

## Daiseki Group's Business

The Daiseki Group delivers value to clients through two core pillars: environmental conservation, and environmental value creation, which includes resource circulation. We are strengthening collaboration across the Group to provide one-stop solutions under the "One Daiseki" framework.

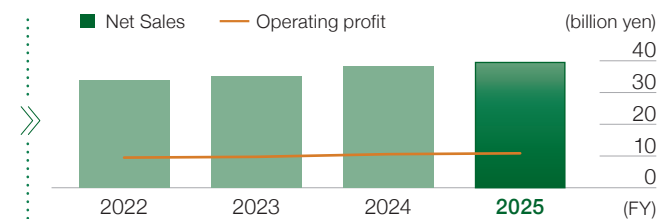
### Overview of Daiseki Group Business Activities

Group companies	Core businesses	Roles and value provided
Daiseki	Collection, transportation, and intermediate treatment of industrial waste	Reducing environmental impact and contributing to a recycling-oriented society through proper treatment and recycling of industrial waste
Daiseki Eco. Solution	Contaminated soil remediation, biodiesel fuel production, and PCB-related operations	Reducing environmental impact by remediating contaminated soil from construction sites and properly treating PCB waste, and supporting the development of a recycling-oriented society by producing biodiesel fuel
Hokuriku Daiseki	Petroleum product manufacturing and waste oil treatment	Manufacturing and sales of concrete mold release agents that allow smooth molding, and reducing environmental impact through waste oil recycling
Daiseki MCR	Lead recycling	Reducing environmental impact and contributing to a recycling-oriented society through lead recycling
System Kikou	Large tank cleaning	Maintaining infrastructure through large tank cleaning and contributing to a recycling-oriented society by recycling waste oil collected during the process
Green Arrows Chubu Green Arrows Kyushu	Waste plasterboard recycling	Contributing to a recycling-oriented society through the recycling of waste plasterboard
Sugimoto Trading Company Co., Ltd.	Collection, transportation, disposal, and recycling of general waste	Reducing environmental impact and supporting a recycling-oriented society through proper treatment and recycling of general waste
Sugimoto Paper Industry Co., Ltd.	Collection, transportation, and recycling of used paper	Contributing to a recycling-oriented society through the recycling of recovered paper

### Business Overview

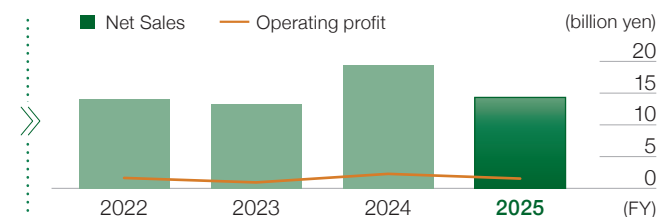
#### Wastewater, Waste Oil, and Sludge Recycling Business

This business centers on the collection, transportation, intermediate treatment, and the manufacture and sale of recycled products from industrial waste. It contributes to environmental conservation, carbon neutrality, and the circular economy.



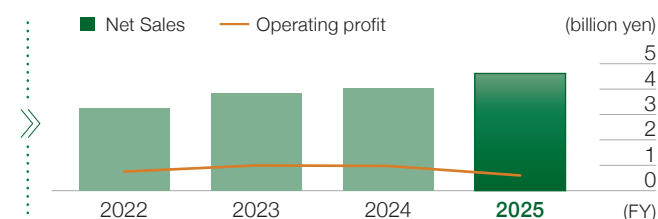
#### Contaminated Soil Recycling Business

This business provides one-stop services for soil contamination remediation consulting, investigation, analysis, construction, and treatment. We support clients in the manufacturing, real estate, and construction industries from an environmental conservation perspective.



#### Lead Recycling Business

This business recycles lead from waste lead batteries. We produce recycled lead using Japan's first reduction furnace powered by LNG, which helps reduce CO<sub>2</sub> emissions, and the world's first 50-ton induction heating refining furnace for lead smelting.



