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*Power to Turn into Resources, Return to Nature*

**DAIEI KANKYO**

[Securities Code : 9336]

# FY2025/ 3 3rd Quarter Financial Results

February 10, 2025



# Executive Summary FY2025/3

Results	FY2025/3 3Q Results	<ul style="list-style-type: none"> <li>• <b>Net sales</b> 58,913 million yen (+ 7.8% year on year )</li> <li>• <b>Operating profit</b> 15,676 million yen (+ 3.6% year on year )</li> </ul>
	FY2025/3 Revised Forecasts	<ul style="list-style-type: none"> <li>• <b>Net sales</b> 79,700 million yen (+ 1,200 million yen against initial forecasts )</li> <li>• <b>Operating profit</b> 21,000 million yen (+ 500 million yen against initial forecasts )</li> </ul>
	Progress Rate For FY2025/3 Revised Forecasts	<ul style="list-style-type: none"> <li>• <b>Net sales</b> <b>Progress rate</b> 73.9%</li> <li>• <b>Operating profit</b> <b>Progress rate</b> 74.6%</li> </ul>
Progress of Important Policies	FY2025/3 Results	<ul style="list-style-type: none"> <li>• <b>Integrated report</b> <ul style="list-style-type: none"> <li>✓ Japanese version was released in Aug. and English version was released in Oct. 2024</li> </ul> </li> <li>• <b>Disposition of surplus</b> <ul style="list-style-type: none"> <li>✓ Paid interim dividends in Dec. 2024</li> <li>✓ Revised the forecast for year-end dividends in Feb. 2025</li> </ul> </li> <li>• <b>M&amp;A</b> <ul style="list-style-type: none"> <li>✓ Kaisei Co., Ltd. became a consolidated subsidiary in Jan. 2025 (total number of M&amp;A reached in FY2025/3: 4)</li> </ul> </li> <li>• <b>Expansion of final disposal sites</b> <ul style="list-style-type: none"> <li>✓ Started service in the 2nd phase area of the 8th stage disposal site at Mie RC in Jan. 2025</li> </ul> </li> <li>• <b>Introduction of shareholder incentive program</b></li> <li>• Finalized decision to introduce a shareholder incentive program in Jan. 2025</li> <li>• <b>CDP (Carbon Disclosure Project)</b> <ul style="list-style-type: none"> <li>✓ Disclosed CDP scoring (score B) in Feb.2025</li> </ul> </li> </ul>

\*1 : PPP stands for "Public Private Partnership"

# Agenda

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# 1. FY2025/3 3Q Results

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# FY2025/3 3Q Results

## Consolidated Statements of Income

(million yen)	FY2024/3 3Q YTD	FY2025/3 3Q YTD	Year on Year
Net sales	54,671	<b>58,913</b>	<b>+7.8%</b>
Operating profit	15,125	<b>15,676</b>	<b>+3.6%</b>
Operating profit margin	27.7%	<b>26.6%</b>	<b>▲1.1pt</b>
EBITDA*1	19,569	<b>20,240</b>	<b>+3.4%</b>
EBITDA margin	35.8%	<b>34.4%</b>	<b>▲1.4pt</b>
Ordinary profit	15,897	<b>15,723</b>	<b>▲1.1%</b>
Profit attributable to owners of parent	10,315	<b>10,556</b>	<b>+2.3%</b>
Profit margin attributable to owners of parent	18.9%	<b>17.9%</b>	<b>▲1.0pt</b>

\*1: EBITDA = Operating profit + Depreciation (excluding non-operating expenses) + Amortization of Goodwill. EBITDA margin = EBITDA/Net Sales

# FY2025/3 3Q Results

## Consolidated Statements of Income (Quarterly)

(million yen)	FY2025/3 1Q	FY2025/3 2Q	FY2025/3 3Q	FY2025/3 4Q	FY2025/3 3Q YTD
Net sales	19,353	18,805	<b>20,755</b>		<b>58,913</b>
Operating profit	5,096	5,064	<b>5,515</b>		<b>15,676</b>
Operating profit margin	26.3%	26.9%	<b>26.6%</b>		<b>26.6%</b>
EBITDA	6,724	6,330	<b>7,185</b>		<b>20,240</b>
EBITDA margin	34.7%	33.7%	<b>34.6%</b>		<b>34.4%</b>
Ordinary profit	5,369	4,803	<b>5,550</b>		<b>15,723</b>
Profit attributable to owners of parent	3,497	3,136	<b>3,923</b>		<b>10,556</b>
Profit margin attributable to owners of parent	18.1%	16.7%	<b>18.9%</b>		<b>17.9%</b>

# FY2025/3 3Q Results

## By Segment

(million yen)	FY2024/3 3Q YTD	FY2025/3 3Q YTD	Year on Year
<b>Waste-related Business</b>			
Net sales	53,247	<b>56,891</b>	<b>+6.8%</b>
Segment profit	15,280	<b>15,943</b>	<b>+4.3%</b>
Segment profit margin	28.7%	<b>28.0%</b>	<b>▲0.7pt</b>
<b>Other Businesses</b>			
Net sales	1,423	<b>2,022</b>	<b>+42.1%</b>
Segment loss	▲38	<b>▲176</b>	<b>—</b>
Segment loss margin	▲2.7%	<b>▲8.8%</b>	<b>▲6.1pt</b>

# FY2025/3 3Q Results

## By Segment (Quarterly)

(million yen)	FY2025/3 1Q	FY2025/3 2Q	FY2025/3 3Q	FY2025/3 4Q	FY2025/3 3Q YTD
<b>Waste-related Business</b>					
Net sales	18,691	18,144	<b>20,055</b>		<b>56,891</b>
Segment profit	5,168	5,172	<b>5,603</b>		<b>15,943</b>
Segment profit margin	27.6%	28.5%	<b>27.9%</b>		<b>28.0%</b>
<b>Other Businesses</b>					
Net sales	661	660	<b>700</b>		<b>2,022</b>
Segment loss	▲43	▲76	<b>▲57</b>		<b>▲176</b>
Segment loss margin	▲6.5%	▲11.6%	<b>▲8.2%</b>		<b>▲8.8%</b>

# FY2025/3 3Q Results

## Net Sales by Business Domain

(million yen)	FY2024/3 3Q YTD	FY2025/3 3Q YTD	Year on Year
<b>Waste-related Business</b>	<b>53,247</b>	<b>56,891</b>	<b>+6.8%</b>
Waste management and recycling	47,461	<b>49,713</b>	<b>+4.7%</b>
Soil remediation	3,753	<b>3,112</b>	<b>▲17.1%</b>
Other (Waste-related Business)	2,033	<b>4,065</b>	<b>+99.9%</b>
<b>Other Businesses</b>	<b>1,423</b>	<b>2,022</b>	<b>+42.1%</b>
Valuable Resource Recycling Business	1,423	<b>1,862</b>	<b>+30.8%</b>
Sports Promotion Business* <sup>1</sup>	—	<b>159</b>	—

\*1: The Sports Promotion Business began in Mar. 2024, so its results for the previous year and year-on-year comparisons are not shown.

# FY2025/3 3Q Results

## Net Sales by Business Domain (Quarterly)

(million yen)	FY2025/3 1Q	FY2025/3 2Q	FY2025/3 3Q	FY2025/3 4Q	FY2025/3 3Q YTD
<b>Waste-related Business</b>	<b>18,691</b>	<b>18,144</b>	<b>20,055</b>		<b>56,891</b>
Waste management and recycling	16,559	16,110	<b>17,043</b>		<b>49,713</b>
Soil remediation	791	893	<b>1,427</b>		<b>3,112</b>
Other (Waste-related Business)	1,339	1,140	<b>1,584</b>		<b>4,065</b>
<b>Other Businesses</b>	<b>661</b>	<b>660</b>	<b>700</b>		<b>2,022</b>
Valuable Resource Recycling Business	625	613	<b>623</b>		<b>1,862</b>
Sports Promotion Business	36	47	<b>76</b>		<b>159</b>

# FY2025/3 3Q Results

## Volume of Waste and Contaminated Soil Received

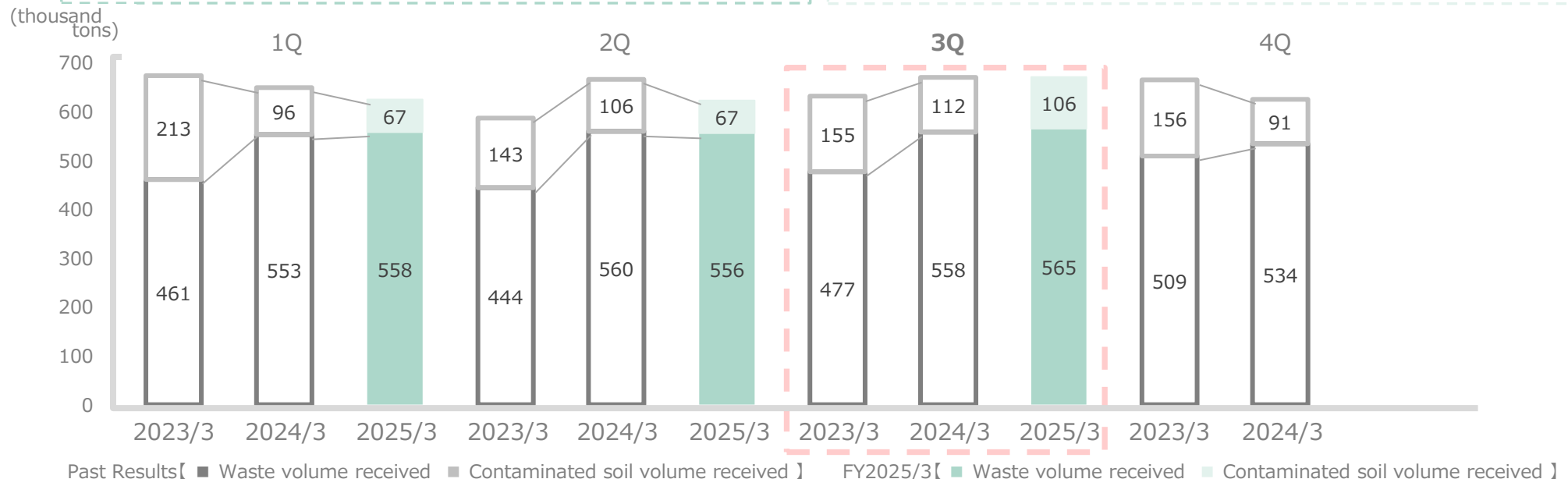
(thousand tons)	FY2024/3 3Q YTD	FY2025/3 3Q YTD	Year on Year
Waste volume received	1,672	1,679	+0.4%
Contaminated soil volume received	315	241	▲23.3%

### Waste volume received

- The volume of waste received remained flat due to continued orders for infrastructure development projects mainly in the Kansai area

### Contaminated soil volume received

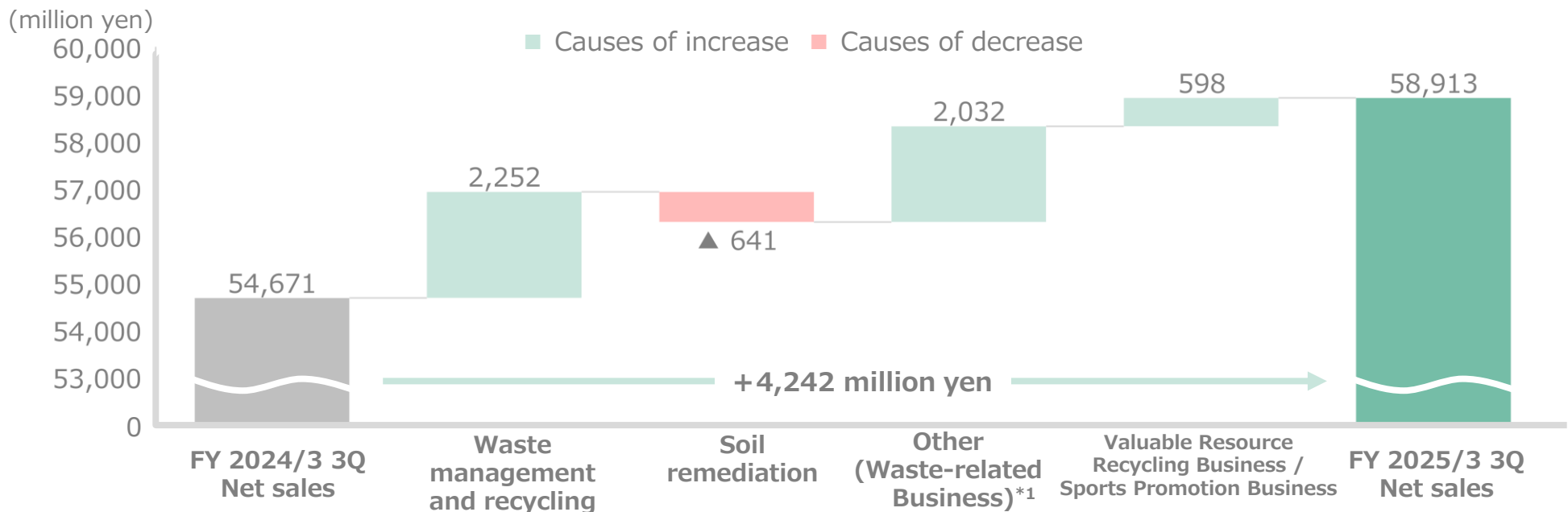
- Decreased due to the completion of infrastructure development projects, etc.
- Continued to control the volume of contaminated soil received at final disposal sites



# FY2025/3 3Q Results

## Consolidated Net Sales Change Factors

- ✓ Waste management and recycling : Increased due to continued orders for infrastructure development projects, etc.
- ✓ Soil remediation : Unit prices remained steady despite a decrease in sales due to lower volume received
- ✓ Other (Waste-related Business) : Increased due to steady orders for construction projects for municipal facilities received by Daiei Kankyo and demolition work by Eiwa Recycle Co., Ltd.
- ✓ Valuable Resource Recycling Business : Increased due to high volume of aluminum pellets sold along with continued high unit sales prices as a result of the soaring prices in the aluminum market

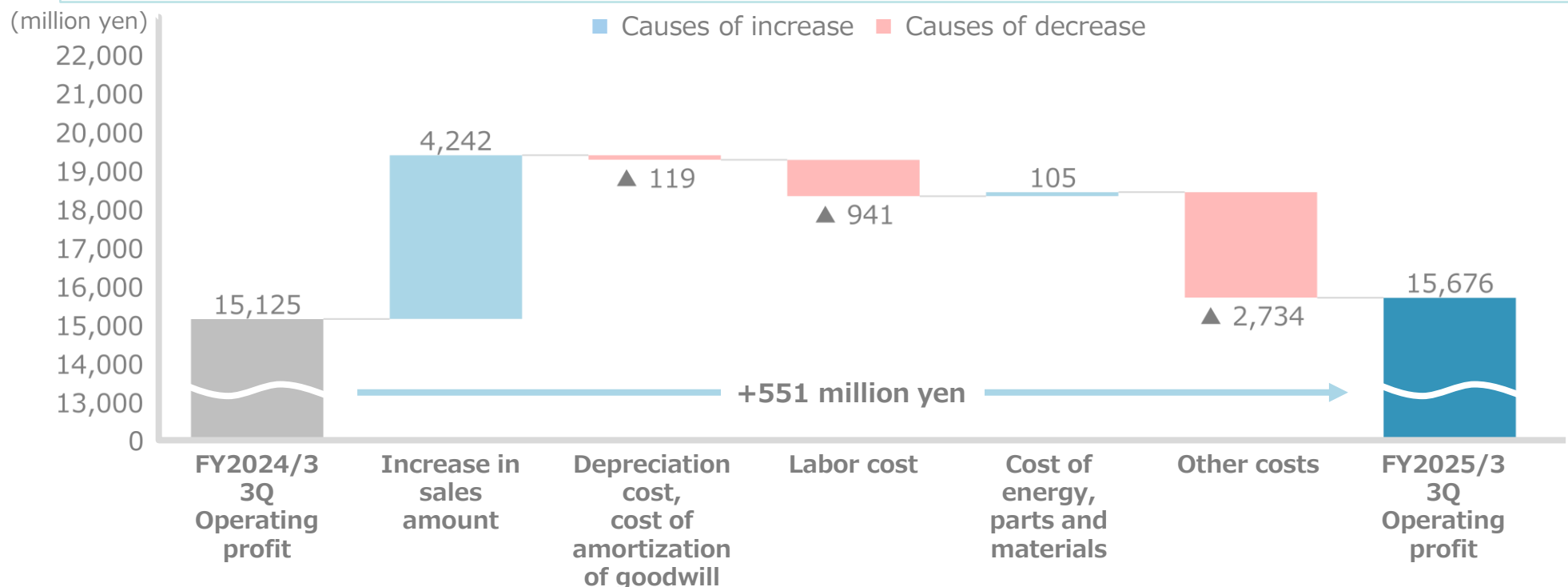


\*1: The figure for "Other" includes those for the business domains other than "waste management and recycling" and "soil remediation" under waste-related business

# FY2025/3 3Q Results

## Consolidated Operating Profit Change Factors

- ✓ The extent of increase in depreciation cost was smaller than the previous fiscal year due to the offset caused by the re-estimation of asset retirement obligations for final disposal sites
- ✓ The extent of decrease in cost of energy, parts and materials was smaller than the previous fiscal year due to an increase in cost of parts and materials
- ✓ Other costs increased mainly due to an increase in outsourcing costs associated with orders for the construction projects for municipal facilities received by Daiei Kankyo and demolition work by Eiwa Recycle Co., Ltd., and high purchase unit prices of raw materials to produce aluminum pellets in the Valuable Resource Recycling Business as a result of the soaring prices in the aluminum market



# FY2025/3 3Q Results

## Consolidated Balance Sheet

End of FY2024/3			End of FY2025/3 3Q		
<b>Total 172,796</b>			<b>Total 180,933 (million yen)</b>		
Cash and deposits 49,022	<b>Current assets 66,582</b>	<b>Total liabilities 84,787</b>	Cash and deposits 53,624	<b>Current assets 69,729</b>	<b>Total liabilities 90,238</b>
Trade notes and accounts receivable 10,902			Trade notes and accounts receivable 12,089		
Other 6,657			Other 4,015		
Property, plant and equipment 85,271			Property, plant and equipment 88,859		
Goodwill 680	<b>Non- current assets 105,958</b>	<b>Net assets 88,008</b>	Goodwill 1,776	<b>Non- current assets 111,063</b>	<b>Net assets 90,695</b>
Other 20,007			Other 20,427		
<b>Deferred assets 255</b>			<b>Deferred assets 140</b>		
Interest- bearing liabilities 61,200			Interest- bearing liabilities 69,962		
Other liabilities 23,587			Other liabilities 20,276		

### Cash and deposits

- ✓ Increased due to the new borrowing of interest-bearing liabilities with fixed long-term interest rates in preparation for rising interest rates, etc. (+4,602)

