



REVACS Corporation CSR REPORT 2014



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Corporate Profile

Company name	REVACS Corporation
Address	2-1-16, Naruohama, Nishinomiya, Hyogo, Japan
Date established	March 26, 1974
Representative	Masato Akazawa, CEO (Inauguration date: October 1, 2014)
Paid-in capital	81,000,000 yen
Employees	38* (as of March 2014) ※ a temporary worker included
Sales amount	1,749,280,000yen (as of March 2014)
URL	http://www.revacs.com/
Business description	Collection/ transportation of industrial waste Intermediate treatment (Shredding & drying) Collection/ transportation of 'specially-controlled industrial waste' Comprehensive recycling business of the waste Environmental consultancy

Group Companies

Company name	Relief Corporation
Date established	2010 (initiation in 1960)
URL	http://www.relief.revacs.co.jp/
Business description	Personal mementos organizer Residential environmental developer Domestic waste disposer (Nishinomiya City)

Company name	Daikyo Corporation
Date established	1976
URL	http://www.d-aikyo.co.jp/
Business description	Grease trap cleansing Service Domestic waste disposer (Itami City)

The business areas of the group companies differ from ours. Hence they independently publish their own reports. Please refer to their URL.

Editorial Policy

This report is issued to inform our stakeholders of REVACS' s various efforts. It is also one of the important communication tools to know the readers' response or opinions.

Characteristics of "CSR Report 2014"

- The report is edited in reference to the core subjects in "Guidance on Social Responsibility" of ISO26000, i.e. (1) Organizational governance, (2) Human rights, (3) Labor practices, (4) Environment, (5) Fair operating practices, (6) Consumer issues and (7) Community involvement and development.
- In the report, above seven core subjects are grouped in the following four sections: "Business management (covering above (1) and (5))", "Environment ((4))", "Human rights/ Labor practices ((2) and (3))", and "Communication ((6) and (7))".
- In editing, we reviewed readers' responses to our questionnaires as well as ideas of our internship students and selected and reconstructed important information relevant to our business and society.
- The report in Japanese is released also on the website. The English version is available only on the website.

Subject organization:

REVACS Corporation (across the board)

Period covered:

FY2013 (April 2013-March 2014)

※Part of 2014 activities included

Date of issue:

October 2014

(Annual issue to be published in October)

Area covered:

Environmental, social and economic aspects of business activities

Guidelines referred to:

- GRI "Sustainability Reporting Guideline (G3.1) (2011 version)
- Ministry of Environment "Environmental Report Guideline" (2012 version)

Internship students took part in the editing work

"CSR Report 2014" was completed with four internship students. Since April, the four did their very best as responsible staff for six months.



Students from Faculty of Business Administration, Kyoto Sangyo University

Takuya Yoshida, senior
Miona Takeda, junior
Haruka Asano, junior
Keiichi Tsutsumi, sophomore

■ Internship students share their feelings

The company suggested that we might edit the CSR Report from scratch without being restricted by the style of the past issues. We started by asking ourselves "Who do you want to read our CSR Report?"

At first we thought of general consumers and students as our prospective readers because we wanted as many people as possible know about REVACS.

But, we were very surprised to hear the words of CEO Akazawa. He said that the strength of REVACS lies in the people who work for it. We learned that he is making business judgment in the interests of the employees. We decided to make such a report that will reflect CEO's feelings in a proper fashion, and so, we tried to have REVACS's employees of the company as major readers. To be more precise, we wanted to have the staff who will read our report recognize anew why the company is so earnestly making CSR efforts. So, in the report, we introduced opinions of the persons in charge

of environmental or health and safety issues as well as the history of CSR in REVACS.

At the same time, we kept it in mind that the report should be a useful one for the important people for the company, clients. And, we tried to make them feel REVACS was more familiar to them. So, we organized information which we wanted to convey to them. We were sometimes at a loss as to how to convey our feelings in the report but eventually, thanks to the help of Mr. Ito, manager, Ms. Nitta and many other people, we could complete "CSR Report 2014".

We hope that the report will work as a tool that encourages the stakeholders to further understand the company and helps strengthen ties between the stakeholders and REVACS.

■ Message from CEO Akazawa to the internship students

To me, what is important for "CSR Report" is that it is prepared with the hands of as many people as possible, and that it is read by people with various interests. Interesting information differs reader by reader depending on where he(or she) stands. For this reason, I would like the internship students to say directly what they want people to know about REVACS".

We wanted to adapt new ideas to the conventional report last year, and asked for Mr. Yoshida, as an internship student, to participate in editing and we have had a lot of new findings. This year, we are having four students with us as editorial staff. What I would like to tell you students is, "Enjoy the creation of the CSR Report". And I would be more than happy if the experience were to be useful in your study and student life or in recruiting activities. In REVACS we aim to change society by applying multiple viewpoints to various affairs.

REVACS' s Perspective of CSR

Continued Approaches toward Sustainability by society and the Business Enterprises



Shifting Needs of Society

Community/ Human Rights/ Environment/ Management Concept/ Mission/ Action Guideline

Concept in the Management System of REVACS

We have implemented our “Management Principle” “Mission” and “Vision” which we base on in our business. And our partners are required to take heed to “Code of Practice” when they work to materialize the management principle, mission and vision.

※ partners: employees other workers who work with us for our customers

Management Principle

1. Contribution to the partners

We return the profits to the partners in order that they can find satisfaction in work, realize their value and enjoy quality life. We understand the merit of having employees of various characters with us and try to provide and manage a work place where everyone can work at ease. We recognize that the progress of our partners is needed before anything else, and provide them with “opportunities to learn” and “opportunities to participate in.”

2. Contribution to the customers

To always provide customers with fair and profitable plan, we establish an appropriate business model consisted of facility (hardware) and partners (software) required by society.

3. Contribution to society

We are conscious of our responsibility for our impact on society and the responsibility which we have to bear for society. We always keep it in mind to perform what is needed by society in reliable manners as a corporate citizen who plays a role in forming sustainable society.

Mission

REVACS strives to offer waste disposal service that can be relied on with sense of security by all stakeholders and to contribute to benefit and welfare of all our partners, customers and society to eventually help form a sustainable society.

Vision

- We strive to be the best law-abiding and most active company to disclose information (i.e. a transparent company) in Japan.
- We strive to be an “energy maker” that turns waste into another energy source.

Code of Practice

1. Do the job with pride and sense of responsibility

Do not forget that we are paid for our service, and always tackle the task earnestly with pride so that you can always meet the client's requirement.

2. Maintain self-initiative and yet maintain cooperativeness

Remember that balanced self-initiative (i.e. “to think about and practice what one has to do at this moment”) and cooperativeness (i.e. “to think of others and tackle the task in cooperation with others”) are required of us.

3. Positively challenge the task

Do not be contented with current conditions, but keep tackling a new task. Keep it in mind that “the more seriously you grapple with the task, the more rewarding the work will become.”

4. Be ready to adapt to any circumstances (“survival of the fittest” is not a synonym of “jungle law”)

Be sensitive to the changes in circumstances, and keep on your effort to flexibly adapt to various (or difficult) situations without being trapped in the past success and failure or custom.

5. Secure fair profit

Build an awareness that we have to secure fair profit so as to meet the expectation of the people whom we have to protect and thus establish our operational base for the prosperity in the future.



Kenichi Akazawa,
CEO, REVACS Corporation

The happiness of the employees benefits both the business and society
—Smile of an employee leads to flourishing business and social stability—

Our main recycling plant has got on track

FY 2013 was a good year for us. The business has grown steadily with year-on-year sales and operating profit being 104.8% and 117.7%, respectively.

One aspect of the business to be profitable has been the biomass converted resource business in which sludge from food plants is turned into fuels through a drying process. The drying plant operates at over 90% of capacity. We have had a hard time for three years after the plant's inauguration because of the difficulty of building an operating system and the increasing fuel cost of production but we have finally put it in order.

A prospect of extending overseas the cleansing business for water treatment facilities

The operating rate of 90% is also a sign that the sales of waste disposal can level off

in the future. The creation of a new business is required for further growth. And so, we are going to extend our conventional service, i.e. cleansing business, for water treatment facility.

Food or beverage manufacturing plants are equipped with water treatment facilities to clean discharged water before releasing it into rivers and the sea. REVACS has taken on the drying treatment of the sludge discharged by such plants, and sometimes undertaken to clean-up the water treatment facility itself. It has, however, been limited to responding to requests in special situations such as the breakdown of the client's facility.

Meanwhile we have sought for a new service which we can propose, offering to utilize our expertise or accumulated knowledge. We launched a special section for cleansing business to focus on one of our original services. We are going to develop it throughout Western Japan to enlarge its domestic share,

Chapter 1 CEO's Message

and then possibly to ASEAN countries which are undergoing social-infrastructure improvement.

We also worked out a new bio-mass boiler that uses wood chips as fuel, which will be inaugurated in December this year. In that event, we shall be able to replace the city gas fuel for our drying plant, which we have so far purchased, with wood chips fuel — a change from fossil fuel to carbon neutral fuel. The energy cost for the drying treatment can be reduced. Environmentally, the CO₂ emission can be virtually zero thanks to a carbon neutral nature of wood chips fuel. We will actively work on a steady operation of the biomass boiler.

“Benefit for each and all” will bring about true growth

I always aim at relationships between clients, our employees, the partners and society in general in which everybody benefits. In short unless the workers are happy, you cannot keep your clients happy to say nothing of society.

It is desirable that a worker keeps his private life at home, his work for the company and his place in society in balance.

When launching a new business I always study it not only from the perspectives of management but also other various viewpoints, say, that of our junior staff so that the business proceeds well. I also put a premium on quick decision making in running through the PDCA cycle to enable us to respond to the challenge of the next new tasks.

If it seems that a business is not succeeding with the present workforce, or when workers are reluctant to do that job, I would discontinue it (even if it is a prospective one) in some cases. I would like to make such a decision for the workers which will after all benefit the clients and society.

‘Smile’ as a barometer of a good labor-management relation

As the leader of REVACS Corporation I give an orientation, vision, arrange the manpower and see to it that every partner properly functions. It is important for a company that everyone works effectively and in harmony or equilibrium with other members. A leader has to carefully watch the members and make them work in harmony. It is analogous to the case of a conductor who carefully watches the performance of each of the talented orchestra members keeping any individual sounds from standing out so as the orchestra create balanced good harmony.

Fortunately partners at REVACS have sense of responsibility and know their mission. I can see it from their ‘smiles’. ‘Smiles’ are sign of their wellbeing. ‘Smile’ is a barometer to tell they have good relations in individual (home) life, work (career) and social life. It is a proof that they have win-win relationships between the clients and society.

To have the employees work with smiles, it is important that the company and each employee have the same goal to attain. Naturally, individual are different from each other. Some may value their home life, while the others their work (career). It is therefore necessary that each employee should agree with the company what targets should be set and how far they should be met. We decide the targets after a private interview, and support the employees with the coaching system, which we introduced this year. I expect the system will show that many approaches are possible in carrying out a task and it will help employees to have the same goal as the company. If each worker in REVACS takes personal responsibility as if it were “their own affair”, the company, the partners and the clients will be happy. And this is my ideal.



It is in society where we can find our task. Society is a seed bed of business

A company is figuratively a platform where various people meet at the same level and through the medium of work people make their progress and improve themselves. If one discloses information and keep the platform open to the public, multiple viewpoints will be created. I intend to create such a change in society. I positively disclose information through “CSR Report” and other means. It may be unlikely that this process will lead to major change but there is a chance of benefits through disclosing information and listening to varied viewpoints.

Multiple viewpoints are important. Because they make us find potential tasks in society. If we can identify people’s needs and respond to them well, we will have made a contribution to society.

We published “Environmental Report”, a predecessor of “CSR Report”, for the first time in FY2002. At that time, there was a trend in the business society that they would not deal with an environmental business company who has not obtained certification of ISO14001 (international environmental criteria). We created the report in order to let many people know of our approaches in environmental services on occasion of certification of ISO14001 in FY2000.

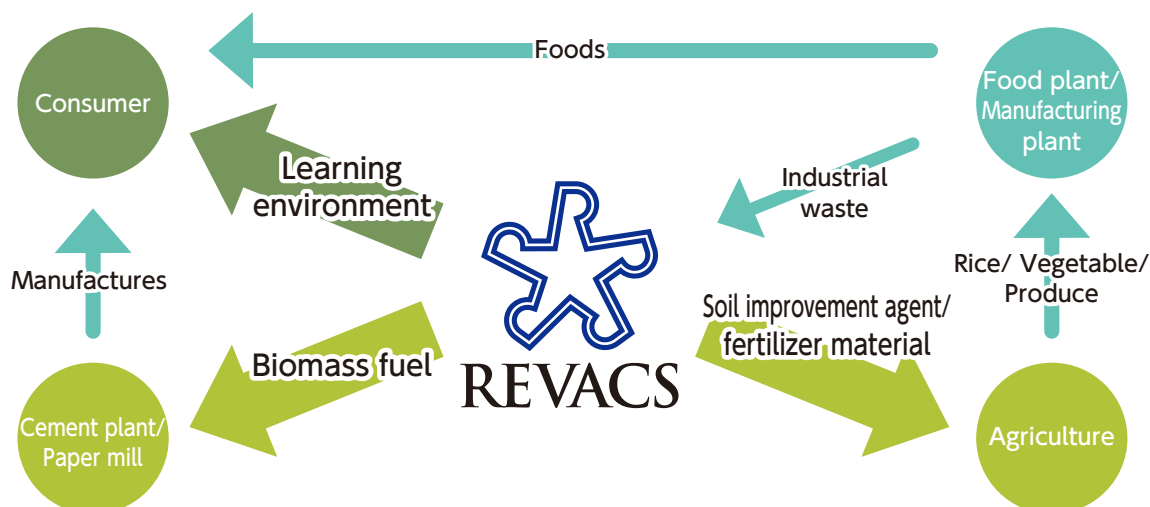
In FY2006, we included for the first time discussion of our social contribution and

renamed the report as “Environmental and Social Report. On completion of the largest treatment plant in the Hanshin area in FY2007, we realized that this was necessary in the report as well as the disclosure of financial information and the consideration of economic concerns. At the same time, Japan Association of Corporate Executives began to encourage CSR, and a business was considered to be socially by incorporating “environment”, “society” and “economy” in its assessment of commercial activity. And we renamed the report as “CSR Report”.

Waste disposal business is often viewed with a gray image. We want to get rid of such an image. “CSR Report” was born out of such a desire. We decided to present our information in a comprehensible manner to actively fulfill our duty of accountability.

Initially we were asked why we disclose such information but as we kept on publishing for the 2nd and the 3rd year, we came to hear encouraging words from the clients: “You are working for a good company” or “We can trust your company seeing such a report”. Our sales representatives began to take the CSR Report to the clients for explanation purpose. And a climate was born in the company that encourages the positive approach to CSR activity itself.

CSR Report contains hints for change and expansion. It is intended to be a readable report, accessible to the general reader as well as to professionals. As in the previous issue we had a collaboration of students studying CSR. Please take a look. We look forward to receiving your response to the report and your advices to us.



At REVACS, sludge or animal and plant residues from food manufacturing/processing plants are made into biomass resource after a drying process. About a half of the biomass resource is now used by farmers as material for fertilizer. Then agricultural products are in turn processed by food manufacturer. Also waste food, which is reprocessed at an affiliate of ours, is used as animal fodder for cattle and pigs. We can see a recycling circuit here.

While, the other half of the biomass resource is used as fuel at the cement plant. It is used as an alternative of oil or coal for boilers, and its ash is used as a material for cement production.

In FY2013, 1,933 tons of biomass resource produced by REVACS was used as fuel and thus contributed to the reduction of carbon-dioxide by 2,522 tons.* Use of the biomass fuel as an alternative to fossil fuel results in reduction of carbon-dioxide emission to realize carbon neutrality.

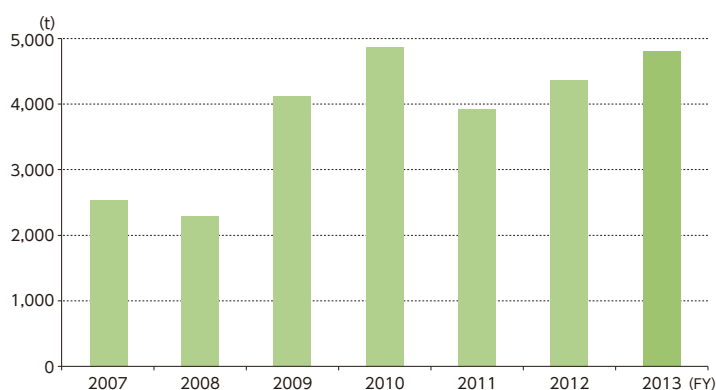
Likewise, waste container board sorted out and shredded in our facility revives as cardboard, while metal scrap such as steel or aluminum is reprocessed into new refined

resource. As for waste plastics, whose 'material recycling' (i.e. reuse as material) is difficult, they are mainly utilized as heat energy (fuel) in paper manufacturing.

Better part of industrial waste which we undertake is recycled as above, and remaining unrecyclable wastes is reclaimed or incinerated at our business partners'.

Utilization of wastes as renewable resources plays an important role in forming recycling-oriented society. What we can do may be limited, but we faithfully continue tackling recycling business with foresight in order to be a company required by the society.

* The heat release value of biomass fuel is converted to the crude oil quantity required to generate equivalent amount of heat.



▲ Transition of biomass resource production at REVACS

Chapter 1 Highlights for FY2013

Major activities in FY2013

The number of Complaints (cases)

FY2012 0 ▶ FY2013 0

REVACS has developed a system to smoothly respond to complaints or requests from outside. We reflect them on our business and work operation. (For the details, see page 40)

Sales Amount

Year on year increase 4.8%

Business Profit

Year on year increase 17.7%

The sales amount and the business profit in FY2013 increased over the previous FY: Respective sales amounts in FY2013 and FY2012 were 1,749 million yen and 1,669 million yen. Corresponding business profits were 70 million yen and 59 million yen. (For the details, see page 13)

Granted in the good-standing waste disposer accreditation system

In July 2013, REVACS was accredited as such. (For the details, see page 13)

CSR Report 2013 earned Environmental Communication Awards *

Our CSR Report 2013 was awarded an Encouragement Award in Environmental Communication Awards, which is co-sponsored by Ministry of Environment and Global Environmental Forum. Mr. Yoshida, an internship student, received the award from the hands of the chairman of the referee board on behalf of REVACS Corporation at the awarding ceremony held in March, 2013. (For the details, see page 44).



※Environmental Communication Awards is a system to award the excellent environmental report or report on environmental activities. It aims to promote the companies' efforts in the environmental business management and environmental communication and seeks for further improved means of the information disclosure.

Free Web Seminar was inaugurated

REVACS presents a seminar on its web site where knowledge on the industrial waste is available. After a simple ID registration*, you can visit the site repeatedly. It is a site not only useful for your employees to acquire knowledge, but also convenient for our partners to share information in house. (For the details, see page19)

※ a membership registration (free) is required to access the Seminar page

The number of the participants in plant tours.

474

Our plants are open to customers, students or local community.

(For the details, see page 37)



▲ Participants in the basic seminar as inspecting the plant

Biomass Resource Produced (ton)

FY 2012 4,366 ▶ FY2013 4,806

CO₂ Emission Reduced (ton)

FY 2012 2,170 ▶ FY2013 2,522

At REVACS, wastes of organic nature generated in food manufacturing plants are made into biomass resources. Produced biomass is used as fertilizer materials or boiler fuels in paper mills or cement plants. By replacing fossil fuel with biomass fuels, you are contributing to the reduction of CO₂ emission. (For the details, see page 7)

REVACS's Business Activity

What is Industrial Waste?

