REMATEC
Innovation for the Earth

REMATEC 2013
CSR Report

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REMATEC corporation
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Innovation for the Earth

REMATEC Corporation aims to develop technologies and business models that will spur a paradigm shift, to realize a sustainable social system beyond the field of waste recycling.

Editorial Policy

Fourteen years have already passed since REMATEC issued its first environmental report in 2000.

This year's CSR report "REMATEC 2013" highlights three "returns" to express REMATEC's activities of "Creating innovation that tackles social challenges in the environmental field." These three "returns" are "Return to resources," "Return to nature" and "Return to society."

A special section "Locus of Support for Reconstruction from Great East Japan Earthquake" reports the activities of REMATEC in these three years, wishing to convey to our stakeholders REMATEC's activities in the past three years for treatment of the waste and debris left in the aftermath of the Great East Japan Earthquake, rallying project planning skills, operation engineering and accumulated technology of the Company.

Your perusal of this report and understanding of our CSR activities is solicited.

Overview of Report

Report Period

April 1, 2012 - March 31, 2013

* Some activities before March 2012 and after April 2013 are also reported.

Organizations Mentioned in This Report

REMATEC Corporation, RTT Corporation, REMATEC Clean Corporation and REMATEC Tohoku Corporation

Report Issued

December 2013

Information Disclosure

This report contains the CSR activities of REMATEC. The website of REMATEC updates details of projects and daily activities in real time. Please visit our website for more information.
http://www.rematec.co.jp

Guidelines for Reference Purposes

GRI
"Sustainability Reporting Guidelines Ver. 3.1"
Environment Ministry
"Environmental Report Guidelines 2012"
"Guidelines for Development of Regional Promotion Program for Anti-Global Warming Measures"

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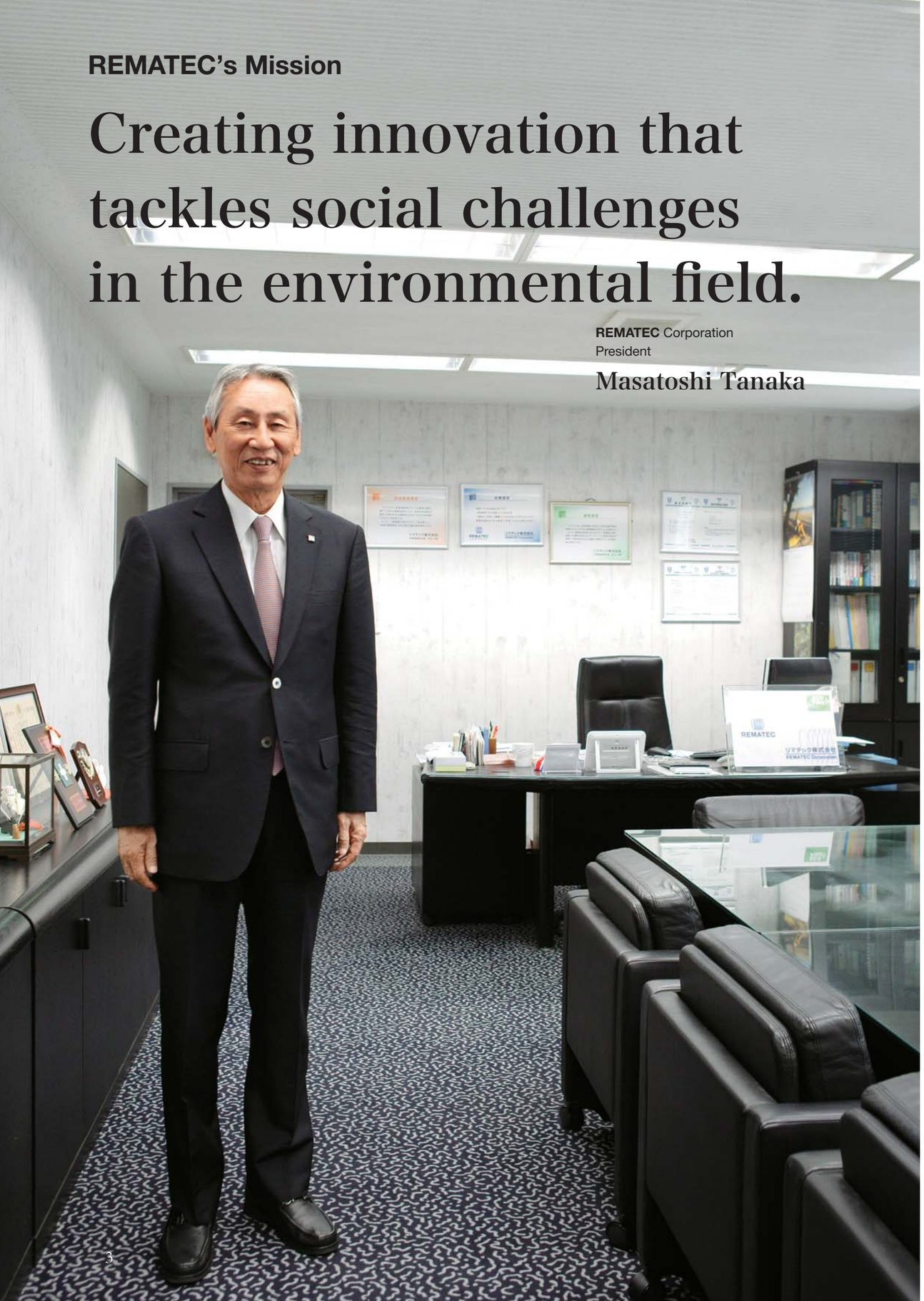
REMATEC's Mission

Creating innovation that tackles social challenges in the environmental field.

REMATEC Corporation
President
Masatoshi Tanaka



Top Message

Project Planning Skills, Operation Engineering and Accumulated Technology for Creating Innovation

In 2010 when the Company changed its name, we set "Innovation for the Earth" as our corporate slogan and CSR concept. Since then, the Company has undertaken various "CSR activities through business" to realize its mission to "create innovation that tackles social challenges in the environmental field."

The Company has assigned elite teams from its operations throughout Japan. Under its policy "Taking an initiative," the Company is engaged in restoration and reconstruction work of the disaster-stricken areas mobilizing all available resources at its disposal. The all-out powers of REMATEC have been put together to restore and reconstruct the disaster-stricken areas, including "Project Planning Skills" to make proposals on overall systems to respond to environmental challenges such as unlawful dumping, "Operation Engineering" gained in restoration and reconstruction after the Great Hanshin Earthquake in 1995, and "Accumulated Technology" to develop equipment by ourselves and to perform work assigned to us. The Company and its employees greatly appreciate the deep understanding and warm support provided by the community residents, local governments, and corporations in the areas. At present, treatment of disaster waste and debris is making satisfactory progress in Ofunato City and Rikuzen-Takata City as planned. The task is being undertaken safely and REMATEC aims to complete treatment of disaster waste and debris by the end of March 2014.

A characteristic of the restoration work undertaken by the Company is the circulation of disaster waste and debris as a reconstruction material by using it at the Ofunato Plant of Taiheiyo Cement Corporation as a raw material and fuel, instead of incinerating it. The technical team of REMATEC conducted a series of tests to deal with the challenges of removing salt content in disaster waste and debris and built a unique desalination plant, resulting in the completion of this circulation system. This system is an unprecedented circulation system, which has been evaluated by Ofunato City as a model case for the treatment of disaster debris. In May 2013, the Company built a sediment screening plant in Rikuzen-Takata City using this know-how. The plant is capable of classifying of 2,000 m^3 of tsunami sediment per day into soil that is returned to farmland. Additionally, in October 2013, the Company started to operate a verification test facility in Ofunato City that converts sewage sludge into biogas. The Company has also started to support building of a futuristic city, anticipating reconstruction beyond restoration.

The Company will continue to create more innovation to assist in the reconstruction of the areas.

REMATEC's Mission - Taking an Initiative for Problem Solution

"Innovation for the Earth" is both a CSR concept and the corporate slogan of REMATEC. Business operations and CSR are two wheels of the corporate activities and this concept expresses the belief of the Company that CSR is to perform tasks that are useful to society.

REMATEC has been in environmental business and has undertaken its business activities always believing that social responsibility is to be of service to society and to environmental conservation. RF technology, which is a core waste recycling technology of REMATEC, has been developed in response to customer needs and global environmental problems. To further solidify the trust relationship with the customers, the Company has made a more diligent effort in legislation and regulation compliance, in management of manifest, in risk management, and information disclosure, as well as the acquisition of ISO 14001 and OSHMS certifications. It has won approval as an Eco-First corporation for the first time among companies in the environmental business. REMATEC is endowed with rich experience and corporate culture to find solutions.

"Innovation for the Earth" is no longer a topic to be talked about only inside Japan at this time when the conservation of the environment has become a global issue. The Company aspires to make a contribution to the world by using core technologies nurtured in the past. Culture and rules differ in each country and region. REMATEC wishes to create and provide innovations that are optimal for job sites, by selecting the most suitable innovation suiting the challenges.

As our new challenge, at the beginning of 2012, REMATEC has kicked off a collaborative project in Thailand to promote 3Rs supported by the Kinki Regional Economy and Industry Bureau of the Ministry of Economy, Trade and Industry and Environment Ministry.

Target: Building a Sustainable Society by Linking Loop of Circulation

REMATEC's CSR Report for the current fiscal year describes its activities based on the concept of the following three "returns": Technology for "Returning to resources" industrial waste and waste that is difficult to recycle. Activities to "Returning to nature" the environment that has been damaged by disasters, accidents and unlawful dumping. Finally, "Returning to society" to

return benefits received from society through proposals for a flow and mechanism for resource circulation. The Company believes that merging these three “returns” is “Innovation for the Earth.”

The employees will create innovation in the future. REMATEC makes constant efforts to develop human resources that will support the next generations, to enhance the work-life balance and to build a safe and secure workplace environment. The REMATEC Future Learning Center, which will be celebrating its fifth anniversary in 2013, provides a training system for learning the knowledge and rules needed in working in the environmental field, sensitivity to keep a watchful eye on social challenges and to nurture mind as the REMATEC employees.

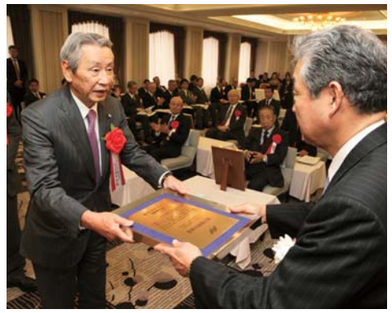
I wish to hand over the REMATEC mind to future generations so that REMATEC Corporation will continue to support society for decades to come.

The REMATEC 2013 will be the 14th issue. As stakeholders, please peruse this report and share your opinions with us.

The award for the support of the reconstruction from the Great East Japan Earthquake in 30th Public Commendation of Excellent CEO

On January 16, 2013, Masatoshi Tanaka, our CEO, President of REMATEC received the Disaster Reconstruction Support Award in the 30th Public Commendation of Excellent CEOs sponsored by Nikkan Kogyo Shimbun.

This public commendation system bestows awards to excellent business executives of small, medium and middle-ranking corporations who have grown their corporations through excellent management skills, thus greatly contributing to the development of the Japanese economy and regional communities. Award recipients are selected after screening by a selection committee headed by Mr. Morishita, special advisor at Panasonic Corp., based on recommendations made by economic organizations, local governments, financial institutions and other organizations. The Disaster Reconstruction Support Award was given to REMATEC in recognition of its activities disaster reconstruction support including recycling and treatment of disaster waste and debris generated in the Great East Japan Earthquake.



REMATEC's CSR

Our slogan/Our concept:

Innovation for the Earth

Principle

Our goal is to contribute to the establishment of a sustainable society by utilizing REMATEC's technology to recycle various materials.