### Property, plant and equipment

- ✓ Land increased due to the acquisition of Urayasu Seiun, Inc. as a consolidated subsidiary, etc. (+1,177)
- ✓ Construction in progress (CIP) increased due to the construction progress of a final disposal site for Mie Chuo Kaihatsu Co., Ltd. and a new plastic recycling facility for DINS Kansai Co., Ltd. (+3,733)

### Goodwill

- ✓ Increased due to the acquisition of Eiwa Recycle Co., Ltd., etc. as consolidated subsidiaries (+1,096)

## 2. FY2025/3 Revised Forecasts

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# FY2025/3 Revised Forecasts

## Consolidated Statements of Income

✓ Revised net sales and profits upward on the basis of third quarter results and current performance

(million yen)	FY2025/3 Initial Forecasts	FY2025/3 3Q YTD Results	FY2025/3 Revised Forecasts	Change From Initial Forecasts
Net sales	78,500	58,913	<b>79,700</b>	<b>+ 1,200</b>
Operating profit	20,500	15,676	<b>21,000</b>	<b>+ 500</b>
Operating profit margin	26.2%	26.6%	<b>26.3%</b>	<b>+ 0.1pt</b>
EBITDA	27,100	20,240	<b>27,500</b>	<b>+ 400</b>
EBITDA margin	34.6%	34.4%	<b>34.5%</b>	<b>▲ 0.1pt</b>
Ordinary profit	20,700	15,723	<b>21,100</b>	<b>+ 400</b>
Profit attributable to owners of parent	13,700	10,556	<b>14,300</b>	<b>+ 600</b>
Profit margin attributable to owners of parent	17.5%	17.9%	<b>18.0%</b>	<b>+ 0.5pt</b>

# FY2025/3 Revised Forecasts

## By Segment

(million yen)	FY2025/3 Initial Forecasts	FY20245/3 3Q YTD Results	FY2025/3 Revised Forecasts	Change From Initial Forecasts
<b>Waste-related Business</b>				
Net sales	75,900	56,891	<b>77,100</b>	<b>+1,200</b>
Segment profit	20,800	15,943	<b>21,300</b>	<b>+500</b>
Segment profit margin	27.4%	28.0%	<b>27.7%</b>	<b>+0.3pt</b>
<b>Other Businesses</b>				
Net sales	2,500	2,022	<b>2,600</b>	<b>+ 100</b>
Segment loss	▲100	▲176	<b>▲100</b>	<b>▲0</b>
Segment loss margin	▲3.9%	▲8.8%	<b>▲7.5%</b>	<b>▲3.6pt</b>

# FY2025/3 Revised Forecasts

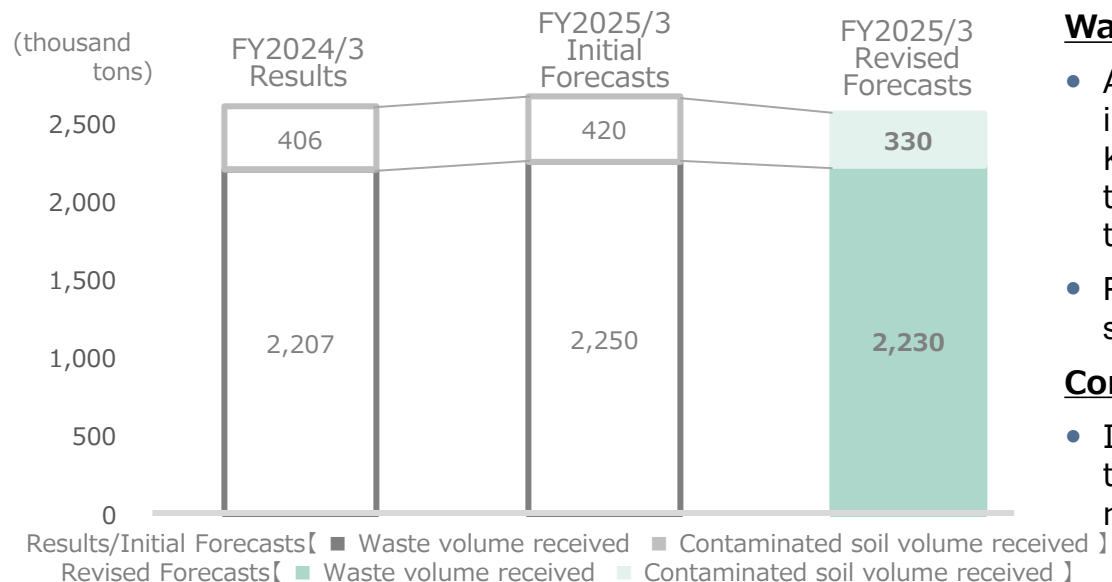
## Net Sales by Business Domain

(million yen)	FY2025/3 Initial Forecasts	FY2025/3 3Q YTD Results	FY2025/3 Revised Forecasts	Change From Initial Forecasts
<b>Waste-related Business</b>	<b>75,900</b>	<b>56,891</b>	<b>77,100</b>	
Waste management and recycling	66,600	49,713	<b>66,100</b>	<b>▲500</b>
Soil remediation	4,600	3,112	<b>5,000</b>	<b>+400</b>
Other (Waste-related Business)	4,600	4,065	<b>5,900</b>	<b>+1,300</b>
<b>Other Businesses</b>	<b>2,500</b>	<b>2,022</b>	<b>2,600</b>	
Valuable Resource Recycling Business	2,100	1,862	<b>2,400</b>	<b>+300</b>
Sports Promotion Business	300	159	<b>200</b>	<b>▲100</b>

# FY2025/3 Revised Forecasts

## Volume of Waste and Contaminated Soil Received

(thousand tons)	FY2025/3 Initial Forecasts	FY2025/3 3Q YTD Results	FY2025/3 Revised Forecasts	Change From Initial Forecasts
Waste volume received	2,250	1,679	<b>2,230</b>	<b>▲20</b>
Contaminated soil volume received	420	241	<b>330</b>	<b>▲90</b>



### Waste volume received

- As a result of extended construction periods for infrastructure development projects mainly in the Kansai and Chubu areas, the waste volume expected to be generated for FY2025/3 has decreased, leading to a reduction in waste volume received
- Promote acceptance of high unit-price waste to increase its share of total waste and improve profitability

### Contaminated soil volume received

- Increase in the volume of soil received related to heat treatment while controlling the total volume of soil received at final disposal sites

# FY2025/3 Revised Forecasts

## Capital Expenditures, Depreciation, and Amortization of goodwill

(million yen)	FY2025/3 Initial Forecasts	FY2024/3 3Q YTD Results	FY2025/3 Revised Forecasts	Change From Initial Forecasts
Capital expenditures	12,423	6,592	<b>12,450</b>	<b>+27</b>
Depreciation	6,214	4,230	<b>6,040</b>	<b>▲173</b>
Amortization of goodwill	385	333	<b>490</b>	<b>+105</b>

### Depreciation

- Change in accounting method in which a portion of depreciation under selling, general and administrative expenses is recorded as non-operating expenses

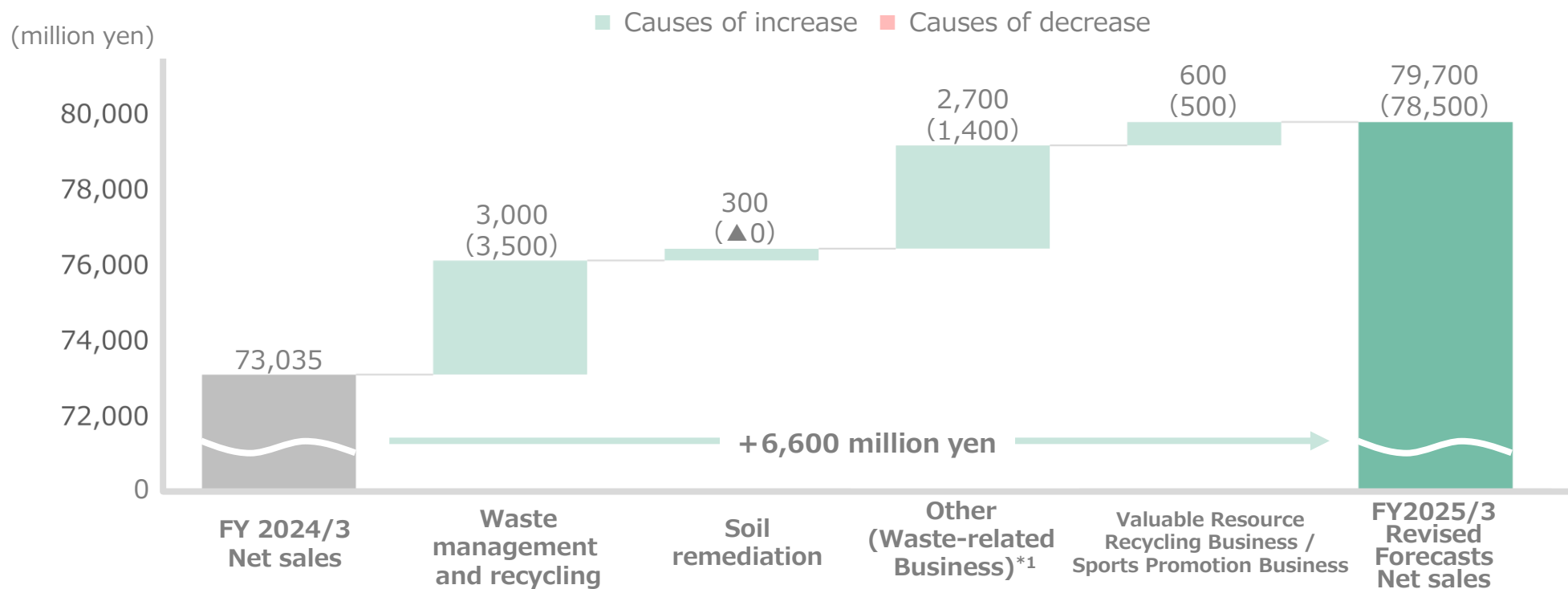
### Amortization of goodwill

- Increased due to M&A of Urayasu Seiun, Inc., Aia, Inc., and Kaisei Co., Ltd.

# FY2025/3 Revised Forecasts

## Consolidated Net sales Change Factors

- ✓ Waste management and recycling : Sales are expected to decrease from the initial forecasts due to the lower volume of waste generated for FY2025/3 as a result of extended construction periods for infrastructure development projects mainly in the Kansai and Chubu areas, leading to a reduction in waste volume received
- ✓ Soil remediation : Sales are expected to increase due to the higher volume received of heat-treatment-related soil with higher unit prices despite the lower total volume received
- ✓ Other (Waste-related Business) : Sales are expected to increase due to increased orders for construction projects for municipal facilities received by Daiei Kankyo and demolition work by Eiwa Recycle Co., Ltd.

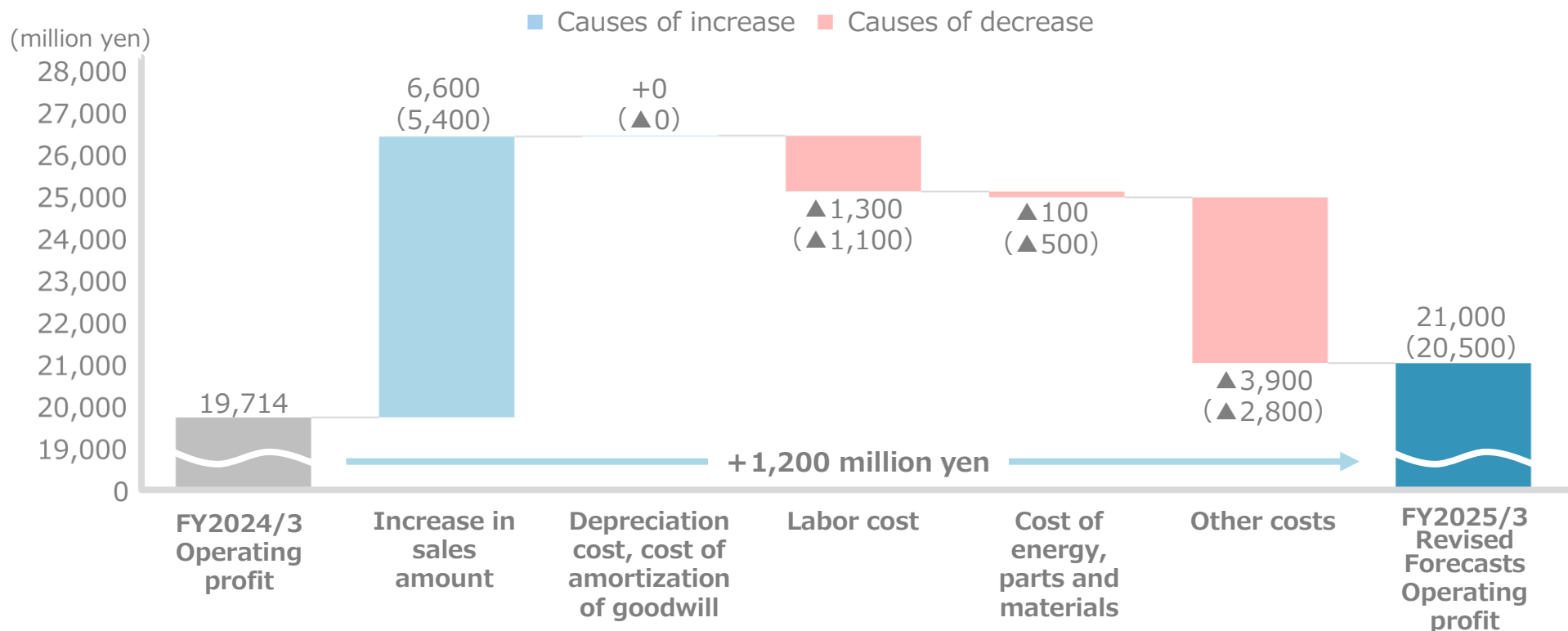


\*1: The figure for "Other" includes those for the business fields other than the waste management and recycling, and soil remediation in the waste-related businesses  
 Note: Figures in parentheses in the graphs indicate the initial forecasts

# FY2025/3 Revised Forecasts

## Consolidated Operating Profit Change Factors

- ✓ Labor cost was higher than initially planned due to an increase in the number of personnel as a result of M&A, etc.
- ✓ For cost of energy, parts and materials, the increase was limited due to cost reduction by insourcing of repairs
- ✓ Despite efforts to reduce costs through insourcing, other costs were higher than initially planned due to an increase in outsourcing costs associated with orders for the construction projects for municipal facilities received by Daiei Kankyo and the demolition work by Eiwa Recycle Co., Ltd., and high purchase unit prices of raw materials to produce aluminum pellets in the Valuable Resource Recycling Business as a result of the soaring prices in the aluminum market



Note: Figures in parentheses in the graphs indicate the initial forecasts

# 3. Progress Rate for FY2025/3 Revised Forecasts

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# Progress Rate for FY2025/3 Revised Forecasts

## Consolidated Statements of Income

(million yen)	FY2025/3 Revised Forecasts	FY2025/3 3Q YTD Results	Progress Rate for FY2025/3 Revised Forecasts
Net sales	79,700	58,913	73.9%
Operating profit	21,000	15,676	74.6%
Operating profit margin	26.3%	26.6%	—
EBITDA	27,500	20,240	73.5%
EBITDA margin	34.5%	34.4%	—
Ordinary profit	21,100	15,723	74.5%
Profit attributable to owners of parent	14,300	10,556	73.7%
Profit margin attributable to owners of parent	18.0%	17.9%	—

# Progress Rate for FY2025/3 Revised Forecasts

## By Segment

(million yen)	FY2025/3 Revised Forecasts	FY2025/3 3Q YTD Results	Progress Rate for FY2025/3 Revised Forecasts
<b>Waste-related Business</b>			
Net sales	77,100	56,891	73.8%
Segment profit	21,300	15,943	74.8%
Segment profit margin	27.7%	28.0%	—
<b>Other Businesses</b>			
Net sales	2,600	2,022	77.1%
Segment loss	▲100	▲176	—
Segment loss margin	▲7.5%	▲8.8%	—

# Progress Rate for FY2025/3 Revised Forecasts

## Net Sales by Business Domain

(million yen)	FY2025/3 Revised Forecasts	FY2025/3 3Q YTD Results	Progress Rate for FY2025/3 Revised Forecasts
<b>Waste-related Business</b>	<b>77,100</b>	<b>56,891</b>	<b>73.8%</b>
Waste management and recycling	66,100	49,713	75.2%
Soil remediation	5,000	3,112	62.1%
Other (Waste-related Business)	5,900	4,065	68.2%
<b>Other Businesses</b>	<b>2,600</b>	<b>2,022</b>	<b>77.1%</b>
Valuable Resource Recycling Business	2,400	1,862	77.5%
Sports Promotion Business	200	159	72.7%

# Progress Rate for FY2025/3 Revised Forecasts

## Volume of Waste and Contaminated Soil Received

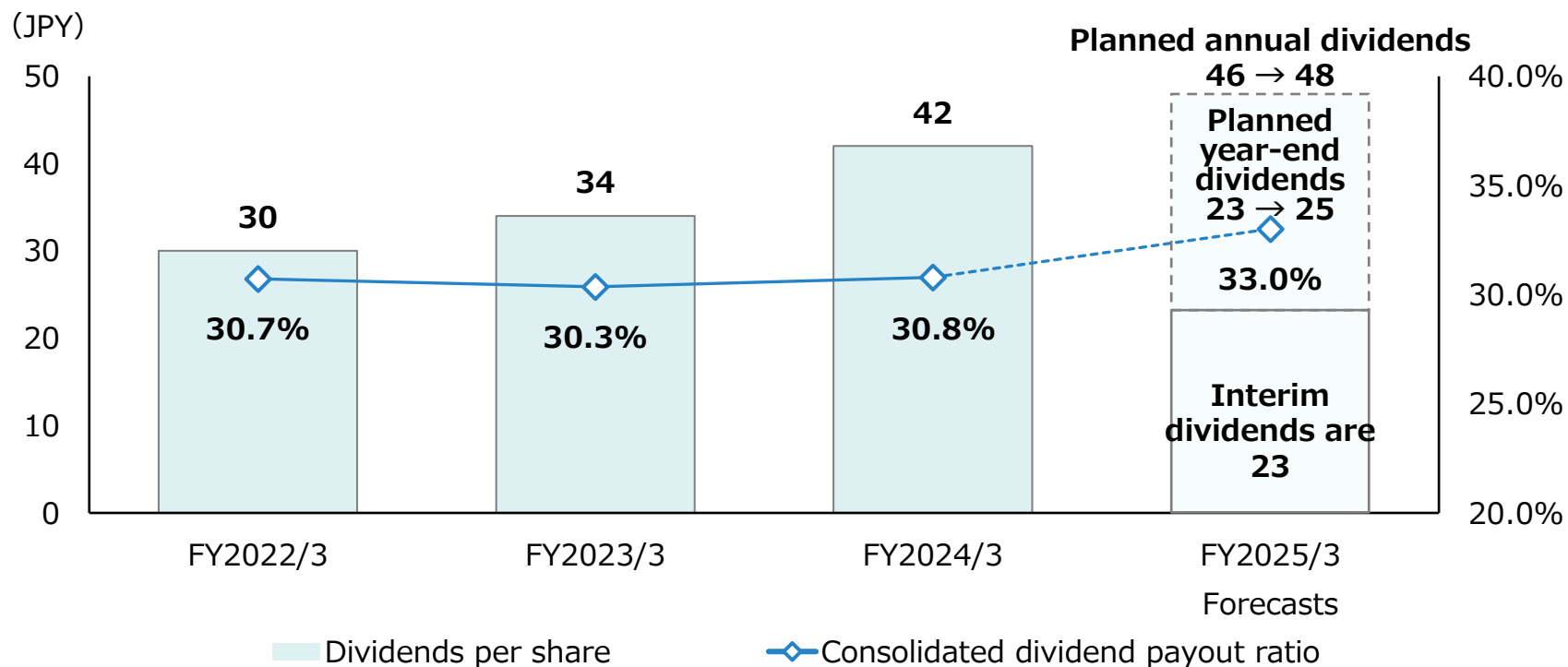
(thousand tons)	FY2025/3 Revised Forecasts	FY2025/3 3Q YTD Results	Progress Rate for FY2025/3 Revised Forecasts
Waste volume received	2,230	1,679	75.2%
Contaminated soil volume received	330	241	72.2%