Waste disposal and cleaning act classifies 'waste' into two major categories: 'general waste' i.e. general household garbage and general waste from business activities in restaurants or offices and "industrial waste" from corporate industrial activities. All of the 21 types of industrial waste that REVACS deals with are specifically regulated by law.

1 Collection and Transportation of Waste

We visit customer's site to collect and load the waste and transport it to REVACS or its business partner for processing. The physical form varies from liquid to solid. In transporting waste we choose appropriate vehicle according to the type of the waste or the mode of packing. REVACS aims to offer safe and sure transportation service.

Nozomu Matsuda, Transportation section



Lorry with detachable container system	11 units
High-pressure vacuum car	3 units
Flat-bed truck	1 units
Dump truck	1 units



▲ Lorry with detachable container system



▲ High-pressure vacuum car



▲ Flat-bed truck

3 Shredding and Separation process

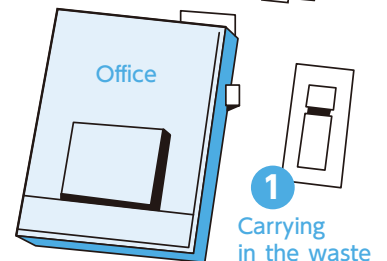
Waste plastics and other solid wastes are reduced in volume by shredding and sorting out.

- Treatment capacity: 50t/day (8hrs)
※ Authorized capacity: 94t/day
- Authorized item: waste plastics, metal waste, glass waste, concrete waste, ceramic waste etc. (total 8 items)
- Installation date of the plant: February 10, 2006

Disposed beverage, such as outdated or inferior products, are brought to Reverse Management Center. Then they are unpacked before the solid containers and the liquid contents are separated at the shredding plant. The liquid part is made into biomass resource at the drying plant, and containers are treated at our affiliates' to be recycled.



Takahiro Doi,
Senior staff, Recycling Center



▲ Waste beverage product



▲ Shredding plant

Content



▲ Drying plant



▲ Container



▲ Biomass fuel

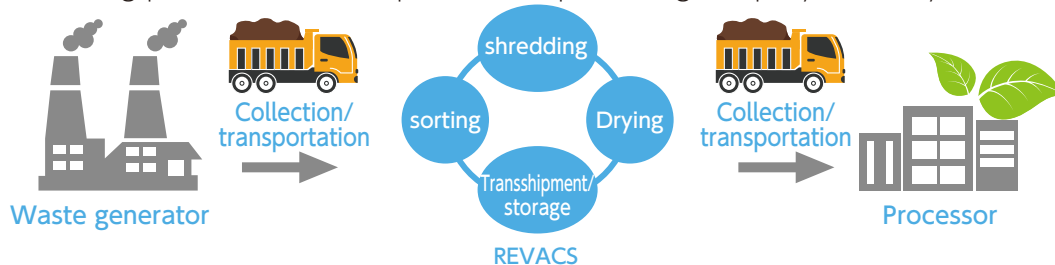


▲ To be made into fertilizer

To be recycled as resource at the affiliates'

Business Flow

REVACS mainly engages in a successive processes from collection/transportation, transshipment/storage, intermediate treatment (drying/shredding/sorting) of industrial wastes generated by manufacturing plants to their transportation to processing company or facility.



2 Transshipment and Storage

We hold facilities for transshipment and storage for the smooth processing of the industrial waste. Accordingly to the volume of the waste or processing site's condition the waste is temporarily stored in this facility. And when a certain amount has been accumulated it is altogether transported to an intermediate processor or a final processing agent.

● Reverse management center

- Storage capacity: 735m³
- Date of installation: March 11, 2008
- Licensed item: Sludge, waste acid, waste alkali, waste plastics, plant and animal residue etc. (total 7 items).

● Transshipment/storage facility in the shredding plant building

- Storage capacity: 221m³
- Date of installation: 10 February, 2006
- Licensed item: sludge, waste plastics, plant and animal residue, waste metal, etc. (total 14 items).

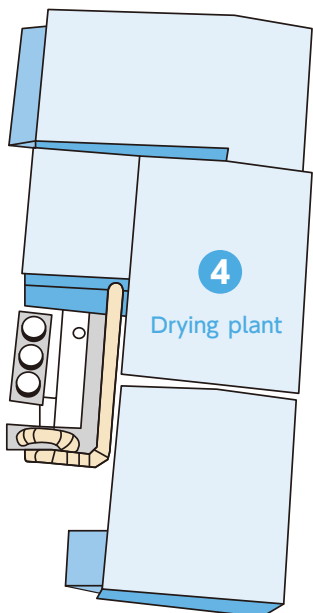
4 Drying process

Wastes of organic nature generated in food manufacturing plants undergo drying process to be made into biomass resources. Thus manufactured biomass is used as fertilizer materials or boiler fuel in paper mills or cement plants upon requests of clients.



Yuki Yokoyama,
Senior, Recycling Center

- Capacity: 90.9m³/ day (24hr)
- Licensed item: sludge, waste oil, waste acid, waste alkali, plant and animal residues
- Treatment method: low-pressure oil temperature continuous drying method
- Installation date of the plant: May 1, 2007



▲ Waste of organic nature



▲ Drying plant



▲ Biomass fuel



▲ To be made into fertilizer

※ Biomass fuel: It has about two thirds as much calories(4,500kcal/kg) as that of the coal and it can be used as an alternative energy source of fossil fuel. When incinerated, the biomass fuel is not regarded as a source of an additional CO₂ emission because the amount of CO₂ emitted by the biomass fuel is offset according to the nature of carbon neutrality. It serves as an energy saver and prevention measures against global warming.

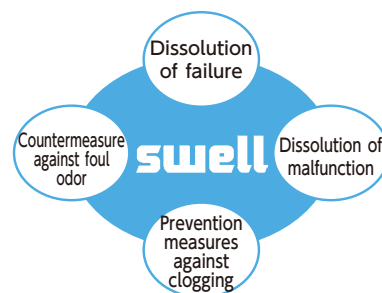




With solid technical capability and efficient collection and transportation, we help the clients with all-round maintenance service at the drainage facility

When they are left unclean, such facilities as drainage tank, pit and plumbing can be functionary deteriorated and they sometimes do not work well or emit foul odor. To keep them normally work, regular clean-up and cleansing is required.

In our newly launched service named 'swell*', we check the condition of facilities and make a specific proposal case by case. (* : 'swell' was named by association of 'safety' and 'well-being')

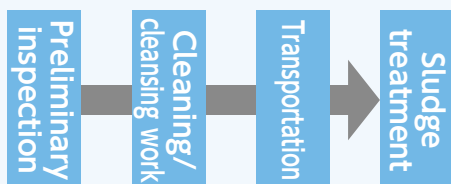


Features of "swell"

Feature 1

One-stop Service

"swell" provides a consistent service covering from transportation to final treatment in cooperation with affiliated processors as well as cleaning and cleansing.



※ We of course take the order limited to cleaning and cleansing.

Feature 2

Various types of special vehicles

Using various vehicles such as ultra-high power suction vehicle, high-presser cleaner etc. we smoothly recover a sludge of low liquidity in a complicated space.



※ An image picture.

Feature 3

Large-scale work accepted

We are capable of conducting a large-scale work on client's schedule using multiple affiliated transporters.

Feature 4

Safe and Sure

The same person takes charge from estimation to actual work for safe and sure service as designated by the client in advance.

※ After the work the client can check our report for a failure, if any.

Major service of "swell"

1. Cleansing of various drainage facilities and recovery of accumulated sludge



2. Cleansing of various types of tank and recovery of accumulated sludge



3. Cleansing of gutter, closed conduit or catch basin in the factory and recovery of accumulated sludge



4. Cleansing of inside the plumbing and its check-out

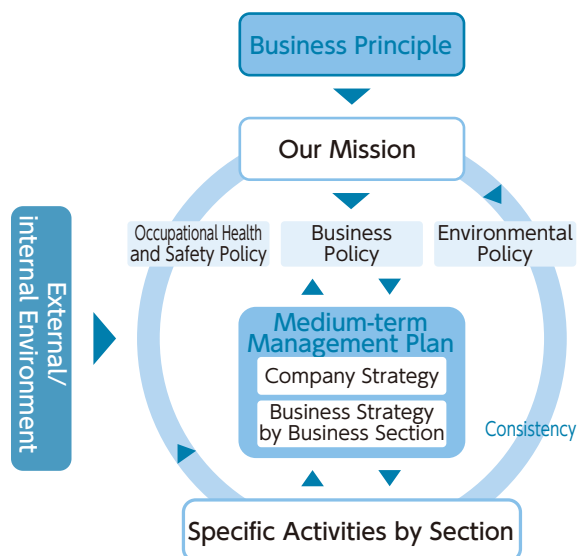


Chapter 2 Management Plan

To realize our mission and principle or vision we set and implement medium-term management plan every three years.

Medium-term plan is reflected on the activity of each section in consideration of external or internal environment in conformity with our principle or vision and various other policies.

In the 5th Medium-term Management Plan (FY2007-2009) we made our efforts under the themes of establishment of biomass fuel business and accountability to stakeholders. And in the 6th term (FY2010-2012) we tackled the upgrading of existing services and the reduction of greenhouse effect gas emission. Then, in the 7th term (FY2013-2015) we are going to work on the reduction of rising energy cost and exploration of new services for the further growth.



The 7th Medium-term Management Plan as compared with the 5th and the 6th plans

	The 5 th Medium-term Management Plan (FY2007-2009)	The 6 th Medium-term Management Plan (FY2010-2012)	The 7 th Medium-term Management Plan (FY2013-2015)
Vision	<ul style="list-style-type: none"> • We strive to be the best law-abiding and the most transparent business in Japan. • We strive to be an “energy maker” that turns waste into another energy source. 		
Theme	<ul style="list-style-type: none"> • Establishment of the biomass-fuel business • Beef up the information disclosure and accountability • Promotion of occupational safety activity 	<ul style="list-style-type: none"> • Improvement of cost performance • Reduction of greenhouse effect gas emission • Exploration of new business for further growth 	<ul style="list-style-type: none"> • Efforts to cope with rising energy costs • Provision of new services • Productivity improvement... (business efficiency; transportation efficiency; processing efficiency)
Management target	FY2009 actual performance <ul style="list-style-type: none"> • Sales amount ¥1,304,620,000 • Business profit ¥60,330,000 • Operating profit ratio 4.6% 	FY2012 actual performance <ul style="list-style-type: none"> • Sales amount ¥1,669,890,000 • Business profit ¥59,590,000 • Operating profit ratio 3.5% 	FY2015 target <ul style="list-style-type: none"> • Sales amount ¥1,776,000,000 • Business profit ¥140,000,000 • Operating profit ratio 7.9%

Major Affairs in FY2013

Major affairs in FY2013, the first year of the 7th Medium-term Management Plan (2013-2015) :

- Initiation of cleansing service “swell”; holding of the web seminar
- Recruitment of new graduates and mid-careers
- Biomass boiler construction started
- Full-fledged revision of our home page

Chapter 2 Financial Information

Due to increased amount of consigned waste, both the sales amount and business profit in FY2013 exceeded that of the previous year.

Outline of FY2013

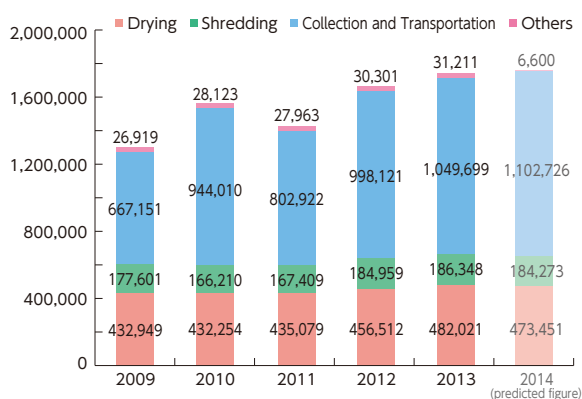
FY2013 sales recorded 1,749 million yen, increasing 79 million yen (or increase by 4.8%) over the previous FY. The increase in consigned waste, which was collected and transported by the service section, and the consequent increase of processed waste in the drying plant contributed to the boosted sales and profits.

The drying plant, our major facility, maintains remarkably high rate of operation at 98% as in the previous year (which was 96%).

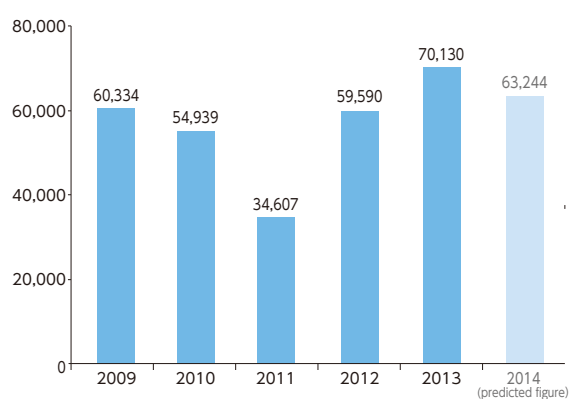
Operating profit was 70 million yen, sur-

passing that of the previous year by 10 million yen (increase by 17.7%). Increased cost of drying plant, which was caused by price hike of the city gas, was successfully covered by increased amount of the consigned waste (i.e. sales amount).

In FY2014, the second year of the 7th Medium-term Business Plan, we seek further growth through our new service or construction of the biomass boiler as a fundamental measure to cope with the increasing energy cost.



▲ Transition of annual sales (thousand yen)



▲ Transition of annual operating profit (thousand yen)

Conformation to the requirement of "Good-standing waste disposer qualification system"

We were qualified as a good-standing waste disposer in July FY2013 in the "Good-standing waste disposer qualification system^{※1)}" Previously, we did not meet the requirement because of the lower ratio of own capital. Our own capital was enhanced to 18.3% in FY2012 to finally meet the requirement to be qualified as such. For the detailed information please refer to the financial statements for the most recent three years published on the web (Sanpai Joho Net^{※2)}).

※1: Good-standing waste disposer qualification system: a system run by prefectural authorities and ordinance designated cities. It accredits the waste disposers who fill all of the 5 qualification standards. The five standards are: ① actual performance and compliance ② transparency of business ③ efforts in environmental consideration ④ electronic manifest, and ⑤ sound financial strength.

※2: Sanpai Joho Net : <http://www.sanpainet.or.jp/>



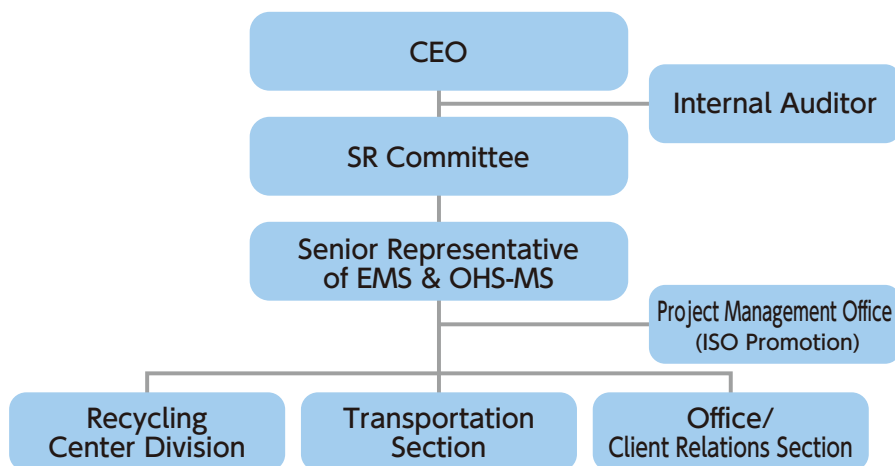
Chapter 2 Management System

Based on the requirement in the management system standards by certification organizations, we built our management system and properly operate it with continued efforts to improve it.

Management System

Our business is directly involved in the environmental issue. In this regard we acquired ISO14001 (environmental management system) certification in September 2000. Further, regarding disasters or accidents as the largest of environmental destruction, we obtained integrated certification of OHSAS18001 (occupational health and safety management system) and ISO14001 in October 2008. We operate this system in our business operation. We run a cycle of PDCA annually. At the end of a fiscal year, all employees give evaluation of environmental effect and risk assessment in preparation for the operation in the next FY and set the objectives and targets for it. The objectives are drawn up section by section to achieve common goals across sections, and

the annual program (i.e. 'PLAN') is made as an answer to the questions "what has to be done? by whom? when and how?" to achieve the objectives. Each section carries out the plan (i.e. 'DO'), and the operation is reviewed in the monthly SR committee, in-house audit or external audit to see whether it is properly done (i.e. 'Check'). In December, the annual operation is reviewed ('management review') where the policy, objectives, targets and other elements are examined whether they need to be modified or not (i.e. 'ACTION'). In this way we are continuously improving the management system.)



▲ ISO14001 certificate



▲ OHSAS18001 certificate

Emergency Response

In the management system a procedure to cope in emergency such as accidents or fire is laid down as a system so that one can take an appropriate measure accordingly.

Every piece of incoming information may it be a complaint of the client, not to speak of a report on accident, is transmitted to the management representative and the CEO, and we judge whether or not any corrective or preventive actions are required depending on its cause or details. After the fact, we check whether such actions were effective or not.

SR (Social Responsibility) Committee

In the management system, SR committee is held monthly to follow-up the progress and check the performance. By holding the briefing meeting monthly, we can check whether the measure taken for a target is appropriate or not. We can also clarify the cause of incomplete even in the middle of a fiscal year and take a reform measure.

SR Committee is attended by all board members, managerial staff and a representative from the labor union on behalf of all employees. At the meeting information is shared by all the representatives from all sections, and necessary information is taken back to each section meeting to be shared by all employees.



Top Patrol

As one of the rules in the management system, monthly patrol by CEO is held in person. In the patrol it is checked whether or not the procedures set up in each section is duly observed, or whether arrangement and clearing, which is a basic requirement for work efficiency, is well-performed etc. The results are recorded pro memoria. The patrol is done without advance notice once every month. In FY2013 patrol, 43 items were pointed out including objects of guidance and advice.



Internal Audit and External Audit

In operating consolidated management system of ISO and OHSAS, half-yearly audits by internal auditors and a yearly audit by external auditors are conducted to inspect the performance and its effectiveness.

The items pointed out in FY2013 audits are as shown in the table below.

In the internal audit, we have had Mr. Toru Sasa, a specialist in environmental assessment (CEAR) as a member of the auditors in order to take on an objective view.

	The 1 st internal audit (June 2013)	The 2 nd internal audit (January 2014)	External audit (August 2013)
Major nonconformance	0	0	0
Minor nonconformance	0	1	0
Under observation	1	0	4
Opportunity for improvement	3	3	3
Significant (good) activity	2	3	0



▲ Internal audit (June 2013)



▲ Internal audit (January 2014)



▲ External audit (August 2013)

Chapter 2 Compliance

Based on the rule in our management system we specify the relevant environment-related laws and Occupational health and safety-related laws, which we actually abide by. We annually check whether the reports have been submitted to the relevant authorities in time or whether the business has been properly run according to law. In FY2013 none of serious violation was found successively from the previous FY.

● Environment-/occupational health and safety-related laws (partial list)

Law	Major content
Waste disposal and public cleaning law	Waste disposal standard, creation and management of manifest, waste consignment contract, duty of marking on the collection/transportation vehicle and possession of relevant document.
Air Pollution control law	Emission standard of NOx, SOx, dust etc.
Sewerage law	Discharging standard of water to sewerage etc.
Noise regulation law, Vibration regulation law, Offensive odor control law	Noise, vibration and odor standards
Environmental conservation agreement	Methods and frequency of measurement of air pollution and odor
Road trucking vehicle law	Duty of checkout and maintenance of vehicles
Act on the rational use of energy	Requirement of energy consumption report; appointment of a person in charge
Act on promotion of global warming countermeasure	Assessment of greenhouse gas and reporting
Industrial safety and health law	Measures to secure safety; appointment of safety and health promoter and its publicity; cleansing practice
Ordinance on prevention of anoxia	Measurement of oxygen concentration; regular stock of protective equipment and escaping tool and their checkup etc.
Fire service law	Preparation of a firefighting plan; firefighting training; checkup of the fire prevention equipment

● Evaluation of compliance

Legal imperatives applicable to our company are listed and controlled as legal requirements in the record of evaluation of compliance. Based on such a record we assess whether or not the legal requirement has been duly observed once or more times a year. We have established a corrective procedure should any violations be found.

