

SUSTAINABILITY REPORT 2018





President and Chief Executive Officer
GOOD Holdings Corporation

K. Akazawa

We strive to understand both the needs of client and their responsibilities so that we can offer them a solution beyond their expectation. (Grasp, Respond and Surpass) That is our mission.

We aim to change the environmental business in Japan by solving the social issues that contemporary society faces.

Good Holdings group started its business as a waste treatment company to solve the garbage-related problems Japan faced at the time of its spectacular economic growth. Since then, over 60 years, we have widened and developed our business to solve the various social issues, such as, recycle, reuse, cleaning and Okatazuke service.

Our corporate message, 'Grasp, Respond, and Surpass', represents our stance to rapidly grasp the social or the local problems, to respond them in the form of business, and to surpass the customers' expectation through the effect of all parts of the group working together. This corporate message has been the focus of our business development from the very beginning.

In 2015, we changed to holdings company system under the name of Good Holdings Group that owns five companies, namely, REVACS Corporation, Relief Corporation, Daikyo Clean Corporation, Daiei Corporation and Daikyo Corporation.

During the three years since 2015, all the group companies concentrated on the reinforcement of the existing business infrastructure by setting themselves on a better business track. 2017 was a year in which to review completed business to prepare for future expansion and to identify existing problems for remediation. As a result, we have made our business infrastructure strong enough to be able to decide the subsequent direction of business.

It is our intention to create a new business model by an innovative approach to the environment. We believe this is possible because we have worked, as our mission, to solve the existing problems of customers and of society based on our distinctive business experience.

We declare again that our business group will have a sustainable growth not only in the field of waste treatment but also in the new business development thanks to the effect of our existing business.



We seek a sustainable way of growth of both society and business with a global perspective

Good Holdings Group upholds its philosophy and mission of Goho-Yoshi (Good for all five sides). They were amended from the conventional motto of Ohmi merchant Sanpo-yoshi (good for all three sides), which reads 'good for the seller', 'good for the customer' and 'good for the society'. We added 'good for the employee' and 'good for future generations' to make all employees and relevant people in the group feel their growth and abundance, and to call for the awareness to build a sustainable society. We realize that we have social responsibilities and we believe that business and society must be hand in hand.

Future generations will be required to strengthen structure of the business and understand the need of society in creating a new business. It is also important for us to recruit and educate suitable people. Now we are trying to combine the growth of the company with the development and job satisfaction of the individual.

We think we must create the new company structure so that everyone is working in the same direction in this developed society where people often ask themselves 'why and for what do we work?' Then, in 2017, we started to reinforce the governance and introduce a new personnel system.

In the UN Sustainable Development Summit held in 2015, energy problem and environmental problem are among the sustainable development goals (SDGs).

Our group has a 3R business segment 'Reduce', 'Reuse' and 'Recycle'. We are trying to contribute towards the sustainable society. As members of global community, we would like to share this direction and way of thinking with our stakeholders.

All the workers in the group desire to work closely relation with society and contribute to global environmental issue and education, by reflecting what we have done and what we will do in the future.

We have already expanded our business in ASEAN countries, and from now on, we will try to expand further with our overseas partners to achieve sustainability on a global basis. Yes, our group will move actively in the whole of Japan and in more countries overseas.

To solve social problems through the business footsteps and transition of our business

History of Good Holdings Group

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2006 Renovated crushing facility

2007 Started Biomass fuel business

2008 Completed reverse management center

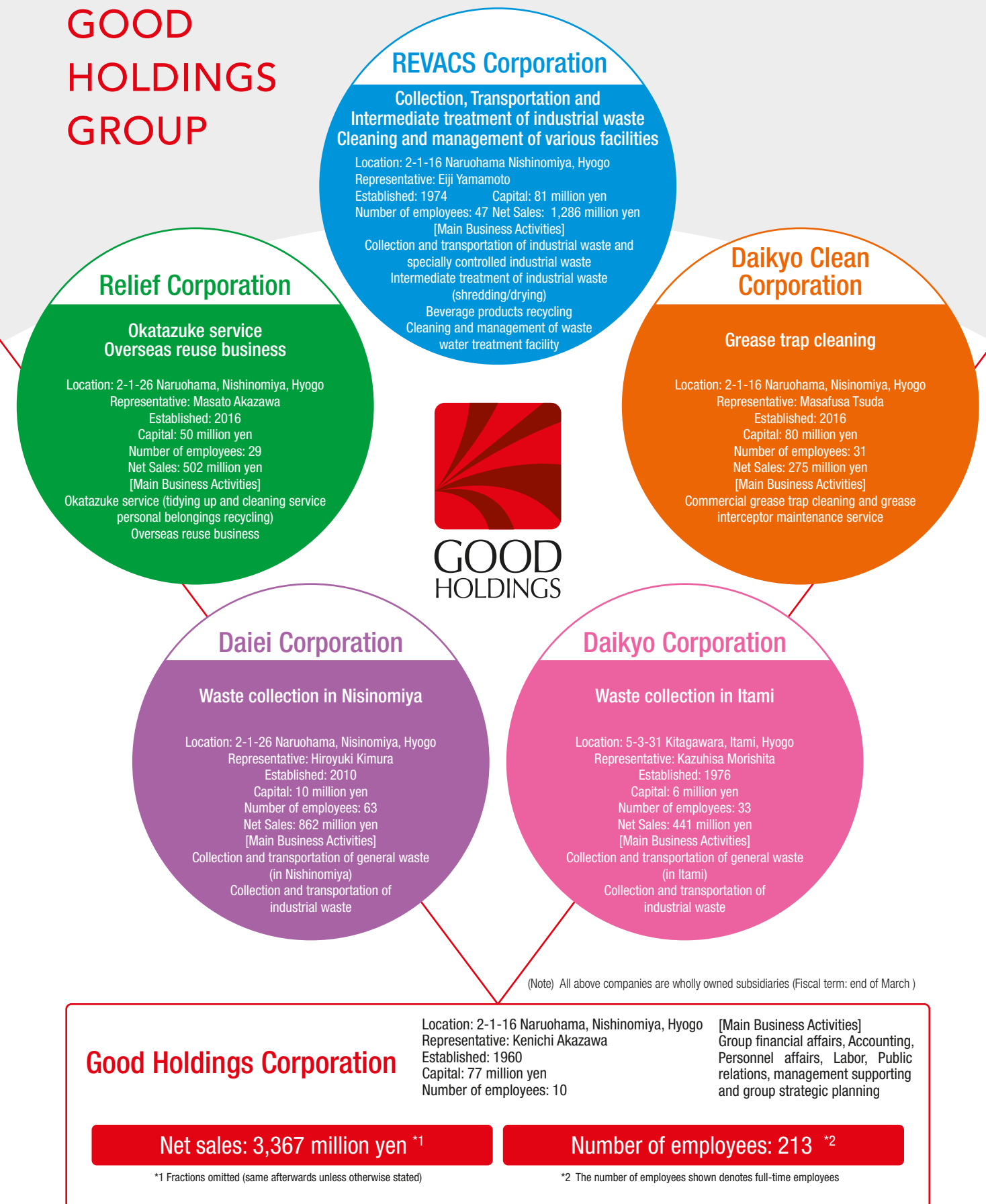
2010 Started Grease trap cleansing business

