MIDAC HOLDINGS CO., LTD.

[Securities Code: 6564]

Fiscal Year Ended March 31, 2025 (1Q)
Financial Results Information

[1] About MIDAC Group …P. 2

[2] Financial Results …P. 8

[3] Future Outlook …P. 12

[4] Topics …P. 18

[5] Appendix …P. 21

[1] About MIDAC Group …P. 2

[2] Financial Results …P. 8

[3] Future Outlook …P. 12

[4] Topics …P. 18

[5] Appendix …P. 21

[1] – 1 About MIDAC Group (Corporate Profile)



Company Name : MIDAC HOLDINGS CO., LTD.
Founded : April 1952
Capital Fund : 90 million yen
Representative : President & Representative Director Keiko Kato
Head Office : 2163 Aritama Minami-machi, Higashi-ku, Hamamatsu, Shizuoka
Number of Employees : 408* (As of the end of June 2024: group consolidated basis)
Subsidiary : MIDAC CO., LTD. / MIDAC LINER CO., LTD. / SANKO CO., LTD. / MIDAC KONAN CO., LTD. / ENSHU CRUSHED STONE CO., LTD. / FRIEND SANITARY CO., LTD. / LOVE THY NEIGHBOR CO., LTD. / IWAHARA ORCHARDS CO., LTD.
Affiliated Company: GREEN CIRCULAR FACTORY CO., LTD.

*Includes temporary workers

<<Business Profile>>

- Collection, transportation and treatment of industrial waste and specially controlled industrial waste
- Collection, transportation and treatment of general waste

<<Our Business Facilities>>

MIDAC **Midac Liner** **Sanko** **Midac Konan** **Enshu Crushed Stone** **Friend Sanitary**

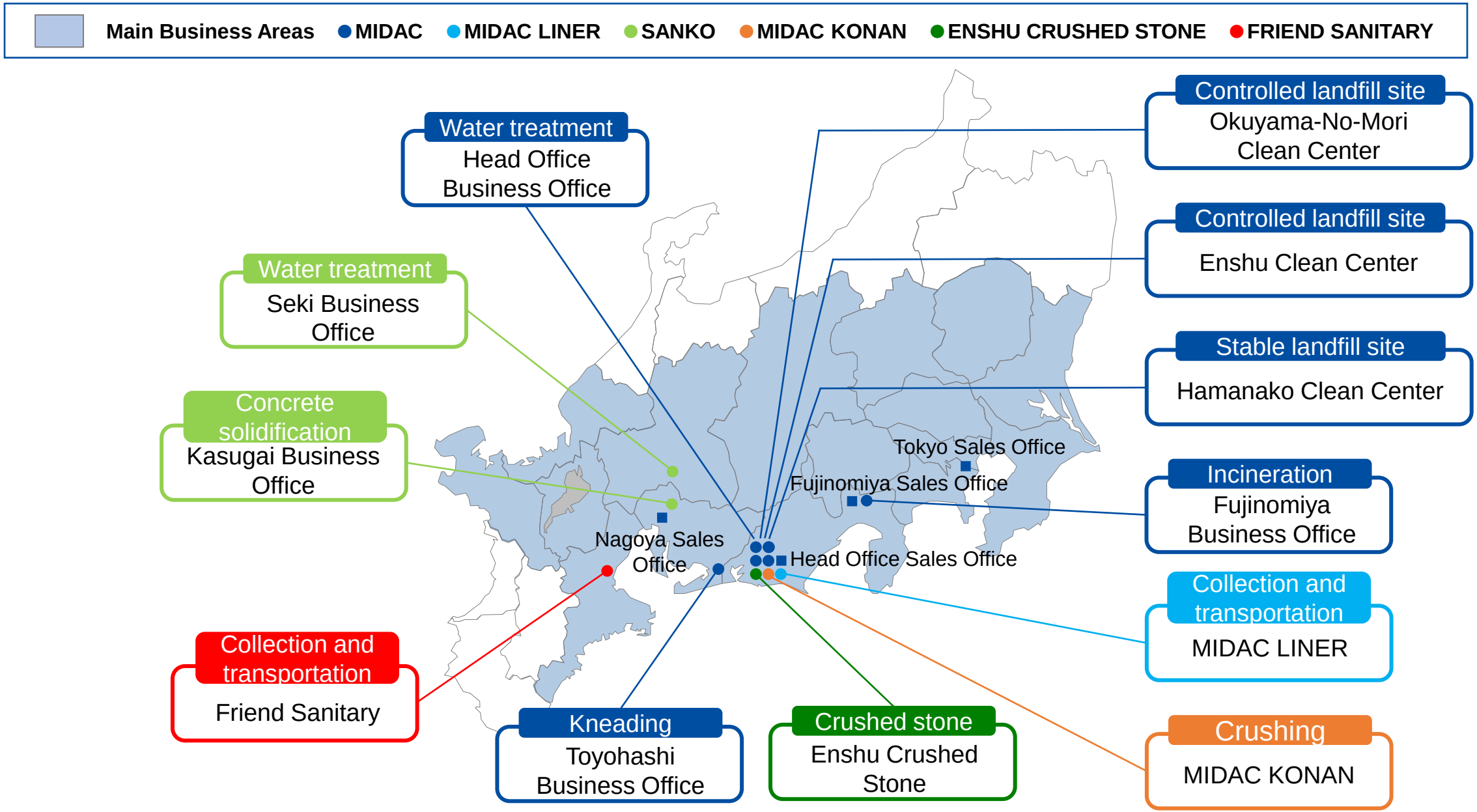
Business Offices

- Fujinomiya Business Office (incineration)
- Head Office Business Office (water treatment, collection and transportation)
- Toyohashi Business Office (kneading)
- MIDAC LINER CO., LTD. (collection and transportation)
- Kasugai Business Office (concrete solidification)
- Seki Business Office (water treatment)
- MIDAC KONAN CO., LTD. (crushing)
- Enshu Crushed Stone (crushed stone)
- Friend Sanitary (collection and transportation)

Sales Offices

- Tokyo Sales Office (Kawasaki City, Kanagawa Prefecture)
- Fujinomiya Sales Office (Fujinomiya City, Shizuoka Prefecture)
- Head Office Sales Office (Hamamatsu City, Shizuoka Prefecture)
- Nagoya Sales Office (Nagoya City, Aichi Prefecture)

[1] – 2 About MIDAC Group (List of Business Units)



[1] – 3 About MIDAC Group (Waste Treatment Process)

Collection and transportation business

Waste treatment business

Intermediary management business

Discharge Company

Waste

Collection and transportation



Collection and transportation vehicle

Intermediate treatment



Incineration



Crushing

Final treatment



Final treatment site

Intermediary management business

Intermediary management

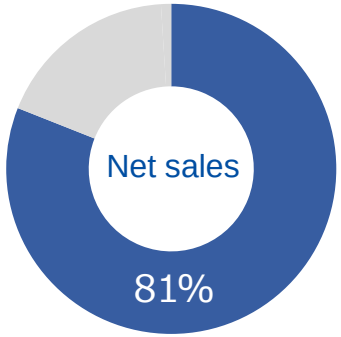
Commission

Waste

Waste disposer

[1] – 4 About MIDAC Group (List of Segments)

<Waste treatment business>



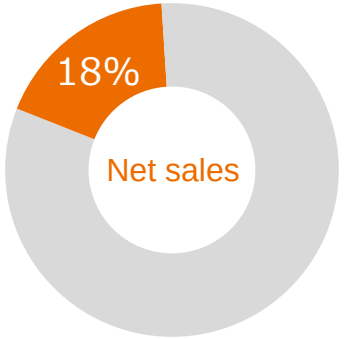
- We provide waste treatment services at our main facilities.
- Our waste treatment services consist of intermediate treatment and final treatment.
- This is the core business of our group and we have a wide variety of waste treatment facilities.


Seki Business Office
(water treatment)


Fujinomiya Business Office
(incineration)


Okuyama-No-Mori CC
(final treatment site)

<Collection and transportation business>



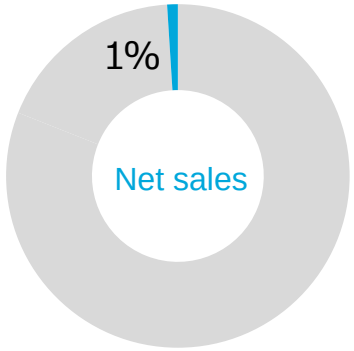
- We provide waste collection and transportation services.
- We have various types of vehicles to transport various waste, including solids and liquids.
- Incidental cleaning services are also available.


Collection and transportation vehicle
(industrial waste collection and transportation)


Collection and transportation vehicle
(general collection and transportation)


Cleaning services

<Intermediary management business>



- We provide customer referral services to other waste disposers.
- We offer appropriate treatment solutions for waste materials that are difficult for us to dispose of or waste materials that are generated outside of our trade area.

*Net sales will include intra-group sales.


