

Dialogue between Daiseki and Daiseki Eco. Solution's Department Manager of Human Resources Department

We aim to develop people and organizations that can “Nurture the Future” by developing the challenge and initiative of our employees



Akitaka Murakami

Department Manager, Human Resources Department, Headquarters of Planning and Management, Daiseki Co., Ltd.

Kenzo Tsuge

Department Manager, Human Resources and General Affairs Department, Headquarters of Planning and Management, Daiseki Eco. Solution Co., Ltd.

— What is the future Daiseki aims for, and the role of the Human Resources Department?

Murakami We aim to contribute to Japanese manufacturing through the purpose of “an environment-creating company contributing to society through the environment by making the best use of limited resources.” To this end, the role that human resources should play is to create an environment in which employees who share the same passion can maximize their abilities. In this sense, I believe that the Human Resources Department, which is responsible for hiring and training employees, is the beginning of a change in the company.

Tsuge Our mission at Daiseki Eco. Solution is to “solve environmental problems by creating a new mechanism to revalue things that are no longer needed in society or that have an impact on the environment through ingenuity,” and we believe that it is important to provide a safe and secure work environment for employees with an emphasis on compliance, and to support asset building.

Murakami President Yamamoto often says, “We want to be a company that our employees can be proud of for their families,” and I believe this is Daiseki’s belief that we should be a company that we can be proud of for ourselves, our families, and society. In order to get closer to this vision, I recognize that a major role of the Human Resources Department is to achieve systems and measures that more

and more employees can sympathize with and agree with.

— What is the meaning behind the phrase “Nurture the Future?”

Murakami The core value of Daiseki’s human resources strategy is “Nurture the Future,” and it is a phrase coined mainly by employees in their 30s and 40s. We prioritized nurturing people when we thought about creating a company that contributes to Japan and Asia with ourselves at the center.

As I mentioned earlier, the Human Resources Department is the starting point for transforming the company, and we want to be a company that can think together with its employees about the direction in which the company should go. Each employee is a strong presence that can change the company, and it is important for employees to be aware of this in order to increase their willingness to take on challenges and to be more independent.

Tsuge In Daiseki Eco. Solution, many employees join the Company with a desire to solve environmental issues in some way and to be of service to the world. In particular, many new graduates are attracted to the disaster relief work we have been doing since the Great East Japan Earthquake, and many of them apply because they want to contribute to the recovery efforts.



Murakami It is necessary to create an environment in which employees can share such a desire. We also believe that it is necessary to develop human resources capable of creating one from zero in order to communicate our value externally and to become a company that is known throughout the world. We also believe that by having people who can embody the passion, essence, responsibility, innovation, and consideration that we advocate in our personnel recruitment policy, Daiseiki will grow into a company that is needed by our customers, a company where each and every employee is rewarded and shines, a company that is trusted and expected by society and that lives up to those expectations with integrity, and a company that is trusted and expected of by society and that lives up to those expectations with integrity. I believe that this will lead to the realization of what President Yamamoto calls “a company that our employees can be proud of for their families.”

— Please tell us about specific initiatives to foster a spirit of challenge and independence among employees.

Murakami At Daiseiki, we emphasize self-learning initiatives to foster a spirit of challenge and independence among employees. We have established training programs for each stage, such as step-up training, training for newly appointed managers, and training for new employees with outside instructors, and we are implementing measures to link learning as an individual to spontaneous learning.

Tsuge With regard to training, we are currently reviewing our training system based on the policy of “providing the minimum necessary education to all employees and more actively supporting the spontaneous learning of motivated employees.” On the other hand, with regard to job types and work locations, employees can express their wishes through the self-reporting system once a year, and if they desire so, they can also meet with an officer to discuss their wishes in person. The details of such requests are shared with all officers and the Human Resources Department, and are taken into consideration when considering subsequent personnel transfers. In addition, the self-reporting system makes it possible for employees not only to express their desired job type and work location, but also to make suggestions on how the Company should do this in the future.

Murakami This system embodies the idea that employees can create their careers and positions and change the

Company’s future. Daiseiki has implemented regular interviews with new graduates and mid-career hires, created a human resources guidebook, introduced a mentoring system, and revised the definition of recruitment interviews to prevent mismatches, which has contributed to achieving a turnover rate of 1.9% for Daiseiki on a non-consolidated basis.

— What are the challenges to be addressed and HR policies to be implemented from this fiscal year onwards?

Murakami Daiseiki and Daiseiki Eco. Solution have conducted an employee engagement survey since FY2023. In the future, building a system to improve employee engagement based on the results of the survey may be an issue for the entire Group.

Tsuge Yes, that is right. While we had previously conducted the survey internally at Daiseiki Eco. Solution, we conducted an employee engagement survey using an external research firm so that we could compare our results to those of other companies’ in FY2024. Going forward, we plan to use the results of this survey to determine and implement the themes and contents of our initiatives.

Murakami As a medium- to long-term plan, Daiseiki intends to completely review and revise its personnel system, including scope of duties, salary structure, bonus evaluation, promotion, and education. The evaluation system up until now seems to be immature in many areas from the perspective of the challenge and initiative discussed by Department Manager Tsuge, so we will subdivide the evaluation axis and highlight human resources and abilities that have not been focused on up until now. By doing so, we hope to develop employees who can play an active role in creating new value.

