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On November 12, 2020, Sanix Incorporated announced earnings results for 1H FY03/21

Cumulative	FY03/20				FY03/21				FY03/21		FY03/21	
(JPYmn)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	% of Est.	1H Est.	% of Est.	FY Est.
Sales	11,603	24,538	37,893	52,531	11,893	23,947			99.0%	24,180	48.1%	49,738
YoY	-1.1%	0.4%	2.3%	3.6%	2.5%	-2.4%				-1.5%		-5.3%
Gross profit	4,263	8,863	13,260	17,556	4,505	9,132			102.2%	8,934	52.0%	17,562
YoY	20.4%	18.1%	18.4%	18.4%	5.7%	3.0%				0.8%		0.0%
GPM	36.7%	36.1%	35.0%	33.4%	37.9%	38.1%				36.9%		35.3%
SG&A expenses	3,640	7,311	10,976	14,765	3,720	7,467						
YoY	5.9%	7.3%	7.4%	8.5%	2.2%	2.1%						
SG&A ratio	31.4%	29.8%	29.0%	28.1%	31.3%	31.2%						
Operating profit	623	1,551	2,284	2,791	784	1,664			127.4%	1,306	85.8%	1,940
YoY	504.9%	125.4%	133.5%	128.0%	25.8%	7.3%				-15.8%		-30.5%
OPM	5.4%	12.0%	17.1%	19.1%	6.6%	13.8%				5.4%		3.9%
Recurring profit	600	1,429	2,087	2,592	755	1,562			130.5%	1,197	87.5%	1,785
YoY	289.6%	107.4%	122.5%	119.3%	25.8%	9.3%				-16.2%		-31.1%
RPM	5.2%	11.0%	15.6%	17.7%	6.3%	13.0%				5.0%		3.6%
Net income	436	1,140	1,531	1,850	663	1,410			143.6%	982	104.8%	1,345
YoY	292.8%	487.6%	693.3%	670.8%	52.1%	23.7%				-13.9%		-27.3%
Net margin	3.8%	8.8%	11.5%	12.6%	5.6%	11.7%				4.1%		2.7%

Quarterly	FY03/20				FY03/21			
(JPYmn)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	11,603	12,935	13,355	14,638	11,893	12,054		
YoY	-1.1%	1.7%	6.1%	7.0%	2.5%	-6.8%		
Gross profit	4,263	4,600	4,397	4,296	4,505	4,627		
YoY	20.4%	16.1%	19.0%	18.2%	5.7%	0.6%		
GPM	36.7%	35.6%	32.9%	29.3%	37.9%	38.4%		
SG&A expenses	3,640	3,671	3,665	3,789	3,720	3,747		
YoY	5.9%	8.6%	7.7%	11.9%	2.2%	2.1%		
SG&A ratio	31.4%	28.4%	27.4%	25.9%	31.3%	31.1%		
Operating profit	623	928	733	507	784	880		
YoY	504.9%	58.6%	152.8%	106.1%	25.8%	-5.2%		
OPM	5.4%	7.2%	5.5%	3.5%	6.6%	7.3%		
Recurring profit	600	829	658	505	755	807		
YoY	289.6%	55.0%	164.3%	107.0%	25.8%	-2.7%		
RPM	5.2%	6.4%	4.9%	3.4%	6.3%	6.7%		
Net income	436	704	391	319	663	747		
YoY	292.8%	748.2%	-	578.7%	52.1%	6.1%		
Net margin	3.8%	5.4%	2.9%	2.2%	5.6%	6.2%		

Source: Shared Research based on company data
Note: Figures may differ from company materials due to differences in rounding methods.
Note: Net income refers to net income attributable to owners of the parent.

