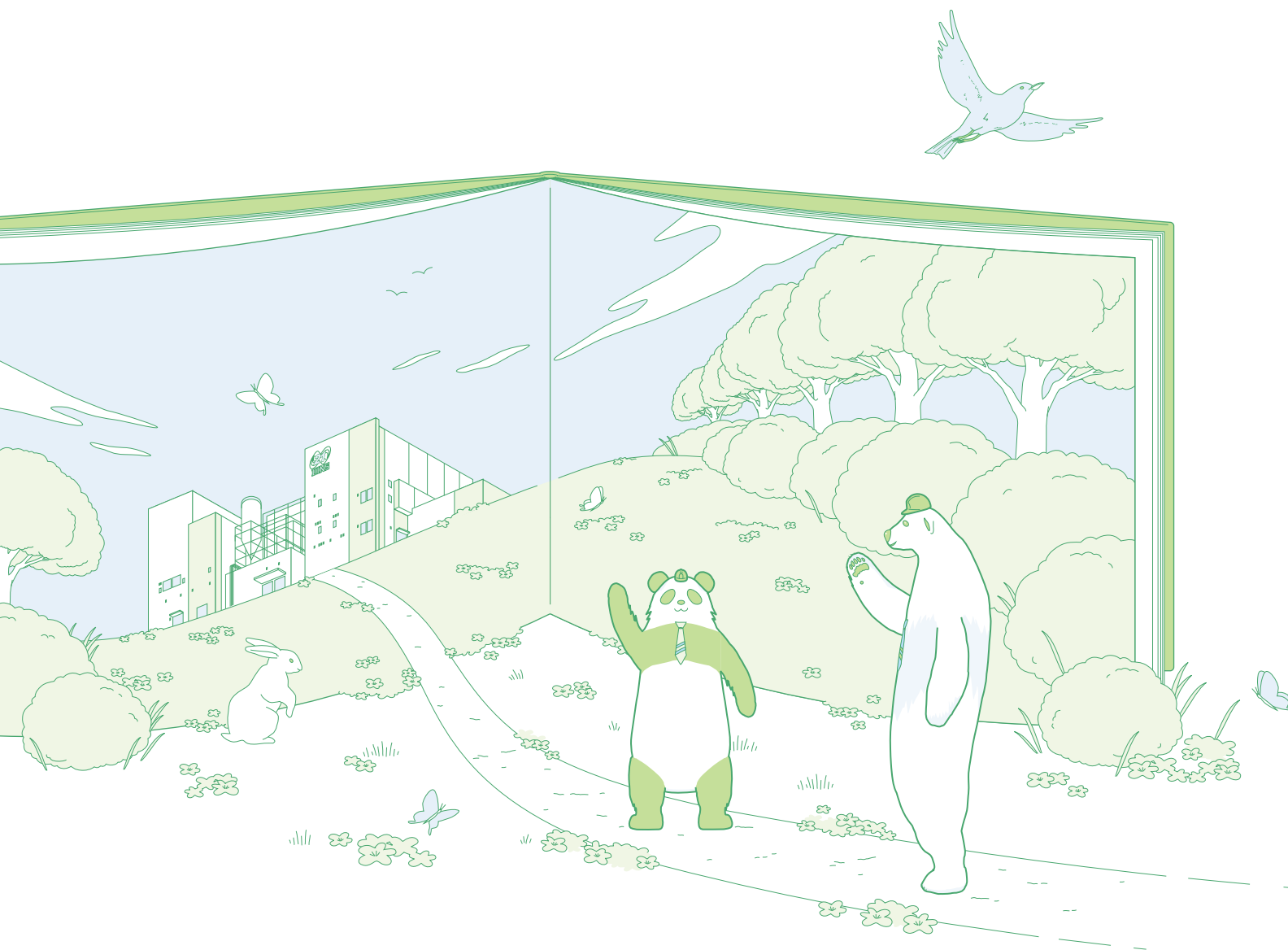




Power to Turn into Resources, Return to Nature

DAIEI KANKYO



Daiei Kankyo Group
Integrated Report

2025

Daiei Kankyo Group Integrated Report 2025

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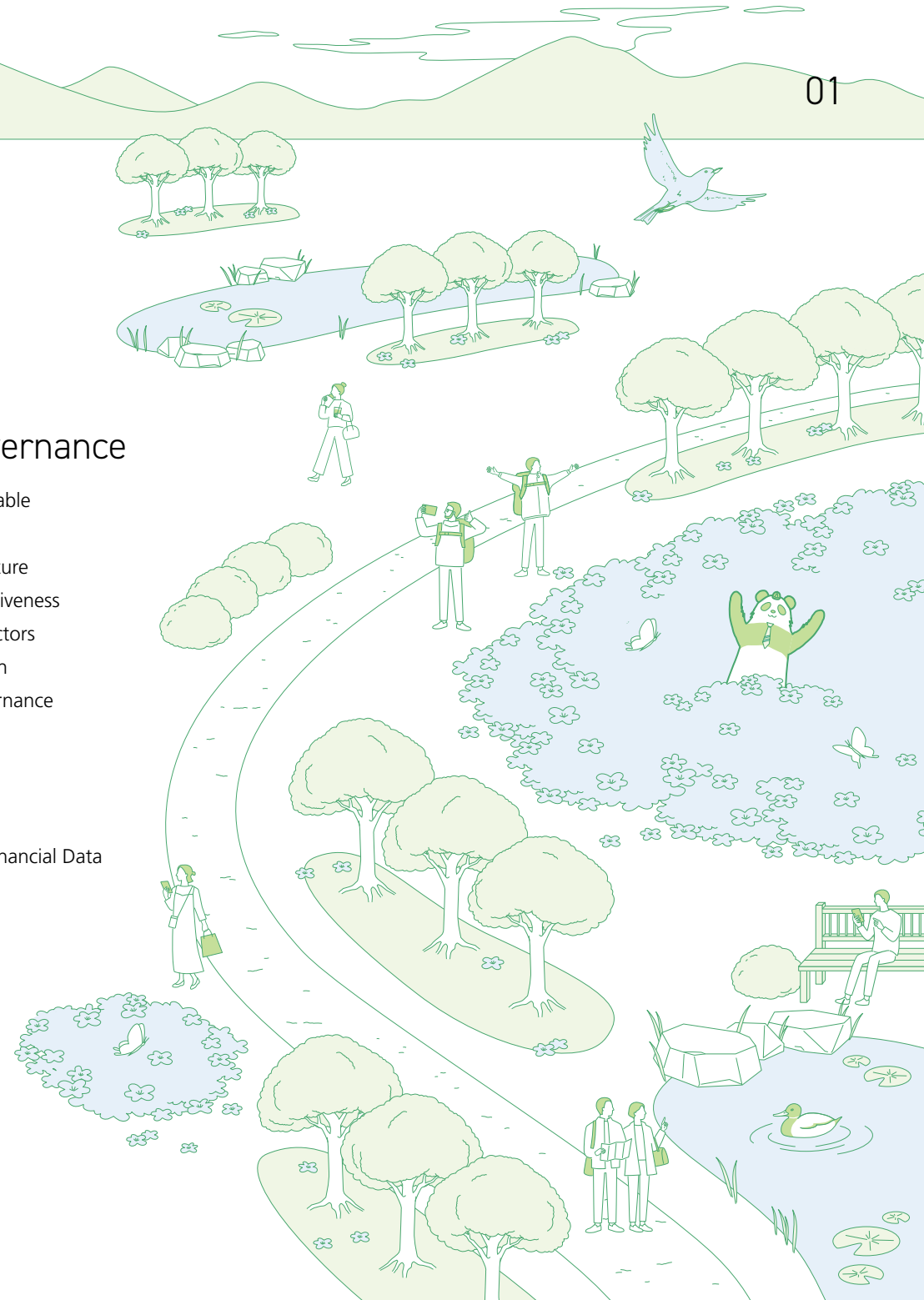
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Editorial Policy

This report has been compiled and structured to systematically present the Daiei Kankyo Group's initiatives aimed at enhancing corporate value, with the goal of serving as a starting point for constructive dialogue with investors.

As part of our growth strategies, this report highlights the newly launched Medium-Term Management Plan, D-Plan 2028, as well as the relationship between our material issues (materiality) and the six types of capital. Specific initiatives to strengthen each type of capital are presented through the "Focus" series. Furthermore, we have organized and disclosed action plans and key performance indicators (KPIs) for each material issue, aligned with the Medium-Term Management Plan. We have also included a roundtable discussion featuring young employees, along with a separate discussion with executive members on governance. We hope these dialogues convey their awareness of key issues and their aspirations for the future.

Detailed environmental, social, and governance (ESG) initiatives and data which are not covered in this report are disclosed on the Daiei Kankyo Group website.

Scope of the report

Daiei Kankyo Co., Ltd. and consolidated subsidiaries (as of March 31, 2025)
Any material outside of this scope is clearly indicated as such.

Period covered by the report

April 1, 2024 to March 31, 2025
(Some contents outside the above period are also included.)

Reference guidelines

- *The International Integrated Reporting Framework*; IFRS Foundation
- *Guidance for Collaborative Value Creation 2.0*; Ministry of Economy, Trade and Industry
- *Final Report of the Task Force on Climate-related Financial Disclosures* (TCFD)
- *GRI Sustainability Reporting Standards*
- *SASB Standards*; IFRS Foundation

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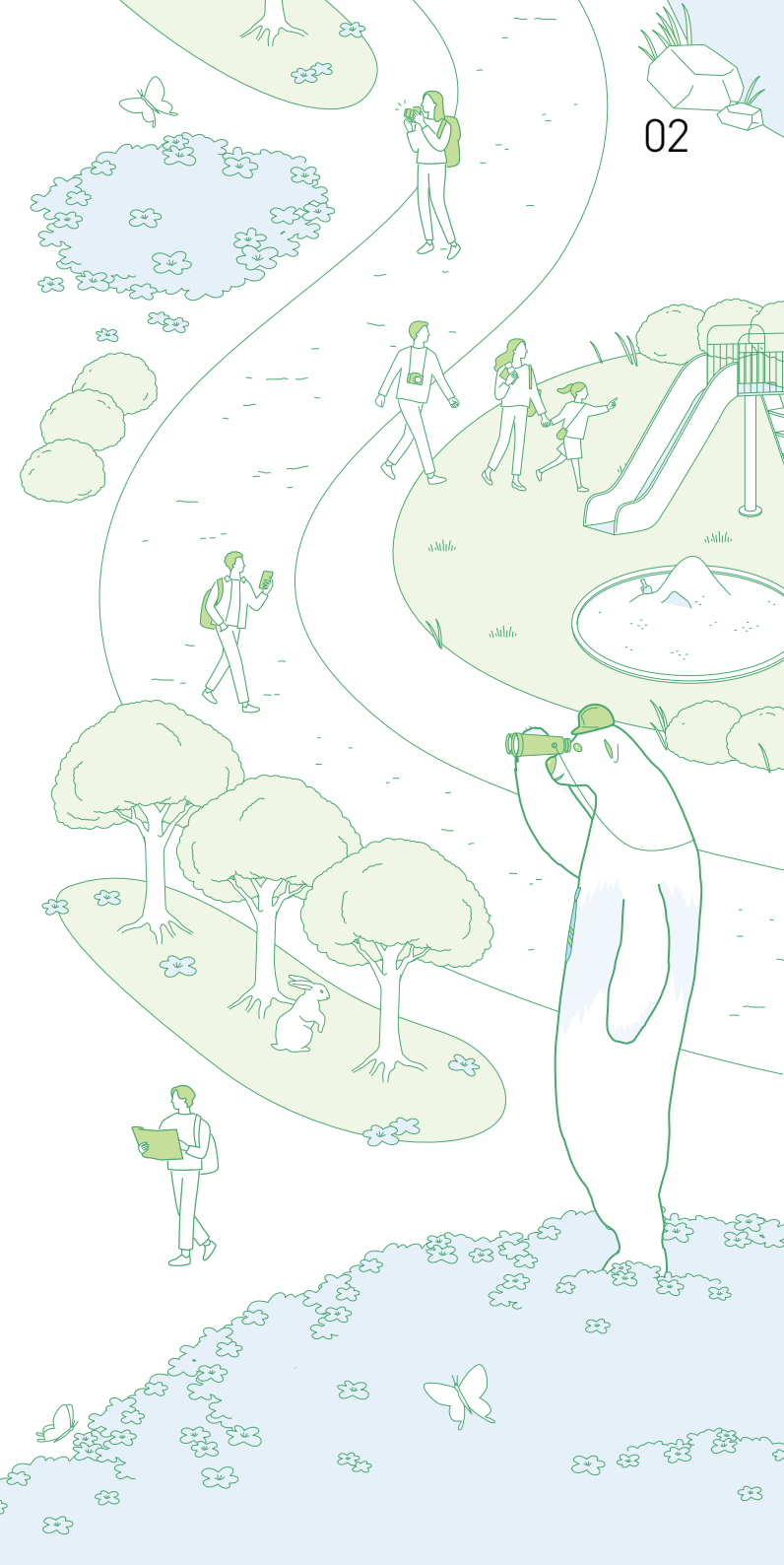
URL: <https://www.dinsgr.co.jp/english/>

Disclaimer

This report includes forward-looking statements. These forward-looking statements are based on information available at the time this report was prepared and involve risks and uncertainties. Please be aware that due to changes in various factors, actual results may differ from those described in the forward-looking statements.

Information Disclosure System

Financial Information	Non-Financial Information
Integrated Report www.dinsgr.co.jp/english/ir/integrated_report/	
Financial Results www.dinsgr.co.jp/english/ir/library/	Corporate Governance Report www.dinsgr.co.jp/english/csr/pdf/CorporateGovernanceReport20240703.pdf
Presentation Materials www.dinsgr.co.jp/english/ir/library/presentation/	Sustainability Website
Securities Report (in Japanese only) www.dinsgr.co.jp/ir/library/securities/	Non-Financial Data https://www.dinsgr.co.jp/english/ir/integrated_report/pdf/daieikankyo_non-financial-info_report2025-3_en.pdf
Investor Relations Website	



What we value in order to be an essential part of people's lives and society

Daiei Kankyo Group's founding principles

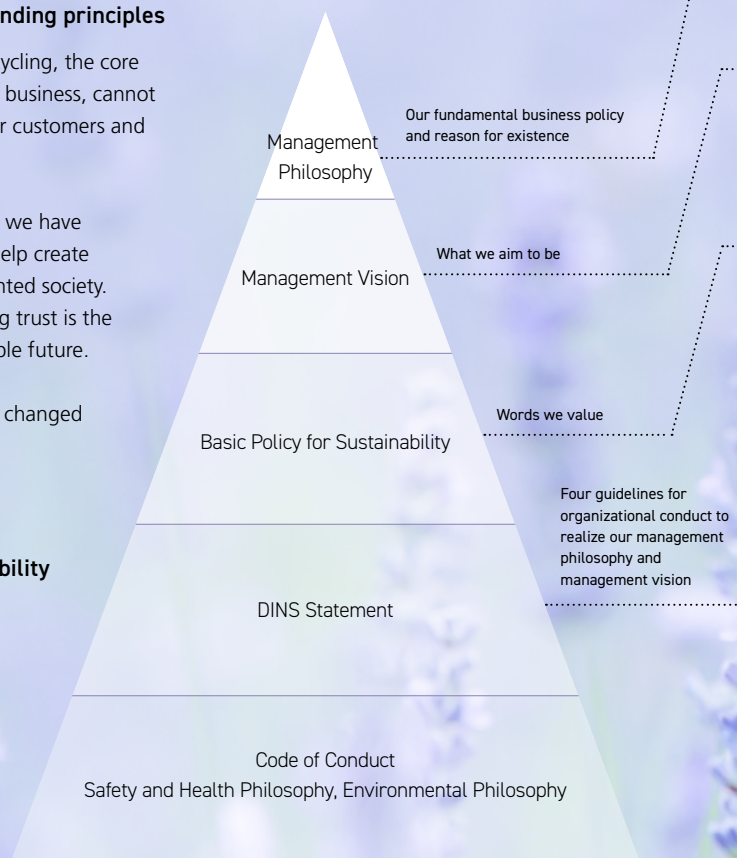
Waste management and recycling, the core of the Daiei Kankyo Group's business, cannot exist without the trust of our customers and local communities.

Since our founding in 1979, we have been diligently working to help create a sustainable, recycling-oriented society. For us, the building of lasting trust is the starting point for a sustainable future.

This belief of ours has never changed and never will.

Basic Policy for Sustainability

The Future Comes from Trust.



Management Philosophy

With our strong commitment to creation, innovation, and meeting challenges, we shall contribute to society while striving for the coexistence of human life, industry, and nature.

Management Vision

Enhancing business continuity and evolving as a company with the power to create better environments.

The Daiei Kankyo Group will continue to challenge itself to innovate and create new value with the aim of creating better environments for a sustainable and bright future.

Basic Policy for Sustainability

The Future Comes from Trust.

DINS Statement



Development

In order to continue to be a social infrastructure company that supports the future, we shall not be bound by conventional approaches. Rather, we shall take on challenges with enthusiasm and continually evolve without fear of change or failure.

Integrity

In order to continue to be a company trusted and needed by society, we shall always respond to the expectations of society and changes in the environment, comply with laws, regulations, social norms, and company rules, respect human rights and local communities, and act with integrity based on high ethical standards.

Nature

Our lives depend on various blessings from nature. We shall help resolve environmental issues through our business activities, actively engage in forest and environmental conservation activities and efforts to reduce our environmental impact, and work toward the realization of a society in harmony with nature, one that can enjoy nature's bounty for years to come.

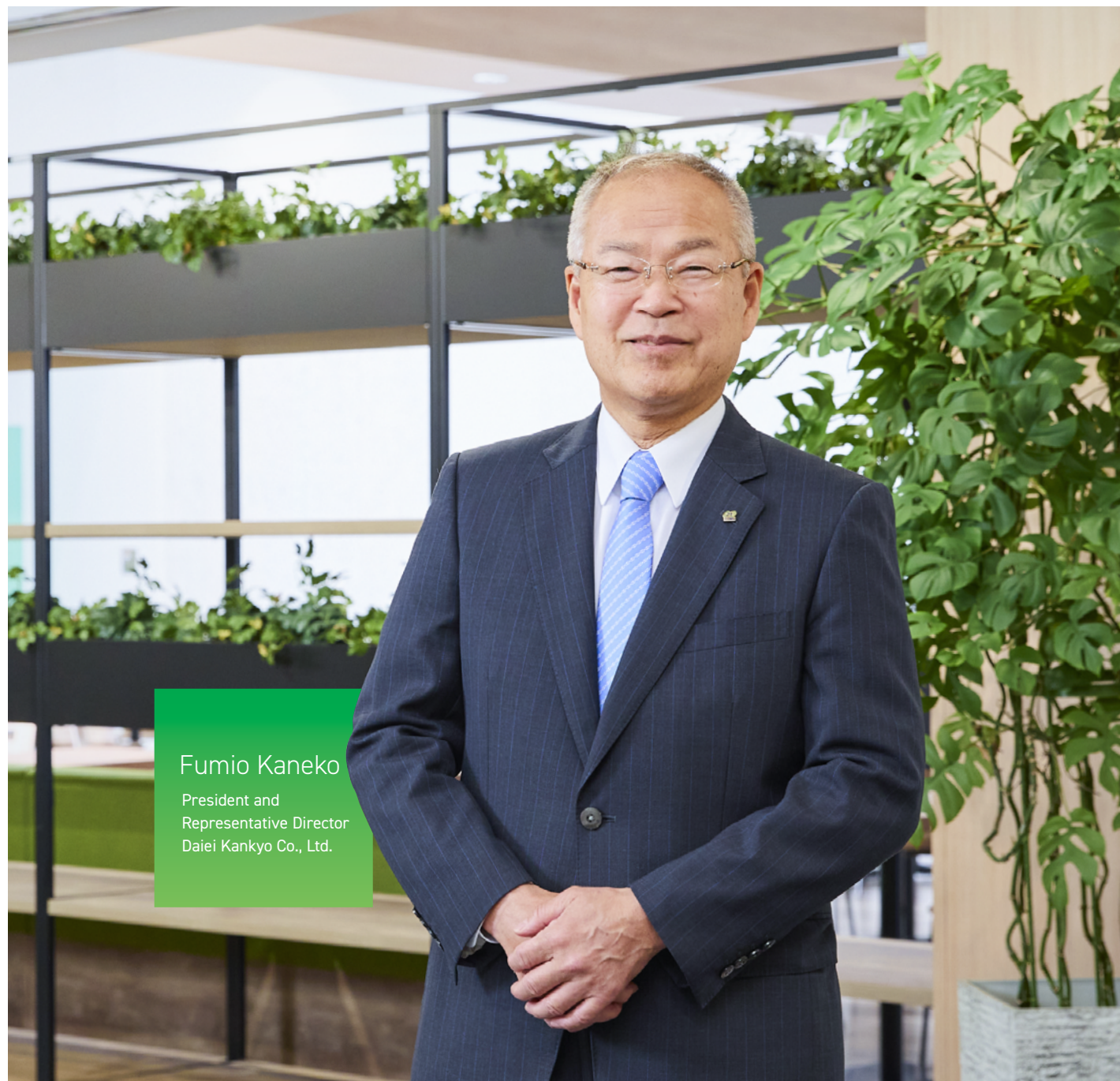
Social contribution

As a member of the local community, we shall contribute to regional growth and development through our business activities, and shall strive to conduct corporate activities in harmony with society as a whole.

The Future
Comes from Trust.
Guided by this belief,
we will continuously
embrace challenges and
strive for solid growth.

Posted record earnings for three consecutive years, and achieved the previous Medium-Term Management Plan targets across all indicators

In the final year of the previous Medium-Term Management Plan, covering the fiscal years ended March 31, 2023 to March 31, 2025, the Daiei Kankyo Group continued focusing on securing orders for infrastructure development projects mainly in the Kansai and Chubu areas, and building a waste plastic resource recycling system with partner companies and municipalities. As part of our M&A strategy, we made Eiwa Recycle Co., Ltd. a consolidated subsidiary in April 2024; followed by Urayasu Seiun, Inc. and Aia, Inc. in July 2024; and finally Kaisei Co., Ltd. in January 2025. These companies operate in the Kanto area and have been expanding business by integrating operations with Kyodoh Doboku Co., Ltd., a Group company in the same area.



Fumio Kaneko

President and
Representative Director
Daiei Kankyo Co., Ltd.

As a result of these efforts, the Group's consolidated net sales for the fiscal year ended March 31, 2025 reached a record high of ¥80.1 billion, up 9.8% year on year. In terms of profit, despite increases in personnel and outsourcing expenses associated with orders for demolition work, operating profit amounted to ¥21.5 billion, up 9.3% year on year, and profit attributable to owners of parent was ¥14.3 billion, up 5.7%, both marking record highs. This was driven by higher sales per capacity at final disposal sites and continued cost reductions through insourcing. We maintained high levels of operating profit margin and EBITDA margin, our key management indicators, and successfully achieved all numerical targets set in the previous Medium-Term Management Plan.

Looking back over the three years of the previous Medium-Term Management Plan period, the fiscal year ended March 31, 2023, the first year, was marked by ongoing uncertainty in society and the economy due to the prolonged COVID-19 pandemic. During this time, the Company focused on strengthening internal rules and regulations in preparation for listing on the Tokyo Stock Exchange (TSE) Prime Market, which limited growth. However, entering the second year of the plan, as the pandemic finally subsided and economic activity began to recover, business growth gained momentum. The enforcement of the Act on Promotion of Resource Circulation for Plastics (hereinafter "Plastic Resource Circulation Act") in April 2022 brought increased attention to resource recycling, creating a favorable business environment for the Group, which is also engaged in chemical and material recycling. Benefiting from these favorable conditions, the Group achieved strong growth in the fiscal year ended March 31, 2024, with net sales up approximately 8% year on year and both operating profit and EBITDA increasing by 18%. In the third year, the fiscal year ended March 31, 2025, this momentum further accelerated, and we are very pleased to have concluded the Medium-Term Management Plan with record-high sales and profits.

Consolidated performance of the Previous Medium-Term Management Plan (FY2023/3 to FY2025/3)

Indicator	FY2022/3 (actual)	FY2023/3 (actual)	FY2024/3 (actual)	FY2025/3 (actual)
Net sales	JPY 64.9 bn	JPY 67.6 bn	JPY 73.0 bn	JPY 80.1 bn
EBITDA*1 margin*2	30.5 % (EBITDA JPY 19.8 bn)	32.9 % (EBITDA JPY 22.2 bn)	36.0 % (EBITDA JPY 26.2 bn)	34.7 % (EBITDA JPY 27.8 bn)
Operating profit margin	19.8 % (Operating profit JPY 12.8 bn)	24.6 % (Operating profit JPY 16.6 bn)	27.0 % (Operating profit JPY 19.7 bn)	26.9 % (Operating profit JPY 21.5 bn)

*1 EBITDA: Operating profit + Depreciation (excluding non-operating expenses) + Amortization of goodwill

*2 EBITDA margin: EBITDA / Net sales

We believe that the strong performance was also significantly supported by the positive effects of our stock exchange listing. This is evident, for example, in the enhanced execution of our M&A strategy. In this industry, which has long been characterized by a highly fragmented market, restructuring and consolidation are now rapidly advancing. We view this as a major opportunity and have actively pursued an M&A strategy even prior to our listing. Since going public, however, our heightened presence in the industry has led to a significant increase in the number of M&A opportunities brought to us. As a result, we have successfully executed a total of six M&A deals over the past two years. Going forward, we intend to actively pursue a growth strategy through M&A alongside organic business expansion.

Progressed in strengthening non-financial capital, contributing to enhanced corporate value

Over the three years of the previous Medium-Term Management Plan, significant progress was made in

strengthening corporate capabilities in non-financial areas (non-financial capital).

Regarding human capital, becoming a publicly listed company has enhanced our social recognition, noticeably boosting employees' pride in their work and engagement with the Company. Over the past three years, we have advanced the development of our HR systems and employee training programs, fostering not only individual skill growth but also a deeper understanding of the Company's history, the current state of the industry, and our founding spirit and management philosophy. I feel confident that steady progress is being made on one of the key material issues (materiality) identified in June 2024, promoting human capital management.

Furthermore, the expansion of our business areas driven by our M&A strategy, along with advancements in public-private partnerships (PPPs), has greatly deepened trust with municipalities and local communities across diverse regions. As a result, the Group's social recognition has further increased, creating a positive cycle in which the core belief that "The Future Comes from Trust." permeates throughout

the entire Group. These efforts contribute to building the foundation for Local Circular Ecological Spheres, one of the material issues.

Digital transformation (DX), regarded as a key priority for reinforcing our business foundation, has also advanced considerably. Over the past three years, we have improved efficiency by standardizing and systematizing many tasks that were previously dependent on individual expertise. During this process, we formed a DX promotion team that included staff directly involved in operations, clearly identifying issues while incorporating feedback from the field. This helped instill a sense of ownership among employees—an awareness that “we drove the change together”—which contributed to the development of a more effective system. As the Group continues to expand, we recognize that promoting DX will become increasingly essential, and remain committed to advancing these efforts.

We have also made progress in strengthening corporate governance, which serves as the foundation for corporate value creation. Reinforcing governance was, in fact, the primary objective behind our decision to go public. Since our founding in 1979, the Group has grown under a family-like management style. However, with expansion through M&A, the need to establish a robust governance framework across the organization has become increasingly important. The path we chose to achieve this was going public. In doing so, we have developed the Group’s management framework and various systems in accordance with the rigorous standards required for a listed company. In June 2024, we transitioned our organizational structure to a company with an audit and supervisory committee, further strengthening our governance framework. The current Board of Directors actively engages in multifaceted discussions on various management issues, including three Outside Directors, and will continue to improve management transparency and Group capabilities.

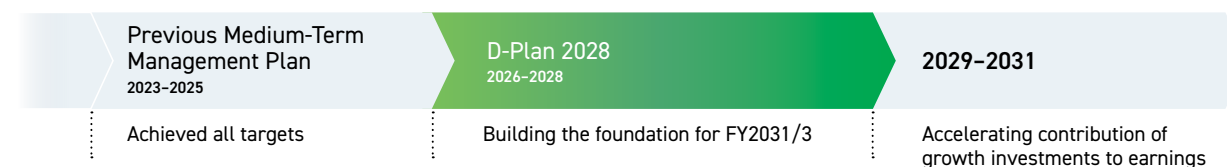
Lunched D-Plan 2028, aiming for ¥100.0 billion in sales and ¥36.0 billion in EBITDA

The Group launched its new Medium-Term Management Plan, D-Plan 2028, covering the fiscal years ending March 31, 2026, to March 31, 2028, in April 2025. D-Plan 2028 is positioned as the first half of a six-year plan concluding in the fiscal year ending March 31, 2031. Over the initial three years from the fiscal year ending March 31, 2026, it aims to lay the foundation for a leap forward, followed by accelerating the Group’s growth in the latter three years.

The numerical targets of the new Medium-Term Management Plan include ¥100.0 billion in net sales, ¥36.0 billion in EBITDA with an EBITDA margin of 35% or higher, operating profit of ¥25.0 billion with an operating profit

margin of 25.0% or higher, and equity per share (EPS) of ¥169.46 in the fiscal year ending March 31, 2028, driven by both organic growth through the evolution and expansion of existing businesses and inorganic growth through active M&A. Among these targets, only the operating profit margin is set lower than the 26.9% recorded in the fiscal year ended March 31, 2025. This is due to anticipated increases in depreciation expenses following the completion of previously invested facilities, as well as the expected amortization of goodwill resulting from expanded M&A activities. The plan is to continuously increase operating profit itself, however, with the aim of generating sufficient cash flow for growth investments, our emphasis is placed on increasing EBITDA rather than operating profit.

Positioning of D-Plan 2028 (FY2026/3 to FY2028/3) and consolidated performance targets



Consolidated performance targets

Net sales FY2025/3 JPY 80.1 bn → JPY 100.0 bn CAGR 7.6%	EBITDA FY2025/3 JPY 27.8 bn → JPY 36.0 bn CAGR 9.0%	EBITDA margin FY2025/3 34.7% → Maintain 35.0% or higher FY2028/3
Operating profit FY2025/3 JPY 21.5 bn → JPY 25.0 bn CAGR 5.1%	Operating profit margin FY2025/3 26.9% → Maintain 25.0% or higher FY2028/3	EPS FY2025/3 JPY 145.54 → JPY 169.46 CAGR 5.2%

These numerical targets are viewed as achievable, given the Group's growth rate to date. If we can sustain an annual growth rate of 7.6% over the three years from the fiscal year ending March 31, 2026, and then 11.9% over the following three years from the fiscal year ending March 31, 2029, we will reach ¥140.0 billion in net sales. We believe such growth is fully achievable by continuing proactive growth investments and an M&A strategy based on a stable financial foundation.

