

Note: This document is a translation of a part of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.



August 22, 2023

To whom it may concern,

Company Name: ENVIPRO HOLDINGS Inc.  
Representative: Representative Director, President/CEO  
Tomikazu Sano  
(Securities code: 5698, TSE Prime Market)  
Contact: Director in charge of Management Department  
Naoki Takekawa  
Phone: +81-544-21-3160

### Notice of the Plan for Compliance with the Listing Maintenance Criteria

The Company does not meet the criteria for maintaining its listing on the prime market as of the base date (June 30, 2023) and has prepared the following plan to comply with the criteria for maintaining its listing.

#### 1. Compliance Status and the Planning Period of the Company's Listing Maintenance Standards

The Company's compliance with the criteria for maintaining its listing on the prime market as of June 30, 2023 is as shown in the table below, and the Company does not meet the criteria for market capitalization of shares outstanding. We will continue to take various measures to meet the criteria by the end of June 2025 with respect to the market capitalization of shares outstanding that failed to meet the criteria.

	No. of shareholders	No. of shares outstanding	Market capitalization of shares outstanding	Percentage of shares outstanding
Status of the Company (As of June 30, 2023)	11,629	131,366 units	¥7.6 billion	43.6%
Listing maintenance criteria	800	20,000 units	¥10 billion	35%
Compliance Status	○	○	×	○
Planning period	—	—	the end of June 2025	—

\*The Company's situation is calculated based on the distribution of the Company's share certificates, etc. as understood by the Tokyo Stock Exchange as of the base date.

## 2. Basic Policy, Issues and Details of Initiatives Toward Compliance with Criteria for Maintaining Listing

### (1) Basic Policy

The Company will aim to comply with the criteria for maintaining its listing on the prime market by promoting the measures set forth in the Medium-Term Management Plan, with the aim of achieving sustainable growth and increasing corporate value.

### (2) Issues and Initiatives

The components of the market capitalization of shares outstanding are market capitalization and percentage of shares outstanding. While we have secured a certain number of shareholders and shares outstanding, we recognize that our market capitalization of shares outstanding does not meet the standard due to the sluggish market capitalization, and we believe that forming an appropriate market capitalization is an issue. The Company will take the following actions to resolve this issue.

#### ① Steady execution of Medium-Term Management Plan

Following last year, the Company has formulated a Medium-Term Management Plan that ends in June 2028, using the rolling method. The plan's final year targets are 80 billion yen in net sales, 5 billion yen in ordinary profit, 13% in ROE, and 9% in ROIC. The Group has started to respond to the business opportunity of resolving issues to achieve carbon neutrality with the strategic concept of "Lead a Circular Economy (CE)," which is divided into "CE supporting manufacturing" and "CE supporting local communities. We will expand our revenue base and increase our corporate value by enhancing our organizational capabilities and realizing many concrete examples of high-level circular economy.

As for the focus of each segment, Resource Recycling Business will focus on dismantling work in collaboration with financial institutions, the polymer (plastic, rubber, etc.) business strengthened through M&A, and the collection of gold, silver & copper sediment sludge from incineration ash, etc. Global Trading Business will focus on the recovery from the decline in sales and profit in the previous fiscal year, expansion of scale, and the establishment of a new business model. Lithium-ion Battery Recycling Business will focus on capturing a high market share in growing markets through aggressive investment in new plants and other facilities.

By steadily implementing these Medium-Term Management Plan and improving business profits, we aim to achieve the market capitalization standard for shares outstanding by the end of June 2025. For details of the Medium-Term Management Plan, please refer to the "Medium-Term Management Plan (Midterm Plan 2028)" released on August 22, 2023.

(Consolidated)	Jun. 2023 Actual	Jun. 2026 Target	Jun. 2028 Target (Final year)
Net sales	¥49.1 billion	¥68.0 billion	¥80.0 billion
Ordinary profit	¥1.9 billion	¥3.3 billion	¥5.0 billion
ROE	7.7%	11%	13%
ROIC	5.5%	—	9%

## PER Approach

	Profit attributable to owners of parent	PER*		Market capitalization	Percentage of shares outstanding	Market capitalization of shares outstanding
Jun. 2024	¥1.6 bn	×	=	¥19.5 bn	×	= ¥8.5 bn
Jun. 2026	¥2.3 bn	×	11.7 =	¥27.0 bn	×	43.6% = ¥11.8 bn
Jun. 2028	¥3.5 bn	×	=	¥41.0 bn	×	= ¥17.8 bn

\*Average PER at the end of the last two fiscal years: calculated based on the average share price for each of the three-month periods from April to June 2022 and April to June 2023.

### ② Implement measures to return profits to shareholders

The Company recognizes that returning profits to shareholders is one of its most important tasks, and its basic policy is to provide stable and continuous profit returns from a long-term perspective, while comprehensively taking into account profit distribution based on business performance, internal reserves to strengthen the management base, and other factors. In addition, we target a consolidated payout ratio of 25% to 35% as an indicator of performance-based profit sharing.

The Company intends to enhance shareholder returns by implementing measures to increase corporate value, such as the Medium-Term Management Plan, to improve basic earnings per share and net assets per share.

### ③ Strengthen information disclosure capabilities, including IR activities

Currently, the Company is disseminating various initiatives at the Company through the use of timely disclosure and information dissemination tools and by holding financial results briefings and other events. In addition, the Company is providing English-language support in the form of financial statements, financial results briefing materials, transcripts of financial results briefings, convocation notices, sustainability reports, etc., in accordance with the importance of the information.

We will continue to enhance events such as individual investor briefings and facility tours for institutional investors. In addition, by improving the content of ESG data disclosure, responding to ESG questionnaires such as CDP and S&P Global CSA, and otherwise enhancing the dissemination of non-financial information, we will strive to improve recognition and understanding of our company and further enhance corporate value through dialogue with shareholders and institutional investors.