August 10, 2026

Consolidated Financial Results for the Three Months Ended June 30, 2026 (Under Japanese GAAP)

Company name: Daiei Kankyo Co., Ltd.
Listing: Tokyo Stock Exchange
Securities code: 9336
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Scheduled date to commence dividend payments: –
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated financial results for the three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	24,136	20.6	5,598	31.4	5,580	30.7	3,548	22.1
June 30, 2025	20,020	3.4	4,260	(16.4)	4,271	(20.4)	2,906	(16.9)

Note: Comprehensive income For the three months ended June 30, 2026: ¥4,006 million [57.5%]
For the three months ended June 30, 2025: ¥2,543 million [(32.6)%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2026	35.54	–
June 30, 2025	29.51	–

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

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2026	250,826	114,170	44.2
March 31, 2026	260,191	114,064	42.2

Reference: Equity
As of June 30, 2026: ¥110,901 million
As of March 31, 2026: ¥109,832 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	–	24.50	–	28.50	53.00
Fiscal year ending March 31, 2027	–				
Fiscal year ending March 31, 2027 (Forecast)		27.50	–	27.50	55.00

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

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2026	46,300	15.8	11,300	26.5	10,700	18.3	7,100	16.8	71.11
Fiscal year ending March 31, 2027	93,900	6.9	24,300	9.5	23,100	3.0	16,400	3.5	164.25

Note: Revisions to the earnings forecasts most recently announced: None

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of June 30, 2026	99,892,900 shares
As of March 31, 2026	99,892,900 shares

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

As of June 30, 2026	45,423 shares
As of March 31, 2026	44,976 shares

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

Three months ended June 30, 2026	99,847,526 shares
Three months ended June 30, 2025	98,502,040 shares

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

* Proper use of earnings forecasts, and other special matters

(Caution regarding forward-looking statements and others)

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

(How to obtain supplementary material on financial results)

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

Attached Material

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1. Overview of operating results, etc.

(1) Overview of quaterly operating results

During the three months ended June 30, 2026, the Japanese economy remained unstable. This was due to the adverse effect on corporate earnings conditions of rising fuel and raw material costs caused by the situation in the Middle East, as well as Japan's increasing long-term interest rates associated with hikes in its benchmark interest rate, which weighed on capital investment activities. On the other hand, supported by positive factors including wage increases and the Japanese government's growth-oriented investments and measures against inflation, the economy showed a moderate trend toward improvement.

Under these circumstances, the Group recorded higher revenues as a result of the contribution of Sukarabesakure Co., Ltd., which became a consolidated subsidiary in November 2025, to a higher volume of waste received, in addition to continued efforts to receive orders for infrastructure development projects mainly in the Kansai area and to promote the advancement of a resource recycling system with partner companies and municipalities.

In terms of profit, although there was an increase in costs such as depreciation and labor costs, it still increased primarily due to higher waste volumes received at our final disposal sites.

For the above reasons, our consolidated financial results for the three months ended June 30, 2026 were as follows.

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026	Increase or decrease	Percentage change (%)
Net sales	20,020	24,136	4,116	20.6%
Operating profit	4,260	5,598	1,338	31.4%
Operating profit margin (%)	21.3%	23.2%	1.9pt	－
Ordinary profit	4,271	5,580	1,309	30.7%
Profit attributable to owners of parent	2,906	3,548	642	22.1%
EBITDA	6,138	8,778	2,640	43.0%
EBITDA margin (%)	30.7%	36.4%	5.7pt	－

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

The financial results by segment are as follows.

<u>Waste-related Business</u>

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026	Increase or decrease	Percentage change (%)
Net sales	19,345	23,414	4,069	21.0%
Segment profit	4,350	5,601	1,250	28.7%

In Waste management and recycling, the volume of waste received was 682 thousand tons (up 27.0% year on year). Net sales increased mainly due to a higher volume of waste received in the Kyushu area driven by the contribution of our consolidated subsidiary Sukarabesakure Co., Ltd., as well as steady orders for infrastructure development projects.

