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The Future
Comes from Trust.

SUSTAINABILITY REPORT 2023

Daiei Kankyo Group

Waste is
a recyclable
resource.

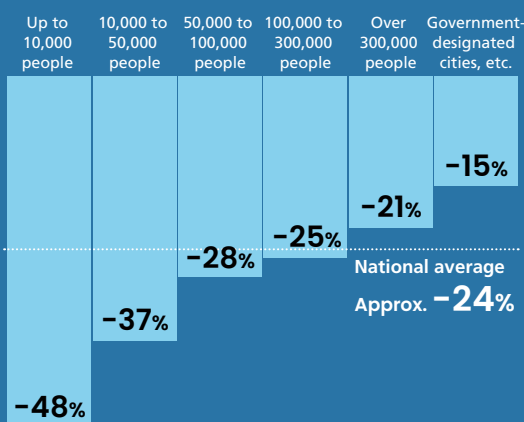




Declining population, aging incineration facilities, increasing waste disposal burden

Most general waste is disposed of at facilities owned by municipalities. However, due to regional depopulation and severe financial conditions, it is becoming difficult to upgrade and maintain aging treatment facilities, and the provision of private-sector-led public services is attracting attention.

Percentage population decline by city size (2010 to 2050)

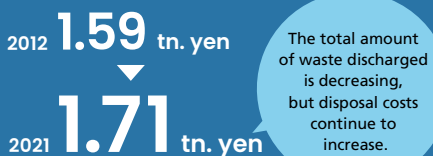


Source: Grand Design of National Spatial Development towards 2050 (July 4, 2014); Ministry of Land, Infrastructure, Transport and Tourism

Total amount of waste discharge



Waste disposal business costs*



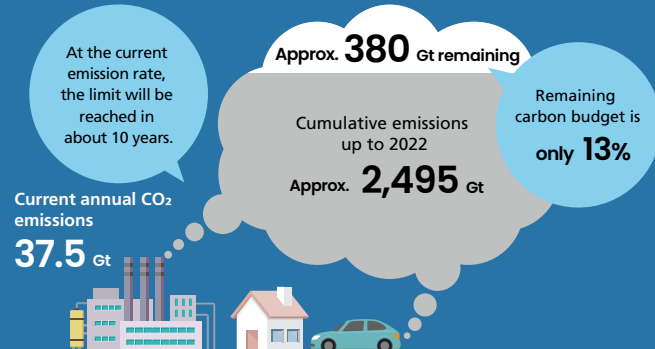
* Excluding construction and improvement costs
Source: Waste Management in Japan (2021 edition); Ministry of the Environment



Approaching upper limit of cumulative greenhouse gas emissions

Global warming causes climate change, which has a variety of impacts, including rising sea levels, increased extreme weather events, and food production crises. We are now very close to the CO₂ emission limit (carbon budget) set to achieve the 1.5°C target of the Paris Agreement. In addition to solar and wind power, there is a need to create renewable energy sources that utilize waste.

Carbon budget (CO₂ emission limit for 1.5°C target)

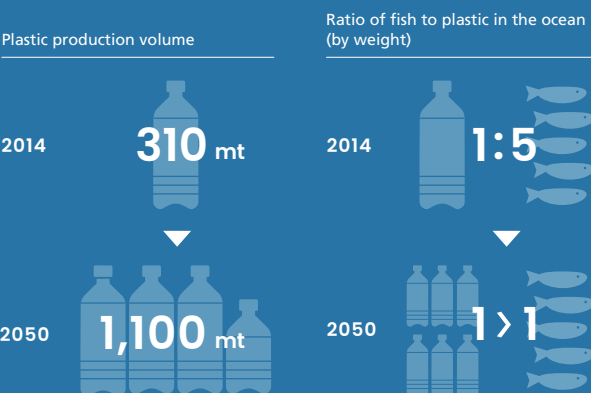


Source: Global Carbon Budget 2022; Global Carbon Project

Disposal of large quantities of petroleum-based plastics

Petroleum-based plastics do not decompose naturally. Even with the progress of the "3Rs" (reduce, reuse, and recycle), large amounts of plastic products are still being thrown away. Advances are needed in technology to recycle plastics.

Increase in the amount of plastic under BAU scenario



Source: The New Plastics Economy: Rethinking the Future of Plastics; World Economic Forum

As a corporate group responsible for social infrastructure that must endure,

we will continue to take on the challenge of resolving social issues.

The Daiei Kankyo Group's core business is waste management and recycling, which covers everything from waste collection and transportation to intermediate treatment, recycling, and final disposal. The system to accept waste from homes and businesses and return it in the form of resources and energy is an important infrastructure that supports our daily lives and society, just like the electricity, gas, and water infrastructure. Today, as financial difficulties due to depopulation and declining tax revenues are driving more municipalities to outsource their waste management to the private sector, they are increasingly relying on the Daiei Kankyo Group for its accumulated experience, know-how, and track record of results.

Furthermore, as we transition to a decarbonized society and aim for the construction of a system for local energy production and consumption and the realization of a circular economy, the Daiei Kankyo Group has much to contribute, including creating diverse value from waste by viewing it as a resource. The Daiei Kankyo Group will continue to take on challenges as long as there are social issues to be addressed.

Daiei Kankyo Group's nine main businesses



Waste management and recycling



Soil remediation



Facility construction and administration



Consulting



Electricity generation



Forest management



Others



Aluminum pellets



Recycled plastic pallets

As a company with the power to create better environments aiming to realize a sustainable, recycling-oriented society,

we are building a foundation of a "100-year company."

Enhancing business continuity and evolving as a company with the power to create better environments—this is the management vision, revised in 2014, of the Daiei Kankyo Group. We consider it our major responsibility to society to ensure the sustainability of ourselves because we sustain social infrastructure. In 2016, we made our vision more concrete, with the theme of building a foundation of a 100-year company.

Waste is a recyclable resource. If we succeed in developing new recycling technologies, we will be able to provide society with new resources and energy. In developing visionary new technologies and services, there is no finish line. We hope to create various forms of value over a long period of time and provide them to society. Meanwhile, final disposal sites represent indispensable social capital. We approach such sites from a longer-term perspective that encompasses their construction, operation, and subsequent utilization after reclamation.

Our challenge

Changing the way waste management is done

More than 50 years have passed since the enactment of the Waste Management Act*, and with the declining birthrate, aging population, and depopulation of rural areas, it is time to reconsider the way waste management is done. We aim to create a system of local production and local consumption that transforms general waste and industrial waste into resources and energy through integrated treatment.

Changing the way resource recycling is done

We are working to use digital technology to improve productivity and visualize CO₂ emissions, deepening cooperation with materials industries and manufacturers. Through co-creation efforts with various partner companies, we are promoting chemical recycling and the use of CO₂ and biomass raw materials.

* Waste Management Act: Waste Disposal and Public Cleansing Act

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Editorial Policy

This report was prepared with two functions in mind: to inform stakeholders by presenting and communicating the Daiei Kankyo Group's philosophy, history, business, and various initiatives; and to disclose information to shareholders and investors.

In the special features, we highlight efforts to resolve social issues and improve corporate value over the medium to long term in a way that we hope will be easy to read and understand.

The Company was listed on the Tokyo Stock Exchange (TSE) Prime Market on December 14, 2022. To clearly communicate our management policies and growth strategies and measures, we have posted messages from all nine executives and summarized the key points of our Medium-Term Management Plan and ESG measures.

Disclaimer

This report includes forward-looking statements. These forward-looking statements are based on information available at the time this report was prepared and involve risks and uncertainties. Please be aware that due to changes in various factors the actual results may differ materially from those described in the forward-looking statements.

Scope of the report

Daiei Kankyo Co., Ltd. and Group companies (as of March 31, 2023)

Note: The various types of data reported cover Daiei Kankyo Co., Ltd. and its consolidated subsidiaries. Any material outside of this scope is clearly indicated as such.

Period covered by the report

April 1, 2022 to March 31, 2023
(Some content outside the above period is also included.)

Reference guidelines

- The International Integrated Reporting Framework; IFRS Foundation
- Guidance for Collaborative Value Creation; Ministry of Economy, Trade and Industry
- Environmental Reporting Guidelines 2018; Ministry of the Environment
- Final Report of the Task Force on Climate-related Financial Disclosures (TCFD)

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Daiei Kankyo Group
official mascots
**Mirakuru (left) and
Shirokuru (right)**

Identity

What we value in order to be an essential part of people's lives and society

Daiei Kankyo Group's founding principles

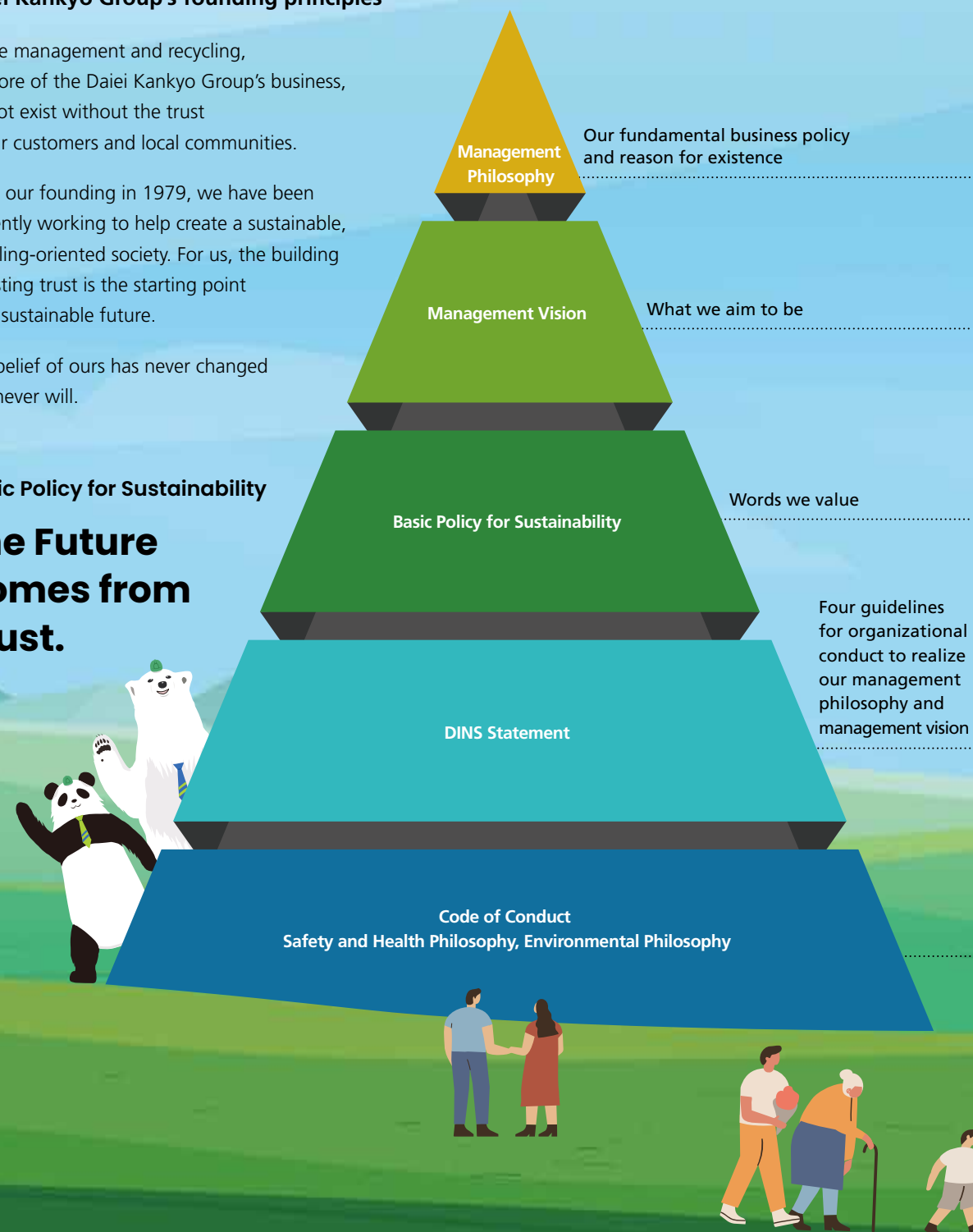
Waste management and recycling, the core of the Daiei Kankyo Group's business, cannot exist without the trust of our customers and local communities.

Since our founding in 1979, we have been diligently working to help create a sustainable, recycling-oriented society. For us, the building of lasting trust is the starting point for a sustainable future.

This belief of ours has never changed and never will.

Basic Policy for Sustainability

The Future Comes from Trust.



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.

The Daiei Kankyo Group will continue to challenge itself to innovate and create new value with the aim of creating better environments for a sustainable and bright future.

Basic Policy for Sustainability

The Future Comes from Trust.

DINS Statement



Development

In order to continue to be a social infrastructure company that supports the future, we shall not be bound by conventional approaches. Rather, we shall take on challenges with enthusiasm and continually evolve without fear of change or failure.

Integrity

In order to continue to be a company trusted and needed by society, we shall always respond to the expectations of society and changes in the environment, comply with laws, regulations, social norms, and company rules, respect human rights and local communities, and act with integrity based on high ethical standards.

Nature

Our lives depend on various blessings from nature. We shall help resolve environmental issues through our business activities, actively engage in forest and environmental conservation activities and efforts to reduce our environmental impact, and work toward the realization of a society in harmony with nature, one that can enjoy nature's bounty for years to come.

Social contribution

As a member of the local community, we shall contribute to regional growth and development through our business activities, and shall strive to conduct corporate activities in harmony with society as a whole.

Daiei Kankyo Group's Code of Conduct

Code of Conduct

1. Thorough compliance
2. Good faith business activities
3. Ethical conduct of employees
4. Thorough information management
5. Safe workplace environments where one can work comfortably and human rights are respected
6. Offering secure optimal services
7. Environmental preservation and contribution to local communities
8. Timely and appropriate information disclosure
9. Protection of intellectual property
10. Thorough risk management

Safety and Health Philosophy

We place top priority on safety and health in all aspects of our business, and strive for workplaces free of accidents and disasters by being watchful, attentive, and considerate.

Environmental Philosophy

We are strongly committed to social responsibility in our business, and we will always tackle new challenges, while striving to be a group that is kind to people, the community, and the Earth, through the best technologies and services.

Daiei Kankyo Group's History

44 years of building ties with the community and challenging possibilities

From stiff opposition to trust: Start with the understanding of the local community

Daiei Kankyo Co., Ltd. was founded in October 1979 in Izumi City, Osaka. At that time, there was little public awareness of waste management. Our construction of a final disposal site was met with large-scale opposition from local residents.

However, we were able to gain a certain understanding of the people, and construction was completed. Since then, we have always believed that the trust of local communities is the greatest foundation for business continuity, and we have continued to carry this belief forward to the present day.

Lead the industry in recycling operations

Despite the era of mass production, mass consumption, and mass disposal, Daiei Kankyo was quick to launch a recycling business, believing that waste is a recyclable resource since its founding. We searched for ways to add value to waste, which was considered useless, and to make effective use of it.

We also embarked on initiatives that were pioneering at the time, such as bringing refuse-derived fuel (RDF), whose use had already begun in Europe, to Japan and building an RDF production plant in Nishinomiya City, Hyogo.

After the Great Hanshin-Awaji Earthquake, prioritize recovery and focus on disaster waste management

In 1995, the Great Hanshin-Awaji Earthquake struck, causing extensive damage to our facilities. While the lifelines of the Company and neighboring municipalities were cut off, several neighboring municipalities requested cooperation in disaster waste management, and the entire Company worked together to dispose of a large volume of waste.

Six months later, we introduced a large crusher from the United States and brought in more than a dozen engineers to speed up the work. Prioritizing recovery over profitability, we poured all of our knowledge and technology into the work, and in the end we were involved in the processing of about one-third of the total disaster waste.

Completion of Mie Energy Plaza.
The facility is equipped with an incinerator, roaster, and carbonizing furnace, and can generate power or supply heat to the community



2013



2001

After reclamation of the final disposal site, returned it to the local community as Izumi Recycling Environmental Park



Listed on the Prime Market of the Tokyo Stock Exchange (TSE).
The opening price was ¥1,710, 27% above the public offering price (IPO) of ¥1,350, and the closing price was ¥1,796

IPO on the TSE Prime Market with the aim of building a governance structure and achieving sustainable growth

In 2019, when we reached 32 Group companies and more than 2,000 employees, we decided to go public, based on the idea that we would need to develop our organization in line with Japan's Corporate Governance Code to achieve sustainable growth in the future.

The waste management business is an important part of social infrastructure, yet it still has a negative impression. One of the purposes of listing on the stock exchange is to dispel this notion and have the Company widely recognized as a company engaged in highly transparent business practices. The Company was listed on the TSE Prime Market on December 14, 2022.

We will continue to move forward with repeated effort and ingenuity, never forgetting our founding spirit of "The Future Comes from Trust."

For a decarbonized society, create Local Circular Ecological Spheres for local energy production and consumption

We are promoting the establishment of a scheme for public-private partnerships (PPP) to establish Local Circular Ecological Spheres in which local waste is processed locally and the energy generated in the processing process is used locally, believing that this approach will lead to a sustainable society.

In November 2022, we commenced operation of a biogas power generation facility, which generates electricity from organic waste such as food waste and organic sludge by methane fermentation, in Iga City, Mie. In addition to meeting renewable energy demand, it is expected to play a role in securing energy in the event of disasters and revitalizing the local economy.

Formulating a management plan: Advance as an eco-friendly company with a commitment to innovation and meeting challenges

As the demand for disaster waste management receded, a rethinking of the disposal business became an urgent priority. In 1997, we formulated our first management plan, and based on our commitment to creation, innovation, and meeting challenges under our management philosophy, we came together to overcome the difficult situation following the disaster recovery.

In 2013, we completed the Mie Energy Plaza, which uses the energy generated during waste management for power generation and heating. In this way, our founding philosophy of "from treatment to recycling" became even more tangible, demonstrating our significant progress as a company with the power to create better environments.



1995

In the aftermath of the Great Hanshin-Awaji Earthquake, devoted ourselves to recovery efforts with a sole focus on saving people



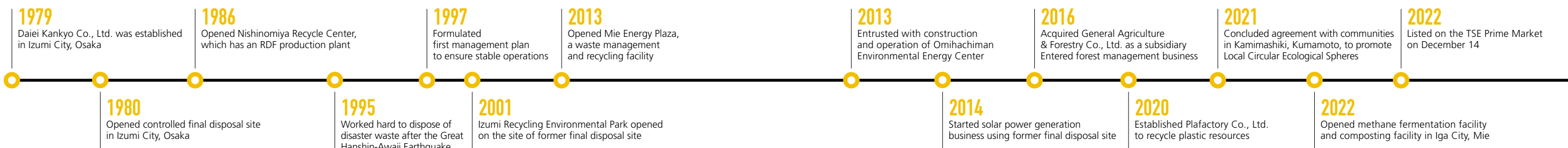
1986

Started production of RDF using waste as the main raw material under the theme of *mottainai* (avoid being wasteful)

Started construction of controlled final disposal site in Izumi City, Osaka



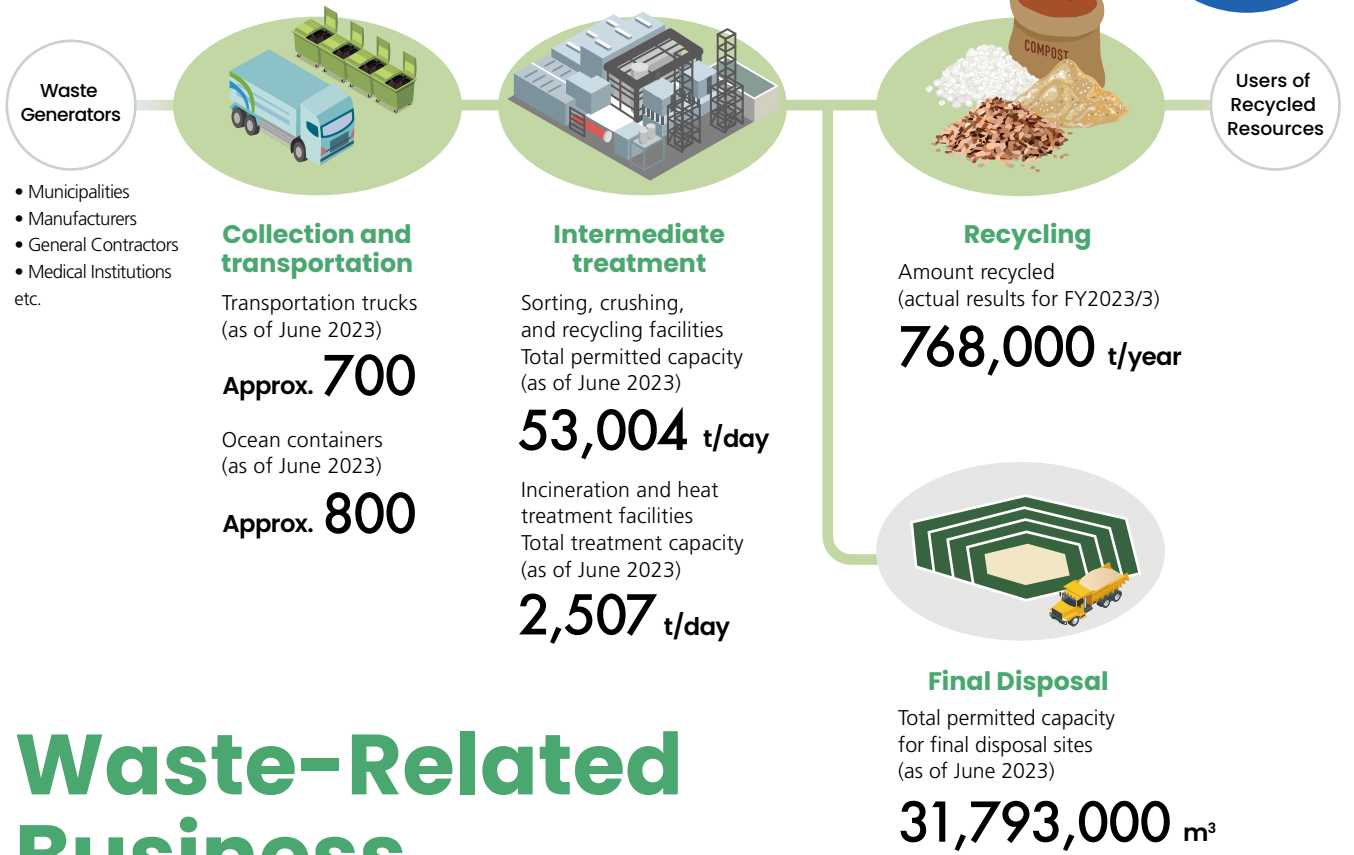
Founded in
1979



Daiei Kankyo Group's Businesses

Waste management and recycling

View waste as a resource and provide a one-stop service from collection and transportation to intermediate treatment, recycling, as well as final disposal



Waste-Related Business

Utilizing waste to resolve social issues

Nine businesses and services

Business locations across Japan

We are developing community-based businesses in each area.

Owned by Daiei Kankyo and its subsidiaries

Recycling Facilities	30
Other Business Locations	25
Sales Offices	13
Forests	29

Owned by affiliates accounted for by the equity method

Recycling Facilities	2
Other Business Locations	3

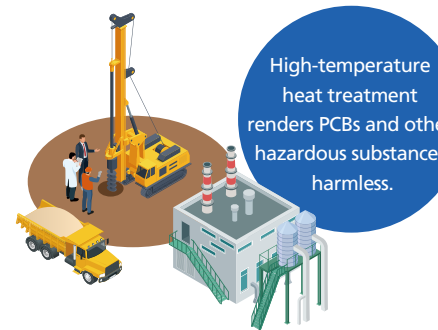
Owned by affiliates not accounted for by the equity method

Recycling Facilities	1
Other Business Locations	6

(As of June 2023)

Soil remediation

Propose solutions ranging from inspections and consulting to remediation based on the Soil Contamination Countermeasures Law



Electricity generation

Contribute to building Local Circular Ecological Spheres by converting waste resources and the power of nature into energy



Facility construction and administration

Support our customers' facilities with a complete backup system for emergencies in addition to our experience and know-how



Forest management

Promote reforestation with a view to the next 100 years



Consulting

Provide solutions and support for our customers' problems based on our accumulated experience and know-how in waste management



Others

Contribute to local communities through temporary staffing and employment agency services and agribusiness development



Other Business (Valuable Resource Recycling Business)

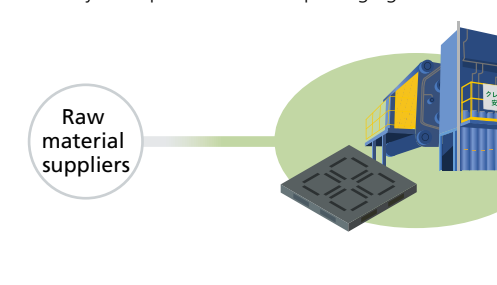
Aluminum pellets

Manufacture and sell aluminum pellets made from aluminum cans purchased as resources



Recycled plastic pallets

Manufacture and sell recycled plastic pallets made mainly from plastic container packaging



We can produce 600,000 pallets per year.

Expansion of Co-Creation

Toward the realization of a sustainable society

Expanding collaboration with partners

Major co-creation results over the past 10 years

2013



We were contracted to develop and operate a regional energy center using the DBO method*. The proposal was made jointly by Mie Chuo Kaihatsu Co., Ltd. (a Group company); Mitsubishi Heavy Industries Environmental & Chemical Engineering Co., Ltd.; Akimura & Partners; and Kyokuto Kaihatsu Kogyo Co., Ltd., and was the first case in Japan where a waste management company served as the representative company.

* Design, build, and operate (DBO) method: A procurement method in which a contractor in the private sector is appointed to design, build, and operate a facility that is financed by a municipality.

2014



Food waste from Aeon Group stores is converted into compost and used at farms directly managed by Aeon Agri Create Co., Ltd. We achieved a recycling loop in which the vegetables grown there are sold in the stores.



2020

We established Re-enermie Co., Ltd., a biogas power generation business, in Iga City, Mie, in collaboration with Kobelco Eco-Solutions Co., Ltd. The facility has been in operation since March 2023, fueled by methane fermentation gas derived from food biomass produced by the Company.

2018

Daiei Kankyo Research Institute Co., Ltd., a Group think tank, collaborated with Professor Hiroshi Onoda of Waseda University together with EII, Inc., a system development company. We are promoting R&D to resolve waste management issues and advance the recycling of resources.



2020

To efficiently manage the vast forests in Totsukawa Village, Nara, we established the Forestry Organization in Northern Totsukawa (FONT) with forest owners. We also collaborate with government, forestry associations, and forestry stakeholders to develop human resources for timber distribution and forest management.

2021-

We are promoting PPP to support local general waste management and to return waste to the community in the form of resources and energy. Currently, we have signed agreements with three municipalities and are preparing for the construction of recycling and energy centers.



Signing ceremony with five towns in Kamimashiki, Kumamoto



Signing ceremony with Aioi City, Hyogo



Signing ceremony with Tadaoka Town, Senboku District, Osaka

2022

With the goal of contributing to carbon neutrality by making use of miscellaneous plastics that are difficult to recycle, the project, the first of its kind in Japan, is being undertaken with the cooperation of Osaka Prefecture and Sakai City, along with DINS Kansai Co., Ltd. (a Group company); Kobelco Eco-Solutions Co., Ltd.; Mitsubishi Gas Chemical Company, Inc.; and Mitsubishi Kakoki Kaisha, Ltd.



2021

Kobe Plastic Next is a project to collect and recycle refill packs of daily necessities and reuse them as refill packs. It is a pioneering nationwide project involving Kobe City, 1.5 million Kobe residents, and 18 companies involved in manufacturing, sales, collection, and recycling.

Creating new value together through cooperation and collaboration among industry, government, and academia

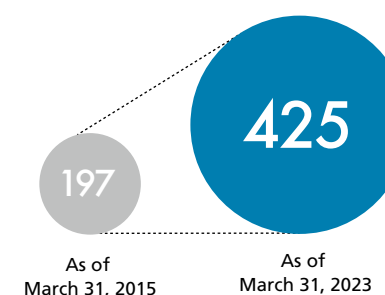
To realize a sustainable society, it is necessary to resolve a wide variety of issues beyond the field of waste management and recycling, from shared global issues such as climate change and plastic issues to regional issues including maintenance and management of social infrastructure, disaster preparedness and response, and utilization of local resources.

The Daiei Kankyo Group is tackling environmental, social, and economic issues that are difficult for a single company to resolve, together with partners with whom we can work together toward the future. For example, collaboration with municipalities, waste management

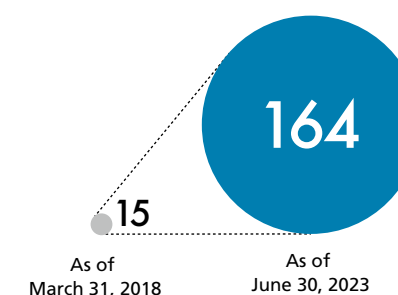
companies, and local businesses and the understanding of local residents are essential for establishing Local Circular Ecological Spheres and for achieving a circular economy with waste management facilities at its core, which the Daiei Kankyo Group is promoting. In addition, collaboration with universities and "arterial industries" (production industries) is effective for developing innovative technologies and systems that will advance resource recycling.

Through the power of connection, we will work together to create new value, making possible one by one what was not possible yesterday.

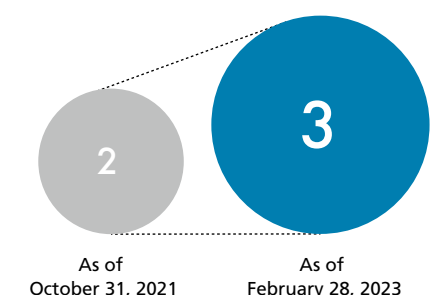
No. of municipalities
we work with*



No. of disaster cooperation
agreements signed



No. of Local Circular Ecological Spheres
established through PPP



* 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.

