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May 16, 2022

Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (Under Japanese GAAP)

Company name: SANIX INCORPORATED
Listing: Tokyo Stock Exchange / Fukuoka Stock Exchange
Securities code: 4651
URL: https://sanix.jp/lang_en/
Representative: Hiroshi Munemasa, President and Representative Director
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Scheduled date of annual general meeting of shareholders: June 29, 2022
Scheduled date to commence dividend payments: -
Scheduled date to file annual securities report: June 29, 2022
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for Institutional investor)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2022	50,936	3.1	(2,618)	-	(2,900)	-	(3,449)	-
March 31,2021	49,416	(5.9)	2,325	(16.7)	2,091	(19.3)	1,965	6.2

Note: Comprehensive income For the fiscal year ended March 31,2022: ¥(3,360) million [-%]
For the fiscal year ended March 31,2021: ¥2,040 million [9.5%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31,2022	(72.16)	-	(54.0)	(8.5)	(5.1)
March 31,2021	41.11	-	27.9	6.4	4.7

Reference: Share of profit (loss) of entities accounted for using equity method
For the fiscal year ended March 31,2022: ¥- million
For the fiscal year ended March 31,2021: ¥- million

The Company started to apply the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020), etc. at the beginning of the fiscal year under review. Therefore, figures for the fiscal year ended March 31, 2022 reflect the application of the said Accounting Standard, etc.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31,2022	34,953	4,732	13.5	98.52
March 31,2021	32,940	8,097	24.5	168.84

Reference: Equity
As of March 31,2022: ¥4,709 million
As of March 31,2021: ¥8,071 million

The Company started to apply the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020), etc. at the beginning of the fiscal year under review. Therefore, figures for the fiscal year ended March 31, 2022 reflect the application of the said Accounting Standard, etc.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31,2022	(3,067)	(2,937)	4,447	3,243
March 31,2021	2,756	(2,564)	(743)	4,760

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31,2021	0.00	0.00	0.00	0.00	0.00	0.00	-	-
Fiscal year ended March 31,2022	0.00	0.00	0.00	0.00	0.00	0.00	-	-
Fiscal year ending March 31,2023 (Forecast)	0.00	0.00	0.00	0.00	0.00		-	

3. Consolidated financial forecasts for the fiscal year ended March 31, 2023(from April 1, 2022 to March 31, 2023)

	Net sales		Operating Income		Ordinary Income		Profit attributable to owners of parent		Basic earnings per share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
First Half	24,279	4.9	779	32.2	666	35.8	562	325.4	11.76
Full Year	51,319	0.8	2,113	-	1,841	-	1,441	-	30.16

* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

Newly included: - companies (Company name)
Excluded: - companies (Company name)

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes/

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

Note :For details, please see 3.Consolidated Financial Statements and Main Notes to the Statements (5) Notes to the Consolidated Financial Statements (Changes in Accounting Policies) on page 23 of the attachment.

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31,2022	48,919,396 shares
As of March 31,2021	48,919,396 shares

(ii) Number of treasury shares at the end of the period

As of March 31,2022	1,114,838 shares
As of March 31,2021	1,114,693 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31,2022	47,804,606 shares
Fiscal year ended March 31,2021	47,804,857 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31,2022 (from April 1,2021 to March 31,2022)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31,2022	45,627	(1.9)	(3,338)	-	(3,048)	-	(3,374)	-
March 31,2021	46,518	(5.6)	1,088	(14.4)	1,304	(18.4)	1,286	20.4

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31,2022	(70.58)	-
March 31,2021	26.92	-

The Company started to apply the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020), etc. at the beginning of the fiscal year under review. Therefore, figures for the fiscal year ended March 31, 2022 reflect the application of the said Accounting Standard, etc.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31,2022	27,835	989	3.6	20.71
March 31,2021	25,441	4,386	17.2	91.75

Reference: Equity

As of March 31,2022: ¥989 million

As of March 31,2021: ¥4,386 million

The Company started to apply the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020), etc. at the beginning of the fiscal year under review. Therefore, figures for the fiscal year ended March 31, 2022 reflect the application of the said Accounting Standard, etc.

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements, including results forecasts, included in this material are based on the information that the Company has obtained and certain assumptions that the Company considers reasonable. Actual results may differ significantly for a range of factors. The assumptions for the results forecasts and cautions in the use of the forecasts are described in 1. Information of Business Results & Financial Position for the fiscal year ended March 31, 2022, (4) Information on the Future Outlook, Including the forecasts of Consolidated Business Results on page 8 of the Attachment

1. Index of the attachment

1. Information of Business Results & Financial Position for the fiscal year ended March 31, 2022

(1) Information on Consolidated Business Results

During the fiscal year under review, the Japanese economy showed signs of recovery as the state of emergency declared due to the COVID-19 pandemic was ended in October 2021 and economic activity resumed. However, a new highly infectious variant of the COVID-19 coronavirus caused a sharp increase in the number of new infections nationwide in January 2022. Moreover, in addition to the impact of the global shortage of semiconductors on various industries, there were concerns about the impact of Russia's invasion of Ukraine, and the outlook remained uncertain. In this situation, SANIX INCORPORATED and its consolidated subsidiaries (hereinafter the “Group”) continued their respective operations, while ensuring that COVID-19 preventive measures are taken.

Net sales of the Solar Engineering (SE) Division declined reflecting the effects of the Feed-in Tariff (FIT) System revision in photovoltaic systems. However, net sales for the Home Sanitation (HS) Division, the Establishment Sanitation (ES) Division, the Environmental Resources Development (ERD) Division, and the Energy Business (EB) Division increased firmly year on year. As a result, the Group's consolidated net sales for the consolidated fiscal year under review came to ¥50,936 million (up 3.1% year on year).

