

## Integrated Report 2025

MIDAC provides a future for water, land, air,  
and for the people



**MIDAC HOLDINGS CO., LTD.**



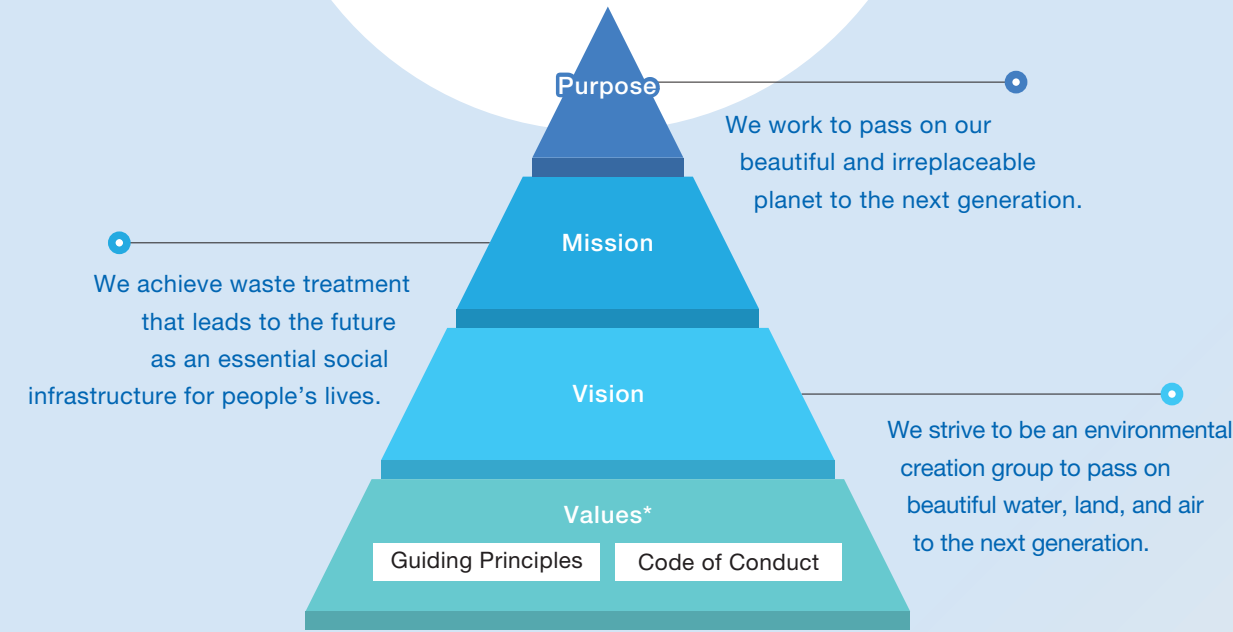
\* MIDAC is derived from the first letters of the Japanese words for water, land, and air, symbolizing the natural environment.

MIDAC provides a future for water, land, air, and for the people



Management Philosophy

In order to pass on a beautiful and irreplaceable planet to the next generation,  
where the water, land, air, and people can all flourish together,  
the MIDAC Group is aware of its social responsibility as a leading environmental  
creation group and is committed to pursuing environmentally friendly waste treatment.



\* For details on our Guiding Principles and Code of Conduct, visit the Company website: <https://midac.jp/en/company/philosophy.html>

Environmental issues are becoming increasingly severe each year. As a company of essential workers supporting society and fulfilling its mission, the MIDAC Group directly addresses these challenges through its core business of waste treatment and management. Our Management Philosophy embodies this strong determination.

To realize this philosophy, we have defined our Purpose, Mission, and Vision, along with our Values, outlining Guiding Principles and a Code of Conduct for employees, thereby reforming the Group's philosophical framework. Our journey will continue under the name MIDAC, which derives from the first letters of the Japanese words for water, land, and air—elements symbolizing the natural environment. Remaining attuned to society's evolving needs and working closely with local communities, we will pursue environmentally responsible waste treatment as a leading environmental stewardship group, passing on our beautiful and irreplaceable planet to the next generations.

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■ Editorial Policy

This Integrated Report comprehensively communicates MIDAC Holdings' Management Philosophy, business model, and financial and non-financial initiatives, sharing the Company's approach to sustainable value creation with stakeholders. It also prioritizes presenting the Group's growth strategies in an easy-to-understand manner, centered on the medium- to long-term perspective of our "Challenge 80th" long-term vision formulated in 2022. Through constructive dialogue with our readers, we aim to co-create an even better future.

MIDAC's management is fully and earnestly committed to business guided by a thorough altruistic approach.



As essential workers indispensable to people's lives

Keiko Kato

President & Representative Director

People's lives shape the future. In this sense, we must contribute to realizing a sustainable society as essential workers whom local communities can trust to shape the future. Based on this altruistic approach, we strive to sustainably enhance our corporate value by working closely with local communities and expanding our business while fulfilling our responsibilities to future generations. I am proud that all of our employees leading these initiatives fulfill their duties with a strong awareness of their role as essential workers.



Supporting the waste management industry to realize a recycling-oriented society

Hiroyuki Kumagai

Senior Managing Director

The waste treatment business is highly public in nature, which requires philosophy-driven management based on an altruistic approach. MIDAC practices this altruism by contributing to the development of a recycling-oriented society through its business activities, which prioritize the appropriate treatment of waste and environmental preservation. We also support the behind-the-scenes operations of economic activities as part of the waste management industry. By strengthening our collaboration with local communities, we will continue to expand our business activities, focusing on environmental considerations while prioritizing safety and security, so that we can pass on our beautiful and irreplaceable planet to the next generation.



Last line of defense protecting local community environments

Yasuho Takeda

Director

With the mission of building next-generation social and environmental infrastructure, we have earnestly worked on its expansion and development. By deepening partnerships with industry, government, and academia possessing cutting-edge technologies, we will continue to develop environmentally responsible processing plants that contribute to realizing a sustainable society while promoting the circular economy. Conscious of being the "last line of defense" for protecting local community environments, we remain a company that pursues management based on an altruistic approach.



From protecting to "creating" the environment

Hiroaki Takada

Director

Environmental issues are becoming increasingly severe due to economic growth, population expansion, and climate change caused by global warming. As a result, companies are urged to address sustainability challenges. Under these circumstances, the MIDAC Group is aware of its social responsibility as a listed company and continues to invest in growth to develop a sustainable, recycling-oriented society as an environmental creation group responsible for proper waste treatment. Going forward, we remain committed to realizing our "Challenge 80th" vision and enhancing corporate value through stable dividends and sustainable growth of our share price.



Meeting our responsibilities to the next generation!

Kiyohiko Suzuki

Director

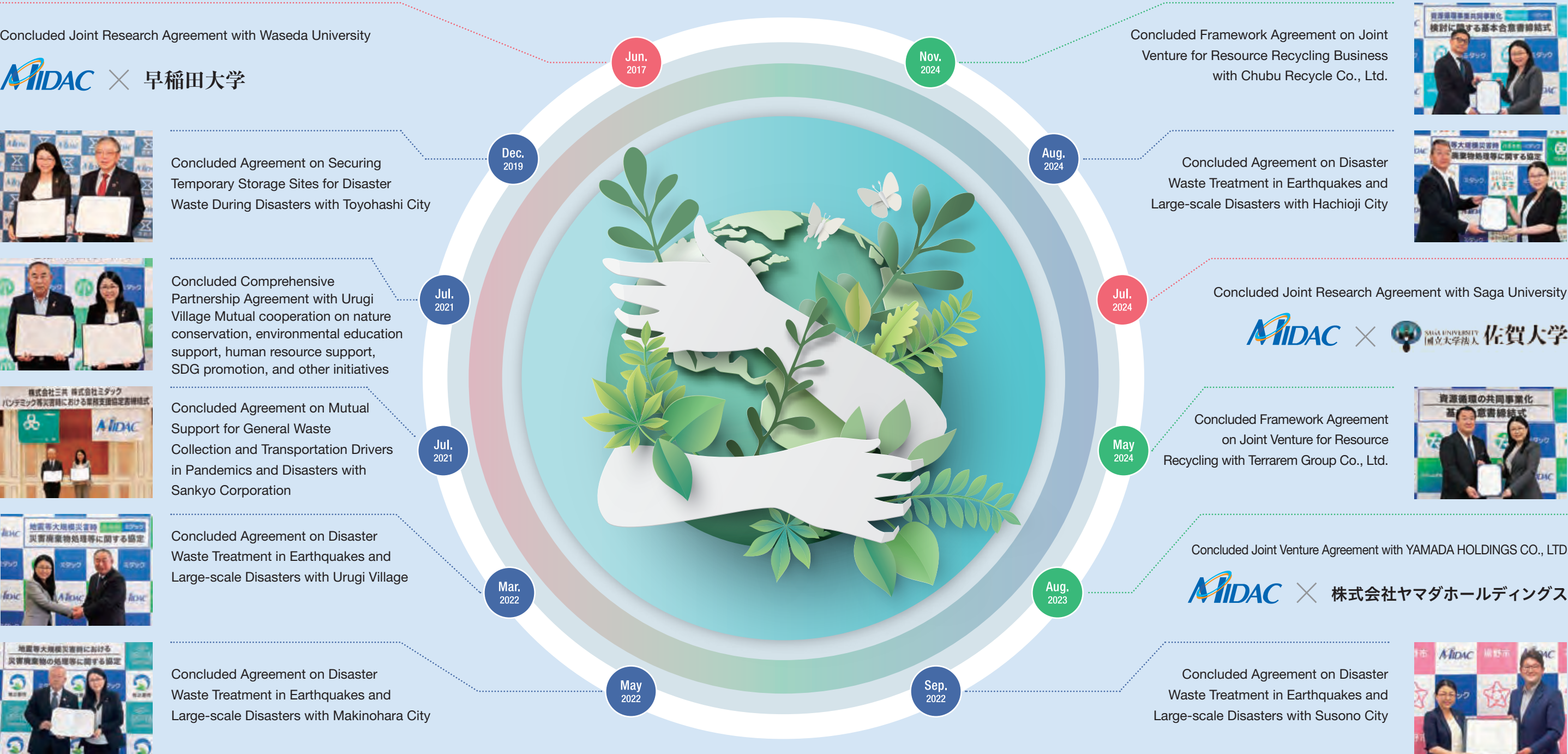
MIDAC strives to meet its responsibilities to the next generation through effective waste treatment and R&D in collaboration with industry, government, and academia. Positioning compliance with environmental laws and regulations as a material issue in our management, we play a crucial role in maintaining a hygienic living environment for people through effective waste treatment. We are also developing carbon capture and storage (CCS) and carbon capture, utilization, and storage (CCUS) technologies through cooperation with industry, government, and academia to reduce CO<sub>2</sub> emissions from waste processing. By advancing our research on environmental conservation, we will contribute to realizing a sustainable society.



Under a thorough altruistic management approach, MIDAC promotes partnerships with industry, government, and academia to provide environmental infrastructure for local communities.

MIDAC Group's altruistic management approach is also reflected in various partnerships with industry, government, and academia. One example is our regional collaborative business continuity plans (BCPs) with local communities, which aim to prepare for increasingly severe and frequent natural disasters. This initiative started with the agreement concluded with Toyohashi City in December 2019 and is now expanding to include diverse government agencies. The Group also focuses on commercialization and joint research in collaboration with companies within and outside the industry to advance resource recycling and realize carbon neutrality.

● Regional collaborative BCP    ● Initiative for resource recycling    ● Partnership with industry, government, and academia for carbon neutrality





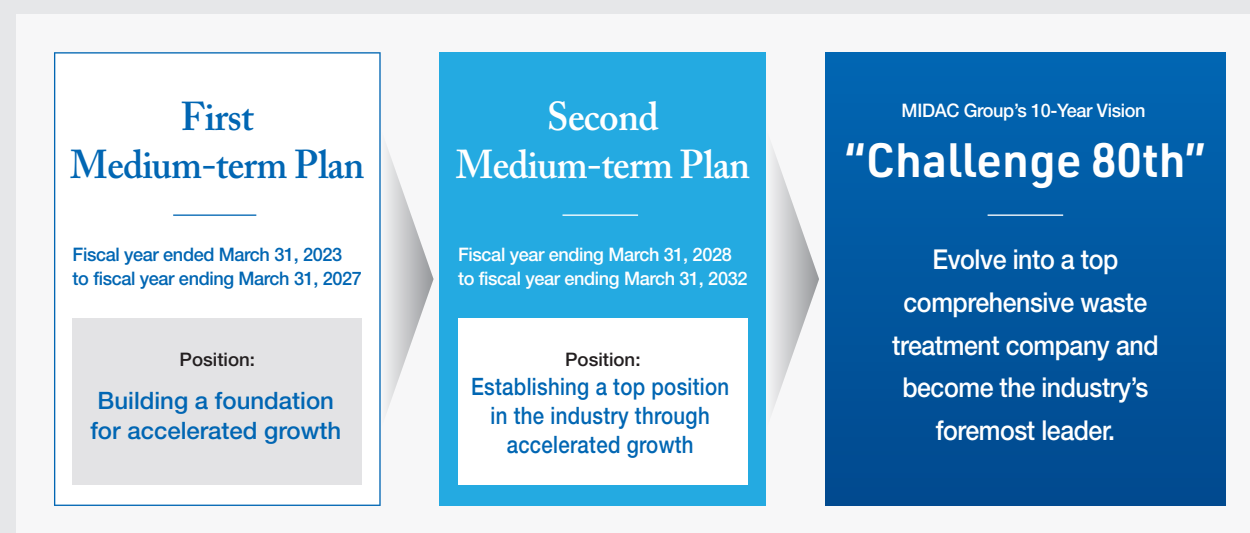


## Accelerating progress through a dual approach of Organic Growth and M&A Growth

**Keiko Kato**

President & Representative Director  
MIDAC HOLDINGS CO., LTD.

### ■ Steps toward Achieving MIDAC Group's 10-Year Vision



### Long-Term Vision & Medium-term Plan Overview

#### Drivers behind the long-term vision: Okuyama-No-Mori Clean Center supporting profitability and Pure Holding Company Structure accelerating growth

2022, when we developed and announced the MIDAC Group's 10-Year Vision "Challenge 80th," marked a major milestone for the Group—a year of significant changes as our management transitioned to the next stage.

In April 2022, the Company celebrated its 70th anniversary and was listed in the Prime Market following the Tokyo Stock Exchange's market classification review. This convergence of events gave us a strong resolve: as a Prime Market-listed company, we must embark on a new journey to maximize our corporate value well beyond our first 70 years.

Upon this departure, the MIDAC Group set sail with two major engines.

The first is a more robust revenue base that supports our strategic capital policy, originating from the opening of the Okuyama-No-Mori Clean Center, a controlled landfill site. Our Group's strength lies in its integrated waste processing system, which provides one-stop services from collection and transportation through intermediate processing to final treatment. Among these operations, final treatment sites—particularly controlled landfill sites—generate the highest profit margins. The Okuyama-No-Mori Clean Center opened in February 2022 as a new controlled landfill facility. With a permitted capacity over seven times that of our existing facilities, this center has significantly strengthened our Group's revenue base. In other words, to enhance corporate value going forward, we need a strategic capital policy that supports ongoing proactive growth investments and substantial shareholder returns. The center's opening propelled our revenue base, underpinning this policy. As is known, opening a waste treatment facility requires considerable time to obtain local community understanding and complete administrative procedures, making it difficult to even set a target opening year. Under these circumstances, we were well-positioned to secure such a substantial revenue base at the time of our new departure, which enabled us to boldly advance our growth strategy from 2022 onward.

The other engine is our transition to a Pure Holding Company Structure, a new management system designed to accelerate our growth strategy. As mentioned, because opening waste treatment facilities requires time, we need

to pursue two strategies simultaneously. The first is Organic Growth, driving business progress through the Company's own management resources. The second is M&A Growth, which efficiently drives expansion by acquiring existing waste treatment operators in local communities, advancing our growth strategy with speed. Although we completed four M&A transactions over the 10 years up to 2021, we faced limitations in executing strategic and swift deals as an operating company. Therefore, from a business portfolio reform perspective, we decided to transition to a Pure Holding Company Structure to strengthen our M&A planning capabilities, further promote growth investments, and enhance Group governance over our subsidiaries, which are expected to increase in the future.

These two engines have significantly strengthened the MIDAC Group's forward momentum, setting a steady course for our growth strategy.

#### Achieving the long-term vision's challenging targets in a business environment with expanding roles for waste treatment operators

Where are we accelerating our growth using these two powerful engines? The compass guiding us is the MIDAC Group's 10-Year Vision "Challenge 80th," which looks ahead to its 80th anniversary.

Three and a half years have passed since we established and announced our vision in June 2022, and the business environment has evolved, with the role of waste treatment operators expanding increasingly. For example, in the Group's core final treatment business, the nationwide annual volume of industrial waste sent for final treatment has remained flat at approximately 9 million tons in recent years due to limitations in recycling. Meanwhile, the demand-supply balance is collapsing as capacity constraints at landfill sites tighten due to a combination of factors, including workforce shortages, rising labor costs, business succession issues, and stricter laws and regulations.

Under this business environment, the MIDAC Group's 10-Year Vision "Challenge 80th" sets forth its qualitative goal (desired state) as "Evolve into a top comprehensive waste treatment company and become the industry's foremost leader." It also establishes challenging quantitative targets for fiscal year ending March 31, 2032, including M&A, with sales of ¥40 billion and ordinary profit of ¥12 billion.

To realize this long-term vision, we have established two five-year plans—the First and Second Medium-term Plans—as successive steps. We are currently advancing the First Medium-term Plan (fiscal year ended March 31, 2023 to fiscal year ending March 31, 2027) as our initial step.

Progress of First Medium-term Plan

Becoming the most profitable corporate group with industry-leading sales scale through a dual approach of Organic Growth and M&A Growth

In the First Medium-term Plan, the Group aims to achieve ¥10 billion in sales and ¥5 billion in ordinary profit through Organic Growth alone in fiscal year ending March 31, 2027, the final year of the plan. In fiscal year ended March 31, 2025, we achieved ¥10.9 billion in consolidated sales and ¥4.4 billion in ordinary profit. Results from Organic Growth alone were ¥9.4 billion and ¥3.9 billion, showing steady progress. In addition to meeting the final year targets for Organic Growth, we will also focus on maximizing M&A Growth.

We are making steady progress toward building our medium- to long-term revenue structure with clear direction. Currently, the Group's profit margin is on an upward trend. The consolidated operating profit margin increased from 35.5% in fiscal year ended March 31, 2022 to 41.6% in fiscal year ended March 31, 2025, representing

a 6.1 percentage point increase over three years. This is because the Okuyama-No-Mori Clean Center, our highest-margin controlled landfill site, remains our core profit driver, with order volumes rising sharply amid strong demand for landfill capacity. At the same time, as we continue to actively pursue our growth strategy through a dual approach of organic and M&A Growth, the consolidated operating margin may not only rise but also fluctuate. This will be driven by changes in the composition of our facilities. As we actively pursue M&A across all business areas—collection and transportation, intermediate processing, and final treatment—to further reinforce our integrated processing system, the composition of our facilities will naturally shift. Even with strategic M&A execution, we cannot control when favorable opportunities arise. Therefore, if acquisitions in areas such as collection and transportation or intermediate processing are completed ahead of other areas, a temporary decline in operating margin will occur. However, we aim to control profit margin fluctuations within a certain range, and believe this is achievable. By leveraging our major strength in our integrated processing system, with final treatment at its core, we strive to become the most profitable corporate group, boasting an industry-leading sales scale and expanding revenue while maintaining a high operating profit margin.

Steadily building a foundation for accelerated growth through key measures based on the basic policy

The Company is also making steady progress from a qualitative perspective. In the current Medium-term Plan, with the aim of “Building a foundation for accelerated growth,” we have established our basic policy of “Expanding business areas while pursuing the MIDAC Group's strengths” and are actively implementing it. To accelerate the execution of this policy, we have set an investment policy of “Making proactive growth investments through organic and M&A investments.”

Specifically, we are advancing three key measures to comprehensively strengthen our integrated processing system, our core strength: “Improving competitive advantages in final treatment,” “Reinforcing intermediate treatment facilities,” and “Expanding collection and transportation capabilities.” Through these measures, we are steadily laying the groundwork for accelerated growth.

Steady results from organic and M&A investments, improving competitive advantages in final treatment

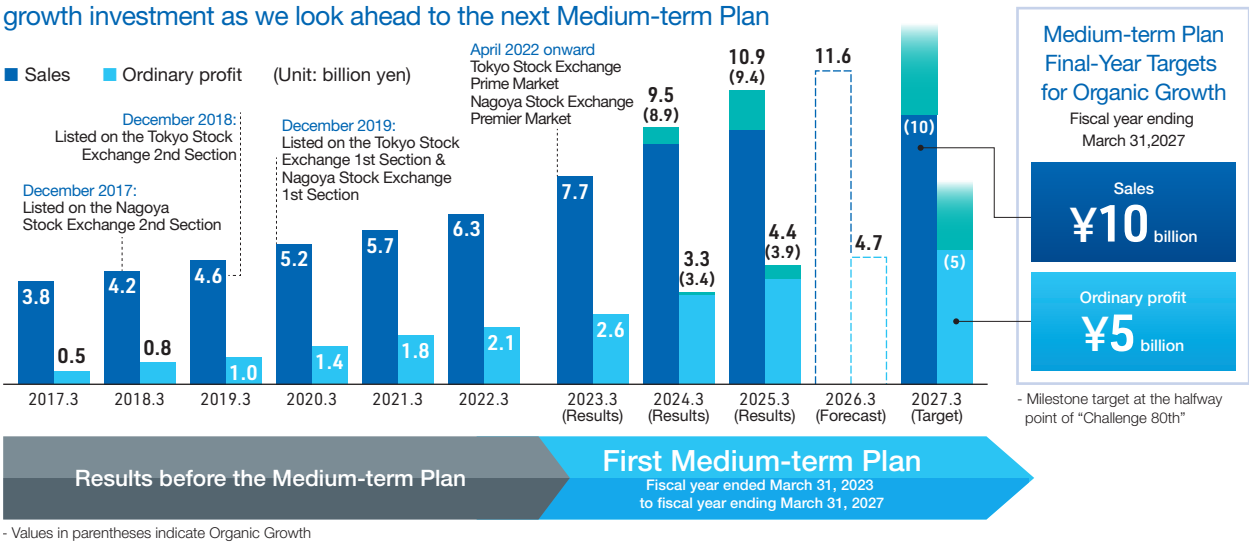
Regarding the key measure of “Improving competitive advantages in final treatment,” which forms the core of our growth strategy, we continue to invest in existing facilities and new facility openings as Organic Growth investments.



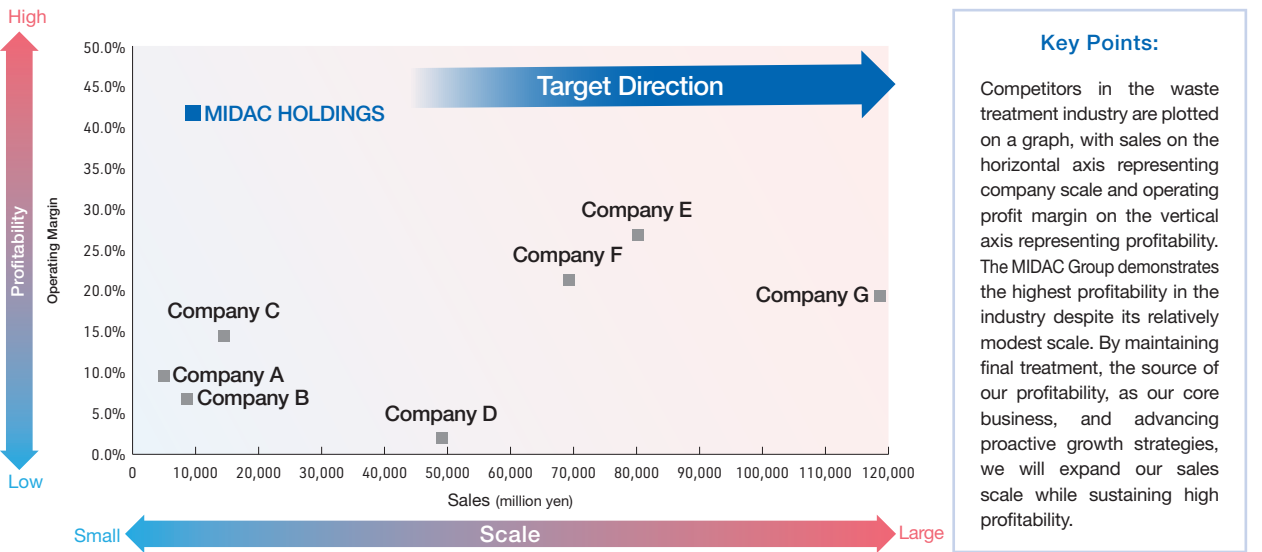
At the controlled landfill site, Okuyama-No-Mori Clean Center, which opened after Phase 1 construction was completed in February 2022, we have simultaneously advanced Phases 2 through 4 over the past three and a half years as part of our ongoing investment in existing facilities. Similarly, Enshu Clean Center (a controlled landfill site) and Hamanako Clean Center (a stable landfill site) have completed expansion construction and started operations in April and June 2025, respectively.

