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August 8, 2025

## Consolidated Financial Results for the Three Months Ended June 30, 2025 (Under Japanese GAAP)

Company name: Daiei Kankyo Co., Ltd.  
 Listing: Tokyo Stock Exchange  
 Securities code: 9336  
 URL: <https://www.dinsgr.co.jp/english/>  
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 Scheduled date to commence dividend payments: —  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated financial results for the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

#### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2025	20,020	3.4	4,260	(16.4)	4,271	(20.4)	2,906	(16.9)
June 30, 2024	19,353	9.9	5,096	12.9	5,369	13.1	3,497	16.0

Note: Comprehensive income For the three months ended June 30, 2025: ¥2,543 million [(32.6)%]  
 For the three months ended June 30, 2024: ¥3,772 million [13.8%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2025	29.51	—
June 30, 2024	35.28	—

Notes: Diluted earnings per share are not presented because there were no potential shares.

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2025	192,742	95,422	49.0
March 31, 2025	184,905	94,681	51.0

Reference: Equity  
 As of June 30, 2025: ¥94,349 million  
 As of March 31, 2025: ¥94,269 million

## 2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	—	23.00	—	25.00	48.00
Fiscal year ending March 31, 2026	—				
Fiscal year ending March 31, 2026 (Forecast)		24.50	—	24.50	49.00

Note: Revisions to the forecast of cash dividends most recently announced: None

## 3. Consolidated earnings forecasts for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2025	39,400	3.3	8,900	(12.4)	8,800	(13.5)	5,900	(11.1)	59.90
Fiscal year ending March 31, 2026	83,900	4.6	21,800	1.2	20,600	0.5	14,400	0.2	146.19

Note: Revisions to the forecast of cash dividends most recently announced: None

**\* Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
  - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
  - (ii) Changes in accounting policies due to other reasons: None
  - (iii) Changes in accounting estimates: None
  - (iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2025	99,892,900 shares
As of March 31, 2025	99,892,900 shares

(ii) Number of treasury shares at the end of the period

As of June 30, 2025	1,391,171 shares
As of March 31, 2025	1,390,723 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2025	98,502,040 shares
Three months ended June 30, 2024	99,121,558 shares

- \* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: Yes (voluntary)

\* Proper use of earnings forecasts, and other special matters

(Caution regarding forward-looking statements and others)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual performance may significantly differ from these forecasts due to various factors in the future.

(How to obtain supplementary material on financial results)

The supplementary material on financial results is disclosed on TDnet and the Company's website on the same day as the financial results reports.

## Attached Material

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# 1. Overview of operating results, etc.

## (1) Overview of quarterly operating results

During the three months ended June 30, 2025, the Japanese economy continued to show a moderate recovery trend. Although there were growing downside risks due to the impact of U.S. trade policies and concerns over geopolitical instability such as heightened tensions in the Middle East, factors such as government measures to address persistent inflation, improvements in the employment and income environment, and steady corporate earnings-supported capital investment underpinned the economy.

Under these circumstances, the Group recorded higher revenue as a result of continued orders for infrastructure development projects centered in the Kansai area, efforts to enhance a resource recycling system in collaboration with partner companies and municipalities, and initiatives to expand market share in the Kanto area. In terms of profit, despite a decline due to increased costs including depreciation and labor costs, results progressed in line with the initial plan. The Group will continue working to reduce costs through insourcing.

For the above reasons, our consolidated financial results for the three months ended June 30, 2025 were as follows.

(Millions of yen)				
	Three months ended June 30, 2024	Three months ended June 30, 2025	Increase or decrease	Percentage change (%)
Net sales	19,353	20,020	667	3.4%
Operating profit	5,096	4,260	(836)	(16.4%)
Operating profit margin (%)	26.3%	21.3%	(5.0pt)	—
Ordinary profit	5,369	4,271	(1,097)	(20.4%)
Profit attributable to owners of parent	3,497	2,906	(590)	(16.9%)
EBITDA	6,724	6,138	(585)	(8.7%)
EBITDA margin (%)	34.7%	30.7%	(4.0pt)	—

Notes: 1. EBITDA = operating profit + depreciation (excluding non-operating expenses) + amortization of goodwill  
2. EBITDA margin = EBITDA / net sales

The financial results by segment are as follows.

