次世代へ快適な環境を
SANIX

Code No. : 4651

Financial Results Briefing for the 9 Months Ended December 31, 2024

SANIX INCORPORATED

February 14, 2025

Financial results of FY2024 3Q (Apr. to Dec.)

The unit price of electricity sales in the power plant business of the resource circulation area decreased significantly, resulting in a YoY decline in revenue and profits. However, in terms of profit, progress is exceeding the plan.

(Million yen)	FY2023 3Q Results	**FY2024 3Q Results**	YoY		FY2024 plan	Plan ratio
Net sales	34,275	**32,782**	-1,492	- 4.4%	46,246	70.9%
Gross profit	12,999	**12,096**	-902	- 6.9%	16,001	75.6%
Operating profit	2,419	**1,438**	-980	- 40.5%	1,715	83.9%
Ordinary profit	2,242	**1,201**	-1,040	- 46.4%	1,440	83.4%
Net profit	1,806	**831**	-975	- 54.0%	1,093	76.0%

Financial results 3Q | Segments overviews

Residential environment Area

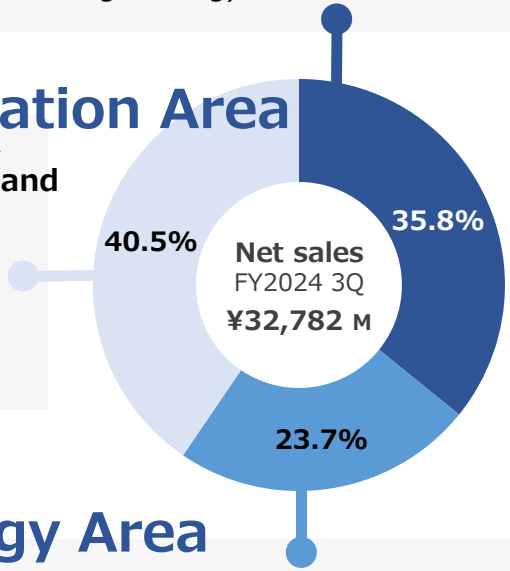
Maintenance service for detached houses, condominiums and other facilities

- HS(Home Sanitation) Division
- ES(Establishment Sanitation) Division
- SE(Solar Engineering) Division

Resource circulation Area

Recycling of waste plastics, Purification of waste liquid and production of recycled fuel

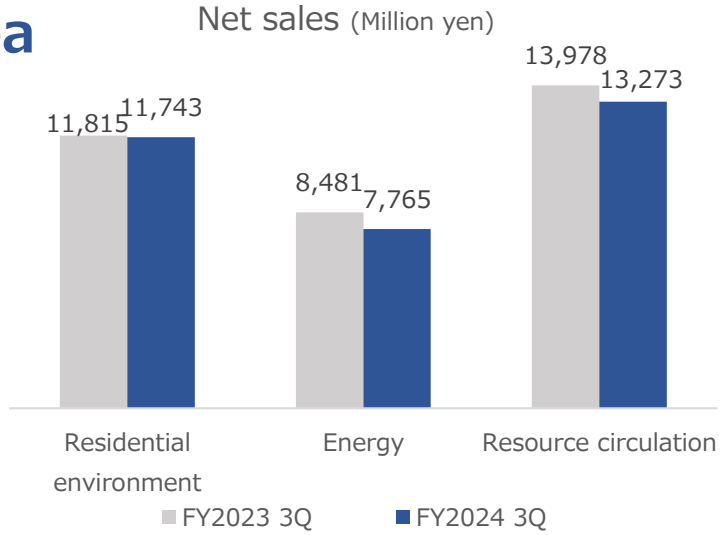
- Plastic fuel
- Waste liquid
- Power plant
- Landfill

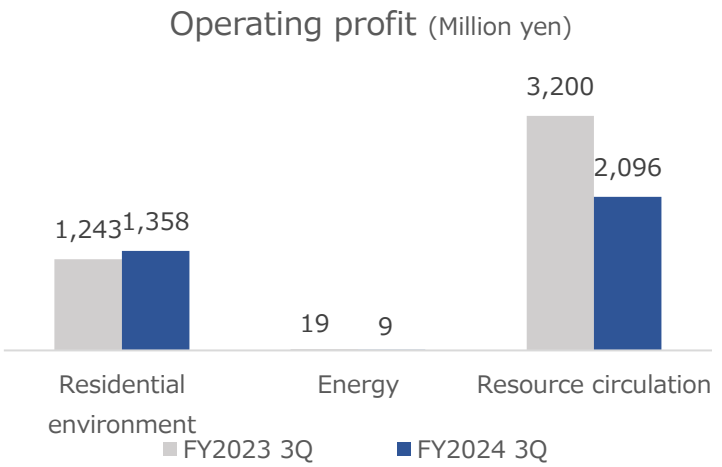


Energy Area

Sale, installation, and maintenance of photovoltaic generation systems for corporations

- PV(Photovoltaic) Division
- PPS(Power Producer and Supplier) Division

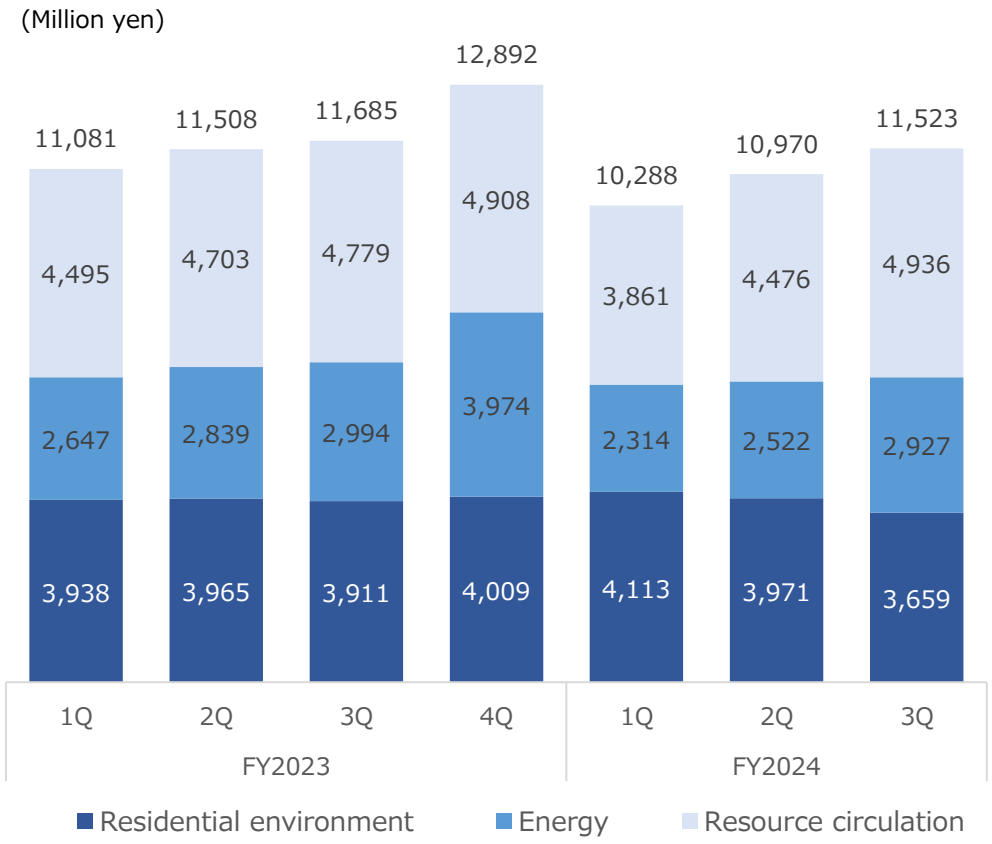




Financial results 3Q | Segments overviews

			YoY (3Q)	
Residential environment Area	Net sales	¥ 11,743 M	2.30%	✓In the mainstay HS division, sales and profit remained firm due mainly to the expansion of existing businesses, which was achieved by leveraging its sales capabilities and customer base.
	Operating profit	¥ 1,358 M	19.20%	
Energy Area	Net sales	¥ 7,765 M	-11.80%	✓The PV business returned to profitability in the 3Q (Oct.-Dec.), reflecting improvements in the gross profit margin due to thorough profitability management on a project-by-project basis and lower material costs. ✓PPS division keeps profit.
	Operating profit	¥ 9 M	— %	
Resource circulation Area	Net sales	¥ 13,273 M	-9.40%	✓Decrease in the unit price of electricity and shutdown boiler due tomaintenance (FY2024.1Q). ✓Plastic fuel, waste liquid treatment and landfill businesses remained strong.
	Operating profit	¥ 2,096 M	-45.50%	
Group	Operating profit	¥ -2,024 M	— % ¥ +19M	✓Expenses for organizing internal environments, among other expenses, increased for the shift to a holding company structure. Even so, corporate expenses were reduced through the curtailment of other expenses.

Financial results | Net sales（Quarterly trends）



YoY (3Q cumulative)

