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*Power to Turn into Resources, Return to Nature*

**DAIEI KANKYO**

# FY2026/ 3 3rd Quarter Financial Results

[Securities Code : 9336]

Feb. 10, 2026



# Executive Summary

Results	FY2026/3 3Q Results (Cumulative)	<ul style="list-style-type: none"> <li>• <b>Net sales</b> 62,536 million yen (Up 6.1% year on year )</li> <li>• <b>Operating profit</b> 14,621 million yen (Down 6.7% year on year )</li> </ul>
	Progress Rate for FY2026/3 Forecasts	<ul style="list-style-type: none"> <li>• <b>Net sales</b> 74.5%</li> <li>• <b>Operating profit</b> 67.1%</li> </ul>
Progress of Important Policies	FY2026/3 Results	<ul style="list-style-type: none"> <li>• <b>Governance structure</b> <ul style="list-style-type: none"> <li>✓ Appointed 6 new executive officers in Apr. 2025</li> </ul> </li> <li>• <b>M&amp;A</b> <ul style="list-style-type: none"> <li>✓ Made KANAME KOGYO CO., LTD. (Securities Code: 6566) an affiliate accounted for by the equity method in Oct. 2025</li> <li>✓ Made Sukarabesakure Co., Ltd. a consolidated subsidiary in Nov. 2025</li> <li>✓ Made KOUKI CORP. a consolidated subsidiary in Jan. 2026*1</li> </ul> </li> <li>• <b>Establishment of new company</b> <ul style="list-style-type: none"> <li>✓ Established Miyakojima Eco Service Co., Ltd. in May 2025</li> </ul> </li> <li>• <b>Medium-Term Management Plan</b> <ul style="list-style-type: none"> <li>✓ Released D-Plan 2028 in May 2025</li> </ul> </li> <li>• <b>Soil remediation facilities</b> <ul style="list-style-type: none"> <li>✓ Began operations of the Suehiro Plant of Geo-Re Japan Inc. in Sep. 2025</li> </ul> </li> <li>• <b>Final disposal sites</b> <ul style="list-style-type: none"> <li>✓ Started services in the 2nd stage final disposal site at Gobo Recycle Center in Oct. 2025</li> </ul> </li> <li>• <b>Group management</b> <ul style="list-style-type: none"> <li>✓ Established Kanto Branch in Oct. 2025</li> </ul> </li> </ul>
	FY2026/3 Forecasts	<ul style="list-style-type: none"> <li>• <b>Recycling facilities</b> <ul style="list-style-type: none"> <li>✓ Scheduled to begin operations of the plastic recycling facility of DINS Kansai Co., Ltd. in Mar. 2026</li> </ul> </li> </ul>

\*1 : Converted an affiliate not accounted for by the equity method into a consolidated subsidiary

# Agenda

- 1 About Sukarabesakure Co., Ltd.**
- 2 FY2026/3 3Q Results (Cumulative)**
- 3 Progress Rate for FY2026/3 Forecasts**
- 4 Shareholder Returns**
- 5 About Daiei Kankyo Group**
- 6 Growth Strategy**
- 7 Appendix**

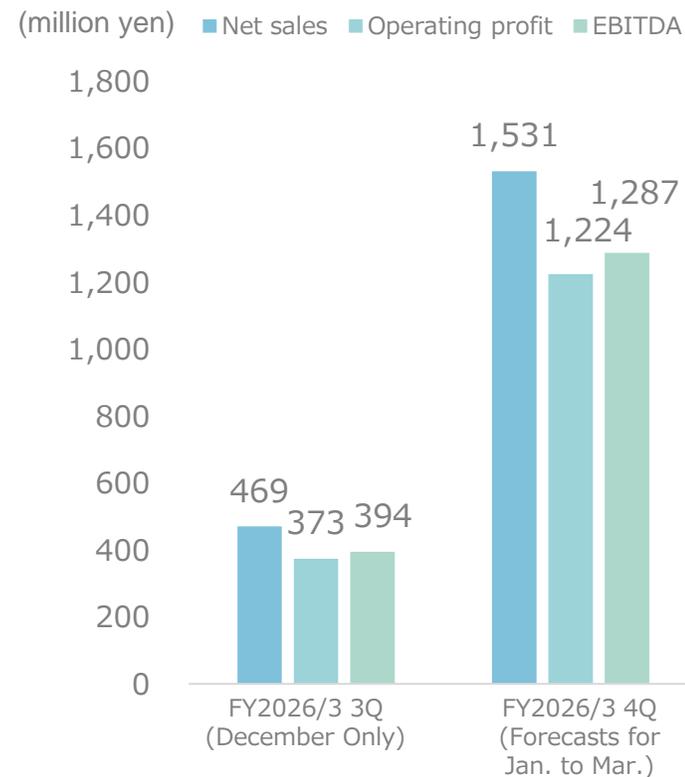
# 1. About Sukarabesakure Co., Ltd.

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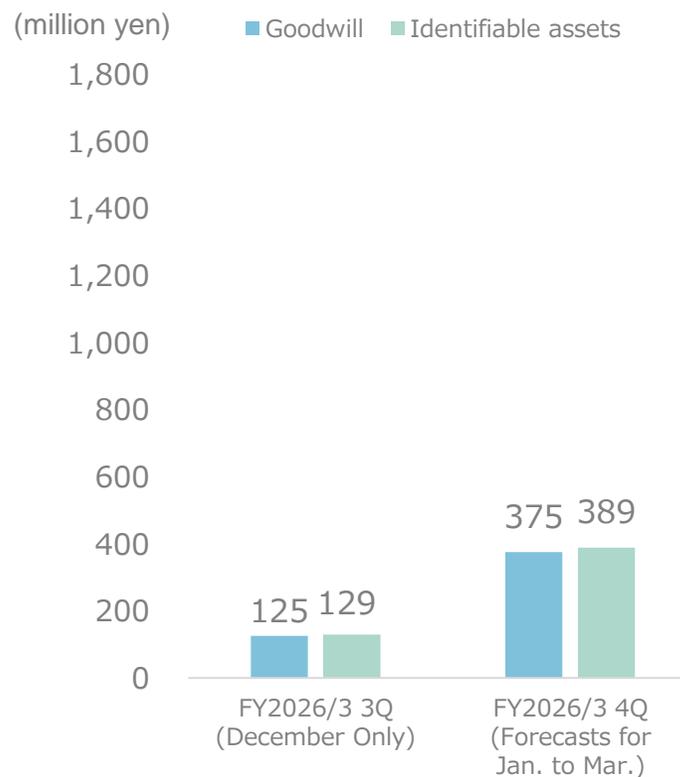
# About Sukarabesakure Co., Ltd.

## Contribution to Consolidated Results (Provisional Amounts\*1)

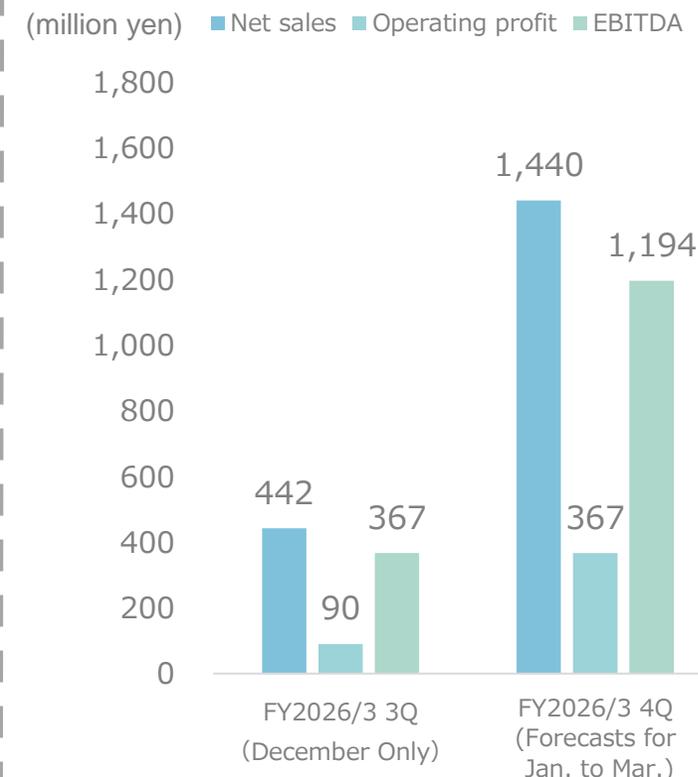
### ● Non-consolidated net sales/ Operating profit/ EBITDA\*2



### ● Amortization of goodwill and of identifiable assets



### ● Contribution to consolidated results\*3



\*1 : The figures will be updated when the year-end Financial Results are released.

\*2 : EBITDA=Operating profit + Depreciation (excluding non-operating expenses) + Amortization of goodwill

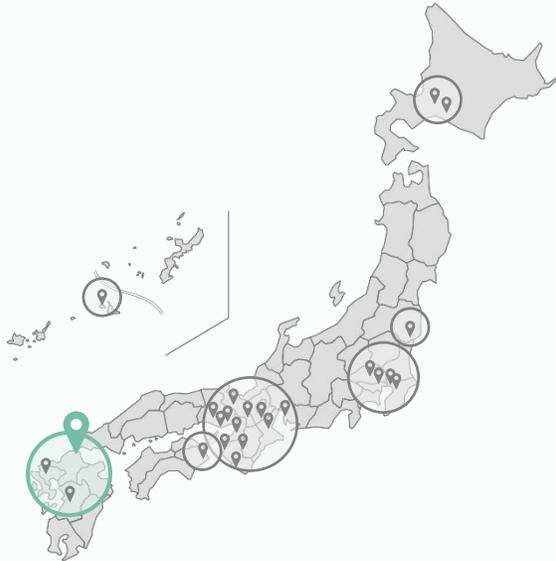
\*3 : Calculations consider consolidated adjustments within the Group

# About Sukarabesakure Co., Ltd.

## Synergies from Making It a Consolidated Subsidiary

### Expanding Business Areas

The business areas have expanded by securing new final disposal sites in the Kyushu and Okinawa areas.



### Increasing Planned Annual Landfill Volume and Remaining Capacity

Significantly contributed to the expansion of annual landfill volume and remaining capacity outlined in the Mid-Term Management Plan "D-Plan 2028"



➔ Details regarding the final disposal capacity of Sukarabesakure Co., Ltd. are provided on p. 7.

### Enhancing Efficiency of Long-Distance Transportation

With a **dedicated berth** available, we can efficiently accept waste from a wide area by utilizing maritime transport.



# About Sukarabesakure Co., Ltd.

## Contribution to the Capacity

	The 3rd Stage Controlled Final Disposal Site	The 4th Stage Controlled Final Disposal Site	Total (The 3rd + The 4th)
			
Permitted capacity	<b>3.870</b> million m <sup>3</sup>	<b>4.946</b> million m <sup>3</sup>	<b>8.817</b> million m <sup>3</sup>
Remaining capacity*1	<b>2.309</b> million m <sup>3</sup>	<b>4.946</b> million m <sup>3</sup>	<b>7.255</b> million m <sup>3</sup>

\*1 : The remaining capacities are as of Dec. 31, 2025.

## 2. FY2026/3 3Q Results (Cumulative)

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# FY2026/3 3Q Results (Cumulative)

## Consolidated Statements of Income

(million yen)	FY2026/3 3Q YTD	FY2025/3 3Q YTD	Year on Year
Net sales	62,536	58,913	+6.1%
Operating profit	14,621	15,676	(6.7%)
Operating profit margin	23.4%	26.6%	(3.2pt)
EBITDA	21,117	20,240	+4.3%
EBITDA margin*1	33.8%	34.4%	(0.6pt)
Ordinary profit	14,858	15,723	(5.5%)
Profit attributable to owners of parent	9,905	10,556	(6.2%)
Profit margin attributable to owners of parent	15.8%	17.9%	(2.1pt)

\*1: EBITDA margin = EBITDA/Net Sales

# FY2026/3 3Q Results (Cumulative)

## Consolidated Statements of Income (Quarterly)

(million yen)	FY2026/3 1Q	FY2026/3 2Q	FY2026/3 3Q	FY2026/3 4Q	FY2026/3 3Q YTD
Net sales	20,020	19,956	<b>22,560</b>		<b>62,536</b>
Operating profit	4,260	4,672	<b>5,689</b>		<b>14,621</b>
Operating profit margin	21.3%	23.4%	<b>25.2%</b>		<b>23.4%</b>
EBITDA	6,138	6,655	<b>8,323</b>		<b>21,117</b>
EBITDA margin	30.7%	33.3%	<b>36.9%</b>		<b>33.8%</b>
Ordinary profit	4,271	4,770	<b>5,815</b>		<b>14,858</b>
Profit attributable to owners of parent	2,906	3,171	<b>3,827</b>		<b>9,905</b>
Profit margin attributable to owners of parent	14.5%	15.9%	<b>17.0%</b>		<b>15.8%</b>

# FY2026/3 3Q Results (Cumulative)

## By Segment

(million yen)	FY2026/3 3Q YTD	FY2025/3 3Q YTD	Year on Year
<b>Waste-related Business</b>			
Net sales	<b>60,614</b>	56,891	<b>+6.5%</b>
Segment profit	<b>14,874</b>	15,943	<b>(6.7%)</b>
Segment profit margin	<b>24.5%</b>	28.0%	<b>(3.5pt)</b>
<b>Other Businesses</b>			
Net sales	<b>1,922</b>	2,022	<b>(4.9%)</b>
Segment loss	<b>(193)</b>	(176)	<b>—</b>
Segment loss margin	<b>(10.0%)</b>	(8.8%)	<b>(1.2pt)</b>

# FY2026/3 3Q Results (Cumulative)

## By Segment (Quarterly)

(million yen)	FY2026/3 1Q	FY2026/3 2Q	FY2026/3 3Q	FY2026/3 4Q	FY2026/3 3Q YTD
<b>Waste-related Business</b>					
Net sales	19,345	<b>19,466</b>	<b>21,801</b>		<b>60,614</b>
Segment profit	4,350	<b>4,783</b>	<b>5,740</b>		<b>14,874</b>
Segment profit margin	22.5%	<b>24.6%</b>	<b>26.3%</b>		<b>24.5%</b>
<b>Other Businesses</b>					
Net sales	674	<b>489</b>	<b>758</b>		<b>1,922</b>
Segment loss	(70)	<b>(91)</b>	<b>(31)</b>		<b>(193)</b>
Segment loss margin	(10.5%)	<b>(18.7%)</b>	<b>(4.1%)</b>		<b>(10.0%)</b>

# FY2026/3 3Q Results (Cumulative)

## Net Sales by Business Domain

(million yen)	FY2026/3 3Q YTD	FY2025/3 3Q YTD	Year on Year
<b>Waste-related Business</b>	<b>60,614</b>	<b>56,891</b>	<b>+6.5%</b>
Waste management and recycling	<b>50,808</b>	<b>49,713</b>	<b>+2.2%</b>
Soil remediation	<b>4,521</b>	<b>3,112</b>	<b>+45.3%</b>
Other (Waste-related Business)	<b>5,284</b>	<b>4,065</b>	<b>+30.0%</b>
<b>Other Businesses</b>	<b>1,922</b>	<b>2,022</b>	<b>(4.9%)</b>
Valuable Resource Recycling Business	<b>1,723</b>	<b>1,862</b>	<b>(7.5%)</b>
Sports Promotion Business	<b>199</b>	<b>159</b>	<b>+24.8%</b>

# FY2026/3 3Q Results (Cumulative)

## Net Sales by Business Domain (Quarterly)

(million yen)	FY2026/3 1Q	FY2026/3 2Q	FY2026/3 3Q	FY2026/3 4Q	FY2026/3 3Q YTD
<b>Waste-related Business</b>	<b>19,345</b>	<b>19,466</b>	<b>21,801</b>		<b>60,614</b>
Waste management and recycling	16,608	<b>16,284</b>	<b>17,915</b>		<b>50,808</b>
Soil remediation	1,051	<b>1,269</b>	<b>2,200</b>		<b>4,521</b>
Other (Waste-related Business)	1,685	<b>1,912</b>	<b>1,686</b>		<b>5,284</b>
<b>Other Businesses</b>	<b>674</b>	<b>489</b>	<b>758</b>		<b>1,922</b>
Valuable Resource Recycling Business	594	<b>433</b>	<b>695</b>		<b>1,723</b>
Sports Promotion Business	79	<b>56</b>	<b>62</b>		<b>199</b>

# FY2026/3 3Q Results (Cumulative)

## Volume of Waste and Contaminated Soil Received

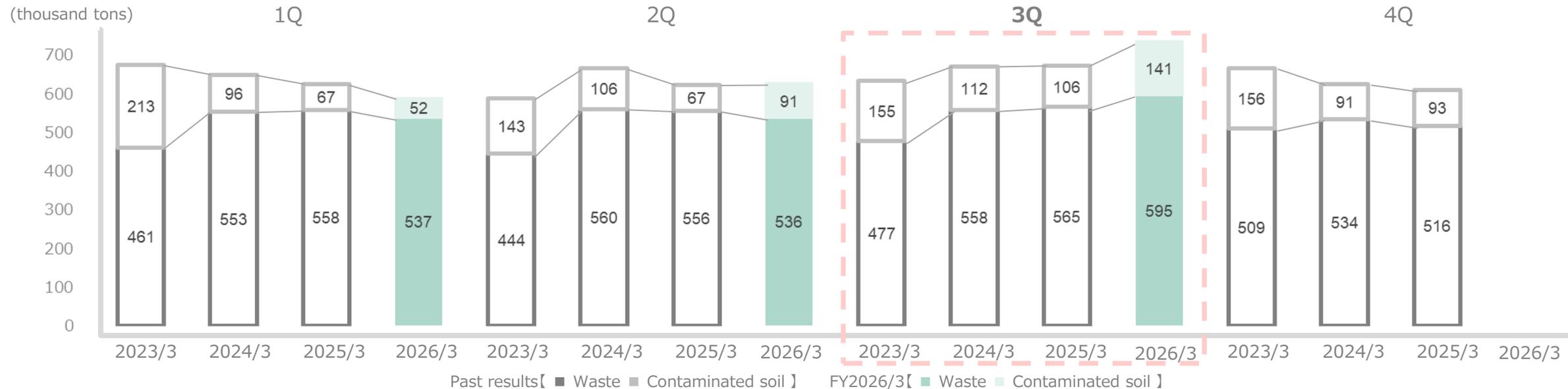
(thousand tons)	FY2026/3 3Q YTD	FY2025/3 3Q YTD	Year on Year
Waste	1,669	1,679	(0.6%)
Contaminated soil	285	241	+17.8%

### Waste volume received

- Despite a slight decrease year on year, the waste volume received exceeded the initial plan, primarily driven by increased volume received from the Kanto area and the acquisition of Sukarabesakure Co., Ltd.

