



Code : 4651

Financial Results Briefing For the Fiscal Year Ended March 31, 2024

SANIX INCORPORATED

May 15, 2024

1. Financial Results of FY2023**P.3****2. Financial****P.21****3. Financial Results forecast of FY2024****P.30****4. Topics****P.36****5. Supplementary materials(Business Structure)****P.39**

(Note)

- Numbers are rounded off to the nearest whole number.
- “()” in operating profit, 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 “-”.
- This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Financial Results for the Fiscal year Ended March 31, 2024

Increase in sales and profit year on year

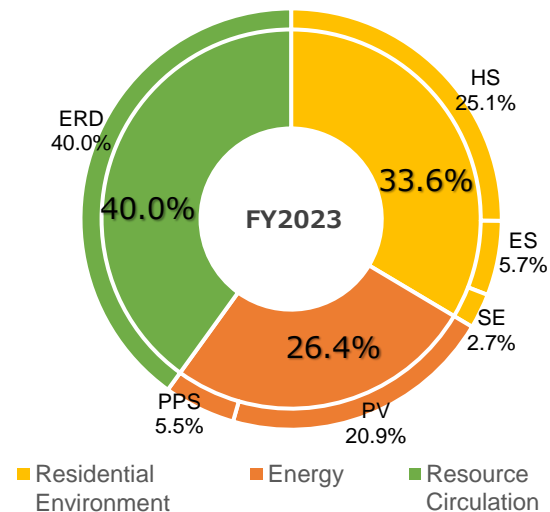
- Net sales increased due to an increase in the unit price of electricity sold by the Tomakomai power plant, despite the impact of business restructuring in the PPS(Power Producer and Supplier) Division.
- Operating profits in all business segments significantly exceeded those of the same period of the previous year, with a particular contribution from an increase in the unit contract price of electricity sold by the Tomakomai power plant.

Millions of Yen	FY2022 Results	FY2023 Results	FY2023 Plan	Y o Y	Plan ratio
Net Sales	46,277	47,167	47,965	101.9%	98.3%
Gross Profit	16,208	18,102	17,668	111.7%	102.5%
(Gross Profit Margin)	35.0%	38.4%	36.8%		
Operating Profit	1,785	3,744	3,231	209.7%	115.9%
(Operating Profit Margin)	3.9%	7.9%	6.7%		
Ordinary Profit	1,552	3,466	3,014	223.3%	115.0%
(Ordinary Profit Margin)	3.4%	7.3%	6.3%		
Profit (loss) attributable to owners of parent	1,332	2,697	2,495	202.5%	108.1%
(Net Profit Margin)	2.9%	5.7%	5.2%		

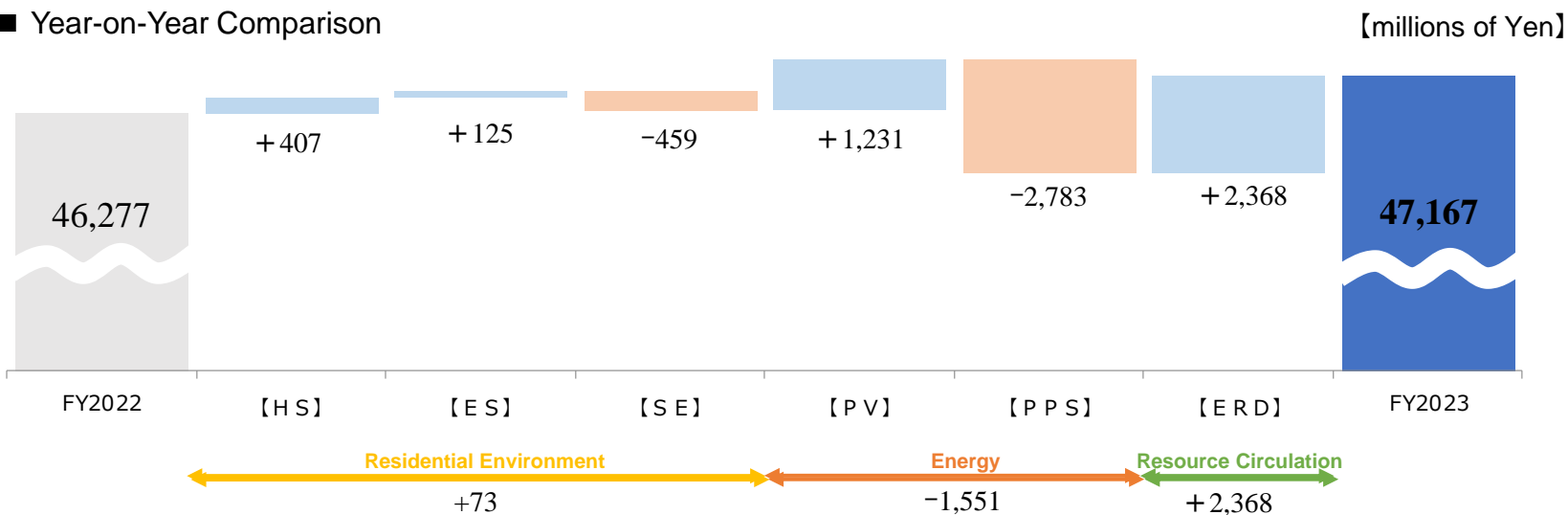
Net Sales of FY2023

Millions of Yen	FY2022 Results	FY2023 Results	FY2023 Plan	Y o Y	Plan ratio
Net Sales	46,277	47,167	47,965	101.9%	98.3%
Residential Environment	15,751	15,824	17,337	100.5%	91.3%
Energy	14,007	12,455	12,493	88.9%	99.7%
Resource Circulation	16,518	18,886	18,134	114.3%	104.2%

Net Sales Composition



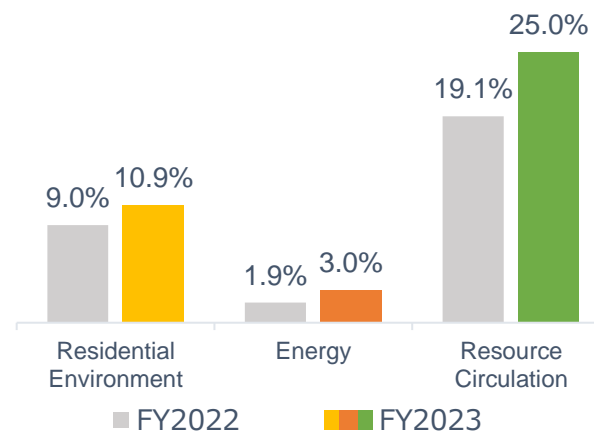
Year-on-Year Comparison



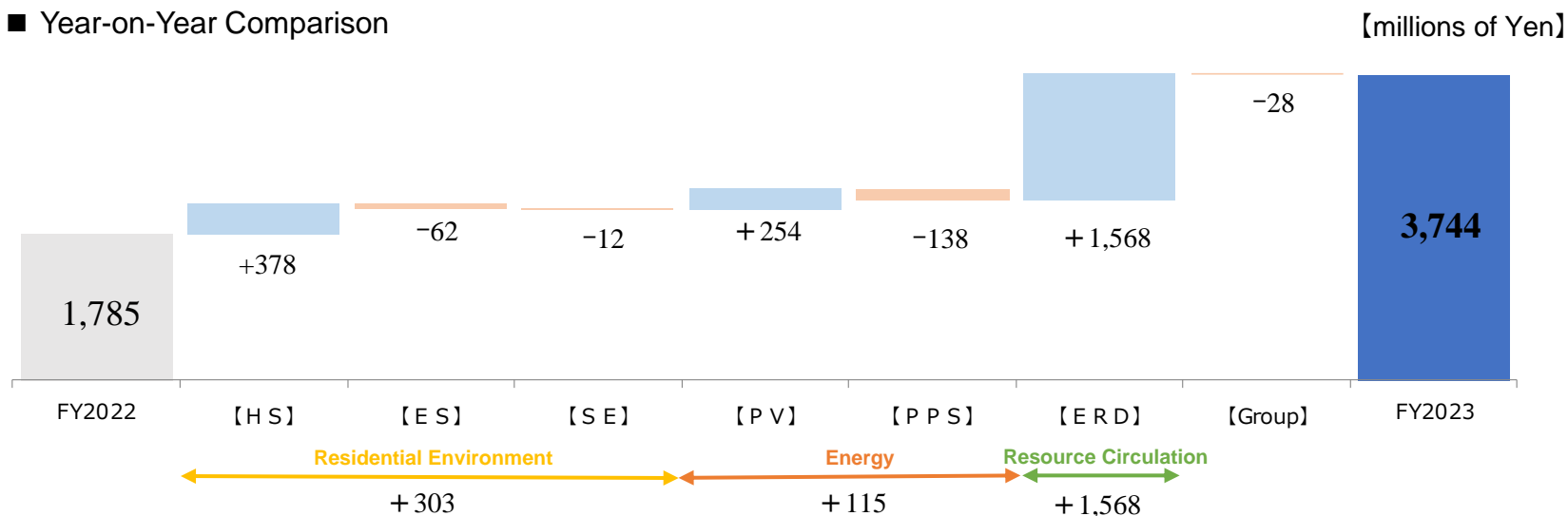
Operating Profit of FY2023

Millions of Yen	FY2022 Results	FY2023 Results	FY2023 Plan	Y o Y	Plan ratio
Operating Profit	1,785	3,744	3,231	209.7%	115.9%
Residential Environment	1,421	1,724	2,281	121.3%	75.6%
Energy	261	377	104	144.1%	359.5%
Resource Circulation	3,153	4,722	3,611	149.8%	130.8%
Group	(3,050)	(3,079)	(2,766)	—	—

Operating Profit Margin



■ Year-on-Year Comparison





Residential Environment Area

A comfortable living environment to the next generation

- Maintenance for detached houses
- Maintenance for apartment complexes
- Residential solar power installation
- Hygiene management

We at SANIX promote a comprehensive maintenance service for detached houses, condominiums and other facilities, from the perspective of preventive medicine (the concept of prevention). In addition, by offering a broad range of services including photovoltaic power generation, renovation, and urban space sanitation, we create comfortable and clean living conditions that can be passed down from generation to generation.

HS Division

Our staff who are familiar with termite behavior take proper measures to prevent infestations and exterminate termites. By utilizing professional skills and expertise supported by a wealth of experience and an excellent track record, in addition to well-prepared after-sales services, we protect houses and eliminate house owners' concerns about termite damage.



