Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

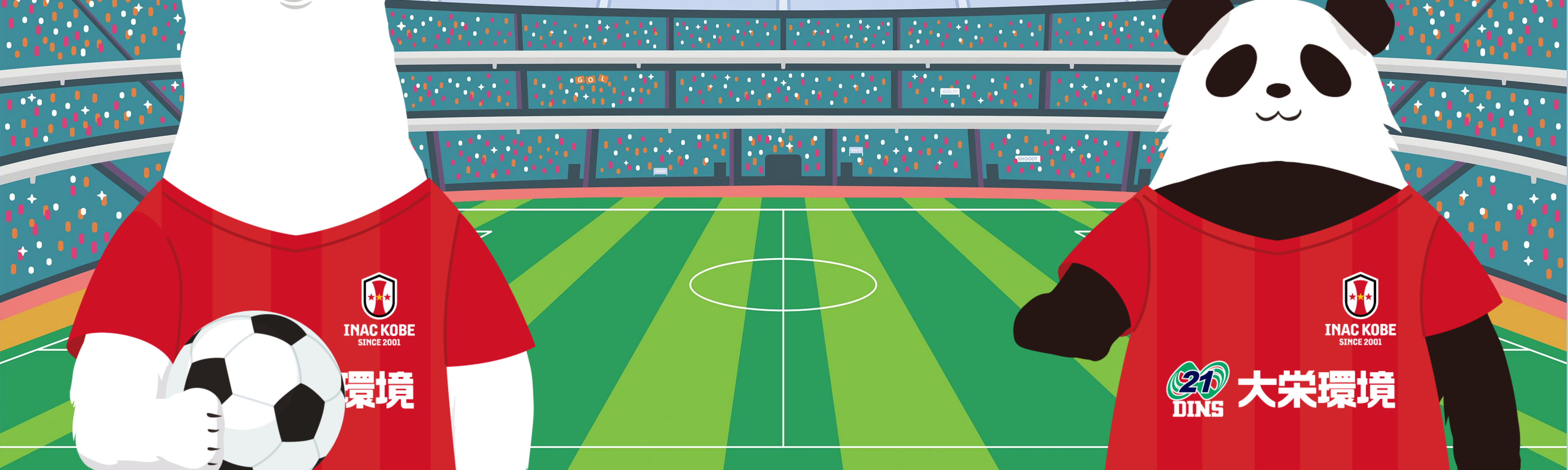
Power to Turn into Resources, Return to Nature

DAIEI KANKYO

FY2027/3 1st Quarter Financial Results

[Securities Code : 9336]

Aug. 10, 2026



Executive Summary

Results	FY2027/3 1Q Results	• **Net sales** 24,136 million yen (Up 20.6% year on year) • **Operating profit** 5,598 million yen (Up 31.4% year on year) • **EBITDA** 8,778 million yen (Up 43.0% year on year)
	Progress Rate for FY2027/3 Forecasts	• **Net sales** 25.7% (First half: 52.1%) • **Operating profit** 23.0% (First half: 49.5%) • **EBITDA** 23.7% (First half: 50.5%)
Progress of Important Policies	FY2027/3 1Q Results	• **Recycling facilities** ✓Started full-scale operation of a plastic recycling facility in Apr. 2026 • **Governance structure** ✓Transitioned to a new organizational structure in Apr. 2026 ✓Appointed Morihiko Shimoda as President and Representative Director in Jun. 2026 • **Medium-Term Management Plan** ✓Announced a partial revision to D-Plan 2028 in May 2026 • **PPP (Public-Private Partnership) projects** ✓Start of construction in Aioi in Aug. 2026

Agenda

1 About Sukarabesakure Co., Ltd.

2 FY2027/3 1Q Results

3 Progress Rate for FY2027/3 Forecasts

4 Shareholder Returns

5 About Daiei Kankyo Group

6 Growth Strategy

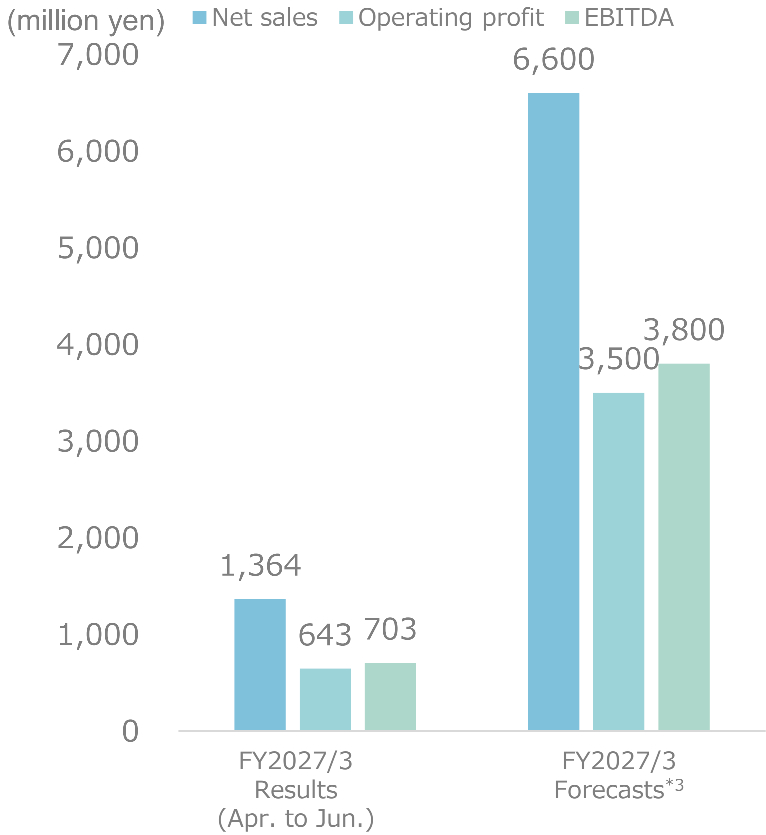
7 Appendix

1. About Sukarabesakure Co., Ltd.

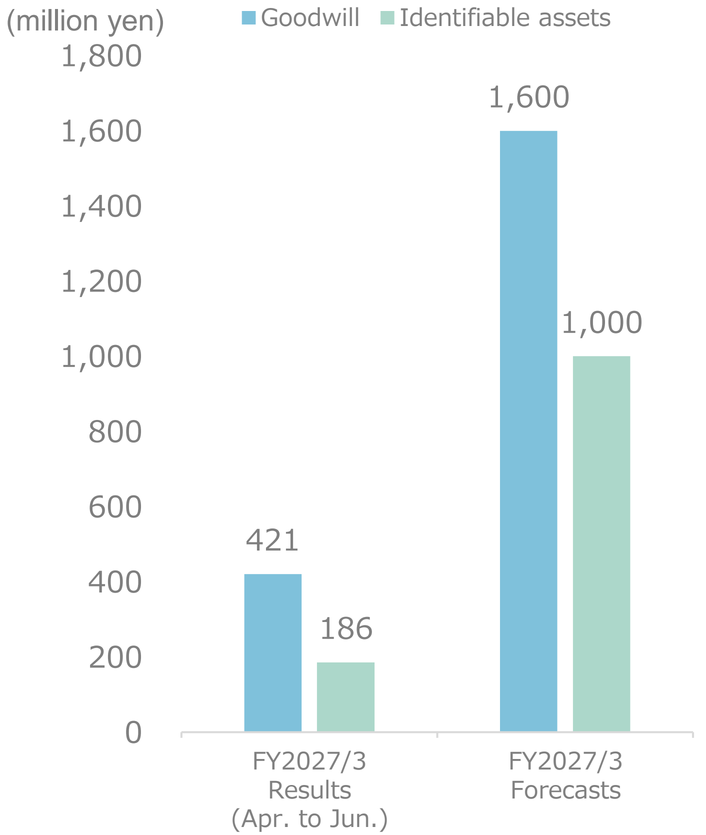
About Sukarabesakure Co., Ltd.

Contribution to Consolidated Results

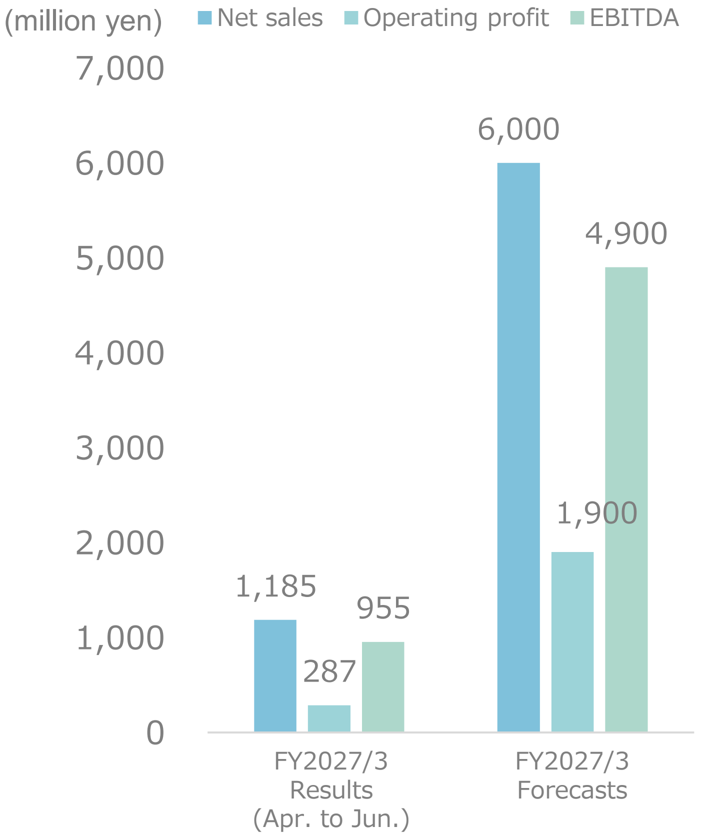
● Non-consolidated net sales/ Operating profit/ EBITDA*1



● Amortization of goodwill and of identifiable assets



● Contribution to consolidated results*2



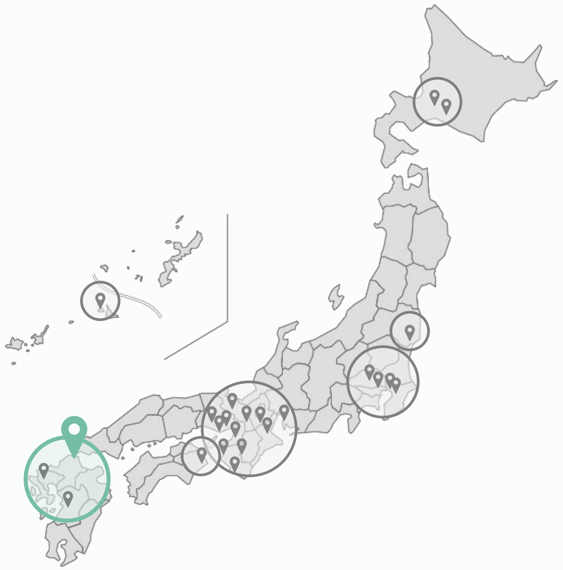
*1 : EBITDA=Operating profit + Depreciation (excluding non-operating expenses) + Amortization of goodwill
*2 : Calculations consider consolidated adjustments within the Group
*3 : The Company receives management consulting fees in exchange for providing management support to its subsidiaries.

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	3.870 million ㎥	4.946 million ㎥	8.817 million ㎥
Remaining capacity*1 (Compared to the figures disclosed for FY2026/3)	2.095 million ㎥ (-0.082 million ㎥)	4.946 million ㎥ (No change)	7.041 million ㎥ (-0.082 million ㎥)

*1： The remaining capacities are as of Jun. 30, 2026.

2. FY2027/3 1Q Results

Power to Turn into Resources, Return to Nature
DAIEI KANKYO

FY2027/3 1Q Results

Consolidated Statements of Income

(million yen)	FY2027/3 1Q YTD	FY2026/3 1Q YTD	Year on Year
Net sales	**24,136**	20,020	**+20.6%**
Operating profit	**5,598**	4,260	**+31.4%**
Operating profit margin	**23.2%**	21.3%	**+1.9pt**
EBITDA	**8,778**	6,138	**+43.0%**
EBITDA margin*1	**36.4%**	30.7%	**+5.7pt**
Ordinary profit	**5,580**	4,271	**+30.7%**
Profit attributable to owners of parent	**3,548**	2,906	**+22.1%**
Profit margin attributable to owners of parent	**14.7%**	14.5%	**+0.2pt**

*1: EBITDA margin = EBITDA/Net Sales

FY2027/3 1Q Results

By Segment

(million yen)	FY2027/3 1Q YTD	FY2026/3 1Q YTD	Year on Year
Waste-related Business			
Net sales	**23,414**	19,345	**+21.0%**
Segment profit	**5,601**	4,350	**+28.7%**
Segment profit margin	**23.9%**	22.5%	**+1.4pt**
Other Businesses			
Net sales	**721**	674	**+7.0%**
Segment profit (loss)	**14**	(70)	**－**
Segment Profit (loss) margin	**2.1%**	(10.5%)	**+12.6pt**

Power to Turn into Resources, Return to Nature
DAIEI KANKYO

FY2027/3 1Q Results

Net Sales by Business Domain

(million yen)	FY2027/3 1Q YTD	FY2026/3 1Q YTD	Year on Year
Waste-related Business	**23,414**	**19,345**	**+21.0%**
Waste management and recycling	**19,335**	16,608	**+16.4%**
Soil remediation	**2,049**	1,051	**+94.9%**
Other（Waste-related Business）	**2,030**	1,685	**+20.5%**
Other Businesses	**721**	**674**	**+7.0%**
Valuable Resource Recycling Business	**619**	594	**+4.1%**
Sports Promotion Business	**102**	79	**+28.0%**

FY2027/3 1Q Results

Volume of Waste and Contaminated Soil Received

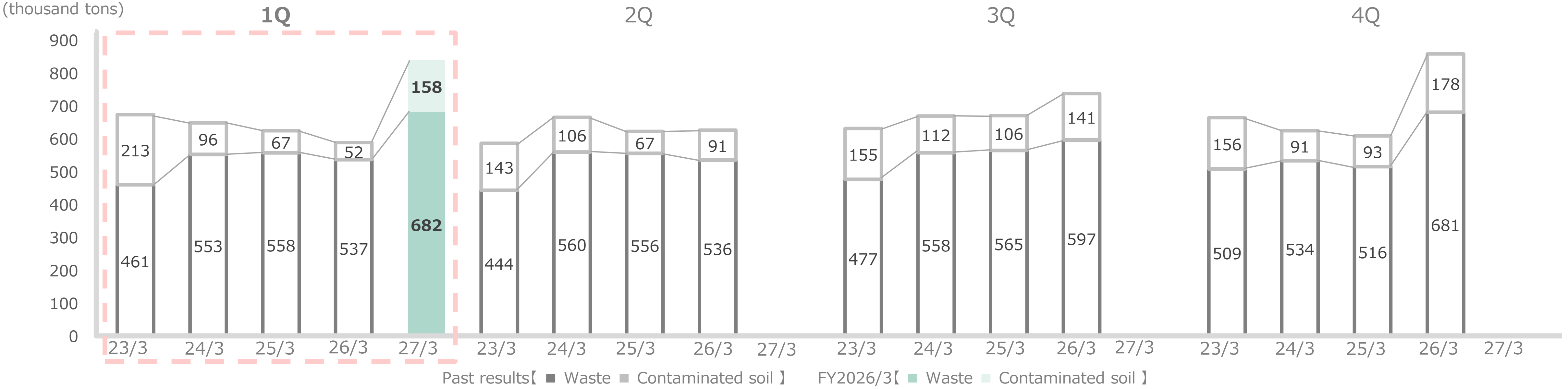
(thousand tons)	FY2027/3 1Q YTD	FY2026/3 1Q YTD	Year on Year
Waste	**682**	537	**+27.0%**
Contaminated soil	**158**	52	**+200.6%**

Waste volume received

- Increased due to an increase in the volume received for infrastructure development projects in the Kansai area, and the contribution of Sukarabesakure Co., Ltd.

