



for Energy, for Environment

Photovoltaic Solution

Total Sanitation

Environmental Resources Development

Consolidated Financial Statements

For the First Half ended September 30,2015



for Energy, for Environment

Photovoltaic Solution
Total Sanitation
Environmental Resources Development

1 . Financial Results for FY2015 2Q (ended September 30,2015)

2 . Forecast for FY2015 (ending March 31,2016)

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.

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



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1 . Financial Results for FY2015 2Q(ended Sep.30, 2015)

(millions of yen)

| | 1H FY2014 | 1H FY2015 | | | | |
|---------------------------|-----------|----------------|-------|------------|----------|---------------|
| | Results | Results | YoY | Difference | Forecast | % to Forecast |
| Net sales | 44,008 | 30,631 | 69.6% | -13,376 | 35,298 | 86.8% |
| Gross Profit | 9,343 | 5,863 | 62.8% | -3,479 | 8,276 | 70.9% |
| (Gross profit operating) | 21.2% | 19.1% | | | 23.4% | |
| Operating Income | (2,717) | (2,483) | — | + 233 | (280) | — |
| (Operating Income Margin) | — | — | | | — | |
| Ordinary Income | (2,859) | (2,364) | — | + 494 | (350) | — |
| (Ordinary Income Margin) | — | — | | | — | |
| Net Income | (3,194) | (2,940) | — | + 254 | (760) | — |
| (Net Income Margin) | — | — | | | — | |

- i) Sales** In the first half, the sales slumped sharply due to the effect of a change in the market environment. As a consequence, the net sales of the entire Group were ¥30,631 million, or down 30.4% from a year earlier.
- ii) Profits** The Group posted an operating loss with drastic decrease in revenue, however, costs are gradually decreasing after the second quarter of the fiscal year under review due to management rationalization. As a consequence, for the whole Group, the operating loss was ¥2,483 million compared to the operating loss of ¥2,717 million in the same period of the previous year, and the ordinary loss was ¥2,364 million compared to the ordinary loss of ¥2,859 million in the same period of the previous year. In addition, the Group posted ¥134 million for temporary expenses arising from the elimination and consolidation, for expenses for terminating vehicles, and the net loss belonging to the shareholders of the parent money stood at ¥2,940 million compared to the net loss belonging to the shareholders of the parent company of ¥ 3,194 million in the same period of the previous year.

Statement of Net Sales and Income by Segment

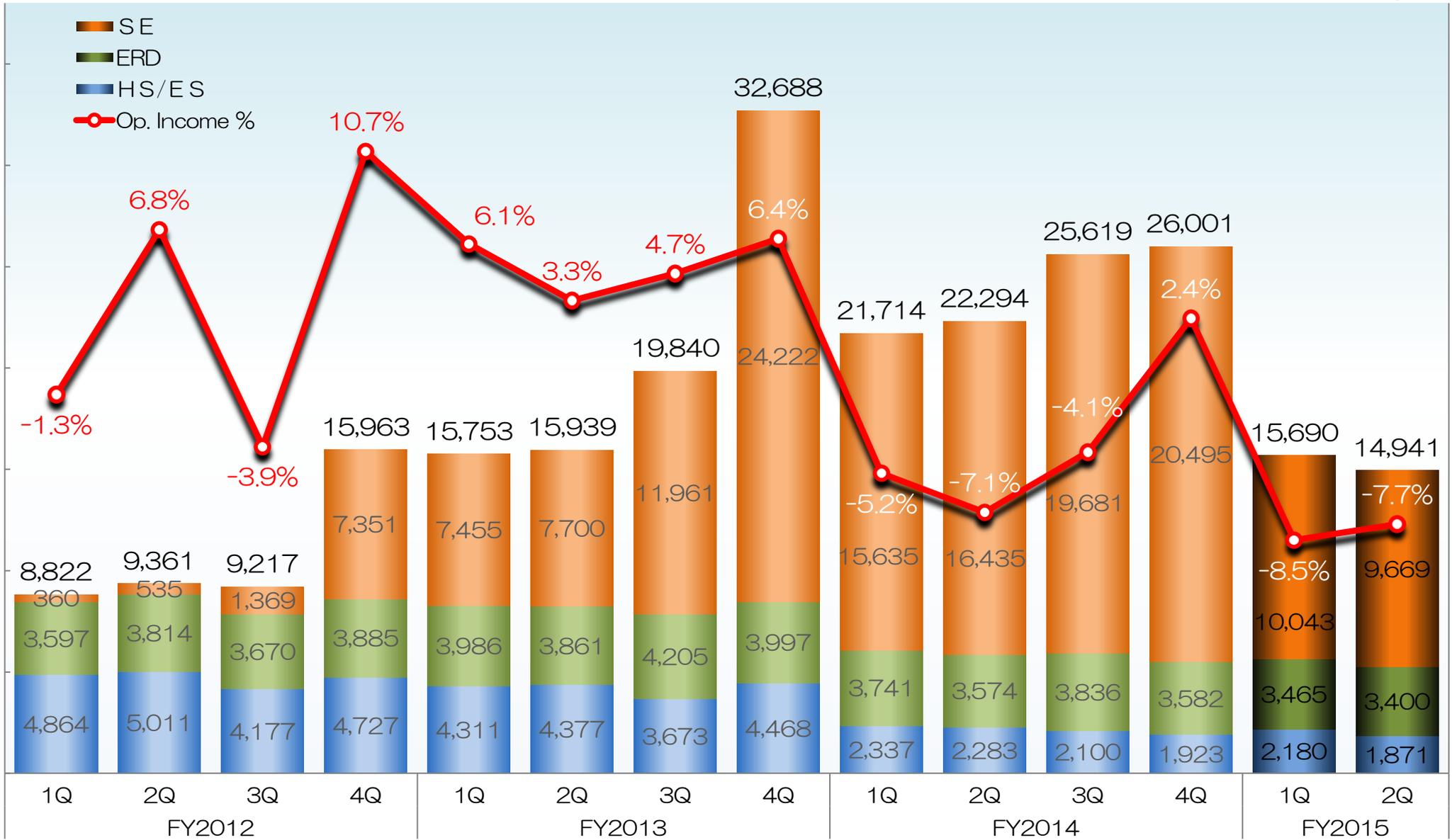
(millions of yen)

