



Code : 4651

Financial Results Briefing For the Nine Months Ended December 31, 2022

SANIX INCORPORATED
February 15, 2023

1. Financial Results of FY2022 3Q	P.4
2. Financial Results forecast of FY2022	P.27
3. Supplementary materials (Segment Performance of FY2022 3Q)	P.40
4. Supplementary materials (Business Structure)	P.52

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 “-”.

Due to an organizational change, the Company has decided to reclassify its business segments effective from the fiscal year ending March 31, 2023. Accordingly, the Company has made year-on-year comparisons and analyses after reclassifying the figures for the same period of the previous year according to the new segmentation. Due to the practical difficulty of reclassifying figures for the same period of the previous year, year-on-year comparisons have not been made for the (new) SE business segment in the business of photovoltaic power generation systems for detached houses. Therefore, comparisons in the PV business segment have been made with figures of the same period of the previous year for the (previous) SE business segment.

1. Financial Results for the Nine Months Ended December 31, 2022

■ Segments have been reclassified in line with the organizational change made on June 1, 2022

Before segment change

SE Division
HS Division
ES Division
ERD Division
EB Division



After segment change

Residential Environment Area	HS Division ••• Service business for detached house
	ES Division ••• Services business for corporation, business owners
	SE Division ••• Services business for Residential solar power generation system
Energy Area	PV Division ••• Services business for Industrial solar power generation system
	PPS Division ••• Services business for Electricity retail
Resource Circulation Area	ERD Division ••• Services business for Recycling waste

- **Net Sales** **¥34,345million**
(Compared to FY2021 3Q ¥-2,107million) (Compared to the plan ¥-305million)
- **Operating Income** **¥1,111million**
(Compared to FY2021 3Q ¥+930million) (Compared to the plan ¥+36million)

Highlights of Financial Results of FY2022 3Q

	Year-on-year change	Change from the plan
Residential Environment Area	<ul style="list-style-type: none"> • Face-to-face sales activities were restricted due to an increase in COVID-19 infections. • Net sales increased due to the newly launched SE Division. 	<ul style="list-style-type: none"> • The productivity of the HS Division fell temporarily with the strengthening of the policy of focusing on new sales activities in view of medium- to long-term growth.
Energy Area	<ul style="list-style-type: none"> • Operating Income increased due to a decrease in fixed costs in the PV Division as a result of the reorganization. • Regarding the PPS business, the review of the business structure has reduced procurement risk and improved profitability (return to profitability) 	<ul style="list-style-type: none"> • The PV Division started posting self-consumption solar power results, which required time for procedures, etc. and it began construction of non-FIT power plants. • Profit of the PPS Division grew due to the cost of procuring electricity falling below assumptions.
Resource Circulation Area	<ul style="list-style-type: none"> • Decrease of repair expenses related to power plant inspections. • Increase in depreciation related to capital investment, etc. 	<ul style="list-style-type: none"> • Increase in the volume of materials received for Landfill.

Financial Results of FY2022 3Q



(Millions of Yen)

	FY2021 3Q	FY2022 3Q		FY2021 3Q		FY2022 3Q Plan	
	Results	Results	Plan	Difference	Y o Y	Difference	Plan ratio
Net Sales	36,453	34,345	34,651	- 2,107	94.2%	-305	99.1%
Cost of Sales	25,181	22,408	22,673	- 2,773	89.0%	-265	98.8%
Gross Profit (Gross Profit Margin)	11,271 30.9%	11,937 34.8%	11,977 34.6%	+ 666	105.9%	-39	99.7%
Selling, general and administrative expenses	11,090	10,825	10,902	- 264	97.6%	-76	99.3%
Operating Income (Operating Income Margin)	181 0.5%	1,111 3.2%	1,075 3.1%	+ 930	614.0%	+ 36	103.4%
Ordinary Income (Ordinary Income Margin)	0 0.0%	935 2.7%	865 2.5%	+ 935	—	+ 70	108.1%
Profit (loss) attributable to owners of parent (Net Income Margin)	△ 306 —	649 1.9%	583 1.7%	+ 955	—	+ 66	111.4%

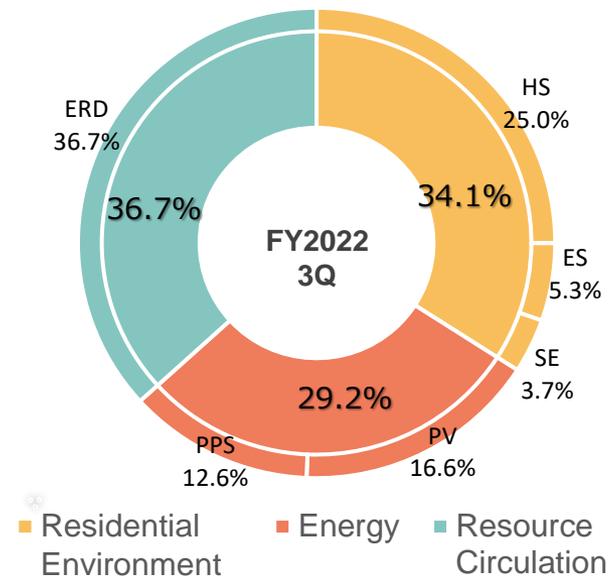
Net sales by segment of FY 2022 3Q



(Millions of Yen)

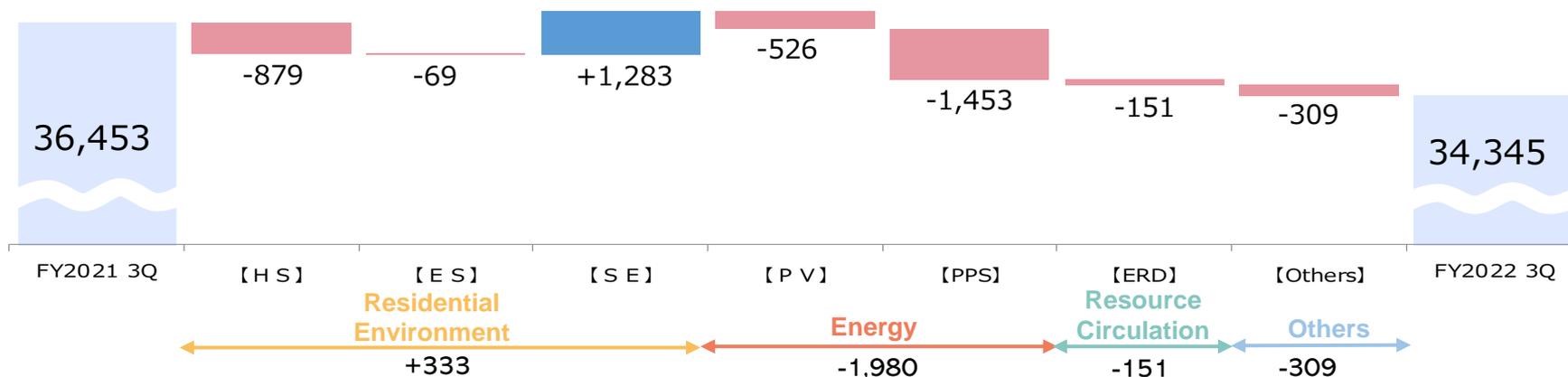
	FY2022 3Q	FY2021 3Q		FY2022 3Q Plan	
	Results	Difference	Y o Y	Difference	Plan ratio
Residential Environment	11,707	+ 333	102.9%	- 328	97.3%
Energy	10,019	- 1,980	83.5%	- 54	99.5%
Resource Circulation	12,619	- 151	98.8%	+ 77	100.6%
Others/Adjustment of intersegment sales	—	- 309	—	—	—
Total	34,345	- 2,107	94.2%	- 305	99.1%

■ Composition of Net Sales



■ Net Sales increase / decrease compared to FY2021 3Q

【Millions of Yen】



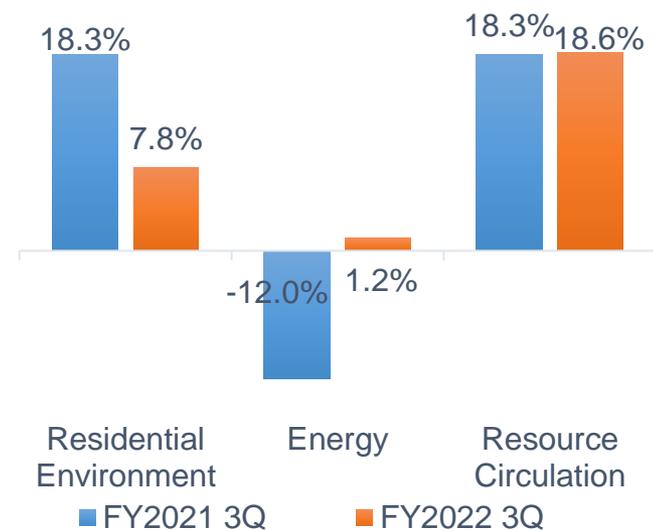
Operating Income by segment of FY2022 3Q



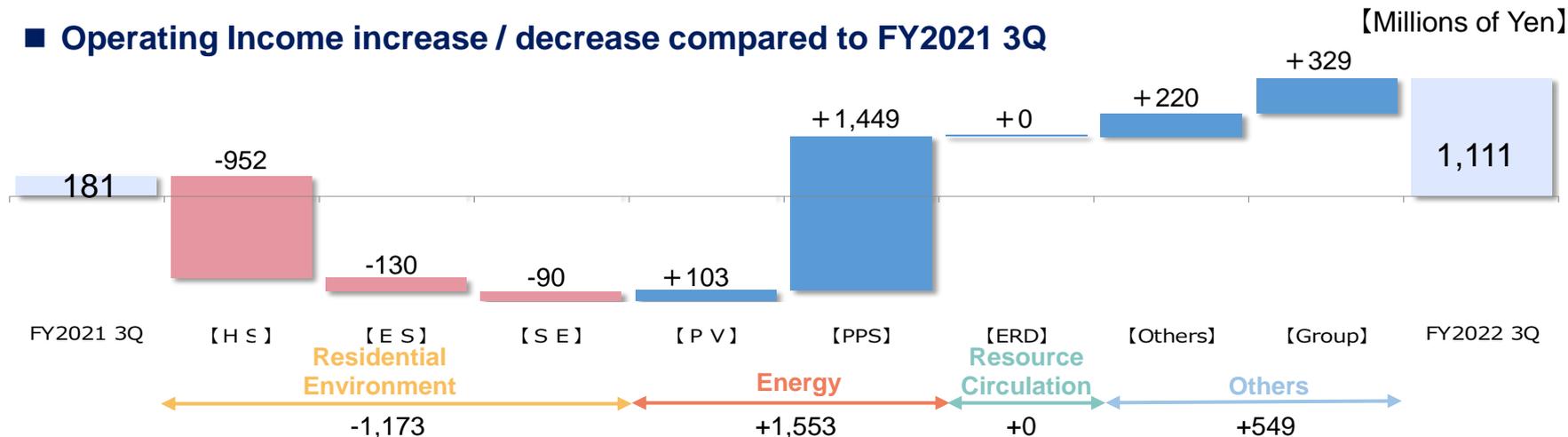
(Millions of Yen)

	FY2022 3Q	FY2021 3Q		FY2022 3Q Plan	
	Results	Difference	Y o Y	Difference	Plan ratio
Residential Environment	913	- 1,173	43.8%	- 193	82.5%
Energy	116	+ 1,553	—	+ 78	312.3%
Resource Circulation	2,343	+ 0	100.0%	+ 109	104.9%
Others	—	+ 220	—	—	—
Group	(2,260)	+ 329	—	+ 41	—
Total	1,111	+ 930	614.0%	+ 36	103.4%

Operating Income Margin



Operating Income increase / decrease compared to FY2021 3Q



Results by segment of FY2022 3Q (Residential Environment Area)



■ Residential Environment

Providing safe, secure and comfortable lifestyles by implementing appropriate maintenance for detached houses, apartment houses, and other buildings. It also contributes to the efficient use of resources by extending the life of buildings.

