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May 15, 2025

Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)

Company name: SANIX HOLDINGS INCORPORATED
 Listing: Tokyo Stock Exchange / Fukuoka Stock Exchange
 Securities code: 4651
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 Scheduled date of annual general meeting of shareholders : June 26, 2025
 Scheduled date to commence dividend payments : -
 Scheduled date to file annual securities report : June 25, 2025
 Preparation of supplementary material on financial results : Yes
 Holding of financial results briefing : Yes (for Institutional investor)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	45,352	△3.8	2,227	△40.5	1,950	△43.7	1,483	△45.0
March 31, 2024	47,167	1.9	3,744	109.7	3,466	123.3	2,697	102.5

Note: Comprehensive income For the fiscal year ended March 31, 2025: ¥ 1,271million [△55.3%]

For the fiscal year ended March 31, 2024: ¥ 2,844million [112.1%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	31.03	—	15.6	5.3	4.9
March 31, 2024	56.43	—	36.1	9.8	7.9

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended March 31, 2025: ¥- million

For the fiscal year ended March 31, 2024: ¥- million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31,2025	36,655	10,170	27.7	212.76
March 31,2024	36,965	8,912	24.1	186.04

Reference: Equity

As of March 31,2025: ¥10,170 million

As of March 31,2024: ¥8,893 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31,2025	2,648	△3,575	△666	4,686
March 31,2024	4,821	△1,800	△678	6,269

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31,2024	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ended March 31,2025	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ending March 31,2026 (Forecast)	—	0.00	—	2.00	2.00		5.4	

3. Consolidated financial forecasts for the fiscal year ended March 31, 2026(from April 1, 2025 to March 31, 2026)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
First Half	22,026	3.6	512	△21.1	257	△48.5	187	△30.6	3.92
Full Year	46,791	3.2	2,803	25.9	2,434	24.8	1,775	19.7	37.14

*** Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

Newly included: 3 companies (Company name) SANIX INCORPORATED, SANIX Resource Development Group, SANIX Homebuild Services, Inc.

Excluded: 1 companies (Company name) Shanri (Jiashan) Energy Technology Co., Ltd

- (2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

- (3) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31,2025	48,919,396 shares
As of March 31,2024	48,919,396 shares

- (ii) Number of treasury shares at the end of the period

As of March 31,2025	1,115,481 shares
As of March 31,2024	1,115,213 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended March 31,2025	47,804,075 shares
Fiscal year ended March 31,2024	47,804,343 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31,2025 (from April 1,2024 to March 31,2025)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31,2025	31,352	△20.6	686	△53.5	1,546	△0.5	1,489	12.3
March 31,2024	39,502	△2.7	1,476	226.0	1,553	167.4	1,326	192.5

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31,2025	31.17	—
March 31,2024	27.75	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31,2025	27,152	4,301	15.8	89.99
March 31,2024	30,712	2,862	9.3	59.88

Reference: Equity

As of March 31,2025: ¥4,301 million

As of March 31,2024: ¥2,862 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements, including results forecasts, included in this material are based on the information that the Company has obtained and certain assumptions that the Company considers reasonable. Actual results may differ significantly for a range of factors. The assumptions for the results forecasts and cautions in the use of the forecasts are described in 1. Information of Business Results & Financial Position for the fiscal year ended March 31, 2025, (4) Information on the Future Outlook, Including the forecasts of Consolidated Business Results on page 6 of the Attachment.

○Table of Contents of Attachments

1. I Summary of Business Results, etc	2
(1) Overview of Business Results for the Current Fiscal Year	2
(2) Overview of Financial Position for the current fiscal year	3
(3) Overview of cash flows for the current fiscal year	5
(4) Outlook for the future	6
2. Accounting Standard Selection Policy	8
3. Consolidated Financial Statements and Main Notes to the Statements	9
(1) Consolidated Balance Sheets.....	9
(2) Consolidated Statements of Income and Comprehensive Income	11
Consolidated Statements of Income	11
Consolidated Statements of Comprehensive Income	12
(3) Consolidated Statements of Changes in Net Assets	13
(4) Consolidated Statements of Cash Flows	15
(5) Notes to the Consolidated Financial Statements	17
Notes to the Going Concern Assumption	17
Segment Information, etc.....	17
Per-share information	17
4. Other	21
Consolidated Net Sales by Division.....	21

1. Summary of Business Results

(1) Overview of Business Results for the Current Fiscal Year

During the current consolidated fiscal year, the Japanese economy showed signs of a gradual recovery due to a recovery in personal consumption accompanying the normalization of social activities and rising inbound demand. However, uncertainty remained due to the unstable international situation, rising prices of raw materials and energy due to the weak yen, as well as the continuing rise in prices of commodities.

