

## Laying the groundwork for future social infrastructure development

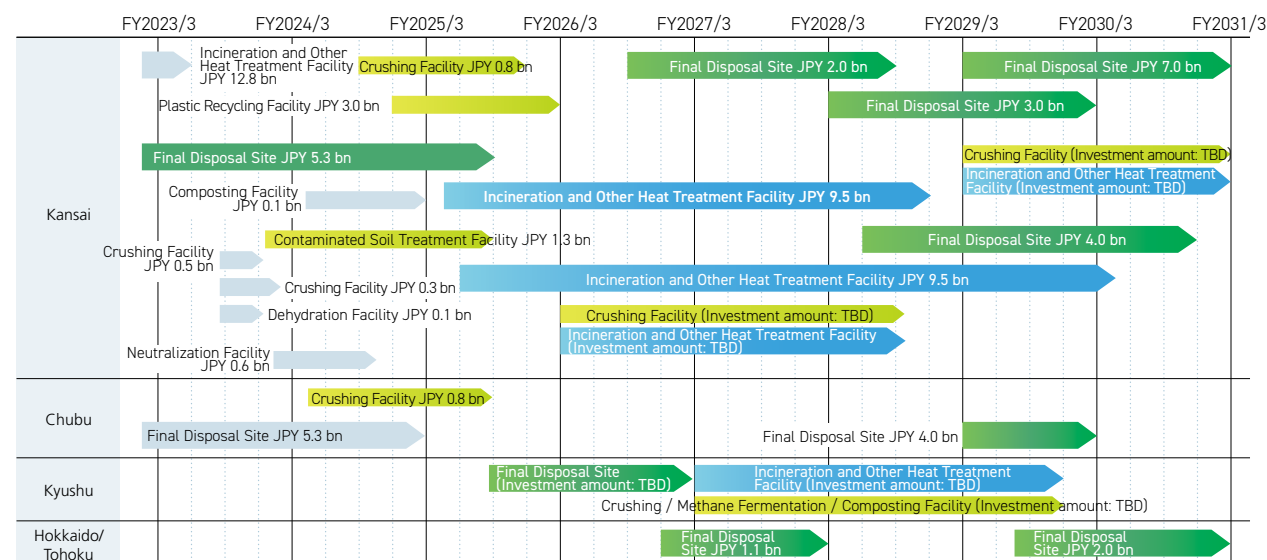
### Overview of waste management facility enhancements

The Daiei Kankyo Group will focus on expanding facilities, particularly incineration and other heat treatment facilities as well as final disposal sites, by March 31, 2031. For sorting, crushing, and recycling facilities, major capital expenditures to expand capacity have largely been completed. Going forward, we will make additional investments as needed to increase the supply of recycled products to the “artery” market.

We are accelerating capital investment in incineration and other heat treatment facilities as core infrastructure to meet growing demand for integrated treatment of general waste and industrial waste through PPPs. In addition to upgrading existing facilities, we plan to begin construction on five new plants between the fiscal years ending March 31, 2026 and March 31, 2028, increasing our processing capacity from 2,412 tons per day to 4,000 tons per day by the fiscal year ending March 31, 2031.

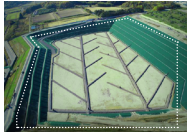


As for final disposal sites, in addition to building new and expanding facilities in current areas, we will pursue M&A strategies to extend our intake capacity into new regions. This approach will help us expand the remaining capacity to more than 15 million m<sup>3</sup> by March 31, 2031.

### Capital investment plan



Note: Mie Prefecture is included in the Chubu area.

### Major new and expanded facilities

Final Disposal Sites	Incineration and Other Heat Treatment Facilities
<p>Started services for the 2nd phase in Jan. 2025</p> <p><b>Mie Chuo Kaihatsu Co., Ltd. Mie Recycle Center: The 8th Stage Controlled Final Disposal Site</b></p> <p><b>Start of services for the 1st phase:</b> Mar. 2022</p> <p><b>Permitted capacity:</b> 6,641,181 m<sup>3</sup> (of which 5,911,181 m<sup>3</sup> is for the 2nd phase construction)</p> <p><b>Total investment:</b> Approx. JPY 10.2 bn (including approx. JPY 5.3 bn for the 2nd phase construction)</p>  <p>Mie: The 8th stage disposal site construction area (the 2nd phase)</p>	<p>Obtained installation permit in Jan. 2024</p> <p><b>Daiei Kankyo Co., Ltd. Nishinomiya Recycle Center: Nishinomiya Energy Plaza</b></p> <p><b>Permitted capacity:</b> 220 t/day</p> <p><b>Power generation capacity:</b> 4,650 kW</p> <p><b>Start of operations:</b> Scheduled for Dec. 2028</p> <p><b>Total investment:</b> Approx. JPY 9.5 bn</p>  <p>Conceptual image of completed facility</p>
	<p>Obtained installation permit in Mar. 2025</p> <p><b>Daiei Kankyo Co., Ltd. Izumi Recycle Center: Izumi Energy Plaza</b></p> <p><b>Permitted capacity:</b> 220 t/day</p> <p><b>Power generation capacity:</b> 4,810 kW</p> <p><b>Start of operations:</b> Scheduled for May 2030</p> <p><b>Total investment:</b> Approx. JPY 9.5 bn</p>  <p>Conceptual image of completed facility</p>