Fujinomiya Sales Office


Tokyo Sales Office

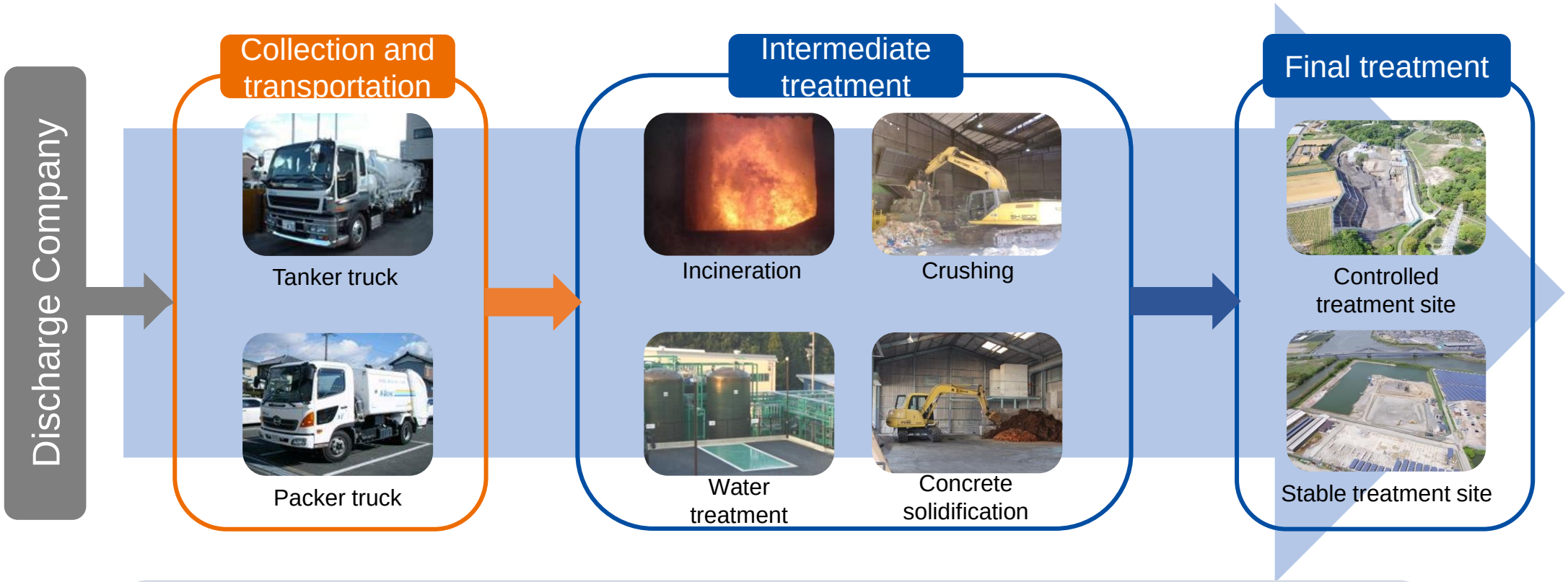


Nagoya Sales Office

[1] – 5 About MIDAC Group (Integrated Treatment System)

- Unlike many of our competitors who are engaged only in waste collection and transportation business or intermediate treatment business, our group has an integrated treatment system for offering a full range of services, from collection and transportation to final treatment through various facilities of our group.

Integrated Treatment System



- Discharge companies feel safe to outsource waste treatment without worrying about the risk of inappropriate disposal / transfer of waste treatment.
- By processing waste materials generated within our group in-house, we can achieve synergy effects such as reducing the cost of intermediate treatment facilities and increasing competitiveness.

[1] About MIDAC Group …P. 2

[2] Financial Results …P. 8

[3] Future Outlook …P. 12

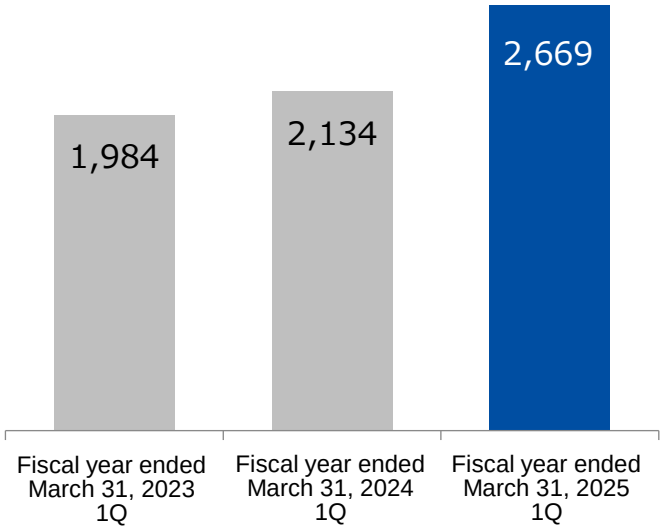
[4] Topics …P. 18

[5] Appendix …P. 21

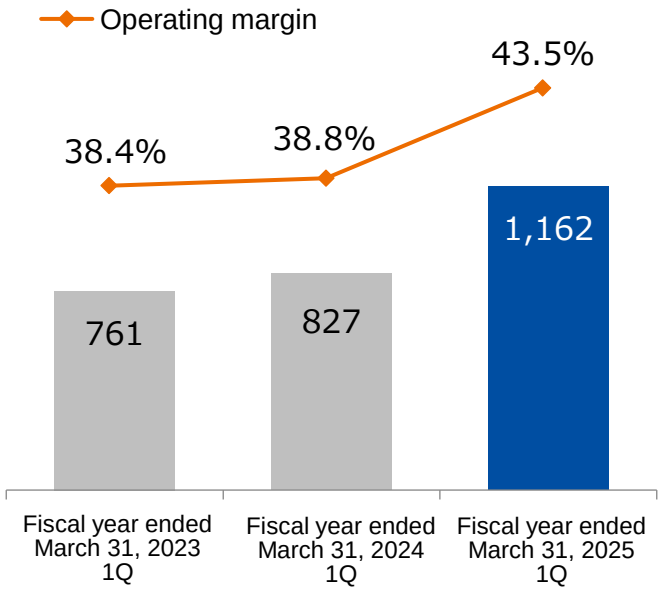
[2] – 1 Financial Results (Consolidated Performance Highlights)

- Net sales: **2,669 million yen** (Year on year +25.1%)
- Operating income: **1,162 million yen** (Year on year +40.4%)
- Net income: **724 million yen** (Year on year +45.1%)

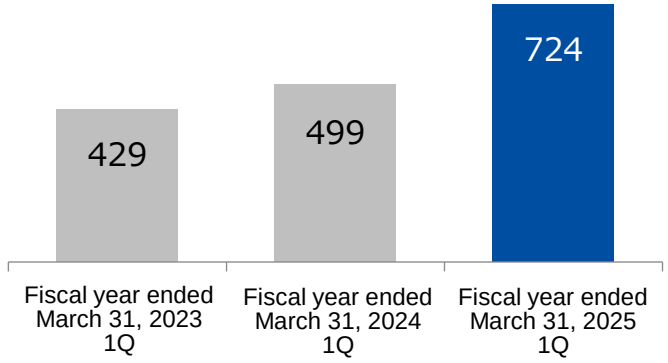
＜Net sales＞



＜Operating income＞



＜Net income＞*

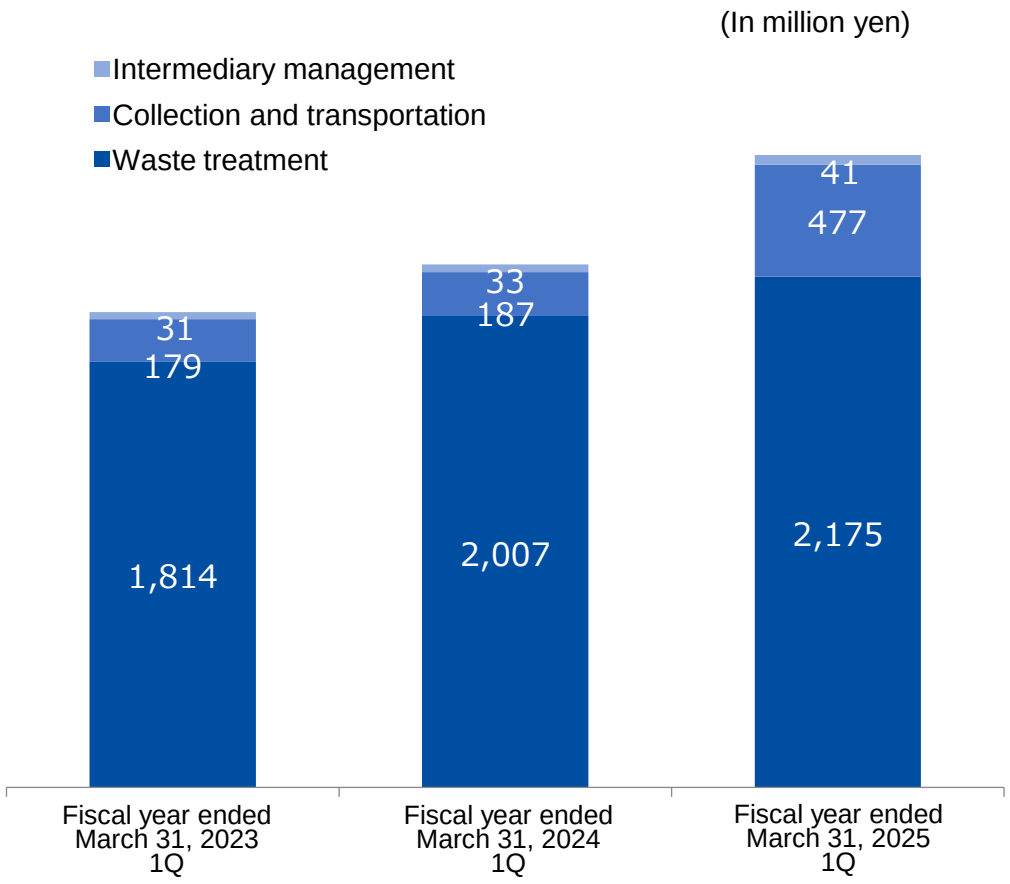


*Net income attributable to the parent company's shareholders

[2] – 2 Financial Results (Analysis by Segment)

