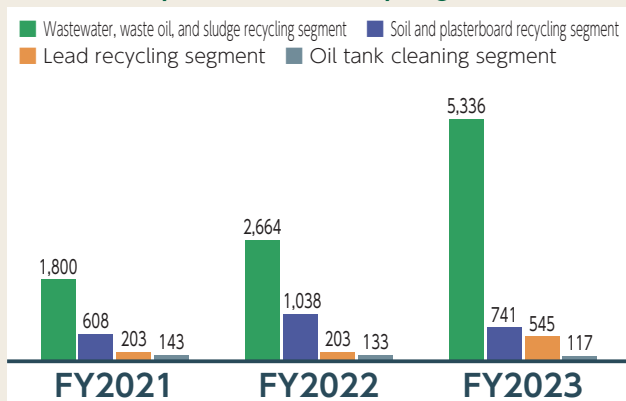


Daiseki Group's Capital Investment

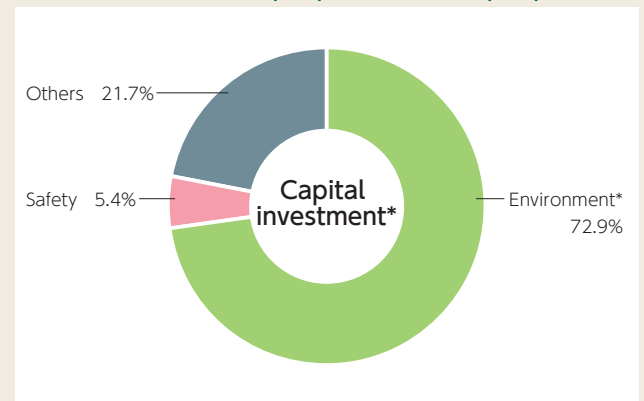
As the global trend toward carbon neutrality enters full swing, we have seen a further increase in societal support for Daiseki's recycling-centric treatment methods and recycled fuels. Against this background, we are implementing large-scale capital investment with an eye to medium- and long-term growth. In the Kanto and Kansai regions, which have large-scale markets of which the Daiseki Group has a relatively low share, we are focusing on proactive capital investment and sales activities to expand our business.

Trends in Capital Investment by Segment Millions of yen



Note: Information for wastewater, waste oil and sludge recycling segment is derived from data of Daiseki Co., Ltd and Hokuriku Daiseki Co., Ltd. and information for soil and plasterboard recycling segment is derived from data of Daiseki Eco. Solution Co., Ltd., Green Arrows Central Co., Ltd. and Green Arrows Kyushu Co., Ltd. Information for Lead recycling segment is derived data from Daiseki IMCR Co., Ltd. and information of oil tank cleaning segment is derived data from System Kikou Co., Ltd.

Breakdown of Daiseki Group Capital Investment by Purpose (FY2023)



Note: This capital investment amount does not include the cost of land purchases.

*Environment includes initiatives for the purpose of promoting recycling, preventing pollution, and reducing CO₂ emissions.

Major capital investment in FY2023

● Newly established Kansai Works Harima Recycling Center (Daiseki)

Harima Recycling Center, which manufactures supplemental fuels from waste solvents and other materials, was completed in January 2023. Recycled supplemental fuels shipped from Harima Recycling Center is used as an alternative to coal by customers in the manufacturing industry in the Kansai region. We plan to continue adding to the facilities at Harima Recycling Center, in addition to the supplemental fuel plant.



Recycled supplemental fuel plant at Harima Recycling Center

● Newly established Hiroshima Works (Daiseki)

Our goal in newly establishing our Hiroshima Works is to increase our share in the markets of Japan's Chugoku and Shikoku regions, located between our Kansai Works and Kyushu Works. The land was acquired in August 2021 and plant construction began in January 2023. This works is scheduled to begin operations in March 2024. A plant for recycling waste solvents and other materials into supplemental fuels will be constructed at the Hiroshima Works. We plan to sell these supplemental fuels primarily to customers in the manufacturing industry in the Chugoku and Shikoku regions.



Hiroshima Works under construction

● Enhancing treatment facilities at Kyushu Works (Daiseiki)

In order to respond to the demand for supplemental fuels, we invested over 2.5 billion yen to build a new supplemental fuel plant at our Kyushu Works.

This new supplemental fuel plant has the capacity to process 1,584m³ of waste oil per day. We will use this facility to bolster our sales activities and meet customer expectations more fully than ever before.



Supplemental fuel plant at Kyushu Works

● Newly established industrial waste treatment facility (Daiseiki MCR)

Establishing an industrial waste treatment facility at the Hiraide Plant in January 2023 and acquiring a license for specially controlled industrial waste enabled us to complete intermediate-stage treatment of waste lead batteries at one location.

By introducing facilities for cleaning and shredding plastic, the plastic containers of the waste lead batteries can now be recycled into recycled plastic material. This cutting-edge intermediate-stage treatment facility was designed with consideration for the SDGs and reduces environmental impact.

Since this safe, clean recycling facility responds to the demand for treatment of industrial waste lead batteries such as those for uninterruptible power supply (UPS), it will contribute to the creation of a circular economy society.







Industrial waste treatment facility at Daiseiki MCR's Hiraide Plant

Future capital expenditure plan with a focus on Vision 2030

Today, there is a growing demand for the proper treatment and recycling of industrial waste, which is becoming increasingly diversified and complex. As a Group, we are working to expand our business to address this. Specifically, we are improving our technical capabilities, expanding the number of items that can be treated and recycled by introducing new equipment, and proactively investing capital and expanding sales, with the aim of increasing our market share especially in the two large markets of Kanto and Kansai.

Following the Hiroshima Works, which is currently under construction, we plan to build new works in the southern Kanto and Tohoku regions, where we are searching for suitable land, as soon as there are prospects for commercialization.

We are also now considering launching three new businesses that would generate sales of around 15 billion yen. Regarding this, we plan to invest capital as soon as there are prospects for commercialization.

-  Daiseiki Headquarters
-  Daiseiki Works
-  New Daiseiki Works (planned or under construction)
-  Group companies (headquarters)