In Soil remediation, the volume of contaminated soil received was 158 thousand tons (up 200.6% year on year). This resulted in an increase in net sales, led by the expansion of contaminated soil volume received at our consolidated subsidiary Geo-Re Japan Inc., at which a new contaminated soil treatment facility commenced operations in September 2025.

In Facility construction and administration, sales increased as a result of the contribution of KOUKI CORP., which was made a consolidated subsidiary in January 2026, and an increase in orders for demolition work by our consolidated subsidiary Kaisei Co., Ltd.

In terms of profit, it increased as a result of the expansion of waste volume received at our final disposal sites.

Other Businesses

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026	Increase or decrease	Percentage change (%)
Net sales	674	721	46	7.0%
Segment profit (loss)	(70)	14	85	－

Net sales increased due to an increase in the number of recycled plastic pallets sold.

In terms of profit, it increased due to higher sales prices of aluminum pellets driven by market trends, as well as a reduction in production costs resulting from the optimization of production volumes.

(2) Overview of quarterly financial position

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026	Increase or decrease	Percentage change (%)
Assets	260,191	250,826	(9,365)	(3.6%)
Liabilities	146,127	136,656	(9,470)	(6.5%)
Net assets	114,064	114,170	105	0.1%
Equity-to-asset ratio (%)	42.2%	44.2%	2.0pt	－

Assets

Total assets as of June 30, 2026 were ¥250,826 million (down ¥9,365 million from the end of the previous fiscal year).

Current assets were ¥64,151 million (down ¥10,903 million from the end of the previous fiscal year). This was mainly due to a ¥9,930 million decrease in cash and deposits.

Non-current assets were ¥186,674 million (up ¥1,538 million from the end of the previous fiscal year). This was primarily due to an increase of ¥2,037 million in construction in progress associated with the acquisition of a final disposal site (currently Iwaki Recycle Center of Daiei Kankyo Co., Ltd.) in April 2026, leading to a ¥1,791 million increase in property, plant and equipment.

Liabilities

Liabilities as of June 30, 2026 were ¥136,656 million (down ¥9,470 million from the end of the previous fiscal year).

Current liabilities were ¥31,595 million (down ¥3,188 million from the end of the previous fiscal year). This was mainly due to a ¥2,623 million decrease in income taxes payable.

Non-current liabilities were ¥105,060 million (down ¥6,282 million from the end of the previous fiscal year). This was primarily due to a ¥6,138 million decrease in long-term borrowings.

Net assets

Net assets as of June 30, 2026 were ¥114,170 million (up ¥105 million from the end of the previous fiscal year). This was mainly due to a ¥703 million increase in total shareholders' equity alongside other net positive adjustments being offset by a ¥963 million decrease in non-controlling interests as a result of the acquisition of additional shares of Hizen Kankyo, Co., Ltd. to make it a wholly owned subsidiary.

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

There are no changes to the half-year and full-year consolidated earnings forecasts announced on May 14, 2026.

2. Quarterly consolidated financial statements and significant notes thereto

(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	52,298	42,367
Notes and accounts receivable - trade	14,262	14,147
Securities	3,488	3,534
Finished goods	217	247
Work in process	491	740
Raw materials and supplies	705	883
Other	3,606	2,244
Allowance for doubtful accounts	(14)	(13)
Total current assets	75,055	64,151
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	30,246	30,167
Machinery, equipment and vehicles, net	26,245	26,716
Final disposal sites, net	20,552	19,919
Land	22,773	22,827
Construction in progress	19,784	21,821
Other, net	2,169	2,111
Total property, plant and equipment	121,771	123,563
Intangible assets		
Goodwill	37,047	36,520
Other	460	442
Total intangible assets	37,508	36,963
Investments and other assets		
Investment securities	13,913	14,443
Retirement benefit asset	276	293
Deferred tax assets	1,236	1,138
Other	11,063	10,875
Allowance for doubtful accounts	(634)	(603)
Total investments and other assets	25,856	26,148
Total non-current assets	185,136	186,674
Total assets	260,191	250,826

