

Listed on the 1st sections of TSE,
OSE and FSE
Ticker: 4651

SANIX



Consolidated Financial Statements

For the First Half ended September 30, 2012

SANIX INCORPORATED

November 12, 2012

(Note) Numbers are rounded off to the nearest whole number.



Contents

1. Summary of 1st Half ended September 30, 2012 P. 1

2. Forecast for FY2012 ending March 31, 2013 P. 10

Disclaimer

This material contains certain forward-looking statements. Such forward-looking statements are not intended to provide guarantees of our future performance and are based on certain assumptions and management's judgment based on currently available information. Therefore, actual results in future earnings and operating results may materially differ from those contained in the forward-looking statements.

The following items are among the factors that could cause actual results to differ materially from the forward-looking statements in this material:

changes in economic environment in Japan and abroad, business condition in Japanese manufacturing industry, competition with other manufacturers, changing technology, regulatory environment, new legislation and any other factors which are beyond our control.

In addition, this presentation is not intended to solicit investment to securities issued by us. We assume no responsibility for any losses and liabilities that may be incurred because of information contained in this material.

SANIX



Summary of 1st Half



Summary of 1st Half

In the first six-month period of the current consolidated fiscal year, both sales and income increased compared to previous period.

Net Sales	:	18,184 million yen	(Up 2,731million yen from last year)
Operating Income	:	524 million yen	(Up 257million yen from last year)
Ordinary Income	:	508 million yen	(Up 271million yen from last year)
Net Income	:	379 million yen	(Up 379million yen from last year)

◆ Net Sales ◆

The sales of Solar Photovoltaic Power Generation System in the HS Division and the sales of Anti-Rust Equipment Installation in the ES Division increased steadily compared to previous period. In the ERD Division, the sales of Plastic fuel business increased greatly compared to previous period, and sales of Power Generation increased compared to previous period because of stable and continuous operation and improving rate of operation by shortening a regular maintenance period . As a result, each divisions increased compared to previous period.

◆ Earnings ◆

Although operating income in the HS Division decrease compared to previous period by rising the constituent ratio of the Solar Photovoltaic Power Generation System with higher cost rate, operating income in the ERD Division increased greatly compared to previous period by increasing sales greatly compared to previous period. As a result, the Group reported Operating Income of 524 million yen which increased compared to previous period.

1st Half : Statement of Income

(Millions of Yen)	FY2011		FY2012					
	1st Half		1st Half					
	Actual	% to sales	Actual	% to sales	% to last year	Projection	% of change	Difference
Net Sales	15,452	100.0%	18,184	100.0%	117.7%	18,940	96.0%	(755)
HS	8,868	57.4%	9,320	51.2%	105.1%	10,590	88.0%	(1,269)
ES	1,341	8.7%	1,452	8.0%	108.3%	1,480	98.1%	(27)
ERD	5,243	33.9%	7,411	40.8%	141.4%	6,870	107.9%	541
Cost of Sales	10,060	65.1%	12,338	67.9%	122.6%	12,691	97.2%	(352)
Gross Profit	5,392	34.9%	5,846	32.1%	108.4%	6,249	93.6%	(402)
SG&A	5,125	33.2%	5,321	29.3%	103.8%	5,614	94.8%	(292)
Operating Income	266	1.7%	524	2.9%	196.6%	635	82.6%	(110)
Ordinary Income	237	1.5%	508	2.8%	214.5%	615	82.7%	(106)
Net Income	(0)	—	379	2.1%	—	540	70.2%	(160)

■ Although sales of Resource-Recycling Power Generation Business in ERD Division increased compared with the budget, sales of Solar Photovoltaic Power Generation System for orders from end users to dealers and exist products including Termite Eradication Service fell short of budget. Although operation income in the current second quarter (July-September) increased compared with the budget because ERD Division drove overall sales, we failed to offset first-quarter losses. As a result, the Group's total income in the first half fell short of the budget.

1st Half : Segment Information

(Millions of Yen)		FY2011		FY2012					
		1st Half		1st Half					
		Actual	% to last year	Actual	% to sales	% to last year	Projection	% of change	Difference
HS	Net Sales	8,868	102.2%	9,320	100.0%	105.1%	10,590	88.0%	(1,269)
	Gross Profit	4,477	89.4%	3,456	37.1%	77.2%	4,130	83.7%	(673)
	SG&A	2,837	103.2%	2,640	28.3%	93.0%	2,819	93.7%	(178)
	Op,Income	1,639	72.5%	816	8.8%	49.8%	1,311	62.3%	(494)
ES	Net Sales	1,341	101.4%	1,452	100.0%	108.3%	1,480	98.1%	(27)
	Gross Profit	427	85.4%	476	32.8%	111.6%	505	94.4%	(28)
	SG&A	439	114.7%	425	29.3%	96.9%	440	96.7%	(14)
	Op,Income	(12)	—	51	3.5%	—	65	78.5%	(13)
ERD	Net Sales	5,243	113.8%	7,411	100.0%	141.4%	6,870	107.9%	541
	Gross Profit	487	82.7%	1,912	25.8%	392.2%	1,614	118.5%	298
	SG&A	758	97.3%	1,119	15.1%	147.7%	1,166	96.0%	(46)
	Op.Income	(270)	—	792	10.7%	—	448	177.0%	344
Group	Op.Income	(1,090)	—	(1,136)	—	—	(1,189)	—	52

