



SUSTAINABILITY REPORT 2019

GOOD HOLDINGS GROUP



The environmental business for us is to help solve current social challenges.

For us, fulfilling the SDGs themselves is the task we have taken on.



We provide the services required in the current era by supporting the social infrastructure that industry is reliant upon.

The Good Holdings Group has prospered in step with Japan's economic growth, with the aim of solving current social issues. We established our foundation by developing a waste disposal business intended to help resolve the challenges Japanese society faced in this area during the country's economic boom period. Throughout the nearly 60 years since then, we have acquired a precise grasp of current social issues, which include recycling, reuse, cleaning, and what we call "Okatazuke" (dealing with unneeded personal effects). As a result, we can respond to the needs of society and our customers by providing business services that offer solutions. The driver of our growth is our corporate commitment to surpassing customer expectations through hypothesis testing. Our overarching desire to pass on this spirit since our founding is expressed in our corporate message of "Grasp, Respond, and Surpass."

In 2015, we transitioned to a holding company structure. Under the moniker of Good Holdings Corporation, we established six individual companies: REVACS Corporation, Relief Corporation, Daikyo Clean Corporation, Daiei Corporation, and Daikyo Corporation. Each Group company of the Good Holdings Group operates in a different market. We feel that, in FY2018, each of these companies finally began to walk on its own path to achieving further growth in the coming year. The management resources of the six companies developed organically, and all were able to develop their businesses in the same direction while upholding our shared Group vision. In FY2019, we remain committed to achieving profitability across all our businesses while steadily growing our existing businesses.

Targeting growth while functioning as a business committed to the SDGs

The sustainable development goals (SDGs) set forth at the United Nations Sustainable Development Summit held in 2015 address a number of issues including energy, the environment, and the need for fulfilling work. Since its founding, the Good Holdings Group has supported the 3 Rs of "Reduce, Reuse and Recycle" across its Group companies with our mission of solving social issues. We intend to make the SDGs a natural part of the way we develop our businesses. For us, the work we have taken on encompasses the SDGs. For example, the Okatazuke Service offered by Relief Corporation addresses the social challenges associated with end-of-life issues, such as the disposition of unneeded items and the reuse of such items that have been collected. This service helps to minimize the growing volumes of waste, as these items can be sent to other countries where they are put to good use. We are contributing to the circulation of useful items on a global scale.

In recent years, REVACS Corporation has contributed to resource recycling and the use of renewable energy. In FY2018, the Company began to address food loss and other major issues facing modern society.

We are also focusing on workstyle reform as a matter of course. Our Group Officers Liaison Committee and Compliance Committee are convened monthly in order to identify and target problems, raise awareness of all officers, and implement comprehensive measures to ensure a response according to the PDCA

(Plan, Do, Check & Act) cycle. In FY2018, we proactively appointed full-time employees to part-time jobs to promote a work environment in which employees can work with greater peace of mind. Moreover, we believe that Gcareer, a temporary staffing and referral business launched by Daikyo Corporation in FY2017, is not only working to solve the labor shortage facing industry, but also to support the personnel development initiatives we have cultivated to date. We are assigning drivers from our environmental business to other companies in the industry by utilizing the training curriculum cultivated over many years in our existing businesses. In the future, we hope to contribute to both labor and management while improving the work environment through our staffing business.

We are contributing to a sustainable society by passing on our philosophy and mission of Goho-Yoshi to future generations.

By 2055, the world population is expected to exceed 10 billion, but the population of Japan will likely decline to about 100 million, with more than 40% of our citizens exceeding the age of 65. What will happen around the world and in Japan at that time? As population growth trends suggest a global shortage of marine resources and agricultural products, Japan can likely survive only by relying more than ever on recycled resources and an efficient society, as both labor and production will be on the decline. We may feel that the year 2055 is a long way off, but our new employees today will still be in their 50s at that time.

Our philosophy and mission is Goho-Yoshi – literally, "beneficial to all five parties." This is a modification of the original motto of traditional Ohmi merchants, Sanpo-Yoshi ("beneficial to all three parties"), which means "beneficial to the seller, to the customer, and to society." We have added the concepts of "beneficial to the employee and to future generations" to ensure that all employees and associated individuals within the group participate in our growth. At the same time, we are calling for an increased awareness of the need to contribute to the emergence of a sustainable society.

The environmental business underpins a future in which all can live in harmony. We have been engaged in this business for about 60 years, and clearly this industry will link the future of the world with the SDGs and pass on that spirit to future generations. We will continue to strive as a corporate Group that supports the development of a sustainable society.

REVACS Corporation Apology for the accidental fire in our drying plant

In the early morning hours of December 19, 2018, a fire broke out in the vicinity of the cooling system of the in-house drying plant building of REVACS Corporation. Across our Group, we collectively viewed this fire as a very serious event, and we are investigating the cause and taking measures to ensure that such an event never happens again. We deeply apologize to our business partners and to neighboring residents for any inconvenience this fire may have caused.

General outline of Good Holdings Group

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

We started business of collecting household garbage and business waste in 1960 and began treating industrial waste treatment business in 1974. Since 2000, when environmental problem drew worldwide attention, we widened our business portfolio to biomass fuel business and overseas reuse business. Not simply staying on the waste treatment business, we are tackling various kinds of social problems.



GOOD HOLDINGS

Good Holdings Corporation

Location : 2-1-16 Naruohama, Nishinomiya, Hyogo
President & Representative Director : Kenichi Akazawa
Established : 1960
Capital : 77 million yen
Number of employees : 12

Main Business Activities

Group financial affairs, Accounting, Labour Relations and Human Resources Management, Public Relations, management supporting and group strategic planning

Group Net Sales 3,451 million yen *1,2

Number of Group Employees 255 *3

*1 Fractions omitted (same afterwards unless otherwise stated)
*2 See p. 9 for details of the accounting policy on earnings recognition
*3 The number shown denotes full-time employees

REVACS Corporation

Collection, Transportation and Intermediate treatment of industrial waste
Cleaning and management of various facilities

Location : 2-1-16 Naruohama Nishinomiya, Hyogo
President & Representative Director : Eiji Yamamoto
Capital : 81 million yen
Number of employees : 50
Sales : 1,360 million yen

Main Business Activities

Collection and trasportation of industrial waste and specially controlled industrial waste
Intermediate treatment of industrial wasete (Shredding and drying)
Beverage products recycling
Cleaning and management or wasete water treatment facility

Relief Corporation

Okatazuke service
Overseas reuse service

Location : 2-1-26 Naruohama Nishinomiya, Hyogo
President & Representative Director : Masato Akazawa
Capital : 50 million yen
Number of employees : 25
Sales : 410 million yen

Main Business Activities

Okatazuke service
(Disposition of personal effects after death, disposition during one's life before death and recycling of personal effects)
Overseas reuse service

Daikyo Clean Corporation

Grease trap cleaning

Location : 2-1-16 Naruohama Nishinomiya, Hyogo
President & Representative Director : Masafusa Tsuda
Capital : 80 million yen
Number of employees : 32
Sales : 329 million yen