# 4. Shareholder Returns

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# Shareholder Returns

- **Target consolidated dividend payout ratio**  
During the period of the mid-term management plan (FY2023/3 to FY2025/3)  
: **30% or higher**
- Aiming to achieve sustainable and stable shareholder returns while continuing capital investment for growth
- Decided to introduce interim dividends from the fiscal year ending Mar. 31, 2025
- Decided to introduce a shareholder incentive program from the fiscal year ending Mar. 31, 2025



# 5. About Daiei Kankyo Group

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# Company Profile

Name	Daiei Kankyo Co., Ltd.	FY 2024/3 Results (Consolidated)	
Founded	1979	Net Sales	JPY 73.0 bn
Representative	Fumio Kaneko, President and Representative Director	Operating Profit	JPY 19.7 bn (Margin : 27.0%)
Employees*1	2,607 ppl. (consolidated; as of Mar. 31, 2024)	EBITDA*3	JPY 26.2 bn ( Margin : 36.0%)
Location	Kobe Fashion Plaza, 2-9-1 Koyo-cho-naka, Higashinada-ku, Kobe, Hyogo*2	Profit Attributable to Owners of Parent	JPY 13.5 bn ( Margin : 18.6%)

## Waste-related Business \*3

- Segment sales : JPY 71.0 bn (97% of net sales)
- Segment profit : 20.1 bn

### Waste management and recycling

View waste as a resource and provide a full range of waste management and recycling services from collection and transportation to intermediate treatment, recycling, as well as final disposal

**86.4%** of net sales

### Soil remediation

Propose solutions ranging from inspections and consulting to remediation based on the Soil Contamination Countermeasures Law

**6.4%** of net sales

## Other Businesses \*3

- Segment sales : 2.0 bn ( 3 % of net sales )
- Segment profit : ▲0.2 bn

### Valuable Resource Recycling Business

#### Aluminum pellets

Manufacture and sell aluminum pellets made from aluminum cans purchased as resources

#### Recycled plastic pallets

Manufacture and sell recycled plastic pallets made mainly from plastic container packaging

### Other (Waste-related Business)

#### Facility construction and administration



#### Consulting



#### Electricity generation



#### Forest management



#### Other



### Sports Promotion Business

Regional development enterprise through the management of a women's professional soccer club

New addition since Mar. 2024

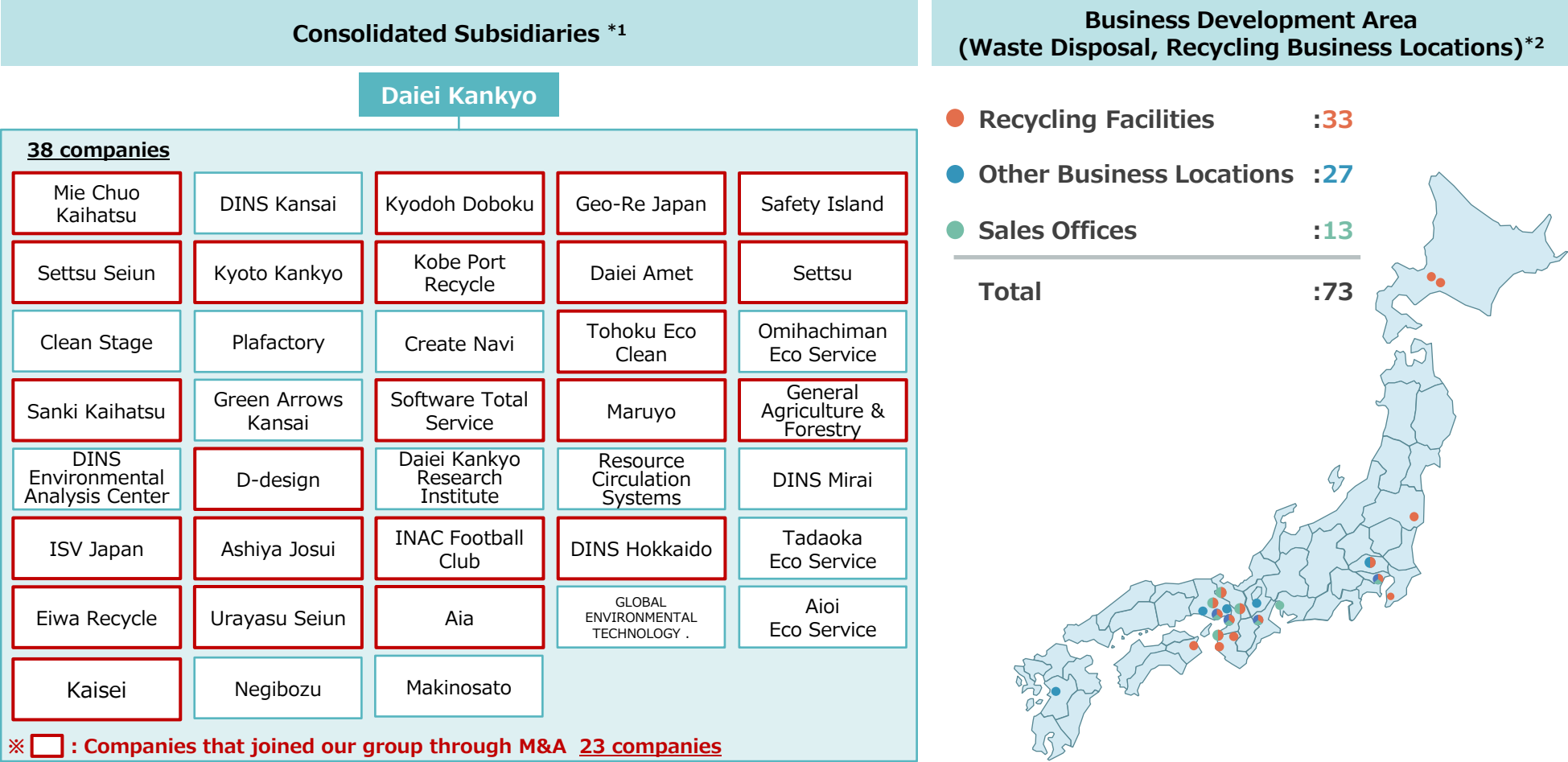
\*1: Includes full-time employees and average number of temporary employees throughout the year

\*2: Group headquarters

\*3: Financial figures are actual results from FY2024/3. Segment profit includes intersegment consolidation adjustments.

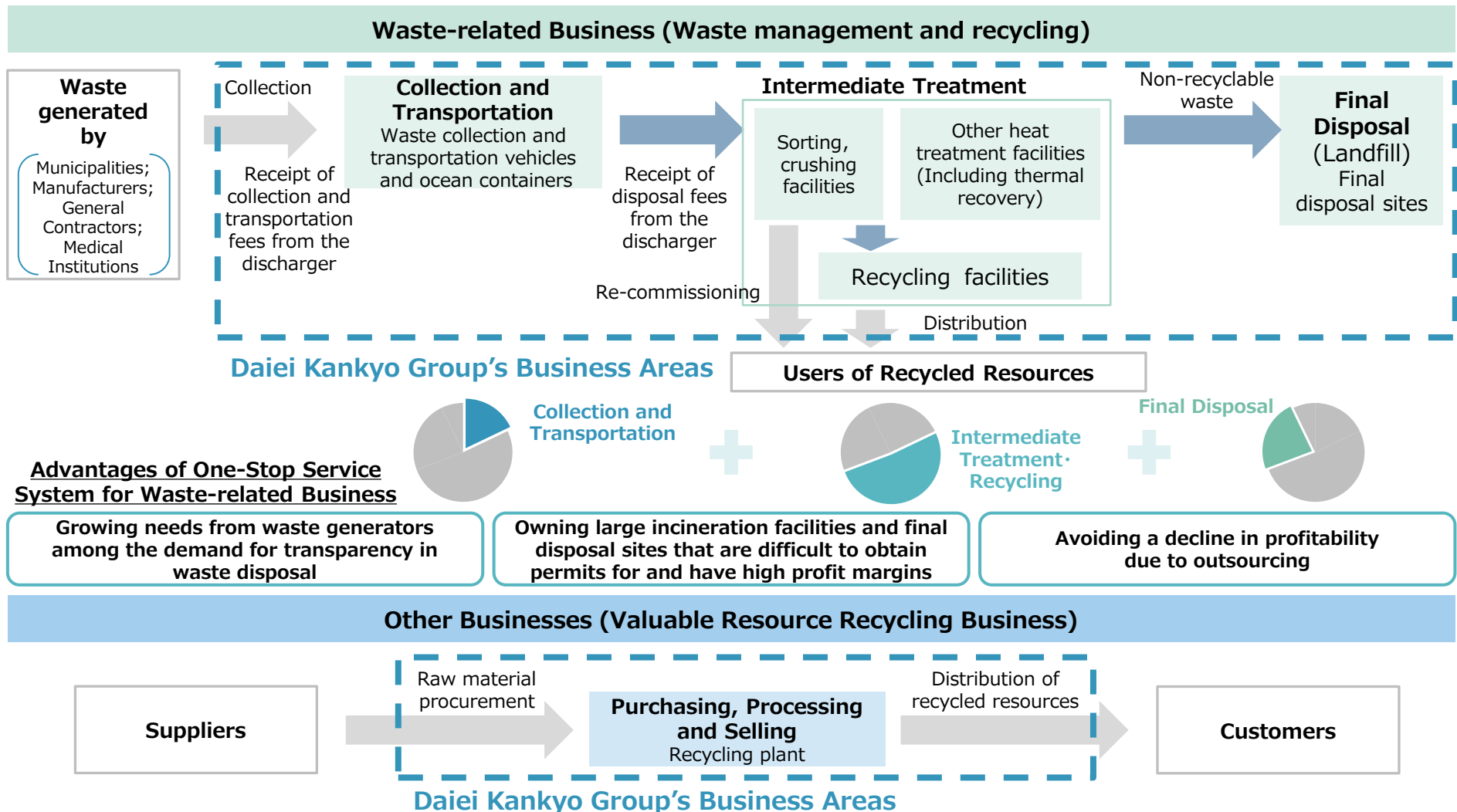
# The Overview of Daiei Kankyo Group

## Consolidated Subsidiary and Business Development Area



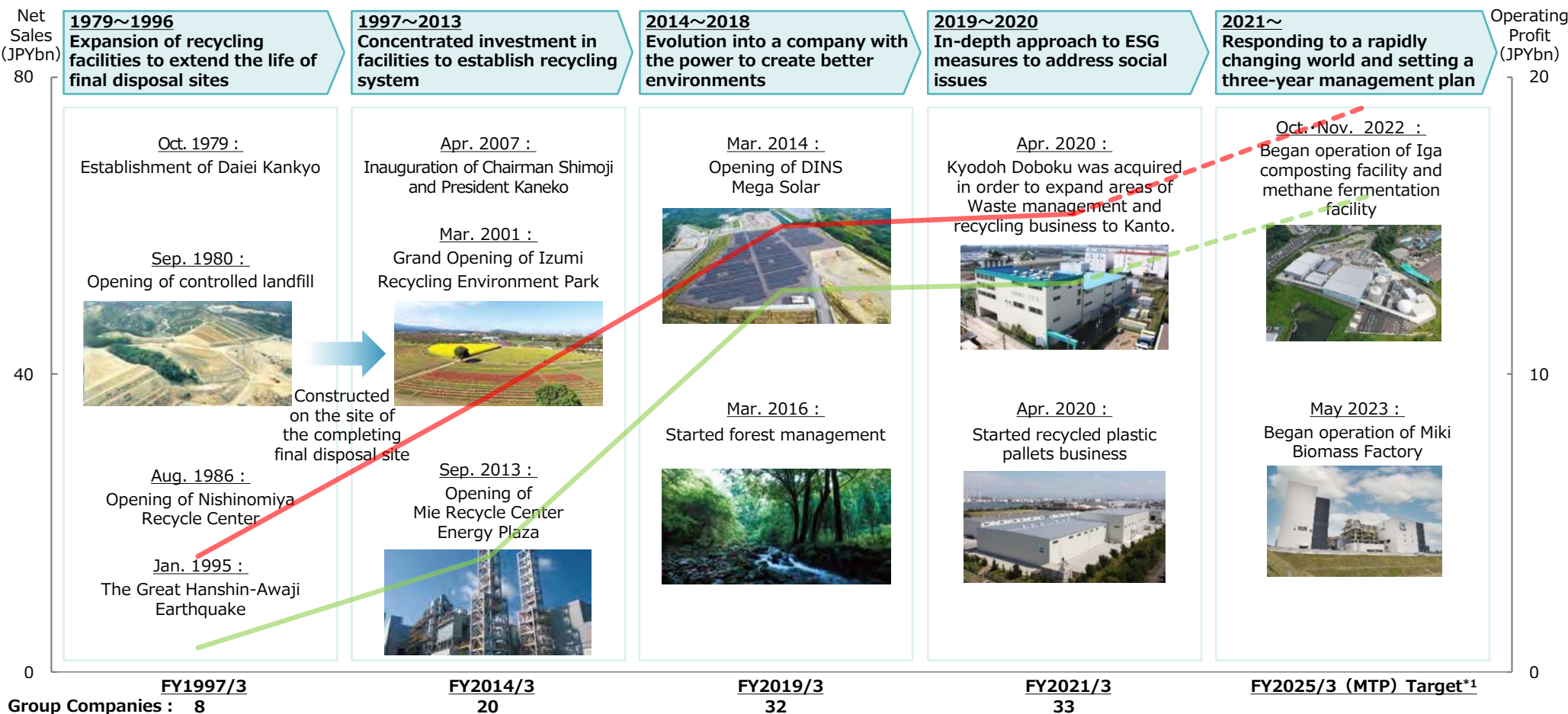
# Business Model (Main Business Flow)

## Business Model of each segment



# The History of Daiei Kankyo

We started out in the final disposal business and quickly shifted to volume reduction and recycling to ensure our continued competitiveness. Since then, we have developed a wide range of environment-related businesses, including soil remediation, facility construction and administration, consulting, electricity generation and forest management.



\*1: Please refer to P.65 for mid-term management plan targets.

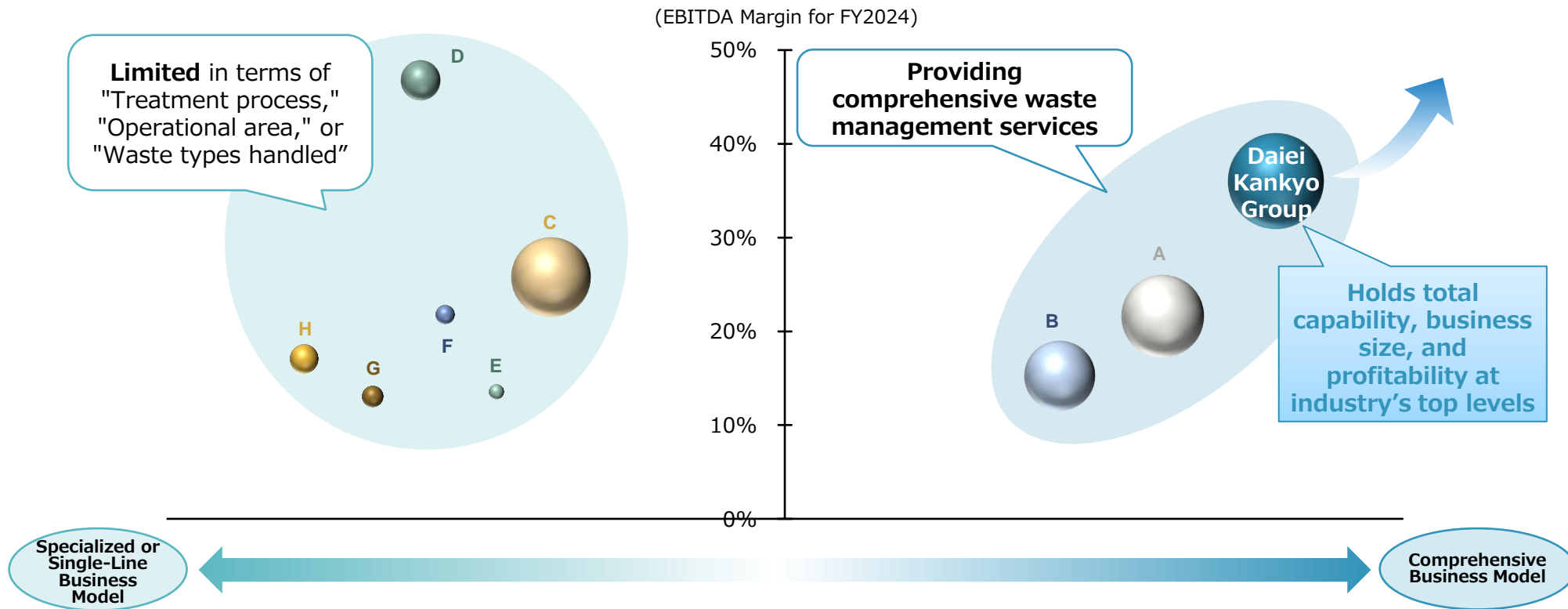
Note: The line graph on the back shows the historical net sales and operating profit. — : Net Sales, — : Operating profit

Excluding FY 2021/3 results and FY 2025/3 (MTP) targets, net sales and operating profit are simple sum of unaudited figures of the four major Group companies (Daiei Kankyo, Mie Chuo Kaihatsu, DINS Kansai, Kyodoh Doboku). FY 2021/3 results and FY 2025/3 (MTP) targets are consolidated figures of the Group.

