



# **SANIX INCORPORATED**

## **Consolidated/Non-Consolidated Financial Summary**

**For the third quarter ended December 31, 2007**

The financial figures in this document are based on Japanese Accounting Standards and accompanying laws. This document is an English translation of the Japanese-language original.

**Consolidated Financial Statements**

For the third quarter ended December 31, 2007

**SANIX INCORPORATED**

Stock Listed: Tokyo Stock Exchange First Section, Osaka Stock Exchange First Section,  
Fukuoka Stock Exchange

Code No.: 4651

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**1. Consolidated Financial Highlights for the third quarter ended December 31, 2007****(1) Consolidated Operating Results**

(Millions of Yen)

	Third quarter				Fiscal year
	from April 1 to December 31				ended March 31
	FY2007	% change	FY2006	% change	FY2006
Net Sales . . . . .	<b>20,129</b>	<b>(9.9)</b>	22,350	(22.6)	28,908
Operating Income . . . . .	<b>390</b>	-	(1,606)	-	(1,568)
Recurring Profit . . . . .	<b>301</b>	-	(1,684)	-	(1,659)
Net Income . . . . .	<b>(408)</b>	-	(1,864)	-	(1,930)
Net Income per Share(¥) . . . . .	<b>(¥8.57)</b>	-	(¥42.36)	-	(¥43.03)
Net Income per Share, Diluted(¥) . . . . .	-	-	-	-	-

Note: Percentages indicate the increase and decrease compared with the previous third quarter.

**(2) Consolidated Financial Position**

(Millions of Yen)

	As of December 31		As of March 31
	FY2007	FY2006	FY2006
	Total Assets . . . . .	<b>29,285</b>	33,491
Net Assets . . . . .	<b>17,058</b>	17,606	17,540
Owners' Equity Ratio (%) . . . . .	<b>58.2%</b>	52.5%	53.6%
Net Assets per Share (¥) . . . . .	<b>¥357.13</b>	¥368.55	¥367.19

**(3) Consolidated Financial Cash Flows**

(Millions of Yen)

	Third quarter		Fiscal year
	from April 1 to December 31		ended March 31
	FY2007	FY2006	FY2006
Cash Flows from Operating Activities . . . . .	<b>1,196</b>	(1,132)	(1,006)
Cash Flows from Investing Activities . . . . .	<b>2,379</b>	1,480	1,583
Cash Flows from Financing Activities . . . . .	<b>(2,788)</b>	(1,064)	(1,380)
Balance of Cash and Cash Equivalents at End of Period . . . . .	<b>1,382</b>	682	595

## 2. Forecasts for Consolidated Business Results (for the Fiscal Year ending March 31, 2008)

(Millions of Yen)

	Full Year as of March 31	% Change
Net Sales . . . . .	27,900	(3.5)
Operating Income . . . . .	1,500	-
Recurring Profit . . . . .	1,430	-
Net Income . . . . .	660	-
Net Income per Share(¥) . . . . .	¥13.84	-

## 3. Others

(1) Change in application range of consolidation and equity method: None

(2) Use of simplified accounting methods: None

(3) Change in accounting methods from recent fiscal years: 2

Accounting method for reserve for directors' retirement allowances and depreciation of the tangible fixed assets.

## Reference: Non-Consolidated Financial Highlights

### 1. Non-Consolidated Financial Highlights for the third quarter ended December 31, 2007

#### (1) Non-Consolidated Operating Results

(Millions of Yen)

	Third quarter				Fiscal year
	from April 1 to December 31				ended March 31
	FY2007	% change	FY2006	% change	FY2006
Net Sales . . . . .	19,474	(7.6)	21,073	(24.3)	27,457
Operating Income . . . . .	459	-	(1,567)	-	(1,497)
Recurring Profit . . . . .	204	-	(1,683)	-	(1,650)
Net Income . . . . .	(513)	-	(1,814)	-	(1,865)
Net Income per Share(¥) . . . . .	(¥10.75)	-	(¥41.24)	-	(¥41.58)
Net Income per Share, Diluted(¥) . . . . .	-	-	-	-	-

Note: Percentages indicate the increase and decrease compared with the previous third quarter.

#### (2) Non-Consolidated Financial Position

(Millions of Yen)

	As of December 31		As of March 31
	FY2007	FY2006	FY2006
Total Assets . . . . .	28,700	32,865	32,261
Net Assets . . . . .	16,432	17,065	17,016
Owners' Equity Ratio (%) . . . . .	57.3%	51.9%	52.7%
Net Assets per Share (¥) . . . . .	¥344.41	¥357.68	¥356.66

### 2. Forecasts for Non-Consolidated Business Results (for the Fiscal Year ending March 31, 2008)

(Millions of Yen)

	Full Year	% Change
	as of March 31	
Net Sales . . . . .	26,770	(2.5)
Operating Income . . . . .	1,590	-
Recurring Profit . . . . .	1,330	-
Net Income . . . . .	560	-
Net Income per Share(¥) . . . . .	¥11.74	-

Note: Forecasts in this document are based on assumptions, prospects and plans as of the date of this document. Actual results may differ significantly from these forecasts, due to various factors affecting the Company's business performance, such as change in economical conditions.

# Business Results

## For the Third Quarter ended December 31, 2007

### 1. Earnings

During the first three quarters of fiscal 2007, while Japanese economy remained steady with the increase in capital investments supported by the improving corporate profits, people's sense of uncertainty for the future has become strong due to the sub-prime loan problem in the U.S, the sharp rise of the crude price and other factors.

In the environmental sanitation industry, people's consciousness of environmental preservation including recycling has enhanced. Moreover, their interest in the maintenance of houses and buildings remained strong. The environmental sanitation industry's role as a "venous" industry has increasingly become important. Under these circumstances, it is necessary for a company to maintain high corporate posture by providing attractive products and demonstrating responsiveness to customer requests to get ahead of competitors and to be chosen by discerning consumers.

Under these circumstances, the SANIX Group reinforced legal compliance and customer-oriented marketing to recover customer confidence in the Company. At the same time, SANIX focused on improving productivity, reducing costs and implementing other streamlining measures to improve profitability.

The operating results of the HS Division recovered after difficulties that have continued since the previous second quarter. In the Environmental Resource Development Division, the safety program was redesigned in response to a fire that occurred at the SANIX Energy Tomakomai Power Plant (Tomakomai, Hokkaido) in the fourth quarter of FY2006. Since this redesign took longer than expected, the operating results of the Division were adversely affected temporarily. The operation of the Plant was also suspended voluntarily in November 2007, in response to the detection of exhaust gas exceeding the density limit designated in the pollution control agreement, until the cause was identified and measures for preventing recurrence were implemented. As a result of these suspensions of the power plant operation, acceptance of waste plastic was limited to minimize the expansion of the plastic fuel stock. Moreover, to concentrate management resources on the Home Sanitation Division, which is the core business of the Group, the Kitakyushu Plant (engaged in incineration and plastic processing) was transferred to Asahipretec Corporation on November 6, 2007.