### Contaminated soil volume received

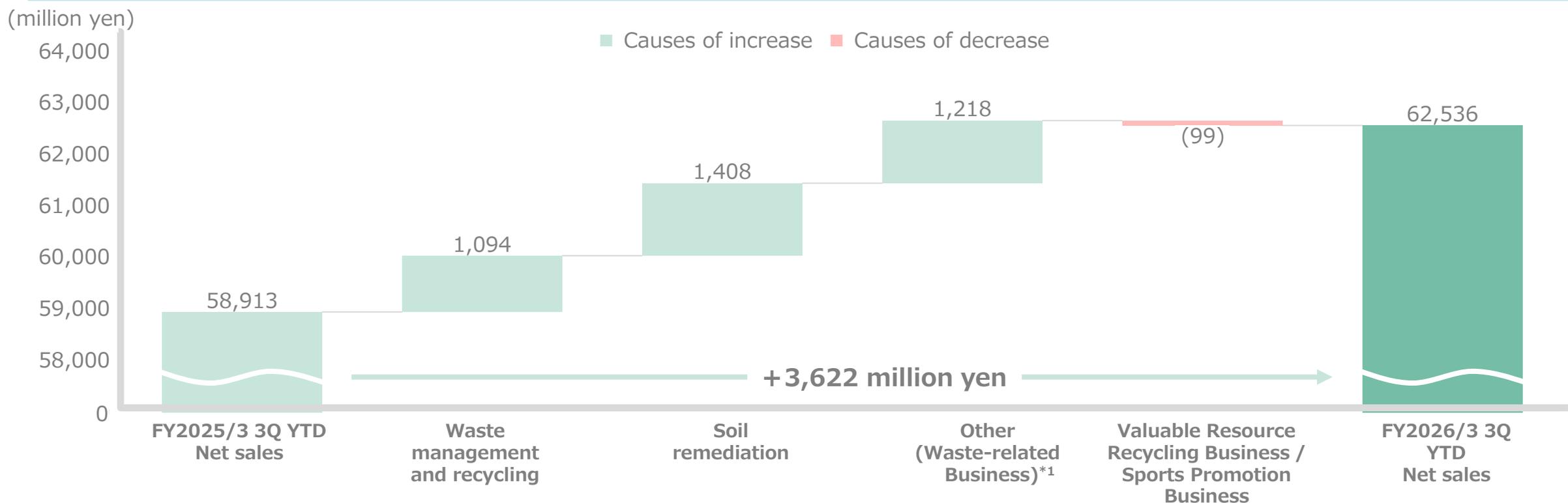
- Increased year on year due to a higher volume being received in relation to landfill and heat treatment projects



# FY2026/3 3Q Results (Cumulative)

## Consolidated Net Sales Change Factors

- ✓ Waste management and recycling : Increased due to steady orders for infrastructure development projects in the Kansai area, and a higher volume of waste being received from the Kanto area, and the acquisition of Sukarabesakure Co., Ltd.
- ✓ Soil remediation : Increased due to growth in the volume received, specifically of soil associated with high-unit-price heat treatment projects
- ✓ Other (Waste-related Business) : Increased mainly due to steady orders for demolition work received by Kaisei Co., Ltd.

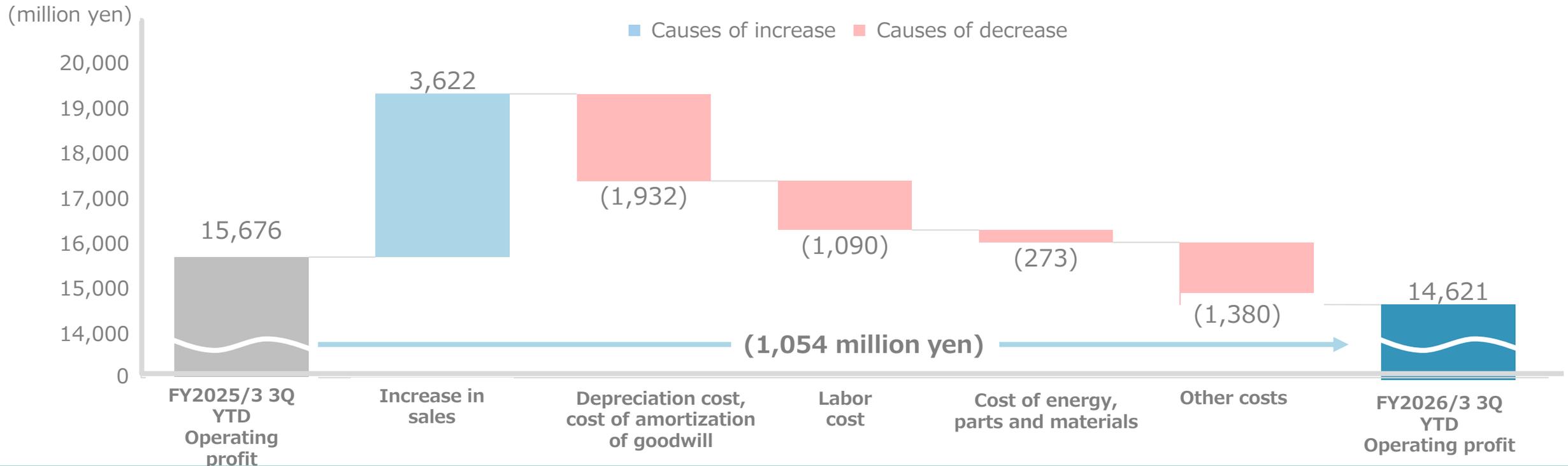


\*1: The figure for Other includes those for the business domains other than Waste management and recycling and Soil remediation under Waste-related Business.

# FY2026/3 3Q Results (Cumulative)

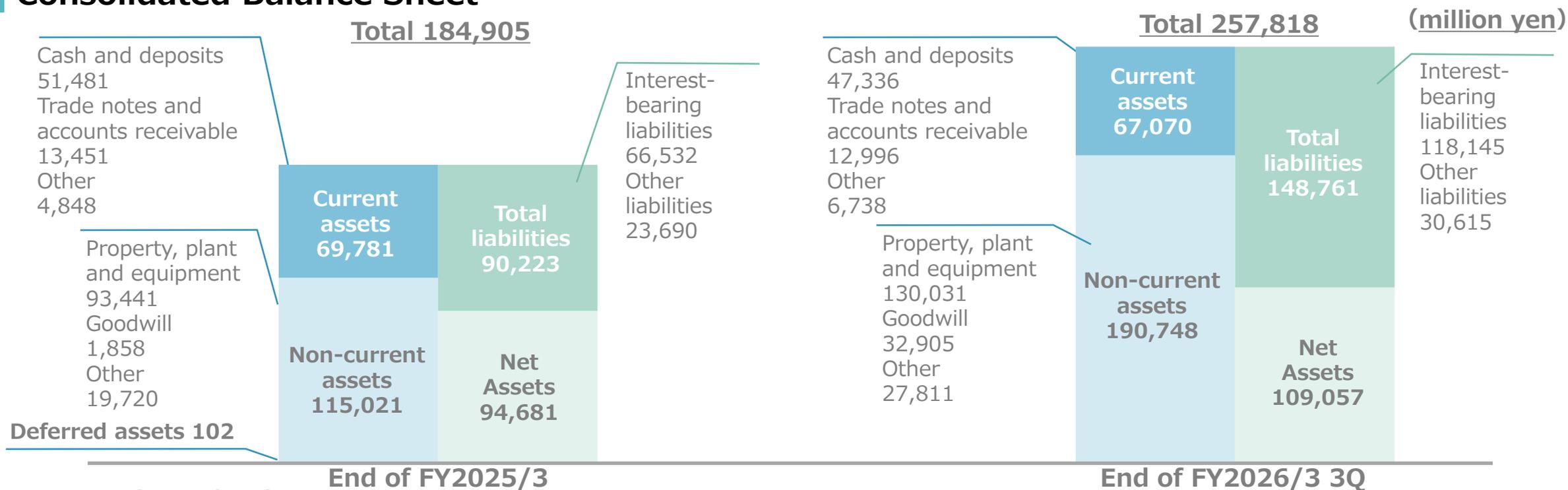
## Consolidated Operating Profit Change Factors

- ✓ Depreciation cost, cost of amortization of goodwill : Increased due to the end of the offset effect caused by the re-estimation of asset retirement obligations for final disposal sites, an increase in the depreciation cost per unit due to the completion of the 2nd phase construction of the 8th stage final disposal site at Mie Recycle Center, and amortization of goodwill and identifiable assets related to Sukarabesakure Co., Ltd.
- ✓ Labor cost : Increased due to salary rises and an increase in the number of employees including through M&A
- ✓ Other costs : Transportation costs increased due to a higher volume being received from the Kanto area in addition to an increase in outsourcing costs due to demolition work received by Kaisei Co., Ltd.



# FY2026/3 3Q Results (Cumulative)

## Consolidated Balance Sheet



### Property, plant and equipment

- ✓ Construction in progress (CIP) increased mainly due to the acquisition of Hizen Kankyo Co., Ltd. and Sukarabesakure Co., Ltd. as consolidated subsidiaries (+16,368)
- ✓ Final disposal sites increased mainly due to the acquisition of Sukarabesakure Co., Ltd. as a consolidated subsidiary (+ 12,387)

### Goodwill

- ✓ Increased due to the consolidation of companies acquired during the fiscal year (+ 31,047)

### Interest-bearing liabilities

- ✓ Increased due to new borrowings to finance the acquisitions of consolidated subsidiaries (+ 51,613)

# 3. Progress Rate for FY2026/3 Forecasts

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# Progress Rate for FY2026/3 Forecasts

## Consolidated Statements of Income

### ● Our view as of the end of 3Q

- ✓ Net sales : Other (Waste-related Business) steadily progressed due to an increase in orders for demolition work, exceeding the forecasts.
- ✓ Operating profit : Other costs associated with increased sales were higher than anticipated, resulting in a shortfall compared to the plan.

(million yen)	FY2026/3 3Q YTD	Full year forecasts	Progress rate for full year forecasts
Net sales	<b>62,536</b>	83,900	<b>74.5%</b>
Operating profit	<b>14,621</b>	21,800	<b>67.1%</b>
Operating profit margin	<b>23.4%</b>	26.0%	—
EBITDA	<b>21,117</b>	31,200	<b>67.7%</b>
EBITDA margin	<b>33.8%</b>	37.2%	—
Ordinary profit	<b>14,858</b>	21,600	<b>68.8%</b>
Profit attributable to owners of parent	<b>9,905</b>	14,400	<b>68.8%</b>
Profit margin attributable to owners of parent	<b>15.8%</b>	17.2%	—

# Progress Rate for FY2026/3 Forecasts

## By Segment

### ● Our view as of the end of 3Q

- ✓ Waste-related Business : Net sales exceeded our expectations due to an increase in the number of orders for demolition work. Expenses rose due to increased outsourcing and transportation costs associated with the increase in the number of orders.
- ✓ Other Businesses : Net sales fell short of the forecasts due to the Sports Promotion Business which was lower than expected, and segment profit fell short of the forecasts due to an increase in the purchase costs of aluminum pellets caused by a rise in the market price.

(million yen)	FY2026/3 3Q YTD	Full year forecasts	Progress rate for full year forecasts
<b>Waste-related Business</b>			
Net sales	60,614	81,200	74.6%
Segment profit	14,874	21,800	67.9%
Segment profit margin	24.5%	27.0%	—
<b>Other Businesses</b>			
Net sales	1,922	2,600	71.4%
Segment loss	(193)	(0)	—
Segment loss margin	(10.0%)	(0.3%)	—

# Progress Rate for FY2026/3 Forecasts

## Net Sales by Business Domain

### ● Our view as of the end of 3Q

- ✓ Waste management and recycling : Organic sales fell short of the forecasts due to a decrease in the volume of waste received at recycling facilities, but net sales were generally in line with plan due to the contribution of Sukarabesakure Co., Ltd., which we acquired through M&A.
- ✓ Soil remediation : While heat treatment projects remained steady, purification treatment projects were fewer than anticipated. As a result, net sales were generally in line with plan.
- ✓ Other (Waste-related Business) : Exceeded the forecasts due to an increase in orders for demolition work received by Kaisei Co., Ltd., as well as a new contract for survey work

(million yen)	FY2026/3 3Q YTD	Full year forecasts	Progress rate for full year forecasts
<b>Waste-related Business</b>	<b>60,614</b>	<b>81,200</b>	<b>74.6%</b>
Waste management and recycling	<b>50,808</b>	<b>68,100</b>	<b>74.5%</b>
Soil remediation	<b>4,521</b>	<b>6,600</b>	<b>68.4%</b>
Other (Waste-related Business)	<b>5,284</b>	<b>6,400</b>	<b>82.2%</b>
<b>Other Businesses</b>	<b>1,922</b>	<b>2,600</b>	<b>71.4%</b>
Valuable Resource Recycling Business	<b>1,723</b>	<b>2,200</b>	<b>75.2%</b>
Sports Promotion Business	<b>199</b>	<b>300</b>	<b>50.1%</b>

# Progress Rate for FY2026/3 Forecasts

## Volume of Waste and Contaminated Soil Received

### ● Our view as of the end of 3Q

- ✓ Waste : On an organic basis, waste volume received fell short of forecasts due to a decrease in the volume of waste received at recycling facilities. Meanwhile, the volume of waste received at final disposal sites increased due to the acquisition of Sukarabesakure Co., Ltd., exceeding the forecasts.
- ✓ Contaminated soil : Fell short of our expectations due to the lower volume of soil received from purification treatment projects

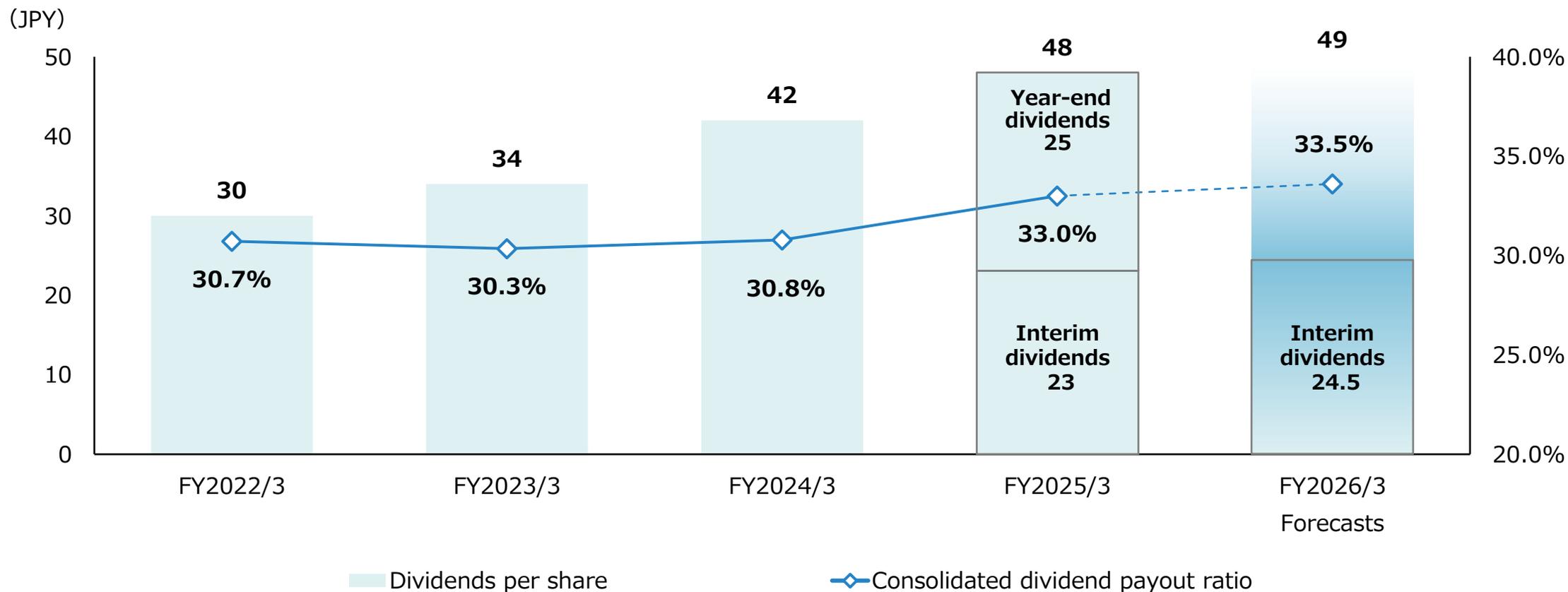
(thousand tons)	FY2026/3 3Q YTD	Full year forecasts	Progress rate for full year forecasts
Waste	1,669	2,210	75.3%
Contaminated soil	285	590	47.8%

# 4. Shareholder Returns

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# Shareholder Returns

- Maintaining target consolidated dividend payout ratio at **33% or higher** in the period of the Medium-Term Management Plan (FY2026/3 to FY2028/3)
- Ensuring **progressive dividends** to achieve sustainable and stable shareholder returns
- Considering additional shareholder returns in line with profit growth



# 4. About Daiei Kankyo Group

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# Company Profile

**Established in 1979,**

**Daiei Kankyo Co., Ltd. opened a final disposal site in Izumi City, Osaka and commenced operations.**

**Our Group headquarters is currently on Rokko Island in Kobe City, Hyogo.**

**The current president and representative director, Fumio Kaneko, was one of the original founders.**

<b>Name</b>	<b>Daiei Kankyo Co., Ltd.</b>	<b>Employees*<sup>1</sup></b>	<b>2,662 (consolidated; as of March 31, 2025)</b>
<b>Founded</b>	<b>Izumi, Osaka in 1979</b>		
<b>President and representative director</b>	<b>Fumio Kaneko</b>	<b>Group headquarters</b>	<b>Kobe Fashion Plaza, 2-9-1 Koyochonaka, Higashinada-ku Kobe, Hyogo</b>

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

# The History of Daiei Kankyo Group

We started out in the final disposal business and quickly shifted to waste volume reduction and recycling to ensure our continued competitiveness.

