

3Q FY 2021

Briefing Materials

February 16, 2021

Overview of 3Q FY 2021 Financial Results

Full-Year Financial Forecast for FY 2021

Reference Material

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Revenue down due to drop in unit selling prices, but purchase and sales measures proved effective, driving more than **4x increase in operating profit**

Profit attributable to owners of parent down due to absence of extraordinary profit from previous year

(Unit: Millions of yen)

	FY 2020 3Q Results	FY 2021 3Q Results	YoY change	
			(Amount)	(Percentage)
Net sales	157,483	138,969	-18,514	-11.8%
Gross profit	22,483	23,980	+1,497	+6.7%
SG&A	22,142	22,365	+222	+1.0%
Operating profit	340	1,615	+1,275	+374.2%
Non-operating income	565	499	-65	-11.6%
Non-operating expenses	231	428	+197	+85.0%
Ordinary profit	674	1,686	+1,012	+150.1%
Extraordinary profit	941	121	-819	-87.0%
Extraordinary losses	214	95	-118	-55.4%
Profit before tax	1,400	1,712	+311	+22.3%
Profit attributable to owners of parent	767	754	-12	-1.7%

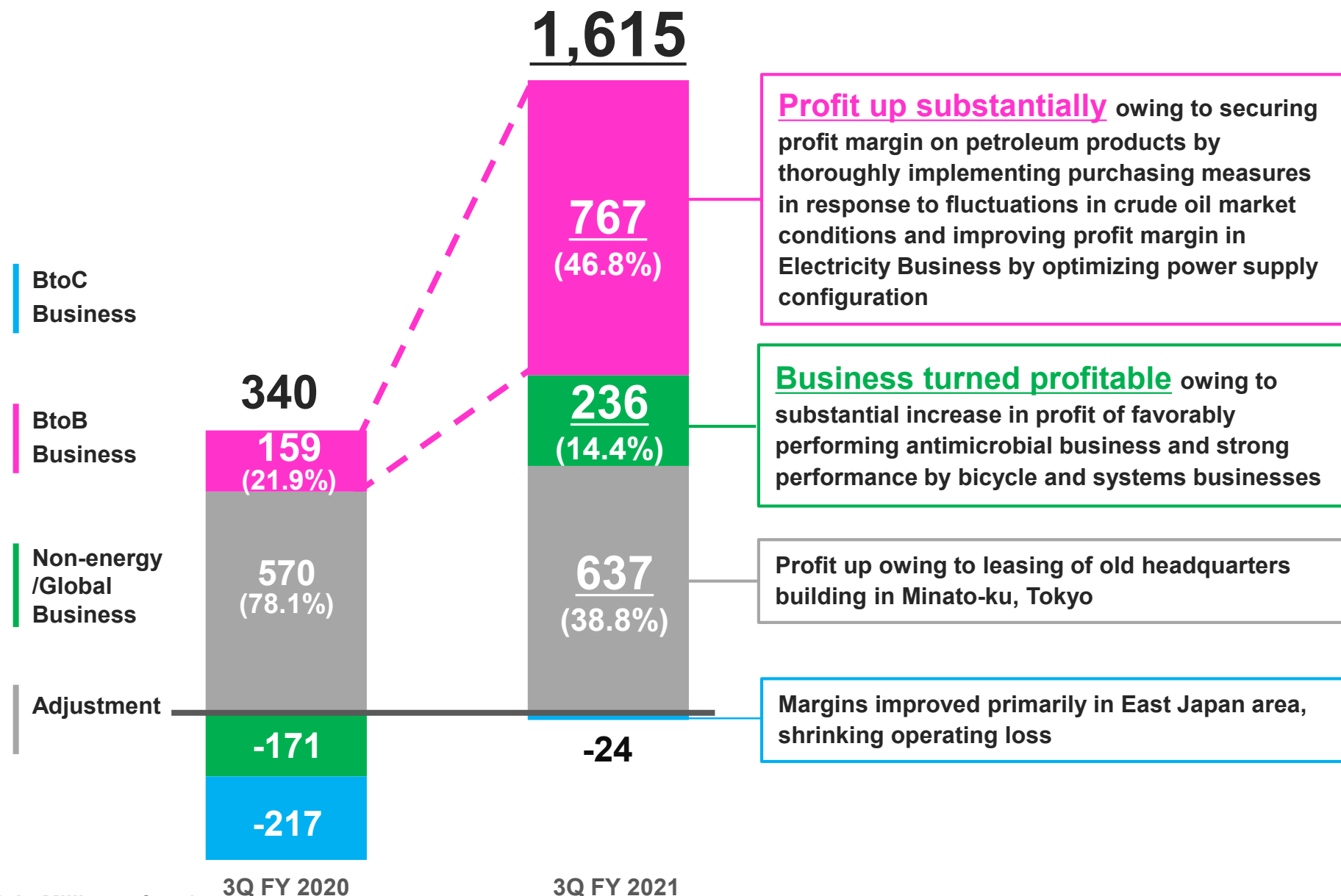
BtoC Business and BtoB Business revenue down as result of lower unit selling prices due to drop in price of crude oil and propane contract prices

