

For the Environment

Asahi Holdings Group has formulated and implemented policies to address conservation activities for the global environment, and aims for sustainable development harmonious with the environment.

Environmental Policies

We will contribute to the environmental protection of the earth and establish a sound material-cycle society through the company's businesses on recycling of precious and rare metals and industrial waste treatment.

- (1) In all business activities we will strive to conserve resources and energy and reduce, reuse, and recycle waste to minimize the environmental burden.
- (2) We will promote the recycling of resources of precious and rare metals to achieve a more effective use of the limited resources of the earth.
- (3) We will adequately and safely perform our operations for the collection, transportation, and treatment of industrial waste to prevent environmental pollution.
- (4) We will prioritize a harmonious coexistence with nature and regional communities. We will strictly follow the relevant environmental laws and regulations and other requirements which we recognize.
- (5) We will establish environmental objectives and targets and periodically review them to continue improving our activities.
- (6) We will educate all our employees and increase their environmental awareness as members of the community, promote their understanding of environmental protection activities, and participate in such activities.

These environmental policies shall be conveyed to all of our employees and all those working for the company and announced to the public as our commitment.

Initiative to Prevent Global Warming

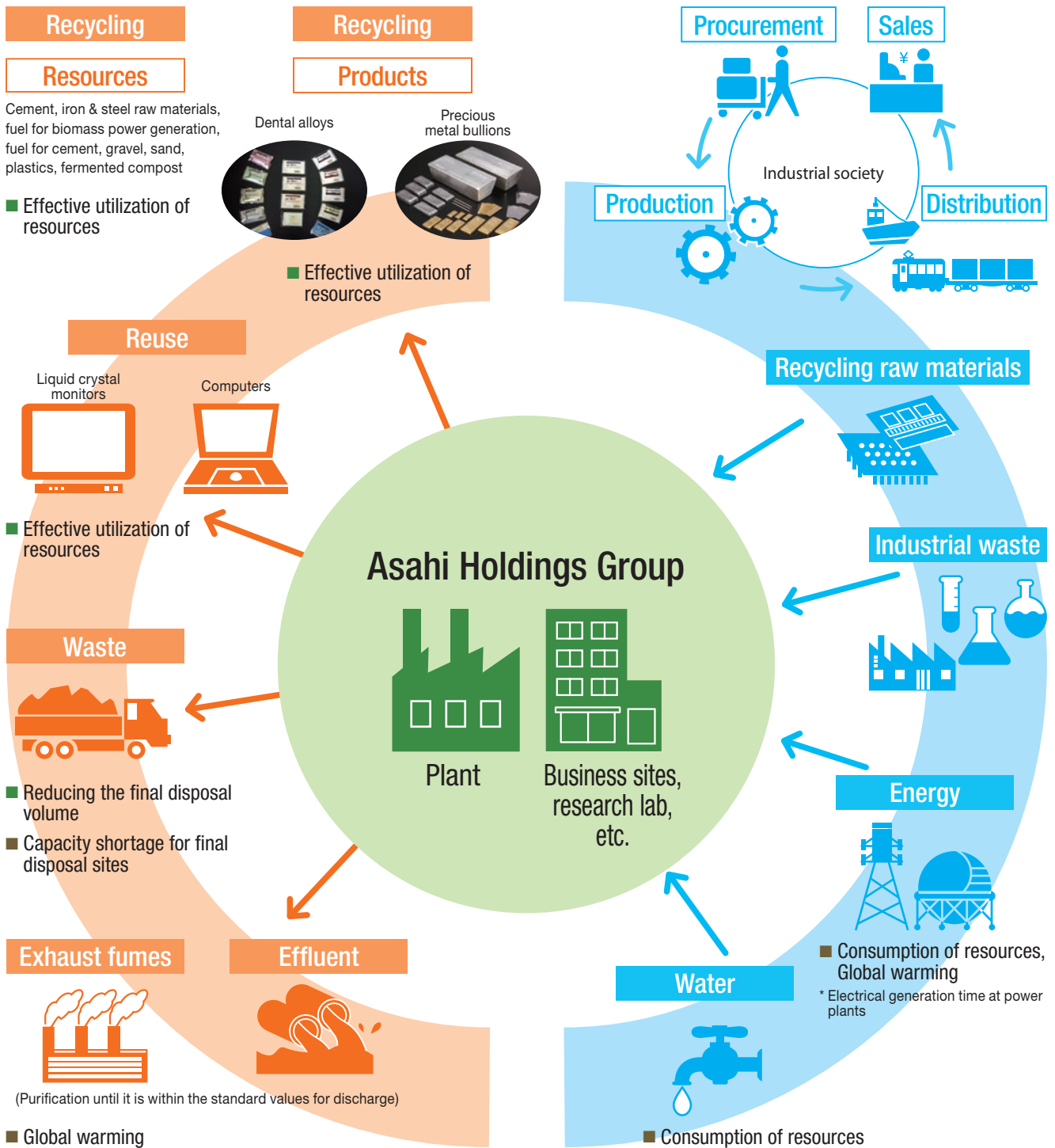
We determine the emissions of greenhouse gases from our business activities and work to reduce such greenhouse gases by conserving energy and resources and promoting the 3 Rs (reduce, reuse, recycle).

