ENVIPRO
Envipro Holdings Inc.

Sustainability Report 2019

Your Partner in Circular Economy

Fundamental support for the social system of resource circulation

ENVIPRO HOLDINGS Inc., a leading resource recycling company listed on the First section of the Tokyo Stock Exchange, is engaged in a Resource Circulation Business (reuse, recycling, and remanufacturing segments) across supply chains in the venous industry (recycling industry), involved in the processing and distribution of ferrous and nonferrous metals, and plastic resources as well as waste management. Having successfully developed the technology to accurately sort and concentrate materials during the crushing and sorting process, we are engaged in resource circulation globally by recycling and manufacturing recycled raw materials.
We promote global resource circulation, focusing on ferrous and nonferrous metal scrap and used cars, through our business sites in Asia, Europe, the Middle East, Africa and Latin America in addition to our multiple domestic sites.

■ Consolidated subsidiaries (including overseas companies)

12 companies

■ Domestic yards

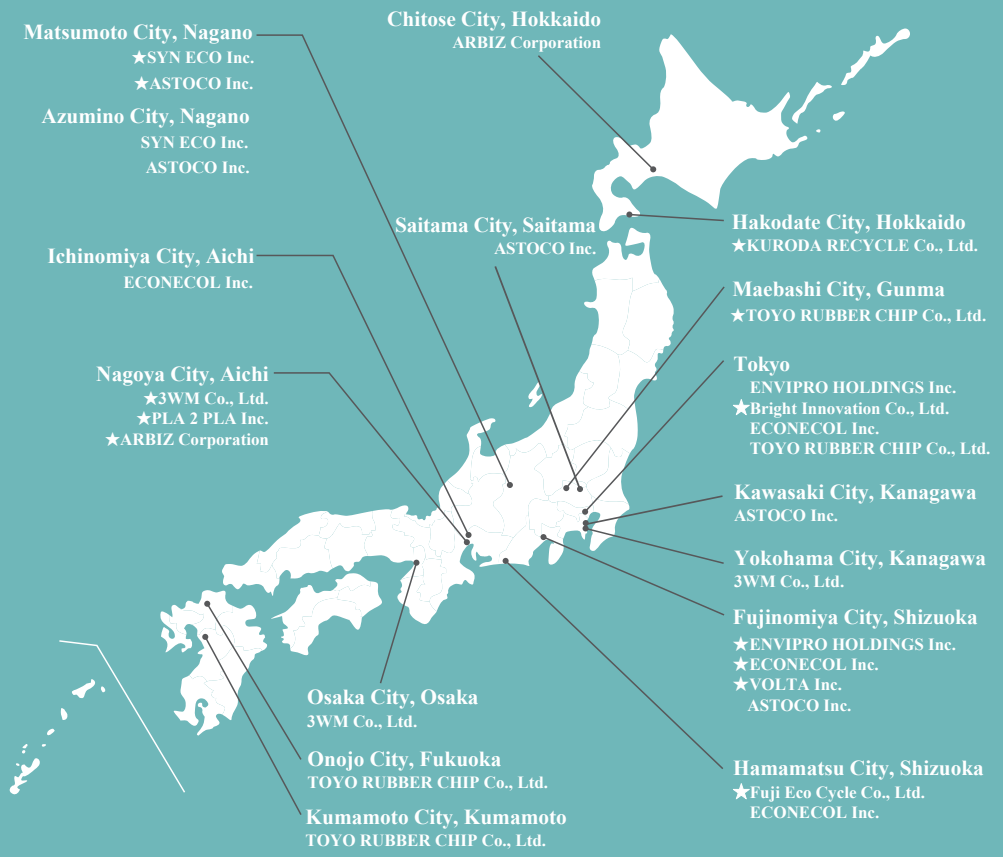
12 yards

■ Domestic processing sites

10 sites

Domestic sites

Head office＝★



Shipping ports

Locations	Yards
Hakodate Port, Hokkaido	Ferrous scrapyard
Naoetsu Port, Niigata	Ferrous scrapyard
Funabashi Port, Chiba	Ferrous scrapyard, Nonferrous scrapyard
Sakura City, Chiba	Used car yard
Kawasaki Port, Kanagawa	Ferrous scrapyard, Nonferrous scrapyard
Yokohama Port, Kanagawa	Used car yard

Locations	Yards
Tagonoura Port, Shizuoka	Ferrous scrapyard
Shimizu Port, Shizuoka	Ferrous scrapyard, Nonferrous scrapyard
Tobishima New Port, Aichi	Used car yard
Nagoya Port, Aichi	Ferrous scrapyard
Minami Port, Osaka	Nonferrous scrapyard
Amagasaki Port, Hyogo	Ferrous scrapyard

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Editorial Policy

This sustainability report is issued by ENVIPRO HOLDINGS Inc. The report describes the corporate philosophy of our group and our overall activities in non-financial areas including business strategies, environmental performance, and corporate governance. Some business prospects including our future plan are also presented here.

