

Financial Results Briefing Materials for the Nine Months Ended March 31, 2022

Enviro Holdings Inc.
May 13, 2022



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1 . Financial Overview for the Nine Months Ended
March 31, 2022

Highlights for the Nine Months Ended March 31, 2022



Consolidated Financial Results

Net sales	¥40,615 million	(Up 51.1% YoY)
Operating profit	¥2,306 million	(Up 84.4% YoY)
Ordinary profit	¥2,767 million	(Up 88.5% YoY)
Profit*	¥1,973 million	(Up 187.6% YoY)

Main Topics

- The average ferrous scrap price (Tokyo Steel (Tahara) Tokkyu Grade Seaborne Price) during the period was ¥53,735, trending upward from ¥32,231 of the same period of the previous fiscal year.
- The average market prices of copper, aluminum, nickel and cobalt also increased above those of the same period of the previous fiscal year.
- The prices of raw materials in general are rising, due to concerns over the supply of semi-finished steel products and other products as a result of the situation in Russia and Ukraine.
- In relation to the movement toward a decarbonized society, the evaluation of use of recycled resource improved due to its effectiveness in reducing CO₂ emissions.
- Soaring ocean freight rates due to difficulties in booking freighters because of worldwide shortage of shipping containers etc.
- In the Lithium-ion Battery Recycling Business, in addition to rising prices of cobalt and increase in purchase amount from leading battery manufacturers, etc., progress was made in the development of collection, production, analysis, and sales systems.
- Announced a plan to build a new plant (to be completed in December 2022, total investment approximately ¥1.8 billion).

*Profit : Profit attributable to owners of parent
(Amounts and quantities are rounded down. The percentages are rounded off.)

Summary of Consolidated Statements of Income



ENVIPRO

(million yen)

	June/2021 1Q-3Q	June/2022 1Q-3Q	YoY	
	Actual	Actual	Increase/ Decrease	Ratio
Net sales	26,874	40,615	13,740	51.1%
Gross profit	5,536	7,539	2,002	36.2%
Operating profit	1,250	2,306	1,055	84.4%
Ordinary profit	1,467	2,767	1,299	88.5%
Profit before income taxes	1,050	2,781	1,731	164.9%
Profit*	686	1,973	1,287	187.6%
Marginal profit*	5,503	6,992	1,489	27.1%
EBITDA*	1,814	2,821	1,006	55.5%
Fixed costs*	4,269	4,594	325	7.6%

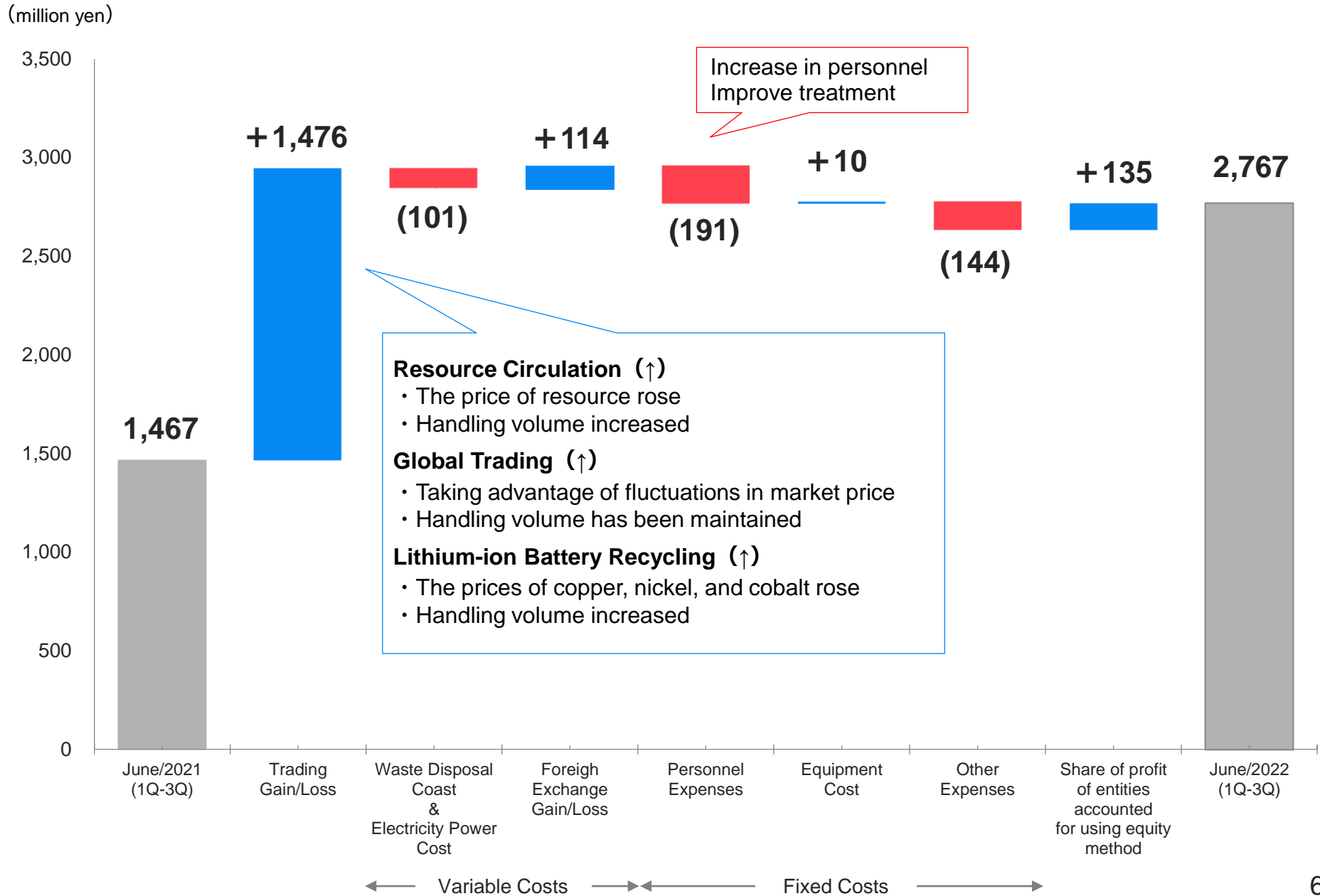
* Profit= Profit attributable to owners of the parent

* Marginal profit=Net sales - Variable costs

* EBITDA = Operating profit + Depreciation + Amortization of goodwill

* Fixed costs = [Cost of sales · Selling, General & administrative expenses · fixed cost equivalency of Non-operating expenses] –
[Foreign exchange gains · non-operating income except equity method profit]

Analysis of Difference in Consolidated Ordinary Profit (YoY)



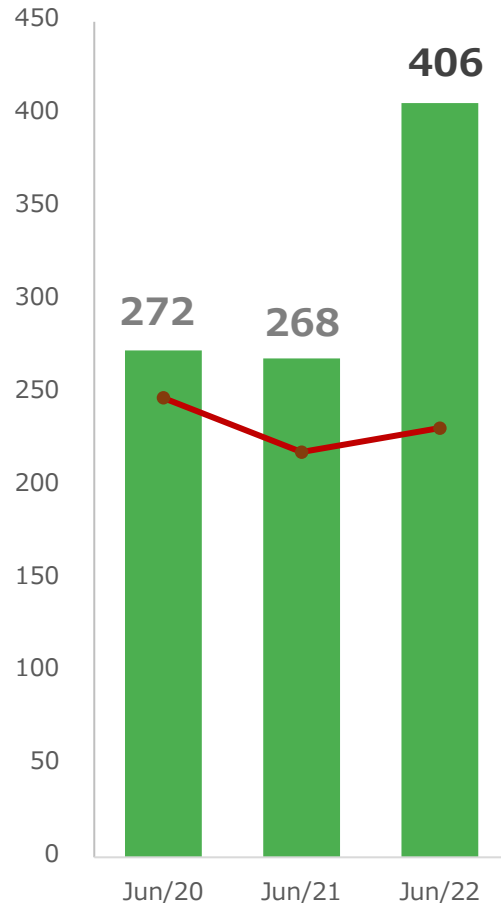
Consolidated Financial Results



Net sales (Handling volume)

Up 51.1% (YoY)

(100 million yen)

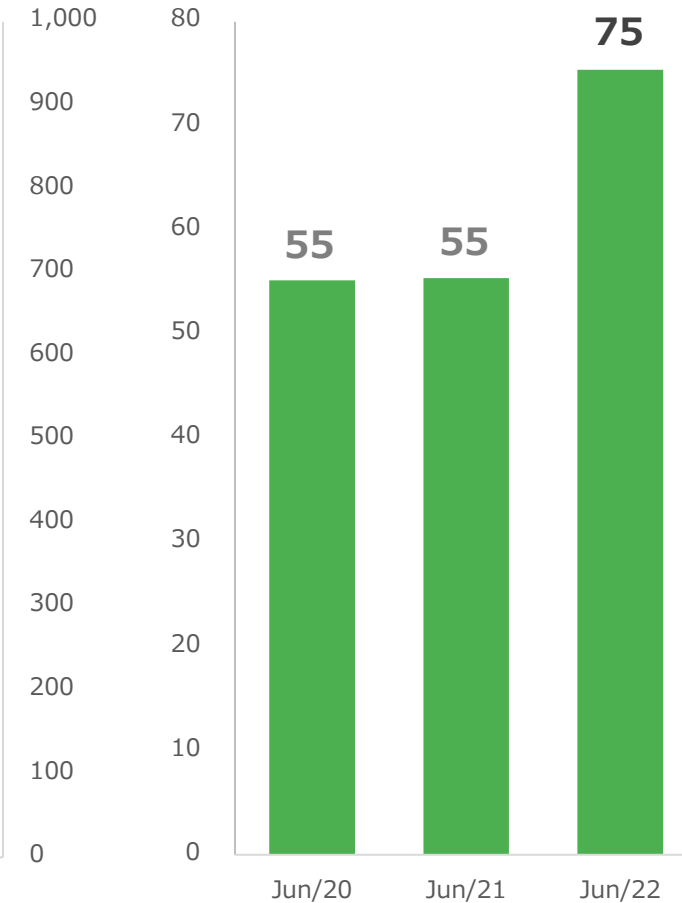


■ 1Q-3Q
● handling volume(1Q-3Q)

Gross profit

Up 36.2% (YoY)

(1,000 t) (100 million yen)

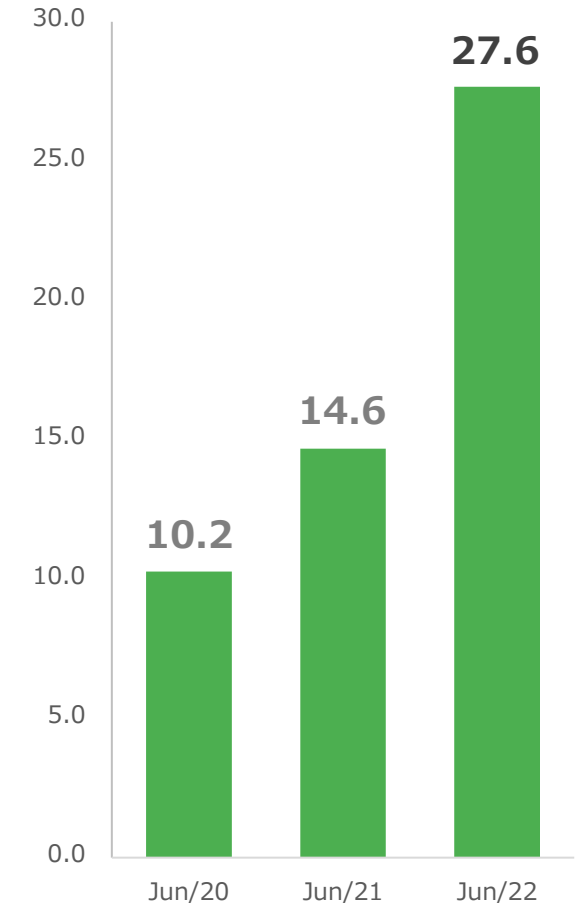


■ 1Q-3Q

Ordinary profit

Up 88.5% (YoY)

