



## **SINANEN HOLDINGS CO., LTD.**

Q3 Financial Results Briefing for the Fiscal Year Ending March 2021

February 16, 2021

## Event Summary

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[Company Name]	SINANEN HOLDINGS CO., LTD.
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[Event Language]	JPN
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[Fiscal Period]	FY2020 Q3
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[Venue]	Webcast
[Venue Size]	
[Participants]	
[Number of Speakers]	1 Masaki Yamazaki                      President and CEO

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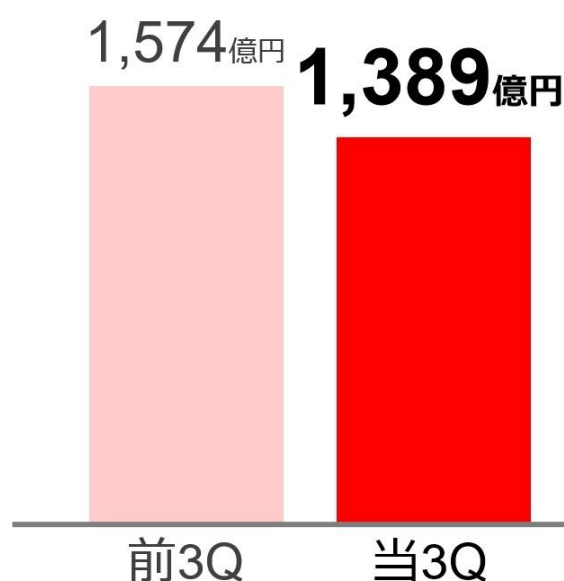
## Presentation

**Yamazaki:** I am Yamazaki, President and CEO of SINANEN HOLDINGS CO., LTD.

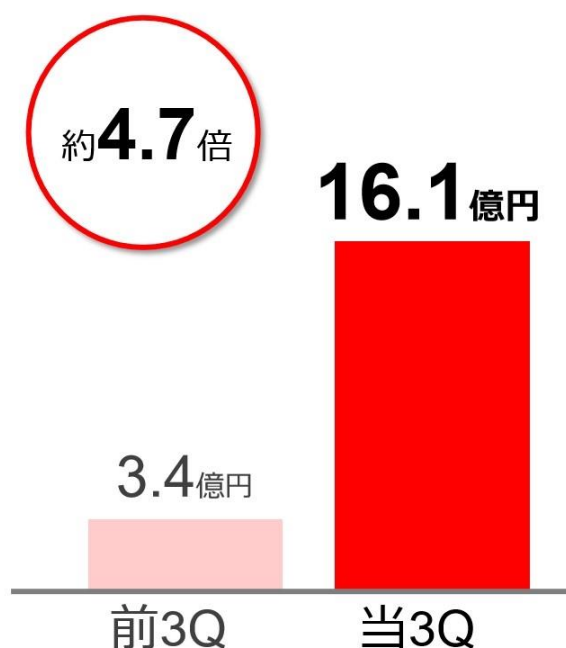
I will inform you of the general situation in Q3 of the fiscal year ending March 2021 using a video, though it may be simplified. My explanation will take about five minutes, so please feel free to watch this.

### 全体業績

#### 売上高



#### 営業利益



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As whole groups, net sales decreased, due to a decline in sales prices of petroleum and gas, in conjunction with a drop in crude oil prices and propane CP; decrease in demand due to a higher average temperature during the summer compared to a normal year; and sluggish demand for commercial and industrial energy, due to the spread of the novel coronavirus infection.

Operating income increased substantially, approximately 4.7 times YoY, to JPY1.61 billion, due to improved margins, including steady progress in purchasing measures in the mainstay B2C and B2B Businesses.


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# 全体業績

	前3Q	当3Q	YoY
売上高	1,574億円	1,389億円	▲11.8% 
営業利益	3.4億円	16.1億円	+374.2% 
経常利益	6.7億円	16.8億円	+150.1% 
純利益	7.6億円	7.5億円	▲1.7% 

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This is a representation of our overall business performance.