Progress of First Medium-term Plan

With sales already exceeding ¥10 billion, entering a new phase of accelerated growth investment as we look ahead to the next Medium-term Plan



Group's Target Revenue Structure (vs. Competitors)





For investments in new facility openings, we initially announced plans to internally develop two facilities in Eastern Japan. We are now steadily moving forward with approval plans for large-scale controlled landfill sites in Eastern Japan. Moreover, in Western Japan, which was originally outside the plan’s scope, we acquired land in Shimane Prefecture in anticipation of future landfill demand. Once opened, this facility is expected to be the largest controlled landfill site in the Chugoku region (for details, see pp. 23–24).

As part of our M&A investments, we acquired Taihei Kosan Co., Ltd. and made it a subsidiary in April 2025. The company’s founder was a pioneer in the industry who elevated the social standing of landfill sites. He opened a controlled landfill site in Futtsu City, Chiba Prefecture, in 1985 and obtained ISO 14001 certification in 1997, the first in the industrial waste treatment sector. He also dedicated himself to establishing a tax incentive program (Reserve for Prevention of Specified Disaster) for landfill sites. As the founder had reached an advanced age and was facing business succession challenges, I personally visited him multiple times for face-to-face discussions, ultimately acquiring the company. We are

now working on various reforms and improvements.

In fact, Sansei Kaihatsu Co., Ltd., which we acquired in 2015, owned and operated landfill sites (now Enshu Clean Center and Hamanako Clean Center), and the president was also facing business succession issues. At the time, he was even serving as the sole salesperson, handling all customer acquisition. As only our Company and Sansei Kaihatsu were capable of landfilling asbestos-containing waste in Hamamatsu City, MIDAC was selected as the transferee. Since the company joined the Group, we have implemented comprehensive reforms and improvements, including enhancements to customer segments, types of waste handled, and operational processes, which have substantially improved profitability at both landfill sites.

We believe that numerous potential M&A targets exist across Japan, similar to Sansei Kaihatsu and Taihei Kosan, which could be revitalized through our Group’s experience and know-how. The Company has established this business model of acquiring and transforming such companies under the name “Supportive M&A,” a term I coined (for details, see p. 24).

Group’s comprehensive strength enhanced through M&A of Taihei Kosan and two other companies

Over the three years since the beginning of the current Medium-term Plan, the Company executed two M&As in addition to the one with Taihei Kosan.

ENSHU CRUSHED STONE CO., LTD., which we acquired in July 2023, plays a significant role in supporting our key measure of “Improving competitive advantages in final treatment.” Following the 2021 debris flow disaster in Atami City, which was caused by illegal dumping of excavated soil, regulations on excavated and fill soil have been tightened nationwide. As a result, strengthening governance systems to comply with these regulations became mandatory. However, since only a limited number of excavated soil treatment operators could secure the necessary human resources and cover the associated costs, issues such as a decrease in the number of operators and a sharp rise in treatment costs emerged. Our Okuyama-No-Mori Clean Center also produces a large amount of excavated soil due to ongoing Phase 2 to 4 construction, making it essential to secure treatment operators. We then focused on Enshu Crushed Stone, which has around 60 years of experience in the crushed stone manufacturing business. Continuing its manufacturing operations, MIDAC completed the necessary procedures to enter the excavated soil treatment business by April 2024. By handling the excavated soil produced at Okuyama-No-Mori Clean Center, the company’s profitability has significantly improved, and the Group has achieved in-house treatment of excavated soil.

FRIEND SANITARY CO., LTD., acquired in September 2023, conducts human waste removal operations as a key pillar of its general waste collection and transportation business. We decided to acquire the company because MIDAC had handled human waste operations for 18 years since its founding, making the operations highly compatible. Moreover, the company was already exceptionally profitable prior to the acquisition, with sales of ¥1 billion and an operating profit of ¥250 million. Since the company joined the Group, we have implemented operational reforms and improvements, further enhancing its profitability.

As described above, MIDAC’s M&As have generated results that significantly enhance the value of acquired companies by combining pre-M&A efforts (careful target selection) and post-M&A efforts (accurate PMI\*). Each of our M&A subsidiaries has become an indispensable partner for the Group, playing a vital role in the operations. Going forward, we will continue to advance M&A Growth from the perspective of “buying time,” thereby “accelerating growth.”

\*PMI: Post-merger integration, a management integration process conducted after M&A to maximize effects and minimize risks.

Enhancing corporate and shareholder value for medium- to long-term through the role of social infrastructure

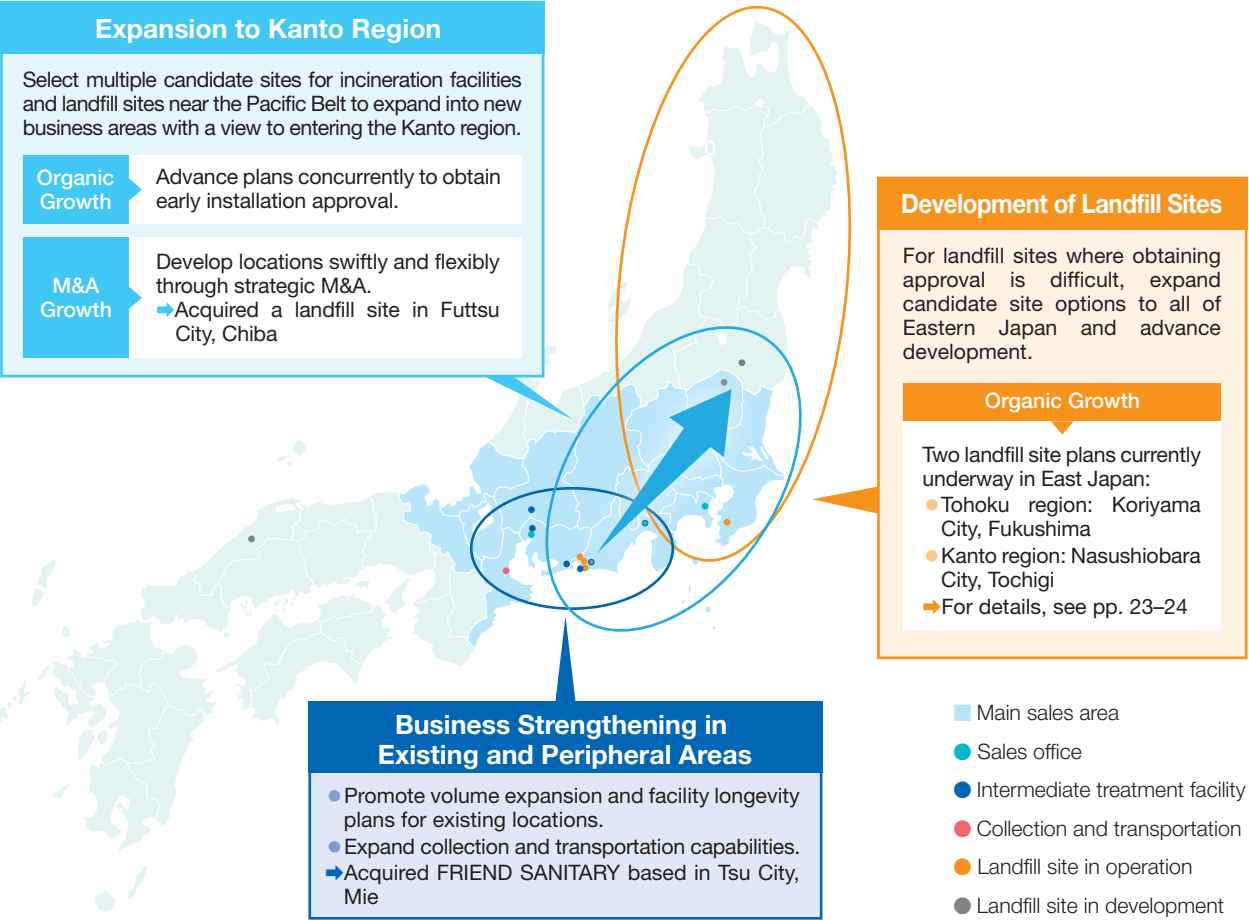
Our efforts to realize the MIDAC Group’s 10-Year Vision “Challenge 80th” are directly connected to contributing to a sustainable society. By enhancing the Group’s integrated processing system and expanding business areas, we can help preserve the environment and reduce environmental impact across broader sectors and regions.

In line with our management philosophy of passing on beautiful water, land, and air to the next generation, we will continue to fulfill our role as a social infrastructure provider in the waste treatment industry by further advancing partnerships with local communities, as well as with industry, government, and academia. At the same time, we will pursue the ideal state of waste treatment required by the next generation, swiftly adapting to changing times. Through these efforts, we seek to enhance the Group’s corporate and shareholder value over the medium- to long-term.

We ask our stakeholders to look forward to the MIDAC Group’s challenging growth strategy and to continue their valued support.



Business Expansion Plan to Achieve “Challenge 80th”



# Accelerating growth investments to maximize corporate value by pursuing identified materiality

Director, Manager of Corporate Planning Department  
MIDAC HOLDINGS CO., LTD.

Hiroaki Takada



## Promoting growth investment-oriented management that prioritizes growth strategy in the financial and capital strategy

The MIDAC Group's basic policy for financial and capital strategy is "Growth investment-oriented management that prioritizes growth strategy." With a focus on cash flow, we are actively advancing growth investments to enhance long-term corporate value. Specifically, to strengthen our integrated waste processing system and expand business areas in line with realizing the Group's 10-Year Vision, "Challenge 80th," we are promoting growth investments through a dual approach of organic and M&A investments.

Regarding investment amounts, we plan to allocate approximately ¥15 billion in total capital investments over the

five years of the First Medium-term Plan (fiscal year ended March 31, 2023 to fiscal year ending March 31, 2027), primarily for construction projects aimed at improving processing capacity at our three core profit-generating landfill sites. Our current Medium-term Plan does not specify an investment allocation for M&A. While we have primarily funded M&A activities through loans from financial institutions, going forward, we will consider various funding methods to respond to large-scale investments and business expansion needs. By regularly reviewing our funding strategy as needed, we will flexibly adapt to the changing business environment, thereby supporting the Group's sustainable growth.

In addition to efficiently leveraging capital, developing a solid financial base is essential to sustaining proactive

growth investments. We target an equity ratio, an indicator of financial soundness, at around 50% as a benchmark and aim to maintain this level.

We also target a return on equity (ROE) of 15% or higher, our most critical management indicator, which we have consistently achieved over the past five years. By efficiently utilizing capital and maintaining ROE that exceeds our cost of equity of approximately 7–9%, we seek to maximize corporate value. In fiscal year ended March 31, 2025, we achieved record-high sales and profit driven by further improved profitability at Okuyama-No-Mori Clean Center, our controlled landfill site, mainly due to increased waste processing volumes. As a result, ROE rose from 16.1% to 20.3%, up 4.2 percentage points year-on-year, receiving positive evaluation from the stock market.

Moreover, from a value co-creation perspective with stakeholders, we are committed to contributing to the realization of a sustainable society and enhancing shareholder value. We will continue to build a foundation for sustainable growth by preparing for future business expansion through a stable dividend policy and utilization of retained earnings.

## Prioritizing initiatives with materiality at the core in future sustainability management

The MIDAC Group's sustainability management is rooted in our management philosophy. We prioritize fulfilling our role as "essential workers," striving to realize a sustainable society through waste treatment. Through management based on an altruistic approach, we expand businesses that address the needs of local communities, ensuring our business activities directly provide value as social infrastructure in order to fulfill our responsibilities to the next generation.

To advance sustainability, we established the Sustainability Promotion Committee in 2022. Since then, the committee has formulated sustainability-related policies and incorporated sustainability elements into daily business activities. This has enabled each department to strategically advance its environmental preservation initiatives and foster collaboration with local communities.

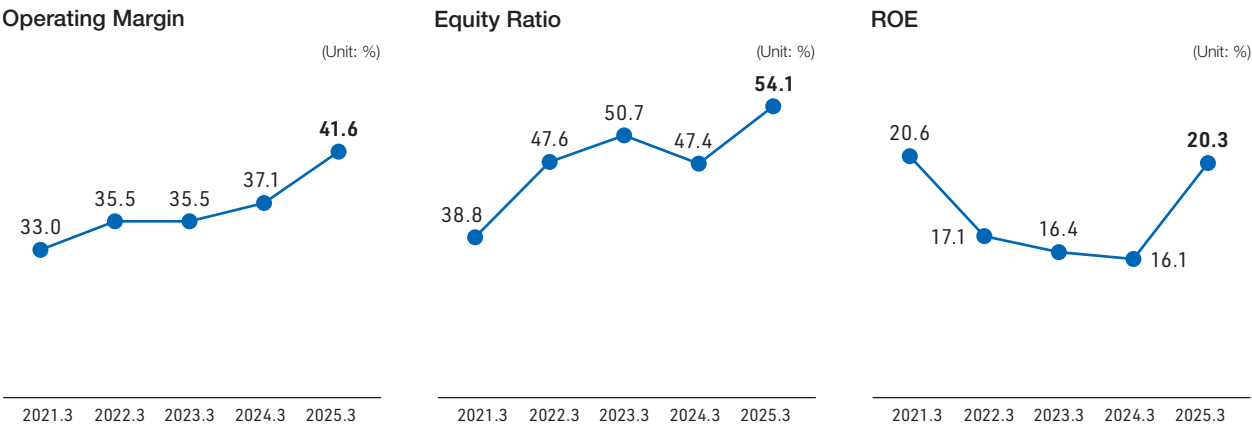
In 2023, we identified our materiality (see the diagram below) and set clear KPIs for each department to ensure responsible action. For example, the Sales Department has specified quantitative targets, including the number of waste reduction proposals and discussions with local governments. Through action plans to achieve KPIs in each department, we will advance our sustainability strategy comprehensively and effectively.

## Upholding commitment to pursue both shareholder value and social responsibility through long-term corporate value enhancement

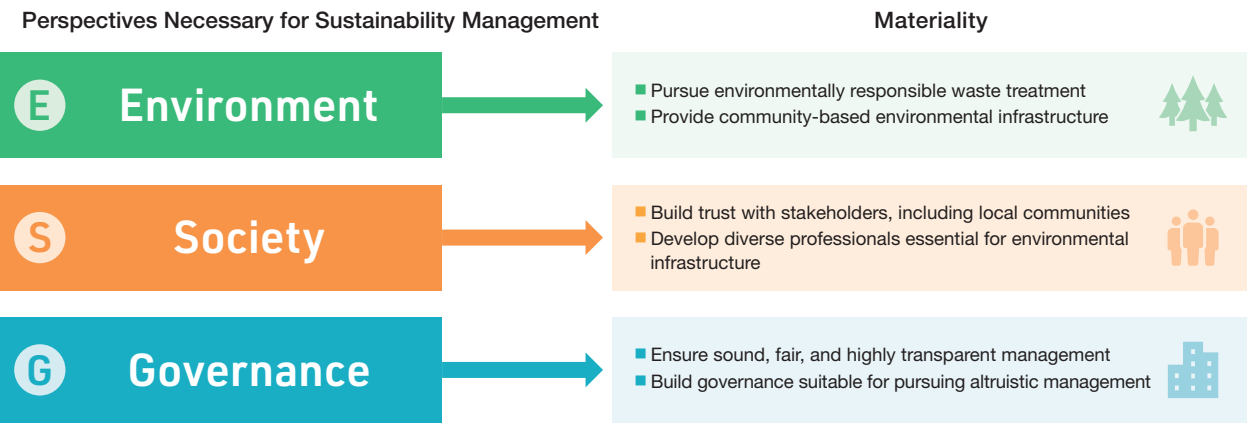
Financial and capital strategy, along with sustainability management, are essential for maximizing corporate value. For the sustainable enhancement of corporate value, it is essential to strengthen our financial foundation, provide community-based environmental infrastructure, and make growth investments with a sustainability perspective. Through long-term corporate value enhancement, the MIDAC Group will uphold its commitment to pursuing both shareholder value and social responsibility, thereby continuing to contribute to society.

We ask our stakeholders for their continued support and guidance.

### Financial & Management Indicators (Consolidated)



### Material Sustainability Issues







## Contributing to further growth as a comprehensive waste treatment company and enhancing corporate value

### Yoshitake Kawakami

Director, Full-time Audit and Supervisory Committee Member

I am currently writing this message at a coworking space in Urugi Village, Nagano Prefecture, where the MIDAC Group has a partnership. Surrounded by the crisp air, lush green mountains, and the warmth of the local people, I am reminded of the importance of the Group's collaboration with local communities.

Our Company has business models and strengths cultivated over its long history. These include industrial waste treatment, technological innovations in the recycling industry, the creation of new business models, and the strengthening of collaboration with local communities. They are all essential for realizing a sustainable society and serve as the foundation for the Group's growth strategy. As a Full-time Audit and Supervisory Committee Member, I am committed to enhancing corporate value through the reinforcement of corporate governance. I aim to achieve this by strengthening our audit system in close cooperation with outside Audit and Supervisory Committee Members and the Internal Audit Department. I look forward to the Group's continued growth as a comprehensive waste treatment company with an eye on its future.

## Supporting the Company's growth by playing a role in realizing its long-term vision

### Tetsuya Okugawa

Outside Director, Audit and Supervisory Committee Member

Audit and Supervisory Committee Members complement the Board of Directors' supervisory function by auditing the directors' execution of their duties based on the Companies Act and the Corporate Governance Code. Our activities aim to contribute to the Company's sustainable growth, enhance medium- to long-term corporate value, manage risk, and ensure rationality in management decisions.

I aim to contribute to our Company by performing my role as an Audit and Supervisory Committee Member, auditing management from multiple perspectives. I will draw on my experience working with numerous listed companies, my tenure as an outside director at other listed firms, and my academic perspective as a visiting professor at a graduate law school.

In 2022, the MIDAC Group formulated its Medium-term Plan toward realizing its 10-Year Vision "Challenge 80th." The Company has pursued both organic and M&A investments to realize this vision, consistently delivering results. As Audit and Supervisory Committee Members, we aim to support the Company's growth while fulfilling our responsibilities effectively.



## Devoting to fulfilling lofty and noble aspirations as an environmental creation group

### Shinji Ishikawa

Outside Director, Audit and Supervisory Committee Member

I deeply resonate with the MIDAC Group's management philosophy of passing on to the next generation our beautiful and irreplaceable planet—its water, land, air, and all life thriving together.

I was appointed as an Audit and Supervisory Committee Member as a legal professional, and what is essential for such professionals is the legal mind. While this concept has multiple interpretations, in short, it means making objective judgments on matters from a legal perspective. I always strive to thoroughly discuss management issues at meetings, including the Board of Directors, and to actively communicate with management. I also provide opinions based on objective judgment from a legal perspective while maintaining independence.

The Group has established its 10-Year Vision "Challenge 80th," aiming to evolve into an industry-leading comprehensive waste treatment company, and is now on that journey. To maintain our Group's lofty and noble aspirations and fulfill its social responsibilities as an environmental creation group, I will devote myself from my position as an Audit and Supervisory Committee Member.

## Supporting internal control enhancement to keep pace with rapid growth and future corporate value

### Hatsuo Hyoyama

Outside Director, Audit and Supervisory Committee Member

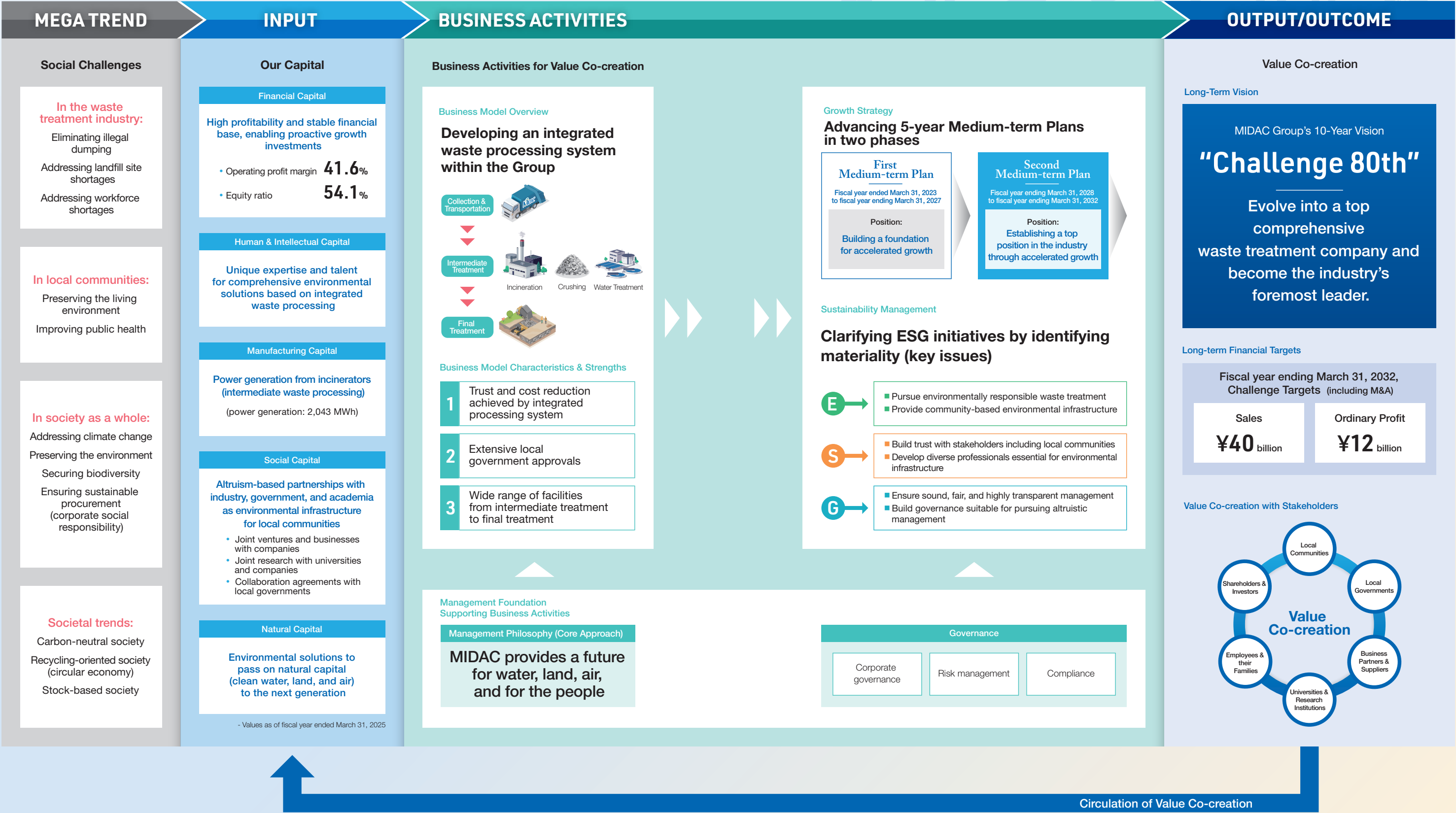
MIDAC has grown as an expert in industrial waste treatment with 73 years of history. The Company has rapidly grown since its listing on the Second Section of the Nagoya Stock Exchange in December 2017, achieving sales of ¥10,905 million and ordinary profit of ¥4,450 million in just eight years, representing 2.85 and 7.54 times growth, respectively. Therefore, the business still has areas under development.

Developing human resources is a priority for strengthening our internal controls and governance. What I observe at the annual employee training sessions is that MIDAC Group employees find purpose and value in being appreciated by others, with a strong awareness of environmental preservation and a commitment to social contribution. One of the Company's strengths is that such an SDG mindset is embedded in every officer and employee. With this corporate culture, I look forward to seeing diverse talents flourish and thrive within the Group.

As part of our medium- to long-term management policy, we plan to achieve further growth and expand our business scale and market reach through internal facility development and proactive M&A. Based on my extensive experience, particularly in loan screening across various industries, financial analysis, and corporate credit rating, I will actively provide my opinions at Board of Directors meetings to support enhancing future corporate value.