Scope of report

The report presents the activities of ENVIPRO HOLDINGS Inc. and the following nine subsidiary companies: ECONECOL Inc., 3WM Co., Ltd., KURODA RECYCLE Co., Ltd., SYN ECO Inc., ASTOCO Inc., TOYO RUBBER CHIP Co., Ltd., VOLTA Inc., Bright Innovation Co., Ltd., and PLA 2 PLA Inc.

Reporting period

July 2018 - June 2019
(The report includes some activities and plans beyond the period specified above)

Overseas sites

- Sales sites for recycled resources
- Business sites for used cars
- Business sites for biomass fuel



Sales by region

57% Asia

*57% of recycled resources are sold in the Asia region.

35% Japan

4% Latin America

3% North America

1% Africa


ECONECOL Europe Representative Office


ECONECOL Ho Chi Minh Representative Office


Mine Biomass Synergies PKS stockyard (Malaysia)



3WM Chile Import Export Limitada

Company profile

Subsidiary Companies

ECONECOL Inc.

Since being established in Fujinomiya City, Shizuoka in 1950, the company has been globally engaged in a recycling business that primarily deals with metal scrap, a processing and sales business that deals with recycled materials including minor metals, plastics and biomass, and a trading business that contributes to the global circulation of recycled resources.

3507-19 Yamamiya, Fujinomiya-shi, Shizuoka, 418-0111
TEL: +81-544-58-5800
FAX: +81-544-58-5807

3WM Co., Ltd.

The company globally supplies high-quality Japanese used cars and maintenance parts through its overseas sites in UAE, Chile and others. It also globally promotes the reuse of used cars/maintenance parts through its international transactions of used maintenance parts.

Chikko bldg. 2F, 2-3-5 Hama, Minato-ku, Nagoya-shi, Aichi, 455-0036
TEL: +81-52-659-5200
FAX: +81-52-659-5208

KURODA RECYCLE Co., Ltd.

Since being established in 1922, the company has been engaged in a community-based recycling business in Southern Hokkaido, centering on Hakodate City. It pursues the policy of the founder which is to "value anything at hand," for instance, by collecting ultrafine precious metals left in the dust.

246-27 Nishikikyo-cho, Hakodate City, Hokkaido, 041-0824
TEL: +81-138-49-8880
FAX: +81-138-49-8960

VOLTA Inc.

The company is engaged in the collection and recycling of minor metals, such as nickel and cobalt, from lithium-ion rechargeable batteries, nickel hydrogen rechargeable batteries, and other batteries, the demand for which is expected to further increase. It also undertakes the recycling of casings other than batteries.

3507-19 Yamamiya, Fujinomiya-shi, Shizuoka, 418-0111 (c/o ECONECOL Inc.) TEL: +81-544-66-3132
FAX: +81-544-66-3133

Bright Innovation Co., Ltd.

The company offers consulting services to help companies formulate their own environmental strategies, CO2 emission reduction strategies and others, which are becoming increasingly important to their operation and management. It also proposes solutions such as the implementation of renewable energy.

SHINKAWA EAST 2F, 1-23-5 Shinkawa, Chuo-ku, Tokyo, 104-0033
TEL: +81-3-6280-3936
FAX: +81-3-6280-3937

PLA 2 PLA Inc.

The company is a recycled raw material manufacturer that was established through cooperation between a recycling company and a compounding company. Collecting disposable plastics, it produces pellets (recycled raw materials) that are used for making new plastic products.

14-24 Showa-cho, Minato-ku, Nagoya-shi, Aichi, 455-0026
TEL: +81-52-626-5100
FAX: +81-52-626-5103

SYN ECO Inc.

The company is engaged in a community-based recycling business such as "Mottainai BOX" and "Comfortable Life Support" in Matsumoto City, Azumino City, and their environs in Nagano. In 2018 it was awarded a commendation by the governor of Nagano as a distinguished company in the employment of persons with disabilities.

2346 Shimadachi, Matsumoto-shi, Nagano, 390-0852
TEL: +81-263-47-3211
FAX: +81-263-47-3213

ASTOCO Inc.