Termite control construction



Under-floor/attic ventilation system

ES Division

We implement central control efficiently regarding the maintenance of water supply and drainage facilities. Using our mainstay anti-rust equipment and other devices, we keep rust from growing inside pipes and extend the usable life of pipes, while also solving problems by removing limescale and oil stains or limiting the ability of limescale and oil to attach to surfaces.



Endoscopic inspection of the inside of the water supply and drainage pipes



Pest control and removal

SE Division

We enable environmentally and budget-friendly lifestyles by promoting photovoltaic power generation equipment for detached houses. We also make proposals on the flexible use of electricity through the introduction of storage batteries amid the growing demand for self-consumption type photovoltaic power generation equipment.

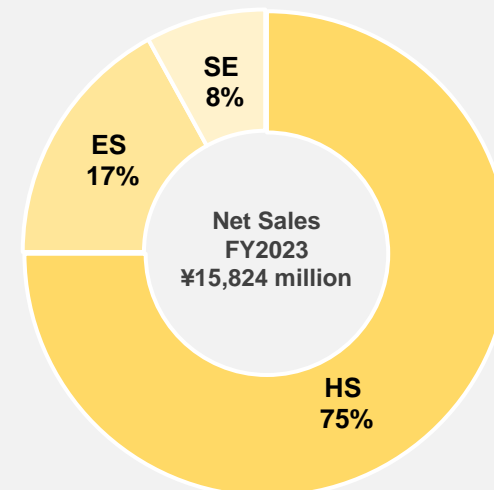


Residential solar power generation system



Storage batteries

Residential Environment Area Net Sales Composition



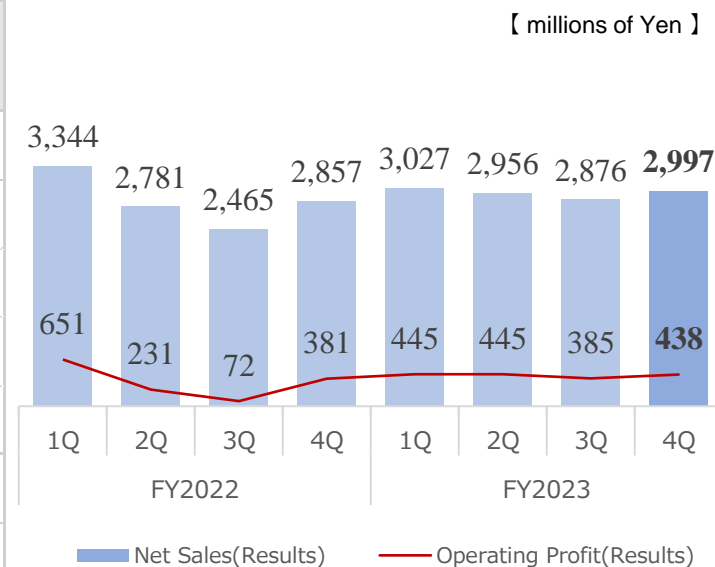
【 HS Division 】 (Year-on-Year Comparison)

● increases in sales and profit

Sales increased, reflecting the solid performance of termite control construction and under-floor/attic ventilation systems due to the strengthening of sales policies focused on the development of new customers and the acceleration of initiatives with an eye toward the enhancement of its customer foundation.

Profit increased, reflecting not only higher sales but lower subcontracting costs and reduced fixed costs such as SG&A expenses.

Millions of Yen	FY2022 Results	FY2023 Results	FY2023 Plan	Y o Y	Plan ratio
Net Sales	11,449	11,857	12,837	103.6%	92.4%
Termite control construction	3,939	4,141	4,408	105.1%	93.9%
Under-floor/attic ventilation system	2,869	2,979	3,279	103.8%	90.9%
Foundation Repair/Home Reinforcement System	1,692	1,653	1,918	97.7%	86.2%
Others	2,948	3,083	3,232	104.6%	95.4%
Gross Profit	6,870	7,214	7,771	105.0%	92.8%
Operating Profit	1,337	1,716	2,080	128.3%	82.5%

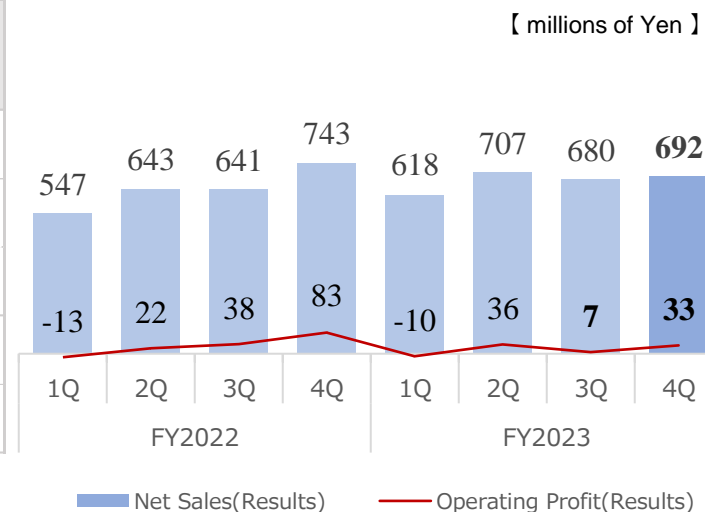


【 ES Division 】 (Year-on-Year Comparison)

- **increases in sales, decrease in profit**

Sales increased, reflecting the solid performance of building water supply and drainage repair work due to the strengthening of relationships with business partner such as the owners of buildings and condominiums and property management companies. However, profit decreased due to product lines consisting of products with high cost ratios.

Millions of Yen	FY2022 Results	FY2023 Results	FY2023 Plan	Y o Y	Plan ratio
Net Sales	2,575	2,700	2,600	104.9%	103.9%
Anti-rust equipment installation	1,138	1,015	1,220	89.2%	83.2%
Others	1,436	1,684	1,380	117.2%	122.1%
Gross Profit	1,344	1,293	1,443	96.2%	89.6%
Operating Profit	130	67	163	51.8%	41.4%

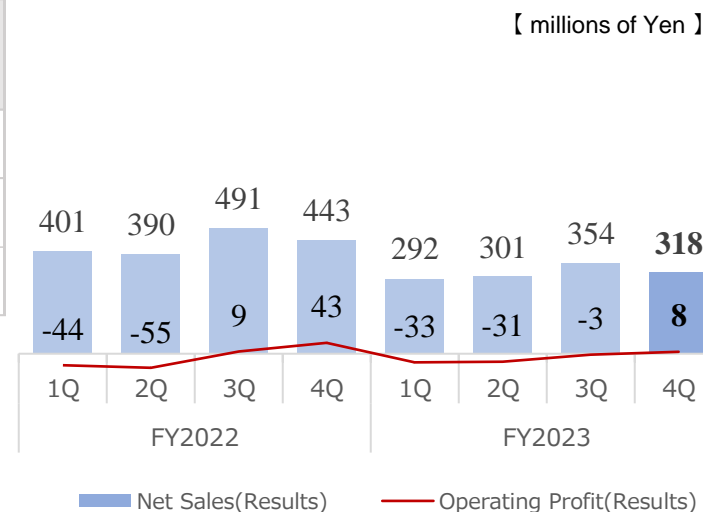


【 SE Division 】 (Year-on-Year Comparison)

- **decreases in sales and profit**

Although sales of storage batteries and replacement of power conditioners for existing photovoltaic power generation systems increased, the sales level temporarily declined due to the allocation of personnel to the development of business partners. Meanwhile, the deficit narrowed due to improved profitability.

Millions of Yen	FY2022 Results	FY2023 Results	FY2023 Plan	Y o Y	Plan ratio
Net Sales	1,726	1,267	1,900	73.4%	66.7%
Gross Profit	607	360	639	59.4%	56.4%
Operating Profit	(47)	(59)	37	—	—





Energy Area

Energy with low environmental impact

- Installation of photovoltaic power generation equipment for self-consumption for corporate clients
- Maintenance of existing photovoltaic power equipment/plants
- Development for photovoltaic power generation for energy companies
- Retail sales of electric power

We at SANIX seek to promote the widespread adoption and expansion of renewable energy while also supporting the promotion of environmental management, including the provision, introduction and maintenance of optimal photovoltaic generation systems, in response to customers' needs.

PV Division

We facilitate the effective use of the roofs of plants and other buildings. We support cost reduction efforts (electricity), disaster preparedness and environmental management through photovoltaic power generation with a focus on self-consumption type and third-party owned type photovoltaic power generation systems. We provide comprehensive services including planning, design and installation, as well as aftersales services.



Self-consumption type / PPA



Development of non-FIT power sources

[PPA(third-party owned type photovoltaic power generation systems)] PPA operators install photovoltaic power generation systems on customers' roofs or other places on their premises and bear the cost of installation (the PPA operator owns, maintains and manages the system). According to this scheme, the PPA operator provides the electricity generated by the system to the customer for a fee.



O & M

We provide a range of support services, including internet-based monitoring (remote monitoring) and legally required maintenance and inspections, to ensure that customers' photovoltaic power generation systems are securely operated.

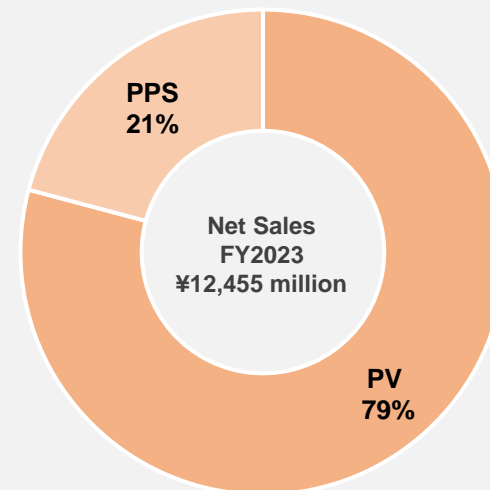
PPS Division

We were registered as the nation's eighth power producer and supplier (electricity retailing) in 2001 and registered with the Ministry of Economy, Trade and Industry as an retail electricity supplier at November 2015. The photovoltaic power generation business and electricity sales business are strongly connected to each other. The synergy between the two businesses enables us to offer a broad range of services.



