



# SANIX

## Consolidated Financial Statements For the First Half ended September 30, 2008

### SANIX INCORPORATED

November 10, 2008

(Note) Numbers are rounded off to the nearest whole number.

## Contents

---

<b>Summary of First Half ended September 30, 2008</b>	<b>P.1</b>
---	------------

---

<b>Forecast for FY2008 ending March 31, 2009</b>	<b>P.12</b>
--	-------------

---

### Disclaimer

*This material contains certain forward-looking statements. Such forward-looking statements are not intended to provide guarantees of our future performance and are based on certain assumptions and management's judgment based on currently available information. Therefore, actual results in future earnings and operating results may materially differ from those contained in the forward-looking statements.*

*The following items are among the factors that could cause actual results to differ materially from the forward-looking statements in this material:*

*changes in economic environment in Japan and abroad, business condition in Japanese manufacturing industry, competition with other manufacturers, changing technology, regulatory environment, new legislation and any other factors which are beyond our control.*

*In addition, this presentation is not intended to solicit investment to securities issued by us. We assume no responsibility for any losses and liabilities that may be incurred because of information contained in this material.*



## SANIX INCORPORATED

### Summary of First Half

## Summary of First Half

In the first six-month period of the current consolidated fiscal year, both sales and income decreased in comparison to the same period last year, and to the forecast.

Net Sales	:	13,412 Million Yen	(5.9% below the projection)
Operating Income	:	- 351 Million Yen	(642 million yen below the projection)
Ordinary Income	:	- 368 Million Yen	(643 million yen below the projection)
Net Income	:	- 737 Million Yen	(965 million yen below the projection)

■ Sales in the HS Division and the ES Division decreased in comparison to the forecast, but income in both divisions exceeded the forecast, thanks to cost-cutting efforts.

■ In the ERD Division, both sales and income decreased greatly in comparison to the forecast, since a change of electricity purchasers was delayed about one month from the original schedule at SANIX Energy Tomakomai Power Plant.

■ The Company posted an impairment loss of 333 million yen as an extraordinary loss, along with the transfer of idle land (situated in Shimonoseki City, Yamaguchi Prefecture) by EDI Incorporated, a consolidated subsidiary, in mid-November 2008.

# 1st Half : Statement of Income

(Millions of Yen)

	FY2007		FY2008					
	1st Half		1st Half					
	Actual	% to Sales	Actual	% to Sales	% to last year	Projection	% of Change	Difference
<b>Net Sales</b>	13,742	100.0%	13,412	100.0%	97.6%	14,256	94.1%	(844)
(H S)	8,287	60.3%	7,975	59.5%	96.2%	8,270	96.4%	(294)
(E S)	1,798	13.1%	1,674	12.5%	93.1%	1,683	99.4%	(9)
(ERD)	3,656	26.6%	3,762	28.0%	102.9%	4,301	87.5%	(539)
<b>Cost of Sales</b>	7,718	56.2%	7,757	57.8%	100.5%	7,796	99.5%	(39)
<b>Gross Profit</b>	6,023	43.8%	5,655	42.2%	93.9%	6,460	87.5%	(804)
<b>SGA</b>	5,753	41.9%	6,006	44.8%	104.4%	6,168	97.4%	(162)
<b>Operating Income</b>	270	2.0%	(351)	—	—	291	—	(642)
<b>Ordinary Income</b>	232	1.7%	(368)	—	—	275	—	(643)
<b>Net Income</b>	(421)	—	(737)	—	—	227	—	(965)

■ In the first half, sales in each division decreased in comparison to the forecast. Since sales declined sharply and expenses increased in comparison to the forecast, particularly in the ERD Division, the Group reported an ordinary loss of 368 million yen (short 643 million yen in comparison to the forecast) and a net loss of 737 million yen (short 965 million yen in comparison to the forecast). This is because the Company posted an extraordinary loss of 333 million yen, along with the transfer of idle land owned by a consolidated subsidiary.

**SANIX** 2

# 1st Half : Quarterly Statement of Income

(Millions of Yen)

	FY2008						
	1st Quarter			2nd Quarter			
	Actual	Projection	Difference	Actual	Projection	% of Change	Difference
<b>Net Sales</b>	6,583	6,905	(321)	6,828	7,351	92.9%	(522)
(H S)	3,908	4,097	(189)	4,067	4,173	97.5%	(105)
(E S)	792	790	2	881	893	98.7%	(11)
(ERD)	1,883	2,017	(134)	1,879	2,283	82.3%	(404)
<b>Cost of Sales</b>	3,595	3,744	(148)	4,161	4,052	102.7%	109
<b>Gross Profit</b>	2,987	3,160	(173)	2,667	3,299	80.8%	(631)
<b>SGA</b>	3,110	3,255	(144)	2,895	2,913	99.4%	(17)
<b>Operating Income</b>	(122)	(94)	(28)	(228)	385	—	(614)
<b>Ordinary Income</b>	(124)	(105)	(18)	(243)	380	—	(624)
<b>Net Income</b>	(143)	(129)	(14)	(594)	357	—	(951)

