



TRE HOLDINGS

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Supplemental materials for the third quarter of the Fiscal Year ending March 31, 2024

TRE HOLDINGS CORPORATION

(Code: 9247, Prime Market, Tokyo Stock Exchange)

Committed to the conservation of the global environment

February 14, 2024

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Summary of Consolidated Results: Q3 FY03/24 Results

(millions of yen)

	FY03/23 Q3 Results	FY03/24			
		Q3 Results	YoY	Full-year Forecast	
				Progress	
Net sales	67,682	68,682	101.5%	95,200	72.1%
Operating profit	5,531	5,334	96.4%	8,300	64.3%
Ordinary profit	5,567	5,217	93.7%	8,300	62.9%
Profit attributable to owners of parent	3,892	3,419	87.8%	5,400	63.3%

Sales increased YoY, while profit declined on higher labor, administrative, external processing and other costs

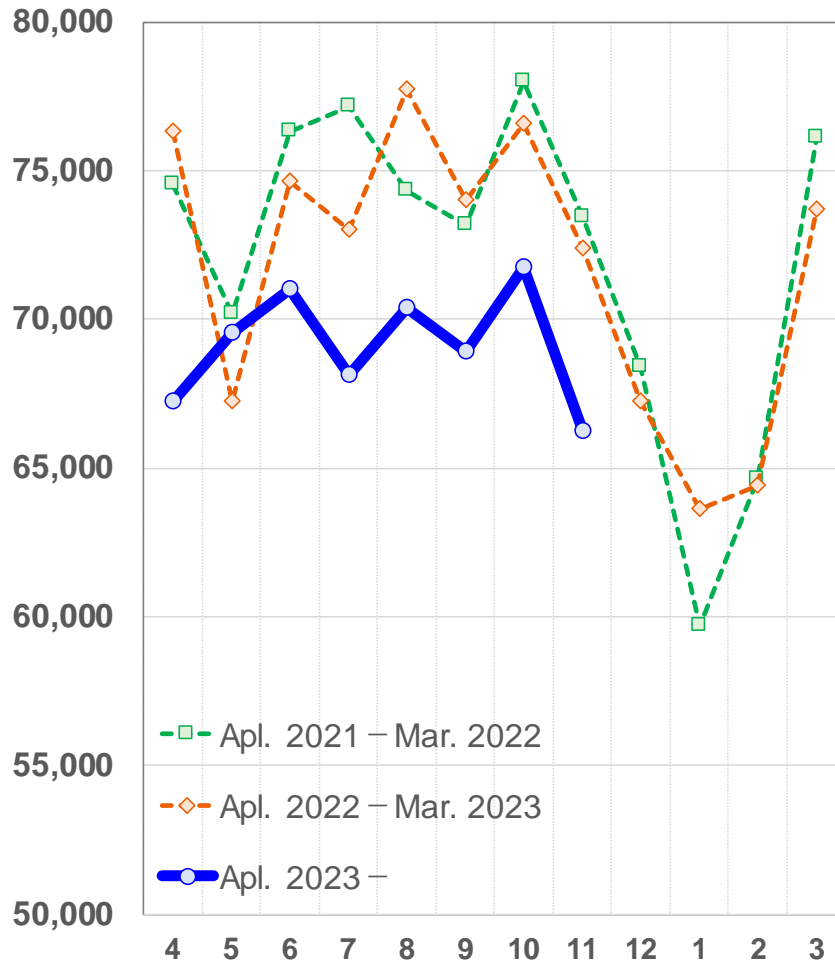
- Amid rising labor, administrative, and other costs, the Resource Recycling business saw a recovery in end-of-life vehicle handling volumes, but continued to be impacted by the sluggish generation of building demolition scrap and other materials, resulting in smaller handling volumes. In the Waste Treatment & Recycling business, the volume of waste handled increased, but external processing and other costs also increased. In the Renewable Energy business, higher efficiency operation of biomass power generation plants and enhanced customer proposals in line with the centralization of electricity retailing contributed to consolidated operating profit.
- In light of factors including current order trends and the outlook for Q4, the full-year forecast remains unchanged.

Q3 FY03/24 Results



Number of new housing starts

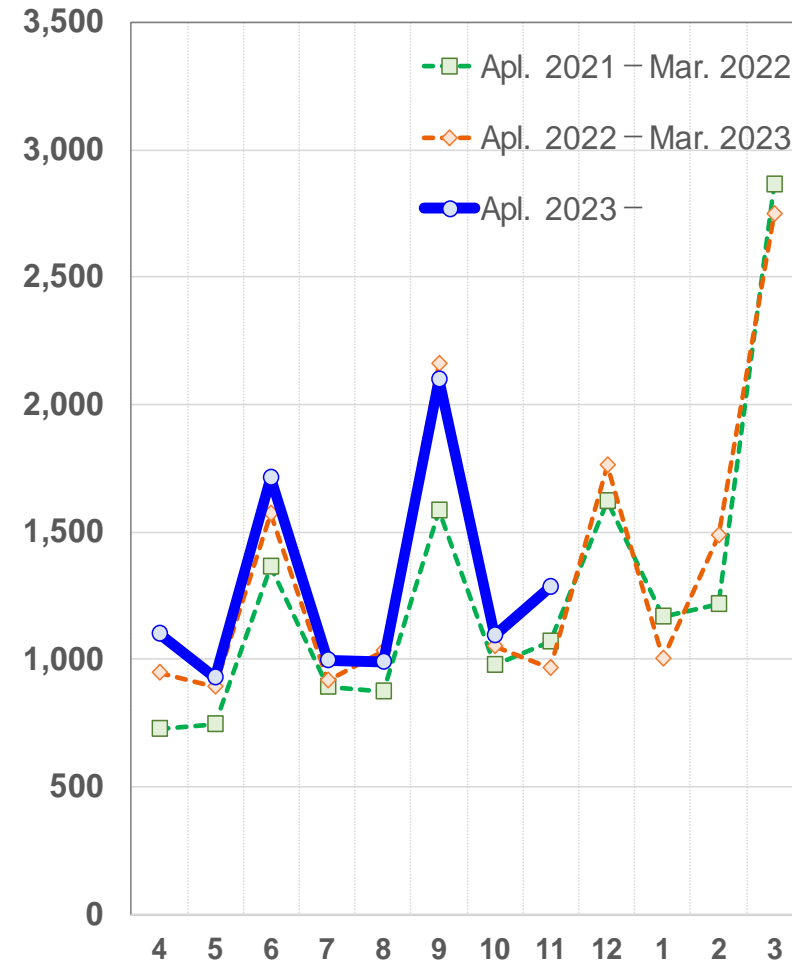
(Number of homes)



- New housing starts have been negative YoY since June. The impact of rising mortgage rates and successive cost increases has resulted in a marked decline in the number of “owner-occupied” houses built by individuals for residential use.

Construction orders (50 largest companies)

(billions of yen)



- In August and September, orders decreased YoY, then turned positive in October and thereafter. In November, orders for private-sector construction increased 33.6% YoY.

Long-term trends in construction waste

- ◆ Construction waste accounts for approximately 20% of all industrial waste (approximately 400 million tons), both in terms of volume generated and final disposal.
- ◆ Appropriate sorting and treatment procedures are necessary for building materials containing harmful substances such as asbestos.
- ◆ The social infrastructure developed during Japan’s period of rapid economic growth is aging, and maintenance and management costs are expected to increase 1.2-fold in 10 years.
- ◆ In recent years, earthquakes, typhoons, torrential rains, and other disasters have become more frequent and more severe, and a large amount of disaster-related waste is generated, which affects the construction recycling field.

Waste Treatment & Recycling Business

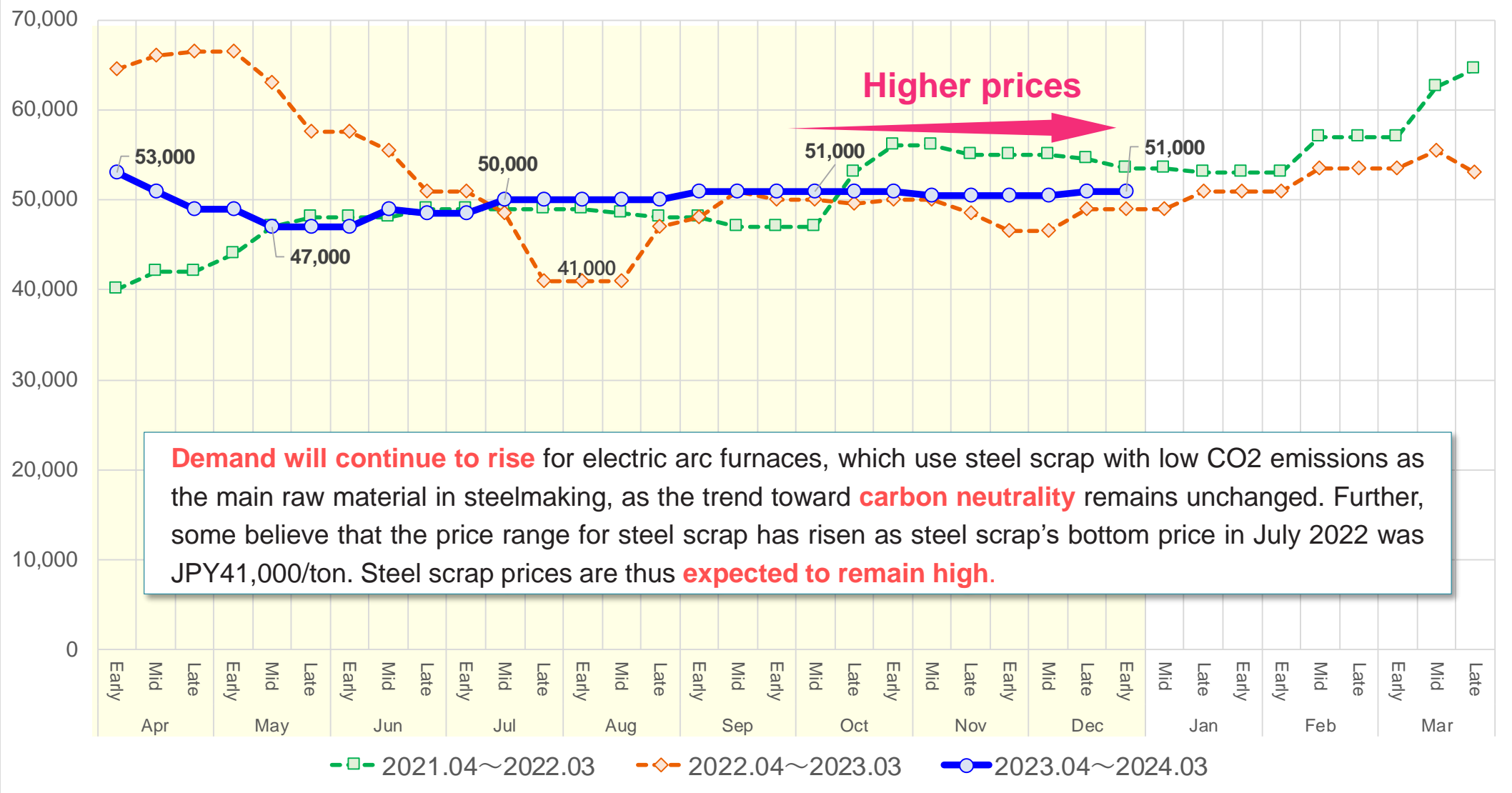
We provide reliable and secure processing services and leverage our differentiation through proprietary biomass power generation plants and recycling plants to achieve

stable supplies and secure profits

(Graph data source: Ministry of Land, Infrastructure, Transport and Tourism)

Steel Scrap Market

Tokyo Steel Utsunomiya Plant steel scrap (high grade) price
Unit: Yen/t



◆ The steel scrap price, which was JPY53,000/ton at the beginning of the period, fell to JPY47,000/ton in mid-May due to a decline in crude steel production and overseas market conditions.

Subsequently, domestic electric arc furnace manufacturers raised prices in response to a slump in steel scrap generation and rising export prices due to the weak yen and other factors, which saw the price recover to JPY50,000/ton. Since then, supply and demand have remained low but balanced both domestically and internationally, and there have been no major price movements.