−4.4%

Residential environment Area **-0.6%**

Energy Area **-8.4%**

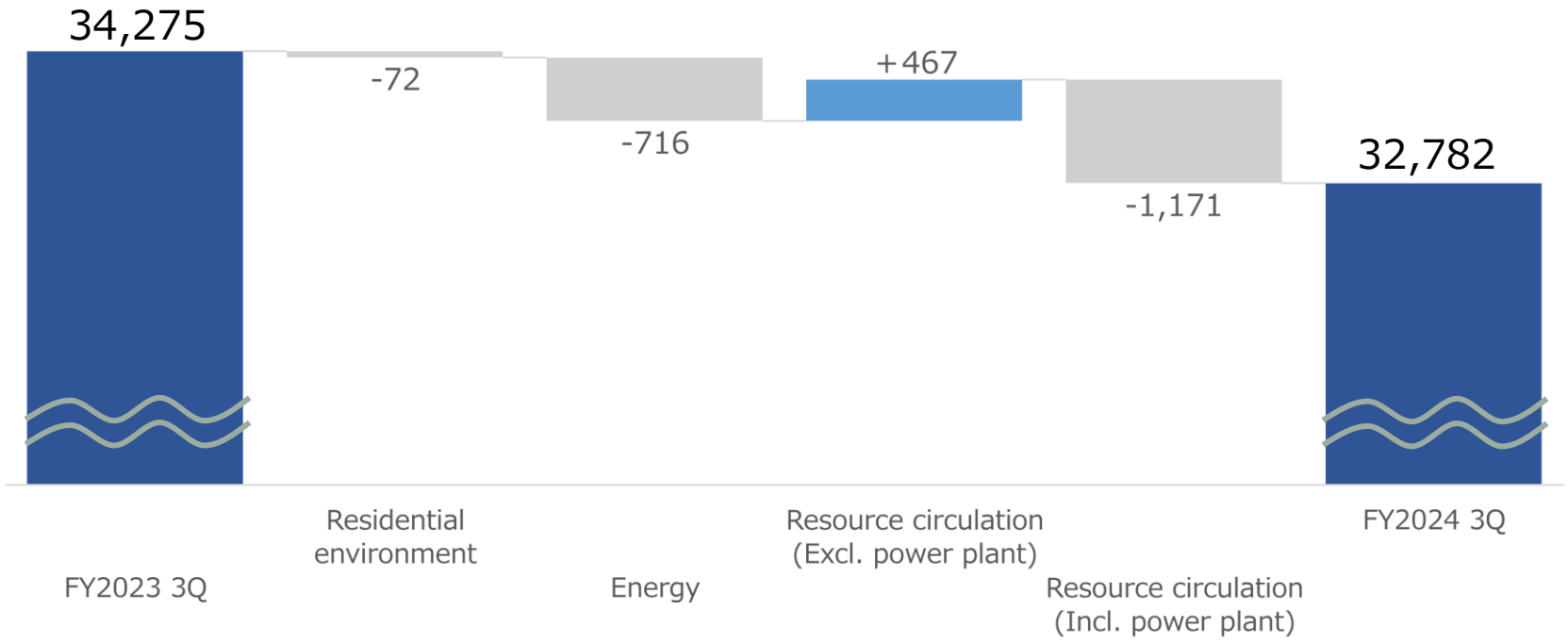
Resource circulation Area **-5.0%**

Financial results | Net sales trend analysis

Net sales

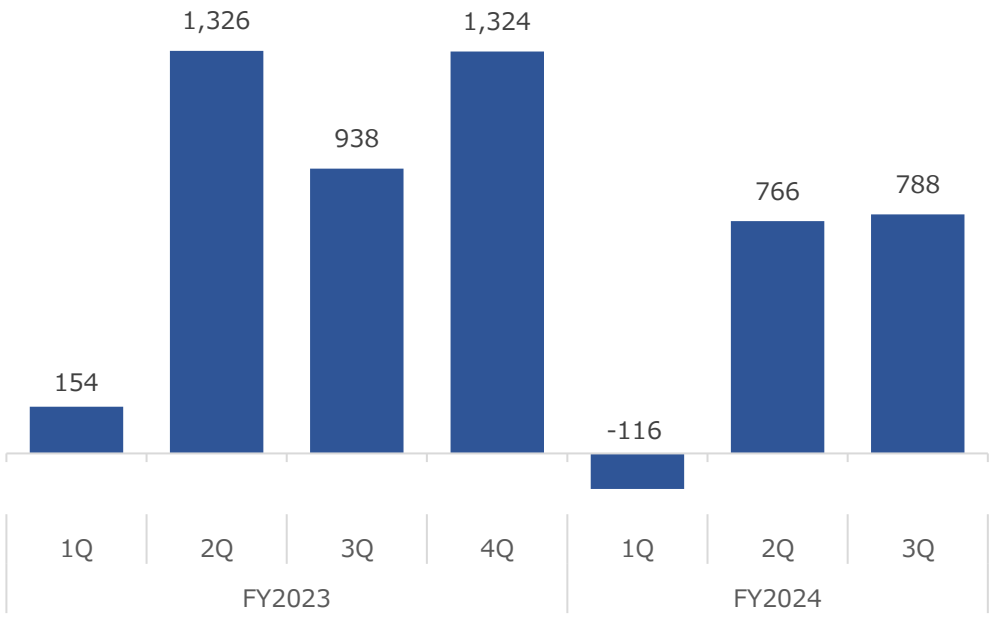
YoY(3Q) -1,492 million yen

(Million yen)



Financial results | Operating profit (Quarterly trends)

(Million yen)



YoY (3Q cumulative)

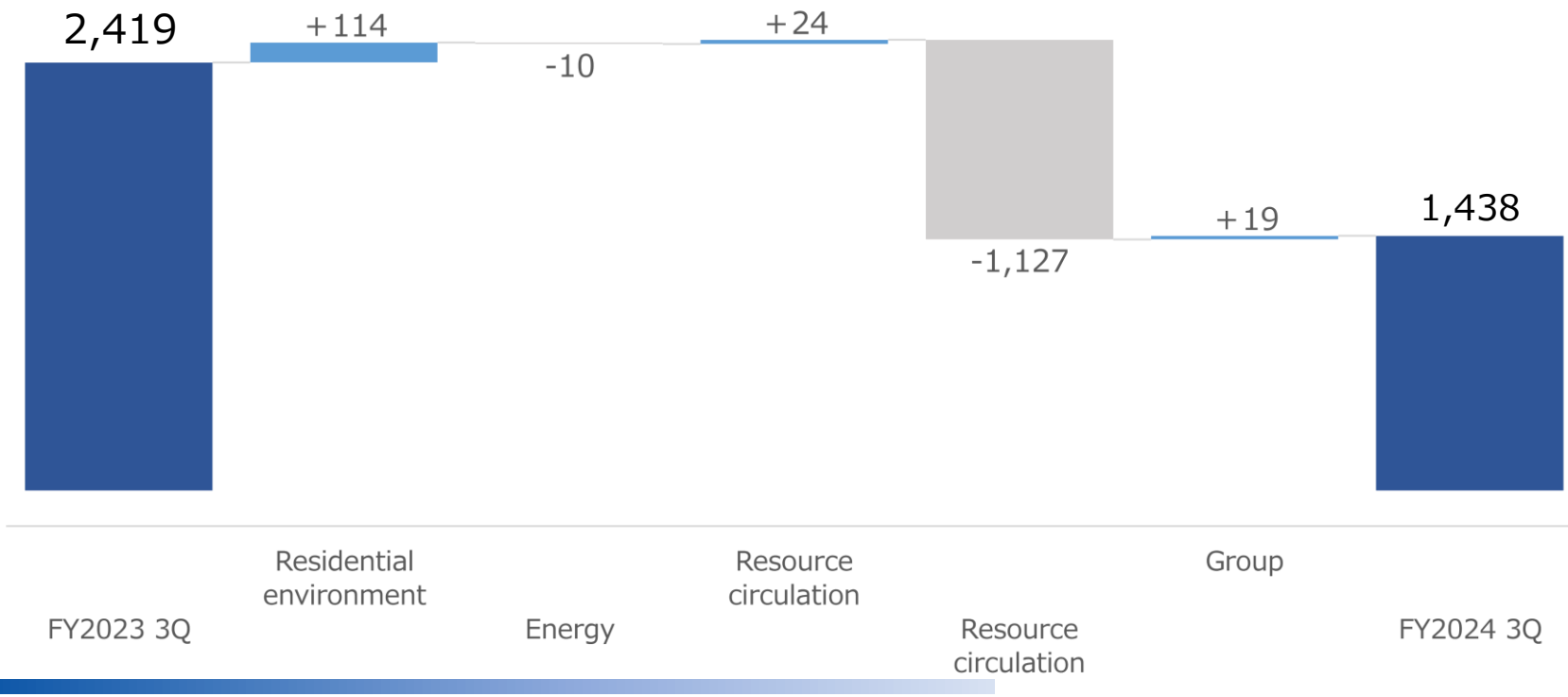
-40.5%

Financial results | Operating profit trend analysis

Operating profit

YoY(3Q) -980 million yen

(Million yen)



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 clean and comfortable 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.

Inspection of the inside of the water supply and drainage pipes

Pest control

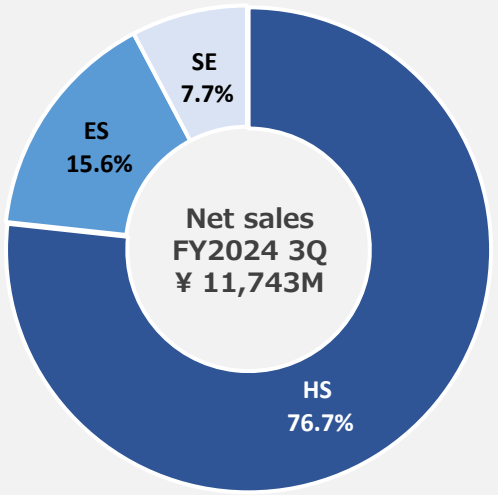
SE Division

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

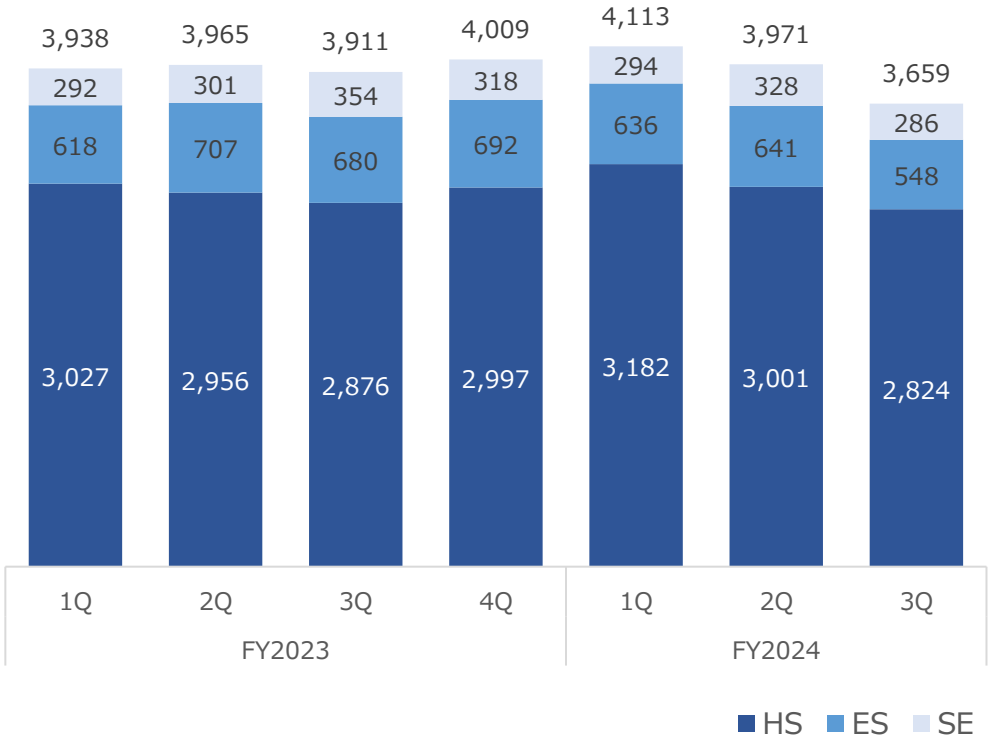
Residential environment Area
Net sales composition



Residential environment Area | Net sales

The HS division continued to perform steadily, reflecting the expansion of existing businesses, which was achieved by leveraging its sales capabilities and customer base, as well as the reinforcement of the corporate sales structure. However, with this steady performance offset by decreases in sales in the ES and SE division, segment sales declined slightly.