### Waste-related Business

(Millions of yen)				
	Three months ended June 30, 2024	Three months ended June 30, 2025	Increase or decrease	Percentage change (%)
Net sales	18,691	19,345	653	3.5%
Segment profit	5,168	4,350	(817)	(15.8%)

In Waste management and recycling, the volume of waste received was 537 thousand tons (down 3.7% year on year). Despite the decline in volume, net sales increased due to higher average unit order prices, primarily driven by expanded volume of waste received in the Kanto area.

In Soil remediation, the volume of contaminated soil received was 52 thousand tons (down 22.3% year on year). Although volume decreased, net sales increased due to a focus on the acceptance of orders for difficult-to-process contaminated soil.

In Facility construction and administration, sales increased as a result of a greater number of orders for demolition work by Kaisei Co., Ltd., which became a consolidated subsidiary in January 2025.

In terms of profit, the decrease was mainly due to higher depreciation cost as a result of the end of the positive offset effect caused by the re-estimation of asset retirement obligations for final disposal sites and rising unit cost of depreciation, labor cost as a result of an increase in the number of employees and the improvement in the employment and income environments, and outsourcing costs resulting from expanded demolition work orders.

### Other Businesses

(Millions of yen)				
	Three months ended June 30, 2024	Three months ended June 30, 2025	Increase or decrease	Percentage change (%)
Net sales	661	674	13	2.0%
Segment loss	(43)	(70)	(27)	—

Net sales increased due to higher sponsorship revenue earned by INAC Football Club Co., Ltd., a consolidated subsidiary, in Sports community promotion despite lower volume of Aluminum pellets sold resulting from fluctuated aluminum market and a decrease in the number of Recycled plastic pallets sold.

In terms of profit, the larger segment loss was due to a rise in unit purchase price of aluminum cans, which are used as raw material for Aluminum pellets, in addition to an increase in one-time repair and maintenance expenses in Recycled plastic pallet.

## **(2) Overview of quarterly financial position**

(Millions of yen)				
	As of March 31, 2025	As of June 30, 2025	Increase or decrease	Percentage change (%)
Assets	184,905	192,742	7,837	4.2%
Liabilities	90,223	97,320	7,096	7.9%
Net assets	94,681	95,422	740	0.8%
Equity-to-asset ratio (%)	51.0%	49.0%	(2.0pt)	—

### Assets

Total assets as of June 30, 2025 were ¥192,742 million (up ¥7,837 million from the end of the previous fiscal year).

Current assets were ¥69,169 million (down ¥612 million from the end of the previous fiscal year). This was mainly due to a ¥2,066 million decrease in notes and accounts receivable - trade despite a ¥2,112 million increase in cash and deposits.

Non-current assets were ¥123,508 million (up ¥8,487 million from the end of the previous fiscal year). This was primarily due to the consolidation of Hizen Kankyo Co., Ltd. and Kyoto Eco Service Co., Ltd. (formerly Wood Life Company, Ltd.), which resulted in a ¥6,712 million increase in property, plant and equipment and a ¥1,398 million increase in intangible assets.

### Liabilities

Liabilities as of June 30, 2025 were ¥97,320 million (up ¥7,096 million from the end of the previous fiscal year).

Current liabilities were ¥27,406 million (down ¥1,707 million from the end of the previous fiscal year). This was mainly due to a ¥1,724 million decrease in income taxes payable despite a ¥1,433 million increase in the current portion of long-term borrowings.

Non-current liabilities were ¥69,913 million (up ¥8,804 million from the end of the previous fiscal year). This was primarily due to a ¥7,068 million increase in long-term borrowings and a ¥1,664 million increase in deferred tax liabilities, the latter of which resulted from the consolidation of Hizen Kankyo Co., Ltd. and Kyoto Eco Service Co., Ltd.