1st Half : Statement of Income

(Millions of Yen)	FY2012						
	1st Quarter			2nd Quarter			
	Actual	Projection	Difference	Actual	Projection	% of change	Difference
Net Sales	8,822	9,165	(342)	9,361	9,775	95.8%	(413)
HS	4,501	5,065	(563)	4,818	5,525	87.2%	(706)
ES	723	730	(6)	729	750	97.2%	(20)
ERD	3,597	3,370	227	3,814	3,500	109.0%	314
Cost of Sales	6,268	6,202	66	6,069	6,489	93.5%	(419)
Gross Profit	2,554	2,963	(408)	3,292	3,286	100.2%	6
SG&A	2,669	2,835	(165)	2,652	2,779	95.4%	(126)
Operating Income	(115)	128	(243)	639	507	126.2%	132
Ordinary Income	(115)	123	(238)	624	492	126.9%	132
Net Income	(170)	86	(256)	549	454	121.1%	95

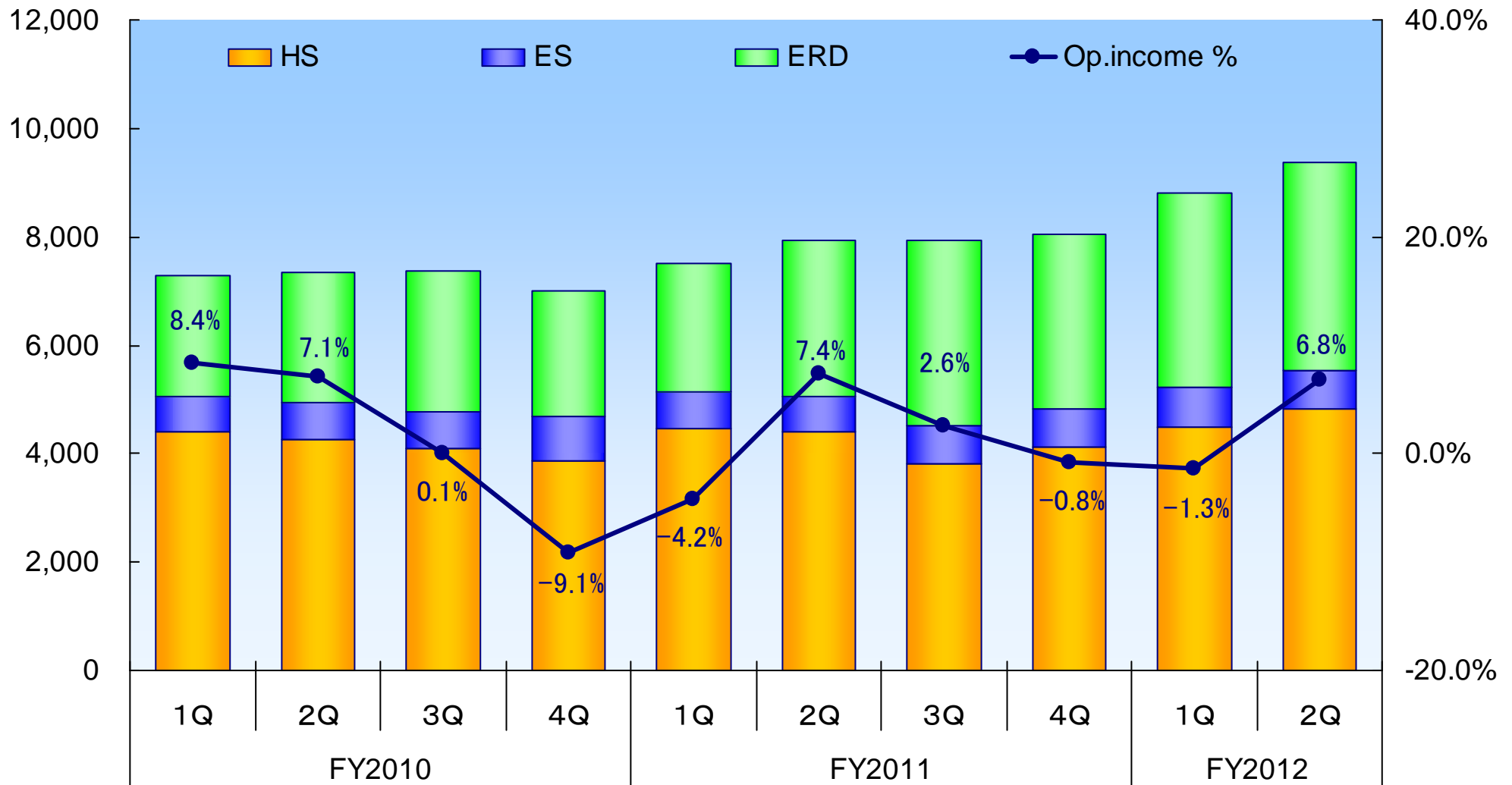
1st Half : Segment Information

(Millions of Yen)		FY2012						
		1st Quarter			2nd Quarter			
		Actual	Projection	Difference	Actual	Projection	% of change	Difference
HS	Net Sales	4,501	5,065	(563)	4,818	5,525	87.2%	(706)
	Gross Profit	1,472	1,940	(467)	1,984	2,190	90.6%	(205)
	SG&A	1,351	1,404	(52)	1,288	1,415	91.1%	(126)
	Op.Income	121	536	(414)	695	775	89.7%	(79)
ES	Net Sales	723	730	(6)	729	750	97.2%	(20)
	Gross Profit	223	255	(31)	252	250	101.1%	2
	SG&A	212	217	(4)	213	223	95.6%	(9)
	Op.Income	11	38	(26)	39	27	146.6%	12
ERD	Net Sales	3,597	3,370	227	3,814	3,500	109.0%	314
	Gross Profit	857	768	89	1,055	846	124.7%	209
	SG&A	563	573	(9)	556	593	93.8%	(36)
	Op.Income	294	195	99	498	253	197.1%	245
Group	Op.Income	(542)	(641)	98	(593)	(548)	—	(45)

1st Half : Segment Information (2)

■ Net Sales by Segment and Operating Income Margin

(Millions of Yen)



1st Half : HS Division

■ The sales of Solar Photovoltaic Power Generation System for direct sales to current customer increased steadily, but the Division's sales fell short of budget.

Requests for existing products including Termite Eradication Service on peak season fell short of our expectation, so we promoted sales of Solar Photovoltaic Power Generation System. Although the sales of Solar Photovoltaic Power Generation System for direct sales to current customer increased compared with the budget in the first half because of improving sales productivity per sales personnel, sales for orders from end users to dealers fell short of budget because the sales volume of Industrial Solar Photovoltaic Power Generation Systems, which require more time to process than conventional models, increased. As a result, sales of Solar Photovoltaic Power Generation System fell short of budget and the Division's sales and income fell short of budget.

(Millions of Yen)	FY2011	FY2012				
	1st Half	1st Half				
	Actual	Actual	% to last year	Projection	% of change	Difference
Total Net Sales	8,868	9,320	105.1%	10,590	88.0%	(1,269)
Solar Photovoltaic Power Generation System	2,456	6,040	246.0%	6,355	95.0%	(314)