HS Division (Home Sanitation)

Provides comprehensive maintenance services related to environmental sanitation for detached houses.

- Termite control system
- Underfloor / attic ventilation system
- Foundation repair
- House reinforcement system
- Home remodeling, etc.

ES Division (Establishment Sanitation)

Provides comprehensive maintenance services related to environmental sanitation for corporations (buildings, condominiums, etc.).

- Maintenance measures for water supply and drainage facilities in buildings and condominiums
- Painting the exterior walls buildings and condominiums, waterproofing the roof
- Control of pests, etc.

SE Division (Solar Engineering)

Provides comprehensive services including the manufacturing, sale, installation and maintenance of photovoltaic power generation systems for detached houses.

- Solar power generation system(residential)
- Storage batteries,V2H
- O&M(maintenance),etc.

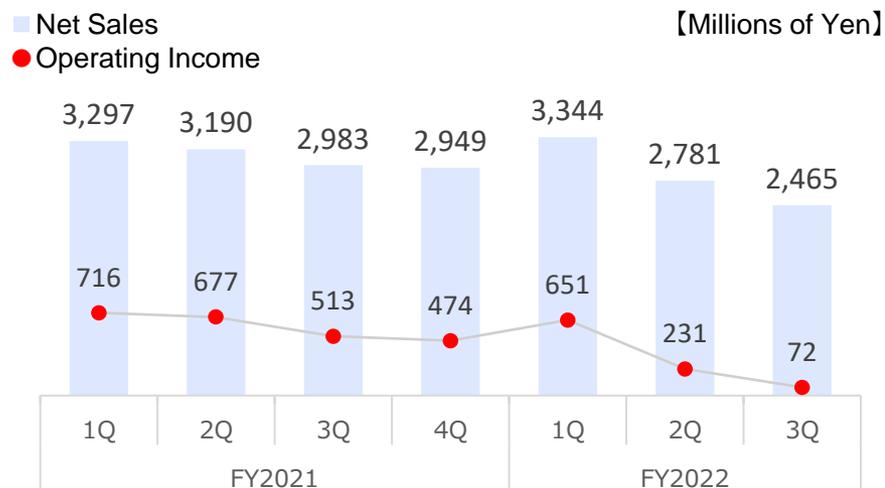
(Millions of Yen)

	FY2022 3Q	FY2021 3Q		FY2022 3Q Plan	
	Results	Difference	Y o Y	Difference	Plan ratio
Net Sales	11,707	+333	102.9%	-328	97.3%
HS Division	8,591	-879	90.7%	-335	96.2%
ES Division	1,832	-69	96.3%	+36	102.0%
SE Division	1,283	+1,283	—	-29	97.8%
Gross Profit	6,541	-398	94.3%	-232	96.6%
Operating Income	913	-1,173	43.8%	-193	82.5%

※V2H : Vehicle to Home

Installation and sales of V2H in cooperation with Mitsubishi Motors' sales companies, among other parties.

Results by segment of FY2022 3Q(HS Division)



Main factors for change

■ Net Sales - 879Million Yen

- 【+】
- Expansion of sales bases by increasing the headcount and opening new sales offices.
 - Orders (Termite control construction) increased due to the strengthening of new sales activities.
- 【-】
- Face-to-face sales activities were restricted due to an increase in COVID-19 infections.

■ Operating Income - 952Million Yen

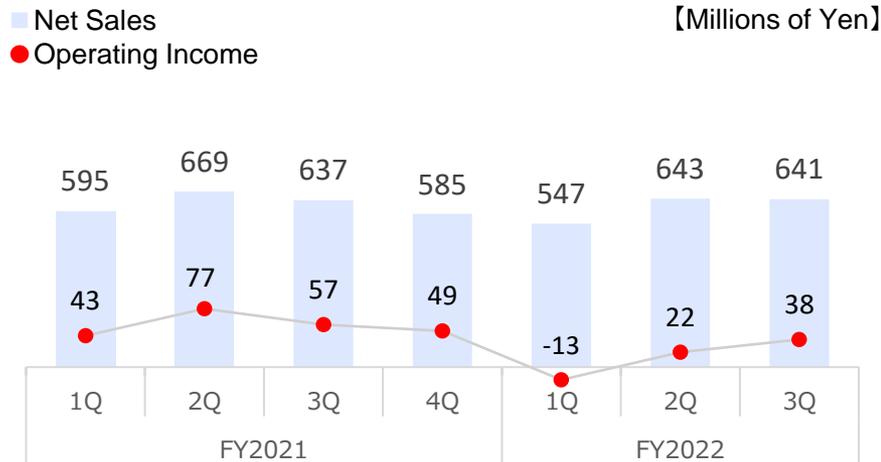
- 【-】
- Increase of personnel expenses due to active efforts to increase the number of staff members.

■ Net Sales by segment・Operating Income

(Millions of Yen)

	FY2022 3Q	FY2021 3Q		FY2022 3Q Plan	
	Results	Difference	Y o Y	Difference	Plan ratio
Net Sales	8,591	-879	90.7%	- 335	96.2%
Termite control construction	2,991	+ 187	106.7%	+ 80	102.8%
Under-floor/attic ventilation system	2,136	-285	88.2%	- 97	95.6%
Foundation Repair/ Home Reinforcement System	1,211	-337	78.2%	- 131	90.2%
Others	2,251	-443	83.5%	- 186	92.4%
Gross Profit	5,151	-777	86.9%	- 273	94.9%
Operating Income	956	-952	50.1%	- 220	81.2%

Results by segment of FY2022 3Q(ES Division)



Main factors for change

■ Net Sales - 69Million Yen

- 【+】 ·Expansion of sales bases by continuously increasing the headcount.
- 【-】 ·Decrease in orders due to the spread of COVID-19 infections.(Currently trending toward recovery)

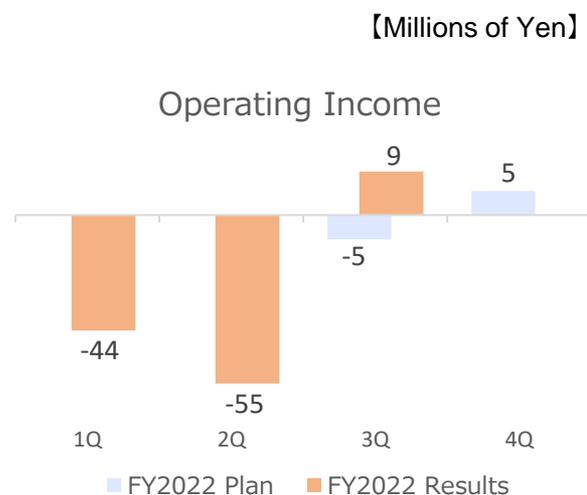
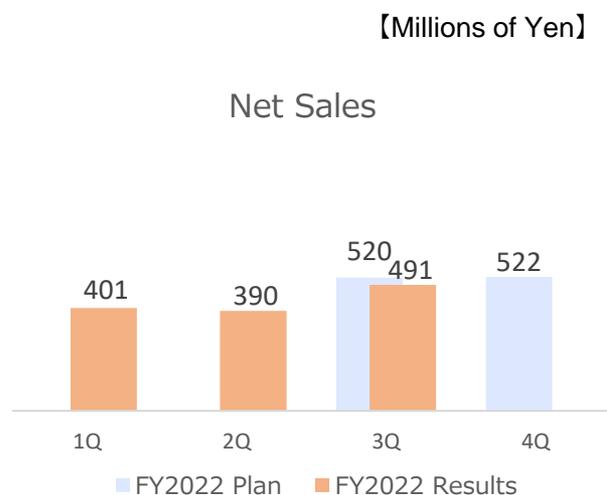
■ Operating Income - 130Million Yen

- 【-】 ·Costs due to higher sales involving outsourced work increased.
- Increase of personnel expenses due to active efforts to increase the number of staff members.

■ Net Sales by segment · Operating Income

(Millions of Yen)

	FY2022 3Q	FY2021 3Q		FY2022 3Q Plan	
	Results	Difference	Y o Y	Difference	Plan ratio
Net Sales	1,832	-69	96.3%	+ 36	102.0%
Anti-rust equipment installation	790	-151	83.9%	+ 52	107.1%
Others	1,041	+ 81	108.5%	- 15	98.5%
Gross Profit	954	-56	94.4%	+ 26	102.9%
Operating Income	47	-130	26.8%	+ 12	134.5%



■ Net Sales by segment・Operating Income

(Millions of Yen)

	FY2022 3Q	FY2021 3Q		FY2022 3Q Plan	
	Results	Difference	Y o Y	Difference	Plan ratio
Net Sales	1,283	—	—	- 29	97.8%
Gross Profit	435	—	—	+ 14	103.5%
Operating Income	(90)	—	—	+ 14	—

※Due to an organizational change, the Company has decided to reclassify its business segments effective from the fiscal year ending March 31, 2023.

Due to the practical difficulty of reclassifying figures for the same period of the previous year, year-on-year comparisons have not been made for the (new) SE business segment in the business of photovoltaic power generation systems for detached houses.

Results by segment of FY2022 3Q (Energy Area)



■ Energy

Contribute to the efficient use of resources and energy through the installation and sale of photovoltaic power generation systems and power transaction.

PV Division (Photovoltaics)

Provides comprehensive services including the manufacturing, sale, installation and maintenance of photovoltaic power generation systems for corporate users.

- Solar power generation system(industrial)(Self-consumption, PPA, FIT-system ,etc.)
- Storage batteries
- O&M(maintenance),etc.

PPS Division (Power Producer and Supplier)

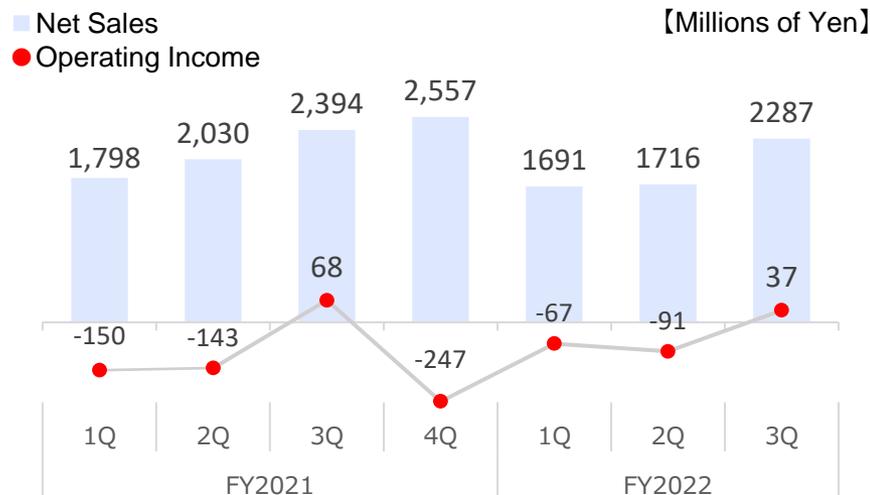
Provides a retail electricity service to offices and homes in the service areas of nine electric companies.

※The Company is not accepting applications for new supply and demand contracts at this time.

(Millions of Yen)

	FY2022 3Q	FY2021 3Q		FY2022 3Q Plan	
	Results	Difference	Y o Y	Difference	Plan ratio
Net Sales	10,019	-1,980	83.5%	-54	99.5%
PV Division	5,696	-526	91.5%	-47	99.2%
PPS Division	4,322	-1,453	74.8%	-7	99.8%
Gross Profit	1,663	+1,045	269.3%	+85	105.4%
Operating Income	116	+1,553	—	+78	312.3%

Results by segment of FY2022 3Q(PV Division)



Main factors for change

■ Net Sales - 526 Million Yen

- 【+】 · Non-FIT power plants installation commenced in collaboration with companies.
- Increase of sales for maintenance services at existing photovoltaic power plants.
- 【-】 · Excess solar power was transferred to the SE Division as a result of the reorganization.

