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News Release

Company name: Daiei Kankyo Co., Ltd.
Representative: Fumio Kaneko
President and Representative Director
(Securities Code: 9336; Prime Market of TSE)
Contact: Morihiko Shimoda
Executive Officer / General Manager of
Corporate Strategy Planning Division
(TEL: +81-78-857-6600)

Notice Concerning Acquisition (Consolidation) of Urayasu Seiun, Inc. and Aia, Inc.

Daiei Kankyo Co., Ltd. (the “Company”) hereby announces that on July 1, 2024, the Company acquired all shares in Urayasu Seiun, Inc. and Aia, Inc. (hereinafter collectively referred to as the “Target Companies”) making them consolidated subsidiaries.

1. Reason for share acquisitions

In addition to providing one-stop services ranging from waste collection and transportation to intermediate treatment, recycling, and final disposal, the Daiei Kankyo Group has developed a wide ranging value chain related to building a better environment, including soil remediation, facility construction and administration, and is promoting proactive ESG measures that lead to solving social issues amid the global trend toward a decarbonized society and a circular economy.

The Target Companies are engaged in the collection, transportation and recycling of general waste, as well as the collection and transportation of industrial waste, with roots in the local community, in Urayasu City, Chiba Prefecture. Urayasu Seiun has been entrusted with the collection and transportation of general waste as a designated contractor for Urayasu City, Chiba Prefecture since 1972, and has built trust with the local government and local residents.

By making the Target Companies consolidated subsidiaries of the Company, working together with the other consolidated subsidiaries of Kyodoh Doboku Co., Ltd. and Eiwa Recycle Co., Ltd. operating in the Kanto area will create synergies within the Group, leading to greater market share in the area and more dealings with local governments.

The Daiei Kankyo Group will continue to promote initiatives that help to create systems for recycling resources, thereby contributing to the formation of a sustainable recycling-oriented society.

2. Overview of subsidiaries transferred

(1)	Name	Urayasu Seiun, Inc.		
(2)	Address	15-39 Chidori, Urayasu City, Chiba Prefecture		
(3)	CEO	Seigo Kano		
(4)	Business	Collection and transportation of general and industrial waste		
(5)	Capital	10 million yen		
(6)	Established	April 17, 1973		
(7)	Major shareholders and shareholding ratio (excluding treasury stock)	Seigo Kano 47.1% 3 others 52.9%		
(8)	Relationship of company with listed company	Capital relationship	None	
		Personnel relationship	None	
		Business relationship	None	
(9)	Operating results and financial position for past three years (Million yen)			
	Fiscal year end	June 30, 2021	June 30, 2022	June 30, 2023
	Net assets	526	546	559
	Total assets	710	716	711
	Book value per share	762,967.02 yen	791,750.18 yen	811,560.97 yen
	Net sales	550	558	583
	Operating income	24	15	10
	Ordinary income	29	23	13
	Net income	21	19	13
	Earnings per share	30,648.51 yen	28,783.16 yen	19,810.79 yen
	Dividend per share	- yen	- yen	- yen

Note: Urayasu Sairi, Inc., which performs sorting operations within the Urayasu City Clean Center, was spun off on May 1, 2024 and so is not included in this data

(1)	Name	Aia, Inc.		
(2)	Address	15-39 Chidori, Urayasu City, Chiba Prefecture		
(3)	CEO	Mariko Kano		
(4)	Business	General waste recycling		
(5)	Capital	5 million yen		
(6)	Established	May 12, 2008		
(7)	Major shareholders and shareholding ratio (excluding treasury stock)	Taiki Kano 50.0% Rie Kano 50.0%		
(8)	Relationship of company with listed company	Capital relationship	None	
		Personnel relationship	None	
		Business relationship	None	
(9)	Operating results and financial position for past three years (Million yen)			
	Fiscal year end	March 31, 2022	March 31, 2023	March 31, 2024
	Net assets	15	20	84
	Total assets	46	41	102
	Book value per share	31,010.46 yen	40,405.65 yen	169,544.13 yen
	Net sales	9	13	12
	Operating income (loss)	2	6	(18)
	Ordinary income	2	6	100
	Net income	2	4	64
	Earnings per share	4,143.37 yen	9,395.18 yen	129,138.48 yen
	Dividend per share	- yen	- yen	- yen

3. Overview of companies acquired

Urayasu Seiun, Inc.

(1)	Name	Seigo Kano and 3 others
(2)	Address	Urayasu City, Chiba and others
(3)	Relationship of individual with listed company	There are no capital, personnel, or business relationships of note with the Company.

Aia, Inc.

(1)	Name	Taiki Kano, Rie Kano
(2)	Address	Urayasu City, Chiba and others
(3)	Relationship of individual with listed company	There are no capital, personnel, or business relationships of note with the Company.

4. Number of shares acquired, acquisition price and status of shares held before and after acquisition

(1)	Number of shares held before transfer	Urayasu Seiun, Inc.: 0 Aia, Inc.: 0
(2)	Number of shares acquired	Urayasu Seiun, Inc.: 690 (Number of voting rights: 690) Aia, Inc.: 500 (Number of voting rights: 500)
(3)	Acquisition price	The acquisition price shall not be disclosed due to an agreement with the other party. However, the price was determined upon mutual consultation based on the results of appropriate due diligence at an amount considered fair and reasonable.
(4)	Number of shares held after transfer	Urayasu Seiun, Inc.: 690 (Number of voting rights: 690) (Percentage of voting rights held: 100%) Aia, Inc.: 500 (Number of voting rights: 500) (Percentage of voting rights held: 100%)

5. Future outlook

Although the impact of this matter on our consolidated financial results is minimal, we will promptly announce any matters that require disclosure should they arise in the future.