Revenue up in non-energy businesses, driven by bike-sharing and antimicrobial businesses in addition to contribution of subsidiaries brought into Group in previous year

(Unit: Millions of yen)

	FY 2020 3Q Results	FY 2021 3Q Results	YoY change	
			(Amount)	(Percentage)
BtoC Business (Retail/Wholesale Energy & Related Business)	48,462	40,962	-7,499	-15.5%
BtoB Business (Energy Solution Business)	97,736	84,788	-12,948	-13.2%
Non-energy/Global Business	11,132	12,962	+1,829	+16.4%
Adjustment	152	255	+103	+68.0%
Total	157,483	138,969	-18,514	-11.8%

Composition of Operating Profit by Segment



Cash and deposits up due to deferment of payment of accounts payable to following month due to bank holiday

Accounts receivable up due to seasonal factors

(Unit: Millions of yen)

	FY 2020	3Q FY 2021	Change
Current assets	44,323	50,255	5,932
Cash and deposits	7,771	12,846	5,075
Accounts receivable	23,999	25,408	1,408
Products and merchandise	5,783	5,568	-215
Works in progress	3,404	3,162	-241
Other	3,364	3,270	-94
Fixed assets	46,287	45,849	-437
Property, plant and equipment	30,277	29,886	-391
Intangible fixed assets	5,151	4,517	-634
Investments and other assets	10,858	11,446	588
Total assets	90,611	96,105	5,494

	FY 2020	3Q FY 2021	Change
Current liabilities	31,434	36,820	5,385
Accounts payable	17,492	25,831	8,339
Short-term borrowings	5,650	2,731	-2,919
Accrued income taxes	1,606	403	-1,203
Accrued bonuses	1,143	488	-655
Other	5,540	7,365	1,824
Fixed liabilities	10,354	10,075	-279
Long-term borrowings	4,689	4,290	-398
Other	5,665	5,784	119
Total net assets	48,821	49,209	388
Total liabilities and net assets	90,611	96,105	5,494

Acceleration of development of DAICHARI bicycle sharing business (releases from 3Q and later)

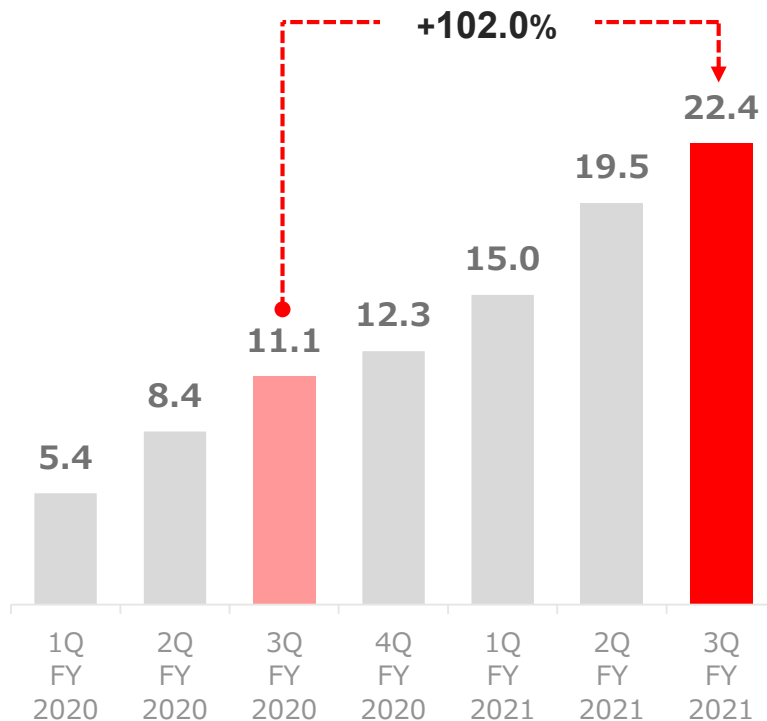
- Jan 19** Expanded area of partnership with Urban Renaissance Agency (UR):
Introduced DAICHARI at UR apartments in Itabashi-ku and Arakawa-ku
- Dec 8** Introduced DAICHARI bicycle sharing at ReBITA renovated condominium RENOA Kita-akabane
- Nov 30** Introduced DAICHARI at CAINZ-operated commercial facility Kumimachi Mall Asaka at its opening in November 2020
- Oct 27** Expanded stations in collaboration with OMG Holdings
- Oct 15** Installed station at Saitama Minami-Yono Store in business tie-up with Belc
- Oct 13** Installed DAICHARI bicycle sharing station on Keio University Shonan Fujisawa Campus
- Oct 7** Expanded bicycle sharing to Setagaya area along Odakyu Line from October 13 to improve comfort and convenience of movement around train station
- Oct 6** Installed DAICHARI bicycle sharing station at Ueno Marui