2011 Started Okatazuke service (tidying up and cleaning service personal belongings recycling)

2013 Started Overseas reuse business

2014 Started swell business

2014 Installation of biomass boiler

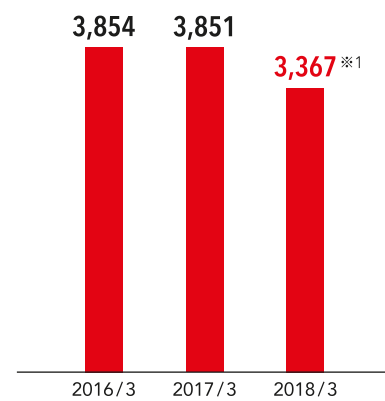


Financial information・Non-financial information

Financial information (Unit: million yen)

Consolidated net sales

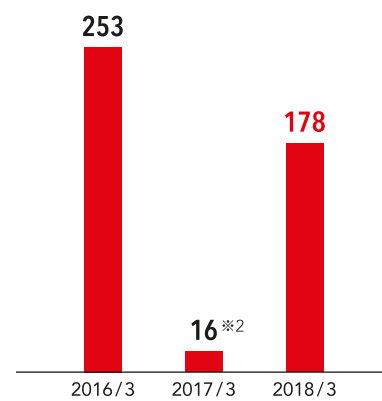
3,367 million yen



^{*1} Applying the accounting standard for revenue recognition to a part of sales, we calculated the sales amount by deducting sales expense from the total amount of sales. A decreased amount due to account method was 894 million yen

Consolidated ordinary income

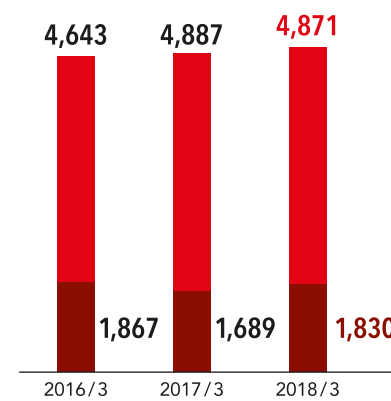
178 million yen



^{*2} Accordingly to the change in the policy of accounting method, we earmarked impairment expenses and various reserve allowances

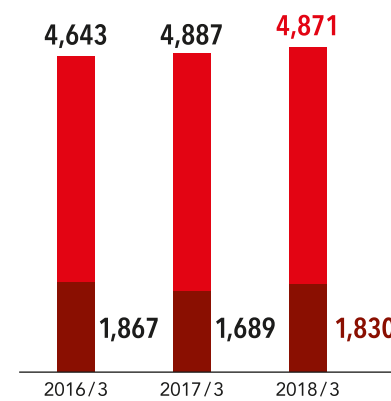
Total assets

4,871 million yen



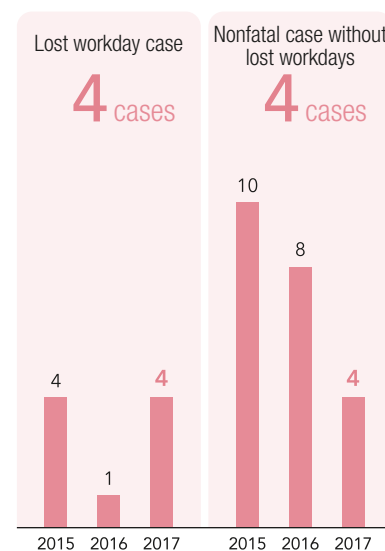
Net assets

1,830 million yen

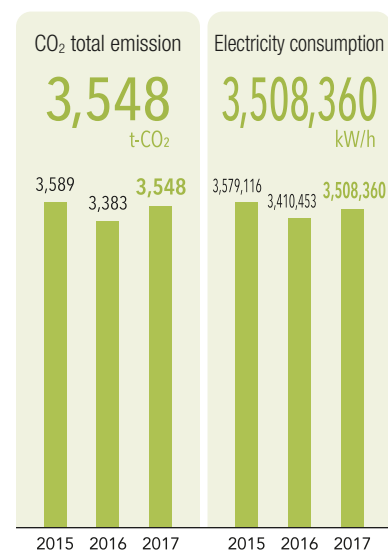


Non-financial information

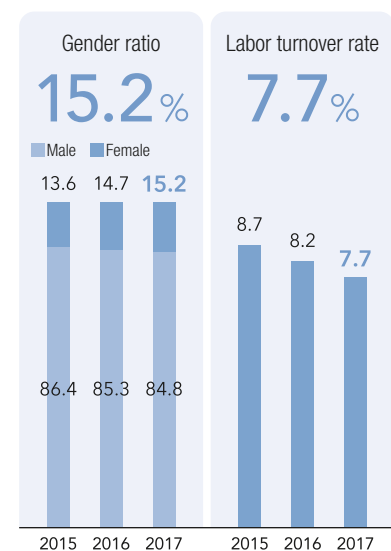
Safety



Environment



Working environment



GOOD HOLDINGS GROUP Topics of 2017

21st Environmental Communication Awards Excellence award

Our Good Holdings group sustainability report 2017 was awarded the excellence award in the environmental report section in the 21st Environmental Communication Awards (hosted by Foundation of earth, human being environmental forum, Ministry of Environment).



Home page renewal

We made whole renewal on our group corporate website. To have our group's activities known to more clients, new webpages were made easier to see even with the smart devices.



Sailing Team

On July 8 – 9, Kansai Business Group Yacht Championship was held at Shin-Nishinomiya Yacht Harbor, where Good Holdings sailing team achieved 3rd straight win.

2017 Held Children's agriculture program (Kodomo Nogyo Juku)

- 1st event Opening ceremony, nursery planting of corn, harvest of onion and rice transplanting
- 2nd event Observation of rice field, harvest of greenpepper and corn, river creature spotting
- 3rd event Harvest of rice and summer vegetables, sowing of radish, team work
- 4th event Harvest of sweet potato, outdoor cooking
- 5th event Harvest of winter vegetables, team work, making ornament rope (shimenawa), closing ceremony

Appearance in media (Daiei Sakura Team)

- TV Kansai: Youi Don ! (Living national treasure san)
- TV Mainichi: Chichin-puipui (Tsuji ken, Koredake news !)



History of award winning

- 2016 20th Environmental Communication Awards, Environmental Report section, Excellence award.
Environment Human Resource Development Award 2016, Large enterprise section, Excellence award.
Senior Business Contest 2016, Most excellent business plan award
Hyogo Prefecture Sports Association Award, Excellent player award (international race). Sailing team.
- 2015 19th Environmental Communication Awards, Environmental Report section, Excellence award
2015 Award for Companies Promoting Experience-based Learning Activities for Youth, SME section, Encouragement prize.
- 2014 Environment Human Resource Development Award 2014, Encouragement prize.
18th Environmental Communication Awards, Environmental Report section, Excellence award
- 2013 17th Environmental Communication Awards, Environmental Report section, Encouragement prize.
- 2012 Nishinomiya chamber of Commerce and Industry 70th Anniversary : Special Award for Environmental Management
CSR2 Project, Compliance section, Ministry of Environment Industrial Waste Section, Section manager prize.
16th Environmental Communication Awards, Environmental report section, Encouragement prize.
- 2011 Nishinomiya excellent office honoring Award
--Nishinomiya Applied Prize--
15th Environmental Report and Sustainability Report Awards, Sustainability section, Excellence award.

