



# **SANIX INCORPORATED**

## Consolidated/Non-Consolidated Financial Summary

For the Fiscal Year ended March 31, 2009

The financial figures in this document are based on Japanese Accounting Standards and accompanying laws. Amounts are rounded off to 1 decimal place. This document is an English translation of the Japanese-language original.

**Consolidated Financial Statements**

For the Fiscal year ended March 31, 2009

**SANIX INCORPORATED**

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

Code No.: 4651

URL: [http://sanix.jp/index\\_e.htm](http://sanix.jp/index_e.htm)

President and CEO: Shin-ichi Munemasa

Contact: Masahiro Shimojo, Director, Management and Planning Division

**1. Consolidated Financial Highlights for the Year ended March 31, 2009**

(April 1, 2008 to March 31, 2009)

**(1) Consolidated Operating Results**

(Millions of Yen)

	Fiscal Year			
	between April 1 and March 31			
	FY2007	% change	FY2008	% change
Net Sales. . . . .	26,510	(8.3%)	<b>25,233</b>	<b>(4.8%)</b>
Operating Income. . . . .	596	-	<b>(596)</b>	-
Recurring Profit. . . . .	495	-	<b>(620)</b>	-
Net Income. . . . .	(2,547)	-	<b>(4,145)</b>	-
Net Income per Share(¥). . . . .	(¥53.40)	-	<b>(¥86.88)</b>	-
Net Income per Share, Diluted(¥). . . . .	-	-	-	-
Return on Equity. . . . .	(15.7%)	-	<b>(32.5%)</b>	-
Ratio of Recurring Profit to Net Assets. . . . .	1.7%	-	<b>(2.6%)</b>	-
Ratio of Operating Income to Net Sales. . . . .	2.2%	-	<b>(2.4%)</b>	-

**(2) Consolidated Financial Position**

(Millions of Yen)

	As of March 31	
	FY2007	FY2008
Total Assets. . . . .	25,957	<b>20,869</b>
Net Assets. . . . .	14,863	<b>10,730</b>
Shareholders' Equity Ratio (%). . . . .	57.2%	<b>51.3%</b>
Net Assets per Share (¥). . . . .	¥311.06	<b>¥224.30</b>

## Note (1) Shareholders' equity

Fiscal Year ended March 31, 2009	10,701 million yen
Fiscal Year ended March 31, 2008	14,840 million yen

### (3) Consolidated Financial Cash Flows

(Millions of Yen)

	Fiscal Year	
	from April 1 to March 31	
	FY2007	FY2008
Cash Flows from Operating Activities. . . . .	1,156	<b>(88)</b>
Cash Flows from Investing Activities. . . . .	2,459	<b>814</b>
Cash Flows from Financing Activities. . . . .	(3,191)	<b>(696)</b>
Balance of Cash and Cash Equivalents at End of Period. .	1,019	<b>1,049</b>

### 2. Dividends

	Fiscal Year		
	from April 1 to March 31		
	FY2007	FY2008	FY2009(Forecast)
Dividend per Share at the end of 1st Half (¥). . .	¥0.00	<b>¥0.00</b>	¥0.00
Dividend per Share at the end of the year (¥). . .	¥0.00	<b>¥0.00</b>	¥0.00
Annual dividend per Share (¥). . . . .	¥0.00	<b>¥0.00</b>	¥0.00
Total dividend. . . . .	-	-	-
Pay-out ratio (%). . . . .	-	-	-
Ratio of dividend to total capital (%). . . . .	-	-	-

### 3. Forecasts for Consolidated Business Results

(For the fiscal year ending March 31, 2010)

(Millions of Yen)

	FY2009			
	First Half	% change	Full Year	% change
Net Sales. . . . .	12,680	(5.5%)	25,000	(0.9%)
Operating Income. . . . .	87	-	750	-
Recurring Profit. . . . .	67	-	720	-
Net Income. . . . .	3	-	600	-
Net Income per Share(¥). . . . .	¥0.06	-	¥12.58	-

### 4. Others

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

(2) Change in Accounting Method: Refer to page

(3) Number of Shares Issued and Outstanding at Period End

(Shares)

	As of March 31	
	FY2007	FY2008
Number of shares issued and outstanding at period end.	48,919,396	<b>48,919,396</b>
Number of treasury stocks at period end. . . . .	1,209,043	<b>1,209,633</b>

## Reference: Non-Consolidated Financial Highlights

### 1. Non-Consolidated Financial Highlights for the Fiscal Year ended March 31, 2009

(April 1, 2008 to March 31, 2009)

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

(Millions of Yen)

	Fiscal Year			
	between April 1 and March 31			
	FY2007	% change	FY2008	% change
Net Sales. . . . .	25,488	(7.2%)	<b>23,372</b>	<b>(8.3%)</b>
Operating Income. . . . .	653	-	<b>(634)</b>	-
Recurring Profit. . . . .	369	-	<b>(667)</b>	-
Net Income. . . . .	(2,667)	-	<b>(4,079)</b>	-
Net Income per Share(¥). . . . .	(¥55.90)	-	<b>(¥85.51)</b>	-
Net Income per Share, Diluted(¥). . . . .	-	-	-	-

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

(Millions of Yen)

	As of March 31	
	FY2007	FY2008
Total Assets. . . . .	25,410	<b>20,580</b>
Net Assets. . . . .	14,219	<b>10,144</b>
Shareholders' Equity Ratio (%). . . . .	56.0%	<b>49.3%</b>
Net Assets per Share (¥). . . . .	¥298.03	<b>¥212.63</b>

Note (1) Shareholders' equity

Fiscal Year ended March 31, 2009	10,144 million yen
Fiscal Year ended March 31, 2008	14,219 million yen

### 2. Forecasts for Non-Consolidated Business Results

(For the fiscal year ending March 31, 2010)

	FY2009			
	First Half	% change	Full Year	% change
Net Sales. . . . .	11,655	(8.0%)	22,535	(3.6%)
Operating Income. . . . .	60	-	720	-
Recurring Profit. . . . .	45	-	700	-
Net Income. . . . .	(13)	-	590	-
Net Income per Share(¥). . . . .	(¥0.27)	-	¥12.37	-

Note: Forecasts above 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.

# I. Business Results

## 1. Earnings

### (1) Current Fiscal Year Overview

In the current consolidated fiscal year, on the back of the global economic downturn and appreciation of the Japanese yen caused by the financial crisis following the U.S. subprime loan problems, the Japanese economy remains in serious condition, with corporate earnings and the employment situation deteriorating, corporate capital expenditures shrinking, and personal consumption declining drastically.

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.