The company helps persons with disabilities find a suitable job and become a self-supporting member of the public, by training them on how to sustain their livelihood and integrate themselves into society, in addition to the job training on relevant knowledge and skills.

2346 Shimadachi, Matsumoto-shi, Nagano, 390-0852
TEL: +81-263-31-3440
FAX: +81-263-48-3067

TOYO RUBBER CHIP Co., Ltd.

The company is a pioneer in rubber-recycling, making effective use of industrial rubber scrap over half a century, mainly operating in Maebashi City, Gunma. It manufactures a wide range of products from the flooring for play equipment in parks and schools, and the flooring for gymnasiums, to railroad crossing panels, which all contribute to enhancing the safety of various facilities.

1573 Fukazu, Kasukawa-machi, Maebashi-shi, Gunma, 371-0215
TEL: +81-27-285-3131
FAX: +81-27-230-6008

ARBIZ Corporation

A joint venture with USS Co., Ltd., operating in and around the Chukyo region. It is engaged in a recycling business that crushes and sorts various types of waste including scrap cars, adopting a unique system for turning waste into resources.

14-24 Showa-cho, Minato-ku, Nagoya-shi, Aichi, 455-0026
TEL: +81-52-619-6600
FAX: +81-52-619-6601

Fuji Eco Cycle Co., Ltd.

A joint venture with five household appliance companies including FUJITSU GENERAL LIMITED. Pursuant to the "Home Appliance Recycling Law," it is engaged in a "Home Appliance Recycling Business" that aims to reduce waste and the disposal of environmentally hazardous materials, and to create a circular society where economic growth and environmental protection are mutually compatible.

1930-4 Nakagawa, Hosoe-cho, Kita-ku, Hamamatsu-shi, Shizuoka, 431-1304
TEL: +81-53-523-1152
FAX: +81-53-523-1153

Consolidated subsidiaries
Equity method affiliates

Company profile

Group History

History before the establishment of the company

1950	Mar.	Katsuyoshi Sano (father of Tomikazu Sano, President/CEO of ENVIPRO HOLDINGS Inc.) established SANO MARUKA SHOTEN.
1978	Jul.	Reorganized into SANO MARUKA SHOTEN Co., Ltd. with capital of 20 million yen.
1992	Aug.	Launched a trading business.
	Oct.	Installed a large shredding machine in the factory at head office.
2000	Apr.	Established Fuji Eco Cycle Co., Ltd. as a joint venture with FUJITSU GENERAL LIMITED.
	Jul.	Renamed the company from SANO MARUKA SHOTEN Co., Ltd. to SANO MARUKA Co., Ltd.
2001	Jul.	Launched a plastic recycling business.
	Aug.	Established an RPF factory (Refuse Paper and Plastic Fuel production factory).
2003	Dec.	Established ARBIZ Corporation as a joint venture.
2004	Nov.	Authorized by the Minister as a resource recovery plant for automobile shredder residue pursuant to the Act on Recycling, etc. of End-of-Life Vehicles.
2006	Jul.	Established 3WM Co., Ltd.
2007	Jul.	Renamed the company from SANO MARUKA Co., Ltd. to ECONECOL Inc.
2008	Feb.	3WM Co., Ltd. established JAPAN COAST USED CARS AND SPARE PARTS TRADING (UAE).
	Jun.	Acquired a 100% stake in KURODA RECYCLE Co., Ltd., making it a subsidiary.
	Jun.	3WM Co., Ltd. established 3WM CHILE IMPORT EXPORT LIMITADA (Chile).





History after the establishment of the company

2010	May.	To transition into a pure holding company, established ECONECOL HOLDINGS Inc. (Present ENVIPRO HOLDINGS Inc.) in Fujinomiya City, Shizuoka.
	Jul.	Renamed the company from ECONECOL HOLDINGS Inc. to ENVIPRO HOLDINGS Inc.
2011	Apr.	Acquired a 100% stake in Recycle Support Service LLC. (Present SYN ECO Inc.), making it a subsidiary.
2012	May.	3WM Co., Ltd. established 3WM UGANDA LIMITED (Uganda).
2013	Sep.	Listed on the Second Section of the Tokyo Stock Exchange.
	Dec.	Established ECOMMIT Inc.(present ASTOCO Inc.).
2015	Feb.	ECONECOL Inc. established a Ho Chi Minh Representative Office (Vietnam).
	Dec.	Acquired a 100% stake in TOYO RUBBER CHIP Co., Ltd., making it a subsidiary.
2016	Apr.	Established Bright Innovation Co., Ltd.
2017	Apr.	Invested in MINE BIOMASS SYNERGIES PRIVATED LIMITED (Singapore) for the stable procurement of wood biomass fuel.
	Jul.	Established PLA 2 PLA Inc. as a joint venture.
	Sep.	Transitioned to a company with an audit and supervisory committee.
2018	Jan.	Established VOLTA Inc.
	Jun.	Listed on the First Section of the Tokyo Stock Exchange. The first company listed on the Tokyo Stock Exchange in the industry * The Second Section of the TSE in 2013 and the First Section of TSE in 2018



