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On February 12, 2021, Sanix Incorporated announced earnings results for Q3 FY03/21.

Cumulative (JPYmn)	FY03/20				FY03/21				FY03/21	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	% of Est.	FY Est.
Sales	11,603	24,538	37,893	52,531	11,893	23,947	35,812		72.9%	49,127
YoY	-1.1%	0.4%	2.3%	3.6%	2.5%	-2.4%	-5.5%			-6.5%
Gross profit	4,263	8,863	13,260	17,556	4,505	9,132	13,553		77.2%	17,562
YoY	20.4%	18.1%	18.4%	18.4%	5.7%	3.0%	2.2%			0.0%
GPM	36.7%	36.1%	35.0%	33.4%	37.9%	38.1%	37.8%			35.7%
SG&A expenses	3,640	7,311	10,976	14,765	3,720	7,467	11,172			
YoY	5.9%	7.3%	7.4%	8.5%	2.2%	2.1%	1.8%			
SG&A ratio	31.4%	29.8%	29.0%	28.1%	31.3%	31.2%	31.2%			
Operating profit	623	1,551	2,284	2,791	784	1,664	2,381		129.4%	1,840
YoY	504.9%	125.4%	133.5%	128.0%	25.8%	7.3%	4.2%			-34.1%
OPM	5.4%	12.0%	17.1%	19.1%	6.6%	13.8%	20.1%			3.7%
Recurring profit	600	1,429	2,087	2,592	755	1,562	2,224		138.1%	1,610
YoY	289.6%	107.4%	122.5%	119.3%	25.8%	9.3%	6.6%			-37.9%
RPM	5.2%	11.0%	15.6%	17.7%	6.3%	13.0%	18.7%			3.3%
Net income	436	1,140	1,531	1,850	663	1,410	1,915		159.7%	1,199
YoY	292.8%	487.6%	693.3%	670.8%	52.1%	23.7%	25.1%			-35.2%
Net margin	3.8%	8.8%	11.5%	12.6%	5.6%	11.7%	16.1%			2.4%

Quarterly (JPYmn)	FY03/20				FY03/21			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	11,603	12,935	13,355	14,638	11,893	12,054	11,865	
YoY	-1.1%	1.7%	6.1%	7.0%	2.5%	-6.8%	-11.2%	
Gross profit	4,263	4,600	4,397	4,296	4,505	4,627	4,421	
YoY	20.4%	16.1%	19.0%	18.2%	5.7%	0.6%	0.5%	
GPM	36.7%	35.6%	32.9%	29.3%	37.9%	38.4%	37.3%	
SG&A expenses	3,640	3,671	3,665	3,789	3,720	3,747	3,705	
YoY	5.9%	8.6%	7.7%	11.9%	2.2%	2.1%	1.1%	
SG&A ratio	31.4%	28.4%	27.4%	25.9%	31.3%	31.1%	31.2%	
Operating profit	623	928	733	507	784	880	717	
YoY	504.9%	58.6%	152.8%	106.1%	25.8%	-5.2%	-2.2%	
OPM	5.4%	7.2%	5.5%	3.5%	6.6%	7.3%	6.0%	
Recurring profit	600	829	658	505	755	807	662	
YoY	289.6%	55.0%	164.3%	107.0%	25.8%	-2.7%	0.6%	
RPM	5.2%	6.4%	4.9%	3.4%	6.3%	6.7%	5.6%	
Net income	436	704	391	319	663	747	505	
YoY	292.8%	748.2%	-	578.7%	52.1%	6.1%	29.2%	
Net margin	3.8%	5.4%	2.9%	2.2%	5.6%	6.2%	4.3%	

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.

