

SUSTAINABILITY REPORT

2024

Make a Circle of Joy

Introduction

In this era efforts must be made across industries and positions to achieve humanity's common goal of carbon neutrality. As a leader in the resource recycling business, the ENVIPRO Group aims to contribute to create a sustainable society. In doing so, we strive to evolve beyond conventional boundaries.

The collection and resource recovery of waste materials go beyond just reducing environmental impact.

By circulating recycled resources, we aim to generate new manufacturing and revitalize local communities, ultimately bringing joy to all stakeholders.

The ENVIPRO Group is committed to being a driving force that drives this cycle of joy in the circular economy, looking into the future as we take on new challenges.

In the interest of "Make a circle of joy," we aim to bring smiles to the faces of all as we work together toward a society of sustainability and abundance.



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•**Editorial Policy**/ This Sustainability Report is issued by ENVIPRO HOLDINGS Inc. The report describes the corporate philosophy of the ENVIPRO Group and our overall activities in non-financial areas including business strategies and ESG aspects. Some business prospects, including future plans, are also presented here.

•**Scope of Report**/ The report presents the activities of ENVIPRO HOLDINGS Inc. and the following 10 subsidiary companies: ECONECOL Inc., NEWSCON Inc., Cyterrace Co., Ltd., Kuroda Recycle Co., Ltd., SYN ECO Inc., ASTOCO Inc., Toyo Rubber Chip Co., Ltd., Nitto Kako Co., Ltd., Bright Innovation Co., Ltd., and VOLTA Inc.

•**Reporting Period**/ July 2023 to June 2024 (The report covers some activities and plans outside this period.)

Our Concept

Mission Statement

Contribute to Create a Sustainable Society

Corporate Philosophy

Creative Company

Engage in the ongoing creation of businesses that society needs

Daily Entrepreneurship Engage in everyday work in the spirit with which the company was established

Create new businesses in the spirit of the founder for generations to come

Every employee to exert efforts to become the leading player of a business that suits them

Circular Company

Help others, get the best out of others, and share with others to make a constant loop of joy

Help each other and lend a hand to others to make your work more pleasant

Use every material repeatedly, preserving their value for as long as possible

Share the profit and joy with the people you live with

Company Pursuing Virtue

Pursue the virtue of companies and people, in perpetuity

Don't choose the easy path but choose the path which serves others

Do what others don't do by taking advantage of your distinctive qualities

Be grateful for your life and don't be arrogant

*Supervised by Yoshiharu Shimizu, Mirai Design Institute, Enishiya Established on March 20, 2004



The Key Values of the ENVIPRO Group, and Its Corporate DNA

Around 2000, the business environment began to undergo major changes. A growing awareness of a circular economy society and environmental issues spurred an understanding about the need for recycling and the establishment of various laws and regulations. The ENVIPRO Group is growing at an increasing rate. We are changing rapidly, and our employees are growing and beginning to expand across regions.

Around that time, we began to feel a vague sense of anxiety. Even though the company was beginning to develop well, we rediscovered what we had been searching for so long — that something that had been missing.

The tree grows and the trunk grows, and the roots that support it need to grow bigger.

In 2004, we established our corporate philosophy, rooted in a strong sense that we lacked a solid philosophy and principles that would remain unshaken by surface changes.

We spent a year weaving together the founder's life philosophy, principles, and the habit of saying, the life philosophy and thoughts of the executives, and other ideas inherent in the company and making them all explicit.

This is how we have developed our corporate philosophy, our "most valuable idea." It serves as our code of conduct and will remain intact no matter how much the environment around us changes. We anticipate a permanence that will last for the next 2,000 years.

HISTORY

History of the ENVIPRO Group

SANO MARUKA SHOTEN, the predecessor to the ENVIPRO Group, was founded as a ferrous scrap wholesaler in March 1950 by Katsuyoshi Sano (the father of Tomikazu Sano, the current president) in the city of Fujinomiya, Shizuoka Prefecture.

Established as a ferrous scrap wholesaler, the Group has leveraged its strength in metal recycling to expand its operations. In recent years, the Group has taken on a host of new business challenges to make the circular economy a reality.



The company's founder, who bought a pile of auctioned properties from a closed foundry



When our president Mr. Sano was still called "Tomikazu the scrap seller's son" (third from the left)

A Base for Business Expansion

1950

1960

1970

1980

1990

2000

The Group Continues to Expand

1950~

1950 ■ Katsuyoshi Sano (father of Tomikazu Sano, president of ENVIPRO HOLDINGS Inc.) established SANO MARUKA SHOTEN as a ferrous scrap wholesaler in the city of Fujinomiya, Shizuoka Prefecture.

1989 ■ Began management based on our management plan.

1992 ■ Launched a trading business.

1997 ■ Installed a large shredder at the head office plant.



Installation of large shredder



1989 Moved to the current industrial park.

2000~

2000 ■ Established Fuji Eco Cycle Co., Ltd. as a joint venture with Fujitsu General Limited.

2003 ■ Established ARBIZ CORPORATION as a joint venture with USS Co., Ltd.

2004 ■ Established corporate philosophy.

- Received ministerial authorization as a resource recovery facility for automobile shredder residue (ASR) pursuant to the Act on Recycling, etc. of End-of-Life Vehicles.

2006 ■ Established 3WM Co., Ltd. to engage in the used car and maintenance parts export business.

2008 ■ Acquired shares in Kuroda Recycle Co., Ltd (current ECONECOL Inc., Hakodate Branch), which engages in the resource recycling business, making it a subsidiary.

- 3WM Co., Ltd. established 3WM CHILE IMPORT EXPORT LIMITADA (Chile)

2010~

- 2010** ■ Established ECONECOL HOLDINGS Inc. (current ENVIPRO HOLDINGS Inc.)
- 2011** ■ Acquired shares in Recycle Support Service LLC (current ECONECOL Inc., Matsumoto Branch), which engages in the resource recycling business, making it a subsidiary.
- 2013** ■ Listed on the Second Section of the Tokyo Stock Exchange.
■ Established ECOMMIT Inc. (current ASTOCO Inc.) to provide welfare services for people with disabilities.
- 2015** ■ Acquired shares in Toyo Rubber Chip Co., Ltd. (current Nitto Kako Co., Ltd.), which engages in waste rubber recycling and manufacturing/sales of rubber products, making it a subsidiary.



Listing on the First Section of the Tokyo Stock Exchange



Establishment of ENVIPRO HOLDINGS and Its IPO

○ 2010

Taking on New Business Challenges

○ 2016

○ 2020

2016~

- 2016** ■ Established Bright Innovation Co., Ltd. to develop the Environment Management Consulting Business.
- 2018** ■ Established VOLTA Inc. to engage in the Lithium-ion Battery Recycling Business.
■ Listed on the First Section of the Tokyo Stock Exchange.
■ Joined the RE100 initiative.
- 2019** ■ Endorsed the TCFD recommendations
- 2020** ■ Took over the trading business of ECONECOL Inc. and established NEWSCON Inc.
- 2021** ■ ECONECOL Inc. acquired shares in Fujimi BMS Co., Ltd. (current ECONECOL Inc. Wood Recycling Center), a wood recycling company, making it a sub-subsiary.
- 2022** ■ ECONECOL Inc. absorbed Fujimi BMS Co., Ltd.
■ Moved listing to the Prime Market of the Tokyo Stock Exchange.
■ Established Cyterrace Co., Ltd. to take over the logistics agency business from 3WM Co., Ltd.
- 2023** ■ Acquired shares in Nitto Kako Co., Ltd. which manufactures and sells industrial rubber products and plastic products, making it a subsidiary.
- 2024** ■ Nitto Kako Co., Ltd. absorbed Shonan NTK Co., Ltd.
■ Established our sub-subsiary Ecodemo Inc. to strengthen the dismantling work business.
■ Established J-Cycle Co., Ltd. at VOLTA Inc.
■ ECONECOL Inc. absorbed Kuroda Recycle Co., Ltd. and SYN ECO Inc.
■ Nitto Kako Co., Ltd. absorbed Toyo Rubber Chip Co., Ltd.

TO CONTINUE



LEAD A CIRCULAR ECONOMY
TOP COMMITMENT



Lead a Circular Economy.

Our mission is to "Contribute to Create a Sustainable Society". And our role in realizing sustainability from an environmental perspective is the social implementation of the circular economy.

To that end, we will partner with many arterial (producing) companies to create the mechanisms to build a detailed venous (recycling) distribution network for used products (raw materials from recycled materials) and continuously collect them.

We will then make good recycled materials (green materials) from the collected used products. In addition to the technology for separating materials into single materials, there is a need for technology and know-how as a recycled material manufacturing company that adjusts and processes quality according to the ingredients required by the company that needs them.

Both the pickup network and the high-quality recycled materials manufacturing technology will be established, and with continuity and volume, a circular economy market will be created, the likes of which has never been seen before. We will stand at the forefront of creating that circular economy market, where we will establish a key position.

Therefore, even if the hurdles to realizing this are high, it is an important social challenge and has a large impact. To that extent, we will identify key strategic themes that are expected to drive medium- to long-term growth for our business, and proactively take on the challenge of realizing a circular economy in those business domains.

I will continue to walk forward with my employees, clearly embracing the image of the circular economy as social infrastructure in the future, and strongly envisioning the company as it should be.

Stay on the right path, and for the sake of society, do not hurry or deceive anyone. (Dr. Koh Hirasawa)

Forward, MYWAY forward.

President, Representative Director

Tomikazu Sano



TOP MESSAGE

We will evolve into a company that “makes” recycled materials by thoroughly refining the technology used to “sort” things.

Focus on investing in the future in the fiscal year ended June 2024

The year ended June 2024 has been a year of investment and transformation for us. The result was a numerical increase in revenue and decrease in profit, but in the background of this were the challenges involved in a period of proactive investment and a shift in business structure with an eye toward the future. In particular, we increased the basic salary as an investment in human resources and focused on improving the treatment of employees. While this has led to a temporary increase in fixed costs, I believe it is an essential investment, as talent acquisition and development are key to sustainable corporate growth. While our current performance is in a temporary adjustment phase, we will continue to build a stronger revenue base through these efforts.

Connecting changes in the business environment to business opportunities

On the other hand, looking at the business environment, we are facing a change in the industrial structure towards carbon neutrality in the 30 years since we became the first in Japan to start exporting ferrous scrap in 1993.

Of particular note is the growing awareness that making steel with electric furnaces will contribute significantly to reducing CO₂ emissions, and the domestic demand for ferrous scrap will further increase. While this change requires a shift in traditional export business model, it is also an opportunity to leverage our strengths in the domestic market. We will steadily overcome this period of change and aim to return to a sustainable growth trajectory.

Sustainability Initiatives

I am regularly convinced that our growth and our contribution to society are perfectly aligned. Circulating resources and implementing a circular economy in society will increase our sustainability and directly contribute to the sustainability of society. In this regard, I am confident that we are in a position to pursue the growth of the company without hesitation.

According to the Ellen MacArthur Foundation’s estimates, in the process of achieving carbon neutrality, the conversion to renewable energy alone will reduce greenhouse gas emissions by only 55%. Shifting to a circular economy is essential for the remaining 45% reduction. Awareness of this fact is also shared among global manufacturers, and concrete moves are accelerating, with major domestic automakers promoting the circular economy.

From a company “sorting” things to a company “making” recycled materials

In this trend, we are actively expanding our business from the “treatment and disposal industry” to the “manufacturing of recycled materials industry”. We aim to supply high-quality recycled materials that manufacturers demand beyond conventional waste disposal. That’s why we are accelerating our expansion into high-value-added business domains, such as recycling of plastics for automobiles and recycling of lithium-ion batteries.

We are also focusing on the collection business of gold and silver from incineration ash. The gold content in incineration ash is said to be 0.5 to 1.5 grams per ton, which is by no means low when compared with the average content of 3 grams per ton in gold veins around the world. This business is a good example of how we can combine the reduction of environmental impact with the creation of economic value.



Towards realizing our medium-term management plan 2029

In the medium-term management plan, we set specific targets for 2029: sales of ¥86 billion, ordinary profit of ¥4.7 billion, ROE of 14%, and ROIC of 9%. To achieve these targets, we are making strategic investments and transforming our business structure. In the fiscal year ended June 2024, we made approximately ¥1.6 billion in capital investment to establish advanced sorting technologies such as specific gravity sorters, crushers, and metal sorting sensors.

One strategic business we are focusing on in particular is the lithium-ion battery recycling business. Currently, our main focus is on offcut processing in the manufacturing process, and we are moving forward with the construction of a system expecting electric vehicles to become widespread from 2035 onwards. In this business, we are also working on the start of operations of a new plant in the Kanto region, as well as careful information management to support battery passports.

M&A is also a key option for growth strategies. The acquisition of Nitto Kako Co., Ltd. as a subsidiary in the fiscal year ended June 2024 enabled us to expand into a new domain, the rubber manufacturing business. We will continue to explore strategic M&A opportunities that will strengthen our business portfolio.

The “technology to sort things” is the source of our value creation.

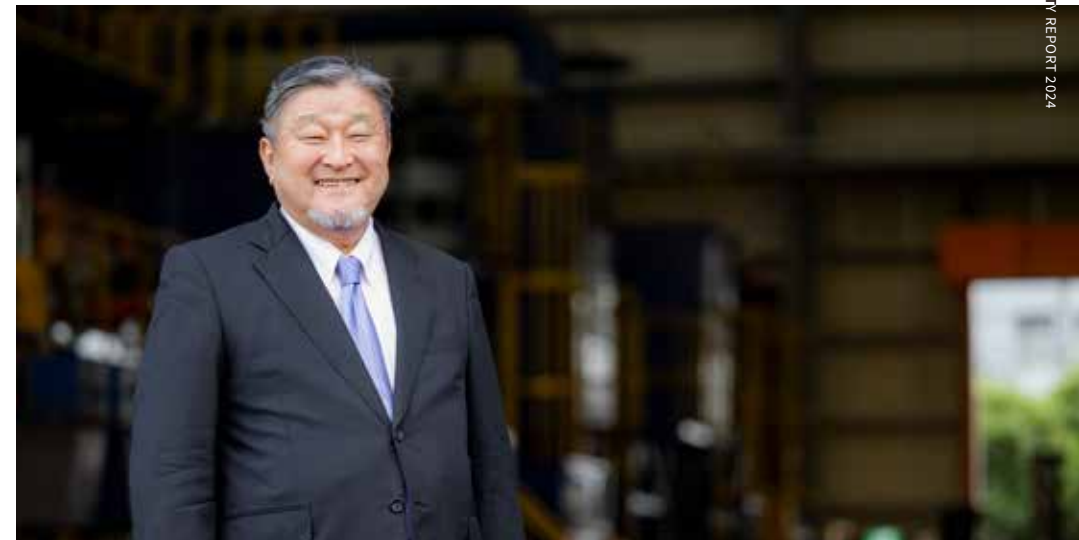
Our greatest strength is the “technology to sort things”, which we have developed over the years. In the pursuit of “sorting things”, a virtuous cycle was created in which the landscape was different from before, so we could attract new encounters and create a business model. Until now, we have focused on physical sorting, such as crushing and sorting automobiles and household appliances, and currently, we are exploring a wide range of themes, including chemical sorting at the molecular level. Of particular importance is own engineering capabilities. Plants in the material recycling industry are collections of customization. A major differentiator for us is that we do not rely on plant manufacturers, but instead use our own experience and ingenuity to design and build our own recycling plants, providing optimal solutions that make use of our on-site knowledge. The presence of group companies with environmental consulting functions is also a major strength of our company. This capability allows us to build relationships with major manufacturing companies as a strategic partner for the realization of the circular economy, not as a mere waste disposal company. Today, manufacturers are in a hurry to build collection and recycling systems for their products. Entering into this system as a processing contractor will be a huge business opportunity for us.

In addition, our broad network of nine ports nationwide is an important asset for efficient resource circulation. By combining this logistics network with local dismantling and collection bases, we are able to expand our business using economies of scale.

Creative human resource development and future prospects

In human resource development, we have positioned the formation of a disciplined group of autonomous individuals with creative abilities as an important management issue. Creative ability is the ability to create new ideas and ways to solve unexpected events and problems when you face them. When developing this ability, there are limitations in the development of human resources through conventional training, so in the future, we will provide opportunities to take on new challenges, such as launching new businesses. We believe that this will not only lead to the real growth of our employees, but also strengthen the company itself.

In addition, during a major shift in business, the idea of “saizenkan” (optimism) is the mental pillar of my management. Based on the teachings of Nobuzo Mori, a philosopher and educator, it means, “Everything that happens to you is inevitable and the optimum thing for you, so don’t refuse it, and accept it all.” This teaching is also a saying of self-discipline for me as a business leader, and is deeply linked to our corporate philosophy established in 2004. Our philosophy, based on three pillars of us being a “creative company,” a “circular company,” and a “company pursuing virtue,” is our code of conduct and the DNA of our organization, and will not change even as the times or our business model change. As a leading company in the circular economy, we, the ENVIPRO Group, will continue to pursue a balance of social and economic values and accelerate efforts to realize a sustainable society. I would like to thank all the stakeholders and request your continued support and guidance.



01

Various social challenges in Japan and overseas are leading to unsustainable conditions. In 2023, average global temperatures are expected to reach all-time highs, sparking discussions about the onset of an era of the global boiling—clearly more severe than global warming. The average global temperature in 2024 is expected to be more than 1.5° C higher than before the Industrial Revolution. The external environment around us is also undergoing major changes.

Social Trends Surrounding the ENVIPRO Group

Long-Term Trends



Medium- and Short-Term Trends

- ◆ Demand for the establishment of a green value chain
- ◆ Growing international competition for resources
- ◆ Surfacing social challenges related to waste plastics
- ◆ Data utilization in non-IT businesses
- ◆ Increase in utilization of IoT, AI, Robotics
- ◆ Increasing competition for human resources

A Pressing Need to Respond to Climate Change

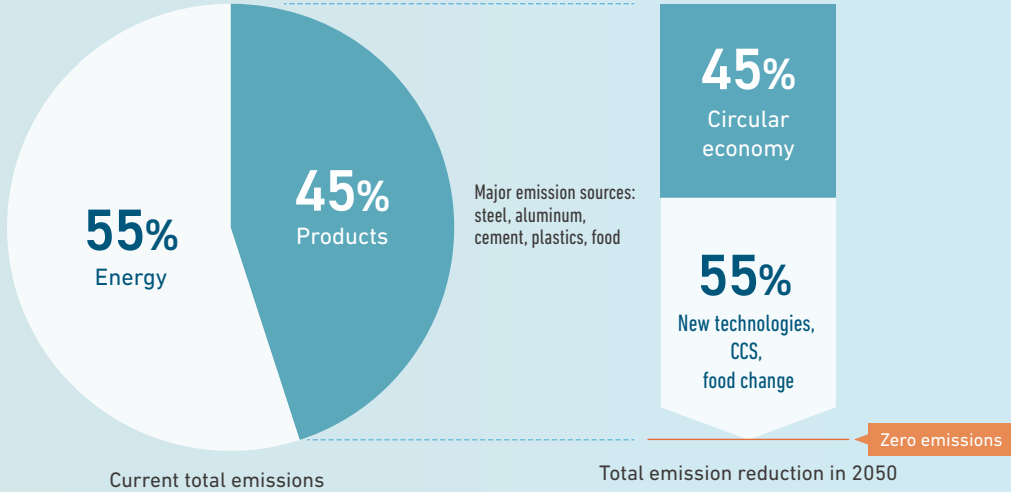
Materiality Items (Priority Issues) to Realize Our Mission

02

Looking to Achieve Carbon Neutrality by 2050

Society is likely to press more firmly for carbon neutrality as climate change advances. Achieving carbon neutrality requires not only the electrification of economic activity and the transition to renewable energy for power consumption but also the reassessment and intentional redesign of product lifecycles. This means taking a circular economy approach to manufacturing, usage, and disposal.

