

Financial Results Briefing Materials for the Six Months Ended December 31, 2023

Envipro Holdings Inc.
(TSE Code : 5698)

February 9, 2024

Table of Contents

1. Financial Overview - FY2024 1st half

2. Forecast - FY2024

3. Future Initiatives

4. Reference Data

Consolidated Financial Results

Net sales	YoY
¥25,789 million	9.4% up
Operating profit	YoY
¥726 million	16.5% down
Ordinary profit	YoY
¥1,004 million	1.0% down
Profit*	YoY
¥692 million	2.4% down

【 Our Group's Business Environment 】

- The average ferrous scrap price (Tokyo Steel Tahara Tokkyu Grade Seaborne Price) was **¥50,176/t** during the six months ended December 31, 2023. (in the same period of the previous fiscal year ¥47,315/t)
- Crude steel production volume worldwide **increased**. Although metal prices were stable due to global inflation along with well-balanced high supply and demand, market prices of cobalt, nickel, and lithium were **lackluster** due to easing demand and supply.

【TOPICS】

- Handling volume: **324,000 t** (YoY **7.4% up**)
- In July 2023, **NEWSCON Netherlands opened**.
- **LIB* Recycling Ibaraki Plant** in progress for operation. (operation scheduled in June 2024)

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

*LIB: Lithium-ion Battery

Summary of Consolidated Statements of Income



(¥ million)

	June/2023 1 st half	June/2024 1 st half		
	Actual	Actual	YoY	
			Increase/ Decrease	Ratio
Handling volume (1,000t)	301	324	22	7.4%
Net sales	23,582	25,789	2,207	9.4%
Gross profit	4,356	4,184	(171)	(3.9%)
Operating profit	870	726	(143)	(16.5%)
Ordinary profit	1,014	1,004	(9)	(1.0%)
Profit before income taxes	1,036	1,019	(17)	(1.7%)
Profit*	709	692	(16)	(2.4%)
Marginal profit*	4,093	5,023	930	22.7%
EBITDA*	1,267	1,349	82	6.5%
Fixed costs*	3,280	4,235	955	29.1%

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

*Marginal profit = Net sales - Variable costs

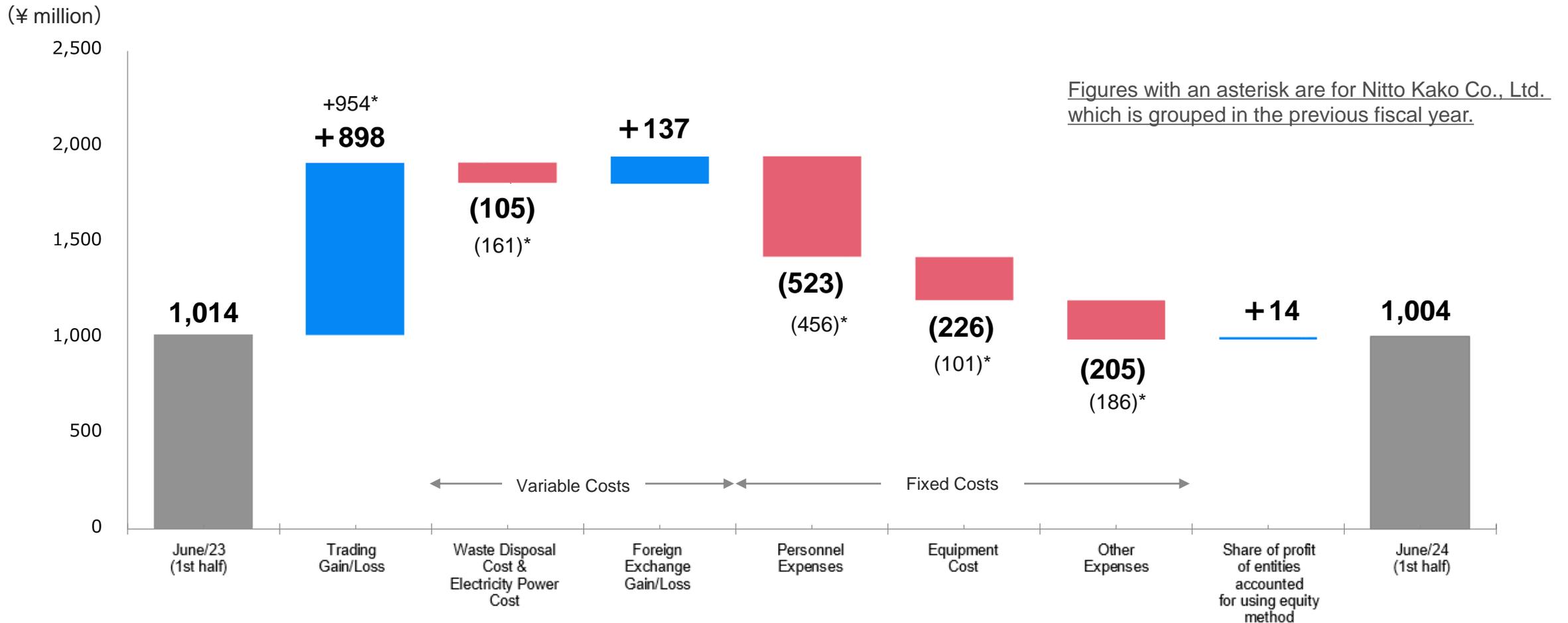
*EBITDA = Operating profit + Depreciation + Amortization of goodwill