Special Feature 1

Advancing the state of the art
in heat recovery systems

Miki Biomass Factory completed

Large-scale incineration
power generation facility
that co-fires biomass
resources and waste

Daiei Kankyo Co., Ltd. built the Miki Biomass Factory, an unprecedented, highly efficient thermal recycling facility that creates renewable energy and non-fossil energy from biomass resources and waste. The greatest feature of this facility is the co-firing of biomass resources with various wastes such as sludge, waste oil, and waste plastics.

With the goal of generating power in a way that maximizes the reduction of CO₂ emissions, the Miki Biomass Factory emphasizes power generation capacity to a greater degree than previous facilities developed within the Group and has installed equipment that increases its power generation efficiency. The result is a power generation capacity of 11,700 kW, the largest in the Group. This will cover the power consumption of the entire Miki Recycle Center, and the surplus power will be sold under the feed-in tariff (FIT) system. We are also considering returning the waste to the local community in the form of heating, and hope to build a Local Circular Ecological Sphere with the waste management facility at its core.



We asked the factory manager!
Atsuo Tanaka
General Manager
of Miki Recycle Center,
Executive Officer,
Daiei Kankyo Co., Ltd.



Q What do you use as fuel to generate electricity?

A In addition to biomass resources such as wood chips and food scraps, various waste materials such as sludge, waste oil, and waste plastics are collected by the Daiei Kankyo Group and co-fired as fuel.

Q How much electricity can you generate?

A The factory has a power generation capacity of 11,700 kW, which is equivalent to the electricity consumption of approximately 28,000 general households. This is about three times greater than the Daiei Kankyo Group's existing power generation facilities.

Q What measures have you taken out of concern for the environment?

A In consideration of the living environment of local residents, we have installed various facilities to prevent the odor of waste and the sound and vibrations inside the factory from leaking out. Of course, we also show consideration for the natural environment by using LED lighting and conserving water.

Q What are your ambitions for the future?

A The scale of the Miki Biomass Factory is large compared to other Group facilities, so I intend to rely on the know-how we've cultivated at our existing facilities and aim for stable operation with "reassurance" for local residents as our watchword.

Take a look at the unique facilities of the Miki Biomass Factory!



High-speed rolling doors

Rolling sheet doors that open and close at high speed have been installed at the waste pit inlet to prevent odors from leaking out.



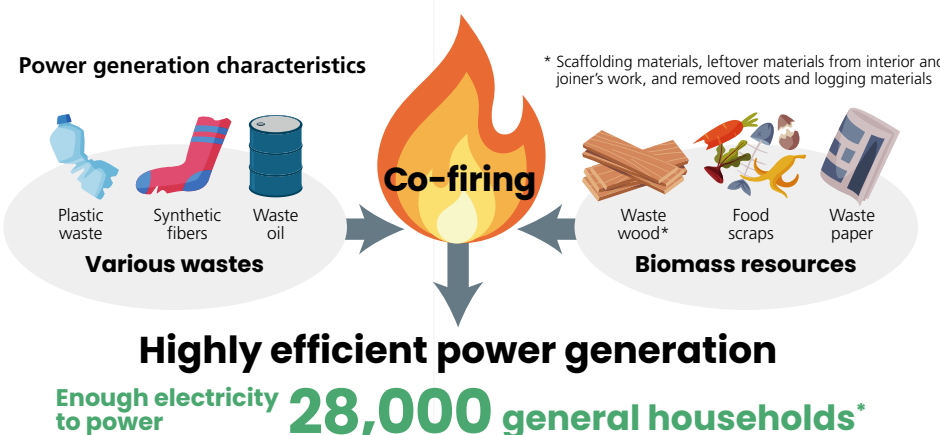
Superheater

Power generation efficiency is enhanced by a superheater that heats the steam generated by the boiler to an even higher temperature.



Stoker furnace

The incinerator uses a stoker furnace that moves the waste along an inclined step grate so that it burns more efficiently. This enables stable combustion even with heterogeneous waste.



Facilities overview

Facility name: Miki Biomass Factory

Location: Miki City, Hyogo

Incineration method: Stoker type

Treatment capacity: 440 tons/day
(220 tons × 2 units)

Materials treated: Sludge, waste oil, waste acid, waste alkali, waste plastics, paper waste, wood waste, textile waste, animal and plant residues, animal solid waste, rubber waste, metal waste, glass waste, concrete and ceramic waste, debris, infectious waste

Rated power generation capacity: 11,700 kW

Start of operations: May 2023

All facilities at the Miki Recycle Center and the headquarters building will consume their own electricity with the goal of net zero CO₂ emissions from electricity

The Miki Biomass Factory has a power generation capacity of 11,700 kW, of which approximately 4,500 kW is enough to supply all the electricity used by the Miki Recycle Center's facilities. By selling surplus electricity to electric power companies and buying back some of it to use as electricity for the Group headquarters building, we hope to achieve net zero CO₂ emissions from electricity.

We are also working on a plan to double the processing capacity of heat treatment facilities across the Group to approximately 4,000 tons per day by the end of March 2030. We believe that increasing the value of the business through the growth of the Group will help resolve social issues and thereby contribute to the enrichment of the lives of local residents.

02

Special
Feature

Aiming to be a leader in sustainable community development

Building Local Circular Ecological Spheres

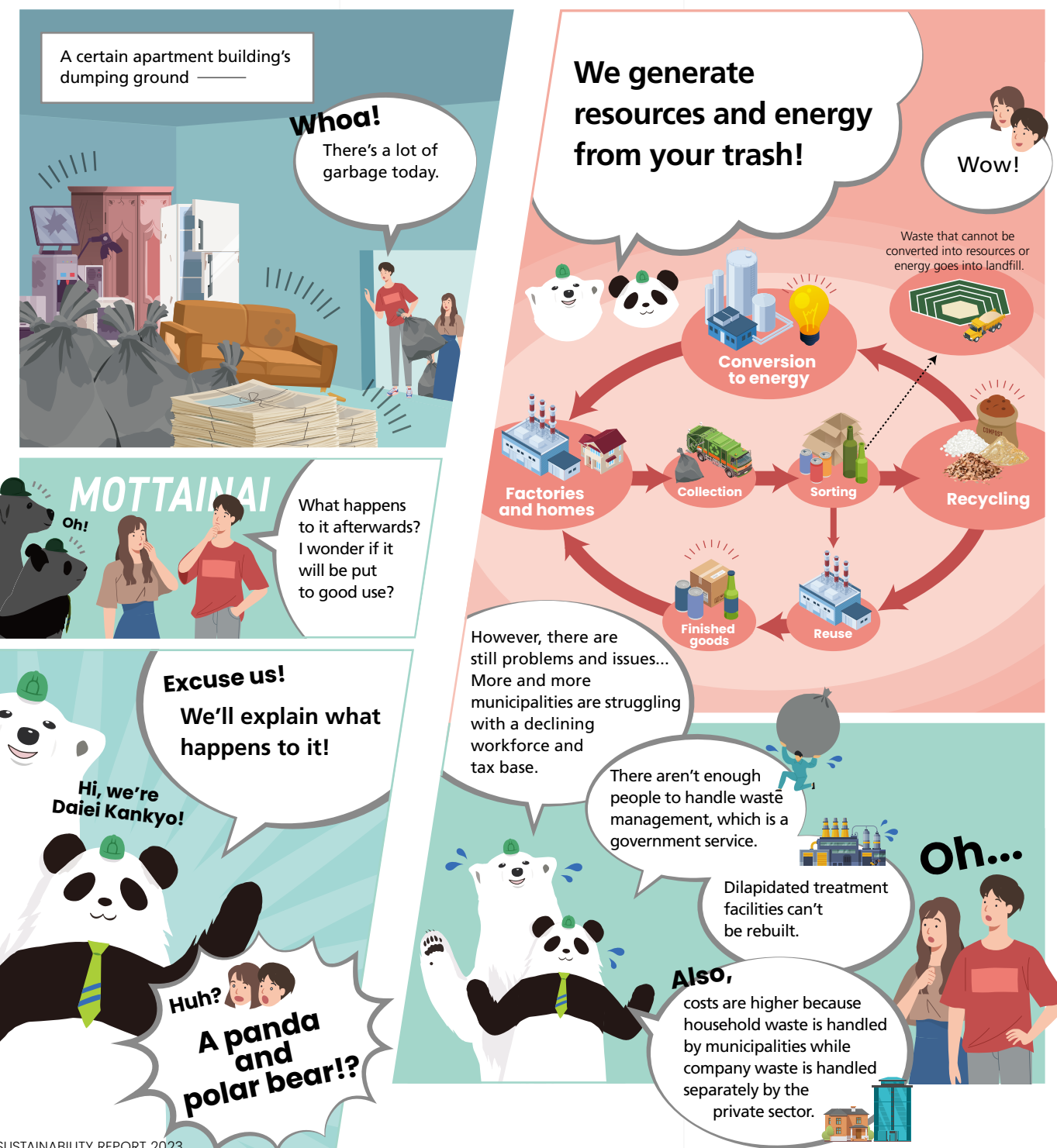
The concept of Local Circular Ecological Spheres is advocated by the national government under which each region aims to form a self-reliant and decentralized society while maximizing the use of regional resources.

The Daiei Kankyo Group, in cooperation with local partner

companies, is planning to build waste management facilities on behalf of municipalities and create a system to treat combined general and industrial waste from the community to efficiently convert it into resources and energy, thereby recirculating them in the community. Ultimately,

we hope to expand the system throughout Japan.

These efforts are expected to support regions where the survival of basic social functions such as administrative services is threatened by depopulation, as well as to maintain and create local employment.



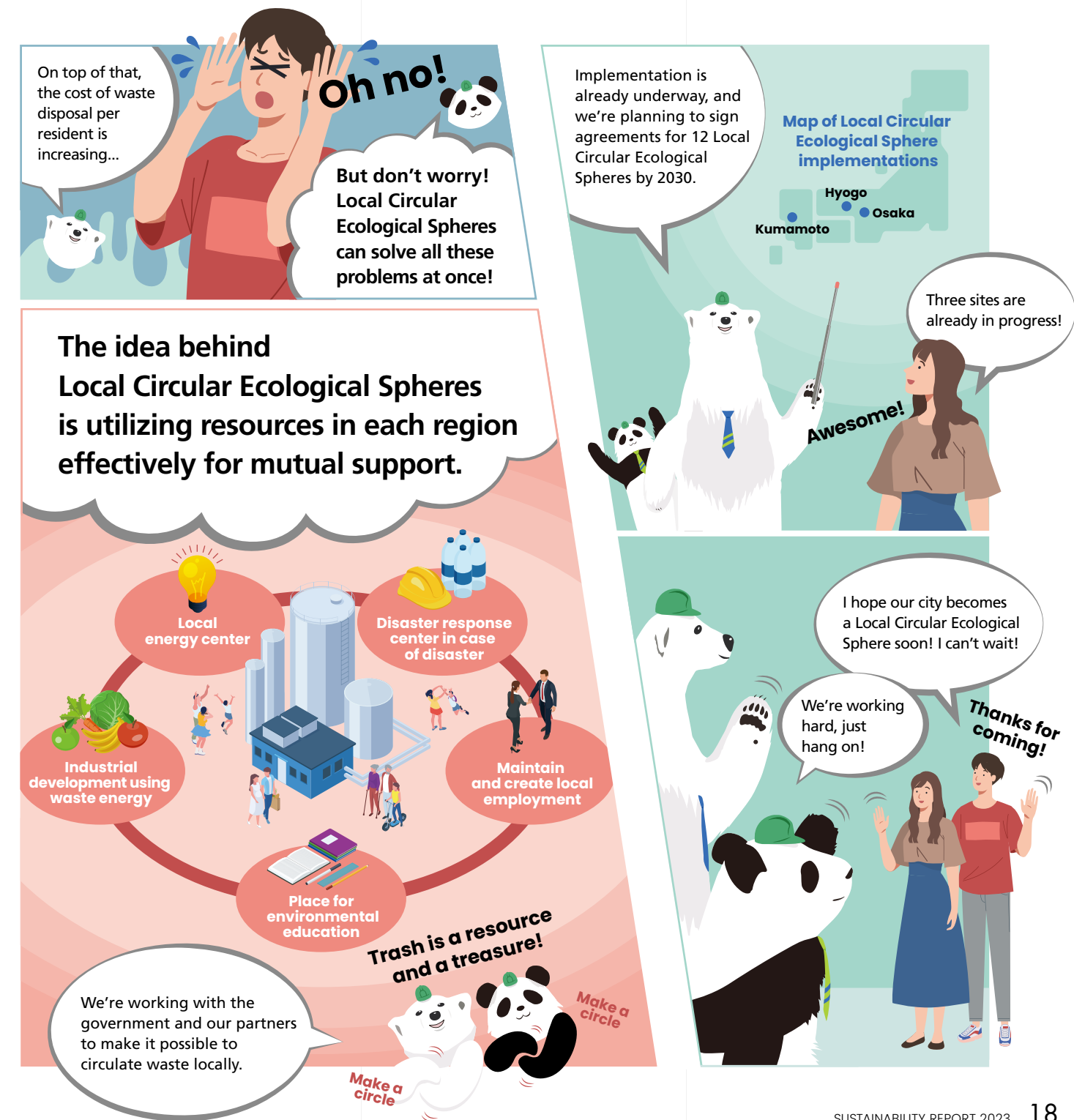
Message from person in charge of PPP

At present, we have concluded PPP agreements for the establishment of Local Circular Ecological Spheres in three regions. I am in charge of the partnership with Tadaoka Town in Senboku District, Osaka, which signed the agreement in February 2023.

Tadaoka Town's aging incinerator for general waste will be decommissioned in March 2024 and rebuilt as a new incinerator equipped with the waste power generation function. During the period until the incinerator goes into operation, we will build and operate a waste relay facility (temporary storage site for combustible materials) and process the waste at our Group incineration facilities, thereby ensuring the proper disposal of Tadaoka's general waste without interruption. Once the new incinerator is completed, the plan is to transform the adjacent relay facility into a recycling facility for handling bulky waste and cans and bottles, and to operate these facilities as a local energy center. To reassure the local community, we will continue to carry out this project in a responsible manner.



Tasuku Fukuda
Assistant Section Manager,
Kansai Sales Department,
Sales Division,
Daiei Kankyo Co., Ltd.



Amid more frequent natural disasters

Disaster preparedness

To support the rapid recovery and reconstruction of disaster-stricken areas, we are making use of our experience in disaster waste management to improve our response capabilities.

For those who have been affected by disasters such as major earthquakes and torrential rains, their greatest wish is to get their lives back to normal as soon as possible. The Daiei Kankyo Group has utilized its many years of experience and know-how in waste management to dispose of disaster waste appropriately and promptly in disaster areas across Japan. Our involvement in waste disposal has helped to revive local industries and livelihoods.

The trigger for this activity was the Great Hanshin-Awaji Earthquake. At that time, the Daiei Kankyo Group alone was involved in the disposal of about one-third of the total disaster waste. Since then, if there is a request for cooperation from an affected

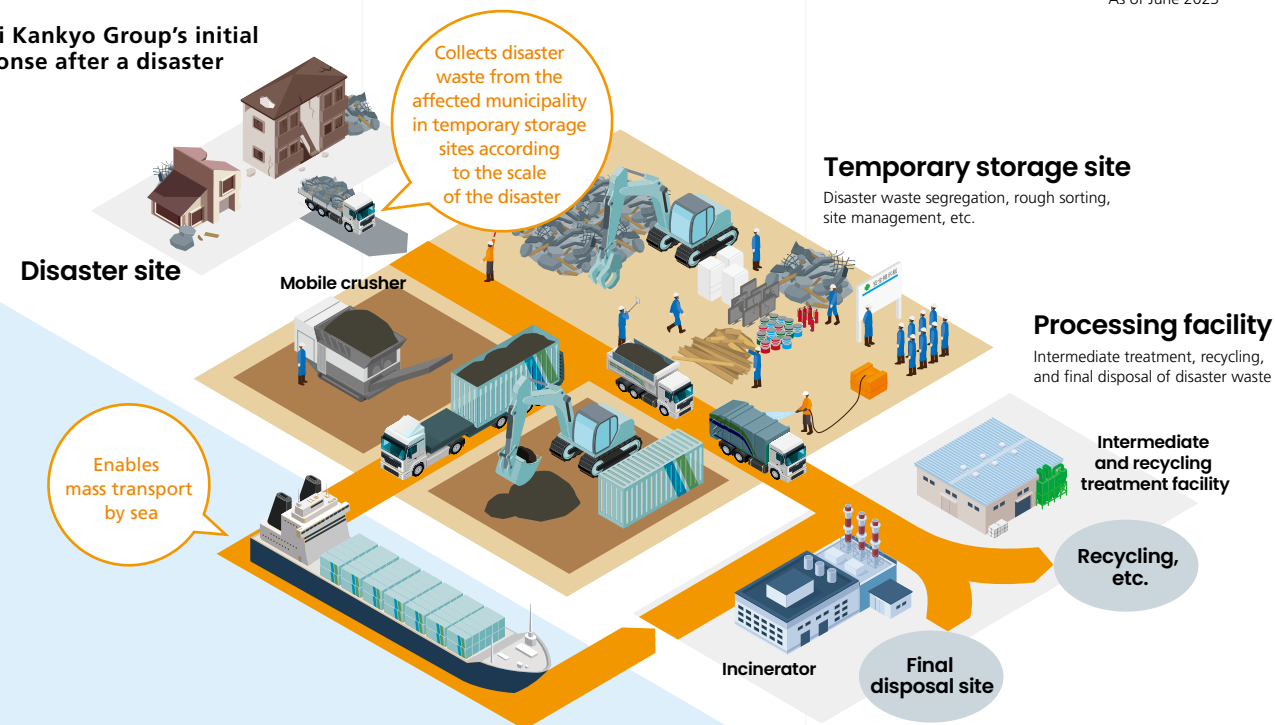
municipality, we set off immediately to that part of Japan to support reconstruction efforts by efficiently processing the waste in an environmentally friendly manner. We have also expanded the scope of our support for reconstruction to cover managing temporary storage sites on behalf of our clients, preparing on-site reports, and providing large-scale, rapid, wide-area processing at our own processing facilities.

In disaster waste management, experience is extremely important. The teams we dispatch to disaster-stricken areas are made up of members with a wide range of experience, so that know-how and skills can be passed on from seasoned experts to younger workers.

To prepare in normal times before disaster strikes, we have concluded disaster waste management agreements with 164* municipalities across Japan, and have established a cooperative system in the event that disaster waste is generated. In recent years, we have increasingly provided assistance to municipalities in the form of consulting to improve the effectiveness of their disaster waste management plans. For example, based on our extensive experience, we verify the locations of temporary waste storage sites being considered by the municipalities as well as the transportation routes for large trucks. We have received high praise from municipalities for our provision of useful proposals and technical information for times of emergency.

* As of June 2023

Daiei Kankyo Group's initial response after a disaster



Hiroaki Hayakawa
Deputy Manager,
Chubu Sales Department,
Sales Division,
Daiei Kankyo Co., Ltd.



Toward the realization of a true recycling-oriented society

"Artery-vein" collaboration

Digitally connected "vein" and "artery" industries
— What is Daiei Kankyo's role?

The need to build a true recycling-oriented society has increased and efforts to that end have been intensified; however, there are still many issues to be addressed. To overcome these challenges, it is necessary to make full use of digital capabilities such as AI and IoT to transform the way we link manufacturing industries (which are like "arteries") with waste management industries ("veins"). We at Resource Circulation Systems Co., Ltd. are responsible for driving this transformation using digital technology, in other words DX.

As I heard from companies on both the "artery" and "vein" sides, the challenges became apparent. Many producers on the artery side

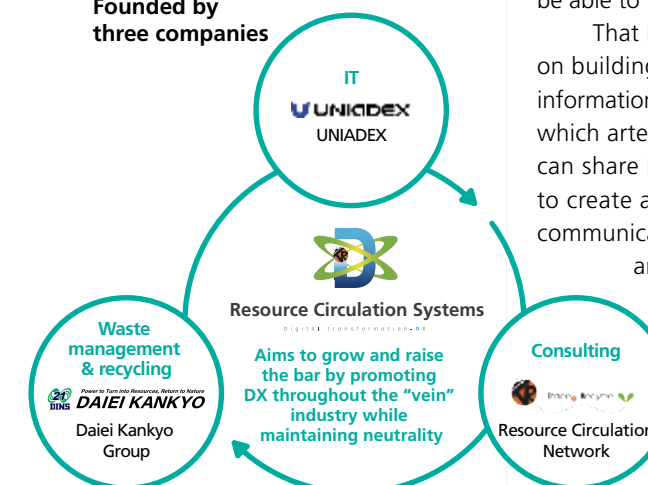
are willing to recycle but don't know how to go about it.

Meanwhile, on the vein side, the majority of players are small and medium-sized enterprises, with roughly 10,000 companies scattered around Japan, and they do not get many opportunities to learn about the requirements of the artery companies for recycled materials. In other cases, despite having the technology and facilities, it is difficult to overcome barriers in terms of resource recovery systems and regulations.

As a result, the quality of recycled materials has been unstable, and there has been a mismatch in supply versus demand, with demand exceeding supply by orders of magnitude. However, if both sides join hands as partners, they should be able to form a recycling chain.

That is why we are focusing on building a circular economy (CE) information distribution platform on which artery and vein companies can share information. The aim is to create a system to deepen communication about the quality and origin of recycled materials, product characteristics, and similar information, to bridge the gap between the two sides. The effort and

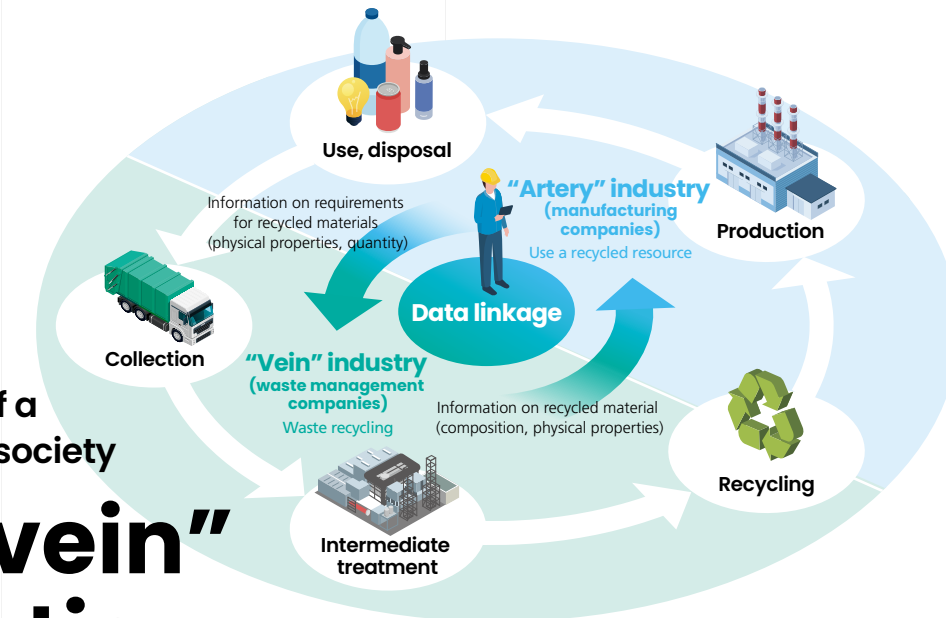
Founded by three companies



Naoki Takiya
Director,
Resource Circulation
Systems Co., Ltd.

cost to develop a waste collection system pose a major challenge, but we believe that we can come up with a solution by making use of the collection capabilities and recycling know-how of the Daiei Kankyo Group.

The Japanese government is also promoting artery-vein collaboration beyond the conventional framework in its GX policy, which aims for global economic and social system transformation to achieve a decarbonized society. I feel the enthusiasm for reform through face-to-face discussions with various companies in artery and vein industries, academia, and government. Over the next two years, we would like to build a social system that allows both sides to work from the same perspective.



05

Special
Feature

Harnessing the potential of waste plastics

Diverse actions for plastic recycling

Making better use of plastics as a resource

In April 2023, our subsidiaries Mie Chuo Kaihatsu Co., Ltd. and DINS Kansai Co., Ltd. became the first companies in Japan to acquire certification for a plastic recycling plan under Japan's Plastic Resource Circulation Act. Our system for material recycling of waste plastics, which is certified by Japan's Ministry of Economy, Trade and Industry and Ministry of the Environment, has begun to receive interest from many waste-generating companies. In addition, with the cooperation of municipalities, we are working with partner companies to develop chemical recycling technologies, which are considered highly business-friendly, through subsidies from the Ministry of the Environment. Furthermore, we are participating in a NEDO^{*1}

demonstration project, the Development of Innovative Plastic Resource Recycling Process Technology, and are conducting joint research with several research institutes and both "artery" (manufacturing) and "vein" (waste management) companies.

To realize a decarbonized society through more advanced and efficient recycling, the Daiei Kankyo Group is taking on the challenge of optimizing the combination of material recycling, chemical recycling, and thermal recycling according to the properties of waste plastics, in cooperation with various partner companies.

^{*1} NEDO: New Energy and Industrial Technology Development Organization



Recycled pallets

Material recycling

Our subsidiary Plafactory Co., Ltd. manufactures recycled pallets for logistics use, using household plastic waste containers and packaging as raw material. By applying our waste management know-how, we overcame the durability issue, which is a challenge for recycled products. We strive to ensure recycling quality.

No. of pallets sold

FY2022/3 337,700
FY2023/3 433,000

Thermal recycling

The Group's incineration facilities generate power from the thermal energy generated during incineration and supply heat to nearby hot bath facilities. We also manufacture and sell refuse-derived paper and plastics densified fuel (RPF), a solid fuel made from waste plastic with low chlorine concentration that is used as an alternative to fossil fuels for boilers.

Heat recovery at the Group's incineration facility

Thermal energy generated during incineration is delivered to the hot bath facility



Manufacture and sale of RPF



Daiei Kankyo Group recycling: No plastic wasted

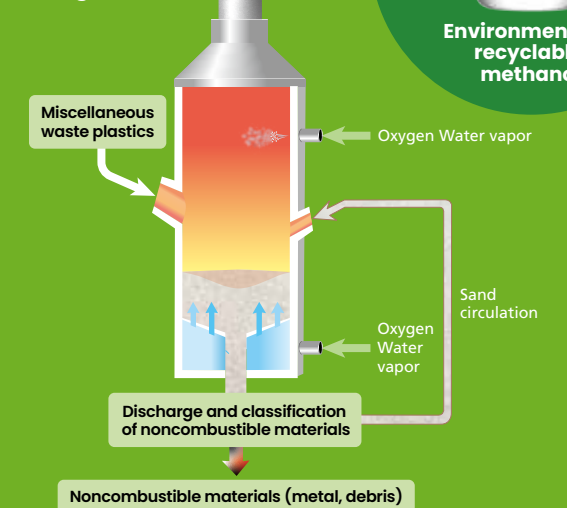
Chemical recycling

In August 2022, we started a demonstration project for the gasification and methanol synthesis using waste plastics in cooperation with various manufacturers. The aim is to produce methanol from miscellaneous waste plastics, which until now could only be incinerated for heat use or sent to landfill. The commercialization of environmentally recyclable methanol production from waste plastics would go a long way toward realizing a decarbonized society.

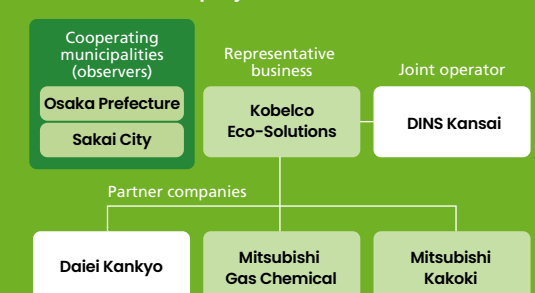
^{*2} Subsidy program by the Ministry of the Environment: Subsidies for carbon dioxide emission control projects: Demonstration project to build a recycling system for plastics and other resources to support a decarbonized society

The first initiative in Japan to be selected as a subsidy program^{*2} by the Ministry of the Environment.

Fluidized bed gasifier



Demonstration project structure



What is the Plastic Resource Circulation Act?

It is a new law that took effect in April 2022. Focusing on just one material, plastic, it aims to promote resource recycling throughout the entire life cycle of plastic products, including design, sales, and disposal.

Goals of the Plastic Resource Circulation Act

G20 Osaka Blue Ocean Vision

Achieving a new world of zero marine pollution

2050 carbon neutrality

Achieving zero overall greenhouse gas emissions

The basic principle is 3R + Renewable!

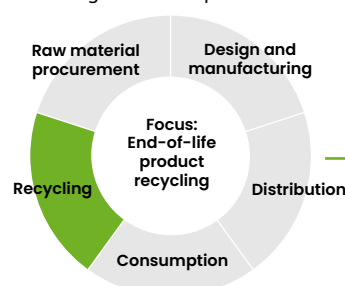
Plastic resource recycling strategy

Aim to reach milestones

- Cumulative 25% reduction in generation of single-use plastics by 2030
- Doubling of the recycling of plastics by 2030
- Effective use of 100% of used plastics by 2035

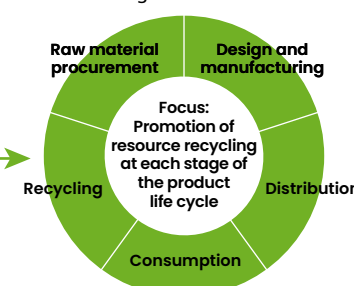
Traditional recycling methods

Target: Finished products



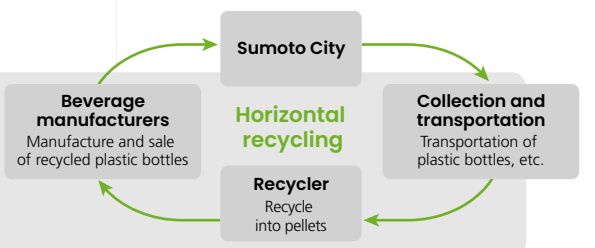
Plastic Resource Circulation Act

Target: Materials



Signed an agreement with Sumoto City, Hyogo, for horizontal recycling of plastic bottles

First anniversary of participation in Kobe Plastic Next, a program to turn refill packs into a resource



KOBE
PLASTIC
NEXT



Special
Feature

Polyethylene, polypropylene, or polyvinyl chloride?
A material discrimination device analyzes
the composition of various types of plastics.