Our fundamental policy on cash allocation is to maintain financial soundness while prioritizing the use of business-generated cash for growth investments and M&A to the greatest extent possible. D-Plan 2028 sets out cumulative investments over three years of ¥36.0 billion for growth initiatives and ¥10.0 billion plus additional funds for M&A.

For capital expenditures, the plan is to continue proactive investments across Japan aimed at realizing a recycling-oriented society. Regardless of the type of facility or its location, it goes without saying that communication and mutual understanding with the local community are of utmost importance. Valuing the phrase, "The Future Comes from Trust.," we recognize that deepening trust with municipalities and communities is key to the Group's growth.

Going forward, with further industry restructuring and consolidation expected, we plan to pursue a more ambitious M&A strategy than ever before. While M&A investment is projected at ¥10.0 billion or more over three years, I believe the amount beyond ¥10.0 billion could increase substantially depending on circumstances.

Helping resolve community challenges and advancing a circular economy through PPPs and "artery-vein" collaboration

The Waste Management and Public Cleansing Act, enacted in 1970, established that private companies are responsible for handling industrial waste such as construction debris, while municipalities are tasked with managing general waste like household garbage. However, many local municipalities are experiencing financial shortfalls due to population decline, combined with rising processing costs from aging facilities, resulting in challenges in operating their waste treatment facilities. Based on these circumstances, the Group has long advocated establishing a system in which the private sector funds the construction of facilities that jointly process both general waste and industrial waste. This approach aims to efficiently generate resources and energy across the entire region through the new system, contributing to the realization of a circular and decarbonized society.

PPPs aimed at realizing Local Circular Ecological Spheres, are steadily progressing, with concrete efforts underway in three areas nationwide: five towns in Kamimashiki-gun, Kumamoto Prefecture; Aioi City, Hyogo Prefecture; and Tadaoka Town, Senboku-gun, Osaka Prefecture—to construct integrated treatment facilities (local energy centers). Once these facilities are operational, they are expected to demonstrate numerous benefits, including the efficiency of integrated processing, improvements to the surrounding environment, and revitalization of the local community. The Group's major treatment facilities are equipped to accept general waste. By demonstrating successful cases, we aim to present viable solutions to the waste management challenges faced by local municipalities, potentially accelerating the nationwide adoption of PPPs.

To realize a circular economy, it is essential to foster collaboration between "artery" companies that produce



finished goods and buildings, and "vein" companies responsible for waste management and recycling. Until now, decisions have largely been made from the perspective of artery-side companies. However, we believe that by becoming more involved in policymaking as a vein-side company and realizing true "artery-vein" collaboration, we can help bring about positive change in society. To advance the industry to a point where this becomes possible, the Group aims to lead the vein-side sector and drive change, guided by our management philosophy of creation, innovation, and meeting challenges.

Fumio Kaneko

President and Representative Director
Daiei Kankyo Co., Ltd.

Waste management and recycling

We provide a one-stop service from the collection and transportation of general waste and industrial waste to intermediate treatment, recycling, and final disposal. This is our core business.

Soil remediation

At our high-performance plants equipped with their own berth,* we take in contaminated soil from various locations, neutralizing all designated hazardous substances as stipulated by the Soil Contamination Countermeasures Act.

* A place for unloading cargo from ships

Facility construction and administration

Leveraging our expertise in operating waste management facilities, we efficiently construct, manage, inspect, and maintain municipal clean centers and similar facilities.

Consulting

We address waste-related issues through the development of services utilizing AI, IoT, and DX promotion, as well as centralized waste management and municipal waste processing plans.

Electricity generation

We create energy from waste, including biomass and biogas power generation. We also use former final disposal sites for solar power generation.



Forest management

We manage approximately 8,170 hectares of Company-owned forests, focusing on balancing environmental protection with forestry management, disaster prevention, and biodiversity conservation, all while advancing forest development with a vision for the next 100 years.

Others (Temporary staffing / Agribusiness)

We provide temporary staffing and employment agency services for general workers and individuals with disabilities, and develop agribusiness, aiming to revitalize local communities and contribute to society.

Aluminum pellet manufacturing and sales

After purchasing aluminum cans as a resource, we process them and manufacture high-purity aluminum pellets. These pellets are primarily sold to steel manufacturers as deoxidizers.

Recycled plastic pallet manufacturing and sales

We manufacture and sell very eco-friendly, high-quality pallets made from 100% recycled materials, such as plastic container packaging.

Sports community promotion

We are dedicated to promoting sports culture and developing the regional economy through the management of a Japanese women's professional soccer club and golf course.

It has been 46 years since our founding. The journey of the Daiei Kankyo Group has been a continuous effort to build bonds with local communities and seize new possibilities. Initially facing strong opposition to the construction of a final disposal site, the Company started operations by gaining the understanding and support of the local community. With the concept that “waste is a recyclable resource,” the Group quickly ventured into the recycling business, in addition to waste management, and devoted efforts to disaster waste management when the Great Hanshin-Awaji Earthquake occurred.

Adopting the management philosophy of creation, innovation, and meeting challenges, the Group shifted toward becoming a company with the power to create better environments, rolling out a number of different waste-related businesses. The Group also began aiming to construct a so-called “Local Circular Ecological Sphere,” focusing on local energy production and consumption centered around waste management facilities. In 2022, the Company was listed on the TSE Prime Market. Nowadays, the Group collaborates with industry, government, and academia, including municipalities, local companies, and universities, to create a circular economy and develop technological innovations for the advancement of resource recycling. The Daiei Kankyo Group has been tackling environmental, social, and economic issues that are difficult to resolve by a single company, and is working together with its partners toward a sustainable future.

No. of municipalities we worked with^{*1}

In FY2015/3 In FY2025/3

197 → 487

No. of disaster cooperation agreements signed

As of March 31,
2018 As of March 31,
2025

15 → 200

No. of Local Circular Ecological Spheres established through PPP

As of October 31,
2021 As of March 31,
2025

2 → 3

^{*1} The number of municipalities includes prefectures and Tokyo's 23 wards, and for wide-area associations, each of the constituent municipalities of the wide-area associations is counted as one municipality.



^{*2} Design, build, and operate (DBO) method: A procurement method in which the private sector is appointed to design, build, and operate a facility that is financed by a municipality

Daiei Kankyo Group's History

- **1979** Daiei Kankyo Co., Ltd. was established in Izumi City, Osaka
- **1980** Opened controlled final disposal site in Izumi City, Osaka
- **1986** Opened Nishinomiya Recycle Center, which has a refuse-derived fuel (RDF) facility
- **1995** Worked hard to dispose of disaster waste after the Great Hanshin-Awaji Earthquake
Devoted all our knowledge and skills to recovery, which is our first priority over profitability with a sole focus on saving lives
- **1997** Formulated our first management plan to ensure stable operations
- **2001** Izumi Recycling Environmental Park opened on the site of former final disposal site
- **2013** Opened Mie Energy Plaza, a waste management and recycling facility, which uses the energy generated during waste management for power generation and heating
Equipped with an incinerator, roaster, and carbonizing furnace, to supply heat to the region





2020

Established a food waste biogas power company in collaboration with a plant manufacturer

We established Re-enermie Co., Ltd., which operates a biogas power generation business, in Iga City, Mie, in collaboration with Kobelco Eco-Solutions Co., Ltd. The facility has been in operation since April 2023, fueled by methane gas derived from food biomass produced by Daiei Kankyo Co., Ltd.

Since 2021

Signed a PPP agreement with municipalities to support social infrastructure

We are promoting PPPs to centralize regional waste management, efficiently converting waste into resources and energy to return to local communities. Currently, we have agreements with three municipalities and are preparing for the construction of recycle centers and energy centers.



Autonomous mobility system



Smart garbage box

2023

Conducted demonstration experiments of next-generation garbage collection system jointly developed with a university

Daiei Kankyo Research Institute Co., Ltd., a consolidated subsidiary, has jointly developed with Waseda University an autonomous mobility system for transporting various items, including garbage, as well as smart garbage boxes, and has conducted demonstration experiments for a next-generation garbage collection system. At Expo 2025 Osaka, Kansai, Japan, "smart collection boxes" have been installed on food trucks to efficiently collect waste and raise awareness of the importance of resource recycling.



Since 2023

Signed a cooperative agreement on pursuing establishment of recycling-oriented society

Following the enforcement of the Plastic Resource Circulation Act in April 2022, Daiei Kankyo Co., Ltd. signed agreements aimed at collaborating on surveys, research, and projects related to waste reduction, recycling, and resource recovery with five municipalities,^{*3} including Kishiwada City, Osaka Prefecture, in 2023; Hashima City, Gifu Prefecture, and Fujiidera City, Osaka Prefecture, in 2024; and Habikino City, Osaka Prefecture, in May 2025. We will continuously strive to create a recycling-oriented society with less impact on the environment.

Since 2024

Contributing to regional revitalization through the management of a women's soccer club

In March 2024, we acquired all shares of INAC Football Club Co., Ltd., the company which runs INAC KOBE LEONESSA, a professional women's soccer club in the Japan Women's Empowerment Professional Football League, and are actively engaged in promoting regional development through sports. By managing the team, we aim to deepen our ties with the local community and contribute to the healthy development of youth, the promotion of sports culture, and the growth of the regional economy.



©INAC KOBE LEONESSA

2025

iCEP PLASTICS: Creating a new resource recycling model with a total recycling coordination service launched in February 2024

Yagikuma Co., Ltd., UNIADDEX, Ltd., Resource Circulation Systems Co., Ltd. (our consolidated subsidiary), and Daiei Kankyo Co., Ltd. are leveraging their respective strengths to collaborate across the entire process—from waste plastic collection to product manufacturing through recycling into resin, molding, and processing. We have established a seamless, one-stop system that integrates both "artery" and "vein" companies, delivering total recycling coordination services aimed at realizing a circular society. We are continuously creating new resource recycling models for waste plastics, such as recycled barricades made from construction site-derived waste plastic, which has traditionally been difficult to recycle, and the XtoCar project, which manufactures automotive parts using non-automotive waste plastics.

iCEP PLASTICS <https://icep-plastics.rcs-dx.jp/>
(in Japanese only)

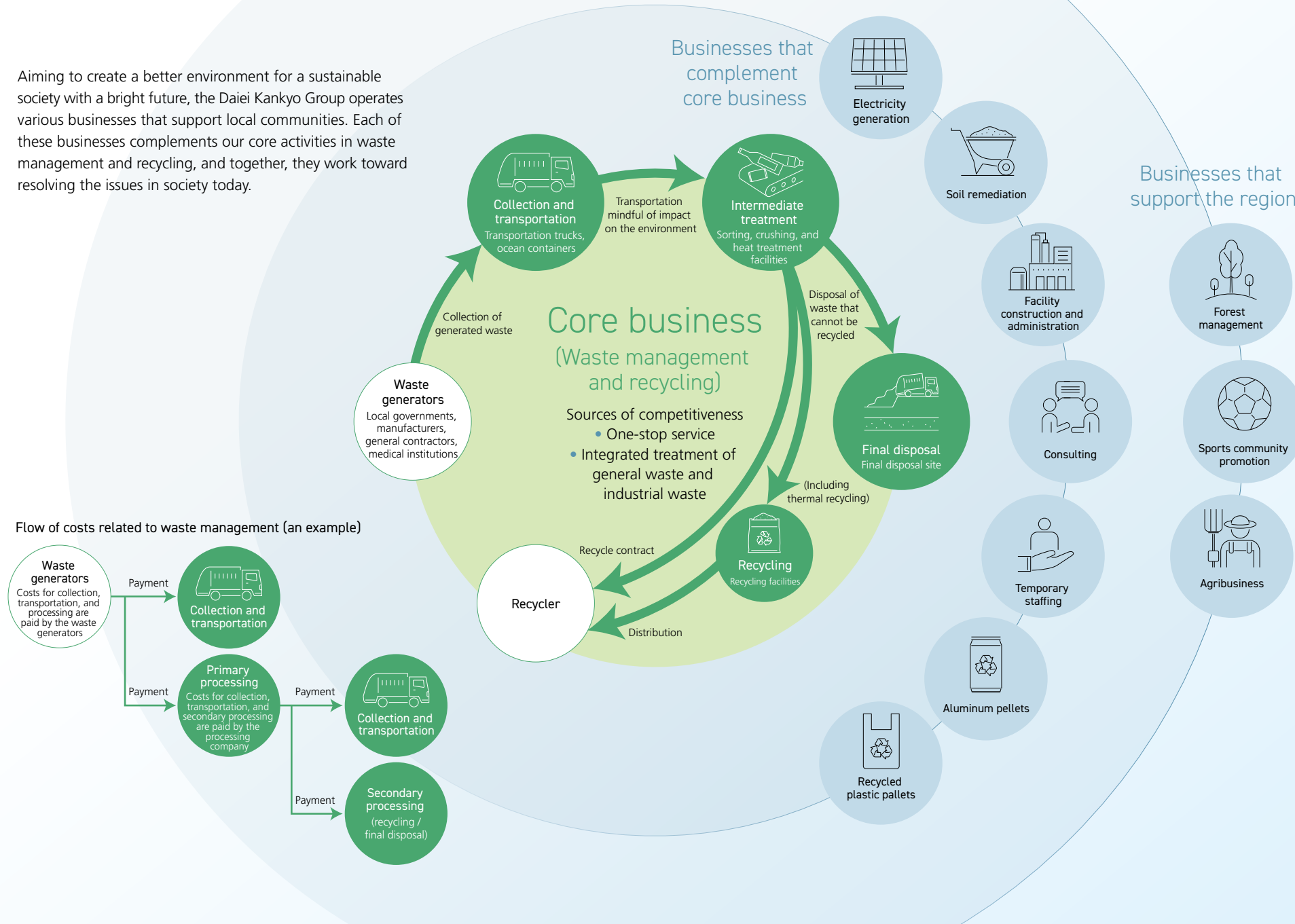


- 2014 Started solar power generation business using former final disposal site
- 2016 Acquired General Agriculture & Forestry Co., Ltd. as a subsidiary
Entered forest management business
- 2020 Established Plafactory Co., Ltd., which manufactures plastic pallets
- 2021 Concluded agreement with communities in five towns in Kamimashiki, Kumamoto, and elsewhere to promote Local Circular Ecological Spheres
- 2022 Opened methane fermentation facility and composting facility in Iga City, Mie
- 2022 Listed on the TSE Prime Market on December 14
The opening price was ¥1,710, 27% above the initial public offering (IPO) price of ¥1,350, and the closing price was ¥1,796.
- 2023 Opened Miki Biomass Factory in Miki City, Hyogo
- 2024 Transitioned to a company with an audit and supervisory committee



Miki Biomass Factory

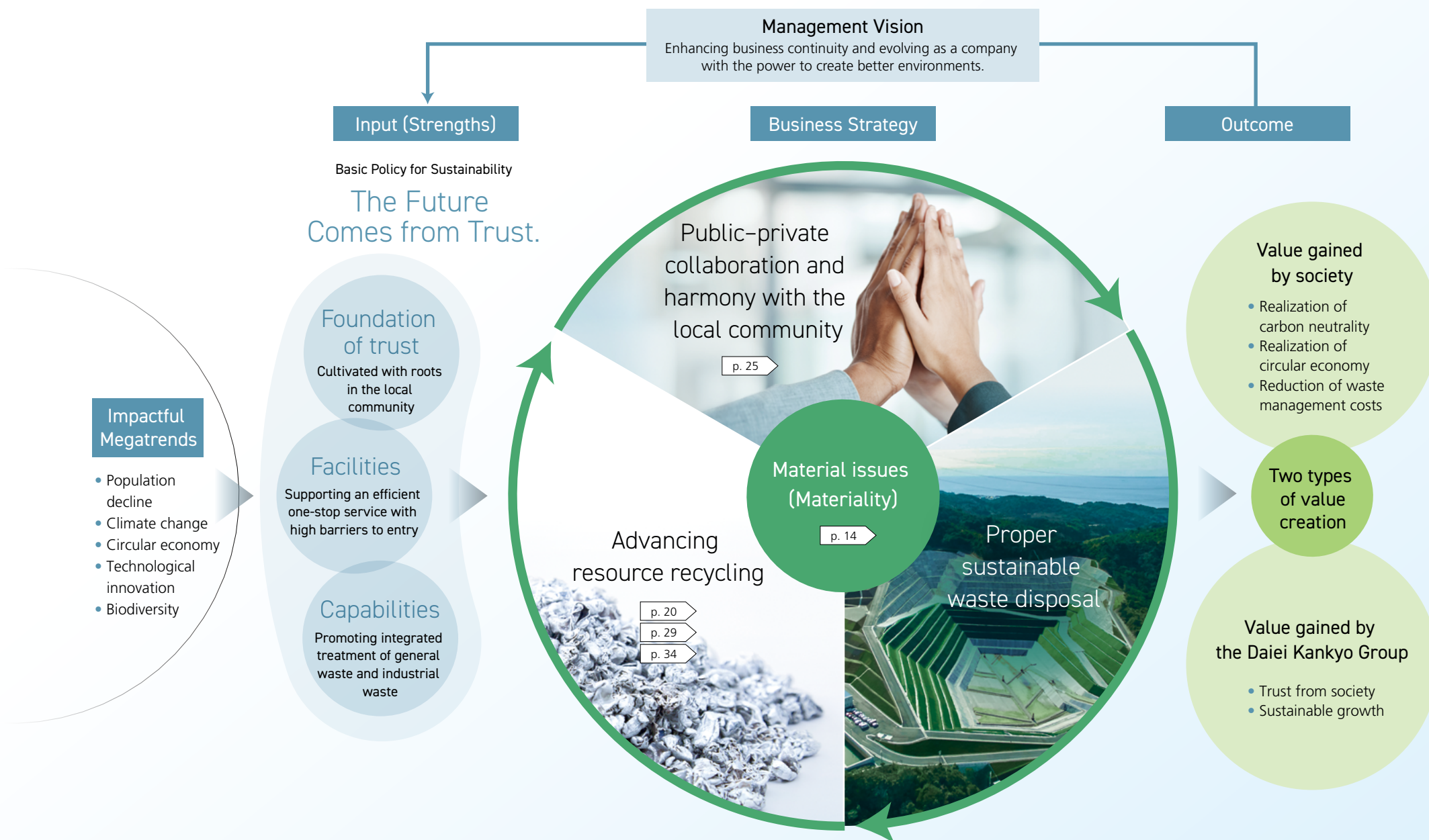
Aiming to create a better environment for a sustainable society with a bright future, the Daiei Kankyo Group operates various businesses that support local communities. Each of these businesses complements our core activities in waste management and recycling, and together, they work toward resolving the issues in society today.



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Five material issues (materiality)



Process for identifying material issues (materiality)
<https://www.dinsgr.co.jp/english/csr/society/>

The Daiei Kankyo Group listed environmental, social, and business challenges it faces. Through a selection process applying the concept of double materiality to assess the importance of each issue, five material issues (materiality) were identified in June 2024. We also outlined the components of each issue and the rationale for their selection as material.

Material issues	Components	Stories
1 Building the foundation for Local Circular Ecological Spheres	Living in harmony with and contributing to local communities Expanding our system of cooperation with municipalities	Waste management and recycling, the core business of the Daiei Kankyo Group, is a business that cannot succeed without understanding from local communities. We have always operated businesses rooted in local communities. It is undoubtedly important to become more rooted in the local areas where we currently have business locations. As we expand our business area in the future, it is also extremely important to develop strong trust with local communities in new areas, just as we have in our existing locations. We will continue to build the base for creating Local Circular Ecological Spheres aimed at generating multifaceted value through various means of communication with local communities.
2 Strengthening the business foundation to become a company with the power to create better environments	Promoting integrated treatment of general waste and industrial waste Strengthening the capacity of treatment facilities and expanding the waste management network	While it is necessary to centralize management facilities in the waste management and recycling area to achieve carbon neutrality by 2050, we think depopulation and financial issues will make it hard for municipalities to upgrade waste management facilities on their own. The Daiei Kankyo Group will work to centralize management facilities and contribute to the simultaneous achievement of carbon neutrality and relief of cost burden on waste generators in this area by integrated treatment of general waste and industrial waste at all our locations, as well as working on the expansion of general waste management at existing locations and the creation of new business locations, mainly through PPPs.
3 Contributing to a decarbonized society and reducing our impact on the environment	Advancing resource recycling systems Promoting electricity generation and energy conservation Tackling environmental protection	To achieve carbon neutrality for Japan by 2050, it is extremely important for each industry to recycle and use untapped resources that have been disposed of as waste up to the present. We will advance resource recycling systems to maximize recycling use while also generating resources and energy from waste to the greatest extent possible and achieving energy savings in facilities. In addition, we will endeavor to reduce the impact of waste processing on the surrounding environment as much as possible, and disclose the status of its maintenance and management in easily understandable terms, so the public appreciates the fact that we are operating facilities in a safe and secure manner.
4 Promoting human capital management	Developing the next generation of leaders Recruiting, finding, and developing human resources Establishing the foundation for a comfortable work environment and diversity	Whether the Daiei Kankyo Group can meet the expectations from communities, customers, and shareholders and earn their trust depends entirely on our people. We will develop human resources who can keep up with the rapid growth and changes in society, put the commitment to our management philosophy—creation, innovation, and meeting challenges—into practice, and will boldly take on challenges even seemed impossible. We will also continue to improve engagement to enable all employees to demonstrate their individuality and capabilities and work energetically with high motivation. Furthermore, we will establish an environment that will make it possible to continue to recruit, find, and develop outstanding human resources in the Daiei Kankyo Group's business areas where industry restructuring is likely to take place in the future.
5 Improving management transparency and Group capabilities	Strengthening Group governance Ensuring thorough corporate ethics and compliance Strengthening information security Ensuring occupational safety and health	From the perspective of the Daiei Kankyo Group, the greatest reason for listing was to strengthen governance. That is because the establishment of a Group governance system was necessary, given the expansion in the number of subsidiaries and employees. As we take the lead on pursuing industry consolidation, we will improve management transparency and the collective strengths of the Group by transitioning to a company with an audit and supervisory committee and reinforcing information security, occupational safety and health, and other management systems to further enhance governance.

Approach to Action Plan and KPIs

In May 2025, we formulated and published an action plan aligned with our Medium-Term Management Plan, D-Plan 2028 (see pp. 17–20). In June, we also established KPIs corresponding to this action plan.

These initiatives aim to achieve both the Daiei Kankyo Group's sustainable growth and the realization of a sustainable society.

The target timelines for achieving the KPIs are set for the fiscal years ending March 31, 2028 and March 31, 2031, with some extending beyond the fiscal year ending March 31, 2032.

Progress will be monitored accordingly.

Material issues	Components	Action plan	KPIs	Target values for FY2028/3 (D-Plan 2028 period)	(Reference) Target achievement timelines set for FY2028/3 onward
1 Building the foundation for Local Circular Ecological Spheres	Living in harmony with and contributing to local communities	1. Appropriately disclose information to stakeholders	(Qualitative target) Ongoing enhancement	—	—
		2. Support the development of local communities and the promotion of sports and culture	(Qualitative target) Ongoing enhancement	—	—
	Expanding our system of cooperation with municipalities	3. Expand number of municipalities we work with	No. of municipalities we worked with	Not disclosed	FY2031/3
		4. Expand disaster support areas	No. of disaster cooperation agreements signed (cumulative)	Not disclosed	FY2031/3
		5. Support the formulation of general waste and disaster waste management plans	No. of times support has been provided to formulating disaster waste and general waste management plans (cumulative)	Not disclosed	FY2031/3
			No. of agreements signed related to plastic bottle horizontal recycling (cumulative)	Not disclosed	FY2031/3
2 Strengthening the business foundation to become a company with the power to create better environments	Promoting integrated treatment of general waste and industrial waste	6. Promote the construction of PPP-based local energy centers	No. of basic agreements signed (cumulative)	7 agreements	(Target for FY2031/3: 12 agreements)
		7. Strengthen system for receiving general waste at existing business locations	(Qualitative target) Ongoing enhancement	—	—
	Strengthening the capacity of treatment facilities and expanding the waste management network	8. Increase processing capacity by introducing high-efficiency heat recovery	Processing capacity for incineration and other heat treatment facilities	—	(Target for FY2031/3: 4,000 t/day)
		9. Introduce high-efficiency sorting processes	Annual recycling volume	1,000,000 t/year	—
		10. Secure remaining portion of required capacity at final disposal sites in the run-up to our 100th anniversary	Remaining landfill capacity	—	(Target for FY2031/3: 15,000,000 m³ or more)
		11. Strengthen Groupwide networks through ongoing M&A	Net sales from M&A activities	JPY 10.0 bn	—
3 Contributing to a decarbonized society and reducing our impact on the environment	Advancing resource recycling systems	12. Strengthen R&D in the field of resource recycling	(Qualitative target) Ongoing enhancement	—	—
		13. Promote plastic waste recycling based on the Plastic Resource Circulation Act	(Qualitative target) Ongoing enhancement	—	—
		14. Establish new business schemes through “artery-vein” collaboration, etc.	(Qualitative target) Ongoing enhancement	—	—

3	Contributing to a decarbonized society and reducing our impact on the environment	Promoting electricity generation and energy conservation	15. Increase electricity generated by waste management	Cumulative annual power generation	Maintain at least 130,000 MWh (annually)	–
			16. Increase utilization rate of renewable energy	Percentage of non-fossil energy used in electricity consumption (Non-fossil energy / Total energy)	60%	–
			17. Promote energy-saving projects within the Group	Energy consumption intensity	1% decrease compared to the previous fiscal year	–
	Tackling environmental protection		18. Ensure strict pollution control based on voluntary environmental regulations	Environmental monitoring results (published annually)	–	–
			19. Promote research and study aimed at introducing Carbon dioxide Capture and Utilization (CCU)	(Qualitative target) Ongoing enhancement	–	–
			20. Reduce greenhouse gas (GHG) emissions for society as a whole	CO ₂ reduction contribution	125,000 t-CO ₂	–
4	Developing the next generation of leaders		21. Expand the pool of next-generation leaders	Hours and no. of participants in business leader training (annual)	3,100 hours/year 80 people/year	–
						–
	Recruiting, finding, and developing human resources		22. Secure and develop human resources based on growth strategies	No. of facility operators secured	Not disclosed	–
				No. of personnel secured for M&A support	Not disclosed	–
				No. of hours of skill training conducted	4,500 hours/year	–
				Female new graduate hires (university graduates) ratio	30% or more/year	–
			23. Promote the use of diverse human resources	Retiree reemployment rate	70% or more/year	–
	Establishing the foundation for a comfortable work environment and diversity			Employment rate of persons with disabilities	2.7% or more/year	–
			24. Promote active participation of women	Percentage of female managers	4.5% or more/year	–
				Gender wage gap ratio	75.0% or more/year	–
				Paid leave utilization rate	90% or more/year	–
				Male parental leave uptake rate	90% or more/year	–
			25. Create a comfortable working environment	Percentage of high-stress individuals in stress checks	10% or less/year	–
				(Qualitative target) Improvement of workplace environment and facilities at offices, etc.	–	–
				(Qualitative target) Engagement survey results (evaluated by year-on-year average score change)	–	–
				(Qualitative target) Maintenance of Health & Productivity Management Certification (Daiei Kankyo Co., Ltd.)	–	–
			26. Promote health-conscious management	No. of new Health & Productivity Management Certifications acquired by Group subsidiaries (cumulative)	1	–
5	Strengthening Group governance		27. Ensure strict monitoring through an internal control system	Ratio of internal audits requiring improvement	10% or less/year	–
			28. Strengthen the Groupwide risk management system	(Qualitative target) Ongoing enhancement	–	–
	Ensuring thorough corporate ethics and compliance		29. Achieve zero compliance violations	No. of serious legal violations	0 cases/year	–
	Strengthening information security			Rate of participation in internal security training	95% or higher/year	–
			30. Improve information literacy	No. of targeted phishing email drills conducted	2 times/year	–
				No. of information security committee meetings held	4 times/year	–
	Ensuring occupational safety and health			No. of workplace accidents causing absence of three days or less	16 or fewer cases/year	–
			31. Reduce the number of occupational accidents	No. of serious workplace accidents causing absence of four days or more	0 cases/year	–

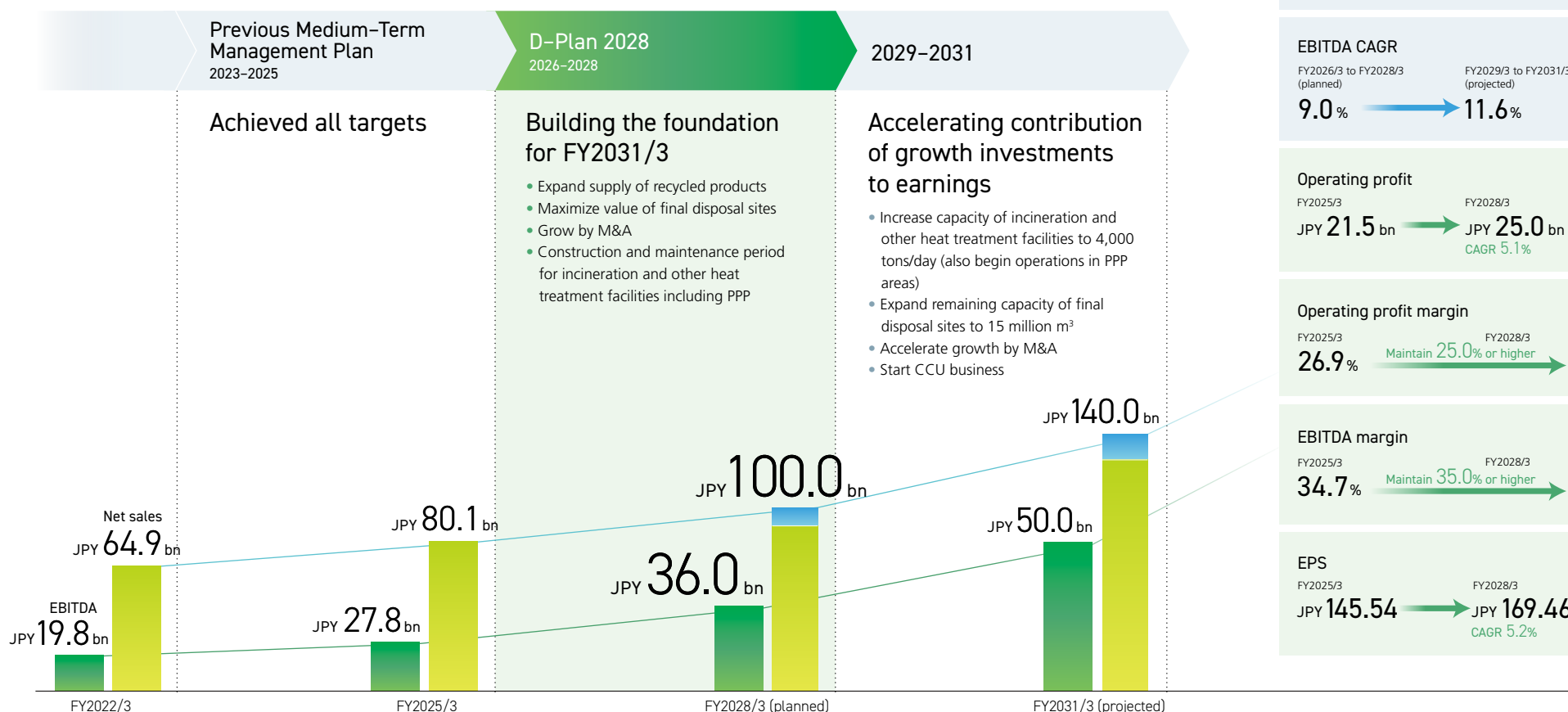
Positioning of the Medium-Term Management Plan

D-Plan 2028 as the medium-term target for building a foundation toward FY2031/3

The Daiei Kankyo Group has formulated the three-year Medium-Term Management Plan, D-Plan 2028, with the fiscal year ending March 31, 2026 as the first year. This plan is aimed at building a foundation during the first three years, toward the fiscal year ending March 31, 2031, six years from now. We will steadily grow through organic expansion and M&A while continuing to invest in growth to achieve our vision.

