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April 12, 2024

To whom it may concern,

Company Name: ENVIPRO HOLDINGS Inc.
Representative: Representative Director, President/CEO
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Notice of Reorganization of Consolidated Subsidiaries (Merger between Wholly Owned Subsidiaries)

Envipro Holdings, Inc. (hereafter, the "Company") announces that it passed a resolution, at its board of directors meeting held today, to implement an absorption-type merger (hereafter, "Merger No. 1") wherein ECONECOL Inc. (Head Office: Fujinomiya, Shizuoka Prefecture; President/CEO: Fumikatsu Sano; hereafter, "ECONECOL"), which is a consolidated subsidiary of the Company, is to be the surviving company and KURODA Recycle Co., Ltd. (Head Office: Hakodate, Hokkaido; President & Representative Director: Koji Nara; hereafter, "Kuroda Recycle") and SYN ECO Inc. (Head Office: Matsumoto, Nagano Prefecture; President & Representative Director: Shigeto Komatsu; hereafter, "SYN ECO"), which are also consolidated subsidiaries of the Company, are to be the absorbed companies, and to implement an absorption-type merger (hereafter, "Merger No.2") wherein NITTO KAKO CO., LTD. (Head Office: Samukawa-machi, Koza-gun, Kanagawa Prefecture; President & Representative Director: Kozo Haruyama; hereafter, "NITTO KAKO"), which is a consolidated subsidiary of the Company, is to be the surviving company and TOYO RUBBER CHIP Co., Ltd (Head Office: Maebashi, Gunma Prefecture; President & Representative Director: Kozo Haruyama; hereafter, "TOYO RUBBER CHIP"), which is also a consolidated subsidiary of the Company, is to be the absorbed company. The effective date of both mergers is to be July 1, 2024.

Since Merger No. 1 and Merger No. 2 (hereafter, the "Reorganization") are mergers between consolidated subsidiaries of the Company, disclosure of some information is omitted.

1. Purpose of the Reorganization

Based on the strategic concept "Lead a circular economy," the Envipro Group is pushing ahead with business,

aiming to achieve a number of specific examples of a circular economy ahead of other companies.

The purpose of Merger No. 1 is to integrate three companies involved in the recycling of metal and other resources, namely ECONECOL, Kuroda Recycle and SYN ECO, thereby strengthening the Group's ability to handle projects through expansion in business scale and also strengthening profitability and further promoting the circular economy through the efficient use of management resources held across the Group and the streamlining of organizations and businesses.

The purpose of Merger No. 2 is to promote the recycling of polymers (plastics and rubber etc.) through the vertical integration of NITTO KAKO, which manufactures and sells rubber products and resin products, and TOYO RUBBER CHIP, which manufactures and sells recycled rubber produced from scrap tires, and to achieve business expansion through the marketing of circular economy products and the optimization of human capital achieved through integration of the entire supply chain from the processing of waste rubber to the manufacture of products.

2. Merger No. 1

(1) Summary of Merger No. 1

① Schedule of Merger No. 1

Board of Directors' meeting to approve merger agreement (the Company)	April 12, 2024
Execution of the merger agreement (constituent corporations)	April 19, 2024 (plan)
General meeting of shareholders to approve the merger agreement (constituent corporations)	April 19, 2024 (plan)
Effective date of the merger (constituent corporations)	July 1, 2024 (plan)

② Method of Merger No. 1

An absorption-type merger in which ECONECOL will be the surviving company and Kuroda Recycle and SYN ECO will be the absorbed companies

③ Details of allotment relating to Merger No. 1

Since Merger No. 1 is a merger between the consolidated subsidiaries of the Company, there will be no issuance of shares or allotment of money, etc.

④ Handling related to stock acquisition rights and bonds with stock acquisition rights in connection with Merger No. 1

Not applicable

(2) Overview of the constituent corporations in Merger No. 1

(Surviving Company)

N a m e	ECONECOL Inc.
A d d r e s s	3507-19, Yamamiya, Fujinomiya-shi, Shizuoka, Japan.
R e p r e s e n t a t i v e	Fumikatsu Sano, President/CEO
B u s i n e s s	Recycling of industrial waste (ferrous and non-ferrous metals, waste plastic, waste consumer electronics, unwanted OA/office equipment, scrap vehicles, etc.) recycling of incineration ash, plant demolition, processing of bulky waste for local governments, export of recycled materials (scrap metal, used paper, waste plastic)
C a p i t a l	435 million yen
E s t a b l i s h m e n t	July 1978 (Founded: March 1950)
Number of shares issued	153,400 shares
Major shareholders and their shareholding ratios	Wholly owned by the Company
E m p l o y e e s *	199 (As of March 31, 2024)
F i s c a l Y e a r - E n d	June 30
Financial position and operating results of the immediately preceding fiscal year (ended June 30, 2023)	
N e t a s s e t s	4,079 million yen
T o t a l a s s e t s	6,956 million yen
Net assets per share	26,592.2 yen
N e t s a l e s	10,254 million yen
O p e r a t i n g p r o f i t	644 million yen
O r d i n a r y p r o f i t	678 million yen
P r o f i t	488 million yen
Basic earnings per share	3,184.3 yen

(Absorbed Companies)