# Position Maps of the Industry

## Position Maps of Japanese Waste Management Industry (Our Analysis)

We recognize that we are in a unique position in the industry in terms of our "one-stop treatment process," "wide operational area," and "variety of waste types handled," and we will continue to enhance our comprehensive strength, business scale, and profitability to further improve our presence in the industry.

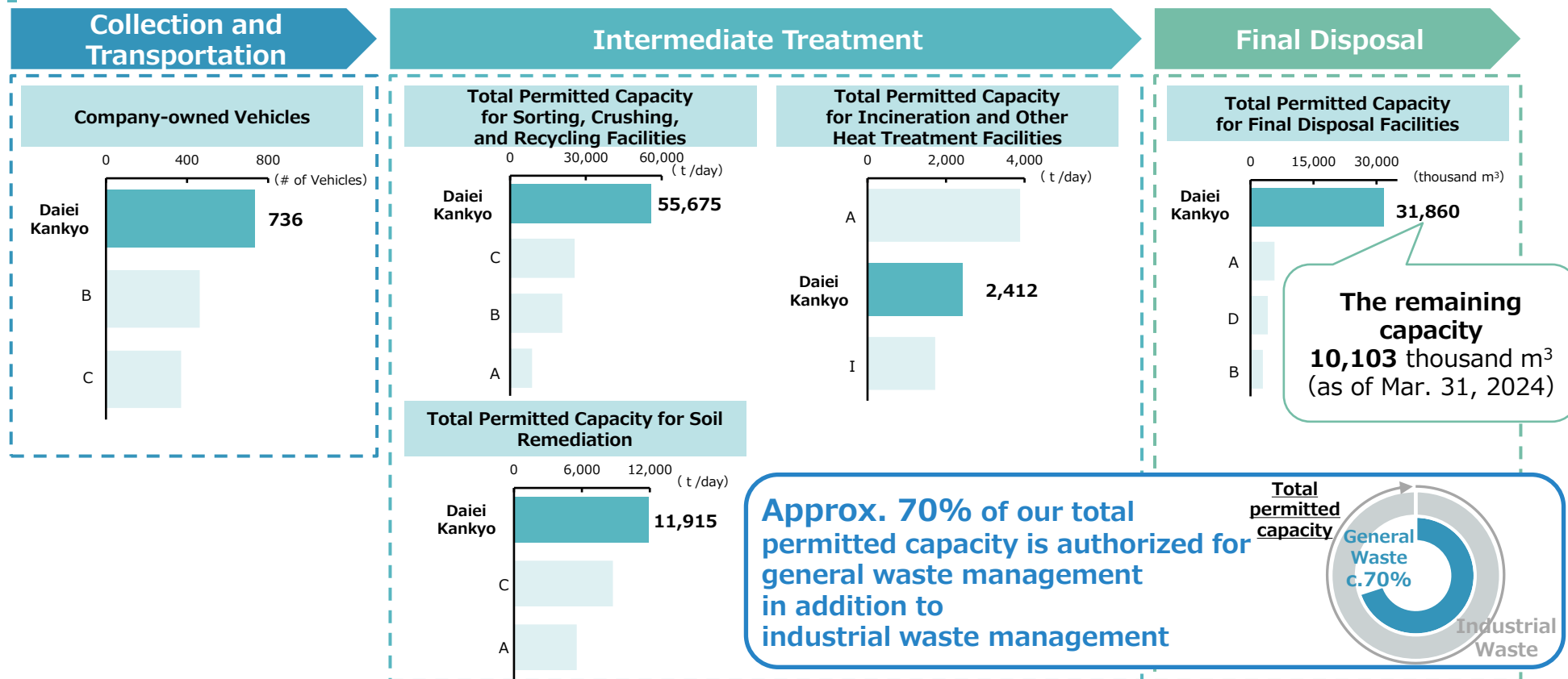


Note: The size of the bubbles indicates EBITDA for the FY2024.  
 The Analysis of "Comprehensive Business Model" and "Specialized or Single-Line Business Model" is based on our own categorizations of the market.  
 EBITDA and EBITDA margin of the other companies are calculated by us in accordance with the formulas based on the data published by each company.  
 Our calculations may differ from the figures published by each company.  
 Some companies use figures from business segments that are classified as waste management businesses

Source: Created based on publicly available information of each company

# Capacity Compared to Other Companies\*1

Total permitted capacity\*2 of facilities (As of Dec. 31, 2024)



- \*1: Data of listed companies and subsidiaries of listed companies (figures for non-listed subsidiaries of each company for which information is available are also included) in the waste management and recycling industry was used to create the graphs, etc. for each item.
- \*2: Total permitted capacity refers to the treatment capacity that has been permitted by the prefectures, etc. for each item (final disposal sites are described with "permitted capacity" because they are capacity-based). Calculations for companies other than Daiei Kankyo are based on our own aggregation method using the most recent publicly available data.

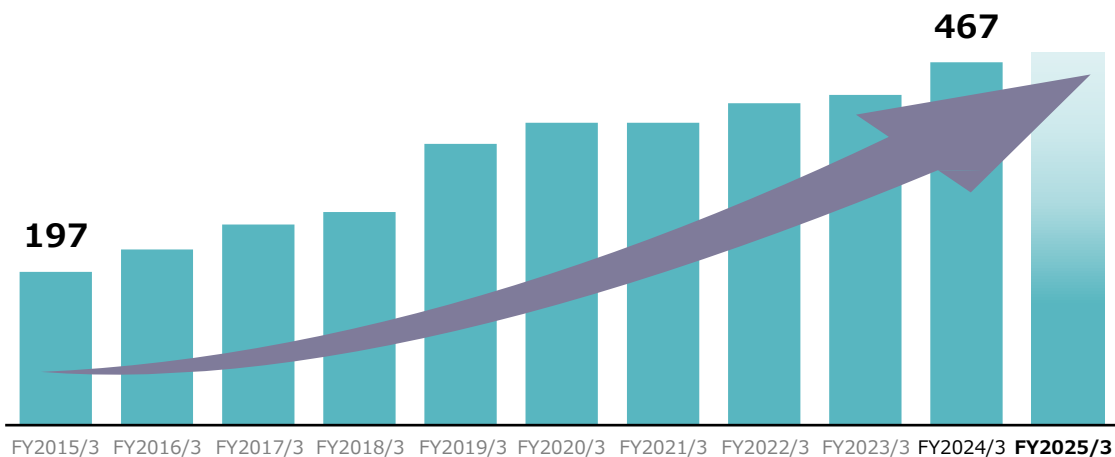
Sources: Integrated Reports, Annual Securities Reports, financial disclosure information, websites, and other public information of the companies (as of Dec. 31, 2024); Japan Industrial Waste Management Foundation. Sanpai-kun, Sanpainet (<https://www2.sanpainet.or.jp/zyohou/index.php>); Japan Disaster Treatment Systems. Transportation and Treatment Capacity (<http://jdts.or.jp/ability/>)

# # of Municipalities We Work with

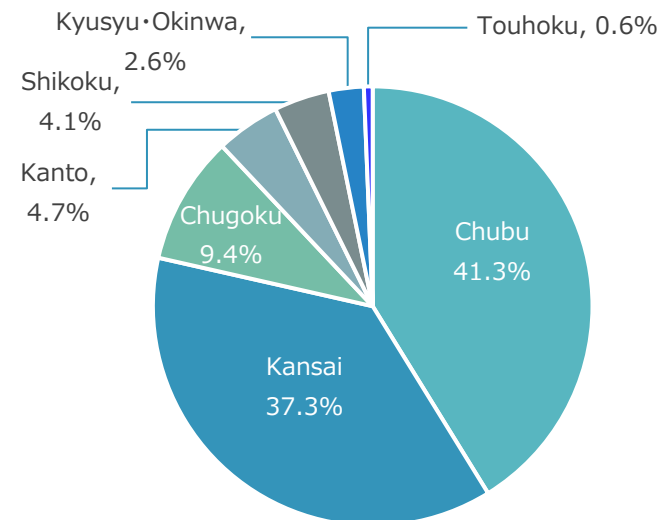
## # of Municipalities We Work with\*1

- ✓ In Sep. 2013, the Mie Recycle Center Energy Plaza, the Group's largest facility capable of handling general waste, began operations. Daiei Kankyo has been expanding business with local governments since then.
- ✓ As for the FY2024/3 results, we worked with **467 municipalities**, which account for **approx. 26%** of the total municipalities in Japan \*2
- ✓ Temporary processing contracts at our group facilities increased due to the occurrence of problems at municipal facilities caused by aging, etc.
- ✓ Aiming to expand the number of client municipalities through public private partnerships (PPP)

# of Municipalities We Work with



Breakdown of Municipalities We Work with\*3 (FY2024/3)



\*1: The number of municipalities includes prefectures and the 23 wards of Tokyo, and for wide-area associations, each of the constituent municipalities of the wide-area associations is counted as one municipality.

\*2: 1,718 municipalities in Japan as of Apr. 1, 2024 (excluding the 23 wards of Tokyo), plus the 23 wards of Tokyo and 47 prefectures.

\*3: Mie Prefecture is included in the Chubu area.






Source: Portal Site of Official Statistics of Japan (e-Stat)

# # of Disaster Cooperation Agreements with Municipalities

## # of Disaster Cooperation Agreements with Municipalities

- ✓ Accelerated the signing of disaster cooperation agreements with municipalities after the disastrous heavy rain and Typhoon No. 21 in West Japan in 2018, etc.
- ✓ As of Dec. 31, 2024, **183 agreements** had been signed, **approx. 10%** of the total number of agreements signed by all municipalities in Japan\*<sup>1</sup>
- ✓ Aiming to increase the number of agreements

### Our Experience with Disaster Waste\*<sup>2</sup>

<b>Great Hanshin-Awaji Earthquake</b> 1995/1 (15mn t)		<b>Typhoon in Hyogo</b> 2004/10 (0.07mn t)	<b>Typhoon/Flood in Kii</b> 2011/8-9 (0.1mn t)
<b>Great East Japan earthquake</b> 2011/3 (31mn t)	<b>Kumamoto Earthquake</b> 2016/4 (3mn t)		<b>Disastrous heavy rain in Kanto and Tohoku</b> 2015/9(0.09mn t)
	<b>Typhoon in Osaka</b> 2018/8-9 (2mn t)		<b>Typhoon in Boso and East Japan</b> 2019/10 (1.2mn t)
<b>Disastrous heavy rain in West Japan</b> 2018/7 (2mn t)	<b>Disastrous heavy rain in Kyusyu</b> 2020/7 (0.6mn t)		

### [Reference] Estimated amount of disaster waste (Maximum)

- ✓ Nankai thrust Earthquake : Approx. 350mn t (inc. Tsunami deposits)
- ✓ Tokyo inland earthquake : Approx. 110mn t

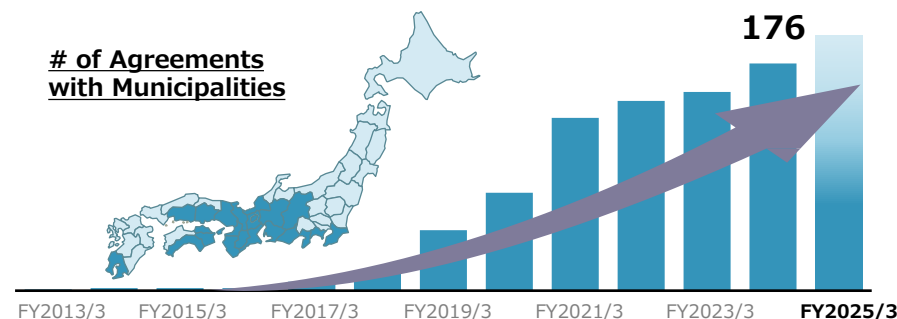
\*1 : 1,718 municipalities in Japan as of Apr. 1, 2024 (excluding the 23 wards of Tokyo), plus the 23 wards of Tokyo and 47 prefectures.

\*2 : Figures in parentheses are the amount of disaster waste generated in each natural disaster.

Sources: National Institute for Environmental Studies. Platform of Disaster Waste Information (Earthquake and Tsunami) (<https://dwasteinfo2.nies.go.jp/page/page000015.html>), Platform of Disaster Waste Information (Flood and Sediment Disaster) (<https://dwasteinfo2.nies.go.jp/page/page000124.html>); MOEJ. "Kinnen no shizen saigai ni okeru saigai haikibutsu taisaku ni tsuite" [Disaster Waste Management in Recent Natural Disasters] (Sep. 13, 2017 / Dec. 18, 2018 / Jul. 3, 2019 / Oct. 29, 2020 / Dec. 13, 2021) (Based on materials on the MOEJ website "Investigative Commission on Managing Waste from Major Disasters" (<https://www.env.go.jp/recycle/waste/disaster/earthquake/committee2.html>)); MIC. "Saigai haikibutsu taisaku ni kansuru gyosei hyoka kanshi kekka hokoku sho" [Report on the Results of Administrative Evaluation and Monitoring of Disaster Waste Management] (Feb. 2022) ([https://www.soumu.go.jp/main\\_content/000795392.pdf](https://www.soumu.go.jp/main_content/000795392.pdf)); MOEJ. "Kyodai saigai hasseiji ni okeru saigai haikibutsu taisaku no gurando dezain ni tsuite chukan torimatome" [Interim Report on the Grand Design of Disaster Waste Management in the Event of a Major Disaster] (Mar. 2014) ([http://kouikishori.env.go.jp/action2/investigative\\_commission/grand\\_design/pdf/h2603report.pdf](http://kouikishori.env.go.jp/action2/investigative_commission/grand_design/pdf/h2603report.pdf)); Portal Site of Official Statistics of Japan (e-Stat)

### Number of Cooperation Agreements with Municipalities

- ✓ Treated 1/3 of all disaster waste created due to the Great Hanshin-Awaji Earthquake in 1995.
- ✓ Treated wide areas with land and sea transport after the Disastrous heavy rain in Kanto and Tohoku in 2015, putting our group companies' strengths to work.
- ✓ Handled about **5.5 mn** tons of disaster waste to date.



# Overview of the Waste Management Business in Japan

## Major Customer Categories and Overview of the Industrial and General Waste Management Business

Industrial Waste (Mainly business activities waste)	Waste Classification	General Waste (Mainly household waste)
<ul style="list-style-type: none"> <li>Manufacturers : c.30%</li> <li>General Contractors : c.35%</li> <li>Medical Institutions : c.5%</li> </ul>	<b>Major Customer Categories*<sup>1</sup></b> (FY2024/3 Sales Composition)	<ul style="list-style-type: none"> <li>Municipalities : <b>c.20%</b></li> <li>– <b>Aiming to further increase transactions with municipalities by expanding PPP</b></li> </ul>
<ul style="list-style-type: none"> <li>Waste generators</li> </ul>	<b>Responsibility</b>	<ul style="list-style-type: none"> <li>Municipalities</li> </ul>
<ul style="list-style-type: none"> <li>370 mn tons</li> </ul>	<b>Emissions (FY2022)</b>	<ul style="list-style-type: none"> <li>40 mn tons</li> </ul>
<b>Industrial waste management JPY 2,969.6 bn</b>	<b>Our Estimate TAM*<sup>2</sup> (FY2022)</b>	<b>General waste management *<sup>4</sup> JPY 1,764.8 bn</b>
<b>Recycling*<sup>3</sup> JPY 3,933.1 bn</b>		<b>Disaster waste management JPY 17.0 bn</b>

\*1 : Percentage of sales by industry for major customers is an approximate figure based on actual sales for the FY2024/3.

\*2 : The Total Addressable Market (TAM) is calculated by the Company based on the sources below.

\*3 : Market size of recycling services and recycled materials, excluding arterial industry (Industries that produce products, such as Manufacturing) receipts

\*4 : Excluding construction and improvement costs

Sources: MOEJ. "Reiwa 5 nendo jigyo Sangyo haikibutsu haishutsu shori jokyo chosa hokoku sho Reiwa 4 nendo sokuho chi (gaiyo ban)" [FY2023 Business Survey Report on Industrial Waste Discharge and Disposal Preliminary Figures for FY2022 (Summary)] (<https://www.env.go.jp/content/000220694.pdf>), "Ippan haikibutsu syori jigyo jittai chosa no kekka (Reiwa 4 nendo) ni tsuite" [Results of Survey on General Waste Disposal Business (FY2022)] (<https://www.env.go.jp/content/000123409.pdf>), "Kankyo sangyo no shijo kibo koyo kibo to ni kansuru hokokusho" [Report on the Market Size and Employment of the Environmental Industry] (Mar. 2024) ([https://www.env.go.jp/policy/keizai\\_portal/B\\_industry/r5/r5houkokusho.pdf](https://www.env.go.jp/policy/keizai_portal/B_industry/r5/r5houkokusho.pdf)), "Nihon no haikibutsu syori Reiwa 4 nendo ban" [Waste Management in Japan FY2022] (Mar. 2024) ([https://www.env.go.jp/recycle/waste\\_tech/ippan/r4/data/disposal.pdf](https://www.env.go.jp/recycle/waste_tech/ippan/r4/data/disposal.pdf))

# Overview of the Waste Management Business in Japan

## Industry players of our recognition

		Collection and Transportation	Intermediate Treatment			Final Disposal
			Sorting, Crushing, and Recycling	Incineration and Other Heat Treatment	Soil Remediation	
Industrial Waste	Private Sector <sup>*1</sup>	# of companies c.110k companies	# of companies 9,908 companies	# of companies 159 companies	# of companies 155 companies	# of companies 705 companies
	Public Sector <sup>*1</sup>		# of facilities 916	# of facilities 1,038 PPP Growth Opportunity		# of facilities 1,047 (in operation)

### Industrial Waste (Mainly business activities waste) Industry

- ✓ An extremely fragmented market comprising small- to mid-sized players and publicly traded companies
- ✓ High momentum for restructuring, with numerous small- to mid-sized players, divestitures of non-core businesses by operating companies, resulting in abundant M&A opportunities

### General Waste (Mainly household waste) Industry

- ✓ Although momentum is building for a shift from the public to the private sector, the majority of processing is done at facilities owned by municipalities, creating a closed environment.

