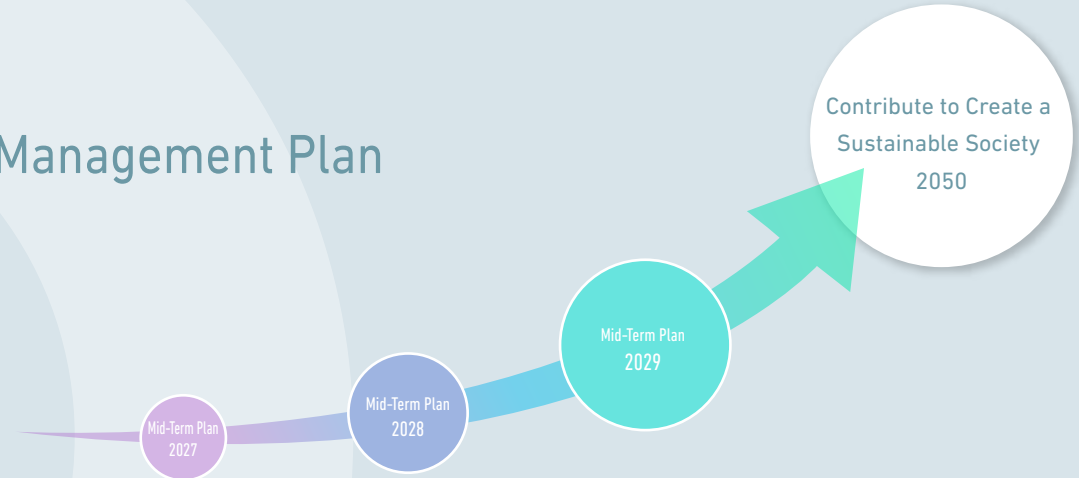


Formulation of a Medium-Term Management Plan (Mid-Term Plan 2029)

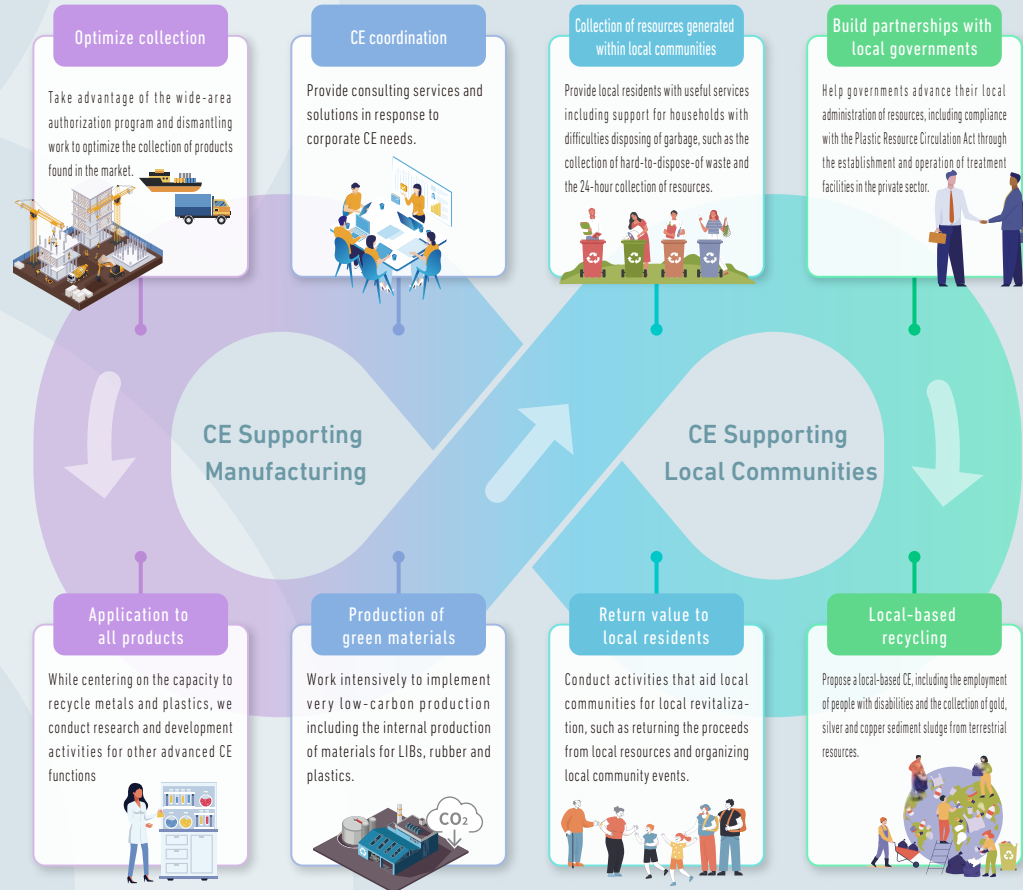
In the ENVIPRO Group's business environment, the concept of circular economy (CE), which will play a major role in achieving carbon neutrality by 2050, is beginning to permeate the entire supply chain, and we believe that demand for extremely low-carbon recycled raw materials (green materials) will continue to increase in the future. As our Group enters a period of transformation, in order to respond flexibly to the current rapidly changing market conditions, we reconsider our five-year medium-term management plan every term and formulate medium-term management plans on a rolling basis.