As for consolidated operating income, in addition to the decline in net sales for the SE Division and a rise in material prices, etc., repair expenses were posted in connection with the legal inspections of Tomakomai power plant in the ERD Division. Further, power procurement costs increased significantly because the Japan Electric Power Exchange (JEPX) market prices of electric power in the EB Division's PPS (Power Producer and Supplier) business rose sharply in October 2021 onward, and the tight power supply was caused by the earthquake off the coast of Fukushima Prefecture and global energy prices soared due to the Russia-Ukraine conflict in March 2022. In the SE Division and the EB Division, after considering the current business environment and future prospects, and examining the future recoverability, the Company recorded ¥226 million in impairment losses related to non-current assets owned as extraordinary losses.

As a result, the Group posted an operating loss of ¥2,618 million (operating income of ¥2,325 million in the previous year), an ordinary loss of ¥2,900 million (ordinary income of ¥2,091 million in the previous year), and a loss attributable to owners of parent of ¥3,449 million (profit attributable to owners of parent of ¥1,965 million in the previous year).

At the beginning of the fiscal year under review, the Company began applying the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020), etc. Year-on-year increases (decreases) and percentage changes from the results for the previous fiscal year based on the previous accounting method are stated to explain consolidated business results. Please refer to “3. Consolidated Financial Statements and the Primary Notes for the Fiscal Year Ended March 31, 2022 (5) Notes regarding the Consolidated Financial Statements (Changes in accounting policies)" for details.

Consolidated results of individual divisions for this fiscal year were as follows:

a. Solar Engineering (SE) Division

In the SE Division, net sales for photovoltaic systems decreased 17.9% year on year, reflecting the effects of a smaller number of investment projects for business attributable to the FIT system revision, despite an increase in smaller projects for home use, etc. by focusing on photovoltaic systems for surplus and self-consumption. As a result, net sales in this segment decreased to ¥8,780 million (down 17.0% year on year).

The segment posted an operating loss of ¥473 million (operating income of ¥250 million posted in the previous fiscal year) chiefly due to the impact of the decrease in net sales and the increase in material prices.

b. Home Sanitation (HS) Division

The HS Division refrained from new sales visits in areas where a state of emergency and quasi-emergency measures had been declared to prevent the spread of COVID-19. However, in other areas, sales activities were conducted as usual while taking thorough preventive measures. In addition, the number of sales offices increased 5 to a total of 53 for the fiscal year under review. By product, termite extermination services increased 2.1% year on year, the construction of underfloor/ceiling ventilation systems increased 5.9% year on year, basic repair work and housing reinforcement construction increased 16.8% year on year, and others rose 10.1% year on year. As a result, net sales for the segment totaled ¥12,421 million (up 7.5% year on year).

Operating income for the segment amounted to ¥2,382 million (up 6.0% year on year) due to an increase of net sales and improvements in the efficiency of installation offsetting increased personnel and other expenses caused by the expansion of the workforce resulting from sales office openings.

c. Establishment Sanitation (ES) Division

The ES Division improved relationships with building and condominium owners and partner companies, including management companies, by expanding business through an active increase of personnel and the opening of new sales offices. In addition, the number of sales offices increased 3 to a total of 12, for the fiscal year under review. Net sales for the installation of the Company's main anti-rust equipment (brand name: Daelman Shock) increased 0.6% year on year, and net sales for water supply and drainage repairs rose 16.8% year on year. Net sales for building water proofing work also rose 13.8% year on year. As a result, net sales for the segment totaled ¥2,487 million (up 5.8% year on year).

Operating income for the segment came to ¥227 million (down 17.8% year on year), with increases in personnel and other expenses by the expansion of staff resulting from sales office openings.

d. Environmental Resources Development (ERD) Division

In the ERD Division, plastic fuel sales increased 2.4% year on year due to an increase in the volume of waste accepted, waste water recycling rose 11.3% year on year, and final disposal increased 27.7% year on year. In addition, net sales declined 4.0% year on year for power plants, the result of conducting biennial legal inspections on SANIX ENERGY's Tomakomai power plant in April 2021. As a result, net sales for the segment totaled ¥17,008 million (up 2.6% year on year).

Operating income for the segment amounted to ¥3,158 million (down 14.0% year on year) chiefly due to the recording of repair expenses associated with the legal inspection of the Tomakomai power plant.

e. Energy Business (EB) Division

In the EB Division, in the fiscal year under review, we shifted the Tomakomai power plant to direct wholesale sales to external customers, not through the PPS business. In addition, we changed to a method recognizing revenue on a net basis for some transactions associated with the adoption of the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020), etc. Net sales decreased mainly because of these factors but the decrease was slight due to a higher negotiated sales value as a result of higher market prices during the winter season as well as an increase in the number of electricity retail contracts. As a result, net sales in this segment decreased to ¥10,296 million (down 1.7% year on year).

The segment posted an operating loss of ¥4,435 million (operating loss of ¥529 million in the previous fiscal year). This was attributable to a cost increase associated with a large increase in electricity procurement costs due to an unusually sharp rise in the unit cost of power procurement in the wholesale electricity trading market (JEPX) from October 2021 in the PPS business, as well as the tight power supply caused by the suspension of the operation of thermal power plants due to the earthquake off the coast of Fukushima Prefecture and soaring global energy prices due to the Russia-Ukraine conflict in March 2022.

New applications for electricity supply and demand contracts have been suspended since December 2021 due to a sharp rise in electricity procurement prices.

(2) Information of Consolidated Financial Position

Information on the status of Assets, of Liabilities, and of Net Assets

Total assets as of the end of the fiscal year under review amounted to ¥34,953 million, an increase of ¥2,013 million from the end of the previous consolidated fiscal year. Total liabilities stood at ¥30,221 million, an increase of ¥5,378 million from the end of the previous fiscal year. Net assets totaled ¥4,732 million, a decrease of ¥3,364 million from the end of the previous consolidated fiscal year. As a consequence, the shareholders' equity ratio stood at 13.5% as of March 31, 2022.