As an environmental solutions group, co-creating value with stakeholders, starting with local communities

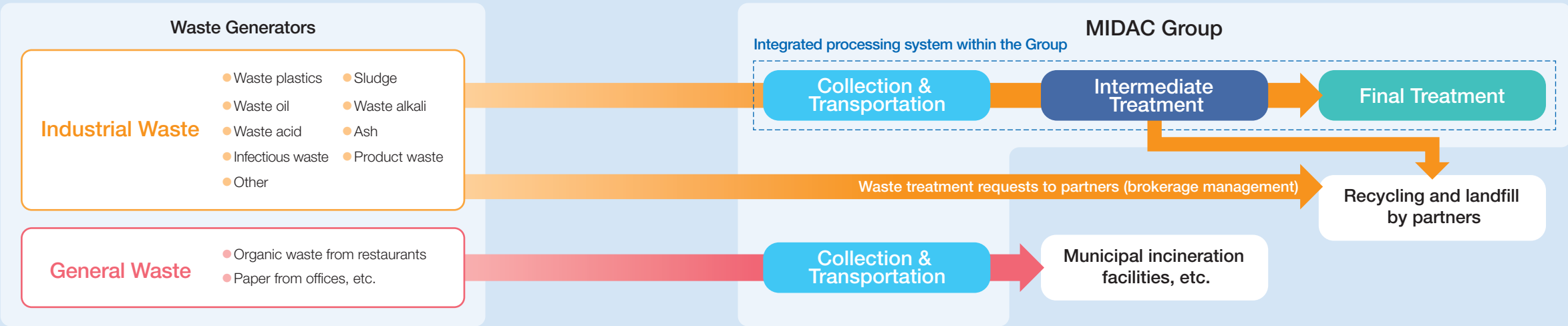




Integrated processing system built on extensive facilities

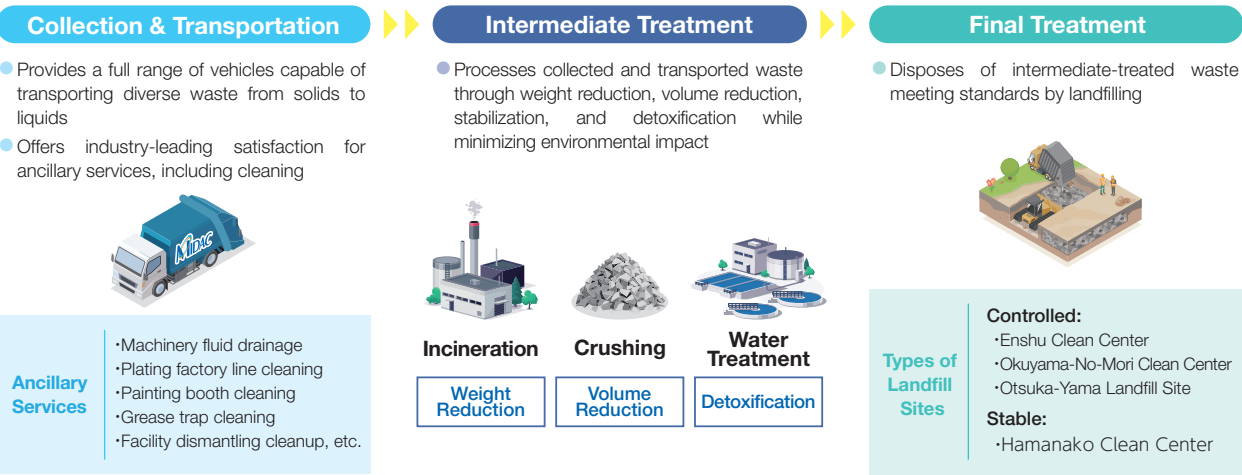
enabled by broad local-government approvals

The MIDAC Group has developed an integrated processing system that handles everything from waste collection and transportation to final treatment internally, making it a foundational strength of the Group. The Group has also secured broad competitive advantages by obtaining numerous approvals to operate a wide range of treatment facilities. As a result, we have built solid trust with local communities, including local governments and residents.



Characteristics & Strengths 1 | Trust and Cost Reduction Achieved by Integrated Processing System

We eliminate customer concerns about improper processing and reduce total waste treatment costs through our integrated processing system.



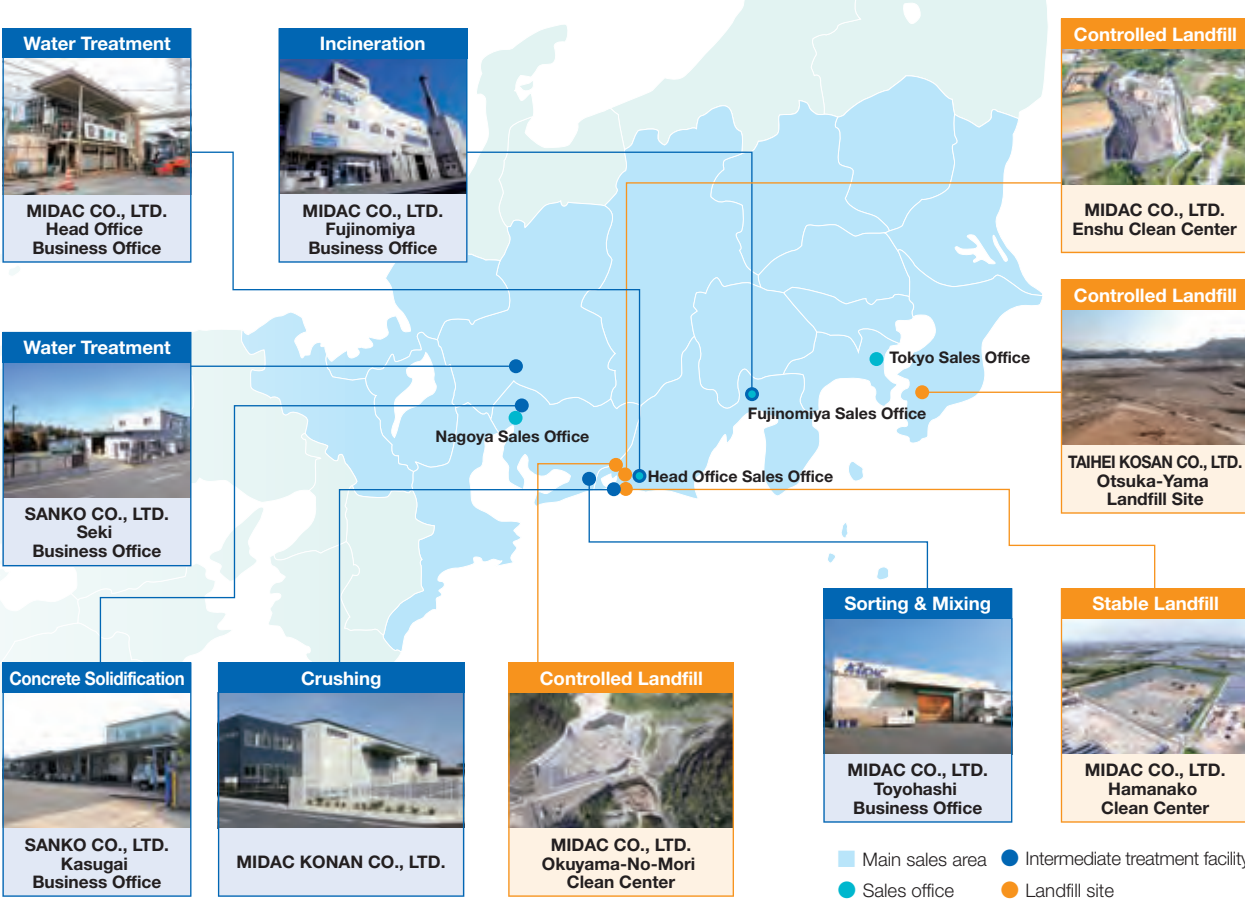
Characteristics & Strengths 2 | Extensive Local Government Approvals

We ensure solid operations backed by high trust from local authorities through extensive local government approvals.

- Collection & Transportation** : 44 permits from 17 local governments for industrial waste; 10 permits obtained from 7 local governments (Hamamatsu City, Iwata City, Fukuroi City, Mori Town, Kakegawa City, Fujinomiya City, Tsu City) for general waste collection and transportation from offices, etc.
  - Intermediate Treatment** : 10 permits from 5 local governments (Gifu Prefecture, Shizuoka Prefecture, Hamamatsu City, Toyohashi City, Aichi Prefecture); Incineration approval obtained at Fujinomiya Business Office for general waste, including household waste under local government responsibility.
  - Final Treatment** : Permits from Hamamatsu City and Chiba Prefecture.
- The above permits are all held by the MIDAC Group

Characteristics & Strengths 3 | Wide Range of Facilities from Intermediate Treatment to Final Treatment

As a comprehensive waste treatment company, we serve a diverse range of customers with a wide array of treatment facilities, without relying on specific waste types or industries.



MIDAC Group's 10-Year Vision

# “Challenge 80th”

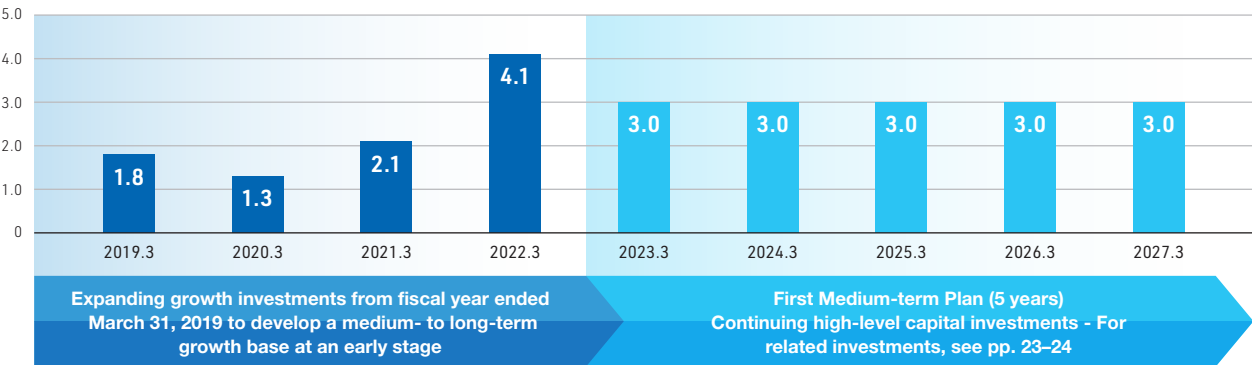
In 2022, on the MIDAC Group's 70th anniversary, we launched the Group's 10-Year Vision “Challenge 80th” to realize our vision for the 80th anniversary in a decade. To achieve this, we have decided to advance our Medium-term Plan in two phases. In the current First Medium-term Plan, we are pursuing our growth strategy through proactive investment in growth.

Proactively making growth investments through both organic and M&A investments to realize “Challenge 80th”

## Overview & Progress of Organic Investments

To achieve Organic Growth, we will continue to make active growth investments during the five years of the First Medium-term Plan, advancing a capital investment plan of approximately ¥3 billion annually, totaling around ¥15 billion over the five-year period.

► Capital Investment Amounts (Unit: billion yen)



Proactive investments in the four years up to fiscal year ended March 31, 2022 are steadily strengthening our growth base

**Landfill site** **Okuyama-No-Mori Clean Center**  
(controlled landfill site)

Opened February 2022

**Intermediate treatment facility** **Incineration Facility in Kumagaya City**  
(facility name undecided)

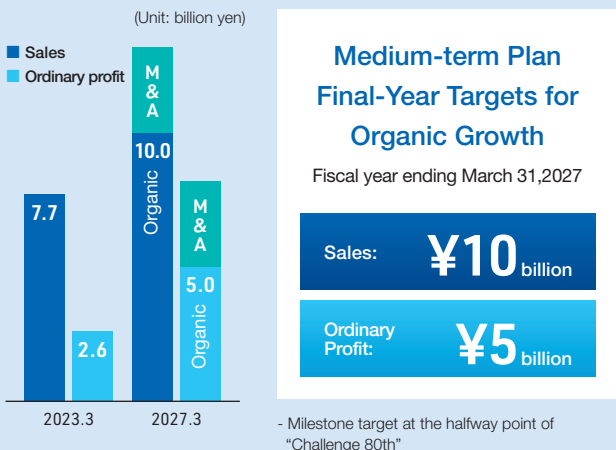
\* Photo for illustrative purposes only  
Land obtained November 2021

**Intermediate treatment facility** **Water Treatment Facility in Hamamatsu City**  
(Miyakoda Techno Plant)

\* Photo for illustrative purposes only  
Land obtained December 2019  
Installation permit issued by Hamamatsu City in July 2024  
Planned to open in or after April 2026

► First Medium-term Plan

Fiscal year ended March 31, 2023 to fiscal year ending March 31, 2027



► Second Medium-term Plan

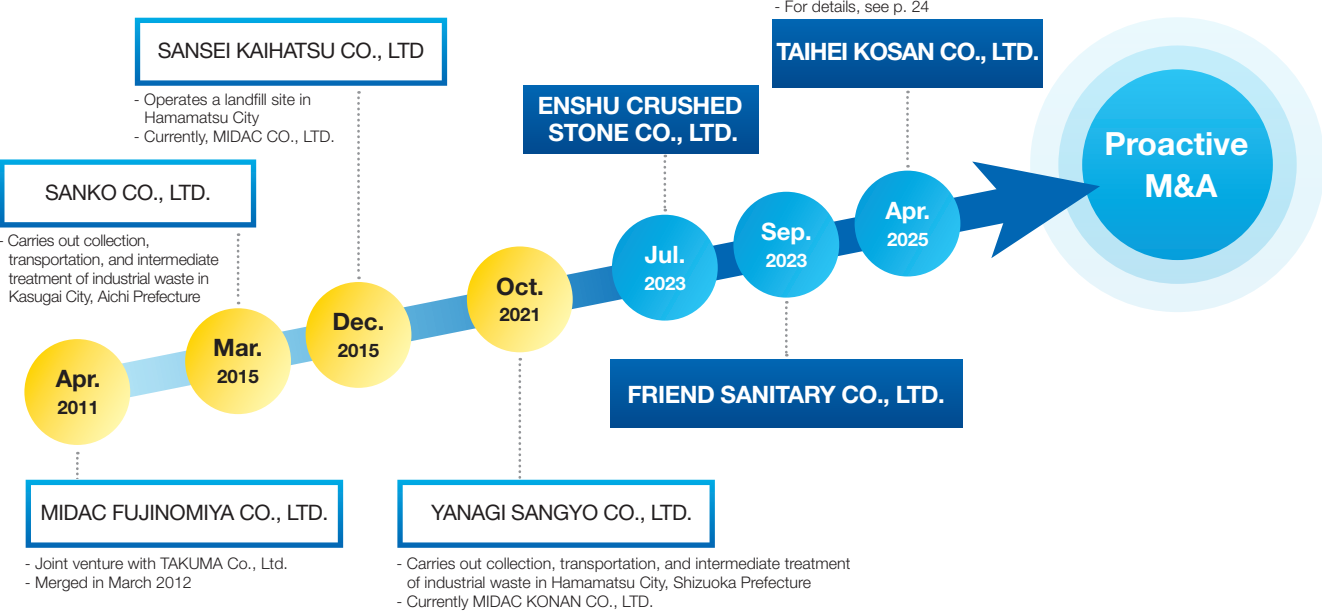
Fiscal year ending March 31, 2028 to fiscal year ending March 31, 2032



## Overview & Progress of M&A Investments

Building on our M&A track record, we will proactively advance M&A to facilitate speedy site development, with an eye to expanding our business areas into the Kanto region.

► Our M&A Track Record



### Overview of ENSHU CRUSHED STONE CO., LTD.

After the acquisition, we completed the necessary procedures to enter the excavated soil disposal business by April 2024. By commissioning the handling of excavated soil produced in the Phase 2 to 4 construction at Okuyama-No-Mori Clean Center to this company, the Group has achieved in-house disposal of excavated soil.



### Overview of FRIEND SANITARY CO., LTD.

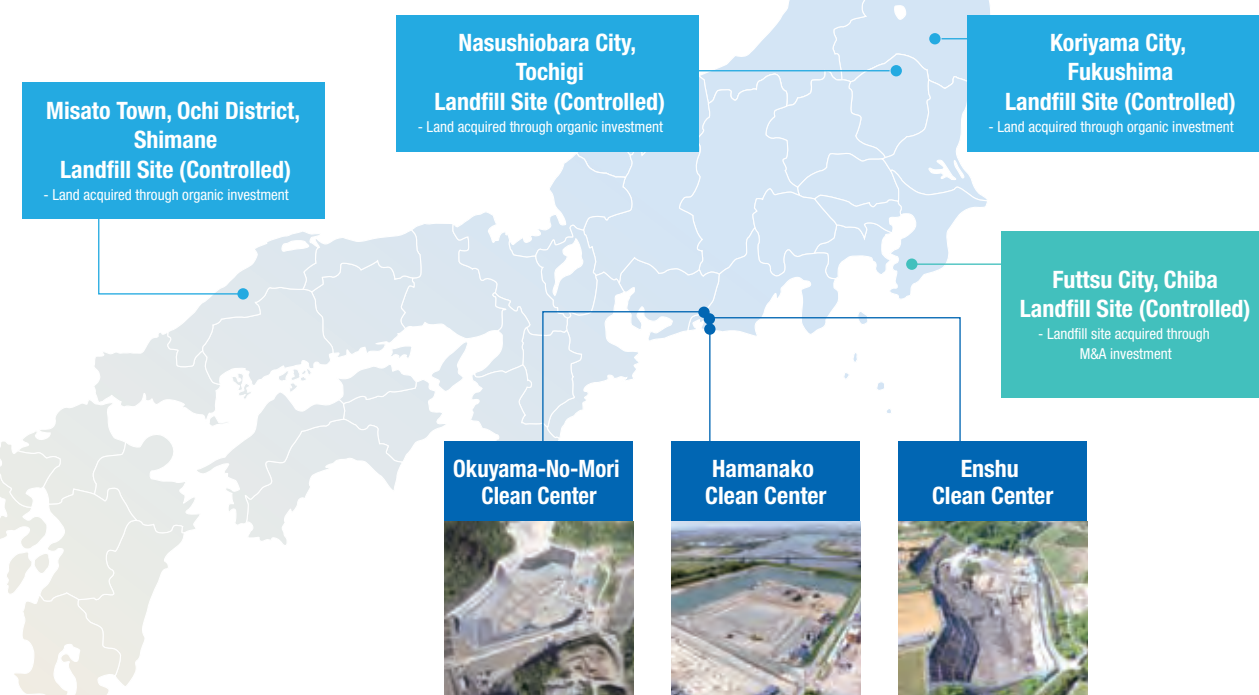
To achieve our key measure of “Expand collection and transportation capabilities” as part of strengthening our integrated waste processing system, we acquired this company based in Tsu City, Mie Prefecture. This acquisition enabled us to expand into areas surrounding our existing operations.





## Through proactive growth investments via organic and M&A investments, the Group's competitiveness in its core final treatment business is rapidly increasing.

The MIDAC Group's most critical measure in its growth strategy is to further expand its competitiveness in final treatment, its core business. Over the three and a half years since launching this initiative, our proactive growth investments have resulted in the acquisition of three new sites (in-house development projects) through organic investment and one landfill site through M&A investment. We are steadily advancing preparations to expand our competitive advantage in final treatment.



### Approvals planned for the opening of two large-scale landfill sites currently under development in Eastern Japan

#### Landfill site (controlled) in Koriyama City, Fukushima



#### Landfill site (controlled) in Nasushiobara City, Tochigi



In the First Medium-term Plan, we announced our policy to develop two sites internally in Eastern Japan. Currently, these sites are steadily progressing toward obtaining approval. One site is in the Tohoku region (Koriyama City, Fukushima), and the other is in the Kanto region (Nasushiobara City, Tochigi). Both are expected to be large-scale landfill sites in their respective regions.

### Approval planned in Shimane to capture landfill demand in Western Japan

#### Landfill site (controlled) in Misato Town, Ochi District, Shimane

While Western Japan was outside the scope of our initial growth strategy, we decided to acquire land in Misato Town, Ochi District, Shimane, anticipating landfill demand. With a landfill capacity of approximately 4.00 million m<sup>3</sup>, it is expected to be the largest site in the Chugoku region, surpassing that of the Group's largest facility, Okuyama-No-Mori Clean Center.



### Business areas expanded into the Kanto region by acquiring Taihei Kosan Co., Ltd.

#### Landfill site (controlled) in Futtsu City, Chiba

##### Overview of Taihei Kosan:

- Waste treatment operator realizing proper waste processing and a scientific, environmentally efficient waste treatment system
- First industrial waste treatment operator in Japan to obtain ISO 14001 (1997)
- Operator of a controlled landfill site in Chiba
- Site expansion considered in the long term



By accelerating site expansion through proactive **“Supportive M&A”** investments, we will significantly boost landfill capacity in the medium to long term.

In reviewing the acquisition of Taihei Kosan, the Company recognized that issues surrounding landfill sites can no longer be overlooked. We also recognized that executing “Supportive M&A,” which leverages our experience and expertise necessary for extending landfill site lifespan, is essential to respond accurately to these issues. Going forward, we will actively pursue “Supportive M&A” investments, advancing value co-creation with society and the industry.

#### Societal Issues

Chronic shortage of landfill sites (limited remaining capacity)

Creation of sustainable local communities (growing needs for environmental burden reduction)

#### Industrial Issues

Difficulty in landfill site management (difficulty in appropriate business operations)

Maintenance and management of sites after landfill completion (difficulty in business continuity)

#### Conduct **“Supportive M&A”** to extend landfill site lifespan

##### Extensive industry experience and track record

- Expertise in proper landfill site operation
- Operation of intermediate treatment facilities to reduce the burden on landfill sites

##### Stable financial base and funding

- Capital support and management resource provision through a stable financial base

##### Business continuity support after M&A

- Stable business continuity support through accurate post-merger integration (PMI) after M&A, built on extensive M&A experience

#### Future

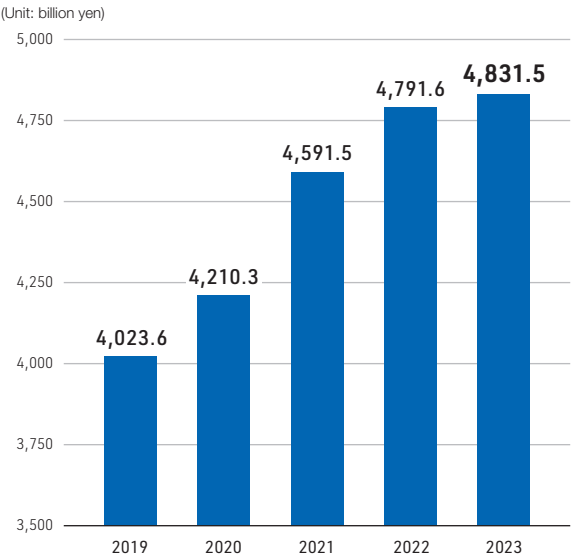
### Focusing on **“Supportive M&A”** investments

Accelerate the Group's unique M&A approach that contributes to resolving societal and industrial issues.

► Overview of the Industrial Waste Industry

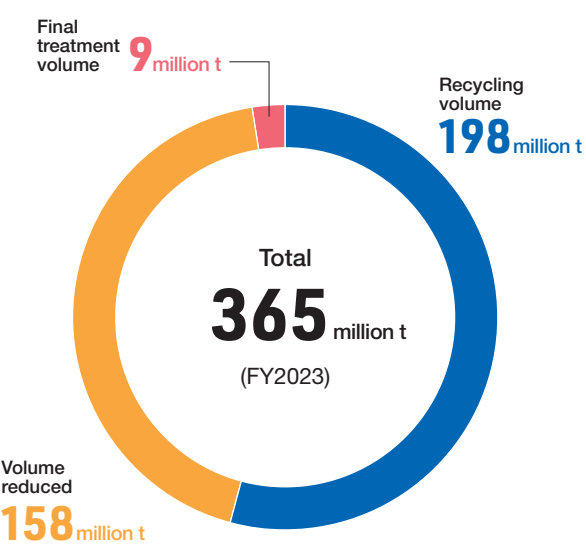
Waste Treatment & Recycling Service Market Size

(Waste treatment & recycling service market size in Japan, estimated values)



Source: Ministry of the Environment, *Report on the Market and Employment Size, etc. of the Environmental Industry* (March 2025)

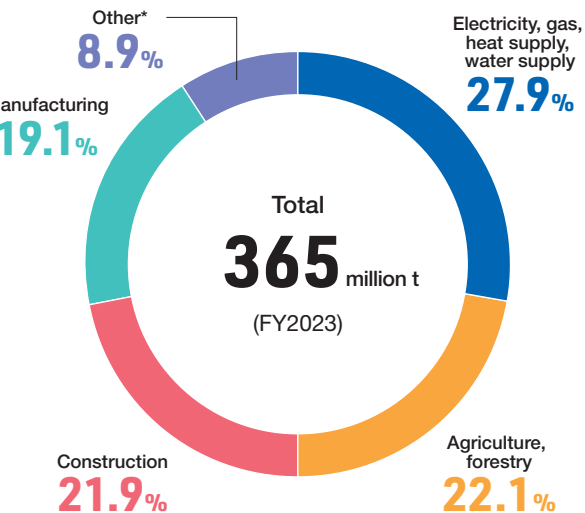
Total Industrial Waste Discharge



Source: Ministry of the Environment, *Industrial Waste Discharge and Disposal Status Survey Report* (2023 preliminary)

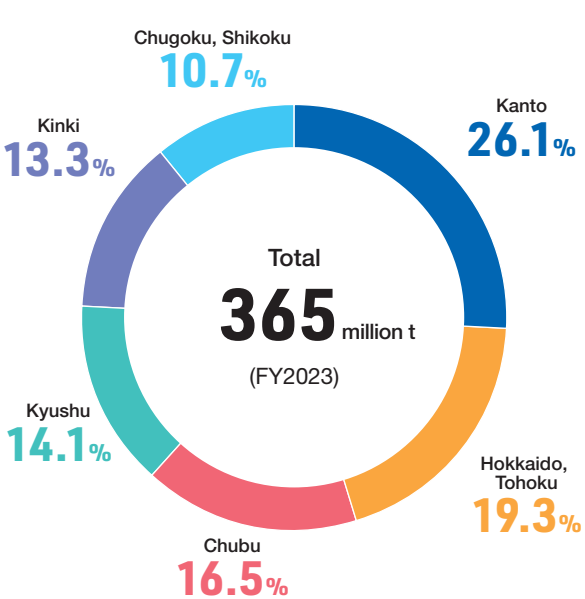
Industrial Waste Discharge Ratio by Industry

\*Chemical industry, food manufacturing, mining, ceramics & stone products manufacturing, electronic, electrical, and telecommunications equipment, food, tobacco, feed, and other industries



Source: Ministry of the Environment, *Status of Industrial Waste Discharge and Disposal* (2023 preliminary)

Industrial Waste Discharge Ratio by Region




Source: Ministry of the Environment, *Status of Industrial Waste Discharge and Disposal* (2023 preliminary)

► Current Status and Future of Final Treatment

Final treatment will inevitably continue, making landfill sites indispensable for society.