| | 1H FY2014 | | 1H FY2015 | | | | |
|-------------------------|-----------|--------------|----------------|--------------|-------|------------|---------------|
| | Results | Prop. | Results | Prop. | YoY | Difference | % to Forecast |
| Net sales | 44,008 | | 30,631 | | 69.6% | -4,666 | |
| SE | 32,071 | 72.9% | 19,713 | 64.4% | 61.5% | -4,073 | 67.4% |
| ERD | 7,316 | 16.6% | 6,866 | 22.4% | 93.9% | -292 | 20.3% |
| HS/ES | 4,621 | 10.5% | 4,052 | 13.2% | 87.7% | -299 | 12.3% |
| Gross Profit | 9,343 | 21.2% | 5,863 | 19.1% | 62.8% | -2,412 | 23.4% |
| SG&A | 12,060 | 27.4% | 8,347 | 27.3% | 69.2% | -208 | 24.2% |
| Operating Income | (2,717) | — | (2,483) | — | — | -2,203 | — |
| SE | (2,277) | — | (1,372) | — | — | -2,005 | — |
| ERD | 498 | <u>6.8%</u> | (178) | — | — | -36 | — |
| HS/ES | 821 | <u>17.8%</u> | 614 | <u>15.2%</u> | 74.8% | -247 | <u>19.8%</u> |
| Group | (1,758) | — | (1,546) | — | — | + 86 | — |

Figures for the same period of the previous year have been restated to reflect the new segment classification for year on year comparison. The underlined percentage indicate Operating Margin of each segment.

Segment Information (changes)

(millions of yen)



・Figures before FY2013, SE are the results of former CPS division, and HS and ES includes the sales of PV system.

Segment Information (SE)

(millions of yen)

| | 1H FY2014 | | 1H FY2015 | | | | |
|----------------------------|----------------|-------|----------------|-------|--------|---------------|---------------|
| | Results | Prop. | Results | Prop. | YoY | Forecast | % to Forecast |
| Net sales | 32,071 | | 19,713 | | 61.5% | 23,787 | |
| Photovoltaic System | | | | | | | |
| Direct (Eastern Japan) | 24,841 | 77.5% | 10,155 | 51.5% | 40.9% | 11,692 | 49.2% |
| Direct (Western Japan) | 2,771 | 8.6% | 6,092 | 30.9% | 219.9% | 9,042 | 38.0% |
| Wholesale | 4,404 | 13.7% | 3,407 | 17.3% | 77.4% | 2,995 | 12.6% |
| Others | 54 | 0.2% | 57 | 0.3% | 105.9% | 57 | 0.2% |
| Cost of sales | 26,308 | 82.0% | 16,616 | 84.3% | 63.2% | 18,553 | 78.0% |
| Material expenses* | 17,734 | 55.3% | 11,334 | 57.5% | 63.9% | 13,140 | 55.2% |
| Labor expenses | 4,377 | 13.6% | 2,675 | 13.6% | 61.1% | 2,977 | 12.5% |
| Gross Profit | 5,762 | 18.0% | 3,096 | 15.7% | 53.7% | 5,233 | 22.0% |
| SG&A | 8,039 | 25.1% | 4,469 | 22.7% | 55.6% | 4,600 | 19.3% |
| Advertising expenses | 933 | 2.9% | 1 | 0.0% | 0.2% | 0 | 0.0% |
| Personnel expenses | 2,937 | 9.2% | 2,064 | 10.5% | 70.3% | 2,230 | 9.4% |
| Operating Income | (2,277) | — | (1,372) | — | — | 633 | 2.7% |

※Materials expenses include supplies expenses.

In the first half, the sales in the East Japan region increased by 119.9% year-on-year. However, sales in the West Japan region, which accounted for a large proportion of sales a year earlier, declined due to the effect of a change in the market environment. As a consequence, the sales were ¥19,713 million (down 38.5% year-on-year). Given the large decline in sales, the ratio of fixed costs, including personnel expenses, to sales did not improve, and an operating loss of ¥1,372 million was posted (compared to an operating loss of ¥2,277 million in the same period of the previous year).

(millions of yen)

| | FY2014 | | | | FY2015 | | | | | |
|-------------------------|----------|-------|----------|-------|---------|-------|--------------|-------|----------------|-------|
| | 1st Half | | 2nd half | | 1 Q | | 2 Q | | 1st Half | |
| | Results | Prop. | Results | Prop. | Results | Prop. | Results | Prop. | Results | Prop. |
| Net sales | 32,071 | | 40,176 | | 10,043 | | 9,669 | | 19,713 | |
| Cost of Sales | 26,308 | 82.0% | 33,871 | 84.3% | 8,897 | 88.6% | 7,718 | 79.8% | 16,616 | 84.3% |
| Materials | 17,734 | 55.3% | 23,945 | 59.6% | 5,896 | 58.7% | 5,437 | 56.2% | 11,334 | 57.5% |
| Labor | 4,377 | 13.6% | 4,862 | 12.1% | 1,637 | 16.3% | 1,038 | 10.7% | 2,675 | 13.6% |
| Outsourcing | 2,259 | 7.0% | 2,399 | 6.0% | 399 | 4.0% | 561 | 5.8% | 961 | 4.9% |
| Others | 1,938 | 6.0% | 2,664 | 6.6% | 964 | 9.6% | 681 | 7.0% | 1,645 | 8.3% |
| Gross Profit | 5,762 | 18.0% | 6,304 | 15.7% | 1,146 | 11.4% | 1,950 | 20.2% | 3,096 | 15.7% |
| SG&A | 8,039 | 25.1% | 6,318 | 15.7% | 2,296 | 22.9% | 2,172 | 22.5% | 4,469 | 22.7% |
| Pesonnal | 2,937 | 9.2% | 3,042 | 7.6% | 1,066 | 10.6% | 997 | 10.3% | 2,064 | 10.5% |
| Advertising | 933 | 2.9% | 226 | 0.6% | 0 | 0.0% | 0 | 0.0% | 1 | 0.0% |
| Others | 4,168 | 13.0% | 3,049 | 7.6% | 1,228 | 12.2% | 1,174 | 12.1% | 2,403 | 12.2% |
| Operating Income | (2,277) | — | (13) | — | (1,150) | — | (222) | — | (1,372) | — |