Since then, we have developed a wide range of environmental-related businesses, including soil remediation, facility construction and administration, consulting, electricity generation and forest management.

## Founding period

**1979–1996**

Expansion of recycling facilities to extend the life of final disposal sites

Immediately after the opening of the final disposal site in 1980, we shifted to the recycling business in order to ensure the sustainability of the business. The business environment remained challenging due to a lack of understanding of recycling costs.

### Founding

Oct. 1979:

Establishment of Daiei Kankyo

Sep. 1980:

Opening of controlled final disposal site

## First growth period

**1997–2013**

Concentrated investment in facilities to establish recycling system

Our highly regarded performance in handling waste from the Great Hanshin-Awaji Earthquake led to increased deals with municipalities. As a result, we continue to do significant business with municipalities today.

### Turning point 1

Jan. 1995:

The Great Hanshin-Awaji Earthquake Involved in disaster waste management

As a local company, immediately after the disaster, we were asked by many municipalities to carry out disaster waste management.

**2014–2018**

Evolution into a company with the power to create better environments

Since the opening of the Mie Recycle Center Energy Plaza, the Group's largest incineration power generation facility with a daily processing capacity of 636 tons, number of municipalities we work with increased rapidly.

### Turning point 2

Sep. 2013:

Opening of Mie Recycle Center Energy Plaza



**2019–2022**

In-depth approach to ESG measures to address social issues

As the Group expanded to more than 2,000 employees and 32 Group companies, its outdated governance structure began heading towards a crisis. To address such a situation, the Group listed itself on the Prime Market of the Tokyo Stock Exchange. M&A was also pursued aggressively for maintaining a high growth rate.

### Turning point 3

Dec. 2022:

Listed on the Tokyo Stock Exchange Prime Market

We strengthened governance structure by establishing a system in line with the Corporate Governance Code.

## Second growth period

**2023–**

Expanding our business while promoting recycling with the goal of carbon neutrality

In addition to further strengthening business with municipalities and promoting recycling for carbon neutrality, we also plan to expand our business through M&A.

### Turning point 4

May 2023:

Began operation of Miki Biomass Factory



No. of Group Companies (figures from FY2023/3 onward show number of consolidated subsidiaries)

FY1997/3

**8**

FY2014/3

**20**

FY2019/3

**32**

FY2023/3

**31**

FY2025/3

**39**

# The Overview of Daiei Kankyo Group

## Daiei Kankyo

Consolidated subsidiaries: 48 companies\*1

<b>Mie Chuo Kaihatsu</b>	DINS Kansai	<b>Kyodoh Doboku</b>	<b>Geo-Re Japan</b>	<b>Safety Island</b>	<b>Eiwa Recycle</b>
<b>Settsu Seiun</b>	<b>Kyoto Kankyo</b>	<b>Kobe Port Recycle</b>	<b>Daiei Amet</b>	<b>Settsu</b>	<b>Kaisei</b>
Plafactory	Create Navi	<b>Tohoku Eco Clean</b>	Omihachiman Eco Service	<b>Urayasu Seiun</b>	<b>INAC Football Club</b>
<b>Software Total Service</b>	<b>Sanki Kaihatsu</b>	<b>Maruyo</b>	Green Arrows Kansai	Tadaoka Eco Service	<b>General Agriculture &amp; Forestry</b>
DINS Environmental Analysis Center	<b>D-design</b>	GLOBAL ENVIRONMENTAL TECHNOLOGY	Daiei Kankyo Research Institute	Resource Circulation Systems	DINS Mirai
<b>Ashiya Josui</b>	Clean Stage	<b>Aia</b>	<b>ISV Japan</b>	<b>DINS Hokkaido</b>	Aioi Eco Service
<b>Clean Tech Nabari</b>	<b>Hizen Kankyo</b>	Miyakojima Eco Service	<b>Kyoto Eco Service</b>	Sukarabesakure	<b>YT</b>
<b>YH</b>	<b>KOUKI</b>	<b>K-PLUS</b>	<b>K-WORKS</b>	Negibozu	Makinosato

※  The red boxes indicate the 32 companies out of 48 consolidated subsidiaries that became part of our Group through M&A.

## Business Development Area (Waste Management and Recycling Business Locations)\*2

● Recycling Facilities	:46
● Other Business Locations	:34
● Sales Offices	:13
<b>Total</b>	<b>:93</b>



\*1: As of Feb. 10, 2026. In addition to the consolidated subsidiaries listed above, there are 2 non-consolidated subsidiaries, 8 affiliates accounted for by the equity method and 4 other affiliates not accounted for by the equity method.

\*2: As of Feb. 10, 2026. Some dotted locations include multiple types of facilities. This includes the locations of 8 affiliates accounted for by the equity method (other affiliates have been omitted due to lack of materiality).

# Segment Overview

## Core business: Waste management and recycling

Waste-related Business **97%**

Segment sales: JPY 77.4 bn

More than 80% of net sales



Waste management and recycling

**82.5%**



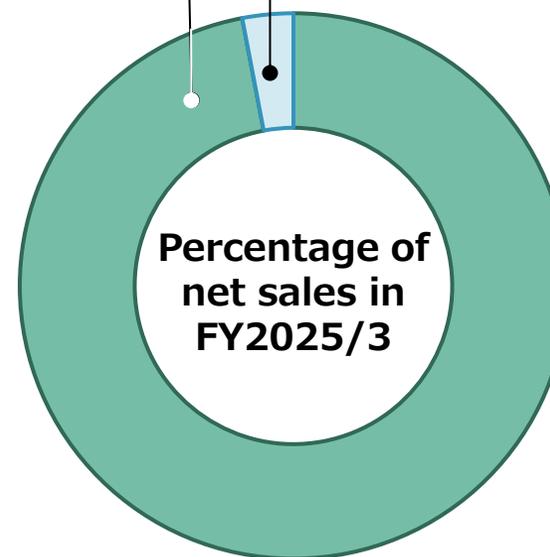
Soil remediation

**6.1%**

Other (Waste-related Business)

**8.1%**

- Facility construction and administration
- Consulting
- Electricity generation
- Forest management
- Others



Other Businesses **3%**

Segment sales: JPY 2.6 bn



Valuable Resource Recycling Business

- Aluminum pellets
- Recycled plastic pallets



Sports Promotion Business

# Strengths of Daiei Kankyo Group

## Our 5 advantages in the core business

### 1 One-stop service

- Handling all processes within our facilities provides peace of mind regarding traceability
- This contributes to the acquisition of a wide range of customers

### 2 Customers spreading across a wide range of industries

We are not dependent on any specific customer, and have a wide range of customers including municipalities, manufacturers, general contractors, and medical institutions

### 3 Capacity

We own a considerable number of incineration and other heat treatment facilities and final disposal sites with industry-leading capacity and high profitability

### 4 No. of business with municipalities

- Approximately 70% of our total permitted capacity is authorized for general waste management
- We work with approximately 27% of municipalities across Japan
- Approximately 20% of our net sales come from general waste management

### 5 Extensive M&A track record

- Of the 48 consolidated subsidiaries, 32 were acquired through M&A<sup>\*1</sup>
- Major subsidiaries have joined the Group through M&A
- Growth so far has been driven by both organic means and M&A

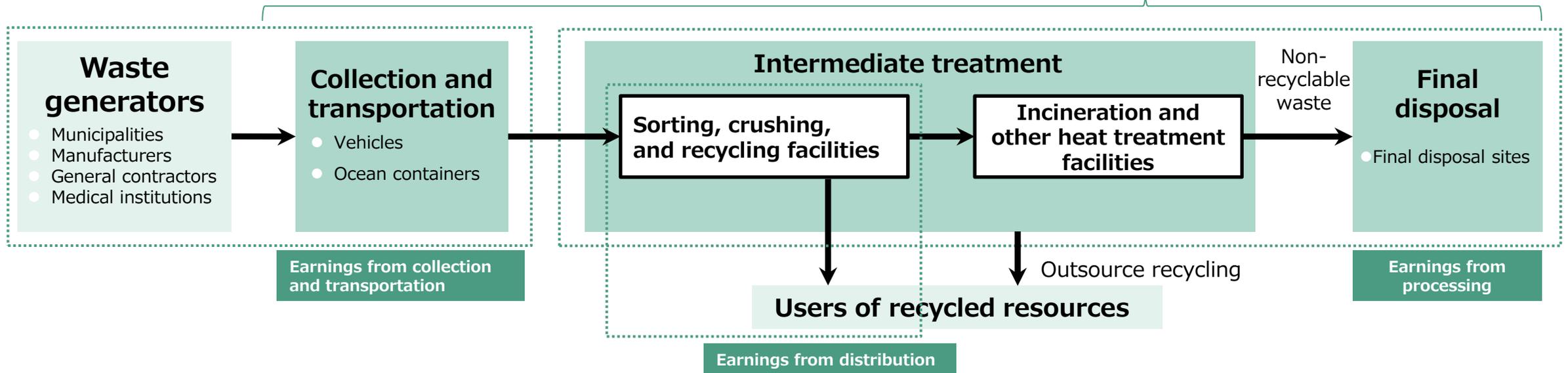
\*1: As of Feb. 10, 2026

# Business Model (Main Business Flow)

## Provide one-stop service

Waste-related Business (Waste management and recycling)

Daiei Kankyo Group's Business Areas



## Other Businesses (Valuable Resource Recycling Business)

Daiei Kankyo Group's Business Areas

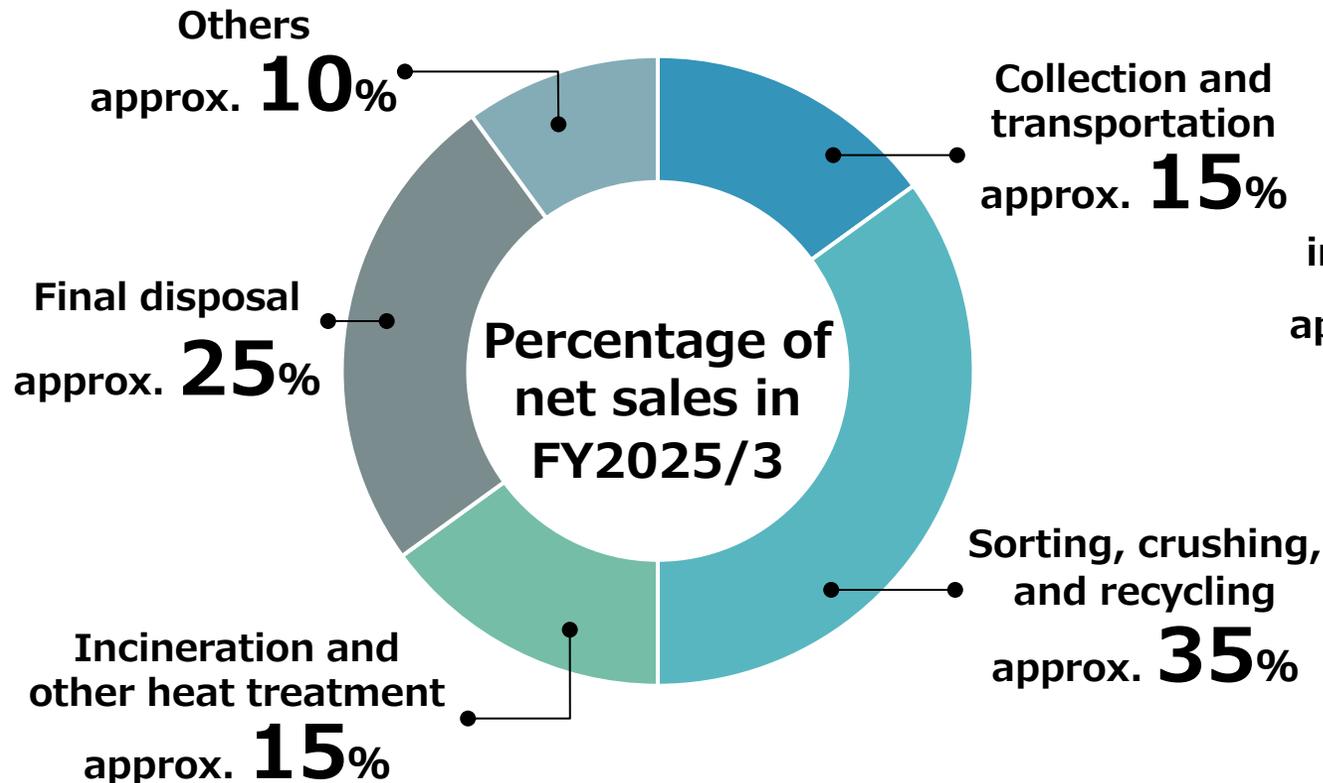


# Breakdown of Net Sales

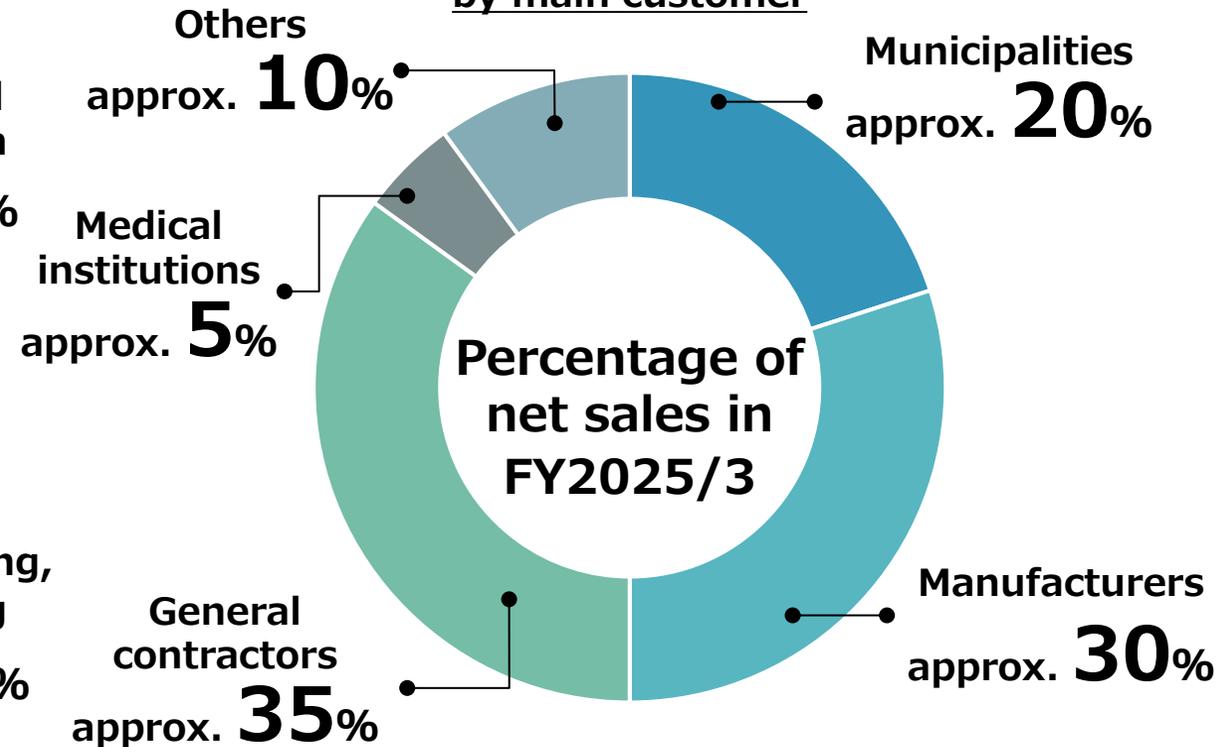
## Breakdowns on a Per-Process Basis and by Main Customer

We are not dependent on any specific customer, and have a wide range of customers including municipalities, manufacturers, general contractors, and medical institutions.