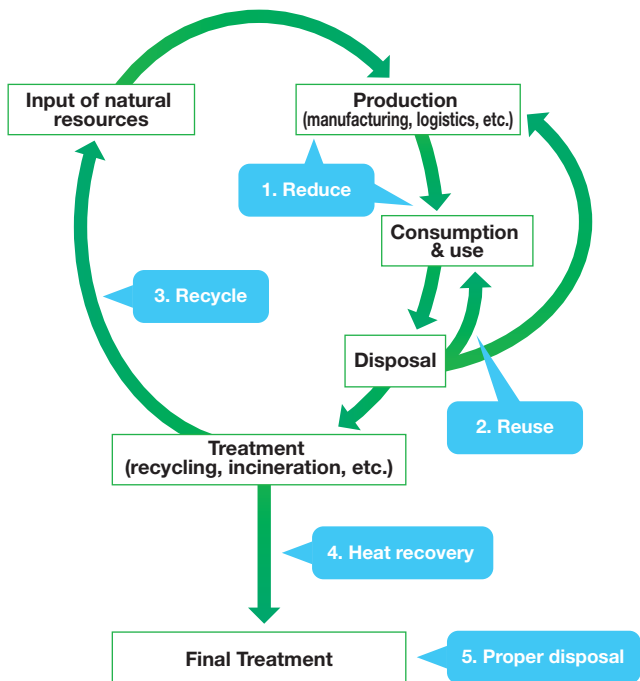
- The remaining capacity of landfill sites is approximately 180.63 million m<sup>3</sup> nationwide, an increase of approximately 3.04 million m<sup>3</sup> (1.7%) since FY2022.
- Remaining years of landfill sites as of April 1, 2023, are 20.0 years nationwide and 11.7 years in the metropolitan area.
- The number of approved landfill site installations nationwide is 1,551.

Final Treatment Volume	Remaining Capacity of Landfill Sites (As of April 1, 2023)	Remaining Capacity and Years of Industrial Waste Landfill Sites (As of April 1, 2023)																										
<div>FY2023 Results:</div> <div>9million t</div> <div></div> <div>FY2030 Target:</div> <div>11million t</div>	<table><tr><th>Landfill site</th><th>Capacity (10,000 m³)</th></tr><tr><td>Sealed landfill site</td><td>2</td></tr><tr><td>Stable landfill site</td><td>6,625</td></tr><tr><td>Controlled landfill site</td><td>11,435</td></tr><tr><td>Total</td><td>18,063</td></tr></table>	Landfill site	Capacity (10,000 m³)	Sealed landfill site	2	Stable landfill site	6,625	Controlled landfill site	11,435	Total	18,063	<table><tr><th>Category</th><th>Final Treatment Volume (10,000 t)</th><th>Remaining Capacity (10,000 m³)</th><th>Remaining Years (years)</th></tr><tr><td>Nationwide</td><td>902</td><td>18,063</td><td>20.0</td></tr><tr><td>Metropolitan area</td><td>161</td><td>1,874</td><td>11.7</td></tr><tr><td>Kinki area</td><td>137</td><td>2,491</td><td>18.2</td></tr></table>	Category	Final Treatment Volume (10,000 t)	Remaining Capacity (10,000 m³)	Remaining Years (years)	Nationwide	902	18,063	20.0	Metropolitan area	161	1,874	11.7	Kinki area	137	2,491	18.2
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Source: Ministry of the Environment, *Status of Establishment of Industrial Waste Treatment Facilities and Permits for Industrial Waste Treatment Businesses* (2022 results)

► New Framework Based on the Basic Act on Establishing a Sound Material-Cycle Society

“3R+Renewable”



- The Basic Act on Establishing a Sound Material-Cycle Society (promulgated in June 2000) legalized waste treatment priorities for the first time.

- 1 “Reduce”
- 2 “Reuse”
- 3 “Recycle”
- 4 Heat recovery
- 5 Proper disposal

- The “3R + Renewable” initiative is outlined as a basic principle in the Plastic Resource Circulation Strategy announced in May 2019, gaining increasing attention.

Background

Since the 1990s, the introduction of 3R frameworks and legal systems has progressed globally. As a result, the circular economy, which aims to create a recycling-oriented society through business activities, has been gradually adopted.

- The importance of reverse logistics industries has been demonstrated alongside forward logistics industries.
- The explicit inclusion of “heat recovery” and “proper disposal (final treatment)” is particularly important for the industrial waste industry.



In order to pass on a beautiful and irreplaceable planet to the next generation, where the water, land, air, and people can all flourish together, the MIDAC Group is aware of its social responsibility as a leading environmental creation group and is committed to pursuing environmentally friendly waste treatment.

MIDAC Group Sustainability Policy

The MIDAC Group’s sustainability policy is based on our management philosophy: “In order to pass on a beautiful and irreplaceable planet to the next generation, where the water, land, air, and people can all flourish together, the MIDAC Group is aware of its social responsibility as a leading environmental creation group and is committed to pursuing environmentally friendly waste treatment.” Thus, our sustainability policy is to pursue sound, fair, and highly transparent management and environmentally friendly waste treatment, and, through building relationships with local communities and other stakeholders and providing community-based environmental infrastructure, we aim to enhance the Group’s corporate value over the medium to long-term and achieve sustainable growth for society.

As part of our efforts to address climate change, in June 2022 the Group announced its support for disclosure based on the Task Force on Climate-related Financial Disclosures (TCFD).Based on our endorsement of the TCFD recommendations, the Group analyzes the risks and opportunities that climate change poses to our business and promotes information disclosure.

E

Environmental Initiatives..... P31



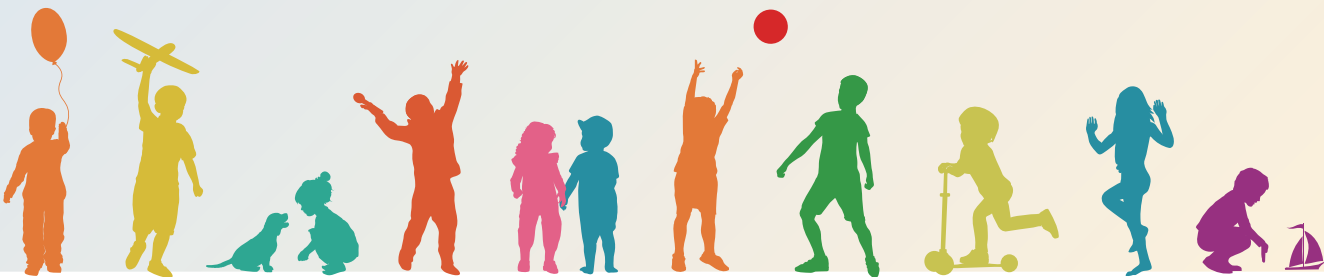
S

Human Capital Initiatives ..... P35  
Safety and Health Initiatives ..... P39  
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G

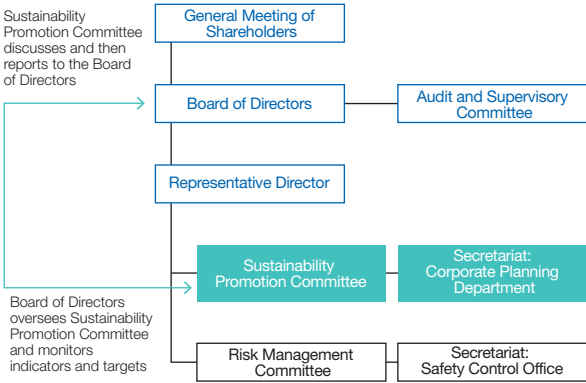
Corporate Governance..... P47



Sustainability Promotion System

We have established the Sustainability Promotion Committee in order to take a cross-sectional and flexible approach to issues surrounding sustainability, including consideration of climate change and other global environmental issues, respect for human rights, fair and appropriate treatment of employees and their health and working environment, fair and appropriate transactions with business partners, and risk management for natural disasters and other incidents. The Sustainability Promotion Committee is an entity that promotes the Group’s sustainability management by considering, deliberating and making decisions on the fundamental policies and company-wide initiatives of that management. It is chaired by the Company’s President and Representative Director and is composed of committee members recognized as suitable based on the duties they oversee, including the Company’s directors and senior executives, and representative directors of affiliated companies.

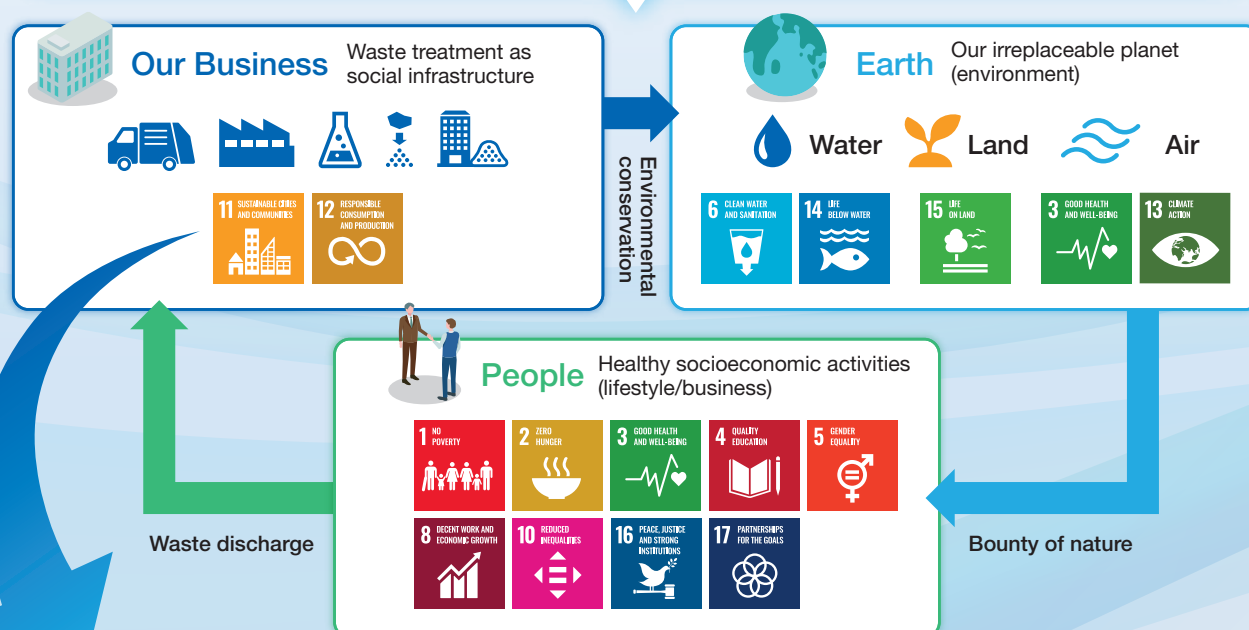
The Sustainability Promotion Committee met a total of four times in FY2024 to prepare various policies on sustainability and discuss and consider action plans for each department.



# MIDAC × SDGs

## Management Philosophy

In order to pass on a beautiful and irreplaceable planet to the next generation, where the water, land, air, and people can all flourish together, the MIDAC Group is aware of its social responsibility as a leading environmental creation group and is committed to pursuing environmentally friendly waste treatment.



## Goals Related to Waste Treatment

The goals that have a major connection to No. 11 and No. 12 are as follows:

- |   |   |
|---|---|
| <p><b>11</b> Sustainable Cities and Communities</p> <p><b>11.6</b> Manage air and waste to reduce the negative environmental impact of cities</p> | <p><b>12</b> Responsible Consumption and Production</p> <p><b>12.4</b> Reduce emissions to air, water, and soil through appropriate management of chemicals and waste</p> |
|---|---|

## Relationship with Urugi Village, Nagano Prefecture

### ► Installation of Birdhouses at Atebidaira Birdwatching Forest

We installed 20 birdhouses at Atebidaira Birdwatching Forest in FY2024. To protect the ecosystem of wild birds living in Atebidaira Birdwatching Forest, birdhouses were assembled and installed in cooperation with members of the Atebidaira Birdwatching Forest Environment and Biodiversity Council.

### What is the Atebidaira Birdwatching Forest?

The Atebidaira Birdwatching Forest is an approximately 60ha second-growth forest at the eastern foot of Mt. Chausuyama, at an elevation of 1,200m. It is located in Urugi Village in Shimoina District, Nagano Prefecture. The entire area is designated as a National Parks Act Class 1 Special Area in Tenryu-Okumikawa Quasi-National Park. In each season, a diverse range of wild birds and flora can be observed there.

### ► Birdwatching

We hosted monthly bird-watching events at Atebidaira Birdwatching Forest, featuring lecturers from the Wild Bird Society of Japan. Participants enjoyed observing wild birds and listening to their songs.

### ► Autumn Festival

On November 3, 2024, the Company exhibited at the New Rice Festival during the Autumn Festival in Urugi Village, displaying recycling vehicles and selling fruits from Iwahara Orchard.

### ► Urugi Trial RUN

On October 13, 2024, the 9th Urugi Trial RUN was held. Our employees participated as runners and volunteer staff.

Watch it on YouTube



## Initiatives for Promoting the SDGs

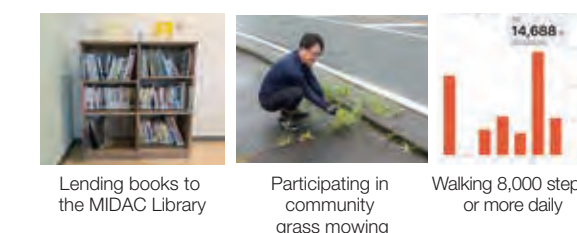
# Connecting SDGs to the Future

## MSLP System (MIDAC Sustainable Life Point)

With the aim of raising awareness through the promotion of SDGs activities by each employee, we replaced the D (Development) in SDGs with L (Life) to create the Group's unique MSLP System, and employees undertake activities under this system. Employees are awarded points for carrying out and reporting on company-determined activities in their daily lives that contribute to the environment and society. Rewards were paid to each employee according to the number of points they earned in FY2024 as well.

## ► FY2024 MSLP initiative

Total number of points: **668,500pt**

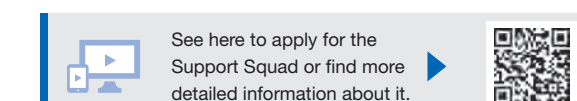


## MIDAC SDGs Support Squad

With the aim of expanding the MSLP system not only within the Group but also in the local community, we launched the MIDAC SDGs Support Squad system from 2021.

A total of 34 people applied to the MIDAC SDGs Support Squad by the end of FY2024 and engaged in such activities as the MSL declarations or the SDGs test.

Points earned through the activities were converted to activities for social contribution, such as donations to the Children's Cafeteria.



## Relationship with the Environment

The Company acquired ISO14001 certification in 2001, and we have maintained our certification without any problems over the 23 years since then. In FY2024, MIDAC Holdings and all 13 bases of its consolidated subsidiaries were audited, and our certification was retained. An external review cited 9 different strengths of our environmental management system.

Both internal environmental audits and compliance audits identified no areas for improvement. We continue our daily efforts to build a better management system.

## Installation of Solar Power Panels

We installed self-consumption solar power panels on the roofs of Okuyama-No-Mori Clean Center and the factory operated by MIDAC KONAN CO., LTD. The panels generate approximately 67 kW and 84 kW of renewable energy, respectively. An annual CO<sub>2</sub> reduction of approximately 83.9 tons is expected.





To realize a carbon-neutral society by 2050, the MIDAC Group is working on the following CCUS\* initiatives.

\* Carbon dioxide capture, utilization and storage: technology to separate, capture, store, and utilize CO<sub>2</sub>

## Environmental Policy

The MIDAC Group is a comprehensive waste treatment company. We conduct the collection, transportation, intermediate treatment, and final treatment of industrial waste, as well as specially controlled industrial waste, and also collect and transport general waste.

### Prevention of Environmental Pollution

We properly treat waste and consistently consider environmental conservation in our business activities to prevent environmental pollution.

### Compliance

We remain firmly committed to the understanding that our business activities are closely tied to global environmental conservation, and we always act with corporate ethics and legal compliance in mind.

### Reduction of Environmental Impact

We promote resource and energy conservation to reduce environmental impact in our business activities.

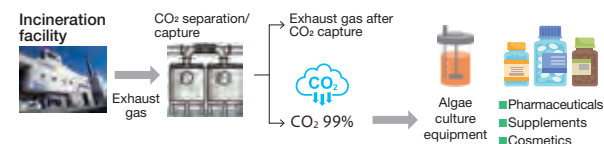
### Continuous Improvement

We pursue continuous improvement by establishing an environmental management system, setting objectives and targets to implement our Environmental Policy, regularly reviewing them, and formulating and executing action plans.

## Microalgae CCU Technology

In April 2023, the Company established MiMiCCU Lab.\*1 to research CCU technology that utilizes CO<sub>2</sub> for culturing microalgae.

### Algae-culturing CCU Image



We are conducting joint research with Saga University to extract and utilize fucoxanthin from algae. MIDAC cultures algae that produce fucoxanthin and extracts and purifies active substances from the algae, while Saga University also handles extraction and purification processes and assesses the biological activity.

### What Is Fucoxanthin?

Anti-obesity Anti-diabetes Anti-cancer Anti-aging

A substance with potential effectiveness in these areas and more.

A pigment found mainly in brown algae (kombu, hijiki, and wakame seaweeds, etc.). This carotenoid is also found in some microalgae and has garnered attention in recent years. Due to its relatively complex molecular structure, artificial synthesis is considered a challenging process.



In FY2024, MiMiCCU Lab. successfully cultivated algae in 100-liter tanks and made progress in extraction and purification technology. Going forward, we will focus on scaling up cultivation toward commercial production, further improving extraction and purification efficiency, and developing commercialization strategies.

For purification, although challenges remain regarding yield, we have now successfully obtained a purified product.

As a member of the Bio Circular Economy Council, MIDAC also conducts various collaborative activities. In



particular, the CO<sub>2</sub> separated and captured at the Saga City Garbage Processing Plant received ISCC PLUS\*2 international certification in October 2024. We are now exploring ways to utilize it in our algae cultivation.

\*1: MIDAC Microalgae CCU Laboratory

\*2: International Sustainability & Carbon Certification: Certifies that raw materials are produced and procured in an environmentally responsible manner

## CCS for Waste Treatment Sites

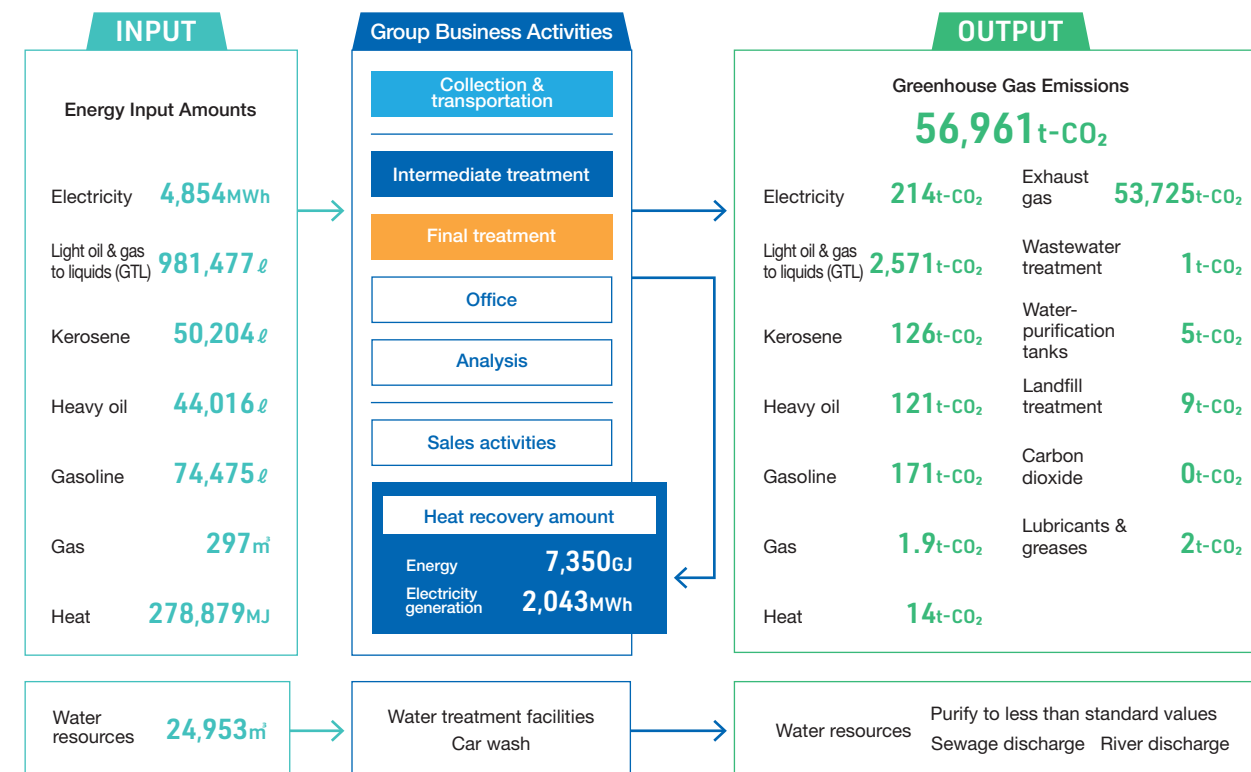
We are moving forward with developing a technology for fixing the CO<sub>2</sub> discharged from waste incineration facilities, etc. to the fry ash produced by incineration facilities, etc., and storing it at controlled landfill sites.

As a result of joint research with Waseda University, we found that up to 0.14g of CO<sub>2</sub> can be fixed in each gram of fry ash, etc. If this research proceeds, it will be capable of shedding light on new value, including that controlled landfill sites will not simply serve roles as waste treatment sites, but as carbon capture facilities that fix CO<sub>2</sub>.



## Material Balance (FY2024 Results)

We strive to understand and analyze the overall picture of the environmental impact generated by our business activities, and to reduce it.



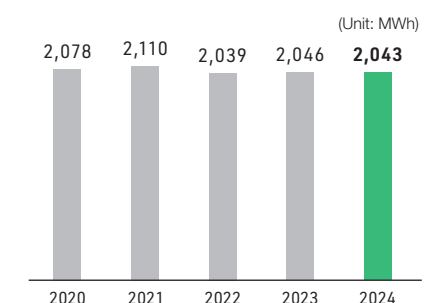
## Electricity Generated at Incineration Facilities

As part of our effort to reduce our environmental impact, we implement energy-saving treatment that leverages the heat generated through waste incineration as much as possible.

### Heat Utilization Equipment and Heat Utilization Methods

<b>Steam Turbine Generator</b>	Steam is produced from the waste heat of combustion gases, power is generated in the steam turbine generator, and the electricity is used within the facility.
<b>Sludge Drying Equipment</b>	A portion of the combustion gases is used as a source of hot air for drying sludge.
<b>Air Heating Equipment for Reducing White Smoke</b>	Heated air is added to exhaust gases to reduce the amount of moisture that is cooled and released into the atmosphere as white smoke. The heat from the combustion gases is used to heat this air.

### Electricity Generation



## Converting High-voltage Power at Offices to Zero-CO<sub>2</sub> Electricity

From October 2021, the Company converted all high-voltage power used at its offices to zero-CO<sub>2</sub> electricity. Zero-CO<sub>2</sub> electricity refers to power that achieves net zero CO<sub>2</sub> emissions during generation through the use of renewable energy or the purchase of non-fossil fuel certificates.

In FY2024, we converted approximately 4,000 MWh of power to zero-CO<sub>2</sub> electricity, reducing our CO<sub>2</sub> emissions by around 2,000 tons\*.

\* The emission factor used is 0.000422 t-CO<sub>2</sub> /kWh, the substitute value from the supplier-specific emission factors for 2024 reporting.