A revision of relevant laws, we duly update the record of items in question and take necessary measures while noticing as such to the relevant sections and across the board.

表452-Q1 法令評価記録 (環境)

項目	法令名称	評価項目	評価結果	評価者	評価日
1	廃棄物の処理及び清掃に関する法律	廃棄物の処理及び清掃に関する法律	○	環境課	2013.12.1
2	大気汚染防止法	大気汚染防止法	○	環境課	2013.12.1
3	下水道法	下水道法	○	環境課	2013.12.1
4	騒音規制法	騒音規制法	○	環境課	2013.12.1
5	振動規制法	振動規制法	○	環境課	2013.12.1
6	悪臭規制法	悪臭規制法	○	環境課	2013.12.1
7	環境基本法	環境基本法	○	環境課	2013.12.1
8	労働安全衛生法	労働安全衛生法	○	安全衛生課	2013.12.1
9	労働基準法	労働基準法	○	安全衛生課	2013.12.1
10	労働組合法	労働組合法	○	安全衛生課	2013.12.1
11	労働契約法	労働契約法	○	安全衛生課	2013.12.1
12	労働争議調停法	労働争議調停法	○	安全衛生課	2013.12.1
13	労働関係調整法	労働関係調整法	○	安全衛生課	2013.12.1
14	労働組法	労働組法	○	安全衛生課	2013.12.1
15	労働基準法	労働基準法	○	安全衛生課	2013.12.1
16	労働契約法	労働契約法	○	安全衛生課	2013.12.1
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18	労働関係調整法	労働関係調整法	○	安全衛生課	2013.12.1
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100	労働基準法	労働基準法	○	安全衛生課	2013.12.1

▲ Record of evaluation of compliance

法改正等伝達確認シート

項目	法令名	内 容	通知日	通知者	日付	伝達 担当者	受領印 担当者	伝達部署	伝達印 担当者
11/15 11/19	労働安全衛生法 改正労働安全衛生法 改正労働安全衛生法	労働安全衛生法 改正労働安全衛生法 改正労働安全衛生法	11/15	11/19	11/15 11/19	11/15 11/19	11/15 11/19	11/15 11/19	11/15 11/19
11/15 11/19	労働安全衛生法 改正労働安全衛生法 改正労働安全衛生法	労働安全衛生法 改正労働安全衛生法 改正労働安全衛生法	11/15	11/19	11/15 11/19	11/15 11/19	11/15 11/19	11/15 11/19	11/15 11/19
11/15 11/19	労働安全衛生法 改正労働安全衛生法 改正労働安全衛生法	労働安全衛生法 改正労働安全衛生法 改正労働安全衛生法	11/15	11/19	11/15 11/19	11/15 11/19	11/15 11/19	11/15 11/19	11/15 11/19
11/15 11/19	労働安全衛生法 改正労働安全衛生法 改正労働安全衛生法	労働安全衛生法 改正労働安全衛生法 改正労働安全衛生法	11/15	11/19	11/15 11/19	11/15 11/19	11/15 11/19	11/15 11/19	11/15 11/19
11/15 11/19	労働安全衛生法 改正労働安全衛生法 改正労働安全衛生法	労働安全衛生法 改正労働安全衛生法 改正労働安全衛生法	11/15	11/19	11/15 11/19	11/15 11/19	11/15 11/19	11/15 11/19	11/15 11/19
11/15 11/19	労働安全衛生法 改正労働安全衛生法 改正労働安全衛生法	労働安全衛生法 改正労働安全衛生法 改正労働安全衛生法	11/15	11/19	11/15 11/19	11/15 11/19	11/15 11/19	11/15 11/19	11/15 11/19
11/15 11/19	労働安全衛生法 改正労働安全衛生法 改正労働安全衛生法	労働安全衛生法 改正労働安全衛生法 改正労働安全衛生法	11/15	11/19	11/15 11/19	11/15 11/19	11/15 11/19	11/15 11/19	11/15 11/19
11/15 11/19	労働安全衛生法 改正労働安全衛生法 改正労働安全衛生法	労働安全衛生法 改正労働安全衛生法 改正労働安全衛生法	11/15	11/19	11/15 11/19	11/15 11/19	11/15 11/19	11/15 11/19	11/15 11/19
11/15 11/19	労働安全衛生法 改正労働安全衛生法 改正労働安全衛生法	労働安全衛生法 改正労働安全衛生法 改正労働安全衛生法	11/15	11/19	11/15 11/19	11/15 11/19	11/15 11/19	11/15 11/19	11/15 11/19
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11/15 11/19	労働安全衛生法 改正労働安全衛生法 改正労働安全衛生法	労働安全衛生法 改正労働安全衛生法 改正労働安全衛生法	11/15	11/19	11/15 11/19	11/15 11/19	11/15 11/19	11/15 11/19	11/15 11/19
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11/15 11/19	労働安全衛生法 改正労働安全衛生法 改正労働安全衛生法	労働安全衛生法 改正労働安全衛生法 改正労働安全衛生法	11/15	11/19	11/15 11/19	11/15 11/19	11/15 11/19	11/15 11/19	11/15 11/19
11/15 11/19	労働安全衛生法 改正労働安全衛生法 改正労働安全衛生法	労働安全衛生法 改正労働安全衛生法 改正労働安全衛生法	11/15	11/19	11/15 11/19	11/15 11/19	11/15 11/19	11/15 11/19	11/15 11/19
11/15 11/19	労働安全衛生法 改正労働安全衛生法 改正労働安全衛生法	労働安全衛生法 改正労働安全衛生法 改正労働安全衛生法	11/15	11/19	11/15 11/19	11/15 11/19	11/15 11/19	11/15 11/19	11/15 11/19
11/15 11/19	労働安全衛生法 改正労働安全衛生法 改正労働安全衛生法	労働安全衛生法 改正労働安全衛生法 改正労働安全衛生法	11/15	11/19	11/15 11/19	11/15 11/19	11/15 11/19	11/15 11/19	11/15 11/19
11/15 11/19	労働安全衛生法 改正労働安全衛生法 改正労働安全衛生法	労働安全衛生法 改正労働安全衛生法 改正労働安全衛生法	11/15	11/19	11/15 11/19	11/15 11/19	11/15 11/19	11/15 11/19	11/15 11/19
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11/15 11/19	労働安全衛生法 改正労働安全衛生法 改正労働安全衛生法	労働安全衛生法 改正労働安全衛生法 改正労働安全衛生法	11/15	11/19	11/15 11/19	11/15 11/19	11/15 11/19	11/15 11/19	11/15 11/19
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Chapter 2 Targets and Actual achievement

FY2013 objectives and targets set up in the management system and actual achievement and FY2014 targets are as shown in the following table.

	Objective (FY2013-2015)	Target (FY2013) [PLAN]
Environment	Reduction of energy consumption by work unit	<ul style="list-style-type: none"> ● Reduction of energy consumption for treatment and transportation by work unit < Recycling Center > <ul style="list-style-type: none"> • Electricity consumption 75.9kWh/t • City gas 67.7m³/t < Transportation section > <ul style="list-style-type: none"> • Mileage 4.01km/l < Office > <ul style="list-style-type: none"> • Electricity consumption 45,096kWh/year • Mileage 14.74km/l
	Pursuit of safe and reliable waste management service	<ul style="list-style-type: none"> ● No complaint from customers and surrounding areas ● Compliance with voluntarily set standards at the waste water/odor treatment facility ● Transmission of information to the customers <ul style="list-style-type: none"> • Mail magazine to be issued: 12 times • Seminars to be held: 6 times
Occupational Health and Safety	Creation of safe and secure work environment for the partners (with no occurrence of labor accident and other accident)	<ul style="list-style-type: none"> ● No accident <ul style="list-style-type: none"> • A accident to suspend operation: 0 • Accident that does not call for suspension of operation: 0 • Property damage accident: 7 cases (year on year reduction: - 50%) • Monthly patrol: once a month ● Agreeable workplace <ul style="list-style-type: none"> • Simultaneous in-house cleaning: 3 times • 3S patrol: once a month
Social Contribution/Communication	Continued efforts to gain trust and confidence of every stakeholder	<ul style="list-style-type: none"> ● Evaluation by external auditors

Topic Efforts to achieve the target

■ 3S Patrol

Monthly 3S patrol by the vice president has been made since December 2012. It is checked whether the 3S activity has been routinized or the agreeable condition of workplace is maintained. Unsatisfactory point, if any, is pointed out to the relevant section for amendment.



▲ The entrance for the employees
The slippers in the shoe cupboard having been in a mess, a notice was put up to the effect one should point the slippers to a uniform direction.

■ Simultaneous in-house cleaning

In addition to daily cleaning, simultaneous in-house cleaning was conducted three times in FY2013 (July and December '03, March '04). REVACS, which operates in the Naruohama Industrial Park, takes part in the biannual cleaning event (held by the residents association) on every occasion.



▲ Cleaning in Naruohama area

Actual achievement (FY2013) [DO]	Result [CHECK]	For reference	FY2014 target [ACTION]
< Recycling Center > ・Electricity consumption77.9kWh/t ・City gas.....62.3m ³ /t < Transportation section > ・Mileage.....3.92km/l < Office > ・Electricity consumption48,184kWh/year ・Mileage.....15.21km/l	× ○ × × ○	P.26 P.26 P.26 P.29 —	● Reduction of energy consumption for treatment and transportation by work unit < Recycling Center > ・Electricity consumption77.1kWh/t ・City gas.....61.7m ³ /t < Transportation section > ・Mileage.....3.94km/l < Office > ・Electricity consumption48,184kWh/year ・Mileage.....15.21km/l
● The number of complaints : 0 ● Voluntary standard was complied with ● Transmission of information to the customers ・Published mail magazine: 12 issues ・Held seminars: 5 occasions	○ ○ ○ ×	P.40 P.27, 28 P.19 P.38	● No complaint from customers and surrounding areas ● Compliance with voluntarily set standards at the waste water/odor treatment facility ● Transmission of information to the customers ・Mail magazine to be published: 12 issues ・Seminars to be held: 5 occasions ・Free seminar to be held on the web.
● The number of accidents: 0 ・Accident with suspension of operation 1 ・Accident without suspension of operation 2 ・Property damage 8 ・Patrol : done once a month ● Agreeable workplace ・Simultaneous in-house cleaning: 3 times ・3S patrol: done once a month	× × × ○ ○ ○	P.40 P.40 P.40 P.15 P.17 P.17	● No accident ・Accident to suspend operation : 0 ・Accident that does not call for suspension of operation: 0 ・Property damage accident : not over 4 cases(50% reduction from FY2012 result) ・Patrol : once a month ● Agreeable workplace ・Simultaneous in-house cleaning: 3 times ・3S patrol to be conducted: once a month
● Evaluation by external auditors ・Third-party panel meeting was held ・CSR Report was compiled ・Applied for environmental report awards ・Environmental study session was held	○	P.41 P.19 P.8, 44 P.37	● Continued evaluation by an external auditor

Topic

Drawing up the “Voluntary Environmental Action Plan”

As an industrial waste disposer, we would like to play a role toward the formation of “recycling-oriented” and “low-carbon” society. In this regard we have drawn up a medium- and long-term guideline, “voluntary action plan”.

In conformity with the medium-term target set in the Post Kyoto Protocol, we push ahead with energy-saving movement and continued development of channels in recycling-oriented business.

< Targets >

- Greenhouse effect gas emission: to reduce by 25% by FY2020
 FY2007 performance 4,280 t-CO₂
 FY2020 target 3,210 t-CO₂
 ※ benchmark year : FY2007, when drying plant was inaugurated.
- Recycling rate* : to maintain 90% and above
 Average annual performance in FY2007-2013 94.4%
 ※ the figure shows the rate of consigned waste by REVACS which has been allocated to recycling processing.
- Contribution to the local society:
 To give an environmental study session for preliminary school and junior high school students

Chapter 2 Information Disclosure

Public Disclosure / Accountability

We actively make use of various tools to transmit information to outside stakeholders to execute our accountability, and in part, to brush up our business methods and activities.

■ Home page

We have fully revised our home page with a concept of “user-friendly homepage”.

Enriched contents include our business information, license or permission-related information, “free WEB Seminar” or a column by experts outside, which is updated monthly.



▲ Top-page



▲ Free WEB Seminar

■ “E-mail News”

Latest news on our activities or administrative procedure is transmitted twice a month to those whom we exchanged business cards with. (to 4,700 addresses)

We also distribute “REVACS Magazine” on the web which deals with the latest news on waste-related laws or administrative procedures etc.

【株式会社リヴァックス】セミナー参加者募集と受賞のご報告
株式会社リヴァックス (info@revacs.com) アドレス: 東京都

宛先:

日曜に弊社の関係者へ送るようでしたが、皆様、いかがお過ごしでしょうか。さて、本日は、環境コミュニケーション大賞受賞のご報告とご挨拶、たいへん、ごセミナー参加者募集のご案内です。

【第17回環境コミュニケーション大賞の受賞報告】

昨年10月に発行いたしました弊社のCSR報告書2012が「第17回環境コミュニケーション大賞」(主催:環境省、一般社団法人法人関係者フォーラム)において、環境報告書部門で最優秀賞を受賞いたしました。2回目の受賞となった今回の報告書は、インターンシップ生の吉田さんと共に制作をおこない、17歳就労事業でありますが、内容の精確さがしっかりとれた報告書になっていて、優秀賞に匹敵する作品といってもよいという評価をいただくことができました。

■ 関係者報道発表資料 ■

<http://www.env.go.jp/press/press.php?serial=17728>

■ CSR Report

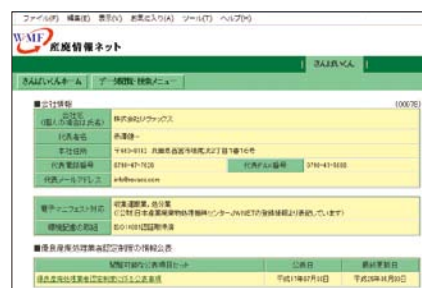
Since FY2002 the report has been compiled by our staff and distributed to the stakeholders. The title of the report changed reflecting the contents to be reported, which goes as follows; “Environmental Report”(2002-2005), “Environmental and Social Report”(2006) and “CSR Report”(2007-).

Our CSR Report has received 6 prizes so far, including the latest “Encouragement Award” in “The 17th Environmental Communication Awards” for “CSR Report 2013”.



■ “Sanpai-Net”

“Sanpai-Net” (Industrial waste information net) run by Industrial Waste Management Enterprise Development Foundation is so structured as to conform to the transparency standard of “Good-standing waste disposer qualification system”, in which REVACS has been uploading its information since 2005. The information includes license, details of facilities, financial statements, etc.



Sanpai-Net : <http://www.sanpainet.or.jp/>

In-house Information Sharing/Accountability

We believe information disclosure and accountability to the employees is also an important social responsibility as with disclosure to outside stakeholders. We disclose information and give it an explanation so that the employees have proper understandings of the vision and orientation of the company or the position it is in. In this way, we aim at creation of a climate where everyone can find it easy to raise questions or make proposals.

■ Briefing Meeting

Briefing meeting to report sales and profit performance, which is meant for not only managers but all employees including staff and temporary workers, is held monthly.

In the meeting entire or each section's earnings performance or its breakdown are reported. The meeting is not a mere occasion of one-way communication but an occasion of discussion across the sections and posts where CEO or a section leader responds to an opinion or a question of an employee.



■ Daily Meeting

To prevent human errors in operation from occurring we hold a daily meeting to confirm the following day's work. Representatives from the transportation section, which is responsible for collection and transportation, recycling center for intermediate treatment, and client relations section meet to verify the detail of the work and the point to notice.

The meeting is also an opportunity to discuss the problems with daily work or daily account and seek solutions in cooperation of the sections concerned.



■ Daily Information Sharing

Information in the daily report of the sales/recycling center sections and the daily accounting data is shared by the managements and the whole staff. The daily report contains request or needs and complaints from the clients, while the latter includes daily sales and cost performances or the predicted figures for the future. Daily accounting report is updated every working day to make it possible for a staff to grasp the transaction of the sales or ups and downs of the cost real time. Sharing such information we can immediately detect risks or problems to find out solution so that we can work out new countermeasures.

We perceive a proper operation of waste disposal business as a means of contribution to the solution of environmental problem

To us who engages in waste treatment it seems that the company itself, as well as the efforts to properly deal with the waste in compliance with the laws and regulations have to do with the environmental issues and that such efforts will finally gain stakeholders' reassurance and confidence in us.

We operating based on Environmental Management System continuing efforts to reduce the environmental load as well as for the prevention of accidents which can cause adverse impact on the environment from occurring

Considering the nature of waste disposal business, we make various approaches so as to have local residents or business entities around our facilities understand us, such as publicizing of our treatment cite with web-camera images to say nothing of installation of deodorizing furnace and odor prevention shutters.

Ten years has passed since we obtained ISO14001 certification (Environmental management System). Meanwhile, new employees have joined us. It is time we explained them such basic matters as the reason why the Management System is necessary, why we are tackling with environmental management. It is our task that we once again share the common understandings of the meaning of the environmental activity and continue down-to-earth efforts with it.



Executive accountants manager,
Head of internal auditors,
REVACS Corporation

Masatoshi Shinoda

Environmental Policy

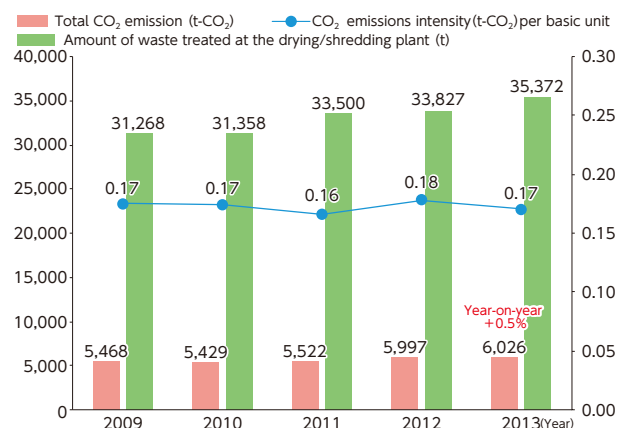
We are committed to the preservation of our global environment and formation of a recycling-oriented society through our services upon the recognition that we work in an environmental business area to reuse, recycle, process and dispose of the wastes.

1. We are aware of our social responsibility and properly dispose of waste in compliance with environmental regulations and other requirements which we regard as relevant.
2. We strive to carefully use resources and energy sources in carrying out our business thinking great deal of sustainability.
3. We contribute to the industrial world through effective use of limited material resources by reusing and recycling waste, and also to a prolonged use of landfill of solid waste as an important industrial resource.
4. We, as a corporate citizen of Environmental Learning City Nishinomiya, practice environmental sustainability through communication based on our spirit of partnership with the local community.
5. Based on the understanding of this Environmental Policy, we construct environmental management system and endeavor to reduce pollution. We set objectives and targets and regularly review them to continuously improve our work.
6. We have our environmental policy publicized to each and every one of the employees of ours and affiliates' who works for us. We also disclose this policy upon request.