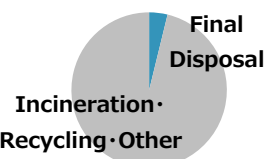
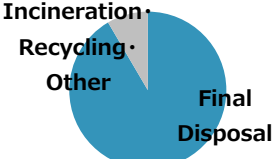
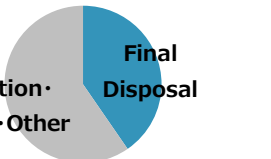
\*1: # of industrial waste operators as of Jul. 31, 2024, excluding soil remediation facilities (as of Jun. 30, 2024) and incineration and other heat treatment facilities (as of Jul. 15, 2024)  
# of general waste facilities based on FY2022 Results

Sources: Japan Industrial Waste Management Foundation. Sanpai-kun, Sanpainet (<https://www2.sanpainet.or.jp/zyohou/index.php>); Geo-Environmental Protection Center. Membership (<https://www.gepc.or.jp/kaiindata/1kaiin.html>); MOEJ. "Dojo osen taisaku ho ni motozuku osen dojo shori gyosha ichiran" [List of Contaminated Soil Treatment Companies Based on the Soil Contamination Countermeasures Act] (as of Feb. 28, 2021) ([https://www.env.go.jp/water/dojo/gyosha\\_210228%20.pdf](https://www.env.go.jp/water/dojo/gyosha_210228%20.pdf)), MOEJ. Waste Disposal Technology Information website. "Ippan haikibutsu syori jittai chosa kekka (Reiwa 4 nendo chosa kekka)" [Results of Research on the Actual State of General Waste Disposal (FY2022)] ([https://www.env.go.jp/recycle/waste\\_tech/ippan/r4/index.html](https://www.env.go.jp/recycle/waste_tech/ippan/r4/index.html))

# Waste Management Markets in Japan, United States and Europe

## The Overview of Waste Management Markets in Japan, United States and Europe

In the United States and Europe, major listed companies account for a higher percentage of the waste management market compared to Japan, and most waste is disposed of by final disposal. In the Japanese waste management market, in comparison, there are a number of small- to mid-sized players, and most waste is recycled or incinerated for energy recovery, resulting in reduced volume of final disposal.

area	Japan		United States		Europe	
<b>Market Size*<sup>1</sup></b> (as of 2023)	<b>JPY 8.6 tn</b>		<b>JPY 15.2 tn</b>		<b>JPY 17.1 tn</b>	
<b>Net Sales of Major Listed Companies for FY2023*<sup>2</sup></b> (Unit: JPY bn)	TRE HD	92.8	Waste Management	2,943.9	Veolia Environnement* <sup>3</sup>	2,076.6
	DOWA HD* <sup>3</sup>	89.0	Republic Services	2,156.8	Suez* <sup>3</sup>	764.0
	Daiei Kankyo	73.0	Waste Connections	1,156.2		
	Daiseiki	69.2				
	<b>Total</b>	<b>324.1</b>	<b>Total</b>	<b>6,257.0</b>	<b>Total</b>	<b>2,840.6</b>
	<b>% of Market Size*<sup>4</sup></b>	<b>3.7%</b>	<b>% of Market Size*<sup>4</sup></b>	<b>41.0%</b>	<b>% of Market Size*<sup>4</sup></b>	<b>16.5%</b>
<b>Proportion of Final Disposal</b> (based on weight; as of 2016)						

Note : Converted into yen at the exchange rates as of Dec. 30, 2023 (1USD=144.13JPY, 1EUR=157.26JPY)

\*1: MARKETSANDMARKETS "WASTE MANAGEMENT MARKET GLOBAL FORECAST TO 2026" (Jun. 2021) (Japan: USD 29.7 bn, US: USD 105.7 bn, Europe: USD 119.1 bn). For the Japanese market, the market size is calculated as the sum of four markets in FY2022, JPY 8.6 tn, for which data is provided by the Ministry of Environment: industrial waste management, recycling, general waste management, and disaster waste. Please see P39 for details.

The market sizes for U.S. and Europe were calculated using the exchange rate indicated in Note on this page. The different calculation methods used to estimate regional market sizes may cause significant discrepancies in the percentage comparisons and therefore must not be placed undue reliance.

\*2: 4 Japanese companies for FY2024, 5 U.S. and European companies for FY2023/12

\*3: Figures for each company's waste treatment business segment (DOWA HD : "Environmental Management & Recycling", Veolia Environnement: "Waste", Suez: "Recycling and Recovery"). On Jan. 27, 2022, Veolia Environnement acquired 95.95% of Suez shares through tender offer.

\*4: The denominator, market size, is not the total sales of all companies in each area, but only an estimate, and the numerator, sales of each company, and denominator, market size, cover different time periods. For these and other reasons, it does not represent actual market share.

Sources: Created based on QYResearch. (Sep. 2017). "Global Waste Treatment Disposal Sales Market Report 2017"; MARKETSANDMARKETS. (Jun. 2021). "WASTE MANAGEMENT MARKET GLOBAL FORECAST TO 2026"; Publicly available information of each company; MOEJ. "Kankyo sangyo no shijo kibo koyo kibo to ni kansuru hokoku sho" [Report on the Market Size and Employment of the Environmental Industry] (Mar. 2024) ([https://www.env.go.jp/policy/keizai\\_portal/B\\_industry/r5/r5houkokusho.pdf](https://www.env.go.jp/policy/keizai_portal/B_industry/r5/r5houkokusho.pdf)), "Nihon no haikibutsu shori (Reiwa 4 nendo ban)" [Waste Management in Japan (FY2022)] (Mar. 2024) ([https://www.env.go.jp/recycle/waste\\_tech/ippan/r4/data/disposal.pdf](https://www.env.go.jp/recycle/waste_tech/ippan/r4/data/disposal.pdf))

# 6. Growth Strategy

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# Measures for Sustainable Growth

## Operation and Construction of new large facilities

### Operation of Recycling Facilities

#### Iga Methane Fermentation Facility

- ✓ A facility that ferments organic waste (general waste, food waste, organic sludge, liquid waste, etc.) to collect methane and generate electricity
- ✓ Generated electricity is sold under the feed-in tariff (FIT) system.
- ✓ Permitted capacity : 320 t/day  
Power generation capacity : 1,980 kW  
Annual power generation : 15,000 MWh



Operation  
began in Nov.  
2022

#### Iga Composting Facility

- ✓ A facility that produces compost from food waste began operation on the same site as the methane fermentation facility mentioned above
- ✓ Permitted capacity : 92 t/day



Operation  
began in Oct.  
2022

### Construction of Incineration and Other Heat Treatment Facilities

#### Miki Biomass Factory

- ✓ Heat treatment facility for mixed-waste incineration of various waste with biomass resources such as waste wood and food residues
- ✓ Permitted capacity : 440 t/day  
Power generation capacity : 11,700 kW



Operation  
began in May  
2023

# Measures for Sustainable Growth


## Facility Enhancement for Sustainable Growth

### Controlled Final Disposal Sites

#### Mie Chuo Kaihatsu Co., Ltd. Mie Recycle Center The 8th stage Controlled final disposal site

- ✓ Start of service : Jan. 2025
- ✓ Permitted Capacity : 6,641,181m<sup>3</sup>  
(of which 5,911,181m<sup>3</sup> for the 2nd phase construction)
- ✓ Estimated Investment Total :  
Approx. JPY 10.2bn (including approx. JPY 5.3bn for the 2nd phase construction)

Started service  
in Jan. 2025


 : The 8th stage disposal site construction area  
(The 2nd phase)



#### Daiei Kankyo Co., Ltd. Gobo Recycle Center The 2nd stage Controlled final disposal site

- ✓ Start of service : Around Apr. 2025
- ✓ Permitted Capacity : 1,355,882m<sup>3</sup>
- ✓ Estimated Investment Total : Approx. JPY 4.2bn
- ✓ Construction Progress Rate : Approx. 86%

Construction  
started in Jan.  
2023

 : The 2nd stage disposal site construction area



### Construction of Incineration and Other Heat Treatment Facilities

#### Daiei Kankyo Co., Ltd. Nishinomiya Recycle Center Nishinomiya Energy Plaza

Obtained  
installation  
permit in Jan.  
2024

- ✓ Permitted capacity : 220 t/day
- ✓ Power generation capacity: 4,650 kW
- ✓ Start of operation : Scheduled for Feb. 2027
- ✓ As part of efforts to double the Group's incineration capacity by 2030, the capacity of existing facilities will be increased in terms of processing volume and power generation, contributing to the reduction of waste plastics received at disposal sites.



Image of  
Nishinomiya  
Energy Plaza

### Aim to Double the Processing Capacity of Incineration and Other Heat Treatment Facilities of the Group & Contribution to Decarbonization

#### Capacity of Incineration and Other Heat Treatment

End of FY2022/3	End of FY2024/3	End of FY2030/3 (Target)
2,067 t /day	2,412 t /day	4,000 t /day

- Contribute to decarbonization by recovering energy from waste that must be incinerated
- Conduct research and study to introduce CCU\*1

\*1: CCU stands for "Carbon dioxide Capture and Utilization," which aims to reduce carbon emissions by replacing products such as fuels and chemicals conventionally derived from fossil fuels with products made from CO<sub>2</sub>.

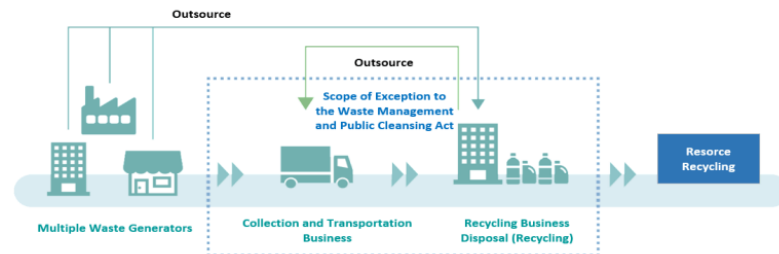
# Initiatives to Promote Carbon Neutrality

## Initiatives regarding “The Plastic Resource Circulation Act”

- ✓ In addition to the 7 companies which obtained accreditation for the “Recycling Business Plan”, recycling of materials similar to the that of accredited companies is being promoted for non-accredited companies.

- As of Dec. 31, 2024

Accredited companies: 7 / Non-accredited companies: 37

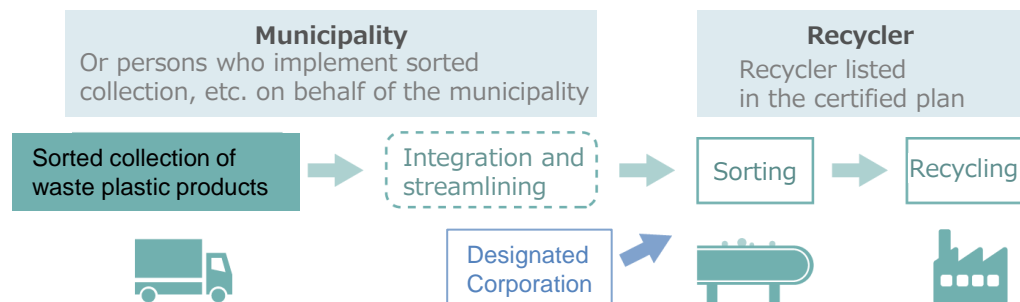


## Increasing the number of contracted non-accredited companies

- ✓ Contributing to plastic resource circulation by participating as a recycler in Recycling Business Plans promoted by municipalities after obtaining accreditation.

- As of Dec. 31, 2024

Number of Recycling Business Plans in which we are participating: For 5 municipalities (Komono Town, Mie & Sakai City, Osaka & Kyoto City, Kyoto & Tsu City, Mie & Hashima City, Gifu)



## Examples of initiatives for decarbonization and recycling

### Demonstration project subsidized by the Ministry of the Environment completed in Mar. 2024

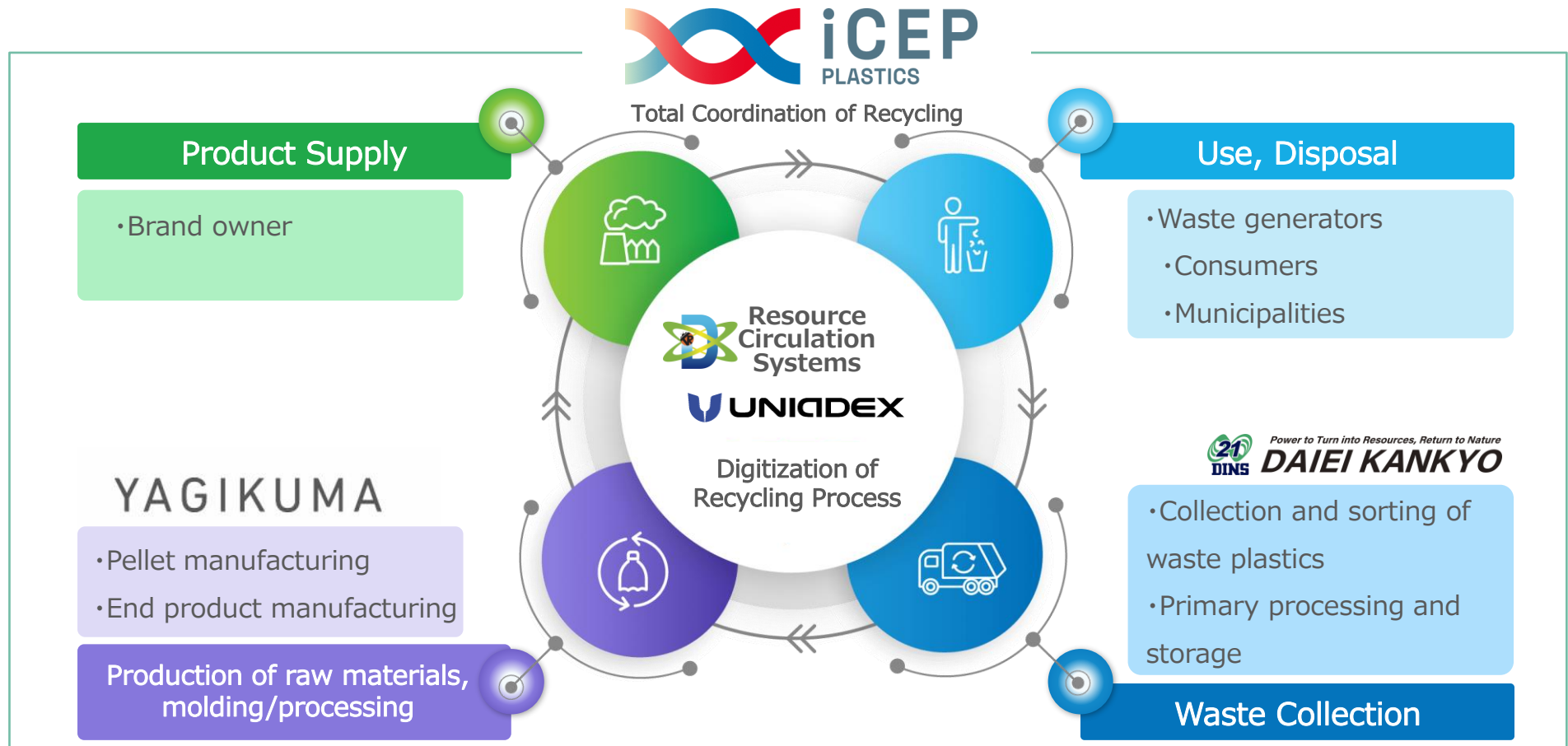
- ✓ We launched **Japan's first demonstration project** for gasification and methanol conversion of waste plastics with Kobelco Eco-Solutions, etc. in Aug. 2022, which we completed in Mar. 2024, and will continue to examine commercialization.
- ✓ Aiming to establish a recycling system through chemical recycling of plastics that had been disposed of until now.

Source: Created based on MOEJ. Special website on the Law Concerning the Promotion of Resource Recycling of Plastics (<https://plastic-circulation.env.go.jp/about/pro/bunbetsu>, <https://plastic-circulation.env.go.jp/about/pro/haishutsu>)

# Initiatives to Promote Carbon Neutrality

Launched iCEP PLASTICS\*<sup>1</sup>, a total coordination service for plastic recycling through “artery-vein” collaboration.

- ✓ One-stop support from collection to producing end products of waste plastics by leveraging the strengths of four companies.



\*1: iCEP stands for “intelligence Circular Economy Platform”.

# Initiatives to Promote Carbon Neutrality

## Example of iCEP PLASTICS Initiatives

### Case 1 : Daiwa House Industry Co., Ltd.

#### Investigation into recycling waste plastic generated from non-residential construction sites

- ✓ Investigation of waste plastics generated from non-residential construction sites
- ✓ Promoting the establishment of resource recycling systems at construction sites

【Examples of products that can be made by using recycled plastic】



### Case 2 : Kajima Corporation

#### Recycling waste plastic collected from construction sites into barricades

- ✓ Waste plastic collected from construction sites is used to produce recycled barricades
- ✓ Introduced at Kajima Corporation's construction sites to achieve resource recycling within the construction sites



### Case 3 : LIXIL Corporation

#### Supplying waste plastic as raw material for paving materials

- ✓ Supplying waste plastic as raw material for recycled paving materials
- ✓ Realization of resource recycling of plastics



**Creation of a new resource circulation model for waste plastics through artery-vein collaboration**

# Initiatives to Promote Carbon Neutrality

## Examples of Food Recycling Loop Initiatives

### 1st Case

#### Obtained "Food Recycling Loop Certification" with AEON Agri Create Co., Ltd. and 8 other companies

- ✓ Based on the "Act on Promotion of Recycling and Related Activities for Treatment of Cyclical Food Resources", the composting facility at Miki Recycle Center

obtained certification for the "Recycling Project Plan" in Nov. 2014

from the Ministry of Agriculture, Forestry and Fisheries, Ministry of the Environment, and Ministry of Economy, Trade and Industry

### 2nd Case

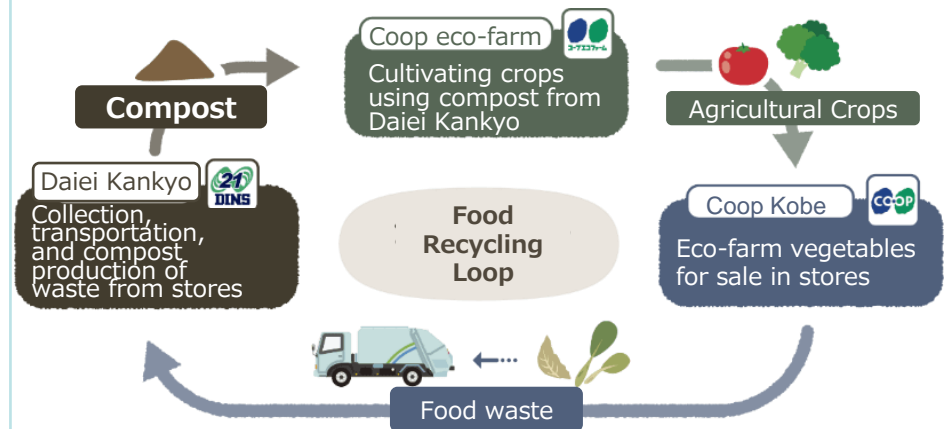
#### Obtained "Food Recycling Loop Certification" with Consumers Co-operative Kobe