Initiatives Relating to Climate Change (Disclosure Based on TCFD Recommendations)

As part of our efforts to address climate change, in June 2022 the Group announced its support for disclosure based on the Task Force on Climate-related Financial Disclosures (TCFD). Based on our endorsement of the TCFD recommendations, the Group analyzes the risks and opportunities that climate change poses to our business and promotes information disclosure.

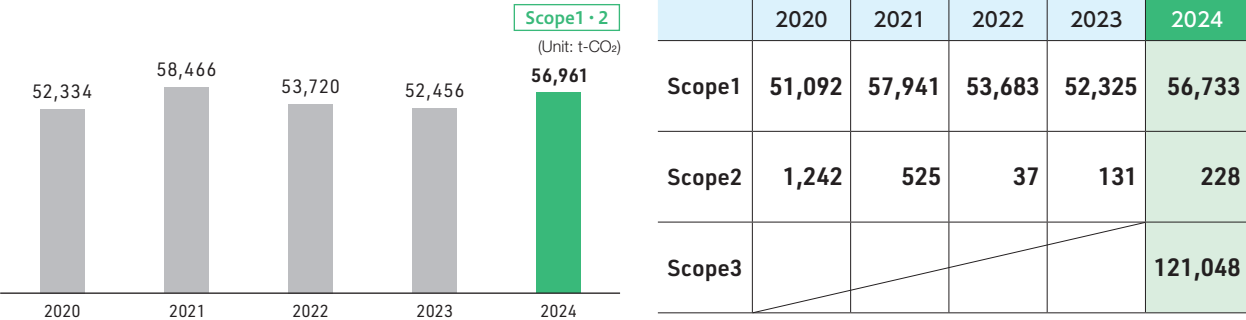
**Governance** ➡ For the Group's sustainability promotion structure, see p. 27

**Sustainability Policy** ➡ For the Group's Sustainability Policy, see p. 27

Greenhouse Gas Emissions

We recognize that a large amount of energy is consumed in the collection, transportation, and treatment of waste, and we are working to reduce the environmental impact of our business activities.

Changes in Greenhouse Gas Emissions (Energy Origin)

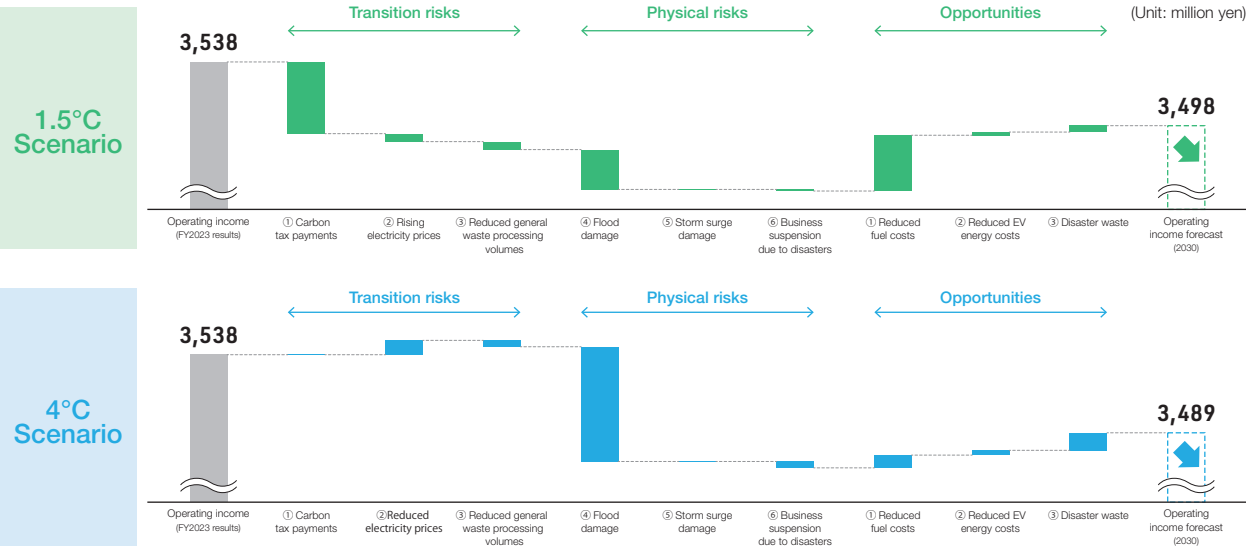


\* Exhaust gas, wastewater treatment, water-purification tanks, landfill treatment, carbon dioxide, and lubricants & greases have been added as disclosure items from 2024. Values prior to 2024 were also recalculated to include these items.

\* Waste discharge from ENSHU CRUSHED STONE and FRIEND SANITARY has been included from 2024. \* Scope 3 has been calculated from 2024.

Strategy

In order to understand business risks and opportunities related to climate change, we conducted scenario analyses, selected climate change risks and opportunities, and evaluated financial impacts. Based on information from the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA), we established two scenarios: 1) global average temperature rise is limited to 1.5°C above pre-industrial levels, and 2) insufficient climate action leads to a rise of up to 4°C above pre-industrial levels. We then analyzed the Group's business environment in 2030.



Analysis of Climate-related Risks and Opportunities

			Expected Time of Occurrence	Projected Critical Risks, Opportunities, and Financial Impact			
				1.5°C Scenario		4°C Scenario	
Transition risks	Policies & regulations	Carbon tax payments	Medium term	Operation costs increase due to the carbon tax imposed on GHG emissions from business activities, including waste collection, transportation, and incineration.	Large	The carbon tax is not introduced at a level that would significantly impact finances.	—
		Reduced sales due to a decline in waste plastic volumes arising from the mandatory use of recycled materials	Medium term	Due to the Act on Promotion of Resource Circulation for Plastics and other relevant regulations, companies are actively utilizing alternative materials and reducing waste. As a result, the Group's waste plastic intake volumes decrease, which in turn reduces profit.	Large	Despite the introduction of the Act on Promotion of Resource Circulation for Plastics, its social enforcement is limited, resulting in a smaller reduction in the Group's waste plastic intake volumes than under the 1.5°C Scenario.	Medium
	Technologies	Capital investment for low-carbon technologies such as CCUS	Medium term	As decarbonization advances, highly efficient facilities and technologies such as CCUS are developed and widespread. As a result, costs arise from the updating and introduction of low-carbon facilities.	Large	Although highly efficient facilities are developed, the development of CCUS and similar technologies is delayed, resulting in lower capital investment costs than under the 1.5°C Scenario.	Large
	Markets	Reduced sales due to decreased waste intake volumes	Long term	More companies changing waste operators based on environmental considerations result in reduced customer base and profit (if no environmental initiatives are implemented).	Large	With current markets already showing waste reduction trends, waste intake volumes are expected to decrease by a certain level or more.	Large
Physical risks	Acute	Increased costs from facility impairments and repair expenses due to flood damage from heavy rain and typhoons	Short term	While the temperature rise is less than under the 4°C Scenario, it continues, increasing the frequency and scale of floods caused by heavy rain and typhoons. As a result, intermediate treatment facilities and landfill sites incur direct damage, and profits decrease due to the suspension of acceptance during repair periods.	Medium	Temperature rise trends continue, increasing the frequency and scale of floods from heavy rain and typhoons. As a result, intermediate treatment facilities and landfill sites incur direct damage, and profit decreases due to acceptance suspension during repair periods.	Large
		Reduced sales from business suspension due to flooding at facilities	Short term				
		Litigation risk from environmental pollution (leaks from tanks, pits, etc.) due to natural disasters	Short term				
Opportunities	Products & services	Increased profit from plastic recycling business expansion	Medium term	Leveraging its expertise in waste plastics, cultivated through collection, intermediate treatment, final treatment, and other operations, the Company enters the plastic material and chemical recycling market to achieve a circular economy, thereby expanding its business and increasing profits.	Large	We will secure profits by accepting a certain amount of waste plastic that cannot be recycled.	Large
		Increased profit from solar panel recycling business	Short term	Due to increased demand for the reuse and recycling of used solar panels and related products, the solar panel recycling business is expanding, resulting in increased profits.	Large	As solar panels are already widespread, similar to the 1.5°C Scenario, increased demand for the reuse and recycling of used solar panels and related products expands the solar panel recycling business, resulting in increased profits.	Large
	Markets	Increased profit opportunities due to expanded needs for waste treatment, producing fewer GHG emissions	Medium term	As environmental awareness among industrial waste generators increases, more companies are changing waste treatment operators based on environmental considerations, such as reducing GHG emissions. Consequently, the Group, advancing environmentally responsible initiatives as an "environmental creation group," enjoys the opportunity to acquire new customers with increased profit.	Large	With a certain number of companies already working to reduce emissions across their entire supply chain, more companies will likely change waste treatment operators based on environmental considerations, such as GHG emissions under the 4°C Scenario, as well. Consequently, the Group enjoys the opportunity to acquire new customers with increased profits.	Large

Indicators and Targets

Considering the results of the scenario analysis and its role as a waste treatment operator demanded by society, the MIDAC Group recognizes the reduction of GHG (Scope 1 and 2) in its business activities as a material issue. To address this, we have set a target to reduce emissions per unit of sales by 40% by FY2035 compared to FY2024 CO<sub>2</sub> emissions (Scope 1 and 2). Moreover, we have calculated Scope 3 to further contribute to realizing a carbon-neutral society. Through an annual review of progress and results, we strive to advance initiatives across our entire supply chain.

**About the TCFD**

The Task Force on Climate-related Financial Disclosures (TCFD) was established by the Financial Stability Board in December 2015. In order to reduce the risk of financial market instability, the TCFD recommends that companies assess the financial impact of climate change risks and opportunities on their operations and disclose their governance, strategy, risk management, metrics and targets.





The Group works to create a workplace where each and every employee can work energetically, which will lead to sustainable growth and increased value for the Company.

## Human Rights Policy

Guided by its Sustainability Basic Policy, the MIDAC Group has established the following Human Rights Policy to clarify its approach to respect for human rights. Through this policy, we will understand the human rights of all individuals and fulfill our responsibility to respect and uphold these rights. We also expect all our business partners, including those in our supply chain, to understand and support this policy.

### Respect for International Standards and Laws

We support and respect international human rights standards, including the International Bill of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the UN Guiding Principles on Business and Human Rights, and strive to uphold them in our practices. While complying with laws and regulations in each region, when they conflict with international standards, we pursue approaches to maximize respect for internationally recognized human rights norms.

### Respect for Human Rights in Business Activities

In our business activities, we strive not only to avoid violating human rights but also to avoid contributing to human rights violations through our business relationships.

### Scope of the Policy

This policy applies to all officers and employees of the Group.

### Implementation of Human Rights Due Diligence

We verify actual or potential negative human rights impacts that may arise in our business activities and implement measures to prevent or mitigate them.

### Correction and Remedy

When negative human rights impacts occur or when our involvement in such impacts is identified in our business activities, we address them through appropriate means to ensure correction and remedy.

### Education and Training

We conduct education and training for all officers and employees to ensure this policy is effectively implemented in our business activities.

### Information Disclosure and Dialogue

We disclose the progress and results of our efforts to respect human rights, as outlined in this policy, on our website and other platforms, and engage in dialogue with stakeholders regarding the content.

## Health Management Policy

In realizing its Management Philosophy and practicing its Sustainability Basic Policy, the MIDAC Group considers the physical and mental health of each and every employee and their families to be essential above all. We will achieve sustainable corporate growth by creating workplaces where employees can thrive and improving the health literacy of employees and their families.

### MIDAC Group Health Declaration

The MIDAC Group is committed to health management by providing a secure and safe work environment where each employee can work in good health and lead stable lives with sound minds and bodies, together with their families.

### Health Management-based Initiatives

To promote health management, the Group implements various initiatives aimed at maintaining and improving employee health.

#### Regular health checkups

We maintain a 100% participation for regular employee health checkups. We also promote medical consultations for those requiring re-examination or treatment.

#### Appropriate work styles

We promote the MIDAC Omoiyari System, a staggered work hours system that enables flexible work while accommodating life events such as childcare and nursing care, and we encourage its adoption throughout the company.

#### Overtime work reduction

We thoroughly communicate the reduction of overtime work by establishing No-overtime Days three times per week to reduce long working hours.

#### Support for employees with mental health issues

We conduct stress checks to understand employee mental health and improve the work environment, thereby preventing mental health issues among employees.

#### Secondhand smoke prevention

We maintain smoke-free workplaces at all business locations.



## Well-being

At the MIDAC Group, we advocate improving the well-being of individuals and society by aiming to enhance the mental and physical health of our employees, and increase corporate value.

### <Internal Environment Development Policy>

Since its founding, the Group has been committed to developing a secure and stable work environment. To ensure that each and every employee can continue working long-term with peace of mind and in good health, we strive to enhance our internal environment by implementing various systems. For new hires who entered the workforce after spending their student lives in challenging circumstances triggered by the recent pandemic, we have introduced a scholarship repayment support system. It aims to alleviate financial and psychological burdens associated with scholarship repayment and enable new employees to envision their career paths with confidence. For existing employees, we promote preventive healthcare by achieving 100% participation in regular health checkups. Furthermore, we have introduced cancer insurance enrollment and cancer support payment systems to enable employees to continue working by balancing treatment and work even if diagnosed with cancer. We also offer the MIDAC Omoiyari System, our unique flexible work hours system. It is designed to expand options for all employees who work while caring for children or family members, without having to give up their careers due to life events such as childcare and nursing care. By establishing and promoting these measures, we will continue to actively enhance in-house engagement and improve well-being.

### MIDAC's Initiatives

- 1 Reduction in overtime work
- 2 Encouraging employees to take annual paid leave
- 3 Introduction of systems to support childcare
- 4 Initiatives to support female employees
- 5 Initiatives to support the development of the next generation
- 6 Initiatives to correct the idea that the workplace should be given priority

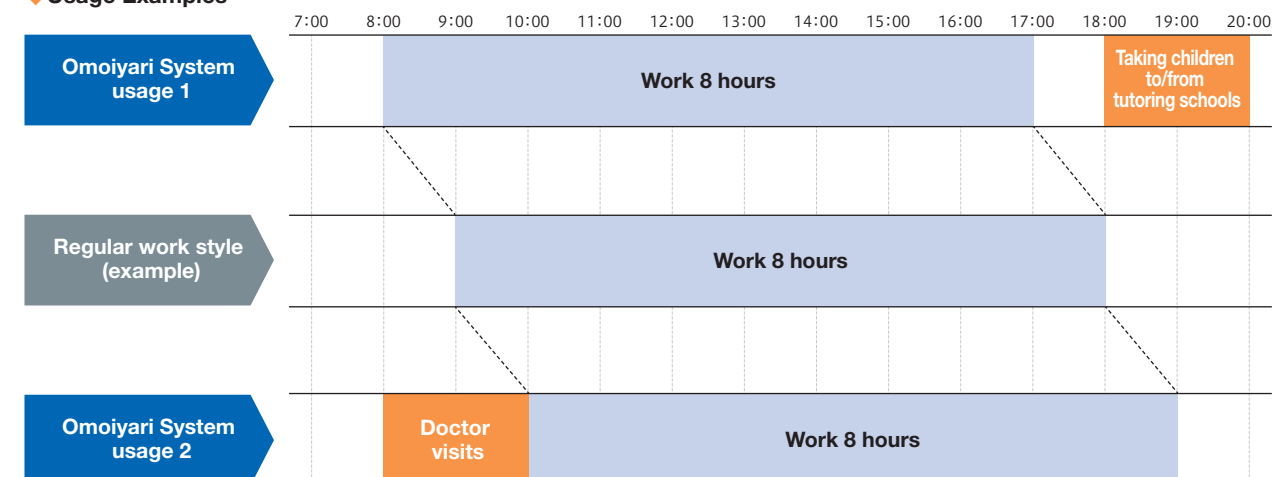
### ►Support for Balancing Work and Childcare/Nursing Care

The Group has strived to create a workplace that enables all employees to work comfortably in order to increase the options available to employees holding jobs while raising children or nursing elderly so that they don't have to give up their careers during such life events.

We have conducted training on childcare leave for managers, and developed an environment conducive to proactive participation in childcare and elderly care in each department. In February 2023, we began operation of the MIDAC Omoiyari System, a system for staggered working hours that adapts flexibly to individual lifestyles. Currently, most users of the system utilize it for childcare purposes. We will continue to promote the system moving forward so that it takes hold.

### MIDAC Omoiyari System

#### ◆Usage Examples





### ▶ Review of Annual Paid Leave

Due to revisions to the Labor Standards Act in accordance with the Work Style Reforms, starting in April 2019, all companies are required to have employees who are granted 10 or more days of annual paid leave per year to take five days per year.

Accordingly, starting in FY2019, the Group has aimed to help employees refresh their minds and bodies and improve their work-life balance through such efforts as revising our system to enable uniform management by setting a base date, and offering guidance for employees and their superiors who are not taking paid leave.

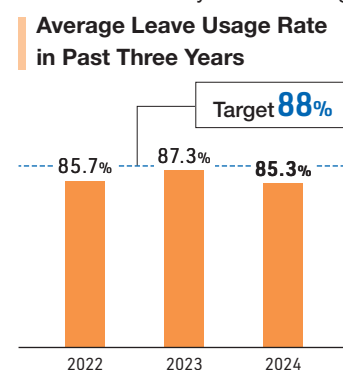
In FY2024, the average leave usage rate across five group companies was 85.3%.

### ▶ Annual Paid Leave Usage Rate

The Group has set a target for the annual paid leave usage rate and is encouraging employees to take their leave to achieve this goal.

Our Group's annual paid leave usage rate of 85.3% in FY2024 significantly exceeds the nationwide average according to the 2024 General Survey on Working Conditions by the Ministry of Health, Labour and Welfare, demonstrating the effectiveness of our leave usage encouragement efforts.

Website of the Ministry of Health, Labour and Welfare (<https://www.mhlw.go.jp/toukei/itiran/roudou/jikan/syurou/24/index.html>)



## Diversity

### ▶ Promoting Active Participation by Women

For female employees who have become working adults and are facing various life events, we are making efforts to create an environment that is easy to work in by adjusting the balance between work and home life. The MIDAC Omoiari System, mentioned previously and adopted as part of this initiative, is being proactively utilized by many employees.

### ▶ Personal Evaluation System

In FY2019, we introduced a new personnel system called the Role Grade System at the Group. The Role Grade System was built with the aim of creating a personnel system that is

### ▶ STOP!! Harassment

In 2013, the Group established regulations regarding harassment such as sexual harassment and power harassment in the workplace, and set up a consultation desk. Furthermore, more specific situations related to nursing and childcare have been included in training for managers to promote understanding and raise awareness regarding harassment.

### ▶ For Building Healthy Minds and Bodies

The Group positions "considering employees' health" as one of its management challenges and carries out ongoing activities aimed at enhancing the health of each of its employees.

### ▶ Examples of Employee Health Improvement Activities

As part of our health improvement activities for individual employees, we distribute leaflets titled "Book on Health Exam Results" and "Mental Health Self-care Manual" to promote understanding of physical and mental well-being, as well as gender-specific health characteristics.

Moreover, by incorporating "health" as an eligible activity category under the aforementioned MSLP System, we are encouraging employees to actively engage in health-related initiatives.



suitable for a listed company, with the system providing both explanations and a clear career path. The system not only supports employees' career advancement but also allows individuals to demonstrate independence and spontaneity while engaging in their work by setting clear goals. Additionally, we also established a mechanism to address issues such as "equal pay for equal work" for contract employees and the promotion of young employees. We will continue to monitor the system's operational status and make necessary improvements so that we can conduct fair, just, and appropriate personnel evaluations that reward employees for their hard work and increase motivation.

## Human Resources Development Policy

Our Management Philosophy states, "In order to pass on a beautiful and irreplaceable planet to the next generation, where the water, land, air, and people can all flourish together, the MIDAC Group is aware of its social responsibility as a leading environmental creation group and is committed to pursuing environmentally friendly waste treatment." Under this philosophy, we strive to develop talent who can contribute to its realization. We have built and operate educational and training systems to enable employees to maximize their performance while welcoming diverse talent at each position. These systems consist of common in-house training, a core program for all employees to uniformly embody our philosophy, position-specific training tailored to each level, from management to new hires, and department-specific training to further strengthen the Group's strong frontline capabilities. In addition, we have introduced a broadly defined succession plan. The plan aims to develop exceptional talent from a long-term perspective, creating future executive candidates and, ultimately, potential management leaders. Developing successors is essential for the Group's sustainable growth and stable management going forward. We will continue to invest in human capital for further growth.

## Human Resources Development

### ▶ Graduate Recruitment

This is the 20th year that we have been carrying out our regular graduate recruitment.

Our recruitment policy prioritizes the capabilities and personal qualities of candidate students, particularly their strong motivation to contribute to the public good through the Group's waste treatment business. Furthermore, as the waste treatment business is subject to strict legal regulations, beginning with the Act on Waste Management and Public Cleansing, we believe that securing personnel who are capable of understanding legislation and acquiring specialized knowledge regarding waste treatment is an indispensable component to our future growth.

In our recruitment activities, we establish opportunities for students to deepen their understanding of the Group's management philosophy and the content of its businesses, and we also accept students for work experience.

We also established a scholarship repayment support program to support new employees to begin their working adult lives after eliminating economic and psychological burdens.

### ▶ New Education and Training System

We introduced a new education and training system in FY2020. This system consists of common in-house training and department-specific training. The Group operates common in-house training, a leveled training program that provides the skills and knowledge required for each role grade and phase that employees of the Group should acquire. For common in-house training, employees select "required," "nominated," and "optional" training according to their rank, and the system is designed to support each individual's career plan, including through recommended practical qualifications and compulsory training and acquisition of qualifications that are promotion requirements for each rank. On the other hand, department-specific training is created with the aim of establishing and deepening the on-site capabilities (strengths) that are characteristic of MIDAC, the long-term systematic development of human resources specializing in particular departments, and to provide additional support to employees' specialized careers. The Group's human resources are essential to its corporate activities, and the Group will continue to focus on developing them.

By developing and managing these new personnel and education and training systems, and ensuring their adoption among employees, we are accelerating our investment in human capital so that it becomes possible to enhance employees' engagement within the Company and to connect this to improving their well-being.

### ▶ Adoption of a Succession Plan

The training of executive candidates who will be involved in management in the future is essential for the sustainable growth of the Group into the future and the stable management of the company. The succession plan is a new personnel management system with a long-term outlook that trains talented personnel who may become executive or manager candidates in the future. We will seek ways to enable any interested person to take on this challenge so that the succession plan covers all employees.







The Group recognizes that disaster- and accident-prevention measures are an overriding issue when it comes to protecting its employees.

Along with aiming to eliminate accidents and disasters by implementing thorough accident prevention measures and in-house education, we are engaging in improving each and every employee's safety awareness by working to share information.

### Occupational Health and Safety Policy

Based on the Basic Sustainability Policy, the MIDAC Group has established and implemented our Health and Safety Management Manual to specify items to be implemented to contribute to the prevention of occupational accidents and the maintenance and promotion of workers' health, thereby contributing to ensuring health and safety in the workplace and promoting a comfortable work environment.

- ◆Aiming for zero occupational accidents and eliminating all hazardous factors in the workplace, we properly operate the PDCA cycle with the participation of all employees to continuously improve the workplace.
- ◆We comply with all applicable laws and regulations pertaining to health and safety, and ensure the health and safety of our employees in accordance with the health and safety rules and regulations established by our Group and each workplace.
- ◆We engage in continuous health and safety management through the appropriate implementation and operation of our health and safety management system, and strive to maintain and improve our good performance.
- ◆We make our policies, goals, and action plans known to all employees via bulletin boards and other means.

### Health and Safety Committee / Health and Safety Liaison Group

The MIDAC Group's Health and Safety Committee (based on the Industrial Safety and Health Act) and Health and Safety Liaison Group (made up of key members of the MIDAC Group) meet every month to facilitate quick decision-making within the Group.

The Health and Safety Committee and the Health and Safety Liaison Group share health and safety-related information, initiatives, and results related to safety and health from across the Company, and also examine issues related to safety and health management to prevent occupational accidents, maintain and improve employee health, and realize a comfortable working environment.

To realize a safe working environment, we take measures to prevent recurrence based on the results of accidents and disasters.

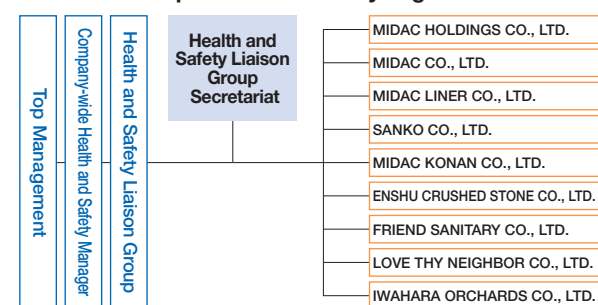
Specialized departments regularly patrol the workplace to ensure that employees are not exposed to danger in their work environment, while also confirming working environments and providing guidance.

In addition, we conduct employees' health checkups and monitor health statuses, and consider measures to maintain and promote the health of our employees.