Breakdown on a per-process basis



Breakdown by main customer



# Capacity Compared to Other Companies\*1

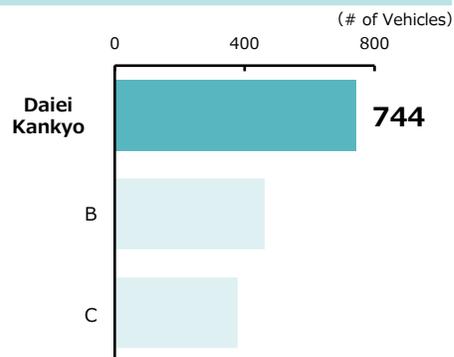
## Total Permitted Capacity\*2 of Facilities (As of Dec. 31, 2025)

### Collection and Transportation

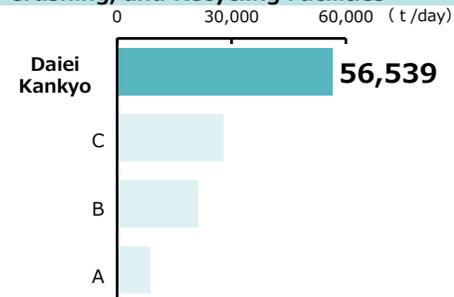
### Intermediate Treatment

### Final Disposal

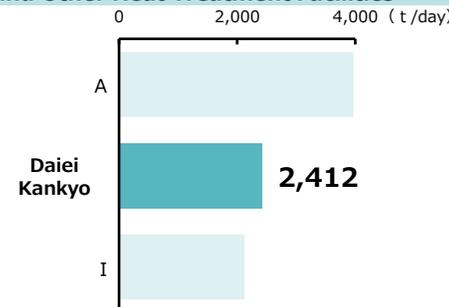
#### Company-owned Vehicles



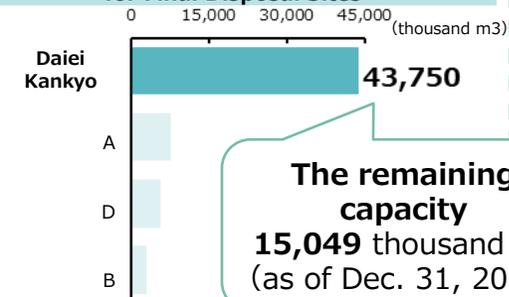
#### Total Permitted Capacity for Sorting, Crushing, and Recycling Facilities



#### Total Permitted Capacity for Incineration and Other Heat Treatment Facilities

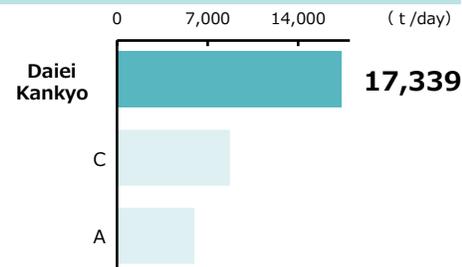


#### Total Permitted Capacity for Final Disposal Sites

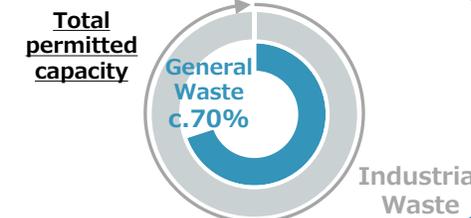


The remaining capacity  
15,049 thousand m<sup>3</sup>  
(as of Dec. 31, 2025)

#### Total Permitted Capacity for Soil Remediation



Approx. 70% of our total permitted capacity is authorized for general waste management in addition to industrial waste management



\*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, 2025);

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/>)

# Relationships with Municipalities

## Expand scope of business and expand business area to nationwide

As of FY2025/3

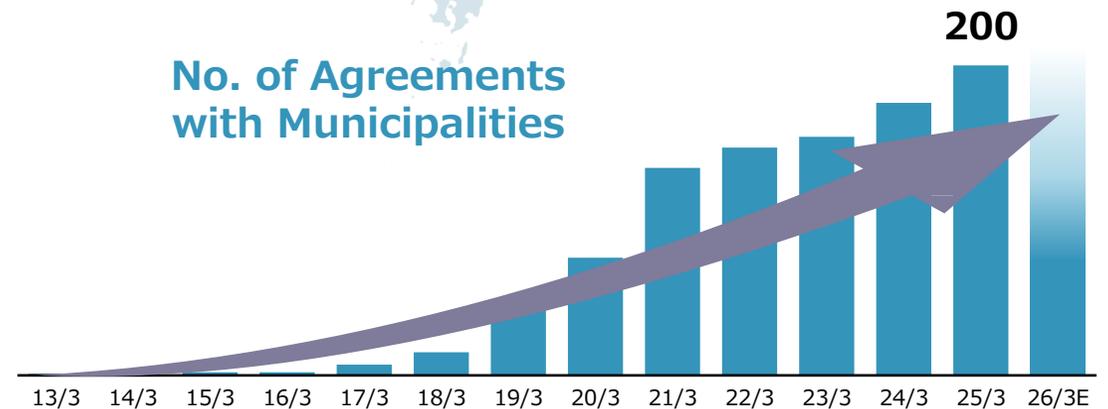
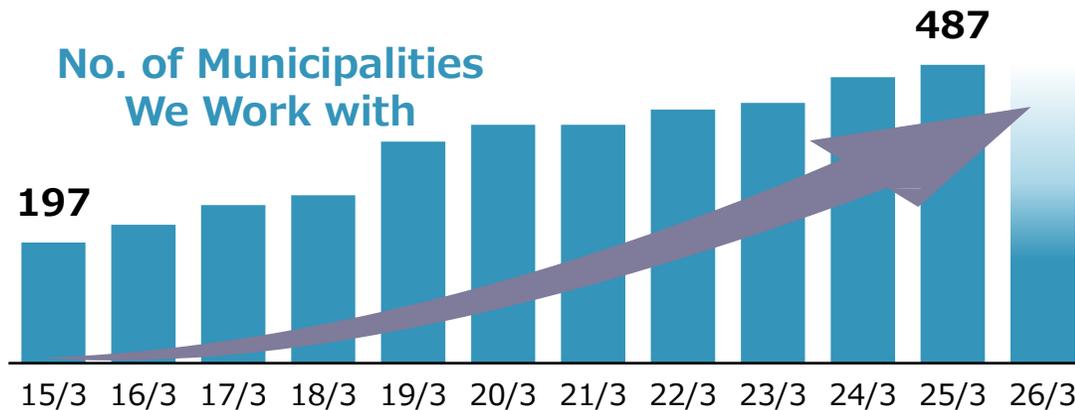
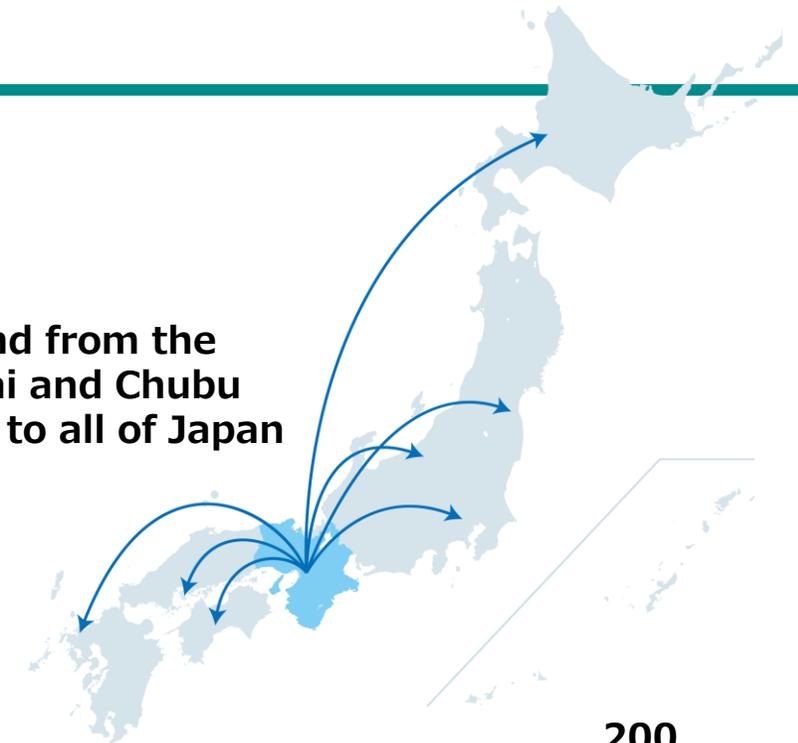
No. of municipalities we worked with\*1

**487** 

Disaster agreements

**200** 

Expand from the Kansai and Chubu areas to all of Japan

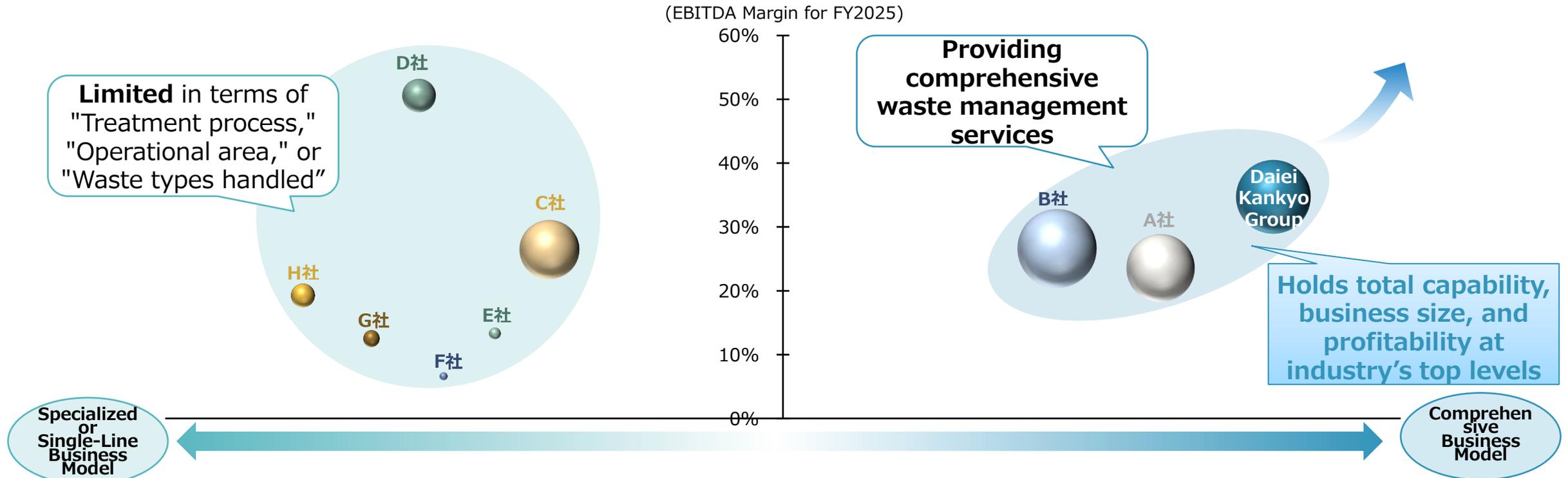


\*1: The number of municipalities includes prefectures and the 23 wards of Tokyo, and for wide-area associations, each of the constituent municipalities of the wide-area associations is counted as one municipality.

# Position Maps of the Industry

## Position maps of Japanese waste management industry (Our analysis)

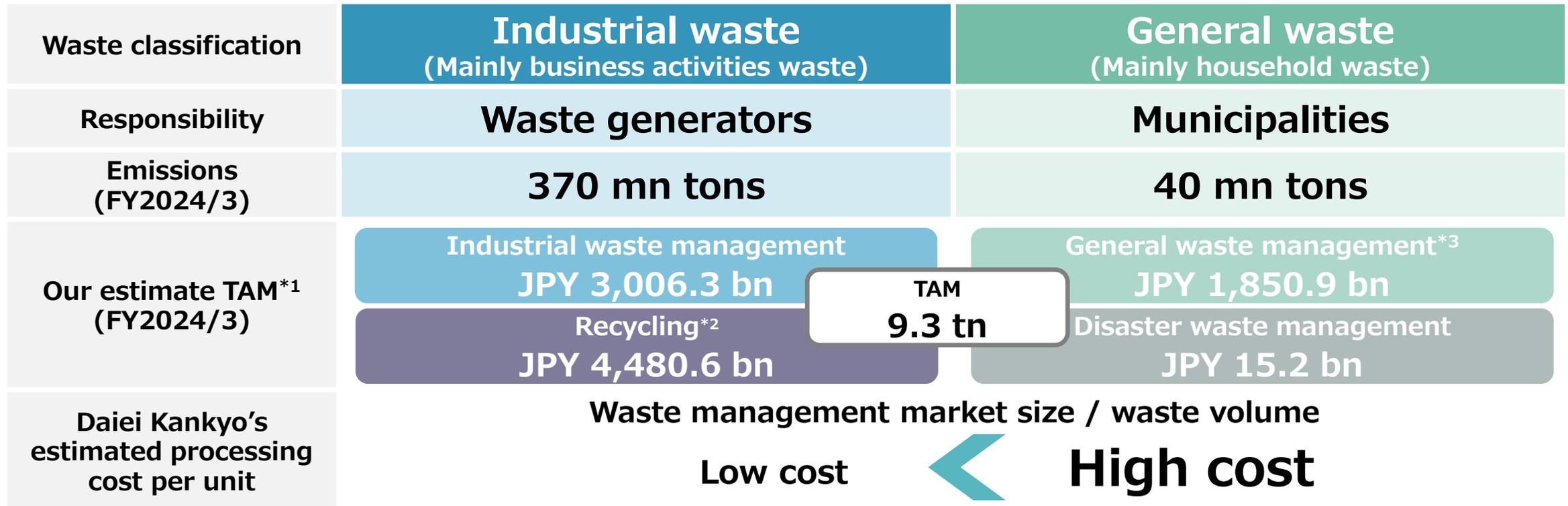
We recognize that we are in a unique position in the industry in terms of our "one-stop treatment process," "wide operational area," and "variety of waste types handled," and we will continue to enhance our comprehensive strength, business scale, and profitability to further improve our presence in the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



Note: The size of the bubbles indicates EBITDA for the FY2025.  
 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

# Overview of the Waste Management Business in Japan

## Responsibility for general waste management lies with municipalities



\*1: The Total Addressable Market (TAM) is calculated by the Company based on the sources below.

\*2: Market size of recycling services and recycled materials, excluding arterial industry (Industries that produce products, such as Manufacturing) receipts

\*3: Excluding construction and improvement costs

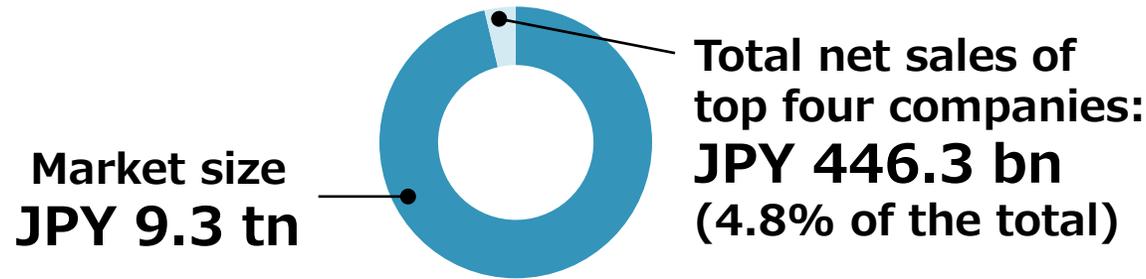
Sources: MOEJ. "Reiwa 6 nendo jigyo Sangyo haikibutsu haishutsu shori jokyo chosa hokoku sho Reiwa 5 nendo sokuho chi (gaiyo ban)" [FY2025 Business Survey Report on Industrial Waste Discharge and Disposal Preliminary Figures for FY2024 (Summary)] (Mar. 2025)(<https://www.env.go.jp/content/000303203.pdf>), MOEJ. Press Release "Ippan haikibutsu no haisyutsu oyobi syori jokyo to (Reiwa 5 nendo) ni tsuite" [General Waste Discharge and Current Disposal Situation (FY2024)](Mar. 27, 2025) ([https://www.env.go.jp/recycle/waste\\_tech/ippan/r5/data/env\\_press.pdf](https://www.env.go.jp/recycle/waste_tech/ippan/r5/data/env_press.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 5 nendo ban" [Waste Management in Japan FY2024] (Mar. 2025) ([https://www.env.go.jp/recycle/waste\\_tech/ippan/r5/data/disposal.pdf](https://www.env.go.jp/recycle/waste_tech/ippan/r5/data/disposal.pdf))

# Overview of the Waste Management Business in Japan

## A highly fragmented market with 120,000 companies

Due to high proportion of small business  
**No company with a high market share**

**High momentum for industry restructuring**



### Reason for the abundance of M&A opportunities

- Supplying the “artery” market requires even greater traceability and visualization of CO<sub>2</sub> emissions
- Recyclers cannot fully pass on increased costs, including the cost of secondary processing, through prices
- Cannot secure investment funds to keep up with advances in resource recycling
- Many businesses were founded in the 1970s and 80s, and have no succession plan

Breakdown of approx. **120,000** companies by business type\*1  
(Higher barriers to entry mean fewer companies)

#### Intermediate treatment

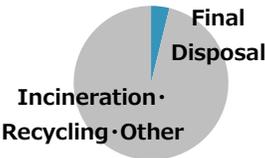
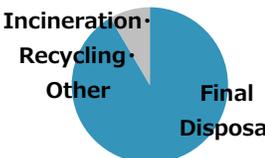
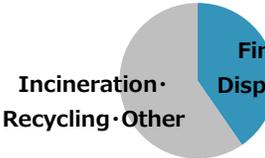


\*1: No. of industrial waste operators as of Jul. 31, 2024, excluding incineration and other heat treatment facilities (as of Mar. 31, 2025)

Sources: Japan Industrial Waste Management Foundation. Sanpai-kun, Sanpainet (<https://www2.sanpainet.or.jp/zyohou/index.php>); MOEJ. Waste Disposal Technology Information website. “Ippan haikibutsu syori jittai chosa kekka (Reiwa 5 nendo chosa kekka)” [Results of Research on the Actual State of General Waste Disposal(FY2023)] ([https://www.env.go.jp/recycle/waste\\_tech/ippan/r5/index.html](https://www.env.go.jp/recycle/waste_tech/ippan/r5/index.html))

# Waste Management Markets in Japan, United States and Europe

It is expected that consolidation of the kind seen in Europe and the United States will advance in Japan as well, where there is no company with a high market share.

