

Financial Results Briefing For the 3 Months Ended June 30, 2024

SANIX INCORPORATED
August 9, 2024

1. Financial results

2. Business segments

- ① Residential environment Area (HS・ES・SE)
- ② Energy Area (PV・PPS)
- ③ Resource circulation Area (ERD)

3. FY2024 forecasts

4. Appendix

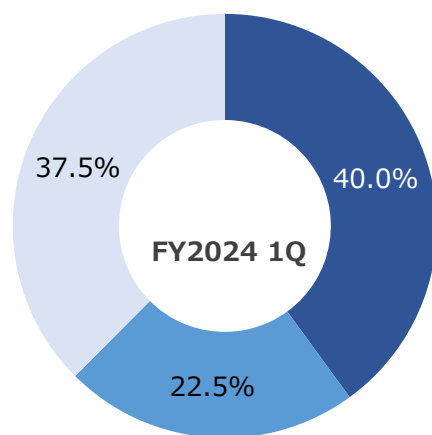
Financial results

(Million yen)	FY2023 1Q Results	FY2024 1Q Results	YoY	
Net sales	11,081	10,288	-792	-7.1%
Gross profit	3,757	3,526	-231	-6.2%
Operating profit	154	(116)	-270	—
Ordinary profit	73	(185)	-258	—
Net profit	63	(255)	-318	—

Financial results

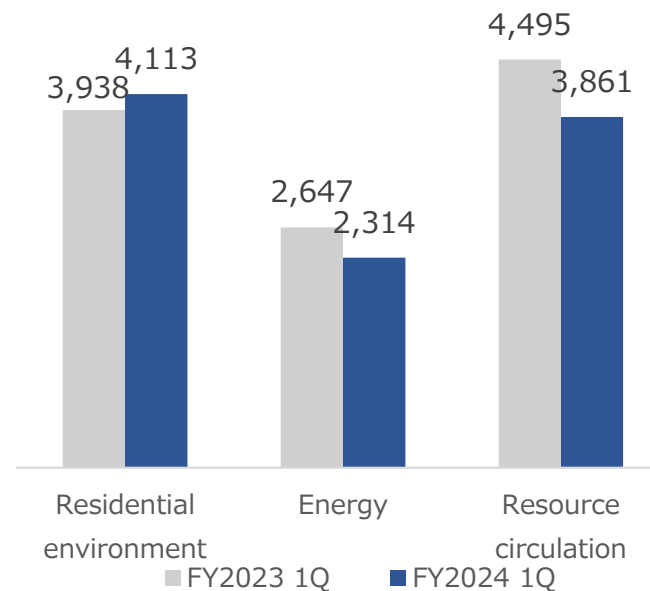
Although sales and profit declined across the board following a significant drop in unit prices of electricity sales in the power generation business in the Resource circulation area, other businesses were generally firm

Sales ratio

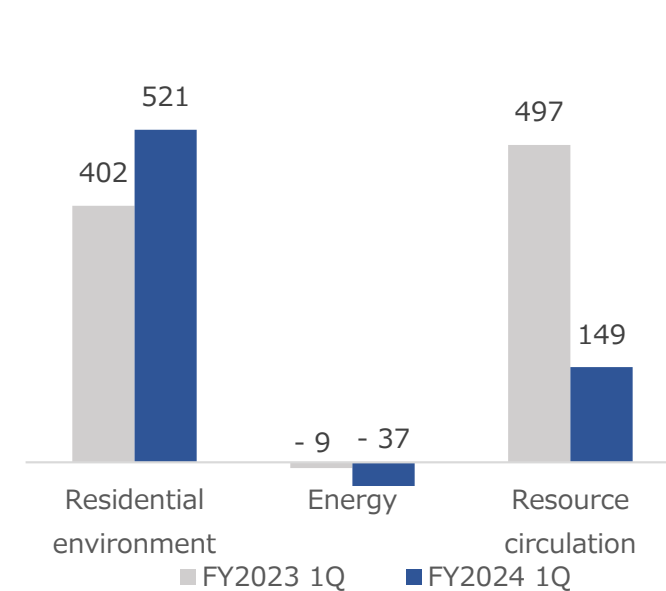


- Residential environment
- Energy
- Resource circulation

Net sales (Million yen)



Operating profit (Million yen)



Financial results | Business segments

		YoY(1Q)	
Residential environment Area	Net sales	¥4,113 M	+4.4%
	Operating profit	¥521 M	+29.8%
Energy Area	Net sales	¥2,314 M	(12.6%)
	Operating profit	¥(37) M	(-%)
Resource circulation Area	Net sales	¥3,861 M	(14.1%)
	Operating profit	¥149 M	(69.8%)
Group	Operating profit	¥(750) M	(-%)

- ✓ Sales and profit were generally firm
- ✓ Expansion of existing businesses utilizing sales power and customer base
- ✓ Expansion of customer base through expansion of partners, etc

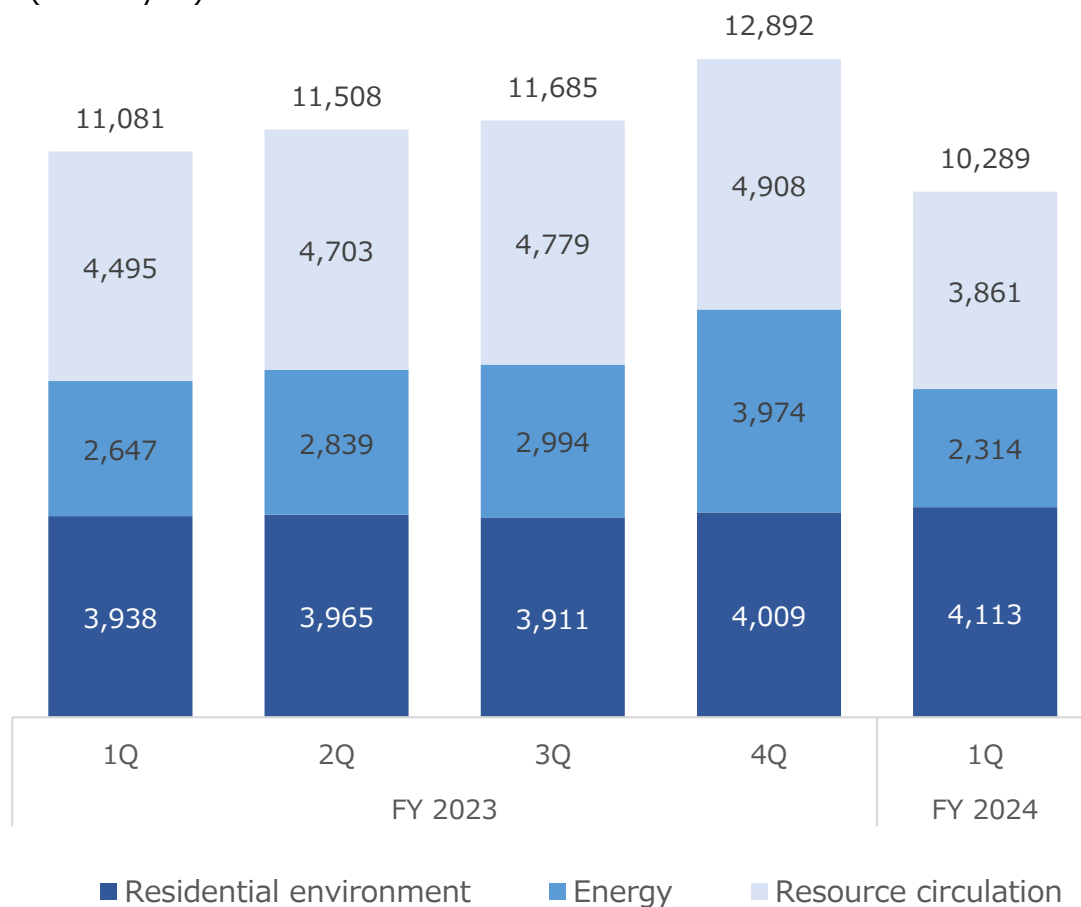
- ✓ Although orders have been steady, the time from order receipt to construction has become longer due to larger and more sophisticated projects, and there are delays in the completion of construction

- ✓ Decrease in the unit contract price of electricity sold by the Tomakomai power plant and the effect of outages attributable to the replacement of boilers
- ✓ Plastic fuel, waste liquid treatment, and landfill businesses remained strong

- ✓ Strengthening recruitment activities to secure human resources
- ✓ In-house maintenance for Holding company transition

Financial results | Net sales (Quarterly trends)

(Million yen)