(The status of Assets)

Current assets decreased ¥81 million compared to the end of the previous year, coming to ¥14,551 million (down 0.6% year on year). This was primarily due to increases in notes and accounts receivable-trade of ¥1,364 million, work in process-construction of ¥137 million, and other under current assets of ¥122 million due to an increase in consumption taxes refund receivable. Meanwhile, cash and deposits decreased ¥1,342 million and raw materials and supplies decreased ¥448 million.

Fixed assets increased ¥2,095 million compared to the end of the previous year, amounting to ¥20,401 million (up 11.4% year on year). Major factors include a decrease in construction in progress of ¥1,517 million, while increases in machinery, equipment and vehicles of ¥1,233 million, buildings and structures of ¥1,194 million, and other under investments and other assets of ¥1,009 million due to an increase in long-term prepaid expenses.

(The status of Liabilities)

Current liabilities increased ¥4,856 million compared to the end of the previous year to ¥21,718 million (up 28.8% year on year). This result was largely attributable to increases in short-term loans payable of ¥3,521 million as power procurement funds in the PPS business and contract liabilities of ¥1,705 million through the application of Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020), etc., other under current liabilities decreased ¥425 million.

Non-current liabilities increased ¥522 million compared to the end of the previous year to ¥8,503 million (up 6.5% year on year). Major factors include decreases in long-term loans payable of ¥119 million and lease obligations of ¥185 million, with increases in other under non-current liabilities of 471 million due to a rise in long-term accounts payable, bonds payable of ¥200 million and liability related to retirement benefits of ¥103 million.

(The status of Net Assets)

Net assets decreased ¥3,364 million compared to the end of the previous year, coming to ¥4,732 million (down 41.6% year on year). The key factors contributing to the decrease included the posting of loss attributable to owners of parent of ¥3,449 million.

(3) Information of Consolidated Cash Flows

Cash and cash equivalents as of the end of the fiscal year under review decreased by ¥1,517 million compared to the end of the previous year, amounting to ¥3,243 million.

Cash flows and reasons for changes in cash flows during the period are described below.

(Net Cash Provided by Operating Activities)

Net cash used in operating activities was ¥3,067 million (proceeds of ¥2,756 million in the previous year). This is mainly due to loss before income taxes of ¥3,127 million.

(Net Cash Provided by Investment Activities)

Net cash used in investing activities was ¥2,937 million (expenditure of ¥2,564 million in the previous year). This is mainly due to purchases of property, plant and equipment of ¥2,494 million.

(Net Cash Provided by Financing Activities)

Net cash provided by financing activities was ¥4,447 million (expenditure of ¥743 million in the previous year). Main factors include ¥3,521 million in short-term loans payable on the net value basis and ¥1,227 million in proceeds from sale and installment back.

(Reference: The Cash Flow Indicators)

	Fiscal Year				
	FY2017	**FY2018**	**FY2019**	**FY2020**	**FY2021**
Shareholders' equity ratio	**13.5%**	**13.4%**	**18.5%**	**24.5%**	**13.5%**
Shareholders' equity ratio on a market price basis	**43.8%**	**37.5%**	**42.0%**	**47.5%**	**35.5%**
Interest-bearing liabilities ratio to cash flow	**5.85**	**-**	**3.04**	**4.16**	**-**
Interest coverage ratio	**10.81**	**-**	**21.61**	**13.02**	**-**

(Note) Shareholder's equity ratio: Shareholder's equity/Total assets

Share ratio on a market price basis: Total market value of stock/Total assets

Interest-bearing liabilities ratio to cash flow: Operating cash flow/Interest payment

Interest coverage ratio: Operating cash flow/Interest payment

1. The basis of the calculation for all values is consolidated financial data.
2. Market capitalization is calculated by multiplying the closing price of SANIX shares at the end of the fiscal year by the number of shares outstanding at the end of the fiscal year.
3. Operating cash flow refers to Cash Flows from Operating Activities according to the consolidated statement of cash flows. Interest-bearing liabilities are comprised of all liabilities on the consolidated balance sheet on which interest is payable. Interest expenditure refers to interest expenses paid according to the consolidated statement of cash flows.

(4) Information on the Future Outlook, Including the forecasts of Consolidated Business Results

Regarding the outlook for the future, the COVID-19 pandemic is expected to continue impacting business. In these circumstances, the Group will continue to work to create a sustainable society based on its corporate philosophy of "A comfortable environment for the next generation" by innovating and leveraging its business experience in living environments, the resource cycle and the energy sector while taking all measures to prevent COVID-19 infections.

The SE Division has changed the concepts behind products and the content of proposals and has shifted its business activities since FY2020 when a FIT system based on self-consumption was designed. With the recent surge in energy prices, electricity generated by photovoltaic systems is attracting attention. The Group will continue to advance the development of self-consumption photovoltaic systems for corporations and sales of the systems for home-use with storage batteries. Over the medium to long term, the Division assumes that markets for photovoltaic power generation systems for self-consumption, which reduce the environmental load through zero CO2 emissions while lowering electricity bills, the low initial investment PPA model (third-party owned), etc. will expand and spread across society.

The HS Division will strive to reinforce its business base, increase its personnel through hiring, open sales offices and increase the number of new customers and the total number of customers by further enhancing community-based new business development and after-sales systems for existing customers.

The ES Division will seek to cultivate partners such as management companies, introduce existing partners through close follow-ups, and increase opportunities for business negotiations with real estate owners, while in parallel facilitating new sales office openings. By doing so, it will continue to expand sales channels for the mainstay anti-rust equipment installation product (brand name: Daelman Shock).