As a result, sales for the third quarter of fiscal 2007 totaled 20,129 million yen, which was a 9.9% decrease from the same period last year. Operating profit improved to 390 million yen (compared with operating loss of 1,606 million yen in the same period of the previous year) and recurring profit improved to 301 million yen (compared with recurring loss of 1,684 million yen in the same period of the previous year). This improvement was mainly due to the improvement in profit structure achieved through cost reduction and recovery of sales in the HS Division where the marginal profit ratio is high. Net loss improved to 408 million yen, compared with net loss of 1,864 million yen in the same period of the previous year.

Consolidated earnings of individual divisions were as follows:

## **Earnings of individual divisions:**

### **Home Sanitation Division**

Sales by the HS Division increased by 1.1% to 11,855 million yen compared with the same period of the previous year, supported by strong sales of the House Foundation Repair and Reinforcement Service, a new business started in February 2007. Monthly sales have continued growing since July 2007, compared with the same month in the previous year.

Operating profit increased significantly to 3,094 million yen from operating profit of 1,211 million yen in the same period of the previous year. Major reasons for this improvement were improved productivity that resulted in improved ratio of labor cost to sales, and reduced fixed expenses. The ratio of operating profit to sales increased to 26.1%, a 15.8 points increase from the same period of the previous year.

### **Establishment Sanitation Division**

To improve its marketing efficiency, the ES Division has promoted shift from marketing to individual owners to collaboration with building management companies and other institutional customers. However, the positive impact of this shift has not seen yet since such marketing approach takes rather long time until contracts and installations are completed. Accordingly new sales decreased. As a result, sales decreased by 18.2% to 2,579 million yen.

The decline in revenue could not be offset fully by cost reductions promoted mainly in SGA expenses. As a result, an operating loss of 130 million yen was recorded (compared to an operating loss of 219 million in the same period of the previous year).

### **Environmental Resources Development Division**

Revenues from electric power sales declined by 53.1% from the same period last year. This sharp decline was due to the fire occurred at the SANIX Energy Tomakomai Power Plant in the fourth quarter of 2006 and the subsequent shutdown of the plant to the middle of June 2007, during which facilities for preventing fire and other accidents and the control system at the Plant were reinforced. In addition, the operation of the plant was temporarily suspended from November 27 to December 16, 2007 in response to the detection of exhaust gas exceeding the density limit designated under the pollution control agreement. Revenues from the Waste Plastic Processing business also decreased by 21.1% because only a limited volume of waste plastic was accepted to minimize expansion of the stock level of waste plastic fuel during the shutdown of the Tomakomai Power Plant. Revenues from the incineration business decreased by 38.3% from the same period last year, due to the sale of the Kitakyushu Plant on November 6, 2007. And revenues from the Organic Liquid Waste Processing business increased by 1.7% from the same period last year.

As a result, total sales by the ERD Division decreased by 23.8% to 5,694 million yen. Operating loss increased to 981 million yen from 661 million yen in the same period of the previous year.

## 2. Consolidated Financial Conditions

Total assets as of December 31, 2007 decreased by 3,420 million yen to 29,285 million yen, compared to as of March 31, 2007. Major factors for this decrease were depreciation of tangible fixed assets and the decrease in tangible fixed assets due to the Kitakyushu Plant sales. Total liabilities were 12,226 million yen, down 2,938 million yen from the previous fiscal year-end. The decrease was mainly due to accelerated loan repayment. Net assets totaled 17,058 million yen.

Consequently, the ratio of owners' equity was 58.2%, compared to 53.6% for the previous fiscal year-end.

Cash and cash equivalents as of December 31, 2007 totaled 1,382 million yen, an increase of 786 million yen from as of March 31, 2007.

Net cash provided by operating activities totaled 1,196 million yen (up 2,328 million yen from the same period last year), mainly as a result of streamlining, which led to higher sales productivity and cost reduction, hence greater profitability.

Net cash provided by investing activities totaled 2,379 million yen (up 899 million yen from the same period of the previous year). The major factor for this increase was proceeds from the sales of tangible fixed assets included in the sales of the Kitakyushu Plant.

Net cash used for financing activities totaled 2,788 million yen, a decrease of 1,724 million yen from the same period of the previous year. Here, accelerating the repayment of debt was responsible.

### 3. Forecast of Operation Results

SANIX will further strengthen its efforts that have been continued since last year to improve its profit-generating structure and the compliance system. The pursuit of a “robust corporate structure” and “improvement of customer satisfaction” will promote performance recovery and return the Company to the growth path.

In and after the fourth quarter, it is expected that sales by the HS Division will grow strongly. Recognition of the House Foundation Repair and Reinforcement Service, which entered into the second year of operation, and its necessity has increased among existing customers who are the target customers of this service. Accordingly, sales of this service will further expand during the busy season for termite extermination. In addition, efforts to improve productivity and to reduce fixed costs and other expenses will be continued to improve the profitability of operations. The ES Division will focus on recovery of sales through expanding the marketing target to condominiums, facility management companies, realtors and other institutional customers. The Environmental Resource Development Division is now restructuring the operation system of the SANIX Energy Tomakomai Power Plant with the assistance of a technical consultant, aiming at achieving stable operation of the plant. The waste plastic processing business will strive to recover the volume of accepted waste plastic to the level before the restriction, while maintaining the quality of processed plastic.

Accordingly, the full year consolidated sales forecast for fiscal 2007 is modified based on the fact that power sales from the SANIX Energy Tomakomai Power Plant of a consolidated subsidiary were far below the budget during the third quarter, although sales at the HS Division in the fourth quarter are expected to exceed the budget.

Operating profit of the entire Company is expected to improve since the break-even point has steadily continued to decline as a result of profitability improvement and strong sales are expected in the HS Division which generates a high marginal profit ratio. On the basis of these forecasts, no modification is made to the consolidated profit forecasts for the full year of 2007 last time announced.

And no modification is made to the projections for non-consolidated operational results for the full year of 2007 last time announced.