In such social conditions, our group has been working to create a sustainable society by promoting solutions to social issues through our business in the areas of housing, energy, and resource recycling, in accordance with our corporate philosophy, "Clean and comfortable environment for the next generation".

As for net sales, the Environmental Resources Development Division posted an increase (up 3.8% year-on-year) due to steady plastic fuel sales, while power plant sales declined (down 30.5% year-on-year) due to the lower unit price of power sales contracts for the current fiscal year. As a result, overall group sales were 45,352 million yen (down 3.8% from the previous year).

As for profits, the Environmental Resources Development business segment saw a decline in profits due to a significant decrease in the unit price of power sales contracts for power generation sales. As a result, the overall group posted operating income of 2,227 million yen (down 40.5% from the previous year), ordinary income of 1,950 million yen (down 43.7% from the previous year), and net income attributable to owners of the parent of 1,483 million yen (down 45.0% from the previous year).

Results for each segment for the current consolidated fiscal year are as follows.

<Residential Environment Area>

HS Business Division

The HS Business Division has strengthened its sales policy emphasizing the development of new customers since the previous fiscal year and has promoted efforts to expand its customer base. As a result, net sales amounted to 11,787 million yen (down 0.6% year-on-year). Although "Others," including home repair work, increased 24.2% year-on-year due to partial revision of selling prices, "foundation repair and house reinforcement work" decreased 13.3% year-on-year and "termite control work" decreased 8.9% year-on-year.

Operating income was 1,761 million yen (up 2.6% from the previous year) due to the revision of some selling prices and reduction of fixed costs such as personnel expenses.

ES Business Division

In the ES Business Division, the Company has been working to strengthen relationships with owners of buildings and condominiums, as well as management companies and other business partners. However, due in part to a decrease in referrals from business partners, sales of the mainstay "installation of anti-corrosion equipment (product name: Doleman Shock)" declined 12.2% year-on-year, and sales of "building waterproofing painting and repair work" declined 17.2% year-on-year, resulting in sales of 2,571 million yen (down 4.8% from the previous year).

Despite the year-on-year decline in sales, operating income increased 53.1% to 103 million yen due to the reallocation of personnel and other factors.

SE Business Division

The SE business division focused on sales of solar power generation systems and other products, specializing in detached houses. As a result, net sales amounted to 1,198 million yen (down 5.4% year-on-year).

Operating loss amounted to 41 million yen (operating loss of 59 million yen in the previous year) due to the year-on-year decrease in sales.

<Energy area>

PV Business Division

The PV Business Division focused on sales and installation of self-consumption solar power generation systems, etc. for companies and corporations, proposals of PPA projects to municipalities, sales of land-based solar power plants, equipment replacement and maintenance of existing solar power generation systems. During the period under review, sales amounted to 9,372 million yen (down 5.3% year-on-year) due to the delay in grid connection with electric power companies and the longer order-to-construction period resulting from larger and more sophisticated projects, which caused a delay in the timing of sales booking.

Operating income was 288 million yen (compared with operating income of 294 million yen in the previous fiscal year) due to improved profitability resulting from a review of costs and other factors, despite the decrease in sales.

PPS Business Division

In the PPS Business Division, the Company prioritized securing profitability and downsized its business in order to reduce the risk of price fluctuations in power procurement, affected by soaring prices in the wholesale electricity trading market (JEPX) in the winter of FY2020. As a result, net sales increased 3.8% year on year to 2,697 million yen.

Operating income increased 68.3% year-on-year to 169 million yen due to increased sales and improved profitability.

<Resource Circulation Area>

Environmental Resource Development Business Unit

In the Environmental Resource Development Business Unit, “plastic fuel” increased 3.8% year-on-year, “liquid waste treatment” increased 5.5% year-on-year, and “landfill disposal” increased 16.2% year-on-year. Nonetheless regarding “power plant sales,” the Tomakomai Power Plant was affected by a significant drop in the market price of electricity, and although the plant switched to selling electricity mainly through retail sales, which have higher unit prices than wholesale sales of electricity, it did not reach the level of the contracted unit price of electricity sales of the previous fiscal year. In addition, periodic repairs at the Tomakomai Power Plant, which were conducted in March and April in the previous fiscal year, were conducted in April and May in the current fiscal year, resulting in a 30.5% year-on-year decrease in the number of operating days compared to the previous fiscal year. As a result, net sales were 17,836 million yen (down 5.6% year-on-year).

Operating income was 2,635 million yen (down 44.2% from the previous year) due to lower sales at the Tomakomai Power Station and the impact of repair costs incurred in connection with periodic repairs.

(2) Overview of Financial Position for the current fiscal year

Assets, Liabilities and Net Assets

Total assets at the end of the current fiscal year were 36,655 million yen, a decrease of 310 million yen from the end of the previous fiscal year. Total liabilities amounted to 26,484 million yen, down 1,568 million yen from the end of the previous fiscal year. Total net assets amounted to 10,170 million yen, up 1,258 million yen from the end of the previous fiscal year. As a result, the equity ratio was 27.7%.