The ERD Division has been facilitating the improvement of the quality of plastic fuel and the efficient operation of factories. The Group will continue to strive to improve business performance by increasing acceptance volume while focusing on profitability. We will start selling a new centralized waste management system (product name: Sanix System) at the source of emissions, which will support not only the waste treatment business but also cumbersome tasks such as contracts, management forms (manifest slips), and performance reporting to local governments, leading to continuing business transactions. The Division will also aim to grow the waste water recycling business by facilitating the manufacturing of renewable energy while taking into consideration a role of the resource recycling business in society. Regarding the business environment, there has been a global increase in awareness of environment pollution issues derived from waste plastics leading to the government's formulation of a Plastic Resources Recycling Strategy in May 2019. The environment-related market is expected to expand in the future as well. The Group will operate its business with an understanding that the business of appropriately processing and recycling waste plastics, a business the Group has been active in to date, is a business that is very much needed by society.

In the EB Division, we have decided to downsize the electric power retail business as we have judged that it will be difficult to secure profitability in the PPS business due to soaring prices in the wholesale electricity trading market (JEPX) and the prospect of energy prices remaining high for the time being due to the invasion of Ukraine by Russia. We will continue electricity supply and demand management operations with a view toward the commercialization of renewable energy introduction models such as self-consumption and PPA in sales of photovoltaic power generation systems, as well as energy management such as VPP.

The Company's rugby club, the Munakata Sanix Blues, was founded in 1994 and has been a member of Japan's top rugby league since 2003, enhancing the corporate brand and contributing to the local community. However, as a result of a comprehensive assessment of the current business environment, we have given up on strengthening and continuing the team under the same structure as before, and have suspended the activities of the rugby club as of the end of the league matches in May 2022.

In these circumstances, as for the forecast of consolidated financial results for the next fiscal year (ending March 31, 2023), the Group's business performance is expected to achieve net sales of ¥51,319 million (up 0.8％ year on year), operating income of ¥2,113 million (operating loss of ¥2,618 million in the previous year), ordinary income of ¥1,841 million (ordinary loss of ¥2,900 million in the previous year), and profit attributable to owners of parent of ¥1,441 million (loss attributable to owners of parent of ¥3,449 million in the previous year).

The above forecasts have been prepared based on information available as of the date of the announcement of the financial report. Actual results of operations may differ from forecasts due to many factors that may arise in the future.

The Company plans to announce a new medium-term management plan (FY2022-FY2024) as soon as it has been formulated, as we are reconsidering our medium-term business development and outlook due to the uncertain outlook in light of the recent global situation.

With respect to measures to address COVID-19, the Group will make efforts to continue its business in consideration of the situation that changes daily while prioritizing the safety of customers, business partners, community residents and employees and their families, preventing infections and any further spread. (Details of the Company’s measures are posted on its website)

(5) Important Matters Related to Going Concern Assumption

In the consolidated fiscal year under review, the Group posted a significant operating loss, ordinary loss, and loss attributable to owners of parent, and there are events or circumstances that may cast significant doubt on the premise of the Company's viability as a going concern.

This is because power procurement costs increased significantly due to the fact that the JEPX market prices of electric power in the EB Division's PPS business sharply rose in October 2021 onward, and the tight power supply was caused by the earthquake off the coast of Fukushima Prefecture, and global energy prices soared due to the Russia-Ukraine conflict in March 2022.

The Group has changed its policy and decided to conclude supply contracts within the scope of negotiated procurement to resolve this situation. By suspending new applications for electricity supply and demand contracts, shifting some of its electricity retail contracts to agency contracts, and terminating unprofitable negotiated wholesale contracts in March 2022 without renewing them, the risk of price fluctuations in electricity procurement as of the end of the fiscal year under review has been significantly reduced.

Meanwhile, business performance in other Divisions remained strong.

In terms of funding, we have explained the situation to the financial institutions and received their understanding of financial support. We have already procured the necessary funds and have obtained their agreement not to exercise the right to claim for forfeiture of the benefit of time with regard to the violation of financial covenants that have arisen in some of our loans. Based on the above, the Group believes that there is no material uncertainty regarding the going concern assumption.

2. Basic Position regarding the Choice of Accounting Standards

The Group will use the Japanese standards for the time being. In addition, our policy is to take proper steps toward the adoption of the International Financial Reporting Standards while giving due consideration to the circumstances in Japan and other countries.

3. Consolidated Financial Statements and Main Notes to the Statements

(1) Consolidated Balance Sheets

(In Millions of Yen)

	As of March 31	
	FY2020	**FY2021**
Assets:		
Current Assets:		
Cash and deposits	5,256	**3,914**
Notes and accounts receivable-trade	5,228	**-**
Notes receivable	-	**26**
Accounts receivable	-	**6,567**
Merchandise and finished goods	36	**81**
Work in process-construction	63	**201**
Raw materials and supplies	2,910	**2,462**
Other	1,330	**1,453**
Allowance for doubtful accounts	(194)	**(154)**
Total current assets	14,633	**14,451**
Fixed Assets:		
Tangible fixed assets:		
Buildings and structures, net	9,622	**11,096**
Less: Accumulated depreciation	(7,997)	**(8,277)**
Buildings and structures (net of depreciation)	1,624	**2,818**
Machinery, Equipment and vehicles, net	13,243	**14,629**
Less: Accumulated depreciation	(10,241)	**(10,394)**
Machinery, Equipment and vehicles (net of depreciation)	3,002	**4,235**
Land	8,094	**8,314**
Lease assets, net	1,513	**1,581**
Less: Accumulated depreciation	(635)	**(780)**
Lease Assets, net	877	**800**
Construction in progress	1,559	**41**
Other, net	970	**888**
Less: Accumulated depreciation	(807)	**(717)**
Other, net	163	**170**
Total Tangible fixed assets	15,322	**16,382**
Intangible fixed assets	773	**701**
Investments and other assets:		
Investment securities	120	**103**
Deferred tax assets	666	**592**
Lease and guarantee deposits	611	**794**
Other	1,373	**2,383**
Allowance for doubtful accounts	(560)	**(555)**
Total investments and other assets	2,210	**3,318**
Total fixed assets	18,306	**20,401**
Total Assets	32,940	**34,953**

(In Millions of Yen)