■ Operating Income + 103 Million Yen

- 【+】 · Fixed costs decreased due to the reorganization.
- 【-】 · Increase of materials costs chiefly due to the impact of foreign exchange rates.

■ Net Sales by segment · Operating Income

(Millions of Yen)

	FY2022 3Q	FY2021 3Q		FY2022 3Q Plan	
	Results	Difference	Y o Y	Difference	Plan ratio
Net Sales	5,696	- 526	91.5%	- 47	99.2%
Sales and installation of PV system	5,538	- 521	91.4%	- 39	99.3%
Wholesale of PV system	88	- 20	81.4%	- 9	90.7%
Others	69	+ 14	126.7%	+ 1	102.5%
Gross Profit	1,284	- 308	80.6%	+ 20	101.6%
Operating Income	(121)	+ 103	—	+ 5	—

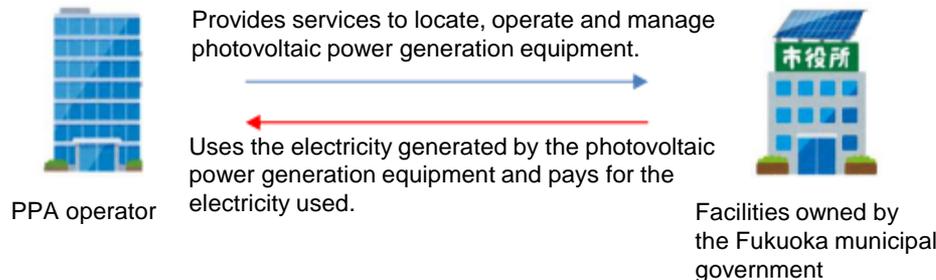
※Due to an organizational change, the Company has decided to reclassify its business segments effective from the fiscal year ending March 31, 2023. Comparisons in the PV business segment have been made with figures of the same period of the previous year for the (previous) SE business segment.

■ Selected to be the operator of a business introducing photovoltaic power generation equipment within facilities owned by the Fukuoka municipal government

We were selected to be the operator of a business introducing photovoltaic power generation equipment within facilities owned by the Fukuoka municipal government (PPA* business) as the first phase of the Fukuoka municipal government's efforts to achieve net zero greenhouse gas emissions by FY2040.

■ Candidates for the introduction of photovoltaic power generation equipment: 8 in total

- Fire-fighting equipment: 4 locations / Sewage equipment: 2 locations/ Water supply equipment: 2 locations
- Projected power generation: approx. 830 kW (power generated/year: equivalent to the power consumption of approx. 360 households in the city)
- CO2 reduction: approx. 456 t. CO2/year (equivalent to the CO2 absorbed by approx. 89ha of forest)



※PPA(Power Purchase Agreement)

A scheme for a PPA operator to install, operate and maintain photovoltaic power generation equipment on premises owned by consumers and supply and sell the electricity generated.

■ Business scheme

- The PPA business operator (SANIX) rents the rooftops, etc. of the facilities and locates, operates and manages the photovoltaic power generation facilities.
- The Fukuoka municipal government provides locations for equipment such as the rooftop of each facility and uses the generated power at each facility. It pays the PPA operator electricity fees corresponding to the amount of power consumed.
- The PPA operator uses the electricity fees paid by the Fukuoka municipal government to pay equipment expenses and operation and management expenses.

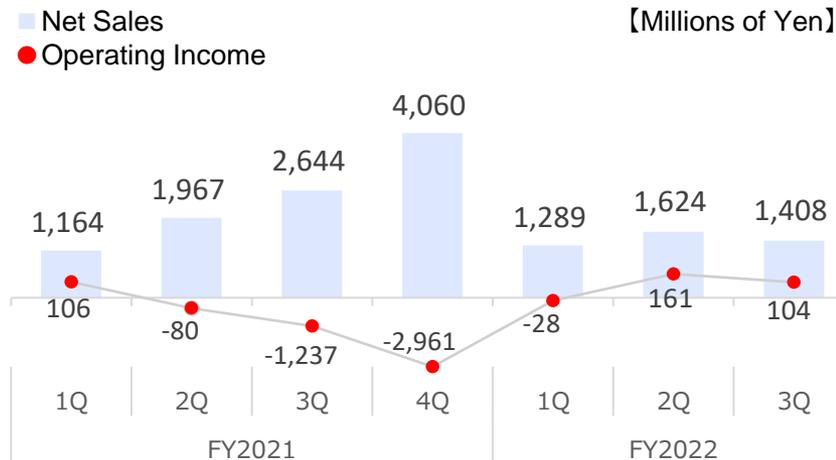
Press release dated February 13, 2023

<https://prtimes.jp/main/html/rd/p/000000084.000025581.html>

Local communities (municipalities) are gradually increasing their efforts to achieve carbon neutrality and demand is expected to grow in the future.

With an established track record, we leverage our expertise in photovoltaic power generation and PPS businesses to support the efforts of each municipality and contribute to the establishment of a carbon-free society.

Results by segment of FY2022 3Q(PPS Division)



Main factors for change

■ Net Sales - 1,453 Million Yen

- 【+】 · Increase of unit sales prices linked to surging energy prices.
- 【-】 · Sales volume decreased due to change in business structure.

■ Operating Income +1,449 Million Yen

- 【+】 · Price volatility risk reduced and the profitability of electricity procurement improved by lowering the percentage of electricity procured from the market.
- Decrease of fixed costs chiefly due to the relocation of staff members.
- 【-】 · The unit price of electricity procurement increased due to a rise in the fuel cost adjustment.

■ Net Sales by segment · Operating Income

(Millions of Yen)

	FY2022 3Q	FY2021 3Q		FY2022 3Q Plan	
	Results	Difference	Y o Y	Difference	Plan ratio
Net Sales	4,322	-1,453	74.8%	- 7	99.8%
Gross Profit	378	+ 1,354	—	+ 65	120.9%
Operating Income	238	+ 1,449	—	+ 73	144.7%

※Fuel cost adjustments are the automatic adjustment of electricity rates to swiftly reflect the price fluctuation of thermal fuels (crude oil, LNG, and coal) in electricity rates.

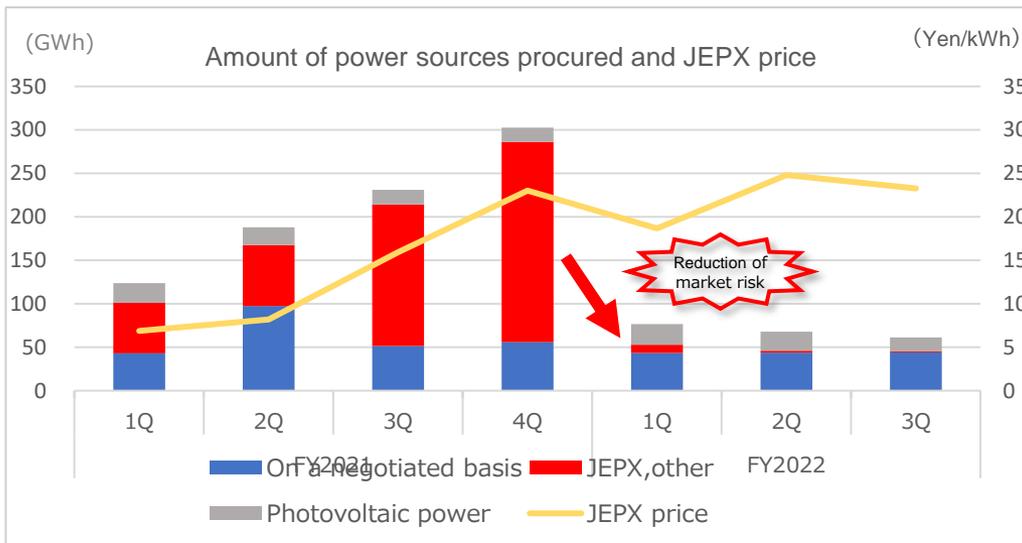
(Reference)

Adjustment of intersegment sales	—	+ 34	—	—	—
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■ PPS business policy of FY2022

- Shift to a business structure that minimizes market risks
- Rather than focusing on growth through sales expansion, aim to create synergy with other businesses by strengthening functional aspects.

Although market prices have continued to surge since October 2021, the Company was able to reduce the ratio of procurement from the market and lower the risk of price volatility in electricity procurement through the renewal of its portfolio. Consequently, **it succeeded in transformation into a business structure that is not easily affected by market prices. (return to profitability)**



■ Efforts

- ① Adjust supply to match the scale of negotiated procurement and minimize market procurement.
- ② Suspension of the acceptance of new supply and demand contracts.
- ③ Shift a part of contracts for retail sales to agency contracts.
- ④ Terminate supply upon the expiration of the contract with the negotiated wholesale supplier.

※ Agency contracts

A type in which the intermediary agency concludes an intermediary contract with a retail electricity provider and sells the electricity procured by the retail electricity provider to consumers. The responsibility for power supply for power supply lies with the retail electricity provider.

The above table shows the monthly average price per unit trend of the JEPX (spot market) prices (simple monthly average of system prices (48 frames per day in 30-minute units), which is important market data related to our electricity procurement. The market price forecast for the JEPX is based on our own projections in light of conditions in January.

Results by segment of FY2022 3Q (Resource Circulation Area)



■ Resource Circulation

Contributing to efficient use of resources, securing clean water resources, and safe and secure lifestyles by properly disposing of industrial waste, recycling resources, and purifying water resources through waste liquid treatment.

ERD Division (Environmental Resources Development)

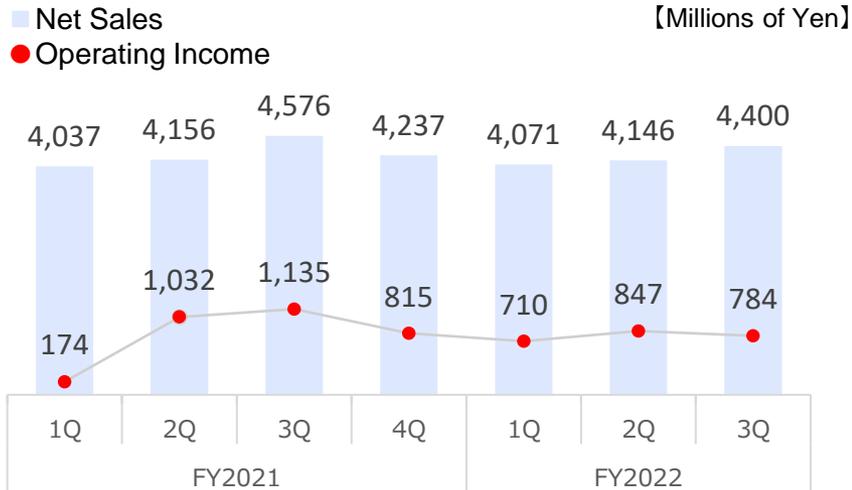
Engages in a resource recycling-type power generation business in which industrial waste plastics are converted into fuels, recycled and used for power generation and a resource recycling business in which waste liquids are purified, recycled and converted into fuels.

