



KAIHO
会宝産業株式会社

KAIHO INDUSTRY CO., LTD.
INTEGRATED REPORT

2026

All-Directional "SHINKA"

01 Value Creation Story

Identity

Management Philosophy

Kaiho industry is dedicated to creating value through a positive workplace, earning the trust of our customers, and conducting our business in harmony with the natural environment.

— Commitment —

We treat each other with respect and work in a positive, inclusive environment

We continuously develop our skills through learning and training.

We take responsibility for our actions and embrace improvement and challenge.

We always prioritize health, safety, and well-being in the workplace.

We act with integrity and align our behavior with the values of Kaiho industry.

The Core of Our Value Creation

We believe that when our employees work with genuine joy, that happiness naturally resonates with our customers, fostering a deep sense of peace and trust. This virtuous cycle of joy extends beyond human connections to embrace the natural world, contributing to a harmonious global environment where all people can live in peace. Standing on this foundational spirit, we are committed to continuous "Shinka"—evolving our presence and deepening our value to the world.

PURPOSE

Contributing to environmental sustainability in Japan and globally through responsible vehicle recycling

Arteries and Veins : A Living Economy

Modern society has flourished through the "Arterial Industry"—extracting resources and producing goods. But production without recovery leads to waste and environmental destruction.

Just as a human body needs both arteries and veins to circulate blood, a sustainable society needs both a production industry and a "Venous Industry" (Recovery & Recycling). At Kaiho industry, we provide the "veins" that return resources back to the world.

Our Mission: "Responsibility for Aftercare"

We go beyond SDG Goal 12 (Responsible Consumption and Production). We believe in a third pillar: The Responsibility for Aftercare (Atoshimatsu).

As a pioneer in the Venous Industry, our mission is to ensure that nothing is "wasted," but everything is "reborn." By spreading this cycle across the globe, we create a harmonious Earth where economy and nature thrive together.

CORE VALUE

The Principle of the Water Basin: The Spirit of Altruism

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At Kaiho industry, we are guided by the "Law of the Water Basin" (Tarai no Hōsoku), a principle taught by our Founder.

When water in a basin is pushed toward oneself, it flows away. When it is directed toward others, it naturally returns. This principle reflects the spirit of altruism (Rita) the belief that by putting the happiness and success of others first, long term value returns to oneself.

We believe that actions driven by short term self-interest do not create sustainable value. Instead, sincere efforts to serve customers and society build trust, shared growth, and lasting prosperity.

This principle shapes our daily operations. Beyond processing resources, we aim to deliver trust and positive impact. By creating a virtuous cycle that benefits customers, employees, partners, and society, we strive to build a truly sustainable future.

Value Creation Story

CEO's Message



Why We Published the “Integrated Report 2026”

This report is not simply a compilation of data for external disclosure.

It is a statement of who we are.

Through this report, I wanted to clearly communicate both to our employees and to society.

The fundamental question is Who are we, what do we stand for, and where are we heading?

In an industry where the essential role of recycling and dismantling is often overshadowed by manufacturing, we choose to define our own narrative. This report serves as a bridge between our long-held philosophy and the next generation of employees, while also fostering meaningful dialogue with our partners and future talent. It reflects our commitment to speak in our own voice.

The Four Pillars of the Mid-Term Management Plan

Our Mid-Term Strategy is built around four key priorities:

- *Platform Business*
- *Domestic Recycling & Growth*
- *Global Circular Expansion*
- *Strengthening Organizational Agility*

Our identity as platformers is rooted in the international used vehicle and parts business established by our founder. In Japan, consumers tend to replace vehicles early, often while they remain in excellent condition. While these high-quality components may be overlooked domestically, there is significant demand for them in international markets. By recognizing the inherent value in these parts, we have successfully expanded our sales channels to numerous countries worldwide.

Historically, the domestic auto recycling industry focused primarily on the "clean and high-margin" Japanese market, largely ignoring global opportunities. We chose a different path. We took the global trade systems built by our founder and opened them to our peers across Japan. By registering on our platform, these companies can increase their profitability by accessing international buyers. This borderless platform removes the traditional barriers to global trade, making it simple and efficient for any recycler to participate in the global market. Beyond business growth, our mission is to ensure that our entire Group shares a deep sense of pride in the work of auto recycling. We understand that international expansion is a significant challenge that requires patience and long-term investment. However, vehicles and parts are essential worldwide, and resources must circulate across borders to be truly sustainable. To lead the future of the circular economy, we must look beyond national boundaries and understand the flow of resources on a global scale. With this future in mind, we continue to embrace new challenges and drive global innovation.

