



September 15, 2022

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(Code: 9247
Prime Market of Tokyo Stock Exchange)
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Notice Regarding TRE Integrated Environmental Business (Provisional Name) Concept in Ichihara, Chiba Prefecture

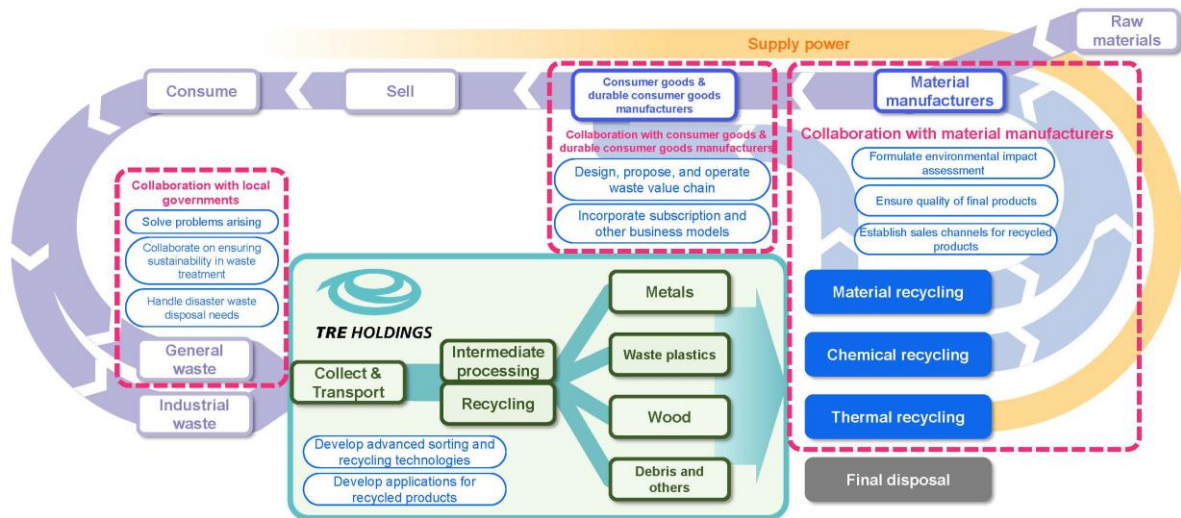
TRE HOLDINGS CORPORATION announces the approval of the TRE Integrated Environmental Business (provisional name) concept (hereinafter, the “Business Concept”) at a Board of Directors meeting held today.

1. Overview of the Business Concept

Since its establishment as a joint holding company on October 1, 2021, the Group has examined new business schemes through collaboration with material manufacturers, consumer goods manufacturers, major distributors/retailers, and local governments in order to respond to the societal needs for the recycling of waste plastics and other resources amid a global movement toward realizing a carbon neutral society.

The Group has recently leased a portion of Mitsui E&S Holdings Co., Ltd.’s Chiba business base (approximately 80,000sqm, located on Yawata Kaigandori, Ichihara, Chiba Prefecture) as a site for its new business. Having reached an agreement with Mitsui E&S Holdings, we plan to launch a comprehensive recycling business by combining the newly leased site with an approximately 37,000sqm business site held by the Group nearby.

Specifically, we will integrate the four new businesses comprising (1) crushing and sorting, and recycling of industrial waste, (2) waste incineration and power generation, (3) advanced sorting of metal resources, and (4) advanced sorting and recycling of waste plastics into a synchronized operation, in collaboration with the Group’s main recycling plants and other facilities in the vicinity. Total investments for realizing the Business Concept are expected to amount to about JPY30.0bn. We aim to sequentially commence the operation of the facilities and plants playing a core role in the business between 2025 and 2027, targeting annual sales of JPY12.0bn and the creation of 150 new jobs once full-scale operations are underway.



In FY2021, the Cabinet Office of Japan selected Ichihara City as the first SDGs Future City in Chiba Prefecture, and Ichihara City is accelerating efforts to realize a town that will become a symbol of the SDGs. Under the Business Concept, we are already developing a resource recycling business for metals, end-of-life vehicles, and used home appliances (REVER CORPORATION's Ichihara Plant [former Phoenix Metal Corp.]), as well as a woody biomass power generation business (Green Power Ichihara Co., Ltd.) in the city. With the understanding and cooperation of the local government and residents, we hope to further contribute to local community developments.

2. New and Existing Businesses Under the Business Concept

We will aim for mutual collaborations among the following four new businesses and two existing businesses.

(1) Crushing and sorting, and recycling of industrial waste

By significantly expanding the processing capacity of the Group's industrial waste intermediate processing and recycling facilities, in addition to the crushing and advanced sorting of industrial waste, we will dispose of waste properly and recycle to the extent possible. For difficult-to-recycle materials, we will take other measures, including, for instance, the production of RPF*1 and its use as fuel at a nearby Group company (Green Power Ichihara Co., Ltd.). Further, we will collaborate with a waste incineration facility (T&H Eco Mirai Co., Ltd.) for the use of its pretreatment function and will also supply a fuel source for thermal recovery.