YoY (1Q)
-7.1%

Financial results | Net sales trend analysis

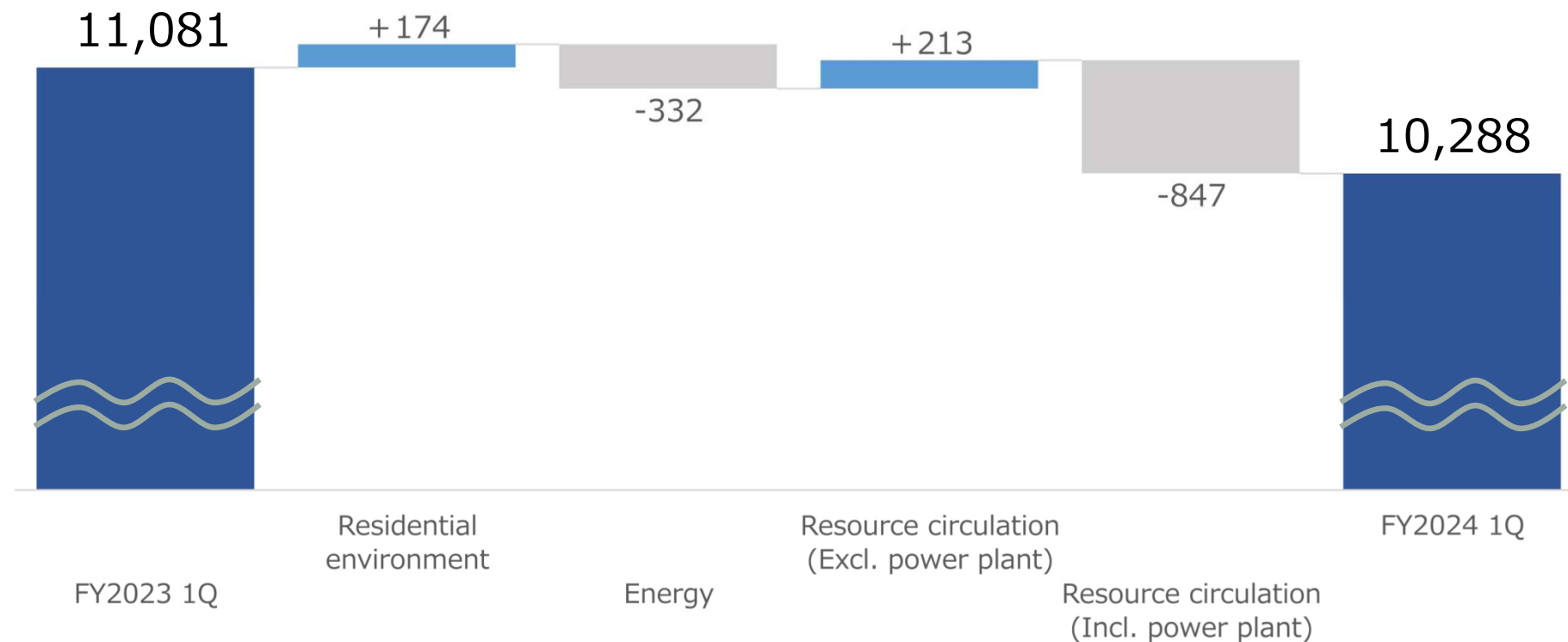
Net sales

YoY **-792** million yen

Excluding
net sales of power plant

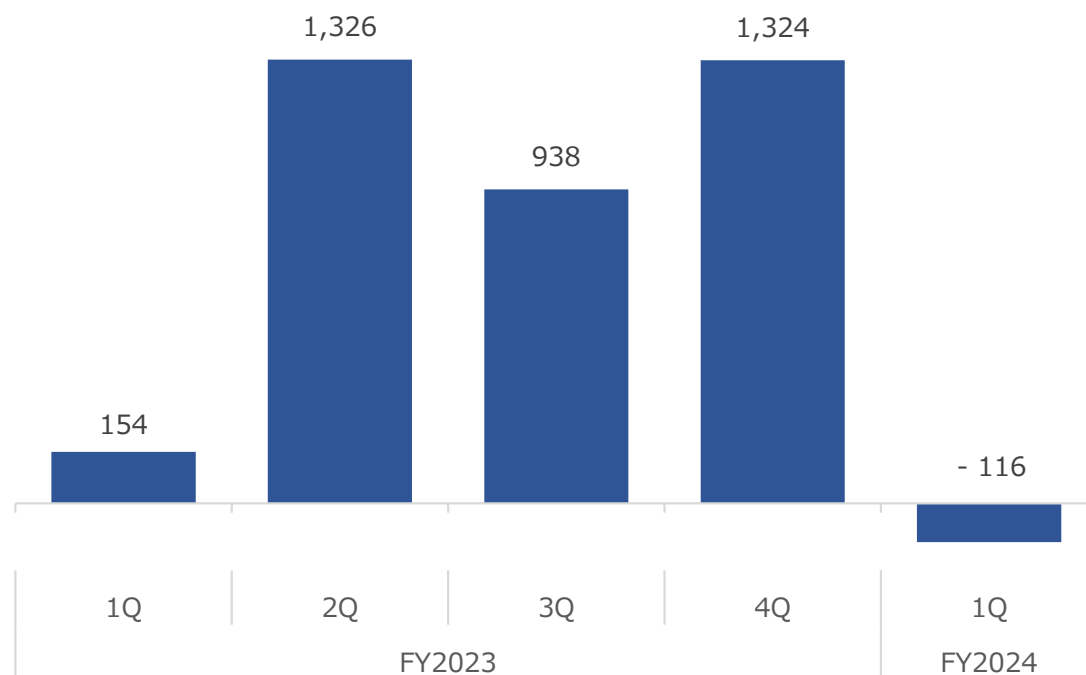
YoY **+55** million yen

(Million yen)



Financial results | Operating profit (Quarterly trends)

(Million yen)



YoY
-270 Million yen

Financial results | Operating profit trend analysis

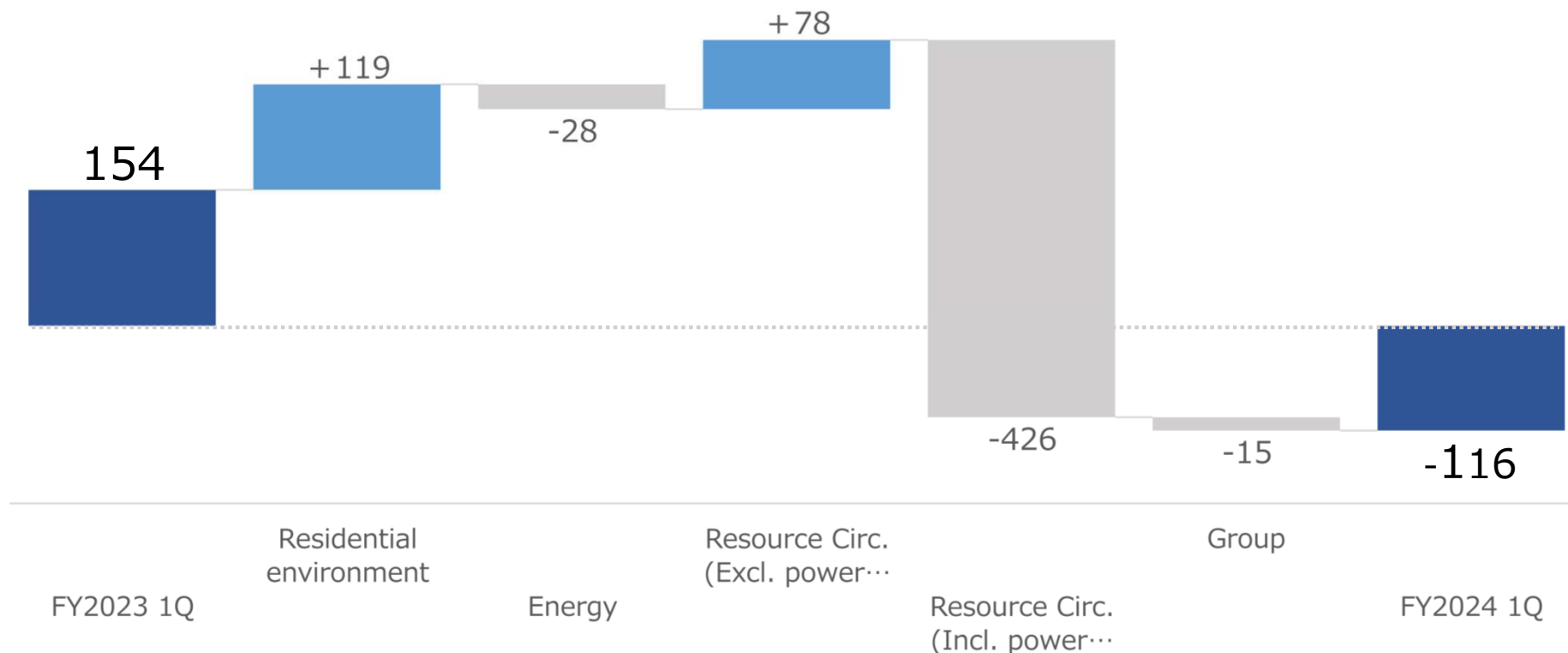
Operating profit

**Excluding
operating profit of power plant**

YoY (1Q) **-270** million yen

YoY **+154** million yen

(Million yen)



1. Financial results

2. Business segments

① Residential environment Area (HS・ES・SE)

② Energy Area (PV・PPS)

③ Resource circulation Area (ERD)

3. FY2024 forecasts

4. Appendix



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.