In the current consolidated fiscal year, the Company saw sales in the Home Sanitation Division (HS Division) and the Establishment Sanitation Division (ES Division) decrease over the same period last year, but those in the Environmental Resources Development Division (ERD Division) remain unchanged from the previous year. As a result, total sales of the Sanix Group amounted to 25,233 million yen (a 4.8% decrease year-on-year).

Regarding earnings, the Company recorded an operating loss of 596 million yen (operating income of 596 million yen in the previous consolidated fiscal year), an ordinary loss of 620 million yen (ordinary profit of 495 million yen in the previous consolidated fiscal year) and a net loss of 4,145 million yen (net loss of 2,547 million yen in the previous consolidated fiscal year) despite its efforts to improve its earnings structure through cost reduction.

Meanwhile, the Sanix Group posted an impairment loss of 2,980 million yen as a result of strict assessment of the recoverability of fixed assets in plastic recycling plants, etc. This was on the back of a decrease in the amount of refuse discharged due to manufacturers' production adjustment to cope with the economic downturn. The Group also recorded an impairment loss of 333 million yen associated with the transfer of idle land owned by EDI Inc., a consolidated subsidiary. Moreover, the Group recognized as an extraordinary loss both a store reorganization expense of 44 million yen related to consolidation of 8 stores in the HS Division and 13 stores in the ES Division after comprehensively examining each store's profitability and business efficiency improvements, and a loss on revaluation of investments in securities of 41 million yen due to a substantial decline in market prices of securities the Group held at the end of the current fiscal year.

Consolidated results of individual divisions for the year were as follows:

#### **Earnings of Individual Divisions:**

##### **Home Sanitation Division**

In the HS Division, sales of Termite Eradication Services, a mainstay of the Company's business, increased by 5.3% (year-on-year), due to the effects of a television advertising campaign during the busy period of termite eradication (April to June). Sales of Under-Roof/Floor Ventilation Systems steadily grew by 34.1% (year-on-year), but sales of Foundation Repair Treatment and Reinforcement Services, a newly introduced service in February 2007, decreased by 37.8% (year-on-year), since the first-round effects of the sales campaign has ended. As a result, sales by the HS Division decreased by 6.6% to 14,657 million yen compared with the previous year.

Regarding operating margins, the Division promoted further cost reductions, but the effects were not large enough to make up for the sales decline. Finally, its operating income was 3,470 million yen (4,176 million yen in the previous consolidated fiscal year), resulting in an operating-income-to-sales ratio of 23.7%, a 2.9 point decrease over 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, sales decreased by 10.9% to 2,976 million yen due to turmoil in the real estate and construction industries along with the financial crisis.

The division recorded an operating loss of 89 million yen (compared to 201 million yen for the last year).

### **Environmental Resources Development Division**

Power Sales increased by 101.5% over the same period last year, due to resumption of the Tomakomai Power Plant, whose operation was suspended in the previous fiscal year due to a fire and other related reasons, as well as a rise in the unit sales price associated with conclusion of a supply contract with new customers. Sales of Waste Plastic Processing decreased by 4.6% from the same period last year, due to production adjustments at the customer end because of the economic slowdown, as well as negative effects of a decrease in the amount of refuse discharged as a result of cost reduction. Organic Liquid Waste Processing Plant decreased its sales by 2.9% from the same period last year. Consequently, the Division's total sales were 7,600 million yen, up 1.6% from the same period of the previous year.

Regarding earnings, profitability deteriorated, since labor costs expanded and the Company increased the number of personnel at plastic recycling plants ahead of the original schedule to cope with a possible increase in processing. At Organic Liquid Waste Processing Plant, the Company was forced to use chemical treatment due to a temporary malfunction of its microbial treatment system, leading to an increase in supplies expenses. As a result, the Division reported an operating loss of 1,818 million yen (operating loss of 1,269 million yen for the same period last year).

## **(2) Prospect for Next Year**

In the fiscal year ending March 2010, Sanix aims to establish a robust corporate structure by continuously focusing on improvement of the Company's earnings structure, and seeks to turn business around by promoting improvement of customer satisfaction through enhancement of its compliance system.

In the HS Division, business deteriorated from November 2008 and hit bottom in January 2009. However, the Company expects sales to fall behind what they were a year ago, since consumer spending is likely to remain weak. In the ES Division, management consolidated 13 stores in the ES Division to improve business efficiency and seeks recovery of sales and profitability by concentrating on sales activities for corporate customers, such as building and condominium management companies in the Tokyo, Nagoya and Fukuoka areas. In the Environmental Resources Development Division, Power Sales are expected to grow thanks to a gradual increase in output because of stable continuous operation of Sanix Energy's Tomakomai Power Plant. Regarding sales of plastic fuel in the Waste Plastic Processing business to outside customers, the Company expects sales to increase steadily. This is because the Division has completed its framework to actively promote collection of waste plastic, a raw material for plastic fuel, by expanding the number of sales staff ahead of the original schedule to cope with growing demand for plastic fuel due to expansion of sales channels.

Regarding earnings, management expects net income for the current fiscal year to return to the black after a loss last year. This is because the earning structure of the Environmental Resources Development Division is likely to be established, with the power generating business being just on track, and negative factors being removed such as decreasing sales and expanding repair expenses, etc. due to facilities malfunctions at the Power Plant in the past.

### **(3) Progress of Mid-term Business Plan**

On April 22, 2008, the SANIX Group announced *Spring Plan 2010*, its medium-term business plan for three years from the year ended March 31, 2009 through the year ending March 31, 2011. In the plan, the Group declares its aim to raise operating income margins to 10% in the final year of the plan as a foundation for further business expansion. However, management has decided to review the medium-term business plan after comprehensively examining changes in the business environment surrounding the Group, along with the deteriorating business conditions and the business performance for the current fiscal year.

The Sanix Group plans to announce a new medium-term business plan at an appropriate time, with careful consideration to the business environment.

## **2. Financial Condition**

### **(1) Assets, Liabilities and Net Assets**

#### **(Assets)**

Current assets decreased 2.3% from the end of the previous year to 3,894 million yen. This is primarily because accounts receivable-other increased by 300 million yen, but notes and accounts receivable-trade and inventories decreased by 177 million yen and 127 million yen, respectively.

Fixed assets decreased 22.7% to 16,974 million yen. This is primarily because property, plant and equipment decreased by 4,829 million yen due to depreciation, a decrease in land holdings due to the transfer of idle land as well as impairments.

#### **(Liabilities)**

Current liabilities decreased 9.3% from the end of the previous year to 8,536 million yen. This is primarily because allowances for recycling expenses, etc. decreased by 296 million yen along with the return of the Honshu Storage Yard for plastic fuel, and short-term loans payable and the current portion of long-term loans payable decreased by 289 million yen and 176 million yen, respectively, due to accelerating repayment of debts.