(100 million yen)



■ 1Q-3Q

Summary of Business Results by Segment



(million yen)

Net sales	June/2021 1Q-3Q	June/2022 1Q-3Q			
	Actual	Actual	YoY		Composition Ratio
			Increase/ Decrease	Ratio	
Consolidated	26,874	40,615	13,740	51.1%	100.0%
Resource Circulation Business	9,720	15,022	5,302	54.6%	32.5%
Global Trading Business	19,828	29,977	10,148	51.2%	65.0%
Lithium-ion Battery Recycling Business	194	785	591	304.2%	1.7%
Others	267	367	100	37.5%	0.8%
Adjustment	(3,135)	(5,537)	(2,401)	-	-

Segment profit	June/2021 1Q-3Q	June/2022 1Q-3Q			
	Actual	Actual	YoY		Composition Ratio
			Increase/ Decrease	Ratio	
Consolidated	1,467	2,767	1,299	88.5%	100.0%
Resource Circulation Business	1,356	2,116	759	56.0%	69.0%
Global Trading Business	428	578	149	35.0%	18.9%
Lithium-ion Battery Recycling Business	(104)	249	353	-	8.1%
Others	70	124	54	77.2%	4.0%
Adjustment	(283)	(301)	(17)	-	-

Summary of Business Results by Segment



ENVIPRO

(million yen)

		June/2021		June/2022		
		1Q-3Q		1Q-3Q		
		Actual	Actual	YoY		Composition Ratio
Increase/Decrease	Ratio					
Resource Circulation Business	Net sales	9,720	15,022	5,302	54.6%	32.5%
	Segment profit	1,356	2,116	759	56.0%	69.0%
	<ul style="list-style-type: none"> ➤ The average market prices of the ferrous scrap and nonferrous metals increased from the same period of the previous fiscal year. ➤ The profitability of resource recycling increased against the backdrop of physical sorting technologies. ➤ The price gap between high-grade and low-grade scraps temporarily widened as demand for high-grade ferrous scraps produced from large-scale shredders increased. ➤ Handling volume increased due to the impact of purchasing ferrous scrap discharged from large-scale demolition properties. 					
Global Trading Business	Net sales	19,828	29,977	10,148	51.2%	65.0%
	Segment profit	428	578	149	35.0%	18.9%
	<ul style="list-style-type: none"> ➤ The export environment for metal scrap, which had deteriorated in the second quarter continued to pick up in the third quarter under review due to the resumption of economic activity and the depreciation of the yen. ➤ Soaring ocean freight rates due to difficulties in booking freighters because of shortage of shipping containers, etc. ➤ Revenue was secured by capturing domestic demand and taking advantage of price fluctuations in sales. ➤ Revenue was secured by passing on prices in our logistics agency services and increasing use of roll-on/roll-off ship, etc. 					

Summary of Business Results by Segment



ENVIPRO

(million yen)

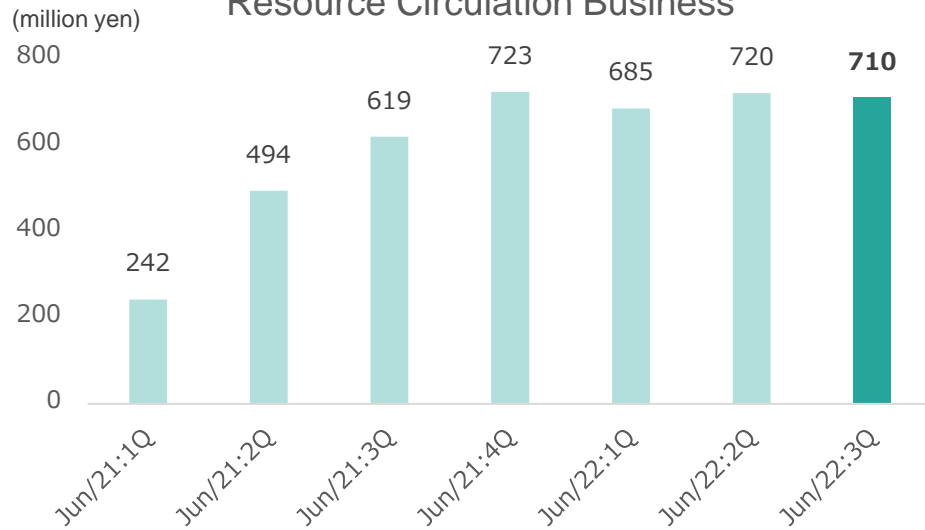
		June/2021	June/2022			
		1Q-3Q	1Q-3Q			Composition Ratio
		Actual	Actual	YoY		
			Increase/Decrease	Ratio		
Lithium-ion Battery Recycling Business	Net sales	194	785	591	304.2%	1.7%
	Segment profit	(104)	249	353	-	8.1%
Others	Net sales	267	367	100	37.5%	0.8%
	Segment profit	70	124	54	77.2%	4.0%
						<p>➤ Handling volume increased due to purchasing from leading battery manufacturers, and contracts of waste batteries processing by making use of the disposal business license.</p> <p>➤ The market prices of copper, nickel, and cobalt rose above those seen in the same period of the previous fiscal year.</p> <p>➤ Increase in black mass* production.</p> <p>➤ Increase in revenue due to decrease in depreciation resulting from impairment loss implemented in the previous fiscal year.</p>
						<p>«Environment Management Consulting Business»</p> <p>➤ Revenue was secured by a strong stream of orders of consulting to a circular economy, etc., CDP evaluation improvement support, formulation of carbon neutral strategies and TCFD response support.</p> <p>«Welfare Service Business for People with Disabilities»</p> <p>➤ Profitability worsened due to the revision of compensation and personnel expenses increased owing to the improved employee treatment.</p> <p>➤ Bright Musashi Kosugi Pre-employment transition support program facility was closed at the end of February 2022.</p>

*Black mass : Cobalt and nickel concentrate containing carbon

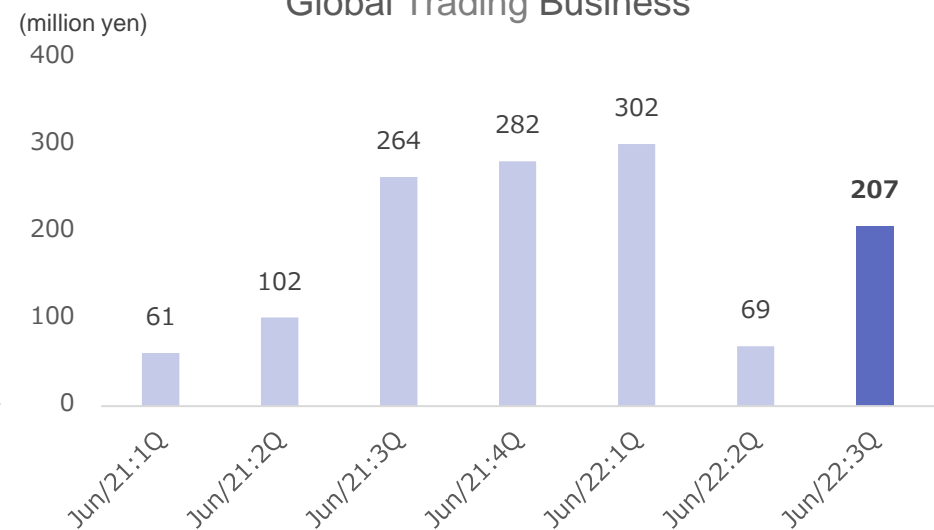
Quarterly Ordinary Profit by Segment



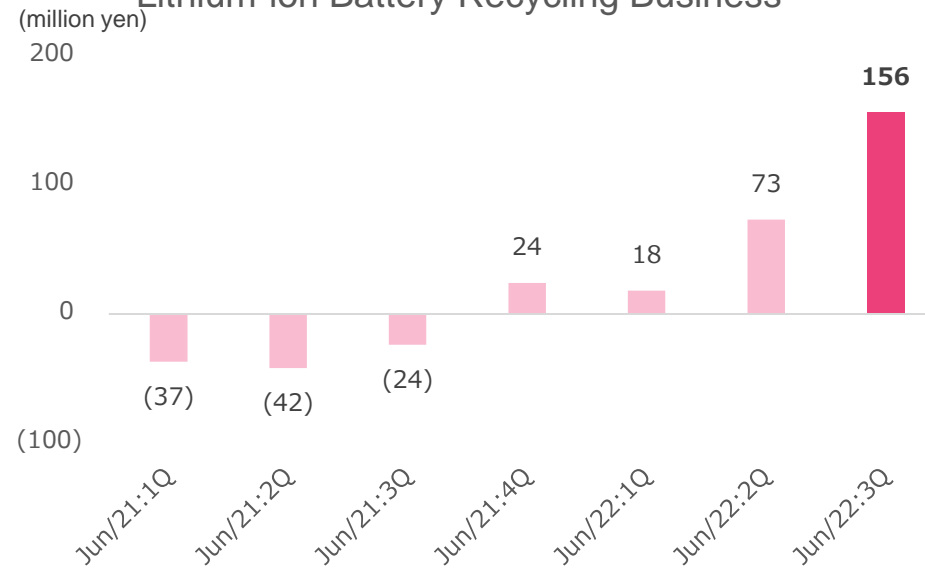
Resource Circulation Business



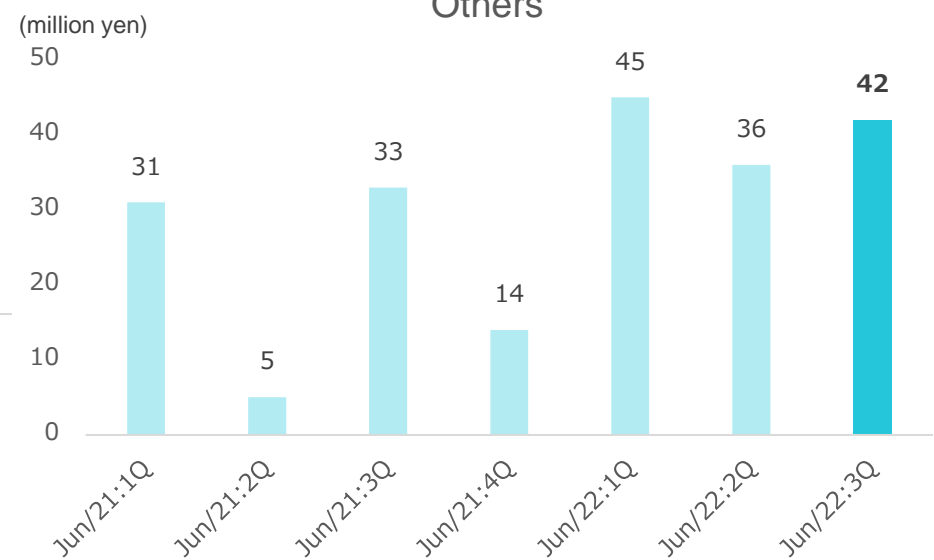
Global Trading Business



Lithium-ion Battery Recycling Business



Others



Summary of Consolidated Balance Sheets



(million yen)

	As of June 30 2021	As of Mar 31 2022	Increase/ Decrease		As of June 30 2021	As of Mar 31 2022	Increase/ Decrease
Current assets	17,500	19,168	1,667	Current liabilities	9,765	11,032	1,267
Non-current assets	9,048	9,765	717	Non-current liabilities	3,450	2,875	(575)
(Property, plant and equipment)	6,119	6,452	333	Total liabilities	13,215	13,907	691
(Intangible assets)	66	98	32	Net assets	13,333	15,026	1,692
(Investments and other assets)	2,862	3,214	352	(Equity)	12,959	14,614	1,655
Total assets	26,548	28,933	2,384	Total liabilities and net assets	26,548	28,933	2,384

Main Topics (Change from June 30, 2021)

- Current assets (Cash and deposits: ¥476million, Merchandise and finished goods: ¥953million, Notes and accounts receivable-trade: -¥185million)
- Non-current assets (Investment securities: ¥364million, Construction in progress: ¥296million, Land: ¥164million)
- Current liabilities (Short-term borrowings: ¥1,120million, Notes and accounts payable-trade: ¥308million, Other current liabilities: -¥275million)
- Non-current liabilities (Long-term borrowings: -¥540million)
- Equity ratio 50.5% (48.8% as of June 30, 2021)

2. Forecast for the Fiscal Year Ending June 30, 2022

Forecast for the Consolidated Results for the Fiscal Year Ending June 30, 2022



Forecast for Consolidated Results revised upward again since the prior forecast on March 28.