- Fuel conversion of waste plastic
- Resource recycling power generation system
(power generation from waste plastic recycled fuel)
- Purification treatment and Fuel conversion of waste liquid and Recycling
- Landfill, etc

(Millions of Yen)

	FY2022 3Q	FY2021 3Q		FY2022 3Q Plan	
	Results	Difference	Y o Y	Difference	Plan ratio
Net Sales	12,619	-151	98.8%	+77	100.6%
Gross Profit	3,733	+56	101.5%	+107	103.0%
Operating Income	2,343	+0	100.0%	+109	104.9%

Results by segment of FY2022 3Q(ERD Division)



Main factors for change

■ Net Sales - 151 Million Yen

- 【+】 • Increase of unit sales price of the power plant.
• Increase in the volume of materials received for Landfill.
- 【-】 • Decrease of the acceptance volume of high priced waste in plastic fuel.

■ Operating Income +0 Million Yen

- 【+】 • Decrease of repair expenses related to power plant inspections.
- 【-】 • Decrease of the acceptance volume of high priced waste in plastic fuel.
• Increase in depreciation related to capital investment, etc.

■ Net Sales by segment • Operating Income

(Millions of Yen)

	FY2022 3Q	FY2021 3Q		FY2022 3Q Plan	
	Results	Difference	Y o Y	Difference	Plan ratio
Net Sales	12,619	- 151	98.8%	+ 77	100.6%
Plastic fuel	7,547	- 524	93.5%	- 86	98.9%
Power Plant	2,344	+ 221	110.4%	+ 26	101.2%
Waste liquid treatment	1,564	+ 35	102.3%	- 7	99.5%
Landfill	799	+ 117	117.2%	+ 127	118.9%
Others	362	- 1	99.7%	+ 17	104.9%
Gross Profit	3,733	+ 56	101.5%	+ 107	103.0%
Operating Income	2,343	+ 0	100.0%	+ 109	104.9%

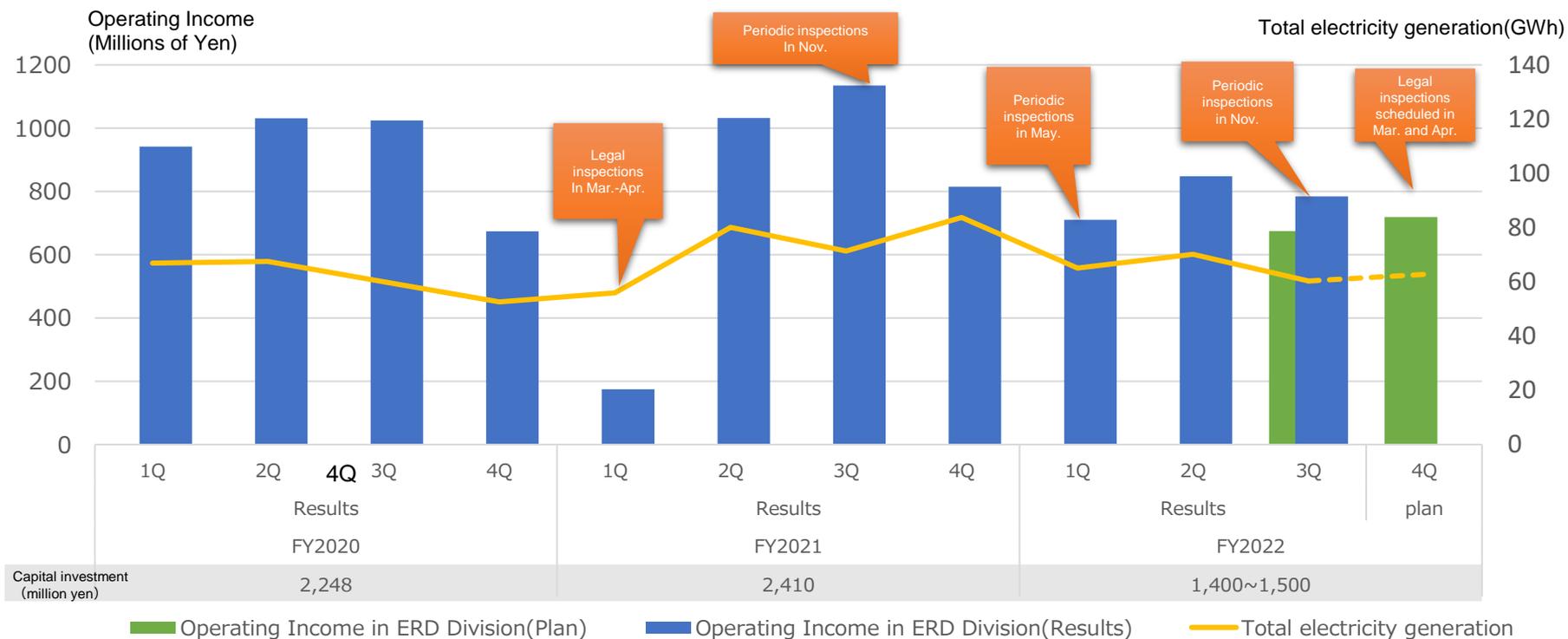
■ Operating income

- Operating profit remained at the level in the same period of the previous year in the third quarter of the fiscal year ending March 31, 2023 mainly due to a decline in expenses for the repair of power plants, despite a decrease in the volume of waste with relatively high unit prices accepted and an increase in the burden of depreciation costs chiefly due to capital investments.

■ Tomakomai Power Plant Inspection Schedule

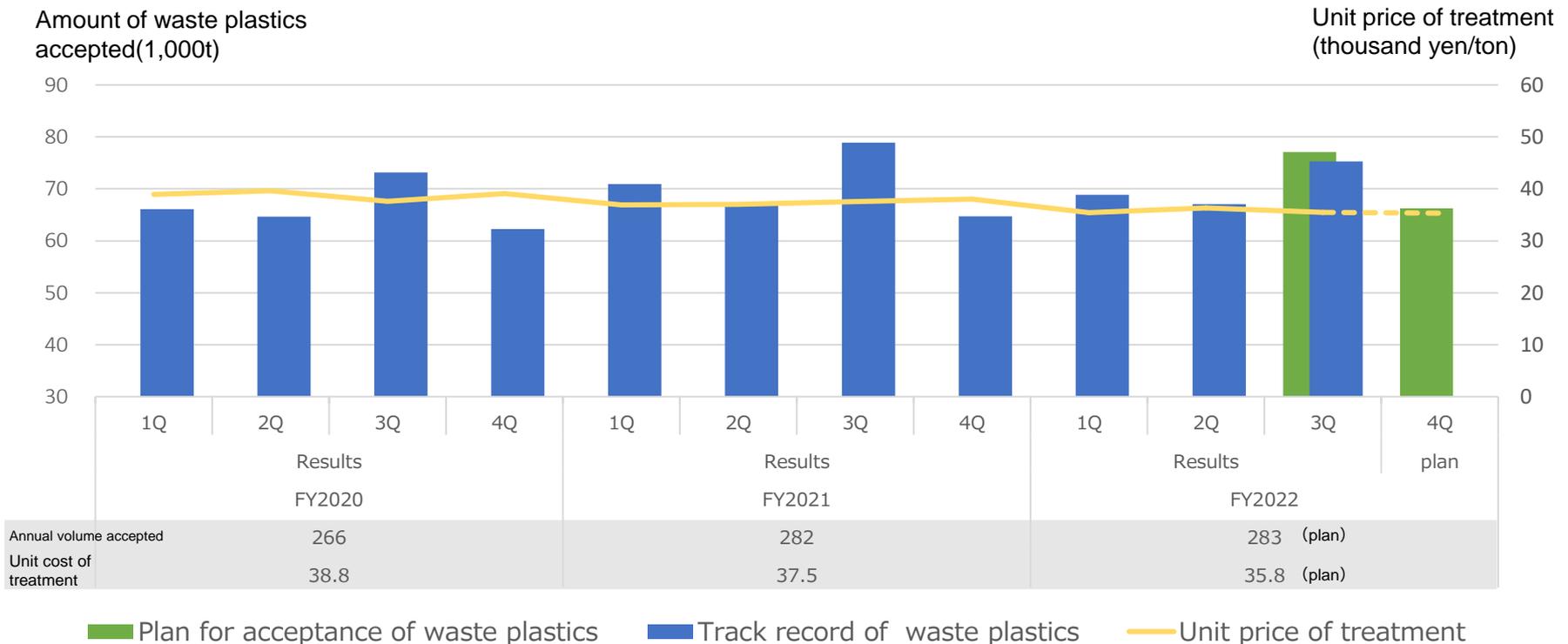
- FY2022 statutory inspection: Mid-March to April 2023 (scheduled)

※Legally required inspections: Once every two years (turbines: every four years, boilers: every two years)



■ Acceptance of Waste Plastic

- Unit prices for disposal declined slightly in the third quarter of the fiscal year ending March 31, 2023, reflecting a decrease in the volume of waste with relatively high unit prices accepted at some of the Company's factories.
- While the volume of waste with high unit prices accepted declined, the Company strengthened its sales activities to maintain the volume of waste plastics accepted.
- We will strengthen our relationships with suppliers and increase the volume of waste received by enhancing sales activities and introducing a waste management system (SANIX system) to help our customers with waste management.

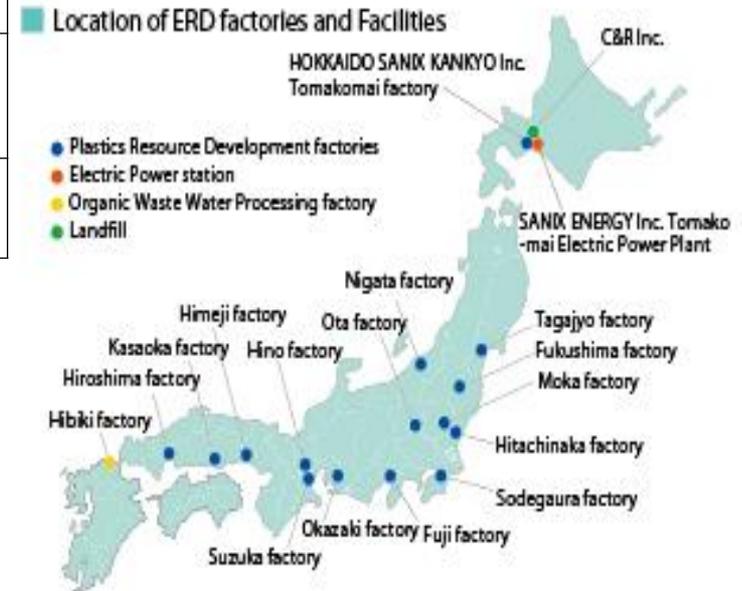


*Unit price of treatment = Sales of plastic fuel divided by the amount of waste plastics accepted

■ Successful bid for the collection, transportation and treatment of industrial waste from the Self-defense Forces(SDF)

We have submitted a successful bid for the collection, transportation and treatment (spot) of industrial waste generated by the SDF. While to date we have mostly received waste plastic from general companies, we will increasingly approach government offices and municipalities with the goal of expanding the business.

	Successful bid by	Order placed by	Bid for
1	SANIX INCORPORATED Fukushima plant (Motomiya, Fukushima Pref.)	JGSDF Camp Fukushima	Collection, transportation, and treatment of waste plastic scrap, waste 1-ton flexible intermediate bulk containers, SDF vehicle tops, etc.
2	SANIX INCORPORATED Fuji plant (Fuji, Shizuoka Pref.)	JASDF Hamamatsu Air Base	Collection, transportation, and treatment of waste plastic



We promote the effective use of waste plastics and contribute to the establishment of a recycling-oriented society.

Resource recycling power generation system
From waste plastic collection / fuel conversion to power generation

1kg of plastic fuel is the electricity that lights one light bulb (60W) for about 40 hours.