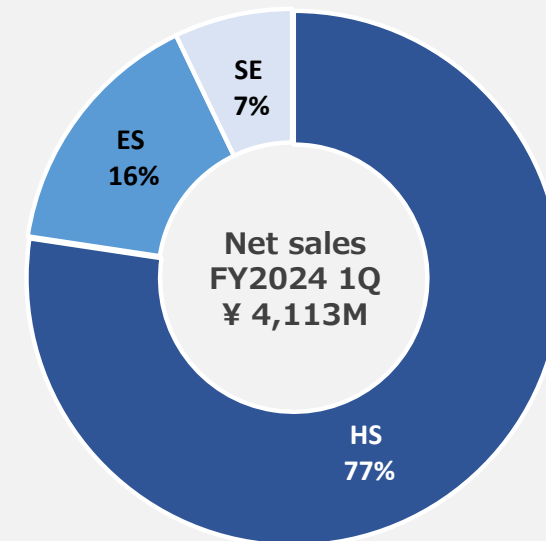


Residential solar power generation system



Storage batteries

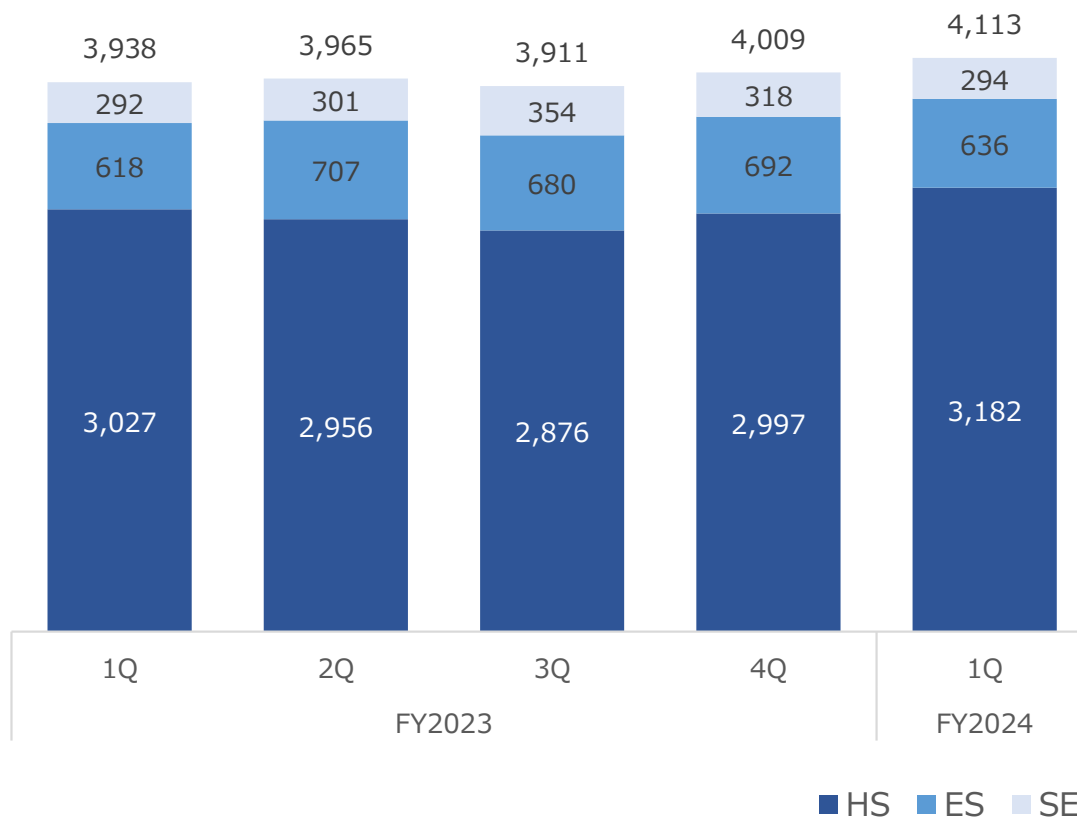
Residential environment Area Net sales composition



Residential environment Area | Net sales

Increased sales thanks to a stronger corporate sales structure and the expansion of existing businesses by leveraging the sales force and customer base.

(Million yen)

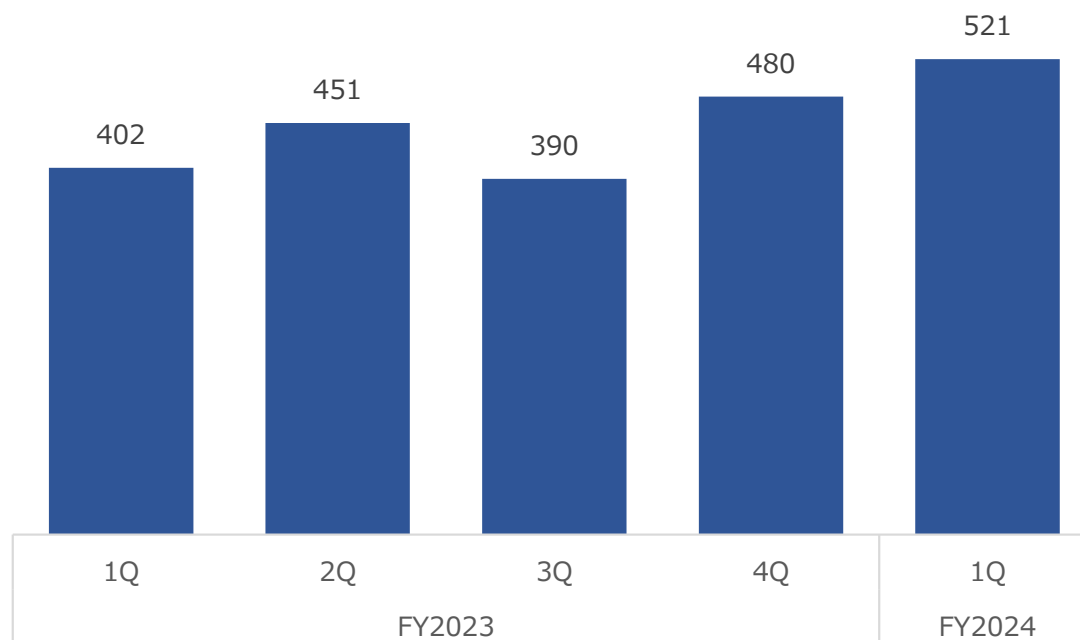


YoY(1Q)
+4.4%

Residential environment Area | Operating profit

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

(Million yen)

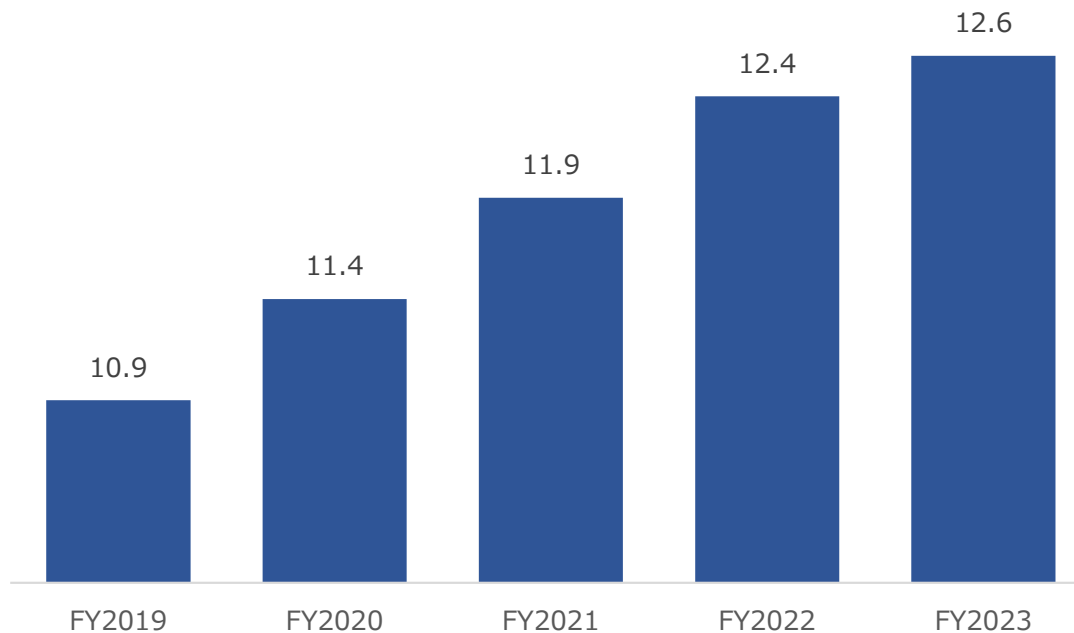


**YoY
+ 29.8%**

Residential environment Area | Number of customers

Approximately 20,000 customers base increased since the FY2019

of Customer (K)



**Strong
customer base**
Approximately
127K

(As of June30, 2024)

※Describe the number of customers under warranty contract about HS division

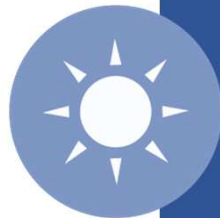
1. Financial results

2. Business segments

- ① Residential environment Area (HS・ES・SE)
- ② Energy Area (PV・PPS)
- ③ Resource circulation Area (ERD)

3. FY2024 forecasts

4. Appendix



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.



Self-consumption type / PPA



Development of non-FIT power sources

[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.



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.

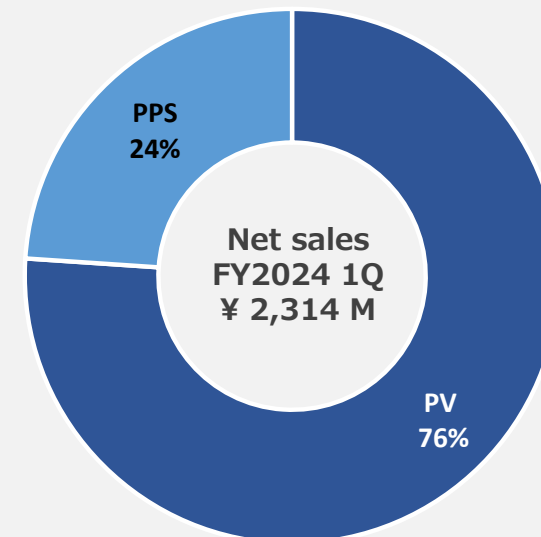
PPS division

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.