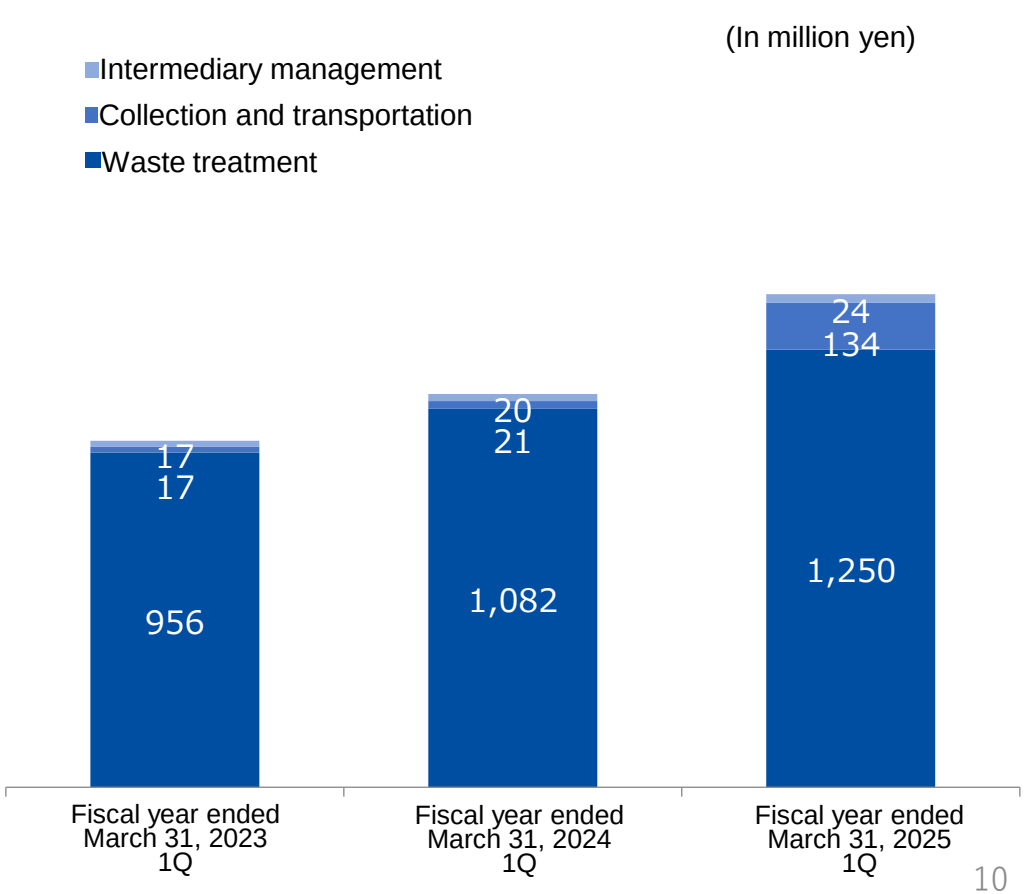
- In the waste treatment business, the amount of contracted waste increased due to contracting of large new projects and increased transactions with existing business partners.
- In the collection and transportation business, the amount of contracted general waste increased due to the inclusion of the Friend Sanitary business results and the development of new business mainly from restaurants.
- The intermediary management business saw increased orders of small and large projects.

Net Sales by Segment *



*Include internal transactions

Profit by Segment *



*Include internal transactions

[2] – 3 Financial Results (Comparison with Projected Results)

- In the waste treatment business and the construction industry, the contracting of large new projects and transactions with existing business partners expanded.
- Net sales and the respective profits are robust.

(In million yen)

	Fiscal year ended March 31, 2025 Full-year forecast	**Fiscal year ended March 31, 2025 1Q Results**	**Composition ratio**	**Expected ratio**
Net sales	10,391	**2,669**	**100.0%**	**25.7%**
Cost of sales	4,266	**933**	**35.0%**	**21.9%**
Gross operating income	6,125	**1,736**	**65.0%**	**28.3%**
Selling expenses and general and administrative expenses	2,275	**574**	**21.5%**	**25.2%**
Operating income	3,849	**1,162**	**43.5%**	**30.2%**
Non-operating income	144	**7**	—	—
Non-operating expenses	112	**28**	—	—
Ordinary profit	3,881	**1,141**	**42.8%**	**29.4%**
Extraordinary profit	0	**0**	—	—
Extraordinary loss	0	**0**	—	—
Net income before tax	3,881	**1,141**	**42.8%**	**29.4%**
Corporate taxes	1,396	**417**	—	—
Net income *	2,484	**724**	**27.1%**	**29.2%**

*Net income attributable to the parent company's shareholders

[1] About MIDAC Group …P. 2

[2] Financial Results …P. 8

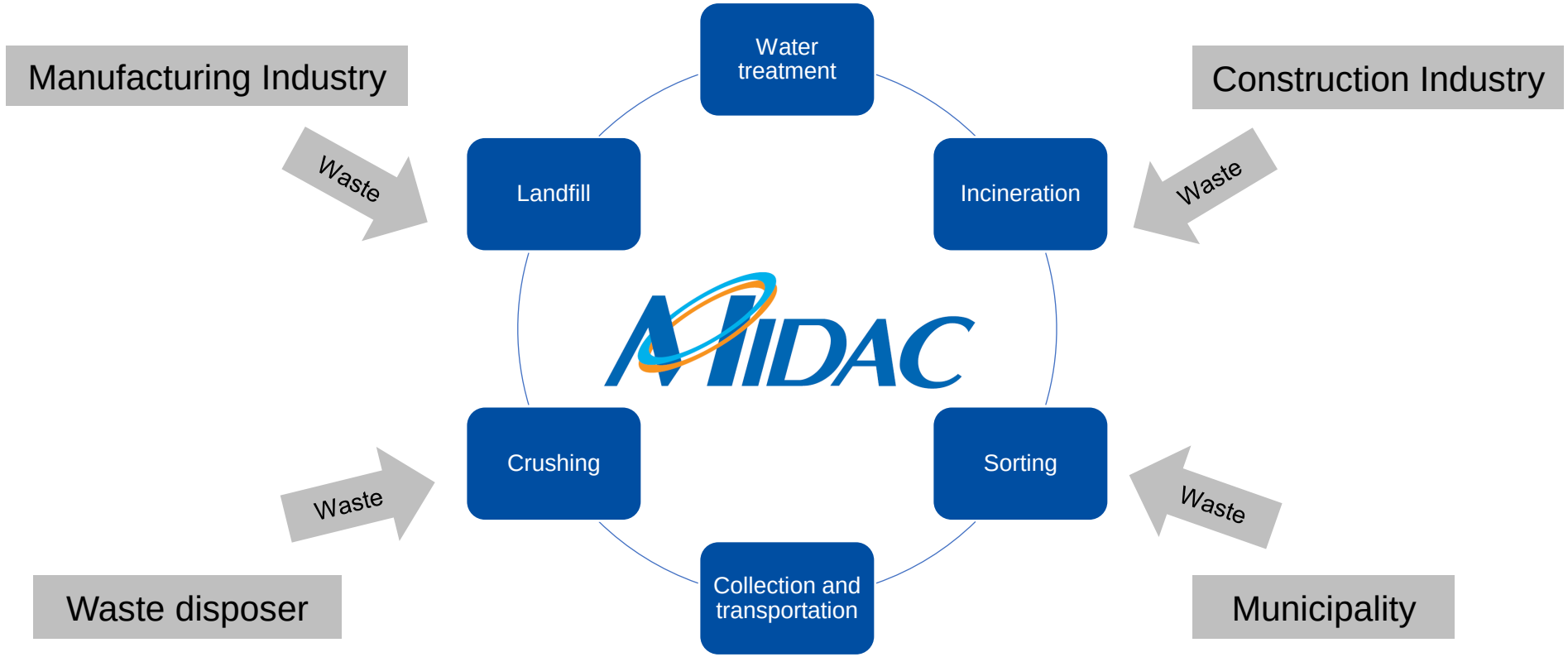
[3] Future Outlook …P. 12

[4] Topics …P. 18

[5] Appendix …P. 21

[3] – 1 Future Outlook (Response to External Environment)

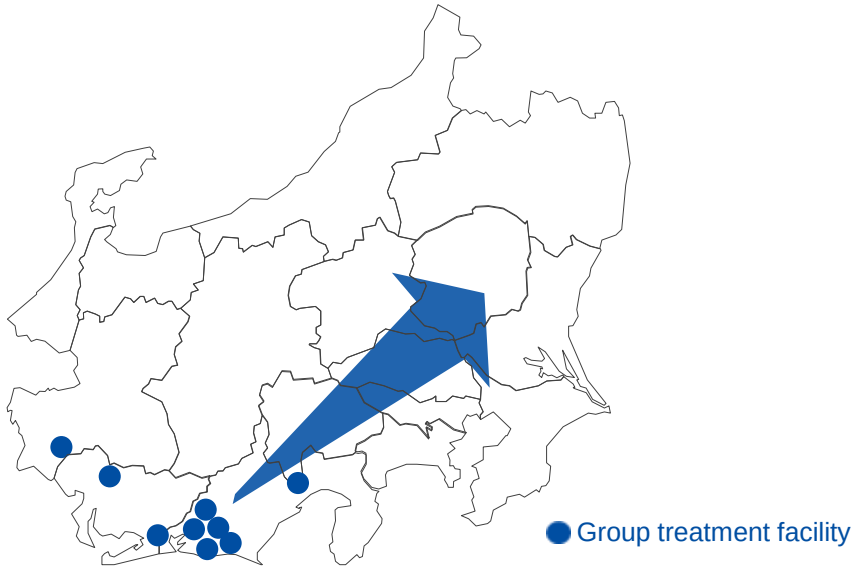
- We are developing efficient and wide-area sales to robust industries and business partners by demonstrating the superiority of our treatment facilities and licenses.
- In order to promote efficient operation, we will clearly separate roles when there are two controlled final treatment sites in the same area.
- We will aim to improve the operating rate of each intermediate treatment facility by continuously strengthening the waste receiving system.



[3] – 2 Future Outlook (Medium- to Long-term Growth Strategy)

- To select our business area and keep growing, it is inevitable to establish new facilities in promising areas where demand is expected.
- By selecting some potential sites for incineration, final treatment facilities near the Pacific belt zone, promoting plans in parallel, and obtain the permission for establishment at an early stage thus further expansion our business.

Focus on the expansion to the Kanto region



- Focus on the expansion in Kanto region, and select some site candidates for new industrial waste treatment facilities.
- For the expansion of new waste treatment facilities, we shall not restrict our plans to our own development, but take flexible and speedy measures including M&A.

Our own development



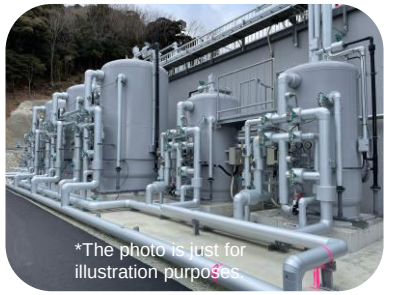
February 2022: Operation

Controlled final treatment site
(Okuyama-No-Mori Clean Center)



March 2022: Land acquisition

Incineration facility



Operation start scheduled in April 2026
Water treatment facility
(tentative name:
Miyakoda Business Office)

Aggressive and speedy M&A



December 2015
MIDAC CO., LTD.