Electricity retail

Energy Area Net Sales Composition



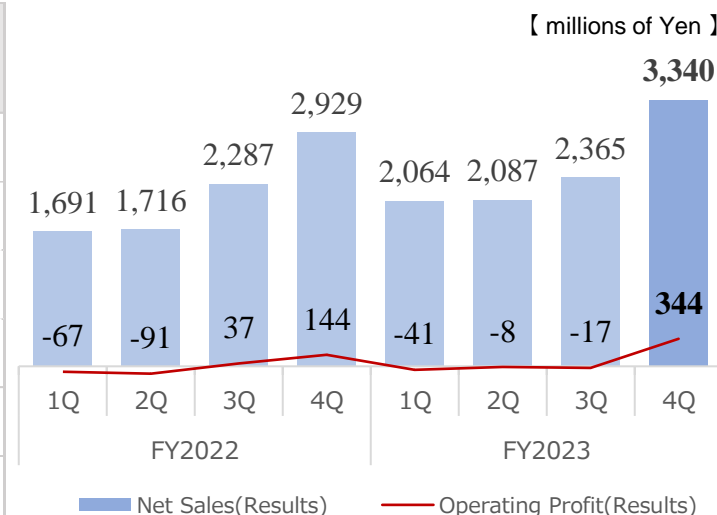
【 PV Division 】 (Year-on-Year Comparison)

● increases in sales and profit

Actively accelerated the development of non-FIT power sources and the installation of corporate-use self-consumption type photovoltaic power generation plants. Increase in sales and profit due to steady growth in the number of contracts, and revision of sales prices in response to price hikes in materials and other items.

Procuring new electric wires for construction became difficult in the third quarter caused delays in various construction projects, but these are improving now.

Millions of Yen	FY2022 Results	FY2023 Results	FY2023 Plan	Y o Y	Plan ratio
Net Sales	8,625	9,857	10,119	114.3%	97.4%
Sales and installation of PV system	8,389	9,716	9,912	115.8%	98.0%
Wholesale of PV system	143	49	120	34.5%	41.2%
Others	93	91	87	98.0%	104.3%
Gross Profit	1,928	2,227	2,099	115.5%	106.1%
Operating Profit	22	276	102	—	270.2%

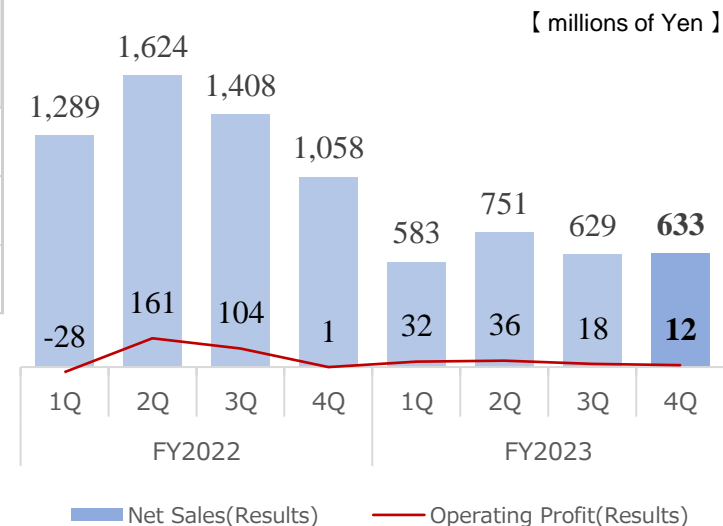


【 PPS Division 】 (Year-on-Year Comparison)

- **decreases in sales and profit**

Sales and profit decreased as the sales scale became approximately half that of the previous fiscal year, due to the restructuring of the business that began in the previous fiscal year. However, profitability was secured by reorganizing the business structure to one that does not rely on market procurement (sales and profits remained steady against the plan and exceeded expectations).

Millions of Yen	FY2022 Results	FY2023 Results	FY2023 Plan	Y o Y	Plan ratio
Net Sales	5,381	2,598	2,373	48.3%	109.5%
Gross Profit	419	222	150	53.1%	148.5%
Operating Profit	239	100	2	42.0%	—





Resource Circulation Area

Recycling resources instead of abandoning

- Recycling of waste plastics
- Power generation from waste plastic fuel
- Purification of waste liquid and production of recycled fuel
- Final disposal of industrial waste

We at SANIX contribute to the establishment of a recycling-oriented society through efforts including the conversion-to-fuel and recycling of industrial waste plastics and the purification and recycling of waste water discharged from food factories and other facilities for the betterment of the global environment for next generations of people.

Fuel conversion of waste plastic

We operate 15 factories (plastic resource development plants) nationwide to convert industrial waste plastics to fuel. Waste plastics, whose sizes and shapes are different, are finely ground and recycled as fuel that replace oil and coal. We began full-scale material recycling efforts.



Plastic resource development factory



Plastic fuel

Resource recycling power generation system

We use plastics converted to fuel at the plastic resource development plants as an energy source for power generation facilities. As these plastics generate a greater amount of heat than coal while emitting less CO2 and generating less incinerated ash, we can supply high value-added (non-fossil value) electricity with a low environmental load.



Tomakomai power plant



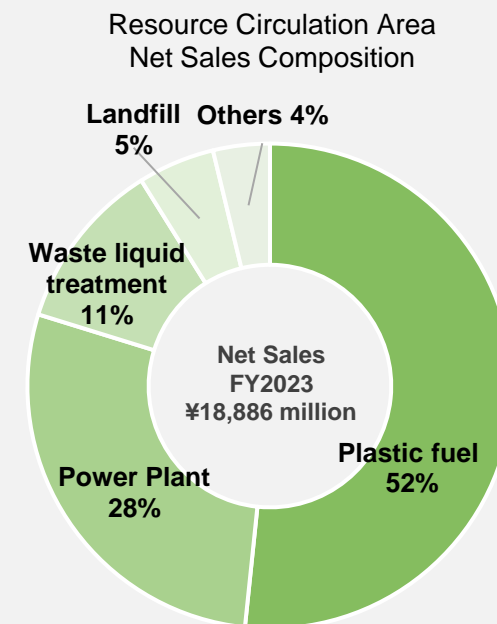
Final disposal site

Waste liquid treatment / recycling

We have a system in place for accepting large amounts of organic waste water and other waste materials discharged by businesses in the foodservice industry, food factories, a range of drainage pits and other facilities. Through a series of processing measures, the system has the ability to eliminate more than 99% of highly concentrated pollutants. In addition, we promote the conversion-to-fuel and recycling of oil content and dehydrated sludge.



Waste liquid treatment plant

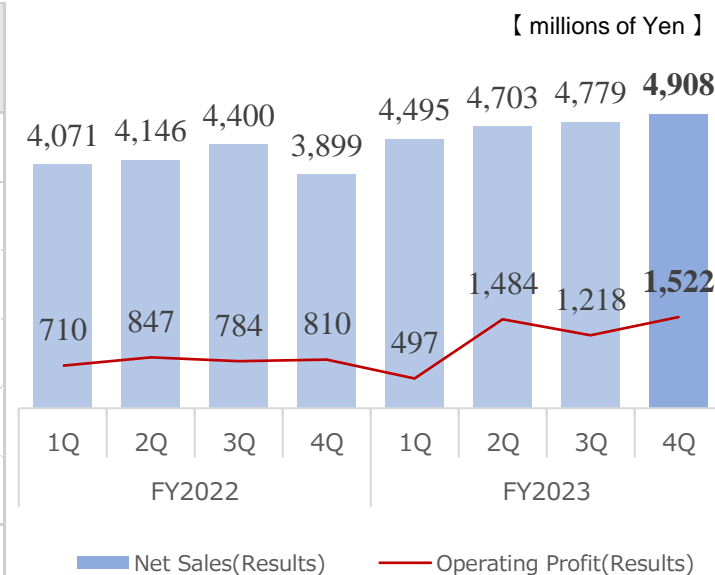


【 ERD Division 】 (Year-on-Year Comparison)

- **increases in sales and profit**

Despite an increase in repair expenses at Tomakomai power plant due to legal inspections (from mid-March to end-April 2023), sales and profit levels increased due to an increase in the contract price of electricity sold, resulting in profitability.

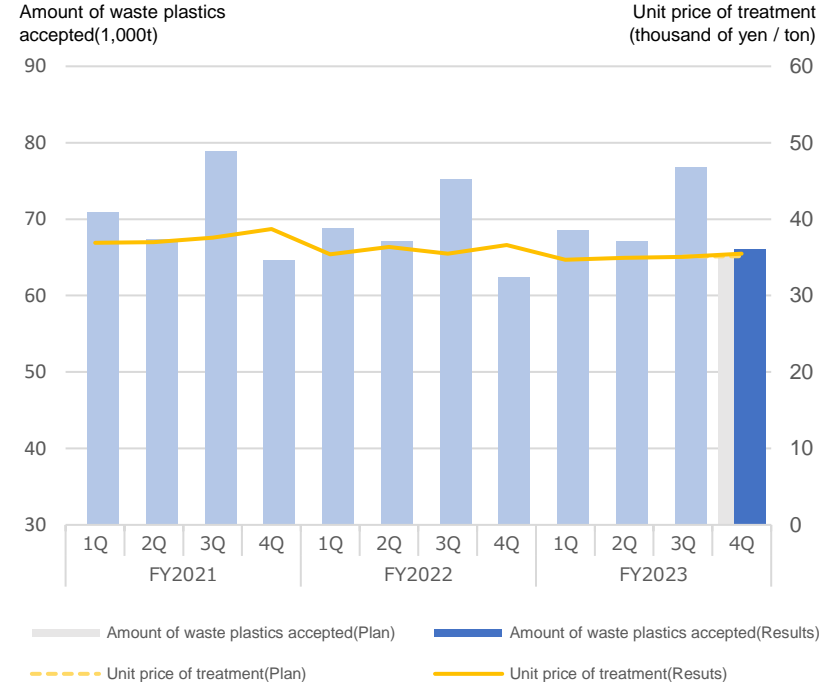
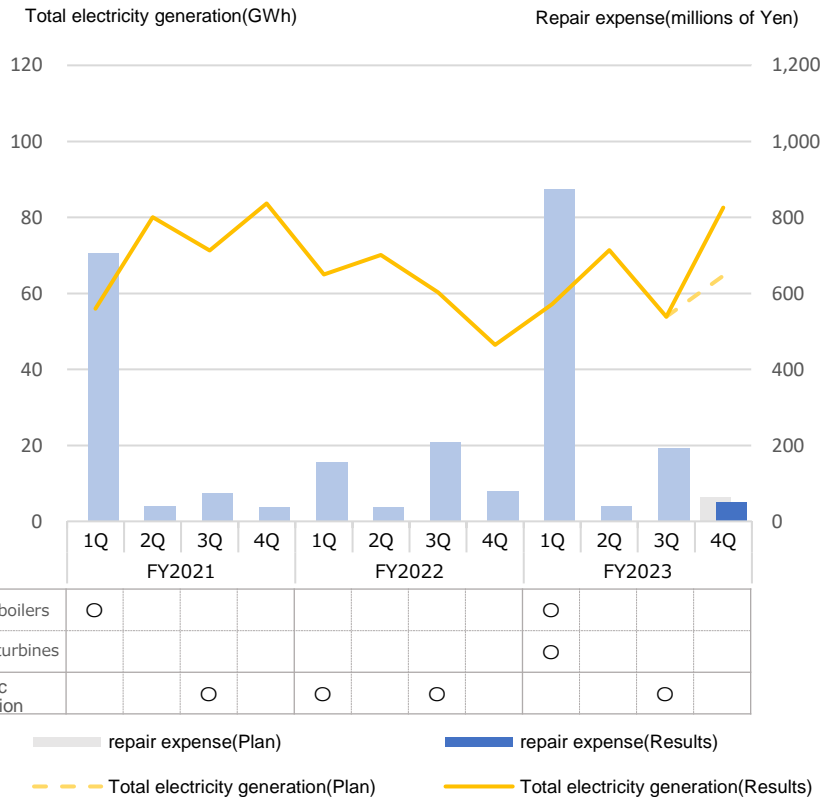
Millions of Yen	FY2022 Results	FY2023 Results	FY2023 Plan	Y o Y	Plan ratio
Net Sales	16,518	18,886	18,134	114.3%	104.2%
Plastic fuel	9,829	9,754	9,985	99.2%	97.7%
Power Plant	3,122	5,312	4,837	170.1%	109.8%
Waste liquid treatment	2,059	2,139	2,120	103.9%	100.9%
Landfill	1,014	966	688	95.3%	140.3%
Others	492	713	501	144.9%	142.3%
Gross Profit	5,037	6,784	5,563	134.7%	121.9%
Operating Profit	3,153	4,722	3,611	149.8%	130.8%