Steel scrap reached JPY51,000/ton at the beginning of Q3, and despite some minor price movements, remained stable at JPY51,000/ton as of end-December. Market prices remain at a high levels.

Resource Recycling Business

Taking advantage of our presence in the Kanto region, which has many sales channels, we are able to **minimize the risk of a market downturn** by reducing our inventory holding period.

Net Sales, Operating Profit, and Operating Profit Margin by Segment TRE HOLDINGS

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(millions of yen)

	Net sales			Operating profit			Operating profit margin	
	FY2023 Q3	FY2024		FY2023 Q3	FY2024		FY2023 Q3	FY2024 Q3
		Q3	YoY		Q3	YoY		
Consolidated	67,682	68,682	101.5%	5,531	5,334	96.4%	8.2%	7.8%
Waste treatment and recycling	19,159	19,820	103.5%	3,264	2,876	88.1%	17.0%	14.5%
Collection & Transportation / Waste treatment (Note 1)	12,856	13,518	105.1%	2,206	1,997	90.5%	17.2%	14.8%
Recycling (Note 1)	4,264	4,684	109.8%	687	821	119.5%	16.1%	17.5%
Landfill (final disposal) (Note 1)	2,220	1,860	83.8%	325	29	8.9%	14.6%	1.6%
Resource recycling (Note 2)	33,712	32,500	96.4%	2,384	2,109	88.5%	7.1%	6.5%
Renewable energy (Note 3)	10,110	10,592	104.8%	321	672	209.3%	3.2%	6.3%
Other businesses (Note 4)	5,408	6,038	111.6%	196	304	155.1%	3.6%	5.0%
Adjustments (Note 5)	-708	-270	-	-636	-627	-	-	-

Note 1: No strict segment adjustments have been made for sub-segments in the Waste Treatment & Recycling business.

Note 2: The Resource Recycling business includes JPY135 million in goodwill amortization related to business integration.

Note 3: The Renewable Energy business includes JPY283 million of amortization of goodwill associated with the acquisition of Green Power Ichihara Co., Ltd.

Note 4: Other businesses consist of the environmental engineering business and the environmental consulting business included in the reportable segments of TAKEEI CORPORATION.

Note 5: Adjustments to segment income and loss of -JPY627 million include -JPY652 million in companywide expenses and JPY24 million in intersegment eliminations that are not allocated to any reportable segment. Companywide expenses are general and administrative expenses that do not fall under any reportable segment.

Volumes by Major Segment

	FY03/23 Q3	FY03/24	
		Q3	YoY
Waste treatment and recycling			
Received volume [①] (a+b+c) (t)	602,046	592,850	98.5%
Collection & Transportation / Waste treatment [a]	236,776	252,377	106.6%
Recycling [b]	265,029	259,788	98.0%
Landfill (final disposal) [c]	100,240	80,684	80.5%
Net sales [②] (millions of yen)	19,158	19,820	103.5%
Reference unit price (②÷①) (Unit: Yen/t)	31,822	33,432	105.1%

Resource recycling			
Received volume [①] (a+b) (t)	444,729	425,262	95.6%
Spread business (Metal and automobile recycling) [a]	368,365	351,858	95.5%
Non-spread business (Waste treatment, home electronics recycling) [b]	76,364	73,404	96.1%
Net sales [②] (millions of yen)	33,711	32,499	96.4%
Reference unit price (②÷①) (Unit: Yen/t)	75,801	76,421	100.8%

Waste Treatment & Recycling

- **Collection and transportation, waste treatment**

In addition to firm orders for large projects, the reclassification of COVID-19 to Class 5 stimulated activity in various construction projects, leading to an increase in handling volumes.

Note: The volume of sales handled by demolition and consulting related to disaster recovery projects is not reflected.

- **Recycling**

While the acquisition of subsidiary TRE GLASS contributed to an increase in volumes handled, overall handling volumes declined slightly due to a lower demand for crushed stone in the Tokyo metropolitan area and a decrease in liquid waste generated in the manufacturing industry.

- **Landfill**

Decreased due to fewer large local spot and demolition projects on, slow waste generation.

Note: The handled volume of demolition contract sales, etc. of subsidiary Shinshu Takeei Co., Ltd. is not reflected.

Resource Recycling

- **Spread business**

The number of end-of-life vehicles collected nationwide turned positive YoY from August. Although our handling volumes increased, the volume of shredder materials other than end-of-life vehicles and building demolition scrap generated declined, resulting in a decrease in total handling volumes.

- **Non-spread business**

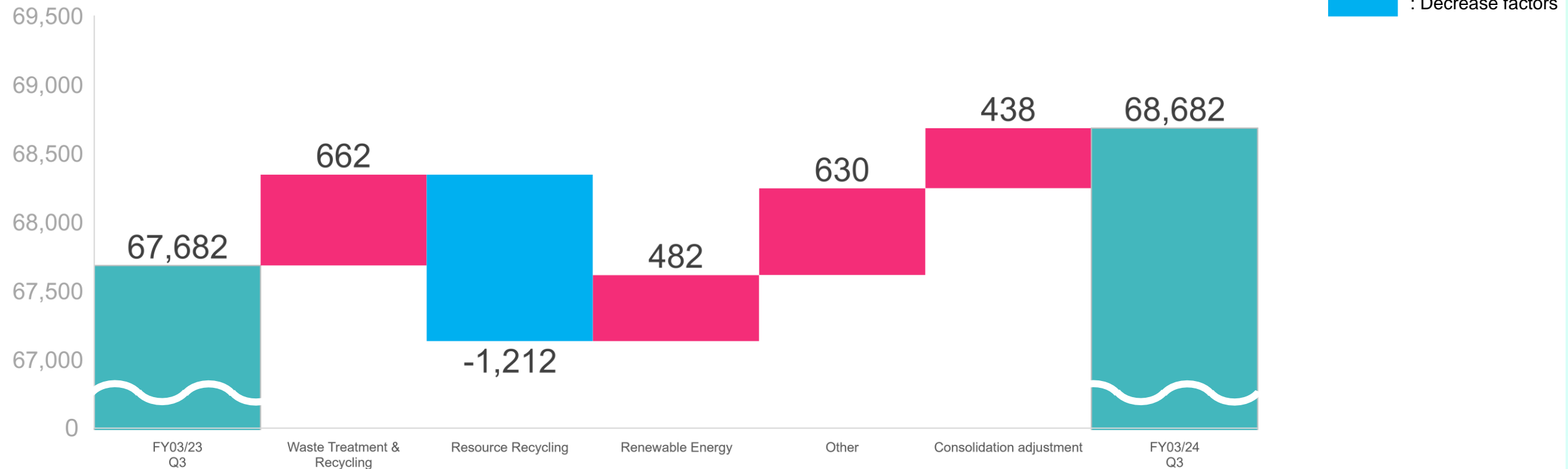
Rising product prices driven by inflation have dampened home appliance replacement demand, resulting in a decrease in the volume of used home appliances, and subsequently, lower handling volumes.

Volumes by Major Segment

	FY03/23 (Actual)					FY03/24 (Actual)						
	Q1	Q2	Q3	Q4	Full year	Q1	Q2		Q3			
							YoY	YoY	YoY	YoY		
Waste treatment and recycling												
Received volume [①] (a+b+c) (t)	183,441	192,869	225,736	208,640	810,686	196,698	107.2%	191,857	99.5%	204,295	90.5%	
Collection & Transportation / Waste treatment [a]	74,785	74,550	87,441	84,004	320,780	79,537	106.4%	81,907	109.9%	90,934	104.0%	
Recycling [b]	74,506	89,274	101,249	90,244	355,273	89,505	120.1%	84,910	95.1%	85,372	84.3%	
Landfill (final disposal) [c]	34,150	29,045	37,045	34,392	134,633	27,656	81.0%	25,040	86.2%	27,989	75.6%	
Net sales [②] (millions of yen)	5,893	6,245	7,020	6,503	25,661	6,689	113.5%	6,329	101.3%	6,802	96.9%	
Reference unit price (②÷①) (Yen/t)	32,125	32,379	31,098	31,169	31,653	34,006	105.9%	32,988	101.9%	33,295	107.1%	
Resource recycling												
Received volume [①] (a+b) (t)	149,403	146,248	149,079	141,673	586,402	142,066	95.1%	141,734	96.9%	141,462	94.9%	
Spread business (Metal and automobile recycling) [a]	124,324	118,872	125,169	118,844	487,209	117,840	94.8%	115,295	97.0%	118,723	94.9%	
Non-spread business (Waste treatment, home electronics recycling) [b]	25,079	27,376	23,910	22,829	99,193	24,226	96.6%	26,438	96.6%	22,739	95.1%	
Net sales [②] (millions of yen)	13,009	9,862	10,839	11,154	44,866	10,721	82.4%	10,392	105.4%	11,386	105.0%	
Reference unit price (②÷①) (Yen/t)	87,073	67,434	72,706	78,731	76,511	75,465	86.7%	73,321	108.7%	80,488	110.7%	

Net sales

Unit: Millions of yen



Waste Treatment & Recycling business

- Orders for large-scale projects in the Tokyo metropolitan area remained strong, resulting in an increase in handling volumes. Fukushima reconstruction projects contributed to sales growth.
- Despite the impact of unfavorable weather conditions and a decrease in waste generation in local regions, three gypsum board recycling companies contributed to sales growth.
- TRE GLASS CORPORATION earnings are not included in Q1 FY03/23 (became a consolidated subsidiary in July 2022).

Resource Recycling business

- Sales of ferrous and nonferrous metals after processing and sorting decreased due to a decline in handling volumes, in addition to low steel scrap prices, which were lower in Q1 FY03/24 than Q1 FY03/23 (averaged about JPY61,000/ton in Q1 FY03/24 compared with an average of about JPY49,000/ton in Q1 FY03/24).

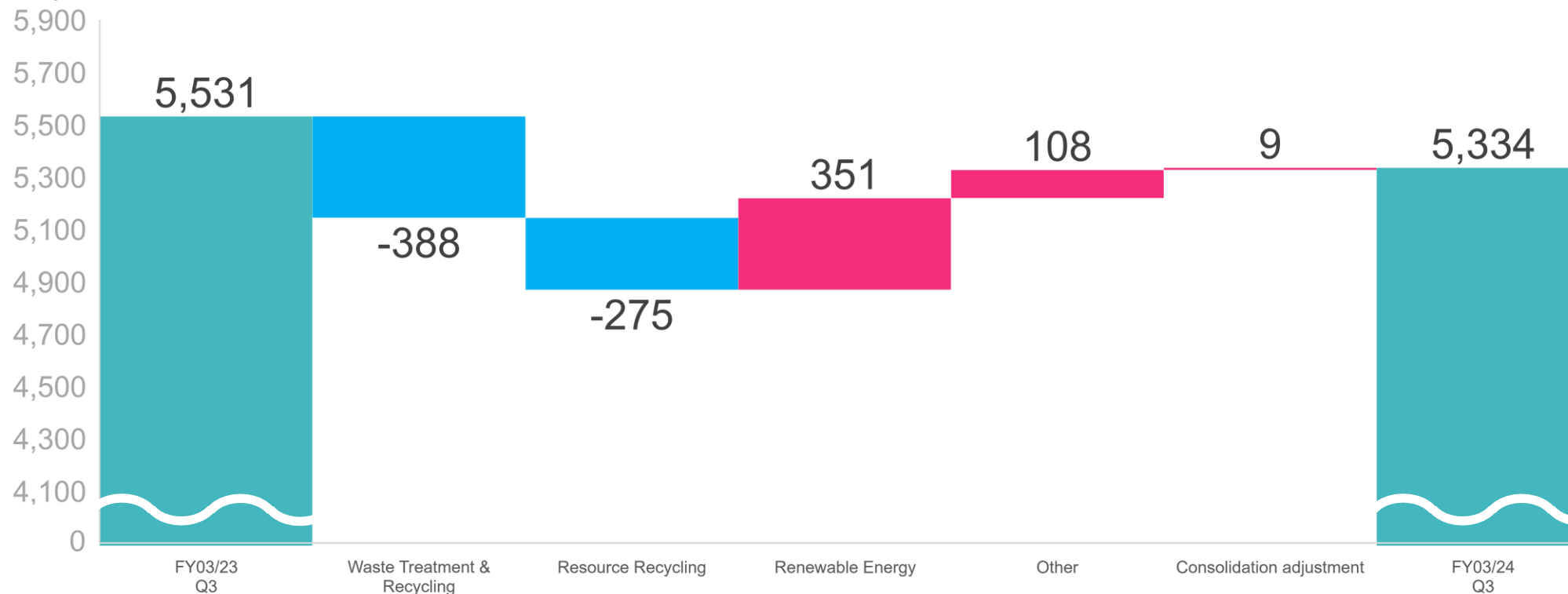
Renewable Energy business

- In the power generation business, six power generation plants maintained generally stable operations.
- In power retailing, sales increased in line with efforts to focus on sales of electricity with non-fossil certificates and the continued development of wholesale channels.