Strategy Concept

Lead a Circular Economy

Based on the strategic concept to "Lead a circular economy", we have classified our strategies into two categories: CE supporting manufacturing and CE supporting local communities. We are promoting our business with the aim of realizing many concrete examples of CEs ahead of other companies. CE supporting manufacturing handles everything from the wide-area collection of used products to storage, advanced recycling, and visualization of environmental data. On the other hand, CE supporting local communities refers to the CE of urban waste, and in the end, we will be deeply involved in the waste management of local governments, and we will realize efficient and environmentally friendly operations, but because it takes time, we will focus on CE supporting manufacturing for the time being.



Strengths and advantages to lead the CE and strategic direction to focus on

Our Strengths and Advantages

 <p>Advanced physical sorting facilities, processes, know-how</p>	 <p>Recycling engineering expertise</p>	 <p>Consulting and planning capabilities</p>	 <p>Distribution network including multiple bases nationwide and overseas</p>	 <p>Consistent service from dismantling to resource circulation</p>
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Among our crushing and sorting technology for waste and scrap metals, the advanced processes and equipment that can thoroughly sort materials such as metals and plastics, and minimize dust (waste)

Our process design for recycling plants, know-how of plant improvement technology, engineering technology, and strong organizational structure that are the basis of advanced selection

Consulting ability to respond to the application development of circular economies and recycled materials, planning and proposal ability such as CE model construction

A collection network through multiple yard bases nationwide, and a sales and distribution network for waste and scrap including overseas

National service for dismantling of factories and removing equipment, and wide area resource circulation for waste and metal scrap generated from demolition and removal

Direction of strategy to focus on

<p>Recycled material manufacturing technology and analysis and quality control</p> <p>Manufacturing technology and quality control know-how to improve the quality of materials sorted from waste to recycled materials that can be used as raw materials for new products</p>	<p>Collection capacity based on our systems</p> <p>Build a system for the stable and wide-area collection of recycled raw materials through partnerships with companies and the establishment of a CE scheme, including reverse logistics</p>
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By combining the two, we will create a CE market and secure a position within that strategy

Materials targeted by ENVIPRO

In the near future, the demand for recycled materials is expected to increase in each market that is growing and expanding. In order to respond to these needs, the ENVIPRO Group has defined target materials in the categories of typical base metals, precious metals, minor metals, as well as rare earths and polymers, and produced recycled materials of a quality that meets the requirements of manufacturers, while also working on the development of their applications.

