



Consolidated Financial Statements **For the 3rd Quarter ended December 31, 2009**

SANIX INCORPORATED

February 15, 2010

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

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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 3rd Quarter

Summary of 3rd Quarter

In the first nine-month period (April to December 2009), net sales fell below the initial plan, but operating income and ordinary income exceeded the plan thanks to the reduction of fixed costs. Net income was negative due to posting of impairment loss etc. as extraordinary loss.

Net Sales	:	18,031 Million Yen	(1,069 million yen below the projection)
Operating Income	:	169 Million Yen	(138 million yen over the projection)
Ordinary Income	:	27 Million Yen	(134 million yen over the projection)
Net Income	:	-2,039 Million Yen	(1,829 million yen below the projection)

◆ Net Sales ◆

The Group's net sales fell short of the initial plan by 1,096 million yen, since sales of a new product in the HS Division, "Solar Photovoltaic Power Generation System" did not reach the target (a decline of 1,140 million yen from the plan).

◆ Earnings ◆

Operating income and ordinary income exceeded the initial plan, thanks to an improvement in profitability as a result of the reduction of the Group's fixed costs. Net income was negative, since the Environmental Resources Development posted an impairment loss of 1,975 million yen as extraordinary loss. This is the result of our reassessment of the future business risk against the back drop of the effect of recession that lingered longer than anticipated.

3rd Quarter : Statement of Income

(Millions of Yen)

	FY2008		FY2009					
	9-month		9-month					
	Actual	% to Sales	Actual	% to Sales	Difference (last year)	Projection	% of Change	Difference (projection)
Net Sales	19,403	100.0%	18,031	100.0%	(1,371)	19,127	94.3%	(1,096)
(H S)	11,255	58.0%	10,410	57.7%	(845)	11,444	91.0%	(1,034)
(E S)	2,352	12.1%	1,891	10.5%	(460)	1,821	103.9%	70
(ERD)	5,795	29.9%	5,729	31.8%	(65)	5,862	97.7%	(132)
Cost of Sales	11,346	58.5%	10,667	59.2%	(679)	11,633	91.7%	(966)
Gross Profit	8,056	41.5%	7,364	40.8%	(691)	7,494	98.3%	(129)
SGA	8,559	44.1%	7,195	39.9%	(1,363)	7,463	96.4%	(268)
Operating Income	(502)	—	169	0.9%	671	31	545.2%	138
Ordinary Income	(524)	—	27	0.2%	552	(106)	—	134
Net Income	(886)	—	(2,039)	—	(1,152)	(209)	—	(1,829)

■ The HS Division saw its net sales fall below the initial plan, since sales of Solar Photovoltaic Power Generation System missed the target. SG&A expenses decreased by 268 million yen from the plan due to the Group's efforts for cost reduction, resulting in an improvement in profitability. As a result, operating income exceeded the plan. Net loss amounted to 2,039 million yen due to posting of impairment loss of 1,975 million yen as extraordinary loss.

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3rd Quarter : Quarterly Statement of Income

(Millions of Yen)

	FY2009							
	1st Quarter		2nd Quarter		3rd Quarter			
	Actual	Difference (last year)	Actual	Difference (last year)	Actual	Projection	% of Change	Difference (projection)
Net Sales	6,288	(294)	5,769	(1,059)	5,973	7,070	84.5%	(1,096)
(H S)	3,925	17	3,286	(781)	3,197	4,232	75.6%	(1,034)
(E S)	648	(143)	580	(301)	662	592	111.9%	70
(ERD)	1,714	(169)	1,902	22	2,113	2,246	94.1%	(132)
Cost of Sales	3,608	12	3,280	(880)	3,777	4,744	79.6%	(966)
Gross Profit	2,680	(307)	2,488	(178)	2,196	2,326	94.4%	(129)
SGA	2,613	(497)	2,370	(525)	2,211	2,480	89.2%	(268)
Operating Income	66	189	118	346	(15)	(154)	—	138
Ordinary Income	78	203	55	298	(105)	(240)	—	134
Net Income	84	227	(23)	570	(2,099)	(270)	—	(1,829)

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3rd Quarter : Segment Information

(Millions of Yen)

		FY2008		FY2009					
		9-month		9-month					
		Actual	% to Sales	Actual	% to Sales	Difference (last year)	Projection	% of Change	Difference (protection)
HS	Net Sales	11,255	100.0%	10,410	100.0%	(845)	11,444	91.0%	(1,034)
	Gross Profit	7,540	67.0%	6,507	62.5%	(1,033)	6,563	99.1%	(56)
	SGA	4,948	44.0%	3,869	37.2%	(1,079)	4,050	95.5%	(181)
	Operating Income	2,592	23.0%	2,637	25.3%	45	2,513	105.0%	124
ES	Net Sales	2,352	100.0%	1,891	100.0%	(460)	1,821	103.9%	70
	Gross Profit	866	36.8%	789	41.7%	(77)	767	102.8%	21
	SGA	927	39.4%	640	33.9%	(286)	659	97.2%	(18)
	Operating Income	(60)	—	148	7.9%	209	108	137.2%	40
ERD	Net Sales	5,795	100.0%	5,729	100.0%	(65)	5,862	97.7%	(132)
	Gross Profit	(350)	—	68	1.2%	419	163	42.0%	(94)
	SGA	1,016	17.5%	1,158	20.2%	142	1,190	97.3%	(32)
	Operating Income	(1,367)	—	(1,089)	—	277	(1,027)	—	(62)
Group	Operating Income	(1,666)	—	(1,527)	—	139	(1,562)	—	35