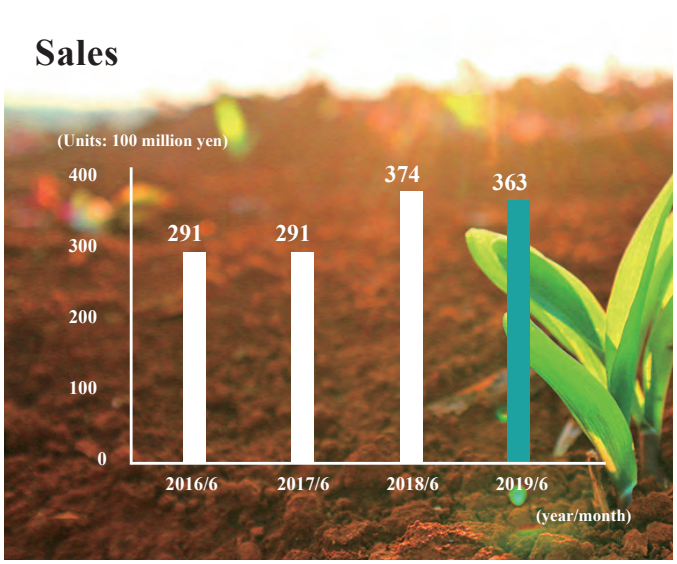
Company Profile

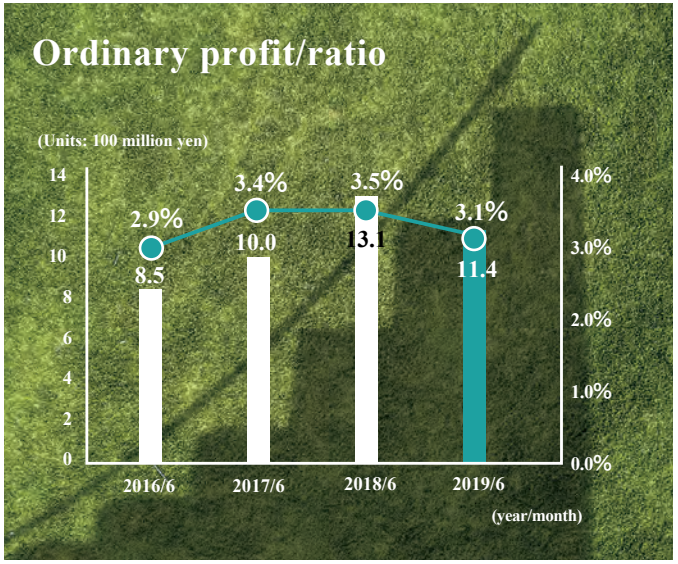
Company Name	ENVIPRO HOLDINGS Inc.
Address	●Head Office 87-1 Tanaka-cho, Fujinomiya-shi, Shizuoka, 418-0075, JAPAN TEL: +81-544-21-3160 FAX: +81-544-21-3163 ●Tokyo Office SHINKAWA EAST 2F, 1-23-5 Shinkawa, Chuo-ku, Tokyo, 104-0033, JAPAN TEL: +81-3-6280-3938 FAX: +81-3-6280-3937
Representative Director	Tomikazu Sano
Established	May 21, 2010
Capital	1,524,830,656 yen
Business	Management and operation of affiliated subsidiary companies and associated works
Group Companies	Twelve consolidated subsidiaries (including second-generation subsidiaries), two equity method affiliates



Company profile

Outlook (actual performance in the period that ended June 2019)













Top Message : Corporate Philosophy

We will exert group-wide efforts to "*contribute to create a sustainable society*."



