May 7, 2015

Revision of Earnings Forecast for the Fiscal Year Ending March 31, 2015

SANIX Incorporated (Ticker:4651,TSE/FSE, President & CEO: Shin-ichi Munemasa) announces the revision of its consolidated earnings forecast for the fiscal year ending March 31,2015, which were announced February 12,2015.

1.Revision of Earnings forecast

Revision of consolidated forecast for the full fiscal year ending March 31, 2015(From April 1, 2014 to March 31, 2015)

(Millions of Yen)		Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share (YEN)
Previous Forecast	(A)	97,000	(1,160)	(1,430)	(2,720)	(56.93)
Revised Forecast	(B)	95,630	(3,140)	(3,440)	(4,990)	(104.45)
Change	(B-A)	(1,370)	(1,980)	(2,010)	(2,270)	
Precet Change	(%)	-1.4%	-	-	-	
Reference: results for the 1st half of the fiscal year ended March 31,2014		84,221	4,508	4,309	2,964	62.13

Reasons for the Revision

The Company's solar power generation business is facing a severe business environment amid drastic changes in external environments, as the application of output control rules are under review due to issues with connecting renewable energy to the utility grid. In light of such situations, the Company revised its earnings forecast on February 12, 2015. However, net sales are expected to miss the forecast by approximately 1.4% as direct installation sales fell short of the forecast, in the Solar Engineering (SE) Division, although its wholesale sales exceeded the forecast.

On the profit side, the Company achieved the projected level in terms of fixed costs, by reviewing overall expenses, including personnel expenses, as it moved forward with the streamlining of workforce structures between the districts in the SE Division. However, the gross margin fell short of the previous forecast, as the ratio of wholesale business, whose cost rate is high, rose, and the cost of materials, such as imported PV modules, increased due to the yen becoming weaker than the projected exchange rate, in addition to a decrease in profits due to direct installation sales that missed the target in the SE Division. Given these situations, the Company has decided to revise its full year profit forecast, in which operating and ordinary incomes are expected to miss the previous forecasts. In addition to the above situation, as announced today in the "Notice Regarding Implementing voluntary retirement program and Elimination and consolidation of business sites," the Company will post an impairment loss of approximately 300 million yen as an extraordinary loss, reflecting the consolidation of sites and the cancellation of vehicle-related contracts. The net income therefore is expected to fall short of the previous forecast.

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