Fixed liabilities decreased by 4.8% to 1,602 million yen.

#### **(Net Assets)**

Net assets decreased 27.8% to 10,730 million yen, mainly due to decreases in capital surplus of 2,667 million yen and retained earnings of 1,478 million yen.

### **(2) Cash Flows**

As of March 31, 2009, cash and cash equivalents totaled 1,049 million yen on a consolidated basis, an increase of 30 million yen from as of March 31, 2008.

#### **(Cash Flows from Operating Activities)**

Net cash used for operating activities totaled 88 million yen, a decrease of 1,245 million yen from the previous year. This was mainly due to the operating loss.

#### **(Cash Flows from Investing Activities)**

Net cash provided by investing activities totaled 814 million yen, a decrease of 1,644 million yen from the previous year. This is primarily because the Company had revenue from sales of property, plant and equipment associated with the transfer of idle land.

#### **(Cash Flows from Financing Activities)**

Net cash used for financing activities totaled 696 million yen, a decrease of 2,495 million yen from the previous year. Here, accelerating the repayment of debt was responsible.

## The Cash Flow Indicators:

	FY2004	FY2005	FY2006	FY2007	FY2008
Shareholders' equity ratio	48.1%	44.2%	53.6%	57.2%	51.3%
Shareholders' equity ratio on a market price basis	67.9%	62.6%	30.4%	41.8%	19.9%
Debt-redemption years	7.05 year	—	—	5.05 year	—
Interest coverage ratio	7.96	—	—	6.55	—

(Note) Shareholders' equity ratio: Shareholders' equity/Total assets

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

Debt-redemption years: Interest-bearing liabilities/Operating cash flow

Interest coverage ratio: Operating cash flow/Interest payment

1. Each indicator is calculated based on consolidated financial results.
2. Total market value of stock is calculated by: closing price at the year-end x outstanding shares at the year-end.
3. The operating cash flow in this table is cash flow from operating activities reported on the consolidated cash flow statement. Interest-bearing liabilities cover all liabilities reported on the consolidated balance sheet for which interest is paid. Interest payment used in the calculation of the interest coverage ratio is the amount of interest expense reported on the consolidated cash flow statement.
4. Debt redemption years and interest coverage ratio data are not included in the table above for the year ended March 2006, 2007 and 2009 as the operating cash flow was negative in these years.

### 3. Basic Corporate Policy for Profit Distribution

SANIX operates its business focusing on the return profit to shareholders. One of our business policies is to increase dividends to shareholders by expanding the scope of our operators and improving earnings, while ensuring stable dividends based on the ratio according to shareholders' equity and other factors.

However, during the current year, the Company will not pay dividends for the year, considering net loss was recorded. The Company will strive for further improvement of operating results so that it can make stable distribution of profits to shareholders in the next fiscal year, meeting shareholders' expectations, based on operating results and future plans for business development.

### 4. Business and Other Risks

Major risks that may affect the operating results and business of the SANIX Group are described below. Recognizing the possibility of occurrence of these risks, the SANIX Group endeavors to take proper measures to avert these risks and minimize the impact in the event of occurrence.

Certain future-related statements included in this document are estimates made by the Company based on the information available at the end of the current fiscal year.

#### (1) Laws and regulations concerning door-to-door-sales

Sales activities of the HS Division are mainly conducted by the door-to-door calls, which should be made in compliance with, and are subject to restrictions of, the Specific Commercial Transactions Law and the Consumer Contract Law. These laws and regulations are becoming severer lately, from the viewpoint to strengthen the protection for consumers. The Company ensures compliance with applicable laws and regulations in order to protect our customers. However, if the Division fails to comply with the current and future laws and regulations applicable to its businesses, the operating results or financial position of the Division may be negatively impacted.

(2) Movement in the door-to-door-sales industry

Any further detection of dishonest housing improvement operators, and subsequent reports in the media might have a negative impact on the Company's future business.

(3) Laws and regulations concerning waste treatment

The businesses of the ERD Division require certain approvals and permits of administrative authorities, should satisfy environmental emission standards and should comply with the provisions of laws and regulations concerning waste treatment. If the Division fails to comply with the current and future laws and regulations applicable to its businesses, or if revenue expansion is offset by a huge amount of costs necessary to comply with severer regulations, the operating results or financial position of the Division may be negatively impacted.

(4) Retention and development of human resources

The SANIX Group must recruit, retain and develop a number of competent workers engaged in sales, engineering and other functions in order to identify potential needs of customers, and to conduct operations of execution of contracts, service applications and customer control. The SANIX Group endeavors to recruit, retain and develop excellent workers through the adoption of the ability-based and performance-based personnel management policy, recruitment of experienced workers in addition to the recruitment of new school graduates, and provision of various training and education programs. However, the operating results of the Company may be negatively affected by a decline in the number of employees resulting from resigning of existing workers, lowering of productivity due to the addition of new workers.

(5) Resource recycling power generation system

The SANIX Energy Tomakomai Power Plant plays a core part in the Company's resource-recycling power plant business, using waste plastics as its fuel. As a result of the reinforcement of its disaster prevention system and improvement and maintenance of the waste plastic fuel quality, the Tomakomai Plant has maintained consistent operation since August 2007. However, since the fuel is reprocessed from waste plastic, its quality or nature is not always uniform, which may give adverse effect on the stable and continuous operation of the power plant, and, in turn, on the operating results and financial position of the Company.

(6) Industrial accident/ disaster

The SANIX Group endeavors to achieve accident-free and disaster-free operations in all aspects of its businesses. However, if a material industrial accident or disaster occurs in any plant of the SANIX Group, its reputation in society will be damaged, payment of compensations for damage and other costs will be incurred to respond to such accident/disaster. In addition, during the suspension of operation caused by such accident/disaster, the Company will incur opportunity loss, which may have negative impact on the operating results and financial position of the Company.

## II. Group Outline

The SANIX Group is composed of SANIX Incorporated and 6 subsidiaries. SANIX's core businesses are residential environmental sanitation and maintenance, sanitation services for office buildings, intermediate processing of industrial waste and electricity generation with a focus on recycling resources.