Tsuge Daiseiki Eco. Solution was established as a company to develop various new businesses that Daiseiki had not yet engaged in. In light of this background, we should place even greater emphasis on taking on challenges and initiative than Daiseiki does, and going forward we will roll out measures with a strong awareness of challenge and initiative and actively promote employees who can meet the Company’s expectations even more than before.

Murakami Let’s work together as a Group to take on the challenge of “Nurture the Future” through a corporate culture that allows each and every employee to grow and personnel policies that make the most of people.





Human capital

To continue growing 100 years from now, we strive to create a Company where all employees can work long-term in a healthy and fulfilling environment, develop human resources and promote diversity.

Health Management and Diversity

We clarify management challenges to resolve by Health Management and work on promoting diversity.

Promoting Health Management

In FY2022, Daiseki formulated its health management strategy, and clarified challenges to resolve and has promoted necessary investments and concrete actions. This year, Daiseki and Daiseki MCR were certified as a 2024 Health and Productivity Management Organization, continuing from the previous year. This was in recognition of our efforts to maintain and enhance employees' physical and mental health and to create workplaces that are easy to work at. We will aim for obtaining White 500 Certification and Bright 500 Certification by creating work environments where employees can show high performances.

Health management initiatives and results

The Daiseki Group promotes health management through health consultations and health guidance by public health nurses and external organizations.

Health management expenses of the Daiseki Group (Millions of yen)

	FY2024
Health Management Expenses	46

● Health consultations and employee training by public health nurses

A public health nurse hired by Daiseki in FY2024 recommended that employees eligible for specified health guidance receive medical examinations, provided support for quitting smoking, held health seminars for employees, sent out health newsletters, and provided mental health counseling, with the aim of improving the physical and mental health of employees.

● Care by external expert institutions (mental and physical health consultations, specific health guidance)

In cooperation with a health insurance association, we have established a health consultation hotline which is available 24 hours a day. In addition to health consultations, this consultation hotline is available for employees and their families to receive mental health counseling, second opinion service, etc. Furthermore, we are encouraging employees to receive specific health guidance when contacted by the health insurance association. Going forward, we will work in tandem with the public health nurses to promote opportunities for the guidance for employees.

● Stress Checks

The Daiseki Group has been conducting stress checks for all employees. Employees experiencing high levels of stress are reassigned appropriately based on their requests as well as interviews and consultations with physicians.

Daiseki Group's stress checks implementation (%)

	FY2022	FY2023	FY2024
Stress check implementation rate	90.0	89.6	85.7
Proportion of highly stressed employees	8.7	10.1	11.4

● Regular Medical Checkups and Comprehensive Health Examinations

The Daiseki Group continues to provide periodical medical exams for all employees to maintain and improve health. We also facilitate comprehensive health examinations for employees aged 35 and over to ensure the early detection and treatment of illness.

The Daiseki Group's attendance rate of regular medical checkups and comprehensive health examinations (FY2024) (%)

	Regular medical checkups	Comprehensive health examinations
Attendance rate	100	91.4*

* Sugimoto Trading Company Co., Ltd. and Sugimoto Paper Industry Co., Ltd., which joined the Daiseki Group in March 2023, do not conduct comprehensive health examinations, but are considering introducing comprehensive health examinations.

● Employee engagement surveys

From FY2023, Daiseki and Daiseki Eco. Solution have begun surveying employee concerns and dissatisfaction about the workplace as part of health management efforts to increase employee engagement, and are working to make improvements. These surveys are kept confidential and individual employees are not identified. Feedback is provided to the heads of workplaces where employees had a high level of concern or dissatisfaction, and improvements are being promoted.

Main accomplishment related to society in FY2024 (Daiseiki Group)

Training hours per person

Turnover rate

Paid leave acquisition rate

7.5 hours/person
(7.9 hours/person)

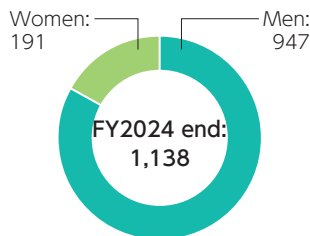
3.9%
(1.9%)

63.4%
(70.1%)

Note: () shows the number of Daiseiki only

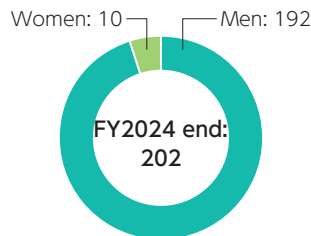
Daiseiki Group's Promotion of Diversity

Employees by Gender



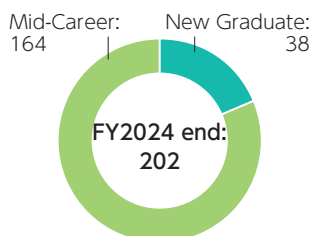
Note: Full-time employees only

Managers by Gender



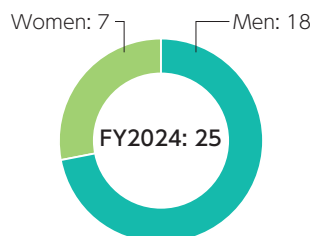
Note: Full-time employees only

New Graduate and Mid-Career Managers



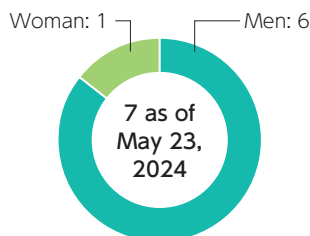
Note: Full-time employees only

Hires by Gender (New Graduates)