Forecast for the Consolidated Results

Net sales	¥57,000 million	(Up 39.2% YoY)
Operating profit	¥3,310 million	(Up 55.4% YoY)
Ordinary profit	¥4,000 million	(Up 59.5% YoY)
Profit*	¥2,870 million	(Up 92.4% YoY)

Main Topics

- Tight supply-demand balance for metal scrap is predicted although uncertainties continue to persist due to the COVID-19 pandemic and heightened geopolitical risks.
- In relation to the movement toward a decarbonized society, the evaluation of use of recycled resource improved due to its effectiveness in reducing CO₂ emissions.
- Ferrous scrap, copper, gold, silver, nickel and cobalt prices exceeded initial assumptions.
- The profitability of resource recycling increased against the backdrop of physical sorting technologies due to rising resource prices.
- The export environment for metal scrap to China and Southeast Asia, which had deteriorated in the second quarter, is expected to continue to pick up from the third quarter.
- The profitability of Lithium-ion Battery Recycling Business increased due to increase in handling volume and higher resource prices.
- Demand for climate change-related and circular economy consulting is continuing.
- Continue to improve productivity and reduce fixed costs by reviewing General and administrative expenses.

*Profit: Profit attributable to owners of the parent

*Gold, silver and copper sediment sludge: a mix of gold, silver, copper, platinum, and palladium

Forecast for the Consolidated Results for the Fiscal Year Ending June 30, 2022



Changes in prerequisites

Item	1Q Average	2Q Average	3Q Average	4Q Prerequisites
Ferrous scrap	¥49,461/t	¥55,070/t	¥56,738/t	¥63,000/t (¥50,000/t)
Electrolytic copper	¥1,080,366/t	¥1,148,866/t	¥1,211,233/t	¥1,250,000/t (¥1,000,000/t)
Gold	¥6,368/g	¥6,585/g	¥7,039/g	¥7,800/g (¥6,000/g)
Silver	¥87,844/kg	¥86,649/kg	¥90,819/kg	¥95,000/kg (¥85,000/kg)
Nickel	¥2,279/kg	¥2,426/kg	¥3,449/kg	¥3,800/kg (¥1,800/kg)
Cobalt	¥5,956/kg	¥7,458/kg	¥9,205/kg	¥9,800/kg (¥4,650/kg)
Exchange rate (¥/US\$)	¥110	¥113	¥116	¥126 (¥105)

Sources: Tokyo Steel manufacturing Co., Ltd., JX Nippon Mining & Metals Corporation, IRuniverse Co., Sangyo Press Co., Ltd., MUFG Bank, Ltd.

*Figures in parentheses represent prerequisites at the August 11, 2021 announcement

Forecast for the Consolidated Results for the Fiscal Year Ending June 30, 2022



(million yen)

	June/2021 Full year	June/2022 Full year			June/2022 Full year		
	Actual	Revised forecast (May 13, 2022)	YoY		Prior forecast (March 28, 2022)	Change from prior forecast	
			Increase/ Decrease	Ratio		Increase/ Decrease	Ratio
Net sales	40,933	57,000	16,066	39.2%	55,000	2,000	3.6%
Gross profit	8,364	10,580	2,215	26.5%	-	-	-
Operating profit	2,130	3,310	1,179	55.4%	2,720	590	21.7%
Ordinary profit	2,508	4,000	1,491	59.5%	3,200	800	25.0%
Profit before income taxes	2,101	4,010	1,908	90.8%	-	-	-
Profit*	1,491	2,870	1,378	92.4%	2,300	570	24.8%
Marginal profit*	8,023	9,730	1,706	21.3%	-	-	-
EBITDA*	2,868	4,020	1,151	40.1%	-	-	-
Fixed costs*	5,895	6,260	364	6.2%	-	-	-
ROE	12.1%	20.2%	8.1%	66.6%	-	-	-

* Profit= Profit attributable to owners of the parent

* Marginal profit=Net sales - Variable costs

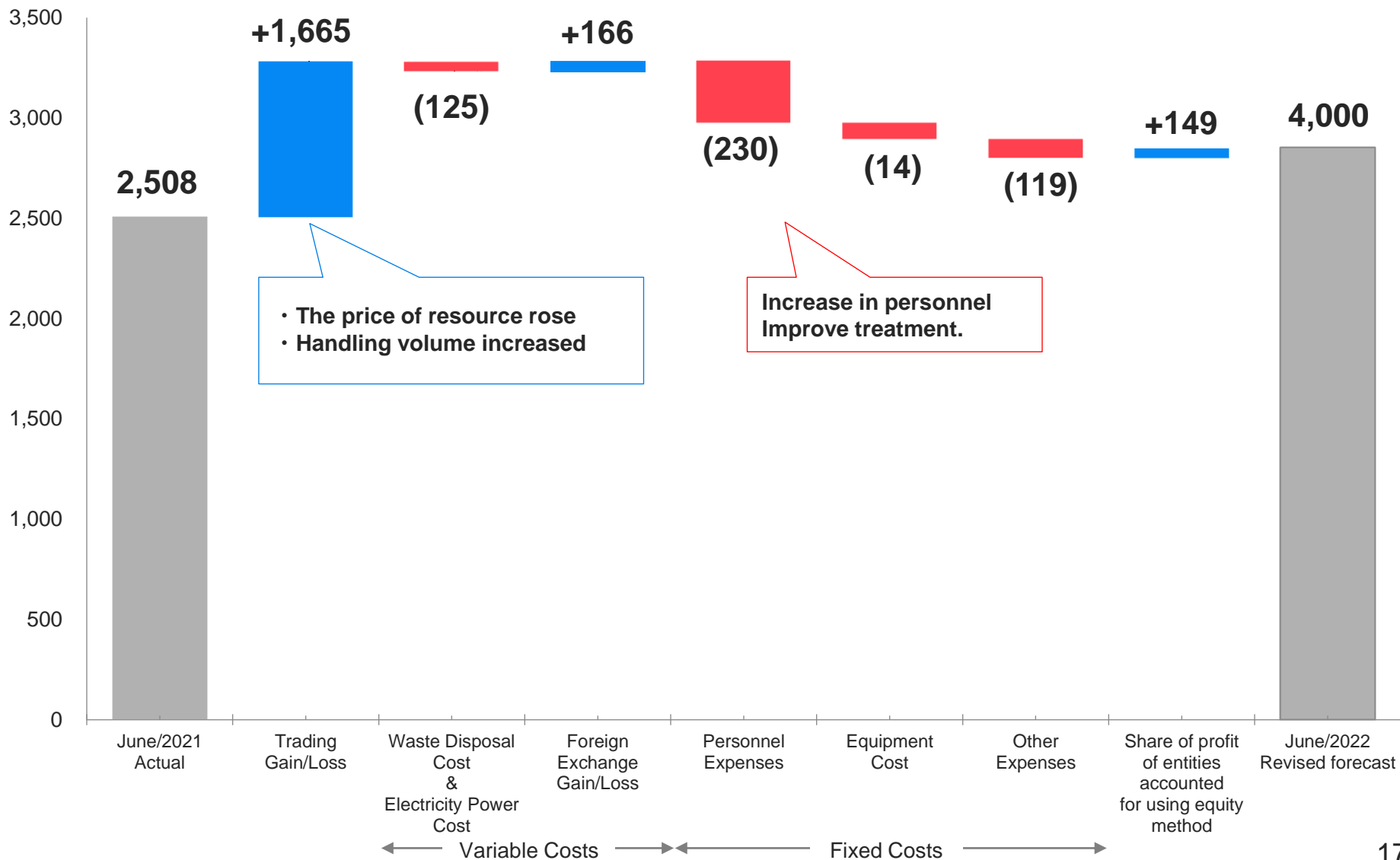
* EBITDA = Operating profit + Depreciation + Amortization of goodwill

* Fixed costs = [Cost of sales · Selling, General & administrative expenses · fixed cost equivalency of Non-operating expenses] –
[Foreign exchange gains · non-operating income except equity method profit]

Analysis of Difference in Consolidated Ordinary Profit (YoY)

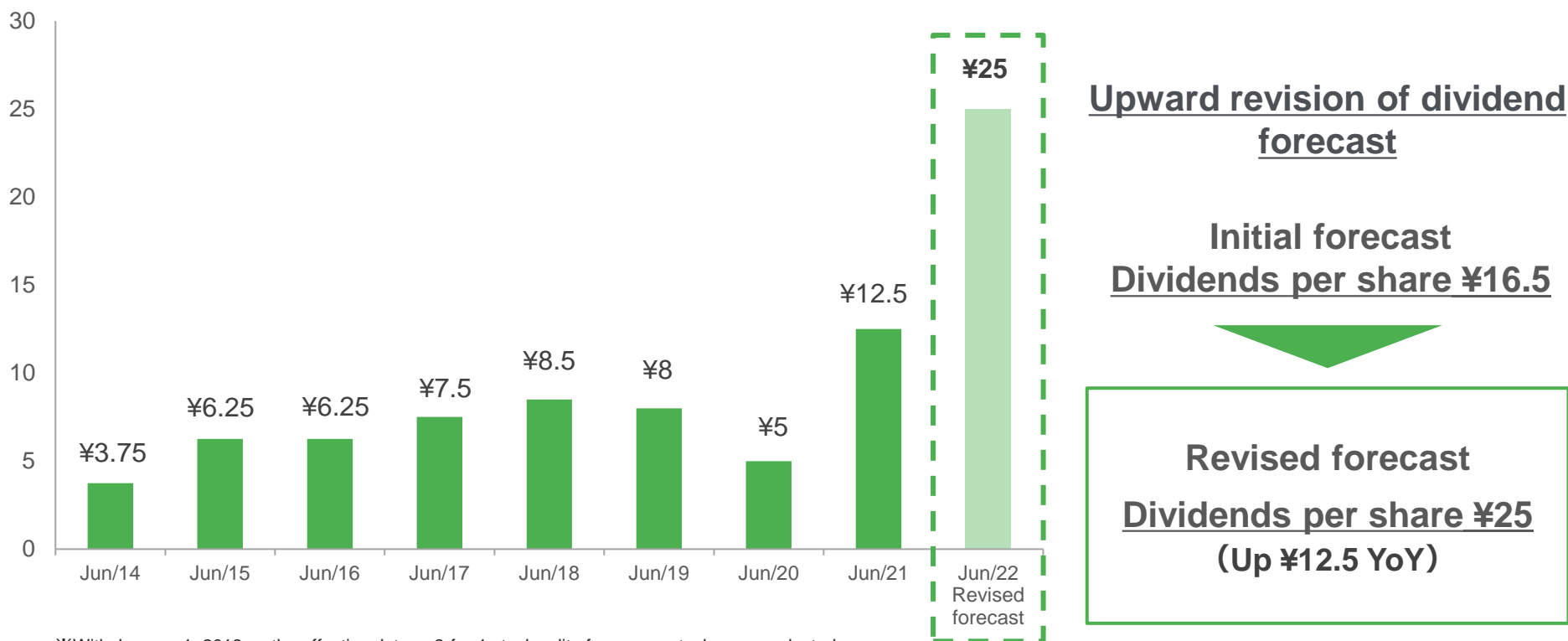


(million yen)



Our basic dividend Policy

- The Company has set a basic policy of providing stable and continuous profit returns to shareholders from a long-term perspective while comprehensively taking into consideration of internal reserves, etc.
- The Company will set a target consolidated payout ratio of 20-30% as an indicator of performance-based profit sharing.
- Even if the annual dividend determined based on the above-mentioned consolidated payout ratio is less than ¥5 per share, the Company shall strive to maintain a stable annual dividend of ¥5 per share.