Operating profit

Unit: Millions of yen



■ : Increase factors
■ : Decrease factors

Waste Treatment & Recycling business

- In the landfill subsegment, the significant decrease in sales and handled volume caused a decline in gross profit, and the burden of fixed costs, such as labor costs, increased.
- In addition to increases in labor and administrative expenses, external processing and transportation costs increased.
Ongoing efforts are being address to value-add waste at Intermediate processing facilities.

Resource Recycling business

- In addition to Q1 steel scrap prices being lower compared with Q1 FY03/23, handling volumes declined, resulting in lower gains on sale of ferrous and non-ferrous metals after processing and sorting.
- In the 3Q, one-time costs (130 million yen) were incurred in addition to an increase in depreciation expenses associated with the introduction of new equipment and an increase in facility repair expenses.

Renewable Energy business

- In the power generation business, six other power generation plants maintained generally stable operations including mainstay Green Power Ichihara Co., Ltd.
- In power retailing, market prices declined YoY, retail procurement costs were reduced, and wholesale channels were expanded, resulting in higher profits.

(millions of yen)

	FY03/23	FY03/24	
	Cum. Q3	Cum. Q3	Full-year Forecast
Capital expenditures (Note 1)	4,389	10,865	14,300
Depreciation	4,177	4,282	6,349
Amortization of goodwill (Consolidated)	427	428	572

Note 1: Capital expenditures represent figures for property, plant, and equipment, and intangible assets.

Note 2: The investment amount of JPY25.0 billion for the three-year period stated in the Medium-term Business Plan, excluding prepaid expenses of JPY8.0 billion, includes expenses for replacement of equipment and vehicles.

Progress of Medium-term Business Plan for Capital Expenditure

In FY03/24, we launched construction of a new controlled final landfill site at Monzen Clean Park Co., Ltd., building reconstruction work at the REVER CORPORATION's Fujisawa Plant, and construction of an advanced sorting center in Mibu, Tochigi.

From FY03/25, as part of the next Medium-term Business Plan currently being formulated, we plan to make extensive capital expenditure in large-scale intermediate treatment plants, waste power generation plants, waste plastic recycling plants, and advanced sorting plants for metal resources to realize the "TRE Integrated Environmental Business (provisional name)" planned in Ichihara, Chiba.

■ Main capital expenditure for FY03/24 (actual and planned)

		Cum. Q3	Full-year forecast
Monzen Clean Park Co., Ltd.	Disposal site development work, etc.	JPY4.25 billion	JPY4.28 billion
REVER CORPORATION	Northern Kanto New Plant (Mibu)	JPY510 million	JPY1.09 billion
REVER CORPORATION	Fujisawa Plant rebuilding	JPY420 million	JPY660 million
Fuji Car Manufacturing Co., Ltd.	Renewal of equipment and software	JPY160 million	JPY640 million
Shinshu Takeei Co., Ltd.	Relocation of head office, renewed capital expenditures	JPY210 million	JPY500 million
Hokuriku Environmental Services Co., Ltd.	Relocation of head office, expansion of disposal site, etc.	JPY360 million	JPY500 million
Green Power Ichihara Co., Ltd.	Replacement of equipment and machinery, etc.	JPY440 million	JPY460 million

- The Monzen Clean Park's controlled final landfill site, which has completed a pre-operational government inspections and awaiting a business license, was damaged in the 2024 Noto Peninsula Earthquake, and restoration work is underway with the aim of commencing operations in about six months.
- The REVER CORPORATION's Mibu Plant (provisional name) is making steady progress and land preparation work is underway. We expect to increase earnings by collecting dust (residue) from shredder factories located in the northern Kanto region for thorough recycling.
- Shinshu Takeei Co., Ltd., head office building reconstruction and surrounding area improvements are underway.
- Hokuriku Environmental Services Co., Ltd., will relocate its head office and distribution center, and we will improve transportation efficiency to Hokuriku Environmental Services and Monzen Clean Park Co., Ltd., and strengthen cooperation between the two companies.

Medium-Term Business Plan



Progress of Medium-term Business Plan

(millions of yen)

	First year of Medium-term plan (FY03/22)			Second year of Medium-term plan (FY03/23)			Third year of Medium-term plan (FY03/24)		
	Full-year Results (Note 1) (Note 2)	Full-year Plan		Full-year Results (Note 2)	Full-year Plan		Q3 Results (Note 2)	Full-year Plan	
			Progress			Progress			Progress
Net sales	90,584	84,000	107.8%	90,712	94,200	96.3%	68,682	95,200	72.1%
Operating profit	10,326	7,700	134.1%	7,509	9,300	80.7%	5,334	8,300	64.3%
Operating profit margin	11.4%	9.2%	124.4%	8.3%	9.9%	83.9%	7.8%	8.7%	-
Profit attributable to owners of parent	7,248	5,050	143.5%	5,197	5,900	88.1%	3,419	5,400	63.3%
Earnings per share	(Note 3) JPY141.1	(Note 3) JPY98.3	143.5%	JPY101.2	JPY114.8	88.2%	-	JPY105.1	-

Note 1. Results for TAKEEI CORPORATION and REVER CORPORATION (formerly REVER HOLDINGS CORPORATION), for the period from April to March of the following year, have been combined to make YoY comparisons.

Note 2: Operating profit figures include the effect of goodwill amortization related to business integration (amounting to JPY90 million for FY03/22, JPY178 million for FY03/23, and JPY135 million for Q3 FY03/24).

Note 3: For the first year of the Medium-term Business Plan, earnings per share (EPS) is calculated based on 51,362,030 shares, which is the number of issued shares at the end of FY03/22 minus the number of treasury shares at the end of the same year.

- 1st year: The mainstay Waste Treatment & Recycling and Resource Recycling businesses benefited significantly from a favorable business environment (large-scale projects, favorable unit prices and volumes).
- 2nd year: Unable to fully absorb the effects of a rapidly worsening business environment (fewer end-of-life vehicles, rising electricity and fuel costs, and adverse weather conditions).
- **3rd year (Q3)**: In the Resource Recycling business, although lower handling volumes continue to put substantial downward pressure on earnings, a recovery is expected in Q4 in line with the stable operation of new post-shear dust and resin sorting lines installed in FY03/23. We are working to accumulate operating profit both in the Waste Treatment & Recycling business and the Resource Recycling business, by continuing value-adding of delivered materials from each recycling plant in the former, and by improving operational efficiency at each biomass power generation plant and strengthening the sale of electricity with non-fossil certificates in the latter.

Performance Trends and Plan

(millions of yen)

		First year of Medium-term plan			Second year of Medium-term plan			Third year of Medium-term plan							
		FY03/22			FY03/23			FY03/24							
		1H	Cum. Q3	YoY	1H	Cum. Q3	YoY	1H		Cum. Q3		Full-year Plan			
								Apr. 2021 - Sep. 2021	Apr. 2022 - Sep. 2022	Apr. 2023 - Sep. 2023	YoY	Apr. 2023 - Mar. 2024	YoY	Progress	
Consolidated	Net sales	43,427	67,389	+30.1%	44,210	67,682	+0.4%	44,490	+0.6%	68,682	+1.5%	95,200	+1.1%	72.1%	
	Operating profit	4,842	7,811	+76.3%	3,094	5,531	-29.2%	3,167	+2.4%	5,334	-3.6%	8,300	-10.8%	64.3%	
	Operating profit margin	11.2%	11.6%	-	7.0%	8.2%	-	7.1%	-	7.8%	-	8.7%	-	-	
Waste treatment and recycling	Net sales	12,224	18,868	+3.2%	12,138	19,159	+1.5%	13,018	+7.2%	19,820	+3.5%	27,757	+7.5%	71.4%	
	Operating profit	2,234	3,830	+63.5%	1,884	3,264	-14.8%	1,801	-4.4%	2,876	-11.9%	4,346	-9.2%	66.2%	
	Operating profit margin	18.3%	20.3%	-	15.5%	17.0%	-	13.8%	-	14.5%	-	15.7%	-	-	
	Collection & Transportation / Waste treatment (Note 2)	Net sales	8,370	12,959	-2.6%	8,158	12,856	-0.8%	8,833	+8.3%	13,518	+5.1%	17,792	-0.1%	76.0%
		Operating profit	1,141	2,152	+42.2%	1,228	2,206	+2.5%	1,193	-2.9%	1,997	-9.5%	2,716	-18.8%	73.5%
		Operating profit margin	13.6%	16.6%	-	15.1%	17.2%	-	13.5%	-	14.8%	-	15.3%	-	-
	Recycling (Note 2)	Net sales	2,398	3,652	+13.6%	2,696	4,264	+16.8%	3,147	+16.7%	4,684	+9.8%	6,348	+26.6%	73.8%
		Operating profit	715	1,047	+149.3%	451	687	-34.4%	584	+29.5%	821	+19.5%	1,014	+11.4%	81.0%
		Operating profit margin	29.8%	28.7%	-	16.7%	16.1%	-	18.6%	-	17.5%	-	16.0%	-	-
	Landfill (final disposal) (Note 2)	Net sales	1,535	2,411	+9.5%	1,411	2,220	-7.9%	1,198	-15.1%	1,860	-16.2%	3,616	+20.3%	51.4%
		Operating profit	365	604	+42.1%	174	325	-46.2%	24	-86.2%	29	-91.1%	615	+15.4%	4.7%
		Operating profit margin	23.8%	25.1%	-	12.4%	14.7%	-	2.1%	-	1.6%	-	17.0%	-	-
Resource recycling (Note 3)	Net sales	22,350	34,628	+60.9%	22,872	33,712	-2.6%	21,113	-7.7%	32,500	-3.6%	45,550	-3.3%	71.4%	
	Operating profit	2,667	4,120	+165.0%	1,634	2,384	-42.1%	1,403	-14.1%	2,109	-11.5%	3,796	-13.0%	55.6%	
	Operating profit margin	11.9%	11.9%	-	7.1%	7.1%	-	6.6%	-	6.5%	-	8.3%	-	-	
Renewable energy (Note 3)	Net sales	6,065	9,461	+17.9%	6,455	10,110	+6.9%	6,954	+7.7%	10,592	+4.8%	13,891	-1.4%	76.3%	
	Operating profit	-145	-153	-	-11	321	-	340	-	672	+109.3%	771	+98.7%	87.2%	
	Operating profit margin	-	-	-	-	3.2%	-	4.9%	-	6.3%	-	5.6%	-	-	
Other	Net sales	3,174	4,988	+4.9%	3,204	5,408	+8.4%	3,579	+11.7%	6,038	+11.6%	8,710	+10.4%	69.3%	
	Operating profit	82	209	-17.7%	21	196	-6.2%	36	+71.4%	304	+55.1%	483	+15.0%	62.9%	
	Operating profit margin	2.6%	4.2%	-	0.7%	3.6%	-	1.0%	-	5.0%	-	5.5%	-	-	
Adjustments	Net sales	-387	-558	-	-461	-708	-	-176	-	-270	-	-708	-	-	
	Operating profit	4	-195	-	-435	-636	-	-414	-	-627	-	-1,096	-	-	