Roadmap through FY2031/3

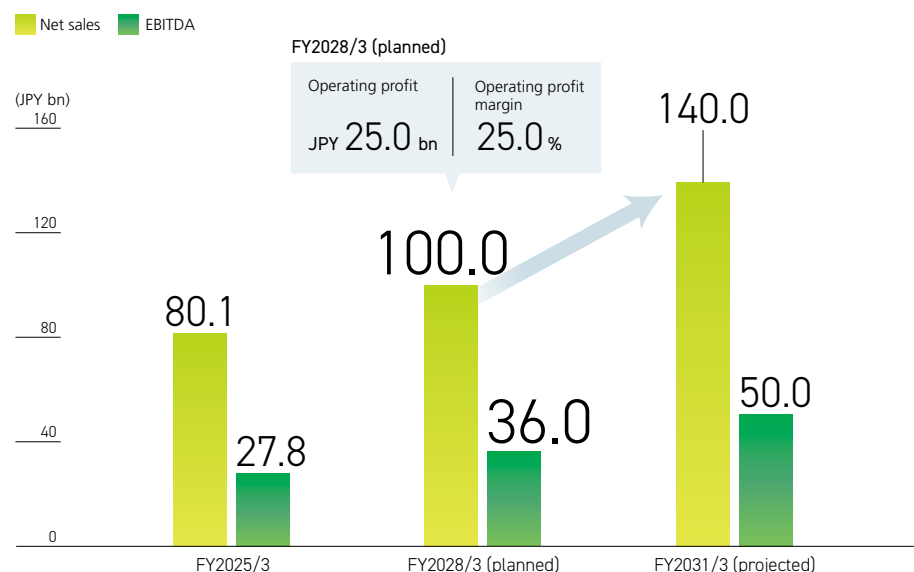
M&A Organic net sales



Strategy Summary

In June 2024, the Daiei Kankyo Group identified five material issues (materiality) to address social challenges such as the transition to carbon neutrality and a circular economy, while achieving sustainable growth. Under D-Plan 2028, we will implement growth measures and measures for strengthening the management foundation to address materiality.

Medium-term targets for net sales and EBITDA



Cash allocation

Cash on hand + Borrowings	JPY 29.0 bn or more	Growth investment	
Cumulative operating cash flow over three years	JPY 85.0 bn	M&A	JPY 10.0 bn or more
		Investment in growth area	JPY 36.0 bn
		Investment in maintenance and replacement	JPY 14.0 bn
		Repayment of borrowings	JPY 38.0 bn
		Shareholder returns	JPY 16.0 bn or more

Overview of strategy

Growth measures	Contributes to earnings from D-Plan 2028 onward	Advance resource recycling systems	Increase earnings in the recycling business through increased supply to the “artery” (e.g., manufacturing) market
			Maximize the value of final disposal sites (maximize sales per unit of capacity)
		Deepen relationships with municipalities	Expand the scope of transaction with municipalities we work with Expand business area to nationwide
	Expand business areas through M&A	Actively execute projects that are expected to generate synergies (increase in volume received)	
	Measure for FY2031/3	Increase capacity of incineration and other heat treatment facilities	Started construction of 5 facilities to increase the capacity to 4,000 tons/day
		Expand planned annual landfill volume and remaining capacity of final disposal sites	Promote M&A in new areas to increase planned annual landfill volume
			Promote new construction and expansion plans in existing areas
		Promote PPP	Conclude a total of 7 agreements
Measures for strengthening management foundation	Promote human capital management	Maximize employee engagement	
	Improve Group management capabilities	Further strengthen governance and risk management systems	

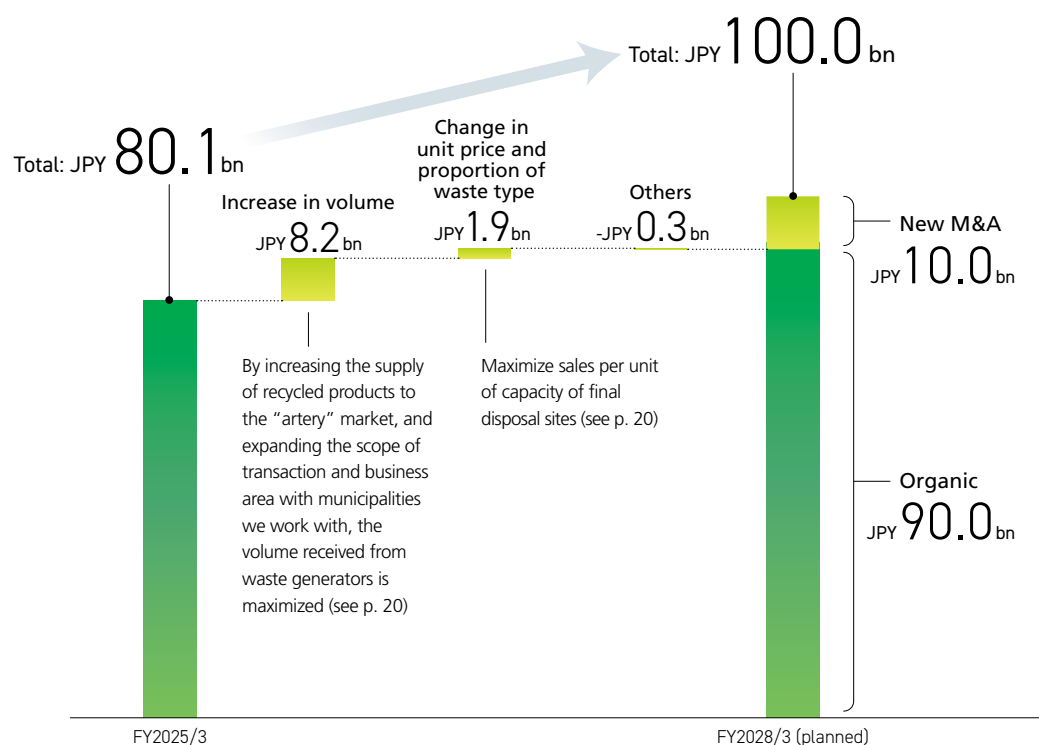
Key Points of the Sales Expansion Strategy

Growth both organically and inorganically

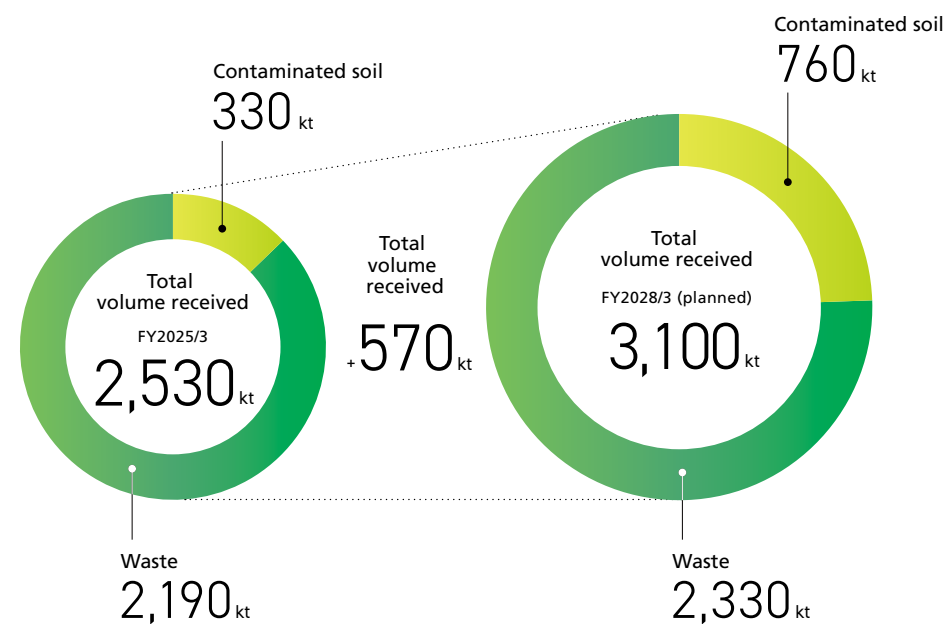
Under D-Plan 2028, we plan to increase net sales by approximately ¥10.0 billion through organic growth and an additional ¥10.0 billion through new M&A, targeting net sales of ¥100.0 billion. The key to this is expanding the volume of both waste and contaminated soil received.

The breakdown of organic growth is expected to be approximately ¥8.2 billion from increased volume and approximately ¥1.9 billion from changes in unit prices and proportion of waste type.

Plan to expand sales



Plan to increase volume received



Key Points of Profit Contribution

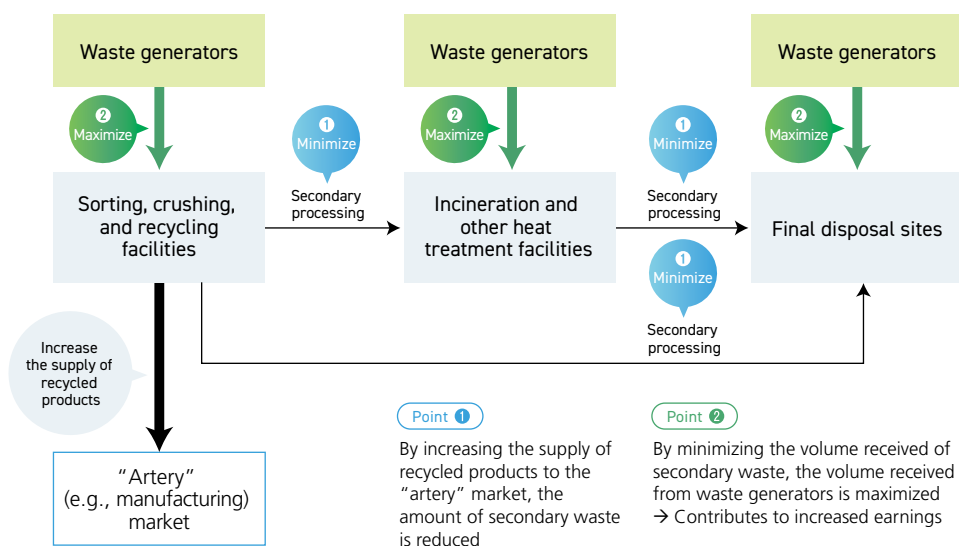
Maximizing volume received and the value of final disposal sites by advancing resource recycling systems

Under D-Plan 2028, we will drive profit growth by strengthening relationships with municipalities, actively pursuing M&A, and advancing resource recycling systems. By increasing the supply of recycled products to the “artery” market, the amount of secondary waste will decrease, leading to increased volume received from waste generators. Additionally, a certain proportion of low-value-added waste, such as waste plastics, still remains in final disposal sites. By promoting the recycling of these low-value-added materials, we aim to increase the proportion of high-value-added waste and maximize the value of final disposal sites.

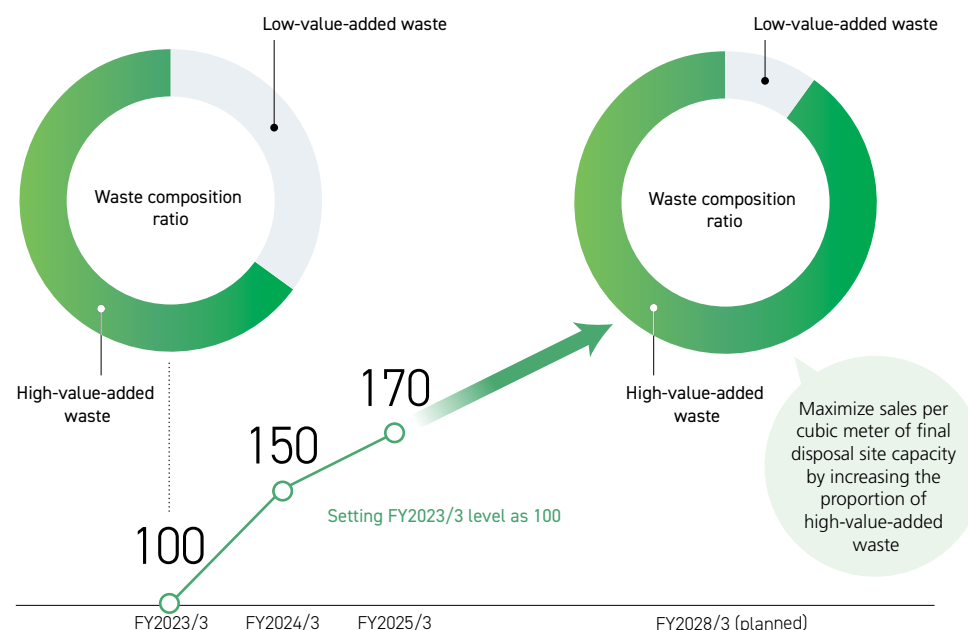
These efforts form the foundation for achieving our targets by the fiscal year ending March 31, 2031, and we will continue to work toward sustainable growth.

Increase supply to the “artery” (e.g., manufacturing) market →
Maximize the volume received from waste generators

→ Intake that contributes to increased earnings → Intake that does not contribute to increased earnings



Trends in sales per cubic meter of final disposal site capacity and change in the composition ratio of high- vs. low-value-added waste



What is high-value-added waste?

- High-density materials such as ash from incineration and buried waste
- High unit price items such as waste asbestos

What is low-value-added waste?

- Low-density materials such as combustible materials and plastics
- Low unit price items such as contaminated soil

Connecting material issues (materiality) to capital reinforcement

In June 2024, the Daiei Kankyo Group identified five material issues (materiality) essential for sustained growth while further contributing to resolving social challenges. These critical management priorities must be addressed over the medium to long term, taking into account the evolving business environment.

To respond to these challenges effectively, we are strengthening our capital base by promoting growth investments not only in financial capital but also in

non-financial capital—including social, manufactured, natural, intellectual, and human capital.

The table below illustrates the relationship between each material issue and the six types of capital. Material issues and capital types do not correspond on a strict one-to-one basis. For example, facility development involves both building trust with the local community (social capital) and expanding the facilities themselves (manufactured capital). We believe that these interactions

among multiple types of capital generate non-financial value, creating a virtuous cycle that supports sustainable business growth. We consider Materiality number 5, “Improving management transparency and Group capabilities,” to be a core issue that underpins our sustainable growth. It is positioned as a material issue that relates to all six types of non-financial capital.

		6 types of capital					
		Financial capital	Social capital	Manufactured capital	Natural capital	Intellectual capital	Human capital
		Focus 1 → pp. 23–24	Focus 2 → pp. 25–28	Focus 3 → pp. 29–30	Focus 4 → pp. 31–33	Focus 5 → pp. 34–36	Focus 6 → pp. 37–41
Material issues (Materiality)							
1	Building the foundation for Local Circular Ecological Spheres	●	●	●	●		
2	Strengthening the business foundation to become a company with the power to create better environments	●	●	●	●	●	
3	Contributing to a decarbonized society and reducing our impact on the environment	●	●	●	●	●	●
4	Promoting human capital management	●	●				●
5	Improving management transparency and Group capabilities						

● Focus 1–6 (related to all types of capital)

Boxed areas indicate particularly high-priority capital domains that require strengthening alongside human capital.

The six types of capital are introduced individually in six subsequent sections, titled “Focus 1” through “Focus 6.”

For details on specific investments in each type of capital, please see “Cash Allocation” on p. 24.

Materiality affecting non-financial capital

Each material issue is closely connected to multiple types of non-financial capital. Among these, we have prioritized three material issues that directly support the growth of the Group's business: 1) building the foundation for Local Circular Ecological Spheres; 2) strengthening the business

foundation to become a company with the power to create better environments; and 3) contributing to a decarbonized society and reducing environmental impact. Given the nature of our business, these issues are primarily linked to social capital, manufactured capital, and natural capital.

Material issues (Materiality)	Social capital X Manufactured capital X Natural capital		
	Focus 2	Focus 3	Focus 4
1 Building the foundation for Local Circular Ecological Spheres	The Daiei Kankyo Group is working to build trust-based relationships with local residents and municipalities, establishing the foundation of its social capital through ongoing, community-rooted business activities at each location. Strengthening these relationships with local communities has enabled the smooth development, enhancement, and renewal of waste treatment facilities, which constitute our manufactured capital. As a member of the community, the Group ensures proper waste management, contributing to the conservation of the local environment and risk reduction, thereby preventing the loss of natural capital.		
2 Strengthening the business foundation to become a company with the power to create better environments	By building trust-based relationships with municipalities, which also contribute to building our social capital, the Group is expanding the volume of general waste handled at existing facilities. Integrated treatment of industrial waste and general waste at processing facilities, regarded as manufactured capital, enables us to contribute to resolving region-specific waste management challenges. By developing new energy centers through PPPs and integrating operations with companies acquired through M&A, we are expanding our service areas and contributing to the prevention of natural capital loss across a wider region.		
3 Contributing to a decarbonized society and reducing our impact on the environment	To develop new waste management methods and business schemes, we are strengthening collaboration with various stakeholders and research frameworks, including "artery" companies and external research institutions, as part of our social capital, thereby advancing resource recycling systems. As part of strengthening our manufactured capital, we are promoting the development of regional energy centers that utilize waste-to-energy power generation, aiming to produce and make effective use of renewable and non-fossil energy. These initiatives advance the realization of a circular economy alongside carbon neutrality in the waste management and recycling sectors. They contribute to reducing environmental impact and preserving natural capital, while broadening the reach of these positive effects.		

Management focused on the cost of capital to balance growth and returns

Setting indicators and targets

The Daiei Kankyo Group has set targets for the following six indicators in the Medium-Term Management Plan, D-Plan 2028: net sales, EBITDA, EBITDA margin, operating profit, operating profit margin, and EPS. This underscores our intention to maximize EPS to promote management that is mindful of the cost of capital and the stock price. We intend to increase our top line, expand our revenue scale, and improve profitability through business growth and efficient management, while also increasing our stable cash generation capacity.

D-Plan 2028 covers the first three years of the six-year plan through the fiscal year ending March 31, 2031. To make progress toward our vision for the fiscal year ending March 31, 2031, the first three years are aimed at expanding business scale and business areas through organic growth and M&A, while we continue to make growth investments and build a foundation for a leap forward toward accelerated earnings over the subsequent three years.

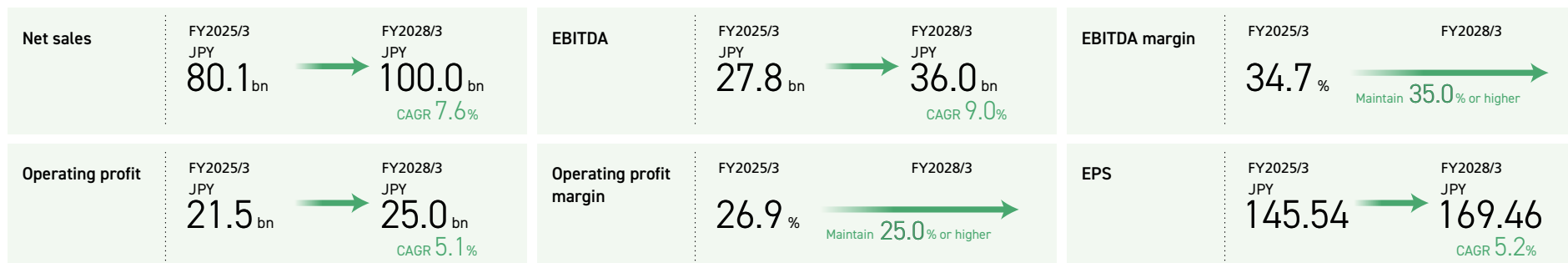
Depreciation and amortization of goodwill are expected to increase significantly starting in the fiscal year ending March 31, 2026. Therefore, for the fiscal year ending March 31, 2028, we have set the following targets: EBITDA of ¥36.0 billion, EBITDA margin of 35.0% or more, operating profit of ¥25.0 billion, and operating profit margin of 25.0% or more. Although this target operating profit margin is set lower than the results of the past two fiscal years, we plan to continue to steadily increase our cash generating capabilities.

Capital profitability and market evaluation

The Company's price-to-book (P/B) ratio stood at 2.98x as of March 31, 2025, maintaining a consistently high level. We believe this reflects the fact that the Group has gained a certain level of evaluation from the market for not only our financial indicators, but also our non-financial value, including ESG aspects. To continue to live up to the trust placed in us by the market, we will strive to conduct business

activities worthy of that evaluation and work to further increase our corporate value.

In the fiscal year ended March 31, 2025, the final year of the previous Medium-Term Management Plan, we achieved all of our management indicator targets and maintained high levels of return on equity (ROE) and return on invested capital (ROIC), which indicate capital profitability. To further promote management that is mindful of the cost of capital and the stock price, we have set new targets for maximizing EPS in D-Plan 2028, which started in April 2025. Even as we build the foundation for the next leap forward, we aim to achieve steady profit growth that exceeds our set profit targets.



Cash allocation aimed at improving capital efficiency and achieving sustainable future growth

The Company has formulated a cash allocation policy under D-Plan 2028.

Cash in

Over the three-year period through the fiscal year ending March 31, 2028, total cash inflows utilizing operating cash flow as well as cash on hand and borrowings are projected to reach ¥114.0 billion. Operating cash flow is expected to be ¥85.0 billion, due to steady growth in EBITDA in existing businesses as well as cost reductions mainly through insourcing. Regarding cash on hand and borrowings, we expect to have capital of ¥29.0 billion while maintaining a sound financial position. Through flexible financing, we will allocate funds to strategic investments while optimizing the cost of capital.

Cash out

The cash obtained will be allocated to growth investments, maintenance and replacement investments, repayment of borrowings, and shareholder returns.

Regarding growth investments, we have set aside an investment budget of ¥10.0 billion for M&A projects aimed at expanding the volume of waste received in our core business of waste management and recycling. With strong ongoing demand for M&A expected due to industry consolidation, we intend to actively pursue projects that generate synergies without limiting ourselves to the set budget of ¥10.0 billion.

We will also allocate ¥36.0 billion to investment in growth areas and work to strengthen our competitiveness over the medium to long term, looking ahead to six years from now and beyond. Specifically, we aim to strengthen

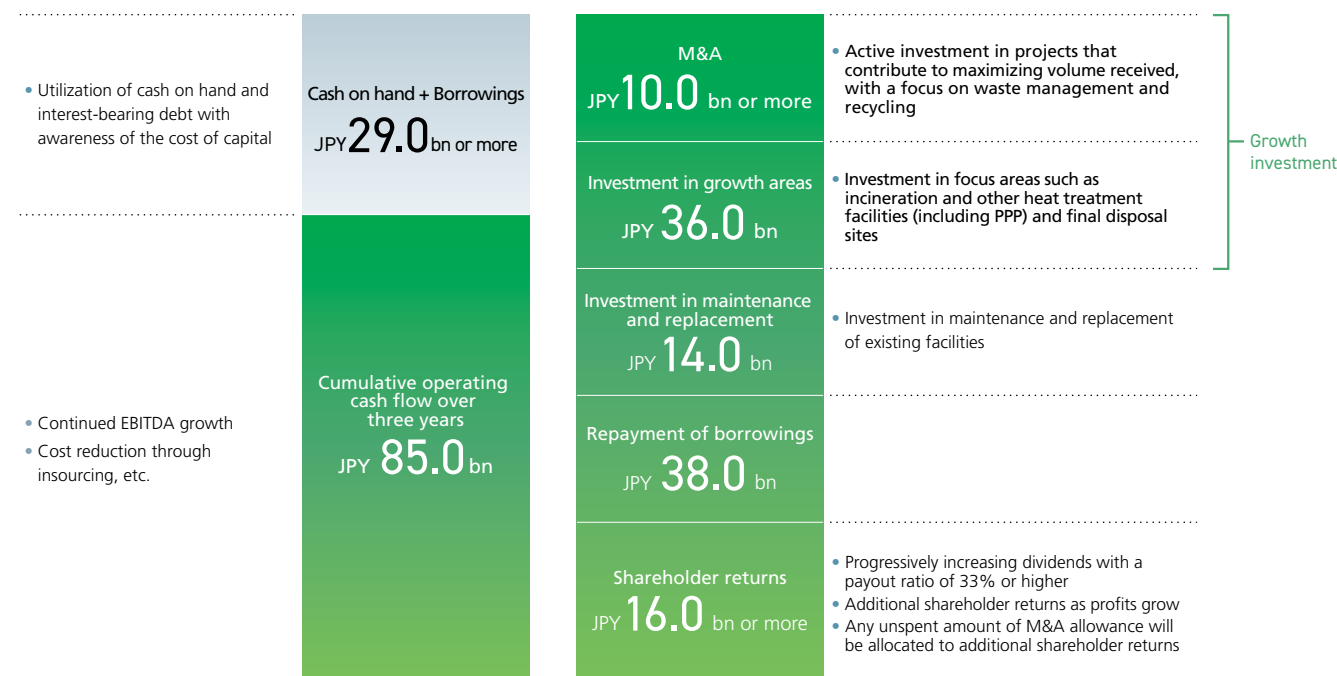
our waste management system by enhancing the capacities of incineration and other heat treatment facilities and final disposal sites and by advancing resource recycling systems. We also aim to expand PPPs where stable profits are expected.

Regarding maintenance and replacement investments, in addition to maintaining and upgrading existing facilities to ensure business continuity, we are also planning to introduce high-efficiency equipment that contributes to the reduction of GHG emissions.

Shareholder returns

The Company aims to maintain a consolidated payout ratio of 33% or higher and plans to enhance shareholder returns in line with profit growth, with a future target consolidated payout ratio of 40%. We will actively pursue growth investments to maximize shareholder value, allocate unused M&A funds to shareholder returns, and consider additional returns aligned with profit growth.

Focus on growth investment and proactively pursue M&A that will generate synergy



The society the Daiei Kankyo Group aspires to

Shaping the future of regions through Local Circular Ecological Spheres

Due to financial difficulties caused by population decline, an increasing number of municipalities are unable to proceed with updates to their waste treatment facilities. The Group aims to build self-sustaining, decentralized societies known as Local Circular Ecological Spheres. These are centered on local energy centers that integrate the treatment of general waste and industrial waste through PPPs, while utilizing regional resources to address local challenges. In addition to conventional waste management methods, we aim to create multifaceted value by supplying energy generated from waste management to local communities, serving as disaster response hubs, supporting local businesses, and creating jobs, while promoting coexistence and shared growth with the local community.

Expanding to 12 locations nationwide by FY2031/3

Aiming to form PPP agreements with 12 municipalities nationwide, we had concluded agreements for the development of local energy centers with three regions as of July 2025: Kumamoto, Hyogo, and Osaka prefectures. In the five towns of Kamimashiki-gun, Kumamoto Prefecture, we are proceeding step by step with environmental assessments and on-site surveys toward starting operations in 2030. Aioi Eco Service Co., Ltd. was established in October 2024 in Aioi City, Hyogo Prefecture. A PPP agreement was signed in March 2025 for the development and operation of the Aioi Local Energy Center. A general waste relay facility started operation in April 2024 in Tadaoka Town, Senboku-gun, Osaka Prefecture.