Profits as a whole have been extremely favorable.

Net income attributable to owners of the parent declined. However, this was a temporary phase due to the absence of extraordinary gains, such as the gain on the sale of the Insurance Business recorded in the previous fiscal year.

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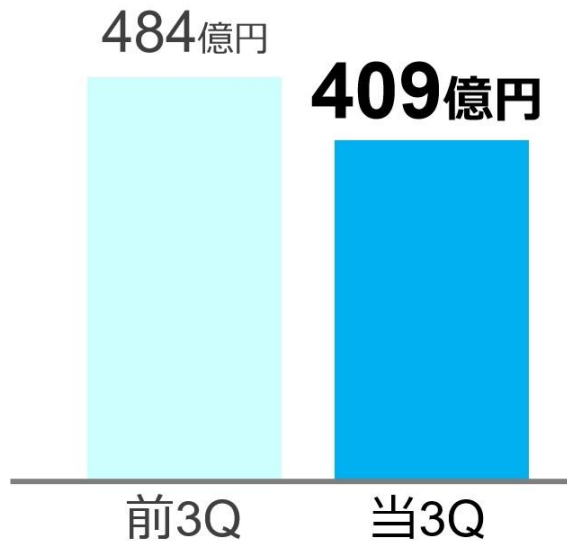
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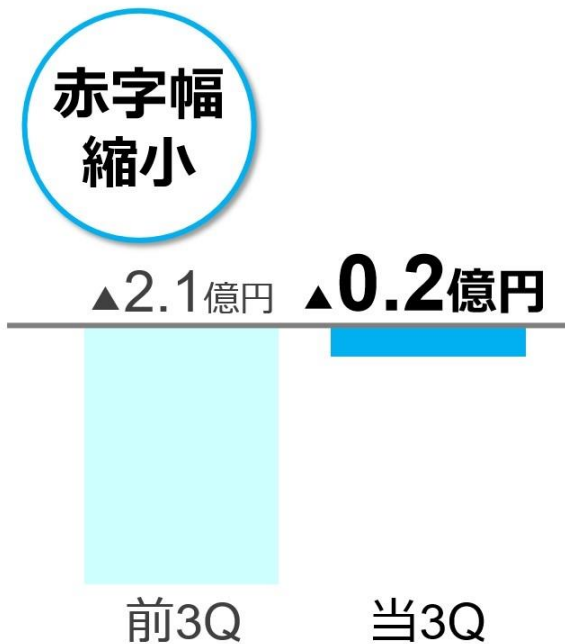
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# BtoC事業

## 売上高



## 営業利益



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This is followed by conditions of each segment.

First, in B2C Business, the sales volume declined due to a lower demand for mainstay LP gas and kerosene sales, which, in turn, was due to higher average temperatures during the summer compared to normal years, and sluggish demand for commercial energy, owing to the spread of the coronavirus disease.

On the other hand, margins have improved since autumn, particularly in eastern Japan, and the extent of the loss has been greatly reduced.

### Support

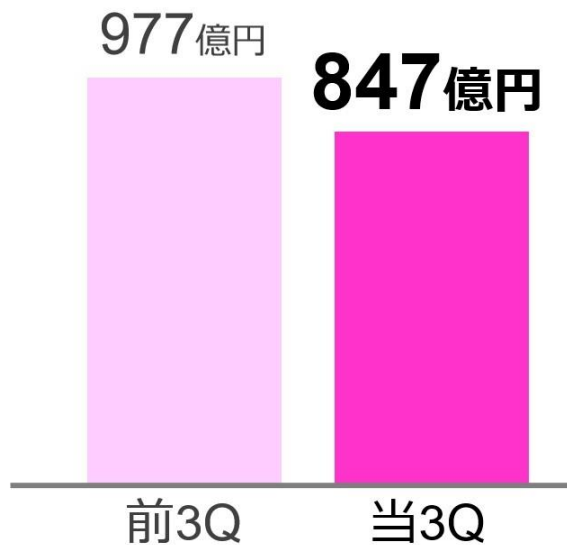
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## BtoB事業