The Big Picture on Greenhouse Gas Emissions: Tackling Overlooked Emissions*¹



According to the Ellen MacArthur Foundation*², 55% of all greenhouse gas emissions can be reduced through renewable energy conversion, while the remaining 45% are attributed to the manufacturing and usage of products. Reducing this 45% can be addressed through a circular economy approach. In Japan, it has been estimated that the proportion of divisions with leeway to contribute to greenhouse gas reduction through resource circulation efforts accounts for approximately 36% of total greenhouse gas emissions.*³

*1 Source: "Completing the picture: How the circular economy tackles climate change," Ellen MacArthur Foundation, *2 Ellen MacArthur Foundation: This organization was established in the United Kingdom in 2010 with the vision of accelerating the transition to a circular economy. Since its establishment, the foundation has engaged in various activities, including awareness-raising activities through information dissemination and the establishment of a global network transcending national boundaries. *3 Source: Reference Materials on the Second Progress Check of the Fourth Basic Plan for Establishing a Sound Material-Cycle Society and the Circular Economy Process Chart," Ministry of the Environment

03

Working to Expand the Circular Economy

The Envipro Group's goal is to achieve a sustainable society by "using every material repeatedly, preserving their value for as long as possible." We promote RE100 and produce green material*4, including ferrous scrap and other non-ferrous metals and rare metals that are necessary to support the electrification of economic activities. By integrating the production of these green materials into arterial procurement and manufacturing processes, we aim to realize a circular economy and establish a supply chain that allows products and materials to continue circulating while maintaining their value.

The market related to the circular economy is expected to expand significantly both in Japan and overseas. In Japan, the market is projected to reach a value of 80 trillion yen by 2030 and 120 trillion yen by 2050.

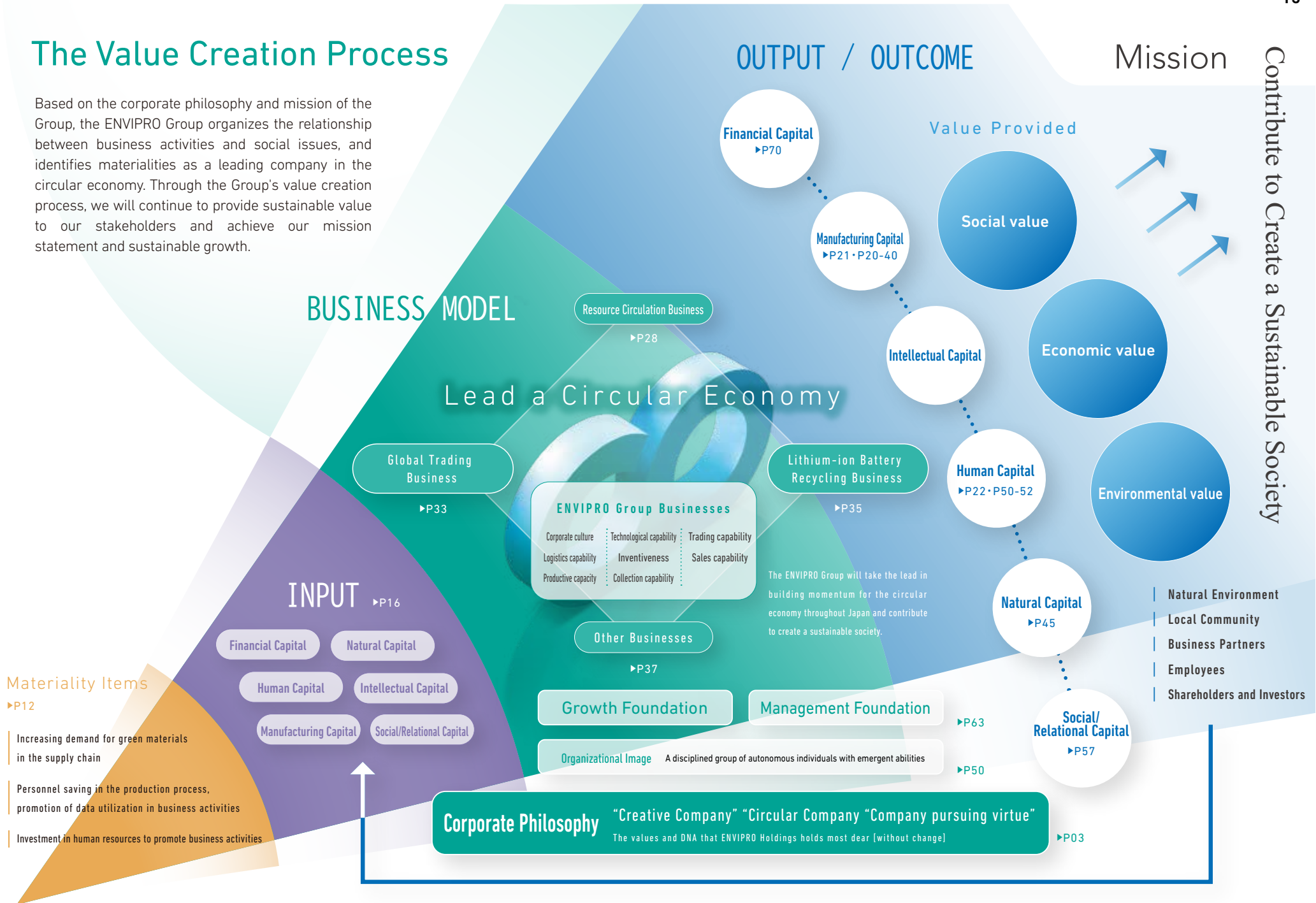
Identifying Materiality Items (Priority Issues) as a Company that Leads the Circular Economy

Themes	Materiality Items (Priority Issues)	Corresponding SDG Targets
Production of Green Materials	<p>Increasing demand for green materials in the supply chain</p> <ul style="list-style-type: none"> ① Increasing demand for ferrous scrap due to building of additional electric furnaces ② Increasing demand for non-ferrous metals and rare metals due to electrification ③ Promotion of advanced resource circulation of waste plastics 	
Productivity, DX	<p>Personnel saving in the production process Promotion of data utilization in business activities</p>	
Personnel development	<p>Investment in human resources to promote business activities</p>	

*4 Green materials: Materials made from terrestrial resources (waste) in ways that do not produce greenhouse gases or produce very little greenhouse gases (recycled raw materials and recycled materials)

The Value Creation Process

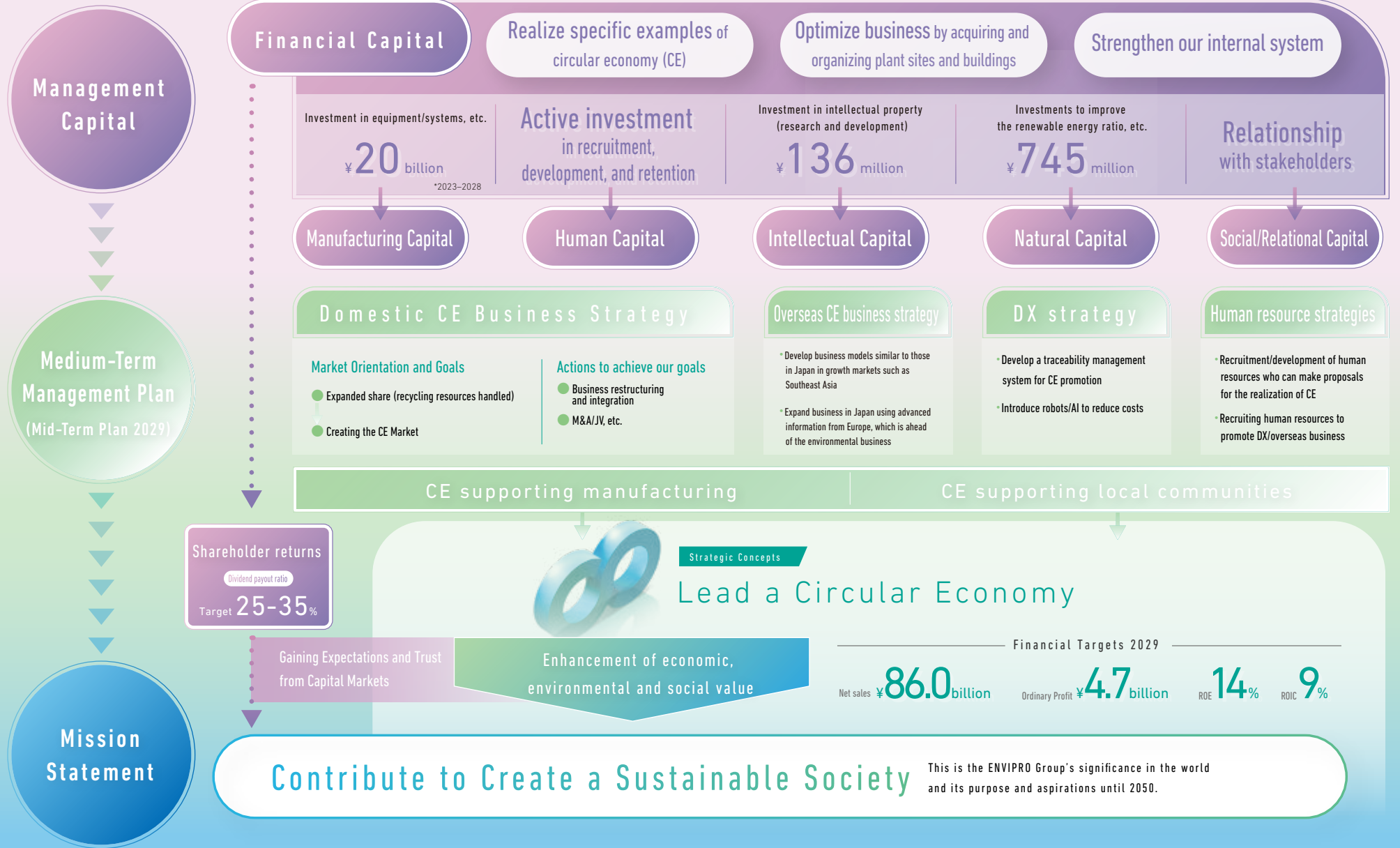
Based on the corporate philosophy and mission of the Group, the ENVIPRO Group organizes the relationship between business activities and social issues, and identifies materialities as a leading company in the circular economy. Through the Group's value creation process, we will continue to provide sustainable value to our stakeholders and achieve our mission statement and sustainable growth.



The relationship between sustainability management and six management capitals

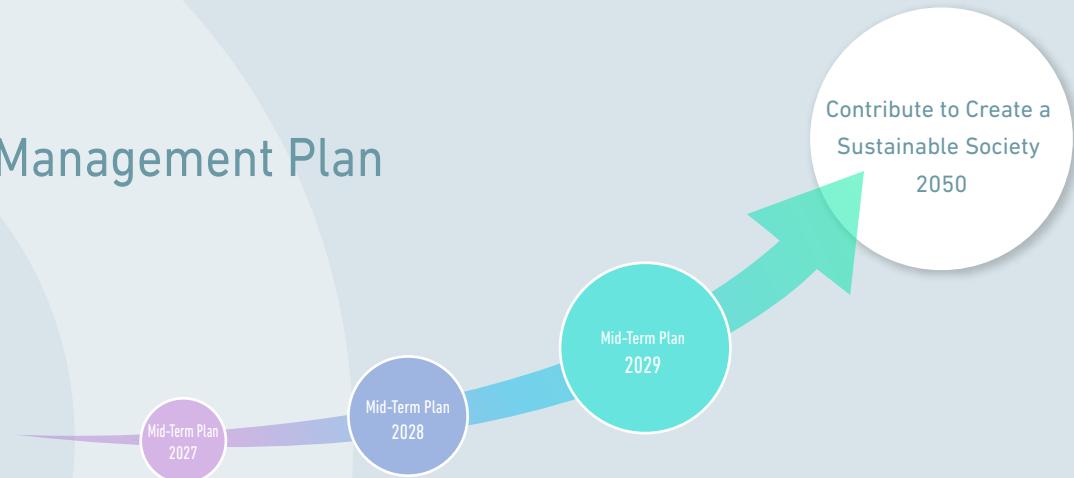
In order to achieve social and corporate sustainability at the same time, we need to improve our six management capitals without imbalance. In order to play a part in the realization of a sustainable society, the ENVIPRO Group is committed to both improving corporate value and solving social challenges through the practice of sustainability management.

01 | Growth Strategy



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.

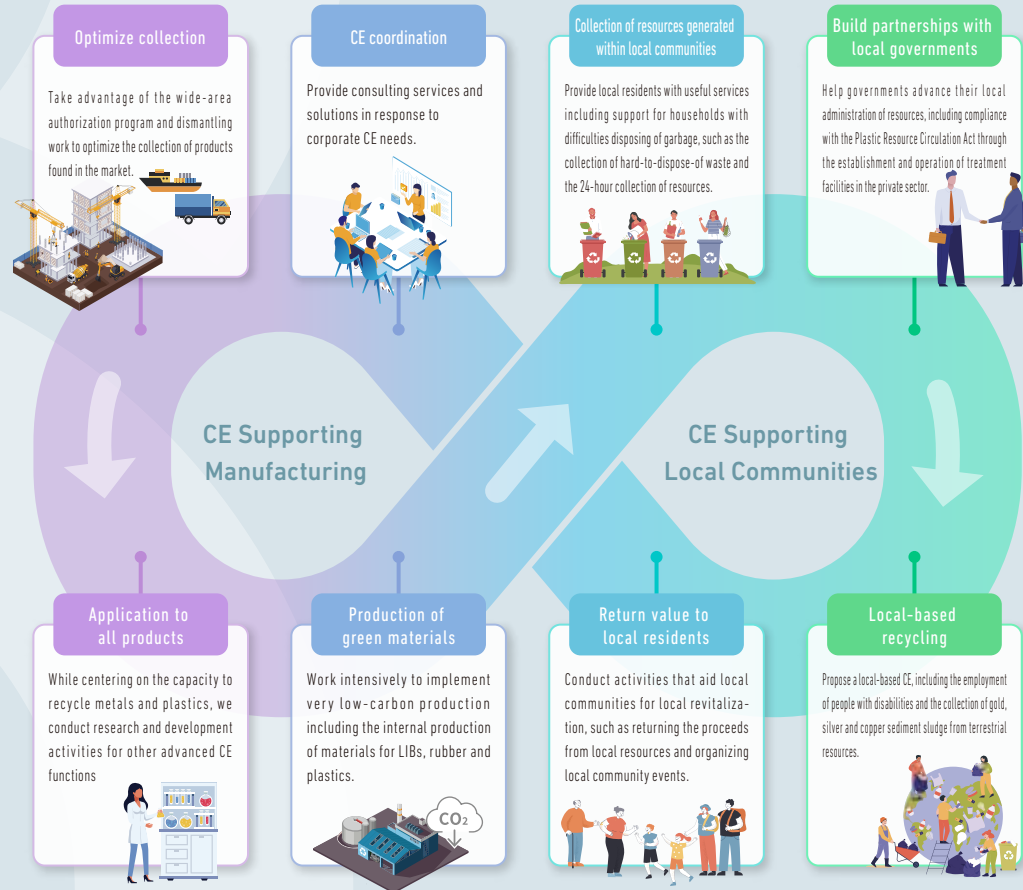


Strategy Concept

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.

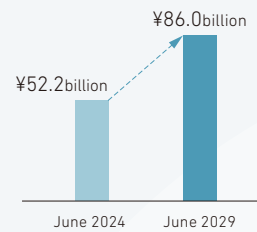
◆ Prerequisites (From July 2024)

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	

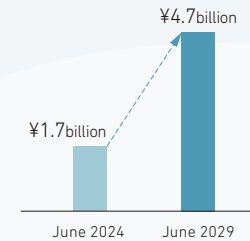
*ROIC = (Ordinary profit × (1 - effective tax rate)) / (equity + interest-bearing liabilities)
 *Equity and interest-bearing liabilities are averages of the beginning and end of the period.

	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%

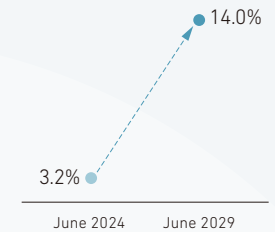
◆ Net Sales



◆ Ordinary Profit

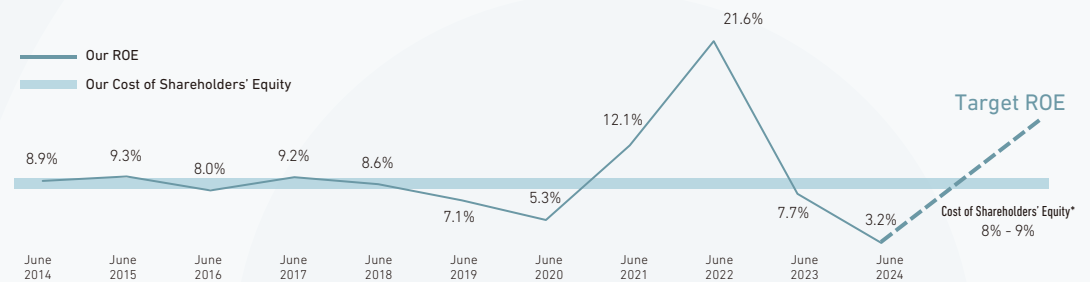


◆ ROE

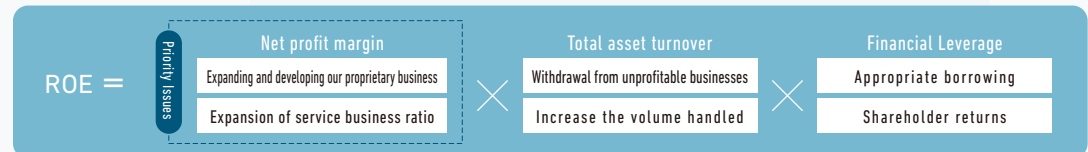


ROE and Cost of Shareholders' Equity

- 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 			
	Others	<ul style="list-style-type: none"> ● Welfare Service Business for People with Disabilities ● Environment Management Consulting Business 	<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 		
	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 			

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
			Sharing group knowledge	Business school satisfaction	95.3%
		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



ENVIPROGROUP BUSINESSES



Overall View of Our Businesses

Resource Circulation Business



We work to use limited resources effectively and reduce waste by promoting the reuse, recycling, and remanufacturing of waste and resources. We also offer new value to the world by using waste to manufacture recycled materials.

ECONECOL Inc.*1  Nitto Kako Co., Ltd.*1 

ECODEMO Inc.  ARBIZ Corporation*2 

Fuji Eco Cycle Co., Ltd.*2

*1 As of July 1, 2024, our consolidated subsidiary ECONECOL Inc. absorbed Kuroda Recycle Co., Ltd. and SYN ECO Inc., and Nitto Kako Co., Ltd. absorbed Toyo Rubber Chip Co., Ltd.

*2 Equity method affiliates

Global Trading Business



In this business, we distribute internationally the metal scrap and other resources generated in Japan and other countries. We provide export agency services for used cars and other items to meet customer needs.

NEWSCON Inc.  Cyterrace Co., Ltd. 



Lithium-ion Battery Recycling Business

By recycling lithium-ion and other rechargeable batteries, we contribute to the collection of rare metals such as cobalt, nickel, and lithium, making effective use of limited resources. We aim to achieve a closed loop, LIB-to-LIB.



VOLTA Inc.



J-Cycle Co., Ltd.

Others



Welfare Service Business for People with Disabilities



Environment Management Consulting Business

In this segment, we are developing the Welfare Service Business for People with Disabilities. This business supports the independence of people with disabilities in areas such as employment and community life. In addition, our Environment Management Consulting Business helps companies develop environmental strategies and plans for reducing greenhouse gas emissions.



● Welfare Service Business for People with Disabilities

● Environment Management Consulting Business

ASTOCO Inc.