Visualization of a sustainable society

- A society where people can live safely and comfortably.
- A sustainable society where both “environment” and “economy” coexist.
- A recycling society that can harmonize with the principles of nature.

Our tasks and social responsibilities

- Creation of values
- Proactivity for influences may occur by implementing REMATEC's activities and projects.
- Contribution to solve social issues

CSR Concept

REMATEC Co., sets business guidelines which are based on 5 keywords “Reliability”, “Information disclosure”, “Problem solving”, “Risk management” and “Integration”. We have been trying to be a company that participates in establishment of a recycling-based society and also correspond to our customers. We have issued our annual CSR report since 2000 as a communication tool to stakeholders and this is our 14th publication.

Based on the principle, REMATEC's primary operation is environmental business including resource circulations and also solution for the social issues in environmental field such as recycling and global warming countermeasures.

On April 1st 2010, “Kinki Environmental Industry Co., Ltd” changed the name to “REMATEC” and set “to create the innovation corresponds to the social issues of environment” as a new REMATEC's mission and “Innovation for the Earth” as the company slogan.

Since CSR activities should be sustainable through our operation, we are responsible as a member of the society for achieving the largest mission to create the innovation. We set “Innovation for the Earth” not only our slogan but also CSR concept and promote both CSR activities and our operations.

Management System

REMATEC Co., promotes CSR activities and own operations at the same time, also involves in integration of three management systems which are “Business management”, “Environmental management” and“ Occupational safety and health management” with “Solution of social issues in environmental field”. By our daily operations and this management system, we believe that we can create the innovation corresponds to the social issues for the Earth.

Feature

“Locus of Support from Great East for Reconstruction Japan Earthquake”

Iwate Prefecture has set a target of completing treatment of disaster waste and debris by the end of March 2014. REMATEC has obtained a contract for the treatment of disaster waste and debris in Ofunato City and Rikuzen-Takata City. What is the most important for quick and safe treatment of disaster waste and debris in the unprecedented disaster is to win the confidence of local residents and the cooperation of local companies. To meet these expectations, REMATEC has handled all waste and debris safely and securely, fully utilizing its project planning skills, operation engineering, and accumulated technology.

Outlook of Final Year in Plan for Treatment of Disaster Waste and Debris in Iwate Prefecture

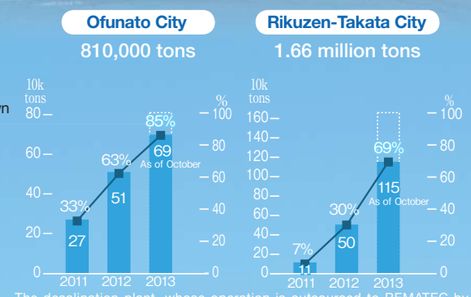
Through experience in the Great Hanshin Earthquake in 1995, REMATEC has felt that speedy engagement is important in reconstruction from disasters. REMATEC has been making proposals to local governments in consultations with them focusing on “creation of regional employment by treating of disaster waste and debris led by local corporations and subsequent acceleration of regional reconstruction” as basic policy. Oil was lacking in the disaster-stricken areas and was transported from Osaka to heavy fuel machinery and trucks. Waste and debris was moved in cooperation with local corporations as well as fishermen’s cooperative associations. In sorting duty at temporary storage yards and secondary sorting yards, REMATEC worked with about 500 local residents. A trust has thus been built with the communities.

A series of discussions was held with the staff of the Ofunato Plant of Taiheiyo Cement Corporation in a study to establish a recycling flow, to recycle entire disaster waste and debris at the plant. REMATEC then built a desalination plant to remove salt content from waste and debris. This recycling scheme allowed disaster waste and debris to be received from Ofunato City and Rikuzen-Takata City.

Rikuzen-Takata City suffered the severest damage in Iwate Prefecture. Giving the highest priority to the disposal of rotten waste generated from marine products, the city opened a temporary storage yard, primary and secondary sorting yards. On the other hand, Rikuzen-Takata City, opened a soil classification plant to return tsunami sediment to farmland, which was very important, and this was put into full-scale operation in May 2013.

Both Ofunato City and Rikuzen-Takata City anticipate treatment of entire disaster waste and debris till the end of March 2014.

Volume of Disaster Waste and Debris and Rates of Treatment Progress



The desalination plant, whose operation is outsourced to REMATEC by Taiheiyo Cement Corporation, receives disaster waste and debris from Ofunato City and Rikuzen-Takata City and also from five areas including Miyako City, Yamada Town and Otsuchi Town. REMATEC Tohoku Branch is located in Morioka City and REMATEC Tohoku Corporation is located in Ofunato City. (Source: Iwate Prefecture information)

Message

The Mayor of Ofunato city, Iwate Prefecture

Mr. Kimiaki Toda

Business and Reconstruction Activities of REMATEC

Immediately after the Great East Japan Earthquake, REMATEC Corporation promptly proposed a plan for treatment of disaster waste and debris. Since then, the city has established a process from removal and segregation of disaster waste and debris by local construction companies and other entities for disposal of disaster waste and debris at a cement plant in the city and other facilities. In July 2011, the city opened a secondary sorting yard for the first time among the disaster-stricken areas, placing in orbit the task of disposing of a large volume of disaster waste and debris totaling 810,000 tons. This accomplishment is due to the teamwork of all the employees who were inspired to achieve rapid reconstruction of the disaster-stricken areas. Representing the citizens, I am deeply grateful for the encouragement to take a first step toward reconstruction by employing many local residents who were affected by the disaster and were at a loss and for the great contribution in rebuilding the industry in the future.

Future expectations for REMATEC

The verification test for recovery of biogas that is being conducted in the premises of a purification center of the city by REMATEC is highly evaluated as a pioneer project contributing to local production and local consumption of energy promoted by the city under the Kesen Wide-Area Future City Concept selected by the state in December 2011. I place my heartfelt expectations on the challenges for new business development using rich regional resources by commercializing biogas power generation and for the early reconstruction of the city.

Fruition of “Project Planning Skills, Operation Engineering and Accumulated Technology” Locus of Three Years toward Reconstruction from Devastating Disaster

“Speedy engagement is the most important in the disposal of debris.” Unable to control his sense of mission, Vice-President Tanaka who experienced disposal of disaster waste and debris in the Great Hanshin Earth-quake in 1995 moved to the disaster area on March 16, five days after the disaster struck. Tanaka immediately checked the disaster damage condition in coastal areas and completed a proposal for treatment of disaster waste and debris on March 31.

On April 20, the Tohoku Branch was registered. By July 2011, one quarter of the employees of REMATEC were moved to Tohoku region. The employees and Tanaka shared the same aspirations in front of a mountain of debris that was heaped up by the unprecedented damage. “What can we do?” The employees mixed with workers from local corporations and local staff members and sorted debris hand in hand with them. The volume of heaped debris was ascertained and the optimum proposal was made. Quick erection and management of temporary storage yards and treatment of waste from rotten marine products won the confidence of the local community. In July 2011, REMATEC was tasked to execute all the disposal operations of disaster waste and debris in Ofunato City. Immediately thereafter, a secondary sorting yard was put into service to start early segregation of debris.

In August 2011, the construction of a desalination plant was started. Once salt content in disaster waste and debris by tsunami is removed, a large volume of disaster waste and debris can be disposed and recycled at one time. After repeated tests, REMATEC established technology from the development of a coagulant to wastewater treatment. By November, only three months after the construction, REMATEC was able to put the desalination plant into operation. By 2012, a line was additionally installed, demonstrating its technological and operation engineering to developed facilities. In May 2013, a sediment screening plant was put into service in Rikuzen-Takata City, enabling reuse of areas that had been covered with tsunami sediments as farmland. Thus, the reconstruction support operation over the long span of three years is nearing its final phase.

Project Leaders

Director, REMATEC Ofunato Operations
Mr. Hiroshi Kontani

Director, REMATEC Rikuzen-Takata Operations
Mr. Yoshiyuki Teranishi

Leader, Desalination Group, REMATEC Ofunato Operations
Mr. Junji Kitazaki

2011	
3	Great East Japan Earthquake hit Tohoku Region
	Proceeded to disaster-stricken areas
4	Started to design a system for treatment of disaster waste and debris (Ofunato City)
	Registered REMATEC Tohoku Branch
5	Conversion of waste from marine products into raw materials and fuel (Rikuzen-Takata City)
6	Ocean dumping of waste from marine products
7	Contract was assigned for work on treatment disaster waste and debris (Ofunato City)
	Opened secondary segregation yard (Ofunato City)
8	Started construction of desalination plant
9	Contract was assigned for work to dispose disaster waste and debris (Rikuzen-Takata City)
	Opened secondary sorting yard (Rikuzen-Takata City)
11	Contract was assigned for desalination of disaster waste and debris at Taiheiyo Cement Corporation
	Desalination plant started operation
2012	
6	Desalination plant expanded
12	Contract was assigned for work to manage construction equipment and materials at Taiheiyo Cement Corporation.
	Expanded capacity of noninflammable processing of desalination plant
2013	
5	Contract was awarded for classification work (Rikuzen-Takata City)
	Soil classification plant started operation (Rikuzen-Takata City)
2014	
3	Plan for disposal of disaster waste and debris in Iwate Prefecture is planned to phase out

Focus 1 **Project Planning Skills** — Cooperative Scheme Centering on Local Corporations

A very large volume of disaster waste and debris cannot be incinerated by the facilities in the prefecture. The main scheme of the waste and debris treatment plan proposed by REMATEC called for the establishment of a cooperative system led by local companies using the Ofunato Plant of Taiheiyo Cement Corporation, aiming at achieving a quick reconstruction. REMATEC took the leading role in consultation with the central and local governments in coordination among local companies because REMATEC had experience of the Great Hanshin Earthquake in 1995 and it operated a network for prevention of illegal waste dumping.

A scene at a meeting

Focus 2 **Operation Engineering** — High Disposal Speed and High Recycling Yield

Waste and debris was thoroughly segregated right from the demolition and removal stages. At the same time, shredding and segregation work in temporary storage yards, secondary sorting yards and other processes was also performed using heavy equipment, machinery and by hand to design an efficient path of flow, safe, quick processing with a high recycling yield. The operation engineering of REMATEC and staff in the disaster-stricken area supported this process. At the same time, the plan took the residents in the neighborhood and nearby environment into consideration and controlled traffic congestion, soot and dust, noise and vibration to a minimum.

Segregation by manual work

Focus 3 **Accumulated Technology** — The Moment “Loop” in Circulation Is Connected

A very large volume of waste is generated in a disaster and that waste has to be incinerated or disposed of in landfill. The waste disposal scheme at Ofunato Plant of Taiheiyo Cement Corporation was epoch-making because a very large volume of disaster waste said to equal 20-years of emitted waste could be accepted and recycled at one time as a raw material and fuel. However, waste that contains salt is rejected at cement plants, because it damages kilns and deteriorates cement quality. REMATEC succeeded in developing a unique desalting separator, which looks like a large washing machine, to ensure that the waste meets the required standard. As soon as REMATEC was able to develop the desalting separator, REMATEC built a desalination plant in only three months entirely by itself. This eliminated of the need to incinerated or landfill disaster waste and debris, establishing a system to speedily dispose of entire volumes of waste and debris inside Iwate Prefecture without moving it outside the prefecture. This showed that the loop of resource circulation in the area was connected.