(Assets)

Current assets decreased 2,337 million yen to 13,873 million yen (down 14.4% from the previous period). The main factors were a 1,580 million yen decrease in cash and deposits and a 514 million yen decrease in accounts receivable.

Noncurrent assets increased 2,027 million yen to 22,781 million yen (up 9.8% from the previous period). The main factors were a 1,254 million yen increase in machinery, equipment and vehicles (net) and a 629 million yen increase in construction in progress.

(Liabilities)

Current liabilities decreased 1,099 million yen from the end of the previous fiscal year to 16,910 million yen (down 6.1% from the previous period). The main factors were increases of 627 million yen in short-term loans payable and 33 million yen in current portion of long-term loans payable and decreases of 390 million yen in deposits received and 316 million yen in income taxes payable.

Noncurrent liabilities decreased 468 million yen from the end of the previous fiscal year to 9,574 million yen (down 4.7% from the previous period). The main factors were a decrease of 893 million yen in long-term loans payable and a decrease of 300 million yen in bonds payable.

(Net Assets)

Total net assets increased 1,258 million yen from the end of the previous fiscal year to 10,170 million yen (up 14.1% year-on-year). The main factor was the net income attributable to parent company shareholders of 1,483 million yen.

(3) Overview of cash flows for the current fiscal year

Cash and cash equivalents at the end of the current fiscal year decreased by 1,582 million yen from the end of the previous fiscal year to 4,686 million yen at the end of the current fiscal year.

The status of each cash flow and their factors during the current consolidated fiscal year are as follows.

(Cash Flows from Operating Activities)

Net cash provided by operating activities totaled 2,648 million yen (4,821 million yen in the previous year). The main factors were income before income taxes and minority interests of 1,950 million yen and depreciation and amortization of 1,701 million yen as non-cash expense items.

(Cash Flows from Investing Activities)

Net cash used in investing activities totaled 3,575 million yen (1,800 million yen in the previous year). The main factor was 3,591 million yen used for the purchase of property, plant and equipment.

(Cash flows from financing activities)

Net cash used in financing activities amounted to 666 million yen (678 million yen was used in the previous year). This was mainly due to proceeds from sale and installment backs of 1,273 million yen and a net increase in short-term loans payable of 627 million yen, which were offset by expenditures of 1,420 million yen for repayment of long-term loans payable and 943 million yen for repayment of installment obligations.

(Reference) Cash flow indicators

	FYE March 2021	FYE March 2022	FYE March 2023	FYE March 2024	FYE March 2025
Equity Ratio	24.5%	13.5%	18.0%	24.1%	27.7%
Equity ratio based on market value	47.5%	35.5%	40.9%	44.1%	31.9%
Cash flow to interest-bearing debt ratio	4.16	-	2.46	2.43	4.14
Interest Coverage Ratio	13.02	-	16.88	19.29	9.87

(Note) Equity ratio: Equity/Total assets

Equity ratio based on market value: Market capitalization/Total assets

Debt to cash flow ratio: Interest-bearing debt/Operating cash flow

Interest coverage ratio: Operating cash flow/Interest expense

1.All indicators are calculated based on consolidated financial figures.

2.Market capitalization is calculated by multiplying the closing stock price at the end of the fiscal year by the total number of shares issued and outstanding at the end of the fiscal year.

3.Operating cash flow is the cash flow from operating activities shown in the consolidated statements of cash flows. Interest-bearing debt includes all liabilities on the consolidated balance sheets for which interest is paid. Interest payments are based on the amount of interest paid in the consolidated statements of cash flows.

(4) Outlook for the future

Based on our corporate philosophy of "Clean and comfortable environment for the next generation," our group will continue to work toward the creation of a sustainable society through new innovations in the areas of housing environment, resource recycling, and energy, utilizing our past business experience.

As announced in the "Notice of Transition to Holding Company Structure and Change of Trade Name" released on May 15, 2024, we have decided to transition to a holding company structure in April 2025, as we believe this is the best way to respond quickly to any changes in the business environment and to achieve sustainable growth. The holding company will specialize in group management functions to formulate group strategies and optimize the allocation of management resources, while the operating companies will focus on their respective businesses and aim to enhance the corporate value of the Group by conducting flexible and speedy business development in response to changes in the business environment and business characteristics.

Business strategies by segment are as follows.

< Residential Environment Area >

HSE Business Division

The HSE Business Division will strengthen its business platform by further expanding its community-based new business development and ongoing follow-up with existing customers.

