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SANIX

Consolidated Financial Statements For the First Half ended September 30, 2007

SANIX INCORPORATED

November 15, 2007

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

Contents

Summary of March 2008, 1st Half P.1

Forecast for Consolidated March 2008 P.6

Summary of HS Division P.11



SANIX INCORPORATED

Summary of March 2008, 1st Half

Summary of March 2008, 1st Half

1st Half (From April 2007 to September 2007)

Net Sales: 13,742 Million Yen (Down 11.5% compared to the same period last year)
Operating Income: 270 Million Yen (Up 1,743 million yen compared to the same period last year)
Recurring Profit: 232 Million Yen (Up 1,752 million yen compared to the same period last year)

Sales for the 1st half of FY2007 was almost as projected. Recurring profit improved to 232 million yen (compared with recurring loss of 1,519 million yen in the same period of the previous year). This improvement was mainly due to the improvement in profit structure achieved through cost reduction and recovery of sales in the HS Division where the marginal profit ratio is high.

Topics

ERD Division: Transfer of Kitakyushu Plant

Based on the understanding that we should concentrate our management resources on the HS business operation, our core business, to further improve our business performance in the future, we transferred Kitakyushu Plant to Asahi Pretec Corporation on November 6, 2007.
Influence: Extraordinary loss of approx. 221 million yen.

ES Division: Consolidation of Offices

With consideration of profitability of each office and various other factors, the ES Division underwent consolidation to improve operational efficiency and maximize net profit on November 1, 2007.

Number of Offices: 24 offices 17 offices (7 offices were closed and consplidated).

1st Half: Statement of Income

(Millions of Yen)

	FY2006		FY2007				
	First Half		First Half				
	Actual	% to Sales	Actual	% to Sales	% of Change	Plan	Difference
Net Sales	15,532	100.0%	13,742	100.0%	88.5%	14,230	(487)
(H S)	8,475	54.6%	8,287	60.3%	97.8%	7,770	517
(E S)	2,212	14.2%	1,798	13.1%	81.3%	1,990	(191)
(ERD)	4,845	31.2%	3,656	26.6%	75.5%	4,470	(813)
Cost of Sales	8,700	56.0%	7,718	56.2%	88.7%	7,904	(185)
Gross Profit	6,832	44.0%	6,023	43.8%	88.2%	6,326	(302)
SGA	8,305	53.5%	5,753	41.9%	69.3%	6,166	(412)
Operating Profit	(1,473)	?	270	2.0%	?	160	110
Recurring Profit	(1,519)	?	232	1.7%	?	100	132
Net Income	(1,579)	?	(421)	?	?	(60)	(361)



2

1st Half: Quarterly Statement of Income

(Millions of Yen)

	1st Quarter			2nd Quarter			
	Actual	Plan	Difference	Actual	% of Change	Plan	Difference
Net Sales	6,845	7,085	(239)	6,896	105.0%	7,145	(248)
(H S)	4,277	4,090	187	4,009	124.4%	3,680	329
(E S)	860	950	(89)	937	95.1%	1,040	(102)
(ERD)	1,707	2,045	(337)	1,949	82.7%	2,425	(475)
Cost of Sales	3,628	3,835	(206)	4,090	97.7%	4,069	21
Gross Profit	3,217	3,250	(32)	2,806	117.9%	3,076	(269)
SGA	2,887	3,200	(312)	2,866	76.7%	2,966	(99)
Operating Profit	330	50	280	(60)	?	110	(170)
Recurring Profit	300	26	274	(68)	?	73	(142)
Net Income	152	(78)	230	(573)	?	18	(592)



3

1st Quarter: Segment Information

(Millions of Yen)