area	Japan		United States		Europe	
Market Size*1 (as of 2023)	JPY 9.3 tn		JPY 15.2 tn		JPY 17.1 tn	
Net Sales of Major Listed Companies*2 (Unit: JPY bn)	DOWA HD (Environmental and Recycling Business)	180.1	Waste Management	2,943.9	Veolia Environnement*3	2,076.6
	TRE HD	118.6	Republic Services	2,156.8		
	Daiei Kankyo	80.1	Waste Connections	1,156.2	Suez*3	764.0
	Daiseki	67.3				
	<b>Total</b>	<b>446.3</b>	<b>Total</b>	<b>6,257.0</b>	<b>Total</b>	<b>2,840.6</b>
<b>% of Market Size*4</b>	<b>4.8%</b>	<b>% of Market Size*4</b>	<b>41.0%</b>	<b>% of Market Size*4</b>	<b>16.5%</b>	
Proportion of Final Disposal (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: MARKETANDMARKETS "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 9.3 tn, for which data is provided by the Ministry of Environment: industrial waste management, recycling, general waste management, and disaster waste. Please see P30 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 FY2025, 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"; MARKETANDMARKETS. (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 5 nendo ban)" [Waste Management in Japan (FY2024)] (Mar. 2025) ([https://www.env.go.jp/recycle/waste\\_tech/ippan/r5/data/disposal.pdf](https://www.env.go.jp/recycle/waste_tech/ippan/r5/data/disposal.pdf))

# 6. Growth Strategy

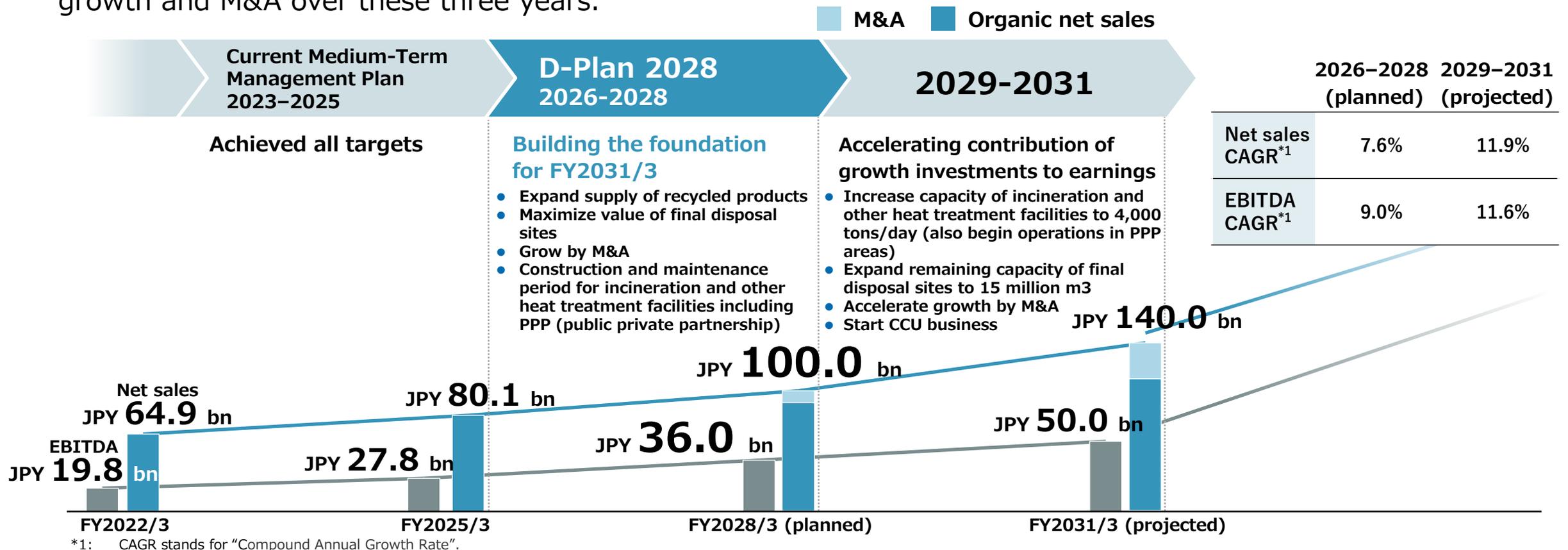
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# Medium-Term Management Plan: D-Plan 2028

Formulated D-Plan 2028 which is our three-year Medium-Term Management Plan, with FY2026/3 as its first year

D-Plan 2028 is positioned as the first three years of our six-year plan through FY2031/3.

Toward our goal for FY2031/3, we will continue growth investments while steadily growing through organic growth and M&A over these three years.



\*1: CAGR stands for "Compound Annual Growth Rate".

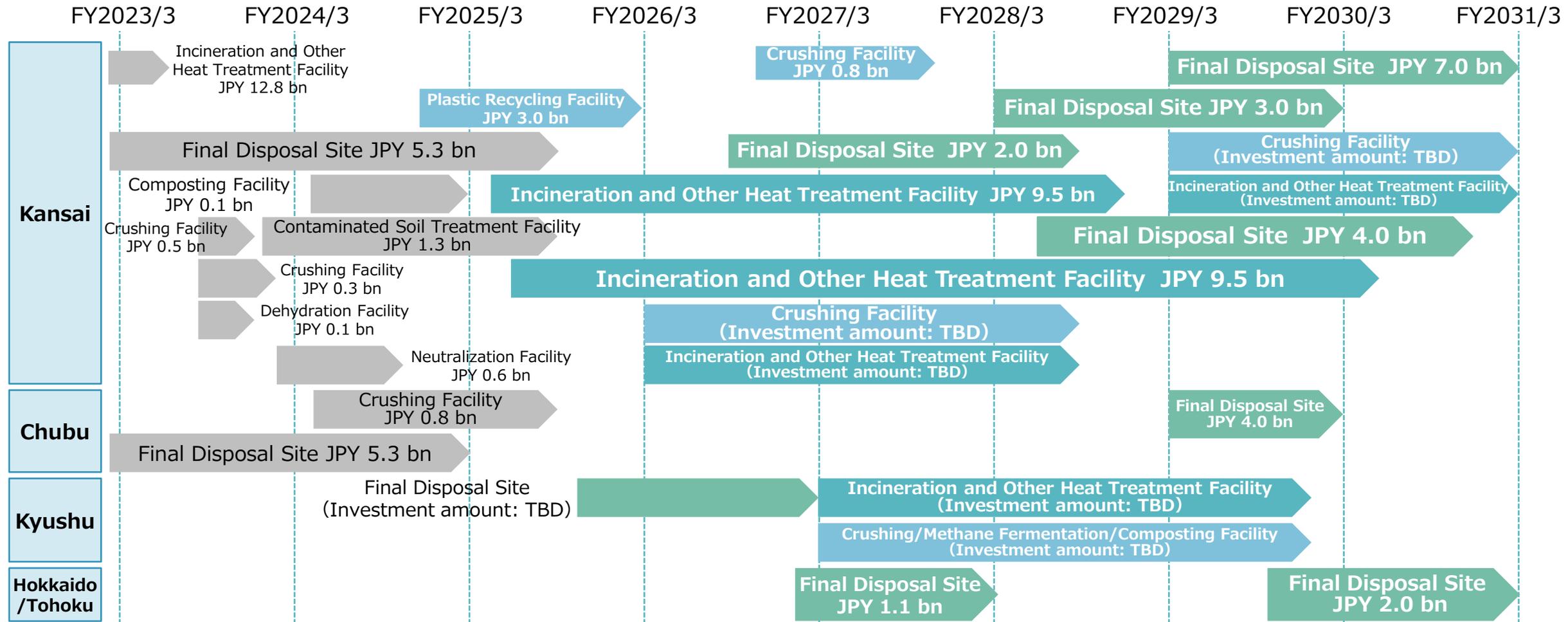
# Growth Measures (Capacity Expansion of Treatment Facilities)

## Steadily building the foundation for the vision for FY2031/3

	As of the end of FY2025/3	Facility expansion policy during the period of D-Plan 2028	Vision for FY2031/3
Sorting, crushing, and recycling facilities	<b>Permitted capacity 55,671 t/day</b>	Capital investment aimed at aggressive capacity expansion have been completed for now Capital investment to expand the supply of recycled products to the “artery” market will proceed as needed.	<b>Increase volume received by 1.5 times</b>
Incineration and other heat treatment facilities	<b>Permitted capacity 2,412 t/day</b>	We will systematically develop our facilities to strengthen existing facilities and operate new facilities associated with PPP (public private partnership) · Start construction of 5 plants	<b>Total permitted capacity 4,000 t/day</b>
Final disposal sites	<b>Planned annual landfill volume 1.25 million m<sup>3</sup></b>	Started receiving waste at final disposal sites in new areas through M&A, etc.	<b>Increase planned annual landfill volume from 1.25 million m<sup>3</sup></b>
	<b>Remaining capacity 8.740 million m<sup>3</sup></b>	Steadily implement new construction and expansion plans in existing areas, and acquire final disposal sites in new areas through M&A, etc.	<b>Increase remaining capacity to over 15 million m<sup>3</sup></b>

# Capital Investment Plan in the Future

## Capital Investment Plan



Note: As of Feb. 10, 2026  
Mie Prefecture is included in the Chubu area.

## New Facility Construction

### Sorting, Crushing, and Recycling Facility and Soil Remediation Facility

#### DINS Kansai Co., Ltd. - RAC Recycle Center: Plastic Recycling Facility

Scheduled to  
begin full  
operations  
in Mar. 2026

- ✓ Permitted capacity : 72 t/day (Advanced plastic sorting)  
197.76 t/day (RPF production)
- ✓ Start of operations : Sep. 2025 (Advanced plastic sorting)  
Mar. 2026 (RPF production)
- ✓ Total investment : Approx. JPY 3.0 bn



#### Geo-Re Japan Inc. - Suehiro Plant: Soil Remediation Facility

Operations  
began  
in Sep. 2025

- ✓ Permitted capacity : 2,640 t/day
- ✓ Start of operations : Sep. 2025
- ✓ Total investment : Approx. JPY 1.3 bn



# Initiatives to Promote Carbon Neutrality (Advancing Resource Recycling Systems)

## 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 Mar. 31, 2025

Accredited companies: 7 / Non-accredited companies: 37

**Aiming to increase the number of contracted non-accredited companies**

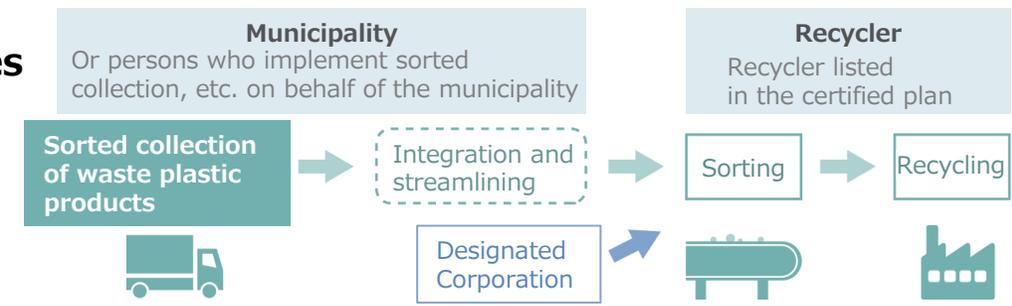


- ✓ Contributing to plastic resource circulation by participating as a recycler in Recycling Business Plans promoted by municipalities after obtaining accreditation.

- As of Mar. 31, 2025

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

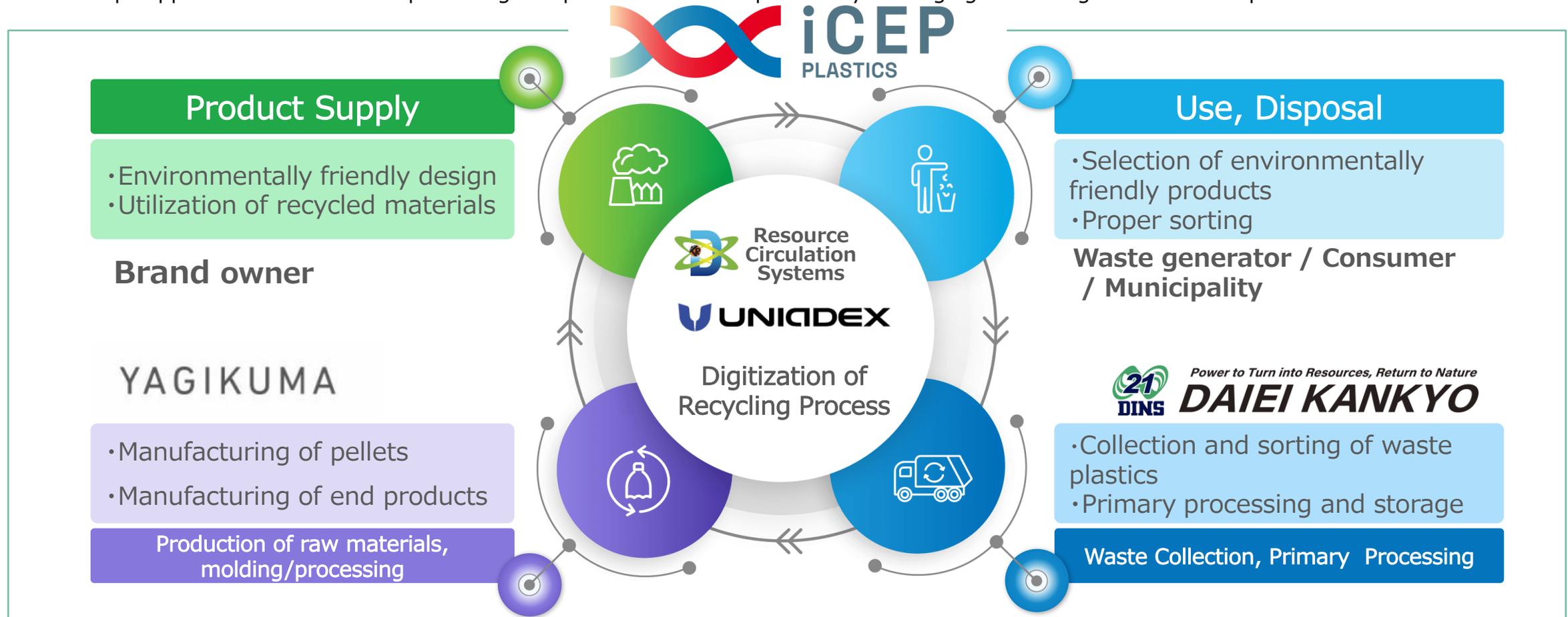
- ✓ We launched **Japan's first demonstration project** for gasification and methanol conversion of waste plastics with Kobelco Eco-Solutions, etc. in Aug. 2022, which we completed in Mar. 2024, and will continue to examine commercialization.
- ✓ Aiming to establish a recycling system through chemical 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 (Advancing Resource Recycling Systems)

## Launched iCEP PLASTICS\*1, 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 (Advancing Resource Recycling Systems)

## 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

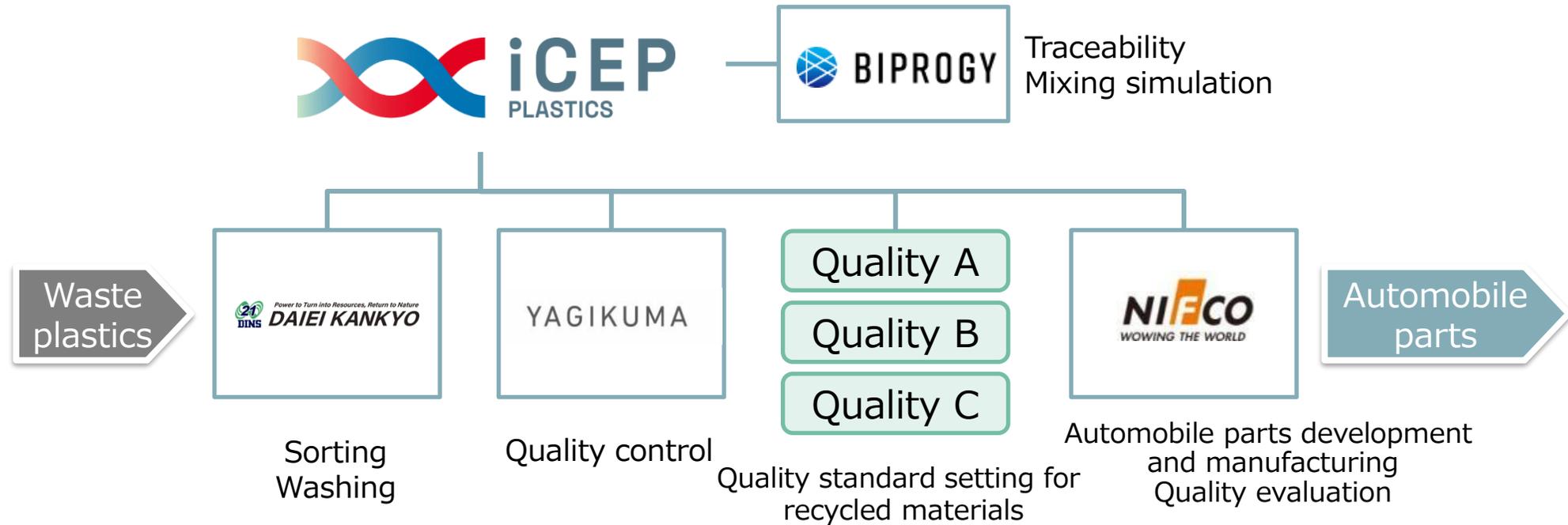


**Creation of a new resource circulation model for waste plastics through artery-vein collaboration**

# Initiatives to Promote Carbon Neutrality (Advancing Resource Recycling Systems)

## Promotion of XtoCar Project

- ✓ Promote this “artery-vein” collaboration project to address the urgent issue of plastic recycling with the goal of realizing “XtoCar,” a system in which recycled materials from waste plastics are supplied for the production of automobile parts



Note: This project is conducted as the Japan Foundation for Advanced Auto Recycling's "Subsidy program regarding surveys, research, and demonstrations that contribute to the enhancement of automobile recycling, etc." for FY2026.

