

MIDAC

SUSTAINABILITY REPORT 2023



MIDAC HOLDINGS CO., LTD.



Challenge 80th

The MIDAC Group's 10-Year Vision

In April 2022, the Group celebrated the 70th anniversary of its founding. With this key milestone as an opportunity, we formulated the MIDAC Group 10-Year Vision “Challenge 80th,” in order to embody our vision for the Group at its 80th anniversary in 10 years’ time.

[→ Refer to p. 13 for details](#)



Passing on a beautiful planet to the next generation MIDAC provides a future for water, land, air, and for 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

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Reporting Policy | The Group, which advocates a management philosophy of "Passing on a planet with beautiful water, land, and air to the next generation," reports its CSR and environmental activities in line with the basic items set out in the Ministry of the Environment's "Environmental Reporting Guidelines 2018."

Month of Publication

July 2023

Next Scheduled Publication

July 2024 (Scheduled)

Organizations Covered

- MIDAC Group
- MIDAC HOLDINGS CO., LTD.
- MIDAC CO., LTD.
- MIDAC LINER CO., LTD.
- SANKO CO., LTD.
- MIDAC KONAN CO., LTD.
- LOVE THY NEIGHBOR CO., LTD.
- IWAHARA ORCHARDS CO., LTD.

Period Covered

FY2022
(April 1, 2022 – March 31, 2023)
*In order to report the Group's most up-to-date circumstances, the Report also includes information from April 2023 and later.

The History of the MIDAC Group

Since our establishment, we have been deeply involved in waste management and have come to strongly recognize the importance of realizing a sustainable, recycling-oriented society by reviewing the economic and social structures that produce large volumes of waste.

As an expert in waste treatment, the Group has always responded to the needs of the times and has made sincere efforts to earn the trust and confidence of its customers with its reliable technologies. Going forward, we will continue to engage in further strengthening the MIDAC Group's operating base in order to realize our medium- to long-term growth strategy, and to maintain and improve society and the environment, as is demanded of a listed company.

Transformation/Expansion Stage

1996-2003

Growth/Establishment Stage

1984-1995

Founding/Beginnings Stage

1952-1983

1952

1984

1996

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

August 1984

Founder passed away, and second President appointed

May 1986

Water treatment facility established in Hamamatsu City

May 1988

Kurematsu Business Office (crushing/landfill) opened

October 1992

Facility for dehydration, oil-water separation and neutralization installed

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



Sales (Million Yen)

Challenge 80th

10,000

Fulfillment/Leap Stage

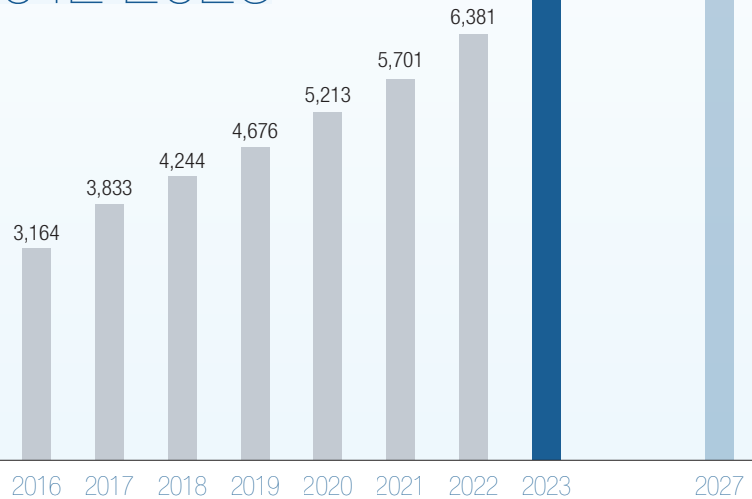
2012-2023

Restructuring/Strengthening Stage

2004-2011

2004

2012



- 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

- March 2012**
Merger by absorption with MIDAC FUJINOMIYA CO., LTD.
- January 2013**
Sekai 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



Financial and Non-Financial Highlights

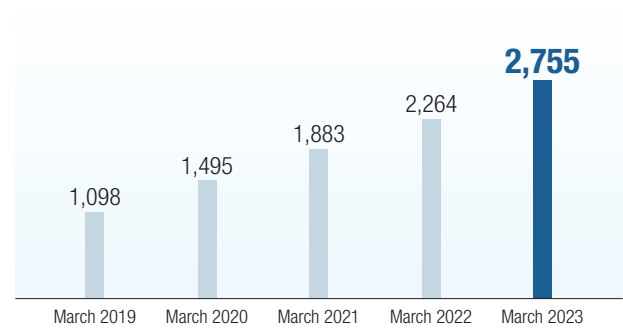
Financial Highlights

Through the implementation of its medium-term plan, the Group has been pressing ahead with strengthening the earnings capacity of its existing businesses and investing in the future. Furthermore, in order to make maximum use of the significantly-increased treatment capacity at our landfill sites, in addition to undertaking proactive, wide-area sales activity, we have been working to manage the sites efficiently by clearly delineating their roles when there are two controlled landfill sites in the same area, as well as by strengthening the sites' coordination with each of our intermediate treatment sites. In the course of doing so, in the fiscal year ended March 31, 2023, the Group posted new records for net sales and for profit attributable to the owners of the parent, with net sales increasing for the eighth fiscal year running, and profit attributable to the owners of the parent increasing for the seventh fiscal year running. The Group is also planning to achieve sales and profit growth in the fiscal year ended March 31, 2024.

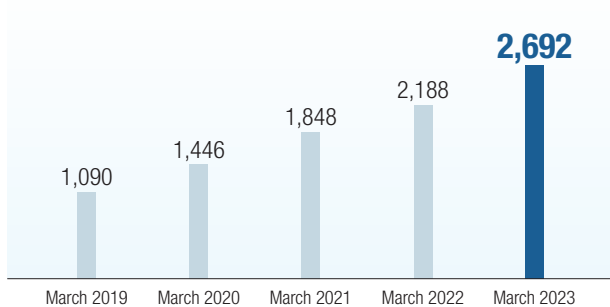
Net sales **7,771** million yen



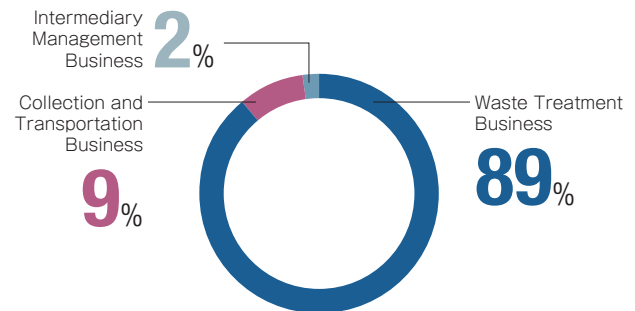
Operating income **2,755** million yen



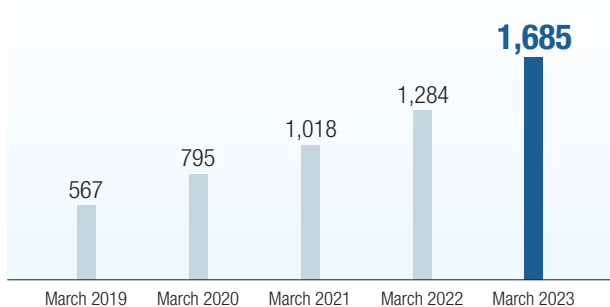
Ordinary profit **2,692** million yen



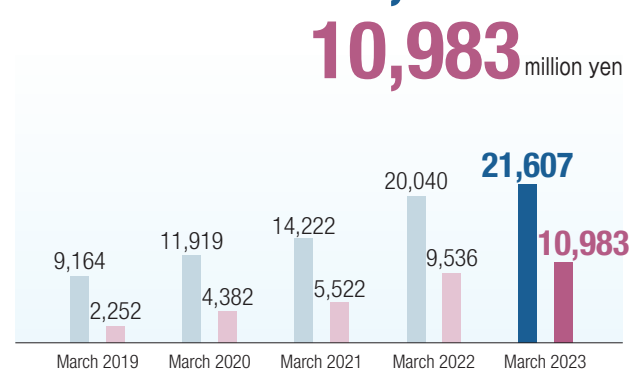
Composition of net sales by segment



Profit attributable to the owners of the parent **1,685** million yen



Total assets/Net assets **21,607** million yen



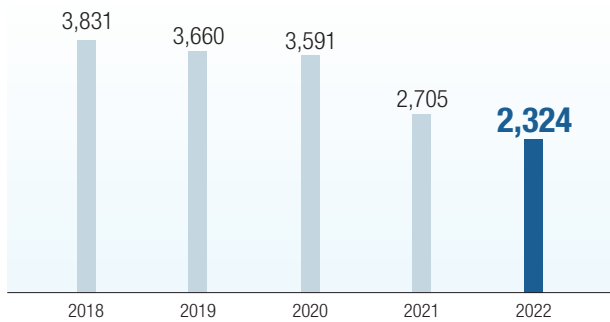
Non-Financial Highlights

On the basis of the Group's sustainability policies, we are strengthening our efforts to address climate change in the interests of realizing society's sustainable development and enhancing the Company's corporate value in the medium to long term. As a result of that, our CO₂ emissions are declining every year, and at our incineration facilities, we continue to carry out low-energy treatment through thermal energy recycling.

Additionally, with regard to human capital, we are working to enhance measures that are targeted at realizing well-being, and are promoting the creation of a workplace environment in which everyone feels comfortable working, regardless of gender or age. As a result, our workforce is growing, and various indicators for tracking work-life balance are climbing.

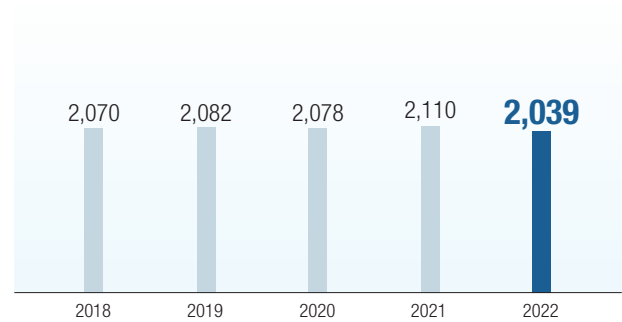
CO₂ emissions

2,324 t-CO₂



Power generated at incineration facilities

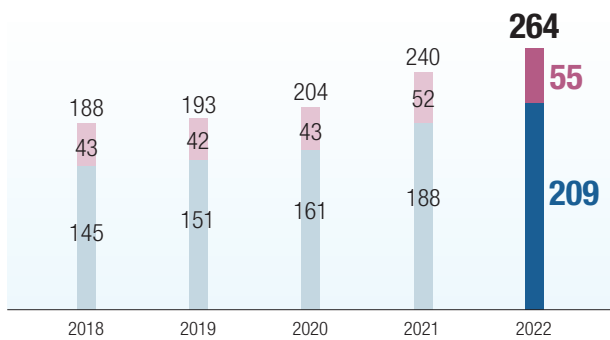
2,039 MWh



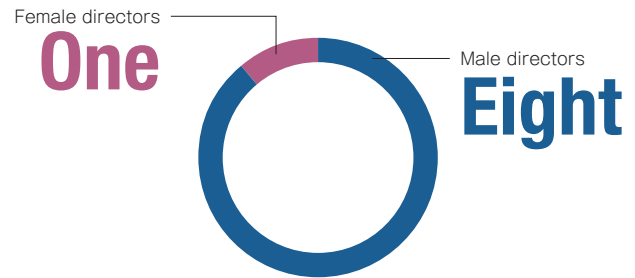
Number of employees (consolidated)

264

Men Women



Composition of board of directors

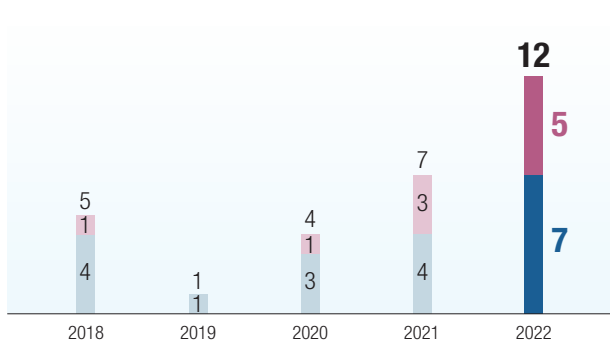


*Covers only full-time employees, excluding those who serve concurrently as executives and officers. Number of employees as of the end of each fiscal year.

