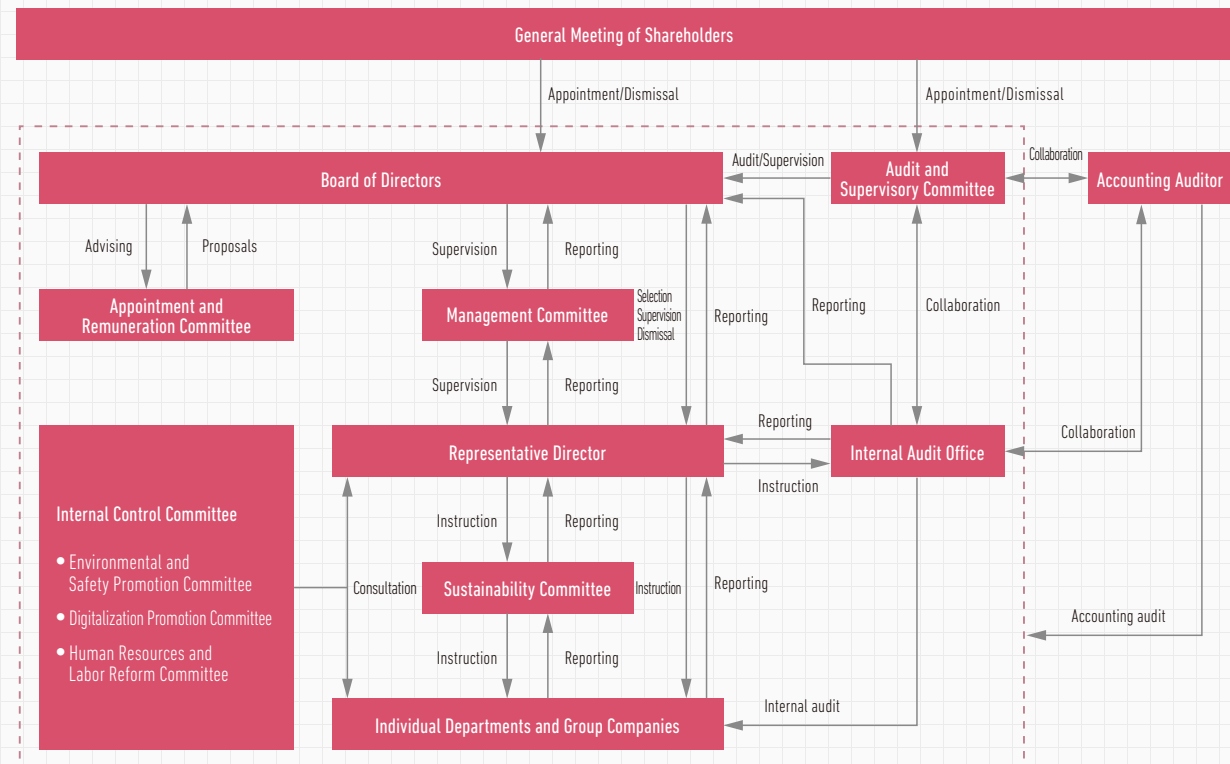


Supporting Sustainable Growth by Instilling Our Corporate Culture into Every Corner of the Organization

History of Corporate Governance

| | |
|------|---|
| 2010 | <ul style="list-style-type: none"> Established current ENVIPRO HOLDINGS Inc. Introduced an executive officer system |
| 2011 | <ul style="list-style-type: none"> Established the Internal Control Committee |
| 2013 | <ul style="list-style-type: none"> Listed on the Second Section of the Tokyo Stock Exchange |
| 2015 | <ul style="list-style-type: none"> Established the Internal Control Basic Policy |
| 2016 | <ul style="list-style-type: none"> Established the Appointment and Remuneration Committee |
| 2017 | <ul style="list-style-type: none"> Established the Audit and Supervisory Committee |
| 2018 | <ul style="list-style-type: none"> Listed on the First Section of the Tokyo Stock Exchange |
| 2021 | <ul style="list-style-type: none"> Disclosed a medium-term management plan (Sustainability Strategy) Changed the Sustainability Committee to a key conference body for promotion of the medium-term management plan |
| 2022 | <ul style="list-style-type: none"> Formulated criteria for the selection of outside directors |

Structure of Corporate Governance



Board of Directors

Held 15 Times in Fiscal 2023

The company's Board of Directors has 11 members, of whom six are outside directors (including three members of the Audit and Supervisory Committee). In principle, the board meets monthly. The Board of Directors makes decisions on matters important to the execution of the company's business, and oversees the execution of director's duties. At meetings of the Board of Directors, the president acts as chair to respectfully draw out the opinions of directors, not from the viewpoint of short-term benefits, but rather to discuss even seemingly irrelevant policies or measures and other matters from the perspective of medium- to long-term business growth.