Corporate Philosophy

Creative Company

Engage in the ongoing creation of businesses that society needs

-Engage in everyday work in the spirit with which the company was established
-Create new businesses in the spirit of the founder for generations to come
-Every employee to exert efforts to become the leading player of a business that suits them

Circular Company

Help others, get the best out of others, and share with others to make a constant loop of joy

-Help each other and lend a hand to others to make your work more pleasant
-Use every material repeatedly, preserving their value for as long as possible
-Share the profit and joy with the people you live with

Company pursuing virtue

Pursue the virtue of companies and people, in perpetuity

-Don't choose the easy path but choose the path which serves others
-Do what others don't do by taking advantage of your distinctive qualities
-Be grateful for your life and don't be arrogant

Supervised by Mr. Yoshiharu Shimizu, Mirai Design Research Institute Enishiya
Effective March 20, 2004

Destructive innovation requires every industry to redefine itself, and our company is no exception. To properly respond to this development, we are required not only to have broader views but also to take focused action. Effectively taking advantage of this ambivalence, we are committed to creating a unique business field of our own that cannot be categorized into any existing industry.
As a guiding principle of this commitment, we developed the "Sustainability Strategy" last year. We will support the foundation of social infrastructure by developing technologies which utilize/circulate resources and energy in a sustainable manner, and building a circular system, thereby enhancing the sustainability of society. By espousing our mission, which is to "contribute to create a sustainable society," we are fully committed to synchronize our growth with the progress made toward a sustainable society, thereby justifying our reason to exist in society. In other words, we will be recognized in society as an "essential company" and create a positive loop whereby our economic value increases as our value in society increases. This is our basic principle set out in the sustainability strategy.
On the other hand, to prepare for unforeseeable changes, we must train our employees and also recruit new employees, as well as having a solid business foundation substantiated by appropriate governance. In addition, our growth foundation must be further strengthened by improving productivity and developing new technologies, new markets, etc. On top of this, we will nurture a corporate culture in which all employees take actions that are consistent with the corporate philosophy, the mission, strategies, key policies, and implementation plans on a daily basis, with both individuals and the organization growing together through our daily activities. The benefits created through this process will help build more alliances and more partnerships. By bringing these together, we will grow into a stronger organization that is full of positive energy.

Go forward with a unified team.

佐野富和

Tomikazu Sano
President, Representative Director
ENVIPRO HOLDINGS Inc.

Sustainability Strategy

Sustainability Strategy to overcome non-continuous changes and to sustain business growth



Sustainability Strategy

(Five-year strategy for the period from FY2018 to FY2022)

Goal

To achieve concurrent sustainability of society and our company

Key policies

Greatly enhance the company's credibility in society

Effectively demonstrate the HOLDINGS' leadership within the group to improve corporate governance and promote the brand

Greatly enhance efficiency in the use of operational resources

Consolidate businesses in line with the Sustainability Strategy for the efficient use of operational resources

Greatly enhance productivity

Greatly enhance productivity by making use of new technologies and experience

Mission Statement

The ENVIPRO Group espouses the mission statement, which is to "contribute to create a sustainable society." The mission statement demonstrates how our group will contribute to society through our businesses, which is our purpose for existing. It indicates the general, unchanging direction for our group to follow, no matter how the times and social environment change. This is also a message to those people who feel empathy with this statement to "work together to this end."