Number of employees who took maternity leave

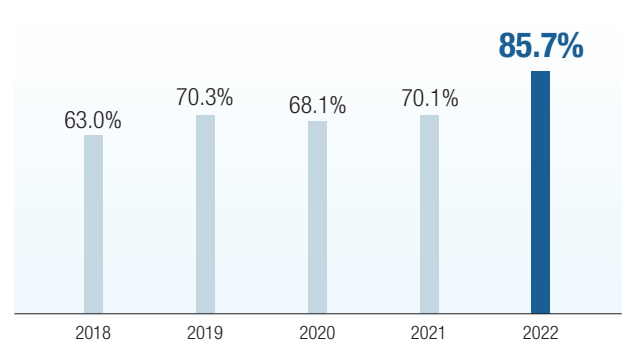
12

Men Women



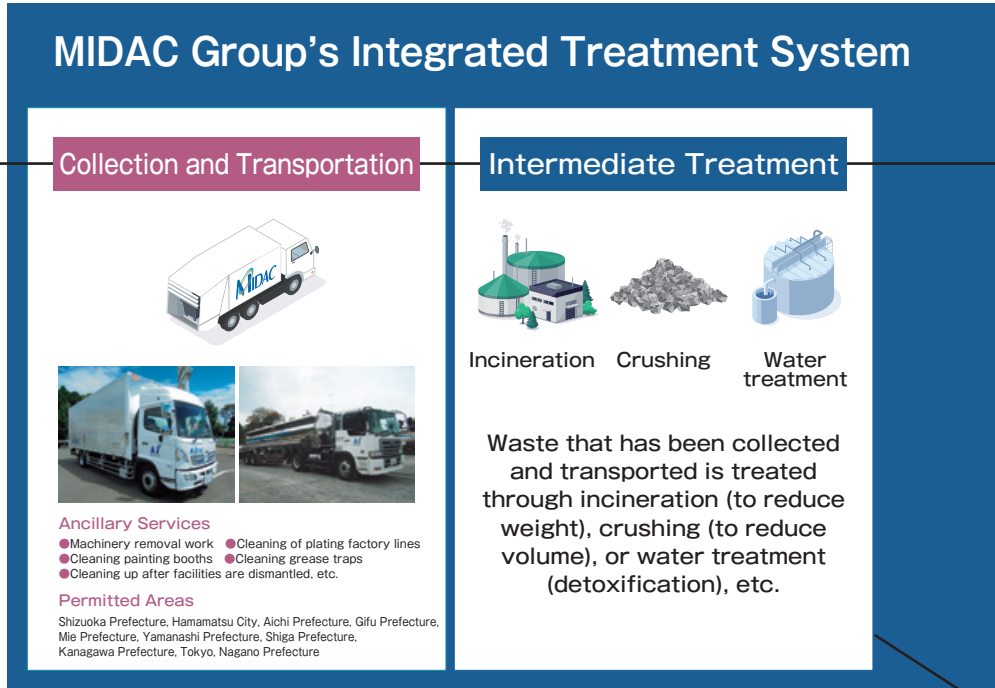
Average ratio of paid leave taken

85.7%

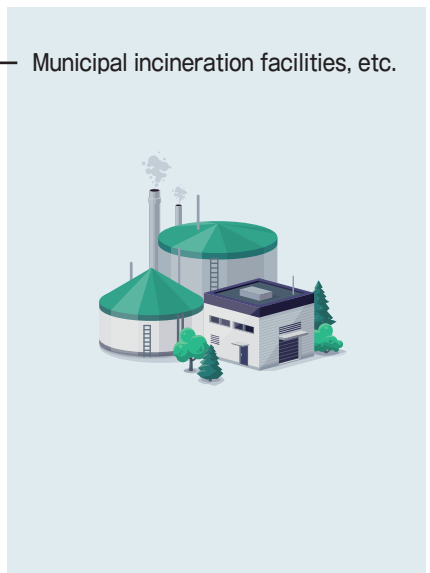
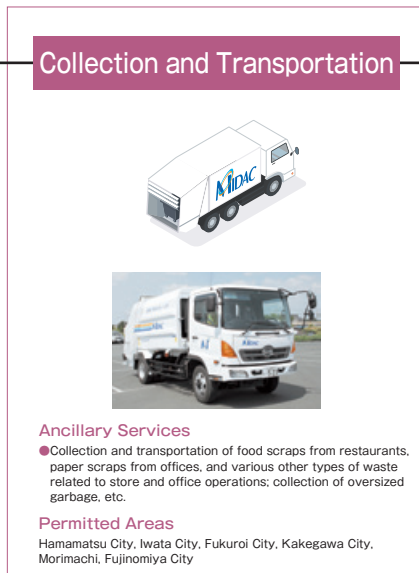
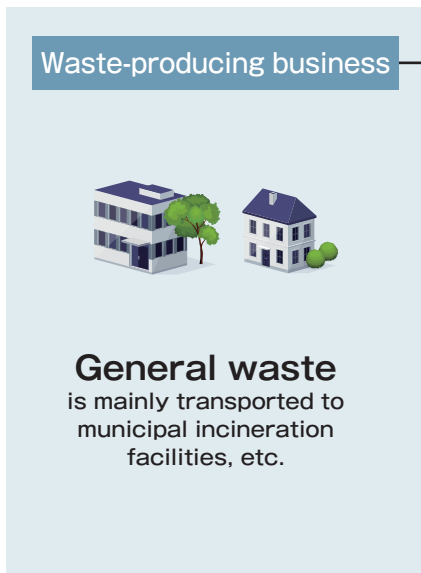


MIDAC's Strengths - "integrated treatment system,"

While most of our competitors are only in the collection and transportation business or in the intermediate treatment business, we have built an integrated treatment system that makes it possible to do everything from collection and transportation to final treatment within the Group. One of the Group's additional strengths is that it is a comprehensive waste treatment company capable of treating a wide variety of waste, thanks to the variety of permits and equipment it possesses.




Waste treatment entrusted to cooperating partners



“final treatment,” “incineration” -

This integrated treatment system can be expected to realize cost reductions for intermediate treatment facilities by enabling in-house waste treatment of waste generated within the Group, and thus enhance our competitiveness. In addition, it provides added value in the form of peace of mind for customers, as they can entrust their waste without having to worry about it being improperly treated or illegally dumped.

Final Treatment



Landfill disposal at MIDAC sites

- Controlled (Enshu Clean Center, Okuyama-No-Mori Clean Center)
- Stable (Hamanako Clean Center)

Waste that has finished intermediate treatments is disposed of via landfills



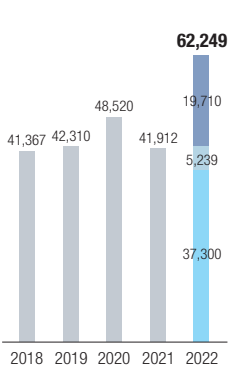
Recycling by cooperating partners



Landfill disposal by cooperating partners

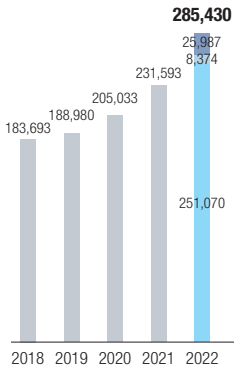
Volume of waste collected and transported by MIDAC Group

■ MIDAC
■ SANKO
■ MIDAC KONAN (Unit: t)

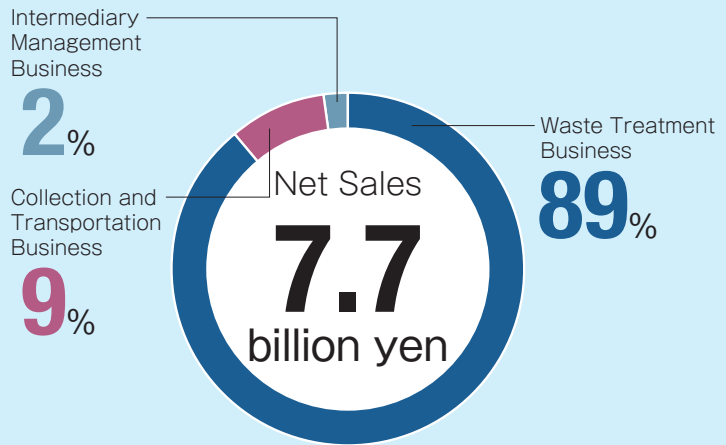


Volume of waste treated by MIDAC Group

■ MIDAC
■ SANKO
■ MIDAC KONAN (Unit: t)



Business Segments



Waste Treatment Business

Provides waste treatment services through the company's own facilities. We have built a system that enables us to treat a variety of waste.

Collection and Transportation Business

The MIDAC Group is fully equipped with a variety of vehicles that can transport numerous types of waste, from solids to waste liquids. We are also at the top of the industry in terms of satisfaction with our cleaning work.

Intermediary Management Business

We provide introductions to treatment companies that are not part of the Group and provide a variety of services. We also propose appropriate waste treatments for waste that is difficult for a company to treat by itself or that is outside of a company's area of expertise.

Top Message

We have made a solid start with “Challenge 80th” and the First Medium-term Plan.

In April 2022, the Group celebrated the 70th anniversary of its founding. With this key milestone as an opportunity, we formulated the MIDAC Group 10-Year Vision “Challenge 80th.” We have established two steps toward realizing that vision – the First Medium-term Plan (Build a foundation for accelerated growth: the fiscal year ended March 31, 2023 – the fiscal year ended March 31, 2027), and the Second Medium-term Plan (Establish a leading position in the industry through accelerated growth: the fiscal year ended March 31, 2028 – fiscal year ended March 31, 2032) – and we are advancing our growth strategy.

In the fiscal year ended March 31, 2023, which was the first fiscal year of the First Medium-term Plan, we posted new records for both sales and profit, thanks in part to the significant increase in the treatment capacity at our landfill sites resulting from our new controlled landfill site (Okuyama-No-Mori Clean Center) commencing operations. I believe we have made a solid start on the next 10 years.

Going forward, we will also maintain growth as a result of proactive growth investment. We are targeting net sales of 10 billion yen and ordinary profit of 5 billion yen in the fiscal year ended March 31, 2027, the final fiscal year of the First Medium-term Plan, through organic growth alone, which does not include growth arising from M&A. In addition, by maintaining our stance of investing proactively in good quality M&A deals as one form of growth investment, we will also work to add M&A growth to our organic growth targets, and have positioned achieving net sales of 40 billion yen and ordinary profit of 12 billion yen in the fiscal year ended March 31, 2032 as Challenge Targets. Through this ambitious management, we will aim to realize our goal of “becoming a true leader in the industry by aiming to evolve

into becoming one of the industry’s leading comprehensive industrial waste treatment companies,” as our vision for the Group in 10 years’ time.

Toward achieving that vision, we are moving to expand our business to the Kanto region, where there is a strong demand.

Based on our awareness that in order for the Group to realize its vision it will be essential to expand its operating area, going forward we will further proactively promote the expansion of our business in the Kanto area, where demand for waste treatment is anticipated, and are setting a course for pursuing business growth through the establishment of intermediate treatment facilities and landfill sites.

Waste treatment is a licensed business, and inevitably, obtaining licenses takes time. In developing new waste treatment facilities, we intend to strategically and speedily utilize M&A and other strategies, without being limited to in-house responses, in order to accelerate our speed of growth.

At the same time, when it comes to landfill sites, which it may be particularly difficult to secure licenses for, we extended our parameters to the entire east Japan area to select candidate sites, and having chosen two locations as candidates for controlled landfill sites, we are currently in the process of coordinating with the authorities toward obtaining licenses. It is not yet determined when the sites will begin operating, but both will be large controlled landfill sites of 1.5 million m² to over 2 million m², and information will be made public as the occasion demands.



MIDAC Group's
Purpose

To realize waste treatment that will continue into the future, as essential social infrastructure that is indispensable to people's lives

Realizing waste treatment
that will continue into the future
is our purpose (raison d'être)
and our mission.