Various transitions in the ERD Division

Tomakomai power plant operating status

Acceptance of waste plastic



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

- FY2023 statutory inspection: Mid-March to April 2023
- ✳️ Legally required inspections: Once every two years (turbines: every four years, boilers: every two years)

The equity ratio improved 6.1% points to 24.1%.

Millions of Yen	As of March 31, 2023	As of March 31, 2024	Difference	Ratio
Current Assets	13,683	16,211	+ 2,527	118.5%
Non-Current Assets	19,902	20,753	+ 851	104.3%
Total Assets	33,586	36,965	+ 3,379	110.1%
Current Liabilities	16,382	18,010	+ 1,628	109.9%
Non-Current Liabilities	11,135	10,042	- 1,092	90.2%
Total Liabilities	27,518	28,053	+ 535	101.9%
Total Net Assets	6,068	8,912	+ 2,843	146.9%
Total Liabilities and Assets	33,586	36,965	+ 3,379	110.1%
Equity ratio	18.0%	24.1%		

Millions of Yen	FY2022 Results	FY2023 Results
Residential Environment	51	16
Energy	63	328
Resource Circulation	1,322	2,238
Headquarter	129	159
Capital investment	1,566	2,743
Depreciation	1,889	1,654

【 Major capital investment 】

【Resource Circulation Area】

- Investment related to the disposal facilities of plastic waste : ¥940 Million
- Investment related to the Landfill : ¥612 Million
- Investment related to the Tomakomai power plant : ¥433 Million
- Investment related to the Waste liquid treatment : ¥231 Million

【Energy Area】

- Investment in PPA for municipalities : ¥139 Million

Number of Personnel and sites by Division

(number of)	As of March 31, 2023		As of March 31, 2024		personnel difference
	sites	personnel	sites	personnel	
HS Division	63	853	62	864	+ 11
ES Division	12	160	12	162	+ 2
SE Division	14	81	14	75	- 6
PV Division	35	254	30	245	- 9
PPS Division	1	15	1	13	- 2
ERD Division	18	444	19	455	+ 11
Headquarter	—	247	—	235	- 12
Total	—	2,054	—	2,049	- 5

※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.

Important Management Indicators

		FY2020 Results	FY2021 Results	FY2022 Results	FY2023 Plan	FY2023 Results
Return on equity	ROE	27.9%	—	24.8%	35.0%	36.1%
Return on assets	ROA	6.4%	—	4.5%	9.0%	9.8%
Equity ratio		24.5%	13.5%	18.0%	22.0%	24.1%
Return on invested Capital	ROIC	11.2%	—	8.4%	14.0%	14.4%

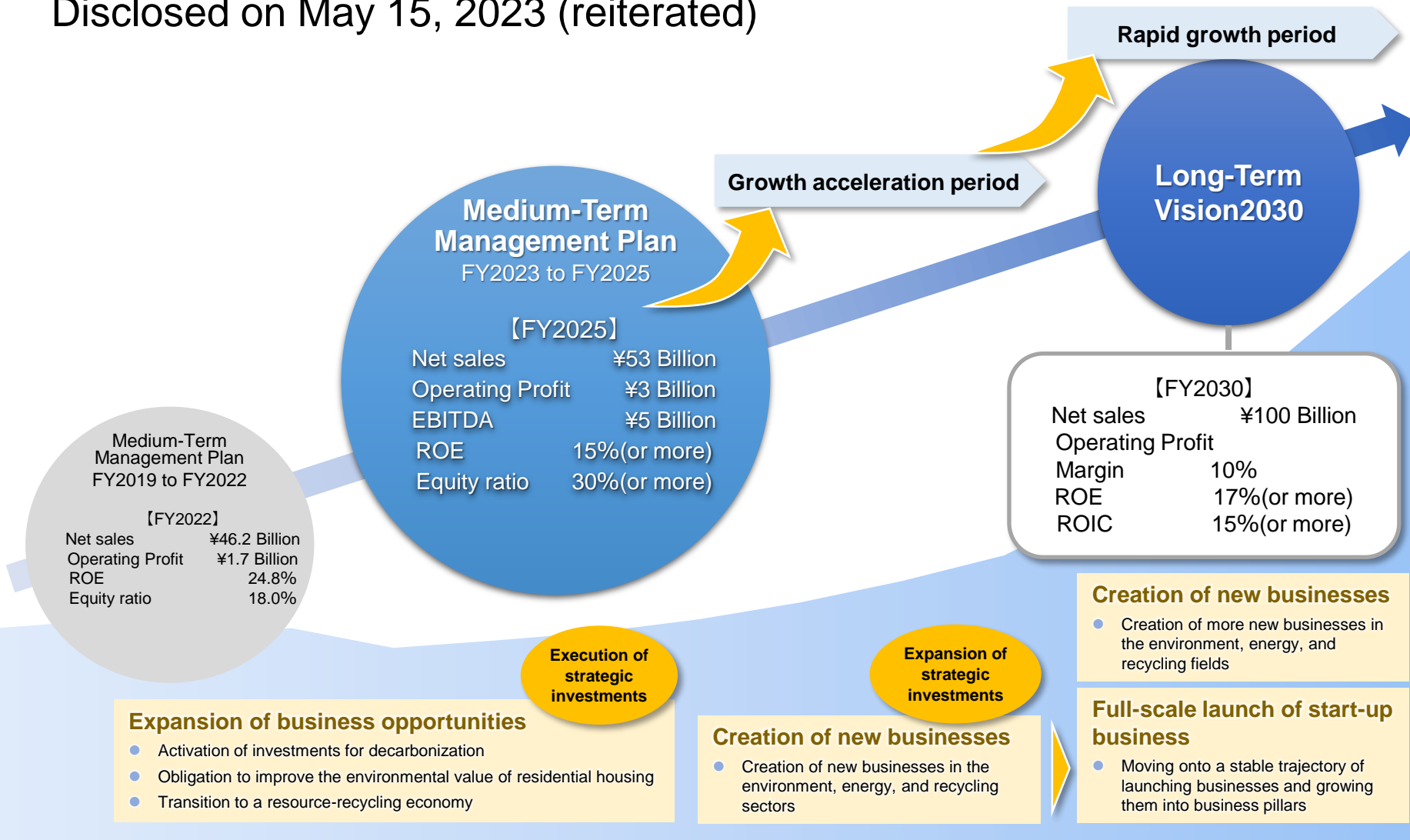
(Millions of Yen)

	FY2020 Results	FY2021 Results	FY2022 Results	FY2023 Plan	FY2023 Results
Capital investment	3,083	2,776	1,566	2,400	2,743
Depreciation	1,097	1,509	1,889	1,800	1,654

Review of Target Figures of Medium-term Management Plan Figures

Long-Term Vision / Medium-Term Management Plan

Disclosed on May 15, 2023 (reiterated)



Review of Target Figures of Medium-term Management Plan Figures

Review of Target Figures

	FY2023			FY2024			FY2025		
	Initial Plan	Results	difference	Initial Plan	Revised plan	difference	Initial Plan	Revised plan	difference
Net Sales	47,965	47,167	- 797	50,000	46,246	- 3,754	53,000	51,500	- 1,500
Operating Profit	3,231	3,744	+ 512	3,200	1,715	- 1,485	3,000	2,800	- 200
EBITDA	4,800	5,398	+ 598	4,900	3,500	- 1,400	5,000	4,900	- 100
ROE	35.0%	36.1%	+ 1.1	24.0%	11.6%	- 12.4	16.0%	17.0%	+ 1.0
ROIC	14.0%	14.4%	+ 0.4	12.0%	6.4%	- 5.6	10.0%	10.0%	- 0.0
Equity ratio	22.0%	24.1%	+ 2.1	27.0%	25.4%	- 1.6	30.0%	29.0%	- 1.0

※ EBITDA is operating profit + depreciation.

We reviewed the management objectives for FY2024 and FY2025 in the Medium-Term Management Plan (FY2023 to FY2025) announced in May 15, 2023.

There are no major changes in the following basic policies and strategies set forth in the Medium-Term Management Plan.