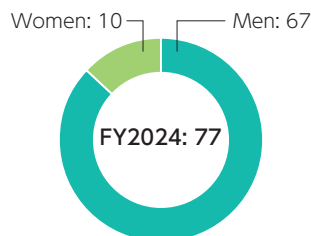


Note: Full-time employees only

Directors by Gender

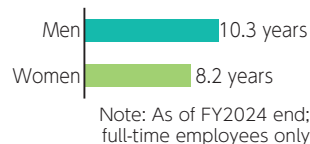


Hires by Gender (Mid-Career)



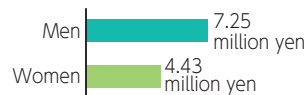
Note: Full-time employees only

Average Length of Service by Gender



Note: As of FY2024 end; full-time employees only

Average Annual Salary by Gender



Note: 1. As of FY2024 end; full-time employees only
Note: 2. Male average age: 43.1 years old; female average age: 37.6 years old

Promoting diversity and creating comfortable working environments

In FY2024, 23 Daiseiki Group employees utilized childcare leave, of whom 15 were men employees.

Acquisition of paid leave and maternity/childcare leave at the Daiseiki Group

	FY2022	FY2023	FY2024
Paid leave acquisition rate (%) ^{*1}	60.5	67.3	63.4
Utilized maternity leave (people)	7	10	3
Men who utilized childcare leave (%) ^{*2}	10.8	21.4	37.5
Avg. number of days used for men's childcare leave (days)	-	12.1	61.7
Women who utilized childcare leave (%) ^{*2}	85.7	150.0	200.0
Avg. number of days used for women's childcare leave (days)	-	255.3	454.3

Daiseiki Group's turnover rate (FY2024) (%)

	Male employees	Female employees	Total
Turnover rate (%) ^{*3}	3.9	4.2	3.9

^{*1} Paid leave acquisition rate shows the rate of paid leaves employees acquired within the leaves given

^{*2} Childcare leave acquisition rate shows the rate of employees who utilized childcare leave versus the number of employees who had newborns in that fiscal year; the childcare leave acquisition rate may exceed 100% if there were childcare leaves that spanned multiple fiscal years

^{*3} Turnover rate shows the rate of employees who resigned in FY2024 within the number of employees in February 2024

Promotion of active participation of women

Daiseiki aims to increase the ratio of female managers to 10% by the end of FY2027. In FY2024, three female employees at the assistant division chief level attended a four-day female manager training course, where they learned about the role of female managers and the



formulation of action plans. We will continue bolstering efforts for the development of female managers.

Female manager training course

Human Resource Development and Workplace Improvement Efforts

We aim for Company’s continuous evolution by enhancing human resources development and creating environment where employees can work comfortably.

Human resources development policy

The involvement of various personnel is necessary for the realization of the company’s management strategy. We have positioned the development of next-generation management personnel as our core focus, and we will raise internal motivation by enhancing training per job level from new employees to managers, as well as by enriching training programs tailored to the career aspirations of employees.

Also, by utilizing job rotations for the purpose of human resources development, we will broaden employees’ perspectives, increase their curiosity in their work, and improve in-house communication. Daiseki will cultivate personnel who can respond flexibly to changes in society and diverse values.

Target and performance for human resource

The Daiseki Group has set targets related to the turnover rate, paid leave utilization rate, and ratio of female managers in order to promote health management and diversity in FY2023.

Actual and target figures related to human resources for FY2024

	Actual	Target
Turnover rate	3.9% (1.9%)	Less than 2% by FY2031 (less than 1%)
Paid leave acquisition rate	63.4% (70.1%)	By FY2031 80% or more (80% or more)
Rate of female managers	5.0% (3.8%)	By FY2027 10% or more (10% or more)

Note: () shows the number of Daiseiki only

Efforts for nurturing human resources

● Employee trainings

The Daiseki Group actively implements training programs recognizing that employees are our human capitals. From FY2023, we are sending employees to a training course for female candidates for management positions. We will also continue holding compliance study sessions for all employees.

Total training hours at the Daiseki Group (FY2024)

Description	Total training hours (hours)	Total number of attendees (people)
Compliance study sessions	7,035 (5.7 hours per employee)	14,070
Training per job levels	562	44
Female manager training courses	58	3
Online management training	458	11
Other trainings	1,113	159
Total	9,226 (7.5 hours per employee)	14,287

Securing human resources to achieve VISION 2030

To achieve the ambitious goals of VISION 2030, we are focusing more than ever on developing and recruiting talented human resources to maximize employee capabilities. Eleven management-level employees, who will be the core of Daiseki in the future, have started an online management training program provided by an outside vendor in FY2024. In this program, they can learn business skills as managers through management perspectives.

Training per job levels

Daiseki provides training to develop employees in accordance with their career advancement.

● Step-up training

Daiseki provides training for candidates for promotion to chief position to help them become independent as professional human resources. The training emphasizes taking a self-assessment, drawing up a vision of where they want to be and what they want to achieve in their career, and enhancing their intrinsic motivation. In FY2024, 23 employees participated in this two-day training program and learned about the future vision of Daiseki and themselves, junior staff development, and goal setting.