# Initiatives to Promote Carbon Neutrality (Advancing Resource Recycling Systems)

## Examples of Food Recycling Initiatives

### Composting

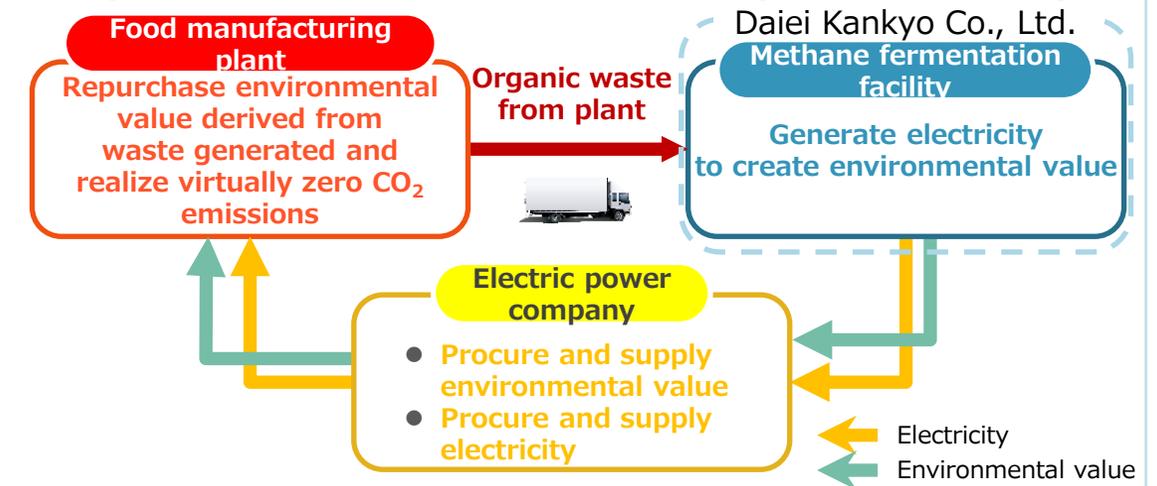
- ✓ Based on the “Act on Promotion of Recycling and Related Activities for Treatment of Cyclical Food Resources,” the composting facility at Miki Recycle Center **obtained certification for the “Recycling Project Plan” in Nov. 2014 and Mar. 2024** from the Ministry of Agriculture, Forestry and Fisheries, Ministry of the Environment, and Ministry of Economy, Trade and Industry.

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



### Methane Fermentation

- ✓ Generating electricity using gas produced through methane fermentation of food waste at the methane fermentation facility at Iga Recycle Center, and returning environmental value (non-fossil certificate) obtained to waste generators  
**Enabling waste generators to utilize non-fossil energy collected from their waste for production activities**



# Increasing Capacity of Incineration and Other Heat Treatment Facilities

## New Facility Construction

### Incineration and Other Heat Treatment Facility

#### Daiei Kankyo Co., Ltd. – Miki Recycle Center : Miki Biomass Factory

Operations  
began in May  
2023

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



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

Construction  
started in Feb.  
2026

- ✓ Permitted capacity : 220 t/day
- ✓ Power generation capacity : 4,650 kW
- ✓ Start of operations : Scheduled for Dec. 2028



Conceptual image of completed facility

#### Daiei Kankyo Co., Ltd. – Izumi Recycle Center : Izumi Energy Plaza

Obtained  
installation permit  
in Mar. 2025

- ✓ Permitted capacity : 220 t/day
- ✓ Power generation capacity : 4,810 kW
- ✓ Start of operations : Scheduled for May 2030



Conceptual image of completed facility

**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 FY2025/3	End of FY2031/3 (Target)
2,067 t / day	<b>2,412 t / day</b>	<b>4,000 t / day</b>

- **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>.

# Public Private Partnership (PPP) Projects

In municipalities facing declining populations, cutting general waste management costs is a top priority

A total of 49.5% of municipalities in Japan are experiencing depopulation

**885** out of **1,788** municipalities\*<sup>1</sup>

Many municipalities face multiple waste management challenges



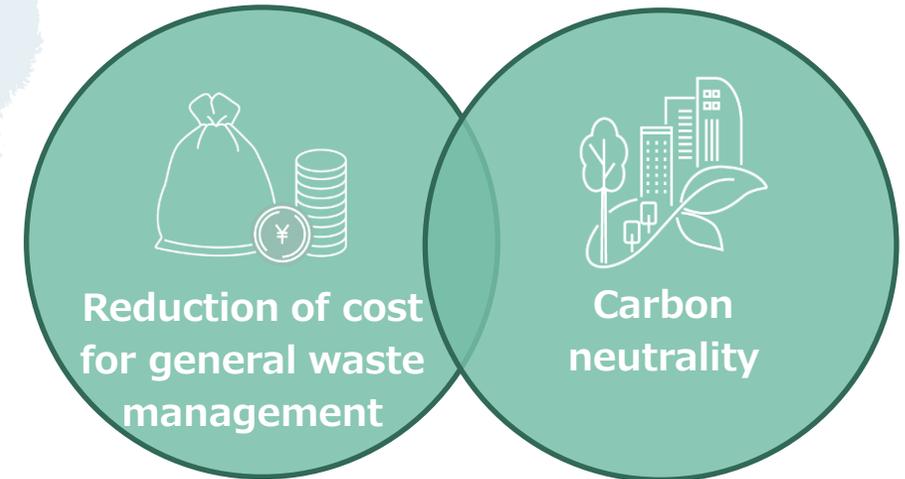
Outsourcing of waste management to the private sector has made little progress

For incineration and other heat treatment, which accounts for approximately 80% of general waste management, the outsourcing rate to the private sector is 5.2%



Shift general waste management to the private sector

Achieving simultaneously through integrated treatment with industrial waste

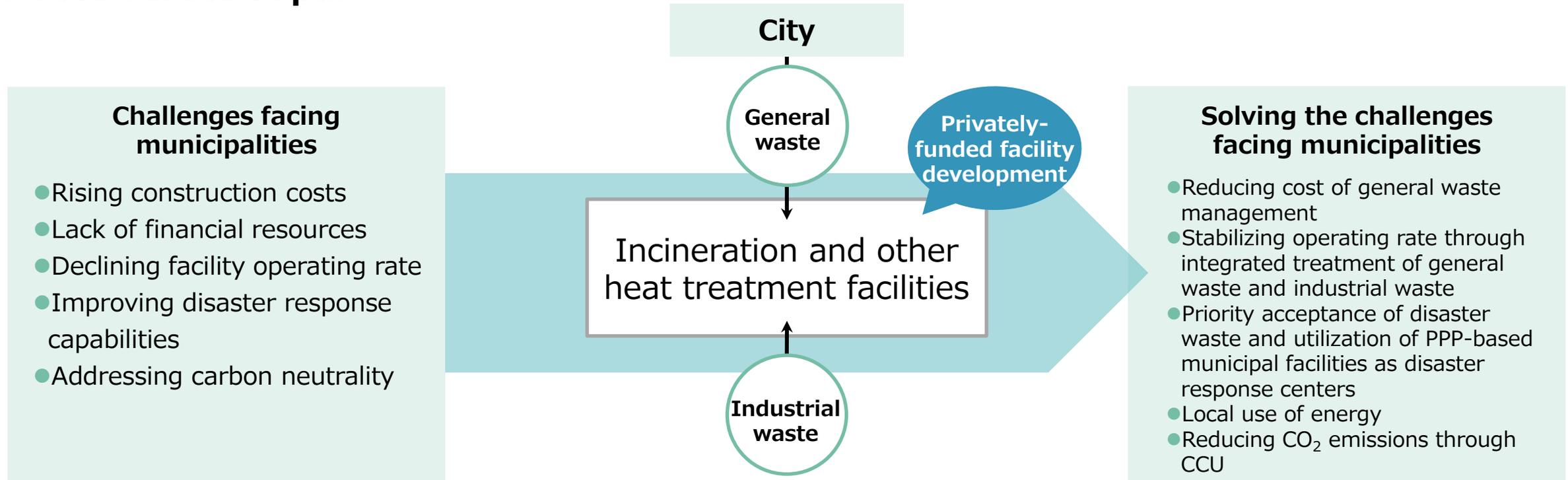


\*1: 1,718 municipalities in Japan as of Apr. 1, 2025 (excluding the 23 wards of Tokyo), plus the 23 wards of Tokyo and 47 prefectures.

Source : Created based on the National Federation of Depopulated Areas' "Databank of Depopulated Areas: Number of Depopulated Cities, Towns and Villages as of April 1, 2022" (<https://www.kaso-net.or.jp/publics/index/19/#block193>), MOEJ. "Nihon no haikibutsu shori (Reiwa 5 nendo ban)" [Waste Management in Japan (FY2024)] (Mar. 2025) ([https://www.env.go.jp/recycle/waste\\_tech/ippan/r5/data/disposal.pdf](https://www.env.go.jp/recycle/waste_tech/ippan/r5/data/disposal.pdf))

# Public Private Partnership (PPP) Projects

Use PPP schemes to promote integrated treatment of general waste and industrial waste across Japan



FY2025/3 (results)

Total of **3**  
agreements  
concluded

FY2028/3 (planned)

Total of **7**  
agreements  
concluded

FY2031/3 (projected)

Total of **12**  
agreements  
concluded

Total of **3**  
facilities in  
operation

**FY2032/3 and beyond**  
**Accelerating increase in number of**  
**agreements signed**

# Progress on Key Measures: PPP

## Previous Cases of PPP

### ① 5 towns in Kamimashiki-gun, Kumamoto

Date of Agreement	✓ Oct. 2021
Business Location	✓ Mifune-machi, Kamimashiki-gun, Kumamoto
Facilities Overview	Capacity (t/day)
	✓ Recycling : 900
	✓ Energy recovery : 400
	✓ Methane fermentation : 30
	✓ Composting : 60



✓ The red pin depicts the proposed project area.

### ② Aioi, Hyogo

Date of Agreement	✓ Oct. 2021
Business Location	✓ Aioi, Hyogo
Facilities Overview	Capacity (t/day)
	✓ Recycling : 900
	✓ Energy recovery : 220



✓ Signed an implementation agreement

### ③ Tadaoka, Osaka

Date of Agreement	✓ Feb. 2023
Business Location	✓ Tadaoka, Senboku-gun, Osaka
Facilities Overview	Capacity (t/day)
	✓ Recycling : TBD
	✓ Energy recovery : 220



✓ The relay facility started operations in Apr. 2024.

By FY2031/3, we aim to execute 12 agreements for public-private partnerships nationwide and to begin operations in 3 of them.

# Increasing Capacity of Final Disposal Sites

## New Facility Construction

### Final Disposal Site

**Mie Chuo Kaihatsu Co., Ltd. – Mie Recycle Center :**  
**The 8th Stage Controlled Final Disposal Site**

*Started services  
in Jan. 2025*

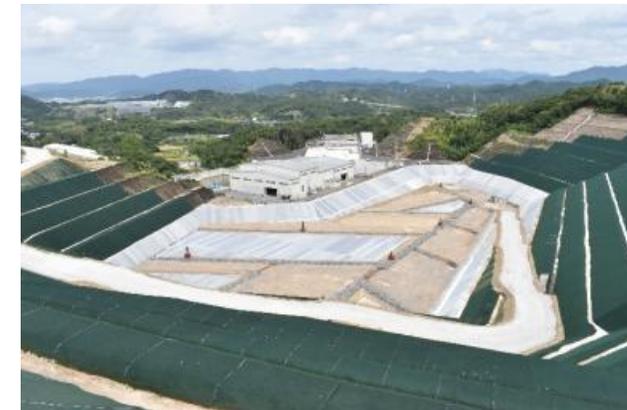
- ✓ Start of services : Jan. 2025 (The 2nd phase)
- ✓ Permitted capacity : 6,641,181 m<sup>3</sup>  
(of which 5,911,181 m<sup>3</sup> is for the 2nd phase construction)
- ✓ Total investment : Approx. JPY 10.2 bn  
(including approx. JPY 5.3 bn for the 2nd phase construction)



**Daiei Kankyo Co., Ltd. – Gobo Recycle Center :**  
**The 2nd Stage Controlled Final Disposal Site**

*Started services  
in Oct. 2025*

- ✓ Start of services : Oct. 2025
- ✓ Permitted capacity : 1,375,856 m<sup>3</sup>
- ✓ Estimated total investment : Approx. JPY 5.3 bn



# Expanding Business Areas Through M&A

Actively execute projects that are expected to generate synergies with core business (increase in volume received) nationwide regardless of area

Focus on business in new areas in addition to planned new expansion of incineration and other heat treatment facilities and final disposal sites

Aim to build a one-stop service in each area

Plan for FY2028/3

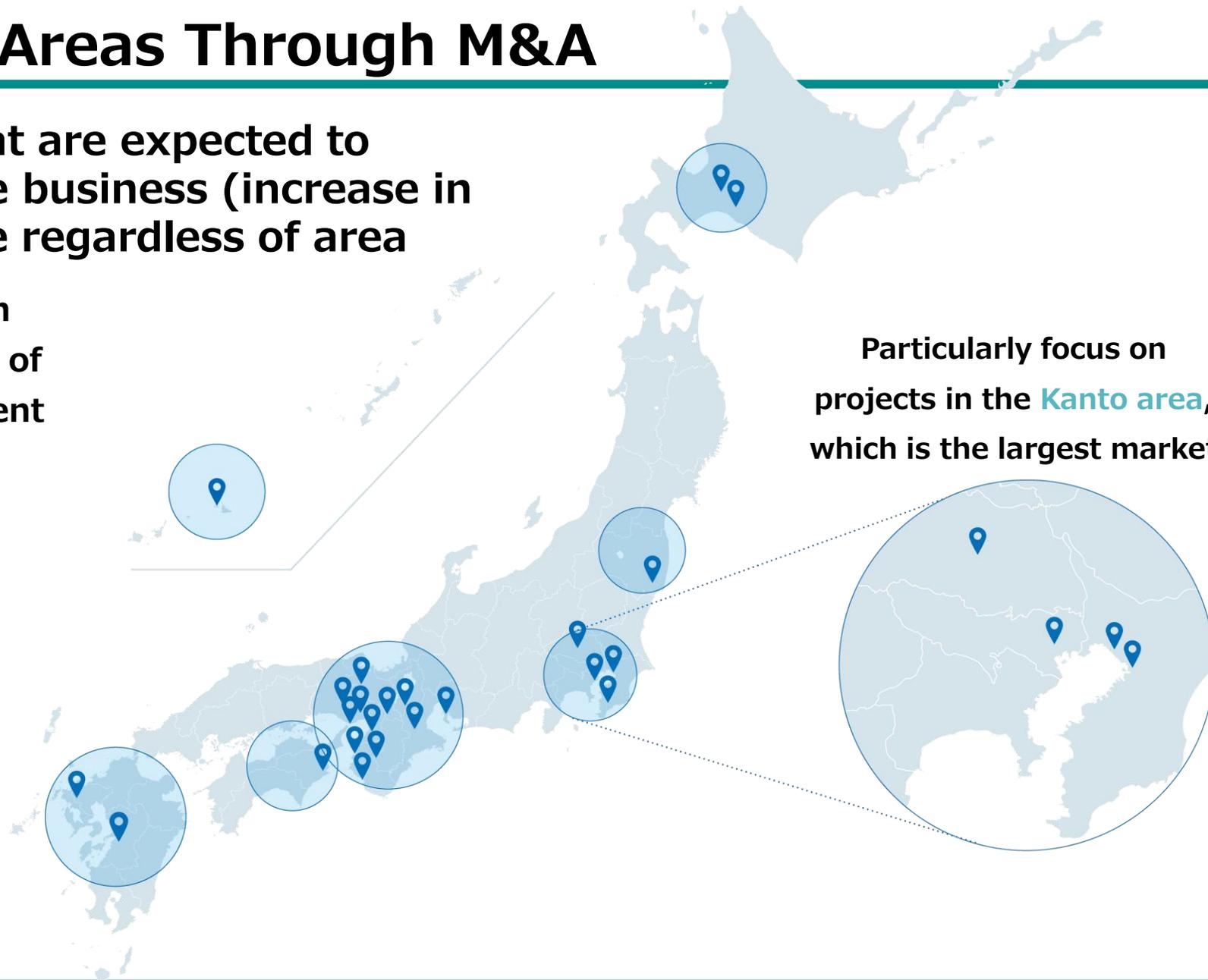
Net sales increase through M&A

JPY **10.0** bn

Investment amount

JPY **10.0** bn or more

Particularly focus on projects in the **Kanto area**, which is the largest market



# M&A Latest Results

## FY2026/3: Results

Made into a consolidated subsidiary in May 2025

<b>Location</b>	✓ Kyoto City, Kyoto
<b>Business</b>	✓ Collection and transportation/ Recycling
<b>FY2025 Sales / Operating profit</b>	✓ JYP 681 mn / JPY 37 mn
<b>Our advantage through M&amp;A</b>	<ul style="list-style-type: none"> <li>✓ Expansion of business area for handling general waste</li> <li>✓ Strengthening relationships with municipalities</li> </ul>

### Kyoto Eco Service Co., Ltd.

Made into a consolidated subsidiary in Apr. 2025

<b>Location</b>	✓ Nabari City, Mie
<b>Business</b>	✓ Collection and transportation
<b>FY2025 Sales / Operating profit</b>	✓ JPY 123 mn / JPY 7 mn
<b>Our advantage through M&amp;A</b>	<ul style="list-style-type: none"> <li>✓ Expansion of business area for handling general waste</li> <li>✓ Strengthening relationships with municipalities</li> </ul>

