



# SUSTAINABILITY REPORT 2024

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Sustainability Report 2024

**MIDAC HOLDINGS CO., LTD.**

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 2024

Next Scheduled Publication

July 2025 (Scheduled)

Organizations Covered

- MIDAC Group
- MIDAC HOLDINGS CO., LTD.
- MIDAC CO., LTD.
- MIDAC LINER CO., LTD.
- SANKO CO., LTD.
- MIDAC KONAN CO., LTD.
- ENSHU CRUSHED STONE CO., LTD.
- FRIEND SANITARY CO., LTD.
- LOVE THY NEIGHBOR CO., LTD.
- IWAHARA ORCHARDS CO., LTD.
- GREEN CIRCULAR FACTORY CO., LTD.

Period Covered

FY2023 (April 1, 2023 – March 31, 2024)  
 \*In order to report the Group's most up-to-date circumstances, the Report also includes information from April 2024 and later.

# The History of the MIDAC Group

MIDAC SUSTAINABILITY REPORT 2024

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.

## Founding/ Beginnings Stage

1952-1983



- ▶ **April 1952**  
KOJIMA SEISOSHA established in Hamamatsu City, Shizuoka Prefecture, and with the approval of the Hamamatsu City Cleaning Division, began carrying out a general waste handling business from the same month
- ▶ **July 1964**  
KOJIMA SEISOSHA incorporated, and KOJIMA SEISO CO., LTD. (now MIDAC HOLDINGS CO., LTD.) established
- ▶ **September 1972**  
With approval license from Shizuoka Prefecture, collection, transportation, and final treatment operations undertaken

## Growth/ Establishment Stage

1984-1995



- ▶ **August 1984**  
Founder passed away, and second President appointed
- ▶ **May 1986**  
Water treatment facility established in Hamamatsu City
- ▶ **May 1988**  
Kurematsu Business Office (crushing/landfill) opened
- ▶ **October 1992**  
Facility for dehydration, oil-water separation and neutralization installed

## Transformation/ Expansion Stage

1996-2003



- ▶ **July 1996**  
Trade name changed to MIDAC CO., LTD.
- ▶ **March 1997**  
Specified hazardous waste treatment facility added within head office building
- ▶ **March 2000**  
MIDAC FUJINOMIYA CO., LTD. established in Fujinomiya City as a joint venture with TAKUMA Co., Ltd.
- ▶ **December 2001**  
ISO 14001 certification acquired, and Toyohashi Business Office (intermediate treatment facility) opened
- ▶ **April 2002**  
Tokyo Sales Office opened

## Restructuring/ Strengthening Stage

2004-2011



- ▶ **July 2004**  
MIDAC HOLDINGS CO., LTD. established in Hamamatsu City as a pure holding company
- ▶ **July 2005**  
Nagoya Sales Office opened
- ▶ **December 2007**  
Fujinomiya Business Office concluded an "Agreement on Disposal of Disaster Waste in the Event of a Disaster" with Fujinomiya City.
- ▶ **April 2010**  
MIDAC CO., LTD. undertook merger by absorption with MIDAC HOLDINGS CO., LTD. and MIDAC LINER CO., LTD.
- ▶ **April 2011**  
MIDAC FUJINOMIYA CO., LTD. made into a wholly-owned subsidiary

## Fulfillment/ Leap Stage

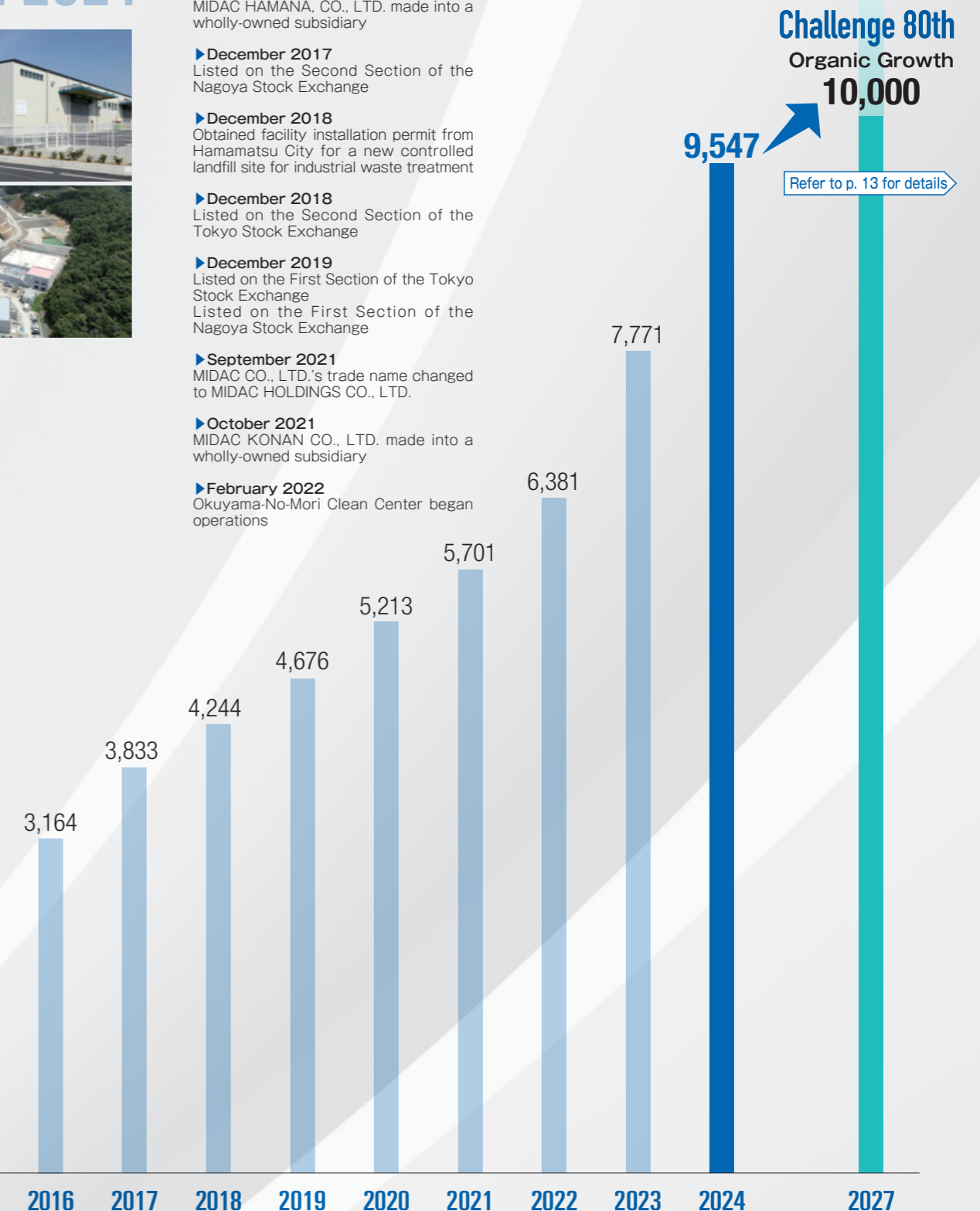
2012-2024



- ▶ **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

- ▶ **July 2023**  
ENSHU CRUSHED STONE CO., LTD. made into a wholly-owned subsidiary
- ▶ **September 2023**  
GREEN CIRCULAR FACTORY CO., LTD. established as a joint venture with YAMADA HOLDINGS CO., LTD.
- ▶ **September 2023**  
FRIEND SANITARY CO., LTD. made into a wholly-owned subsidiary

Net sales (Millions of yen)



1952

1984

1996

2004

2012

2016

2017

2018

2019

2020

2021

2022

2023

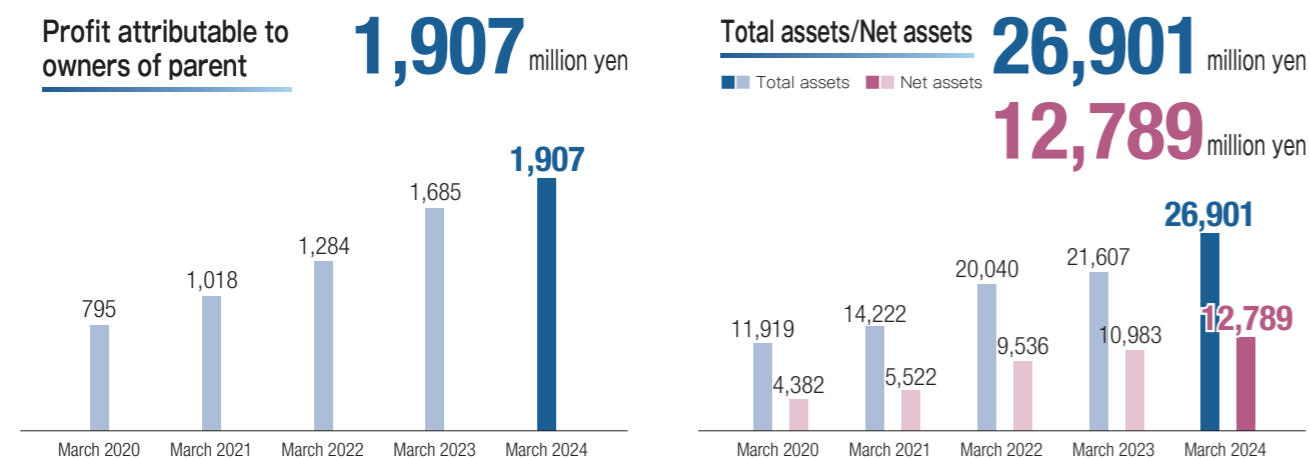
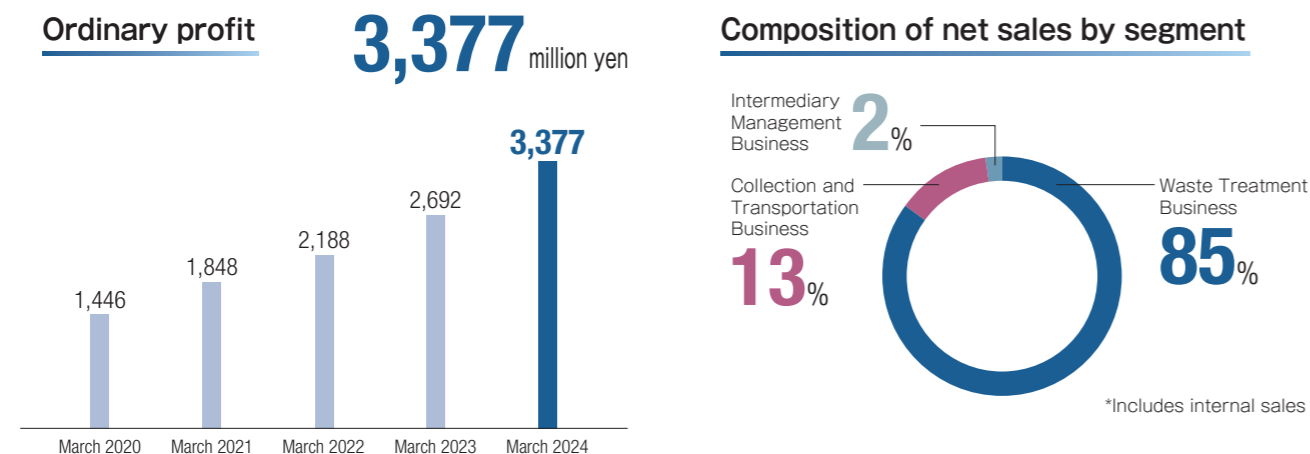
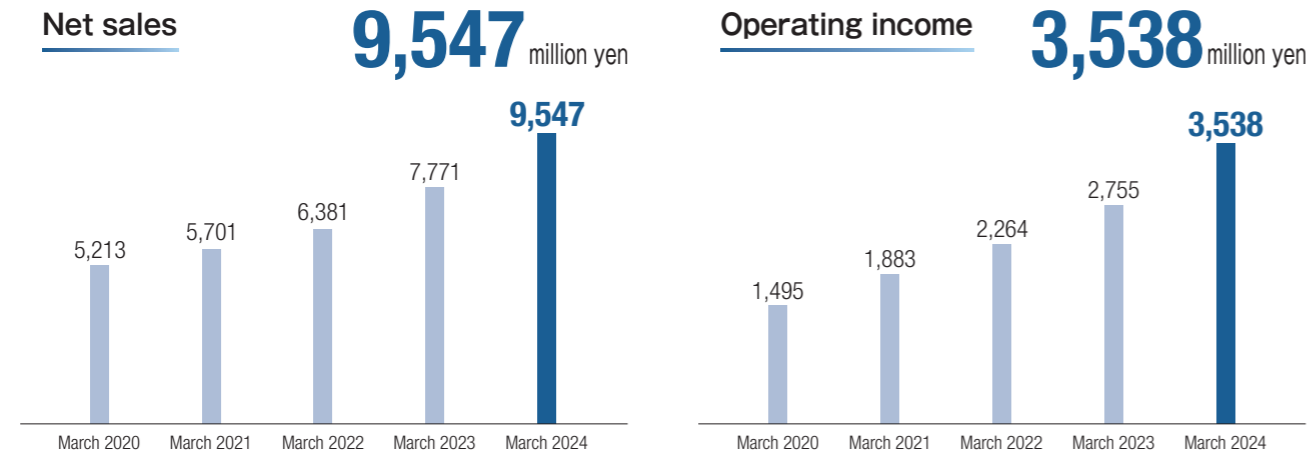
2024