1. Increase earnings strength through steady growth in existing businesses and secure a **stable financial base**.
2. Establish a **strategic investment framework** while ensuring financial soundness and **initiating aggressive growth investments** for future growth.
3. Pave the way for an **early resumption of dividend payments** by accumulating stable profits.

Review of Target Figures of Medium-term Management Plan Figures 【 Business Areas 】

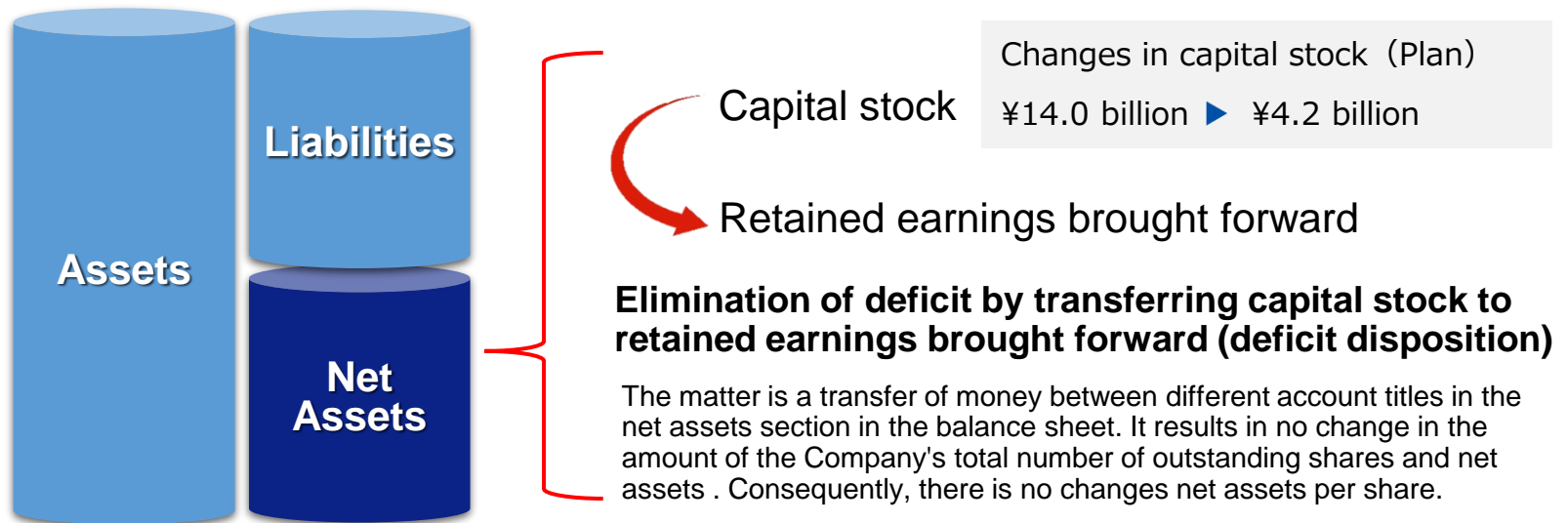
Major factors in review of Target Figures

- Regarding the unit price of electricity sold at Tomakomai power plant in the resource circulation area, we had assumed that electricity prices would be lower after the fiscal year ending March 31, 2025 due to prolonged high energy prices, but we have revised the unit price of electricity sold at Tomakomai power plant because electricity market prices have recently declined more than expected.
- In the photovoltaic power generation business for corporate clients in the energy domain, demand and inquiries for photovoltaic power generation have been increasing due to the full-scale efforts for a decarbonized society and soaring electricity costs, but the timing of sales recording has been revised due to the prolonged period from order receipt to installation.

Millions of Yen	FY2023			FY2024			FY2025		
	Initial Plan	Results	difference	Initial Plan	Revised plan	difference	Initial Plan	Revised plan	difference
Net Sales	47,965	47,167	- 797	50,000	46,246	- 3,754	53,000	51,500	- 1,500
Residential Environment	17,337	15,824	- 1,512	18,300	17,704	- 596	19,300	18,600	- 700
Energy	12,493	12,455	- 38	14,600	12,320	- 2,280	16,500	16,000	- 500
Resource Circulation	18,134	18,886	+ 752	17,000	16,221	- 779	17,000	16,800	- 200
Operating Profit	3,231	3,744	+ 512	3,200	1,715	- 1,485	3,000	2,800	- 200
Residential Environment	2,281	1,724	- 557	2,379	2,379	+ 0	2,500	2,500	+ 0
Energy	104	377	+ 272	461	252	- 209	900	1,000	+ 100
Resource Circulation	3,611	4,722	+ 1,111	2,988	1,863	- 1,125	2,100	1,800	- 300
Group	(2,766)	(3,079)	- 313	(2,630)	(2,780)	- 150	(2,500)	(2,500)	+ 0

Elimination of deficit

At a meeting of the Board of Directors held on May 15, 2024, the Company resolved to submit a proposal to the 46th Ordinary General Meeting of Shareholders to be held on June 27, 2024, regarding the reduction of capital stock and appropriation of surplus.

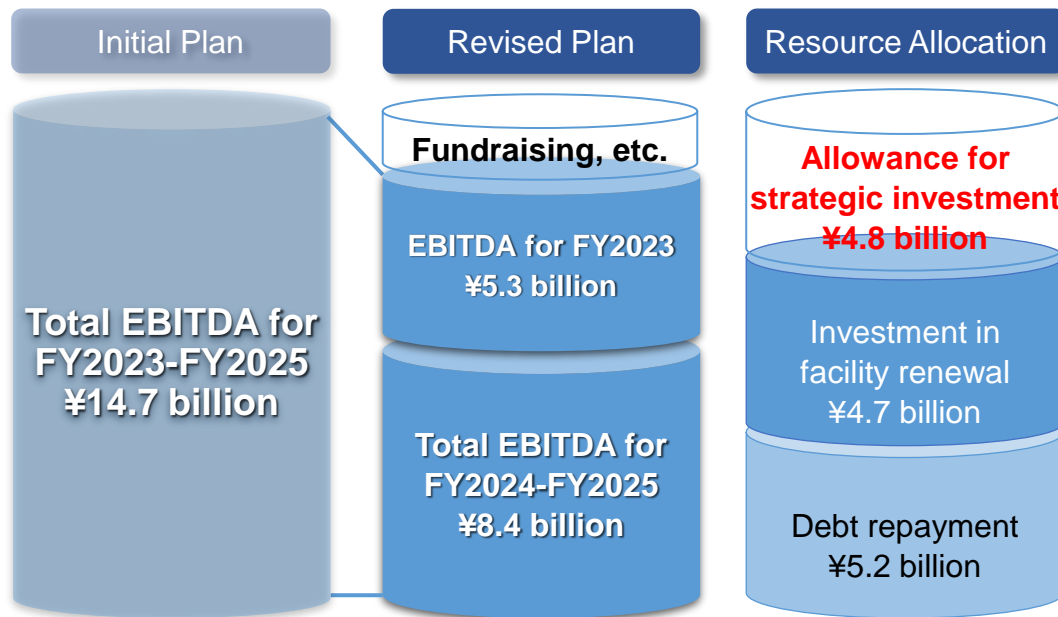


To improve financial soundness and ensure flexibility and mobility of capital policy in the future.

Secure stable profits and resume dividend payments as soon as possible

- The earning power of the entire business will increase during the plan period of the Medium-term Management Plan.
- After revision of numerical targets, 3-year cumulative EBITDA is expected to be **13.7 billion yen**, down from 14.7 billion yen.
- Numerical targets will be reviewed, but the basic policy on strategic investments will remain unchanged.
- The portion excluding debt repayment and facility renewal are considered to be within the limit for **strategic investment** and funds are allocated for growth.

the basic policy will remain unchanged



※ EBITDA is operating profit + depreciation.

Set up a strategic investment framework of **4.8 billion yen** over 3 years.

Capital expenditures (existing expansion, new)

- Entry into the material recycling business
- Expansion and construction of waste-to-fuel facilities
- Improvement of power generation performance at Tomakomai power plant

R&D investment

- Solar cell module recycling demonstration

Investment in human capital

- Securing of highly specialized human resources
- Active recruitment and training of human resources

M&A, alliances, etc.

- Acceleration of growth (area and service expansion)
- Synergy creation

IT investment

- Improve cyber security
- Improving operational efficiency through the use of BI/RPA and other tools

Enhancement and Streamlining of Existing Facilities

【Waste water business】

- Expansion of the recycled fuel production line (Refer to page 36)

Done → Operation to begin in March 2024

Production capacity

2,160t / year



Approx. doubled

4,320t / year



【Waste water business】

- A new line to convert sludge contained in organic liquid waste into solid fuel is expected to start operation
 - ➔ Operation is expected to start in the fiscal year ending March 31, 2026

Largest liquid waste treatment facility in Japan

Facility throughput

1,300 m³/day

reats a wide variety of liquid waste

Waste liquid treatment plant (Hibiki Factory)
Kitakyushu City, Fukuoka



Expansion of Business Areas

【Waste plastic processing business】

- Starting material recycling initiatives in earnest
 - ➔ Installing crushing equipment for material recycling
- Done** Fuji plant and Moka plant have already introduced
- Introduction is scheduled at other plants as needed



Next Step

Fuji plant: Pellet production equipment is planned to be installed
➔ Diversification of waste outlets (expansion of sales channels)

Ota plant: Installation of pre-processing equipment is planned
➔ Processing capacity will be significantly increased

【Waste plastic processing business】

- Establish a resource recycling network through a waste management system.
 - ➔ Started the launch of centralized waste management system, Ichigen-kun series (Refer to page 27)

Research and Development for Commercialization

【Research and development of new business】

- Start demonstration recycling of used photovoltaic panels
 - ➔ Installing crushing processing equipment is planned : August 2024

Started the launch of centralized waste management system, Ichigen-kun series

Enabling labor-saving and streamlining of various operations, cost optimization and environmental contribution through visualization (Kankyo Ace Ichigen-kun is scheduled to add a CO₂ emissions calculation function on May 20). We have received favorable reviews from many business operators for all types of situations.



▶ Kankyo Ace Ichigen-kun (For waste generators)

A system that visualizes all aspects of waste, including collection and treatment flow, volume, and recycling rate, to achieve appropriate and efficient business operations.

Start sales in April 1, 2022 (Service name before change : 「SANIX system」)



▶ Shuun Ace Ichigen-kun (For waste collectors and transporters)

A dedicated system that supports proper and efficient operations by visualization and transportation operations such as contracts, reception, dispatching, collection and transportation, vehicle management, and various types of recordkeeping related to general.