(Million yen)



YoY (3Q cumulative)

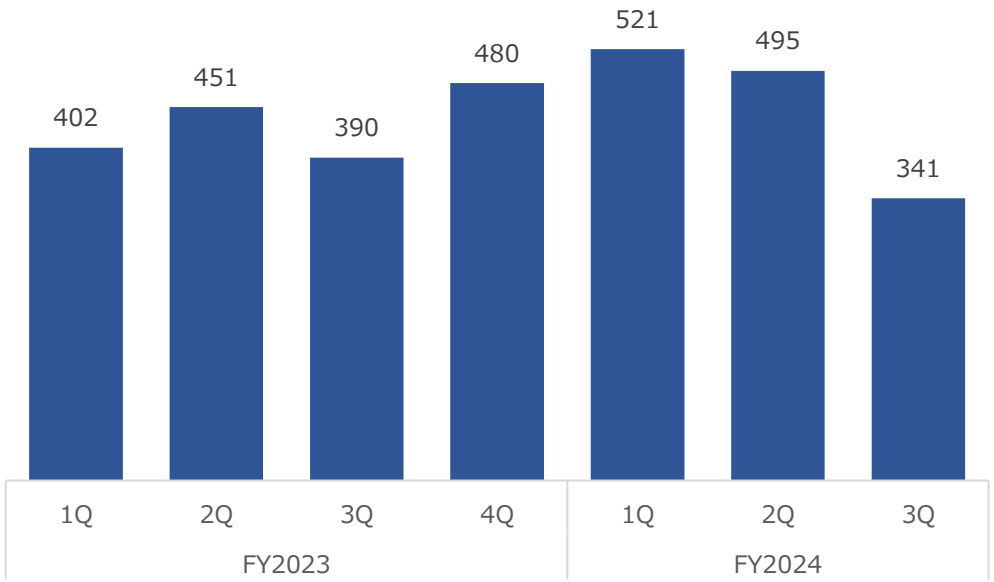
-0.6%

HS Division **+1.7%**
ES Division **-9.0%**
SE Division **-4.3%**

Residential environment Area | Operating profit

Increased profit through maintaining a high marginal profit ratio and securing a stable revenue base.

(Million yen)

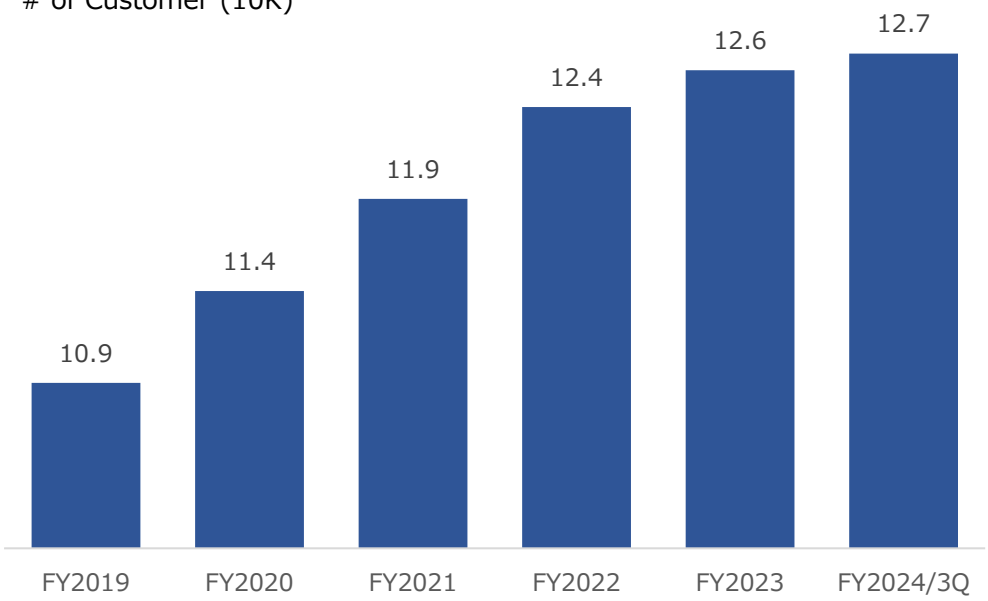


YoY (3Q cumulative)

+9.2%

Residential environment Area | Number of customers

Since the FY2019, the customer base has increased by approximately 20,000.



※Customer count represents the number of clients with active guarantee contracts in the HS Division.

Strong Customer base

127,000 customers

(As of December 31, 2024)

Energy Area

Energy with low environmental impact

- Installation of PV power generation equipment for self-consumption for corporate clients
- Development of photovoltaic power generation for energy companies
- Maintenance for existing photovoltaic power equipment/plants
- 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.

【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.

Self-consumption type / PPA

Development of non-FIT power sources

O & M

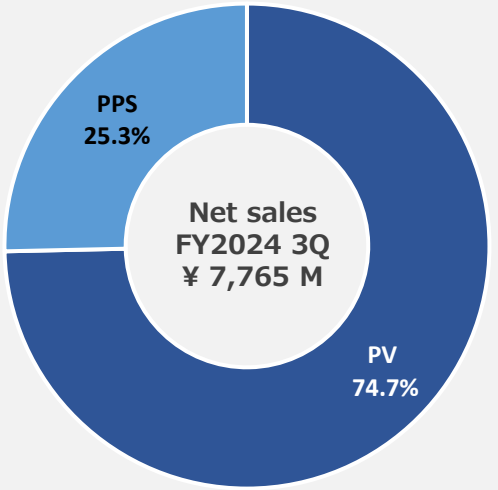
We provide a range of support services, including internet-based monitoring (remote monitoring) and legally required maintenance and inspections, to ensure that customers' photovoltaic power generation systems are securely operated.

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 a retail electricity supplier in 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.

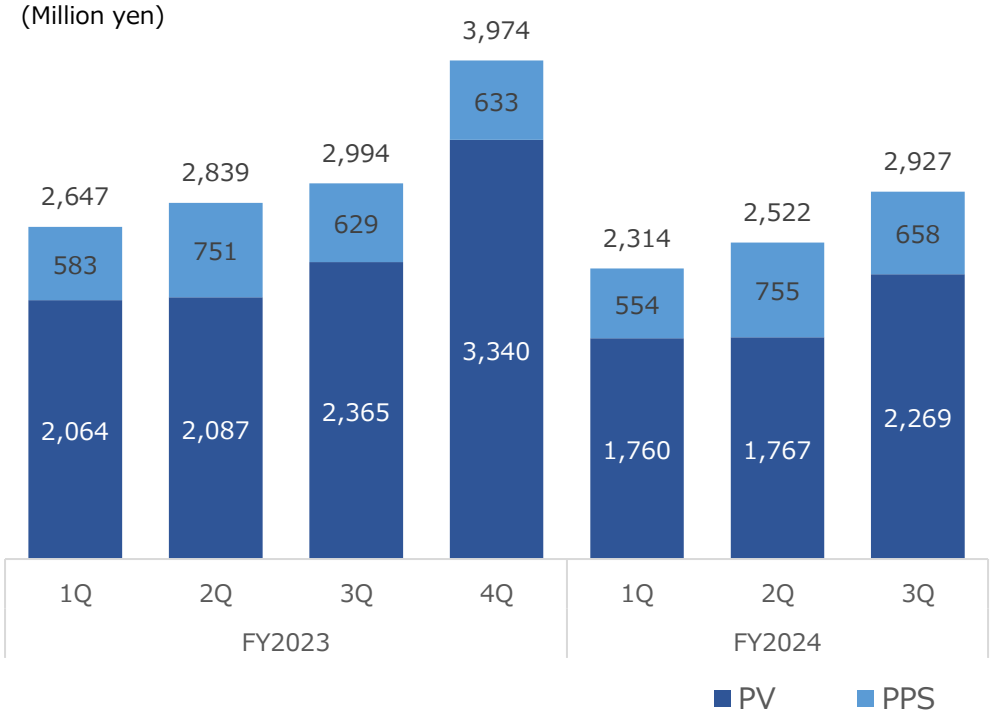
Electricity retail

Energy Area
Net sales composition



Energy Area | Net sales

In the PV division, delays in grid interconnection with power companies, as well as the increasing size and sophistication of solar power generation systems, have prolonged the period from order to construction, resulting in delays in project completion.



YoY (3Q cumulative)

−8.4%

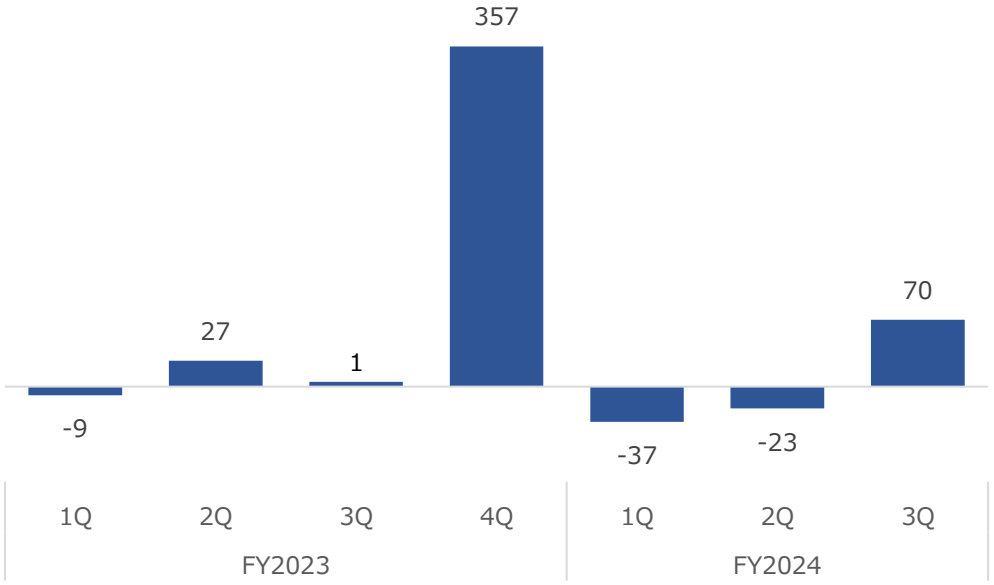
PV Division **-11.0%**

PPS Division **+0.2%**

Energy Area | Operating profit

In the PV division, profit declined because fixed costs were not absorbed due to delays in the completion of construction. Even so, thanks to an improvement in the gross profit margin due to thorough profitability management on a project-by-project basis and lower material costs, the business returned to profitability in the 3Q (Oct.-Dec.).