Quarterly segment earnings

Segment sales and profit (cumulative)	FY03/20				FY03/21				FY03/21		FY03/21	
(JPYmn)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	% of Est.	1H Est.	% of Est.	FY Est.
Sales	**11,603**	**24,538**	**37,893**	**52,531**	**11,893**	**23,947**			**99.0%**	**24,180**	**48.1%**	**49,738**
YoY	-1.1%	0.4%	2.3%	3.6%	2.5%	-2.4%				-1.5%		-5.3%
Solar Engineering	2,355	5,606	9,869	15,195	3,024	5,399			96.0%	5,625	44.4%	12,161
YoY	-15.3%	-5.7%	2.1%	5.3%	28.4%	-3.7%				0.3%		-20.0%
Environmental Resources Development	4,093	8,045	12,294	16,759	4,131	8,296			99.9%	8,308	49.3%	16,824
YoY	12.2%	10.6%	14.8%	18.7%	0.9%	3.1%				3.3%		0.4%
Energy	2,342	5,041	7,103	9,132	1,963	4,402			97.6%	4,508	47.5%	9,266
YoY	-14.4%	-13.1%	-13.3%	-13.9%	-16.2%	-12.7%				-10.6%		1.5%
Home Sanitation	2,948	5,884	8,529	11,235	2,854	5,886			100.3%	5,869	51.3%	11,474
YoY	8.7%	7.1%	5.6%	4.5%	-3.2%	0.0%				-0.3%		2.1%
Establishment Sanitation	487	1,102	1,584	2,261	520	1,132			103.3%	1,096	48.8%	2,320
YoY	17.3%	21.8%	14.4%	17.4%	6.8%	2.7%				-0.5%		2.6%
Adjustments	-624	-1,142	-1,488	-2,053	-602	-1,169			-	-1,226	-	-2,309
Operating profit	**623**	**1,551**	**2,284**	**2,791**	**784**	**1,664**			**127.4%**	**1,306**	**85.8%**	**1,940**
YoY	504.9%	125.4%	133.5%	128.0%	25.8%	7.3%				-15.8%		-30.5%
Operating profit margin	5.4%	6.3%	6.0%	5.3%	6.6%	6.9%				5.4%		3.9%
Solar Engineering	20	298	741	901	263	233			151.3%	154	61.2%	381
YoY	-	441.8%	44.4%	-25.2%	-	-21.8%				-48.3%		-57.7%
OPM	0.8%	5.3%	7.5%	5.9%	8.7%	4.3%				2.7%		3.1%
Environmental Resources Development	867	1,655	2,317	3,483	942	1,974			115.1%	1,715	63.4%	3,112
YoY	150.6%	133.8%	208.5%	723.4%	8.7%	19.3%				3.6%		-10.7%
OPM	21.2%	20.6%	18.8%	20.8%	22.8%	23.8%				20.6%		18.5%
Energy	-41	-30	10	-485	-80	-33			-	15	-126.9%	26
YoY	-	-	-97.0% -		-	-				-		-
OPM	-	-	0.1%	-	-	-				0.3%		0.3%
Home Sanitation	655	1,235	1,633	2,061	545	1,168			101.0%	1,156	57.9%	2,017
YoY	12.9%	-0.2%	-4.2%	-7.6%	-16.8%	-5.4%				-6.4%		-2.1%
OPM	22.2%	21.0%	19.1%	18.3%	19.1%	19.8%				19.7%		17.6%
Establishment Sanitation	40	137	155	281	29	118			107.3%	110	41.8%	282
YoY	-23.1%	7.0%	-20.9%	-2.1%	-27.5%	-13.9%				-19.7%		0.4%
OPM	8.2%	12.4%	9.8%	12.4%	5.6%	10.4%				10.0%		12.2%
Adjustments	-919	-1,744	-2,574	-3,452	-915	-1,798			-	-1,844	-	-3,879

Segment sales and profit (quarterly)	FY03/20				FY03/21			
(JPYmn)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	**11,603**	**12,935**	**13,355**	**14,638**	**11,893**	**12,054**		
YoY	-1.1%	1.7%	6.1%	7.0%	2.5%	-6.8%		
Solar Engineering	2,355	3,251	4,263	5,326	3,024	2,375		
YoY	-15.3%	2.6%	14.7%	11.8%	28.4%	-26.9%		
Environmental Resources Development	4,093	3,952	4,249	4,465	4,131	4,165		
YoY	12.2%	8.9%	23.9%	30.9%	0.9%	5.4%		
Energy	2,342	2,699	2,062	2,029	1,963	2,439		
YoY	-14.4%	-12.1%	-13.5%	-16.2%	-16.2%	-9.6%		
Home Sanitation	2,948	2,936	2,645	2,706	2,854	3,032		
YoY	8.7%	5.5%	2.6%	1.0%	-3.2%	3.3%		
Establishment Sanitation	487	615	482	677	520	612		
YoY	17.3%	25.5%	0.4%	25.1%	6.8%	-0.5%		
Adjustments	-624	-518	-346	-565	-602	-567		
Operating profit	**623**	**928**	**733**	**507**	**784**	**880**		
YoY	504.9%	58.6%	152.8%	106.1%	25.8%	-5.2%		
Operating profit margin	5.4%	7.2%	5.5%	3.5%	6.6%	7.3%		
Solar Engineering	20	278	443	160	263	-30		
YoY	-	94.4%	-3.3%	-76.8%	-	-		
OPM	0.8%	8.6%	10.4%	3.0%	8.7%	-		
Environmental Resources Development	867	788	662	1,166	942	1,032		
YoY	150.6%	117.7%	- -		8.7%	31.0%		
OPM	21.2%	19.9%	15.6%	26.1%	22.8%	24.8%		
Energy	-41	11	40	-495	-80	47		
YoY	-	-93.1%	-51.8% -		-	327.3%		
OPM	-	0.4%	1.9%	-	-	1.9%		
Home Sanitation	655	580	398	428	545	623		
YoY	12.9%	-11.9%	-14.6%	-18.8%	-16.8%	7.4%		
OPM	22.2%	19.8%	15.0%	15.8%	19.1%	20.5%		
Establishment Sanitation	40	97	18	126	29	89		
YoY	-23.1%	27.6%	-73.5%	38.5%	-27.5%	-8.2%		
OPM	8.2%	15.8%	3.7%	18.6%	5.6%	14.5%		
Adjustments	-919	-825	-830	-878	-915	-883		

Source: Shared Research based on company data
Note: Figures may differ from company materials due to differences in rounding methods.
Note: "-"denotes YoY change of more than 1,000%.