Moving the circular economy forward

Research and technology development

From the starting point of recycling to cutting-edge challenges, we are taking on the challenge of solving problems in a variety of areas.

Recycling requires proper sorting of large amounts of waste to ensure the quality of the materials to be recycled. Daiei Kankyo's research division is developing a system that automates and streamlines this process through AI and other means. We are taking on the challenge of upstream recycling processing technology.

In R&D, it is important to create a system that generates solid revenue. Without that, even if we could develop a breakthrough recycling technology, we would not be able to implement it practically. Therefore, we are approaching the problem from two directions.

The first is to solve challenges faced by the Daiei Kankyo Group through in-house R&D. An example is the development of an automatic sorting robot for mixed waste. The ability to sort large quantities of waste enables a highly sustainable recycling business. Currently, we are conducting R&D on four other priority themes.

The second approach is contract R&D, including participation in projects of the New Energy and Industrial

Technology Development Organization (NEDO). Under the project Development of Technologies to Construct High-Efficiency Resource Recycling System, we are developing a system to automatically recover rare metals contained in used small home appliances such as mobile phones and digital cameras. Since 2020, we have also participated in the project Development of Innovative Plastic Resource Recycling Process Technology. To make recycled materials of the quality required by manufacturers, it is necessary to remove foreign matter from mixed waste and achieve a uniform quality level of plastics. We will automate this process with robotics



To efficiently recover rare metals from used small home appliances, we are developing a system to automate the sorting and dismantling of small home appliances to the sorting of rare metals.

technology. Resource recycling cannot be achieved by any single company. We would like to work with many companies and organizations to push forward development more vigorously and translate it into reality.

Our strength is that we have an abundant collection of resources in the form of waste, and that we can verify the feasibility of practical implementation within the Group because our customers are companies that use recycled materials so we are able to identify their needs. We feel a contradiction in that the more careful the selection process, the higher the cost and the more difficult it becomes to implement practically; however, we would like to break through this barrier with technology.



Makoto Yamada
Manager
of Technical Department,
Daiei Kankyo Co., Ltd.

About
the Daiei Kankyo Group

Special Features

Messages
from Management

Value Creation
and Growth Strategies

Enhancement of
Management Base

Data Section

Automatic dispatch system

Collecting and transporting waste requires extensive experience, such as arranging vehicles according to the type and volume of waste, and creating a vehicle dispatch plan that balances the orders. Furthermore, as a precursor to this, there is a large amount of incidental work, including handling customer orders and registering vehicles and drivers in the system. Automation—which has been a challenge for many years—has finally been achieved with our Web Reservation and Automatic Dispatch System. It went into partial operation in April.



A partner who can work together from different perspectives

I am researching technology and system development, evaluation, and practical implementation of waste and resource recycling and energy systems for the construction of next-generation social infrastructure. I met with representatives from Daiei Kankyo at the IoT Council of Waste Management and Recycling*, and realized that we shared a common understanding of the need for human resources development in this industry, which led to our joint research. The appeal of Daiei Kankyo is that it has a wide range of waste management and recycling sites and can collaborate from a variety of perspectives. I look forward to continuing to take on dynamic challenges together in the future.



Hiroshi Onoda
Waseda University
Professor and Dean of
the Graduate School of
Environment and Energy
Engineering

* Currently, the Council for Advanced Resource Circulation and Digitalization

A think tank that takes on the challenge of solving problems in the waste management industry

Daiei Kankyo Research Institute Co., Ltd. was established in 2018 as a think tank engaged in open innovation and incubation through industry-government-academia collaboration. In cooperation with the various departments of the Daiei Kankyo Group, we aim to create new services that do not exist anywhere else in the world, based on the concepts of Local Circular Ecological Spheres, carbon neutrality, and DX.

To select a project theme, we start by going into the field and listening to people's needs and issues. Then, we select those that aim to resolve social issues in line with the business strategies of the Daiei Kankyo Group. For example, in recent years, there have been frequent fires caused by the ignition of lithium-ion batteries mixed with waste in municipal and private

waste management facilities. If it is not possible to extinguish the fire early, the function of the facility will stop, and the social infrastructure of waste management will be disrupted. Therefore, in 2020 we developed an AI spark detection system jointly with Daiei Kankyo Co., Ltd. and EII, Inc. Currently, the system is installed in 10 locations within the Daiei Kankyo Group, approximately 10 other companies, and two municipalities.

Fires caused by lithium-ion batteries are a problem that did not exist 10 years ago. As the world changes, so does the garbage, and new challenges emerge. We hope to find solutions and contribute to solving problems not only in our own Group but also in the waste management industry as a whole. Fortunately, the Daiei Kankyo Group gathers waste

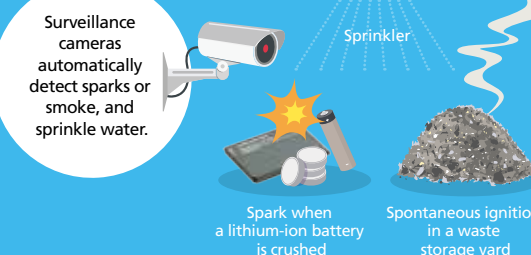


Ryota Tsubouchi
Director,
Daiei Kankyo Research
Institute Co., Ltd.

materials for recycling every day, so there is an environment where demonstration experiments can be conducted. We will cooperate with manufacturers—"artery" (manufacturing) companies—to promote co-creation in solution businesses.

AI spark detection system (Spark Eye®)

Within 0.05 seconds, image recognition AI technology can detect sparks generated when lithium-ion batteries are crushed. The system then automatically sprinkles water to prevent fires before they occur. Currently, development has progressed to the point of detecting the smoke stage before a fire breaks out. This reduces the risk of fire at night or when no one is around.



Employee growth leads to Group growth

Human resources development

We are developing an education system as part of building a foundation of a 100-year company

Strengthening human resources is essential for the sustainable growth of a company. Aiming to develop human resources who can practice the commitment to creation, innovation, and meeting challenges, the Daiei Kankyo Group is working to establish an education system and various other systems to support employee growth.

For employee training, we have established a systematic education system that includes Companywide training on the Daiei Kankyo Group Business Conduct Guidelines and compliance, as well as position-specific training, which is carried out at the time of promotion, and skills training by job category that applies across business sites. In recent years, as part of building a foundation of a 100-year company, we have also focused on expanding selective training with the aim of cultivating the next generation of executives and leaders.

Characteristics of selective training

Selective training is conducted for the purpose of developing department leaders and executive candidates. It consists of programs centered on business operations, promoting change, solving management problems, and management skills. A series of five to eight sessions (one session per month) is held for employees who have been recommended by each department or office.

Using learning to improve corporate value

Through selective training, I gained the ability to use frameworks to think about what the essence of a problem is from a broad perspective and the ability to reason logically.

My job is to develop an IR strategy for increasing corporate value and to engage in dialogue with investors. I would like to use the skills I have acquired to ensure the market prices our shares appropriately.



Tatsuya Nishino
Section Manager, Investor Relations Department, Corporate Strategy Planning Division, Daiei Kankyo Co., Ltd.

Education in each department

Position-specific training

- By department and job type
- Skills training system
Level: 1-3



Characteristics of position-specific training

Skills training system

To keep up with the expansion of the business and the increase in the number of employees, we launched a skills training system in the fiscal year ended March 31, 2020 to build a more systematic and unified education system. The program is divided into 10 specialized skill areas: collection and transportation, crushing and sorting, recycling, incineration, final disposal, weighing, safety, development, sales, and sales administration. The goals of the training are to maintain and improve skills, standardize skill levels, and pass on technology, experience, and know-how.

The training also promotes interaction that transcends the boundaries of departments and offices, helping to strengthen horizontal ties within the Group.

Aiming to raise the level of water treatment management

I am in charge of maintaining and managing a facility that treats leachate from a controlled final disposal site. In addition to deepening my understanding of water treatment technology, I was able to acquire new knowledge through the skills training, which was also useful for acquiring qualifications.

In the future, I want to deepen my knowledge of waste materials and further raise the level of my skills.



Seigo Nishioka
Water Quality Team, Water Treatment Group Operations Section II, Izumi Recycle Center Daiei Kankyo Co., Ltd.

Yasuhisa Ishikawa

Manager of Human Resources Department, Business Administration Division, Daiei Kankyo Co., Ltd.



We will promote the creation of an environment where each and every employee can work energetically with high motivation.

The most important issue in human resources development is to systematically nurture the leaders who will carry the Group forward into the future. Therefore, in the development of our education system, we are placing particular emphasis on the expansion of selective training. We will enhance our training programs by utilizing outside educational institutions and experts. In addition, to nurture outstanding management executives, it is necessary to cultivate a wide range of knowledge and expertise through experience in a variety of businesses and departments. We will therefore set up an effective job rotation system in cooperation with Group companies.

In terms of ensuring diversity, which is the foundation of our human resource capabilities, we have positioned the promotion of active participation by women as a particularly important issue, and are working to enhance and expand various systems related to parenting and childcare, as well as the creation

of a workplace environment that is comfortable for women to work in. We are also focusing on recruiting women, and the percentage of women who joined the Company as new graduates in April 2023 reached 38%, exceeding our target of 30%.

The primary mission of the Human Resources Department is to increase employee satisfaction with the Company and their jobs. In the fiscal year ending March 31, 2024, we will conduct an engagement survey and plan to further refine each of our policies based on the results.

Note: Various initiatives related to human resources are listed on pages 54 and 55.

Message from the President

**Fumio Kaneko**

President
and Representative Director,
Daiei Kankyo Co., Ltd.

We aim to be a corporate group that is even more trusted and needed by society.

Thoroughly strengthening corporate governance in preparation for our IPO

Daiei Kankyo Co., Ltd. was listed on the Tokyo Stock Exchange Prime Market on December 14, 2022. I would like to express my deep gratitude for the support of all our stakeholders, including customers, local residents, and shareholders.

The main objective of this stock listing was to strengthen our corporate governance. Daiei Kankyo started in 1979 in Izumi City, Osaka with four people including myself. Over the 40 years since then, we have achieved steady growth while meeting a wide range of social needs. In the years before the COVID-19 pandemic in particular, we grew steadily at an annual rate of 10%. Thanks in part to aggressive M&A promotion, the number of Group companies has increased to 32 and the number of employees to more than 2,000. With this rapid expansion, a new management issue emerged: the management of various Group companies and the strengthening of internal controls.

Our Company had always emphasized management that resembles a large family, with strong bonds among employees. However, in order for our Company to continue to grow in the future, it was necessary to break away from management depending on personal perspective and build a strong governance system that is appropriate for the size of the Company. Based on this common understanding, the management team made the decision to go public after thorough consideration. Establishing a Group management structure and various systems in line with Japan's Corporate Governance Code, which is required of listed companies, helps build strong governance. We decided to go public in 2019, believing it was the perfect time to do so, given our strong performance. After that, there were various difficulties, including the unexpected arrival of the COVID-19 pandemic, but we were able to achieve our initial goal of going public in a period of three and a half years.

Aiming to increase our visibility in anticipation of business development

In fact, we had another major goal in going public: to increase our name recognition and credibility in society.

As suggested by the Daiei Kankyo Group's basic sustainability policy, "The Future Comes from Trust," our

business cannot exist without the trust of our customers, municipalities, and local communities. For this reason, we have spent a long time building trust with municipalities and local residents, which has become a major strength of the Group today.

However, considering the future expansion of our business, including strategic expansion into new business areas and co-creation with various partners, we will need to increase our visibility and credibility as a company in a wider range of regions and fields than ever before. I believe that being a publicly traded company will have a significant effect on dispelling the negative impression often associated with waste management and creating a positive impression of a company with high management transparency. In addition to such direct effects on business development, I expect that it will have a major effect on improving the value of the Group in the recruitment market and on the morale of the Group's employees, and I am already seeing signs of this.

Achieving sales and profit growth in a challenging market environment

Business conditions in the first half of the current fiscal year (ended March 31, 2023) remained difficult due to the impact of the prolonged COVID-19 pandemic and the conflict in Ukraine, among other problems, which delayed companies' production activities and construction work. In the second half of the fiscal year, however, the economy picked up momentum, and in the Group's core business of waste management and recycling, the amount of waste received increased and eventually recovered to almost the same level of the previous fiscal year. Soil remediation also saw a significant increase in the volume received over the previous fiscal year thanks to orders for large spot projects from a wide range of areas. Earnings also improved at several subsidiaries acquired earlier through M&A.

As a result, for the current fiscal year, consolidated net sales totaled ¥67,658 million (up 4.1% year on year), operating profit was ¥16,623 million (up 29.5% year on year), and profit attributable to owners of parent amounted to ¥10,494 million (up 18.3% year on year).

We also made progress in improving and expanding our facilities in preparation for business expansion. At subsidiary Safety Island Co., Ltd. (Kobe City, Hyogo), we installed a new contaminated soil sorting (removal of foreign

Message from the President

substances) equipment in July 2022, and in the fall of the same year, we started operation of a methane fermentation facility and a composting facility with one of the largest treatment capacities in Japan at our Iga Recycle Center in Mie. As for controlled final disposal sites as well, expansion work on existing facilities in Mie (Iga City), Fukushima (Ono Town, Tamura District), and Hyogo (Miki City) has been completed, and operations have commenced. Compared to 2019, before the COVID-19 pandemic, the processing capacity at our recycling facilities has increased from 30,000 tons to 53,000 tons per day, and at our soil remediation facilities from 6,500 tons to 12,000 tons per day, both approximately 1.8 times higher. I expect that this will inevitably translate into earnings as economic activity recovers in the future.

Building on our advantage by expanding the scale of final disposal sites and incineration facilities

The Group's major strength lies in its one-stop system which covers everything from collection and transportation to intermediate treatment, recycling, and final disposal. In particular, our overwhelming competitive advantage in the industry is based on the fact that we operate several large-scale incineration facilities and final disposal sites, which have high barriers to entry because they require understanding from the local community, as well as the fact that our major facilities have licenses for general waste management. We intend to continue to leverage these strengths to achieve further business growth and increase our presence in the industry.

With regard to final disposal sites, we will continue to expand existing facilities at our seven sites across Japan. In the current fiscal year, we have obtained a facility modification permit to expand our existing disposal site in Wakayama (Gobo City), and preparations are underway to begin operations as soon as possible. As for incineration facilities, in May 2023 a facility with a daily capacity of 440 tons started operation in Hyogo (Miki City), bringing our current processing capacity to approximately 2,500 tons per day, which we plan to further increase to about 4,000 tons per day by the end of the fiscal year ending March 31, 2030. We are also planning to install incineration facilities with a processing capacity of 220 tons per day each in Hyogo (Nishinomiya City) and Osaka (Izumi City).

Nationwide expansion of PPP based on the idea of Local Circular Ecological Spheres

As we expand our existing business, we will also take on new challenges. One is the expansion of PPP projects through Local Circular Ecological Spheres.

Half a century after the Waste Management and Public Cleansing Act (usually shortened to the "Waste Management Act") was enacted in Japan, the time has come to reconsider various aspects of waste management and resource recycling. Under the Waste Management Act, municipalities are responsible for the disposal of household waste (general waste), most of which is handled at facilities owned by the municipalities themselves. However, many municipalities are facing a lack of tax revenue due to depopulation accompanying the declining birthrate and aging population, and are therefore facing difficulties in maintaining and operating publicly owned treatment facilities.

In light of this situation, the Group is working to create a new relationship with municipalities. Specifically, we want to create a system of local production for local consumption that transforms waste into resources and energy through PPP. At the core of the system will be incineration facilities for the integrated treatment of general waste and industrial waste generated from the region, built and operated by the Group.

This initiative is now underway, and we have already signed PPP agreements in three regions: Kumamoto (Kamimashiki District), Hyogo (Aioi City), and Osaka (Tadaoka Town, Senboku District). Municipalities across Japan are paying attention to this trial, and if it progresses smoothly, I expect similar partnerships to spread quickly throughout Japan. By 2030, we aim to sign PPP agreements in 12 regions across Japan and to start operating facilities in four of them.

Building a new system of resource recycling through co-creation with various partners

The global trends toward a circular economy and a decarbonized society are accelerating, and I see these trends as providing even greater growth opportunities for the Daiei Kankyo Group, which aims to be a company with the power to create better environments. For example, in response to Japan's Plastic Resource Circulation Act that went into effect on April 1, 2022, we applied for certification as an approved business operator to handle material recycling of waste plastic using the recycling facilities owned by the Group in collaboration with several companies, including food and daily commodity manufacturers. Two of our subsidiaries, Mie Chuo Kaihatsu Co., Ltd. and DINS Kansai Co., Ltd., were granted such certification in April 2023.

Furthermore, in August 2022 we started a demonstration project for the gasification and methanol synthesis using waste plastics, the first such project in Japan, jointly with a plant manufacturer and a chemical manufacturer. Currently, a demonstration plant has been installed at our subsidiary DINS Kansai to test the technology, and if it can be made profitable, a commercial plant will be constructed.

In addition, various collaborations with the materials

industry are expected to expand in the future, such as the use of CO₂ emissions and biomass as raw materials. I hope to further deepen our co-creation relationship with diverse partners and bring innovation to the world of waste management and resource recycling.

Promoting M&A with a view to improving our position through industry restructuring

For businesses rooted in local communities, nationwide expansion is impossible without co-creation with reliable local partner companies. We have therefore actively pursued an M&A strategy. More than half of the current Group companies joined our ranks through M&A, and many have returned to profitability since joining thanks to Group synergies. We intend to continue to proactively pursue M&A opportunities, particularly with intermediate treatment companies that are facing challenges in terms of business succession and performance.

In Japan, the combined market size of the four fields of industrial waste, recycling, general waste, and disaster waste is approximately ¥7.2 trillion, while the number of businesses is about 120,000, indicating that it is a quintessentially decentralized industry (one with many small players). Even the Daiei Kankyo Group, one of the largest operators, has only a 1% share of the industry. Considering the environment surrounding the market, I believe there is still room for industry restructuring.

Compared to the "artery" (manufacturing) companies such as manufacturers and distributors, which generate waste, the "vein" (waste management) companies including Daiei Kankyo have not been able to make their voices heard by the public. Until major "vein" companies on par with those in Europe and the United States emerge in Japan, they will not be able to speak out about environmental policies, nor will they be able to establish equal partnerships with the "artery" companies. I hope our listing on the TSE will serve as an opportunity to create momentum for the industry as a whole to work together to raise the bar.

Passing on the founding spirit to the next generation with the goal of being a 100-year company

This year marks 44 years since Daiei Kankyo was founded. There is no doubt that in the near future we will need a generational change in management. The current management team is united in their desire to lay a solid foundation for the Company so that we will be ready to pass the baton to the next generation with confidence when the time comes. That is the true meaning of building a foundation of a 100-year company, which we have



been advocating since 2016. The strengthening of governance triggered by our IPO has become part of this foundation that will enable the next generation to hit the ground running with stable and vigorous management.

I recognize that my greatest mission in building this foundation is to pass on the founding spirit to the next generation. The spirit of commitment to creation, innovation, and meeting challenges, which is enshrined in our management philosophy, is the driving force behind the Group's growth. This spirit conveys our desire for constant evolution—to change what needs to be changed in response to changes in the business environment, evolving market needs and technologies, and the changing values of society. Another thing that must be passed down is a good corporate culture. In a sense, the greatest strength of the Group, and one of the prerequisites for its sustainable growth, is the corporate culture that has been handed down since our founding—a culture that values each and every employee and imparts a strong sense of cohesiveness as an organization.

The key to all of this is, of course, people. Along with further strengthening Group governance, we will continue to focus on securing and developing human resources, our most important management resource. We will strive to enhance the human resource capabilities of the entire Group by recruiting more talented human resources than ever before, supporting the growth of each employee, and creating a more rewarding work environment as a listed company. With all these efforts, we aim to be a corporate group that creates so much value so that we will always be needed by society.

Fumio Kaneko

President and Representative Director,
Daiei Kankyo Co., Ltd.

Messages from Executives

Corporate Strategy Planning and Business Administration

Executing cash allocation to maximize corporate value

Yoshikazu Inoue

Vice President Responsible for Corporate Strategy Planning and Business Administration



Continuing to deploy an active M&A strategy

As the Vice President Responsible for Corporate Strategy Planning and Business Administration, I believe my primary mission is to distribute the cash earned through business activities toward the sustainable growth of the Group in the best way possible; in other words, to consider optimal cash allocation.

For the fiscal year ended March 31, 2023, the Company reported a significant increase in operating profit. While shareholder returns are of course an important part of the use of these funds, we also place importance on M&A investments. To date, the Group has expanded to about 30 companies through active M&A, and we intend to continue to do so in order to achieve sustainable growth. Companies that own intermediate treatment facilities such as crushing and sorting facilities are our main M&A targets, and we are currently in the process of selecting targets for each area of expansion in Japan. Particularly in the case of M&A of small companies, not all can be expected to generate profits in the short term, but we will proceed with PMI* with the goal of nurturing the companies as a stepping stone toward medium- to long-term growth. Since capital investment is also necessary for continued growth in response to the demands of the times, our current plan is to make capital investments of approximately ¥13 billion annually. When investment funds are concentrated in M&A and PPP, we anticipate a temporary shortage of cash on hand, but in such cases, we will consider bank loans to raise the necessary funds.

I also recognize that investing in human resources (human capital), which supports the foundation of a company, is an important issue. We are improving our education system to enhance each employee's abilities and support their aspirations.

Promoting the expansion of incineration facilities and final disposal sites

Among our wide range of services, the most profitable facilities are incineration facilities and final disposal sites. Further expansion of incineration capacity and final disposal capacity will be an important condition for the sustainable growth of the Group.

PPP through Local Circular Ecological Spheres are key to expanding incineration capacity. We have already signed agreements with three municipalities and established special-purpose companies in two locations to build incinerators on the municipalities' behalf and to adopt a new scheme to treat both general and industrial waste. I look forward to similar partnerships spreading throughout Japan in the future. With regard to final disposal sites, our stance is basically to expand existing sites and try to secure new sites when the opportunity arises.

Based on a relationship of trust with the local community

Our business is built on relationships of trust with local residents. In the past, each of our Group business locations has taken the time to build relationships of trust in their respective communities by participating in local events and other activities and hosting customer appreciation events at their site. Going forward, we will continue to focus on activities that help people get to know the Company and its employees better.

* PMI: Stands for "post-merger integration," which is an integration process to maximize the integration benefits after M&A

Enterprise and Technical

Pioneering a new era by promoting various forms of collaboration and co-creation

Nariyuki Ohta

Senior Managing Director Responsible for Enterprise and Technical



Taking the first step while minimizing risk

It is important to take the first step in the development of new technologies and services. It is hard to win a competition by just following the actions of those around you. On the other hand, investing blindly increases risk. What is vital is to collect and verify information on the market environment, customer needs, and technological trends to establish pioneering technologies and services while mitigating risks as much as possible. I also believe that the key to success in future technological development will not be to do everything ourselves, but rather to collaborate and co-create with companies in various different industries, and in some cases, with other companies in the same industry, as partners.

An example of this is the joint demonstration test we have been carrying out since August 2022 with a major environmental plant manufacturer and chemical manufacturer with the cooperation of Osaka Prefecture and Sakai City. The goal of this test is to develop a new chemical recycling technology to gasify miscellaneous difficult-to-recycle waste plastics, which were previously incinerated or landfilled, and to synthesize methanol, a key chemical product. The role of the Group in the demonstration test is to secure a certain amount of waste plastic as raw material, pre-process it to improve its quality as raw material using our own facilities, and then pass it on to the subsequent processes. We are currently in the process of starting production tests at a pilot plant with a view to commercialization. If methanol, which is made from natural gas, a fossil resource, can be produced from waste plastic, this will mark a significant contribution to the construction of a recycling-oriented society and the realization of a decarbonized society.

Responding to the needs of society and creating high-value-added services

The construction of Local Circular Ecological Spheres can also be described as a new form of co-creation. Energy centers will be established through joint investment with local governments and businesses, and various waste generated in the region will be converted into energy and recycled into resources, thereby returning new value to the region. I believe that if these new regional infrastructures take off as model cases, they will help solve the problems faced by many municipalities.

In addition to the development of high-value-added businesses, facilities, and services, I believe there is plenty of room to contribute to improving productivity and profitability in existing businesses and facility operations. Our IPO was an opportunity to make our business processes clearer and more transparent and to quantify how they correlate with costs, thereby increasing our cost-consciousness.

From the perspective of increasing corporate value, it is also important to respond to changing social demands. Our business has traditionally contributed to reducing greenhouse gas emissions in society as a whole, but with the trend toward carbon neutrality, there is an even greater need to reduce the emissions of our own business itself. Therefore, as one of our reduction measures, we plan to use the environmental value (non-fossil energy certificates) from the renewable energy generated at the Miki Biomass Factory, which began operation this year, to cover not only the Miki Recycle Center but also all of our headquarters building with renewable energy. By 2030, we intend to expand this system to the electric power of the entire Group to reduce the environmental impact of our business development.

Messages from Executives

Sales

Effective and efficient sales activities with medium- to long-term business goals in mind

Kazumasa Onaka

Junior Managing Director and General Sales Manager Responsible for Sales



Strengthening sales activities in three areas while sharing information

The primary mission of sales departments is, of course, to achieve the budget for each fiscal year. To that end, it is necessary to consider not only short-term numerical goals but also medium- to long-term business goals in the formulation of sales strategies. We recognize that it is important to conduct sales activities in a planned and strategic manner while constantly looking at how far we have progressed, what is missing, and what are the challenges to achieve these goals at the entire department level.

Our sales range has been expanding year by year, and now covers a wide range of areas with three sales departments in Kansai, Chubu, and Kanto. The Kanto Sales Department, which was established in 2014, is focusing on expanding its share in the Tokyo metropolitan area by strengthening its sales to private customers and proposing general waste management services for municipalities.

The first important step in new business development is information gathering. It is necessary to gather accurate information such as what needs and problems the customer has, to what degree they are interested in resource recycling, and where our competitors are, and decide the direction of the proposal as quickly as possible. To this end, the Sales Division holds monthly sales promotion meetings where managers at the Deputy Manager level and above from the three sales departments gather to share a variety of information, including the current status of each area, the progress of projects, and approaches to new urban planning and redevelopment projects. This enables us to formulate and implement timely and effective sales strategies.

Proposing services to local communities that contribute to a resource-recycling society

There are three key sales strategy themes for the current Medium-Term Management Plan period (fiscal year ended March 31, 2023 to fiscal year ending March 31, 2025).

The first is order-winning activities aimed at improving the utilization rate of new facilities. Our methane fermentation facility and composting facility in Iga City, Mie, began full-scale operation in the current fiscal year after trial operation since last fall, and in May 2023 a biomass power generation facility newly built in the Miki Recycle Center in Hyogo also began operation. To recover the capital investment made to date, we intend to further strengthen our order-winning activities with the goal of achieving a 100% utilization rate at the new facilities.

The second theme is strengthening our proposals in the plastics recycling field. In April 2023, the Group acquired certification for a plastic recycling plan under Japan's Plastic Resource Circulation Act (Article 48, Item 2). Further expansion of our plastic recycling business can be expected as a result. We have already signed contracts with several food companies and other companies that emit plastic waste, and we will continue to work to increase these contracts in the future. In addition, in each municipality, we will expand our carbon neutral-oriented sales initiatives such as the "bottle to bottle" initiative.

The third theme is expanding cooperation with municipalities based on the concept of Local Circular Ecological Spheres. In 2022, we launched projects to build new energy recovery facilities in collaboration with local companies in five towns in Kamimashiki, Kumamoto, as well as in Aioi City, Hyogo and Tadaoka Town in Senboku, Osaka. While monitoring the progress of these projects, we will expand proposals for waste management and resource recycling systems through PPP with municipalities across Japan.

Full-Time Audit & Supervisory Board Member

We want to be a company that constantly evolves to meet the needs of society and continues to be needed.

Akira Minemori

Full-Time Audit & Supervisory Board Member



All the answers to improving the Company can be found on-site

To be a sustainable company, in addition to the fact that the business we develop is useful to society, it is essential that we are respected by society. To achieve this, not only our Company but the industry as a whole needs to earn the public's understanding. As a leading company, I believe our important mission is to earn the public's trust by taking the initiative to strengthen governance and compliance.

Although Audit & Supervisory Board Members are not directly involved in business execution, our desire to see the Company improve is no different from that of other officers. I visit Daiei Kankyo Group sites all over Japan and listen to the voices of employees out of a belief that all the answers to improving the Company can be found on-site. By listening to people's worries and minor problems on my site visits, sometimes I can identify potential risks among them, which I then report to management as my personal opinion.

To be a company trusted by the public

Over the past few years, we have been working to reform our Group's governance while improving our organization and systems with the aim of listing on the TSE Prime Market. Today, almost all of our Group companies have corporate auditors, and liaison meetings are held regularly for all to gather and exchange information. In addition to the Audit & Supervisory Board, the Risk Management & Compliance Committee has been established to avoid risks and ensure compliance across the Group.

In this way, the Group's governance system is steadily improving, but what underpins sound corporate management is the awareness of each and every employee. In 2021, we reorganized our management philosophy, sustainability

policy, and employee code of conduct into the Daiei Kankyo Group Business Conduct Guidelines, which we hope to use to further raise compliance awareness and share awareness of issues throughout the Group.

Upholding a good corporate culture and putting the commitment to creation, innovation, and meeting challenges into practice

To be a 100-year company, we must be flexible enough to change our business activities in response to changes in society. The Daiei Kankyo Group must never settle for the status quo, just as it never has in the past. The only way to continue to be a company needed by society is to consistently take on new challenges and change what we do to meet the demands of society.

On the other hand, I believe we should also cherish the good corporate culture inherited from our founding—a culture of putting in an honest day's work without complaint even in bad weather, and a culture of compassion and solidarity in which people extend their warm hands to their colleagues in need. Losing that culture is a major risk to the future of the Group. The origin of the current PPP project was the employees' genuine desire to help the many people affected by the earthquake. I hope that the Company will continue to grow by upholding its good corporate culture while putting its management philosophy of the commitment to creation, innovation, and meeting challenges into practice.