*Excerpted from our press releases

DAICHARI bicycle sharing KPI up as people avoid the Three C's to stop spread of COVID-19

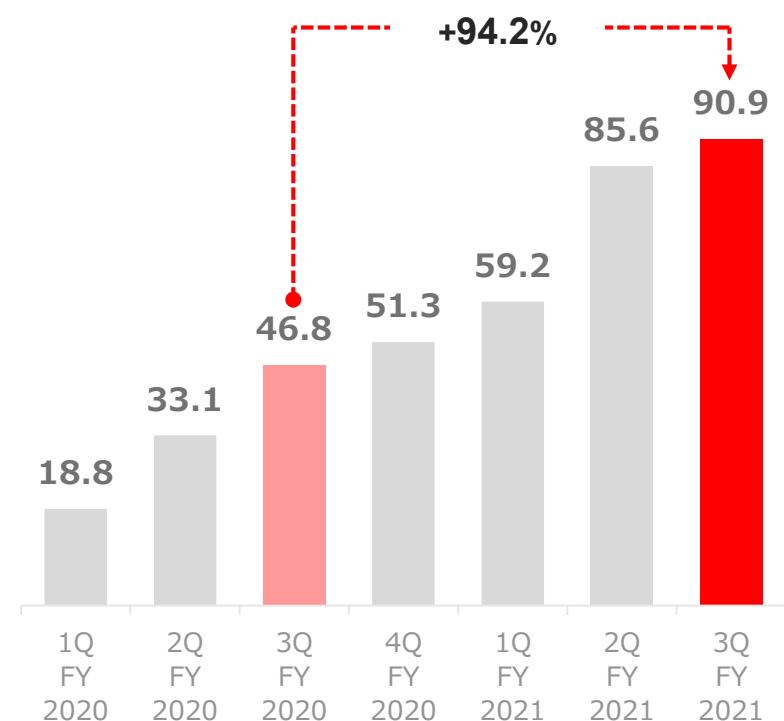
Trend in number of users

Unit: 10,000



Trend in number of uses

Unit: 10,000

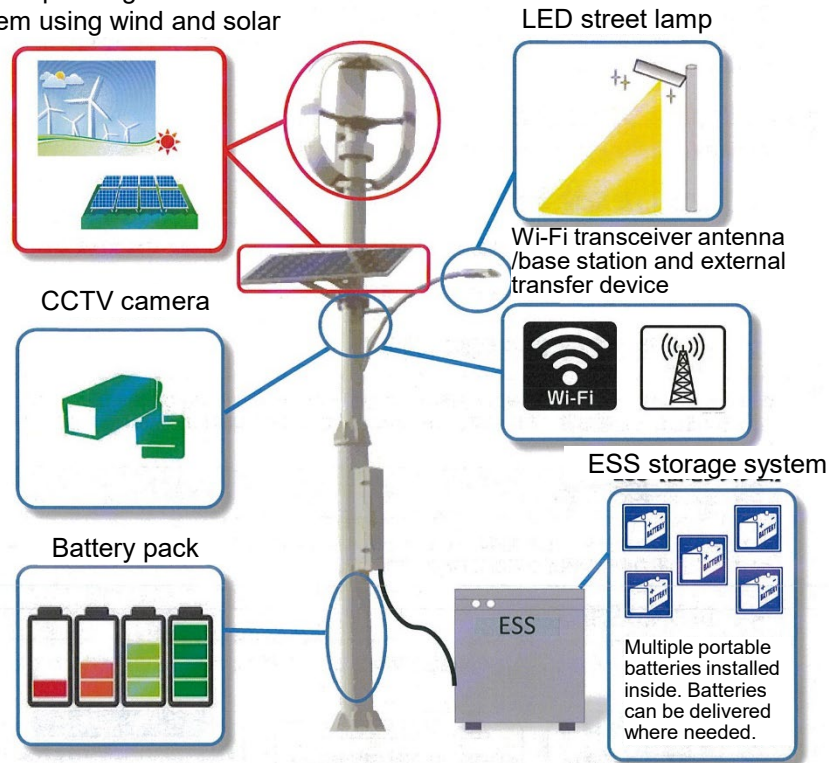


**On way to establishment as 3rd
transportation infrastructure**

Utilization of renewable energy from new micro wind turbines

Participation in Saitama City smart city field tests

Dual power generation system using wind and solar



- ✓ Looking into supplying electricity for mobility
- ✓ Equipped with LED lights, security camera, Wi-Fi, and more making it suitable for preventing crime and use during disasters

Expanding profits in non-energy fields

Opening of new Tokorozawa Showroom for kitchen/bathroom renovation



- ✓ Integrated with direct sales store MELIFE Tokorozawa
- ✓ Improved customer satisfaction via operations that increase unity of showroom, retail, and wholesale

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Full-Year Financial Forecast for FY 2021