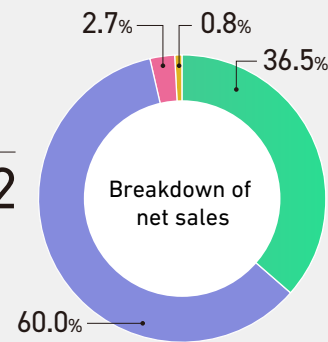
Bright Innovation Co., Ltd.



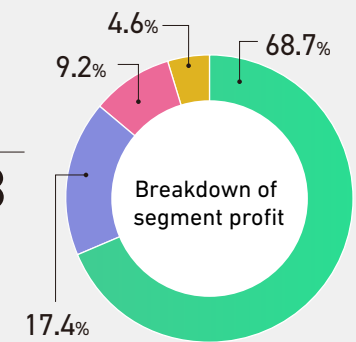
Breakdowns by Business

(Year ended June 2024)

Net sales
¥52.2 billion



Segment profit
¥1.78 billion



HIGHLIGHTS

■ New NEWSCON Netherlands branch was opened and started business

NEWSCON Inc., which plays a central role in the company's global trading business, has set a goal of increasing the volume of recyclable resources it handles to 1 million tons by the fiscal year ended June 2027. In order to achieve this goal, we opened a Netherlands branch to increase the volume of imports and trilateral trade in addition to intra-European transactions for recycled resources from Europe. We aim to increase our international response capabilities through local operations and expand overseas transactions.

■ Conclusion of a partnership agreement with Sumitomo Mitsui Trust Bank

Sumitomo Mitsui Trust Bank, Limited introduced us to local governments that have issues with waste collection and recycling, as well as product manufacturers that have issues with manufacturing and recycling and reuse. We will provide the necessary support for the transition to a circular economy, including providing our specialized know-how in building circular models and operating and expanding recycling facilities.

■ In cooperation with Tokyo Steel, we started promoting the circulation of green steel derived from ferrous scrap in Japan

The ferrous scrap collection yard in Amagasaki, Hyogo Prefecture, operated by NEWSCON Inc., has begun operating as Tokyo Steel Manufacturing Co., Ltd.'s Kansai satellite yard. We work together in the value chain to reduce CO2 emissions and realize an optimal resource circulation.

■ Obtained CDP score [A-] for information disclosure in the field of climate change

■ At the Matsumoto branch we introduced a pre-shredder, increasing shredding capacity by 1.7 times

A pre-shredder was installed at ECONECOL Inc.'s Matsumoto branch plant and began operation in January 2024. By improving the efficiency of the pre-processing process, the crushing capacity has increased to 30t/h, or 1.7 times compared to the previous level, and the range of items handled has also expanded.



■ Expanded plastic material recycling business by installing three of the newest sorting machines

ECONECOL Inc.'s Shizuoka Branch has introduced three of the newest sorting machines equipped with multiple sensor functions.



■ Launch of resource collection station to help with environmental education in the Shinshu region (Nagano Prefecture).

From April 1, 2024, we jointly established an unmanned resource collection station "Mottainai BOX" with the Shinshu Environmental Education Network. A portion of the proceeds from the collected resources are used as management funds for environmental learning activities in Chushin District, Nagano Prefecture.



■ Established ECODEMO for cleaning and dismantling work

On April 1, 2024, ECONECOL Inc. established ECODEMO Inc., which handles cleanup and dismantling work. On September 30, 2024, we received capital participation from Sumitomo Mitsui Trust Panasonic Finance Co., Ltd.

■ VOLTA invested to establish joint venture for lithium-ion battery recycling

On May 15, 2024, VOLTA Inc., Miracle Eternal PTE LTD., and Mitsui & Co., Ltd. signed an agreement to establish a joint venture company, J-Cycle Co., Ltd.

HIGHLIGHTS

■ We merged a metal resource circulation company and polymer resource circulation company to create two organizations promoting the circular economy

As of July 1, 2024, we have reorganized our group organization in our metal resource circulation business and polymer resource circulation business. The integration of consolidated subsidiaries has created two organizations that drive the circular economy business.

● Metal resource circulation

Three companies engaged in resource circulation including metals - ECONECOL Inc., Kuroda Recycle Co., Ltd., and SYN ECO Inc. - have merged, with ECONECOL Inc. as the surviving company. Our aim is to strengthen project response capabilities by expanding the scale of business, as well as to improve profitability through more efficient management resources and streamline organization and business operations, and further promote the circular economy. Through reorganization, we will further expand our broad response capabilities through the establishment of new plants and the use of M&A.



● Polymer resource circulation

Nitto Kako Co., Ltd., which manufactures and sells rubber and resin products, and Toyo Rubber Chip Co., Ltd., which manufactures and sells recycled rubber from waste tires, have been vertically integrated, with Nitto Kako Co., Ltd. as the surviving company. We aim to promote resource circulation of polymers (plastics, rubber, etc.), launch circular economy products that integrate the entire process from rubber waste processing to product manufacturing, and expand its business by optimizing human resources. Through reorganization, we will strive to produce one-stop recycled materials and products through functional vertical integration.

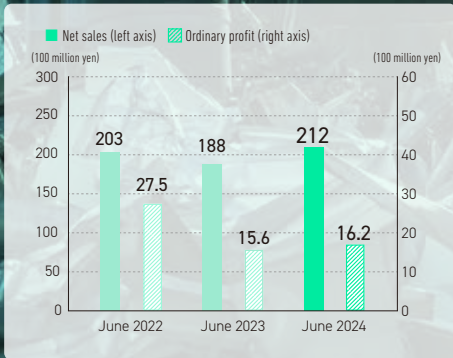




RESOURCE CIRCULATION BUSINESS

Global resource consumption is increasing, and many environmental issues such as resource shortages and massive waste generation are coming to light. The ENVIPRO Group will promote the circular economy by producing green materials and incorporating them into its supply chain.

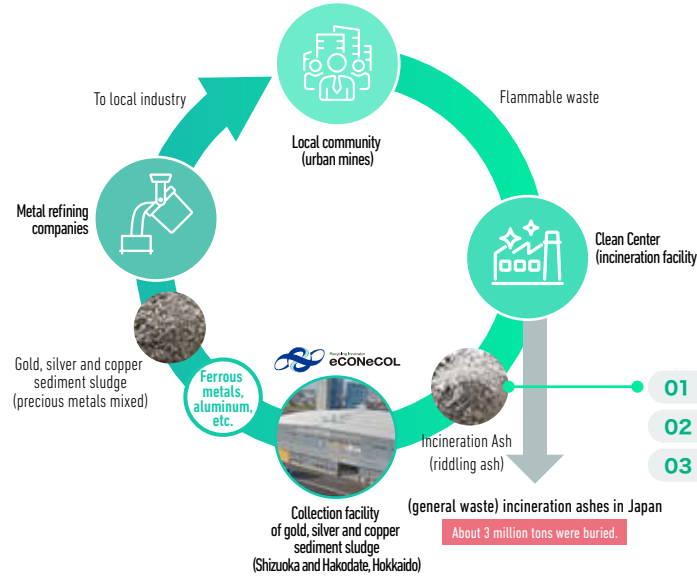
02 | Business (Resource Circulation)



Recycling of Metals and Waste

Amid growing concerns over carbon neutrality and resource depletion, the concept of a circular economy is gaining attention worldwide, particularly in Europe. This has led to a renewed recognition of the importance of metal recycling, which has been a longstanding focus of the ENVIPRO Group.

The ENVIPRO Group entered the business of recycling composite materials with the introduction of a large shredder. At ECONECOL Inc., we crush and process up to 5,000 tons of raw materials per month, including automobiles, multifunction printers, vending machines, and small household appliances. Through magnetic separation, we collect ferrous scrap, while non-ferrous metals and plastics undergo repeated physical sorting in subsequent processes to recycle each resource as green materials.



Equipment introduced in the fiscal year ended June 2024



ECONECOL Inc. Matsumoto Plant Pre-Shredder



ECONECOL Inc. Fuji Plant Sensor Sorter

Collecting Gold, Silver, and Copper Sediment Sludge*1 from incineration ash

Municipal waste incineration ash contains trace amounts of precious metals.

Of these, riddling ash*2, which falls from the grates of stoker-type furnace, contains concentrated precious metals. The ENVIPRO Group collects gold, silver and copper sediment sludge from this riddling ash and other sources.

*1 Gold, silver and copper sediment sludge is a mixture of gold, silver, copper, platinum, and palladium.

*2 Riddling ash is incineration ash that falls through the grate of a stoker furnace when waste is incinerated.

- 01 Improved recycling rate
- 02 Increased revenue and decreased expenditure
- 03 Prolonging the life of disposal sites

Expanding Our Recycling of Wind Power Generation Facilities

Japan's northern island of Hokkaido already has a large number of wind power generation facilities, and the construction of offshore wind power generation facilities is also underway. The removal of facilities that have been in operation for over 20 years due to aging is increasing year by year. ECONECOL Inc. Hakodate Branch possesses advanced processing facilities and is actively engaged in the recycling of wind power generation equipment. In particular, we actively recycle turbine blades from across the country, including from outside Hokkaido. We recycle the metals and special alloys used in this equipment, as well as waste plastics and hard-to-process materials.





INTERVIEW

Making "unwanted things" into "valuable things" Opening up new possibilities for resource circulation

ECODEMO is mainly engaged in the business of transforming "wasted things" into "valuable things" by dismantling equipment in factories and plants and cleaning up equipment in offices and hospitals. Our strength is that we can provide one-stop service from cleanup to dismantling, for equipment or machinery of any sort, and fixtures and fittings anywhere. Using the recycling know-how of the ENVIPRO Group, we maximize the value of resources generated in the process of cleanup and dismantling work. In addition, we established a reuse route for used equipment through investment from Sumitomo Mitsui Trust Panasonic Finance Co., Ltd. and cooperation with Japan Machinery Leasing and Sales Co., Ltd. By matching up with financial institutions and peer companies, we have gone beyond dismantling and not only opened up new possibilities for resource circulation, but also built a system that allows customers to make requests to us with confidence. Safety is our top priority in running a sustainable business. We are working to resolve industry-specific issues such as asbestos and PCBs that continue to be

subject to legal changes, under a strong governance system as a listed company group. Going forward, while steadily accumulating results, we will increase our partner companies across the country and build a system that can serve more customers. In addition, we plan to expand into the Tokyo Metropolitan Area and Kyushu Area within five years, and in particular, in Kitakyushu, we are looking at new business development utilizing special zones for recycling resources. Our business plays a role as an entry into the circular economy. However, in order to facilitate the resource circulation, it is necessary to strengthen cooperation not only with the entrance but also with the "exit", which distributes recycled materials to the world. Recently, material procurement and business consideration focusing on reducing environmental impact have made progress, mainly by foreign-affiliated companies. In the future, while engaging in deeper cooperation with such environmentally conscious stakeholders, we aim to achieve a more environmentally conscious resource circulation.



PROFILE
ECODEMO Inc.
President, Representative Director
Hirohito Endo

He joined SANO MARUKA (now ECONECOL) 20 years ago and was responsible for removing regularly produced recycling materials and replacement equipment from manufacturers. He gained a wide variety of experiences through interactions with customers in various industries. He served as Director of Sales and General Manager of the Business Development Department at ECONECOL, and in April 2024, he became President and Representative Director of ECODEMO, a company established by separating the ECONECOL Business Development Department. He is also a director of the Japanese Society of Independent Appraisers.




"Mottainai BOX"

A Platform for Collecting Community Resources Mottainai BOX and Community-Based Initiatives


ECONECOL Inc. Matsumoto Branch in Matsumoto City, Nagano Prefecture have set up 23 Mottainai BOX Stations as collection points for local resources in the Chushin district of Nagano Prefecture.

The Branch also operates a resource recycling facility in the city of Azumino, called "ECONECOL Plaza Azumino." The convenience of these stations and the plaza has led to an annual increase in the volume of resources collected, and a portion of the earnings from the collected resources are returned to the local community. Moving forward, we will actively engage in regional collaboration and contribute to the circular economy that supports the local community.


Items Collected
in the Mottainai BOX




Used clothes



Waste paper



Aluminum cans



Metal

Production of Low-Carbon Fuel from Waste Plastic (RPF)

RPF* is a solid fuel produced by compressing difficult-to-recycle waste plastics and paper waste. This environmentally conscious fuel offers substantially lower CO2 emissions than fuels such as coal, while providing stable quality. ECONECOL Inc. produces approximately 24,000 tons of RPF annually and continuously supplies it primarily to paper companies as boiler fuel. The plant is currently in production 24 hours. ECONECOL is looking to expand the customer base and establish a system to increase production further.

*RPF, which stands for "Refuse derived paper and plastics densified Fuel," is a high-grade solid fuel made mainly from waste paper and waste plastics (mainly from industrial waste) that are difficult to recycle as material



RPF



CONVERSATION

Developing the future of polymer resource circulation through synergies achieved with management integration



Pursuing added value for products through management integration and further advancing as a manufacturer of recycled materials

Nitto Kako manufactures and sells industrial rubber and resin products, and manufactures, sells, and constructs elastic pavement materials. In 2024, it merged with Toyo Rubber Chip Co., Ltd. and Shonan NTK Co., Ltd., and currently develops polymer resource recycling at two bases: the Shonan Plant and the Maebashi Plant. At the Maebashi Plant (formerly Toyo Rubber Chips Co., Ltd.), rubber chips and rubber powder are produced using industrial waste materials from manufacturers of used large tires and rubber parts. With a high production capacity to handle 6,000 tons of waste tires and 2,000 tons of process waste material per year, we maintain stable dealing with major customers such as artificial turf manufacturers. We also sell and install color rubber chips for elastic paving materials for parks and nursery schools, not only in Honshu, but throughout Kyushu and Okinawa. Through this management integration, in terms of procurement the price optimization of common materials has progressed, and in terms of technology, the equipment maintenance system has been strengthened through cooperation with engineers at our Shonan Plant. Sales activities that traditionally specialized in providing materials have also been combined with the product range of the Shonan Plant, making it possible to give a wider range of proposals. Going forward, we will also work on recycling processing of materials such as fluorine-based rubber, which have been difficult to recycle by utilizing the blending technology of Shonan Plant.

New possibilities for resin recycling to expand by utilizing the local advantages of the Shonan Plant

On the other hand, the Shonan Plant manufactures and sells rubber mats for curing, rubber compounds for tire manufacturers, and rubber sheets using rubber powder crushed at the Maebashi Plant as raw materials. Since Shonan Plant is located a critical point for logistics of the Tokyo metropolitan area, we believe it will have a competitive advantage in both sales and logistics such as collection and shipping, as we expand various businesses in the future. Through this management integration, by combining the recycling technology of the Maebashi Plant with the formulation design, mixing and molding technology of the Shonan Plant, we aim to create a more advanced recycled material manufacturer with higher added value than before. In particular, with increasing awareness of resource circulation in the industry, we are focusing on the needs of auto parts manufacturers. We are promoting efforts to recycle rubber process waste materials used in automobile window frames and engine rooms, and return them to the market as high-quality products. In addition, we will focus on strengthening cooperation with group companies, and in particular we will pursue new possibilities for polymer CE by combining the powerful collection and sorting functions of ECONECOL Inc. with our technology.



PROFILE

Nitto Kako Co., Ltd.
Executive Officer

Hideki Kodaira

Joined Nitto Kako in April 1993. Responsible for information systems and accounting operations. In April 2013, he was appointed as the Manager of the Business Administration Office, in September 2023 he was appointed General Manager of the Administration Department, and in July 2024, he became an executive officer. He works to build an efficient management system from a meta perspective through accounting work.



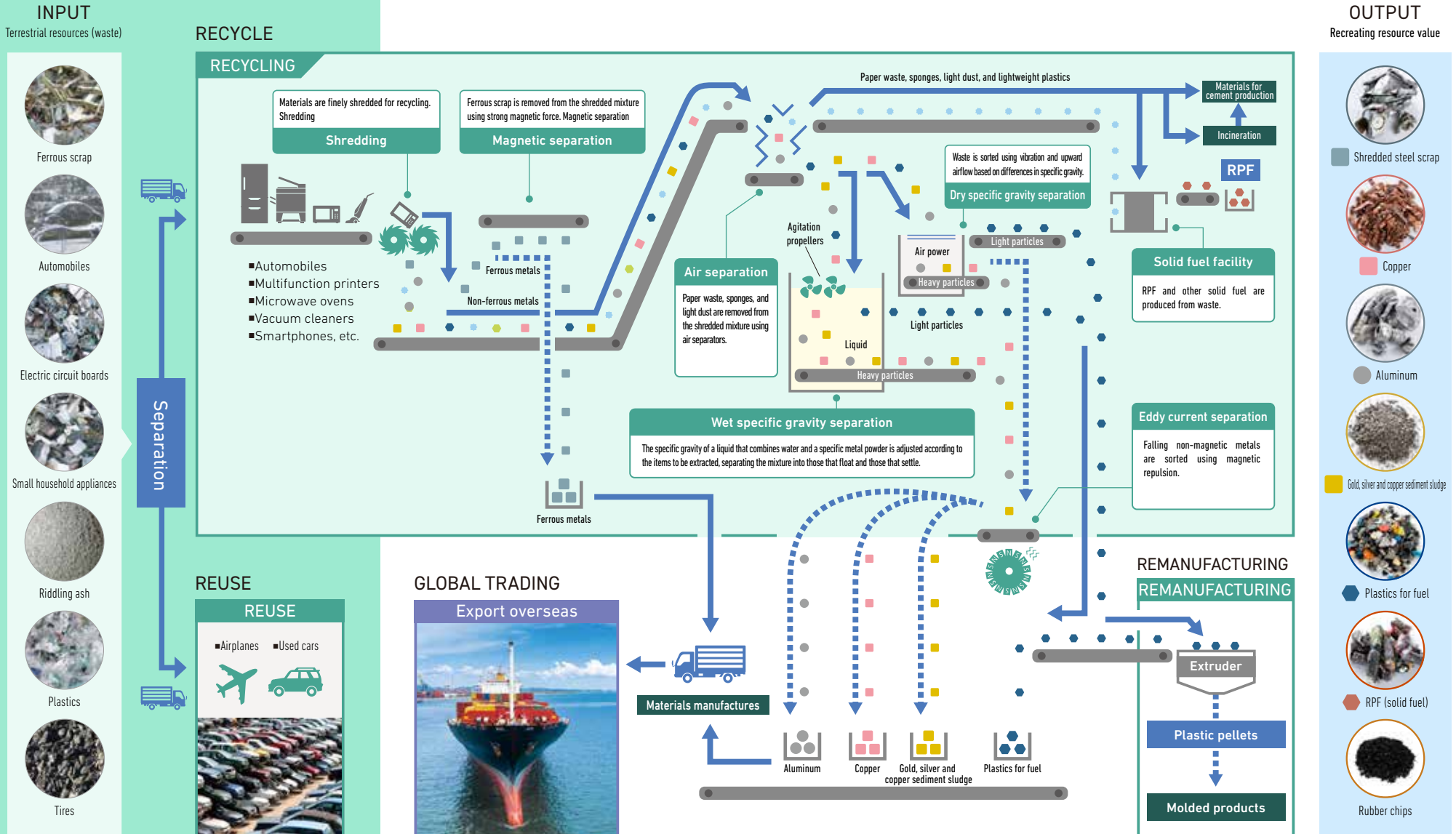
PROFILE

Nitto Kako Co., Ltd.
General Manager

Katsuhiko Koitabashi

Joined Toyo Tarpaulin Manufacturing, the predecessor company, in December 1992. Responsible for purchasing and delivery operations. The company name was changed six times, and among these changes, he was appointed as the General Manager of Sales, the General Manager of Manufacturing, and the West Japan Business Manager, and in October 2024, he was appointed the RC Manufacturing Manager. Deeply familiar with the waste tire industry, and aims to accelerate the rubber circular economy business. Deeply familiar with the waste tire industry, and aims to accelerate the rubber circular economy business.