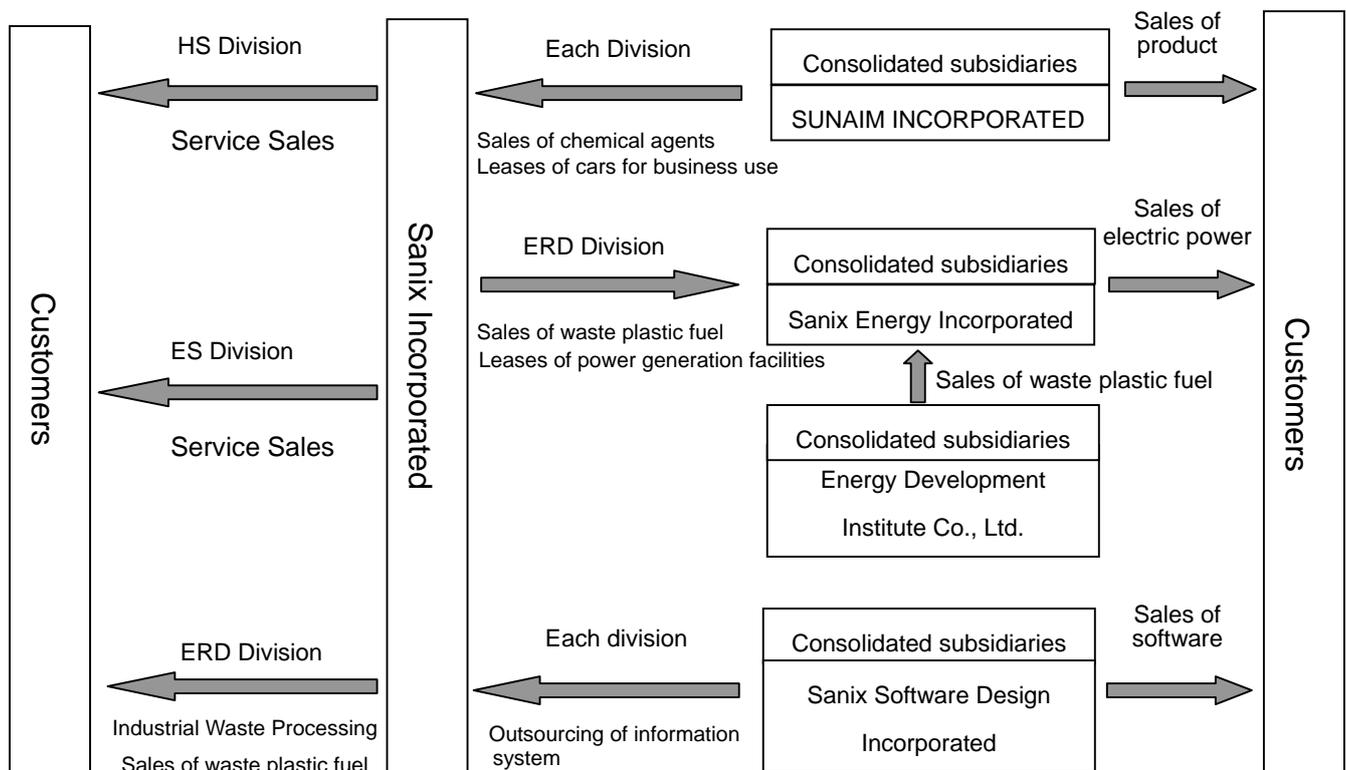
These businesses are operated by each group company as shown below.

**HS Division:** The division offers environmental sanitation services for ordinary houses. The main services and products are Termite Eradication Service, Foundation Repairing Treatment, Under-Roof/Floor Ventilation System, and Home Reinforcement System.

**ES Division:** The division offers environmental sanitation services for offices and condominium. The main services are Anti-rust equipment installation, Repair of building water-works and Waterproofing of building.

**ERD Division:** The division focuses on reducing, detoxifying, recycling and treating industrial waste. Sanix sells industrial plastic waste processed at its plastic recycling plants to Sanix Energy Incorporated, a consolidated subsidiary. Sanix Energy Incorporated, a consolidated subsidiary, is responsible for generating and selling power from the Tomakomai Power plant, which solely utilizes industrial waste plastic, which are purchased from Sanix incorporated and Energy Development Institute Co., Ltd.

SANIX Incorporated purchases chemicals used in each division, and leases vehicles for operations, from Sunaim Incorporated, its consolidated subsidiary. SANIX purchased information system services relating to each of its divisions from Sanix Software Design Incorporated.



### **III. Business Policies**

#### **1. Fundamental Business Policies**

Our corporate mission since our founding has been “Cleaning Up and Sanitizing Our Environment.” Under this concept, we have provided a broad range of environmental sanitation services to society. SANIX offers residential and commercial environmental sanitation services, and facility maintenance services for office buildings, apartment buildings, and other facilities. It is also engaged in industrial waste processing, focusing chiefly on waste recycling; and electricity generation utilizing recycled plastic waste.

In these three areas, SANIX is aggressively developing its ecological business by exploring latent demand, improving services and technology and constantly tailoring services to best suit customer needs. In operating these businesses, SANIX is endeavoring to enhance its profitability and capital efficiency to maximize its corporate value.

#### **2. Target Management Indices**

The SANIX Group aims at continuous improvement in profits based on mid- and long-term business strategies. The Company will implement serious cost reduction efforts and strengthen management structure. Among various management indices, we should focus on the ratio of operating profit to revenues, which clearly reflects the status of our productivity and the balance with the costs. The Company targets at achieving the ratio of operating profit to revenues of 10% in the medium term.

#### **3. Medium- and Long-Term Business Strategies and Issues to Be Addressed**

##### **(1) HS Division**

The HS division will continue emphasizing compliance with applicable laws and regulations to ensure the protection of consumers. The division is determined to make efforts to create a marketing organization that is closely connected to the local community, and to provide existing customers good after-sales service through our Termite Eradication Service, Under-Roof/Floor Ventilation Systems, and House Foundation Repair and Reinforcement Treatment. In the medium to long term, the HS Division will consider collaboration with other companies, aiming at establishing new marketing techniques, in addition to door-to-door sales. And to improve the operating profit ratio of the division, which should achieve a high profit margin by improving operating efficiency, increasing the number of employees, and introducing new products.

##### **(2) ES Division**

The ES Division is cultivating markets mainly in the metropolitan areas where office buildings, apartment complexes, and other large facilities are concentrated. The Division provides, as its core business, maintenance and repairing service for water pipes in buildings and apartment houses. Through provision of regular maintenance programs to existing customers, the Division will also explore additional needs for maintenance and repairing of all facilities within their buildings. In the medium to long term, a corporate customer marketing system targeting realtors, facility management companies and other companies will be established. At the same time, efficiency in marketing and installation work should be improved to reduce costs and increase sales, which will lead to improvement in the operating profit ratio.

### (3) ERD Division

The main business of ERD division is resource-recycling power generation by using fuel recycled from waste plastic in its recycling plants. As for the application of waste plastic processed by the Division's plants, the Division pursues sales to other customers than power plants to expand the sales volume of plastic fuel for which demand is high as an alternative of fossil fuel. Expansion of the customer base will contribute to improvement of its business profitability.