Desalination plant

Topic

Converting Tsunami Sediments to Farmland

In early 2013 when local governments were confident that they would be able to dispose of disaster waste and debris as planned, Rikuzen-Takata City encountered a new challenge. The city was to dispose of tsunami sediments totaling as much as 840,000 tons, exceeding the total volumes of waste of the other cities. (1.59 million tons in total for all of Iwate Prefecture) REMATEC then proposed a farmland reduction flow by classification of tsunami waste and debris designed to dispose of waste and debris quickly. After consulting with the central and local governments from land selection to setting a specification for reuse in accordance with grain size, REMATEC thoroughly implemented classification by removing foreign matter through dry and wet classification and classifying even fine sediments into sand (75 nm to 2 mm) by a cyclone and into clay (75 nm or less) by a filter press. A flow was completed to send classified combustible and noncombustible waste and debris to cement plants and other plants and to use sand, silt, clay and other materials as bedrock soil and surface soil of farmland. The sediment screening plant was built at the former site of a citizens' gymnasium in May 2013 is disposing of tsunami waste and debris by the consortium of REMATEC, Satake Kensetsu Corp. and Konno Kensetsu Co. The consortium aims at disposing of all the debris by the end of the current fiscal year while creating employment within the prefecture.

Sediment screening plant

Leader Shinichi Nishimoto, Sediment Screening Plant

Voice

Deputy Assistant to Director, Business Operations Section 2, Kansai Branch Development Bank of Japan
Mr. Daisuke Motonishi

Loans Extended to Desalination Equipment

In May 2012, the Development Bank of Japan originated a syndicate loan totaling ¥1.5 billion to finance the desalination equipment at the Ofunato Plant of REMATEC and extended the loan together with The Senshu Ikeda Bank, Shoko Chukin Bank and Bank of Iwate. Disaster waste and debris generated by the tsunami after the Great East Japan Earthquake and containing a large amount of salt is desalinated by this equipment for use as a cement raw material and fuel. As a result, disposal of disaster waste and debris can be executed as originally planned. As a financial institution participating in this project, we are delighted that the activities of REMATEC are contributing to the early reconstruction of the disaster-stricken area.

Voice

Representative Director, Satake Kensetsu Corp. Joint venture of REMATEC, Satake Kensetsu Corp. and Konno Kensetsu Co.
Mr. Yoshiya Suga

Joint Venture of Three Companies in a Scrum

In August 2011, five months after the Great East Japan Earthquake, a joint venture of REMATEC, a company with expertise in the disposal of disaster waste, and two local construction companies of Rikuzen-Takata City was outsourced for treatment of disaster waste and debris. We hastened to procure machines, workers and facilities under the guidance of REMATEC. In a project to classify tsunami waste and debris started in May this year, treatment is making steady progress thanks to the good match between a plan developed by REMATEC and the cooperation of local contractors. Reconstruction will take some time, but Rikuzen-Takata City is steadily moving forward. I am grateful to be taking part in the reconstruction of the city hand-in-hand with REMATEC.

Voice

Rikuzen-Takata Office, Nishio Rent All Co., Ltd.
Mr. Hiroshi Yamamoto

Challenging yet Fulfilling, Job That Is Worth Performing and Placid Air at Job Site

Nishio Rent All supplies heavy equipment and provides maintenance services at plants that REMATEC constructs and manages. Heavy equipment includes shredders and sieves that are usually not well known. We have experienced both a sense of self-satisfaction and difficulty of handling disaster waste and debris. Every day, we endeavor to keep the lines flowing, but machine parts sometimes become faulty. When a part becomes faulty, we first think of fixing it with all our strength before getting upset. At present, machines in Rikuzen-Takata City still have surplus capacity. After finishing the disposal of debris, I wish to work at a job site together with REMATEC personnel again.

Voice

Business Operation Section, Manufacturing Department, REMATEC Tohoku Corporation
Ms. Junko Sato

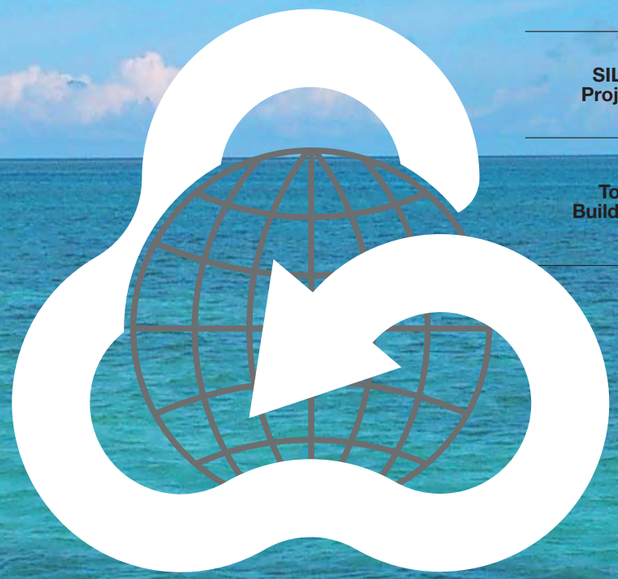
Strange Encounter between Disaster Victim (me) and Company

Before and after the outbreak of the earthquake and tsunami, I was working for the municipal office. I planned to retire from the municipality in March 2011. However, the disaster struck the Tohoku region on March 11 and the retirement date had been postponed for three months. I was assigned to work related to cremation and insecticiding rotten fish among various jobs. At that time, I found in a newspaper article that reported “a company in Osaka was loading rotten fish onto a ship and dumping it offshore.” This article gave a strong impression on me. I was then interviewed at a company, to which I submitted my job application, and talked about this newspaper article. The interviewer told me “Ah, that company is us!” This was a rare coincidence. I now work at REMATEC Tohoku and do accounting work. The company gave me vim and vigor when I was depressed. I am repaying the company by working hard.

Operation Engineering Pursuing Technology that Solves Social Challenges

REMATEC's perspective through linking the "Recycling Loop"

REMATEC is undertaking a variety of businesses related to resource circulation. REMATEC proposes disposal schemes tailored to diverse customer's needs, from designing plants for such schemes to finding final destinations for waste and debris. REMATEC links the loop of recycling as an integrated operation. From one point to another, social contributions can be made when recycling becomes a loop.
REMATEC is creating innovation through three "Returns" keeping in mind the challenges of the customers and society.



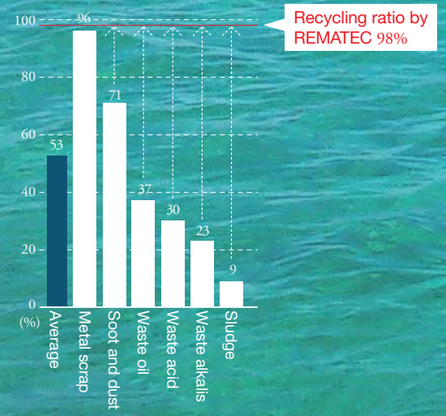
Returning to Resources

Achieving a higher recycling efficiency of industrial waste is a social challenge from various aspects including resource circulation, mitigation of environmental risks and prevention of global warming.
REMATEC recycles almost all waste that is difficult to recycle and emitted by various industries including petrochemical, steel-making and chemical companies.
REMATEC recycles waste into resources by a recycling system that does not add a load to the Earth, by zero combustion, zero wastewater and zero landfilling.

Examples of Innovation

RF Business	Industrial waste such as waste oil, sludge and waste liquids is recycled into alternative fuel for cement calcination using technology unique to REMATEC.
Maintenance Business	The REMATEC Group is active in washing, cleaning and maintaining equipment and facilities in petrochemical complexes, power plants and industrial plants.
Technology Development	REMATEC contributes to the circulation of resources that are difficult to recycle including the development of a unique coagulant and the recovery of valuable metals.

Recycling Ratio of Industrial Waste in Japan (Source: Japanese Ministry of Environment)



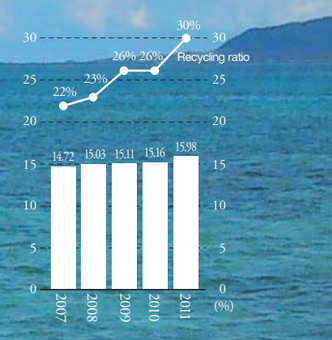
Returning to Society

Technology to "Return to resources" that supports the building of a recycling society and activity to "Return to nature" that supports a secure and safe society.
Benefits can be "Returned" to society by merging these two missions.
REMATEC undertakes innovation activities toward building future towns including provisioning of technologies to emerging economies that are pressed to tackle global environmental problems such as resource circulation and global warming. REMATEC also undertakes technology development for use of renewable energy.

Examples of Innovation

Thai Project	Supported by Economy and Industry Ministry and Environment Ministry of Japan, REMATEC is promoting verification of a resource circulation system mainly for production of RF.
SILES Project	Verification test of biogas power generation is conducted applying subcritical water treatment nurtured in technology development.
Town Building	REMATEC is executing a project to build an "Environmental Future City Featuring Local Consumption of Local Production" for smooth circulation of unused resources in areas.

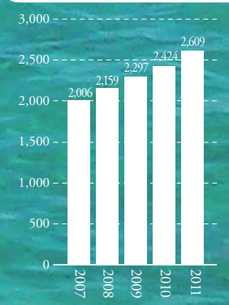
Urban waste emitted in Thailand and recycling ratio (In million tons)
(Source: Ministry of Natural Resources and Environment, Thailand)



Returning to Nature

The environmental contamination such as the illegal dumping and ocean pollution by maritime accidents such as oil spills from fuel tanker have become serious social problems. Based on its accumulated technological powers and expertise acquired in recycling, REMATEC is active in restoring the environment by developing appropriate treatment and disposal schemes. Through its business in recycling to nature in an original form, REMATEC is contributing to environmental conservation and biodiversity conservation on a global scale through the disposal of waste and debris generated by earthquakes and tsunami.

Pending Illegal Dumping and Other Cases (Source: Japanese Ministry of Environment)



Example of Innovation

Restoration to Original Condition in Illegal Dumping	REMATEC is undertaking business to restore conditions deteriorated by illegal dumping to their original conditions on the border between Aomori and Iwate prefectures, and also in Shiga Prefecture.
Restoration of Maritime Accident	REMATEC is engaged in the recovery and treatment of oil spilled by ships, including the restoration of an accident involving the Russian ship Nakhodka.
Restoration and Reconstruction from Earthquake and Tsunami	REMATEC's desalination and classification treatment technologies and operation engineering are contributing to the disposal of very large volumes of debris and tsunami sediments.

Core Business of REMATEC

RF Business

A recycling system that does not cause environmental load to the Earth featuring zero combustion, zero wastewater and zero landfilling. Recovered industrial waste is turned into resources at a rate of 98%.

REMATEC's plant in Kyushu turns industrial waste collected mainly in Kyushu, Shikoku and Chugoku regions into RF fuel. Waste is carried by ships from far places such as Okinawa and Tokyo.

RF Process Flow

Raw material mixing (Waste oil, waste liquids, sludge, etc.)
- Oil refining company
- Semiconductor industry
- Steel and machinery industries
- Automobile industry

Stored by waste type | Scaling by weighing bin | Mixed for RF production | Quality check | Delivery to cement plant

Aspects of RF

REMATEC's RF business processes waste including waste oil, waste liquids, sludge, and soot and dust emitted by various industries into alternative fuel for cement plants by unique patented technology. The recycling process involves the mixing of waste. The key to turning waste into a fuel is "matching know-how of waste." By mixing waste using REMATEC's unique mixing technology, thixotropical property is provided to waste. 110,000 tons of RF is shipped per year as a fuel that substitutes coal after it is adjusted to the predetermined calories.

Reduction of Environmental Load

The RF manufacturing process does not include any combustion, distillation or filtering. Water also becomes a fuel in an emulsion state and no wastewater is generated. About 98% of waste fed to the process becomes RF and cinders after combustion and can also be used as a cement raw material. The system is a circulation system that does not require landfilling. Cement plants that use RF can reduce coal consumption. Energy generated by 110,000 tons of RF equals 80,000 tons of coal. CO_2 emissions are reduced by 180,000 tons.