Audit and Supervisory Committee

Held 14 Times in Fiscal 2023

The Audit and Supervisory Committee consists of three outside directors. In addition to attending General Meeting of Shareholders and Board of Directors meetings, directors who are Audit and Supervisory Committee members actively participate in internal meetings and work to understand the situation within the company, including the management system and the execution of business. The Audit and Supervisory Committee also meets regularly with the president, representative director to exchange opinions and maintain communication on issues that the company should address, the state of the environmental improvement for auditing by the Audit and Supervisory Committee and other priority issues pertaining to auditing. In order to maintain close collaboration with the Internal Audit Office and the statutory auditor, the Audit and Supervisory Committee holds regular liaison meetings with these and otherwise engages in exchanges of information to enhance auditing functions. In addition to the Internal Audit Office, the committee also collects information from the internal control departments to conduct more thorough audits.

Appointment and Remuneration Committee

Held 3 Times in Fiscal 2023

The Appointment and Remuneration Committee is composed of five members: the representative director, one senior managing director, and three independent outside directors. As an advisory body to the Board of Directors, it conducts preliminary deliberations on the nomination of director candidates (excluding those who serve as members of the Audit and Supervisory Committee), remuneration for directors, and other matters.

Management Committee

Held 12 Times in Fiscal 2023

The Management Committee consists of the full-time directors and the chair of the Audit and Supervisory Committee. It may also include some executive officers, department managers, and directors of Group companies, as required for matters to be deliberated. The Management Committee generally meets at least once a month.

Sustainability Committee

Held 11 Times in Fiscal 2023

The Sustainability Committee consists of full-time directors, meeting once a month. The Sustainability Committee seeks to promote the medium-term management plan that forms our strategy for achieving sustainable development for both the Group and society. As an organization that assists decision-making by the representative director, it flexibly and actively discusses and examines the status of strategy promotion and future directions, including new business and M&A, from a long-term perspective.

Internal Control Committee

Held 12 Times in Fiscal 2023

The Group has an Internal Control Committee chaired by the company president. This committee consists of three subcommittees: the Environmental and Safety Promotion Committee, Digitalization Promotion Committee, and Human Resources and Labor Reform Committee. The committee identifies risks, formulates countermeasures, and builds and operates internal control across the Group, including awareness-raising activities. The Internal Control Committee generally meets once a month and is composed of the company's full-time directors, executive officers, the chair of the Audit and Supervisory Committee, the presidents of consolidated subsidiaries (excluding affiliates accounted for under the equity method), and the chairs of subcommittees.

Assessment of Board of Directors Effectiveness

In order to analyze and evaluate the effectiveness of the Board of Directors as a whole, the company conducts a questionnaire survey of directors each June to inform future initiatives.

| Questionnaire Content | Future Initiatives |
|--|---|
| 01 Operation of Board of Directors meetings <ul style="list-style-type: none"> • Are the materials, progress, explanations, etc. sufficient? | We will provide information to outside directors in particular in an early and smooth manner in order to secure time for prior deliberations. |
| 02 Matters for discussion at Board of Directors meetings <ul style="list-style-type: none"> • Are you able to participate appropriately in decisions on business strategies? | We will focus on improving the quality of materials and provide a place where useful opinions, strategies, and measures from directors can be reviewed and discussed. |
| 03 Roles and responsibilities of the Board of Directors <ul style="list-style-type: none"> • Are you able to effectively monitor the execution of business strategies, etc.? | |

Director Remuneration System

Basic Policy

- Remuneration should be commensurate with the responsibilities and roles of directors.
- In addition to remuneration based on short-term performance, incentives should be provided that comprehensively take into account the improvement of corporate value over the medium to long term.
- Directors should share an awareness concerning profits with shareholders.
- Remuneration levels should be effective in retaining excellent human resources.
- The system should be flexible at adapting to changes in the market and industry environment and to changes in strategic objectives.
- Directors should contribute to the development of a positive corporate climate and a strong corporate culture.