2027

# Financial and Non-Financial Highlights

## Financial Highlights

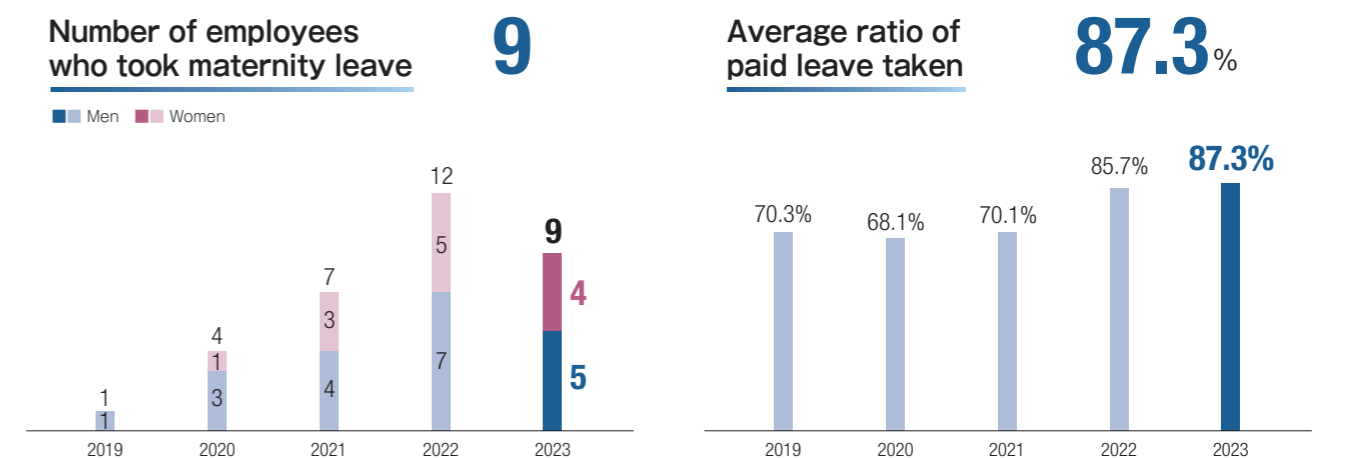
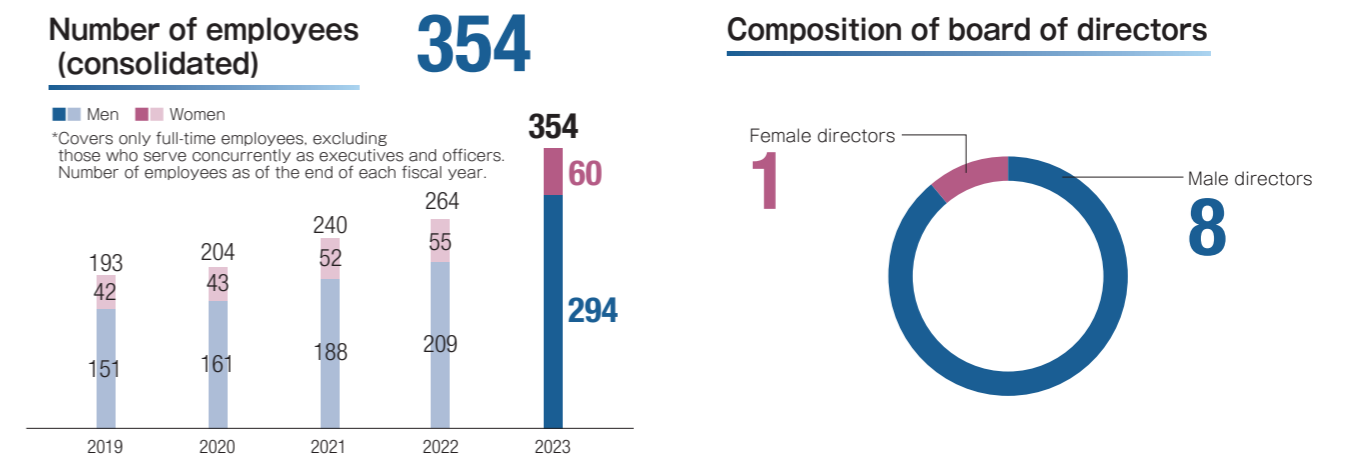
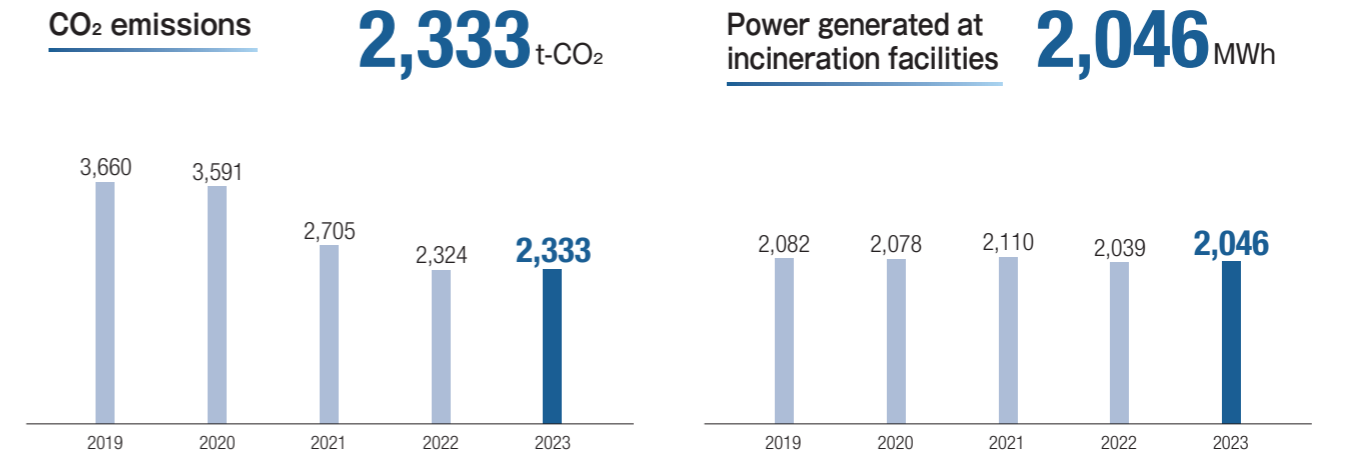
Based on the First Medium-term Plan, the Group has proactively engaged in mergers and acquisitions to strengthen our foundation for growth while striving to strengthen the profitability of our existing businesses. With respect to that strengthening, we made an effort to secure contracted waste volume at our Okuyama-No-Mori Clean Center controlled landfill site. As a result, we achieved steady gains against a backdrop of improvement in private-sector capital investment and other factors reflecting the recovery taking place in the external environment. Furthermore, with regard to the proactive mergers and acquisitions to accelerate the strengthening of our foundation for growth, our ability to convert two companies into wholly owned subsidiaries contributed to the expansion of our business areas and our growth foundation.



## Non-Financial Highlights

In following with our Basic Sustainability Policy, the Group is aiming to raise our corporate value and achieve sustainable growth for society over the mid to long-term. In order to achieve a reduction in CO2 emissions, we are engaged in research and development, such as CCS and CCU (refer to p.17), and striving to find ways to achieve a carbon neutral society.

Furthermore, with respect to human capital, we are developing personnel training and an internal working environment that respects diversity. As a result of these efforts, we have seen improvement in the various related indicators such as the number of employees and work life balance.



