



April 11, 2025

News Release

Company name: Daiei Kankyo Co., Ltd.
Representative: Fumio Kaneko
President and Representative Director
(Securities Code: 9336; Prime Market of TSE)
Contact: Morihiko Shimoda
Executive Officer / General Manager of
Corporate Strategy Planning Division
(TEL: +81-78-857-6600)

Notice Concerning the Partial Acquisition of Shares and Conversion of Hizen Kankyo Co., Ltd. into a Consolidated Subsidiary

Daiei Kankyo Co., Ltd. (the “Company”) hereby announces that it has entered into a share transfer agreement with Hizen Kankyo Co., Ltd. (the “Target Company”) to acquire 70% of its shares with an execution date of April 15, 2025, in order to make it a consolidated subsidiary.

1. Reason for share acquisition

In addition to providing one-stop services ranging from waste collection and transportation to intermediate treatment, recycling, and final disposal, the Daiei Kankyo Group has developed a wide-ranging value chain related to building a better environment, including soil remediation as well as facility construction and administration, and is promoting proactive ESG measures that lead to solving social issues amid the global trend toward a decarbonized society and a circular economy.

The Target Company was established to handle final waste disposal, and obtained permits to install an industrial waste management facility (controlled type) and a general waste management facility on February 14 and March 27, 2025, respectively, in Imari City, Saga Prefecture. (The table below shows the overview of the permits.)

Our jointly owned company is also planning to develop energy recovery facilities through a public-private partnership (PPP) in the Kyushu area. By making the Target Company a consolidated subsidiary, we believe it will create synergies within the Group as this will lead to a greater market share by establishing a total waste management and resource recycling system within the area. We aim to begin construction work to start services at the earliest possible date, while also developing a community-based business.

As a provider of social infrastructure, our Group will continue to contribute to the formation of a sustainable recycling-oriented society and work toward further business growth by expanding our controlled final disposal sites into new areas, in addition to the planned construction of new controlled final disposal sites.

Overview of the permits

(1)	Type of facility	Controlled final disposal site
(2)	Location	2109-5 Kuroshio, Kurogawacho, Imari City, Saga Prefecture, and 42 other parcels of land
(3)	Permitted capacity	1,104,632 m ³ (New)
(4)	Permitted items	<p>Industrial waste: Plastic wastes; metal scraps; glass, concrete, and ceramic wastes (including crushed materials, such as automobiles, for all of the aforementioned items); cinders; sludge; wastepaper; wood chips; fiber wastes; animal and plant residues; animal solid wastes; rubber wastes; slag; debris; animal feces and urine; animal carcasses; soot and ash; waste as defined in Article 2, Item 13 of the Cabinet Order of Waste Management and Public Cleansing Law; waste asbestos, etc. (including industrial waste containing asbestos, industrial waste of products that use mercury, and mercury-containing soot and ash, etc.)</p> <p style="text-align: right;">(18 items)</p> <p>General waste: Incineration residues (cinders; soot and ash (including mercury-containing)); noncombustible materials (including waste containing asbestos)</p> <p style="text-align: right;">(2 items)</p>

2. Overview of subsidiary being transferred

(1)	Name	Hizen Kankyo Co., Ltd.	
(2)	Address	7-1-6 Sawara, Sawara-ku, Fukuoka City, Fukuoka Prefecture	
(3)	CEO	Kou Nishizaki Ryozo Kugita	
(4)	Business	Final disposal of general and industrial waste	
(5)	Capital	10 million yen	
(6)	Established	April 28, 2023	
(7)	Major shareholders and shareholding ratio (excluding treasury stock)	Kou Nishizaki 60.0% Naritoshi Nakamura 40.0%	
(8)	Relationship of relevant company with listed company	Capital relationship	None
		Personnel relationship	None
		Business relationship	None
(9)	Financial position of relevant company over the past year (Million yen)		
	Fiscal year end	March 31, 2024	
	Net assets	-5	
	Total assets	49	

3. Overview of parties from whom shares are being transferred and status of shares held before and after transfer

(1)	Name	Kou Nishizaki
(2)	Address	Fukuoka City, Fukuoka Prefecture
(3)	Relationship of individual with listed company	There are no capital, personnel, or business relationships of note with the Company.
(4)	Number of shares held before transfer	120 (Number of voting rights: 120)
(5)	Number of shares held after transfer	36 (Number of voting rights: 36)

(1)	Name	Naritoshi Nakamura
(2)	Address	Osaka City, Osaka Prefecture
(3)	Relationship of individual with listed company	There are no capital, personnel, or business relationships of note with the Company.
(4)	Number of shares held before transfer	80 (Number of voting rights: 80)
(5)	Number of shares held after transfer	24 (Number of voting rights: 24)

4. Number of shares acquired, acquisition price, and status of shares held before and after transfer

(1)	Number of shares held before transfer	0
(2)	Number of shares acquired	140 (Number of voting rights: 140)
(3)	Acquisition price	The acquisition price shall not be disclosed due to an agreement with the other parties. However, the price was determined upon mutual consultation based on the results of appropriate due diligence at an amount considered fair and reasonable.
(4)	Number of shares held after transfer	140 (Number of voting rights: 140) (Percentage of voting rights held: 70.0%)

5. Schedule

(1)	Contract signing date	April 11, 2025
(2)	Share transfer execution date	April 15, 2025 (Planned)

6. Future outlook

Although the impact of this matter on our consolidated financial results is minimal, we will promptly announce any matters that require disclosure should they arise in the future.