※With January 1, 2018 as the effective date, a 2-for-1 stock split of common stock was conducted.

With April 20, 2022 as the effective date, a 2-for-1 stock split of common stock was conducted.

Dividends per share are calculated, assuming that the stock split has been in effect since before the fiscal year ended June 30, 2014.

3. Reference Data

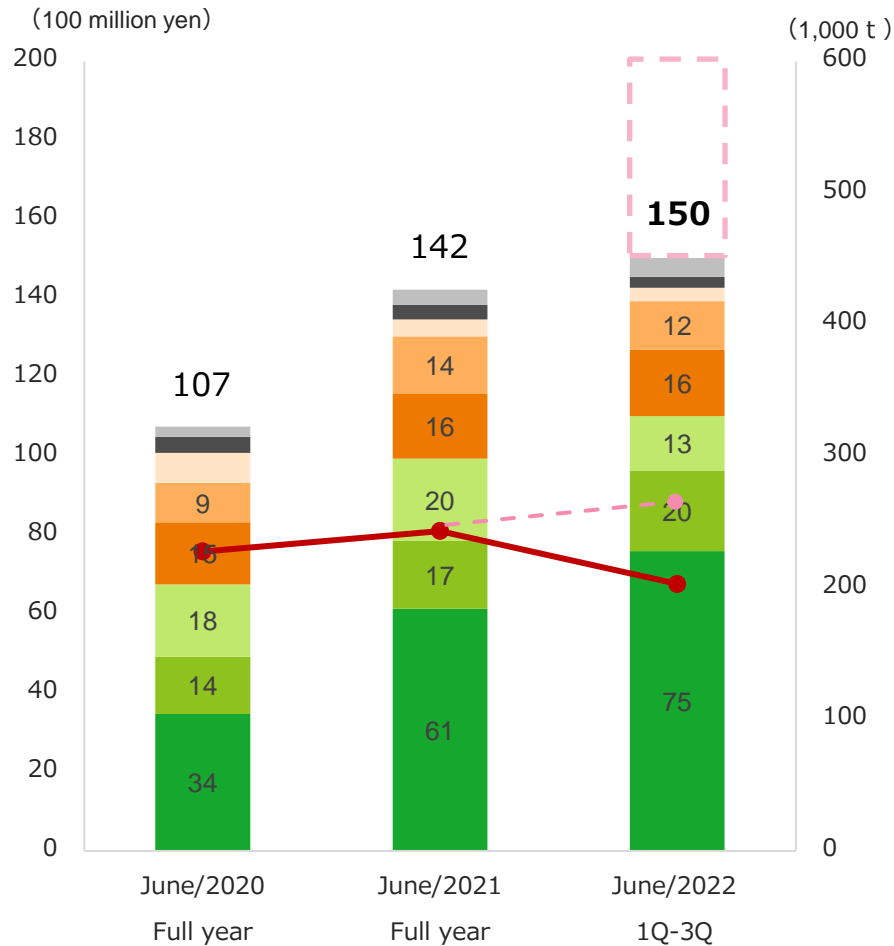
By Segment: Net sales by Material



Resource Circulation Business

Net sales and Total handling volume by material

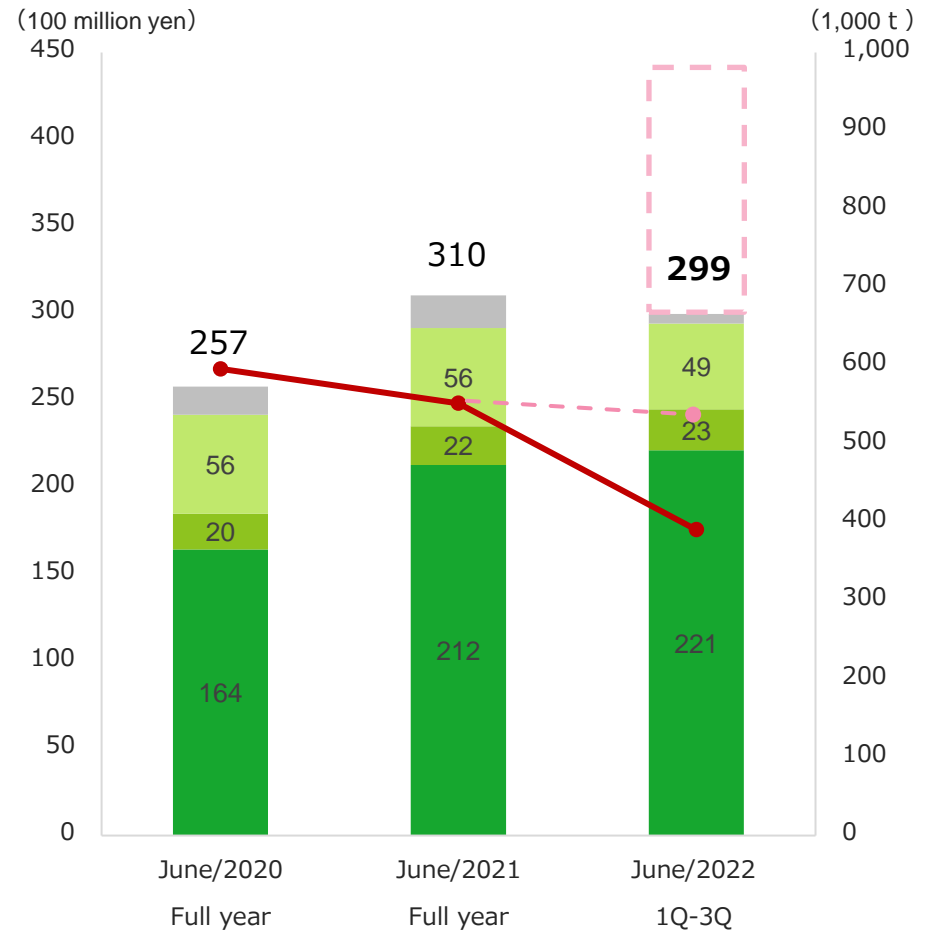
- Ferrous scrap
- Waste disposal fee
- Gold and silver, etc.
- RPF, Waste paper, etc.
- Total handling volume
- Nonferrous metal scrap
- Rubber products
- Dismantling and cleaning, etc.
- Others



Global Trading Business

Net sales and Total handling volume by material

- Ferrous scrap
- Used car
- Total handling volume
- Nonferrous metal scrap
- Others



- - - : 1Q-4Q forecast

Consolidated: Handling volume by material · Net sales by area



Handling volume by material

(1,000 t)

Item	June/2020 Full year	June/2021 Full year	June/2022 1Q-3Q
Ferrous scrap	601	578	424
Nonferrous metal scrap	33	21	14
Gold, silver & copper sediment sludge*	2	3	2
Rubber products	12	10	10
RPF, Waste paper, etc.	46	57	41
Black mass, etc.*	—	0.6	0.6
Others	23	20	19
Total	719	693	514

(kg)

Item (Precious metals collected)	June/2020 Full year	June/2021 Full year	June/2022 1Q-3Q
Gold	70	71	47
Silver	1,069	1,244	811

Net sales by area

(100 million yen)

Area	June/2020 Full year	June/2021 Full year	June/2022 1Q-3Q	
East Asia	Japan	117	197	213
	Korea	82	73	90
	Taiwan	8	13	2
	Others	3	8	5
Southeast Asia	Vietnam	60	93	66
	Others	33	13	6
South Asia	India etc.	4	3	4
West Asia	UAE etc.	6	1	6
South America	Chile etc.	8	2	6
Africa	Uganda etc.	3	1	1
Others	—	10	0	1
Total	338	409	406	

*Gold, silver and copper sediment sludge: A mix of gold, silver, copper, platinum, and palladium

*Black mass : Cobalt and nickel concentrate containing carbon

Quarterly Business Results by Segment



(million yen)

Segment		June/2021						June/2022				
		1Q	2Q	3Q	4Q	Full year	Composition ratio	1Q	2Q	3Q	1Q-3Q	Composition ratio
Resource Circulation Business	Net sales	2,795	3,194	3,730	4,496	14,216	30.9%	4,762	5,129	5,130	15,022	32.5%
	Ordinary profit	242	494	619	723	2,080	74.4%	685	720	710	2,116	69.0%
	Ordinary profit ratio	8.7%	15.5%	16.6%	16.1%	14.6%	—	14.4%	14.0%	13.9%	14.1%	—
Global Trading Business	Net sales	5,356	6,914	7,558	11,204	31,033	67.5%	11,109	9,123	9,743	29,977	65.0%
	Ordinary profit	61	102	264	282	711	25.4%	302	69	207	578	18.9%
	Ordinary profit ratio	1.2%	1.5%	3.5%	2.5%	2.3%	—	2.7%	0.8%	2.1%	1.9%	—
Lithium-ion Battery Recycling Business	Net sales	62	62	68	162	356	0.8%	147	229	409	785	1.7%
	Ordinary profit	(37)	(42)	(24)	24	(80)	(2.9%)	18	73	156	249	8.1%
	Ordinary profit ratio	—	—	—	15.0%	—	—	12.9%	32.2%	38.3%	31.7%	—
Others	Net sales	94	71	100	86	354	0.8%	127	116	123	367	0.8%
	Ordinary profit	31	5	33	14	84	3.0%	45	36	42	124	4.0%
	Ordinary profit ratio	32.8%	8.2%	33.0%	16.3%	23.8%	—	35.9%	30.9%	34.5%	33.8%	—
Adjustment	Net sales	(870)	(1,066)	(1,198)	(1,891)	(5,026)	—	(1,853)	(1,649)	(2,034)	(5,537)	—
	Ordinary profit	(81)	(63)	(138)	(3)	(287)	—	(130)	(60)	(110)	(301)	—
	Ordinary profit ratio	—	—	—	—	—	—	—	—	—	—	—
Total	Net sales	7,439	9,176	10,259	14,058	40,933	100.0%	14,292	12,950	13,372	40,615	100.0%
	Ordinary profit	216	496	754	1,040	2,508	100.0%	921	838	1,007	2,767	100.0%
	Ordinary profit ratio	2.9%	5.4%	7.4%	7.4%	6.1%	—	6.4%	6.5%	7.5%	6.8%	—