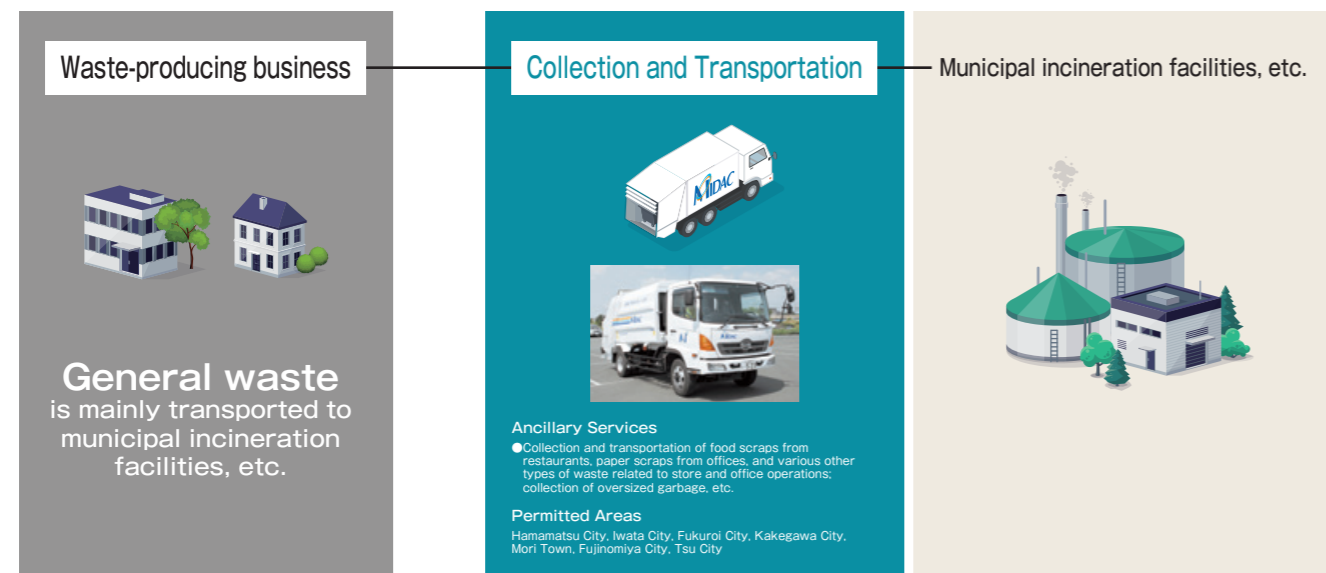
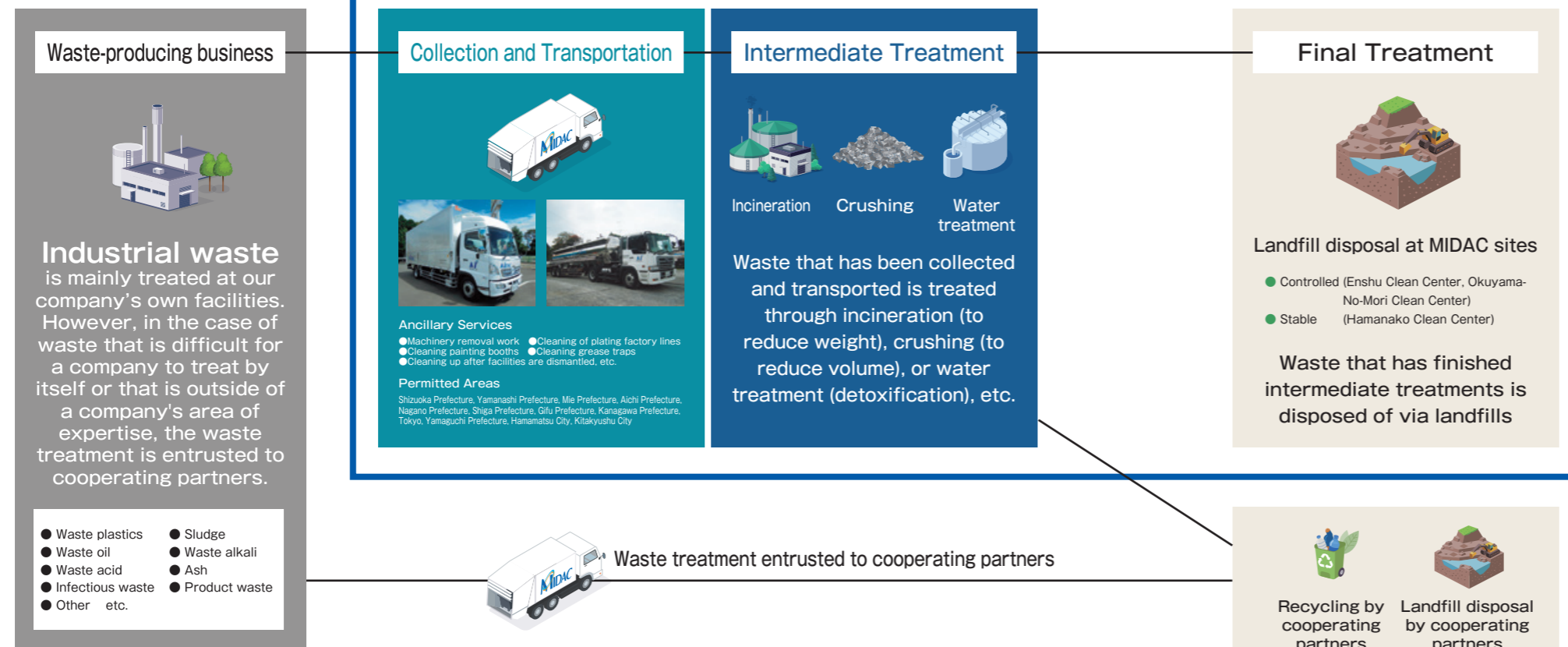
# MIDAC's Strengths - "integrated treatment system," "final treatment," "incineration" -

MIDAC SUSTAINABILITY REPORT 2024

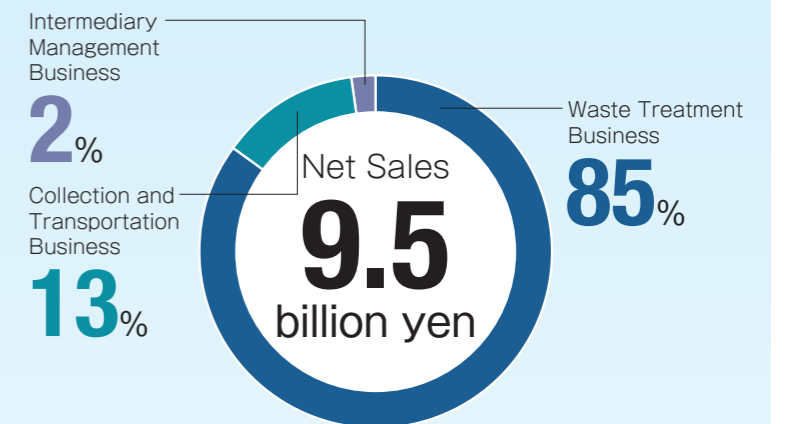
While most of our competitors are only in the collection and transportation business or in the intermediate treatment business, we have built an integrated treatment system that makes it possible to do everything from collection and transportation to final treatment within the Group. One of the Group's 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.

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.

## MIDAC Group's Integrated Treatment System



## 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.

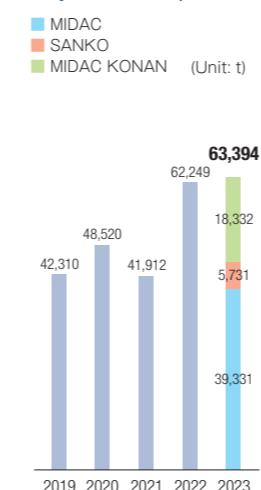
## Collection and Transportation Business

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.

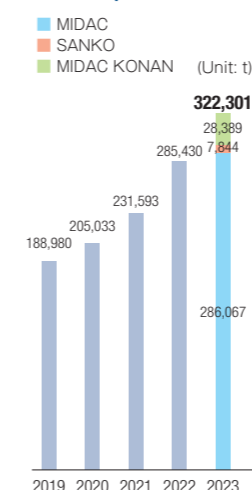
## Intermediary Management Business

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.

Volume of waste collected and transported by MIDAC Group



Volume of waste treated by MIDAC Group





President & Representative Director  
Keiko Kato

**We will steadily achieve our mission of waste treatment that is sustainable into the future in order to protect the comfortable lives we have grown to expect.**

**We are making steady progress toward the achievement of our 10-Year Vision.**

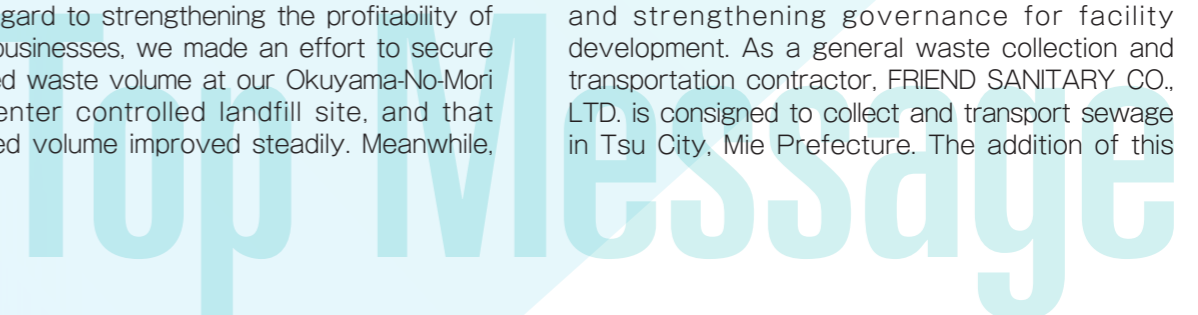
With our stated purpose to “realize waste treatment that will continue into the future, as essential social infrastructure that is indispensable to people’s lives,” the Group continues to grow with the support of our many stakeholders, reaching our 70th year of business in April 2022 since our founding. We took this auspicious anniversary as an opportunity to create Challenge 80th, MIDAC Group 10-Year Vision. We aim to achieve that 10-Year Vision through the First Medium-term Plan (2023 to March 2027) to build a foundation for accelerated growth, and the Second Medium-term Plan (2028 to March 2032) to achieve an excellent position in the market through that accelerated growth.

In the March 2024 period, the second year of the First Medium-term Plan, we focused on strengthening the profitability of our existing businesses while engaging in proactive merger and acquisition investment to accelerate the strengthening of our foundation.

With regard to strengthening the profitability of existing businesses, we made an effort to secure contracted waste volume at our Okuyama-No-Mori Clean Center controlled landfill site, and that contracted volume improved steadily. Meanwhile,

the contracted volume at our Enshu Clean Center, another controlled landfill site in the same region, and our stable landfill site the Hamanako Clean Center, improved according to plan. Furthermore, we were able to maintain and strengthen our earning capabilities with the understanding of our users regarding the higher processing costs due to the increased cost of raw materials.

Regarding proactive investment in mergers and acquisitions to accelerate the strengthening of our foundation for growth, we acquired all shares of ENSHU CRUSHED STONE CO., LTD. (crushed stone manufacturing business) and FRIEND SANITARY CO., LTD. (sewage collection and transportation business, general waste collection and transportation business) and made both companies wholly owned subsidiaries. ENSHU CRUSHED STONE CO., LTD. will continue their crushed stone operations while also leveraging the land in their possession effectively. Specifically, the management of surplus soil from our 2nd through 4th construction periods for the Okuyama-No-Mori Clean Center will be consigned to the company, achieving a cost reduction through internalization and strengthening governance for facility development. As a general waste collection and transportation contractor, FRIEND SANITARY CO., LTD. is consigned to collect and transport sewage in Tsu City, Mie Prefecture. The addition of this



# Top Message

company, with its strong business affinity, to the Group is expected to expand our business area and improve profitability.

Moving forward, we are aiming to achieve net sales of 10 billion yen and ordinary profit of 5 billion yen during the March 2027 period, the final year of the First Medium-term Plan, through organic growth alone. Furthermore, in the March 2032 period, the final year of Challenge 80th, we have set a challenging goal to achieve 40 billion yen in net sales and 12 billion yen in ordinary profit, including mergers and acquisitions. By steadfastly moving these plans forward, we will grow to become a true leader in the industry by aiming to evolve into becoming one of the industry's leading comprehensive industrial waste treatment companies, as stated in our 10-Year Vision.

## We will move forward with infrastructure development with a view toward the future.

Given that the remaining lifespan of landfill sites in Japan is approximately 19 years, it cannot be said that there is plenty of time, and an annual amount of approximately 10 million tons of non-recyclable waste, which is difficult to process anywhere other than a landfill site, is continuing to be generated. From this perspective, the role of landfill sites is extremely important not only for maintaining comfortable lives and a healthy society, but from the standpoint of environmental preservation as well. While the Group's market share remains small at this time, we believe we have great room for growth in the future through the further expansion of the contracted volume at the Okuyama-No-Mori Clean Center and by increasing our market share through a balance of internal facility development and proactive M&A investment.