SE segment earnings

Cumulative	FY03/20				FY03/21			
(JPYmn)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	2,355	5,606	9,869	15,195	3,024	5,399		
YoY	-15.3%	-5.7%	2.1%	5.3%	28.4%	-3.7%		
Direct sales	2,262	5,417	9,581	14,807	2,956	5,248		
YoY	-13.1%	-2.6%	4.8%	8.4%	30.7%	-3.1%		
Wholesale	61	121	186	269	41	98		
YoY	-46.5%	-58.0%	-53.5%	-53.5%	-32.8%	-19.0%		
Other	31	67	101	117	26	51		
Cost of sales	1,541	3,655	6,603	10,886	2,014	3,656		
Cost ratio	65.4%	65.2%	66.9%	71.6%	66.6%	67.7%		
Materials	861	2,127	3,872	6,711	1,140	2,104		
% of sales	36.6%	37.9%	39.2%	44.2%	37.7%	39.0%		
Labor	170	338	539	715	166	328		
% of sales	7.2%	6.0%	5.5%	4.7%	5.5%	6.1%		
Gross profit	814	1,950	3,265	4,308	1,010	1,742		
YoY	7.0%	10.0%	5.1%	-8.1%	24.1%	-10.7%		
GPM	34.6%	34.8%	33.1%	28.4%	33.4%	32.3%		
SG&A expenses	793	1,652	2,523	3,406	746	1,508		
YoY	-6.6%	-3.8%	-2.7%	-2.2%	-5.9%	-8.7%		
SG&A ratio	33.7%	29.5%	25.6%	22.4%	24.7%	27.9%		
Personnel expenses	440	885	1,357	1,878	437	835		
Operating profit	20	298	741	901	263	233		
YoY	-	441.8%	44.4%	-25.2%	1215.0%	-21.8%		
OPM	0.8%	5.3%	7.5%	5.9%	8.7%	4.3%		
Quarterly	FY03/20				FY03/21			
(JPYmn)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	2,355	3,251	4,263	5,326	3,024	2,375		
YoY	-15.3%	2.6%	14.7%	11.8%	28.4%	-26.9%		
Direct sales	2,262	3,155	4,164	5,226	2,956	2,292		
YoY	-13.1%	6.5%	16.4%	15.6%	30.7%	-27.4%		
Wholesale	61	60	65	83	41	57		
YoY	-46.5%	-65.5%	-42.0%	-53.4%	-32.8%	-5.0%		
Other	31	36	34	16	26	25		
Cost of sales	1,541	2,114	2,948	4,283	2,014	1,642		
Cost ratio	65.4%	65.0%	69.2%	80.4%	66.6%	69.1%		
Materials	861	1,266	1,745	2,839	1,140	964		
% of sales	36.6%	38.9%	40.9%	53.3%	37.7%	40.6%		
Labor	170	168	201	176	166	162		
% of sales	7.2%	5.2%	4.7%	3.3%	5.5%	6.8%		
Gross profit	814	1,136	1,315	1,043	1,010	732		
YoY	7.0%	12.4%	-1.4%	-34.0%	24.1%	-35.6%		
GPM	34.6%	34.9%	30.8%	19.6%	33.4%	30.8%		
SG&A expenses	793	859	871	883	746	762		
YoY	-6.6%	-1.0%	-0.6%	-0.7%	-5.9%	-11.3%		
SG&A ratio	33.7%	26.4%	20.4%	16.6%	24.7%	32.1%		
Personnel expenses	440	445	472	521	437	398		
Operating profit	20	278	443	160	263	-30		
YoY	-	94.4%	-3.3%	-76.8%	-	-		
OPM	0.8%	8.6%	10.4%	3.0%	8.7%	-		

Source: Shared Research based on company data
Note: Figures may differ from company materials due to differences in rounding methods.

Sales, volume, and unit price for solar power systems

Cumulative	FY03/20				FY03/21			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales (JPYmn)	2,262	5,417	9,581	14,807	3,024	5,248		
YoY	-13.1%	-2.6%	4.8%	8.4%	33.7%	-3.1%		
PV system sales volume (kW)	13,650	33,651	59,185	90,835	17,908	30,241		
YoY	-3.2%	6.0%	12.3%	12.7%	31.2%	-10.1%		
PV system price (JPY'000/kW)	166	161	162	163	169	174		
YoY	-10.2%	-8.1%	-6.7%	-3.8%	1.9%	7.8%		
Quarterly	FY03/20				FY03/21			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales (JPYmn)	2,262	3,155	4,164	5,226	3,024	2,224		
YoY	-13.1%	6.5%	16.4%	15.6%	33.7%	-29.5%		
PV system sales volume (kW)	13,650	20,001	25,534	31,650	17,908	12,333		
YoY	-3.2%	13.2%	22.1%	13.3%	31.2%	-38.3%		
PV system price (JPY'000/kW)	166	158	163	165	169	180		
YoY	-10.2%	-5.9%	-4.7%	2.1%	1.9%	14.3%		

Source: Shared Research based on company data
Note: Figures may differ from company materials due to differences in rounding methods.
Note: Unit price is calculated as sales divided by volume.