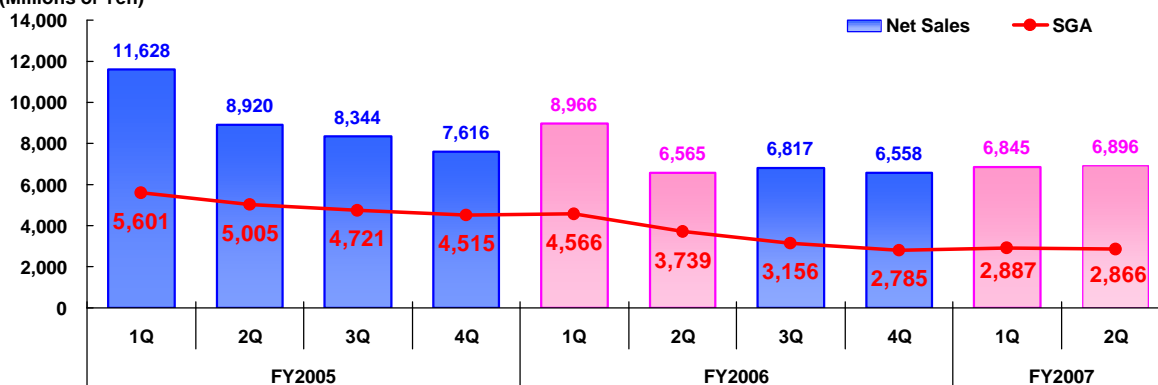
		FY2006		FY2007					
		1st Half		1st Half					
		Actual	% to Sales	Actual	% to Sales	% of Change	Plan	% to Sales	Difference
HS	Net Sales	8,475	100.0%	8,287	100.0%	97.8%	7,770	100.0%	517
	Gross Profit	5,805	68.5%	5,564	67.1%	95.9%	5,280	68.0%	284
	SGA	4,991	58.9%	3,332	40.2%	66.8%	3,650	47.0%	(317)
	Operating Profit	813	9.6%	2,231	26.9%	274.2%	1,630	21.0%	601
ES	Net Sales	2,212	100.0%	1,798	100.0%	81.3%	1,990	100.0%	(191)
	Gross Profit	945	42.7%	692	38.5%	73.3%	800	40.2%	(107)
	SGA	1,119	50.6%	750	41.7%	67.0%	792	39.8%	(41)
	Operating Profit	(174)	?	(57)	?	?	8	0.4%	(65)
ERD	Net Sales	4,845	100.0%	3,656	100.0%	75.5%	4,470	100.0%	(813)
	Gross Profit	81	1.7%	(233)	-6.4%	?	246	5.5%	(479)
	SGA	795	16.4%	594	16.3%	74.7%	654	14.6%	(59)
	Operating Profit	(714)	?	(828)	?	?	(408)	?	(420)
Elimination and/or Corporated	Operating Profit	(1,399)	?	(1,076)	?	?	(1,070)	?	(6)

SANIX 4

Improvement of the Profitability

Quarterly Net Sales and SGA

(Millions of Yen)



<Reference: SGA % to Sales and Operating Income>

(Millions of Yen)

	FY2005				FY2006				FY2007	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
SGA %	48.2%	56.1%	56.6%	59.3%	50.9%	56.9%	46.3%	42.5%	42.2%	41.6%
Operating Income	404	(1,228)	(1,226)	(1,331)	(114)	(1,358)	(132)	37	330	(60)

2nd quarter's SGA % to sales was 41.6%, roughly the same level as in the 1st quarter, down 15.3 points from the same period last year.

SANIX 5



SANIX INCORPORATED

Forecast for Consolidated March 2008

Forecast for FY2007 : Statement of Income

(Millions of Yen)

	FY2007								
	1st Half	2nd Half				Annual			
	Actual	Revised Forecast	% of Change	Previous Forecast	Difference	Revised Forecast	% of Change	Previous Forecast	Difference
Net Sales	13,742	14,480	108.3%	14,450	30	28,222	97.6%	28,680	(457)
(H S)	8,287	7,690	114.3%	6,830	860	15,977	105.1%	14,600	1,377
(E S)	1,798	2,120	112.8%	2,010	110	3,918	95.8%	4,000	(81)
(ERD)	3,656	4,670	98.0%	5,610	(940)	8,326	86.6%	10,080	(1,753)
Cost of Sales	7,718	7,540	100.1%	7,646	(106)	15,258	94.0%	15,550	(291)
Gross Profit	6,023	6,940	118.7%	6,804	136	12,963	102.2%	13,130	(166)
SGA	5,753	5,710	96.1%	5,964	(254)	11,463	80.5%	12,130	(666)
Operating Profit	270	1,230	?	840	390	1,500	?	1,000	500
Recurring Profit	232	1,198	?	800	398	1,430	?	900	530
Net Income	(421)	1,082	?	720	362	660	?	660	0

Forecast for FY2007 : Segment Information

(Millions of Yen)

		FY2007					
		1st Half		2nd Half		Full Year	
		Actual	% of Change	Revised Forecast	% of Change	Revised Forecast	% of Change
HS	Net Sales	8,287	97.8%	7,690	114.3%	15,977	105.1%
	Gross Profit	5,564	95.9%	5,245	113.9%	10,809	103.8%
	SGA	3,332	66.8%	3,293	96.1%	6,625	78.7%
	Operating Profit	2,231	274.2%	1,952	165.5%	4,183	209.9%
ES	Net Sales	1,798	81.3%	2,120	112.8%	3,918	95.8%
	Gross Profit	692	73.3%	849	111.8%	1,541	90.5%
	SGA	750	67.0%	739	92.9%	1,489	77.8%
	Operating Profit	(57)	?	110	?	52	?
ERD	Net Sales	3,656	75.5%	4,670	98.0%	8,326	86.6%
	Gross Profit	(233)	?	846	174.9%	612	108.3%
	SGA	594	74.7%	561	81.9%	1,155	78.1%
	Operating Profit	(828)	?	285	?	(543)	?
Elimination and/or Corporated	Operating Profit	(1,076)	?	(1,117)	?	(2,193)	?