### Clean Tech Nabari Co., Ltd.

Made into a consolidated subsidiary in Apr. 2025

<b>Location</b>	✓ Imari City, Saga
<b>Business</b>	✓ Final Disposal
<b>FY2025 Sales / Operating profit</b>	✓ N/A
<b>Our advantage through M&amp;A</b>	<ul style="list-style-type: none"> <li>✓ Securing capacity at final disposal sites</li> <li>✓ Expansion of business area</li> <li>✓ Strengthening relationships with municipalities</li> </ul>

### Hizen Kankyo Co., Ltd.

# M&A Latest Results

## FY2026/3: Results

<b>Location</b>	✓ Nishinomiya City, Hyogo
<b>Business</b>	✓ Construction and maintenance of waste treatment plants
<b>FY2025 Consolidated Sales / Operating profit</b>	✓ JPY 1,875 mn / JPY 24 mn
<b>Our advantage through M&amp;A</b>	<ul style="list-style-type: none"> <li>✓ Efficiency in equipment maintenance and new installations</li> <li>✓ Integration of plant design and operational know-how</li> </ul>

Made into a consolidated subsidiary in Jan. 2026

Made into a consolidated subsidiary in Nov. 2025

Made into an affiliate accounted for by the equity method in Oct. 2025

### KOUKI CORP.

<b>Location</b>	✓ Kitakyushu City, Fukuoka
<b>Business</b>	✓ Final disposal
<b>FY2025 Sales / Operating profit</b>	✓ JPY 6,058 mn / JPY 4,498 mn
<b>Our advantage through M&amp;A</b>	<ul style="list-style-type: none"> <li>✓ Establishment of a one-stop service system within the Kyushu/Okinawa area</li> <li>✓ Expansion of business area</li> </ul>

### Sukarabesakure Co., Ltd.\*1

<b>Location</b>	✓ Toshima-ku, Tokyo, etc.
<b>Business</b>	✓ Collection and transportation/recycling
<b>FY2025 Consolidated Sales / Operating profit</b>	✓ JPY 14,506 mn / JPY 2,108 mn
<b>Our advantage through M&amp;A</b>	<ul style="list-style-type: none"> <li>✓ Expansion of business area for handling general waste</li> <li>✓ Expansion of market share in Kanto area</li> </ul>

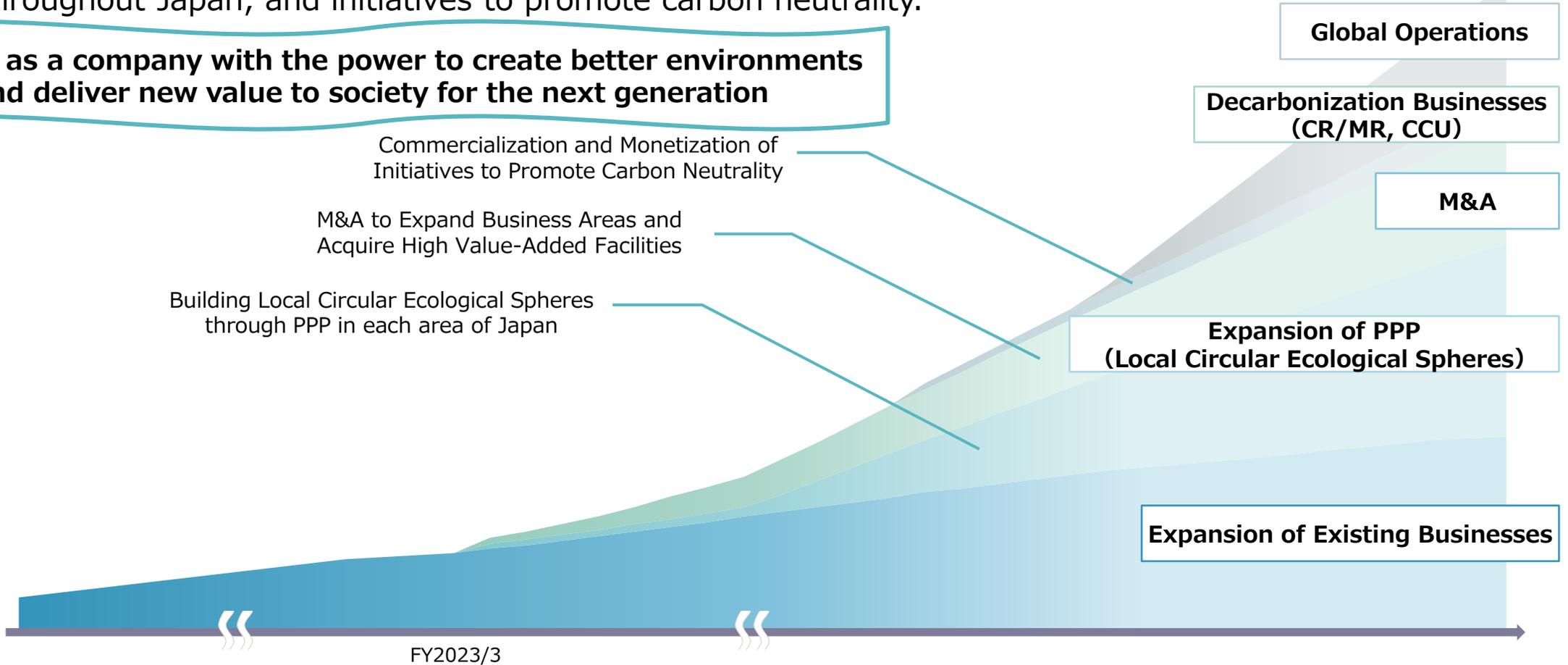
### KANAME KOGYO CO., LTD. (Securities code:6566)

\*1 : Details regarding contribution to consolidated results and capacity are provided on p. 5 to 7.

# 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.

**Evolving as a company with the power to create better environments and deliver new value to society for the next generation**



Note: CR = Chemical recycling, MR = Material recycling

# 7. Appendix

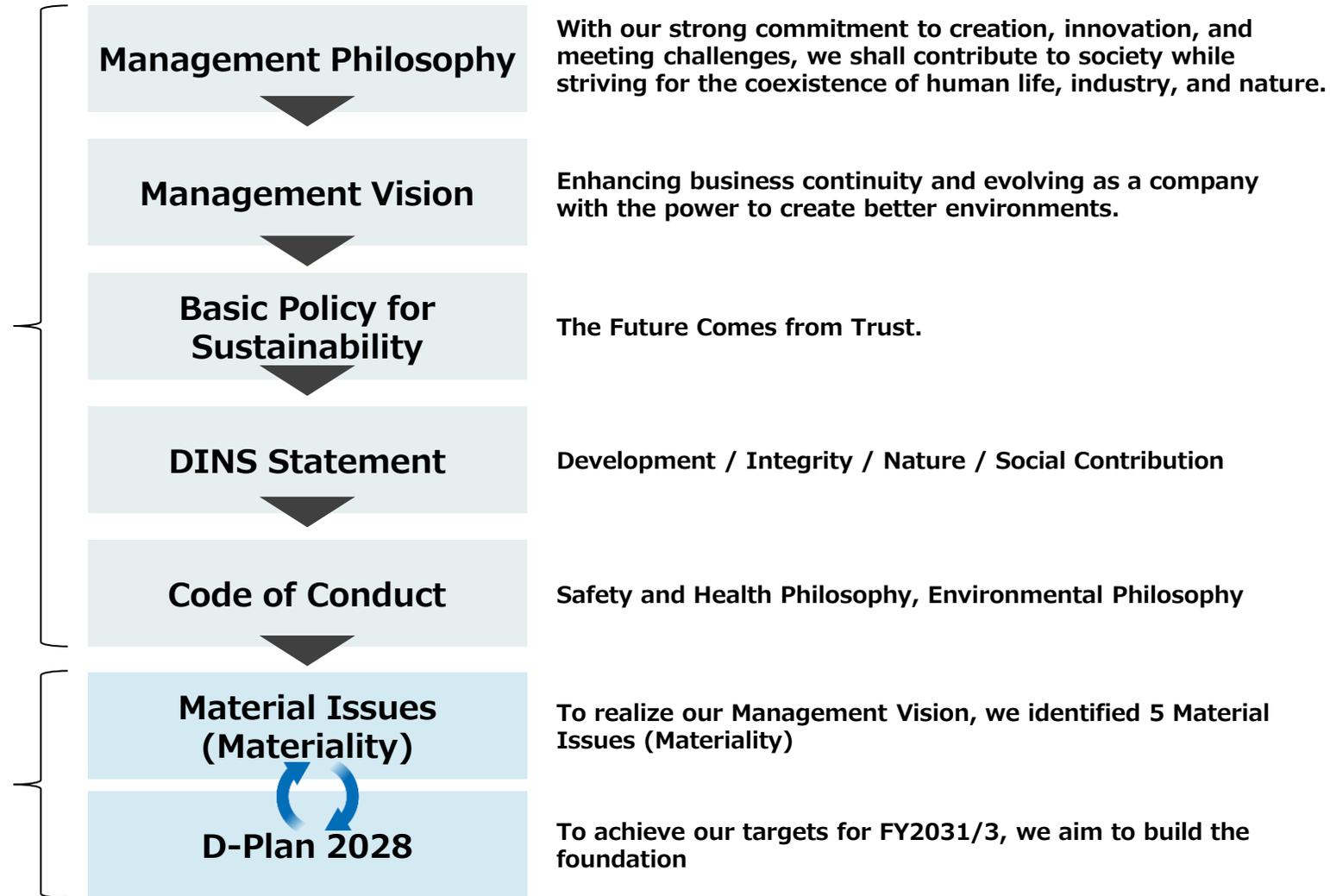
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# Identity

## Identity

Since our founding in 1979, the Daiei Kankyo Group has always been committed to creation, innovation, and meeting challenges without being bound by existing frameworks, and aims to realize a sustainable recycling-oriented society. We will continue to be a group essential for the daily lives of people and the future of the earth.

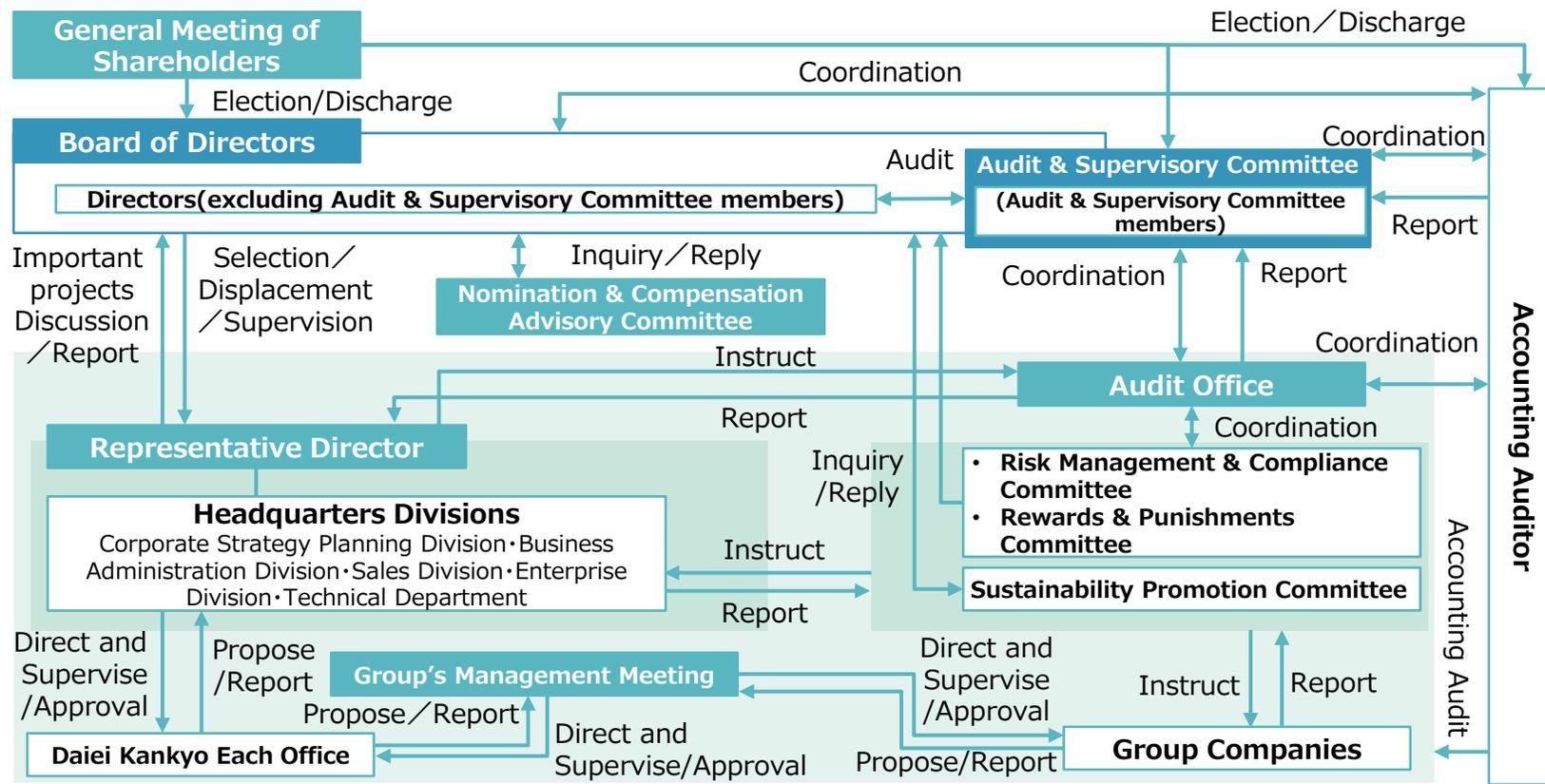
We formulated D-Plan 2028 to address 5 material issues.



# 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.



<b>Board of Directors</b>	<p><b>5 Male Directors</b>  <b>2 Female Directors</b>  <b>(Proportion of female directors 28.6%)</b>  <b>3 Directors</b>  <b>1 Outside Director (Female)</b>  <b>1 Director / Audit &amp; Supervisory Committee Member</b>  <b>2 Outside Directors / Audit &amp; Supervisory Committee Members (of these, 1 Female)</b></p>
<b>Restricted share-based remuneration</b>	<p><b>(Directors · Executive Officers)</b>  <b>Introduction of performance-linked restricted share-based compensation</b>  <b>(Directors · Executive Officers who are Audit &amp; Supervisory Committee members)</b>  <b>Introduction of restricted share-based remuneration</b></p>
<b>Group's Management Meeting, Etc.</b>	<p><b>Control of each division including subsidiaries and affiliates</b></p> <ul style="list-style-type: none"> <li>✓ Important decision-making</li> <li>✓ Control each operation such as budget management</li> <li>✓ Thorough risk recognition and recurrence prevention</li> </ul>

# 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, 2024)	Current state (As of Mar. 31, 2025)	Target (As of Mar. 31, 2026)
✓ Proportion of female new graduates hired (university graduate and above)	36.8 %	<b>33.3 %</b>	30.0% or above
✓ Proportion of female managers	3.7 %	<b>4.3 %</b>	4.5% or above
✓ Rehiring rate of retirees	70.8 %	<b>80.0 %</b>	70.0% or above
✓ Paid leave utilization rate	77.7 %	<b>74.9 %</b>	90.0% or above
✓ Rate of uptake of childcare leave by male employees	93.2 %	<b>90.9 %</b>	90.0% or above
✓ Percentage of high-stress employees in stress checks	10.9 %	<b>10.9 %</b>	10.0% or less
✓ Wage gap between men and women (Men=100%)	66.0 %	<b>72.3 %</b>	75.0% or above

# Initiatives for Coexistence with Local Communities

Promoting a society in which women actively participate



## INAC KOBE / Promoting development of women's soccer



Photo by INAC KOBE LEONESSA

\*The Empress's Cup JFA 45th All-Japan Women's Soccer Championship Tournament 2024

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 3

The world's best league value

### VISION 0 2

The world's best active women's community

### 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.



\*New tenants will be released as needed after contracts are signed.

## Hosting community events

Many people attended each events.



Miki Recycle Center (held in June)



Mie Recycle Center (held in November)

# Efforts to Reduce CO<sub>2</sub> 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 CO <sub>2</sub> 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	FY2023/3 (t-CO <sub>2</sub> )	FY2024/3 (t-CO <sub>2</sub> )	FY2025/3 (t-CO <sub>2</sub> )
Scope 1	Group as a whole*1	252,540	261,601	252,315
Scope 2	Group as a whole*1	18,714	25,013	19,766
Total	Group as a whole*1	271,254	286,615	272,082
(Reference) Scope 3	Group as a whole*1	-	223,306	184,299
	Four major companies*2	142,889	-	-

\*1: All Group Companies: The consolidated subsidiaries included in our group during the reporting year are included in the scope of this report, while those that became consolidated subsidiaries during the period are excluded.

