

Q2 Financial Results Briefing for the Fiscal Year Ending March 2021



Copyright © SINANEN HOLDINGS CO., LTD. ALL Rights reserved.

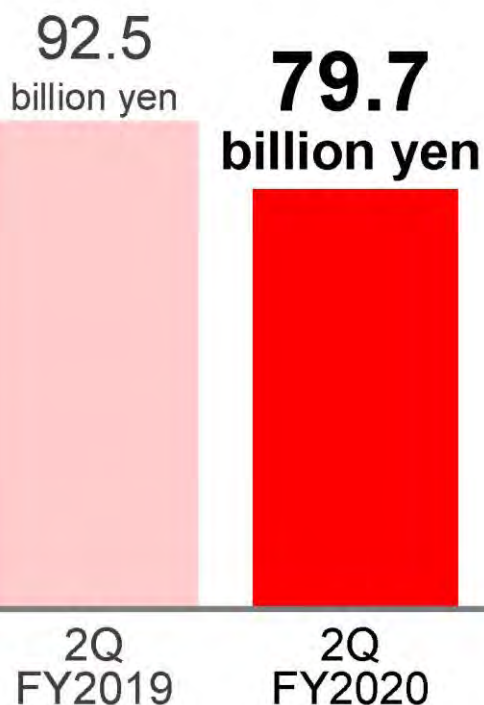
I'm Yamazaki, President and CEO of SINANEN HOLDINGS CO., LTD.

Today, we will give you a brief overview of the results for the second quarter of the fiscal year ending in March 2021 through this simple video.

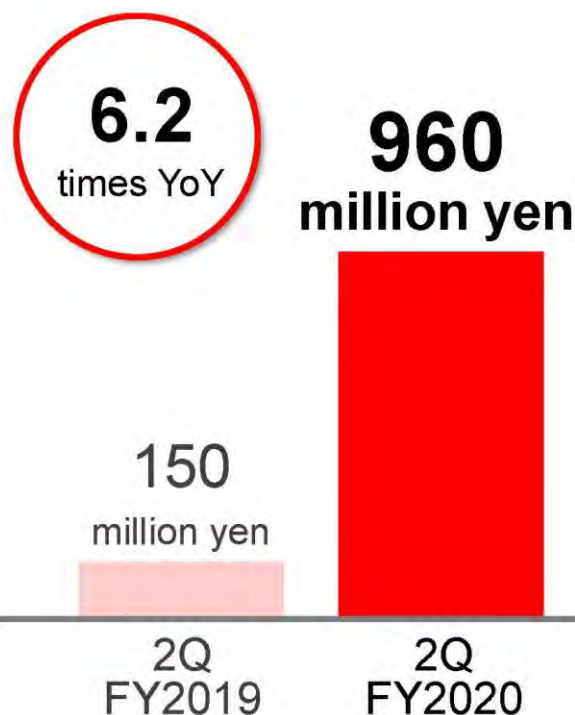
The required time is about five minutes, so please feel free to watch it.

Overall Business Performance

Net Sales



Operating Income







Copyright © SINANEN HOLDINGS CO., LTD. ALL Rights reserved.

First, for the Group as a whole.

Although net sales decreased due to the impact of lower unit sales prices caused by the drop in crude oil prices and propane CP, operating income increased substantially, approximately 6.2 times YoY, to JPY960 million, thanks to steady progress in purchasing and sales measures in the BtoB Business.

Overall Business Performance

	2Q FY2019	2Q FY2020	YoY
Net Sales	92.5 billion yen	79.7 billion yen	▲13.8% 
Operating Income	150 million yen	960 million yen	+518.3% 
Ordinary Income	370 million yen	920 million yen	+148.3% 
Net Income	740 Million yen	390 million yen	▲46.8% 

Copyright © SINANEN HOLDINGS CO., LTD. ALL Rights reserved.