## 4. Challenges the Company faces

We expect that the business environment surrounding the Company will remain severe; however, the environmental industry will play an important role in society due to a rising demand for environmental protection. Under such circumstances, the following are managerial challenges to be tackled in order for our three main businesses to prosper.

### (1) Promotion of compliance

In order to be trusted by more customers and to provide comfortable environment more extensively, one of the most important issues for the Company, as the leading "Eco Business" company, is promoting strict compliance with laws and regulations, from the viewpoint of consumer protection, following our principle of "Customers Come First." Education and training will be provided regularly to employees to enhance their morality and knowledge on legal compliance, to ensure delivery of safe and comfortable house environment to customers. At the same time, the Company pays close attention to environment conservation when conducting its operations, including ensuring proper treatment and disposition of industrial waste it generates.

### (2) Strengthening sales and management system

The Company needs to establish high quality sales and management systems, where we can increase close contact with our customers and cultivate underlying demand. SANIX, a team of experts, will firmly establish its brand image and employ efficient sales and management systems.

### (3) Recruitment and training of employees

In accordance with our Management Philosophy, "Our job is to educate and education means management", we are committed to improve corporate value and our services by recruiting more people and training employees. From the perspective of protecting customers, we are required to ensure compliance with applicable laws and regulations. The Company considers it is our corporate mission to raise the quality of our employees as well as products and services. Specifically, we are determined to provide employees with substantial and specific training on recruitment, at each managerial class, and at each position.

### (4) Development of new products

A key issue for the Company is the development of new products and improvement of existing products. In HS division, our mission is to protect customers' wooden houses from damage caused by termites, humidity, and natural disasters such as typhoons and earthquakes so that we can provide a comfortable living environment. ES division needs to develop new services for maintaining corporate buildings. The Environmental Resources Development Division will strive for development of value-added alternatives to fossil fuel to create new market needs, including diversifying the applications of plastic fuel for which strong demand growth is expected.

### (5) Sales of waste plastic fuel

Along with increasing the amount of waste plastic processing, ERD division now sells waste plastic fuel as part of the creation of the so-called recycling oriented society. As waste plastic fuel could be an alternative energy source

to fossil fuel, our foremost issue is to develop a suitable profile of this fuel, and secure the stable quality and volume of fuel production in order to meet customer demand.

(6) Bolster disaster-prevention countermeasures

We make every effort to give first priority to safety at each plant in ERD division. Management takes seriously the gravity of the fire that occurred in the past, and has reviewed and strengthened its disaster prevention system to ensure safe operations of its business.

## **5. Other Significant Management Issues**

No applicable matter.

## IV. Consolidated Financial Statements

### 1. Consolidated Balance Sheet

(Thousands of Yen)

	As of March 31	
	FY2007	FY2008
<b>Assets:</b>		
Current Assets:		
Cash and deposits	1,019,848	1,064,885
Notes and accounts receivable-trade	1,855,584	1,678,368
Inventories	744,745	-
Merchandise and finished goods	-	52,928
Raw materials and supplies	-	564,104
Deferred tax assets	160,000	111,342
Other	289,141	531,050
Allowance for doubtful accounts	(83,857)	(107,990)
Total Current Assets:	3,985,462	3,894,689
Fixed Assets:		
Property, Plant and Equipment:		
Buildings and structures, net	4,469,286	3,041,333
Machinery, equipment and vehicles, net	3,661,281	2,493,039
Land	11,722,008	9,535,429
Lease assets, net	-	95,761
Construction in progress	151,248	23,006
Other, net	153,597	139,030
Total Property, Plant and Equipment:	20,157,422	15,327,601
Intangible Fixed Assets:	61,751	77,307
Investments and Other Assets:		
Investment securities	406,840	368,537
Lease and guarantee deposits	1,217,052	1,069,789
Deferred tax assets	1,026	19,546
Other	528,592	523,423
Allowance for doubtful accounts	(400,160)	(411,572)
Total Investments and Other Assets:	1,753,352	1,569,724
Total Fixed Assets:	21,972,526	16,974,634
<b>Total Assets:</b>	<b>25,957,988</b>	<b>20,869,323</b>

(Thousands of Yen)

	As of March 31	
	FY2007	FY2008
<b>Liabilities:</b>		
Current Liabilities:		
Notes and accounts payable-trade	616,720	530,469
Short-term loans payable	5,605,000	5,316,000
Current portion of long-term loans payable	196,004	19,316
Accounts payable-other	1,368,794	1,438,811
Accrued expenses	754,862	700,585
Accrued income taxes	-	62,995
Lease obligations	122,144	159,584
Income taxes payable	220,416	96,704
Provision for bonuses	113,119	109,032
Allowance for resource-recycling expenses	310,477	13,504
Other	104,193	89,456
Total Current Liabilities:	9,411,731	8,536,460
Non-Current Liabilities:		
Long-term loans payable	34,816	15,500
Lease obligations	-	157,433
Deferred tax liabilities	19,484	23,011
Long-term lease deposited	46,216	46,216
Provision for retirement benefits	1,042,023	1,130,617
Provision for directors' retirement benefits	239,700	229,845
Other	30,095	
Total Non-Current Liabilities:	1,683,200	1,602,624
<b>Total Liabilities:</b>	11,094,931	10,139,085
<b>Net Assets:</b>		
Shareholders' Equity:		
Capital stock	14,041,834	14,041,834
Capital surplus	4,425,946	1,758,841
Retained earnings	(2,045,384)	(3,523,538)
Treasury stock	(1,610,673)	(1,610,705)
Total Shareholders' Equity:	14,811,722	10,666,432
Valuation and translation adjustments:		
Valuation difference on available-for-sale securities	29,214	34,636
Total Valuation and translation adjustments:	29,214	34,636
Minority Interests:	22,119	29,169
<b>Total Net Assets:</b>	14,863,056	10,730,238