- ✓ Based on the "Act on Promotion of Recycling and Related Activities for Treatment of Cyclical Food Resources", the same facility at the same Recycle Center

obtained certification for the "Recycling Project Plan" in Mar. 2024

from the Ministry of Agriculture, Forestry and Fisheries and Ministry of the Environment

**Promote the creation of a Local Circular Ecological Sphere by maximizing the use of local resources and feeding it back to society.**



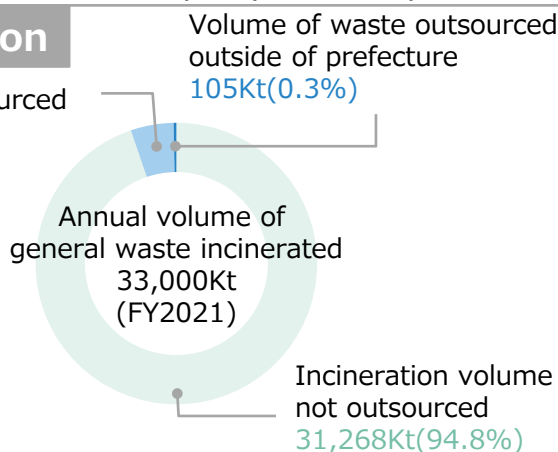
# Public Private Partnership (PPP) Projects

## Public Private Partnership (PPP)

A structure for the purpose of enabling municipalities to reduce costs for general waste management by treating general waste together with industrial waste at an incineration and other heat treatment facility constructed with private funds by sharing roles between a municipality and the private sector

### Current situation

Volume of waste outsourced  
within prefecture  
1,626Kt(4.9%)



### Challenges

#### Challenges facing municipalities

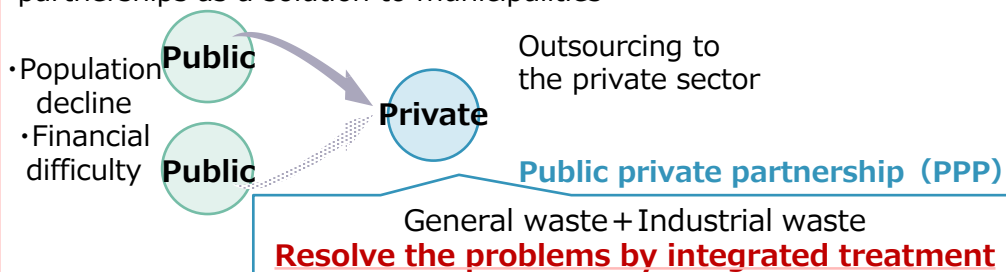
- ✓ Decline in facility operating rate as a result of population decline  
(increase in cost per person)
- ✓ Rise in construction costs
- ✓ Lack of financial resources to renew facilities
- ✓ Improving disaster response capabilities

#### What to do to achieve carbon neutrality

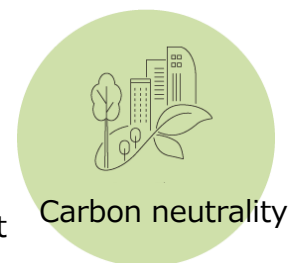
- ✓ Expansion of facilities for future CCU

## Shifting general waste management to the private sector

As a large number of municipalities have been considering outsourcing to the private sector, we have been suggesting public private partnerships as a solution to municipalities



### Expansion of PPP enables the achievement of:

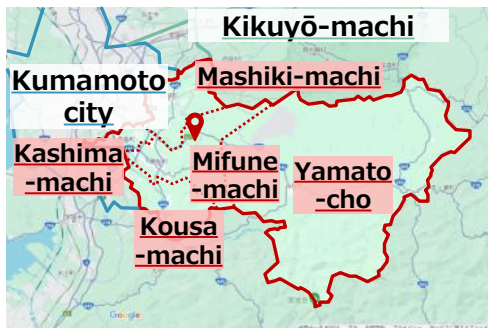


Source : Created based on MOEJ. "Haikibutsu shigen junkan bunya ni okeru kabon nyutoraru jitsugen purojekuto no kenkyu kaihatsu shakai jisso no hoko sei" [R&D and Social Implementation for the Achieving Carbon Neutrality in Waste and Resource Circulation Project] (Mar. 2023)  
([https://www.meti.go.jp/shingikai/sankoshin/green\\_innovation/green\\_power/pdf/005\\_03\\_00.pdf](https://www.meti.go.jp/shingikai/sankoshin/green_innovation/green_power/pdf/005_03_00.pdf))

# Progress on Key Measures: PPP

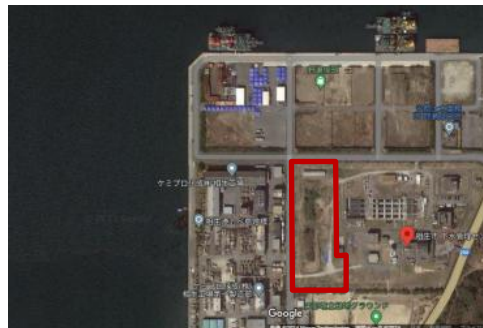
## Previous Case of PPP

Previous Case①: 5 towns in Kamimashiki-gun and others, Kumamoto	
Date of Agreement	✓ Oct. 2021
Business Location	✓ Mifune-machi, Kamimashiki, Kumamoto
Facilities Overview	Capacity (t/day) ✓ Recycling : 900 ✓ Energy recovery : 400 ✓ Methane fermentation : 30 ✓ Composting : 60
Waste to be Treated	✓ General waste (5 towns in Kamimashiki-gun and others), industrial waste, disaster waste



- ✓ The red pin depicts the proposed project area.

Previous Case②: Aioi, Hyogo	
Date of Agreement	✓ Oct. 2021
Business Location	✓ Aioi, Hyogo
Facilities Overview	Capacity (t/day) ✓ Recycling : 900 ✓ Energy recovery : 220
Waste to be Treated	✓ General waste (Aioi and others), industrial waste, disaster waste



- ✓ The red box depicts the proposed project site.
- ✓ A special purpose company was established

Previous Case③: Tadaoka, Osaka	
Date of Agreement	✓ Feb. 2023
Business Location	✓ Tadaoka, Senboku-gun, Osaka
Facilities Overview	Capacity(t/day) ✓ Recycling : TBD ✓ Energy recovery : 220
Waste to be Treated	✓ General waste (Tadaoka), industrial waste, disaster waste

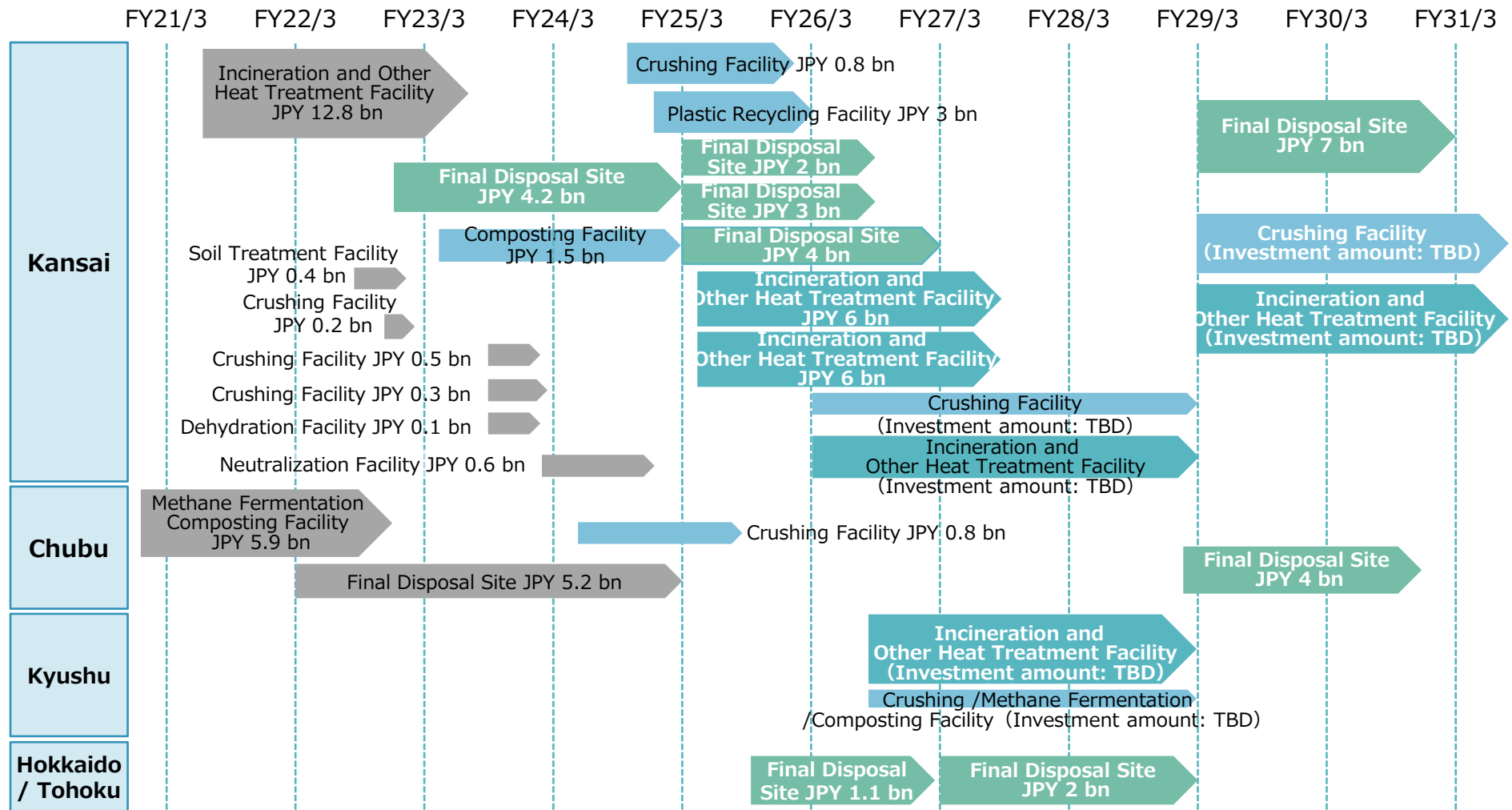


- ✓ The relay facility started operations in Apr. 2024.

**By FY2030/3, we aim to execute 12 agreements for public private partnerships nationwide and to begin operations in four of them.**

# Capital Investment Plan in the future

## Capital Investment Plan



Note : As of Feb. 10, 2025  
Mie Prefecture is included in the Chubu area.

# Priority Targets for M&A

M&A is mainly targeting the business operators that own intermediate treatment facilities and have a stable customer base in the areas where we have limited number of facilities.

## Abundant M&A Opportunities

**Proportion of companies in the waste management industry with total business sales of JPY 1 bn or more(FY2010)**

■ Sales of JPY 1 bn or more

■ Sales of less than JPY 1 bn

16%

84%

	Collection and Transportation	Intermediate Treatment		Final Disposal
		Sorting, Crushing, and Recycling	Incineration and Heat Treatment	
Hokkaido/ Tohoku		✓✓✓	✓✓	✓
Kanto	✓	✓✓✓	✓✓	✓
Chubu		✓✓✓	✓✓	✓
Kansai		✓✓✓	✓✓	✓
Chugoku/Shikoku		✓✓✓	✓✓	✓
Kyushu		✓✓✓	✓✓	✓

- This table shows the priority of M&A targets by the number of check marks, categorized by area and waste treatment facility.
- Current number of recycling facilities: ■ > ■ > ■

Source: Created based on MOEJ. "Heisei 23 nendo sangyo haikibutsu shori gyo jittai chosa gyomu hokoku sho" [Survey of Industrial Waste Disposal Industry in FY2011] (Mar. 2012) (<https://www.env.go.jp/content/900535882.pdf>)

# M&A Latest Results

FY2025/3 Result : 4 companies became consolidated subsidiaries

## Kanto area

### ① Eiwa Recycle Co., Ltd.

Apr. 2024

Location	✓ 2-9-16 Nishiwaseda, Shinjuku-ku, Tokyo
Business	✓ Collection and transportation of industrial waste ✓ Comprehensive building demolition business
Capital	✓ JPY 30 mn
Last Fiscal Year Sales	✓ JPY 3,316 mn
Last Fiscal Year Operating Profit	✓ JPY 428 mn
Our advantage through M&A	✓ Expansion of orders for industrial waste received ✓ Increase in collection and transportation capacity in the Tokyo metropolitan area

### ② Urayasu Seiun, Inc.

Jul. 2024

Location	✓ 15-39 Chidori Urayasu, Chiba
Business	✓ Collection and transportation of general waste and industrial waste
Capital	✓ JPY 10 mn
Last Fiscal Year Sales	✓ JPY 583 mn
Last Fiscal Year Operating Profit	✓ JPY 10 mn
Our advantage through M&A	✓ Expansion of business area for handling general waste ✓ Increase in collection and transportation capacity in the Tokyo metropolitan area ✓ Strengthening relationships with municipalities

### ③ Aia, Inc.

Jul. 2024

Location	✓ 15-39 Chidori Urayasu, Chiba
Business	✓ General waste recycling business
Capital	✓ JPY 5 mn
Last Fiscal Year Sales	✓ JPY 12 mn
Last Fiscal Year Operating Profit	✓ ▲JPY 18 mn
Our advantage through M&A	✓ Expansion of business area for handling general waste ✓ Strengthening relationships with municipalities

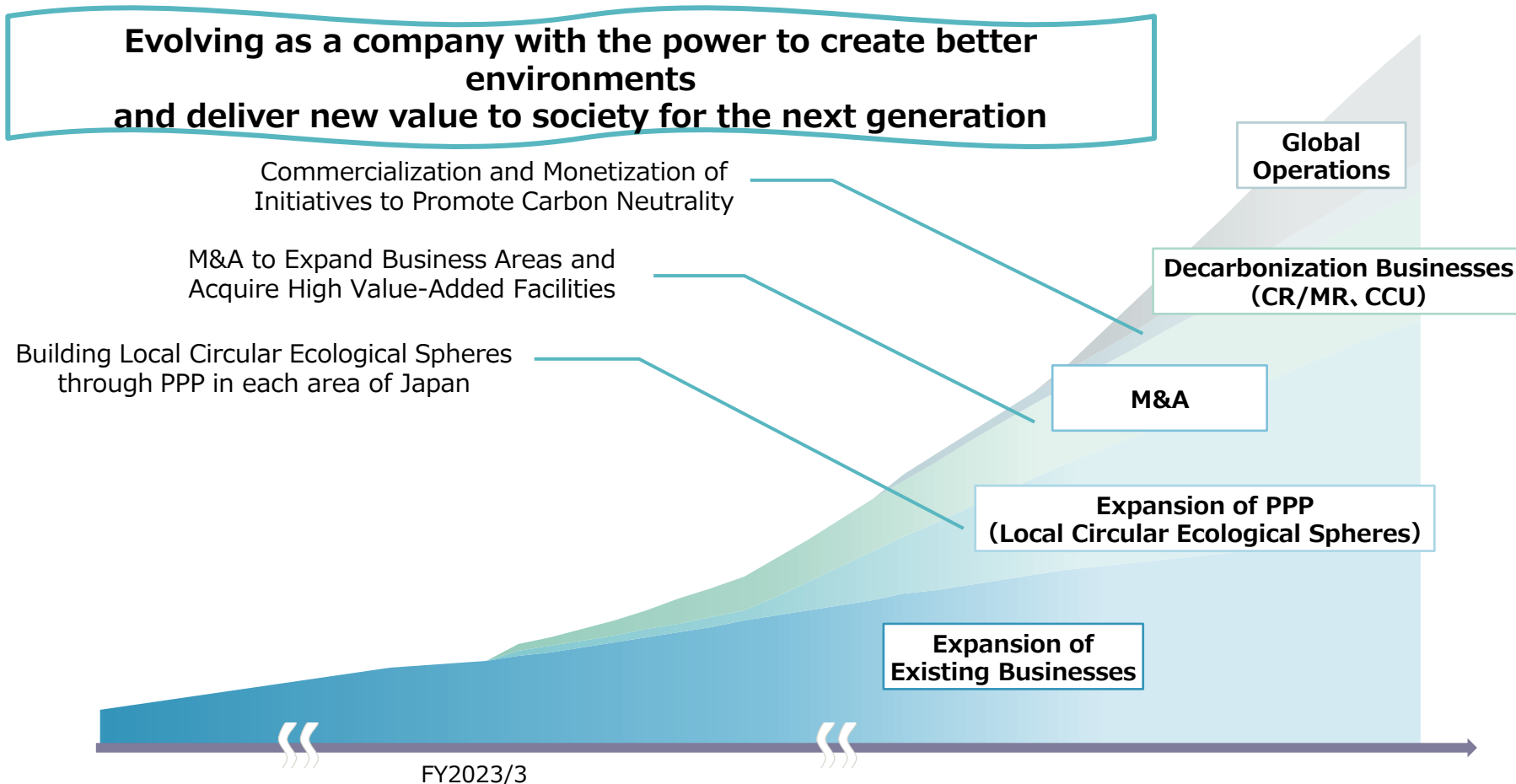
### ④ Kaisei Co., Ltd.

Jan. 2025

Location	✓ 3-10-6, Chuo, Chuo-ku, Chiba
Business	✓ Comprehensive building demolition business
Capital	✓ JPY 20 mn
Last Fiscal Year Sales	✓ JPY 1,182 mn
Last Fiscal Year Operating Profit	✓ JPY 6 mn
Our advantage through M&A	✓ Expansion of orders for industrial waste received

# The Future Vision of Daiei Kankyo Group

We aim to evolve as a company with the power to create better environments and deliver new value to society for the next generation through expansion of existing businesses, active M&A, building local circular ecological spheres throughout Japan, and initiatives to promote carbon neutrality.



