

Kobelco Eco-Solutions



Fiscal 2010 Overview

Consolidated results in fiscal 2010 were mixed. Orders increased 11.0% compared with the previous fiscal year to ¥64.9 billion due largely to an order for the upgrading and operation of the Nishiakigawa Sanitation Association's waste treatment facility. Sales, on the other hand, declined 16.0% year on year to ¥69.6 billion. From a profit perspective, ordinary income surged 90.0% to ¥3.1 billion owing mainly to firm trends in the after-sales service field. Net income increased 89.0% compared with the previous fiscal year to ¥1.8 billion.

	Billions of yen		
	2010	2011	Change
Net sales	82.9	69.6	-16.0%
Ordinary income	1.7	3.1	+90.0%

TOPICS

Japan Injects Sewage Biogas into City Gas Pipes

Kobelco Eco-Solutions Co., Ltd. has completed construction of a gasification facility for refining biogas derived from sewage sludge at Kobe City's Higashinada Sewage Treatment Plant to the same quality as city gas used in homes. Working with Kobe City and Osaka Gas Co., Ltd., the company began injecting sewage biogas in city gas pipes in October 2010. Initially, it expects to supply 800,000 cubic meters of biogas annually, or the equivalent of 2,000 households.

Biogas is a combustible gas that is generated when biomass, such as sewage sludge and food residue, undergoes methane fermentation. As it is a carbon neutral energy, it shows great promise for use in reducing the consumption of fossil fuels.

With the start up of this business, the Higashinada facility will be able to make 100% effective use of biogas.



Order Received for Nishiakigawa Waste Treatment Facility

In March 2011, Kobelco Eco-Solutions, together with Kobelco Eco-Maintenance Co., Ltd., ANDO Corporation, and Takahashi Ueda Associates Co., Ltd., received an order to upgrade and operate the Nishiakigawa Sanitation Association's waste treatment facility. This Design-Build-Operate project entails the full gamut of contracting services from designing and building to operating the facility over a 20-year period. The company's fluidized-bed gasification and melting furnace was selected because of its safety, stability and economic efficiency, as well as its superior ability to recycle waste to reduce final disposal, a major issue, and its high rate of heat recovery. Looking ahead, Kobelco Eco-Solutions will target more orders by harnessing the strength of its technological capabilities nurtured as the leading Japanese manufacturer of this type of facility.



Vietnam Subsidiary Established

In November 2010, Kobelco Eco-Solutions established Kobelco Eco-Solutions Vietnam Co., Ltd., a subsidiary in Ho Chi Minh City. With overseas expansion positioned as one of its basic policies in its medium-term vision for fiscal 2015, Kobelco Eco-Solutions is expanding its water treatment business in Asia, mainly in Vietnam. Numerous new facilities have been planned for Vietnam including steel plants, electric power stations, food processing factories, and water supply and sewage systems. Kobelco Eco-Solutions converted its Vietnam office into a subsidiary to meet the vigorous demand for water treatment.

The Vietnam subsidiary intends to expand orders through carefully planned sales activities that include after-sales service. The subsidiary will also put in place a structure that will enable it to carry out projects to further increase earnings and expand business.