As an initiative for our landfill sites, we launched joint research with Logomix Inc., a company strong in biotechnology, aiming to reduce environmental impact and cost. Landfill sites require costly maintenance for a period of time from after landfill is completed until water quality stabilizes. Progress in this research will lead to faster stabilization and

reduction of the management period for landfill sites.

Furthermore, now that we expect to receive approval for the plan to construct a new water treatment facility, as previously announced, we will now commence construction with an aim to become operational from April 2026. With a total investment of approximately 3.5 billion yen, the facility will have processing capabilities five times that of our existing water treatment facility at the Head Office Business Office.

Also, as an initiative for resource circulation, we entered into a basic agreement on joint commercialization of resource circulation with Terrarem Group Co., Ltd., including the development of a business scheme for the appropriate reuse and recycling of used solar panels. We are leveraging the strengths of both companies to the fullest to prepare for the appropriate treatment of solar panel waste, expected to reach an annual 800,000 tons by the mid-2030s.

## In this way, we are proactively engaged in initiatives to help achieve a sustainable society by taking ownership of community involvement and SDGs.

In the period of March 2024, our Sustainability Promotion Committee, comprised of our directors and senior executives and the representative directors of affiliated companies, established our Basic Sustainability Policy and other related policies.

Three years from the launch of our SDGs Promotion Project, we have a strong sense that sustainability has truly taken hold company-wide. The Midac Sustainable Life Points (MSLP) program, an original program to the Group that aims to improve employee awareness by promoting their involvement in SDGs activities, employees are awarded points when they practice activities specified by the company in their daily lives that contribute to the environment and society, and each employee is then rewarded based on their acquired points. The total points acquired last year reached a very high level, showing progress in employee ownership of SDGs and the steady rise of awareness by the year.

## Essential workers you can entrust the future to



The Group has proactively promoted activities that make a social contribution, including for the realization of a sustainable, recycling-oriented society and the achievement of the SDGs. In FY2023 we donated 500,000 yen for the purchase of a kitchen car for a new Children's Cafeteria to the SUSTAINABLE NET NPO, in addition to our donations for their regular food sharing program. Meanwhile, we held our Midac Festival, an event that communicates our gratitude to the community and deepens our exchange with them, for the first time in four years since it was postponed due to the COVID-19 pandemic. We will continue to proactively promote activities that make a social contribution and strive to build relationships of trust through exchange with the community.

For the Group, sustainability means achieving sustainable growth for society and sustained improvement of our corporate value through the pursuit of sound, fair, and highly transparent management and environmentally friendly waste treatment, according to our management principles.

## We are also focusing proactively on PMI to ensure the success of our M&A activities.

The Group has developed systems and environment to improve wellbeing and develop the environment, including a program enabling employees to modify the start and end times of

work according to their situation, and enrollment in a corporate cancer insurance program. As part of these initiatives on human resources, we make sure to treat the new employees joining us through the M&A that we proactively promote with the same level of care. In addition to a weekly session for leaders in which I serve as the chair to discuss principles and rules, we work to promote a sense of unity and understanding through participation in the Midac Festival and releasing videos on the new companies that have joined us. Accordingly, we work proactively toward the formation of Post Merger Integration (PMI) in our own unique way.

## We pursue waste treatment essential to the lives of the people that is sustainable into the future.

The Group will continue to pursue sustainable business models that can adapt to the changing environment and values. We will improve our corporate value by practicing our long-term vision and Medium-term Plan and fulfill our mission as essential workers vital to the lives of the people. We ask for your continued and further support and understanding so that we may continue to fulfil the mission we have been given for waste treatment that is sustainable into the future so that we may pass on this irreplaceable planet to the next generation.

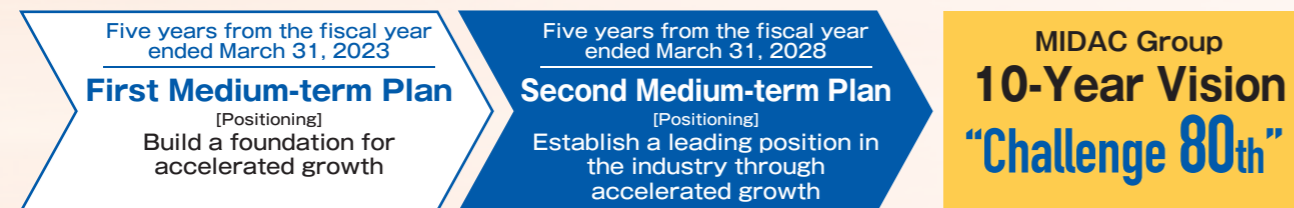
# MIDAC Group 10-Year Vision “Challenge 80th”

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.



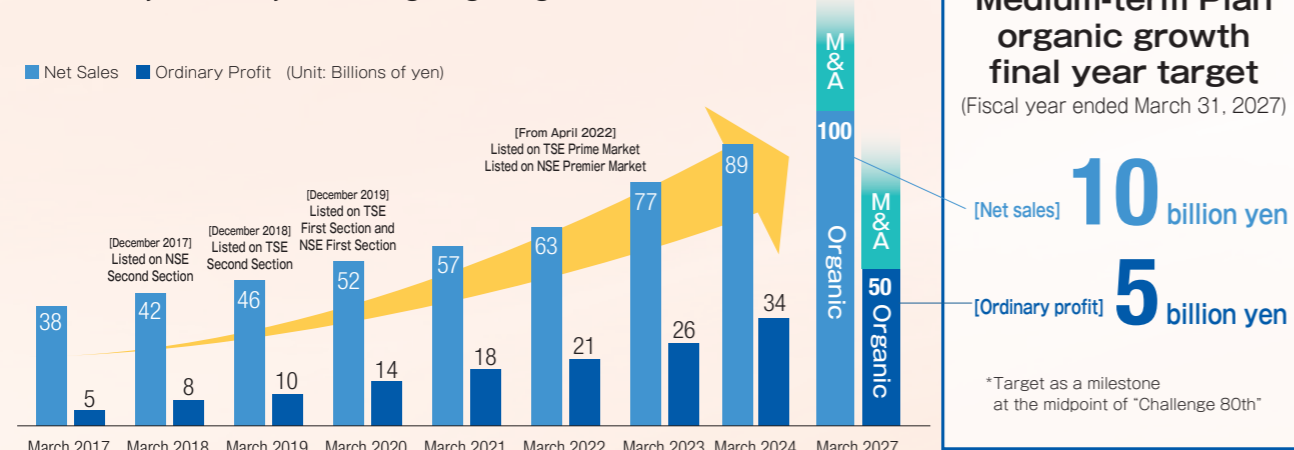
## Steps to realizing “Challenge 80th”

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



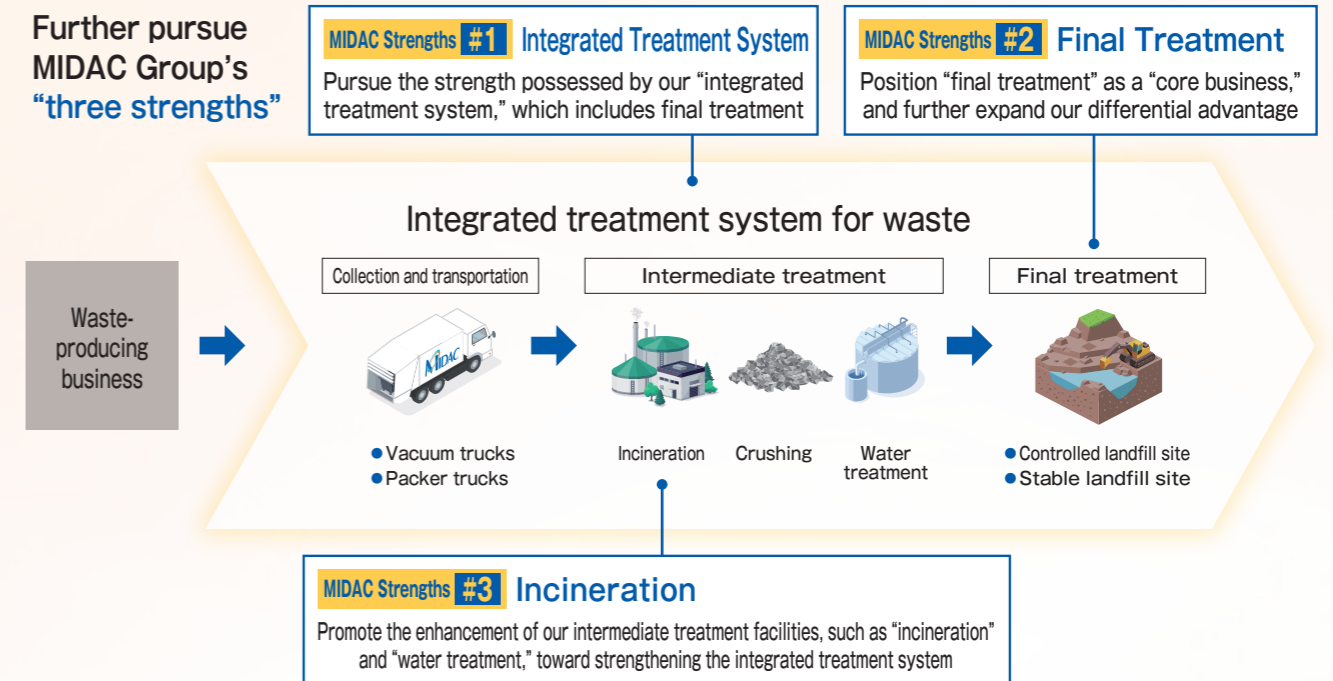
## First Medium-term Plan Numerical Targets (Consolidated)

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



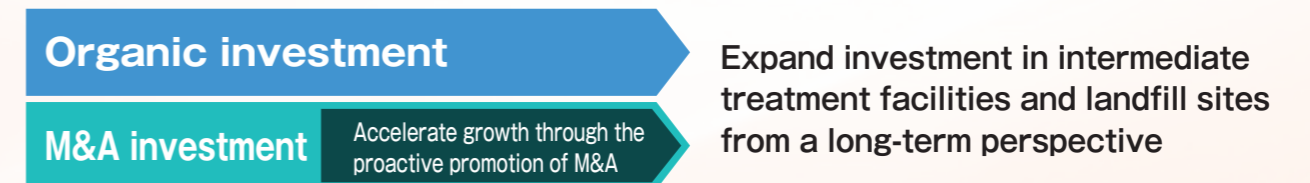
## Growth strategy to realize “Challenge 80th”