This year's sustainability report was edited by 5 new graduates

REVACS Corp Ms. Ryoko Ishihara	REVACS Corp Ms. Miu Mandai	Relief Corp Mr. Kenta Uemura	Daikyo Clean Corp Ms. Hinako Homma	Daiei Corp Mr. Shoya Koyama
Participating in making of sustainability report, I learned the characters and strong points of all member companies and good cohesion of Good Holdings Group, which has been a good opportunity to think about what I should do as an employee.	Compiling the company's activities and data file in the environmental issue by myself, I have learned a lot about my company. On the other hand, I am a little excited to see my words and sentence in a book.	I have learned that we need a lot of activities and people's cooperation to complete one report. Then I am sure the good cooperation with people around is indispensable in the work. I could have a wonderful opportunity to work with the colleague in different companies.	I am honored, to be assigned to an editing staff of sustainability report as a new employee. Based on this experience, I will try to work harder and more seriously.	It has been a good opportunity to know the activities of the whole group. It was also a good chance for me to make close relationship with colleagues from different divisions during the team work.



REVACS provides services to recycle business of industrial waste or cleaning service specializing in factories and infrastructure. As to the beverage products, we achieved 100% recycling. We have also completed environmentally-friendly system to diminish CO₂ emission by installing the biomass boiler.

Installation of the biomass boiler has greatly significantly reduced CO₂ emission



TOP MESSAGE Eiji Yamamoto, President, REVACS Corporation

REVACS Corporation has aggressively strengthened capital investment, human resource cultivation and improvement of work environment to build up the recycle system to support of the society. The biomass boiler installation has made us one step forward to cope with both the recycle system and reduction of the CO₂ emission. We are going to do our best efforts on legal compliance and disclosure of information for the client aiming to be a Japan's top-class law abiding and transparent company.

Contribution to resource circulation and production of renewable energy

We achieved 100% recycling of beverage products waste

We have realized our own recycling system with two treatment plants, a shredding facility and a drying facility, and Reverse Management Center (transshipment/storage facility).

Discharged sludge, animal and plant residues from food factories or processing factories are dried and recycled as the biomass fuel. While, some part of them are used as materials of fertilizer, and they will produce agricultural products provided to consumer through food processing plant again to repeat circulation of the resources.

Beverage products that cannot be sold because of expired, breakage or label fault are collected as industrial waste, and sent to the Reverse Management Center for temporary storage and pre-treatment.

Boxes of products are unpackaged and separated into the beverage products and cardboard there. Then, they are sent to the shredding or the effluent treatment plants to achieve 100% recycling of the vessels and beverage.

REVACS boasts of Japan's largest ever 10,000 t per year's record of treatment, undertaking the scrapping of various beverage products of many companies, including top-class makers, in Japan. Food recycle law requires high rate of recycling including that of beverage. Our treatment flow could contribute to achieve the high rate recycling.

Aggressive introduction of new plants to support a better recycling system

Biomass boiler reduced the CO₂ emission significantly

Our biomass boiler uses construction waste materials as its fuel. We were able to change from city gas to carbon neutral energy fuel (biomass).

High concentration odor from the waste residue storage pit as well as odor generated from various process are deodorized by using them as incinerating air. After biomass boiler installed in 2016, it reduced the CO₂ emission by 62% annually. This system has made us step ahead as a truly environmentally friendly recycling energy maker.

Impact of installation of the biomass boiler

Before installation
(Year 2013)

Consumption of a huge volume of fossil fuel
CO₂ emission: 5,159 t-CO₂ / year

After installation
(Year 2017)

By use of the wood chip biomass boiler, we successfully reduced emission both in consumption of city gas and volume of electric power.

CO₂ emission: 1,951 t-CO₂ / year

Reverse Management Center became acceptable to larger volume of waste

Reverse Management Center is a storage facility specially dedicated to waste of beverage products, where the pre-treatment process such as unloading, unpackaging, separation and selection of beverage products are conducted.

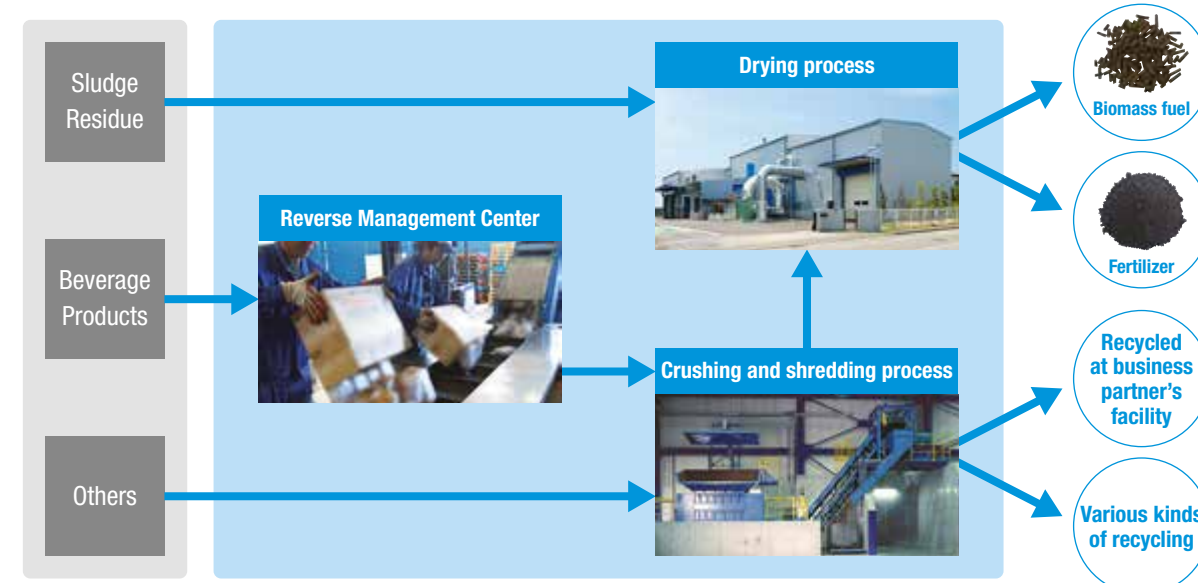
The deodorizing equipment is installed considering the effect to surrounding area. The products with brand name and trademark were kept under 24 hours security to avoid any illegal outflow. Clients can rely on safety storage of waste products.



Description of facility

Storage capacity: below 735 m³ Storage area: below 264.6 m²
Storage items: Waste plastics, waste acid, waste alkali, sludge, glass waste, concrete waste, ceramics waste, metal waste, animal and plant residue

REVACS recycle system



We would like to be a recycle company that contribute to clients and society

With the largest drying plant in Hanshin area we contribute to the reduction of transportation cost.

One of the strong points of REVACS lies in its largest recycle plant in Hanshin area capable of treating 100 t of industrial organic waste such as sludge, animal and plant residue per day.

Disposer of industrial waste in urban area must fully be aware of its influence on society, and has the responsibility to be equipped with relevant device for prevention of contaminated waste from leaking and bad odor escaping.

REVACS has achieved and maintains the urban-type facility by installation of a biomass boiler and a chemical equipment for thorough deodorization.

The urban-type treatment facility minimized the distances of waste transportation, and reduced, the risk and cost of transportation. In addition, by adopting the system to reuse the heat recovered during the treatment process, we are promoting the efficient use of energy to reduce environmental burden on the surrounding area.