Termite Eradication Service	2,351	1,312	55.8%	1,732	75.8%	(419)
Under-Floor/-Roof Ventiration System	1,304	551	42.3%	863	63.9%	(312)
Foundation Treatment/House Reinforcement	958	326	34.0%	655	49.8%	(329)
Others	1,797	1,089	60.6%	983	110.8%	106
Operating Income	1,639	816	49.8%	1,311	62.3%	(494)

1st Half : ES Division

■ Sales of existing products were almost in line with the budget, but sales of Solar Photovoltaic Power Generation System fell short of budget.

Although sales of existing products including Anti-Rust Equipment Installation were almost in line with the budget, the sales of Solar Photovoltaic Power Generation System fell short of budget because of increasing the sales volume of Industrial Solar Photovoltaic Power Generation Systems which require more time to process than conventional models.

Regarding incomes, although operating income increased compared with the budget in the current second quarter (July-September), we failed to offset first-quarter losses. As a result, operating income in the first half fell short of the budget.

(Millions of Yen)	FY2011	FY2012				
	1st Half	1st Haf				
	Actual	Actual	% to last year	Projection	% of change	Difference
Total Net Sales	1,341	1,452	108.3%	1,480	98.1%	(27)
Anti-rust Equipment Installation	224	330	147.3%	315	105.0%	15
Repair of Building Water-works	412	405	98.4%	460	88.2%	(54)
Waterproofing of Building	208	155	74.4%	150	103.5%	5
Solar Photovoltaic Power Generation System	178	251	141.0%	266	94.5%	(14)
Others	316	309	97.6%	289	107.0%	20
Operating Income	(12)	51	—	65	78.5%	(13)

1st Half : ERD Division

■ It was steadily generally, and sales and income increased compared to previous period and the budget.

The sales of Plastic fuel business increased steadily, and the Division's sales were almost in line, as a whole. Tomakomai Power Plant has kept stable and continuous operation comparatively through improving quality of fuel, so all postponed maintenance operations that had been scheduled in August will be conducted in November.

The Division's operating income exceeded the budget greatly because the repair costs are less than an assumption in addition to increasing sales.

(Millions of Yen)	FY2011	FY2012				
	1st Half	1st Half				
	Actual	Actual	% to last year	Projection	% of change	Difference
Total Net Sales	5,243	7,411	141.4%	6,870	107.9%	541
Platic fuel	2,912	4,449	152.8%	3,948	112.7%	501
Organic Waste Water Recycled	822	787	95.7%	812	97.0%	(24)
Power Generation	802	1,519	189.4%	1,550	98.0%	(30)
Final Disposal	394	342	86.9%	328	104.4%	14
Others	311	313	100.4%	231	135.2%	81
Operating Income	(270)	792	—	448	177.0%	344

SANIX



Forecast for FY2012



Forecast for FY2012

*There is no change for business results forecast.