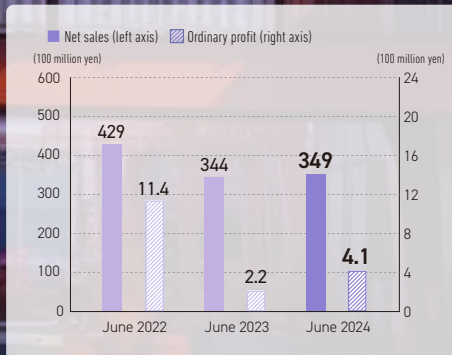
Flow of Treatment/Processing in the Resource Circulation Business





Global Trading Business

The ENVIRO Group delivers recycled resources in the best way for countries in need, enabling a resource circulation with an international perspective. We will continue to develop our business model and expand the circular economy worldwide.



Pursue a sustainable logistics model from a global perspective and realize the right recycling resources in the right place

NEWSCON is a company responsible for the overseas business of the ENVIRO Group, and conducts trading of recycled resources both domestically and overseas. As an antenna function of the Group, it plays a role in bridging recycled resources that cannot be disposed of in Japan to appropriate demand destinations and contributes to the realization of global resource circulation. In 2023, we opened a branch in Rotterdam, the Netherlands. While incorporating advanced recycling efforts made in Europe into Japan, we are promoting a two-way resource circulation, such as properly handling resources that cannot be processed in Europe in Japan. In addition, we have begun new initiatives such as recycling printed circuit boards collected from mobile phones and household appliances through cooperation with the local plants of Japanese corporations.

In recent years, domestic and overseas companies have begun to emphasize the use of recycled materials, and we are moving forward with the expansion of our business model from one centered on ferrous scrap into new products such as plastic and rubber. For example, we are

creating new forms of circulation, such as importing tire chips from the United States as a substitute for coal, and providing recycled semi-finished products produced overseas to Japanese manufacturers.

In Japan, in cooperation with Tokyo Steel Manufacturing Co., Ltd., satellite yards were established. By shipping ferrous scrap collected from recycling businesses around the country, we are aiming to improve logistics efficiency and reduce CO₂. These efforts have been highlighted as a sustainable logistics model amid the restrictions on truck transport imposed by the 2024 problem. With the concept of "creating the future on the world stage" and "creating new business on the world stage", our mission is to properly deliver beyond national and regional boundaries to places that need recycling resources. Our contribution to carbon neutrality is from a global perspective. In the future, we will continue to take on challenges in order to realize an optimal resource circulation according to the needs of the world.



PROFILE
NEWSCON Inc.
 President, Representative Director
Hideki Yoshimi

Joined ENVIRO HOLDINGS in July 2018. After serving on the board of directors of ECONECOL, he became the representative director of NEWSCON, which was established in April 2020 through the division and succession of ECONECOL's global resource circulation business, and worked on a wide range of recycled materials trade business.



INTERVIEW

As an integrated logistics company without borders, we aim to further develop our business model

Cyterrace is in the business of supporting the international distribution of reused products through the distribution of used cars and used parts. Our main business, the logistics agent service, provides a one-stop service from customs clearance to container arrangements and loading, ensuring optimal export solutions for your needs. Our strength lies in our competitive pricing and meticulous responsiveness, leveraging our longstanding network of shipping companies.

Based on these strengths, we are expanding our business with customers around the world, mainly in Dubai and Africa, and practicing "integrated logistics without borders" literally. From the perspective of the circular economy, I believe that the

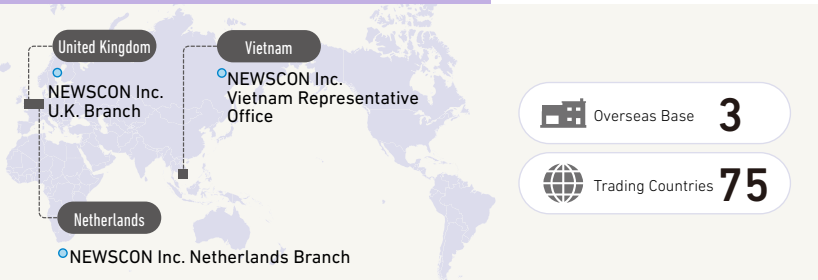
business itself of promoting the international distribution of used cars and used parts contributes to the promotion of reuse and recycling from a global perspective. In particular, the export of used cars to developing countries is not just a business, but also plays an important role in supporting the economic development of each country. Going forward, we will further develop this business model and accelerate our efforts to realize a recycling-oriented society while also looking beyond the used car industry. In sustainable business management, the most important thing is people. We actively recruit human resources with a high awareness of international contributions, such as experienced members of the Japan Overseas Cooperation Volunteers, and carefully

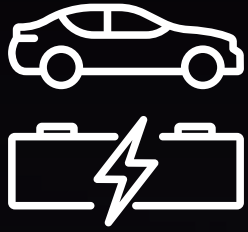
cultivate them through OJT. In addition, we strive to create an environment that is easy to work in and provide appropriate treatment of employees, and promote the creation of a workplace where each employee can experience growth. In the future, in addition to strengthening existing businesses, we will actively promote approaches to new industries, and we will contribute to the realization of a circular society in a wider field by leveraging our logistics know-how and expertise as a customs brokerage business. And as an "integrated logistics company without borders", we will contribute to the realization of the ENVIPRO Group's goal of "Lead a circular economy" and the realization of a sustainable society.

PROFILE

Cyterrace Co., Ltd.
President, Representative Director
Kenro Suzuki

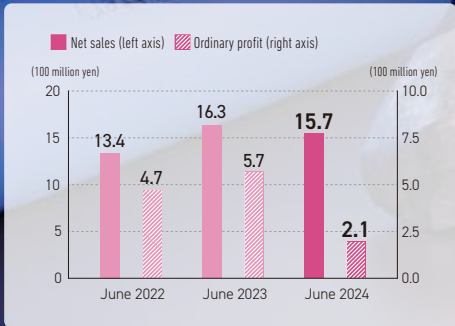
In April 2006, he joined SAND MARUKA (now ECONECOL). After moving to 3WM, he served as President and Representative Director of Cyterrace from September 2022. Values learning and has various qualifications.





Lithium-ion Battery Recycling

There will certainly be more demand for environmentally friendly lithium-ion battery (LIB) recycling in preparation for the coming electrified society. The ENVIRO Group aims to achieve a closed-loop system of LIB-to-LIB and envisions a circular economy for batteries.



Recycling LIBs to Produce Black Mass and Collect Valuables

LIB cathode materials contain minor metals, such as cobalt, nickel, and lithium. After LIBs are heated, they are crushed and sorted to collect black mass*, a mixture of minor metals. We also collect copper used in cathode current collectors. VOLTA Inc. leverages its accumulated expertise to sell high-quality collected metals to various refining manufacturers. In 2024, we have established a new plant in Ibaraki Prefecture and significantly increased our production capacity. We also conduct production equipment adjustments for each type LIB to ensure optimal recycling.



Metals that can be collected with LIB recycling, such as black mass

LIB Recycling Process

Batteries to be Processed



For automobiles

(EVs, HEVs, PHEVs, etc.)



Cylinder type

(PCs, electric tools, electric-assisted bicycles, etc.)



Square and laminated type

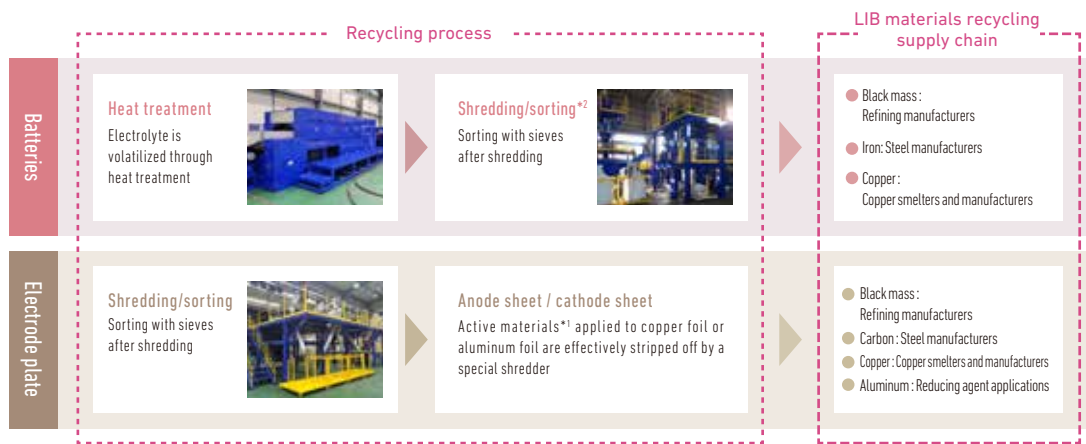
(mobile phones, etc.)



For ESS

(household and industrial storage batteries, etc.)

Plant Recycling Process



*1 Black mass / active materials: A concentrated sludge of cobalt, nickel, and lithium

*2 By evaporating electrolytic solution through heating treatment, shredding and sorting are handled in a continuous line

INTERVIEW



New steps taken with the start of operation of the Ibaraki Plant

We aim to achieve a closed loop, LIB-to-LIB.

At VOLTA, the Ibaraki Plant began operation in September 2024, marking a new step forward. The establishment of the Ibaraki Plant was a strategic decision to meet the demand for process scrap processing from battery manufacturers in the short term and to process used lithium-ion batteries generated from the Kanto area, a densely populated area, in the medium to long term. As a result, we were able to build a system that allows us to consistently perform everything from inbound delivery to processing and shipping, and achieve efficiency. We have also paid closer attention to the suppression of dust generated during LIB processing. Furthermore, we expect that the establishment of an ENVIPRO HD laboratory within the plant will enable us to obtain the results of analysis of the black mass produced more quickly than before, and reduce the lead time from processing to sales.

The strength of the company is that, in cooperation with ECONECOL Inc., a group company, we have put a system in place that allows all materials, such as batteries as well as the attached housing, outer plastic, and iron, to be recycled at

the same site. Our technical capabilities developed through early trials and errors, as well as our strict safety management system, greatly differentiate us from other companies. We will also handle and recycle more LIBs, which have low nickel and cobalt contents and low environmental impact, such as LFP batteries and LMO batteries, which have traditionally been disposed of in landfills. In addition, we will work with the DX (Digital Transformation) Promotion Department to establish an information management system that supports battery passports, and will introduce a production management system within the year to thoroughly manage information on the black mass that is produced. In addition, since the amount of used batteries is expected to increase in earnest in the future, we will aim to establish a business foundation through upfront investment and improve our technical capabilities. We aim to further develop our business in order to realize a sustainable society utilizing the unity of a small team of elites.



PROFILE

VOLTA Inc.
President, Representative Director
Kenta Imai

He joined SAND MARUKA (now ECONECOL) in March 2005. He transferred to 3WM in June 2006 and became the company's representative director in April 2011. Currently, he is an executive officer of ENVIPRO HOLDINGS (assumed position in July 2020), president and representative director of VOLTA (assumed position in March 2021), and president and representative of J-Cycle (assumed position in May 2024). In this position he is solely responsible for the LIB recycling business in our group.

Lithium-ion Battery Recycling Business





Welfare Service Business for People with Disabilities

As Japan's birthrate declines and population ages, issues such as regional employment and a decline in the working-age population are emerging as significant social challenges. The ENVIPRO Group supports the independence of people with disabilities in terms of employment and community living. We promote welfare collaboration that connects recycling, agriculture, and people seeking employment opportunities, aiming to achieve a balance between resolving regional employment and labor issues.

Ecommit (Type B Continuous Employment Support Program)

In cooperation with the ENVIPRO Group, local businesses, and farms, this program provides work and wages according to the work performed. In this way, we create a place where people who have difficulty working in general companies can participate in society with confidence and gain a sense of fulfillment as members of society.



Bright (Pre-Employment Transition Support Program)

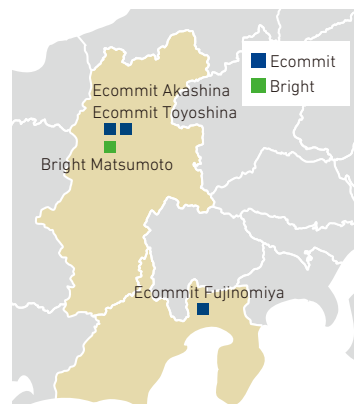
We provide people with disabilities who are seeking employment with a curriculum that helps them find employment and assist them in their jobhunting activities. We also support workers retention, enabling people to remain in work for a long period once they find employment.



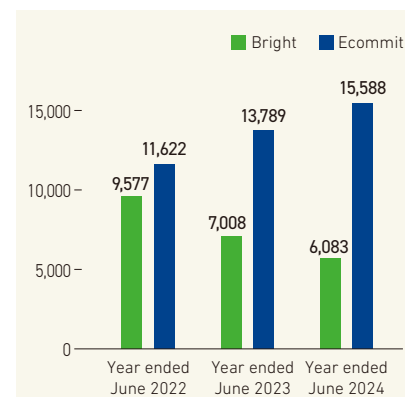
Satellite Work

Through this business, we counsel companies and support the efforts of companies seeking to employ people with disabilities.

ASTOCO Inc. Locations



People Employed to Date



*Including the number of users of Bright Saitama, which closed in June 2024

Results of year ended June 2024

■ Average wages (type B continuous employment support program)

Location	Average wage
Ecommit Akashina	¥28,000
Ecommit Toyoshina	¥27,000
Ecommit Fujinomiya	¥25,000

*Wage amounts of ¥100 or less have been truncated.

■ Number of workers (employment transition support program)

Location	Number of workers
Bright Matsumoto	11

Environment-Welfare Cooperation

A model to address environmental issues by collecting resources from dismantled PCs

Ecommit Toyoshina and Ecommit Fujinomiya, which are operated by ASTOCO Inc. conduct recycling operations in cooperation with group companies. At these locations, we use tools to separate and sort office automation equipment. Their circuit boards contain minor metals, and by sorting them appropriately, we allow these materials to be used in the production of future products. Additionally, we strip the coated wires to extract the copper wires inside and manually collect minor metals and other valuable materials from items that have been crushed, playing an effective role in the recycling process. These tasks provide fulfilling work for individuals with disabilities who use our facilities, and also fill a meaningful role in contributing to the environment.



PROFILE

**ASTOCO Inc. President, Representative Director
Chiemi Nomura**

After graduating from School of Allied Medical Sciences, Shinshu University in 2003, she worked as an occupational therapist in the disability welfare business. She joined ASTOCO in 2019, was a manager of that company in 2022, and became a representative director in July 2023. She is also working hard to raise her children, who are in elementary school and junior high school.

Agriculture-Welfare Collaboration

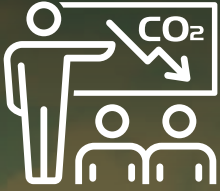
A model for addressing various agricultural issues by encouraging social participation through engagement in agriculture

ASTOCO Inc. helps individuals with disabilities to find confidence and fulfillment in work in the agriculture sector, including vegetable cultivation in local farms and by tending their own fields. These initiatives also help to address the serious shortage of agricultural workers. At Ecommit Akashina, we cultivate cucumbers, spinach, onions, etc., and actively engage in exchanges with local communities by promoting local production and local consumption through deliveries to JA and local retailers, and by participating in local sales meetings.



Welfare Service Business for People with Disabilities

In October 2023, we also delivered to the Wakko Marche held at our group's recycling facility, Plaza Azumino. ▶ See P57 for details (ESG page)

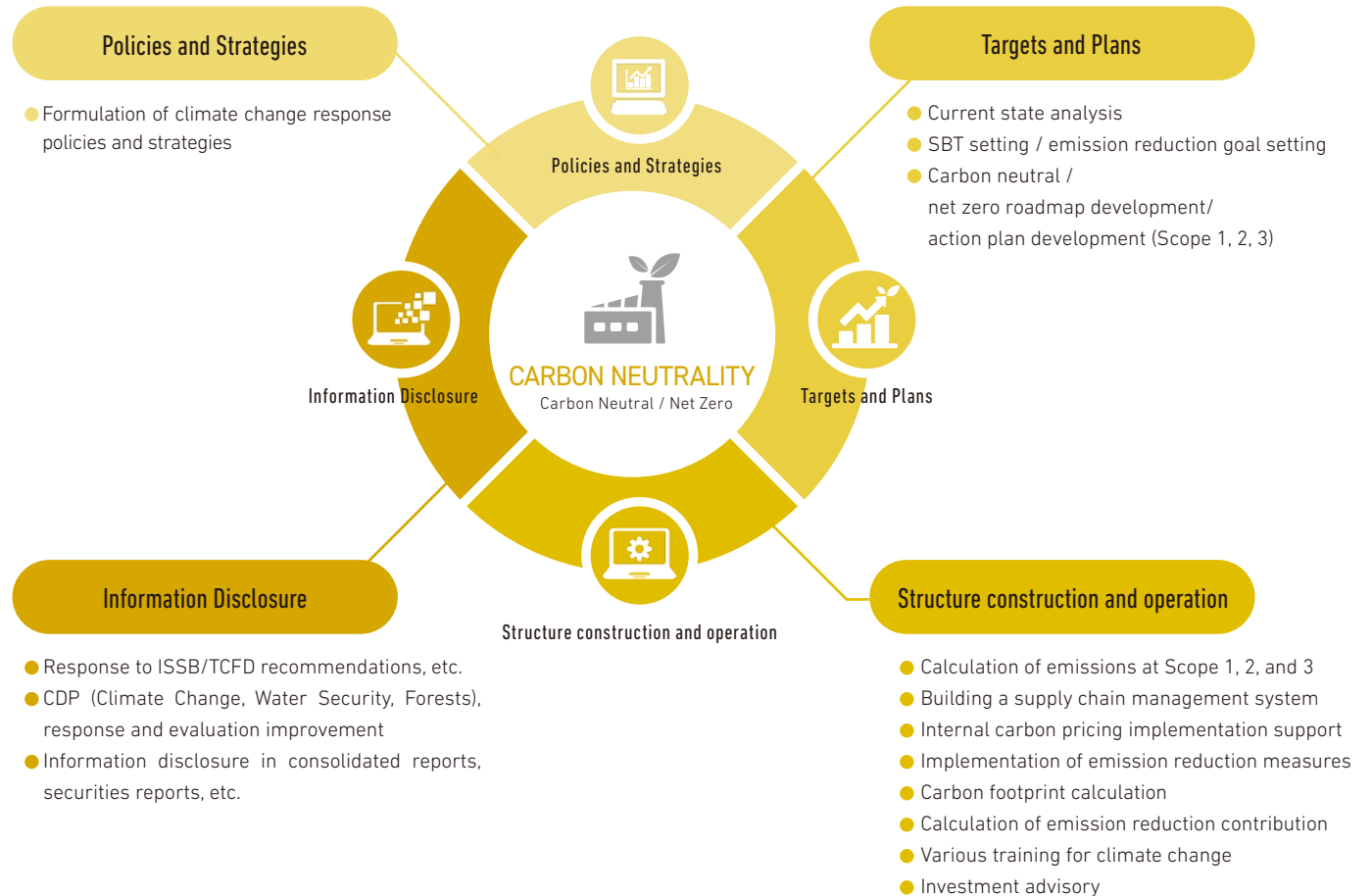


Environment Management Consulting Business

Promoting carbon neutrality, nature positive, and the circular economy has become increasingly important for corporate management. The ENVIPRO Group provides consulting services to support carbon neutrality strategies and the development of circular economy models. Additionally, we offer solutions involving the introduction of renewable energy and the production of green materials through recycling and manufacturing of recycled raw materials.

Total support for environmental and sustainability responses

With challenges such as climate change and biodiversity loss becoming global risks, corporate environmental and sustainability responses have become an important theme affecting business and management. Bright Innovation Co., Ltd. provides consulting services to help companies manage their decarbonization management. These services include helping with information disclosure in response to the ISSB/TCFD recommendations, TNFD recommendations, etc., assistance in improving evaluations from third-party institutions such as CDP, as well as solution services such as supporting the introduction of renewable energy. Bright Innovation also plays a role in advancing the ENVIPRO Group's environmental management efforts by providing support for achieving RE100 and facilitating the disclosure of sustainability information.





