

## Overview of the Daiseki Group's Performance

### Lead Recycling Business

<b>Business description</b>	<ul style="list-style-type: none"> <li>● Recycling, refining, processing, and sales of lead</li> <li>● Industrial waste disposal business (waste lead batteries)</li> <li>● Trading of nonferrous and precious metals</li> </ul>
<b>Review of FY2024</b>	<ul style="list-style-type: none"> <li>● Despite a slight decline in the LME price of lead, lead sales prices remained strong due to the weak yen against the U.S. dollar</li> </ul>
<b>Basic strategy</b>	<ul style="list-style-type: none"> <li>● We will work to prevent pollution, reduce environmental impact, and improve recycling rates through our lead recycling business and all other corporate activities in order to protect the global environment. Contribute to society by providing high-quality products to the market as a leading company in the secondary lead refining industry while at the same time protecting the environment</li> </ul>
<b>Market Environment</b>	<ul style="list-style-type: none"> <li>● Continued depreciation of the yen against the U.S. dollar will be a tailwind for sales</li> <li>● Our carbon neutral initiatives have been highly regarded by our lead customers and are beginning to have a positive impact on sales</li> </ul>

	Positive factors	Negative factors
<b>Internal factors</b>	<p><b>S</b>trength</p> <ul style="list-style-type: none"> <li>● Provision of one-stop solutions (everything from the collection to disposal of used lead-acid batteries is performed within the Group)</li> <li>● Implementation of measures to reduce environmental impact through recycling processes ahead of competitors and measures to reduce CO<sub>2</sub> emissions</li> <li>● Offsetting CO<sub>2</sub> emissions from our trucks during the collection of waste lead-acid batteries by using J-Credits from FY2025</li> </ul>	<p><b>W</b>eakness</p> <ul style="list-style-type: none"> <li>● Room for improvement in securing and training human resources</li> <li>● Need to accumulate know-how on our own as the only plant in Japan</li> <li>● Need to expand facilities to increase production because the plant is already operating at full capacity</li> </ul>
<b>External factors</b>	<p><b>O</b>pportunity</p> <ul style="list-style-type: none"> <li>● Strengthening purchasing of recycled parts and materials from customers</li> <li>● Increasing demand for CO<sub>2</sub> reduction from business partners</li> <li>● Exclusion in response to illegal dismantling and export of waste lead-acid batteries in the world</li> </ul>	<p><b>T</b>hreat</p> <ul style="list-style-type: none"> <li>● Orders currently increasing, but there is a future trend toward lead market contraction</li> <li>● Possible loss in raw material procurement to competitors due to increased costs associated with CO<sub>2</sub> emission reduction measures</li> <li>● Illegal dismantlers and illegal exporters are competing for raw materials</li> </ul>

<b>Future growth strategies</b>	<ul style="list-style-type: none"> <li>● In smelting furnaces, we were the first company in Japan to introduce a reduction furnace plant that uses LNG, and as in refining furnaces, we were the first in the world to install an induction heating refining furnace that uses electricity. We proudly consider our equipment to be the most advanced in CO<sub>2</sub> reduction compared to lead smelting companies worldwide. We will steadily implement GX with the aim of achieving carbon neutrality by 2030.</li> </ul>
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