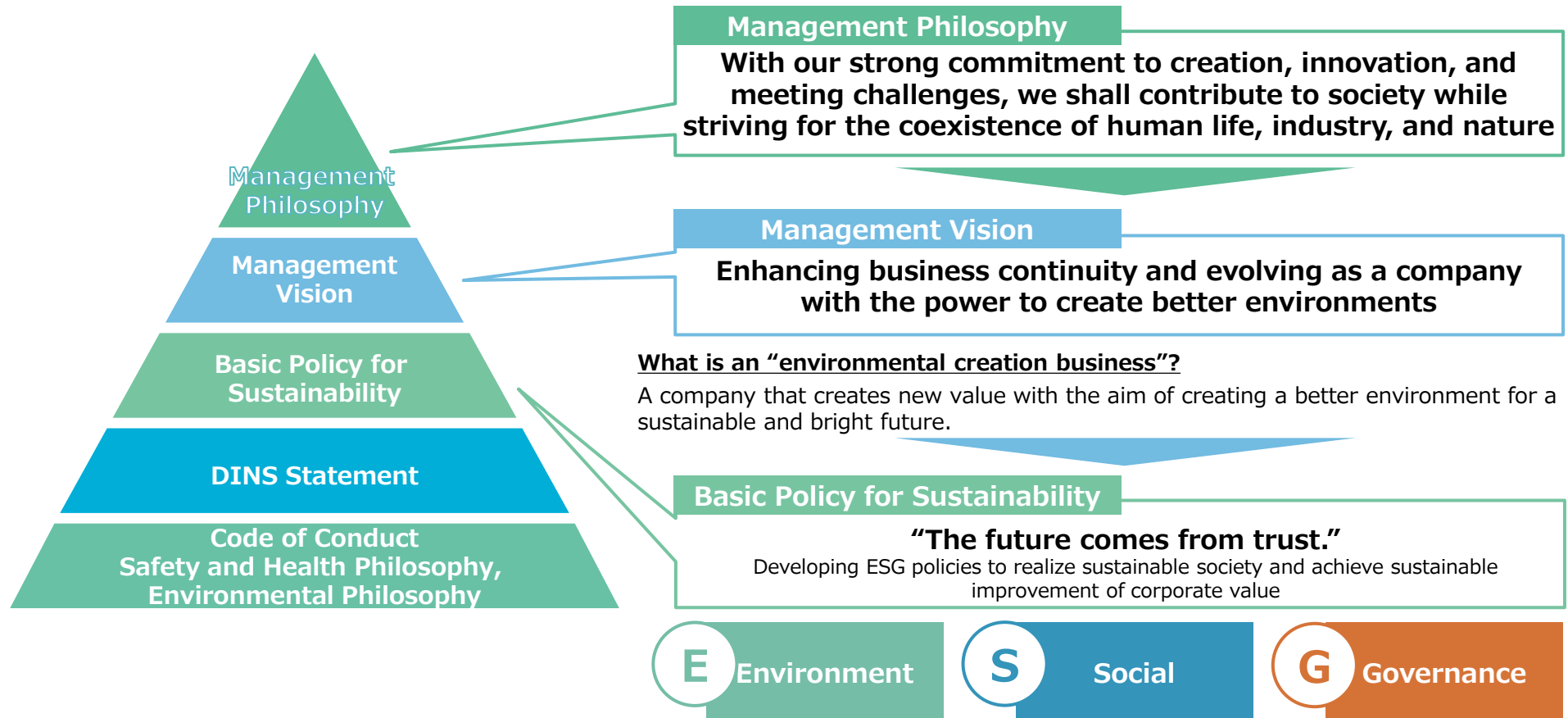
Note: CR = Chemical recycling, MR = Material recycling

# 7. Appendix

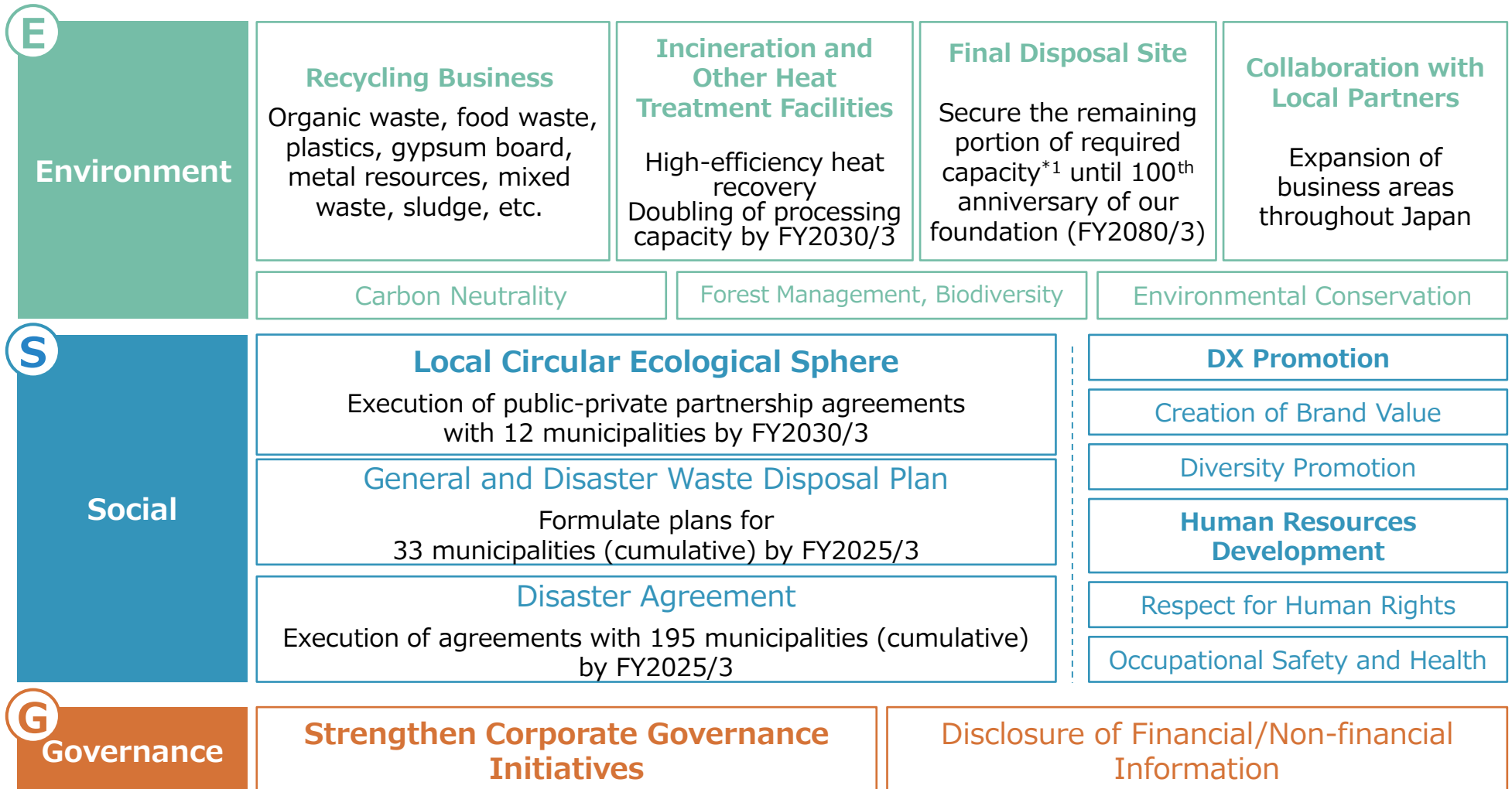
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# Identity

- ✓ We have been steadily realizing our management vision and building a foundation of a “100 year company”. Our business is an important social infrastructure that must endure. As the social system is rapidly changing toward carbon neutrality by 2050, we will engage in ESG (Environmental, Social, and Governance) initiatives that will help solve social issues by taking a long-term perspective more than ever before.
- ✓ In order to change the current systems of waste management and recycling, we will actively invest in cooperation with various partners, and promotion of Local Circular Ecological Spheres, decarbonization, and DX, as well as further enhance our relationships with local communities, which we view as our greatest strength, to deliver new value to society for the next generation.



# ESG Policies for Creating Values

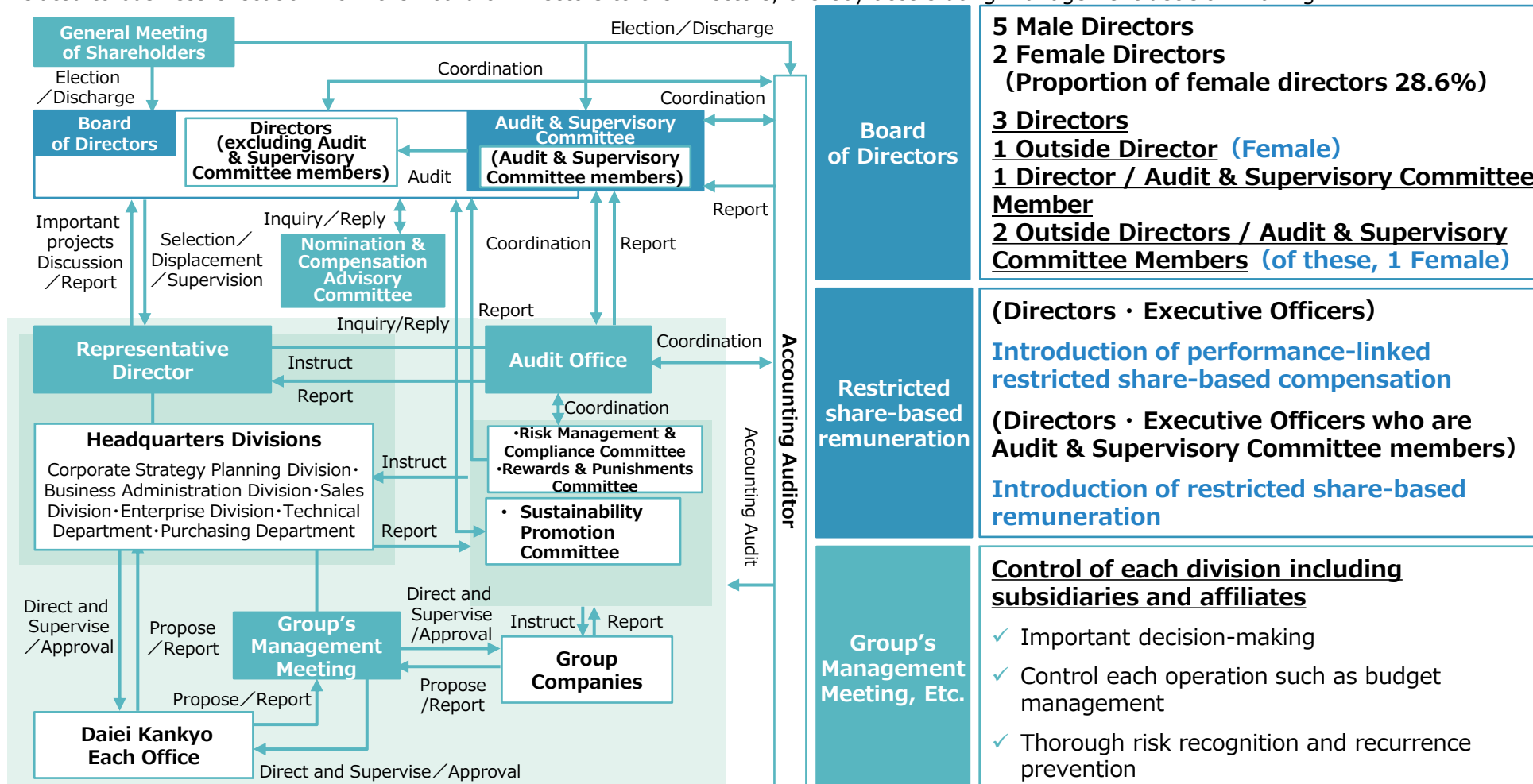


\*1: The remaining portion of required capacity for final disposal sites is based on the estimated landfill space required through FY2080/3, assuming that the development of the resource recycling system progresses as expected.

# Corporate Governance Structure

## Transition to a Company with an Audit and Supervisory Committee

We aim to further enhance corporate value by having the Audit and Supervisory Committee conduct “appropriateness audits” as well as “legality audits,” by strengthening the audit function of the Board of Directors, and by delegating the authority to make important decisions related to business execution from the Board of Directors to the Directors, thereby accelerating management decision-making.



# Human Capital Initiatives

## Achievements and targets of the human capital initiatives of the Daiei Kankyo Group

In order to achieve sustainable growth and increase corporate value for the Group, we recognize that expanding and diversifying human capital investment is an important management issue, and we have set targets to achieve this goal.

	Past state (As of Mar. 31, 2023)	Current state (As of Mar. 31, 2024)	Target (As of Mar. 31, 2025)
✓ Proportion of female new graduates hired (university graduate and above)	26.7 %	<b>36.8 %</b>	30.0% or above
✓ Proportion of female managers	3.6 %	<b>3.7 %<sup>*1</sup></b>	4.0% or above
✓ Rehiring rate of retirees	80.0 %	<b>70.8 %</b>	70.0% or above
✓ Paid leave utilization rate	72.2 %	<b>77.7 %</b>	90.0% or above
✓ Rate of uptake of childcare leave by male employees	45.3 %	<b>90.9 %</b>	80.0% or above
✓ Percentage of high-stress employees in stress checks	10.1 %	<b>10.9 %</b>	10.0% or less

<sup>\*1</sup> : The calculation method was changed according to the "Interpretation Items for Assessing the Situation, Information Disclosure, Certification Criteria, etc." (Equal Employment Opportunity Division, Employment Environment and Equal Employment Bureau, Ministry of Health, Labor and Welfare; Sep. 15, 2022), and the target value was also revised in accordance with the calculation method. f calculated with the previous calculation method: 5.5%

# Initiatives for Coexistence with Local Communities

Promoting a society in which women actively participate



INAC KOBE / Promoting development of women's soccer



Based on the philosophy and vision of the WE-League, we will contribute to the realization and development of **a society where diversity of dreams and lifestyles abound and each individual shines** through women's soccer and sports.

## VISION 0 1

The world's best women's soccer team

## VISION 0 2

The world's best active women's community

## VISION 0 3

The world's best league value

## VISION 0 4

Career creation for after retiring from professional sports

Promoting coexistence with local communities

## Opening of 「ROKKO i PARK」

Commercial facility to which the Group headquarters relocated in 2020 finally reopened in Mar. 2024 after almost 6 years.



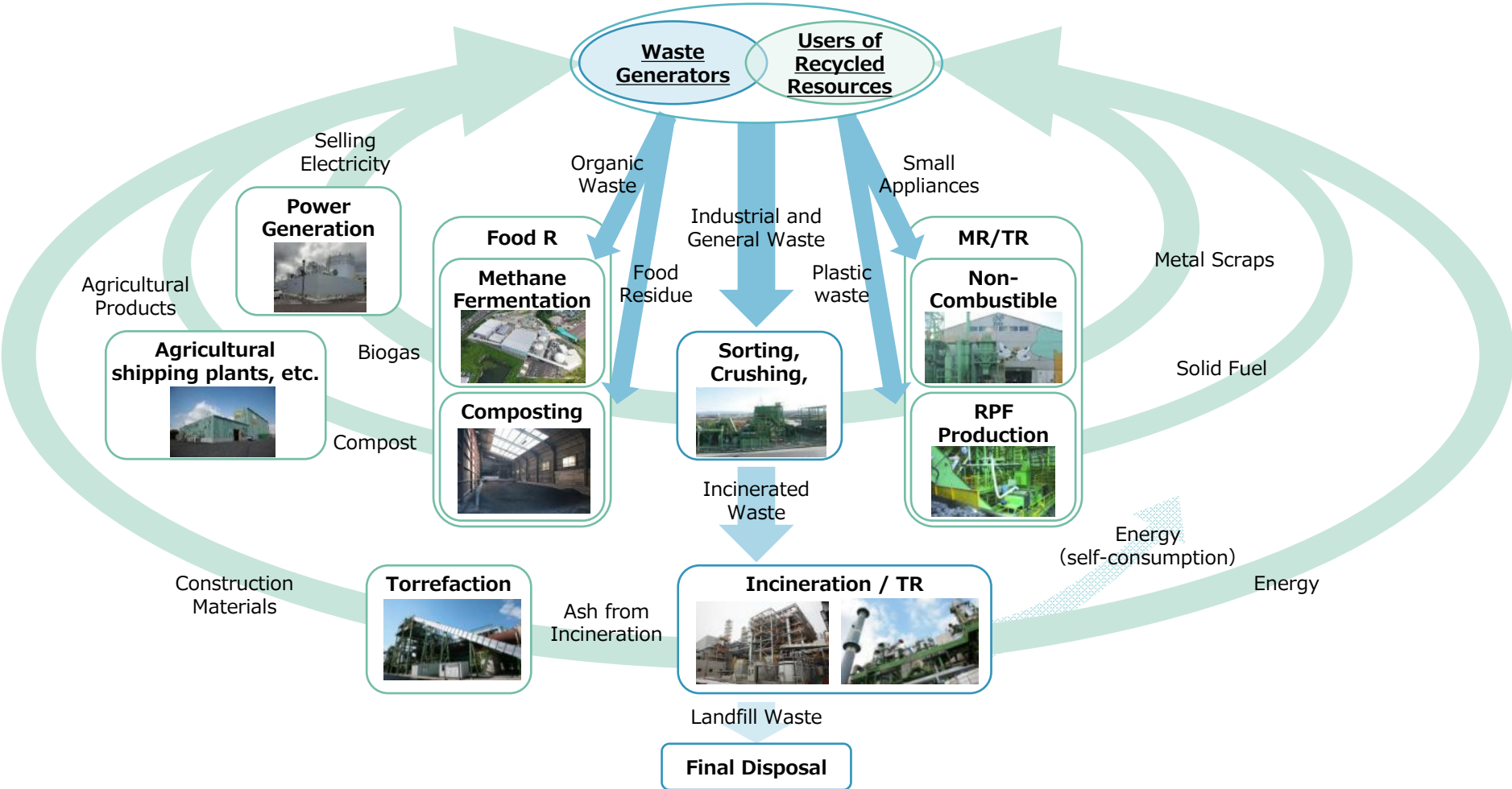
## Holding of Mie Fureai Festival (community event)

The Fureai Festival was held in Apr. 2024 after 5 years at the Mie Recycle Center, and approximately 2000 people attended.



# Initiatives for Circular Economy

## Illustration of Daiei Kankyo Group's Circular Economy



Note: R = Abbreviation for Recycling, MR = Material Recycling, TR = Thermal Recycling  
RPF = Refuse Paper & Plastic Fuel, a solid fuel made from waste plastic and other materials

# Efforts to Reduce CO2 Emissions

## Endorsement of TCFD and information disclosure

We are working towards the government's goal of carbon neutrality by 2050 by implementing climate change countermeasures based on the TCFD protocols and reducing greenhouse gas emissions in society as a whole.

We endorsed the TCFD in Jun. 2023 and disclosed 4 items based on the TCFD declaration.



### <Greenhouse gas reduction targets>

<b>Long-term target</b>	Achieve carbon neutrality for the entire Daiei Kankyo Group by 2050
<b>Medium-term target</b>	Achieve virtually zero CO2 emissions from electricity use for the entire Daiei Kankyo Group by 2030

►For details on the TCFD disclosure, please refer to the Daiei Kankyo website.  
(Japanese only)

### <Daiei Kankyo Group's actual greenhouse gas emissions>

	Scope	FY2022/3 (t-CO2)	FY2023/3 (t-CO2)	FY2024/3 (t-CO2)*1
Scope 1	Group as a whole*2	249,361	252,540	261,601
Scope 2	Group as a whole*2	22,666	18,714	25,013
Total	Group as a whole*2	272,027	271,254	286,615
(Reference) Scope 3	Group as a whole*2	—	—	223,306
	Four major companies*3	—	142,889	—

\*1 The figures disclosed to date have been updated due to a review of the aggregation.

\*2 All Group Companies: Corporations included in the Daiei Kankyo Group during the reporting year. D-design and INAC Football Club, which became consolidated subsidiaries during the period, are excluded from the calculation.