Waste plastic Collection and transportation from the source

Power transmission

Created at a new resource development factory

SANIX ENERGY Tomakomai Power Plant

Grains are processed at the power plant

Packing / wrapping

Characteristics of plastic fuel (in comparison to coal)

- High heating value
- Low CO2 emissions
- Small amount of incinerated ash generated

Press release dated February 1, 2023

<https://prtimes.jp/main/html/rd/p/000000081.000025581.html>

(Millionos of Yen)

	FY2021	FY2022	FY2021	
	As of Mar. 31	As of Dec. 31	Difference	Ratio
Current Assets	14,551	15,354	+ 802	105.5%
Non-Current Assets	20,401	19,698	- 703	96.6%
Total Assets	34,953	35,053	+ 99	100.3%
Current Liabilities	21,718	17,877	- 3,840	82.3%
Non-Current Liabilities	8,503	11,795	+ 3,292	138.7%
Total Liabilities	30,221	29,673	- 548	98.2%
Total Net Assets	4,732	5,379	+ 647	113.7%
Total Liabilities and Assets	34,953	35,053	+ 99	100.3%

<Total assets>

The main factors was a decrease of ¥2,248 million in notes and accounts receivable - trade, which was more than offset by an increase of ¥2,457 million in cash and deposits.

<Total liabilities>

The main factors was a decrease of ¥5,768 million in short-term borrowings despite increases of ¥3,515 million in long-term borrowings and ¥994 million in current portion of long-term borrowings due to an increase of ¥503 million in accounts payable - other and the refinancing of short-term borrowings into long-term borrowings.

The current ratio improved 18.9 percentage points to 85.9% in the third quarter of the fiscal year ending March 31, 2023, from 67.0% at the end of the previous fiscal year.

The equity ratio improved 1.8 percentage points to 15.3% in the third quarter of the fiscal year ending March 31, 2023, from 13.5% at the end of the previous fiscal year.

Capital investment/Depreciation for the fiscal year ended December 31,2022



■ Capital investment/Depreciation

(Millions of Yen)

	FY2021	FY2022
	3Q Results	3Q Results
Capital investment	2,521	1,053
Depreciation	1,002	1,318

■ Depreciation by segment

(Millions of Yen)

	FY2021	FY2022
	3Q Results	3Q Results
HS Division	43	47
ES Division	3	0
SE Division	—	2
PV Division	18	58
PPS Division	7	1
ERD Division	2,212	887
Others	17	—
Headquarter	218	56
Total	2,521	1,053

Major capital investment

- Investment related to the disposal of plastic waste : 602Million Yen
- Investment related to the recycling of waste liquid : 271Million Yen

Number of Personnel and sites by Division



■ Changes in Number of Personnel by Division (consolidated)

	FY2021 As of Mar. 31	FY2022 As of Dec. 31	change
HS Division	794	856	+ 62
ES Division	146	162	+ 16
SE Division	—	92	+ 92
PV Division	334	250	-84
PPS Division	28	18	-10
ERD Division	432	447	+ 15
Others	42	—	- 42
Headquarter	278	260	- 18
Total	2,054	2,085	+ 31

※Due to an organizational change, the Company has decided to reclassify its business segments effective from the fiscal year ending March 31, 2023. Figures for the fiscal year ended March 31, 2022 have been presented after reclassifying figures for the previous fiscal year according to the new segmentation.

■ Number of sites (including subsidiary)

	FY2021 As of Mar. 31	FY2022 As of Dec. 31	Change
HS Division	53	63	+ 10
ES Division	12	12	—
SE Division	—	14	+ 14
PV Division	37	35	- 2
PPS Division	1	1	—
ERD Division	18	18	—
Others	4	—	- 4

※The abovementioned number of sites includes the double counting of sites operated by multiple divisions.
 ※One power generation facility and one final disposal facility are included in the ERD Division.

■ FY2022 Plan(HS/ES)

•10~12 Scheduled to open a sales office

Financial results forecast for FY2022

No change has been made to the full-year consolidated earnings forecasts announced on November 14, 2022.

(Millions of Yen)

	FY2021	FY2022		
	Results	Plan	Y o Y	Difference
Net Sales	50,936	46,568	91.4%	- 4,368
Cost of Sales	38,842	30,533	78.6%	- 8,309
Gross Profit	12,093	16,035	132.6%	+ 3,941
(Gross Profit Margin)	23.7%	34.4%		
Selling, general and administrative expenses	14,711	14,507	98.6%	- 204
Operating Income	(2,618)	1,528	—	+ 4,146
(Operating Income Margin)	—	3.3%		
Ordinary Income	(2,900)	1,271	—	+ 4,172
(Ordinary Income Margin)	—	2.7%		
Profit (loss) attributable to owners	(3,449)	1,065	—	+ 4,515
(Net Income Margin)	—	2.3%		

Financial results forecast for FY2022 by segment



(Millions of Yen)

	FY2021 Full-Year		FY2022 Full-Year			
	Results	Sales proportion	Plan	Sales proportion	Y o Y	Difference
Net Sales	50,936		46,568		91.4%	- 4,368
HS Division	12,421	24.4%	12,015	25.8%	96.7%	- 405
ES Division	2,487	4.9%	2,450	5.3%	98.5%	- 36
SE Division	—	—	1,834	3.9%	—	+ 1,834
PV Division	8,780	17.2%	8,042	17.3%	91.6%	- 738
PPS Division	9,836	19.3%	5,836	12.5%	59.3%	- 4,000
ERD Division	17,008	33.4%	16,389	35.2%	96.4%	- 618
Others/Adjustment of inter-segment sales	403	0.8%	—	—	—	- 403
Operating Income	(2,618)	—	1,528	3.3%	—	+ 4,146
HS Division	2,382	19.2%	1,612	13.4%	67.7%	- 770
ES Division	227	9.1%	86	3.5%	38.2%	- 140
SE Division	—	—	(100)	—	—	- 100
PV Division	(473)	—	(124)	—	—	+ 349
PPS Division	(4,173)	—	143	2.5%	—	+ 4,316
ERD Division	3,158	18.6%	2,953	18.0%	93.5%	- 204
Others	(262)	—	—	—	—	+ 262
Group	(3,477)	—	(3,043)	—	—	+ 433

Segment Forecast for FY2022 (Residential Environment Area)



(Millions of Yen)

	FY2021 Full-Year		FY2022 Full-Year			
	Results	Sales proportion	Plan	Sales proportion	Y o Y	Difference
Net Sales	14,908		16,300		109.3%	+ 1,391
HS Division	12,421	83.3%	12,015	73.7%	96.7%	- 405
ES Division	2,487	16.7%	2,450	15.0%	98.5%	- 36
SE Division	—	—	1,834	11.3%	—	+ 1,834
Cost of sales	5,913	39.7%	7,188	44.1%	121.6%	+ 1,274
Labor costs	1,933	13.0%	2,410	14.8%	124.7%	+ 476
Gross Profit	8,995	60.3%	9,112	55.9%	101.3%	+ 117
SG & A	6,385	42.8%	7,513	46.1%	117.7%	+ 1,127
Personnel expenses	3,931	26.4%	4,632	28.4%	117.8%	+ 700
Operating Income	2,609	17.5%	1,598	9.8%	61.3%	- 1,010

Segment Forecast for FY2022(HS Division)



(Millions of Yen)

	FY2021 Full-Year		FY2022 Full-Year			
	Results	Sales proportion	Plan	Sales proportion	Y o Y	Difference
Net Sales	12,421		12,015		96.7%	- 405
Termite control construction	3,641	29.3%	3,833	31.9%	105.3%	+ 191
Under-floor/attic ventilation system	3,141	25.3%	2,993	24.9%	95.3%	- 147
Foundation Repair/ Home Reinforcement System	2,054	16.5%	1,876	15.6%	91.3%	- 177
Others	3,584	28.9%	3,311	27.6%	92.4%	- 272
Cost of Sales	4,754	38.3%	4,753	39.6%	100.0%	- 1
Labor costs	1,662	13.4%	1,865	15.5%	112.3%	+ 203
Gross Profit	7,667	61.7%	7,262	60.4%	94.7%	- 404
SG & A	5,284	42.5%	5,650	47.0%	106.9%	+ 365
Personnel expenses	3,292	26.5%	3,558	29.6%	108.1%	+ 265
Operating Income	2,382	19.2%	1,612	13.4%	67.7%	- 770

Segment Forecast for FY2022(ES Division)



(Millions of Yen)

	FY2021 Full-Year		FY2022 Full-Year			
	Results	Sales proportion	Plan	Sales proportion	Y o Y	Difference
Net Sales	2,487		2,450		98.5%	- 36
Anti-rust equipment installation	1,221	49.1%	1,030	42.1%	84.4%	- 190
Others	1,266	50.9%	1,419	57.9%	112.1%	+ 153
Cost of Sales	1,159	46.6%	1,170	47.8%	101.0%	+ 11
Labor costs	271	10.9%	281	11.5%	103.7%	+ 10
Gross Profit	1,328	53.4%	1,280	52.2%	96.4%	- 48
SG & A	1,101	44.3%	1,193	48.7%	108.4%	+ 92
Personnel expenses	639	25.7%	702	28.7%	110.0%	+ 63
Operating Income	227	9.1%	86	3.5%	38.2%	- 140

Segment Forecast for FY2022(SE Division)



(Millions of Yen)

	FY2021 Full-Year		FY2022 Full-Year			
	Results	Sales proportion	Plan	Sales proportion	Y o Y	Difference
Net Sales	—		1,834		—	—
Cost of sales	—	—	1,264	68.9%	—	—
Material costs, etc	—	—	795	43.4%	—	—
Labor costs	—	—	263	14.3%	—	—
Gross Profit	—	—	569	31.1%	—	—
SG & A	—	—	669	36.5%	—	—
Personel expenses	—	—	371	20.2%	—	—
Operating Income	—	—	(100)	—	—	—

※Due to an organizational change, the Company has decided to reclassify its business segments effective from the fiscal year ending March 31, 2023.

Due to the practical difficulty of reclassifying figures for the same period of the previous year, year-on-year comparisons have not been made for the (new) SE business segment in the business of photovoltaic power generation systems for detached houses.

Segment Forecast for FY2022 (Energy Area)



(Millions of Yen)

	FY2021 Full-Year		FY2022 Full-Year			
	Results	Sales proportion	Plan	Sales proportion	Y o Y	Difference
Net Sales	18,617		13,878		74.5%	- 4,738
PV Division	8,780	47.2%	8,042	57.9%	91.6%	- 738
PPS Division	9,836	52.8%	5,836	42.1%	59.3%	- 4,000
Cost of Sales	20,547	110.4%	11,790	85.0%	57.4%	- 8,756
Labor costs	870	4.7%	736	5.3%	84.6%	- 133
Gross Profit	(1,930)	—	2,088	15.0%	—	+ 4,018
SG & A	2,716	14.6%	2,069	14.9%	76.2%	- 647
Personnel expenses	1,310	7.0%	1,036	7.5%	79.1%	- 274
Operating Income	(4,646)	—	18	0.1%	—	+ 4,665

Segment Forecast for FY2022(PV Division)



(Millions of Yen)

	FY2021 Full-Year		FY2022 Full-Year			
	Results	Sales proportion	Plan	Sales proportion	Y o Y	Difference
Net Sales	8,780		8,042		91.6%	- 738
Sales and installation of PV system	8,447	96.2%	7,827	97.3%	92.7%	- 620
Wholesale of PV system	261	3.0%	127	1.6%	49.0%	- 133
Others	71	0.8%	87	1.1%	121.7%	+ 15
Cost of sales	6,838	77.9%	6,294	78.3%	92.0%	- 544
Material costs, etc	4,157	47.3%	3,823	47.5%	92.0%	- 333
Labor costs	870	9.9%	736	9.2%	84.6%	- 133
Gross Profit	1,941	22.1%	1,748	21.7%	90.0%	- 193
SG & A	2,415	27.5%	1,872	23.3%	77.5%	- 543
Personnel expenses	1,158	13.2%	928	11.5%	80.2%	- 229
Operating Income	(473)	—	(124)	—	—	+ 349

※Due to an organizational change, the Company has decided to reclassify its business segments effective from the fiscal year ending March 31, 2023.