● Training for newly appointed managers

Daiseki conducts training for employees newly appointed as managers. The training emphasizes the importance of acquiring a managerial mindset, a high perspective, a broad view, and the ability to manage junior staff and the workplace. In FY2024, 16 employees participated in this two-day training and learned about the Daiseki Group’s vision, the ideal supervisor, and appropriate evaluation methods for junior staff through lectures and group discussions.

Hiring and training-related investments

The Daiseki Group is strengthening its investment in hiring and training to secure human resources that drive growth.

(Millions of yen)

	FY2022	FY2023	FY2024
Hiring and training-related investments	27	23	27

Creating comfortable working environments

● Internal environment improvement policy

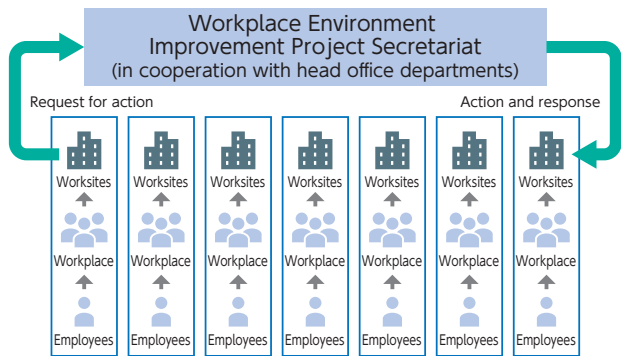
In order for employees to be proud of their work for their families, we believe it is important that they are fulfilled in

both their work and personal lives. We believe that in order for each employee to feel fulfilled in their work and have high motivation for growth, it is important to accumulate successful work experiences, to demonstrate teamwork by fostering a culture of mutual recognition and praise, to enrich personal lives by achieving results efficiently in limited time, and to ensure the safety and health of employees and their families, around which the above factors revolve.

Daiseiki will build a corporate culture that allows it to consider everything from its immediate work environment to the global environment, and to continue to grow and take on challenges, and provide a work environment in which employees can work with vigor and be proud of for their families.

● Workplace Environment Improvement Project

Since FY2020, at Daiseiki, the employees in charge of the project and each department have been working together on improvements while listening to employees' opinions toward improvements of the workplace environment. In December 2023, we revised systems to make it easier to hear the feedback of employees more directly. By hearing opinions directly from employees, we can use this information when considering measures.



Workplace Environment Improvement Project implementation framework

● Introduction of a system that facilitates balancing childcare and work

At Daiseiki, employees raising children up to the beginning of the fourth grade of elementary school can choose shortened working hours to achieve a balance between childcare and work. Furthermore, in March 2024, we revised our work regulations to allow them to select from 4, 5, or 6 working hours per day and a 9 or 10 a.m. start time.

● Qualification acquisition support system

Daiseiki revised the qualification support regulations in March 2024 to enhance employees' willingness to learn and their abilities. We have decided to subsidize the cost of acquiring qualifications designated by the Company, and to provide a qualification allowance to employees who make use of the qualifications they have acquired in their work. We will strive to create a rewarding workplace where employees can maximize their abilities.

● Shareholding association system

To encourage employees to have an interest in the Company's management and to expand employee benefits, Daiseiki grants a stock holding incentive of 15% of the reserve amount to support employee ownership of company shares. In addition, in April 2024, we decided to introduce a restricted stock incentive plan for the shareholding association system (shareholding association system RS). We hope that our employees will work harder and perform better than ever to improve the Company's business performance.

● 360-degree diagnosis

Daiseiki started the 360-degree diagnosis in FY2024. This is an effort to visualize the abilities of employees in management positions by observing their usual management behavior from multiple perspectives, including supervisors, subordinates, and colleagues, and to provide them with opportunities to notice their abilities to improve the work environment and organizational performance. In FY2024, we conducted a 360-degree assessment of employees at the general manager level and above, and the results showed that employees who took the assessment said they became more aware of how their junior staff view them. Daiseiki believes that the participants learned how their daily activities were perceived by those around them, and were able to identify strengths and weaknesses in management and leadership that they did not recognize. In FY2025, we will expand this initiative to include deputy general manager level employees and deepen it further.

● Comments from employees who took childcare leave Voice

Irreplaceable moments

Daiseiki, Kyushu Works, Production Technology Division, Technician Takuma Tanabe

My first child (first daughter) was born in June 2023, and after my wife went to her parents' house for a month right after giving birth and then returned home, I took a one-month childcare leave. During this childcare leave, I was able to reduce my wife's workload by doing housework and changing diapers for the children. Although there were many days when it took us a long time to put the child to bed, thanks to the childcare leave, I was able to do so with more time and a peace of mind. As it was our first child, we knew nothing about childcare. However, having time to think together and sharing childcare helped her physically and mentally. I am grateful that I could take childcare leave thanks to the cooperation of my supervisors and colleagues at work.