With the transition of the novel coronavirus to a category V infectious disease, we have gradually relaxed our measures in accordance with government policy and returned to the same daily life as before the pandemic. However, to prepare for the emergence of new strains of coronavirus, we regularly review our inventory of supplies for infectious disease measures according to our pandemic manual, and engage in other activities essential to handling any possible contingency.

Additionally, because heat waves continue to be experienced every year, as a means of preventing heatstroke we always have sports drinks on hand to replenish salts and fluids. Furthermore, over the period from December to March, we take measures to prevent influenza

### ▶ MIDAC Group Health and Safety Organizational Chart



- Bases with 10 or more employees and less than 50 employees appoint Health and Safety advocates.

### Health and Safety Activities

#### ▶ We Have Introduced 4M Analysis to Strengthen Safety Measures

There are 4 "M" factors in disasters and accidents. Specifically, they are Man, Machine, Media, and Management, and, by organizing these factors, potential causes and risks of accidents can be brought to light.

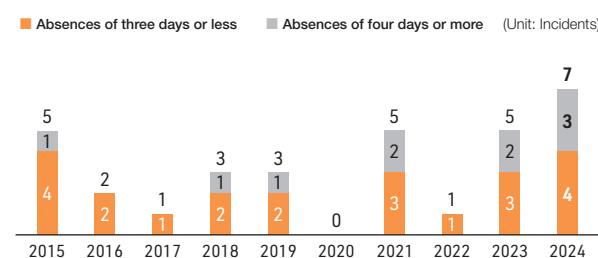
In the Group, when an accident occurs, we use 4M analysis to determine the cause of the accident. In the event of an accident, we strive to prevent recurrences by analyzing and verifying all of the M factors, rather than just pursuing one factor.

### Strengthening Disaster and Accident Prevention through Proactive Near-miss Prevention Activities

At the Group, we actively engage in near-miss prevention activities, in which we report, take corrective action, and improve on near-miss prevention activities that occurred during our operations but which did not lead to accidents or disasters. The purpose of these near-miss prevention activities is to prevent major accidents and disasters by reporting the details of the incidents (when, where, and what was about to happen), reviewing the information and likely causes, and by taking corrective actions in advance. Alongside these conventional bottom-up near-miss prevention activities, the Group has also introduced a unique top-down approach. Under this approach, when department heads encounter incidents that could lead to major accidents, they promptly classify them as potential near-miss incidents and take top-down action to prevent accidents.

### Occurrence of Occupational Accidents

#### ▶ 10-year Trend in Occupational Accidents - Figures from 2016 include subsidiaries



## Business Continuity Plan (BCP)

### Top Message

In the event of a large-scale disaster such as a major earthquake, volcanic eruption, fire, or explosion that affects our customers, employees, or other stakeholders, the MIDAC Group will minimize the impact on our customers and business partners and maintain the trust of our customers by quickly restoring business operations with the utmost respect for human life. We have formulated our BCP with the aim of continuing to exist as a company that plays a role in social infrastructure, even in the event of a disaster, while not neglecting environmental conservation or public health for local communities, which we address in normal times.

Keiko Kato President & Representative Director

In preparation for natural disasters, the Group formulated its Business Continuity Plan (BCP) in March 2007 and has been operating under it since then. In FY2021, we launched a new BCP Project Team and comprehensively revised the plan's content and procedures.

These revisions enhanced the plan's practicality, enabling prompt initiation of business continuity activities when disasters occur.

### Basic BCP Policy

- 1 Provide reassurance to waste generators on their outsourced operations.
- 2 Protect the safety and livelihood of employees and their families.
- 3 Maintain public health in local communities.
- 4 Protect market share through rapid recovery.

### Pandemic Response Manual

In 2010, we formulated a pandemic response plan in response to the global pandemic caused by a new strain of influenza in 2009, and in 2021, we formulated pandemic response procedures for COVID-19. The purpose of these procedures is as follows:

- 1 Protect the safety, health and employment of employees and their families.
- 2 Maintain the trust of customers, business partners and shareholders.
- 3 Maintain public health in the community.

Assuming the spread of infectious viruses such as new strains of influenza or new coronaviruses, we will set infection risk levels in stages and respond to them in light of social conditions.

### BCP Activity Report

In FY2024, we developed an Earthquake Disaster Prevention Plan for Okuyama-No-Mori Clean Center, our key facility, establishing preparedness for earthquakes of seismic intensity 7.

We are expanding the scope of disaster initial response manuals already established at key facilities to include non-critical facilities, advancing this as a company-wide initiative.

Furthermore, by conducting drills and reviewing plans based on the results, we are developing this into business continuity management (BCM) that operates on a PDCA cycle.



In addition to aiming to improve customer satisfaction, we also strive to provide our business partners with fair trading opportunities, to comply with laws and regulations, and to protect intellectual property.

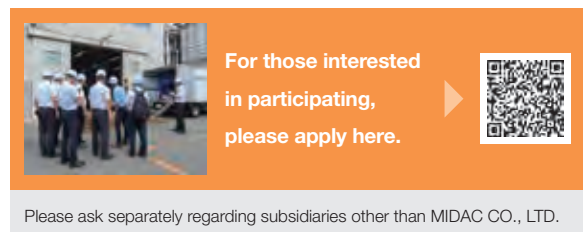
### Procurement Policy

- 1 Is a supplier that can stably supply necessary goods at a reasonable price and on time.
- 2 Understands MIDAC's management policies and is a cooperative supplier.
- 3 Is a business operator with stable business conditions.
- 4 Has social credibility, and has no personal, capital, or business relationships with anti social forces.

### Facility Tours Held

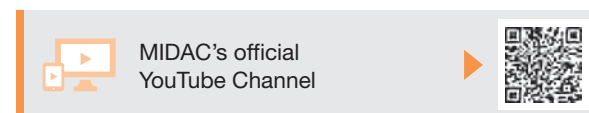
It has become mandatory for entities entrusted with waste treatment to provide opportunities for onsite confirmations. The Group hosts regular facility tours for customers and business partners, allowing them to observe our proper waste treatment operations firsthand. Regular facility tours are held on the third Wednesday of each month. As part of our commitment to proactive information disclosure, we encourage you to visit our facilities to see our operations for yourself.

- Please note that tours are not available to the general public. Thank you for your understanding.



### MIDAC's official YouTube Channel

MIDAC's official YouTube channel was launched in June 2021. It features over 50 videos introducing the Company's SDG-related initiatives, offices, and so forth. We have also started posting short videos, so please watch them, subscribe to our channel, and like our content.



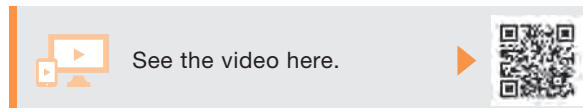
### Introduction of Drive Recorders

The Company's vehicles are equipped with drive recorders that automatically record images and sound. Currently, these devices are fitted to almost all our vehicles (excluding spare vehicles), including waste collection and transport vehicles, sales vehicles and other vehicles.

When traffic accidents or near-misses occur, the drive recorders are useful for objectively confirming the facts and taking future preventative measures.

### Filling Out Manifests for Construction-related Industrial Waste

This video provides a clear and concise explanation of how to complete manifests (direct delivery) for construction-related industrial waste. We hope you find it useful.



### Strict Screening of Business Partners

In order to ensure the proper treatment of waste by our business partners, we conduct strict screenings before considering a new business partner and also conduct them once a year when continuing business with existing business partners.

- 1 First, we confirm the business partner's situation by conducting a preliminary document survey based on the materials and financial statements provided by the business partner.
- 2 Next, we visit the business partner's locations and conduct a survey. Based on our own checklist, we conduct interviews, check their actual materials, and confirm legal matters.
- 3 Based on these, we make an internal judgement on the business partner, and executives in the relevant departments discuss whether it is possible for MIDAC to conduct transactions with them.

### Response to Anti-social Forces

The Group's Code of Conduct stipulates that "(I) will take a resolute attitude toward organizations and individuals that go against the social order and sound corporate activities," and we take a firm stance against unreasonable demands, etc., and work to eliminate anti-social forces. Additionally, we also work to share information in cooperation with specialized external organizations such as the proper authorities and corporate lawyers. We have established a system to

eliminate anti-social forces by having the individual in charge of each of our offices attend designated training for managers on the prevention of unreasonable demands as well as regular trainings that are held in each prefecture.

We have also set out an anti-social forces investigation manual, and work to prevent transactions with companies, organizations, and individuals that are connected to anti-social forces.

### Intellectual Property Protection

#### Approach to Intellectual Property Protection

The MIDAC Group's intellectual property protection is based on the related laws and regulations and on our intellectual property management guidelines.

In order to protect intellectual property, our Development Department promptly applies for patents, etc., and, if necessary, consults with experts such as patent attorneys to perform administrative work.

#### Internal Systems to Not Infringe on Other Companies' Intellectual Property

In order to not infringe on other companies' intellectual property, we first verify by using the digital patent library from the National Center for Industrial Property Information and Training, we consult with corporate lawyers and patent attorneys, etc., for their opinions, and, if necessary, we hold meetings at MIDAC to consider matters.

### Certified as an Excellent Industrial Waste Processor

Under the Act on Waste Management and Public Cleaning, there is an Excellent Industrial Waste Processing Business Certification Program under which prefectures and ordinance-designated city certify industrial waste disposal businesses that pass a stricter standard than required for normal certification. The Group has earned excellent certification in the following areas. Furthermore, the status of our waste collection, transportation, and treatment can be found on Sanpai Joho Net, along with our financial statements, and can be viewed at any time.



Recipients of Certificates of Excellence (as of June 30, 2025)	MIDAC CO., LTD.	Treatment business (industrial waste)	Hamamatsu City
		Treatment business (industrial waste)	Aichi Prefecture
	SANKO CO., LTD.	Collection and transportation (industrial waste, specially controlled industrial waste)	Aichi Prefecture, Gifu Prefecture, Mie Prefecture, Shiga Prefecture, Yamaguchi Prefecture, Kitakyushu City
	TAIHEI KOSAN CO., LTD.	Collection and transportation (industrial waste)	Ibaraki Prefecture, Tochigi Prefecture, Saitama Prefecture, Kanagawa Prefecture



For the development of local communities, we actively promote social contribution activities and strive to build relationships of trust through interactions with local communities.



### Food Donation to Children's Cafeteria

The Company donated emergency supplies owned by the Group and food items collected from employees and local residents (approximately 1,000 packages) to NPO SUSTAINABLE NET, which operates the Children's Cafeteria. In 2024, the donation included a wide variety of food items, including snacks, instant noodles, and canned goods. We will continue our ongoing support for children.



### Participation in the Sango Prize of the Earth award ceremony

We participated in the Sango Prize of the Earth essay contest award ceremony as a sponsor. The steering committee of the event is chaired by Ryutaro Abe, winner of the Naoki Prize.

The Sango Prize of the Earth was established to challenge five issues faced by our planet, or "chikyu" in Japanese (global warming, ocean pollution, air pollution, water pollution, and deforestation) with the three human abilities of seeing, thinking, and taking action. As part of the ceremony, MIDAC's President and Representative Director Keiko Kato presented the Midac Future Award.



### Participated in Lake Hamana Cleanup Campaign

The Lake Hamana Cleanup Campaign is a concerted cleanup of the Lake Hamana shore that takes place on the first Sunday of June each year, in order to preserve Lake Hamana, a rich natural environment resource that represents Hamamatsu City. It was held for the 46th time this year, and is a key Hamamatsu City cleanup activity, in line with Operation Wel-Kame (Sea Turtle) Cleanup.

The Company participates in this Lake Hamana Cleanup Campaign as part of its Environment Month activities, and this year was the 11th time it had taken part. 38 people gathered to take part on the day, including employees' family members, and they cleaned the Kanzanji



### Cleaning activity at Goto Beach

The Company supports Shizuoka Prefecture's "6R Citizens' Movement \*." As part of this initiative, we conducted a cleaning activity at Goto Beach in Hamamatsu City. The beach was littered with large amounts of marine plastic waste, including plastic bottles and bags, and we collected 20 bags of 45-liter garbage.

\*An initiative encouraging each citizen to take individual actions to protect our ocean



### Held Mama-zemi (Hamamatsu Mothers' Seminar)

The MIDAC Group has been a member of the Hamamatsu Mother's Seminar since 2018. The mothers, fathers, and children who participated in the 6th Garbage Truck Wrapping Project held in September 2024 freely painted images of birds with brushes and their hands. The completed artwork will be wrapped on MIDAC LINER's waste collection vehicle that will operate throughout Hamamatsu City.



### MIDAC Festival held

The Midac Festival was held again in 2024 to express our gratitude to the local community members for their continued support and understanding of our work. The event, held regularly since 2007, is an extremely important opportunity to deepen our exchange with the community. In 2024, it was held for the 15th time. We will continue to proactively promote activities that make a social contribution and strive to build relationships of trust through exchange with the community, thereby supporting the development of local society.



### Held environmental education class at Aritama Elementary School

MIDAC holds environmental education classes for fourth grade students at Hamamatsu Municipal Aritama Elementary School every year in order to raise their environmental awareness. In the 14th class held in 2024, under the theme of "Let's learn how to dispose of garbage the right way!", we conducted a lesson incorporating quizzes to help students understand waste separation methods in an easy-to-understand manner.



### Environmental education and awareness event with Hamamatsu City

In partnership with Hamamatsu City, the Company held an environmental class on waste reduction at Hatsuo Elementary School. Hamamatsu City presented its "Go! Everyone's 404 Challenge" initiative, and MIDAC explained the issue of food waste. We also hosted an awareness event on waste reduction at Soyora Hamamatsu Nishi-iba, in partnership with the city, where we exhibited our mobile recycling vehicle and compost.



### Participated in Flower Relay

As part of the Tenhama Line Flower Relay Project Connecting People and Eras, we weeded the planted areas around Kiga Station.

As an adaptive activity group of the project, we will continue to engage in regular cleaning and beautification activities in and around the flower beds planted at Kiga Station.



### Company-wide cleaning held

The Company holds a grass cutting and trash collection day for the neighborhood twice every year. Grass was cut at the MIDAC head office, and trash was collected around our other business offices. Each sales office and business office also collected trash in their neighborhoods.



### MIDAC Food Waste Reduction Panel Exhibition

From October 11 to 16, 2024, the Company held the "MIDAC Food Waste Reduction Panel Exhibition—What Is Food Waste?" at AEON Mall Hamamatsu Shitoro. We exhibited panels designed for everyone, from adults to children, to easily learn about food waste. The event provided a valuable opportunity to raise awareness about food waste as a first step toward reducing it.



### Special seminar at Hamamatsu Gakuin University

As a guest speaker at a special seminar for the Regional Co-creation Department at Hamamatsu Gakuin University, MIDAC's President Keiko Kato gave a speech. The session was titled "SDGs and Community Engagement by MIDAC, a Listed Company on the Tokyo Stock Exchange Prime Market." For approximately 70 students and external participants, President Kato explained the relationship between the SDGs and the waste treatment business, the Company's initiatives for promoting the SDGs, and more. We will continue to promote educational activities to contribute to the SDGs.





**Professor  
Katsuhiko Sakai**

Representative Director of the  
Japan Tax Certification Association  
(As of the interview)

**Keiko Kato**

President & Representative Director  
MIDAC HOLDINGS CO., LTD.

## Tax and environment — Two educational initiatives to nurture the next generation

In July 2024, the late Professor Katsuhiko Sakai (Chuo Law School, Chuo University), Representative Director of the Japan Tax Certification Association, and President & Representative Director Keiko Kato of MIDAC HOLDINGS exchanged views on nurturing the next generation's ability to realize a sustainable society. Their discussion explored the commonalities between tax and environmental education and the significance of certification systems. Professor Katsuhiko Sakai (honorifics omitted in the following dialogue) passed away in May 2025. We express our deepest condolences and dedicate this interview article to Professor Katsuhiko Sakai, who devoted himself to establishing the Japan Tax Certification Association to enhance citizens' tax literacy.

**Sakai:** The Japan Tax Certification Association is an organization established to enhance tax literacy. MIDAC HOLDINGS became a supporting member of the association in 2024. What were the main reasons for joining?

**Kato:** I hold a tax accountant license and previously worked at a tax accountant firm as a corporate tax advisor for many years. Based on this background, I strongly feel the importance of establishing appropriate tax compliance awareness as part of corporate culture, and I was impressed by the initiatives of the Japan Tax Certification Association. I also found that your association's stance and approach share significant commonalities with MIDAC's approach to environmental issues. One is education, and the other is certification.

**Sakai:** That is very interesting. Regarding the first point, education, we at the Japan Tax Certification Association seek to enhance tax compliance and contribute to the sound development of society by cultivating appropriate tax awareness. To this end, we provide comprehensive educational programs. Our tax education initiative collaborates with tax accountant associations, hosting tax classes at elementary, junior, and high schools to teach students the importance of taxes and their role. For example, we explain in accessible terms how taxes are used, the significance of tax payments, and the contributions they make to social infrastructure and public services.

**Kato:** MIDAC's environmental education program started with the aim of enhancing children's environmental awareness and has an over 10-year track record. In 2023, we provided the program at Aritama Elementary School in Hamamatsu City as our annual event and also at Urugi Elementary School in Urugi Village, Nagano Prefecture. We have also hosted events such as "Learn about Food Waste and Challenge the Quiz Rally!" on food waste at AEON Mall Hamamatsu Shitoro, expanding our scope. Both tax education and environmental education can help future leaders develop the ability to realize a sustainable

society. Tax education helps children understand the importance and role of tax, while environmental education provides knowledge about environmental issues, enhancing their awareness to take specific actions to address these challenges. I feel a great sense of social significance in both forms of education.

**Sakai:** It's interesting that MIDAC provides environmental education at various venues, not limited to elementary schools.

**Kato:** I consider our environmental education a critical opportunity that serves as a foundation for developing next-generation leaders in this era, when building a sustainable society is essential, by helping people relate more closely to waste issues.

**Sakai:** How about the second point, certification? Our Tax Certification is a qualification exam for systematically learning tax knowledge in Japan. The exam covers not only basic tax law knowledge (income tax, corporate tax, consumption tax, etc.) but also specific examples of practical tax-related procedures for business operations. It also includes how taxes are used and their contribution to public services. The exam aims to help examinees nurture appropriate tax awareness as citizens.

**Kato:** I think that the Certificate Test for Environmental Specialists ("Eco Test") may be comparable to your association's Tax Certification. The Group has introduced the MIDAC Sustainable Life Point (MSLP) System as an initiative to raise individual SDG awareness. The MSLP System awards points to employees for practicing sustainable lifestyles (see p. 30 for details). Through this system, we encourage employees to obtain environmental certifications such as the Eco Test, striving to increase their environmental awareness. This initiative has three advantages. First is enhanced environmental awareness. By helping each employee acquire specific knowledge about environmental issues, they can take environmentally responsible actions in their daily work. Second is enhanced corporate value. With more environmentally conscious

employees, we strengthen our sustainable initiatives company-wide and increase trust from society. Third is cost reduction. Environmental initiatives such as reducing energy consumption and waste ultimately lead to cost savings.

Our Group is also considering recommending the Tax Certification similar to the Eco Test. What do you think are the significance and effects of incorporating the Tax Certification into employee education?

**Sakai:** Thank you. There are three advantages. First is enhanced tax literacy. By encouraging your employees to deepen their tax knowledge through the Tax Certification, you can cultivate appropriate tax compliance awareness. This increases corporate-wide tax compliance, thereby mitigating tax risks. Second is increased social trust. Your company gains greater trust as an organization that pays taxes appropriately, enhancing overall corporate transparency. Third is improved business efficiency. With stronger tax knowledge, your employees can conduct tax-related procedures more smoothly in their day-to-day operations, thereby improving efficiency.

**Kato:** I see. By helping our employees deepen their tax knowledge and develop appropriate tax compliance awareness, we can increase transparency and trust across the organization. I can also see that a dual approach through the Eco Test and Tax Certification could enhance

our corporate-wide sustainability and strengthen our reputation as a company that fulfills its social responsibilities.

**Sakai:** I'm now certain that there are many commonalities between your Group's initiatives and those of the Japan Tax Certification Association. Educational programs combining tax literacy and environmental awareness will enhance corporate transparency and trust, serving as a critical means to fulfill social responsibilities. Let's continue working together.

**Kato:** Yes. By continuing our collaboration, let's spread the importance of tax and environmental education to many more people.

**Katsuhiko Sakai's Biography**

Born in February 1963 in Tokyo. Completed the Doctoral Program at the Graduate School of Law, Chuo University. Ph.D. in Law. Professor at Chuo Law School, Chuo University, and also teaches at the Graduate School of Commerce and the Graduate School of Economics, Chuo University. Member of the Japanese Society for Tax Law, the Japan Association of Private Law, the Japan Public Law Association, the International Fiscal Association (IFA), among others. Titles: Director of Accord Tax General Institute, Representative Director of Fulcrum, Representative Director of the Japan Tax Certification Association



### Voices of Employees Who Passed the Tax Certification



Control Department,  
Accounting Group  
MIDAC HOLDINGS CO., LTD.

**Chiyomi Sakata**

I took the Tax Certification exam because I wanted to deeply understand the importance of taxation as a member of society, beyond merely acquiring accounting knowledge. Through my efforts toward the certification, I developed the habit of thinking more seriously and proactively about tax-related news. This experience helped me cultivate my own perspectives and the ability to analyze news from multiple angles, ultimately contributing to my personal growth.



Collection & Transportation  
Department  
Collection Management Group  
MIDAC CO., LTD.

**Yasuyuki Takahashi**

In FY2023, I achieved third place company-wide in MSLP award points, and in FY2024, I served as leader of the SDG Promotion Project. Building on these experiences, I took the Tax Certification exam as part of my challenge within the MSLP System. Although studying taxation was unfamiliar territory for me, I successfully passed the Grade 2 certification. The confidence I gained from passing this exam has become a positive driving force for taking on new challenges in my future work.



We strive to improve management transparency and thorough compliance, and work to enhance corporate governance to ensure appropriate business execution and sustainable improvement to corporate value.

## Basic Approach to Corporate Governance

Based on the fundamental philosophy that “a company is a public institution,” we strive to realize responsible management for all of the stakeholders involved with MIDAC, and to expand our corporate value over the long-term. We recognize that sound management to protect the rights and interests of shareholders, the management monitoring functions that support this, and the timely and appropriate disclosure of information, are among the most important tasks for achieving this purpose.

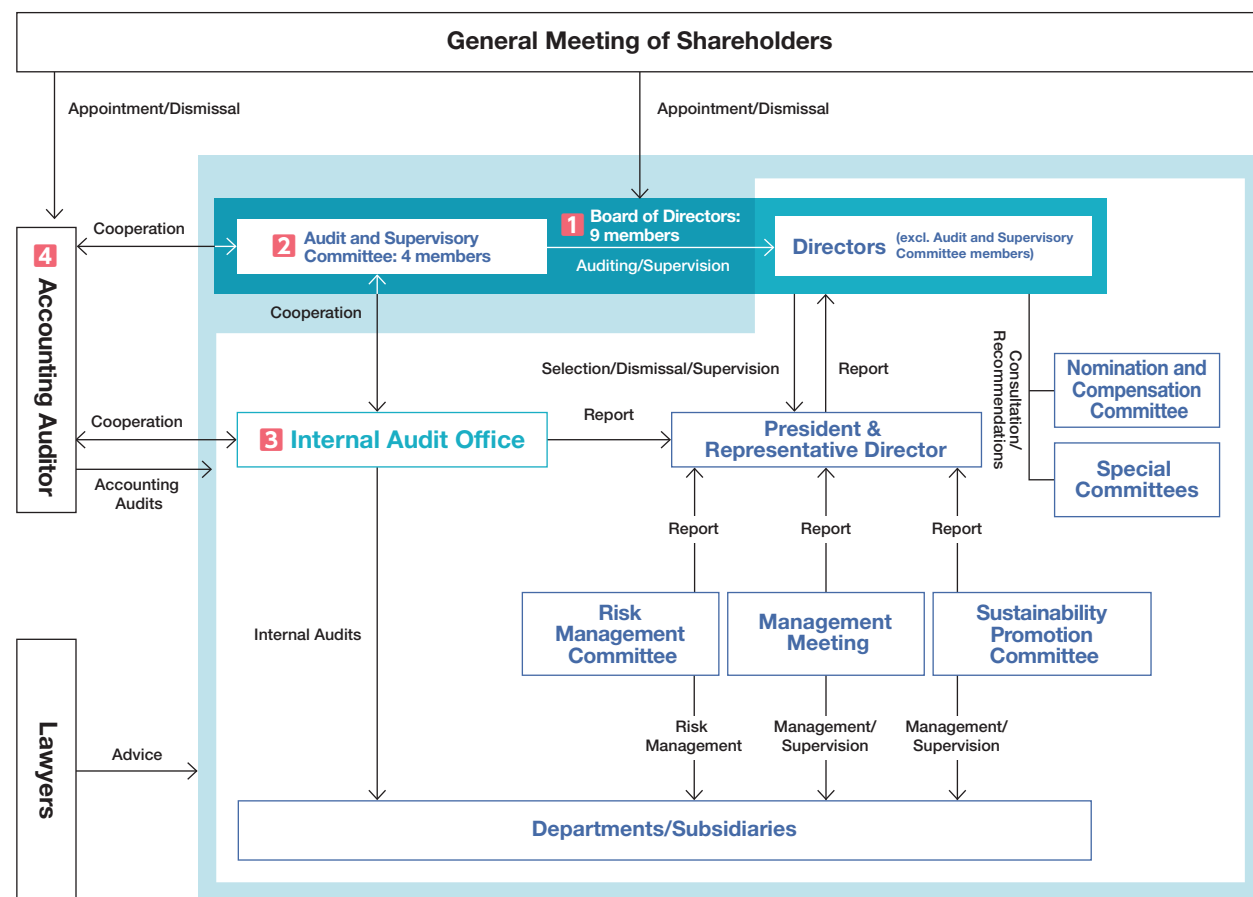
In order to accomplish those tasks, we eliminate meetings that are mere formalities and encourage our directors and executives to proactively speak out. Additionally, we strive to maintain close communication on a daily basis and to foster an atmosphere of freedom where opinions can be exchanged frankly. We also work to build an organization that eliminates unilateral instructions and orders from the President and collusive discussions, makes prompt decisions after considering risks, and allows mutual checks and balances to be effective.