**SANIX** 3

# 1st Half : Segment Information

(Millions of Yen)

		FY2007		FY2008					
		1st Half		1st Half					
		Actual	% to Sales	Actual	% to Sales	% to last year	Projection	% of Change	Difference
HS	Net Sales	8,287	100.0%	7,975	100.0%	96.2%	8,270	96.4%	(294)
	Gross Profit	5,564	67.1%	5,396	67.7%	97.0%	5,479	98.5%	(83)
	SGA	3,332	40.2%	3,522	44.2%	105.7%	3,707	95.0%	(184)
	Operating Income	2,231	26.9%	1,873	23.5%	83.9%	1,772	105.7%	101
ES	Net Sales	1,798	100.0%	1,674	100.0%	93.1%	1,683	99.4%	(9)
	Gross Profit	692	38.5%	633	37.9%	91.5%	646	98.1%	(12)
	SGA	750	41.7%	641	38.3%	85.5%	665	96.4%	(23)
	Operating Income	(57)	—	(7)	—	—	(18)	—	11
ERD	Net Sales	3,656	100.0%	3,762	100.0%	102.9%	4,301	87.5%	(539)
	Gross Profit	(233)	—	(374)	—	—	333	—	(708)
	SGA	594	16.3%	670	17.8%	112.7%	581	115.4%	89
	Operating Income	(828)	—	(1,045)	—	—	(247)	—	(798)
Group	Operating Income	(1,076)	—	(1,171)	—	—	(1,214)	—	43

**SANIX** 4

# 1st Half : Quarterly Segment Information

(Millions of Yen)

		FY2008						
		1st Quarter			2nd Quarter			
		Actual	Projection	Difference	Actual	Projection	% of Change	Difference
HS	Net Sales	3,908	4,097	(189)	4,067	4,173	97.5%	(105)
	Gross Profit	2,649	2,677	(28)	2,746	2,801	98.0%	(55)
	SGA	1,833	1,984	(151)	1,689	1,723	98.0%	(33)
	Operating Income	816	693	122	1,057	1,078	98.0%	(21)
ES	Net Sales	792	790	2	881	893	98.7%	(11)
	Gross Profit	307	302	4	325	343	94.9%	(17)
	SGA	316	330	(13)	324	334	97.0%	(10)
	Operating Income	(8)	(27)	18	1	8	13.4%	(7)
ERD	Net Sales	1,883	2,017	(134)	1,879	2,283	82.3%	(404)
	Gross Profit	30	179	(149)	(405)	153	—	(559)
	SGA	334	284	50	335	297	113.1%	38
	Operating Income	(304)	(104)	(200)	(741)	(143)	—	(598)
Group	Operating Income	(626)	(656)	30	(545)	(558)	—	12

**SANIX** 5

# 1st Half : Summary of HS Division

## HS Division

■ To expand the customer base, the Company aired TV commercials during the busy season for termite eradication services.

In the first half, sales of termite eradication services, a mainstay of the Company's business, increased by 3.8% in comparison to the forecast, due to effects of the television advertising campaign; sales of the under-floor/roof ventilation system grew by 13.9% in comparison to the forecast. However, sales of foundation repairing treatment, our high unit price service, decreased by 24.4% in comparison to the forecast. As a result, the HS Division's sales were 7,975 million yen (3.6% below projection). The Division recorded an operating income of 1,873 million yen (5.7% over projection), due to ongoing cost reduction efforts.

### ■ Net Sales by Product and Operating Income

(Millions of Yen)

	FY2007	FY2008				
	1st Half	1st Half				
	Actual	Actual	% to last year	Projection	% of Change	Difference
Termite Eradication Service	2,780	2,990	107.6%	2,880	103.8%	109
Foundation Repairing Treatment	3,435	2,440	71.0%	3,229	75.6%	(788)
Under-Floor/-Roof Ventilation System	1,122	1,283	114.3%	1,126	113.9%	156
House Reinforcement System	201	212	105.6%	182	116.4%	29
Others	747	1,048	140.3%	851	123.2%	197
<b>Total Net Sales</b>	<b>8,287</b>	<b>7,975</b>	<b>96.2%</b>	<b>8,270</b>	<b>96.4%</b>	<b>(294)</b>
<b>Operating Income</b>	<b>2,231</b>	<b>1,873</b>	<b>83.9%</b>	<b>1,772</b>	<b>105.7%</b>	<b>101</b>

**SANIX** 6

# 1st Half : Summary of ES Division

## ES Division

■ Establishing a sales promotion system for corporate customers

The ES Division carried out aggressive sales promotion activities toward real estate management companies, with the aim of establishing a sales promotion system for corporate customers. The Division's sales were 1,674 million yen, 0.6% below projection. The ES Division recorded an operating loss of 7 million yen, lower than the expected operating loss of 18 million yen. This result was due to improved profitability as a result of successful cost reduction efforts, mainly in the area of SG and A expenses.