Quarterly segment earnings

Segment sales and profit (cumulative)		FY03/20				FY03/21				FY03/21	
(JPYmn)		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	% of Est.	FY Est.
Sales		11,603	24,538	37,893	52,531	11,893	23,947	35,812		72.9%	49,127
YoY		-1.1%	0.4%	2.3%	3.6%	2.5%	-2.4%	-5.5%			-6.5%
Solar Engineering		2,355	5,606	9,869	15,195	3,024	5,399	7,706		74.0%	10,417
YoY		-15.3%	-5.7%	2.1%	5.3%	28.4%	-3.7%	-21.9%			-31.4%
Environmental Resources Development		4,093	8,045	12,294	16,759	4,131	8,296	12,647		75.9%	16,659
YoY		12.2%	10.6%	14.8%	18.7%	0.9%	3.1%	2.9%			-0.6%
Energy		2,342	5,041	7,103	9,132	1,963	4,402	6,790		64.7%	10,491
YoY		-14.4%	-13.1%	-13.3%	-13.9%	-16.2%	-12.7%	-4.4%			14.9%
Home Sanitation		2,948	5,884	8,529	11,235	2,854	5,886	8,658		76.3%	11,354
YoY		8.7%	7.1%	5.6%	4.5%	-3.2%	0.0%	1.5%			1.1%
Establishment Sanitation		487	1,102	1,584	2,261	520	1,132	1,712		71.5%	2,396
YoY		17.3%	21.8%	14.4%	17.4%	6.8%	2.7%	8.1%			6.0%
Adjustments		-624	-1,142	-1,488	-2,053	-602	-1,169	-1,702			-2,190
Operating profit		623	1,551	2,284	2,791	784	1,664	2,381		129.4%	1,840
YoY		504.9%	125.4%	133.5%	128.0%	25.8%	7.3%	4.2%			-34.1%
Operating profit margin		5.4%	6.3%	6.0%	5.3%	6.6%	6.9%	6.6%			3.7%
Solar Engineering		20	298	741	901	263	233	219		63.8%	343
YoY		-	441.8%	44.4%	-25.2%	-	-21.8%	-70.4%			-61.9%
OPM		0.8%	5.3%	7.5%	5.9%	8.7%	4.3%	2.8%			3.3%
Environmental Resources Development		867	1,655	2,317	3,483	942	1,974	2,998		92.5%	3,242
YoY		150.6%	133.8%	208.5%	723.4%	8.7%	19.3%	29.4%			-6.9%
OPM		21.2%	20.6%	18.8%	20.8%	22.8%	23.8%	23.7%			19.5%
Energy		-41	-30	10	-485	-80	-33	28			-407
YoY		-	-	-97.0%	-	-	-	180.0%			-
OPM		-	-	0.1%	-	-	-	0.4%			-
Home Sanitation		655	1,235	1,633	2,061	545	1,168	1,639		80.3%	2,042
YoY		12.9%	-0.2%	-4.2%	-7.6%	-16.8%	-5.4%	0.4%			-0.9%
OPM		22.2%	21.0%	19.1%	18.3%	19.1%	19.8%	18.9%			18.0%
Establishment Sanitation		40	137	155	281	29	118	180		62.9%	286
YoY		-23.1%	7.0%	-20.9%	-2.1%	-27.5%	-13.9%	16.1%			1.8%
OPM		8.2%	12.4%	9.8%	12.4%	5.6%	10.4%	10.5%			11.9%
Adjustments		-919	-1,744	-2,574	-3,452	-915	-1,798	-2,686			-3,665
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	11,865			
YoY		-1.1%	1.7%	6.1%	7.0%	2.5%	-6.8%	-11.2%			
Solar Engineering		2,355	3,251	4,263	5,326	3,024	2,375	2,307			
YoY		-15.3%	2.6%	14.7%	11.8%	28.4%	-26.9%	-45.9%			
Environmental Resources Development		4,093	3,952	4,249	4,465	4,131	4,165	4,351			
YoY		12.2%	8.9%	23.9%	30.9%	0.9%	5.4%	2.4%			
Energy		2,342	2,699	2,062	2,029	1,963	2,439	2,388			
YoY		-14.4%	-12.1%	-13.5%	-16.2%	-16.2%	-9.6%	15.8%			
Home Sanitation		2,948	2,936	2,645	2,706	2,854	3,032	2,772			
YoY		8.7%	5.5%	2.6%	1.0%	-3.2%	3.3%	4.8%			
Establishment Sanitation		487	615	482	677	520	612	580			
YoY		17.3%	25.5%	0.4%	25.1%	6.8%	-0.5%	20.3%			
Adjustments		-624	-518	-346	-565	-602	-567	-533			
Operating profit		623	928	733	507	784	880	717			
YoY		504.9%	58.6%	152.8%	106.1%	25.8%	-5.2%	-2.2%			
Operating profit margin		5.4%	7.2%	5.5%	3.5%	6.6%	7.3%	6.0%			
Solar Engineering		20	278	443	160	263	-30	-14			
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	1,024			
YoY		150.6%	117.7%	-	-	8.7%	31.0%	54.7%			
OPM		21.2%	19.9%	15.6%	26.1%	22.8%	24.8%	23.5%			
Energy		-41	11	40	-495	-80	47	61			
YoY		-	-93.1%	-51.8%	-	-	327.3%	52.5%			
OPM		-	0.4%	1.9%	-	-	1.9%	2.6%			
Home Sanitation		655	580	398	428	545	623	471			
YoY		12.9%	-11.9%	-14.6%	-18.8%	-16.8%	7.4%	18.3%			
OPM		22.2%	19.8%	15.0%	15.8%	19.1%	20.5%	17.0%			
Establishment Sanitation		40	97	18	126	29	89	62			
YoY		-23.1%	27.6%	-73.5%	38.5%	-27.5%	-8.2%	244.4%			
OPM		8.2%	15.8%	3.7%	18.6%	5.6%	14.5%	10.7%			
Adjustments		-919	-825	-830	-878	-915	-883	-888			