Environmental Resources Development (ERD) segment earnings

Cumulative	FY03/20				FY03/21			
(JPYmn)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	4,093	8,045	12,294	16,759	4,131	8,296		
YoY	12.2%	10.6%	14.8%	18.7%	0.9%	3.1%		
Waste plastic processing	2,367	4,703	7,484	10,111	2,575	5,146		
YoY	15.4%	14.6%	16.0%	17.4%	8.8%	9.4%		
Power generation	868	1,644	2,211	3,023	784	1,570		
YoY	6.2%	8.3%	27.7%	43.5%	-9.7%	-4.5%		
Other	858	1,698	2,599	3,625	772	1,580		
YoY	10.3%	2.8%	3.0%	6.8%	-10.0%	-6.9%		
Gross profit	1,329	2,589	3,724	5,384	1,397	2,888		
GPM	32.5%	32.2%	30.3%	32.1%	33.8%	34.8%		
SG&A expenses	461	934	1,407	1,901	454	914		
SG&A ratio	11.3%	11.6%	11.4%	11.3%	11.0%	11.0%		
Operating profit	867	1,655	2,317	3,483	942	1,974		
YoY	150.6%	133.8%	208.5%	723.4%	8.7%	19.3%		
OPM	21.2%	20.6%	18.8%	20.8%	22.8%	23.8%		
Quarterly	**FY03/20**				**FY03/21**			
(JPYmn)	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**
Sales	4,093	3,952	4,249	4,465	4,131	4,165		
YoY	12.2%	8.9%	23.9%	30.9%	0.9%	5.4%		
Waste plastic processing	2,367	2,336	2,781	2,627	2,575	2,571		
YoY	15.4%	13.8%	18.5%	21.4%	8.8%	10.1%		
Power generation	868	776	567	812	784	786		
YoY	6.2%	10.7%	166.2%	116.0%	-9.7%	1.3%		
Other	858	840	901	1,026	772	808		
YoY	10.3%	-3.9%	3.4%	17.8%	-10.0%	-3.8%		
Gross profit	1,329	1,260	1,135	1,660	1,397	1,491		
GPM	32.5%	31.9%	26.7%	37.2%	33.8%	35.8%		
SG&A expenses	461	473	473	494	454	460		
SG&A ratio	11.3%	12.0%	11.1%	11.1%	11.0%	11.0%		
Operating profit	867	788	662	1,166	942	1,032		
YoY	150.6%	117.7%	-	-	8.7%	31.0%		
OPM	21.2%	19.9%	15.6%	26.1%	22.8%	24.8%		

Source: Shared Research based on company data
Note: Figures may differ from company materials due to differences in rounding methods.

Sales, volume, and unit price for waste plastic processing

Cumulative	FY03/20				FY03/21			
(JPYmn)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales (JPYmn)	2,367	4,703	7,484	10,111	2,575	5,146		
YoY	15.4%	14.6%	16.0%	17.4%	8.8%	9.4%		
Acceptance volume (tons)	74,909	143,391	219,687	287,713	66,112	131,048		
YoY	-11.3%	-13.7%	-13.8%	-12.5%	-11.7%	-8.6%		
Unit price (JPY'000/t)	31.6	32.8	34.1	35.1	38.9	39.3		
YoY	30.1%	32.8%	34.7%	34.2%	23.3%	19.7%		
Quarterly	**FY03/20**				**FY03/21**			
(JPYmn)	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**
Sales (JPYmn)	2,367	2,336	2,781	2,627	2,575	2,571		
YoY	15.4%	13.8%	18.5%	21.4%	8.8%	10.1%		
Acceptance volume (tons)	74,909	68,482	76,296	68,026	66,112	64,936		
YoY	-11.3%	-16.2%	-14.1%	-8.0%	-11.7%	-5.2%		
Unit price (JPY'000/ton)	31.6	34.1	36.5	38.6	38.9	39.6		
YoY	30.1%	35.7%	38.0%	31.9%	23.3%	16.1%		

Source: Shared Research based on company data
Note: Figures may differ from company materials due to differences in rounding methods.
Note: Unit price is calculated as sales divided by volume.