Supporting a Transition to the Circular Economy

Social demands for the transition to a circular economy are growing, including efforts in Europe to step up producer responsibility and moves to formulate economic strategies for domestic resource autonomy. In addition, to respond to needs of the environment and sustainability and to realize a circular economy, it is important to visualize environmental value through the use of digital technology, improve productivity and reduce costs, and find and disclose the movement and properties of goods. The company is enhancing its support by adding digital tools to its consulting services.

Consulting in Cooperation with Group Solutions

In the example of service in cooperation with VOLTA Inc., an LIB recycling company belonging to the ENVIPRO Group, in addition to consulting services for the wide-area recovery model (CE scheme construction) of used batteries, we provide an integrated service including consulting, solutions and digital until the environmental value is visualized by the sustainability digital transformation system.

02 | Business (Environment Management Consulting)

Environment Management Consulting Business



- CE scheme construction**
(Wide Area Certification Consultation)
1. Advance preparation/advance confirmation
 2. Building a wide area certification scheme
 3. Application/Review

- Manufacturing and supplying LIB recycling materials to arteries (producers) (VOLTA)**
1. Collection of target products in areas nationwide in cooperation with logistics companies
 2. Sorting, dismantling, and storage of reused products by evaluating the target products at the primary pickup site
 3. Manufacture and supply recycling materials to arteries (producers) using proprietary technology and know-how

- Visualization of environmental value through environmental digital transformation systems**
1. Calculation of GHG emissions
 2. Quantify corporate activity with metrics
 3. Trace the origin of the recycled material



E

Environment



S

Social



G

Governance

Target for Resource Recovery Ratio

June 2030

96%

June 2040

98%

CO2 Reduction Targets

	Base Year	Target Year 2028.6	Target Year 2050.6
Scope1	2018.6	64%	100% Net zero
Scope2	2018.6		
Scope3	2023.6	12.5%	—

Target for Ratio of Renewable Energy in Electricity Use

by 2030

100%

Employee Satisfaction

Employees feel the joy of growing through work +1.6 pts YoY

71%

(August 2024)

Target Ratio of Women in Managerial Positions

June 2028

20%

Ratio of Female Directors

9.1%

(September 30, 2024)

Ratio of Outside Directors

54.5%

(September 30, 2024)

We have established and disclosed criteria for the appointment of outside directors. Based on these criteria, we appoint individuals who meet the requirements for determining the independence of independent outside directors.

Environment

Initiatives to Achieve the SDGs

The ENVIPRO Group's Approach to the SDGs

The ENVIPRO Group has identified SDGs that are consistent with the nature of our business and our mission statement of "Contribute to Create a Sustainable Society," around which we engage in activities to achieve the SDGs.

Making Every Effort with Every Partner



As actions aimed at achieving the SDGs, we will advance collaboration within the Group, with companies in the supply chain, and with administrative agencies, local communities, and citizens.

Partnerships Through participation in corporate groups and international initiatives, we are expanding partnerships aimed at achieving a sustainable society.

- Japan Climate Leaders' Partnership (JCLP)
- RE100*1
- CDP*2 Certified Provider
- Circular Partners (CPs)
- Clean Ocean Material Alliance (CLOMA)
- Japan Climate Initiative (JCI)
- Japan Partnership for Circular Economy (J4CE)

*1 RE100 : Means "100% Renewable Electricity." An international initiative for companies that aim to procure 100% of the electricity required for their business operations from renewable energy sources.

*2 CDP : An international initiative for the disclosure of information on climate change response

Economy

Contribution to the Economy

Poverty Technological innovation



The ENVIPRO Group helps to reduce environmental impact and contributes to the economic development of countries in need by distributing high-quality used cars and other products to where they are needed in the world.



ENVIPRO HOLDINGS Inc. is committed to developing technologies for recovering high-purity minor metals such as cobalt, nickel, and lithium from waste LIBs, as well as efficient precious metal recovery from incinerator ash, and improving analytical accuracy. We have also established laboratories in the field of polymers, contributing to the development of technologies that are the foundation of the circular economy and decarbonization society.

Social Contribution to Society

- Health
- Education
- Gender
- Equality
- Working environment
- Community development



We prevent water and soil pollution and contamination by properly managing scrap materials at our plants, which comply with safety and environmental standards. In addition, to prevent infectious diseases, the entire Group has established guidelines such as a vaccination assistance system and the provision of thermometers and sterile alcohol solution.



ASTOCO Inc. provides high-quality educational opportunities for people with disabilities so that they can participate in society with confidence and a sense of purpose.



We have introduced systems for telecommuting and reduced working hours for regular employees, and provide an environment that lets employees, including those raising children or performing family care, choose a working style that fits them best.



The ENVIPRO Group offers worthy job opportunities for people of different backgrounds, such as recruiting new graduates and providing employment to people with disabilities. We thoroughly implement measures to prevent occupational accidents at our plants to ensure the safety of our employees.



Under programs such as the employment transition support program and the type B continuous employment support program, we provide support that enables people with disabilities to remain engaged in rewarding work.



We contribute to community revitalization and the development of a sustainable cities and communities through recycling and the creation of employment, by collecting and recycling waste and discarded household items and by hiring local people with disabilities at our plants.

Biosphere Contribution to the Environment

- Energy
- Consumption and production
- Climate change
- Marine resources



We joined the RE100 initiative in July 2018 and set a goal of shifting to 100% renewable energy by 2030 for the energy consumed in our business activities.

In addition to switching to renewable energy for the electricity used in our plants, we are installing solar panels on plant roofs and otherwise introducing renewable energy power generation equipment.



We have made it our goal to achieve carbon neutrality by 2050, and we are promoting the reduction of GHG emissions from our business activities. We also contribute to the reduction of GHG emissions across the supply chain through our circular economy initiatives. In May 2019, we publicly endorsed the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We will identify and evaluate opportunities and risks placed on our businesses by climate change, integrate these into our management strategies, and engage in appropriate information disclosure.



The ENVIPRO Group is committed to promoting a circular economy, aiming to maximize product utilization throughout the value chain and minimize resource value leakage. Through maintenance, reuse, refurbishment, recycling, and remanufacturing, we contribute to the circulation of limited resources and the reduction of waste.



We contribute to the prevention of marine pollution stemming from plastics by developing technologies to sort waste plastics for recycling into pellets and by promoting the development of applications for recycled materials.

Environment

Looking to Achieve Carbon Neutrality by 2050

Information Disclosure in Line with TCFD Recommendations

Basic Approach

In May 2019, the ENVIPRO Group announced its endorsement of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), established by the Financial Stability Board (FSB). The TCFD recommends information disclosure based on four categories: governance, risk management, strategy, and metrics and targets. The Group discloses information on climate-related issues according to these four categories.

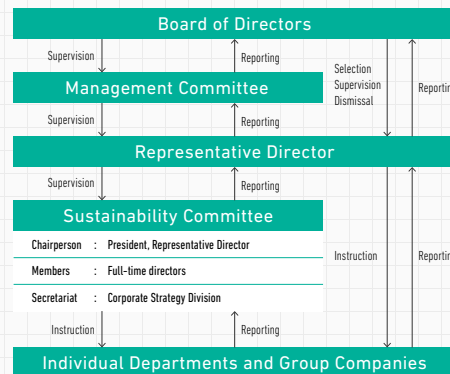
In December 2020, the Group decided to achieve effectively zero greenhouse gas (GHG) emissions from all its businesses by 2050, including the processing and recycling of scrap and waste handled by the Group. As countries work toward decarbonization, resources and climate change are issues that—far from being separate—are closely interrelated and global in scope. Unrestricted resource extraction and GHG emissions undermine sustainability and must be addressed if we are to preserve the Earth's resources and natural environment we share into the future. As its resource circulation business is located at the end of the supply chain, the Group has the characteristics to address both of these important social challenges through its business. This is precisely the social responsibility we believe the Group should fulfill.

Governance

Sustainability Promotion System

To promote policies and measures related to climate change response and other sustainability matters, the Group's sustainability promotion system has a Sustainability Committee that consists of the full-time directors. The 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. Matters discussed are further resolved or discussed by the Management Committee, a decision-making body for business execution, and are then submitted to the Board of Directors. Under the supervision system of the Board of Directors, we work to maintain governance and promote sustainability.

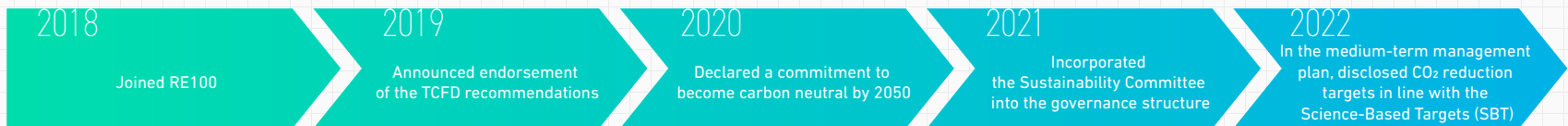
Sustainability Promotion System



Role of Conference Bodies to Address Climate Change within the Sustainability Promotion System

Conference Body	Role
Board of Directors (Meets monthly)	Supervises progress on initiatives related to environmental issues discussed and approved by the Management Committee.
Management Committee (Meets monthly)	Decides on important matters related to individual, specific instances of business execution, and makes decisions on timely disclosure.
Sustainability Committee (Meets monthly)	Discusses the organization and operation of the committee and other important matters concerning sustainability in order to promote the medium-term management plan.

Initiatives to Date



Risk

Risk Management

At the Group, the internal Control Committee evaluates and reviews business risks, which are integrated into the company-wide risk management process. The Sustainability Committee evaluates and reviews climate change-related risks. Relevant departments identify opportunities, consider specific measures, and make recommendations as necessary. The Sustainability Committee evaluates the recommendations and promotes measures to address them. For both risks and opportunities, particularly important matters are reported to or submitted to the attention of the Board of Directors.

Strategy

Identifying and Addressing Risks and Opportunities

The Group conducts scenario analyses to examine the risks and opportunities posed by climate change and its impact on the Group. We analyzed the Group's business activities using the Representative Concentration Pathways (RCP8.5) published by the Intergovernmental Panel on Climate Change (IPCC) and the Net Zero Emissions by 2050 Scenario (NZE) published by the International Energy Agency (IEA). We examined the impact on the Group's business activities based on the assumption of a temperature increase limited to 1.5°C by the end of this century and the assumption of a 4°C increase.

Climate-Related Risks/Opportunities and Potential Financial Impacts and Responses

Type	Category	Specific Anticipated Examples	Potential Financial Impact			
			Risk	Period	Opportunities	Period
Transitional	Policy and regulation	Taxation on various types of energy and the introduction of carbon taxes	<ul style="list-style-type: none"> Increased costs of using renewable energy Easing of the supply-demand balance and price decline of ferrous scrap due to the development of new technologies such as hydrogen-reduction steelmaking 	Short to long term	<ul style="list-style-type: none"> Expansion of existing recycling business Increased demand for ferrous scrap due to shift to electric furnaces, price increase Installation of large shredder to produce electric furnace materials 	Short to long term
		Regulations on the use of recycled Plastics	<ul style="list-style-type: none"> Reduction in the thermal recycling of waste plastics 	Long term	<ul style="list-style-type: none"> Growth in demand for low-carbon fuels (RPF) Expansion of material chemical recycling of waste plastics Development and commercialization of chemical recycling plants 	Medium to long term
		Traceability of CO ₂ emissions (DX) mandated	<ul style="list-style-type: none"> Lost market entry opportunities due to delays in business development 	Medium term	<ul style="list-style-type: none"> Expansion of logistics businesses of scrap and waste Visualization of GHG emissions Support for the procurement of carbon credits 	Medium to long term
	Technology	Expansion of the chemical recycling of waste plastics	<ul style="list-style-type: none"> Lost business entry opportunities due to delays in technology development 	Medium to long term	<ul style="list-style-type: none"> Creation and expansion of new markets for the chemical recycling of waste plastics 	Medium to long term
	Market	Increased adoption of EVs, ESSs	<ul style="list-style-type: none"> Increased demand for non-ferrous metals and minor metals due to electrification (depletion) 	Short to long term	<ul style="list-style-type: none"> Expansion of the Lithium-ion Battery Recycling Business Expansion of the collection business of gold, silver and copper sediment sludge 	Short to long term
	Reputation	Social responsibility as an environment-related company	<ul style="list-style-type: none"> Failure to consider the environment, damage to credibility among stakeholders 	Short to long term	<ul style="list-style-type: none"> Scoring by CDP and other international rating agencies Information Disclosure in Line with TCFD Recommendations Disclosure of various approaches through the Sustainability Report 	Short to long term
Physical	Acute	Increased natural disasters due to increasing severity of extreme weather events	<ul style="list-style-type: none"> Decrease in earnings due to such factors as shutdowns and production reductions caused by damage to plants, difficulties in vessel dispatch, or transportation delays Decrease in earnings due to lost sales and purchasing opportunities Increase in insurance premiums and repair/restoration costs 	Short to long term	<ul style="list-style-type: none"> Enhanced response to issue of waste created in disasters 	Short to long term
	Chronic	Increased heat stress due to higher average temperatures	<ul style="list-style-type: none"> Decrease in productivity due to restrictions on working hours Increased cost of investing in environmental improvement 	Short to long term	<ul style="list-style-type: none"> Personnel savings, unmanned operation, remote control 	Short to long term

Metrics and Targets

The Group has identified GHG emissions and the percentage of electricity generated from renewable energy sources as indicators to be used in assessing and managing climate change-related risks and opportunities, and has publicized target values for each.

GHG Emissions

The Group aims to achieve effectively zero greenhouse gas emissions from all its businesses by 2050, including the processing and recycling of scrap and waste handled by the Group. CO₂ emissions (Scope 1+2) were 5,963 tons in the fiscal year ended June 2024, a 56% reduction compared to the fiscal year ended June 2018.

Initiatives for Reducing CO₂ Emissions

Impact of Using Ferrous Scrap on Reduction

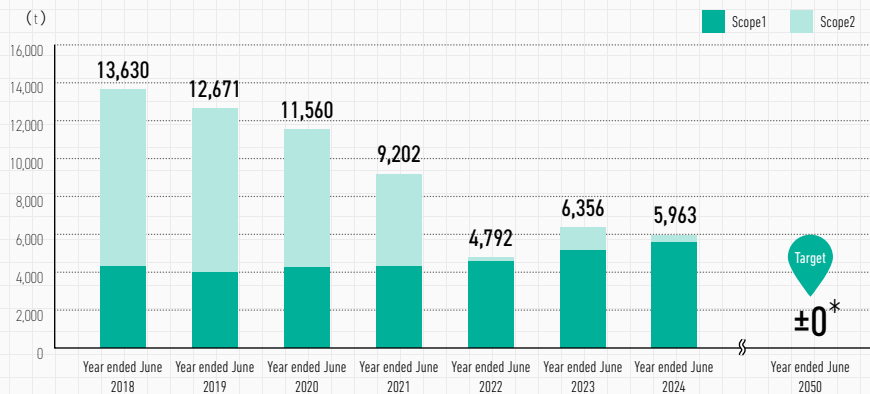
722,800 t-CO₂

The ENVIPRO Group produces recycled materials by shredding and sorting waste. In the fiscal year ended June 2024, the Group as a whole shipped 520,000 tons of ferrous scrap to steel mills. Steelmaking in an electric furnace from ferrous scrap reduces CO₂ emissions by 1.39 t-CO₂ per ton compared to manufacturing in a blast furnace converter from natural resources such as iron ore (according to materials from the Japan Iron and Steel Recycling Institute). The same amount of iron produced from natural resources such as iron ore would generate 1,040,000 t-CO₂, but the steel production process generated only 317,200 t-CO₂, reducing emissions by 722,800 t-CO₂.

Emissions and Reduction Targets

Emission Source	Emissions of year ended June 2024 (t)	Base		Target			% reduction of the base value
		Fiscal Year	Emissions (t)	Fiscal Year	Emissions (t)	Reduction rate	
Scope1+2	5,963	Year ended June 2018	13,630	Year ended June 2028	4,907	64.0%	87.9%
				Year ended June 2050	±0*	100.0%	56.3%
Scope3	735,676	Year ended June 2023	443,808	Year ended June 2028	388,332	12.5%	▲ 65.8%

Scope1+2 Results of Emissions and Targets



* Scope 1 and 2 emissions for the fiscal year ended June 2050 are listed as net zero as ±0.

Impact of Producing Low-Carbon Fuel on Reduction

18,240 t-CO₂

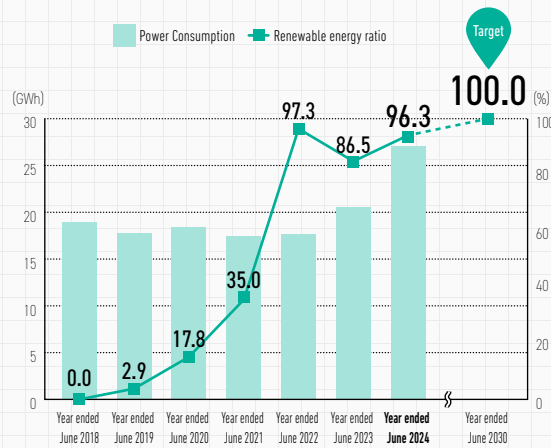
ENVIPRO Group sold 24,000 tons of RPF to paper making companies in the year ended June 2024. CO₂ emissions per ton (calorific value conversion factor) are 2.33 t-CO₂ for imported thermal coal and 1.57 t-CO₂ for PRF. Comparing the CO₂ emissions when the same amount of coal (24,000 tons) and RPF are used, emissions from the use of coal would be 55,920 t-CO₂ and emissions from RPF would be 37,680 t-CO₂, resulting in an annual reduction in CO₂ emissions of 18,240 t-CO₂.

100% renewable energy by 2030

Ratio of Renewable Energy in Electricity

In July 2018, we became the first company in the recycling industry to join RE100, which aims to convert electricity consumed in business activities to 100% renewable energy by 2050. In addition to our commitment to carbon neutrality, we have reset the RE100 target year to 2030, 20 years ahead of schedule. The share of renewable energy electricity in the Group as a whole was 96.3% in the fiscal year ended June 2024.

Actual and target electricity consumption/ renewable energy ratio



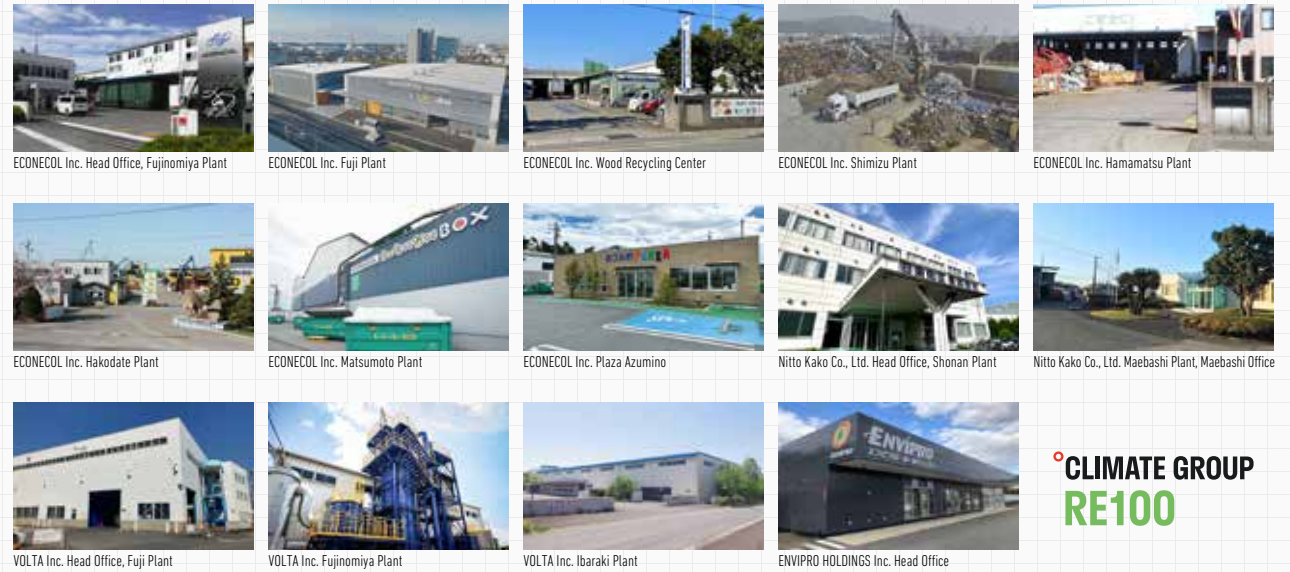
Assessment of Environmental Initiatives Climate

Change **A-**

The Group received a "A-" rating, the second highest out of nine, in a 2023 study on climate change conducted by CDP, an international non-profit organization. We will continue to cooperate with the study in 2024, and the rating will be published in 2025.