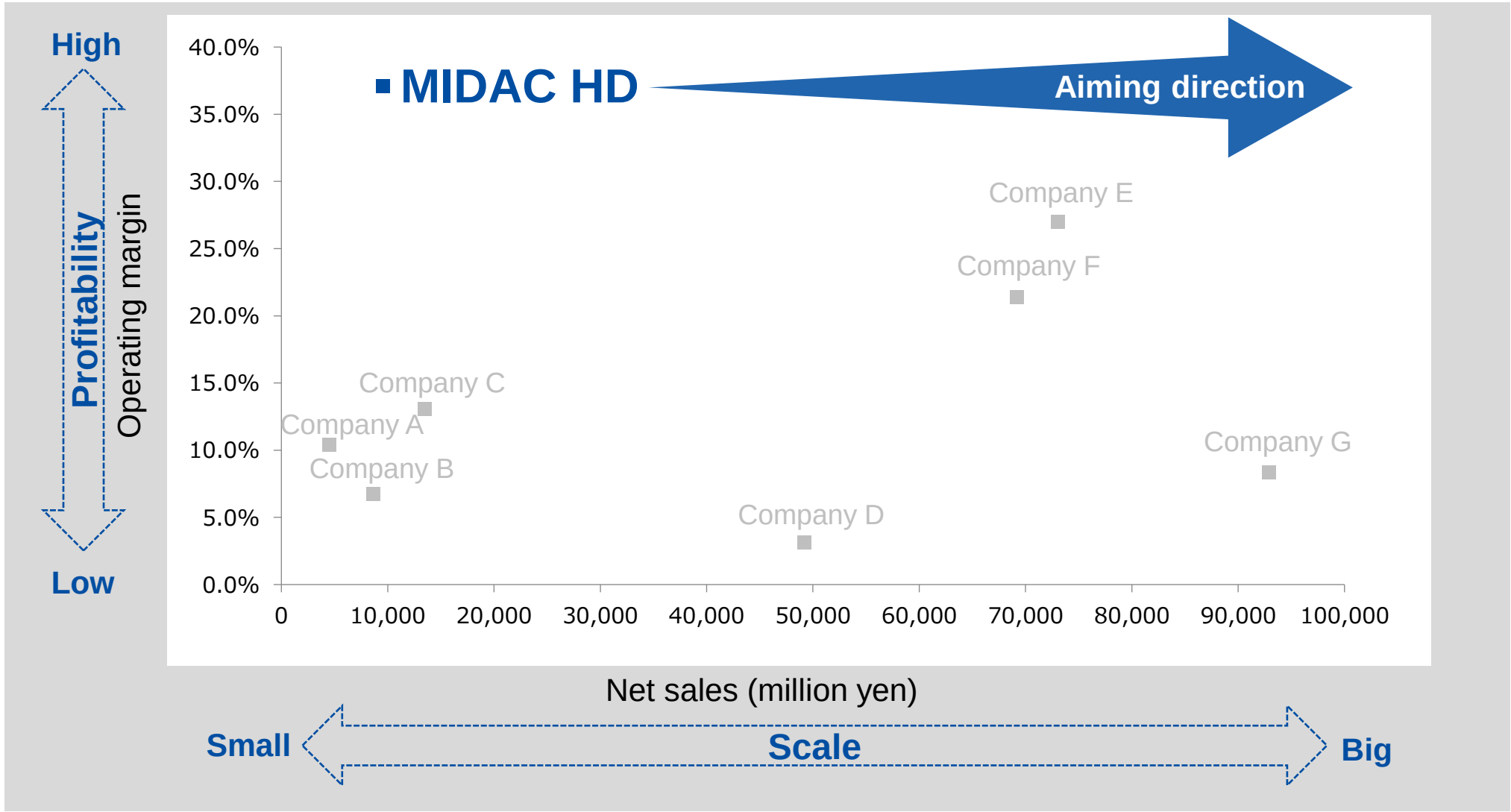
October 2021
MIDAC KONAN CO., LTD.



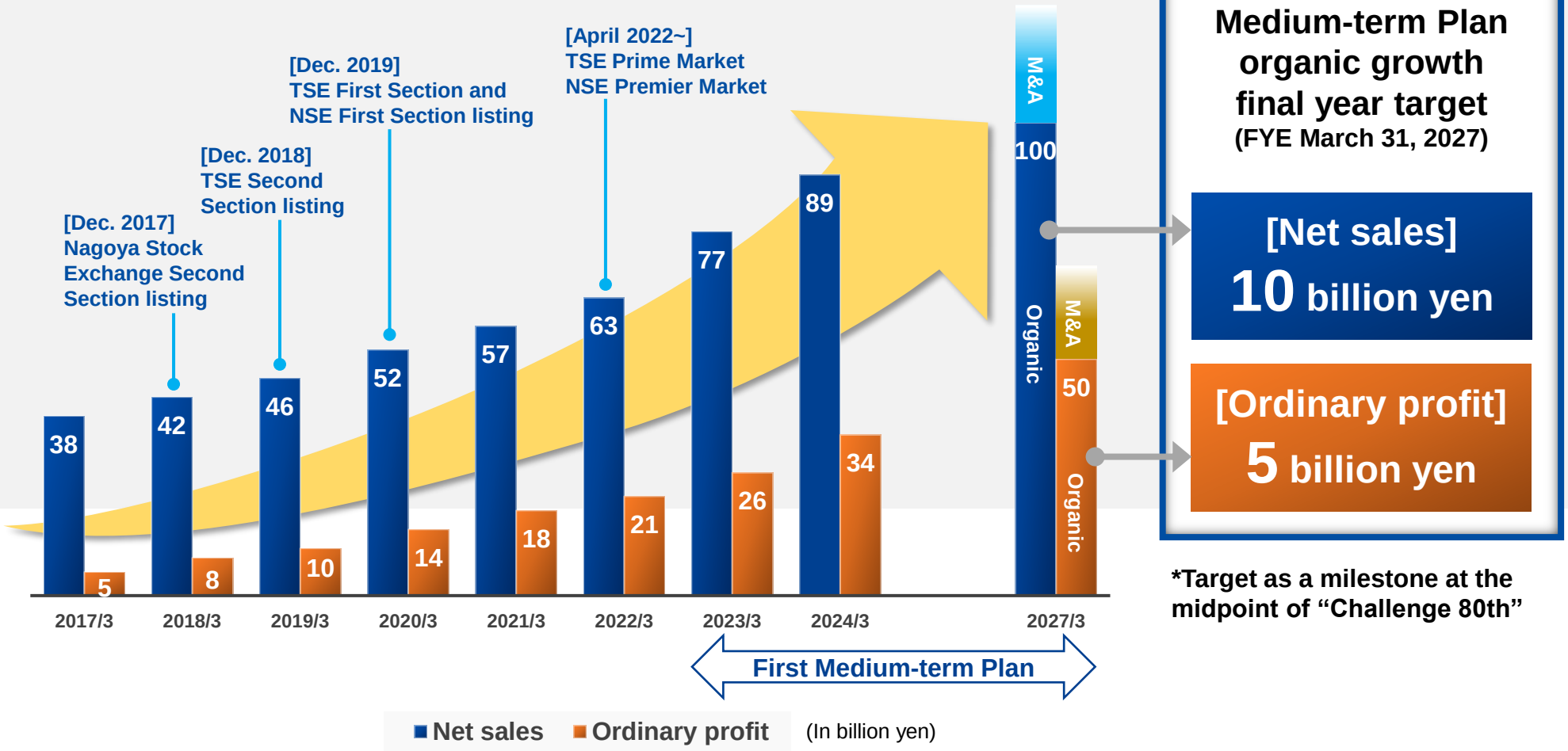
September 2023
FRIEND SANITARY CO., LTD.

[3] – 3 Future Outlook (Comparison with Competitors and Aiming Direction)

- Net sales recorded 9,547 million yen, and the scale is smaller than competitors. However, we are maintaining a high operating margin recording 37.1%. (Results for the fiscal year ended March 31, 2024)
- We will keep aiming to expand into the Kanto region and enhance our scale.



Sustain growth and achieve net sales of 10 billion yen and ordinary profit of 5 billion yen through organic growth alone, excluding M&A growth



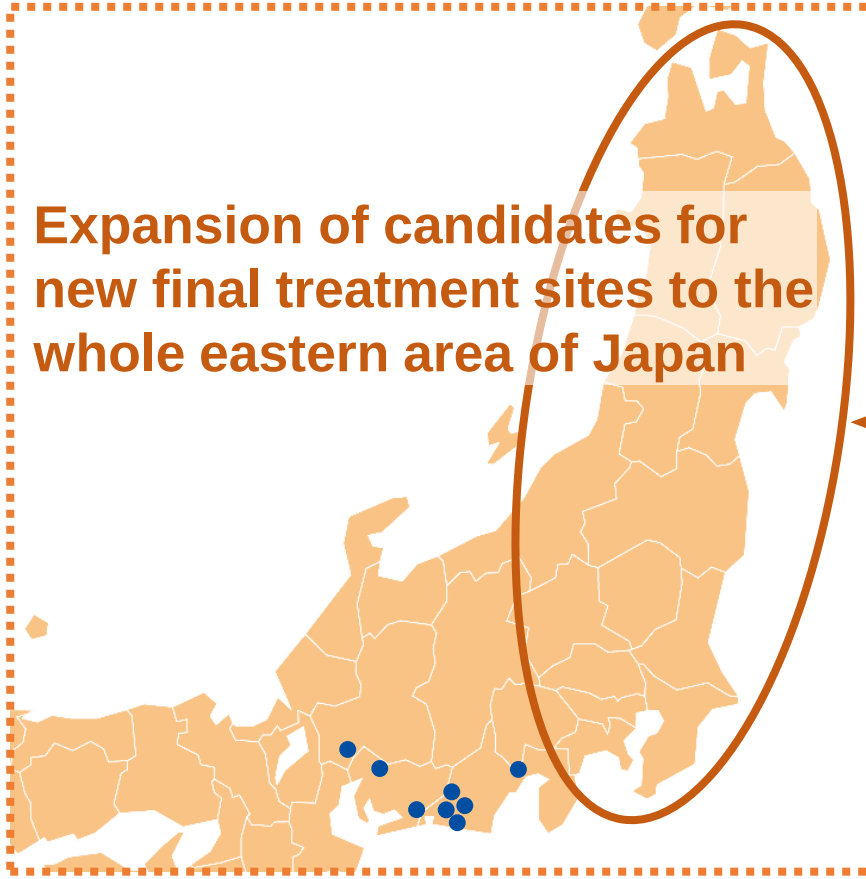
Medium-term Plan organic growth final year target
(FYE March 31, 2027)

[Net sales] 10 billion yen

[Ordinary profit] 5 billion yen

*Target as a milestone at the midpoint of "Challenge 80th"

We will promote development by establishing a wide range of site candidates for final treatment sites for which it may be difficult to obtain permits.