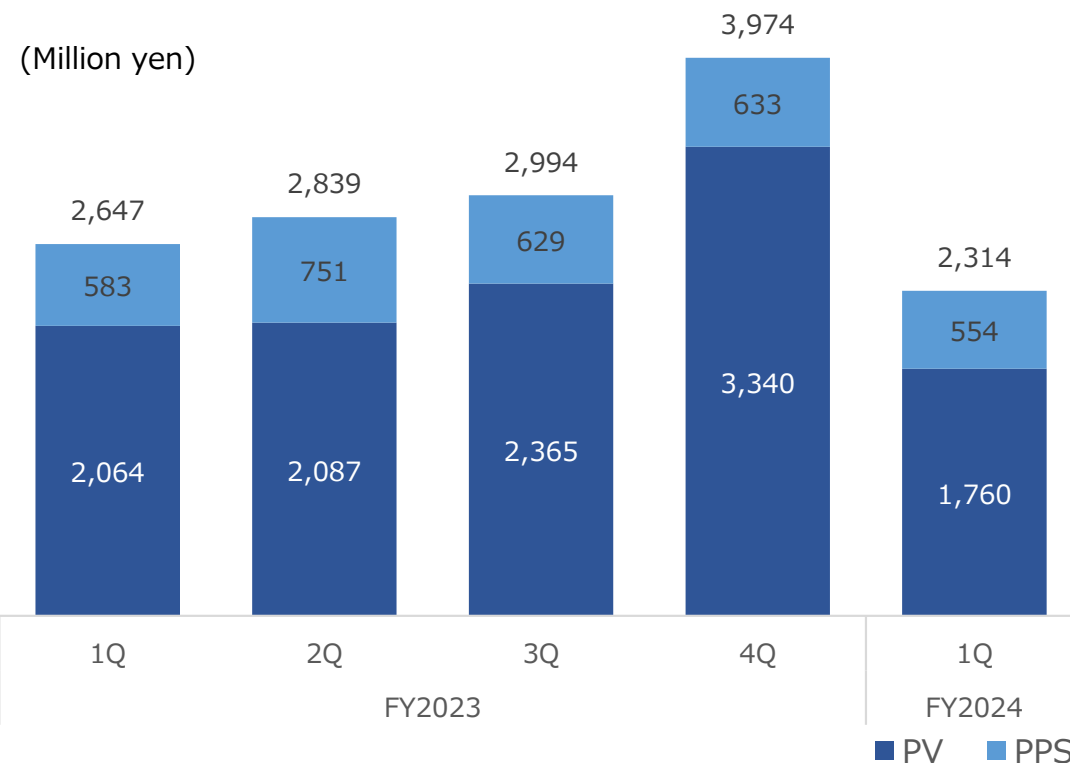
Electricity retail

Energy Area Net sales composition



Energy Area | Net sales

Although orders are holding firm against a backdrop of full-scale efforts to realize a decarbonized society and soaring electricity costs, delays in grid interconnection with power companies and the increasing size and sophistication of solar power generation systems have resulted in a longer order-to-construction period and delays in the completion of construction projects.

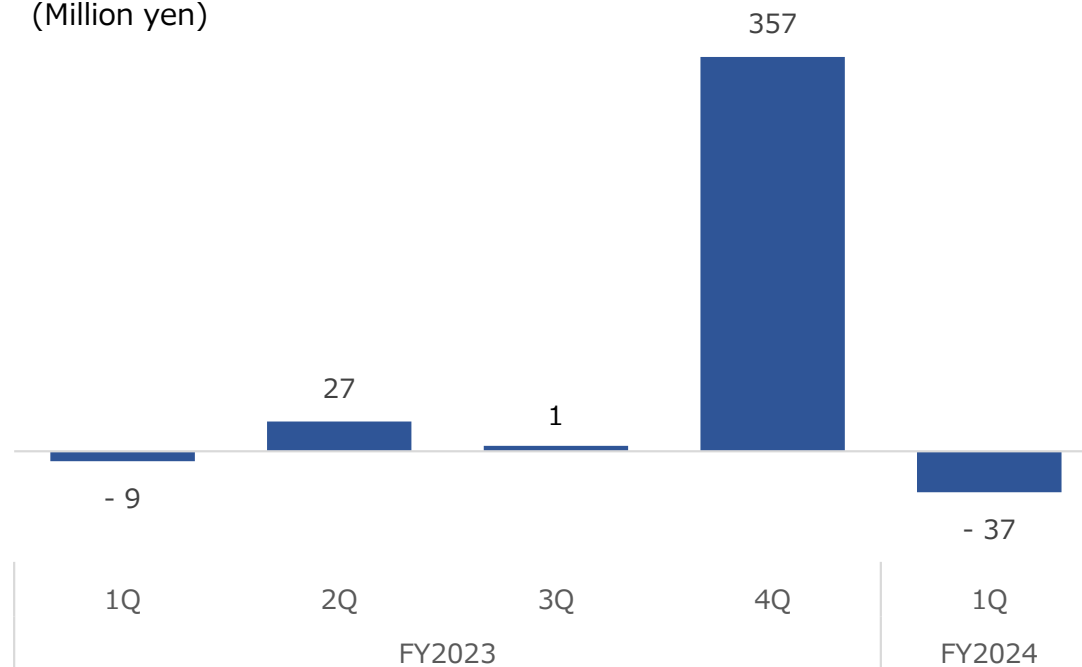


YoY
-12.6%

Energy Area | Operating profit

Although gross profit margins have improved thanks to lower material costs and other factors, profits declined as fixed costs could not be absorbed because of delays in the completion of construction.

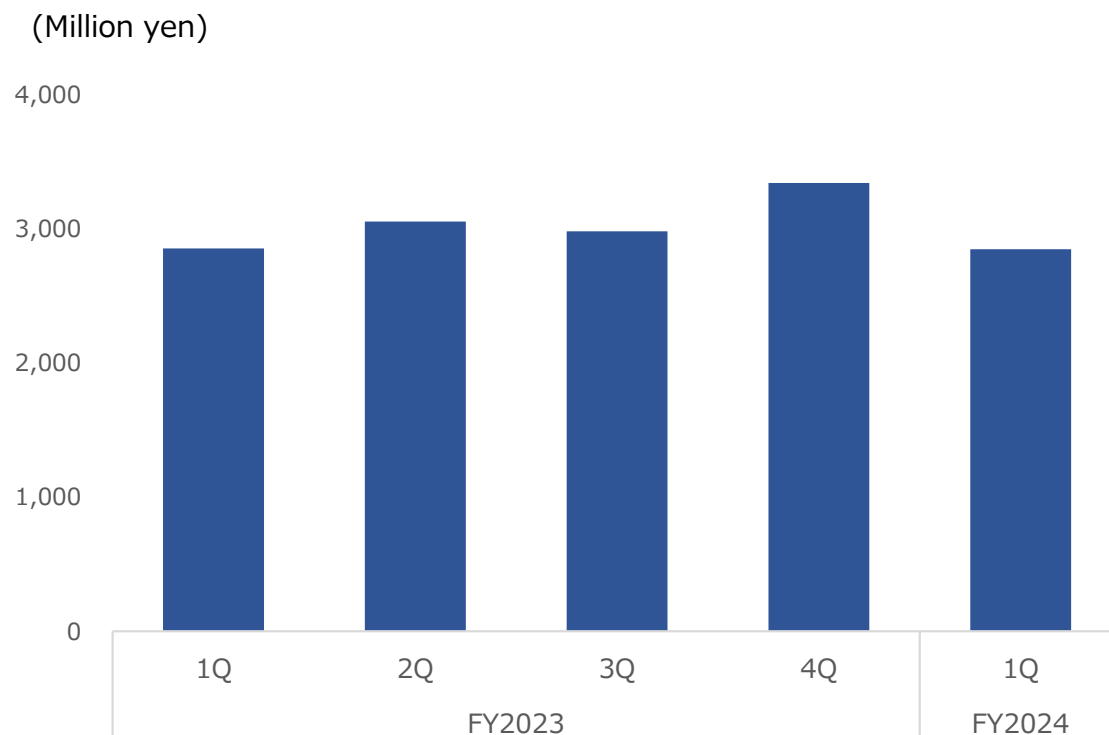
(Million yen)



YoY
-¥28M

Energy Area | Contract status in PV Division

Net sales of received contract



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



Orders are holding firm

※受注高は、お客様より書面にて承諾をいただいた金額を記載

1. Financial results

2. Business segments

- ① Residential environment Area (HS・ES・SE)
- ② Energy Area (PV・PPS)
- ③ Resource circulation Area (ERD)

3. FY2024 forecasts

4. Appendix



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 CO2 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