Home Sanitation (HS) segment earnings

Cumulative	FY03/20				FY03/21			
(JPYmn)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	2,948	5,884	8,529	11,235	2,854	5,886		
YoY	8.7%	7.1%	5.6%	4.5%	-3.2%	0.0%		
Termite control service	1,024	1,991	2,762	3,547	953	1,931		
YoY	10.7%	8.7%	5.3%	3.1%	-6.9%	-3.0%		
Floor and ceiling ventilation systems	557	1,187	1,843	2,497	725	1,520		
YoY	35.5%	36.4%	38.8%	38.8%	30.2%	28.1%		
Foundation repairing & building strengthening work	517	969	1,388	1,881	442	845		
YoY	-9.5%	-12.7%	-13.3%	-11.5%	-14.5%	-12.8%		
Other	848	1,736	2,535	3,308	733	1,588		
YoY	5.6%	3.3%	0.6%	-2.2%	-13.6%	-8.5%		
Gross profit	1,828	3,606	5,155	6,746	1,768	3,640		
GPM	62.0%	61.3%	60.4%	60.0%	61.9%	61.8%		
SG&A expenses	1,172	2,371	3,522	4,684	1,223	2,471		
SG&A ratio	39.8%	40.3%	41.3%	41.7%	42.9%	42.0%		
Operating profit	655	1,235	1,633	2,061	545	1,168		
YoY	12.9%	-0.2%	-4.2%	-7.6%	-16.8%	-5.4%		
OPM	22.2%	21.0%	19.1%	18.3%	19.1%	19.8%		
Quarterly	**FY03/20**				**FY03/21**			
(JPYmn)	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**
Sales	2,948	2,936	2,645	2,706	2,854	3,032		
YoY	8.7%	5.5%	2.6%	1.0%	-3.2%	3.3%		
Termite control service	1,024	967	771	785	953	978		
YoY	10.7%	6.7%	-2.7%	-4.0%	-6.9%	1.1%		
Floor and ceiling ventilation systems	557	630	656	654	725	795		
YoY	35.5%	37.3%	43.2%	38.9%	30.2%	26.2%		
Foundation repairing & building strengthening work	517	452	419	493	442	403		
YoY	-9.5%	-16.1%	-14.5%	-6.3%	-14.5%	-10.8%		
Other	848	888	799	773	733	855		
YoY	5.6%	1.1%	-4.9%	-10.4%	-13.6%	-3.7%		
Gross profit	1,828	1,778	1,549	1,591	1,768	1,872		
GPM	62.0%	60.6%	58.6%	58.8%	61.9%	61.7%		
SG&A expenses	1,172	1,199	1,151	1,162	1,223	1,248		
SG&A ratio	39.8%	40.8%	43.5%	42.9%	42.9%	41.2%		
Operating profit	655	580	398	428	545	623		
YoY	12.9%	-11.9%	-14.6%	-18.8%	-16.8%	7.4%		
OPM	22.2%	19.8%	15.0%	15.8%	19.1%	20.5%		

Source: Shared Research based on company data
Note: Figures may differ from company materials due to differences in rounding methods.

Sales, volume, and unit price for termite control services

Cumulative	FY03/20				FY03/21			
(JPYmn)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	1,024	1,991	2,762	3,547	953	1,931		
YoY	10.7%	8.7%	5.3%	3.1%	-6.9%	-3.0%		
Treatment area ('000sqm)	575	1,111	1,531	1,977	509	1,025		
YoY	5.5%	3.1%	-0.2%	-1.8%	-11.5%	-7.7%		
Price per sqm (JPY'000)	1.8	1.8	1.8	1.8	1.9	1.9		
YoY	5.0%	5.5%	5.5%	5.0%	5.2%	5.1%		
Quarterly	**FY03/20**				**FY03/21**			
(JPYmn)	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**
Sales	1,024	967	771	785	953	978		
YoY	10.7%	6.7%	-2.7%	-4.0%	-6.9%	1.1%		
Treatment area ('000sqm)	575	536	420	446	509	516		
YoY	5.5%	0.6%	-8.0%	-6.9%	-11.5%	-3.7%		
Price per sqm (JPY'000)	1.8	1.8	1.8	1.8	1.9	1.9		
YoY	5.0%	6.1%	5.8%	3.1%	5.2%	5.0%		

Source: Shared Research based on company data
Note: Figures may differ from company materials due to differences in rounding methods.
Note: Price per sqm is calculated as sales divided by treatment area.

Energy segment earnings (quarterly)

Cumulative	FY03/20				FY03/21			
(JPYmn)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	2,342	5,041	7,103	9,132	1,963	4,402		
YoY	-14.4%	-13.1%	-13.3%	-13.9%	-16.2%	-12.7%		
Gross profit	38	146	302	-71	54	250		
GPM	1.6%	2.9%	4.3%	-	2.8%	5.7%		
SG&A expenses	80	177	291	413	134	283		
SG&A ratio	3.4%	3.5%	4.1%	4.5%	6.8%	6.4%		
Operating profit	-41	-30	10	-485	-80	-33		
YoY	-	-	-97.0%	-	-	-		
OPM	-	-	0.1%	-	-	-		
Quarterly	**FY03/20**				**FY03/21**			
(JPYmn)	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**
Sales	2,342	2,699	2,062	2,029	1,963	2,439		
YoY	-14.4%	-12.1%	-13.5%	-	-16.2%	-9.6%		
Gross profit	38	108	156	-373	54	196		
GPM	1.6%	4.0%	7.6%	-18.4%	2.8%	8.0%		
SG&A expenses	80	97	114	122	134	149		
SG&A ratio	3.4%	3.6%	5.5%	6.0%	6.8%	6.1%		
Operating profit	-41	11	40	-495	-80	47		
YoY	-	-93.1%	-51.8%	-	-	327.3%		
OPM	-	0.4%	1.9%	-	-	1.9%		

Source: Shared Research based on company data
Note: Figures may differ from company materials due to differences in rounding methods.