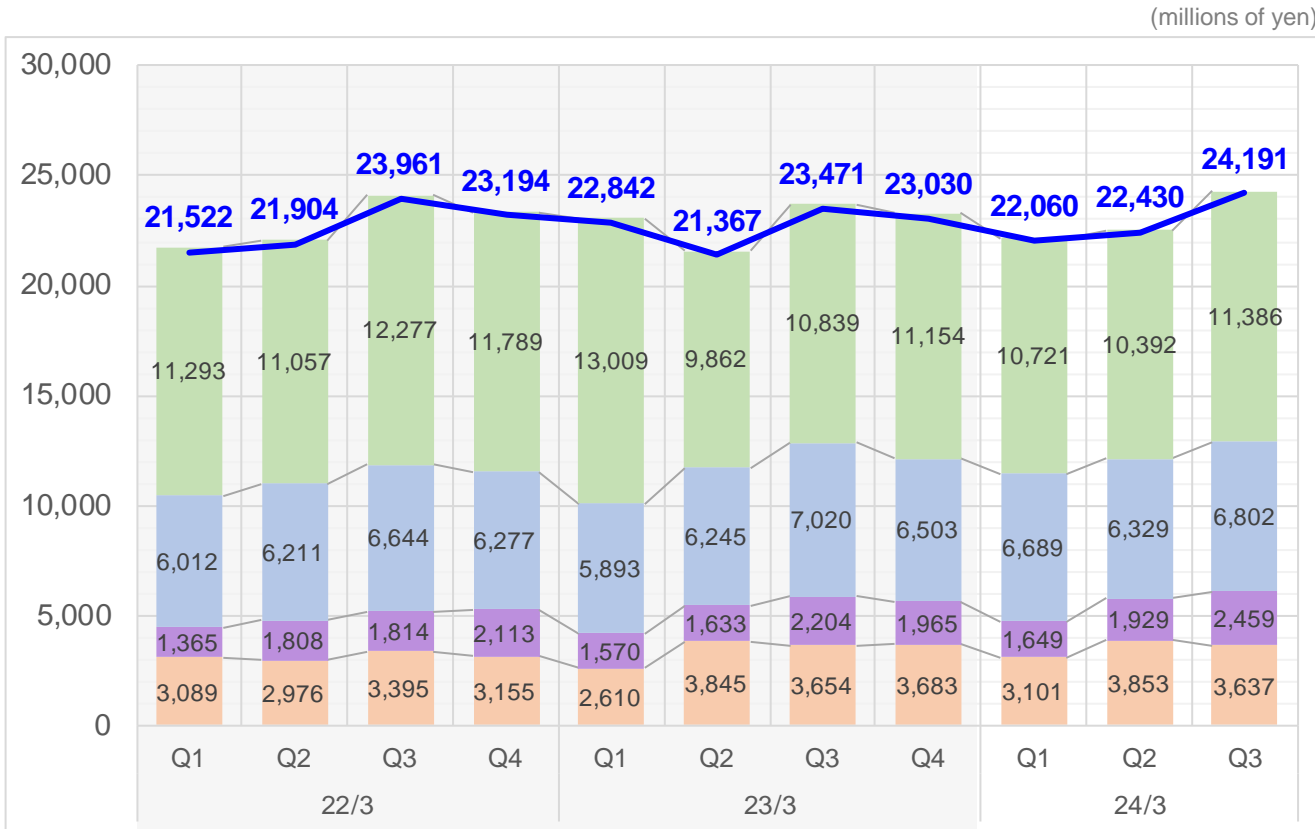
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Note 2: No strict segment adjustments have been made.

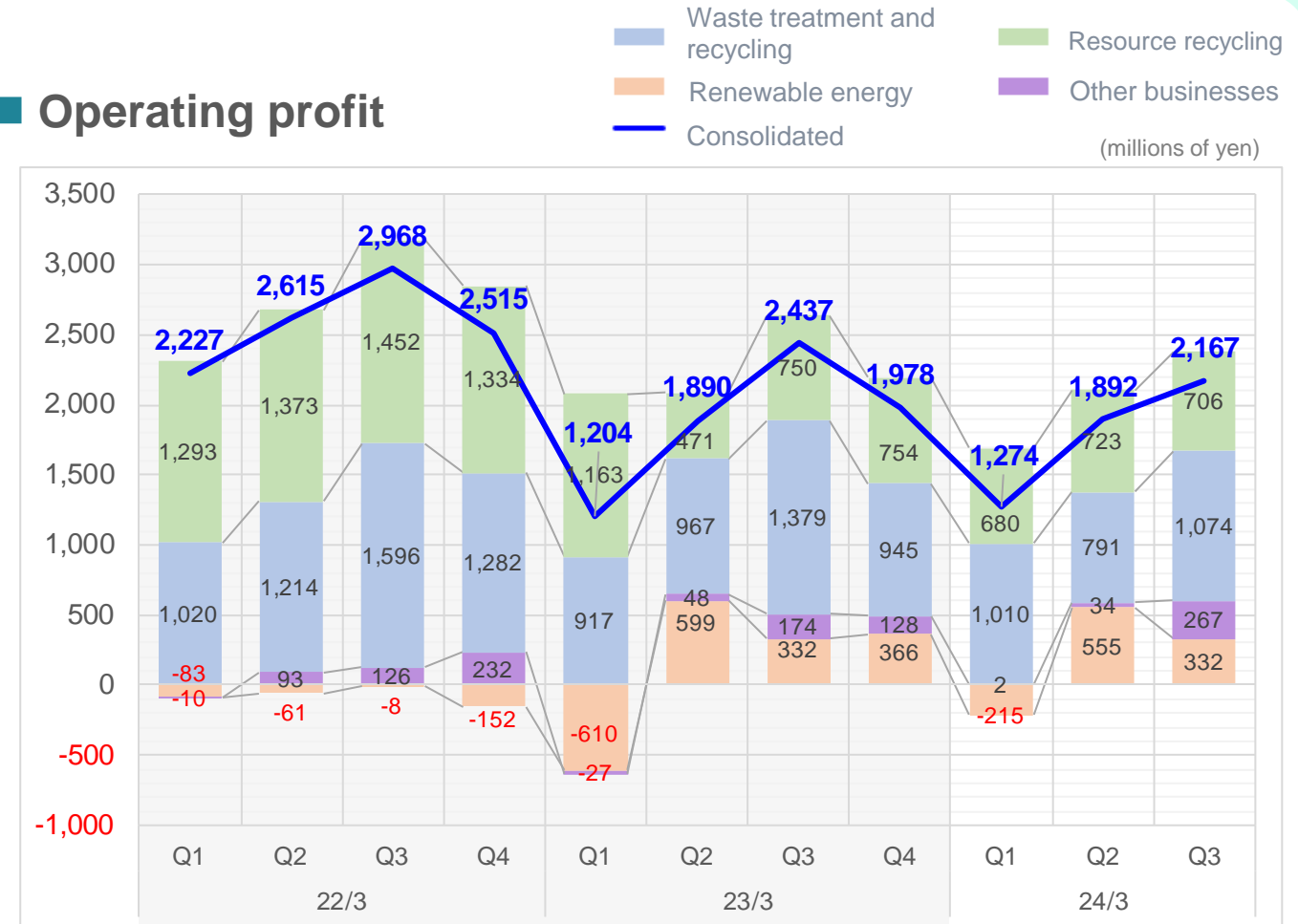
Note 3: Reflects impact of goodwill in the Resource Recycling and Renewable Energy businesses.

Net Sales and Operating Profit Trends

Net sales



Operating profit



Waste Treatment and Recycling business

- Sales is trending upward due to continued growth in collection, transportation, and handled volumes from Q1 to Q3 in the Tokyo metropolitan area, as well as contributions from Tohoku reconstruction projects. Profit declined slightly due to higher labor, administrative, and other cost expenses.
- We will continue to make efforts to secure profits through the value-adding of delivered materials and cost reductions.

Resource Recycling business

- Steel scrap prices have remained at anticipated levels, and are expected to remain at a high level going forward.
- Although building demolition scrap handling volumes are declining, the handling of end-of-life vehicles is recovering, and profits are rising steadily from Q1 to Q3 (excluding one-time costs in Q3). Profits are expected to increase in line with the anticipated recovery in handling volumes and thorough recycling efforts.

Renewable Energy business

- Attempted to stabilize earnings through the continued stable operation of our six power plants and the improvement of operating management.
- Although lower market prices, we secured profits through lower procurement costs in retail sales. Full year, effects of integrating the electricity sales division contributed to the increase in profit.

TOPICS



Izumiyama Forestry Co., Ltd. (Hachimantai, Iwate) made a consolidated subsidiary

Logging service provider that harvests and processes standing trees into logs and sells lumber and chips

Name	Izumiyama Forestry Co. Ltd.
Head Office	58 Chojamae, Hachimantai, Iwate Prefecture
Representative Director	Masato Izumiyama
Main Businesses	Logging
Capital	JPY3.0 million
Established	November 10, 1993
Major Shareholders and Shareholding Ratio	Two individual shareholders (TAKEEI's wholly owned subsidiary)

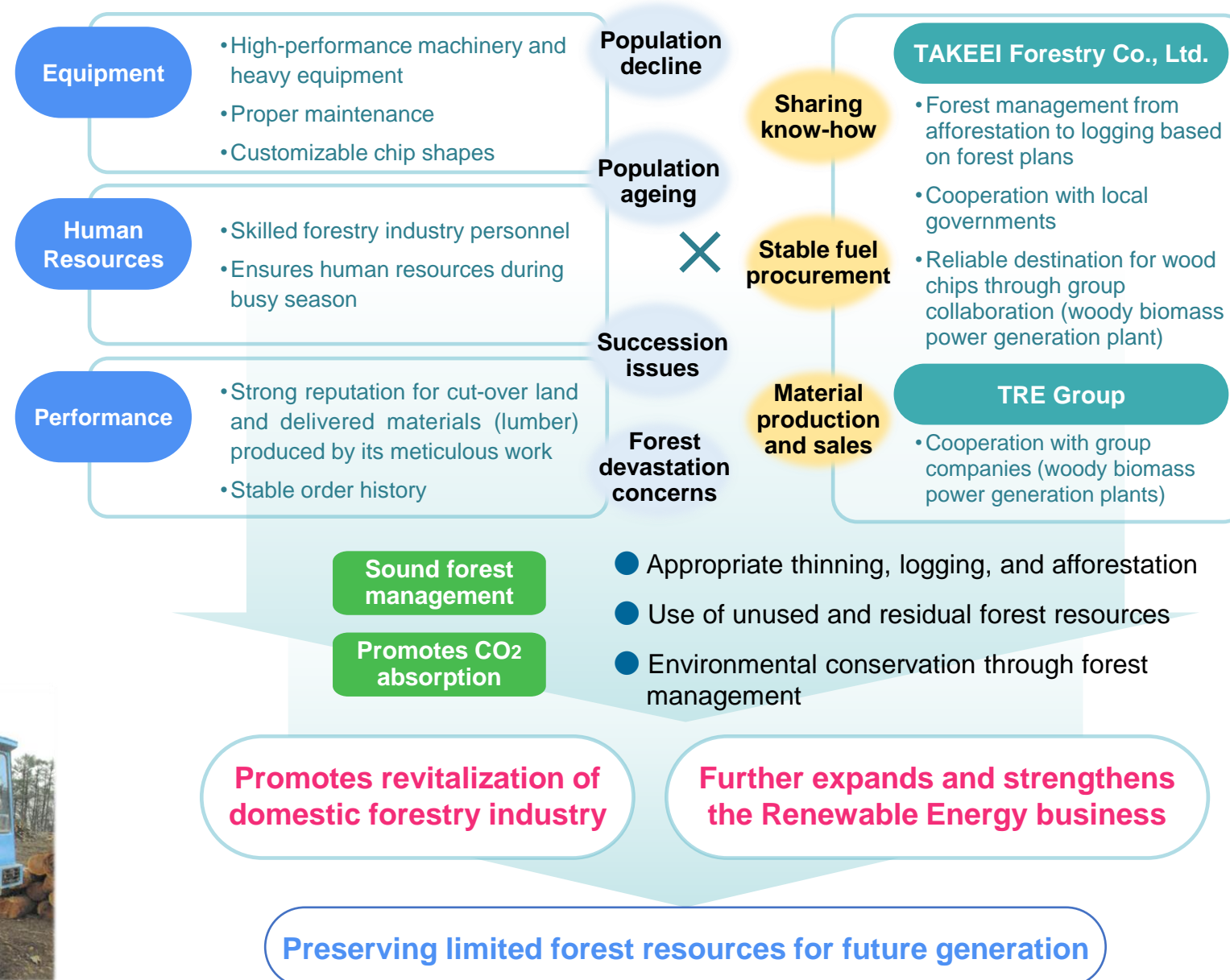
- Staff includes numerous skilled forestry personnel, comprising forest managers (general managers) and forest leaders (site managers), who have completed training provided by the Ministry of Agriculture, Forestry and Fisheries (Forestry Agency).
- Stable lumber handling volumes further solidify the stable supply of fuel for woody biomass power generation.