### Net assets

Net assets as of June 30, 2025 were ¥95,422 million (up ¥740 million from the end of the previous fiscal year). This was mainly due to a ¥444 million increase in total shareholders' equity and a ¥660 million increase in non-controlling interests.

**(3) Explanation of consolidated earnings forecasts and other forward-looking statements**

There are no changes to the half-year and full-year consolidated earnings forecasts announced on May 14, 2025.

## 2. Quarterly consolidated financial statements and significant notes thereto

### (1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	51,481	53,594
Notes and accounts receivable - trade	13,451	11,384
Securities	1,884	1,878
Finished goods	80	89
Work in process	351	472
Raw materials and supplies	294	244
Other	2,239	1,506
Allowance for doubtful accounts	(1)	(1)
Total current assets	69,781	69,169
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	26,536	26,364
Machinery, equipment and vehicles, net	22,185	22,058
Final disposal sites, net	11,532	11,140
Land	19,972	22,153
Construction in progress	10,923	16,130
Other, net	2,291	2,305
Total property, plant and equipment	93,441	100,154
Intangible assets		
Goodwill	1,858	3,298
Other	558	517
Total intangible assets	2,416	3,815
Investments and other assets		
Investment securities	7,763	7,057
Deferred tax assets	807	907
Other	10,653	11,636
Allowance for doubtful accounts	(61)	(61)
Total investments and other assets	19,162	19,539
Total non-current assets	115,021	123,508
Deferred assets		
Share issuance costs	102	64
Total deferred assets	102	64
Total assets	184,905	192,742



(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	3,673	3,408
Short-term borrowings	80	80
Current portion of bonds payable	950	775
Current portion of long-term borrowings	13,134	14,568
Income taxes payable	3,420	1,696
Provision for bonuses	1,145	758
Asset retirement obligations	97	97
Other	6,612	6,022
Total current liabilities	29,114	27,406
Non-current liabilities		
Bonds payable	885	695
Long-term borrowings	51,441	58,509
Deferred tax liabilities	445	2,109
Retirement benefit liability	610	619
Provision for demolition and removal	—	240
Asset retirement obligations	6,987	6,959
Other	739	779
Total non-current liabilities	61,108	69,913
Total liabilities	90,223	97,320
<b>Net assets</b>		
Shareholders' equity		
Share capital	5,907	5,907
Capital surplus	12,677	12,677
Retained earnings	77,384	77,828
Treasury shares	(3,465)	(3,465)
Total shareholders' equity	92,503	92,948
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,530	1,182
Remeasurements of defined benefit plans	234	219
Total accumulated other comprehensive income	1,765	1,401
Non-controlling interests	412	1,072
Total net assets	94,681	95,422
Total liabilities and net assets	184,905	192,742

**(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income**

**Quarterly consolidated statement of income (cumulative)**

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Net sales	19,353	20,020
Cost of sales	10,604	11,710
Gross profit	8,748	8,309
Selling general and administrative expenses	3,652	4,049
Operating profit	5,096	4,260
Non-operating income		
Interest income	40	48
Dividend income	32	11
Share of profit of entities accounted for using equity method	44	20
Rental income	77	77
Proceeds from sale of goods	45	48
Other	285	74
Total non-operating income	526	279
Non-operating expenses		
Interest expenses	71	107
Amortization of share issuance costs	38	38
Rental expenses	73	78
Cost of sale of goods	40	42
Other	28	1
Total non-operating expenses	253	267
Ordinary profit	5,369	4,271
Extraordinary income		
Gain on sale of non-current assets	10	8
Gain on receipt of donated non-current assets	52	—
Gain on sale of investment securities	—	492
Subsidy income	—	98
Total extraordinary income	62	599
Extraordinary losses		
Loss on sale of non-current assets	0	0
Loss on retirement of non-current assets	0	0
Loss on tax purpose reduction entry of non-current assets	—	97
Provision for demolition and removal	—	240
Total extraordinary losses	0	338
Profit before income taxes	5,431	4,532
Income taxes - current	1,579	1,600
Income taxes - deferred	369	25
Total income taxes	1,949	1,626
Profit	3,481	2,906
Profit (loss) attributable to non-controlling interests	(15)	(0)
Profit attributable to owners of parent	3,497	2,906