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3rd Quarter : Quarterly Segment Information

(Millions of Yen)

		FY2009							
		1st Quarter		2nd Quarter		3rd Quarter			
		Actual	% to last year	Actual	% to last year	Actual	Projection	% of Change	Difference (last year)
HS	Net Sales	3,925	100.5%	3,286	80.8%	3,197	4,232	75.6%	(1,034)
	Gross Profit	2,669	100.8%	2,147	78.2%	1,690	1,747	96.7%	(56)
	SGA	1,423	77.6%	1,295	76.7%	1,150	1,332	86.4%	(181)
	Operating Income	1,246	152.7%	851	80.6%	539	415	130.1%	124
ES	Net Sales	648	81.9%	580	65.8%	662	592	111.9%	70
	Gross Profit	273	88.9%	246	72.7%	268	247	108.8%	21
	SGA	229	72.5%	212	65.4%	198	217	91.4%	(18)
	Operating Income	44	—	34	—	70	30	234.2%	40
ERD	Net Sales	1,714	91.0%	1,902	101.2%	2,113	2,246	94.1%	(132)
	Gross Profit	(263)	—	94	—	237	332	71.4%	(94)
	SGA	400	119.7%	368	109.7%	389	422	92.3%	(32)
	Operating Income	(663)	—	(273)	—	(152)	(90)	—	(62)
Group	Operating Income	(560)	—	(493)	—	(473)	(509)	—	35

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3rd Quarter : Summary of HS Division (1)

HS Division

■ Net sales fell below the initial plan significantly. Income exceeded the plan thanks to cost-reduction efforts.

Sales of the existing products remained robust, but sales of a new product, "Solar Photovoltaic Power Generation System" fell short of the plan. However, since we set profit margin of "Solar Photovoltaic Power Generation System" at lower rate so as to encourage broad use of the system, sluggish sales of the system did not give a serious influence on overall profit. Income increased from the same period last year and the plan, because we succeeded in reducing fixed costs including SG&A expenses more than expected.

■ Net Sales by Product and Operating Income

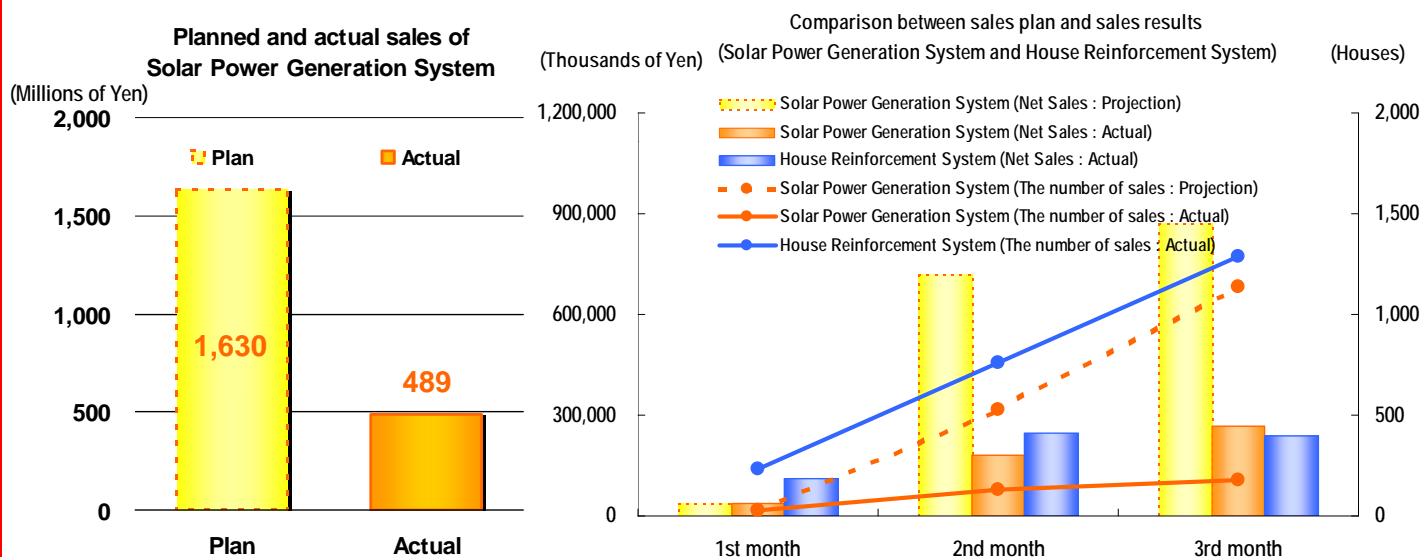
(Millions of Yen)

	FY2008	FY2009				
	9-month	9-month				
	Actual	Actual	% to last year	Projection	% of Change	Difference
Termite Eradication Service	4,102	3,714	90.5%	3,689	100.7%	24
Foundation Repairing Treatment	3,430	1,981	57.8%	1,962	101.0%	19
Under-Floor/-Roof Ventilation System	1,876	2,281	121.5%	2,191	104.1%	89
House Reinforcement System	288	272	94.5%	258	105.2%	13
Solar Power Generation System	—	489	—	1,630	30.0%	(1,140)
Others	1,556	1,671	107.3%	1,712	97.6%	(40)
Total Net Sales	11,255	10,410	92.5%	11,444	91.0%	(1,034)
Operating Income	2,592	2,637	101.8%	2,513	105.0%	124