On the other hand, we have also established an Audit and Supervisory Committee, and, based on their own experiences, Directors who are members of the Audit and Supervisory Committee conduct strict checks on management. Additionally, internal audits are also conducted by our Internal Audit Office. By adopting such a system, we strive to strengthen our corporate governance by working to implement prompt decision-making and enhancement of monitoring functions.

We strive to disclose information in a timely and fair manner so as not to create information gaps amongst stakeholders.

## Corporate Governance System

We have established a Board of Directors and an Audit and Supervisory Committee, and, by having Directors who are Audit and Supervisory Committee members with voting rights attend Board of Directors meetings, we strengthen the supervisory function of the Board of Directors and improve the soundness and transparency of MIDAC's management.



(As of June 27, 2025)

## 1 Board of Directors

The Board of Directors consists of five Directors (excluding Directors who are Audit and Supervisory Committee members) (four men and one woman) and four Directors who are Audit and Supervisory Committee members (four men). The Board of Directors meets at least once a month to determine basic management policies, matters stipulated by laws and regulations, and other important matters related to management.

## 2 Audit and Supervisory Committee

The Audit and Supervisory Committee consists of one full-time Audit and Supervisory Committee member and three Audit and Supervisory Committee members (Outside Directors), and, in principle, meets once a month. Directors who are Audit and Supervisory Committee members attend Board of Directors meetings and other important meetings, and audit the status of business execution by Directors.

## Group Management Meeting

A Group Management Meeting is held once a month, with all Directors of the Company and key executives of the Group as members. In addition to monthly budget performance management and progress management of

## Independence Criteria and Qualifications for Independent Outside Directors

For Independent Outside Directors, the independence standards stipulated by the Companies Act, the Tokyo Stock Exchange, and the Nagoya Stock Exchange are used as the criteria for judging independence from MIDAC. We select candidates that meet these criteria, that are judged to be substantially independent, and that are expected to contribute to candid, active, and constructive deliberations by the Board of Directors based on their track record, experience, and insight.

Additionally, Independent Outside Directors are also disclosed in the Notice of Convocation of General Meeting of Shareholders and in our securities report.

## Internal Reporting (“Whistleblower”) System (Helpline)

We have established an internal reporting (“whistleblower”) desk for the purpose of preventing or promptly detecting problems such as legal violations or impropriety within the Group. We have formulated corporate ethics helpline regulations, and as a reporting framework, we have established a “helpline” within the Group, with a director who is a full-time audit and supervisory committee member serving as the point of contact. Alongside that, we are also preparing a framework that will make it possible to report to an external law office that the Group has a contract with.

- Group's external desk: Law office
- Group's internal desk: Director who is a full-time audit and supervisory committee member
- Number of internal reports filed in FY2024: 0



departmental plans, the members discuss or exchange opinions on all important matters within MIDAC.

**Safety Control Office**

The Safety Control Office was set up under the direct control of the President & Representative Director to identify issues related to occupational health and safety within MIDAC and to check on the status of efforts to improve these issues.

### 3 Internal Audit Office

The Internal Audit Office was set up under the direct control of the President & Representative Director, systematically conducts internal audits with two full-time members, and reports the audit results to the President & Representative Director and to the Audit and Supervisory Committee.

#### 4 Accounting Auditor

In order to conduct appropriate accounting treatment in accordance with accounting standards, we have entered into an audit contract with Deloitte Touche Tohmatsu LLC and undergo an accounting audit.

## Strengthening the Compliance Structure

As a company that operates waste treatment businesses, which are environmental-related businesses, the Group positions compliance with environmental related legislation and regulations, beginning with the Waste Management and Public Cleansing Act, as its most important operational task. We are endeavoring to secure even greater social trust by working to implement in-house training and ongoing measures in order to strengthen our compliance structure, and further enhance all managers' awareness of legal compliance.

## Internal Audits

On the basis of our internal audit regulations, the Internal Audit Office carries out regular internal audits (once or more per year) of all departments, including subsidiaries, to examine whether each department is being operated appropriately and in accordance with our management policies, all internal regulations and all relevant legislation. The Internal Audit Office reports the results of these audits to the President and Representative Director and the Audit and Supervisory Committee. In addition, the Internal Audit Office also carries out follow-up audits on problem points that have come to light as a result of the audit results, and the situation regarding improvements.



## Risk Management

The Company has established the Safety Control Office as the department in charge of its risk management system, as well as the Risk Management Committee, which is chaired by the President & Representative Director and has key Group executives as members. This Committee meets at least once every three months to examine management risks across our organization, with more specific work being handled in each department.

In addition, from the viewpoint of properly managing health and safety, the Health and Safety Liaison Group was established, with the Manager of the Business Management Division as the Company-wide Health and

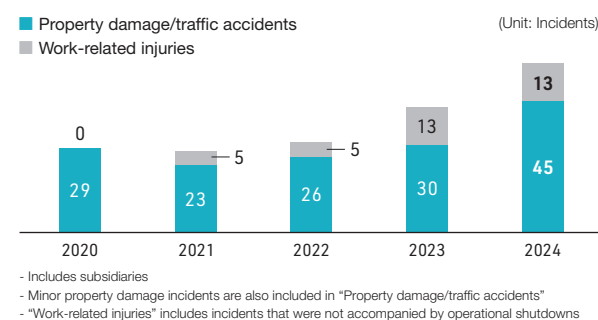
### Number of Meetings by Risk Management Committee in FY2024: 4

- FY2023 BCP Activity Report
- Work-related accidents and corporate risks
- Customer relations risks
- Information security

Safety Manager and with one representative from the Group as a member. The Health and Safety Liaison Group meets once a month and shares information, initiatives, and results relating to health and safety Value Creation across the Group, and utilizes them in effective health and safety activities.

Furthermore, each department implements initiatives to minimize the risks that exist in its respective operations. For example, by obtaining and maintaining ISO 14001 certification, each department is addressing the risks in its respective operations.

### Trend in Number of Incidents

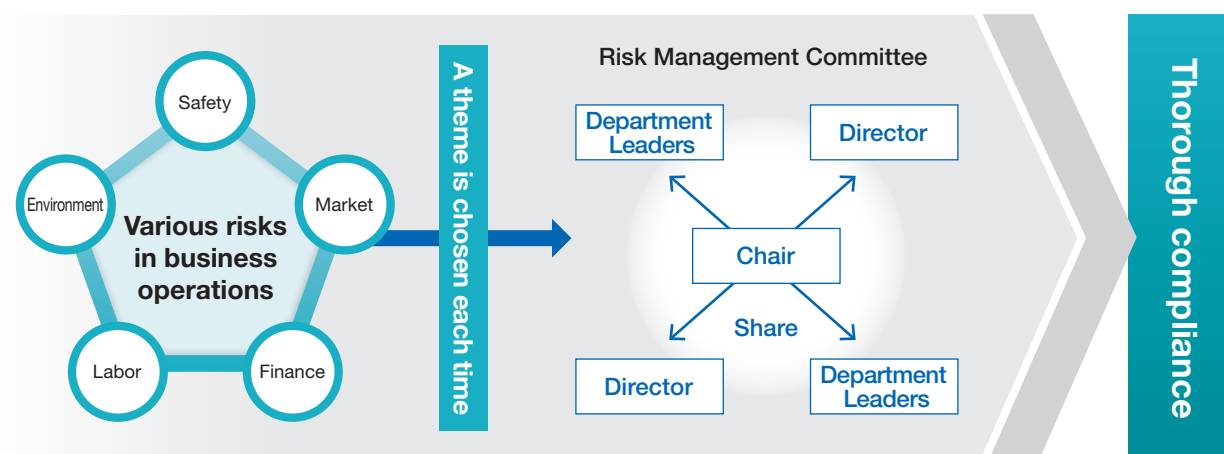


## Risk Management Committee

At the Group, we have established Risk Management Regulations for a variety of operational risks, including environment, labor, finance, safety, market, and information security risks, and, to manage risks, we have established a cross-functional Risk Management Committee chaired by the President & Representative Director. The Risk Management Committee receives advice from directors, departmental leaders, and depending on the project, external experts, etc., and is positioned as a place to

report on company-wide and comprehensive risk management related to the Company's operations and to consider measures to deal with such risks. Each departmental leader, as the individual responsible for risk management in their department, manages the risks in their department's daily business activities.

### Risk Management Committee



## Relationship with Shareholders and Investors

In order to live up to the trust of our shareholders and investors, we aim to disclose fair and accurate corporate information and improve the quality of our information.



### Dialogue with Shareholders and Investors

#### Policy on Constructive Dialogue with Shareholders

The Company believes that it is important to disclose information in a timely manner and to build relationships of trust with our shareholders in order to achieve sustainable growth and to increase corporate value over the medium to long-term. Through dialogues (interviews) with shareholders and investors, the President & Representative Director explains our management policies, business model, social contribution activities and other initiatives. This deepens understanding of MIDAC and leads to a composition of stable shareholders over the long-term.

For our shareholders and investors, we hold financial results meetings once every half term, and conduct interviews with individuals upon request.

#### Regarding Dialogue Carried out in FY2024

- Main responder**  
Responses to institutional investors are handled by the President & Representative Director
- Number of dialogues held**  
57 in total (34 domestic, 23 overseas)
- Type of Investor**

Type	FY2024 (Unit: People)
Fund managers	40
Analysts	17
Total	57

- Where duplications occurred among the individuals with whom dialogues were held in FY2024, they have been subtracted.

#### Key dialogue themes, and shareholders' items of interest

- The operating performance situation
- The difference between MIDAC's earnings structure and those of other companies in the same industry
- MIDAC Group 10-Year Vision "Challenge 80th"
- The state of progress with in-house development
- M&A policy and the state of progress with M&A
- Capital policy
- Valuation of stock price
- Matters relating to sustainability as a whole

### Basic Policy on Profit Distribution

The Company recognizes that increasing shareholder returns by improving corporate value is one of our most important tasks. Our basic policy for profit distribution is to pay stable dividends on an ongoing basis while strengthening our management base and financial position.

For FY2024 (fiscal year ended March 31, 2025), it has been decided to pay a year-end dividend of 14 yen per share, taking into consideration the enhancement of profit distribution to shareholders and the financial position of the Company. And for the following fiscal year (ending March 31, 2026), the dividend forecast is an increase to an ordinary dividend of 18 yen. Further dividend increases will be considered in the future, taking into account our basic dividend policy, performance trends, financial position, and other factors.

We intend to make effective use of internal reserves, such as by allocating them to investments aimed at strengthening our management base, and by further expanding our business in the future.

	FY2023	FY2024
Earnings per share (consolidated)	69.00yen	103.51yen
Dividend per share (interim dividend per share)	8.00yen (0yen)	14.00yen (0yen)
Payout ratio (consolidated)	11.6%	13.5%
Return on equity (consolidated)	16.1%	20.3%
Dividend on equity (consolidated)	1.7%	2.5%

### Basic Policy on Information Disclosure

The Company's basic policy is to actively disclose information, aiming for "sound and highly transparent management" in order to live up to the trust that society has placed in us. We disclose information in accordance with the Financial Instruments and Exchange Act and with the timely disclosure rules stipulated by the Tokyo Stock Exchange and the Nagoya Stock Exchange. Additionally, we strive to actively disclose information from the perspective of fairness and promptness so that the MIDAC Group can be better understood.





Executives and Officers

Directors



**Keiko Kato**  
President & Representative Director

Jan. 2001 Registered as a certified public tax accountant.  
Aug. 2006 Appointed as Director of MIDAC HOLDINGS CO., LTD.  
Apr. 2010 Appointed as Director of the Company  
June 2016 Appointed as Director of MIDAC HAMANA CO., LTD. (currently, MIDAC CO., LTD.)  
Apr. 2019 Appointed as President and Representative Director of the Company (current position)  
Sept. 2021 Appointed as President and Representative Director of MIDAC CO., LTD. (current position)



**Hiroyuki Kumagai**  
Senior Managing Director

Mar. 1980 Joined KOJIMA SEISO, CO., LTD. (currently, the Company)  
Sept. 1984 Appointed as Director of KOJIMA SEISO, CO., LTD.  
July 2004 Appointed as Senior Managing Director of MIDAC HOLDINGS CO., LTD.  
Apr. 2010 Appointed as Senior Managing Director of the Company (current position)  
Dec. 2015 Appointed as President and Representative Director of MIDAC HAMANA CO., LTD (currently, MIDAC CO., LTD.)  
Sept. 2021 Appointed as Senior Managing Director of MIDAC CO., LTD. (current position)



**Yasuho Takeda**  
Director

May 2004 Joined the Company  
Apr. 2006 Appointed as Director of MIDAC HOLDINGS CO., LTD.  
Apr. 2010 Appointed as Director of the Company (current position)  
Apr. 2022 Appointed as Director of MIDAC CO., LTD.



**Hiroaki Takada**  
Director

Dec. 2006 Joined MIDAC HOLDINGS CO., LTD.  
June 2007 Appointed as Director of MIDAC HOLDINGS CO., LTD.  
Apr. 2010 Appointed as Director of the Company (current position)  
Apr. 2022 Appointed as Director of MIDAC CO., LTD.



**Kiyohiko Suzuki**  
Director

Feb. 2000 Joined the Company  
Oct. 2006 Appointed as Director of the Company, General Manager of the Sales Department of the Company  
Apr. 2008 Director and Plant Manager of MIDAC FUJINOMIYA CO., LTD.  
June 2019 Appointed as Director of the Company (current position)  
Apr. 2022 Appointed as Director of MIDAC CO., LTD. (current position)

Director (Audit and Supervisory Committee Member)



**Yoshitake Kawakami**  
Director, Full-time Audit and Supervisory Committee Member

Apr. 1981 Joined Salden Chemical Industry Co., Ltd.  
Mar. 1983 Joined Miyama, Inc.  
May 2019 Joined MIDAC CO., LTD. (currently, the Company)  
June 2023 Appointed as Director (Full-time Audit and Supervisory Committee Member) of the Company (current position)



**Shinji Ishikawa**  
Outside Director, Audit and Supervisory Committee Member

Apr. 1997 Registered as an attorney  
Oct. 2001 Partner at Chukyo Law Offices  
Jan. 2015 Representative Partner at Chukyo Law Offices (current position)  
Apr. 2015 Vice Chairman of Aichi Bar Association  
Apr. 2017 Vice President – Houterasu (the Japan Legal Support Center) AICHI District Office (current position)  
June 2019 Appointed as Outside Director (Audit and Supervisory Committee Member) of the Company (current position)



**Tetsuya Okugawa**  
Outside Director, Audit and Supervisory Committee Member

Oct. 1993 Registered as a certified public tax accountant  
Jan. 2001 Joined Sobue Yoshio Certified Public Accountant/Certified Tax Accountant Firm (currently Deloitte Tohmatsu Tax Co.)  
June 2007 Appointed as Partner of Deloitte Tohmatsu Tax Co.  
Apr. 2013 Appointed as Visiting Professor at Graduate School of Law, Nagoya University of Economics (current position)  
Apr. 2018 Established Okugawa Certified Public Tax Accountant Firm; President of the Firm (current position)  
June 2021 Appointed as Outside Director (Audit and Supervisory Committee Member) of the Company (current position)



**Hatsuo Hyoyama**  
Outside Director, Audit and Supervisory Committee Member

June 2005 Managing Director of Hamamatsu Shinkin Bank (currently Hamamatsu Iwata Shinkin Bank)  
June 2015 Director of Shizuoka Prefecture Western Region Shinkin Economic Research Institute  
June 2018 Director of Shinkin Economic Research Institute  
July 2021 Vice President of KOSEI GAKUEN and President of Hamamatsu Gakuin University  
June 2022 Appointed as Outside Director (Audit and Supervisory Committee Member) of the Company (current position)  
July 2022 President of KOSEI GAKUEN (current position)

The Company previously established MIDAC HOLDINGS CO., LTD. (with the same name as the current Company) on July 28, 2004. However, this entity merged with then MIDAC CO., LTD. (now MIDAC HOLDINGS CO., LTD.) and was dissolved on April 1, 2010.

Skill Matrix

Position	Name	Female Male	Management	Finance, Accounting, Tax	Legal Affairs	Sales	Technology Development	IR	Risk
President & Representative Director	Keiko Kato	Female							
Senior Managing Director	Hiroyuki Kumagai	Male							
Director	Yasuho Takeda	Male							
Director	Hiroaki Takada	Male							
Director	Kiyohiko Suzuki	Male							
Director Full-time Audit and Supervisory Committee Member	Yoshitake Kawakami	Male							
Outside Director Audit and Supervisory Committee Member	Shinji Ishikawa	Male							
Outside Director Audit and Supervisory Committee Member	Tetsuya Okugawa	Male							
Outside Director Audit and Supervisory Committee Member	Hatsuo Hyoyama	Male							

Attendance at Board of Directors Meetings

Position	Name	Meetings Held	Attendance
President & Representative Director	Keiko Kato	19	19
Senior Managing Director	Hiroyuki Kumagai	19	19
Director, Manager of Development Department	Yasuho Takeda	19	19
Director, Manager of Corporate Planning Department	Hiroaki Takada	19	19
Director, Manager of Business Management Department	Kiyohiko Suzuki	19	19

Position	Name	Meetings Held	Attendance
Director, Full-time Audit and Supervisory Committee Member	Yoshitake Kawakami	19	19
Outside Director, Audit and Supervisory Committee Member	Shinji Ishikawa	19	19
Outside Director, Audit and Supervisory Committee Member	Tetsuya Okugawa	19	19
Outside Director, Audit and Supervisory Committee Member	Hatsuo Hyoyama	19	19

Reasons for Appointment of Outside Directors

**Shinji Ishikawa**

Mr. Ishikawa possesses expert knowledge and extensive experience as an attorney. He provides objective opinions from a neutral standpoint and offers specific advice on important agreements. The Company deems that he is able to properly perform his duties as an Audit and Supervisory Committee Member, and therefore appointed him as an Outside Director (Audit and Supervisory Committee Member).

**Tetsuya Okugawa**

Mr. Okugawa possesses considerable expertise and extensive practical experience in finance and accounting as a certified tax accountant. He provides objective opinions from a neutral standpoint. The Company deems that he is able to properly perform his duties as an Audit and Supervisory Committee Member, and therefore appointed him as an Outside Director (Audit and Supervisory Committee Member).

**Hatsuo Hyoyama**

Mr. Hyoyama possesses extensive expertise and experience in corporate management. He was involved in management as a managing director of a major credit union, serving in corporate lending decisions for many years. He also engaged in data collection and research on the regional economy as director of an economic research institute. Additionally, he has been involved in education as president of Kosei Gakuen and provides objective opinions from a neutral standpoint. The Company deems that he is able to properly perform his duties as an Audit and Supervisory Committee Member, and therefore appointed him as an Outside Director (Audit and Supervisory Committee Member).


Founding & Beginnings Stage

1952-1983

► **April 1952**  
KOJIMA SEISOSHA established in Hamamatsu City, Shizuoka Prefecture, and with the approval of the Hamamatsu City Cleaning Division, began carrying out a general waste handling business from the same month

► **July 1964**  
KOJIMA SEISOSHA incorporated, and KOJIMA SEISO CO., LTD. (now MIDAC HOLDINGS CO., LTD.) established

► **September 1972**  
With approval license from Shizuoka Prefecture, collection, transportation, and final treatment operations undertaken



Growth & Establishment Stage

1984-1995

► **August 1984**  
Founder passed away, and second President appointed

► **May 1986**  
Water treatment facility established in Hamamatsu City

► **April 1988**  
Kurematsu Business Office (crushing/landfill) opened

► **October 1992**  
Facility for dehydration, oil-water separation and neutralization installed



Transformation & Expansion Stage

1996-2003

► **July 1996**  
Trade name changed to MIDAC CO., LTD.

► **March 1997**  
Specified hazardous waste treatment facility added within head office building

► **March 2000**  
MIDAC FUJINOMIYA CO., LTD. established in Fujinomiya City as a joint venture with TAKUMA Co., Ltd.

► **December 2001**  
ISO 14001 certification acquired, and Toyohashi Business Office (intermediate treatment facility) opened

► **April 2002**  
Tokyo Sales Office opened



Restructuring & Strengthening Stage

2004-2011

► **July 2004**  
MIDAC HOLDINGS CO., LTD. established in Hamamatsu City as a pure holding company

► **July 2005**  
Nagoya Sales Office opened

► **December 2007**  
Fujinomiya Business Office concluded an "Agreement on Disposal of Disaster Waste in the Event of a Disaster" with Fujinomiya City.

► **April 2010**  
MIDAC CO., LTD. undertook merger by absorption with MIDAC HOLDINGS CO., LTD. and MIDAC LINER CO., LTD.

► **April 2011**  
MIDAC FUJINOMIYA CO., LTD. made into a wholly-owned subsidiary



Fulfillment & Leap Stage Stage

2012-2025

► **March 2012**  
Merger by absorption with MIDAC FUJINOMIYA CO., LTD.

► **January 2013**  
Seki Business Office opened

► **March 2015**  
SANKO CO., LTD. made into a wholly-owned subsidiary

► **December 2015**  
MIDAC HAMANA, CO., LTD. made into a wholly-owned subsidiary

► **December 2017**  
Listed on the Second Section of the Nagoya Stock Exchange

► **December 2018**  
Obtained facility installation permit from Hamamatsu City for a new controlled landfill site for industrial waste treatment

► **December 2018**  
Listed on the Second Section of the Tokyo Stock Exchange

► **December 2019**  
Listed on the First Section of the Tokyo Stock Exchange  
Listed on the First Section of the Nagoya Stock Exchange

► **September 2021**  
MIDAC CO., LTD.'s trade name changed to MIDAC HOLDINGS CO., LTD.