Forecast for consolidated FY 2012

Net Sales	:	38,000 million yen	(FY2011:	31,454 million yen)
Operating Income	:	2,000 million yen	(FY2011:	409 million yen)
Ordinary Income	:	1,970 million yen	(FY2011:	347 million yen)
Net Income	:	1,820 million yen	(FY2011:	13 million yen)

HS Division

After the enactment of the "Act on Special Measures Concerning Renewable Energy Sources", demand for Industrial Solar Photovoltaic Power Generation Systems has spread. Following this, some sales personnel for Solar Photovoltaic Power Generation System for direct sales to current customer shift for sales of Industrial Solar Photovoltaic Power Generation Systems, and both sales and income are eliminated its losses in the first half.

ES Division

Hereafter, the ES Division concentrated its resources on marketing to corporate customers, such as building and condominium management companies and promote the sales of Industrial Solar Photovoltaic Power Generation System while planning the efficiency of the procedure as HS Division do.

ERD Division

The number of operating days in November will fall below our initial forecasts in Tomakomai Power Plant, since all postponed maintenance operations that had been scheduled in August will be conducted in November. However, there is no change for business results forecast because sales of Plastic fuel business has increased steadily.

FY2012 : Statement of Income (Projection)

*There is no change for business results forecast.

(Millions of Yen)	FY2012							
	First-Half				Full-Year			
	Actual	% to sales	% to last year	Difference	Projection	% to sales	% to last year	Difference
Net Sales	18,184	100.0%	117.7%	2,731	38,000	100.0%	120.8%	6,545
HS	9,320	51.2%	105.1%	451	21,375	56.3%	127.2%	4,568
ES	1,452	8.0%	108.3%	111	2,955	7.7%	107.2%	197
ERD	7,411	40.8%	141.4%	2,168	13,670	36.0%	115.0%	1,779
Cost of Sales	12,338	67.9%	122.6%	2,277	25,035	65.9%	119.1%	4,022
Gross Profit	5,846	32.1%	108.4%	454	12,965	34.1%	124.2%	2,523
SG&A	5,321	29.3%	103.8%	196	10,965	28.9%	109.3%	932
Operating Income	524	2.9%	196.6%	257	2,000	5.3%	488.0%	1,590
Ordinary Income	508	2.8%	214.5%	271	1,970	5.2%	566.1%	1,622
Net Income	379	2.1%	—	379	1,820	4.8%	—	1,806

FY2012: Segment Information (Projection)

*There is no change for business results forecast.

(Millions of Yen)		FY2012							
		First-Half				Full-Year			
		Actual	% to sales	% to last year	Difference	Projection	% to sales	% to last year	Difference
HS	Net Sales	9,320	100.0%	105.1%	451	21,375	100.0%	127.2%	4,568
	Gross Profit	3,456	37.1%	77.2%	(1,020)	8,430	39.4%	111.4%	861
	SG&A	2,640	28.3%	93.0%	(197)	5,707	26.7%	106.6%	354
	Op.Income	816	8.8%	49.8%	(822)	2,723	12.7%	122.8%	506
ES	Net Sales	1,452	100.0%	108.3%	111	2,955	100.0%	107.2%	197
	Gross Profit	476	32.8%	111.6%	49	1,010	34.2%	112.4%	111
	SG&A	425	29.3%	96.9%	(13)	870	29.4%	101.4%	12
	Op.Income	51	3.5%	—	63	140	4.7%	341.7%	99
ERD	Net Sales	7,411	100.0%	141.4%	2,168	13,670	100.0%	115.0%	1,779
	Gross Profit	1,912	25.8%	392.2%	1,425	3,525	25.8%	178.6%	1,550
	SG&A	1,119	15.1%	147.7%	361	2,140	15.7%	126.9%	453
	Op.Income	792	10.7%	—	1,063	1,385	10.1%	481.3%	1,097
Gro up	Op.Income	(1,136)	—	—	(46)	(2,248)	—	—	(112)

