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February 14, 2025

## Consolidated Financial Results for the 9 Months Ended December 31, 2024 (Under Japanese GAAP)

Company name: SANIX INCORPORATED  
 Listing: Tokyo Stock Exchange / Fukuoka Stock Exchange  
 Securities code: 4651  
 URL: [https://sanix.jp/lang\\_en/](https://sanix.jp/lang_en/)  
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 Scheduled date to commence dividend payments: -  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results briefing: No

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

### 1. Consolidated financial results for the 9 months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

#### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
9 months ended December 31, 2024	32,782	(4.4)	1,438	(40.5)	1,201	(46.4)	831	(54.0)
December 31, 2023	34,275	(0.2)	2,419	117.6	2,242	139.6	1,806	178.2

Note: Comprehensive income For the 9 months ended December 31, 2024: ¥818 million [(56.0%)]  
 For the 9 months ended December 31, 2023: ¥1,861 million [185.1%]

	Basic earnings per share	Diluted earnings per share
9 months ended December 31, 2024	Yen 17.38	Yen -
December 31, 2023	37.80	-

#### (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
December 31, 2024	37,506	9,717	25.9	203.28
March 31, 2024	36,965	8,912	24.1	186.04

Reference: Equity

As of December 31, 2024: ¥9,717 million  
 As of March 31, 2024: ¥8,893 million

## 2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	0.00	0.00	0.00	0.00	0.00
Fiscal year ending March 31, 2025	0.00	0.00	0.00		
Fiscal year ending March 31, 2025 (Forecast)				0.00	0.00

Note: Revisions to the forecast of cash dividends most recently announced: None

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

	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
Full Year	46,246	(2.0)	1,715	(54.2)	1,440	(58.4)	1,093	(59.4)	22.88

Note

1.Revision from the most recently announced forecast of consolidated business results: None

**\* Notes**

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

Newly included: 2 companies (Company name) SANIX RESOURCE DEVELOPMENT GROUP INCORPORATED and SANIX HOME BUILD SERVICE INCORPORATED.

Excluded: 1 company (Company name) SHANRI (SHANGHAI) ENERGY SCIENCE AND TECHNOLOGY CO., LTD

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) 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

(4) Number of issued shares (common shares)

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

As of December 31,2024	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 December 31,2024	1,115,381 shares
As of March 31,2024	1,115,213 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

9 months ended December 31, 2024	47,804,109 shares
9 months ended December 31, 2023	47,804,383 shares

\* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

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# 1. Qualitative Information for the 9 months ended December 31, 2024

## (1) Information of Consolidated Business Results

During the current consolidated accounting period (April 1 to December 31, 2024) the Japanese economy was slowly picking up due to the recovery in consumer spending and rising inbound demand following the normalization of social activities. However, amid the unstable international situation, the future remains uncertain, including soaring raw material and energy prices and rising prices due to the yen's depreciation.

In this social situation, our group has promoted the resolution of social issues through businesses in the areas of residential environment, energy, and resource circulation based on the corporate philosophy of "Clean and comfortable environment for the next generation"

As for the sales volume in the environmental resource development business, in the Power Plant sales, the significant drop in electricity market prices affected us. We shifted from wholesale electricity to retail sales, which has higher unit prices, but the sales price did not reach the level seen in the previous period. This led to a decrease in sales (down 5.0% year-on-year). As a result, the group's overall sales amounted to ¥32,782 million (down 4.4% year-on-year).

As for profits, in the environmental resource development division, in addition to the revenue decrease caused by the lower electricity contract prices at the Tomakomai Power Plant, the impact of repair costs incurred due to scheduled maintenance was also reflected. As a result, the group's financial performance showed operating profit of ¥1,438 million (down 40.5% year-on-year) and ordinary profit of ¥1,201 million (down 46.4% year-on-year), profit attributable to owners of parent of ¥831 million (down 54.0% year-on-year).

As stated in the January 31, 2024 announcement of business succession by company split (Simple Absorption-Type Split), our PV business (sales and construction related business of solar power generation systems for enterprises and corporations) was transferred to SANIX ENGINEERING INCORPORATED on July 1, 2024.

In addition, our group decided to move to a holding company system in April 2025 (planned) to respond quickly to all changes in the business environment and achieve sustainable growth, as announced on May 15, 2024. By establishing and succeeding business companies in the residential environment, energy and resource circulation areas, we aim to improve the value of our group by developing businesses flexibly and quickly according to the business characteristics.