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



## Investment plan for supporting the growth strategy

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



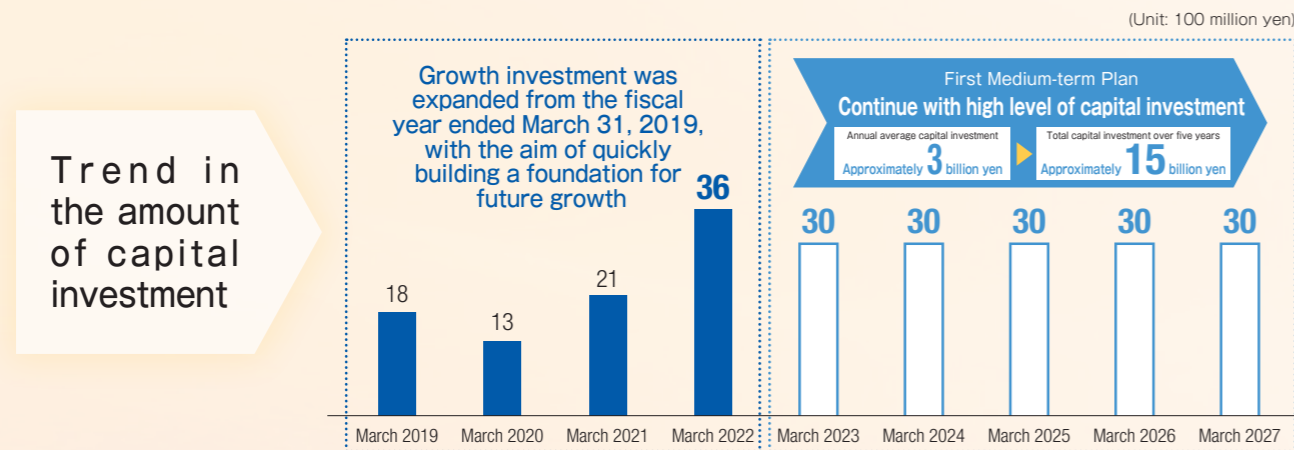
## Toward realizing “Challenge 80th”

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 |



Investment plan for supporting the growth strategy **[organic investment]**



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.

|                                 |  |  |  |
|---------------------------------|--|--|--|
| Landfill 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 (tentative name: Miyakoda Business Office) |  | Land acquired in December 2019<br>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 landfill sites to the entire east Japan area**

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

**Candidate landfill sites**

Two controlled landfill sites planned in the east Japan area (each is 1.5 million m<sup>3</sup> to over 2 million m<sup>3</sup>)  
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 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 landfill sites in the vicinity of the Pacific Belt Zone

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

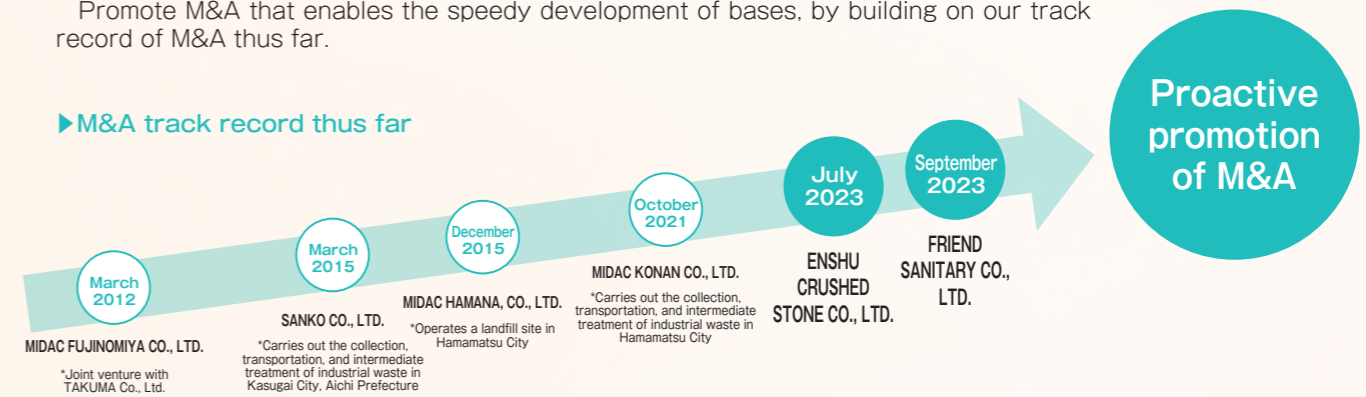
Develop bases speedily and flexibly through strategic M&A

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]**

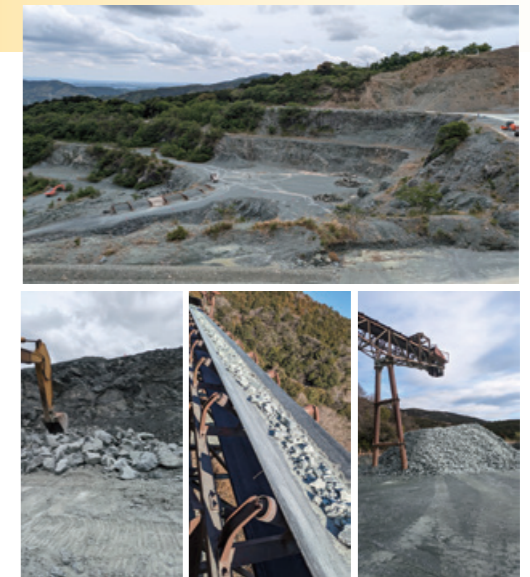
Promote M&A that enables the speedy development of bases, by building on our track record of M&A thus far.

► M&A track record thus far



**ENSHU CRUSHED STONE CO., LTD.**

ENSHU CRUSHED STONE CO., LTD., a company primarily involved in crushed stone production, joined the Group in order to internalize management of waste soil generated by our Okuyama-No-Mori Clean Center. With a record of over 50 years in business since their establishment in 1967, they have numerous connections to many local construction companies and building materials suppliers. Their location is also excellent, situated close to an interchange on the expressway. From April 2024, we have consigned the management of waste soil generated during the 2nd through 4th construction periods of the Okuyama-No-Mori Clean Center to make effective use of the land in their possession, while they continue their stone crushing business. With the recent rise in inflationary pressures, bringing the management of waste soil from the development of a landfill site in-house is expected to provide ample cost savings for future investments. Moving forward, we will continue to work to strengthen governance in facility development through the thorough and appropriate treatment and management of waste soil within the Group.



**FRIEND SANITARY CO., LTD.**

General waste collection and transportation company FRIEND SANITARY CO., LTD. joined the Group in order to expand the capacity of our general waste collection and transportation business and improve profitability. The company has headquarters in Tsu City, Mie Prefecture. The company's primary business activities include the pumping of sewage, the cleaning of septic tank sludge, inspection and maintenance of septic tanks, and the collection and transportation of general household waste. They also engage in a wide array of other activities when required by their customers, such as cleaning, collection and transportation, and repair construction related to industrial waste. Given that the Group had its strength in its sewage collection and transportation business from our establishment, we believe our companies have a high degree of affinity. Furthermore, general waste collection and transportation is a job that is more directly related to the lives of the members of the community compared to industrial waste, and therefore less influenced by changes in the economy. Additionally, cities specify districts for each business engaged in sewage pumping and septic tank cleaning, so cost competition is less likely to occur, while special laws also apply, making their business performance highly stable. With the addition of FRIEND SANITARY to the Group, we will aim to expand our business area regarding general waste collection and transportation.



# Relationship with the Environment



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## 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 Treatment Sites

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

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



### Biotechnology x Controlled Landfill Sites

We launched a new initiative jointly with Logomix Inc. to solve a problem faced by landfill sites using biotechnology.

Through the research, we hope to establish a technology that leads to reduced environmental impact and cost for landfill sites.



### Algae-culturing CCU

The Midac Microalgae CCU Laboratory (MiMiCCU Lab.\*) is researching the use of CO<sub>2</sub> separated and captured from exhaust gas for the cultivation of microalgae that produce useful substances.



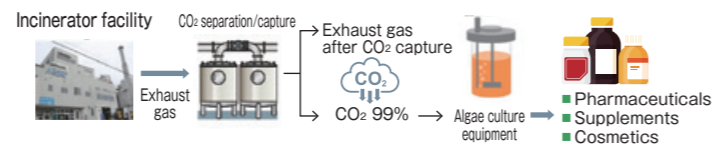
The target in this research is a substance called fucoxanthin, which is expected to have high efficacy in anti-cancer and anti-obesity treatments.

In FY2023, we took the first step toward commercialization through joint research with ALNUR Co., Ltd. to examine the growth potential and fucoxanthin content of several microalgae that produce the substance.

In FY2024, we will accelerate the research toward mass production, including experiments to expand the capacity of the culture tanks and the development of technologies to extract and purify fucoxanthin.

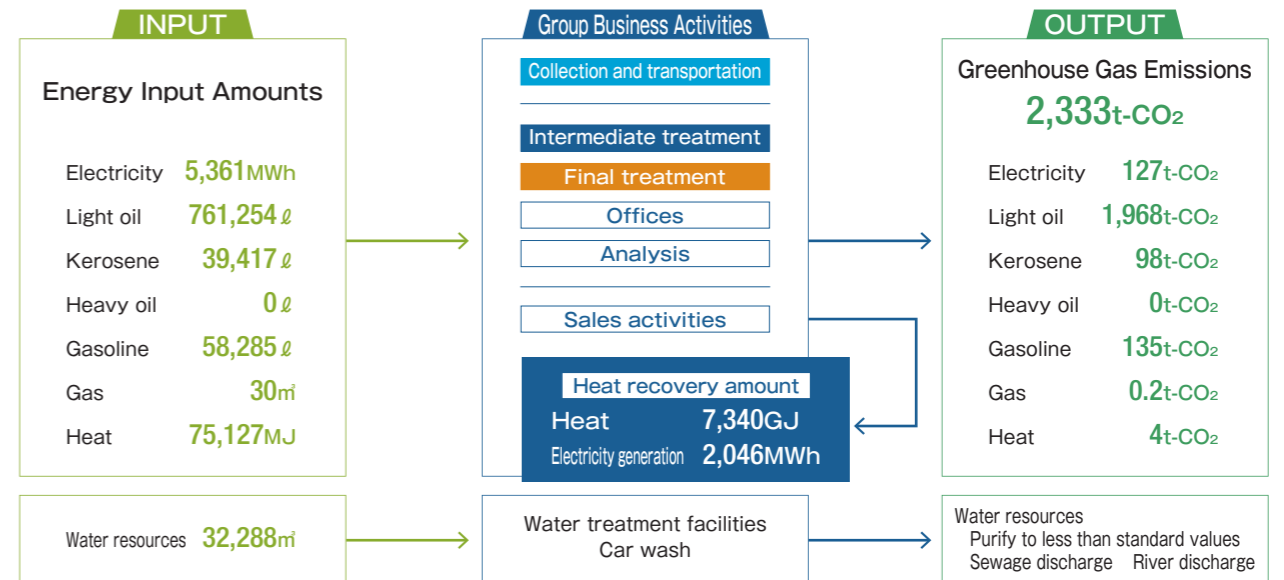
\*MiMiCCU Lab. = Midac Microalgae CCU Laboratory

### Algae-culturing CCU image



## Material Balance

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



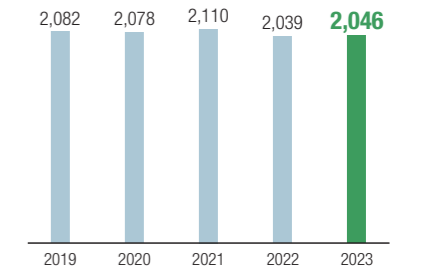
## Electricity Generated at Incineration Facilities

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

### Heat utilization equipment and heat utilization methods

|  |  |
|--|--|
| 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. |

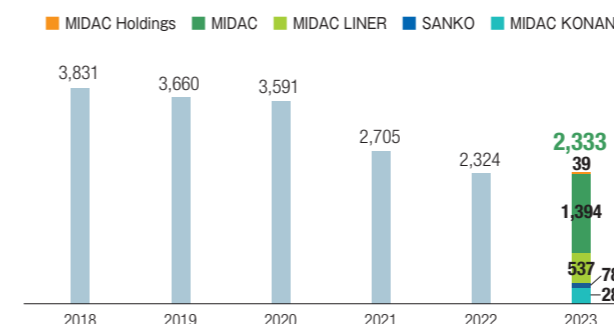
### Changes in electricity generation (Unit: MWh)



## Greenhouse Gas Emissions

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

### Changes in Greenhouse Gas Emissions (energy origin) (Unit: t-CO<sub>2</sub>)



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

From October 2021, the Company converted all high-voltage power used at its offices to zero-CO<sub>2</sub> electricity. Zero-CO<sub>2</sub> electricity is electricity generated with net zero CO<sub>2</sub> emissions. Net zero emissions are realized by using power generated with renewable energies, or by purchasing non-fossil fuel certificates.