RF (Reclaimed Fuel): A regenerated alternative fuel composite for cement calcination with fuel-reversible thixotropical property. (Japanese patent No. 3039644)

Activities of REMATEC Clean Co., Ltd. (100%-owned subsidary of REMATEC)

Maintenance Service

Safety first is the motto of the company in cleaning customer plants as part of their maintenance programs. The company provides one-stop services from planning to execution and waste collection, transportation and disposal. All tasks at production sites are performed including the cleaning of pipes, tanks and treatment bins and the inspection of underground tanks. REMATEC Clean Corporation is proud of their high evaluation by evaluating environmental risks encountered in maintenance duty especially in cooperation with customers and is proposing the optimal solutions.

Cleaning of a large tank

Jet cleaning

Voices of Our Customers

Deputy Plant Manager,
Ako Plant
Sumitomo Osaka Cement Co., Ltd.
Mr. Akihiko Ono

Environmental Load Reduced by the RF Fuel

Ako Plant is the main cement supplier for our company in western Japan, stably supplying about 3.5 million tons of high-quality products. The plant is performing new social role as the most streamlined means for waste and byproducts. REMATEC and our plant have a long history of association since 1987. The supply of RF fuel as an auxiliary cement fuel is now essential for meeting our target of using supplemental energy for coal to reduce our environmental load. In 2011, a tank to hold 980kl of RF fuel was additionally installed, increasing our capacity to hold RF fuel by about 20% in 2012, compared with 2010. The attitude of REMATEC in actively dealing with environmental conservation matches our environmental policy, and I believe that REMATEC and our company share the same aspiration.

Leader,
Resin Manufacturing Group
Tobata Plant,
Nitto Chemical Co., Ltd.
Mr. Tatsuya Tanaka

Recycling Request of Waste Oil Generated in Paint Production

The root of Nitto Chemical Co. can be traced to Nippon Steel Chemical Co. (currently Nippon Steel & Sumikin Chemical Co.). REMATEC and Nitto Chemical have worked together for ten years when Nitto Chemical was then called Nippon Steel Chemical. The company produces heavy-duty rust prevention paint for safeguarding steel from rusting and a resin for rubber adhesives called a coumarone resin. These products are used for repainting steel structures and for other purposes. We are mainly asking REMATEC to treat waste oil.

Our main environmental objective is to reduce our energy consumption and the amount of effluent. We are trying to reduce the amount of waste oil emitted and REMATEC is responding to our requests on the fluctuations of waste oil compositions also. We highly evaluate the waste oil mixing technology of REMATEC. We understand that our effluents are finally supplied to the cement manufacturing process and are proud to be a fellow corporation in society.

Our plant is located in the premises of a steelmaking mill and we are very cautious about safety in our operations. All the drivers of REMATEC for collection of our effluents are well trained and we have had no problems in terms of safety and cargo collection.

A company is regarded as an excellent company after it assumes all responsibilities from the input of raw material purchases to the output of products, by-products and waste. We wish to cooperate and grow with REMATEC as a good partner.

Manager,
Construction Subsection,
Engineering Section,
Nichinan Operations
Oji Engineering Co., Ltd.
Mr. Muneharu Miyakawa

Equipment Maintenance at Nichinan Plant of Oji Paper Co.

Oji Engineering Co. is mainly responsible for the installation of machines, boilers and equipment maintenance of pump process at the Nichinan Plant of Oji Paper Co. At our Construction Subsection, we always closely interact with the job sites, quickly grasp information and use outsourced companies. We issue instructions and provide guidance to our outsourced companies on material selection and personnel assignment so that repairs and maintenance services are performed in good timing without stopping the manufacturing process. Outsourced companies are called to work at midnight and often work all night long.

We are always vigilant to ensure safety and prevent accidents by outsourced companies and issue instructions for safety and for work at job sites. We make it a point to wear a safety belt during work at an elevated place and protective clothing and a facemask where chemicals are used, to prevent an injury or death caused by an accident due to chemicals, lack of oxygen or falling accident. The oxygen concentration is measured together with outsourced companies before working in a pit or a tank. Workers and operators greet each other and recite instructions and actions to be taken at work sites to remove anxiety.

REMATEC is one of these outsourced companies. REMATEC is tasked to clean pipes and equipment at high pressure. The pressure sometimes reaches ultrahigh pressure point such as 600 K. REMATEC performs cleaning work inside tanks, crude oil tanks, concentrated sulfuric acid tanks and pits. These tasks are very dangerous. The personnel of REMATEC aim at safety duty that is always one step ahead and are trained to safeguard their own lives by themselves. The work performed by them is very efficient and clean and we can outsource work to them without hesitation. Our process staff at job sites say, "Please call REMATEC personnel for the next job."

Field of commitment of REMATEC

Technology Development

Based on its corporate idea, REMATEC challenges the development of new technology for resource circulation and the solution of social challenges in waste problems.

Subcritical water treatment plant at the Sakai SC Plant of REMATEC. Completed in 2006 as the world's first commercial plant

Recycling Innovation Using Safe and Harmless "Water"

REMATEC is exerting its effort to develop new recycling technology to recycle the limited resources of the Earth into various materials.
In 2003, the Research and Development Department of REMATEC started its operation. In joint research with Osaka Prefecture University, REMATEC perfected an ease, safe, and environmentally friendly "waste recycling system by subcritical water treatment" by using high-temperature and high-pressure water. In 2006, a subcritical water treatment plant was completed as the first commercial plant in the world. REMATEC is challenging further technology development. One such example is a verification test in Ofunato City, Iwate Prefecture, to recover bioenergy from sewage sludge. (Please see page 18 for more information.)

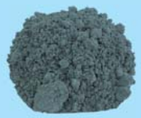
The Technology Development and Engineering departments and other departments of REMATEC are supporting the operation engineering of REMATEC in various recycling projects including the appropriate disposal of various and diverse waste in a project to restore illegal dumping sites to their original conditions, desalination technology in support of the reconstruction works in the disaster-stricken Tohoku Region, and the development of a coagulant and desalination plant.

Subcritical water: Condition (ultracritical water) that is neither water (liquid) nor water vapor (gas) is obtained when temperature and pressure of water are raised to 374°C and 22 MPa or higher. The water in the domain near by above condition is called subcritical water and dissolution and degradation, actions of organic substances are extremely high.

Topic

Technology for Recovering Valuable Metals

Soot, dust and ash from incineration generated in chemical complexes contain valuable metals such as nickel and molybdenum. The R&D Department of REMATEC in Sakai, Osaka Prefecture, is developing technology to recover these valuable metals. In 2012, the department succeeded in recovering valuable metals of high purity by combining various methods including heat treatment, extraction and concentration.

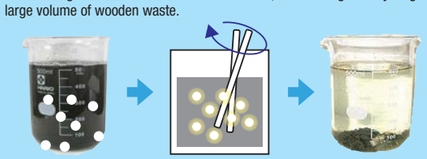


Soot and dust containing valuable metals

Recovered valuables (Purity 95% or higher)

Development of Coagulant for Treating Colored Wastewater

REMATEC proposed recycling of wooden disaster waste and debris generated in the Great East Japan Earthquake as a raw material and fuel for use in cement plants. However, it faced a problem in treating wastewater generated in the cleaning process of this recycling operation. REMATEC studied a coagulant of various compositions and succeeded in developing a coagulant that was effective in removing pollution components such as a colored component, SS component and COD components eluted out from desalinated timber. This development enabled the treated wastewater to meet the stringent local effluent standards and help establishing a desalination treatment scheme, succeeding in recycling a large volume of wooden waste.



Coagulant dosing control responding to turbidity

Treated wastewater

Restoration of Environment Challenged by Comprehensive Power

Project to Restore Illegal Dumping Sites to Their Original Condition

Prevention of more hindrance by high-accuracy sorting and refilling. Comprehensive skills of REMATEC are contributing to solving major social problems.

Illegal Dumping of Drums in Otsu City, Shiga Prefecture

A case of illegal dumping of drums found in Otsu City, Shiga Prefecture. A past survey showed that about 450 drums, whose owner could not be identified, contained a large amount of hazardous materials and that much of them were industrial waste required to be managed by a special method. Some of the old drums leaked their content and residents in the neighborhood and nearby environment were concerned. After finding the illegal dumping, the city of Otsu measured the site, surveyed the conditions and studied measures to remove the sources of the problems. In 2012, REMATEC started to remove the drums.

Because collection, moving and disposal of special industrial waste were required, joint venture of four companies including REMATEC and RTT Corporation, a group company of REMATEC, is executing the tasks. Fully utilizing the comprehensive skills of REMATEC, an appropriate disposal scheme has been developed to deal with the illegal dumping in an integrated manner from analysis of illegally dumped materials to high-accuracy sorting and active recycling. In Fiscal 2012, removal of materials from drums that were stored at the site and were becoming old, moving of materials in some of the drums to the outside of the site, turning into reclaimed fuel and incineration were accomplished. In Fiscal 2013, all the drums are planned to be moved out and disposed of and restoration of the site to its original condition is scheduled to be completed.

Site of illegal dumping in Otsu City. Weather-exposed drums containing a large amount of hazardous materials.

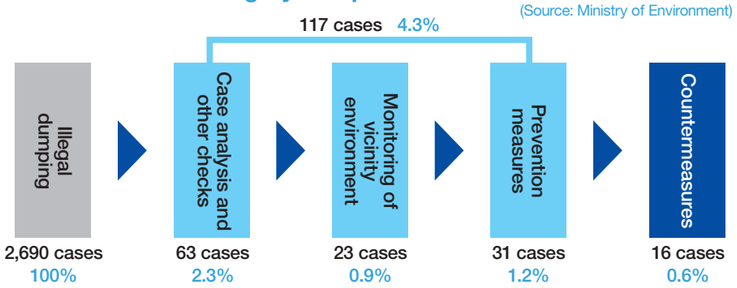
Removal of materials from decayed drums

Relocation after removal

Preservation of site

Cases to Remove Illegally Dumped Containers and Their Contents

(Source: Ministry of Environment)



[Tasks Accomplished by REMATEC]

- Preliminary design and execution management of system for illegal dumping in Aomori and Iwate prefectures (2004 - 2013)
- Works for illegal dumping of industrial waste in northern area of Gifu City and removal of specified problem sources (2009 - 2013)

Voice

General Manager, New Development Division, Business Development Group, REMATEC Corporation

Mr. Akihiro Tanio

More Diligent Recycling of Even Illegally Dumped Waste

REMATEC has a track record of accomplishing projects including projects to restore illegal dumping sites to their original condition, disposal of disaster waste and debris and disposition of maritime accidents. In illegal dumping of industrial waste in Otsu City, hazardous waste dumped by an unidentified party was left unattended for more than ten years. The restoration duty involved perfect prevention of leakage and mitigation of offensive odors and noise during the restoration duty, to avoid causing any nuisance to the residents in the community. This is a project that called for a proposal for recycling of almost entire volumes of waste in order to thoroughly recycle waste even if it is illegal. This proposal was adopted. REMATEC will always continue to dispose waste securely and safely for waste emitting companies, who are our customers, assisting them to prevent illegal dumping.

Contribution to Promotion of 3Rs in Emerging Economy

Thai Project

The manufacturing industry is rapidly growing in Thailand propelled by active investments in equipment and facilities.
The demand for cement is continuing to increase and the implementation of environmental measures is a major challenge.
REMATEC's technology is contributing to solving the environmental challenges in Thailand.