The consolidated results of the individual segment for the first 9 months under review were as follows:

### <Residential Environment Area>

#### a. HS (Home Sanitation) Division

In the HS division, we have strengthened our sales policy that emphasizes the development of new customers since the first half of the year and promoted efforts to expand our customer base. As a result, "Termite control construction" decreased by 7.9% year-on-year, "Underfloor / attic ventilation system" decreased by 6.0% year-on-year, and "Foundation repair / home reinforcement system" decreased by 7.3% year-on-year. However, "Others," including house renovation, increased by 28.3% year-on-year, resulting in net sales of ¥9,009 million (up 1.7% year-on-year).

Operating profit came to ¥1,373 million (up 7.5% year on year) due to a year-on-year increase in sales, as well as the effects of reduced subcontracting construction costs and fixed costs such as selling, general and

administrative expenses.

#### **b. ES (Establishment Sanitation) Division**

The ES division has been strengthening its relationships with owners of buildings and condominiums and affiliates such as property management companies. However, due to a decrease in the number of referral cases from partners, sales of the main anti-rust equipment (product name: Daelman Shock) decreased by 14.1% year-on-year, "Water supply and drainage repairs" decreased by 11.2% year-on-year, and "Waterproofing and renovation of buildings " decreased by 16.3% year-on-year. As a result, net sales amounted to ¥1,826 million (down 9.0% year-on-year).

Operating profit totaled ¥23 million (down 31.1% year-on-year) due to a decrease in revenue from the same period last year.

#### **c. SE (Solar Engineering) Division**

The SE Division focused on the sale of photovoltaic power generation systems developed specifically for detached houses, among other products. As a result, net sales increased to ¥910 million (down 4.0% year-on-year).

Operating loss totaled ¥38 million (Operating loss of ¥67 million in the same period of the previous fiscal year), reflecting efforts to improve profitability.

### **<Energy Area>**

#### **d. PV(Photovoltaic) Division**

The PV Division focused mainly on the sale and construction of self-consumption type photovoltaic power generation systems for corporate use, the provision of the PPA services to local governments and the sale of photovoltaic power generation systems with land, as well as replacement of devices and maintenance for existing photovoltaic power generation systems. In the third-quarter consolidated cumulative period, delays in grid connections with electric power companies and the expansion and sophistication of projects led to a prolonged period from order to construction, causing a delay in revenue recognition. As a result, net sales amounted to ¥5,797 million, a 11.0% decrease compared to the same period last year.

Although the gross margin improved due to a decrease in material costs, and the company was able to secure operating profit for the third-quarter consolidated accounting period (October 1 to December 31, 2024), it could not fully offset the losses incurred up to the interim consolidated accounting period, resulting in an operating loss of ¥116 million (compared to an operating loss of ¥67 million in the same period last year).

#### **e. PPS(Power Producer and Supplier) Division**

The PPS Division has been reducing its operations due to the impact of soaring wholesale electricity prices in the JEPX market during the winter of 2020, aiming to mitigate the risks associated with price fluctuations in electricity procurement. During the third-quarter consolidated cumulative period (from April 1 to December 31, 2024), the number of contracts for risk-hedging electricity retail plans increased, and due to the effects of the extreme heat, the volume of electricity sold also grew. As a result, net sales amounted to ¥1,967 million (up 0.2% year-on-year).

Operating profit improved, reaching ¥125 million (up 43.5% year-on-year), due to progress in enhancing profitability through the reduction of fixed costs and other measures.

### <Resource Circulation Area>

#### f. ERD (Environmental Resources Development) Division

In the ERD Division, net sales of "Plastic fuel" increased by 5.0% year-on-year, "Waste liquid treatment" increased by 4.0% year-on-year, and "Landfill treatment" increased by 14.4% year-on-year. However, due to the significant drop in the electricity market price at the Tomakomai power plant, we switched to selling retail electricity, which has a higher unit price than wholesale electricity, but did not reach the unit price level of the previous period. Additionally, due to the regular maintenance and repair of the Tomakomai power plant, which was conducted from March to April in the previous period and from April to May in the current period, the number of operating days decreased, resulting in a 30.0% year-on-year decrease in "Power plant sales." As a result, net sales amounted to ¥13,346 million (a 4.5% decrease year-on-year).