N a m e	KURODA Recycle Co., Ltd.	SYN ECO Inc.
A d d r e s s	246-27, Nishikikyo-cho, Hakodate-shi, Hokkaido	2346 Oaza Shimadate, Matsumoto-shi, Nagano
R e p r e s e n t a t i v e	Koji Nara, President and Representative Director	Shigeto Komatsu, President and Representative Director
B u s i n e s s	Recycling of ferrous and non-ferrous metals, recycling of waste consumer electronics, recycling of unwanted small consumer electronics, recycling of scrap computers, recycling of unwanted OA/office equipment, recycling of scrap vehicles, recycling of scrap FRP boats,	Recycling of ferrous and non-ferrous metal, recycling of waste plastic, recycling of small consumer electronics, recycling of unwanted OA/office equipment, recycling of scrap vehicles, recycling of used paper

	industrial waste disposal, general waste disposal, collection and transportation of industrial waste and specially controlled industrial waste, measurement certification business	
C a p i t a l	40 million yen	100 million yen
E s t a b l i s h m e n t	January 2004 (Founded: 1922)	February 2002
Number of shares issued	800 shares	2,000 shares
Major shareholders and their shareholding ratios	Wholly owned by the Company	Wholly owned by the Company
E m p l o y e e s *	86 (As of March 31, 2024)	54 (As of March 31, 2024)
F i s c a l Y e a r - E n d	June 30	June 30
Financial position and operating results of the immediately preceding fiscal year (ended June 30, 2023)		
N e t a s s e t s	1,778 million yen	658 million yen
T o t a l a s s e t s	2,798 million yen	1,578 million yen
Net assets per share	2,223,583.5 yen	329,129.9 yen
N e t s a l e s	4,286 million yen	1,221 million yen
O p e r a t i n g p r o f i t	58 million yen	158 million yen
O r d i n a r y p r o f i t	70 million yen	159 million yen
P r o f i t	48 million yen	107 million yen
Basic earnings per share	60,799.7 yen	53,697.9 yen

*Number of employees includes regular employees, contract employees, employees under temporary contracts, part-time and casual workers, and excludes staffing agency employees.

(3) Post situation of Merger No. 1

There will be no change in the company name, business, location, representative, capital stock or fiscal year end of the surviving company as a result of Merger No. 1.

3. Merger No. 2

(1) Summary of Merger No. 2

① Schedule of Merger No. 2

Board of Directors' meeting to approve merger agreement (the Company)	April 12, 2024
Execution of the merger agreement (constituent corporations)	April 22, 2024 (plan)
General meeting of shareholders to approve the merger agreement	April 22, 2024 (plan)

(constituent corporations)	
Effective date of the merger (constituent corporations)	July 1, 2024 (plan)

② Method of Merger No. 2

An absorption-type merger in which NITTO KAKO will be the surviving company and TOYO RUBBER CHIP will be the absorbed company

③ Details of allotment relating to Merger No. 2

Since the merger is a merger between the consolidated subsidiaries of the Company, there will be no issuance of shares or allotment of money, etc.

④ Handling related to stock acquisition rights and bonds with stock acquisition rights in connection with Merger No. 2

Not applicable

(2) Overview of the constituent corporations in Merger No. 2

	Surviving Company	Absorbed Company
N a m e	NITTO KAKO CO., LTD.	TOYO RUBBER CHIP Co., Ltd.
A d d r e s s	6-1-3 Ichinomiya, Samukawa-machi, Koza-gun, Kanagawa	1573 Fukatsu, Kasukawa-cho, Maebashi-shi, Gunma
R e p r e s e n t a t i v e	Kozo Haruyama, President and Representative Director	Kozo Haruyama, President and Representative Director
B u s i n e s s	Manufacture and sale of rubber products and resin products	Sale of recycled materials made by shredding scrap tires and other rubber waste, manufacture and sale of recycled rubber, manufacture and sale of elastic paving material (colored rubber chips), manufacture and sale of rubber molding products (mats for railroad crossing, cow shed mats, etc.)
C a p i t a l	100 million yen	100 million yen
E s t a b l i s h m e n t	July 1949	October 2015 (Founded: 1904)
Number of shares issued	6 shares	2,000 shares
Major shareholders and their shareholding ratios	Wholly owned by the Company	Wholly owned by the Company
E m p l o y e e s *	159 (As of March 31, 2024)	77 (As of March 31, 2024)
F i s c a l Y e a r - E n d	March 31	June 30
Financial position and operating results of the immediately preceding fiscal year		

(NITTO KAKO: Fiscal year ended March 31, 2023, TOYO RUBBER CHIP: Fiscal year ended June 30, 2023)		
N e t a s s e t s	2,832 million yen	1,621 million yen
T o t a l a s s e t s	6,057 million yen	2,757 million yen
Net assets per share	738.0 yen	810,501.8 yen
N e t s a l e s	3,839 million yen	2,204 million yen
O p e r a t i n g p r o f i t	2 million yen	146 million yen
O r d i n a r y p r o f i t	(41) million yen	155 million yen
P r o f i t	(90) million yen	95 million yen
Basic earnings per share	(23.5) yen	47,712.9 yen

*Number of employees includes regular employees, contract employees, employees under temporary contracts, part-time and casual workers, and excludes staffing agency employees.

(3) Post situation of Merger No. 2

There will be no change in the company name, business, location, representative or capital stock of surviving company as a result of Merger No. 2; however, its fiscal year end will change from March 31 to June 30.

4. Future outlook

While the Reorganization will not significantly impact the Company's consolidated results because it is a reorganization of companies within the Envipro Group, it will lead to improvement in corporate value and earnings in the medium and long term by further strengthening synergies. The Company will promptly announce any matters which require disclosure in the future.