Transition of CO₂ Emission

Graphs show transition of annual total CO₂ emission and total amount of waste treated in the Recycling Center (shredding plant and drying plant) for the past 5 years. FY2013 total CO₂ emission was 6,026t (0.5% increase over the previous year). The amount of treated waste was 35,372t (5% increase) while CO₂ emissions intensity per basic unit 0.17t-CO₂ (4% decrease).

Though the amount of treated waste increased over the previous year, the increase in the total amount of CO₂ emission was limited to relatively small range. We continue our efforts to reduce greenhouse effect gas emission striving for efficient plant operation.

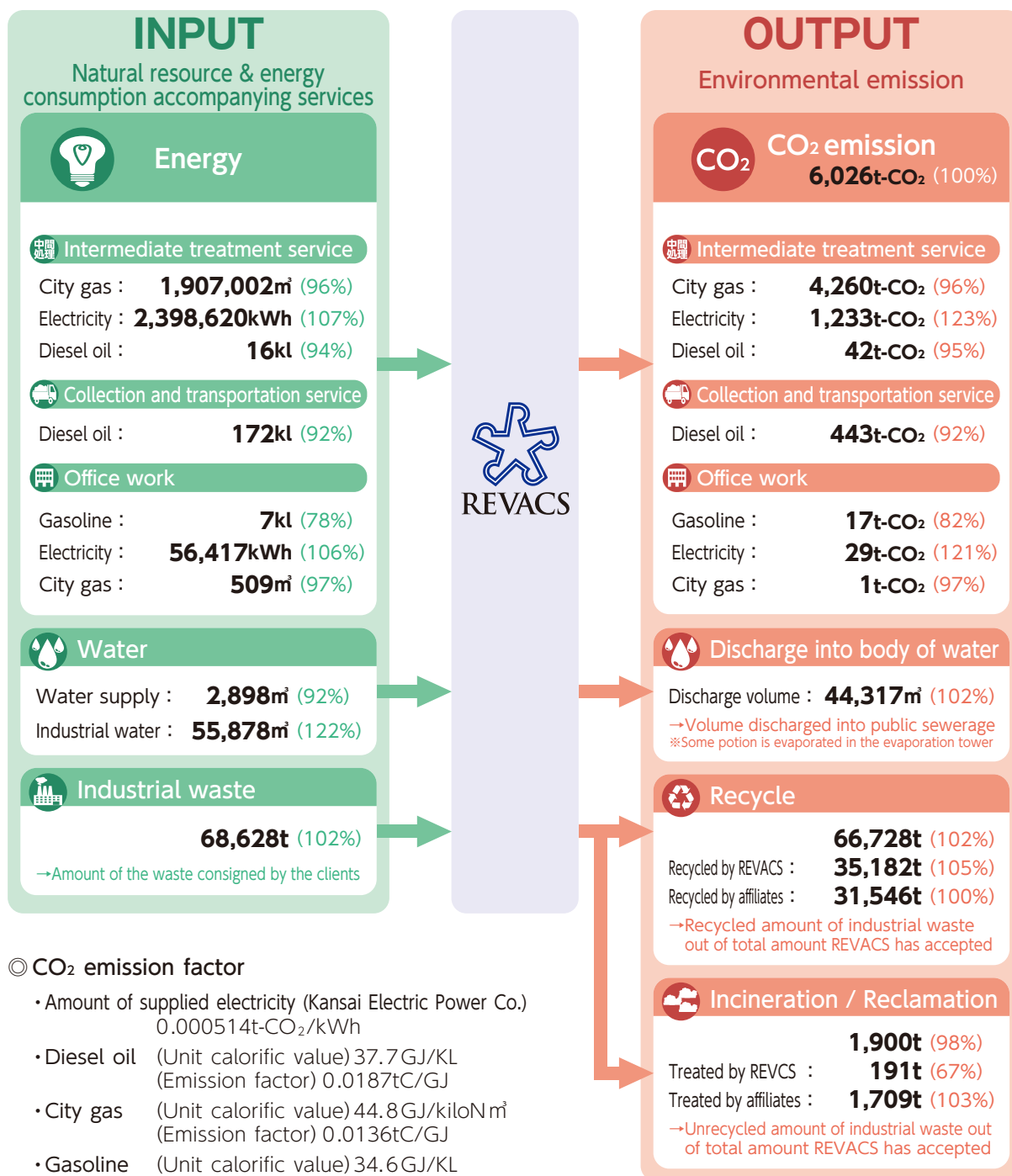


▲ Transition of annual total CO₂ emission and total amount of waste treated at the drying plant

Chapter 3 Material Balance

The following chart shows results of the input of natural resources and energy in the collection, transportation and intermediate treatment of the waste (INPUT) in FY2013 and environmental emission (OUTPUT). We address the issue of the limited natural resources from both sides of INPUT and OUTPUT.

※ Figure in the parenthesis (with % sign) represents a comparison with FY2012 result



◎ CO₂ emission factor

- Amount of supplied electricity (Kansai Electric Power Co.)
0.000514t-CO₂/kWh
- Diesel oil (Unit calorific value) 37.7GJ/KL
(Emission factor) 0.0187tC/GJ
- City gas (Unit calorific value) 44.8GJ/kiloN^m
(Emission factor) 0.0136tC/GJ
- Gasoline (Unit calorific value) 34.6GJ/KL
(Emission factor) 0.0183tC/GJ

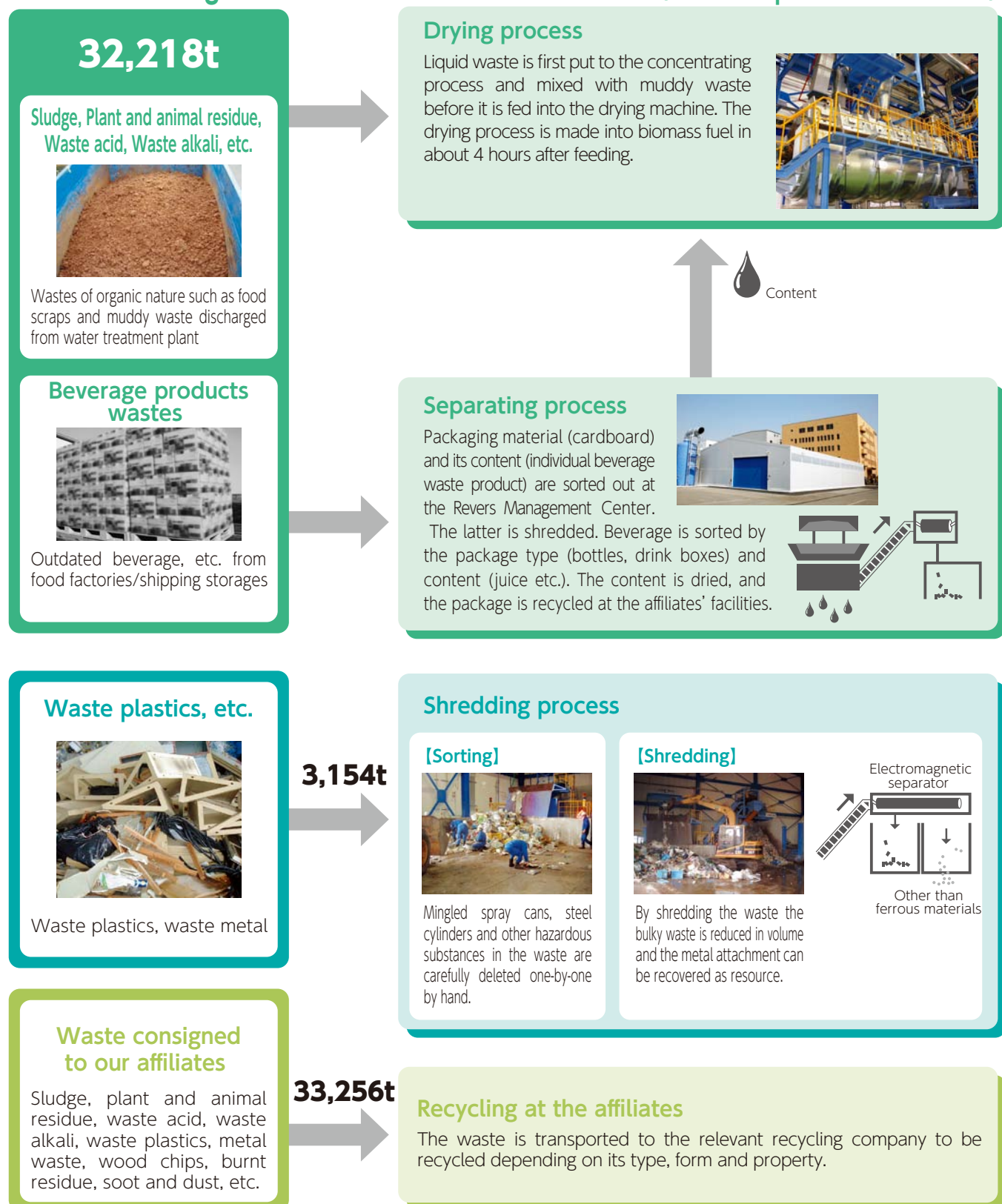
(Source)

- Act on Promotion of Global Warming Countermeasures
- (Press release material, December 19, 2013, Ministry of the Environment):
On disclosure to public of actual- and adjusted-emission factors by individual electric power company in FY2012
- Enforcement regulation of Act on Promotion of Global Warming Countermeasures Appendix 1 (article 3-related)

Chapter 3 Material Flow of the Waste

Material Flow of the Waste Treated by REVACS in FY2013 is as follows.
We apply relevant formula depending on the item and its physical property.

Amount of consigned waste in FY2013: Total 68,628t (102% of previous FY result)



Recycled amount after the drying process 4,806t

Biomass fuel (BSF) 1,933t
Biomass fuel made of dried organic wastes. It is recycled as fuel for boilers in the manufacturing plants of cement or paper. (Calories : 18.8MJ/kg)



▲Biomass fuel

Fertilizer material 2,789t
Organic sludge and plant and animal residue are used as fertilizer or compost material.

Thermal recycle (Foreign object) 84t
Waste is incinerated and its heat energy is utilized.

Amount of evaporated water content 25,784t

Water content of the treated waste evaporated during drying process.
Recovered water is purified in our purification system before it is discharged into sewerage.

Container
(bottle, drink box etc.)**Recycling at the affiliates 36,138t**

Fertilizer 19,101t
Organic sludge and plant and animal residue are used as fertilizer or compost.



▲Sludge

Fuel 4,352t
Plastics, waste oil, waste liquid are used as fuel for paper mills or cement plants.

Roadbed material 6,334t
Inorganic sludge is dried and used as roadbed material.



▲Fertilizer

Thermal recycle 2,275t
Waste is incinerated and its heat energy is utilized.

Material recycling 1,545t
Some are recycled as manufacturing material.

Fodder 962t
Food residue is used as fodder.

Other recycling 1,569t

Incineration and reclamation by the affiliates 1,900t

Incineration 825t



▲Incineration

Reclamation 1,075t
Waste is reclaimed in the "least controlled landfill site" or in the "controlled landfill site" depending on to its type.



▲Reclamation

Chapter 3 Recycling Rate

We are positively engaged in the recycle business for the better utilization of earth's limited material resources.

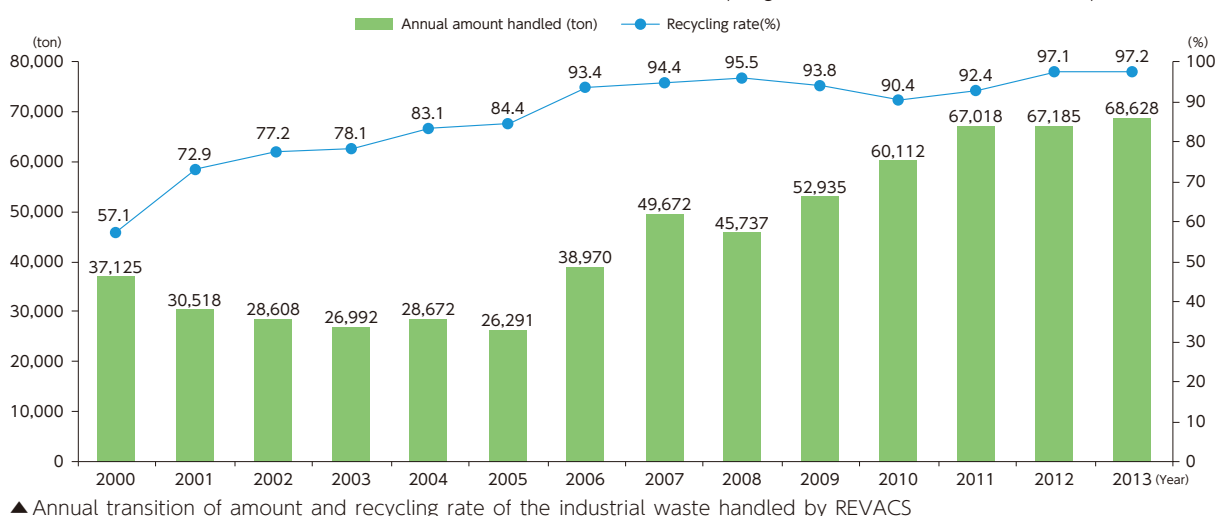
Recycling Rate at REVACS

The amount and the recycling rate of industrial waste handled by REVACS in FY2013 are as shown in the following graph. We have maintained recycling rate of 90% and over since our renewal of the shredding plant in 2006 and the installation of drying plant in 2007.

We will further promote separation of the

waste in our facility and in coordination with the affiliates for the utilization of earth's limited material resources and also for the sustainable use of the landfill site, a precious resource in itself, to eventually meet the clients' needs who are tackling the recycling of industrial waste.

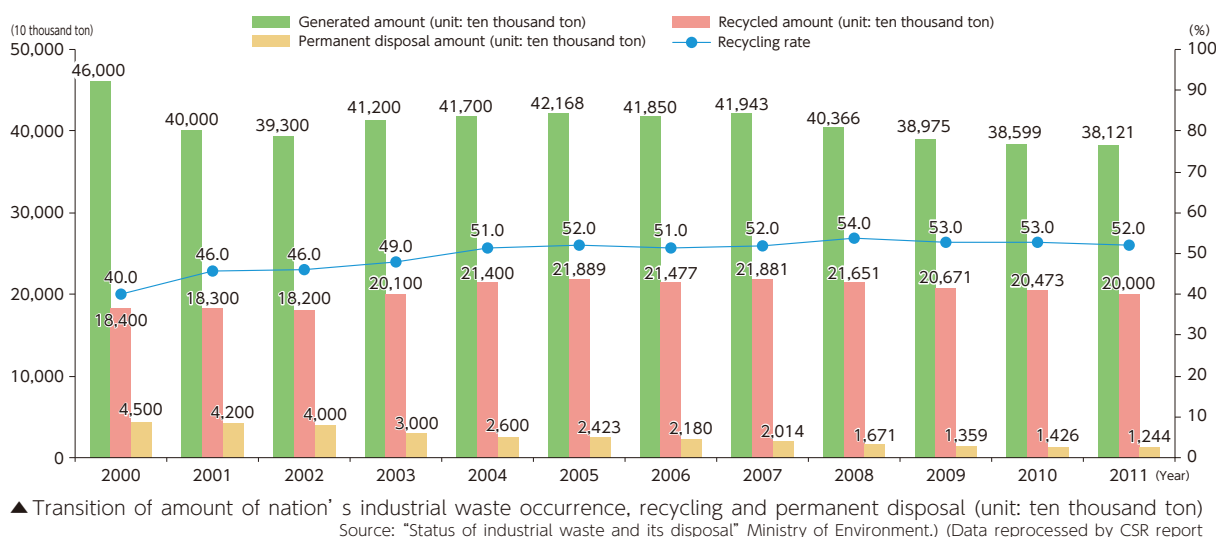
※ Recycling rate : proportion of the amount which was allocated for recycling treatment in the total waste annually handled.



Nation's Industrial Waste Generation

Nation's total amount of industrial waste generated in FY2013 was less than that in FY2013 by 1%. The amount has been slowly decreasing in recent years. The amount of

recycled waste is on the increase while that of the permanent disposal is on the decrease, which shows a practice of recycling is gaining ground in the industrial sector.



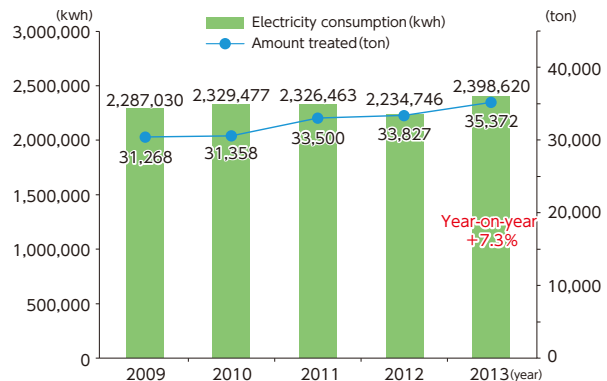
We are conscious of how large an amount of energy we are consuming in collecting, transporting or processing industrial waste, and we daily think of how to operate with as little energy as possible.

Energy Consumption at the Recycling Center

At the Recycling Center (shredding plant/drying plant) we use electric energy, industrial water and city gas energy.

Electricity consumption in FY2013 was 2,398,620kWh. We seek to restrict an increase in power consumption by grasping a demand with monitoring device. Annual power consumption is on increase as a result of increased amount of waste consigned. Yet, electricity required to treat a ton of waste has decreased by 25% compared with the corresponding figure in FY2007, when the drying plant started operating.

Industrial water and city gas consumption in FY2013 were 55,878m³ and 1,907,002mm³, respectively.



▲ Transition of annual electricity consumption and amount of waste treated at Recycling Center

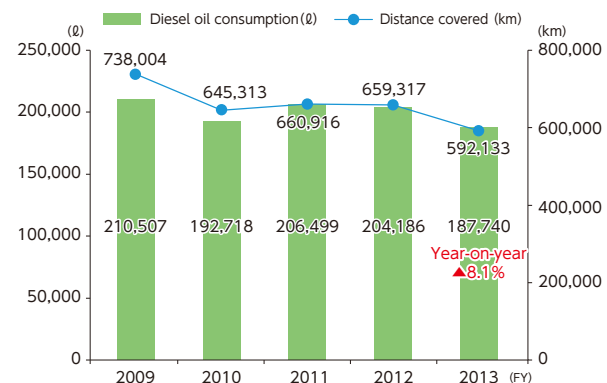


Power demand monitoring device ▶

Energy Consumption by Vehicles

Diesel oil is used as fuel for vehicles which are used to collect and transport the waste and for heavy equipment such as forklifts and scrapers used for intermediate treatment.

The total diesel oil consumption was 187,740ℓ in FY2013. We practice eco-driving and periodical checkup of the vehicles to improve the mileage.



▲ Transition of annual diesel oil consumption and total distance covered by vehicles and heavy equipment

Measures to Prevent Leakage and Spill of the Waste

Concrete floor of the shredding facility building is entirely covered with iron plate to prevent waste from leaking. We have a permanent stock pile of sand bags ready to stuff up the sewage discharge point should the leakage be expected in a natural disaster.

When transporting waste of high moisture content, watertight container equipped with rubber gaskets is used. The rubber gaskets are regularly renewed to prevent leakage from occurring.



REVACS takes various measures to reduce environmental load, and practices periodical measurement of odor, water quality or air pollutants in compliance with laws and environmental preservation agreement. In FY2013, we could clear the regulation standard in every measurement item the same as last FY.

Odor Prevention Measures

In various places we take steps to prevent bad smell of wastes. In the shredding plant, four units of activated carbon-based deodorizers have been installed. The yard to hold sludge or plant and animal residues is equipped with shutters which are normally closed except when the waste is brought in or brought out. The drying plant has a deodorizing furnace to incinerate concentrated odor, and, a cleaning equipment to neutralize the odor of low concentration with chemicals. The result of our odor measurement conducted based on the REVACS-Nishinomiya Environmental Preservation Agreement is as follows. Every item cleared the regulation standard.