President & Representative Director

Keiko Kato

Top Message

Promoting management that listens and responds sincerely

We will pursue environmentally friendly waste treatment as social infrastructure.

Domestic landfill sites have approximately 17 remaining years, and the situation is particularly tight in the greater Tokyo metropolitan area, at 6.1 remaining years. Currently, 10 million tons/year of waste that is incompatible with recycling and difficult to treat outside of landfill sites is being produced, and given this situation, it can be said that landfill sites will perform an extremely important role on the environmental conservation front as well. We recognize that the leeway for future growth at the Group is significant, including as a result of the commencement of operations at Okuyama-No-Mori Clean Center.

At the same time, the promotion of decarbonization and the SDGs is picking up pace both inside and outside Japan, and companies also are being called on to implement sustainability management that takes the environment into account. Amid that, and with an eye to realizing the "3Rs+Renewable"* proposed by the Ministry of the Environment, the MIDAC Group is likewise engaged in preparing an in-house structure that simultaneously aims to enhance the Group's corporate value while realizing the sustainable growth of society, through the provision of environmental infrastructure that responds to the needs of the times.

In addition, while reducing greenhouse gas emissions is naturally important, given the extreme difficulty of achieving carbon zero while carrying out our business activities, as one part of our decarbonization efforts we are undertaking research and development on carbon offsetting, including CCS (Carbon dioxide Capture and Storage) and CCU (Carbon dioxide Capture and Utilization) technologies, in partnership with industry and academia.

*A basic principle listed in the Resource Circulation Strategy for Plastics that is being promoted by the government. It calls for a shift to alternative, renewable resources, in addition to the 3Rs (Reduce, Reuse, Recycle).

Along with strengthening our regional collaboration, we have also begun new initiatives toward achieving the SDGs.

At the Group, we are aiming to promote the integration of the SDGs with our businesses, and are proactively promoting social contribution activities for achieving the SDGs through multidimensional initiatives.

In order to discharge our duties as a provider of infrastructure in local communities, and as a response to natural disasters, which are increasing in frequency and severity, in the fiscal year ended March 31, 2023, we moved to strengthen our regional collaboration by concluding agreements on disaster waste treatment with a number of local governments (Makinohara City, Iwata City and Susono City).

In addition, as a new initiative, we acquired two companies in different industries through M&A. In May, we acquired LOVE THY NEIGHBOR CO., LTD., which operates a corporate-sponsored childcare service, and in November we acquired IWAHARA ORCHARDS CO., LTD., which is involved in the production of fruit (refer to p. 30).

It is expected that the new Group members will develop businesses that widely promote early childhood environmental education and contribute to regional revitalization/environmental conservation, although this is premised on them securing steady profits.

In order to realize its medium- to long-term growth strategy, the Group will promote the establishment of new waste treatment facilities going forward. In addition to that, the Group also plans to engage in further strengthening its operating base by proactively promoting M&A that incorporates a sustainability perspective, in order to maintain and improve society and the environment, in line with what is expected of a listed company.

to the voices of each and every employee

We are rolling out homegrown responses aimed at ensuring the well-being of our employees, who are an important management resource.

Where human capital is concerned, in addition to the measures implemented thus far, we are working on more enhanced content that will lead to improved well-being.

In the fiscal year ended March 31, 2023, we spent a year pressing ahead with constructing a system capable of responding to employees' various life stages, and in February we began trialing the MIDAC Omoiyari System, which makes it possible for employees to move their starting and finishing times according to their circumstances. The system was used and favorably received by a large number of employees, and was rolled out fully from April. Situations that compel talented personnel to abandon their careers due to temporary circumstances in their lives, such as childrearing and nursing care, are a major loss to companies, and from the standpoint of aiming for business growth, we believe there is a need to continue to respond flexibly.

In addition, as one part of our welfare program, we have taken out corporate cancer insurance, based on our desire to support, if only in a small way, those employees who contract cancer, a disease that affects the entire nation, or who are cancer survivors. From this April, we also introduced a system supporting the repayment of student loans, after becoming aware that some prospective employees were struggling to make their repayments due to the impact of the COVID-19 pandemic.

At the Company, we consider what can be done as a company to improve and resolve circumstances that employees are struggling with on the frontlines, and come up with new, homegrown measures and systems accordingly. We aim to respond sincerely to each and every employee and assess their respective needs, while developing and enhancing our workplace environment to make it a conducive place to work for everyone.

We are also placing an emphasis on human resources development when it comes to training



core personnel, and from 2020 we introduced a training system covering management positions. More than 10 years have passed since we began recruiting new graduates, and members who joined the company as graduates have now reached the point where they are being appointed as members of the management team. We have also prepared a training plan that takes the form of a succession plan, in a broad sense. It currently covers one individual.

We are pursuing waste treatment that will continue into the future as infrastructure that is indispensable to people's lives in any era.

Amid the dizzying changes that occur in the economic environment and markets, the Group's management philosophy has provided an immutable anchor since its founding, and we are committed to continuing to pursue a sustainable business model in the future that is adapted to the needs of the new era.

Our very purpose (raison d'être) and our mission is to realize waste treatment that will continue into the future, as essential social infrastructure that is indispensable to people's lives. In order to evolve into a comprehensive waste treatment company that drives the industry, and to achieve our management philosophy, all MIDAC Group employees will continue to work together to enhance our corporate value. Consequently, we ask for your continued support and encouragement as stakeholders, in order to realize further growth at the Group, which provides a future for water, land, and air, and so we can continue to fulfill the great missions and responsibilities that have been entrusted to us.



MIDAC Group 10-Year Vision

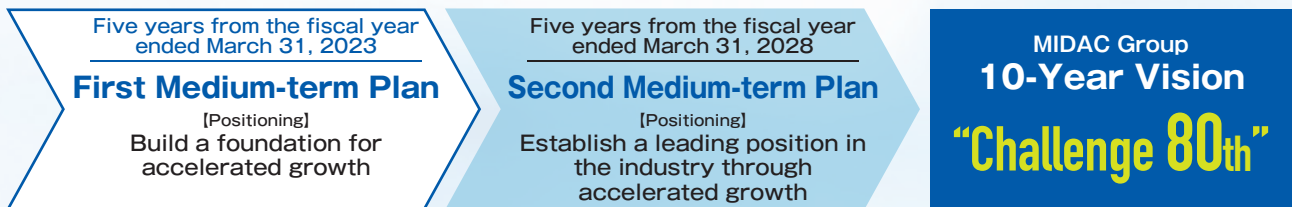
“Challenge 80th”

In April 2022, the Group celebrated the 70th anniversary of its founding. With this key milestone as an opportunity, we formulated the MIDAC Group 10-Year Vision “Challenge 80th,” in order to embody our vision for the Group at its 80th anniversary in 10 years’ time. Over the coming five years, the Company is moving forward with its two-staged Medium-term Plan to realize “Challenge 80th.” The positioning of the First Medium-term Plan, which runs until the fiscal year ended March 31, 2027, is “Build a foundation for accelerated growth,” and we have been pursuing a growth strategy from the fiscal year ended March 31, 2023, on the basis of that positioning.



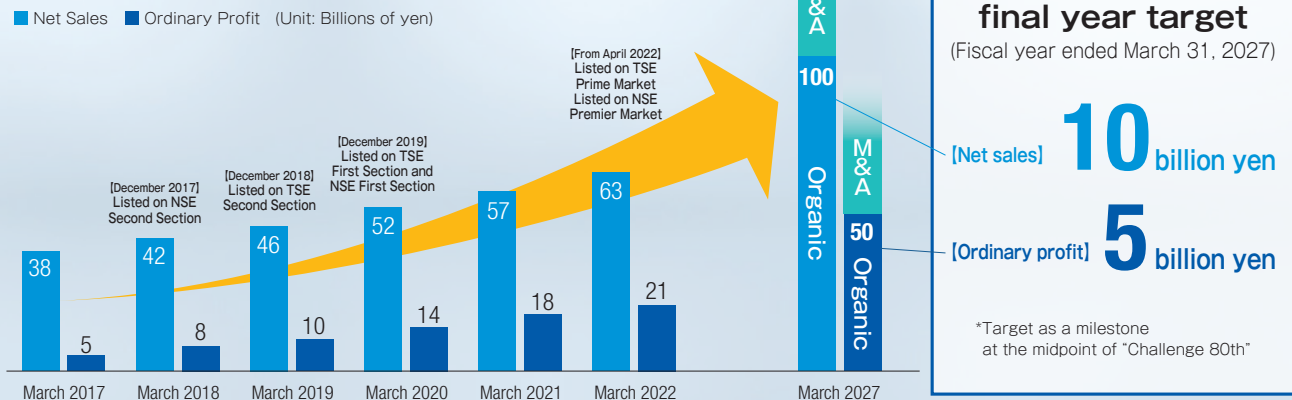
Steps to realizing “Challenge 80th”

We are moving forward with our two-staged Medium-term Plan to realize “Challenge 80th.”



First Medium-term Plan Numerical Targets (Consolidated)

Sustain growth and achieve net sales of 10 billion yen and ordinary profit of 5 billion yen in five years through organic growth alone.

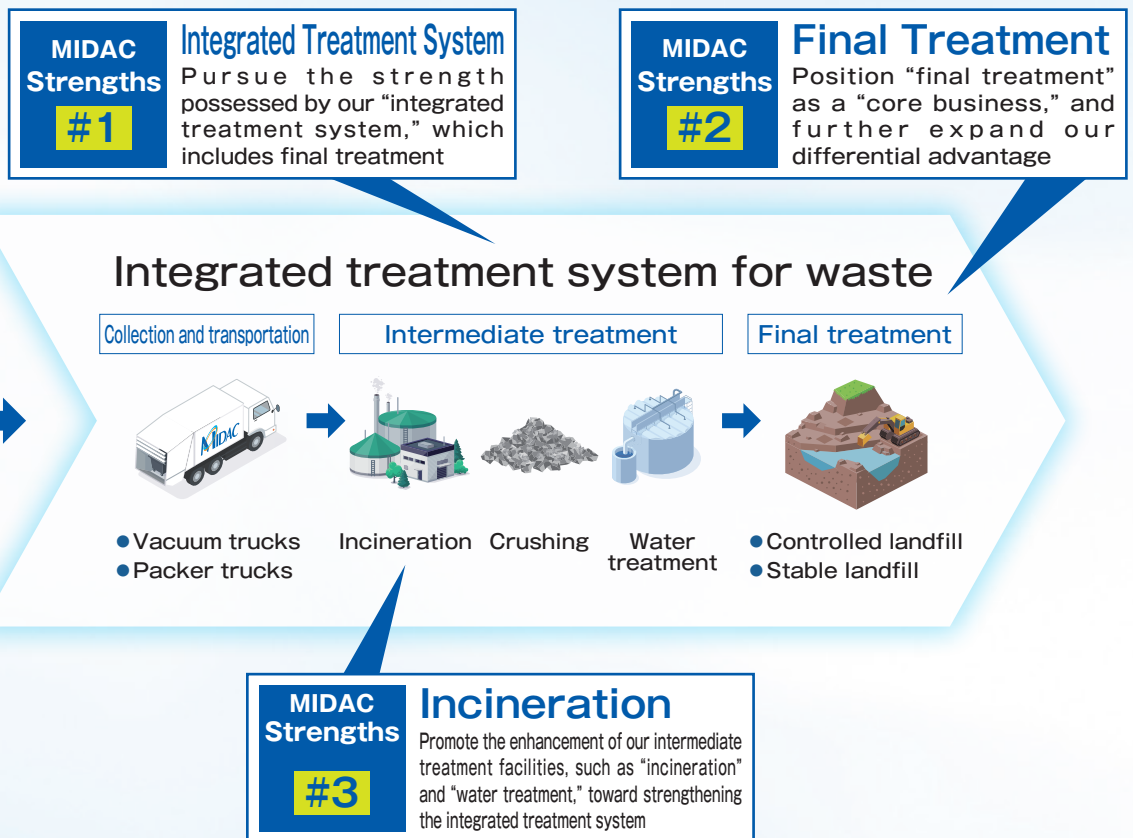


80th

■ Growth strategy to realize “Challenge 80th.”

We are moving forward with a growth strategy that thoroughly pursues our strengths.