Operating profit totaled ¥2,096 million (down 34.5% year-on-year) due to a decrease in revenue at Tomakomai power plant and the accounting of repair costs due to regular repairs.

## (2) Information of Consolidated Financial Position

### Information on the status of Assets, of Liabilities, and of Net Assets

The total assets at the end of the third quarter of the consolidated fiscal year amounted to ¥37,506 million, an increase of ¥540 million compared to the end of the previous consolidated fiscal year. Total liabilities stood at ¥27,788 million, a decrease of ¥265 million from the end of the previous consolidated fiscal year. Net assets totaled ¥9,717 million, an increase of ¥805 million from the end of the previous consolidated fiscal year. As a result, the capital adequacy ratio was 25.9% (compared with 24.1% at the end of the previous consolidated fiscal year).

#### (Assets)

Current assets amounted to ¥15,013 million, a decrease of ¥1,198 million compared to the end of the previous consolidated fiscal year. The main factors are that although construction in progress increased by ¥429 million, notes and accounts receivable decreased by ¥1,278 million, and cash and deposits decreased by ¥553 million.

Fixed assets amounted to ¥22,492 million, up ¥1,738 million from the end of the previous consolidated fiscal year. The main reasons are that machinery, equipment, and vehicles increased by ¥1,062 million net, and land increased by ¥488 million.

#### (Liabilities)

Current liabilities amounted to ¥18,036 million, an increase of ¥25 million compared to the end of the previous consolidated fiscal year. The main factors are a decrease in income taxes payable by ¥527 million, and an increase in accounts payable by ¥663 million.

Fixed liabilities amounted to ¥9,752 million, a decrease of ¥290 million compared to the end of the previous consolidated fiscal year. The main factors are an increase of ¥343 million in other liabilities due to an

increase in long-term accounts payable, and a decrease in long-term borrowings by ¥545 million.

(Net assets)

Net assets totaled ¥9,717 million, up ¥805 million compared to the end of the previous consolidated fiscal year. The main factor was the recording of a quarterly net profit attributable to the parent company's shareholders of ¥831 million.

### **(3) Information on the Future Outlook, Including the Forecasts of Consolidated Business Results**

There are no changes to the consolidated business forecasts for the fiscal year ending March 2025, as announced on May 15, 2024.



## 2. Quarterly Consolidated Financial Statements and the Primary Notes for the 9 months ended December 31, 2024

### (1) Quarterly Consolidated Balance Sheets

	(In Millions of Yen)	
	As of	As of
	March 31,2024	Dec. 31,2024
<b>Assets :</b>		
Current Assets :		
Cash and deposits	6,397	5,843
Notes and accounts receivable – trade	5,436	4,158
Merchandise and finished goods	185	211
Costs on construction contracts in progress	420	849
Raw materials and supplies	2,575	2,665
Other	1,301	1,366
Allowance for doubtful accounts	(105)	(81)
Total current assets	16,211	15,013
Non-current assets		
Tangible assets		
Buildings and structures, net	2,145	2,028
Machinery, equipment and vehicles, net	4,718	5,780
Land	8,248	8,736
Other, net	2,120	2,689
Total tangible assets	17,232	19,236
Intangible assets	484	366
Investments and other assets	3,036	2,890
Total non-current assets	20,753	22,492
Total assets	36,965	37,506
	As of	As of
	March 31,2024	Dec. 31,2024
<b>Liabilities :</b>		
Current liabilities		
Notes and accounts payable - trade	1,968	1,880
Electronically recorded obligations	486	733
Short-term loans payable	4,015	4,203
Current portion of long-term loans payable	1,364	1,406
Current portion of bonds payable	300	300
Accounts payable	4,503	5,167
Income taxes payable	655	128
Provision for bonuses	283	141
Allowance for resource-recycling expenses	13	28
Other	4,418	4,047
Total current liabilities	18,010	18,036
Non-current liabilities		
Bonds payable	700	500
Long-term borrowings	4,107	3,562
Allowance for retirement benefits for directors	4	2
Allowance for disposal site closing expenses	577	614
Retirement benefit liability	2,217	2,293
Other	2,436	2,780