Ceremony to celebrate the opening of REMATEC&KSN Thailand (RTK) as a new operation in Thailand (Sept. 2013)

RF verification plant in Kaeng Khoi Plant

Waste disposal in Thailand (Open dumping)

Verification Tests with Governments of Thailand and Japan

Thailand emits 15 million tons of domestic waste and 25 million tons of industrial waste each year. Disposal of this waste involves major challenges. For example, no system to confirm final disposal has been established yet and incineration facilities are inadequate. As much as 80% of domestic waste is landfilled. While the cement industry including Siam Cement Group (SCG) is growing rapidly, a reduction in consumption of a very large volume of fossil fuels used in cement production is necessary. In 2012, a national project aiming at establishing 3Rs started in Thailand. Supported by the Economy, Trade and Industry Ministry and Environment Ministry of Japan, REMATEC is comprehensively transferring technology to build a mechanism for 3Rs. Because this technology uses the infrastructure (cement plant) of SCG, investment in large-scale equipment such as incinerators is not required and greater expectations are placed on the technology to reduce both landfilled waste and the consumption of fossil fuels in Thailand at the same time.

A verification test has been conducted with the support of government agencies of both Thailand and Japan. In 2012, an RF verification test was conducted at the Kaeng Khoi Plant of SCG jointly with the Economy, Trade and Industry Ministry of Japan. Additionally, a verification test of refuse derived fuel (RDF) was made jointly with the Environment Ministry of Japan to study the conversion of domestic waste into fuel. In 2013, interviews with more than 100 local corporations in the Amata Nakom Industrial Estate were conducted and a trial study was made to form a model for eco-conscious industrial estates. On September 9, 2013, a joint venture company REMATEC &KSN Thailand (RTK) was established with Kansai Saishigen Network, a technical partner. Business operations will be promoted on a full scale based on the results of the verification test.

Proportion of waste used per ton of cement (Source: SCG)

45%

9%

★ Business opportunity for utilization of waste: 5 times compared with the present
★ Consumption of fossil fuel can be reduced by recycling of waste

Voice

SCI Eco Services Co., Ltd.
Mr. Kemaraj Somwong

SCI Eco Services Co., Ltd.
Mr. Wirote Udomsuktham

Recycling Business Matching Based on Conditions of Thailand

We have learnt from the history of environmental load issues in Japan, especially the development of industrial waste management. In our point of view, key to the success was that government has seriously enforced the environmental or waste laws and regulations to all wrongdoers against the illegal dumping. Moreover, every industry or the relevant parties fully collaborated and realized in minimizing their waste including waste to landfill.

In Thailand, the waste management has just developed since over ten years ago, and still has some problems which are different from others. REMATEC is one of the most important mechanisms contributing and supporting for environmental correction and protection in terms of waste handling, recycling technology and consultancy services. Furthermore, REMATEC has a good networking with both of the governments in Thailand and Japan. For many reasons, we have a confidence that REMATEC's experience will adapt Japanese best practice and apply to our country successfully. And we really hope that REMATEC can support us on how to implement waste management legally and to provide technology-transfer for waste treatment facilities. Meanwhile we expect to see the successful case of the Amata City Industrial Estate of Eco Town project and the expansion to other industrial estates in the nearest future.

Ultimately, we are pleased to recognize, and thank to REMATEC for not only dedicating and contributing in Japan but also caring the environment and the society of Thailand.

Since REMATEC started and extended business in Thailand, projecting to waste management business which focused on Reclaimed Fuel (RF) and Refuse Derived Fuel (RDF) a few years ago, we have sincerely admired REMATEC for numerous efforts and kind cooperation. Even though at the Thai Waste Market, the waste service or management fee is quite lower than in Japan as well as there are some conflicts of interests occurred in the business environment, REMATEC has still steadily kept ongoing waste business in Thailand. We really anticipate that REMATEC could understand our market situation and continuously perform waste business through all constraints with the reasonable profitability.

Lastly we truly trust that all about exertions will accomplish and sustain either business or Corporate Social Responsibility (CSR), according to REMATEC intention.

Objective: Environmental Futuristic City

SILES Project

Producing clean energy using discarded waste, instead of depleting resources such as oil and coal.

Test facility at Ofunato Cleansing Center. Plan to treat 500kg of sewage sludge per day

Pilot Experiment facility for turning sewage sludge into biogas began its operation

After the Great East Japan Earthquake, the dependence on nuclear power generation has been reexamined in Japan and expectations for renewable energy are rising. Biogas power generation is typical of renewable energy along with photovoltaic power generation and wind power generation. REMATEC is involved in biogas power generation using sewage sludge. An estimated 2.3 million tons (dry basis) of sewage sludge is disposed annually as waste at present in Japan. The potential energy of sewage sludge is reported to be equivalent to about 1.1 million kilo liters in crude oil. A great contribution could be made to establish a recycling society if this unused energy were to be effectively used.

This scheme is an application of the subcritical water treatment technology of REMATEC. Subcritical water treatment before methane fermentation of sewage sludge significantly shortens the treatment time, and methane gas generation can be increased 20 to 30% also. Thus, a variety of advantages can be derived. In October 2013, a pilot experiment facility was installed in Ofunato City of Iwate Prefecture. The facility started a test by receiving sewage sludge from the Sewage Plant Center of Ofunato City. The local consumption of locally produced energy is also envisaged, using residues from processing of marine products, livestock manure and kitchen garbage at the same time, in addition to sewage sludge.

* SILES stands for "Sakai Illuvies Lutum Energy System," the name selected in an in-house posting.

Comparison of conventional treatment and subcritical water treatment

Comparison Item	Conventional Treatment	Subcritical Water Treatment
Treatment time	30 days	15 days at shortest
Gas yield	–	20 - 30% more compared to the past
Amount of Fermentation Residues	–	20 - 30% less compared to the past
Stability against fluctuations of substrate and other factor	Great impact	Smaller impact

Voice

General Manager
Environmental Biotechnology Development Dept.
Technology Development Center, Business Development Group
REMATEC Corporation
Mr. Masaharu Yoshimi

For Early Commercialization of Subcritical Water Methane Fermentation Technology

On October 2, 2013, a completion ceremony of the verification plant was held at the sewage plant center of Ofunato City attended by Mr. Toda, the Mayor of Ofunato City and other guests. It was extremely rare for a midsized company to conduct a verification test at such public facility. This was possible because the efforts of those related to the project and many employees of REMATEC who took part in supporting the reconstruction work were deeply understood by the people in the community. I thank the many personnels involved from design to installation and operation and hope that this technology will be commercialized soon.

Environmental Management System

Eco-First Commitment

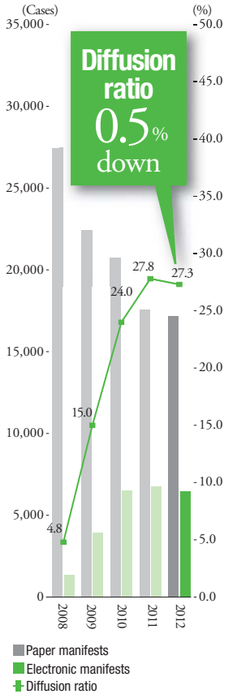
~ Activities in Earth Environmental Conservation as Pioneer Environmental Company ~

In November 2008, REMATEC pledged its own environmental conservation activities including measures to cope with global warming to the Environment Minister and was approved as the Eco First company.

Pledge	Item	Target	Accomplishment in 2012
1. An accurate and active promotion of recycling	Information disclosure	Information disclosed on website	Information disclosed on website as it becomes available
	Electronic manifests	—	Diffusion ratio 27.3%
2. Promotion to form sound material society	Amount of RF manufactured	100,000 tons of production and more till 2010	Accomplished. 110,954 tons produced
3. Promotion of global warming prevention	Reduction of fuel consumption of collection vehicles (Basic unit for energy)	More than 9% reduced in or before 2012 compared with 2003	Not accomplished. 3.7% reduced
	Reduction of electric energy consumption (Basic unit for energy)	More than 25% reduced in or before 2012 compared with 2004	Not accomplished. 24% reduced
4. Prevention of environmental pollution and implementation of preventive measures	Promotion of environmental conservation by EMS/OSHMS	—	Activity results are supplied on page 19 to 24

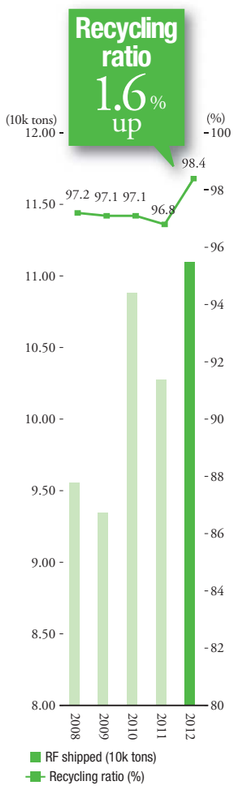
Changes in Number of Electronic Manifests Received

Target To actively publicize to customers about waste accepted at REMATEC by electronic manifests, to promote digitization of waste disposal information.



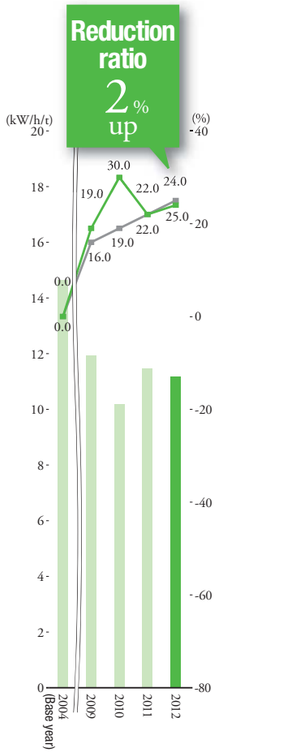
Changes in Amount of RF Shipment

Target To increase the amount of RF production at the Osaka and Kyushu Plants as alternative fuel of coal and other fossil fuels and to improve recycling ratio. To produce more than 100,000 tons of RF per year by 2010.



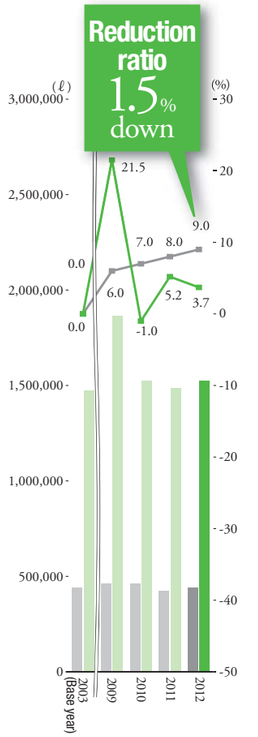
Changes in Reduction in Electric Energy Consumption

Target To actively promote energy saving activities of air-conditioning equipment, RF production equipment and others, to reduce CO_2 emissions by more than 25% till 2012 compared with 2004 in terms of electric energy consumption (basic unit for energy) per ton of RF produced.



Changes in Reduction of Fuel Consumption

Target To sequentially change waste collection vehicles to vehicles with low emissions of CO_2 and to actively promote energy-saving driving of vehicles by installing electronic tachographs. To thereby reduce CO_2 emissions by 9% till 2012 compared with 2003 in terms of fuel consumption per kilometer of total annual traveling distances of all collection vehicles in basic unit for energy.



Rematec's principle for the environment

REMATEC recognizes that the protection of environment is the most important task for the better future and the prosperity for all the human being.

Therefore, we are committed to reducing of the environmental loads, energy/resources conservation to keep the environment and the recycling businesses balanced with contribution of the recycle and the construction of better and sustainable society.