In addition, employment and other measures will be taken to increase the number of employees and open new branches aggressively to expand the client portfolio. Furthermore, we will respond to diverse needs related to the residential environment, as the energy-saving market is expected to accelerate due to improved insulation performance of houses (windows, insulation materials, etc.). In addition, the "installation of solar power generation equipment for detached houses," which was previously conducted as a stand-alone SE business, will be integrated with the HS business and re-positioned as "maintenance and renovation of detached houses."

ES Business Division

Sales channels for maintenance measures for water supply and drainage facilities and maintenance of buildings and condominiums for the main product, "Installation of anti-corrosion equipment (product name: Doleman Shock)," will be expanded by establishing partnerships with management companies, customer introductions through close follow-ups with existing partners, and creating more opportunities for business negotiations with real estate owners. In addition, pest control and hygiene management services such as hygiene management support in accordance with HACCP (Hygiene Administration Control Method) for businesses that handle food products will also be promoted.

< Energy Area >

PV Business Division

In solar power generation systems for businesses and corporations, we have been working to shift our sales focus from the FIT system to "self-consumption" solar power generation systems. In addition to expanding sales channels for "self-consumption" solar power generation systems, which can help companies become carbon neutral and reduce electricity costs, the Company will strengthen its system for equipment replacement and after-sales maintenance at customers' solar power plants. Furthermore, productivity and efficiency will be improved, and cost reduction of materials and components will be promoted.

<Resource Recycling Area>

Environmental Resources Development Business Division

Regarding the conversion of waste plastic into fuel, we have been improving the quality of fuel and the efficiency of plant operations. With respect to the conversion of waste plastics into fuel, improvement of fuel quality and more efficient plant operations have been promoted. In addition, efforts will be made to develop “material recycling,” in which waste plastics that are suitable for use as plastic raw materials are sorted in the sorting process, processed in cooperation with partner companies, and reused as plastic raw materials. Furthermore, by promoting sales of a centralized waste management system for waste generators, collection and transportation companies, etc., as well as waste treatment businesses, support for complicated tasks such as contracts, management forms (manifest slips), and performance reports to local governments will be made possible.

Moreover, the system will enable the calculation of Scope 3 emissions related to waste, which is necessary for sustainability reporting, and will lead to continuous transactions.

In the area of liquid waste treatment, production of “Recycled Oil Bio,” an alternative fuel to heavy oil derived from waste, and promotion of the conversion of sludge generated after liquid waste treatment into recycled fuel will contribute to the realization of a carbon-neutral society, as well as to the reduction and recycling of both industrial waste and resources, thereby contributing to a recycling-oriented society.

In addition, the Group aims to commercialize the recycling and processing of solar cell panels, as a large amount of used solar cell panels are expected to be generated in the 2030s with the expiration of the solar FIT purchase period. Applying the knowledge of solar cell panels that we have accumulated so far and our strength in having a nationwide industrial waste treatment network, we will proceed with the verification of recycling technology for solar cell panels.

PPS Business Division

The combination of soaring prices in the wholesale power trading market (JEPX) and global energy prices made it difficult to ensure the profitability of the electricity retail business, and we have liquidated unprofitable contracts and downsized the business. However, in addition to promoting the sale of electricity by effectively utilizing the added value of the Tomakomai Power Plant's non-fossil value electricity, we will continue our electricity supply and demand management operations with an eye to energy management, including in-house consumption in solar power generation system sales and commercialization of renewable energy introduction models such as PPA.

Forecast of Consolidated Business Results for the Fiscal Year Ending March 31, 2026

For the fiscal year ending March 31, 2026, we forecast consolidated net sales of 46,791 million yen (up 3.2% year-on-year), operating income of 2,803 million yen (up 25.9%), ordinary income of 2,434 million yen (up 24.8%), and net income attributable to shareholders of the parent company is projected at 1,775 million yen (up 19.7% year-on-year).

(Unit : million yen)		
Consolidated Forecast	Fiscal year ending Mar. 2026	Fiscal year ending Mar. 2025 (actual results for the current fiscal year)
Net Sales	46,791	45,352
Operating Income	2,803	2,227
Ordinary Income	2,434	1,950
Net Income Attributable to Owners of the Parent	1,775	1,483

The above forecasts are based on information available as of the date of publication of this document, and actual results may differ from these forecasts due to various factors.

2. Accounting Standard Selection Policy

The Group has decided to adopt Japanese GAAP for the time being. The Group intends to adopt International Financial Reporting Standards (IFRS) as appropriate, taking into consideration various circumstances in Japan and overseas.