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ENVIRONMENTAL IMPACT RESULTING FROM BUSINESS ACTIVITIES

This indicates the INPUT of the resources and energy needed for our group's business activities, as well as OUTPUT in the form of the environmental impact produced through our business activities.



Environmental Performance

The energy, resources (water), chemicals, and so on used in our precious metal recycling and environmental protection business activities are listed as INPUT, while the environmental burdens given off from conducting business activities with the substances in the form of INPUT are listed as OUTPUT data.

INPUT

	Unit	FY2006	FY2007	FY2008
Electricity	MWh	15,892	18,942	22,503
Heavy oil	kℓ	1,410	2,433	2,406
Kerosene	kℓ	574	569	541
Light oil	kℓ	2,823	2,746	2,804
Gasoline	kℓ	632	704	804
Urban gas	1,000 m ³	784	700	684
Water	1,000 m ³	206	253	366
Chemical, etc.	t	21,020	23,175	20,282

OUTPUT

	Unit	FY2006	FY2007	FY2008
CO ₂ emissions	t	21,653	25,233	32,461
Effluent*	1,000 m ³	252	250	245
Waste	t	24,544	26,504	23,528

*: Purified until it is within the standard values for discharge.

Environmental Accounting

For the promotion of environmental management, we have introduced environmental accounting starting in FY2005 and publicly disclose costs related to environmental protection. These are prepared in line with the Environmental Accounting Guidelines of the Ministry of the Environment.

● Environmental Protection Costs

(Unit: million yen)

	Category	Contents of major initiatives	Expenses	Investments
1. Costs within the business area	(1) Cost of preventing pollution	Control and maintenance of gas emission facilities, water drainage, and so on.	261.34	61.93
	(2) Cost of protecting the earth's environment	Energy saving (Decreasing electric consumption, improving fuel-efficiency for vehicles, and so on.)	4.38	116.10
	(3) Cost of recycling resources	Entrustment of industrial waste treatment	207.94	18.71
2. Upstream and downstream costs		—	0.00	0.00
3. Cost of management activities		Management activities of ISO14001 Preparation of Corporate Report	93.34	0.00
4. Research and development costs		Improving efficiency for the precious metal refining process/ Decreasing the landfill disposal volume	225.16	44.81
5. Cost of social activities		Clean up activities in the neighboring communities	5.69	0.00
6. Cost of handling environmental damage		—	0.00	0.00
Total		—	797.85	241.55

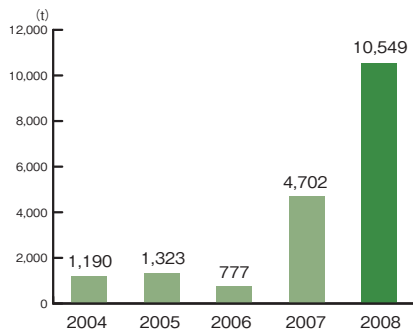
GLOBAL WARMING PREVENTION AND SAVING ENERGY AND RESOURCES

We are undertaking initiatives in the form of responses to preventing global warming, including conserving energy in our processes and equipment, and other countermeasures in our hardware, and improving fuel consumption of our vehicles by introducing digital tachometers.

● Emissions of Greenhouse Gases from Waste Incinerators

We have computed the amount of CO₂ emitted when incinerating industrial waste in accordance with the Law concerning the Promotion of the Measures to Cope with Global Warming. The amount of heavy oil used increased, along with the amount of CO₂ emitted, due to the operation of a large-scale industrial waste incinerator since November 2007.

<Trends in the Amount of CO₂ Emitted from Industrial Waste Incinerators>



● Fuel Consumption of Vehicles

Our company maintains a large fleet of vehicles as part of the nature of its operations, and strives to promote energy conservation as a "designated carrier." We have taken efforts such as reducing fuel consumption through the introduction of digital tachometers and raising transportation efficiency by reviewing collection route. Through these initiatives we have been able to achieve a reduction in fuel consumption by more than 3% from FY2005 as the base year.

