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

February 10, 2025

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) Executive Officer and Head of Finance and IR Department (Name)Tatsuhiko Terada
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 Nine Months Ended December 31, 2024 (April 1 - December 31, 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	%
Nine Months Ended December 31, 2024	210,679	(11.3)	1,759	–	2,292	–	1,096	–
Nine Months Ended December 31, 2023	237,553	0.9	(2,202)	–	(1,562)	–	(2,164)	–

(Note) Comprehensive income Nine Months Ended December 31, 2024 894 million yen (-%)
Nine Months Ended December 31, 2023 -1,452 million yen (-%)

	Profit per share	Diluted profit per share
	Yen	Yen
Nine Months Ended December 31, 2024	100.83	–
Nine Months Ended December 31, 2023	(198.79)	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of December 31, 2024	109,205	53,402	48.9
As of March 31, 2024	108,480	53,315	49.1

(Reference) Shareholders' equity As of December 31, 2024 53,382 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	–	165.46

(Note) 1. Revisions to most recently announced results forecast: None

2. The Company resolved to cancel treasury shares at a meeting of the Board of Directors held on January 31, 2025. The impact of the cancellation of treasury shares has been taken into account in the consolidated forecast of profit per share. For more information on the cancellation of treasury shares, please refer to the "Notice of Completion of Cancellation of Treasury Shares" announced today (February 10).

* Notice:

(1) Significant changes in the scope of consolidation during the period : Yes

New: - company(ies) (Company name(s)) Excluded: 1 company (Company name) Deguchi Homes Inc.

(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 7 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 December 31, 2024	13,046,591 shares	As of March 31, 2024	13,046,591 shares
(b) Number of treasury shares	As of December 31, 2024	2,167,186 shares	As of March 31, 2024	2,169,811 shares
(c) Average number of shares during the period	Nine months ended December 31, 2024	10,878,287 shares	Nine months ended December 31, 2023	10,885,840 shares

* 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, for crude oil prices and propane contract prices, which affect the purchasing prices in our mainstay area of petroleum and LP gas, crude oil prices remained on a downward trend due to reduced demand, which was mainly due to the economic slowdown in China. However, propane contract prices showed an upward trend due to the increase in domestic demand in the Southeast Asia region. Furthermore, in the electricity market, power supply and demand was stable and wholesale market prices remained low due to factors including decreased demand.

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. As announced in timely disclosures on December 27, 2024, we are working together as a group under a new management structure to integrate and restructure the core businesses of the Group, and re-examine the business portfolio from a perspective of profitability and capital effectiveness improvement.

In the first nine months of the fiscal year under review, sales volume of petroleum products and electricity decreased. As a result, net sales were 210,679 million yen (down 11.3% year on year). In terms of profit and loss, mainly in the electricity business, the transition to market-linked plans and the review of the management system have contributed, marking a return to profit. As a result, there was an operating profit of 1,759 million yen (compared to operating loss of 2,202 million yen in the same period of the previous year) and ordinary profit was 2,292 million yen (compared to ordinary loss of 1,562 million yen in the same period of the previous year). In addition, due to factors such as impairment in non-current assets and a loss on sale of shares of subsidiaries, profit attributable to owners of parent came to 1,096 million yen (compared to loss attributable to owners of parent of 2,164 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)]

In terms of sales, although sales volumes in the electricity business decreased, the upward trend in propane CP compared to the previous year and the impact of yen depreciation meant that unit selling prices for mainstay area of LP gas and kerosene remained high, and sales were on a par with the previous year as a result.

In terms of profit and loss, although factors such as transportation costs and personnel expenses increased, profit increased mainly due to such as improvements in electricity business gross profit, which had deteriorated in the previous fiscal year.

As a result of the above, net sales in the Retail/Wholesale Energy & Related Business (B to C business) for the first nine months of the fiscal year under review were 48,695 million yen (up 0.0% year on year), and operating profit was 88 million yen (compared to operating loss of 495 million yen in the same period of the previous year).

[Energy Solution Business (B to B Business)]

In terms of sales, sales decreased due to factors such as the impact of a decrease in sales volume accompanying the transition to market-linked plans that emphasizes securing profits in the electricity business.

As for profit and loss, profits increased due to the impact of factors including the above-mentioned transition to market-linked plans and the review of the management system that improved the gross profit margin of the electricity business, which had deteriorated.

As a result of the above, in the Energy Solutions Business (B to B Business) for the first nine months of the fiscal year under review, net sales were 146,286 million yen (down 15.8% year on year), and operating profit was 1,142 million yen (compared to operating loss of 2,335 million yen in the same period of the previous year).

[Non-energy Business]

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

The main factors are as follows.

Bicycle sharing business operator Sinanen Mobility Plus Co., Ltd. is promoting development of bicycle sharing service DAICHARI locations. As of December 31, 2024, the scale of the business has grown to more than 3,800 stations and more than 14,000 bicycles, and the number of uses has been growing steadily. However, sales increased and profits decreased as a result of factors including an increase in maintenance expenses.

Systems business operator Minos Co., Ltd. posted an increase in sales but a decrease in profits due to the increase in SG&A expenses, such as personnel expenses and fixed costs, despite the stable contribution from its flagship LP gas backbone operation system.

Building maintenance and management business operator Sinanen Axia Co., Ltd. posted lower profits due to an increase in SG&A expenses associated with the integration, despite the increase in sales due to the contribution from the expansion of its area of building maintenance operations for multi-family housing and the increase in sales due to strong performance of the facility operation business such as funeral halls and hospitals.

As a result of the above, in Non-energy Businesses for the first nine months of the fiscal year under review, net sales were 15,544 million yen (up 3.6% year on year), and operating profit was 404 million yen (down 38.6% year on year).

(2) Explanation concerning financial status

Total assets at the end of the third quarter of the fiscal year under review came to 109,205 million yen (up 725 million yen from the end of the previous fiscal year). This was mainly due to a seasonal increase in trade receivables.

Liabilities were 55,803 million yen, up 638 million yen compared to the end of the previous year. This was mainly due to a seasonal increase in trade payables, despite a decrease from repayment of short-term borrowings.

Net assets were 53,402 million yen, up 86 million yen compared to the end of the previous year. This was mainly due to an increase due to recording profit attributable to owners of parent for the period despite a decrease from payment of dividends and a decrease in valuation difference on available-for-sale securities.

As a result of the above, the equity ratio decreased 0.2 percentage points compared to the end of the previous fiscal year to 48.9%.

(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.