Main Business Activities

Commercial grease trap cleaning and grease interceptor maintenance service

Daiei Corporation

Waste Collection in Nishinomiya city

Location : 2-1-26 Naruohama Nishinomiya, Hyogo
President & Representative Director : Hiroyuki Kimura
Capital : 10 million yen
Number of employees : 81
Sales : 887 million yen

Main Business Activities

Collection and transportation of general waste (Nisinomiya city)
Collection and transportation of industrial waste

Daikyo Corporation

Waste Collection in Itami city

Location : 5-3-31 Kitagawara, Itami, Hyogo
President & Representative Director : Kazuhisa Morishita
Capital : 6 million yen
Number of employees : 55
Sales : 475 million ye

Main Business Activities

Collection and transportation of general waste (Itami city)
Collection and transportation of industrial waste
Staffing and recruitment business

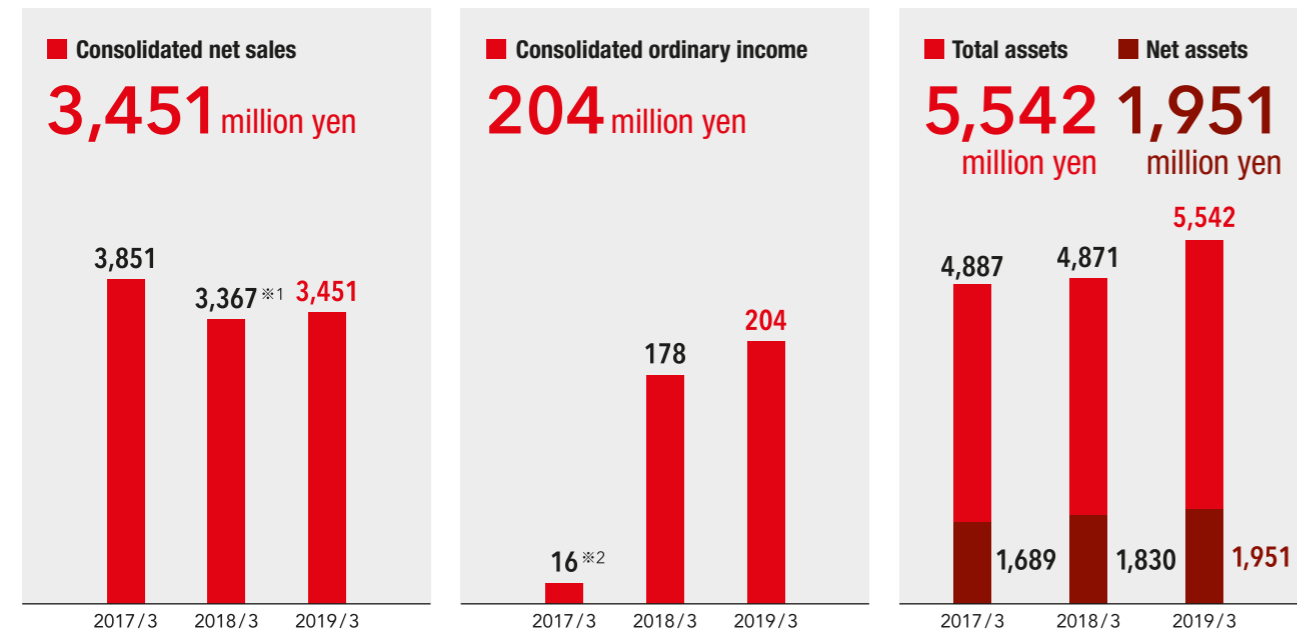
*All above companies are wholly owned subsidiaries (Fiscal term : end of March)

History of Good Holdings Group

1953 The founder started waste collection and recovery business	1984 Daiei Service Co. Opened the waste treatment center at Naruoham, Nishinomiya, Hyogo (present REVACS Corp.)	2006 Daiei Service Co. renovated crushing facility of Industrial waste (present REVACS Corp.) Daikyo Kougyosyo Inc. was reorganized and renamed to Daikyo Corp.	 Renovated crushing facility	2010 Daikyo Corp. started grease trap cleansing business (present Daikyo Clean Corp.)	 Started grease trap cleansing business	2016 REVACS Holdings Corp. was changed to Good Holdings Corp. Relief Corp. and Daikyo Clean Corp. opened the business office in Misato, Saitama
1968 Established Daiei-Eisei Inc.				2011 Daiei Corp. started new business of Okatazuke service (present Relief Corp.)		
1974 Established Daiei Service Co. Ltd. (present REVACS Corp.)		2007 Daiei Service Co. constructed drying plant of organic industrial waste, and started the biomass fuel business (present REVACS Corp.)	 Started the biomass fuel business	2013 Relief Corp. started overseas reuse business	 Started overseas reuse business	2017 Good Holdings Corp. opened office in Chiyoda, Tokyo as a group business hub in Kanto area
1976 Established Daikyo Kougyosyo Inc. (present Daikyo Corp.)	1999 Daiei Service Co. set up business alliance with other companies in the same field (present REVACS Corp.)	2008 Daiei Service Co. opened Reverse Management Center for beverage products recycling business (present REVACS Corp.)	 Opened Reverse Management Center	2014 Relief Corp. opened the Kanto business office in Adachi, Tokyo REVACS Corp. newly started "swell business" REVACS Corp. newly built biomass boiler and started in-house production	 Started swell business	2018 Relief Corp. opened Nagoya Office in Nagoya, Aichi prefecture "Gcareer", a staffing and recruitment business, is launched under Daikyo Corp.
1950–	1980–	2000–		2010–		
1960s The era of Japan's economic boom	1980s Japan's "bubble economy" emerges	2000 The era dawns in which household waste (general waste) emissions per capita begin to decrease as a result of the adoption of the ethos of reduce, reuse, and recycle		2010 The Cancun Agreement aims to reduce Japan's greenhouse gas emissions by 3.8% compared to FY2005 levels by FY2020		2015 The Paris Agreement aims to reduce Japan's greenhouse gas emissions by 26% from FY2013 levels by FY2030
1970 The revision of the Waste Disposal Law introduces the concepts of general waste and industrial waste	c.1985 Household waste emissions begin to skyrocket	2001 An amendment to the Waste Disposal Act further strengthens the manifest system for waste disposal; compliance becomes an important issue		2010 The number of people dying alone surges, becoming a social problem		2015 The UN adopts its sustainable development goals
	1990 Japan's economic bubble bursts	2007 Full enforcement of the Revised Containers and Packaging Recycling Law further increases society's awareness of the need to reduce waste				2018 Food loss becomes a social issue
	1995 The Containers and Packaging Recycling Law is enacted					
	1997 The Kyoto Protocol determines a rate of reduction for emissions of CO2, a greenhouse gas					

Financial information・Non-financial information

Financial information (Unit: million yen)



^{*1} Following changes to the accounting standards for revenue recognition, only the handling charge has been assigned as "sales" for some volumes handled. As a result of this, sales decreased by 894 million yen.