Messages from Outside Officers

Outside Directors



Kazumasa Murai
Outside Director

It is important to instill a spirit of legal compliance and a corporate culture of integrity in all employees.

Since becoming a Director in June 2021, I have used my knowledge and experience as a certified public accountant to make management judgments regarding the appropriateness of the Company's decision-making and business execution from an independent perspective, with the goal of establishing our management system as a listed company. Furthermore, as chair of the Nomination & Remuneration Advisory Committee, I am tasked with certifying the appropriateness of the selection of candidates for Director and the amount of remuneration for Directors, and with considering mechanisms for determining remuneration that ensure objectivity and transparency.

The Board of Directors is composed of people who have built the Daiei Kankyo Group. They make appropriate decisions from a medium- to long-term perspective based on an understanding of the environment surrounding the Company, including market trends. Regarding remuneration for members of the Board of Directors, I can say that the system is functioning properly and that the amounts of remuneration are appropriate when the degree of contribution to the Company is taken into account. I believe that selecting and training the next generation of Directors will be an important issue in the future.

Our corporate governance approach is rooted in a high level of awareness of compliance with environmental laws and regulations, and we have also fostered a corporate culture that values local residents. I believe that instilling this awareness and corporate culture in everyone, including mid-career employees and employees who participated in the Company through M&A, will further strengthen Group governance.

Going forward, it will be important to promote land acquisition, capital investment, and M&A from a medium- to long-term perspective while steadily implementing our internal management system. I will endeavor to continue to make management decisions from an objective standpoint and from a broad, medium- to long-term perspective in order to enhance corporate value.



Tomoko Murakami
Outside Director

I look forward to technical capabilities that will achieve a high level of both waste management and environmental protection.

During the fiscal year ended March 31, 2023, I attended Board of Directors' meetings throughout the year and endeavored to use my legal expertise to pose questions and make recommendations to reflect the interests of ordinary shareholders in decision-making. Other Outside Directors also spoke out from the perspective of risk elimination, and I believe we were able to fulfill our required roles as Outside Directors to a considerable extent.

Since compliance with laws and regulations, including Japan's Waste Management and Public Cleansing Act, is a major prerequisite for our business, awareness of compliance with laws and regulations is firmly rooted throughout the Company. The Company is also strengthening its system to swiftly deal with fraud and other wrongdoing, and has put in place basic information communication channels to handle reports from internal and external contact points, including internal investigations by Audit & Supervisory Board Members followed by deliberations by the Risk Management & Compliance Committee. I believe it is important to continue to check the internal control system from the perspective of whether it is operating properly. In addition, due to the nature of our business, there are a certain number of employees and temporary workers who are involved in hazardous work on-site. Therefore, from my standpoint as an Outside Director, I will continue to call for unremitting efforts to ensure their safety.

We were able to go public because it was recognized that we, including our Group companies, provide high value as part of the social infrastructure. I believe that we can further increase our reputation by achieving a high level of both waste management and environmental protection, both of which are vital for the sustainability of society. I also believe that by continuing to perform analysis and information disclosure in compliance with the Task Force on Climate-related Financial Disclosures (TCFD), various risks will be minimized and new value will be created.

Outside Audit & Supervisory Board Members

Ryuta Uozumi
Outside Audit &
Supervisory Board Member



With the IPO, an internal control system was established. In the future, we will need to develop human resources who will play a central role in our management strategy.

It has been three years since I was appointed as an Outside Audit & Supervisory Board Member. I recognize that my most important duty under Japan's Companies Act is to audit the legality of the execution of business by the Representative Directors and other Directors in accordance with laws, regulations, and the Articles of Incorporation. Based on this recognition, I have made statements at the Board of Directors' meetings on topics such as complying with standards of deliberation and consideration for the interests of general shareholders, and have tried to provide reference information that will help stimulate discussion.

The Daiei Kankyo Group's internal control and compliance systems have improved dramatically compared to three years ago when we started preparations for our IPO. Our listing on the TSE has contributed significantly to the establishment and strengthening of internal controls. The management team has also changed its "private company" perspective and is striving to fulfill its role as a "public institution of society." I feel that awareness among employees is also steadily increasing.

However, in its relation to management, the current Board of Directors is still largely an executive body, whereas in the future, I believe it should function more as a supervisory body. I think it is appropriate to transfer the execution of management to the Group Management Meeting, and shift the Board of Directors to a role centered on formulating strategies for medium- to long-term management plans and supervising business execution. This will require cultivating Executive Officers who can take charge of management execution.

To further enhance the corporate and business value of the Daiei Kankyo Group, it is important to formulate a medium- to long-term management strategy based on the management philosophy, with full consideration of sustainability and incorporating human capital management. My hope is that we can cultivate talent in large numbers who can put this into practice.

Noriko Kitajima
Outside Audit &
Supervisory Board Member



Evaluate the governance system based on a sincere and honest corporate culture.

In addition to conducting legality audits based on my knowledge as a lawyer, I have also been trying to make suggestions and arguments to the Board of Directors that take into account the interests of all stakeholders, including shareholders, based on the intent of the Corporate Governance Code and compliance in a broad sense.

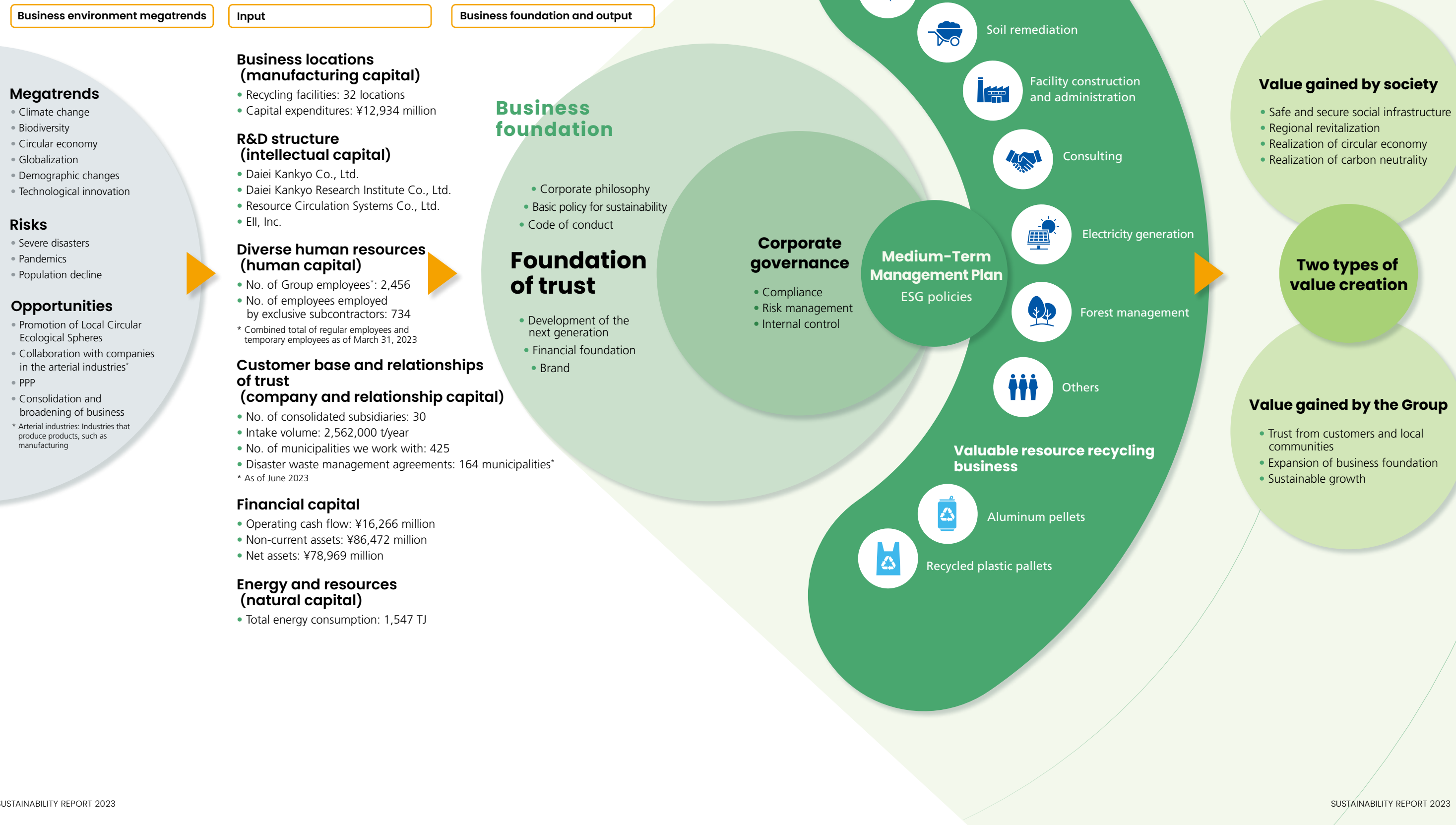
The Board of Directors respects the opinions of its outside officers and has an attitude of proactively discussing issues with all members, which I believe ensures its effectiveness. Daiei Kankyo's corporate governance is characterized by a high sense of compliance on the part of the management team and a well-designed governance system based on the sincere and honest corporate culture that has existed since its founding. Governance is also functioning well at its subsidiaries. I also appreciate the fact that the Company is constantly reviewing the way each system is structured, not forgetting the perspective of improvement.

On the other hand, from a medium- to long-term perspective, the issue will be the selection of officers with diverse backgrounds, both inside and outside the Company, with an awareness of the skills matrix. I believe that more time spent discussing management strategy issues with a diverse group of people will increase the effectiveness of the Board. For this reason, we need to focus on the diversity of our candidates for internal officer positions.

To enhance the corporate value of the Daiei Kankyo Group, it is important to continue its proud business activities with an aim of becoming a leading company, while striving to spread the trust and resource recycling systems it has cultivated throughout society. I will endeavor to present diverse perspectives and contribute to the development of an effective governance structure and internal environment that supports the Group's business.

Value Creation Process

Aiming to resolve various social issues and realize a sustainable society, the Daiei Kankyo Group will further focus on ESG policies aimed at creating new value in a number of business fields, including the waste-related business and the valuable resource recycling business.



Medium-Term Management Plan

Steadily Building a Foundation of a 100-year company

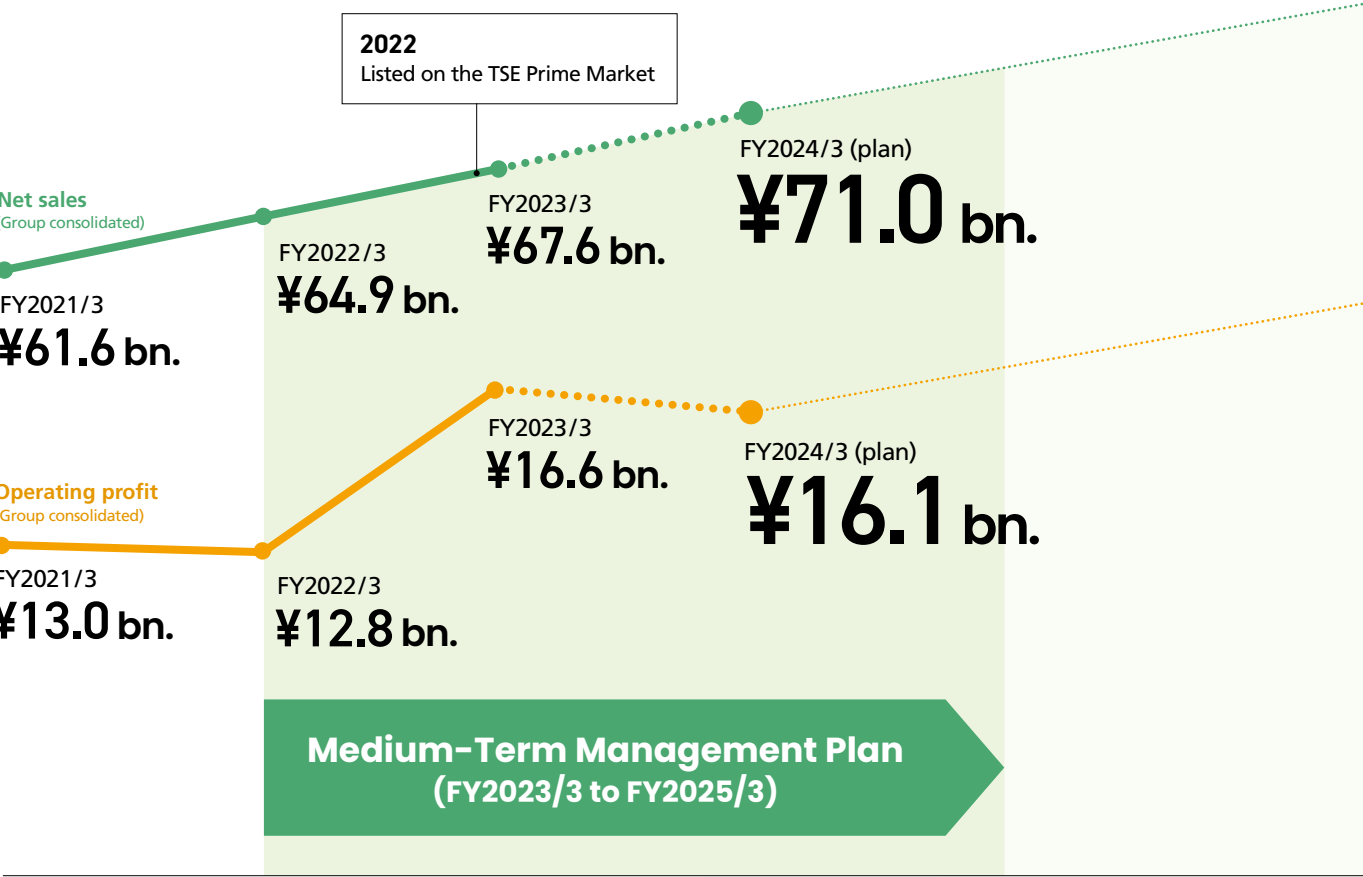
Background for formulating the Medium-Term Management Plan (FY2023/3 to FY2025/3) and key measures

Half a century after the Waste Management and Public Cleansing Act was enacted in Japan, the time has come to reconsider the way waste management and resource recycling are done in a social context that demands a circular economy and decarbonization.

The Daiei Kankyo Group will change the way waste management is done by promoting the creation of a system of local production for local consumption that transforms general waste and industrial waste generated from the community into resources and energy through integrated treatment, while continuing to expand community-based businesses to areas across Japan.

With regard to changing the way resources are recycled, we will collaborate on the chemical recycling of waste plastics and the use of CO₂ and biomass as raw materials with the materials industry, which is in the process of transforming into a carbon recycling-type production process. To that end, we will continue our work to create services that improve productivity through the use of digital technology, services for CO₂ visualization, and traceability services.

Based on this Medium-Term Management Plan, the Daiei Kankyo Group will focus on Local Circular Ecological Spheres, decarbonization, and DX, which are necessary for sustainable growth.



Consolidated performance targets in the Medium-Term Management Plan

Indicator	FY2022/3 (actual)	FY2023/3 (actual)	FY2024/3 (plan)
Net sales	¥64.9 bn.	¥67.6 bn.	¥71.0 bn.
EBITDA margin ¹	30.5% (EBITDA ² ¥19.8 bn.)	32.9% (EBITDA ¥22.2 bn.)	32.1% (EBITDA ¥22.8 bn.)
Operating margin	19.8% (operating profit ¥12.8 bn.)	24.6% (operating profit ¥16.6 bn.)	22.7% (operating profit ¥16.1 bn.)

¹ EBITDA margin: EBITDA (operating profit + depreciation + amortization of goodwill) / net sales
² EBITDA: Operating profit + depreciation + amortization of goodwill

Shareholder returns

Indicator	FY2022/3 (actual)	FY2023/3 (actual)	FY2024/3 (plan)
Dividends per share	¥30	¥34	¥34
Consolidated dividend payout ratio	30.7%	30.3%	32.6%

- Planned consolidated dividend payout ratio is 30% or higher
- Aiming to achieve sustainable and stable shareholder returns while continuing capital investment for growth in the future

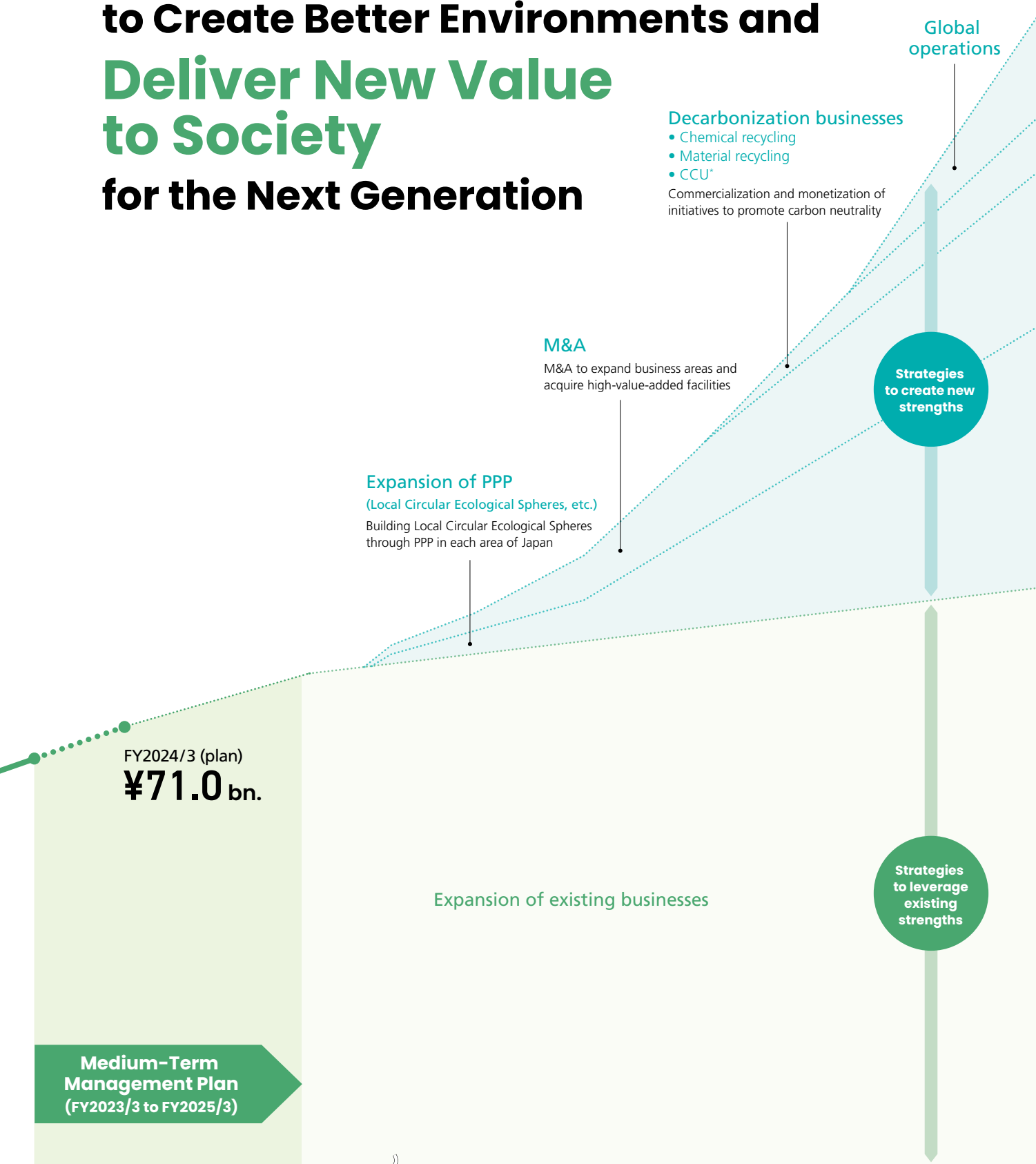
Growth strategies and goals for value creation

■ ESG policies relating to growth strategies Details and progress on pages 45–46			
□ ESG policies relating to the enhancement of management base Details and progress on pages 47–62			
E Environ- ment	Recycling Business Handle organic waste, food waste, plastics, gypsum board, metal resources, mixed waste, sludge, etc.	Incineration and Heat Treatment Facilities High-efficiency heat recovery Double processing capacity by FY2030/3	Final Disposal Site Secure remaining portion of required capacity ³ by 100th anniversary of our founding (FY2080/3)
	Collaboration with Local Partners Expand business areas throughout Japan		
S Society	Local Circular Ecological Sphere Execute PPP agreements with 12 municipalities by FY2030/3	General and Disaster Waste Disposal Plan Formulate plans for 27 municipalities (cumulative) by FY2025/3	Disaster Agreement Execute agreements with 200 municipalities (cumulative) by FY2025/3
	DX Promotion Local Social Business	Forest Management	Diversity Promotion
G Governance		Creation of Brand Value	Human Resources Development
		Strengthening of Corporate Governance Initiatives	Disclosure of Financial and Non-Financial Information

³ The remaining portion of required capacity for final disposal sites is based on the estimated landfill space required through the fiscal year ending March 31, 2080, assuming that the development of the resource recycling system progresses as expected.

The Future Vision of the Daiei Kankyo Group

Evolving as a Company with the Power to Create Better Environments and Deliver New Value to Society for the Next Generation



Aiming to strengthen competitiveness and expand market share by creating new value

As strategies to create new strengths, we will continue to actively invest in Local Circular Ecological Spheres, decarbonization, and DX, which are key measures in the Medium-Term Management Plan, thereby strengthening competitiveness in the industry. In particular, we will not only contribute to waste recycling and energy generation through integrated treatment of general waste and industrial waste through PPP but also focus on building Local Circular Ecological Spheres centered on waste management facilities to resolve social issues such as local decarbonization, job creation, and use of such facilities as disaster response centers.

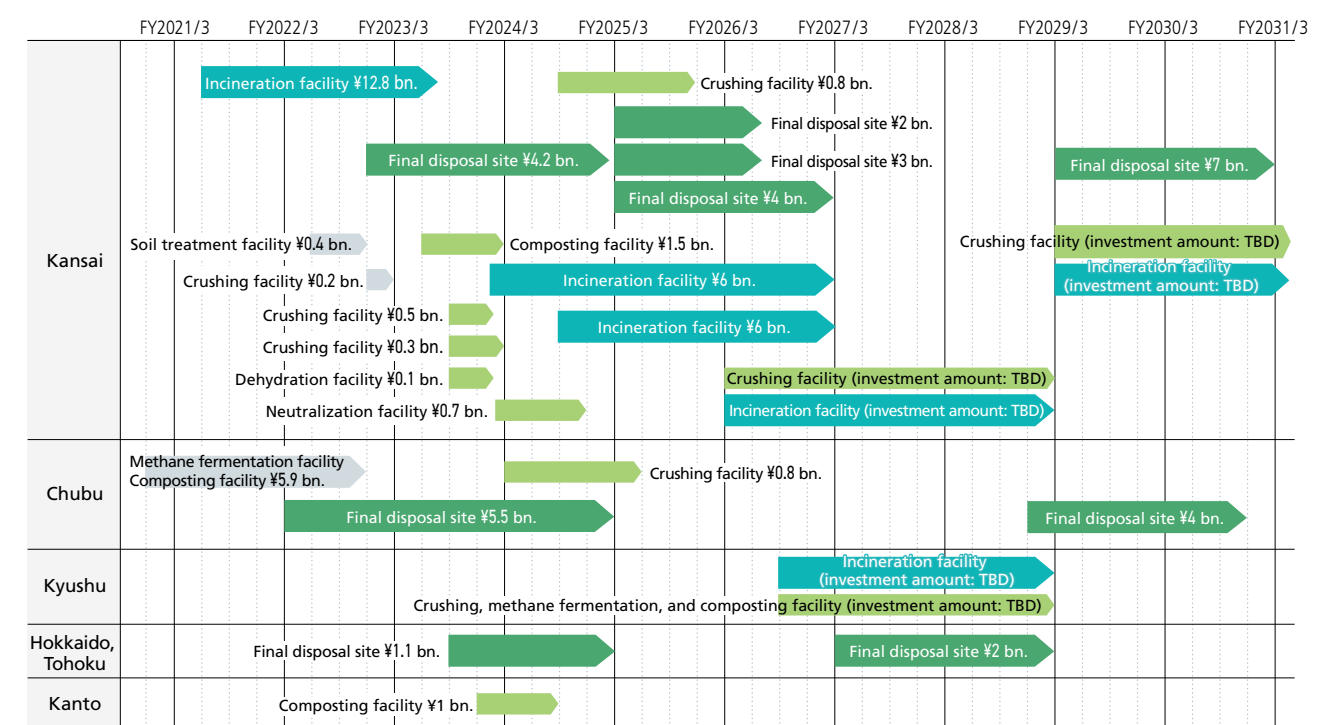
We will also promote M&A aimed at industry restructuring. In the Japanese waste management industry, where the majority of companies are small and medium-sized enterprises, we aim to expand our business area and create synergies through M&A, backed by our track record of expanding the Group by making acquisitions into subsidiaries.

Building a foundation for a 100-year company by strengthening existing businesses and reducing the landfill burden

In anticipation of the development of the circular economy, we have increased the processing capacity at our recycling facilities by approximately 1.8 times compared to 2019, before the COVID-19 pandemic. We will continue to expand existing facilities, including doubling the processing capacity of our heat treatment facilities. In addition, to increase the amount of waste received, we aim to start stable operation of large-scale treatment facilities as soon as possible, such as our methane fermentation facility and composting facility, which have been in operation since 2022, and our Miki Biomass Factory, while aiming to flexibly respond to changes in waste composition due to changes in lifestyles.

Furthermore, we will strive to reduce the landfill burden by eliminating the landfill disposal of recyclable materials and organic waste from 2030 onwards. We will proceed steadily toward our goal of building a foundation of a 100-year company through continuous expansion and new construction to secure the remaining portion of the required capacity of our final disposal sites by the fiscal year ending March 31, 2080, the 100th anniversary of our founding.

Capital investment plan to expand existing businesses



Note: As of March 31, 2023. Mie Prefecture is included in the Chubu region.

* CCU: Stands for "Carbon dioxide Capture and Utilization," which aims to reduce carbon emissions by replacing products such as conventional fossil fuel-derived fuels and chemicals with products made from CO₂.

Business Results and Outlook for the Next Fiscal Year

During the fiscal year ended March 31, 2023, the Japanese economy showed a gradual recovery in capital investment, personal consumption, and other aspects, as restrictions on activities due to the COVID-19 pandemic eased, despite economic activity showing signs of stagnation at the beginning of the year due to soaring prices of energy, parts, and materials caused by factors including the worsening situation in Ukraine.

Under these circumstances, the volume of waste received, the mainstay of our waste-related business, began to increase, while the volume of soil contamination received increased significantly. Our valuable resource recycling business also saw an increase in net sales.

For the fiscal year ended March 31, 2023, net sales totaled ¥67,658 million (up 4.1% year on year), operating profit was ¥16,623 million (up 29.5% year on year), ordinary

profit amounted to ¥16,702 million (up 25.5% year on year), and profit attributable to owners of parent was ¥10,494 million (up 18.3% year on year).

Operating margin improved by 4.8 points year on year to reach 24.6%, and EBITDA¹ was ¥22,250 million (up 12.2% year on year), while the EBITDA margin² improved by 2.4 points year on year to reach 32.9%.

1 EBITDA: Operating profit + Depreciation + Amortization of goodwill
2 EBITDA margin: EBITDA (operating profit + depreciation + amortization of goodwill) / Net sales

Business segment	Service category and percent of net sales	Net sales (Millions of yen)	Segment profit (millions of yen)	Actual results from FY2023/3	Forecast for FY2024/3
Waste-Related Business Net sales ¥65,472 million Segment profit ¥16,715 million Segment profit margin 25.5 %	 Waste management and recycling Percent of net sales 83.5 %	2022 56,263 2023 56,489 2024 60,039 (Fiscal year ended/ending March 31)		In the first half of the year, the volume of waste received decreased due to stagnant economic activity caused by soaring costs of energy, parts, and materials. In the second half, the economy began to recover in the fall, and the volume received showed an increasing trend. In the fourth quarter, the volume turned positive compared to the same period of the previous fiscal year, and for the full year, the volume was almost unchanged at 1,893,000 tons (down 0.4% year on year). In addition, Safety Island Co., Ltd., a subsidiary that has been renovating its facilities, and Tohoku Eco Clean Co., Ltd., a subsidiary that began operations in July 2022, contributed to improved profits. As a result, net sales were ¥56,489 million (up 0.4% year on year).	Despite continuing high levels of uncertainty, we expect the volume of discharge to increase as large-scale development projects such as the Expo 2025 Osaka, Kansai get underway. Our methane fermentation facility and composting facility in Iga City, which opened in fall 2022, are in full operation, and the Miki Biomass Factory has been in operation since May 2023, resulting in the increased amount of waste received. Based on this, we expect to increase sales. The volume of contaminated soil received is expected to remain at the same level as in the previous fiscal year due to the continued intake of large-scale spot orders and redevelopment construction. In addition, we aim to further increase sales by developing sales through the use of facilities certified under the Plastic Resource Circulation Act, with a view to promoting decarbonization and the shift to a circular economy.
	 Soil remediation Percent of net sales 8.8 %	2022 3,915 2023 5,970 2024 5,938 (Fiscal year ended/ending March 31)	2022 12,975 2023 16,715 2024 16,260 (Fiscal year ended/ending March 31)	The volume of contaminated soil received was 668,000 tons (up 64.3% year on year), a significant increase, due to orders received for redevelopment construction in the Kansai region and spot orders in a wide range of areas throughout the year. In addition, taking advantage of our strength in having facilities that can handle all types of treatment methods, we received orders for naturally occurring contaminated soil and difficult-to-treat materials, resulting in net sales of ¥5,970 million (up 52.5% year on year).	The net sales forecast for the fiscal year ending March 31, 2024 is as follows. • Waste management and recycling ¥60,039 million (+6.3% year on year) • Soil remediation ¥5,938 million (-0.5% year on year)
	 Others Percent of net sales 4.5 %	2022 2,975 2023 3,012 2024 3,099 (Fiscal year ended/ending March 31)		Net sales • Facility construction and administration ¥1,980 million (-8.4% year on year) • Consulting ¥631 million (+48.9% year on year) • Electricity generation ¥278 million (-0.9% year on year) • Forest management ¥52 million (+11.2% year on year) • Other ¥69 million (+14.0% year on year)	We aim to win new orders by leveraging the know-how of the Dai-ichi Kankyo Group to deepen our ties with customers, while aiming to expand orders for support services and research services based on customer requests. With these efforts, we expect to increase sales.
Other Business (Valuable Resource Recycling Business) Net sales ¥2,185 million Segment profit ¥134 million Segment profit margin 6.2 %	 Aluminum pellets Percent of net sales 2.4 %	2022 1,394 2023 1,624 2024 1,352 (Fiscal year ended/ending March 31)	2022 106 2023 134 2024 143 (Fiscal year ended/ending March 31)	Although the sales volume of aluminum pellets decreased due to declining demand caused by a shortage of semiconductors and the consolidation of steel manufacturers, net sales were ¥1,624 million (up 16.5% year on year) thanks to high aluminum prices.	The aluminum market price is weak compared to the previous fiscal year, and the slump in demand for aluminum pellets is expected to continue; therefore, we anticipate a decline in sales accordingly. We will continue to strengthen sales to our customers and expand our market share through stable supply, aiming to increase net sales.
	 Recycled plastic pallets Percent of net sales 0.8 %	2022 443 2023 561 2024 606 (Fiscal year ended/ending March 31)		The sales volume increased due to new customer development promoted in the second half of the year, combined with an increase in production volume thanks to the operation of pallet forming equipment added in June 2022. As a result, net sales amounted to ¥561 million (up 26.6% year on year).	We expect net sales to increase in line with the increase in sales volume due to the effect of new customer development focused on in the previous fiscal year.