▲ Deodorizing equipment



▲ Deodorizing furnace



▲ Chemical cleaning equipment



▲ Holding yard with shutters

● Odor Measurement Result at REVACS (Measured at four points on the border of the premise on Oct. 15, 2013)

Offensive odor substance	Regulation standard	East side	West side	North side	South side
Ammonia	1	0.08	0.07	<0.05	0.07
Methyl mercaptan	0.002	<0.0005	<0.0005	<0.0005	<0.0005
Hydrogen sulfide	0.02	<0.0005	<0.0005	<0.0005	<0.0005
Methyl sulfide	0.01	<0.0005	<0.0005	<0.0005	<0.0005
Dimethyl disulfide	0.009	<0.0005	<0.0005	<0.0005	<0.0005
Trimethylamine	0.005	<0.0008	<0.0008	<0.0008	<0.0008
Acetaldehyde	0.05	<0.004	<0.004	<0.004	<0.004
Propionaldehyde	0.05	<0.004	<0.004	<0.004	<0.004
N-butylaldehyde	0.009	<0.0008	<0.0008	<0.0008	<0.0008
Isobutylaldehyde	0.02	<0.002	<0.002	<0.002	<0.002
N-valeraldehyde	0.009	<0.0008	<0.0008	<0.0008	<0.0008
Isovaleraldehyde	0.003	<0.0004	<0.0004	<0.0004	<0.0004
Isobutanol	0.9	<0.05	<0.05	<0.05	<0.05
Ethyl acetate	3	<0.1	<0.1	<0.1	<0.1
Methyl isobutyl ketone	1	<0.05	<0.05	<0.05	<0.05
Toluene	10	<0.5	<0.5	<0.5	<0.5
Styrene	0.4	<0.01	<0.01	<0.01	<0.01
Xylene	1	<0.05	<0.05	<0.05	<0.05
Propionic acid	0.03	<0.0005	<0.0005	<0.0005	<0.0005
N-butyric acid	0.001	<0.0005	<0.0005	<0.0005	<0.0005
N-valeric acid	0.0009	<0.0005	<0.0005	<0.0005	<0.0005
Isovaleric acid	0.001	<0.0005	<0.0005	<0.0005	<0.0005
Odor concentration	30	<10	<10	<10	<10

Water Pollution Control Measures

Whole the waste water originated in the waste treatment process at the recycling center is discharged into public sewerage after being treated in our water treatment facility. To prevent the abnormality of discharging water from occurring we have installed pH meter with continuous monitoring device. And we weekly inspect the water to be discharged from the treatment facility. We also conduct voluntary inspection of water quality concurrently with the municipal monthly inspection. The result is as follows. Every item cleared the regulation standard.

● Water Quality Test Result (heavy metal etc.) (Sampling on May 17, 2013)

Measurement item	Unit	Regulation standard	Result
Water temperature	℃	≤45	20.4
pH	—	5.0~9.0	6.9
Cadmium	mg/L	≤0.03	<0.005
Cyanide	mg/L	≤0.3	<0.1
Lead	mg/L	≤0.1	<0.01
Hexavalent chromium	mg/L	≤0.1	<0.02
Arsenic	mg/L	≤0.05	<0.01
Total mercury	mg/L	≤0.005	<0.0005
Total chromium	mg/L	≤2	<0.02
Copper	mg/L	≤3	<0.01
Zinc	mg/L	≤2	0.04
Soluble iron	mg/L	≤10	0.9
Soluble manganese	mg/L	≤10	<0.1
Animal and plant oil conc.	mg/L	≤30	<1
Mineral oil conc.	mg/L	≤5	2



▲ Waste water treatment facility



▲ pH meter with continuous monitoring device

● Water quality inspection by Nishinomiya City (FY2013)

	Regulation standard	Apr.	May	Jun.	Jul.	Aug	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Water temperature	—	16	21	27	29	33	28	26	21	12	11	9.4	17
pH	5.0~9.0	7.5	7.7	6.9	7.4	7.1	6.4	6.8	6.8	6.4	7.2	6.5	7.0
BOD	≤600mg/L	13	3	14	1	6	26	8	27	400	27	19	540
SS	≤600 mg/L	2	4	6	5	2	3	1	2	71	1	1	280

Air Pollution Control Measures

Under the environmental agreement between Nishinomiya City and REVACS we measure air pollutants in the exhaust gas released from the chimneys of deodorizing furnace and the boiler biannually. In FY2013 we could meet the regulation as follows.

● Air Pollutant Measurement Result (I):Oct. 15. 2013; (II):Mar.13, 2014)

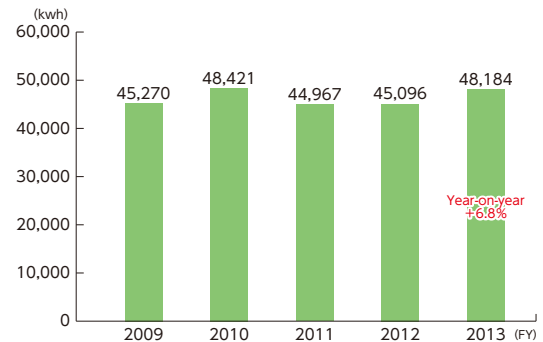
Measurement item	Regulation standard		Unit	I	II	Average
NOx	Emission standard	150	ppm	33	49	41
	Emission per hour	0.42	Nm ³	0.23	0.33	0.27
	Emission per year	6.2	ton	3.3	4.9	4.0
Soot and dust	Emission standard	0.05	g/m ³ N	<0.001	<0.001	<0.001

We also consciously approach our environmental objectives for office work to save energy or reduce the office work waste.

Electricity Consumption in the Office

In the office we are practicing energy saving by turning off the light during lunch hours or in the place where lighting is not always needed. We also practice our temperature regulation, which sets the room temperature to be 28°C or above in summer, and 22°C or below in winter.)

Electricity consumption in the office was 48,184kWh in FY2013. Its year-on-year increase is attributable to the long working hours and consequent increase in the use of electricity or air conditioner due to the increasing sales amount, i.e. increasing demand.



▲ Transition of Annual Electricity Consumption in the Office

Office Work Waste

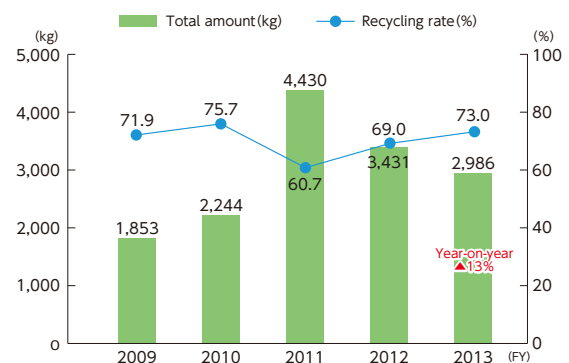
We proceed with recycling classifying office work waste in 8 types by the standard to discriminate recyclable from non-recyclable. In FY2012 the waste from the office amounted to 2,986 and its recycling rate was 73.0%.

● Recyclable

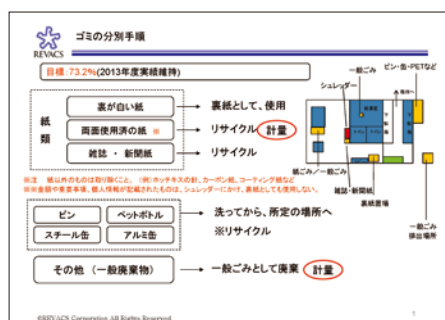
Paper (OA paper both sides of which were printed (duplex), corrugated cardboard, news-paper and magazines); bottles, cans (aluminum /steel); PET bottles

● Non-recyclable

Coated paper; plastics



▲ Annual transition of total office work waste and recycling rate



▲ Instruction sheet for sorting the waste



▲ Trash boxes for sorting

We tell the employees on every occasion that 'safety first' is our top priority.

We have obtained the certification of OHSAS18001 (Occupational Health and Safety Management System). We have established a system to secure safety accordingly. In the system we implemented annual and quantitative risk assessment. When a case is judged to have higher risk point we take steps to solve it. Also we promote Hiyari-Hatto or KY activities to prevent accidents from occurring.

Since FY2011 we have tackled 3S (sorting out, setting-in-order and shining) movement to keep the workplace clean and safe across the board. In association with the above, we encourage the employees to acquire relevant qualification to their work. We give opportunities to those who were successfully qualified to tell their fellow workers what they have learnt in the preparatory efforts. We provide the employees with opportunities such as professional training and education. OJT is also a good opportunity to learn measures to ensure safety at work.

There has to be no occurrence of occupational injury in the workplace as it is the place where one works to realize his happiness or dream. We are constantly transmitting the message "Safety is our top priority" to the employees. I wish the employees themselves have consciousness of safety first and cooperate with the company to realize a working environment where everyone can work securely.



Executive Vice President,
concurrent General Manager,
Recycling Center,
REVACS Corporation
Masato Akazawa

Occupational Health and Safety Policy

Our management principle consists of "Contribution to the Partners", "Contribution to the Customers" and "Contribution to Society". In other words we recognize that our corporate social responsibility is to enable all the employees to enjoy amenities of life in good health and safety. Also, occupational accidents and injuries are "the biggest environmental destruction". With these in mind we promote Occupational Health and Safety (OH&S) activity.

1. We comply with OH&S regulations and respect such requirement of customers, community and public organizations as we accepted as reasonable.
2. We strive to ensure the safety in all our business activities conducted on our own responsibilities.
3. We are aware that the waste management business has big potential risk, and strive to ensure the safety of transportation and not to cause any occupational accidents at the Recycling Center or other sites.
4. We strive to secure, maintain and improve trust and security of customers through communication in good partnership.
5. We understand the OH&S Policy and constantly work to improve our OH&S management system as a proactive measure to prevent occupational injury, accidents and illness identifying possible sources of hazard in overall service

activities. We set objectives and targets of activities, and review them regularly for improvement.

6. We have our OH&S policy get across all the employees of ours and affiliates' who work for us. We also disclose this policy upon public request.

Risk Assessment and Hiyari-Hatto

As part of Occupational Health and Safety Management System (OHS-MS), all employees participate in risk assessment of overall work process once a year. In FY2013, we picked up 346 items as possible sources of hazard, and designated 42 of them with higher risk point as objects of our specific risk countermeasure.

In risk management, we put priority in the removal of the risky work or process itself. We also put emphasis on other measures in the descending order from physical means to keep off the worker from the risk source (e.g. installation of safety rack, putting up the caution sign to visualize or distinguish possible risk), development of safety procedure, educational training, and use of protective equipment at work. .

We also regularly practice a hearing to detect "Hiyari-Hatto" cases i.e. incidents which could have caused accidents or injuries. In FY2013 we found 92 Hiyari-Hatto cases and assessed them.

Chapter 4 Education / Training

For environmental protection and prevention of industrial or labor accidents, it is important that each employee is aware of the importance of these matters. We continue to provide various educational programs to get across the awareness and make it habitual to the workers.

General Education / Specialized Education

We regularly give education and training in conformity with the management system in ISO14001 and OHSAS18001.

General education: at the beginning of every fiscal year, we give general education common to all partners across the board. The subjects cover environmental policy, occupational health and safety policy, objectives and targets of the company, related laws and regulations etc.

Specialized education: it covers the potential environmental effect the sections may have, understanding of risk and risk management, confirmation of work procedures. For those sections of which certain certification or higher risk management ability is required, specific educational programs are prepared for them to encourage their acquisition of relevant qualifications or abilities.



● List of major educational / training programs for FY2013

Content	Type by venue	Intended section	Time (month)
Use of protective equipment	In-house	Drying plant	Monthly
Oxygen starvation/hydrogensulfide risks workshop for licensed workers	External venue	Transportation	March
Basic session for fleet managers	External venue	Transportation	July
Workshop for maintenance managers	External venue	Transportation	January
Class-2 boiler operators' course	External venue	Drying plant	July/September
Special course for small wheeled construction machines	External venue	Drying plant	June/September
Course for operating technique of small wheeled construction machines	External venue	Drying plant	October
Course for operating technique of small travelling cranes	External venue	Shredding plant	August

Emergency Drill

In REVACS we have established emergency response procedures for possible emergency such as fire or car accident. We annually give a drill to practice it across the board.

In FY2013, we practiced emergency response to supposed occurrence of fire during the welding process. The drill included reporting to the fire station, evacuation as well as firefighting. At the transportation section they had the drills against supposed occurrences of the leakage of waste and the oxygen starvation



Drills for Prevention of Oxygen Starvation and Hydrogen Sulfide Intoxication

We regard hydrogen sulfide generated by organic industrial waste or oxygen starvation is a great potential hazard source. In the Recycling Center, where the workers carry out the maintenance of sludge storage tank, a drill to put on airline masks and other protective equipment is given every month.

Our transportation section conducts cleansing of the client's storage tank. Hence its members in turn attend the lecture classes for the 'operations chief of oxygen deficiency danger' / 'hydrogen sulfide intoxication danger'.

Each section is making efforts to improve the knowledge of occupational health and safety.



Chapter 4 Personnel Management System

In pursuit of working condition where staff can actively work.

It is important to flexibly amend the personnel management system depending on circumstances. At REVACS, we took consideration of employees' opinion on wide ranging matters in 2006 and drastically changed the system over a long period. We revised the system several times since then.

As with the planning of the personnel management system, it is also very important to adequately and flexibly operate it. In this regard we have the occasions to hear opinions or requests of the employees such as monthly SR committee and bimonthly private interview for ability rating in order to create working environment which encourages the staff to work willingly. REVACS has various systems for the employees: maternity leave/ childcare leave, self-development support etc. I want everyone to actively utilize it. To my regret, however, there are several systems which are not always used well. We will promote the use of the systems to improve the working condition which shall encourages the workers to work actively.

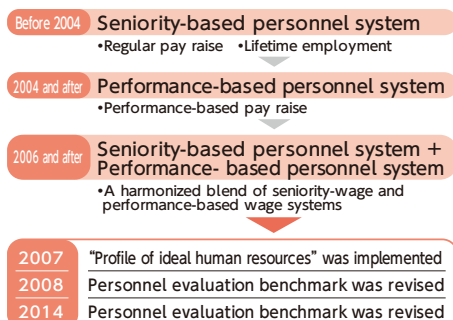


Executive Manager,
Management Planning Bureau,
REVACS Corporation

Takashi Ito

Personnel Management System

From the viewpoint of "Contribution to Partners", we are striving for a realization of personnel management system where partners can work with a sense of security and fully show their talent. The personnel management system, as well as the business plan, has been revised several times depending on the changes in external or internal environment.



Work-Life Balance

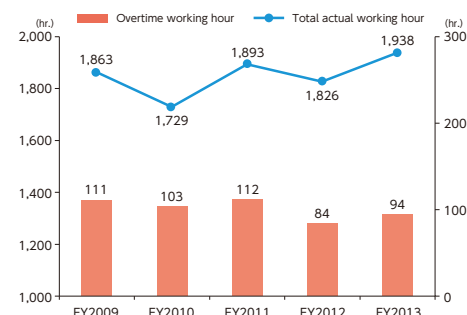
REVACS aims to create an environment where various human resources can use their abilities to full extent by means of gender-free recruitment, promotion to managerial or executive positions and equal payment.

We also put an emphasis on harmonious balance of work and private life of employees (work-life balance) and systems to support the employees events in life such as childbirth, child-care, family-care etc.

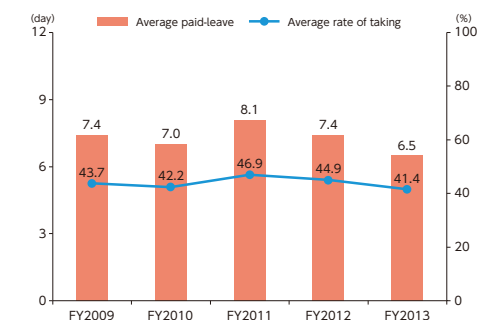
Our system allows to take semidiurnal leave of absence to serve the convenience of workers who need to accompany their family to the hospital (or, to take care of them) or attend a function, say, children's event. Begotten father is entitled to take three days' special leave before and/or after the child-birth of the spouse.

In FY2013 working hour per worker increased because of increased sales and amount of waste to deal with, and partly because of the increased turnover over the previous FY. Hence decrease in the rate of taking paid leave over the previous year.

※ We are not hiring non-Japanese or the physically challenged.



▲ Transition of average annual working hour per regular worker

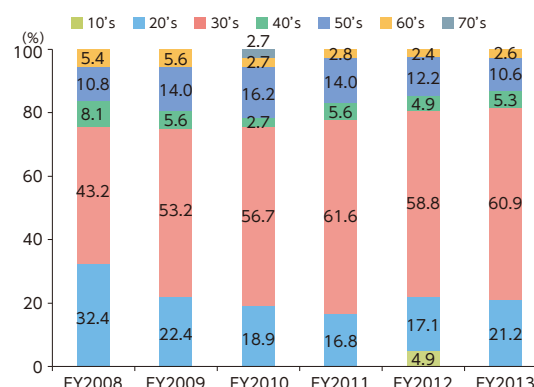


▲ Average paid-leave taken by a worker

Chapter 4 Personnel Management System

● Personnel affairs-related data

	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
Number of payrolls (person)	38	35	37	37	37	38
Female employees ratio (%)	16.0	17.1	14.8	14.8	19.1	18.4
Female managerial staff ratio (%)	25.0	25.0	20.0	18.8	23.5	21.4
Average age (year-old)	33.1	33.5	37.8	37.1	36.1	35.2
Average length of service (year)	8.3	8.1	8.4	9.2	8.9	8.8
Job turnover rate (%)	5.1	10.8	8.3	15.8	2.7	12.8



▲ Age composition

Major Programs in Personnel Management System

	Description	Users in FY2013(person)
System of maternal leave before and after childbirth	One can take a leave for a certain period before and after childbirth.	No relevant case
System of child-care leave	In order to engage in full-time child-care one can take a leave until the child becomes 1 year old (maximum length 18 months) irrespective of gender.	0
Family-care leave system	For the care of a family member one can take a leave for a certain period.	0
Short time working system	Staff who brings up an infant below the age of 3 or who carries out nursing care of a family member can choose short working hour for a certain portion of the pre-described working hour.	0
Retiree reemployment system	We employ, as a temporary employee, every retiree who is willing to work at 60 and over and fulfills certain conditions.	0 (out of 1 relevant person)
Self-development support system	The employee who takes a course at business school which the company has approved or the one who acquired relevant qualifications is subsidized or given money incentives.	0
Volunteer leave system	One is granted special leave for volunteer activity not exceeding 2 days.	0
Congratulatory or condolence payment system	Special payment for marriage/ child-birth/ accident and sickness/disaster/ death	Total 12

Health Examination

Health Examination is conducted annually for every employee (biannually for the employee in midnight shift). For those who fall on the rating C and E, the company consults the doctor for instruction on necessary precaution at work or health advice. We provide the employees with such information to call for the employees' awareness of the health control. Meanwhile, if necessary we make due consideration of the types of work or working hours to support their health work life.