<Comparison of Vehicle Fuel Consumption>

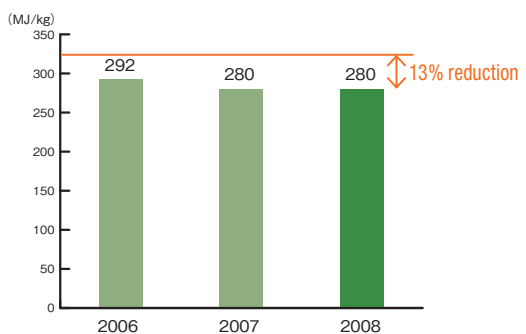


● Specific Energy Consumption in the Precious and Rare Metal Recycling Business

We proactively made efforts to perpetually introduce energy saving processes and equipment when expanding our facilities or building new ones.

We have been able to reduce our specific energy consumption by 13%, with FY2005 as the base year.

<Specific Thermal Energy Consumption (Electricity, Fuel) in Precious and Rare Metal Recycling>



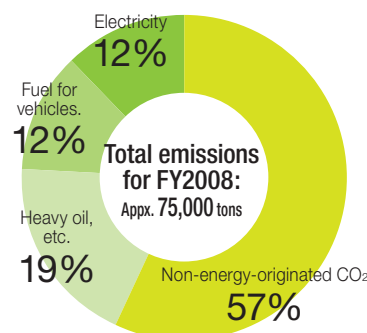
● Breakdown of Greenhouse Gas Emissions

In compliance with the Law concerning the Promotion of the Measures to Cope with Global Warming, we have calculated energy-originated CO₂*¹ and non-energy-originated CO₂*².

*1: CO₂ generated from the use of energy such as electricity and fuel

*2: CO₂ generated from the incineration of waste and methane gas generated from effluent treatment

<Amount of Greenhouse Gases Generated by Source>



The Guidelines for Estimating Greenhouse Gas Emissions from Businesses issued by the Global Environment Bureau of the Ministry of the Environment was used for the CO₂ conversion factor*. In addition, Freon gas and methane gas have been converted to CO₂.

*: This stipulates the conversion factor to CO₂ emissions for items which cause CO₂ emissions, such as electricity, gas, and kerosene.

● Energy Saving Initiatives at Plants

In FY2008 our Kitakyushu and Ehime Plants underwent inspections by the Energy Conservation Center, Japan (ECCJ). In addition to our own measures which we have traditionally promoted, we will also facilitate energy saving that incorporates the opinions of outside experts.

Name of business sites	Facilities targeted	No. of energy conservation projects
Saitama Plant	21	12
Ehime Plant	23	23



We use electricity monitors to perform surveys and analyses of the current status of power used, and promote the optimization of operating conditions.

● Initiatives to Conserve Resources at Plants

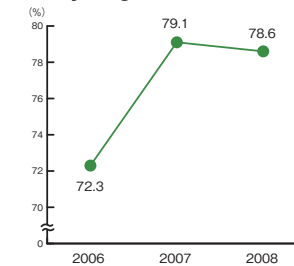
We are continuously implementing reductions of indirect materials (chemicals, etc.) used, which are indirectly linked to reducing emissions of greenhouse gases. In FY2008 we reduced the equivalent of 178.3 tons of CO₂.

Name of business sites	Specific consumption (Kg/Kg)		Quantity of indirect materials (chemicals, etc.) reduced		Equivalent volume of CO ₂ (t)
	FY2007	FY2008	Quantity (Kg)	Rate of reduction (%)	
Saitama	70.49	65.62	121,654	6.9	84.8
Fukuoka	12.72	11.70	167,377	8.0	93.5

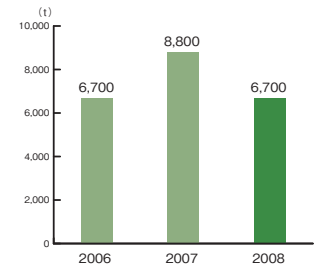
Initiatives to Improve our Recycling Rate

Zero-emission initiatives have been promoted at each and every industries, and the number of items that can still be recycled is trending downward. But despite such circumstances we are working to promote recycling, and achieved a recycling rate of 78.6% in FY2008. We are continuing with our initiatives for the effective use of effluent generated through our business activities, and have reused 6.7Kt.

