

Global Resource Circulation Business

Involvement in the construction of a global recycling system

Amid mounting concerns about the depletion of mineral resources resulting from rapid global economic growth, the global utilization and circulation of various resources has become a critical issue in the global economy. Another key issue is the change in material flow in a global recycling system as a result of the revision to environmental regulations in China.

Foreign trade department of ECONECOL Inc. is globally engaged in the transactions of recycled raw materials and resources produced by the company's different business segments within the framework of the Global Resource Circulation Business, contributing to establishing a recycling system across the world. It is involved in the international transactions of palm kernel shells (PKS) and wood pellets, which are renewable energy sources, and a variety of other resources along with transactions of metal scrap both inside and outside of Japan, thereby creating the optimal level of resource circulation across the world.

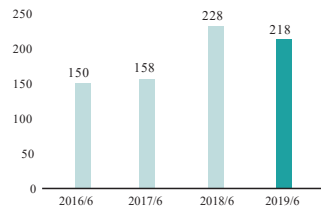


Loading ferrous scrap in a container

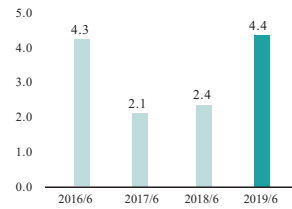


Inside a freighter

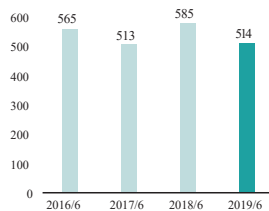
Sales (Units: 100 million yen)



Ordinary profit (Units: 100 million yen)



Handling volume (Units: 1,000 tons)



Three Business Components under Global Resource Circulation Business

Ferrous Scrap Business

We sell ferrous scrap that is collected at ports across Japan to steel manufacturers (blast/electric furnaces) in Japan and abroad after ensuring its quality based on the needs of customers. We transport materials not only using bulk carriers but also using containers, focusing on sales targeting small-scale customers and customers in remote areas.

Nonferrous Metal Scrap Business

At our resource recovery plant, after shredding and screening nonferrous metals contained in the various scrap, we separate nonferrous scrap that is of a quality that meets the needs of major nonferrous metal smelters and secondary alloy manufacturers, both inside and outside of Japan. While we primarily supply companies in South Korea, China, and Southeast Asia, we are currently pursuing the development of new markets in Southwest Asia (India, Pakistan, etc.)

Biomass Business

We have been engaged in the trading of palm kernel shells (PKS), centering on Southeast Asia since 2017. In July 2019, we started their export to Japan as well.

PKS has been receiving attention as a renewable energy source and demand is expected to increase in Japan and beyond. In light of this, we established a stockyard in Indonesia in August 2019, following the yard in Malaysia. We plan to increase the number of items that we trade, not only PKS but also wood pellets, new fuels, and others, as well as expand the area of container yards.



PKS



Wood pellets



Topics

Recycling of the retired dedicated aircrafts of Japanese government

ECONECOL Inc. concluded the purchase and sale agreement of two retired dedicated aircrafts of Japanese government (B747-400) after winning a tender invited by the Air Self-Defense Force in May 2019. They were handed over at Anchorage Airport in Alaska, USA, at the end of June in the same year.

The concerned aircraft did not have an airworthiness certificate (equivalent to an inspection certificate for vehicles). Hence, they were procured from the Air Self-Defense Force as junk aircraft, not used aircraft, in order to obtain maintenance parts. They were subsequently sold to a buyer in the U.S.

They were the first dedicated Japanese government aircraft, beloved by the people as the flagship of Japan over the years. Cognizant of this, the company has examined the “best way to sell” the aircraft and, subsequently, reused them by giving them a new “life” instead of merely selling them as they were.

Even in the West, there are two different types of companies involved in recycling of aircrafts: one that trades used aircraft and another that recycles parts such as disused frames. Thus, we are convinced that ECONECOL Inc. will be one of the very few companies that can undertake the comprehensive assessment and purchase of used aircraft without the involvement of any other companies. Taking advantage of this environment as the foundation for developing our services, Econecol Inc. will be proactively engaged in the reuse business.



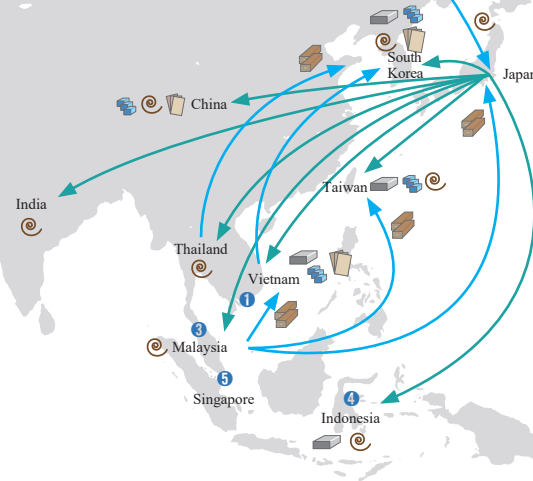
International transactions of resources

Foreign trade department of ECONECOL Inc. has established trading bases worldwide, centering on Asia, with the aim of promoting the international transactions of resources.

Topics

Importing from Europe, targeting smelters (Netherlands)

Since the Chinese government tightened regulations concerning waste imports, scrap that contains precious metals, such as electronic substrates, have become oversupplied across the world including Europe. Foreign trade department of ECONECOL Inc. imports this scrap. After accurately separating and condensing any precious metals such as gold, silver, and platinum, it sells them to major smelters in Japan. The company takes the initiative to procure scrap that contains precious metals from resource recycling companies worldwide, and supports smelting companies in Japan to secure precious resources. It contributes to promoting global resource circulation and reducing environmental load. In addition, it is expected that the company will play a role in controlling the environmental pollution caused by wastes that are exported to developing countries and inappropriately treated.



- Legend
- Ferrous metals
 - Nonferrous metals
 - Plastics
 - Wastepaper
 - Biomass fuels

- Sites
- ① Eeonecol Ho Chi Minh Representative Office
 - ② Eeonecol Europe Representative Office (UK) (Established on October 1, 2019)
 - ③ Mine Biomass Synergies MALAYSIA (Malaysia)
 - ④ Mine Biomass Synergies INDONESIA (Indonesia)
 - ⑤ Mine Biomass Synergies SINGAPORE (Singapore)

Topics

Establishment of the PKS Indonesia Stockyard (Indonesia) * Established in August 2019

PKS can have different properties, depending on the region where it is produced. It has become possible to meet the demands for PKS produced in both Malaysia and Indonesia after the yard was established. Furthermore, the increase in the number of bases has led to an increase in collection volume, contributing to a more stable supply of fuels. Without delegating responsibility to the local subsidiaries, the company has undertaken thorough quality control by directly managing the yard. Making use of the material transportation know-how that the company has cultivated, it can thoroughly respond to various and detailed requests.



Indonesia stockyard