### ■ Net Sales by Product and Operating Income

(Millions of Yen)

	FY2007	FY2008				
	1st Half	1st Half				
	Actual	Actual	% to last year	Projection	% of Change	Difference
Anti-rust Equipment Installation	456	402	88.1%	397	101.0%	4
Repair of Building Water-works	512	488	95.3%	497	98.3%	(8)
Waterproofing of Building	320	321	100.1%	291	110.2%	29
Others	508	462	90.9%	497	93.0%	(34)
<b>Total Net Sales</b>	<b>1,798</b>	<b>1,674</b>	<b>93.1%</b>	<b>1,683</b>	<b>99.4%</b>	<b>(9)</b>
<b>Operating Income</b>	<b>(57)</b>	<b>(7)</b>	<b>—</b>	<b>(18)</b>	<b>—</b>	<b>11</b>

**SANIX** 7

# 1st Half : Summary of ERD Division (1)

## ERD Division

■ Sales of “Organic Waste Water Recycled” were almost in line with the forecast. Sales of “Waste Plastic Recycled” and “Power Generation” decreased in comparison to the forecast.

Sales of Power Generation fell short of the forecast, since a change of electricity purchasers was delayed about one month from the original schedule. In Waste Plastic Recycled, processing prices declined due to cost reduction at the customer end, because of soaring crude oil prices as well as fierce price competitions, although the processing amount increased steadily.

As a result, the ERD Division’s sales were 3,762 million yen, and the Division recorded an operating loss of 1,045 million yen.

### ■ Net Sales by Product and Operating Income

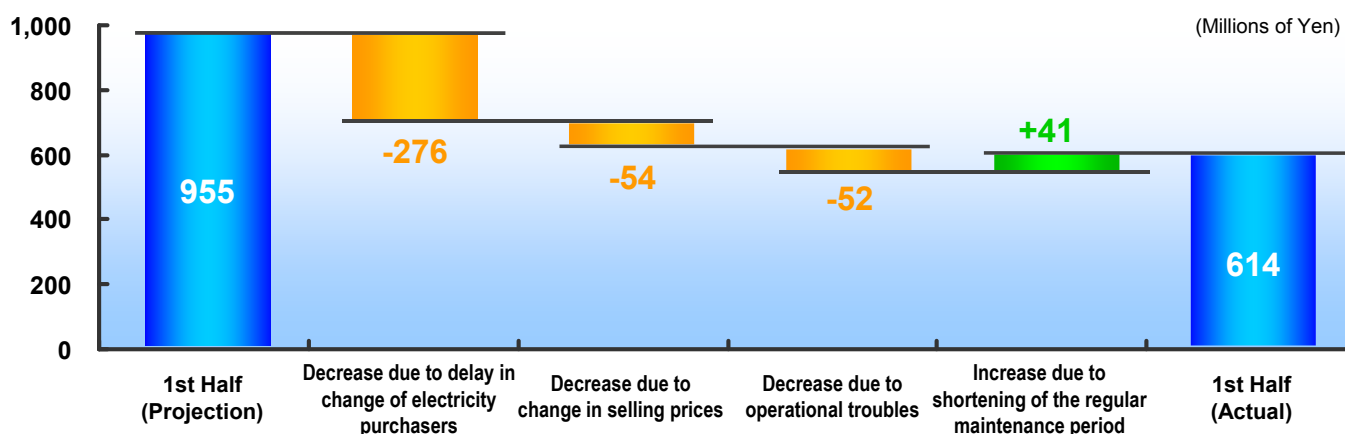
(Millions of Yen)

	FY2007	FY2008				
	1st Half	1st Half				
	Actual	Actual	% to last year	Projection	% of Change	Difference
Waste Plastic Recycled	1,798	1,802	100.3%	2,020	89.2%	(218)
Organic Waste Water Recycled	919	1,020	111.0%	1,025	99.5%	(5)
Power Generation	256	614	239.2%	955	64.3%	(341)
Incineration	503	—	—	—	—	—
Others	178	324	181.7%	299	108.3%	24
<b>Total Net Sales</b>	<b>3,656</b>	<b>3,762</b>	<b>102.9%</b>	<b>4,301</b>	<b>87.5%</b>	<b>(539)</b>
<b>Operating Income</b>	<b>(828)</b>	<b>(1,045)</b>	<b>—</b>	<b>(247)</b>	<b>—</b>	<b>(798)</b>

**SANIX** 8

# 1st Half : Summary of ERD Division (2)

## Analysis of decrease in sales of “Power Generation” in comparison to the forecast



### ◆ Decrease in sales due to delay in change of electricity purchasers

Under the original schedule, a change of electricity purchasers was to be implemented in May, but it took extra time to complete procedures for the change and subsequent construction work. As a result, sales started from June.