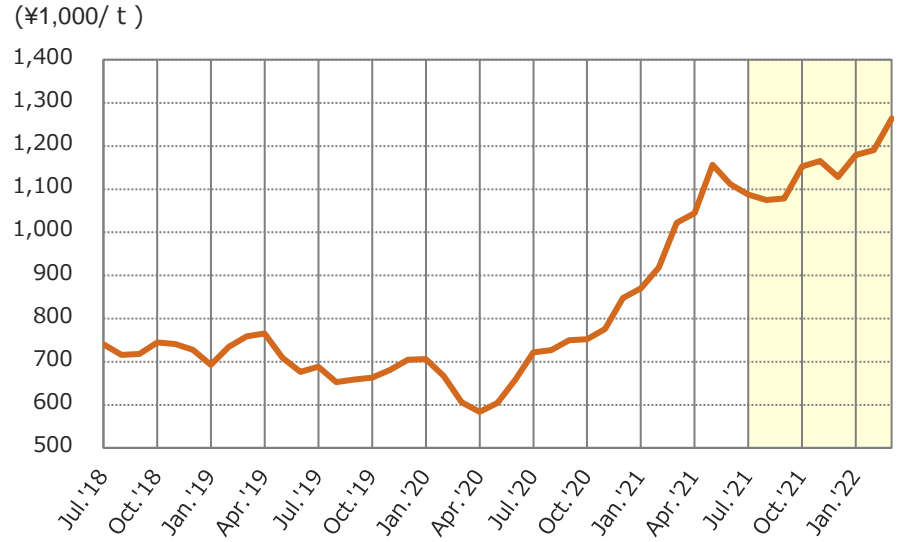
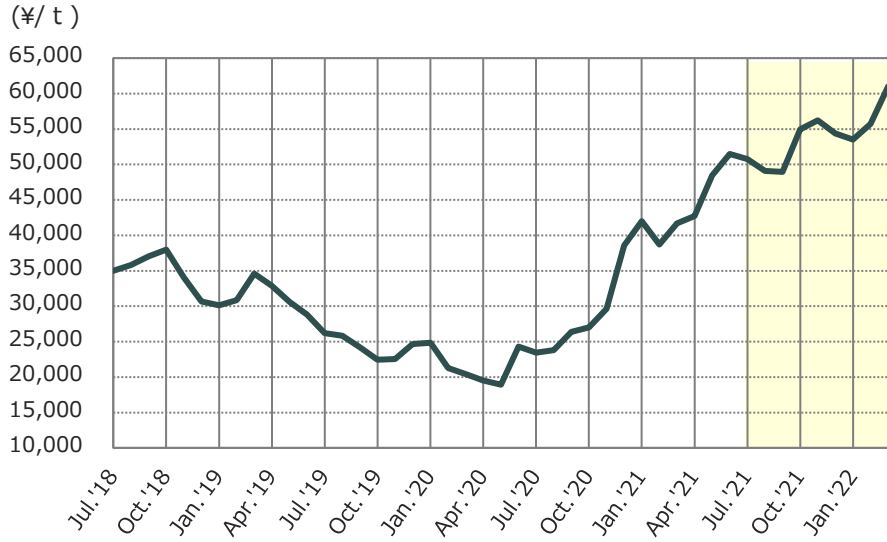
*Segment profit(loss) is stated as ordinary profit.

Market Price ①



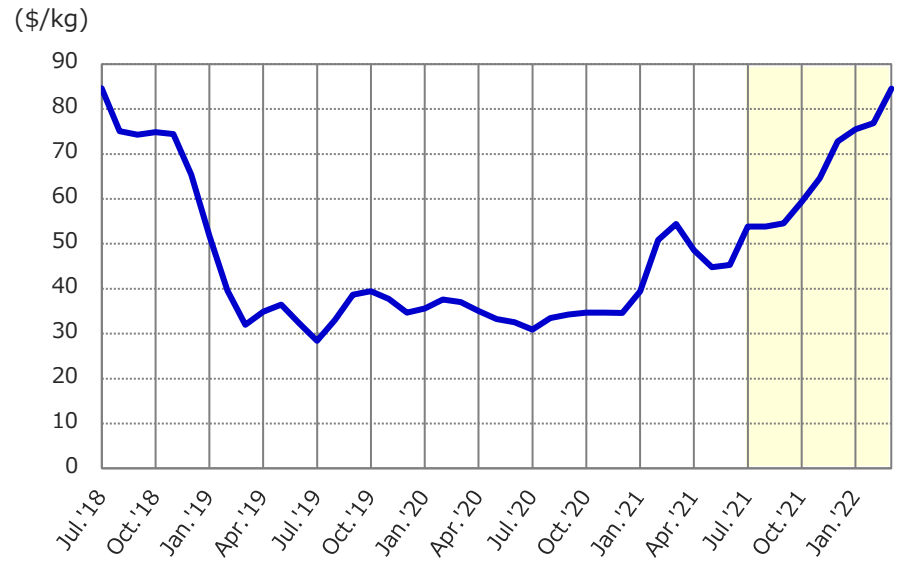
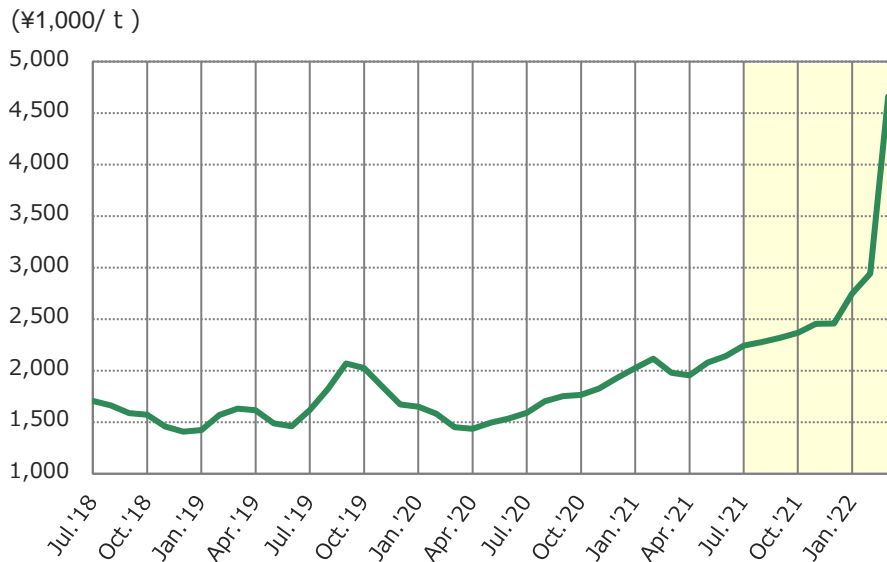
— Ferrous scrap price (Tokyo Steel (Tahara) Tokkyu Grade Seaborne Price)

— Electrolytic copper price



— Nickel price

— Cobalt price



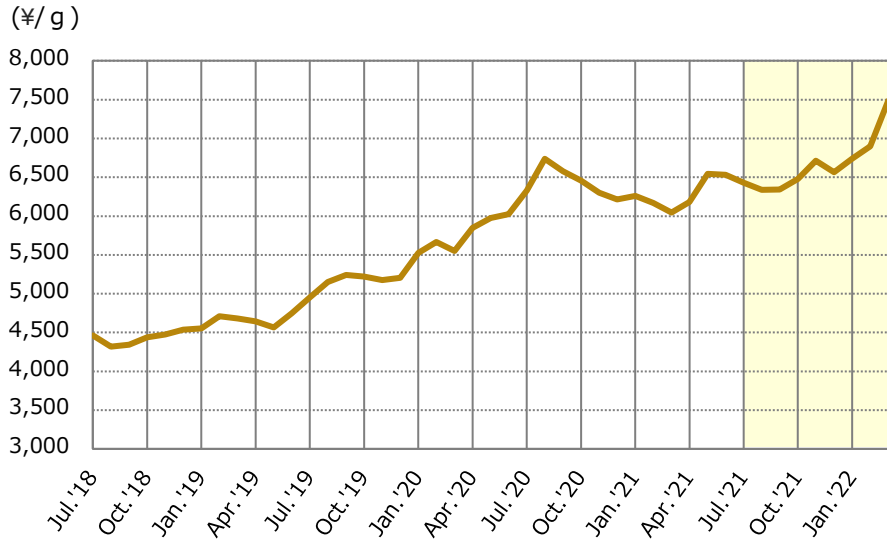
Sources: Tokyo Steel manufacturing Co., Ltd., Sangyo Press Co., Ltd.

Sources: JX Nippon Mining & Metals Corporation, IRuniverse Co., Ltd.