Growth Strategies for Value Creation (ESG Measures) and Their Progress

E Environment

Measures (announced in May 2022)

FY2023/3 progress

1 Construct methane fermentation and composting facilities for recycling organic waste	- We will start operation of methane fermentation (planned capacity: 320 tons/day) and composting (planned capacity: 92 tons/day) facilities with one of the largest processing capacities in Japan at the Mie Recycle Center in November 2022. - The composting facility at the Miki Recycle Center will gradually increase its capacity (currently 55 tons/day→planned capacity: 157.5 tons/day; full operation in April 2024).	- Iga methane fermentation facility started operation in November. - Iga composting facility started operation in October.   Iga methane fermentation facility Iga composting facility
2 Double the processing capacity of heat treatment facilities and study the feasibility of introducing CCUS	- The Miki Biomass Factory (planned capacity: 440 tons/day), which co-fires various waste materials with biomass resources such as waste wood and food scraps, will start operation in June 2023. - Processing capacity of heat treatment facilities will be doubled by the end of the fiscal year ending March 31, 2030 through the upgrade of existing facilities to high-efficiency heat recovery facilities and the development of self-sustaining, decentralized regional energy centers based on local production for local consumption. - We will study the feasibility of introducing CCUS with the aim of greater compatibility with decarbonization.	- Construction of the Miki Biomass Factory was completed as planned, and operations began in May 2023. - With the Miki Biomass Factory online, heat treatment capacity increased to 2,507 tons/day from 2,067 tons/day.   Miki Biomass Factory Miki Biomass Factory (turbine room)
3 Secure the remaining portion of the required capacity of final disposal sites	- Continuous expansion and new construction of final disposal sites by the fiscal year ending March 31, 2080, the 100th anniversary of our founding. - We aim to reduce the landfill volume by eliminating the landfill disposal of recyclable materials and organic waste from the fiscal year ending March 31, 2031 onwards when the circular economy is expected to be developed.	- In May 2022, Mie Chuo Kaihatsu Co., Ltd. began operations. - In July 2022, Tohoku Eco Clean Co., Ltd. began operations. - In August 2022, Miki Recycle Center began operations. - In December 2022, Gobo Recycle Center received an industrial waste management facility installation permit from Wakayama Prefecture.   Controlled final disposal site (8th period) in Mie Tohoku Eco Clean controlled final disposal site
4 Strengthen R&D	We will work on the chemical recycling of waste plastics and the use of CO₂ and biomass as raw materials, based on the results of studies to develop an advanced sorting technology and petrochemical raw material technology that will contribute to plastic resource recycling, and the results of studies to automate and enhance work processes using automatic sorting plants to contribute to the construction of highly efficient resource recycling systems, as part of a contract R&D project from the New Energy and Industrial Technology Development Organization (NEDO).	- In August 2022, a demonstration project for the gasification and methanol synthesis of waste plastics started in cooperation with partner companies. - Third year of NEDO contract project was completed. Interim evaluation was carried out, with stage gate passed.  NEDO commissioned project (plastic resource recycling)

S Society

Measures (announced in May 2022)

FY2023/3 progress

1 Build Local Circular Ecological Spheres	- To contribute to expenditure reform for administrative fiscal soundness through efficient infrastructure development by the private sector, we will sign public-private partnership agreements with 12 municipalities across Japan by the end of the fiscal year ending March 31, 2030. - At four of these locations, we will build Local Circular Ecological Spheres with the goal of starting operations, and aim to expand our business area through integrated treatment of general waste and industrial waste.	- In May 2022, we established a new company, Symfives Co., Ltd., with the Ishizaka Group to promote Local Circular Ecological Spheres. - In February 2023, we and partner companies signed a PPP agreement with the town of Tadaoka in Senboku District, Osaka for the Regional Energy Center Development and Operation Project (tentative name). In March, we established a new company, Tadaoka Eco-Service Co., Ltd.  Tadaoka Town signing ceremony
2 Enhance disaster preparedness	- We will increase the number of disaster cooperation agreements concluded with municipalities to 200 by the end of March 2025 in order to expand the areas covered by agreements. - We will fulfill our social mission by supporting the formulation of disaster waste management plans and general waste management plans.	- As of the end of March 2023, 154 municipalities have signed disaster cooperation agreements. - The general waste management basic plan for Chita City, Aichi was formulated. - The disaster waste disposal plans for Awaji City, Hyogo and Inami Town, Kako District, Hyogo were formulated.  Disaster agreement signing ceremony in Iwata City, Shizuoka
3 Expand human resources development	- Through regular personnel rotations, we will ensure effective mutual cross checking and to place the right people in the right positions to promote skill development, thereby improving Companywide productivity. - We will recruit the human resources required in accordance with the progress of each measure, while aiming to ensure that all executives and employees share the Company's direction.	- Employment rate of persons with disabilities as of June 2022 reached 3.8%. - About 80% of retirees during the fiscal year ended March 31, 2023 were re-employed. - In the fiscal year ended March 31, 2023, ratio of female new graduates hired (four-year college graduates and above) was 26.7%, and ratio of female managers 3.6%. We were certified as a "Mimosa Company" by Hyogo Prefecture and Kobe City.   Special subsidiary company DINS Mirai Co., Ltd. Obtained "Mimosa Company" certification

G Governance

Measure (announced in May 2022)

FY2023/3 progress

1 Strengthen disclosure of financial and non-financial information	We aim to implement information disclosure in compliance with the Task Force on Climate-related Financial Disclosures (TCFD) in the future on our actions to curb climate change aimed at 2030 and 2050 and how we are responding to rapidly changing social systems.	- We established the Sustainability Promotion Committee in September 2022 (met twice). - We formulated the Basic Policy for Sustainability. - We made 11 key information disclosures, including timely disclosures, and 68 other information disclosures on the website.  Sustainability Promotion Committee
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Sustainability Promotion Framework / Environment

Our approach to sustainability

The Daiei Kankyo Group's business cannot exist without the trust of its customers and local communities. We aim to realize a sustainable society based on our Basic Policy for Sustainability, which states, "The Future Comes from Trust."

Sustainability promotion framework

Daiei Kankyo Co., Ltd. has established the Sustainability Promotion Committee chaired by the President and Representative Director. The committee discusses various sustainability-related policies as well as risks and opportunities at least twice a year, and reports the results of these discussions to the Board of Directors. The Board of Directors then makes decisions and supervises important matters based on the reports from the committee.

In the fiscal year ended March 31, 2023, the Sustainability Promotion Committee held discussions centered on formulating the Basic Policy for Sustainability and identifying risks and opportunities for disclosure in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

In April 2023, we established the Sustainability Promotion Department under the Corporate Strategy Planning Division. In addition to serving as the secretariat of the Sustainability Promotion Committee, the department collaborates with other departments, offices, and Group companies to plan and draft ESG policies and manage their progress.

Sustainability promotion framework



Information disclosure
based on TCFD recommendations

Starting in the fiscal year ended March 31, 2023, Daiei Kankyo Co., Ltd. has been preparing information disclosure in the four areas recommended by the TCFD (governance, strategy, risk management, and metrics and targets), and announced its support for the TCFD recommendations in June 2023.



Governance

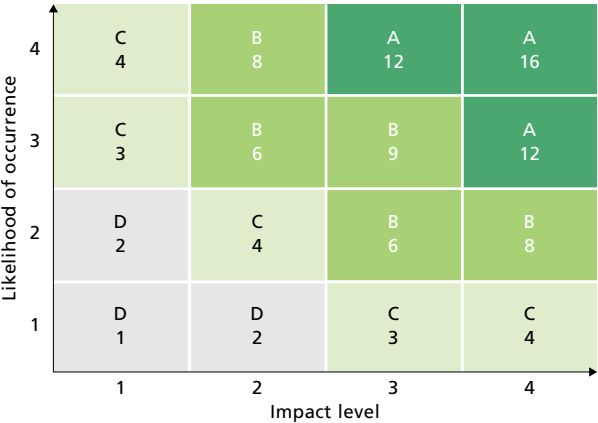
The Sustainability Promotion Committee assesses various climate change-related policies and risks and opportunities, and reports the results of these assessments to the Board of Directors. In addition, the Sustainability Promotion Department under the Corporate Strategy Planning Division, which serves as the secretariat of the committee, plans and drafts measures related to climate change, and coordinates with various departments, Group subsidiaries, and committees.

Risk management

Overall sustainability risks, including climate change, are identified and assessed by the Sustainability Promotion Committee (at least twice a year). Other Companywide risks are identified and assessed by the Risk Management & Compliance Committee chaired by the President and Representative Director (at least four times a year).

Risk and opportunity map

- A Risk reduction measures must be immediately implemented for improvement
- B Mitigation measures must be implemented for improvement
- C It is recommended that risk reduction measures be implemented as necessary for improvement
- D This is an acceptable risk, with no improvement required



Both committees determine materiality based on uniform judgment criteria (a risk and opportunity map) and make additional changes to risk items or revise their materiality in response to changes in the external environment such as laws and regulations. In addition, risks deemed to be of high materiality by each committee are reported or brought to the Board of Directors for discussion, thereby ensuring integrated management of risks for the entire Company.

Strategy

To formulate a strategy for climate change, we carried out scenario analyses using both 1.5°C and 4°C climate change scenarios for the four major companies in the Daiei Kankyo Group (Daiei Kankyo Co., Ltd.; Mie Chuo Kaihatsu Co., Ltd.; DINS Kansai Co., Ltd.; and Geo-Re Japan Inc.), and discussed the analysis of risks and opportunities in waste management and recycling and soil remediation, as well as measures to address them. In the future, we plan to expand the scope of analysis to the entire Group and enhance information disclosure.

Scenario analysis assumptions

Condition	Description
Scope	The companies covered were Daiei Kankyo Co., Ltd.; Mie Chuo Kaihatsu Co., Ltd.; DINS Kansai Co., Ltd.; and Geo-Re Japan Inc. The two businesses covered were waste management and recycling, and soil remediation, which are the main businesses of the Daiei Kankyo Group. The combined net sales of these four main companies account for 80% of the consolidated net sales of the Daiei Kankyo Group as a whole. The scenario analysis does not reflect the steady-state business growth (BAU growth) expected for each company in the future.
Timeline	Medium term (to 2030), long term (to 2050)
Scenario definition	The following two scenarios were considered: (1) The 1.5°C scenario, in which the transition to a decarbonized society progresses (2) The 4°C scenario, in which no measures to combat global warming beyond the status quo are expected
Main data sources consulted	Scenarios of the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report Scenarios of the International Energy Agency (IEA) World Energy Outlook 2022 Japanese Ministry of the Environment's Draft Medium- and Long-term Scenarios toward Zero Greenhouse Gas Emissions in the Waste and Resource Recycling Sector by 2050

Scenario analysis result: 1.5°C scenario

Events		Impact on the Company	Materiality ¹		Incorporation into main strategies
			Medium term	Long term	
Tighter regulations on greenhouse gas emissions (implementation of decarbonization)	Risk	Decrease in earnings due to carbon tax burden	A	A	Introduce highly efficient sorting process Expand methane and incineration power generation businesses
	Opportunity	Reduction of greenhouse gas emissions and carbon tax burden through promotion of energy conservation and increased use of renewable energy	B	B	
Decrease in waste generation	Risk	Decrease in received volume	B	A	Introduce and expand resource recycling systems
Promotion of strategies to eliminate plastics	Risk	Intensifying competition due to the entry of major "artery" (manufacturing) companies into the industry	C	A	Explore opportunities to collaborate with major "artery" companies
	Opportunity	Increased earnings by entering MR and CR ² businesses and gained opportunities to collaborate with major "artery" companies	B	A	
Increase in DX requirements for waste generators	Risk	Loss of customers to DX-promoting companies	B	A	Build industry-standard systems
	Opportunity	Improved traceability and competitive advantage due to labor saving through DX promotion	B	A	
Transition to renewable energy	Opportunity	Expansion of waste-derived power sources and increased earnings	B	B	Expand methane fermentation and incineration power generation businesses
Decarbonization of municipalities	Opportunity	Participation in PPP projects and Local Circular Ecological Spheres	A	A	Promote PPP projects

Scenario analysis result: 4°C scenario

Events		Impact on the Company	Materiality ¹		Incorporation into main strategies
			Medium term	Long term	
(Acute) Increase in the number and severity of weather-related disasters (Chronic)	Risk	Reduced productivity of outdoor work	C	B	Improve effectiveness of crisis management system in preparation for disasters
	Opportunity	Increased opportunities for disaster recovery assistance	C	B	
Increase in extremely hot days and heavy rainfall	Opportunity	Gained competitive advantage through improved resilience	C	B	

1 Materiality: The medium-term period is up to 2030, and the long-term period is up to 2050.
2 MR: Stands for "material recycling" CR: Stands for "chemical recycling"

Environment

Metrics and targets

To achieve the Japanese government's goal of carbon neutrality by 2050, we have set targets to reduce greenhouse gas emissions associated with the business activities of the Daiei Kankyo Group.

We will strive to reduce energy use and conserve energy, and work to achieve our targets by gradually transitioning to renewable energy. In addition, we will proceed with the Companywide rollout of Scope 3 calculations in the fiscal year ending March 31, 2024.

Daiei Kankyo Group's greenhouse gas emission reduction targets

Long-term target	Achieve carbon neutrality across the Daiei Kankyo Group by 2050
Medium-term target	Achieve net zero CO ₂ emissions from electricity use across the Daiei Kankyo Group by 2030

Actual greenhouse gas emissions of the Daiei Kankyo Group

	Covered	FY2022/3 (t-CO ₂)	FY2023/3 (t-CO ₂)
Scope 1	All Group companies ¹	249,361	252,540
Scope 2	All Group companies ¹	22,666	18,714
Total	All Group companies ¹	272,027	271,254
(Reference) Scope 3	Four main companies ²		142,889

¹ All Group companies: Legal entities included in the Daiei Kankyo Group during the reporting period

² Four main companies: Daiei Kankyo Co., Ltd.; Mie Chuo Kaihatsu Co., Ltd.; DINS Kansai Co., Ltd.; and Geo-Re Japan Inc.

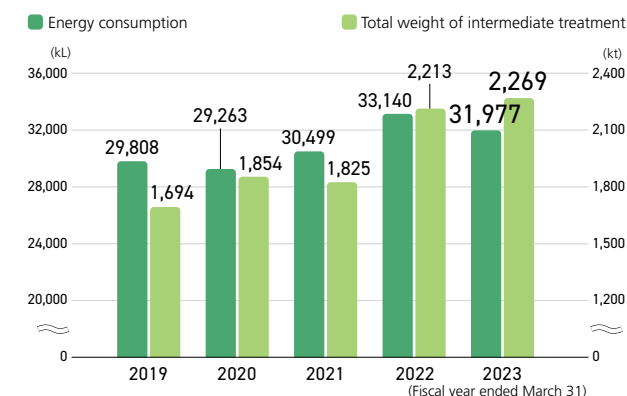
Daiei Kankyo Group's efforts to reduce greenhouse gas (CO₂) emissions

The Daiei Kankyo Group is making efforts to manage its energy usage and greenhouse gas emissions in order to achieve carbon neutrality by 2050.

Changes in energy consumption

For the fiscal year ended March 31, 2023, energy consumption was 31,977 kL, and greenhouse gas emissions from energy consumption were 79 kt, a decrease of 5 kt compared to the previous fiscal year. This is thought to be due to the fact that the properties of the processed materials at the incineration and other heat treatment facilities have stabilized compared to the previous fiscal year, thereby reducing the amount of combustion improvers required for operation, and the fact that stable operation has improved power generation efficiency, resulting in lower electricity consumption.

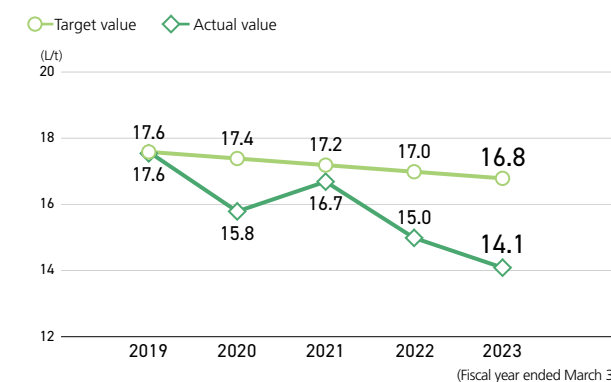
Changes in Groupwide energy consumption and total weight of intermediate treatment



Definition of energy consumption intensity

$$\text{Energy consumption intensity (L/t)} = \frac{\text{Crude oil equivalent energy consumption (L)}}{\text{Total weight of intermediate treatment (t)}}$$

Changes in energy consumption intensity



Energy Management Committee

The Energy Management Committee, which manages energy for the entire Group, reports on the actual energy consumption of each department, identifies energy issues, examines countermeasures, and deploys successful energy conservation case studies to other departments and sites.

Since the committee was established in 2012, a total of 258 energy conservation case studies have been implemented by the Group, with a total energy-saving impact equivalent to an annual energy reduction of 2,694 kL, or 8 kt of greenhouse gas emission reduction per year.

Selected energy-saving case studies

Name of facility	Case study	Annual savings	Annual equivalent CO ₂ reduction
All buildings on premises	Conversion to LED lighting (cumulative up to FY2023/3)	752,129 kWh	264 t-CO ₂
Crushing facility	Installation of inverters on dust collectors on crushing line supply conveyors	81,840 kWh	28.7 t-CO ₂
Water treatment facility	Installation of inverters on blower equipment	243,528 kWh	92.3 t-CO ₂
Intermediate treatment facility roof	Installation of solar power generation equipment on the roof of the facility	249,000 kWh	29.9 t-CO ₂
Incinerator	Monitoring amount of excess steam and changing generator output	744,000 kWh	282 t-CO ₂
Incinerator	Reduction of drying time by changing refractory material	7,500L	20.3 t-CO ₂

Inverters installed on blower equipment at water treatment facility at Mie Recycle Center

We installed inverters to shift the way of flow control with valve. Energy is saved by changing the output to match the flow rate.



Solar power generation equipment at Kyodoh Doboku Tokyo Intermediate Treatment Site

We installed 200 kW of solar panels on the roof of the factory building, reducing electricity consumption by using what we generate in-house.



Reference information

The Daiei Kankyo Group has been calculating and disclosing greenhouse gas emissions under the SHK system² based on Japan's Global Warming Act.¹ In the future, we plan to disclose this information based on calculations in accordance with the Greenhouse Gas Protocol.³ In the fiscal year ended March 31, 2023, which we treated as a transition period, we calculated and disclosed the Scope 1 and Scope 2 emissions of all Group companies and the Scope 3 emissions of four main companies (Daiei Kankyo Co., Ltd.; Mie Chuo Kaihatsu Co., Ltd.; DINS Kansai Co., Ltd.; and Geo-Re Japan Inc.).

¹ Global Warming Act: The official name is "Act on Promotion of Global Warming Countermeasures." Every year, covered businesses report their greenhouse gas emissions in accordance with the calculation rule set forth in the act.

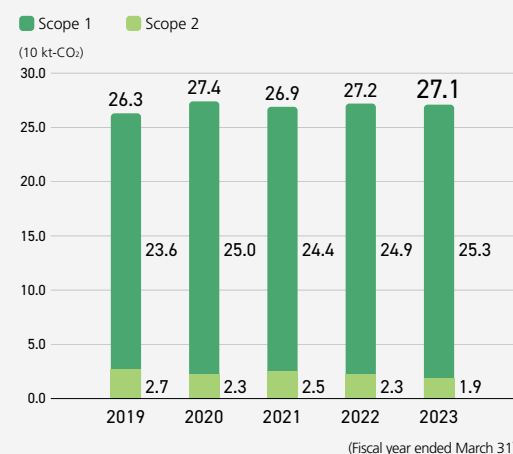
² SHK system: greenhouse gas emissions calculation, reporting, and public disclosure system

³ Greenhouse Gas Protocol: International standard for calculating and reporting greenhouse gas emissions. Emissions are calculated under three categories: Scope 1, 2, and 3.

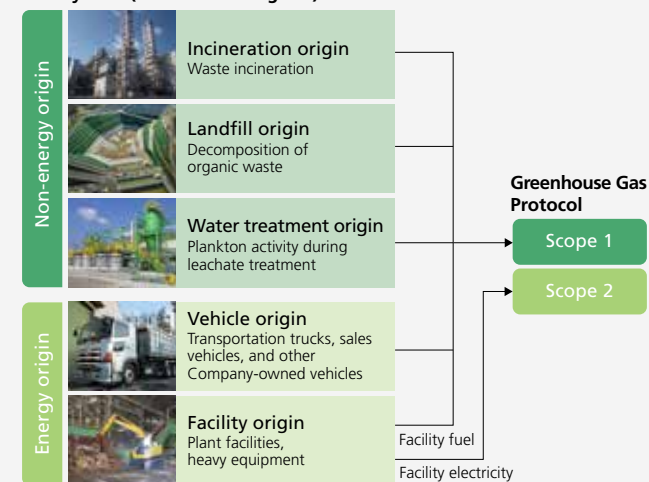
Changes in greenhouse gas emissions

Of our greenhouse gas emissions from business activities, the greenhouse gas emissions from waste incineration, waste landfill, water treatment facilities, vehicle fuel, and facility fuel use fall under Scope 1, and the greenhouse gas emissions from facility electricity use fall under Scope 2.

Trends in greenhouse gas emissions from all Group companies covered in Scope 1 and 2 according to Greenhouse Gas Protocol



SHK system (Global Warming Act)



Environment

Contribution to the reduction of greenhouse gas (CO₂) emissions in society as a whole

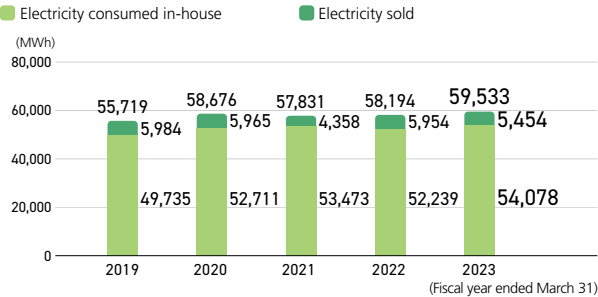
The Daiei Kankyo Group aims to reduce greenhouse gas emissions in society as a whole by promoting initiatives to recycle waste into resources and energy. For the fiscal year ended March 31, 2023, our greenhouse gas emission reduction contributions and absorption amounted to 156 kt.

CO ₂ reduction initiative	Thermal recycling	Solar power	Recycling	Forest management	Total
Amount of reduction	-2 kt	-2 kt	-108 kt	-44 kt	-156 kt
	Contributions		Absorption		

Contribution to reduction by thermal recycling facilities

Electricity is generated by recovering the heat generated during waste incineration. The electricity generated is used in our own facilities and surplus electricity is sold, thereby helping reduce greenhouse gas emissions at Daiei Kankyo Co., Ltd. and other companies. In the fiscal year ended March 31, 2023, the total amount of electricity generated was 59,533 MWh, of which 5,454 MWh was sold, equivalent to a reduction contribution of 2 kt.

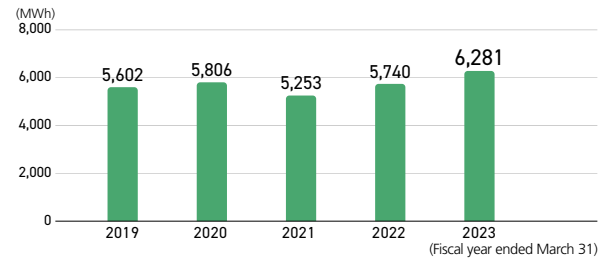
Amount of electricity consumed in-house and amount sold



Contribution to reduction by solar power generation

The total amount of electricity generated by the Group's solar power generation facilities in the fiscal year ended March 31, 2023 was 6,281 MWh. Of this amount, the DINS megasolar power plant installed on the former final disposal site sold 5,919 MWh of electricity under the feed-in tariff (FIT) system, which is equivalent to a greenhouse gas emission reduction contribution of 2 kt.

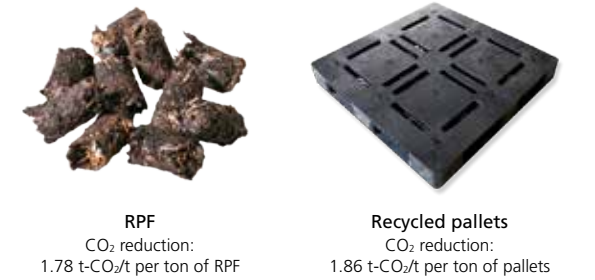
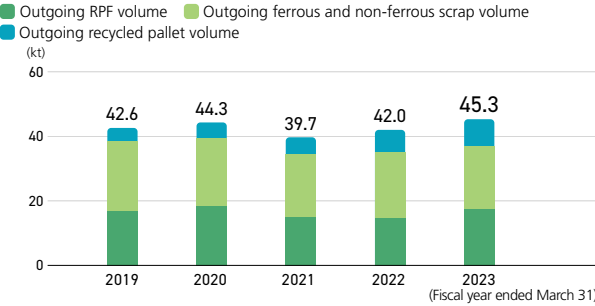
Solar power generation amount



Contribution to reduction by recycling

We help reduce greenhouse gas emissions by recycling a variety of waste materials, including refuse-derived paper and plastics densified fuel (RPF), metal scraps, and recycled pallets. For the fiscal year ended March 31, 2023, our outgoing volume was 45,342 tons, equivalent to a greenhouse gas emission reduction contribution of 108 kt.

Outgoing volume from waste recycling



Fixation by Company-owned forests

The Group owns approximately 8,170 hectares of forest (as of June 30, 2023), and the annual amount of CO₂ absorption and fixation by this vast forest is 44 kt.



Effective utilization of water resources

Since waste incineration facilities use a large amount of water as cooling water, we collect and use rainwater within the facility area. In addition, at major incineration facilities, the plant water is contained in a closed system, and instead of being discharged, it is treated and reused as cooling water.

The Mie Recycle Center makes effective use of water resources by purifying leachate from the final disposal site with water treatment equipment, further refining it at an evaporation, concentration, and crystallization facility, and then using it as cooling water for on-site incineration facilities and as plant water for other facilities. In the fiscal year ended March 31, 2023, construction to augment the evaporation, concentration, and crystallization facility was completed, and the center is striving to make further effective use of water resources.



Evaporation, concentration, and crystallization facility at Mie Recycle Center

Prevention of environmental pollution and accidents

We are practicing community-based environmental management activities by effectively utilizing environmental management systems such as ISO 14001 Environmental Management System, Eco-Action 21 (EA21), and Kyoto Environmental Management System Standard (KES).

Recognizing the impact that the business activities of each business site have on the environment, we are working to prevent environmental pollution and actively engage in local beautification activities.

Measures against air and water pollution

To prevent air pollution from exhaust gas from incineration facilities and water pollution from leachate generated from final disposal sites, each is treated in a purification system to meet legal standards.

The water treatment facilities at the final disposal sites of the Mie Recycle Center (Mie Chuo Kaihatsu Co., Ltd.) and the Izumi Recycle Center (Daiei Kankyo Co., Ltd.) are further reducing their environmental impact by introducing reverse osmosis (RO) membrane treatment equipment. RO membranes have the special property of allowing water to pass through but not salt, and can separate fresh water from salt by applying pressure. As a result, we have been able to realize the effective use of water for plant use and discharge with less burden on local waters.



RO membrane treatment equipment at water treatment facility at Mie Recycle Center

Measures against odor and dust

To prevent the spread of odors and dust in the waste management process, we have introduced deodorization and dust collection equipment. We conduct early detection and correction of abnormalities for proper maintenance by inspecting and managing them in the course of our daily work.

Appropriate deodorization equipment is selected according to the characteristics of the waste handled. Rock wool deodorization equipment is installed at the composting facilities of the Miki Recycle Center and the Iga Recycle Center of Daiei Kankyo Co., Ltd.



Deodorization equipment at the Iga Recycle Center composting facility

Environment

Initiatives for biodiversity

We have been working to preserve biodiversity through forest management centered on Group-owned forests. In the future, we aim to participate in the Nature Symbiosis Site¹ certification system administered by Japan's Ministry of the Environment. This will contribute to the Nature Positive by 2030² agenda adopted by the United Nations in 2022.

