

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



Power to Turn into Resources, Return to Nature

DAIEI KANKYO

[Securities Code : 9336]

**FY2024/ 3 3rd Quarter
Financial Results**

February 9, 2024



Executive Summary FY2024/3

Results	FY2024/3 3Q Results	<ul style="list-style-type: none"> • Net sales 54,671 million yen (+ 9.8% year on year) • Operating profit 15,125 million yen (+ 34.3% year on year) <p><u>Continued strong performance in the third quarter</u> <u>Record highs in both sales and profits</u></p>
	FY2024/3 Revised Forecasts	<ul style="list-style-type: none"> • Net sales 72,282 million yen (+ 701 million yen against previous revision) • Operating profit 19,667 million yen (+ 1,149 million yen against previous revision) <p><u>Upwardly revised again</u></p>
	Progress Rate for FY2024/3 Revised Forecasts	<ul style="list-style-type: none"> • Net sales Progress rate 75.6% • Operating profit Progress rate 76.9%
Progress of Important Policies	Environment	<ul style="list-style-type: none"> • Increased incineration and other heat treatment capacity <ul style="list-style-type: none"> ✓ Acquired a permit to install Nishinomiya Energy Plaza in Jan. 2024 • M&A <ul style="list-style-type: none"> ✓ Acquired 1 consolidated subsidiary and 1 affiliated company accounted for by the equity method in Jan. 2024 ✓ Plan to acquire 1 consolidated subsidiary in Apr. 2024 • Actions regarding the Act on Promotion of Resource Circulation for Plastics <ul style="list-style-type: none"> ✓ Increasing the number of contracted companies for material recycling • Expansion of final disposal sites <ul style="list-style-type: none"> ✓ Plan to launch service in Apr. 2025 at Mie RC and Gobo RC
	Social	<ul style="list-style-type: none"> • Progress on Key Measures : PPP <ul style="list-style-type: none"> ✓ Started construction of relay facility for Tadaoka project in Oct. 2023 • RS for the Employee Stock Ownership Plan <ul style="list-style-type: none"> ✓ Completed the payment in Feb. 2024 (116,050 shares)
	Governance	<ul style="list-style-type: none"> • Sustainability Report <ul style="list-style-type: none"> ✓ Japanese version was released in Aug.2023 / English version was released in Oct. 2023 • Acquisition of treasury shares <ul style="list-style-type: none"> ✓ 460,000 shares in 3Q/340,000 shares in Jan. 2024 (800,000 shares have been acquired out of a maximum of 1.5 million shares)

Agenda

1

FY2024/3 3Q Results

2

FY2024/3 Revised Forecasts

3

Progress Rate for FY2024/3 Revised Forecasts

4

Shareholder Returns

5

About Daiei Kankyo Group

6

Growth Strategy

7

Appendix

1. FY2024/3 3Q Results

FY2024/3 3Q Results

Consolidated Statements of Income

✓ Achieved record highs in sales and profits for the third quarter of the fiscal year, following the first half of the fiscal year

(million yen)	FY2024/3 3Q YTD	FY2023/3 3Q YTD	Year-on-year
Net sales	54,671	49,788	+ 9.8%
Operating profit	15,125	11,258	+ 34.3%
Operating profit margin	27.7%	22.6%	+ 5.1pt
EBITDA	19,569	15,511	+ 26.2%
EBITDA margin	35.8%	31.2%	+ 4.6pt
Ordinary profit	15,897	11,332	+ 40.4%
Profit attributable to owners of parent	10,315	7,207	+ 43.1%
Profit margin attributable to owners of parent	18.9%	14.5%	+ 4.4pt

FY2024/3 3Q Results

Consolidated Statements of Income (Quarterly)

(million yen)	FY2024/3 1Q	FY2024/3 2Q	FY2024/3 3Q	FY2024/3 4Q	FY2024/3 3Q YTD
Net sales	17,604	17,900	19,167		54,671
Operating profit	4,513	4,936	5,675		15,125
Operating profit margin	25.6%	27.6%	29.6%		27.7%
EBITDA	5,812	6,392	7,363		19,569
EBITDA margin	33.0%	35.7%	38.4%		35.8%
Ordinary profit	4,748	5,413	5,735		15,897
Profit attributable to owners of parent	3,014	3,547	3,754		10,315
Profit margin attributable to owners of parent	17.1%	19.8%	19.6%		18.9%

FY2024/3 3Q Results

By Segment

(million yen)	FY2024/3 3Q YTD	FY2023/3 3Q YTD	Year-on-year
Waste-related Business			
Net sales	53,247	48,112	+ 10.7%
Segment profit	15,280	11,313	+ 35.1%
Segment profit margin	28.7%	23.5%	+ 5.2pt
Other Business (Valuable Resource Recycling Business)			
Net sales	1,423	1,676	▲ 15.1%
Segment profit (loss)	▲ 38	108	—
Segment profit margin	▲ 2.7%	6.5%	▲ 9.2pt

FY2024/3 3Q Results

By Segment (Quarterly)

(million yen)	FY2024/3 1Q	FY2024/3 2Q	FY2024/3 3Q	FY2024/3 4Q	FY2024/3 3Q YTD
Waste-related Business					
Net sales	17,121	17,450	18,675		53,247
Segment profit	4,581	4,992	5,706		15,280
Segment profit margin	26.8%	28.6%	30.6%		28.7%
Other Business (Valuable Resource Recycling Business)					
Net sales	482	449	491		1,423
Segment profit (loss)	▲28	▲17	7		▲38
Segment profit margin	▲5.9%	▲3.9%	1.6%		▲2.7%

FY2024/3 3Q Results

Net Sales by Business Domain

(million yen)	FY2024/3 3Q YTD	FY2023/3 3Q YTD	Year-on-year
Waste-related Business	53,247	48,112	+10.7%
Waste management and recycling	47,461	41,733	+13.7%
Soil remediation	3,753	4,404	▲14.8%
Other	2,033	1,973	+3.0%
Other Business (Valuable Resource Recycling Business)	1,423	1,676	▲15.1%
Aluminum pellets	1,023	1,260	▲18.8%
Recycled plastic pallets	400	415	▲3.8%

FY2024/3 3Q Results

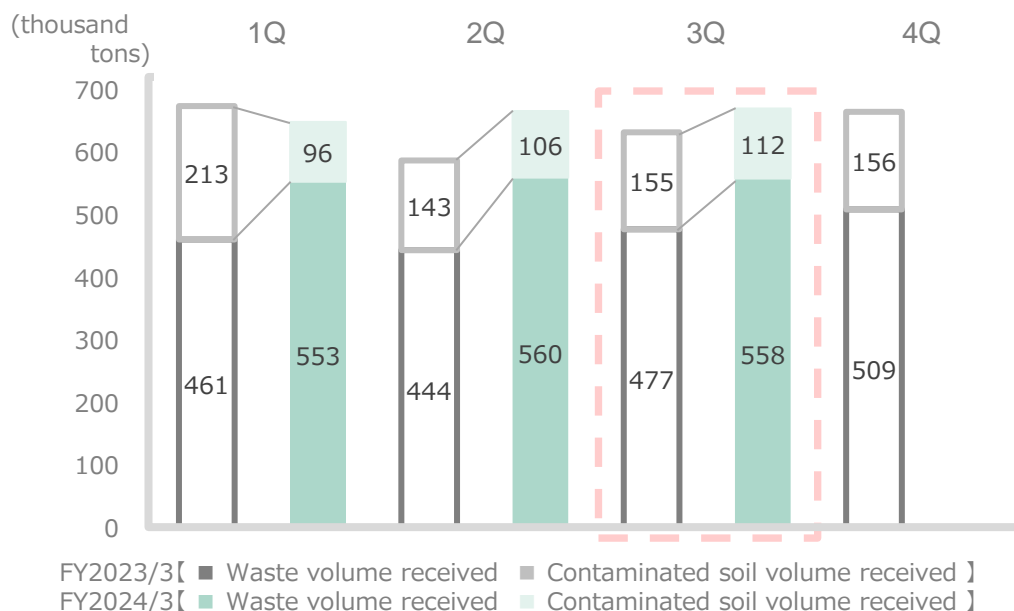
Net Sales by Business Domain (Quarterly)

(million yen)	FY2024/3 1Q	FY2024/3 2Q	FY2024/3 3Q	FY2024/3 4Q	FY2024/3 3Q YTD
Waste-related Business	17,121	17,450	18,675		53,247
Waste management and recycling	15,419	15,717	16,325		47,461
Soil remediation	1,180	1,028	1,544		3,753
Other	522	705	806		2,033
Other Business (Valuable Resource Recycling Business)	482	449	491		1,423
Aluminum pellets	351	309	362		1,023
Recycled plastic pallets	130	140	128		400

FY2024/3 3Q Results

Volume of Waste and Contaminated Soil Received

(thousand tons)	FY2024/3 3Q YTD	FY2023/3 3Q YTD	Year-on-year
Waste volume received	1,672	1,384	+ 20.8%
Contaminated soil volume received	315	512	▲ 38.4%



Waste volume received

- Continued acquisition of demand for waste management associated with infrastructure development projects mainly in the Kansai and Chubu regions

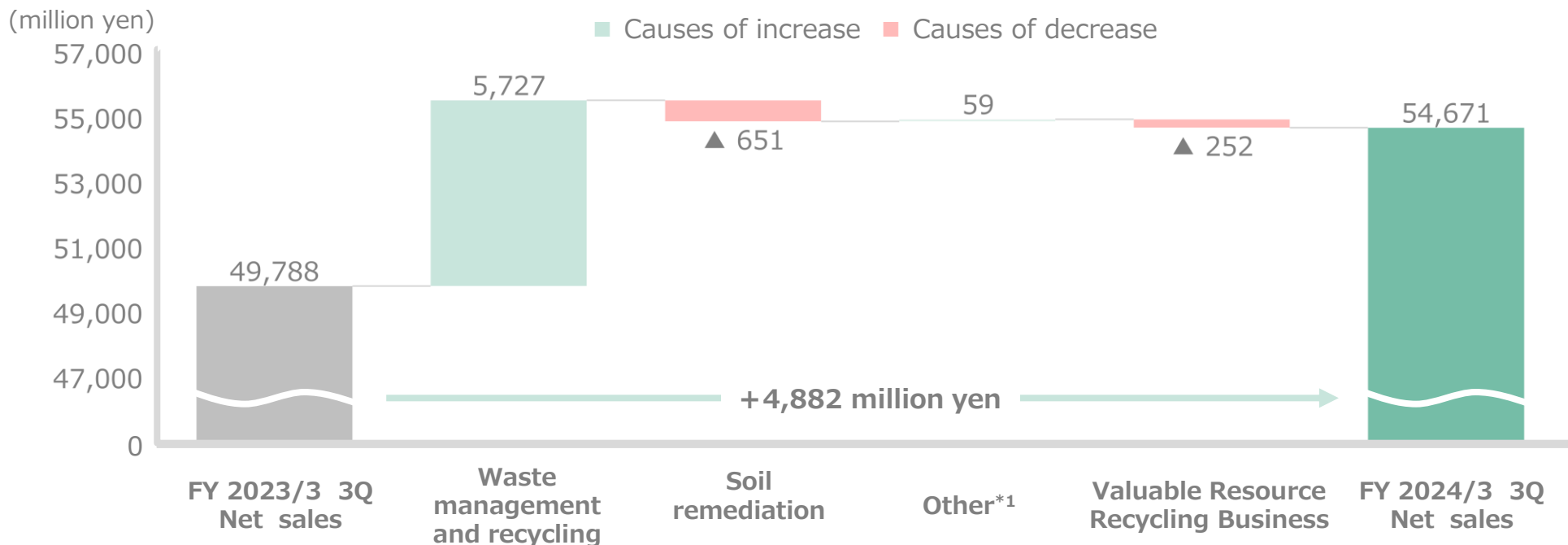
Contaminated soil volume received

- Increased the ratio of difficult-to-process, high-unit-priced contaminated soil received by continuously reviewing the unit price of orders received so as to control the volume of waste received at final disposal sites in line with the increase in the volume of waste received

FY2024/3 3Q Results

Consolidated Net sales Change Factors

- ✓ Waste management and recycling : Increased significantly year on year due to increase in the volume of waste received caused by the acquisition of demand for waste management associated with infrastructure development projects, and the acquisition of underground waste projects at consolidated subsidiary Kyodoh Doboku
- ✓ Soil remediation : While the unit price of orders is reviewed continuously to control the volume of waste received at final disposal sites, decrease in sales was less due to increase in volume received of difficult-to-process, high-unit-priced contaminated soil
- ✓ Valuable Resource Recycling Business : Although sales volume of aluminum pellets is on a recovery trend, sales decreased year on year due to sluggish growth caused by the decline in crude steel production in the first half of the fiscal year
Sales of recycled plastic pallets remained at the same level as the previous fiscal year

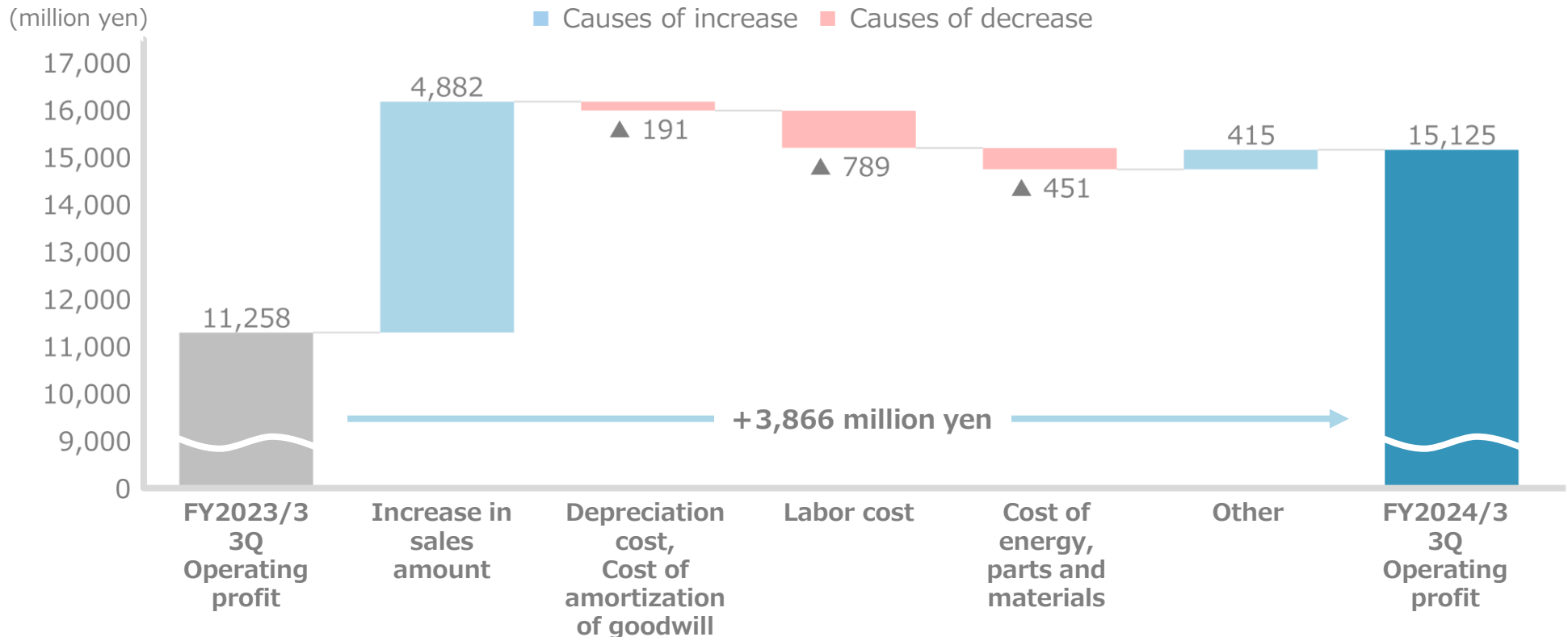


*1: The figure for "Other" includes those for the business fields other than the waste management and recycling, and soil remediation in the waste-related businesses