Expansion of candidates for new final treatment sites to the whole eastern area of Japan

Candidate final treatment sites

- **Two controlled final treatment sites (1.5 million m^3 to over 2 million m^3 for each) are planned in the East Japan area**
- **For both sites, topographical and geological surveys have completed, and environment research is underway**

[1] About MIDAC Group …P. 2

[2] Financial Results …P. 8

[3] Future Outlook …P. 12

[4] Topics …P. 18

[5] Appendix …P. 21

[4] – 1 Topics (Plans to Increase Capacity of Final Treatment Sites)

- We are advancing plans to increase the landfill capacity of the Enshu Clean Center (controlled final treatment site) and the Hamanako Clean Center (stable final treatment site).

Business Office Name		Enshu Clean Center	Hamanako Clean Center
Landfill Capacity	Pre-increase	447,297㎥	424,762㎥
	Post-increase	499,025㎥	811,489㎥
Appearance			

*Currently, an application for permission to change the Hamanako Clean Center is underway and the final post-increase capacity may be subject to change.

[4] – 2 Topics (Basic Agreement on Joint Venture on Resource Circulation)

- We entered into a basic agreement on joint commercialization of resource circulation with Terrarem Group Co., Ltd., including the development of a business scheme for the appropriate reuse and recycling of used solar panels.
- Our aim is to establish a sustainable, recycling-oriented society through the development of resource circulation technologies and appropriate waste treatment.

About the Terrarem Group

The Terrarem Group is involved in creating resource circulation-based business models, including pioneering efforts to establish resource circulation facilities, such as for plastic recycling or biogas power generation using methane gas from food waste.



[1] About MIDAC Group …P. 2

[2] Financial Results …P. 8

[3] Future Outlook …P. 12

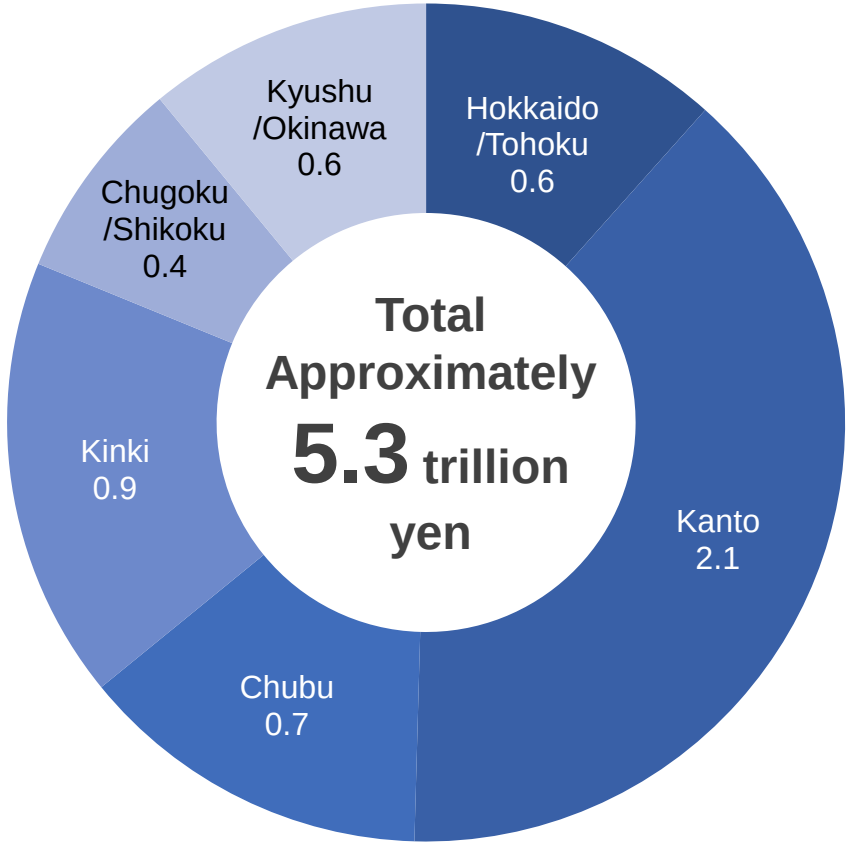
[4] Topics …P. 18

[5] Appendix …P. 21

[5] – 1 Industrial Environment (Market Size)

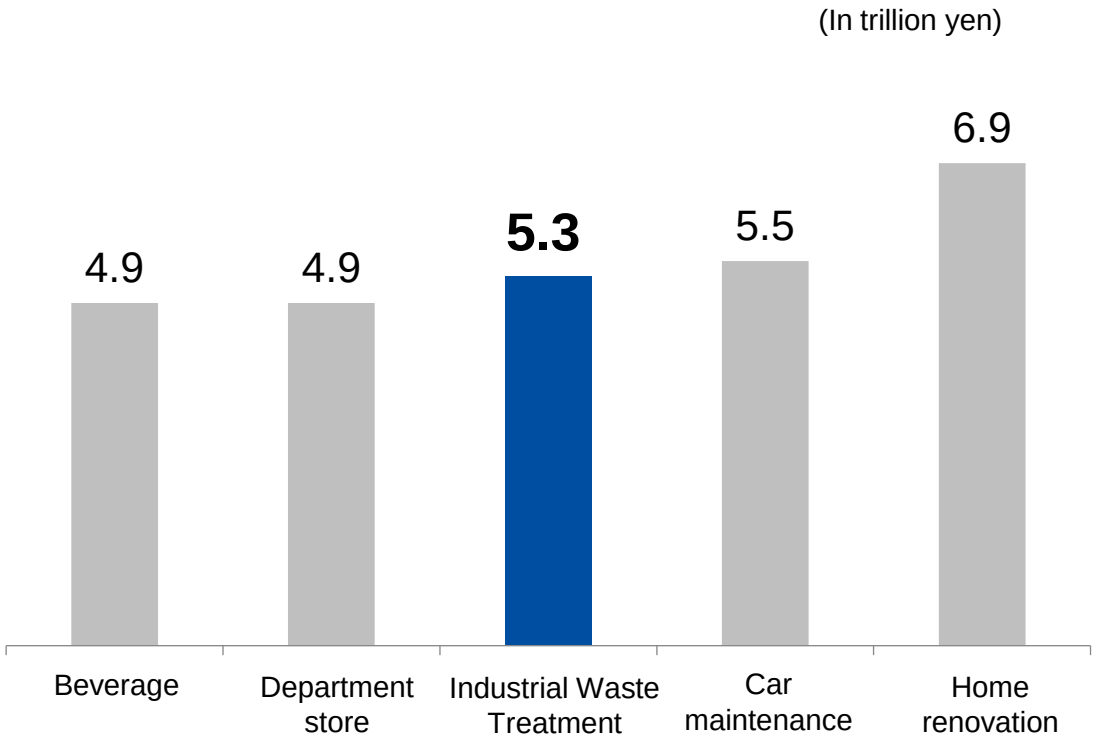
- The estimated market size of the domestic industrial waste treatment industry is **approximately 5.3 trillion yen**.
- Market size surpasses that of the beverage and department store industries.

Estimated market size of the industrial waste treatment industry



Source: “FY2011 Report on the Fact-Finding Survey of Industrial Waste Treatment Business”, The Ministry of the Environment (Japanese only)

Market size comparison to other industries

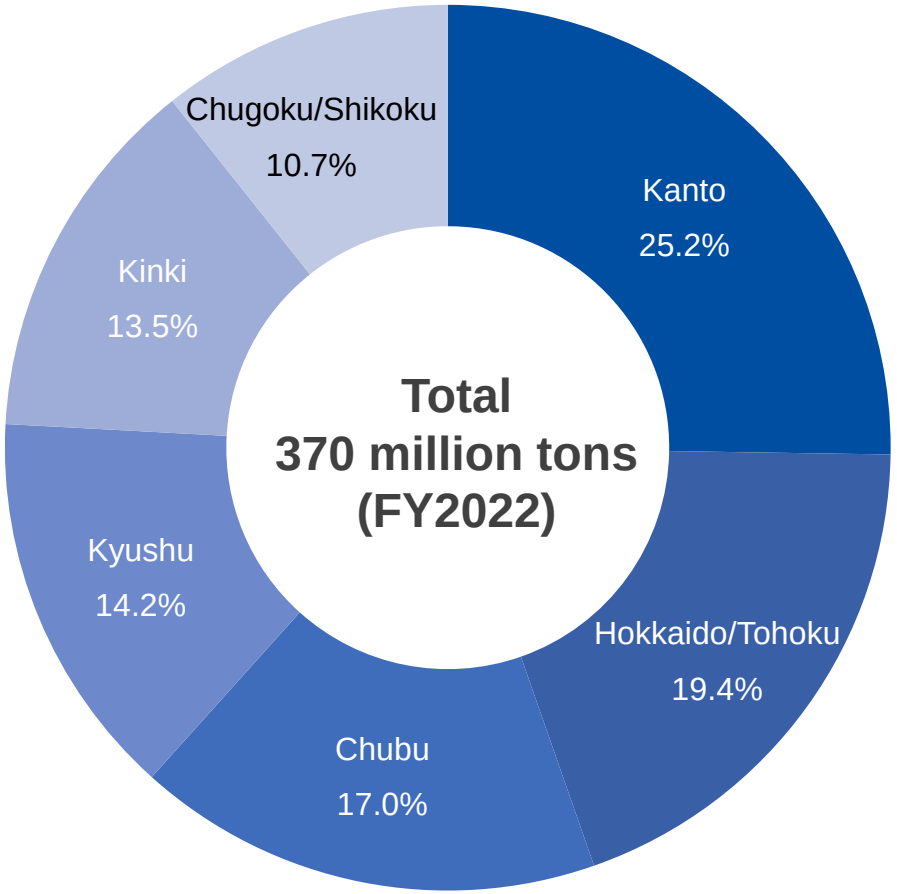


Source: "2022 Report on the Current Status and Outlook of the Beverage Market" (Beverage), Yano Research Institute Ltd.; "Summary of Nationwide Department Store Sales for December 2022" (Department Store), Japan Department Stores Association; "FY2011 Report on the Fact Finding Survey of Industrial Waste Treatment Business" (Waste Treatment), The Ministry of the Environment; "FY2021 Overview of the Results of Fact-Finding Surveys on Specified Automobile Maintenance Businesses" (Car maintenance), Japan Automobile Service Promotion Association (Japanese only); and "Outlook and Strategy for the Home Renovation Market (2022)" (Home Renovation), Yano Research Institute Ltd. (Japanese only)