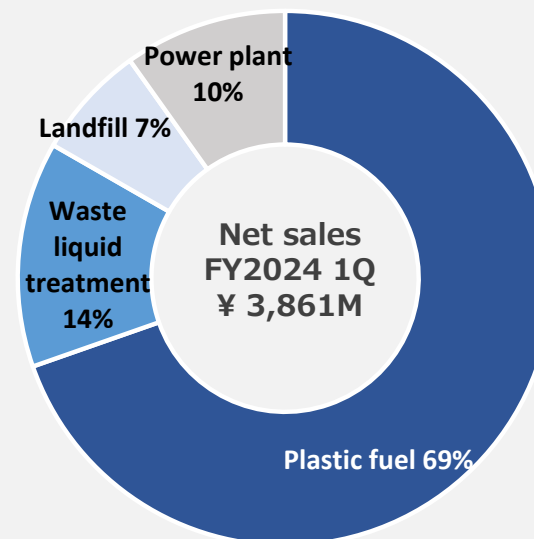
Waste liquid treatment / recycling

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

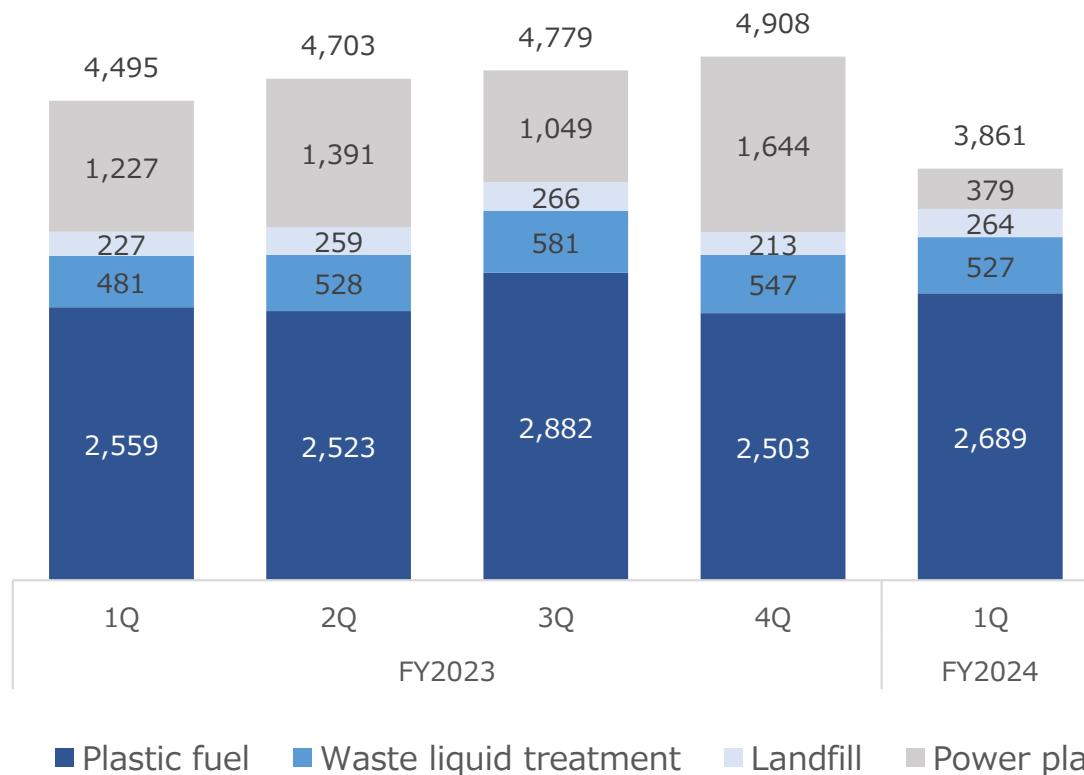
Resource circulation Area Net sales composition



Resource circulation Area | Net sales

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 are growing respectively.

(Million yen)



YoY
-14.1%

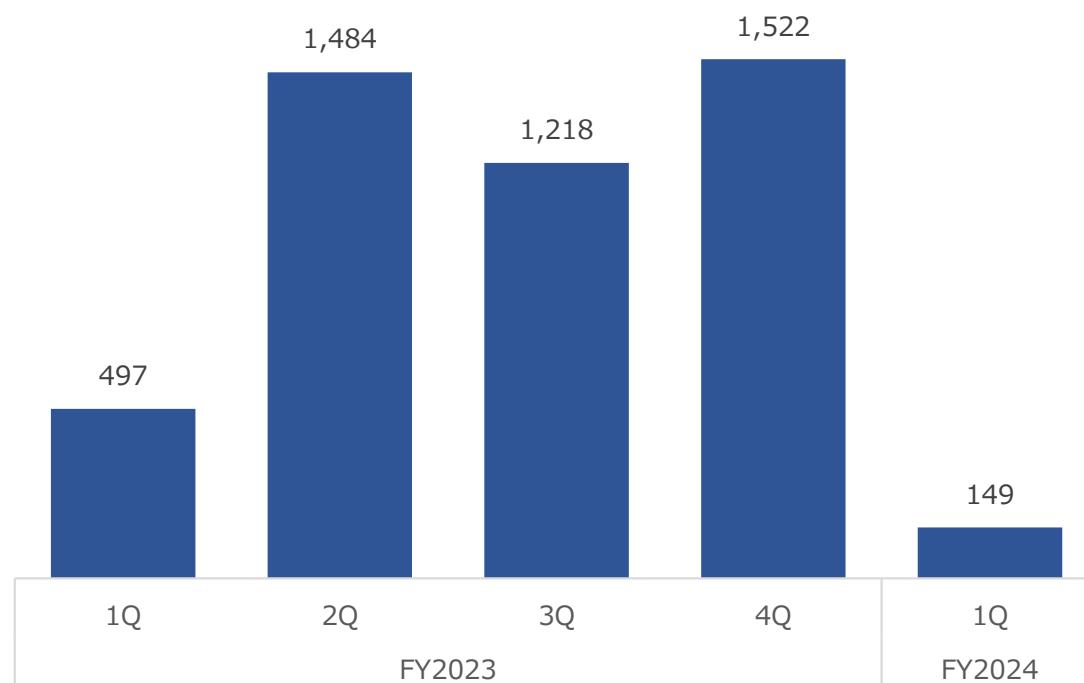
YoY
Excluding net sales of
power plant
+6.5%

Resource circulation Area | Operating profit

Profit decreased due to a significant decline in the unit price of electricity sold in the power plant business.

Excluding the power generation business, however, the plastic fuel, waste liquid treatment, and landfill businesses remained strong.

(Million yen)



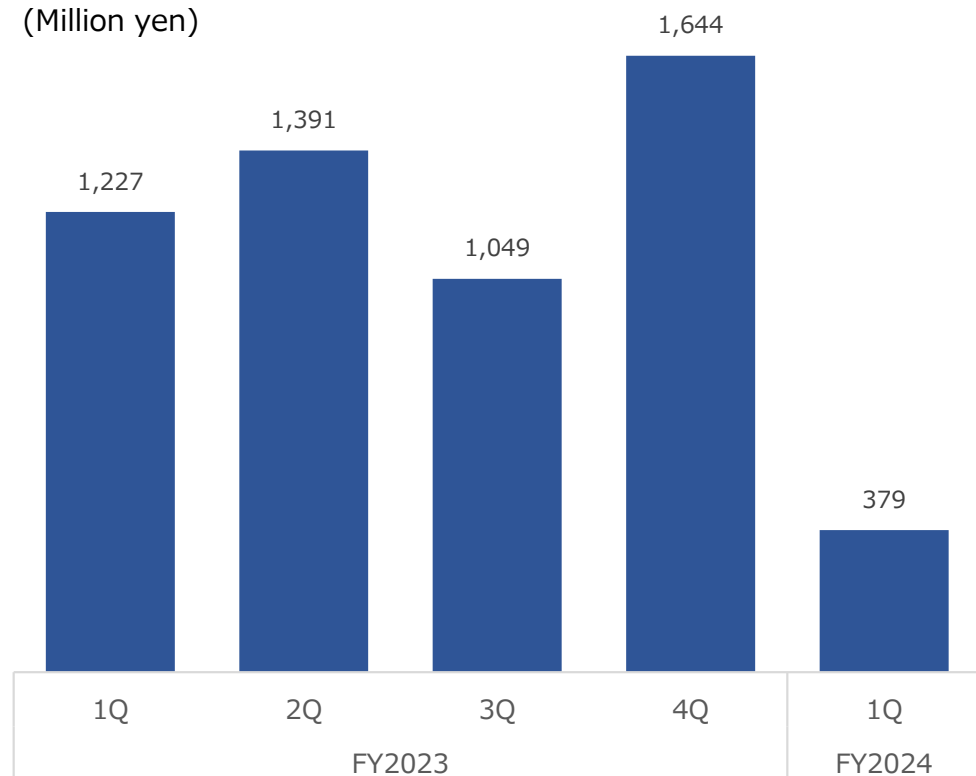
YoY
-69.8%

YoY
 Excluding operating profit of
 power plant
+8.9%

Resource circulation Area | Power plant net sales

Decrease in the unit contract price of electricity sold by the Tomakomai power plant and the effect of outages attributable to the replacement of boilers.

(Million yen)



**YoY
-69.1%**

Boiler maintenance
(took about 2 months)

Boiler maintenance on a large scale,
toward future stable operation

Resource circulation Area | Forecasts electricity price of power plant Prices(wholesale electricity trading market) have been on the rise since July 2024

(¥/kWh)

Wholesale electricity trading market price Trends in Hokkaido Area



Sales side on power plant business

Trading market prices were lower than expected in the 1st quarter. But it has been on the rise since July 2024. Also, secured new customers.