Wood chipper



Forwarder forestry machine



Regular Maintenance Plan for Each Power Generation Plant

◎Statutory inspections
 (once every two years for boilers, once every four years for turbines)
 ○Regular maintenance

	Years in operation	Main maintenance & inspection contents	Q1	Q2	Q3	Q4
Tsugaru Biomass Power Generation Co., Ltd.	8	Boilers, turbines	○		◎ ※3	
Hanamaki Biomass Power Generation Co., Ltd.	7	Boilers, fuel supply equipment, etc.	○		○	
Daisen Biomass Power Generation Co. Ltd.	5	Boilers, turbines, etc.	○		○	
Takeei Green Recycling Co., Ltd.	4	Boilers, turbines, etc.		◎ ※2		○ ※4
Green Power Ichihara Co., Ltd.	17	Boilers, turbines, etc.	○ ※1		○	
Tamura Biomass Power Generation Co., Ltd.	3	Boilers, fuel supply equipment	○	○		

Note 1: In Q1, although Green Power Ichihara Co., Ltd replaced equipment deemed necessary during inspections in FY03/23 and conducted regular maintenance, they maintained high-load operations after restart.

Note 2: In July 2023, Takeei Green Recycling Co., Ltd., conducted statutory inspections and implemented permanent countermeasure work for stable operations.

Note 3: Tsugaru Biomass Power Generation Co., Ltd., which celebrated its eighth year of power generation since December 2015, conducted a statutory inspection in October.

Note 4: Takeei Green Recycling Co., Ltd. postponed the regular repair scheduled for Q4 of FY03/24 to Q1 of FY 03/25.

Operational Status at Each Power Generation Plant

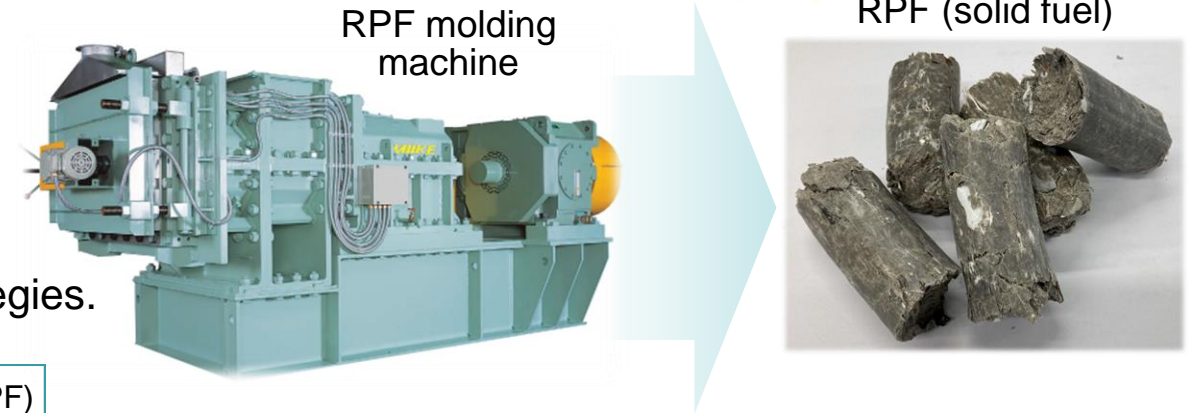
	Transmission volume (MWh)			Maintenance and operational status
	FY03/23 Q3	FY03/24 Q3	Change	
Tsugaru Biomass Power Generation Co., Ltd.	35,817	35,505	-0.9%	Continued stable operation. Started R&D on cedar pollen collection business.
Hanamaki Biomass Power Generation Co., Ltd.	34,071	35,643	4.6%	Continued stable operation. Initiating supply of compost using bark.
Daisen Biomass Power Generation Co. Ltd.	38,042	39,756	4.5%	Continued stable operation. Moisture content control is improved (an issue in 03/23).
Takeei Green Recycling Co., Ltd.	31,431	31,182	-0.8%	Ongoing efforts to ensure stable operations. Impact on business performance is improving trend.
Green Power Ichihara Co., Ltd.	180,634	200,668	11.1%	Maintained high-load operations after long maintenances conducted in Q1.
Tamura Biomass Power Generation Co., Ltd.	36,307	36,791	1.3%	Stable operation has been established and is continuing (3 years in operation).
Total	356,302	379,544	6.5%	

Line for molding and solidifying urethane dust

At the REVER CORPORATION's Ichihara Plant, we have commenced operation of a line for molding and solidifying urethane dust that converts urethane dust (residue) into RPF (solid fuel) after shredding and crushing.

Targeting about 2,000 tons of urethane dust handled annually at the same site

- Elimination of dust **improves recycling efficiency.**
- Using RPF as a fuel alternative to coal **contributes to a circular economy and CO₂ reductions.**
- **Enhances competitiveness** as a recycling plant.
- **Leverages know-how** aimed at recycling dust, one of our growth strategies.



Location	7-3 Yawatakaigandori, Ichihara-shi, Chiba	Investment	JPY300million	Output	1 ton/h (RPF)
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TRE HOLDINGS × Tohoku University Co-Creation Research Center for Waste Transformation (WX) established

To develop innovative processes for waste treatment and social implementation of CCU technologies

- The Co-Creation Research Center for WX was established on December 1, 2023, at the Tohoku University Aobayama Campus (until end-March 2027).
- Activities:
 1. Development of innovative processes that combine waste incineration treatment with carbon capture and utilization
 2. Investigation and review of various research seeds related to WX
 3. Nurturing of young talents to drive WX



The TRE Group proactively engages in industry-academia-government collaborations



Research facilities and vast amount of research data



東北大学
TOHOKU UNIVERSITY



Recycling technologies and processing facilities



We extend our sincerest condolences to the victims and bereaved families of the 2024 Noto Peninsula Earthquake and our deepest sympathies to those who are still suffering amid difficult conditions..

Impact on TRE Group business sites

- No group employees were physically injured.
- **Hokuriku Environmental Services Co., Ltd.** (Kanazawa city, Ishikawa)
January 2 : Damage were all minor. There are no issues with our waste acceptance operations, and normal operations.
- **Monzen Clean Park Co., Ltd. controlled final landfill site** (Wajima city, Ishikawa)
[Preparing for opening]
January 2 : Large landslide observed on road to Monzen Clean Park.
January 12: Initial assessment of approximate damage in the facility.



Roads near Monzen Clean Park



Exterior view of the administration bldg.

Engaged in restorations aiming to start operations in appx. 6 months.

- Waterproof sheets have shifted due to surface uplift and other factors
- An exterior wall at the water treatment facility has partially collapsed.
- There is some damage to a green slope area and the fence surrounding the disaster prevention regulating pond.
- No significant damage to the administrative building.

Disaster recovery and reconstruction support projects

Nakanoto Temporary storage

From January 15, 2024

Wajima city 1st Temporary storage

From February 1, 2024

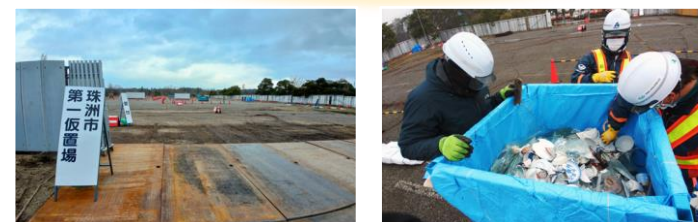
Suzu city 1st Temporary storage

From February 1, 2024

- Staff dispatched sequentially from TRE Group companies.
- In Wajima and Suzu City Responsible for operation and management.



Temporary storage area



※ Preparing to add temporary storage space.

APPENDIX



Challenges in the macro environment



Social needs



Our response

Two companies sharing the same passion for the global environment decided to come together to jointly invest capital and boost efficiency.

On October 1, 2021, TAKEEI CORPORATION and REVER HOLDINGS CORPORATION established a joint holding company with the aim of leveraging all economic resources to create synergies.



TREホールディングス株式会社

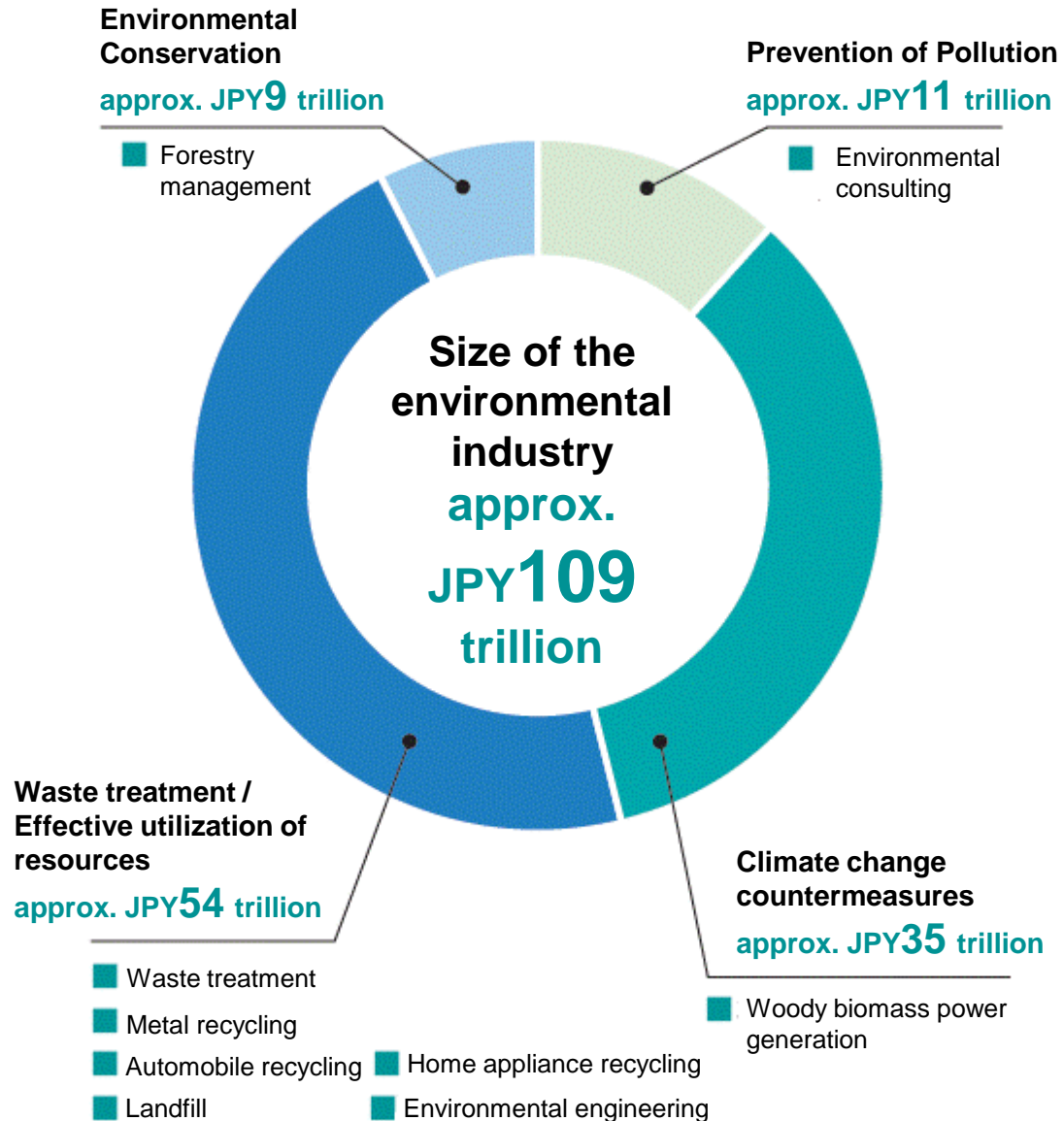
Try
↓
Technology
Recycling
Renewable Energy
↓
Earth Ecology

Try
Developing new technologies
Enhancing the Recycling business
Promoting the Renewable Energy business
Preserving the Global Environment

Corporate Philosophy	We are committed to the conservation of the global environment.
Establishment	October 1, 2021
Headquarters	Chiyoda-ku, Tokyo
Representative Directors	Naoto Matsuoka, Chairman and CEO Mitsuo Abe, President and COO
Capital stock	JPY10.0 billion
Number of employees	2,234 employees (on a consolidated basis)
Group Businesses	Waste treatment and recycling, resource recycling, renewable energy, environmental engineering, environmental consulting
Subsidiaries, etc.	33 subsidiaries, 6 equity-method affiliates
Number of locations	64 locations in Tokyo metropolitan area as well as Tohoku, Hokuriku, Koshin and Kansai regions, 1 overseas location in Thailand
Key customers	Major construction companies, home builders, major steel companies, trading companies, etc.