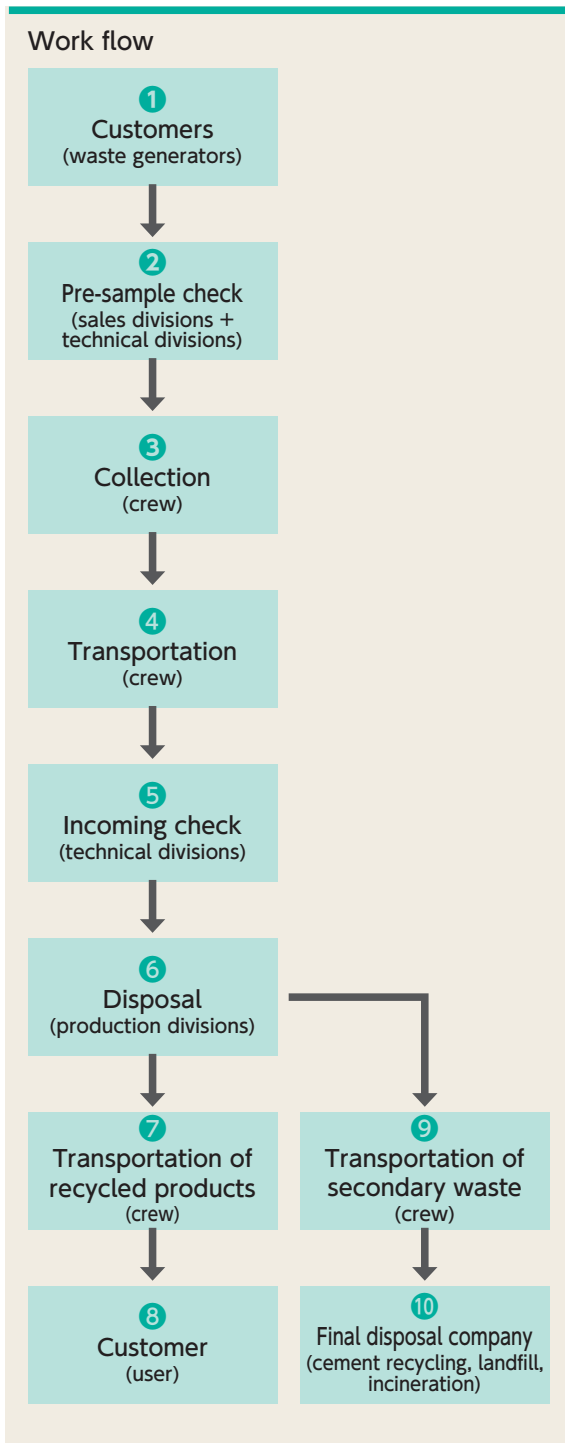


Safety Management

To ensure employee safety, we are revising our safety management system and promoting safety and health activities.

Work Flow and Operational Risks in Daiseki’s Industrial Waste Treatment

The risks inherent in each process of Daiseki’s business operations include the following. Based on an understanding of these risks, we have established a system to prevent accidents by installing safety equipment such as fume hoods and formulating rules for safe handling.



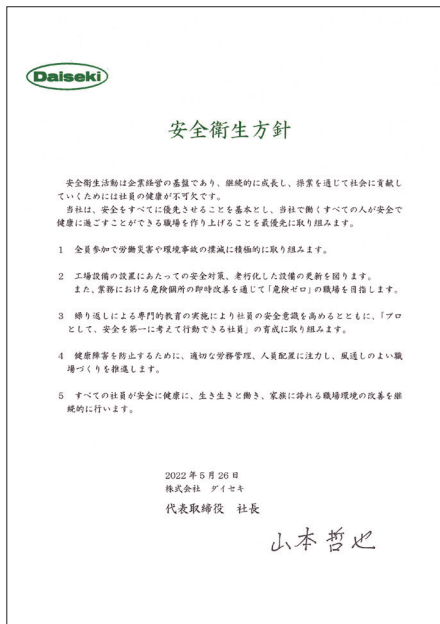
Work process	Work content	Operational risks
1	The sales division receives waste information from the customer	Risks due to lack of information, discrepancies between actual incoming goods and advance information
2	The sales division takes a pre-sample of the waste, and the technical division conducts an inspection	Toxic gases generated and inhaled during inspections
3	The crew drives a large vehicle to pick up the waste at the customer’s plant	Traffic accidents with large vehicles, occupational accidents during pick up, and leakage accidents
4	The crew drives a large vehicle to transport waste to the Company’s plant	Traffic accidents with large vehicles, occupational accidents during unloading, and leakage accidents
5	The technical division checks the properties of the incoming material	Toxic gases generated and inhaled during inspections
6	The production division disposes of the waste according to the instructions of the technical division	Industrial accident during disposal work, unexpected reaction accident
7	The crew transports recycled products to the customers who need the recycled products	Traffic accidents with large vehicles, occupational accidents during unloading, and leakage accidents
8	The customer uses the recycled products	—
9	The crew transports secondary waste	Traffic accidents with large vehicles, occupational accidents during unloading, and leakage accidents
10	The final disposal company dispose of secondary waste (cement recycle, landfill, and incineration)	—

Work-related Safety and Health Initiatives

Daiseiki has established a Safety and Health Policy, built a management system, set appointed personnel, and endeavors to prevent accidents by raising employee awareness and knowledge of safety through various activities.

Safety and Health Policy

The Daiseiki Group establishes Safety and Health Policy at each company and promotes prevention of accidents, and Safety and Health. We put safety as the top priority and work on creating the workplace where employees can work safely and healthy.