Changes in Marginal Profit Ratio & Breakeven sales at SE Division

A marginal profit ratio is shown as a profit ratio which is subtracted variable costs such as material, expendables, outsourcing and transportation fee is used as a marginal profit.

| | FY2014 | | | FY2015 | | | |
|--------------------------------------|--------|-------|-------|-------------|------------|------------|---------|
| | 1H | 2H | Full | 1 Q Results | 2Q Results | 1H Results | 1H Plan |
| Marginal profit ratio (%) | 35.0 | 31.6 | 33.1 | 33.8 | 38.5 | 34.9 | 38.7 |
| Monthly average fixed cost (million) | 1,949 | 2,131 | 2,040 | 1,516 | 1,284 | 1,458 | 1,430 |
| Breakeven Sales (million) | 5,561 | 6,740 | 6,156 | 4,481 | 3,332 | 4,174 | 3,692 |

Changes of Fixed cost ratio for business expansion of SE

The table shown implies the share of each fixed cost (personal) and others (payroll cost, rent cost, transportation cost and common expense) in SE division.

| (%) | FY2014 | | | FY2015 | | | |
|------------------|--------|------|------|-------------|------------|------------|---------|
| | 1H | 2H | Full | 1 Q Results | 2Q Results | 1H Results | 1H Plan |
| Personal cost | 22.8 | 19.7 | 21.1 | 26.9 | 22.9 | 26.0 | 21.9 |
| others | 13.7 | 12.2 | 12.8 | 18.4 | 19.3 | 18.6 | 14.2 |
| Total fixed cost | 36.5 | 31.8 | 33.9 | 45.3 | 42.2 | 44.6 | 36.1 |

Segment Information (ERD)

(millions of yen)

| | 1H FY2014 | | 1H FY2015 | | | | |
|----------------------------|--------------|-------|--------------|-------|--------|--------------|-----------|
| | Results | Prop. | Results | Prop. | YoY | Plan | % to plan |
| Net Sales | 7,316 | | 6,866 | | 93.9% | 7,159 | |
| Plastic Fuels | 3,860 | 52.8% | 3,455 | 50.3% | 89.5% | 3,775 | 52.7% |
| Power Generation | 1,832 | 25.0% | 1,613 | 23.5% | 88.1% | 1,670 | 23.3% |
| Organic waste water | 760 | 10.4% | 843 | 12.3% | 111.0% | 900 | 12.6% |
| Final Disposal | 330 | 4.5% | 386 | 5.6% | 117.0% | 322 | 4.5% |
| Others | 532 | 7.3% | 567 | 8.3% | 106.4% | 489 | 6.8% |
| Gross Profit | 1,395 | 19.1% | 722 | 10.5% | 51.8% | 753 | 10.5% |
| SG&A | 897 | 12.3% | 901 | 13.1% | 100.4% | 895 | 12.5% |
| Operating Income | 498 | 6.8% | (178) | — | — | (142) | — |

Plastic fuel sales declined 10.5% from a year earlier, despite a slightly higher collection volume of waste plastic, due to a fall in unit prices. At TOMAKOMAI Power Plant, a legal inspection and periodic repair of boilers, which is conducted every two years, and that of turbines, which is conducted every four years, were conducted in the first half under review. Chiefly due to the effect of the inspections and repairs, electricity sales fell 11.9% year on year. As a consequence, the sales were ¥6,866 million (down 33.2% year on year). The operating loss was ¥178 million due to both the decline in sales and the added expenses associated with the maintenance and inspection work at the TOMAKOMAI power station (compared to the operating profit of ¥498 million in the same period of the previous year ¥498 million).

Segment Information (HS & ES)

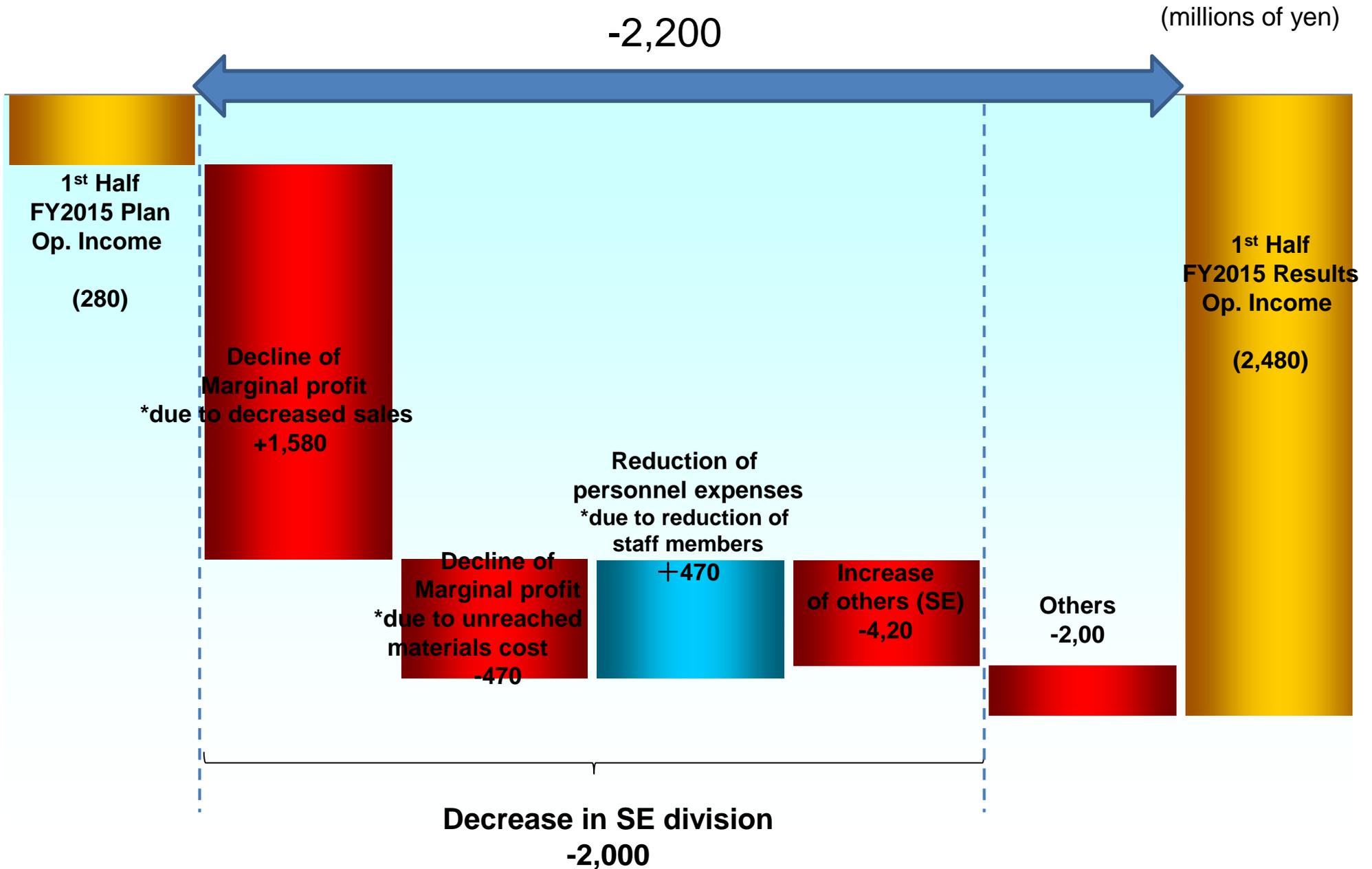
(millions of yen)