Comparisons in the PV business segment have been made with figures of the same period of the previous year for the (previous) SE business segment.

Segment Forecast for FY2022(PPS Division)



(Millions of Yen)

	FY2021 Full-Year		FY2022 Full-Year			
	Results	Sales proportion	Plan	Sales proportion	Y o Y	Difference
Net Sales	9,836		5,836		59.3%	- 4,000
Cost of Sales	13,708	139.4%	5,496	94.2%	40.1%	- 8,212
Labor costs	13,708	139.4%	5,496	94.2%	40.1%	- 8,212
Gross Profit	(3,872)	—	339	5.8%	—	+ 4,212
SG & A	301	3.1%	196	3.4%	65.4%	- 104
Personnel expenses	152	1.5%	107	1.8%	70.8%	- 44
Operating Income	(4,173)	—	143	2.5%	—	+ 4,316

Segment Forecast for FY2022 (Resource Circulation Area)



(Millions of Yen)

	FY2021 Full-Year		FY2022 Full-Year			
	Results	Sales proportion	Plan	Sales proportion	Y o Y	Difference
Net Sales	17,008		16,389		96.4%	- 618
Cost of Sales	12,050	70.8%	11,554	70.5%	95.9%	- 496
Labor costs	2,320	13.6%	2,187	13.3%	94.3%	- 132
Gross Profit	4,957	29.2%	4,835	29.5%	97.5%	- 122
SG & A	1,799	10.6%	1,881	11.5%	104.5%	+ 81
Personnel expenses	1,124	6.6%	1,158	7.1%	103.1%	+ 34
Operating Income	3,158	18.6%	2,953	18.0%	93.5%	- 204

Segment Forecast for FY2022(ERD Division)



(Millions of Yen)

	FY2021 Full-Year		FY2022 Full-Year			
	Results	Sales proportion	Plan	Sales proportion	Y o Y	Difference
Net Sales	17,008		16,389		96.4%	- 618
Plastic fuel	10,574	62.2%	9,979	60.9%	94.4%	- 595
Power Plant	2,986	17.6%	3,040	18.6%	101.8%	+ 53
Waste liquid treatment	2,073	12.2%	2,086	12.7%	100.6%	+ 12
Landfill	911	5.4%	841	5.1%	92.4%	- 69
Others	461	2.7%	441	2.7%	95.5%	- 20
Cost of Sales	12,050	70.8%	11,554	70.5%	95.9%	- 496
Labor costs	1,913	11.3%	1,958	12.0%	102.3%	+ 44
Gross Profit	4,957	29.2%	4,835	29.5%	97.5%	- 122
SG & A	1,799	10.6%	1,881	11.5%	104.5%	+ 81
Personnel expenses	1,124	6.6%	1,158	7.1%	103.1%	+ 34
Operating Income	3,158	18.6%	2,953	18.0%	93.5%	- 204

		FY2018 Result	FY2019 Result	FY2020 Result	FY2021 Result	FY2022 plan
Return on equity	ROE	5.85%	36.31%	27.87%	—	17.90%
Return on assets	ROA	3.88%	8.16%	6.39%	—	3.70%
Equity ratio		13.42%	18.55%	24.50%	13.47%	17.20%
Return on invested Capital	ROIC	2.31%	10.77%	11.19%	—	6.90%

(Millions of Yen)

	FY2019 Result	FY2020 Result	FY2021 Result	FY2022 Plan
Capital investment	2,742	3,083	2,776	1,800~2,000
Depreciation	914	1,097	1,509	1,800

Supplementary materials

(Segment Performance of FY2022 3Q)

Results by segment of FY2022 3Q

SANIX

(Millions of Yen)

	FY2021 3Q	FY2022 3Q					
	Results	Results	Difference	Y o Y	Plan	Difference	Plan ratio
Net Sales	36,453	34,345	- 2,107	94.2%	34,651	- 305	99.1%
HS Division	9,471	8,591	- 879	90.7%	8,927	- 335	96.2%
ES Division	1,902	1,832	- 69	96.3%	1,795	+ 36	102.0%
SE Division	—	1,283	+ 1,283	—	1,312	- 29	97.8%
PV Division	6,223	5,696	- 526	91.5%	5,743	- 47	99.2%
PPS Division	5,776	4,322	- 1,453	74.8%	4,330	- 7	99.8%
ERD Division	12,770	12,619	- 151	98.8%	12,542	+ 77	100.6%
Others/Adjustment of inter-segment sales	309	—	- 309	—	—	—	—
Operating Income	181	1,111	+ 930	614.0%	1,075	+ 36	103.4%
HS Division	1,908	956	- 952	50.1%	1,177	- 220	81.2%
ES Division	178	47	- 130	26.8%	35	+ 12	134.5%
SE Division	—	(90)	- 90	—	(105)	+ 14	—
PV Division	(225)	(121)	+ 103	—	(127)	+ 5	—
PPS Division	(1,211)	238	+ 1,449	—	164	+ 73	144.7%
ERD Division	2,342	2,343	+ 0	100.0%	2,233	+ 109	104.9%
Others	(220)	—	+ 220	—	—	—	—
Group	(2,590)	(2,260)	+ 329	—	(2,302)	+ 41	—

Results by segment of FY2022 3Q (Residential Environment Area)

(Millions of Yen)

	FY2021 3Q		FY2022 3Q				
	Results	Sales proportion	Results	Sales proportion	Y o Y	Plan	Sales proportion
Net Sales	11,373		11,707		102.9%	12,035	
HS Division	9,471	83.3%	8,591	73.4%	90.7%	8,927	74.2%
ES Division	1,902	16.7%	1,832	15.6%	96.3%	1,795	14.9%
SE Division	—	—	1,283	11.0%	—	1,312	10.9%
Cost of sales	4,433	39.0%	5,166	44.1%	116.5%	5,261	43.7%
Labor costs	1,439	12.7%	1,758	15.0%	122.1%	1,756	14.6%
Gross Profit	6,939	61.0%	6,541	55.9%	94.3%	6,774	56.3%
SG & A	4,853	42.7%	5,627	48.1%	116.0%	5,666	47.1%
Personnel expenses	2,961	26.0%	3,436	29.4%	116.0%	3,471	28.8%
Operating Income	2,086	18.3%	913	7.8%	43.8%	1,107	9.2%

Results by segment of FY2022 3Q(HS Division)



(Millions of Yen)

	FY2021 3Q		FY2022 3Q				
	Results	Sales proportion	Results	Sales proportion	Y o Y	Plan	Sales proportion
Net Sales	9,471		8,591		90.7%	8,927	
Termite control construction	2,804	29.6%	2,991	34.8%	106.7%	2,911	32.6%
Under-floor/attic ventilation system	2,422	25.6%	2,136	24.9%	88.2%	2,234	25.0%
Foundation Repair/ Home Reinforcement System	1,549	16.4%	1,211	14.1%	78.2%	1,343	15.1%
Others	2,694	28.5%	2,251	26.2%	83.5%	2,437	27.3%
Cost of Sales	3,542	37.4%	3,440	40.0%	97.1%	3,502	39.2%
Labor costs	1,232	13.0%	1,348	15.7%	109.4%	1,342	15.0%
Gross Profit	5,929	62.6%	5,151	60.0%	86.9%	5,425	60.8%
SG & A	4,020	42.5%	4,195	48.8%	104.3%	4,248	47.6%
Personnel expenses	2,479	26.2%	2,620	30.5%	105.7%	2,655	29.7%
Operating Income	1,908	20.1%	956	11.1%	50.1%	1,177	13.2%

Results by segment of FY2022 3Q(ES Division)



(Millions of Yen)

	FY2021 3Q		FY2022 3Q				
	Results	Sales proportion	Results	Sales proportion	Y o Y	Plan	Sales proportion
Net Sales	1,902		1,832		96.3%	1,795	
Anti-rust equipment installation	942	49.5%	790	43.2%	83.9%	738	41.1%
Others	959	50.5%	1,041	56.8%	108.5%	1,056	58.9%
Cost of Sales	891	46.9%	877	47.9%	98.5%	867	48.3%
Labor costs	206	10.9%	210	11.5%	101.7%	211	11.8%
Gross Profit	1,010	53.1%	954	52.1%	94.4%	928	51.7%
SG & A	832	43.8%	906	49.5%	108.9%	892	49.7%
Personnel expenses	482	25.3%	526	28.8%	109.3%	525	29.3%
Operating Income	178	9.4%	47	2.6%	26.8%	35	2.0%

Results by segment of FY2022 3Q(SE Division)



(Millions of Yen)

	FY2021 3Q		FY2022 3Q				
	Results	Sales proportion	Results	Sales proportion	Y o Y	Plan	Sales proportion
Net Sales	—		1,283		—	1,312	
Cost of sales	—	—	848	66.1%	—	891	68.0%
Material costs,etc	—	—	486	37.9%	—	524	40.0%
Labor costs	—	—	199	15.6%	—	202	15.4%
Gross Profit	—	—	435	33.9%	—	420	32.0%
SG & A	—	—	525	41.0%	—	526	40.1%
Personnel expenses	—	—	289	22.5%	—	289	22.1%
Operating Income	—	—	(90)	—	—	(105)	—

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 Due to the practical difficulty of reclassifying figures for the same period of the previous year, year-on-year comparisons have not been made for the (new) SE business segment in the business of photovoltaic power generation systems for detached houses.

Results by segment of FY2022 3Q (Energy Area)

SANIX

(Millions of Yen)

	FY2021 3Q		FY2022 3Q				
	Results	Sales proportion	Results	Sales proportion	Y o Y	Plan	Sales proportion
Net Sales	11,999		10,019		83.5%	10,073	
PV Division	6,223	51.9%	5,696	56.9%	91.5%	5,743	57.0%
PPS Division	5,776	48.1%	4,322	43.1%	74.8%	4,330	43.0%
Cost of Sales	11,381	94.9%	8,356	83.4%	73.4%	8,496	84.3%
Labor costs	641	5.3%	549	5.5%	85.6%	551	5.5%
Gross Profit	617	5.1%	1,663	16.6%	269.3%	1,577	15.7%
SG & A	2,054	17.1%	1,546	15.4%	75.3%	1,540	15.3%
Personnel expenses	993	8.3%	763	7.6%	76.8%	765	7.6%
Operating Income	(1,437)	—	116	1.2%	—	37	0.4%

Results by segment of FY2022 3Q(PV Division)



(Millions of Yen)

	FY2021 3Q		FY2022 3Q				
	Results	Sales proportion	Results	Sales proportion	Y o Y	Plan	Sales proportion
Net Sales	6,223		5,696		91.5%	5,743	
Sales and installation of PV system	6,059	97.4%	5,538	97.2%	91.4%	5,577	97.1%
Wholesale of PV system	109	1.8%	88	1.6%	81.4%	97	1.7%
Others	54	0.9%	69	1.2%	126.7%	67	1.2%
Cost of sales	4,630	74.4%	4,412	77.5%	95.3%	4,479	78.0%
Material costs,etc	2,667	42.9%	2,650	46.5%	99.4%	2,678	46.6%
Labor costs	641	10.3%	549	9.6%	85.6%	551	9.6%
Gross Profit	1,592	25.6%	1,284	22.5%	80.6%	1,263	22.0%
SG & A	1,818	29.2%	1,406	24.7%	77.3%	1,391	24.2%
Personnel expenses	876	14.1%	687	12.1%	78.4%	684	11.9%
Operating Income	(225)	—	(121)	—	—	(127)	—

※Due to an organizational change, the Company has decided to reclassify its business segments effective from the fiscal year ending March 31, 2023.

Comparisons in the PV business segment have been made with figures of the same period of the previous year for the (previous) SE business segment.