Sound Management-Labor Relations

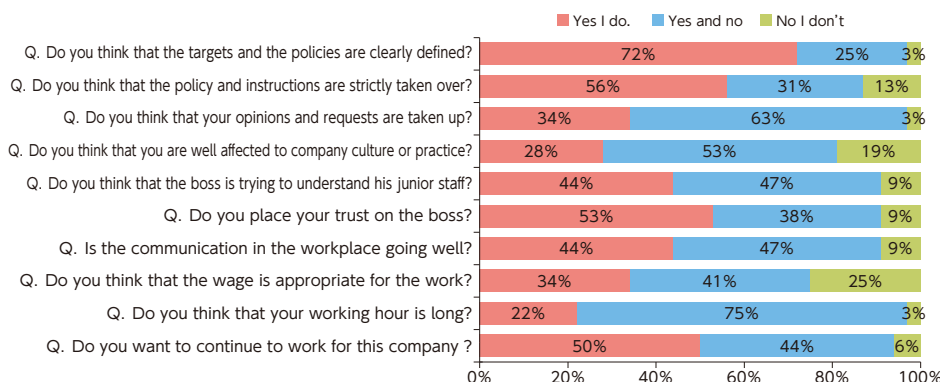
REVACS's Labor Union is under union shop contracts consisted of managerial staff of the company (manager and the equivalents) and other employees than the staff of personnel management and accounting sections. Labor-management negotiations are held as needed with both parties striving to improve working environment in cooperation. Occupational health and safety management system is effectively implemented with labor-management cooperating through briefing and discussions at the monthly SR committee meeting.

Chapter 4 For the Promotion of Human Capital

We are striving to secure and nurture human resources and create working environment where workers can freely prove themselves.

Survey of Employees' Consciousness

In August 2013 we conducted the consciousness survey of our employees entrusting Japan Productivity Center with the fact finding. An anonymous questionnaire directed to whole employees and interviews with 15 workers about 7 items such as climate of the workplace, working hours etc. were conducted. Outline of the responses to the questionnaire is as follows.



As for the problems found we are going to take measures to create better working conditions.

Recruitment Activity

In FY2013 we employed six mid-career workers (3 for technical jobs and 3 for clerical work) for the vacant positions or in preparation for new businesses.

In the regular recruitment for FY2014 we hired three new graduates (2 for service section and 1 for office), who joined us in April, 2014.



▲ The reception of new recruits of REVACS group companies

Personnel Training

We have an in-house training scheme for the new employees to acquire basic knowledge of the waste disposal, ISO (International standards) as well as our efforts in OHSAS (Occupational Health and Safety Management System). We also encourage our employees to attend outside learning course or workshop depending on their assignment or position.

In FY2014 group coaching and ability-rating training for the officers are scheduled upon the revision of personnel management system.



▲ Training for the officers on ability rating

MVP Employee and Length-of-Service Awards

We biannually select employees who have contributed to the company and honor them with "MVP Employee" awards. It is an opportunity to appraise employees' contribution which may not always be estimated in the regular personnel evaluation system. It helps increase employees' motivation. In FY2013, however, no selection took place because everyone has contributed to achieve the targets of sales and operating profit.

We also award employees in honor of their years of service by decade. In FY2013 an employee was commended for his decade-long service.

Chapter 4 Round-table Talk by the Employees

REVACS aims at a company where those who continue their serious efforts as well as who tackle challenging task receive recognition. For that purpose we have implemented various systems and schemes.

The following article introduces the views of employees about the working environment, worthwhileness of working at REVACS, tasks or targets for themselves as expressed by the employees at the round-table talk.



from left to right

Shingo Iwashiro (Mr.),
Accounting section
(Joined in March 2013)

Hitomi Matsuo (Ms.),
Sales section 1
(Joined in April 2014)

Chie Sakaeyama (Ms.),
Sales management section
(Joined in August 2013)

Mutsumi Takahashi (Ms.),
Sales section 1
(Joined in March 2014)

Sachio Moritani (Mr.),
Transportation section
(Joined in July 2013)

Please tell us about your work, a worthwhileness of working in this company or its attraction

Matsuo:

My section supports sales activity such as sales promotion e.g. renewal of the homepage. I face a lot of work I have not experienced in the previous job. I am learning every day. First impression upon my entering the company was that the superiors were ready to respond to my inquiry.

Sakaeyama :

At first I assisted sales representatives as a clerk. I am now engaged in the weighing of the wastes, manifest control, billing etc. in the sales management section. I entered the company a year ago. The company assigns various tasks regardless of one's experience. To be honest, I was somewhat worried about the way at first. But now I know that was a method to habituate one to think by oneself for sake of his/her skill up. I think REVACS is a company of relatively small number of selected workers, and it attracts me.

Iwashiro:

As I was previously engaged in accounting or general affairs, I wanted to work in the same line in REVACS. I belong to the accounting section now. FY 2014 is the second year for me to be in REVACS. In April I was assigned to a concurrent job to work at the administration office of ISO/OHSAS management system. I have just experienced a full course of accountant's work to complete the final accounting for the first time. So, I have a lot of matters to learn yet, but I am satisfied with it. Five months has passed since then. I can manage operation of

ISO/OHSAS system thanks to the help of my superior and other people.

Takahashi:

I belong to the sales section and support daily jobs of our sales representatives. REVACS has such a working environment as you can easily and frankly consult the senior staff or superiors indeed. I was also unexpectedly assigned to a certain job soon after entering the company. It means you have to do the job on your own responsibility. It may be my worthwhileness of working.

Moritani:

I belong to the service section. My job is to transport the waste from the client's site to the processors or other facilities. One year has passed since I entered the company. I am always conscious of safe driving.

Do you find any difficulties while working?

Sakaeyama :

As the job at REVACS is trusted with us, we have to think on our own. It confused me a little at first. But it is not so hard once you have learnt to think on your own.

Matsuo:

While the company let you do what you want to, they give you a responsibility to make your own decision. At first I was surprised to know my superior is a board member. It is somewhat tense to talk to a board member. But now I very much appreciate it because my idea could reach the zones of management.

Takahashi:

I feel the volume of the work seems to differ

from worker to worker. It may be partly because of rapid increase in the number of the staff because of increased mid-career and new-graduate hiring. Also a supporting system for the new employees needs to be reviewed and improved. It is a task of the section including myself.

Moritani :

I also feel that there may be some differences in individual volume of work.



Iwashiro:

If you hire more people you have to bear higher cost. It is a difficult question because mere increase of manpower does not work. I myself would like to work efficiently clearly defining the order of priority and managing the working hour well.

Please tell us your goal

Takahashi:

I would like to distinguish the work from private life. I would like to cogitate to make it possible at work. For example, we may be able to lessen the work load of the sales representatives if we level up ourselves and could make decisions when we can as a substitute for them. Also, by standardizing the work procedure of individual staff members, we will be able to carry out our job with further efficiency. In this sense the following up system for the new employees has to be strengthened further. I want to work here as long as possible. I would like to do something to form working environment that allows us to continue working without worry after marriage or child birth. We have to make an approach ourselves instead of just waiting for what the company provides us.

Moritani :

I would like to be further involved in the cleans-

ing service "swell" , a new business inaugurated in January 2014. I have an ambition to becoming a worker to take the leadership in the future.

Iwashiro:

The best part of my work as an accountant is to deal with money and figures and there has to be no mistake at any time. I would like to continue accurate work. As for ISO/OHSAS management I have a lot of things that I haven't experienced yet. I would continue to steadily learn one by one.

REVACS' s business runs fast. It is quick to start a new project, and when it turns out to be unpromising it is quick to withdraw. And it is quick to start the next prospective project. I would like to catch up this speedy decision of the company.

Sakaeyama :

I meet the customers who carry in the waste and the people from the affiliate companies every day. I would like as many people as possible know that we are tackling various matters. As for me, I want to be conscious of the objectives and targets of the company and reflect them on the daily work. I would like to catch up with the speedy move of the company while improving my skill.

Matsuo:

Views on work differs person-by-person. I would like everyone more positively extend his/her thought to the management. And I would like to see the staff cooperate each other regardless of the borders of sections. I would like people with various values can exert themselves. As a staff, I want to contribute to the sales division through sales promotion.



As a corporate citizen, REVACS is involved in various activities in the local community such as exchange with the citizen, educational support for the future consumers etc.

Reception of Plant Tour

Our plant is open to stakeholders who haven't made a deal with us, not to mention our clients. In FY2013 we had 474 visitors in 72 groups including 7 groups of noncustomers.

■ JICA Induction Course

Japan International Cooperation Agency Kansai International Center (JICA Kansai) gives induction courses directed at municipal employees relevant to waste issues from Asian countries to improve their administrative capability. As part of the JICA course we had visits of the trainees — 13 people from 4 Central and South American countries in September 2013, and, 10 people from 9 Asian countries in November. We introduced them outline of waste issues in Japan as well as our business as a model case, and then took them to our treatment facilities. We had several questions about the use of our biomass fuel, environmental study sessions or issuance of our CSR report. We hope they have found something useful in the visit.



■ Consumer Education

REVACS gives environmental course to pupils and junior high school students in the neighboring districts regarding them as future consumers. Since 2008 we have given an environmental class to 250 students (2nd graders) at Kansai University Dai-ichi Junior High School to motivate them for environmentally friendly consumption.

We gave them a preliminary class by two lecturers in June. The first lecturer, Mr. Kishino from Coca Cola Company (in charge

of CSR) talked about food loss and their environmental efforts such as recycling of empty bottles. Then Ms. Taniguchi from REVACS talked on the recycling of beverage products and environmentally friendly action which the students can take under the title of "Where does beverage that passed use-by date go?"

In July the students visited us for the plant tour. They observed each process of the waste treatment at the treatment facility. We hope they had a good understanding of waste disposal business after observing the actual site and listening to the explanation.



▲ Preliminary class



▲ Plant tour

Responses to Questionnaires and Requests

We receive various questionnaires and requests of relevant administrations and clients. We file them in our "Record of Communication" as information and see to it that they are not lost or we do not fail to reply them.

We responded 23 items which we decided that it required our reply out of 56 items received in FY2013. We regard it not only as an execution of a code of our management system 'communication', but also as an important approach to meet our stakeholders' needs.

Holding of Seminars

We held seminars on the themes frequently inquired of by the customers such as handling and management of consignment contract/manifest or how to write in the forms or how to prepare various reports/documents targeting at the person in charge of waste management.

The seminars held inviting specialists as lecturers attracted many participants. The seminars were accepted well with some participant saying that it was very informative or that he would become more conscious of the issue of compliance as a waste generator.

We will continue to provide useful services and information.

Date	Name of the seminar	Theme
May 17, 2013	3 rd Seminar for Personnel in Charge of Waste Disposal	"The necessity of regular reporting stipulated in Food Recycling Law and its key point." Lecturer: Duty officer, Food Recycling, Farmland Policy Planning Division, Ministry of Agriculture
June 13-14, 2013	2 nd Basic Seminar on Industrial Waste	"What is industrial waste?: On manifest, contract, penalty etc." Lecturer: Takashi Ito, General Manager, Management Planning Bureau, REVACS Corporation
November 13, 2013	4 th Seminar for Personnel in Charge of Waste Disposal	"Waste management law and recycling. Rights and wrongs of Zero yen collection of the waste." Lecturer: Fumiaki Nagaoka, President, BUN Environmental task induction course office
November 22, 2013	3 rd Basic Seminar on Industrial Waste	"What is industrial waste?: On manifest, contract, penalty etc." Lecturer: Takashi Ito, General Manager, Management Planning Bureau, REVACS Corporation
March 7, 2014	4 th Basic Seminar on Industrial Waste	"What is industrial waste?: On manifest, contract, penalty etc." Lecturer: Takashi Ito, General Manager, Management Planning Bureau, REVACS Corporation



▲4th Seminar for Personnel in Charge of Waste Disposal

Presentation at Eco-Product Exhibition

We made presentation of our waste treatment business and CSR activities in the following exhibitions in 2013. We displayed panels to introduce our efforts in the recycling of waste of organic nature, backup services in waste disposal management and environmental preservation as well as the panel on the exchange with local community.

Period	Name of the exhibition
May 29-31, 2013	Small and Medium Enterprises Exhibition 2013 in Kansai
July 30-August 2	Sewerage Exhibition '13 Tokyo
December 12-14	Eco-Products 2013



▲Sewerage Exhibition '13 Tokyo

Kabutoyama Agricultural Project

As we have many clients in the food manufacturing and processing business and often deal with wastes of plant and animal origin, we recycle annually 20 thousand tons of waste as compost. Meantime we came up with an idea of offering an opportunity to learn about and experience food and its base, farming. We regard it to be a part of our social responsibility. To materialize the idea, we have been taking part, as a sponsor, in "Kabutoyama Agricultural Project" organized by Learning and Ecological Activities Foundation (LEAF).



▲Kabutoyama Nogyo Juku

Chapter 5 Approaches to Consumer Issues

We take various measures to fulfill customers' demands. At the same time we aim to be an entity of highly transparent management.

Installation of Web Cameras

In order to grasp the process of bringing in or treatment of the waste real time, web cameras were installed in the plant, and the images of which are released on our website.

The web cameras are set on the following points: ① where the waste is brought in ② where the full-view of the shredding facility is seen ③ the opening of shredding machine* ④ the yard at the drying facility.

The web cameras met a favorable reception of not only the clients' but also of the community's because you can monitor the work anytime and anywhere.

※ For the protection of client's information, image from the 3rd camera is protected by password from being accessed by other people than clients who consigned the waste for treatment.



▲① Bringing in the waste



▲② Shredding facility



▲③ The opening of shredding machine (exclusive access only)



▲④ Drying facility

Prevention of Items which is Outside the Contract

We ask the client to separate treatable items in the consigned waste from non-treatable ones according to our standards. Mingled items which are not contracted can make proper processing difficult. Especially, should the dangerous objects be contained, it can cause an accident or a fire.

In the event of such a mingling we immediately notify the client for recurrence prevention. To the same effect, we post a list of unacceptable items on the container at the client's yard.



▲ Notice on the container

Prevention of Overloading in Collecting and Transporting the Waste

To prevent overloading, we compare the figure (weight) of the waste consigned by the client written in the manifest, which we routinely receive, with the loading capacity of our vehicle. Whenever the weight of the waste overruns the loading capacity, we contact the client to check up the fact and examine its cause and devise a countermeasure in cooperation with the client.

Contract and Manifest

In consigning and accepting the disposal of the industrial waste, a consignment contract is required by law. We have a strict rule of pre-contract (i.e. a contract signed prior to actual acceptance of the specific waste) in conformity with the law. Prior to the deal we input the client's data, and verify that we have already concluded the contract.

As for the manifest, we have introduced an electronic-manifest, which will be available upon request of the client.

(Subscriber's number of Electronic-Manifest : Collector/transporter 2005941/ Disposer 3005863)



▲ Certificate of Electronic-Manifest subscription (Collector/transporter; Disposer)

Data Provision in our Cloud Data Sharing Service

REVACS launched a waste management data sharing system, "E.Manager.neo", in December 2010. (Free of charge for one account per one company.)

"E.Manager.neo" is a system of sharing the data of the manifest (a waste management form) or that of waste disposal cost. After user registration, waste generators can access the exclusive web site to check and down load the daily or monthly total sums. REVACS computerizes the data and updates it every business day. It saves clients' cost, time and eliminates the troubles of formality with waste management.

"E.Manager.neo" was awarded with NISHI-NOMIYA APPLIED PRIZE in "NISHI-NOMIYA TECH AWARDS 2011" as a highly applicable technical service.

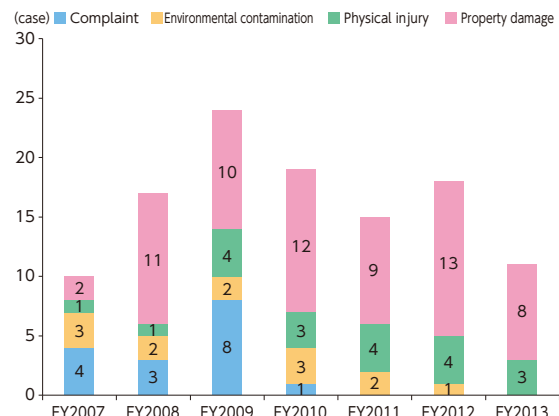


Chapter 5 Complaints and Accidents in FY2013

The complaints and accidents totaled 11 in FY2013 with no complaints, no environmental contaminations and 11 accidents). It was a decrease from that of the previous FY, which totaled 18 with no complaints, 1 environmental contamination and 17 accidents.

Since the introduction of Occupational Health and Safety Management System in FY 2007, a minor accident has been counted in to increase the recorded case. Since FY2010 (the 4th year after the completion of the drying facility), however, safety operation has become established in general.

※ For the record of past complaints and accidents (FY2009-2011), please refer to page 46-48.



▲ Transition of Annual Complaints and Accidents Cases

Complaints: 0 case

Environmental contamination: 0 case

Physical injury: 3 case

Description	Cause	Measure taken
While picking up a flexible container in the storeroom, the worker fell down into the pit to cause costal bone fracture. He didn't notice the border of the floor and the pit.	Though the worker knew there was an opening he failed to watch his step having been distracted by the flexible container.	The opening was closed up. We checked up if there are other alike spots.
While working on (and inside) the tank at the treatment facility under the scorching sun, the worker developed heat disorder-like symptom. We sent him to the hospital.	With the work having been behind the schedule, it was decided to delay the lunch break by two hours. The worker had to keep working and could not get enough rest.	<ul style="list-style-type: none"> It is advisable to wear a vest with cold insulator when working in hot environment. It was notified to have the worker take the regular rest break.
While sorting the waste at the foot of a pile of wastes, a large piece fell down upon the worker to cause a fracture of little finger.	To save labor the worker had not arranged the pile flatter beforehand.	When a pile of waste includes heavy object, it has to be spread before sorting.

Property damage: 8 case

Description	Cause	Measure taken
While reversing up the vehicle to dump the load at the affiliate's treatment facility the vehicle collided with the pillar.	The worker presumed it was safe and failed to pay due attention backwards.	The case was notified to the employees to call for attention.
At the client's facility, after entering backwards, the driver tried to cut back, when the rear corner on the front passenger seat side hit the shutter rail of the facility to damage it.	The angle of backward approach was not good enough. The driver was distracted by the front area and could not pay due attention backwards.	The case was notified to the employees to call for attention.
The driver of the commercial vehicle hit the electric pole behind while driving backwards after cutting back the car.	Being distracted by a baggage which dropped close to the foot, the driver failed to pay due attention.	Management rule (monthly driving report) of the commercial vehicle was revised to tidy up the car interior once a month.
The vehicle hit the rail at the loading site of the treatment facility when it started with its retractable canopy open.	The driver failed to check on the canopy.	It was got across that drivers have to inspect the state of the automatic retractable canopy from outside the vehicle. The procedure manual was revised to that effect.
In the parking lot the commercial vehicle had a minor collision with a pole on the left front. The driver was driving backwards after backing up the car.	The driver was distracted by the parking fee adjustment machine and failed to confirm surrounding condition.	The case was notified to the employees to call for attention.
The sheet rail at the transshipment/storage site has been distorted and rail's welded point had been broken apart.	It was caused by a heavy machine which had driven close by the pillar in an attempt to push back the jutting waste.	A tape with reflecting coating was attached on the sheet rail so as to be seen by the heavy machine operator.
The driver had the attached arm of the vehicle hit and damaged the overhead iron structure of the client's. He had just lifted down the container in the client's yard and he moved the vehicle as he was lifting up the attached arm.	He had been there to receive the waste many times before and was accustomed to the site. He guessed the arm would not hit the overhead structure.	The case was notified to the employees to call for attention.
While unloading the waste using the shovel, the waste pushed by the shovel pressed the partition on the vehicle to deform it.	The shovel operator had not been told that the vehicle had the partition.	The case was notified to the employees to call for attention.



▲ Commercial vehicle drivers' report (monthly)



▲ Sheet rail (left: before correction, right: after correction)

Chapter 5 Top Dialogue

Top Dialogue was held on 10 September, 2014. Listening to the dialogue between the experts we received valuable suggestions on our business approach as well as on CSR Report 2014 for our further growth.