Creating multifaceted value centered on local energy centers

Revitalizing and creating local communities through coordination with projects and support led by municipalities, local communities, and organizations

Revitalization
and creation



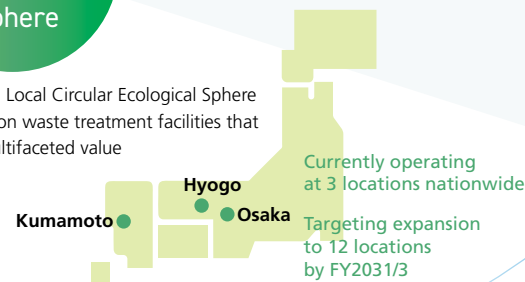
Local power
supply

Supplying electricity
generated from waste
energy as local power

Three types of value

Local
Circular
Ecological
Sphere

Building a Local Circular Ecological Sphere
centered on waste treatment facilities that
create multifaceted value



Five targets



Safety

Facilities ensuring safe and
secure management and operation



Energy

Facilities enabling stable power
generation through utilization of
waste energy



Natural disasters

Facilities contributing to recovery
and reconstruction through rapid
disaster waste management



Fiscal revenue

Facilities creating new
sources of fiscal revenue



Carbon dioxide

Facilities achieving
reduction of CO₂ emissions

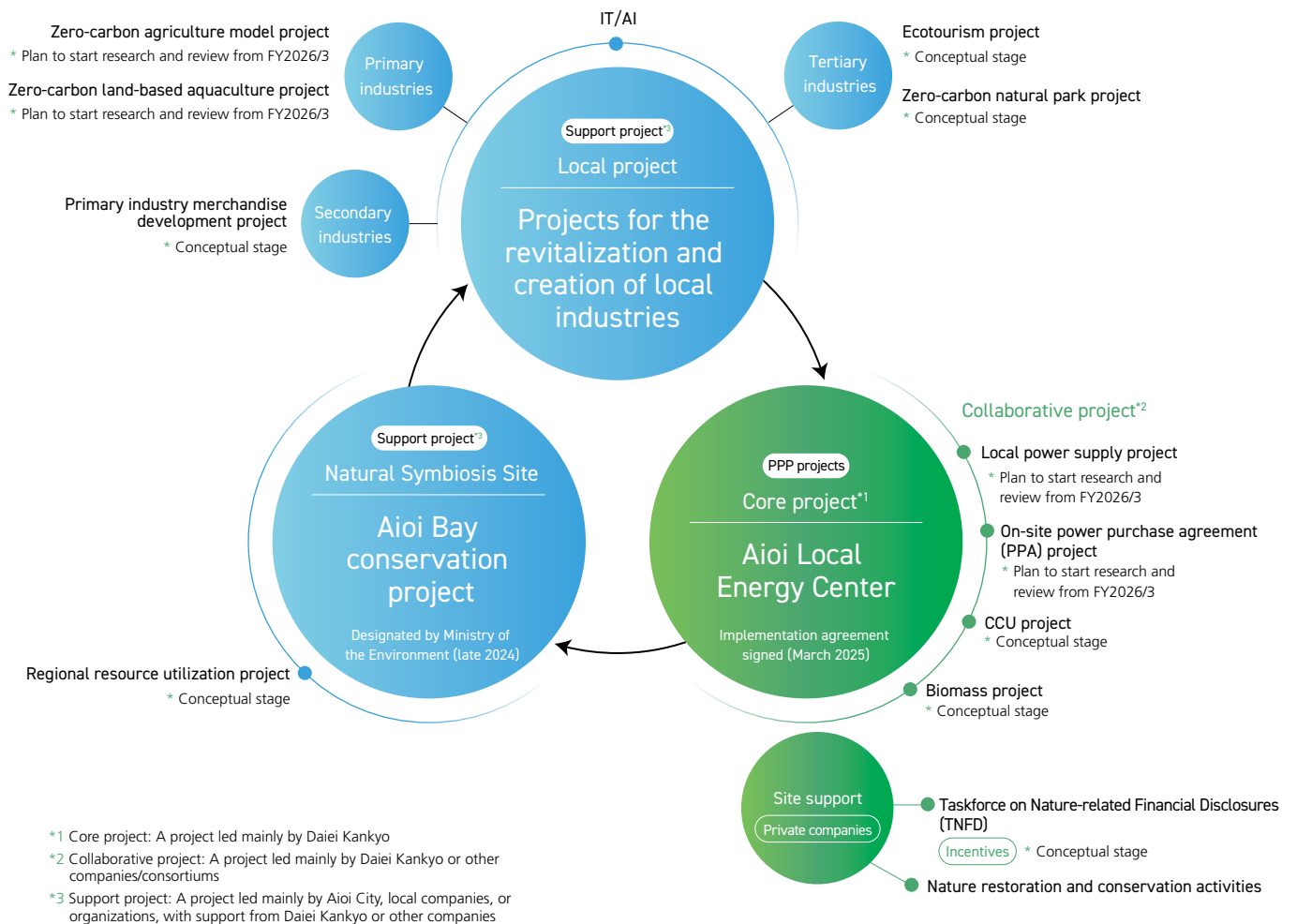
No single model for Local Circular Ecological Spheres—Realizing the optimal solutions tailored to local challenges

Local Circular Ecological Spheres are aimed at addressing the unique challenges and future goals of each community and finding the optimal form to build and sustain them. To support this, we have established three basic policies.

The core policy is entering the local power supply business. At local energy centers, electricity generated from waste incineration heat is used to operate the facilities, with surplus power supplied to the community. The second policy involves supporting municipalities and local organizations engaged in nature restoration and conservation. By providing support that includes human resources and financial backing, we aim to enhance the appeal of each region. The third policy focuses on supporting local projects led by local businesses and community groups. While primarily promoting the revitalization and creation of primary industries, we also consider support for sixth sector and tertiary industries based on the characteristics of each region.

A leading example is Aioi City in Hyogo Prefecture. In March 2025, we signed an implementation agreement for the Aioi Local Energy Center and are currently exploring the local power supply business. Additionally, we are considering providing personnel and financial support for a conservation project in Aioi Bay, designated as a Natural Symbiosis Site by the Ministry of the Environment in 2024. Furthermore, we plan to supply energy to local companies working on decarbonizing agriculture and land-based aquaculture, and have begun supporting these efforts by proposing solutions leveraging the Group's expertise.

Case study Building Local Circular Ecological Spheres by creating multifaceted value centered on the Aioi Local Energy Center



Community-centered collaboration

Atsushi Kikutani

Assistant Manager
Kansai Sales Department, Sales Division
Daiei Kankyo Co., Ltd.

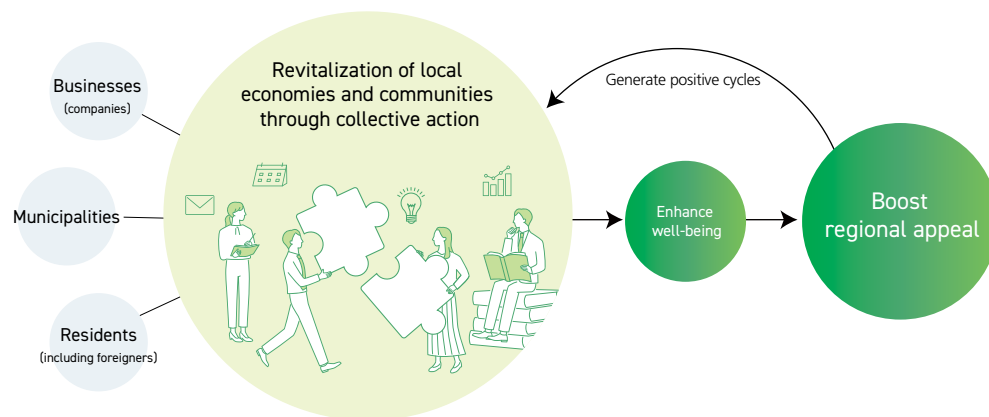


My vision of a Local Circular Ecological Sphere is a vibrant region that revitalizes its local economy and community, where both residents and workers actively contribute in meaningful roles and share a strong sense of purpose. I believe this will enhance well-being and create a virtuous cycle that increases the region's appeal, ultimately contributing to a self-reliant, decentralized society.

As part of my regular work supporting municipalities in developing waste management plans, I visit various areas with local staff to understand the situation firsthand. Through these visits, I encounter challenges such as declining participation in residents' associations and weakened community ties due to linguistic and cultural differences with foreign residents. These experiences continually prompt me to consider how municipalities, local residents, and business operators can collaborate to build a Local Circular Ecological Sphere, and what role the Group can play in supporting that process.

Each region has its own unique strengths, challenges, and ways of addressing them. My first step is always to understand the local context deeply. From there, I draw on my experience in the waste management field and my network of partners to identify the most suitable circular system for each community.

Fostering collaborative environments to realize Local Circular Ecological Spheres



Complete regional energy circulation

Fumiya Kosaka

Group Leader
Energy Management Section, Technical Department
Daiei Kankyo Co., Ltd.

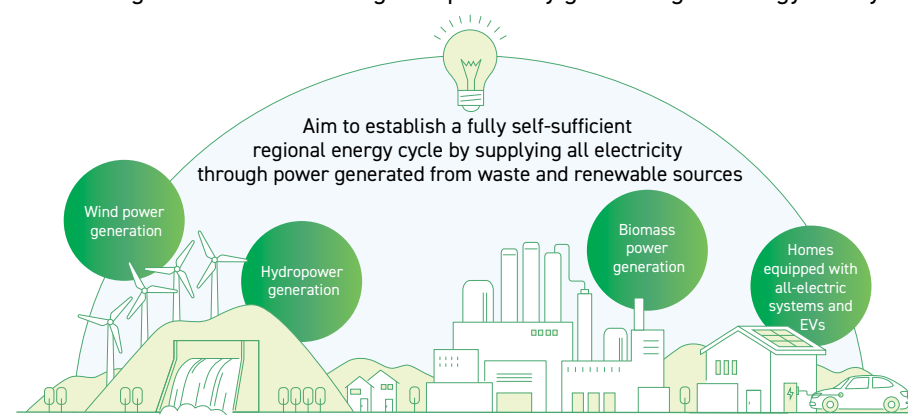


My vision of a Local Circular Ecological Sphere is what I call an "Innovative Energy Circular Ecological Sphere." This concept envisions a region meeting all its energy needs through locally generated power, where homes are fully electric, vehicles run on electricity, and the community collaborates during emergencies by implementing demand response to reduce electricity use when supply is limited. If realized, this model could foster a new form of community culture.

In many existing examples of Local Circular Ecological Spheres, energy use tends to be limited to public facilities or low-voltage applications, which I found to be a somewhat narrow approach. However, witnessing a small, forested country overseas confidently claim carbon neutrality inspired me to believe that complete energy circulation is possible by integrating waste-to-energy systems with renewable energy sources.

Of course, there are many challenges to address, such as managing power generation, balancing supply and demand, building transmission infrastructure, and preparing for disasters. However, in a country like Japan, which depends heavily on imported energy, I hope to see this innovative form of energy circulation take root, even if initially only in select regions. I would be honored to contribute to making this vision a reality.

Realizing Local Circular Ecological Spheres by generating all energy locally



Revitalizing primary industry in harmony with nature

Yuji Katakura

Team Leader
Environment Section, Enterprise Department
Daiei Kankyo Co., Ltd.

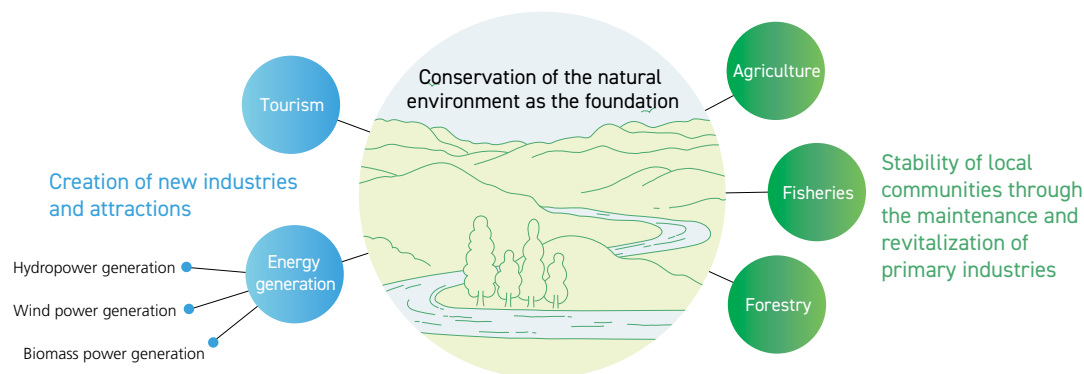


The Company aims to build communities where both local residents and businesses alike protect, nurture, and live in harmony with nature, while also making effective use of its resources. In regions where primary industries form the backbone of the economy, it is vital for everyone to recognize nature as the foundation of both society and the economy, treating it as a shared asset to be preserved.

My hometown is among many municipalities at risk of disappearing, which gives me a deep understanding of the importance of sustaining and revitalizing primary industries and retaining the people who support them. At the same time, many visitors come from outside the region attracted by its natural beauty and local products. This points to growing opportunities in tourism, renewable energy, and other sectors, all rooted in the richness of the local environment.

By protecting and utilizing natural resources wisely, communities can unlock new potential through initiatives such as hydroelectric and wind power, biomass energy from thinned timber, eco-tourism, and the revitalization of agriculture, forestry, and fisheries. Building regional appeal in harmony with nature is key to realizing a sustainable Local Circular Ecological Sphere.

Realizing Local Circular Ecological Spheres through harmony with the abundant natural environment



Supporting community-led revitalization

Migiwa Maeda

Assistant Manager (Professional)
Business Development Department, Corporate Strategy Planning Division
Daiei Kankyo Co., Ltd.



One way to build a Local Circular Ecological Sphere is for businesses such as ours to make concrete proposals. Ultimately, however, it is essential that local residents take the initiative to generate and implement ideas themselves. While business operators may construct the core infrastructure, we serve as supporters who create opportunities, because the true driving force comes from the community itself. When local residents take ownership of their community's challenges and lead the search for solutions, their efforts become more sustainable and deeply connected to the community's unique character.

Our role is to share ideas, connect with people on the ground, and offer support tailored to each region's specific circumstances, driven by a genuine desire to contribute. Through this collaboration, we aim to exchange skills and expertise and build relationships that accelerate regional revitalization. Moreover, when a Local Circular Ecological Sphere is built around a core waste management facility that genuinely benefits the local community, the bond between our Group and the community strengthens, fostering an unprecedented level of harmony and mutual trust.

Realization of Local Circular Ecological Spheres through voluntary community engagement



Laying the groundwork for future social infrastructure development

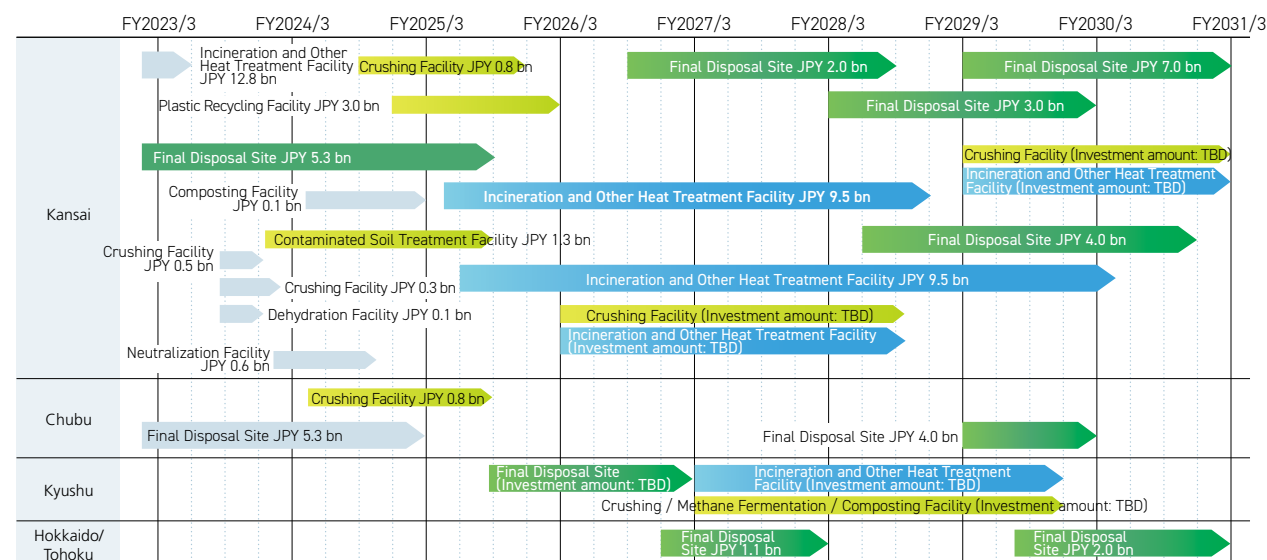
Overview of waste management facility enhancements

The Daiei Kankyo Group will focus on expanding facilities, particularly incineration and other heat treatment facilities as well as final disposal sites, by March 31, 2031. For sorting, crushing, and recycling facilities, major capital expenditures to expand capacity have largely been completed. Going forward, we will make additional investments as needed to increase the supply of recycled products to the “artery” market.

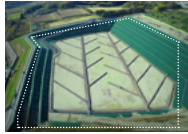
We are accelerating capital investment in incineration and other heat treatment facilities as core infrastructure to meet growing demand for integrated treatment of general waste and industrial waste through PPPs. In addition to upgrading existing facilities, we plan to begin construction on five new plants between the fiscal years ending March 31, 2026 and March 31, 2028, increasing our processing capacity from 2,412 tons per day to 4,000 tons per day by the fiscal year ending March 31, 2031.

As for final disposal sites, in addition to building new and expanding facilities in current areas, we will pursue M&A strategies to extend our intake capacity into new regions. This approach will help us expand the remaining capacity to more than 15 million m³ by March 31, 2031.

Capital investment plan



Major new and expanded facilities

Final Disposal Sites	Incineration and Other Heat Treatment Facilities
Started services for the 2nd phase in Jan. 2025 Mie Chuo Kaihatsu Co., Ltd. Mie Recycle Center: The 8th Stage Controlled Final Disposal Site Start of services for the 1st phase: Mar. 2022 Permitted capacity: 6,641,181 m³ (of which 5,911,181 m³ is for the 2nd phase construction) Total investment: Approx. JPY 10.2 bn (including approx. JPY 5.3 bn for the 2nd phase construction)  Mie: The 8th stage disposal site construction area (the 2nd phase)	Obtained installation permit in Jan. 2024 Daiei Kankyo Co., Ltd. Nishinomiya Recycle Center: Nishinomiya Energy Plaza Permitted capacity: 220 t/day Power generation capacity: 4,650 kW Start of operations: Scheduled for Dec. 2028 Total investment: Approx. JPY 9.5 bn  Conceptual image of completed facility
	Obtained installation permit in Mar. 2025 Daiei Kankyo Co., Ltd. Izumi Recycle Center: Izumi Energy Plaza Permitted capacity: 220 t/day Power generation capacity: 4,810 kW Start of operations: Scheduled for May 2030 Total investment: Approx. JPY 9.5 bn  Conceptual image of completed facility

Future advancements in resource recycling

By the fiscal year ending March 31, 2031, we aim to eliminate the landfill disposal of recyclable and organic waste. To that end, our consolidated subsidiary, DINS Kansai Co., Ltd., is leveraging its recycling facilities across the Kansai area to promote the collection and recycling of waste plastic. At the same time, we are advancing initiatives such as “artery-vein” collaborative recycling through iCEP PLASTICS, and measures aligned with the Plastic Resource Circulation Act.

At our methane fermentation and composting facilities in Iga City, Mie Prefecture, food waste is recycled through a cascade approach that selectively uses composting or methane fermentation based on the condition of the waste. This method of promoting food waste recycling also contributes to preserving capacity at final disposal sites, which are increasingly under pressure.

M&A toward FY2031/3

We are actively pursuing the acquisition of companies through M&A across Japan, mainly in the Kanto area, to expand waste volume received. By adding new companies to the Daiei Kankyo Group, we aim to build one-stop services in each area.

Looking ahead, we will also explore larger M&A opportunities to further expand our market share and strengthen our business foundation.

Messages

Protecting the community's lifeline and fulfilling social expectations with a stable waste management system

Yasuhiko Maeyama

Executive Officer, Daiei Kankyo Co., Ltd.
Responsible for management of Mie Chuo Kaihatsu Co., Ltd.



The Mie Recycle Center provides a one-stop waste management service, covering everything from collection and transportation to intermediate treatment, recycling, and final disposal. In our daily operations, we place the highest priority on safety, conducting regular patrols, and maintaining close communication with employees. We also work continuously to maintain and improve our facilities to respond effectively to changes in waste characteristics and customer needs. From a long-term perspective, I believe our business site has a responsibility to understand and respond to evolving social and regional needs, such as the transition to a decarbonized society, and to contribute to the realization of a recycling-oriented society.

As waste disposal is essential to the functioning of local communities, we must ensure uninterrupted acceptance and treatment of waste. During the COVID-19 pandemic, for example, we experienced changes in the balance of waste materials, requiring tighter operational controls. By improving combustion processes and reassessing the materials used in the stoker system of our incinerator, we were able to maintain stable operations throughout the crisis.

Looking ahead, we will continue expanding our facilities as needed to meet social demands, especially as we promote integrated treatment of general waste and industrial waste through PPPs. We also aim to advance initiatives such as waste plastic and solar panel recycling and the enhancement of CO₂ capture technologies. In doing so, we will support the development of local communities and contribute to the sustainable growth of the Group.

Toward the next growth phase as a core company in the Tokyo metropolitan area

Tatsuo Nakamura

Executive Officer, Daiei Kankyo Co., Ltd.
Responsible for business in Kanto area



Kyodoh Doboku Co., Ltd. is an intermediate treatment company for industrial waste in Tokyo, Chiba, and Saitama. Amid growing economic concentration in urban areas, we have leveraged our prime locations to capture market share. Since joining the Group in April 2020, we have taken on the mission of expanding our presence in the Tokyo metropolitan area. Our goal is to grow regional sales and improve operating profit as a core company in the Kanto area. To further increase market share by expanding intake capacity, we began secondary transport of waste to other Group companies in April 2025 using 40-foot ocean containers. This modal shift to sea transport is also helping to reduce CO₂ emissions. In addition, we are developing a transshipment and storage business for specially controlled industrial waste, such as waste asbestos, which is in high demand, and are strengthening cooperation within the Group to boost the volume of industrial waste received.

Looking ahead, we plan to actively expand our semi-permanent on-site staffing services to construction sites in the Kanto area, where waste sorting practices are more rigorous than in the Kansai area. We will also promote the recycling of waste plastics to meet growing demand, support worksites facing severe labor shortages, and build collaborative networks with on-site partner companies. Through these efforts, we aim to contribute to the continued growth of the Group.

Contributing to the circular economy

Proper waste disposal

Waste processing and management

The Daiei Kankyo Group performs contract processing of waste generated by municipalities, various manufacturers, general contractors, medical institutions, and other businesses, and provides one-stop services from collection and transportation to intermediate treatment, recycling, and final disposal.

The Group introduced a proprietary integrated waste management system to appropriately process waste from contracted waste generators. Using the system, we strive to accurately record and provide information on waste materials, volume, processing method, and other information. Every month, we also disclose maintenance and management information according to the Waste Management and Public Cleansing Act, including results from the analysis of exhaust gases emitted from incineration and other heat treatment facilities, as well as effluent discharge from final disposal sites.

Furthermore, we have introduced an online waste management facility observation service and a waste tracking service using PCs and smartphones, thereby providing efficient, safe, and secure waste processing management according to the needs of the waste generators.

Improving efficiency and advancing resource recycling

The Daiei Kankyo Group utilizes its collective strengths to propose efficient waste management and recycling for all kinds of waste. A particularly urgent issue from the perspective of achieving carbon neutrality by 2050 is reducing, recycling, and reusing waste plastics with high CO₂ emission coefficients. We are improving facilities for manufacturing recycled pellets and recycled pallets from waste plastic, and are also collaborating with partner companies on development of new waste plastic recycling technology.

Intake, discharge, and effective use of water resources

Each business location of the Daiei Kankyo Group strives to mitigate the impact on the surrounding environment by ascertaining water intake volume, and effective use of recycled water and rainwater.



Reverse osmosis (RO) membrane treatment equipment in the water treatment facility at the Mie Recycle Center to recycle water resources

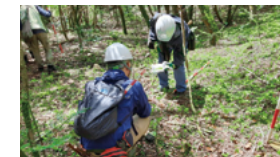
Conservation of biodiversity

Certified as a Natural Symbiosis Site by the Ministry of the Environment

On October 6, 2023, General Agriculture & Forestry Co., Ltd., a consolidated subsidiary, acquired certification of a specified area in a Company-owned forest located in Mimata Town, Miyazaki Prefecture as a Natural Symbiosis Site by the Ministry of the Environment, which certifies sites that meet the criteria for conservation value and management plans. This program covers locations where conservation of biodiversity is promoted through the initiatives of private sectors and organizations.

This certification enabled us to give form to the idea that directing awareness to the broader ecosystem, rather than only rare species, will lead to sustainable communities. Going forward, we will continue to cooperate with local communities and experts, monitor and manage the certified site, and take steps to conserve biodiversity, thereby contributing to Nature Positive by 2030.*

* Nature Positive by 2030: An initiative to stop the loss of biodiversity and put it on a recovery trajectory



Surveying



Confirming rare species (southern-limit species and endangered plants)



Realization of a True Recycling-Oriented Society
<https://www.dinsgr.co.jp/english/csr/environment/>

•Diverse Actions for Plastic Recycling •Conservation and Effective Use of Water Resources



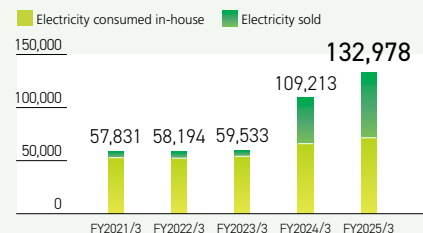
Conservation of biodiversity
<https://www.dinsgr.co.jp/english/csr/environment/>

Response to climate change

Contribution to reduction by thermal recycling

Electricity is generated by recovering the heat generated during waste incineration. The electricity generated is used in our own facilities and surplus electricity is sold, thereby helping reduce GHG emissions at Daiei Kankyo Co., Ltd. and in the local community.

Amount of electricity consumed in-house and amount sold (MWh)



Actual results from FY2025/3

Total power generated
132,978 MWh

Of which, electricity sold
61,467 MWh

Reduction contribution
26,000 tons



Electricity generation



Recycling

Contribution to reduction by recycling

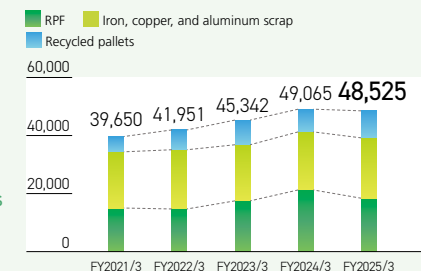
We help reduce GHG emissions by recycling a variety of waste materials such as RPF; iron, copper, and aluminum scrap; and recycled pallets.

Actual results from
FY2025/3

Outgoing volume
48,525 tons

Reduction contribution
117,000 tons

Outgoing volume from waste recycling (t)



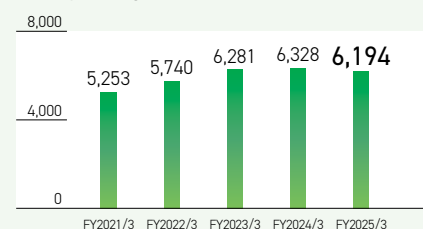
Contribution to the
reduction of GHG
emissions in society
as a whole

The Daiei Kankyo Group aims to reduce GHG emissions in society as a whole by promoting initiatives to recycle waste into resources and energy. For the fiscal year ended March 31, 2025, our contributions to GHG emission reduction and absorption amounted to 189 kt.

Contribution to reduction by solar power generation

The Daiei Kankyo Group conducts solar power generation as one of the post-closure uses of its final disposal sites and sells electricity under the feed-in-tariff (FIT) system.

Solar power generated (MWh)

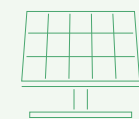


Actual results from FY2025/3

Total power generated
6,194 MWh

Of which, electricity sold
5,550 MWh

Reduction contribution
2,000 tons



Solar power generation



Company-owned forests

Fixation by Company-owned forests

The Group owns approximately 8,170 hectares of forest (as of June 30, 2025), and the annual amount of CO₂ absorption and fixation by this vast forest is 44,000 t-CO₂.

CO₂ absorption for FY2025/3

44,000 t-CO₂

Owned forests

29 locations nationwide

Watershed conservation in Miyazaki forests



Climate change and GHG emissions

The Daiei Kankyo Group recognizes that responding to climate change is one of its important management issues. We are working to reduce GHG emissions in society as a whole, starting from the waste management business. Specifically, we are working to advance waste management, improve the recycling rate, and generate energy through waste incineration and biogas power generation, and other means. Detailed disclosures regarding governance, strategy, and financial impacts related to climate change are posted on our website in accordance with the TCFD* recommendations. Please also refer to this information.

* TCFD: The Task Force on Climate-related Financial Disclosures. Dissolved in October 2023, the IFRS Foundation has assumed and is fulfilling that role from 2024 onward.

 **Response to Climate Change**
<https://www.dinsgr.co.jp/english/csr/environment/>

Metrics and targets

Daiei Kankyo Group's GHG emission reduction targets

Long-term target	Achieve carbon neutrality across the Daiei Kankyo Group by 2050	Medium-term target	Achieve net zero CO ₂ emissions from electricity use across the Daiei Kankyo Group by 2030
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Daiei Kankyo Group's actual GHG emissions

	Covered	FY2024/3 (t-CO ₂)	FY2025/3 (t-CO ₂)
Scope 1	Group companies*1	261,601	252,315
Scope 2	Group companies*1	25,013	19,766
Total	Group companies*1	286,615	272,082
(Reference) Scope 3	Group companies*1*2	223,306	184,299

*1 D-design Co., Ltd. and INAC Football Club Co., Ltd., which became consolidated subsidiaries during the period under review, were excluded from calculation of all Group companies

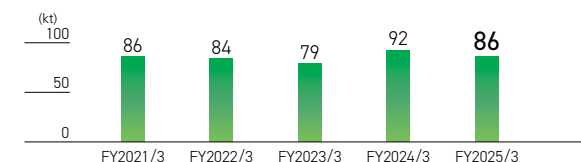
*2 Covers companies included in the Daiei Kankyo Group in the fiscal periods covered by the report

Reduction of GHG (CO₂) emissions

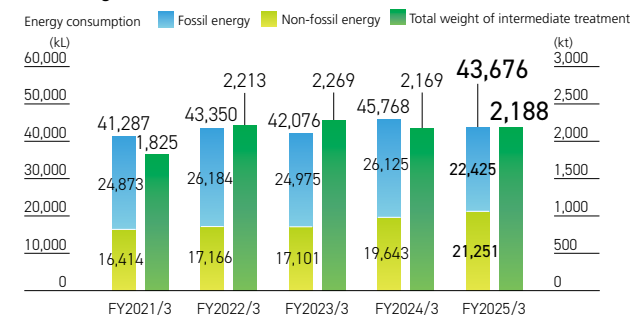
The Group is working to manage efforts in energy consumption and GHG emissions in order to achieve carbon neutrality by 2050.

For the fiscal year ended March 31, 2025, energy consumption (oil equivalent) was 43,676 kL, and GHG emissions from energy consumption were 86 kt, a decrease of 6 kt compared to the previous fiscal year. This reduction is attributed to decreased fuel usage resulting from the shutdown of the gasification melting furnace in preparation for the replacement of the old furnace, as well as reduced electricity consumption due to self-generated power from the new incinerator that began operating in 2023.

GHG emissions from energy consumption



Groupwide energy consumption and total weight of intermediate treatment



Definition of energy consumption intensity

$$\text{Energy consumption intensity (L/t)} = \frac{\text{Crude oil equivalent energy consumption (L)}}{\text{Total weight of intermediate treatment (t)}}$$

Changes in energy consumption intensity

FY2021/3 (L/t)	FY2022/3 (L/t)	FY2023/3 (L/t)	FY2024/3 (L/t)	FY2025/3 (L/t)
21.9	19.2	18.1	20.6	19.5

 **Chemical Management
Environmental Management**
<https://www.dinsgr.co.jp/english/csr/environment/>

Addressing the challenges of resource recycling

Daiei Kankyo Group's commitment to advancing resource recycling

Amid growing risks of resource depletion and the escalating impacts of climate change, realizing a truly recycling-oriented society has become an urgent priority. The sustainable use of resources is an essential issue for both businesses and society, making the transition to a circular economy unavoidable.