## 2. Consolidated Statement of Income

(Thousands of Yen)

	from April 1 to March 31	
	FY2007	FY2008
Net sales	26,510,673	<b>25,233,705</b>
Cost of sales	14,800,806	<b>14,674,955</b>
Gross profit	11,709,866	<b>10,558,750</b>
Selling, general and administrative expenses	11,113,819	<b>11,155,329</b>
Operating income (loss)	596,047	<b>(596,578)</b>
Non-operating income:		
Interest income	7,982	<b>7,732</b>
Dividends income	22,737	<b>17,592</b>
Commission for insurance office work	5,447	<b>4,926</b>
Land and house rent revenue	33,553	<b>67,210</b>
Other	53,190	<b>24,574</b>
Total non-operating income	122,910	<b>122,036</b>
Non-operating expenses:		
Interest expenses	176,513	<b>143,259</b>
Rent expenses	3,653	<b>2,352</b>
Other	43,421	<b>231</b>
Total non-operating expenses	223,588	<b>145,844</b>
Ordinary income (loss)	495,369	<b>(620,385)</b>
Extraordinary income:		
Insurance income	22,368	<b>610,339</b>
Gain on sales of investment securities	4,284	<b>2,245</b>
Reversal of allowance for doubtful accounts	372	<b>-</b>
Gain on sales of fixed assets	-	<b>688</b>
Total extraordinary income	27,024	<b>613,273</b>
Extraordinary loss:		
Loss on sales of fixed assets	70,676	<b>96</b>
Loss on retirement of fixed assets	33,739	<b>11,953</b>
Impairment loss	2,687,358	<b>3,313,133</b>
Loss on cancellation of lease contracts	5,027	<b>4,171</b>
Loss on valuation of investment securities	49,487	<b>41,303</b>
Loss on valuation of membership	-	<b>9,861</b>
Provision of allowance for doubtful accounts	271,480	<b>-</b>
Loss on closing of stores	15,888	<b>44,518</b>
Loss on disaster	29,247	<b>569,501</b>
Total extraordinary loss	3,162,906	<b>3,994,542</b>
Income (loss) before income taxes and minority interests	(2,640,512)	<b>(4,001,654)</b>
Income taxes-current	90,307	<b>105,970</b>
Refund of income taxes for prior periods	(25,395)	<b>-</b>
Income taxes-deferred	(158,815)	<b>30,259</b>
Total income taxes	(93,902)	<b>136,230</b>
Minority interests in income	919	<b>7,374</b>
Net income (loss)	(2,547,529)	<b>(4,145,259)</b>

### 3. Consolidated Statements of Changes in Net Assets

(Thousands of Yen)

	from April 1 to March 31	
	FY2007	FY2008
<b>Shareholders' Equity</b>		
Capital stock:		
Balance at the end of previous period	14,041,834	<b>14,041,834</b>
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	14,041,834	<b>14,041,834</b>
Capital surplus:		
Balance at the end of previous period	6,291,287	<b>4,425,946</b>
Changes of items during the period		
Deficit disposition	(1,865,340)	<b>(2,667,105)</b>
Total changes of items during the period	(1,865,340)	<b>(2,667,105)</b>
Balance at the end of current period	4,425,946	<b>1,758,841</b>
Retained earnings:		
Balance at the end of previous period	(1,363,195)	<b>(2,045,384)</b>
Changes of items during the period		
Net income	(2,547,529)	<b>(4,145,259)</b>
Deficit disposition	1,865,340	<b>2,667,105</b>
Total changes of items during the period	(682,188)	<b>(1,478,153)</b>
Balance at the end of current period	(2,045,384)	<b>(3,523,538)</b>
Treasury Stock:		
Balance at the end of previous period	(1,610,569)	<b>(1,610,673)</b>
Changes of items during the period		
Purchase of treasury stock	(103)	<b>(97)</b>
Disposal of treasury stock	-	<b>66</b>
Total changes of items during the period	(103)	<b>(31)</b>
Balance at the end of current period	(1,610,673)	<b>(1,610,705)</b>
Total Shareholders' Equity:		
Balance at the end of previous period	17,359,356	<b>14,811,722</b>
Changes of items during the period		
Net income	(2,547,529)	<b>(4,145,259)</b>
Purchase of treasury stock	(103)	<b>(97)</b>
Disposal of treasury stock	-	<b>66</b>
Total changes of items during the period	(2,547,633)	<b>(4,145,290)</b>
Balance at the end of current period	14,811,722	<b>10,666,432</b>

(Thousands of Yen)

	from April 1 to March 31	
	FY2007	FY2008
<b>Valuation and Translation Adjustments:</b>		
Valuation difference on available- for-sale securities		
Balance at the end of previous period	159,576	29,214
Changes of items during the period		
Net changes of items other than shareholders' equity	(130,361)	5,422
Total changes of items during the period	(130,361)	5,422
Balance at the end of current period	29,214	34,636
Total Valuation and Translation Adjustments:		
Balance at the end of previous period	159,576	29,214
Changes of items during the period		
Net changes of items other than shareholders' equity	(130,361)	5,422
Total changes of items during the period	(130,361)	5,422
Balance at the end of current period	29,214	34,636
<b>Minority Interests:</b>		
Balance at the end of previous period	21,524	22,119
Changes of items during the period		
Net changes of items other than shareholders' equity	594	7,049
Total changes of items during the period	594	7,049
Balance at the end of current period	22,119	29,169
<b>Total Net Assets:</b>		
Balance at the end of previous period	17,540,456	14,863,056
Changes of items during the period		
Net income	(2,547,529)	(4,145,259)
Purchase of treasury stock	(103)	(97)
Disposal of treasury stock	-	66
Net changes of items other than owners' equity	(129,766)	12,471
Total changes of items during the period	(2,677,400)	(4,132,818)
Balance at the end of current period	14,863,056	10,730,238

#### 4. Consolidated Cash Flow Statement

(Thousands of Yen)

	From April 1 to March 31	
	FY2007	FY2008
<b>Net Cash Provided by (Used in) Operating Activities:</b>		
Income before income taxes and minority interests	(2,640,512)	(4,001,654)
Depreciation and amortization	1,153,315	910,290
Impairment loss	2,687,358	3,313,133
Loss on disaster	29,247	569,501
Insurance income	(22,368)	(610,339)
Increase/ Decrease in reserve for retirement benefits	(337,333)	88,594
Increase/ Decrease in reserve for directors' retirement benefits	239,700	(9,854)
Increase/ Decrease in provision for bonuses	104,480	(4,086)
Decrease in allowance for resource-recycling expenses	(470,557)	(296,972)
Increase/ Decrease in allowance for doubtful accounts	24,486	35,545
Interest and dividends income	(30,719)	(25,325)
Interest expenses	176,513	143,259
Commission fee	21,560	145
Gain/ Loss on sales of investment securities	(4,284)	(2,245)
Gain/ Loss on valuation of investment securities	49,487	41,303
Loss on valuation of membership	-	9,861
Gain/ Loss on sales of fixed assets	70,676	(591)
Loss on retirement of fixed assets	33,739	11,953
Loss on store closings	15,888	44,518
Increase/ Decrease in notes and accounts receivable-trade	369,349	177,215
Increase/ Decrease in inventories	97,719	127,712
Increase/ Decrease in other current assets	184,089	57,403
Decrease in notes and accounts payable-trade	(65,996)	(86,250)
Increase/ Decrease in consumption tax refund receivable	211,855	(123,711)
Increase/ Decrease in other current liabilities	(386,762)	(233,689)
Directors' bonuses paid	(3,375)	-
Directors' bonuses payments charged to minority shareholders	(1,625)	-
Other	(370)	(78,772)
Subtotal	1,505,563	56,943
Interest and dividends income received	31,847	24,429
Interest expenses paid	(208,929)	(127,666)
Payment for damage repairing	(199,417)	(269,501)
Proceeds from damage insurance	187,065	310,339
Income taxes paid	(174,535)	(87,280)
Income taxes refund	14,853	4,049
<b>Net cash provided by operating activities:</b>	<b>1,156,446</b>	<b>(88,686)</b>