| | 1H FY2014 | | 1H FY2015 | | | | |
|-------------------------|-----------|-------|--------------|-------|--------|----------|---------------|
| | Results | Prop. | Results | Prop. | YoY | Forecast | % to Forecast |
| Net Sales | 4,621 | | 4,052 | | 87.7% | 4,352 | |
| HS | 4,058 | 87.8% | 3,596 | 88.8% | 88.6% | 3,911 | 89.9% |
| ES | 562 | 12.2% | 455 | 11.2% | 80.9% | 441 | 10.1% |
| Gross Profit | 2,185 | 47.3% | 2,044 | 50.5% | 93.5% | 2,289 | 52.6% |
| SG&A | 1,364 | 29.5% | 1,430 | 35.3% | 104.8% | 1,427 | 32.8% |
| Operating Income | 821 | 17.8% | 614 | 15.2% | 74.8% | 862 | 19.8% |

The HS Division focused on maintenance-related customer management such as termite control services and floor/ceiling ventilation systems. As a result, net sales were ¥3,596 million (down 11.4% year on year). The operating income decreased by 33.2% to ¥588 million yen due to cost reduction, compared to the same period the previous year.

The ES Division concentrated on sanitation maintenance-related customer management such as high-rise building and condominiums. As a result, net sales were ¥455 million yen (down 19.1% year on year). However, cost reduction measured results in an operating profit of ¥25 million yen in spite of decreases in segment sales (compared to the operating loss of ¥59 million yen in the same period of the previous year).

【Reference】 Details for Op. Income





for Energy, for Environment

Photovoltaic Solution

Total Sanitation

Environmental Resources Development

2. Forecast for FY2015 (ending Mar.31, 2016)

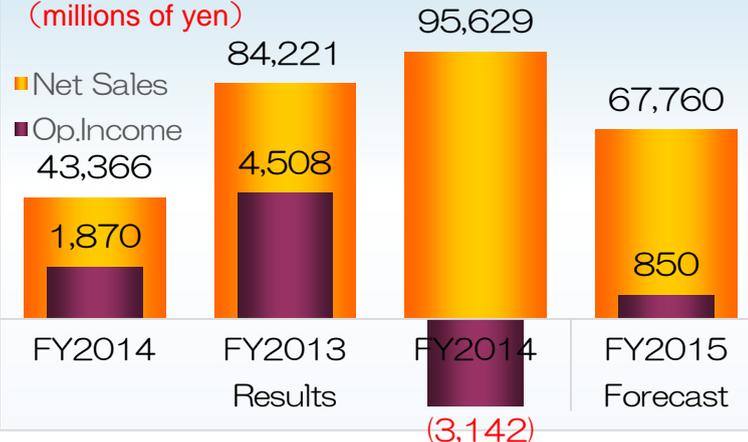
Forecast for FY2015 (ending March 31, 2016)

The Company has revised the consolidated earning forecast for the fiscal year ending March 31, 2016, which were announced Mar.13, 2014, on Nov.13, 2015.

(millions of yen)

| | FY2014 | FY2015 | | | |
|---------------------------|---------|------------------|-------|--------------------------|------------|
| | Results | Revised Forecast | YoY | Forecast on May 13, 2015 | |
| | | | | Forecast | Difference |
| Net Sales | 95,629 | 67,760 | 70.9% | 78,000 | -10,240 |
| Gross Profit | 18,907 | 16,850 | 89.1% | 21,207 | -4,357 |
| (Gross Profit Margin) | 19.8% | 24.9% | | 27.2% | |
| Operating Income | (3,142) | 850 | — | 4,000 | -3,150 |
| (Operating Income Margin) | — | 1.3% | | 5.1% | |
| Ordinary Income | (3,439) | 920 | — | 3,820 | -2,900 |
| (Ordinary Income Margin) | — | 1.4% | | 4.9% | |
| Net Income | (4,966) | 60 | — | 2,820 | -2,760 |
| (Net Income Margin) | — | 0.1% | | 3.6% | |

Changes of Net Income and Operating Income
(millions of yen)



The company revised the consolidated earnings forecast for the fiscal year ending March 31, 2016 on November 13, 2015 as follows.

The results in the first half under review fell below the previous forecast, and the number of installations in the PV systems business in the second half is expected to fall below the previous forecast.

As for income, profitability is expected to improve after the third quarter mainly due to management rationalization in the first quarter and further voluntary retirement programs. However, operating income and ordinary income are expected to fall below the previous forecast as net sales ended lower than the previous forecast.

Segment Forecast for FY2015

SANIX

FY2015_2Q

The Company has revised the consolidated earning forecast for the fiscal year ending March 31, 2016, which were announced Mar.13, 2014, on Nov.13, 2015.