As of End-December 2023

Market size of Japan's environmental industry
approx. JPY109 trillion



Source: "Report on the Market Size and Employment of the Environmental Industry" by the Environmental Industry Market Size Study Group, released June 2023 (2021 edition)

Macro trends in Japan's environmental industry

(June 2023 Ministry of the Environment statistics)

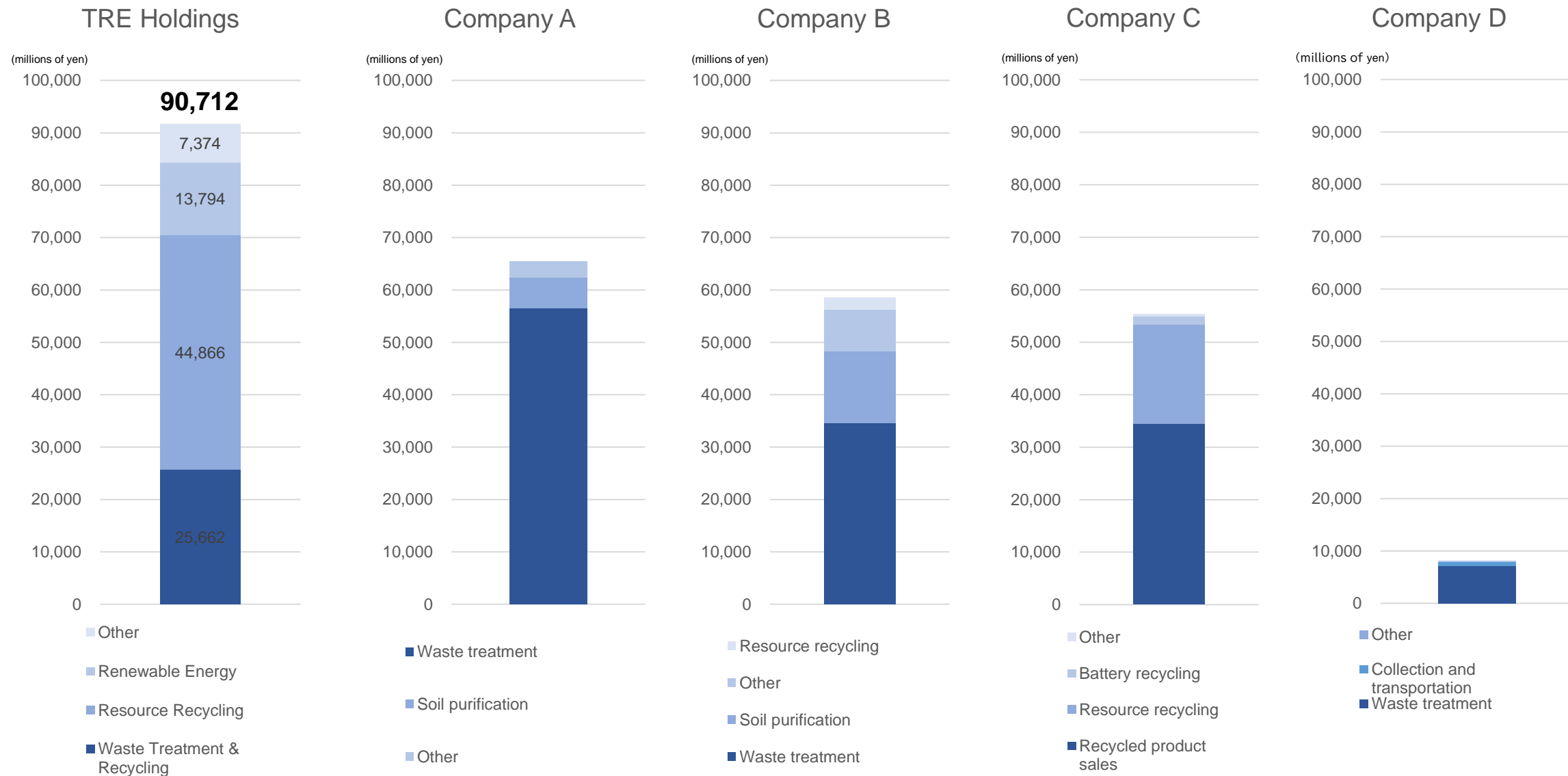
- The market shows high growth potential in the long term, despite the negative impact of the COVID-19 pandemic on each indicator YoY.
- The market size of Japan's environmental industry is estimated at JPY109 trillion, about 1.7 times that of 2000.
- The estimated scale of employment in Japan's environmental industry is about 2.8 million, about 1.4 times that of 2000.
- The value of exports from the environmental industry is estimated at JPY17 trillion, about 9.7 times that of 2000.
- The value of imports of the environmental industry is estimated at JPY5 trillion, about 9.1 times that of 2000.
- Added value in the environmental industry is estimated at JPY46 trillion, about 1.5 times that of 2000.
- The economic ripple effect of the environmental industry is estimated at JPY205 trillion, about 1.8 times that of 2000.

The Ministry of the Environment's circular economy process chart

(From the Ministry of the Environment's Central Environmental Council, August 25, 2022)

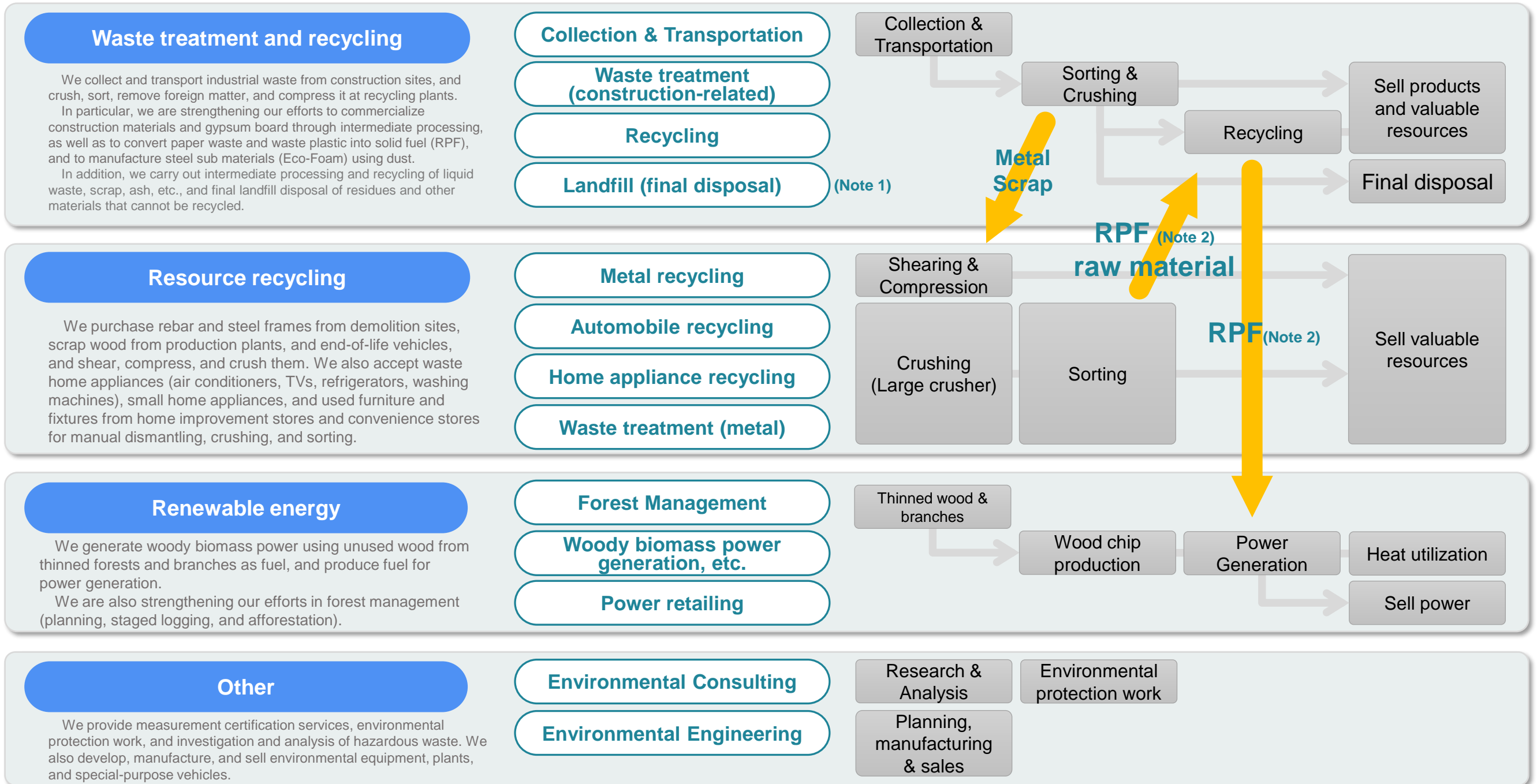
- **The goal is to increase the market size of businesses related to the circular economy from the current JPY50 trillion to more than JPY80 trillion by 2030.**