Start sales in May 1, 2023 (Service name before change : 「SANIX system pro」)



▶ Sanpai Ace Ichigen-kun (For intermediate waste treatment companies)

A dedicated system that supports proper and efficient operations by digitalizing intermediate processes such as quotation preparation, manifest preparation, and payment/receipt management.

Start sales in May 15, 2024

The names Kankyo Ace Ichigen-kun and Shuun Ace Ichigen-kun were decided after soliciting ideas within the Company in order to renew the branding of the centralized waste management system. This is part of our efforts to respect the opinions of our employees and to stimulate communication within the company.

Introduction of some of our achievements	
DAIKI ALUMINIUM INDUSTRY CO., LTD	Tobu Department Store Co., Ltd.
Toyo Aluminium K.K.	Sun A.Kaken Company, Limited
IWATSUKA CONFECTIONERY CO., LTD	Sogo Co.
TOKAI CHEMICAL INDUSTRIES, LTD	Taiko Refractories Co., Ltd.
Daikyu Seimen Co.	AIWA CORP CO., LTD
Goko Logistics Co.	Art house clean Co.

※Listed in no particular order

transition to holding company structure

transition to holding company structure (April 1, 2025(Plan))

The SANIX Group has decided to begin preparations for the transition to a holding company structure, believing that this is the best way to respond quickly to any changes in the business environment and to achieve sustainable growth.

We plan to transfer the business to operating companies in each of our three business Residential Environment Area, Energy Area, and Resource Circulation Area

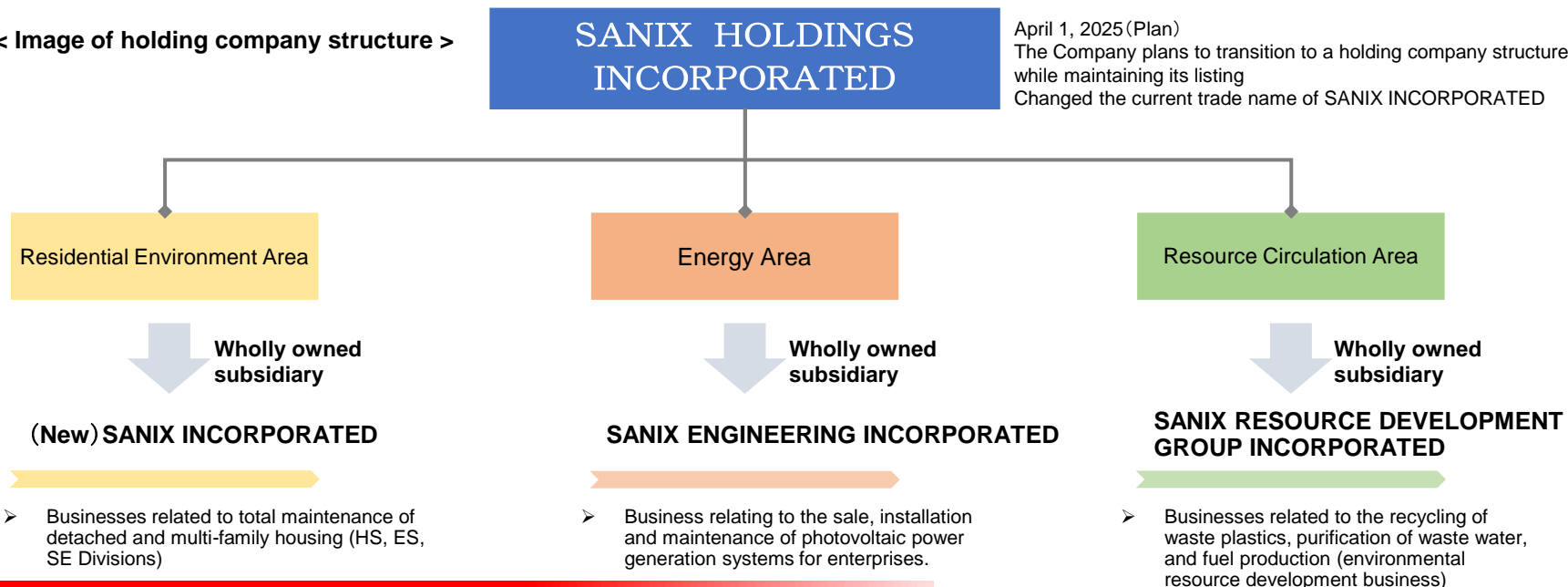
< Transition Schedule >

May 15, 2024	Board of Directors' resolution on transition to holding company structure and establishment of resource recycling business company SANIX Resources Development Group Inc.
May 29, 2024 (Plan)	Board of Directors' resolution to enter into an absorption-type demerger agreement with a company in the resource circulation area
June 27, 2024 (Plan)	Resolution of the Ordinary General Meeting of Shareholders to amend the Company's Articles of Incorporation regarding the Company's trade name and purpose
September 27, 2024 (Plan)	Board of Directors' resolution to establish a business company in a residential environment area
April 1, 2025 (Plan)	transition to holding company structure



▲ For more information ▲

< Image of holding company structure >



Financial results forecast for FY2024

Financial results forecast for FY2024

- **Net Sales** **¥46,246million** **(Y o Y 98.0%)**
- **Operating Profit** **¥1,715million** **(Y o Y 45.8%)**

Millions of Yen	First Half		Second Half		Full-Year	
	Plan	Diff. from FY2023	Plan	Diff. from FY2023	Plan	Diff. from FY2023
Net Sales	22,726	+ 137	23,519	- 1,058	46,246	- 921
Gross Profit	7,848	- 700	8,153	- 1,400	16,001	- 2,100
(Gross Profit Margin)	34.5%		34.7%		34.6%	
Operating Profit	613	- 868	1,102	- 1,159	1,715	- 2,028
(Operating Profit Margin)	2.7%		4.7%		3.7%	
Ordinary Profit	483	- 860	957	- 1,165	1,440	- 2,025
(Ordinary Profit Margin)	2.1%		4.1%		3.1%	
Profit (loss) attributable to owners of parent	366	- 759	727	- 843	1,093	- 1,603
(Net Profit Margin)	1.6%		3.1%		2.4%	

Financial results forecast for FY2024【 Business Areas 】



● Major Impacts

- Residential environment area Sales and profits are expected to increase :
Expand existing businesses by leveraging in sales capacities and our customer base.
- Resource circulation area Sales and profits are expected to decrease :
Decrease in the unit price of electricity sold by Tomakomai power plant.

Millions of Yen	First Half		Second Half		Full-Year	
	Plan	Diff. from FY2023	Plan	Diff. from FY2023	Plan	Diff. from FY2023
Net Sales	22,726	+ 137	23,519	- 1,058	46,246	- 921
Residential Environment	8,977	+ 1,073	8,726	+ 805	17,704	+ 1,879
Energy	6,115	+ 629	6,204	- 764	12,320	- 134
Resource Circulation	7,633	- 1,565	8,587	- 1,099	16,221	- 2,665
Operating Profit	613	- 868	1,102	- 1,159	1,715	- 2,028
Residential Environment	1,336	+ 483	1,043	+ 171	2,379	+ 655
Energy	174	+ 155	78	- 279	252	- 124
Resource Circulation	566	- 1,414	1,297	- 1,443	1,863	- 2,858
Group	(1,464)	- 92	(1,316)	+ 391	(2,780)	+ 299

Business Areas Forecast for FY2024 【Residential Environment Area】



● Forecasted increase in sales and profit from the previous fiscal year

- Expand the continuous follow-up system for existing customers and increase the number of customers by strengthening the corporate sales system.
- A wide range of support from termite control to residential environmental needs (residential PPA, storage batteries, etc.)
- Expansion from anti-rust equipment (product name: Daelman Shock) to maintenance measures for water supply and drainage facilities for apartment complexes.

Millions of Yen	First Half			Second Half			Full-Year		
	Plan	Sales proportion	Diff. from FY2023	Plan	Sales proportion	Diff. from FY2023	Plan	Sales proportion	Diff. from FY2023
Net Sales	8,977		+ 1,073	8,726		+ 805	17,704		+ 1,879
HS Division	6,816	75.9%	+ 832	6,502	74.5%	+ 628	13,318	75.2%	+ 1,461
ES Division	1,366	15.2%	+ 39	1,433	16.4%	+ 59	2,800	15.8%	+ 99
SE Division	795	8.9%	+ 200	791	9.1%	+ 117	1,586	9.0%	+ 318
Cost of sales	3,941	43.9%	+ 559	4,066	46.6%	+ 492	8,008	45.2%	+ 1,051
Material costs	1,378	15.4%	+ 250	1,402	16.1%	+ 215	2,781	15.7%	+ 465
Labor costs	1,320	14.7%	+ 78	1,388	15.9%	+ 158	2,708	15.3%	+ 237
Gross Profit	5,035	56.1%	+ 514	4,660	53.4%	+ 313	9,695	54.8%	+ 828
SG & A	3,699	41.2%	+ 30	3,617	41.4%	+ 141	7,316	41.3%	+ 172
Personnel expenses	2,332	26.0%	+ 92	2,333	26.7%	+ 137	4,665	26.4%	+ 230
Operating Profit	1,336	14.9%	+ 483	1,043	12.0%	+ 171	2,379	13.4%	+ 655

Business Areas Forecast for FY2024

【Energy Area】

● Forecasted decreases in sales and profit from the previous fiscal year

- For PV systems, work to expand its sales channels for self-consumption photovoltaic power generation systems while strengthening our system for replacing equipment and the after-sales maintenance of customers' photovoltaic power generation systems.
- Promote the sale of electricity by effectively utilizing the added value of non-fossil value electricity from the Tomakomai power plant.

