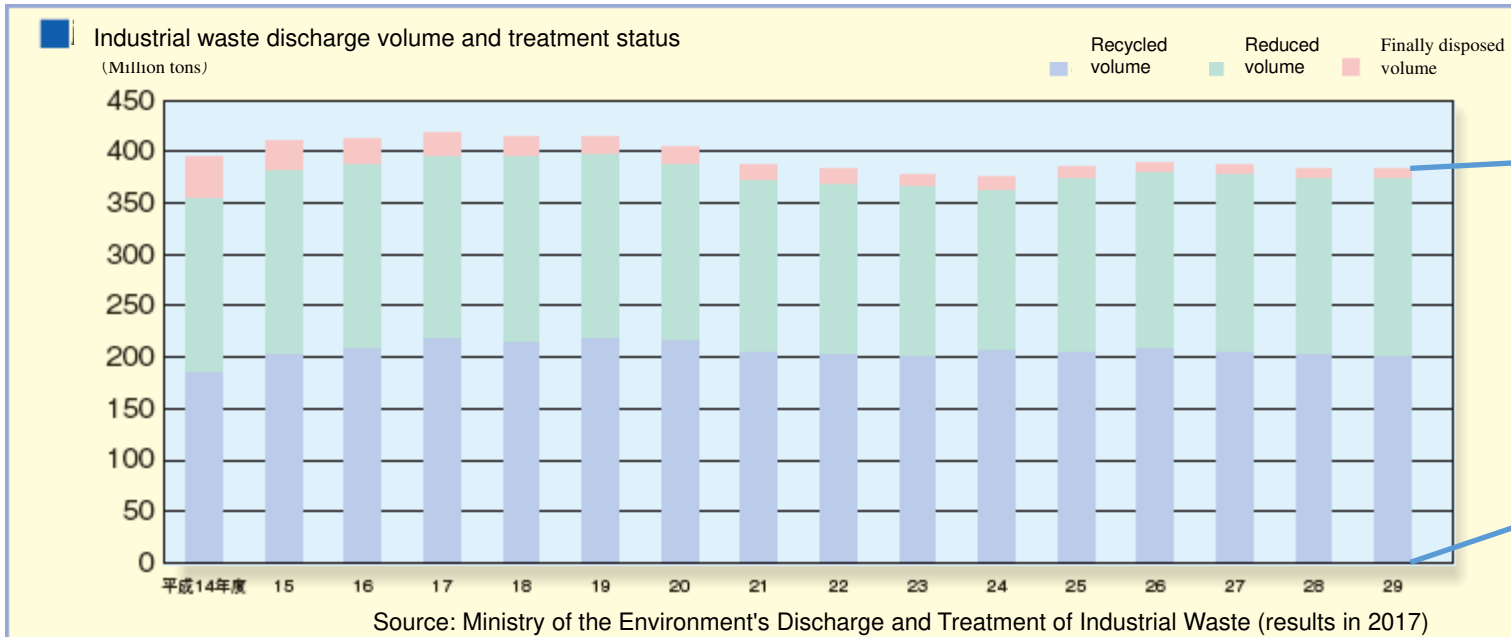


- From 2022 onward, when 10 years will have passed since the beginning of FIT, the warranty periods of power generation equipment set by manufacturers will expire, so it is expected that demand for replacement equipment and maintenance will increase.
- From 2032 onward when 20 years will have passed, the FIT purchase period will end, and it is expected that demand for replacement and module replacement will increase, and consequently the module reuse/recycling business will begin in earnest.



Source: Prepared by the company based on the RTS Corporation's Forecasting PV Installed Capacity in Japan toward FY2030/2050 (September 2020)