Further pursue MIDAC Group’s “three strengths”



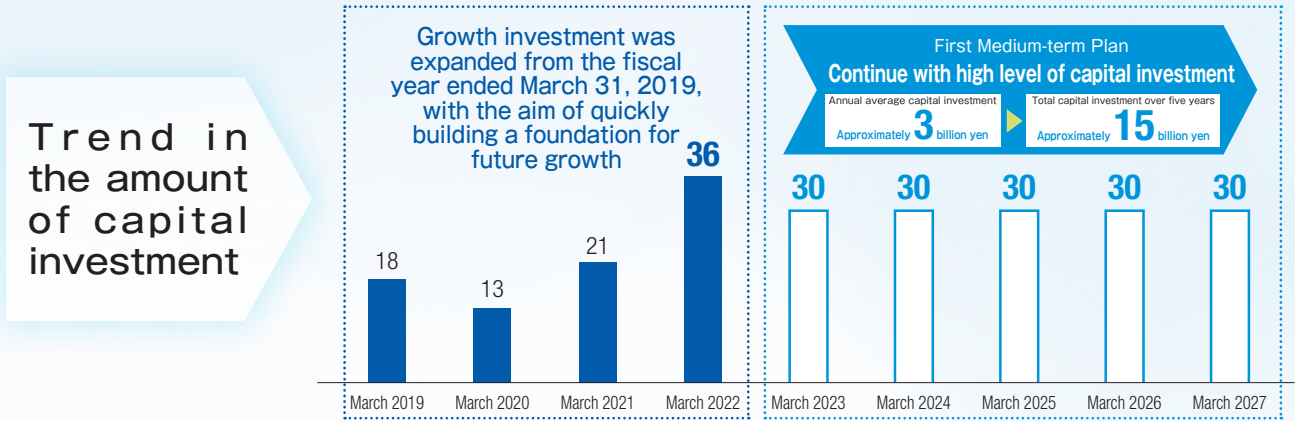
■ Investment plan for supporting the growth strategy

To accelerate growth, we will simultaneously pursue organic investment and M&A investment as growth investment.



Investment plan for supporting the growth strategy [organic investment]

(Unit: 100 million yen)



With organic investment, we expanded growth investment from the fiscal year ended March 31, 2019. We steadily strengthened our foundation for growth as a result of investment undertaken over the four-year period up to the fiscal year ended March 31, 2022

Final treatment site	Okuyama-No-Mori Clean Center (controlled landfill site)		Opened in February 2022
Intermediate treatment facility	Kumagaya City Incineration Facility (facility name undecided)		Land acquired in November 2021
Intermediate treatment facility	Hamamatsu City Water Treatment Facility (facility name undecided)		Land acquired in December 2019 Scheduled to open after April 2026

We will continue with proactive growth investment over the coming five-year period, and implement a capital investment plan worth approximately 15 billion yen.

Expand candidate locations for new final treatment sites to the entire east Japan area

Promote plan to boost capacity at existing bases and plan to extend their lifespans

Candidate final treatment sites

Two controlled final treatment sites planned in the east Japan area (each is 1.5 million m² to over 2 million m²)
In both cases, topographical surveys and geological surveys have been completed, and environmental surveys are currently being carried out

We will promote development by establishing a wide range of site candidates for final landfill sites for which it may be difficult to obtain licenses.

Expansion of business area to the Kanto region

Select several candidate sites for establishing incineration facilities and final treatment sites in the vicinity of the Pacific Belt Zone.

Promote plans simultaneously and in parallel, with the aim of obtaining installation licenses promptly

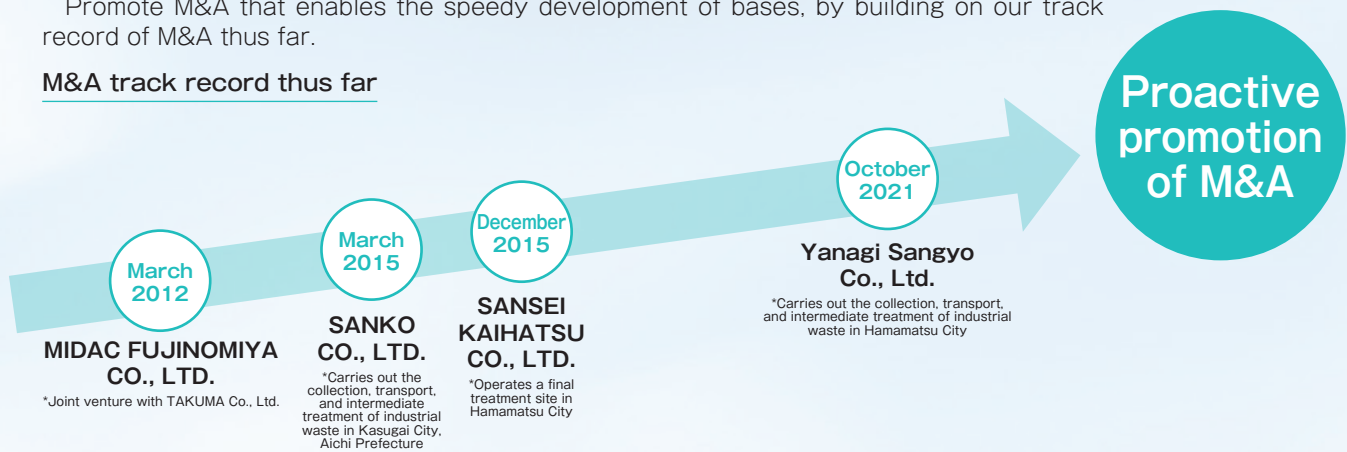
Develop bases speedily and flexibly through strategic M&A

In addition to investing in boosting our existing bases' capacity and extending their lifespans, we will implement investment to expand our business area to the Kanto region.

Investment plan for supporting the growth strategy [M&A investment]

Promote M&A that enables the speedy development of bases, by building on our track record of M&A thus far.

M&A track record thus far



Strengthen the foundation for growth by implementing growth investment 1Organic plus 2M&A

We will steadily build up the strength of our foundation for growth by moving ahead with enhancing our final treatment sites and intermediate treatment facilities.



Toward realizing "Challenge 80th"

We are moving ahead with challenging management, toward realizing "Challenge 80th"

MIDAC Group 10-Year Vision "Challenge 80th"	Fiscal year ended March 31, 2032, Challenge Targets (including M&A)	
	Net sales 40 billion yen	Ordinary profit 12 billion yen

Relationship with the Environment

MIDAC Group is undertaking the following CCUS*-related initiatives with the aim of realizing a carbon neutral society in 2050.

*Carbon dioxide Capture, Utilization and Storage

CCS for Waste

We are moving forward with developing a technology for fixing the CO₂ discharged from waste incineration facilities, etc. to the fry ash produced by incineration facilities, etc., or to functional cover soil manufactured using fry ash, etc., and storing it at controlled final treatment sites.

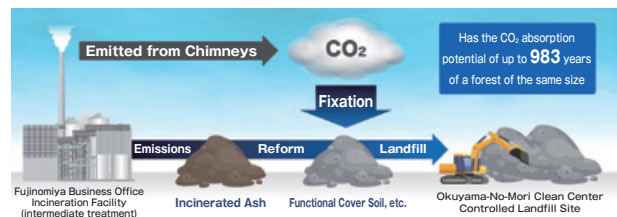
This technology arose out of the joint research MIDAC and Waseda University have been carrying out consistently since 2017. Thus far, we have clarified the mechanism for fixing CO₂ to fry ash, etc., developed a process for efficient CO₂ fixation, and carried out quantitative assessment of latent CO₂-fixation capacity using final treatment sites.

As a result, we have clarified that specific waste has CO₂-fixing abilities and found that up to 0.14 gram of CO₂ can be fixed per gram. In the case of the Company's controlled final treatment site of Okuyama-No-Mori Clean Center, this equates to the quantity of CO₂ that would be absorbed by an equivalent area of forest over a period of 983 years.

If this research proceeds, there is a possibility that it will be capable of shedding light on new value, including

that controlled final treatment sites will not simply serve roles as waste disposal sites, but as carbon capture facilities that fix CO₂.

Image of CCS for Waste



Also outlined on YouTube >>>



Algae-culturing CCU

In April 2023, MIDAC embarked on research aimed at utilizing microalgae cultivation to fix CO₂ separated and captured from the exhaust gas of incinerators etc., and efficiently and stably producing a useful substance that is generated by the algae. Accompanying this, we established the MiMiCCU Lab.*, a dedicated algae laboratory, within the MIDAC Fujinomiya Business Office.

This research is being carried out jointly with ALNUR Co., Ltd., and is aimed at effectively utilizing incineration-derived CO₂ through microalgae cultivation, developing decarbonization technologies and utilizing scarce useful components, and cultivating markets. Algae cultivation is attracting attention as one method for fixing CO₂ that has been separated and captured from the exhaust gases of factories, etc. In addition, the MiMiCCU Lab. has been focusing on a substance known as "fucoxanthin,"

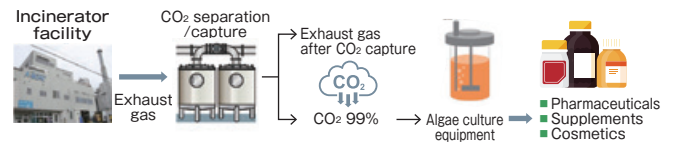
*MiMiCCU Lab. = Midac Microalgae CCU Laboratory

which is difficult to synthesize but is expected to prove very beneficial thanks to its anti-cancer, anti-obesity and other qualities. The MiMiCCU Lab. is pursuing research on microalgae cultivation technologies for producing this substance.



MiMiCCU Lab.

Image of a CCU Incinerator



VOICE



Fujinomiya Business Office
Hiromu Miwa

Macro "Collection of Problem Responses" developed!~Search for examples of previous problems easily!



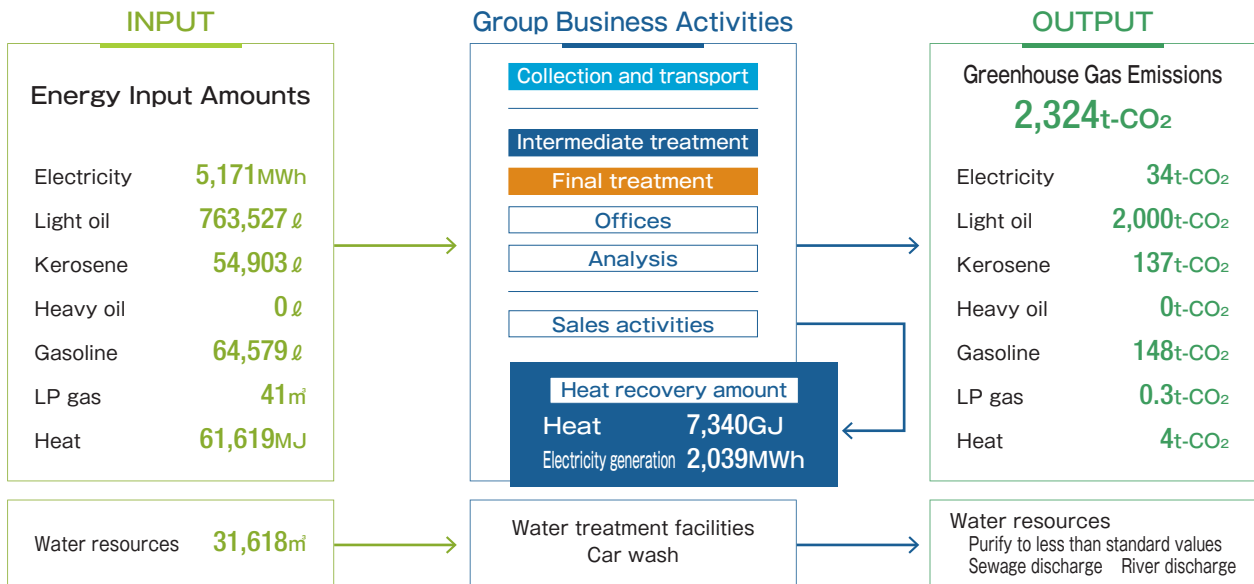
20 years have passed since the Fujinomiya Business Office began operating as an incineration plant. We have compiled a "Collection of Problem Responses" in order to visualize the problems that have occurred at the plant over that period, and pass on the knowledge and expertise that senior employees have obtained through their previous experience to their juniors.