(Thousands of Yen)

	From April 1 to March 31	
	FY2007	FY2008
<b>Net Cash Provided by (Used in) Investment Activities:</b>		
Decrease in limited withdrawal deposit	100,000	-
Payments into time deposits	-	(15,000)
Proceeds from sales of investment securities	25,072	8,280
Proceeds from redemption of investment securities	500,000	-
Proceeds from sales of property, plant and equipment	14,645	1,166,532
Purchase of property, plant and equipment	(201,571)	(357,757)
Proceeds from transfer of business	2,017,379	-
Payments for lease and guarantee deposits	(93,686)	(24,782)
Proceeds from collection of lease and guarantee deposits	65,065	49,665
Net increase/ decrease in lease deposits	31,737	-
Other	371	(12,046)
<b>Net cash provided by investing activities:</b>	<b>2,459,012</b>	<b>814,892</b>
<b>Net Cash Provided by (Used in) Financing Activities:</b>		
Increase (decrease) in short-term loans payable	2,655,000	(289,000)
Repayment of long-term loans from a director	(975,000)	-
Proceeds from long-term loans payable	30,000	-
Repayment of long-term loans payable	(3,891,898)	(196,004)
Redemption of bonds	(755,000)	-
Repayments of finance lease obligations	-	(10,298)
Net decrease/ increase in treasury stock	(103)	(31)
Cash dividends paid	(2,884)	(689)
Other	(251,560)	(200,145)
<b>Net cash provided by financing activities:</b>	<b>(3,191,446)</b>	<b>(696,168)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>424,011</b>	<b>30,036</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>595,837</b>	<b>1,019,848</b>
<b>Cash and cash equivalents at the end of period</b>	<b>1,019,848</b>	<b>1,049,885</b>

# V. Non-Consolidated Financial Statements

## 1. Non-Consolidated Balance Sheet

(Thousands of Yen)

	As of March 31	
	FY2007	FY2008
<b>Assets:</b>		
Current Assets:		
Cash and deposits	868,049	770,838
Notes receivable-trade	40,901	65,620
Accounts receivable-trade	1,658,173	1,505,196
Merchandise	16,102	-
Semi-finished goods	76,645	-
Raw materials	345,629	-
Merchandise and finished goods	-	52,928
Supplies	135,330	-
Raw materials and supplies	-	424,398
Advance payments-trade	18,124	26,895
Prepaid expenses	159,920	128,189
Deferred tax assets	160,000	110,000
Accounts receivable-other	121,521	483,579
Other	69,596	50,543
Allowance for doubtful accounts	(80,000)	(108,000)
Total Current Assets:	3,589,994	3,510,190
Fixed Assets:		
Property, Plant and Equipment:		
Buildings, net	3,514,484	2,269,113
Structures, net	941,282	763,060
Machinery, equipment, net	3,607,031	2,473,397
Vehicles, net	717	1,440
Tools, furniture and fixtures, net	144,232	132,156
Land	10,224,008	9,535,429
Lease assets, net	-	95,761
Construction in progress	154,136	22,331
Total Property, Plant and Equipment:	18,585,893	15,292,691
Intangible Fixed Assets:		
Telephone subscription right	53,360	52,619
Lease assets	-	10,444
Other, net	3,629	1,227
Total Intangible Fixed Assets:	56,989	64,291
Investments and Other Assets:		
Investment securities	406,060	367,805
Stocks of subsidiaries and affiliates	73,500	73,500
Investments in capital	2,760	2,760
Long-term loans receivable from subsidiaries and affiliates	1,525,957	512,000
Claims provable in bankruptcy, claims provable in rehabilitation and oth	328,903	339,298
Long-term prepaid expenses	69,232	61,669
Lease and guarantee deposits	1,149,733	991,465
Membership	125,389	116,519
Other	30,868	30,634
Allowance for doubtful accounts	(534,339)	(781,857)
Total Investments and Other Assets:	3,178,065	1,713,794
Total Fixed Assets:	21,820,949	17,070,777
<b>Total Assets:</b>	25,410,944	20,580,967

	As of March 31	
	FY2007	FY2008
<b>Liabilities:</b>		
Current Liabilities:		
Notes payable-trade	56,241	53,267
Accounts payable-trade	514,252	503,113
Short-term loans payable	5,605,000	5,316,000
Current portion of long-term loans payable	170,000	-
Lease obligations	-	62,995
Accounts payable-other	1,639,882	1,855,694
Accrued expenses	728,432	670,521
Income taxes payable	120,903	135,421
Accrued consumption taxes	217,967	85,141
Advances received	10,480	8,887
Deposits received	85,249	71,584
Unearned revenue	6,218	6,237
Provision for bonuses	106,251	98,118
Allowance for resource-recycling expenses	310,477	13,504
Total Current Liabilities:	9,571,358	8,880,487
Non-Current Liabilities:		
Lease obligations	-	157,433
Long-term accounts payable-other	100,000	-
Deferred tax liabilities	19,378	23,011
Long-term lease deposited	47,142	47,142
Provision for retirement benefits	1,018,895	1,099,176
Provision for directors' retirement benefits	235,100	228,970
Other	200,000	-
Total Non-Current Liabilities:	1,620,515	1,555,734
<b>Total Liabilities:</b>	11,191,874	10,436,221
<b>Net Assets:</b>		
Shareholders' Equity:		
Capital stock	14,041,834	14,041,834
Capital surplus	4,425,946	1,758,841
Retained earnings	(2,667,105)	(4,079,742)
Treasury stock	(1,610,673)	(1,610,705)
Total Shareholders' Equity:	14,190,002	10,110,228
Valuation and translation adjustments:		
Valuation difference on available-for-sale securities	29,067	34,517
Total Valuation and translation adjustments:	29,067	34,517
<b>Total Net Assets:</b>	14,219,070	10,144,746
<b>Total Liabilities and Net Assets:</b>	25,410,944	20,580,967