Millions of Yen	First Half			Second Half			Full-Year		
	Plan	Sales proportion	Diff. from FY2023	Plan	Sales proportion	Diff. from FY2023	Plan	Sales proportion	Diff. from FY2023
Net Sales	6,115		+ 629	6,204		- 764	12,320		- 134
PV Division	4,898	80.1%	+ 746	4,986	80.4%	- 720	9,884	80.2%	+ 26
PPS Division	1,217	19.9%	- 117	1,218	19.6%	- 44	2,436	19.8%	- 161
Cost of sales	4,917	80.4%	+ 468	5,072	81.7%	- 483	9,989	81.1%	- 15
Material costs	3,427	56.0%	+ 246	3,498	56.4%	- 420	6,925	56.2%	- 173
Labor costs	316	5.2%	+ 17	316	5.1%	+ 12	633	5.1%	+ 29
Gross Profit	1,198	19.6%	+ 161	1,132	18.3%	- 280	2,330	18.9%	- 119
SG & A	1,024	16.7%	+ 5	1,054	17.0%	- 1	2,078	16.9%	+ 4
Personnel expenses	539	8.8%	- 7	572	9.2%	+ 1	1,112	9.0%	- 6
Operating Profit	174	2.8%	+ 155	78	1.3%	- 279	252	2.1%	- 124

Business Areas Forecast for FY2024 【Resource Circulation Area】



● Forecasted decreases in sales and profit from the previous fiscal year

- In the plastics business, increase in the volume of orders received and expansion of sales channels through capital investment
- Begin material recycling efforts for recycling raw materials for plastic products.
- Expand the functionality of the disposal operations management system to enable the calculation of emission volumes required for sustainability reporting, in addition to support for contracts, manifests, and performance reporting to local governments.
- In the area of waste water treatment, expand the production of Recycled Oil Bio, an alternative fuel to heavy oil, and promote the conversion of sludge generated after waste water treatment into recycled fuel.

Millions of Yen	First Half			Second Half			Full-Year		
	Plan	Sales proportion	Diff. from FY2023	Plan	Sales proportion	Diff. from FY2023	Plan	Sales proportion	Diff. from FY2023
Net Sales	7,633		- 1,565	8,587		- 1,099	16,221		- 2,665
Plastic fuel	5,049	66.2%	- 33	5,213	60.7%	- 171	10,263	63.3%	- 204
Power Plant	1,053	13.8%	- 1,565	1,850	21.5%	- 844	2,903	17.9%	- 2,409
Waste liquid treatment	1,136	14.9%	+ 126	1,198	14.0%	+ 69	2,335	14.4%	+ 196
Landfill	393	5.1%	- 93	324	3.8%	- 154	718	4.4%	- 248
Cost of Sales	6,018	78.8%	- 190	6,227	72.5%	+ 333	12,246	75.5%	+ 143
Labor costs	995	13.0%	+ 45	1,004	11.7%	+ 4	1,999	12.3%	+ 50
Gross Profit	1,614	21.2%	- 1,375	2,360	27.5%	- 1,433	3,974	24.5%	- 2,809
SG & A	1,048	13.7%	+ 39	1,063	12.4%	+ 9	2,111	13.0%	+ 48
Personnel expenses	637	8.3%	+ 36	640	7.5%	+ 5	1,278	7.9%	+ 42
Operating Profit	566	7.4%	- 1,414	1,297	15.1%	- 1,443	1,863	11.5%	- 2,858

Topics

Expansion of the recycled fuel production line.

Production capacity 2,160t / year ▶ 4,320t / year

To accelerate the realization of a resource-recycling society, we have doubled the number of production lines for Recycled Oil Bio, derived from waste water as an alternative fuel to heavy oil, at our waste water treatment plant. We commenced operation in March 2024.

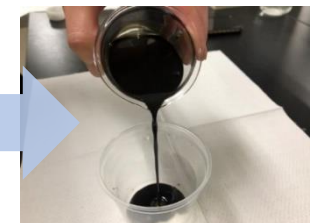


▶ Recycled Oil Bio

It is recycled fuel that can be used as an alternative to fossil fuels by removing trash and sludge from industrial waste such as waste water and sludge generated by restaurant chains, and separating and recovering only the oil content. This is a fuel that can contribute to carbon neutrality. It is made from oils derived from plants and animals, and is also a product that achieves both the reduction of industrial waste and recycling through the use of unused resources.



Industrial waste as raw material



Recycled fuel (Recycled Oil Bio)

▶ Recycled Oil Bio currently has three official recognitions

Awarded from Director-General, Industrial Science, Technology and Environment Policy Bureau, METI

SANIX awarded from the METI Industrial Science, Technology and Environment Policy Bureau Director-General's Award at the 2023 Awards for Resource Recycling Technology and Systems for the "Development of Environmentally Friendly Heavy Oil Alternative Fuel Recycled from Industrial Waste."



▲Release: October 23, 2023▲



Recycled Products from Fukuoka Prefecture



(March 2023)



Kitakyushu Eco Premium

Kitakyushu Eco Premium supports the Sustainable Development Goals (SDGs)

©Teitan, City of Kitakyushu

(November 2021)

Efforts to realize a decarbonized society

In today's world, where countermeasures against global warming and environmental destruction are urgently needed, creating a sustainable society is a common understanding around the world. Through the installation of photovoltaic power generation equipment at the facilities of like-minded customers, we are working together to realize a decarbonized society.

▶ Case Studies



[Release: October 26, 2023 ▶](#)

YOSHINOYA CO.,LTD.(Tokyo factory)
System total capacity : 399.6kW



[Release: April 4, 2024 ▶](#)

KYUSHU SANGYO UNIVERSITY
System total capacity : 360kW



[Release: April 9, 2024 ▶](#)

Toko Metal Co., Ltd.(Chiba factory)
System total capacity : 797.16kW



▶ installation

Our photovoltaic power generation business is strong in the provision of integrated services from procurement to sales, installation and maintenance.

Number of industrial solar power sales and installation

Approx. **29,000**

Number of residential solar power sales and installation

Approx. **20,000**

Number of remote monitoring equipment

Approx. **11,000**

※ As of the end of March 2024

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.

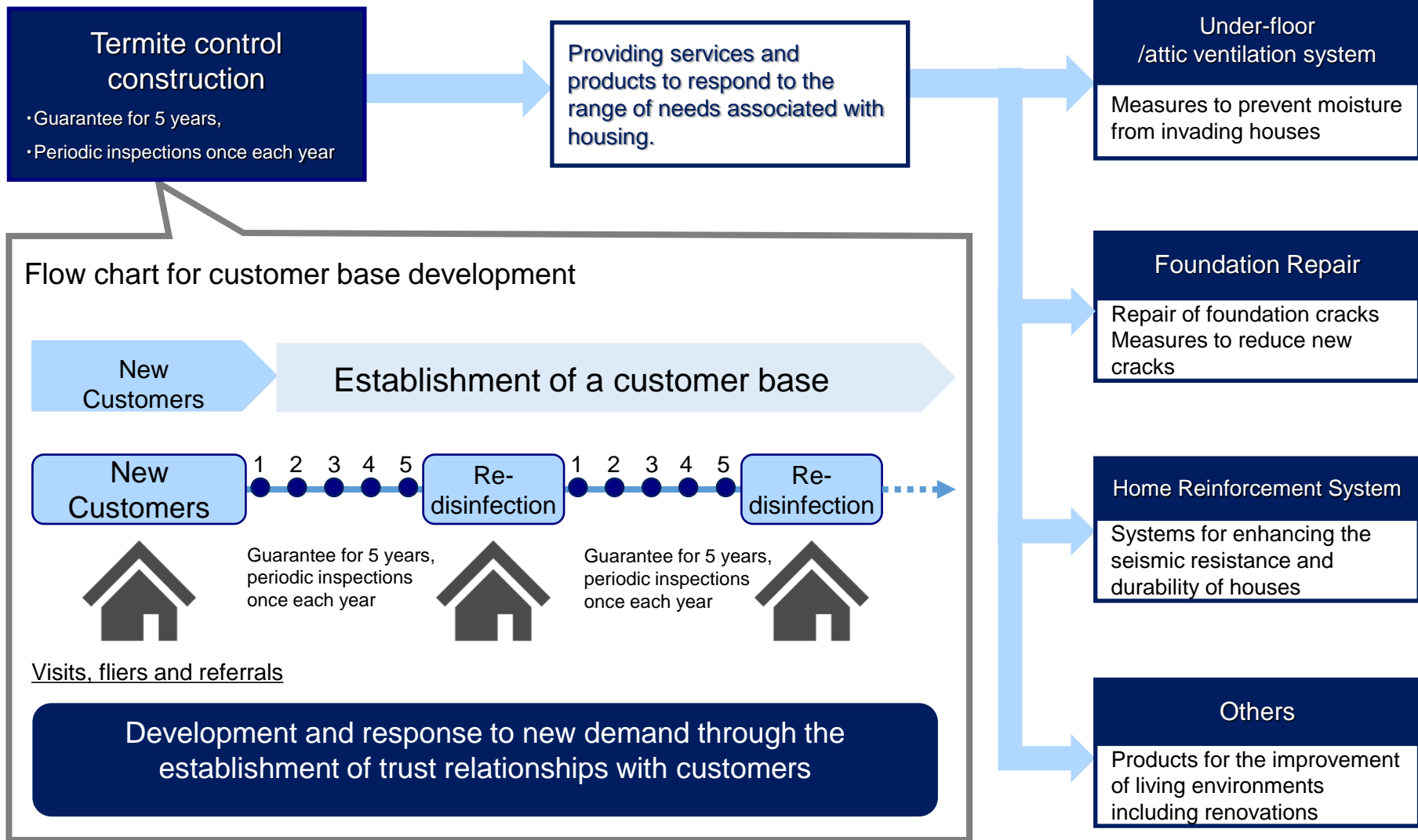
Resource Circulation

- ERD Div.