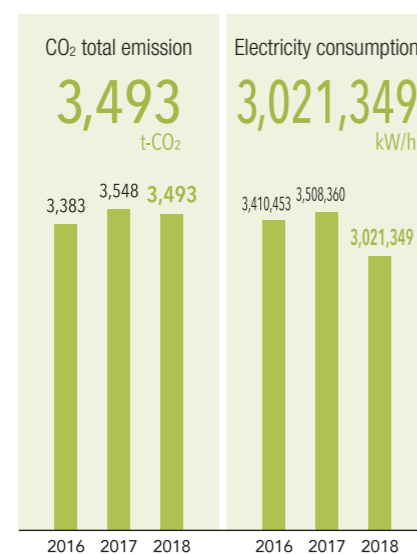
^{*2} See p. 9 for details of the accounting policy on earnings recognition.

Non-financial information

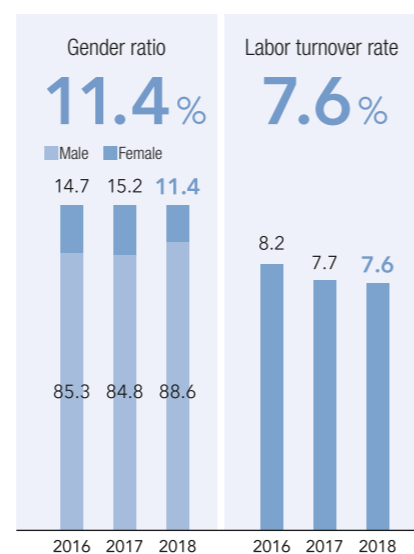
Safety



Environment



Working environment

22nd Environmental Communication Awards "Excellence award"

Our "Good Holdings group sustainability report 2018" was awarded the excellence award in the environmental report section in the 22nd Environmental Communication Awards (hosted by Foundation of earth, human being environmental forum, Ministry of Environment).



International BEVERAGE Awards

On June 27, 2018, at the International Beverage Awards at Drink Japan (hosted by FoodBev Media), REVACS Corporation was awarded the Best New Business Award for Recycling of Waste Beverage Products. The judges, all experts in the soft drink industry, gave high praise to our recycling service specializing in stale-dated beverage products that cannot be shipped.



First Yacht Championship for the Sailing Team of Our All Japan Industrial Yacht Championship

The Good Holdings Sailing Team won the 64th All Japan Industrial Yacht Championship held in Ibaraki prefecture from October 25 to 28.

Relief Nagoya Office Opens

Relief Corporation opened a Nagoya Office to provide customers in the Chubu region with Okatazuke service.

Appearance in media

[Relief] TV Tokyo
Takeshi no Nippon no mikata!
[Daiei] Nippon TV
news every.



History of awards

- 2017 21st Environmental Communication Awards, Environmental Report section, Excellence award.
- 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 4 new graduates

REVACS Corp
Yuya Tsuruoka



I was able to learn more about the company and gain more awareness and responsibilities as an employee. It was also a good opportunity for me to learn about the problems and challenges of 2050 and to think about my role in the company and in society.

Relief Corporation
Sae Tashiro



Through the publication of the report, I was able to understand the activities of each company and the initiatives of the entire Group. I am honored to have been involved in this kind of work in my first year with the Company.

Daiei Corporation
Ryota Kudo



In compiling this publication, we highlighted what new employees experience through their work and what we would like many people to learn about. We would also appreciate it if the reader would consider the necessity of our jobs for a time 30 years hence.

Daiei Corporation
Aya Ishikawa



Throughout the publication process, I learned the importance of working with colleagues and the characteristics of the entire Group. I'd like to build on this experience and continue to do my best.

Our food recycling business addresses the social issue of resource recycling

Tackling the SDGs!

When disposing of beverage products, we employ proprietary technology to recycle 100% of the packaging and contents. Moreover, we have developed a system to tackle food loss, an issue that modern society must contend with, that recycles packaged food-based industrial waste.



We upgraded our plant to provide a capability for recycling food in containers.

TOP MESSAGE



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. In FY2018, our Food Recycling Business entered full-scale operation after a plant upgrade. Going forward, we intend to continue developing businesses that are highly compliant and transparent by thoroughly complying with existing laws and regulations and disclosing all relevant information so that our businesses grow in harmony with the needs of society.

Our unique processing method achieves 100% recycling of food-related waste

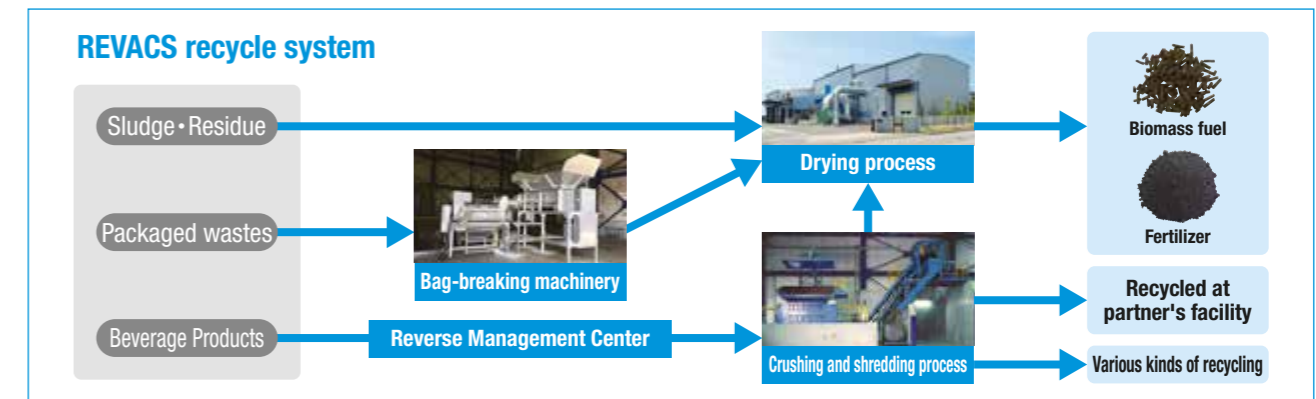
To maintain our unique recycling system, our plant includes shredding, tearing, and drying facilities as well as a Reverse Management Center (transshipment/storage facility).

This plant dries and recycles sludge as well as plant and animal residues to create biomass fuel with the waste discharged from food factories and processing factories. A portion of this waste is used as a raw material for fertilizer, so the resulting crops become agricultural products provided from food factories to the consumer table, maintaining the circulation of resources.

In the case of beverage products that cannot be sold because of stale dating, breakage, or label faults, we have already achieved 100% recycling of containers and liquid contents. The plant handles about 10,000 metric tons of waste per year, placing it among the largest in Japan. We undertake waste disposal processing for a number of companies, including one of Japan's leading beverage makers.