The Heart of Our Management: People

In business, no matter the strategy or tactic, "people" are the engine that drives success. We chose to view the challenges of the pandemic as a unique opportunity to invest deeply in our team's growth.

I firmly believe that the strongest organization is one where every individual takes initiative, thinking for themselves and acting proactively to delight the customers right in front of them.

Our Approach to Sustainability Management

Since its founding, Kaiho industry's core business of promoting reuse and recycling has naturally aligned with the goals of the SDGs. Today, the world demands a renewed commitment to truly sustainable corporate activities.

Humanity exists only within the grace of nature. Yet, by prioritizing short-term capitalistic gains and our own convenience, we have undeniably impacted the natural environment. We must remember that without a healthy environment, our business cannot exist.

To return to this fundamental principle, we have positioned the disclosure frameworks for climate and nature (TCFD and TNFD) as top-priority management challenges for our future.

Preserving Our Values, Embracing "All-Directional SHINKA" for 2026

Our organization is not a collection of silos, but a single, unified entity. With a spirit of challenge, we have established "All-Directional SHINKA" as our management policy for 2026. This is not a linear path, but a total transformation. Within "SHINKA," we embed five core dimensions: True Value, Evolution, Innovation, Deepening, and Connection. By refining our past achievements, integrating new methods demanded by the times, and reconnecting our business to its essential value, we will continue to act as the bow of the ship leading the way through constant challenge to remain the partner of choice for our customers. We hope this Integrated Report marks the beginning of a new cycle of collaboration with all our stakeholders

Corporate History

Domestic & International Expansion

Domestic Operations

1969
Established Kondo Jidosha Shokai Co., Ltd.



1998
Relocated Headquarters to its current location.



1992
Renamed the company to Kaiho Industry Co., Ltd.

2005
Developed the KRA (Kaiho Recyclers Alliance) system.

1969

2000

International Operations

1991
Launched export business operations.

2007
Established the IREC (International Recycling Education Center).



2010
Formulated the JRS (Japan Reuse Standard) for used engine quality.

2007

Increased capital to 57 million JPY.

2008

Launched agricultural business (Kaiho Farm).



2022

Increased capital to 82 million JPY.

2025

Commenced operations at the Yachimata Warehouse (Chiba Prefecture).



2020

2026

2014

Established local subsidiary KAIHO MIDDLE EAST (FZE) in the UAE.

2019

Established Abhishek K Kaiho Private Limited, a joint venture with the Abhishek Group in India.



2020

Formulated the JGES (Japan Good Engine Standard) for used engine quality.

2024

Established local subsidiary KAIHO EAST AFRICA in Kenya



Value Creation Story

Our Core Strengths

For nearly 50 years, Kaiho industry has embraced a culture of continuous evolution fueled by a relentless frontier spirit. Our greatest competitive advantage is our unwavering commitment to being the navigator in uncharted waters. Amidst drastic shifts in the industry and the global climate, we proactively take the lead, pioneering initiatives for long-term sustainability. We remain dedicated to our mission: preserving the beauty of our Earth for future generations through steady innovation and courage.

Value Creation Model (Process)

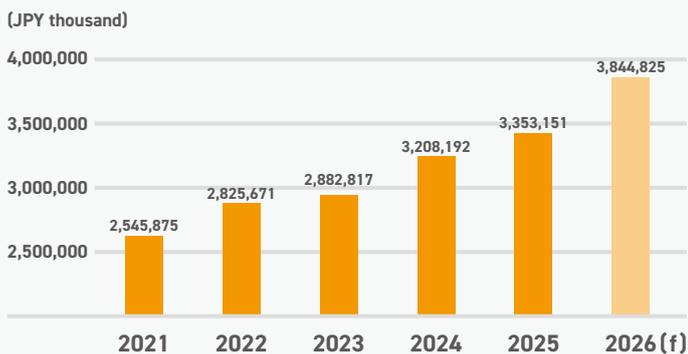
Kaiho industry purpose is to enhance environmental sustainability in Japan and around the world through end-of-life vehicle management. While automobiles bring significant benefits to society, challenges such as illegal dumping and environmental degradation persist.

We advance the proper circulation of used auto parts, promote efficient use of finite resources, and disseminate automobile recycling know, both domestically and internationally. We also prioritize the development of skilled human resources who carry these capabilities forward. Through these efforts, we seek to establish a circular industry that unites arterial and venous industries to enable continuous resource circulation.