3. Consolidated Financial Statements and Main Notes to the Statements

(1) Consolidated Balance Sheets

(Unit : million yen)

	Previous fiscal year (March 31, 2024)	Current fiscal year (March 31, 2025)
Assets		
Current assets		
Cash and deposits	6,397	4,816
Notes receivable	36	31
Accounts receivable	5,334	4,820
Electronically recorded receivables	65	7
Merchandise and finished goods	185	158
Costs on uncompleted construction contracts	420	255
Raw materials and supplies	2,575	2,370
Others	1,301	1,509
Allowance for doubtful accounts	△105	△96
Total current assets	16,211	13,873
Fixed assets		
Tangible fixed assets		
Buildings and structures	11,448	11,628
Accumulated depreciation	△9,303	△9,611
Buildings and structures, net	2,145	2,017
Machinery, equipment and vehicles	15,437	17,211
Accumulated depreciation	△10,719	△11,239
Machinery and equipment, net	4,718	5,972
Land	8,248	8,732
Lease assets	1,710	1,566
Accumulated depreciation	△862	△798
Lease assets, net	847	767
Construction in progress	1,115	1,744
Other	850	836
Accumulated depreciation	△693	△663
Other, net	157	173
Total tangible fixed assets	17,232	19,407
Intangible assets	484	337
Investments and other assets		
Investment securities	234	161
Deferred tax assets	553	617
Security deposits and guarantee money	507	552
Other	2,165	2,088
Allowance for doubtful accounts	△424	△384
Total investments and other assets	3,036	3,036
Total fixed assets	20,753	22,781
Total assets	36,965	36,655

(Unit : million yen)

	Previous fiscal year (March 31, 2024)	Current fiscal year (March 31, 2025)
Liabilities		
Current liabilities		
Notes and accounts payable	1,968	1,554
Electronically recorded liabilities	486	493
Short-term borrowings	4,015	4,642
Current portion of long-term debt	1,364	1,397
Current portion of bonds	300	300
Accrued payables	4,503	4,264
Accrued expenses	1,220	1,096
Lease obligations	522	430
Accrued income taxes	655	339
Accrued consumption taxes	523	469
Contract liabilities	1,423	1,283
Reserve for bonuses	283	287
Reserve for recycling costs	13	16
Other	728	334
Total current liabilities	18,010	16,910
Fixed liabilities		
Bonds	700	400
Long-term debt	4,107	3,213
Lease obligations	709	592
Long-term leasehold deposits	45	14
Allowance for directors' retirement benefits	4	2
Allowance for disposal site closure costs	577	635
Liabilities for retirement benefits	2,217	2,478
Long-term accounts payable	1,660	2,218
Other	20	20
Total long-term liabilities	10,042	9,574
Total liabilities	28,053	26,484
Total net assets		
Shareholders' equity		
Capital	14,041	4,205
Stock Capital Surplus Interest	—	5
Earned Surplus	△3,968	7,351
Treasury Stock	△1,481	△1,481
Total Stockholders' Equity	8,591	10,080
Accumulated other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities.	137	85
Foreign currency translation adjustments.	163	168
Accumulated retirement benefit adjustments.	0	△164
Total accumulated other comprehensive income.	302	90
Noncontrolling interest	18	—
Total net assets	8,912	10,170
Total liabilities and net assets	36,965	36,655

(2) Consolidated Statements of Income and Comprehensive Income
(Consolidated Statements of Income)

(Unit : million yen)

	Previous fiscal year (from 4/1/2023 to 3/31/2024)	Current fiscal year (from 4/1/2024 to 3/31/2025)
Net sales	47,167	45,352
Cost of sales	29,064	28,745
Gross profit	18,102	16,606
SG&A expenses		
Sales commissions	612	581
Advertising expenses	408	574
Provision for doubtful accounts	△44	△6
Salaries and bonuses	6,872	6,876
Provision for bonuses	190	189
Retirement benefit expenses	222	216
Legal welfare expenses	1,073	1,074
Rent expenses	1,063	1,043
Depreciation	376	349
Other	3,582	3,479
Total selling, general and administrative expenses	14,358	14,378
Operating income	3,744	2,227
Non-operating income		
Interest income	9	9
Dividend income	4	5
Land rent income	63	27
Subsidy income	10	172
Electricity sales income	18	20
Other	36	58
Total non-operating income	142	294
Non-operating expenses		
Interest expense	252	264
Commission expense	23	11
Loss on disposal of fixed assets	89	17
Loss on reduction of fixed assets	—	168
Others	54	108
Total non-operating expenses	420	570
Ordinary income	3,466	1,950
Extraordinary loss		
Impairment loss	19	—
Total extraordinary loss	19	—
Income before income taxes	3,446	1,950
Income taxes, inhabitants' taxes and enterprise taxes	634	510
Income tax adjustments	116	△43
Total income taxes	750	467
Net income	2,695	1,482
Net loss attributable to noncontrolling interests	△1	△0
Net income attributable to owners of the parent company	2,697	1,483

(Consolidated Statements of Comprehensive Income)

(Unit : million yen)