Contaminated soil volume received

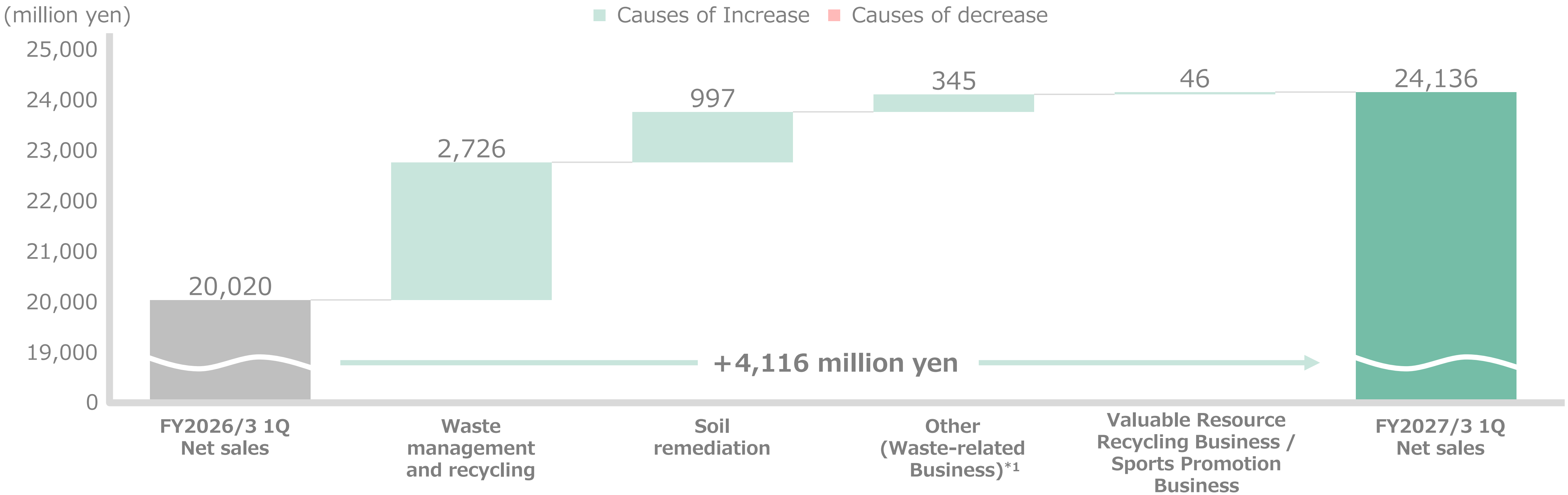
- Increased year on year due to a rise in orders mainly for landfill and washing treatments



FY2027/3 1Q Results

Consolidated Net Sales Change Factors

- ✓ Waste management and recycling : Increased due to an increase in the volume received for infrastructure development projects in the Kansai area, and the contribution of Sukarabesakure Co., Ltd.
- ✓ Soil remediation : Increased due to a rise in orders mainly for landfill and washing treatments
- ✓ Other (Waste-related Business) : Increased primarily due to steady orders for demolition work received by Kaisei Co., Ltd. as well as the contribution from the acquisition of KOUKI CORP.

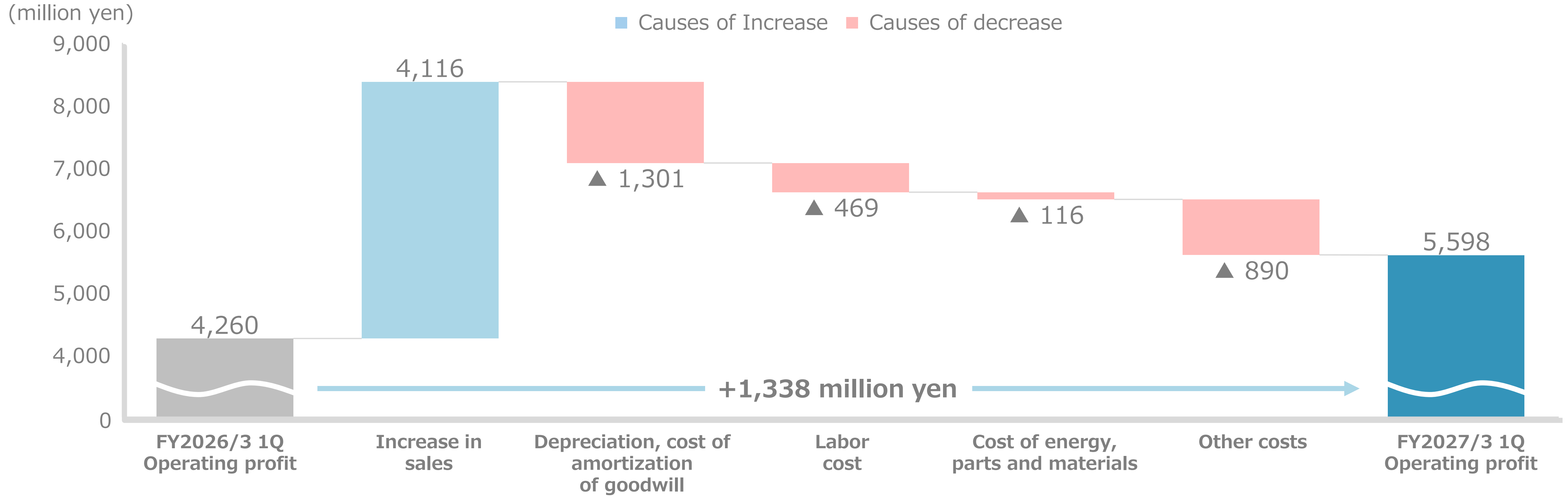


*1: The figure for Other includes those for the business domains other than Waste management and recycling and Soil remediation under Waste-related Business.

FY2027/3 1Q Results

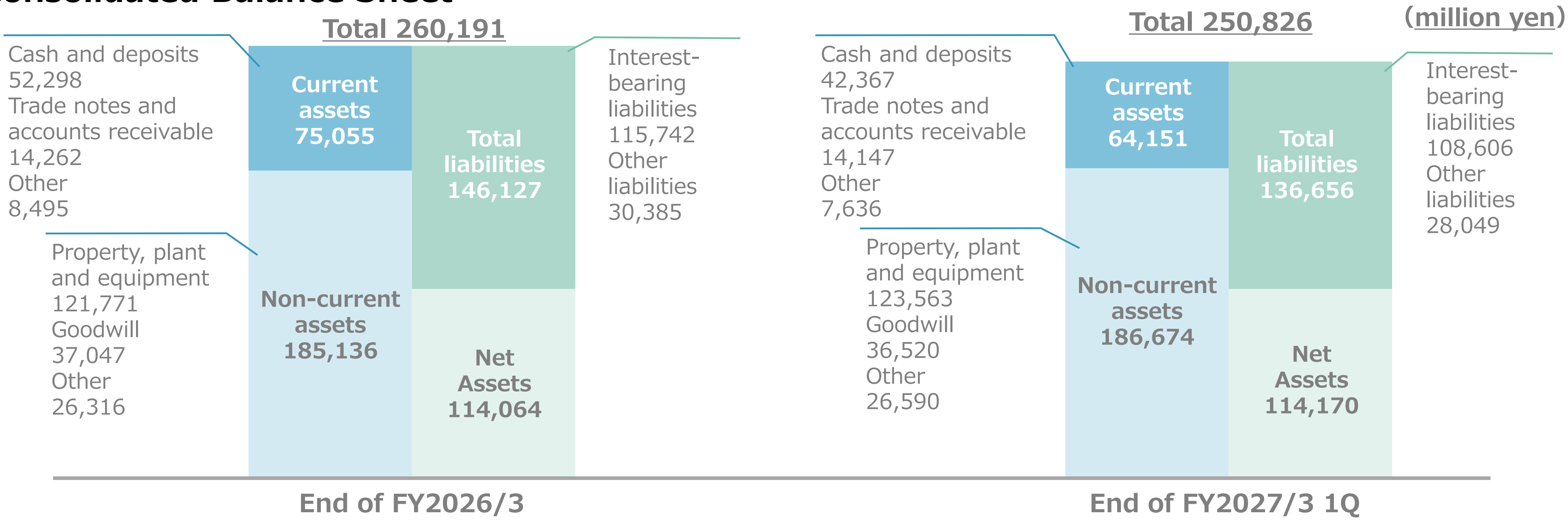
Consolidated Operating Profit Change Factors

✓ Depreciation, cost of amortization of goodwill	: Increased due to an increase in the volume received at final disposal sites, and the recognition of amortization of goodwill and identifiable assets related to Sukarabesakure Co., Ltd.
✓ Labor cost	: Increased due to salary raises and an increase in the number of employees including through M&A
✓ Other costs	: Increased due to higher transportation costs caused by a higher volume being received, as well as an increase in outsourcing costs resulting from the acquisition of KOUKI CORP.



FY2027/3 1Q Results

Consolidated Balance Sheet



Cash and deposits

- ✓ Decreased due to dividend payments and repayment of interest-bearing liabilities (-9,930)

Property, plant and equipment

- ✓ Increased due to the acquisition of a final disposal site (currently Iwaki Recycle Center of Daiei Kankyo Co., Ltd.) (+1,791)

3. Progress Rate for FY2027/3 Forecasts

Power to Turn into Resources, Return to Nature
DAIEI KANKYO

Progress Rate for FY2027/3 Forecasts

Consolidated Statements of Income

- **Our view as of the end of 1Q**

✓ Both net sales and operating profit exceeded the forecasts due to an increase in volume received

(million yen)	1Q YTD	First half forecasts	Progress rate for first half forecasts	Full year forecasts	Progress rate for full year forecasts
Net sales	24,136	46,300	52.1%	93,900	25.7%
Operating profit	5,598	11,300	49.5%	24,300	23.0%
Operating profit margin	23.2%	24.4%	–	25.9%	–
EBITDA	8,778	17,300	50.5%	37,100	23.7%
EBITDA margin	36.4%	37.6%	–	39.5%	–
Ordinary profit	5,580	10,700	52.2%	23,100	24.2%
Profit attributable to owners of parent	3,548	7,100	50.0%	16,400	21.6%
Profit margin attributable to owners of parent	14.7%	15.3%	–	17.5%	–

Progress Rate for FY2027/3 Forecasts

By Segment

● **Our view as of the end of 1Q**

- ✓ Waste-related Business : Both net sales and segment profit exceeded expectations driven significantly by an increase in volume of waste received for waste management and recycling
- ✓ Other Businesses : While net sales fell short of expectations due to lower-than-expected sales of aluminum pellets, segment profit exceeded the forecast as a result of improved profit margins

(million yen)	1Q YTD	First half forecasts	Progress rate for first half forecasts	Full year forecasts	Progress rate for full year forecasts
Waste-related Business					
Net sales	23,414	44,800	52.2%	91,000	25.7%
Segment profit	5,601	11,300	49.5%	24,300	23.0%
Segment profit margin	23.9%	25.2%	–	26.7%	–
Other Businesses					
Net sales	721	1,400	50.3%	2,800	25.4%
Segment profit	14	0	253.0%	0	59.5%
Segment Profit margin	2.1%	0.4%	–	0.9%	–

Progress Rate for FY2027/3 Forecasts

Net Sales by Business Domain

- **Our view as of the end of 1Q**

✓ Waste management and recycling : Exceeded our expectations due to an increase in the volume of waste received

✓ Soil remediation : Exceeded our expectations due to a rise in orders mainly for landfill and washing treatments

✓ Other (Waste-related Business) : Exceeded our expectations due to an increase in orders for demolition work received by Kaisei Co., Ltd.

(million yen)	1Q YTD	First half forecasts	Progress rate for first half forecasts	Full year forecasts	Progress rate for full year forecasts
Waste-related Business	**23,414**	**44,800**	**52.2%**	**91,000**	**25.7%**
Waste management and recycling	19,335	37,300	51.8%	75,100	25.7%
Soil remediation	2,049	3,600	55.6%	7,600	26.7%
Other (Waste-related Business)	2,030	3,800	52.6%	8,200	24.6%
Other Businesses	**721**	**1,400**	**50.3%**	**2,800**	**25.4%**
Valuable Resource Recycling Business	619	1,200	49.0%	2,500	24.5%
Sports Promotion Business	102	100	59.9%	300	31.7%

Progress Rate for FY2027/3 Forecasts

Volume of Waste and Contaminated Soil Received

● Our view as of the end of 1Q

✓Waste : Exceeded our expectations due to an increase in volume received from infrastructure development projects in the Kansai area

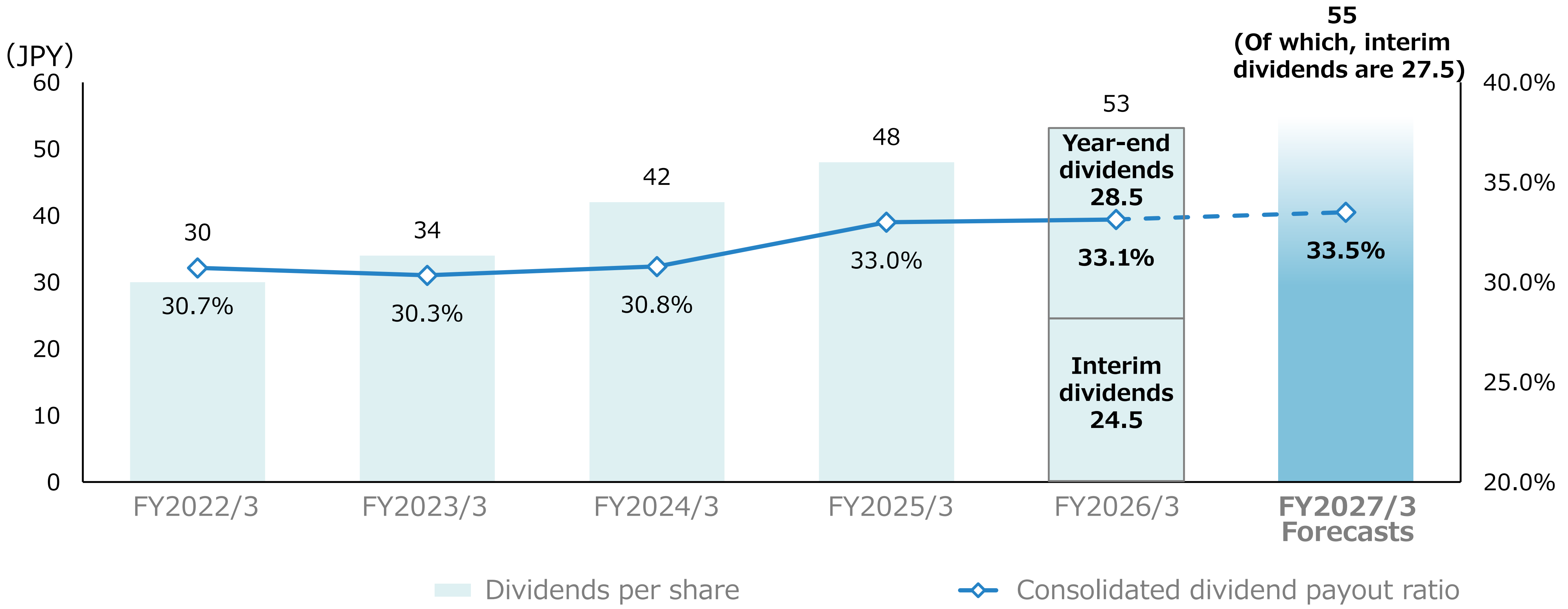
✓Contaminated soil : Exceeded our expectations due to a rise in orders mainly for landfill and washing treatments

(thousand tons)	FY2027/3 1Q YTD	FY2027/3 First half forecasts	Progress rate for first half forecasts	FY2027/ 3 Full year forecasts	Progress rate for full year forecasts
Waste	682	1,280	53.0%	2,610	26.1%
Contaminated soil	158	260	60.4%	560	28.2%

4. Shareholder Returns

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



5. About Daiei Kankyo Group

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.