### 売上高



### 営業利益



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Next, as for B2B Business, sales decreased due to the impact of lower unit sales prices, resulting from a drop in crude oil prices and propane CP prices at the beginning of the fiscal year, despite securing higher sales volumes than in the same period of the previous fiscal year, supported by an increase in demand due to the arrival of cold waves in the mainstay Petroleum Business.

However, by thoroughly implementing purchasing measures in response to fluctuations in the crude oil market, we were able to secure a margin on petroleum products. In the Electric Power Business, we were able to achieve an improved margin by optimizing the power source mix contributed to operating income, which grew significantly by approximately 4.8 times YoY to JPY760 million.

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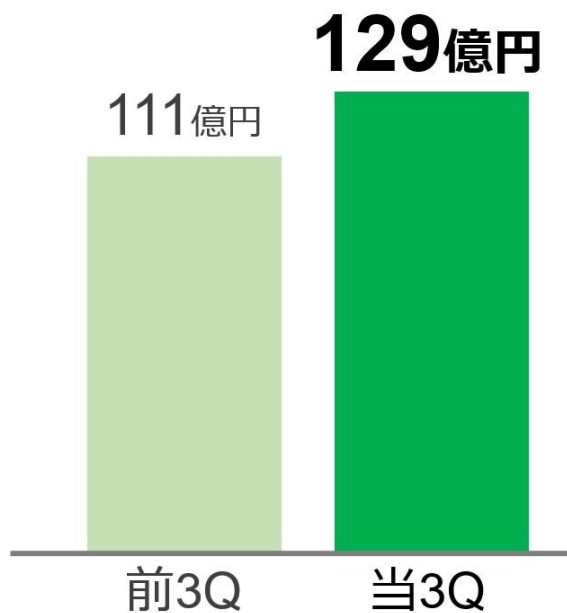
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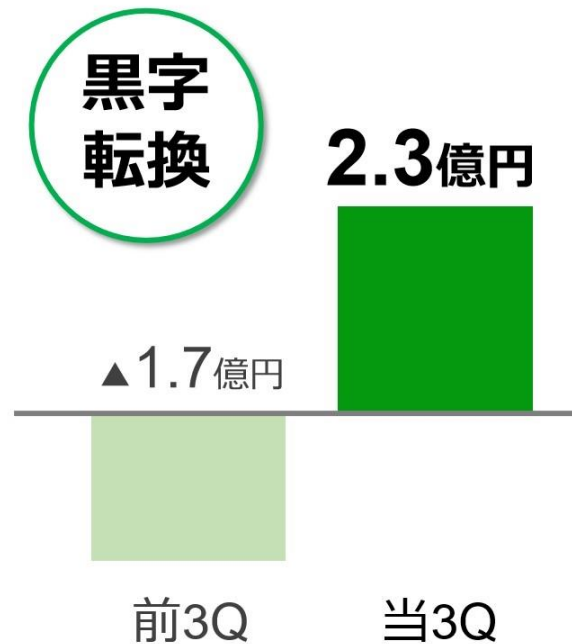
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## 非工ネ事業

### 売上高



### 営業利益



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Now, I would like to move on to the next topic, which is the Non-Energy Business.

The net sales were up 16.4% YoY to JPY12.9 billion, due to the addition of sales from a subsidiary that became a group through the acquisition of a building asset management company in March this year, coupled with a steady increase in the number of stations and installed bicycles in the Share Cycle Business, and strong sales of antibacterial agents in North America, owing to the coronavirus pandemic.

In terms of operating income, in addition to the strong Antibacterial Business, the sales of private brand products in the Bicycle Business, and the power CIS and customer management systems in the System Business, were firm, resulting in a return to profitability of JPY230 million.