1 Nature Symbiosis Site: A site recognized by the national government as an area where biodiversity is being conserved through the efforts of the private sector

2 Nature Positive by 2030: An initiative to stop the loss of biodiversity and put it on a recovery trajectory

Vegetation survey

A vegetation survey was conducted in a forest owned by our subsidiary General Agriculture & Forestry Co., Ltd. in Mimata Town, Kitamorokata District, Miyazaki. As a result of the survey, nine rare species, such as *tricyrtis flava*, and 13 southern-limit species, including *astilbe thunbergii*, were identified.

We will further expand research areas and species, while proceeding with detailed surveys by experts.

Reforestation project

In 2012, a torrential rain disaster caused a landslide in a forest owned by General Agriculture & Forestry Co., Ltd. in Odai Town, Taki District, Mie. Since 2017, forest conservation work has been ongoing under the leadership of the national and prefectural governments, and the Daiei Kankyo Group, as the owner of the forest, also launched its own project and has been engaged in reforestation activities for five years. After delays brought on by the COVID-19 pandemic and other factors, we were finally able to plant 300 local saplings in the fiscal year ended March 31, 2023. We will continue to contribute to creating forests that will last for 100 years.

Environmental management

Daiei Kankyo Co., Ltd. first obtained ISO 14001 certification in 1998. Since then, each of the Group's business sites has successively acquired ISO 14001, EA21, KES, and other certifications as part of their efforts to efficiently reduce environmental impact and greenhouse gas emissions through steady environmental management activities.

Certification coverage rate
across the Group: **81.9%**

(calculated as the ratio of the number of employees at certified sites to the total number of employees [combined ISO, EA21, and KES])

Achieving the SDGs

The Daiei Kankyo Group feels pride and responsibility in the fact that its business is integral to the realization of a sustainable society, and is committed to the following goals.

Energy generation

We will increase renewable energy generation through solar power generation and biomass power generation, contributing to cleaner communities and energy sources.



Promotion of resource recycling

We will increase the amount of recycled resources by highly efficient recycling of various waste materials, which are irreplaceable resources.



Support for disaster recovery

We will fulfill our social responsibility by signing disaster agreements and expanding orders for disaster waste management plans, aiming to dispose of disaster waste as soon as possible for rapid recovery and reconstruction.



Promotion of forest management projects

We will contribute to the revitalization of Japan's forestry industry by developing efficient forest management projects that balance the environment and the economy.



Strengthening of partnerships

We will contribute to resolving various social issues through active communication and strengthening of partnerships.



Building of Local Circular Ecological Spheres

We will promote the building of Local Circular Ecological Spheres in order to solve problems and contribute to local communities through efficient infrastructure development based on private-sector ideas.



Commitment to net zero greenhouse gas emissions by 2050

We will evaluate the amount of CO₂ emissions emitted from our business activities, analyze their causes, and reduce emissions.



Diversity promotion

We will realize diversity by creating workplaces where everyone can make the most of their individuality and play an active role in their own way.



Social

Human resources strategy

The Daiei Kankyo Group promotes human resources development based on the three pillars of developing the next generation of leaders, investing in employees who are motivated to grow, and making the most of diversity. We are committed to improving employee satisfaction and promoting the creation of an environment in which individual growth and fulfillment lead to organizational revitalization and increased corporate value.

Initiatives to develop human resources and improve employee satisfaction



Developing the next generation of leaders

In 2014, we introduced next-generation leadership training as a mechanism to develop future executive candidates. We will develop excellent human resources as candidates for the next generation of executives who will assume important offices and positions of management strategy in the future.

Investing in employees who are motivated to grow

For employees who are highly motivated to learn and take on challenges, we support them in realizing their desired, diverse career development.

We are working to create opportunities for employees to gain diverse experiences through secondment and exchanges outside the Group. In addition, we have established a system to support motivated employees to take on challenges by enhancing in-house training and actively utilizing external training.

Securing diverse human resources

The Daiei Kankyo Group believes it is necessary to secure diverse human resources in order to strategically expand its business domain and business areas. Not only from the standpoint of securing human resources, but also to ensure that diverse perspectives are included, we are working to hire foreign nationals, actively utilize women and seniors, and further promote the employment of people with disabilities.

Moreover, the Daiei Kankyo Group actively rehires retirees, with 80% of retirees (actual results for the fiscal year ended March 31, 2023) using the rehiring system.

Diversity promotion

Promoting active participation of women

The Daiei Kankyo Group believes that women are indispensable to the Company's sustainable growth, and actively recruits women who are new university graduates or previous graduates. As of April 1, 2023, the percentage of women in our workforce is 38.8%. We will continue to aim for a female new graduate recruitment ratio (university graduates or above) of 30% or more in and after the fiscal year ending March 31, 2024.

We are also focusing on promoting women to management positions. As of April 1, 2023, the ratio of female managers is 5.3%, exceeding our target of 4% or more for the fiscal year ending March 31, 2024. We will continue to support female employees who aspire to become leaders by creating an environment where women can play an active role over the medium to long term and by providing opportunities for dialogue with employees who can serve as role models. In addition, we will actively promote female employees who are candidates for management positions with the goal of achieving a ratio of 6% or more female managers by the fiscal year ending March 31, 2026.

Employee testimonial

Yuka Tsujiuchi

General Affairs Section Manager,
Izumi Recycle Center,
Daiei Kankyo Co., Ltd.



It's a waste to limit yourself at work; better to grow to fulfill your potential

I want people to take on tasks regardless of gender. It's a waste to limit yourself at work when you are highly capable. Actively communicating your thoughts and ideas will revitalize your workplace and expand your own possibilities.

In November 2022, I became the General Affairs Section Manager, managing operations related to general affairs, human resources, and accounting. I pay attention every day to what kind of work my subordinates are doing, whether their work volume is manageable, whether progress is being made, and how their motivation is. My current goal is to create a workplace where employees with different values can work together in a challenging and rewarding way. This is my first time in management and there is a lot of trial and error, but I feel that all of my experiences have led to my growth.

Social

Respect for human rights

As stated in the Daiei Kankyo Group Business Conduct Guidelines, which set out specific standards of conduct to be followed, the Daiei Kankyo Group strives to provide safe workplace environments where one can work comfortably and human rights are respected.

With regard to harassment, the message “harassment is not tolerated,” direct from top management, is posted in all workplaces. In addition to conducting periodic surveys of actual conditions through compliance awareness surveys, the Company conducts annual training for all employees to ensure that harassment is prevented.

Creating a comfortable and rewarding work environment

Balancing work and childcare

Previously, the Daiei Kankyo Group had allowed shorter working hours for childcare until the end of the fiscal year in which the child turned 9 years old. However, in the fiscal year ended March 31, 2023, to further enhance support for working women, we revised our policy to allow employees to work shorter hours for childcare until their children graduate from elementary school.

In addition, in April 2023 we expanded the male parental leave system to increase the interest of male employees in childcare and to support the balance between work and family. The rate of taking male parental leave as of March 31, 2023 is 45.3%. By increasing the number of users of the new system, we will aim to reach more than 50% by March 31, 2025.

Increasing engagement

At the Daiei Kankyo Group, we have listened directly to employees about their job satisfaction and requests, and

have worked to improve issues, such as increasing the number of annual holidays and making it easier to take shorter working hours for childcare. In the future, we plan to introduce an engagement survey, which will allow for more detailed analysis, and to analyze the results to improve our strengths and resolve issues.

In addition, as a measure to improve engagement, we encourage employees to join the employee stock ownership plan. The membership rate is high, exceeding 50%. The plan promotes stable asset formation for employees and raises their awareness of participation in management, with the expectation that this will lead to sustainable improvement in the corporate value of the Daiei Kankyo Group.

Health and productivity management

The Daiei Kankyo Group has always worked to improve the environment for health and productivity management, such as mental health support measures and a subsidy system for additional medical examinations. We are currently considering the establishment or expansion of various subsidy programs to further improve the environment leading to good health.

We set a goal to continuously reduce the proportion of high-stress individuals in the stress check from 10.1% in the fiscal year ended March 31, 2023 to less than 10% in the fiscal year ending March 31, 2025.

As for smoking, we have been separating smoking areas to prevent secondhand smoke at some sites. We will continue to make improvements at sites where the separation of smoking areas is ambiguous. In addition, to support employees who wish to quit smoking, we have implemented a program that works through remote guidance and follow-up to promote smoking cessation.

Occupational safety and health

Strengthening health and safety initiatives is becoming more and more important as our number of employees and number of sites increases. The Daiei Kankyo Group develops safety policies in a prioritized manner. Specifically, while we continue to conduct safety patrols at our workplaces, we increase the number of patrols at workplaces with large staff sizes or those where accidents have occurred.

Accidents for the fiscal year ended March 31, 2023 totaled 102, down approximately 26% from the fiscal year ended March 31, 2022. However, there were 22 accidents involving four or more days of lost work time, up approximately 38% from the previous fiscal year.

Most of the accidents involving four or more days lost from work were falls by employees who had been with the Company for less than three years and falls from heights of less than two meters. This may be attributable to the increase in the number of personnel and locations, but it is also conceivable that our new-hire training was stuck in a rut and safety awareness was not thorough enough. For the fiscal year ending March 31, 2024, our key health and safety policy is to provide targeted and systematic training, including video and practical training, mainly for those directly in charge of directing and ordering work at the site and for employees who have been with the Company less than three years. We will break out of our rut and instill more memorable safety training.

Safety education

In addition to the content stipulated by law, training at the time of hiring and work assignment includes education on site-specific rules and training to enhance the ability to foresee hazards.

With regard to special education related to hazardous work, which is often conducted at external institutions, we hire our own in-house instructors and conduct practical training according to the characteristics of each task, especially for employees who do a lot of the relevant tasks.

Prevention of vehicle accidents and related injuries

In the fiscal year ended March 31, 2023, vehicle accident prevention education was conducted not only for those who have had accidents but also for those who have not. Accident prevention measures were implemented using practical training and recorded videos of actual driving taken from a dashcam.

This training has led to positive results, and in the fiscal year ended March 31, 2023, the Daiei Kankyo Group had six accidents involving injuries and 37 accidents involving

property damage that did not result in injuries, for a total of 43 accidents, a 45% decrease from the previous fiscal year.

Harmony with local communities

Under the slogans of “openness,” “interaction,” and “appreciation,” the Daiei Kankyo Group is promoting various initiatives to help more people understand our business activities. We believe that our greatest strength is the relationships of trust built through communication with the people in the communities surrounding our business sites.

Facility tours from Africa

On February 10, 2023, four people from overseas (Ghana, Kenya, Zambia, and South Sudan) came to Japan for training.

They were extremely interested in composting, which is not working well in their home countries, and in incinerators, and listened to our explanations enthusiastically. The Daiei Kankyo Group accepts a variety of visitors at each business site, and the total number of visitors in the fiscal year ended March 31, 2023 was 6,626.



Environmental learning support activities

We held our 11th Elementary School Environmental Poster event. Continuing from last year, the theme was “Don’t Waste Our Waste,” and 1,025 entries from 51 schools were received. The Grand Prize went to Miss Nozomi Yasui, a fourth grader at Kizugawadai Elementary School in Kizugawa City, for her impressive work, which expresses the message “Reduce” with “Big Tears” under the theme “Don’t Throw It Away.” Going forward, we plan to continue activities that connect our business to the education of children.



Employee testimonial

Koji Hashimoto

Group Leader, Technical Department,
Daiei Kankyo Co., Ltd.



Spending every day with my child lets me experience the difficulties and joys of parenting

I took a month and a half of paternity leave in 2022. If I had taken less time off, I do not think I would have understood the

real difficulties and joys of raising a child. Spending every day together is extremely important, and I was really happy that I could see how my child was able to do more and more every day. By spending so much time together, I was able to join my wife in witnessing and sharing in the excitement of our baby’s first moments like holding its head up or waving “bye bye.”

Daiei Kankyo has an extensive childcare leave program, and the Japanese government also provides generous benefits to encourage employees to take childcare leave. You may be reluctant to take it to not burden your colleagues, but I hope that more people will actively take it because there is a good system in place.

Governance

Basic concept

To live up to the trust placed in us by our customers and society, as well as to enhance our corporate value, the Daiei Kankyo Group is committed to improving fairness and transparency in management and enhancing the supervisory function of the Board of Directors and Audit & Supervisory Board. By doing so, we are working to improve our corporate competitiveness, ensure prompt and rational decision-making, and achieve transparent and sound management.

We have also established the Basic Policies for Internal Control. Through the development of an internal control system, we have built a system to execute business legally and efficiently.

Form of institutional design and reason for adoption

We have chosen to adopt the structure of a company with an audit & supervisory board. This enables a dual check function in which our Board of Directors supervises the execution of business operations and the Audit & Supervisory Board audits the legality of business operations.

In addition, to strengthen our corporate governance structure, we have established the Risk Management & Compliance Committee and other committees as well as the Group Management Meeting to facilitate prompt decision-making, agile business execution, and Group

management. We have adopted the current structure because we believe it will enhance corporate value and contribute to an effective governance structure.

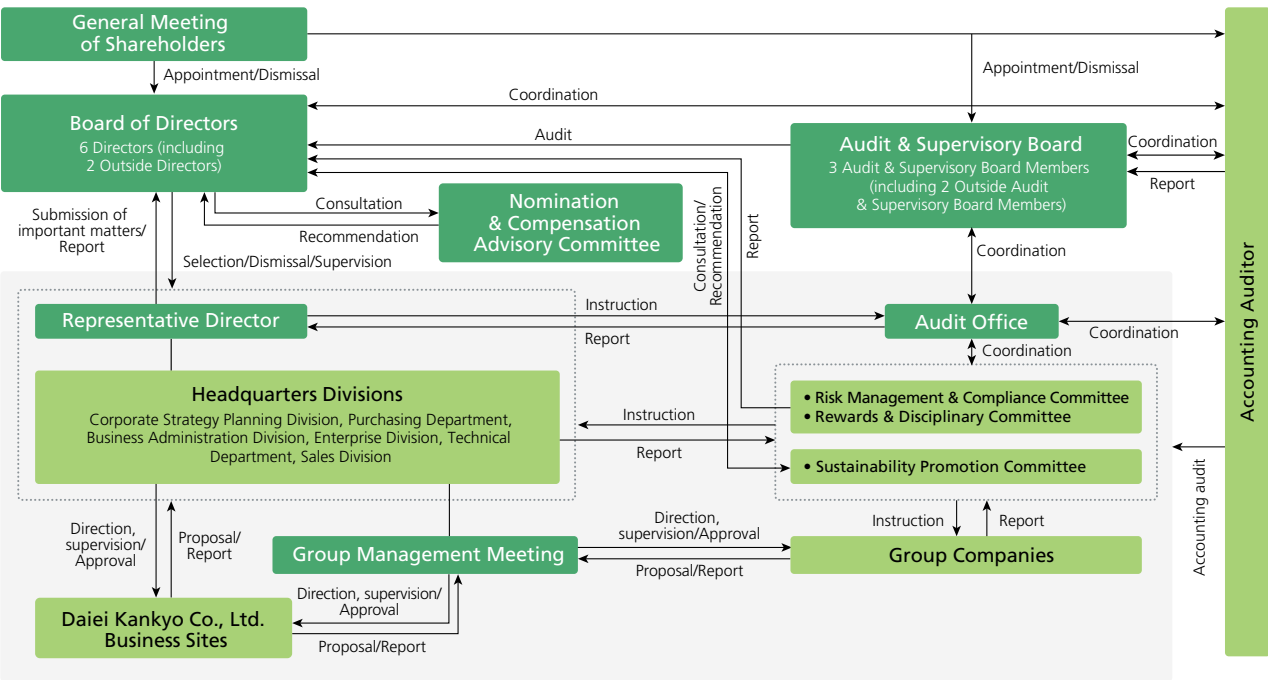
Corporate governance structure at a glance

Form of institutional design	Company with audit & supervisory board
Chair of the board of directors	President
No. of directors	6
Of which, outside directors	2
No. of outside directors designated as independent officers	2
No. of audit & supervisory board members	3
Of which, outside audit & supervisory board members	2
No. of outside audit & supervisory board members designated as independent officers	2
Term of office of directors	1 year
Executive officer system	Adopted
Establishment of voluntary advisory committee	Nomination & compensation advisory committee
Performance-linked remuneration system	No
Accounting auditor	GYOSEI & Co.
Corporate governance report (in Japanese only)	https://www.dinsgr.co.jp/csr/pdf/CorporateGovernanceReport2023.pdf

Overview of corporate governance structure

Meeting body	No. of members	Chair/Committee Chair	Members	Purpose and content
Board of Directors	6 4 internal 2 external	Fumio Kaneko President and Representative Director	President and Representative Director Vice President Senior Managing Director Junior Managing Director 2 Outside Directors (Attendees) Full-Time Audit & Supervisory Board Member 2 Outside Audit & Supervisory Board Members	Makes decisions on important management matters and ensures management transparency through the appointment of independent Outside Directors. The Board of Directors is also attended by three Audit & Supervisory Board Members, who check whether the performance of the duties of the Directors is in violation of laws and regulations and the Articles of Incorporation, and express their opinions as necessary. Frequency: In principle, once a month
Audit & Supervisory Board	3 1 internal 2 external	Akira Minemori Full-Time Audit & Supervisory Board Member	Full-Time Audit & Supervisory Board Member 2 Outside Audit & Supervisory Board Members	In addition to sharing information and exchanging opinions on the status of Directors' performance of their duties, Full-Time Audit & Supervisory Board Member reports on the status of audits at important meetings and the results of internal document inspections. Also discusses cooperation with the Audit Office and accounting auditor. Frequency: In principle, once a month
Nomination & Compensation Advisory Committee	3 1 internal 2 external	Kazumasa Murai Outside Director	2 Outside Directors President and Representative Director	To strengthen the fairness, transparency, and objectivity of the procedures related to nomination and remuneration, and to enhance corporate governance, deliberates on matters raised by the Board of Directors, such as the policy and standards for the election and dismissal of Directors, the remuneration system for Directors, and the policy for determining remuneration, and reports back to the Board of Directors. Frequency: At least once a year
Group Management Meeting	10 10 internal 0 external	Fumio Kaneko President and Representative Director	President and Representative Director Vice President Senior Managing Director Junior Managing Director Full-Time Audit & Supervisory Board Member Executive Officer/General Manager of Corporate Strategy Planning Division Executive Officer/Executive Assistant to President Executive Officer/General Manager of Business Administration Division Executive Officer/General Manager of Enterprise Division Executive Officer/General Manager of Purchasing Department	To optimize Group management, makes decisions related to the management of the Group from a Companywide perspective. Whenever necessary, other concerned parties, including those from the Group's subsidiaries, also attend the meeting. Frequency: In principle, once a month
Risk Management & Compliance Committee	6 6 internal 0 external	Fumio Kaneko President and Representative Director	President and Representative Director Vice President Full-Time Audit & Supervisory Board Member Executive Officer/General Manager of Business Administration Division General Affairs Department Manager Manager of Audit Office	In addition to identifying, analyzing, and evaluating risks in the formulation of annual plans, preventing the occurrence of risks, and considering measures to prevent and respond to risks, works to minimize losses and enhance the credibility of the Group in society by ensuring thorough compliance. Moreover, deploys a risk management promotion manager and a person in charge of risk management promotion to each department, thereby ensuring that each department is thoroughly informed of matters related to risk management and compliance. Frequency: At least once a quarter
Rewards & Disciplinary Committee	5 5 internal 0 external	Hitoshi Wanibe Executive Officer General Manager of Business Administration Division	Executive Officer/General Manager of Business Administration Division Full-Time Audit & Supervisory Board Member Human Resources Department Manager General Affairs Department Manager Manager of Audit Office	Strives to ensure sound management through the strict and proper application of the regulations regarding rewards and discipline stipulated in the employment regulations. Frequency: Occasional
Sustainability Promotion Committee	10 10 internal 0 external	Fumio Kaneko President and Representative Director	President and Representative Director Vice President Senior Managing Director Junior Managing Director/General Sales Manager Full-Time Audit & Supervisory Board Member Executive Officer/General Manager of Corporate Strategy Planning Division Executive Officer/General Manager of Business Administration Division Executive Officer/General Manager of Enterprise Division Executive Officer/General Manager of Purchasing Department Sustainability Promotion Department Manager	Formulates and revises the Basic Policy on Sustainability, identifies material issues, and sets goals and manages progress toward resolving social issues. When receiving a consultation from the Board of Directors, discusses management plans from the perspective of promoting sustainability and reports back to the Board of Directors. Frequency: At least twice a year

Corporate governance structure



Transition to a stronger governance structure



Evaluating the effectiveness of the Board of Directors

Evaluation method

In May 2022, all Directors and Audit & Supervisory Board Members were asked to complete a questionnaire regarding the effectiveness of the Board of Directors. In August 2022, the Board of Directors analyzed and discussed the

aggregated results, shared assessments and issues, and discussed future initiatives.

Questionnaire evaluation items

- 1. Size and composition of the Board of Directors
- 2. Operation of the Board of Directors
- 3. Agenda of the Board of Directors
- 4. Support system for the Board of Directors

Policies for FY2023/3 and status of compliance

FY2023/3 policies	• Hold pre-Board of Directors’ meeting briefings, information-sharing liaison meetings, and site visits for Outside Directors and Outside Audit & Supervisory Board Members on a regular basis • Strengthen the system that allows Directors and Audit & Supervisory Board Members to obtain advice from outside experts as necessary • Review matters to be deliberated by the Board of Directors and matters to be delegated to the Group Management Meeting or other bodies. • Revise the schedule for the operation of the Board of Directors and ensure we can take prompt administrative action • Prioritize important deliberation items and revise allocation of deliberation time
Status of compliance	• We held pre-Board of Directors’ meeting briefings, information-sharing liaison meetings, and site visits for Outside Directors and Outside Audit & Supervisory Board Members as follows. Pre-Board of Directors’ meeting briefings: 6 Information-sharing liaison meetings: 1 Site visits: 2 • We reviewed matters to be deliberated by the Board of Directors and matters to be delegated to the Group Management Meeting or other bodies, and revised the administrative jurisdiction rules in June 2023. We believe that the revision of the administrative jurisdiction rules will ensure that the Board of Directors has time to deliberate on important deliberation items that should be discussed by the board. • We established a forum to discuss the details of the planned deliberations at the Board of Directors’ meeting in advance, in an effort to ensure prompt administrative action.

Officer remuneration

Policies and methods for determining officer remuneration and other benefits

The Articles of Incorporation stipulate that remuneration and other benefits for Directors shall be determined by a resolution of the General Meeting of Shareholders. Based on this, the remuneration and other benefits are determined within the maximum amount resolved at the General Meeting of Shareholders, taking into account position, tenure in office, business performance, and other factors in a comprehensive manner.

In addition, to strengthen the fairness, transparency, and objectivity of procedures related to remuneration and other benefits, and to enhance corporate governance, the

Nomination & Compensation Advisory Committee has been established, chaired by an Independent Outside Director and consisting of the President and Representative Director and two Outside Directors. The Nomination & Remuneration Advisory Committee deliberates on matters raised by the Board of Directors, including the remuneration system for Directors and policies for determining remuneration, and the Board of Directors makes final decisions based on the content of these deliberations. In the future, we intend to consider the introduction of remuneration that is linked to medium- and long-term performance.

Remuneration for Audit & Supervisory Board Members is determined through deliberations by the Audit & Supervisory Board within the limits resolved at the General Meeting of Shareholders.

Amount of officer remuneration (FY2023/3)

Category	Total amount of remuneration, etc. (millions of yen)		Total amount of remuneration, etc., by type (millions of yen)						No. of eligible officers	
			Basic remuneration		Performance-linked remuneration, etc.		Non-monetary remuneration, etc.			
Directors (Outside Directors)	145	(9)	145	(9)	-	(-)	-	(-)	6	(2)
Audit & Supervisory Board Members (Outside Audit & Supervisory Board Members)	20	(9)	20	(9)	-	(-)	-	(-)	3	(2)
Total (outside officers)	165	(19)	165	(19)	-	(-)	-	(-)	9	(4)

Notes:
1. The total amount of remuneration and other benefits for Directors does not include employee salaries for Directors concurrently serving as employees.
2. The total amount of monetary remuneration for Directors was approved at the 43rd Annual General Meeting of Shareholders held on June 27, 2022 to be no more than ¥320 million annually (of which, the remuneration of Outside Directors should not exceed ¥30 million), excluding employee salaries for Directors concurrently serving as employees. The number of Directors as of the close of the General Meeting of Shareholders was six (including two Outside Directors).
3. The total amount of monetary remuneration for the Audit & Supervisory Board Members was approved at the 43rd Annual General Meeting of Shareholders held on June 27, 2022 to be no more than ¥46 million annually. The number of Audit & Supervisory Board Members as of the close of the General Meeting of Shareholders was three.

Policy on appointment of Directors and nomination of candidates for Director

The appointment and nomination of Directors are deliberated by the Nomination & Compensation Advisory Committee, a voluntary advisory committee a majority of whose members consist of Independent Outside Directors, based on the following criteria, and the final decision is made by the Board of Directors.

Criteria for appointment of Directors

- (1) Understand and put into practice the Company's corporate philosophy
- (2) Possess the ability to make objective judgments, management knowledge, foresight, and insight that contributes to sustainable growth and medium- to long-term enhancement of corporate value from the perspective of Group corporate management beyond business execution departments
- (3) Possess knowledge of corporate governance and the qualities required of Directors
- (4) Have excellent reputation, dignity, and ethics, as well as good physical and mental health
- (5) Possess the ability to sincerely work and harmonize with all stakeholders
- (6) Have past experience as Executive Officer, etc., or excellent track record of achievements outside the Company
- (7) Have no conflict of interests, etc., that may affect his/her execution of duties as a Director

Policy on appointment of Outside Directors and nomination of candidates

Based on the criteria for the appointment of Outside Directors and Outside Audit & Supervisory Board Members and the criteria for determining independence, the Nomination & Compensation Advisory Committee, a voluntary advisory committee a majority of whose members consists of Independent Outside Directors, deliberates on candidates, and the final decision is made by the Board of Directors.

Criteria for appointment of Outside Directors

- (1) A person with knowledge in specialized fields such as management, accounting and finance, law, administration, and social culture, and who has achieved appropriate results in the relevant specialized field
- (2) A person with a sense of humanity and ethics suitable for a Director
- (3) A person whose concurrent positions are appropriate and do not interfere with his/her duties in the execution of his/her duties as an outside officer
- (4) A person free of health problems in the execution of his/her duties as an outside officer

CEO succession plan

The qualifications required of a CEO are set out below. The President recommends candidates for succession, and after deliberation by the Nomination & Compensation Advisory Committee, the committee reports to the Board of Directors, which then makes a decision by resolution of the board.

Qualifications required of a CEO

- (1) Meet the requirements set out in the criteria for appointment of Directors
- (2) Possess the ability to formulate plans and execute them on his/her own, as well as the ability to exercise leadership in order to achieve the Group's sustainable growth and enhance its corporate value over the medium to long term

Training for officers

Training policy

To ensure that Directors and Audit & Supervisory Board Members, including Outside Directors and Outside Audit & Supervisory Board Members, appropriately fulfill the roles and responsibilities expected of them as part of the Company's important governance bodies, we provide opportunities for training, such as for acquisition and appropriate updating of necessary knowledge and deeper understanding of their roles and responsibilities.

Main training content

Internal Directors and Internal Audit & Supervisory Board Members attend external seminars on such topics as role of directors, compliance, corporate governance, internal control reporting system, approach to business investment, and required compliance with the Task Force on Climate-related Financial Disclosures (TCFD). In addition, they also take e-learning courses appropriate to their knowledge and experience.

Outside Directors and Outside Audit & Supervisory Board Members are given instruction on topics such as our business and organization, Medium-Term Management Plan, corporate governance structure, risk management, financial strategy, and sales strategy, and are given opportunities to visit the sites and facilities of each business location and subsidiary in order to deepen their understanding of the Daiei Kankyo Group and the waste management industry. They also attend external seminars to gain knowledge of the waste management industry.

Audits by Audit & Supervisory Board Members and internal audits

Audits by the Audit & Supervisory Board are conducted by one Full-Time Audit & Supervisory Board Member and two Outside Audit & Supervisory Board Members. The Audit & Supervisory Board meets monthly in accordance with the rules of the Audit & Supervisory Board. In addition to attending important meetings, including meetings of the Board of Directors, Audit & Supervisory Board Members review important documents and other information related to the execution of business operations, and receive reports from the officers and employees of the Company and its subsidiaries from time to time regarding information necessary for auditing. They also exchange views with the President and Representative Director on a regular basis.

Internal audits of the Daiei Kankyo Group are conducted by the Audit Office, which reports directly to the President and Representative Director. The Audit Office conducts audits of the business activities of each department and the operation of various systems in light of management objectives. The Audit Office regularly meets and coordinates with the Audit & Supervisory Board (once a month) and the accounting auditor (twice a year), thereby ensuring efficient internal audits. The office also provides guidance, advice, and recommendations to the audited departments based on the internal audit results. Furthermore, once an audit is completed, an internal audit report is compiled after a comprehensive review and assessment of the audit findings and opinions of the department being audited, and this report is delivered to the Board of Directors, the President and Representative Director, and the Audit & Supervisory Board.

With regard to coordination between the Audit Office and the accounting auditor, to ensure that both parties complement each other and can each conduct effective audits, opportunities are provided for them to exchange opinions and share the status of audits.

In the fiscal year ended March 31, 2023, audits were conducted at 79 locations (35 companies, 183 departments). Compared to the fiscal year ended March 31, 2022, the number of good and generally good departments increased from 73.8% to 91.1%, and the number of departments requiring improvement decreased from 26.2% to 8.9%, with significantly better results obtained. We also revised the audit items, their frequency, and the target categories, for example, by deleting items that are of low importance or whose operation has been confirmed to be sufficient. For important audit items, we added site operation status to compliance with relevant laws and regulations, safety and health initiatives and compliance, and effectiveness and efficiency of controls and processes, which had been adopted until the fiscal year ended March 31, 2022. In addition, from the perspective of protecting our human resources, we interviewed mainly non-managerial employees about their work environment, with the goal of creating an open and comfortable workplace environment through auditing.