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3rd Quarter : Summary of HS Division (2)

■ Disparity between planned and actual sales in the HS Division



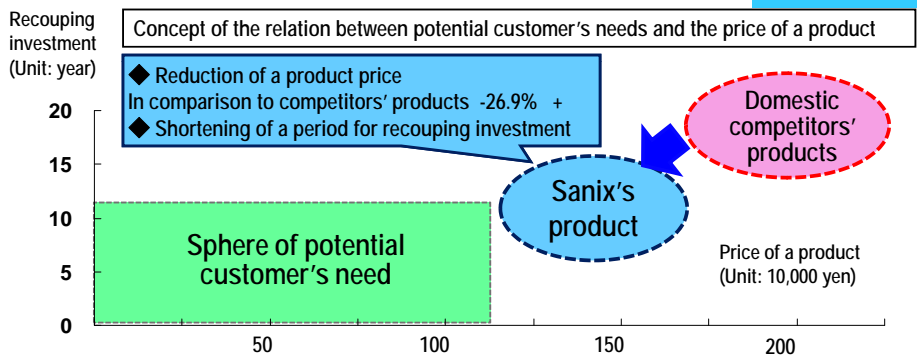
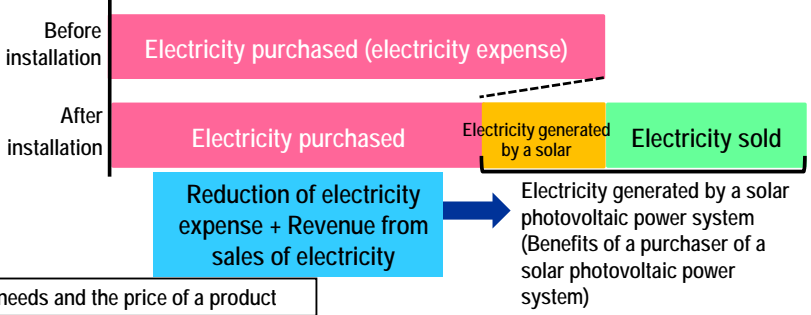
■ Disparity between planned and actual sales of Solar Photovoltaic Power Generation System

We drew up the initial plan by basing on the track record of a product that does not require replacement during the intended service life in the HS Division (mainly House Reinforcement System and Foundation Repairing Treatment). However, the system did not spread sharply, because local governments could not secure sufficient budget for assistance and subsidy programs and the price of the system was higher than what potential customers are willing to pay. Consequently, net sales fell below the plan.

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3rd Quarter : Summary of HS Division (3)

Taking into account the Government's subsidy of 245 thousand yen, we set the price of our solar photovoltaic power system, which is equal in function to those of competitors, at a level that allows customers to recoup their initial investment in around 10 years - a period that the Government's solar power purchasing system (at fixed price) is valid.
 Price of Sanix 3.5kW model: 1,653,750 yen
 Average price of competitors' models: 2,156,000 yen (including consumption tax)



Taking into account incentives including the Government's subsidy and solar power purchasing system (at fixed price), we set the price of a solar photovoltaic power system at a level that allows customers to enjoy high cost performance benefits, but it was still higher than what potential customers are willing to pay. Consequently, we failed to achieve the sales target.

[Sentiment of potential customers]
 Customers have interests in a solar photovoltaic power system, but cannot afford to purchase because it is expensive
 ⇒ Unless customers feel that they can recoup investment, their purchasing inclinations decline.
 Therefore, we need to offer high-quality products at lower price that allows customers to enjoy sufficient economic advantages in addition to the Government's subsidy etc.

Needs of potential customers for home-use solar photovoltaic system Preferred price range: around one million yen
 Period for recouping investment: around 10 years

3rd Quarter : Summary of ES Division

ES Division

■ **Net sales and income increased from the initial plan, since the repair of building water-works business remained strong.**
 Works related to the direct booster water supply system continued to be steady from the first six-month period and orders for the repair of condominium water-works increased. Consequently, net sales and income exceeded the plan.

■ Net Sales by Product and Operating Income

	(Millions of Yen)					
	FY2008	FY2009				
	9-month	9-month				
	Actual	Actual	% to last year	Projection	% of Change	Difference
Anti-rust Equipment Installation	523	495	94.8%	544	91.1%	(48)
Repair of Building Water-works	702	650	92.7%	545	119.3%	105
Waterproofing of Building	442	142	32.2%	146	96.9%	(4)
Others	684	602	88.0%	584	103.2%	18
Total Net Sales	2,352	1,891	80.4%	1,821	103.9%	70
Operating Income	(60)	148	—	108	137.2%	40

3rd Quarter : Summary of ERD Division

ERD Division

■ Sales and income fell short of the plan, due to lingering sluggish business.

Sales of power generation fell short of the plan, since minor troubles occurred more than anticipated. Net sales of the organic liquid waste processing business decreased from the plan, since the volume of wastes brought in from food and manufacturing plants did not increase more than expected. Income fell short of the plan due to a decline in sales of Tomakomai Power Plant and organic liquid waste processing business.