[5] – 2 Industrial Environment (Industrial Waste by Region and Industry)

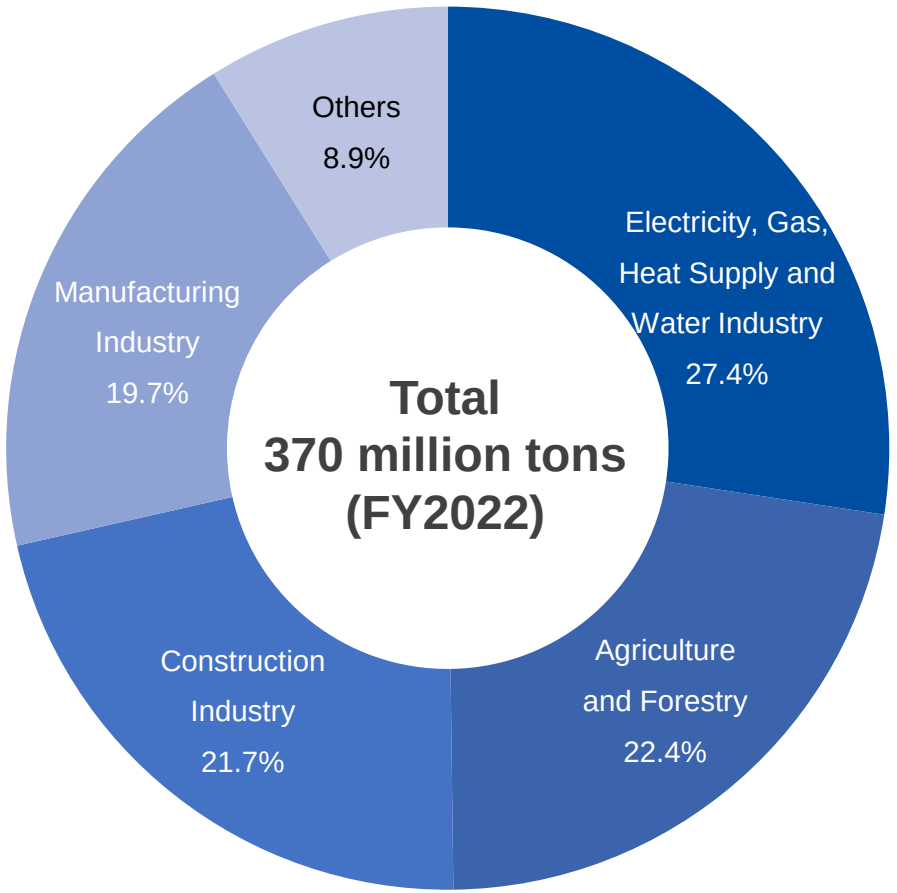
- By region, the Kanto region generated the largest industrial waste volume, followed by Hokkaido, Tohoku and Chubu.
- By industry, electricity, gas, heat supply, and water have the highest emissions, followed by agriculture and forestry, and construction.

Composition ratio of industrial waste by region



Source: "Industrial Waste Discharge and Treatment Status (Preliminary Figures for FY2022)", The Ministry of the Environment (Japanese only)

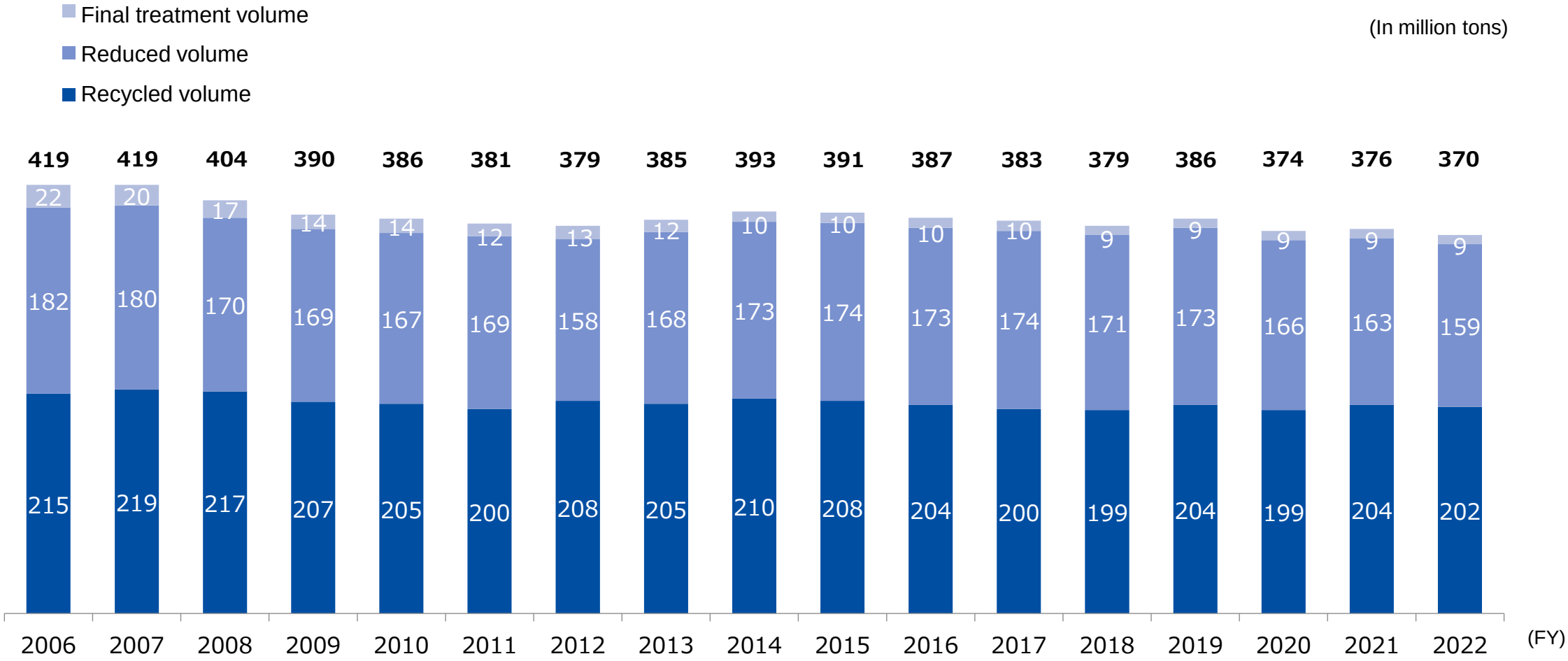
Composition ratio of industrial waste by industry



Source: "Industrial Waste Discharge and Treatment Status (Preliminary Figures for FY2022)", The Ministry of the Environment (Japanese only)

[5] – 3 Industrial Environment (Total Volume of Industrial Waste)

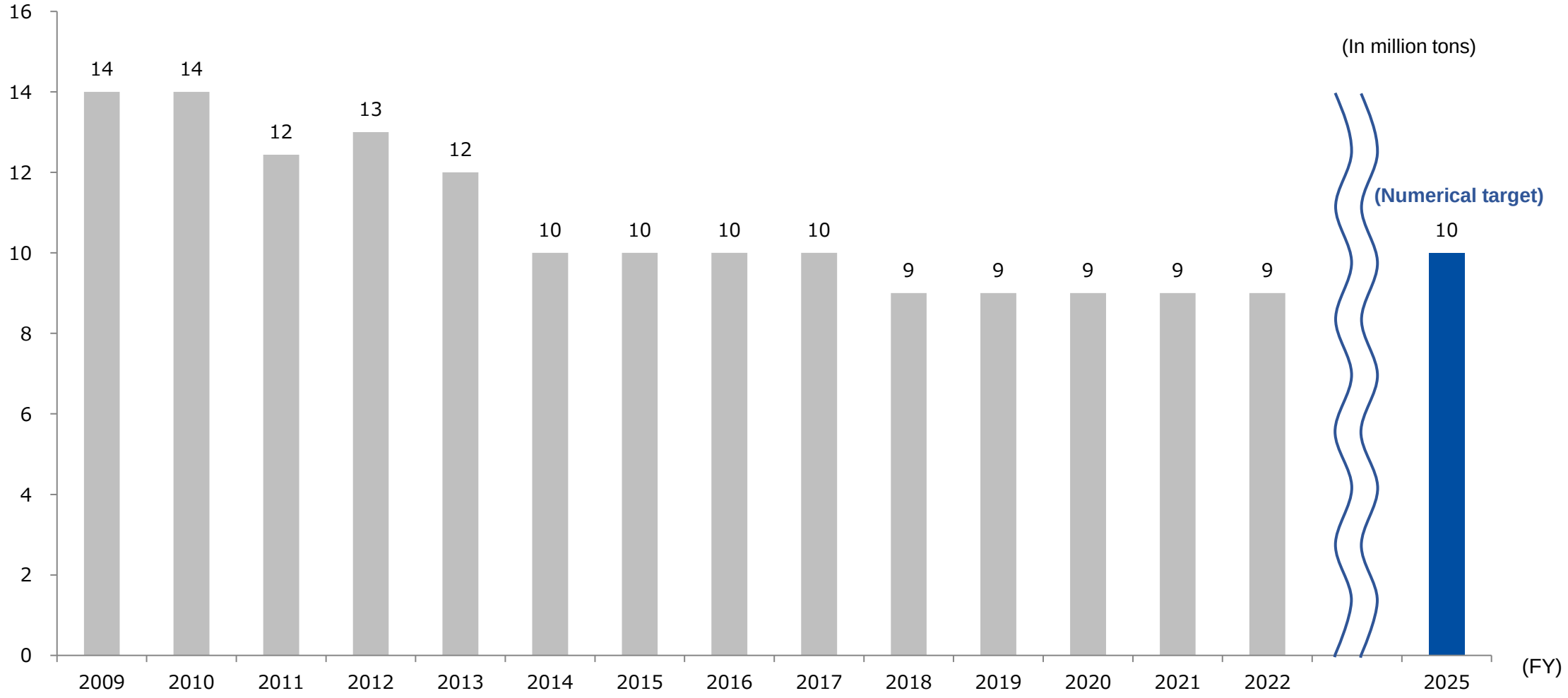
- The total volume of industrial waste in FY2022 was 370 million tons, showing no significant change.
- It is predicted that certain volume of waste will continue to arise in the future.