	As of March 31	
	FY2020	**FY2021**
Liabilities:		
Current Liabilities:		
Notes and accounts payable-trade	4,037	**3,798**
Short-term loans payable	6,630	**10,151**
Current portion of long-term loans payable	230	**386**
Current portion of bonds payable	-	**200**
Accounts payable	2,696	**2,964**
Accrued expenses	1,121	**1,107**
Lease obligations	476	**510**
Accrued income taxes	152	**307**
Accrued consumption taxes	602	**137**
Contract liabilities	-	**1,705**
Provision for bonus	256	**273**
Allowance for resource-recycling expenses	5	**8**
Other	648	**166**
Total current liabilities	16,861	**21,718**
Non-Current Liabilities:		
Bonds payable	500	**700**
Long-term loans payable	2,417	**2,297**
Lease obligations	1,208	**1,022**
Long-term lease deposited	45	**45**
Provision for directors’ retirement benefits	9	**4**
Provision for disposal site closing expenses	675	**732**
Liability related to retirement benefits	1,859	**1,963**
Other	1,265	**1,737**
Total non-current liabilities	7,981	**8,503**
Total Liabilities	24,842	**30,221**
Net Assets:		
Shareholders’ Equity:		
Capital stock	14,041	**14,041**
Capital surplus	1	**1**
Retained earnings	(4,541)	**(7,995)**
Treasury stock	(1,481)	**(1,481)**
Total shareholders’ equity	8,020	**4,566**
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	55	**43**
Foreign currency translation adjustment	1	**100**
Adjustment for retirement benefits (cumulative)	(5)	**(0)**
Total Accumulated other comprehensive income	50	**142**
Non-controlling Interests	25	**22**
Total Net Assets	8,097	**4,732**
Total Liabilities and Assets	32,940	**34,953**

(2) Consolidated Statements of Income and Comprehensive Income

(Consolidated Statements of Income)

(In Millions of Yen)

	From April 1 to March 31	
	FY2020	**FY2021**
Net sales	49,416	**50,936**
Cost of Sales	32,263	**38,842**
Gross Profit	17,153	**12,093**
Selling, General and Administrative expenses		
Sales commission	642	**696**
Advertising expenses	276	**353**
Provision of allowance for doubtful accounts	30	**(14)**
Salaries and bonuses	7,810	**7,406**
Provision for bonuses	163	**171**
Retirement benefit expenses	171	**195**
Legal welfare expenses	1,082	**1,053**
Rent expenses	1,007	**1,030**
Depreciation	294	**345**
Other	3,348	**3,474**
Total selling, general and administrative expenses	14,827	**14,711**
Operating Income (Loss)	2,325	**(2,618)**
Non-Operating Income:		
Interest income	15	**12**
Dividends income	2	**2**
Land and house rent revenue	63	**63**
Subsidy income	65	**7**
Other	47	**51**
Total non-operating income	195	**137**
Non-Operating Expenses:		
Interest expenses	208	**251**
Commission expenses	44	**25**
Loss on retirement of non-current asset	77	**75**
Other	98	**68**
Total non-operating expenses	429	**420**
Ordinary Income (Loss)	2,091	**(2,900)**
Extraordinary losses		
Impairment losses	-	**226**
Total extraordinary losses	-	**226**
Income (Loss) Before Income Taxes and Minority Interests	2,091	**(3,127)**
Income Taxes-Current	189	**246**
Income Taxes-Deferred	(62)	**78**
Total Income Taxes	127	**325**
Net Income	1,964	**(3,452)**
Net Income (Loss) Belonging to the Non-Controlling Shareholders	(0)	**(3)**
Net income (Loss) Belonging to the Shareholders of the Parent Company	1,965	**(3,449)**

(Consolidated Statements of Comprehensive Income)

(In Millions of Yen)

	From April 1 to March 31	
	FY2020	**FY2021**
Income Before Minority Interests	1,964	**(3,452)**
Other Comprehensive Income:		
Valuation difference on available-for-sale securities	23	**(11)**
Foreign currency translation adjustment	91	**99**
Retirement benefit adjustment	(39)	**5**
Total other comprehensive income	75	**92**
Comprehensive Net Income	2,040	**(3,360)**
Comprehensive Income Attributable to		
Comprehensive income (loss) belonging to the shareholders of the parent company	2,041	**(3,357)**
Comprehensive income (loss) belonging to non-controlling shareholders	(0)	**(3)**

(3) Consolidated Statements of Changes in Net Assets

The previous consolidated fiscal year (April 1, 2020 to March 31, 2021)

(In Millions of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	14,041	1	(6,506)	(1,481)	6,055
Changes of items during the period					
Net income belonging to the shareholders of the parent company			1,965		1,965
Purchase of treasury stock				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	-	1,965	(0)	1,965
Balance at the end of current period	14,041	1	(4,541)	(1,481)	8,020

(In Millions of Yen)

	Accumulated other comprehensive income				Minority interests	Total net assets
	Valuation difference on available for sale securities	Foreign currency translation adjustment	Retirement benefits adjustment	Total accumulated other comprehensive income		
Balance at the beginning of current period	31	(90)	34	(25)	26	6,056
Changes of items during the period						
Net income belonging to the shareholders of the parent company						1,965
Purchase of treasury stock						(0)
Net changes of items other than shareholders' equity	23	91	(39)	75	(0)	75
Total changes of items during the period	23	91	(39)	75	(0)	2,040
Balance at the end of current period	55	1	(5)	50	25	8,097

The consolidated fiscal year (April 1, 2021 to March 31, 2022)

(In Millions of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	14,041	1	(4,541)	(1,481)	8,020
Cumulative effects of changes in accounting policies			(4)		(4)
Restated balance	14,041	1	(4,545)	(1,481)	8,016
Changes of items during the period					
Net loss belonging to the shareholders of the parent company			(3,449)		(3,449)
Purchase of treasury stock				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	-	(3,449)	(0)	(3,449)
Balance at the end of current period	14,041	1	(7.995)	(1,481)	4,566