7

Forecast for FY2007 : Quarterly Statement of Income

(Millions of Yen)

	FY2007							
	1st Quarter		2nd Quarter		3rd Quarter		4th Quarter	
	Actual	% of Change	Actual	% of Change	Revised Forecast	% of Change	Revised Forecast	% of Change
Net Sales	6,845	76.3%	6,896	105.0%	7,185	105.4%	7,295	111.2%
(H S)	4,277	81.5%	4,009	124.4%	3,775	116.1%	3,915	112.6%
(E S)	860	70.2%	937	95.1%	1,050	111.5%	1,070	114.2%
(ERD)	1,707	68.6%	1,949	82.7%	2,360	90.0%	2,310	107.7%
Cost of Sales	3,628	80.4%	4,090	97.7%	3,864	101.8%	3,676	98.4%
Gross Profit	3,217	72.3%	2,806	117.9%	3,321	109.8%	3,619	128.2%
SGA	2,887	63.2%	2,866	76.7%	2,849	90.3%	2,861	102.7%
Operating Profit	330	?	(60)	?	472	?	758	?
Recurring Profit	300	?	(68)	?	449	?	749	?
Net Income	152	?	(573)	?	355	?	727	?



8

Forecast for FY2007 : Quarterly Segment Information

(Millions of Yen)

		FY2007							
		1st Quarter		2nd Quarter		3rd Quarter		4th Quarter	
		Actual	% of Change	Actual	% of Change	Revised Forecast	% of Change	Revised Forecast	% of Change
HS	Net Sales	4,277	81.5%	4,009	124.4%	3,775	116.1%	3,915	112.6%
	Gross Profit	2,859	76.8%	2,705	129.9%	2,550	114.2%	2,695	113.6%
	SGA	1,657	58.6%	1,675	77.4%	1,636	89.2%	1,657	104.1%
	Operating Profit	1,201	134.3%	1,029	?	914	229.0%	1,038	133.0%
ES	Net Sales	860	70.2%	937	95.1%	1,050	111.5%	1,070	114.2%
	Gross Profit	334	61.4%	357	89.6%	418	111.5%	431	112.1%
	SGA	378	64.4%	371	70.0%	373	88.8%	366	97.5%
	Operating Profit	(43)	?	(13)	?	45	?	65	?
ERD	Net Sales	1,707	68.6%	1,949	82.7%	2,360	90.0%	2,310	107.7%
	Gross Profit	23	12.6%	(256)	?	353	84.8%	493	728.5%
	SGA	294	72.3%	300	77.3%	283	77.8%	278	86.6%
	Operating Profit	(270)	?	(557)	?	70	133.5%	215	?
Elimination and/or Corporated	Operating Profit	(557)	?	(518)	?	(557)	?	(560)	?

SANIX 9

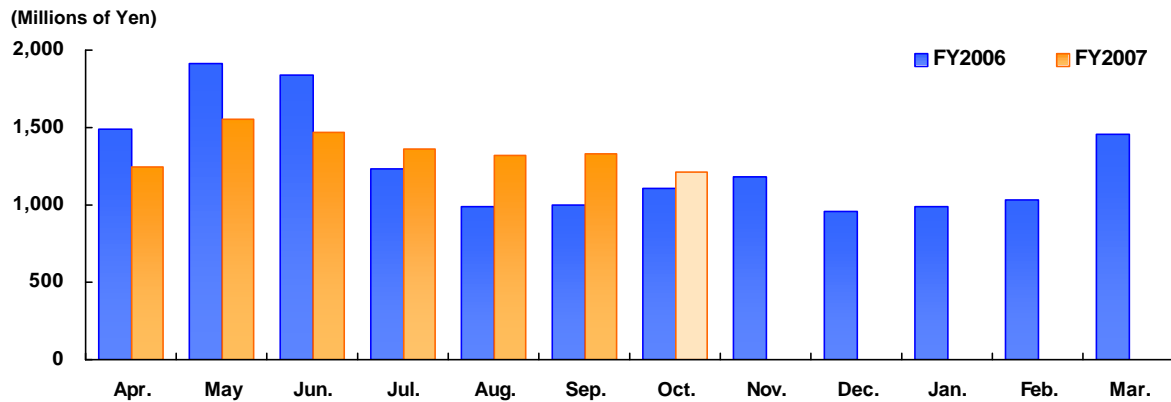
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Summary of the HS Division