(millions of yen)

| | FY2015 | | | | | | | | |
|-------------------------|----------------|--------------|------------|------------------|--------------|------------|------------------|--------------|------------|
| | 1st Half | | | 2nd Half | | | Full year | | |
| | Results | Prop. | Difference | Revised Forecast | Prop. | Difference | Revised Forecast | Prop. | Difference |
| Net Sales | 30,631 | | -4,666 | 37,128 | | -5,573 | 67,760 | | -10,240 |
| SE | 19,713 | 64.4% | -4,073 | 24,966 | 67.2% | -5,970 | 44,680 | 65.9% | -10,044 |
| ERD | 6,866 | 22.4% | -292 | 8,493 | 22.9% | + 620 | 15,360 | 22.7% | + 328 |
| HS/ES | 4,052 | 13.2% | -299 | 3,667 | 9.9% | -224 | 7,720 | 11.4% | -524 |
| Gross Profit | 5,863 | 19.1% | -2,412 | 10,986 | 29.6% | -1,944 | 16,850 | 24.9% | -4,357 |
| SG&A | 8,347 | 27.3% | -208 | 7,652 | 20.6% | -998 | 16,000 | 23.6% | -1,207 |
| Operating Income | (2,483) | — | -2,203 | 3,333 | 9.0% | -946 | 850 | 1.3% | -3,150 |
| SE | (1,372) | — | -2,005 | 3,232 | <u>12.9%</u> | -1,202 | 1,860 | <u>4.2%</u> | -3,208 |
| ERD | (178) | — | -36 | 1,148 | <u>13.5%</u> | + 229 | 970 | <u>6.3%</u> | + 193 |
| HS/ES | 614 | <u>15.2%</u> | -247 | 355 | <u>9.7%</u> | -146 | 970 | <u>12.6%</u> | -394 |
| Group | (1,546) | — | + 86 | (1,403) | — | + 172 | (2,950) | — | + 259 |
| Ordinary Income | (2,364) | — | -2,014 | 3,284 | 8.8% | -885 | 920 | 1.4% | -2,900 |
| Net Income | (2,940) | — | -2,180 | 3,000 | 8.1% | -579 | 60 | 0.1% | -2,760 |

The underlined percentage indicate Operating Margin of each segment.

■ Plans of cost reduction

| | | Plans (millions of yen) | |
|-------------------------------|--|----------------------------|--|
| Voluntary Retirement programs | Personal expenses | 379 | Required applicants : 300 |
| | Welfare expenses | 9 | |
| Elimination and Consolidation | Rent expenses | 17 | <ul style="list-style-type: none"> • 6 stores in SE division • 5 stores in HS division Above stores are to merge with a neighboring stores*. |
| | Vehicle expenses *including fuel cost | 22 | Decreases of 500 cars |
| Total | | 427 | |

*The SE division are to have 39 stores, and HS division are to have 45 stores, by implanting elimination and consolidation.

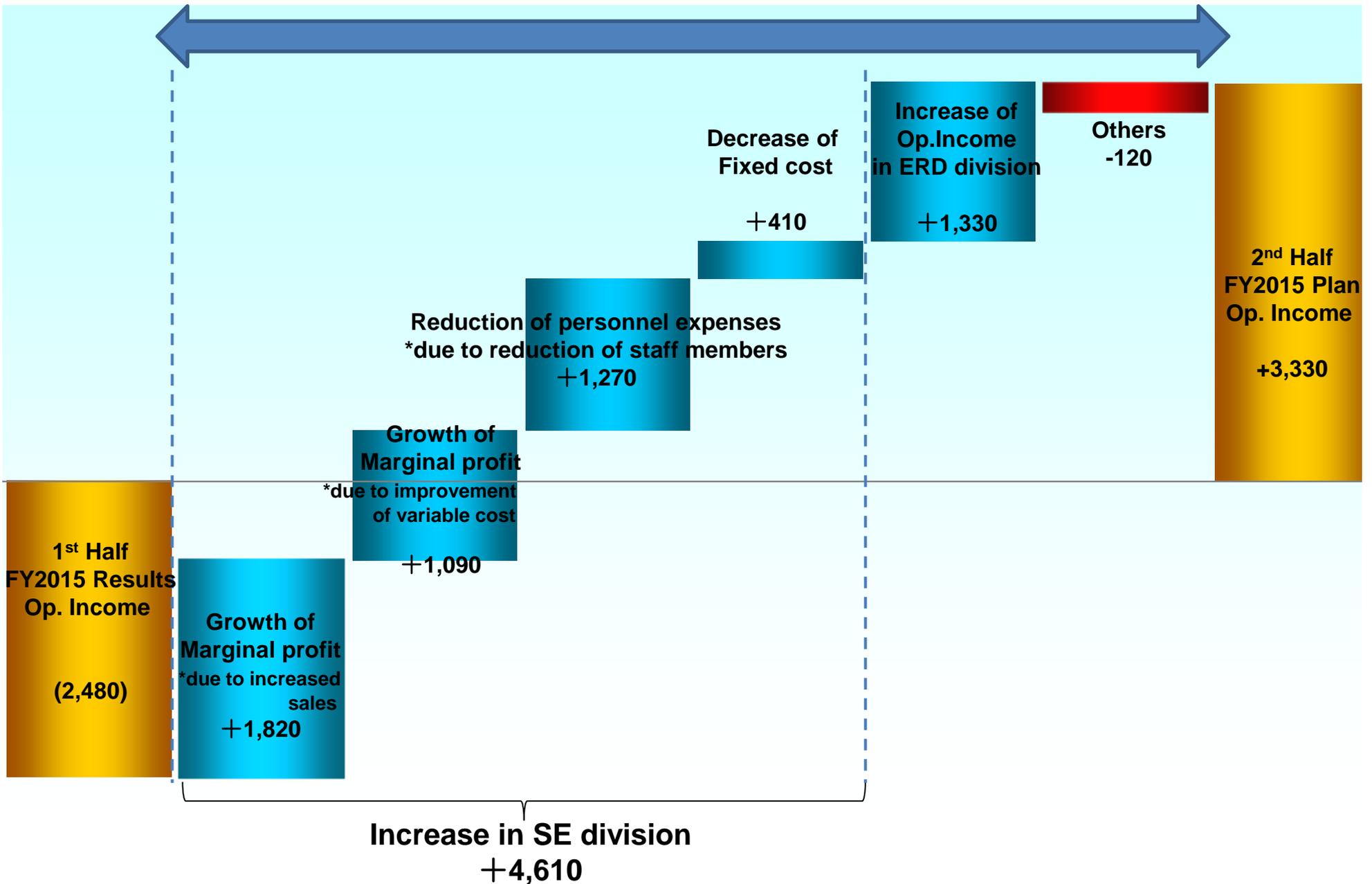
【Reference】 Changes of employees numbers

| | FY2013 | FY2014 | | FY2015 | |
|--------------------|--------------------|--------------------|--|--------------------|--------------------|
| | at the end of Mar. | at the end of Sep. | at the end of Mar. | at the end of Jun. | at the end of Sep. |
| Consolidated total | 3,291 | 4,420 | 3,625 | 2,989 | 2,882 |
| | | | Difference from the previous end of period | (636) | (743名) |