Safety and Health Policy

Safety Promotion Manager Appointment

“Safety Promotion Office” has been established at each Daiseiki worksite managed by “Safety Promotion Manager.” One Safety Promotion Manager is appointed at each site to promote safety.

The Safety Promotion Manager, who has been delegated safety authority by the President, is responsible for instructing employees and ensuring that various safety measures are implemented at each worksite.

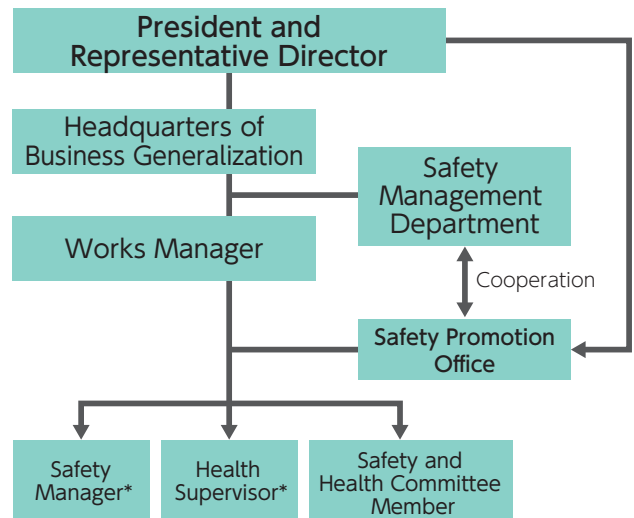


Safety Promotion Manager Appointment Ceremony

Establishment of Safety and Health Management System

Each Daiseiki Group company appoints its President as the chief representative, and selects representatives for Safety and Health at each worksite to build the Safety and Health Management System. Also, we share information of accidents at the Daiseiki Group to prevent similar accidents.

Daiseiki's Safety and Health Management System



* At the Chiba Works and Hiroshima Works, which have less than 50 employees, it is not necessary to appoint a Safety Manager and Health Supervisor, thus a Safety and Health Promoter has been appointed

Targets for Safety Management

Daiseiki sets targets for safety after determining policies, establishing a safety management system, and appointing a Safety Promotion Manager. Daiseiki's target is to achieve zero annual occupational accidents accompanied by lost worktime at each worksite. As a target for the Daiseiki Group, we aim to reduce the incidence and severity rates of occupational accidents in the Group to below the average of the manufacturing industry by 2030.

	Results (January to December 2023)	Target (every year)	Long-term target (January to December 2030)
Number of accidents accompanied by lost worktime (Daiseiki)	10	0	0
Frequency rate of occupational accidents (Daiseiki Group)	3.27	-	Less than 1.00
Intensity rate of occupational accidents (Daiseiki Group)	0.05	-	Less than 0.06

Safety conference

At the beginning of each half-year period, the President, along with responsible officers and safety management personnel, visits every worksites to hold a safety conference.

The safety conference addresses the following items to emphasize the priority of health and safety.

- President's address
 - Safety Promotion Manager appointment
 - Group awards for operations department (crew) who have achieved zero accidents
 - Lecture by the Headquarters Safety Management Department
 - Safety Promotion Manager's address
 - Works Manager address (declaration of priority action items in the form of a promise to the President)
 - Recitation of the original safety slogan
- Content of the safety conference



Recitation of safety slogans at the safety conference

Safety training

1 Compliance study sessions

We hold monthly compliance study sessions with topics related to safety for all employees. Accidents that occurred in the previous fiscal year and dangerous waste materials were set as safety topics for 2023 to ensure thorough compliance with internal rules and to educate employees on how to handle dangerous hazardous substances.

2023年6月 コンプライアンス勉強会資料

廃棄物の危険性について(酸、アルカリなど)

pH 0 1 2 3 4 5 6 7 8 9 10 11 12 13 14

3 酸・アルカリとpH

Compliance study session materials

2 Risk assessment workshop

Risk assessment is required to be carried out under the Industrial Safety and Health Act. Risk assessment requires not only compliance with the minimum standards for the prevention of harm as stipulated by law, but also requires voluntary health and safety management by business operators. Daiseiki conducts risk assessment training workshops with the aim of preventing accidents from occurring.

Daiseiki

実施内容

■開催日時：(第1回目)12月7日(水) 15:00 ~ 16:00
(第2回目)12月7日(水) 17:00 ~ 18:00
(第3回目)12月8日(木) 8:45 ~ 9:45
(第4回目)12月8日(木) 10:00 ~ 11:00

■対象者：管理職、営業、生産、業務(実績：28名出席)

■実施内容：①リスクアセスメントの概要説明
②リスクの分類、リスクの見積もり、進め方等
③リスク低減処置の検討順位

今後実施に向けた基礎的な教育を実施

■効果確認：今後の導入に向けた意識・内容を理解していただけ

使用資料

教育写真

リスクアセスメント教育

受講者名簿

Contents of the risk assessment workshop

3 Safety training workshop for partner companies

Daiseiki's waste collection operations are made possible by the cooperation of its partner companies. In waste collection operations, there is a risk of chemical injuries due to exposure to collected materials containing hazardous substances. In the case of work involving construction, there is also the risk of injury from falls and other accidents. We conduct regular safety training workshops to increase the awareness and knowledge of our partner companies toward safety.