Chairperson and Representative Director Fumio Kaneko was one of the original founders.

Name	Daiei Kankyo Co., Ltd.	Employees*1	2,883 (consolidated; as of Jun. 30, 2026)
Founded	Izumi, Osaka in 1979		
Representative Directors	Chairperson: Fumio Kaneko President: Morihiko Shimoda	Group Headquarters	Kobe Fashion Plaza, 2-9-1 Koyochonaka, Higashinada-Ku Kobe, Hyogo
Net Sales*2	87,855 million yen	Operating Profit*2 Operating Profit Margin*2	22,189 million yen 25.3%

*1: Includes full-time employees and average number of temporary employees throughout the year
*2: FY2026/3 results

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	FY2014/3	FY2019/3	FY2023/3	FY2025/3
8	20	32	31	39

The Overview of Daiei Kankyo Group

Daiei Kankyo

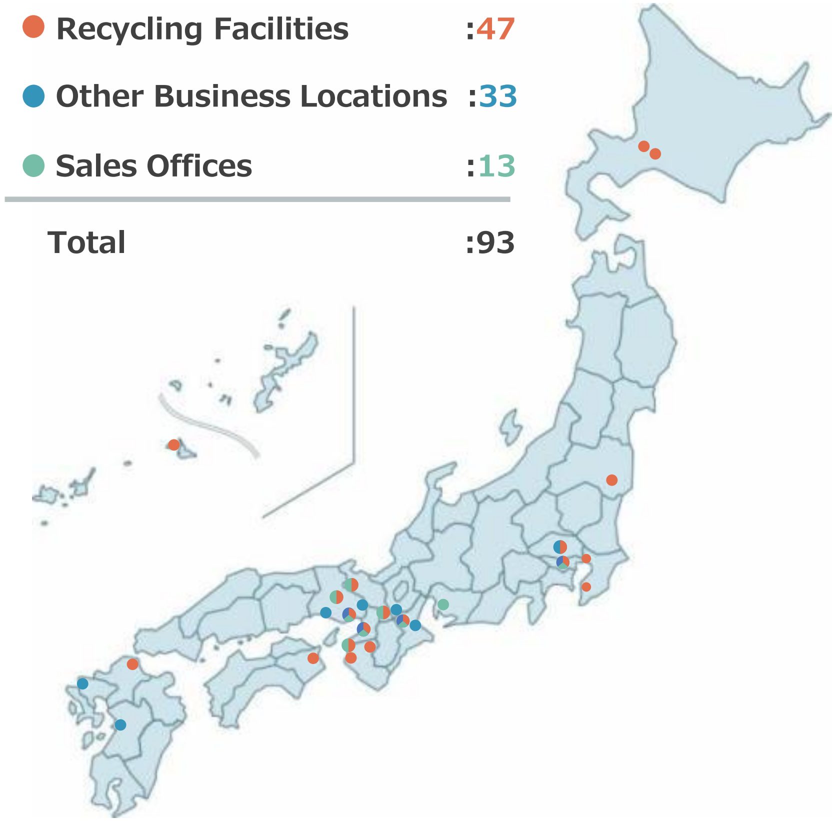
Consolidated subsidiaries: 47 companies*1

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

※ The red boxes indicate the 31 companies out of 47 consolidated subsidiaries that became part of our Group through M&A.

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

Recycling Facilities	:47
Other Business Locations	:33
Sales Offices	:13
Total	:93



*1: As of Aug. 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. As a result of the absorption-type merger on Apr. 1, 2026, in which KOUKI CORP. was the surviving company and K-PLUS Co., Ltd. was dissolved, the number of companies decreased by one.

*2: As of Aug. 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 85.2 bn

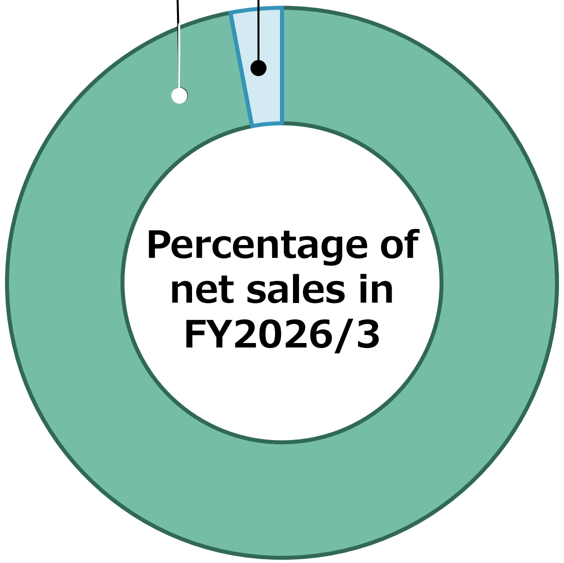
Approx. 80% of net sales

Waste management and recycling 79.7%

Soil remediation 8.1%

Other (Waste-related Business) 9.2%

- 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

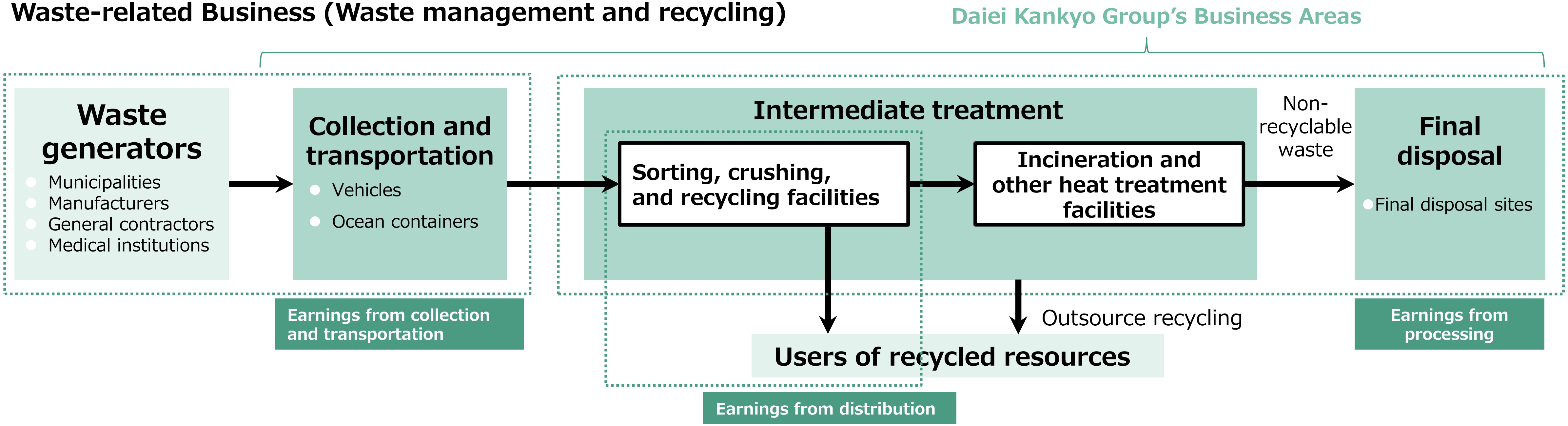
- Of the 47 consolidated subsidiaries, 31 were acquired through M&A*1
- Major subsidiaries have joined the Group through M&A
- Growth so far has been driven by both organic means and M&A

*1: As of Aug. 10, 2026

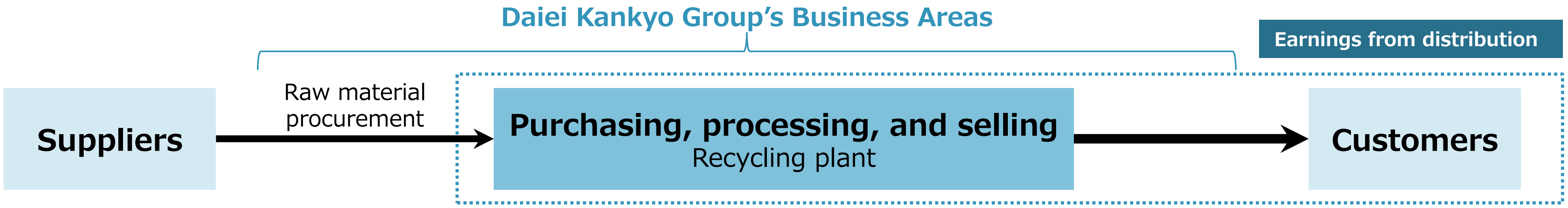
Business Model (Main Business Flow)

Provide one-stop service

Waste-related Business (Waste management and recycling)



Other Businesses (Valuable Resource Recycling Business)

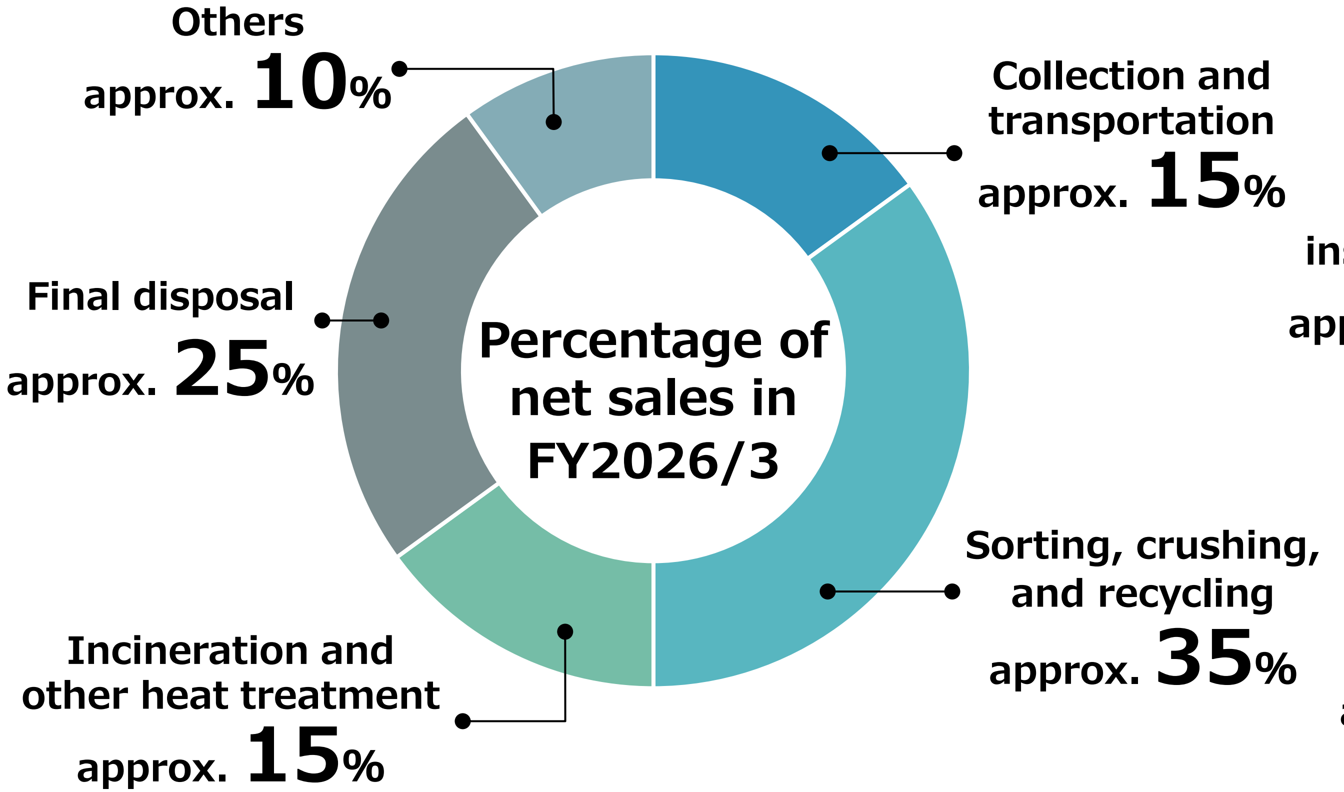


Breakdown of Net Sales

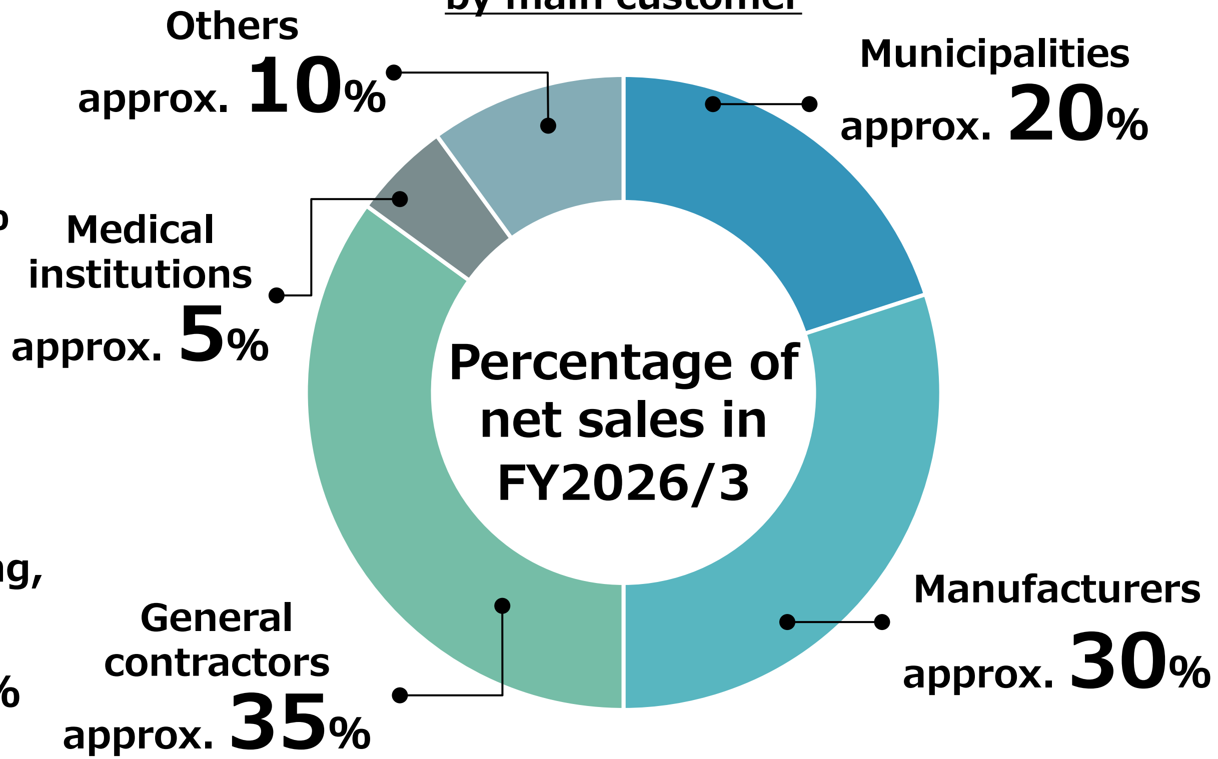
Breakdowns on a Per-Process Basis and by Main Customer