Group governance

Management of affiliated companies

The Daiei Kankyo Group consists of Daiei Kankyo Co., Ltd. and its 32 subsidiaries and 12 affiliates, for a total of 44 companies. The Company's policy is to ensure thorough management of its subsidiaries by having each of its headquarter divisions, which include the Corporate Strategy Planning Division, Business Administration Division, Enterprise Division, and Sales Division, oversee and manage the operations under their respective jurisdiction. To further strengthen the management system, we also dispatch Directors and Audit & Supervisory Board Members from the Company, aiming to strengthen the control of affiliated companies.

Cross-shareholdings

From the perspective of building stable and long-term business relationships and strengthening business transactions, the Company holds shares of its business partners as cross-shareholdings. The status of these shareholdings is reported to the Board of Directors once a quarter. Stocks that are no longer meaningful to hold in light of the development of our business will be sold after obtaining the approval stipulated in our regulations, taking into consideration the stock price and market trends as appropriate. It is our policy not to acquire new cross-shareholdings.

In exercising the voting rights associated with the shares we own, we scrutinize the content of proposals from the perspective of whether or not they will contribute to improving the medium- to long-term corporate value of the issuing company.

Compliance

We recognize that compliance is of the utmost importance for the Daiei Kankyo Group to enhance business continuity and continue to evolve as a company with the power to create better environments. In April 2022, we formulated the Daiei Kankyo Group Business Conduct Guidelines. This is a specific code of conduct that all officers and employees of the Daiei Kankyo Group must comply with. The goal is for all our officers and employees to put these guidelines into practice so our Group is trusted and needed more than ever by society, and people can work with a sense of pride.

Compliance education

In the fiscal year ended March 31, 2023, we carried out education spanning 16 topics.

- Training on the Daiei Kankyo Group Business Conduct Guidelines and insider trading
- Eight topics such as internal control reporting and harassment training
- Six topics such as the Waste Management Act and Subcontracting Act seminars

We keep records of all training to ensure that all relevant employees have taken each course.

For the fiscal year ending March 31, 2024, we plan to provide education spanning 18 topics.

Whistleblowing system

With the aim of early detection and correction of fraud and other misconduct, and to strengthen compliance management, we have established a mechanism to appropriately respond to consultations or reports from workers regarding organizational or individual violations of internal regulations and compliance violations.

The internal contact point is set up in the Audit Office, which is an independent organization. If the matter relates to the Audit Office, it may be reported to the General Affairs Department Manager of the parent company, and if the matter relates to a Director of the parent company, it may be reported to an Audit & Supervisory Board Member of the parent company.

As an external contact point, an outside attorney designated by the Company is available.

Risk management

The Daiei Kankyo Group's Risk Management & Compliance Committee identifies, analyzes, and evaluates risks in the formulation of annual plans, and considers prevention and countermeasures against those risks.

In the fiscal year ended March 31, 2023, we placed particular emphasis on the consideration of recurrence prevention measures and instructions for their

implementation in response to the emergence of compliance-related risks.

In the event that a compliance-related risk emerges in the Daiei Kankyo Group, it is promptly reported to the General Affairs Department, and the department in charge of the risk considers measures to prevent recurrence and then reports the matter to the Risk Management & Compliance Committee for deliberation. Measures to prevent recurrence are communicated to the entire Group, not only to the department where the risk emerged, and self-inspections are conducted as necessary.

In addition, laws and regulations related to the business of each Daiei Kankyo Group company are compiled under the supervision of external experts, and inspections are carried out by each company and each department. The results are confirmed and verified by the competent headquarters department and fed back to the relevant department.

Information security measures

The Daiei Kankyo Group has developed and applies internal rules, including rules for the management of confidential information, rules for the protection of personal information, and detailed rules for the implementation of electronic information security.

In addition, through compliance education such as training in Japan's Personal Information Protection Act, the importance of information management is communicated to all employees.

Business continuity plan (BCP)

The Daiei Kankyo Group has established a BCP to fulfill our responsibility to continue waste management operations, minimize the impact of business interruption and enable early recovery, and ensure the safety of employees of the Company and partner companies and protect their employment.

The BCP defines the criteria for activating it, as well as the structure and roles of the emergency task force so that it can respond quickly when activated. In the event the headquarters building is damaged and there is no prospect of recovery, the Miki Recycle Center and other sites, which are assumed to be at low risk of damage from earthquakes, have been designated as an alternative base of operations for the emergency task force to prepare for unforeseen events such as loss of the chain of command.

The Daiei Kankyo Group has also established procedures for responding to major accidents and other incidents at each of its business sites. In the future, we plan to fine-tune the contents of these plans to be more practical and combine them so that they work in a coordinated fashion.

We will continue to revise our plans so that the Daiei Kankyo Group can fulfill its expected role as social infrastructure that supports a recycling society even in the event of a disaster.

List of Officers
(As of June 30, 2023)

Directors

							
Name	Fumio Kaneko	Yoshikazu Inoue	Nariyuki Ohta	Kazumasa Onaka		Kazumasa Murai	Tomoko Murakami
Position	President and Representative Director	Vice President Responsible for Corporate Strategy Planning and Business Administration	Senior Managing Director Responsible for Enterprise and Technical	Junior Managing Director and General Sales Manager Responsible for Sales		Outside Director	Outside Director
Career highlights	- Apr. 1979 Joined Daieiisei Inc. (currently Daieiisei Corporation) - Sept. 1983 Director of Mie Chuo Kaihatsu Co., Ltd. - June 1986 Auditor - May 1991 Director of the Company - Mar. 1994 Junior Director - Mar. 2002 Vice President - Mar. 2002 Vice President of Mie Chuo Kaihatsu Co., Ltd. - Mar. 2003 Established GE Co., Ltd. (currently DINS Kansai Co., Ltd.) and became Director - Mar. 2004 Director of Bioethanol Japan Kansai Co., Ltd. (currently DINS Kansai Co., Ltd.) - May 2004 Vice President and Representative Director of the Company - May 2004 Vice President and Representative Director of Mie Chuo Kaihatsu Co., Ltd. - Apr. 2007 President and Representative Director - Apr. 2007 President and Representative Director of the Company (current position) - Apr. 2007 Director of RAC Kansai Co., Ltd. (currently DINS Kansai Co., Ltd.)	- Apr. 1979 Joined Shunyodo Co., Ltd. - Jan. 1985 Joined Maedabo Co., Ltd. - June 1985 Joined the Company - Mar. 1994 General Manager of Mie Chuo Kaihatsu Co., Ltd. - Apr. 1997 Director - Mar. 2002 Managing Director - Apr. 2007 Senior Managing Director - Oct. 2016 Senior Director of the Company - June 2019 Chairman of Mie Industrial Waste Association (current position) - June 2021 Vice President Responsible for Business Administration - June 2022 Vice Chairman of Japan Federation of Industrial Waste Management and Recycling Associations (current position) - Apr. 2023 Vice President Responsible for Corporate Strategy Planning and Business Administration of the Company (current position)	- Aug. 1982 Established Kayu Construction Limited and became Director - Mar. 1996 Joined Takehiro Kaihatsu Co., Ltd. (currently Mie Chuo Kaihatsu Co., Ltd.) - May 2002 Director and Deputy General Manager of Enterprise Division of Mie Chuo Kaihatsu Co., Ltd. - Apr. 2007 Junior Managing Director and General Manager of Enterprise Division of the Company - Apr. 2007 Junior Managing Director and General Manager of Enterprise Division of Mie Chuo Kaihatsu Co., Ltd. - Apr. 2011 Director of Japan Soil Treatment Association (current position) - Apr. 2013 Junior Managing Director of the Company - Apr. 2013 Junior Managing Director of Mie Chuo Kaihatsu Co., Ltd. - Feb. 2016 Director of Japan Disaster Treatment Systems (current position) - May 2020 Representative Director of DINS Kansai Co., Ltd. - June 2021 Senior Managing Director Responsible for Enterprise and Technical of the Company (current position) - June 2022 Director of Sakai Coastal Eco Factories Council (current position) - June 2023 Director of DINS Kansai Co., Ltd. (current position)	- Mar. 1974 Joined Nissha Printing Co., Ltd. (currently Nissha Co., Ltd.) - June 1980 Joined Marusue Kogyo Co., Ltd. (currently Marusue Co., Ltd.) - Mar. 1989 Joined Mie Chuo Kaihatsu Co., Ltd. - May 2002 Director and General Manager of Sales Department - Apr. 2010 Director and General Manager of Sales Department of the Company - Dec. 2011 Director - Apr. 2019 Director and General Sales Manager - June 2021 Junior Managing Director and General Sales Manager Responsible for Sales (current position)		- Oct. 1990 Joined Osaka Office, Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC) - Aug. 1995 Registered as a certified public accountant - Aug. 2006 Registered as a tax accountant - Aug. 2006 Opened Murai Certified Public Accountant Office and became Representative (current position) - May 2007 Established Management Research Institute Co., Ltd. and became Representative Director - June 2017 Audit & Supervisory Board Member of Technical Electron Co., Ltd. (currently Parking Solutions Co., Ltd.) - May 2019 Opened Murai Tax Accountants' Corporation and became Representative Partner (current position) - June 2021 Outside Director of the Company (current position)	- Oct. 2005 Registered as an attorney-at-law - Oct. 2005 Joined Ishii Yoshihito Law Office - Nov. 2008 Joined Murata Futaba Law and Patent Office - Apr. 2011 Part-Time Lecturer (Business Law), School of Law and Politics, Kwansai Gakuin University - May 2013 Established ARCUS PARTNERS and became Partner (current position) - Apr. 2017 Contract Counselor of Employment Consultation Center of Kansai National Strategic Special Zone (Deloitte Touche Tohmatsu LLC) - Nov. 2017 Contract Counselor of Osaka Business Development Agency (Internal Control Hotline) (current position) - Apr. 2019 Member of Third-Party Expert Team of the Osaka City Board of Education (current position) - Apr. 2021 Member of Osaka Bay Area Fisheries Adjustment Committee (current position) - June 2021 Auditor of Sendankai (current position) - June 2021 Outside Director of the Company (current position)
Tenure (years)	32	6	16	13		2	2
Number of shares held	47,300	46,800	46,800	7,800		4,600	4,600
Attendance at Board of Directors' meetings	21/21 (100%)	21/21 (100%)	21/21 (100%)	21/21 (100%)		21/21 (100%)	21/21 (100%)
Attendance at Audit & Supervisory Board meetings							
Attendance at Nomination & Compensation Advisory Committee meetings	6/6 (100%)					6/6 (100%)	6/6 (100%)
Attendance at Group Management meetings	20/20 (100%)	20/20 (100%)	20/20 (100%)	20/20 (100%)			
Attendance at Risk Management & Compliance Committee meetings	18/18 (100%)	16/18 (89%)					
Attendance at Rewards & Disciplinary Committee meetings							
Attendance at Sustainability Promotion Committee meetings	2/2	2/2	2/2	1/2			
Expertise and experience							
Corporate management	●	●					
Legal and compliance			●				●
Risk management		●					●
Finance, accounting, and tax affairs	●	●				●	
Engineering and facilities management			●	●			
Sales and marketing			●	●			
ESG and sustainability	●					●	

Audit & Supervisory Board Members

		
Akira Minemori	Ryuta Uozumi	Noriko Kitajima
Full-Time Audit & Supervisory Board Member	Outside Audit & Supervisory Board Member	Outside Audit & Supervisory Board Member
- Apr. 1975 Joined Sumitomo Banking Corporation (currently Sumitomo Mitsui Banking Corporation) - Oct. 1994 Manager of Fushimi Branch - Jan. 1997 Manager of Fukaeabashi Branch - Oct. 1998 Manager of Nishinomiya Branch - Apr. 1999 Nishinomiya Corporate Manager - Apr. 2000 Advisor to Biwako Bank, Ltd. (currently Kansai Mirai Bank, Ltd.) - June 2000 Director - June 2003 Managing Director - Apr. 2007 General Manager, Business Administration Department, Business Administration Division, Nitto Pharmaceutical Industries, Ltd. - May 2007 Director and General Manager of Business Administration Division - June 2019 Advisor to General Affairs Department, Business Administration Division of the Company - Feb. 2020 Audit & Supervisory Board Member of the Company (current position) - Feb. 2020 Audit & Supervisory Board Member of Mie Chuo Kaihatsu Co., Ltd.	- Apr. 1971 Joined Iwatsu Electric Co., Ltd. - Apr. 1975 Joined Yamamoto Oil Co., Ltd. (currently JFE Shoji Machinery & Materials Corporation) - Oct. 1985 Joined Asahi Shinwa Accounting Co., Ltd. (currently KPMG AZSA LLC) - June 2003 Representative partner of Asahi Audit Corporation (currently KPMG AZSA LLC) - Apr. 2004 President and Representative Director of AZSA Sustainability Co., Ltd. (currently KPMG AZSA Sustainability Co., Ltd.) - July 2010 Representative of Ryuta Uozumi Certified Public Accountant Office (current position) - July 2013 Representative of Uozumi Sustainability Research Institute (current position) - June 2018 Outside Audit & Supervisory Board Member of Maruichi Steel Tube Co., Ltd. (current position) - June 2019 Outside Audit & Supervisory Board Member of Fuji Oil Holdings Co., Ltd. - June 2020 Outside Audit & Supervisory Board Member of the Company (current position) - June 2022 Outside Director (Audit and Supervisory Committee Member) of Fuji Oil Holdings Co., Ltd. (current position)	- Oct. 2000 Registered as an attorney-at-law - Oct. 2000 Joined Takahiko Inoue Law Office (currently Phoenix Law Office) - Jan. 2012 Joint Representative (current position) - June 2015 Outside Director (Audit and Supervisory Committee Member) of Sankyo Kasei Corporation (current position) - Mar. 2017 Outside Audit & Supervisory Board Member of Daitron Co., Ltd. (current position) - June 2021 Outside Audit & Supervisory Board Member of the Company (current position) - Mar. 2023 Outside Director (Audit and Supervisory Committee Member) of Taki Chemical Co., Ltd. (current position)
3	3	2
7,800	4,600	4,600
21/21 (100%)	21/21 (100%)	21/21 (100%)
13/13 (100%)	13/13 (100%)	13/13 (100%)
20/20 (100%)		
18/18 (100%)		
6/7 (86%)		
2/2		
●		
●		●
	●	●
●	●	
	●	

Executive Officers

Morihiko Shimoda

General Manager of Corporate Strategy Planning Division
Management Planning Supervisor

Kunihiko Idei

Executive Assistant to President
Management Strategy Supervisor

Hitoshi Wanibe

General Manager of Business Administration Division
Business Administration Supervisor

Hiroaki Shimoji

General Manager of Enterprise Division
Enterprise Administration Supervisor

Motomitsu Azumai

General Manager of Purchasing Department
Purchasing Administration Supervisor

Atsuo Tanaka

General Manager and Operations Supervisor of Miki Recycle Center

Toshifumi Hirai

Representative Director and General Management Supervisor of Mie Chuo Kaihatsu Co., Ltd.

Kenichi Morita

Director and Development Operations Supervisor of Mie Chuo Kaihatsu Co., Ltd.

Masakatsu Shimoji

Representative Director and General Management Supervisor of DINS Kansai Co., Ltd.

Koichi Ishikawa

Director and Sales Supervisor of Geo-Re Japan Inc.

Financial Data

Financial position

Assets

Total assets as of March 31, 2023 were ¥163,615 million (up ¥5,333 million from the end of the previous fiscal year).

Current assets were ¥66,068 million (down ¥5,742 million from the end of the previous fiscal year). This was mainly due to a decrease of ¥6,435 million in cash and deposits from the end of the previous fiscal year.

Non-current assets were ¥97,139 million (up ¥10,667 million from the end of the previous fiscal year). This was primarily due to increases of ¥3,461 million in buildings and structures, ¥2,758 million in machinery, equipment and vehicles, and ¥3,677 million in landfills. The increases in buildings and structures, machinery, equipment and vehicles, and landfills were mainly due to the launching of a composting facility at the Company's Iga Recycle Center in addition to expanding the controlled final disposal sites of the subsidiaries Mie Chuo Kaihatsu Co., Ltd. and Tohoku Eco Clean Co., Ltd. and installation of related facilities.

Liabilities

Liabilities as of March 31, 2023 were ¥84,646 million (down ¥13,565 million from the end of the previous fiscal year).

Current liabilities were ¥26,237 million (down ¥1,516 million from the end of the previous fiscal year). This was mainly due to a decrease of ¥2,450 million in current portion of long-term borrowings.

Non-current liabilities were ¥58,408 million (down ¥12,048 million from the end of the previous fiscal year). This was primarily due to decreases of ¥12,398 million in long-term borrowings and ¥1,140 million in bonds payable, despite an increase of ¥1,922 million in asset retirement obligations. The increase in asset retirement obligations was mainly due to expansion of the controlled final disposal sites of the subsidiaries Mie Chuo Kaihatsu Co., Ltd. and Tohoku Eco Clean Co., Ltd.

Net assets

Net assets as of March 31, 2023 were ¥78,969 million (up ¥18,898 million from the end of the previous fiscal year). This was mainly due to an increase of ¥5,348 million in both share capital and legal capital surplus as a result of IPO on the TSE, and an increase in retained earnings as a result of profit attributable to owners of parent of ¥10,494 million being recorded, despite a decrease of ¥2,747 million in retained earnings as a result of dividends paid.

Information on capital resources and capital liquidity

We use cash reserves for operating capital and finance capital expenditures through loans from financial institutions and bonds. Our policy is to limit external borrowing to Daiei Kankyo Co., Ltd. We loan funds for capital expenditures to Group companies and strive to utilize funds effectively through Group financing.

The Group will continue to strengthen earning power to enhance its ability to secure cash flow from operating activities, and to increase the equity-to-asset ratio, improve financial soundness, and increase capital liquidity.

Cash flows

Cash and cash equivalents in the fiscal year ended March 31, 2023 decreased by ¥4,877 million from the end of the previous fiscal year to ¥53,416 million (down 8.4% year on year).

The status of cash flows by source and their respective influencing factors in the fiscal year under review are as follows:

Cash flow from operating activities

In the fiscal year ended March 31, 2023, net cash provided by operating activities was ¥16,266 million (¥18,045 million provided in the previous fiscal year). This was primarily the result of income before income taxes of ¥16,459 million and depreciation of ¥5,413 million, despite income taxes paid of ¥6,081 million.

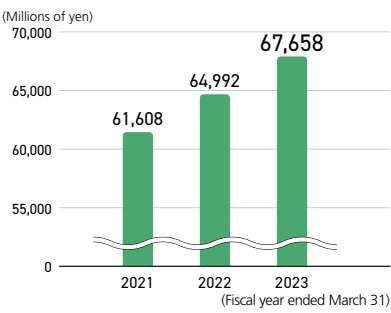
Cash flow from investing activities

In the fiscal year ended March 31, 2023, net cash used in investing activities was ¥12,296 million (¥16,445 million used in the previous fiscal year). This was mainly due to the expenditure of ¥12,934 million in order to acquire property, plant and equipment.

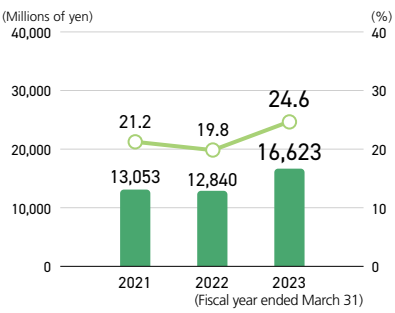
Cash flow from financing activities

In the fiscal year ended March 31, 2023, net cash used in financing activities was ¥8,968 million (¥3,171 million used in the previous fiscal year). This was mainly due to repayment of ¥15,348 million in long-term borrowings and ¥2,747 million in dividends paid, despite ¥10,239 million in proceeds from issuance of shares resulting from our IPO.

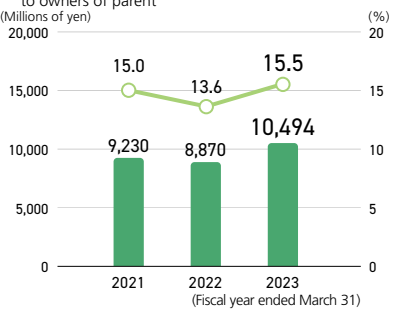
Net sales



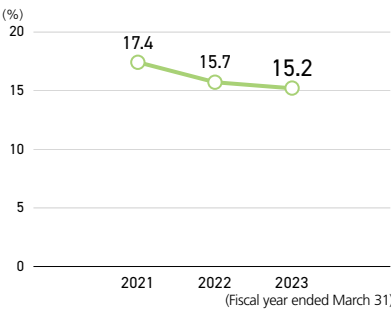
Operating profit and operating margin



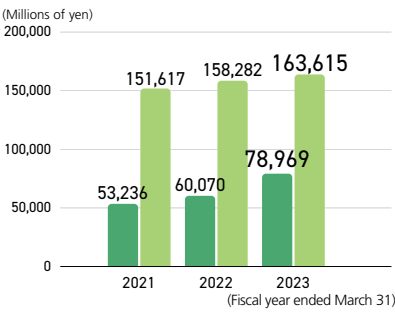
Profit attributable to owners of parent and net margin



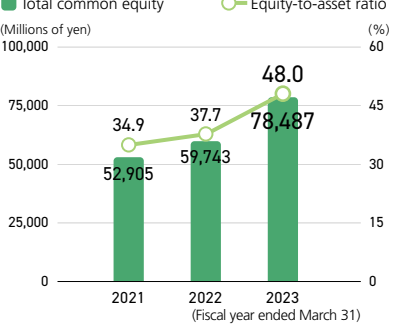
Return on equity (ROE)



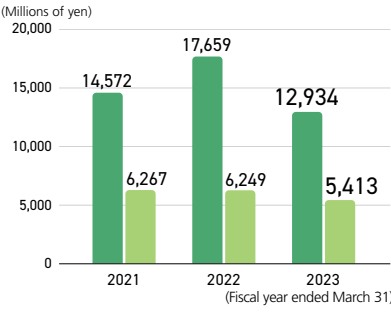
Net assets and total assets



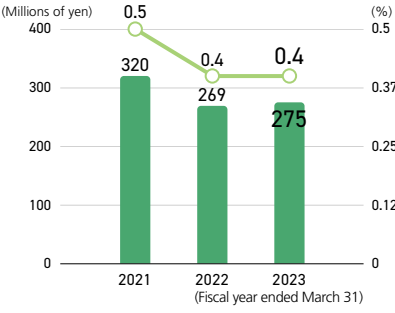
Total common equity and equity-to-asset ratio



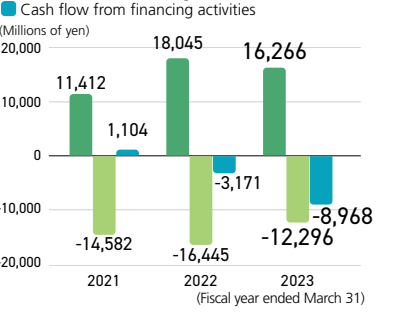
Capital expenditures and depreciation



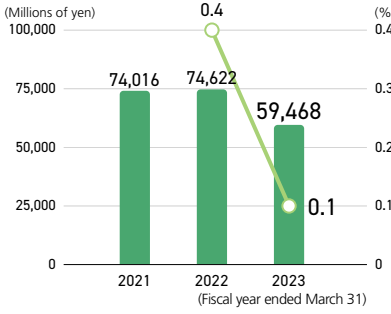
R&D expenses and R&D expense ratio



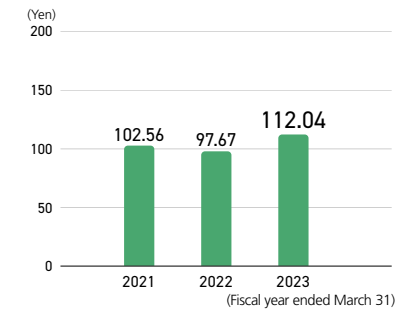
Cash flows



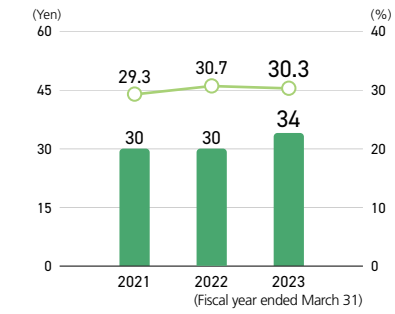
Interest-bearing debt and net D/E ratio



Basic earnings per share (EPS)

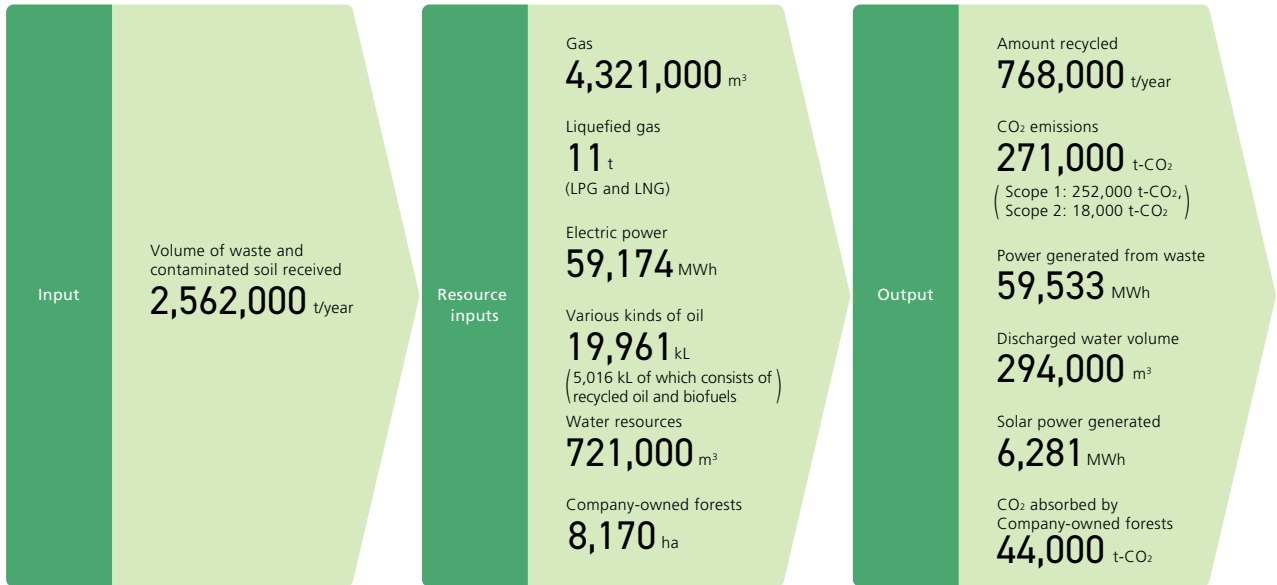


Dividends per share and payout ratio



Non-Financial Data

Daiei Kankyo Group material balance (FY2023/3 results)



• Total volume of energy input (converted to GJ): 1,547 TJ

	Unit	FY2021/3	FY2022/3	FY2023/3
Environment				
Greenhouse gas emissions Scope 1 (direct emissions from fuel combustion)	t-CO ₂	244,247	249,361	252,540
Scope 2 (indirect emissions from electric power use)	t-CO ₂	25,173	22,666	18,714
Scope 3 (indirect emissions other than the above)	t-CO ₂			142,889*
Energy use	kℓ	30,499	33,140	31,977
Intermediate treatment, total weight	Thousand tons	1,825	2,213	2,269
Energy used per base unit	ℓ/t	16.7	15.0	14.1
Reduction in energy used from energy conservation	kℓ	2,396	2,559	2,694
Power generated from thermal recycling	MWh	57,831	58,194	59,533
Solar power generated	MWh	5,253	5,740	6,281
Volume of RPF produced, highly effective in greenhouse gas reduction	Thousand tons	15.0	14.7	17.5
Volume of recycled ferrous and non-ferrous scrap	Thousand tons	19.3	20.4	19.2
Recycled pallet production volume	Thousand tons	5.2	6.8	8.5
CO ₂ absorbed by Company-owned forests	kt-CO ₂	42	44	44
Volume of water used	Thousand m³	624	702	719

* Actual emissions for four main companies: Daiei Kankyo Co., Ltd.; Mie Chuo Kaihatsu Co., Ltd.; DINS Kansai Co., Ltd.; and Geo-Re Japan Inc.