■ Net Sales by Product and Operating Income

(Millions of Yen)

	FY2008	FY2009				
	9-month	9-month				
	Actual	Actual	% to last year	Projection	% of Change	Difference
Waste Plastic Recycled	2,795	3,150	112.7%	3,159	99.7%	(8)
Organic Waste Water Recycled	1,459	1,135	77.8%	1,190	95.4%	(55)
Power Generation	1,077	862	80.1%	937	92.1%	(74)
Final Disposal	—	216	—	185	117.2%	31
Others	463	364	78.7%	390	93.4%	(25)
Total Net Sales	5,795	5,729	98.9%	5,862	97.7%	(132)
Operating Income	(1,367)	(1,089)	—	(1,027)	106.1%	(62)

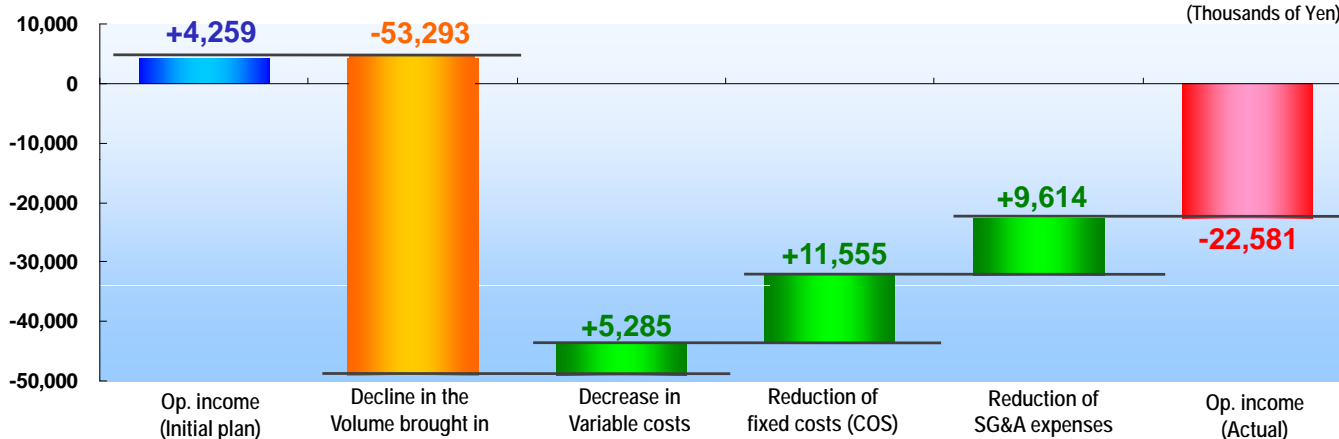
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3rd Quarter : Summary of ERD Division

- Organic Liquid Waste Processing Business

■ Organic Liquid Waste Processing Business: Op. Income in the first nine-month period

(Thousands of Yen)



■ Impairment loss of the organic liquid waste processing business

* Taking into account a decline in net sales due to recession in the first six-month period, we drew up the revised plan, which mainly features the cost reduction on the assumption that the volume of wastes brought in will continue to decrease for a while (figures announced on November 11, 2009).

* Net sales decreased in comparison with the initial plan due to a decline in the volume brought in, since a decrease in net sales caused by economic downturn continued in the first nine-month period longer than anticipated.

* We strived to reduce costs, but could not cover a fall in net sales due to a decline in the volume brought in. Consequently, we posted an impairment loss of 1,937 million yen in the organic liquid water processing business.

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Forecast for Consolidated FY2009

FY2009: Revision to Forecast

Forecast for consolidated FY2010

Net Sales	:	24,520 Million Yen	(The previous forecast : 29,457 million yen)
Operating Income	:	450 Million Yen	(The previous forecast : 625 million yen)
Ordinary Income	:	280 Million Yen	(The previous forecast : 473 million yen)
Net Income	:	-1,830 Million Yen	(The previous forecast : 340 million yen)

Key Points of Operational Forecasts for the Fiscal 2010

◆ **HS Division (Operating income will decrease by 188 million yen from the previous forecast)**

Taking into account the sales results of a new product "Solar Photovoltaic Power Generation System" in the 3rd quarter, we revised downward net sales and income forecast.

◆ **ES Division (Operating income will increase by 66 million yen from the previous forecast)**

Although the business is not likely to show a drastic improvement, we expect it to maintain the momentum. We aim to pull the Division back into the black on operating income basis for the current fiscal year.

◆ **ERD Division (Operating income will decrease by 107 million yen from the previous forecast)**

We reduced costs, but the economic outlook remains uncertain. Thus, we revised downward our net sales and income forecast that was announced on November 11, 2009.

<We implemented the reorganization to strengthen the structure>

- In addition to the direct sales forces, we set up "Solar Photovoltaic Power Generation System Business Division" that specializes in external sales with the aim to expand its sales channel including selling the product wholesale to dealers.
- We upgraded "HS Special Sales Section" to "HS Special Sales Department" so as to strengthen sales to corporate customers.
- We span off "Hibiki Plant," only organic liquid waste processing plant of the Company from the ERD Division and established it as "the Organic Liquid Waste Processing Division" with the aim to turn the Division around by propping up the business.