FY2024/3 3Q Results

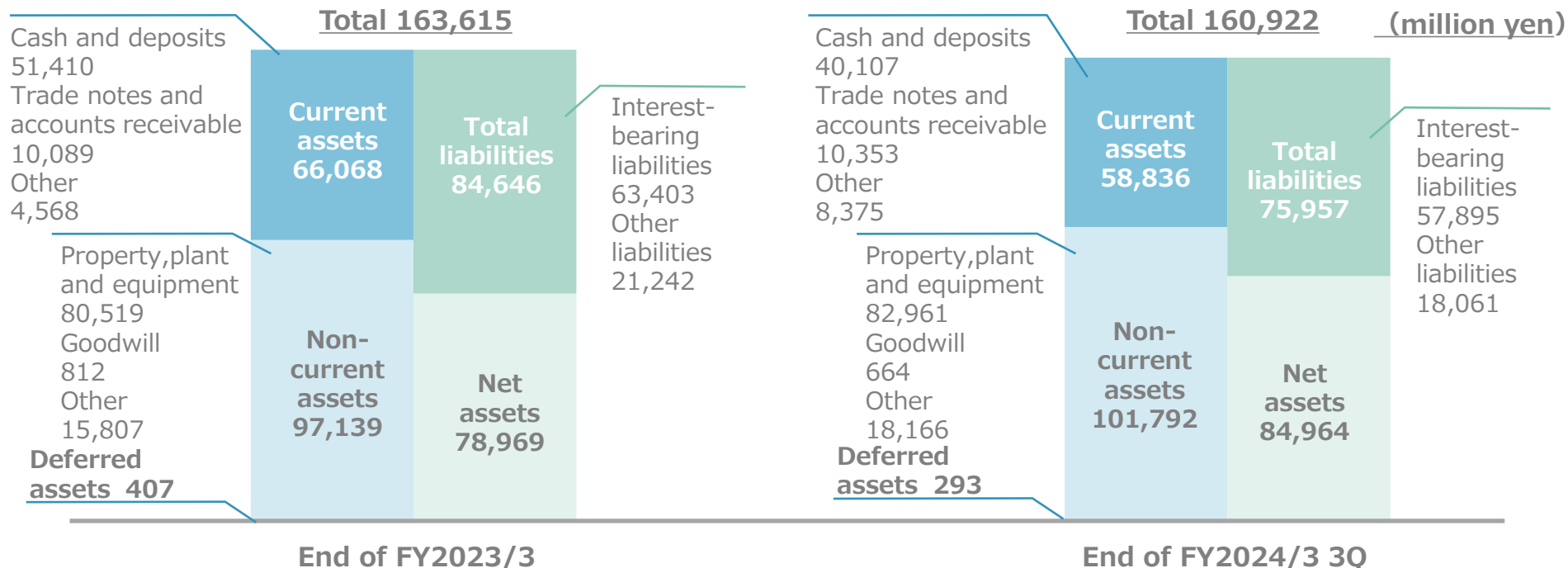
Consolidated Operating Profit Change Factors

- ✓ Depreciation costs increased year on year due to the start of depreciation of the Miki Biomass Factory in September
- ✓ Although the cost of energy, parts, and materials increased year on year, it decreased compared to the same quarter last year
- ✓ Other costs decreased year on year due to ongoing cost reductions through insourcing



FY2024/3 3Q Results

Consolidated Balance Sheet



Cash and deposits

- ✓ Decreased due to planned repayment of interest-bearing liabilities and payment of dividends. (▲11,303)

Property, plant and equipment

- ✓ Increased due to acceptance inspection of Miki Biomass Factory and Iga Methane Fermentation Facility (+2,441)

Net assets

- ✓ Increased due to profit attributable to owners of parent despite dividend payment. (+5,995)

2. FY2024/3 Revised Forecasts

FY2024/3 Revised Forecasts

Consolidated Statements of Income

✓ Revised upward from the previously announced revised forecasts based of the third quarter results

(million yen)	FY2024/3 3Q Results	Previously Announced (Nov. 2023) Revised Forecasts	Current (Feb. 2024) Revised Forecasts	Change From Previously Announced Revised Forecasts
Net sales	54,671	71,580	72,282	+ 701
Operating profit	15,125	18,518	19,667	+ 1,149
Operating profit margin	27.7%	25.9%	27.2%	+ 1.3pt
EBITDA	19,569	24,494	25,844	+ 1,348
EBITDA margin	35.8%	34.2%	35.8%	+ 1.6pt
Ordinary profit	15,897	19,374	20,495	+ 1,120
Profit attributable to owners of parent	10,315	12,451	13,625	+ 1,173
Profit margin attributable to owners of parent	18.9%	17.4%	18.8%	+ 1.4pt

FY2024/3 Revised Forecasts

By Segment

(million yen)	FY2024/3 3Q Results	Previously Announced (Nov. 2023) Revised Forecasts	Current (Feb. 2024) Revised Forecasts	Change From Previously Announced Revised Forecasts
Waste-related Business				
Net sales	53,247	69,660	70,356	+695
Segment profit	15,280	18,762	19,851	+1,089
Segment profit margin	28.7%	26.9%	28.2%	+1.3pt
Other Business (Valuable Resource Recycling Business)				
Net sales	1,423	1,919	1,925	+5
Segment profit (loss)	▲38	▲83	▲27	+56
Segment profit margin	▲2.7%	▲4.4%	▲1.4%	+3.0pt

FY2024/3 Revised Forecasts

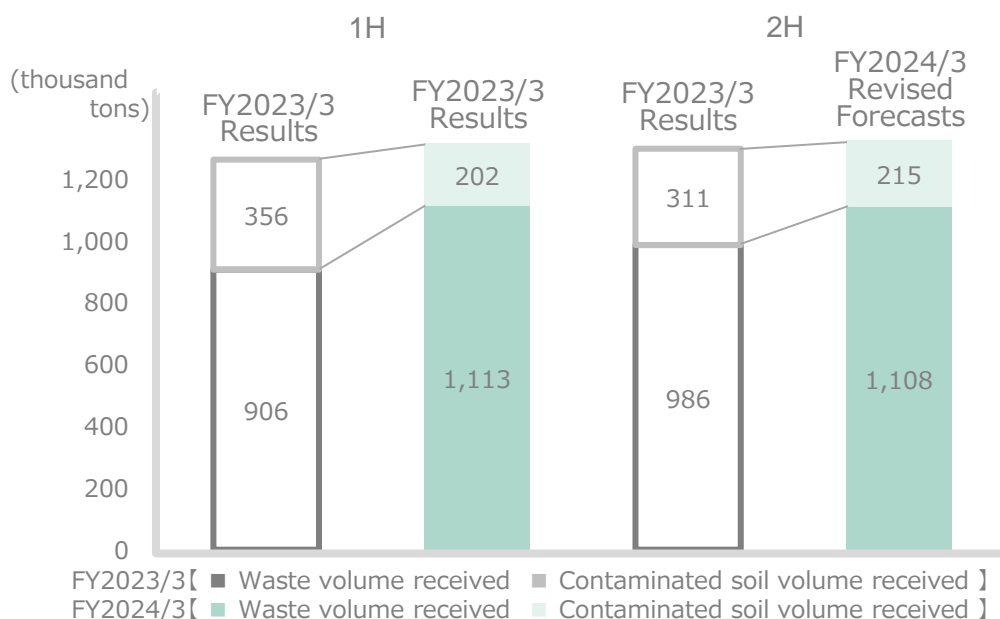
Net Sales by Business Domain

(million yen)	FY2024/3 3Q Results	Previously Announced (Nov. 2023) Revised Forecasts	Current (Feb. 2024) Revised Forecasts	Change From Previously Announced Revised Forecasts
Waste-related Business	53,247	69,660	70,356	+695
Waste management and recycling	47,461	61,810	62,839	+1,029
Soil remediation	3,753	5,072	4,815	▲257
Other	2,033	2,777	2,701	▲76
Other Business (Valuable Resource Recycling Business)	1,423	1,919	1,925	+5
Aluminum pellets	1,023	1,351	1,392	+40
Recycled plastic pallets	400	567	532	▲34

FY2024/3 Revised Forecasts

Volume of Waste and Contaminated Soil Received

(thousand tons)	FY2024/3 3Q Results	Previously Announced (Nov. 2023) Revised Forecasts	Current (Feb. 2024) Revised Forecasts	Change From Previously Announced Revised Forecasts
Waste volume received	1,672	2,279	2,222	▲56
Contaminated soil volume received	315	449	418	▲31



Waste volume received

- Increased due to the acquisition of demand for waste management associated with infrastructure development projects, mainly in the Kansai and Chubu regions

Contaminated soil volume received

- Continued to control the volume of waste received at final disposal sites due to expected continued increase in the waste volume received

FY2024/3 Revised Forecasts

Capital Expenditures, Depreciation, and Amortization of goodwill

(million yen)	FY2024/3 Initial Forecasts	FY2024/3 3Q Results	Previously Announced (Nov. 2023) Revised Forecasts	Current (Feb. 2024) Revised Forecasts	Change From Previously Announced Revised Forecasts
Capital expenditures	14,391	–	14,391	14,391	–
Depreciation	6,472	4,296	5,778	5,976	+198
Amortization of goodwill	197	148	197	197	▲0

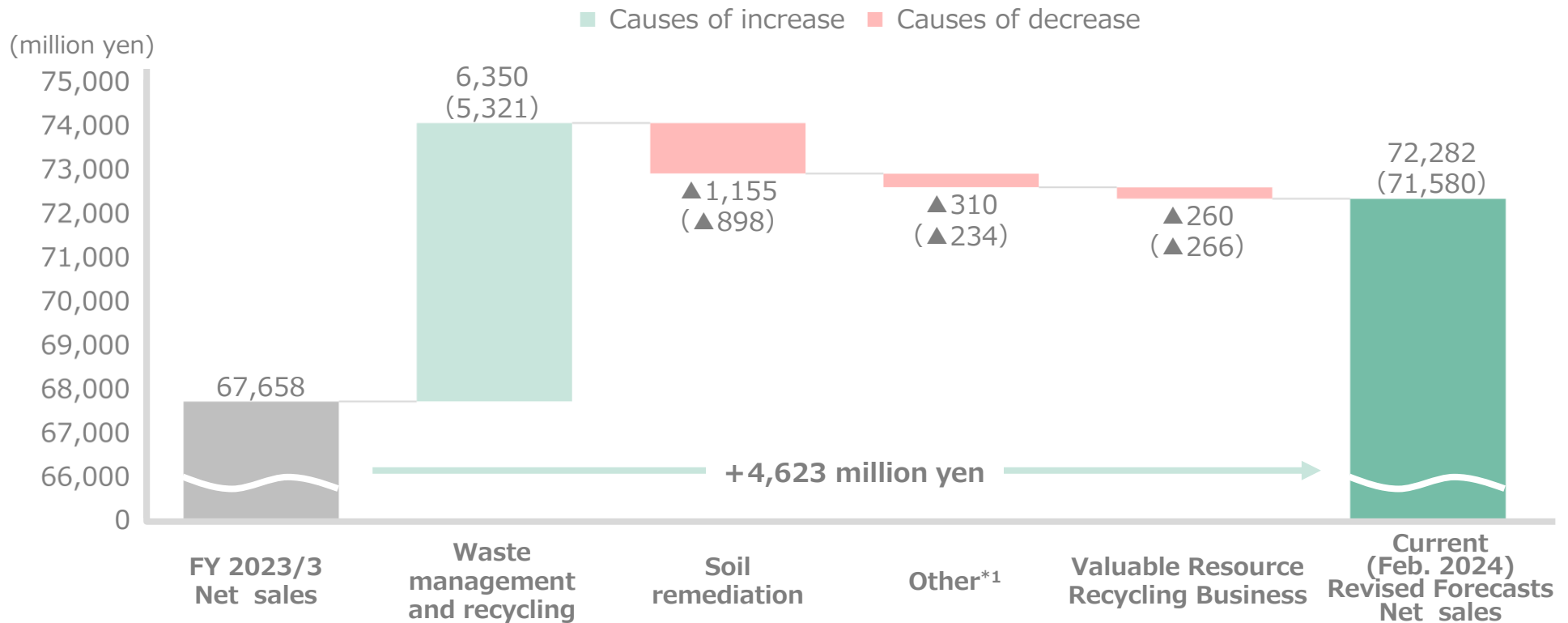
Depreciation

- The depreciation of the methane fermentation facility at the Iga Recycle Center, which started operating last fall, has been changed from April 2023 to June 2023.
- Decrease due to re-estimation of asset retirement obligations for final disposal site.