#### Details of the Revisions

Revision to full-year consolidated results forecast (April 1, 2007 to March 31, 2008)

	Revised Forecast	Previous Forecast	Difference	% Change	(Millions of Yen) FY2006 ended March 31, 2007
Net Sales . . . . .	<b>27,900</b>	28,222	(322)	(1.1%)	28,908
Operating Profit . . . . .	<b>1,500</b>	1,500	-	-	(1,568)
Recurring Profit . . . . .	<b>1,430</b>	1,430	-	-	(1,659)
Net Income . . . . .	<b>660</b>	660	-	-	(1,930)



#### 4. Others

(1) Change in application range of consolidation: None

(2) Use of simplified accounting methods: None

(3) Change in accounting methods from recent fiscal years:

(Accounting Method for Depreciation of the Tangible Fixed Assets)

In accordance with the provisions of the revised Corporation Tax Law, the tangible fixed assets depreciation method has been changed. Starting from April 1, 2007, tangible fixed assets acquired during and after April 1, 2007 are depreciated fully to their memorandum values (¥1). This change has only minor impact on the consolidated profits of the SANIX Group.

Regarding tangible fixed assets acquired on and before March 31, 2007, the differences between residual values and memorandum values are depreciated in accordance with the revised Corporation Tax Law. Specifically, when the depreciated value of a tangible fixed asset reaches the “residual value” (as defined in the Corporation Tax Law before the revision) in a certain fiscal year, the difference between the residual value and the memorandum value of such asset is depreciated in equal amounts over five years from the following fiscal year.

Accordingly, compared with the figures computed using the former accounting method, consolidated gross profit for the third quarter of fiscal 2007 decreased by 269 thousand yen, operating profit and recurring profit decreased by 4,622 thousand yen and 4,622 thousand yen, respectively, and net loss before tax adjustments increased by 4,892 thousand yen.

(Accounting Method for Reserve for Directors' Retirement Allowances)

Traditionally, retirement allowances to directors of the Company and major consolidated subsidiaries were recorded as expenses when they were paid. The Group adopted the accounting method stipulated in the “Treatment in Auditing of Reserves Under the Special Taxation Measures Law, and Reserves Under Special Laws and Reserve for Officer's Retirement Allowances” (issued by the Japanese Institute of Certified Public Accountants, dated April 13, 2007, Auditing/Guarantee Practice Committee Report No. 42). Accordingly, compared with the figures computed using the former accounting method, consolidated operating profit and recurring profit for the third quarter of fiscal 2007 decreased by 17,130 thousand yen and 17,130 thousand yen, respectively, and net loss before tax adjustments increased by 234,100 thousand yen.

# Consolidated Financial Statements

## 1. Consolidated Balance Sheet

(Thousands of Yen)

Assets:	As of Mar. 31	As of Dec. 31	Increase/Decrease		As of Dec. 31
	FY2006	FY2007	Amount	Ratio %	FY2006
<b>Current Assets:</b>					
Cash and bank deposits . . . . .	595,837	<b>1,382,558</b>	786,720		682,169
Notes and accounts receivable . . . . .	2,224,933	<b>1,801,560</b>	(423,373)		2,143,315
Inventories . . . . .	842,464	<b>824,789</b>	(17,675)		813,861
Deferred tax assets . . . . .	124	<b>9,269</b>	9,144		6,590
Other current assets . . . . .	519,715	<b>564,129</b>	44,413		898,022
Allowance for doubtful accounts . . . . .	(57,400)	<b>(77,199)</b>	(19,798)		(61,397)
<b>Total Current Assets:</b>	4,125,675	<b>4,505,106</b>	379,431	9.2	4,482,561
<b>Fixed Assets:</b>					
<b>Tangible Fixed Assets:</b>					
Buildings and structures . . . . .	5,453,609	<b>4,660,521</b>	(793,088)		5,583,876
Machinery, equipment and vehicles . . . . .	5,031,339	<b>4,067,066</b>	(964,273)		5,193,189
Land . . . . .	15,123,935	<b>13,761,671</b>	(1,362,263)		15,123,935
Construction in progress . . . . .	7,669	<b>21,171</b>	13,501		13,220
Other tangible fixed assets . . . . .	185,921	<b>163,187</b>	(22,734)		193,840
<b>Total Tangible Fixed Assets:</b>	25,802,475	<b>22,673,617</b>	(3,128,858)	(12.1)	26,108,062
<b>Intangible Fixed Assets:</b>					
<b>Total Intangible Fixed Assets:</b>	70,498	<b>73,706</b>	3,207	4.6	70,637
<b>Investments and Other Assets:</b>					
Investments in securities . . . . .	1,194,405	<b>523,599</b>	(670,805)		1,170,591
Deposits and guaranty . . . . .	1,226,057	<b>1,228,558</b>	2,500		1,343,362
Deferred tax assets . . . . .	1,733	<b>3,975</b>	2,242		1,676
Other . . . . .	686,468	<b>676,900</b>	(9,568)		711,673
Allowance for bad loans . . . . .	(402,130)	<b>(400,399)</b>	1,730		(397,296)
<b>Total Investments and Other Assets:</b>	2,706,534	<b>2,032,633</b>	(673,900)	(24.9)	2,830,007
<b>Total Fixed Assets:</b>	28,579,508	<b>24,779,957</b>	(3,799,551)	(13.3)	29,008,708
<b>Total Assets:</b>	32,705,183	<b>29,285,063</b>	(3,420,120)	(10.5)	33,491,270

(Thousands of Yen)