【Reference】 Details for Op. Income

+5,820

(millions of yen)



Segment Forecast (SE)

SANIX

FY2015_2Q

The Company has revised the consolidated earning forecast for the fiscal year ending March 31, 2016, which were announced Mar.13, 2014, on Nov.13, 2015.

(millions of yen)

| | | FY2015 | | | | | | | | |
|----------------------------|----------------|----------|---------|---------------|----------|---------|---------------|-----------|---------|------------|
| | | 1st Half | | | 2nd Half | | | Full year | | |
| | | Results | Prop. | Difference | Forecast | Prop. | Difference | Forecast | Prop. | Difference |
| Net Sales | 19,713 | | -12,358 | 24,966 | | -15,209 | 44,680 | | -27,567 | |
| Photovoltaic system | | | | | | | | | | |
| Direct (Eastern Japan) | 10,155 | 51.5% | -14,685 | 12,299 | 49.3% | -13,250 | 22,455 | 50.3% | -27,936 | |
| Direct (Western Japan) | 6,092 | 30.9% | + 3,321 | 11,000 | 44.1% | + 1,102 | 17,093 | 38.3% | + 4,424 | |
| Wholesale | 3,407 | 17.3% | -997 | 1,622 | 6.5% | -3,061 | 5,029 | 11.3% | -4,058 | |
| Others | 57 | 0.3% | + 3 | 44 | 0.2% | + 0 | 101 | 0.2% | + 3 | |
| Cost of Sales | 16,616 | 84.3% | -9,692 | 17,963 | 71.9% | -15,908 | 34,580 | 77.4% | -25,600 | |
| Materials expenses | 11,334 | 57.5% | -6,400 | 13,245 | 53.1% | -10,699 | 24,579 | 55.0% | -17,099 | |
| Labor expenses | 2,675 | 13.6% | -1,701 | 1,920 | 7.7% | -2,941 | 4,596 | 10.3% | -4,643 | |
| Gross Profit | 3,096 | 15.7% | -2,665 | 7,003 | 28.1% | + 698 | 10,100 | 22.6% | -1,967 | |
| SG&A | 4,469 | 22.7% | -3,570 | 3,770 | 15.1% | -2,547 | 8,240 | 18.4% | -6,118 | |
| Advertising expenses | 1 | 0.0% | -931 | 0 | 0.0% | -226 | 1 | 0.0% | -1,158 | |
| Personnel expenses | 2,064 | 10.5% | -873 | 1,549 | 6.2% | -1,492 | 3,613 | 8.1% | -2,365 | |
| Operating Income | (1,372) | — | + 904 | 3,232 | 12.9% | + 3,246 | 1,860 | 4.2% | + 4,151 | |

In SE division, we have strengthened the framework in the Kanto, Kansai and Chukyo regions with a large market, enhancing the sales power. Also, we worked to improve its income structure, reducing overall fixed costs, by implementing management rationalization such as voluntary retirement programs and elimination and consolidation in the first quarter.

We expect that breakeven sales in the SE division will be lowered significantly as a result of management rationalization, including the solicitation of voluntary retirement. From the third quarter, we will work to improve profitability to achieve sustainable growth.

Status of expenses in SE division

■ Changes in Marginal Profit Ratio & Breakeven sales at SE Division

A marginal profit ratio is shown as profit ratio which is subtracted variable cost such as material, expendables, outsourcing and transportation fee is used as a marginal profit.

| | FY2014 | | | FY2015 | | |
|--------------------------------------|------------------------------|------------------------------|-------------------|------------------------------|------------------------------|-------------------|
| | 1 st half Results | 2 nd half Results | Full year Results | 1 st half Results | 2 nd half Results | Full year Results |
| Marginal profit ratio (%) | 35.0 | 31.6 | 33.1 | 34.7 | 40.1 | 37.7 |
| Monthly average fixed cost (million) | 1,949 | 2,131 | 2,040 | 1,368 | 1,130 | 1,249 |
| Breakeven Sales (million) | 5,561 | 6,740 | 6,156 | 3,944 | 2,818 | 3,312 |

■ Changes of Fixed cost ratio for business expansion of SE

The table shown implies the share of each fixed cost (personnel) and others (payroll cost, rent cost, transportation cost and common expense) in SE division.

| (%) | FY2014 | | | FY2015 | | |
|------------------|------------------------------|------------------------------|-------------------|------------------------------|------------------------------|-------------------|
| | 1 st half Results | 2 nd half Results | Full year Results | 1 st half Results | 2 nd half Results | Full year Results |
| Personnel cost | 22.8 | 19.7 | 21.1 | 24.0 | 13.9 | 18.4 |
| others | 13.7 | 12.2 | 12.8 | 17.6 | 13.3 | 15.2 |
| Fixed cost total | 36.5 | 31.8 | 33.9 | 41.6 | 27.2 | 33.6 |

Segment Forecast (ERD)

SANIX

FY2015_2Q

The Company has revised the consolidated earning forecast for the fiscal year ending March 31, 2016, which were announced Mar.13, 2014, on Nov.13, 2015.