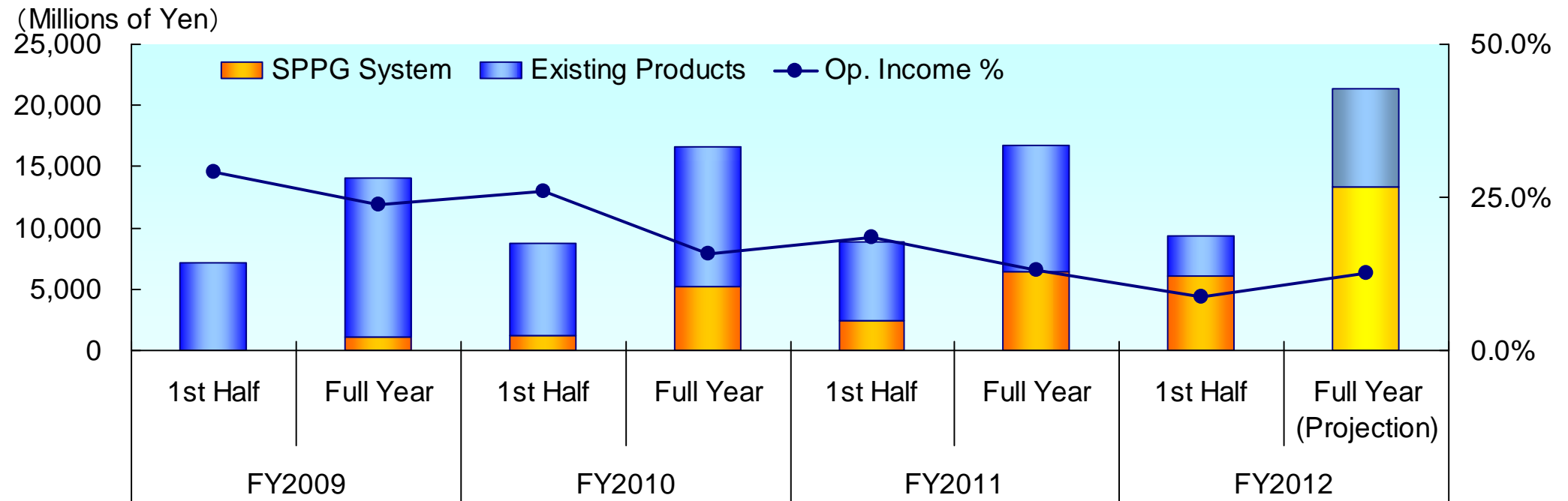
FY2012 : HS Division (Projection)

■ Sales of Solar Photovoltaic Power Generation System

- We increase own modules made in China through capital investment in plants in China and plan profit rate improvement by enlarging sales composition ratio of Chinese products.
- For direct sale to current customers, the number of sales contract per sales representative exceed a plan standard, so we shift some sales personnel for sales of Industrial Solar Photovoltaic Power Generation Systems.
- About the original advertising expenses budget for the third quarter and later, we change its purpose of use to use a sales promotion for Industrial Solar Photovoltaic Power Generation System.