Total non-current liabilities	10,042	<b>9,752</b>
<b>Total liabilities</b>	<b>28,053</b>	<b>27,788</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	14,041	4,205
Capital surplus	—	5
Retained earnings	(3,968)	6,698
Treasury shares	(1,481)	(1,481)
Total shareholders' equity	8,591	9,427
Accumulated other comprehensive income		
Valuation difference on available for sale securities	137	93
Foreign currency translation adjustment	163	196
Remeasurements of defined benefit plans	0	0
Total other comprehensive income	302	290
Non-controlling Interests	18	—
Total net assets	8,912	9,717
<b>Total liabilities and net assets</b>	<b>36,965</b>	<b>37,506</b>

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

	(In Millions of Yen)	
	9 months	
	From April 1 to December 31	
	FY2023	FY2024
<b>Net sales</b>	34,275	<b>32,782</b>
Cost of sales	21,275	<b>20,686</b>
Gross profit	12,999	<b>12,096</b>
Selling, general and administrative expenses	10,579	<b>10,657</b>
Operating profit (loss)	2,419	<b>1,438</b>
Non-operating profit		
Interest income	7	5
Dividends income	4	5
Rental income from land and buildings	47	21
Profit on sale of non-current assets	0	18
Subsidy income	5	97
Other	42	45
Total non-operating profit	107	<b>194</b>
Non-operating expenses		
Interest expenses	191	199
Loss on reduction of fixed assets	—	94
Subsidy return loss	—	53
Other	92	84
Total non-operating expenses	284	<b>431</b>
Ordinary profit (loss)	2,242	<b>1,201</b>
Profit (loss) before income taxes	2,242	<b>1,201</b>
Income taxes-current	332	261
Income taxes-deferred	104	109
Total income taxes	436	371
Net income	1,806	<b>830</b>
Profit (loss) attributable to non-controlling interests	<b>(0)</b>	<b>(0)</b>
Profit (loss) attributable to owners of parent	1,806	<b>831</b>

**(Quarterly Consolidated Statements of Comprehensive Income)**

	(In Millions of Yen)	
	9 months	
	From April 1 to December 31	
	FY2023	FY2024
Quarterly profit	1,806	<b>830</b>
Other comprehensive income :		
Valuation difference on available-for-sale securities	16	<b>(43)</b>
Foreign currency translation adjustment	20	<b>32</b>
Retirement benefit adjustment	18	<b>(0)</b>
Total other comprehensive income	54	<b>(11)</b>
Quarterly comprehensive net income	1,861	<b>818</b>
(Breakdown)		
Comprehensive income attributable to owners of parent	1,861	<b>819</b>
Comprehensive income attributable to non-controlling interests	<b>(0)</b>	<b>(0)</b>

### (3) Notes regarding the Quarterly Consolidated Financial Statements

#### (Notes to the Assumption of a Going Concern)

: None

#### (Changes in scope of consolidation or application of the equity method)

(Changes in the scope of consolidation)

SANIX HOME BUILD SERVICE INCORPORATED and SANIX RESOURCE DEVELOPMENT GROUP INCORPORATED were newly established in the interim consolidated accounting period, and have been included in the consolidated scope.

In addition, SHANRI (SHANGHAI) ENERGY SCIENCE AND TECHNOLOGY CO., LTD has settled the accounts, so it is excluded from the scope of consolidation.

#### (Notes to Remarkable Changes in the amount of Shareholders' Equity)

The Company compensated for losses on September 2, 2024 in accordance with the resolution of the 46th Annual General Meeting of Shareholders held on June 27, 2024. Consequently, during the first nine months of the fiscal year under review, share capital decreased by 9,836 million yen while retained earnings increased by 9,836 million yen, resulting in share capital and retained earnings of 4,205 million yen and 6,698 million yen, respectively, at the end of the third quarter under review.

#### (Notes to the quarterly consolidated statement of cash flows)

The quarterly consolidated statement of cash flows for the first nine months of the fiscal year under review has not been prepared. Depreciation (including amortization related to intangible assets) for the first nine months of the fiscal year under review is as follows.