(In Millions of Yen)

	Accumulated other comprehensive income				Minority interests	Total net assets
	Valuation difference on available for sale securities	Foreign currency translation adjustment	Retirement benefits adjustment	Total accumulated other comprehensive income		
Balance at the beginning of current period	55	1	(5)	50	25	8,097
Cumulative effects of changes in accounting policies						(4)
Restated balance	55	1	(5)	50	25	8,092
Changes of items during the period						
Net loss belonging to the shareholders of the parent company						(3,449)
Purchase of treasury stock						(0)
Net changes of items other than shareholders' equity	(11)	99	5	92	(3)	89
Total changes of items during the period	(11)	99	5	92	(3)	(3,360)
Balance at the end of current period	43	100	(0)	142	22	4,732

(4) Consolidated Statements of Cash Flows

(In Millions of Yen)

	April 1 to March 31	
	FY2020	**FY2021**
Net Cash Provided by (used in) Operating Activities :		
Income before income taxes and minority interests	2,091	**(3,127)**
Depreciation and amortization	1,097	**1,509**
Impairment losses	-	**226**
Increase (decrease) in provision for retirement benefits for directors	-	**(5)**
Increase (Decrease) in provision for bonuses	(0)	**17**
Increase (Decrease) in allowance for disposal site closing expenses	37	**57**
Increase (Decrease) in allowance for resource-recycling expenses	3	**(0)**
Increase (Decrease) in liabilities in retirement	91	**109**
Increase (Decrease) in allowance for doubtful accounts	(30)	**(44)**
Interest and dividends income	(18)	**(14)**
Interest expenses	208	**251**
Decrease (Increase) in notes and accounts receivable-trade	225	**(1,332)**
Decrease (Increase) in inventories	752	**301**
Decrease (Increase) in other current assets	73	**(88)**
Increase (Decrease) in notes and accounts payable-trade	251	**(390)**
Increase (Decrease) in accounts payable – other	(898)	**138**
Increase (Decrease) in consumption tax refund receivable	(13)	**(465)**
Increase (Decrease) in other current liabilities	(368)	**71**
Other	139	**30**
Subtotal	3,643	**(2,756)**
Interest and dividends income received	17	**14**
Interest expenses paid	(211)	**(243)**
Income taxes paid	(708)	**(172)**
Income taxes refund	15	**90**
Net cash provided by operating activities	2,756	**(3,067)**
Net Cash Provided by (used in) Investment Activities:		
Payments into time deposits	(702)	**(851)**
Proceeds from withdrawal of time deposits	909	**747**
Purchase of tangible fixed assets	(2,247)	**(2,494)**
Proceeds from sales of tangible fixed assets	8	**20**
Purchase of intangible assets	(471)	**(140)**
Other	(62)	**(217)**
Net cash provided by investing activities	(2,564)	**(2,937)**

	April 1 to March 31	
	FY2020	**FY2021**
Net Cash Provided by (used in) Financing Activities:		
Increase (Decrease) in short-term loans payable	(2,895)	**3,521**
Proceeds from long-term loans payable	2,420	**297**
Repayments of long-term loans payable	(963)	**(261)**
Proceeds from issuance of bonds	-	**1,000**
Redemption of bonds	-	**(600)**
Proceeds from sale and leaseback transactions	635	**185**
Repayments of finance lease liabilities	(338)	**(476)**
Proceeds from sale and installment back	681	**1,227**
Repayments of installment payables	(239)	**(420)**
Other	(44)	**(25)**
Net cash provided by financing activities	(743)	**4,447**
Effect of Exchange Rate Changes on Cash and Cash Equivalents	52	**39**
Net Increase (Decrease) in Cash and Cash Equivalents	(498)	**(1,517)**
Balance of Cash and Equivalents at beginning of period	5,259	**4,760**
Balance of Cash and Equivalents at end of period	4,760	**3,243**

(5) Notes to the Consolidated Financial Statements

(Notes to Assumption of Going Concern)

: None

(Changes in accounting policies)

(Adoption of the Accounting Standard for Revenue Recognition）

From the beginning of the first quarter of the fiscal year ending March 31, 2022, the Company began adopting the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29. March 31, 2020, hereinafter "Revenue Recognition Accounting Standard"), etc. The Company has decided to recognize revenue at the amount it expects to receive in exchange for the promised goods or services when control of the goods or services is transferred to the customer.

Major changes due to the adoption of the Revenue Recognition Accounting Standard are as follows:

1. Revenue Recognition from the Satisfaction of Performance Obligations

For some warrantied parts of solar photovoltaic generation systems sales, revenue was previously recognized, including revenue from system sales, at the completion of installation. However, we have changed to a method recognizing revenue over the warranty period.

In addition, regarding retail sales of electricity, revenue was previously recognized based on the meter reading date (a method of recognizing revenue based on the amount of usage confirmed by meter readings conducted on days other than the end of each month). However, we have changed to a method estimating and recording the revenue generated from the date of meter reading conducted in the closing month to the closing date, in accordance with Paragraph 103-2 of the "Application Guidance on Revenue Recognition Accounting Standard " (ASBJ Guidance No. 30, March 26, 2021).

2. Recognition of Revenue from Proxy Transactions

For transactions in which the Group's role in the sale to the customer is that of an agent, the Group previously recognized the total amount of the consideration received from the customer as revenue. However, the Group has changed to a method of recognizing revenue on a net basis deducting the amount paid to third parties from the total amount of the consideration.