	 <p>Base Metals</p> <p>Fe Al Cu</p> <p>Ferrous metals, aluminum, copper</p>	 <p>Precious Metals</p> <p>Au Ag Pt Pd</p> <p>Gold, silver, and PGM (platinum and palladium)</p>	 <p>Minor Metals</p> <p>Li Ni Co</p> <p>Lithium, nickel, cobalt</p>	 <p>Rare Earth</p> <p>Nd Dy</p> <p>Heavy rare earth (neodymium, dysprosium)</p>	 <p>Polymer</p> <p>C</p> <p>Plastics, rubber</p>
Our Business	<ul style="list-style-type: none"> Ferrous metals, non-ferrous metals CE Small household appliances, household appliances CE Dismantling CE 	<ul style="list-style-type: none"> Collection of incineration ash containing precious metals Electronics and electrical equipment CE 	<ul style="list-style-type: none"> LIB to LIB (Lithium-ion battery CE) 	<ul style="list-style-type: none"> Wind power generation motor CE High magnetic force motor CE 	<ul style="list-style-type: none"> Tire to Tire(Tire CE) Rubber CE Plastic CE
Household Appliance Market	●	●	●	●	●
Automotive Market	●	●	●	●	●
incineration ash Market	●	●			
Semiconductor Market	●	●	●		●
Packaging Material Market					●
Building Materials Market	●				●

Financial Targets of Mid-Term Plan 2029

- The CAGR of sales is 10.5% and the CAGR of ordinary profit is 21.4%, calculated over the five-year period from the fiscal year ended June 2024 to the fiscal year ending June 2029.
- In the mid-term plan 2028, the target profit for the fiscal year ended June 2028 was set at ¥5.0 billion, but this time we have revised the ordinary profit for the fiscal year ended June 2029 to ¥4.7 billion.
- From this time onwards, the target will be set in the form of excluding the expected increase in sales and profit from M&A.

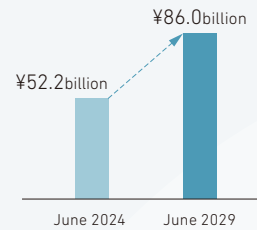
◆ Prerequisites (From July 2024)

Ferrous scrap	Electrolytic copper	Gold		
¥50,000/t	¥1,500/kg	¥11,000/g		
Silver	Nickel	Cobalt	Exchange rate	
¥140,000/kg	¥2,700/kg	¥4,100/kg	¥140/USD	

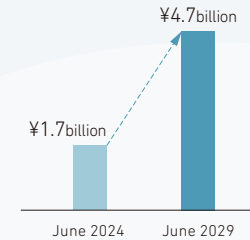
*ROIC = (Ordinary profit × (1 - effective tax rate)) / (equity + interest-bearing liabilities)
 *Equity and interest-bearing liabilities are averages of the beginning and end of the period.

	Net Sales	Ordinary Profit	ROE	ROIC
Year ended June 2029	¥86.0 billion	¥4.7 billion	14.0%	9.0%
Year ended June 2027	¥68.0 billion	¥3.1 billion	11.5%	—
Year ended June 2025	¥53.5 billion	¥2.0 billion	8.5%	—
Year ended June 2024	¥52.2 billion	¥1.7 billion	3.2%	5.8%