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 (JPYmn)	FY03/20				FY03/21			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	2,355	5,606	9,869	15,195	3,024	5,399	7,706	
YoY	-15.3%	-5.7%	2.1%	5.3%	28.4%	-3.7%	-21.9%	
Direct sales	2,262	5,417	9,581	14,807	2,956	5,248	7,481	
YoY	-13.1%	-2.6%	4.8%	8.4%	30.7%	-3.1%	-21.9%	
Wholesale	61	121	186	269	41	98	153	
YoY	-46.5%	-58.0%	-53.5%	-53.5%	-32.8%	-19.0%	-17.7%	
Other	31	67	101	117	26	51	71	
Cost of sales	1,541	3,655	6,603	10,886	2,014	3,656	5,250	
Cost ratio	65.4%	65.2%	66.9%	71.6%	66.6%	67.7%	68.1%	
Materials	861	2,127	3,872	6,711	1,140	2,104	2,989	
% of sales	36.6%	37.9%	39.2%	44.2%	37.7%	39.0%	38.8%	
Labor	170	338	539	715	166	328	490	
% of sales	7.2%	6.0%	5.5%	4.7%	5.5%	6.1%	6.4%	
Gross profit	814	1,950	3,265	4,308	1,010	1,742	2,456	
YoY	7.0%	10.0%	5.1%	-8.1%	24.1%	-10.7%	-24.8%	
GPM	34.6%	34.8%	33.1%	28.4%	33.4%	32.3%	31.9%	
SG&A expenses	793	1,652	2,523	3,406	746	1,508	2,236	
YoY	-6.6%	-3.8%	-2.7%	-2.2%	-5.9%	-8.7%	-11.4%	
SG&A ratio	33.7%	29.5%	25.6%	22.4%	24.7%	27.9%	29.0%	
Personnel expenses	440	885	1,357	1,878	437	835	1,205	
Operating profit	20	298	741	901	263	233	219	
YoY	-	441.8%	44.4%	-25.2%	1215.0%	-21.8%	-70.4%	
OPM	0.8%	5.3%	7.5%	5.9%	8.7%	4.3%	2.8%	

Quarterly (JPYmn)	FY03/20				FY03/21			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	2,355	3,251	4,263	5,326	3,024	2,375	2,307	
YoY	-15.3%	2.6%	14.7%	11.8%	28.4%	-26.9%	-45.9%	
Direct sales	2,262	3,155	4,164	5,226	2,956	2,292	2,233	
YoY	-13.1%	6.5%	16.4%	15.6%	30.7%	-27.4%	-46.4%	
Wholesale	61	60	65	83	41	57	55	
YoY	-46.5%	-65.5%	-42.0%	-53.4%	-32.8%	-5.0%	-15.4%	
Other	31	36	34	16	26	25	20	
Cost of sales	1,541	2,114	2,948	4,283	2,014	1,642	1,594	
Cost ratio	65.4%	65.0%	69.2%	80.4%	66.6%	69.1%	69.1%	
Materials	861	1,266	1,745	2,839	1,140	964	885	
% of sales	36.6%	38.9%	40.9%	53.3%	37.7%	40.6%	38.4%	
Labor	170	168	201	176	166	162	162	
% of sales	7.2%	5.2%	4.7%	3.3%	5.5%	6.8%	7.0%	
Gross profit	814	1,136	1,315	1,043	1,010	732	714	
YoY	7.0%	12.4%	-1.4%	-34.0%	24.1%	-35.6%	-45.7%	
GPM	34.6%	34.9%	30.8%	19.6%	33.4%	30.8%	30.9%	
SG&A expenses	793	859	871	883	746	762	728	
YoY	-6.6%	-1.0%	-0.6%	-0.7%	-5.9%	-11.3%	-16.4%	
SG&A ratio	33.7%	26.4%	20.4%	16.6%	24.7%	32.1%	31.6%	
Personnel expenses	440	445	472	521	437	398	370	
Operating profit	20	278	443	160	263	-30	-14	
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	7,481	
YoY	-13.1%	-2.6%	4.8%	8.4%	33.7%	-3.1%	-21.9%	
PV system sales volume (kW)	13,650	33,651	59,185	90,835	17,908	30,241	40,310	
YoY	-3.2%	6.0%	12.3%	12.7%	31.2%	-10.1%	-31.9%	
PV system price (JPY'000/kW)	166	161	162	163	169	174	186	
YoY	-10.2%	-8.1%	-6.7%	-3.8%	1.9%	7.8%	14.6%	