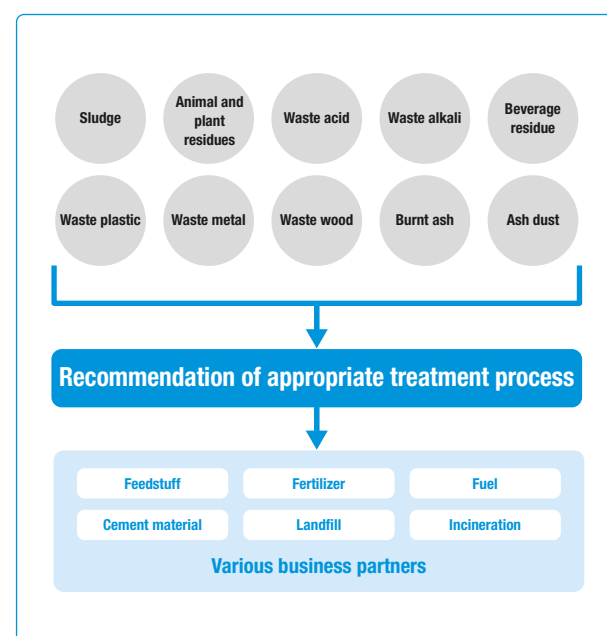
Outline of Drying Facility

Treatment process: continuous oil temperature decompression drying method (Oil fry method)
Capacity: 90.9m³ (100t / day) (24hours operation)
Items for treatment: sludge, waste oil, waste acid, waste alkali, animal and plant residue
Environmental measures: biomass boiler, chemical cleaning equipment

Responding to various recycling needs with 'One-stop' action

We have received some favorable comments to our alliance business. We propose the most appropriate methods for treatment of various wastes according to the property of the waste, expected treating cost or the safety measure based upon our long-accumulated expertise. And, we recommend the waste treatment company best suit for the client's needs. Treatable waste varies company-by-company according to the kind of wastes. At REVACS group, we have built up the system to meet various requests of clients to treat and recycle different kinds of wastes on a capability of the group by so-called 'one-stop' action.

Improving the recycling rate is not only a fulfillment of regally required duty but also a way forward to contribution to the society. We will keep supporting the society through the recycling business.



We contribute to keep better condition of factory's environmental infrastructure in using ultra-high strength vacuum cars and high-pressure cleaning cars.

We are keeping good condition of facilities by cleansing factory's drainage facility or plumbing and tanks with an ultra-high strength vacuum car and a cleaning car, that could not only reduce the risk of labor-intensive work, but also reduce environmental load on surrounding area.

'swell' business was born out of the clients' requests that they need a support in keeping their facility in good conditions beside dealing with the waste.

'swell' assists factories' efforts to reduce environmental burden with propositions that meet the purpose or the setting such as maintenance of drainage system or piping, keeping adequate water flow in the rain ditch, and preventing the occurrence of foul odor or occurrence of insects from stocking materials.

'swell' has introduced 3 of vacuum cars* of the largest sucking capacity which is rare in Japan. Thanks to these powerful vehicles we were able to reduce working hours and labor force.

By this powerful vacuum car, we can draw from 100m deep underground with a large hose pipe that allows a big lump of brick to path through. Many cases are expected to be done, which have been thought impossible to complete formerly. Further usages will be developed in the future.

'Proposal' × 'High Service Quality' × 'Compliance' makes reliable supporting system

1

Proposal

Proposal for low cost and shortening work schedule to processing plant or construction company

2

Work

Support the works hard to complete elsewhere (deep draft work, high density material), cleaning of waste water treatment equipments or pipes, side ditch by use of the ultra-high-speed vacuum car and high-pressure jet-cleaning car. Recovery the function of the equipments.

3

Customer support

Adequately treated with industrial waste collected during cleaning. Sent back the 'Control manifest for industrial waste' based on the law. Proposal of succeeding work.

TOPICS



We Held the Environmental Class at Kansai University First Junior-High School

On June 27, 2017, we held the environmental class for 250 junior-high school students with the cooperation of Coca-Cola Bottlers Japan Inc. The lecturer from Coca-Cola explained waste issue such as recycling of the containers of beverage etc., and the speaker from REVACS introduced recycling of discarded beverage. On July 13, they were invited to our recycle plant. We hope this will be a good opportunity for them to think what they can do for the environmental problems.



Disused Furniture and daily goods collected in 'Okatazuke service' are reused in our overseas reuse business. By linking those two businesses, we structure a system to 'circulate things without 'discarding' them.



TOP MESSAGE Masato Akazawa, President and representative director, Relief Corporation

Since the start of Okatazuke service in 2011, We have been striving for turning the Memento disposition service into a healthy business. At the same time, we are making contribution to the society by reusing collected items from Okatazuke service as 'Used in Japan' in the overseas countries. This circulation is not only contributing to the improvement of the quality of people's lives over the world, but the reduction of the waste in Japan. We intend to run our business activity evolving around Okatazuke service and overseas reuse business.

We started Okatazuke service aiming at soundness of our industry

By intensifying transparency of both the services and the prices, we have tried to change the business to healthy.

Okatazuke service has started in 2011 as a section of a group company, Daiei Co. Ltd. As the background of the business, the need for clearance and cleaning of municipal dwelling houses increased along with an unattended death becoming a social issue. We surveyed how people were dealing with these problems generally and figured out that there were a lot of troubled cases such as unreasonably expensive charge or lack of proper services. Then we stepped into this business with a desire to change this industry to healthy.

The first step toward solving the problems in the Memento disposition service was to build the transparent fee structure. We established a flat rate system based on the size of the room and published it as 'Standard rate of clearance service on our website. Further, we have made a coherent system where a staff takes charge

from the estimation at the beginning to completion of work without any additional cost.

As we disclose contents of the services and the standard rates in public, clients are able to compare the rates among the companies. Eventually, it is turned into the fair market where undue claims cannot be made. We have alliance with around 350 companies, including real-estate agency and funeral service company, therefore the service fees proposed by us became a de-facto standard in wider range of industry relevant to our business.

Through FC we offer nationwide service network

To address a rapidly growing demand for the Memento Disposition service promptly, we implemented FC (franchising) system in 2016. We are aiming to increase the number of franchising stores to 27 in the next three years from the current 14 stores and strength the franchisee support system by locating company directly managed stores in major business areas.

To meet the rising demand for holding seminars on Disposition in Life service, we actively carry out the educational campaign. We believe it is important to have people well acknowledged the necessity of Disposition in life and Okatazuke service.



We are promoting 'Disposition in life service' seminar in the 'ending life activity' fair etc.

Overseas reuse business to form a system of circulating goods across national boundaries

Disused goods collected in Okatazuke service are reused overseas as 'Used in Japan'.

In the beginning when we started, the goods collected in Okatazuke service/Memento disposition were simply disposed of as wastes but it became apparent that many items could be reusable, be effectively recycled and reutilized as resources. While searching for how to reuse these goods, we noticed that many goods used in Japan are popular in south-east Asia as 'Used in Japan' item.

We launched the overseas reuse business in 2013, which is an approach to deliver the disused goods from Okatazuke Service to people who reuse them in other countries. Today, we collect disused goods from not only Okatazuke service but also second hand shops and large furniture manufacturers. Those are being exported to Thailand, Philippines and over 10 other countries. The total volume of export reached average 25 to 30 units of 40ft containers per month. The items are selected in consideration of salability of items based on local client's

needs in the countries. In fact, these items are welcomed by local people in a scene of daily life. In Japan, also exportation of such items can compensate the feelings of the clients who hesitate to dispose of unspoiled things. This reuse circulation saves the disposal cost and helps to eventually reduce cost of Okatazuke service.

By linking these two services, we have succeeded in creating a system which promote a recycling-oriented society. By further developing this system we contribute to a solution of domestic social issues and improve people's quality of life elsewhere in the world.



We've been trying to catch the customer demand by visiting customers and hearing their feedback directly.