Source: "Industrial Waste Discharge and Treatment Status Research Report (Preliminary Figures for FY2022)", the Ministry of the Environment (Japanese only)

[5] – 4 Industrial Environment (Trends in Final Treatment Site)

- The Fundamental Plan for Establishing a Sound Material-Cycle Society sets a numerical target of **approximately 10 million tons** for the final treatment volume in FY2025.
- The final treatment of waste will inevitably occur in the future, and therefore final treatment sites are indispensable to society.



Source: "Industrial Waste Discharge and Treatment Status Research Report (Preliminary Figures for FY2022)" published by the Ministry of the Environment and "Fundamental Plan for Establishing a Sound Material-Cycle Society (June 2018)" published by the Ministry of the Environment (Japanese only)

[5] – 5 Industrial Environment
(Remaining Capacity and Remaining Years for Industrial Waste Final Treatment Sites)

- The remaining capacity of final treatment sites is approx. 171.09 million m^3, an increase of approx. 14.02 million m^3 (8.9%) from the previous year.
- As of April 1, 2022, nationwide there are **19.7 years** remaining for final treatment sites, and **13.4 years** for the Tokyo metropolitan area.
- **1,568 final treatment sites** have been approved nationwide.

1. Final treatment site remaining capacity (as of April 1, 2022)

Final treatment site	Remaining capacity (10,000 m^3)
Shielded treatment sites	2
Stable treatment sites	5,923
Controlled treatment sites	11,183
Total	17,109

2. Industrial waste final treatment sites remaining capacity and remaining years (as of April 1, 2022)

Category	Landfill capacity (10,000 t)	Remaining capacity (10,000 m^3)	Remaining years (years)
Nationwide	869	17,109	19.7
Tokyo metropolitan area	148	1,989	13.4
Kinki area	129	2,651	20.5

1. The "Tokyo metropolitan area" refers to Ibaraki, Tochigi, Gunma, Saitama, Chiba, Tokyo, Kanagawa and Yamanashi prefectures.
2. The "Kinki area" refers to Mie, Shiga, Kyoto, Osaka, Hyogo, Nara and Wakayama prefectures.
3. Remaining years = Remaining capacity / landfill capacity (with a conversion rate of 1 t = 1 m^3).

Source: Ministry of the Environment, "Status of the Installation of Industrial Waste Treatment Facilities and Permitting for Industrial Waste Treatment Businesses, etc. (FY2021 Results, etc.)" (Japanese only)

[5] – 6 Industrial Environment (Circular Economy and 3R+Renewable)

Circular Economy

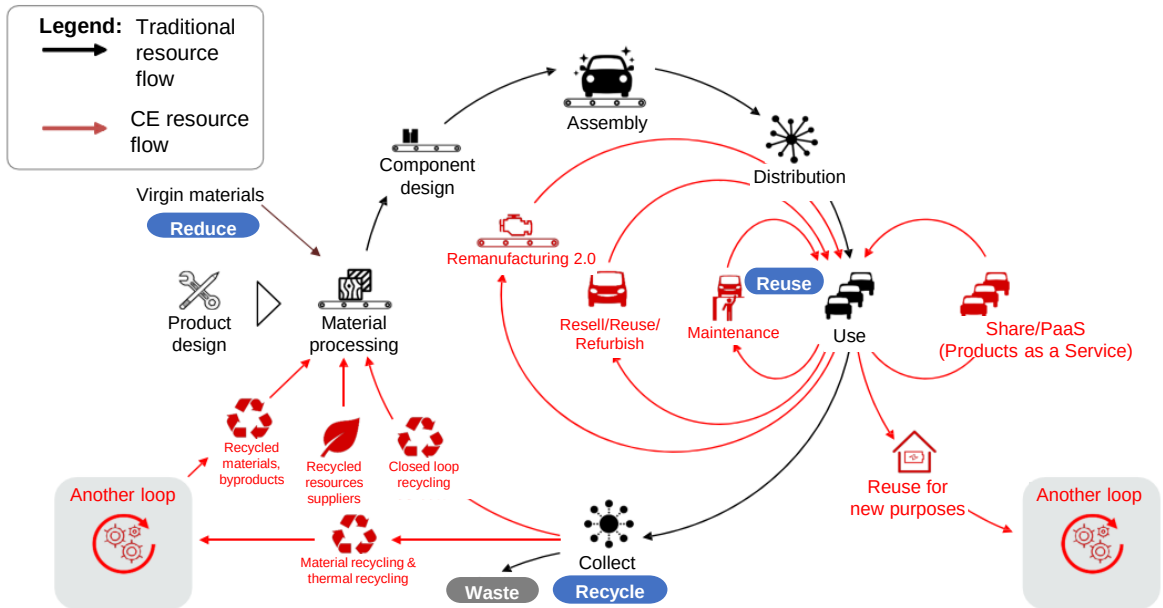


*Figure: Created by modifying "Current State of and Issues with Resource Circulation Policies" by the Ministry of Economy, Trade and Industry (Japanese only)

- Since the 1990s, 3R (Reduce, Reuse, Recycle) mechanisms and legal systems have been introduced worldwide.
- A circular economy means creating a recycling-oriented economy through business activities.