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

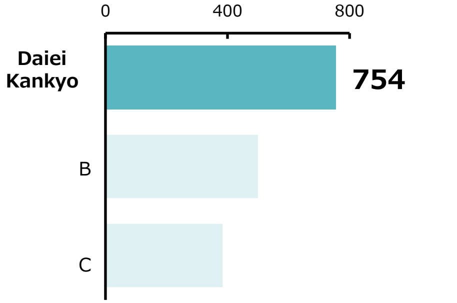


Capacity Compared to Other Companies*1

Total Permitted Capacity*2 of Facilities (As of Jun. 30, 2026)

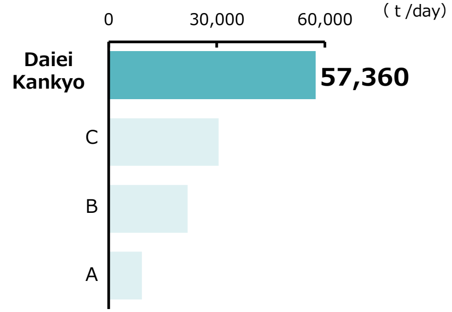
Collection and Transportation

Company-owned Vehicles

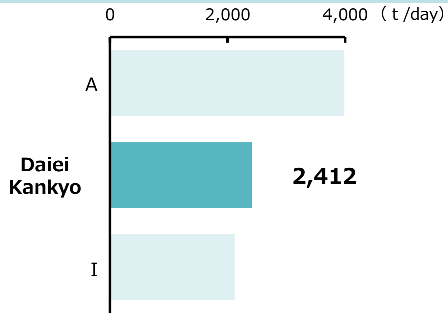


Intermediate Treatment

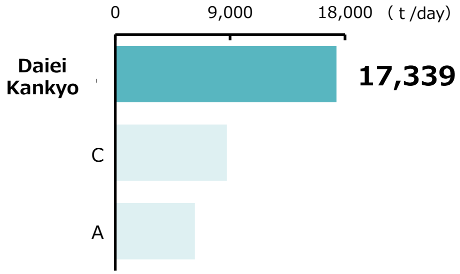
Total Permitted Capacity for Sorting, Crushing, and Recycling Facilities



Total Permitted Capacity for Incineration and Other Heat Treatment Facilities

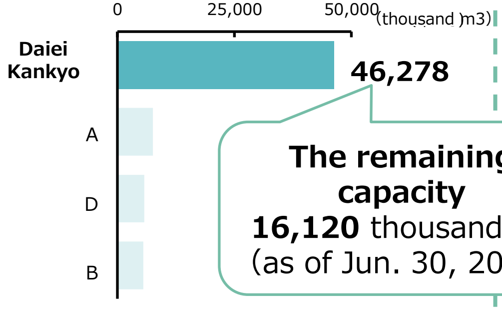


Total Permitted Capacity for Soil Remediation



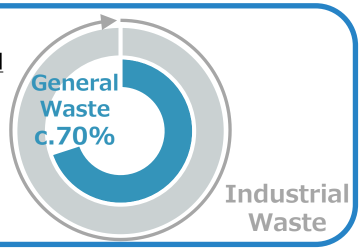
Final Disposal

Total Permitted Capacity for Final Disposal Sites



The remaining capacity
16,120 thousand m^3
(as of Jun. 30, 2026)

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 Jun. 30, 2026); 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 Mar. 31, 2026

No. of municipalities we worked with*1

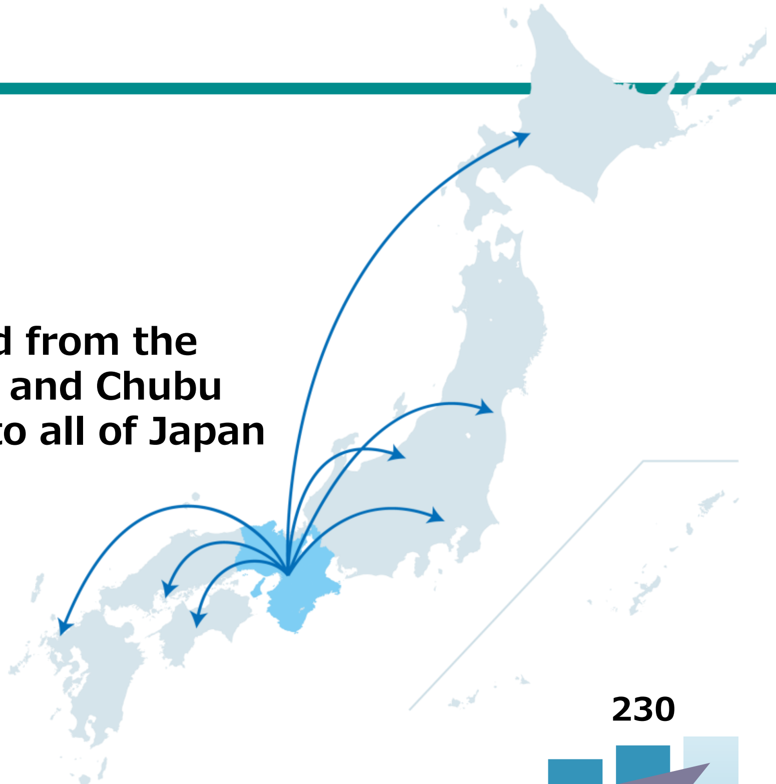
512

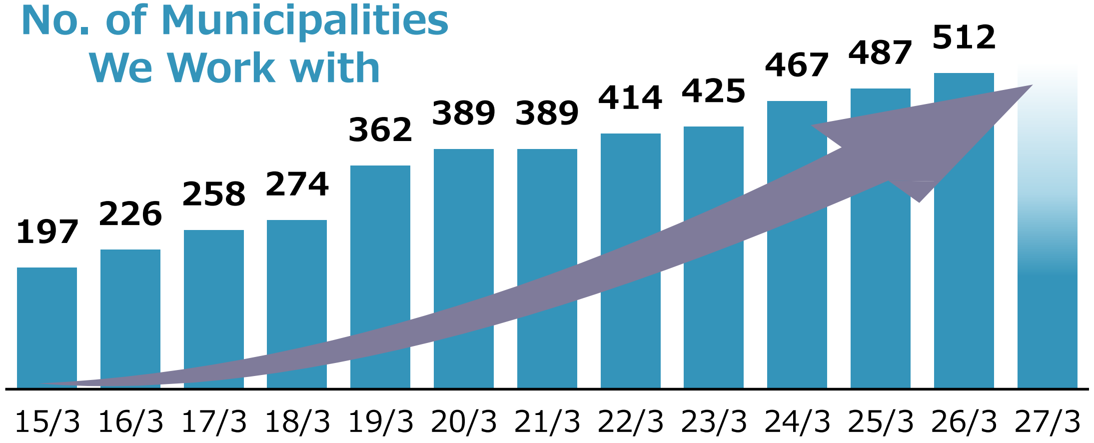
As of Aug. 10, 2026

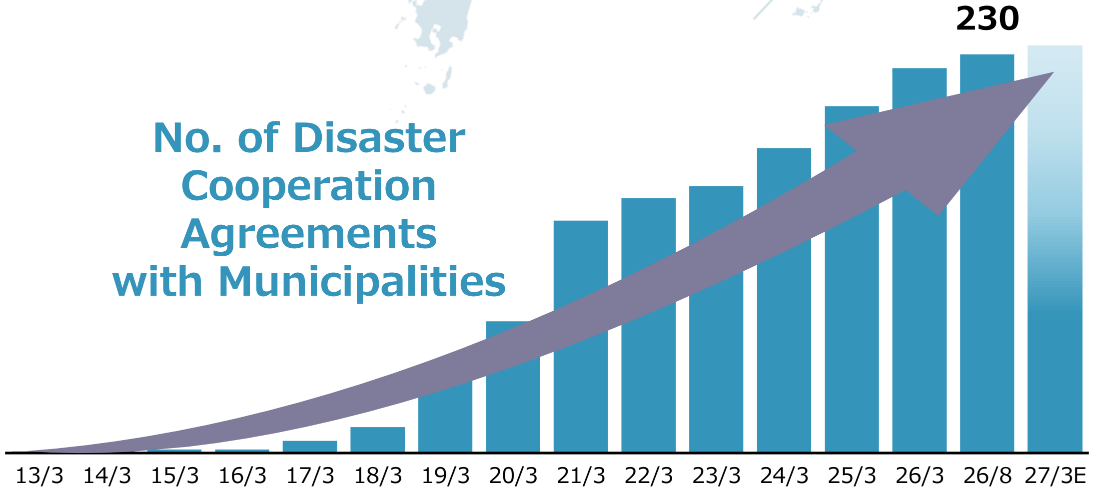
Disaster agreements

230

Expand from the Kansai and Chubu areas to all of Japan





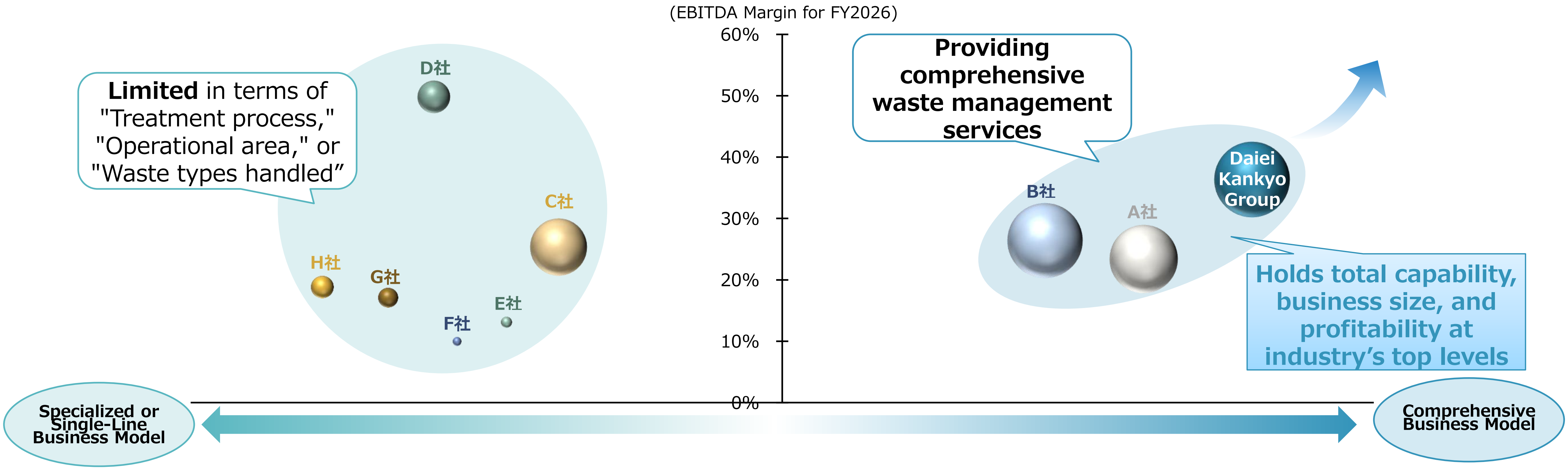


*1: The number of municipalities includes prefectures and the 23 wards of Tokyo, and for wide-area associations, each of the constituent municipalities of the wide-area associations is counted as one municipality.

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 FY2026.
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

Waste classification	Industrial waste (Mainly business activities waste)	General waste (Mainly household waste)
Responsibility	Waste generators	Municipalities
Emissions*1	367 mn tons	38 mn tons
Our estimate TAM*2 (FY2025/3)	Industrial waste management JPY 2,964.7 bn Recycling*3 JPY 4,499.4 bn	General waste management*4 JPY 1,892.8 bn Disaster waste management JPY 121.0 bn
	TAM JPY 9.4 tn	
Daiei Kankyo's estimated processing cost per unit	Low cost	High cost

Waste management market size / waste volume

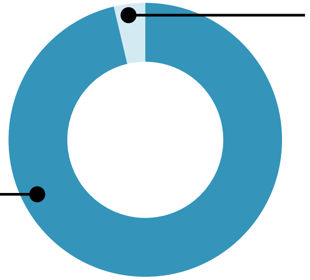
*1: Industrial waste: Actual figures for FY2024/3; General waste: Actual figures for FY2025/3.
*2: The Total Addressable Market (TAM) is calculated by the Company based on the sources below.
*3: Market size of recycling services and recycled materials, excluding arterial industry (Industries that produce products, such as Manufacturing) receipts
*4: Excluding construction and improvement costs

Sources: MOEJ. "Sangyo haikibutsu no haishutsu oyobi syorijyokyo nado (reiwa 5 nendo jisseki) ni tsuite" " [Industrial Waste Discharge and Current Disposal Situation (FY2024 Actual)] (Mar. 27, 2026) (https://www.env.go.jp/press/110498_00003.html), MOEJ. Press Release "Ippan haikibutsu no haisyutsu oyobi syori jokyo to (Reiwa 6 nendo) ni tsuite" [General Waste Discharge and Current Disposal Situation (FY2025)](Mar. 27, 2026) (https://www.env.go.jp/press/press_03502.html), "Kankyo sangyo no shijo kibo koyo kibo to ni kansuru hokokusho" [Report on the Market Size and Employment of the Environmental Industry] (Mar. 2026) (https://www.env.go.jp/policy/keizai_portal/B_industry/r5/r5houkokusho.pdf), "Nihon no haikibutsu syori Reiwa 6 nendo ban" [Waste Management in Japan FY2025] (Mar. 2026) (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



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

No. of collection and transportation companies:	No. of companies owning sorting, crushing, and Recycling facilities:	No. of companies owning incineration And other heat treatment facilities:	No. of companies Owning final disposal sites:
Approx. 110,000	**9,770**	**167**	**666**

Intermediate treatment: sorting, crushing, and recycling; incineration and other heat treatment

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_2 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

*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(FY2024)] (https://www.env.go.jp/recycle/waste_tech/ippan/r5/index.html)

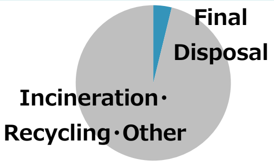
Waste Management Markets in Japan, United States and Europe

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.