In FY2023 we utilized approximately 5,000MWh of zero-CO<sub>2</sub> electricity, which enabled us to reduce our CO<sub>2</sub>\* emissions by around 2,200t.

\*The emission factor used is 0.000441t-CO<sub>2</sub>/kWh, the substitute value of the supplier-specific emission factors used for 2023 submissions.



## VOICE



Okuyama-No-Mori Clean Center  
Koichi Sato

### Improving the accuracy of drone surveying - a new challenge at the Okuyama-No-Mori Clean Center -

In February 2022, the calculation of landfill capacity using drones, a new approach not carried out elsewhere, was begun at the Okuyama-No-Mori Clean Center in order to fully internalize landfill management within the company. Though there were many challenges in this new unfamiliar technology, we are now able to calculate landfill capacity; however, there are still some remaining concerns over data accuracy.

To address this, we selected data from a measurement provider as an accurate basis, and searched for the ideal approach to flying the drone and calculating the data, ultimately achieving a very high accuracy with a difference of only 0.5%. The trial was an excellent learning experience that taught us the characteristics of different data sources and the wrong way to fly the drones through the comparison of the data.

Moving forward, we will produce data depending on the facility to further develop our landfill management techniques.

# Initiatives for promoting the SDGs **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.



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 (Midac Sustainable Life Point)

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 FY2023 as well.

### ►FY2023 MSLP initiative

Total number of points: **529,600pt**



Participation in community disaster drills Picking up trash in Urugi Village Purchase of environmentally labeled products

## 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.

A total of 34 people applied to the Midac SDG Support Squad by the end of FY2023, and engaged in such activities as the MSL declarations or the SDGs test.

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

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

## Relationship with Urugi Village, Nagano Prefecture

### ► Installation of a bulletin board and notice board at Atebidaira Birdwatching Forest

We installed a bulletin board and notice board at Atebidaira Birdwatching Forest on April 2, 2024. The boards were produced and installed by the Atebidaira Birdwatching Forest Environment and Biodiversity Council to ensure that visitors to the Forest could walk there safely.

### 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.



### ►Atebidaira Birdwatching Forest guided walk

A guided walk was held once per month at the Atebidaira Birdwatching Forest, sponsored by the Council. MIDAC employees also participated and walked through the Atebidaira Birdwatching Forest.



### ►Environmental education held at Urugi Elementary School

Environmental education was held at Urugi Elementary School on June 28, 2023. The course included a quiz on trash separation and a tour of a recycling car.



### ►Regional revitalization entrepreneur program

One employee from our subsidiary, SANKO, has been deployed to the Urugi Village Town Hall since April 1, 2023, leveraging the Regional Revitalization Entrepreneur Program of the Ministry of Internal Affairs and Communications as part of our personnel exchange program with Urugi Village.

Also outlined on YouTube

## Relationship with the Environment

The Company acquired ISO14001 certification in 2001, and we have maintained our certification without any problems over the 22 years since then. In FY2023, MIDAC Holdings and all 14 bases of its consolidated subsidiaries were audited, and our certification was retained. An external review cited 14 different strengths of our environmental management system.

According to our own internal environmental audit, there were no points for improvement, but three points were noted regarding legal compliance, and we are currently implementing improvements on those points to develop an even better management system.

### ►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).

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.

## IWAHARA ORCHARDS: Toward Realizing a Decarbonized Society from the Agricultural Sector

On June 30, 2023, we received effort (initiative) certification from the Yamanashi 4 per 1000 Initiative Certification System for Agricultural Products.

The 4 per 1000 initiative is an approach that suggests that if the carbon content of surface soil throughout the world can be increased by 4 parts per million (0.4%) each year, then the amount of CO<sub>2</sub> that increases in the atmosphere due to human economic activity would virtually be zero.

IWAHARA ORCHARDS CO., LTD. has adopted a no-till grass-based cultivation approach, where the land is left untilled and cut grasses are left in place, as part of their initiative to store carbon in the soil. Moving forward, they will aim to receive achievement certification to push decarbonization initiatives from the agricultural sector.



# 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

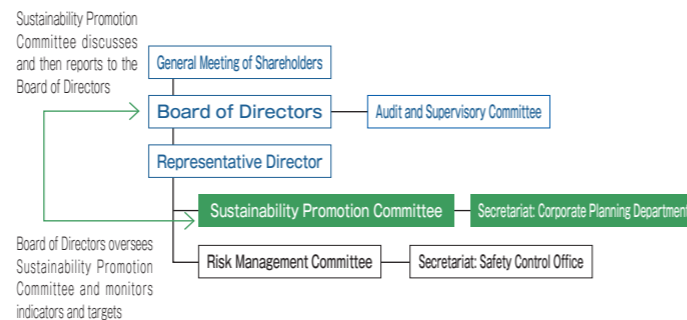
| Base year                         | 2020   | 2021   | 2022   | 2023   | 2024                  | 2025 | 2026 | 2027 | 2028 | 2029 | 2030   |
|-----------------------------------|--------|--------|--------|--------|-----------------------|------|------|------|------|------|--------|
| Target                            | 3,591t | 2,705t | 2,324t | 2,333t |                       |      |      |      |      |      | 2,082t |
| [vs. FY2020] 42% reduction target |        |        |        |        | 42% reduction by 2030 |      |      |      |      |      |        |

## 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 FY2023 to prepare various policies on sustainability and discuss and consider action plans for each department.

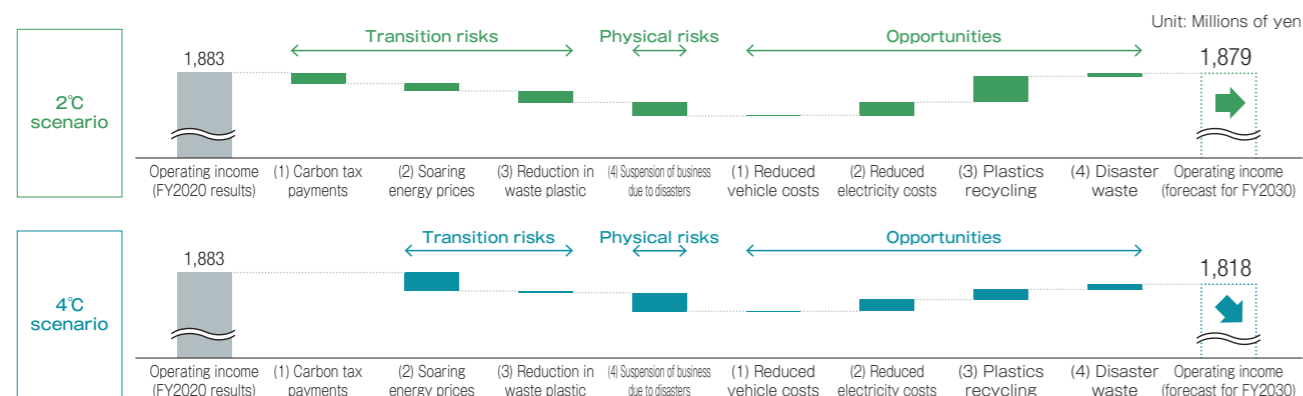


## Strategy

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, transportation, 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 <sub>2</sub> 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                                       |  |   |
|                  | 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                                       |  |   |
| Opportunities    | [Resource Efficiency] Reduced fuel costs due to improved fuel efficiency from environmentally friendly vehicles             | Long-term        | Large                                       |  |   |
|                  | [Resource Efficiency] Reduced electricity costs by improving the power generation efficiency of incineration facilities     | Medium-term      | Large                                       |  |   |
|                  | [Products/Services] Increased earnings through expansion of the plastic recycling business                                  | Medium-term      | Large                                       |  |   |
|                  | [Market/Resilience] Expanded amounts of disaster waste accepted via improvements to waste treatment capabilities            | Medium-term      | Large                                       |  |   |
| Opportunities    | [Energy Sources] Increased profit opportunities due to growing needs for waste treatment with low CO <sub>2</sub> emissions | Medium-term      | Large                                       |  |   |
|                  |   |                  |   |  |   |

### 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

MIDAC SUSTAINABILITY REPORT 2024



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

## Award received from Shizuoka Prefecture as a road protecting organization

The 2023 Awards Ceremony for River, Beach, and Road Protection Organizations was held at the Shizuoka Prefectural Government Office on August 23, 2023.

Since FY2004, MIDAC Group has carried out various activities around our business locations, such as road cleaning and weeding, as well as monitoring dangerous sections of road. Accordingly, we received an award from the Governor of Shizuoka in recognition of our contributions to the improvement of the community road environment through the activities.



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

The MIDAC Group has been a member of the Hamamatsu Mather's Seminar since 2018. The mothers, fathers, and children who participated in the 5th Garbage Truck Wrapping Project held in September 2023 freely painted images of flowers with brushes and their hands. Many sections of artwork were finished using a variety of colors.



## Held environmental education class at Aritama Elementary School

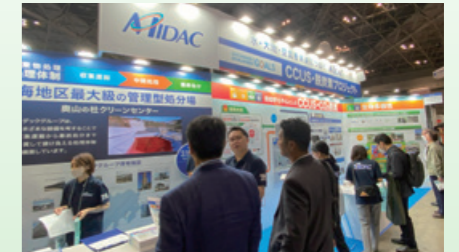
MIDAC holds environmental education classes for fourth grade students at Hamamatsu Municipal Aritama Elementary School every year in order to raise their environmental awareness. In FY2023, the class was based on a theme of what happens to trash when it is thrown out, and included quizzes to teach about trash separation and the 3 Rs.



## Participation in the New Environmental Exposition 2023

We opened a booth at the New Environmental Exposition 2023 held at Tokyo Big Sight. We used the booth to exhibit our integrated waste treatment system and our initiatives on decarbonization and biodiversity.

Total visitors to the event exceeded 90,000 people, many of whom stopped by at our booth.



## Midac Festival held

The Midac Festival was held for the first time in four years following cancellations during the COVID-19 pandemic to express our gratitude to the members of the local community for their continued understanding of our work. The event, held regularly since 2007, is an extremely important opportunity to deepen our exchange with the community. We will continue to proactively promote activities that make a social contribution and strive to build relationships of trust through exchange with the community, thereby supporting the development of local society.



## 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.



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

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

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



## Participated in Lake Hamana Cleanup Campaign

The Lake Hamana Cleanup Campaign is a concerted cleanup of the Lake Hamana shore that takes place on the first Sunday of June each year, in order to preserve Lake Hamana, a rich natural environment resource that represents Hamamatsu City. It was held for the 45th 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 tenth time it had taken part. 41 people gathered to take part on the day, including employees' family members, and they cleaned the Kanzasji Coast.



