

## Management of affiliated companies

The Daiei Kankyo Group is composed of 50 companies, including Daiei Kankyo Co., Ltd. and its 36 consolidated subsidiaries, 2 non-consolidated subsidiaries, 6 affiliated companies accounted for by the equity method, and 6 affiliated companies not accounted for by the equity method. (As of July 31, 2024)

We have established the Basic Policies for Internal Control and have built a system to ensure the appropriateness of operations within the Group. Regarding the control of affiliated companies, we have established the Affiliate Company Management Rules, and the Company's Business Administration Division takes the lead in guiding and supporting the smooth operation of affiliated companies in accordance with the Basic Policies on the Management of Subsidiaries.

Important management matters are decided at the Group Management Meeting. To enhance internal checks and balances, we not only dispatch Directors and Audit & Supervisory Committee Members from the Company but also conduct internal audits by the Audit Office and business audits by the Audit & Supervisory Committee Members.

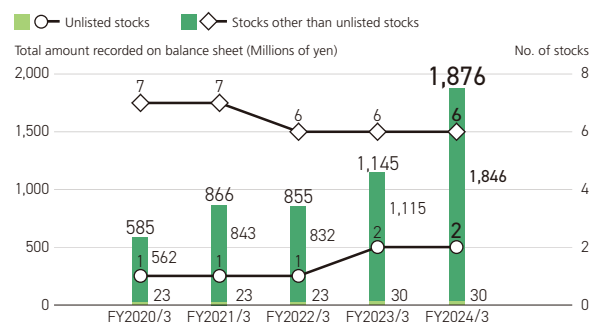
## Cross-shareholdings

The Company holds shares in its business partners as cross-shareholdings in order to achieve sustainable growth and increase medium- to long-term corporate value, maintain business relationships (e.g., stable funding and financial transactions), and strengthen business transactions in the field of waste management orders. The status of these shareholdings is reported to the Board of Directors once a quarter. Stocks that are no longer meaningful to hold in light of the

development of our business will be sold after obtaining the approval stipulated in our regulations, taking into consideration the stock price and market trends as appropriate. It is our policy not to acquire new cross-shareholdings.

In exercising the voting rights associated with the shares we own, we scrutinize the content of proposals from the perspective of whether or not they will contribute to improving the medium- to long-term corporate value of the issuing company.

### Status of cross-shareholdings



## Compliance

We recognize that compliance is of the utmost importance for the Daiei Kankyo Group to enhance business continuity and continue to evolve as a company with the power to create better environments. In April 2022, we formulated the Daiei Kankyo Group Business Conduct Guidelines. This is a specific code of conduct that all officers and employees of the Daiei Kankyo Group must comply with. The goal is for all our officers and employees to put these guidelines into practice so our Group is trusted and needed more than ever by society, and people can work with a sense of pride.

## Whistleblowing system

To quickly detect and rectify misconduct and strengthen compliance management, the Daiei Kankyo Group has established a system that allows all officers, employees, contracted employees, part-timers, temporary workers (hereinafter, "personnel"), and business partners to use an internal whistleblowing system. We also address consultations regarding organizational or individual violations of internal regulations and compliance issues from all personnel.

The internal contact point is set up in the Audit Office, which is an independent organization. If the matter relates to the Audit Office, it may be reported to the Company's General Affairs Department Manager or Full-time Audit & Supervisory Committee Member, and if the matter relates to a Director of the Company, it may be reported to an Audit & Supervisory Committee Member of the Company. As an external contact point, an outside attorney designated by the Company is available.

### No. of whistleblowing reports

(Fiscal year ended March 31)

	2021	2022	2023	2024
Internal contact point	3	14	10	24
External contact point	2	1	5	5
Total	5	15	15	29

### Overview of whistleblowing cases

(Fiscal year ended March 31)

	2021	2022	2023	2024
Misconduct, etc.	2		1	1
Rules/regulations		2	4	8
Harassment, etc.	1	9	9	15
Work improvement, etc.		3	1	1
Dissatisfaction with personnel affairs	2	1		4
Total	5	15	15	29