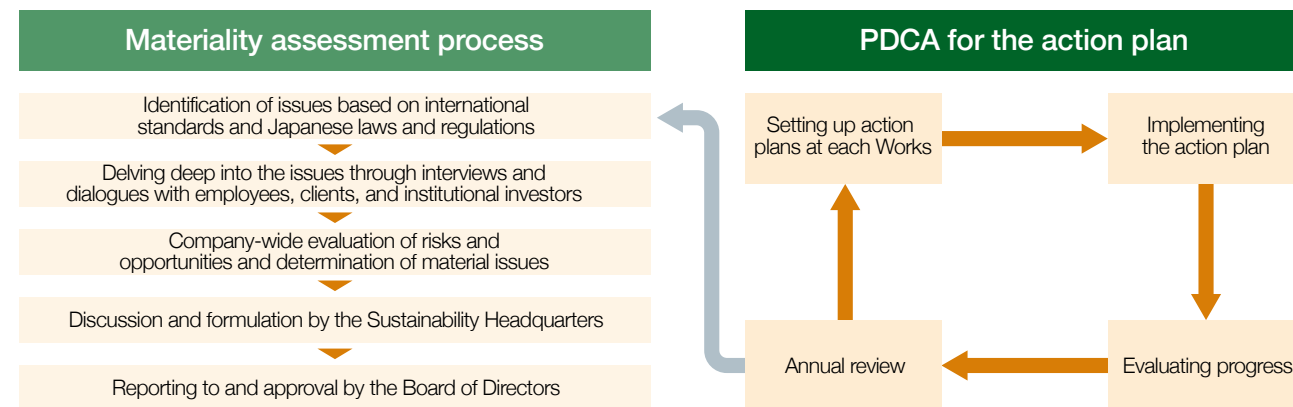


Material Issues

We have identified five material issues (materiality)^{*1} to guide our efforts in building a business model that contributes to both environmental conservation and environmental value-creation—while ensuring sustainable growth and supporting society. To further enhance our medium- to long-term corporate value, we are also formulating specific KPIs^{*2} for each material issue. These materialities are reviewed on an ongoing basis to reflect changes in the external environment and stakeholder expectations.

>> Assessment Process

At Daiseki, we begin by broadly identifying relevant issues, then deepen our understanding through internal and external interviews and dialogue. We incorporate insights from TCFD scenario analyses and risk and opportunity assessments based on ISO 14001. The identified material issues are formulated by the Sustainability Headquarters and finalized upon approval by the Board of Directors.



>> Daiseki's Material Issues (Materiality)

At Daiseki, we have identified five key material issues based on our Purpose, Management Principles, and related policies and guidelines. For each material issue, we have designated priority items and established action plans, implementing a PDCA (Plan-Do-Check-Act) cycle to ensure continuous improvement. We are also formulating KPIs and targets to measure progress toward our medium- to long-term goals.

Guidelines / Policies	Environmental Policy	Health and Safety Policy	Human Rights Policy	Corruption Prevention Policy	Code of Conduct
	Environmental Policy	Health and Safety Policy	Human Rights Policy	Corruption Prevention Policy	Code of Conduct

Material Issues	Initiatives to Achieve Materiality	Targets	Results
Making the best use of limited resources	Contributing to environmental conservation and carbon neutrality by appropriately recycling industrial waste P.27 Special Feature: From Solving Client Challenges to Anticipating Future Needs—Expanding Revenue Through Group-Wide Collaboration Aiming to realize a circular economy society by supporting resource circulation mainly for manufacturing industry clients	Increase avoided emissions to 785,000 t-CO₂ or more by FY2028 Increase material recycling shipment volume to 258,300 t or more by FY2031	Reduced 597,000 t-CO₂ in FY2026 Established Daiseiki Group Environmental Policy in May 2025 (revised for Daiseiki alone) Shipped 153,000 t of recycled materials in FY2026 Established Daiseiki Group Environmental Policy in May 2025 (revised for Daiseiki alone)
Creating a workplace where every individual shines	Maintaining and improving the physical and mental health of employees and their families, who are the foundation supporting our growth Promoting human capital strategies essential for growth based on business strategy P.41 Strengthening Human Capital Management	Maintain and improve the physical and mental health of employees Reform the personnel system and formulate human capital strategy	Initiated health checkup subsidies for employees' spouses in March 2025 Established Daiseiki Group Human Rights Policy in May 2025 11 people participated in a human resources consortium organized by Keio University and Persol Research and Consulting in FY2026 Started reforming personnel system in April 2025
Eliminating industrial and environmental accidents	Implementing the philosophy to put safety as the top priority above all else Providing training and deploying equipment necessary to ensure safety	By FY2031, review the Safety and Health Management Regulation, instill the safety philosophy, and clarify responsibilities Achieve zero lost-time accidents among Daiseiki employees	Established Daiseiki Group Health and Safety Policy in May 2025 (revised for Daiseiki alone) Established workplace heat stroke management standards at Daiseiki in August 2025 Held safety meetings for partner companies at all Daiseiki Works prior to the busy periods in April, July, and December 2025 Recorded 2 lost-time accidents in FY2026
A company well-liked by local communities	Contributing to the conservation of the local environment Maintaining social infrastructure through disaster recovery support	Conduct environmental beautification activities around our Works in collaboration with local communities Promote the circular economy in collaboration with local governments Provide swift recovery support when clients' factories are affected by natural disasters or accidents	1,216 employees participated in cleaning and environmental beautification activities in FY2026 Daiseiki Eco. Solution selected by Shizuoka City as a partner for plastic resource recycling in January 2025 Supported the recovery of businesses affected by flooding caused by heavy rains in the Joetsu region of Niigata Prefecture in September 2025
Promoting thorough understanding of compliance and observation of laws and regulations	Strengthening governance systems and implementing compliance education Promoting governance that supports growth and succession planning with a focus on the next generation P.57 Corporate Governance	Strengthen Group governance structure Develop a succession plan	Established Daiseiki Group Corruption Prevention Policy in May 2025 Invited an external manager to hold a study session for managers and next-generation leaders in June 2026

^{*1} Materiality Issues: Issues that a company considers particularly important or prioritizes in its business activities.
^{*2} KPI: Key Performance Indicator—a metric used to evaluate progress toward a specific goal.