(Million yen)

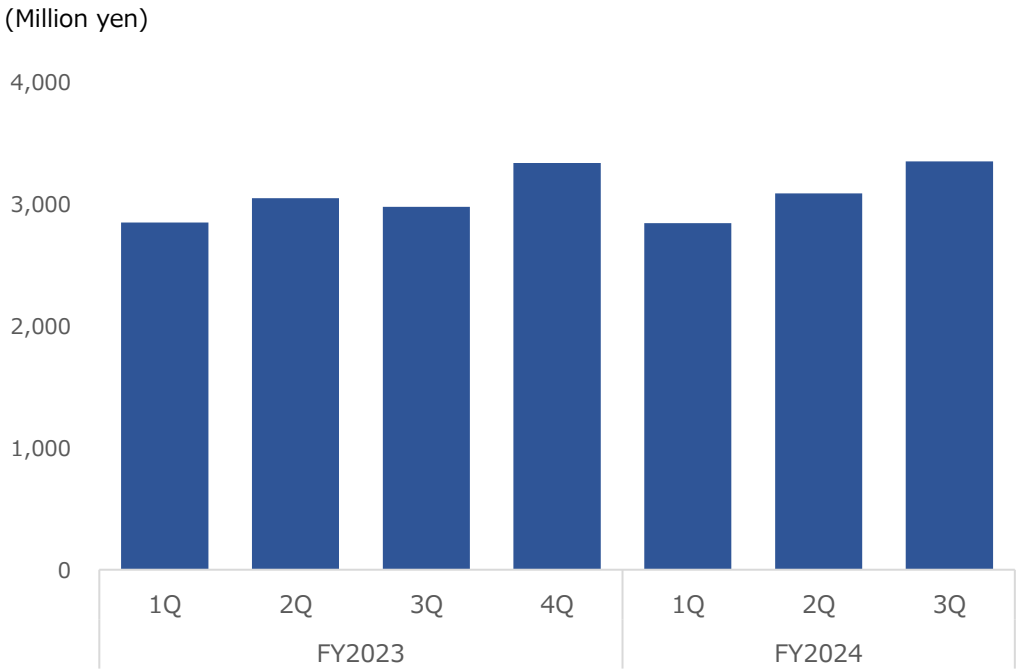


YoY (3Q cumulative)

−53.1%

Energy Area | Contract status in PV Division

Net sales of received contract



※The order amount is the amount of money that the customer has agreed to in writing.

Against the backdrop of full-scale efforts to realize a decarbonized society and soaring electricity costs

Orders are holding firm

Orders received in 3Q (Oct.-Dec.) exceeded the level of the same period in the previous year.

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 liquid 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

Power generation system with recycling resource

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 CO_2 and generating less incinerated ash, we can supply high value-added (non-fossil value) electricity with a low environmental load.

Tomakomai power plant

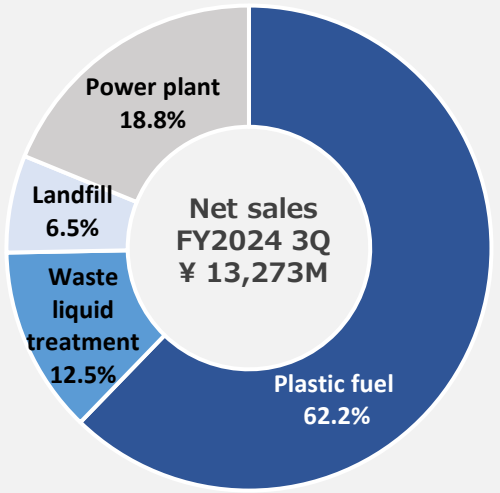
Final disposal site

Waste liquid treatment / recycling

We have a system in place for accepting large amounts of organic waste liquid 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

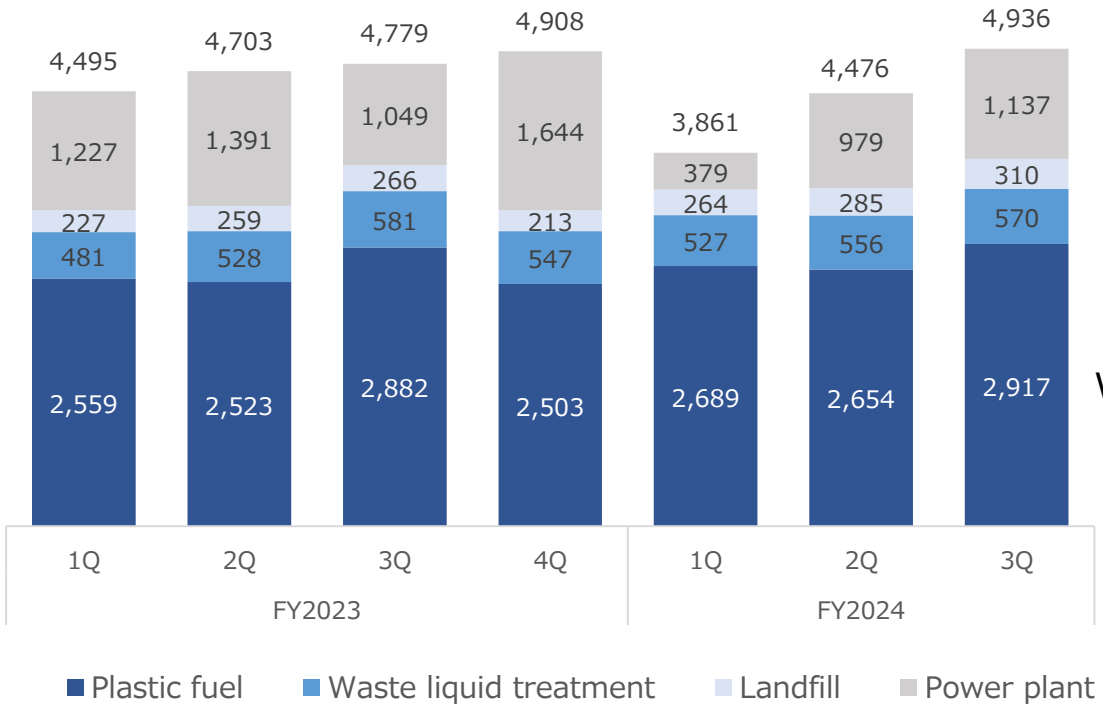
Resource circulation Area
Net sales composition



Resource circulation Area | Net sales

Net sales decreased due to a significant drop in the electricity sales price in the power plant business.
However, plastic fuel, waste liquid treatment, and landfill businesses showed growth.

(Million yen)



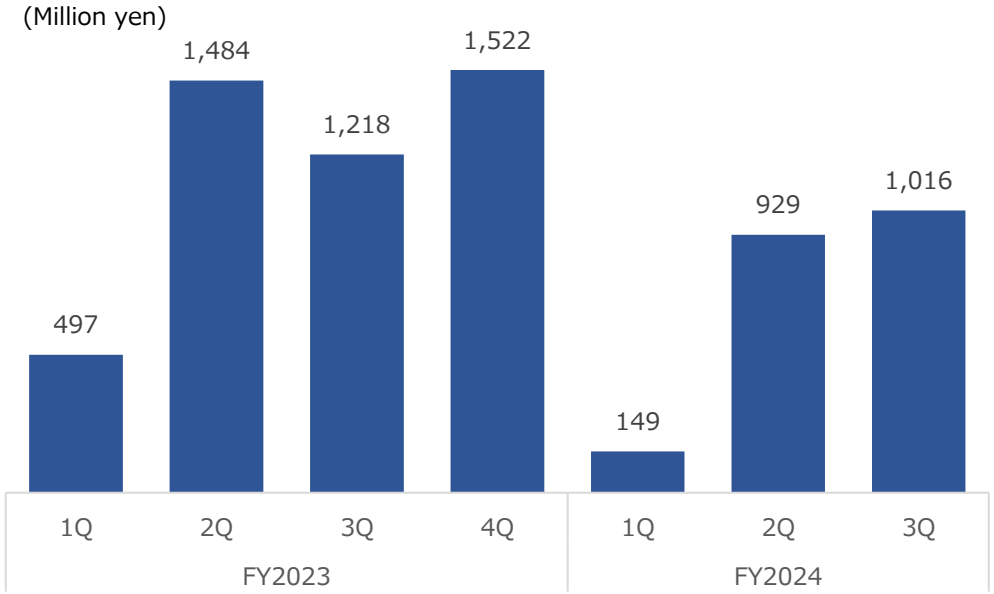
YoY (3Q cumulative)

-5.0%

Plastic fuel	**+3.7%**
Waste liquid treatment	**+4.0%**
Landfill	**+13.4%**
Power plant	**-31.9%**

Resource circulation Area | Operating profit

Profit decreased due to a significant decline in the unit price of electricity sold in the power plant business.
However, plastic fuel, waste liquid treatment, and landfill businesses, excluding the power plant business, have remained strong.



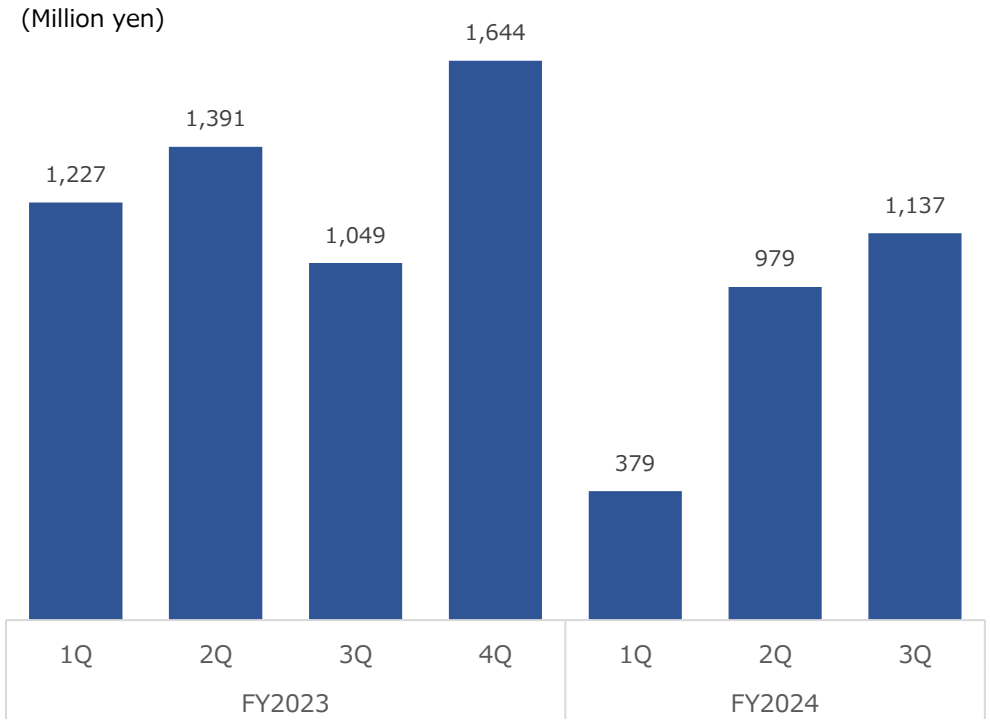
YoY (3Q cumulative)

