

Recycling

We will expand the plant recycling business to realize sustainable growth.

Takuya Sano

Director and Operating Officer of ARBIZ Co., Ltd., President and Representative Director of SMART Inc.

PROFILE :

Takuya Sano joined ARBIZ Co., Ltd. in 2004 after serving in the Japan Air Self-Defense Force. In 2013, he was promoted to General Manager of the metal and plastic recycling business before assuming his current post as the Director and Operating Officer of ARBIZ Co., Ltd. and the President and Representative Director of SMART Inc. in 2019.



Fiscal review and future strategies

As the USS Group company developing its resource recycling business, ARBIZ saw lower income and profit due to a decline in the volume of end-of-life vehicles and a smaller profit margin compared to the previous year with a favorable metal scarp market. As the USS Group company developing our plant recycling business though, SMART Inc. saw an increase in both income and profit due to a larger number of orders for large-scale dismantling projects. As a result, the Segment achieved record results with ¥8,982 million in net sales from outside customers, up 24.1% year on year, and an operating profit of ¥1,333 million, up 16.7% year on year.

We do see the fluctuating market prices of metal resources as one challenge ARBIZ Co., Ltd faces in its financial performance. To ensure stable earnings, ARBIZ is coordinating with each company for further considerations about the new

recycling business for waste plastics.

SMART Inc. has been able to build an internal system to receive orders for these large projects, but the number of projects commencing work declined by 10% compared to the previous fiscal year. Although there is a tendency to focus on the scale of a project, the profitability should be the point of emphasis. Therefore, SMART Inc will concentrate on balancing the size and profitability of orders in the future.

A lack of human resources has presented a challenge as business grows. Over the last two years, we have been able to improve the employee retention rate by building a more work-friendly environment. We aim to realize ¥5.0 billion in net sales by the fiscal year ending March 31, 2024, which is more than possible.

SWOT analysis

Strengths	ARBIZ	<ul style="list-style-type: none"> • An exclusive recycling technology (patented) • The largest recycling yard in the Nagoya area and an ideal location for recycling operations • Equipment and technologies capable of handling many types of waste materials 	
	SMART	<ul style="list-style-type: none"> • Collaboration with the Sumitomo Mitsui Group for cost cutting, more sources of information and reuse channels, and better proposals for recycling and reuse 	
Weaknesses	ARBIZ	<ul style="list-style-type: none"> • Difficulty of retaining people and passing on know-how to younger people because of Japan's labor shortage 	
	SMART	<ul style="list-style-type: none"> • Inadequate number of employees as the volume of business operations increases 	
Opportunities	ARBIZ	<ul style="list-style-type: none"> • Started a recycling business for manufacturers • Reuse of waste plastics 	ARBIZ/SMART <ul style="list-style-type: none"> • Reexamining the recycling business to contribute to achieving carbon neutrality
	SMART	<ul style="list-style-type: none"> • Aging of structures during Japan's many years of rapid economic growth • Growth of investments in the manufacturing and energy sectors 	
Threat	ARBIZ	<ul style="list-style-type: none"> • Difficult to differentiate services in a highly competitive market • Fiercer competition from manufacturers and companies entering the market from other industries 	
	SMART	<ul style="list-style-type: none"> • Emergence of other companies with similar business models 	