Components of Remuneration

- Basic remuneration
- Performance-linked remuneration
- Restricted share-based remuneration

Future Policy on the Executive Remuneration System

The Appointment and Remuneration Committee deliberates and makes decisions on the executive remuneration system to enhance medium- to long-term corporate value. Looking forward, we have determined that emphasizing a medium- to long-term perspective is more important than pursuing short-term profits. Specifically, we plan to reduce short-term performance-based pay and instead focus on promoting a medium- to long-term strategy centered around the concept of "Lead a Circular Economy," as well as building organizational and personnel frameworks. Additionally, we recognize that fostering a strong corporate culture based on a positive corporate climate is crucial for sustainable corporate growth. We will continue to have ongoing discussions on the executive remuneration system to further enhance corporate value.

Dialogue with Shareholders and Investors

The ENVIPRO Group places great importance on engaging in dialogue with shareholders and investors through investor relations. In addition to timely and fair information disclosure, we regularly hold explanatory meetings where the president personally provides explanations, fostering a trusting relationship and facilitating exchanges of opinions. Through this dialogue with shareholders and investors, we strive to enhance corporate value.

Details and Frequency of Dialogue with Shareholders and Investors (Fiscal 2023)

| | |
|---|---|
| Financial results briefings (with explanations provided by the representative) | 2 times |
| Individual investor briefings | 2 times |
| Individual IR meetings | 29 times |
| Events for institutional investors | Plant tours 1 time (10 participants) |

Dialogue with Outside Directors message



Offense and Defense Strengthened in Balance, Taking Great Opportunities Reliably as a Company.

Outside Director (Audit and Supervisory Committee)

Toshiro Murai

For many years, he worked at SUMITOMO CORPORATION, mainly in the fields of metals, energy and industrial materials, in international trade, business investment and management. After that, he was engaged in audit work as an auditor. He has served as an outside director and Audit and Supervisory Committee of Envipro Holdings since 2024.

The importance of preparing the "core" of a company

Management requires both offense and defense aspects. As global issues such as the SDGs and sustainability become more prevalent, the recycling industry is at a major turning point. Under these circumstances, from an "offense" perspective, as a company that realizes our philosophy of "playing a part in creating a sustainable society" and our strategic concept of "Lead a circular economy," we need to steadily and dynamically develop businesses that are directly linked to solving these social issues.

On the other hand, in terms of "defense", it is important to prepare the "core" of the company. To use the analogy of a person, no matter how big your body becomes, if you have a weak core, you will not gain true strength, and the same is true for companies. Specifically, we need to strengthen the core areas of the company, such as safety management, compliance with laws and regulations, group governance, internal control, risk management, human resources management, D&I, and cybersecurity, especially our inner muscles. At first glance, these may not seem to translate directly into profits, but in reality, having them in place will ensure that you seize big opportunities. As the world changes and the company grows, these core elements need to be continually updated. I will make the most of my experience to date and do my utmost to support the company's sustainable growth.



A sense of mission born from a fateful encounter

I have been appointed as an outside director of the Company since 2024. Looking back, I feel that my encounter with our company was fateful. I have been involved in international trade, business investment, and management for a long time in the fields of metal resources such as gold, silver, copper, nickel, and lithium, as well as steel raw materials and energy. The products we handle overlap with these fields, and I am able to utilize my experience as a full-time auditor as part of my position as an Audit and Supervisory Committee member. I don't think there's a role that fits my experience better than this, and I feel a great sense of mission because of that.

In serving as an outside director, I place importance on a deep understanding of the company's business. To this end, it is essential to engage in dialogue with executive officers and employees through as many

opportunities as possible. On top of that, I will continue to keep an eye on the company as an "outsider," accurately identify changes in the world based on a wide range of information and knowledge, and feed them back to the company. I believe that my mission as an Audit and Supervisory Committee member is to monitor whether governance and internal controls are being implemented appropriately.