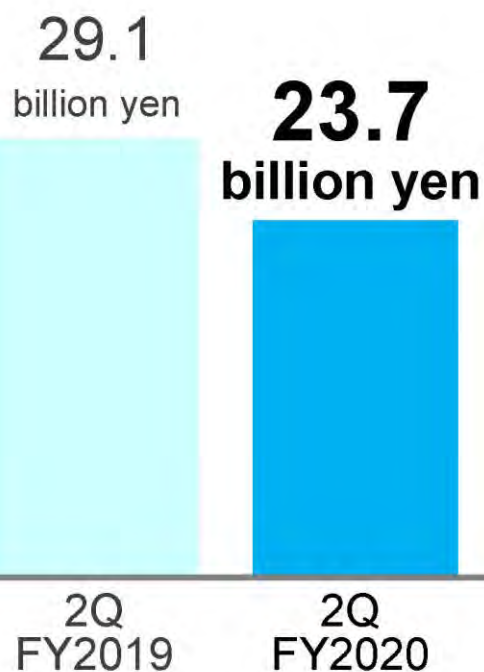
This is a representation of our overall business performance.

As a supplement, the decrease in quarterly net income attributable to owners of the parent was due to the absence of extraordinary gains recorded in the previous fiscal year, such as the gain on sale of the Insurance Business.

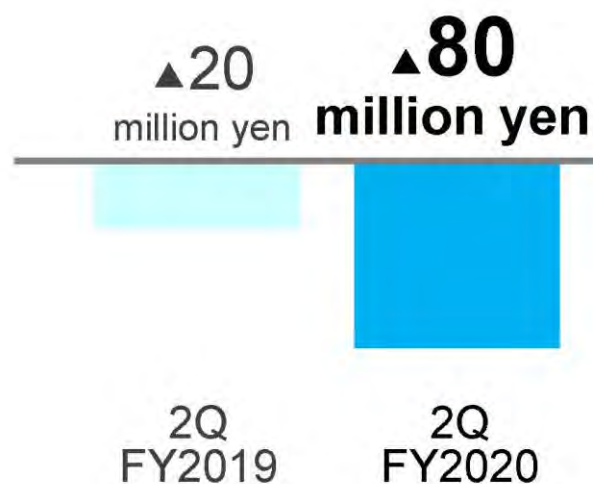
As a result, overall profits, including ordinary income, are trending favorably.

BtoC Business

Net Sales



Operating Income



Copyright © SINANEN HOLDINGS CO., LTD. ALL Rights reserved.

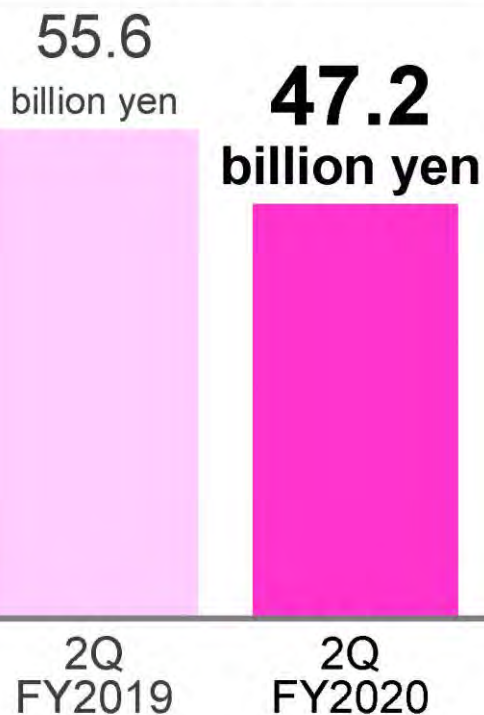
The next is about the situations by each segment.