We apply the Revenue Recognition Accounting Standard, etc. in accordance with the transitional treatment prescribed in the proviso of Paragraph 84 of the Revenue Recognition Accounting Standard. The cumulative effect of retroactively applying the new accounting policy prior to the beginning of the fiscal year under review was added to or deducted from retained earnings at the beginning of the fiscal year under review, and the new accounting policy has been applied from the beginning balance of the fiscal year under review. However, we have applied the method prescribed in Paragraph 86 of the Revenue Recognition Accounting Standard and have not retrospectively applied the new accounting policy to contracts in which almost all of the revenue amount was recognized in accordance with the previous treatment prior to the beginning of the fiscal year under review. In addition, we account for all contract changes made prior to the beginning of the fiscal year under review by applying the method prescribed in (1) of Paragraph 86 of the Revenue Recognition Accounting Standard based on the contract terms, after reflecting all contract changes, and added or subtracted their cumulative effect to or from retained earnings at the beginning of the fiscal year under review.

In addition, notes and accounts receivable - trade, which was indicated under current assets in the consolidated balance sheets for the previous fiscal year, began to be included in notes receivables and accounts receivable from the fiscal year under review, and advances received, which was indicated in other under current liabilities, began to be included in contract liabilities from the fiscal year under review. In accordance with the transitional treatment prescribed in Paragraph 89-2 of the Revenue Recognition Accounting Standard, no reclassification has been made to the prior year's consolidated financial statements to conform to the new presentation.

As a result, compared to before the application of the Revenue Recognition Accounting Standard, etc. in the consolidated balance sheet for the fiscal year under review, accounts receivable increased ¥102 million, other under current assets increased ¥280 million, other under investments and other assets increased ¥1,039 million, notes and accounts payable-trade increased ¥141 million and contract liabilities increased ¥1,705 million, respectively, while other under current liabilities decreased ¥425 million. In the consolidated statement of income for the fiscal year under review, net sales, the cost of sales, and selling, general and administrative expenses decreased ¥1,515 million, ¥1,515 million and ¥10 million, respectively, while operating income, ordinary income and income before income taxes all increased ¥10 million. In the consolidated statement of cash flows for the fiscal year under review, income before income taxed increased ¥10 million. The initial balance of retained earnings in the consolidated statement of changes in net assets decreased by ¥4 million due to the application of the cumulative effect to net assets as of the beginning of the fiscal year under review.

The effect on per-share information is stated in relevant sections.

According to the transitional measures prescribed in Paragraph 89-3 of the Revenue Recognition Accounting Standard, information that breaks down revenue from contracts with customers for the previous fiscal year is not presented.

(Application of the Accounting Standard for Fair Value Measurement, etc.)

The Company began applying the Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30. July 4, 2019), etc. from the first quarter of the current fiscal year.

Accordingly, the Company decided to apply into the future new accounting policies prescribed in the Accounting Standard for Fair Value Measurement, etc., in accordance with transitional treatment prescribed in Paragraph 19 of the said Accounting Standard and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10. July 4, 2019).

The application of the new accounting policies has no effect on quarterly consolidated financial statements.

(Segment information)

Ⅰ Information concerning the Amount of Net Sales and Operating Income (loss) by segment

i) FY2020 (From April 1, 2020 to March 31, 2021)

(In Millions of Yen)

	Segments						Elimination or Group (note1)	Consolidated (note2)
	SE	HS	ES	ERD	EB	Total		
Sales:								
Sales to customers	10,584	11,549	2,351	14,467	10,463	49,416	-	49,416
Internal sales Among segments and transfer accounts	-	-	-	2,111	12	2,123	(2,123)	-
Total	10,584	11,549	2,351	16,578	10,475	51,540	(2,123)	49,416
Operating income (loss)	250	2,248	276	3,673	(529)	5,919	(3,593)	2,325
Assets	5,450	2,641	348	16,292	1,947	26,680	6,259	32,940
Others:								
Depreciation	86	42	2	736	5	873	223	1,097
Increase in property, plant and equipment and intangible assets	116	30	8	2,248	13	2,417	666	3,083

(note1) Negative ¥3,593 million for adjustments of Operating income (loss) represents corporate expenses not allocated to reportable segments. Corporate expenses are mainly general and administrative expenses note attributable to reportable segments.

(note2) An adjustment of segment assets is the Company assets of ¥6,259 million that are not allocated to the reportable segments and consist mainly of surplus funds for investment (cash and deposits), long-term invested funds (investment securities) and assets related to administrative divisions.

(note3) Operating income (loss) is adjusted to operating loss of quarterly consolidated statements of income.

Ⅱ Information concerning the Amount of Net Sales and Operating Income (loss) by Segment

i) FY2021 (From April 1, 2021 to March 31, 2022)

	Segments						Elimination or	Consolidated
	SE	HS	ES	ERD	EB	Total	Group (note1)	(note 2)
Sales								
Sales and installation of PV system	8,447	-	-	-	-	8,447	-	8,447
Wholesale of PV system	261	-	-	-	-	261	-	261
Termite control construction	-	3,641	-	-	-	3,641	-	3,641
Under-floor/attic ventilation system	-	3,141	-	-	-	3,141	-	3,141
Foundation Repair/ Home Reinforcement System	-	2,054	-	-	-	2,054	-	2,054
Anti-rust equipment installation	-	-	1,221	-	-	1,221	-	1,221
Water supply and drainage repair	-	-	659	-	-	659	-	659
Waterproofing and renovation of buildings	-	-	207	-	-	207	-	207
Plastic fuel	-	-	-	10,574	-	10,574	-	10,574
Power Plant	-	-	-	2,958	-	2,958	-	2,958
Organic Waste liquid treatment	-	-	-	2,073	-	2,073	-	2,073
Landfill	-	-	-	911	-	911	-	911
Sales of Electricity	-	-	-	-	9,808	9,808	-	9,808
Others	71	3,584	398	461	459	4,976	-	4,976
Revenue from contracts with customers	8,780	12,421	2,487	16,979	10,268	50,936	-	50,936
Sales to customers	8,780	12,421	2,487	16,979	10,268	50,936	-	50,936
Internal sales among segments and transfer accounts	-	-	-	28	27	56	(56)	-
Total	8,780	12,421	2,487	17,008	10,296	50,993	(56)	50,936
Operating income (loss)	(473)	2,382	227	3,158	(4,435)	859	(3,477)	(2,618)
Assets	5,364	2,595	343	17,686	3,149	29,140	5,813	34,953
Others								
Depreciation	63	44	3	1,098	3	1,212	297	1,509
Impairment losses	186	-	-		40	226	-	226
Increase in property, plant and equipment and intangible assets	26	51	3	2,410	25	2,517	259	2,776

(note1) Negative ¥3,477 million for adjustments of Operating income (loss) represents corporate expenses not allocated to reportable segments. Corporate expenses are mainly general and administrative expenses note attributable to reportable segments.