Interlocutors



Nobuyoshi Ohmuro

Associate professor, Faculty of Business Administration, Kyoto Sangyo University

Specializes in the subject of social business. Chairman, Social Business Supporting Executive Committee, Kyoto; Supervisor, Kinki Social Business Networking. The author of "Social Business: it solves problems of local community" and many other books.



[Facilitator]

Suguru Murakami

Suguru Murakami Office
Organizational and human capital development consultant & facilitator
CTI (USA.)-certified Professional Co-active Coach (CPCC).

He has helped many major corporations. He helps ambitious small and medium-sized companies with their efforts in response to social changes toward sustainability. He is also active in the South East Asian countries.



Kenichi Akazawa

CEO, REVACS Corporation

After Reading the "CSR Report 2014"

Among many reports which center on the mere presentation of data and graphs, your Report 2014 is unique in that it is focused on a 'man', which is admirable. We see social maturity in various aspects. We see a tendency in the society to once again return to a 'man' focusing on what one elaborately makes up or what a man transmits to other people. The report put the spotlight on a 'man'. It is significant, as the growth of the business would not be possible without a progress of an individual worker. In this sense Chapter 4 is very important.

Also the effort to arrange 'Concept of CSR' and 'Management philosophy' and 'Management principle' on the same page (page 3) is excellent. It succeeds in conveying to readers that REVACS does not merely pursue sales or the profit but has a philosophy. One drawback is that the report includes little negative information about the company. Business is not always wholly successful so it is natural that problems and failures should occur. The report refers to the occurrence of complaints and accidents on page 40 but the absence of other incidents makes the reader feel something is wrong. For example, more realistic examples of Hyari-Hatto cases (p.30) could be included as should the company's concerns about personnel management (p.32 and 33).

In FY2013 there was a higher rate of personnel turnover than in the previous fiscal year. According to the data for the previous five years (FY2008-2013) such increase and

decrease have alternated. The company has to thoroughly investigate the cause.

The company should include in its report the reasons why some projects have not succeeded despite its efforts. Reporting the mere results is not enough. It is important to utilize such information in future.

Tasks of REVACS

REVACS's favorable business performance as well as positive disclosure of information using various means is admirable. It is impressive that the business is conducted with awareness of environmental and training issues.

Now that present issue of CSR Report focuses a spotlight on a 'man', let us point out several matters from that point of view. Firstly examination of the age structure of employees shows a preponderance of workers in their thirties. This will pose problems in the future and should be addressed.

Diversity (i.e. collaboration of people who have different sense of values, race or nationality to upgrade an entity: as contrasted with singularity) will become more important as time passes. The merit of diversity is to illuminate problems from a variety of perspectives. With only a single viewpoint many things can be missed. An organization where the members share the same viewpoints will become less dynamic. REVACS seems to be aware of the importance of diversity, but it does not seem to have done anything about it.

It is very important for REVACS to initiate a variety of approaches in order for the workforce to develop.

The foremost concern, however, is a question of how often CEO Akazawa and the employees communicate with each other. Recently one of the requisites for a company to be called 'a business of good standing' is its "rashisa" (or identity). It should be judged by the extent to which individual employees have assimilated the company's values. Substantial conversation and opportunity to communicate between management workers have a lot to do with the penetration of 'rashisa' (identity). The biggest challenge for REVACS is for the CEO to provide more opportunities to directly tell the workforce what he expects of the company. Unless CEO Akazawa himself can answer the question and clarify where he wants to go by means of his business and what he wants to

do to reach there, it must be difficult for the employee to harmonize his personal ambitions with those of the company.

Over the coming years small and medium-sized companies will be affected by selection pressure without fail. A company which does not have a sense of identity will probably find it difficult to recruit human resources. It may be difficult to make the employees sympathize with the president's way of thinking. The significant point is how to communicate with them to find the solution.



Toward the new growth

For a business entity, especially for a small and medium-sized one, there should be a mechanism for those at the top to convey their philosophy. Their business principle should conform to these ideas. Also, the way of life of the top has to be embedded in the business principle. Mr. Akazawa wants to run the company not as a mere means of making money but as a contribution to society through business activities. It is important to express his standard of value or code of judgment (i.e. philosophy) as images and make it known not only to the partners but also to public.

When the company publicizes such images to those in the same business, local community or clients, it can expect consultation to its service and opportunities to start new business in collaboration with others. It will then lead to business expansion and accumulated know-hows. It would be excellent if a scheme unique to REVACS brings about business growth.

It is advisable for the company to analyze and review responses of the employees or the personnel-related data. It is important to improve the system to encourage the employees to work willingly.

Chapter 5 Top Dialogue

The high ratio of employees in their thirties should be urgently reviewed. The company must put itself in a position to succeed 10 or 20 years from now. Perhaps it could set up an in-house 'entrepreneur school' enabling workers to start up a business. New posts can be made attractive by the president and senior managers conveying their own expertise and experience.

In addition, the psychological care of the employees is important. In general 70 to 80% of the workers in Japan find their work



to be mentally hard for them. Meanwhile REVACS is supporting 70 employees with coaching scheme which helps them to analyze the way they work. On top of that we would like the company to further step into mental support for workers.

For further growth it is essential to establish the identity of REVACS. Once this has been established there will be an opportunity to become the top Japanese company in the sector.

I hope REVACS will become active in various fields without being confined to the waste disposal business. If it shows that such an approach will bring about eventual profits for the company, it will exert good influences on society. For example it may reduce the cases of illegal waste dumping or enables the company to get rid of negative images of the waste disposal business. I believe that REVACS can answer the requirement.

In Response to the Opinions Given in the Dialogue

Thank you very much for your advice. Although the three companies in REVACS group enjoyed the increase in the performance since two years ago, we experienced an unexpected number of mid-term vacancies including executives or workers of long-service. It may have been caused by the rapid step up in the way of working and introduction of new facilities made in the past two years. On the employees side it may have been difficult to catch up with the changes or to keep proceeding in the same direction and sharing the same goal with the company.

Under such a circumstance, we started investing on the measures for a 'man's aspect' in and after FY2014 refocusing on the employees. We must clarify the cause of this strain as and decide what to do. We need to publicly transmit what we are going to do with this.

I must admit that I myself have been deflecting attention from some negative factors arising from unprofitable efforts. I regret that. Now I realize that as leader of the company I must confront such issues and that I need to exchange them employees, cli-

ents, people from the same sector as well as the public.

We would like to start from sharing such questions and trying to solve them together not by myself.

I have an increasing ambition to make the REVACS group companies better and more powerful, capable of adequately responding to exterior change.

I know that it is not the leader's duty to be present in the working site but by improving my own managerial abilities in order to create a company where everyone can work at ease. I have been very much encouraged to continue the positive cycle of providing secure working conditions and making a contribution to clients and to society.



History of CSR at REVACS

REVACS, as a business entity in waste disposal sector, has been striving to improve transparency of operation through various approaches to have support of our stakeholders.

FY2000

- Acquisition of ISO14001
- Environmental activity in the office started

FY2002

- Issuance of "Environmental Report 2002"



FY2003

- Learning environment course was given at the primary school in Nishinomiya
- Issuance of "Environmental Report 2003"



FY2004

- Introduction of 'Eco-style'
- Issuance of "Environmental Report 2004"



FY2005

- Disclosure of information on the web, "Sanpai net"
- Issuance of "Environmental Report 2005"



FY2006

- Shredding facility was updated
- Installation of web camera
- Distribution of E-mail News started
- In-house business school started
- Monthly briefing of business performance started
- Issuance of "Environmental/Social Report 2006"
- Grand prix of "4th Partnership Awards/2006" was awarded.
(Sponsor: NPO partnership support center)
- Incentive Award in the Environmental Report Section of "10th Environmental Communication Awards/2006" was awarded.
(Sponsor: Ministry of Environment and Global Environment Forum (GEF))
- Environmental Report Award, Small and Medium-sized Business Award of "10th Environmental Report Awards/2006" was awarded.
(Sponsor: Toyo Keizai Inc. and Green Reporting Forum (GRF))



FY2007

- Drying facility construction was completed
- The third party committee meeting started
- Issuance of "CSR Report 2007"
- Incentive Award in the Environmental Report Section of "11th Environmental Communication Awards/2007" was awarded.
(Sponsor: Ministry of Environment and GEF)



FY2008

- Reverse Management Center Building was completed
- Integrated certification of ISO14001 & OHSAS18001
- Participation in Kabutoyama Farmland Project as a sponsor (continued project)
- Holding of learning environment course at the Kansai University attached First Junior High School (continued project)
- Issuance of "CSR Report 2008"



- Outstanding Performance Award in the Environmental Business Section of "7th Japan Environmental Business Awards /2008" was awarded.
(Sponsor: Mie Prefecture and Japan Environmental Business Awards Committee)

FY2009

- Ex Daiei Service Co., Ltd changed its corporate name to REVACS Corporation
- Issuance of "CSR Report 2009"
- Chairperson's Special Award (incentive award) in the eco-service section of "6th Eco-Products Awards 2009" was awarded.
(Sponsor: Eco-Products Awards Steering Committee)
- Sustainability Report Award (excellence award) of "13th Sustainability Report Awards/2009" was awarded
(Sponsor: Toyo Keizai Inc. and GRF)



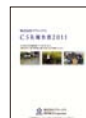
FY2010

- Issuance of "CSR Report 2010"
- CO₂Minus Project Award, Special Prize in Livelihood Section was awarded.
(Sponsor: the Young Entrepreneurs Group of National Federation of Waste Management Associations)



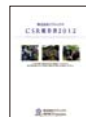
FY2011

- Survey on customer satisfaction
- The second in-house business school
- 3S movement started (continued program)
- Issuance of "CSR Report 2011"
- Sustainability Report Excellence Award of "15th Environmental Report Awards/Sustainability Report Awards/2011" was awarded.
(Sponsor: Toyo Keizai Inc. and GRF)
- Nishinomiya Tech Prize was awarded.
(Sponsor: Nishinomiya City)



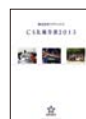
FY2012

- Issuance of "CSR Report 2012"
- Environmental Management Special Award was awarded.
(Sponsor: Nishinomiya Chamber of Commerce)
- Industrial Waste Section Manager (MOE) Award in the compliance section of "CSR2 Project", was awarded.
(Sponsor: Young Entrepreneurs Group of National Federation of Industrial Waste Management Associations)



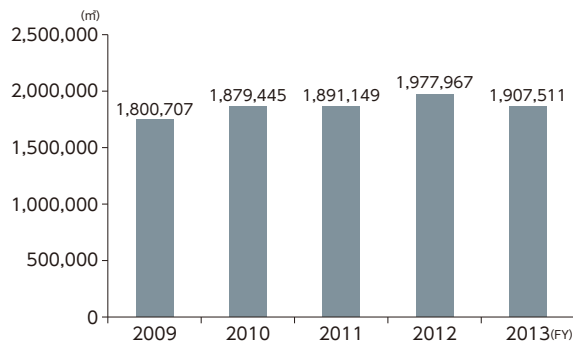
FY2013

- Conformance to "Good-standing waste disposer qualification system" achieved
- Survey on employees' consciousness
- Issuance of "CSR Report 2013"
- Incentive Award in the Environmental Report Section of "17th Environmental Communication Awards/2013" was awarded.
(Sponsor: Ministry of Environment and GEF)

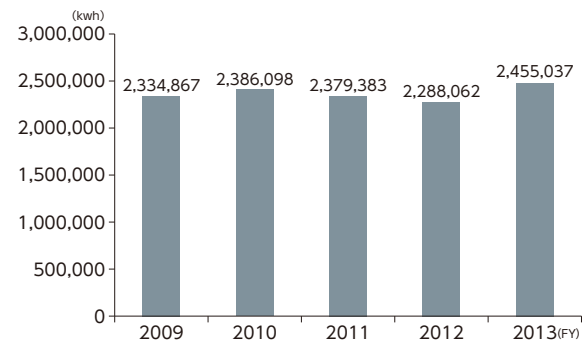


The following graphs show the transition of annual material balance for the past 5 FYs. The data are used as indices for our future input/output control.

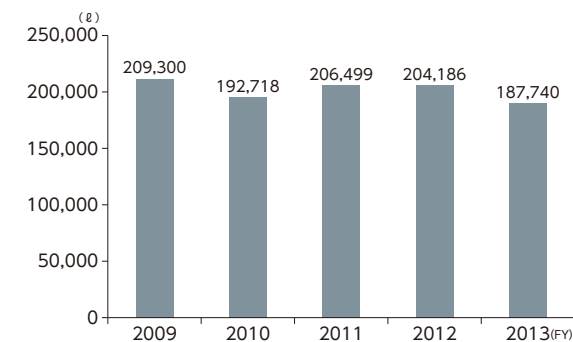
● City gas consumption



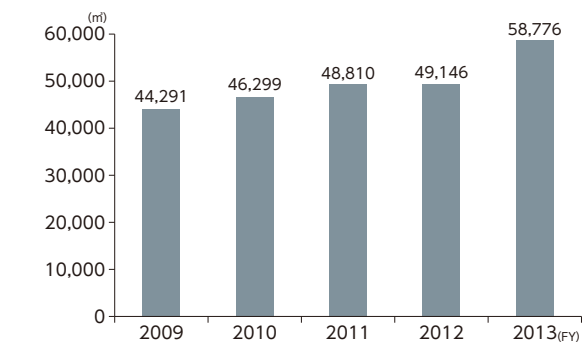
● Electricity consumption



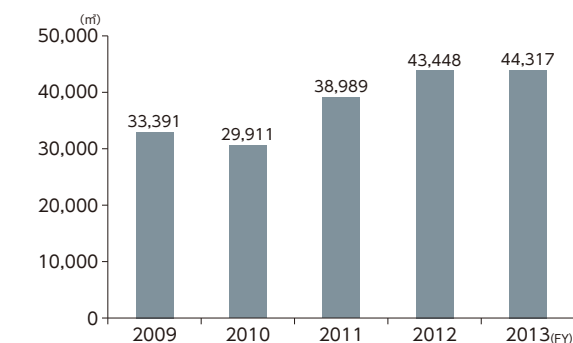
● Diesel fuel consumption



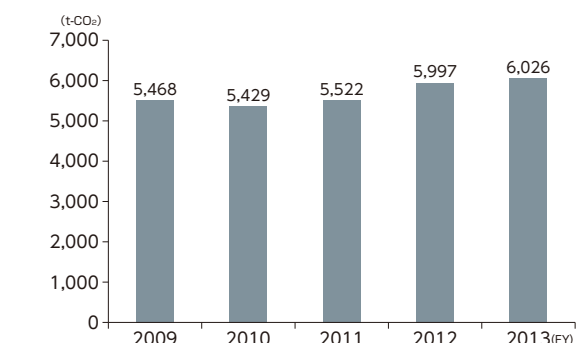
● Water consumption



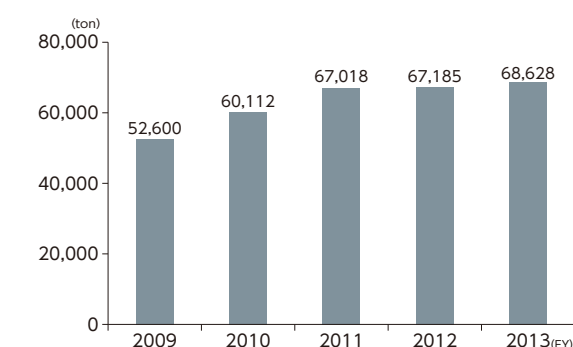
● Discharge into the body of water



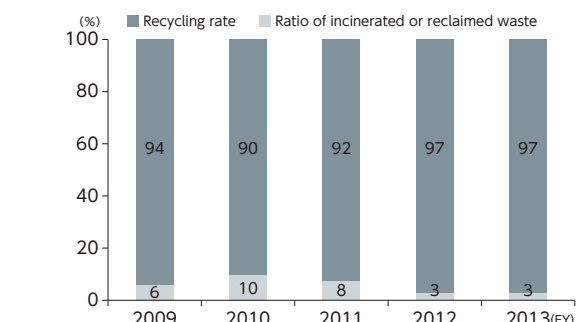
● CO₂emission



● Waste consigned



● Recycling rate/ratio of incinerated or reclaimed waste in the total amount



Chapter 6 Past Complaints and Accidents

The occurrence of complaints and accidents in FY2009-FY2012 was as shown in the following table.

Complaints and Accidents in FY2012

Complaint: 0 case

Environmental contamination: 1 case

Description	Cause	Measure taken
While transporting wastes loaded on a flat-bed truck a part of it collapsed to drop.	The waste loaded had not been fastened strong enough to the truck.	The process in using flat-bed truck was checked in detail and checked if any problems are involve, and called for attentions of all section members.

Physical injury: 4 cases

Description	Cause	Measure taken
The worker was stabbed on the back with a blade fixed near him while doing maintenance of the hopper.	He was at work near a sharp blade	It was notified that one has to remove all the blades of the hopper before maintenance work, and, to practice KY (Kiken yochi or risk prediction) procedure in advance.
The worker sprained lower back while loading a drum of paper (about 100kg) at the client's site.	He lifted up the drum holding it sideways in order to get it in the space of the container to accommodate all the load at once.	It was notified that heavy load has to be loaded using heavy equipment, and we asked the relevant clients to implement as such in their safety precaution rules.
The worker had a lacerate wound on the right knee with a flipped rotating blade while cutting a pipe using a grinder.	As scaffoldings was not available, the worker was using grinder one-handed.	It was notified that the scaffoldings have to be prepared if any risks of losing one's balance is expected. Also we have the staff take outside safety education class.
The worker had a dislocation on the right shoulder when he mounted on the rear deck of the truck.	He was not aware of his declining physical ability with age.	The worker was advised to call his attention.

Property damage: 13 cases

Description	Cause	Measure taken
The vehicle had a minor collision with the wall while going in reverse in the waste generator's site.	The driver failed to fully confirm backward safety.	The case was gotten across to the workers. We called for their attention.
The vehicle had a contact with the flower bed while moving backwards in the parking yard of a customer's.	The driver failed to confirm safety behind the vehicle.	The case was gotten across to the workers. We called for their attention.
When the driver opened the canopy of container, it hit the web-camera in front of the treatment facility to damage it.	It was early in the morning and no one was seen in front of the facility, so the driver paid no special attention as to where to park.	It was notified that opening/closing check before departure has to be done in the designated place.
The vehicle had a minor collision with the parked car at the parking lot of the client's.	Inexperienced in driving, the driver was pressed in turning the wheel. Besides, wearing high-heeled shoes she could not put on the brake in time.	It was notified that the female employees must not drive wearing high-heeled shoes. (3cm and above)
While loading biomass fuel a piece of lump fell on the vehicle's cabin and damaged the sheet storage site.	The biomass fuel had been coagulated in the steel tank to come off in a large lump.	It was notified that if lumps are found they have to be taken out and crushed before loading.
While compressing iron scrap inside the container using a heavy machine, a part of scrap fell off to chap the machine's window glass.	The container was loaded with steel scrap beyond its height.	The case was gotten across to the workers. We called for their attention.
The driver started the vehicle whose canopy had not been completely shut. The canopy hit the shutter rail of the treatment facility.	The driver failed to confirm whether canopy was closed or not.	The case was gotten across to the workers. We called for their attention.
While entering the parking lot, the vehicle collided with the gate post.	Safety confirmation on the left side of the vehicle was incomplete.	The case was gotten across to the workers. We called for their attention.
While unloading the dump truck raising the rear deck, the container door had a minor collision with the enclosure of shredding machine.	Safety confirmation of both the driver and the approach guide was incomplete.	The case was gotten across to the workers. We called for their attention.
While traveling along the expressway, the driver steered in the wrong direction and hit the road divider to have the vehicle fell on its side.	The driver was a temporary worker with little experience of driving loaded vehicles.	It was decided to educate drivers regardless of experience of driving and assign only the skilled ones.
While unloading using a lift, claws of the lift hit the business partner's vehicle.	Confirmation of the claw's end was not enough.	The case was gotten across to the workers. We called for their attention.
The driver had a minor collision with a parked commercial vehicle in the parking lot while trying to park his car.	Distracted by the other car the driver could not fully confirm the right side view.	The case was gotten across to the workers. We called for their attention.
While arranging pallets using a lift in the yard the operator had a minor collision with a parked car.	Though the pallets piled up on the fork lift disturbed the operator's sight, he did not fully confirm the safety.	The operator was given a driving guidance by a senior employee for one month.