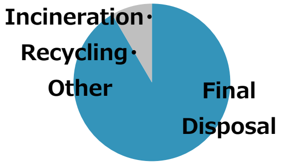
area	Japan		United States		Europe	
Market Size*1 (as of 2023)	JPY 9.4 tn		JPY 15.2 tn		JPY 17.1 tn	
Net Sales of Major Listed Companies*2 (Unit: JPY bn)	TRE HD	119.1	Waste Management	2,943.9	Veolia Environnement*3	2,076.6
	DOWA HD (Environmental and Recycling Business)	111.1	Republic Services	2,156.8		
	Daiei Kankyo	**87.8**	Waste Connections	1,156.2	Suez*3	764.0
	Daiseki	71.8				
	Total	**389.8**	**Total**	**6,257.0**	**Total**	**2,840.6**
	% of Market Size*4	**4.1%**	**% of Market Size*4**	**41.0%**	**% of Market Size*4**	**16.5%**

Proportion of Final Disposal (based on weight; as of 2016)

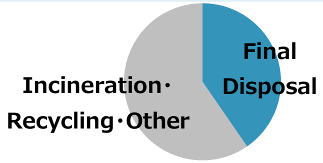
Japan



United States



Europe



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

*1: MARKETSANDMARKETS "WASTE MANAGEMENT MARKET GLOBAL FORECAST TO 2026" (Jun. 2021) (Japan: USD 29.7 bn, US: USD 105.7 bn, Europe: USD 119.1 bn).
For the Japanese market, the market size is calculated as the sum of four markets in FY2022, JPY 9.4 tn, for which data is provided by the Ministry of Environment: industrial waste management, recycling, general waste management, and disaster waste. Please see P34 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 FY2026, 5 U.S. and European companies for FY2023/12

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

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

Sources: Created based on QYResearch. (Sep. 2017). "Global Waste Treatment Disposal Sales Market Report 2017"; MARKETSANDMARKETS. (Jun. 2021). "WASTE MANAGEMENT MARKET GLOBAL FORECAST TO 2026"; Publicly available information of each company; MOEJ. "Kankyo sangyo no shijo kibo koyo kibo to ni kansuru hokoku sho" [Report on the Market Size and Employment of the Environmental Industry] (Mar. 2026) (https://www.env.go.jp/policy/keizai_portal/B_industry/b_houkoku3.pdf), "Nihon no haikibutsu shori (Reiwa 6 nendo ban)" [Waste Management in Japan (FY2025)] (Mar. 2026) (https://www.env.go.jp/recycle/waste_tech/ippan/r6/data/disposal.pdf)

6. Growth Strategy

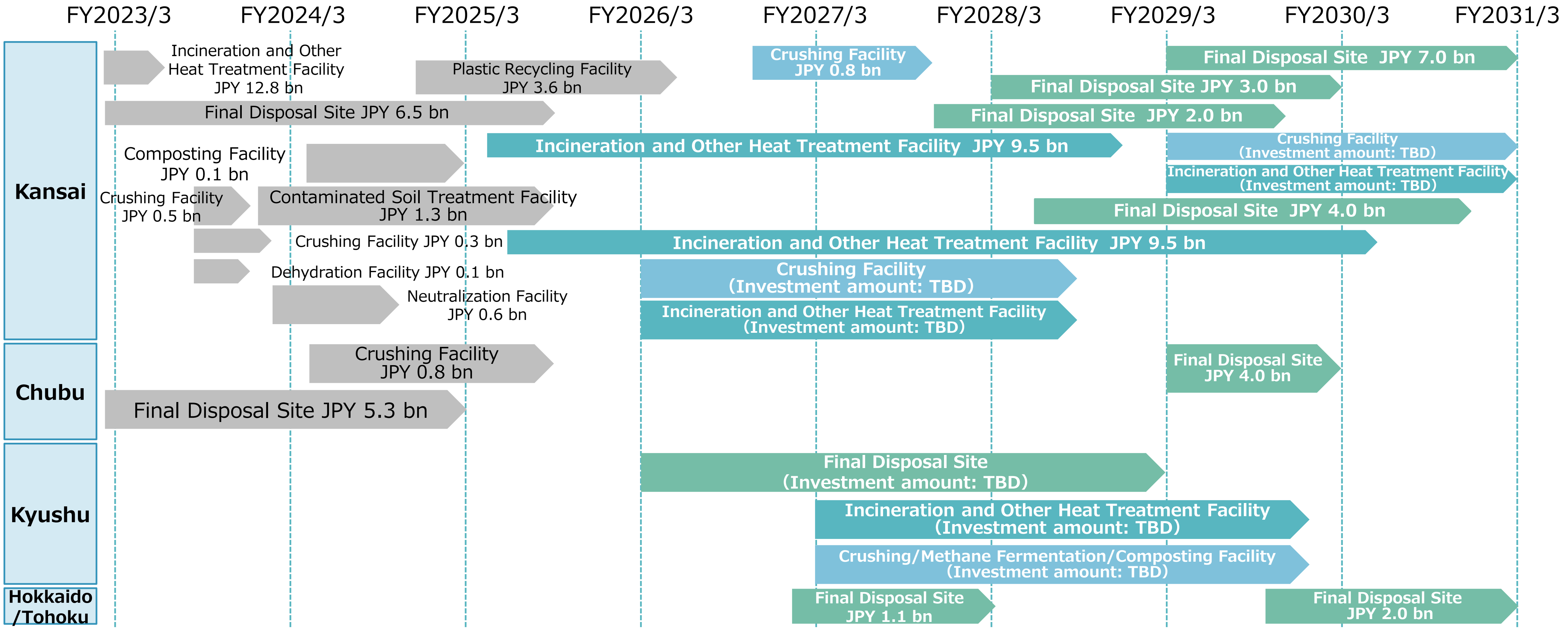
Growth Measures (Capacity Expansion of Treatment Facilities)

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	**Permitted capacity 55,671 t/day**	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.	**Increase volume received by 1.5 times**
Incineration and other heat treatment facilities	**Permitted capacity 2,412 t/day**	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	**Total permitted capacity 4,000 t/day**
Final disposal sites	**Planned annual landfill volume 1.25 million m^3**	Started receiving waste at final disposal sites in new areas through M&A, etc.	**Increase planned annual landfill volume from 1.25 million m^3**
	Remaining capacity 8.740 million m^3	Steadily implement new construction and expansion plans in existing areas, and acquire final disposal sites in new areas through M&A, etc.	**Increase remaining capacity to over 15 million m^3**

Capital Investment Plan in the Future

Capital Investment Plan



Note: As of Jun. 30, 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

Full operations began in Apr. 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 3.6 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 for Plastic Recycling

✓ With the installation of a new advanced plastic sorting facility and other equipment, we have established a more efficient plastic recycling system

Industrial waste

Waste generators

General waste

Municipalities

Plastic Recycling Facility

Advanced plastic sorting facility

RPF production facility

Recycled plastic pallet production facility

- Recycled plastic pellets
- Recycled plastic pallets
- Solid fuel (RPF)

✓ **Increase volume received**

As efforts to recycle waste plastic expand, the volume of waste received will increase

✓ **Expand business with municipalities**

By receiving waste plastic from municipalities, business with municipalities will expand

✓ **Expand supply to the "artery" market**

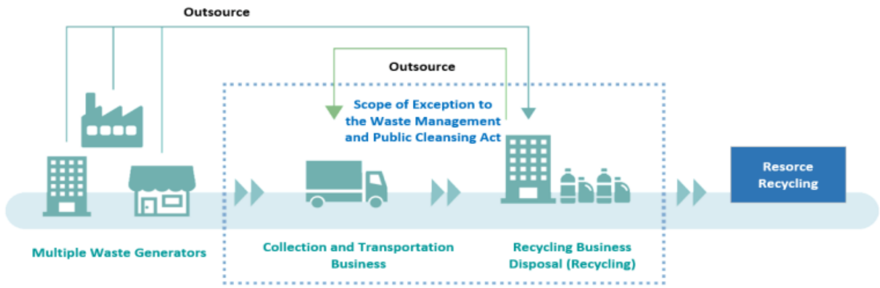
Expanding the supply of recycled materials through various initiatives with companies in the "artery" market

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.**

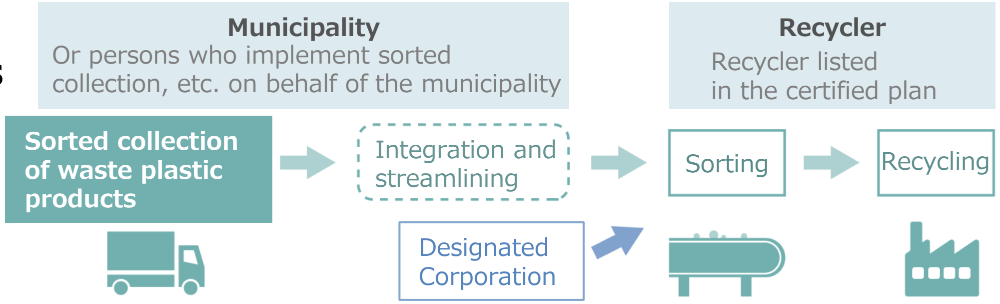
- **As of Mar. 31, 2026**
  Accredited companies: 7 / Non-accredited companies: 37



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.**

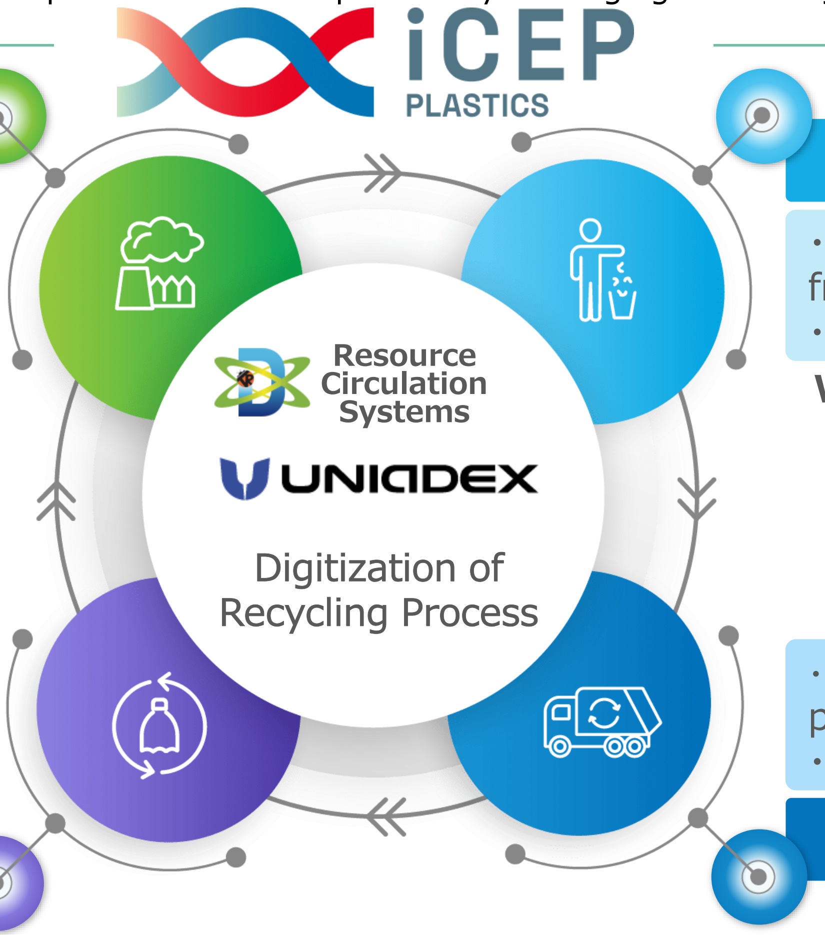
- **As of Mar. 31, 2026**
  Number of Recycling Business Plans in which we are participating: For 5 municipalities
  (Komono Town, Mie & Sakai City, Osaka & Kyoto City, Kyoto & Tsu City, Mie & Hashima City, Gifu)



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)

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.



Product Supply

・Environmentally friendly design
・Utilization of recycled materials

Brand owner

YAGIKUMA

・Manufacturing of pellets
・Manufacturing of end products

Production of raw materials, molding/processing

Use, Disposal

・Selection of environmentally friendly products
・Proper sorting

Waste generator / Consumer / Municipality

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・Collection and sorting of waste plastics
・Primary processing and storage

Waste Collection, Primary Processing

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

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. –
Izumi Recycle Center : Izumi Energy Plaza

Obtained installation permit in Mar. 2025: Demolition of existing furnaces in progress

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

Conceptual image of completed facility

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

Aioi Eco Service Co., Ltd. –
Aioi Energy Center

Construction started in Aug. 2026

- ✓ Permitted capacity : 220 t/day
- ✓ Power generation capacity : 5,500 kW
- ✓ Start of operations : Scheduled for Apr. 2029

Creating image of completed facility

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*1

Many municipalities face multiple waste management challenges

Rising construction costs for treatment facilities	**Lack of financial resources** to renovate facilities	**Declining facility operating rates** due to population decline

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%

PPP

Shift general waste management to the private sector

Achieving simultaneously through integrated treatment with industrial waste

- **Reduction of cost for general waste management**
- **Carbon neutrality**

*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.

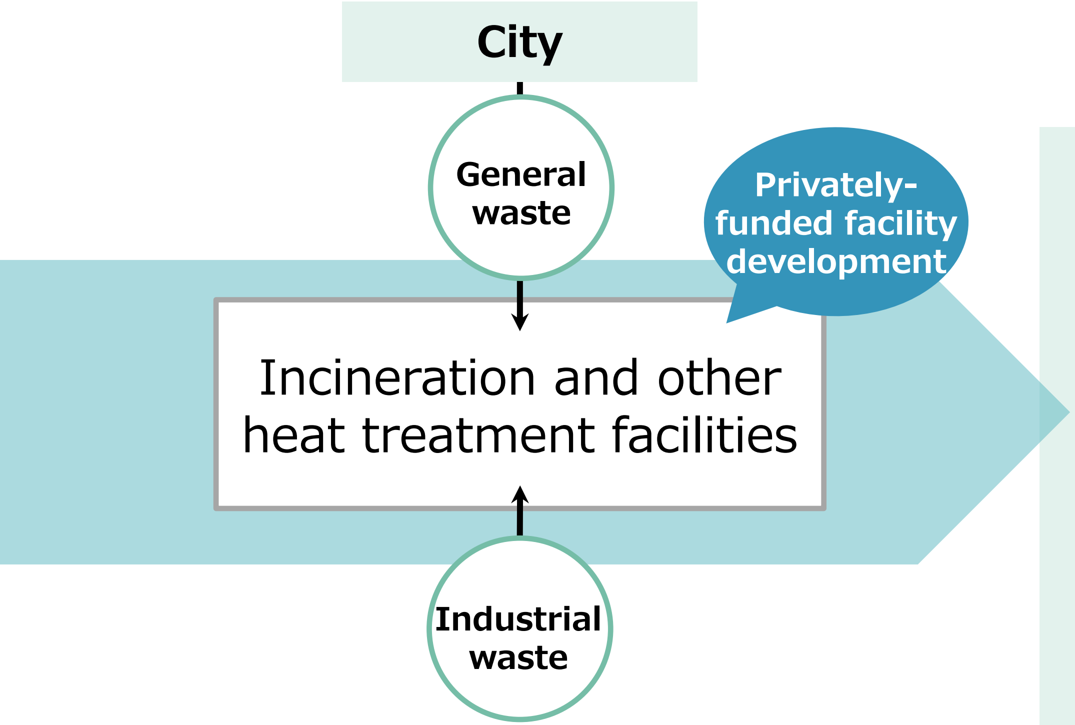
Source : Created based on the National Federation of Depopulated Areas' "Databank of Depopulated Areas: Number of Depopulated Cities, Towns and Villages as of Apr. 1, 2022" (https://www.kaso-net.or.jp/publics/index/19/#block193), MOEJ. "Nihon no haikibutsu shori (Reiwa 5 nendo ban)" [Waste Management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

Public Private Partnership (PPP) Projects

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

Challenges facing municipalities

- Rising construction costs
- Lack of financial resources
- Declining facility operating rate
- Improving disaster response capabilities
- Addressing carbon neutrality



Solving the challenges facing municipalities

- Reducing cost of general waste management
- Stabilizing operating rate through integrated treatment of general waste and industrial waste
- Priority acceptance of disaster waste and utilization of PPP-based municipal facilities as disaster response centers
- Local use of energy
- Reducing CO_2 emissions through CCU*1

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

*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_2.