-34.5%

Excluding net sales of power plant **+0.8%**

Resource circulation Area |Power plant net sales

Net sales decreased due to lower the unit price of electricity and shutdown boiler due to maintenance(FY2024 1Q)



YoY (3Q cumulative)

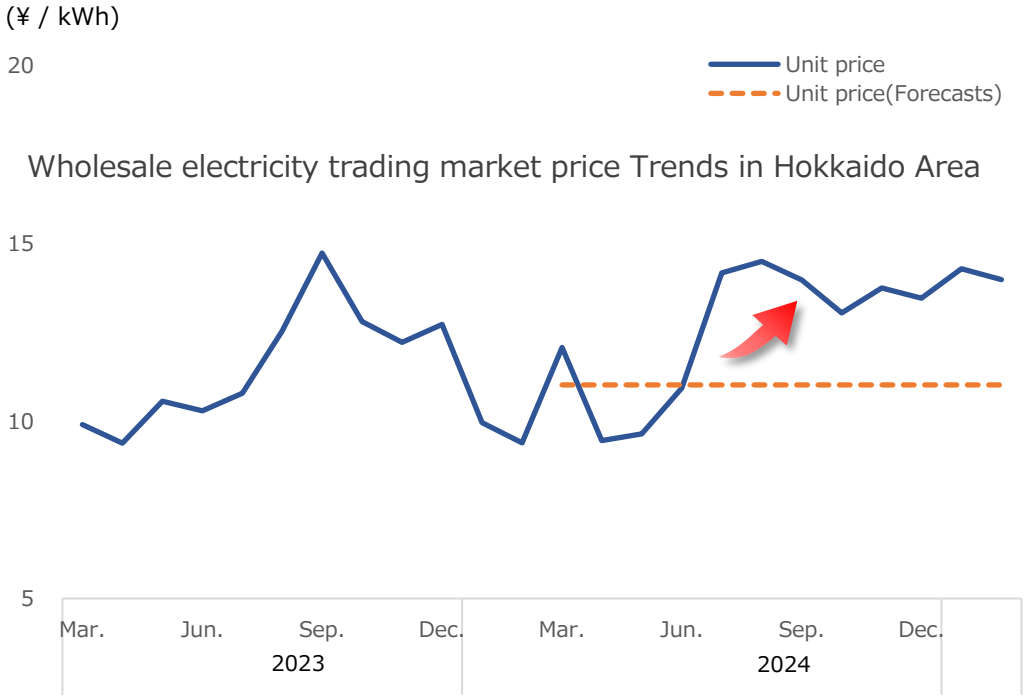
-31.9%

Boiler maintenance
(took about 2 months)

Boiler maintenance on a large scale, toward future stable operation

Resource circulation Area | Trend in electricity price of power plant

Since July 2024, the price in the wholesale electricity trading market has increased (improved)



Sales side on power plant business

Market prices were on a rising trend after July. The trend is continuing into winter.

※We processes the spot market index data of the wholesale electricity trading market (JEPX, Japan Electric Power Exchange)
As important market data related to our electricity procurement, we list the monthly average price/unit price changes of JEPX prices.
The market unit price forecast for JEPX is based on the figures calculated by our company in light of the price forecast service and trends in fuel prices such as LNG.

Resource circulation Area | Acceptance status of waste plastics

Increase in intake volume due to the expansion of available items and enhancement of equipment.

※Processing unit price＝Net sales of plastic fuel business / Acceptance volume

YoY (3Q cumulative)

Acceptance volume

+6.7%

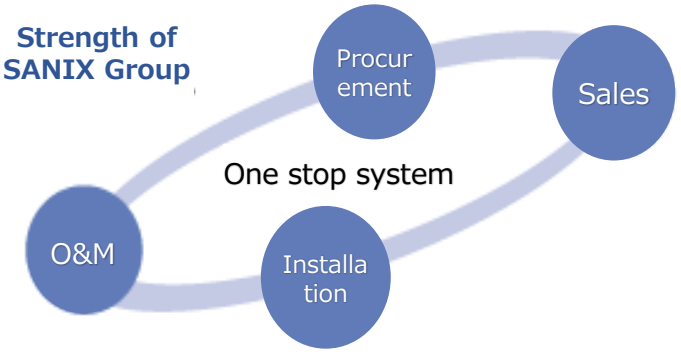
Processing unit price

－1.6%

Energy Area | Initiatives for Continued Business Expansion

Aiming to introduce and expand photovoltaic power generation systems

The SANIX Group encourages the efficient use of industrial roofing and building rooftops and supports reductions in cost (electricity bills) with photovoltaic power generation, primarily self-consumption photovoltaic systems owned by a third-party, as well as anti-disaster measures and environmental management in pursuit of business expansion.



Public Facilities in Kitaseto School District in Sasaguri Town, Fukuoka Prefecture

We were selected as a project partner for the "Solar Power Generation Equipment Installation Project for Public Facilities in Kitaseto School District (On-site PPA)" in Sasaguri Town, Fukuoka Prefecture. As part of efforts in line with the "Zero Carbon City Sasaguri" declaration, we plan to install solar power generation and storage battery facilities.

Dec.16,2024

▼Press release▼

◆Candidate facilities for the introduction of a photovoltaic power generation

(1) Sasaguri Kita Junior High School
(including social gymnasium on site)

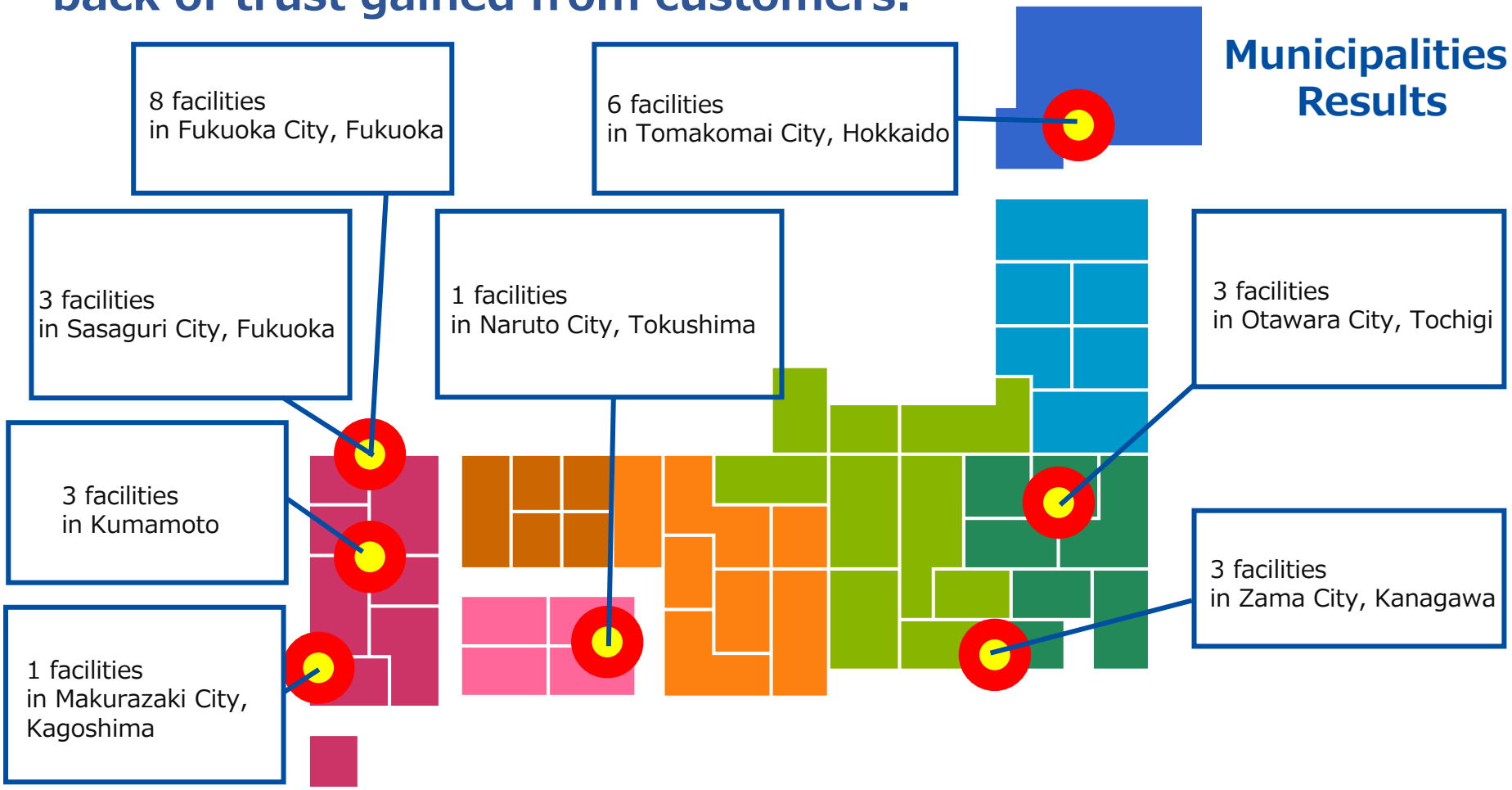
(2) Kitaseto Elementary School

(3) Suginoko Children's Hall

Panoramic view of Sasaguri Kita Junior High School, a facility where solar power generation equipment will be installed. Photo taken by Sanix Engineering.

Energy Area | Initiatives for Continued Business Expansion

Orders for large-scale municipal projects increased on the back of trust gained from customers.



Resource Circulation Area | Efforts for Continued Expansion of Business Foundation

The Bio recycled oil received the New Energy Foundation Chairman's Award in the New Energy Grand Prize.

The Sanix Group received the New Energy Foundation Chairman's Award in the 2024 New Energy Grand Prix in recognition of the Bio recycled oil, a recycled fuel derived from industrial waste.

▶Recycled Oil Bio currently has 4 official recognitions

・FY2021「**Kitakyushu Eco Premium**」
・FY2023 「**Recycled Products from Fukuoka Prefecture**」
・FY2023 「**Awarded from Director-General, Industrial Science,Technology and Environment Policy Bureau,METI**」

Award Ceremony <Left: Mr. Nobuaki Terasaka (Chairman, New Energy Foundation), Right: Mr. Hiroshi Munemasa (President & CEO of Sanix).