	As of Mar. 31	As of Dec. 31	Increase/Decrease		As of Dec. 31
	FY2006	FY2007	Amount	Ratio %	FY2006
<b>Liabilities and Net Assets:</b>					
<b>Current Liabilities:</b>					
Notes and accounts payable . . . . .	716,787	<b>722,591</b>	5,803		905,039
Short-term loans . . . . .	2,950,000	<b>4,810,000</b>	1,860,000		2,870,000
Long-term loans payable in 1 year . . . . .	1,858,746	<b>331,004</b>	(1,527,742)		2,138,412
Corporate bond payable in 1 year . . . . .	330,000	-	(330,000)		330,000
Amounts in arrears . . . . .	1,547,365	<b>1,605,825</b>	58,460		1,366,610
Accrued expenses . . . . .	781,495	<b>846,765</b>	65,269		814,493
Accrued income taxes . . . . .	151,413	<b>118,381</b>	(33,031)		112,927
Consumption tax payable . . . . .	8,561	<b>263,300</b>	254,739		194,882
Accrued bonuses . . . . .	8,639	<b>73</b>	(8,565)		5,116
Allowance for resource-recycling expenses . . . . .	781,035	<b>445,704</b>	(335,330)		625,288
Other current liabilities . . . . .	276,897	<b>223,981</b>	(52,915)		1,684,278
<b>Total Current Liabilities:</b>	<b>9,410,940</b>	<b>9,367,629</b>	(43,311)	(0.5)	11,047,048
<b>Non-Current Liabilities:</b>					
Corporate Bond . . . . .	425,000	-	(425,000)		590,000
Long-term debt . . . . .	2,233,972	<b>41,817</b>	(2,192,155)		2,488,909
Long-term debt from a director . . . . .	975,000	<b>925,000</b>	(50,000)		-
Deferred tax liabilities . . . . .	106,058	<b>61,564</b>	(44,494)		105,333
Retirement benefit . . . . .	1,379,356	<b>1,119,072</b>	(260,283)		1,449,202
Reserve for directors' retirement allowances . . . . .	-	<b>234,100</b>	234,100		-
Other non-current liabilities . . . . .	634,398	<b>477,415</b>	(156,982)		204,638
<b>Total Non-Current Liabilities:</b>	<b>5,753,786</b>	<b>2,858,970</b>	(2,894,815)	(50.3)	4,838,083
<b>Total Liabilities:</b>	<b>15,164,726</b>	<b>12,226,599</b>	(2,938,127)	(19.4)	15,885,132
<b>Owners' Equity:</b>					
Paid-in capital . . . . .	14,041,834	<b>14,041,834</b>	-		14,041,834
Capital surplus . . . . .	6,291,287	<b>4,425,946</b>	(1,865,340)		6,291,287
Earned surplus . . . . .	(1,363,195)	<b>93,442</b>	1,456,638		(1,296,754)
Treasury stock . . . . .	(1,610,569)	<b>(1,610,662)</b>	(92)		(1,610,518)
<b>Total Owners' Equity:</b>	<b>17,359,356</b>	<b>16,950,560</b>	(408,795)	(2.4)	17,425,849
<b>Valuation and Translation Adjustments:</b>					
Valuation difference on available-for-sale securities . . . . .	159,576	<b>88,370</b>	(71,205)		157,960
<b>Total Valuation and Translation Adjustments:</b>	<b>159,576</b>	<b>88,370</b>	(71,205)	(44.6)	157,960
<b>Minority Interests:</b>					
Minority interests . . . . .	21,524	<b>19,532</b>	(1,991)	(9.3)	22,327
<b>Total Net Assets:</b>	<b>17,540,456</b>	<b>17,058,463</b>	(481,992)	(2.7)	17,606,137
<b>Total Liabilities and Net Assets:</b>	<b>32,705,183</b>	<b>29,285,063</b>	(3,420,120)	(10.5)	33,491,270

## 2. Consolidated Statement of Income

(Thousands of Yen)

	Third quarter		Increase/Decrease		Fiscal year
	from Apr. 1 to Dec. 31				ended Mar. 31
	FY2006	FY2007	Amount	Ratio %	FY2006
<b>Net sales</b> . . . . .	22,350,111	<b>20,129,657</b>	(2,220,454)	(9.9)	28,908,487
<b>Cost of sales</b> . . . . .	12,494,614	<b>11,303,613</b>	(1,191,000)	(9.5)	16,229,396
<b>Gross profit</b> . . . . .	9,855,497	<b>8,826,043</b>	(1,029,454)	(10.4)	12,679,090
<b>Selling, general and administrative expenses</b> . . . . .	11,461,829	<b>8,435,333</b>	(3,026,495)	(26.4)	14,247,445
Operating income(loss) . . . . .	(1,606,331)	<b>390,709</b>	1,997,041	-	(1,568,355)
Non-operating income:					
Interest income . . . . .	6,204	<b>5,717</b>	(486)		8,390
Dividend income . . . . .	19,140	<b>22,737</b>	3,596		29,801
Rent Revenue . . . . .	20,603	<b>21,774</b>	1,171		26,583
Other non-operating income . . . . .	41,186	<b>45,641</b>	4,454		50,256
<b>Total non-operating income</b> . . . . .	87,135	<b>95,871</b>	8,736	10.0	115,031
Non-operating expenses:					
Interest expenses . . . . .	147,578	<b>142,543</b>	(5,034)		191,877
Rent expenses . . . . .	1,708	<b>1,672</b>	(36)		2,277
Other non-operating expenses . . . . .	16,008	<b>40,609</b>	24,601		11,857
<b>Total non-operating expenses</b> . . . . .	165,294	<b>184,825</b>	19,531	11.8	206,012
<b>Recurring profit (loss)</b> . . . . .	(1,684,490)	<b>301,755</b>	1,986,245	-	(1,659,336)
Extraordinary income:					
Gain on sale of property, plant and equipment . . . . .	3	-	(3)		3
Insurance money received . . . . .	41,635	<b>19,998</b>	(21,637)		206,333
Gain on sale of investment securities . . . . .	3,390	-	(3,390)		3,390
Transfer from reserve for possible loan losses . . . . .	-	<b>138</b>	138		-
Transfer from reserve for bonuses . . . . .	188,165	-	(188,165)		188,165
Gain on insurance cancellation . . . . .	-	-	-		22,969
<b>Total extraordinary income</b> . . . . .	233,195	<b>20,136</b>	(213,059)	(91.4)	420,862
Extraordinary losses:					
Loss on sale of property, plant and equipment . . . . .	6,001	<b>10,229</b>	4,228		6,001
Loss on disposal of property, plant and equipment . . . . .	84,032	<b>26,897</b>	(57,135)		86,911
Loss on impairment of fixed assets . . . . .	-	<b>263,010</b>	263,010		-
Loss due to disaster . . . . .	31,780	<b>29,410</b>	(2,369)		205,958
Loss on cancellation of lease contract . . . . .	9,114	<b>3,898</b>	(5,215)		9,633
Loss on valuation of investment securities . . . . .	28,552	<b>52,124</b>	23,572		7,432
Loss on valuation of membership rights . . . . .	805	-	(805)		5,666
Directors' retirement allowance . . . . .	11,603	-	(11,603)		11,603
Net provision for reserve for directors' retirement allowances . . . . .	-	<b>271,480</b>	271,480		-
Net provision for resource-recycling expenses . . . . .	-	-	-		96,379
Reorganization of offices expense . . . . .	125,391	<b>15,888</b>	(109,503)		121,671
<b>Total extraordinary losses</b> . . . . .	297,281	<b>672,940</b>	375,659	126.4	551,257
Income (loss) before income taxes and minority interests . . . . .	(1,748,576)	<b>(351,048)</b>	1,397,527	-	(1,789,730)
Corporate income, local and enterprise taxes . . . . .	83,253	<b>67,725</b>	(15,528)	(18.7)	103,287
Adjustment on corporate tax, etc . . . . .	29,750	<b>(8,404)</b>	(38,154)	-	35,805
Minority interests in consolidated subsidiaries . . . . .	2,550	<b>(1,666)</b>	(4,216)	-	1,747
<b>Net income (loss)</b> . . . . .	(1,864,129)	<b>(408,702)</b>	1,455,427	-	(1,930,571)