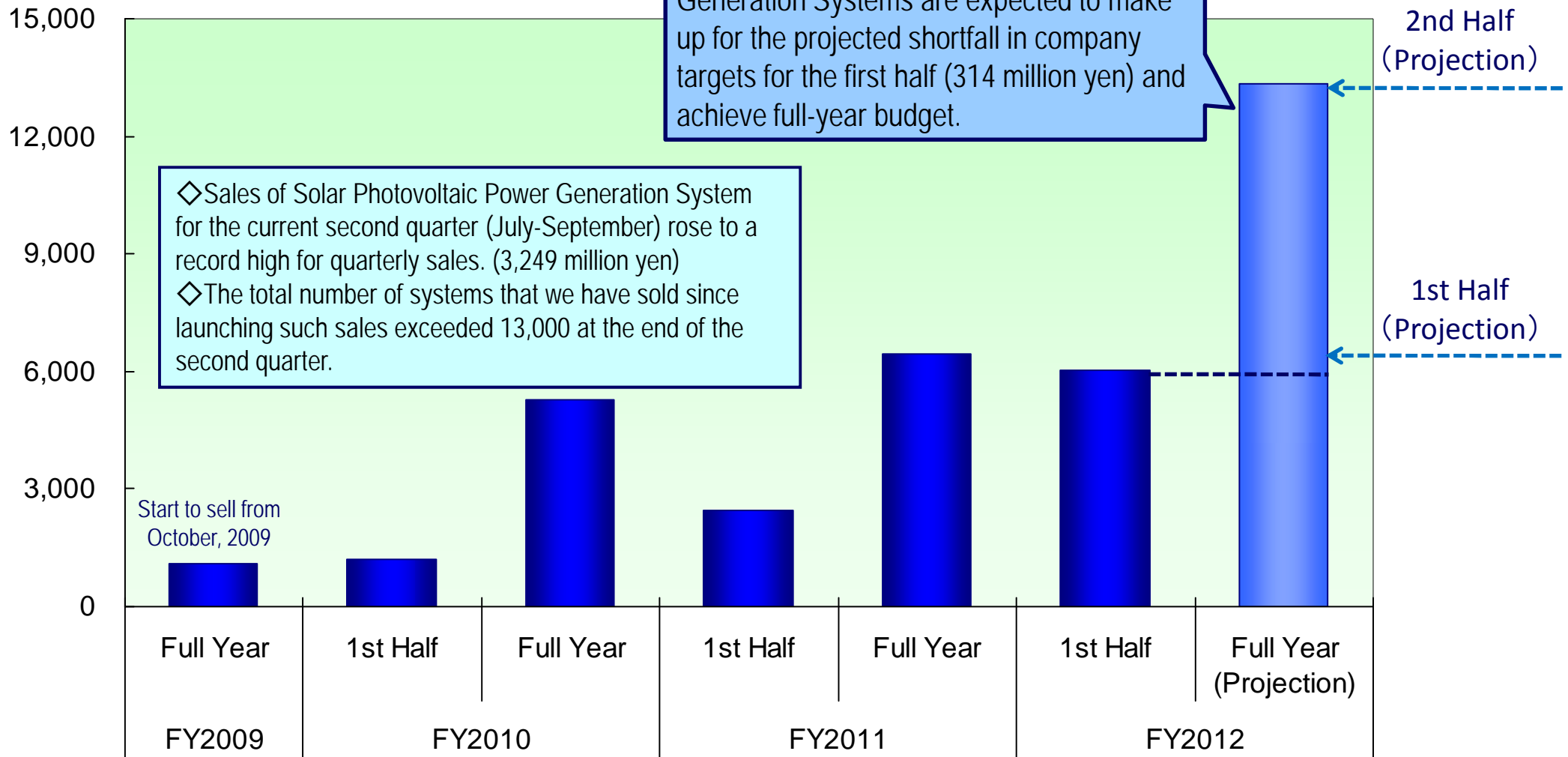
■ Net sales and Operating income margin



FY2012 : HS Division (Projection)

■ HS Division SPPG System Sales

(Millions of Yen)



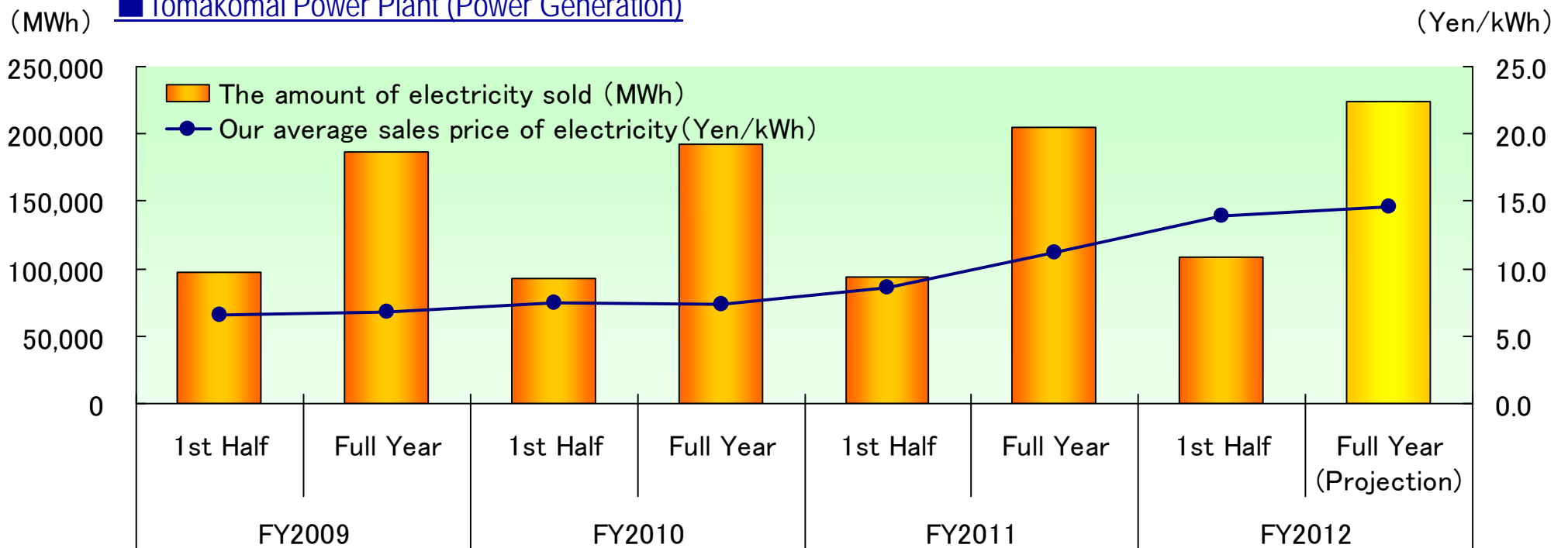
FY2012 : ERD Division (Projection)

■ Resource-recycling Power Generation Business

- The plastics brought in increased steadily (up 9.0% year-on-year).
- The unit price of electric power selling in Tomakomai Power Plant is almost in line with budget.
- Tomakomai Power Plant keeps stable and continuous operation after a regular maintenance in November and keeps rate of operation with the same level in the first half of fiscal year.