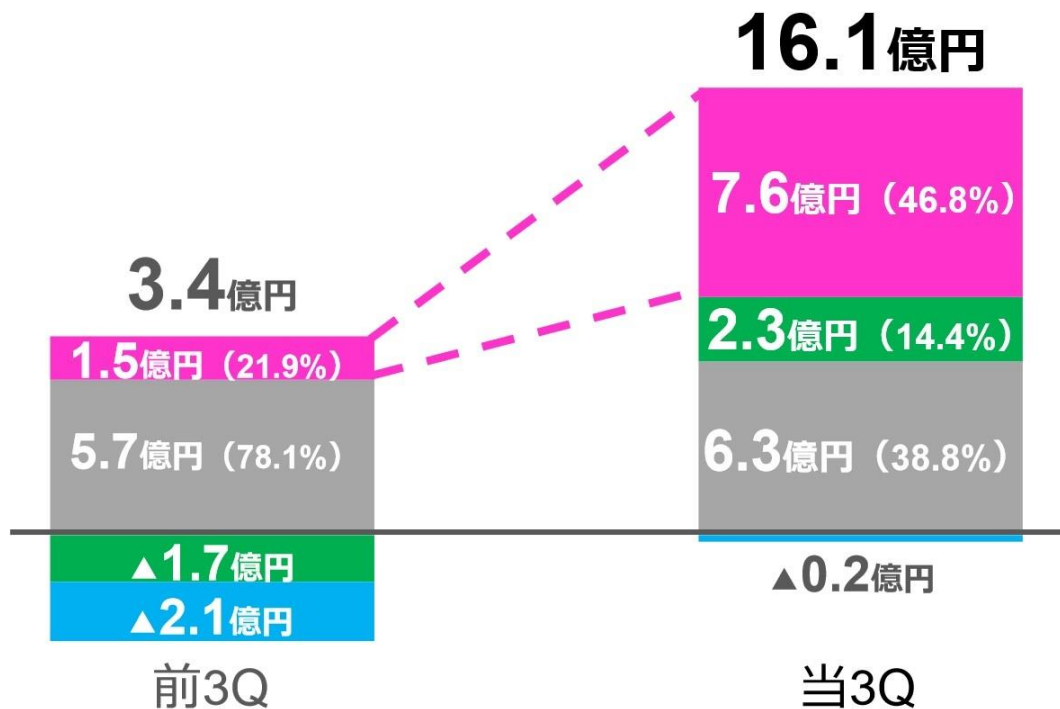
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# セグメント別営業利益構成

■ BtoC事業 ■ BtoB事業 ■ 非エネ事業 ■ その他



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The start of the Shared Office Business, utilizing the former head office building in Minato-ku, Tokyo, also contributed to a substantial increase in operating income, due to the growth in other head office profits not included in the segments.

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## 通期予想

	前期	当期	YoY
売上高	2,370億円	<b>2,260億円</b>	<b>▲4.7%</b>
営業利益	24.5億円	<b>22.0億円</b>	<b>▲10.4%</b>
経常利益	22.0億円	<b>18.0億円</b>	<b>▲18.3%</b>
純利益	29.8億円	<b>15.0億円</b>	<b>▲49.8%</b>

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Through Q3 of the fiscal year under review, earnings were very favorable, particularly from the initial forecast. However, there are uncertainties regarding the future, such as the relapse of the declaration of an emergency following the coronavirus pandemic and worsening of earnings, due to soaring procurement prices in the wholesale electricity market, as a result of the sharp increase in energy demand caused by the cold wave.

Accordingly, we have not dealt with our full-year earnings forecasts at this point.

We also expect to incur extraordinary gains from the sale of non-operating assets, which we disclosed on November 9, in Q4, and will promptly disclose any revisions we deem necessary to our initial earnings forecasts.