Safety training workshop for partner companies

Safety training achievements

The Daiseki Group's safety training achievements are as follows. (Includes the safety education results of the compliance study sessions on p. 62.)

	FY2024
Total hours of safety training (hours)	4,071
Total number of attendees (people)	4,615

Elimination of unsafe conditions

Daiseki has been implementing activities to ask customers to cooperate in the elimination of unsafe conditions to enable the safe collection of waste by identifying unsafe locations at customer sites where waste is generated. In addition, we have been addressing the lack of or incorrect information on waste materials and hazardous incoming materials. These initiatives are not only meant to prevent occupational accidents, but also leakage accidents and unexpected reaction accidents. As a result, in 2023, we could eliminate 31 out of the 34 unsafe conditions.



Example of improvement of a customer's unsafe conditions (elimination of loose electric wires at the customer's premises)

Analysis of accident factors and countermeasures

Daiseki analyzes the factors that led to accidents and examines the approach to countermeasures in order to prevent recurrence of accidents. Specifically, the process leading up to the accident is identified, and a why-why analysis is conducted to determine why the event that resulted in the industrial accident or incident occurred, why the action was taken, and the true cause. We analyze where the problems were from the viewpoint of worker factors, work environment (equipment and materials) factors, and management factors. In addition to specific countermeasures for each individual accident, we also develop fundamental countermeasures and rules that can be broadly applied.

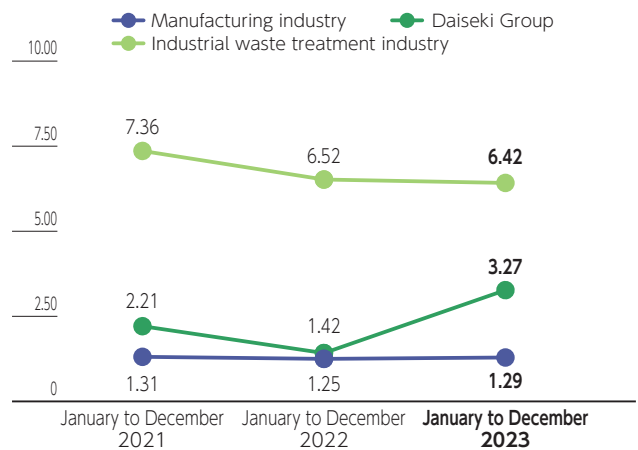
Daiseki Group's work-related accident record

In the Daiseki Group, there were 10 accidents accompanied by lost worktime and 16 accidents not accompanied by lost worktime in FY2024. The number of accidents accompanied by lost worktime included injuries caused by falls and tumbles, while the number of accidents not accompanied by lost worktime included injuries caused by contact with wastewater, cuts, and other accidents.

Daiseki Group's work-related accidents (cases)

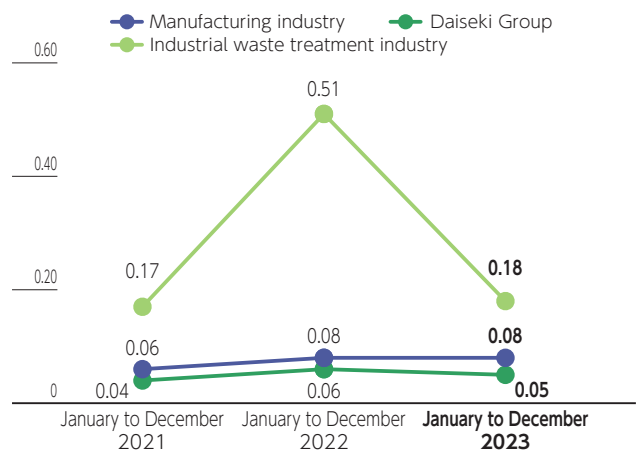
Year	January-December 2019	January-December 2020	January-December 2021	January-December 2022	January-December 2023
Fatalities	0	0	0	0	0
Accidents accompanied by lost worktime	7	7	6	4	10
Accidents not accompanied by lost worktime	5	2	7	13	16

Daiseki Group occupational accidents (Frequency rate)*



* Frequency rate: Total number of casualties due to occupational accidents per million total working hours (accident frequency)

Daiseki Group Occupational accident rate (Intensity)*



* Intensity: Total number of working days lost per 1,000 total actual working hours (degree of accident severity)

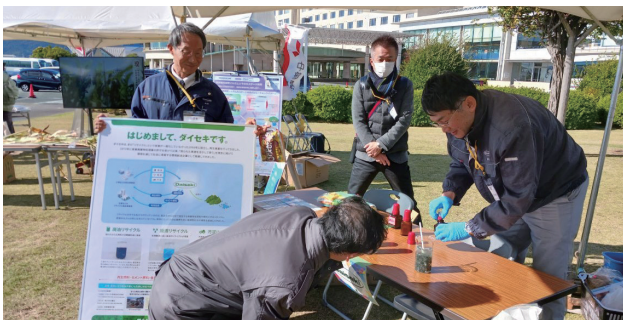


Local Communities

The understanding of neighboring communities is essential for the operation of an industrial waste treatment business. While striving to engage in proactive dialogues and exchanges, we are also engaged in social contributions leading to the invigoration for local communities.