In FY2018, we expanded the scope of our food recycling business. The task of food recycling requires that containers and their contents be processed separately, so we upgraded our plant by introducing bag-breaking machinery. We are now able to handle industrial waste in the form of packaged food.

Recycling of industrial waste comprising packaged food also reduces waste disposal costs compared to incineration. Although the Food Recycling Act requires a high recycling rate for foods containing beverages, our treatment flow helps to achieve the recycling rate stipulated within the Food Recycling Law. Following the recycling of 100% of beverage waste, we aim to recycle 100% of food waste as well.



A treatment plant focused on reducing CO₂ emissions

This drying plant, located near an urban area, dries organic industrial waste such as sludge and plant and animal residues. We are focused on improving the plant's energy efficiency during treatment and environmental burden mitigation. Furthermore, by introducing biomass boilers, we have established a recycling system that recycles waste while reducing CO₂ emissions.

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

Constructed as a recycling plant for organic industrial waste including sludge as well as plant and animal residues, this plant has the largest processing capacity (90.9 m³/day) in the Hanshin area. We have thus created a treatment facility appropriated for an urban location by implementing thorough odor countermeasures, including the introduction of biomass boilers and chemical cleaning equipment. This urban treatment plant benefits from minimal distances for shipping the waste and reduced costs and risk associated with shorter transportation distances to waste treatment sites.



Biomass boiler reduced the CO₂ emission significantly

By transitioning from conventional city gas to biomass fuel, we have converted our recycling facilities to a carbon-neutral operation. Moreover, high-concentration odors from the waste residue storage pit as well as the odors generated within various process are neutralized by feeding this contaminated air into the incineration facility. Once our biomass boiler was installed in FY2016, we were able to reduce our annual CO₂ emissions by 62%.

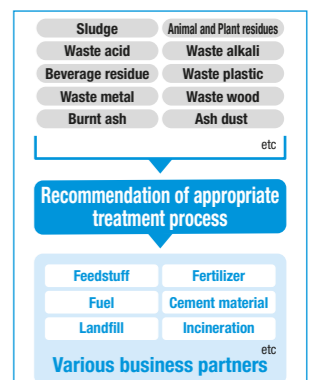
Before introduction (FY2013)	Consumption of a huge volume of fossil fuel CO ₂ emission: 5,159 t-CO ₂ / year
After introduction (FY2018)	By use of the wood chip biomass boiler, we successfully reduced emission both in consumption of city gas and volume of electric power CO ₂ emission: 1,951 t-CO ₂ / year

A business alliance offering one-stop shopping for every required recycling service

Our business alliance offers comprehensive and optimal solutions that make full use of the expertise available through the network we have assembled to address various industrial waste issues.

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 corporation, 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.





“swell” business was established

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 are.

Our “swell” business assists various plants with their efforts for environmental burden mitigation by offering suggestions to meet specific goals or unique needs such as maintenance of drainage systems and piping; maintaining adequate water flow in storm drains; and preventing the escape of foul odors and infestations of stocked materials by pests.

This business was developed as a sideline apart from waste handling in response to customer requests for support in keeping their facilities clean. As of FY2018, this business —known as the “swell unit” — had grown to become a major pillar of REVACS’ business. Both our sales and customer list have doubled simply through word of mouth, and this business is clearly responding to a growing need in the industry.

“swell” has introduced 4 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 though. 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 manufacturing plant, processing plant, Drainage work site.

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.

Initiatives for environmental burden mitigation

Recycling rate for industrial waste

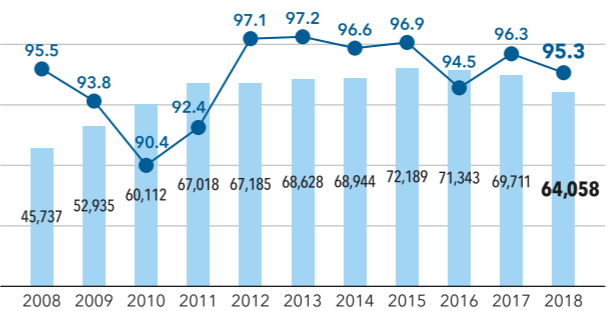
We maintain a recycling rate exceeding 90%

We upgraded our crushing facility in 2006 and our recycling rate has exceeded 90% since the drying facility was installed in 2007. In order to respond to the demands of customers focused on effective use of material resources; the service life of landfill sites, which are considered industrial resources; and the recycling of industrial waste, we intend to further promote in-house sorting and cooperation with our partners.

Note: The recycling rate, which is based on annual amounts handled, represents the ratio of volume delivered to the amount recycled.

We maintain a recycling rate exceeding 90%

Annual volume handled (t) Recycling rate (%)



REVACS' applicable waste disposal		
Drying of sludge, residue and effluent	Largest recycling plant in Hanshin area	100 t/day
	Stable operating results	36,000 t/year
Crushing of packaged food containers, etc	Processing volume	43 t/day
	Multiple permits	3 types
	Waste plastics, Waste glass, concrete and ceramics, Scrap metal	
Treatment of waste beverages	Largest beverage treatment capacity in Japan	8,000 t/year
	Capacity	300 pallets

Odor prevention measures

We have taken a variety of measures to comply with regulatory values.

We have installed four activated carbon deodorizers in the crushing facility as well as shutters in the sludge and plant and animal residue storage yards. These shutters remain closed except when the waste is being delivered. High-concentration odors generated in the drying facilities are combustion-deodorized in the combustion chambers of the biomass boilers. As for various low-concentration odors, these are neutralized with chemicals by chemical cleaning equipment. In FY 2018, the results of odor measurements required under the environmental protection agreement entered into with Nishinomiya City were all within the regulatory levels. (See p. 20)

Water pollution prevention measures

We perform regular analyses in order to maintain water quality.

Wastewater generated during the waste treatment process is released into the sewer system only after the total volume has been fully treated by our water treatment facility. We have installed a pH meter to provide continuous monitoring as part of our regular analysis of the water discharged by our wastewater treatment facility. We have adopted voluntary standards that are even more stringent than the regulatory values, and we conduct voluntary testing for the monthly wastewater quality inspections undertaken by the competent authorities in an effort to prevent any problems from arising.

Measures to prevent leakage and outflow from spills of waste beverages

We remain dedicated to preventing waste leakage and outflow.

Our Reverse Management Center is provided with gutters on its periphery and an 8-square-meter reservoir so that any spill or leakage due to collapse or unpacking of the waste beverages in containers onsite does not escape the site. In addition, when collecting and transporting waste with a high water content, we use watertight containers with rubber gaskets to prevent leakage.