### ◆ Decrease in sales due to change in selling prices

After the change of electricity purchasers, average selling prices fell short of the forecast.

### ◆ Decrease in sales due to operational troubles

Small troubles occurred with higher frequency, since the Division implemented regular maintenance later than usual.

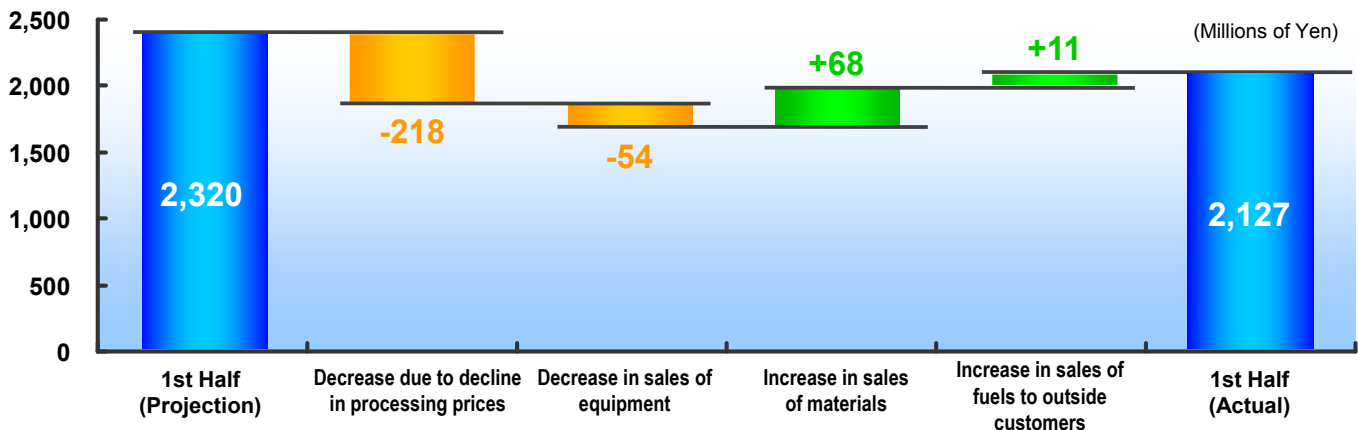
### ◆ Increase in sales due to shortening of the regular maintenance period

The Company succeeded in shortening the regular maintenance period, thanks to constant self-inspection.

**SANIX** 9

# 1st Half : Summary of ERD Division (3)

## Analysis of decrease in sales of Plastic Recycling Plants in comparison to the forecast



### ◆ Decrease in sales due to decline in processing prices

Processing prices declined due to cost reduction at the customer end, because of soaring crude oil prices as well as fierce price competition (negative influence of around 175 million yen); processing amount fell short of the forecast by 1,400 tons, leading to a decrease in sales (negative influence of around 33 million yen). In addition, sales of transportation decreased due to a decrease in processing amount (negative influence of around 10 million yen).

### ◆ Decrease in sales of equipment

Sales of equipment increased in comparison to the same period last year, but fell short of the forecast.