In this context, the Group possesses extensive know-how in operating a wide range of facilities, enabling optimal waste management and recycling tailored to the type and characteristics of each waste material. Our role as a social infrastructure company supporting the circular economy is becoming increasingly important. Guided by our management philosophy, "We shall contribute to society while striving for the coexistence of human life, industry, and nature," we are leveraging our accumulated technologies and expertise to take on the challenge of realizing a circular economy. This also contributes to long-term corporate value enhancement and sustainable growth.

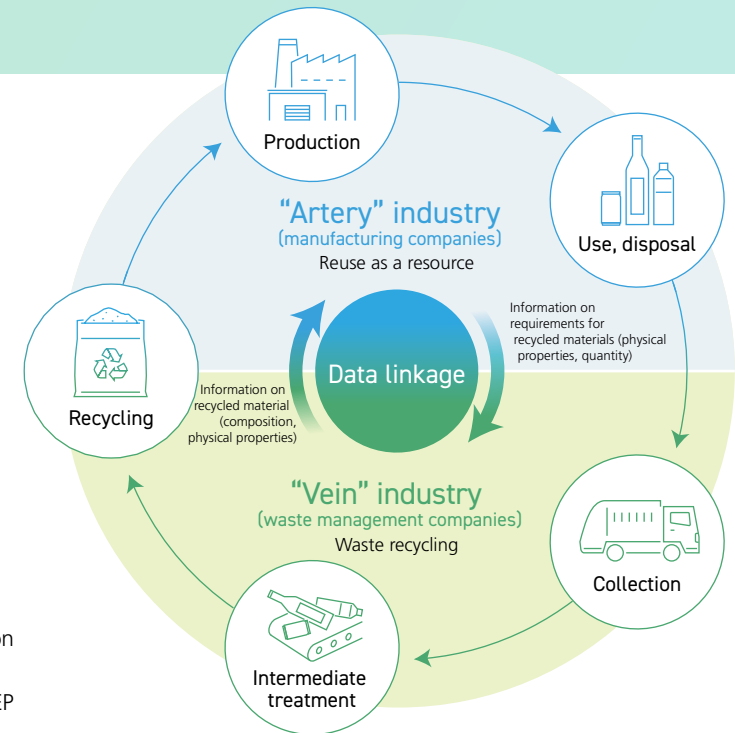
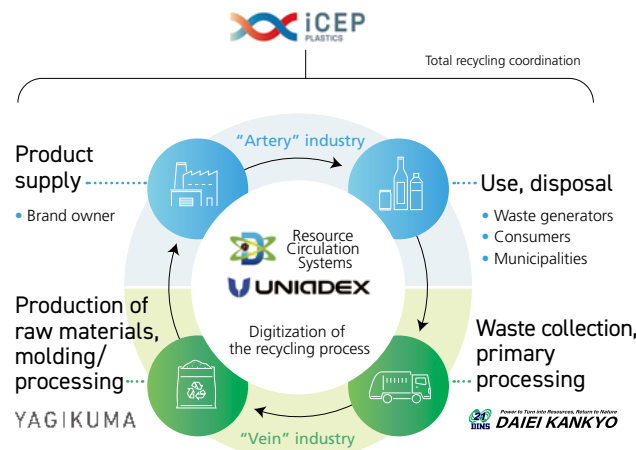
In recent years, we have seen an increase in consultations regarding resource recycling from the "artery" industry (manufacturing companies). This is because the effective utilization of resources, which was once merely part of CSR activities, has now become a critical management issue. In particular, companies have increasingly stepped up their efforts to enhance plastic recycling initiatives.

Promoting resource recycling requires securing an adequate quantity of materials, that is, the resources necessary for recycling. While demand for recycled resources continues to grow, it is increasingly necessary to establish efficient collection and treatment systems that

cover a wider range of waste materials to ensure a stable supply of suitable materials. The Group is focusing on expanding its business foundation through M&A and broadening waste acceptance through PPPs to secure sufficient quantities and strengthen a stable supply system for recycled materials.

Deepening "artery-vein" collaboration and innovating resource recycling business through iCEP PLASTICS

In February 2024, Daiei Kankyo Group's Resource Circulation Systems Co., Ltd., together with Daiei Kankyo Co., Ltd., UNIADDEX, Ltd., and Yagikuma Co., Ltd., jointly launched iCEP (intelligence Circular Economy Platform) PLASTICS. iCEP PLASTICS is an open information platform that digitally connects the "artery" industry (manufacturing companies)



and the "vein" industry (waste management companies) with the aim of accelerating the development of a resource recycling society and facilitating smooth supply and demand of recycled resources.

Between "artery" companies that produce finished goods and "vein" companies responsible for recycling, there are challenges such as information gaps, mismatched needs, and variability in the quality of recycled materials. iCEP PLASTICS aims to address these challenges and deepen "artery-vein" collaboration to ensure sufficient quantities, stable quality, and traceability. The current target industries are the automotive, construction, packaging, and home appliance sectors. Among these, the automotive and construction industries are making significant progress in building resource recycling schemes through collaboration between "artery" and "vein" companies.

1. Automotive industry

Recycling non-automotive waste plastics into auto parts—the XtoCar project

The automotive industry is now at a turning point. The European Commission's directive on end-of-life vehicles (ELV Directive) requires that by 2031, 25% of new car parts use recycled plastics, with 25% of that coming from ELVs (as of December 2024). Similar initiatives are gaining momentum in Japan. According to the Ministry of the Environment, the annual recycled material needed to achieve this is enormous: 63,000 tons from ELVs (Car to Car) and 187,000 tons from non-automotive sources (X to Car).

In response, the XtoCar project has been launched to recycle waste plastics from different industries into automotive parts. Centered on the Daiei Kankyo Group, diverse strengths such as recycling technology, high-quality reprocessing, AI-assisted material development, and traceability system building are being integrated to advance a new supply chain through industry-government-academia collaboration. The current target material is polypropylene (PP). We aim to build results starting with parts that have relatively low usage standards and expand into high-value-added parts. Challenges such as costs and stable supply of recycled

materials remain, but we will continue to address them to pave the way for a recycling-oriented society.

Source: Ministry of the Environment, Industry-Government-Academia Consortium for Developing a Market for Recycled Plastics in Automotive Applications (1st Meeting), November 2024
<https://www.env.go.jp/council/content/03recycle03/000266742.pdf> (in Japanese only)

2. Construction industry

Charting a path for recycling waste plastics from construction sites

The Group is collaborating with other companies to tackle the recycling of large volumes of mixed waste plastics generated at construction sites, especially in large-scale, non-residential facilities.

In collaboration with Daiwa House Industry Co., Ltd., as a first step, we conducted a survey on waste plastic generation at non-residential construction sites from groundbreaking to completion. By clarifying the types and quantities of waste plastic generated during each phase, such as civil engineering and interior work, this survey marked a significant step toward promoting plastic recycling at construction sites.

In collaboration with KAJIMA CORPORATION, we aimed to mold recycled products from construction-derived waste plastics. We targeted protective materials expected to

generate substantial waste and successfully recycled them to manufacture 5,000 construction barricades. We established resource recycling within the site, paving the way for material recycling of construction-related waste plastics.

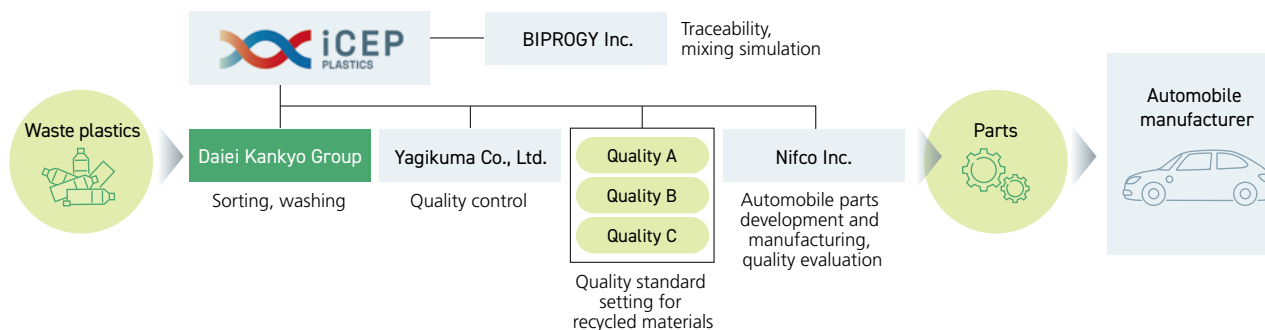


3. Container and packaging plastic industry

The future of circularity envisioned through used container and packaging plastics

Daiei Kankyo Co., Ltd. has determined that contaminants generated during the recycling process can be utilized for the mass production of revia, a circular material developed by LIXIL Corporation that combines waste plastics and wood waste. Daiei Kankyo has confirmed quality and ensured a stable supply after conducting material evaluations. In December 2024, we began supplying recycled materials made from used container and packaging plastics, contributing to CO₂ reduction and resource recycling.

XtoCar scheme



Looking ahead to the next phase

Leveraging the Group's diverse technologies to address social challenges

The Daiei Kankyo Group is taking on the challenge of addressing not only resource recycling but also broader social issues. In efforts to realize Local Circular Ecological Spheres, we are exploring projects that create energy by supplying surplus power generated from waste to local areas as a multifaceted use of local energy centers. This initiative aims not only to promote resource recycling but also to achieve a decarbonized society through local production and consumption of energy.

In collaboration with Daiei Kankyo Research Institute Co., Ltd. and the Technical Department of Daiei Kankyo Co., Ltd., we have developed and implemented Hibanami, an AI-powered fire detection system that addresses the increasing issue of lithium-ion battery fires at waste treatment facilities. By enabling early detection and rapid response to fire risks, it supports the stable operation of sorting and crushing facilities. At Expo 2025 Osaka, Kansai, Japan, "smart collection boxes" are being used to collect and compost biodegradable plastic tableware. We have established a system to remotely monitor the amount of tableware collected, and are also working to compost the collected biodegradable plastic together with food waste at the Mie Recycle Center.

We are also continuing to explore the potential of CCU projects. We plan to establish a collection facility adjacent to the incinerator. Beyond supplying CO₂ to existing markets such as carbonated beverages, welding gas, and dry ice, we are also exploring new opportunities, including calcium carbonate production and hydrogen utilization, as our next step.

Messages

Taking on a wide range of recycling challenges with an eye to the future

Ryota Tsubouchi

Director
Daiei Kankyo Research Institute Co., Ltd.



Daiei Kankyo Research Institute Co., Ltd., the think tank of the Daiei Kankyo Group, is tasked with analyzing developments such as tightening regulations, technological innovation, and changing social needs from the three perspectives of systems, markets, and technology, and with taking on the challenge of practical implementation of technology and services aimed at realizing a recycling-oriented society.

Currently, in response to the enforcement of the Plastic Resource Circulation Act and tightening international regulations, the Institute is conducting feasibility studies in plastic recycling in collaboration with "artery" (manufacturing) companies. We are also engaged in forward-looking research on solar panel recycling, as large volumes are expected to be discarded starting in the early 2030s. With household solar panel disposal anticipated in the late 2020s and commercial panels projected to peak in the 2030s, we are closely monitoring regulatory trends and evaluating the potential to launch a recycling business in this field.

At Expo 2025 Osaka, Kansai, Japan, which is currently underway, I was in charge of the "smart collection box" project for collecting biodegradable plastic tableware. This initiative also served as an opportunity to communicate an important message to children: "It's a resource, not trash!"

Sharing business knowledge and systematizing support to enhance Group capabilities

Yoshimasa Ikeda

Section Manager
Urayasu Seibun, Inc.



Seconded to a consolidated subsidiary, I am responsible for communicating our business rules and procedures across various areas, including general affairs, human resources, accounting, sales management, purchasing management, safety, and environmental practices, to employees of newly integrated companies in the Group, and for establishing systems that satisfy the standards required by internal audits. I find it fulfilling when I see these employees gaining new insights and perspectives, and beginning to take ownership of the challenges they face with a sense of personal responsibility.

As M&A activity within the Group accelerates, one key challenge is to systematize our support structure for newly acquired companies. Immediately after joining the Group, these companies are required to implement a wide range of measures to strengthen governance from the Group's various departments, so it is necessary to reduce the burden on these employees as much as possible. To address such a situation, I am proposing initiatives to facilitate smoother integration. These include establishing a streamlined governance structure with minimal personnel in a short period of time, training on-site corporate representatives, and bridging information gaps between companies.

Employees under 30 making their mark

We held a roundtable discussion with young employees in their 20s. They spoke openly about the challenges they are taking on for their own growth and for value creation at Daiei Kankyo.

Q: What motivated you to join the Company and what do you find rewarding about your work?

Wada In university, I majored in environmental engineering, and when I was job hunting, I was looking for companies related to the environment. At a company information session, I heard Daiei Kankyo describe itself as a “vein” (waste management) company, and I was able to envision making a contribution to building a recycling-oriented society by working there. That’s why I chose Daiei Kankyo. After joining the Company, I was put in charge of obtaining administrative permits related to waste disposal for constructing final disposal sites and other facilities, as well as providing explanations to local residents.

Otani I studied water quality at a college of technology, so I wanted to find work at a water treatment facility. At our Gobo Recycle Center in Wakayama Prefecture, I am in charge of monitoring the water quality and purifying the wastewater that seeps out from the final disposal site. When the effects of operational adjustments become apparent and the water quality values stabilize, I feel a sense of accomplishment.

Kojima I am in charge of operational management, including acceptance of raw materials, production, and quality control, at the RPF production facility at the Mie



Takumi Kojima

RPF Group, Recycle Section,
Mie Recycle Center
Mie Chuo Kaihatsu Co., Ltd.

Momoka Kimura

Plant Section II,
Kansai Sales Department
Daiei Kankyo Co., Ltd.

Jinta Imai

General Affairs Section II,
General Affairs Department
Daiei Kankyo Co., Ltd.

Miho Otani

Water Treatment Group,
Operations Section II,
Gobo Recycle Center
Daiei Kankyo Co., Ltd.

Yoshihisa Wada

Development Section,
Kyoto Recycle Center
Mie Chuo Kaihatsu Co., Ltd.

Recycle Center. I decided to join the Company because I was intrigued by the resource recycling initiatives being undertaken by Mie Chuo Kaihatsu Co., Ltd. I am currently working on converting waste into a valuable resource known as solid fuel, and I find this work rewarding.

Kimura As someone who was looking for a job in sales, what attracted me to this job was that, rather than just selling products, I could sell solutions; that is, I could propose optimal methods for disposing of industrial waste to customers. Selling such intangible products and services requires building relationships of trust. I feel rewarded when we receive contracts from customers who say, “We’re entrusting this to Daiei Kankyo because we trust you.”

Imai When I was job hunting, my focus was on the Sustainable Development Goals. When I was searching for companies using “environment” as a keyword, I came across Daiei Kankyo. I decided to join the Company because I studied industrial waste in university and developed an interest in the business. Currently, I am responsible for legal-related tasks such as conducting legal checks on industrial waste disposal contract documents and establishing a compliance system. I find the interesting part of my job is not just pointing out risks on-site, but also the process of reaching an understanding with the site about how to reduce those risks.

Q. In your career, what are your goals and what kind of growth are you aiming for?

Wada One of the important issues for us as a “vein” company is the construction of final disposal sites. I want to build facilities that not only meet the requirements demanded by the government, but also reflect the opinions of frontline workers and earn trust from the local community.

Otani From my perspective as a frontline worker, water treatment is also important for earning community trust. At the Gobo Recycle Center, we have staff who are skilled in facility management, as well as staff like myself who are skilled in maintaining water quality. Odors cause inconvenience to neighboring residents, so my goal is to further improve our ability to quickly detect and respond to abnormalities.

Kimura Indeed, water quality and odor are points of concern for our waste generator customers. They are more likely to accept the solutions I offer them when I show them inspection records, which I am able to do thanks to the efforts of the on-site staff at the water treatment facilities.

Kojima At our RPF production facility, the shift from thermal recycling to material recycling is making it more difficult to secure raw materials. However, because I want to continue increasing our production volume in the future, I would like to deepen my knowledge of waste sorting and make it more fine-grained so that we can recycle the waste plastic that is currently being discarded.

Wada When the frontline workers have knowledge and do reliable work, it is easier to gain understanding from the government and local residents. I recognize the importance of on-site response.

Imai Risk management is also essential, not just on paper, but also in coordination with the frontline workers. If you try to eliminate risk excessively, you will lose flexibility on the front lines. I would like to improve my skills by visiting frontline workers and communicating with them directly, helping align their intentions with those of headquarters. By combining these skills with legal knowledge to build a solid framework, the level of trust will surely increase even further.

Kimura Sales work, too, would not be possible without cooperation with departments responsible for on-site support, legal management, and so on. I feel that the efforts of everyone who supports the business will help increase corporate value.

Q. What is necessary for the future of the Daiei Kankyo Group, and what value do you want to create?

Wada To further increase our corporate value, I feel it is important to create an environment where individuals feel comfortable expressing their opinions and can work with a sense of security. It is also particularly important to ensure that know-how is passed down to the next generation of employees. How do you share your know-how in a

workplace where safety is the top priority?

Kojima To carry out work more efficiently and safely, we have compiled work procedure manuals that incorporate the opinions of all on-site staff. We are also focusing on human resources development. Ideally, everyone will increase their knowledge about RPF so that they can carry out all processes from quality checks to shipping with the same level of quality.

Otani I am the first female frontline worker at the Gobo Recycle Center. I recently heard that another female frontline worker has joined the Company. There are some jobs that women are legally restricted from engaging in, such as handling organic solvents, so I would like to understand these restrictions correctly and set a good example.

Imai As the Company continues to grow, it is essential to prevent the loss of talent, to train the next generation, and to develop the ability to handle business expansion. In legal work, the ability to speak logically is required, so when my subordinates ask me questions, I consciously provide feedback aimed at helping them improve this skill. My goal is to create an organization that runs smoothly no matter who is responsible for the work.

Kimura I’m also looking forward to new colleagues joining the Company. The Group’s main business is the transportation and processing of industrial waste. In addition, it operates in a wide range of areas, including resource recycling and the operation of INAC KOBE LEONESSA, so there are many opportunities to play an active role even if you haven’t yet settled on a single interest or concern. I want to work together with individuals with a strong can-do spirit to create value.



Respect for human rights

Our approach

Respect for human rights is the foundation for business activities. The Daiei Kankyo Group formulated its Human Rights Policy in June 2024 to clearly express the Group's stance on respecting the human rights, both internally and externally.

Guided by our management philosophy, "With our strong commitment to creation, innovation, and meeting challenges, we shall contribute to society while striving for the coexistence of human life, industry, and nature," the Group is dedicated to respecting human rights and addressing social issues in collaboration with all stakeholders, including business partners, shareholders, local communities, and employees, as an integral part of the social infrastructure that supports the future.

Human rights due diligence

The Daiei Kankyo Group is working to establish a human rights due diligence framework in accordance with

international human rights standards, including the United Nations Guiding Principles on Business and Human Rights.

To detect potential negative human rights impacts of our business activities, we identified candidate issues to be resolved between December 2024 and March 2025, and prioritized the most critical through a scoring-based evaluation. Following discussions with Outside Directors and deliberations by the Sustainability Promotion Committee and the Board of Directors, we established our key human rights issues in June 2025.

We began implementing human rights due diligence for these key issues starting in July 2025. By applying the plan-do-check-act (PDCA) cycle, we will ensure that preventive and mitigation measures are implemented effectively and sustained. Moreover, if we become aware that a stakeholder has been affected by a human rights violation or the potential for one in our business activities, through the human rights hotline on our corporate website, we will urge that corrective action be taken to minimize the impact.

Material human rights issues

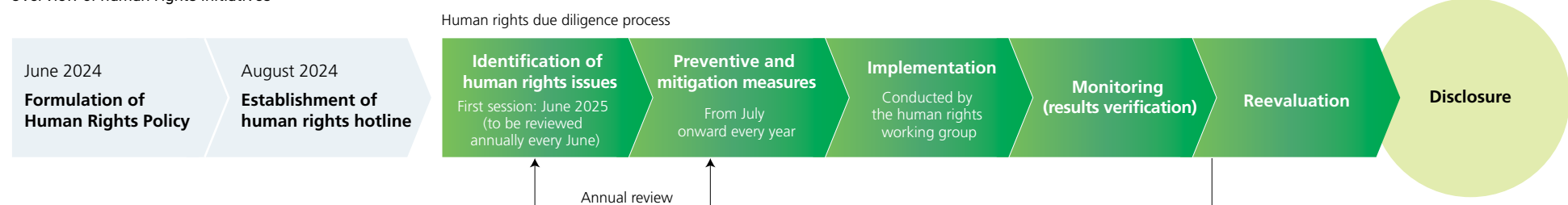
Human rights issues	Potential human rights violation risks
Local community	Human rights violations that threaten the lives and health of local residents, resulting from the negative environmental impact of corporate activities
Occupational safety and health	Human rights violations that threaten the health of employees, resulting from the negative environmental impact of corporate activities Human rights violations suffered by employees due to work-related accidents and occupational diseases
Working conditions and related matters	Human rights violations suffered by employees due to working conditions Human rights violations historically associated with acquired companies
Harassment	Human rights violations involving harassment



Human Rights Policy

https://www.dinsgr.co.jp/english/csr/pdf/society/Human_Rights_Policy_Eng_Final.pdf

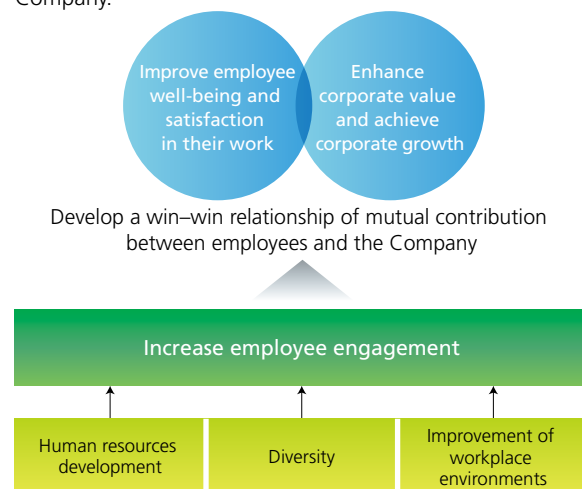
Overview of human rights initiatives



Human resources strategy

Promoting human capital management

By focusing on human resources development, promoting diversity, and improving workplace environments, we aim to enhance employee engagement and foster a mutually supportive relationship between employees and the Company.



Human resources development

The Daiei Kankyo Group is committed to nurturing human resources capable of embodying our management philosophy, to support ongoing growth investments within our business strategy. Since 2014, we have been conducting selective training as a mechanism to develop future executive candidates. The selective training programs include sessions for the executive officer in charge of human resources development, the next generation of leaders, and selected employees.

The advanced selective training program for the next generation of leaders has been a key focus, with a total of 59 participants completing the course by March 31, 2025. Employees who have completed this training program are actively contributing as key talent at the core of the Group's business operations.

In addition, we offer a variety of training programs, including stratified training, skill enhancement for on-site staff, and programs aimed at improving organizational strength, all designed to raise the overall capabilities of our employees.

Investing in employees who are motivated to grow

For employees who are highly motivated to learn and take on challenges, we believe that it is our responsibility to support them in building diverse careers.

Although we are providing employees with opportunities for growth by inter-Group transfers through open recruitment, secondment outside the Group, and other such opportunities, we still feel the need for more opportunities that will generate diverse experiences.

We will also enhance our training programs, provide opportunities to gain broad experience in different departments, and provide spaces for interaction with people outside of the Company. Through these measures, we will continue to encourage employees to take on challenges.

Diversity (Diversity promotion)

The Daiei Kankyo Group believes that women are indispensable to the Company's sustainable growth, and actively recruits women who are new university graduates or previous graduates. Women accounted for 33.3% of new graduate hires (graduates from a four-year university or

graduate program) in the fiscal year ended March 31, 2025. We aim to maintain a female new graduate hiring rate of at least 30% beyond the fiscal year ended March 31, 2025. As of the end of that fiscal year, women accounted for 4.3% of management positions. Our target for the fiscal year ending March 31, 2026 is to increase this ratio to at least 4.5%. To support this goal, we are implementing measures to increase the number of female employees aspiring to leadership roles, renovating workplace facilities, and enhancing support during maternity leave, such as providing internal information during leave and assistance upon return. These efforts aim to create a work environment where women can thrive over the medium to long term. In addition, we will continue to offer training for female employees and create opportunities for female role models to engage in dialogue with younger employees.

Human resources strategy and employment of diverse human resources

The Daiei Kankyo Group aims to sustainably enhance corporate value by expanding the processing capacity of incineration and other heat treatment facilities, enlarging facilities in line with building Local Circular Ecological Spheres, and promoting collaboration with local partners through our M&A strategy. Securing the right human resources is essential to the success of these initiatives, making strategic workforce planning a priority. For staffing new and expanded facilities, we focus on fostering local employment through both new graduate and mid-career recruitments. We also ensure that qualified professionals and managers are developed internally and recruited externally as needed, deploying them appropriately across our facilities.

To address labor shortages, we actively promote the engagement of women, seniors, persons with disabilities, and foreign nationals. About 80% of retirees used the rehiring

system and were actively participating in the Group. Many companies in the Group offer employment up to age 70. In terms of persons with disabilities, our consolidated subsidiary DINS Mirai Co., Ltd. leads proactive initiatives across the Group. As of June 1, 2024, the percentage of employees with disabilities stood at 3.5%, well above the legal requirement of 2.5%.

Improvement of workplace environments

The Daiei Kankyo Group believes that the well-being of employees and their families is a key driver of motivation at work. To support this, we provide health checkup subsidies, mental health support, enforce a smoking ban in the Company vehicles, and implement measures to prevent passive smoke inhalation.

Additionally, to improve work-life balance, we properly manage working hours, strive to reduce overtime, promote the use of paid leave, and have increased the number of annual holidays. To support work-life balance for parenting, we have introduced a flexible short-hours work system. As of March 31, 2025, the percentage of male employees who take childcare leave reached 90.9%.

We ensure fair evaluations are directly linked to compensation. In semi-annual interviews, we conduct multifaceted evaluations that include contributions to the organization. When assigning roles or making transfers, we respect employees' preferences and support career development based on a self-reporting system.

Initiative to address the gender wage gap

In the fiscal year ended March 31, 2025, women's wages in the Daiei Kankyo Group were 72.3%* of men's wages. Due to the nature of our business model, there is a traditional

tendency for more men to be employed, and except for office-based roles, the majority of our workforce is men. As a result, in non-office roles, supervisory and managerial positions are predominantly held by men, which significantly affects the wage gap between men and women. Securing human resources for non-office roles is an urgent challenge, making the active participation of diverse human resources essential. Supporting women's career planning and providing more opportunities for their advancement are key initiatives we believe will help close the wage gap.

* The wage gap between men and women is calculated as specified in the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64, 2015).

Increasing engagement

At Daiei Kankyo Co., Ltd., we actively promote the creation of a fulfilling workplace by directly gathering employee feedback on job satisfaction and requests through employee surveys and a self-reporting system. In response to strong employee demand, we expanded the number of annual holidays for two consecutive years—in the fiscal years ended March 31, 2024 and March 31, 2025.

Starting in the fiscal year ended March 31, 2024, the Daiei Kankyo Group introduced an engagement survey for its employees. We are analyzing survey results and using the insights to revise our human resource initiatives and training programs.

We also encourage employees to join the employee stock ownership plan, have introduced a restricted stock compensation plan, and increased incentive rates, all to support asset building and foster a stronger sense of involvement in company management.



Human Resources Management
<https://www.dinsgr.co.jp/english/csr/society/>

Occupational safety and health

The Daiei Kankyo Group is committed to preventing accidents and reducing risks at all business locations, guided by our Safety and Health Philosophy and Safety and Health Action Policy. In addition to centralized incident information management by the Enterprise Division, we promptly share case studies and countermeasures through joint labor-management occupational health and safety committees and Groupwide safety and health conferences, ensuring that lessons learned are effectively implemented on-site. At each business location, risk assessments and KY (*Kiken Yochi*: hazard prediction) activities are conducted to clearly communicate hazardous areas and precautions to workers in advance, fostering a strong safety awareness.

In the fiscal year ended March 31, 2025, there were 12 serious accidents resulting in four or more days of leave, one fewer than the previous fiscal year, and the total number of accidents, including property damage, was 132. For accident prevention education, we conducted classroom training for foremen and employees with less than three years of experience, as well as video-based sessions featuring reenactments of serious accidents. A total of 835 participants completed these programs.

We also communicate our Safety and Health Code of Conduct to partner companies through annual safety conferences and other events. We indirectly share safety activity information with partner companies contracted for collection and transportation services. For exclusive partner companies permanently stationed on-site, we manage their data centrally alongside Daiei Kankyo Group employees and temporary workers, providing them with the same safety training, KY activities, and safety reminders.



Occupational Safety and Health, Reduction in Vehicle Accidents, Sustainable Collection and Transportation
<https://www.dinsgr.co.jp/english/csr/society/>

Our approach to sustainability

The Daiei Kankyo Group's business cannot exist without the trust of our customers and local communities. Since our founding in 1979, we have been diligently working to help create a sustainable, recycling-oriented society. For us, the building of lasting trust is the starting point for a sustainable future.

Basic Policy for Sustainability

The Future Comes from Trust.

Sustainability promotion framework

The Daiei Kankyo Group has established the Sustainability Promotion Committee, chaired by the President and Representative Director / Executive Officer to address climate change, human capital, and other sustainability issues. The committee discusses various sustainability-related policies as well as risks and opportunities at least twice a year, and reports the results of these discussions to the Board of Directors. The Board then makes decisions and supervises important matters based on the reports from the committee.



Sustainability Promotion Committee activities

In the fiscal year ended March 31, 2025, the Sustainability Promotion Committee met twice and discussed the following three important agenda items. 1 Identification of material issues (materiality) and review of action plan 2 Formulation of Human Rights Policy and Multi-stakeholder Policy 3 Enhancement of information disclosure on human capital Depending on the agenda item, general managers of the departments and others who are not Committee Members also participated in the committee meetings as observers. The committee's activities were reported to the Outside Directors at the Board of Directors' meetings.	Agenda item	Description
	1 Identification of material issues (materiality) and review of action plan	In FY2024/3, we began identifying material issues (materiality). In FY2025/3, we progressed with scoring evaluations and the selection and refinement of candidate material issues. The final candidates were deliberated by the committee and approved by the Board of Directors in June 2024. Discussions were also held regarding the action plan for each of the five identified material issues.
	2 Formulation of Human Rights Policy and Multi-stakeholder Policy	A Human Rights Policy and a Multi-stakeholder Policy were formulated based on the United Nations Guiding Principles on Business and Human Rights. These policy drafts were reviewed by the committee and approved by the Board of Directors in June 2024.
	3 Enhancement of information disclosure on human capital	We monitored indicators related to women in management positions, men taking childcare leave, and other goals, and continued discussions during FY2024/3 on past initiatives and future response measures.