FY2009 : Statement of Income (Projection)

(Millions of Yen)

	FY2009								
	9-month	4th Quarter				Full Year			
	Actual	Revised Forecast	% to last year	Previous Forecast	Difference	Revised Forecast	% to last year	Previous Forecast	Difference
Net Sales	18,031	6,488	111.3%	10,330	(3,841)	24,520	97.2%	2,945	(4,937)
(H S)	10,410	3,629	106.7%	7,441	(3,811)	14,040	95.8%	18,885	(4,845)
(E S)	1,891	648	103.9%	570	78	2,540	85.3%	2,391	148
(ERD)	5,729	2,210	122.5%	2,319	(108)	7,940	104.5%	8,181	(241)
Cost of Sales	10,667	3,882	116.7%	7,156	(3,273)	14,550	99.1%	18,789	(4,239)
Gross Profit	7,364	2,605	104.1%	3,174	(568)	9,970	94.4%	10,668	(698)
SGA	7,195	2,324	89.5%	2,580	(255)	9,520	85.3%	10,043	(523)
Operating Income	169	280	—	594	(313)	450	—	625	(175)
Ordinary Income	27	252	—	580	(327)	280	—	473	(193)
Net Income	(2,039)	209	—	550	(340)	(1,830)	—	340	(2,170)

■ We drastically revised downward the Group's net sales and income forecast that was announced on November 11, 2009, since the HS Division reviewed the sales of a new product and the ERD Division reexamined its sales plan.

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FY2009 : Quarterly Statement of Income (Projection)

(Millions of Yen)

	FY2009							
	1Q		2Q		3Q		4Q	
	Actual	% to last year	Actual	% to last year	Actual	% to last year	Revised Forecast	% to last year
Net Sales	6,288	95.5%	5,769	84.5%	5,973	99.7%	6,488	111.3%
(H S)	3,925	100.5%	3,286	80.8%	3,197	97.5%	3,629	106.7%
(E S)	648	81.9%	580	65.8%	662	97.7%	648	103.9%
(ERD)	1,714	91.0%	1,902	101.2%	2,113	104.0%	2,210	122.5%
Cost of Sales	3,608	100.4%	3,280	78.8%	3,777	105.3%	3,882	116.7%
Gross Profit	2,680	89.7%	2,488	93.3%	2,196	91.4%	2,605	104.1%
SGA	2,613	84.0%	2,370	81.9%	2,211	86.7%	2,324	89.5%
Operating Income	66	—	118	—	(15)	—	280	—
Ordinary Income	78	—	55	—	(105)	—	252	—
Net Income	84	—	(23)	—	(2,099)	—	209	—

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FY2009 : Segment Information (Projection)

(Millions of Yen)

		FY2009								
		9-month	4th Quarter				Full Year			
		Actual	Revised Forecast	% to last year	Previous Forecast	Difference	Revised Forecast	% to last year	Previous Forecast	Difference
HS	Net Sales	10,410	3,629	106.7%	7,441	(3,811)	14,040	95.8%	18,885	(4,845)
	Gross Profit	6,507	1,923	85.2%	2,425	(501)	8,431	86.0%	8,988	(557)
	SGA	3,869	1,221	88.5%	1,410	(188)	5,091	80.4%	5,460	(369)
	Op. Income	2,637	702	80.0%	1,015	(312)	3,340	96.2%	3,528	(188)
ES	Net Sales	1,891	648	103.9%	570	78	2,540	85.3%	2,391	148
	Gross Profit	789	235	93.5%	226	9	1,025	91.6%	993	31
	SGA	640	199	71.0%	216	(16)	840	69.5%	875	(35)
	Op. Income	148	36	—	10	26	185	—	118	66
ERD	Net Sales	5,729	2,210	122.5%	2,319	(108)	7,940	104.5%	8,181	(241)
	Gross Profit	68	445	—	523	(77)	514	—	686	(172)
	SGA	1,158	390	88.3%	423	(32)	1,549	106.2%	1,613	(64)
	Op. Income	(1,089)	54	—	100	(45)	(1,035)	—	(927)	(107)
Group	Op. Income	(1,527)	(512)	—	(531)	18	(2,040)	—	(2,093)	53

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FY2009 : Quarterly Segment Information (Projection)

(Millions of Yen)

		FY2009							
		1Q		2Q		3Q		4Q	
		Actual	% to last year	Actual	% to last year	Actual	% to last year	Revised Forecast	% to last year
HS	Net Sales	3,925	100.5%	3,286	80.8%	3,197	97.5%	3,629	106.7%
	Gross Profit	2,669	100.8%	2,147	78.2%	1,690	78.8%	1,923	85.2%
	SGA	1,423	77.6%	1,295	76.7%	1,150	80.7%	1,221	88.5%
	Op. Income	1,246	152.7%	851	80.6%	539	75.1%	702	80.0%
ES	Net Sales	648	81.9%	580	65.8%	662	97.7%	648	103.9%
	Gross Profit	273	88.9%	246	75.7%	268	115.3%	235	93.5%
	SGA	229	72.5%	212	65.4%	198	69.4%	199	71.0%
	Op. Income	44	—	34	—	70	—	36	—
ERD	Net Sales	1,714	91.0%	1,902	101.2%	2,113	104.0%	2,210	122.5%
	Gross Profit	(263)	—	94	—	237	984.4%	445	—
	SGA	400	119.7%	368	109.7%	389	112.6%	390	88.3%
	Op. Income	(663)	—	(273)	—	(152)	—	54	—
Group	Op. Income	(560)	—	(493)	—	(473)	—	(512)	—