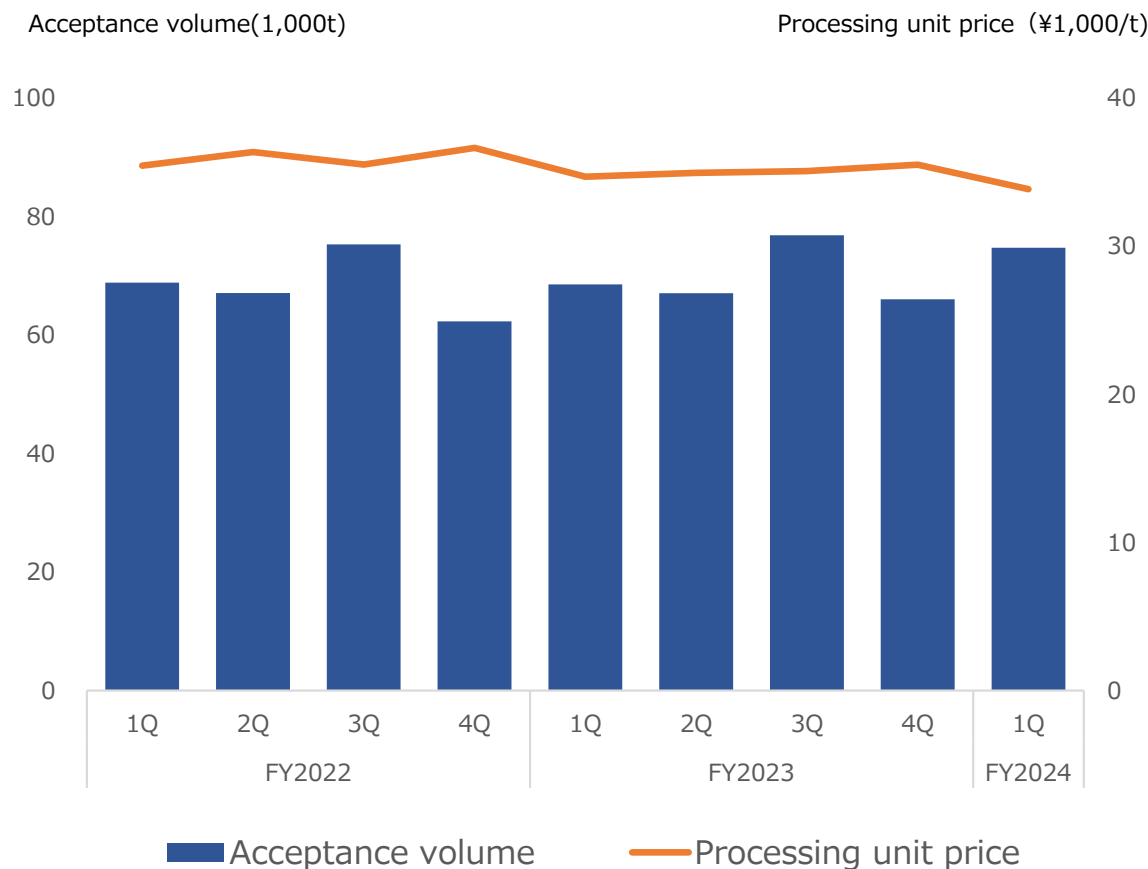
※We process the spot market index data of the wholesale electricity trading market (JEPX, Japan Electric Power Exchange)

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

Increased acceptance by expanding the number of items available and increasing facilities.



YoY
Acceptance volume
+9.0%
Processing unit price
-2.4%

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

1. Financial results

2. Business segments

- ① Residential environment Area (HS・ES・SE)
- ② Energy Area (PV・PPS)
- ③ Resource circulation Area (ERD)

3. FY2024 forecasts

4. Appendix

No change since May 15, 2024

FY2024 Forecasts

● Net sales ¥46,246M (YoY 98.0%)

● Operating profit ¥1,715M (YoY 45.8%)

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

- To expand the continuous follow-up system for existing customers and to increase the number of customers by strengthening the corporate sales system
- Broad range from termite control to residential environmental needs (such as residential PPA and storage batteries)
- Expanding from rust prevention equipment (product name: Daelman Shock) to maintenance measures for water supply and drainage facilities for multi-family housing

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

- For PV systems, work to expand its sales channels for self-consumption photovoltaic power generation systems while strengthening our system for replacing equipment and the after-sales maintenance of customers' photovoltaic power generation systems
- Promote the sale of electricity by effectively 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		YoY	Plan		YoY	Plan		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 sales and profits

- In the plastics fuel business, increase in the volume of orders received and expansion of sales channels through capital investment.
- Begin material recycling efforts for recycling raw materials for plastic products.
- 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 the area of waste liquid treatment, expand the production of Recycled Oil Bio, an alternative fuel to heavy oil, and promote the conversion of sludge generated after waste liquid treatment into recycled fuel.

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

1. Financial results

2. Business segments

- ① Residential environment Area (HS・ES・SE)
- ② Energy Area (PV・PPS)
- ③ Resource circulation Area (ERD)

3. FY2024 forecasts

4. Appendix

Financial results

(Million yen)	FY2023 1Q	FY2024 1Q	YoY		FY2024	Plan ratio
	Results	Results			1st half plan	
Net sales	11,081	10,288	- 792	- 7.1%	22,726	45.3%
Gross profit	3,757	3,526	- 231	- 6.2%	7,848	44.9%
(Gross profit margin)	33.9%	34.3%			34.5%	
Operating profit	154	(116)	- 270	—	613	—
(Operating profit margin)	1.4%	—			2.7%	
Ordinary profit	73	(185)	- 258	—	483	—
(Ordinary profit margin)	0.7%	—			2.1%	
Profit(loss) attributable to owners	63	(255)	- 318	—	366	—
(Net profit margin)	0.6%	—			1.6%	

Segment results

(Million yen)	FY2023 1Q	FY2024 1Q	YoY		FY2024	Plan ratio
	Results	Results			1st half plan	
Net sales	11,081	10,288	- 792	- 7.1%	22,726	45.3%
Residential environment	3,938	4,113	+ 174	+ 4.4%	8,977	45.8%
Energy	2,647	2,314	- 332	- 12.6%	6,115	37.8%
Resource circulation	4,495	3,861	- 634	- 14.1%	7,633	50.6%
Operating profit	154	(116)	- 270	—	613	—
Residential environment	402	521	+ 119	+ 29.8%	1,336	39.0%
Energy	(9)	(37)	- 28	—	174	—
Resource circulation	497	149	- 347	- 69.8%	566	26.5%
Group	(735)	(750)	- 15	—	(1,464)	—

Residence environment Area results

(Million yen)	FY2023 1Q	FY2024 1Q	YoY		FY2024	Plan ratio
	Results	Results			1st half plan	
Net sales	3,938	4,113	+ 174	+ 4.4%	8,977	45.8%
HS Division	3,027	3,182	+ 155	+ 5.1%	6,816	46.7%
ES Division	618	636	+ 17	+ 2.9%	1,366	46.6%
SE Division	292	294	+ 1	+ 0.5%	795	37.0%
Cost of sales	1,678	1,781	+ 102	+ 6.1%	3,941	45.2%
Material costs	554	561	+ 7	+ 1.3%	1,378	40.7%
Labor costs	628	621	- 7	- 1.2%	1,320	47.1%
Gross profit	2,259	2,331	+ 71	+ 3.2%	5,035	46.3%
SG&A	1,857	1,809	- 47	- 2.6%	3,699	48.9%
Labor costs	1,126	1,102	- 24	- 2.2%	2,332	47.3%
Operating profit	402	521	+ 119	+ 29.8%	1,336	39.0%

Energy Area results

(Million yen)	FY2023 1Q Results	FY2024 1Q Results	YoY		FY2024 1st half plan	Plan ratio
Net sales	2,647	2,314	- 332	- 12.6%	6,115	37.8%
PV Division	2,064	1,760	- 303	- 14.7%	4,898	35.9%
PPS Division	583	554	- 29	- 5.0%	1,217	45.5%
Cost of sales	2,147	1,798	- 348	- 16.2%	4,917	36.6%
Material costs	1,501	1,172	- 329	- 22.0%	3,427	34.2%
Labor costs	154	140	- 13	- 8.9%	316	44.4%
Gross profit	499	516	+ 16	+ 3.2%	1,198	43.1%
SG&A	509	553	+ 44	+ 8.8%	1,024	54.1%
Labor costs	268	299	+ 30	+ 11.4%	539	55.5%
Operating profit	(9)	(37)	- 28	—	174	—

Resource circulation Area results

(Million yen)	FY2023 1Q Results	FY2024 1Q Results	YoY		FY2024 1st half plan	Plan ratio
Net sales	4,495	3,861	- 634	- 14.1%	7,633	50.6%
Plastic fuel	2,559	2,689	+ 130	+ 5.1%	5,049	53.3%
Power plant	1,227	379	- 847	- 69.1%	1,053	36.0%
Waste liquid treatment	481	527	+ 45	+ 9.5%	1,136	46.4%
Landfill	227	264	+ 37	+ 16.5%	393	67.4%
Cost of sales	3,497	3,182	- 314	- 9.0%	6,018	52.9%
labor expence	475	502	+ 26	+ 5.5%	995	50.5%
Gross profit	998	678	- 319	- 32.0%	1,614	42.0%
SG&A	501	528	+ 27	+ 5.5%	1,048	50.5%
labor expence	298	309	+ 11	+ 3.9%	637	48.6%
Operating profit	497	149	- 347	- 69.8%	566	26.5%

Financial status

(Million yen)	As of March 31, 2024	As of June 30, 2024	QoQ	
			Difference	Ratio
Current assets	16,211	16,137	- 74	- 0.5%
Non-current assets	20,753	21,904	+ 1,150	+ 5.5%
Total assets	36,965	38,041	+ 1,076	+ 2.9%
Current liabilities	18,010	18,399	+ 389	+ 2.2%
Non-current liabilities	10,042	10,981	+ 938	+ 9.3%
Total liabilities	28,053	29,381	+ 1,327	+ 4.7%
Total net assets	8,912	8,660	- 251	- 2.8%
Total liabilities and net sales	36,965	38,041	+ 1,076	+ 2.9%
Equity ratio	24.1%	22.7%		

Capital investment and depreciation expenses

(Million yen)	FY2023 1Q Results	FY2024 1Q Results
Residential environment	5	9
Energy	59	61
Resource circulation	584	1,592
Headquarter	62	4
Capital investment	711	1,668
Depreciation	390	377

【Major capital investment】

【Resource circulation Area】

- in Tomakomai power plant : ¥1,265M
- in disposal facilities of waste plastic resources development factory : ¥183M
- in waste liquid treatment : ¥132M

【Energy Area】

- in PPA for municipalities : ¥38M

Number of sites and employees

	As of March 31, 2024		As of June 30, 2024		Employees difference
	Sites	Employees	Sites	Employees	
HS Division	62	864	62	878	+ 14
ES Division	12	162	12	164	+ 2
SE Division	14	75	14	71	- 4
PV Division	30	245	28	261	+ 16
PPS Division	1	13	1	15	+ 2
ERD Division	19	455	19	465	+ 10
Headquarter	—	235	—	239	+ 4
Total	—	2,049	—	2,093	+ 44

※Abovementioned number of sites includes the double counting of sites operated by multiple divisions.