FY2024/3 Revised Forecasts

Consolidated Net sales Change Factors

- ✓ Waste management and recycling : Revised full-year plan based on the third quarter results
- ✓ Soil remediation : Continued to control the volume of contaminated soil received at final disposal sites by reviewing the unit price of orders in the second half of the fiscal year as well

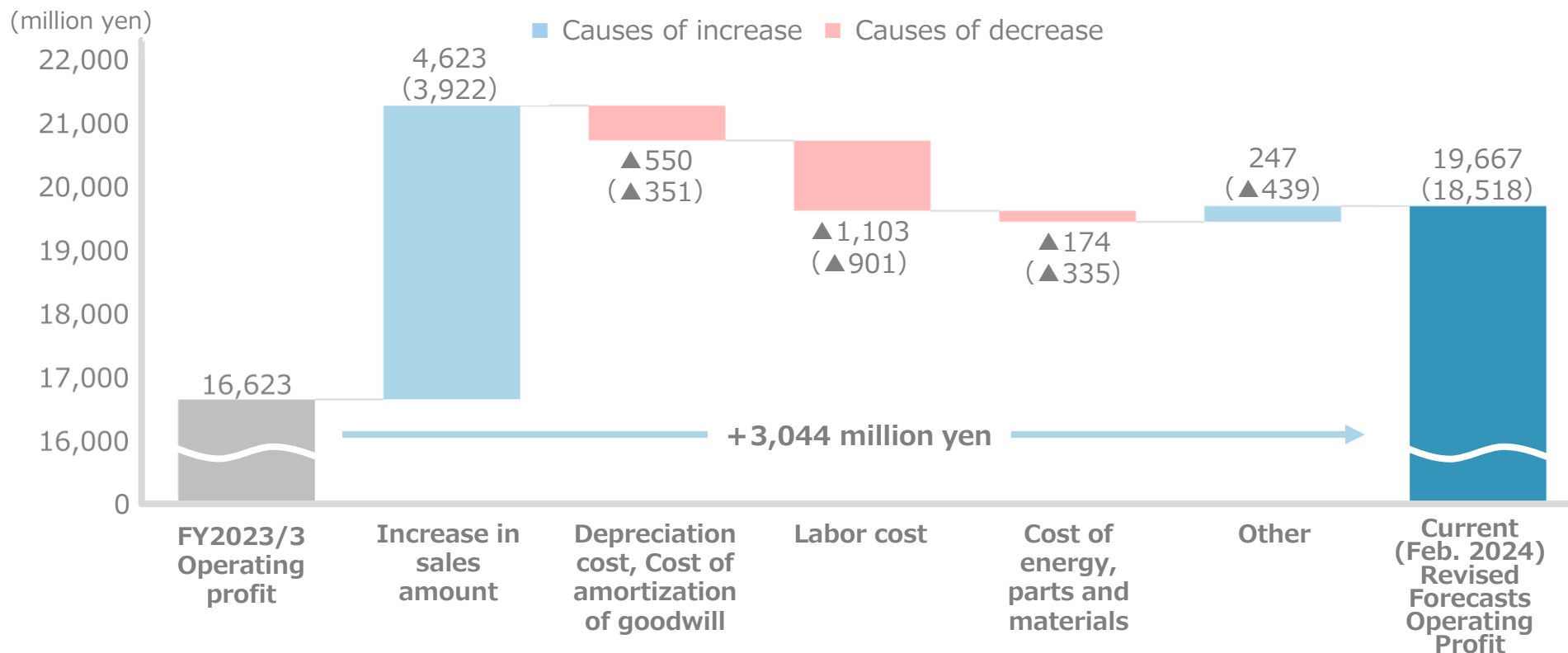


*1: The figure for "Other" includes those for the business fields other than the waste management and recycling, and soil remediation in the waste-related businesses
 Note: Figures in parentheses in the graphs indicate the initial forecasts

FY2024/3 Revised Forecasts

Consolidated Operating Profit Change Factors

- ✓ Depreciation and amortization costs will continue to decrease due to re-estimation of asset retirement obligations for final disposal sites.
- ✓ Increased from the previous announcement as a result of increasing winter bonuses
- ✓ Other costs have been revised again due to ongoing cost reductions through insourcing.



Note: Figures in parentheses in the graphs indicate the previously announced (Nov. 2023) revised forecasts

3. Progress Rate for FY2024/3 Revised Forecasts

Progress Rate for FY2024/3 Revised Forecasts

Consolidated Statements of Income

(million yen)	Current (Feb. 2024) Revised Forecasts	FY2024/3 3Q Results	Progress Rate for Current (Feb. 2024) Revised Forecasts
Net sales	72,282	54,671	75.6%
Operating profit	19,667	15,125	76.9%
Operating profit margin	27.2%	27.7%	—
EBITDA	25,844	19,569	75.7%
EBITDA margin	35.8%	35.8%	—
Ordinary profit	20,495	15,897	77.6%
Profit attributable to owners of parent	13,625	10,315	75.7%
Profit margin attributable to owners of parent	18.8%	18.9%	—

Progress Rate for FY2024/3 Revised Forecasts

By Segment

(million yen)	Current (Feb. 2024) Revised Forecasts	FY2024/3 3Q Results	Progress Rate for Current (Feb. 2024) Revised Forecasts
Waste-related Business			
Net sales	70,356	53,247	75.7%
Segment profit	19,851	15,280	77.0%
Segment profit margin	28.2%	28.7%	—
Other Business (Valuable Resource Recycling Business)			
Net sales	1,925	1,423	73.9%
Segment profit (loss)	▲27	▲38	—
Segment profit margin	▲1.4%	▲2.7%	—

Progress Rate for FY2024/3 Revised Forecasts

Net Sales by Business Domain

(million yen)	Current (Feb. 2024) Revised Forecasts	FY2024/3 3Q Results	Progress Rate for Current (Feb. 2024) Revised Forecasts
Waste-related Business	70,356	53,247	75.7%
Waste management and recycling	62,839	47,461	75.5%
Soil remediation	4,815	3,753	77.9%
Other	2,701	2,033	75.3%
Other Business (Valuable Resource Recycling Business)	1,925	1,423	73.9%
Aluminum pellets	1,392	1,023	73.5%
Recycled plastic pallets	532	400	75.1%

Progress Rate for FY2024/3 Revised Forecasts

Volume of Waste and Contaminated Soil Received

(thousand tons)	Current (Feb. 2024) Revised Forecasts	FY2024/3 3Q Results	Progress Rate for Current (Feb. 2024) Revised Forecasts
Waste volume received	2,222	1,672	75.2%
Contaminated soil volume received	418	315	75.5%

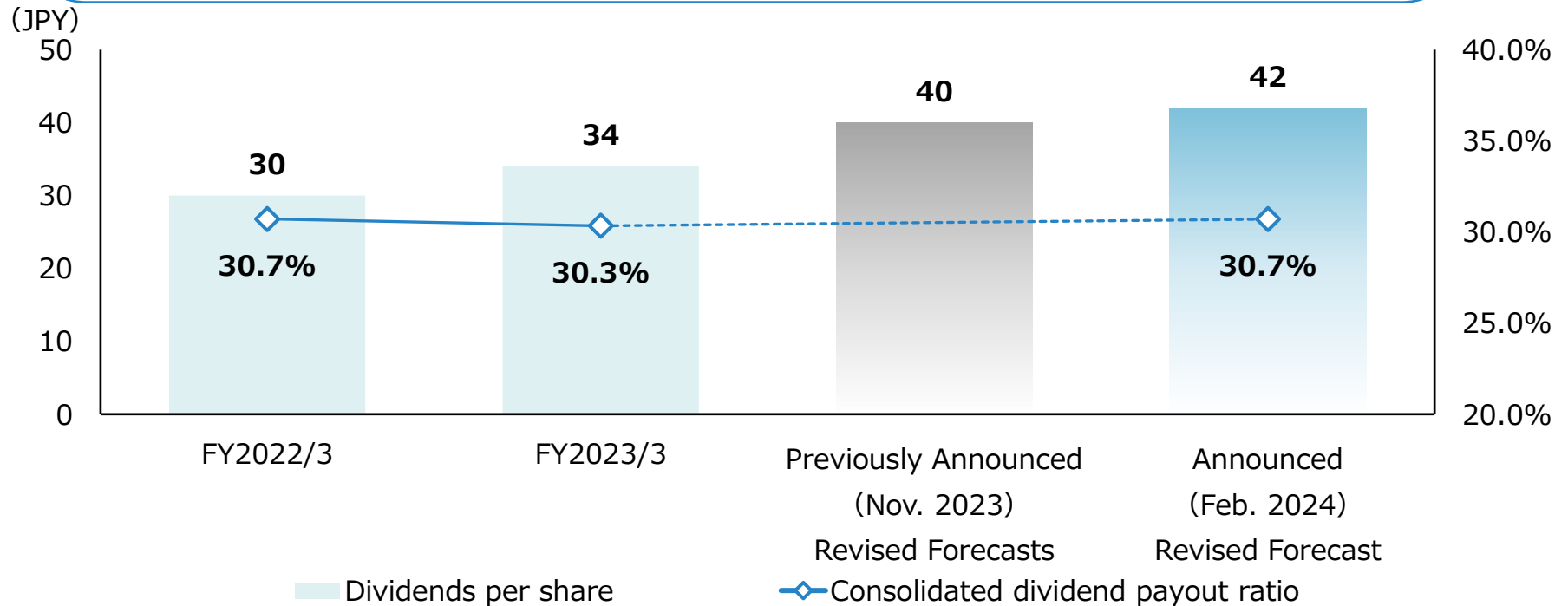
4. Shareholder Returns

Shareholder Returns

- **Target of Consolidated dividend payout ratio**

During the period of the mid-term management plan (FY2023/3 to FY2025/3)
: **30% or higher**










- Aiming to achieve sustainable and stable shareholder returns while continuing capital investment for growth.
- Dividend per share revised upward from 40 yen to **42 yen** based on the current revised forecasts.



5. About Daiei Kankyo Group

Company Profile

Name	Daiei Kankyo Co., Ltd.	FY 2023/3 (Consolidated)	
Founded	1979	Net Sales	JPY 67.6 bn
Representative	Fumio Kaneko, President and Representative Director	Operating Profit	JPY 16.6 bn (Margin : 24.6%)
Employees*1	2,470 ppl. (consolidated; as of Mar. 31, 2023)	EBITDA*3	JPY 22.2 bn (Margin : 32.9%)
Location	Kobe Fashion Plaza, 2-9-1 Koyo-cho-naka, Higashinada-ku, Kobe, Hyogo*2	Profit Attributable to Owners of Parent	JPY 10.4 bn (Margin : 15.5%)

Waste-related Business *4					Other Business *4 (Valuable Resource Recycling Business)
<ul style="list-style-type: none"> – Segment sales : JPY 65.4 bn (97% of net sales) – Segment profit : 16.7 bn 					<ul style="list-style-type: none"> – Segment sales : 2.1 bn (3 % of net sales) – Segment profit : 0.1 bn
Waste management and recycling  <p>View waste as a resource and provide a full range of waste management and recycling services from collection and transportation to intermediate treatment, recycling, as well as final disposal</p> <p>83.5% of net sales</p>		Soil remediation  <p>Propose solutions ranging from inspections and consulting to remediation based on the Soil Contamination Countermeasures Law</p> <p>8.8% of net sales</p>		Aluminum pellets  <p>Manufacture and sell aluminum pellets made from aluminum cans purchased as resources</p>	
Facility construction and administration 	Consulting 	Electricity generation 	Forest management 	Other 	Recycled plastic pallets  <p>Manufacture and sell recycled plastic pallets made mainly from plastic container packaging</p>

*1: Includes full-time and average temporary employee through the year

*2: Company headquarters

*3: EBITDA = Operating profit + Depreciation + Amortization of Goodwill. EBITDA margin = EBITDA/Net Sales

*4: Financial figures are actual results from FY2023/3. Segment profit includes intersegment consolidation adjustments.

The Overview of Daiei Kankyo Group

Consolidated Subsidiary and Business Development Area

Consolidated Subsidiaries *1

Daiei Kankyo

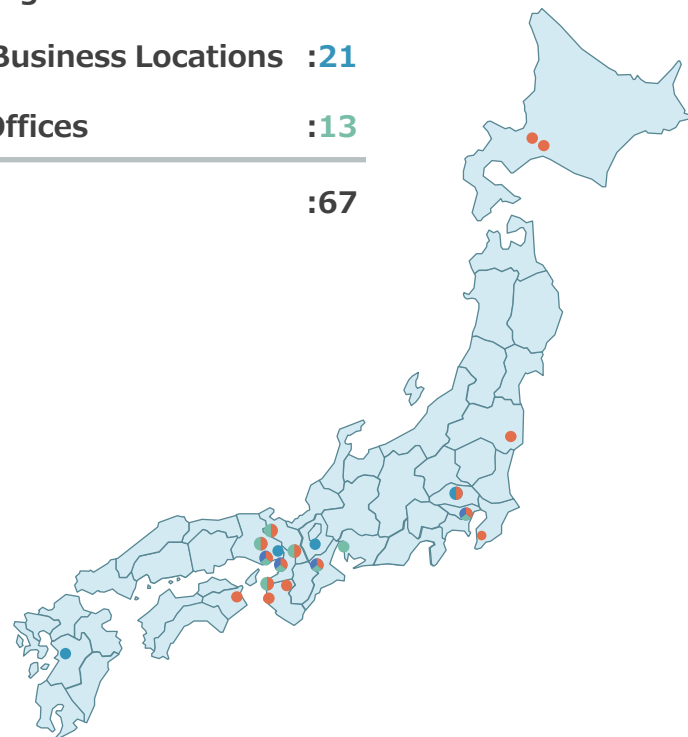
31 companies

Mie Chuo Kaihatsu	DINS Kansai	Kyodoh Doboku	Geo-Re Japan
Safety Island	Settsu Seiun	Kyoto Kankyo	Kobe Port Recycle
Daiei Amet	Clean Stage	Settsu	Tohoku Eco Clean
Create Navi	Plafactory	Omiachiman Eco Service	Sanki Kaihatsu
Software Total Service	Green Arrows Kansai	Maruyo	General Agriculture & Forestry
DINS Environmental Analysis Center	Daiei Kankyo Research Institute	Resource Circulation Systems	DINS Mirai
Ashiya Josui	ISV Japan	DINS Hokkaido	Tadaoka Eco Service
D-design	Negibozu	Makinosato	

※ : Companies that joined our group through M&A **18 companies**

Business Development Area (Waste Disposal, Recycling Business Locations)*2

● Recycling Facilities	:33
● Other Business Locations	:21
● Sales Offices	:13
Total	:67