TOPICS



Supporting 'Child Dream' activity

Child's Dream was established in 2003 as a charitable organization dedicating unconditional help for underprivileged children with few educational opportunities due to human rights violations. They have been engaged in the activities with a goal of improving children's medical and educational environment in cooperation with communities. In order to give back to society, we donate part of the profits from our sales to them.



Daikyo Clean boasts of over ten thousand job records of cleansing kitchen grease traps, drain pipes of restaurants, buildings and mixed-use facilities. Daikyo Clean is chosen by the clients for its adequate and compliant work in 14 areas of Kanto and Kansai areas.

WEST 14 AREA EAST



TOP MESSAGE Masafusa Tsuda, President and representative director, Daikyo Clean Corporation

Daikyo Clean Corporation had long been working in the front line of environment as a collector of household waste under the name of Daikyo Corporation. Based on accumulated know-how and expertise, we have taken our parts in cleaning of facilities, restaurant, buildings etc. to contribute to environmental protection. In FY 2016 we advanced to Kanto area. The nation-wide expansion of service area has enabled us to address even a request of nationwide chain stores in Kanto area at a single point of contact. We strive to be an 'essential and unique enterprise' to support environmental infrastructure business.

To all over Japan from Nishinomiya! Aiming to be the 'unique enterprise' in Japan.

A professional company to cover from the grease trap cleaning to its subsequent waste treatment altogether

We engage in the cleaning of kitchen grease traps, drain pipes of restaurants, buildings, factories and other facilities.

'Grease trap' is an oil-water separation interceptor device to keep the drainage system from being affected by the waste water which contains oily substance discharged by restaurants etc., installation of which to the relevant facility is required by law. Grease trap has a function of aggregate vegetable debris or other garbage in the net (basket) and separates oil by suspending it afloat to prevent it from flowing out into the sewage system. Oil suspended in the water surface need periodical cleansing, otherwise, it can cause occurrence of foul odor or nexious insects.

Present business started in 2010 taking advantage of getting an inquiry for cleaning grease trap from major food chain-store. After that

the company was spum off from Daikyo Corporation with the name of Daikyo Clean Corporation, a specialist in cleaning grease trap, water reservoir tanks, drain pipes of buildings and other facilities.



Daikyo Clean operates in 14 prefectures in Kansai and Kanto areas to deal with nation-wide chain-stores.

Most of grease trap cleaning work had been carried out by small sized companies until recent years. Nation-wide chain-stores have ordered cleaning work to the local company in each area. In our case, we started in Nishinomiya and Itami city, when we were requested from a client to cover the job in whole Hyogo prefecture. Then we obtained the 'license of industrial waste collection and transportation in Hyogo Prefecture'. After that, we developed our business area in line with increasing demand of clients.

In 2016, we started business in Kanto area by setting Tokyo office and Kanto business office. Now we have licenses in 14 prefectures in Kansai and Kanto areas to have become the unique company to have the largest service area in our business sector.

By making the system to operate in wider area, it became easier for our client to manage their branch stores with centralized information, which was highly welcomed by the companies of nation-wide operation and chain stores.

Possessing industrial waste collection and transportation license in 14 Prefectures of Japan

Kansai Area							
Osaka,	Kyoto,	Hyogo,	Nara,	Shiga,	Wakayama,	Okayama	
Kanto Area							
Tokyo,	Kanagawa,	Chiba,	Saitama,	Ibaragi,	Gunma,	Tochigi	

With latest equipment and technology, we achieved over 10,000 job records a year

With accumulated expertise we can deal with tall buildings and underground floors

One more strong point with Daikyo Clean is that we can address the work in the high-rise buildings or underground floors, whose cleaning work was rather hard to carry out. Annually over 10,000 job records makes us accumulated expertise and capital investment.

For the grease trap cleansing work, we have had a limit of workable area confined to the reach of the vacuum hose. Whereas, we introduced a portable equipment, which can be adopted to the work in high-rise buildings or the underground floors.

We also have widened our business to clean up the water reservoir tanks by high-pressure washing car and are doing all cleaning and repairing works of water tanks and drainpipes for hospital, complex facilities like large scale shopping mall.

We have acquired a lot of know-how and reputation that "People from Daikyo Clean does honest work in analog works". The important point of our business is to do the things properly which we are supposed to do. We believe accumulation of steady work efforts will lead to expansion of our business.

We own 7-ton vacuum car 2 units, 3-ton vacuum car 8 units, high-pressure cleaning car 2 units and 2-ton normal truck 2 units.



Appropriate treatment with compliance

Our group has long been engaged in environmental sanitation and waste treatment through collection of household garbage etc. In recent years, we are expected to pay careful attention to the environment protection and environmental burden mitigation other than the adequate collection and treatment of the waste.

We hope our grease trap cleaning business, along with periodical kitchen cleaning to improve the kitchen sanitation, may result in the prevention of water pollution, control of water quality or reduction of discharged sludge.

Further, oil and food residue from grease trap cleaning are appropriately treated as industrial waste in compliance with the law in a series of treatment. And we issue manifest to prove the legal treatment, which is one of the reasons the clients keen on risk-management choose us.

The market size in Kanto area is said to be 4.5 times as big as that of Kansai area, and we still have much room to develop our business. By increasing more business points all over Japan, we would like to play an important role to support infrastructure of nation-wide restaurant chain-stores.

TOPICS



As to the quality of work 'Complaint zero' is our strong point

At Daikyo Clean, despite annual over 10,000 jobs, we keep our reputation with no claim at all. The most important point of our business is doing the things properly which we are supposed to do. We try to contribute to client's sanitary management through the appropriate treatment following the legal requirement.



Daiei Corporation, based in Nishinomiya city, is engaged in the collection and transportation of household waste, industrial waste and bulky garbage. In 2017 Daiei corporation started an all-woman waste collection team, “Sakura Team”, in Kansai area.



TOP MESSAGE Hiroyuki Kimura, President and representative director, Daiei Corporation

Daiei Corporation runs the business that can be regarded as the origin of the group. Waste collection is an indispensable job in supporting social infrastructure. We have been sincerely working for clients and people of the community to contribute to healthy growth of this industry. In recent years we have been continuously attempting to update the image of the business into one for which people would be proud to work. I am pleased to introduce our continuing efforts toward the society.

Daiei launched Kansai's first all-woman waste collection team

Solving the staffing shortages and renovating the business image is realized at the same time

The Sakura Team is the first all-woman waste collecting team in Kansai area. Being established in September 2017, the team is now engaged in waste collection in Nishinomiya city using two units of pink colored packer cars which represent sakura = cherry blossom color. Waste collection work is apt to be considered as a typical 3K-work, which means hard (Kitsui in Japanese), dangerous (Kiken in Japanese) and dirty (Kitanai in Japanese). It can, however, be much healthier work by becoming an early riser and appropriate exercises. Besides, without the imposition of overtime employees can control their own working and personal time with a pleasant working environment.

We thought it would be possible to achieve both solution to staffing shortages and renovation of images of waste collection as a job by employing women. At the beginning, we had only a single member.

After half a year, members increased to six, namely two drivers and four assistant drivers. Those women did a meticulous job which led to frequent calls of appreciation. We can now have more conversation with people, and see children waving at the pink truck or people anticipating our arrival to dispose of their household waste. We know that they are all sympathizing with our activities. The teams of women were taken up by mass-media such as newspaper, TV and radio. The response exceeded our expectations and caught the attention of our competitors.

We hope that the Sakura Team goes to work daily with cheerful smile communicating how wonderful to clean the town and finally contribute making Nishinomiya city more beautiful.