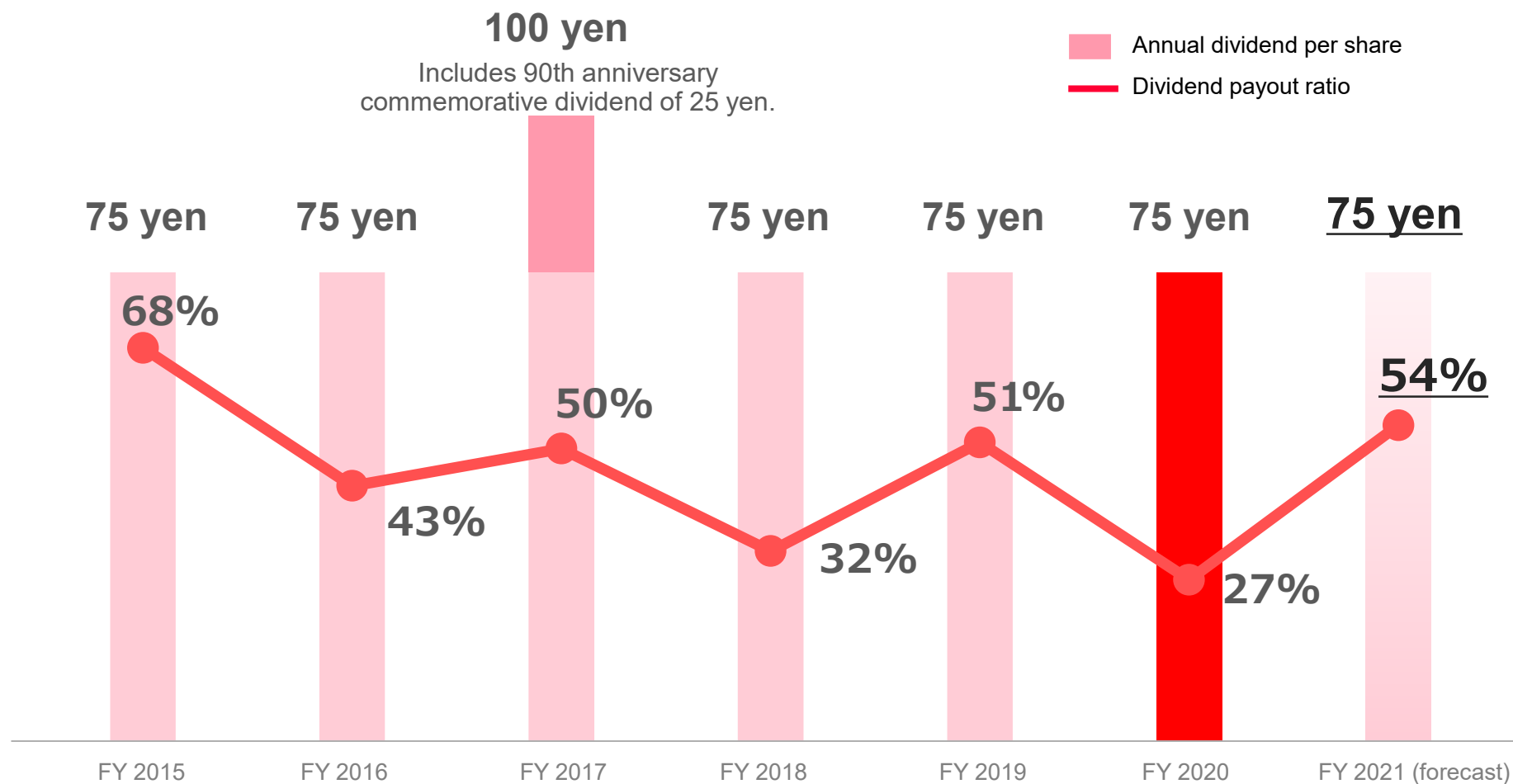
Reference Material

Full-year forecasts left as-is, profits expected to decrease due to anticipatory investments
 Energy demand to increase rapidly due to cold wave, but wholesale electric power market prices also to rise sharply, so revisions to forecasts under careful review

(Unit: Hundred millions of yen)

	FY 2020 Full-year results	FY 2021 Full-year forecasts	YoY change	
			(Amount)	(Percentage)
Net sales	2,370	2,260	-110	-4.7%