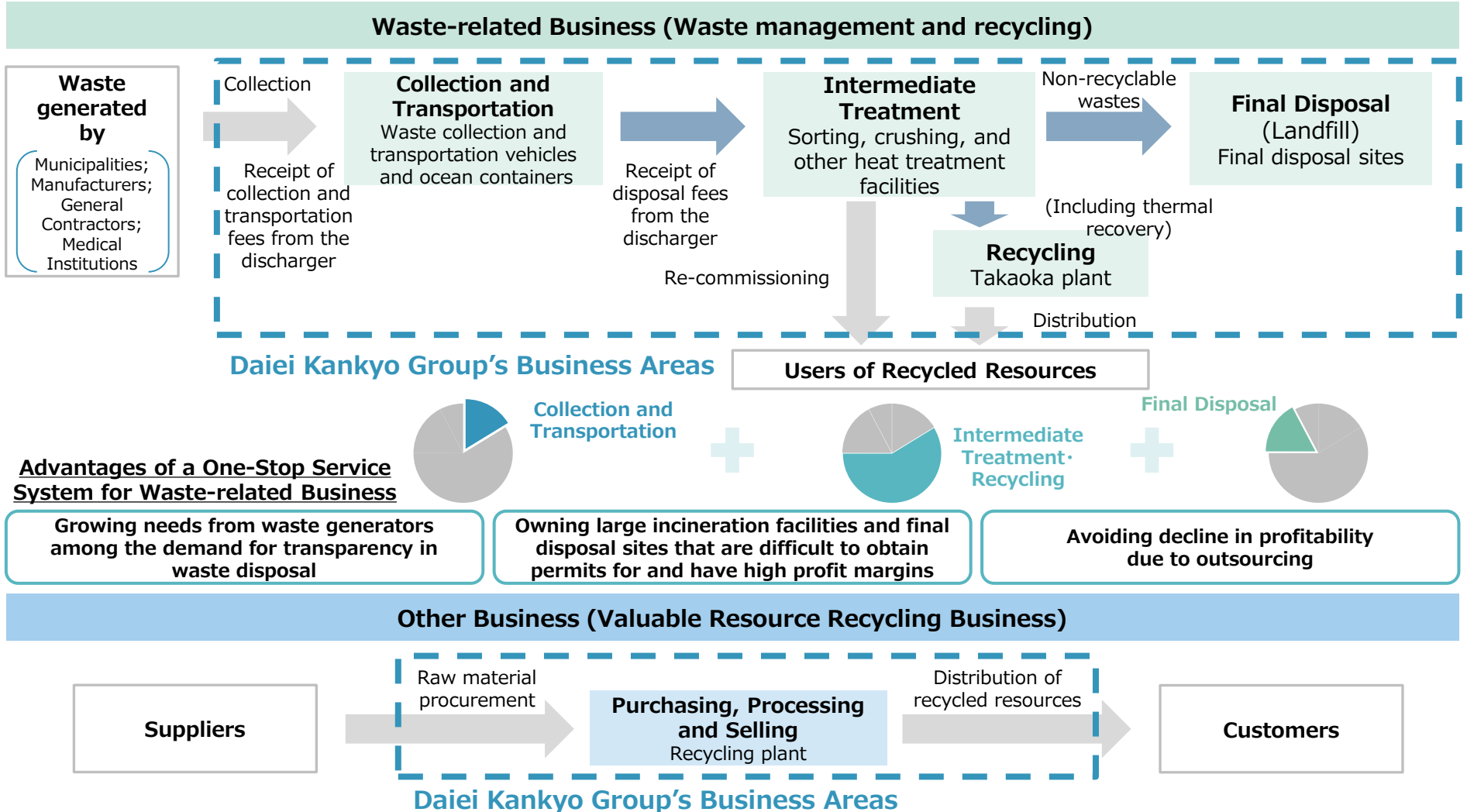


*1 : As of February 9, 2024. In addition to the consolidated subsidiaries listed above, there are 2 non-consolidated subsidiaries, 6 affiliates accounted for by the equity method and 7 other affiliates.

*2 : As of February 9, 2024. Some dotted locations include multiple types of facilities. This includes locations of 6 affiliates accounted for by the equity method (other affiliates are omitted due to lack of materiality).

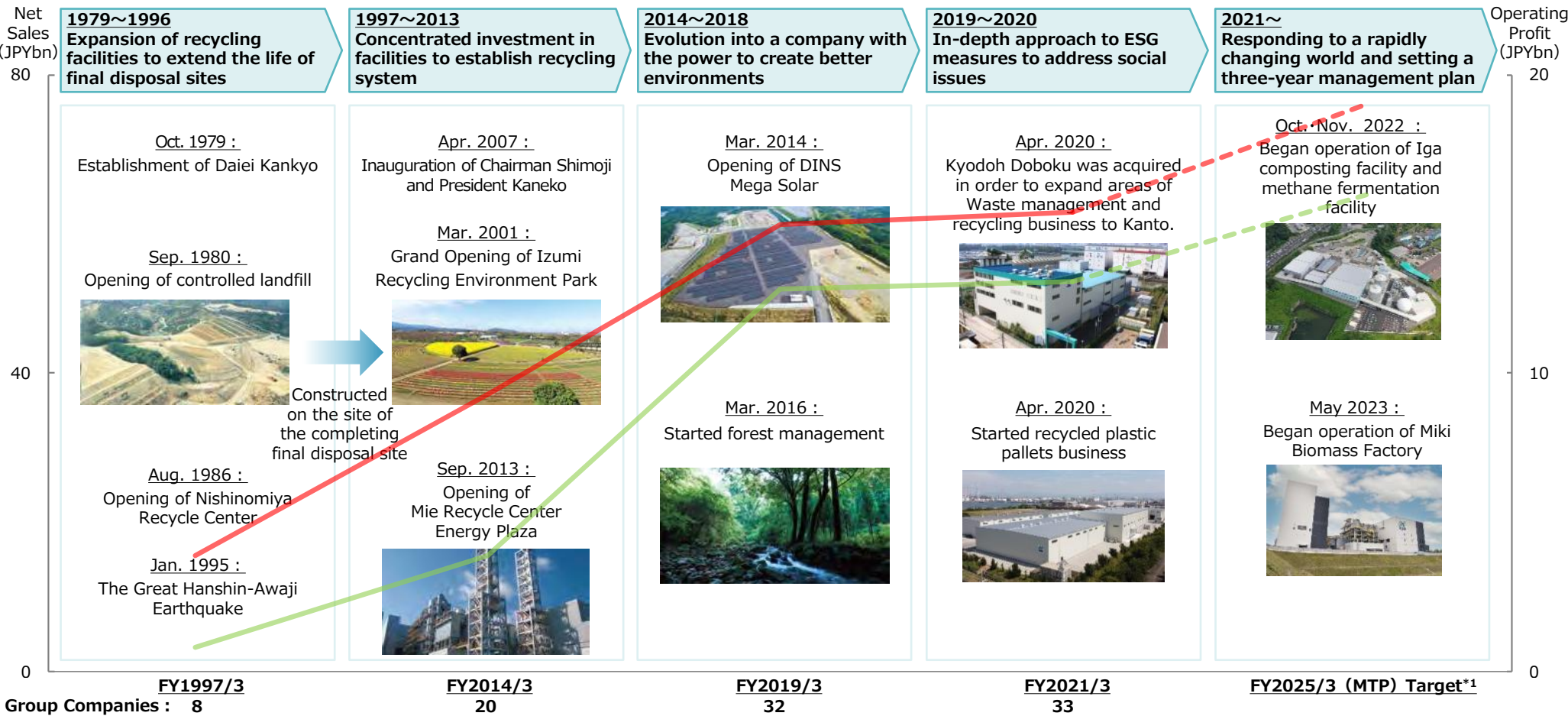
Business Model (Main Business Flow)

Business Model of each segment



The History of Daiei Kankyo

We started out in the final disposal business and quickly shifted to volume reduction and recycling to ensure our continued competitiveness. Since then, we have developed a wide range of environment-related businesses, including soil remediation, facility construction and administration, consulting, electricity generation and forest management.



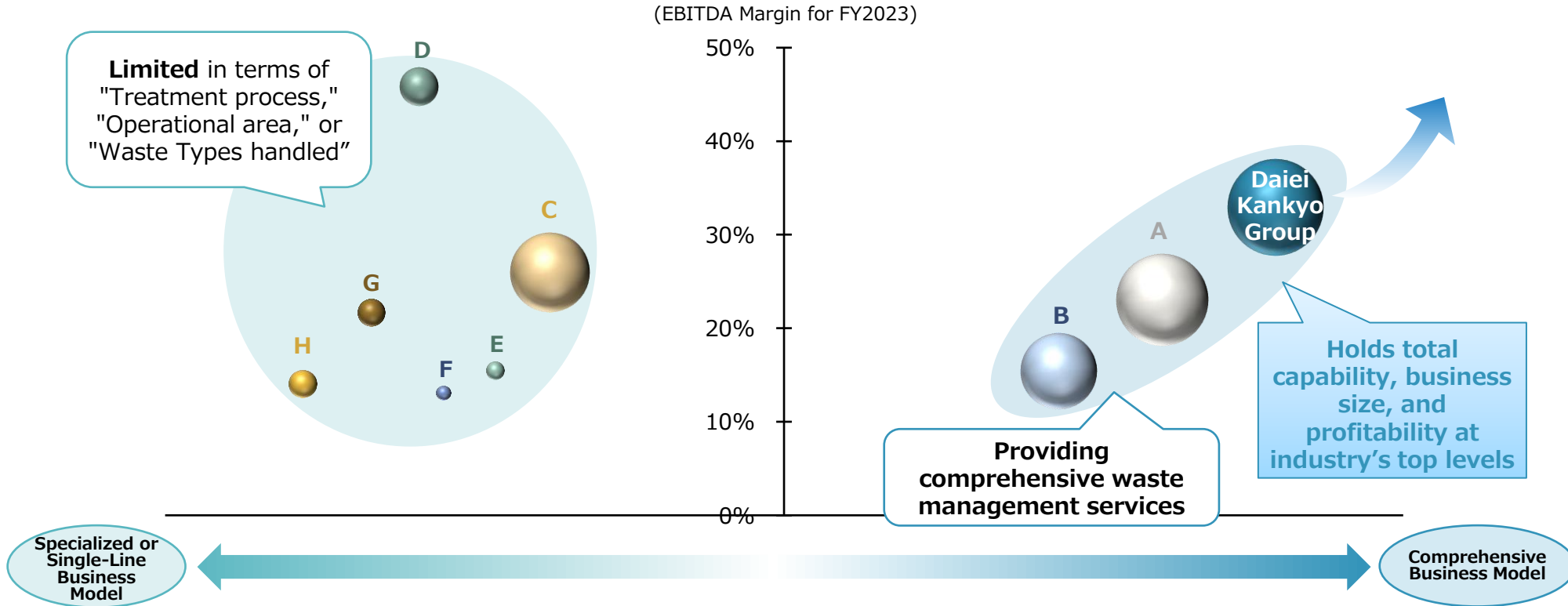
*1: Please refer to P43 for mid-term management plan targets.

Note: The line graph on the back shows the historical net sales and operating profit. ■ : Net Sales, ■ : Operating profit
 Excluding FY 2021/3 results and FY 2025/3 (MTP) targets, net sales and operating profit are simple sum of unaudited figures of the four major Group companies (Daiei Kankyo, Mie Chuo Kaihatsu, DINS Kansai, Kyodoh Doboku). FY 2021/3 results and FY 2025/3 (MTP) targets are consolidated figures of the Group.

Position Maps of the Industry

Position Maps of Japanese Waste Management Industry (Our Analysis)

We recognize that we are in a unique position in the industry in terms of our "one-stop treatment process," "wide operational area," and "variety of waste types handled," and we will continue to enhance our comprehensive strength, business scale, and profitability to further improve our presence in the industry.

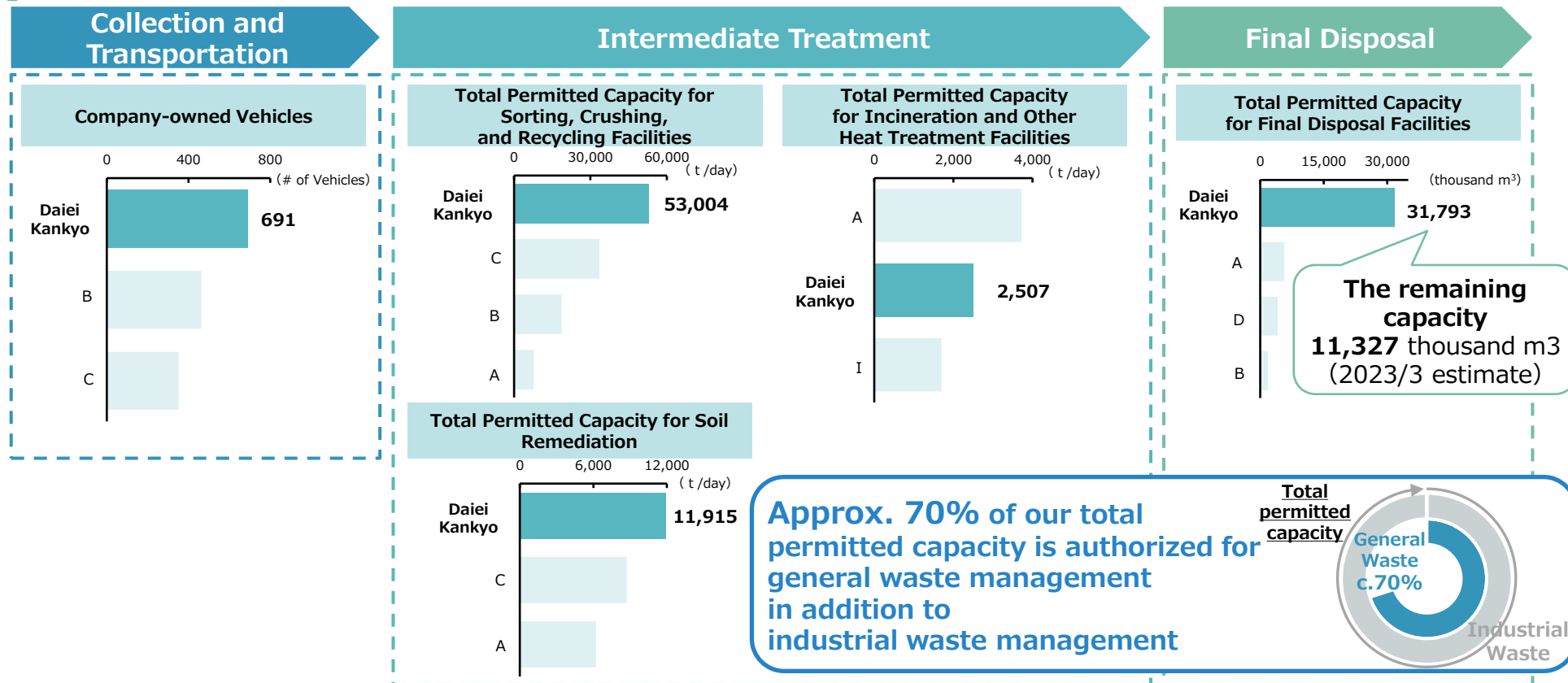


Note: The size of the bubbles indicates EBITDA for the FY2023
 The Analysis of "Comprehensive Business Model" and "Specialized or Single-Line Business Model" is based on our own categorizations of the market.
 EBITDA and EBITDA margin of the other companies are calculated by us in accordance with the formulas based on the data published by each company.
 Our calculations may differ from the figures published by each company.
 Some companies use figures from business segments that are classified as waste management businesses

Source: Publicly available information of each company

Capacity Compared to Other Companies*1

Total permitted capacity*2 of facilities (As of December 31, 2023)



*1: Listed companies and subsidiaries of listed companies (Figures for non-listed subsidiaries of each company for which information is available are also included) in the waste management and recycling industry.