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	4,117	4,361
Short-term borrowings	80	77
Current portion of bonds payable	510	360
Current portion of long-term borrowings	18,198	17,440
Income taxes payable	4,657	2,034
Provision for bonuses	1,243	816
Asset retirement obligations	305	302
Provision for demolition and removal	240	240
Other	5,431	5,962
Total current liabilities	34,784	31,595
Non-current liabilities		
Bonds payable	375	335
Long-term borrowings	96,463	90,325
Deferred tax liabilities	5,358	5,333
Retirement benefit liability	502	524
Asset retirement obligations	7,480	7,418
Other	1,162	1,124
Total non-current liabilities	111,343	105,060
Total liabilities	146,127	136,656
Net assets		
Shareholders' equity		
Share capital	5,907	5,907
Capital surplus	14,035	14,035
Retained earnings	88,353	89,056
Treasury shares	(161)	(161)
Total shareholders' equity	108,135	108,838
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,246	1,639
Remeasurements of defined benefit plans	451	423
Total accumulated other comprehensive income	1,697	2,063
Non-controlling interests	4,232	3,268
Total net assets	114,064	114,170
Total liabilities and net assets	260,191	250,826

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

Quarterly consolidated statement of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Net sales	20,020	24,136
Cost of sales	11,710	13,744
Gross profit	8,309	10,391
Selling general and administrative expenses	4,049	4,793
Operating profit	4,260	5,598
Non-operating income		
Interest income	48	80
Dividend income	11	42
Share of profit of entities accounted for using equity method	20	43
Foreign exchange gains	2	49
Rental income	77	78
Proceeds from sale of goods	48	48
Other	71	69
Total non-operating income	279	411
Non-operating expenses		
Interest expenses	107	304
Amortization of share issuance costs	38	—
Rental expenses	78	74
Cost of sale of goods	42	41
Other	1	8
Total non-operating expenses	267	429
Ordinary profit	4,271	5,580
Extraordinary income		
Gain on sale of non-current assets	8	18
Gain on sale of investment securities	492	—
Subsidy income	98	—
Total extraordinary income	599	18
Extraordinary losses		
Loss on sale of non-current assets	0	3
Loss on retirement of non-current assets	0	56
Loss on tax purpose reduction entry of non-current assets	97	—
Provision for demolition and removal	240	—
Other	—	18
Total extraordinary losses	338	77
Profit before income taxes	4,532	5,522
Income taxes - current	1,600	1,976
Income taxes - deferred	25	(94)
Total income taxes	1,626	1,881
Profit	2,906	3,640
Profit (loss) attributable to non-controlling interests	(0)	91
Profit attributable to owners of parent	2,906	3,548

Quarterly consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Profit	2,906	3,640
Other comprehensive income		
Valuation difference on available-for-sale securities	(348)	391
Remeasurements of defined benefit plans, net of tax	(15)	(27)
Share of other comprehensive income of entities accounted for using equity method	0	1
Total other comprehensive income	(363)	366
Comprehensive income	2,543	4,006
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	2,543	3,914
Comprehensive income attributable to non-controlling interests	(0)	91

(3) Notes to quarterly consolidated financial statements

Notes on going concern assumption

Not applicable.

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

Not applicable.

Notes to quarterly consolidated statement of cash flows

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

(Millions of yen)

	For the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)	For the three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)
Depreciation	1,798	2,639
Goodwill amortization	158	615

Notes to segment information, etc.

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

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

(Millions of yen)

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

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

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

(Significant impairment losses on non-current assets)

Not applicable.

(Significant changes in amount of goodwill)

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

(Significant gain on bargain purchase)

Not applicable.

II For the three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

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

(Millions of yen)

	Reportable segment	Others (Note 1)	Total	Adjustment (Note 3)	Amount recorded in the quarterly consolidated statement of income (Note 4)
	Waste-related Business				
Net sales					
Net sales to external customers	23,414	721	24,136	－	24,136
Intersegment net sales or transfers	19	49	69	(69)	－
Total	23,434	771	24,205	(69)	24,136
Segment profit	5,601	14	5,616	(17)	5,598

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

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

(Significant impairment losses on non-current assets)

Not applicable.

(Significant changes in amount of goodwill)

Not applicable.

(Significant gain on bargain purchase)

Not applicable.