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	2,233	
YoY	-13.1%	6.5%	16.4%	15.6%	33.7%	-29.5%	-46.4%	
PV system sales volume (kW)	13,650	20,001	25,534	31,650	17,908	12,333	10,069	
YoY	-3.2%	13.2%	22.1%	13.3%	31.2%	-38.3%	-60.6%	
PV system price (JPY'000/kW)	166	158	163	165	169	180	222	
YoY	-10.2%	-5.9%	-4.7%	2.1%	1.9%	14.3%	36.0%	

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 (JPYmn)	FY03/20				FY03/21			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	4,093	8,045	12,294	16,759	4,131	8,296	12,647	
YoY	12.2%	10.6%	14.8%	18.7%	0.9%	3.1%	2.9%	
Waste plastic processing	2,367	4,703	7,484	10,111	2,575	5,146	7,897	
YoY	15.4%	14.6%	16.0%	17.4%	8.8%	9.4%	5.5%	
Power generation	868	1,644	2,211	3,023	784	1,570	2,334	
YoY	6.2%	8.3%	27.7%	43.5%	-9.7%	-4.5%	5.6%	
Other	858	1,698	2,599	3,625	772	1,580	2,416	
YoY	10.3%	2.8%	3.0%	6.8%	-10.0%	-6.9%	-7.0%	
Gross profit	1,329	2,589	3,724	5,384	1,397	2,888	4,387	
GPM	32.5%	32.2%	30.3%	32.1%	33.8%	34.8%	34.7%	
SG&A expenses	461	934	1,407	1,901	454	914	1,388	
SG&A ratio	11.3%	11.6%	11.4%	11.3%	11.0%	11.0%	11.0%	
Operating profit	867	1,655	2,317	3,483	942	1,974	2,998	
YoY	150.6%	133.8%	208.5%	723.4%	8.7%	19.3%	29.4%	
OPM	21.2%	20.6%	18.8%	20.8%	22.8%	23.8%		

Quarterly (JPYmn)	FY03/20				FY03/21			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	4,093	3,952	4,249	4,465	4,131	4,165	4,351	
YoY	12.2%	8.9%	23.9%	30.9%	0.9%	5.4%	2.4%	
Waste plastic processing	2,367	2,336	2,781	2,627	2,575	2,571	2,751	
YoY	15.4%	13.8%	18.5%	21.4%	8.8%	10.1%	-1.1%	
Power generation	868	776	567	812	784	786	764	
YoY	6.2%	10.7%	166.2%	116.0%	-9.7%	1.3%	34.7%	
Other	858	840	901	1,026	772	808	836	
YoY	10.3%	-3.9%	3.4%	17.8%	-10.0%	-3.8%	-7.2%	
Gross profit	1,329	1,260	1,135	1,660	1,397	1,491	1,499	
GPM	32.5%	31.9%	26.7%	37.2%	33.8%	35.8%	34.5%	
SG&A expenses	461	473	473	494	454	460	474	
SG&A ratio	11.3%	12.0%	11.1%	11.1%	11.0%	11.0%	10.9%	
Operating profit	867	788	662	1,166	942	1,032	1,024	
YoY	150.6%	117.7%	-	-	8.7%	31.0%	54.7%	
OPM	21.2%	19.9%	15.6%	26.1%	22.8%	24.8%	23.5%	

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 waste plastic processing

Cumulative (JPYmn)	FY03/20				FY03/21			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales (JPYmn)	2,367	4,703	7,484	10,111	2,575	5,146	7,897	
YoY	15.4%	14.6%	16.0%	17.4%	8.8%	9.4%	5.5%	
Acceptance volume (tons)	74,909	143,391	219,687	287,713	66,112	131,048	204,194	
YoY	-11.3%	-13.7%	-13.8%	-12.5%	-11.7%	-8.6%	-7.1%	
Unit price (JPY'000/t)	31.6	32.8	34.1	35.1	38.9	39.3	38.7	
YoY	30.1%	32.8%	34.7%	34.2%	23.3%	19.7%	13.5%	

Quarterly (JPYmn)	FY03/20				FY03/21			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales (JPYmn)	2,367	2,336	2,781	2,627	2,575	2,571	2,751	
YoY	15.4%	13.8%	18.5%	21.4%	8.8%	10.1%	-1.1%	
Acceptance volume (tons)	74,909	68,482	76,296	68,026	66,112	64,936	73,146	
YoY	-11.3%	-16.2%	-14.1%	-8.0%	-11.7%	-5.2%	-4.1%	
Unit price (JPY'000/ton)	31.6	34.1	36.5	38.6	38.9	39.6	37.6	
YoY	30.1%	35.7%	38.0%	31.9%	23.3%	16.1%	3.2%	