Highlight 1

Launch of digital human resources development project

We have initiated a project to cultivate “digital human resources,” referring to employees equipped with IT skills and data literacy. The project emphasizes voluntary participation, combining self-nomination with managerial recommendations to identify candidates. Once selected, participants undergo a skills assessment to visualize their current capabilities, highlighting both strengths and areas for development. Based on this, tailored development plans are created. Under a development model that integrates on-the-job experience with learning, participants enhance their problem-solving skills by addressing real-world business challenges.

By enabling employees to apply digital skills in the field and mentor others, we are building a structure that drives operational efficiency and accelerates DX across the Group.

Highlight 2

Certified as a 2025 Health and Productivity Management Organization

Daiei Kankyo Co., Ltd. has been certified as a 2025 Health and Productivity Management Organization (Large Enterprise Category) under the certification program established by Japan's Ministry of Economy, Trade and Industry in 2016.

Guided by its management philosophy, the Company considers the physical and mental well-being of employees a key management priority, and has established a Declaration on Health-Conscious Management. Through a range of initiatives, including health checkups, mental health support, smoking cessation programs, and childcare assistance, the Company is striving to create a workplace where everyone can stay healthy in both body and mind. Moving forward, Daiei Kankyo will continue efforts to support employees in achieving a healthy work-life balance in line with this declaration.

Declaration on
Health-Conscious
Management

Daiei Kankyo Co., Ltd. is committed to realizing a sustainable, circular society in line with its management philosophy, “With our strong commitment to creation, innovation, and meeting challenges, we shall contribute to society while striving for the coexistence of human life, industry, and nature.”

To this end, we declare that promoting employee health so each individual can maintain mental and physical well-being and fully demonstrate their unique abilities and talents is a key management priority that we will actively pursue.

Highlight 3

Miki Environment Festival held for the first time in six years

On June 1, 2025, we hosted the Miki Environment Festival at the Miki Recycle Center in Miki City, Hyogo Prefecture, marking the first event in six years. This festival aims to provide a fun and engaging opportunity to learn about the importance of food and resource conservation, in collaboration with partner companies and organizations.

Approximately 1,800 visitors joined the event, enjoying a variety of activities harvesting potatoes, tours of the recycling facility, and environmental education programs. Stage performances featuring local residents and exhibition booths supported by companies and organizations were well attended, making it a day that helped deepen the community's understanding of environmental issues.



Highlight 1

Establishing a system of resource recycling with Ma-Ma-Macaroni

We collaborated with Kansai Electric Power Co., Inc. to create a food waste recycling system for Ma-Ma-Macaroni Co., Ltd.'s Kobe factory, which aims to achieve carbon neutrality.

Food waste generated by the factory is subjected to methane fermentation at the Iga Recycle Center. The gas produced during this process is used to generate electricity, and the resulting environmental value (non-fossil fuel certificates) is returned to the company. This enables an integrated treatment from food waste collection to power generation and the use of zero-CO₂-emission electricity, with any remaining CO₂ emissions offset by non-fossil fuel certificates. There is growing demand to create new value from waste treatment and incorporate it into production activities, and we are building a system to reliably meet this need.

Major products made at
Ma-Ma-Macaroni's
Kobe factory



Highlight 2

Participation in the Co-Design Challenge program at Expo 2025 Osaka, Kansai, Japan

At Expo 2025 Osaka, Kansai, Japan, held from April 13 to October 13, 2025, we are collaborating with Kanadevia Corporation to implement a program that enables children to enjoyably learn the importance of resource recycling while also improving waste management efficiency at the venue.

Daiei Kankyo Co., Ltd. and Daiei Kankyo Research Institute Co., Ltd., through industry-government-academia collaboration, developed the "smart collection box," which uses sensors to detect the amount of waste and automatically notifies food truck operators when the preset threshold is exceeded. This enables more efficient collection operations and helps address labor shortages on-site. Additionally, the tableware provided by the food trucks is made from biodegradable plastic, which is also recycled into compost at Daiei Kankyo's composting facility after collection.



Highlight 3

Ongoing monitoring survey at Daiei Kankyo Miyazaki Mimata Forest

Our consolidated subsidiary, General Agriculture & Forestry Co., Ltd., owns the Daiei Kankyo Miyazaki Mimata Forest (Mimata Town, Miyazaki Prefecture), which has been certified as a Natural Symbiosis Site by the Ministry of the Environment.

At this site, monitoring surveys are going on in line with the blooming periods of rare plants. Between April 2024 and May 2025, a total of six surveys were conducted. With the cooperation of local experts, we have confirmed the growth of approximately 30 species of rare plants to date, recording their flowering status, timing, and habitats as Geographic Information System (GIS) data.

Since the area certified as a Natural Symbiosis Site partially overlaps with the thinning operation zones, we carefully conduct thinning work based on survey records, striving for sustainable forest management.



Corporate Governance

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Changes observed within the Company and key insights from the Board's perspective

Enhancing corporate value: Expectations and challenges



Tomoko Murakami
Outside Director

Kazumasa Murai
Outside Director
(Audit & Supervisory
Committee Member)

Noriko Kitajima
Outside Director
(Audit & Supervisory
Committee Member)

Akira Minemori
Director
(Full-time Audit & Supervisory
Committee Member)

One Full-time Audit & Supervisory Committee Member and three Outside Directors engaged in an in-depth discussion on governance evaluation and challenges, the growth strategy outlined in the new Medium-Term Management Plan, and future initiatives and prospects for enhancing corporate value.

Looking back on the year since transitioning to a company with an audit and supervisory committee

Minemori The Company transitioned from having an audit and supervisory board to adopting an audit and supervisory committee structure in June 2024. As the previous structure functioned effectively, I didn't feel a dramatic shift in governance. Since 2020, I have attended various internal meetings as a Full-time Audit & Supervisory Board Member, addressed concerns with relevant departments, and ensured the necessary information was shared with Outside Directors. With Mr. Murai joining the committee and Ms. Murakami observing, information sharing has improved further.

Murai Previously, I observed the Audit & Supervisory Board as an Outside Director. Now, as a Committee Member, I have deeper insight into internal operations. Mr. Minemori has extensive management experience and offers insights from a managerial perspective, analyzing personnel dynamics and identifying issues. Rather than merely pointing out what isn't being done, he conveys why it's not



“Rather than getting caught up in short-term results, I hope the Group steadily advances strategies that leverage its strengths and achieve its goals.”

Akira Minemori

Director (Full-time Audit & Supervisory Committee Member)

Appointed Advisor to the General Affairs Department, Business Administration Division of the company, in June 2019, he became an Audit & Supervisory Board Member of the Company as well as of Mie Chuo Kaihatsu Co., Ltd., a Group company, in February 2020. He has served in his current position since June 2024. Mr. Minemori has many years of experience working in financial institutions, covering a wide range of operations. He also has a proven track record as a Director of both listed companies and our Group companies, possessing advanced knowledge and expertise in overall management.

being done and what challenges are being faced, effectively communicating the voices from the front lines. This has deepened the quality of our discussions.

Murakami As an observer in the Audit & Supervisory Committee, I ensure information gaps among Outside Directors are avoided. Attending meetings helps me understand audit activities and status in practice, which is

beneficial. With Mr. Minemori as a key figure, gathering information with a supportive attitude and smoothly relaying it to management, I feel this contributes to creating a healthy corporate culture.

Kitajima Our audit practices were rigorous even before the structural transition. The head of the Audit Office attended Audit & Supervisory Board meetings and gave monthly progress reports, and the Internal Control Committee members provided quarterly updates to this Board. Mr. Minemori visited business sites, compiling insightful reports that vividly conveyed the challenges and positive aspects observed on the ground. The audit practices from the Audit & Supervisory Board have been maintained since the transition, and with all Outside Directors now aligned on key issues and actively contributing to discussions, the Audit & Supervisory Committee is functioning well. As a Director with voting rights at the Board of Directors, I personally feel a greater sense of responsibility. I intend to continue fulfilling my duties with a strong sense of responsibility to further enhance the supervisory function over the Board of Directors.

Minemori A key governance challenge is strengthening governance across the Group. To date, headquarters has maintained control over personnel, assets, and finances for companies acquired through M&A, and it is crucial to continue this approach. Our compliance standards have always been strong, and the Company's listing has further elevated them. This progress is a direct result of the growth and development of each employee. However, to convey our fundamental stance on compliance, we have traditionally sent responsible personnel from headquarters to each acquired company. Given the limited availability of human resources, we believe it is necessary to explore mechanisms similar to remote management going forward.

For many years, the Group's President and executives have visited each business location and affiliated company every Tuesday to hold a review meeting. Due to the large

number of business locations, each site is visited only two to three times a year despite the weekly schedule. Nevertheless, these visits provide valuable opportunities to directly assess on-site conditions and share challenges. Going forward, we plan to increase opportunities for Group companies acquired through M&A to visit headquarters for the purpose of information exchange.

Murai In preparing for listing, the Company implemented various rules and systems. I was particularly impressed by the commitment of employees in accounting, general affairs, and investor relations, demonstrating a strong willingness to take on new challenges. If those who were raised with the motto “The Future Comes from Trust.” can pass on that corporate culture to mid-career hires and employees from acquired companies, it could serve as a strong engine for future growth.

Kitajima The Company provides many opportunities for Outside Directors to visit business sites, and what leaves a strong impression during these visits is how engaged and confident the site leaders are. They speak clearly about the role of their site and their own responsibilities. This is a direct outcome of the previously mentioned review meetings. I believe that the management team's direct engagement with frontline operations and sincere dialogue with on-site leaders helps instill a strong sense of compliance and a spirit of challenge across workplaces and Group companies.

As both the Company's performance and organization continue to grow steadily, securing and effectively placing talented personnel remains a medium- to long-term challenge. Daiei Kankyo is now a leading company in the industry, entrusted with the vital mission of addressing Japan's waste management issues. I believe it is important to promote this role more actively through the media and other channels to enhance visibility and attract top talent.

Murakami At the same time, I see the development of next-generation leaders as a key challenge. Today's leaders

belong to a generation that worked side by side with current executives in the field, gaining firsthand experience. In contrast, younger employees have had fewer opportunities to engage in that way. As a result, they may have limited exposure to the core elements of the Company's culture, such as where to focus their attention, what must never be compromised, and what mindset to bring to their work. Now is a crucial time to invest in the next generation, and I believe it is essential to articulate the values and insights that have been cultivated over time so that younger employees can internalize and carry them forward.

Evaluation and expectations for the new Medium-Term Management Plan, D-Plan 2028

Minemori How do you assess the new Medium-Term Management Plan, D-Plan 2028, launched in the fiscal year ending March 31, 2026? In my view, it outlines consistent growth over the next three years, as it did in the past three years, with a very clear management direction and defined priorities.

However, it is rare for everything to proceed exactly as planned. Many investors are not satisfied even if targets are missed for just one quarter, let alone a full fiscal year. From my perspective, though, a management approach that focuses solely on numbers risks undermining what makes the Company unique. Rather than getting caught up in short-term results, I hope the Group steadily advances strategies that leverage its strengths and achieve its goals for the fiscal year ending March 31, 2031.

Murakami I believe the focus of D-Plan 2028 is very sound. Since the "vein" industry constitutes a vital part of social infrastructure, the core strategy of driving growth through close collaboration with local residents and municipalities holds substantial future potential. Increasing the operating rate of

incinerators capable of handling both general waste and industrial waste will undoubtedly benefit municipal finances.

Kitajima As noted in the Board of Directors' discussions, the growth measures in Management Policy 1 are well developed and highly commendable. However, compared to that, under Management Policy 2, measures for strengthening the management foundation are somewhat lacking in specificity. Clarifying this area will be an important challenge going forward.

Murai I believe the numerical targets set in the plan are sufficiently achievable. While the profit margin target is slightly reduced from current levels due to increased depreciation as recently invested facilities begin full operation, steady growth is expected when measured by EBITDA. Some M&A targets may have lower profit margins than the Company, but the strategy includes insourcing operations previously outsourced, which should lead to cost reductions as sales increase. In this light, the next three years can be seen as a "seeding period" for expanding market share in the waste management industry.

Minemori Precisely. If the new Medium-Term Management Plan is successfully achieved, the Group will secure a leading position in the domestic market. One of the Company's strengths lies in its ability to conduct "rescue" M&A—taking on companies others cannot save and revitalizing them into profitable businesses. Moving forward, as an Audit & Supervisory Committee Member, I am committed to supporting the Group's activities that contribute not only to the industry but to society as a whole.



Tomoko Murakami

Outside Director

Appointed as an Outside Director in June 2021, she serves as a member of the Nomination & Compensation Advisory Committee. As a lawyer, she possesses advanced legal expertise and has accumulated extensive professional knowledge through many years of experience in corporate legal affairs.

Key points for investors

Murakami The waste management business involves careful planning and strict regulatory compliance, with project timelines often stretching over many years—sometimes 10 or 20 years for major initiatives. While this long-term horizon may not satisfy investors focused on short-term gains, the business undeniably creates significant social value. By faithfully executing its growth strategies, the



“The next three years can be seen as a seeding period for expanding market share in the waste management industry.”

Kazumasa Murai

Outside Director (Audit & Supervisory Committee Member)

Appointed as an Outside Director in June 2021, he has concurrently served as an Audit & Supervisory Committee Member since June 2024. He is also chair of the Nomination & Compensation Advisory Committee. As a certified public accountant and tax accountant, he possesses extensive expertise in finance, accounting, and taxation.

Company can anticipate substantial returns down the line. I ask investors to adopt a patient, long-term view, recognizing that the profits we see today are the fruits of plans made and steadily pursued over decades.

Kitajima I believe the Group's growth is encapsulated in its Basic Policy for Sustainability, “The Future Comes from Trust.” In this industry, social credibility is critically important. Any violation of the rules, however minor, can lead to intense scrutiny and serious consequences. That's why it's essential to continuously identify specific risks at high-pressure worksites and rigorously enforce compliance.

I also believe that, as Outside Directors, we must consider how to build systems and frameworks that continue to function effectively even as the organization expands and personnel changes. One possible approach to securing top talent is to enhance employee development by increasing external training opportunities. The Technical Department has already seconded staff to the Ministry of the Environment, but I would like to see other departments also create more opportunities to engage with top-level expertise and networks in the specialized fields of recycling and waste management. By establishing mechanisms to feed those insights back into the Company, we can help drive sustainable, long-term growth.

Murai What I would like shareholders and investors to understand is the deep relationship of trust the Group has built with local communities. At long-standing sites such as the Miki Recycle Center in Miki City, Hyogo Prefecture, and the Mie Recycle Center in Iga City, Mie Prefecture, many employees are local residents, and a good number have received long-service awards. The strong turnout of community members and their families at site events reflects their high level of trust and satisfaction with the Company. To be honest, when we acquired INAC Football Club Co., Ltd., which operates INAC KOBE LEONESSA, in March 2024, I had some reservations, particularly given the

cost involved. However, the positive response from our employees when the news appeared in the newspapers seemed even stronger than when we went public. I believe it was the joy of being able to proudly tell their families that they work for a company with a well-known social presence.

Minemori Gaining investors' understanding begins with each of us reaffirming the Group's true strengths and competitive advantages. These strengths are not superficial factors, such as simply owning more impressive facilities than other companies. Rather, it is crucial to deeply consider what we fundamentally excel at compared to others in the industry. When all employees share a commitment to continuous improvement, that mindset naturally translates into our performance.

An operating profit margin of 25% is exceptionally high—rare among listed companies—and simply maintaining this level is a significant achievement. If every employee deepens their understanding of why this is possible, it will undoubtedly contribute to human resources development. Everyone understands their own worksite well. They know which areas have a competitive edge and which fall behind. However, strengths and weaknesses vary across sites. By learning from other sites, adopting best practices, and addressing weaknesses, the Company as a whole can grow even stronger. To facilitate this, promoting both external and internal communication and interaction among locations is essential. Requests for internal exchange programs to nurture young talent have come from multiple sites. Drawing on my experience managing companies of various sizes, I believe the Group's greatest strength lies in its culture of mutual understanding among employees. This culture is exceptional and offers a substantial competitive advantage. It would be a great loss if those working here do not fully appreciate this value.

How we contribute to enhancing corporate value

Murai One topic that has recently been a frequent subject of discussion among us Outside Directors is how to evaluate M&A targets. In the past, many of the Company's acquisitions involved turning around companies facing serious management issues or even the risk of bankruptcy. However, going forward, we expect to see more acquisitions of companies with clear growth potential. That said, these kinds of M&A deals can sometimes become short-sighted. It is important to thoroughly assess not only the medium- to long-term synergies, but also past issues or incidents, labor management practices, and the state of compliance. We must carefully consider whether the company can grow its revenue from a similar perspective as ours, and whether there are any risks that could damage our credibility. These are the kinds of checks we intend to keep firmly in mind.

Kitajima I have been with the Company for five years now. Since this is a specialized industry, it took some time, but I have gradually deepened my understanding of the business. As many have pointed out, I also believe that the lifeline of the Group is the trust earned from society. If that trust is compromised, operations would be disrupted, and corporate value would decline significantly. The foundation of that trust lies in compliance and adherence to standards, and as an Outside Director with a legal background, I want to contribute primarily to this area. So far, the Company's M&A activities have been free of significant failures. However, as the business expands rapidly and the number of M&A opportunities increases, there is a risk of acquiring companies that carry latent risks. Therefore, I intend to rigorously review the due diligence process from an expert standpoint. In addition, I will continue to pursue self-improvement to develop a multifaceted perspective, enabling me to contribute to management beyond just legal matters.

Murakami As a lawyer, I understand that my primary role is to contribute on legal matters, so I pay particular attention to detecting and preventing compliance risks. I have had a long association with the Company and have accumulated a certain level of industry knowledge. Going forward, I intend to support the Company while maintaining a sense of vigilance as an external observer, incorporating insights from the Audit & Supervisory Committee. I will offer suggestions to improve practices and highlight areas that may need closer attention.

Minemori As an auditor separate from the executive team, I believe the most important focus is the actual worksite. The Audit & Supervisory Committee's role is to objectively assess how the Company is doing, including at headquarters, and ensure that an accurate picture is conveyed to the Board and top management. If the Company's compliance system improves as a result, then I will have fulfilled my mission. Audit & Supervisory Committee Members cannot directly contribute to business performance, but thorough audits can help prevent losses in advance. From that perspective, I want to continue contributing to the growth of the Group going forward.

“As the number of M&A opportunities increases, I intend to rigorously review the due diligence process from an expert standpoint.”



Noriko Kitajima

Outside Director (Audit & Supervisory Committee Member)

Appointed as an Outside Audit & Supervisory Board Member in June 2021, she assumed her current role as Outside Director (Audit & Supervisory Committee Member) in June 2024. She is a lawyer with specialized expertise in corporate legal affairs and has served as an Outside Audit & Supervisory Board member and Outside Director (Audit & Supervisory Committee Member) at multiple listed companies.

List of Officers

(As of June 30, 2025)

Directors

				
Name	Fumio Kaneko	Nariyuki Ohta	Kazumasa Onaka	Tomoko Murakami
Position	President and Representative Director / Executive Officer	Director Senior Managing Executive Officer Responsible for Enterprise and Technology	Director Junior Managing Executive Officer and General Sales Manager Responsible for Sales	Outside Director
Career highlights	• Apr. 1979 Joined Daiei Inc. (currently Daiei Group Corporation) • Sep. 1983 Director of Mie Chuo Kaihatsu Co., Ltd. • June 1986 Auditor of Mie Chuo Kaihatsu Co., Ltd. • May 1991 Director of the Company • Mar. 1994 Junior Managing Director of the Company • Mar. 2002 Vice President of the Company • Vice President of Mie Chuo Kaihatsu Co., Ltd. • May 2004 Vice President and Representative Director of the Company • Apr. 2007 Vice President and Representative Director of Mie Chuo Kaihatsu Co., Ltd. • Apr. 2007 President and Representative Director of Mie Chuo Kaihatsu Co., Ltd. • Sep. 2023 Director of Resource Recycling Council (General Incorporated Association) (current position) • June 2024 President and Representative Director / Executive Officer of the Company (current position) • Sep. 2024 Chairperson and Representative Director / President of INAC Football Club Co., Ltd. (current position) • Apr. 2025 Director of Sustainable Plastics Initiative (General Incorporated Association)	• Aug. 1982 Established Kayu Construction Limited and became Director • Mar. 1996 Joined Takehiro Kaihatsu Co., Ltd. (currently Mie Chuo Kaihatsu Co., Ltd.) • May 2002 Director and Deputy General Manager of Enterprise Division of Mie Chuo Kaihatsu Co., Ltd. • Apr. 2007 Junior Managing Director and General Manager of Enterprise Division of the Company • Apr. 2011 Junior Managing Director and General Manager of Enterprise Division of Mie Chuo Kaihatsu Co., Ltd. • Apr. 2011 Director of Japan Soil Treatment Association (current position) • Apr. 2013 Junior Managing Director of the Company • Feb. 2016 Director of Japan Disaster Treatment Systems (current position) • June 2021 Senior Managing Director Responsible for Enterprise and Technology of the Company • June 2022 Director of Sakai Coastal Eco Factories Council (current position) • June 2023 Director of DINS Kansai Co., Ltd. (current position) • June 2024 Senior Managing Director and Executive Officer of the Company Responsible for Enterprise and Technology (current position)	• Mar. 1974 Joined Nissha Printing Co., Ltd. (currently Nissha Co., Ltd.) • June 1980 Joined Marusue Kogyo Co., Ltd. (currently Marusue Co., Ltd.) • Mar. 1989 Joined Mie Chuo Kaihatsu Co., Ltd. • May 2002 Director and General Manager of Sales Department of Mie Chuo Kaihatsu Co., Ltd. • Apr. 2010 Director and General Manager of Sales Department of the Company • Dec. 2011 Director of the Company • Apr. 2019 Director and General Sales Manager of the Company • June 2021 Junior Managing Director and General Sales Manager Responsible for Sales of the Company • June 2024 Junior Managing Director and Executive Officer of the Company General Sales Manager Responsible for Sales (current position)	• Oct. 2005 Registered as an attorney-at-law Joined Ishii Yoshihito Law Office • Nov. 2008 Joined Murata Futaba Law and Patent Office • Apr. 2011 Part-Time Lecturer (Business Law), School of Law and Politics, Kwasei Gakuin University • May 2013 Established ARCUS PARTNERS and became Partner (current position) • Apr. 2017 Contract Counselor of Employment Consultation Center of Kansai National Strategic Special Zone (Deloitte Touche Tohmatsu LLC) • Nov. 2017 Contract Counselor of Osaka Business Development Agency (Internal Control Hotline) (current position) • Apr. 2019 Member of Third-Party Expert Team of the Osaka City Board of Education (current position) • Apr. 2021 Member of Osaka Bay Area Fisheries Adjustment Committee (current position) • June 2021 Auditor of Sendankai (current position) • Outside Director of the Company (current position)

Directors (Audit & Supervisory Committee Members)

		
Akira Minemori	Kazumasa Murai	Noriko Kitajima
Director (Full-time Audit & Supervisory Committee Member)	Outside Director (Audit & Supervisory Committee Member)	Outside Director (Audit & Supervisory Committee Member)
• Apr. 1975 Joined Sumitomo Banking Corporation (currently Sumitomo Mitsui Banking Corporation) • Oct. 1994 Manager of Fushimi Branch • Jan. 1997 Manager of Fukaebashi Branch • Oct. 1998 Manager of Nishinomiya Branch • Apr. 1999 Nishinomiya Corporate Manager • Apr. 2000 Advisor to Biwako Bank, Ltd. (currently Kansai Mirai Bank, Ltd.) • June 2000 Director • June 2003 Managing Director • Apr. 2007 General Manager, Business Administration Department, Nitto Pharmaceutical Industries, Ltd. • May 2007 Director and General Manager of Business Administration Division of Nitto Pharmaceutical Industries, Ltd. • June 2019 Advisor to General Affairs Department, Business Administration Division of the Company • Feb. 2020 Audit & Supervisory Board Member of the Company • June 2024 Director of the Company (Full-time Audit & Supervisory Committee Member) (current position)	• Oct. 1990 Joined Osaka Office, Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC) • Aug. 1995 Registered as a certified public accountant • Aug. 2006 Registered as a tax accountant • May 2007 Opened Murai Certified Public Accountant Office and became Representative (current position) • May 2007 Established Management Research Institute Co., Ltd. and became Representative Director • June 2017 Audit & Supervisory Board Member of Technical Electron Co., Ltd. (currently Parking Solutions Co., Ltd.) • May 2019 Opened Murai Tax Accountants' Corporation and became Representative Partner (current position) • June 2021 Outside Director of the Company (current position) • June 2024 External Statutory Corporate Auditor of Nippon Shokubai Co., Ltd. (current position) • Outside Director (Audit & Supervisory Committee Member) of the Company (current position)	• Oct. 2000 Registered as an attorney-at-law Joined Takahiko Inoue Law Office (currently Phoenix Law Office) • Jan. 2012 Joint Representative (current position) • June 2015 Outside Director (Audit and Supervisory Committee Member) of Sankyo Kasei Corporation (current position) • Mar. 2017 Outside Audit & Supervisory Board Member of Daitron Co., Ltd. • June 2021 Outside Audit & Supervisory Board Member of the Company • Mar. 2023 Outside Director (Audit and Supervisory Committee Member) of Taki Chemical Co., Ltd. (current position) • June 2024 Outside Director (Audit & Supervisory Committee Member) of the Company (current position) • Mar. 2025 Outside Director (Audit and Supervisory Committee Member) of Daitron Co., Ltd. (current position)

	Fumio Kaneko	Nariyuki Ohta	Kazumasa Onaka	Tomoko Murakami	Akira Minemori	Kazumasa Murai	Noriko Kitajima
Tenure (years)	34	18	15	4	5	4	4
No. of shares held	50,300	49,800	10,800	5,100	10,000	5,100	5,100
Attendance at Board of Directors' meetings	18/18	18/18	18/18	18/18	18/18	18/18	18/18
Attendance at Audit & Supervisory Committee meetings					13/13	10/10	13/13
Attendance at Nomination & Compensation Advisory Committee meetings	4/4			4/4		4/4	
Attendance at Group Management meetings	25/25	25/25	25/25		25/25		
Attendance at Risk Management & Compliance Committee meetings	9/9	Attended when required	Attended when required		9/9		
Attendance at Rewards & Disciplinary Committee meetings					2/2		
Attendance at Sustainability Promotion Committee meetings	2/2	2/2	2/2		2/2		
Expertise and experience							
Corporate management	●				●		
Legal affairs and compliance		●		●	●		●
Risk management	●	●		●	●		●
Finance, accounting, and tax affairs	●				●	●	
Engineering and facility operations		●	●				
R&D		●					
Sales and marketing		●	●				
ESG and sustainability	●					●	
Human resources development	●						

Executive Officers

Fumio Kaneko
(President and Executive Officer)

Nariyuki Ohta
(Senior Managing Executive Officer)
Responsible for Enterprise and Technology

Kazumasa Onaka
(Junior Managing Executive Officer)
General Sales Manager
Responsible for Sales

Morihiko Shimoda
General Manager of Corporate Strategy Planning Division
Responsible for Corporate Strategy Planning

Kunihiko Idei
Executive Assistant to President
Responsible for Special Assignments from the President

Hitoshi Wanibe
General Manager of Business Administration Division
Responsible for Business Administration

Hiroaki Shimoji
General Manager of Enterprise Division
Responsible for Enterprise

Atsuo Tanaka
General Manager of Miki Recycle Center
Responsible for Management of Miki Recycle Center

Toshifumi Hirai
Representative Director of Mie Chuo Kaihatsu Co., Ltd.
Responsible for General Management of Mie Chuo Kaihatsu Co., Ltd.

Kenichi Morita
Director of Mie Chuo Kaihatsu Co., Ltd.
Responsible for Development of Mie Chuo Kaihatsu Co., Ltd.

Masakatsu Shimoji
Representative Director of DINS Kansai Co., Ltd.
Responsible for General Management of DINS Kansai Co., Ltd.

Koichi Ishikawa
Director of Geo-Re Japan Inc.
Responsible for Sales of Geo-Re Japan Inc.

Shinichi Kugimiya
Deputy General Manager of Business Administration Division and Manager of Accounting Department
Responsible for Business Administration (Deputy)

Kengo Otsuka
Deputy General Manager of Business Administration Division and Manager of General Affairs Department
Responsible for Business Administration (Deputy)

Makoto Yamada
Manager of Technical Department
Responsible for Technology (Deputy)

Hiroyuki Hamashima
Deputy General Manager of Sales Division
Responsible for Sales (Deputy)

Yasuhiko Maeyama
Director of Mie Chuo Kaihatsu Co., Ltd.
Manager of Mie Recycle Center
Responsible for Management of Mie Chuo Kaihatsu Co., Ltd.

Tatsuo Nakamura
Representative Director of Kyodoh Doboku Co., Ltd.
Responsible for Business in Kanto Area

Basic concept

To live up to the trust placed in us by our customers and society, as well as to enhance our corporate value, the Daiei Kankyo Group is committed to improving fairness and transparency in management and enhancing the supervisory function of the Board of Directors and the Audit & Supervisory Committee. By doing so, we are working to improve our corporate competitiveness, ensure prompt and rational decision-making, and achieve transparent and sound management.

We have also established the Basic Policies for Internal Control. Through the development of an internal control system, we have built a system to execute business legally and efficiently.

Form of institutional design and reason for adoption

The Company transitioned from the structure of a company with an Audit & Supervisory Board to the structure of a company with an Audit & Supervisory Committee on June 26, 2024. This transition aims to enhance the supervisory function of the Board of Directors by granting members of the Audit & Supervisory Committee who are also directors voting rights on the Board. Additionally, the committee, where the majority are outside directors, performs not only legality audits but also validity audits.

In addition, to strengthen our corporate governance structure, we have established the Risk Management & Compliance Committee and other committees as well as the Group Management Meeting to facilitate prompt decision-making, agile business execution, and Group management.