Public-Private Partnership (PPP) Projects

Characteristics of Public-Private Partnership Projects Based on Differences in Facility Development Models

	Public-Private Partnership (Our Initiative)
Land	✓ Provided by public sector to private sector
Consensus Building with Local Communities and Councils	✓ Public-led (collaboration with the private partner)
Surveys, Planning, and Design for Facility Development	✓ Private sector (in coordination with the public sector on a case-by-case basis)
Construction and Operation	✓ Private sector (owned by private sector)
Facility Development & Operating Costs	✓ 100% private financing (We charge only a disposal fee based on the volume of waste.)
Waste Received	✓ General waste and industrial waste
Characteristics	✓ Realize stable long-term operation (the volume of industrial waste is adjusted when the volume of general waste increases or decreases) ✓ Potential to expand facilities (enabling even small municipalities to recover energy)

【Reference Image】
Miki Biomass Factory

The plant section is not enclosed in a building.
(Reduction of civil engineering and construction costs)

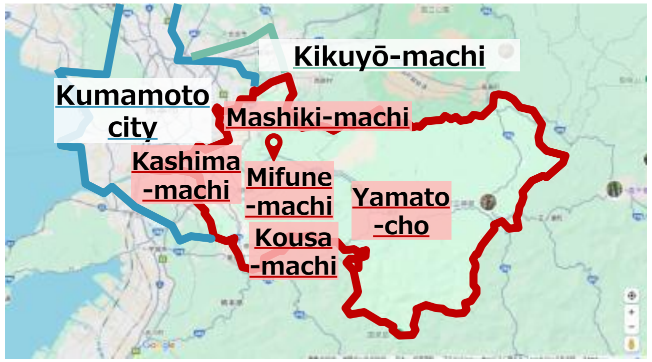
	Design Build Operate (DBO) Scheme (Standard Method for Developing Local Government Facilities)
Land	✓ Public sector
Consensus Building with Local Communities and Councils	✓ Public sector
Surveys, Planning, and Design for Facility Development	✓ The public sector decides the basic specifications, while outsourcing the practical technical tasks to the private sector.
Construction and Operation	✓ Outsourced to the private sector (public ownership)
Facility Development & Operating Costs	✓ Publicly funded (utilizes national grants and subsidies) ※Bond issuance is necessary, and there are significant fluctuations in the required budget from year to year ※Risk of higher unit prices per metric ton in the future due to factors such as population decline
Waste Received	✓ General waste
Characteristics	✓ A widely adopted method with numerous precedents (pioneering cases)

【DBO Case Study】
Omihachiman Eco Service Co., Ltd.

Progress on Key Measures: PPP

Previous Cases of PPP

① 5 towns In Kamimashiki-gun, Kumamoto		② Aioi, Hyogo		③ Tadaoka, Osaka	
Date of Agreement	✓ Oct. 2021	Date of Agreement	✓ Oct. 2021	Date of Agreement	✓ Feb. 2023
Business Location	✓ Mifune-machi, Kamimashiki-gun, Kumamoto	Business Location	✓ Aioi, Hyogo	Business Location	✓ Tadaoka, Senboku-gun, Osaka
Facilities Overview	Capacity (t/day) ✓ Recycling : 900 ✓ Energy recovery : 400 ✓ Methane fermentation : 30 ✓ Composting : 60	Facilities Overview	Capacity (t/day) ✓ Recycling : 900 ✓ Energy recovery : 220	Facilities Overview	Capacity (t/day) ✓ Recycling : TBD ✓ Energy recovery : 220



✓ The red pin depicts the proposed project area.

✓ Obtained an installation permit
Construction to begin in Aug. 2026

✓ 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.

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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 ㎥
 (of which 5,911,181 ㎥ 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

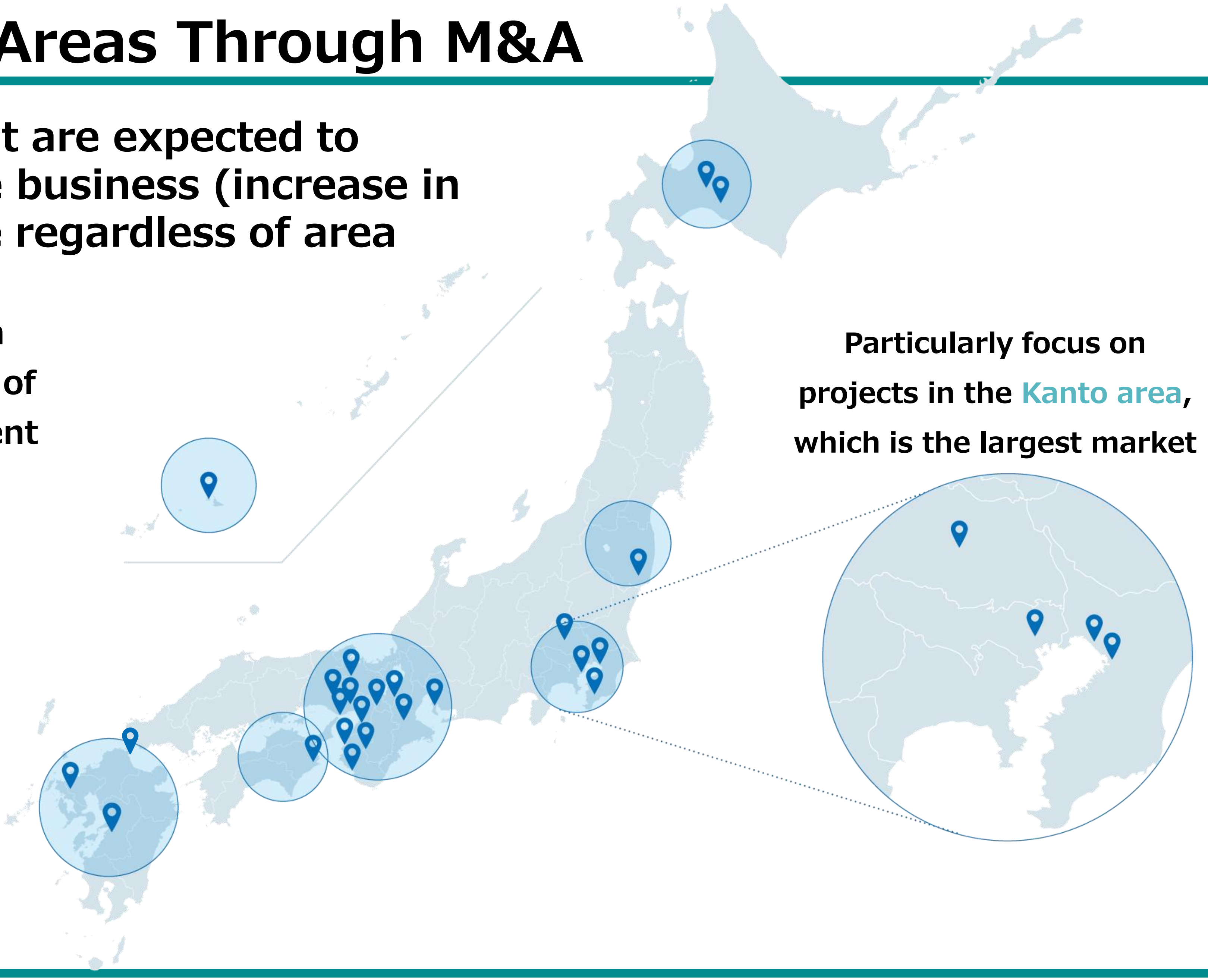
- ✓ Start of services : Oct. 2025
- ✓ Permitted capacity : 1,375,856 ㎥
- ✓ Total investment : Approx. JPY 6.5 bn

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

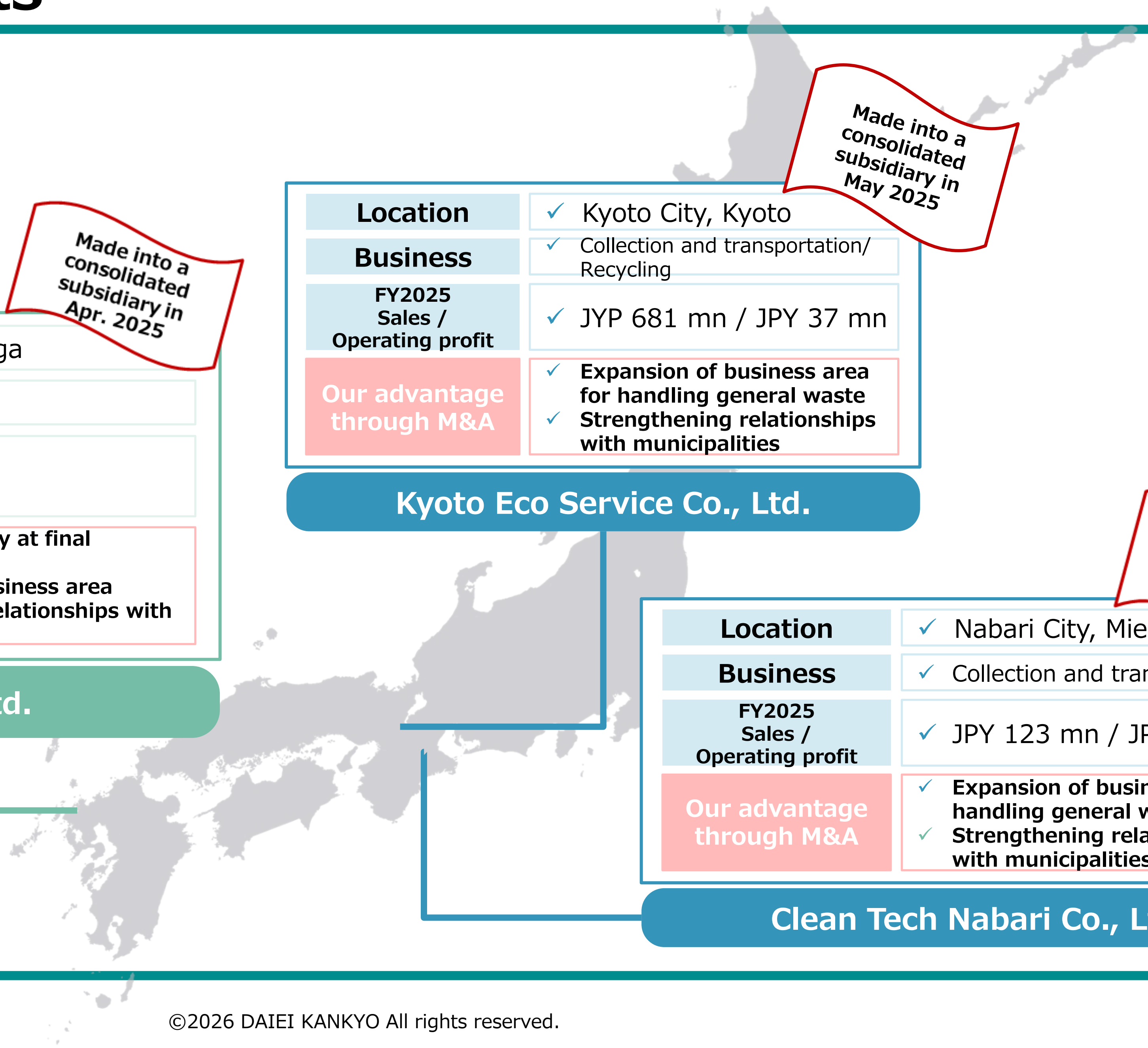
Aim to build a one-stop service in each area



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 Apr. 2025

Hizen Kankyo Co., Ltd.

Location	✓ Imari City, Saga
Business	✓ Final Disposal
FY2025 Sales / Operating profit	✓ N/A
Our advantage through M&A	✓ **Securing capacity at final disposal sites** ✓ **Expansion of business area** ✓ **Strengthening relationships with municipalities**

Made into a consolidated subsidiary in May 2025

Kyoto Eco Service Co., Ltd.

Location	✓ Kyoto City, Kyoto
Business	✓ Collection and transportation/ Recycling
FY2025 Sales / Operating profit	✓ JYP 681 mn / JPY 37 mn
Our advantage through M&A	✓ **Expansion of business area for handling general waste** ✓ **Strengthening relationships with municipalities**

Made into a consolidated subsidiary in Apr. 2025

Clean Tech Nabari Co., Ltd.

Location	✓ Nabari City, Mie
Business	✓ Collection and transportation
FY2025 Sales / Operating profit	✓ JPY 123 mn / JPY 7 mn
Our advantage through M&A	✓ **Expansion of business area for handling general waste** ✓ **Strengthening relationships with municipalities**

Power to Turn into Resources, Return to Nature
DAIEI KANKYO

M&A Latest Results

FY2026/3: Results

Made into a consolidated subsidiary in Nov. 2025

Location	✓ Kitakyushu City, Fukuoka
Business	✓ Final disposal
FY2025 Sales / Operating profit	✓ JPY 6,058 mn / JPY 4,498 mn
Our advantage through M&A	✓ Establishment of a one-stop service system within the Kyushu/Okinawa area ✓ Expansion of business area

Sukarabesakure Co., Ltd.*1

Made into a consolidated subsidiary in Jan. 2026

Location	✓ Nishinomiya City, Hyogo
Business	✓ Construction and maintenance of waste treatment plants
FY2025 Consolidated Sales / Operating profit	✓ JPY 1,875 mn / JPY 24 mn
Our advantage through M&A	✓ Efficiency in equipment maintenance and new installations ✓ Integration of plant design and operational know-how

KOUKI CORP.