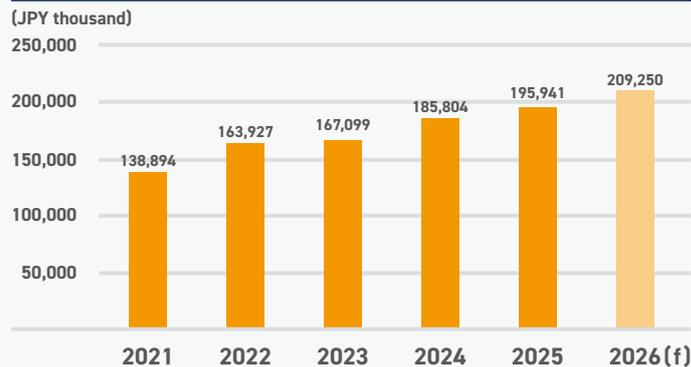
Value Creation

Financial Highlights

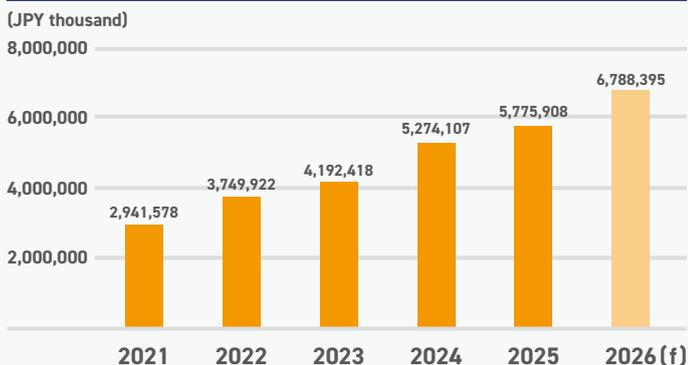
Net Sales



Ordinary Profit



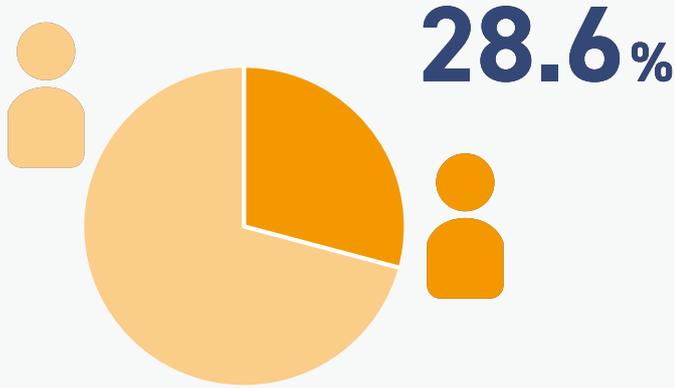
Gross Transaction Value (GTV)



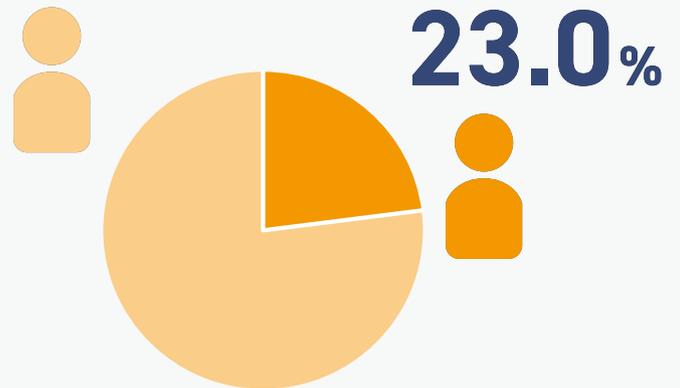
Value Creation

Non-Financial Highlights

Gender Diversity



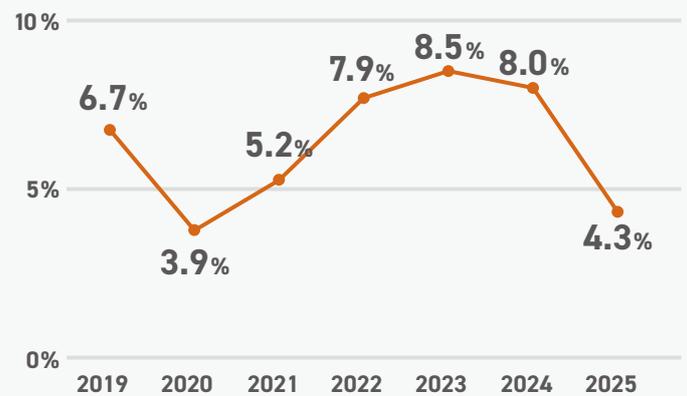
Global Diversity : National Employees



Strategic Alliance Network



Employee Retention



Human Capital Investment



Global Technical Training