List of RE100 Plants*



CLIMATE GROUP
RE100

RE100 Plants			
ECONECOL Inc.	Shizuoka Branch	Head Office, Fujinomiya Plant	Fujinomiya City, Shizuoka Prefecture
		Fuji Plant	Fuji City, Shizuoka Prefecture
		Wood Recycling Center	Fuji City, Shizuoka Prefecture
		Shimizu Plant	Shizuoka City, Shizuoka Prefecture
		Hamamatsu Plant	Hamamatsu City, Shizuoka Prefecture
		Hakodate Branch	Hakodate Plant
	Matsumoto Branch	Matsumoto Plant	Matsumoto City, Nagano Prefecture
		Plaza Azumino	Azumino City, Nagano Prefecture
	Nitto Kako Co., Ltd.	Head Office, Shonan Plant	Samukawa-machi, Koza-gun, Kanagawa Prefecture
		Maebashi Plant, Maebashi Office	Maebashi City, Gunma Prefecture
VOLTA Inc.	Head Office, Fuji Plant	Fuji City, Shizuoka Prefecture	
	Fujinomiya Plant	Fujinomiya City, Shizuoka Prefecture	
	Ibaraki Plant	Hitachinaka City, Ibaraki Prefecture	
RE100 (except plants)			
ENVIPRO HOLDINGS Inc.	Head Office	Fujinomiya City, Shizuoka Prefecture	

*Plants and facilities that operate on electric power 100% from renewable energy

Environment

Material Balance

INPUT		
Input resources		679,100 tons
Processed resources	Scrap, waste	187,700 tons
Circulating resources*1	Scrap, waste	461,900 tons
Raw materials	Raw materials for polymers, etc.	29,400 tons
Energy		56,238 MWh
Fuel	Oil	14,820 MWh
	Gas	13,414 MWh
Electricity	Renewable energy	26,755 MWh
	Non-renewable energy	1,028 MWh
	Privately generated renewable energy	221 MWh
Ratio of Renewable Energy in Electricity		96.3%
Water		99,678 m ³

OUTPUT		
Resource Recovery, Product Manufacturing, and Processing Outsourcing		671,100 tons
Resource recovery (including circulating resources)	Ferrous metals	520,300 tons
	Non-ferrous metals	19,100 tons
	Plastic raw materials	43,100 tons
	Raw materials for paper	12,000 tons
	Gold, silver and copper sediment sludge	4,000 tons
	Black mass, etc.	1,200 tons
	Other	12,200 tons
	Subtotal	612,000 tons
Product manufacturing	Polymer products	29,300 tons
Processing outsourcing (including circulating resources)	Material recycling	5,700 tons
	Thermal recycling	15,500 tons
	Simple incineration	3,100 tons
	Landfilling	5,500 tons
CO₂ Emissions (Scope1+2)		5,963 t-CO ₂
Scope1		5,569 t-CO ₂
Scope2	(market-based standards)	394 t-CO ₂
Scope2	(location-based standards)	12,073 t-CO ₂
CO₂ Emissions (Scope3)		735,678 t-CO ₂
Category1	Purchased products/services	16,358 t-CO ₂
Category2	Capital goods	5,932 t-CO ₂
Category3	Fuel and energy related activities not included in Scope 1 and Scope 2	2,477 t-CO ₂
Category4	Transport/delivery (upstream)	150,399 t-CO ₂
Category5	Waste generated from business	52,393 t-CO ₂
Category6	Business travel	83 t-CO ₂
Category7	Employee commuting	294 t-CO ₂
Category9	Transport/delivery (downstream)	402 t-CO ₂
Category10	Processing of products sold	392,530 t-CO ₂
Category11	Use of products sold	112,345 t-CO ₂
Category15	Investment	2,464 t-CO ₂
Ratio of Resource Recovery*2		95.8%

*1 Resources distributed through trading company functions

*2 Resource recovery rate is calculated from outputs in the Resource Circulation Business and the Lithium-ion Battery Recycling Business: (amount of resources recovered - amount of circulating resources) / (amount of resources recovered + waste disposal - amount of circulating resources) × 100

For the realization of a “platform” filled with good-quality energy where All employees work energetically

We will create a strong corporate culture with a good organizational climate

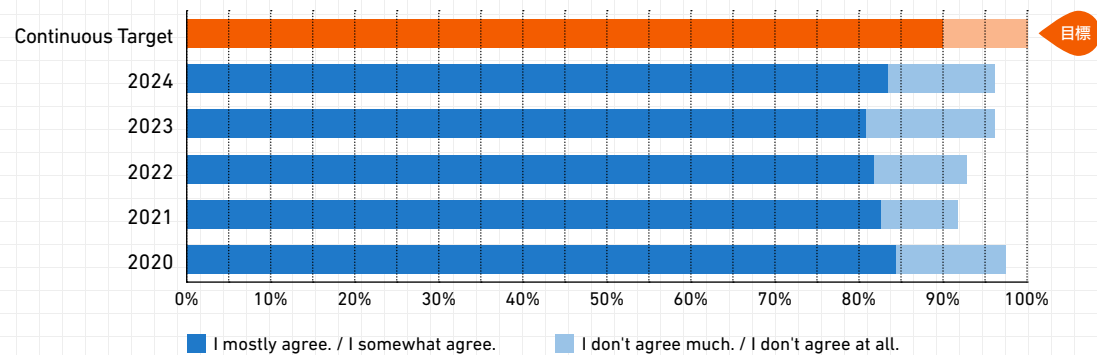
Creating a positive organizational climate and strong corporate culture is one of the most important management themes for achieving sustainable corporate value and growth. Building on these foundations, we foster organizational excellence through organizational habits and daily work, which is what makes us unique. The ENVIPRO Group defines organizational strength as each employee finding their own problems, taking the initiative to solve them, sharing wisdom with their team, making innovations, and continuing to work on improvement. We believe that an environment in which employees pursue sociality, economy, and humanity through business activities is a “lively workplace” that leads to employee satisfaction and happiness.

In the fiscal year ended June 2024, we organized the reasons why the Group values its organizational environment and corporate culture, and published and explained it in the FY2024 Management Plan, which is carried by all employees. By verbalizing its importance, we have worked to encourage each of us to think about and gain a deeper understanding of our organizational climate and corporate culture. In the fiscal year ending June 2025, we provide opportunities to discuss and express our understanding of the organizational climate and corporate philosophy.

Dedication to inculcating our corporate philosophy

In addition to reading the management plan that contains our corporate philosophy and organizational values and ideas, the group leader has held briefings three times a month with small groups of people from the fiscal year ended June 2021. In the fiscal year ended June 2024, 170 people attended corporate philosophy briefings, bringing the total number of attendees to 583.

How much do you agree with our corporate philosophy?



The organizational image we aim to realize is “a disciplined group of autonomous individuals with creative abilities.”

We have a new president!

He joined SANO MARUKA Co., Ltd. (current: ECONECOL Inc.) as a new graduate, experienced multiple secondments to group companies including VOLTA Inc. based on sales positions, and became the president of the new company ECODEMO Inc.

Q Tell us about what you have considered as important.

I have considered it important to imagine my own vision of success. This goes for many different things, but one of the smallest things is always having an outcome for the meeting with the client that day. I still consider it important to make a habit of imagining the future collaboration with that customer and imagining the story up to that point.



ECODEMO Inc.
President, Representative Director
Hirohito Endo

Q You are always undertaking new challenges, including now becoming president of the company. How did you get that opportunity? Why do you think it happened?

I take things that I find interesting, news and events that intrigue me, and compare them to our company's services and direction to imagine the commonalities, then talk about them with my family, colleagues, and customers. By repeatedly conducting this process, I get to see the bad points and missing elements in the initial image, and the story comes together. And if I keep spreading my message after that, various people help me to connect with them. I think this is may be how I have been able to keep undertaking challenges.

New value created from empathy, accompaniment, and co-creation

DX Promotion Department, which creates the future of the ENVIPRO Group

In January 2024, a new DX Promotion Department was established. It is responsible for leading the transformation of the ENVIPRO Group through digital transformation.

Q Please tell us about efforts made so far.

The DX Promotion Department is committed to using the power of digital technology to support essential problem solving and firmly grounded business transformation. We actually go to work sites and work on digital transformation as accompaniment while listening to the issues from the person in charge. The important thing in this process is empathy. I feel that awareness of digital transformation has changed as we proceed to solve problems from the same perspective. Starting with grassroots activity, 56 digital transformation projects are currently underway. One specific example of this is the introduction of an SFA (sales force automation) system, which enabled the centralized management of sales negotiation records and customer information. While we haven't seen any clear reductions in work time or increased sales, we see positive effects such as an increase in new proposals and an increase in information sharing between branches, as communication quality is improved due to bilateral information sharing. By involving people on site and accompanying them, and by having everyone involved take the initiative, our efforts come to life. We are gradually accumulating successful experiences like this.

Q Tell us about your future vision.

My vision is to think about what it means to do business and create opportunities to review the environment we are familiar with. I believe that it is more important to realize productivity improvement with the use of digital technology through inventory of operations than to make major transformation through the latest technology. We are aiming for the DX Promotion Department to be a place where worried people will come for consultation when they “want to review inefficiencies” or “want to improve quality but don't know how”. In the future, it will be important how the DX Promotion Department can contribute to the company's mission of “Lead a circular economy”. We aim to visualize the value of recycled materials in our supply chain and provide the information our customers want with data.



Left: General Manager of the DX Promotion Department Shigeru Kawachi /
Right: Go Terakado, Manager of the DX Promotion Section, DX Promotion Department

Mentor System

Learn together and grow together.

We have introduced a mentor system as a follow-up for employees after they join the company. We define a mentor as "someone who can build a relationship of trust," and we started with the goal of building a relationship that allows people to confidently express "who they are now." We aim not only to help new employees get used to the workplace at an earlier stage and to create an environment in which they can work easily, but also to help senior and new employees grow together through fun and free dialogue.



Interview with senior employees and new employees about mentoring system

Senior Employee



The system made it easier to follow up on junior employees, including new graduates, because there was a good reason for it. We communicate through monthly lunch meetings, chats during department visits, and we consider it important to listen carefully without rejecting the opinions of others. I also remembered the time I had been helped by my seniors when I was a new graduate employee.

Keita Nakagawa, Sales Section 1, Sales Department, ECONECOL Inc. Shizuoka Branch



With the mentor system, you can call for help without hesitation, and I think there are situations in which it is helpful for new employees when they are unsure who to ask for work-related questions. I have opportunities to objectively review the environment around me, and encountering Niikura's positive attitude has had a good effect on my motivation.

Koichi Okabe, GM, Purchasing Group, Administration Department, Nitto Kako Co., Ltd.



Rather than being a mentor, I communicate as a colleague close in years. It's also an opportunity to know what we're doing at each other's companies, and sometimes I ask them to suggest ways to optimize the work I think is inefficient. In the future, I would like to further deepen my friendship with other departments and develop synergies.

Go Tazumi, Business Development Section, Business Development Department, NEWSCON Inc.



Thanks to the mentor system, I can easily ask questions. I can also look back on my past and talk from the same perspective. The work environment can be challenging for new employees, but I feel that I have a destiny to resolve it in the future, mainly among young people.

Heo Goo Young, Corporate Planning Section, Corporate Management Department, ENVIPRO HOLDINGS Inc.

New Employee



Although different departments may be involved, they are a great help when I am facing a work-related challenge or concern. I have the courage to take on challenges thanks to my daily encouragement and good advice. I can also gain insight into my own strengths, weaknesses, and values, and I can make confident decisions about my career direction.

Kazuma Kodama, Production Control Section, Production Control Department, Engineering Division, ECONECOL Inc.



I am now able to communicate with people I have never worked with before, and I now have more people to consult with. There are many occasions where I can casually ask questions at work, so I can get to know the inside of the company better, and it is also a good opportunity for me to objectively judge the way I learn and our sales stance.

Masaaki Niikura, Compound Sales G, Sales Department, Nitto Kako Co., Ltd.



I learned to think about different jobs, values, and work, and I gained a broader perspective. I have been able to discover strengths and areas of improvement that I hadn't noticed on my own, which leads to more personal growth.

I also understood through the experiences of senior employees that cross-departmental collaboration can lead to success for the entire company. I interact with other departments and industry experts to expand our network both internally and externally.

Bykau Dzmitry, Digital Transformation Promotion Section, DX Promotion Department, ENVIPRO HOLDINGS Inc.



My mentor is a senior employee in the same department, so I was able to ask how they got their job done in the first year of employment, and it became easier to imagine my own job. I learned that being aware of future visions and what I want to do will also motivate me to work. I would like to give shape to this through the mentor system and build up my own knowledge and experience.

Taiki Ito, Corporate Planning Section, Corporate Management Department, ENVIPRO HOLDINGS Inc.

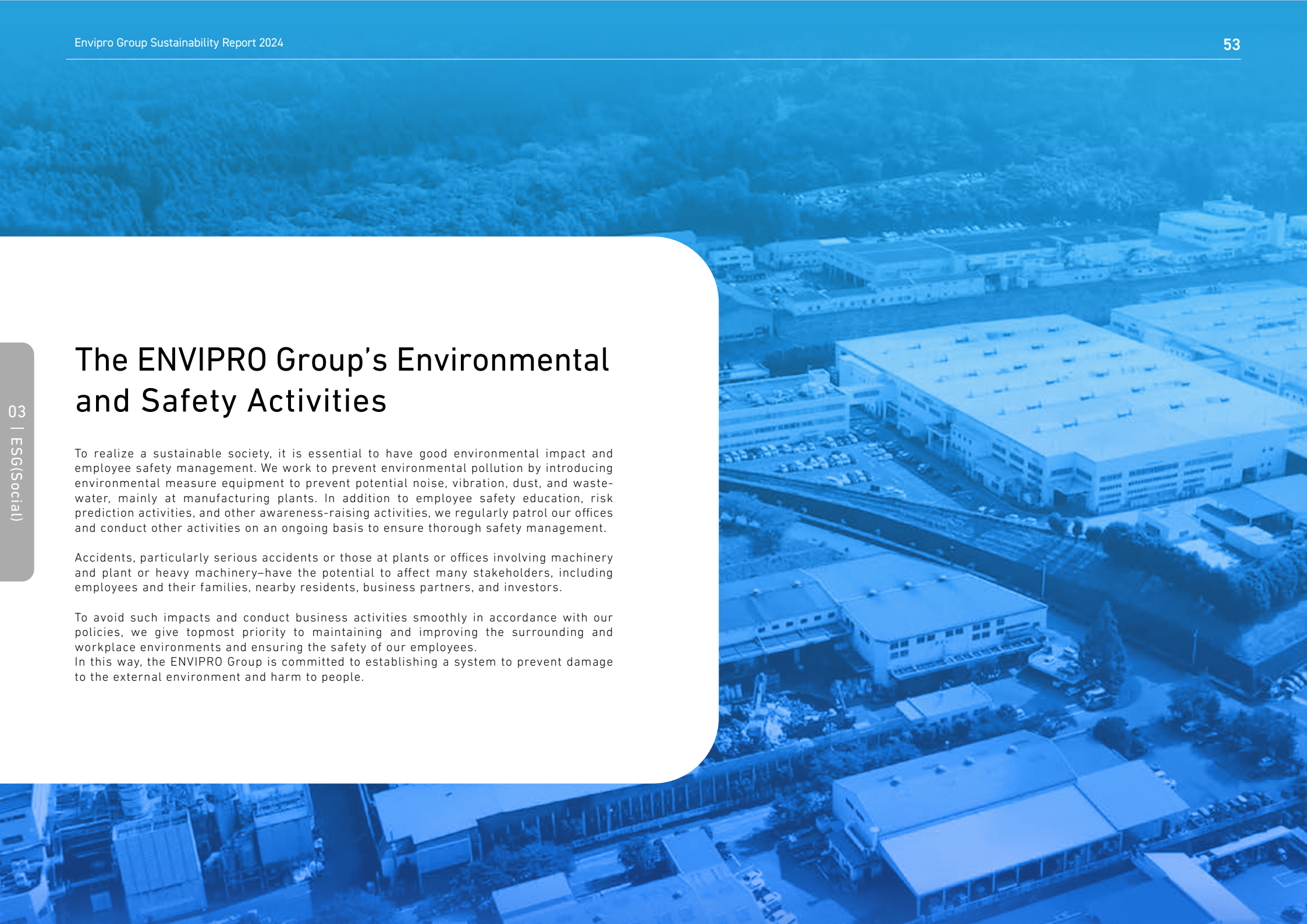
The ENVIPRO Group's Environmental and Safety Activities

To realize a sustainable society, it is essential to have good environmental impact and employee safety management. We work to prevent environmental pollution by introducing environmental measure equipment to prevent potential noise, vibration, dust, and wastewater, mainly at manufacturing plants. In addition to employee safety education, risk prediction activities, and other awareness-raising activities, we regularly patrol our offices and conduct other activities on an ongoing basis to ensure thorough safety management.

Accidents, particularly serious accidents or those at plants or offices involving machinery and plant or heavy machinery—have the potential to affect many stakeholders, including employees and their families, nearby residents, business partners, and investors.

To avoid such impacts and conduct business activities smoothly in accordance with our policies, we give topmost priority to maintaining and improving the surrounding and workplace environments and ensuring the safety of our employees.

In this way, the ENVIPRO Group is committed to establishing a system to prevent damage to the external environment and harm to people.



Establishing a Brand as a Safe and Clean Company

01 Activities and Role of Environmental and Safety Promotion Committee

We have established the Environmental and Safety Promotion Committee, which is responsible for initiatives across the Group companies. The committee's objective is "to establish a brand as a safe and clean company." The committee has established the following three policies, which it is working to fulfill.

Policy 01 Create a Safe and Comfortable Workplace

We conduct risk prediction activities before commencing tasks, and offer safety activities such as regular and scheduled education and training, safety conferences, and risk assessments. We regularly measure the working environment, measure vibration and noise, analyze water quality, and implement ongoing improvement activities to create a comfortable workplace.

Policy 02 Share Information

The Environmental and Safety Promotion Committee emphasizes information sharing and empathy. We strive to invigorate committee activities, reporting on individual companies' efforts to roll out their activities horizontally within the Group. The committee also examines causes and shares corrective measures in the event of occupational accidents, accident-related damage, and environmental abnormalities, and strives to prevent recurrence and occurrence of accidents with a unified direction.

Policy 03 Raise the Management Level

The Group's operating companies have acquired certifications under ISO 14001 (environment) and ISO 45001 (occupational health and safety). In addition, each company promotes activities to ensure the safety and health of its employees and to protect the environment through the operation of its management system.

Activities of the Environmental and Safety Promotion Committee are reported to full-time directors of Envipro Holdings and the presidents of Group companies at monthly meetings of the Internal Control Committee (chaired by the president of Envipro Holdings). Policies and developments are communicated through the Environmental and Safety Promotion Committee to individual workplaces of each Group company. The Environmental and Safety Promotion Committee consists of members appointed from each Group company, who together with the president actively promote the companies' environmental improvement and safety assurance initiatives.