### Outlook for Future Business Strategy

› P.31 Long-Term Business Plan: VISION 2030

The Daiseki Group is formulating the following business strategies to drive progress toward achieving VISION 2030. (Our targets by FY2031 are sales of 150 billion yen, operating profit of 25 billion yen, and ROE of 15.0%.)

#### Formulating New Business Strategies

##### Existing Businesses

###### Domestic Strategies

- Increase activity in currently underserved areas through cooperation between existing facilities
- Expand into new areas through development of new operating bases

###### Global Strategies

- Commence market research geared toward expansion into the Asian market

###### Development of Technologies and Equipment

- Raise our recycling rate
- Increase range of items accepted for treatment by adopting new technologies and equipment

###### Group Strategy

- Enhance synergy by strengthening cooperation, including exchange of human capital

##### New Business

###### Circular Economy Strategy

- Build the value chain essential for a circular economy-based business

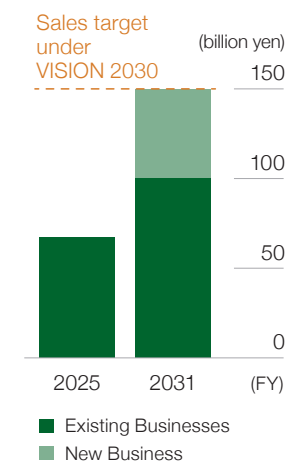
###### M&A Strategy

- M&A with an emphasis on environment and recycling

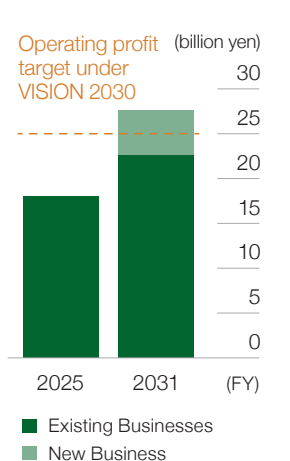
###### Alliance Strategy

- Promote alliance, including with other industries

##### Sales: Existing vs. new business

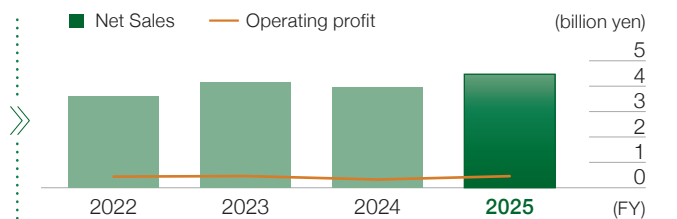


##### Operating profit: Existing vs. new business



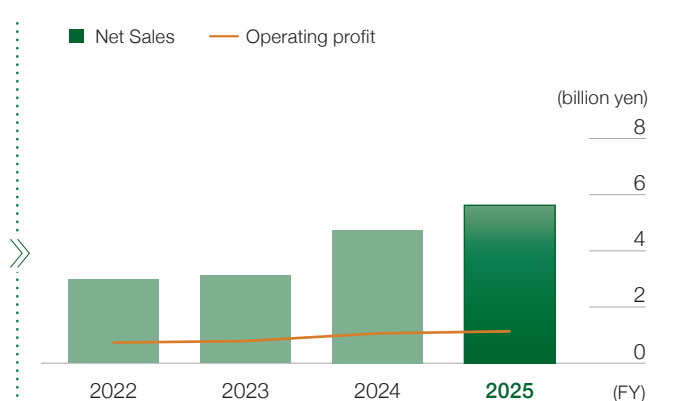
#### Large Tank Cleaning Business

This business focuses on cleaning large-scale tanks, piping, pits, and tank-related maintenance work. It utilizes the Crude Oil Washing (COW) method, a technology that safely, quickly, and cost-effectively recovers crude oil sludge accumulated in large tanks.