We have created a system that makes it possible for anyone to look at extensive examples of troubles that have occurred in the past, and easily carry out a search using a macro function. Thanks to this system, it has become possible to search through examples of previous troubles with just a two-click operation, and then confirm response methods, which have photographs attached. The system has contributed to knowledge improvement across the business office as a whole by helping to close the "front-line skills" gap with highly experienced employees, which had been the number one challenge facing new employees in particular, and furthermore, made safer work possible. Going forward, we will continue to aspire to make the workplace and office work more convenient by improving the efficiency of data management in this way.



Material Balance

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



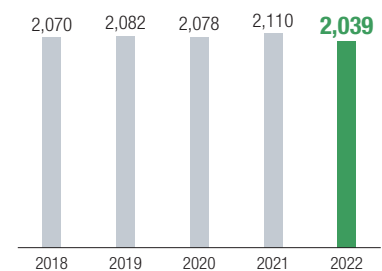
Electricity Generated at Incineration Facilities

As one of our measures to reduce our environmental impact, to the greatest extent possible we use the heat generated when incinerating waste to save energy.

Heat Utilization Equipment and Heat Utilization Methods

Steam Turbine Generator	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.
Sludge Drying Equipment	A portion of the combustion gases is used as a source of hot air for drying sludge.
Air Heating Equipment for Reducing White Smoke	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.

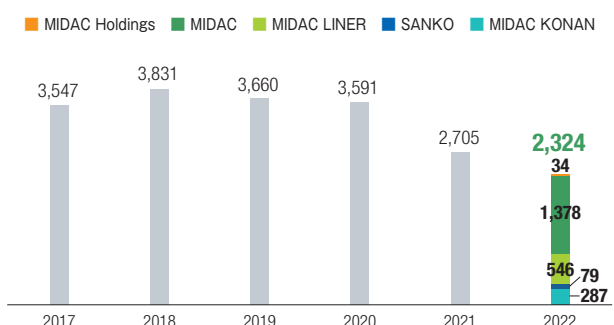
Changes in Electricity Generation (Unit: MWh)



Greenhouse Gas Emissions

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

Changes in Greenhouse Gas Emissions (energy origin) (Unit: t-CO₂)



Converting high-voltage power at offices to zero-CO₂ electricity

From October 2021, the Company converted all high-voltage power used at its offices to zero-CO₂ electricity. Zero-CO₂ electricity is electricity generated with net zero CO₂ emissions. Net zero emissions are realized by using power generated with renewable energies, or by purchasing non-fossil fuel certificates.

In FY2022 we utilized approximately 5,000MWh of zero-CO₂ electricity, which enabled us to reduce our CO₂* emissions by around 2,200t.

*The emission factor used is 0.000441t-CO₂/kWh, the substitute value of the supplier-specific emission factors used for 2023 submissions

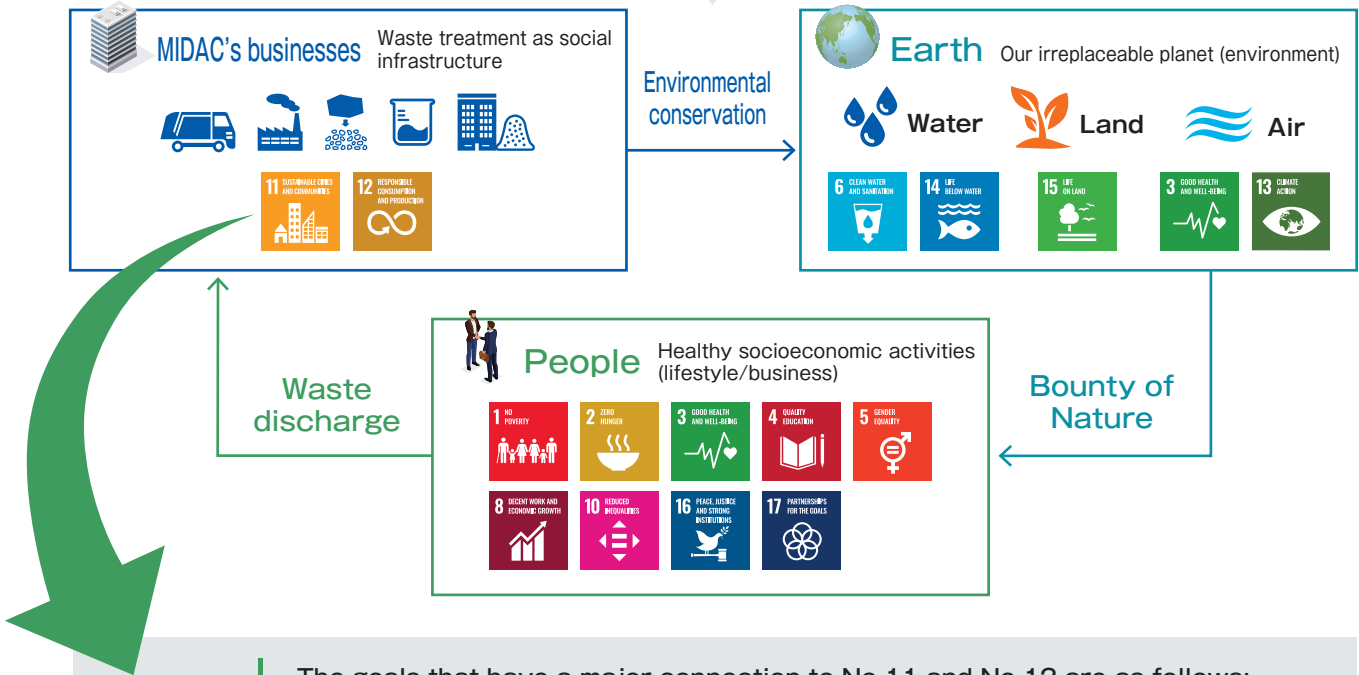


Connecting SDGs to the future

MIDAC x 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:



11.6

Manage air and waste to reduce the negative environmental impact of cities



12.4

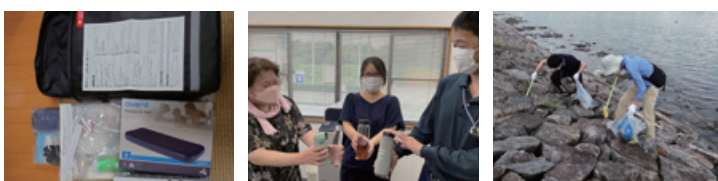
Reduce emissions to air, water, and soil through appropriate management of chemicals and waste

MSLP System

With the aim of raising awareness through the promotion of SDG 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 FY2022.

FY2022 MSLP Initiative

Total number of points: **550,200pt**



Purchasing and checking disaster preparedness goods Carrying a reusable drink bottle Cleaning activities

MIDAC SDG 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 SDG Support Squad system from 2021.

As of the end of FY2022, the MIDAC SDG Support Squad had 31 members, and they are undertaking activities such as making MSL declarations or answering SDG tests.

The points from their activities were converted into social contribution activities such as donations to the Children's Cafeteria. (The Children's Cafeteria began in Japan and offers free food to economically disadvantaged Japanese children).

See here to apply for the Support Squad or find more detailed information about it: >>>



Relationship with Urugi Village, Nagano Prefecture

Establishment of the Atebidaira Birdwatching Forest Environment and Biodiversity Council

In April 2023, Urugi Village and four organizations, including MIDAC, launched the “Atebidaira Birdwatching Forest Environment and Biodiversity Council” in order to contribute to preserving the natural environment and biodiversity of a birdwatching forest in Urugi Village.

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.



Regional Revitalization Entrepreneur Program

As one part of our people-to-people exchanges with Urugi Village, from April 1, 2023, we utilized the Ministry of Internal Affairs and Communications’ Regional Revitalization Entrepreneur Program to dispatch one employee from SANKO, a company subsidiary, to Urugi Village Town Hall. From here on, the employee will contribute to the region by engaging in work aimed at resolving regional challenges, and regional revitalization.

Participation in Fall Festival

On November 6, 2022, a mobile circulatory recycling car appeared at Urugi Village! MIDAC exhibited at the Fall Festival held at the Roadside Station Minami Shinshu Urugi.



Relationship with the Environment

Strengthening collaboration of work x EMS x SDGs

We have always been undertaking environmental initiatives that are closely connected to our work and EMS (environmental management system).

From FY2022, in order to promote the further integration of not only the EMS but also the SDGs with our businesses, SDG promotion members have been participating in the EMS and undertaking activities that connect the EMS’ targets with the 17 SDGs.

Environmental Policy

In 2001, we acquired ISO 14001 certification as a foundation for passing on beautiful water, land, and air to the next generation, and we have maintained our certification without any problems over the 21 years since then. In FY2022, MIDAC Holdings and all 14 bases of its consolidated subsidiaries were audited, and our ISO 14001 certification was retained.

We will continue to maintain and operate our environmental management system, and to promote environmental improvement activities.



Operational Status of the Environmental Management System

In a 2022 external certification review, no non-compliance was found across the Group as a whole, and 13 items were cited as strengths of our EMS.

An internal environmental audit that was carried out in-house found two items for improvement, and one item for improvement was found in a legal compliance audit. In order to build an even better EMS, we engaged in improving the items highlighted by these audits.

Received Shizuoka Prefecture’s SDGs Business Award

An initiative of Fujinokuni i-SEC*, a cross-industry alliance in which MIDAC participates that is aiming to create a new decarbonized and cyclical society and industries through insect alternative protein, was selected in the Shizuoka Prefecture’s SDGs Business Awards 2022**, and recently received an Encouragement Prize.

*1 An acronym for “incubation of Superior Edible Cricket.” It encompasses the aspiration to create new, insect consumption-based businesses in Shizuoka Prefecture (colloquially known as Fuji-no-Kuni, or “Mt. Fuji country”).

**2 An awards system run by Shizuoka Prefecture covering businesses that are compatible with the SDGs.



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

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 TCFD recommendations (Task Force on Climate-related Financial Disclosures). 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.

Indicators and Targets

Indicators • Introduction of electric vehicles and improvement to renewable energy procurement rate

Targets

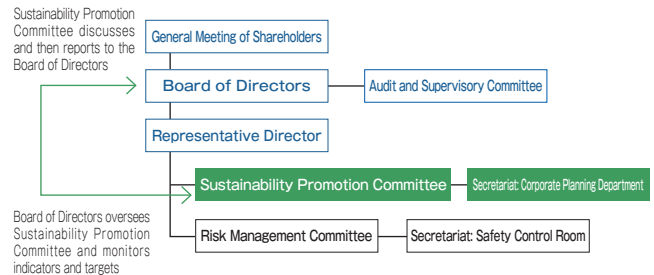
Base year Targets	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
[vs. FY2020]	3,591t	2,705t	2,324t								2,082t
42% reduction target	42% reduction by 2030										2,082t

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 FY2022, and the members discussed and assessed issues such as the Group's sustainability-related challenges and the direction going forward.

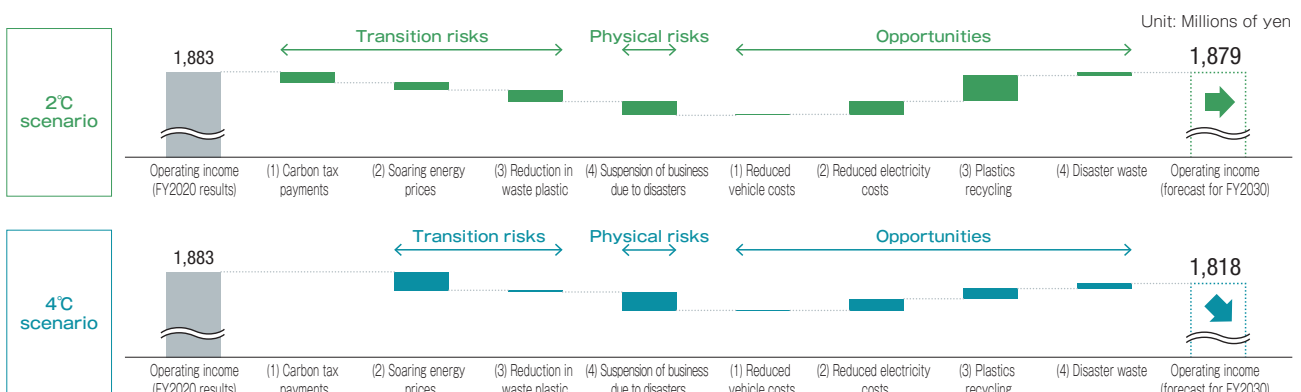


Strategy

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 set two scenarios ((1) Scenario where global average temperature rise is well below 2°C compared to pre-industrial levels, (2) Scenario where global climate change response does not make sufficient progress and global average temperature rise is 4°C) and analyzed the Group's business environment 2030.