Structure of the Environmental and Safety Promotion Committee



02 Initiatives to Date

By sharing the details of individual Group companies' discussions and initiatives via documents, images, and video, the committee helps each of them efficiently and effectively incorporate the items they need. In addition, discussing the experiences and knowledge of each company in response to issues that arise can be a quick way to solve them. The Environmental and Safety Promotion Committee mainly focuses on sharing, but in actual work, it is important to continue mundane efforts such as participation in morning meetings, thorough risk prediction activities, implementation of planned education and training, strengthening environmental improvement activities, and implementation of effective corrective measures.

Environmental Activities at Group Companies

- Employee measurement of the working environment
- Implementation of vibration diagnostic equipment and start of operations
- Implementation of vibration countermeasures at existing facilities
- Implementation of dust control measures in plants
- Implementation of pigeon control and extermination in plants
- Addition of in-plant lighting, switch to LEDs
- Implementation of firefighting drills (evacuation and rescue drills)
- Maintenance of flowerbeds
- Cleaning of gutters and oil and water separation tanks in the plant

Safety Activities at Group Companies

- Installation of security cameras in plants
- Introduction of forklifts with safety devices
- Installation of safety devices for existing facilities, safety fences, and emergency stops
- Acceptance of Vietnamese technical intern trainees and implementation of safety education
- On-site inspections in the event of occupational accidents
- Holding of safety conferences
- Implementation of special training by people who have completed the instructor training course
- Introduction of emergency communication devices for plant workers



Maintaining flower beds



Introduction of forklifts with safety devices



Implementation of dust control measures in plants



Measuring vibration



Implementation of vibration countermeasures at existing facilities



Implementation of rescue drills

Conducting evacuation drills



Performing fit test



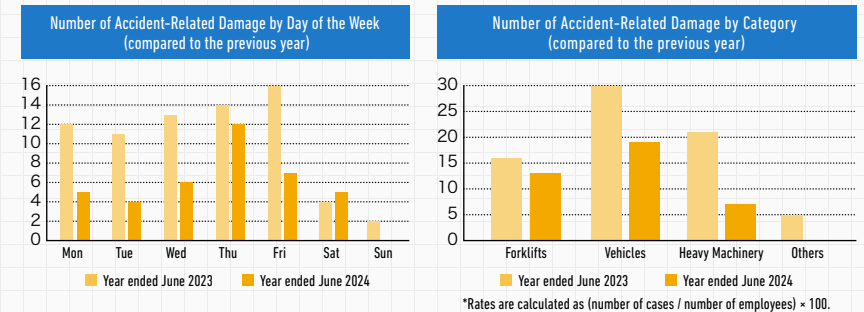
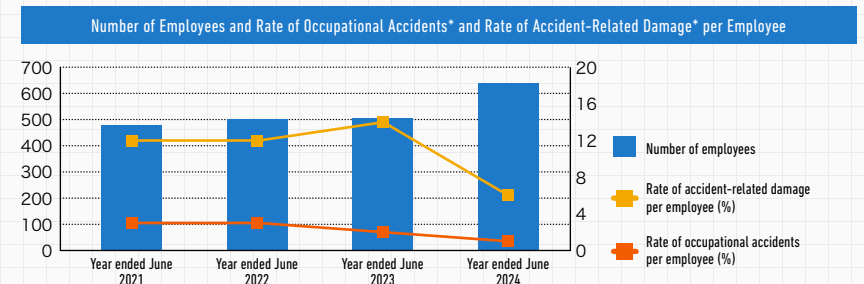
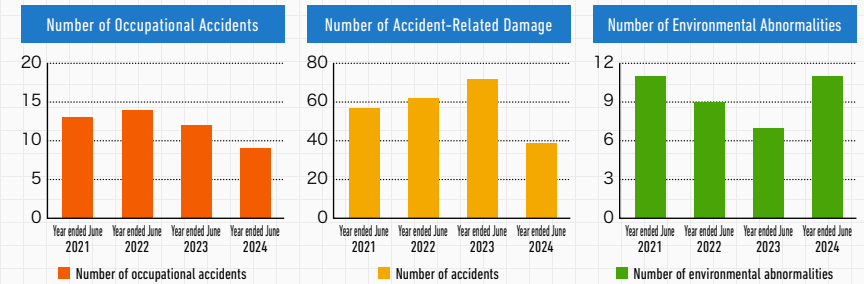
Conducting firefighting drills

03 Results in the Fiscal Year Ended June 2024

The number of accidents at the ENVIPRO Group has been trending downward since the fiscal year ended June 2020, owing to the strengthening of environmental and safety activities and the establishment of the Environmental and Safety Promotion Committee. In the fiscal year ended June 2024, the Group experienced nine occupational accidents, three fewer than the previous year; 39 accident-related damage, a decrease of 33 compared to the previous year; and 11 environmental abnormalities, an increase of four from the previous year.

The number of employees of the Group at the end of the fiscal year has increased by 222 from 418 to 640 in the six years from the fiscal year ended June, 2019 to the fiscal year ended June, 2024, which means that there was a decrease in the incidence rate * per capita.

- The number of occupational accidents has decreased. Of the nine occupational accidents, three were people who had been with the company for less than a year, a decrease from half the total in the previous year. three occupational accidents happened to employees who had been with the company for at least one year but less than three years, and three happened to employees who had been with the company for at least three years.
- In both the fiscal year ended June 2022 and the fiscal year ended June 2023, there were two occupational accidents that involved someone getting pulled into a rotating part, and in the fiscal year ended June 2024, we conducted activities with the goal of reducing accidents involving rotating bodies to zero, and achieved zero incidents throughout the fiscal year.
- We were able to significantly reduce the number of accident-related damage. As in the previous year, the trend did not change significantly when following the day of the week when the incident occurred, and the results showed a trend that was likely to occur towards Friday at the end of the week. In addition, when we divided accidents into categories according to what kind of work was being done at the time, the most common cases were vehicles(8 sales vehicles and 11 transport vehicles), followed by forklifts and heavy machinery in operation.Overall, there was a downward trend compared to the previous year, but the decrease in events with heavy machinery operation was noticeable.



*Rates are calculated as (number of cases / number of employees) × 100.

04 Plans for Future Initiatives (Year ended June 2025) and KPIs

The Group has established an annual activity plan for each company based on three policies mentioned above and with the objective "to establish a brand as a safe and clean company." While the ultimate goal is to achieve zero accidents, as medium-term KPIs, we aim to halve the number of occupational accidents (with zero cases of work-related accidents resulting in leave of absence), the number of accident-related damage, and the number of environmental abnormalities. In the fiscal year ended June,

2024, there was a decrease in occupational accidents and accident-related damage, but an increase in environmental abnormalities. We will identify trends in incidents and implement effective corrective actions to reduce the occurrence of similar incidents. We will carry out the activities planned by each group company, and promote them as initiatives of the entire ENVIPRO Group in order to achieve the medium-term KPI even one year earlier if possible.

Local Symbiosis Activities

Holding Wakko Marche with Vegetables and Fruits from Local Farmers

On October 15, 2023, we held Wakko Marche at our group's recycling facility, ECONECOL Plaza Azumino (Azumino City, Nagano Prefecture). As part of ASTOCO Inc.'s continued employment support for people with disabilities, we are focusing on the "Agriculture-Welfare Collaboration", which connects people seeking a place to work with agriculture. In addition to selling sweet potatoes and cucumbers grown by the users, we also sold vegetables and fruits from farmers who take care of ASTOCO. In addition, the Econecol Inc. Matsumoto branch office set up a collection booth for a used picture book fair with Mama Fes Matsumoto, and people brought in 442 picture books in one day. The picture books collected were distributed at a later date at a Mama Fes Matsumoto booth. In addition, by holding events such as opening booths of neighboring welfare facilities, bringing in oversize trash, playing booths for children, and screenings with readings of picture books, we attracted more than 300 visitors. We will continue to expand our connection with the community and spread smiles to more people.



VOLTA Inc. Certified as a Fuji City Universal Employment Cooperation Company

On August 7, 2023, VOLTA Inc., which recycles lithium-ion batteries, was certified as a universal employment cooperation company by Fuji City, Shizuoka Prefecture, where its head office is located. The purpose is to popularize and promote universal employment which is promoted by Fuji City. Among companies with a base of activities in the city, this certification is given to companies that meet all the requirements, such as being prepared to provide work experience or employment in a universal employment environment, and having an understanding and consideration for universal employment throughout the workplace.



What is Universal Employment?
 Universal employment is an initiative to create a society where "all citizens" who want to work but find it difficult to do so can work and feel "worth living and working".
 The City of Fuji enacted the first "Regulation on Promotion of Universal Employment" in Japan, which came into force in April 2017.

Holding a "Mottainai BOX" Collaboration Station

The ECONECOL Inc. Matsumoto Branch (formerly: SYN ECO Inc.) has installed and operated the "Mottainai BOX", which functions as an unmanned resource recovery station, and in April 2024 we started a station in collaboration with the Shinshu Environmental Education Network. A portion of the proceeds from the resources collected at this station will be used to fund environmental learning activities in Chushin District, Nagano Prefecture. In addition, as support for the local J-League team "Matsumoto Yamaga FC" and a donation to Nagano Children's Hospital, we are building a circular economy model that returns a portion of the revenue obtained from "Mottainai BOX" to the community.



Donation of Two Wheelchairs to the Social Welfare Council - Nagano Bank and Aluminum Can Recycling -

On May 21, 2024, the ECONECOL Inc. Matsumoto Branch (formerly: SYN ECO Inc.) of the ENVIPRO Group donated two wheelchairs to the Matsumoto City Social Welfare Council jointly with the Nagano Bank Co., Ltd. Since August 2023, Nagano Bank has installed collection boxes for aluminum cans in three branches, and employees have collected aluminum cans. The collected aluminum cans were properly recycled by the ENVIPRO Group. The donated wheelchairs were purchased from Jujiya Lease Co., Ltd. by adding donations from both companies to the aluminum cans collected.



Cleaning the Numazu Coast and Holding a Social Gathering

On November 5, 2023, the ECONECOL Inc. Shizuoka Branch held a coastal cleaning and social gathering at Numazu. About 100 employees and family members cleaned the coast of Numazu. On the day, we were blessed with good weather, and we had a refreshing experience cleaning in the autumn sunshine. There was a lot of trash, including plastic bottles, glass bottles, metals and other things cast adrift. Even tiny pieces of garbage can accidentally be ingested by marine organisms or, as they are broken down, turn into microplastics, affecting fish, people, and many ecosystems. We will continue to conduct awareness-raising activities for employees through cleaning activities.



Participated in Sagami River Beautification Campaign

Employees and family members of the Nitto Kako Co., Ltd. Head Office and Shonan Plant (Samukawa-machi, Koza-gun, Kanagawa Prefecture) participated in the Sagami River beautification campaign hosted by Samukawa-machi on May 26, 2024. This is held in conjunction with the "Zero Waste Day" on May 30 every year, with more than 600 people participating in the entire campaign, and the total amount of garbage collected reached 0.54 tons. We will continue to actively participate in local initiatives.



Welcoming Children to Tour Our Plants

ECONECOL Inc. Matsumoto Branch welcomes children to tour its plant. We put a lot of effort into each event so that students can continue to learn through lectures and tours. With the increasing interest in recycling around the world, children have a high interest in recycling and ask many questions, making these tours a meaningful use of time. We will continue to carry out activities that lead to a bright future.



Matsumoto City Meizen Elementary School, 4th grade



Dialogue with Outside Directors



Towards the Creation of New Corporate Value

Growth Strategy and Management Innovation Discussed by Outside Directors

Increase the effectiveness of the Board of Directors and overcome the transition period.

It's been one year since you were appointed as an outside director.

What attracted you to the company and made you take on the position of outside director?

Shiraishi I have two reasons. First, as an important player in the circular economy, we make significant contributions to the realization of social and environmental sustainability. This is also a theme that I have made my life's work of, and I was strongly attracted to our company, which is a leading company in this field. Another reason is that the spirit with which the company was founded has been firmly inherited.

Imajo As environmental issues become global issues, Japan seems to be a little behind, but we are playing a leading role in this process. I sympathized with the president's strong desire to transform waste disposal, a field that has not had a very good image in the past, into an industry that is recognized by society by operating it as a proper business. I also took on the role of outside director because I wanted to contribute to this transformation by taking advantage of my experience with major chemical companies and venture capital firms.



Outside Director

Keiji Imajo

He engaged in research and development and new business planning and development at Kanegafuchi Kagaku Kogyo Co., Ltd. (now Kaneka Corporation). Subsequently, he served as President and Chairman of Future Venture Capital Co., Ltd., and then, has served as an outside director of ENVIPRO HOLDINGS since 2023.



Outside Director
(Audit and Supervisory Committee)

Tomoya Shiraishi

He served as a representative director of Permira Advisors, Inc. and as a representative director of Social Investment Partners. He has served as an outside director of ENVIPRO HOLDINGS since 2023.



Looking back on the activities of the past year, how do you evaluate the effectiveness of the Board of Directors?

Shiraishi The Board of Directors has three functions: to make decisions on important matters, to ensure transparency and oversight of the process, and to consider medium- to long-term strategies. The Board of Directors needs to maintain a moderate distance from management execution, sometimes hold detailed discussions, and sometimes supervise medium- to long-term strategies from a broad perspective. In this regard, the culture of our Board of Directors has taken root in which the Chairman makes decisions while properly listening to everyone's opinions. In addition to reporting performance, there is also a strong opportunity to seek input from outside directors on ongoing projects and strategic considerations.

Imajo As an outside director, it is necessary to understand not only the overall management and supervision, but also the actual execution of business. With regard to this as well, our company provides sufficient information in advance, and we repeatedly explain the background of particularly important projects, so we have a system in place that allows us to make accurate judgments based on a thorough understanding of the situation. However, in the future, apart from the Board of Directors, there may be opportunities to discuss in more depth the achievements of the medium-term management plan in terms of performance and the action items to be executed during the plan period. The position of an outside director is not necessarily limited to the role of management and supervisor and brake, but also the role of supporting the executive side so that they can step on the accelerator with peace of mind. I think that we should move forward while varying our pace.

We will identify issues that should be seen directly and integrate them across the business.

What do you think we are lacking at the moment?

Shiraishi We have a lot of potential, and we have a clear vision of a circular economy, but I feel that the design of a specific strategy is a little naive. Although we have the ability to solve problems, there may be some points that have not been fully sublimated as issues.

Imajo For example, looking back over the past year, there have been important issues such as fire accidents, occupational accidents, and tax issues. While we commend the fact that appropriate responses were taken in each of these cases, we need to think deeply about why this situation occurred in the first place. Based on my experience in the manufacturing industry, I believe that occupational accidents and fires should never occur for any reason. In particular, accidents threatening human life should never occur. In the future, I think it is necessary to focus more on not only reactive response but also building a proactive safety management system.



How can we make up for our shortcomings and expand our business?

Shiraishi First, I think it is necessary to properly organize a wide range of current business areas and connect the businesses literally. Since the basic flow of picking, sorting, and processing is common in each business, it is necessary to share intellectual capital and know-how, for example, "The physical sorting ability of this business may be available in that business." Up until now, we have proceeded with a culture of working hard for each individual company, but I hope that we can create synergies between groups by passing through the sideways.

Imajo Yes. Compared to cases where each division of a company is spun off and a holding company structure is adopted, our company has an advantage in that each division is independent, but it does make it difficult to coordinate in some ways. For example, last year we acquired Nitto Kako Co., Ltd. through M&A. It is a manufacturer that makes and sells products. The methods of procuring raw materials differ significantly between traditional waste treatment and recycling businesses and manufacturers. I think it is also important to understand these differences in business models and how to operate and integrate them in order to expand our business in the future.



Risk-taking+Uniqueness leads to value creation.

How can we continue to grow in the future?

Shiraishi In recent corporate management, attention has turned to the "six capitals" of financial capital, intellectual capital, manufacturing capital, human capital, social and relationship capital, and natural capital. Our company is also unique in terms of social and relationship capital. We are building relationships with a variety of stakeholders, including partners who provide waste, local governments, partner companies that are responsible for commercialization, and even joint ventures. If we think of the circular economy as a kind of ecosystem, our company occupies an important position in that not only we, but multiple other companies use us to realize circular business. That means that it is very sustainable as a business. Taking advantage of this potential and steadily building relationships in a variety of regions and business fields without rushing will lead to the creation of corporate value.

Imajo In the field of innovation, two ideas that have been attracting attention in recent years are "effectuation" and "causation." Based on the premise that the future is unpredictable, effectuation, which emphasizes creating results using given resources and means, and causation, which ensures that the PDCA cycle is reliably executed, are both indispensable for corporate management. For factors that are difficult to control, such as exchange rates and market rates, PDCA alone cannot adequately respond to them. In order for a company of this size to grow further, I think it is important to strike a balance between the two.

Shiraishi Certainly, if you stick to the PDCA cycle too much, you may end up going in the wrong direction. We must properly review the plan itself and strategy, and work on the PDCA cycle after formulating tactics. In that sense, a "market price" that is not under the control of the company cannot be a KPI, and the profits obtained from market fluctuations are temporary. That's why I think we should value areas that we can control. If we are profitable in an area that we can control and are good at, it is a highly sustainable business. For example, the business of recovering precious metals from incineration ash is an added value created by our uniqueness by applying the strength of "physical sorting" that we have continued to refine in our business, and it is a business model that allows us to secure our spreads even if it is affected by the precious metal market. In addition, the container business of Cyterrace Co., Ltd. has also secured a strong position in the logistics industry and generated profits as a result of risk-taking by purchasing surplus containers as inventory. In other words, by combining appropriate risk-taking with our unique strengths, new value can be created. If we can maintain a competitive advantage at all times after properly analyzing its value, we should be able to establish a structure in which we will become an indispensable presence in the ecosystem.

Imajo Also, in the current situation where we are at the stage of expanding our business, I don't think it's necessarily good to just be selective and focused, but I think it's also important to make bold decisions about "doing what you have to do" and "not doing what you don't need to do." We are at an important turning point, and I feel that there are many areas for improvement, but we also have great potential for the future and are very much looking forward to it. As an outside director, I would like to continue to support sustainable growth.