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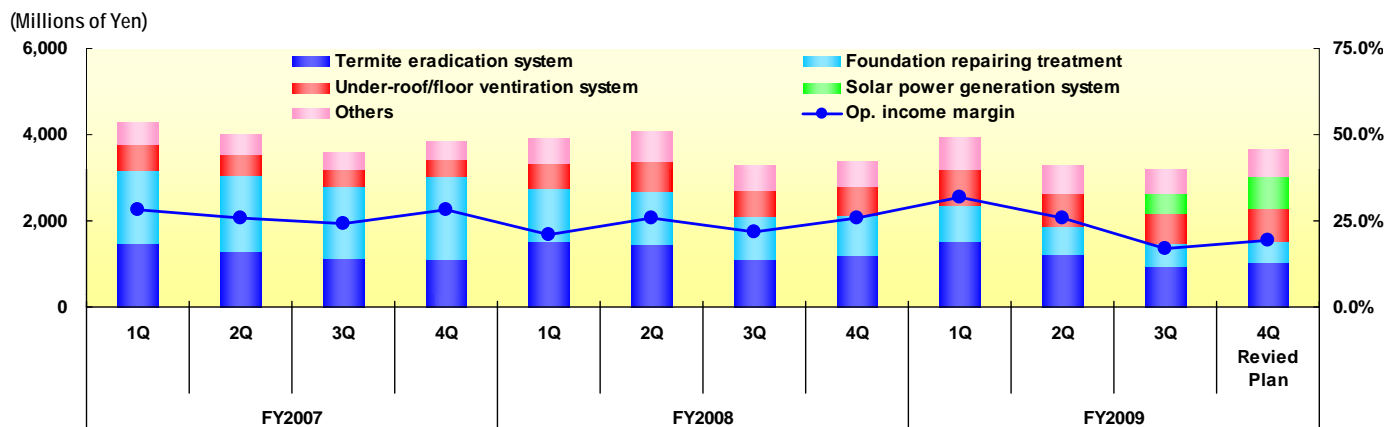
FY2009 : Summary of the HS Division (Projection)

Strategies and Specific Measures

◆ Aiming to increase sales and income compared to the plan by marketing a new product, Solar Power Generation System.

- Sales are expected to increase substantially thanks to the marketing of the solar power generation system. But, operating income ratio is likely to decline since the management sets profit margins of the system at a level lower than those of the existing products in order to obtain larger market share in the home-use solar photovoltaic power generation business that is forecasted to grow in the future.
- The HS Division increased the number of employees who install the system in order to meet an expected increase in demand and to build up a seamless service system from sales to installation.

■ Net Sales by Product and Operating Income Margin



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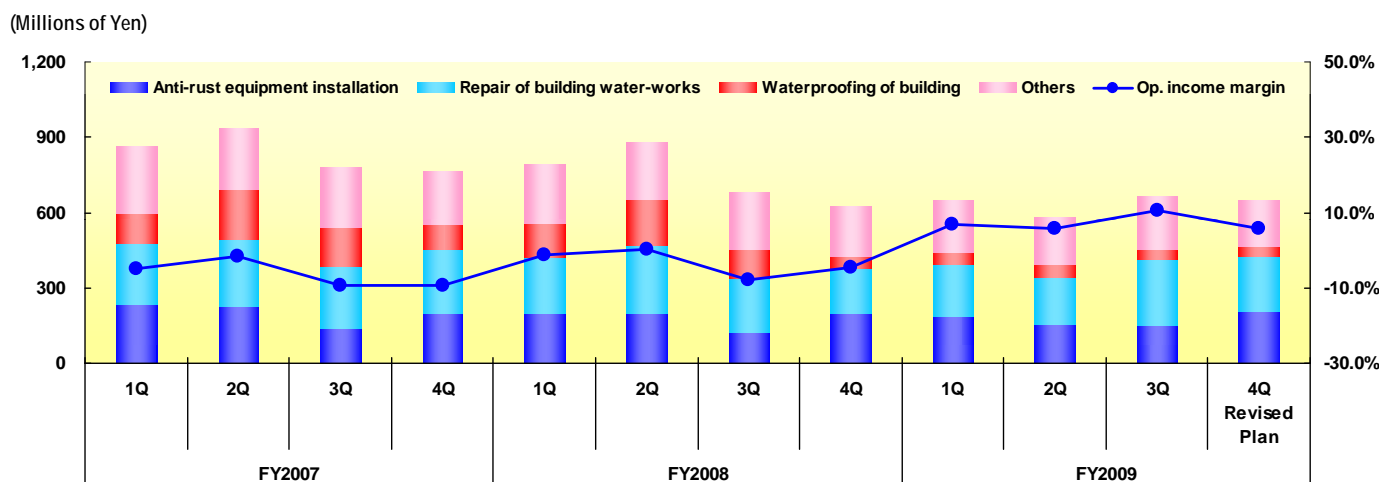
FY2009 : Summary of the ES Division (Projection)

Strategies and Specific Measures

◆ We continuously try to turn the Division into profitable through selection and concentration.

- In the first nine-month period, net sales and income increased, but we expect net sales and income for the full year to be almost in line with the forecast that was announced on November 11, 2009.
- In new market development, we continuously promote sales to corporate customers by focusing on the sales of lucrative anti-rust equipment and obtaining orders for works related pipes and water services.