Results by segment of FY2022 3Q(PPS Division)



(Millions of Yen)

	FY2021 3Q		FY2022 3Q				
	Results	Sales proportion	Results	Sales proportion	Y o Y	Plan	Sales proportion
Net Sales	5,776		4,322		74.8%	4,330	
Cost of Sales	6,751	116.9%	3,943	91.2%	58.4%	4,016	92.8%
Labor costs	6,751	116.9%	3,943	91.2%	58.4%	4,016	92.8%
Gross Profit	(975)	—	378	8.8%	—	313	7.2%
SG & A	236	4.1%	140	3.3%	59.6%	148	3.4%
Personnel expenses	117	2.0%	76	1.8%	65.2%	81	1.9%
Operating Income	(1,211)	—	238	5.5%	—	164	3.8%

Results by segment of FY2022 3Q (Resource Circulation Area)



(Millions of Yen)

	FY2021 3Q		FY2022 3Q				
	Results	Sales proportion	Results	Sales proportion	Y o Y	Plan	Sales proportion
Net Sales	12,770		12,619		98.8%	12,542	
Cost of Sales	9,093	71.2%	8,885	70.4%	97.7%	8,915	71.1%
Labor costs	1,411	11.1%	1,403	11.1%	99.4%	1,432	11.4%
Gross Profit	3,677	28.8%	3,733	29.6%	101.5%	3,626	28.9%
SG & A	1,334	10.5%	1,390	11.0%	104.2%	1,392	11.1%
Personnel expenses	827	6.5%	835	6.6%	100.9%	848	6.8%
Operating Income	2,342	18.3%	2,343	18.6%	100.0%	2,233	17.8%

Results by segment of FY2022 3Q(ERD Division)

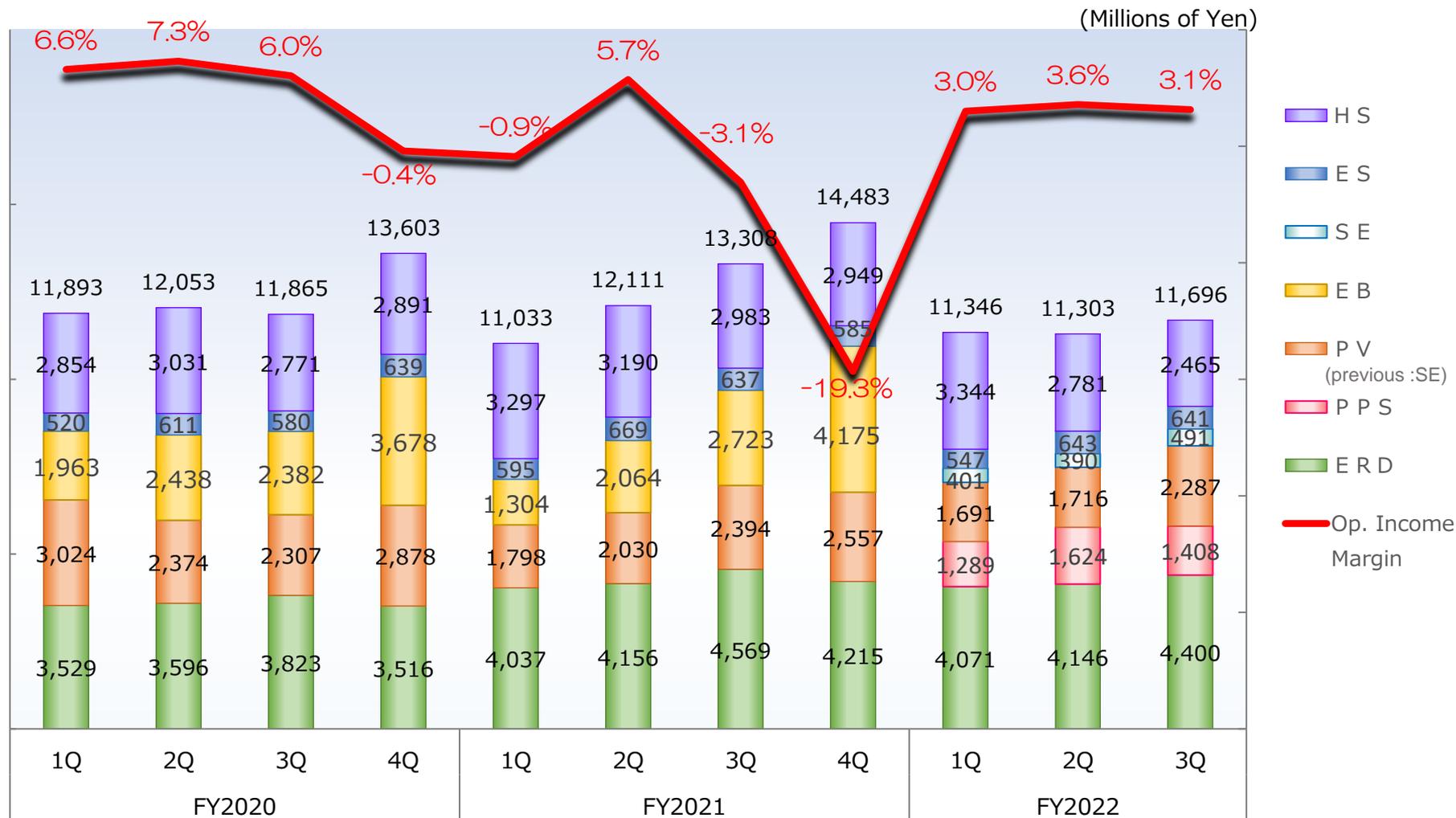


(Millions of Yen)

	FY2021 3Q		FY2022 3Q				
	Results	Sales proportion	Results	Sales proportion	Y o Y	Plan	Sales proportion
Net Sales	12,770		12,619		98.8%	12,542	
Plastic fuel	8,071	63.2%	7,547	59.8%	93.5%	7,633	60.9%
Power Plant	2,123	16.6%	2,344	18.6%	110.4%	2,317	18.5%
Waste liquid treatment	1,529	12.0%	1,564	12.4%	102.3%	1,572	12.5%
Landfill	682	5.3%	799	6.3%	117.2%	672	5.4%
Others	363	2.8%	362	2.9%	99.7%	345	2.8%
Cost of Sales	9,093	71.2%	8,885	70.4%	97.7%	8,915	71.1%
Labor costs	1,411	11.1%	1,403	11.1%	99.4%	1,432	11.4%
Gross Profit	3,677	28.8%	3,733	29.6%	101.5%	3,626	28.9%
SG & A	1,334	10.5%	1,390	11.0%	104.2%	1,392	11.1%
Personnel expenses	827	6.5%	835	6.6%	100.9%	848	6.8%
Operating Income	2,342	18.3%	2,343	18.6%	100.0%	2,233	17.8%

【Reference】

Quarterly Segment Information (Changes in net sales)



•Intersegment adjustments for internal net sales are excluded from net sales for the ERD and EB Divisions.
 •Due to an organizational change, the Company has decided to reclassify its business segments effective from the fiscal year ending March 31, 2023.

Supplementary materials (Business structure)

Corporate Philosophy

“Clean and comfortable environment for the next generation”

Energy

- PV Div.
- PPS Div.

Make it common “Energy with low environmental impact”

Main power source for renewable energy, distributed power source, self-consumption, microgrid, VPP

Make it common “A comfortable living environment is linked to the next generation”

Long-life quality housing, securing housing stock, formulation of Pre-owned housing distribution market

Residential Environment

- HS Div.
- ES Div.
- SE Div.

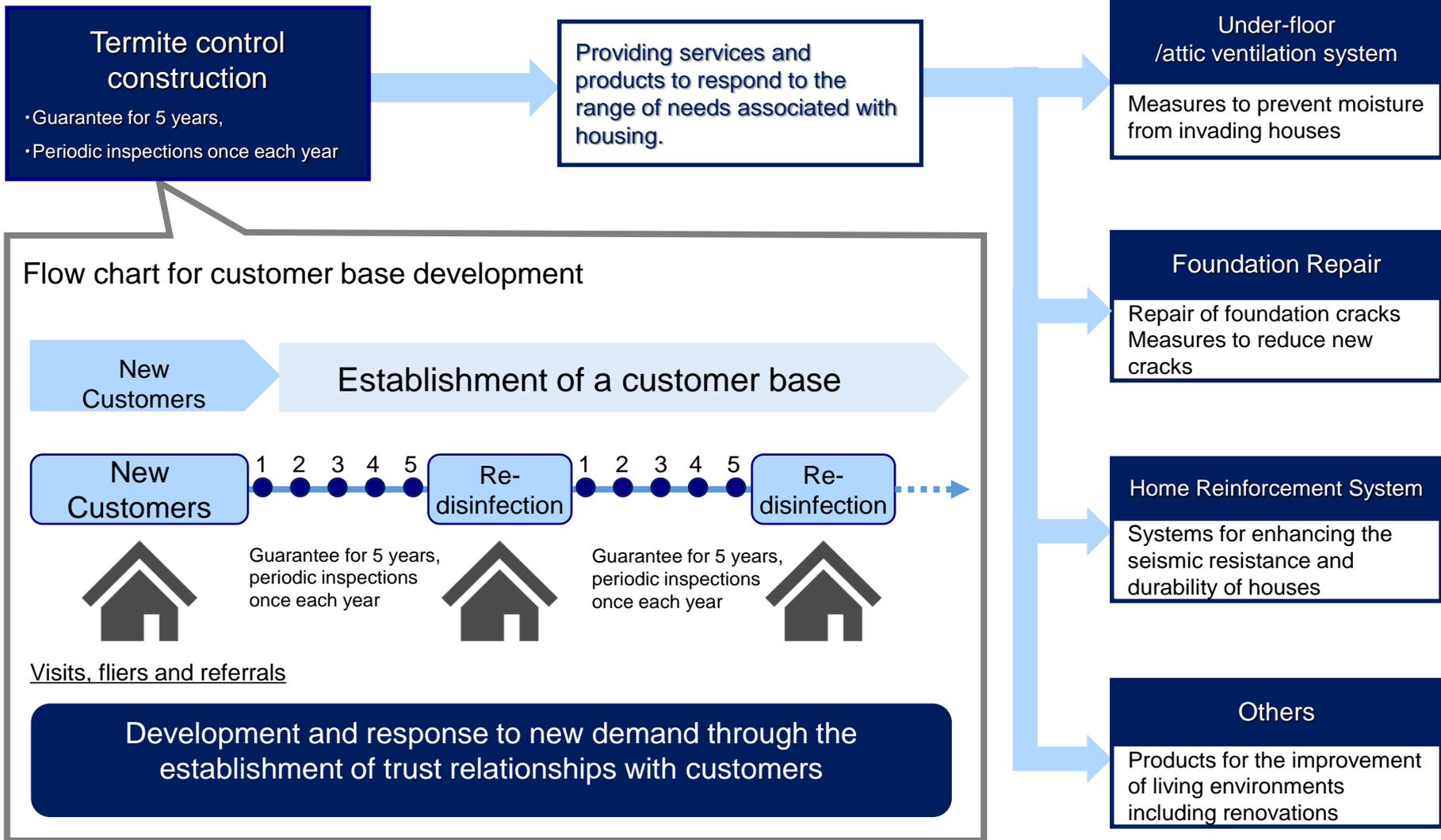
Resource Circulation

- ERD Div.

Make it common “Recycling resources without abandoning them”

Basic Environmental Plan, Promotion of Recycling-Oriented Society, Plastic Resource Recycling Strategy

Business structure of the HS Division



Business structure of the ES Division



Major services and products

Water supply and drainage repair

- Anti-rust equipment installation (Daelman Shock)
- Piping work (repair and replacement of water supply and drainage pipes)
- Water service work

Structure maintenance services

- Building rooftops
- Application of waterproof paints to external walls, etc.