## 2. Non-Consolidated Statement of Income

(Thousands of Yen)

	from April 1 to March 31	
	FY2007	FY2008
Net sales	25,488,830	23,372,597
Cost of sales	13,969,466	13,137,896
Gross profit	11,519,363	10,234,701
Selling, general and administrative expenses	10,865,429	10,868,747
Operating income (loss)	653,934	(634,046)
Non-operating income:		
Interest income	7,492	6,839
Dividends income	23,382	18,207
Commission for insurance office work	5,447	4,926
Land and house rent revenue	123,203	158,020
Other	54,793	33,665
Total non-operating income	214,319	221,658
Non-operating expenses:		
Interest expenses	172,378	142,480
Provision of allowance for doubtful accounts	132,653	-
Rent expenses	160,754	112,369
Other	33,179	136
Total non-operating expenses	498,965	254,986
Ordinary income (loss)	369,288	(667,374)
Extraordinary income:		
Insurance income	22,368	610,339
Gain on sales of investment securities	4,284	2,245
Reversal of allowance for doubtful accounts	372	-
Gain on sales of fixed assets	-	887
Total extraordinary income	27,024	613,473
Extraordinary loss:		
Loss on sales of fixed assets	70,676	96
Loss on retirement of fixed assets	33,121	11,953
Loss on cancellation of lease contracts	5,027	4,171
Loss on disaster	29,247	569,501
Impairment loss	2,645,886	2,976,535
Loss on valuation of investment securities	49,487	41,303
Loss on valuation of stocks of subsidiaries and affiliates	44,000	-
Loss on valuation of membership	-	9,861
Provision of allowance for doubtful accounts	268,080	-
Loss on closing of stores	15,888	44,518
Loss on liquidation of subsidiaries and affiliates	-	236,132
Total extraordinary loss	3,161,416	3,894,075
Income (loss) before income taxes and minority interests	(2,765,103)	(3,947,976)
Income taxes-current	87,396	81,765
Refund of income taxes for prior periods	(25,395)	-
Income taxes-deferred	(160,000)	50,000
Total income taxes	(97,998)	131,765
Net income (loss)	(26,667,105)	(4,079,742)

### 3. Non-consolidated Statement of Changes in Net Assets

(Thousands of Yen)

	from April 1 to March 31	
	FY2007	FY2008
<b>Shareholders' Equity</b>		
Capital stock:		
Balance at the end of previous period	14,041,834	<b>14,041,834</b>
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	14,041,834	<b>14,041,834</b>
Capital surplus:		
Balance at the end of previous period	6,291,287	<b>4,425,946</b>
Changes of items during the period		
Reversal of legal capital surplus	(1,865,340)	<b>(2,667,105)</b>
Total changes of items during the period	(1,865,340)	<b>(2,667,105)</b>
Balance at the end of current period	4,425,946	<b>1,758,841</b>
Retained earnings:		
Balance at the end of previous period	(1,865,340)	<b>(2,667,105)</b>
Changes of items during the period		
Net income	(2,667,105)	<b>(4,079,742)</b>
Deficit disposition	1,865,340	<b>2,667,105</b>
Total changes of items during the period	(801,764)	<b>(1,412,637)</b>
Balance at the end of current period	(2,667,105)	<b>(4,079,742)</b>
Treasury Stock:		
Balance at the end of previous period	(1,610,569)	<b>(1,610,673)</b>
Changes of items during the period		
Purchase of treasury stock	(103)	<b>(97)</b>
Disposal of treasury stock	-	<b>66</b>
Total changes of items during the period	(103)	<b>(31)</b>
Balance at the end of current period	(1,610,673)	<b>(1,610,705)</b>
Total Shareholders' Equity:		
Balance at the end of previous period	16,857,211	<b>14,190,002</b>
Changes of items during the period		
Net income	(2,667,105)	<b>(4,079,742)</b>
Purchase of treasury stock	(103)	<b>(97)</b>
Disposal of treasury stock	-	<b>66</b>
Total changes of items during the period	(2,667,208)	<b>(4,079,773)</b>
Balance at the end of current period	14,190,002	<b>10,110,228</b>

(Thousands of Yen)

	from April 1 to March 31	
	FY2007	FY2008
<b>Valuation and Translation Adjustments:</b>		
Valuation difference on available- for-sale securities		
Balance at the end of previous period	159,088	29,067
Changes of items during the period		
Net changes of items other than shareholders' equity	(130,020)	5,450
Total changes of items during the period	(130,020)	5,450
Balance at the end of current period	29,067	34,517
Total Valuation and Translation Adjustments:		
Balance at the end of previous period	159,088	29,067
Changes of items during the period		
Net changes of items other than shareholders' equity	(130,020)	5,450
Total changes of items during the period	(130,020)	5,450
Balance at the end of current period	29,067	34,517
<b>Total Net Assets:</b>		
Balance at the end of previous period	17,016,299	14,219,070
Changes of items during the period		
Net income	(2,667,105)	(4,079,742)
Purchase of treasury stock	(103)	(97)
Disposal of treasury stock	-	66
Net changes of items other than shareholders' equity	(130,020)	5,450
Total changes of items during the period	(2,797,229)	(4,074,323)
Balance at the end of current period	14,219,070	10,144,746

## VI. Others

### 1. Changes of Directors

1. Changes of representative

None

2. Changes of other directors

None

### 2. Consolidated Net Sales by Division

(Thousands of Yen)

	Full Year		Changes
	from April 1 to March 31		
	FY2007	FY2008	
Termite eradication service. . . . .	5,022,942	<b>5,288,667</b>	265,725
Foundation repairing treatment. . . . .	7,035,818	<b>4,374,361</b>	(2,661,456)
Under-roof/floor ventilation system. . . . .	1,901,806	<b>2,549,838</b>	648,032
Home reinforcement system. . . . .	351,824	<b>410,317</b>	58,492
Other. . . . .	1,378,814	<b>2,033,948</b>	655,133
<b>Home Sanitation Division Total:</b>	15,691,207	<b>14,657,134</b>	(1,034,072)
Anti-rust equipment installation. . . . .	795,367	<b>721,745</b>	(73,622)
Repair of building water-works. . . . .	1,013,175	<b>876,888</b>	(136,286)
Waterproofing of building. . . . .	578,344	<b>493,423</b>	(84,920)
Other. . . . .	954,038	<b>884,161</b>	(69,877)
<b>Establishment Sanitation Division Total:</b>	3,340,925	<b>2,976,219</b>	(364,705)
Industrial waste (Waste plastic processing). . . . .	3,777,765	<b>3,603,757</b>	(174,008)
Industrial waste (Organic Waste Water Recycle). . . . .	1,889,000	<b>1,833,997</b>	(55,002)
Generation of electricity. . . . .	769,686	<b>1,550,989</b>	781,303
Industrial waste (Incineration). . . . .	619,102	–	(619,102)
Other. . . . .	422,985	<b>611,607</b>	188,621
<b>Environmental Resources Development Division Total:</b>	7,478,540	<b>7,600,352</b>	121,811
<b>Total Net Sales:</b>	26,510,673	<b>25,233,705</b>	(1,276,967)