First, in the BtoC Business,

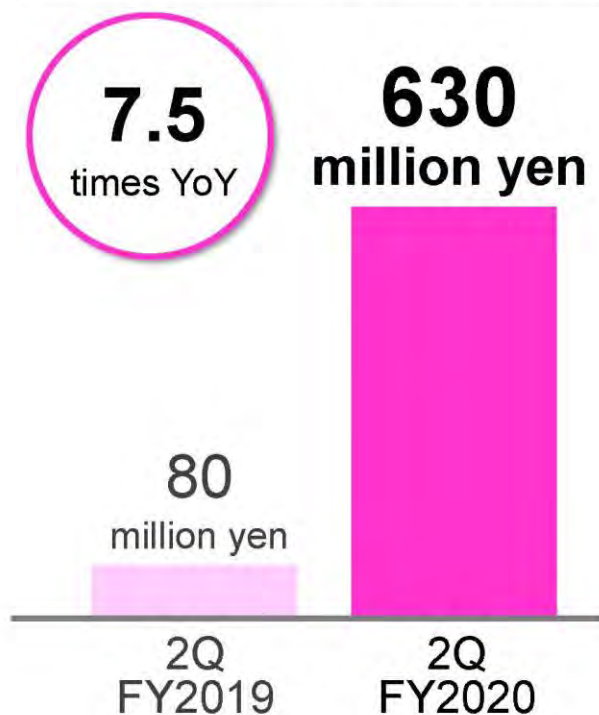
both sales and profits declined due to the impact of the decline in unit sales prices caused by the aforementioned drop in crude oil prices and propane CPs, as well as a decline in sales volume caused by summer temperatures that were higher than normal.

BtoB Business

Net Sales



Operating Income

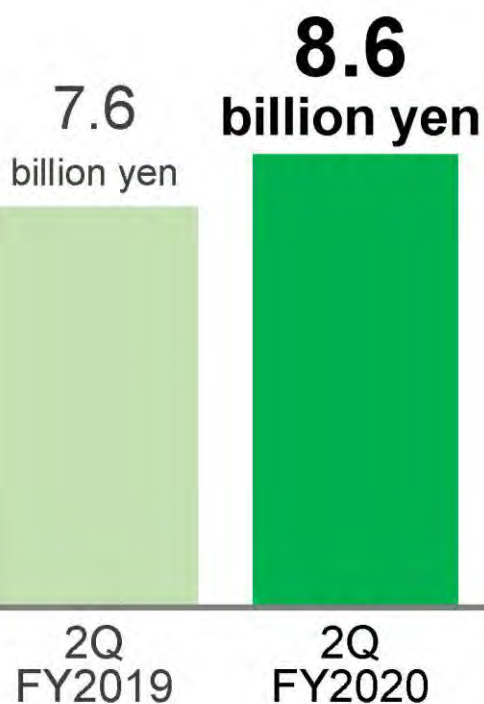


Copyright © SINANEN HOLDINGS CO., LTD. ALL Rights reserved.

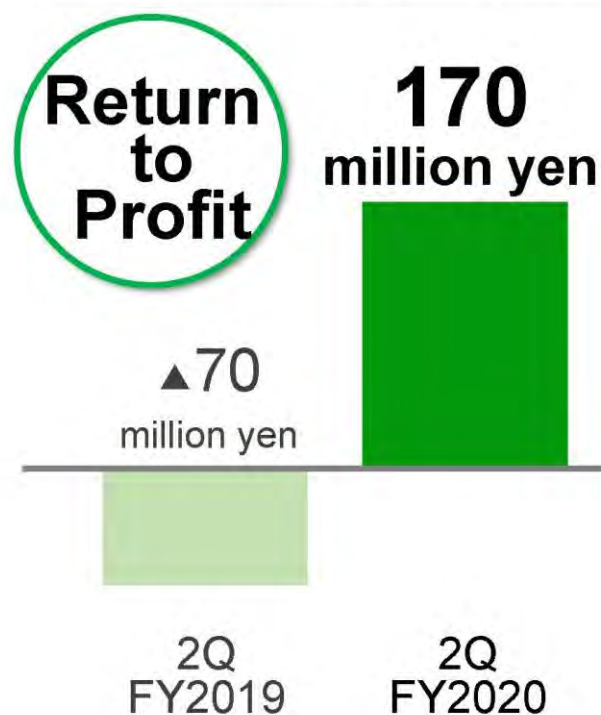
Meanwhile, in the BtoB Business, same as in the BtoC Business, sales declined due to the impact of lower unit sales prices. However, operating income grew significantly by approximately 7.5 times YoY to JPY630 million as a result of securing a margin for petroleum products by thoroughly implementing purchasing measures in response to fluctuations in the crude oil market, and an improvement in margin due to the sluggish spot market for electricity.