	(In Millions of Yen)	
	9 months	
	From April 1 to December 31	
	FY2023	FY2024
Depreciation Expenses	1,217	1,251

**(Segment Information, etc.)****I . 9 months ended December 31,2023 (From April 1, 2023 to December 31, 2023)****1. Information concerning the Amount of Net Sales and Operating Income (loss) by Segment**

(In Millions of Yen)

	Segments							Elimination or Group (note 1)	Consolidated (note 2)
	HS	ES	SE	PV	PPS	ERD	Total		
Net Sales:									
Sales to customers	8,859	2,007	948	6,516	1,964	13,978	34,275	—	34,275
Internal sales among segments and transfer accounts	—	—	—	—	—	—	—	—	—
Total	8,859	2,007	948	6,516	1,964	13,978	34,275	—	34,275
Operating profit(loss)	1,277	34	(67)	(67)	87	3,200	4,463	(2,044)	2,419

(note 1)

Negative ¥2,044 million for adjustments of Operating income (loss) represents corporate expenses not allocated to reportable segments. Corporate expenses are mainly general and administrative expenses not attributable to reportable segments.

(note 2)

Operating profit(loss) is adjusted to operating profit of quarterly consolidated statements of income.

**II . 9 months ended December 31,2024 (From April 1, 2024 to December 31, 2024)****1. Information concerning the Amount of Net Sales and Operating Income (loss) by Segment**

(In Millions of Yen)

	Segments							Elimination or Group (note 1)	Consolidated (note 2)
	HS	ES	SE	PV	PPS	ERD	Total		
Net Sales:									
Sales to customers	9,009	1,826	908	5,797	1,967	13,273	32,782	—	32,782
Internal sales among segments and transfer accounts	0	—	2	—	—	72	75	(75)	—
Total	9,009	1,826	910	5,797	1,967	13,346	32,857	(75)	32,782
Operating profit(loss)	1,373	23	(38)	(116)	125	2,096	3,463	(2,024)	1,438

(note 1)

Negative ¥2,024 million for adjustments of Operating income (loss) represents corporate expenses not allocated to reportable segments. Corporate expenses are mainly general and administrative expenses not attributable to reportable segments.

(note 2)

Operating profit(loss) is adjusted to operating profit of quarterly consolidated statements of income.

### 3. Others

#### (1) Consolidated Net Sales by Division

Item	Unit	From April 1 to December 31				Comparison	
		FY2023		FY2024			
		QTY	Amount	QTY	Amount	QTY	Amount
Termite control construction	*1,000 tsubo	522	3,236	501	2,980	-20	-255
Under-floor/attic ventilation system	—	—	2,246	—	2,112	—	-134
Foundation Repair/ Home Reinforcement System	House	2,614	1,167	2,208	1,081	-406	-85
Others	—	—	2,209	—	2,833	—	624
Home Sanitation Division Total	—	—	8,859	—	9,009	—	149
Anti-rust equipment Installation	Piece	684	749	616	644	-68	-105
Water supply and drainage repair	—	—	756	—	671	—	-84
Waterproofing and renovation of buildings	—	—	226	—	189	—	-37
Others	—	—	273	—	320	—	46
Establishment Sanitation Division Total	—	—	2,007	—	1,826	—	-181
Sales and installation of PV system	—	—	948	—	910	—	-37
Solar Engineering Division total	—	—	948	—	910	—	-37
Sales and installation of PV system	—	—	6,416	—	5,699	—	-717
Wholesale of PV system	—	—	30	—	13	—	-17
Others	—	—	69	—	84	—	15
Photovoltaic Division Total	—	—	6,516	—	5,797	—	-719
Sales of Electricity	—	—	1,964	—	1,967	—	3
Power Producer and Supplier Division Total	—	—	1,964	—	1,967	—	3
Plastic fuel	t	212,383	7,411	226,628	7,779	14,245	367
Power Plant	—	—	3,668	—	2,569	—	-1,099
Waste liquid treatment	t	76,883	1,591	74,609	1,654	-2,274	62
Landfill	—	—	753	—	861	—	108
Others	—	—	553	—	482	—	-71
Environmental Resources Development Division Total	—	—	13,978	—	13,346	—	-631
Others	—	—	—	—	—	—	—
Adjustment of intersegment sales	—	—	—	—	(75)	—	-75
Total Net Sales	—	—	34,275	—	32,782	—	-1,492

#### Note

1. Descriptions are omitted for items that are handled in such a wide range that it is difficult to grasp their quantity.

2. 1,000 tsubo is approximately 3,305.785 m<sup>2</sup>.