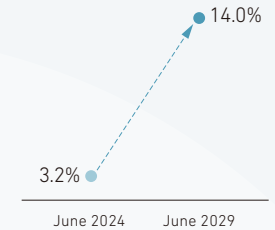
◆ Net Sales



◆ Ordinary Profit

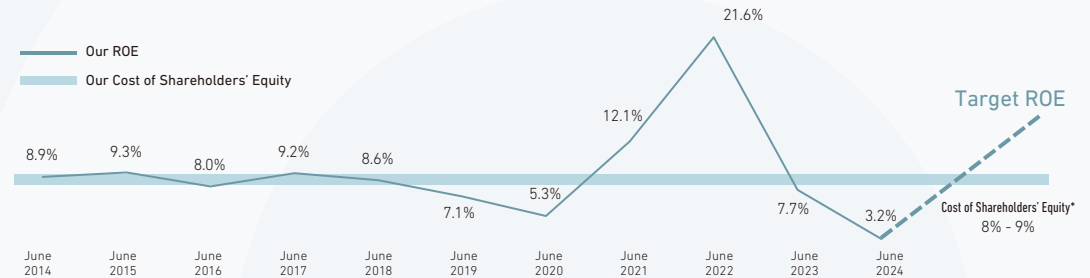


◆ ROE

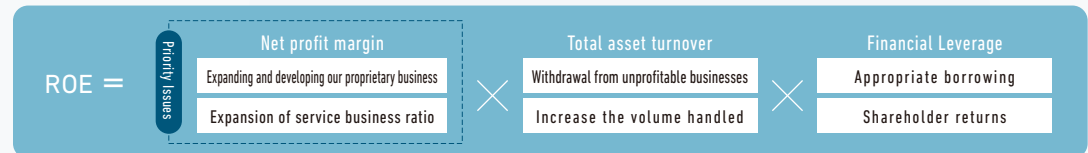


ROE and Cost of Shareholders' Equity

- Our Group's ROE is dependent on market conditions and has significant volatility
- The cost of shareholders' equity is 8-9% in our calculations, but the ROE is even lower. ROE is enhanced by improving net profit margins, total asset turnover, and financial leverage, but our group focuses on improving net profit margins.
- We will aim to grow EPS and reduce ROE volatility by expanding and developing businesses with high profit margins through the use of proprietary technology and know-how and expanding the service business ratio.



* Beta calculated using 10-year monthly data * Topix's historical return for the past 51 years




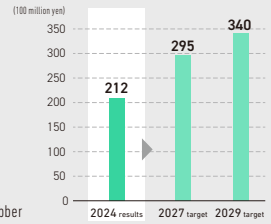
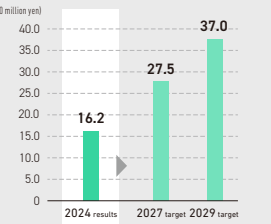
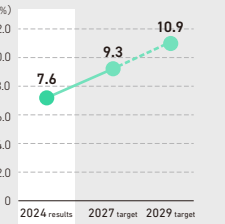

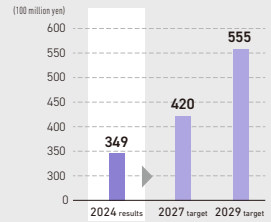
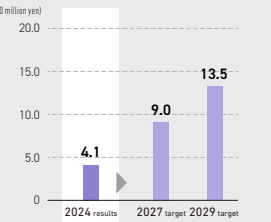

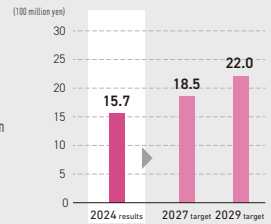
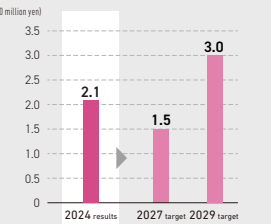
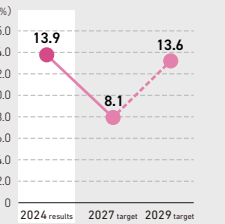

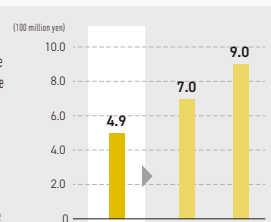
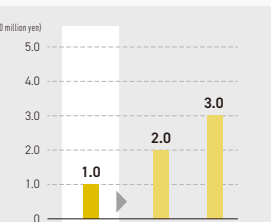
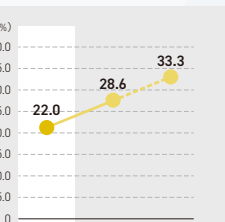
Business Goals

Selection and concentration of business portfolios to increase profit margins

- From 2025 to 2026, we will enhance functions and expand business scale (in Lithium-ion Battery (LIB) Recycling, we will continue the investment phase until around 2030).
- From 2027 to 2029 we will expand return on investment and CE Business.
- We aim to achieve targets ahead of schedule through investment activities such as M&A and the establishment of JV.

Financial Targets by Business Segment

- In the Resource Circulation Business, the key to achieving the target profit is to strengthen the collection ability through a system and realize concrete cases of CE.
- In the Global Trading Business, the key to achieving the target profit is to make a V-shaped recovery by changing the model of the Resource Logistics Business and stable growth of about 10% in the logistics agency service.
- In the Lithium-ion Battery Recycling Business we will continue to make prior investment as a strategic business. Hydrometallurgical demonstration plants are not currently incorporated into the mid-term plan

