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Consolidated Financial Summary for the First Quarter of the Fiscal Year Ending March 31, 2025

August 9, 2024

Company name: Sinanen Holdings Co., Ltd.

Shares listed: Tokyo Stock Exchange

Securities code: 8132 URL: <https://sinanengroup.co.jp/en/>

Representative (Position) President and CEO (Name) Taro Nakagome

Contact: (Position) General Manager of Finance and IR Department (Name) Kango Saito Tel +81-3-6478-7811

Scheduled date of start of dividend payment -

Preparation of supplementary materials: Yes

Convening of a results meeting: None

(Note: Amounts are rounded down to nearest million yen.)

1. Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2025 (April 1 - June 30, 2024)

(1) Consolidated operating results (cumulative totals) (Percentage figures represent year-on-year change.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three Months Ended June 30, 2024	63,552	(11.0)	320	-	621	-	338	-
Three Months Ended June 30, 2023	71,393	0.3	(718)	-	(479)	-	(361)	-

(Note) Comprehensive income Three Months Ended June 30, 2024 620 million yen (-%)
Three Months Ended June 30, 2023 -214 million yen(-%)

	Profit per share	Diluted profit per share
	Yen	Yen
Three Months Ended June 30, 2024	31.13	-
Three Months Ended June 30, 2023	(33.15)	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2024	87,283	53,120	60.8
As of March 31, 2024	108,480	53,315	49.1

(Reference) Shareholders' equity As of June 30, 2024 53,102 million yen As of March 31, 2024 53,296 million yen

2. Dividends

	Dividend per share				
	End of 1Q	End of 2Q	End of 3Q	End of FY	Total
	Yen	Yen	Yen	Yen	Yen
FY 2023	-	-	-	75.00	75.00
FY 2024	-	-	-	-	-
FY 2024 (forecast)	-	-	-	75.00	75.00

(Note) Revisions to most recently announced dividend forecast: None

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2025 (April 1, 2024 - March 31, 2025)

(Percentage figures represent year-on-year change.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	340,000	(2.4)	2,800	-	3,100	-	1,800	-	165.49

(Note) Revisions to most recently announced results forecast: None

* Notice:

(1) Significant changes in the scope of consolidation during the period: None

New: - company(ies) (Company name(s)) Excluded: - company(ies) (Company name(s))

(2) Application of accounting treatment specific to the preparation of the quarterly consolidated financial statements: Yes

Note: See "(3) Explanation concerning quarterly consolidated financial statements (Application of accounting treatment specific to the preparation of the quarterly consolidated financial statements)" under "2. Quarterly Consolidated Financial Statements and Main Notes" on page 8 of the attachment for details (available in Japanese only).

(3) Changes in accounting policies, accounting estimates, and restatements

(a) Changes in accounting policies due to revision of accounting standards: Yes

(b) Changes in accounting policies other than those in (a): None

(c) Changes in accounting estimates: None

(d) Restatements: None

(4) Number of shares issued (common stock)

(a) Number of shares issued (including treasury shares)

As of June 30, 2024	13,046,591 shares	As of March 31, 2024	13,046,591 shares
As of June 30, 2024	2,170,243 shares	As of March 31, 2024	2,169,811 shares
1Q FY 2024	10,876,683 shares	1Q FY 2023	10,904,334 shares

(b) Number of treasury shares

(c) Average number of shares during the period

* Review of the accompanying quarterly consolidated financial statements by a certified public accountant or auditing firm: None

* Cautionary statement regarding business results forecasts and special notes

(Caution regarding forward-looking statements)

The financial forecasts and other forward-looking statements contained herein are based on currently available information and assumptions considered by the Company to be reasonable and do not represent a commitment from the Company that they will be achieved. Actual results may differ materially due to various factors. See "(3) Explanation concerning forecasts for consolidated business results and other future projections" under "1. Qualitative Information Concerning the Consolidated Business Results" on page 4 of the attachment for the underlying assumptions of and precautions for using the forecasts.

1. Qualitative Information Concerning the Consolidated Business Results

Forward-looking statements within this document are based on our judgment as of the end of the period under review.

(1) Explanation concerning operating results

In the domestic energy industry, crude oil prices and propane contract prices, which affect the purchasing prices in our mainstay area of petroleum and LP gas, remained on a downward trend due to factors such as declining demand mainly due to concerns over the economic recession in China. In the electricity market, wholesale market prices remained low due to impact from a decline in demand during low-demand months.

In the midst of this environment, the Group launched its 3rd Medium-Term Management Plan in the previous fiscal year toward the 100th anniversary of its founding in FY2027. To achieve our vision of “Evolution into a comprehensive energy life creation group that contributes to achieving a decarbonized society,” we are accelerating shift to a stronger management foundation and advancing our growth strategy. In business development, we will improve profitability by expanding earnings from existing businesses and creating new businesses that contribute to the realization of a decarbonized society, as we work as a unified group under the new management structure.