Complaints and Accidents in FY2011

Complaint: 0 case

Environmental contamination : 2 cases

Description	Cause	Measure taken
Leakage of the waste while picking up the waste at the client's site.	The driver visited the site and picked up the waste not noticing the cap of the container was broken.	'Checking up of normal function of waste container's lid' was included in pre-departure checking item.
Scattering of fine particle.	While loading the powdery waste, the driver temporarily went out of the site without covering the load.	It was implemented that even in a temporary leave the load has to be covered with a sheet etc.

Physical injury: 4 cases

Description	Cause	Measure taken
The worker had a scald caused by hot water spewed out of an inspection cylinder while clearing the clog.	A procedure to regularly clear the clog was had not been set up. A proper means to inspect the interior of the facility was lacking.	Regular clearance of the clog was implemented in the work procedure. An aperture was created to watch the interior of the facility.
The worker had a hand pinched with the door while directing a vehicle. The vehicle had moved with the door unlocked during the unloading of the waste.	The worker's direction was not well received by the driver and vice versa.	The gesture in directing the vehicle was standardized between the sections of directing and the driving and it was gotten across to everyone.
The worker bumped into the desorb equipment of a parking truck from behind while moving on the premises.	The truck was parked with the desorb equipment being set in a risky position.	It was notified that a vehicle has to be parked after resuming the desorb equipment to the regular position.
An operator tried to get off the heavy machine, when he stepped on the steel rail and slipped to fall down.	A piece of unnecessary rail was equipped with the heavy machine.	The rail was deleted and everyone concerned was familiarized with the modification.

Property damage: 9 cases

Description	Cause	Measure taken
The car had a contact with a tree when it turned left to go out of the garage.	The driver noticed an incoming vehicle and tried to give way as quickly as possible.	The case was gotten across to the workers. We called for their attention.
A minor collision caused by the other car while ours was parked at the client's site.	The driver was distracted by another parking car and failed to notice our vehicle.	The case was gotten across to the workers. We called for their attention.
The floor sheet (steel plate) of our storage yard was turned by the scraper.	The scraper operator worked with the bucket's edge raised.	The work procedure was once again got across to the section concerned.
The rear end of the vehicle hit a juttred structure at the client's while entering the site in reverse to load the consigned waste.	The driver was concentrated in deciding the right position to stop the vehicle and was not aware of the juttred structure.	We asked for an observer to look after us when we work. Also, we installed a pole in front of the juttred structure.
Our vehicle hit a car from behind when the car in front stopped suddenly to let an emergency vehicle pass.	The distance between the cars was not long enough.	A training session was held concerning a distance between the cars directed to all our drivers.
Our vehicle hit a car from behind when the car in front stopped at the yellow traffic light.		
Collision from behind caused by the other car while our car was parked outside the company.	The other driver lost his way and steered in a wrong direction.	The location was notified to the sections concerned as an accident-prone point to call their attention.
A repairing instrument (a ladder) which we were transporting on a truck hit a utility pole.	It was a small distance to carry. And so, the ladder was not fastened with a rope.	The information was notified to call attention.
A minor collision with a post box while settling a container box.	Trying to be quick so as not to disturb the traffic, the worker failed to confirm the safe conditions.	Sections concerned were informed of the incident to call their attention.

Complaints and Accidents in FY2010

Complaint: 1 case

Description	Cause	Measure taken
Neighborhood nuisance (Offensive odor)	Accumulated sludge in the drainage caused the odor.	Regular cleaning up of the drainage was implemented.

Environmental contamination: 3 cases

Description	Cause	Measure taken
Smoldering in the drying plant.	Our ignorance of the possible occurrence of smoldering when the waste of high sugar content is treated along easy-to-dry wastes.	A procedure for the waste liquid whose 'sugar content has reached 15% and over' was implemented in the manual.
Leakage of waste liquid at the client's yard during the loading work of consigned waste in liquid form to our vehicle.	Suction hose had been deteriorated and broken.	Marking tape of different colors was put on the hose to tell the years of use. The use beyond a certain period was prohibited.
Fuel leakage from a vacuum car at the client's site.	We had checked the vehicle beforehand following the procedure recommended by the maker. But a leakage occurred in the other part than checked.	Checkup procedure was reviewed and new check points were added including the one in question.

Physical injury: 3 cases

Description	Cause	Measure taken
A finger was injured when the hand was tucked in the coiled waste while loading.	An unaccustomed and solo work was assigned to a newcomer, who was temporarily dispatched from a group company.	It was decided to give all the necessary education and OJT for a certain period to temporary or loaned workers before confirming their capability and assigning them to the work.
The staff tumbled from the bike while commuting on a rainy day.	He braked hard on the wet tile to avoid a collision.	The case was gotten across to the workers.
The worker was injured on the leg with a piece of waste flipped by a heavy machine.	He stayed in a risky point to assist the heavy machine work.	Safe point to assist heavy machine works was designated and gotten across to all workers at the meeting.

Complaints and Accidents: 12 cases

Description	Cause	Measure taken
A waste container at the client's yard came off the hook and fell while being slung up.	The waste container was slung up without having been properly hooked.	A new process was added to the manual which rules that the operator has to exit the cabin to visually confirm the hook has been firmly set before lifting work.
The ceiling of our storage pit was hit by the rear deck of the dump truck when the deck was lifted in the dumping maneuver for unloading.	Lack of communication between the instructor and the driver	The information was shared by all the workers at the section meeting.
Our vehicle had a minor collision with a parked car in the parking space.	The driver failed to pay attention to that most unlikely sport for a car to park.	The information was shared by all the workers at the section meeting.
Affiliate's truck had a minor collision with a facility in the building which housed a waste storage (container) while slinging up the container to load and take away the consigned waste.	Initial instruction given by our staff to the driver prior to the first picking up of the waste lacked in the description of the height of the facility etc.	The points to be checked prior to the new transaction were re-examined.
The left front tire of our vehicle hit a curb stone to break the wheel cap while drawing in to park.	Being pressed for time the driver was not attentive enough.	The information was shared by all the workers at the section meeting.
Minor collision with a parked car while lifting a container in the parking space.	The flow planning of the parking space did not allow our vehicle to pass safely.	The layout of the parking space was changed to allow freer flow planning.
Our vehicle collided with a moving car while exiting a parking lot of a convenience store. Both cars were going in reverse.	The other car happened to be in a blind corner and our driver assumed there was no car in the way.	The information was shared by all the workers at the section meeting.
The shutter to prevent odor from proliferating was broken at the sludge pit of the drying plant while unloading sludge. The sludge was poured in the pit before the shutter had completely opened, and the load of the sludge caused the breakage.	The driver failed to confirm that the shutter had fully opened, and the instructor had assumed it would have fully opened before the sludge was poured in the pit.	A new rule to halt the vehicle at the limit line until the shutter comes to a complete aperture was implemented. It was notified to the sections and contractors concerned.
Our vehicle collided from behind with a car which was about to turn left on the open road.	The driver assumed the car in front of us would keep turning without stopping.	The information was shared by all the workers at the section meeting. Safe driving course by a guest instructor was added to our educational program.
The automatic switch for the shutter at the entrance to our facility worked on preset time and the shutter hit a vehicle at the stop line. The shutter was broken.	The accident was attributable to the dead angle of the sensor of the automatic shutter system.	The sensor was moved to a proper spot to catch the vehicles without fail. It was gotten across to the sections concerned.
Roof of the building on the premise was broken during the lifting up of the container in the parking space.	The allocation of the parking space in the premise was narrow and it hindered safe operation.	The allocation of parking space on the premise was revised, and vehicles were physically kept off the space under the roof.
While lifting a loaded container in the parking space, it was half turned due to incomplete connection of the container.	The rail at the connecting part is difficult to be clearly seen.	The rail was painted in light colors to be easily recognized. Also, a new rule was implemented to request the drivers to get out of the vehicle to visually confirm the connection when carrying a container.

Complaints and Accidents in FY2009

Complaint: 8 cases

Description	Cause	Measure taken
Neighborhood nuisance (Offensive odor from recycling center). Upon a call from a residence to Nishinomiya municipal office, an officer visited us to check it.	A sudden blockage of the heat exchanger of the deodorizing combustion equipment to release offensive odor.	To prevent blockage from occurring fortnightly cleaning of the heat exchanger was implemented.
A personnel from a neighboring company visited us to inform us of the occurrence of bad smell from our treatment facility.	The filling material of the chemical liquid cleansing equipment (neutralizer) was being washed and was not available at that time. Consequently the air in the drying plant was released into the atmosphere without being neutralized.	We explained about our regular maintenance practice. And we responded the complaints putting the top priority on the neutralizing equipment.
A personnel from a neighboring company visited us to inform us of the occurrence of bad smell from our treatment facility.	Insufficient suction force for septic tank caused odor leakage.	Additional unit of suction blower was installed to complement insufficient suction force.
A personnel from a neighboring company visited us to inform us of the occurrence of bad smell from our treatment facility.	Accumulated precipitates in the catch basin of conduits for rainwater caused offensive odor.	The basin was cleaned, and a regular (monthly) cleaning was added to the procedure manual.
We had a phone call from a neighboring company to inform us of the occurrence of bad smell from our treatment facility.	The chemical used in odor control was emitting a foul odor.	We invited the party concerned to explain the odor was attributable to the chemicals for odor control and had them understand.
We had a phone call from a neighboring company to inform us of the occurrence of bad smell near Reverse Management Center.	Vehicle's load bed after sludge discharging was washed in the Reverse's facility several meters away from the neighboring factory.	We amended the procedure to cleanse the load bed to be done in the recycling center.
Rough-mannered driving at the client's site. Complaint by a client's staff.	Inadequate education of the driver.	We shared the information at the section meeting and worked to improve driver's manner.
Driver's ignorance of the gatekeeper's instruction to halt once before leaving the client's site.	The driver, who was following the preceding car, did not notice the instruction.	We made the case get across to our group company and asked for the safety awareness of its workers.

Environmental contamination: 2 cases

Description	Cause	Measure taken
Waste leakage from the desorb container placed in the client's yard as a storage tank.	Welded part of the degraded container was broken to cause leakage.	The crack was repaired. Vehicles were provided with absorption sheet to prepare for a leakage.
	Rubber packing (leakage stopper) was deteriorated.	The packing was replaced by the thicker type. Two-piece type clamps on the rear door was replaced by the three-piece type.

Physical injury: 4 cases

Description	Cause	Measure taken
Scalded by hot water remained in the high pressure/ warm water cleaning equipment which had been used to clean the plant. The worker was washing the equipment.	It was rental equipment. Risk assessment of its use had not been made beforehand.	It was decided that risk assessment has to be made when renting a new machine.
Right arm fracture after sliding and falling down on a snowy slope while working.	The worker wore ordinary boots on a slippery slope.	A pair of safety shoes with slip stopper for icy ground was provided.
Fell in the waste storage pit while unloading at the intermediate treatment facility of a certain company.	The driver tried to open the rear door of the loading bed in unstable posture in front of the storage pit.	Specific tool to open the rear door of the loading bed was equipped with every vehicle.
Foot fracture caused by a false step on the office stairs.	Climbed up the stairs without switching on the light.	The information was shared at the section meeting.

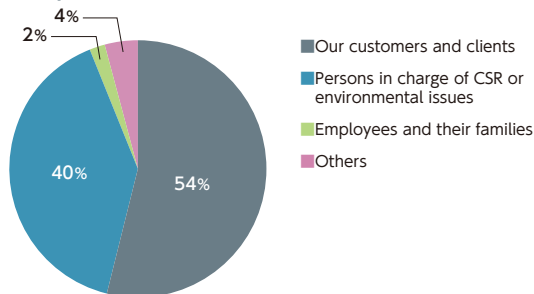
Property damage: 10 cases

Description	Cause	Measure taken
Waste storage container had a minor collision with another container while being handled with a fork lift.	The operator failed to confirm safety.	The information was shared at the section meeting.
Our vehicle caused a minor collision with the facility while delivering waste in the disposal site of a certain company.	The vehicle was going in reverse and the driver was attentive only to that direction.	The information was shared at the section meeting. The site in question was designated as a risky area.
The operator damaged the client's forklift while using it on site.	He failed to confirm safety.	The information was get across to the staff at the section meeting.
The operator broke a gutter cover (grating) while setting a removable container at the client's site.	He moved the container on the grating not noticing that its protector (iron plate) was out of alignment.	Rubber strips were placed between the iron plate and the grating to prevent the plate from relocating.
The driver damaged the shutter of client's waste storage yard.	He was not aware that the removable container was close enough to the shutter to cause a contact.	The yard was designated a risky site. The information was shared at the section meeting.
Our vehicle was hit from behind while parking.	The other party was not looking ahead carefully.	The information was shared at the section meeting.
Our vehicle bumped against guard rail while turning left.	The driver failed to confirm the safety.	The information was shared at the section meeting.
The operator broke the curtain rail while loading powdery waste using a heavy machine in the client's yard.	The waste was intensively spraying particles in the air blocking the view.	It was decided to sprinkle the area with water when loading such waste. We asked the client to attach a protective covering to the heavy (loading) machine.
An affiliate's vehicle damaged our storage tank while discharging sludge.	The instructor's direction to move forward or backward was not clear enough.	Marking was made in the discharging site. It was decided to designate specific approachable distance by vehicle type and to get it across to all drivers.
A forklift caused a minor collision with a parking vehicle.	The operator was working pressed in time in a narrow storehouse.	An operating zone for forklift was specified and marked with lines to keep it clear of man or objects. And it was notified as such to every section.

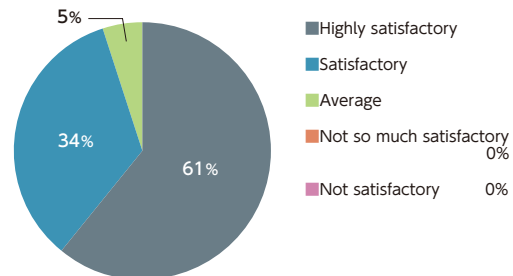
Core subjects and issues of CSR		Corresponding page
6.2	Organizational governance	P.3~6 , P.14
6.3	Human rights	
6.3.3	Due diligence	P.3 , P.14~15, P.35~36 , P.41~43
6.3.4	Human rights risk situation	—
6.3.5	Avoidance of complicity	P.32~34
6.3.6	Resolving grievances	P.32~33
6.3.7	Discrimination and vulnerable groups	P.32~33
6.3.8	Civil and political rights	P.32~36
6.3.9	Economic and social and cultural rights	P.32~33
6.3.10	Fundamental principles and rights at work	P.32~33
6.4	Labor practices	
6.4.3	Employment and employment relationships	P.3 , P.32~34
6.4.4	Conditions of work and social protection	P.30 , P.32~33
6.4.5	Social dialogue	P.14~15 , P.33
6.4.6	Health and safety at work	P.30 , P.33 , P.40 , P.46~48
6.4.7	Human resources development and training in the workplace	P.31 , P.34
6.5	The environment	
6.5.3	Prevention of pollution	P.26~29
6.5.4	Sustainable resource use	P.22~25
6.5.5	Climate change mitigation and adaptation	P.21~22 , P.45
6.5.6	Protection of the environment and restoration of bio-diversity and natural habitats	—
6.6	Fair operating practices	
6.6.3	Anti corruption	—
6.6.4	Responsible political involvement	—
6.6.5	Fair competition	P.3
6.6.6	Promoting social responsibility in the value chain	P.3
6.6.7	Respect for property rights	—
6.7	Consumer issues	
6.7.3	Fair marketing, factual and unbiased information, and, fair contractual practices	P.16 , P.37~39
6.7.4	Protecting consumers' health and safety	P.7~8 , P.23~24 , P.39
6.7.5	Sustainable consumption	P.7 , P.9~11 , P.19
6.7.6	Consumer service, support, and complaint and dispute resolution	P.39~40 , P.46~48
6.7.7	Consumer data protection and privacy	—
6.7.8	Access to essential services	—
6.7.9	Education and awareness	P.19 , P.37~39
6.8	Community involvement and development	
6.8.3	Community involvement	P.37~38 , P.41~43
6.8.4	Education and culture	P.37~38
6.8.5	Employment creation and skill development	P.34
6.8.6	Technology development and access	—
6.8.7	Wealth and income creation	—
6.8.8	Health	P.21 , P.27~28
6.8.9	Social investment	P.37~38

Thank you for responses with valuable advices on “CSR Report 2013” issued in October 2013, which we will reflect on the report and our business activities as well. We are pleased to report the results as follows.

■ Respondents (breakdown)



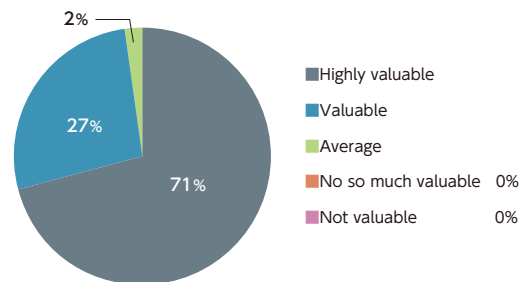
■ Content of the report



■ What topics were you interested in? (Top 10 articles/as many as it applies)



■ Value of efforts reported



■ Major impressions and opinions of the report

- The report sets importance on the opinions of the third party as well. It is far from a production of self-satisfaction. I like it.
- I have had a favorable impression of REVACS. It voluntarily tackles CSR activities as its environment-related business operation with a sense of responsibility.
- Present issue has become easier to read, thanks to the internship student (Mr. Yoshida)' s involvement. Appeal points to the readers are clearly shown. If I dare say, a little courage to select out information would further improve the report.
- I enjoyed reading the report. Its content is warm and persuasive as it runs many actual speeches or

opinions of employees and their families or stakeholders. The editors might have had a kind of difficulty to have it coexist with the sheer aspects required of CSR and environmental reports. We have learned something from the report.

- It is readable with substantial content. Especially you have actively disclosed such information as complaints and accidents, which usually a company would not like to do. I perceived a sort of philosophy of the top executives REVACS. If I may add my request, the report had rather adopted a larger font for sake of readability.

※ Circulation 7,000 copies

Editor's Note



October 2014
CSR promotion office,
REVACS Corporation
Rie Nitta

Thank you very much for reading our “CSR Report 2014 ”. Let me express our thanks to the four internship students and people who have helped complete the report. In the report which saw the 13th anniversary this year, we put an emphasis on the employees and insight in several efforts in personnel affairs. We had an opportunity of hearing from outside experts to recognize our tasks for the future titled “Top Dialogue”, which may correspond to the article “Third-party Committee Meeting” in the past issues.

Please answer the attached questionnaire and advise us with your candid opinions.

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● President hotline

https://f.msgs.jp/webapp/form/17359_rrz_5/index.do

This report is also available on our website (PDF version)

<http://www.revacs.com/biz/web/download/#jq-csr>

Please answer the questionnaire

Thank you very much for reading CSR Report 2014. We would like to learn your opinion and impression of the report for our future approaches.

Please send your response to the questionnaire printed
on the reverse side by Fax.

FAX : 0798-41-5680

Thank you beforehand for your response.

You can also answer the questionnaire via
<http://www.revacs.com/biz/web/download/#jq-csr>

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