COLUMN

Interview with Sakura Team!



We became a team of six in half a year. It is a pleasant job to lure my friend, indeed!

At the beginning, we were anxious if it is a man's world, but I was relieved when I found the colleagues in our company are very kind to us. When we were cleaning the waste station, a man said, “I will clean up here. You may go on next one”, or in other case, a driver gave the right of way when we pass by in the narrow street. We feel the warmth of the people during every working day. People greet our pink packer waving their hand with smile, or sometimes foreigner people take picture of us. We are happy if those photos are spread to all over the world through their SNS so that we can appeal Nishinomiya city more. I hope to increase the number of Sakura team in the future and create a bright society in Nishinomiya.

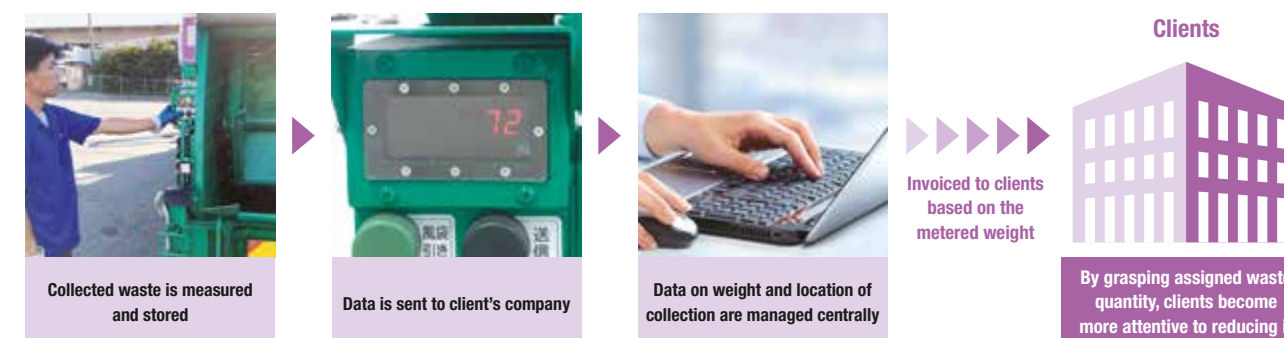
Contribution to Reduction of Waste Volume by Introducing 'Waste Measuring System'

Ecological, and cost saving to the clients

Since 12 years ago, we have introduced the Scale Packer system for every vehicle which are used in the regular waste collection service. It is a system to measure the weight of waste while loading it. By measuring and managing the data, monthly fluctuation in collected waste and its cost can be grasped at a glance. Besides we can keep transparency of the waste amount to the client by this system, we are also able to show clients how much waste there is and enable them to understand that the reduction of waste volume is directly linked to the reduction of cost.

Showing the exact amount of waste has led to the client's determination to reduce the waste volume more than we expected. We are often asked what will happen if reduced waste results in the decreased sales revenue. But we know reduction of waste also end up with the reduced treatment cost. With the understanding that the final merit lies in the profit rate not a sales revenue, we are making efforts to propose and actualize better ideas for clients, society, and for the environment.

System of waste measurement



TOPICS



Giving a class at primary schools in the city

Daiei Corporation is giving a class on waste treatment at primary schools and high schools. In May 2017, we visited a primary school and explained about the types of waste and the segregation method using an actual waste collection truck. The Sakura Team has also given classes at 3 primary schools so far (Kawaragi, Kawarabayashi and Shukugawa). Each class was enjoyable for the children with being keenly interested in the pink colored truck.



Daikyo Corporation was the first company to obtain a license of waste collection and transportation in Itami city. In 2017, Daikyo started a staffing service business, D-career, to staff shortages in the waste related business.



TOP MESSAGE Kazuhisa Morishita, President and representative director, Daikyo Corporation

We have been working on collection of household waste and industrial waste in Itami city, since its establishment in 1962. Through the 56 years' long history of the company, we have been assisting local community to realize comfortable life environment and to achieve adequate waste treatment and reduction of waste volume. In 2017, we started new business of staffing service, D-career. We will work for the community both from the defensive and the offensive stand point.

Daikyo Corporation Provides Community-based Service with Cooperation of Public Administration

We provide the business to contribute to the local community by thinking of the importance of Company existences.

Daikyo Corporation has been engaged in collection and transportation of household garbage and industrial waste based in Itami city. When we started the business as the first licensee in Itami city to collect and transport public waste, the collection of household garbage and industrial waste were becoming a social problem in a spectacular economic growth of the time. Since then we have strived to provide a comfortable life to community by running the business in a trusted relationship with municipal government of Itami city.

The waste collection business tends to be a price competition. The idea that the waste treatment cost is "the cheaper, the better" may be

reasonable. However, we pay careful attention to not only the price but also the company policies to contribute to the community and to keep our business philosophy or the way of being a business entity. And we would like to become the company of choice by the community who have the same value. We are engaging in our work with a pride as a long-established company of waste treatment business in this area.

By introducing the metered rate system, we propose reducing of waste volume

As one of our significant business activities, we have an invoicing system at metered rate. There are lots of companies to charge the treatment cost by monthly basis at a fixed contract irrelevantly to the decrease or the increase of waste volume. However we have introduced Scale Packer (a garbage truck with scaling function) system which allows to show the garbage weight directly.

It has increased the transparency of waste treatment cost and helped clients to have further attention to reduce the waste and saving expense.



Weight is displayed here

Daikyo Started to Solue Staff Shortages

Offer up the solution as a business to address the difficulties of labor shortages in all waste industries.

In 2017, we started the staffing service, 'D-career' which is specializing in the provision of driver to work in the environmental businesses.

Recently, a shortage of drivers has been a problem for the environmental businesses. A driver of Packer car, for instance, needs to be trained to drive slowly and safely in narrow streets. It is difficult to find such experienced drivers for immediate employment.

Our long experience and accumulated expertise in educating became the basis for the business we have set up.

Participation in the staffing business started later, but we have analyzed the process in our unique education to nurture skilled and adaptable drivers. Training with our own unique educational curriculum to the inexperienced staff and also the staff after a long absence make differences from other companies by constructing the method of developing human resources. This service, providing skilled staff to the company which needs the staff ready to work, is evaluated very highly.

We do not confine ourselves to a staffing service only, but we

aspire to provide a business with experience of social problems which meets the requirements of clients and surpasses their expectations. We will play our part in creating a safe and comfortable local community through a waste treatment business that supports the social infrastructure and people's safe and comfortable lives.

A voice from a working staff

When I was working as full-time employee for other company, I had to do a lot of overtime and could not afford enough personal time. Now, as a temp staff, I have fulfilling time to keep my own life style. (30 years old, man, dispatched staff)



Educating 'environmental business driver' based on properly training curriculum and thorough educational system



Safety training

We carry out thorough safety training for 'environmental business driver', such as importance of compliance and vehicle check.



Driving training

We instruct thoroughly on eco-driving, narrow street driving, danger of entrainment and overloading and points of safety parking.



On-road training

Driving practice on the actual route and the collecting work at waste station.



Curriculum training

Our original classroom lecture is provided individually and multi-step base. We adjust our original classroom lecture to the staff's level and provide them step by step.

TOPICS



Donating nursery plant of sweet potato to primary schools

Since 2010, we have been donating nursery plant of sweet potato to primary schools in Itami city and support children with environmental and foods study.

This nursery plant is cultivated with fallen leaf compost by NPO association "LEAF" (Learning and Ecological Activities Foundation for children) that is presiding over the Agricultural land project of Mount Kabuto for whose activity 'Good Holdings Group' is attending.