In the first three months of the fiscal year under review, sales volume of petroleum products and electricity decreased. As a result, net sales were 63,552 million yen (down 11.0% year on year). In terms of profit and loss, mainly in the electricity business, in some dealings, the negative spread has been eliminated, marking a return to profit. As a result, there was an operating profit of 320 million yen (compared to operating loss of 718 million yen in the same period of the previous year) and ordinary profit was 621 million yen (compared to ordinary loss of 479 million yen in the same period of the previous year). In addition, since the electricity business returned to profit as mentioned above, profit attributable to owners of parent came to 338 million yen (compared to loss attributable to owners of parent of 361 million yen in the same period of the previous year).

Results by segment are as follows.

[Retail/Wholesale Energy & Related Business (B to C Business)]

The sales volume was down as the mainstay area of LP gas and kerosene was impacted by average temperatures that were higher than usual and decreased energy unit consumption, and due to these impacts, sales decreased.

As for profit and loss, profits decreased mainly due to an increase in SG&A expenses, including personnel expenses.

From the first quarter of the fiscal year under review, the Company began selling carbon neutral Melife Denki, which is capable of achieving virtually zero CO₂ emissions.

As a result of the above, in the Retail/Wholesale Energy & Related Business (B to C business) for the first three months of the fiscal year under review, net sales were 15,169 million yen (down 0.3% year on year), and operating profit was 138 million yen (down 56.2% year on year).

[Energy Solution Business (B to B Business)]

The sales were down mainly due to reduced sales volume in the mainstay petroleum business.

As for profit and loss, profits increased in the electricity business due to the steady transition to market-linked plans and the impact of improvements in gross profit, which had deteriorated in the previous fiscal year.

Beginning in the first quarter of the current fiscal year, Sinanen Co., Ltd. jointly established the EV Wireless Power Transfer Council. We will continue to promote the practical application and widespread use of wireless power transfer as part of social infrastructure.

As a result of the above, in the Energy Solutions Business (B to B Business) for the first three months of the fiscal year under review, net sales were 42,946 million yen (down 15.7% year on year), and operating profit was 142 million yen (compared to operating loss of 1,176 million yen in the same period of the previous year).

[Non-energy Business]

Overall for Non-energy Businesses, though sales were up due to strong performance mainly in the bicycle sharing business and the building maintenance and management business, profits were down, affected by increased SG&A expenses.

The circumstances of each business are outlined below.

The bicycle business operator Sinanen Bike Co., Ltd. posted earnings on par with the same period of the previous fiscal year, thanks to contributions from the company strengthening its sales of private brand products and promoting developing new corporations.

Bicycle sharing business operator Sinanen Mobility Plus Co., Ltd. is promoting development of bicycle sharing service DAICHARI locations. As of June 30, 2024, the scale of the business has grown to more than 3,700 stations and more than 12,500 bicycles, and the number of uses has been growing steadily. Both sales and profits were up as a result. We will continue to build a system to take charge of maintenance responsibilities for other companies, improve HELLO CYCLING's overall operational quality, and conduct demonstration experiments and other activities to provide services that are tailored to local governments.

Environmental and recycling business operator Sinanen Ecowork Co., Ltd. posted higher sales and profit due to profit contributions from spot orders, despite reduced volume of construction waste materials delivered due to sluggish growth in the number of new housing starts.

Antimicrobial business operator Sinanen Zeomic Co., Ltd. reported higher sales and profits due to strong sales of products for North America. We are also continuing our efforts to develop new sales channels in Europe.

Systems business operator Minos Co., Ltd. posted profits at the same level as in the same period of the previous fiscal year due to steady demand for its flagship LP gas backbone operation system. We will continue to promote new developments such as next-generation systems.

Building maintenance and management business operator Sinanen Axia Co., Ltd. posted lower profits due to an increase in selling, general and administrative expenses associated with the integration, despite the increase in sales due to the expansion of its area of building maintenance operations for multi-family housing and the acquisition of new projects in the facility operation business such as funeral halls and hospitals. In the Saitama area, the new Saitama Office was opened. We will continue to open new locations and promote initiatives for "ensuring stable profits" such as new orders for large properties.

As a result of the above, in Non-energy Businesses for the first three months of the fiscal year under review, net sales were 5,387 million yen (up 4.2% year on year), and operating profit was 197 million yen (down 26.9% year on year).

(2) Explanation concerning financial status

Total assets at the end of the first quarter of the fiscal year under review came to 87,283 million yen (down 21,196 million yen from the end of the previous fiscal year). This was mainly due to a seasonal decrease in trade receivables.

Liabilities were 34,163 million yen, down 21,001 million yen compared to the end of the previous year. This was mainly due to a seasonal decrease in trade payables and a decrease from repayment of short-term borrowings.

Net assets were 53,120 million yen, down 195 million compared to the end of the previous year. This was mainly due to a decrease in payment of dividends, which was partly offset by an increase due to recording profit attributable to owners of parent for the period.

As a result of the above, the equity ratio increased 11.7 percentage points compared to the end of the previous fiscal year to 60.8%.

(3) Explanation concerning forecasts for consolidated business results and other future projections

No changes have been made to the figures from the forecasts announced on May 14, 2024.

If a revision of earnings forecasts is necessary in the future in light of developments in the situation or the progress of the business, we will promptly disclose it.