### 3. Consolidated Statement of Changes in Net Asset

Prior third quarter from April 1, 2006 to December 31, 2006

(Thousands of Yen)

	Owners' Equity				
	Paid-in Capital	Capital Surplus	Earned Surplus	Treasury Stock	Total Owners' Equity
<b>Balance at the end of previous period</b>	12,616,253	9,221,410	(3,780,116)	(1,610,111)	16,447,436
<b>Changes of items during the period</b>					
Issuance of new shares	1,425,581	1,424,418			2,850,000
Directors' bonus			(7,050)		(7,050)
Net income			(1,864,129)		(1,864,129)
Purchase of treasury stock				(407)	(407)
Reversal of profit from capital surplus		(4,354,542)	4,354,542		-
Net changes of items other than owners' equity					-
<b>Total changes of items during the period</b>	1,425,581	(2,930,123)	2,483,362	(407)	978,412
<b>Balance at the end of current period</b>	14,041,834	6,291,287	(1,296,754)	(1,610,518)	17,425,849

	Valuation and Translation Adjustments		Minority Interests	Net Assets Total
	Valuation Difference on Available-for-sale Securities	Total		
<b>Balance at the end of previous period</b>	210,174	210,174	23,417	16,681,028
<b>Changes of items during the period</b>				
Issuance of new shares				2,850,000
Directors' bonus				(7,050)
Net income				(1,864,129)
Purchase of treasury stock				(407)
Reversal of profit from capital surplus				-
Net changes of items other than owners' equity	(52,214)	(52,214)	(1,089)	(53,304)
<b>Total changes of items during the period</b>	(52,214)	(52,214)	(1,089)	925,108
<b>Balance at the end of current period</b>	157,960	157,960	22,327	17,606,137

	Owners' Equity				
	Paid-in Capital	Capital Surplus	Earned Surplus	Treasury Stock	Total Owners' Equity
<b>Balance at the end of previous period</b>	14,041,834	6,291,287	(1,363,195)	(1,610,569)	17,359,356
<b>Changes of items during the period</b>					
Net income			(408,702)		(408,702)
Purchase of treasury stock				(92)	(92)
Reversal of profit from capital surplus		(1,865,340)	1,865,340		-
Net changes of items other than owners' equity					-
<b>Total changes of items during the period</b>	-	(1,865,340)	1,456,638	(92)	(408,795)
<b>Balance at the end of current period</b>	14,041,834	4,425,946	93,442	(1,610,662)	16,950,560

	Valuation and Translation Adjustments		Minority Interests	Net Assets Total
	Valuation Difference on Available-for-sale Securities	Total		
<b>Balance at the end of previous period</b>	159,576	159,576	21,524	17,540,456
<b>Changes of items during the period</b>				
Net income				(408,702)
Purchase of treasury stock				(92)
Reversal of profit from capital surplus				-
Net changes of items other than owners' equity	(71,205)	(71,205)	(1,991)	(73,197)
<b>Total changes of items during the period</b>	(71,205)	(71,205)	(1,991)	(481,992)
<b>Balance at the end of current period</b>	88,370	88,370	19,532	17,058,463

	Owners' Equity				
	Paid-in Capital	Capital Surplus	Earned Surplus	Treasury Stock	Total Owners' Equity
<b>Balance at the end of previous period</b>	12,616,253	9,221,410	(3,780,116)	(1,610,111)	16,447,436
<b>Changes of items during the period</b>					
Issuance of new shares	1,425,581	1,424,418			2,850,000
Directors' bonus			(7,050)		(7,050)
Net income			(1,930,571)		(1,930,571)
Purchase of treasury stock				(458)	(458)
Reversal of profit from capital surplus		(4,354,542)	4,354,542		-
Net changes of items other than owners' equity					-
<b>Total changes of items during the period</b>	1,425,581	(2,930,123)	2,416,920	(458)	911,919
<b>Balance at the end of current period</b>	14,041,834	6,291,287	(1,363,195)	(1,610,569)	17,359,356

	Valuation and Translation Adjustments		Minority Interests	Net Assets Total
	Valuation Difference on Available-for-sale Securities	Total		
<b>Balance at the end of previous period</b>	210,174	210,174	23,417	16,681,028
<b>Changes of items during the period</b>				
Issuance of new shares				2,850,000
Directors' bonus				(7,050)
Net income				(1,930,571)
Purchase of treasury stock				(458)
Reversal of profit from capital surplus				-
Net changes of items other than owners' equity	(50,598)	(50,598)	(1,892)	(52,491)
<b>Total changes of items during the period</b>	(50,598)	(50,598)	(1,892)	859,428
<b>Balance at the end of current period</b>	159,576	159,576	21,524	17,540,456

#### 4. Consolidated Statement of Cash Flows

(Thousands of yen)