*2: Total permitted capacity refers to the treatment capacity that has been permitted by the prefectures, etc. for each item. Calculations for companies other than Daiei Kankyo are based on our aggregation method using the most recent publicly available data.

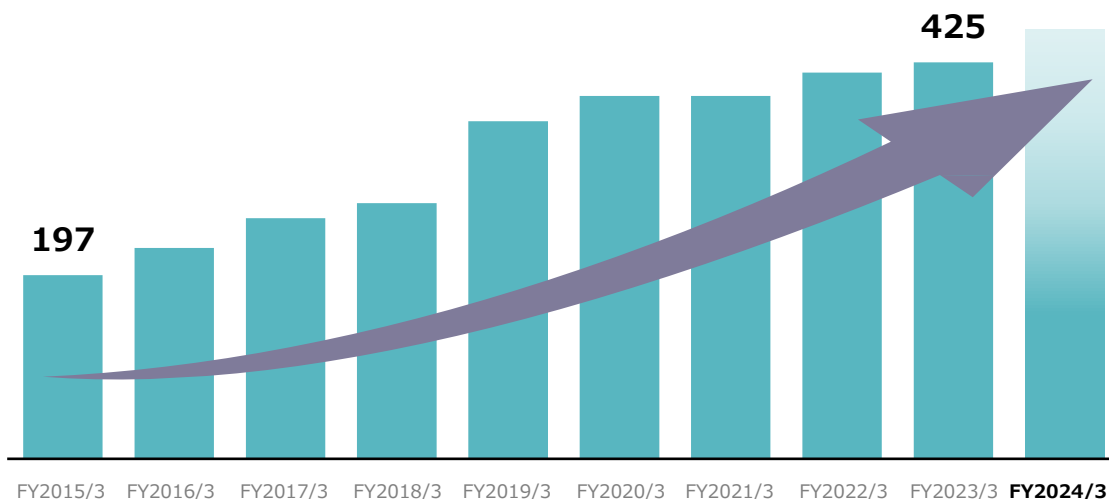
Sources: Integrated Report; Annual Securities Report; financial disclosure information, website, and other public information of the company (as of December 31, 2023); "Industrial Wastes Information Network" of Japan Industrial Waste Management Foundation and a website of Japan Disaster Treatment Systems

of Municipalities We Work with

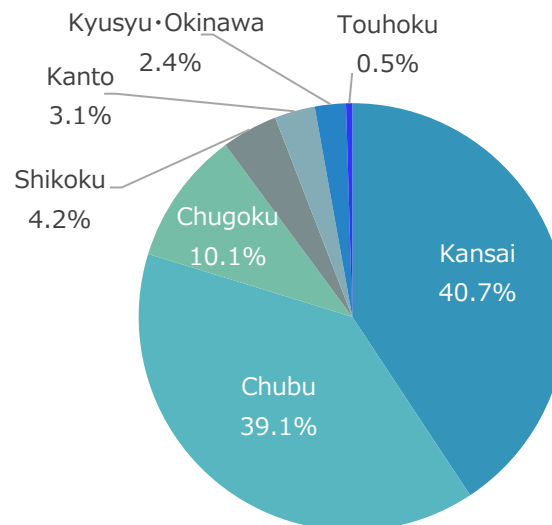
of Municipalities We Work with*1

- ✓ In Sep. 2013, the Mie Recycle Center Energy Plaza, the Group's largest facility capable of handling general waste, began operations. Daiei Kankyo has been expanding business with local governments since then.
- ✓ As for FY2023/3 result, we worked with **425 municipalities**, which account for **approx. 24%** of the total municipalities in Japan *2
- ✓ Temporary processing contracts at our group facilities increased due to the occurrence of problems at municipal facilities caused by aging, etc.
- ✓ Aiming to expand the number of client municipalities through public-private partnerships (PPP)

of Municipalities We Work with*1



Breakdown of Municipalities We Work with*3 (FY2023/3)



*1: 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.

*2: 1,718 municipalities in Japan as of Apr. 1, 2023 (excluding the 23 wards of Tokyo), plus the 23 wards of Tokyo and 47 prefectures.

*3: Mie Prefecture is included in the Chubu region.

Sources: Portal Site of Official Statistics of Japan (e-Stat)

of Disaster Cooperation Agreements with Municipalities

of Disaster Cooperation Agreements with Municipalities

- ✓ Accelerated the signing of disaster cooperation agreements with municipalities after the disastrous heavy rain and Typhoon No. 21 in West Japan in 2018, etc.
- ✓ As of the end of December 2023, **170 agreements** had been signed, **approx. 10%** of the total number of agreements signed by all municipalities in Japan*1
- ✓ Aiming to increase the number of agreements

Our Experience with Disaster Waste*2

Great Hanshin-Awaji Earthquake

1995/1
(15mil t)



Typhoon in Hyogo

2004/10
(0.07mil t)

Typhoon/Flood in Kii

2011/8-9
(0.1mil t)

Great East Japan earthquake

2011/3
(31mil t)

Kumamoto Earthquake

2016/4
(3mil t)



Disastrous heavy rain in Kanto and Tohoku

2015/9(0.09mil t)



Disastrous heavy rain in West Japan

2018/7
(2mil t)

Typhoon in Osaka

2018/8-9
(2mil t)



Typhoon in Boso and East Japan

2019/10
(1.2mil t)

Disastrous heavy rain in Kyusyu

2020/7
(0.6mil t)

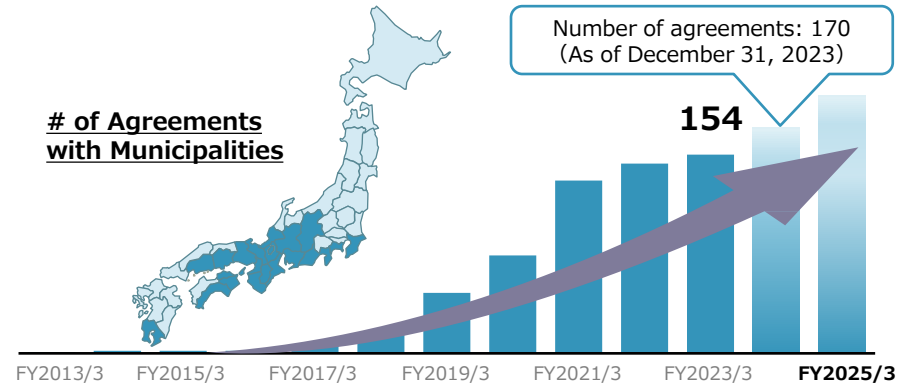
[Reference] Estimated amount of disaster waste (Maximum)

- ✓ Nankai thrust Earthquake : Approx. 350mil t (inc. Tsunami deposits)
- ✓ Tokyo inland earthquake : Approx. 110mil t

Number of Cooperation Agreements with Municipalities

- ✓ Treated 1/3 of all disaster wastes created due to the Great Hanshin-Awaji Earthquake in 1995.
- ✓ Treated wide areas with land and sea transport after the Disastrous heavy rain in Kanto and Tohoku in 2015, putting our group companies' strengths to work.
- ✓ Handled about **5.5 mil** tons of disaster waste to date.

of Agreements with Municipalities



*1 : 1,718 municipalities in Japan as of Apr. 1, 2023 (excluding the 23 wards of Tokyo), plus the 23 wards of Tokyo and 47 prefectures.

*2 : Figures in parentheses are the amount of disaster waste generated in each natural disaster

Sources: National Institute for Environmental Studies "Platform of Disaster Waste Information"; MOEJ "Disaster Waste Management in Recent Natural Disasters, Each Year Edition"; MIC "Report on the Results of Administrative Evaluation and Monitoring of Disaster Waste Management"; MOEJ "Interim Report on the Grand Design of Disaster Waste Management in the Event of a Major Disaster (March 2014)"; Portal Site of Official Statistics of Japan (e-Stat)

Overview of the Waste Management Business in Japan

Major Customer Categories and Overview of the Industrial and General Waste Management Business

Industrial Waste (Mainly business activities waste)	Waste Classification	General Waste (Mainly household waste)
<ul style="list-style-type: none"> Manufacturers : c.30% General Contractors : c.30% Medical Institutions : c.~10% 	<p>Major Customer Categories*1 (FY2023/3 Sales Composition)</p>	<ul style="list-style-type: none"> Municipalities : c.20% – Aiming to further increase transactions with municipalities by expanding PPP
<ul style="list-style-type: none"> Waste generators 	<p>Responsibility</p>	<ul style="list-style-type: none"> Municipalities
<ul style="list-style-type: none"> 370 mn tons 	<p>Emissions (FY2021)</p>	<ul style="list-style-type: none"> 40 mn tons
<p>Industrial waste management JPY 2,508.8 bn</p>	<p>Our Estimate TAM*2 (FY2021)</p>	<p>General waste management *4 JPY 1,713.5 bn</p>
<p>Recycling*3 JPY 2,973.0 bn</p>		<p>Disaster waste management JPY 23.2 bn</p>

*1 : Percentage of sales by industry for major customers is an approximate figure based on actual sales for the FY2023/3.

*2 : The Total Addressable Market (TAM) is calculated by the Company based on the sources below.

*3 : Market size of recycling services and recycled materials, excluding arterial industry (Industries that produce products, such as Manufacturing) receipts

*4 : Excluding construction and improvement costs

Sources: MOEJ "Survey Report on Industrial Waste Discharge and Disposal (Preliminary Figures for FY2021)", "Results of Survey on General Waste Disposal Business (FY 2021)", "Report on the Market Size and Employment of the Environmental Industry (2023/3)", "waste management in Japan (FY2021/3)"

Overview of the Waste Management Business in Japan

Industry players of our recognition

		Collection and Transportation	Intermediate Treatment			Final Disposal
			Sorting, Crushing, Recycling	Incineration and Other Heat Treatment	Soil Remediation	
Industrial Waste	Private Sector *1	# of companies c.110k companies	# of companies 9,908 companies	# of companies 129 companies	# of companies 152 companies	# of companies 705 companies
	Public Sector *1		# of facilities 925	# of facilities 1,060 PPP Growth Opportunity		# of facilities 1,066 (in operation)

Industrial Waste (Mainly business activities waste) Industry

- ✓ An extremely fragmented market comprising small- to mid-sized players and publicly traded companies
- ✓ High momentum for restructuring, with numerous small- to mid-sized players, divestitures of non-core businesses by operating companies, resulting in abundant M&A opportunities

General Waste (Mainly household waste) Industry

- ✓ Although momentum is building for a shift from the public to the private sector, the majority of processing is done at facilities owned by municipalities, creating a closed environment.

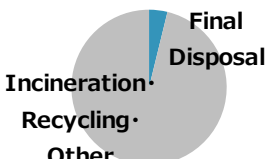
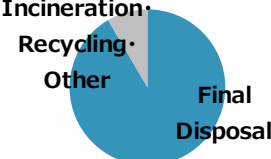
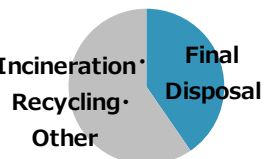
*1: # of industrial waste operators as of July 31, 2023 excluding # of soil remediation operators as of June 30, 2023 and incineration and heat treatment operators as of July 20, 2023. # of general waste facilities based on FY2022A

Sources: "Industrial Wastes Information Network" of Japan Industrial Waste Management Foundation, "List of Member Companies" of Soil Environment Center, "List of contaminated soil treatment companies based on the Soil Contamination Countermeasures Act" and "Waste Disposal Technology Information" of Ministry of the Environment

Waste Management Markets in Japan, United States and Europe

The Overview of Waste Management Markets in Japan, United States and Europe

In the United States and Europe, major listed companies account for a higher percentage of the waste management market compared to Japan, and most waste is disposed of by final disposal. In the Japanese waste management market, in comparison, there are a number of small- to mid-sized players, and most waste is recycled or incinerated for energy recovery, resulting in reduced volume of final disposal.

Region	Japan		United States		Europe	
Market Size*1 (As of 2021)	JPY 7.2 tn		JPY 13.5 tn		JPY 15.3 tn	
Net Sales of Major Listed Companies for FY2023*2 (Unit: JPY bn)	TRE HD	90.7	Waste Management	2,614.1	Veolia Environnement*3	2,234.3
	DOWA HD*3	87.8	Republic Services	1,793.0	Suez*3	512.5
	Daiei Kankyo	67.6	Waste Connections	957.0		
	Daiseki	58.5				
	Total	304.8	Total	5,364.2	Total	2,746.7
% of Market Size*4	4.2%	% of Market Size*4	39.4%	% of Market Size*4	17.9%	
Proportion of Final Disposal (based on weight; As of 2016)						

Note : Converted into yen at the exchange rates as of Dec. 30, 2022 (1USD=132.71JPY, 1EUR=141.43JPY)

*1: MARKETSANDMARKETS "WASTE MANAGEMENT MARKET GLOBAL FORECAST TO 2026" (Japan: 28.1USD bil, US: 102.4USD bil, Europe: 115.4USD bil). For the Japanese market, the market size is calculated as the sum of four markets in FY2021, JPY 7.2 tn, for which data is provided by the Ministry of Environment: industrial waste management, recycling, general waste management, and disaster waste. Please see P39 for details.

The market sizes for U.S. and Europe were calculated using the exchange rate indicated in Note on this page. The different calculation methods used to estimate regional market sizes may cause significant discrepancies in the percentage comparisons and therefore must not be placed undue reliance.

*2: 4 Japanese companies for FY2023, 5 U.S. and European companies for FY2022/12

*3: Figures for each company's waste treatment business segment (DOWA HD : "Environmental Management & Recycling", Veolia Environnement: "Waste", Suez: "Recycling and Recovery"). On Jan. 27, 2022, Veolia Environnement acquired 95.95% of Suez shares through tender offer.

*4: The denominator, market size, is not the total sales of all companies in each region, but only an estimate, and the numerator, sales of each company, and denominator, market size, cover different time periods. For these and other reasons, it does not represent actual market share.