	Previous fiscal year (from 4/1/2023 to 3/31/2024)	Current fiscal year (from 4/1/2024 to 3/31/2025)
Net income	2,695	1,482
Other comprehensive income		
Unrealized gains (losses) on available-for-sale securities	65	△51
Foreign currency translation adjustments	57	5
Adjustments for retirement benefits	25	△165
Total other comprehensive income	148	△211
Comprehensive income	2,844	1,271
(Breakdown)		
Comprehensive income attributable to owners of the parent	2,845	1,271
Comprehensive income attributable to noncontrolling interests	△1	△0

(3) Consolidated Statements of Changes in Net Assets

Previous fiscal year (April 1, 2023 to March 31, 2024)

(Unit : million yen)

	Shareholders' equity				
	Capital	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	14,041	—	△6,666	△1,481	5,893
Changes during the period					
Net income attributable to owners of the parent			2,697		2,697
Purchase of treasury stock				△0	△0
Net changes in items other than shareholders' equity					
Total changes during the period	—	—	2,697	△0	2,697
Balance at the end of the period	14,041	—	△3,968	△1,481	8,591

	Accumulated other comprehensive income				Shareholders' Equity Noncontrolling Interests	Total Net Assets
	Marketable securities Unrealized gains (losses) on available-for-sale securities	Foreign currency transaction adjustments	Accumulated retirement benefits	Total accumulated other comprehensive income (loss)		
Balance at the beginning of the period	72	106	△24	154	20	6,068
Changes during the period						
Net income attributable to owners of the parent						2,697
Purchase of treasury stock						△0
Net changes in items other than shareholders' equity	65	57	25	148	△1	146
Total changes during the period	65	57	25	148	△1	2,843
Balance at the end of the period	137	163	0	302	18	8,912

Current fiscal year (April 1, 2024 to March 31, 2025)

(Unit : million yen)

	Shareholders' equity				
	Capital	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	14,041	—	△3,968	△1,481	8,591
Changes during the period					
Net income attributable to owners of the parent			1,483		1,483
Acquisition of treasury stock				△0	△0
Changes in parent company's interest in transactions with noncontrolling shareholders		5			5
Transfer from common stock to surplus	△9,836	9,836			—
Deficit adjustment		△9,836	9,836		—
Net changes in items other than shareholders' equity					
Total changes during the period	△9,836	5	11,319	△0	1,488
Balance at the end of the period	4,205	5	7,351	△1,481	10,080

	Accumulated other comprehensive income				Shareholders' Equity Noncontrolling Interests Foreign currency transaction adjustments	Total Net Assets Accumulated retirement benefits
	Marketable securities Unrealized gains (losses) on available-for-sale securities	Foreign currency transaction adjustments	Accumulated retirement benefits	Marketable securities Unrealized gains (losses) on available-for-sale securities		
Balance at the beginning of the period	137	163	0	302	18	8,912
Changes during the period						
Net income attributable to owners of the parent						1,483
Acquisition of treasury stock						△0
Changes in parent company's interest in transactions with noncontrolling shareholders						5
Transfer from common stock to surplus						—
Deficit adjustment						—
Net changes in items other than shareholders' equity	△51	5	△165	△211	△18	△230
Total changes during the period	△51	5	△165	△211	△18	1,258
Balance at the end of the period	85	168	△164	90	—	10,170

(4) Consolidated Statements of Cash Flows

(Unit : million yen)

	Previous fiscal year (from 4/1/2023 to 3/31/2024)	Current fiscal year (from 4/1/2024 to 3/31/2025)
Cash flows from operating activities		
Income before income taxes and minority interests	3,446	1,950
Depreciation and amortization	1,654	1,701
Impairment loss	19	—
Increase (decrease) in allowance for bonuses	19	3
Increase (decrease) in allowance for disposal site closure costs	54	58
Increase (decrease) in liabilities for retirement benefits	138	96
Increase (decrease) in allowance for doubtful accounts	△123	△48
Interest and dividend income	△13	△14
Interest expense	252	264
Increase (decrease) in trade receivables	△608	577
Increase (decrease) in inventory (Increase)	33	398
Increase (decrease) in other current assets	△71	64
Increase (decrease) in accounts payable	△804	△407
Increase (decrease) in accounts payable-other	971	△354
Increase (decrease) in accrued consumption taxes	△230	△54
Increase (decrease) in other current liabilities	288	△591
Other	297	41
Subtotal	5,324	3,686
Interest and dividends received	32	11
Interest paid	△249	△268
Income taxes paid	△376	△785
Income taxes refund	91	5
Cash flows from operating activities	4,821	2,648
Cash flows from investing activities		
Payments into time deposits	△352	△31
Proceeds from withdrawal of time deposits	824	30
Purchases of property, plant and equipment	△2,091	△3,591
Proceeds from sales of property, plant and equipment	13	36
Purchases of intangible assets	△135	△28
Others	△57	8
Cash flows from investing activities	△1,800	△3,575