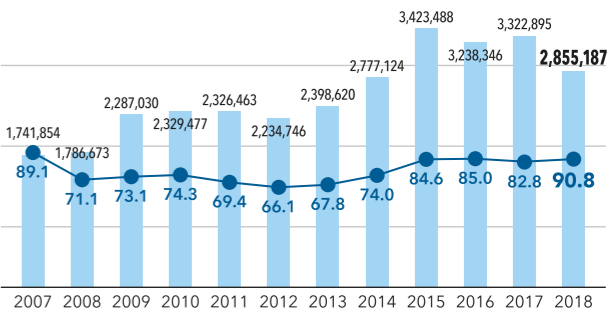
Energy Consumption of the Waste Treatment Center

We are committed to energy efficiency

The REVACS Waste Treatment Center (a crushing and drying facility) is powered by electricity and city gas. Electricity usage in FY 2018 totaled 2,855,187 kWh. This represents a decrease due to the impact of plant outages caused by fire damage which has since been repaired. Consumption of city gas during the same period was 104,298 cubic meters. This represents an increase due to the use of a city gas boiler, a backup system used when the biomass boilers were shut down due to the impact of Typhoon No. 21. These facilities are now fully operational.

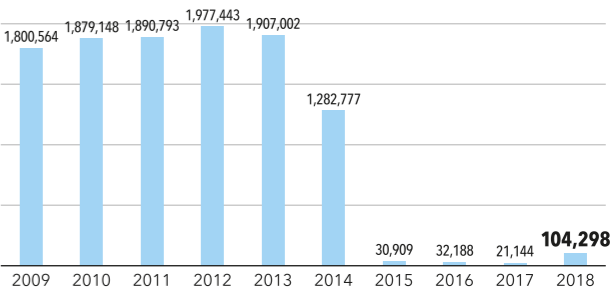
Electricity consumption of the waste treatment center

Total electricity consumption (kWh) Electricity consumption intensity (kWh/t)



City gas consumption of the waste treatment center

(m³)



Nurturing the Okatazuke culture through the disposition of personal effects after death and the disposition during one's lifetime

Tackling the SDGs! We have established a mechanism for recycling goods by linking two businesses: our Okatazuke Service, which is focused on the disposition of personal effects after death and the disposition during one's lifetime; and our overseas reuse business, which promotes the use of disused goods outside Japan.



TOP MESSAGE



While we have already contributed to the "disposition of personal effects after death" industry, the need has grown in recent years for a service that handles the disposition during one's lifetime. As a result, we are expanding the scope of our business to encompass the nurturing of a culture of dispositioning during one's lifetime. In addition, we intend to contribute to a society committed to recycling by encouraging the reuse of these donated goods in other countries instead of facilitating their disposal. We are now experiencing growth in the Okatazuke Service and Overseas Reuse Business.

Our Okatazuke Service reflects our corporate philosophy

A new business launched to tackle issues facing modern society

We introduced our Okatazuke Service in 2011 as a division of Daiei Corporation, a Group company. This business reflects our response to the growing social issue of unattended deaths; not surprisingly, the need for clearing out and cleaning of municipal dwellings increased at the same time. We conducted surveys on how people had been dealing with these situations generally and determined that many were challenged with problems such as unreasonably high service charges and a lack of appropriate services. We decided to enter this business with a desire to rehabilitate it for the modern age.

Our first step in addressing problems related to the industry of disposition of personal effects after death was to establish a transparent fee structure for our services. We adopted a flat-rate system according to the size of the residence and published standard rates for our clear-out services on our website. In addition, we constructed a comprehensive system through which our staff assume responsibility, from the preparing

of an initial estimate to completion of work without any additional costs.

Because we publicly disclosed the scope of our services and our standard rates, prospective customers were able to compare our rates with those of our competitors. Eventually, a fair market where you cannot be charged unreasonably emerged in the industry. We have created an alliance with around 350 companies, including real-estate agencies and funeral service providers. As a result, the service fees we established have become the de-facto standard across the wide range of industries involved in this business.



Our Overseas Reuse Business contributes to a society's commitment to recycling

Putting serviceable used items into international circulation minimizes the disposal of used items around the world

To promote the effective use of resources, we find uses for unneeded items resulting from the disposition of personal effects after death and disposition during one's lifetime. In field surveys as part of our search for promising markets for these used goods, we discovered that items labeled as "Used in Japan" were quite popular in Southeast Asia. In 2013, we launched our Overseas Reuse Business in which we exported containers of items obtained through our Okatazuke Service for sale at local recycling shops.

Today, we export primarily to Thailand and the Philippines as well as more than eight other countries in Southeast Asia. We are pleased to

contribute to the local lifestyles. Likewise, many of our Okatazuke Service customers in Japan have said that they are pleased to know that their items will be put to good use where they are most needed.

Moreover, it is worth noting that the lack of disposal costs associated with our reuse business has resulted in a reduction in the costs of our Okatazuke Service. As well, we have succeeded in creating a business that provides a mechanism for putting serviceable used items into international circulation in locations where people have a need for these items. In this way we are helping to resolve a Japanese social issue while enriching the lives of people around the world.



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



"Used in Japan" items have proven so popular that crowds form when the containers arrive.

With more than 10,000 work results annually, Our support for the infrastructure of the food and beverage industry significantly benefits customers.

Tackling the SDGs!

We contribute to the global environment protection by maintaining the hygiene of the food and beverage industry. Specifically, we provide services such as cleaning the kitchen grease traps of restaurants as well as cleaning the drainage pipes and storage tanks of buildings and facilities across Japan.



TOP MESSAGE



In an effort to leverage the environmental expertise of Daikyo Corporation, we launched Daikyo Clean Corporation to contribute to the environmental protection of the food and beverage industry by expanding into the field of cleaning targeting this industry. In FY 2015, we launched in the Kanto region of Japan and have since expanded our business nationwide, conducting more than 10,000 work results per year. Going forward, we remain committed to supporting the industrial infrastructure as an essential and unique enterprise in our field. Sales in the Kanto region are also strong. We intend to become the leader in Japan in this field.

Sales in the Kanto region are also strong. We intend to become the leader in Japan in this field.

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

Daikyo Clean Corporation cleans grease traps in the kitchens and drains of restaurants and other buildings and facilities. A grease trap is an oil-water separation interceptor device that is required by regulation so that effluent containing oils and fats from restaurants and the like does not damage the sewage system. In addition to trapping vegetable scraps and leftovers in baskets, a grease trap serves to separate oils and fats floating on water and prevent them from flowing into the sewage system. These floating oils and fats must be removed regularly, as failure to clean the traps can result in noxious odors and pest infestations. In 2010, after consulting with a major fast food chain about grease trap cleaning, our company has expanded to 14 areas nationwide and has become known as a specialist in cleaning grease traps as well as water tanks and pipes in buildings and other such facilities. We are thus proud of our 10,000 work results annually as testimony to our value as an essential infrastructure element for the food and beverage industry.



After entering the Kanto region, we offer one-stop services for nationwide chains

As of FY2016, we have managed a Tokyo office and a Kanto business office, which has enabled us to provide a system capable of serving customers at major nationwide chains with a single contact point.

Our Tokyo office and Kanto business offices originally serviced the Kanto area branches of our Kansai customers, but in FY2018, we increased the number of customers based in the Kanto region, resulting in over 5,000 work results per year.