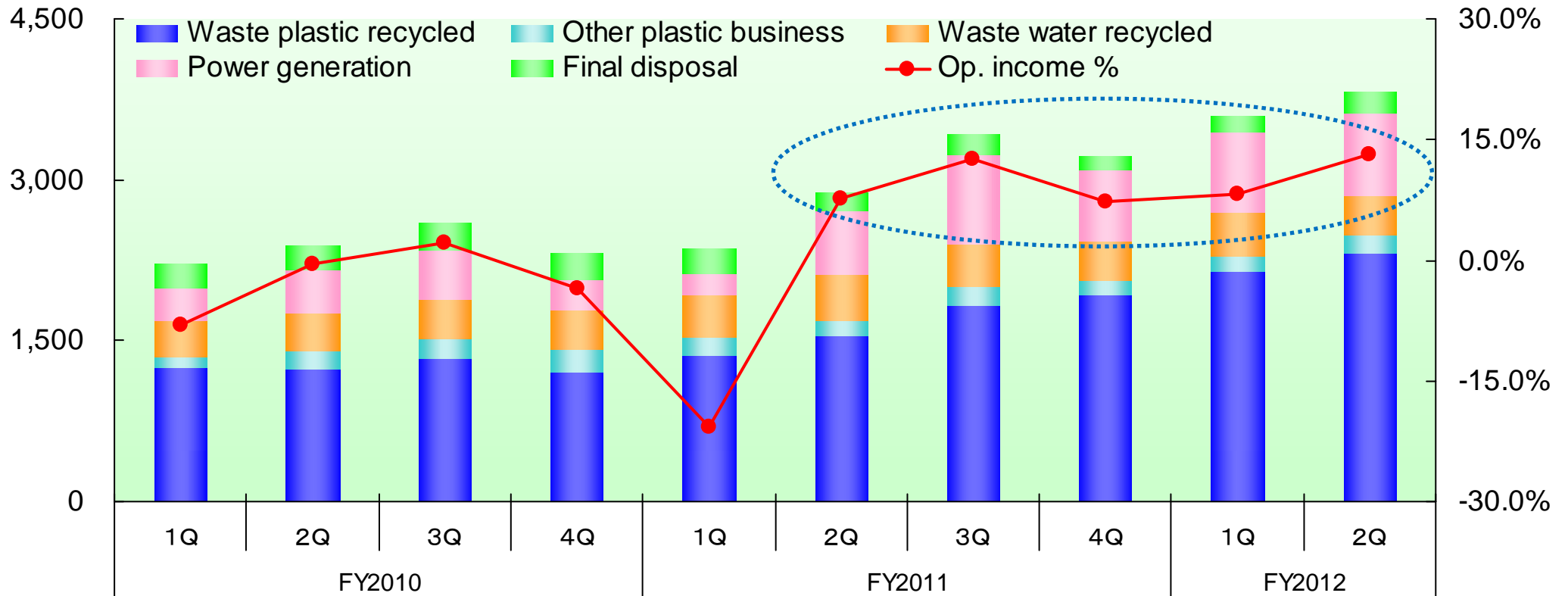
■ Tomakomai Power Plant (Power Generation)



FY2012 : ERD Division (Projection)

Net sales by product and operating income margin

(Million of Yen)