\*2: 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 (CO<sub>2</sub>) emissions in society as a whole>

Initiatives		Actual reduction in FY2023/3 (t-CO <sub>2</sub> )	Actual reduction in FY2024/3 (t-CO <sub>2</sub> )	Actual reduction in FY2025/3 (t-CO <sub>2</sub> )	
Thermal recycle	Power generation and sale by waste incineration	Approx. -2,000	Approx. -19,000	Approx. -26,000	Contribution
Solar power generation	Solar power generation and sale of electricity	Approx. -2,000	Approx. -2,000	Approx. -2,000	
Recycling	Manufacturing and sales of RPF and recycled pallets	Approx. -107,000	Approx. -114,000	Approx. -117,000	
Forest management	Fixation of CO <sub>2</sub> emissions from approximately 8,170 ha of company-owned forests	Approx. -44,000	Approx. -44,000	Approx. -44,000	Ab-sorption



Solar power generation



RPF, Recycled pallets

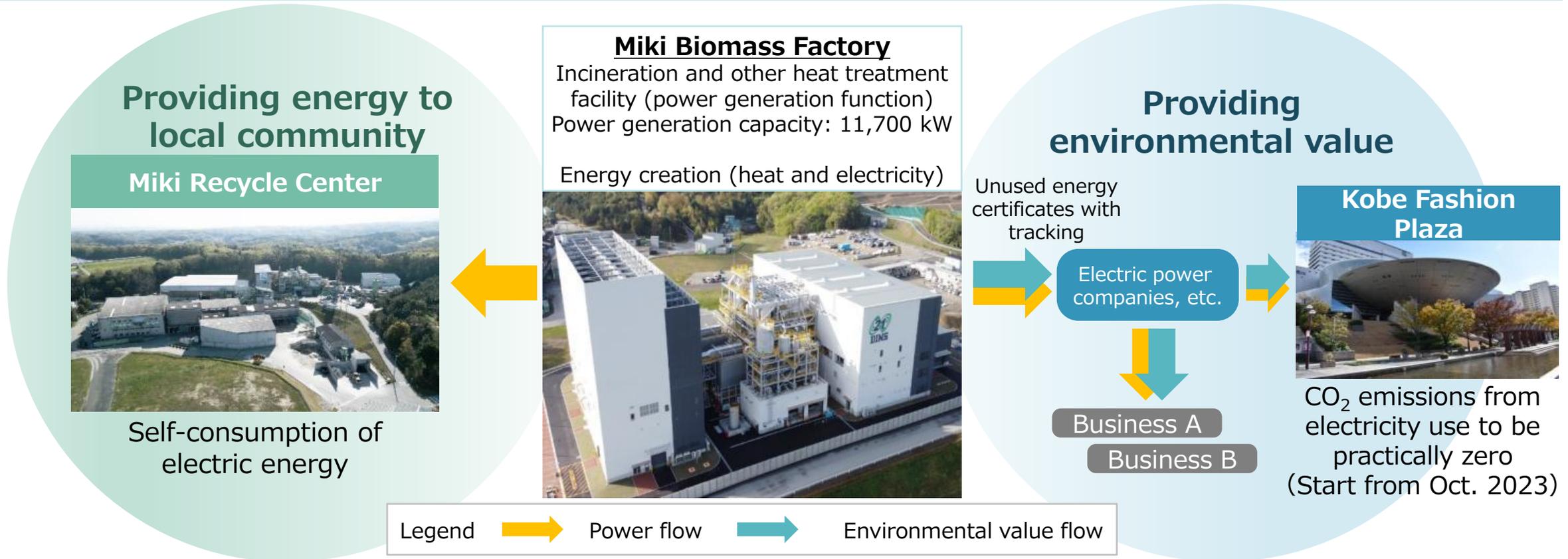


Company-owned forests

# Efforts to Reduce CO<sub>2</sub> 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\*<sup>1</sup>, we will buy back the environmental value and achieve practically zero CO<sub>2</sub> emissions at Kobe Fashion Plaza\*<sup>2</sup>



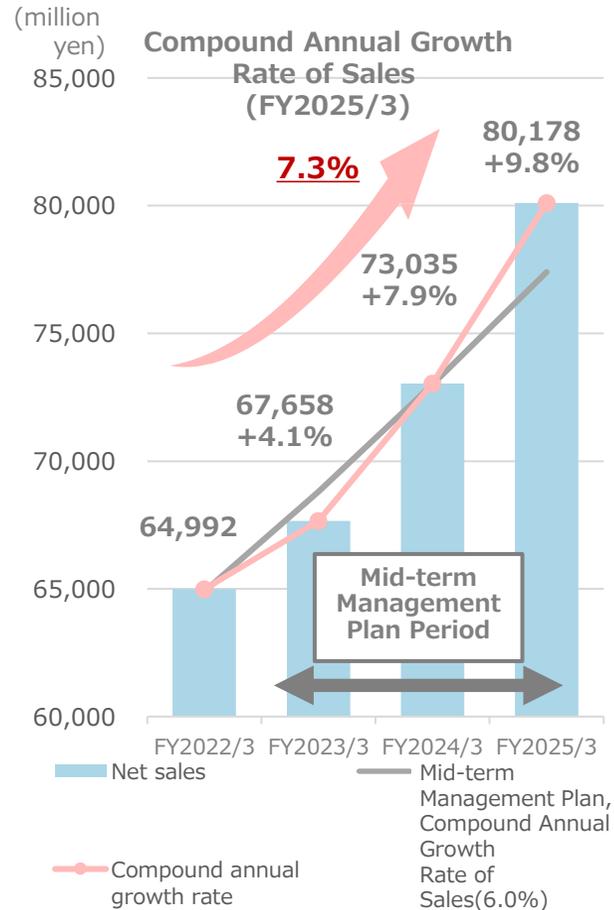
\*1: See p. 64

\*2: Location of Group headquarters

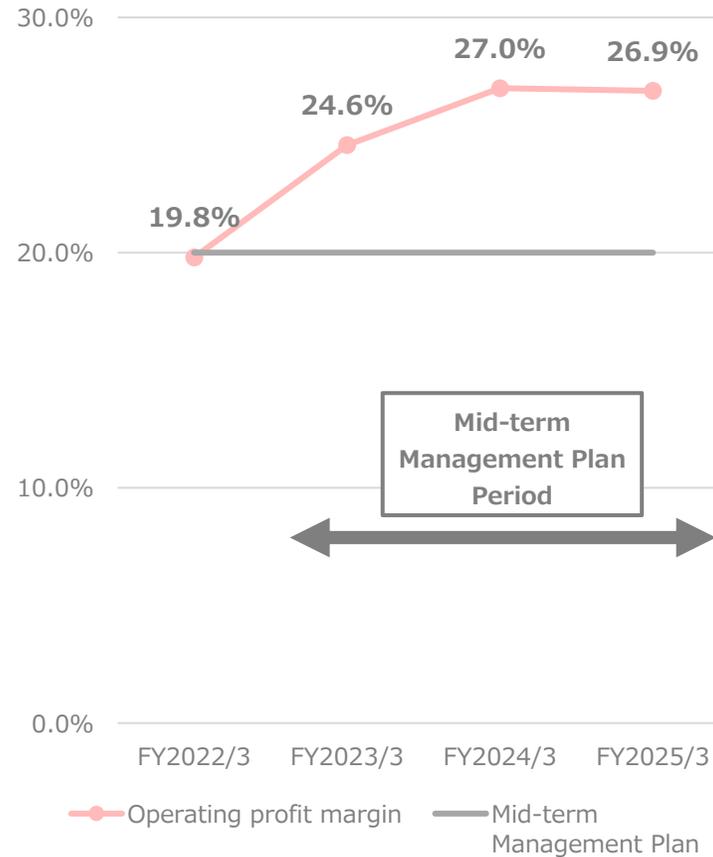
# Capital Profitability and Market Evaluation

## Financial Results for the Previous Medium-Term Management Plan (FY2023/3 to FY2025/3)

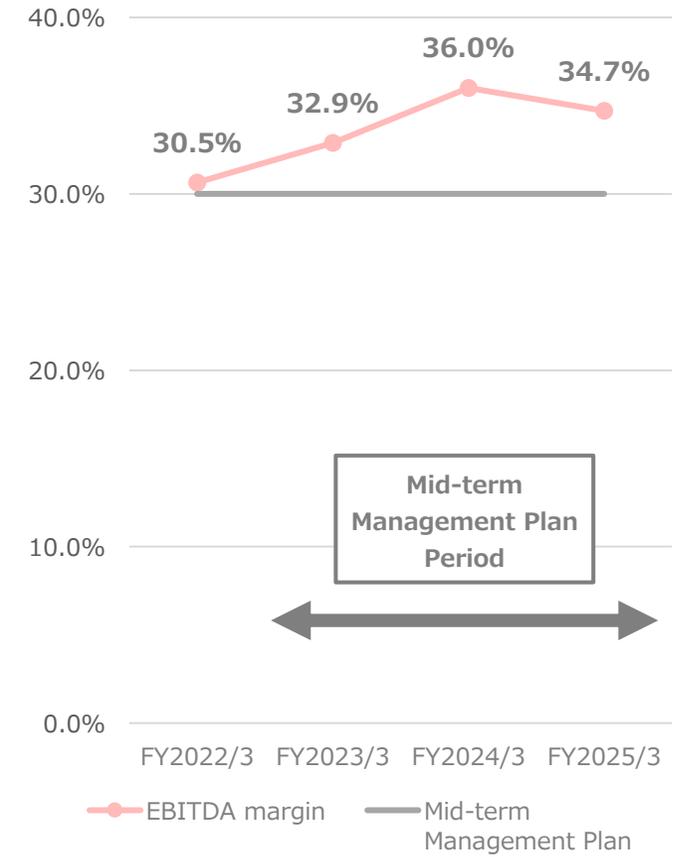
### ✓ Compound Annual Growth Rate of Sales



### ✓ Operating Profit Margin

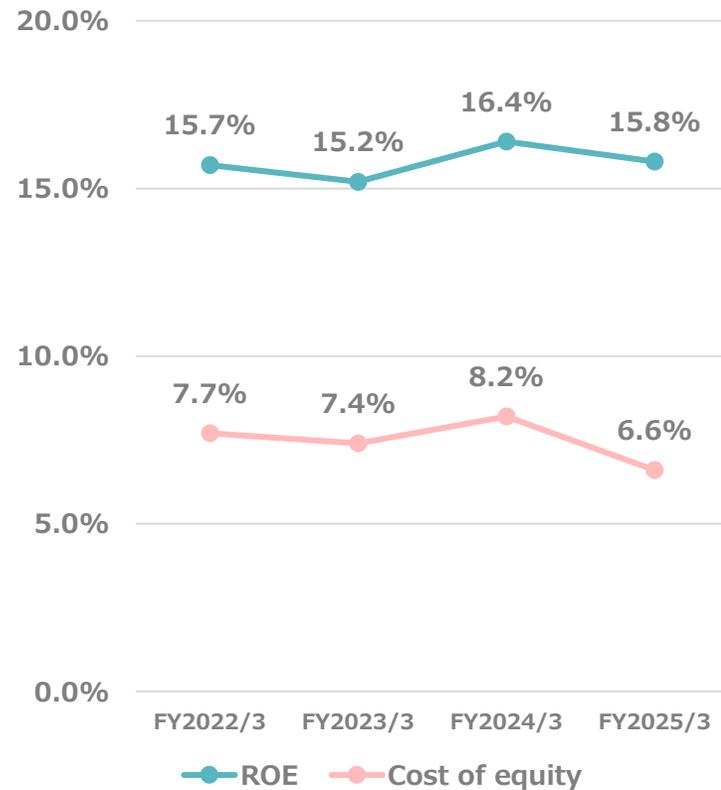


### ✓ EBITDA Margin

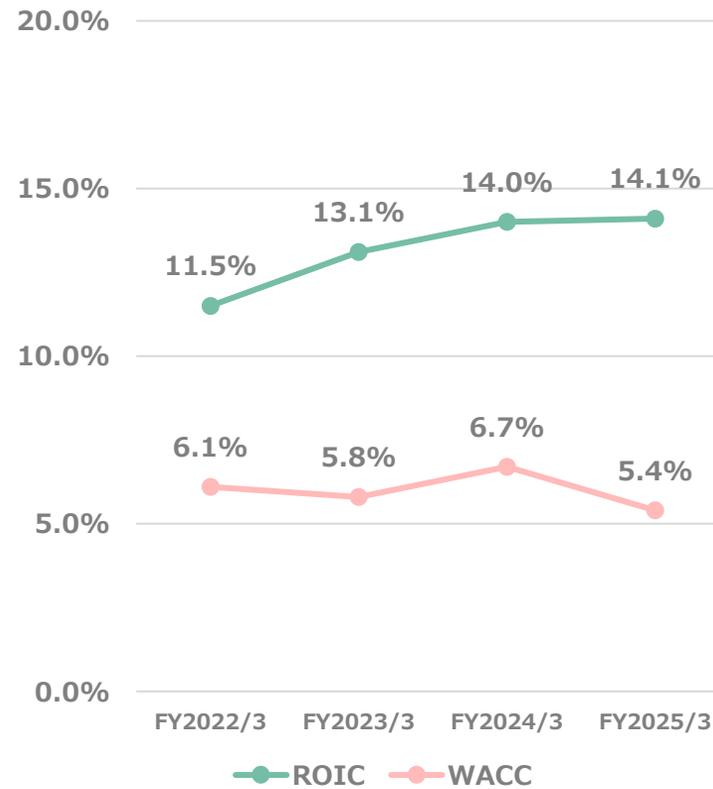


# Capital Profitability and Market Evaluation

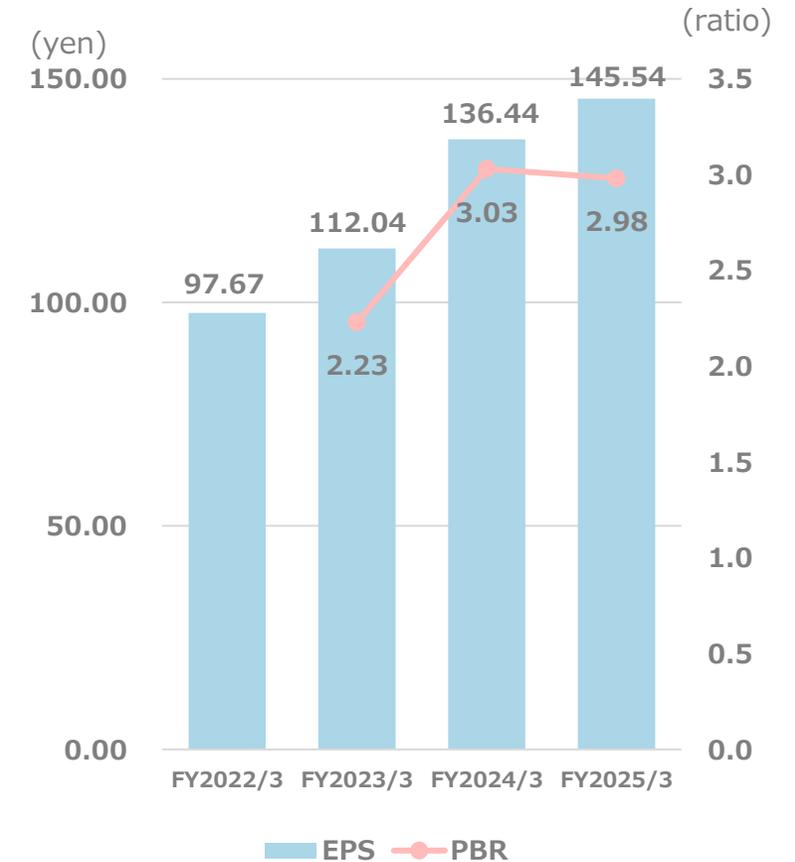
## ✓ ROE・Cost of Equity



## ✓ 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.

# Capital Efficiency and Leverage Indicators

	FY2024/3	FY2025/3	Year on Year
EBITDA margin	36.0%	<b>34.7%</b>	<b>(1.3pt)</b>
ROE*1	16.4%	<b>15.8%</b>	<b>(0.6pt)</b>
ROIC*2	14.0%	<b>14.1%</b>	<b>+ 0.1pt</b>
Net D/E ratio*3	0.1×	<b>0.1×</b>	<b>—</b>

Note: Details of adjustment process for each indicator are described on p. 69 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	FY2025/3
Operating profit	12,840	16,623	19,714	21,548
Depreciation (excluding non-operating expenses)	6,249	5,413	6,190	5,828
Amortization of goodwill	736	212	360	447
<b>EBITDA</b>	<b>19,826</b>	<b>22,250</b>	<b>26,265</b>	<b>27,826</b>
<b>EBITDA margin</b>	<b>30.5%</b>	<b>32.9%</b>	<b>36.0%</b>	<b>34.7%</b>

# 【Reference】 Reconciliation of ROE

(million yen)	FY2022/3	FY2023/3	FY2024/3	FY2025/3
Profit attributable to owners of parent	8,870	10,494	13,591	14,364
Equity <sup>*1</sup>	56,324	69,115	83,022	90,913
<b>ROE</b>	<b>15.7%</b>	<b>15.2%</b>	<b>16.4%</b>	<b>15.8%</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	FY2025/3
Operating profit	12,840	16,623	19,714	21,548
Amortization of goodwill	736	212	360	447
Effective tax rate	30.6%	30.6%	30.6%	30.6%
NOPAT (Net Operating Profit After Taxes)	9,419	11,681	13,928	15,260
Net property, plant and equipment	60,286	69,943	80,519	85,271
Total investments and other assets	17,977	16,529	16,620	20,687
Total current assets (excluding cash and deposits)	13,525	13,964	14,657	17,559
Total current liabilities (excluding interest-bearing debt)	9,625	11,000	12,242	15,295
Invested capital at the beginning of the period	82,164	89,436	99,555	108,222
<b>ROIC</b>	<b>11.5%</b>	<b>13.1%</b>	<b>14.0%</b>	<b>14.1%</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	FY2025/3
Net Interest-bearing debt	21,518	9,987	9,075	13,816
Equity	59,743	78,487	87,557	94,269
<b>Net D/E ratio</b>	<b>0.4x</b>	<b>0.1x</b>	<b>0.1x</b>	<b>0.1x</b>



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

**Contact:**

Corporate Strategy Planning Division  
Investor Relations/Sustainability Promotion Department  
TEL: +81-(0)78-857-6600  
E-mail: [ir@dinsgr.co.jp](mailto:ir@dinsgr.co.jp)  
URL: <https://www.dinsgr.co.jp/english/>

 Official Account

Release of IR information



**Disclaimer**

Our plans, forecasts, strategies, etc. described in this material are based on our management decisions obtained from currently available information. Actual results may differ from our forecasts depending on various risks and indeterminate factors.