	Third Quarter		Full Year
	From April 1to December 31		ended March 31
	FY2006	FY2007	FY2006
<b>Cash Flows from Operating Activities:</b>			
Income before income taxes and minority interests . . . . .	(1,748,576)	<b>(351,048)</b>	(1,789,730)
Depreciation and amortization . . . . .	1,037,501	<b>883,171</b>	1,388,412
Loss on impairment of fixed assets . . . . .	-	<b>263,010</b>	-
Loss due to disaster . . . . .	31,780	<b>29,410</b>	205,958
Insurance commission income . . . . .	(41,635)	<b>(19,998)</b>	(206,333)
Allowance for retirement benefits . . . . .	(227,899)	<b>(260,283)</b>	(297,746)
Allowance for directors' retirement benefits . . . . .	-	<b>234,100</b>	-
Allowance for resource-recycling expenses . . . . .	(279,625)	<b>(335,330)</b>	(123,878)
Allowance for doubtful accounts . . . . .	19,448	<b>18,068</b>	15,720
Interest and dividend income . . . . .	(25,345)	<b>(28,454)</b>	(38,192)
Interest expense . . . . .	147,578	<b>142,543</b>	191,877
Commission expense paid . . . . .	10,131	<b>20,824</b>	11,692
Gain on sales of short-term investments in securities . . . . .	(3,390)	-	(3,390)
Loss on valuation of short-term investments in securities . . . . .	28,552	<b>52,124</b>	7,432
Loss on valuation of membership rights . . . . .	805	-	5,666
Gain on insurance cancellation . . . . .	-	-	(22,969)
Gain on sales of property, plant and equipment . . . . .	(3)	-	(3)
Loss on sales of property, plant and equipment . . . . .	6,001	<b>10,229</b>	6,001
Loss on disposal of property, plant and equipment . . . . .	84,032	<b>26,897</b>	86,911
Reorganization of offices expense . . . . .	125,391	<b>15,888</b>	121,671
Decrease in notes and accounts receivable-trade . . . . .	393,377	<b>423,373</b>	311,759
Decrease in inventories . . . . .	221,802	<b>17,675</b>	193,199
Decrease in consumption taxes refunded . . . . .	94,791	<b>8,893</b>	-
Increase/decrease in other current assets . . . . .	(636,720)	<b>(45,705)</b>	23,199
Increase in notes and accounts payable-trade . . . . .	237,278	<b>(80,706)</b>	49,025
Increase in consumption taxes payable . . . . .	189,611	<b>254,739</b>	3,289
Increase/decrease in other current liabilities . . . . .	(339,879)	<b>234,644</b>	(681,883)
Payment of bonuses to directors and auditors . . . . .	(7,050)	<b>(3,375)</b>	(7,050)
Minority shareholders' payment of bonuses to directors and auditors . . . . .	(3,250)	<b>(1,625)</b>	(3,250)
Other . . . . .	(84,510)	<b>(14,514)</b>	(44,078)
<b>Net</b> . . . . .	(769,802)	<b>1,494,551</b>	(596,688)
Interest and dividend income received . . . . .	26,855	<b>29,207</b>	39,702
Interest expense paid . . . . .	(144,018)	<b>(153,001)</b>	(197,149)
Payment for damage repairing . . . . .	(151,086)	<b>(181,080)</b>	(155,094)
Proceeds from damage insurance . . . . .	41,635	<b>166,196</b>	41,635
Income taxes paid . . . . .	(146,895)	<b>(175,097)</b>	(149,075)
Income taxes refunded . . . . .	10,456	<b>15,287</b>	10,456
<b>Net cash provided by operating activities:</b>	(1,132,855)	<b>1,196,062</b>	(1,006,214)



(Thousands of Yen)

	Third Quarter		Full Year
	Between April 1 and December 31		Ended March 31
	FY2006	FY2007	FY2006
<b>Cash Flows from Investing Activities:</b>			
Decrease in limited withdrawl deposit . . . . .	2,000,000	-	2,000,000
Proceeds from sales of securities . . . . .	23,579	-	23,579
Proceeds from refunds of securities . . . . .	5,448	<b>500,000</b>	5,448
Payment for purchases of property, plant and equipment . . . . .	(823,069)	<b>(139,982)</b>	(869,014)
Proceeds from sales of property, plant and equipment . . . . .	280	<b>1,994,900</b>	280
Proceeds from refunds of deposits and guaranty . . . . .	125,662	<b>(7,913)</b>	242,290
Proceeds from insurance canellation . . . . .	147,755	-	180,345
Other . . . . .	476	<b>32,303</b>	476
<b>Net cash provided by investing activities:</b>	<b>1,480,133</b>	<b>2,379,307</b>	<b>1,583,406</b>
<b>Cash Flows from Financing Activities:</b>			
Increase/decrease in short-term loans . . . . .	(530,000)	<b>1,860,000</b>	(450,000)
Increase/decrease in long-term debt from a director . . . . .	-	<b>(50,000)</b>	975,000
Proceeds from long-term loans from banks . . . . .	1,200,000	<b>30,000</b>	1,200,000
Repayment of long-term loans from banks . . . . .	(2,657,475)	<b>(3,749,897)</b>	(3,192,078)
Payment for redemption of corporate bond . . . . .	(165,000)	<b>(755,000)</b>	(330,000)
Increase/decrease in treasury stock . . . . .	(407)	<b>(92)</b>	(458)
Dividends paid . . . . .	(1,039)	<b>(2,835)</b>	(1,087)
Other . . . . .	1,089,918	<b>(120,824)</b>	418,373
<b>Net cash provided by financing activities:</b>	<b>(1,064,003)</b>	<b>(2,788,649)</b>	<b>(1,380,250)</b>
<b>Net increase/decrease in cash and cash equivalents . . . . .</b>	<b>(716,726)</b>	<b>786,720</b>	<b>(803,058)</b>
<b>Cash and cash equivalents at beginning of the fiscal term . . . . .</b>	<b>1,398,895</b>	<b>595,837</b>	<b>1,398,895</b>
<b>Cash and cash equivalents at the end of the fiscal term . . . . .</b>	<b>682,169</b>	<b>1,382,558</b>	<b>595,837</b>

# Segment Information

## 1. Segment Information by Type of Business

Previous third quarter (From April 1, 2006 to December 31, 2006)

(Thousands of Yen)

Segments	HS	ES	ERD	Total	Elimination or Group	Consolidated
Sales, operating profit or loss						
Sales:						
(1)Sales to customers . . . . .	11,727,861	3,154,033	7,468,216	22,350,111	-	22,350,111
(2)Internal sales among segments and transfer accounts. . . . .	-	-	1,057	1,057	(1,057)	-
Total . . . . .	11,727,861	3,154,033	7,469,273	22,351,169	(1,057)	22,350,111
Operating expenses . . . . .	10,515,876	3,373,650	8,129,962	22,019,489	1,936,953	23,956,443
Operating income(loss) . . . . .	1,211,985	(219,616)	(660,688)	331,679	(1,938,011)	(1,606,331)

Current third quarter (From April 1, 2007 to December 31, 2007)

(Thousands of Yen)

Segments	HS	ES	ERD	Total	Elimination or Group	Consolidated
Sales, operating profit or loss						
Sales:						
(1)Sales to customers . . . . .	11,855,438	2,579,787	5,694,431	20,129,657	-	20,129,657
(2)Internal sales among segments and transfer accounts. . . . .	-	-	412	412	(412)	-
Total . . . . .	11,855,438	2,579,787	5,694,843	20,130,069	(412)	20,129,657
Operating expenses . . . . .	8,760,634	2,710,473	6,675,937	18,147,044	1,591,902	19,738,947
Operating income(loss) . . . . .	3,094,804	(130,686)	(981,093)	1,983,024	(1,592,315)	390,709

Previous fiscal year (From April 1, 2006 to March 31, 2007)

(Thousands of Yen)