Social environmental challenges

Environmental activity in compliance with ISO 14001

Place	Date	Number
Osaka Plant, Sakai SC Plant, RTT Ltd.	03/26/1993	JMAQA-E036
Kyushu Plant	07/18/2000	JMAQA-E115

Environmental management activities 2012

Item	Purposes & Goals	Compatibilities for social issues	Operations	Results	Evaluation	Tasks & Goals of 2013
Osaka Plant	Promotion of volunteering activities		Volunteering activities (cleanup of the harbor) in local community areas	• 2 participants in "waste free operation" • 4 participants in "Cleanup of the harbor" • Cleanup work in local community areas (54 participated)	○	Facilitation of larger participation
	Increase of RF shipment (RF shipments 61,200 tons/year or more)		Industrial waste disposal contracts won by sales personnel, a stable system operation by the production division	RF shipments 59,605 tons/year	△	• Stable supply of RF • Safe operation by more diligent management of equipment and facilities
	Compilation and revision of work procedures and standards		• 100 reviews and revisions of written procedures • More diligent training to work in accordance with written procedures	Manufacturing Section: 106 cases Business Operation Section: 44 cases Training of written procedures and other manuals: 112 cases	○	• Review of work standards • Checking written procedures and more diligent training
	Obtain waste disposal contracts 42,620 tons		• Survey of existing customers, increase in volume of waste disposal • Development of new customers	42,106 tons/year including contracts from new customers	△	• More waste disposal requests from existing customers • Prospecting new customers
	Reduction of electric energy consumption (Reduction of 25% compared to 2004's rate)		Reduction of consumption in basic unit for energy	• Basic unit for energy Per ton: 9.73kW • Reduction ratio: 43.1%	◎	• Energy saving by switching off lights • Reduction in electric energy consumption through demand monitoring
Kyushu Plant	No complaints about odor from local communities		• More frequent and diligent patrolling • More diligent enforcement of shutter closing when waste is moved in • Waste must not be exposed to the outer air while being moved in tanks	1 complaint about ordor from the local communities	△	(Goal) No complaints about odor from local communities (Solution) Improvement of deodorization system
	Leakage accidents by client or own plant: 0		• Review of work standards • More diligent training of personnel in departments	• Leakage accidents by clients: 0 • Leakage accidents at plants: 1	△	(Target) Leakage accidents by clients or plants: 0 (Challenge) Guidance on compilation and operation of work standards tailored to job sites.
	Winning of contracts for waste disposal Contracts for 41,250 tons awarded		• Industrial waste disposal contracts won by sales personnel • Stable manufacturing operation	Winning of waste disposal contracts 34,603 tons	×	Winning of waste disposal contracts: Contracts for 40,000 tons awarded
	Promotion of resource conservation through stable supply (Goal of RF shipment for 55,000tons a year.) (Reduction of coal: 33,656t)		• Stable manufacturing operation • Stable supply of RF	RF shipment 51,349 tons (Reduction of coal; 31,422t)	△	RF shipment (Goal; RF shipment 55,000 tons) (Reduction of coal; 33,656t)
	Reduction in electric energy consumption (Target value: 10.98kWh/t or less) (CO_2: 4.20 (kg-CO_2/kWh)		• Reduction of electric energy consumption through use of demand monitoring system • Installation of green vegetation curtains • Awareness for diligent electric energy saving • Pre-set operation of agitators	12.6kwh/t (CO_2: 4.90 (kg-CO_2/kwh))	×	(Target value) 10.98kWh/t or less
Sakai SC Plant	Shipment of coagulant for prevention of river water pollution: 710t (Target)		Equipment improvement to increase production of coagulant	Equipment problems: 0 Coagulant shipments 606t Manufacturing equipment improvement (July)	△	Determination of adequate quantities in cooperation with Desalination Group. More diligent equipment and facility management
	Production of reclaiming nitric acid which induces prevention of greenhouse gas: 671t a year		Securing of amount of waste nitric acid accepted and stable operation of equipment and facilities	Equipment problems: 0 Recycled nitric acid shipment: 507t	△	Periodic maintenance service based on equipment management plan to prevent problems
	Accurate management of waste disposal		Reinforcement of manifest slip checking system, when waste is accepted.	Ratio of incorrect entries in manifest slips found 100%	○	Produce an entry sample to eliminate incorrect entries in slips.

Environmental Load Reduction Activities

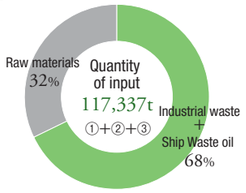
Material flow of environment responsibilities in 2012

INPUT

Resources

Gasoline (KL)	26.6
Light oil (KL)	18.2
Kerosene (KL)	70.5
Electric (kWh)	1,742,195
Industrial water (m³)	2,211.0

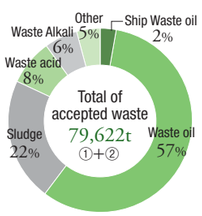
Raw material for RF production



① Industrial waste (t) 78,180

Waste oil	45,488
Sludge	17,486
Waste acid	6,383
Waste Alkali	5,025
Dusts	2,371
Waste plastic	786
Animal and plant residual	335
Ashes	264
Metal pieces	42

② Ship Waste oil (t) 1,442



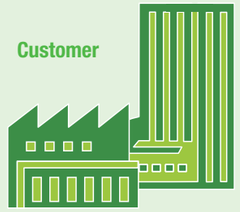
③ Raw materials (t) 37,715

Recycled fuel	37,641
C heavy oil	40
Calcium hydroxide	34

Light oil (KL) 436.9

Process

Customer



REMATEC Osaka /Kyushu / Sakai Plants

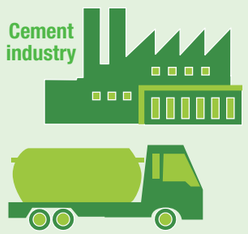
Acceptance

Analysis / Inspection (Ingredient, calories, etc.)

Processing/RF production, etc.

Shipment

Cement industry



Returning to society as cement that is used in constructing buildings, houses, roads and other social infrastructure.

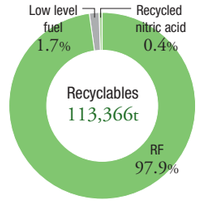
Collection / transportation receiving / shipping

OUTPUT

CO_2 Emission (t-CO_2) 1,118.7

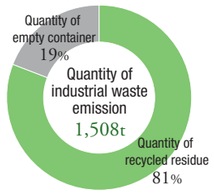
Shipment of recyclables (t) 113,366

Shipment of RF (t)	110,954
Shipment of low level fuel (t)	1,905
Shipment of recycled nitric acid (t)	507



Quantity of industrial waste emission (t) 1,508

Quantity of recycled residue	1,222
Quantity of empty container	286
Waste plastic	222
Wooden waste	47
Paper scraps	17



Valuable metal waste (t) 1,385

Recycling ratio (%) 98.4%

CO_2 Emission (t-CO_2) 1,127.1

Data on each work site in 2012

INPUT

OUTPUT

Environmental performance data for RF production

		Total	Osaka	Kyushu	Sakai SC
Resources	Gasoline (KL)	26.6	7.8	13.9	4.9
	Light oil (KL)	18.2	6.5	9.1	2.6
	Kerosene (KL)	70.5	0	0.5	70
	Electricity (kWh)	1,742,195	579,703	672,921	489,571
	Industrial water (m³)	2,211	0	0	2,211
Accepted waste (t) (①+②)		79,622	42,106	36,045	1,471
Industrial waste (t) ①		78,180	42,106	34,603	1,471
Breakdown	Waste oil	45,488	28,614	16,603	271
	Sludge	17,486	6,760	10,726	0
	Waste acid	6,383	3,140	2,177	1,066
	Waste Alkali	5,025	2,756	2,134	134
	Dusts	2,371	80	2,291	0
	Waste plastic	786	756	30	0
	Animal and plant residual	335	0	335	0
	Ashes	264	0	264	0
	Waste metal	42	0	42	0
Ship Waste oil (t) ②		1,442	0	1,442	0
Raw materials (t)		37,715	19,746	17,935	34
Breakdown	Recycled fuel	37,641	19,746	17,895	0
	C heavy oil	40	0	40	0
	Calcium hydroxide	34	0	0	34
	Kerosene (KL)	0	0	0	0
	Caustic soda	0	0	0	0
	Recycled hydrochloric acid	0	0	0	0
	Sulfuric acid	0	0	0	0

	Total	Osaka	Kyushu	Sakai SC
CO_2 Emission (t-CO_2)	1,118.7	295.6	410.5	412.6
Quantity of recyclables (t)	113,366	59,065	51,349	2,412
Breakdown: Quantity of RF production (t)	110,954	59,605	51,349	0
Breakdown: Quantity of Low level fuel (t)	1,905	0	0	1,905
Breakdown: Quantity of Recycled Sulfuric acid (t)	507	0	0	507
Quantity of industrial waste emission (t)	1,508	437	1,033	38
Quantity of recycled residue	1,222	393	818	11
Quantity of empty container	286	43	215	27
Breakdown: Waste plastic	222	31	164	27
Breakdown: Waste metal	47	0	47	0
Breakdown: Wooden waste	17	12	4	0
Breakdown: Paper scraps	0	0	0	0
Breakdown: Debris	0	0	0	0
Breakdown: Waste glass	0	0	0	0
Valuable metal waste (t)	1,385	771	575	39

	Total	Osaka	Kyushu	Sakai SC
Recycling ratio (%)	98.4	99.0	97.6	99.2

Calculation formula of recycling ratio

$$\text{Recycling ratio (\%)} = \frac{\text{(Collected amount) – residue) x 100}}{\text{Collected amount}}$$

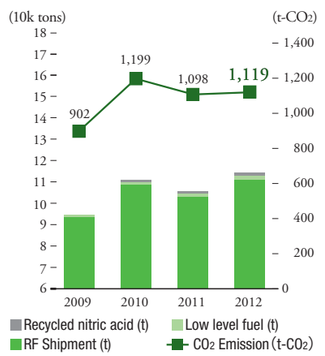
$$= \frac{\text{(Collected waste – Empty Container) – recycled residue}}{\text{Collected waste – Empty Container}} \times 100$$

Environmental performance data for collection/delivery

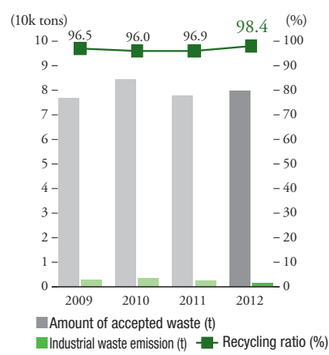
	Total	Osaka	Kyushu
Light oil usage (KL)	436.9	160.7	276.1

	Total	Osaka	Kyushu
CO_2 Emission (t-CO_2)	1,127.1	414.6	712.4

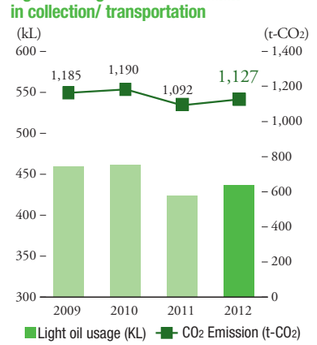
Recyclables amount and CO_2 Emission



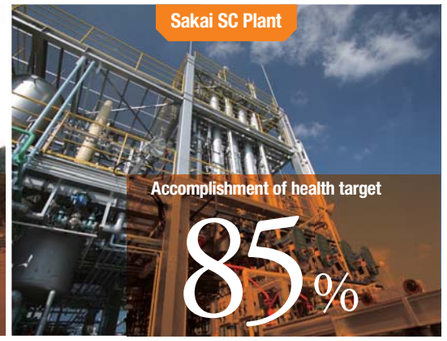
Waste amount and recycling ratio



Light oil usage and CO^2 Emission in collection/ transportation



Occupational Safety and Health Management System (OSHMS)



Rematec's principles for safety and health

REMATEC recognizes the responsibilities and tasks required to contribute to society and to secure precise safety/health standards for all employees through the recycling business; therefore, under the basic principles of human rights, we pursue activities that establish "Safety first" and a "Pleasant work environment".