Operating profit	24	22	-2	-10.4%
Ordinary profit	22	18	-4	-18.3%
Profit attributable to owners of parent	29	15	-14	-49.8%

Provide stable dividends aiming for payout ratio of 30% or higher



Note: On October 1, 2016, the Company carried out reverse share split on ordinary shares at a one for five ratio.
Figures prior to that have been restated to reflect the post-reverse share split.

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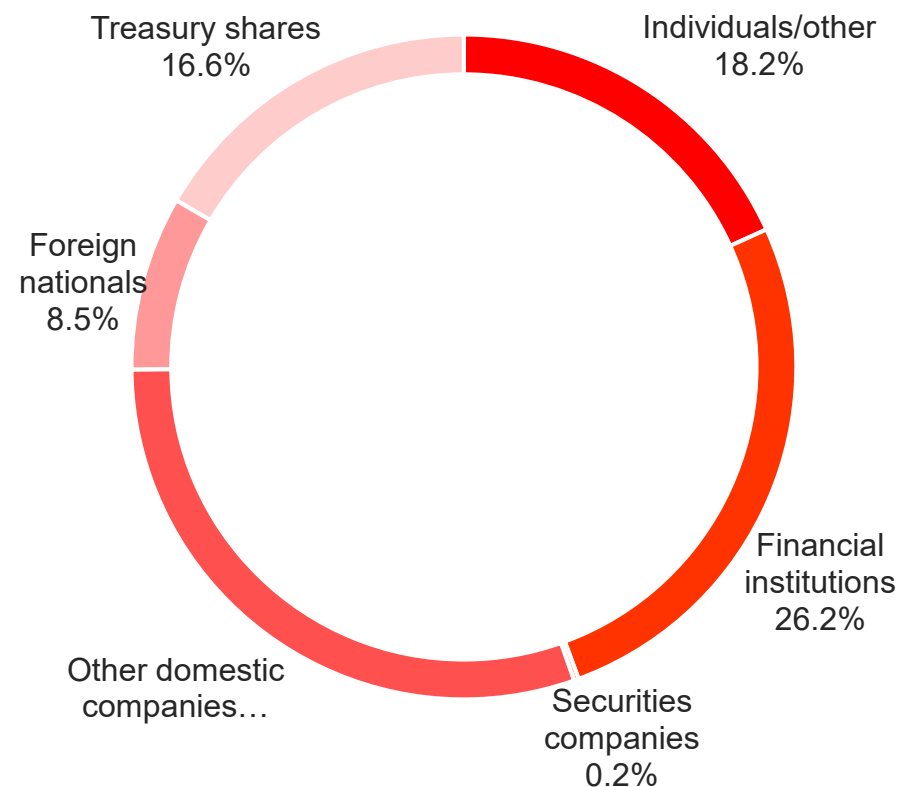
(As of September 30, 2020)