<Recycling Rate>



<Amount of Effluent Reused>



Energy Saving Activities in Daily Life

As part of energy conservation activities, we have implemented "Cool Biz" (air-conditioner temperature of 28°C in summer) and "Warm Biz" (heater temperature of 20°C in winter) this year.

We also estimate the standby power for the equipment used at offices (shredders, etc.), turn off the power such devices when not in use, and raise awareness among employees.

Environmental Activities at Offices

We carry out a variety of activities that are designed to reduce the environmental burden accompanying office work.

● Green procurement

● Reducing the volume of paper by utilizing a document and file management system/ electronic phone book system

● Reducing the volume of paper by facilitating the diffusion of the electronic manifest systems

Our company is also making contributions toward realizing the diffusion objective of the national IT Strategy Headquarters for "a diffusion rate of 50% for cases of electronic manifest system registrations by FY2010." We are explaining the intent behind the promotion of electronic manifest registration to the companies discharging waste and adopting this system.

Our company's electronic manifest diffusion rate for FY2008 came to 28%, which exceeded the nationwide electronic manifest registration diffusion of 14%.

REDUCTION OF ENVIRONMENTAL BURDEN THROUGH BUSINESS ACTIVITIES

Results of Our Group's Environmental Burden Reduction (FY2008)

Through the main businesses of the Asahi Holdings Group, we have evaluated the amount of reduction of the environmental burden for society as a whole. Our two businesses of precious metal recycling and environmental protection were taken up as an example to evaluate: (1) the amount of natural resources conserved, (2) recycling, (3) reduction of greenhouse gases, (4) minimization of the final disposal volume, and (5) saving fossil fuels.

Business process	Precious metal recycling	IT equipment recycling	Construction waste recycling	Treatment of effluent	Treatment by incineration	Freon detoxification treatment	Fermenting and composting	Photovoltaic power generation	Fuel production for energy generation	Calcium sulfate recycling	Volume (thousand tons/year)
Reduction of environmental burden											
Saving natural resources	●		●							●	3,410
Recycling			●	●			●		●	●	371
Reduction of greenhouse gases	●					●		●			64.3
Minimization of the final disposal volume	◆	◆	◆		●		●		◆		47.4
Saving fossil fuels					●			◆	◆		7.1

Results of reducing the final disposal volume: Covers the quantity by which the volume of waste brought to us (excluding waste oil, waste acids, and waste alkalis) is reduced (the quantity that could avoid controlled landfill disposal) as a result of going through our waste treatment process. ● : Calculated by weight ◆ : Not targeted for numerical evaluation

1. Results of Saving Natural Resources

Amount of resources conserved: **3,410** thousand tons/year

Recycling various types of materials cuts down on mine development and deforestation for natural resources (precious metal ores, gravel, sand, calcium sulfate, and timber, etc.), and also contributes to protecting the earth's environment.

● Precious metal ores (precious metal recycling)



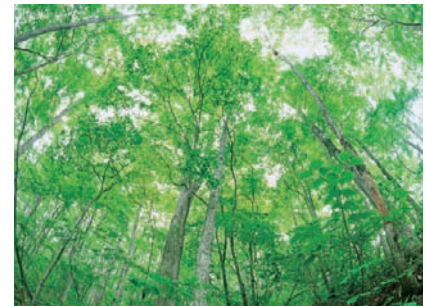
Recycling materials containing a lot of precious and rare metals contributes to saving mineral resources, such as precious metal ores.

● Gravel (construction waste recycling)



We recycle sand, gravel, backfill soil, and other resources from construction waste such as waste concrete.

● Timber (construction waste recycling)



Wood chips made from wooden construction waste are used as a carbon-neutral fuel in place of fossil fuels.

2. Recycling (including Reused Products)

Quantity : **371** thousand tons

● Fermenting and composting



9.0 thousand tons/year

● Construction materials



86.4 thousand tons/year

● Wood chips



6.4 thousand tons/year

● Calcium sulfate for recycling



0.5 thousand tons/year

● Fuel for cement



4.4 thousand tons/year

● Scrap metal



6.4 thousand tons/year

● Rivers*



258 thousand tons/year

*: Water discharged from waste treatment facilities

3. Results of Reducing Greenhouse Gases

Total: **64.3** thousand tons

We contribute to reducing emissions of global greenhouse gases through such business activities as precious metal recycling* and collecting Freon.

*: Metals targeted for evaluation: Gold, silver, palladium, platinum, and indium
 *: Carbon Footprint: calculated by the amount of energy consumed (oil, electricity) based on Product Category Rule (PCR).