Jan.29,2025
▼Press release▼

Bio recycled oil

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.

The Bio recycled oil and fuel conversion of sludge were featured in the Nishinippon Shimbun for February 6, 2025 (morning edition).

◀Publication Articles

※Registration is required to view.

Bio recycled oil

Resource Circulation Area | Investment in growth to further expand the business base

Enhancement and Streamlining of Existing Facilities

Began operation in March 2024, doubling processing capacity

Production capacity

2,160t / year ▶ 4,320t / year

In addition, capital investment will be made to facilitate the conversion of sludge into fuel
Four lines will be installed with the aim of producing 10,000 tons per year by the fiscal year ending March 31, 2029.


Recycled Oil Bio production facilities


Waste liquid treatment plant

Renewal of boilers and turbines at Tomakomai Power Plant

For boilers, the replacement of aged piping inside boilers is underway in 5-year installments, starting from the fiscal year ending March 31, 2025.

Turbines and generators will be modified and replaced in the fiscal year ending March 31, 2026 to ensure the incorporation of designs that are suitable for the characteristics of the waste plastic fuel currently in use.

※Operation will be suspended from mid-March to the end of June 2025.

Expect to improve power generation capacity by about 8% through optimal design.


Turbines and generators


Tomakomai power plant

Large-scale investments are underway to ensure stable operation and efficiency in the future, with a focus on the main facilities of the Tomakomai Power Plant, which has been in operation for about 20 years since October 2003.

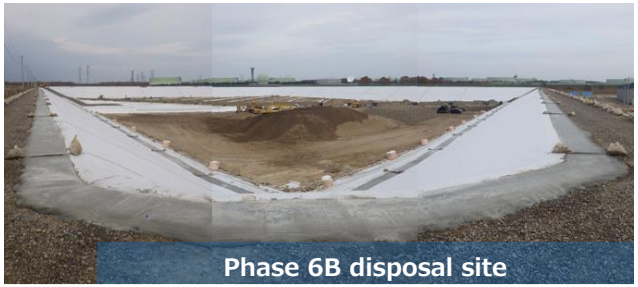
Resource Circulation Area | Investment in growth to further expand the business base

Expansion of Final disposal site

The phase 6B disposal site is under construction for the continuation of stable landfill operations.

Operation is scheduled to start in December 2025.

Phase 6B disposal site
Area : 58,370㎡
Landfill capacity : 414,390㎥


Phase 6B disposal site


Final disposal site

The expansion of pre-processing facilities is being carried out

▶The intake capacity is expected to increase due to a significant improvement in processing capacity.

- Already installed at Tomakomai factory
- Ota factory is scheduled to start operation in May 2025.

The intake capacity is expected to increase by approx. 17

- Expansion is scheduled to be carried out at other plants as needed.


Tomakomai factory

The installation of material recycling crushing equipment

▶With the installation of new material recycling crushing equipment, efforts are being made to enter the material recycling business in earnest.

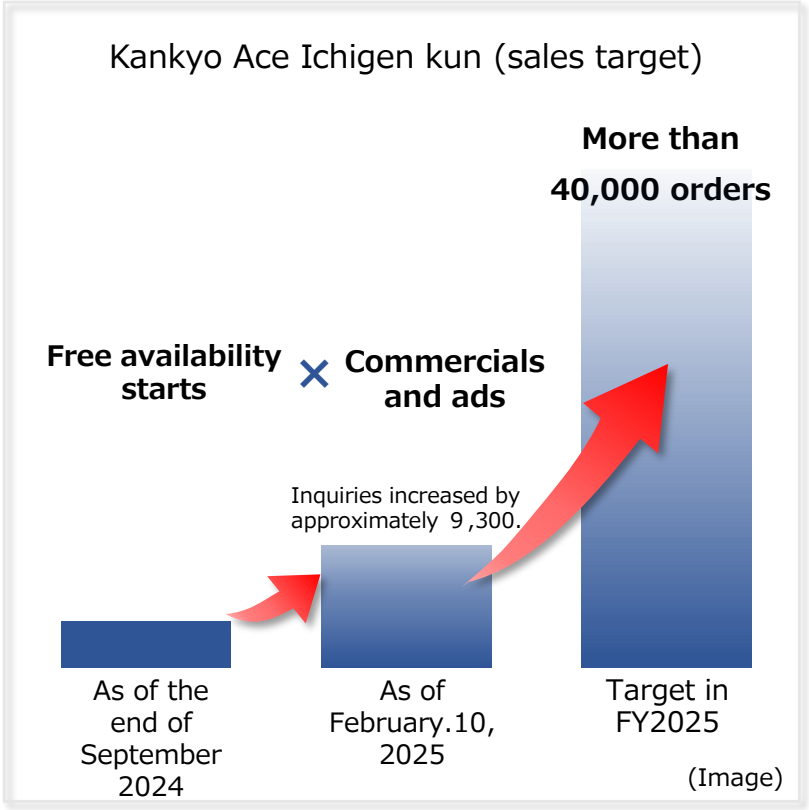
- Already installed at Tomakomai factory Fuji factory and Moka factory
- Expansion is scheduled to be carried out at other plants as needed.


Moka factory

Resource Circulation Area | Efforts for Continued Expansion of Business Foundation

We aim to achieve 40,000 orders for 'Kankyo Ace Ichigen kun' by the end of FY2025.

Number of inquiries exceeded 9,300



YouTube Views
Over 4 million views

▼ Click here to see the commercial video ▼

The number of inquiries and YouTube views are as of February 10, 2025.

Transition to a Holdings Structure (Progress Status)

Making good progress towards the April 1, 2025 transition.

SANIX HOLDINGS INCORPORATED
President and Representative Director : Hiroshi Munemasa

※The company name of the current SANIX will be changed on April 1, 2025,
and it is scheduled to transition to a holding company structure.

Residential environment area

Spin off as a 100% subsidiary

(New company)
SANIX INCORPORATED

President and Representative Director : Takeshi Inada
・Established on October 7, 2024
・Scheduled for succession on April 1, 2025

Business related to total maintenance of detached houses, apartment complexes, etc. (HS division, ES division, SE division)

Energy area

Spin off as a 100% subsidiary

SANIX ENGINEERING INCORPORATED

President and Representative Director : Kouji Umeda
・Established on January 16, 2024
・Succession on Jul.1, 2024

Business related to the sale, installation, and maintenance of photovoltaic generation systems for corporations and businesses. (PV division)

Resource Circulation Area

Spin off as a 100% subsidiary

SANIX RESOURCE DEVELOPMENT GROUP INCORPORATED

President and Representative Director : Hideki Takei
・Established on May 17, 2024
・Scheduled for succession on April 1, 2025

Business related to the recycling of waste plastics, purification of waste liquids, fuel production, and power producer and supplier. (ERD division, PPS division)

Disclosed on November 14, 2024 [Reprinted].

The loss carried forward was eliminated on September 2, 2024 (consolidated: deficit disposition)

While improving financial soundness,

we will ensure the flexibility and mobility of capital policy.

Strengthen our management base in the current medium term management plan and achieve our full-year plan in the pursuit of an early resumption of dividends

No change since May 15, 2024

FY2024 Forecasts

- **Net sales ¥46,246M（YoY 98.0%）**
- **Operating profit ¥1,715M（YoY 45.8%）**

(Reprint)

(Million yen)	1st half year Plan	1st half year YoY	2nd half year Plan	2nd half year YoY	Full-year Plan	Full-year YoY
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%**	

FY2024 Forecasts | Segments

● Major factors

- Residential environment is expected to increase sales and profits due to leveraging the sales force and customer base
- Resource circulation is expected to decrease sales and profits due to significant decline in the unit price of electricity sold in the Tomakomai power plant

(Million yen)	1st half year Plan	1st half year YoY	2nd half year Plan	2nd half year YoY	Full-year Plan	Full-year YoY
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

FY2024 Forecasts | Residential environment Area

● YoY : Increase in sales and profits

- Expand the continuous follow-up system for existing customers and to increase the number of customers by strengthening the corporate sales system.
- A Broad range or service, from termite control to residential environmental needs. (such as residential PPA and storage batteries)
- For multi-family housing, broaden the focus from Anti-rust equipment (product name: Daelman Shock) to include maintenance measures for water supply and drainage systems.

(Million yen)	1st half year			2nd half year			Full-year		
	Plan	Sales ratio	YoY	Plan	Sales ratio	YoY	Plan	Sales ratio	YoY
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
Labor costs	**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

FY2024 Forecasts | Energy Area

● YoY : Decrease in sales and profits

- In the PV systems, efforts will be made to expand the sales channels for 'self-consumption' solar power generation systems, while also strengthening the system for equipment replacement and after-sales maintenance for existing solar power plant.
- Promote the sale of electricity by utilizing the added value of non-fossil value electricity from the Tomakomai power plant.

(Million yen)	1st half year			2nd half year			Full-year		
	Plan	Sales ratio	YoY	Plan	Sales ratio	YoY	Plan	Sales ratio	YoY
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
Labor costs	**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

FY2024 Forecasts | Resource circulation Area

● YoY : Decrease in sales and profits

- In the plastic business, expand the intake capacity and sales channels through capital investment.
- Encourage the development of 'material recycling' for the reuse of plastic raw materials.
- 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 waste liquid treatment, expand the production of 'Recycled Oil Bio', an alternative fuel to heavy oil, and promote the conversion of sludge generated from waste liquid treatment into recycled fuel.