Companywide Safety and Hygiene Meeting

The 17th Companywide Safety and Hygiene Meeting was held in a new office of the Kyushu Plant attended by 42 personnel, which is the largest number of participants so far.

The meeting was designed to take measures for the weathering of a serious disaster such as the one that took place on July 28, 1997. The first meeting was held in July 2005 at Kyushu Plant and in November at Osaka Plant. In the past eight years, two meetings have been held each year. At the 17th meeting, the safety secretariats in individual organizations made overall reports and reports on case activities. A group discussion theme was "Why don't risk assessment activities produce zero accidents?" As a safety lecture, Mr. Kontani, director of Ofunato Operations of REMATEC Tohoku Branch reported on the "Importance of safety activities learned through the disposal of disaster waste and debris in Tohoku."

Companywide safety and hygiene meeting

Progress Award (Type 2) awarded by Japan Industrial Safety & Health Association (JISHA)

On July 6, 2013, Kyushu Plant accomplished 1,600 days without accidents and was awarded the Progress Award (Type 2) by the Japan Industrial Safety & Health Association in recognition of this accomplishment. The first no-accident day started on February 17, 2009 when an accident that requires time off from work took place. In October 2009, the Japan Industrial Safety & Health Association approved the Kyushu Plant as a plant certified under the OSHMS system (JISHA-type) and all members of the plant participated in occupational and hygiene activities since then, and there have been no further accidents.


No-accident certificate


No-accident commendation

Safety and Health activities in 2012

Plant	Item	Purposes & Goals	Plans	Results	Evaluation	Tasks & Goal of 2013
Osaka Plant	Safety	• No accidents that require time off from work • No work-related accident by similar work	• Reviewing of the procedure manual and dissemination of rules • Enhance patrol by the manager	• One Accident that require time off from work (temporary employee) • One Accident through near injury (similarity as none)	×	• Accomplishment of zero accidents • Creating a procedure manual, review and training • Improvement (kaizen) activities through activities contained in a proposal for improvements.
	Health	The achievement rate of personal goals for health; higher than 85%	• Setting the personal goal for health • Promoting activities for mental health	• The achievement rate of personal goals for health marked 85% • The rate of doctor's observation needed 62.5%	○	• Health guidance of personnel requiring doctor's observation by an industrial physician or other experts • Encouraging each worker for checkups
	Prevention of Disaster	No accident by the malfunction	• Equipment inspection and maintenance in accordance with equipment management plan	• Manufacturing Section: 36 cases accomplished • Business Operation Section: 12 cases accomplished	○	• Keeping of equipment management ledger • More diligent checks and maintenance • More diligent management of replacement parts on stock
		100% completed training for emergency cases	• Training provided anticipating earthquake and tsunami	• Evacuation training provided	○	• Evacuation drills for earthquake and Tsunami
	Transportation	• No traffic accidents causing property damage and minor collisions • No traffic accidents causing injury or death	• Training for prediction of risk on traffic • Ensuring safety during forklift operation	• No traffic accidents causing property damage in our property • No traffic accidents causing injury or death	○	• Mutual cautioning among workers and operators to prevent accident • Prevention of accidents through prediction of risk on traffic
Kyushu Plant	Safety	Accidents: 0	Safety accomplishment	Perfect zero accidents	◎	Awarded Progress Award of Japan Industrial Safety & Health Association (1,600 no-accident days)
			My-area my-machine activity * More diligent implementation of 4S activity. [Model job sites are selected in own organization and are evaluated in accordance with a list of check items]	[Good Point] Business Operation Section has executed 4S activity and level of 4S is maintained and managed. [Poor Point] Organizations with poor results in 4S activity have no mechanism for 4S.		Lack of awareness for 4S among managers and supervisors.
			Implementation of risk assessment * Reduction of potentially hazardous places (Risk assessment is carried out within groups when work standards are reviewed)	[Good Point] Each organization has executed 8 cases as planned. [Poor Point] Analyzed factors are not examined deeply. Therefore, most of countermeasures are countermeasures for managerial purposes.		Better understanding towards the meaning of risk management list and submission.
			Patrol by plant manager * Monthly by plant manager and secretariat (Section managers, subsection managers and safety committee members patrol by rotation)	[Good Point] Job sites are patrolled every month. (Corrective action items: 85) [Poor Point] Corrective actions on 4S activity are many, 70%.		Lack of individual awareness for 4S stands for poor management
			Skill training	* Training provided every month Participation by 96% of personnel every month including employees of subcontractors		Training is not one-way training by secretariat. Some personnel do not understand adequately when questions are asked even though there are persons who correctly understand the training curricula.
	Health	Accomplishment ratio of target of healthy individuals 85% or higher	Target of healthy individuals is reflected on health diagnosis result. Mental self-check is made Dissemination of mental health criteria Sponsoring of health sports meeting	Accomplishment ratio of target of healthy individuals 87.0% Self-checks made in June and September Dissemination was made in October during training by secretariat Mini-volleyball competition sponsored in June (36 participants)	○	To study automation of drum yard and drum press work and to study automation plan. (July)
	Prevention of Disaster	General fire drills carried out	Emergency drill training is provided in conjunction with construction of a new corporate building Orderliness and tidiness around processing area	Cancelled due to delay in construction of new offices Improvement made in May	△	Major challenge is that no consistency was demonstrated in issuing instructions, organization, investigative activity and other elements when smoke was emitted in basement, exhibiting poor result of training.
	Transportation	Traffic accidents and violations: Less than 3 cases	Danger-avoidance driving	7 cases of damage to property or other vehicle including traffic accidents through own negligence Damage to vehicle: 1 case Damage to equipment: 3 cases Traffic accidents through own negligence: 3 cases	×	Caused by lack of confirmation and checks
Sakai SC Plant	Safety	No work-related accidents:	Adequate equipment and facility management Implementation of 4S activity routine Implementation of risk assessment	1 accident that require time off from work and nearly injury (Light chemical injury by acid) → Lack of thorough diligence to observe work procedures	×	Work-related accidents: 0 • Keeping of written procedures (Preparation and reviews) • Check of rule compliance • Implementation of risk assessment
	Health	Accomplishment ratio of target of healthy individuals 85% or higher	Accomplishment of targets of individuals on health Health guidance by industrial physicians	The achievement rate of personal goals for health marked 85%	○	Accomplishment ratio of target of healthy individuals 85% • Review of targets of individuals based on health guidance • Education by industrial physicians
	Prevention of Disaster	Preparations for disasters including earthquake	Reading of evacuation apparatuses and emergency food Evacuation drills	Purchased evacuation apparatuses, emergency food and other items (for 3 days) Evacuation drill conducted (Jan. 2012)	○	Evacuation drill including preparedness for earthquake and tsunami and securing the personal safety
	Transportation	Traffic accidents and violations 0 cases	Training for prediction of risk on traffic Application of knowledge and awareness on traffic danger and other matters for in-house organizations	Accidents 0, violations 0	○	Accidents 0, violations 0 • Thoroughness in defensive driving in face of increase in traffic around plant.

Developing Human Resources Means Supporting the Next Generation

Concept of Education and Training System Supporting Growth

An education and training system (human resource development system) was implemented in April 2013, in tune with the start of new HR (new benefit system and new evaluation system).

- Enhancement of education and training managerial layer as a key element in personnel development
- Creating an environment where all employees can grow
- Mechanism for circulation of “Benefits → Development → Evaluation → Benefits”
- Enhanced education and training new employees and young employees
- Ensuring equal opportunities to receive (proper) training
- Providing opportunities for self-enlightenment

Kickoff of “Innovation Club”

The “Innovation Club” is an education and training service provided by the group of Deloite Touche Tohmatsu LLC, a leading audit corporation.

While the REMATEC Future Learning Center is designed to develop personnel of the next generation who can grasp the changes of the times and explore issues, the Innovation Club is a training system designed to upgrade the individual human powers of all employees from new employees to managers, which started in April 2013.

Versatile themes can be selected for employee layers and job categories. In addition to receiving training at two venues, Tokyo and Osaka, training can be received through the Internet, allowing the employees of the Kyushu and Tohoku branches also to receive training. Work groups with trainees from other companies are formed, effects are measured after training and other ideas and plans are provided, enjoying a good reputation among the employees.

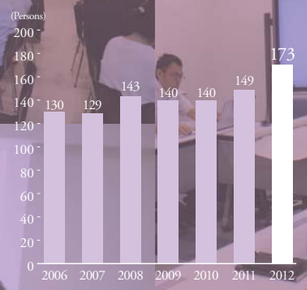
Financial Data

Year-on-Year Changes in Sales

Year-on-Year Changes in Current Profit

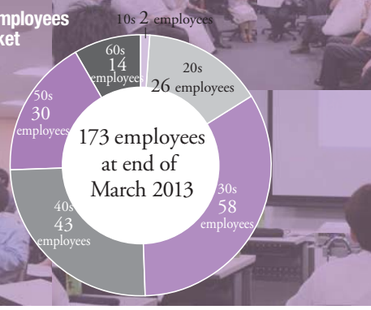
Personnel Data

Year-on-Year Changes in Number of Employees



Length of Service in Years

Number of Employees by Age Bracket



Two Future Learning Centers “Mirai-jyuku” Opened

The REMATEC Future Learning Center started in 2009 provides in-house training to those who wish to receive training. The training themes include learning, skill upgrading, communication, discussion, presentations, self-enlightenment and fostering of curiosity.

Thirteen and eleven employees graduated from the first and second classes respectively and are active in supporting the reconstruction of the Tohoku region in various projects including offshore projects. The center has a significance in developing human resources. Thirteen employees graduated in the third class. Eight training camps are planned for two years, to train human resources with a focus on young employees who will support the next generations.

In expectation of creating new environmental businesses and innovations, REMATEC opened the new Future Learning Center Tokyo in 2013. As a venue for understanding REMATEC’s businesses in a short time for the employees of REMATEC Tokyo Branch that opened in 2012 and for other employees, the center plans to provide six lectures per year.

The first joint training was provided in October 2013, merging the “Operation Engineering” of Class-3 graduates and the “Project Planning Skills” of students of the Tokyo Learning Center, while discussing at the same time and in the same venue. The graduates of the Future Learning Centers are expected to be active in various fields in the future.

Contribution to Community

Eco-First Companies in Kansai Join Volunteer Activities to Expel and Fish Non-Native Fish in Lake Biwa

In September 2013, nine Eco-First companies headquartered in the Kansai region sponsored a volunteer fishing activity to expel non-native fish that are increasing in Lake Biwa. The activity is intended to have more people understood the problem of non-native species that change the rich ecosystem in Lake Biwa. A total of 197 people participated in the activity, including the employees of the nine companies and their family members, 50 children included, as well as 33 employees of REMATEC. They fished 581 non-native fish while enjoying fishing and competing for fishing hauls.

The event was very popular among the participants who commented “Children were happy” and “We had an enjoyable time.” The event was the first try, but became a wonderful event for the nine Eco-First companies in a harmonious atmosphere.

Planting Flower with Local Residents in Nearby Community

In July 2013, flowers were planted in a flower garden located along National Route 502 near the Kyushu Plant of REMATEC by seven residents from the nearby Kinohara district and 17 employees of REMATEC. In the hot summer weather, 500 marigolds and 500 red salvias were planted to make the flower garden more colorful. The garden will continuously be tended in cooperation with the community to soothe the minds of passers-by.

Participation in 10th Tree Planting Festival in Forest of Symbiosis

In March 2013, sponsored by Osaka Prefecture, the 10th Tree Planting Festival in Forest of Symbiosis was held in Zone 7-3 of Sakai Industrial Waste Disposal Site facing Osaka Bay. Employees of REMATEC and their family members totaling eleven participated in the event as volunteers. This event is held every year and participated in by personnel from NPOs, corporations and local governments. Even though it was windy and cold, all the participants became as one to plant trees.