# Quarterly consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Profit	3,481	2,906
Other comprehensive income		
Valuation difference on available-for-sale securities	286	(348)
Remeasurements of defined benefit plans, net of tax	5	(15)
Share of other comprehensive income of entities accounted for using equity method	0	0
Total other comprehensive income	291	(363)
Comprehensive income	3,772	2,543
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	3,788	2,543
Comprehensive income attributable to non-controlling interests	(15)	(0)

### (3) Notes to quarterly consolidated financial statements

#### Notes on going concern assumption

Not applicable.

#### Notes when there are significant changes in amounts of shareholders' equity

Not applicable.

#### Notes to quarterly consolidated statement of cash flows

Quarterly consolidated statements of cash flows have not been prepared for the first quarter of the current fiscal year. Depreciation (including amortization related to intangible assets excluding goodwill) and goodwill amortization for the first quarter of the fiscal year under review are as follows.

(Millions of yen)

	For the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)	For the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)
Depreciation	1,604	1,798
Goodwill amortization	96	158

Notes to segment information, etc.

#### I For the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

##### 1. Information regarding net sales and profit or loss by reportable segment

(Millions of yen)

	Reportable segment	Other (Note 1)	Total	Adjustments (Note 3)	Amount recorded in the quarterly consolidated statement of income (Note 4)
	Waste-related Business				
Net sales					
Net sales to external customers	18,691	661	19,353	—	19,353
Intersegment net sales or transfers	15	3	19	(19)	—
Total	18,707	665	19,372	(19)	19,353
Segment profit (loss)	5,168	(43)	5,124	(28)	5,096

- Notes: 1. The Other Businesses is a business segment that is not included in the reportable segment, and represents the Valuable Resource Recycling Business and Sports Promotion Business.  
2. Expenses related to the administration department and other head office expenses that are not attributed to reportable segments are allocated to each business segment on a reasonable allocation basis.  
3. The adjustment of segment profit (loss) consists of consolidation adjustments between segments.  
4. Segment profit (loss) has been reconciled with operating profit in the quarterly consolidated statement of income.

##### 2. Impairment losses on non-current assets or goodwill, etc. by reportable segment

(Significant impairment losses on non-current assets)

Not applicable.

(Significant changes in amount of goodwill)

In the Waste-related Business segment, Eiwa Recycle Co., Ltd. was made a consolidated subsidiary through share acquisition. The amount of goodwill due to this matter is ¥1,244 million in total.

(Significant gain on bargain purchase)

Not applicable.

II For the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

1. Information regarding net sales and profit or loss by reportable segment

(Millions of yen)

	Reportable segment	Others (Note 1)	Total	Adjustment (Note 3)	Amount recorded in the quarterly consolidated statement of income (Note 4)
	Waste-related Business				
Net sales					
Net sales to external customers	19,345	674	20,020	—	20,020
Intersegment net sales or transfers	23	48	72	(72)	—
Total	19,369	723	20,092	(72)	20,020
Segment profit (loss)	4,350	(70)	4,280	(19)	4,260

- Notes: 1. The Other Businesses is a business segment that is not included in the reportable segment, and represents the Valuable Resource Recycling Business and Sports Promotion Business.
2. Expenses related to the administration department and other head office expenses that are not attributed to reportable segments are allocated to each business segment on a reasonable allocation basis.
3. The adjustment in segment profit (loss) consists of consolidation adjustments between segments.
4. Segment profit (loss) has been reconciled with operating profit in the quarterly consolidated statement of income.

2. Impairment losses on non-current assets or goodwill, etc. by reportable segment

(Significant impairment losses on non-current assets)

Not applicable.

(Significant changes in amount of goodwill)

In the Waste-related Business segment, three companies—including Hizen Kankyo Co., Ltd.—were made consolidated subsidiaries through share acquisition. The amount of goodwill due to this matter is 1,597 million in total.

(Significant gain on bargain purchase)

Not applicable.