(note2) An adjustment of segment assets is the Company assets of ¥5,813 million that are not allocated to the reportable segments and consist mainly of surplus funds for investment (cash and deposits), long-term invested funds (investment securities) and assets related to administrative divisions.

(note3) Operating income (loss) is adjusted to operating loss of quarterly consolidated statements of income.

ii) Information on changes in reportable segments

As described in (Changes in Accounting Policies), starting from the beginning of the fiscal year under review, the Company began adopting the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020), etc. The Company has changed its accounting method for revenue recognition.

Net sales in the SE Division increased by ¥145 million, net sales in HS Division, ERD Division, and EB Division decreased by ¥10 million, ¥206 million, and ¥1,338 million respectively for the fiscal year under review due to the change, compared with those under the previous accounting method. The impact on segment income or loss is immaterial.

(Per-share information)

	FY2020 (Apr.1, 2020 to Mar.31, 2021)	FY2021 (Apr.1, 2021 to Mar.31, 2022)
Net assets per share	¥168.84	¥98.52
Net Income per Share, Diluted	¥41.11	(¥72.16)

1. The diluted earnings per share for the fiscal year under review is not stated because it is net loss per share and there are no residual shares. The diluted earnings per share for the previous fiscal year is not stated because there are no residual shares.

2. As described in (Changes in Accounting Policies), the Company applied the Revenue Recognition Accounting Standard, etc. (ASBJ Statement No. 29, March 31, 2020) and followed the transitional measures prescribed in the proviso of Paragraph 84 of the Revenue Recognition Accounting Standard. Consequently, net assets per share increased ¥0.11 and net loss per share decreased ¥0.21 during the fiscal year under review.

	FY2020 (Apr.1, 2020 to Mar.31, 2021)	FY2021 (Apr.1, 2021 to Mar.31, 2022)
Total amount in net assets (¥ million)	8,097	4,732
Amounts deducted from the total amount in net assets (¥ million)	25	22
Non-controlling interests (¥ million)	(25)	(22)
Net assets at the end of period on common shares (¥ million)	8,071	4,709
Number of common shares at the end of period used in calculation of net assets per share (shares)	47,804,703	47,804,558

3.The calculation basis of net income per share is as follows.

	FY2020 (Apr.1, 2020 to Mar.31, 2021)	FY2021 (Apr.1, 2021 to Mar.31, 2022)
Net Income per Share, Diluted (¥ million)	1,965	(3,449)
The calculation basis of net income per share is as follows (¥ million)	—	—
Profit attributable to owners of parent on common shares (¥ million)	1,965	(3,449)
Average number of common shares during the fiscal year (shares)	47,804,857	47,804,606

(Significant subsequent events)

None

4. Supplemental Information

Consolidated Net Sales by Division

(In Million of Yen)

Item		Unit	From April 1 to December 31 FY2020 QTY	FY2020 Amount	FY2021 QTY	FY2021 Amount	Comparison QTY	Comparison Amount
	Sales and installation of PV system	kW	52, 225	10, 284	30, 605	8, 447	-21, 620	-1, 837
	Wholesale of PV system	—	—	210	—	261	—	50
	Others	—	—	89	—	71	—	-17
Solar Engineering Division Total		—	—	10, 584	—	8, 780	—	-1, 803
	Termite control construction	*1,000 tsubo	579	3, 568	589	3, 641	9	73
	Under-floor/attic ventilation system	—	—	2, 965	—	3, 141	—	175
	Foundation Repair/ Home Reinforcement System	House	4, 290	1, 759	4, 957	2, 054	667	294
	Others	—	—	3, 256	—	3, 584	—	327
Home Sanitation Division Total		—	—	11, 549	—	12, 421	—	871
	Anti-rust equipment installation	Piece	1, 122	1, 214	1, 171	1, 221	49	7
	Water supply and drainage repair	—	—	564	—	659	—	94
	Waterproofing and renovation of buildings	—	—	182	—	207	—	25
	Others	—	—	390	—	398	—	8
Establishment Sanitation Division Total		—	—	2, 351	—	2, 487	—	135
	Plastic fuel	t	266, 464	10, 330	281, 801	10, 574	15, 337	244
	Power Plant	—	—	3, 110	—	2, 986	—	-123
	Waste liquid treatment	t	95, 882	1, 863	102, 210	2, 073	6, 328	209
	Landfill	—	—	713	—	911	—	197
	Others	—	—	561	—	461	—	-99
Environmental Resources Development Division Total		—	—	16, 578	—	17, 008	—	429
	Sales of Electricity	—	—	9, 890	—	9, 836	—	-54
	Others	—	—	585	—	459	—	-125
Energy Business Division		—	—	10, 475	—	10, 296	—	-179
Adjustment of intersegment sales		—	—	-2, 123	—	-56	—	2, 067
Total Net Sales		—	—	49, 416	—	50, 936	—	1, 520

(Note 1) Descriptions are omitted for items that are handled in such a wide range that it is difficult to grasp their quantity.

(Note 2) 1,000 tsubo is approximately 3,305.785 ㎡.

(Note 3) From the beginning of the first quarter of fiscal year ending March 31, 2022, the Company began adopting the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29. March 31, 2020), etc. The figures for the first quarter of the fiscal year ending March 31, 2022 are the figures after the application of the relevant accounting standards.