Promotion of a circular economy business with Gamagori City

In December 2022, Daiseki signed a partnership agreement with Gamagori City to promote urban development in the city through a public-private partnership. Gamagori City has expressed its goal of incorporating the circular economy in its urban development and becoming a “circular city” which proactively promotes the circular economy. Gamagori City is working on forming a regional circular symbiotic zone centered on the general waste treatment plant and launching industry-academia-government collaboration to achieve this. Daiseki is planning to work with this initiative to produce biomass fuel from general waste to generate electricity and supply the region with electric power. In this manner, Daiseki will work toward the realization of a circular economy that coexists with the local community.



Daiseki's booth at the Circular City Gamagori event held by Gamagori City

Making a hometown tax donation to Harima Town

In October 2023, Daiseki made a corporate version of “hometown tax donation” to Harima Town, Hyogo Prefecture. The town used the donation to install electric vehicle charging facilities. In June 2024, an unveiling ceremony was held, and the Daiseki Kansai Works Manager attended.



Unveiling ceremony of charging facilities funded by Daiseki's hometown tax donation (Daiseki Kansai Works)

Support for flood disaster recovery in Toyokawa City (Daiseki Eco. Solution)

In June 2023, local heavy rainfall in the Tokai region caused river flooding in Toyokawa City. Daiseki Eco. Solution, which belongs to the Aichi Industrial Resources Recycling Association, conducted disaster waste treatment activities in Toyokawa City together with about 40 supporting companies at the request of the city. The disaster waste was taken to temporary storage sites and collection points in the city, sorted, and disposed of by various industrial waste disposal companies. Daiseki Eco. Solution was in charge of sorting and managing the removal of disaster waste from temporary storage sites and collection points, as well as processing the muddy soil mixed with waste from the collection points, and processed approximately 3,000 tons of muddy soil. Through restoration support activities in cooperation with supporting companies, we were able



to complete prompt and accurate processing of disaster waste.

Disaster waste removed to a collection point in Toyokawa City

Carrying out plant tours

Daiseki has been holding plant tours from time to time, mainly for customers and neighborhood residents who are industrial waste generators, and 1,545 people from 807 companies visited plants in FY2024. Visitors were asked to complete a questionnaire that rated the health and safety conditions at the plant and the responsiveness of employees on a 5-point scale, with an average score of 4.5 in FY2024. We have been explaining to neighboring residents about Daiseki's implementation of proper treatment and compliance with laws and regulations, and have gained their understanding.



Residents living near the plant are invited to plant tours on a regular basis (Daiseki Nagoya Works)

Disseminating Information and Interacting with Local Communities and Stakeholders

Daiseki makes an effort to engage in dialogues with residents living near its facilities, and strive to disseminate information through events that attract attention related to the environment and briefing sessions for investors and other stakeholders.

Exhibition at the COP28 Virtual Japan Pavilion

Daiseiki joined COP28 Virtual Japan Pavilion organized by Ministry of the Environment in November 2023. We explained that our recycling and industrial waste treatment business contributes to the realization of the circular economy, that our recycled fuel is utilized as a substitute for coal and heavy oil, which can reduce the use of fossil fuels, and that Daiseiki's waste recycling reduces greenhouse gas emissions by 97% compared to simple incineration.



Presentation slide for COP28 Virtual Japan Pavilion

Cooperation with the University of Tokyo OEGs

In FY2023, Daiseiki began support for the University of Tokyo One Earth Guardians (OEGs), which is a 100-year project launched by the University of Tokyo Graduate School of Agricultural and Life Sciences to protect the earth, and conducted activities for the second year in FY2024. In this project, students of the University of Tokyo are taking the initiative to study circular economy businesses that can contribute to the preservation of the global environment. In FY2024, students explored the possibility of circular economy businesses using microorganisms, and in February 2024, students presented their proposal to the Board of Directors of Daiseiki. We plan to continue this activity in FY2025.



Proposal presentations by students from the University of Tokyo OEGs (at Daiseiki Headquarters)

Certified as a Leading Company in Utsunomiya City (Daiseiki MCR)

In May 2024, Daiseiki MCR was recognized by Utsunomiya City as a Leading Company in Utsunomiya City for FY2024, in recognition of its high contribution to the local economy. Daiseiki MCR, under the slogan "Clean & Recycle," collects, crushes, melts, refines, and molds waste lead batteries to produce 99.99% pure lead ingots, making it the largest lead smelting company in the Kanto-Koshinetsu area. In addition to using the first rotary melting furnace fueled by natural gas in Japan and the world's first induction heating lead smelting furnace, the Company has introduced Tokyo Gas's carbon-neutral LNG and is actively working toward carbon neutrality. Daiseiki MCR's contributions to employment and corporate tax payments to the City were highly appreciated by Utsunomiya City.



Leading Company in Utsunomiya City certification ceremony (Daiseiki MCR)

Award for Distinguished Service in the field of Environmental Protection in FY2025

Organizations and individuals who have made significant contributions to environmental protection in Aichi Prefecture are recognized by the governor. In June 2024, Daiseiki's vice president was awarded for his long-term dedication to promoting environmental sanitation projects and achieving remarkable accomplishments.



Award for Distinguished Service in the field of Environmental Protection in FY2025 presentation ceremony