1H FY03/21 results

- ▷ Sales: JPY23.9bn (-2.4% YoY)
- ▷ Operating profit: JPY1.7bn (+7.3% YoY)
- ▷ Recurring profit: JPY1.6bn (+9.3% YoY)
- ▷ Net income*: JPY1.4bn (+23.7% YoY)

*Net income attributable to owners of the parent

At the Solar Engineering segment, sales efforts at aimed at bringing in new orders were slow in the wake of the COVID-19 pandemic and solar power system installations were likewise delayed, leaving segment sales down YoY. The Establishment Sanitation segment and the Environmental Resources Development segment both reported higher sales. Sales at the Home Sanitation segment were flat YoY although the company refrained from new marketing activities while the Japanese government's state of emergency declaration was in place. Sales at the Energy segment were down YoY, hurt by lower power supply volume per building for high-voltage power customers and lower power sales to the wholesale electricity market. On the profit front, the Environmental Resources Development segment reported higher profit to go along with the rise in sales, while the Solar Engineering segment and the Energy segment both reported lower sales and profit. The Home Sanitation segment and the Establishment Sanitation segment both reported lower profit due to rising costs stemming from additions to its workforce and other factors.

Solar Engineering (SE) segment

- ▷ Sales: JPY5.4bn (-3.7% YoY)
- ▷ Operating profit: JPY233mn (-21.8% YoY)

Work on solar power systems bundled with land, which was carried over from FY03/20, progressed favorably. However, sales efforts aimed at bringing in new orders were slow in the wake of the COVID-19 pandemic. As a result, sales from installations of solar power systems fell 3.1% YoY to JPY5.2bn.

Profit declined as efforts to reduce SG&A expenses was not enough to offset the impact of lower sales.

Environmental Resources Development (ERD) segment

- ▷ Sales: JPY8.3bn (+3.1% YoY)
- ▷ Operating profit: JPY2.0bn (+19.3% YoY)

Sales from plastic fuel rose 9.4% YoY to JPY5.1bn, and sales from electric power generation fell 4.5% YoY to JPY1.6bn. In regard to plastic fuel, although the acceptance volume of plastic waste declined, sales grew YoY as the company focused on profitability and quality through detailed examinations of the waste plastic it accepted for processing.

Profit increased as the company improved profitability and quality through detailed examinations of the waste plastic it accepted for processing.

Home Sanitation (HS) segment

- ▷ Sales: JPY5.9bn (flat YoY)
- ▷ Operating profit: JPY1.2bn (-5.4% YoY)

Sales were JPY1.9bn (-3.0% YoY) for termite control services, JPY1.5bn (+28.1% YoY) for ceiling and floor ventilation system installation, and JPY845mn (-12.8% YoY) for foundation repairing and strengthening construction work for buildings. While the state of emergency declaration was in place amid the COVID-19 pandemic, the company dealt with customer inquiries and refrained from new marketing activities. Once the state of emergency declaration was lifted, the company returned to its normal marketing routines after putting all necessary infection mitigation measures in place.

Profit was down YoY on higher personnel expenses stemming from additions to its workforce.

Establishment Sanitation (ES) segment

- Sales: JPY1.1bn (+2.7% YoY)
- Operating profit: JPY118mn (-13.9% YoY)

Sales rose 2.5% YoY to JPY568mn in the segment's mainstay anti-rust equipment installation business (product name: Daelman Shock) and grew 32.9% YoY to JPY286mn in plumbing repairs, but fell 41.9% YoY to JPY83mn in the waterproof coating repair for buildings business. By boosting headcount and opening new offices, the company worked to build closer ties with owners of buildings and condominiums, management companies, and other partners.

Despite growth in sales, profit fell YoY as the rise in personnel expenses stemming from the expansion of staffing levels and increases in other expenses outpaced sales.

Energy segment

- Sales: JPY4.4bn (-12.7% YoY)
- Operating loss: JPY33mn (versus an operating loss of JPY30mn in 1H FY03/20)

Sales fell YoY. High-voltage retail sales volume declined due to lower contract numbers, and some bilateral procurement from electric utilities was cancelled, leading to lower wholesale volume to the electricity market.

The loss widened due to impact from the additions to its sales force in support of its effort to sign up more homeowners for its third-party owned solar power generation systems, which was only partially offset by the margin improvement from the termination of the bilateral procurement agreements with electric power companies.