Note 1: Refuse derived Paper and Plastics densified Fuel; solid fuel made primarily from waste paper and waste plastics. RPF has a high calorific value, but emits less CO2 than fossil fuels.

(2) Waste incineration and power generation

(Operator: T&H Eco Mirai Co., Ltd./TAKEEI CORPORATION 51%; Hitachi Zosen Corporation 49%; established in 2020)

We will conduct the Group's first waste incineration and power generation business as a joint venture with Hitachi Zosen Corporation, assuming the utilization of Hitachi Zosen CCU and

CCUS*2 technologies. The business is slated to handle about 330 tons of waste per day. Of the total projected volume, the Group expects to secure about 200 tons of waste by bringing in-house the processing of combustible materials used in construction, the incineration of which the Group currently outsources to an outside facility, to improve overall Group profitability. We plan to collect the remaining of waste by taking advantage of our favorable location in the Tokyo metropolitan area, and aim for stable operations.

Additionally, high-efficiency power generation (current estimated output: about 10MW) will be conducted using residual heat generated from waste incineration, which will also enable us to sell electricity including non-fossil value as a stable power source for regional communities. Further, in light of medium- to long-term decarbonization trends, we will proactively consider the addition of CCU and CCUS functions.

Note 2: CCU stands for Carbon dioxide Capture and Utilization, and CCUS for Carbon dioxide Capture, Utilization and Storage. CCU and CCUS technologies offset carbon by capturing and storing CO2 emissions and turning them into new products or energy, and are gaining attention worldwide as means of achieving carbon neutrality.

(3) Advanced sorting of metal resources

We plan to bring in-house and advance technologies for the recovery of useful metal resources that we have not been able to sufficiently recover thus far through our existing recycling processes from end-of-life vehicles, used home appliances, and other products and were instead sold externally or outsourced for processing. In doing so, we aim to increase the recycling rate of the Group's accepted resources and improve profitability. Through collaboration with a nearby Group base (REVER CORPORATION's Ichihara Plant) in recycling processes, we are able to secure recycled base materials, enabling stable operations.

(4) Advanced sorting and recycling of waste plastics

With an eye toward collaborating with local governments, we are planning to operate advanced sorting and recycling facilities that are capable of performing material recycling, chemical recycling, and thermal recovery of waste plastics, in compliance with the Act on Plastic Resource Circulation. The waste plastic recycling business is necessary for the realization of a sustainable carbon neutral society; hence we expect long-term demand from local governments.

Over the medium to long term, amid growing recycling needs, we will further promote the creation of business schemes for resource recycling, with waste disposal companies over a wide area as collection sources and material manufacturers and advanced technology development collaborators as users, with the aim of realizing stable business operations.

(5) Two existing businesses: Group businesses at nearby business sites (approximately 31,500sqm)

- 1) Green Power Ichihara Co., Ltd.: Operates one of the largest woody biomass power plants in the Tokyo metropolitan area.

The company operates a biomass power plant with an output of approximately 49MW, using annual volume of about 200,000 tons of wood chips and 50,000 tons of RPF as fuel sources (located within Mitsui E&S Holdings' Chiba Plant).

2) REVER CORPORATION's Ichihara Plant: Operates a metal recycling facility with one of the largest shredders in Japan.

The plant handles annual volume of 150,000 end-of-life vehicles, 500,000 used home appliances, and 150,000 tons of recyclable metals, which are disassembled, crushed, minutely sorted, and then recycled.

3. Developments going forward

To install the facilities and plants essential for each new business devised under the Business Concept and actually operate these businesses, the Group needs to obtain permissions from regulatory authorities, application procedures for which may take up to several years depending on the business, in accordance with the Waste Management and Public Cleansing Law and other relevant laws and regulations. With the resolution of the Board of Directors at a meeting held today, the Group will accelerate efforts to follow through with the necessary procedures to obtain the permissions. Through the realization of the Business Concept, the Group aims to achieve differentiation through its advanced recycling technologies and develop high-value-added businesses that benefit from enhanced logistics efficiency enabled by the consolidation of the Group's operations in the Tokyo metropolitan area and synergies generated from extensive intragroup collaborations, including with existing businesses. In the medium to long term, we aim to expand and reinforce our business domains as a Comprehensive Environment Management Enterprise by strengthening collaborations across an even wider range of business areas, and further contribute to conserving the global environment.

We plan to fund the expected total investment of approximately JPY30.0bn using our own funds and borrowings. In terms of Group-wide income and expenditure plans, the TRE medium-term business plan announced on October 1, 2021 does not include earnings contributions from these new businesses. We will carefully examine the details of each business plan and upon clarifying the Group's reporting segments, reflect our findings in subsequent medium-term plans going forward.

4. Outlook

A portion of the site for the business under this Business Concept has already been acquired, with the remainder planned to be used via leasing agreement. The impact of expenses related to the leasing of this business site on current fiscal year results is expected to be minimal.

This release provides a conceptual overview of future contributions to business performance. When details of each business plan including impacts on business performance are finalized, we will announce relevant details in a timely manner.