■ Net Sales by Product and Operating Income Margin



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FY2009 : Summary of the ERD Division (Projection)

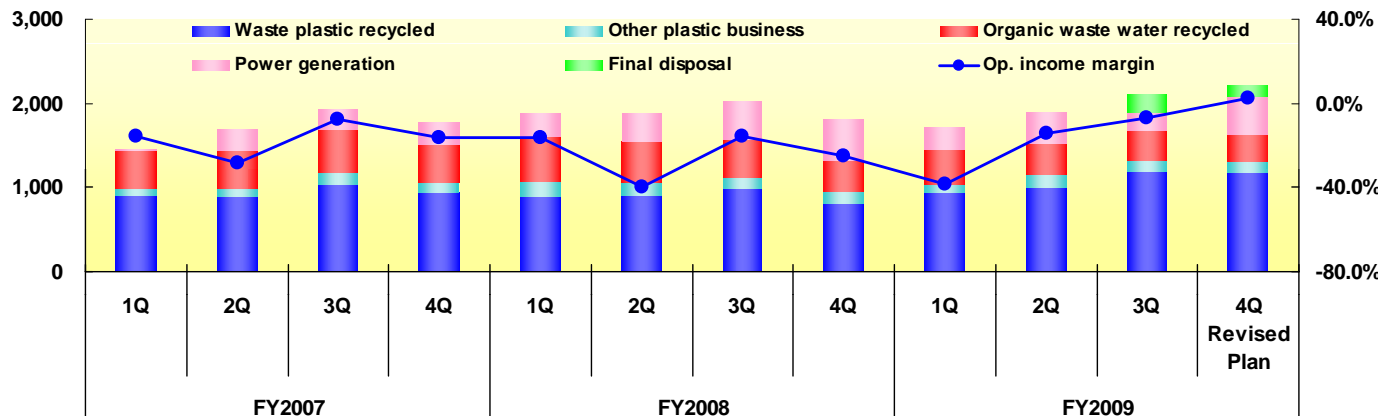
Strategies and Specific Measures

◆ We revised the full-year forecast by taking into account the results in the first 9-month period.

- We expect sales of Tomakomai Power Plant to remain at the low level, although its sales are estimated to increase slightly thanks to a recovery of unit sales prices.
- We will try to expand the volume of plastic brought in, since sales in the waste plastic processing business have been increasing steadily from the same period last year.
- In the organic liquid waste processing business, we will concentrate on the recovery of the volume of waste brought in.

Net Sales by Product and Operating Income Margin

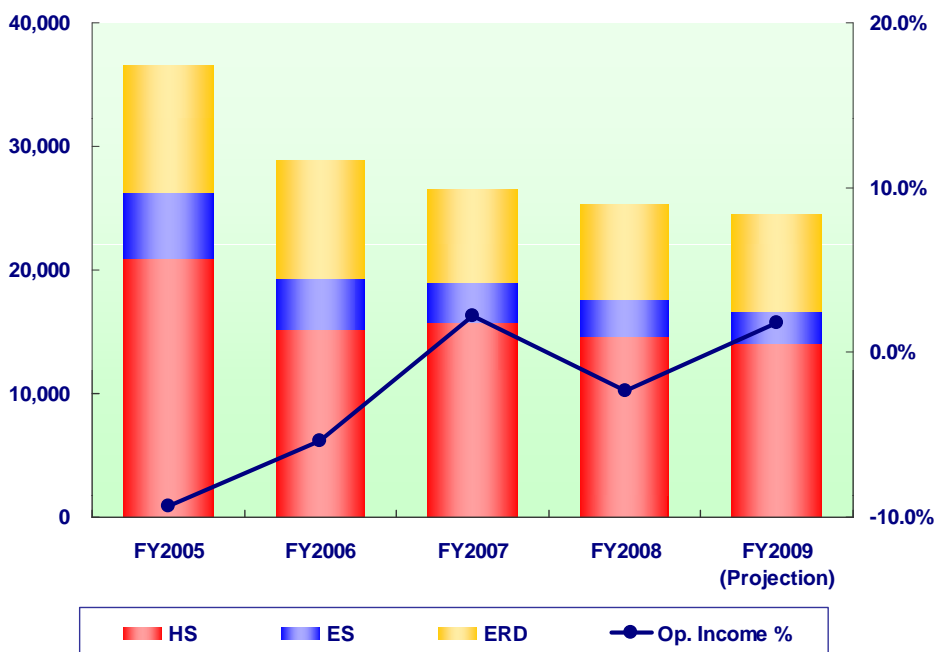
(Millions of Yen)



FY2009 : Investment Highlights

(Net Sales: MY)

(Op. Income %)



Forecast for FY2009

(Millions of Yen)

	FY2009
Net Sales	24,520
Op. Income (Op. Income %)	450 1.8%
Ordinary Income	280
Net Income	-1,830

We plan to reveal "Med-term Business Plan" in April 2010.



SANIX INCORPORATED

Future measures regarding “Solar Photovoltaic Power System”

Future Measures - Solar Photovoltaic Power System

■ Japanese government's road map (draft) for “reducing greenhouse gas emission by 25%”

(Nikkei Newspaper morning edition on February 2, 2010)

- ⇒ Government plans to reduce emissions by more than 15% in Japan by 2020 and make up the balance by purchasing emissions credits from overseas.
- ⇒ Government aims to promote the widespread use of home-use solar photovoltaic power system—more than 10 million households will use electricity generated by solar power system for their daily life in future.

