



December 6, 2021

To All Concerned Parties

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(Securities code: 1712, First Section of the Tokyo Stock
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Plan to Meet Continued Listing Criteria for New Market Segment

Regarding the restructuring of the market segments operated by Tokyo Stock Exchange, Inc. scheduled for April 2022, Daiseki Eco. Solution Co., Ltd. (“the Company”) today submitted an application to select the Prime Market for its listing. As the Company had not yet met the continued listing criteria for the Prime Market as of the transition date of record (June 30, 2021), it hereby notifies that it has prepared a plan to meet continued listing criteria for new market segment, the details of which are provided below.

1. Results of preliminary examination and current status concerning compliance with continued listing criteria for new market segment

On July 9, 2021, the Company was notified by the Tokyo Stock Exchange that only its tradable share market capitalization did not meet the continued listing criteria for the Prime Market.

	Tradable Shares (units)	Tradable Share Market Capitalization	Tradable Share Ratio	Average Daily Trading Value
Status of the Company (As of transition date of record)	61,445	¥5.9 billion (*1)	36.5%	¥70 million
Listing criteria	20,000	¥10 billion	35.0%	¥20 million
Matter described in Plan		○		
Current status	—	¥11.5 billion (*3)	39.5% (*2)	—

Given that its share price has increased and tradable share ratio has improved since the transition date of record, the Company believes that it now meets all continued listing criteria for the Prime Market, including tradable share market capitalization.

*1. Value calculated from the Company’s tradable share ratio (36.5%), calculated based on the state of distribution of the Company’s share certificates, etc. as understood by Tokyo Stock Exchange at the point of record (February 28, 2021) and other factors, and the daily average closing price (¥970) for April to June 2021.

*2. Calculated based on the state of distribution of the Company’s share certificates, etc. as understood by the Company as of August 31, 2021.

*3. Calculated from the daily average closing price (¥1,742) for September to November 2021 and *2.

By steadily executing the plans and other matters stated in the attached “Plan to Meet Continued Listing Criteria for New Market Segment,” the Company will strive to improve corporate value and maintain its compliance with the continued listing criteria.

2. Details of selection application

The Company has applied for selection for the “Prime Market” of Tokyo Stock Exchange’s new market segments.

3. Plan to meet continued listing criteria for new market segment

Please refer to the attachment for details.

Daiseki

Plan to Meet Continued Listing Criteria for New Market Segment

▶ Medium-term Business Plan for FYE Feb 2022 to FYE Feb 2024

Daiseki Eco. Solution Co., Ltd.

Securities Code: 1712

State of Compliance with Continued Listing Criteria and Challenges

On the transition date of record (June 30, 2021), the Company did not meet the continued listing criteria for the Prime Market only in terms of its tradable share market capitalization. However, the Company's status has now changed, and it currently meets this criterion.

	Tradable Share Market Capitalization	Tradable Share Ratio	Grounds for Tradable Share Market Capitalization Plan (Total shares outstanding × Tradable share ratio × Share price)
Prime Market Continued Listing Criteria	¥10.0 billion	35.0%	
Transition date of record (June 30, 2021)	¥5.9 billion	36.5%	16,827,120 shares × 36.5% × ¥903/share
Current status of the Company	¥11.5 billion	39.5%	16,827,120 shares × 39.5% × ¥1,742/share*

*The daily average closing price for September to November 2021 is used for the share price.