HS Division : Monthly Sales Volume

Monthly Sales Volume



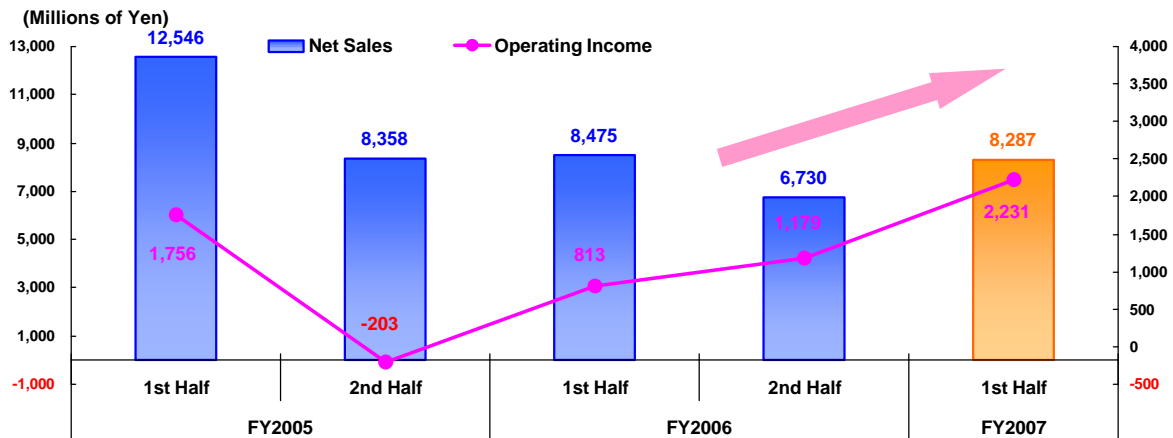
<Reference: Monthly Sales Volume>

	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
(Millions of Yen)												
FY2006	1,489	1,918	1,843	1,239	986	998	1,108	1,186	957	987	1,031	1,458
% of Change	64.4%	71.9%	72.1%	72.2%	64.2%	56.7%	63.2%	80.5%	80.1%	96.6%	73.7%	96.3%
FY2007	1,246	1,557	1,474	1,363	1,319	1,326	1,213					
% of Change	83.7%	81.2%	80.0%	110.0%	133.8%	132.9%	109.5%					



HS Division: Net Sales and Operating Profit

Net Sales and Operating Profit in the HS Division



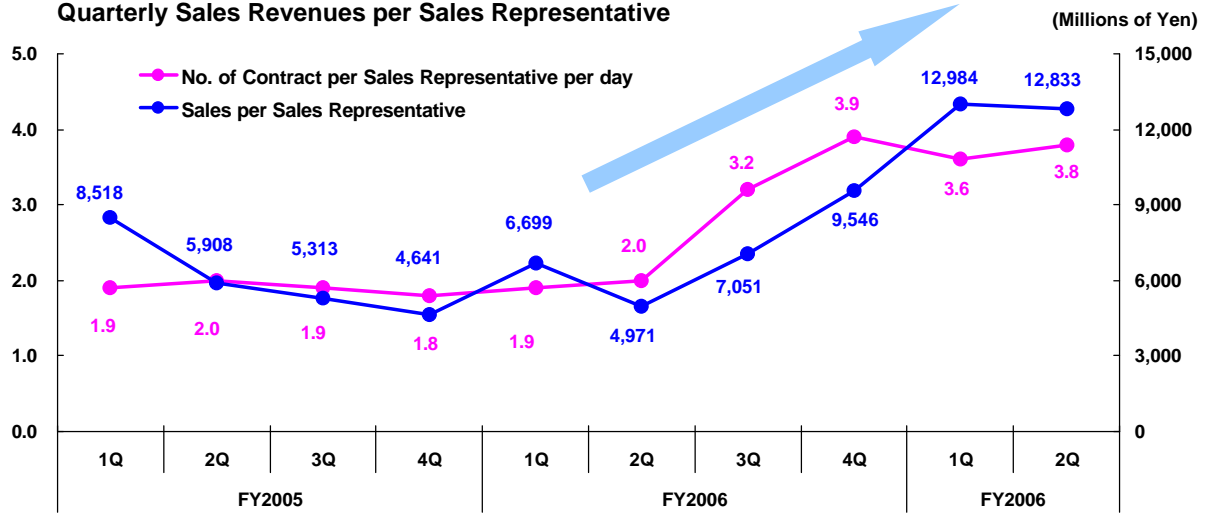
<Reference: Operating Income and Operating Income % to Net Sales

	FY2005		FY2006		FY2007
	1st Half	2nd Half	1st Half	2nd Half	1st Half
(Millions of Yen)					
Operating Income	1,756	(203)	813	1,179	2,231
Operating Income %	14.0%	-2.4%	9.6%	17.5%	26.9%



HS Division: Sales Productivity

Quarterly Sales Revenues per Sales Representative



<Reference: The Average Number of Sales Representative

	FY2005				FY2006				FY2007	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Sales Representative	885	850	840	852	784	657	463	367	330	313