### ◆ Increase in sales of materials

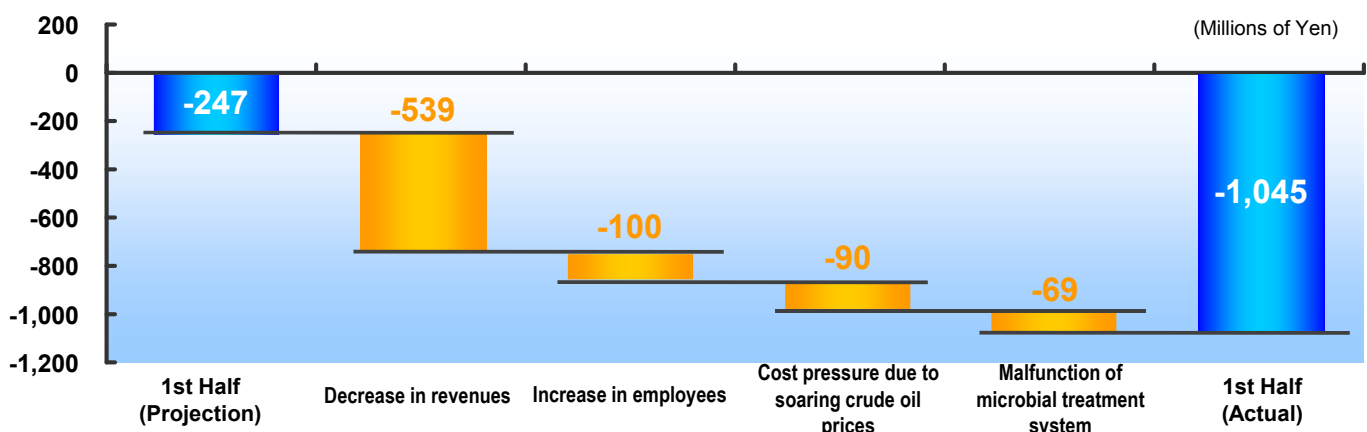
Sales increased, since both selling prices and sales volumes exceeded the forecast.

### ◆ Increase in sales of fuels to outside customers

Sales increased, since sales volumes expanded while selling prices moved within the forecast range.

# 1st Half : Summary of ERD Division (4)

## Analysis of a decrease in op. income in comparison to the forecast in the Division



### ◆ Expansion of labor costs due to increase in employees

Faced with falling processing prices, the Company employed engineers and sales staffs, ahead of the original schedule, to cope with possible increase in processing and improve the quality of processed products.

### ◆ Cost pressure due to soaring crude oil prices

Due to soaring crude oil prices, expenses increased both for auxiliary fuels consumed at Tomakomai Power Plant and expendable supplies consumed at plastic recycling plants.

### ◆ Cost pressure due to microbial treatment system malfunction at organic liquid waste processing plant

At organic liquid waste processing plant, the Company was forced to use chemical treatment due to a malfunction of its microbial treatment system, which caused supply expenses to exceed estimates. Furthermore, the malfunction caused stoppage contribution (amounts paid to subcontractors) to exceed estimates, as well.



## SANIX INCORPORATED

### Forecast for Consolidated FY2008

## FY2008 : Revision to Forecast

### Forecast for consolidated FY2008

■ With negative effects looming due to deterioration in earnings of the ERD Division in the first half of the current consolidated fiscal year, increasing worries regarding recession and decline in consumption, the Company revised its forecast of business results for the full year of the current consolidated fiscal year ending March 2009.

Net Sales	:	28,000 Million Yen (1,297 million yen below the previous projection)
Operating Income	:	630 Million Yen (1,292 million yen below the previous projection)
Ordinary Income	:	600 Million Yen (1,282 million yen below the previous projection)
Net Income	:	150 Million Yen (1,530 million yen below the previous projection)

#### ◆◇Business policy by segment in the second half of FY2008 ◇◆

The HS Division will continue to focus on customer-oriented activities, and will increase the number of personnel in preparation for the acquisition of new customers in spring 2009.

The ES Division will continue to carry out sales promotion activities toward real estate management companies, with the aim of establishing a sales promotion system for corporate customers.

At plastic recycling plants, the Division will increase the number of personnel in order to expand processing, so as to make up for sales decrease due to decline in processing prices. In addition, the Division will work hard to bring back former customers (who left after the Company imposed a limit on processing), since additional installation of foreign object-removal systems will enhance the Company's processing capabilities at plastic recycling plants and Tomakomai Power Plant.



# FY2008 : Statement of Income (Projection)

(Millions of Yen)

	FY2008								
	1st Half	2nd Half				Full Year			
	Actual	Revised Forecast	% to last year	Previous Forecast	Difference	Revised Forecast	% to last year	Previous Forecast	Difference
<b>Net Sales</b>	13,412	14,588	114.3%	15,041	(452)	28,000	105.6%	29,297	(1,297)
(H S)	7,975	7,778	105.1%	7,883	(105)	15,754	100.4%	16,154	(400)
(E S)	1,674	1,800	116.7%	1,820	(20)	3,474	104.0%	3,504	(30)
(ERD)	3,762	5,009	131.1%	5,336	(327)	8,771	117.3%	9,638	(866)
<b>Cost of Sales</b>	7,757	7,762	109.6%	7,749	13	15,520	104.9%	15,545	(25)
<b>Gross Profit</b>	5,655	6,825	120.0%	7,292	(466)	12,480	106.6%	13,752	(1,271)
<b>SGA</b>	6,006	5,843	109.0%	5,660	183	11,850	106.6%	11,829	20
<b>Operating Income</b>	(351)	981	301.1%	1,631	(649)	630	105.7%	1,922	(1,292)
<b>Ordinary Income</b>	(368)	968	368.1%	1,607	(639)	600	121.1%	1,882	(1,282)
<b>Net Income</b>	(737)	887	—	1,453	(565)	150	—	1,680	(1,530)