(millions of yen)

| | FY2015 | | | | | | | | |
|----------------------------|--------------|-------|------------|--------------|-------|------------|---------------|-------|------------|
| | 1st Half | | | 2nd Half | | | Full year | | |
| | Results | Prop. | Difference | Forecast | Prop. | Difference | Forecast | Prop. | Difference |
| Net Sales | 6,866 | | -449 | 8,493 | | + 1,073 | 15,360 | | + 624 |
| Plastic Fuels | 3,455 | 50.3% | -404 | 4,256 | 50.1% | + 582 | 7,712 | 50.2% | + 177 |
| Power Generation | 1,613 | 23.5% | -218 | 2,555 | 30.1% | + 591 | 4,168 | 27.1% | + 372 |
| Organic waste water | 843 | 12.3% | + 83 | 943 | 11.1% | + 68 | 1,786 | 11.6% | + 151 |
| Final Disposal | 386 | 5.6% | + 55 | 268 | 3.2% | -20 | 654 | 4.3% | + 35 |
| Others | 567 | 8.3% | + 34 | 470 | 5.5% | -147 | 1,037 | 6.8% | -113 |
| Gross Profit | 722 | 10.5% | -672 | 2,137 | 25.2% | + 738 | 2,860 | 18.6% | + 66 |
| SG&A | 901 | 13.1% | + 3 | 988 | 11.6% | + 62 | 1,890 | 12.3% | + 66 |
| Operating Income | (178) | — | -676 | 1,148 | 13.5% | + 676 | 970 | 6.3% | 0 |

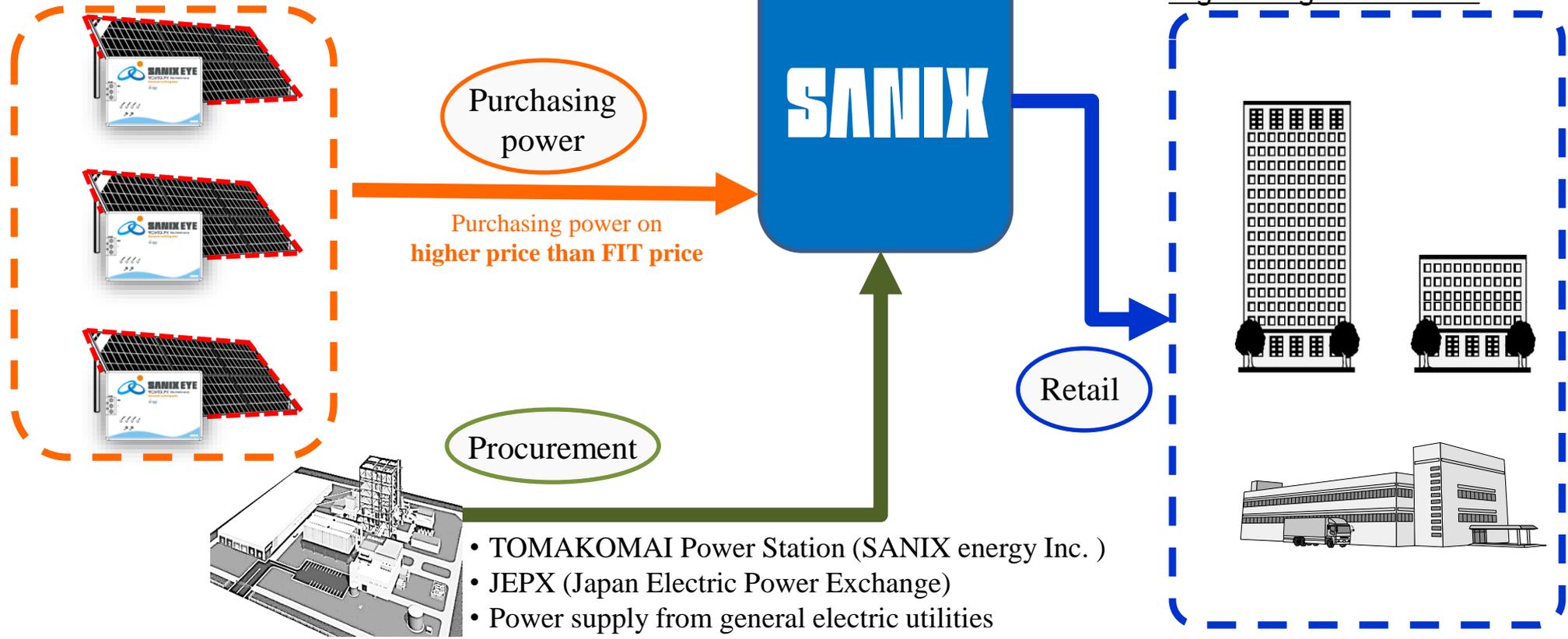
The Company has revised the consolidated earning forecast for the fiscal year ending March 31,2016,which were announced Mar.13, 2014, on Nov.13, 2015.

(millions of yen)

| | FY2015 | | | | | | | | |
|-------------------------|--------------|-------|------------|--------------|-------|------------|--------------|-------|------------|
| | 1st Half | | | 2nd Half | | | Full year | | |
| | Results | Prop. | Difference | Forecast | Prop. | Difference | Forecast | Prop. | Difference |
| Net Sales | 4,052 | | -568 | 3,667 | | -356 | 7,720 | | -925 |
| HS | 3,596 | 88.8% | -461 | 3,223 | 87.9% | -323 | 6,820 | 88.3% | -785 |
| ES | 455 | 11.2% | -107 | 444 | 12.1% | -32 | 900 | 11.7% | -140 |
| Gross Profit | 2,044 | 50.5% | -141 | 1,845 | 50.3% | -15 | 3,890 | 50.4% | -156 |
| SG&A | 1,430 | 35.3% | + 65 | 1,489 | 40.6% | + 393 | 2,920 | 37.8% | + 459 |
| Operating Income | 614 | 15.2% | -206 | 355 | 9.7% | -408 | 970 | 12.6% | -615 |

Scheme of PPS business

Existing solar power stations for commerce



Purchasing power

Purchasing power on higher price than FIT price

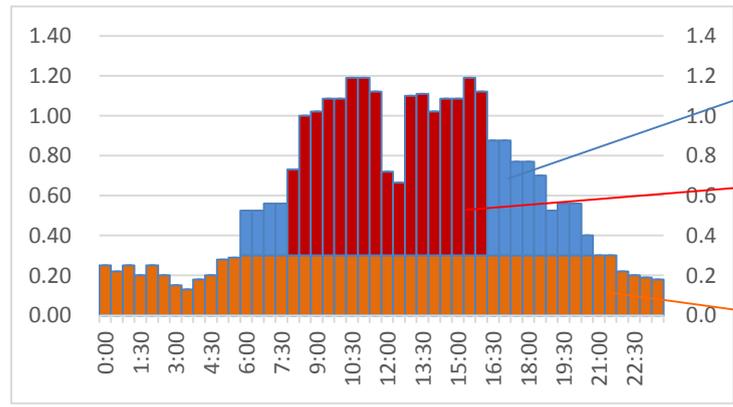
Procurement

Retail

- TOMAKOMAI Power Station (SANIX energy Inc.)
- JEPX (Japan Electric Power Exchange)
- Power supply from general electric utilities

Structure of power supply

We considered in-house power resource (and a regular backup power resource) as a base power resource,
We combine the electric power from the power plant available daytime and the one from JEPX, in order to minimize the costs, supplying the power to customers



Procurement from JEPX

Electricity purchased from solar power station

In-house power source or back-up power source from general electric utilities

■ Electric power retail business

In SEW, we registered “Retailing Power Producer and Supplier” on 8, Oct. 2015.