(Million yen)	1st half year			2nd half year			Full-year		
	Plan	Sales ratio	YoY	Plan	Sales ratio	YoY	Plan	Sales ratio	YoY
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	**325**	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
Labor costs	**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

Financial results FY2024 3Q

(Million yen)	FY2023 3Q Results	**FY2024 3Q Results**	YoY		FY2024 plan	Plan ratio
Net sales	34,275	**32,782**	-1,492	-4.4%	46,246	70.9%
Gross profit	12,999	**12,096**	-902	-6.9%	16,001	75.6%
(Gross profit margin)	37.9%	**36.9%**			34.6%	
Operating profit	2,419	**1,438**	-980	-40.5%	1,715	83.9%
(Operating profit margin)	7.1%	**4.4%**			3.7%	
Ordinary profit	2,242	**1,201**	-1,040	-46.4%	1,440	83.4%
(Ordinary profit margin)	6.5%	**3.7%**			3.1%	
Profit attributable to owners	1,806	**831**	-975	-54.0%	1,093	76.0%
(Net profit margin)	5.3%	**2.5%**			2.4%	

Segment results FY2024 3Q

(Million yen)	FY2023 3Q Results	**FY2024 3Q Results**	YoY		FY2024 plan	Plan ratio
Net sales	34,275	**32,782**	-1,492	-4.4%	46,246	70.9%
Residential environment	11,815	**11,743**	-72	-0.6%	17,704	66.3%
Energy	8,481	**7,765**	-716	-8.4%	12,320	63.0%
Resource circulation	13,978	**13,273**	-704	-5.0%	16,221	81.8%
Operating profit	2,419	**1,438**	-980	-40.5%	1,715	83.9%
Residential environment	1,243	**1,358**	+ 114	+ 9.2%	2,379	57.1%
Energy	19	**9**	-10	-53.1%	252	3.7%
Resource circulation	3,200	**2,096**	-1,103	-34.5%	1,863	112.5%
Group	-2,044	**-2,024**	+ 19	—	-2,780	—

Residential environment Area results

(Million yen)	FY2023 3Q Results	**FY2024 3Q Results**	YoY		FY2024 plan	Plan ratio
Net sales	11,815	**11,743**	-72	-0.6%	17,704	66.3%
HS Division	8,859	**9,009**	+ 149	+ 1.7%	13,318	67.6%
ES Division	2,007	**1,826**	-181	-9.0%	2,800	65.2%
SE Division	948	**908**	-40	-4.3%	1,586	57.3%
Cost of sales	5,164	**5,176**	+ 12	+ 0.2%	8,008	64.6%
Material costs	1,742	**1,606**	-135	-7.8%	2,781	57.8%
Labor costs	1,856	**1,842**	-14	-0.8%	2,708	68.0%
Gross profit	6,651	**6,567**	-84	-1.3%	9,695	67.7%
SG&A	5,407	**5,208**	-198	-3.7%	7,316	71.2%
Labor costs	3,329	**3,212**	-117	-3.5%	4,665	68.8%
Operating profit	1,243	**1,358**	+ 114	+ 9.2%	2,379	57.1%

Energy Area results

(Million yen)	FY2023 3Q Results	**FY2024 3Q Results**	YoY		FY2024 plan	Plan ratio
Net sales	8,481	**7,765**	-716	-8.4%	12,320	63.0%
PV Division	6,516	**5,797**	-719	-11.0%	9,884	58.6%
PPS Division	1,964	**1,967**	+ 3	+ 0.2%	2,436	80.8%
Cost of sales	6,858	**6,008**	-849	-12.4%	9,989	60.2%
Material costs	4,869	**4,130**	-739	-15.2%	6,925	59.6%
Labor costs	444	**459**	+ 14	+ 3.3%	633	72.5%
Gross profit	1,622	**1,756**	+ 133	+ 8.2%	2,330	75.3%
SG&A	1,602	**1,746**	+ 144	+ 9.0%	2,078	84.1%
Labor costs	827	**936**	+ 109	+ 13.2%	1,112	84.2%
Operating profit	19	**9**	-10	-53.1%	252	3.7%

Resource circulation Area results

(Million yen)	FY2023 3Q Results	**FY2024 3Q Results**	YoY		FY2024 plan	Plan ratio
Net sales	13,978	**13,273**	-704	-5.0%	16,221	81.8%
Plastic fuel	7,965	**8,261**	+ 296	+ 3.7%	10,263	80.5%
Power plant	3,668	**2,496**	-1,171	-31.9%	2,903	86.0%
Waste liquid treatment	1,591	**1,654**	+ 62	+ 4.0%	2,335	70.8%
Landfill	753	**861**	+ 108	+ 14.4%	718	120.0%
Cost of sales	9,252	**9,500**	+ 247	+ 2.7%	12,246	77.6%
Labor costs	1,434	**1,519**	+ 84	+ 5.9%	1,999	76.0%
Gross profit	4,725	**3,773**	-952	-20.1%	3,974	94.9%
SG&A	1,525	**1,677**	+ 151	+ 9.9%	2,111	79.4%
Labor costs	906	**946**	+ 40	+ 4.5%	1,278	74.1%
Operating profit	3,200	**2,096**	-1,103	-34.5%	1,863	112.5%

Financial status

(Million yen)	As of Mar.31, 2024	**As of Dec.31, 2024**	HoH Difference	HoH Ratio
Current assets	16,211	**15,013**	-1,198	-7.4%
Non-current assets	20,753	**22,492**	+ 1,738	+ 8.4%
Total assets	36,965	**37,506**	+ 540	+ 1.5%
Current liabilities	18,010	**18,036**	+ 25	+ 0.1%
Non-current liabilities	10,042	**9,752**	-290	-2.9%
Total liabilities	28,053	**27,788**	-265	-0.9%
Total net assets	8,912	**9,717**	+ 805	+ 9.0%
Total liabilities and net sales	36,965	**37,506**	+ 540	+ 1.5%
Equity ratio	24.1%	**25.9%**		

Capital investment and depreciation expenses

(Million yen)	FY2023 3Q Results	**FY2024 3Q Results**
Residential environment	15	**15**
Energy	128	**393**
Resource circulation	1,798	**2,385**
Headquarters	149	**34**
Capital investment	2,090	**2,829**
Depreciation	1,217	**1,251**

【Major capital investment】

【Resource circulation Area】

- in Tomakomai power plant ：¥1,615M
- in disposal facilities of waste plastic resources development factory ：¥486M
- in waste liquid treatment：¥232M

【 Energy Area 】

- in PPA for municipalities ：¥282M

Number of sites and employees

	As of Mar.31, 2024 Sites	As of Mar.31, 2024 Employees	**As of Dec.31, 2024 Sites**	**As of Dec.31, 2024 Employees**	Employees difference
HS Division	62	864	**62**	**863**	-1
ES Division	12	162	**10**	**139**	-23
SE Division	14	75	**14**	**70**	-5
PV Division	30	245	**27**	**267**	+22
PPS Division	1	13	**1**	**16**	+3
ERD Division	19	455	**19**	**484**	+29
Headquarters	—	235	**—**	**230**	-5
Total	**—**	**2,049**	**—**	**2,069**	**+20**

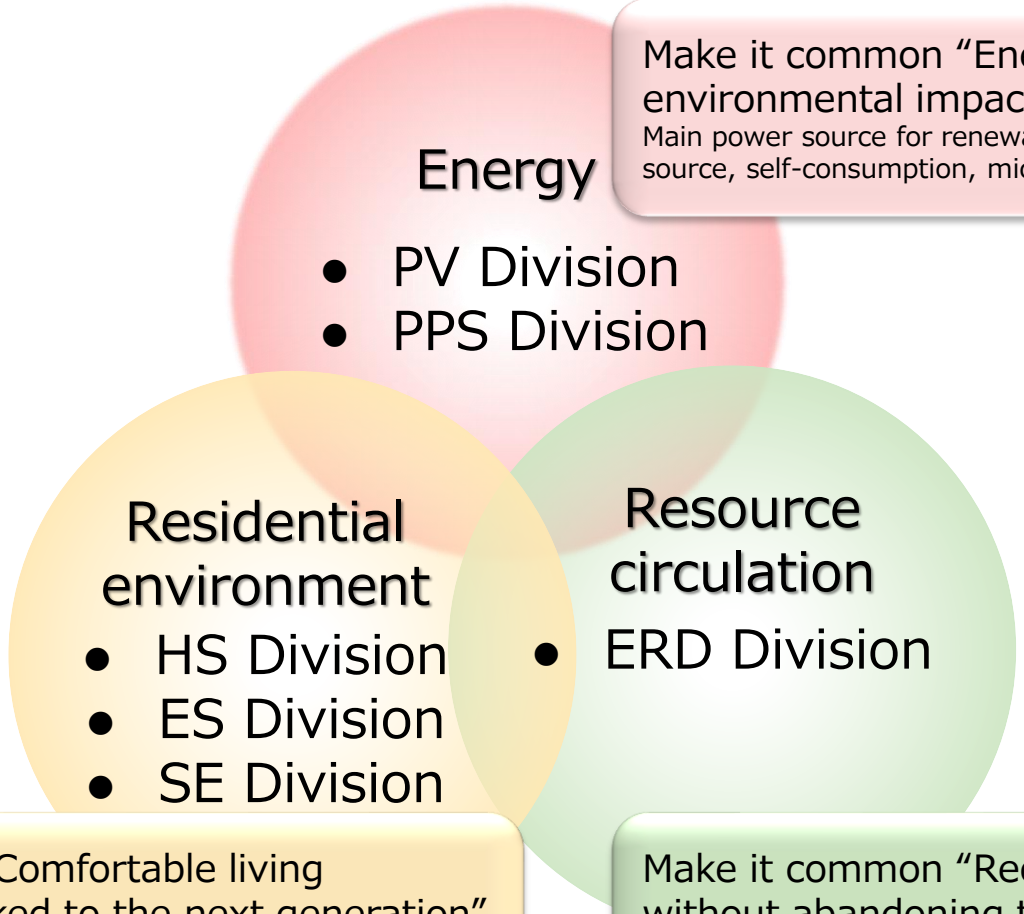
※ The above number of locations includes instances of the same location
※ The ERD division includes one power plant and one final disposal site.

Major management indices

		FY2020 Results	FY2021 Results	FY2022 Results	FY2023 Results	**FY2024 Plan**
Return on equity	ROE	27.9%	—	24.8%	36.1%	**11.6%**
Return on assets	ROA	6.4%	—	4.5%	9.8%	**3.8%**
Equity ratio		24.5%	13.5%	18.0%	24.1%	**25.4%**
Return on invested capital	ROIC	11.2%	—	8.4%	14.4%	**6.4%**
(Million yen) Capital investment		3,083	2,776	1,566	2,743	**3,900**
Depreciation		1,097	1,509	1,889	1,654	**1,700**

Supplementary material

Corporate philosophy
“Clean and comfortable environment for the next generation”



Make it common “Energy with low environmental impact”
Main power source for renewable energy, distributed power source, self-consumption, microgrid, VPP.

Make it common “Comfortable living environment is linked to the next generation”
Long-life quality housing, securing housing stock, formulation of Pre-owned housing distribution market

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

Termite control construction
- Guarantee for 5 years,
- Annual periodic inspections

Providing services and products to respond to the range of needs associated with housing.