Golden opportunity in the solar photovoltaic power market!

■ What are the needs of potential customers for a solar photovoltaic power system?

- ⇒ A solar photovoltaic power system that costs less than one million yen and allows customers to recoup investment within 10 years

■ What is sales concept of Sanix's products?

- ⇒ “A solar photovoltaic power system with economic advantages” that are friendly to the global environment and the household budget

Taking these points into account,

We need to secure market share by marketing “high-quality and low-priced” systems that satisfy potential customer's needs in order to show our presence in the home-use solar photovoltaic power market that is expected to grow sharply in future.

To realize the above,

- ◇ In addition to the current direct sales system, we need to secure as many sales channels as possible (to expand sales volume by selling wholesale to dealers).
- ◇ We need to enhance price competitiveness by reducing costs including lowering of wholesale costs.

Future Measures - Solar Photovoltaic Power System

Home-use solar photovoltaic power market

“The Japanese government aims to promote the widespread use of home-use solar photovoltaic power system - more than 10 million households by 2020”

- ◆ The number of privately-owned detached houses where a home-use solar photovoltaic power system can be installed (excluding rental houses etc.)

** Source: The Housing and Land Survey in 2008 (revealed on July 28, 2009)*

- Total - Around 25.2 million houses
⇒ Around 40% of houses in Japan will install a home-use solar photovoltaic power system.

- ◆ The number of applications received for subsidy of a home-use solar photovoltaic power generation (January to December 2009)

** Source: Japan Photovoltaic Energy Association Japan Photovoltaic Expansion Center's website (revealed on January 19, 2010)*

- Total - Around 121,000 applications
Breakdown [New houses] Around 33,000 (27%), [Existing houses] Around 88,000 (73%)

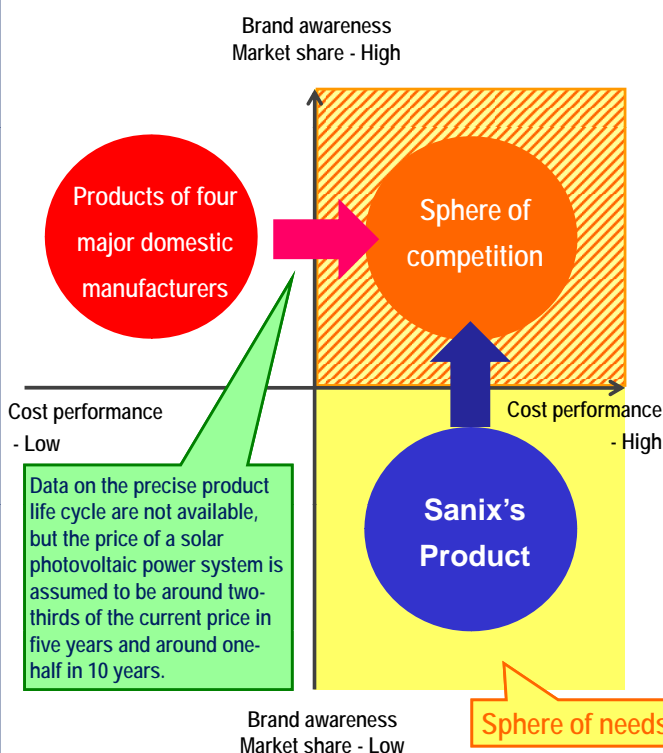
⇒ Although the number of houses that install a home-use solar photovoltaic power system is expected to increase in future due to the introduction of the Government's subsidy program and solar power purchasing system, the current penetration ratio remains at a very low level—only a small percent of the Government's target.

The home-use solar photovoltaic power market will expand sharply in 10 years.

We will improve and strengthen our sales system to capture a 5% market share by 2020.

Future Measures - Solar Photovoltaic Power System

Vision for sales strategies of a solar photovoltaic power system



What should we do to win in the sphere of competition?

⇒ We must take a sales expansion strategy before competitors develop low-priced products.

We still rely on door-to-door sales or sales through housing manufacturers.
(Customers cannot choose products at shops.)

This is because:

Sales of a solar photovoltaic power system require us to give customers specific explanations on the products and procedures for application of subsidy etc. as well as exchange necessary documents a couple of times. Thus, it is quite difficult to respond to customers meticulously and cultivate potential demand, unless we conduct community-based solution-proposing sales activities or persuade customers to install the system when they build a new house or renovate a house.

In addition to our direct sales system, we will form business partnership with dealers that are deeply rooted in the region, such as building contractors, and housing manufacturers with the aim to expand the spread use of Sanix's solar photovoltaic power system that allows customers to enjoy sufficient economic advantages.

Future Measures - Solar Photovoltaic Power System

Approach to dealers

- ◇ Sending direct mail circulars that tell Sanix starts selling a solar photovoltaic power system wholesale
We sent direct mail circulars to building contractors, housing manufacturers and retailers across the nation.
We have received around 1,700 inquiries, such as requests for feasibility study for sales of Sanix's product and reference materials, and have been concluding a basic agreement with some of them.
- ◇ Holding an explanation meeting for dealers
On February 4, 2010, we held an explanation meeting for dealers in Saga Prefecture (around 30 companies participated).
We plan to hold an explanation meeting in various places and focus on marketing our system to dealers and expanding the widespread use of a solar photovoltaic power system.

Framework of a basic agreement with a dealer