(Unit : million yen)

	Previous fiscal year (from 4/1/2023 to 3/31/2024)	Current fiscal year (from 4/1/2024 to 3/31/2025)
Cash flows from financing activities		
Increase (decrease) in short-term debt	553	627
Proceeds from long-term debt	—	560
Repayment of long-term debt	△1,372	△1,420
Proceeds from issuance of bonds	500	—
Redemption of bonds	△200	△300
Proceeds from sale and leaseback	41	90
Repayment of finance lease obligations	△540	△529
Proceeds from sale and installment back	1,140	1,273
Repayment of installment obligations	△775	△943
Other	△23	△24
Net cash provided by (used in) financing activities	△678	△666
Effect of exchange rate changes on cash and cash equivalents	10	10
Net increase (decrease) in cash and cash equivalents	2,352	△1,582
Cash and cash equivalents at beginning of year	3,916	6,269
Cash and cash equivalents at end of year	6,269	4,686

(5) Notes to the Consolidated Financial Statements

(Notes to the Going Concern Assumption)

Not applicable.

(Segment information, etc.)

[Segment information]

1. Overview of reportable segments

The Group's reportable segments are components of the Group for which separate financial information is available and which are subject to regular review by the Board of Directors in order to determine the allocation of management resources and evaluate their performance.

HS Business Division

Provides termite control installation, foundation repair and house reinforcement work, underfloor and ceiling ventilation system installation, renovation work, etc., for general households (detached houses).

ES Business Division

Maintenance and preservation of building water supply and drainage systems for buildings and condominiums, pest control construction, etc.

SE Business Division

Sells and installs photovoltaic power generation systems and storage batteries for detached houses.

PV Business Division

Installation and maintenance of photovoltaic power generation systems, etc., and wholesale sales of photovoltaic power generation system equipment, etc., for businesses and corporations.

PPS Business Division

Retail sales of electric power to general households and corporations.

Environmental Resource Development Business Division

Processes waste plastics collected as industrial waste by the Company and sells them as plastic fuel to consolidated subsidiary Sanix Energy Co. Sanix Energy uses the plastic fuel purchased from the Company and consolidated subsidiary Hokkaido Sanix Kankyo Co., Ltd. to generate electricity, and the incinerated ash generated by Sanix Energy is finally disposed of by consolidated subsidiary C&R Co. Also, consolidated subsidiary SE Wings Co., Ltd. purchases electricity from Sanix Energy Co., Ltd. and sells it to electricity suppliers, and consolidated subsidiary Sanix Solution Co.

Furthermore, various types of wastewaters, including organic wastewater discharged from food service and food factories and industrial wastewater discharged from other factories, are treated to produce raw materials for compost and cement and recycled fuels.

2. Method of calculating sales, profit or loss, assets, liabilities, and other items by reportable segment

The accounting method for reported business segments is the same as that described in "Basis of Presenting Consolidated Financial Statements".

Profits of reportable segments are based on operating income.

Intersegment sales and transfers are determined based on prevailing market prices.

3. Information on sales, income or loss, assets, liabilities and other items by reportable segment

(1) Previous fiscal year (April 1, 2023 to March 31, 2024)

(Unit : million yen)

	Reporting Segment							Adjustments (Note 1, 2)	Amount recorded in consolidated financial statements (Note 3)
	HS	ES	SE	PV	PPS	ERD	Total		
Net sales									
Sales to external customers	11,857	2,700	1,267	9,857	2,598	18,886	47,167	—	47,167
Intersegment sales or transfers	—	—	—	36	—	—	36	△36	—
Total	11,857	2,700	1,267	9,893	2,598	18,886	47,203	△36	47,167
Segment income (loss)	1,716	67	△59	294	100	4,722	6,841	△3,097	3,744
Segment assets	2,705	456	241	5,427	720	18,923	28,476	8,489	36,965
Other items									
Depreciation and amortization	38	4	0	48	1	1,266	1,359	294	1,654
Impairment loss	—	—	—	19	—	—	19	—	19
Increase in property, plant and equipment and intangible assets	15	1	—	308	20	2,238	2,583	159	2,743

(Notes)

1. Adjustment of segment income (loss) is 3,097 million yen of corporate expenses that are not allocated to any reportable segment and mainly consist of general and administrative expenses that are not attributable to any reportable segment.

2. Adjustment of assets is corporate assets of 8,489 million yen, which are not allocated to any reportable segment and consist mainly of surplus operating funds (cash and deposits), long-term investment funds (investment securities) and assets related to administrative departments.