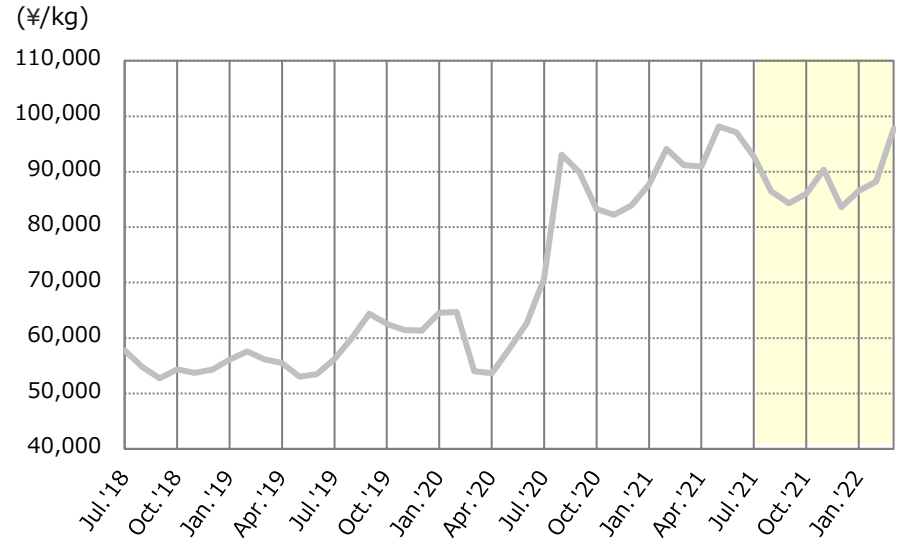
Market Price ②



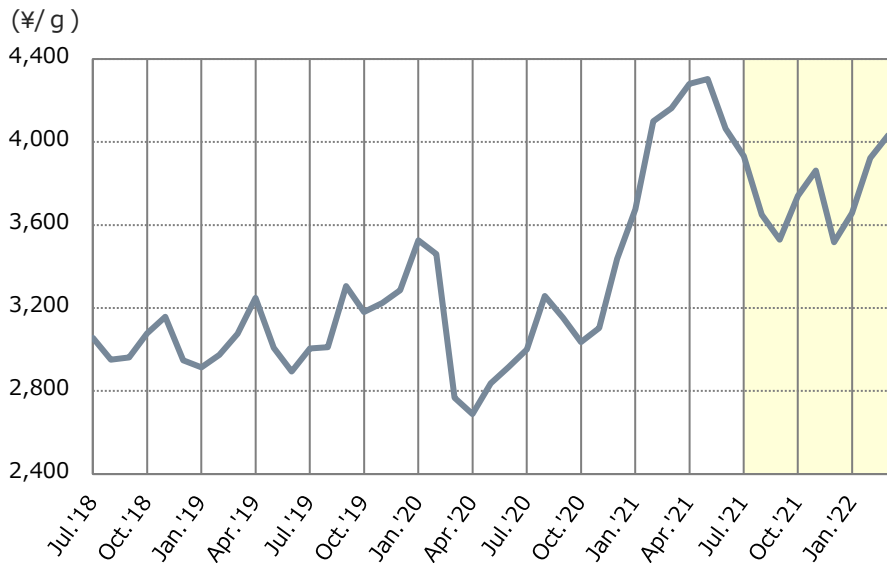
Gold price



Silver price



Platinum price

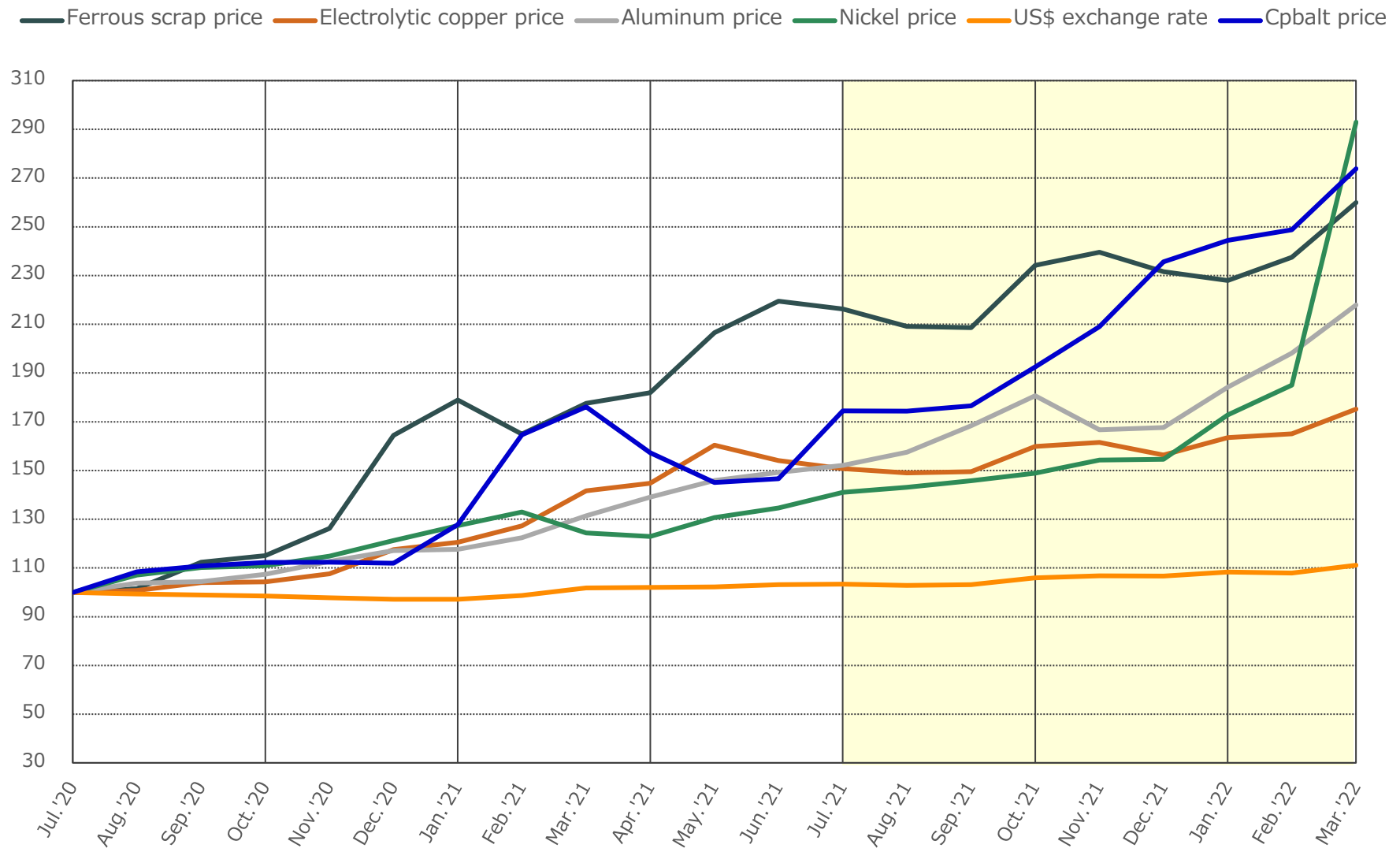


Palladium price



Source: iRuniverse Co.,Ltd.

Market Price of Metals (INDEX Set July 2020 as 100)



Sources: Tokyo Steel manufacturing Co., Ltd., JX Nippon Mining & Metals Corporation, Nikkei Inc., Sangyo Press Co., Ltd., IRUniverse Co.,Ltd., MUFG Bank, Ltd.

Medium-Term Management Plan

— Overview of Sustainability Strategy (July/2021-June/2026)



(Announced on August 27, 2021)

Net sales		Ordinary profit		R O E	
¥70billion		¥4billion		15.0%	
(June/2026)		(June/2026)		(June/2026)	
¥29.1billion	¥40.9billion	¥0.8billion	¥2.5billion	8.0%	12.1%
(June/2016)	(June/2021)	(June/2016)	(June/2021)	(June/2016)	(June/2021)

Corporate Philosophy
The key values of the Envipro group,
and its corporate DNA
(no timeline)

To take on the challenge of solving problems toward the realization of a decarbonized society, a circular economy society, and a distributed society as business opportunities.

Mission

To contribute to create a sustainable society
The significance of the Envipro group's existence and its purpose and aspirations on a defined timeline (the 30 years until 2050)

To increase the discipline the organization has to execute the individual functions of the organization that are necessary to increase corporate value.
To strengthen governance.
To build a platform filled with good quality energy.

Medium-Term Management Plan (July/2021 - June/2026)

Strategies for realizing the long-term vision

Business Concept
Realization of specific cases to achieve a circular economy

Business direction and main methods for achieving it
Transformation into a manufacturer of materials obtained from aboveground resources (QCDC)
Establishment of a nationwide collection network
To promote GX and DX in all business activities

Single-Year Business Plan
Specific initiatives to achieve the medium-term management plan

Our Vision
To grow into a recycling industry as a part of social infrastructure

Organizational Image
A disciplined group of autonomous individuals with emergent abilities

Prerequisites (After July/2022)

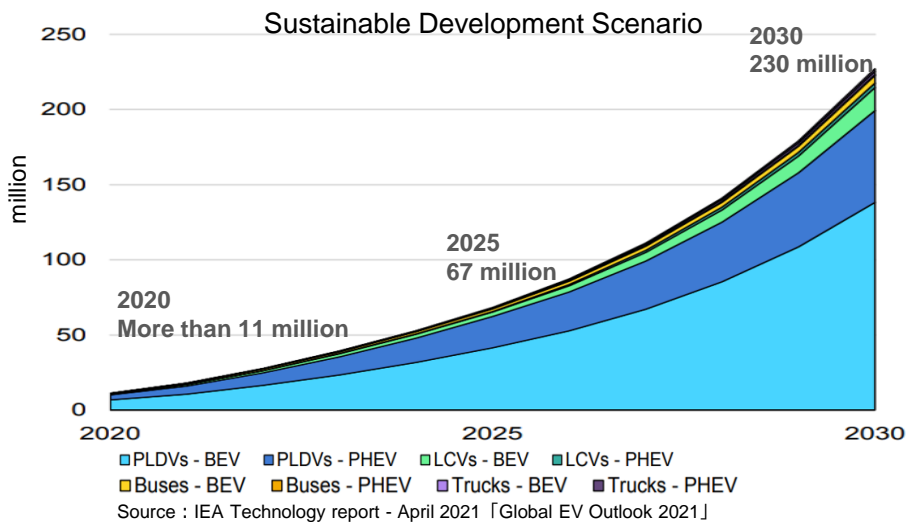
Ferrous scrap price	Electrolytic copper price	Gold price	Silver price	Nickel price	Cobalt price	Exchange rate (¥/US\$)
¥42,000/ t	¥1,000,000/t	¥6,000/g	¥85,000/kg	¥1,800/kg	¥4,650/kg	¥105/US\$

① Lithium-ion Battery Recycling

(Announced on February 22, 2022)

The Group will concentrate its management resources on the rapidly expanding rechargeable battery market to launch a full-scale business of collecting minor metals (nickel, cobalt, etc.) from used rechargeable batteries etc.

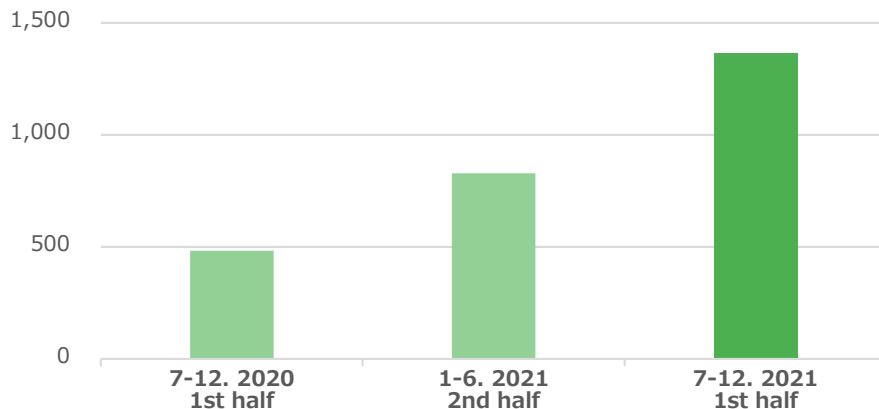
Global EV stock by mode and scenario 2020-2030



The EV market is rapidly expanding

EV stock approx. 20 times
(2020 → 2030)

(t) LIB-related arrival volume



LIB-related arrival volume

Approx. 2.8 times
(2020 1st half → 2021 1st half)

① Lithium-ion Battery Recycling

(Announced on February 22, 2022)

Started joint research on collecting minor metals from LIB using Emulsion Flow Technology (Announced on August 2, 2021)

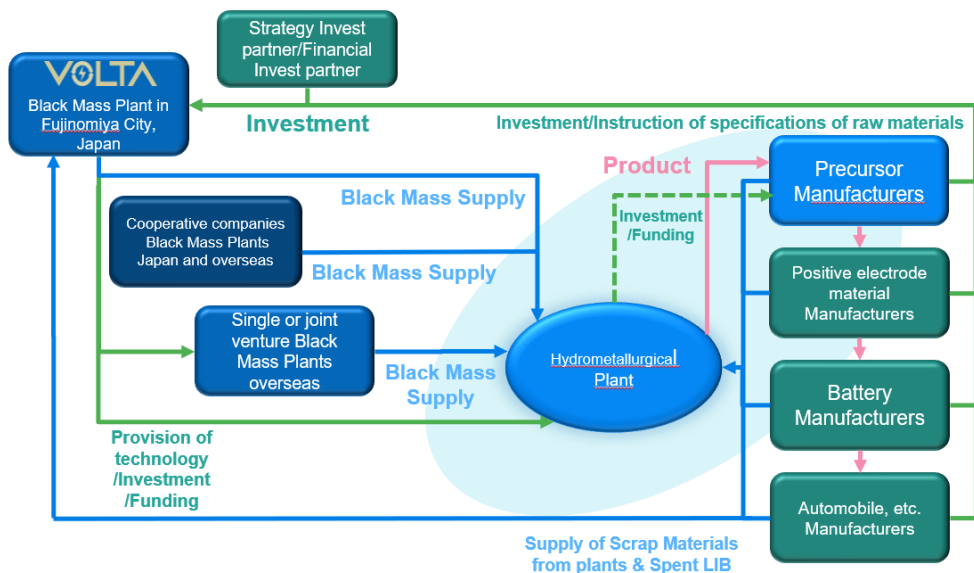
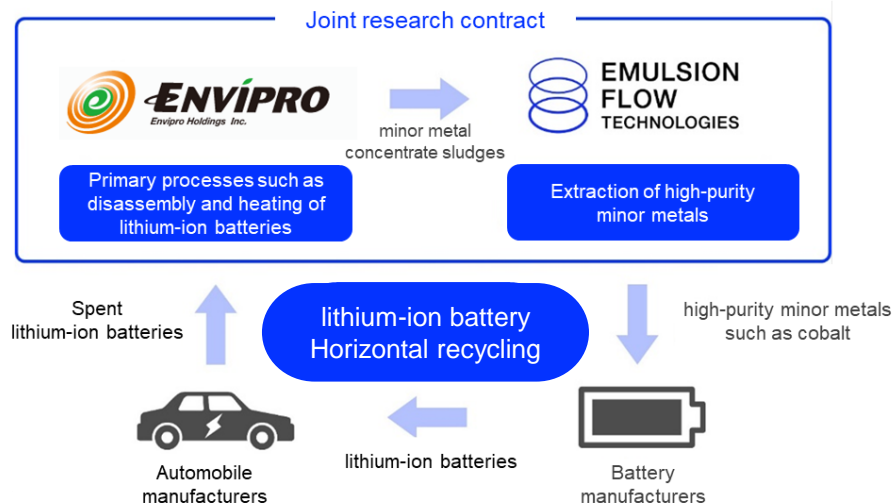
〈 Role of each company 〉

Envipro Holdings Inc.