■ Sales in the HS and ES Divisions are expected to decrease slightly in comparison to the original forecast. In the ERD Division, the Company expects sales of waste plastic processing to decrease by around 300 million yen on the basis of results for the first half of FY2008. Management considers this a great opportunity to employ capable persons, since employment uncertainty is heightened due to financial turmoil, and has given the green light to increasing the number of sales staff in preparation for business expansion in spring 2009. In regard to earnings, the Company takes labor cost increase into account in calculating selling, general and administrative costs.

**SANIX** 13

# FY2008 : Quarterly Statement of Income (Projection)

(Millions of Yen)

	FY2008							
	1Q		2Q		3Q		4Q	
	Actual	% to last year	Actual	% to last year	Revised Forecast	% to last year	Revised Forecast	% to last year
<b>Net Sales</b>	6,583	96.2%	6,828	99.0%	6,917	108.3%	7,670	120.2%
(H S)	3,908	91.4%	4,067	101.4%	3,662	102.7%	4,116	107.3%
(E S)	792	92.1%	881	94.0%	860	110.0%	940	123.5%
(ERD)	1,883	110.3%	1,879	96.4%	2,395	117.5%	2,613	146.5%
<b>Cost of Sales</b>	3,595	99.1%	4,161	101.7%	3,817	106.5%	3,945	112.8%
<b>Gross Profit</b>	2,987	92.9%	2,667	95.0%	3,099	110.6%	3,725	129.2%
<b>SGA</b>	3,110	107.7%	2,895	101.0%	2,885	107.6%	2,958	110.4%
<b>Operating Income</b>	(122)	—	(228)	—	214	177.8%	767	373.6%
<b>Ordinary Income</b>	(124)	—	(243)	—	203	293.2%	764	394.9%
<b>Net Income</b>	(143)	—	(594)	—	181	—	706	—

**SANIX** 14

# FY2008 : Segment Information (Projection)

(Millions of Yen)

		FY2008									
		1st Half		2nd Half				Full Year			
		Actual	Revised Forecast	% to last year	Previous Forecast	Difference	Revised Forecast	% to last year	Previous Forecast	Difference	
HS	Net Sales	7,975	7,778	105.1%	7,883	(105)	15,754	100.4%	16,154	(400)	
	Gross Profit	5,396	5,271	104.9%	5,269	1	10,667	100.7%	10,749	(82)	
	SGA	3,522	3,361	109.1%	3,254	107	6,884	107.3%	6,962	(77)	
	Op. Income	1,873	1,909	98.2%	2,015	(105)	3,782	90.6%	3,787	(4)	
ES	Net Sales	1,674	1,800	116.7%	1,820	(20)	3,474	104.0%	3,504	(30)	
	Gross Profit	633	674	128.4%	702	(28)	1,308	107.4%	1,348	(40)	
	SGA	641	652	97.5%	673	(20)	1,293	91.1%	1,338	(44)	
	Op. Income	(7)	21	—	28	(7)	14	—	10	4	
ERD	Net Sales	3,762	5,009	131.1%	5,336	(327)	8,771	117.3%	9,638	(866)	
	Gross Profit	(374)	879	649.7%	1,319	(440)	504	—	1,653	(1,148)	
	SGA	670	688	119.4%	602	85	1,358	116.0%	1,183	175	
	Op. Income	(1,045)	191	—	717	(525)	(854)	—	469	(1,323)	
Group	Op. Income	(1,171)	(1,141)	—	(1,130)	(11)	(2,312)	—	(2,344)	32	

**SANIX** 15

# FY2008 : Quarterly Segment Information (Projection)

(Millions of Yen)

		FY2008							
		1Q		2Q		3Q		4Q	
		Actual	% to last year	Actual	% to last year	Revised Forecast	% to last year	Revised Forecast	% to last year
HS	Net Sales	3,908	91.4%	4,067	101.4%	3,662	102.7%	4,116	107.3%
	Gross Profit	2,649	92.7%	2,746	101.5%	2,427	101.3%	2,844	108.1%
	SGA	1,833	110.6%	1,689	100.8%	1,659	108.3%	1,702	109.9%
	Op. Income	816	67.9%	1,057	102.6%	767	88.9%	1,141	105.6%
ES	Net Sales	792	92.1%	881	94.0%	860	110.0%	940	123.5%
	Gross Profit	307	91.9%	325	91.1%	312	113.6%	361	144.7%
	SGA	316	83.6%	324	87.4%	320	92.0%	331	103.4%
	Op. Income	(8)	—	1	—	(8)	—	29	—
ERD	Net Sales	1,883	110.3%	1,879	96.4%	2,395	117.5%	2,613	146.5%
	Gross Profit	30	130.8%	(405)	—	360	273.6%	519	—
	SGA	334	113.7%	335	111.8%	333	117.1%	354	121.6%
	Op. Income	(304)	—	(741)	—	26	—	164	—
Group	Op. Income	(626)	—	(545)	—	(571)	—	(569)	—