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 (JPYmn)	FY03/20				FY03/21			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	2,948	5,884	8,529	11,235	2,854	5,886	8,658	
YoY	8.7%	7.1%	5.6%	4.5%	-3.2%	0.0%	1.5%	
Termite control service	1,024	1,991	2,762	3,547	953	1,931	2,756	
YoY	10.7%	8.7%	5.3%	3.1%	-6.9%	-3.0%	-0.2%	
Floor and ceiling ventilation systems	557	1,187	1,843	2,497	725	1,520	2,233	
YoY	35.5%	36.4%	38.8%	38.8%	30.2%	28.1%	21.2%	
Foundation repairing & building strengthening work	517	969	1,388	1,881	442	845	1,273	
YoY	-9.5%	-12.7%	-13.3%	-11.5%	-14.5%	-12.8%	-8.3%	
Other	848	1,736	2,535	3,308	733	1,588	2,394	
YoY	5.6%	3.3%	0.6%	-2.2%	-13.6%	-8.5%	-5.6%	
Gross profit	1,828	3,606	5,155	6,746	1,768	3,640	5,304	
GPM	62.0%	61.3%	60.4%	60.0%	61.9%	61.8%	61.3%	
SG&A expenses	1,172	2,371	3,522	4,684	1,223	2,471	3,664	
SG&A ratio	39.8%	40.3%	41.3%	41.7%	42.9%	42.0%	42.3%	
Operating profit	655	1,235	1,633	2,061	545	1,168	1,639	
YoY	12.9%	-0.2%	-4.2%	-7.6%	-16.8%	-5.4%	0.4%	
OPM	22.2%	21.0%	19.1%	18.3%	19.1%	19.8%	18.9%	

Quarterly (JPYmn)	FY03/20				FY03/21			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	2,948	2,936	2,645	2,706	2,854	3,032	2,772	
YoY	8.7%	5.5%	2.6%	1.0%	-3.2%	3.3%	4.8%	
Termite control service	1,024	967	771	785	953	978	825	
YoY	10.7%	6.7%	-2.7%	-4.0%	-6.9%	1.1%	7.0%	
Floor and ceiling ventilation systems	557	630	656	654	725	795	713	
YoY	35.5%	37.3%	43.2%	38.9%	30.2%	26.2%	8.7%	
Foundation repairing & building strengthening work	517	452	419	493	442	403	428	
YoY	-9.5%	-16.1%	-14.5%	-6.3%	-14.5%	-10.8%	2.1%	
Other	848	888	799	773	733	855	806	
YoY	5.6%	1.1%	-4.9%	-10.4%	-13.6%	-3.7%	0.9%	
Gross profit	1,828	1,778	1,549	1,591	1,768	1,872	1,664	
GPM	62.0%	60.6%	58.6%	58.8%	61.9%	61.7%	60.0%	
SG&A expenses	1,172	1,199	1,151	1,162	1,223	1,248	1,193	
SG&A ratio	39.8%	40.8%	43.5%	42.9%	42.9%	41.2%	43.0%	
Operating profit	655	580	398	428	545	623	471	
YoY	12.9%	-11.9%	-14.6%	-18.8%	-16.8%	7.4%	18.3%	
OPM	22.2%	19.8%	15.0%	15.8%	19.1%	20.5%	17.0%	

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 (JPYmn)	FY03/20				FY03/21			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	1,024	1,991	2,762	3,547	953	1,931	2,756	
YoY	10.7%	8.7%	5.3%	3.1%	-6.9%	-3.0%	-0.2%	
Treatment area ('000sqm)	575	1,111	1,531	1,977	509	1,025	1,468	
YoY	5.5%	3.1%	-0.2%	-1.8%	-11.5%	-7.7%	-4.1%	
Price per sqm (JPY'000)	1.8	1.8	1.8	1.8	1.9	1.9	1.9	
YoY	5.0%	5.5%	5.5%	5.0%	5.2%	5.1%	4.1%	

Quarterly (JPYmn)	FY03/20				FY03/21			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	1,024	967	771	785	953	978	825	
YoY	10.7%	6.7%	-2.7%	-4.0%	-6.9%	1.1%	7.0%	
Treatment area ('000sqm)	575	536	420	446	509	516	443	
YoY	5.5%	0.6%	-8.0%	-6.9%	-11.5%	-3.7%	5.5%	
Price per sqm (JPY'000)	1.8	1.8	1.8	1.8	1.9	1.9	1.9	
YoY	5.0%	6.1%	5.8%	3.1%	5.2%	5.0%	1.4%	