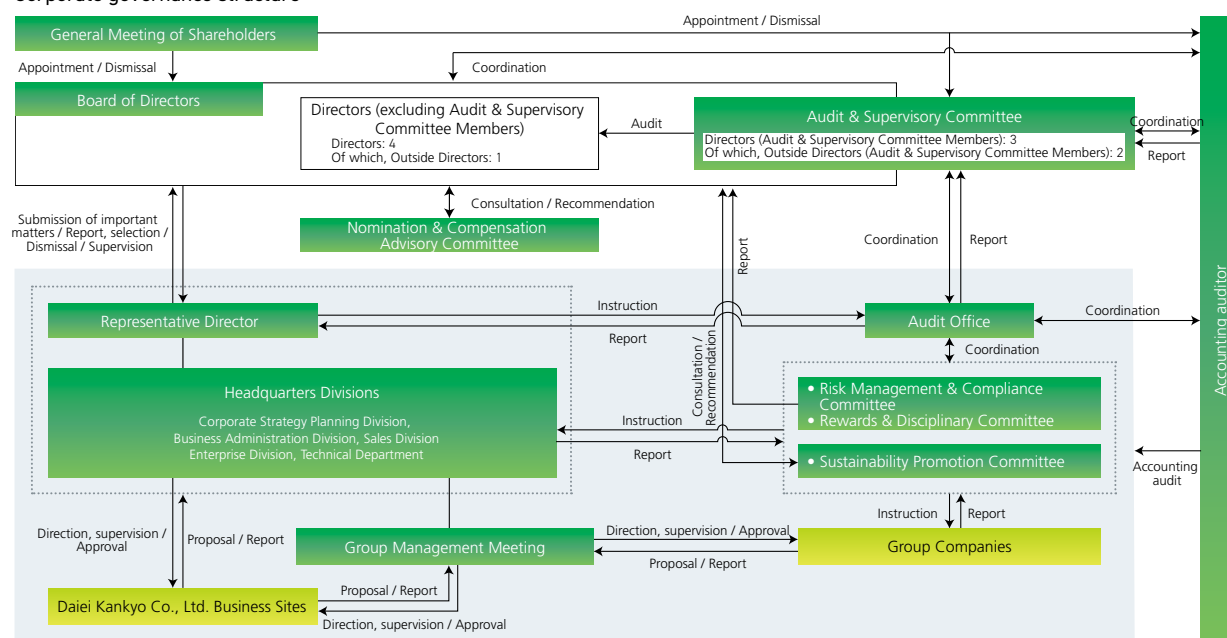
Corporate governance structure at a glance

Form of institutional design	Company with an audit and supervisory committee
Chair of the board of directors	President and Representative Director / Executive Officer
No. of directors	4
Of which, outside directors	1
No. of outside directors designated as independent officers	1
No. of directors (audit & supervisory committee members)	3
Of which, outside directors (audit & supervisory committee members)	2

No. of directors (audit & supervisory committee members) designated as independent officers	2
Term of office of directors	1 year
Term of office of directors (audit & supervisory committee members)	2 years
Adoption of executive officer system	Adopted
Establishment of voluntary advisory committee	Nomination & Compensation Advisory Committee
Adoption of performance-linked remuneration system	Adopted
Accounting auditor	GYOSEI & Co.

Corporate Governance Report https://www.dinsgr.co.jp/english/csr/pdf/Corporate_Governance_Report_en_20250630.pdf

Corporate governance structure



Overview of corporate governance structure

Meeting body	No. of members	Chair / Committee Chair	Members	Purpose and contents
Board of Directors Frequency: In principle, once a month	7 4 inside 3 outside	Fumio Kaneko President and Representative Director / Executive Officer	President and Representative Director / Executive Officer, Director and Senior Managing Executive Officer, Director and Junior Managing Executive Officer, 1 Outside Director, Director (Full-time Audit & Supervisory Committee Member), 2 Outside Directors (Audit & Supervisory Committee Members)	Makes decisions on important management matters and ensures management transparency through the appointment of independent Outside Directors. Furthermore, the Company's Articles of Incorporation allow us to delegate all or part of the decision-making authority for important business executions to Directors. This delegation of authority enables us to achieve swift and accurate decision-making.
Audit & Supervisory Committee Frequency: In principle, once a month	3 1 inside 2 outside	Akira Minemori Director (Full-time Audit & Supervisory Committee Member)	Director (Full-time Audit & Supervisory Committee Member), 2 Outside Directors (Audit & Supervisory Committee Members)	In addition to sharing information and exchanging opinions on the status of Directors' performance of their duties, the Full-time Audit & Supervisory Committee Member reports on the status of audits at important meetings and the results of internal document inspections, and also discusses cooperation with the Audit Office and accounting auditor.
Nomination & Compensation Advisory Committee Frequency: At least once a year	3 1 inside 2 outside	Kazumasa Murai Outside Director (Audit & Supervisory Committee Member)	1 Outside Director (Audit & Supervisory Committee Member), President and Representative Director / Executive Officer, 1 Outside Director	To strengthen the fairness, transparency, and objectivity of the procedures related to nomination and remuneration, and to enhance corporate governance, deliberates on matters raised by the Board of Directors, such as the policy and standards for the election and dismissal of Directors, the remuneration system for Directors, and the policy for determining remuneration, and reports back to the Board of Directors.
Group Management Meeting Frequency: In principle, once a month	12 12 inside 0 outside	Fumio Kaneko President and Representative Director / Executive Officer	President and Representative Director / Executive Officer, Director and Senior Managing Executive Officer, Director and Junior Managing Executive Officer, Director (Full-time Audit & Supervisory Committee Member), Executive Officer / General Manager of Corporate Strategy Planning Division, Executive Officer / Executive Assistant to President, Executive Officer / General Manager of Business Administration Division, Executive Officer / General Manager of Enterprise Division, Executive Officer / Deputy General Manager of Business Administration Division / Manager of General Affairs Department, Executive Officer / Deputy General Manager of Business Administration Division / Manager of Accounting Department, Executive Officer / Manager of Technical Department, Executive Officer / Deputy General Manager of Sales Division	To optimize the Group management, makes relevant decisions from a Companywide perspective. Relevant parties, including Group subsidiaries, also attend as needed.
Risk Management & Compliance Committee Frequency: At least once a quarter	5 5 inside 0 outside	Fumio Kaneko President and Representative Director / Executive Officer	President and Representative Director / Executive Officer, Director (Full-time Audit & Supervisory Committee Member), Executive Officer / General Manager of Business Administration Division, Executive Officer / Deputy General Manager of Business Administration Division / Manager of General Affairs Department, Manager of Audit Office	By establishing standard procedures for risk management, strives to minimize losses and enhance the credibility of the Group by preventing the occurrence of risks and ensuring compliance. Additionally, under the committee, an Information Security Committee has been established to strengthen the management system and reduce the risk of information leaks.
Rewards & Disciplinary Committee Frequency: Occasional	5 5 inside 0 outside	Hitoshi Wanibe Executive Officer General Manager of Business Administration Division	Executive Officer / General Manager of Business Administration Division, Director (Full-time Audit & Supervisory Committee Member), Human Resources Department Manager, Executive Officer / Deputy General Manager of Business Administration Division / Manager of General Affairs Department, Manager of Audit Office	Strives to ensure sound management through the strict and proper application of the regulations regarding discipline stipulated in the employment regulations.
Sustainability Promotion Committee Frequency: At least twice a year	8 8 inside 0 outside	Fumio Kaneko President and Representative Director / Executive Officer	President and Representative Director / Executive Officer, Director and Senior Managing Executive Officer, Director and Junior Managing Executive Officer, Director (Full-time Audit & Supervisory Committee Member), Executive Officer / General Manager of Corporate Strategy Planning Division, Executive Officer / General Manager of Business Administration Division, Executive Officer / General Manager of Enterprise Division, IR/Sustainability Promotion Department Manager	Formulates and revises the Basic Policy on Sustainability, identifies material issues (materiality), and sets goals and manages progress toward resolving social issues. When receiving a consultation from the Board of Directors, discusses management plans from the perspective of promoting sustainability and reports back to the Board.

Transition to a stronger governance structure



Evaluation method

Daiei Kankyo Co., Ltd. conducts an annual assessment to ensure that the Board of Directors is functioning effectively and works to further enhance its effectiveness.

The evaluation for the fiscal year ended March 31, 2025 was conducted in April 2025 through an anonymous questionnaire administered to all Directors with the support of

a third-party organization. The Board of Directors analyzed and discussed the aggregated results to confirm the current effectiveness of the Board and the progress of improvement efforts.

Through these discussions, the Board shared a common understanding of its current effectiveness and the areas needing improvement, and considered concrete actions to continuously enhance its functions.

Questionnaire items for evaluation

1. Composition of the Board of Directors
2. Operation of the Board of Directors
3. Agenda of the Board of Directors
4. Monitoring Function of the Board of Directors
5. Performance of Outside Directors
6. Support system for Directors
7. Training
8. Dialogue with shareholders (investors)
9. Personal initiatives
10. Operation of the Nomination & Compensation Advisory Committee
11. Audit & Supervisory Committee
12. Summary

Results of evaluation of the effectiveness of the Board of Directors in FY2025/3

Overview of evaluation results	As a result of implementing certain measures and improvements to address the issues identified in the evaluation for the fiscal year ended March 31, 2024, it was confirmed that the Board of Directors is functioning effectively. Furthermore, the Board of Directors was assessed to be effective across all evaluation items. (1) The Board of Directors is composed of members, including Outside Directors who possess the necessary knowledge and skills in their respective fields, ensuring an appropriate structure. (2) The frequency of Board meetings, the duration of deliberations, and the content and volume of materials are appropriate. (3) The Board meetings provide an environment where members can speak freely, enabling active discussions. For proposals requiring detailed explanations, briefing sessions are held in advance for Outside Directors, establishing a framework that facilitates lively debate. (4) Sufficient discussions are held regarding matters related to internal control and the establishment and operation of the Companywide risk management system.
FY2025/3 issues	(1) To enhance discussions at Board meetings, it remains essential to select and focus on important deliberation matters. Therefore, it is necessary to continue considering the delegation of authority to the Group Management Meeting and other such bodies. (2) To ensure the Board of Directors fulfills its expected roles and functions, it is necessary to secure opportunities for Executive Officers to report on the business performance of subsidiaries acquired through M&A and the progress of the Medium-Term Management Plan as part of their business execution updates. (3) It is necessary to secure more opportunities for smooth communication between Inside Directors and Outside Directors.
FY2026/3 policies	(1) We will continue reviewing which matters should be deliberated by the Board of Directors and which should be delegated to the Group Management Meeting or other relevant committees. (2) We will secure opportunities for Executive Officers to report on the business performance of subsidiaries acquired through M&A and the progress of the Medium-Term Management Plan as part of their business execution updates. (3) We will secure more opportunities for smooth communication between Inside Directors and Outside Directors.

We will implement measures to address the issues identified in the evaluation results and actively pursue improvements to further enhance the effectiveness of the Board of Directors.

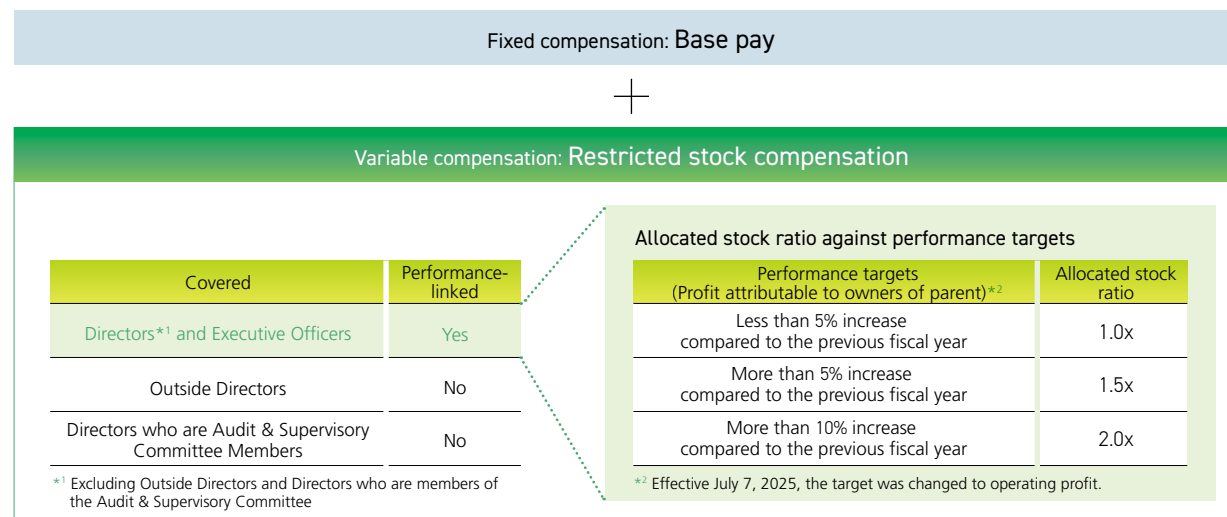
Features of the officer remuneration system

The Articles of Incorporation stipulate that remuneration and other benefits for Directors shall be determined by a resolution of the General Meeting of Shareholders. Based on this, the remuneration and other benefits are determined within the maximum amount resolved at the General Meeting of Shareholders, taking into account position, tenure in office, business performance, and other factors in a comprehensive manner. In addition, to strengthen the fairness, transparency, and objectivity of procedures related to remuneration and other benefits, and to enhance corporate governance, the Nomination & Compensation Advisory Committee has been established, chaired by an Independent Outside Director and consisting of the President and Representative Director / Executive Officer and two Outside Directors. The Nomination & Remuneration Advisory Committee deliberates on matters raised by the Board of Directors, including the remuneration system for Directors and policies for determining remuneration, and the Board of Directors makes final decisions based on the contents of these deliberations.

For Directors* and Executive Officers, in addition to fixed compensation, we have introduced a performance-linked restricted stock compensation plan with the purpose of further aligning value with our shareholders. In this plan, compensation varies depending on the achievement of performance targets according to our Executive Remuneration Rules. Remuneration for other Directors (Outside Directors and Directors who are Audit & Supervisory Committee Members) consists of fixed compensation and restricted stock compensation.

* Excluding Outside Directors and Directors who are members of the Audit & Supervisory Committee

Officer remuneration structure



Amount of officer remuneration (FY2025/3)

Category of officers	Total amount of remuneration, etc. (Millions of yen)	Total amount of remuneration, etc., by type (Millions of yen)			No. of eligible officers
		Fixed compensation	Performance-linked remuneration	Non-monetary remuneration, etc.	
Directors (excluding Audit & Supervisory Committee Members and Outside Directors)	121	105	15	-	3
Directors (Audit & Supervisory Committee Members, excluding Outside Directors)	10	8	-	2	1
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	2	2	-	-	1
Outside Directors	19	15	-	3	6

Notes:

- Based on a resolution at the 45th Annual General Meeting of Shareholders held on June 26, 2024, the Company transitioned to a company with an Audit & Supervisory Committee on the same day. The above number of members and amount of remuneration include those for one Director (Outside Director) who retired at the conclusion of the same Annual General Meeting of Shareholders, and three Audit & Supervisory Board Members (including two Outside Members). The number of members and amount of remuneration include one individual who, after retiring as a Director (Outside Director), was appointed on the same day as a Director who is a member of the Audit & Supervisory Committee (Outside Director). They also include one individual who, after retiring as an Audit & Supervisory Board Member (Outside Member), was appointed on the same day as a Director who is a member of the Audit & Supervisory Committee (Outside Director). Both are included under Outside Officers.
- The above Audit & Supervisory Board Members include one member who retired at the conclusion of the 45th Annual General Meeting of Shareholders held on June 26, 2024. After retiring as an Audit & Supervisory Board Member at the conclusion of the same Annual General Meeting of Shareholders, the individual was appointed as a Director (Audit & Supervisory Committee Member). Accordingly, the number of members and amount of remuneration are recorded under Audit & Supervisory Board Members for the period served in that role, and under Directors (Audit & Supervisory Committee Members) for the period served in that role.
- The total amount of remuneration and other benefits for Directors (excluding Audit & Supervisory Committee Members) does not include employee salaries for Directors concurrently serving as employees.
- Non-monetary remuneration, etc., is the amount recorded as an expense in the fiscal year under review based on the restricted stock compensation plan.

Diversity in the Board of Directors and officers

Our Board of Directors consists of five men and two women, including three Outside Directors with expertise as lawyers, certified public accountants, and tax accountants, ensuring a diverse Board composition. In the Board of Directors' meetings, these Independent Outside Directors provide valuable advice from multifaceted perspectives and with specialized knowledge, leading to very active discussions.

We maintain a policy of ensuring that at least one-third of the Directors are Independent Outside Directors. While the specific timing and selection of individuals have yet to be determined, we are considering, as part of our medium- to long-term strategy, the additional appointment of Independent Outside Directors with business management experience to further strengthen governance and enhance diversity.

Policy on appointment of Directors and Outside Directors, and nomination of candidates

When appointing and nominating Directors, decisions are made by the Board of Directors based on deliberations by a voluntary Nomination & Compensation Advisory Committee, which is composed of a majority of Independent Outside Directors and follows the selection criteria established by the Company.

Outside Directors are determined through a similar process based on the selection criteria and independence criteria established by the Company.

CEO succession plan

The qualifications required of a CEO are set out below. The President recommends candidates for succession, and after deliberation by the Nomination & Compensation Advisory Committee, the committee reports to the Board of Directors, which then makes a decision by resolution of the Board.

Qualifications required of a CEO

- (1) Meet the requirements set out in the criteria for appointment of Directors
- (2) Possess the ability to formulate plans and execute them on their own, as well as the ability to exercise leadership in order to achieve the Group's sustainable growth and enhance its corporate value over the medium to long term

Training for officers

To ensure that Directors, including Outside Directors, appropriately fulfill the roles and responsibilities expected of them as key members of the Company's governance bodies, we provide training opportunities to acquire and update necessary knowledge and deepen their understanding of these roles and responsibilities.

For the fiscal year ended March 31, 2025, Inside and Outside Directors attended a seminar conducted by an external lawyer on the responsibilities and duties of executives in listed companies, which deepened their understanding of their roles and responsibilities. In addition, Inside Directors, like employees, completed compliance training covering 18 topics. Outside Directors participated in a training program covering 13 topics, following explanations from relevant departments about the Company's internal operations, including site visits, transportation business management systems, and employment of persons with

disabilities. Through this program, they enhanced their understanding of the Daiei Kankyo Group's businesses.

For the fiscal year ending March 31, 2026, we will continue providing compliance training led by external instructors for both Inside and Outside Directors. Outside Directors will also receive explanations from relevant departments regarding the Company's internal operations, including site visits, Group consolidated budget policies, and technical support for new facilities and businesses. This will be followed by participation in a training program covering 13 topics to further deepen their understanding of the Group's businesses.

Management of affiliated companies

The Daiei Kankyo Group is composed of 51 companies, including Daiei Kankyo Co., Ltd. and its 38 consolidated subsidiaries, 2 non-consolidated subsidiaries, 6 affiliated companies accounted for by the equity method, and 5 affiliated companies not accounted for by the equity method. (As of March 31, 2025)

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.

Audits

Audits are conducted through regular exchanges of opinions among the Audit & Supervisory Committee, the Audit Office, and the accounting auditor. By sharing information on the Audit & Supervisory Committee's findings, internal audit results, and accounting audit outcomes (including quarterly reviews and annual audits), they facilitate complementary and effective audits. Operational audits by the Audit & Supervisory Committee are carried out by one Full-time Audit & Supervisory Committee Member and two Outside Directors who are Audit & Supervisory Committee Members. The Audit & Supervisory Committee meets monthly in accordance with the rules of the Audit & Supervisory Committee.

In addition to attending important meetings, including meetings of the Board of Directors, Audit & Supervisory Committee Members review important documents and other information related to business execution, and receive reports from the officers and employees of the Company and its subsidiaries from time to time regarding information necessary for auditing. They also exchange views with the Representative Director on a regular basis.

Internal audits of the Daiei Kankyo Group are conducted by the Audit Office, which reports directly to the President and Representative Director. The Audit Office conducts audits of the business activities of each department and the operation of various systems in light of management objectives. The Audit Office regularly meets and coordinates with the Audit & Supervisory Committee (once a month) and the accounting auditor (four times a year), thereby ensuring efficient internal audits. The office also provides guidance, advice, and recommendations to the audited departments based on the internal audit results. Furthermore, once an audit is completed, an internal audit report is compiled after a comprehensive review and assessment of the audit findings and opinions of the

Audit & Supervisory Committee audit results for FY2025/3

Covered	30 locations (3 companies, 30 departments)
Result	No misconduct in the execution of duties by Directors or serious violation of laws and regulations or the Articles of Incorporation was found.

Results of internal audit for FY2025/3

Covered	52 locations (21 companies, 49 departments)
Result	No serious violations of relevant laws and regulations, such as the Waste Management and Public Cleansing Act and the Industrial Safety and Health Act, were found.

Accounting audit results for FY2025/3

Accounting auditor	GYOSEI & Co.
Result	Appropriate in all material respects (unqualified opinion)

department being audited, and this report is delivered to the Board of Directors, the President and Representative Director, and the Audit & Supervisory Committee.

Compliance

We recognize that compliance is of the utmost importance for the Group to enhance business continuity and continue to evolve as a company with the power to create better environments. We formulated the Daiei Kankyo Group Business Conduct Guidelines as a specific code of conduct that all officers and employees of the Group must comply with. By putting these guidelines into practice, we aim to build a group that is trusted and needed by society, and one in which people can take pride in working.

Whistleblowing system

To quickly detect and rectify misconduct and strengthen compliance management, the Group has established both internal and external whistleblowing channels accessible to all officers, employees, contracted employees, part-timers, temporary workers (hereinafter, "personnel"), as well as business partners.

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. We also address consultations regarding organizational or individual violations of internal regulations and compliance issues from all personnel. The external whistleblowing channel is handled by an independent external lawyer with no conflicts of interest with the Company.

No. of whistleblowing reports

(Fiscal year ended March 31)

	2022	2023	2024	2025
Internal contact point	14	10	24	25
External contact point	1	5	5	4
Total	15	15	29	29

Overview of whistleblowing cases

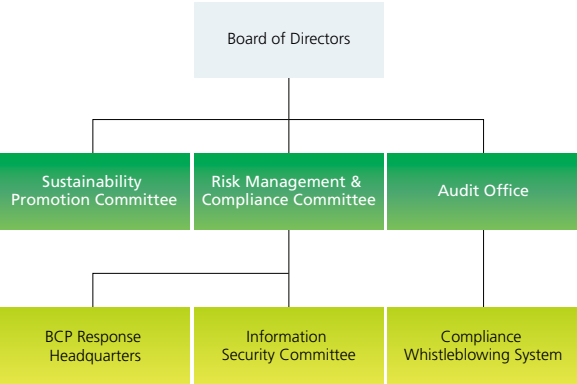
(Fiscal year ended March 31)

	2022	2023	2024	2025
Misconduct, etc.		1	1	5
Violation of rules and regulations	2	4	8	5
Harassment, etc.	9	9	15	10
Work improvement, etc.	3	1	1	4
Dissatisfaction with personnel affairs	1		4	5
Total	15	15	29	29

Risk management

The Company has established the Sustainability Promotion Committee, chaired by the President and Representative Director / Executive Officer, which identifies and evaluates risks and opportunities to address sustainability issues such as climate change and human capital. Other risks for the Daiei Kankyo Group as a whole are identified and assessed by the Risk Management & Compliance Committee, chaired by the President and Representative Director / Executive Officer. Each committee determines materiality based on uniform judgment criteria and make additional changes to risk items or revise their materiality in response to changes in the external environment such as laws and regulations. Risks deemed to be of high materiality by each committee are reported or brought to the Board of Directors for discussion, thereby ensuring integrated management of risks for the Group as a whole.

Diagram of risk management structure



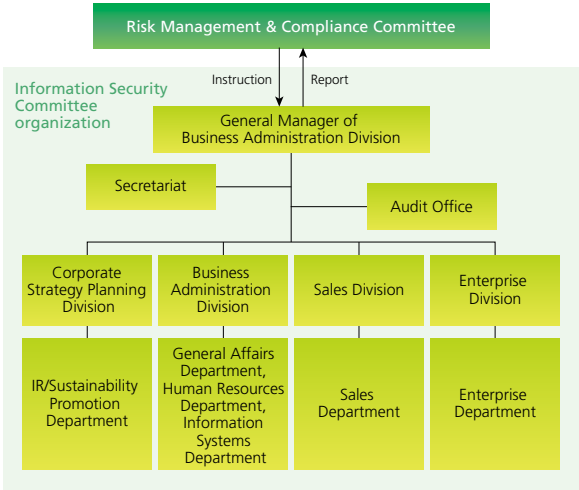
Information security measures

The Group has established “thorough information management” as a key policy in the Daiei Kankyo Group Business Conduct Guidelines, which serve as the code of conduct for all officers and employees within the Group, and ensures that this policy is effectively communicated and understood throughout the organization. The Group has also developed and applies internal rules, including rules for the management of confidential information, rules for the protection of personal information, and detailed rules for the implementation of electronic information security, thereby building the foundation of our information security system.

Establishment of Information Security Committee

On April 1, 2025, we established the Information Security Committee to strengthen our ability to respond to increasing security risks. The committee promotes Companywide initiatives based on the following objectives and expected outcomes.

Information security organizational chart



Cross-Shareholdings, Compliance Education, Tax Affairs, and Business Continuity Plan (BCP)
<https://www.dinsgr.co.jp/english/csr/governance/>

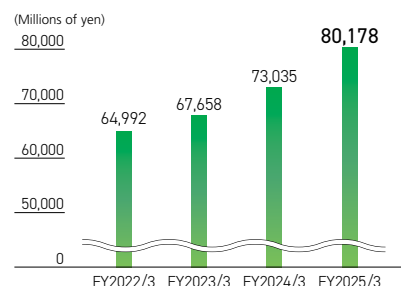
Purpose	• Address the increasing security risks and protect the Company's information assets • Enhance security awareness among all employees and strengthen the security framework
Expected outcomes	• Prevent information leaks and cyberattacks • Establish a rapid response system for incident management • Develop and implement information security policies
Medium-term initiatives (FY2026/3 to FY2028/3)	To further advance the information security system, we will systematically implement the following priority measures: • Identify information assets and extract, assess, and mitigate risks • Implement measures to prevent and respond to security incidents • Conduct security education, including onboarding and hands-on training • Carry out security incident drills
KPIs for improving information literacy (Through FY2028/3)	• Internal security training attendance rate: 95% or more annually • Targeted phishing email training: Twice a year • Information Security Committee meetings: Four times a year

Data Section

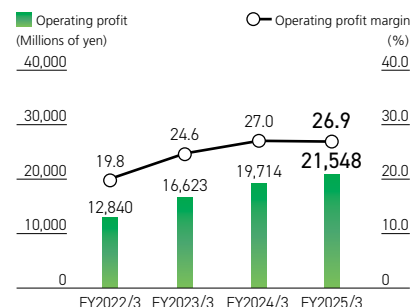
- 61 Financial and Non-Financial Data
- 63 Company Profile
- 64 Group Network
- 65 Facility Sizes
- 66 Stock Information



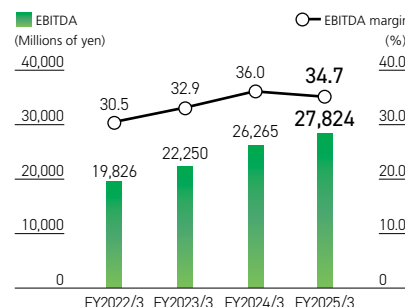
Net sales



Operating profit and operating profit margin

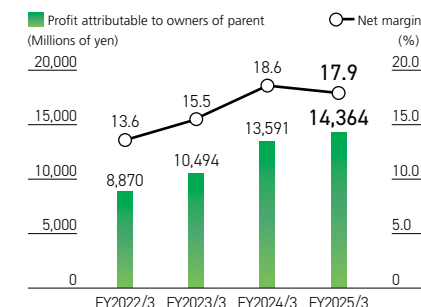


EBITDA and EBITDA margin

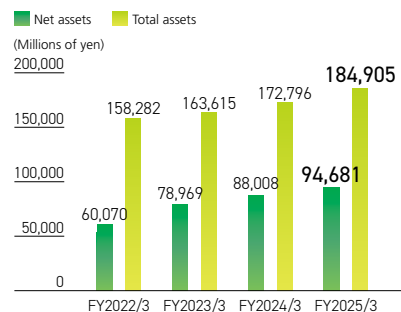


* EBITDA: Operating profit + Depreciation (excluding non-operating expenses) + Amortization of goodwill
* EBITDA margin: EBITDA / Net sales

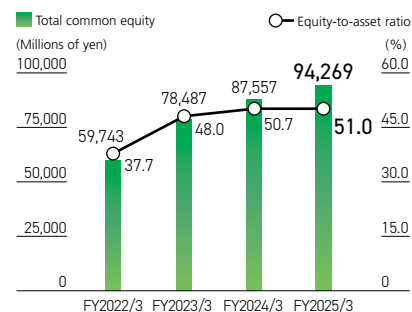
Profit attributable to owners of parent and net margin



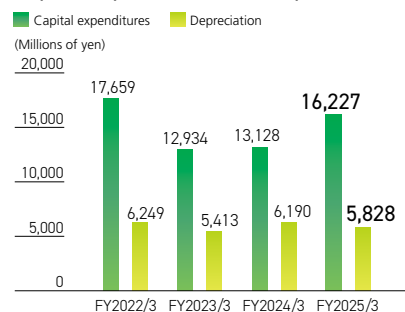
Net assets and total assets



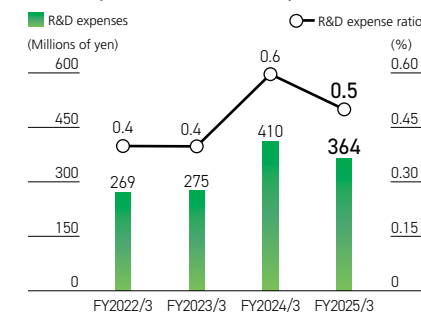
Total common equity and equity-to-asset ratio