14th Close-rapport Ground Golf Competition

At the beginning of 2000, the Kyushu Plant has been sponsoring the “Close-rapport Ground Golf Competition,” inviting residents from the local communities annually.

253 residents participated in the 14th competition in Tsukumi City in April 2013. Conversations were carried out merrily with a mixture of joy and anxiety in controlling the ball on an unfamiliar ground.

15th Community Interchange Meeting

In September 2013, a community exchange meeting was sponsored at the Kyushu Plant, marking the 15th meeting. Unfortunately, it was drizzling all day, but as many as 155 residents participated in the event. The participants toured a new office built in September, and enjoyed the meeting greatly.

Stakeholders’ Opinions

Director, CSR Office, Corporate Communication Department Sekisui House, Ltd.

Mr. Yuki HIrose

Cooperatively Undertaking CSR Activities, Wishing to Play a Role as the Public Instrument

For many years, REMATEC Corporation has been disposing of industrial waste emitted by our Ritto Resource Recycling Center in Ritto City, Shiga Prefecture. REMATEC is active in expanding the production of reclaimed fuel from industrial waste and in improving the recycling ratio to reduce the consumption of natural resources, thus contributing to forming a circulation-type society. It is also a pleasure for our company to be working together with REMATEC as a business partner because our company is aiming to build houses while reducing consumption of limited resources to a minimum.

Both REMATEC and our company have been certified as “Eco-First” corporations by the Ministry of Environment. Our two companies headquarter in the Kansai Region and actively exchange information each other. By working together in social contribution activities aside from business activities, I wish to further play our role as a public function of the society together.

Director, Commerce Department, Kinki Regional Economy and Industry Bureau, Ministry of Economy, Trade and Industry

Mr. Hironori Mochiki

REMATEC is Leading the Transfer of Environmental Technology and Know-how to Thailand

The Kinki Regional Economy and Industry Bureau is in charge of a project to form an environmentally-friendly industrial estate model through the cooperation of public and private sectors of Thailand and the Kansai region in Japan. REMATEC is a leader of this project, contributing to the transfer of the environmental technology and know-how of Japan to Thailand.

The project is one of the pioneer activities to explore environmental business outside of Japan through the cooperation of the public and private sectors.

On June 7, 2012, the Kinki Regional Economy and Industry Bureau and Kansai Asia Environmental and Energy-saving Business Interchange Promotion Forum (Team E-Kansai) signed a cooperative document for the formation of an environmentally-friendly industrial estate model in the Amata Nakom Industrial Estate with the Industry Bureau, Industry Ministry of Thailand (DIW), Thai Industrial Estate Public Corporation (IEAT) and Amata Co.

Head, Miakomatsu District, Notsumachi, Usuki City

Mr. Hiromi Fujishima

Expectations Are Set on Further Evolution of Environmental Business toward Sound Material-cycle Society

I have been involved in the agricultural industry in this district for 30 years. During this period, the social situation greatly changed, and now waste is considered as a resource. REMATEC has been operating a plant in this district for 25 years. Despite facing difficulties, the company has steadfastly built a relationship of trust with the local community and has expanded its business operations. It was indeed memorable that the company completed a new office in September this year.

It must be very difficult to perfectly remove offensive smells when handling industrial waste. However, REMATEC patrols the area every week to detect offensive smells, listening to the voices of local residents if any offensive smells are emitted and taking speedy action on a priority basis. We can now engage in agricultural work without caring about offensive smells at all. We wish for the continuation of their activities.

REMATEC is also very diligent in safety training. Keeping in mind “coexistence and co-prosperity” with the local community, the employees of REMATEC have cleaned areas along national highways and weeds in forests every month for about a dozen years in an activity to improve the environment in the region.

The further growth of REMATEC Corporation is envisioned.

Opinion from the Third Party

I have read the final galley proof of REMATEC's CSR Report, which becomes the 14th issue this year, with great interest and expectations.

First, the special section “Locus of Support for Reconstruction from the Great East Japan Earthquake,” REMATEC's effort in contribution to the restoration and reconstruction of Ofunato City and Rikuzen-Takata City describes the aspirations of employees, as well as all technology. REMATEC's mind is well represented by corporate ideas, social responsibility, sincerity and challenging spirit. The objectives of REMATEC are to build an environmental system to recycle debris that is used for reconstruction by using accumulated technology not just merely disposing of debris, but also creating sustainable regions. These objectives also give the highest priority to cooperation with the communities and to employment of local residents. I feel that these objectives of REMATEC indeed embody the image of the REMATEC mind itself. We are very proud that Vice-President Yasunori Tanaka and graduates of REMATEC's Future Learning Center "Miraijyuku", who will be supporting the next generation of REMATEC, are in the center of these projects as we have been involved with the Future Learning Center and have continued to watch the growth of REMATEC.

The latest issue features the keywords of three “Returns” - Returns to resources, nature and society. It reports on REMATEC's achievement of the higher efficiency in the production of RF fuel, a core business of REMATEC, and support to building elements in new emerging economies including Thailand. REMATEC challenges renewable energy business to cope with resource depletion and global warming, using its past experience and technology. These activities have evolved from waste disposal to resource circulation. It will be interesting to see the future evolution of “Innovation for the Earth” through these activities.

On the other hand, I am concerned that there are quite a few signs “△s” and “×s” in the plan achievement for both environmental management activity and safety and hygiene activity in the report in terms of accomplishments. Especially in the safety field, a minor error sometimes causes a major accident.

Co-Representative, Environment and Civilization 21, NPO

Ms. Konoe Fujimura

The integration of planning and job site work is the essence of REMATEC. It is hoped that REMATEC will deal with the matter and will improve it with sincerity found in REMATEC mind that a solid foothold is the source of evolution. It is regrettable that less consideration is given to the report readers such as using larger characters and reducing the number of characters, that fewer on-site voices are reported while there are more opinions of outside people and that the fields in which REMATEC challenges with an emphasis are less conspicuous, compared with the previous issues. Further, it is hoped that the range of reports on activities to reduce environmental loads will be expanded as REMATEC's business grows.

REMATEC is also entering times of change. An expansion of business scale and increase of employees are opportunities, but also risks. The environment of the Earth is expected to be increasingly severe. It is hoped that REMATEC will continue to boldly propose an integrated model of the environment and economy as the environmentally integrated company, seeking qualitative rather than a quantitative growth.

After Reading Opinions from the Third Parties

Thank you very much for the valuable opinions contributed each year since the first report was issued.

As this year marks the final year of the project for support of reconstruction from the Great East Japan Earthquake, this issue features the second installment of the feature article series. I appreciate the very favorable evaluation of this project as a reward for the employees working in the project at the site and for their family members and other employees working in far places who backed them up. Continuously refining its “Project Planning Skills,” “Accumulated Technology” and “Operation Engineering,” which are the strengths of the Company, we will strive to carry out our business activities.

Considering that a deficiency in our activities will cause a major disaster and increase in the Environmental Load in the worst-case scenario as pointed out in the comments on “environmental management” and “safety management,” which are the core of CSR of the Company, I strongly feel that it is necessary to further reinforce our activities, underlining our own heartfelt opinions.

Smaller characters are used and fewer items are printed in this report to balance the volume of information and the number of pages. Fewer voices of job sites are printed compared with the previous issues to allow more space for the opinions of the third parties. We will embody these comments in producing future reports that are easier to understand and to read.

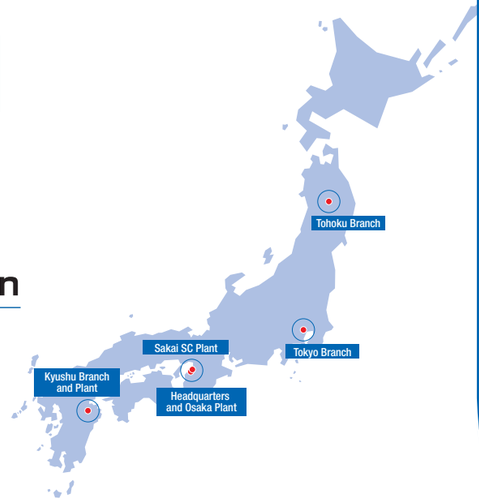
Executive Managing Director, REMATEC Corporation

Mr. Hisakazu Chujo

Company Profile

REMATEC
Innovation for the Earth

REMATEC Corporation



Foundation:	10 November, 1974
Capital:	100 million Yen
Number of employees:	173 (as of March 31, 2013)
Correspondent banks:	Bank of Tokyo-Mitsubishi UFJ, The Senshu Ikeda Bank, Development Bank of Japan, The Shoko Chukin Bank, The Bank of Iwate, Oita Bank
Main business:	• Industrial Waste: Processing/Collection/Transportation • Tank Cleaning • Plant Designing/Construction • Environmental Business Consultation/Technical Training/Mechanical Training • Recycled Products Distribution • Recycle Engineering

REMATEC Corporation

http://www.rematec.co.jp

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Sakai SC Plant	4-2-4 Chikko-Shinmachi, Nishi-ku Sakai-shi, Osaka 592-8331, Japan Tel: +81-72-280-0525/Fax: +81-72-280-0526
Tokyo Branch	10F Nittochi-Uchi-saiwaicho, Buliding, 1-2-1 Uchi-saiwai-cho Chiyoda-ku, Tokyo 100-0011, Japan Tel: +81-3-3503-7030/Fax: +81-3-3503-7033
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Fujiwara Office	1361-1 Oaza-Higashi zenji, Fujiwara-cho, Inabe-shi, Mie Taiheiyo Cement Corporation Fujiwara plant 511-0515, Japan Tel: 0594-46-4544/Fax: 0594-46-4544
Nanko Office	7 Nanko minami, Sumiyoshi-ku, Osaka KEPCO Nanko Power Station 559-0032, Japan Tel: 06-6613-7761/Fax: 06-6613-7761
Tsukumi Office	2303 Aza-Tsumurogi, Oaza-Toku ura, Tsukumi-shi, Oita 879-2474, Japan Taiheiyo Cement Corporation Oita Plant Tsukumi Plant Tel: 0972-82-9055/Fax: 0972-82-7025
Ofunato Office	2-3 Kameida, Akasaki-cho, Ofunato-shi, Iwate 020-0007, Japan Taiheiyo Cement Corporation Ofunato Plant Tel: +81-192-47-3526 Fax: +81-192-47-3527

Group corporations

REMATEC Tohoku Corporation

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020-0007, Japan
Taiheiyo Cement Corporation Ofunato Plant
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REMATEC Clean Co., Ltd.

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RTT Corporation

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- Headquarters: 4-2-4 Chikko-Shinmachi, Nishi-ku Sakai-shi, Osaka 592-8331, Japan
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Affiliated company

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Certified as an excellent waste treatment company by Authorization System

What is the Authorization System for excellent waste treatment companies?
The evaluating system for the authorization of excellent waste treatment companies that passes all inspection and qualifications. Qualification standards are below;

1. Experiences and compliances	No record of being subjected to a specified disadvantageous measure during the effective period of a license for industrial waste management business in the past. (Five years retroactive to application date when obtaining confirmation as a good operator).
2. Disclosure of Businesses	Information that is closely related to the disposal of industrial waste is widely made public through a website on the Internet.
3. Environmental efforts	The candidate must have a grant from either ISO14001 or EcoAction 21
4. Data manifests	A member of the electronic manifest system and electronic manifests can be used.
5. Soundness of finance	The candidate must be able to indicate the soundness of all financial matters

Please go to the ministry of environment web site for more information; http://www.env.go.jp/recycle/waste