## Company-wide cleaning held

The Company holds a grass cutting and trash collection day for the neighborhood twice every year. In the summer of this year, the grass was cut at the MIDAC head office on July 25, and trash was collected around our other business offices. Each sales office and business office also collected trash in their neighborhoods.



## Quiz rally event on food loss held

An event on food loss, the Quiz Rally Challenge to Learn About Food Loss, was held at Aeon Mall Hamamatsu Shitoro over three days from October 7 through 9, 2023. Participants tried the various related quizzes while examining displays on food loss and using food waste as fertilizer. This was a great opportunity for the many participants, from small children to the elderly, to learn about food loss.



## Donation to Children's Cafeteria

Emergency supplies owned by MIDAC Group and food items donated by employees were donated to the Children's Cafeteria operated by the SUSTAINABLE NET NPO. We also donated a portion of the cost to purchase a kitchen car to expand the cafeteria's activities to new communities.



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



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

We have conducted training on childcare leave for managers, and developed an environment conducive to proactive participation in childcare and elderly care in each department. In February 2023, we began operation of the MIDAC Omoiyari System, a system for staggered working hours that adapts flexibly to individual lifestyles. Currently, 42% of those using the system do so for purposes of childcare. We will continue to promote the system moving forward so that it takes hold.

### ▶Review of annual paid leave

Due to revisions to the Labor Standards Act in accordance with the Work Style Reforms, starting in April 2019 all companies are required to have employees who are granted 10 or more days of annual paid leave per year to take five days per year. Accordingly, starting in FY2019, the Group has aimed to help employees refresh their minds and bodies and improve their work life balance through such efforts as revising our system to enable uniform management by setting a base date, and offering guidance for employees and their superiors who are not taking paid leave. As a result of the efforts, the average leave rate in FY2023 was 87.3% for the five group companies and 78% or more for each individual company.

### ▶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.

### ▶Initiatives rooted in health management

The Group carries out various initiatives to maintain and improve the health of our employees to promote health management.

#### • Booklet distribution

In FY2023, the following three booklets and leaflets were distributed to promote understanding related to physical and mental health and gender-specific characteristics.

- Book on Health Exam Results: Association of national social insurance society
- Self-care to combat stress: Seirei Social Welfare Community
- Men's and Women's Health - Understanding Potential Diseases and Symptoms by Life Stage: Seirei Social Welfare Community

#### • Support for balancing treatment and work

The 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 to be able to balance treatment and work.

### ▶STOP!! Harassment

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

## Human Resources Training

### ▶Graduate recruitment

This is the 19th 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.

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



FY2021



FY2022



FY2023



FY2024

### ▶Adoption of a succession plan

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

### ▶New education and training system

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

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

## Diversity

### ▶Promoting active participation by women

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

### ▶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.

## VOICE



Tokyo Sales Office  
Yusuke Okane

### Utilizing Parental Leave and the MIDAC Omoiyari System



In July 2023, my first son was born, and I took two months leave for childcare. My wife and I both had vague worries about our first experience at raising a child, but I am very grateful that we were able to share those concerns together as we took on the task. I was able to focus on childcare during the leave without worry thanks to the support not only of my department but also of many other people as well.

After returning to the job, I have been utilizing the MIDAC Omoiyari System to ensure that I have adequate time for housework and childcare. I am very grateful for this working environment that enables working styles that consider work life balance.

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

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

## Occupational Health and Safety Policy

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

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

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

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

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

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

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

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

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

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

## 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.

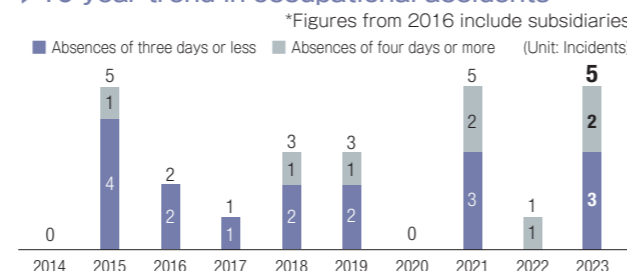
## Strengthening Disaster and Accident Prevention through Proactive Near-Miss Activities

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.

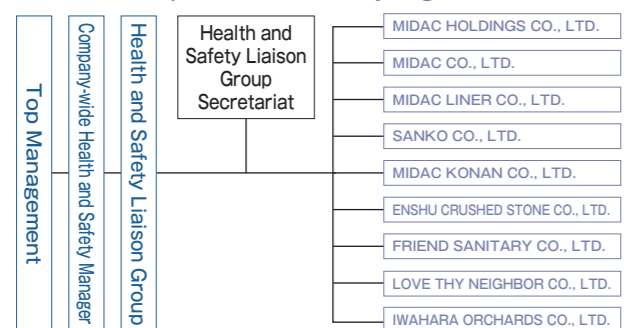
In FY2023, there were many near-miss incidents that were caused by inadequate safety confirmations. Inadequate safety confirmations are events that can lead to serious accidents, and based on such situations, we are providing education and guidance on the effectiveness of the occupational safety method of pointing and calling.

## Occurrence of Occupational Accidents

▶ 10-year trend in occupational accidents



## ▶ MIDAC Group Health and Safety Organizational Chart



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

## 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 FY2023, the Okuyama-No-Mori Clean Center was added as a new important location and we worked on the preparation of BCP level 1. We are also steadily working on the initial disaster response plan for other locations, and our activities are gradually expanding to include disaster drills. We will further develop this into a business continuity plan (BCP) involving a PDCA cycle whereby we review the plans based on the drills.

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



Monthly job training is held to enable safe collection and transportation of waste.

The Industrial Waste Collection and Transportation Group collects and transports waste according to its properties and characteristics. Accordingly, we carry out monthly training on the handling of waste, vehicle characteristics, and troubleshooting.

We video the job training with the cooperation of the head of the Industrial Waste Collection and Transportation Group. We make the videos of the training available to drivers unable to attend due to work commitments, ensuring all members receive the training.

We will continue to aim for zero accidents and disasters by eliminating unsafe practices.

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

It has become 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 using the QR code on the right.

\*Please ask separately regarding subsidiaries other than MIDAC CO., LTD.  
\*QR Code is a registered trademark of Denso Wave Incorporated.

## MIDAC's Official YouTube Channel

MIDAC's official YouTube channel was launched in June 2021. It features close to 40 videos introducing the Company's SDG-related initiatives, offices, and so forth. One new video is uploaded at the end of every month, so please be sure to follow the channel and give us a high rating.

MIDAC's official YouTube channel

MSLP制度  
功をポイント化した制度

PPP

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.

## Filling out Manifests for Construction Related Industrial Waste

This video gives an easy-to-understand explanation of how to fill out manifests (direct delivery) for construction related industrial waste. We hope you find it useful.

MIDAC  
産業廃棄物管理票  
建設系産業廃棄物用  
manifestの  
記入方法  
直行用manifest編

See the video here.

## Strict Screening of Business Partners

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

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

## Response to Anti-Social Forces

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

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

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

## Intellectual Property Protection

### ▶ Approach to intellectual property protection

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

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

### ▶ Internal systems to not infringe on other companies' intellectual property

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

## Certified as an Excellent Industrial Waste Processor

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

Sanpai Joho Net "Sanpai-Kun"

- ▶ Industrial waste business search "Sanpai-Kun"
- ▶ View, search data
- ▶ Search by business name or number



| Recipients of Certificates of Excellence (as of June 30, 2024) | Business Type   | Location   |
|--|---|--|
| MIDAC CO., LTD.  | Treatment business (specially controlled industrial waste)                              | Hamamatsu City   |
| SANKO CO., LTD.  | Treatment business (industrial waste)   | Aichi Prefecture   |
|  | Collection and transportation (industrial waste, specially controlled industrial waste) | Aichi Prefecture, Gifu Prefecture, Mie Prefecture, Yamaguchi Prefecture, Kitakyushu City |



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/en/ir/> Corporate Governance Report Shareholder Communication

### Regarding dialogue carried out in FY2023

#### (1) Main responder

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

#### (2) Number of dialogues held

82 in total (45 domestic, 37 overseas)

#### (3) Type of investor

| Type          | FY2023 (Unit: People) |
|---------------|-----------------------|
| Fund managers | 31                    |
| Analysts      | 19                    |
| Total         | 50                    |

\*Where duplications occurred among the individuals with whom dialogues were held with in FY2023, they have been subtracted.

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

- The operating performance situation
- The difference between MIDAC's earnings structure and those of other companies in the same industry
- MIDAC Group 10-Year Vision "Challenge 80th"
- 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
- Impact of Natural Disasters
- Capital policy
- Valuation of stock price
- Matters relating to sustainability as a whole

## Basic Policy on Profit Distribution

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

For FY2023 (fiscal year ended March 31, 2024), it has been decided to pay a year-end dividend of 8 yen per share, taking into consideration the enhancement of profit distribution to shareholders and the financial position of the Company. And for the following fiscal year (ending March 31, 2025), the dividend forecast is an increase to an ordinary dividend of 10 yen. Further dividend increases will be considered in the future, taking into account our basic dividend policy, performance trends, financial position, and other factors.

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

|   | Fiscal year ended March 31, 2023 | Fiscal year ended March 31, 2024 |
|---|----------------------------------|----------------------------------|
| Earnings per share (consolidated)               | ¥61.12                           | ¥69.00                           |
| Dividend per share (interim dividend per share) | ¥5 (¥0)                          | ¥8 (¥0)                          |
| Payout ratio (consolidated)                     | 8.2%                             | 11.6%                            |
| Return on equity (consolidated)                 | 16.4%                            | 16.1%                            |
| Dividend on equity (consolidated)               | 1.3%                             | 1.9%                             |

## 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.

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.