Financial Impact of Risks and Opportunities

As a result of evaluating the financial impact of risks and opportunities that can be quantitatively estimated, operating income of ¥1,879 million (down ¥4 million from FY2020) under the 2°C scenario and ¥1,818 million under the 4°C scenario operating income (down ¥65 million from FY2020) is expected.





Analysis of climate-related risks and opportunities

	Expected time of occurrence	Financial impact	Assumed significant risks and opportunities		
			2°C scenario	4°C scenario	
Transition risks	[Policy and Law] Carbon tax payments	Medium-term	Large	We recognize the risk that, even in Japan, there will be increased operating costs for the collection, transport, and incineration of waste due to the introduction of a carbon tax (\$100/ton) similar to that in Europe.	Japan will not introduce a carbon tax at a level that would have a major financial impact
	[Policy and Law] Increased fuel costs due to soaring energy prices	Medium-term	Large	We recognize the risk of increased operating costs due to continued partial dependence on fossil fuels and rising fossil fuel prices (lower risk than 4°C)	We recognize the risk of increased operating costs due to continued dependence on fossil fuels and soaring fossil fuel prices
	[Policy and Law] Decreased sales from a reduction in waste plastic emissions due to mandated use of recycled materials	Long-term	Large	Due to the Plastic Resource Circulation Act and the spread of a circular economy, companies are making progress in their efforts to use alternative materials and reduce waste, as well as in material recycling and chemical recycling technologies. We recognize the risk of decreased revenue due to a reduction in the amount of plastic waste that we receive.	Although the Plastic Resource Circulation Act has been introduced, material recycling and chemical recycling technologies are not significantly progressing from their current state. We recognize the risk of decreased revenue due to a reduction in the amount of plastic waste that the Group receives because of corporate efforts to reduce waste (lower risk than 2°C)
	[Market] Decreased sales due to the use of more environmentally friendly (low-carbon) waste treatment companies	Long-term	Medium	We recognize the risk of a decrease in our number of customers (if we do not make environmentally friendly efforts) due to an increase in the number of businesses that change waste treatment companies based on environmental considerations such as reducing CO ₂ emissions	We do not expect a decrease in our number of customers in the waste treatment industry due to climate change
Physical Risks	Increased costs such as repair expenses from facility damage due to torrential rain	Short-term	Large	Temperatures will continue to rise until 2030. The frequency of flooding due to heavy rains, etc. will increase, causing damage such as halting our ability to accept waste at intermediate treatment facilities and final treatment sites	The trend of rising temperatures continues. The frequency and scale of flooding due to heavy rain, etc. will increase, causing damage such as halting our ability to accept waste at intermediate treatment facilities and final treatment sites
	Decreased sales from business suspensions due to factory flooding	Short-term	Large		
	Litigation risks due to environmental pollution caused by natural disasters (leakage from tanks and pits, etc.)	Short-term	Large		
	Impairment of facilities that are expected to be damaged by flooding and landslides, and increased costs due to withdrawals	Long-term	Large	Although some facilities have been confirmed to have flood risks, we do not recognize a level of impairment or withdrawal in the short-term.	
Opportunities	[Resource Efficiency] Reduced fuel costs due to improved fuel efficiency from environmentally friendly vehicles	Long-term	Large	Large amounts of fossil fuels are used for commercial vehicles, for the collection and transport of industrial waste and general waste, and for heavy equipment at final treatment sites. There is an opportunity to reduce fuel costs and CO ₂ emissions by switching to electric vehicles, etc.	
	[Resource Efficiency] Reduced electricity costs by improving the power generation efficiency of incineration facilities	Medium-term	Large	Toward the realization of a decarbonized society, there is progress in the development of technologies for effectively utilizing waste energy, such as in power generation. In new facilities to be promoted in the future, it will be possible not only to reduce CO ₂ emissions but also to reduce electricity costs by increasing the utilization efficiency of waste heat energy while also utilizing subsidies, etc.	
	[Products/Services] Increased earnings through expansion of the plastic recycling business	Medium-term	Large	We have accumulated know-how on plastic waste through the collection, intermediate treatment, and final treatment of waste plastics. There are also increasing expectations for the realization of a society with a circular economy. We view the plastic materials and chemical recycling markets as opportunities and consider them as one direction for business expansion Recognizing the social situation for increasingly sophisticated plastic recycling, we will continue to accept a certain amount of waste plastic that cannot be recycled	
	[Market/Resilience] Expanded amounts of disaster waste accepted via improvements to waste treatment capabilities	Medium-term	Large	We expect that the need for disaster waste treatment will increase due to an increase in natural disasters caused by rising temperatures. There is the possibility of responding to local requests and realizing prompt acceptance of waste in the event of a disaster by preparing a system for when a large-scale disaster occurs, such as by concluding agreements on disaster waste treatment with the local government and expanding final treatment sites	
	[Energy Sources] Increased profit opportunities due to growing needs for waste treatment with low CO ₂ emissions	Medium-term	Large	As industrial waste-producing companies become more environmentally conscious, there is a possibility that more companies will change waste treatment businesses based on environmental considerations such as reducing CO ₂ emissions. The MIDAC Group, which is promoting environmentally conscious initiatives as an "environmental creation group," sees this as an opportunity to increase its customer base	

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.



Relationship with Local Communities

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



Concluded an Agreement on Disposal of Disaster Waste in the Event of a Large-Scale Disaster such as an Earthquake with Makinohara City

On May 23, 2022, MIDAC and Makinohara City concluded an Agreement on Disposal of Disaster Waste in the Event of a Large-Scale Disaster such as an Earthquake. The purpose of this Agreement is to cooperate in the disposal of waste materials to facilitate early recovery in the event of a large-scale disaster. In the event that a large-scale disaster occurs in Makinohara City and the Group receives a request for cooperation from the city, the Group will cooperate wherever possible with procuring personnel, vehicles and materials, and conducting disaster waste treatment.



Concluded an Agreement on Disposal of Disaster Waste in the Event of a Large-Scale Disaster such as an Earthquake with Susono City

On September 29, 2022, MIDAC and Susono City concluded the Agreement on Disposal of Disaster Waste in the Event of a Large-Scale Disaster such as an Earthquake, for the purpose of cooperating in the disposal of waste materials to facilitate early recovery in the event of a large-scale disaster. 34 years have passed since the construction of the Beautification Center, a waste treatment facility in Susono City. Because the Beautification Center is located in the mountains, the city has misgivings about the facility's ability to operate stably in a disaster. Under these circumstances, Susono City concluded this agreement with MIDAC in order to build a structure for realizing a prompt recovery when disasters strike, by working to strengthen collaboration with the Company, which is headquartered in the same prefecture, during normal times.



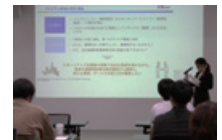
Concluded an Agreement on Cooperating on Waste Disposal, etc., in the Event of a Disaster with Iwata City

Iwata City has concluded the Agreement on Cooperating on Waste Disposal in the Event of a Disaster with the city's 20 licensed general waste collection and transport companies, including MIDAC, for the purpose of implementing disaster waste disposal promptly and smoothly when disasters strike. In the event that a large-scale disaster occurs in Iwata City and a request for cooperation is received from the city, MIDAC and other licensed general waste collection and transport companies will cooperate wherever possible with disaster waste treatment.



Participated in Hamamatsu Accelerator 2022

MIDAC participated in Hamamatsu Accelerator 2022, which is sponsored and operated by Hamamatsu City and Creww, Inc. As part of this program, a call was issued for collaboration proposals from start-ups nationwide, on the theme of "the industrial waste industry x technology." We were matched with piland Inc., and worked on developing its proposal into a business. We also announced the outcomes of that collaborative effort, "Contributing to 'disaster-resilient urban development' by using open data to forecast the occurrence of disaster waste."



*Hamamatsu Accelerator 2022: An initiative aimed at creating model examples of innovation by matching the innovative technologies and ideas of startups nationwide with local companies in Hamamatsu City



Held environmental education at two U CO-OP stores

MIDAC dispatched a mobile circulatory recycling car to a U CO-OP Environment Month event and held environmental education sessions. Hamamatsu City, which from this fiscal year is rolling out a plastic-free promotion project; Mitsubishi Chemical Group Corp., which manufactures biodegradable plastics; and Yoshimura Package Partners Co. Ltd., which develops and sells paper cups preloaded with tea leaves, also participated, and we spent a positive time considering issues such as single-use plastic waste and food loss, together with the other participants.



Held interactive recycling class

On February 25 and 26, 2023, MIDAC and Hamamatsu City worked together to hold an interactive recycling class using a mobile circulatory recycling car, at Aeon Mall Hamamatsu Shitoro. We explained food loss and composting and held a quiz about it, and let the participants have a go at putting food scraps into the composting device themselves.

The class was a good opportunity to consider the issue of the SDGs and food loss together with the large number of participants.



Held environmental education classes at Aritama Elementary School

Every year, MIDAC holds environmental education classes for fourth-year students at Hamamatsu Municipal Aritama Elementary School in a bid to enhance their environmental awareness. In FY2022 the theme of the classes was "Thinking about what we can do ourselves," and they were held in a quiz format to encourage the children to learn about the recycling of miscellaneous paper, which is being promoted by Hamamatsu City.





Hamamatsu Goto Coast Cleanup



We support Shizuoka Prefecture's 6R Prefectural Citizens Campaign.*

As one part of that campaign, we held a cleanup at the Hamamatsu Goto Beach.

Large amounts of plastic waste had been discarded on the beach, and we were able to pick up a large amount of waste, including recyclable waste.

Furthermore, once the waste had been collected, participants split into groups to sort it.

After the cleanup, the beach was free of discarded waste as far as the eye could see. To ensure that it stays that way, we will continue to hold regular cleanup activities in the future.

*The 6R Prefectural Citizens Campaign...An initiative that aims to protect our oceans by encouraging each and every prefectural resident to help, starting with what they can do now.



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 44th 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 ninth time it had taken part. 37 people gathered to take part on the day, including employees' family members, and they cleaned the Kanzanji Coast.



Participated in Flower Relay Project

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 Tenryu Hamanako Railroad Flower Relay Project, we will continue to engage in regular cleaning and beautification activities in and around the flower beds planted at Kiga Station.



Donated food to Children's Cafeteria

We donated emergency stockpile supplies held by MIDAC Group, and food donations collected from employees based on a call from our staff associations, to the Children's Cafeteria (SUSTAINABLE NET NPO). This year a large range of food items was gathered, including instant "cup" noodles and canned food. The Group will continue to engage in supporting children in the future.



Held Mama-zemi (Hamamatsu Mothers' Seminar)

The Group has been a member of the Hamamatsu Mothers' Seminar since 2018. During the 4th Garbage Truck Wrapping Project held in October 2022, the participating mothers, fathers, and children decorated a packer car with very fun and cute images that they had created of multicolored fireworks.



VOICE



Head Office Sales Office
Mako Tamari

Training the Next Generation of Environmental Stewards

For this year's environmental education, we showcased the waste issues that Hamamatsu City faces, and had participants tackle a quiz on separating out miscellaneous paper, which is one such issue and is something they can practice in their everyday lives. This year, because the COVID-19 situation had stabilized, we held the classes in-person for the first time in a few years. Observing the children and their teachers engaging happily in the classes, I got the feeling that we had been able to achieve our number one goal, which is to make waste issues seem more personally relevant to them. With the creation of a sustainable society emerging as a key topic in recent times, the environmental education that MIDAC carries out offers an important opportunity as a foothold for training the next generation of environmental stewards, and it is my hope that these environmental education activities will evolve further going forward.