Others

- Measures to prevent environmental pollution, etc.

SANIX/PCO services

Pest and vermin control service ,HACCP

Restaurants, Hotels, Food factories ,etc.



Annual contract (inspection and disinfection to be conducted once a month)

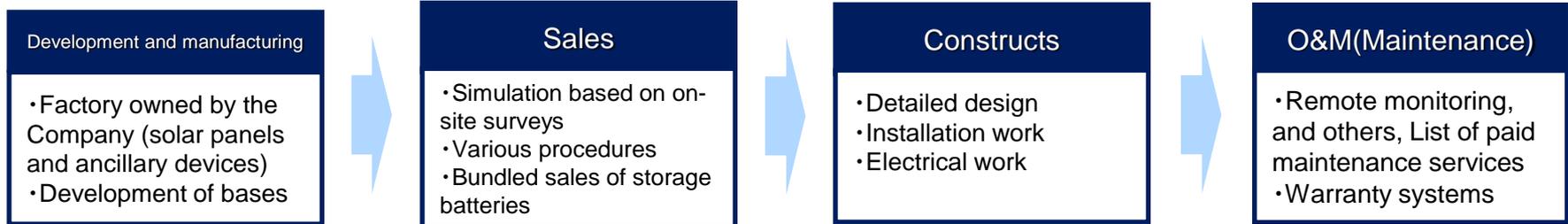


Renewal rates are high due to annual contracts



Business structure of the SE and PV Division

Provision of a total service including manufacturing, sales, installation and maintenance.



SE Division for housing (less than 10 kW)

- Newly built houses: Promote ZEH
- Existing houses : Support renovation for energy conservation

The PV market for residential and small buildings is expected to grow steadily against the backdrop of accelerated introduction of PV service due to the above factors.

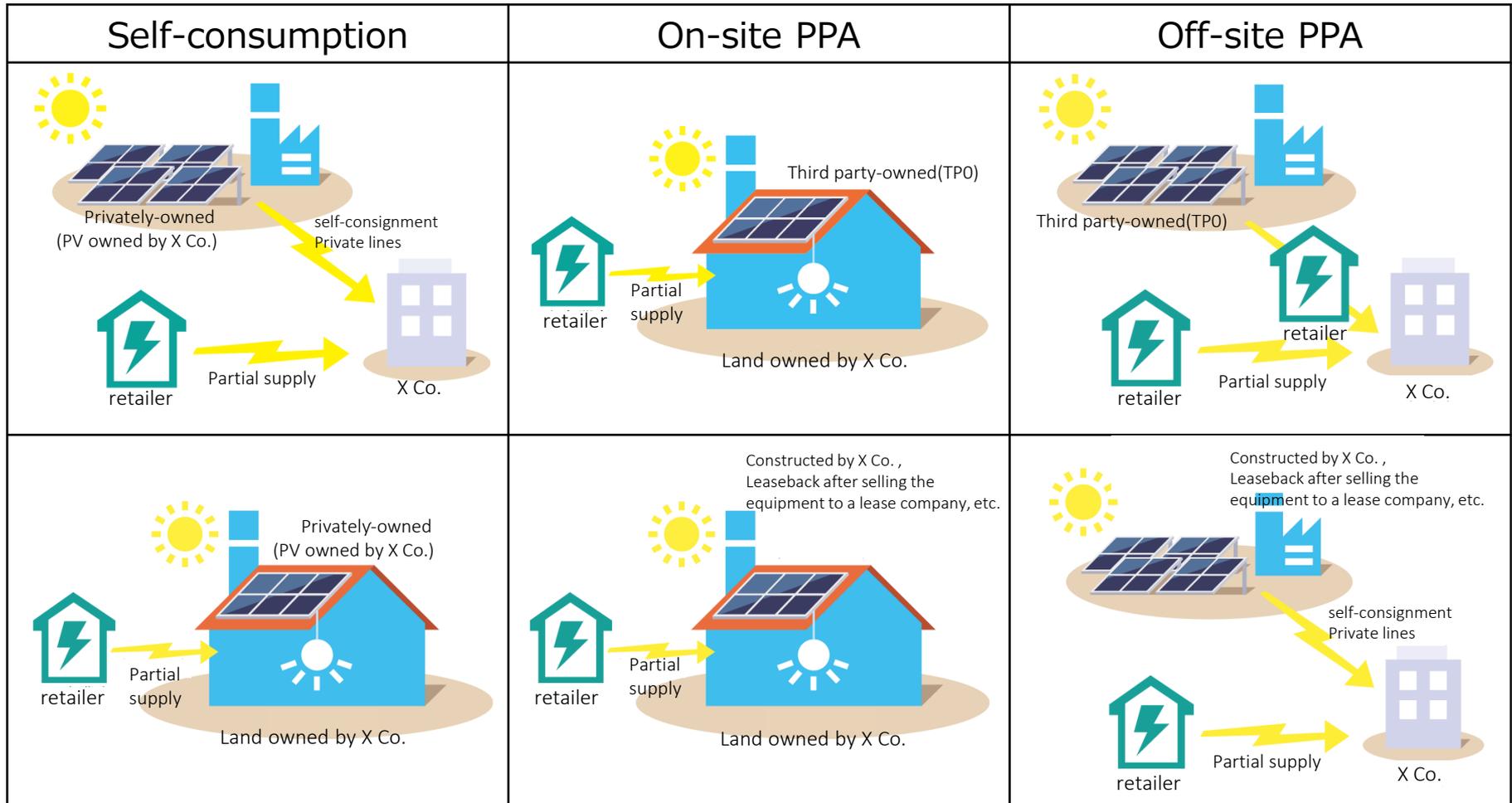
Build a new organization dedicated to the residential PV market, aiming to actively develop the market.

PV service for companies and municipalities (10 kW or more)

Decarbonization initiatives are in full swing, especially within companies and local governments. The market, which differs from that under the FIT system, is expected to grow significantly as methods of installing and owning photovoltaic power generation facilities and methods of supplying generated electricity become more diverse and sophisticated.

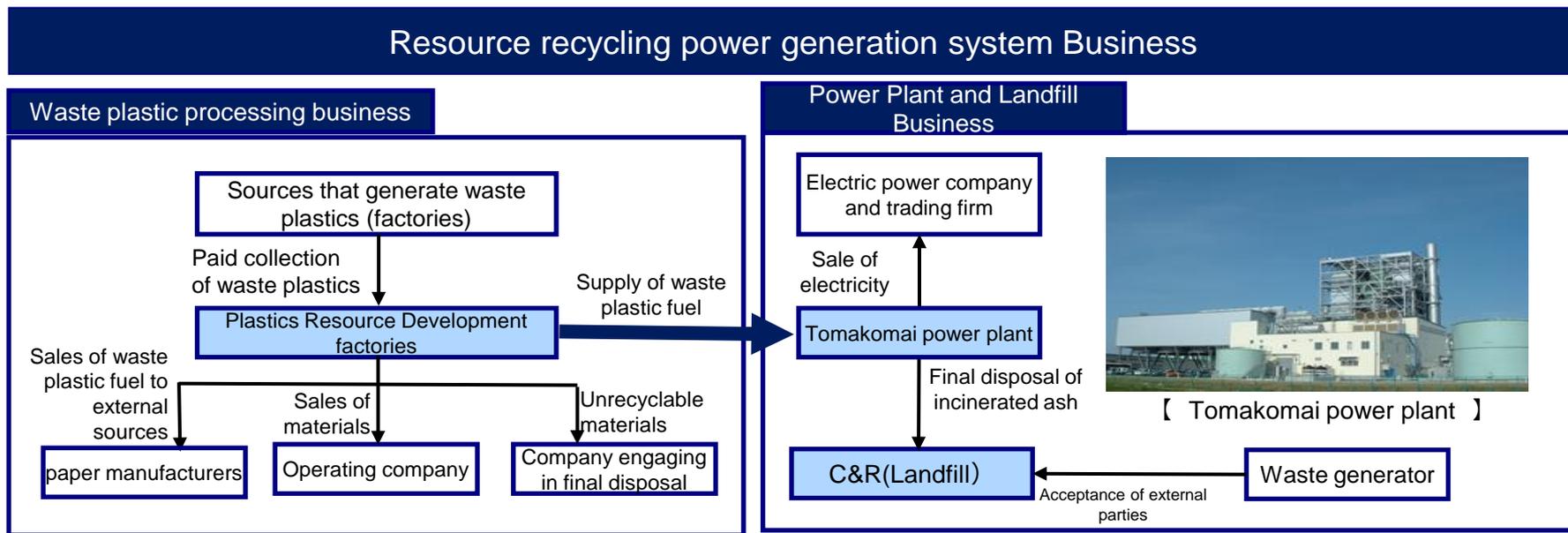
Organize a cooperative system for the development of a range of services, starting sales in earnest this fiscal year. Expand the services offered through continued collaboration with other companies and the utilization of our own PPS business.

Against the backdrop of rising electricity prices, low-cost photovoltaic power generation systems and the wide use of PPA services, the introduction of photovoltaic power generation is in full swing, driven by the need for economic rationality, decarbonization and resilience enhancement.



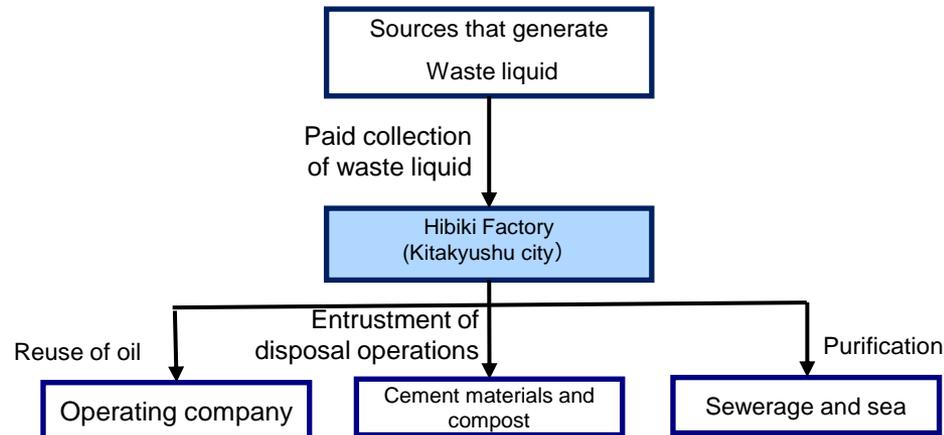
Source: he "Toward the popularization of power generation businesses" page of the Japan Photovoltaic Energy Association's website. Edited by the Company.

Business structure of the ERD Division



- Fifteen plastic resource development factories located across the nation engage in the collection of waste plastics generated at companies' manufacturing factories, with fees for disposal.
- Collected waste plastics are processed into waste plastic fuel and supplied to the Tomakomai Power Plant.
- Power is generated using the waste plastic fuel at the Tomakomai Power Plant and sold to electric power companies and trading firms.
- In addition to the power plant, waste plastic fuel is sold externally to paper manufacturers, or for use as a raw material.
- The incinerated ash generated by the Tomakomai Plant goes through the final disposal process at C&R (a Tomakomai-based company that operates landfill sites)

Waste liquid treatment



【 Hibiki Factory 】

※The Hibiki factory is the largest facility in Japan specializing in the treatment of liquid waste.

- Waste liquid generated by food and beverage factories is collected with fees for disposal
- Collected waste liquid is purified using microbe-based treatment ,etc. at the Hibiki factory (Kitakyushu City)
- After purification, the treated water is reused as recycled waste liquid, or discharged into sewers or the sea after confirmation that it satisfies discharge standards.
- Dehydrated sludge generated in the treatment process is reused as or converted into cement materials or compost