In 2017, 2,200 plants were donated to 16 schools, the special-needs school and 15 kindergartens.

Compliance

Compliance Status

No record of serious violation of law in FY2017

We have specified the relevant laws to be observed company-by-company and see to it that they are duly observed.

We check whether the reports have been submitted to the relevant authorities in time or whether the business has been properly run according to law.

We kept no record of serious violation of law in FY2017 as before.

Relevant laws (in part)

Law	Major contents
Waste Management and Public Cleansing Act	Waste disposal standards, manifest management, making contract and management, requirement with collecting/transporting vehicles (a sign or a mark to be displayed)
Air Pollution Control Act	Emission standards of NOx, soot and dust etc.
Sewerage Act	Effluent standard of sewage water, etc.
Noise Regulation Act, Vibration Regulation Act, Offensive Odor Control Act	Noise, vibration and odor standard
Road Traffic Act	Running speed, no stopping/no parking, Overload Prohibition
Road Transport Vehicle Act	Obligation of car maintenance and inspection
Act on the Rational Use of Energy	Requirement of energy consumption report, appointment of an Administrator etc.
Act on Promotion of Global Warming Countermeasures	Reporting of carbon dioxide equivalent greenhouse gas emissions
Industrial Safety and Health Act	Safety assurance, appointment of safety and health promoter and name's dissemination, cleaning up etc.
Ordinance on Prevention of Anoxia	Measurement of oxygen concentration, regular stock of protective equipment and escaping tool and their checkup etc.
Fire Service Act	Formulation of fire defense plan training and checkup of the fire etc.
Environmental Conservation agreement between Nishinomiya City	Method of measuring air pollution/foul odor etc., and frequency

Implementation of Compliance Evaluation

We are ready to rapidly adopt to a legal change

We manage the record of laws applicable to Good Holdings group as a tabulated list of legal requirements in our 'Records of compliance evaluation'. We have established a procedure to evaluate whether the laws are duly observed and take corrective action if any violation should be found.

In case of a legal change relevant to our business, we revise the corresponding evaluation points, and inform relevant departments to deal with the change.

Records of compliance evaluation

Prevention of Overloading

We check the weight of the waste with loading capacity of our vehicle for every consignment

REVACS is engaged in collection and transportation of industrial waste. To prevent overloading, we compare the client's data (weight of the waste) 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.

Thorough Execution of Pre-contract

We have a strict rule of pre-contract with client

In consigning and accepting the disposal of industrial waste, a consignment contract is required by law. We have a strict rule to conclude a pre-contract to prevent from committing an offence against the law.

Especially REVACS which mainly business is industrial waste collection and disposal, we strive to make a contract by imputing the client's data, and regularly verifying that we have already concluded the contract.

Information disclosure & Accountability

Publication of Sustainability Report

Reports being utilized by the group companies as communication tools

In order to let the public know about industrial waste disposal business and Good Holdings Group's main activities, REVACS had published a report since FY2002. Relief Corporation and Daiei Corporation followed suit in FY2008. Since then the report has been edited and published by our employees, and its contents have been enriched year-by-year.

On occasion of the shift to the holding company system, the reports that have been published by each company was integrated to one edition and issued by the Holdings Group. Since the third year of the group edition (FY2017), the title was changed to 'Sustainability Report'. It received the 21st Environment Communication Awards following the previous years. We will continue further improve the report as one of the important communication tools to unite us with you stakeholders.



Information Disclosure on Sanpai-Net

We disclose information conforming to 'Good-standing waste disposer qualification' standard

Upon a significant revision of the evaluation system of excellent waste disposer, 'Good-standing waste disposer qualification' standard was newly founded in 2011. Companies in our group have been accredited as such by the prefectural government of Hyogo, Osaka and other municipalities.

Sanpai-Net (Industrial waste information net) run by Waste Management Enterprise Development Foundation is so structured as to conform to the transparency standard of 'Good-standing waste disposer qualification', in which we have been uploading the information including licenses, financial statement etc.

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

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

Business Performance Report Meeting

Business performance is open to all employees

Briefing meeting to report sales and profit performance, which is meant for not only managers but all employees including regular and part-time staff, is held monthly at each of the group companies. Group or each department profits and loss statement is reported in the meeting.

Disclosure of the company's business performance to the employees has helped them properly understand the state of business and participate in the business operation, which in turn reflects on solution of problem or improvement in performance.



Sharing of Daily Income and Expenditure

All sections of the business calculate their sales and expected cost each day.

At each company in the group all sections of the business calculate their sales and expected costs on a daily basis. Apart from these daily figures a monthly sales budget, marginal profit and the target of operation income are shown broken down for the day in what is called a daily balance table. The daily achievement rate and monthly sales predictions are calculated and displayed in this way. The data is sent to management and to all members of staff to let them are understand the changes about the sales and cost. Through in communication with the relevant departments they could find out the new solution of the problems more easily.

Construction of Business Continuity Planning (BCP)

We are prepared for expected disaster

Preparing for massive disasters such as the Nankai Trough earthquake and tsunami, our group has developed a business continuity plan (BCP) not only to keep the employees and the company buildings safe, but also to take our responsibility for our stakeholders.

The plan involved defining the function of disaster response headquarters, setting out who was responsible for making decisions or the flow of decision making, writing the BCP manual at each company and communicating it to employees, method how the safety of the employee's be confirmed and how to practice the relevant procedures, and procurement and storing of disaster fixtures. This BCP was practiced in the June 2018 earthquake which made us confirm the safety status of the employees smoothly.

We will continue safety confirmation practice, evacuation drill etc. to build up a structure to quick response to the massive disaster.



Communication



As a corporate citizen our group is concerned to an interaction with local community and supports nurturing next-generation children

Basic concept

Basing on the idea that it contributes to building sustainable society through business, Good Holdings Group, promote social activities from the view of resolving the environment problem, community involvement, and contribution to the development of local community.

Objectives and Achievement

Theme	Plan	Do	Check	Action
	target for 2017	2017 achievement	2017 result	target for 2018
REVACS ■ We aim to be a reliable company which gives a sense of security to the society	Implementation of exterior evaluation	· Holding of Top Dialogue	○	Implementation of exterior evaluation
	Continued efforts to be relied on with a sense of security by every stakeholder	· Holding of environmental learning session · Issuance of CSR report	○	Continued activity
Relief ■ We aim to be a reliable company which gives a sense of security to the society	Interaction with local community	· Participated Kodomo Nogyo-juku · Issuance of CSR report	○	Continued activity
	Participation to social activity	· Holding of lifetime departure cleaning seminar	○	Continued activity
Daikyo Clean ■ We aim to be a reliable company which gives a sense of security to the society	Contribution to local community	· Participated Kodomo Nogyo-juku · Issuance of CSR report	○	Continued activity
Daiei ■ We aim to be a reliable company which gives a sense of security to the society	Contribution to local community	· Participated Kodomo Nogyo-juku · Issuance of CSR report	○	Continued activity
Daikyo ■ We aim to be a reliable company which gives a sense of security to the society	Interaction with local community	· Participated a local softball match · Joined local cleaning event	○	Continued activity
	Participation to social activity	· Cleaning activity (once week) · Donated of sweet potato seedlings to primary schools in Itami city · Issuance of CSR report	○	Continued activity
Good Holdings ■ We aim to be a reliable company which gives a sense of security to the society	Contribution to local community	· Participated Kodomo Nogyo-juku · Issuance of CSR report · Applicated a report award	○	Continued activity

Social Contribution Activity

Reception of Facility Tour

We promote understanding of waste treatment by opening our facility to various stakeholders

REVACS's treatment facility is open to our clients, students and local people. In FY2017, we accepted 393 people in 75 groups including 2 groups uncontracted clients to visit our factory.