	Unit	FY2021/3	FY2022/3	FY2023/3
Social				
No. of employees (male) ¹	People	1,862	1,974	2,013
No. of employees (female) ¹	People	435	426	443
Percentage of female managers	%	3.5	3.4	3.6
Average years of service (male) ²	Years	7.1	7.4	7.9
Average years of service (female) ²	Years	5.1	5.9	6.2
Percentage of employees with disabilities	%			3.78
Percentage of employees who take paid leave	%			72.2
No. of employees who take childcare leave (male)	People	–	4	24
No. of employees who take childcare leave (female)	People	–	6	12
Percentage of employees who take childcare leave (male)	%	–	10	45.3
Percentage of employees who take childcare leave (female)	%	–	100	100
Job turnover rate	%	5.3	4.2	4.8
Percentage of employees who undergo health exams	%	100	100	100
No. of participants in education and training	People	780	1,299	1,330
Occupational accidents (lost-worktime injury rate)	–	3.52	3.49	5.54
Occupational accidents (severity rate)	–	0.13	1.28	0.09
No. of patent applications	Applications	2	0	0
No. of patents held	Patents	20	20	16

1 No. of employees: Combined total of regular employees and temporary employees as of March 31
2 Average years of service: Total number of continuous years of service in the Daiei Kankyo Group

Air and water quality measurements (FY2023/3 results)

Results of air pollutant measurements at thermal processing facilities

Category measured	Unit	Regulatory limit Air Pollution Control Act	Furnace	Measurement		
				Maximum	Average	Measurement frequency
Daiei Kankyo Nishinomiya Recycle Center						
Particulates	g/m³	0.15	-	<0.003	<0.003	6 times/year
Nitrogen oxide	ppm	250		61	46	
Hydrogen chloride	mg/m³	700		34	11	
Sulfur oxide	K-value	1.17		0.10	0.021	
Dioxins (gas emissions)	ng-TEQ/m³	5		0.18	0.13	2 times/year
Daiei Kankyo Miki Recycle Center						
Particulates	g/m³	0.15	No. 1 No. 2	0.003 0.001	0.002 0.001	6 times/year
Nitrogen oxide	ppm	250	No. 1 No. 2	130 130	98 100	
Hydrogen chloride	mg/m³	700	No. 1 No. 2	8.0 28	3.2 9.8	
Sulfur oxide	K-value	14.5	No. 1 No. 2	<1 <1	<1 <1	
Dioxins (gas emissions)	ng-TEQ/m³	5	No. 1 No. 2	0.18 0.15	0.18 0.15	1 time/year
Mie Chuo Kaihatsu Mie Recycle Center						
Particulates	g/m³	0.15	No. 1 No. 2	<0.001 <0.001	<0.001 <0.001	2 times/year
Nitrogen oxide	ppm	250	No. 1 No. 2	67 67	67 65	
Hydrogen chloride	mg/m³	700	No. 1 No. 2	9 11	9 10	
Sulfur oxide	K-value	17.5	No. 1 No. 2	<0.006 <0.006	<0.006 <0.006	
Dioxins (gas emissions)	ng-TEQ/m³	5	No. 1 No. 2	0.11 0.092	0.076 0.063	
Mie Chuo Kaihatsu Mie Recycle Center (Energy Plaza)						
Particulates	g/m³	0.04	No. 1 No. 2	0.005 0.005	0.002 0.002	6 times/year
Nitrogen oxide	ppm	250	No. 1 No. 2	59 58	53 48	
Hydrogen chloride	mg/m³	700	No. 1 No. 2	4.1 1.5	2.1 0.5	
Sulfur oxide	K-value	17.5	No. 1 No. 2	0.013 0.002	0.004 0.002	
Dioxins (gas emissions)	ng-TEQ/m³	0.1	No. 1 No. 2	0.00025 0.00040	0.00017 0.00027	2 times/year
DINS Kansai GE Recycle Center						
Particulates	g/m³	0.08 0.04	No. 1 No. 2	0.008 0.009	0.005 0.006	6 times/year
Nitrogen oxide	ppm	250	No. 1 No. 2	16 25	7.7 8.9	
Hydrogen chloride	mg/m³	700	No. 1 No. 2	35 15	13 10	
Sulfur oxide	K-value	1.17	No. 1 No. 2	0.21 0.031	0.062 0.027	
Dioxins (gas emissions)	ng-TEQ/m³	1 0.1	No. 1 No. 2	0.0059 0.0021	0.0059 0.0021	1 time/year
DINS Kansai Bioethanol Recycle Center						
Particulates	g/m³	0.08	-	<0.005	<0.005	2 times/year
Nitrogen oxide	ppm	250		81	74	
Hydrogen chloride	mg/m³	700		5	4	
Sulfur oxide	K-value	1.17		0.028	0.024	
Dioxins (gas emissions)	ng-TEQ/m³	1		0.016	0.016	1 time/year

Category measured	Unit	Regulatory limit	Furnace	Measurement		
		Air Pollution Control Act		Maximum	Average	Measurement frequency
Clean Stage						
Particulates	g/m³	0.08	–	0.002	0.002	2 times/ year
Nitrogen oxide	ppm	250		5	4	
Hydrogen chloride	mg/m³	700		1	1	
Sulfur oxide	K-value	1.75		0.061	0.048	1 time/ year
Dioxins (gas emissions)	ng-TEQ/m³	1		0.000039	0.000039	

Results of water quality measurements at final disposal site water treatment facilities

Disposal site	Category measured	Unit	Regulatory limit	Measurement		
			Waste Management Act	Maximum	Average	Measurement frequency
Daiei Kankyo Izumi Recycle Center						
Hirai Section 5	pH	－	5.8－8.6	7.9	7.2	1 time/ month
	BOD	mg/ℓ	60	3.7	1.4	
	COD	mg/ℓ	90	0.5	0.5	
	SS	mg/ℓ	60	1	1	
Hirai Section 8*	pH	－	5.8－8.6	－	－	－
	BOD	mg/ℓ	60	－	－	
	COD	mg/ℓ	90	－	－	
	SS	mg/ℓ	60	－	－	
Daiei Kankyo Miki Recycle Center						
Makitani	pH	－	5.8－8.6	7.6	7.5	1 time/ month
	BOD	mg/ℓ	60	29	6.4	
	COD	mg/ℓ	90	13	7.5	
	SS	mg/ℓ	60	7.0	2.7	
Mie Chuo Kaihatsu Mie Recycle Center						
7th period	pH	－	5.8－8.6	7.7	6.7	1 time/ month
	BOD	mg/ℓ	60	<0.5	<0.5	
	COD	mg/ℓ	90	2.3	1.5	
	SS	mg/ℓ	60	<1	<1	
8th period	pH	－	5.8－8.6	8.1	7.2	1 time/ month
	BOD	mg/ℓ	60	15	3.2	
	COD	mg/ℓ	90	17	11	
	SS	mg/ℓ	60	7	2	
Daiei Kankyo Gobo Recycle Center						
Gobo	pH	－	5.8－8.6	7.8	7.6	1 time/ month
	BOD	mg/ℓ	60	2.3	1.3	
	COD	mg/ℓ	90	17	4.3	
	SS	mg/ℓ	60	1	1	
Tohoku Eco Clean						
Tohoku	pH	－	5.8－8.6	8.2	8.0	1 time/ month
	BOD	mg/ℓ	60	1.5	1.0	
	COD	mg/ℓ	90	14	14	
	SS	mg/ℓ	60	5	2	

* Hirai Section 8 leachate treatment facility operation temporarily suspended from April 2017. Hirai Section 8 leachate is sent to Section 5 leachate treatment facility.

Company Profile/Group Network

Daiei Kankyo Co., Ltd.

Business description:	Waste-related business and valuable resource recycling business
Head office:	2-3-28 Techno Stage, Izumi-shi, Osaka, 594-1144, Japan
Group headquarters:	Kobe Fashion Plaza, 2-9-1 Koyochonaka, Higashinada-ku, Kobe, Hyogo 658-0032, Japan
Founded:	October 17, 1979
President and Representative Director:	Fumio Kaneko
Capitalization:	¥5,907 million
No. of employees:	2,456 (combined total of regular employees and temporary employees as of March 31, 2023)

Subsidiaries

Consolidated subsidiaries

Mie Chuo Kaihatsu Co., Ltd.

4713 Hachiya, Yono, Iga, Mie 518-1152, Japan
Waste management and recycling, soil remediation, consulting, electricity generation

DINS Kansai Co., Ltd.

1-5-38 Chikkoshinmachi, Nishi-ku, Sakai, Osaka 592-8331, Japan
Waste management and recycling, electricity generation

Kyodoh Doboku Co., Ltd.

26-1 Harashinmachi, Ageo, Saitama 362-0016, Japan
Waste management and recycling

Geo-Re Japan Inc.

1-1 Higashihamacho, Amagasaki, Hyogo 660-0844, Japan
Soil remediation

Settsu Seiun Co., Ltd.

2-4-27 Higashitsukaguchicho, Amagasaki, Hyogo 661-0011, Japan
Waste management and recycling

Safety Island Co., Ltd.

16-7 Uozakihamamachi, Higashinada-ku, Kobe, Hyogo 658-0024, Japan
Waste management and recycling, soil remediation

Kyoto Kankyo Co., Ltd.

8 and 9 Saiinhigashi Nakamizuchō, Ukyō-ku, Kyoto, Kyoto 615-0042, Japan
Waste management and recycling

Kobe Port Recycle Co., Ltd.

9-13 Minatojima, Chuo-ku, Kobe, Hyogo 650-0045, Japan
Waste management and recycling

Daiei Amet Co., Ltd.

1-17 Hazemiyamachi, Fukuchiyama, Kyoto 620-0856, Japan
Waste management and recycling

Settsu Co., Ltd.

2-4-27 Higashitsukaguchicho, Amagasaki, Hyogo 661-0011, Japan
Waste management and recycling

Clean Stage Co., Ltd.

2-3-30 Techno Stage, Izumi, Osaka 594-1144, Japan
Waste management and recycling

Sanki Kaihatsu Co., Ltd.

23 Minami 15 Sennishi, Nanporocho, Sorachi-gun, Hokkaido 069-0215, Japan
Waste management and recycling

General Agriculture & Forestry Co., Ltd.

6F Kobe Fashion Plaza, 2-9-1 Koyochonaka, Higashinada-ku, Kobe, Hyogo 658-0032, Japan
Forest management

Resource Circulation Systems Co., Ltd.

1-1-1 Hirano, Yahatahigashi-ku, Kitakyushu, Fukuoka 805-0062, Japan
Consulting

Omiachiman Eco Service Co., Ltd.

1143 Takecho, Omiachiman, Shiga 523-0036, Japan
Facility construction and administration

Create Navi Co., Ltd.

7F Kobe Fashion Plaza, 2-9-1 Koyochonaka, Higashinada-ku, Kobe, Hyogo 658-0032, Japan
Recruiting service

Green Arrows Kansai Co., Ltd.

4-2-3 Chikkoshinmachi, Nishi-ku, Sakai, Osaka 592-8331, Japan
Waste management and recycling

Software Total Service Co., Ltd.

10F Chiyoda Building Higashi-kan, 2-9-4 Higashitemma, Kita-ku, Osaka, Osaka 530-0044, Japan
Consulting

Maruyo Inc.

3-13 Kusunokicho, Ashiya, Hyogo 659-0015, Japan
Waste management and recycling

DINS Environmental Analysis Center Co., Ltd.

3598-12 Hatta, Iga, Mie 518-1155, Japan
Consulting

Ashiya Josui Co., Ltd.

3-13 Kusunokicho, Ashiya, Hyogo 659-0015, Japan
Waste management and recycling

ISV Japan, Limited

#301, 3F Oshima Building, 2-4-8 Konan, Minato, Tokyo 108-0075, Japan
Waste management and recycling

Daiei Kankyo Research Institute Co., Ltd.

#602, 6F H'O Kanda, 41-1 Kanda Higashimatsushitacho, Chiyoda, Tokyo 101-0042, Japan
Consulting

DINS Hokkaido Co., Ltd.

562-14 Abira, Abiracho, Yufutsu, Hokkaido 059-1511, Japan
Waste management and recycling

Plafactory Co., Ltd.

4-2-3 Chikkoshinmachi, Nishi-ku, Sakai, Osaka 592-8331, Japan
Recycled plastic pallets

Tohoku Eco Clean Co., Ltd.

38 Kumada, Shioniwa, Onomachi, Tamura, Fukushima 963-3314, Japan
Waste management and recycling

DINS Mirai Co., Ltd.

6F Kobe Fashion Plaza, 2-9-1 Koyochonaka, Higashinada-ku, Kobe, Hyogo 658-0032, Japan
Recruiting service

Tadaoka Eco Service Co., Ltd.

2-12-59 Tadaokakita, Tadaokacho, Senboku, Osaka 595-0811, Japan
Waste management and recycling

Negibozu Agricultural Producers' Cooperative Corporation

11654 Kakinokigawa, Yono, Iga, Mie 518-1152, Japan
Agribusiness

Makinosato Agricultural Producers' Cooperative Corporation

132-8 Tani, Kitsushoji, Kuchiyokawacho, Miki, Hyogo 673-0752, Japan
Agribusiness

Non-consolidated subsidiaries

Fukuchiyama Golf Co., Ltd.

194 Hatakenaka, Fukuchiyama, Kyoto 620-0967, Japan
Golf course management

Satoyama Agricultural Producers' Cooperative Corporation

4713 Hachiya, Yono, Iga, Mie 518-1152, Japan
Agribusiness

Affiliated companies

Affiliates accounted for by the equity method

Major Venous Japan Co., Ltd.*

15F Tokyo Sankei Building, 1-7-2 Otemachi, Chiyoda, Tokyo 100-0004, Japan
Waste management and recycling

Re-enermie Co., Ltd.*

3693-15 Kitafukuzawa, Hatta, Iga, Mie 518-1155, Japan
Electricity generation

Symfives Co., Ltd.*

2874 Toshimamachi, Higashi-ku, Kumamoto, Kumamoto 861-8031, Japan
Waste management and recycling

KOBE-Bio-Sewage Co., Ltd.

1-4-78 Wakinoamacho, Chuo-ku, Kobe, Hyogo 651-0072, Japan
Waste management and recycling

Asahikouseki Co., Ltd.

13-4 Biwanokubo, Iitanicho, Tokushima, Tokushima 771-4265, Japan
Waste management and recycling

* Main affiliated company

Affiliates not accounted for by the equity method

GLOBAL ENVIRONMENTAL TECHNOLOGY Co., Ltd.

#509, Izumisano Center Building Southcore 21, 1-10-37 Takamatsuhigashi, Izumisano, Osaka 598-0012, Japan
Waste management and recycling

KOUKI CORP.

6-23 Hamawakicho, Nishinomiya, Hyogo 662-0941, Japan
Facility construction and administration

Eco Clean Yamatokoriyama Co. Ltd.

#202, Urbanheim Koriyama, 23-1 Konyamachi, Yamatokoriyama, Nara 639-1148, Japan
Facility construction and administration

EII, Inc.

4F No. 2 Muneyasu Building, 1-23 Kandanishikicho, Chiyoda, Tokyo 101-0054, Japan
Consulting

Green Arrows Holdings, Inc.

A-10F, 2-4-1 Shibakoen, Minato, Tokyo 105-0011, Japan
Waste management and recycling

NEW ENERGY SUPPLY CORPORATION

4F, 1-6-11 Oji, Kita, Tokyo 114-0002, Japan
Waste management and recycling

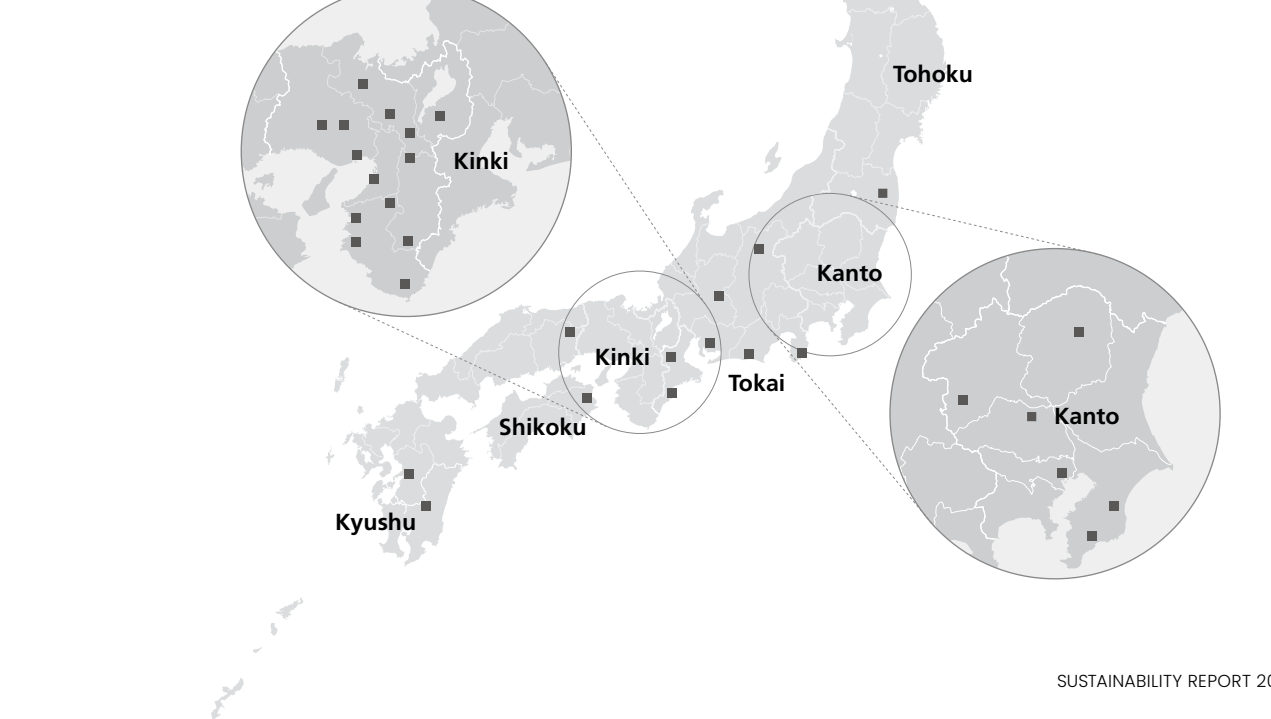
KAKEGAWA HOTOKU POWER Co., Ltd.

317-3 Yasaka, Kakegawa, Shizuoka 436-0004, Japan
Electricity generation

Daiei Kankyo Group business locations

Owned by Daiei Kankyo and consolidated subsidiaries	■ Recycling facilities	30
	■ Other business locations	25
	■ Sales offices	13
	■ Forests	29
Owned by affiliates accounted for by the equity method	■ Recycling facilities	2
	■ Other business locations	3
Owned by affiliates not accounted for by the equity method	■ Recycling facilities	1
	■ Other business locations	6

(As of June 2023)



Facility Sizes

We possess facilities in compliance with various recycling-related laws and meet the diverse needs of our customers. General waste management permits cover approximately 70% of total processing capacity.

Total permitted capacity for sorting, crushing, and recycling facilities

53,004 t/day

* RC: Recycle Center

Business location	Processing capacity
Izumi RC	1,793 t/day
Kokawa RC	234 t/day
Nishinomiya RC	1,234 t/day
Miki RC	14,121 t/day
Rokko RC	427 t/day
Gobo RC	336 t/day
Wakayama RC	7,026 t/day
Iga RC	1,562 t/day
Mie Chuo Kaihatsu Mie RC	1,332 t/day
Mie Chuo Kaihatsu Kyoto RC	1,959 t/day
Settsu Seibun Co., Ltd.	1,447 t/day
DINS Kansai GE RC	321 t/day
DINS Kansai Bioethanol RC	1,058 t/day
DINS Kansai RAC RC	3,364 t/day
DINS Kansai R&E RC	102 t/day
Daiei Amet Co., Ltd.	1,356 t/day
Sanki Kaihatsu Co., Ltd.	146 t/day
Major Venous Japan Co., Ltd.	2,416 t/day
Kobe Port Recycle Co., Ltd.	2,198 t/day
Green Arrows Kansai Co., Ltd.	566 t/day
Kyodoh Doboku Tokyo Intermediate Treatment Site	3,256 t/day
Kyodoh Doboku Chiba Intermediate Treatment Site	1,925 t/day
Kyodoh Doboku Saitama Intermediate Treatment Site	800 t/day
Safety Island Co., Ltd.	4,019 t/day

Total permitted capacity for incineration, gasification and gas reforming, and roasting facilities

2,507 t/day

Business location	Processing capacity	Power generation capacity
Nishinomiya RC (incineration)	50 t/day	
Miki RC (incineration)	150 t/day	800 kW
Miki RC Biomass Factory (incineration)	440 t/day	11,700 kW
Mie RC (incineration)	130 t/day	800 kW
Mie RC (roasting)	200 t/day	
Mie RC Energy Plaza (incineration)	636 t/day	4,050 kW
Mie RC Energy Plaza (roasting)	187 t/day	
DINS Kansai GE RC (incineration)	248 t/day	850 kW
DINS Kansai Bioethanol RC (incineration)	86 t/day	1,950 kW
Clean Stage Co., Ltd. (gasification, gas reforming, and melting)	95 t/day	1,500 kW

Note: The table only shows the main facilities.

Total permitted capacity for final disposal sites

31,793,000 m³

Business location	Permitted capacity for establishment
Izumi RC (controlled final disposal site)	3,381,011 m ³
Miki RC (controlled final disposal site)	11,066,371 m ³
Mie RC (controlled final disposal site)	12,807,077 m ³
Kyoto RC (controlled final disposal site)	1,285,268 m ³
Gobo RC (controlled final disposal site)	2,731,323 m ³
Daiei Amet Co., Ltd. (stable final disposal site)	86,000 m ³
Tohoku Eco Clean Co., Ltd. (controlled final disposal site)	249,995 m ³
DINS Hokkaido Co., Ltd. (controlled final disposal site)	186,689 m ³

Soil remediation processing

Pyrolysis and melting

487 t/day

Business location	Processing capacity
Mie RC	377 t/day
Geo-Re Japan Inc.	110 t/day

Washing

708 t/day

Business location	Processing capacity
Geo-Re Japan Inc.	408 t/day
Safety Island Co., Ltd.	300 t/day

Dry Magnetic Sorting

2,520 t/day

Business location	Processing capacity
Geo-Re Japan Inc.	2,520 t/day

Fractionation, Solidification, and Chemical Desorption

8,200 t/day

Business location	Processing capacity
Mie RC	400 t/day
Geo-Re Japan Inc.	5,720 t/day
Safety Island Co., Ltd.	2,080 t/day

(As of June 2023)

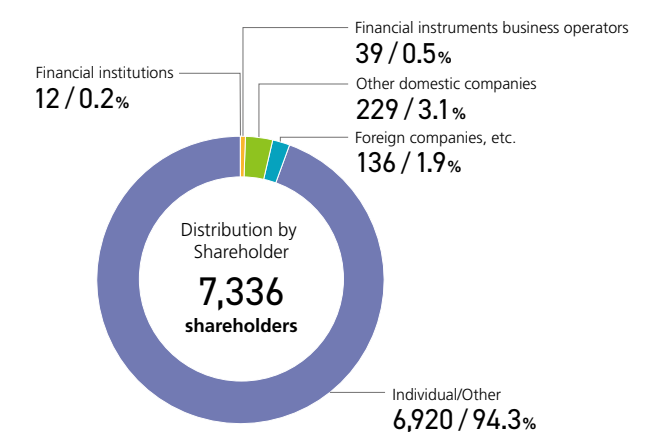
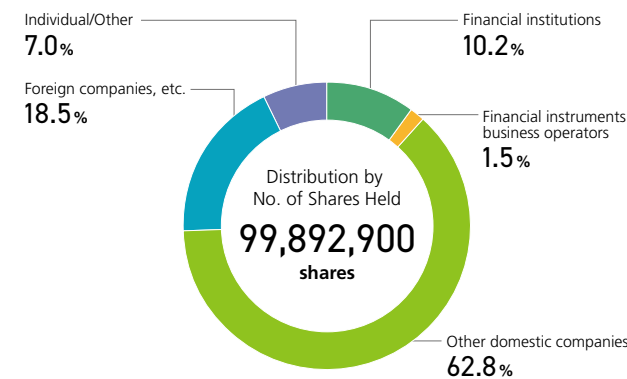
Stock Information

Issued shares:	99,892,900
Shareholders:	7,336
Stock trading unit:	100
Market listing:	Prime Market of the Tokyo Stock Exchange
Securities code:	9336
Fiscal year:	From April 1 of each year to March 31 of the subsequent year
Annual General Meeting of Shareholders:	Within three months of the fiscal year-end
Shareholder record date:	March 31 of each year
Dividend record date:	September 30 of each year March 31 of each year
Shareholder registry administrator:	Sumitomo Mitsui Trust Bank, Limited
Accounting auditor:	GYOSEI & Co.

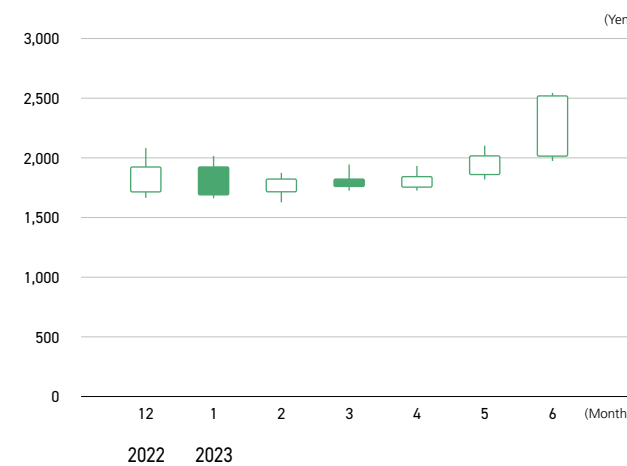
Major shareholders (Top 10)

Name of shareholder	No. of shares held (thousand)	% of total
Wing Towa K.K.	61,399	61.47
The Master Trust Bank of Japan, Ltd. (trust account)	6,134	6.14
Custody Bank of Japan, Ltd. (trust account)	3,100	3.10
JPMorgan Chase Bank, N.A. (385632)	2,797	2.80
Daiei Kankyo employee stock ownership plan	1,436	1.44
BNP PARIBAS LUXEMBOURG/2S/JASDEC SECURITIES/UCITS ASSETS	1,300	1.30
MSIP CLIENT SECURITIES	1,053	1.05
MSCO CUSTOMER SECURITIES	781	0.78
CEPLUX-THE INDEPENDENT UCITS PLATFORM 2	680	0.68
NORTHERN TRUST CO.(AVFC) RE UKUC UCITS CLIENTS NON LENDING 10PCT TREATY ACCOUNT	559	0.56

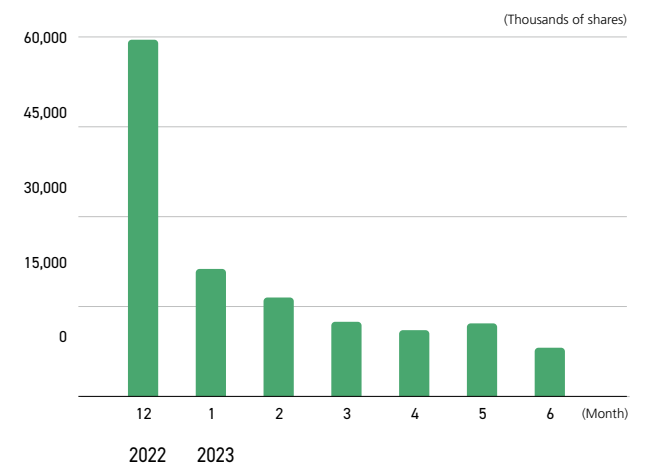
Share distribution



Trend in share price



Trend in trading volume





Grand prize photo

November 1, 2022

Photo contest

The Daiei Kankyo Group teamed up with Semboku Rapid Railway Co., Ltd. to hold 5th Izumi Recycling Environment Park Photo Contest. The theme was "one photo of a landscape in full bloom with seasonal flowers or a moment that touched your heart." Of the 151 entries, one photo was awarded the grand prize; two, the excellence award; and seven, the special award.



March 11, 2023

Tree planting

We participated in tree planting in the Sakai District No. 7-3 Symbiotic Forest in Sakai City, Osaka for the first time in three years. A total of approximately 60 people, including volunteers and people from government agencies and local companies, planted nine types of trees. A total of 500 trees were planted.



March 20, 2023

Commendation

Hyogo Prefecture and Kobe City certified Daiei Kankyo Co., Ltd. as a "Mimosa Company." This certification is awarded to companies that actively work to promote and retain women.

We far outperformed the nationwide average in promoting the retention of women, in particular.



March 25, 2023

Award recipient

In the Eco-Action 21 "Companies of the Year Awards 2022," DINS Kansai Co., Ltd. received the Silver Award in the environmental management report division and the Excellence Award in the social division. They received the comment that they exhibited originality and ingenuity and were working with great enthusiasm. The company will continue to operate the PDCA cycle and help resolve the challenges of local communities.



May 3 and 4, 2023

Youth soccer tournament

Kyodoh Doboku Co., Ltd. held its first youth soccer tournament. A local sports association consulted the company after a number of sponsoring companies withdrew their sponsorships during the COVID-19 pandemic, and Kyodoh Doboku decided to hold the tournament. It was a fiercely competitive tournament as hot as the weather.



May 25, 2023

Letter of appreciation

Mie Chuo Kaihatsu Co., Ltd. received a letter of appreciation for helping to extinguish a forest fire that occurred in the local ward where the Mie Recycle Center is located.

The company mobilized its water truck in response to a request for support from the Iga City fire department. They will continue to train so they can contribute to the local community in the future.

Photo Report

Today, as always, we continue to develop trust with members of communities nationwide and are taking on the challenge of creating a better future.



Shirokuru

The name "Shirokuru" is a combination of the Japanese words *shiro* (white, like a polar bear) and *kurukuru* (going round and round, like circulation).



Jinta
General Affairs Section II,
General Affairs Department

The departments work well together, everyone is kind at Daiei Kankyo, and the cooperation of everyone in the community is needed for final disposal sites. I feel the importance of relationships.



Shun
Water Treatment Team,
Operations Section II

I am actively proposing ideas to improve the quality of water returned to nature. I am happiest when we achieve good results.



Mirakuru

The name "Mirakuru" is a combination of the Japanese words *mirai* (future) and *kurukuru* (going round and round, like circulation).

Kouki
Information Systems Section,
Information Systems Department

I will demonstrate teamwork and provide systems support as the number of companies in the Daiei Kankyo Group increases.



Kenny
Construction Section,
Technical Department

I am supporting the installation of new facilities and machinery. It is satisfying when I have overcome the difficulties and they are able to operate without problems.



Chika
Credit Screening Team,
Control Department

Credit screening is hard work, but I perform it with a sense of responsibility. I want to build up resource recycling in Japan.



Taiki
Construction Section III,
Kansai Sales Department

I joined the Company in 2023 and want to be able to understand the laws relating to my work, gather the latest information, and be confident when speaking with customers.



Youhei
Biomass Factory Section,
Miki Operations I

We are contributing to the local community by generating electricity from the thermal energy emitted during waste incineration. I derive satisfaction from my job every day.



Saki
Plant Section II, Kansai
Sales Department

I take care to present proposals that will make customers happy. I want to enhance my expertise so as to encourage customers to consult me on highly challenging issues.



Yuji
Environment Section,
Enterprise Department

The Daiei Kankyo Group is undertaking advanced environmental initiatives. I am overjoyed to be even a small part of such efforts.



Taka
Biomass Factory Section,
Miki Operations I

We are all passionate about our work and strive to do better work and create a better society. I think that is one of the good points about Daiei Kankyo.