Our strength lies in the fact that we have a wide variety of worksites, each of which has accumulated practical technology and know-how. Another major feature is that we have consulting capabilities within the group, enabling us to provide comprehensive solutions based on our actual on-site knowledge. It is important for us to keep these strengths in mind, grasp information from a global perspective, and make the necessary management and investment decisions at the right time.

List of Board Members



1 President, Representative Director
Tomikazu Sano



2 Vice President, Director
Fumikatsu Sano



6 Outside Director (Independent Director)
Keiji Miyaki



7 Outside Director (Independent Director)
Hiroko Nomura



3 Senior Managing Director
Kozo Haruyama



4 Managing Director
Norihiro Nakasaku



8 Outside Director (Independent Director)
Keiji Imajo



Newly appointed
9 Outside Director (Independent Director)
(Audit and Supervisory Committee member)
Toshiro Murai



5 Director
Naoki Takekawa



10 Outside Director (Independent Director)
(Audit and Supervisory Committee member)
Hiroshi Kamiya



11 Outside Director (Independent Director)
(Audit and Supervisory Committee member)
Tomoya Shiraishi

Board Structure

| Number of Directors | Of which, Outside Directors | Number of Independent Directors | Term of Director Appointment |
|---------------------|-----------------------------|---------------------------------|---|
| 11 | 6 | 6 | 1 year (Two years for directors who are Audit and Supervisory Committee members) |

Skill Matrix of Board Members

| Name | Position in the company | Years in Position | Corporate Culture | Management Strategy | Production Technology | Overseas | CN/CE | Finance/Accounting/Taxation | Legal/Compliance | Human Resources | IT | IR | Expert Knowledge |
|---------------------|--|-------------------|-------------------|---------------------|-----------------------|----------|-------|-----------------------------|------------------|-----------------|----|----|------------------|
| 1 Tomikazu Sano | President, Representative Director | 14 | ● | ● | ● | | ● | | | | | | |
| 2 Fumikatsu Sano | Vice President, Director | 14 | ● | ● | ● | ● | ● | | | | | | |
| 3 Kozo Haruyama | Senior Managing Director | 9 | ● | ● | ● | ● | ● | | | | | | |
| 4 Norihiro Nakasaku | Managing Director | 1 | ● | ● | | ● | ● | | | | ● | ● | |
| 5 Naoki Takekawa | Director | 5 | ● | ● | | | ● | ● | ● | ● | | ● | |
| 6 Keiji Miyaki | Outside Director | 6 | | ● | | ● | | | | | | ● | |
| 7 Hiroko Nomura | Outside Director | 2 | | | | | | | | ● | | ● | ● |
| 8 Keiji Imajo | Outside Director | 1 | | ● | ● | ● | | ● | | | | ● | |
| 9 Toshiro Murai | Outside Director (Audit and Supervisory Committee member) | Newly appointed | | ● | | ● | | ● | ● | | | | |
| 10 Hiroshi Kamiya | Outside Director (Audit and Supervisory Committee member) | 3 | | | | | | ● | ● | | | | ● |
| 11 Tomoya Shiraishi | Outside Director (Audit and Supervisory Committee member) | 1 | | ● | | ● | | ● | ● | | ● | ● | |
| Akiko Ishii | Managing Executive Officer in charge of Internal Audits | - | ● | | | | | | ● | | | | |
| Kenta Imai | Managing Executive Officer in charge of Lithium-ion Battery Recycling | - | ● | ● | ● | ● | ● | | | | | | |
| Yasushi Sugiyama | Managing Executive Officer in charge of General Affairs and Information Management | - | ● | | | | | ● | | | ● | | |
| Kazutaka Kitazume | Managing Executive Officer in charge of Lithium-ion Battery Recycling, Overseas Strategy | - | | ● | ● | ● | ● | | | | | | |

Reasons for Selecting Skill Matrix Criteria

| | |
|---|---|
| Corporate Culture | We have adopted this approach because we believe that the topmost priority for ensuring long-term profit and the highest level of governance is to ensure that our corporate philosophy permeates every corner of our organization. |
| Production Technology | We have adopted this criterion because knowledge of our areas of business and production technologies are necessary in order to expand our plants and introduce new technologies in line with our business investments. |
| CN (Carbon Neutrality) CE (Circular Economy) | We have adopted this criterion because this type of knowledge is necessary in order to achieve carbon neutrality and expand our business related to the circular economy. |