Comparison with peers in Japan



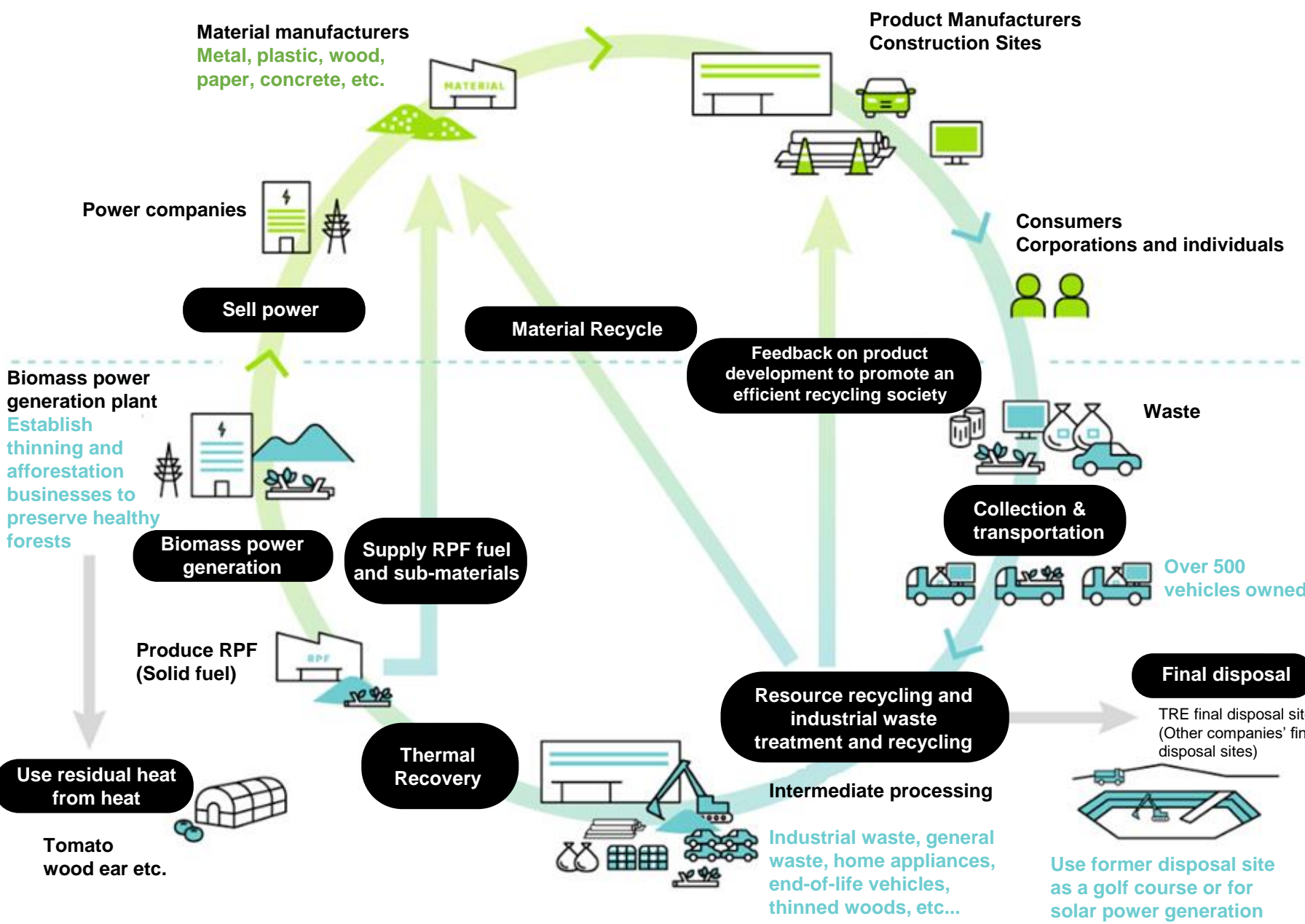
Towards a leading company as a comprehensive environmental company.

Note: According to TRE research.



Note 1: Use former disposal site as a golf course or for solar power generation

Note 2: RPF is a solid fuel made mainly from recycled paper and waste plastics. It is high in calories and emits less CO₂ than fossil fuels.



Waste treatment and recycling business

Resource recycling business

Renewable Energy business

We operate mainly in the Kanto area, which has a large amount of waste and strong demand for recycled products and renewable energy.

With one of the largest processing capacities, numerous locations, and a large fleet of vehicles, we are able to meet the social needs of a circular economy.

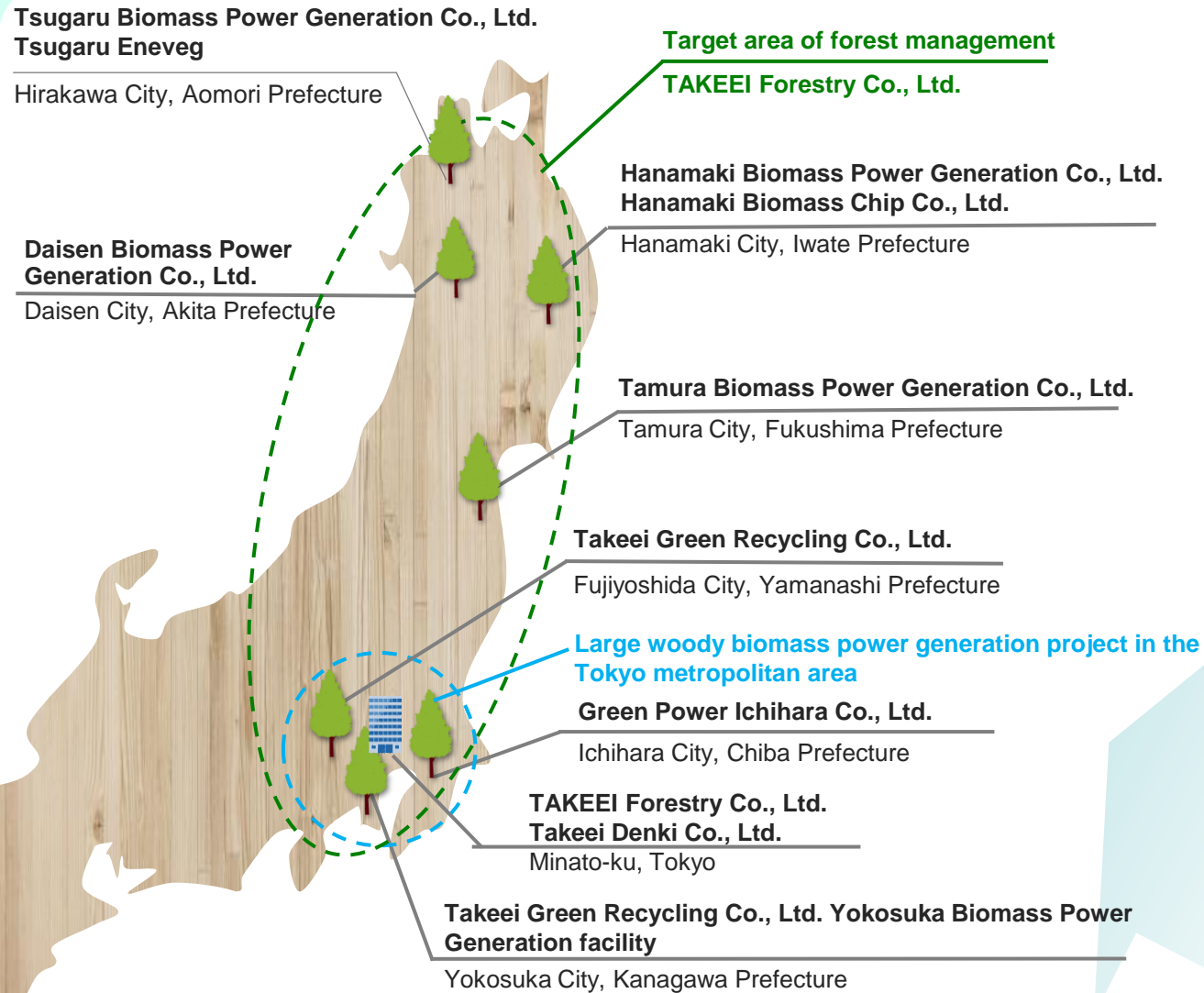
Group volume Appx. **2 million tons** per year

Intermediate processing and recycling facilities, etc. Appx. **60** locations

vehicles owned Appx. **500** vehicles

Number of large crushers **6** crushers in Kanto region

Note: Large crushers refer to crushers with a main body horsepower of at least 1,000 horsepower.



Environmental Engineering & Environmental Consulting businesses

As for other business segments, we operate an environmental engineering business that plans, manufactures, and sells environmental equipment, and an environmental consulting business that conducts measurement certification operations, environmental protection work and investigates, and analyzes hazardous waste.

Renewable Energy business

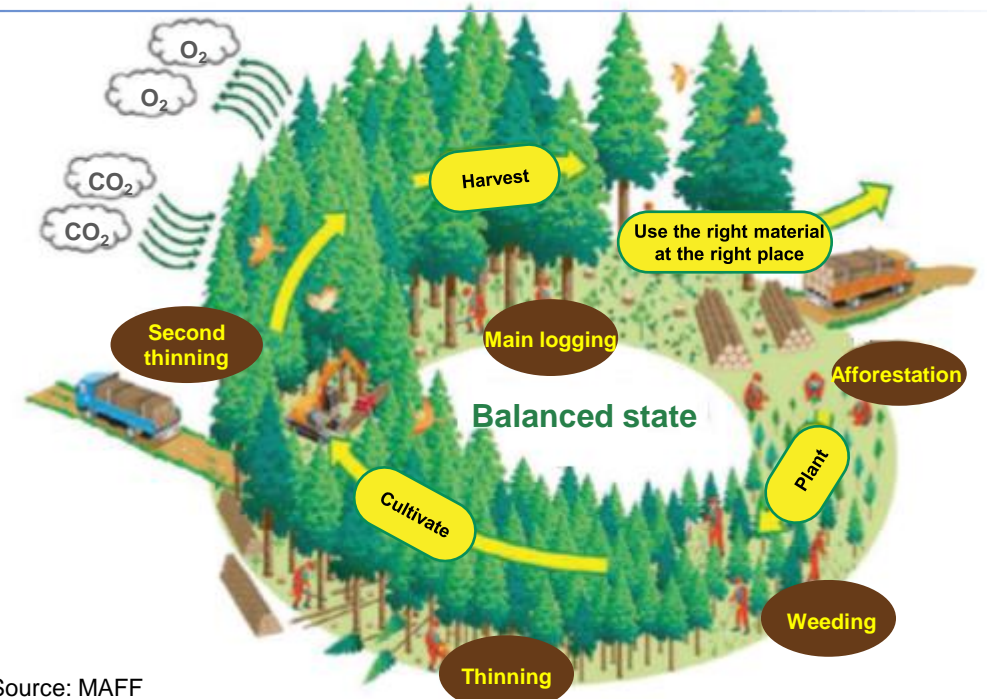
RPF: A solid fuel made mainly from waste paper and plastics. It is high in calories and emits less CO2 than fossil fuels.

We operate **four** woody biomass power plants centered on eastern Japan, mainly in the Tohoku region using unused forest resources such as thinned wood and logged wood as fuel, and **two** plants in the Kanto region using scrap wood and some RPF as fuel.

In addition, we are strengthening our efforts in forest management (planning, staged logging, and afforestation) and promoting the expansion of our renewable energy business where resource circulation is viable.

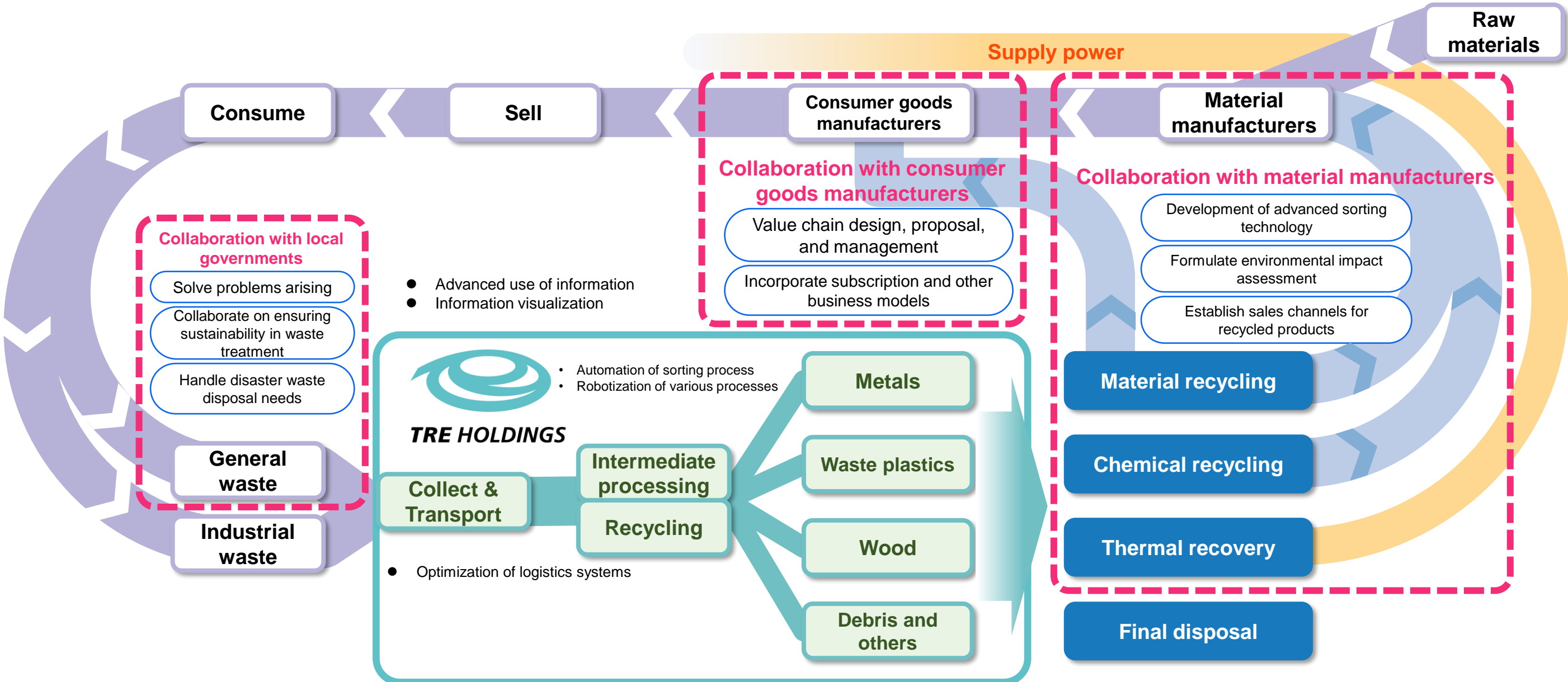
Annual woody biomass volume: 600,000 tons RPF: 50,000 tons

Annual power generated: Appx. 569,859 MWh



Source: MAFF

Circular Economy Initiatives



Recycling unused resources

◆ RPF



We filter mixed waste for paper, textile and plastics. These are compressed and molded into a solid fuel material - 'RPF'. We plan to increase RPF production by applying this method to shredder dust among others.