Company forecast for FY03/21

	FY03/20			FY03/21		
(JPYmn)	1H Act.	2H Act.	FY Act.	1H Act.	2H Est.	FY Est.
Sales	**24,538**	**27,993**	**52,531**	**23,947**	**25,791**	**49,738**
YoY	0.4%	6.6%	3.6%	-2.4%	-7.9%	-5.3%
Cost of sales	15,675	19,300	34,975	14,815	17,361	32,176
Gross profit	**8,863**	**8,693**	**17,556**	**9,132**	**8,430**	**17,562**
YoY	18.1%	18.6%	18.4%	3.0%	-3.0%	0.0%
GPM	36.1%	31.1%	33.4%	38.1%	32.7%	35.3%
SG&A expenses	7,311	7,454	14,765	7,467	8,155	15,622
SG&A ratio	29.8%	26.6%	28.1%	31.2%	31.6%	31.4%
Operating profit	**1,551**	**1,240**	**2,791**	**1,664**	**276**	**1,940**
YoY	125.4%	131.3%	128.0%	7.3%	-77.7%	-30.5%
OPM	6.3%	4.4%	5.3%	6.9%	1.1%	3.9%
Recurring profit	**1,429**	**1,163**	**2,592**	**1,562**	**223**	**1,785**
YoY	107.4%	135.9%	119.3%	9.3%	-80.8%	-31.1%
RPM	5.8%	4.2%	4.9%	6.5%	0.9%	3.6%
Net income	**1,140**	**710**	**1,850**	**1,410**	**-65**	**1,345**
YoY	487.6%	-	670.8%	23.7%	-	-27.3%

Source: Shared Research based on company data
Note: Figures may differ from company materials due to differences in rounding methods.
Note: Net income refers to net income attributable to owners of the parent.

Segment results and forecast

	FY03/20			FY03/21		
(JPYmn)	1H Act.	2H Act.	FY Act.	1H Act.	2H Est.	FY Est.
Sales	**24,538**	**27,993**	**52,531**	**23,947**	**25,791**	**49,738**
YoY	0.4%	6.6%	3.6%	-2.4%	-7.9%	-5.3%
Solar Engineering (SE)	5,606	9,589	15,195	5,399	6,762	12,161
YoY	-5.7%	13.1%	5.3%	-3.7%	-29.5%	-20.0%
Home Sanitation (HS)	5,884	5,351	11,235	5,886	5,588	11,474
YoY	7.1%	1.8%	4.5%	0.0%	4.4%	2.1%
Establishment Sanitation (ES)	1,102	1,159	2,261	1,132	1,188	2,320
YoY	21.6%	13.5%	17.3%	2.7%	2.5%	2.6%
Environmental Resource Development (ERD)	8,045	8,714	16,759	8,296	8,528	16,824
YoY	10.6%	27.4%	18.7%	3.1%	-2.1%	0.4%
Energy	5,041	4,091	9,132	4,402	4,864	9,266
YoY	-13.1%	-14.9%	-13.9%	-12.7%	18.9%	1.5%
Operating profit	**1,551**	**1,240**	**2,791**	**1,664**	**276**	**1,940**
YoY	125.4%	131.3%	128.0%	7.3%	-77.7%	-30.5%
Solar Engineering (SE)	298	603	901	233	148	381
YoY	432.1%	-47.5%	-25.2%	-21.8%	-75.5%	-57.7%
Home Sanitation (HS)	1,235	826	2,061	1,168	849	2,017
YoY	-0.3%	-16.7%	-7.6%	-5.4%	2.8%	-2.1%
Establishment Sanitation (ES)	137	144	281	118	164	282
YoY	7.0%	-9.4%	-2.1%	-13.9%	13.9%	0.4%
Environmental Resource Development (ERD)	1,655	1,828	3,483	1,974	1,138	3,112
YoY	133.4%	-741.4%	723.4%	19.3%	-37.7%	-10.7%
Energy	-30	-455	-485	-33	59	26
YoY	-111.9%	-384.4%	-217.4%	-	-	-
Unallocated expenses	-1,744	-1,708	-3,452	-1,798	-2,081	-3,879

Source: Shared Research based on company data
Note: Figures may differ from company materials due to differences in rounding methods.

Solar Engineering results and forecast

	FY03/20			FY03/21		
(JPYmn)	1H Act.	2H Act.	FY Act.	1H Act.	2H Est.	FY Est.
Sales	**5,606**	**9,589**	**15,195**	**5,399**	**6,762**	**12,161**
YoY	-5.7%	13.1%	5.3%	-3.7%	-29.5%	-20.0%
Sale and installation of PV systems	5,417	9,390	14,807	5,248	6,590	11,838
YoY	-2.6%	16.0%	8.4%	-3.1%	-29.8%	-20.1%
Wholesale operations	121	148	269	98	123	221
YoY	-58.0%	-49.0%	-53.5%	-19.0%	-16.9%	-17.8%
Cost of sales	3,655	7,231	10,886	3,656	4,853	8,509
Cost ratio	65.2%	75.4%	71.6%	67.7%	71.8%	70.0%
Material costs	2,127	4,584	6,711	2,104	2,895	4,999
Labor costs	338	377	715	328	326	654
Gross profit	1,950	2,358	4,308	1,742	1,910	3,652
GPM	34.8%	24.6%	28.4%	32.3%	28.2%	30.0%
SG&A expenses	1,652	1,754	3,406	1,508	1,762	3,270
Personnel expenses	885	993	1,878	835	991	1,826
Operating profit	**298**	**603**	**901**	**233**	**148**	**381**
YoY	441.8%	-47.5%	-25.2%	-21.8%	-75.5%	-57.7%

Source: Shared Research based on company data
Note: Figures may differ from company materials due to differences in rounding methods.