The Kanto market is said to be 4.5 times the size of the Kansai market, so there remains much potential for further growth. Kanto is a market where our ability to suggest solutions is tested more than it is in other regions. In FY2019, we intend to continue expanding our business without slowing our momentum by responding to all customer needs with the attitude of refusing no project. We can achieve this thanks to the technical expertise and the solutions capabilities we have cultivated in the Kansai region.

Selling Point 1 With accumulated expertise we can deal with tall buildings and underground floors

We maintained our record of zero customer complaints despite conducting more than 10,000 work results. This record is the result of carefully establishing our expertise through serious focus on manual labor.

The technological capabilities we have cultivated are among our major strengths. Until now, it has been assumed that cleaning of kitchen grease trap must be limited to areas accessible by the hose, leaving locations in the upper and basement floors of buildings and large complex facilities impossible to access.

However, we have introduced portable equipment capable of servicing upper floors and basement locations. In addition, we have expanded the scope of our business to include water storage tanks that can be handled with high-pressure cleaning trucks. We also clean and

repair water tanks and drainage pipes in complex facilities such as hospitals, large shopping malls, airports, and other such large structures.

We maintain a fleet of eight 3-tonne vacuum trucks, two 7-tonne vacuum trucks, 2 high-pressure washing trucks, and two 2-tonne flatbed trucks.



Selling Point 2 Providing proper treatment in full regulatory compliance

In today's society, companies are required not only to transport and dispose of waste properly, but also to take into account the need of environment protection and environmental burden mitigation. In addition to improving the sanitary environment of kitchens through regular cleaning, we aim to prevent water pollution and reduce the amount of sludge discharged by grease trap cleaning.

Of course, the oil and food residues removed during cleaning of kitchen grease traps must be properly treated as industrial waste; appropriate processing in compliance with regulations is required in every step from grease trap cleaning to processing. In this regard, we issue a manifest as proof the service has been performed. In a society that values corporate compliance, our customers choose us for our high awareness of risk management.



Employee Interview at Our Tokyo Office Takashi Ito, Director

Competing in Major Markets: Success in the Kanto Market

FY2018 was a year in which we demonstrated our enhanced sales strengths and the sales initiatives we undertook in the Kanto region bore fruit. Building on the support of the Kansai region, we increased the number of unique customers in the Kanto region. As a result, sales increased by 20% and the number of work results increased by 15%. In addition, the new employees hired during the preceding year were brought up and played an active role in the field. Their efforts greatly contributed to the improvement of our business performance. In FY2019, we intend to collaborate further to ensure our Kanto staff makes strides toward further development while continuing to serve our Kansai business base.

Contributing to public services as a community-based



TOP MESSAGE



Daiei Corporation
President & Representative
Director

Hiroyuki Kimura

Waste collection is an essential and unique enterprise contributing to the health of the social infrastructure. In fact, it is a business that represents the very origins of our Group. By dealing honestly with our customers and local residents, we are taking steps to promote the soundness of the industry. In recent years, we have been focusing on efforts to further improve the image of the industry as we seek to transform it into a line of work in which people can take pride. I am pleased to introduce here details of our efforts to express this intention to the public.

Collaborating with the government as a service industry that supports healthy communities

We are responsible for collecting and transporting general waste such as household waste and business waste and collecting bulky household waste. This task is regarded as a service industry that helps to meet the essential needs of local residents. For this reason, we are committed to working in conformity with local customs and manners such as expressing greetings and giving polite and prompt responses when asked. As a result, on many occasions we hear friendly remarks and words of gratitude for the services we provide, and every day we are convinced anew that we are supporting the region's prosperity. We are highly acclaimed by our client companies for our corporate stance, including our social contributions and business policies. These have led to our justified pride as a community-based company of long standing. From now on, as a company that is the proven choice of our customers, we will continue to work diligently and value our relationships of trust with our stakeholders, who include the government, our customers, and our local communities.

Our Waste Weighing System and Metered Rate System are contributing to significant waste reduction.

About 13 years ago, we introduced our Scale Packer, a waste collection vehicle with a scale capable of weighing the waste as it is loaded into the vehicle. As a result, by Waste Weighing System, we have been able to ensure the transparency of the amount of waste handled for each customer; moreover, we introduced a Metered Rate System that has enabled us to promote the concept of "reducing costs by reducing waste." Our ability to promote the visualization of the volume of waste through numerical data has raised awareness of waste reduction and has achieved actual results that were well beyond expectations. While our waste reduction efforts led to decreased sales for the company, we were able to reduce processing costs at the same time. We continue to improve our services and introduce innovations for our customers, society, and the global environment by focusing on profitability rather than gross sales.



Waste weight displays here

company

Tackling
the SDGs!

Daiei Corporation has been designated a "fair contractor" by Nishinomiya City, while Daikyo Corporation has received the same designation from the City of Itami, both companies having been granted licenses for general waste collection and transportation. We contribute to the local community by collecting and transporting general waste such as household waste and businesses waste and bulky waste from households.



TOP MESSAGE



President and
representative director,
Daikyo Corporation

Kazuhisa Morishita

Throughout our long history, we have remained dedicated to creating comfortable living environments for community residents by properly handling waste and reducing its weight. G-career, the temporary staffing business we launched in FY2017, specializes in providing drivers for the environmental industry. It has also contributed to solving the industry's problem of a persistent labor shortage. Going forward, we intend to continue supporting a safe and comfortable living environment in the region with the pride of a long-standing business operator.



Becoming a company desired by the community

Daiei



case 1

Giving a class at primary schools in the city

Daiei Corporation conducts on-site classes at elementary schools and high schools in Nishinomiya City. In April 2018, we visited two city schools (Kawarabayashi Elementary School and Shukugawa Elementary School) to discuss the various types of waste, how to separate this waste, and the construction of a typical waste collection truck using an actual vehicle. The schoolchildren were also curious about the pink truck driven by Daiei Sakura Team.

Daikyo



case 2

Donating nursery plant of sweet potato to primary schools

Since 2010, Daikyo Corporation has been donating sweet potato seedlings to elementary schools in the city of Itami and has been supporting environmental education and food education of the children through plant cultivation. The seedling depicted here was grown in compost made from fallen leaves by the Children's Environmental Activity Support Association (LEAF), an NPO in charge of the Kabutoyama Farmland Project in which the Good Holdings Group participates. In FY2018, this group donated 2,171 seedlings to 16 elementary schools and special support schools as well as 15 kindergartens.

System of waste measurement



Collected waste
is measured
and stored



Data is sent to
client's company



Data on weight and
location of
collection are
managed centrally

Invoiced to clients
based on the
metered weight

Clients



By grasping assigned waste
quantity, clients become
more attentive to reducing it



Management & Governance



Responding rapidly to constant change and pursuing group-wide development from both an economic and social perspective

Basic Approach

The Good Holdings Group contributes to the development of society by providing outstanding products and services through businesses committed to sound and transparent corporate management while observing all relevant laws and regulations. Our basic approach is to uphold the expectations and maintain the confidence of our stakeholders.