Segments	HS	ES	ERD	Total	Elimination or Group	Consolidated
Sales, operating profit or loss						
Sales:						
(1)Sales to customers . . . . .	15,205,222	4,090,941	9,612,323	28,908,487	-	28,908,487
(2)Internal sales among segments and transfer accounts. . . . .	-	-	1,207	1,207	(1,207)	-
Total . . . . .	15,205,222	4,090,941	9,613,530	28,909,694	(1,207)	28,908,487
Operating expenses . . . . .	13,213,072	4,301,626	10,527,404	28,042,104	2,434,738	30,476,842
Operating income (loss). . . . .	1,992,149	(210,685)	(913,874)	867,589	(2,435,945)	(1,568,355)

### Notes to segment information

1. Business divisions are those used for internal administrative purposes.

2. Principal services and products by business division

\*HS Division: Home Reinforcement System, Termite Eradication Service, Under-Floor and Under-Roof Ventilation Systems

\*ES Division: Fitting of water supply system for office and apartment buildings, maintenance services

\*ERD Division: Waste plastic processing, incineration, waste organic liquid processing and power generation

3. Unabsorbed operating expenses listed under elimination or group is the administration cost of the general affairs department of the parent company.

Previous third quarter . . . . . ¥ 1,938,011 thousand

Current third quarter . . . . . ¥1,592,405 thousand

Previous fiscal year . . . . . ¥2,435,945 thousand

## **2. Segment Information by Location**

### Previous third quarter (April 1, 2006 to December 31, 2006)

The Company does not report segment information by location because the Company does not have any consolidated subsidiaries or important offices located in countries or regions outside of Japan.

### Current third quarter (April 1, 2007 to December 31, 2007)

The Company does not report segment information by location because the Company does not have any consolidated subsidiaries or important offices located in countries or regions outside of Japan.

### Previous fiscal year (April 1, 2006 to March 31, 2007)

The Company does not report segment information by location because the Company does not have any consolidated subsidiaries or important offices located in countries or regions outside of Japan.

## **3. Foreign Sales**

### Previous third quarter (April 1, 2006 to December 31, 2006)

None

### Current third quarter (April 1, 2007 to December 31, 2007)

None

### Previous fiscal year (April 1, 2006 to March 31, 2007)

None

# Net Sales by Division

(Thousands of Yen)

	Third quarter		Changes	Fiscal year
	from April 1 to December 31			ended March 31
	FY2006	FY2007		FY2006
Termite eradication service . . . . .	5,686,758	<b>3,920,215</b>	(1,766,543)	7,083,362
Under-roof/Floor ventilation system . . . . .	3,427,808	<b>1,509,627</b>	(1,918,180)	4,352,044
Home reinforcement system . . . . .	710,973	<b>271,859</b>	(439,113)	886,029
Foundation repairing treatment . . . . .	-	<b>5,109,594</b>	5,109,594	508,847
Other . . . . .	1,902,321	<b>1,044,141</b>	(858,179)	2,374,938
<b>Home Sanitation Division Total:</b>	11,727,861	<b>11,855,438</b>	127,577	15,205,222
Anti-rust equipment installation . . . . .	733,507	<b>594,191</b>	(139,316)	1,023,934
Repair of building water-works . . . . .	1,076,245	<b>761,562</b>	(314,683)	1,330,647
Waterproofing of building . . . . .	535,204	<b>478,074</b>	(57,129)	667,485
Other . . . . .	809,075	<b>745,958</b>	(63,117)	1,068,873
<b>Establishment Sanitation Division Total:</b>	3,154,033	<b>2,579,787</b>	(574,246)	4,090,941
Industrial waste (Waste plastic processing) . . . . .	3,605,741	<b>2,845,055</b>	(760,685)	4,720,381
Industrial waste (Organic Waste Water Recycle) . . . . .	1,405,354	<b>1,429,354</b>	24,000	1,863,796
Generation of electricity . . . . .	1,051,925	<b>493,441</b>	(558,484)	1,138,746
Industrial waste (Incineration) . . . . .	1,004,052	<b>619,102</b>	(384,949)	1,302,476
Other . . . . .	401,142	<b>307,476</b>	(93,665)	586,921
<b>Environmental Resources Development Division Total:</b>	7,468,216	<b>5,694,431</b>	(1,773,784)	9,612,323
<b>Total Net Sales:</b>	22,350,111	<b>20,129,657</b>	(2,220,454)	28,908,487

# Quarterly Information

## 1. Business Results

For the fiscal year ending March 31, 2008 (Consolidated)

(Millions of Yen)

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	Apr. 1 to Jun. 30	Jul. 1 to Sep. 30	Oct. 1 to Dec. 31	Jan. 1 to Mar. 31
FY2007				
Net sales . . . . .	6,845	6,896	<b>6,387</b>	-
Gross profit . . . . .	3,217	2,806	<b>2,802</b>	-
Operating income (loss) . . . . .	330	(60)	<b>120</b>	-
Recurring profit (loss) . . . . .	300	(68)	<b>69</b>	-
Income (loss) before income taxes . .	172	(554)	<b>30</b>	-
Net Income (loss) . . . . .	152	(573)	<b>12</b>	-

For the fiscal year ended March 31, 2007 (Consolidated)

(Millions of Yen)

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	Apr. 1 to Jun. 30	Jul. 1 to Sep. 30	Oct. 1 to Dec. 31	Jan. 1 to Mar. 31
FY2006				
Net sales . . . . .	8,966	6,565	6,817	6,558
Gross profit . . . . .	4,451	2,380	3,023	2,823
Operating income (loss) . . . . .	(114)	(1,358)	(132)	37
Recurring profit (loss) . . . . .	(137)	(1,382)	(164)	25
Income (loss) before income taxes . .	51	(1,538)	(261)	(41)
Net Income (loss) . . . . .	11	(1,590)	(284)	(66)

For the fiscal year ending March 31, 2008 (Non-consolidated)

(Millions of Yen)

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	Apr. 1 to Jun. 30	Jul. 1 to Sep. 30	Oct. 1 to Dec. 31	Jan. 1 to Mar. 31
FY2007				
Net sales . . . . .	6,787	6,589	<b>6,098</b>	-
Gross profit . . . . .	3,180	2,774	<b>2,745</b>	-
Operating income (loss) . . . . .	358	(22)	<b>123</b>	-
Recurring profit (loss) . . . . .	310	(169)	<b>62</b>	-
Income (loss) before income taxes . .	182	(653)	<b>24</b>	-
Net Income (loss) . . . . .	160	(675)	<b>2</b>	-

For the fiscal year ended March 31, 2007 (Non-consolidated)

(Millions of Yen)