*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)



- **Trading Gain/Loss** : Increased due to grouping of Nitto Kako Co.,Ltd.
- **Foreign Exchange Gain/Loss** : Impact of foreign exchange losses incurred in the same period of the previous year
- **Personnel Expenses** : Increased in personnel, regular salary increase and base increase of more than ¥10,000 (in previous fiscal year)
- **Equipment Cost** : Investment in new plants and new facilities



Summary of Business Results by Segment

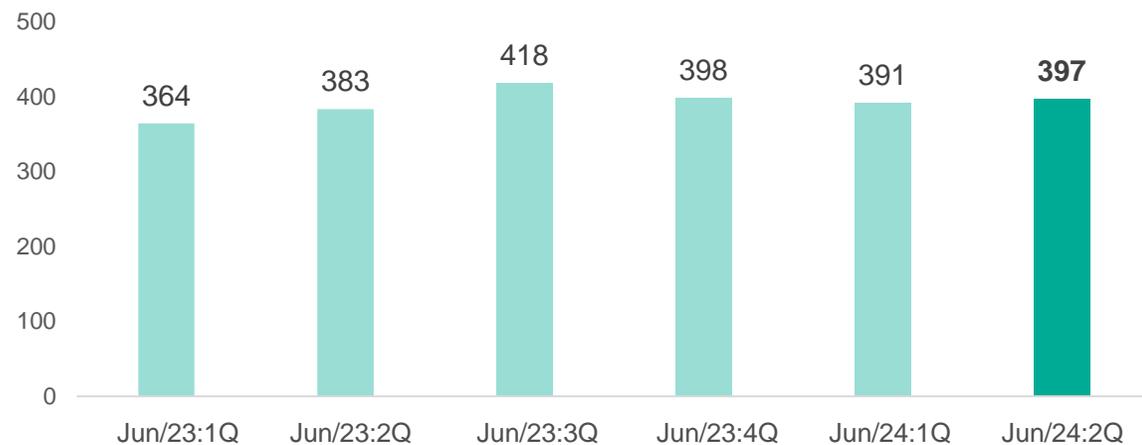
		June/2023	June/2024		TOPICS	
		1 st half	1 st half			
		Actual	Actual	YoY		
			Increase/ Decrease	Ratio		
Resource Circulation Business	Handling volume (1,000t)	129	121	(8)	(6.2%)	<ul style="list-style-type: none"> ■ Handling volume of metal scrap fell below. ■ Cleaning and dismantling work and high-margin products contributed to revenue. ■ Increase in sales due to grouping of Nitto Kako Co., Ltd., which manufactures polymer products.
	Net sales	8,529	10,283	1,754	20.6%	
	Segment profit	748	789	41	5.5%	
Global Trading Business	Handling volume (1,000t)	217	247	29	13.5%	<ul style="list-style-type: none"> ■ Handling volume increased as the global sales environment recovered, although the metal scrap purchasing conditions remained sluggish. ■ Profit increased on account of the shipping environment, which is recovering, and the impact of the foreign exchange market. ■ In logistics agency services, strong shipments and cost reduction contributed to revenue.
	Net sales	16,831	17,445	613	3.6%	
	Segment profit	113	292	179	157.7%	
Lithium-ion Battery Recycling Business	Net sales	775	718	(57)	(7.4%)	<ul style="list-style-type: none"> ■ Handling volume increased amid continued strong demand for materials for batteries. ■ Market prices remained low due to easing demand and supply for cobalt, nickel, and lithium. ■ Ibaraki Plant in progress for operation (operation scheduled in June 2024).
	Segment profit	288	132	(156)	(54.2%)	
Others	Net sales	222	242	20	9.3%	«Environment Management Consulting Business» <ul style="list-style-type: none"> ■ Pushed ahead with new initiatives, such as TNFD response support, consulting services related to circular economy, and CO₂ calculation system development and boosted investment in human capital. «Welfare Service Business for People with Disabilities» <ul style="list-style-type: none"> ■ The number of new users, as well as cumulative total number of users, increased mainly in Type B Continuous Employment Support.
	Segment profit	50	54	4	8.2%	