**SANIX** 16

# FY2008 : Forecast for the ERD Division

## ERD Division

- Forecast for revenues from “Waste Plastic Recycled” was modified, because processing prices will continue to decline during the second half of the current fiscal year.
- Achievement of the power output target for the first half of the year is likely to be delayed into the second half of the year, because the change in power purchasers for the Tomakomai Power Plant was implemented.
- Sales of “Organic Waste Water Recycled” will be almost in line with the original forecast.

### Net Sales by Product and Operating Income

(Millions of Yen)

	FY2008								
	1st Half	2nd Half				Full Year			
	Actual	Revised Forecast	% to last year	Previous Forecast	Difference	Revised Forecast	% to last year	Previous Forecast	Difference
Waste Plastic Recycled	1,802	2,104	106.3%	2,465	(360)	3,907	103.4%	4,485	(578)
Organic Waste Water Recycled	1,020	1,095	113.0%	1,087	7	2,116	112.0%	2,113	2
Power Generation	614	1,421	277.3%	1,450	(28)	2,036	264.6%	2,406	(370)
Others	324	387	158.6%	333	54	711	168.3%	632	79
<b>Total Net Sales</b>	<b>3,762</b>	<b>5,009</b>	<b>131.1%</b>	<b>5,336</b>	<b>(327)</b>	<b>8,771</b>	<b>117.3%</b>	<b>9,638</b>	<b>(866)</b>
<b>Operating Income</b>	<b>(1,045)</b>	<b>191</b>	<b>—</b>	<b>717</b>	<b>(525)</b>	<b>(854)</b>	<b>—</b>	<b>469</b>	<b>(1,323)</b>

**SANIX** 17

# FY2008 : Forecast for the ERD Division

## - Resource-recycling Power Generation Business -

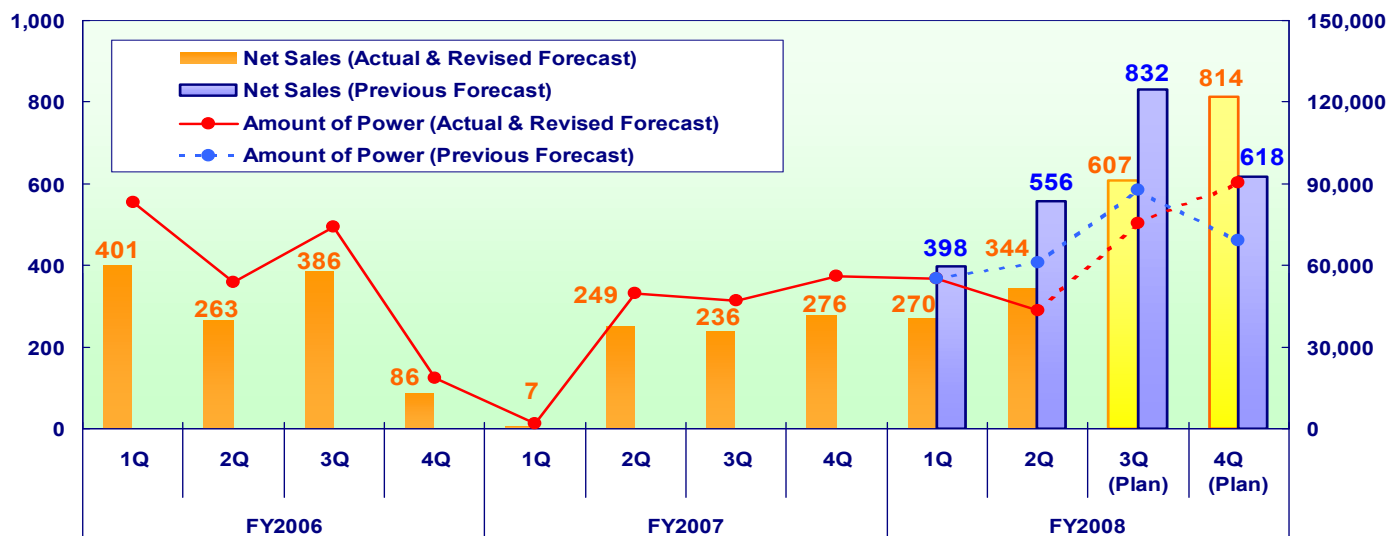
- Amount of power expected to increase from the 4th quarter, since installation of foreign object-removal systems will be completed within 2008.