Home Sanitation results and forecast

	FY03/20			FY03/21		
(JPYmn)	1H Act.	2H Act.	FY Act.	1H Act.	2H Est.	FY Est.
Sales	**5,884**	**5,351**	**11,235**	**5,886**	**5,588**	**11,474**
YoY	7.1%	1.8%	4.5%	0.0%	4.4%	2.1%
Termite control service	1,991	1,556	3,547	1,931	1,716	3,647
YoY	8.7%	-3.4%	3.1%	-3.0%	10.3%	2.8%
Floor and ceiling ventilation systems	1,187	1,310	2,497	1,520	1,277	2,797
YoY	36.4%	41.0%	38.8%	28.1%	-2.5%	12.0%
Foundation repairing & building strengthening work	969	912	1,881	845	1,051	1,896
YoY	-12.7%	-10.2%	-11.5%	-12.8%	15.2%	0.8%
Other	1,736	1,572	3,308	1,588	1,545	3,133
YoY	3.3%	-7.7%	-2.2%	-8.5%	-1.7%	-5.3%
Gross profit	3,606	3,140	6,746	3,640	3,321	6,961
GPM	61.3%	58.7%	60.0%	61.8%	59.4%	60.7%
SG&A expenses	2,371	2,313	4,684	2,471	2,473	4,944
SG&A ratio	40.3%	43.2%	41.7%	42.0%	44.3%	43.1%
Operating profit	**1,235**	**826**	**2,061**	**1,168**	**849**	**2,017**
YoY	-0.2%	-16.8%	-7.6%	-5.4%	2.8%	-2.1%

Source: Shared Research based on company data
Note: Figures may differ from company materials due to differences in rounding methods.

Environmental Resources Development results and forecast

	FY03/20			FY03/21		
(JPYmn)	1H Act.	2H Act.	FY Act.	1H Act.	2H Est.	FY Est.
Sales	**8,045**	**8,714**	**16,759**	**8,296**	**8,528**	**16,824**
YoY	10.6%	27.4%	18.7%	3.1%	-2.1%	0.4%
Waste plastic processing	4,703	5,408	10,111	5,146	5,204	10,350
YoY	14.6%	19.9%	17.4%	9.4%	-3.8%	2.4%
Power generation	1,644	1,379	3,023	1,570	1,789	3,359
YoY	8.3%	133.7%	43.4%	-4.5%	29.7%	11.1%
Other	1,698	1,927	3,625	1,580	1,535	3,115
YoY	2.8%	10.6%	6.8%	-6.9%	-20.3%	-14.1%
Gross profit	2,589	2,795	5,384	2,888	2,175	5,063
GPM	32.2%	32.1%	32.1%	34.8%	25.5%	30.1%
SG&A expenses	934	967	1,901	914	1,036	1,950
SG&A ratio	11.6%	11.1%	11.3%	11.0%	12.1%	11.6%
Operating profit	**1,655**	**1,828**	**3,483**	**1,974**	**1,138**	**3,112**
YoY	133.8%	-	723.4%	19.3%	-37.7%	-10.7%

Source: Shared Research based on company data
Note: Figures may differ from company materials due to differences in rounding methods.

Energy results and forecast

	FY03/20			FY03/21		
(JPYmn)	1H Act.	2H Act.	FY Act.	1H Act.	2H Est.	FY Est.
Sales	**5,041**	**4,091**	**9,132**	**4,402**	**4,864**	**9,266**
YoY	-13.1%	-14.9%	-13.9%	-12.7%	18.9%	1.5%
Gross profit	146	-217	-71	250	425	675
GPM	2.9%	-	-	5.7%	8.7%	7.3%
SG&A expenses	177	236	413	283	366	649
SG&A ratio	3.5%	5.8%	4.5%	6.4%	7.5%	7.0%
Operating profit	**-30**	**-455**	**-485**	**-33**	**59**	**26**
YoY	-	-	-	-	-	-

Source: Shared Research based on company data
Note: Figures may differ from company materials due to differences in rounding methods.

Company forecast for FY03/21

At the time of its Q2 FY03/21 results announcement, the company also revised its forecast for the full year, reducing its forecast for sales by JPY605mn versus its previous forecast while making no changes to its forecast for the operating profit level and below.

The company expects sales at its Energy business to decline, leaving full-year consolidated sales short of its previous forecast. It made various adjustments to its profit estimates at individual segments, and maintains its previous forecast at the operating profit level and below although it anticipates sales to fall short of previous forecast.

This note is the most recent addition to the full report.

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Contact Details

Shared Research Inc.
3-31-12 Sendagi Bunkyo-ku Tokyo, Japan
https://sharedresearch.jp
Phone: +81 (0)3 5834-8787
Email: info@sharedresearch.jp