Sources: QYResearch "Global Waste Treatment Disposal Sales Market Report 2017", MARKETSANDMARKETS "WASTE MANAGEMENT MARKET GLOBAL FORECAST TO 2026", Publicly available information of each company, MOEJ "Report on the Market Size and Employment of the Environmental Industry (2023/3)", "waste management in Japan (FY2021/3)"

6. Growth Strategy

Mid-term Management Plan Financial Targets (FY2023/3 to FY2025/3)

Financial Targets for the Final Year of the Mid-Term Management Plan (FY2025/3)

Net sales compound annual growth rate*1 (FY2022/3 to FY2025/3)	5 to 6%
EBITDA margin (FY2025/3)	30% or higher
Operating profit margin (FY2025/3)	Approx. 20%

Examples of Factors Not Included the Financial Targets



*1: Compound annual growth rate from FY2022/3 to FY2025/3

Progress on Key Measures

Operation and Construction of new large facilities

Operation of Recycling Facilities

Iga Methane Fermentation Facility

- ✓ A facility that ferments organic waste (general waste, food waste, organic sludge, liquid waste, etc.) to collect methane and generate electricity
- ✓ Generated electricity is sold under the feed-in tariff (FIT) system.
- ✓ Permitted capacity : 320 t/day
Power generation capacity : 1,980 kW
Annual power generation : 15,000 MWh



Operation began in Nov. 2022

Iga Composting Facility

- ✓ A facility that produces compost from food waste began operation on the same site as the methane fermentation facility mentioned above
- ✓ Permitted capacity : 92 t/day



Operation began in Oct. 2022

Construction of Incineration and Other Heat Treatment Facilities

Miki Biomass Factory

- ✓ Heat treatment facility for mixed-waste incineration of various wastes with biomass resources such as waste wood and food residues
- ✓ Permitted capacity : 440 t/day
Power generation capacity : 11,700 kW



Operation began in May 2023

Measures for Sustainable Growth

Facility Enhancement for Sustainable Growth

Controlled Final Disposal Sites

Mie Chuo Kaihatsu Co., Ltd. Mie Recycle Center The 8th stage Controlled final disposal site

- ✓ Start of service : Around April 2025
 - ✓ Permitted Capacity : 6,641,181^m₃
(of which 5,911,181^m₃ for the 2nd phase construction)
 - ✓ Estimated Investment Total :
Approx. JPY 10.6bn (including approx. JPY 5.5bn for the 2nd phase construction)
 - ✓ Construction Progress Rate : About 67%
-  : The 8th stage disposal site construction area (The 2nd phase)



Construction started in Mar. 2020

Daiei Kankyo Co., Ltd. Gobo Recycle Center The 2nd stage Controlled final disposal site

- ✓ Start of service : Around April 2025
 - ✓ Permitted Capacity : 1,355,882^m₃
 - ✓ Estimated Investment Total : Approx. JPY 4.2bn
 - ✓ Construction Progress Rate : About 30%
-  : The 2nd stage disposal site construction area



Construction started in Jan. 2023

Construction of Incineration and Other Heat Treatment Facilities

Daiei Kankyo Co., Ltd. Nishinomiya Recycle Center Nishinomiya Energy Plaza

- ✓ Permitted capacity : 220 t/day
- ✓ Power generation capacity: 4,650 kW
- ✓ Start of operation : Scheduled for Feb. 2027
- ✓ As part of efforts to double the Group's incineration capacity by 2030, the capacity of existing facilities will be increased in terms of processing volume and power generation, contributing to the reduction of waste plastics received at disposal sites.



Image of Nishinomiya Energy Plaza

Obtained installation permit in Jan. 2024

Aim to Double the Processing Capacity of Incineration and Other Heat Treatment Facilities of the Group & Contribution to Decarbonization

Capacity of Incineration and Other Heat Treatment

End of FY2022/3	End of FY2024/3 3Q	End of FY2030/3 (Target)
2,067 t /day	2,507 t /day	4,000 t /day

- Contribute to decarbonization by recovering energy from waste that must be incinerated
- Conduct research and study to introduce CCU*1

*1: 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

Initiatives to Promote Carbon Neutrality

Initiatives regarding “The Plastic Resource Circulation Act”

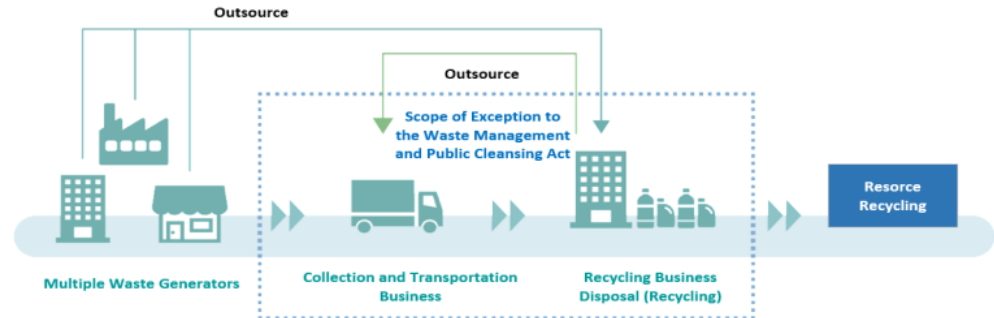
- ✓ In addition to the 7 companies which obtained accreditation for the “Recycling Business Plan”, recycling of materials similar to the that of accredited companies is being promoted for non-accredited companies.

- As of Dec. 31, 2023

Accredited companies: 7

Non-accredited companies: 20

Increasing the number of contracted non-accredited companies



Examples of initiatives for decarbonization and recycling

Demo project planned to complete in Mar. 2024

- ✓ We launched **Japan's first demonstration project** for gasification and methanol conversion of waste plastics with Kobelco Eco-Solutions, etc. in August 2022, which we will complete in March 2024 and anticipate to shift to the phase for examining commercialization.
- ✓ Aiming to establish a recycling system through chemical recycling of plastics that had been disposed of until now.

Demo project launched in Oct. 2021

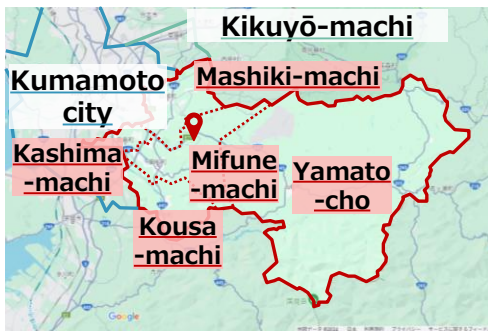
- ✓ Project to collect and recycle refill packs of daily necessities and reuse them as refill packs
- ✓ **The pioneering nationwide project** involving collaboration between municipalities and 18 companies including Kao involved in manufacturing, sales, collection, and recycling

Sources: MOEJ Special Website “The Law Concerning the Promotion of Resource Recycling of Plastics”

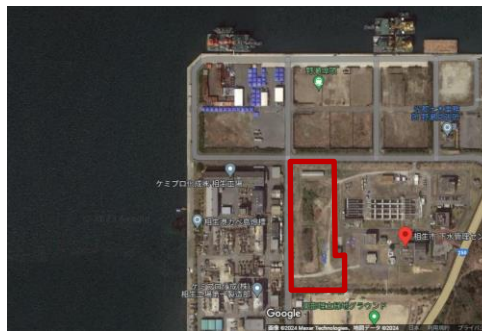
Progress on Key Measures: PPP

Previous Case of PPP

Previous Case①: Kamimashiki-gun, Kumamoto		Previous Case②: Aioi, Hyogo		Previous Case③: Tadaoka, Osaka	
Date of Agreement	✓ Oct. 2021	Date of Agreement	✓ Oct. 2021	Date of Agreement	✓ Feb. 2023
Business Location	✓ Mifune-machi, Kamimashiki, Kumamoto	Business Location	✓ Aioi, Hyogo	Business Location	✓ Tadaoka, Senboku-gun, Osaka
Facilities Overview	Capacity (t/day) ✓ Recycling : 900 ✓ Energy recovery : 400 ✓ Methane fermentation : 30 ✓ Composting : 60	Facilities Overview	Capacity (t/day) ✓ Recycling : 900 ✓ Energy recovery : 220	Facilities Overview	Capacity(t/day) ✓ Recycling : TBD ✓ Energy recovery : 220
Waste to be Treated	✓ General waste (5 towns in Kamimashiki-gun and others), industrial waste, disaster waste	Waste to be Treated	✓ General waste (Aioi and others), industrial waste, disaster waste	Waste to be Treated	✓ General waste (Tadaoka), industrial waste, disaster waste



✓ The red pin depicts the proposed project area.



✓ The red box depicts the proposed project site.

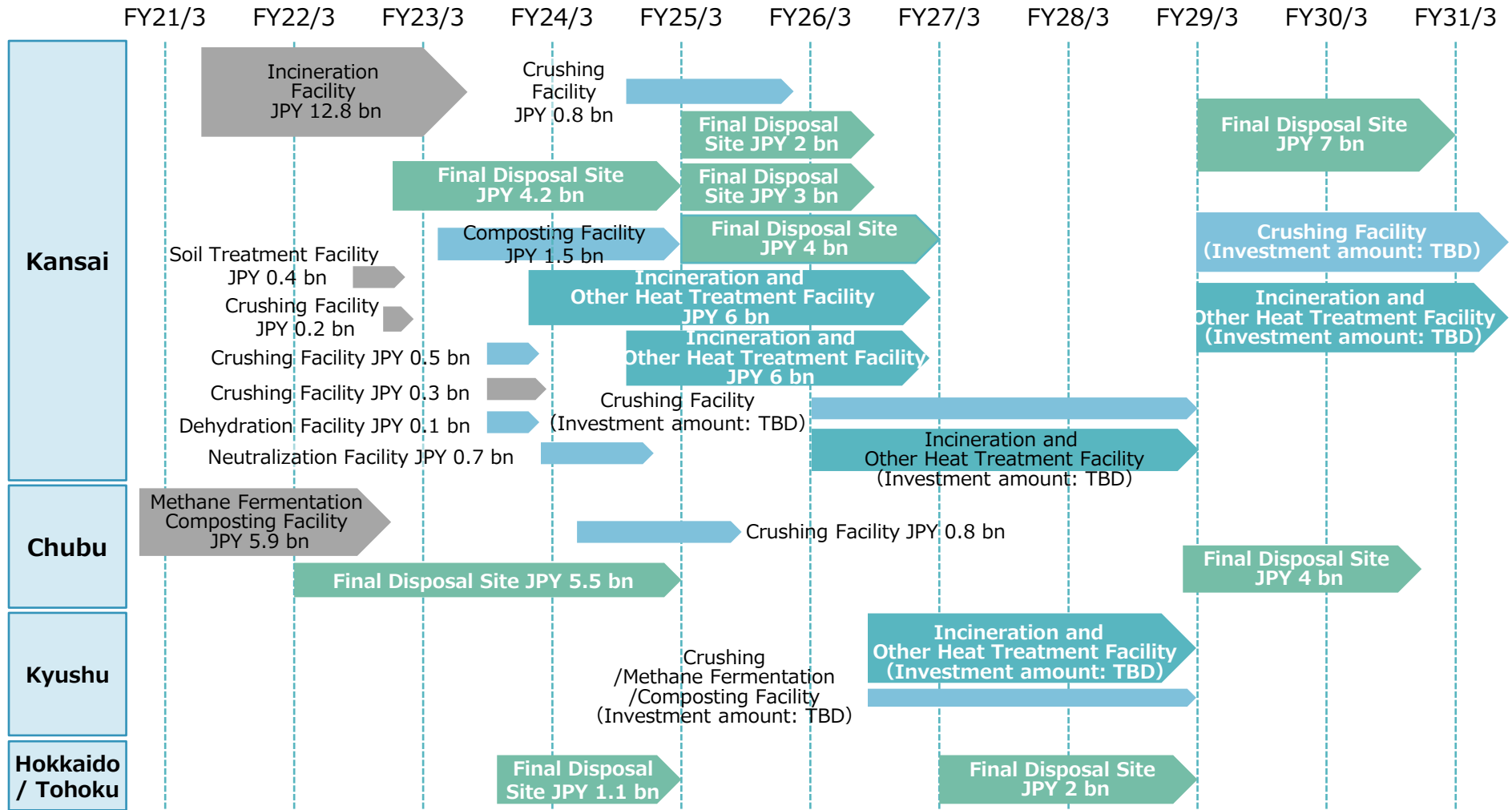


✓ Started construction of a relay facility to receive general wastes from the town of Tadaoka from April 2024 until the energy recovery facility is completed.

By FY2030/3, we aim to execute 12 agreements for public private partnerships nationwide and to begin operations in four of them.

Capital Investment Plan in the future

Capital Investment Plan



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

Priority Targets for M&A

M&As are mainly targeting the business operators that own intermediate treatment facilities and have stable customer base in the areas where we have limited number of facilities.