#### Waste Plasterboard Recycling Business

This business involves recycling waste plasterboard and manufacturing soil solidifiers from partially recycled gypsum powder. It operates as a joint venture uniting waste generators, recyclers, and users, which provides a stable business foundation.



#### Other Resources Recycling Business

This business includes the collection and transportation of general waste, including waste plastics, the collection of used paper and cardboard, and the manufacture and sale of biodiesel fuel. In FY2024, the Sugimoto Group was acquired as a subsidiary, expanding operations to include handling general waste.

\* This graph combines the Waste Plasterboard Recycling Business and the Other Resources Recycling Business.

Growth Story by Business Segment

This section reviews the status of the six environmental solution businesses provided by the Daiseki Group as of FY2025. It also covers the market environment, the strengths we can leverage, and our future growth strategies.

Wastewater, Waste Oil, and Sludge Recycling Business

- **Review of FY2025**  
Successful sales efforts targeting clients with high CDP ratings led to record-high sales and profits.
- **Market Environment**  
Impacted by domestic industrial production.
- **Strengths**  
A broad client base supporting various manufacturing sectors, high processing capacity and technical expertise, and strong client trust through regulatory compliance.
- **Future growth strategy**  
Capturing demand driven by carbon neutrality and the circular economy.



Daiseki Nagoya Works

Large Tank Cleaning Business

- **Review of FY2025**  
Completed high-profit projects ahead of schedule, achieving record-high sales and ordinary profit.
- **Market Environment**  
Impacted by the operational status of large tanks.
- **Strengths**  
Refined COW method technology, enabling safe, quick, and cost-effective cleaning of large tanks.
- **Future growth strategy**  
Expand business scale through collaboration with Daiseki and overseas market entry.



Large tank cleaning by System Kikou Co., Ltd..

Contaminated Soil Recycling Business

- **Review of FY2025**  
Collaboration with Daiseki boosted the ratio of consulting sales, enabling us to meet our sales and operating profit targets.
- **Market Environment**  
Affected by trends in capital investment, construction activity, and real estate transactions.
- **Strengths**  
Robust consulting expertise and comprehensive one-stop solutions through Group cooperation.
- **Future growth strategy**  
Further strengthen partnership with Daiseki, expand consulting sales, and increase external resources.



Yatomi Recycling Center, Daiseki Eco. Solution Co. Ltd.

Waste Plasterboard Recycling Business

- **Review of FY2025**  
Although input volume remained steady, higher costs prevented achieving planned targets.
- **Market Environment**  
While this business is affected by the plasterboard market condition, medium- to long-term growth prospects remain.
- **Strengths**  
A collaborative joint venture uniting waste generators, recyclers, and users, supporting material recycling efforts.
- **Future growth strategy**  
Expand operations through new investments, including the construction of a new plant in Shizuoka.



Construction of Green Arrows Central's new Shizuoka facility.

Lead Recycling Business

- **Review of FY2025**  
Achieved planned sales and operating profit thanks to steady London Metal Exchange (LME) lead prices and a weaker yen.
- **Market Environment**  
Influenced by LME lead market prices and exchange rates.
- **Strengths**  
Material recycling of high-purity lead using environmentally advanced equipment.
- **Future growth strategy**  
Increase sales by meeting client needs with industry-leading environmental measures.



Daiseki-MCR Co., Ltd.'s rotary gas melting furnace.

Other Resources Recycling Business

- **Review of FY2025**  
Secured large-scale relocation and removal projects, achieving planned sales targets.
- **Market Environment**  
Volume of general waste and related materials affected the market.
- **Strengths**  
Clients including large general retailers with high waste output, and eco-label certification for recycled paper.
- **Future growth strategy**  
Enhance capacity for plastic waste processing and biodiesel production.



Equipment removal work at Sugimoto Trading Company Co., Ltd.