Relationship with Employees: Creating a Comfortable Working Environment

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.

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.

Initiative Details

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

In 2016, the Group established a support system for balancing work and nursing care, and opened a helpdesk for nursing care support. This helpdesk explains the Company's systems and provides information about nursing care experts, in order to enable employees to make good use of the Company's support system and balance work and nursing care.

In addition, MIDAC has introduced the MIDAC Omoiyari System, a staggered working hours system that is unique to the Group, with the aim of increasing the options available to each and every employee who is working while raising children or providing nursing care, so that employees do not have to abandon their careers due to life events.

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.

Support for Employee Healthcare that is Rooted in Health Management

Currently, one out of two people will suffer from a malignant tumor, or in other words, will contract cancer.

The Cancer Control Act, which was revised in 2016, requires companies to give consideration to the continued employment of cancer patients, and obligates companies to make an effort to cooperate on measures to address cancer. In light of this, the MIDAC Group has taken out "cancer insurance" at the Company's expense and has established "regulations on cancer consolation payments," so that in the event employees contract cancer, they are supported both on the treatment and work fronts.

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. We respect the human rights of each and every person working in the MIDAC Group and strive to prevent harassment.

VOICE



Corporate Planning Department
Atsushi Ueda

Utilizing Parental Leave and the MIDAC Omoiyari System



I took approximately two-and-a-half months of parental leave from June last year. As this was the first time I had cared for a child, I had a large number of concerns, but as a result of being able to take parental leave for an extended period, I was able to carry out housekeeping and childrearing together with my wife.

In some respects, there is still a lack of social understanding for men taking parental leave, but thanks to the support I received from a large number of individuals, including everyone in my department, I was able to continue working with peace of mind upon my return.

Since my child began attending nursery school, I have also been encouraged to utilize the MIDAC Omoiyari System, and I am extremely grateful for being able to enjoy a style of working that takes work-life balance into account.



Human Resources Training

Graduate Recruitment

This is the 18th year that we have been carrying out regular graduate recruitment.

As a recruitment policy, we emphasize the individual achievements of job applicants and their human qualities, such as their consciousness of achieving goals. Furthermore, because the waste treatment businesses that the group operates are 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.



FY2020



FY2021



FY2022



FY2023

Diversity

Review of How Annual Paid Leave is Granted

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.

In the previous rule on leave-granting, the base date for paid leave differed for each individual, and therefore detailed administration of who must take five days of annual paid leave, and by when, was required. However, from FY2019 the system was revised by setting a base date so that unified administration became possible.

Although this measure was partly implemented to accompany the legislative revisions, its primary goal is to refresh employees' bodies and minds and enable them to work in a manner that suits their individual circumstances. We will continue aiming to realize a diverse work-life balance that is suited to each employee's circumstances.

Personnel 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 suitable for a listed company, with the system providing both explanations and clear career paths. 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.

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 previously-mentioned MIDAC Omoiyari System, which we introduced as one part of our efforts to realize just such an environment, is being actively utilized by a large number of employees.

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 common in-house training is mandatory for all employees of the Group and provides rank-specific training so that employees can acquire skills and knowledge according to each of their roles and phases. 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 was 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.

Relationship with Employees: Health and Safety

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.

Basic Policy on Health and Safety

Employee safety and health are the foundation of a company's existence, and ensuring safety and health is a company's social responsibility. To this end, MIDAC implements the following:

1. We aim for zero work-related accidents, we appropriately operate the PDCA cycle with the participation of all employees in order to eliminate all hazards and harmful factors in workplaces, and we continuously work to improve workplaces.
2. We comply with relevant laws and regulations related to safety and health, and we ensure the health and safety of employees based on health and safety regulations established by MIDAC and each workplace.
3. We work on continuous health and safety management by appropriately implementing and operating an occupational safety and health management system, and we strive to maintain and improve good performance.
4. We disseminate policies, goals, and action plans to all employees through postings, etc.

Health and Safety Committee / Company-Wide Health and Safety Liaison Committee

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

The Health and Safety Committee and the Company-Wide Health and Safety Liaison Committee 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.

In FY2022, as a response to COVID-19, we continued to implement a variety of measures on the basis of the Company's pandemic response plan, and moved ahead with preparing for the possibility of new virus strains by working to update our Pandemic Response Manual by reflecting the responses taken thus far.

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.

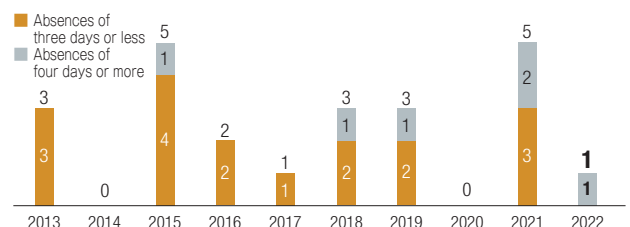
Strengthening Disaster and Accident Prevention through Proactive Near-Miss Activities

At the Group, we actively engage in "near-miss activities," in which we report, take corrective action, and improve on near-miss activities that occurred during our operations but which did not lead to accidents or disasters. The purpose of these near-miss 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.

In FY2022, there were many near-miss incidents that were caused by inadequate safety confirmations. Inadequate safety confirmations are events that can lead to serious accidents, and, based on such situations, we are providing education and guidance on the effectiveness of the occupational safety method of pointing and calling.

Occurrence of Occupational Accidents

10-year trend in occupational accidents *Figures from 2016 include subsidiaries





Business Continuity Plan (BCP)

In anticipation of natural disasters occurring, from March 2007 the MIDAC Group formulated its Business Continuity Plan and had been carrying out activities on that basis, but in FY2021 we launched a new BCP Project Team, and significantly revised the content and procedures of our BCP. These revisions made the plan more practical and will enable us to promptly initiate business continuity activities in the event of an anticipated disaster.

Basic BCP Policy

1. Provide reassurance to waste-producing businesses about the operations that they have consigned to MIDAC.
2. Protect the safety and livelihood of employees and their families.
3. Maintain local public health.
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 FY2022 we are holding drills at the Fujinomiya Business Office in line with our initial response plan. On the basis of the outcomes of those drills, the plan will be revised in order to develop it into Business Continuity Management (BCM) that applies the PDCA cycle.

In addition, at our key bases, we are working to strengthen our structures for when emergencies occur, by moving to implement measures concerning high-risk business resources.

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.

President & Representative Director
Keiko Kato

VOICE



Collection and Transport Management Group

Yasuyuki Takahashi

Toward a Safer Work Environment

As one part of my collection and transport management duties, I carry out the preparation and administration of health and safety goods. In the recent COVID-19 pandemic, I am prioritizing inventory control of health goods such as daily-use, non-woven masks, and also conducting monthly checks on the inventories and use-by dates of the "protective equipment" needed in dangerous or hazardous work.

Health and safety protective equipment is indispensable when it comes to rigorously protecting "safety and health." In order to ensure that our drivers can engage in their work with peace of mind, I will continue striving to maintain the administrative structure for health and safety goods and enhance the drivers' working environment.



Relationship with Customers and Business Partners

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.

Facility Tours Held

In regulations nationwide, it is becoming mandatory for entities entrusted with waste treatment to provide opportunities for on-site confirmations. The MIDAC Group strives to take the lead in implementing information disclosure as a waste treatment operator and holds regular tours of its facilities. By all means, take part in a "regular facility tour" (held on the third Wednesday of each month), as an opportunity to confirm first-hand that we are carrying out treatments appropriately.



If you would like to take part, please apply via the following URL: 

<https://reg31.smp.ne.jp/regist/s?SMPFORM=nish-lesjkd-4994da10581e763d42fc219170503c31>
 *For SANKO CO., LTD. and MIDAC KONAN CO., LTD., please inquire separately.

MIDAC's Official YouTube Channel

MIDAC's official YouTube channel was launched in June 2021. It features close to 30 videos introducing the Company's SDG-related initiatives, offices, and so forth. We update the channel with one video a month, and we would be delighted if you would subscribe to the channel and leave positive reviews.

MIDAC's official YouTube channel 

https://www.youtube.com/channel/UCVx5wGXoi3Y3sDOA2iA_5mg



SUSTAINABLE DEVELOPMENT GOALS 11 12

コンテナ車に密着 働く車 第三弾! ~廃プラスチックなどの資源の回収が得意~

MSLP制度 功をポイント化した制度

未来へつなごう SDGs

MSLP制度開始から一年 総勢244名が参加 SDGs活動 参加者のリアルな声!

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.

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.

Managing Routes with GPS

From September 2006, MIDAC introduced a traceability system for when it entrusts the transport of the Company's waste to other companies following intermediate treatment. With this system, we lend GPS devices to the companies, to trace the routes they take.





Strict Screening of Business Partners

In order to ensure the proper disposal 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.

Two Companies from Different Industries Added to the MIDAC Group from a Sustainability Perspective

LOVE THY NEIGHBOR CO., LTD.



LOVE THY NEIGHBOR CO., LTD., which operates a company-led childcare business, has been added to the Group with the aim of responding to the resolution of social issues from a sustainability perspective. It operates Yoga International School, an English education nursery school for preschool children, and as such it is a company that contributes to Goal 4 of the SDGs: "QUALITY EDUCATION" Going forward, LOVE THY NEIGHBOR plans to add environmental education to its sphere of operations in the future, alongside English education.

IWAHARA ORCHARDS CO., LTD.



IWAHARA ORCHARDS CO.,LTD. engages in the production of fruit and has been added to the Group with the goal of regional revitalization. IWAHARA ORCHARDS is involved in producing cherries and other fruit on the Kiyosato Highland Plateau, at the south foot of the Yatsugatake mountain range. It has an established reputation for the quality of that fruit and for its technical development prowess, including receiving an Excellence Award in the Japan Agricultural Awards in the past. The Group will strive to make full use of the technological prowess IWAHARA ORCHARDS possesses in order to maximize profit. At the same time, we will also promote personnel exchanges in order to address the challenges facing the fruit production industry, such as population aging and labor shortages, and pursue research and development as well as collaborations with municipalities in order to realize regional revitalization through agriculture. This contributes to Goal 8 of the SDGs: "DECENT WORK AND ECONOMIC GROWTH"

Relationship with Shareholders and Investors



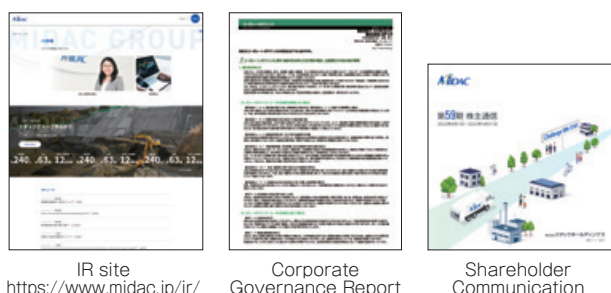
In order to live up to the trust of our shareholders and investors, we aim to disclose fair and accurate corporate information and improve the quality of our information.

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.

Additionally, opinions and requests obtained through shareholders and investors via our IR activities are reported as necessary to the Board of Directors by the Director in charge of IR.



IR site
<https://www.midac.jp/ir/>

Corporate Governance Report

Shareholder Communication

Regarding Dialogue Carried Out in FY2022

(1) Main responder

Responses to institutional investors are handled by the President & Representative Director

(2) Number of dialogues held

76 in total (30 domestic, 46 overseas)

(3) Type of investor

Type	FY2022 (Unit: People)
Fund managers	23
Analysts	16
Individuals in charge of executing voting rights	0
Other	10
Total	49

*Where duplications occurred among the individuals with whom dialogues were held with in FY2022, they have been subtracted.

(4) Key dialogue themes, and shareholders' items of interest

- The business model of the MIDAC Group
- The operating performance situation
- The operational status of the new controlled landfill site, Okuyama-No-Mori Clean Center

- The impact of rising raw materials costs, and the situation regarding passing those costs onto prices
- The difference between MIDAC's earnings structure and those of other companies in the same industry
- MIDAC Group 10-Year Vision "Challenge 80th"
- Changes in the business environment in the waste treatment industry
- The degree of difficulty in obtaining licenses, and the state of progress with in-house development
- M&A policy and the state of progress with M&A
- Capital policy
- Matters relating to sustainability as a whole

(5) Items that were adopted following dialogue

- Publication of medium-term plans
- Establishment of English-language website, and disclosure of financial results materials in English

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 FY2022 (fiscal year ended March 31, 2023), after a comprehensive consideration of this basic policy, MIDAC's financial standing and other factors, we paid an end-of-term dividend of ¥5 per share. As a result, the dividend payout ratio for the current fiscal year was 8.2%.