Reception of JICA Induction Course

We help attendees to solve overseas waste-related problems

Japan International Cooperation Agency Kansai Center (JICA Kansai) gives induction course directing at municipal employees relevant to waste issue in Asian countries to improve their administrative capability. In FY2017 we accepted the attendee on three occasions (August, September 2017 and February 2108). At REVACS, biomass fuel project and the flow of waste treatment were explained. At Daiei, they visited the site of collecting waste and listened to the explanation about the risk factor involved in the service and learned the measures to cope with them.



Management・Governance

Environment

Human Rights・Labor Practices

Communication

Reception of Internship Students

We provide opportunities of work experience for senior high school students and undergraduate students

Good Holdings group implements internship program directed to senior high school and undergraduate students to expect that they could learn more about the society through the workplace experience and think about how to proceed for the future.

In FY2017, we accepted a student from Kinki University. He experienced fieldwork as and paperwork during the 2 week's period.



Holding of Kodomo Nogyo-juku

Employees support children's agricultural experience and study as a staff.



We have Kodomo Nogyo-juku directed to 4 to 6th graders in Nishinomiya. Children experience soil making and rice growing in Kabutoyama agricultural land in the city for 6 months. Through the agricultural experience, which is the base of dietary life, we would like children learn the pleasure and difficulty of agriculture as well as understand the cycle of natural resource. The project started in FY2011 under sponsorship of Daiei with the cooperation of secretariat LEAF.

Since FY2014, whole the group has been working on this activity as part of new recruits' education program.



Corporate Sports Activity

The sailing team is participating in various competitions

Good Holding's sailing team was established in 2013.

Since then it has been accumulating favorable results: winning Kansai Jitsugyo-dan Yacht Championship three consecutive years, or getting a place in All-Japan Jitsugyo-dan Championship.

With the participation of two members, the team is becoming stronger, and we will be united towards further good result.

FY2017 results

July

Kansai Jitsugyo-dan Yacht Championship
Kawano-Tanabe team 2nd place
Moritani-Yamamoto team 3rd place
Team total record Championship

August

International Snipe class Kansai Championship
Moritani-Yamamoto team 3rd place
Kawano-Tanabe team 4th place
Test-ride event for employees

September

All Japan Yacht Championship
Team total record 4th place

October

The 72nd National Athletic Meet
Masashi Yamamoto
(joined as an Ishikawa prefecture delegate) 12th place

November

All-Japan Snipe class Yacht Championship
Moritani-Yamamoto team 35th place
Kawano-Tanabe team 36th place



Communication with Customers

Participation in exhibitions

We increase contacting point with customers

Our group companies participate in various exhibitions to let our business and CSR activities be known to many people.

Major exhibition we participated in 2017

Date	Exhibitor	Name of the exhibition
May 2017	Daikyo Clean	Gaishoku Business Week 2017 (Eating Out Business Week 2017)
August 2017	Daikyo Clan	Gaishoku Business Week 2017
	Relief	Life Ending Industry EXPO (ENDEX) 2017
November 2017	Relief	New Value Creation Exhibition 2017
	Daikyo Clean	Building Maintenance & Clean EXPO 2017



Gaishoku Business Week 2017



Life Ending Industry EXPO (ENDEX) 2017

Installation of presidents' hot line

Prepared to directly hear customers' needs.

At Good Holdings Group, mail to presidents is prepared on its home page to directly hear from the customers. Received messages are shared among the relevant sections and, when necessary, improvement direction is made aiming at further reliable service.

Holding of seminars

We are proceeding educational activity for clients and consumers

REVACS holds seminars for the personnel in charge of waste disposal management. In 2017, we held a lecture and seminar titled 'Learning from the Waste Disposal Act violations, inviting head of BUN Environmental Issue Training center Mr. Fumiaki Nagaoka.

Relief joined exhibitions and lectures sponsored by clients. From the view point of preventing accident in the house, importance of keeping one's environment during the lifetime was introduced along with the examples of customers.



[REVACS]
Waste disposal management seminar for practitioner



[RELIEF]
Osaka living arrangement cleaning seminar

Holding of joint memorial service

We cherish both the deceased and the deceased mementos.

Relief thinks much of the deceased and the memento, and holds joint memorial service in spring and autumn, respectively. This started from the feeling of the employees who faced the death and the grief of the bereaved and learned that mementos have a lot of memories and wanted to express their thanks.

Remembering the feeling of standing by the deceased and the bereaved family we are going to sincerely and politely respond to the client.



Approaches to Consumer Issues

NPS® research was conducted

Highly esteemed in NPS (Net Promoter Score) to rate the royalty of the customer

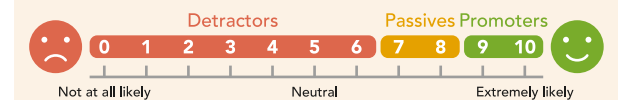
Net Promoter Score, or NPS® is calculated based on responses to a single question: "How likely is it that you would recommend to a friend?" 0 to 10 points are given to the responses. It is a digitalized index of royalty (attachment or the degree of reliance to the company or the brand) of the customers. Relief started this survey in 2014 and got 61 points in the early period, but in the 4th time raised to 86 points. We surpassed the other companies in the service sector who got around 20 point. We continue this survey to positively maintain and improve service quality.

At the end of routine Okatazuke service, we ask out customers to fill out the questionnaire survey for us to measure customer's royalty.

Relief NPS® = 86

NPS® = Index to measure customer experience

Q "How likely is it that you would recommend our service to a friend?"



How to calculate

Answers are classified to 'Promoters(9-10)', 'Passives(7-8)' and 'Detractors(0-6)' to get NPS.

$$\begin{array}{|c|c|c|} \hline \% \text{ of Promoters} & - & \% \text{ of Detractors} \\ \hline \text{Rate of promoters those who answered 9-10} & - & \text{Rate of detractors who answered 0-6} \\ \hline & = & \text{Net Promoter Score} \\ \hline \end{array}$$

Example: (rate of those who answered 9-10: 30%) - (Those who answered 0-6: 50%) = (NPS: -20)

Installation of Web Cameras

Real time image of waste treatment is open to the public

At REVACS, to grasp the process of bringing in or treatment of the waste real time, Web cameras were installed in the plant, and images are released on our website.

The web cameras are set on the following four points: ①Where the waste is brought in and weighed out ②Where the full-view of the shredding facility is seen ③The opening of shredding machine* ④Yard of the drying facility where the waste is brought in.

The web cameras let us get high reputation of not only the clients but also people in the community because you can monitor the work anytime and anywhere.



①Bringing in and weighing the waste



②Shredding facility



③The opening of shredding machine (exclusive access)*



④Drying facility

*: For the protection of client's information, image from number 3 camera is protected by password from being accessed by other people than client who consigned the waste treatment.

Prevention of Items Which are Outside the Contract

We strive to prevent foreign items from mingling by putting up a notice, etc.

We ask the client to separate treatable items in the consigned waste from non-treatable ones according to our standards.

It's difficult to make to proper treatment to mingling items which are not contracted. Especially, if dangerous objects be contained, it may cause an accident or a fire.

Once we find the items which are outside contract, we will notify our client immediately, and prevent from recurrence. To the same effect, we will post a list of unacceptable items in front of the client's business container.