*Registration number : 「A0007」

In SANIX, we have already applied for the registration, and are to complete registration this year.

■ Purchasing electric power from solar power station

We started to purchase the electric power in October, 2015 and use the power as in-house power source in Chubu, Kansai and Kyusyu Electric Power area, as of November, 2015.

From December, we also started to purchase the power in Tokyo and Chugoku Electric Power area. In Hokkaido Electric Power area, the power source of TOMAKOMAI Power Plant is mainly used because, we don't contracture in-house photovoltaic power generation system.

■ Electric power retail business

We are supplying electric power to approximately 200 low-voltage customers in Hokkaido, Tokyo, Chubu, Kansai, Chugoku, Kyusyu, as of November, 2015.

The numbers of customers have been increasing smoothly, and in near future, its sales are expected to contribute to profitability.

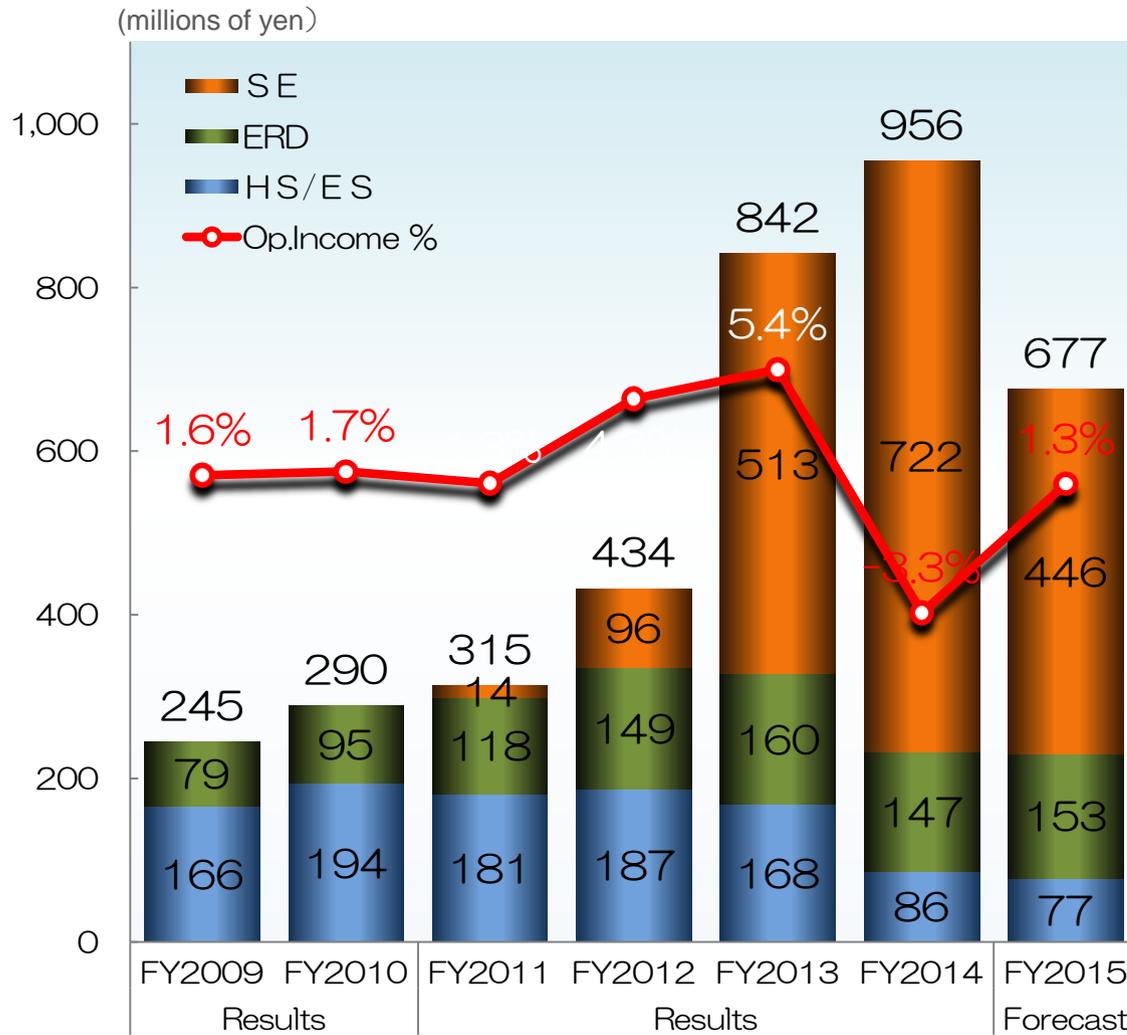
■ Reaction to the full liberalization of electric power retail

In reaction to the full liberalization of electric power retail (the lifting of the ban on sales to low-voltage customers) from April 2016, we are considering retail sales to low-voltage customers in the system (general households and small enterprises). As wheeling charges and loss rates, among other conditions, are determined within this year, we plan to decide on a detailed policy.

Whole Group Forecasts for FY2015

The Company has revised the consolidated earning forecast for the fiscal year ending March 31, 2016, which were announced Mar.13, 2014, on Nov.13, 2015.

Net Sales and Operating Margin ratio



Forecast for FY2015
(ending March 31, 2016)

Net Sales : 67,760 (MY)

Operating Income : 850 (MY)

Operating margin : 1.3%

· · Figures before FY2013, SE are the results of former CPS division, and HS and ES includes the sales of PV system.