

Contaminated Soil Recycling Business

Business description	<ul style="list-style-type: none"> ● One-stop soil contamination remediation consulting, investigation, analysis, construction, and treatment
Review of FY2024	<ul style="list-style-type: none"> ● Large-scale soil treatment and construction projects performed well, which contributed significantly to net sales and profit growth
Basic strategy	<ul style="list-style-type: none"> ● Establish a firm position as a “total solution company for soil contamination remediation” by improving consulting capabilities and contaminated soil treatment capabilities and diversifying treatment methods
Market Environment	<ul style="list-style-type: none"> ● The market is expected to expand due to the depreciation of the yen, the trend toward carbon neutrality, the circular economy, and the reorganization of manufacturing bases in Japan due to factors including the shift to EVs

	Positive factors	Negative factors
Internal factors	<p>Strength</p> <ul style="list-style-type: none"> ● High recycling rate ● Strong network for investigation and treatment responses deployed throughout Japan ● Wide scope of business due to providing total solutions for soil contamination measures 	<p>Weakness</p> <ul style="list-style-type: none"> ● Susceptible to public works and corporate capital investment conditions ● Capital investment has run its course, and improving profitability is an issue ● Loss of order opportunities due to lack of qualified construction workers
External factors	<p>Opportunity</p> <ul style="list-style-type: none"> ● High barriers to entering the contaminated soil treatment in Japan due to the Soil Contamination Countermeasures Act ● Increased research opportunities due to the return of the manufacturing industry to the Japanese market as a result of factors including the weak yen ● Increase in the amount of soil requiring remediation due to active investment in transportation infrastructure 	<p>Threat</p> <ul style="list-style-type: none"> ● Contaminated soil treatment market contracting due to stagnant public works and corporate capital investment conditions ● Decrease in survey and construction opportunities due to cost cap orders from other companies ● Deterioration in earnings due to higher manufacturing costs (cement treatment costs, collection and transportation costs, etc.)

Future growth strategies	<ul style="list-style-type: none"> ● Establish a new Sales Promotion Office to achieve net sales growth through consulting sales and collaboration with Daiseki, and stimulate KPI sales measures and collaborative sales ● System investment to improve the quality of sales activities, improve sales administration efficiency, and analyze and utilize sales data
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