Non-Energy Business

Net Sales



Operating Income



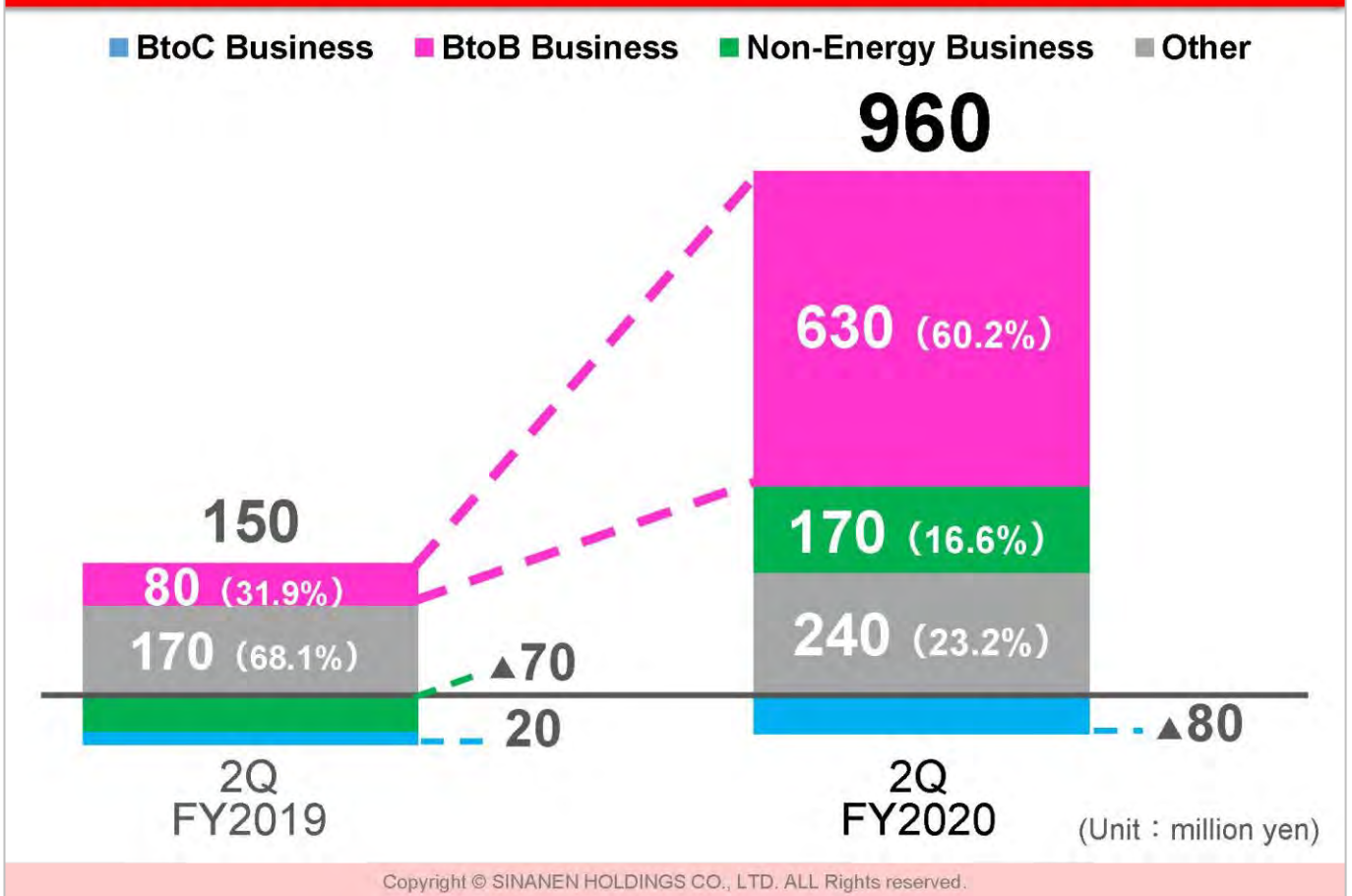
Copyright © SINANEN HOLDINGS CO., LTD. ALL Rights reserved.