Abundant M&A Opportunities

■ Sales of JPY 1 bn or more ■ Sales of less than JPY 1 bn

Proportion of companies in the waste management industry with total business sales of JPY 1 bn or more(FY2010)

16%

84%

	Collection and Transportation	Intermediate Treatment		Final Disposal
		Sorting, Crushing, Recycling	Incineration and Heat Treatment	
Hokkaido/ Tohoku		✓✓✓	✓✓	✓
Kanto	✓	✓✓✓	✓✓	✓
Chubu		✓✓✓	✓✓	✓
Kansai		✓✓✓	✓✓	✓
Chugoku/Shikoku		✓✓✓	✓✓	✓
Kyushu		✓✓✓	✓✓	✓

- This table shows the priority of M&A targets by the number of check marks, categorized by region and waste treatment facility.
- Current number of recycling facilities: > >

Sources: MOEJ "Survey of industrial waste disposal industry in FY2011"

M&A Latest Result

Latest Result 3社

Kansai				Kanto	
Name	✓ D-design Co., Ltd. (Consolidated Subsidiaries)	Name	✓ Kitaguchi Kensetsu Kogyo Co., Ltd. ✓ (affiliates accounted for by the equity method)	Name	✓ Eiwa Recycle Co., Ltd. (Consolidated Subsidiaries *1)
Location	✓ 1-33-11 Shinmachi, Nishi-ku, Osaka	Location	✓ 1-8-7 Shinke, Neyagawa, Osaka	Location	✓ 2-9-16 Nishiwaseda, Shinjuku-ku, Tokyo
Business	✓ Survey, design, registration associate with land development	Business	✓ Collection and transportation for industrial waste / Collection, transportation, treatment for industrial waste ✓ General construction business (planning, design, and construction)	Business	✓ Collection and transportation for industrial waste ✓ Comprehensive building demolition business
Capital	✓ JPY 25 mn	Capital	✓ JPY 50 mn	Capital	✓ JPY 30 mn
Founded	✓ Mar. 5, 1980	Founded	✓ May 24, 1963	Founded	✓ Feb. 19, 1990
Last Fiscal Year Net Sales	✓ JPY 179 mn	Last Fiscal year Net Sales	✓ JPY 802 mn	Last Fiscal Year Sales	✓ JPY 3,316 mn

Our advantage through M&A

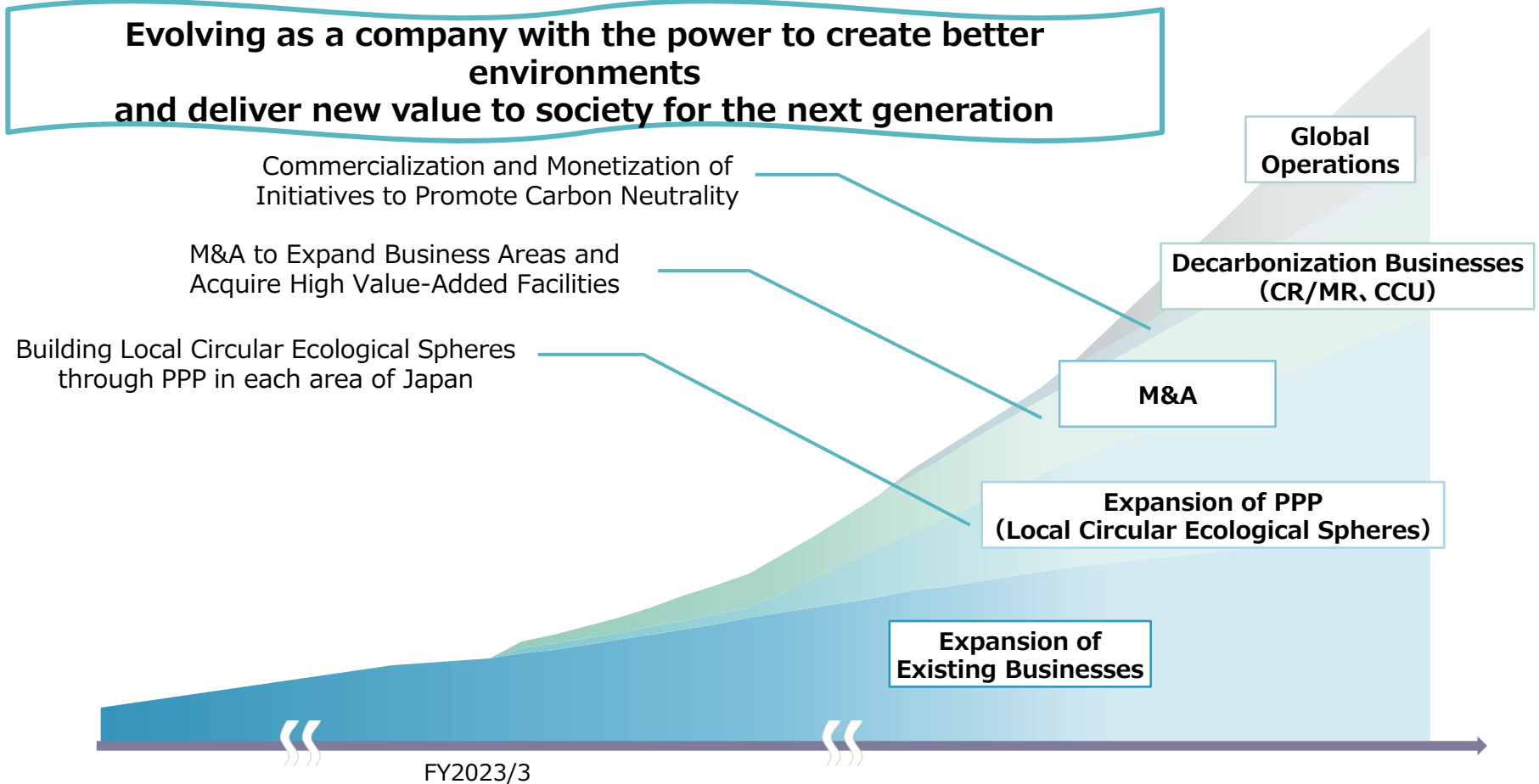
✓ In-house design and survey service	<ul style="list-style-type: none"> ✓ Expansion of business area for industrial waste ✓ Improve efficiency of collection and transportation for industrial waste ✓ Strengthen relationships with local governments 	<ul style="list-style-type: none"> ✓ Expansion of order for industrial waste received ✓ Increase the capacity of collection and transportation in the Tokyo metro area
--------------------------------------	--	--

Continue to promote inorganic growth

*1: Plan to acquire shares of Eiwa Recycle Co., Ltd. on April 1, 2024

The Future Vision of Daiei Kankyo Group

We aim to evolve as a company with the power to create better environments and deliver new value to society for the next generation through expansion of existing businesses, active M&A, building local circular ecological spheres throughout Japan, and initiatives to promote carbon neutrality.

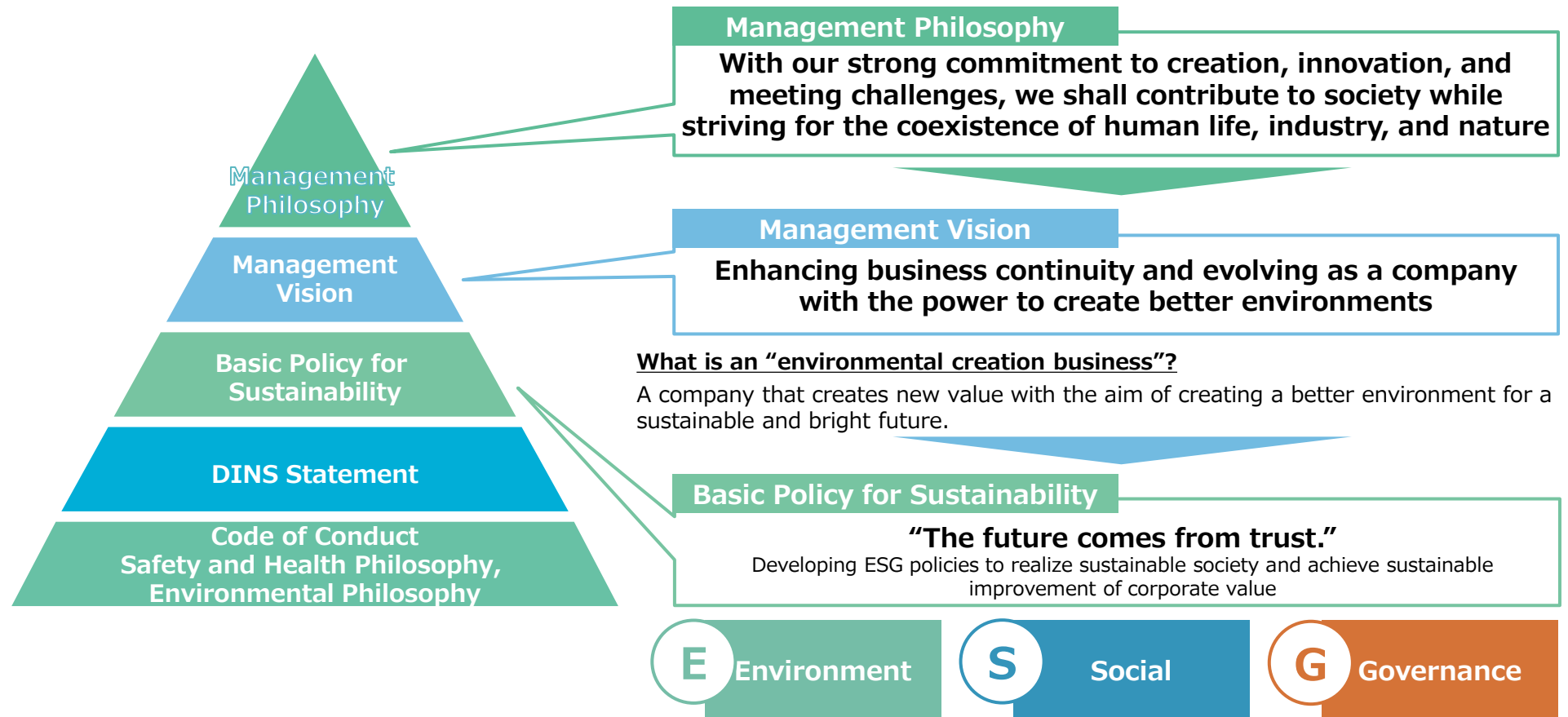


Note: CR = Chemical recycling, MR = Material recycling

6. Appendix

Identity

- ✓ We have been steadily realizing our management vision and building a foundation of a “100 year company”. Our business is an important social infrastructure that must endure. As the social system is rapidly changing toward carbon neutrality by 2050, we will engage in ESG (Environmental, Social, and Governance) initiatives that will help solve social issues by taking a long-term perspective more than ever before.
- ✓ In order to change the current systems of waste management and recycling, we will actively invest in cooperation with various partners, and promotion of Local Circular Ecological Spheres, decarbonization, and DX, as well as further enhance our relationships with local communities, which we view as our greatest strength, to deliver new value to society for the next generation.



ESG Policies for Creating Values

E

Environment

Recycling Business

Organic waste, food waste, plastics, gypsum board, metal resources, mixed waste, sludge, etc.

Incineration and Heat Treatment Facilities

High-efficiency heat recovery
Doubling of processing capacity by FY2030/3

Final Disposal Site

Secure the remaining portion of required capacity*1 until 100th anniversary of our foundation (FY2080/3)

Collaboration with Local Partners

Expansion of business areas throughout Japan

S

Social

Local Circular Ecological Sphere

Execution of public-private partnership agreements with 12 municipalities by FY2030/3

General and Disaster Waste Disposal Plan

Formulate plans for 27 municipalities (cumulative) by FY2025/3

Disaster Agreement

Execution of agreements with 200 municipalities (cumulative) by FY2025/3

DX Promotion

Local Social Business

Forest Management

Establish a model for community development

Diversity Promotion

Creation of Brand Value

Human Resources Development*2

G

Governance

Strengthen Corporate Governance Initiatives

Disclosure of Financial/non-financial Information*3

Note: Those in thick-bordered boxes are the "ESG policies relating to growth strategies", and those in thin-bordered boxes are the "ESG policies relating to the enhancement of management base"

*1: The remaining portion of required capacity for final disposal sites is based on the estimated landfill space required through FY2080/3, assuming that the development of the resource recycling system progresses as expected.

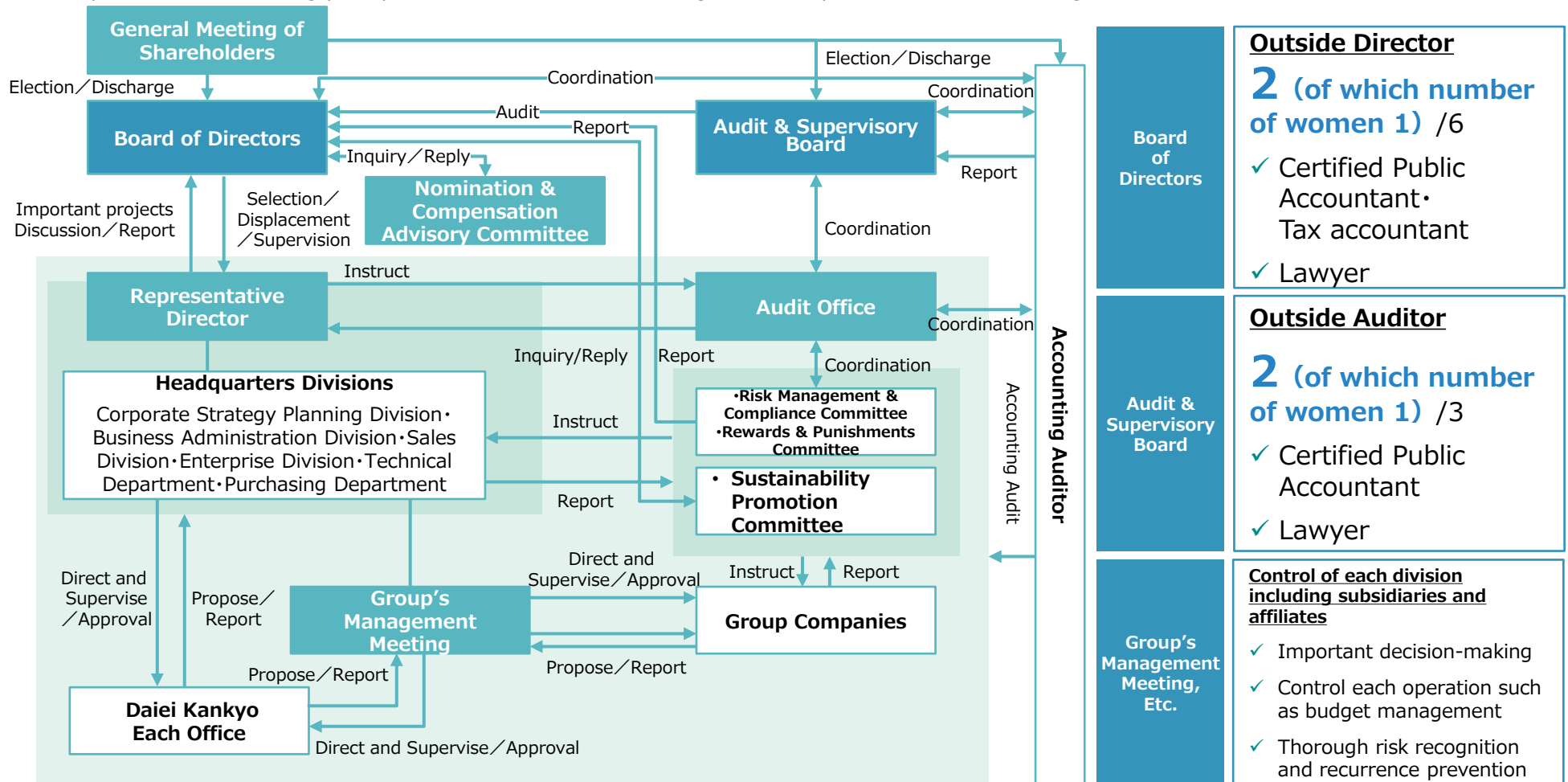
*2: Moved the item of "Human resources development" from governance section to society section.

*3: "TCFD-based information disclosure" in the governance section has been changed to the "Disclosure of financial/non-financial information".