Company name:	SINANEN HOLDINGS CO., LTD.
Date founded:	April 11, 1927
Headquarters:	3-5-27 Mita, Minato-ku, Tokyo
Representative:	Masaki Yamazaki, President and CEO
Capital:	¥15,630 million
Number of employees (consolidated):	3,145 (including temporary employees)
Group companies:	39 (38 consolidated subsidiaries and 1 equity method affiliate)
Description of business:	Energy sales business including LP gas, petroleum, and electricity Corporate energy solutions business Other non-energy businesses

Largest shareholders

Shareholder name	Number of shares	Percentage
HIKARI TSUSHIN, INC.	992,900	9.12
Meiji Yasuda Life Insurance Company	840,000	7.72
Cosmo Oil Marketing Co., Ltd.	789,105	7.25
The Master Trust Bank of Japan, Ltd. (trust account)	627,500	5.76
Idemitsu Kosan Co., Ltd.	473,808	4.35
SINANEN Group Clients Shareholding Association	453,316	4.16
Custody Bank of Japan, Ltd. (trust account)	417,000	3.83
UHPartners2 Co., Ltd.	370,600	3.40
Sumitomo Mitsui Banking Corporation	260,787	2.39
Aso College Group	260,000	2.39

Shareholder composition



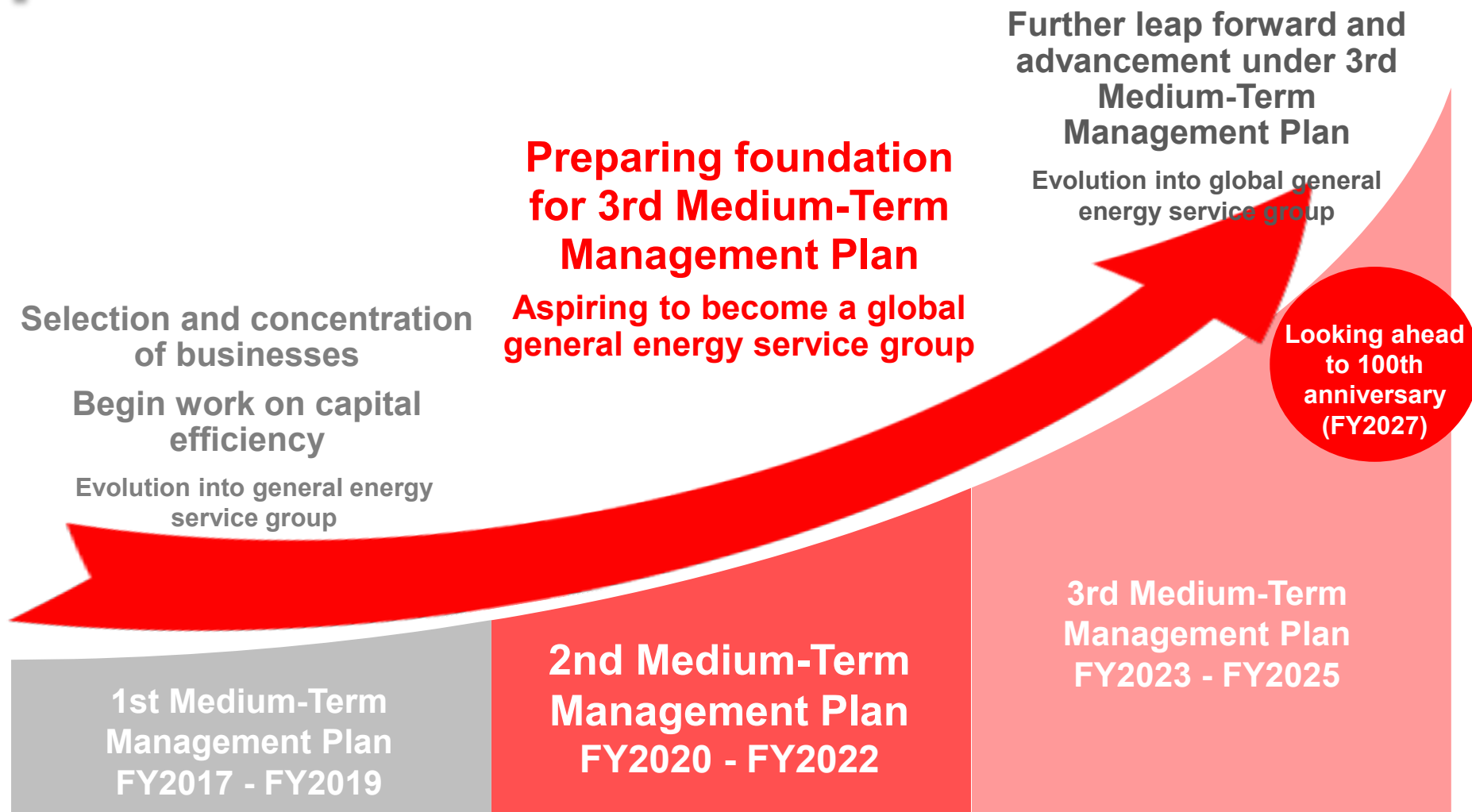
Looking Ahead to the 2nd Medium-Term Management Plan