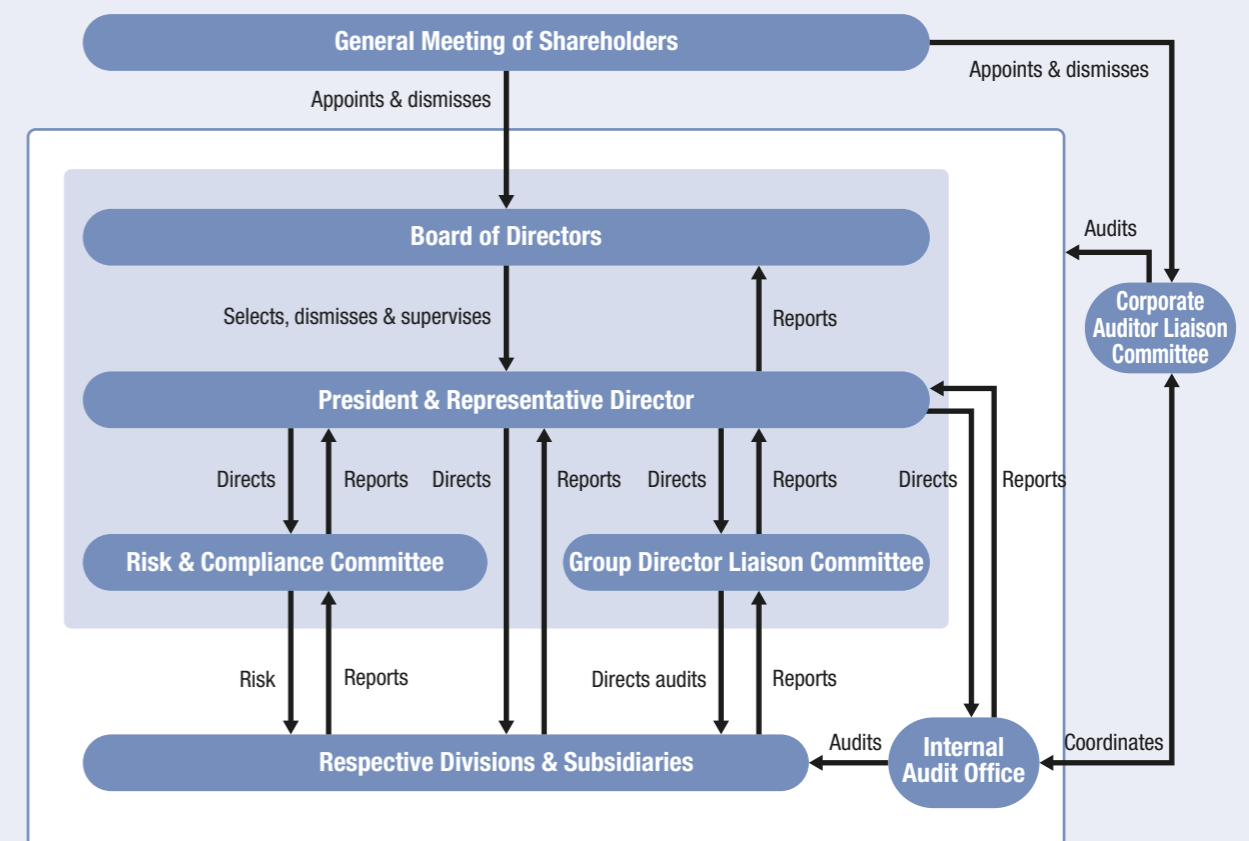
Organizational Governance

Management System

Emphasizing Assured Transparency and Seamless Execution of Operations

To remain a trustworthy corporate group capable of maintaining the confidence of all stakeholders, we strive for sound and highly transparent management and execution of operations. We also strive to establish sound corporate governance with the aim of ensuring sustainable growth for the entire Group while enhancing corporate value over the medium and long terms.

Our Corporate Governance System



Other Bodies

- **Board of Group Department Managers** A gathering of executives of all Groups for the purpose of information-sharing as well as reviewing and improving the activities of the various companies. The financial results and activities of each company are reported, and the useful initiatives and challenges of the respective parties are identified and recognized.
- **Business Meetings/ Regular Meetings of Each Company** Discuss and issue corporate policies to ensure smooth business operations.

Compliance Status

No record of serious violation of law in FY2018

We have specified the relevant laws to be observed company-by-company and see to it that 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 FY2018.

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

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. Daiei Corporation and Daikyo 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 in FY2015, 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 22nd 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.



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	To be a relief and reliable company	Plan	Do	Check	Action
		target for 2018	2018 achievement	2018 result	target for 2019
REVACS		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		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		Contribution to local community	・ Participated Kodomo Nogyo-juku ・ Issuance of CSR report	○	Continued activity
Daiei		Contribution to local community	・ Participated Kodomo Nogyo-juku ・ Issuance of CSR report	○	Continued activity
Daikyo		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		Contribution to local community	・ Participated Kodomo Nogyo-juku ・ Issuance of CSR report ・ Applied a report award	○	Continued activity

Social Contribution Activity

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 6months.

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.

In FY2018, we conducted factory tours of Relief Corporation and REVACS Corporation as an opportunity to raise awareness of the 3 Rs among the schoolchildren.



Schedule of Kodomo Nogyo-juku in FY2018

- the 1st Rice planting, Vegetable planting, Onion harvesting
- the 2nd Rice field creature observation, Summer vegetable harvest, Play at river
- the 3rd Rice harvesting, Winter vegetable planting, Poster making activities
- the 4th Sweet potato harvesting and cooking curry rice
- the 5th Factory tour, Making rice straw wreath, Graduation ceremony



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 FY2018, we accepted 449 people in 113 group including 1 group 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.



Participation in exhibitions

Creating opportunities to meet many people

Our Group companies are participating in various exhibitions to increase public awareness of our businesses and our CSR initiatives. This also presents opportunities for hearing about the various issues facing many people today.

Major exhibition we participated in 2018

Date	Exhibitor	Name of the exhibition
June 2018	Relief	Life Ending Industry EXPO (ENDEX) 2018
	REVACS	Drink Japan
November 2018	Daikyo Clean	Clean EXPO 2018



Life Ending Industry EXPO (ENDEX) 2018



Clean EXPO 2018

Blood drive to raise public awareness of the importance of donating blood

Supporting blood drives

Daiei Corporation, as part of its social contribution initiatives, supports the blood drives conducted by the Japanese Red Cross Society. In FY2018, we encouraged the employees of all our operating companies to participate in our March Blood Drive. This effort was successful, as more than 50 people attended, with 33 donating blood. As concerns have arisen about a decline in the number of people who volunteer to donate blood, we will continue to cooperate proactively as a "blood donation supporter" that contributes to the effort to raise awareness of blood drives and the need to donate.



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 Industrial Yacht Championship 4 consecutive years, or getting a place in All Japan Industrial Yacht Championship. We will be united towards further good result.