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

Location	✓ Toshima-Ku, Tokyo, etc.
Business	✓ Collection and transportation/recycling
FY2025 Consolidated Sales / Operating profit	✓ JPY 14,506 mn / JPY 2,108 mn
Our advantage through M&A	✓ Expansion of business area for handling general waste ✓ Expansion of market share in Kanto area

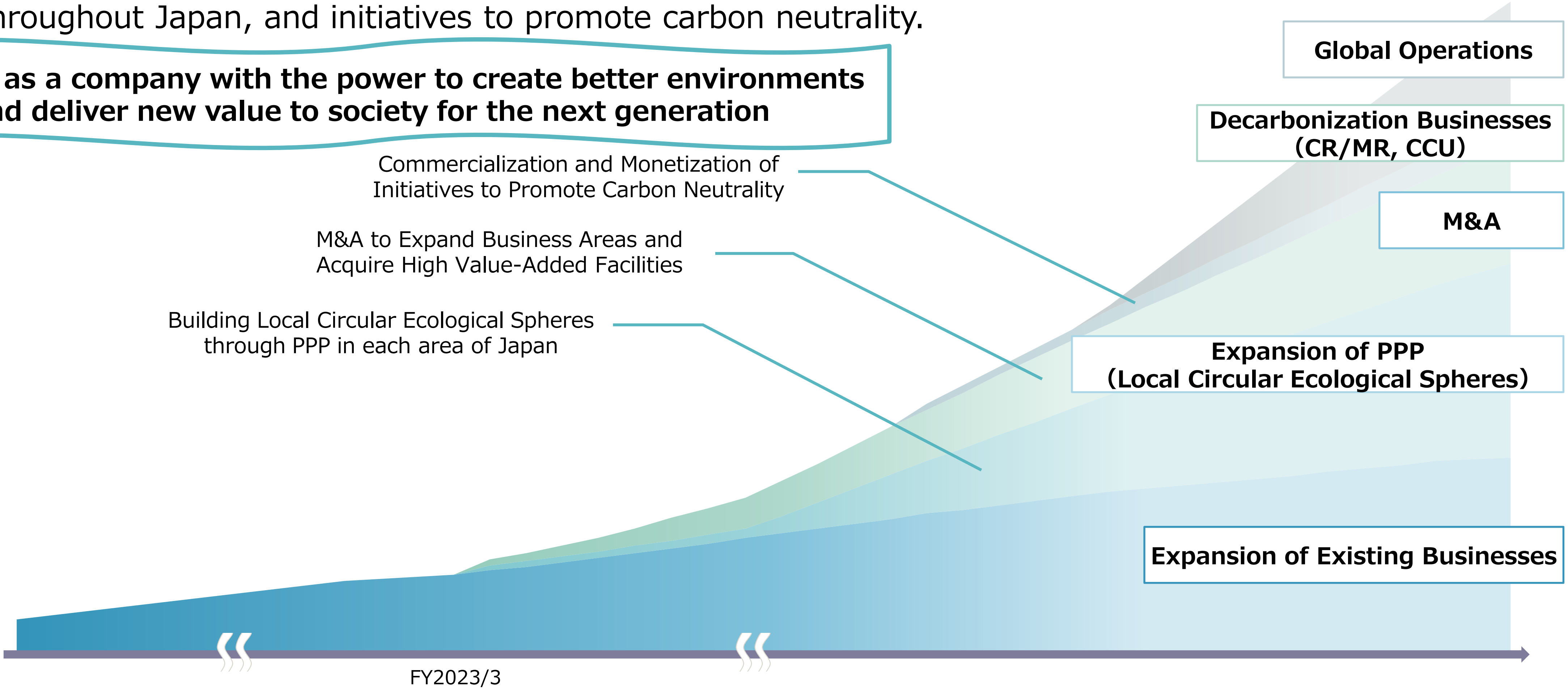
KANAME KOGYO CO., LTD. (Securities code:6566)

*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

Power to Turn into Resources, Return to Nature
DAIEI KANKYO

Identity

Identity

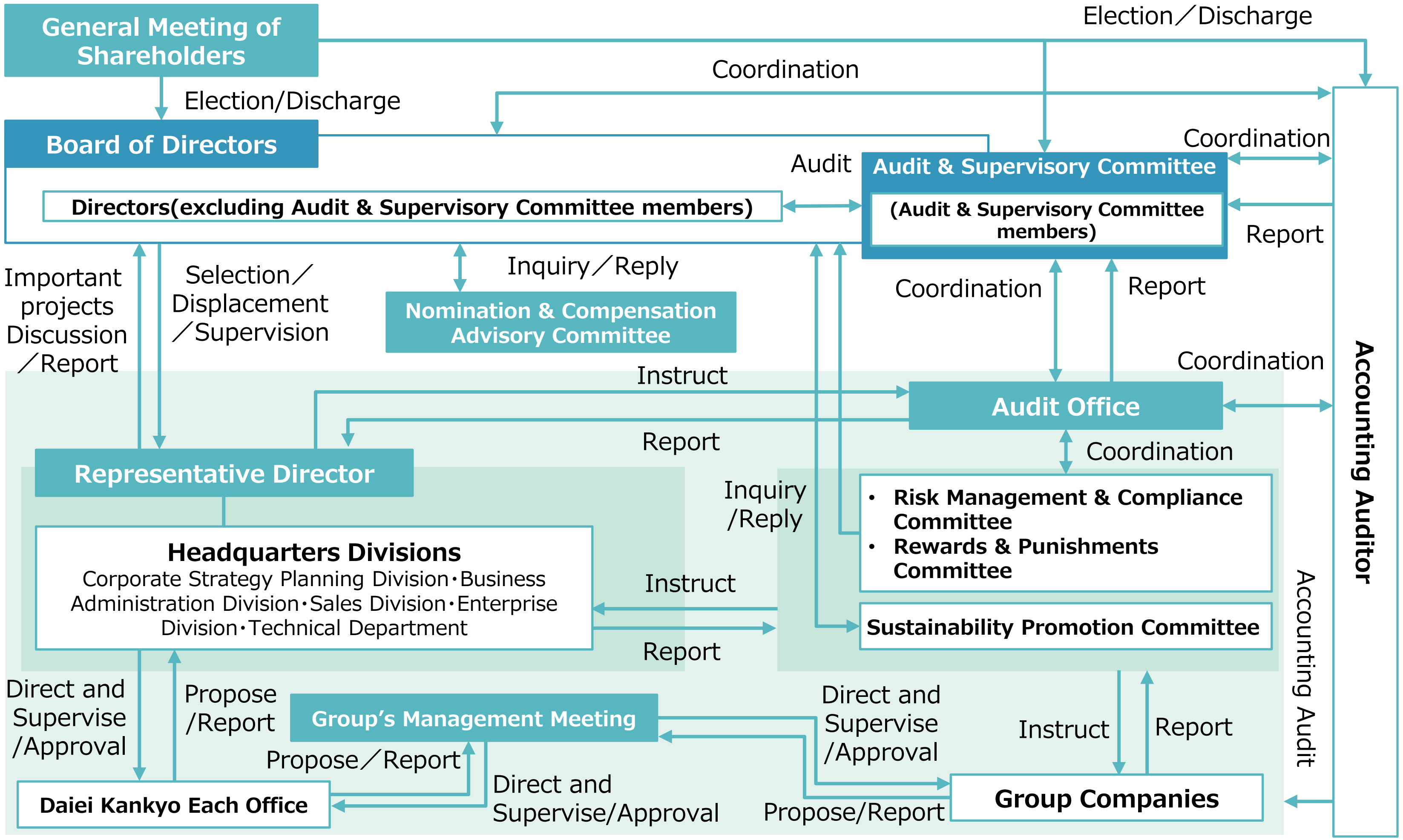
Since our founding in 1979, the Daiei Kankyo Group has always been committed to creation, innovation, and meeting challenges without being bound by existing frameworks, and aims to realize a sustainable recycling-oriented society.
We will continue to be a group essential for the daily lives of people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

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

Management Philosophy	With our strong commitment to creation, innovation, and meeting challenges, we shall contribute to society while striving for the coexistence of human life, industry, and nature.
Management Vision	Enhancing business continuity and evolving as a company with the power to create better environments.
Basic Policy for Sustainability	The Future Comes from Trust.
DINS Statement	Development / Integrity / Nature / Social Contribution
Code of Conduct	Safety and Health Philosophy, Environmental Philosophy
Material Issues (Materiality)	To realize our Management Vision, we identified 5 Material Issues (Materiality)
D-Plan 2028	To achieve our targets for FY2031/3, we aim to build the foundation

Corporate Governance Structure

A Company with an Audit and Supervisory Committee



Board of Directors	5 Male Directors 2 Female Directors （Proportion of female directors 28.6%） 3 Directors 1 Outside Director （Female） 1 Director ／ Audit & Supervisory Committee Member 2 Outside Directors ／ Audit & Supervisory Committee Members （of these, 1 Female）
Restricted share-based remuneration	(Directors · Executive Officers) Introduction of performance-linked restricted share-based compensation (Directors · Executive Officers who are Audit & Supervisory Committee members) Introduction of restricted share-based remuneration
Group's Management Meeting, Etc.	**Control of each division including subsidiaries and affiliates** ✓ Important decision-making ✓ Control each operation such as budget management ✓ Thorough risk recognition and recurrence prevention

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.

	Current state			Targets
	(As of Mar. 31, 2024)	(As of Mar. 31, 2025)	(As of Mar. 31, 2026)	(As of Mar. 31, 2027)
✓ Proportion of female new graduates hired (university graduate and above)	36.8 %	33.3 %	**50.0 %**	**30.0 % or above**
✓ Proportion of female managers	3.7 %	4.3 %	**4.8 %**	**5.0 % or above**
✓ Rehiring rate of retirees	70.8 %	80.0 %	**73.7 %**	**70.0 % or above**
✓ Paid leave utilization rate	77.7 %	74.9 %	**76.0 %**	**90.0 % or above**
✓ Rate of uptake of childcare leave by male employees	93.2 %	90.9 %	**102.9 %**	**90.0 % or above**
✓ Percentage of high-stress employees in stress checks	10.9 %	10.9 %	**10.5 %**	**10.0 % or less**
✓ Wage gap between men and women (Men=100%)	66.0 %	72.3 %	**73.9 %**	**75.0 % or above**

Power to Turn into Resources, Return to Nature
DAIEI KANKYO

Initiatives for Coexistence with Local Communities

Promoting a society in which women actively participate

INAC KOBE LEONESSA
INAC神戸 レオネッサ

INAC KOBE ／ Promoting development of women's soccer

Photo by INAC KOBE LEONESSA
* 2025/26 SOMPO WE League Championship in 2026

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

VISION 0 1
The world's best women's soccer team

VISION 0 2
The world's best active women's community

VISION 0 3
The world's best league value

VISION 04
Career creation for after retiring from professional sports

Promoting coexistence with local communities

Opening of "ROKKO i PARK"

A total of 1.55 million visitors*1 since the reopening in March 2024
Helping to revitalize the local community

ROKKO i PARK
KOBE FASHION PLAZA

YAMADA STORE / Kirindo / KOBE SUPER STADIUM / DAISO / THREEPPY / GIGA FACTORY GEAR / Kobe Belle / B COFFEE / エディック

*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)

*1: Total number of visitors as of the end of June 2026

Efforts to Reduce CO_2 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.

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

<Greenhouse gas reduction targets>

Long-term target	Achieve carbon neutrality for the entire Daiei Kankyo Group by 2050
Medium-term target	Achieve virtually zero CO_2 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[*1]>

	FY2024/3 (t-CO_2)	FY2025/3 (t-CO_2)	FY2026/3 (t-CO_2)
Scope 1	261,601	252,315	253,212
Scope 2	25,013	19,766	18,678
Total	286,615	272,082	271,890
(Reference) Scope 3	223,306	184,299	223,562

[*1] The figures cover consolidated subsidiaries included in the Group for the relevant fiscal years; however, entities that became consolidated subsidiaries during the period are excluded.

<Contribution to the reduction of greenhouse gas (CO_2) emissions in society as a whole>

	Initiatives		Actual reduction in FY2024/3 (t-CO2)	Actual reduction in FY2025/3 (t-CO_2)	Actual reduction in FY2026/3 (t-CO_2)
Contribution	Thermal recycle	Power generation and sale by waste incineration	Approx. -19,000	Approx. -26,000	Approx. -24,000
Contribution	Solar power generation	Solar power generation and sale of electricity	Approx. -2,000	Approx. -2,000	Approx. -3,000
Contribution	Recycling	Manufacturing and sales of RPF and recycled pallets	Approx. -114,000	Approx. -117,000	Approx. -111,000
Absorption	Forest management	Fixation of CO_2 emissions from approximately 8,170 ha of company-owned forests	Approx. -44,000	Approx. -44,000	Approx. -44,000


Solar power generation


RPF, Recycled pallets


Company-owned forests

Efforts to Reduce CO_2 Emissions

Energy Value Creation by Miki Biomass Factory

- ✓ The power generated by the Miki Biomass Factory is supplied to various facilities in the Miki Recycle Center, and the surplus is sold
- ✓ As an initiative toward our medium-term target*1, we will buy back the environmental value and achieve practically zero CO_2 emissions at Kobe Fashion Plaza*2

Providing energy to local community

Miki Recycle Center

Self-consumption of electric energy

Miki Biomass Factory

Incineration and other heat treatment facility (power generation function)
Power generation capacity: 11,700 kW

Energy creation (heat and electricity)

Providing environmental value

Unused energy certificates with tracking

Electric power companies, etc.

Business A

Business B

Kobe Fashion Plaza

CO_2 emissions from electricity use to be practically zero (Start from Oct. 2023)

Legend: Power flow (yellow arrow) / Environmental value flow (blue arrow)

*1: See p. 59
*2: Location of Group headquarters

Progress of the Medium-Term Management Plan, D-Plan 2028

Trends in Each Indicator

(million yen)	FY2025/ 3 Results	FY2026/ 3 Results	FY2027/ 3 Forecasts	D-Plan 2028 Forecasts
Net sales	80,178	87,855	93,900	100,000
Operating profit	21,548	22,189	24,300	25,000
Operating profit margin	26.9%	25.3%	25.9%	25.0%
EBITDA	27,824	31,908	37,100	38,000
EBITDA margin	34.7%	36.3%	39.5%	38.0%
Earnings per share (yen)	145.54	159.93	164.25	169.46

Progress of the Medium-Term Management Plan, D-Plan 2028

Progress of Strategy

			Overview	FY2026/ 3 Results
Growth measures	Contributes to earnings from D-Plan 2028 Onward	Advance resource recycling systems	Increase earnings in the recycling business through increased supply to the “artery” (e.g., manufacturing) market	Plastic recycling facility of DINS Kansai Co., Ltd. began operations Expansion of “iCEP PLASTICS” services
			Maximize the value of final disposal sites (maximize sales per unit of capacity)	Efforts are ongoing to secure high-value-added projects, such as for infrastructure development
		Deepen relationships with municipalities	Expand the scope of transaction with municipalities we work with Expand business area to nationwide	Increased the number of municipalities we work with by 25: 487 ⇒ 512
		Expand business areas through M&A	Actively execute projects that are expected to generate synergies (increase in volume received)	Executed 6 projects in FY2026/ 3
	Measure for FY2031/3	Increase capacity of incineration and other heat treatment facilities	Started construction of 5 facilities to increase the capacity to 4,000 tons/day	PPP (Obtained an installation permit for a facility in Aioi City, Hyogo Prefecture) Construction underway in Izumi and Nishinomiya
		Expand planned annual landfill volume and remaining capacity of final disposal sites	Promote M&A in new areas to increase planned annual landfill volume	Progress in the Kyushu area (Sukarabesakure Co., Ltd. and Hizen Kankyo Co., Ltd.) and the Tohoku area (acquisition of a final disposal site)
			Promote new construction and expansion plans in existing areas	The 2nd stage controlled final disposal site in Gobo Recycle Center started services Expansion plans for each final disposal site are also underway
		Promote PPP	Conclude a total of 7 agreements	Obtained an installation permit for a facility in Aioi City, Hyogo Prefecture Progress is being made toward concluding a new agreement
Measures for strengthening management foundation		Promote human capital management	Maximize employee engagement	Working to improve the work environment by utilizing engagement surveys and other tools
		Improve Group management capabilities	Further strengthen governance and risk management systems	Announcement of executive appointments and transition to a new organizational structure following the appointment of new executive officers