Effective use of solid fuel for power generation (RPF)

RPF is a recycled material used to fuel biomass power generators and thermal recycling facilities. Among TRE Group companies, Green Power Ichihara Co., Ltd. and TAKEEI Green Recycling Co., Ltd.'s Yokosuka Plant use RPF to fuel their power generators (they are positioned as the final intergroup users).

The RPF production is expected to serve as a stable waste receiver for the new Group as well as a facilitator to recycle unused resources.

◆ Eco-form®



Dust residue contained in waste is collected with a dust collection system. The collected dust is then compressed and molded into a solid material by a compressor. We are leveraging the production of 'Eco-form ®' (a subsidiary material applied in the iron making process) to speed up process in 'resource recycling'.



An additive agent (forming suppressant) in the iron making 'converter'.

Eco-form is an additive agent used in the 'converter' that smelts iron ore. The agent prevents the slag from forming, helping produce high-quality iron. (TAKEEI Tokyo Plant already expanded its Eco-form production line in September 2020).

As each iron mill employs different quality standards, we are working on production of various added-value models to enhance the appeal of demand for recycled materials.

◆ Eco-flake



Waste carpet tiles are technically difficult to recycle, therefore many of them are discarded in landfill. In light of this, we have built a mill exclusively designed to recycle waste carpet tiles where the top textile layer is ripped off the bottom PVC layer, facilitating the recycling of this waste resource.



Recycling the PVC (polyvinyl chloride) layer to produce a reclaimed material. Eco-flake:



Eco-flake

Waste carpet tiles are recycled into reclaimed materials, capable of meeting the high quality requirements of carpet manufacturers.

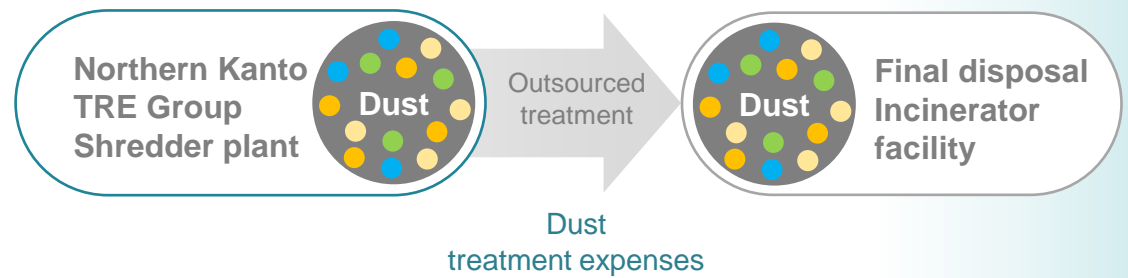
We pursue further technological development and higher quality to drive forward resources recycling i.e. recycled plastics.

Advanced Sorting Center: REVER CORPORATION Mibu Plant (provisional name) ~ Operational in August 2025

A new plant was built to sort valuable materials (metals and plastics) from dust (residue) after shredding by large shredders.

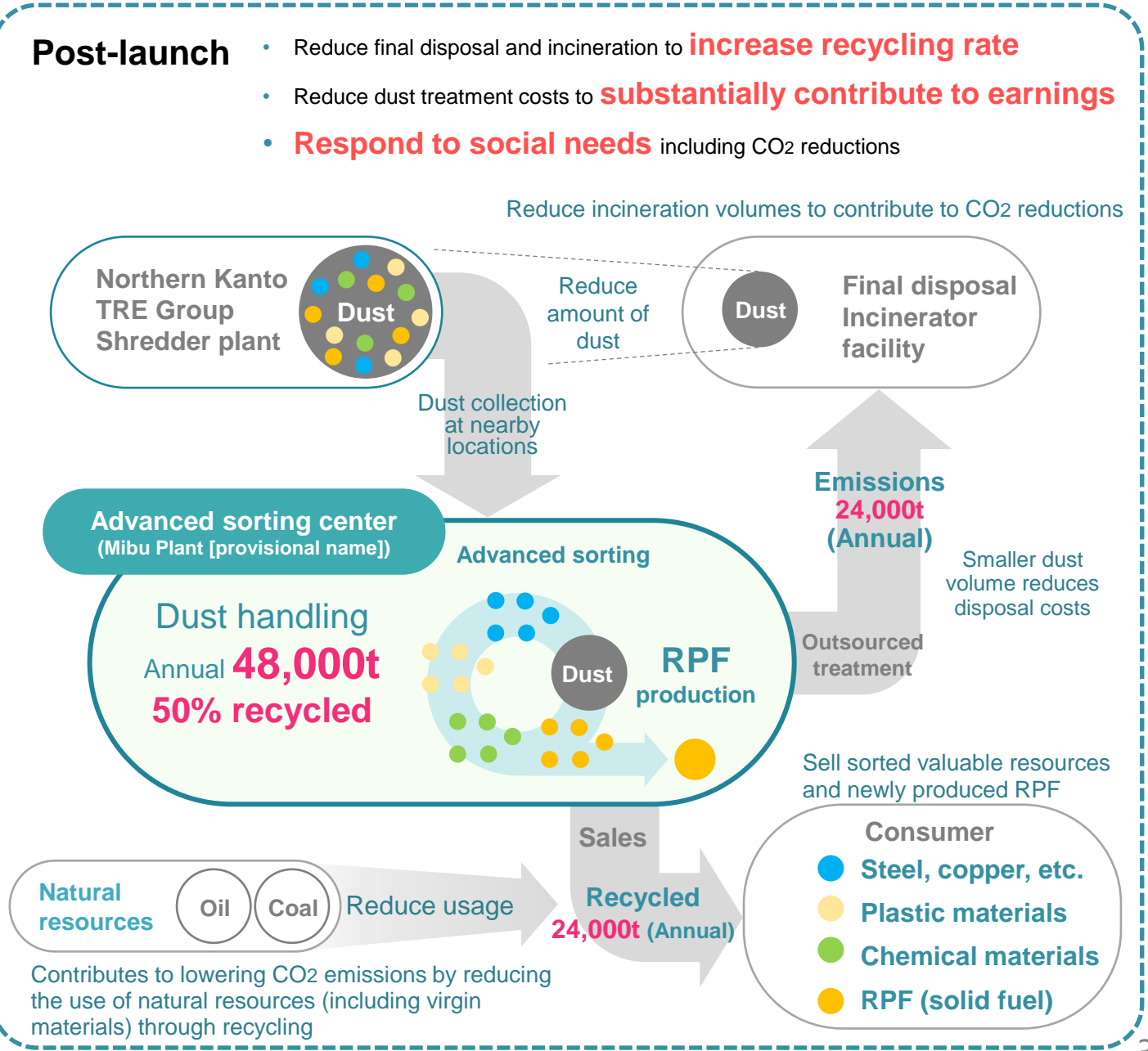
Dust treatment issues

- Unsorted in **landfills and incinerators**
- Outsourcing involves **high treatment costs**



Societal needs

- Realization of carbon neutrality via **CO2 reductions**
- Accelerated efforts to **utilize recycled materials** in plastic products to realize circular economy
- **Increased demand for RPF (solid fuel)** as an alternative to fossil fuels with a low environmental impact



Business Alliance with Sumitomo Chemical Co., Ltd. (April 2023)

- In the EU, there is a growing movement to make the **inclusion of recycled materials a mandatory requirement** for major plastic products.
- The trend toward the **commercialization of products using recycled materials** is also gaining momentum in Japan, with the **potential for systematic implementation**.
- There is a sense of crisis among **domestic automakers and related parts suppliers** with global operations.

Projected demand for recycled plastics used in automobile production

390,000 tons annually

(Source: TRE HOLDINGS)

Automotive material manufacturing technologies



End-of-life vehicle disassembling and sorting know-how



Aiming to establish a “Car to Car” scheme for recycling waste plastic recovered from end-of-life vehicles into automobile parts.

Business Alliance with Hitachi Zosen Corporation (May 2023)

- Many regions are required to **revise their waste treatment systems, including facility upgrades** (wide-area expansion, consolidation, etc.).
- Urgently need to curb emissions of plastic product waste, promote recycling, and reduce CO2 emissions from incineration.**
- Recovery and recycling opportunities exist because the **recovery of valuable resources from incinerated ash** has yet to advance.

Incineration facilities in East Japan Demand for equipment renewal (within 15 years)

Appx. 150 facilities

(Source: TRE HOLDINGS)

Works with local governments to design, construct, and operate waste power generation facilities



Recycling technologies facilitating thorough resource recovery Integrated treatment systems for collection and transportation to final disposal



Municipal waste sorting opportunities

2.96 million tons annually

(Source: Plastic Waste Management Institute)

Aiming to promote public-private partnership projects, effectively deploy high-efficiency waste power generation and recycling facilities across regions, and jointly commercialize waste plastic and incinerator ash recycling.

1. Basic Approach

The TRE Group aims to further strengthen its functions and expand its scale as a comprehensive environmental company playing a central role in the creation of an efficient recycling and a carbon-neutral society. In other words, the industry will be transformed from one that accepts, treats, and disposes of waste, to an **industry that generates resources from waste.**

2. Basic Strategy

Pursuing growth for recycling businesses

Expand TRE Group functions and facility capabilities and promote the realization of cross-industrial collaborations.

Example: Respond to substantial future needs for the recycling of glass contained in solar panels and automobile windshields, mainly through strategic subsidiary TRE GLASS CORPORATION.

Promoting eco-friendly energy businesses

- ① **Promote biomass power generation business and thermal recovery of waste.**
- ② **Promote acquisition of forests and utilization of forest resources through TAKEEI Forestry Co., Ltd.**
- ③ **Expand sales of renewable energy, including electricity with non-fossil certificates.**

Development of new technologies

Budget 1% of sales for R&D investments, etc. (including industry-academia-government collaborations for social implementation as an environmental project).

Example: In anticipation of the societal shift to EVs, we are promoting the development of advanced technologies for the disassembling and sorting of batteries removed from collected automobiles and the recycling of rare metals.

Sustainability management

Set KPIs quantified as non-financial targets for the five priority material issues.

Example: Within non-financial KPIs, we implement raising funds through sustainability-linked bonds connected to predefined achievement targets for TRE Group recycling efficiency and CO2 emissions reduction.

3. Management Indicators

Revised ROE target

Current Medium-term Business Plan target is 8% or more, which will be raised to 10% or more in the future.

Shareholder returns

Current Medium-term Business Plan targets a dividend payout ratio of 30% or more, and in the future, a total return ratio of 35–40% (share buybacks may be considered, depending on share price levels).

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