3. Segment income (loss) is adjusted with operating income in the consolidated statements of income.

(2) Current fiscal year (April 1, 2024 to March 31, 2025)

(Unit : million yen)

	Reporting Segment							Adjustments (Note 1, 2)	Amount recorded in consolidated financial statements (Note 3)
	HS	ES	SE	PV	PPS	ERD	Total		
Net sales									
Sales to external customers	11,787	2,571	1,193	9,372	2,697	17,729	45,352	—	45,352
Intersegment sales or transfers	0	—	4	—	—	106	111	△111	—
Total	11,787	2,571	1,198	9,372	2,697	17,836	45,463	△111	45,352
Segment income (loss)	1,761	103	△41	288	169	2,635	4,916	△2,689	2,227
Segment assets	2,908	595	250	6,134	702	20,964	31,556	5,098	36,655
Other items									
Depreciation and amortization	33	4	0	61	1	1,323	1,424	277	1,701
Increase in property, plant and equipment and intangible assets	29	11	0	684	0	3,274	4,000	53	4,053

(Notes)

1. Adjustment of segment income (loss) refers to corporate expenses of 2,689 million yen that are not allocated to each reportable segment and mainly consist of general and administrative expenses that are not attributable to any reportable segment.
2. Adjustment of assets is corporate assets of 5,098 million yen, which are not allocated to any reportable segment and consist mainly of surplus funds under management (cash and deposits), long-term investment funds (investment securities) and assets related to administrative departments.
3. Segment income (loss) is adjusted with operating income in the consolidated statements of income.

(Per-share information)

	Previous fiscal year (4/1/2023 - 3/31/2024)	Current fiscal year (4/1/2024 - 3/31/2025)
Net assets per share	¥186.04	¥212.76
Net income per share	¥56.43	¥31.03

(Notes)

1. Diluted net income per share is not shown because there are no latent shares.

2. Basis for calculation of net assets per share is as follows.

	Previous fiscal year (March 31, 2024)	Current fiscal year (March 31, 2025)
Total net assets (millions of yen)	8,912	10,170
Amounts deducted from total net assets (millions of yen)	18	—
(of which noncontrolling interests (millions of yen))	(18)	(—)
Net assets at the end of the period related to common stock (millions of yen)	8,893	10,170
Number of common stocks at the end of the period used to calculate net assets per share	47,804,183	47,803,915

3. Basis for calculation of net income per share is as follows

	Previous fiscal year (4/1/2023 - 3/31/2024)	Current fiscal year (4/1/2024 - 3/31/2025)
Net income attributable to owners of the parent	2,697	1,483
Amounts not attributable to common shareholders (millions of yen)	—	—
Amount attributable to owners of the parent for common shares	2,697	1,483
Net income	47,804,343	47,804,075

4. Others

Consolidated net sales by division

(Unit : million yen)

Item	By period	Unit	Previous fiscal year (4/1/2023 - 3/31/2024)		Current fiscal year (4/1/2024 - 3/31/2025)		Comparative increase/decrease	
			QTY	Amount	QTY	Amount	QTY	Amount
White ant control construction.	1,000 tsubo		676	4,141	639	3,773	△36	△367
Underfloor and ceiling ventilation system.	—		—	2,979	—	2,753	—	△225
Foundation repair and house reinforcement work.	House		3,656	1,653	2,885	1,433	△771	△220
Others	—		—	3,083	—	3,827	—	744
Total of HS Business Division	—		—	11,857		11,787		△69
Installation of anti-corrosion equipment	Piece		945	1,015	847	892	△98	△123
Repair and installation of building water supply and drainage	—		—	1,012	—	1,023	—	10
Repair and installation of building waterproofing paint	—		—	280	—	232	—	△48
Others	—		—	391	—	423	—	32
Total of ES Business Division	—		—	2,700		2,571		△128
Solar power generation system	—		—	1,267	—	1,198	—	△69
Total of SE Business Division	—		—	1,267		1,198		△69
Solar power generation system	—		—	9,753	—	9,261	—	△491
Wholesale of solar power generation systems	—		—	49	—	17	—	△32
Others	—		—	91	—	93	—	2
Total of PV Business Division	—		—	9,893		9,372		△521
Electricity sales income	—		—	2,598	—	2,697	—	98
Total of PPS Business Division	—		—	2,598		2,697		98
Plastic Fuel	t		278,403	9,754	294,747	10,123	16,344	368
Power Plant Sales	—		—	5,312	—	3,691	—	△1,621
Liquid Waste Disposal	t		102,964	2,139	101,774	2,256	△1,189	117
Landfill Disposal	—		—	966	—	1,122	—	156
Other	—		—	713	—	642	—	△71
Total of ERD Business Division	—		—	18,886		17,836		△1,050
Other	—		—	—	—	—	—	—
Intersegment sales adjustments	—		—	△36	—	△111	—	△74
Total sales	—		—	47,167		45,352		△1,815

(Note 1) Items for which it is difficult to ascertain quantities due to the wide variety of items handled are omitted.

(Note 2) 1,000 tsubo is approximately 3,305.785 m².