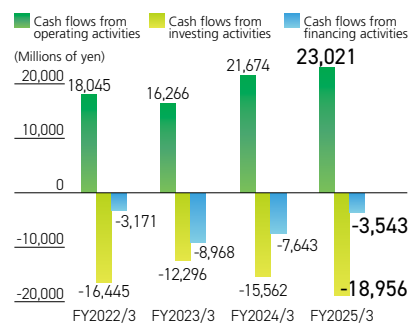
Capital expenditures and depreciation



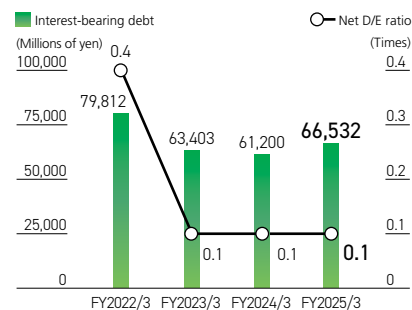
R&D expenses and R&D expense ratio



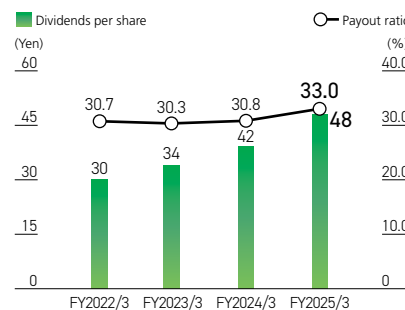
Cash flows



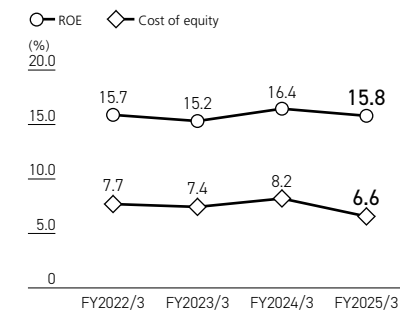
Interest-bearing debt and net D/E ratio



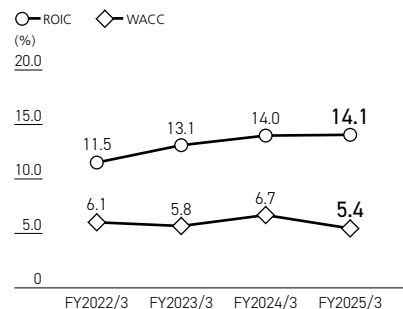
Dividends per share and payout ratio



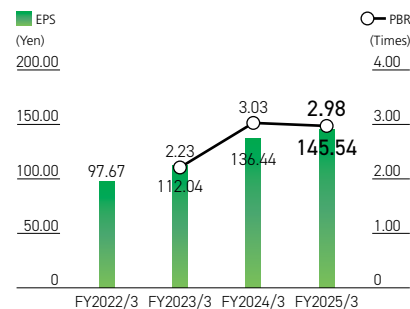
ROE and cost of equity



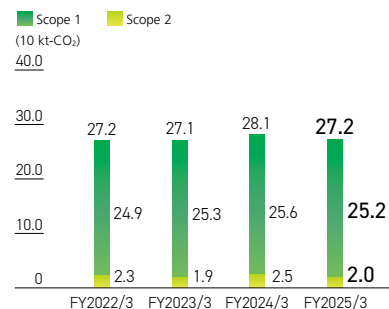
ROIC / WACC



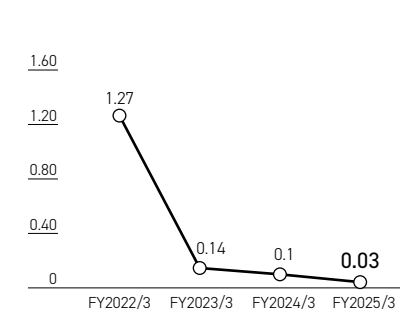
P/B ratio / EPS



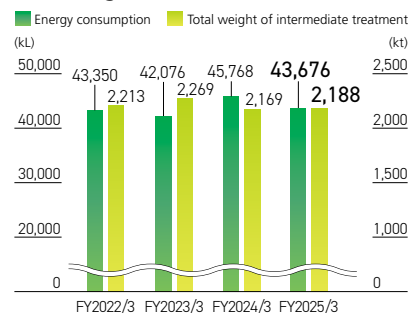
GHG emissions



Severity rate

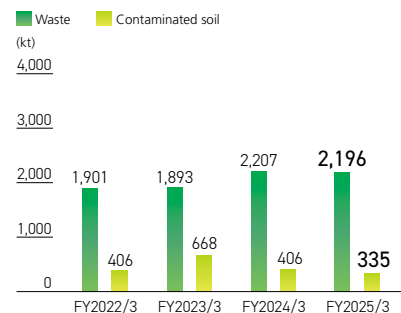


Groupwide energy consumption and total weight of intermediate treatment

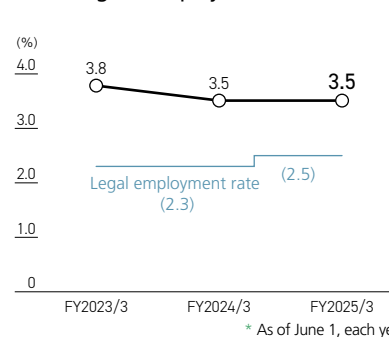


Note: Including the volume received between Group companies for intermediate treatment

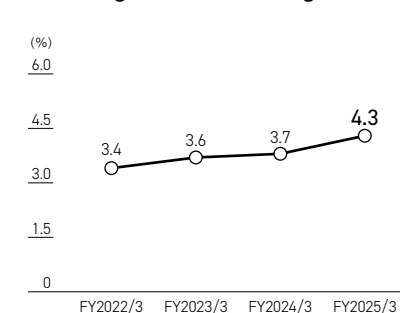
Volume of waste and contaminated soil received



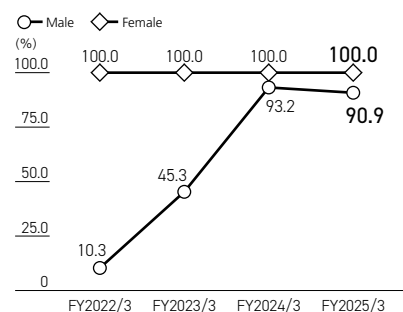
Percentage of employees with disabilities*



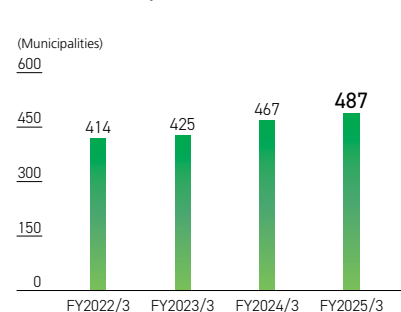
Percentage of female managers



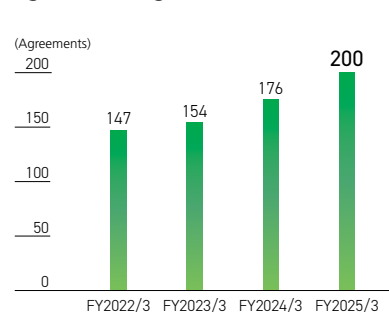
Percentage of employees who take childcare leave



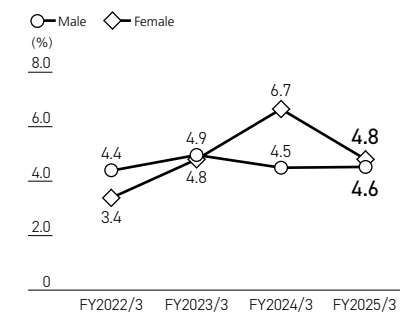
No. of municipalities we worked with



No. of disaster cooperation agreements signed



Job turnover rate



Daiei Kankyo Co., Ltd.

Business description: Waste-related business, valuable resource recycling business, and sports promotion business

Head office: 2-3-28 Techno Stage, Izumi-shi, Osaka 594-1144, Japan

Group headquarters: Kobe Fashion Plaza, 2-9-1 Koyochonaka, Higashinada-ku, Kobe, Hyogo 658-0032, Japan

Founded: October 17, 1979

President and Representative Director: Fumio Kaneko

Capitalization: ¥5,907 million

No. of employees: 2,662
(combined total of regular employees and temporary employees (average number of employees per year) as of March 31, 2025)

Subsidiaries

Consolidated subsidiaries

Mie Chuo Kaihatsu Co., Ltd.

4713 Hachiya, Yono, Iga, Mie 518-1152, Japan
Waste management and recycling, soil remediation, consulting, electricity generation

DINS Kansai Co., Ltd.

1-5-38 Chikkoshinmachi, Nishi-ku, Sakai, Osaka 592-8331, Japan
Waste management and recycling, electricity generation

Kyodoh Doboku Co., Ltd.

26-1 Harashinmachi, Ageo, Saitama 362-0016, Japan
Waste management and recycling

Geo-Re Japan Inc.

1-1 Higashihamacho, Amagasaki, Hyogo 660-0844, Japan
Soil remediation

Safety Island Co., Ltd.

16-7 Uozakihamamachi, Higashinada-ku, Kobe, Hyogo 658-0024, Japan
Waste management and recycling, soil remediation

Settsu Seiun Co., Ltd.

2-4-27 Higashitsukaguchicho, Amagasaki, Hyogo 661-0011, Japan
Waste management and recycling

Kyoto Kankyo Co., Ltd.

8 and 9 Saiinhigashi Nakamizuchō, Ukyo-ku, Kyoto, Kyoto 615-0042, Japan
Waste management and recycling

Kobe Port Recycle Co., Ltd.

9-13 Minatojima, Chuo-ku, Kobe, Hyogo 650-0045, Japan
Waste management and recycling

Daiei Amet Co., Ltd.

1-17 Hazemiyamachi, Fukuchiyama, Kyoto 620-0856, Japan
Waste management and recycling

Settsu Co., Ltd.

2-4-27 Higashitsukaguchicho, Amagasaki, Hyogo 661-0011, Japan
Waste management and recycling

Clean Stage Co., Ltd.

2-3-30 Techno Stage, Izumi, Osaka 594-1144, Japan
Waste management and recycling

Plafactory Co., Ltd.

4-2-3 Chikkoshinmachi, Nishi-ku, Sakai, Osaka 592-8331, Japan
Recycled plastic pallets

Create Navi Co., Ltd.

Kobe Fashion Plaza, 2-9-1 Koyochonaka, Higashinada-ku, Kobe, Hyogo 658-0032, Japan
Recruiting service

Tohoku Eco Clean Co., Ltd.

38 Kumada, Shioniiwa, Onomachi, Tamura, Fukushima 963-3314, Japan
Waste management and recycling

Omihachiman Eco Service Co., Ltd.

1143 Takecho, Omihachiman, Shiga 523-0036, Japan
Facility construction and administration

Sanki Kaihatsu Co., Ltd.

23 Minami 15 Sennishi, Nanporocho, Sorachi-gun, Hokkaido 069-0215, Japan
Waste management and recycling

Green Arrows Kansai Co., Ltd.

4-2-3 Chikkoshinmachi, Nishi-ku, Sakai, Osaka 592-8331, Japan
Waste management and recycling

Software Total Service Co., Ltd.

Kobe Fashion Plaza, 2-9-1 Koyochonaka, Higashinada-ku, Kobe, Hyogo 658-0032, Japan
Consulting

Maruyo Inc.

3-13 Kusunokicho, Ashiya, Hyogo 659-0015, Japan
Waste management and recycling

General Agriculture & Forestry Co., Ltd.

Kobe Fashion Plaza, 2-9-1 Koyochonaka, Higashinada-ku, Kobe, Hyogo 658-0032, Japan
Forest management

DINS Environmental Analysis Center Co., Ltd.

3598-12 Hatta, Iga, Mie 518-1155, Japan
Consulting

D-design Co., Ltd.

Nomura Yotsubashi Building, 1-4-4 Awaza, Nishi-ku, Osaka, Osaka 550-0011, Japan
Consulting

Daiei Kankyo Research Institute Co., Ltd.

41-1 Kanda Higashimatsushitacho, Chiyoda-ku, Tokyo 101-0042, Japan
Consulting

Resource Circulation Systems Co., Ltd.

1-1-1 Hirano, Yahatahigashi-ku, Kitakyushu, Fukuoka 805-0062, Japan
Consulting

DINS Mirai Co., Ltd.

6F Kobe Fashion Plaza, 2-9-1 Koyochonaka, Higashinada-ku, Kobe, Hyogo 658-0032, Japan
Recruiting service

ISV Japan, Limited

3F Chichibuya Building, 3-7-4 Kojimachi, Chiyoda-ku, Tokyo 102-0083, Japan
Waste management and recycling

Ashiya Josui Co., Ltd.

3-13 Kusunokicho, Ashiya, Hyogo 659-0015, Japan
Waste management and recycling

INAC Football Club Co., Ltd.

Kobe Fashion Plaza, 2-9-1 Koyochonaka, Higashinada-ku, Kobe, Hyogo 658-0032, Japan
Regional sports promotion

DINS Hokkaido Co., Ltd.

562-14 Abira, Abiracho, Yufutsu, Hokkaido 059-1511, Japan
Waste management and recycling

Tadaoka Eco Service Co., Ltd.

2-5-46 Niihama, Tadaokacho, Senboku, Osaka 595-0814, Japan
Waste management and recycling

Eiwa Recycle Co., Ltd.

3F Chichibuya Building, 3-7-4 Kojimachi, Chiyoda-ku, Tokyo 102-0083, Japan
Waste management and recycling, facility construction and administration

Urayasu Seiun, Inc.

15-39 Chidori, Urayasu, Chiba 279-0032, Japan
Waste management and recycling

Aia, Inc.

15-39 Chidori, Urayasu, Chiba 279-0032, Japan
Waste management and recycling

GLOBAL ENVIRONMENTAL TECHNOLOGY Co., Ltd.

#509, Izumisano Center Building Southcore 21, 1-10-37 Takamatsuhigashi, Izumisano, Osaka 598-0012, Japan
Waste management and recycling

Aioli Eco Service Co., Ltd.

2-9-1 Koyochonaka, Higashinada-ku, Kobe, Hyogo 658-0032, Japan
Waste management and recycling

Kaisei Co., Ltd.

3-10-6 Chuo, Chuo-ku, Chiba 260-0013, Japan
Facility construction and administration

Clean Tech Nabari Co., Ltd.

1476-1 Aogami, Shimohinachi, Nabari, Mie 518-0400, Japan
Waste management and recycling

Hizen Kankyo Co., Ltd.

513 Ko, Imaricho, Imari, Saga 848-0047, Japan
Waste management and recycling

Miyakojima Eco Service Co., Ltd.

908-3 Onobaru, Sawada, Irabu, Miyakojima, Okinawa 906-0507, Japan
Waste management and recycling

Kyoto Eco Service Co., Ltd.

34 Higashikujo Minamimatsudacho, Minami-ku, Kyoto 601-8035, Japan
Waste management and recycling

Negibozo Agricultural Producers' Cooperative Corporation

11654 Kakinogigawa, Yono, Iga, Mie 518-1152, Japan
Agribusiness

Makinotsato Agricultural Producers' Cooperative Corporation

132-8 Tani, Kitsushoji, Kuchiyokawacho, Miki, Hyogo 673-0752, Japan
Agribusiness

Non-consolidated subsidiaries

Fukuchiyama Golf Co., Ltd.

194 Hatakenaka, Fukuchiyama, Kyoto 620-0967, Japan
Regional sports promotion

Satoyama Agricultural Producers' Cooperative Corporation

4713 Hachiya, Yono, Iga, Mie 518-1152, Japan
Agribusiness

Affiliated companies

Affiliated companies accounted for by the equity method

- Major Venous Japan Co., Ltd.**
4-2-21 Shinkiba, Koto-ku, Tokyo 136-0082, Japan
Waste management and recycling
- Re-enermie Co., Ltd.**
3693-15 Kitafukuzawa, Hattatama, Mie 518-1155, Japan
Electricity generation
- Symfives Co., Ltd.**
2874 Toshimamachi, Higashi-ku, Kumamoto, Kumamoto 861-8031, Japan
Waste management and recycling
- KOBE-Bio-Sewage Co., Ltd.**
1-4-78 Wakinoamacho, Chuo-ku, Kobe, Hyogo 651-0072, Japan
Waste management and recycling
- Asahikouseki Co., Ltd.**
13-4 Biwanokubo, Iitanicho, Tokushima, Tokushima 771-4265, Japan
Waste management and recycling
- Kitaguchi Corporation**
1-8-7 Shinke, Neyagawa, Osaka 572-0812, Japan
Waste management and recycling

Affiliated companies not accounted for by the equity method

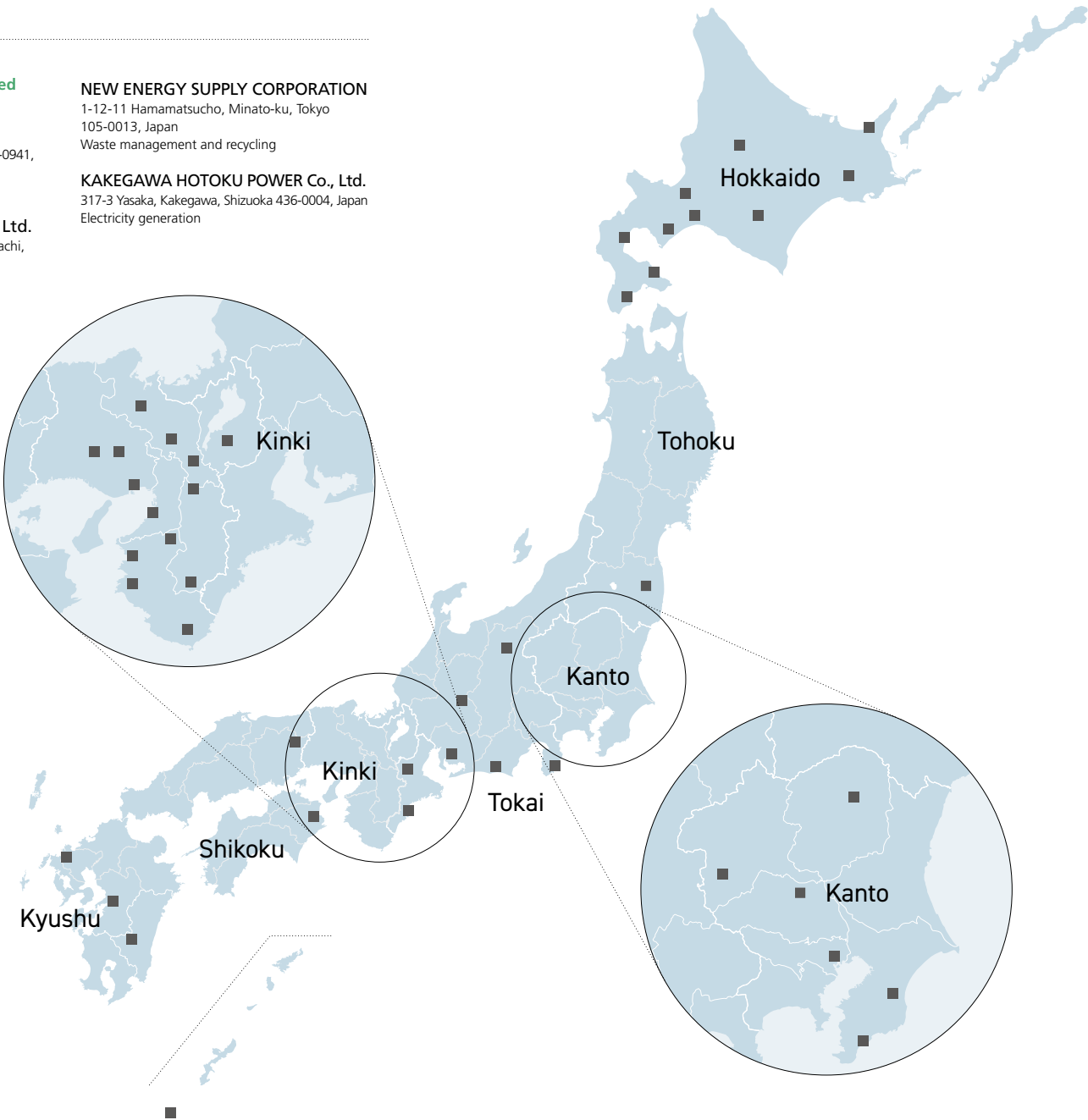
- KOUKI CORP.**
6-23 Hamawakicho, Nishinomiya, Hyogo 662-0941, Japan
Facility construction and administration
- Eco Clean Yamatokoriyama Co. Ltd.**
#202, Urbanheim Koriyama, 23-1 Konyamachi, Yamatokoriyama, Nara 639-1148, Japan
Facility construction and administration
- Green Arrows Holdings, Inc.**
A-10F, 2-4-1 Shibakoen, Minato-ku, Tokyo 105-0011, Japan
Waste management and recycling

- NEW ENERGY SUPPLY CORPORATION**
1-12-11 Hamamatsucho, Minato-ku, Tokyo 105-0013, Japan
Waste management and recycling
- KAKEGAWA HOTOKU POWER Co., Ltd.**
317-3 Yasaka, Kakegawa, Shizuoka 436-0004, Japan
Electricity generation

Daiei Kankyo Group business locations

Owned by Daiei Kankyo and consolidated subsidiaries	■ Recycling facilities	32
	■ Other business locations	34
	■ Sales offices	13
	■ Forests	29
Owned by affiliated companies accounted for by the equity method	■ Recycling facilities	3
	■ Other business locations	3
Owned by affiliated companies not accounted for by the equity method	■ Other business locations	5

(As of July 2025)



We possess facilities in compliance with various recycling-related laws and meet the diverse needs of our customers. Approximately 70% of our total treatment capacity is authorized for general waste management.

Total treatment capacity for sorting, crushing, and recycling facilities

58,574 t/day

* RC: Recycle Center

Business location	Processing capacity
Izumi RC	1,793 t/day
Kokawa RC	234 t/day
Nishinomiya RC	1,084 t/day
Miki RC	14,121 t/day
Rokko RC	1,916 t/day
Gobo RC	336 t/day
Wakayama RC	7,026 t/day
Iga RC	1,562 t/day
Mie Chuo Kaihatsu Mie RC	4,180 t/day
Mie Chuo Kaihatsu Kyoto RC	1,959 t/day
Settsu Seiun Co., Ltd.	1,447 t/day
DINS Kansai GE RC	321 t/day
DINS Kansai Bioethanol RC	1,058 t/day
DINS Kansai RAC RC	3,364 t/day
DINS Kansai R&E RC	102 t/day
Daiei Amet Co., Ltd.	1,369 t/day
Sanki Kaihatsu Co., Ltd.	146 t/day
Major Venous Japan Co., Ltd.	2,416 t/day
Kobe Port Recycle Co., Ltd.	2,198 t/day
Green Arrows Kansai Co., Ltd.	566 t/day
Kyodoh Doboku Tokyo Intermediate Treatment Site	3,256 t/day
Kyodoh Doboku Chiba Intermediate Treatment Site	1,925 t/day
Kyodoh Doboku Saitama Intermediate Treatment Site	796 t/day
Safety Island Co., Ltd.	5,202 t/day
Kyoto Eco Service Co., Ltd.	191 t/day
Clean Tech Nabari Co., Ltd.	0.4 t/day

Total treatment capacity for incineration and other heat treatment facilities

2,412 t/day

Note: The table only shows the main facilities.

Business location	Processing capacity	Power generation capacity
Izumi RC (drying)	60 t/day	
Nishinomiya RC (incineration)	50 t/day	
Miki RC (incineration)	150 t/day	800 kW
Miki RC Biomass Factory (incineration)	440 t/day	11,700 kW
Mie RC (incineration)	130 t/day	800 kW
Mie RC (roasting)	200 t/day	
Mie RC (melting)	4 t/day	
Mie RC Energy Plaza (incineration)	636 t/day	4,050 kW
Mie RC Energy Plaza (roasting)	407 t/day (including carbonization)	
DINS Kansai GE RC (incineration)	248 t/day (including drying)	850 kW
DINS Kansai Bioethanol RC (incineration)	86 t/day	1,950 kW

Total treatment capacity for final disposal sites

32,965,000 m³

Business location	Treatment capacity for establishment
Izumi RC (controlled final disposal site)	3,381,011 m ³
Miki RC (controlled final disposal site)	11,066,371 m ³
Mie RC (controlled final disposal site)	12,807,077 m ³
Kyoto RC (controlled final disposal site)	1,285,268 m ³
Gobo RC (controlled final disposal site)	2,798,327 m ³
Daiei Amet Co., Ltd. (stable final disposal site)	86,000 m ³
Tohoku Eco Clean Co., Ltd. (controlled final disposal site)	249,995 m ³
DINS Hokkaido Co., Ltd. (controlled final disposal site)	186,689 m ³
Hizen Kankyo Co., Ltd.	1,104,632 m ³

Soil remediation treatment

Pyrolysis and melting

487 t/day

Business location	Processing capacity
Mie RC	377 t/day
Geo-Re Japan Inc.	110 t/day

Washing

852 t/day

Business location	Processing capacity
Geo-Re Japan Inc.	552 t/day
Safety Island Co., Ltd.	300 t/day

Dry magnetic sorting

2,520 t/day

Business location	Processing capacity
Geo-Re Japan Inc.	2,520 t/day

Sorting, insolubilization, and chemical desorption

8,200 t/day

Business location	Processing capacity
Mie RC	400 t/day
Geo-Re Japan Inc.	5,720 t/day
Safety Island Co., Ltd.	2,080 t/day

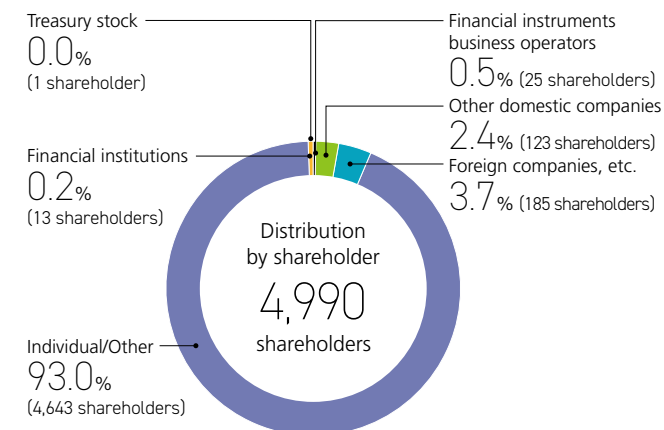
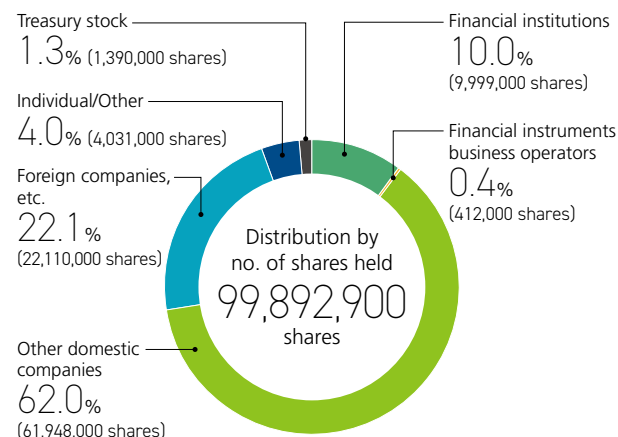
(As of August 2025)

Issued shares	99,892,900
Shareholders	4,990
Stock trading unit	100
Market listing	Tokyo Stock Exchange Prime Market
Securities code	9336
Fiscal year	From April 1 of each year to March 31 of the subsequent year
Annual General Meeting of Shareholders	Within three months of the fiscal year-end
Record date for shareholders' rights exercise	March 31 of each year
Record date for surplus dividend payout	September 30 of each year March 31 of each year
Shareholder registry administrator	Sumitomo Mitsui Trust Bank, Limited
Accounting auditor	GYOSEI & Co.

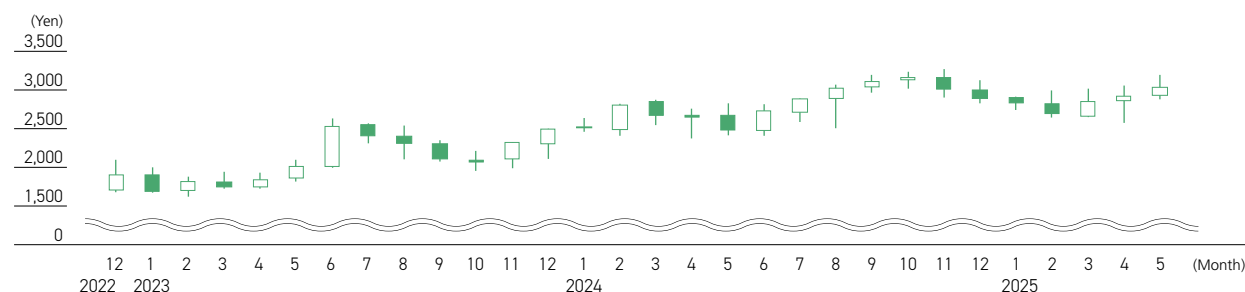
Major shareholders (Top 10)

Name of shareholder	No. of shares held (thousand)	% of total
Wing Towa K.K.	61,399	62.33
The Master Trust Bank of Japan, Ltd. (trust account)	6,758	6.86
Custody Bank of Japan, Ltd. (trust account)	2,527	2.57
STATE STREET BANK AND TRUST COMPANY 505001	1,853	1.88
RBC IST 15 PCT NON LENDING ACCOUNT - CLIENT ACCOUNT	1,626	1.65
Daiei Kankyo employee stock ownership plan	1,539	1.56
CEPLUX - THE INDEPENDENT UCITS PLATFORM 2	1,400	1.42
STATE STREET BANK AND TRUST COMPANY 505103	1,239	1.26
BNYM AS AGT / CLTS NON TREATY JASDEC	841	0.85
STATE STREET BANK AND TRUST COMPANY 505223	798	0.81

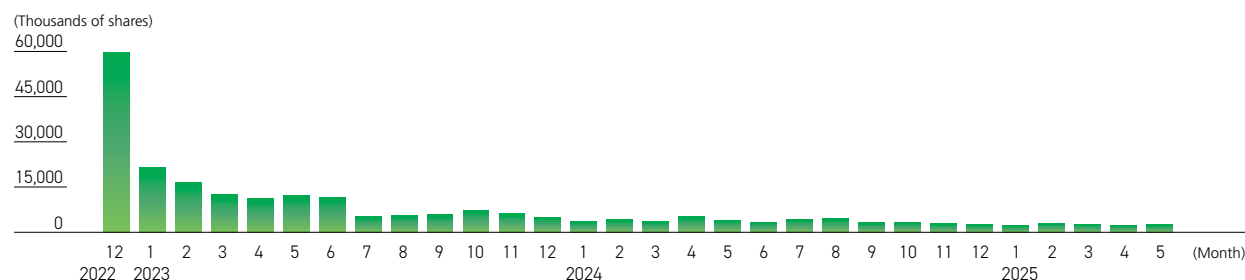
Share distribution



Trend in share price



Trend in trading volume





Power to Turn into Resources, Return to Nature
DAIEI KANKYO

Contact:

Daiei Kankyo Co., Ltd.
Corporate Strategy Planning Division
Investor Relations / Sustainability Promotion Department

Kobe Fashion Plaza, 2-9-1 Koyochonaka,
Higashinada-ku, Kobe, Hyogo 658-0032, Japan

Tel: +81-78-857-6600 (Main)



Website
<https://www.dinsgr.co.jp/english/>



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(in Japanese only)