Corporate Governance Structure

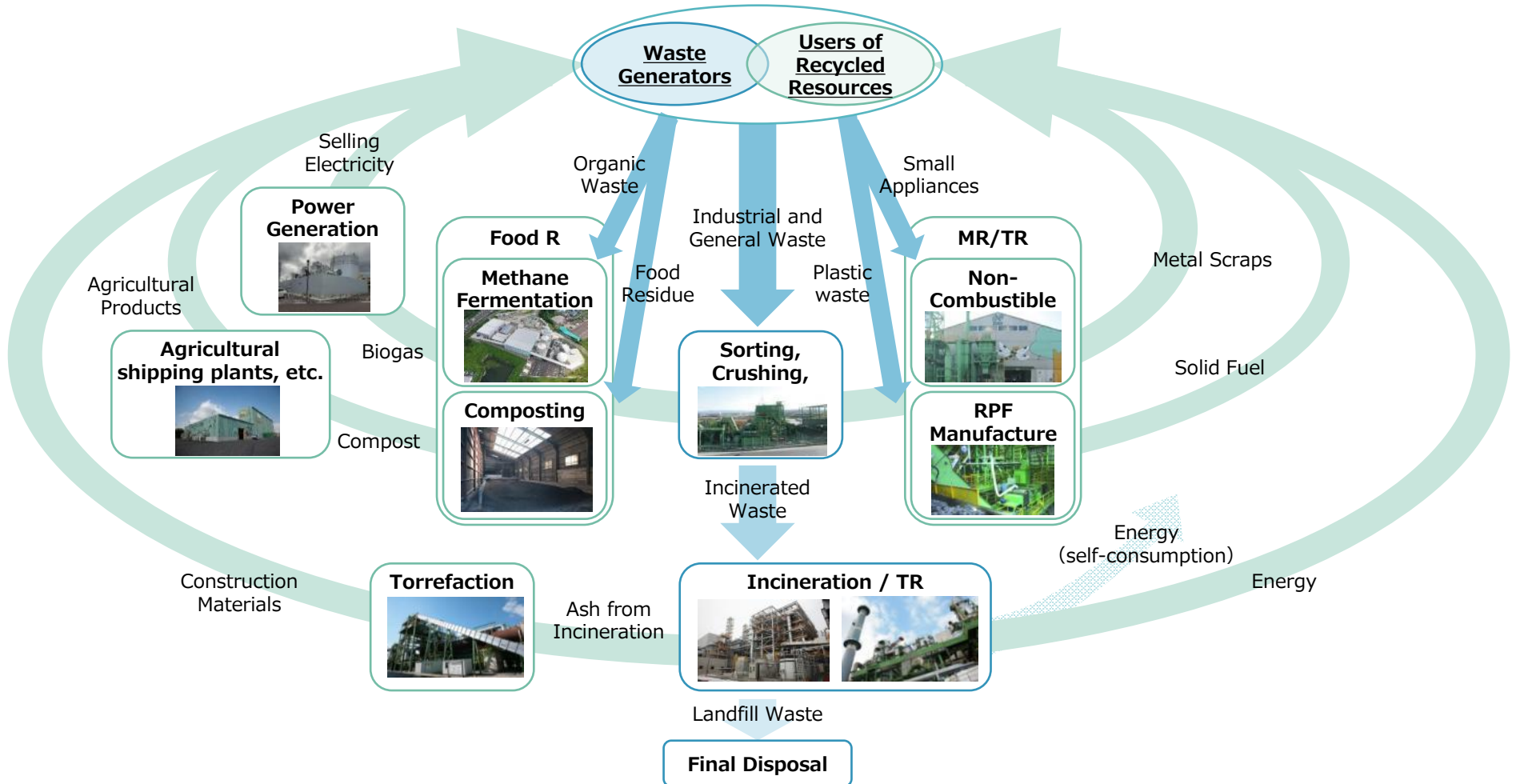
Overview of Corporate Governance Structure

We are committed to “Fairness and Transparency in Management” and “Enhanced Supervision by the Board of Directors and Corporate Auditors” to earn the trust of customers and society and enhance our corporate value. In addition, we have strengthened our corporate competitiveness, ensuring prompt and rational decision making, and transparent and sound management.



Initiatives for Circular Economy

Illustration of Daiei Kankyo Group's Circular Economy



Note: R = Abbreviation for Recycling, MR = Material Recycling, TR = Thermal Recycling
RPF = Refuse Paper & Plastic Fuel, a solid fuel made from waste plastic and other materials

Efforts to Reduce CO2 Emissions

Endorsement of TCFD and information disclosure

We are working towards the government's goal of carbon neutrality by 2050 by implementing climate change countermeasures based on the TCFD protocols and reducing greenhouse gas emissions in society as a whole.

We endorsed the TCFD in June 2023 and disclosed 4 items based on the TCFD declaration



<Greenhouse gas reduction targets>

Long-term target	Achieve carbon neutrality for the entire Daiei Kankyo Group by 2050
Medium-term target	Achieve virtually zero CO2 emissions from electricity use for the entire Daiei Kankyo Group by 2030

▶ For details on the TCFD disclosure, please refer to the Daiei Kankyo website. (Japanese only)

<Daiei Kankyo Group's actual greenhouse gas emissions>

	Scope	FY2022/3 (t-CO2)	FY2023/3 (t-CO2)
Scope 1	Group as a whole*1	249,361	252,540
Scope 2	Group as a whole*1	22,666	18,714
Total	Group as a whole*1	272,027	271,254
(Reference) Scope 3	Four major companies*2	-	142,889

*1 Group-wide: All corporations included in the Daiei Kankyo Group in the reporting year

*2 Four major companies: Daiei Kankyo, Mie Chuo Kaihatsu, DINS Kansai, and Geo-Re Japan.

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

Initiatives		Actual reduction in FY2023/3 (t-CO2)	
Thermal recycle	Power generation and sale by waste incineration	Approx. -2,000	Contribution
Solar power generation	Solar power generation and sale of electricity	Approx. -2,000	
Recycling	Manufacturing and sales of RPF and recycled pallets	Approx. -107,000	Absorption
Forest management	Fixation of CO2 emissions from approximately 8,170 ha of company-owned forests	Approx. -44,000	



Solar power generation



RPF, Recycled pallets

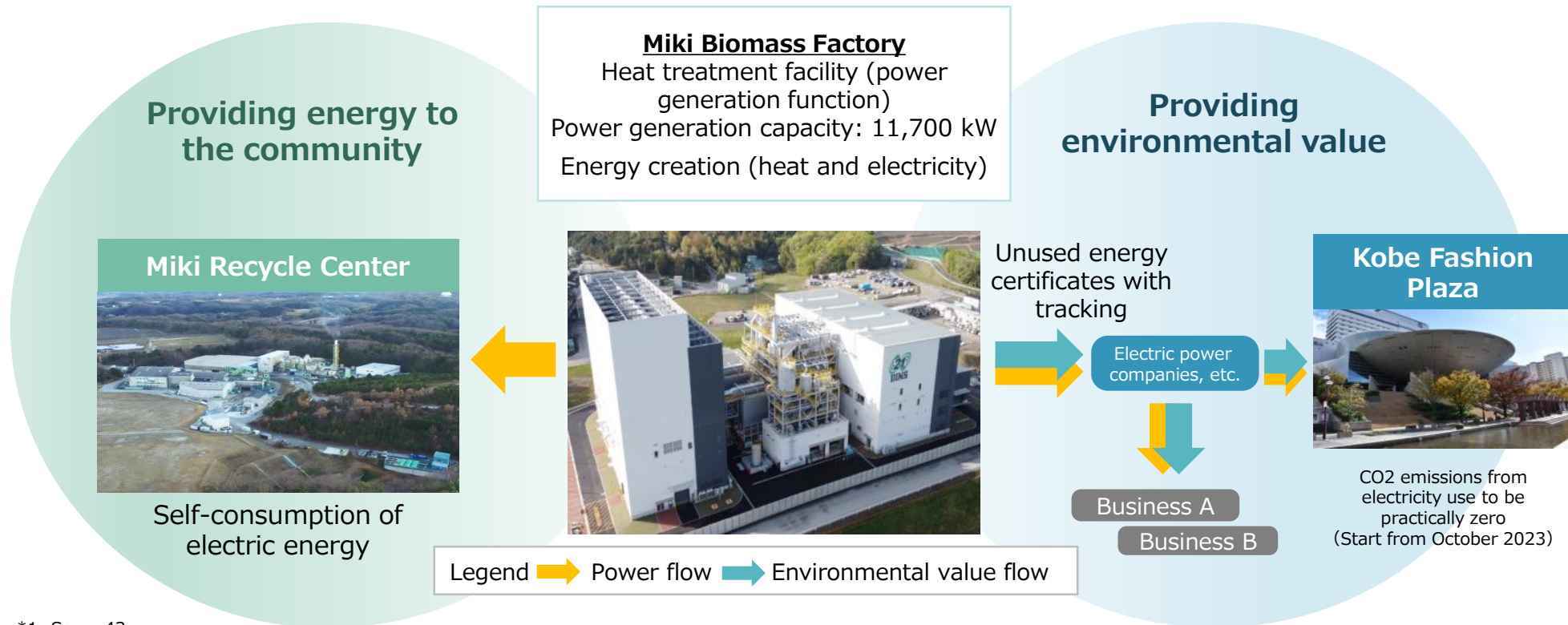


Company-owned forests

Efforts to Reduce CO2 Emissions

Energy value creation by Miki Biomass Factory

- ✓ The power generated by the Miki Biomass Factory is supplied to various facilities in the Miki Recycle Center, and the surplus is sold
- ✓ As an initiative toward our medium-term target*1, we will buy back the environmental value and achieve practically zero CO2 emissions at Kobe Fashion Plaza*2



*1: See p.43

*2: Location of Group Headquarters

Initiatives for Nature Positive

Conservation of biodiversity

Participation in new domestic initiatives to achieve the international biodiversity targets through forest management business

Certified as “a Natural Symbiosis Site” by
The Ministry of the Environment (Oct. 6, 2023)

- ✓ Conservation of biodiversity was recognized at a specific site in Daiei Kankyo group owned forest.

【Site overview】

Name: “Daiei Kankyo Miyazaki Mimata Forest”
Total Area: Approx. 2,234ha
Certified Area: Approx. 493ha
Certified Reason: Confirmed habitat of rare plants and southern limit plants etc...



(a Natural symbiosis site certification logo)

Participation in “30by30 Alliance for Biodiversity”

- ✓ Participation in the coalition of governments including the Ministry of the Environment, companies and non-profit organizations to achieve the 30by30 target in Japan



Daiei Kankyo Miyazaki Mimata Forest



Award ceremony for certification of a Natural Symbiosis Site

Human Capital Initiatives

Achievements and targets of the human capital initiatives of the Daiei Kankyo Group

In order to achieve sustainable growth and increase corporate value for the Group, we recognize that expanding and diversifying human capital investment is an important management issue, and we have set targets to achieve this goal.

	Current state (As of March 31, 2023)	Target (As of March 31, 2025)
✓ Proportion of female new graduates hired (university graduate and above)	26.7%	30% or above
✓ Proportion of female managers	3.6%	6% or above
✓ Rehiring rate of retirees	80.0%	70% or above
✓ Paid leave utilization rate	72.2%	90% or above
✓ Rate of uptake of childcare leave by male employees	45.3%	50% or above
✓ Percentage of high-stress employees in stress checks	10.1%	10% or less

【Reference】 Capital Efficiency and Leverage Indicators

	FY2022/3	FY2023/3	Year-on-year
EBITDA margin	30.5%	32.9%	+ 2.4pt
ROE*1	15.7%	15.2%	▲ 0.5pt
ROIC*2	11.5%	13.1%	+ 1.6pt
Net D/E ratio*3	0.4x	0.1x	▲ 0.3x

Note: Details of adjustment process for each index are described on P62 and after

*1: ROE = Profit attributable to owners of parent / total common equity (average of beginning and ending amounts)

*2: ROIC = NOPAT (Net Operating Profit After Taxes) / Invested capital at the beginning of the period, Invested capital = Non-current assets + Current assets (excluding cash and deposits) - Current liabilities (excluding interest-bearing debt(current)). Interest-bearing Debt = Bonds + Debt + Lease, etc.

*3: Net D/E ratio = (Interest-bearing debt - cash & cash equivalent) / total common equity

【Reference】 Reconciliation of EBITDA

(million yen)	FY2022/3	FY2023/3
Operating profit	12,840	16,623
Depreciation	6,249	5,413
Amortization of Goodwill	736	212
EBITDA	19,826	22,250
EBITDA Margin	30.5%	32.9%

【Reference】 Reconciliation of ROE

(million yen)	FY2022/3	FY2023/3
Profit Attributable to Owners of Parent	8,870	10,494
Total Common Equity* ¹	56,324	69,115
ROE	15.7%	15.2%

*1: Total common equity is the sum of share capital, capital surplus, retained earnings, valuation difference on available-for-sale securities and remeasurements of defined benefit plans presented on our consolidated balance sheet.
Average of beginning and ending amounts for FY2022/3 and FY2023/3

【Reference】 Reconciliation of ROIC

(million yen)	FY2022/3	FY2023/3
Operating profit	12,840	16,623
Amortization of goodwill	736	212
Effective tax rate	30.6%	30.6%
NOPAT (Net Operating Profit After Taxes)	9,419	11,681
Net property, plant and equipment	60,286	69,943
Total investments and other assets	17,977	16,529
Total current assets (excluding cash and deposits)	13,525	13,964
Total current liabilities (excluding interest-bearing debt)	9,625	11,000
Invested Capital at the beginning of the period	82,164	89,436
ROIC	11.5%	13.1%

Note: Balance sheet items are as of the beginning of the period

[Reference] Reconciliation of Net D/E Ratio

(million yen)	FY2022/3	FY2023/3
Net Interest-bearing Debt	21,518	9,987
Total Common Equity ^{*1}	59,743	78,487
Net D/E Ratio	0.4x	0.1x

*1: Total common equity is the sum of share capital, capital surplus, retained earnings, valuation difference on available-for-sale securities and remeasurements of defined benefit plans presented on our consolidated balance sheet.



Power to Turn into Resources, Return to Nature
DAIEI KANKYO

Contact:

Corporate Strategy Planning Division

Investor Relations Department

TEL: +81-(0)78-857-6600

E-mail: ir@dinsgr.co.jp

URL: <https://www.dinsgr.co.jp/english/>

Disclaimer

Our plans, forecasts, strategies, etc. described in this material are based on our management decisions obtained from currently available information. Actual results may differ from our forecasts depending on various risks and indeterminate factors.