- Collection of LIB and provision of primary processed minor metal concentrate sludge.
- Provision of various knowledge on solvent extraction technology

Emulsion Flow Technologies, Ltd.

- Scale-up development of emulsion-flow equipment
- Development of rare metal extraction flow by emulsion-flow



Initiatives to date

- 2010 Started research and development of LIB recycling
- 2018 Established VOLTA Inc. Entered the LIB recycling business
- 2020 Started operation of recycling facilities Started production and sales of minor metals concentrate sludge including nickel, cobalt, and lithium

Future Initiatives

- FY2022 Expansion of existing minor metals concentrate sludge manufacturing plant
- FY2025 Operation of hydrometallurgical plant
- After FY2025 Manufacturing of precursors Closed-loop (battery to battery) construction

Form alliances with companies that can collaborate on LIB recycling (industry peers, LIB manufacturers, etc.) in terms of technology, funds, and commercial products.

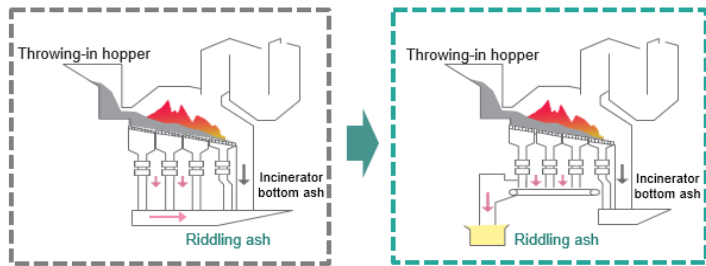
② Collection of Gold, Silver & Copper Sediment Sludge from Waste Incineration Ash etc.

(Announced on February 22, 2022)

The third plant in our group will be constructed. The Group will make the collection of gold, silver & copper sediment sludge (mixture of gold, silver, copper, platinum, and palladium) from incineration ash, automobile shredder residue, etc. one of the pillars of our business.

Collection of precious metal from riddling ash

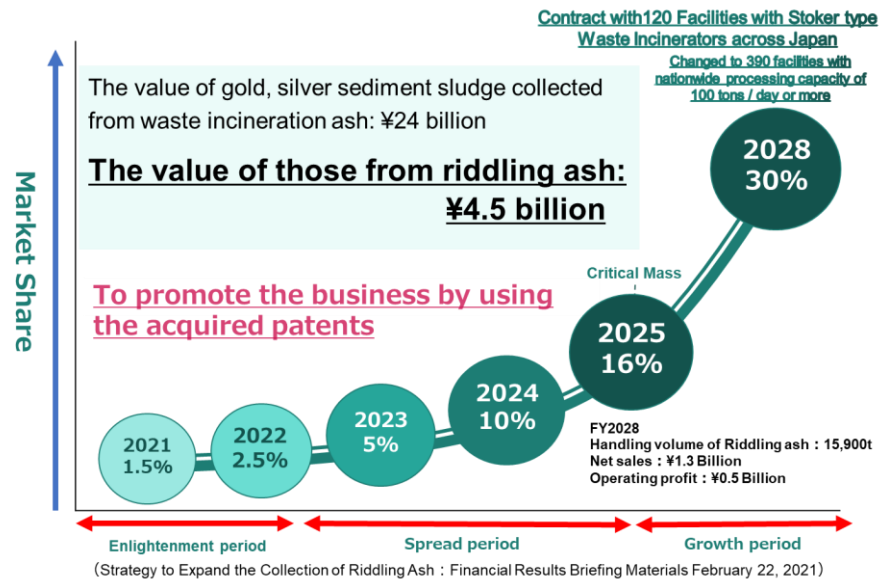
Local governments modify incinerators to enable them to directly separate riddling ash in the incinerator, and group companies purchase this ash and achieve efficient precious metal collection at their own plants.



(images of modifications to separate riddling ash)

Benefits of local governments

- ① Securing a gain on sale of Riddling ash
- ② Reduction in landfill costs for the weight of Riddling ash
- ③ Reduction in the proportion of heavy metals heading toward Incinerator bottom ash side reduces costs such as chelating



Construction of gold, silver & copper sediment sludge collection plant (third in the group)

- (1) Location: Kuroda Recycle Co.,Ltd. (Hakodate City, Hokkaido)
- (2) Maximum processing capacity: 18,000 tons/year
- (3) Planned total investment: Approx. 200 million yen
- (4) Scheduled start of operation: August 2022



(Rendering of the new plant)

New Plant Construction

- (1) Planned construction site: Econecol Inc. (Fuji City, Shizuoka)
- (2) Site area: 13,259m²
- (3) Planned total investment: Approx. 1.8 billion yen (Rendering of the new plant)
- (4) Scheduled completion: December 2022




③ Nationwide Cleaning and Dismantling Work

(Announced on February 22, 2022)



Increase collaboration models with companies that have properties and companies or organizations close to property information (financial institutions, real estate companies, logistics companies, manufacturers, etc.) in factory and plant dismantling, etc.

Business alliance with Sumitomo Mitsui Trust Panasonic Finance Co., Ltd. and Japan Machinery Leasing and Sales Co., Ltd. for the purpose of providing a "One-stop service of dismantling and facility disposal with asset evaluation" (Announced on November 12, 2021)




Purchase of used machinery
(value of used)

Japan Machinery Leasing and Sales Co., Ltd.

Bulk purchase of movable facilities and ancillary facilities, etc. of manufacturing plants


One-stop solution for dismantling buildings and disposal of unnecessary facilities etc.



Disposal and purchase of scrap
(Resource value)

Econecol Inc.

Unnecessary materials or movable properties that cannot be purchased as used value also can purchase at resource value



Dismantling of plants and facilities
(Resource value)

Econecol Inc.

Reduce costs by collectively dismantling and removing plants and facilities in the plants. Returning the value of scrap discharged from dismantling as a resource

Plants · Facilities · Machinery

Dismantling of buildings and facilities

Industrial waste disposal

Joint implementation of asset evaluation

Decision support for transfers, disposals, and business restructuring, etc.

Increase in business opportunities

Decrease of the customer's disposal costs due to an increase in resource prices

Increase in asset holdings in the leasing business

Stimulate capital investment related to decarbonization

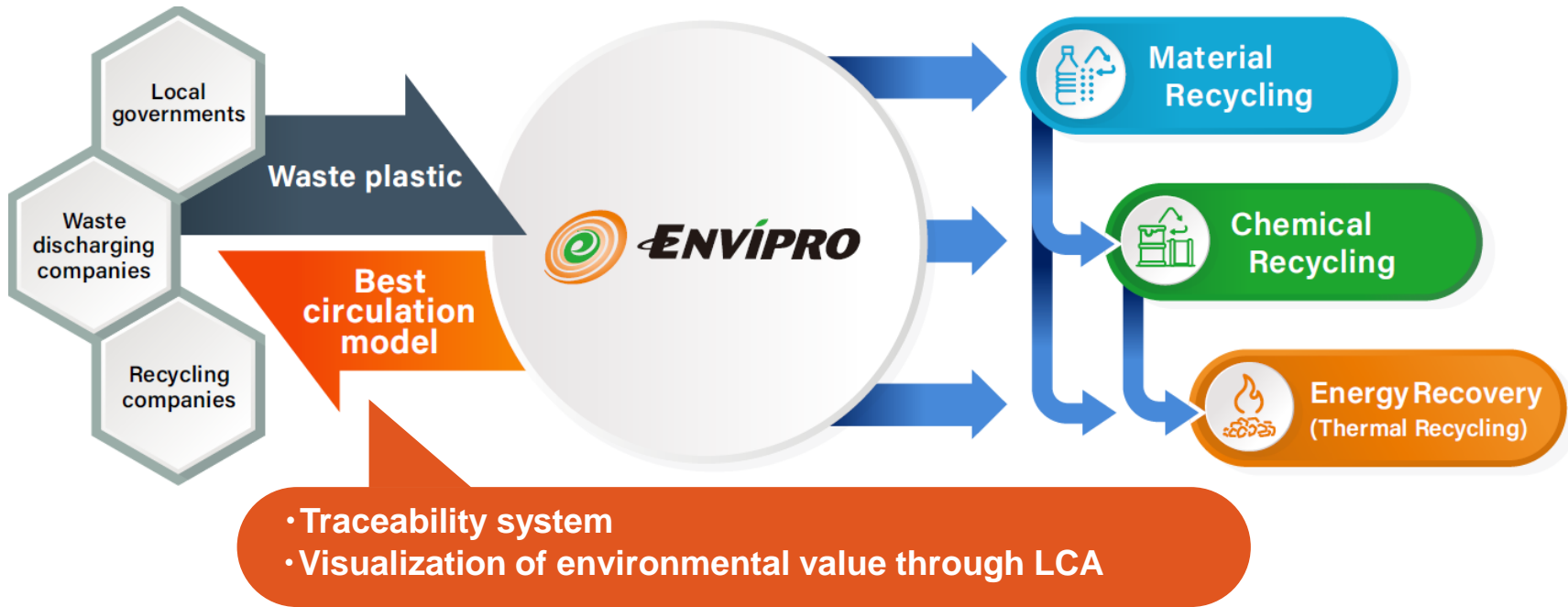
The business alliance strengthens the function of information antenna and handling reused products. We will strive to improve customer convenience by seamlessly providing proper disposal of waste, purchase of metal scrap, selling and purchasing used products, dismantling of plants and facilities, and soil purification nationwide.

④ Plastic Resource Circulation

(Announced on February 22, 2022)

Combine the three methods of material recycling, chemical recycling, and thermal recycling to create an optimal and efficient circulation model.

Diagram of advanced resource circulation through multilayered combination of recycling methods



Soft	Hard
<ul style="list-style-type: none">• CE* traceability system under development• System related to CO₂ emissions calculation under development	<ul style="list-style-type: none">• Existing recycling plant (Thermal)• TBM Yokosuka recycling plant (Material)• New chemical recycling business under development (Chemical)

*CE : circular economy

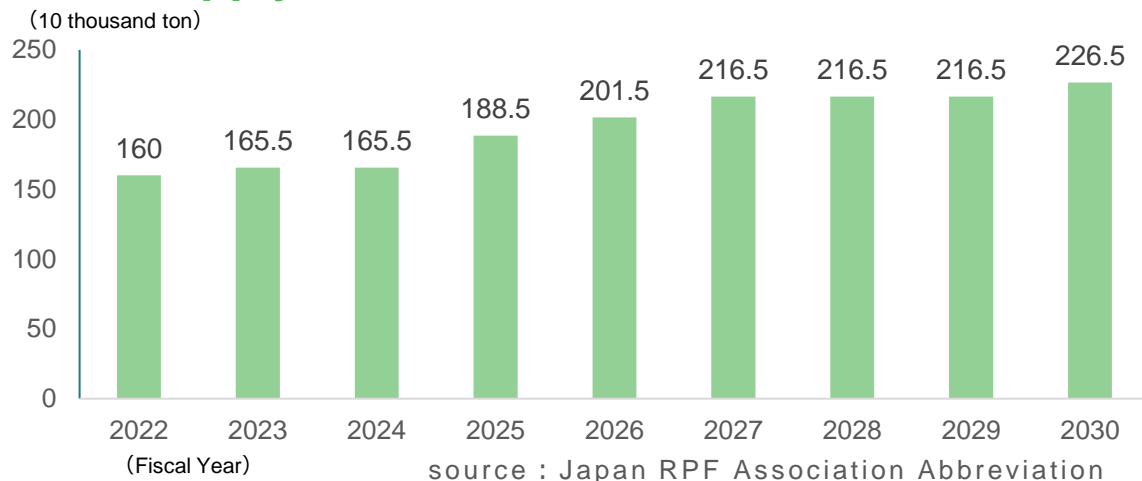
④ Plastic Resource Circulation (Thermal Recycling)

(Announced on February 22, 2022)



Replace petroleum, coal and coke with low-carbon raw fuel made by shredding + sorting + mixing + molding etc. used raw materials.