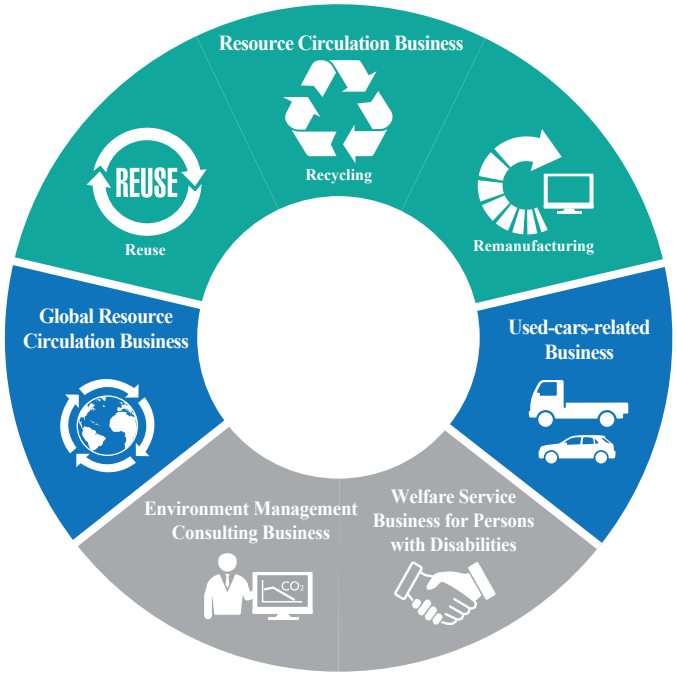
Sustainability Strategy

To ensure the achievement of the mission above, our group has developed the Five-year Sustainability Strategy (FY2018 - FY2022). By focusing on businesses that address unsustainable conditions in society, we will promote the sustainability of both society and our company.
Based on the corporate philosophy, we will restructure and establish a set of systematized mechanisms, ranging from the mission and the strategies to the implementation plans over years. Linking the Sustainability Strategy with the implementation plans developed by our group companies through the steady operation of the new mechanisms, we will enhance the implementation levels, thereby achieving our mission.

Sustainability Strategy

Verification of business segments to facilitate prompt management decision-making

In the past, our business reports described all activities under the single segment that was the “Resource Recycling Business.” However, in order to develop implementation strategies by segment and facilitate prompt management decision-making in response to the drastically changing economic environment, we have developed multiple segments since June 2019: “Resource Circulation Business,” “Global Resource Circulation Business,” “Used-cars-related Business,” and “Others” that includes “Environment Management Consulting Business” and “Welfare Service Business for Persons with Disabilities”.



Business segment		Description	Company
Resource Circulation	Reuse	Promoting the distribution of used products and maintenance parts without modifying their functionality or value.	Processing department, ECONECOL Inc. KURODA RECYCLE Co., Ltd. SYN ECO Inc. TOYO RUBBER CHIP Co., Ltd. PLA 2 PLA Inc. VOLTA Inc.
	Recycling (Resource recovery)	Promoting recycling by developing highly advanced technologies that can shred metal scrap and waste, and physically sort them by material type based on their different properties.	
	Remanufacturing	Manufacturing recycled raw materials and articles out of waste and scrap by taking the advancement of recycling technologies to the next level.	Equity method affiliates ARBIZ Corporation Fuji Eco Cycle Co., Ltd.
Global Resource Circulation		Promoting optimal global resource circulation through the import/export and trilateral trading of a wide range of resources including metals, plastic scrap, and biomass fuel.	Foreign trade department, ECONECOL Inc.
Used-cars-related		Stocking high-quality Japanese used cars/heavy machinery and used car maintenance parts such as engines, and exporting them overseas as well as trilateral trading.	3WM Co., Ltd. (Including the three overseas subsidiaries)
Others		Offering consulting services specialized in environmental management, including the provision of support for companies to develop their own environmental strategy and CO_2 emission reduction plan. Further, undertaking the business to help persons with disabilities secure employment by offering on-the-job training to enhance their skills.	Bright Innovation Co., Ltd. ASTOCO Inc.

Sustainability Strategy

Identifying material issues for the realization of sustainable development

In modern times, a wide variety of issues have surfaced which put the sustainability of society at risk, such as the impacts of climate change, anticipated shortages of material resources, the declining birthrate and the aging population. We believe that businesses can play a crucial role in addressing these issues, which will in turn provide them with larger markets and more business opportunities.

In view of our mission statement, which is to "contribute to create a sustainable society," we examined the strengths of our group and the impact of these issues on business, in addition to requests from society to address such issues and our purpose for existing. We subsequently identified "material resources" and "energy resources" as two material issues to the company.

By explicitly designating the business strategy concerning these material issues as the Sustainability Strategy, we will firmly promote the implementation of any relevant activities.

Process to identify material issues

Step 1

Identifying business risks/opportunities in society

We verified the business and social environments of the company by identifying the issues and risks both inside and outside of Japan that create unsustainable conditions, the directions that society should follow to realize a sustainable society, and any associated business opportunities.

Step 2

Examining issues from the three points of view

To identify material issues to our company, we examined the identified business risks and opportunities against the three elements that specify material issues: "impact on business," "strength of our group," and "effects on society."

Step 3

Identifying material issues

After identifying "material resources" and "energy resources" as our two material issues, we used them to verify the direction of our company and developed the Sustainability Strategy by applying a backcasting approach.