- FY2018 results**
- June**
<International Snipe class Kansai Championship>
Kawano Tanabe team 3rd place
Moritani Yamamoto team 5th place
- July**
<Kansai Industrial Yacht Championship>
Team total record Championship
- August**
<All Japan Industrial Yacht Championship>
Moritani Yamamoto team 8th place
Kawano Tanabe team 19th place
- September**
<Fukui Shiawase Genki Kokutai> men's 470 class
Moritani (Represent Nara prefecture) 15th place
Yamamoto (Represent Ishikawa prefecture) 20th place
Company test-ride event
- October**
<The 64th All Japan Industrial Yacht Championship>
Team total record Championship

Holding of seminars

Initiatives to raise awareness

We believe it is essential that both our customers and consumers alike develop an interest in and knowledge of environmental and social issues. Toward this end, our various companies distribute information on a regular basis and provides places to encourage consultation.

Major exhibition we participated in 2018

Date	Exhibitor	Name of the exhibition
June 2018	Relief	Life Ending Industry EXPO (ENDEX) 2018
February 2019	REVACS	The 13th Waste Management Practitioner Seminar
March 2019	Relief	Kyoto Isetan Seminar
		Nomura Securities Seminar



Kyoto Isetan Seminar



Nomura Securities Seminar

Business Continuity Planning (BCP)

BCP Disaster-Response Headquarters established

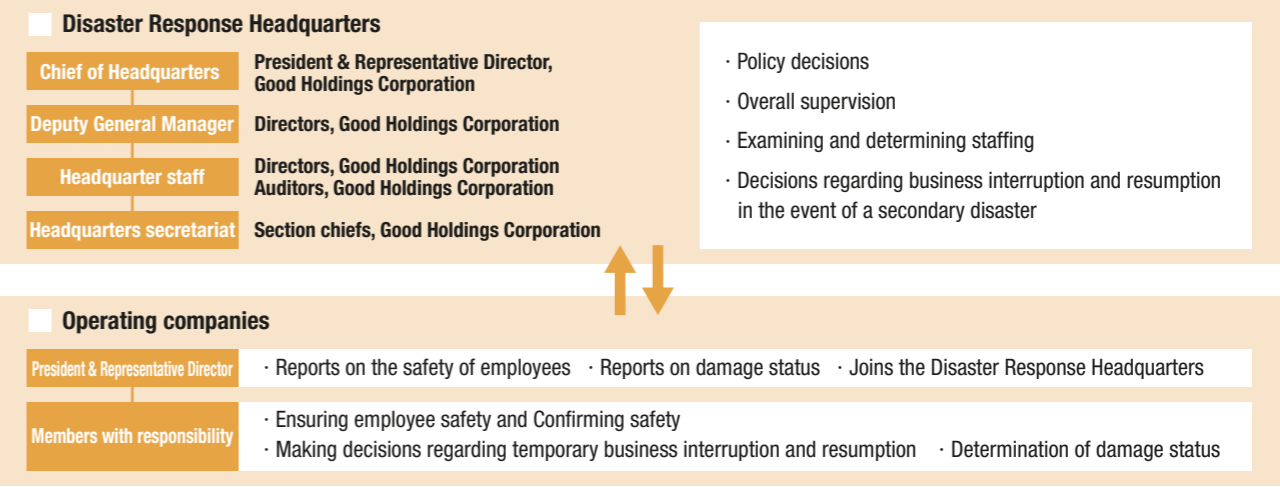
Our Group has identified the risks of damage from powerful earthquakes and typhoons as requiring a priority response in order to protect the health and safety of employees and their families. In order to expedite the recovery of local community and to help sustain our customers business operations, we have established a BCP Disaster Response Headquarters to ensure that our business operations can be resumed and maintained without delay.

Initial disaster response

To ensure a proper response to a large-scale disaster, we have distributed pocket cards to all employees that outline initial response procedures and safety reporting to support employees in making calm and rational judgments. In addition, we provide education and training annually to raise awareness of BCP, and we periodically review our BCP manual.



Organizational Structure and Key Roles



Good Holdings Group supports Child's Dream



Activities of Child's Dream

In the late 1990s, the economy slowly moved from planned economy to market economy in the Mekong Sub-Region countries such as Cambodia, Vietnam and Laos. These countries of "the Association of Southeast Asian Nations" (ASEAN) have achieved remarkable economic development in this rapidly changing society. On the other hand, the gap between urban and rural is widening drastically and serious humanitarian crises still occur complexly intertwined with the problems such as economic inequality, civil wars and political instability.

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.



多くの児童が教育を受けられるよう学校を再建設しました

Why we support

Relief Corporation held up the management concept under the title of "Goho-yoshi (good for all five sides)" and aim to satisfy both seller and customer and to contribute to society.

We are actively engaged in activities to solve various social issues with goals of the employees' realization of their own growth and affluence and construction of sustainable society for the next generation. Furthermore we also would like to contribute to the realization of the affluent society for the people all over the world.

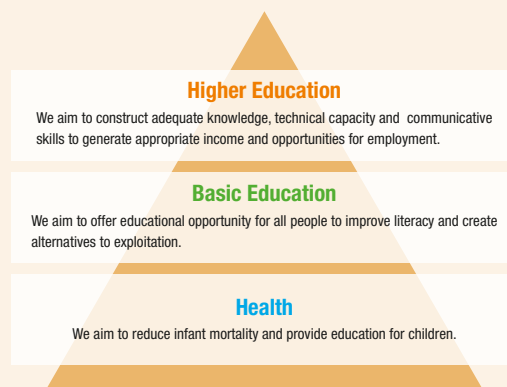
We launched the overseas reuse business in 2013 which is an approach to deliver the disused articles collected in the Okatazuke Service to people who reuse them in other countries. We have exported the items mainly to Southeast Asian countries so far. The more we visited the outlying areas of each country, the more we saw various kinds of social issues and economic disparities.

We sympathized with the ideas of "Child's Dream" which supports children's independence by giving educational opportunity for their future solution. Therefore we decided to contribute part of our profit.

The activities of Child's Dream

The activities of Child's Dream are divided into 3 parts, "Health", "Basic Education", and "Higher Education". Education is especially a powerful driver of poverty reduction and sustainable economic development. It is important to improve their ability to understand and judgment through the education for constructing the basis of cultural peace and social connection. Also, it can generate a high level of income and high-quality opportunity for employment. However, most children cannot receive adequate education due to their health problem. Therefore Child's Dream provides children with health program and life-saving treatment so that as many children as possible can get the educational opportunity.

Therefore we decided to contribute part of our profit.



The achievement of Child's Dream in 2018

Health

- 4,845 community members received drug prevention and awareness education.
- 5,953 children learned about health and hygiene.
- 1,538 children have received life-saving operations and medical interventions.

Basic Education

- 247 school buildings built.
- 659 high school and vocational scholarships in the region.
- 138,599 students and teachers in Myanmar receive stationery.

Higher Education

- 6,394 students received vocational training for employment.
- 427 university scholarships awarded