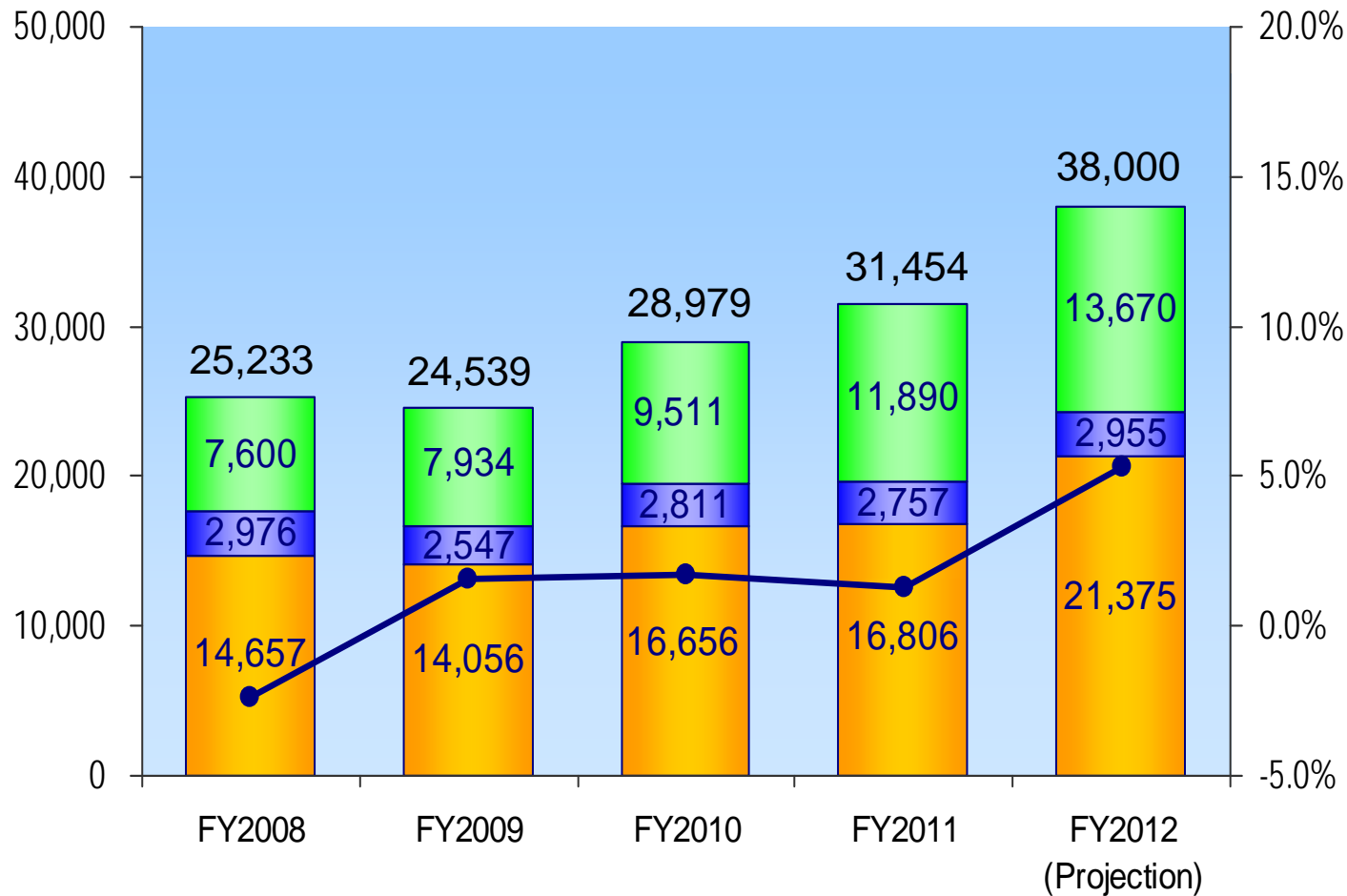


The profitability of Resource-recycling Power Generation Business has been improving by the following reasons; Tomakomai Power Plant has kept stable and continuous operation; the plastics brought in have increased steadily. The Division keep trying to increase and stabilize earning.

FY2012 : Whole Group

■ Net sales by segment and operating income margin

(Millions of Yen)



Forecast for FY2012

Net Sales : 38,000MY

Op.Income : 2,000MY

Op.Income % : 5.3%

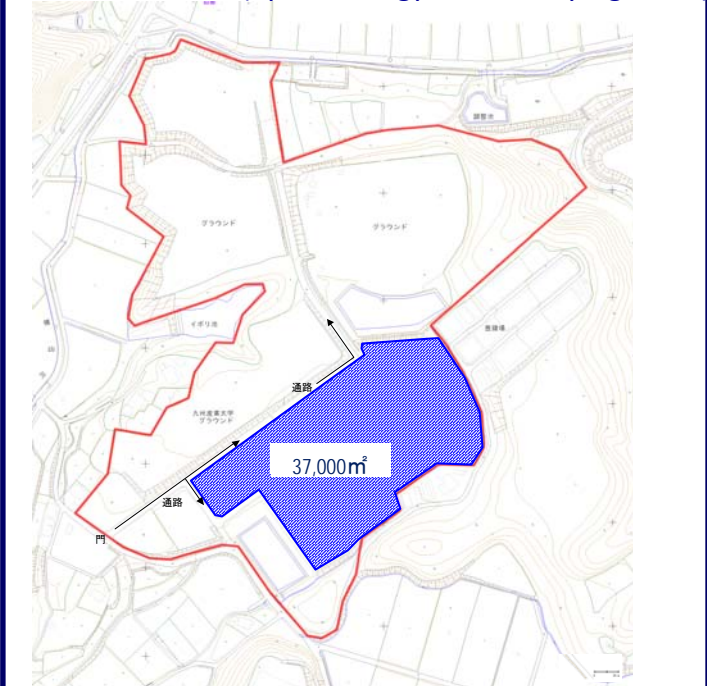


(Reference) Offer an array of Solar Photovoltaic Power Generation Systems ranging from residential and industrial to mega-types

■ An agreement of Large-Scale Solar Power Business with Munakata, Fukuoka prefecture and Kyushu Sangyo University.

We have agreed to develop Large-Scale Solar Power Business cooperating with Munakata City (Fukuoka prefecture) and Nakamura Sangyo Gakuen (Kyusyu Sangyo University and Kyushu Zokei Art College) and conclusion "The agreement for construction of Large Scale Solar Power Generation System and environmental sustainability" with them. Regarding this business will be started the construction next spring and be started generation business by the completion at the end of the first quarter of the fiscal year ending March 31, 2014.

◇Planned Site (Kyushu Sangyo University's ground)



Name	Sanix Solar Park Munakata
Total Output	About 2,000kW
Annual generating capacity (estimated)	About 2,000,000kWh(It's equivalent to the annual electricity use of about 600-700 households)
No. of modules	About 6,700 (made in Shangri (Shanghai) Energy and Technology Co.,Ltd that is Wholly-owned by SANIX)
Location	Ikeura, Munakata, Fukuoka Prefecture
Lot area	About 37,000m ²
Investment	About 500 million yen

In the process of conducting this business operation, we can take on offer an array of Solar Photovoltaic Power Generation Systems ranging from residential and industrial to mega-types and meet the wide demand for market. We acquire and take advantage of technological capabilities to enable us to handle large-scale projects. The date provided by this business will be used our product research and development ,information dispatch to the community, education study of the university and environmental awareness activities.