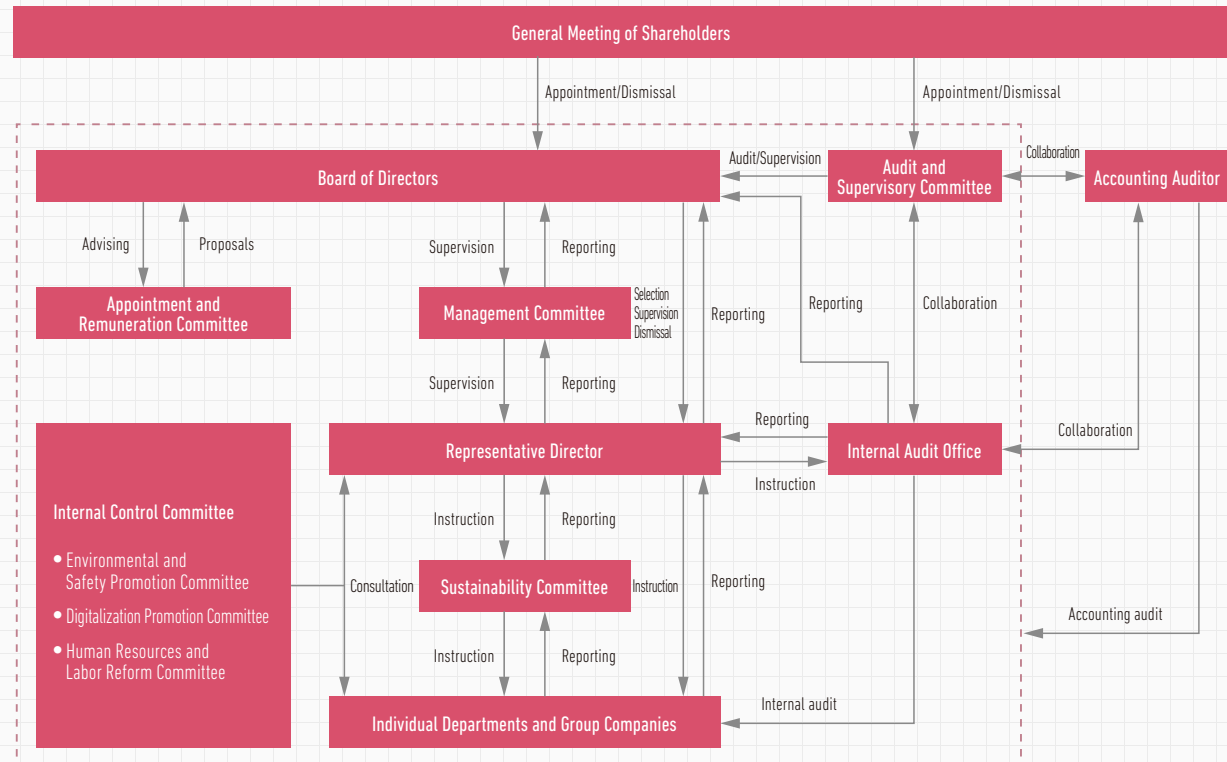


Supporting Sustainable Growth by Instilling Our Corporate Culture into Every Corner of the Organization

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
<p>01 Operation of Board of Directors meetings</p> <ul style="list-style-type: none"> • Are the materials, progress, explanations, etc. sufficient? 	<p>We will provide information to outside directors in particular in an early and smooth manner in order to secure time for prior deliberations.</p>
<p>02 Matters for discussion at Board of Directors meetings</p> <ul style="list-style-type: none"> • Are you able to participate appropriately in decisions on business strategies? 	<p>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.</p>
<p>03 Roles and responsibilities of the Board of Directors</p> <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.

Company Profile



Company Name	ENVIPRO HOLDINGS Inc.
Representative	Tomikazu Sano, President, Representative Director
Established	May 21, 2010
Capital	1,580,215,276 yen *As of January 31, 2025
Business	Management and operation of affiliated subsidiary companies and associated work

Group Companies	12 consolidated subsidiaries (including sub-subsidiaries), 2 equity-method affiliates
Number of Employees	68 on a non-consolidated basis (640 on a consolidated basis) *As of June 30, 2024
Listed Market	Tokyo Stock Exchange, Prime Market (Securities Code: 5698)
Address	<p>Head Office 87-1 Tanakacho, Fujinomiya-shi, Shizuoka, 418-0075 JAPAN TEL: +81-544-21-3160 FAX: +81-544-21-3163</p> <p>Tokyo Office Kyobashi RK Building 9F, 2-5-15 Kyobashi, Chuo-ku, Tokyo, 104-0031, JAPAN TEL: +81-3-6280-3938 FAX: +81-3-6264-4361</p>



Group Companies



ECONECOL Inc.

ECONECOL Inc. engages in the resource circulation business, centered on recycling of metals, plastics, and waste.

3507-19 Yamamiya, Fujinomiya-shi, Shizuoka, 418-0111
TEL: +81-544-58-5800 FAX: +81-544-58-5807



NEWSCON Inc.

Aiming to be "a company that brings the world closer together," NEWSCON Inc. contributes to international resource circulation through the global distribution and sales of resources such as ferrous scrap, non-ferrous metals, and biomass fuels.

Kyobashi RK Building 8F, 2-5-15 Kyobashi, Chuo-ku, Tokyo, 104-0031
TEL: +81-3-3528-6223 FAX: +81-3-3528-6224



Cyterrace Co., Ltd.

Cyterrace Co., Ltd. handles customs clearance, export procedures, container booking, and management at the loading yard on behalf of customers, serving as a one-stop service for worldwide cargo delivery.

Yokohama Aioi-cho Building 10F, 6-104 Aioi-cho, Naka-ku, Yokohama-shi, Kanagawa, 231-0012
TEL: +81-45-319-6125 FAX: +81-45-319-6126



ASTOCO Inc.

ASTOCO Inc. provides support services to help people with disabilities acquire knowledge and skills, stabilize their lives, and learn how to interact with society so that they can find a suitable job and become self-reliant.

2932-15, Niimura, Matsumoto-shi, Nagano, 390-1241
TEL: +81-263-31-6098 FAX: +81-263-31-6098



Nitto Kako Co., Ltd.

Manufactures and sells industrial rubber products and resin products, including recycled rubber that effectively utilizes rubber industrial resources. We will focus on product development for circular economy products.

6-1-3 Ichinomiya, Samukawa-machi, Koza-gun, Kanagawa, 253-0111
TEL: +81-467-74-3111 FAX: +81-467-74-4755



VOLTA Inc.

VOLTA Inc. is engaged in the collection and recycling of rare metals, such as nickel and cobalt, from lithium-ion battery and nickel hydrogen batteries.

55-1 Ohno, Fuji-shi, Shizuoka, 417-0848
TEL: +81-545-67-2522 FAX: +81-545-67-2523



Bright Innovation Co., Ltd.

Offers consulting services that support strategy development for the environment and sustainability fields in general, and business that proposes solutions such as renewable energy introduction.

ONE SHINKAWA 2F, 1-23-5, Shinkawa, Chuo-ku, Tokyo, 104-0033
TEL: +81-3-6280-3936 FAX: +81-3-6280-3937



ECODEMO Inc.

From clean up to dismantling and later use of land, we will also meet customer expectations with efficiency and value in safe and secure work.

3507-19 Yamamiya, Fujinomiya-shi, Shizuoka, 418-0111
TEL: +81-544-29-7863

J-Cycle Co., Ltd.

Contributes to the realization of the circular economy by procuring resources such as waste batteries from overseas and promoting the recycling of lithium-ion batteries in Japan.

43 Yamazaki, Hitachinaka-shi, Ibaraki, 311-1251
TEL: +81-29-229-3923 FAX: +81-29-229-3924

Equity-Method
Affiliate



ARBIZ Corporation

A joint venture with USS Co., Ltd. It is engaged in a recycling business that crushes and sorts various types of waste including scrap cars, adopting a unique system for turning waste into resources.

14-24, Showacho, Minato-ku, Nagoya-shi, Aichi, 455-0026
TEL: +81-52-619-6600 FAX: +81-52-619-6601

Equity-Method
Affiliate

Fuji Eco Cycle Co., Ltd.

A joint venture with five household appliance companies including FUJITSU GENERAL LIMITED, the company develops a home appliance recycling business to create a recycling-oriented society where the environment and economy are compatible.

1930-4 Nakagawa, Hosoe-cho, Hamana-ku, Hamamatsu-shi, Shizuoka, 431-1304
TEL: +81-53-523-1152 FAX: +81-53-523-1153



Resource Circulation Business



Global Trading Business



Lithium-ion Battery
Recycling Business

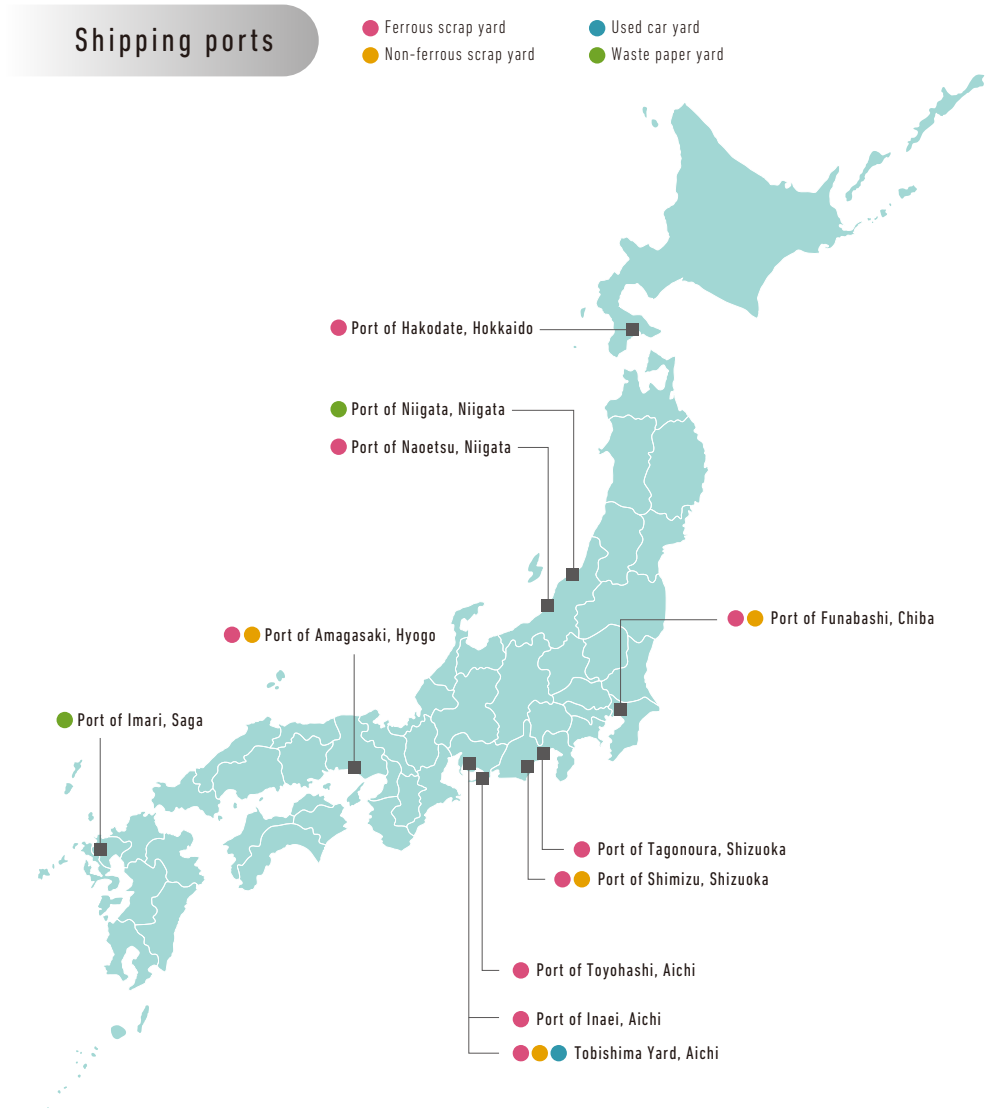
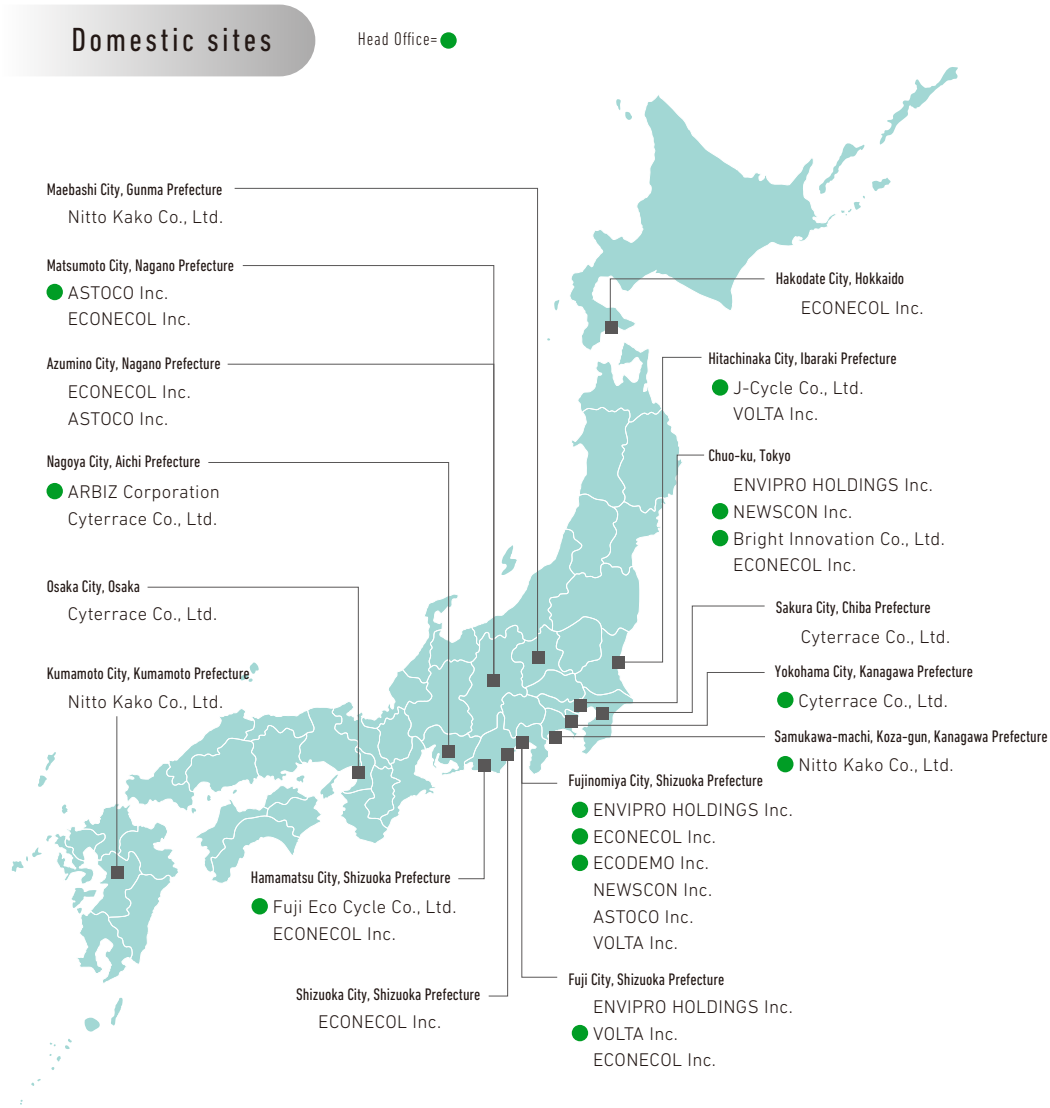


Welfare Service Business
for People with Disabilities



Environment Management Consulting

Locations (Domestic)



Financial and Non-Financial Data

Key Financial Data

For the Fiscal Year (Millions of yen)	Year ended June 2020	Year ended June 2021	Year ended June 2022	Year ended June 2023	Year ended June 2024
Net Sales	33,879	40,933	57,319	49,189	52,214
Ordinary Profit	934	2,508	4,166	1,901	1,782
Profit attributable to owners of parent	602	1,491	3,111	1,236	537
Marginal profit	6,632	8,023	9,968	8,744	9,996
EBITDA**	1,389	2,868	4,042	2,475	2,680
Capital investment	1,519	650	1,610	4,648	1,673
Cash flows from operating activities	2,632	▲252	3,873	2,332	2,940
Cash flows from investing activities	▲1,001	▲15	▲1,404	▲3,838	▲ 1,560
Cash flows from financing activities	5,897	▲2,866	▲765	▲92	▲ 1,931

As of Year-End (Millions of yen)	Year ended June 2020	Year ended June 2021	Year ended June 2022	Year ended June 2023	Year ended June 2024
Total assets	25,913	26,548	28,963	33,686	33,786
Net assets	12,012	13,333	16,219	16,825	17,038

Per-Share Information*2	Year ended June 2020	Year ended June 2021	Year ended June 2022	Year ended June 2023	Year ended June 2024
Net profit for the period (EPS) (Yen)	20.5	50.6	105.2	41.6	17.9
Net assets (BPS) (Yen)	395.8	428.9	533.0	551.7	553.5
Dividends (Yen)	5.0	12.5	25.0	14.0	6.0
Dividend payout ratio	24.4%	24.7%	23.8%	33.6%	33.6%

Financial Indicators	Year ended June 2020	Year ended June 2021	Year ended June 2022	Year ended June 2023	Year ended June 2024
Return on invested capital (ROIC)*3	3.2%	8.8%	13.9%	5.5%	5.8%
Return on equity (ROE)	5.3%	12.1%	21.6%	7.7%	3.2%
Net profit margin	1.8%	3.6%	5.4%	2.5%	1.0%
Total asset turnover (times)	1.5	1.6	2.1	1.6	1.5
Financial leverage (times)	2.0	2.1	1.9	1.9	2.0
Equity ratio	45.0%	48.8%	54.6%	48.6%	49.5%
D/E ratio (times)	0.7	0.8	0.6	0.6	0.6
Overseas sales ratio	65.3%	51.8%	47.6%	45.8%	39.6%

Other	Year ended June 2020	Year ended June 2021	Year ended June 2022	Year ended June 2023	Year ended June 2024
Price-earnings ratio (PER) (times)	14.2	12.1	7.5	13.3	26.8
Price-block ratio (PBR) (times)	0.7	1.4	1.5	1.0	0.9

*1 EBITDA = operating profit + depreciation + amortization of goodwill

*2 The company conducted a two-for-one split of common stock with April 20, 2022 as the effective date. Per-share information is calculated as if the stock split had occurred at the start of the fiscal year ended June 2020.

*3 ROIC = (ordinary profit × (1 - effective tax rate)) / (equity + interest-bearing liabilities)

Non-Financial Data

Human Resources and Occupational Safety Data	Year ended June 2020	Year ended June 2021	Year ended June 2022	Year ended June 2023	Year ended June 2024
Number of regular employees	444	470	498	632	640
Men	356	377	393	509	509
Women	88	93	105	123	131
Number of managerial positions	66	76	79	82	105
Men	62	71	73	74	96
Women	4	5	6	8	9
Ratio of women in managerial positions	6.1%	6.6%	7.6%	9.8%	8.6%
Average age (years old)	38 years old, 1 month	38 years old, 6 months	38 years old, 7 months	41 years old, 9 months	41 years old, 9 months
Men	38.6	38.9	39.1	42.4	42.7
Women	36.0	37.1	37.0	38.8	38.2
Average number of years of continuous service	7 years, 2 months	7 years, 4 months	7 years, 5 months	7 years, 7 months	10 years, 3 months
Men	7 years, 4 months	7 years, 2 months	7 years, 3 months	8 years, 2 months	11 years, 0 months
Women	5 years, 0 months	5 years, 2 months	5 years, 2 months	6 years, 4 months	7 years, 7 months
Retention rate	89.7%	91.4%	88.3%	89.7%	89.4%
Number of new recruits	6	7	17	4	10
Men	4	7	11	3	6
Women	2	0	6	1	4
Number of people taking childcare leave	6	8	5	2	8
Men	0	1	2	1	4
Women	6	7	3	1	4
Childcare leave utilization rate					
Men	0%	6%	17%	8%	44%
Women	100%	100%	100%	100%	100%
Number of people working shorter hours due to childcare*4	2	4	3	1	5
Men	0	0	0	0	1
Women	2	4	3	1	4
Number of people returning from childcare leave	3	9	6	3	5
Men	0	1	2	2	3
Women	3	8	4	1	2
Childcare leave return rate					
Men	-	100%	100%	67%	100%
Women	100%	100%	80%	100%	100%
Number of regular employees on reduced working hours*5	-	-	-	-	5
Men	-	-	-	-	0
Women	-	-	-	-	5
Employment rate of people with disabilities	4.1%	4.3%	3.8%	4.1%	3.1%
Number of accidents	63	57	62	72	39
Number of occupational accidents	13	13	14	12	9

*4 Up until 2023, the number of employees who returned from childcare leave during the period and used the childcare reduced working hours system was calculated.

From 2024, we calculate the number of employees using the childcare reduced working hour system at the end of the fiscal year.

*5 The implementation of the reduced working-hour system for regular employees began on July 1, 2023.

Inquiries:

ENVIPRO HOLDINGS Inc.

Corporate Management Department

87-1 Tanakacho, Fujinomiya-shi, Shizuoka, 418-0075 JAPAN

TEL +81-544-21-3161

<https://www.envipro.jp/en/>