※One power plant and one final disposal facility are included in the ERD Division.

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”

Energy

- PV Division
- PPS Division

Make it common “Energy with low environmental impact”

Main power source for renewable energy, distributed power source, self-consumption, microgrid, VPP.

Residential environment

- HS Division
- ES Division
- SE Division

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

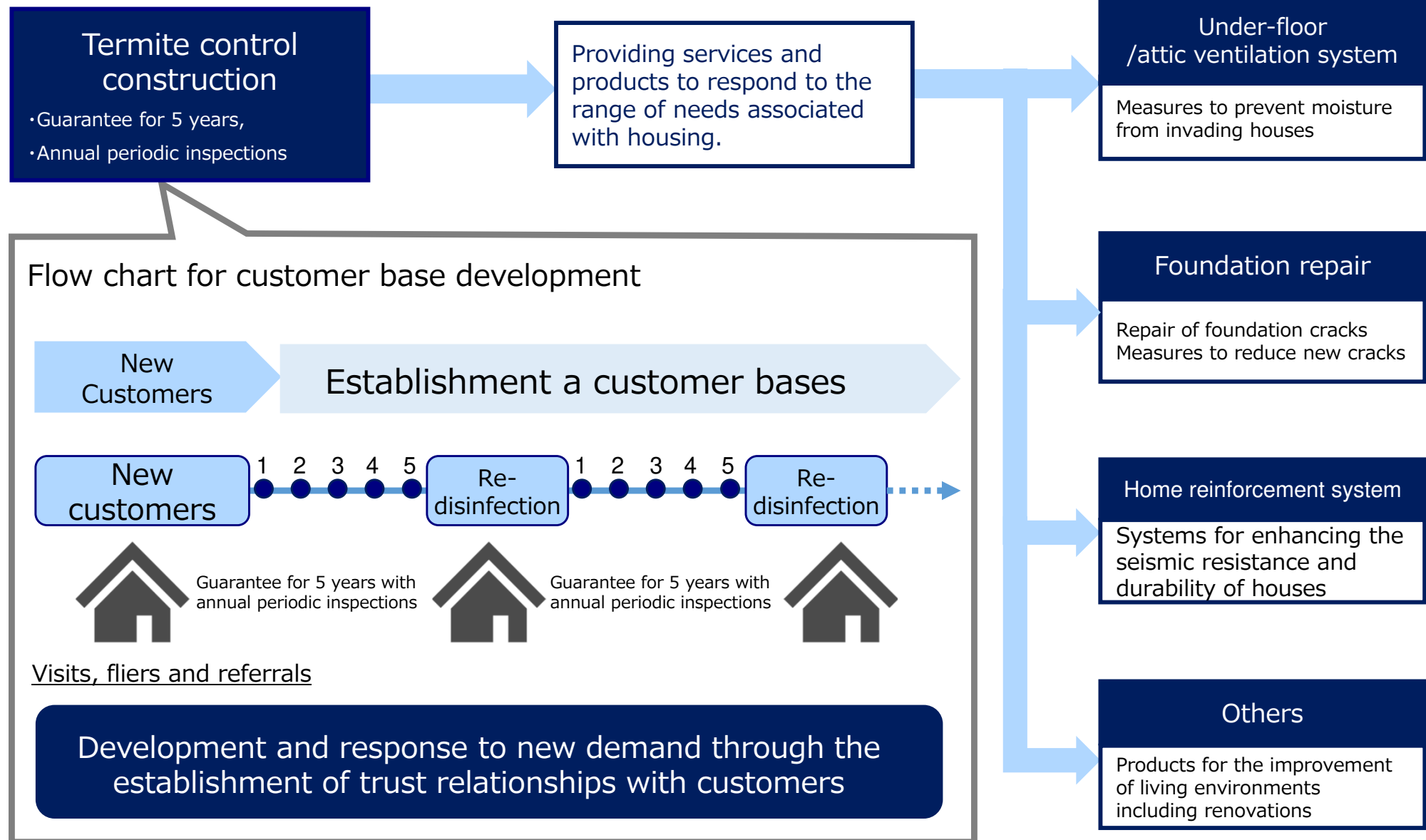
Resource circulation

- ERD Division

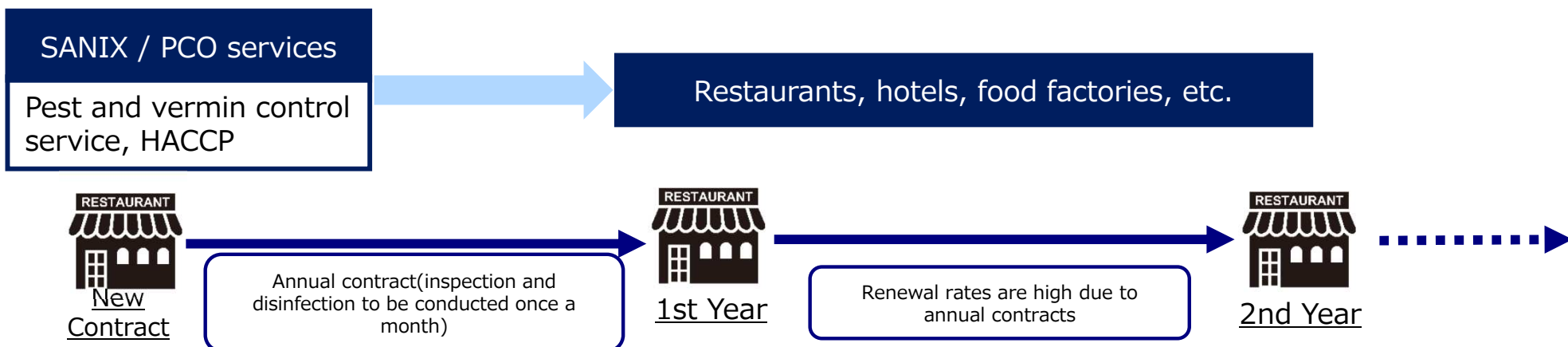
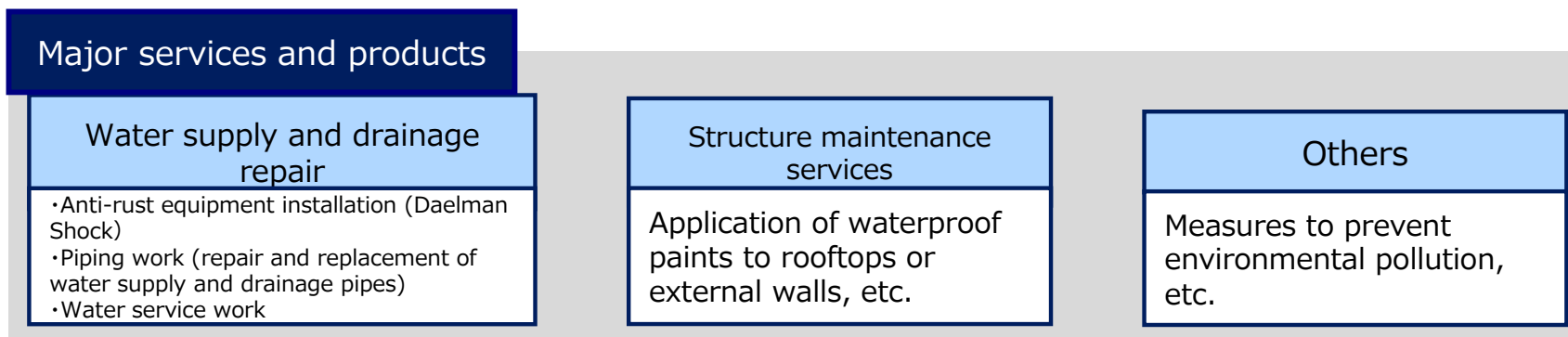
Make it common “Recycling resources without abandoning them”

Basic Environmental Plan, Promotion of Recycling-Oriented Society, Plastic Resource Recycling Strategy

Business structure of the HS Division

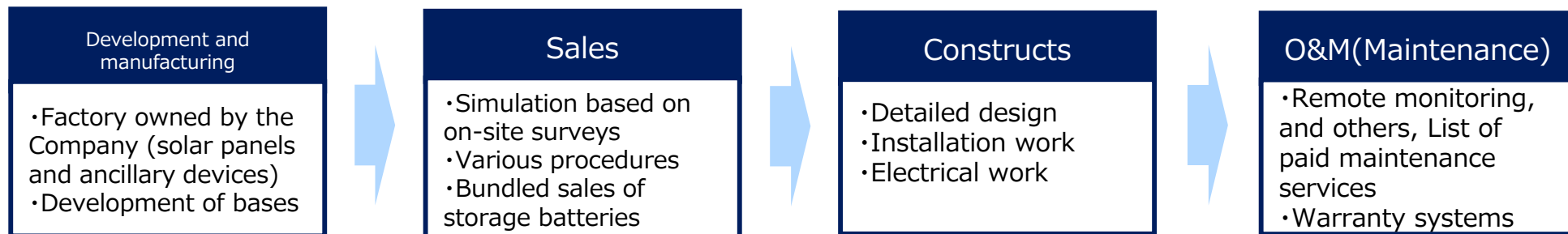


Business structure of the ES Division



Business structure of the SE and PV Division

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



SE Division for housing (less than 10 kW)

- Newly built houses: Promote ZEH
- Existing houses : 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.