● Gold

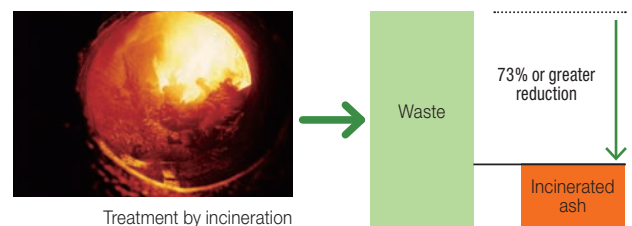
Amount of CO₂ emitted from mine production 100%

Amount of CO₂ emitted from our company's recycling production 12%

4. Results of Minimizing the Final Disposal Volume

Waste reduction volume: **27.4** thousand tons

The final disposal volume (landfill disposal) can be reduced by incinerating waste.



5. Results of Saving Fossil Fuels

7.1 thousand tons/year

By effectively utilizing the thermal energy retained by waste (waste oil, waste plastics, etc.) for the incinerator we are able to reduce the fuel (heavy oil) needed for incineration.



Kitakyushu Hibiki Plant



Taiyo Chemical Co., Ltd.



Kitakyushu Plant

ENVIRONMENTAL MANAGEMENT

Environmental Management System

Our “Corporate Purpose and Targets for the Environment (Annual Plan)” is formulated based on our “Environmental Policy,” which specifies our environmental protection philosophy.

Then, each business site that has acquired a certificate for ISO14001, which is an international standard for the environmental management system (EMS), accordingly sets up its own “Business Site Purpose and Targets for the Environment (Annual Plan),” and its environment protection activities are implemented closely alongside its business operations.

Furthermore, the Environment Committee of each business sites takes to deliberate and report to the top management on issues such as compliance with environmental laws and regulations and reviews of plans and proposals for environmental training. Meanwhile, the ISO Secretariat supervises the EMS, under which a manager in charge of environmental protection at each office is dedicated to the promotion of the policy.

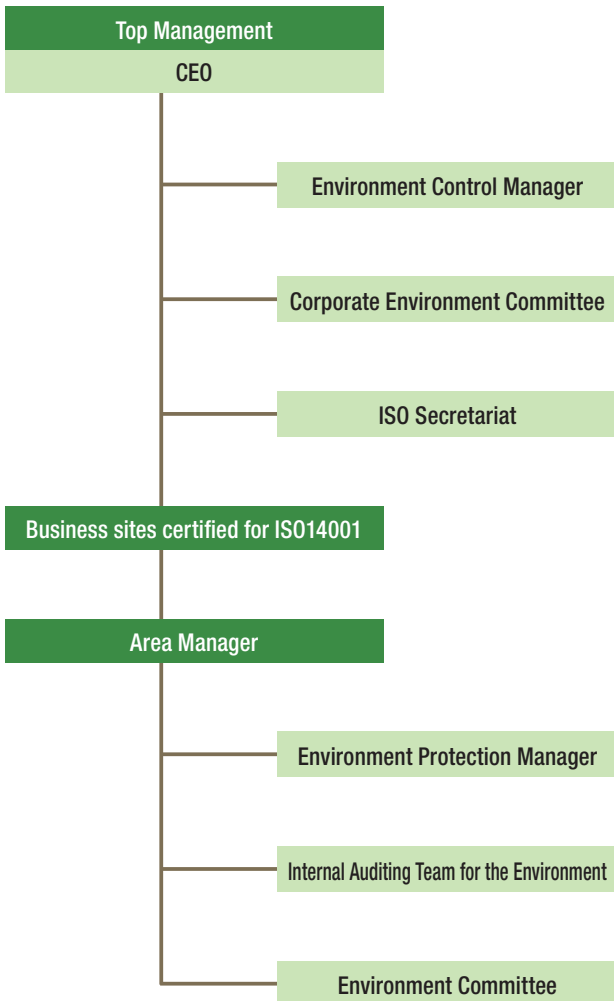
Acquisition Status for ISO14001 Certification

In FY2008 we newly acquired ISO14001 certification at two business sites: the Kitakyushu Hibiki Plant and the Kitakyushu Office.

Through this, Asahi Holdings (Asahi Pretec and Japan Waste) has increased the number of its business sites which have acquired certification to 10, including six offices. In addition, at Japan Waste’s subsidiaries the said certification has been acquired at four companies and five business sites.



ISO14001 Authentication Certificate



ISO14001 Environmental Audits

Regular inspections are carried out on the state of compliance with specifications by an external examining authority for ISO14001 activities. Moreover, internal environmental audits are conducted at least once a year at business sites in order to ensure that EMS is being properly administered.



An internal environmental audit