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 (JPYmn)	FY03/20				FY03/21			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	2,342	5,041	7,103	9,132	1,963	4,402	6,790	
YoY	-14.4%	-13.1%	-13.3%	-13.9%	-16.2%	-12.7%	-4.4%	
Gross profit	38	146	302	-71	54	250	482	
GPM	1.6%	2.9%	4.3%	-	2.8%	5.7%	7.1%	
SG&A expenses	80	177	291	413	134	283	453	
SG&A ratio	3.4%	3.5%	4.1%	4.5%	6.8%	6.4%	6.7%	
Operating profit	-41	-30	10	-485	-80	-33	28	
YoY	-	-	-97.0%	-	-	-	180.0%	
OPM	-	-	0.1%	-	-	-	0.4%	
Quarterly (JPYmn)	FY03/20				FY03/21			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	2,342	2,699	2,062	2,029	1,963	2,439	2,388	
YoY	-14.4%	-12.1%	-13.5%	-	-16.2%	-9.6%	15.8%	
Gross profit	38	108	156	-373	54	196	232	
GPM	1.6%	4.0%	7.6%	-18.4%	2.8%	8.0%	9.7%	
SG&A expenses	80	97	114	122	134	149	170	
SG&A ratio	3.4%	3.6%	5.5%	6.0%	6.8%	6.1%	7.1%	
Operating profit	-41	11	40	-495	-80	47	61	
YoY	-	-93.1%	-51.8%	-	-	327.3%	52.5%	
OPM	-	0.4%	1.9%	-	-	1.9%	2.6%	

Source: Shared Research based on company data

Note: Figures may differ from company materials due to differences in rounding methods.

Cumulative Q3 FY03/21 results

- ▷ Sales: JPY35.8bn (-5.5% YoY)
- ▷ Operating profit: JPY2.4bn (+4.2% YoY)
- ▷ Recurring profit: JPY2.2bn (+6.6% YoY)
- ▷ Net income*: JPY1.9bn (+25.1% YoY)

*Net income attributable to owners of the parent

At the Solar Engineering segment, sales efforts 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 Environmental Resources Development, Home Sanitation, and Establishment Sanitation segments all reported higher sales YoY. Sales at the Energy segment were down YoY, hurt by lower revenue from power sales.

On the profit front, the Solar Engineering segment posted lower profit on decreased sales, but the Environmental Resources Development segment reported higher profit on lower repair costs at the Tomakomai Power Plant, resulting in a YoY rise in consolidated operating profit.

Solar Engineering (SE) segment

- ▷ Sales: JPY7.7bn (-21.9% YoY)
- ▷ Operating profit: JPY219mn (-70.4% YoY)

In response to revision of the FIT scheme, Sanix anticipated a decline in installation of solar power systems bundled with land, which contributed to earnings in FY03/20, and therefore sought to develop a new market by launching sales of systems for the purpose of in-house power consumption in FY03/21. However, sales efforts did not proceed as planned due to the pandemic. Sales from installations of solar power systems fell 21.9% YoY to JPY7.5bn.

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: JPY12.6bn (+2.9% YoY)
- ▷ Operating profit: JPY3.0bn (+29.4% YoY)

Sales from plastic fuel rose 5.5% YoY to JPY7.9bn, and sales from electric power generation rose 5.6% YoY to JPY2.3bn. 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, and repair costs at the Tomakomai Power Plant declined YoY.

Home Sanitation (HS) segment

- ▷ Sales: JPY8.7bn (+1.5% YoY)
- ▷ Operating profit: JPY1.6bn (+0.4% YoY)

The government's state of emergency declaration in April 2020 in response to the pandemic negatively impacted the company's sales activities as it refrained from conducting any new sales efforts. Despite this environment, customer referrals by partner companies increased by 39.9% YoY, helping to boost new customer acquisition by 18.1% YoY.

Sales were JPY2.8bn (-0.2% YoY) for termite control services, JPY2.2bn (+21.2% YoY) for ceiling and floor ventilation system installation, and JPY1.3bn (-8.3% YoY) for foundation repairing and strengthening construction work for buildings. While the state of emergency declaration was in place amid the COVID-19 pandemic, Sanix 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: JPY1.7bn (+8.1% YoY)
- ▷ Operating profit: JPY180mn (+16.1% YoY)

Sales were JPY875mn (+14.7% YoY) in the segment's mainstay anti-rust equipment installation business (product name: Daelman Shock) and JPY426mn (+29.5% YoY) in plumbing repairs. 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.

Profit rose YoY on higher sales, despite a rise in personnel expenses stemming from the expansion of staffing levels.

Energy segment

- ▷ Sales: JPY6.8bn (-4.4% YoY)
- ▷ Operating profit: JPY28mn (+180.0% YoY)

Power sales revenue was JPY6.4bn (-9.4% YoY). The number of low-voltage retail contracts grew 64.9% YoY. At the same time, the wholesale volume to Japan Electric Power Exchange (JEPX) declined as Sanix reduced the volume of power procured via bilateral transactions as it sought to improve profitability by reducing the volume of surplus power it sold over JEPX.

Profit rose YoY on improved profitability of the new electricity business with a reduction in the volume of power procured via bilateral transactions, despite sales force growth in support of its effort to sign up more homeowners for its third-party owned solar power generation systems.