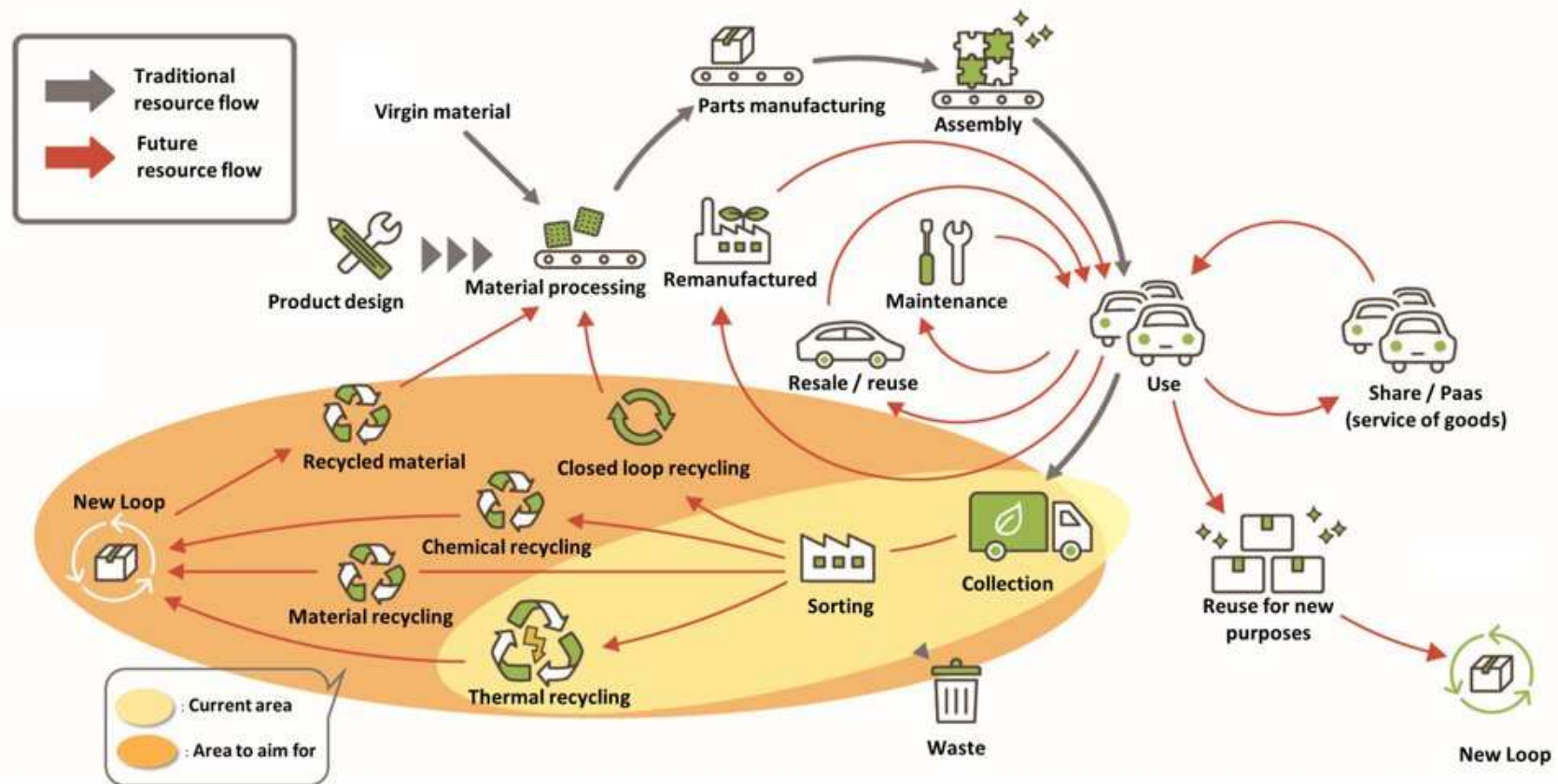
Resource circulation Wastes Discharge Status in Japan (Industrial Waste)



- Volume of industrial waste annually discharged in Japan has been around **400 million tons** in recent years.
- By type, **sludge amount** is over 40% of all waste, followed by **livestock excretion and debris**, and **these three types are about 80%** of all waste. Waste plastics are 1.7% of all waste.
- Breakdown of treatment: **Recycled volume is 52.2%**, more than half, followed by **reduced volume which is 45.3%** and **finally disposed volume is 2.5%**

Resource circulation

What Is the Recycling-based Society that Japan Aims to Achieve (at Present)



Material prepared by the Company based on materials submitted to the second meeting of the Circular Economy and Resource Circulation for Plastics Finance Study Group held on June 24, 2020

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.