► **October 2021**  
MIDAC KONAN CO., LTD. made into a wholly-owned subsidiary



► **February 2022**  
Okuyama-No-Mori Clean Center began operations

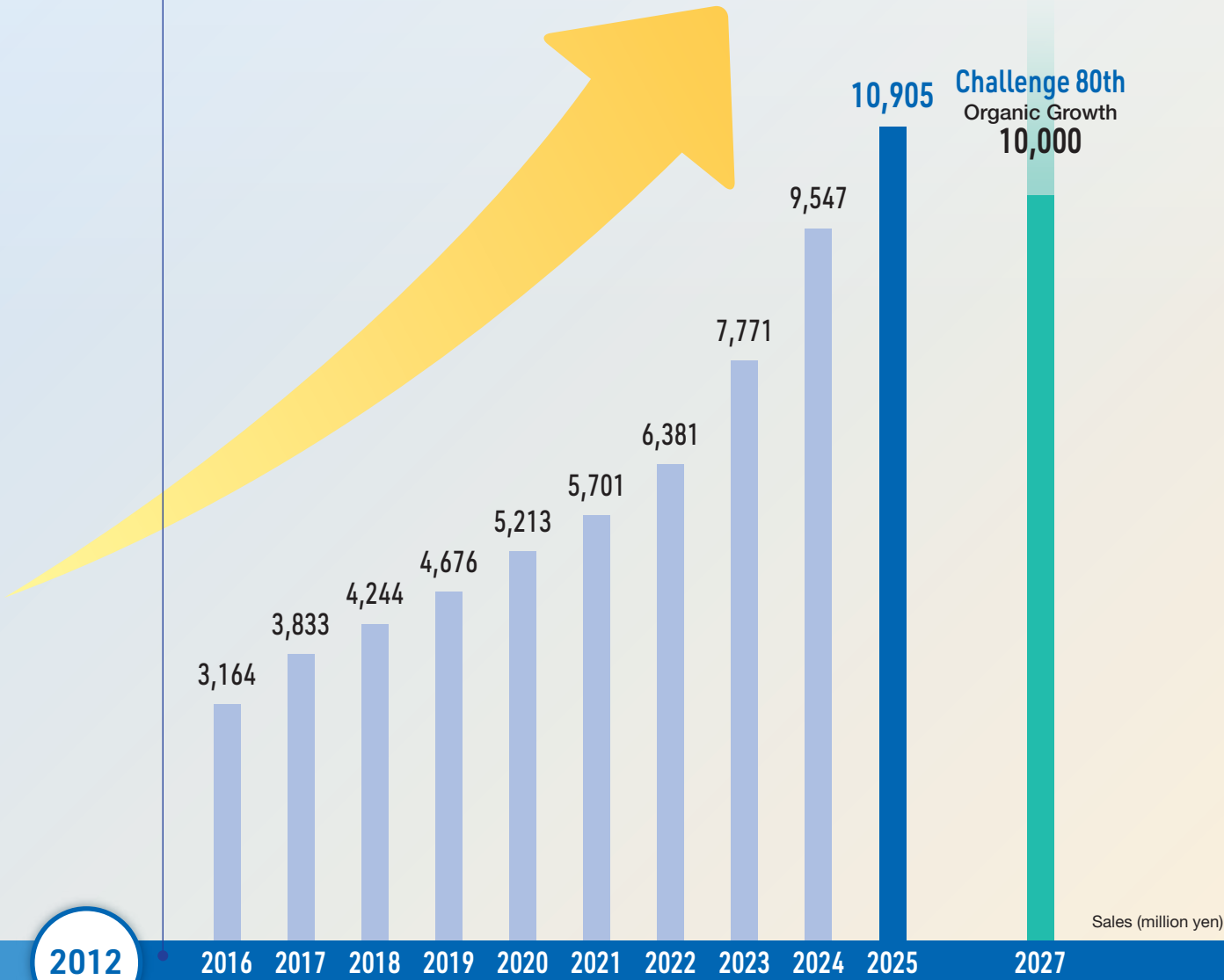
► **July 2023**  
ENSHU CRUSHED STONE CO., LTD. made into a wholly-owned subsidiary

► **September 2023**  
GREEN CIRCULAR FACTORY CO., LTD. established as a joint venture with YAMADA HOLDINGS CO., LTD.

► **September 2023**  
FRIEND SANITARY CO., LTD. made into a wholly-owned subsidiary

► **April 2025**  
TAIHEI KOSAN CO., LTD. made into a wholly-owned subsidiary

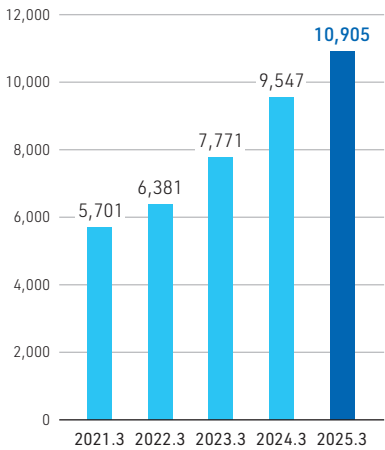




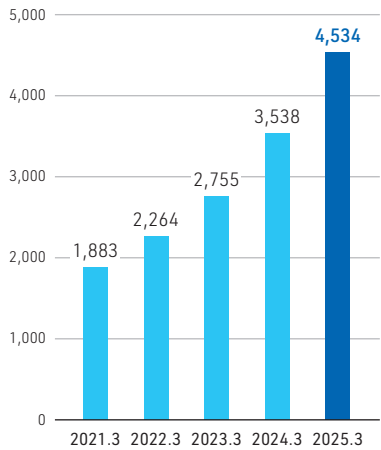


Financial and Non-Financial Highlights

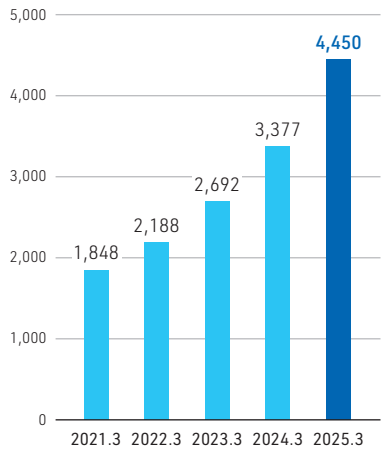
Sales **10,905** million yen



Operating Income **4,534** million yen

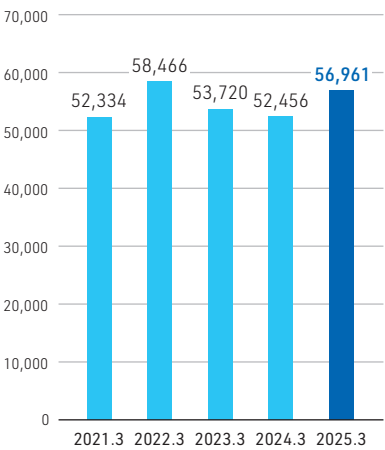


Ordinary Profit **4,450** million yen

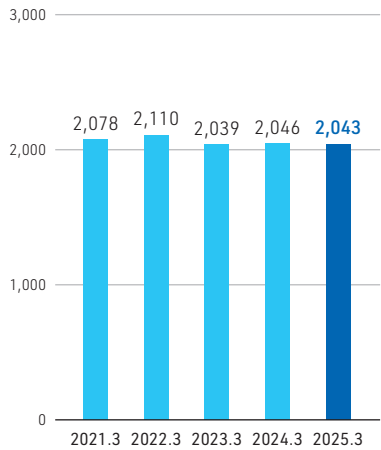


Non-Financial Highlights

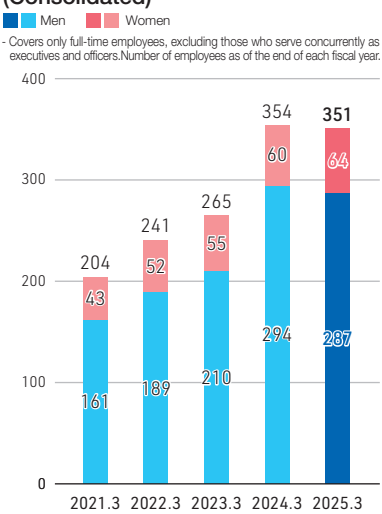
CO<sub>2</sub> Emissions **56,961** t-CO<sub>2</sub>



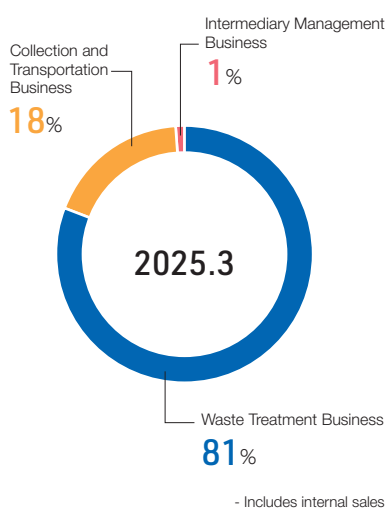
Electricity Generated at Incineration Facilities **2,043** MWh



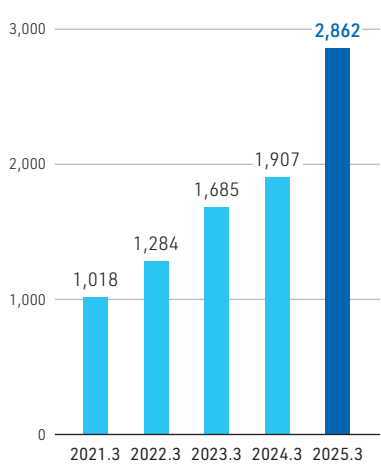
Number of Employees (Consolidated) **351**



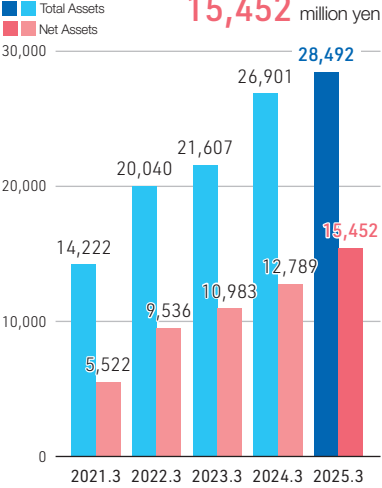
Composition of Net Sales by Segment



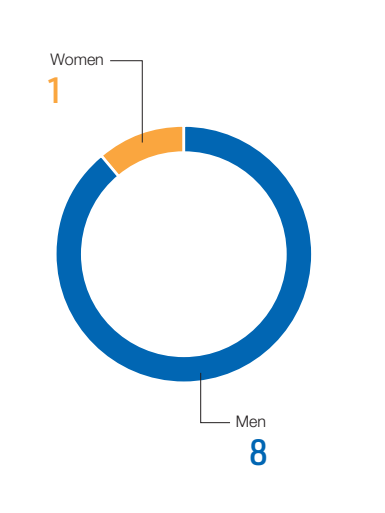
Profit Attributable to Owners of Parent **2,862** million yen



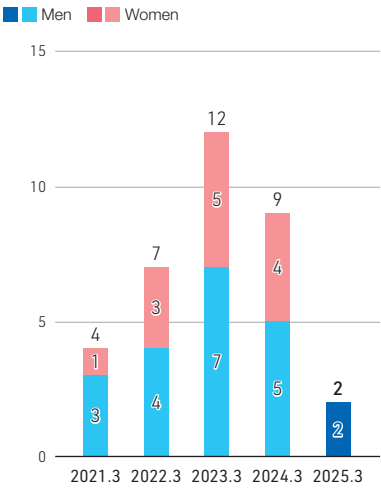
Total Assets & Net Assets **28,492** million yen



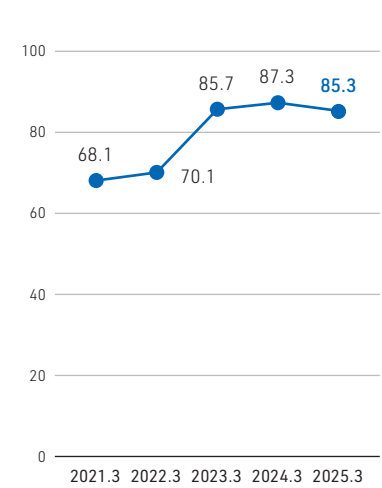
Composition of Board of Directors



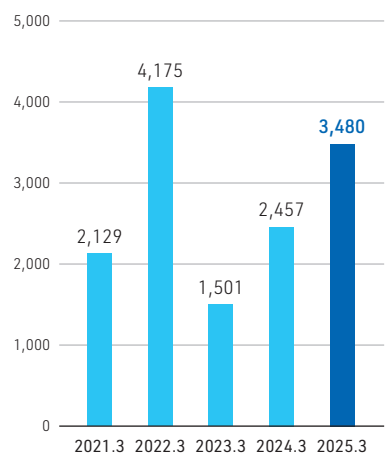
Number of Employees Who Took Childcare Leave **2**



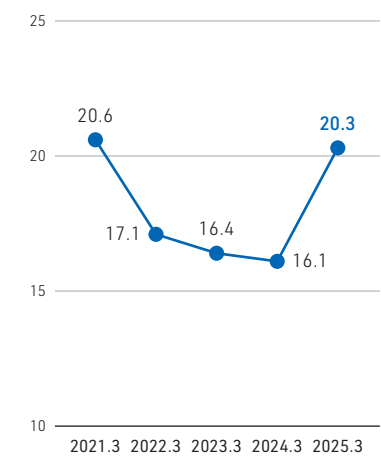
Average Ratio of Paid Leave Taken **85.3** %



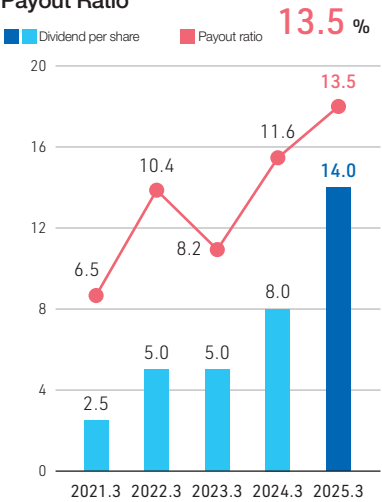
Capital Investment **3,480** million yen



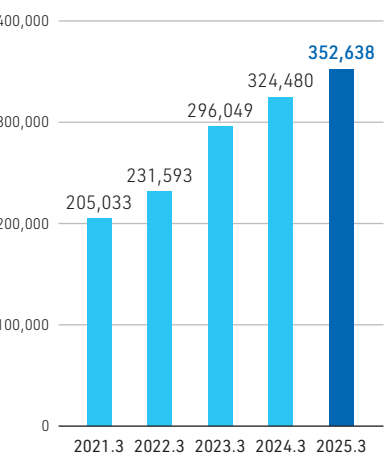
ROE **20.3** %



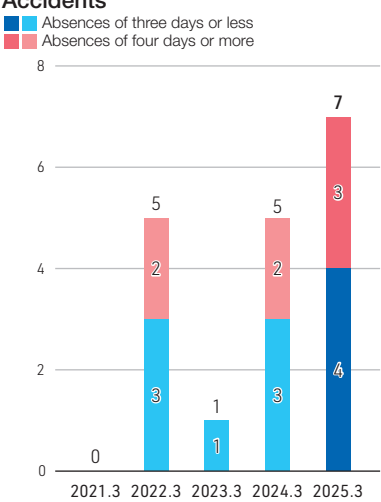
Dividend per Share & Payout Ratio **14.0** yen



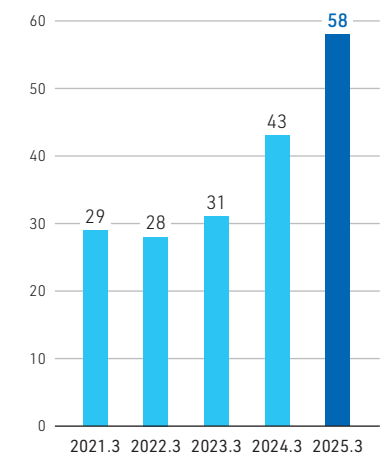
Waste Treatment Volume **352,638** t



Occurrence of Occupational Accidents **7**



Number of Incidents **58**



		2016.3	2017.3	2018.3		2019.3	2020.3	2021.3	2022.3	2023.3	2024.3	2025.3
Financial Data (Consolidated)												
Performance Indicators												
Sales	(million yen)	3,164	3,833	4,244		4,676	5,213	5,701	6,381	7,771	9,547	10,905
EBITDA	(million yen)	594	1,181	1,484		1,731	2,171	2,513	2,933	3,560	4,467	5,513
EBITDA margin	(%)	18.8	30.8	35.0		37.0	41.6	44.1	46.0	45.8	46.8	50.6
Operating income	(million yen)	355	590	883		1,098	1,495	1,883	2,264	2,755	3,538	4,534
Operating profit margin	(%)	11.2	15.4	20.8		23.5	28.7	33.0	35.5	35.5	37.1	41.6
Ordinary profit	(million yen)	326	590	839		1,090	1,446	1,848	2,188	2,692	3,377	4,450
Ordinary profit margin	(%)	10.3	15.4	19.8		23.3	27.7	32.4	34.3	34.6	35.4	40.8
Profit attributable to owners of parent	(million yen)	46	287	492		567	795	1,018	1,284	1,685	1,907	2,862
Cash Flow Indicators												
Cash flows from operating activities	(million yen)	354	1,057	990		1,317	1,651	1,773	1,807	2,849	2,653	4,174
Cash flows from investing activities	(million yen)	(3,196)	(268)	(252)		(1,782)	(1,474)	(2,063)	(3,908)	(2,243)	(2,845)	(3,470)
Free cash flows	(million yen)	(2,842)	789	738		(465)	177	(290)	(2,101)	606	(192)	704
Capital investment	(million yen)	3,522	305	310		1,845	1,321	2,129	4,175	1,501	2,457	3,480
Cash flows from financing activities	(million yen)	3,363	(555)	(309)		362	1,778	827	3,700	39	2,263	(1,376)
Cash and cash equivalents at end of period	(million yen)	1,241	1,475	1,903		1,801	3,756	4,293	5,894	6,540	8,611	7,939
Financial Ratios & Management Indicators												
Total assets	(million yen)	7,947	7,781	8,075		9,164	11,919	14,222	20,040	21,607	26,901	28,492
Total liabilities	(million yen)	6,770	6,353	5,927		6,911	7,537	8,699	10,503	10,623	14,111	13,040
Interest-bearing debt balance	(million yen)	5,452	4,935	4,381		5,229	5,803	6,704	7,704	8,029	10,257	9,323
Net assets	(million yen)	1,177	1,427	2,170		2,252	4,382	5,522	9,536	10,983	12,789	15,452
Equity ratio	(%)	14.8	18.3	26.8		24.6	36.8	38.8	47.6	50.7	47.4	54.1
Return on invested capital (ROIC)	(%)	0.8	4.5	7.9		7.6	8.1	8.2	7.7	9.6	8.6	11.8
Return on equity (ROE)	(%)	4.0	22.0	27.4		25.6	24.0	20.6	17.1	16.4	16.1	20.3
Shareholder Return Indicators												
Net assets per share	(yen)	49.07	59.50	83.77		92.00	166.29	207.58	345.62	397.26	461.33	557.28
Dividend per share	(yen)	1.5	1.5	1.5		1.9	2.5	2.5	5.0	5.0	8.0	14.0
Dividend on equity (DOE)	(%)	3.0	2.5	1.8		2.1	1.5	1.2	1.4	1.3	1.7	2.5
Payout ratio	(%)	80.2	12.9	7.6		8.8	7.9	6.5	10.4	8.2	11.6	13.5
Non-financial Data (Consolidated)												
Total number of employees		184	187	180		188	193	204	241	265	354	351
Female manager ratio	(%)	12.9	10.8	10.8		10.8	9.5	8.9	7.5	5.8	7.8	8.2
Outside director ratio	(%)	0.0	0.0	25.0		25.0	25.0	25.0	33.3	33.3	33.3	33.3
Number of employees who took childcare leave		1	7	1		5	1	4	7	12	9	2
Average ratio of childcare leave usage	(%)	25.0	58.3	33.0		71.4	50.0	57.0	70.0	86.0	100.0	67.0
Average ratio of paid leave taken	(%)	58.8	57.2	58.0		63.0	70.3	68.1	70.1	85.7	87.3	85.3
CO <sub>2</sub> emissions (t-CO <sub>2</sub> )	(t-CO <sub>2</sub> )	—	—	—		—	—	52,334	58,466	53,720	52,456	56,961
Number of incidents		27	31	44		40	31	29	28	31	43	58

- The Company conducted stock splits at ratios of 3-for-1 in 2019, 1.3-for-1 in 2020, and 2-for-1 in 2021.  
The per-share figures above are retroactively adjusted to reflect these stock splits.



Company Profile (Securities Code: 6564) (As of March 31, 2025)

MIDAC HOLDINGS CO., LTD.



We want to pass on a planet with beautiful  
**water, land, and air** to the next generation.  
The MIDAC company name embodies this concept.

<https://www.midac.jp/en/>

Location	2163 Aritama Minami-machi, Chuo-ku, Hamamatsu City, Shizuoka Prefecture, 431-3122
Founded	April 1, 1952
Capital	¥90 million
Number of Employees (Consolidated)	351 (47*) * Excl. average number of temporary employees
Businesses	Development of Group business strategies and management of Group operations
Banks	MUFG Bank, Shizuoka Bank, Hamamatsu Iwata Shinkin Bank, Shoko Chukin Bank, Resona Bank
Offices	Act Office, Shinagawa Office
Listed Markets	Tokyo Stock Exchange Prime Market, Nagoya Stock Exchange Premier Market

Share Status

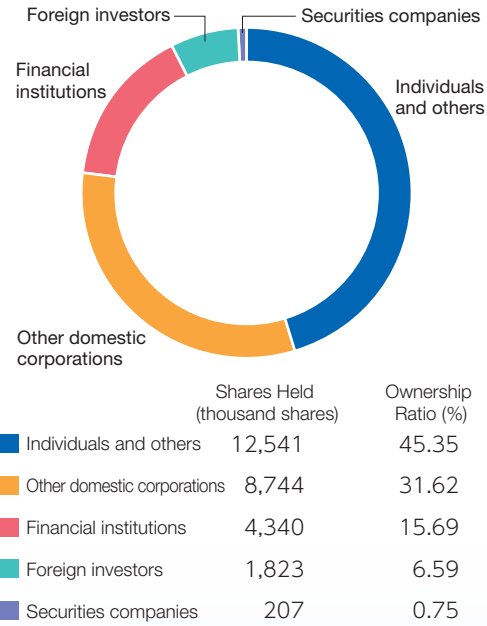
Total authorized shares	95,940,000
Total issued shares	27,773,500
Number of shareholders	5,155

Major Shareholders

Shareholder Name	Shares Held (thousand shares)	Ownership Ratio to Total Issued Shares (excl. treasury shares) (%)
Fons Asset Management Co., Ltd.	8,190	29.61
Katsuhiro Kumagai	4,138	14.96
The Master Trust Bank of Japan, Ltd. (trust account)	2,076	7.51
Yukiko Kumagai	1,342	4.86
Hiroyuki Kumagai	1,151	4.16
Custody Bank of Japan, Ltd . (trust account)	951	3.44
Keiko Kato	654	2.37
Kazushi Yaitabashi	605	2.19
The Shizuoka Bank, Ltd. (Standing proxy: The Master Trust Bank of Japan, Ltd.)	507	1.83
Hamamatsu Iwata Shinkin Bank	430	1.55

- Ownership ratios exclude 115,322 treasury shares.

Breakdown by Shareholder Type



- Ownership ratios exclude 115,322 treasury shares.

Group Companies

MIDAC CO., LTD.

Location	2163 Aritama Minami-machi, Chuo-ku, Hamamatsu City, Shizuoka Prefecture, 431-3122
Founded	August 11, 1987
Capital	¥10 million
Number of Employees	171
Businesses	- Collection, transportation, and treatment of industrial waste (intermediate treatment and final treatment)
Offices	Head Office Sales Office, Fujinomiya Sales Office, Tokyo Sales Office, Nagoya Sales Office, Head Office Business Office, Toyohashi Business Office, Fujinomiya Business Office, Enshu Clean Center, Hamanako Clean Center, Okuyama-No-Mori Clean Center

MIDAC LINER CO., LTD.

Location	2163 Aritama Minami-machi, Chuo-ku, Hamamatsu City, Shizuoka Prefecture, 431-3122
Founded	April 1, 2022
Capital	¥10 million
Number of Employees	42
Businesses	Collection and transportation of general waste

SANKO CO., LTD.

Location	3042-3 Aza Shojiyama, Kamitaraga-cho, Kasugai City, Aichi Prefecture, 486-0801
Founded	March 1968
Capital	¥10 million
Number of Employees	12
Businesses	- Collection, transportation, and intermediate treatment of industrial waste (including transshipment and storage)
Offices	Kasugai Business Office, Seki Business Office

MIDAC KONAN CO., LTD.

Location	902-1 Magori-cho, Chuo-ku, Hamamatsu City, Shizuoka Prefecture, 431-0203
Founded	April 14, 1982
Capital	¥5 million
Number of Employees	36
Businesses	Collection, transportation, and treatment of industrial waste (intermediate treatment)

FRIEND SANITARY CO., LTD.

Location	1290 Kumozu Nagatsune-cho, Tsu City, Mie Prefecture, 514-0303
Founded	April 1, 1961
Capital	¥10 million
Number of Employees	71
Businesses	Collection and transportation of general waste and sewage

ENSHU CRUSHED STONE CO., LTD.

Location	872-22 Karishuku, Inasa-cho, Hamana-ku, Hamamatsu City, Shizuoka Prefecture, 431-2225
Founded	December 26, 1967
Capital	¥45.3 million
Number of Employees	7
Businesses	Crushed stone manufacturing

TAIHEI KOSAN CO., LTD.

Location	2-2-2 Uchisaiwai-cho, Chiyoda-ku, Tokyo, 100-0011
Founded	July 1971
Number of Employees	47
Businesses	Collection, transportation, and final treatment of industrial and general waste
- TAIHEI KOSAN CO., LTD. became a consolidated subsidiary of MIDAC HOLDINGS CO., LTD. in April 2025.	

LOVE THY NEIGHBOR CO., LTD.

Location	5-3-14 Kamiyoga, Setagaya-ku, Tokyo, 158-0098
Founded	October 2017
Capital	¥1 million
Number of Employees	13
Businesses	Operation of non-registered nursery schools

IWAHARA ORCHARDS CO., LTD.

Location	669-2 Tsutsumi, Takane-cho, Hokuto City, Yamanashi Prefecture, 408-0004
Founded	June 1998
Capital	¥9 million
Number of Employees	10
Businesses	Production of agricultural produce

GREEN CIRCULAR FACTORY CO., LTD.

Location	1-1 Sakae-cho, Takasaki City, Gunma Prefecture, 370-0841
Founded	September 1, 2023
Capital	¥90 million
Businesses	Resource circulation infrastructure, waste treatment
- Joint venture with YAMADA HOLDINGS CO., LTD.	