Sales of the Power Generation business is expected to increase greatly from October. Within 2008, the Company will adjust and enhance foreign object-removal systems installed at pre-processing facilities during the regular maintenance period. In the 4th quarter, management plans to increase boiler fuel supply.

### Quarterly Net Sales and the Amount of Power Generated Tomakomai Power Plant

(Net Sales: MY)

(Amount of Power: MWh)



**SANIX** 18

# FY2008 : Forecast for the ERD Division

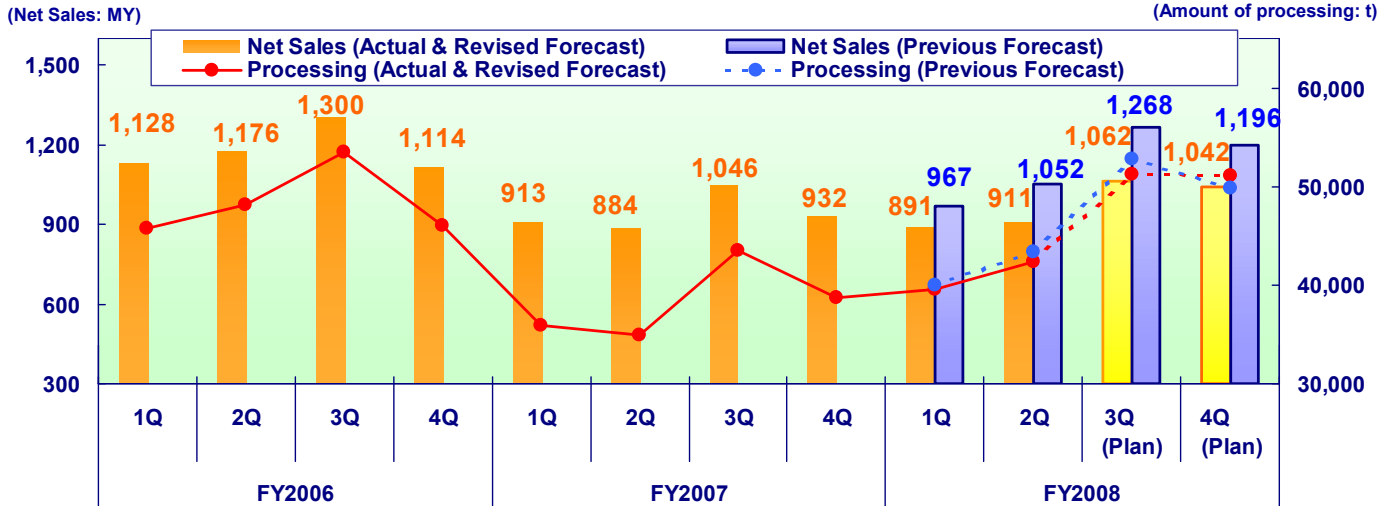
## - Waste Plastic Processing Business -

■ The Company will install foreign object-removal systems at all plants, in order to expand processing.

• The Company will install foreign object-removal systems at all plants and work hard to bring back former customers (who left after imposing a limit on processing).

• With crude oil prices declining sharply this autumn, processing prices are expected to recover. However, management is setting processing prices at the same level as in the first half of FY2008, in hope that this will help expand processing.

### ■ Quarterly Net Sales and the Amount of Waste Plastics Processing



<Reference: Average Processing Price>

	(Yen)											
Actual & Revised Forecast	24.7	24.4	24.3	24.2	25.5	25.3	24.0	24.1	22.5	21.5	20.7	20.4
Previous Forecast									24.2	24.3	24.1	24.0

## Since the Second Quarter of FY2008

FY  
2008

- 3 Q**
- The HS Division will increase the number of personnel in preparation for the acquisition of new customers in spring 2009.
  - The ES Division will continue to carry out sales promotion activities toward real estate management companies.
  - The ERD Division will work hard to bring back former customers (who left after imposing a limit on processing) by following policy;
    - Strengthen the administrative structure by an area management.
    - Adjust and enhance foreign object-removal systems installed at waste plastic processing plants and Tomakomai Power Plant.

- 4 Q**
- Both the HS and ES Divisions are expected to be almost in line with the previous forecast.
  - The ERD Division is also expected to recover to the line with the previous forecast.

Since  
FY  
2009

Achieve operating profit margin exceeding 10%, which is the final target of the Mid-term Business Plan "Spring Plan 2010"  
(Announced on April 22, 2008)