Company forecast for FY03/21

(JPYmn)	FY03/20			FY03/21		
	1H Act.	2H Act.	FY Act.	1H Act.	2H Est.	FY Est.
Sales	24,538	27,993	52,531	23,947	25,180	49,127
YoY	0.4%	6.6%	3.6%	-2.4%	-10.0%	-6.5%
Cost of sales	15,675	19,300	34,975	14,815	17,427	32,242
Gross profit	8,863	8,693	17,556	9,132	7,753	16,885
YoY	18.1%	18.6%	18.4%	3.0%	-10.8%	-3.8%
GPM	36.1%	31.1%	33.4%	38.1%	30.8%	34.4%
SG&A expenses	7,311	7,454	14,765	7,467	7,578	15,045
SG&A ratio	29.8%	26.6%	28.1%	31.2%	30.1%	30.6%
Operating profit	1,551	1,240	2,791	1,664	176	1,840
YoY	125.4%	131.3%	128.0%	7.3%	-85.8%	-34.1%
OPM	6.3%	4.4%	5.3%	6.9%	0.7%	3.7%
Recurring profit	1,429	1,163	2,592	1,562	48	1,610
YoY	107.4%	135.9%	119.3%	9.3%	-95.9%	-37.9%
RPM	5.8%	4.2%	4.9%	6.5%	0.2%	3.3%
Net income	1,140	710	1,850	1,410	-211	1,199
YoY	487.6%	-	670.8%	23.7%	-	-35.2%

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.

Segment results and forecast

(JPYmn)	FY03/20			FY03/21		
	1H Act.	2H Act.	FY Act.	1H Act.	2H Est.	FY Est.
Sales	24,538	27,993	52,531	23,947	25,180	49,127
YoY	0.4%	6.6%	3.6%	-2.4%	-10.0%	-6.5%
Solar Engineering (SE)	5,606	9,589	15,195	5,399	5,018	10,417
YoY	-5.7%	13.1%	5.3%	-3.7%	-47.7%	-31.4%
Home Sanitation (HS)	5,884	5,351	11,235	5,886	5,468	11,354
YoY	7.1%	1.8%	4.5%	0.0%	2.2%	1.1%
Establishment Sanitation (ES)	1,102	1,159	2,261	1,132	1,264	2,396
YoY	21.6%	13.5%	17.3%	2.7%	9.1%	6.0%
Environmental Resource Development (ERD)	8,045	8,714	16,759	8,296	8,363	16,659
YoY	10.6%	27.4%	18.7%	3.1%	-4.0%	-0.6%
Energy	5,041	4,091	9,132	4,402	6,089	10,491
YoY	-13.1%	-14.9%	-13.9%	-12.7%	48.8%	14.9%
Operating profit	1,551	1,240	2,791	1,664	176	1,840
YoY	125.4%	131.3%	128.0%	7.3%	-85.8%	-34.1%
Solar Engineering (SE)	298	603	901	233	110	343
YoY	432.1%	-47.5%	-25.2%	-21.8%	-81.8%	-61.9%
Home Sanitation (HS)	1,235	826	2,061	1,168	874	2,042
YoY	-0.3%	-16.7%	-7.6%	-5.4%	5.8%	-0.9%
Establishment Sanitation (ES)	137	144	281	118	168	286
YoY	7.0%	-9.4%	-2.1%	-13.9%	16.7%	1.8%
Environmental Resource Development (ERD)	1,655	1,828	3,483	1,974	1,268	3,242
YoY	133.4%	-741.4%	723.4%	19.3%	-30.6%	-6.9%
Energy	-30	-455	-485	-33	-374	-407
YoY	-111.9%	-384.4%	-217.4%	-	-	-
Unallocated expenses	-1,744	-1,708	-3,452	-1,798	-1,867	-3,665

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

(JPYmn)	FY03/20			FY03/21		
	1H Act.	2H Act.	FY Act.	1H Act.	2H Est.	FY Est.
Sales	5,606	9,589	15,195	5,399	5,018	10,417
YoY	-5.7%	13.1%	5.3%	-3.7%	-47.7%	-31.4%
Sale and installation of PV systems	5,417	9,390	14,807	5,248	4,863	10,111
YoY	-2.6%	16.0%	8.4%	-3.1%	-48.2%	-31.7%
Wholesale operations	121	148	269	98	115	213
YoY	-58.0%	-49.0%	-53.5%	-19.0%	-22.3%	-20.8%
Cost of sales	3,655	7,231	10,886	3,656	3,408	7,064
Cost ratio	65.2%	75.4%	71.6%	67.7%	67.9%	67.8%
Material costs	2,127	4,584	6,711	2,104	1,962	4,066
Labor costs	338	377	715	328	332	660
Gross profit	1,950	2,358	4,308	1,742	1,610	3,352
GPM	34.8%	24.6%	28.4%	32.3%	32.1%	32.2%
SG&A expenses	1,652	1,754	3,406	1,508	1,501	3,009
Personnel expenses	885	993	1,878	835	769	1,604
Operating profit	298	603	901	233	110	343
YoY	441.8%	-47.5%	-25.2%	-21.8%	-81.8%	-61.9%