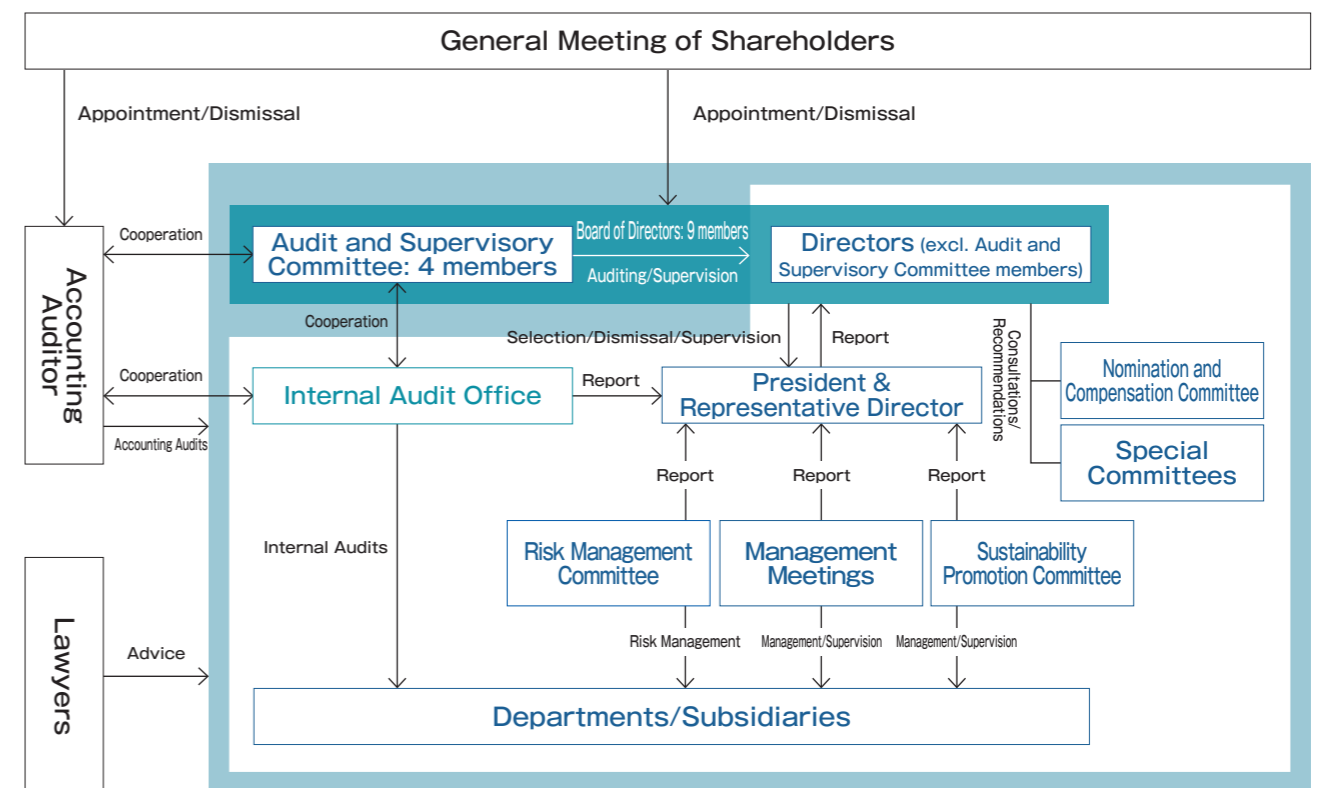
On the other hand, we have also established an Audit and Supervisory Committee, and, based on their own experiences, Directors who are members of the Audit and Supervisory Committee conduct strict checks on management. Additionally, internal audits are also conducted by our Internal Audit Office.

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.



(As of June 27, 2024)

## 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.

## Independence Criteria and Qualifications for Independent Outside Directors

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

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

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

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

- Group’s external desk: Law office
- Group’s internal desk: Director who is a full-time audit and supervisory committee member
- Number of internal reports filed in FY2023: 0

## 4 Safety Control Office

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

## 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.

## Strengthening the Compliance Structure

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

## Internal Audits

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

## Risk Management

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

In addition, from the viewpoint of properly managing health and safety, the Health and Safety Liaison Group was established, with the Manager of the Business

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

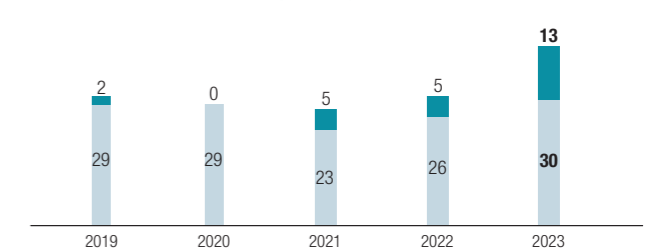
Furthermore, each department implements initiatives to minimize the risks that exist in its respective operations. For example, by obtaining and maintaining ISO 14001 certification, each department is addressing the risks in its respective operations.

### Number of meetings by Risk Management Committee in FY2023: 4

#### Main topics of discussion

- FY2022 BCP Activity Report
- Internal reporting and whistleblowing
- Report on measures to prevent recurrence of accidents
- Information security

### 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





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.



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.

## MIDAC HOLDINGS CO., LTD. <https://www.midac.jp/>



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

|                     |  |
|---------------------|--|
| Location            | 2163 Aritama minami-machi, Chuo-ku, Hamamatsu City, Shizuoka Prefecture<br>〒431-3122   |
| Founded             | April 1, 1952  |
| Capital             | ¥90 million  |
| Number of Employees | 58   |
| Businesses          | Formulation and management of Group management strategies                              |
| Banks               | MUFG Bank, Shizuoka Bank, Hamamatsu Iwata Shinkin Bank, Shoko Chukin Bank, Resona Bank |
| Offices             | Act Office Shinagawa Office  |

## Group Companies

### MIDAC CO., LTD.

|                     |  |
|---------------------|--|
| Location            | 2163 Aritama minami-machi, Chuo-ku, Hamamatsu City, Shizuoka Prefecture<br>〒431-3122   |
| Founded             | August 11, 1987  |
| Capital             | ¥10 million  |
| Number of Employees | 176  |
| Businesses          | Final treatment of industrial waste (stable/controlled); collection, transportation and treatment (intermediate/landfill) of specially controlled industrial waste; collection and transportation 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   |

### ENSHU CRUSHED STONE CO., LTD.

|                     |   |
|---------------------|---|
| Location            | 872-22, Karishuku, Inasa-cho, Hamana-ku, Hamamatsu City, Shizuoka Prefecture<br>〒431-2225 |
| Founded             | December 26, 1967   |
| Capital             | ¥45.3 million   |
| Number of Employees | 6   |
| Businesses          | Crushed stone manufacturing business  |

### FRIEND SANITARY CO., LTD.

|                     |   |
|---------------------|---|
| Location            | 1290, Kumoza Nagatsunecho, Tsu City, Mie Prefecture<br>〒514-0303                                    |
| Founded             | April 1, 1961   |
| Capital             | ¥10 million   |
| Number of Employees | 71  |
| Businesses          | General waste collection and transportation business, sewage collection and transportation business |

### MIDAC LINER CO., LTD.

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

### SANKO CO., LTD.

|                     |  |
|---------------------|--|
| Location            | 3042-3 Aza Shojiyama, Kamitaraga-cho, Kasugai City, Aichi Prefecture<br>〒486-0801                                |
| Founded             | March 1968   |
| Capital             | ¥10 million  |
| Number of Employees | 13   |
| Businesses          | Collection, transportation, and intermediate treatment of industrial waste (including transshipment and storage) |
| Offices             | Kasugai Business Office, Seki Business Office  |

### MIDAC KONAN CO., LTD.

|                     |  |
|---------------------|--|
| Location            | 902-1 Magori-cho, Chuo-ku, Hamamatsu City, Shizuoka Prefecture<br>〒431-0203  |
| Founded             | April 14, 1982   |
| Capital             | ¥5 million   |
| Number of Employees | 37   |
| Businesses          | Industrial waste collection and transportation business; general waste collection and transportation business; industrial waste treatment business |

### LOVE THY NEIGHBOR CO., LTD.

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

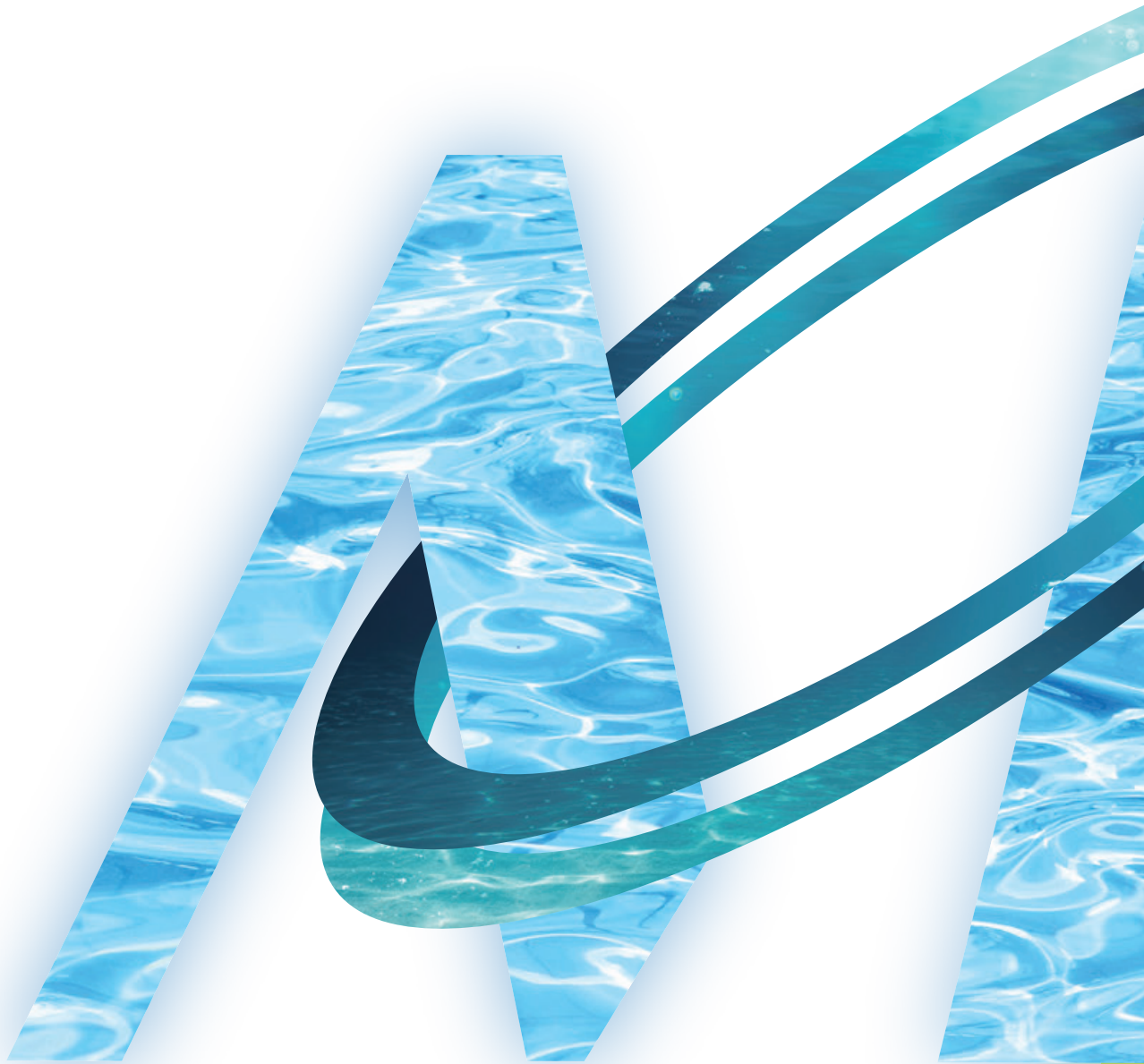
### IWAHARA ORCHARDS CO., LTD.

|                     |  |
|---------------------|--|
| Location            | 669-2 Tsutsumi, Takane-cho, Hokuto City, Yamanashi Prefecture<br>〒408-0004 |
| Founded             | June 1998  |
| Capital             | ¥90 million  |
| Number of Employees | 4  |
| Businesses          | Production of agricultural produce   |

### GREEN CIRCULAR FACTORY CO., LTD.

|            |  |
|------------|--|
| Location   | 1-1 Sakae-cho, Takasaki City, Gunma Prefecture<br>〒370-0841            |
| Founded    | September 1, 2023  |
| Capital    | ¥90 million  |
| Businesses | Resource circulation infrastructure business, waste treatment business |

\* Joint venture with YAMADA HOLDINGS CO., LTD.



**MIDAC**