Progress of the Medium-Term Management Plan, D-Plan 2028

Positioning of the Medium-Term Management Plan: D-Plan 2028（Partially Revised）

Current Medium-Term Management Plan 2023–2025	D-Plan 2028 2026–2028	2029–2031
Achieved all targets	Building the foundation for FY2031/3	Accelerating contribution of growth investments to earnings

D-Plan 2028 (2026–2028)

- Expand supply of recycled products
- Maximize value of final disposal sites
- Grow by M&A
- Construction and maintenance period for incineration and other heat treatment facilities including PPP (public private partnership)

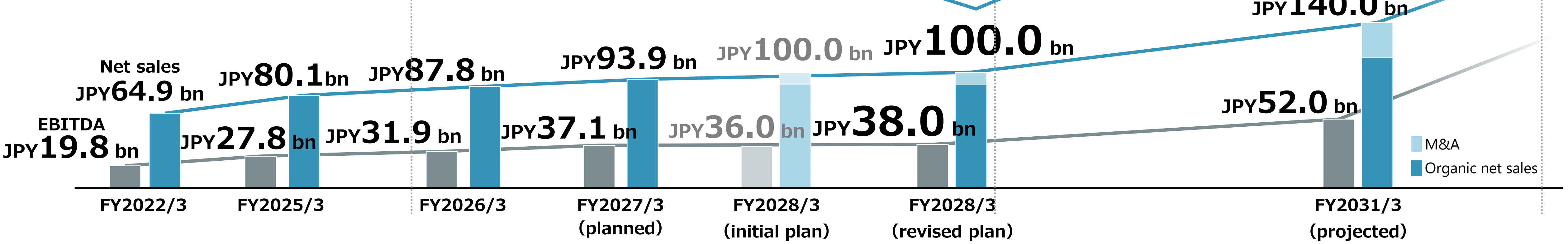
2029–2031

- Increase capacity of incineration and other heat treatment facilities to 4,000 tons/day (also begin operations in PPP areas)
- Expand remaining capacity of final disposal sites to 15 million m³
- Accelerate growth by M&A
- Start CCU business

	2026–2028 (planned)	2029–2031 (projected)
Net sales CAGR	7.6%	11.9%
EBITDA CAGR	10.9%	11.0%

FY2028/3 planned

Operating profit	Operating profit margin
JPY25.0 bn	25.0%



Progress of the Medium-Term Management Plan, D-Plan 2028

Maximizing EPS（Partially Revised）

Net sales

FY2025/3
JPY
80.1 bn

FY2028/3
JPY
100.0 bn

CAGR 7.6%

EBITDA

Updated

FY2025/3
JPY
27.8 bn

FY2028/3
JPY
38.0 bn

CAGR 10.9%

EBITDA margin

FY2025/3
34.7 %

FY2028/3
35.0%
or higher

Operating profit

FY2025/3
JPY
21.5 bn

FY2028/3
JPY
25.0 bn

CAGR 5.1%

Operating profit margin

FY2025/3
26.9 %

FY2028/3
Maintain 25.0%
or higher

EPS

FY2025/3
JPY
145.54

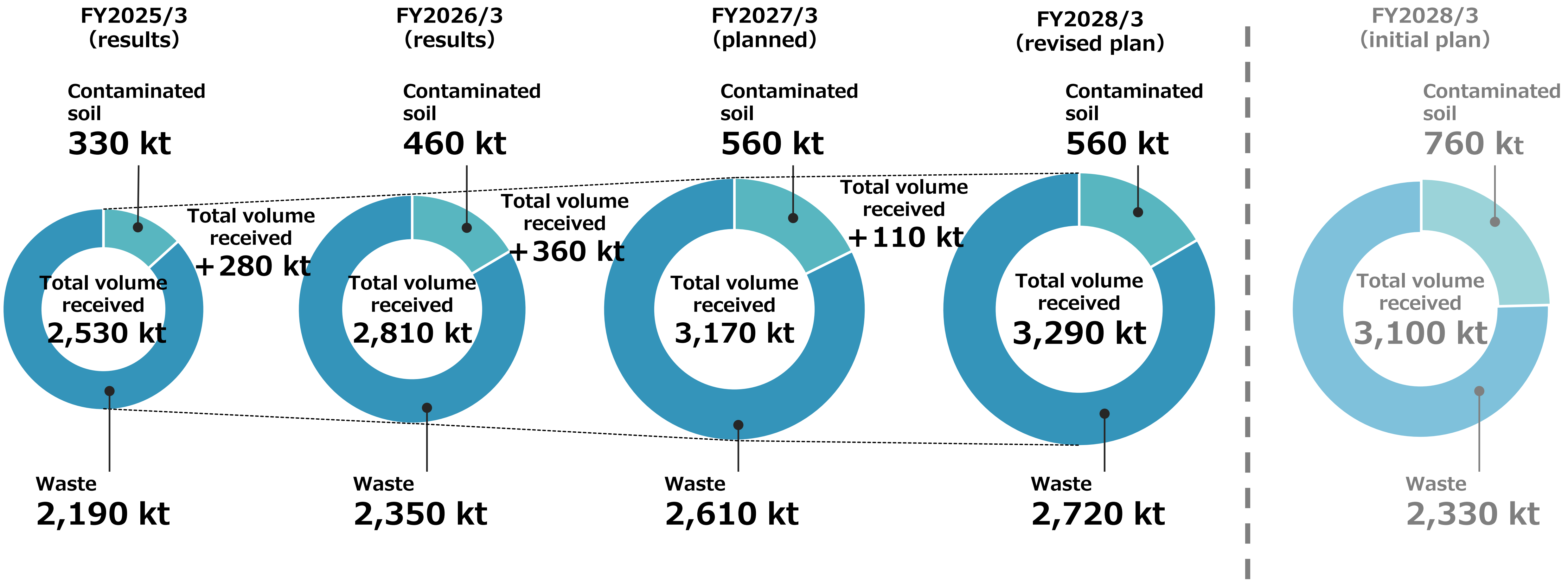
FY2028/3
JPY
169.46

CAGR 5.2%

Power to Turn into Resources, Return to Nature
DAIEI KANKYO

Progress of the Medium-Term Management Plan, D-Plan 2028

Planned Increase in Volume Received（Partially Revised）



Progress of the Medium-Term Management Plan, D-Plan 2028

Cash Allocation（Partially Revised)

Cash on hand + Borrowings

JPY90.0 bn or more
(+JPY61.0 bn)

- Utilization of cash on hand and interest-bearing debt with awareness of the cost of capital

3-year operating CF

JPY85.0 bn

- Continued EBITDA growth
- Cost reduction through insourcing, etc.

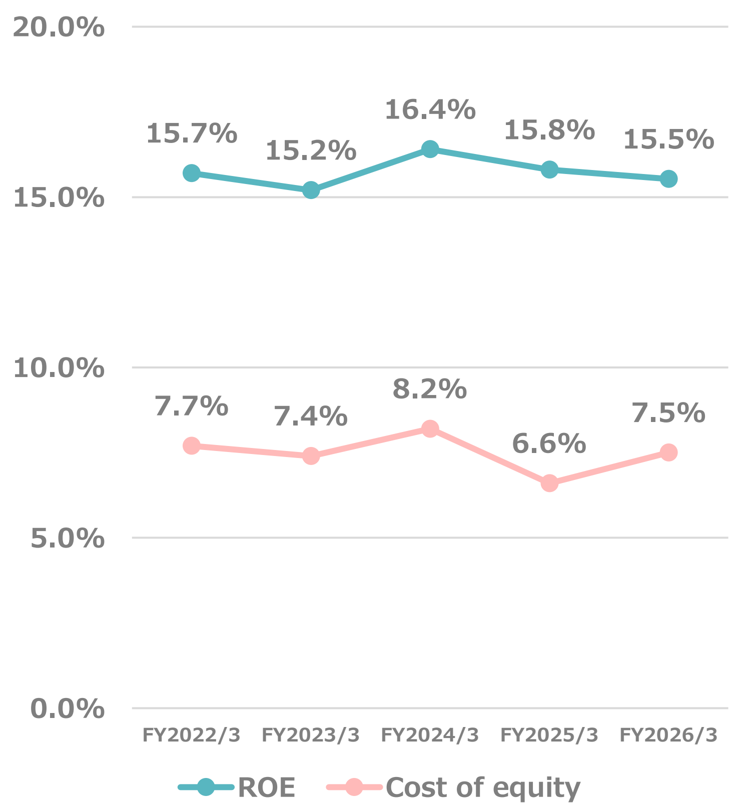
Growth investment

M&A	JPY55.0 bn or more (+JPY45.0 bn)	Active investment in projects that contribute to maximizing volume received, with a focus on waste management and recycling
Investment in growth areas	JPY36.0 bn	Investment in focus areas such as incineration and other heat treatment facilities (including PPP) and final disposal sites
Investment in maintenance and replacement	JPY14.0 bn	Investment in maintenance and replacement of existing facilities
Repayment of borrowings	JPY54.0 bn (+JPY16.0 bn)	
Shareholder returns	JPY16.0 bn or more	Progressively increasing dividends with a dividend payout ratio of 33% or higher Additional shareholder returns as profits grow Any unspent amount of M&A allowance will be allocated to additional shareholder returns

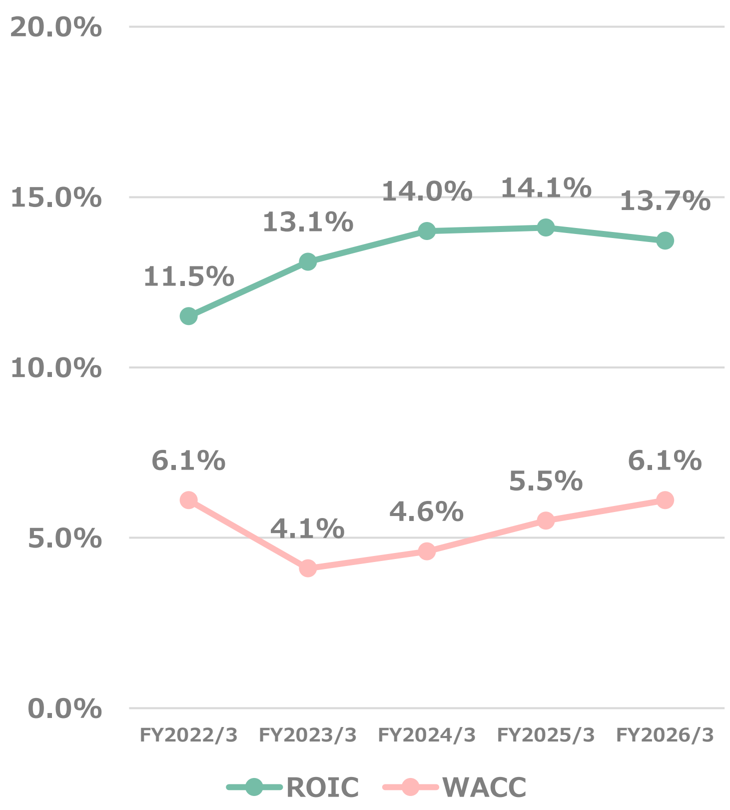
FY2026/3 Results

Trends in Each Indicator

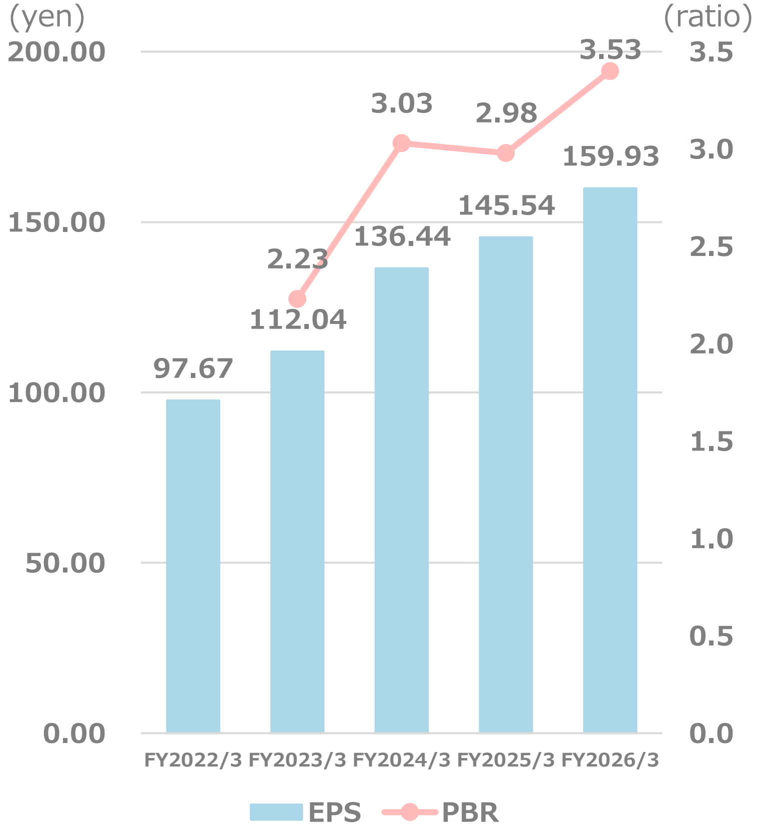
✓ ROE・Cost of Equity



✓ 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.

FY2026/3 Results

Various Indicators

	FY2026/3	FY2025/3	Year on Year
ROE*1	**15.5%**	15.8%	**(0.3pt)**
ROIC*2	**13.7%**	14.1%	**(0.4pt)**
Net D/E ratio*3	**0.6×**	0.1×	**－**

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 ROE

(million yen)	FY2022/3	FY2023/3	FY2024/3	FY2025/3	FY2026/3
Profit attributable to owners of parent	8,870	10,494	13,591	14,364	15,845
Equity*1	56,324	69,115	83,022	90,913	102,050
ROE	**15.7%**	**15.2%**	**16.4%**	**15.8%**	**15.5%**

*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	FY2026/3
Operating profit	12,840	16,623	19,714	21,548	22,189
Amortization of goodwill	736	212	360	447	1,228
Effective tax rate	30.6%	30.6%	30.6%	30.6%	30.6%
NOPAT (Net Operating Profit After Taxes)	9,419	11,681	13,928	15,260	16,246
Net property, plant and equipment	60,286	69,943	80,519	85,271	93,441
Total investments and other assets	17,977	16,529	16,620	20,687	21,579
Total current assets (excluding cash and deposits)	13,525	13,964	14,657	17,559	18,300
Total current liabilities (excluding interest-bearing debt)	9,625	11,000	12,242	15,295	14,910
Invested capital at the beginning of the period	82,164	89,436	99,555	108,222	118,410
ROIC	**11.5%**	**13.1%**	**14.0%**	**14.1%**	**13.7%**

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	FY2026/3
Net Interest-bearing debt	21,518	9,987	9,075	13,884	61,301
Equity	59,743	78,487	87,557	94,269	109,832
Net D/E ratio	**0.4x**	**0.1x**	**0.1×**	**0.1×**	**0.6×**

【Reference】Reconciliation of EBITDA

(million yen)	FY2022/3	FY2023/3	FY2024/3	FY2025/3	FY2026/3
Operating profit	12,840	16,623	19,714	21,548	22,189
Depreciation (excluding non-operating expenses)	6,249	5,413	6,190	5,828	8,491
Amortization of goodwill	736	212	360	447	1,228
EBITDA	**19,826**	**22,250**	**26,265**	**27,824**	**31,908**

EBITDA margin	**30.5%**	**32.9%**	**36.0%**	**34.7%**	**36.3%**

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

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

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