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.

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Earnings per share (consolidated)	¥47.98	¥61.12
Dividend per share (interim dividend per share)	¥5 (¥0)	¥5 (¥0)
Payout ratio (consolidated)	10.4%	8.2%
Return on equity (consolidated)	17.1%	16.4%
Dividend on equity (consolidated)	1.8%	1.3%

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.

Corporate Governance



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

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.

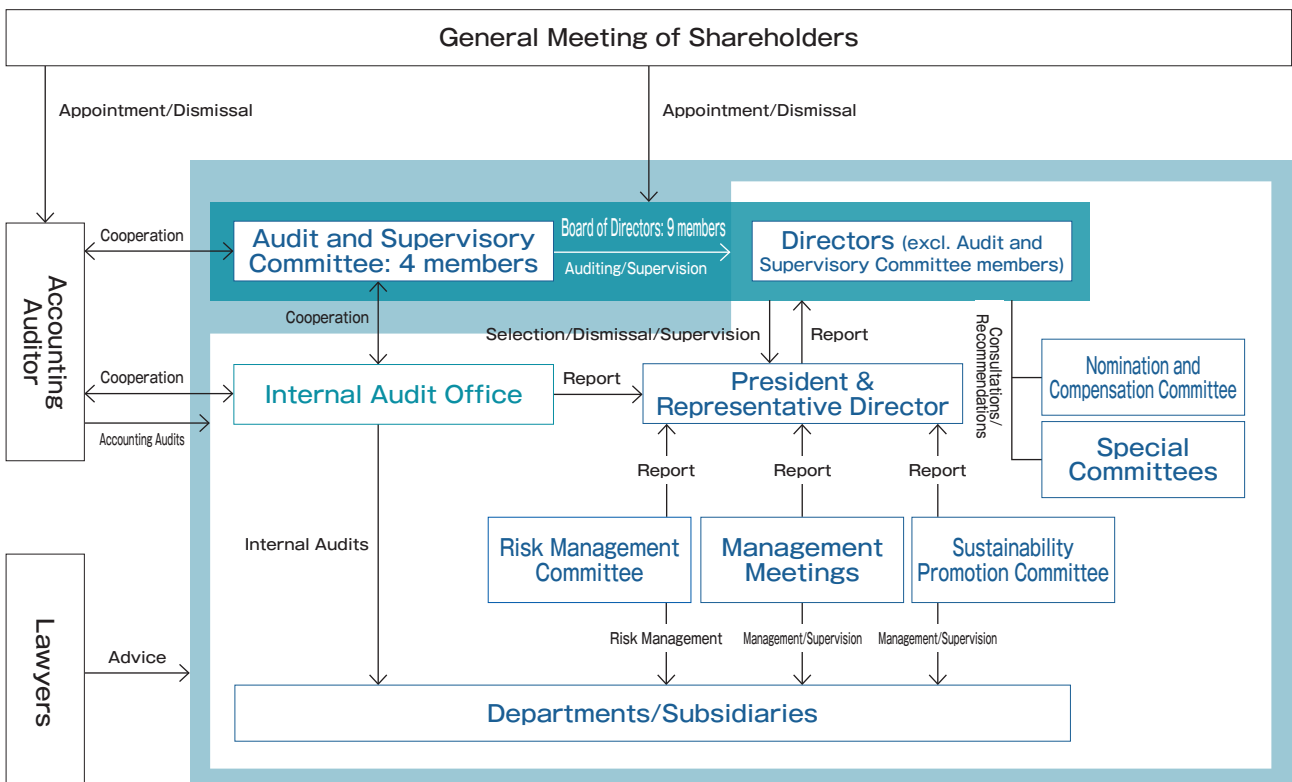
On the other hand, we have also established an Audit and Supervisory Committee, and, based on their own experiences, Directors who are members of the Audit and Supervisory Committee conduct strict checks on management. Additionally, internal audits are also conducted by our Internal Audit Office.

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.



Corporate Governance

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.

3. Group Management Meeting

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

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

4. Safety Control Room

The Safety Control Room 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.

5. 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.

6. 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.

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.

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 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.

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.

- 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 FY2022: two



Risk Management

The Company has established the Safety Control Room 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 Committee was established, with the Manager of the

Business Management Division as the company-wide Health and Safety Manager and with one representative from the Group as a member. The Health and Safety Liaison Committee meets once a month and shares information, initiatives, and results relating to health and safety across the Group, and utilizes them in effective health and safety activities.

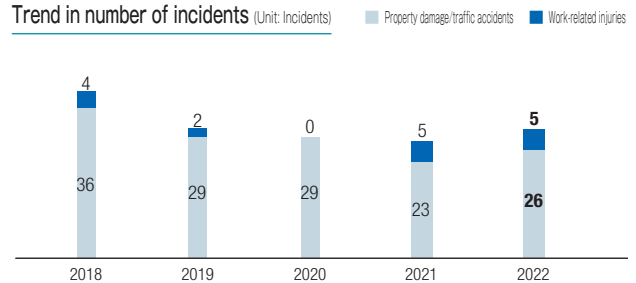
Furthermore, each department implements initiatives to minimize the risks that exist in its respective operations. For example, by obtaining and maintaining ISO 14001 certification, each department is addressing the risks in its respective operations.

Number of Meetings by Risk Management Committee in FY2022: 4

Main topics of discussion

- Outcome report on BCP formulation
- Power harassment problems in the workplace
- Corporate approaches for the post-COVID-19 environment
- Measures to address information leaks

Trend in number of incidents (Unit: Incidents)



*Includes subsidiaries

*Minor property damage incidents are also included in "Property damage/traffic accidents"

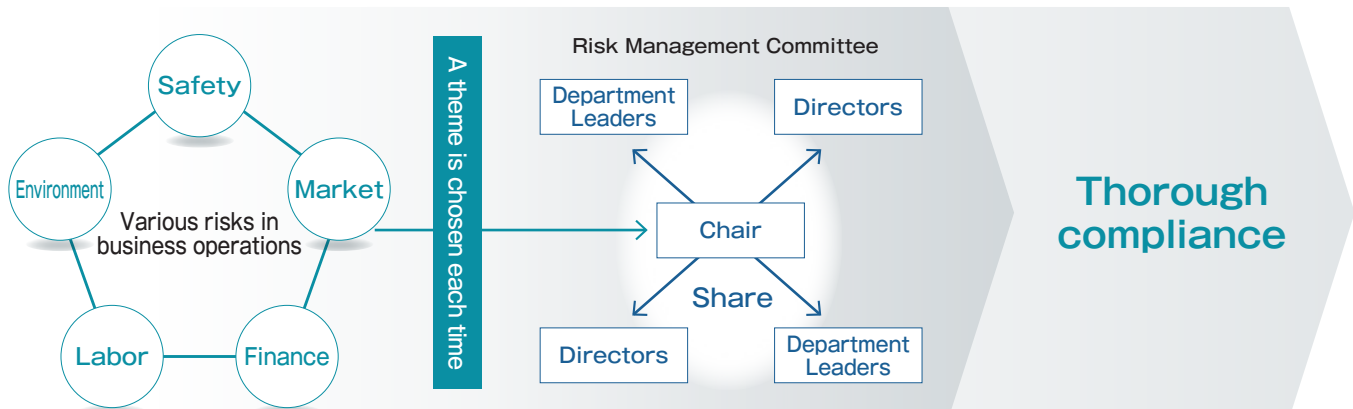
**"Work related injuries" includes incidents that were not accompanied by operational shutdowns

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



Executives and Officers (as of June 29, 2023)



President & Representative Director

Keiko Kato

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)



Senior Managing Director

Hiroyuki Kumagai

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)



Director

Yasuho Takeda

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. (current position)



Director

Hiroaki Takada

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. (current position)



Director

Kiyohiko Suzuki

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

Apr. 1981 Joined Sainen 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)



Outside Director (Audit and Supervisory Committee Member)

Shinji Ishikawa

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)



Outside Director (Audit and Supervisory Committee Member)

Tetsuya Okugawa

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)



Outside Director (Audit and Supervisory Committee Member)

Hatsuo Hyoyama

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)

Key Specialties and Areas of Experience

	Keiko Kato	Hiroyuki Kumagai	Yasuho Takeda	Hiroaki Takada	Kiyohiko Suzuki	Yoshitake Kawakami	Shinji Ishikawa	Tetsuya Okugawa	Hatsuo Hyoyama
Management	●	●	●	●	●		●	●	●
Finance/Accounting/Taxation	●			●				●	●
Law	●						●	●	
Sales		●	●		●	●			
Technological development		●	●		●	●			
IR	●			●					
Risk	●	●	●	●	●	●			

The Company previously established MIDAC HOLDINGS CO., LTD., a company with the same name as the current entity, on July 28, 2004, but on April 1, 2010, that MIDAC HOLDINGS CO., LTD. was merged with the then MIDAC CO., LTD. (currently MIDAC HOLDINGS CO., LTD.) and dissolved.

Company Profile (Securities Code: 6564) (As of April 1, 2023)

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/>

Location	2163 Aritama minami-machi, Higashi-ku, Hamamatsu City, Shizuoka Prefecture 〒431-3122	
Founded	April 1, 1952	
Capital	¥90 million	
Number of Employees	65	
Businesses	Formulation and management of Group management strategies	
B a n k s	MUFG Bank, Shizuoka Bank, Hamamatsu Iwata Shinkin Bank, Shoko Chukin Bank, Resona Bank	
Offices	Act Office	Hamamatsu Act Tower 24F, 111-2 Itaya-machi, Naka-ku, Hamamatsu City, Shizuoka Prefecture 〒430-7724
	Shinagawa Office	Shinagawa Season Terrace 20F, 1-2-70 Konan, Minato-ku, Tokyo 〒108-0075

Group Companies

MIDAC CO., LTD.

Location	2163 Aritama minami-machi, Higashi-ku, Hamamatsu City, Shizuoka Prefecture 〒431-3122
Founded	August 11, 1987
Capital	¥10 million
Number of Employees	174
Businesses	Final treatment of industrial waste (stable/controlled); collection, transport and treatment (intermediate/final) of specially controlled industrial waste; collection and transport of general waste from business activities; sale of industrial waste and specially controlled industrial waste; recycling
Offices	Head Office Sales Office Fujinomiya Sales Office Tokyo Sales Office Nagoya Sales Office Head Office Business Office Kurematsu Business Office Toyohashi Business Office Fujinomiya Business Office Enshu Clean Center Hamanako Clean Center Okuyama-No-Mori Clean Center

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	15	
Businesses	Collection, transport, and intermediate treatment of industrial waste (including transshipment and storage)	
Offices	Kasugai Business Office	3042-3 Aza Shojiyama, Kamitaraga-cho, Kasugai City, Aichi Prefecture 〒486-0801
	Seki Business Office	54 Obuto-cho, Seki City, Gifu Prefecture 〒501-3210

MIDAC LINER CO., LTD.

Location	2163 Aritama minami-machi, Higashi-ku, Hamamatsu City, Shizuoka Prefecture 〒431-3122
Founded	April 1, 2022
Capital	¥10 million
Number of Employees	44
Businesses	Collection and transport of general waste

MIDAC KONAN CO., LTD.

Location	902-1 Magori-cho, Nishi-ku, Hamamatsu City, Shizuoka Prefecture 〒431-0203	
Founded	April 14, 1982	
Capital	¥5 million	
Number of Employees	32	
Businesses	Industrial waste collection and transport business; general waste collection and transport business; industrial waste treatment business	

LOVE THY NEIGHBOR CO., LTD.

Location	5-3-14 Kamiyoga, Setagaya-ku, Tokyo 〒158-0098
Founded	October 2017
Capital	¥1 million
Number of Employees	14
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	¥90 million	
Number of Employees	7	
Businesses	Production of agricultural produce	