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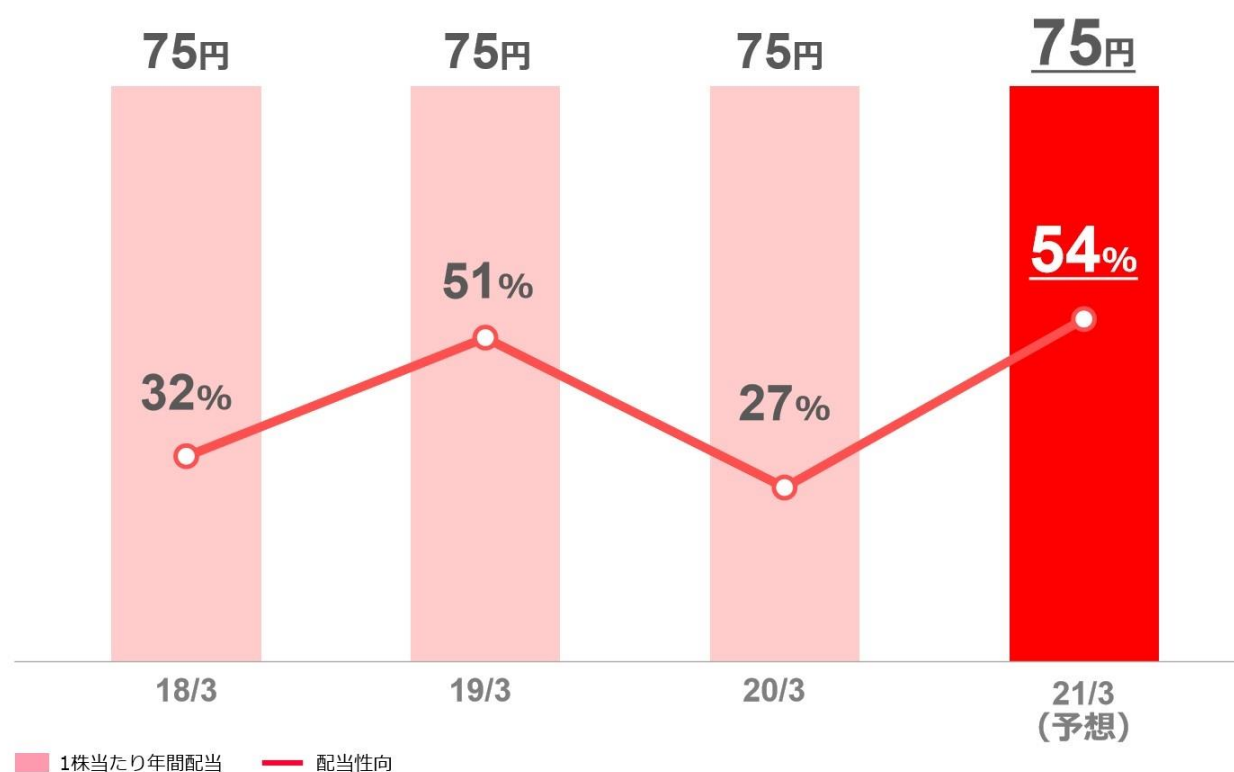
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# 配当方針



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Our Group's basic policy is to pay stable dividends, targeting a consolidated dividend payout ratio of 30% or more, and we expect to pay a dividend of JPY75 per share for the fiscal year under review as well.

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第二次中期経営計画に向けて

**Challenging** New Worlds  
**with** Big Sky-thinking

“大胆な発想で新しい世界への挑戦”

Based on our slogan of “Challenging New Worlds with Big Sky-Thinking: Challenge of a New World with Bold Ideas,” we will continue to build a system that can respond flexibly to changes in anticipation of arrival of a carbon-free society, and continue to take on the challenge of becoming a global comprehensive energy service group that contributes to a sustainable society.

Thank you very much for watching my presentation.

[END]

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