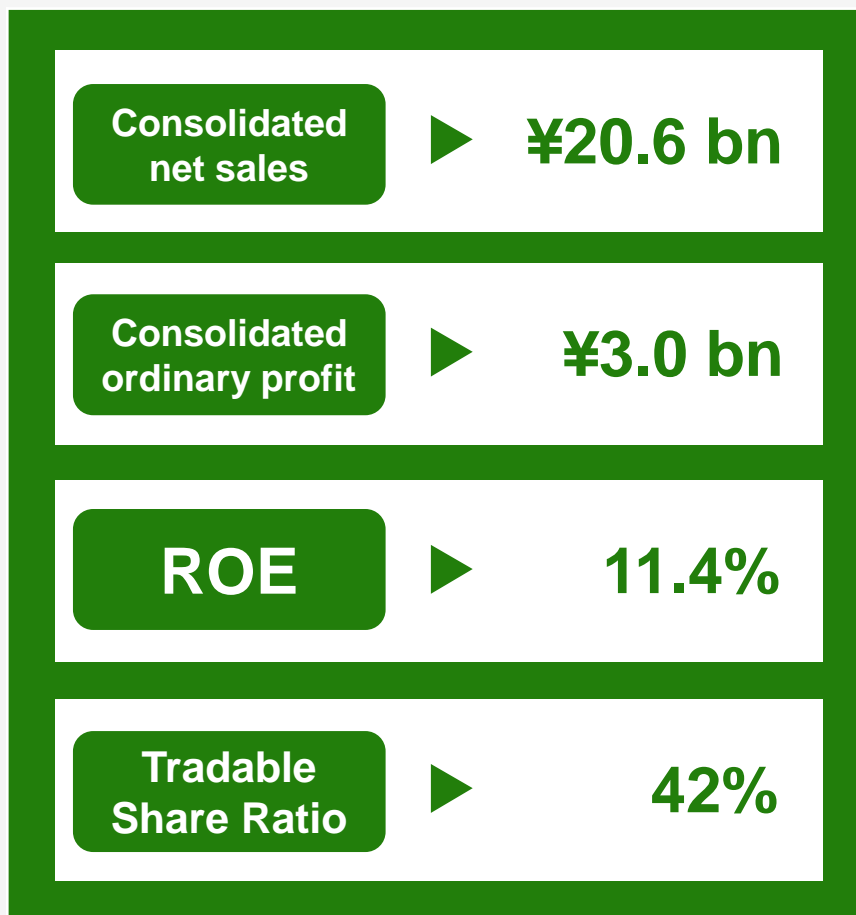
Plan Period

The Company will continue to pursue the initiatives stated in this Plan to maintain the continued listing criteria for the Prime Market.

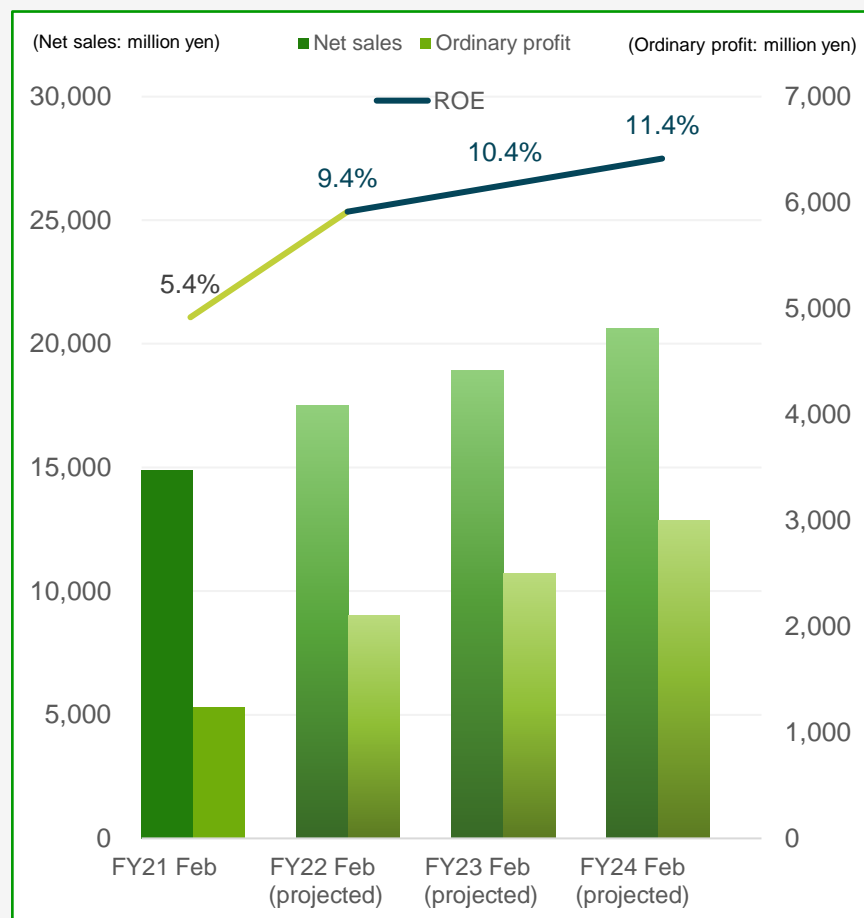
Thinking Behind Targets

In addition to business strategies, we will consider financial and capital strategies in an integrated manner and aim to increase corporate value.

Numerical targets for FYE Feb 2024



Trend in net sales, ordinary profit, ROE



Medium-term Business Plan

Both net sales and profits in the fiscal year ending February 28, 2022 are expected to increase significantly from the previous fiscal year (timely disclosure of Sept. 17, 2021).

Net sales and profits in subsequent fiscal years are also projected to increase year on year.

(Million JPY)

	FYE Feb 2021 (actual)		FYE Feb 2022 (projected)		FYE Feb 2023 (projected)		FYE Feb 2024 (projected)	
	Amount	Y/Y change (%)	Amount	Y/Y change (%)	Amount	Y/Y change (%)	Amount	Y/Y change (%)
Net sales	14,906	106	17,500	117	18,900	108	20,600	109
Gross profit	2,654	98	3,975	150	4,699	118	5,587	119
Operating profit	1,206	97	2,100	174	2,490	119	2,990	120
Ordinary profit	1,241	96	2,105	170	2,500	119	3,000	120
Profit attributable to owners of parent	689	102	1,278	186	1,541	121	1,868	121
ROE (%)	5.4		9.4		10.4		11.4	

Disclaimer

The purpose of this document is to provide information regarding the business results and future plans of the Daiseki Eco. Solutions Group, and it should not be construed as a solicitation to invest in securities issued by the Company.

This document contains forward-looking statements that have been prepared on the basis of judgments and information available to the Company at the time of writing. Such statements involve certain risks and uncertainties. Therefore, the reader should note that, due to a variety of factors, actual performance and results may vary significantly from the statements presented in this document.