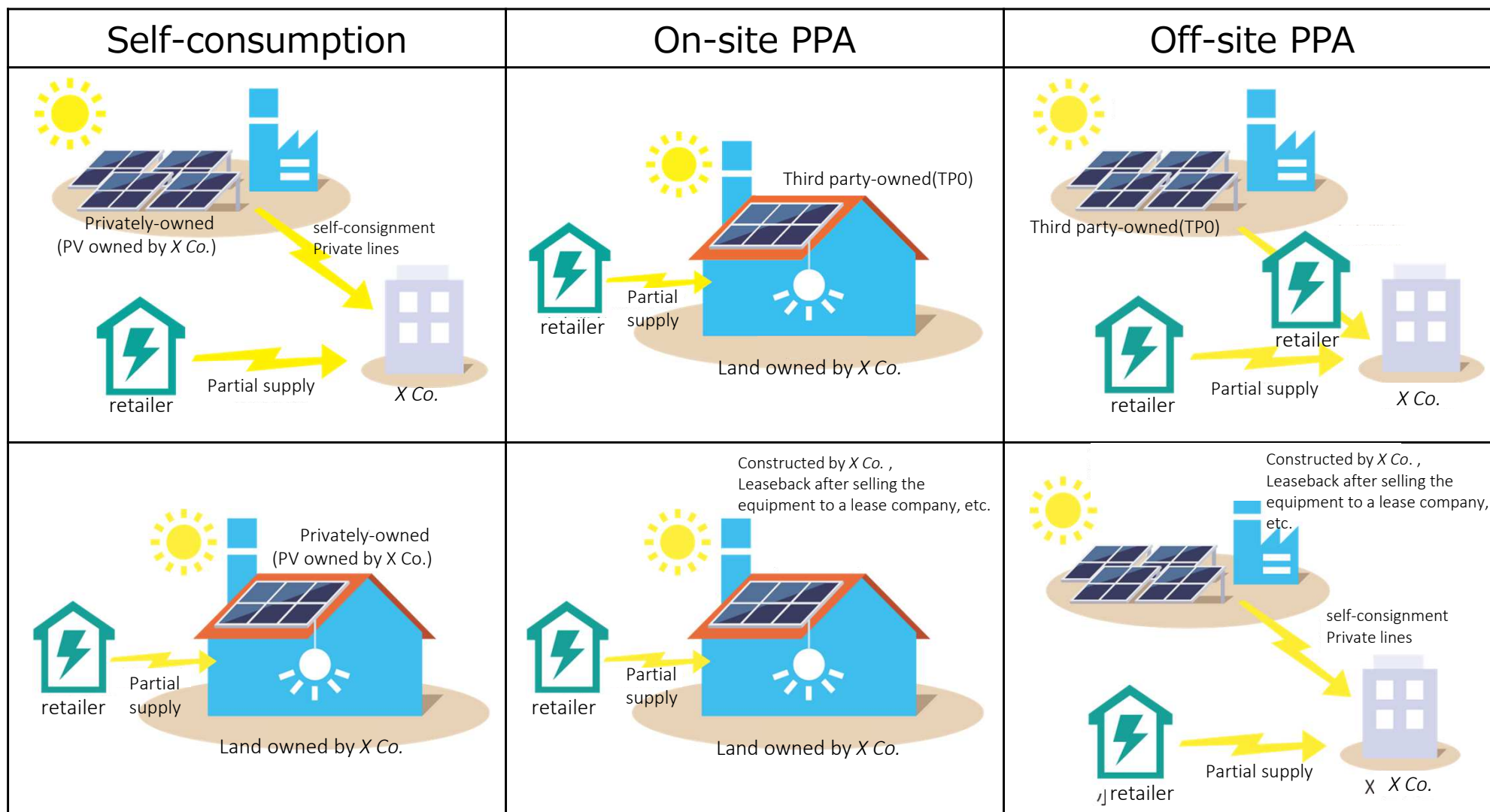
PV service for companies and municipalities (10 kW or more)

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.



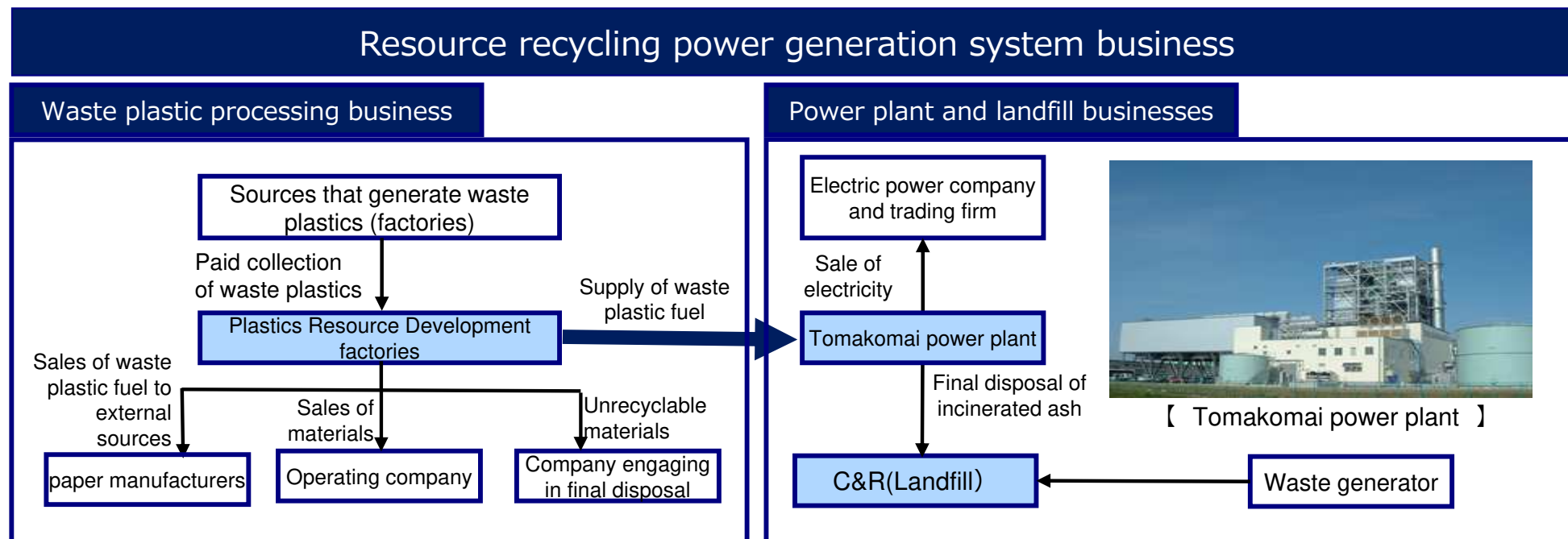
Organize a cooperative system for the development of a range of services, starting sales in earnest this fiscal year. Expand the services offered through continued collaboration with other companies and the utilization of our own PPS business.

Against the backdrops of rising electricity prices, go down photovoltaic power generation systems and expend PPA services, the introduction of photovoltaic power generation system is in full swing, driven by the need for economic rationality, decarbonization and resilience enhancement.



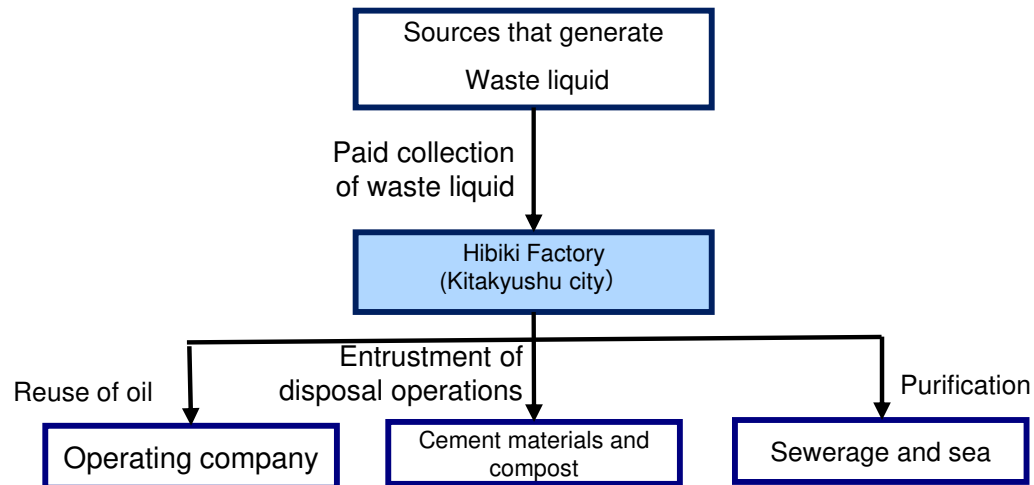
Source: he "Toward the popularization of power generation businesses" page of the Japan Photovoltaic Energy Association's website. Edited by the Company.

Business structure of Environmental Resource Development



- 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 " - ".

次世代へ快適な環境を
SANIX