Business Segment	Key Businesses	2025 - 2026	2027 - 2029	Net Sales	Segment Profit	Profit Rate
 <p>Resource Circulation Business</p>	Metallic resource	<ul style="list-style-type: none"> ● Advanced recycling ● Investing in recycled fuels business 	<ul style="list-style-type: none"> ● Expansion of product CE business ● Expansion of resource recovery sites 			
	Incineration ash	<ul style="list-style-type: none"> ● Build up the recovery business of gold, silver, and copper sediment sludge from riddling ash* 	<ul style="list-style-type: none"> ● Focus on the gold, silver, and copper sediment sludge recovery business from the main ashes 			
	Dismantling	<ul style="list-style-type: none"> ● Strengthening the ability to respond to projects (increase of qualified personnel) ● Expanding Partners 	<ul style="list-style-type: none"> ● Building Circular (Circulation of Green Steel) 			
	Polymer	<ul style="list-style-type: none"> ● Capital investment, R&D 	<ul style="list-style-type: none"> ● Supply of recycled materials for resin and rubber 			
 <p>Global Trading Business</p>	Resource trading	<ul style="list-style-type: none"> ● Coordination with domestic electric furnaces 	<ul style="list-style-type: none"> ● Business investments overseas 			
	Logistics agency	<ul style="list-style-type: none"> ● Expansion of sales area 	<ul style="list-style-type: none"> ● Diversification of materials 			
 <p>Lithium-ion Battery Recycling Business</p>	LIB Recycling	<ul style="list-style-type: none"> ● BM Kansai Plant Plan ● BM processing contracting business 	<ul style="list-style-type: none"> ● Expansion of BM manufacturing site ● Solvent extraction demonstration plant operation 			
	Welfare Service Business for People with Disabilities	<ul style="list-style-type: none"> ● Develop the agriculture-welfare collaboration business ● Develop and expand the environment-welfare collaboration model 	<ul style="list-style-type: none"> ● Expand the agriculture-welfare collaboration business base ● Expand the environment-welfare collaboration model base 			
 <p>Others</p>	Environment Management Consulting Business	<ul style="list-style-type: none"> ● Provide consulting service for circular economy ● Develop environmental DX system 	<ul style="list-style-type: none"> ● Expand the base of consulting service for circular economy ● Expand the environmental DX system base 			
	Welfare Service Business for People with Disabilities					

Note: Gold, silver and copper sediment sludge is a mixture of gold, silver, copper, platinum, and palladium

Investing in human capital

- Use a variety of recruitment methods, such as recruiting new graduates and referrals
- Expand the education program by using the company's unique indicator "joy of growth" as KPI
- In the previous fiscal year, the regular wage raise and base wage raise were combined, and we made a 6.44% raise. We will continue to implement a stable and high level from this fiscal year onward, and will make steady returns to employees.
- We also focused on the activities of women and foreigners, and set the number of female managers as a KPI

In order for us to achieve sustainable growth and improvement of corporate value, we see it as important for us to build excellent organizational capabilities while cultivating a healthy organizational climate and forming our own unique corporate culture. To that end, we have made our organizational image "a disciplined group of autonomous individuals with creative capabilities." And to achieve excellent organizational capabilities, we must have an environment where each staff member working on site and in our headquarters can identify issues for themselves, proactively pool their knowledge and ideas as a team to solve the issues, and make improvements through their ingenuity. We believe this environment will be a "place where people work vibrantly" and employees feel fulfilled and happy. By creating this environment, we hope to produce 100 business promoters and contribute to the sustainable improvement of corporate value.

KGI		KPI	Progress (June 2024)	Target (June 2028)	
Creation of 100 business promoters	Recruitment	Mid-career recruits and new graduate recruits	business promoters recruiting	18*	30
		Diversification of recruitment methods	New graduate recruits	14*	40
			Referral and comeback recruits	10.3% of all employees	20% of all employees
	Personnel development	Personnel development	business promoters human resource development	28*	40
			Business school satisfaction	95.3%	100%
		Sharing group knowledge	The joy of growth	69.4% (2023.6)	90%
	Retention	Employee satisfaction	Retention Rate	89.4%	95%
			Regular Wage Raise + Base Wage Raise	5.62%	3% or more/year
		Active diverse human resources	Percentage of female managers	8.7%	20%

*Cumulative number of persons for the period from the fiscal year ended June 2023 to the fiscal year ended June 2024