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	Apr. 1 to Jun. 30	Jul. 1 to Sep. 30	Oct. 1 to Dec. 31	Jan. 1 to Mar. 31
FY2006				
Net sales . . . . .	8,488	6,218	6,366	6,384
Gross profit . . . . .	4,349	2,322	2,967	2,780
Operating income (loss) . . . . .	(122)	(1,342)	(102)	70
Recurring profit (loss) . . . . .	(154)	(1,371)	(157)	33
Income (loss) before income taxes . .	34	(1,516)	(254)	(32)
Net Income (loss) . . . . .	6	(1,543)	(277)	(50)

## 2. Segment Information by Type of Business

For the fiscal year ending March 31, 2008

(Thousands of Yen)

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	Apr. 1 to Jun. 30	Jul. 1 to Sep. 30	Oct. 1 to Dec. 31	Jan. 1 to Mar. 31
<b>Home Sanitation Division</b>				
Sales, operating profit or loss				
Sales:				
(1)Sales to customers . . . . .	4,277,900	4,009,942	<b>3,567,595</b>	-
(2)Internal sales among segments and transfer accounts. . . . .	-	-	-	-
Total . . . . .	4,277,900	4,009,942	<b>3,567,595</b>	-
Operating expenses . . . . .	3,076,140	2,980,233	<b>2,704,260</b>	-
Operating income(loss) . . . . .	1,201,760	1,029,709	<b>863,334</b>	-
<b>Establishnebt Sanitation Division</b>				
Sales, operating profit or loss				
Sales:				
(1)Sales to customers . . . . .	860,413	937,779	<b>781,593</b>	-
(2)Internal sales among segments and transfer accounts. . . . .	-	-	-	-
Total . . . . .	860,413	937,779	<b>781,593</b>	-
Operating expenses . . . . .	904,096	951,445	<b>854,931</b>	-
Operating income(loss) . . . . .	(43,683)	(13,665)	<b>(73,337)</b>	-
<b>Environmental Resources Development Division</b>				
Sales, operating profit or loss				
Sales:				
(1)Sales to customers . . . . .	1,707,274	1,949,149	<b>2,038,007</b>	-
(2)Internal sales among segments and transfer accounts. . . . .	177	176	<b>59</b>	-
Total . . . . .	1,707,451	1,949,325	<b>2,038,066</b>	-
Operating expenses . . . . .	1,978,179	2,506,586	<b>2,191,171</b>	-
Operating income(loss) . . . . .	(270,727)	(557,260)	<b>(153,105)</b>	-
<b>Elimination or Group</b>				
Sales, operating profit or loss				
Sales:				
(1)Sales to customers . . . . .	-	-	-	-
(2)Internal sales among segments and transfer accounts. . . . .	(177)	(176)	<b>(59)</b>	-
Total . . . . .	(177)	(176)	<b>(59)</b>	-
Operating expenses . . . . .	557,012	518,649	<b>516,241</b>	-
Operating income(loss) . . . . .	(557,189)	(518,825)	<b>(516,300)</b>	-
<b>Consolidated</b>				
Sales, operating profit or loss				
Sales:				
(1)Sales to customers . . . . .	6,845,588	6,896,871	<b>6,387,196</b>	-
(2)Internal sales among segments and transfer accounts. . . . .	-	-	-	-
Total . . . . .	6,845,588	6,896,871	<b>6,387,196</b>	-
Operating expenses . . . . .	6,515,428	6,956,913	<b>6,266,605</b>	-
Operating income(loss) . . . . .	330,160	(60,041)	<b>120,591</b>	-

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Home Sanitation Division	Apr. 1 to Jun. 30	Jul. 1 to Sep. 30	Oct. 1 to Dec. 31	Jan. 1 to Mar. 31
Sales, operating profit or loss				
Sales:				
(1)Sales to customers . . . . .	5,251,140	3,223,983	3,252,737	3,477,360
(2)Internal sales among segments and transfer accounts. . . . .	-	-	-	-
Total . . . . .	5,251,140	3,223,983	3,252,737	3,477,360
Operating expenses . . . . .	4,356,726	3,305,247	2,853,903	2,697,196
Operating income(loss) . . . . .	894,414	(81,263)	398,834	780,164

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Establishment Sanitation Division	Apr. 1 to Jun. 30	Jul. 1 to Sep. 30	Oct. 1 to Dec. 31	Jan. 1 to Mar. 31
Sales, operating profit or loss				
Sales:				
(1)Sales to customers . . . . .	1,226,282	985,878	941,873	936,907
(2)Internal sales among segments and transfer accounts. . . . .	-	-	-	-
Total . . . . .	1,226,282	985,878	941,873	936,907
Operating expenses . . . . .	1,269,009	1,117,322	987,318	927,976
Operating income(loss) . . . . .	(42,727)	(131,443)	(45,445)	8,931

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Environmental Resources Development Division	Apr. 1 to Jun. 30	Jul. 1 to Sep. 30	Oct. 1 to Dec. 31	Jan. 1 to Mar. 31
Sales, operating profit or loss				
Sales:				
(1)Sales to customers . . . . .	2,489,461	2,355,729	2,623,025	2,144,107
(2)Internal sales among segments and transfer accounts. . . . .	272	537	247	149
Total . . . . .	2,489,733	2,356,267	2,623,272	2,144,256
Operating expenses . . . . .	2,712,861	2,846,504	2,570,597	2,397,441
Operating income(loss) . . . . .	(223,127)	(490,237)	52,675	(253,185)

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Elimination or Group	Apr. 1 to Jun. 30	Jul. 1 to Sep. 30	Oct. 1 to Dec. 31	Jan. 1 to Mar. 31
Sales, operating profit or loss				
Sales:				
(1)Sales to customers . . . . .	-	-	-	-
(2)Internal sales among segments and transfer accounts. . . . .	(272)	(537)	(247)	(149)
Total . . . . .	(272)	(537)	(247)	(149)
Operating expenses . . . . .	743,181	655,018	538,753	497,784
Operating income(loss) . . . . .	(743,453)	(655,555)	(539,001)	(497,933)

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Consolidated	Apr. 1 to Jun. 30	Jul. 1 to Sep. 30	Oct. 1 to Dec. 31	Jan. 1 to Mar. 31
Sales, operating profit or loss				
Sales:				
(1)Sales to customers . . . . .	8,966,884	6,565,591	6,817,635	6,558,375
(2)Internal sales among segments and transfer accounts. . . . .	-	-	-	-
Total . . . . .	8,966,884	6,565,591	6,817,635	6,558,375
Operating expenses . . . . .	9,081,778	7,924,092	6,950,572	6,520,399
Operating income(loss) . . . . .	(114,893)	(1,358,500)	(132,937)	37,976