Unsustainable conditions

- Increasing impacts of climate change
- Material resource limitations
- Limitations of fossil fuel consumption
- Losing the spirit of generosity
- Increasing adverse effects of short-term investment
- Development of Asian countries and their limitations
- Decline of developed countries
- Difficulties in sustaining social infrastructure
- Increasing number of countries with an aging population

Exploring sustainability

- Expansion of resource circulation
- Expansion of clean energy
- Development of a service industry that pursues people's happiness
- Development of an economy that promotes local consumption of locally produced products
- Privatization of public infrastructure
- Accelerating electrification, automation, and networking
- Expansion of ESG investment
- Growth in China/Asia

Elements to identify material issues

1. Impact on business
2. Strength of our group
3. Effects on society

Material Resources

- Depletion of minor metals/ Shortage of mineral resources
- Reduction of waste/scrap (increasing in Japan and the whole of Asia)

Energy Resources

- Climate change/ Decarbonized society
- Increasing demand for renewable energy
- Energy demand (Asia)
- Development of an economy that promotes local consumption of locally produced products (Energy, resources)



Sustainability Strategy

Various activities for the achievement of Sustainable Development Goals (SDGs)

The ENVIPRO Group has specified some SDGs that are particularly relevant to the business and our mission statement, which is to "contribute to create a sustainable society," and has been implementing various activities which contribute to the achievement of SDGs, particularly focusing on those specified above.

What are the Sustainable Development Goals (SDGs)?

The Sustainable Development Goals are a collection of international development goals to be achieved between 2016 and 2030, which was adopted by the UN Summit held in September 2015. They consist of 17 goals and 169 targets to realize a sustainable world and pledge to leave no one behind.



Goal 1: Poverty

- With the improvement of the efficiency and the profitability of our business, including those of the Resource Circulation Business, we will increase the income of the employees and improve their quality of life.

Goal 3: Health

- We prevent water and soil pollution and contamination by properly managing scrap materials at our plants which comply with safety and environmental standards.

Goals 4 and 10: Education/Equality

- Under government sponsored programs such as the pre-employment transition support program and the type B continuous employment support program, we provide an environment where persons with disabilities are able to acquire knowledge and skills, and support them to be continuously engaged in rewarding work.

Goals 5 and 8: Gender/Working Environment

- We have created an environment where employees can choose a working style that fits them best, by introducing various systems including those for permanent employees with shorter working hours and telecommuters in order to meet the different needs of employees including female employees with small children.
- We thoroughly implement measures to prevent work accidents in order to ensure the safety of employees.

Goal 7: Energy

- We joined "RE100*1" in July 2018, setting a goal to match 100% of the electricity consumed in our business activities with electricity generated from renewable sources by 2050. We have adopted renewable energy to power our factories, and promote the introduction of renewable-energy power systems such as the installation of solar panels on factory roofs.
- We promote international transactions of PKS (Palm Kernel Shell) by establishing container yards in South East Asia. We will contribute to increasing the supply of sustainable biomass fuel by expanding our involvement in the supply of wood pellets in the future.

*1: RE100: a global initiative which brings together companies committed to using 100% renewable energy for the electricity consumed in their businesses.

Goals 9 and 12: Technology Innovation/Consumption and Production

- We contribute to the circulation of limited resources and reducing waste by engaging in the recycling business to collect precious metals from metal scrap and waste, and the remanufacturing business to produce recycled raw materials. Moreover, we aim to establish a sustainable consumption and production mechanism by further developing the technologies and experience that we have nurtured over the years. To this end, in 2018 we established a new laboratory in ENVIPRO HOLDINGS Inc.

Goal 11: Community Development

- "Syn Eco Plaza Azumino" contributes to revitalizing the local community and the development of a sustainable community through recycling and creating employment: the collection and recycling of waste and items disposed by households, and the hiring of persons with disabilities at the factory.

Goal 13: Climate Change

- We contribute to the reduction of CO_2 emissions across supply chains through our engagement in the recycling and remanufacturing businesses, the mainstay of our company. Furthermore, we promote CO_2 emission reductions in the recycling and manufacturing processes by promoting the purchase of electricity generated from renewable sources and adopting a renewable-energy power system.
- We help companies reduce CO_2 emissions by providing consulting services for them to formulate their decarbonization strategies as well as solution services such as the adoption of renewable energy.
- We endorsed the "TCDF (Task Force on Climate-related Financial Disclosures) recommendations" in May 2019. We will analyze the risks and opportunities of climate change on our businesses and integrate them into our business strategies.

Goal 14: Marine Resources

- We contribute to preventing marine pollution caused by plastics by developing technologies which sort waste plastics and recycle them into pellets, and expanding the range of recycled raw material use.

Goal 17: Partnerships

- We contribute to promoting global resource circulation and the control of environmental pollution through the export of reusable products, including used cars from Japan and international transactions of resources.
- By joining the following initiatives, we acknowledge our engagement in environmental businesses and promote activities which will lead to the realization of a sustainable society.
  - Japan Climate Leaders' Partnership (JCLP)
  - RE100
  - CDP*2 Scoring partner

*2 CDP: Global initiative concerning the disclosure of climate change-related information.