\*3 Four major companies: Daiei Kankyo Co., Ltd., Mie Chuo Kaihatsu Co., Ltd., DINS Kansai Co., Ltd., and Geo-Re Japan Inc.

### <Contribution to the reduction of greenhouse gas (CO2) emissions in society as a whole>

Initiatives		Actual reduction in FY2023/3 (t-CO2)	Actual reduction in FY2024/3 (t-CO2)	
Thermal recycle	Power generation and sale by waste incineration	Approx. -2,000	Approx. -19,000	Contribution
Solar power generation	Solar power generation and sale of electricity	Approx. -2,000	Approx. -2,000	
Recycling	Manufacturing and sales of RPF and recycled pallets	Approx. -107,000	Approx. -114,000	
Forest management	Fixation of CO2 emissions from approximately 8,170 ha of company-owned forests	Approx. -44,000	Approx. -44,000	Ab-sorption



Solar power generation



RPF, Recycled pallets

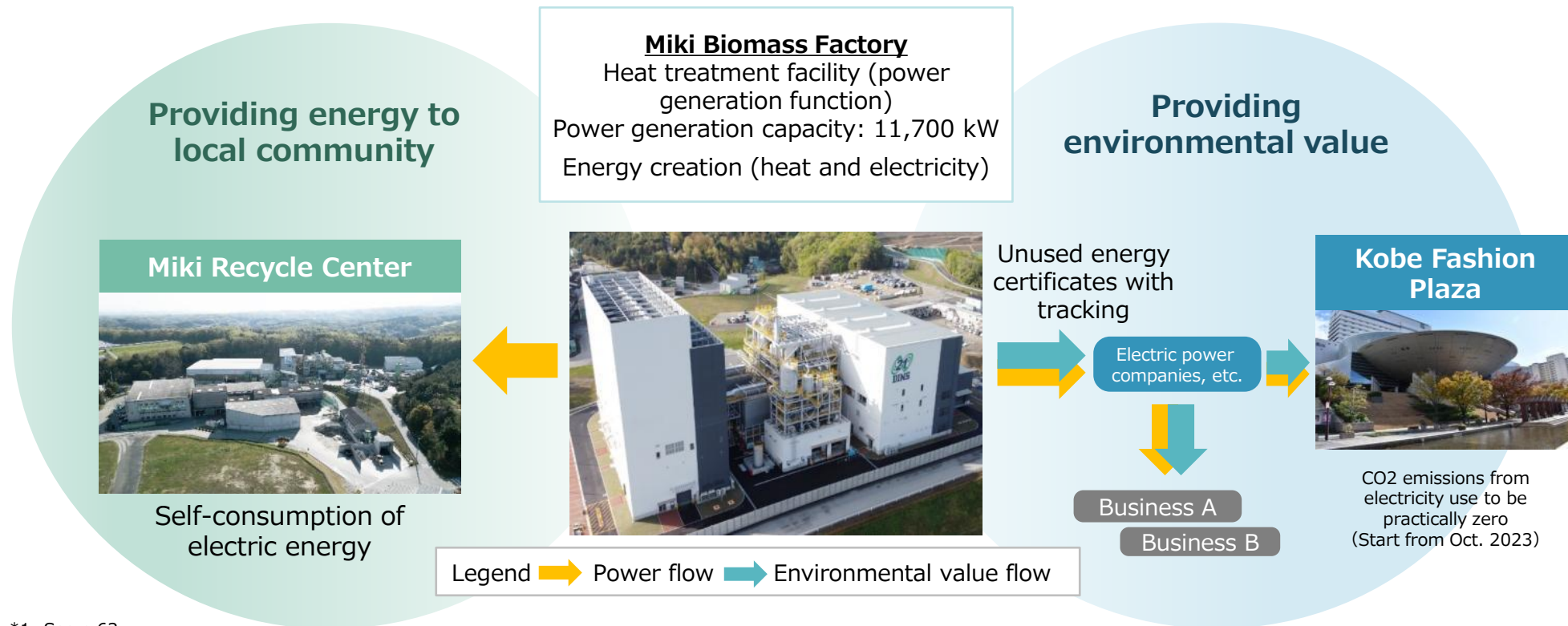


Company-owned forests

# Efforts to Reduce CO2 Emissions

## Energy value creation by Miki Biomass Factory

- ✓ The power generated by the Miki Biomass Factory is supplied to various facilities in the Miki Recycle Center, and the surplus is sold
- ✓ As an initiative toward our medium-term target\*1, we will buy back the environmental value and achieve practically zero CO2 emissions at Kobe Fashion Plaza\*2



\*1: See p.62

\*2: Location of Group headquarters

# Initiatives for Nature Positive

## Conservation of biodiversity

Participation in new domestic initiatives to achieve the international biodiversity targets through forest management business

Certified as “a Natural Symbiosis Site” by  
The Ministry of the Environment (Oct. 6, 2023)

- ✓ Conservation of biodiversity was recognized at a specific site in Daiei Kankyo group owned forest

### 【Site overview】

Name: “Daiei Kankyo Miyazaki Mimata Forest”  
Total Area: Approx. 2,234ha  
Certified Area: Approx. 493ha  
Certified Reason: Confirmed habitat of rare plants and southern limit plants etc...



( a Natural symbiosis site certification logo)

## Participation in “30by30 Alliance for Biodiversity”

- ✓ Participation in the coalition of governments including the Ministry of the Environment, companies and non-profit organizations to achieve the 30by30 target in Japan



Daiei Kankyo Miyazaki Mimata Forest

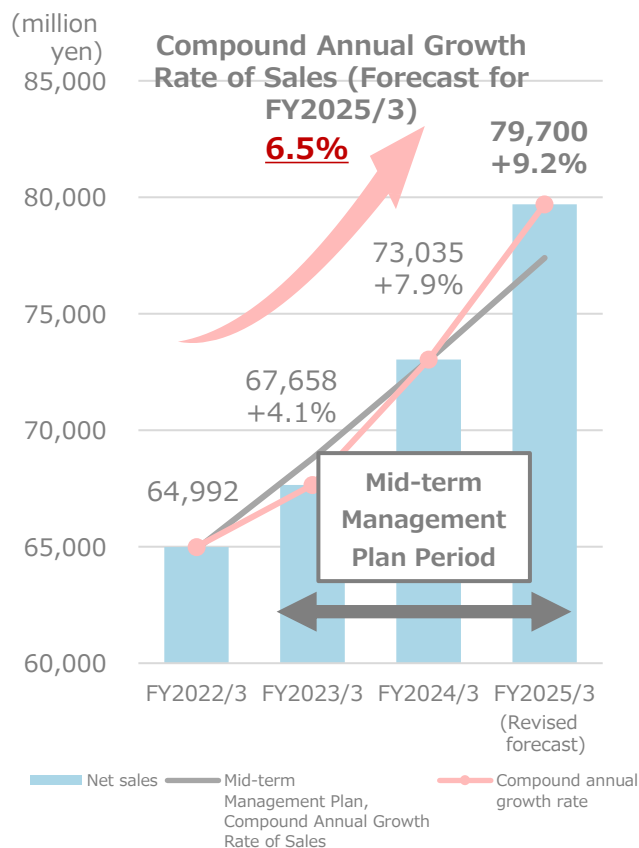


Award ceremony for certification of  
a Natural Symbiosis Site

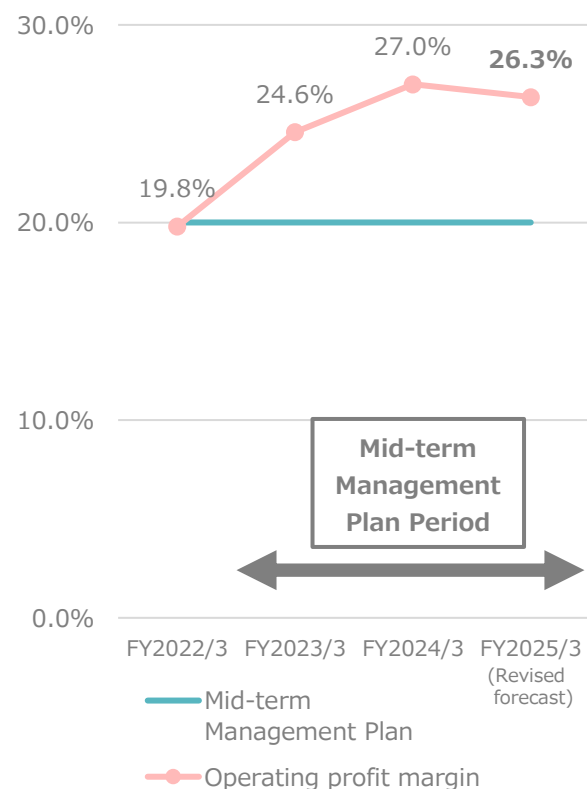
# Midterm Management Plan (FY2023/3 to FY2025/3)

## Compound Annual Growth Rate of Sales, Operating Profit Margin, and EBITDA Margin

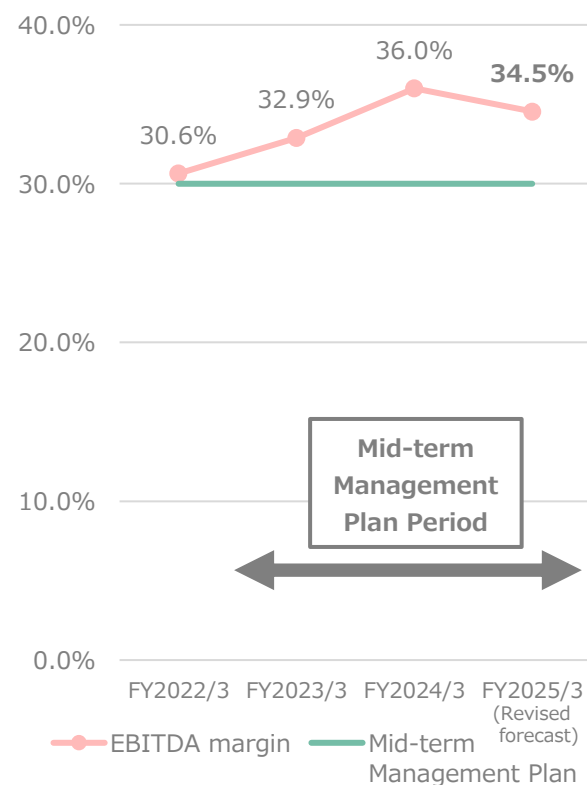
### ✓ Compound Annual Growth Rate of Sales



### ✓ Operating Profit Margin



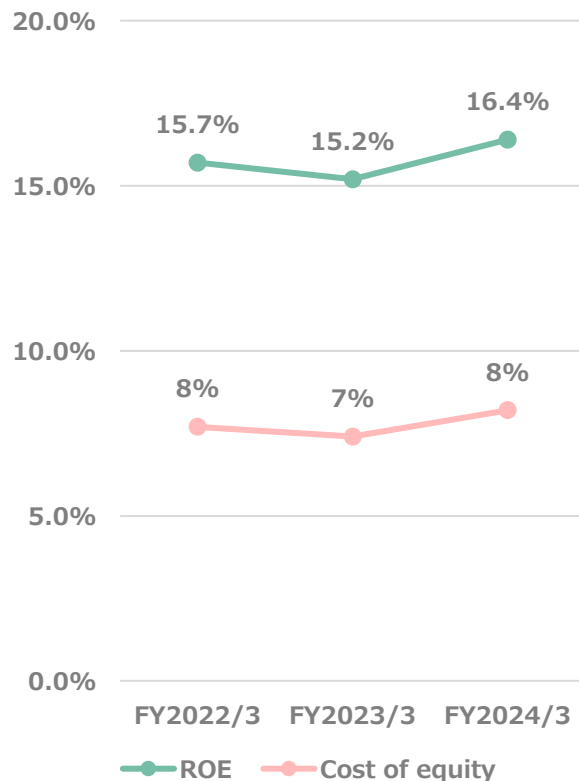
### ✓ EBITDA Margin



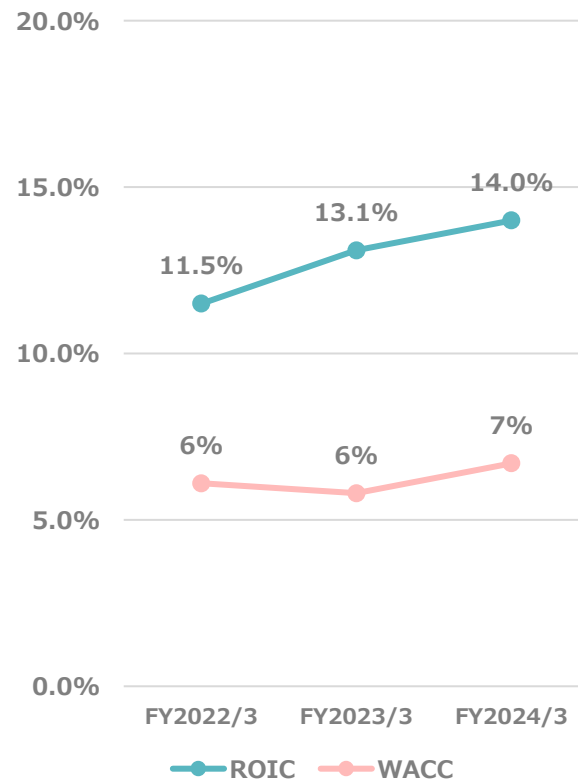
# Capital Profitability and Market Evaluation

ROE・Cost of equity, ROIC・WACC, PBR・EPS

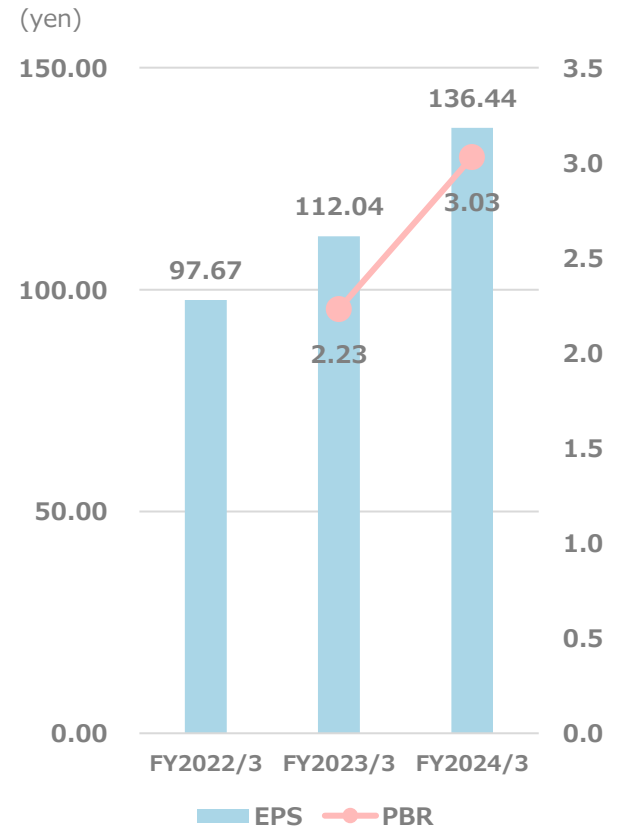
## ✓ ROE・Cost of equity



## ✓ ROIC・WACC



## ✓ PBR\*1・EPS\*2



\*1: PBR (Price-to-book ratio) = Share price / Net assets per share

\*2: EPS (Earnings per share) = Net income / Average total number of shares outstanding during the period

Note: Cost of equity and WACC are assumed based on expert opinion.

# FY2024/3 Results

## Capital Efficiency and Leverage Indicators

	FY2023/3	FY2024/3	Year-on-year
EBITDA margin	32.9%	<b>36.0%</b>	<b>+3.1pt</b>
ROE* <sup>1</sup>	15.2%	<b>16.4%</b>	<b>+ 1.2pt</b>
ROIC* <sup>2</sup>	13.1%	<b>14.0%</b>	<b>+ 0.9pt</b>
Net D/E ratio* <sup>3</sup>	0.1×	<b>0.1×</b>	<b>—</b>

Note: Details of adjustment process for each indicator are described on P68 and after

\*1: ROE = Profit attributable to owners of parent / equity (average of beginning and ending amounts)

\*2: ROIC = NOPAT (Net Operating Profit After Taxes) / Invested capital at the beginning of the period, Invested capital = Non-current assets + Current assets (excluding cash and deposits) - Current liabilities (excluding interest-bearing debt(current)). Interest-bearing Debt = Bonds + Debt + Lease, etc.

\*3: Net D/E ratio = (Interest-bearing debt - cash & cash equivalent) / equity

## 【Reference】 Reconciliation of EBITDA

(million yen)	FY2022/3	FY2023/3	FY2024/3
Operating profit	12,840	16,623	19,714
Depreciation	6,249	5,413	6,190
Amortization of goodwill	736	212	360
<b>EBITDA</b>	<b>19,826</b>	<b>22,250</b>	<b>26,265</b>
<b>EBITDA Margin</b>	<b>30.5%</b>	<b>32.9%</b>	<b>36.0%</b>

## 【Reference】 Reconciliation of ROE

(million yen)	FY2022/3	FY2023/3	FY2024/3
Profit Attributable to Owners of Parent	8,870	10,494	13,549
Equity <sup>*1</sup>	56,324	69,115	83,022
<b>ROE</b>	<b>15.7%</b>	<b>15.2%</b>	<b>16.4%</b>

\*1: Equity is the sum of share capital, capital surplus, retained earnings, valuation difference on available-for-sale securities and remeasurements of defined benefit plans presented on our consolidated balance sheet (average of beginning and ending amounts).

## 【Reference】 Reconciliation of ROIC

(million yen)	FY2022/3	FY2023/3	FY2024/3
Operating profit	12,840	16,623	19,714
Amortization of goodwill	736	212	360
Effective tax rate	30.6%	30.6%	30.6%
NOPAT (Net Operating Profit After Taxes)	9,419	11,681	13,928
Net property, plant and equipment	60,286	69,943	80,519
Total investments and other assets	17,977	16,529	16,620
Total current assets (excluding cash and deposits)	13,525	13,964	14,657
Total current liabilities (excluding interest-bearing debt)	9,625	11,000	12,242
Invested Capital at the beginning of the period	82,164	89,436	99,555
<b>ROIC</b>	<b>11.5%</b>	<b>13.1%</b>	<b>14.0%</b>

Note: Balance sheet items are as of the beginning of the period

# 【Reference】 Reconciliation of Net D/E Ratio

(million yen)	FY2022/3	FY2023/3	FY2024/3
Net Interest-bearing Debt	21,518	9,987	9,075
Equity	59,743	78,487	87,557
Net D/E Ratio	0.4x	0.1x	0.1x



*Power to Turn into Resources, Return to Nature*  
**DAIEI KANKYO**

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(Formerly Twitter) Official Account

Release of IR information



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