Make it common “Recycling resources without abandoning them”

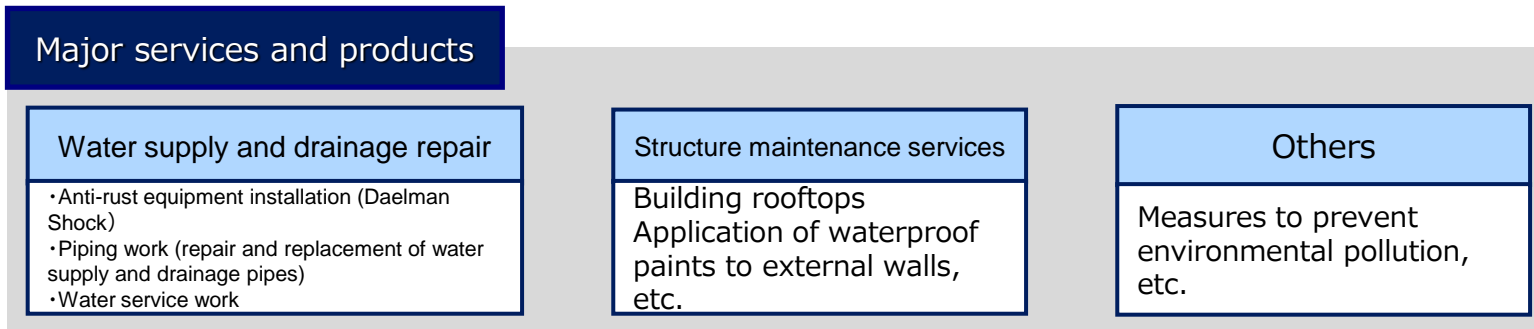
Basic Environmental Plan, Promotion of Recycling-Oriented Society, Plastic Resource Recycling Strategy

Business structure of the HS Division



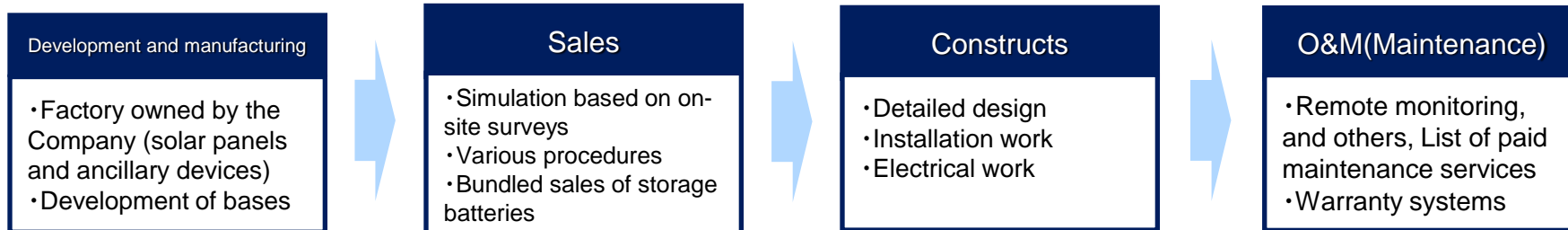
Business structure of the ES Division

Business structure of the ES Division



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.

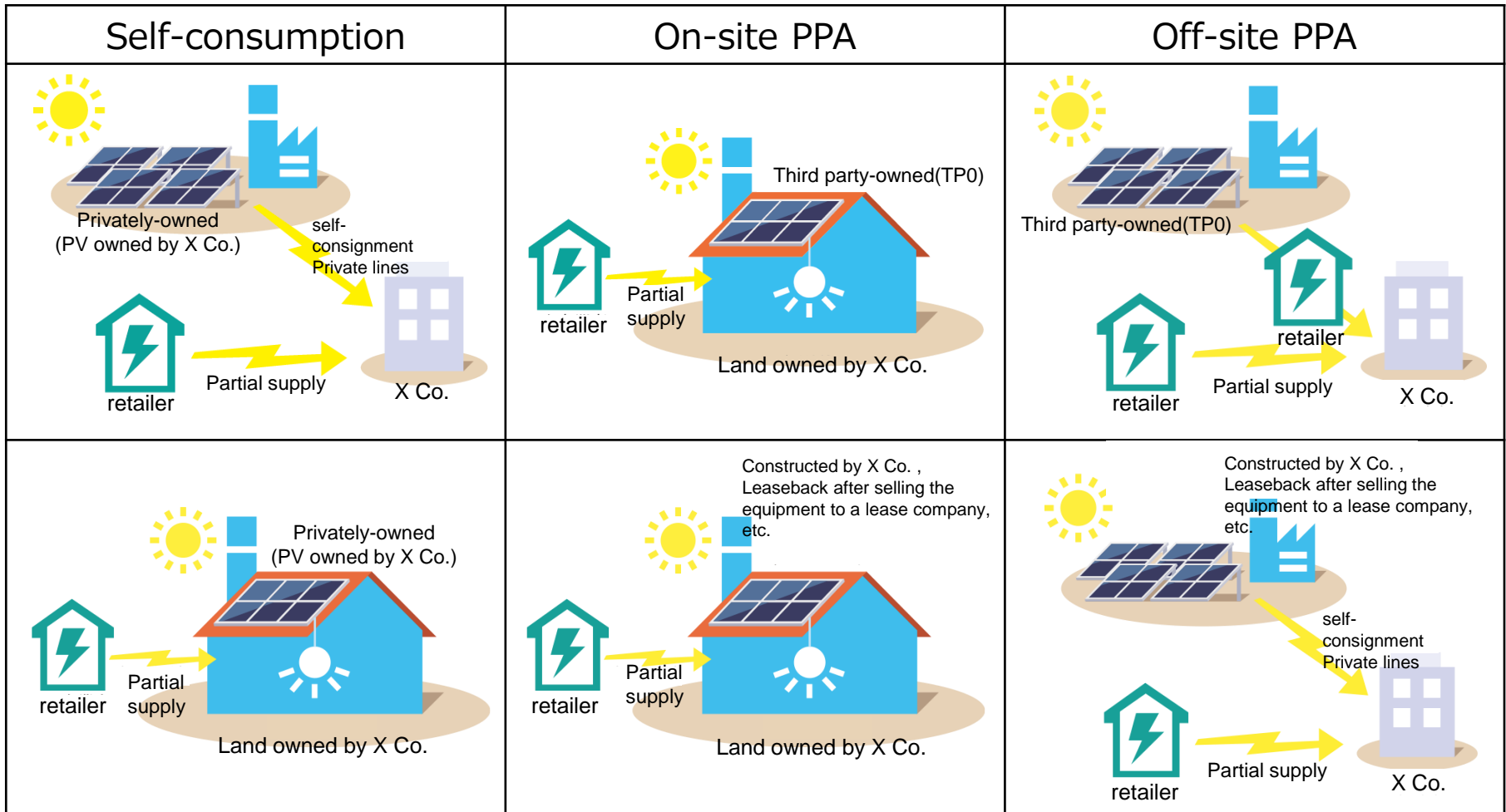
Build a new organization dedicated to the residential PV market, aiming to actively develop the market.

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.

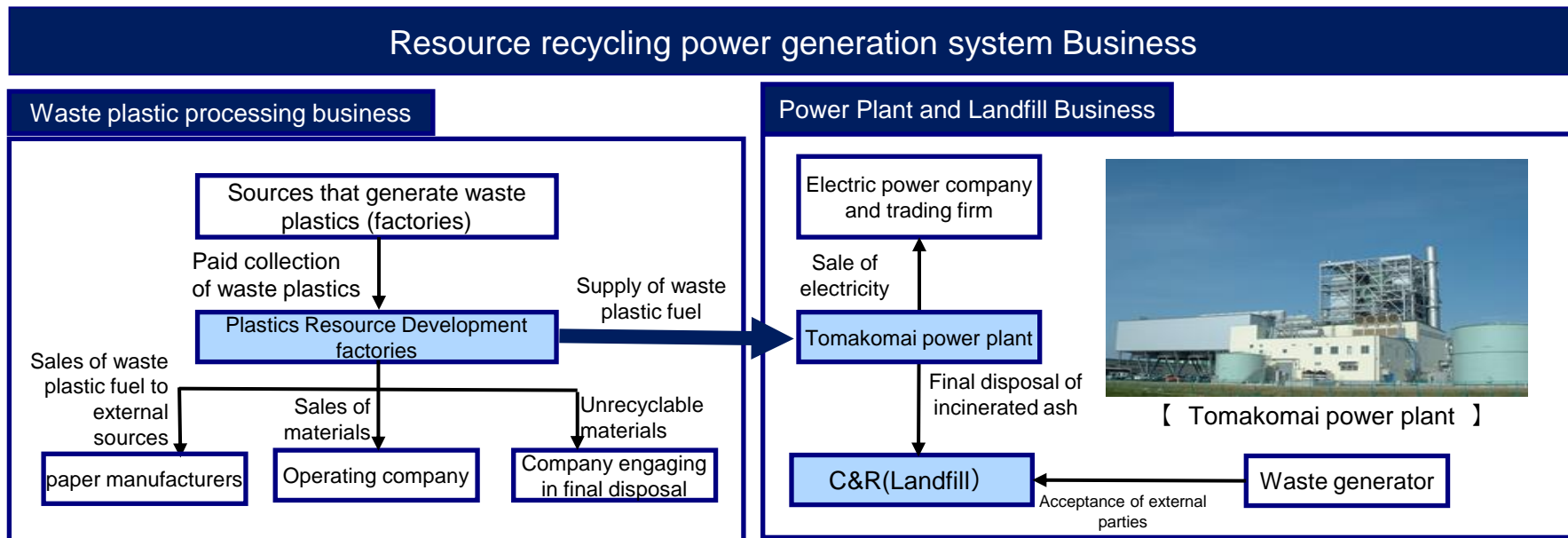
Organize a cooperative system for the development of a range of services, starting sales in earnest this fiscal year. Expand the services offered through continued collaboration with other companies and the utilization of our own PPS business.

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.



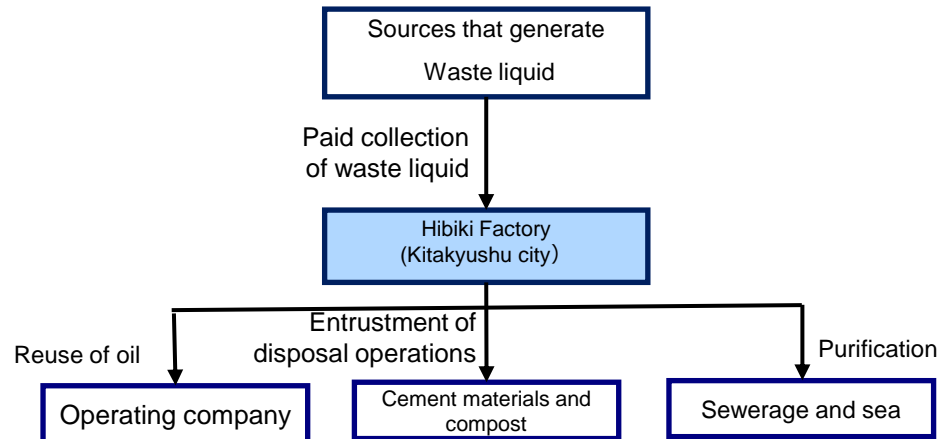
Source: he "Toward the popularization of power generation businesses" page of the Japan Photovoltaic Energy Association's website. Edited by the Company.

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 power 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

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.

SANIX