Next is the Non-Energy Business.

Net sales increased YoY, driven by the contribution of a subsidiary that was grouped in March of this year, as well as the Antibacterial Business, in which sales of antibacterial agents for North America increased due to COVID-19.

In addition to the robust Antibacterial Business, operating income returned to profitability thanks in part to steady increases in the volume of products handled in the Environment and Recycling Businesses.

Operating Income Composition by Segments



Also, the Company launched a Shared Office Business in the former head office building in Minato-ku, Tokyo.

This business shows as “Others”, which is not included in the segments, and revenues from the head office are also growing, contributing to a significant increase in operating income.

FY2020 Business Outlook

	FY2019	FY2020	YoY
Net Sales	237 billion yen	226 billion yen	▲4.7%
Operating Income	2.45 billion yen	2.20 billion yen	▲10.4%
Ordinary Income	2.20 billion yen	1.80 billion yen	▲18.3%
Net Income	2.98 billion yen	1.50 billion yen	▲49.8%

Copyright © SINANEN HOLDINGS CO., LTD. ALL Rights reserved.

The impact of COVID-19 on the Company's business results is currently insignificant, and the impact on the mainstay Energy-Related Business is expected to be limited from the third quarter onward. Accordingly, the Company has left its full-year earnings forecasts unchanged at this time.

Progress of the Medium-Term Management Plan

Qualitative Objectives

**Improve
Capital Efficiency**



**Sell Low-utilization Assets
Expect to Record an Extraordinary Income
of 2.1 Billion Yen**

**Invest to Realize
Sustainable Growth**



**Accelerating the Deployment of
Share Cycle Business
Shift to Cloud Computing
for Our IT Infrastructure**

**Change to the Thinking,
Habits, and Behavior
of Our Employees**



**Established the
Group Reform Promotion Office
Began Full-fledged Efforts to
Reform the Corporate Culture**

Copyright © SINANEN HOLDINGS CO., LTD. ALL Rights reserved.

Finally, we are making steady progress in implementing the three management measures outlined in the qualitative objectives of the second medium-term business plan, which was launched in the fiscal year under review.

On November 9, we decided to sell low-utilization assets, and we are working to improve capital efficiency. As a result of the sale of assets, we expect to record an extraordinary gain of approximately JPY2.1 billion in the fourth quarter.

Regarding the revision of the full-year consolidated earnings forecast due to the recording of extraordinary income, the Company is currently considering other factors and will promptly disclose any necessary revisions.

We are accelerating the deployment of share cycles called DAICHARI, and as of the end of September, the number of stations and bicycles has increased to 1,398 and 6,639, respectively.

We are also continuing to invest to realize sustainable growth, including the shift to cloud computing for our IT infrastructure.

Finally, in November, we established the Group Reform Promotion Office as a department under the direct control of the president and began full-fledged efforts to reform the corporate culture, which we consider to be an important point in the medium-term management plan.

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”

Under the slogan of “Challenging of New Worlds with Big Sky-thinking”,
our group will continue to take on the challenge
of becoming a global comprehensive energy service group
that contributes to a sustainable society by building a system
that can respond flexibly to changes in the times with an eye to the future of a decarbonized society.



Copyright © SINANEN HOLDINGS CO., LTD. ALL Rights reserved.

We look forward to your continued guidance and encouragement.

Thank you very much for watching it until the end.

[END]