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

(JPYmm)	FY03/20			FY03/21		
	1H Act.	2H Act.	FY Act.	1H Act.	2H Est.	FY Est.
Sales	5,884	5,351	11,235	5,886	5,468	11,354
YoY	7.1%	1.8%	4.5%	0.0%	2.2%	1.1%
Termite control service	1,991	1,556	3,547	1,931	1,667	3,598
YoY	8.7%	-3.4%	3.1%	-3.0%	7.1%	1.4%
Floor and ceiling ventilation systems	1,187	1,310	2,497	1,520	1,367	2,887
YoY	36.4%	41.0%	38.8%	28.1%	4.4%	15.6%
Foundation repairing & building strengthening work	969	912	1,881	845	921	1,766
YoY	-12.7%	-10.2%	-11.5%	-12.8%	1.0%	-6.1%
Other	1,736	1,572	3,308	1,588	1,513	3,101
YoY	3.3%	-7.7%	-2.2%	-8.5%	-3.8%	-6.3%
Gross profit	3,606	3,140	6,746	3,640	3,263	6,903
GPM	61.3%	58.7%	60.0%	61.8%	59.7%	60.8%
SG&A expenses	2,371	2,313	4,684	2,471	2,390	4,861
SG&A ratio	40.3%	43.2%	41.7%	42.0%	43.7%	42.8%
Operating profit	1,235	826	2,061	1,168	874	2,042
YoY	-0.2%	-16.8%	-7.6%	-5.4%	5.8%	-0.9%

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

(JPYmm)	FY03/20			FY03/21		
	1H Act.	2H Act.	FY Act.	1H Act.	2H Est.	FY Est.
Sales	8,045	8,714	16,759	8,296	8,363	16,659
YoY	10.6%	27.4%	18.7%	3.1%	-4.0%	-0.6%
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	1,585	3,155
YoY	8.3%	133.7%	43.4%	-4.5%	14.9%	4.4%
Other	1,698	1,927	3,625	1,580	1,574	3,154
YoY	2.8%	10.6%	6.8%	-6.9%	-18.3%	-13.0%
Gross profit	2,589	2,795	5,384	2,888	2,235	5,123
GPM	32.2%	32.1%	32.1%	34.8%	26.7%	30.8%
SG&A expenses	934	967	1,901	914	967	1,881
SG&A ratio	11.6%	11.1%	11.3%	11.0%	11.6%	11.3%
Operating profit	1,655	1,828	3,483	1,974	1,268	3,242
YoY	133.8%	-	723.4%	19.3%	-30.6%	-6.9%

Source: Shared Research based on company data

Note: Figures may differ from company materials due to differences in rounding methods.

Energy results and forecast

(JPYmm)	FY03/20			FY03/21		
	1H Act.	2H Act.	FY Act.	1H Act.	2H Est.	FY Est.
Sales	5,041	4,091	9,132	4,402	6,089	10,491
YoY	-13.1%	-14.9%	-13.9%	-12.7%	48.8%	14.9%
Gross profit	146	-217	-71	250	-25	225
GPM	2.9%	-	-	5.7%	-	2.1%
SG&A expenses	177	236	413	283	349	632
SG&A ratio	3.5%	5.8%	4.5%	6.4%	5.7%	6.0%
Operating profit	-30	-455	-485	-33	-374	-407
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 Q3 FY03/21 results announcement, the company also revised its forecast for the full year. The company now forecasts FY03/21 sales of JPY49.1bn (-6.5% YoY), operating profit of JPY1.8bn (-34.1% YoY), recurring profit of JPY1.6bn (-37.9% YoY), and net income attributable to owners of the parent of JPY1.2bn (-35.2% YoY).

Versus the previous forecast, this revision lowered the projections for sales by JPY610mn, operating profit by JPY99mn, recurring profit by JPY174mn, and net income attributable to owners of the parent by JPY145mn.

Reasons for revision

Sanix revised its sales and profit projections primarily in the Energy and Solar Engineering segments for the following reasons.

- ▷ In the Energy segment, the company expects sales to be JPY1.2bn higher than the previous projection with increased power sales volume and higher market prices arising from winter weather factors and an LNG shortage. However, it expects an increase in power procurement costs to push operating profit JPY433mn lower than the previous forecast.

- ▷ In the Solar Engineering segment, the company expects sales to be JPY1.7bn lower than the previous projection because sales of solar power systems for in-house power consumption, which began in FY03/21, have not proceeded as anticipated, largely due to the impact of the COVID-19 pandemic.

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