Under-floor /attic ventilation system
Measures to prevent moisture from invading houses

Foundation repair
Repair of foundation cracks
Measures to reduce new cracks

Home reinforcement system
Systems for enhancing the seismic resistance and durability of houses

Others
Products for the improvement of living environments including renovations

Flow chart for customer base development

New Customers → Establishment a customer bases

New customers — 1 2 3 4 5 — Re-disinfection — 1 2 3 4 5 — Re-disinfection

Guarantee for 5 years with annual periodic inspections

Guarantee for 5 years with annual periodic inspections

Visits, fliers and referrals

Development and response to new demand through the establishment of trust relationships with customers

Business structure of the ES Division

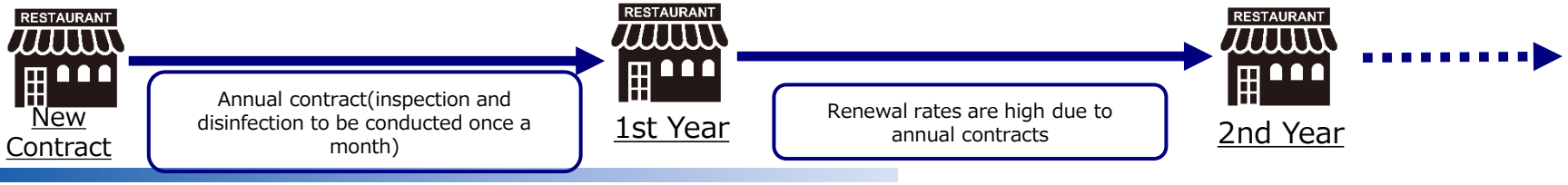
Major services and products

Water supply and drainage repair	Structure maintenance services	Others
・Anti-rust equipment installation (Daelman Shock) ・Piping work (repair and replacement of water supply and drainage pipes) ・Water service work	Application of waterproof paints to rooftops or external walls, etc.	Measures to prevent environmental pollution, etc.

SANIX / PCO services

Pest and vermin control service, HACCP

→ Restaurants, hotels, food factories, etc.



Business structure of the SE and PV Division

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

Procurement	Sales	Installation	O&M
・Procurement of solar panels, peripheral devices, mounting structures, and other components	・Simulation based on on-site surveys ・Various procedures ・Bundled sales of storage batteries	・Detailed design ・Installation work ・Electrical work	・Remote monitoring, and others, list of paid maintenance services ・Warranty systems

SE Division for housing (less than 10 kW)

- Newly built houses: Promote ZEH
- Existinghouses : 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.

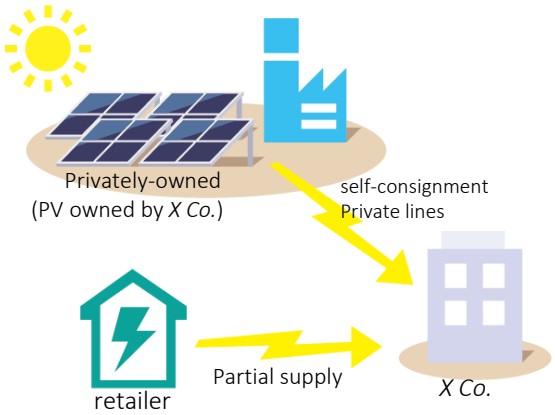
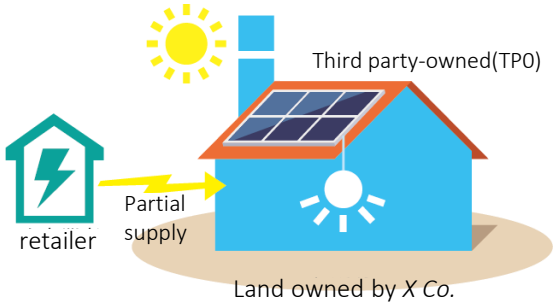
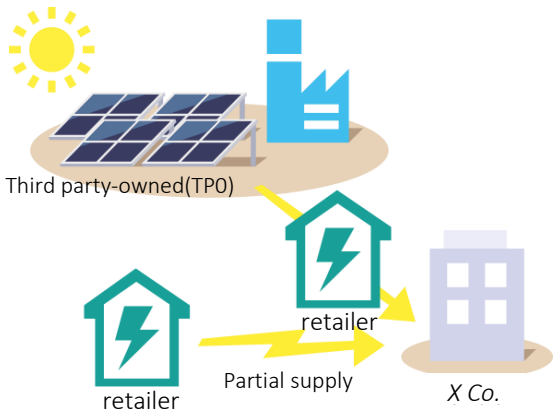
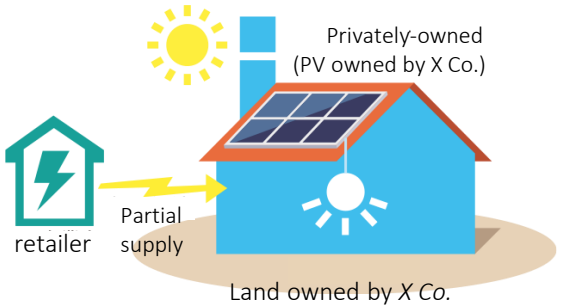
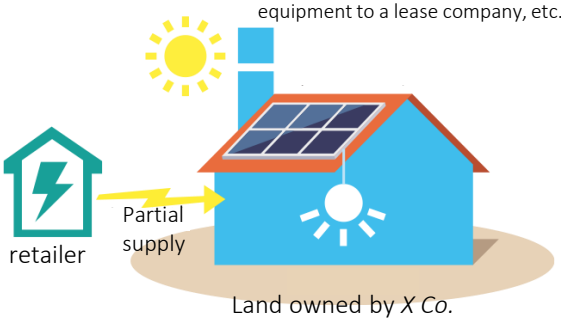
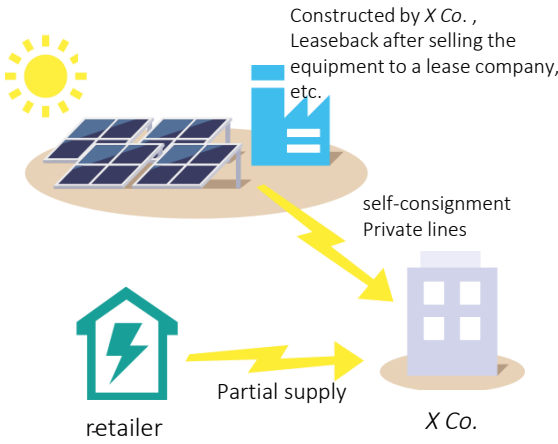
Build a new organization dedicated to the residential PV market, aiming to actively develop the market.

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.

The introduction of solar power is accelerating, driven by rising electricity costs, decreasing costs of solar power systems, and the growing adoption of PPA services, in response to needs for economic efficiency, carbon neutrality, and enhanced resilience.

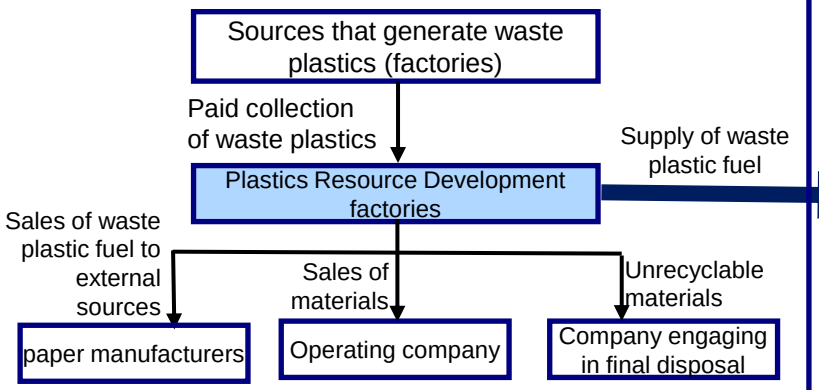
Self-consumption	On-site PPA	Off-site PPA
		
		

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

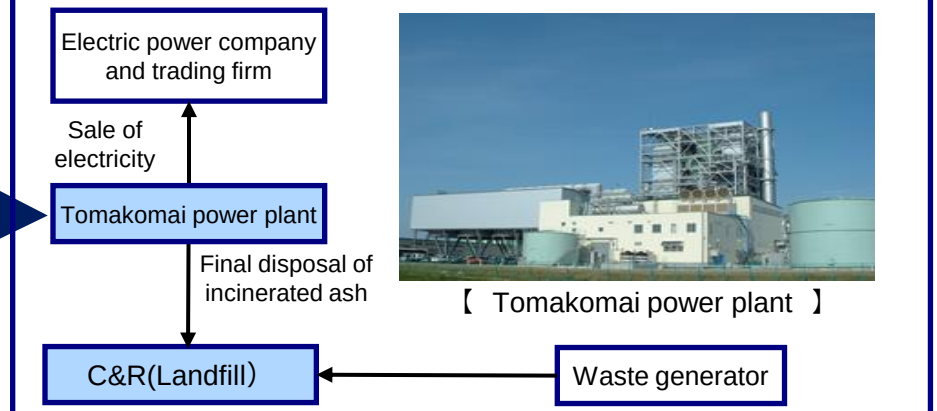
Business structure of Environmental Resource Development

Resource recycling power generation system business

Waste plastic processing business



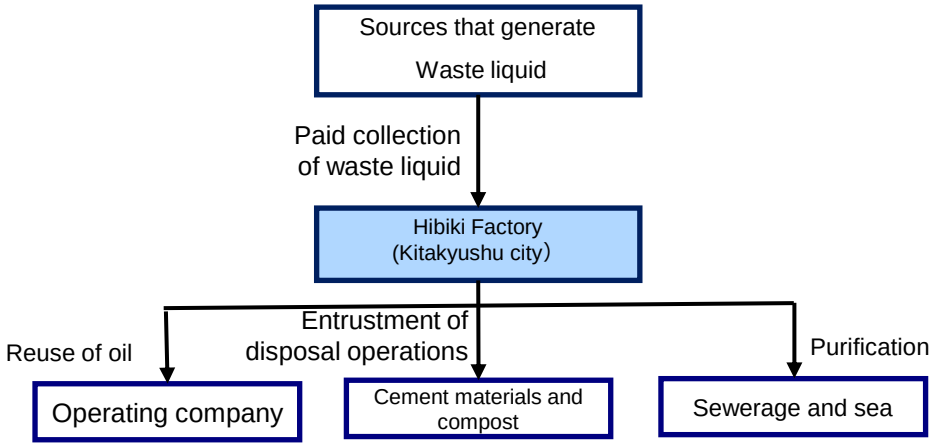
Power plant and landfill businesses



【 Tomakomai power plant 】

- 15 plastic resources 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 about 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.
- Several factors beyond the Company's forecast, including the status of the COVID-19 pandemic and the response of the government and local governments, economic trends in Japan, trends in the feed-in tariff for renewable energy, trends related to the handling of waste (especially waste plastics), the competitive environment with other vendors, technological innovation, as well as the legal and regulatory environment.
- 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.

【Notice】

- Numbers are rounded off to the nearest whole number.
- The "( )" notation of operating profit, ordinary profit, and net profit for the current period represents operating loss, ordinary loss, and net loss for the current period, respectively.
- In case of negative or more than 1000%, margin is marked " - ".

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