## Future advancements in resource recycling

By the fiscal year ending March 31, 2031, we aim to eliminate the landfill disposal of recyclable and organic waste. To that end, our consolidated subsidiary, DINS Kansai Co., Ltd., is leveraging its recycling facilities across the Kansai area to promote the collection and recycling of waste plastic. At the same time, we are advancing initiatives such as “artery-vein” collaborative recycling through iCEP PLASTICS, and measures aligned with the Plastic Resource Circulation Act.

At our methane fermentation and composting facilities in Iga City, Mie Prefecture, food waste is recycled through a cascade approach that selectively uses composting or methane fermentation based on the condition of the waste. This method of promoting food waste recycling also contributes to preserving capacity at final disposal sites, which are increasingly under pressure.

## M&A toward FY2031/3

We are actively pursuing the acquisition of companies through M&A across Japan, mainly in the Kanto area, to expand waste volume received. By adding new companies to the Daiei Kankyo Group, we aim to build one-stop services in each area.

Looking ahead, we will also explore larger M&A opportunities to further expand our market share and strengthen our business foundation.

## Messages

### Protecting the community's lifeline and fulfilling social expectations with a stable waste management system

#### Yasuhiko Maeyama

Executive Officer, Daiei Kankyo Co., Ltd.  
Responsible for management of Mie Chuo Kaihatsu Co., Ltd.



The Mie Recycle Center provides a one-stop waste management service, covering everything from collection and transportation to intermediate treatment, recycling, and final disposal. In our daily operations, we place the highest priority on safety, conducting regular patrols, and maintaining close communication with employees. We also work continuously to maintain and improve our facilities to respond effectively to changes in waste characteristics and customer needs. From a long-term perspective, I believe our business site has a responsibility to understand and respond to evolving social and regional needs, such as the transition to a decarbonized society, and to contribute to the realization of a recycling-oriented society.

As waste disposal is essential to the functioning of local communities, we must ensure uninterrupted acceptance and treatment of waste. During the COVID-19 pandemic, for example, we experienced changes in the balance of waste materials, requiring tighter operational controls. By improving combustion processes and reassessing the materials used in the stoker system of our incinerator, we were able to maintain stable operations throughout the crisis.

Looking ahead, we will continue expanding our facilities as needed to meet social demands, especially as we promote integrated treatment of general waste and industrial waste through PPPs. We also aim to advance initiatives such as waste plastic and solar panel recycling and the enhancement of CO<sub>2</sub> capture technologies. In doing so, we will support the development of local communities and contribute to the sustainable growth of the Group.

### Toward the next growth phase as a core company in the Tokyo metropolitan area

#### Tatsuo Nakamura

Executive Officer, Daiei Kankyo Co., Ltd.  
Responsible for business in Kanto area



Kyodoh Doboku Co., Ltd. is an intermediate treatment company for industrial waste in Tokyo, Chiba, and Saitama. Amid growing economic concentration in urban areas, we have leveraged our prime locations to capture market share. Since joining the Group in April 2020, we have taken on the mission of expanding our presence in the Tokyo metropolitan area. Our goal is to grow regional sales and improve operating profit as a core company in the Kanto area. To further increase market share by expanding intake capacity, we began secondary transport of waste to other Group companies in April 2025 using 40-foot ocean containers. This modal shift to sea transport is also helping to reduce CO<sub>2</sub> emissions. In addition, we are developing a transshipment and storage business for specially controlled industrial waste, such as waste asbestos, which is in high demand, and are strengthening cooperation within the Group to boost the volume of industrial waste received.

Looking ahead, we plan to actively expand our semi-permanent on-site staffing services to construction sites in the Kanto area, where waste sorting practices are more rigorous than in the Kansai area. We will also promote the recycling of waste plastics to meet growing demand, support worksites facing severe labor shortages, and build collaborative networks with on-site partner companies. Through these efforts, we aim to contribute to the continued growth of the Group.