Sustainability Strategy

Sustainability Strategy Highlights

Lithium-ion Battery Recycling Plant operations

Operations at a recycling plant for lithium-ion batteries started in September 2018. It promotes the collection of minor metals (cobalt, nickel, etc.) from batteries. →P.17



Launching of High-Filling High-Speed Melting Business

In June 2019, we introduced a new technology to mix and fuse materials together that an ordinary kneader finds difficult to mix. In collaboration with the manufacturers of basic materials and others, we are engaged in developing various uses for recycled materials. →P.21



Obtained a patent for a technology related to the collection of precious metals from waste incineration ash

In May 2019, we obtained a patent for a technology to collect precious metals from waste incineration ash discharged by general waste disposal facilities. As of June 2019, we concluded agreements with three municipalities for the purchase of riddling ash. In FY2018, 22.7 kg of gold and 162.5 kg of silver were collected from waste incineration ash. →P.16



Opening of Syn Eco Plaza Azumino

Syn Eco Plaza Azumino, a recycling center for regional circular and ecological economy through recycling, was opened in April 2019 with the aim of helping to address social issues in the community through recycling and employment creation. →P.19



Mottainai BOX Approved by the “Regulatory Sandbox Framework”

Approved by the Regulatory Sandbox Framework, we installed the “Mottainai BOX” in 13 municipalities across the northern part of Nagano in April 2019. Using IoT to manage the collection boxes installed across a wide area, we promote the efficient collection of material resources and the improvement of recycling rates. →P.20



TOYO RUBBER CHIP Co., Ltd. has become an “RE100 Factory”

In May 2019, TOYO RUBBER CHIP Co., Ltd. successfully achieved 100% of the electricity consumed by the factory with renewable energy, becoming an “RE100 factory.” Priority will be given in receiving electricity from the Komiya Solar Power Plant owned by a group company. →P.22



RE 100

New laboratory established under ENVIPRO HOLDINGS, Inc.

The laboratory was established in order to develop core technologies through the assessment of recycling technologies, analysis of recycled raw materials, accumulation of data, and acquisition of technical know-how. →P.33



Procurement of the retired dedicated aircrafts of Japanese government

In May 2019, we concluded the purchase and sale agreement for two retired dedicated aircrafts of Japanese government (B747-400), after winning a tender invited by the Air Self-Defense Force. They were handed over at the end of June in the same year. We sold used parts to buyers as resources to be recycled. →P.25



Sustainability Strategy

Circular Economy and Our Group Businesses

What is the Circular Economy?

In recent years, the circular economy concept has been gaining considerable attention. This is an alternative economic system to the linear economy which is characterized by mass-production, mass-consumption, and mass-disposal, and the one-way flow of materials. The circular economy is aimed to reduce wastes and instead use them circularly as resources.
It is intended to address environmental issues while achieving economic growth by creating the maximum added value with the minimum investment. This concept is totally consistent with the goal of our Sustainability Strategy, "to achieve concurrent sustainability of society and our company."

Risks and Opportunities

The circular economy is expected to change economic models from the simple selling of products to the sharing of products, and the selling of experiences and functions. Furthermore, the flow of wastes and resources will be potentially adjusted in accordance with whoever owns the products.
Moreover, if manufacturers start getting involved in the procurement of necessary resources or recycled raw materials, the boundary between arterial (product supplying) and venous (recycling) industries may disappear, potentially leading to new competition among industries. This could pose business risks for our group.
On the other hand, there are also various potential business opportunities such as the expansion of recycled raw material use and markets, and the emergence of new business models through the development of IoT in the venous industry. Our group needs to decide on our positions where we can take the maximum advantage of our strengths.

Circular Engine of the Circular Economy

The circular economy aims to provide another value for materials that were once discarded. Our group's Resource Circulation Business offers social value to consumers by giving them the opportunity to choose eco-friendly products. It creates new resource value for disused primary materials. Therefore, our group believes that we can play a crucial role in the circular economy, performing the function of an engine for resource circulation.

Focusing on the reuse, recycling and remanufacturing of materials, we will promote the finest technologies for resource circulation across supply chains, and the development of arterial-venous collaboration systems through partnerships with manufacturers. Through these engagements, we will grow into a company that is truly appreciated in a society which is experiencing a transition to the circular economy.

Roles of Our Businesses in the Circular Economy