RPF Supply/Demand Forecast



**Alternative fuel to coal
Increased demand for RPF***

**CO₂ reduction effect
Approx. 33%**

source : Japan RPF Association
Abbreviation HP
「The CO₂ reduction effect of RPF」

Production results of low-carbon raw fuel (for the period ended June 30, 2021)

R P F
36,000
tons/year



**Cement raw fuel
(Fluff type)**
14,000
tons/year



**Steel sub-
materials**
9,000
tons/year



Hard plastic fuel
8,000
tons/year



Low-carbon raw fuel
60,000 tons



FY ending June 30, 2031
120,000 tons

(Includes weight of equity method affiliates)

*RPF : Refuse derived paper and plastics densifies Fuel

④ Plastic Resource Circulation (Material Recycling)

(Announced on February 22, 2022)



Collaborate with TBM Co.,Ltd., a new materials venture company, to achieve material recycling of the circular model of business and household waste plastics and LIMEX*.

Concluded a business alliance with TBM Co.,Ltd. to collect and recycle approximately 20,000 tons of used LIMEX and waste plastics annually at TBM's Yokosuka recycling plant, scheduled to begin operating in the fall of 2022 (announced on February 14, 2022).

[Recycling Plant]

- Location: Shinmei-cho, Yokosuka-City, Kanagawa
- Site area: 13,693.50m²
- Building floor area: 7,859.85m²

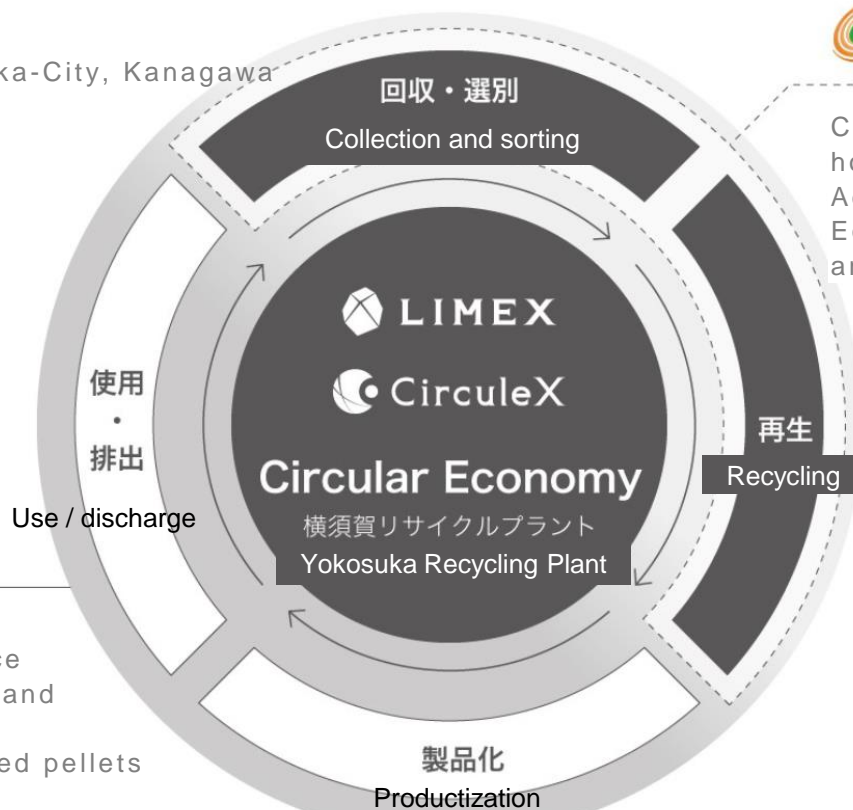


Collection of LIMEX, business and household waste plastics
 Advisory for plant operations
 Equipment maintenance, on-site and production management, etc.

T B M

Total Plant Produce

- Equipment and building produce
- Collection of LIMEX, business and household waste plastics
- Production and sales of recycled pellets
- Establishment of traceability
- Development and sales of exit products, etc.



(Translations in the figure are for reference only.)



*LIMEX : LIMEX is an inorganic filler dispersion composite material containing more than 50% inorganic materials such as calcium carbonate developed by TBM Co.,Ltd. LIMEX has been adopted by more than 6,000 companies and local governments, has been patented in over 40 countries, has been introduced at international conferences such as COP and the G20, and is registered as a superior Japanese technology on the United Nations Industrial Development Organization (UNIDO)'s Sustainable Technology Promotion Platform.

⑤ Human Resources Strategy

(Announced on February 22, 2022)

Build a "platform" filled with good quality energy where all employees work energetically to realize our strategy and achieve sustainable growth.

Business Concept
Realization of specific cases to achieve a circular economy

Organizational Image
A disciplined group of autonomous individuals with emergent abilities

Strengthen investment in human resources to achieve growth in both business and organization

Human Resources Strategy

- ◆ Promotion of Succession Plan
- ◆ Build an organization based on a long-term vision and strategy
- ◆ Secure and develop strategic human resources
- ◆ Strengthen recruitment (mid-career, new graduates)
- ◆ Enhancement of compensation packages

Establish corporate culture

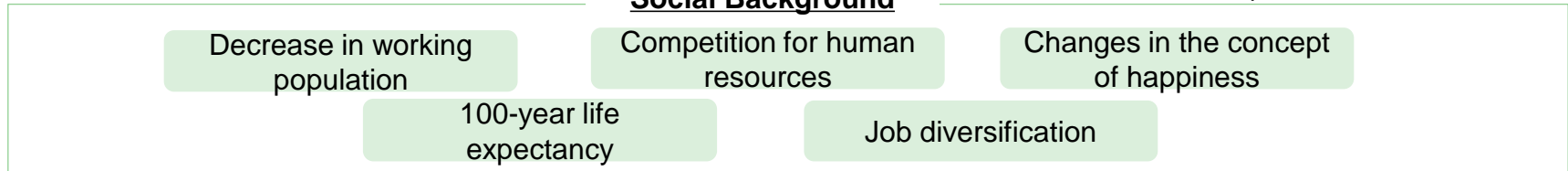
- ◆ Instillation of the Corporate Philosophy (Management Plan)
- ◆ Corporate Philosophy Briefing (Purpose)
- ◆ Thanks messages, praise for colleagues and subordinates

Promotion of Diversity

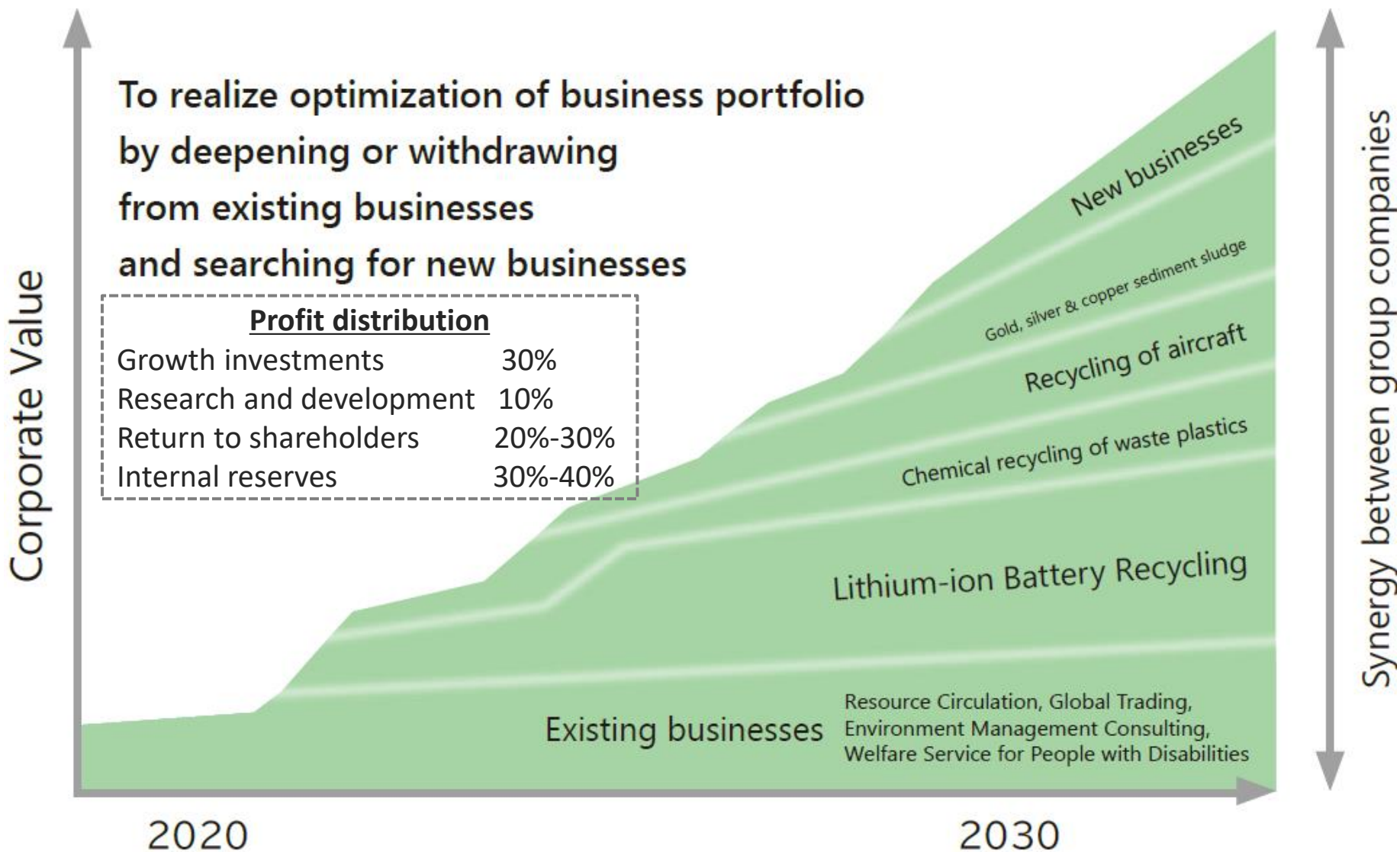
- ◆ Safe and Secure Workplace, 1-on-1 Meetings
- ◆ Project to Promote the Active Participation of Women
 - September 2023
 - Female Outside Director: 1
 - June 2024
 - Female managers 1.5 times*
 - June 2026
 - Female managers 2.0 times*
 - *Compared to June 2021



Social Background



Long-Term Initiatives of Corporate Value Creation (Image diagram)



- This material is intended to provide investors with information to understand the current status of ENVIPRO HOLDINGS Inc.
- Although the contents in this material are described based on generally recognized socio-economic situations etc., and certain assumptions that our company regarded as reasonable, they may change without prior notice of any kind because of the change in the business environment.
- This material has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

【Inquiry desk about this material and IR】

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