Challenging New Worlds
with Big Sky-thinking

“大胆な発想で新しい世界への挑戦”

Period will be three years from FY2020 to FY2022

Positioned as time of preparing foundation for further leap forward with 3rd Medium-Term Management Plan (FY2023 - FY2025)



Positioned as time for solidifying foundation for leap forward during 3rd Medium-Term Management Plan

Solidifying foundation for becoming an organization
capable of **sustainable growth**
(further leap forward under 3rd Medium-Term Management Plan)

Qualitative targets

Improvement of capital efficiency

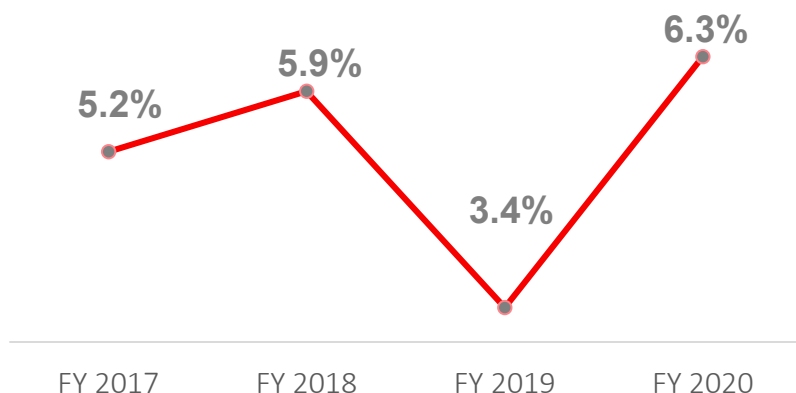
**Execution of investments to realize
sustainable growth**

**Reform of employee thinking, habits,
and behavior patterns**

Establishment of targets emphasizing capital efficiency

**Establish business structure
for continually producing
ROE of 6.0% or higher**

Trend in ROE



- ✓ Improve profitability of existing businesses
- ✓ Utilize/sell less efficient assets
- ✓ Invest in high-growth/high-profit-making businesses
- ✓ Improve operational efficiency

We will promote development of new businesses with a focus on the key businesses below

- 1 Renewable energy business in South Korea (wind power generation business)**
- 2 New micro wind turbine-related business**
- 3 Kitchen/bathroom renovation business**
- 4 Bicycle sharing business**
- 5 Seesaw shared office business**

- This document contains forward-looking statements on the plans, policies, management strategies, etc. of SINANEN HOLDINGS CO., LTD. (the Company). The basis for these statements includes forecasts and plans that are based on information currently available to the Company, and there are many uncertainties involved. As such, actual results may differ significantly from the statements in this document due to various risks and factors that cause fluctuation.
- Investors who plan to make actual investments are advised to refrain from relying solely on the information in this document and to use their own judgment when making decisions. The Company accepts no responsibility for any losses arising in relation to investments.

Inquiries Concerning This Document

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