3R + Renewable

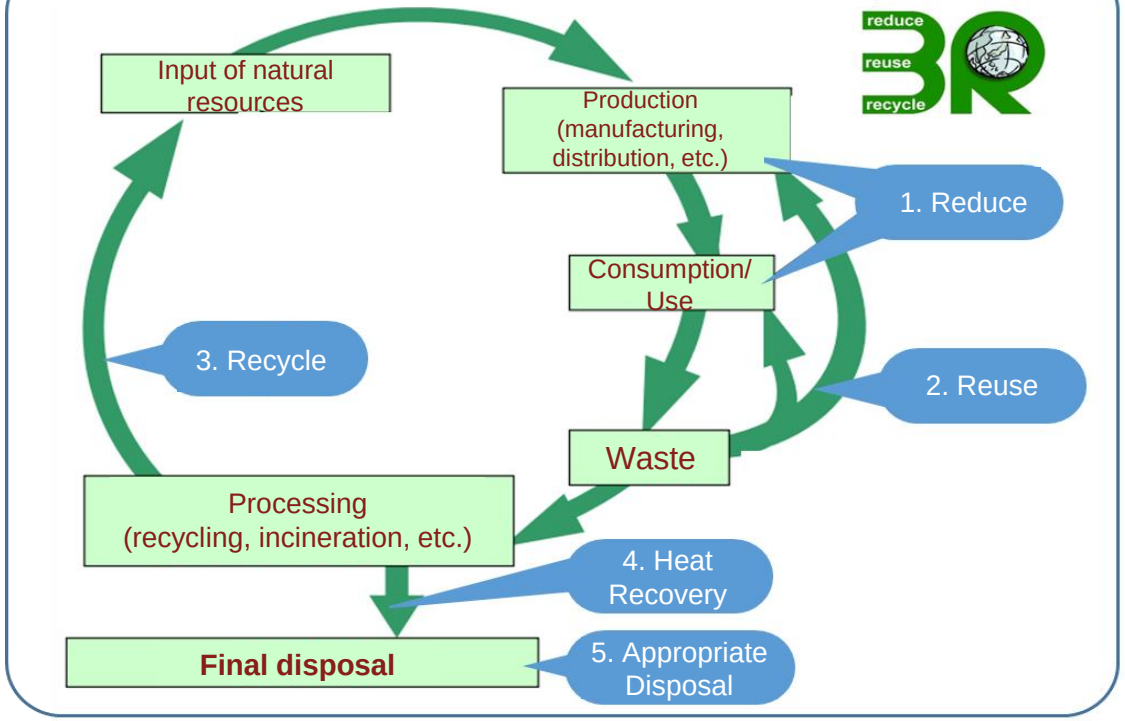


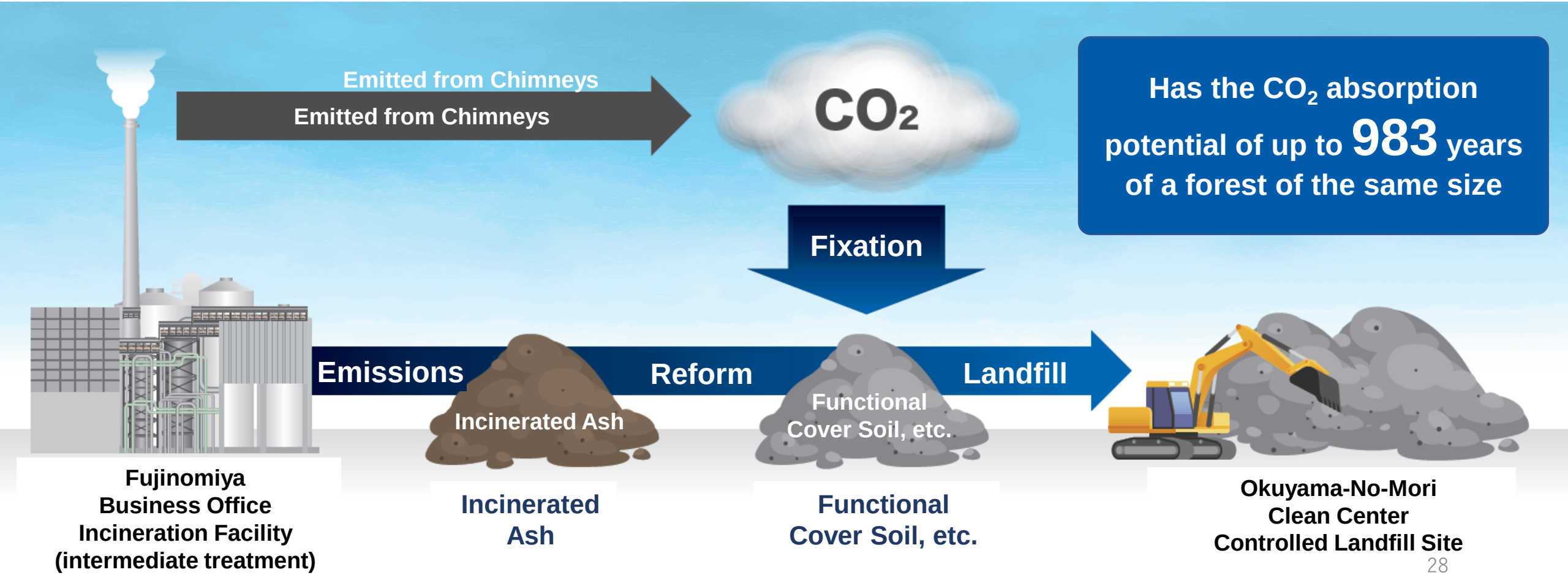
*Figure: Created by modifying reference materials from the Ministry of the Environment Central Environmental Council Subcommittee for the Promotion of a Recycling-Oriented Society (Japanese only)

- Articles 5 to 7 of The Basic Act on Establishing a Sound Material-Cycle Society (promulgated in June 2000) describe the basic principles of reduce, reuse, recycle, heat recovery, and appropriate disposal.
- "3R + Renewable" was listed as a basic principle in the Resource Circulation Strategy for Plastics in May 2019, and since then has been attracting attention.
- Similar to raw material processing industries, the importance of processing/recovery industries is shown.
- "Heat Recovery" and "Appropriate Disposal (Final Disposal)" are specified..

[5] – 7 Initiatives for Decarbonization
(Development of CCS Technologies at Waste Treatment Site)

- Through joint research with the Waseda University GeoLab (Professor Hideo Komine), we are working on CCS (CO_2 Capture and Storage) for incineration-derived CO_2 by using final treatment sites and industrial byproducts (waste), and will contribute to achieving carbon neutral by 2050.

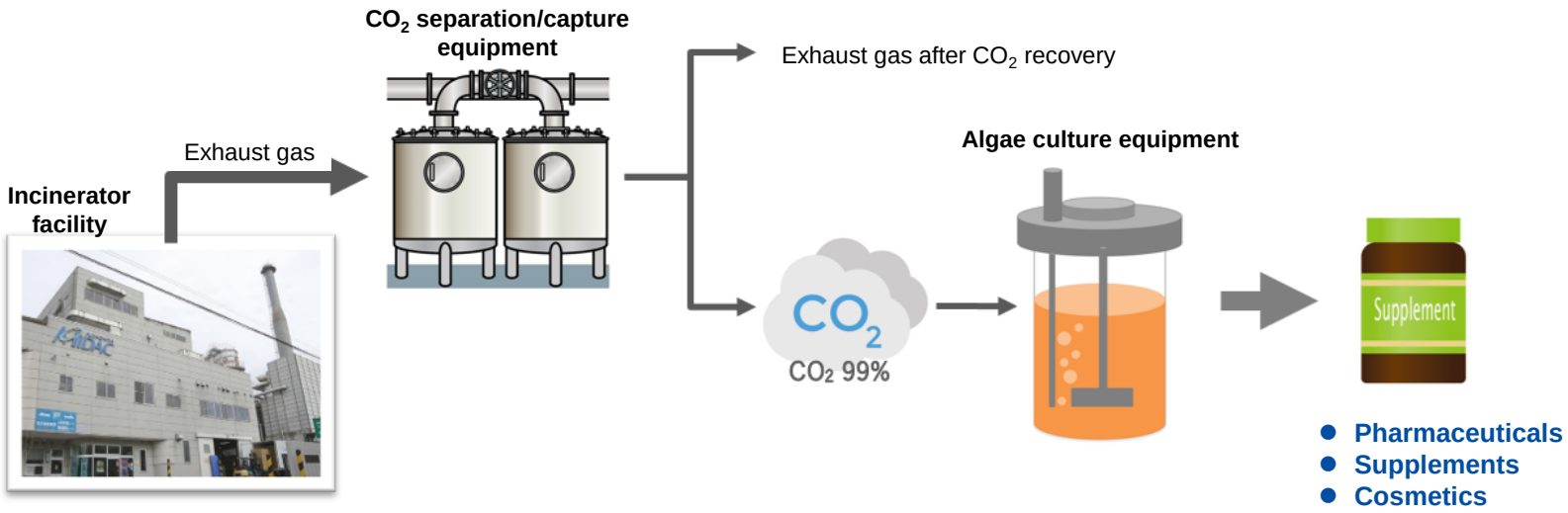
CCS Concept for Incineration-Derived CO_2 by Using Incineration Byproducts (Waste)



[5] – 8 Decarbonization Efforts (Microalgae Culturing CCU Technologies)

- This research aims to reduce the CO_2 emissions from incineration while ensuring economic efficiency by producing "fucoxanthin," a high value-added substance, by using CO_2 from incineration to cultivate microalgae.
- By collaborating with ALNUR Co., Ltd., which has strengths in continuous culture technologies for fucoxanthin-producing microalgae, we will accelerate our technological development for mass production and stable supply, create a fucoxanthin business, and reduce CO_2 emissions.

Image of a CCU Incinerator



*Algae culturing is one of the technologies attracting attention as a method for fixing the CO_2 separated and recovered from the exhaust gases from factories, etc.



New laboratory at the MIDAC Fujinomiya Business Office



ALNUR R&D Center

[5] – 9 Decarbonization Efforts
(Yamanashi 4 per 1000 Initiative Certification System for Agricultural Products)

- For their climate change initiatives, IWAHARA ORCHARDS has received "Effort Certification" under Yamanishi Prefecture's certification system.
- IWAHARA ORCHARDS is promoting efforts to curb emissions of carbon dioxide, one of the greenhouse gases.
- In the future, IWAHARA ORCHARDS aims to gather data on the carbon that is sequestered in its soil and acquire “Achievement Certification.”

Yamanashi 4 per 1000 Initiative Certification System for Agricultural Products

This initiative is based on the idea that is the amount of carbon sequestered in the world's surface soil can be annually increased by 4 parts per mil,* then the increase in atmospheric carbon dioxide due to human economic activities can be reduced to virtually zero.

*4 parts per mil (‰) = 0.4%

	Certification Category	Specific Initiatives for Certification
Effort	**[Plan Certification]** Sets targets for specific actions to be taken, and certifies plans that are expected to reliably sequester carbon in the soil	1. Increasing ground cover, such as by cultivating grass 2. Burying materials containing organic matter, such as compost and soil conditioners 3. Utilizing crop residues, such as pruned branches generated in production fields 4. Burying biochar produced from pruned branches, etc. 5. Other initiatives that are expected to sequester carbon
Achievement	**[Actual Certification]** Certification based on the results of carbon that is sequestered in soil	


やまなし４パーミル・
イニシアチブ農産物等認証書

申　請　者　株式会社　岩原果樹園
農作物認証区分　果樹
認証区分　エフォート
品目名　オウトウ、西洋ナシ
申請日　令和５年５月２５日
有効期限　令和８年６月２９日

やまなし４パーミル・イニシアチブ農産物等認証制度要領の定めるところにより審査した結果適当と認められるので認証します

令和５年６月３０日

山梨県知事　長崎 幸太郎

[5] – 10 Performance Trends

(In million yen)

	FY2019	FY2020	YoY change	FY2021	YoY change	FY2022	YoY change	FY2023	YoY change
Net sales	5,213	5,701	+9.4%	6,381	+11.9%	7,771	+21.8%	9,547	+22.8%
Operating income	1,495	1,883	+26.0%	2,264	+20.2%	2,755	+21.7%	3,538	+28.4%
Operating margin	28.7%	33.0%	+4.4pt	35.5%	+2.4pt	35.5%	0.0pt	37.1%	+1.6pt
Ordinary profit	1,446	1,848	+27.8%	2,188	+18.4%	2,692	+23.0%	3,377	+25.5%
Ordinary profit margin	27.8%	32.4%	+4.7pt	34.3%	+1.9pt	34.6%	+0.3pt	35.4%	+0.7pt
Net income	795	1,018	+28.0%	1,284	+26.1%	1,685	+31.2%	1,907	+13.1%
Capital investment	1,321	2,129	+61.1%	4,175	+96.1%	1,501	-64.0%	2,457	+63.6%
Deprciation and goodwill amortizatione	675	629	-6.7%	668	+6.1%	805	+20.4%	929	+15.4%
EBITDA	2,171	2,513	+15.8%	2,933	+16.7%	3,560	+21.4%	4,467	+25.5%
ROE	24.0%	20.6%	-3.4pt	17.1%	-3.5pt	16.4%	-0.6pt	16.1%	-0.3pt

Handling of Information Provided in This Document

- This document is intended to provide information and not intended for the purpose of soliciting specific products (e.g. our company's shares) or investments or for sales purposes.
- Any opinion, outlook, or forecast stated in this document was prepared by our company while creating this document. In using this document, please keep in mind that the future performance of our company may differ from our company's current performance forecast.
- While every effort has been made to ensure the accuracy and completeness of the information provided in this document, we do not guarantee the accuracy or completeness of such information. Please also understand that the information may be modified or removed without prior notice.
- This document is provided on the assumption that investors use it for any purpose at their own discretion and responsibility, and our company assumes no responsibility whatsoever.



Management Principles

In order to beautifully pass on to the next generation the irreplaceable Earth where water, earth, air and people all flourish together, the Midac Group will pursue Earth friendly waste treatment while being aware of its social responsibility as an environmental creation group that plays a leading role in this front.

MIDAC HOLDINGS CO., LTD.