Quarterly Ordinary Profit by Segment

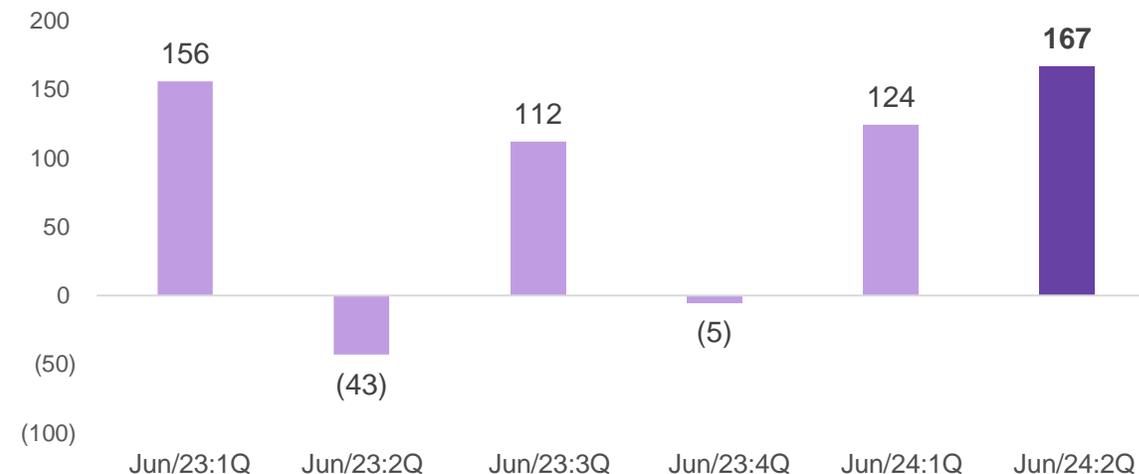


(¥ million)

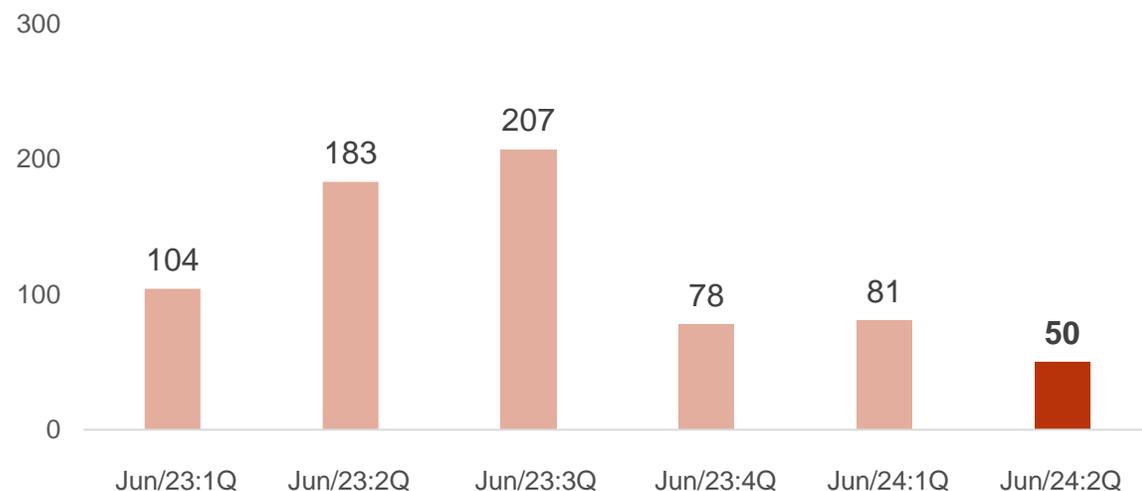
Resource Circulation Business



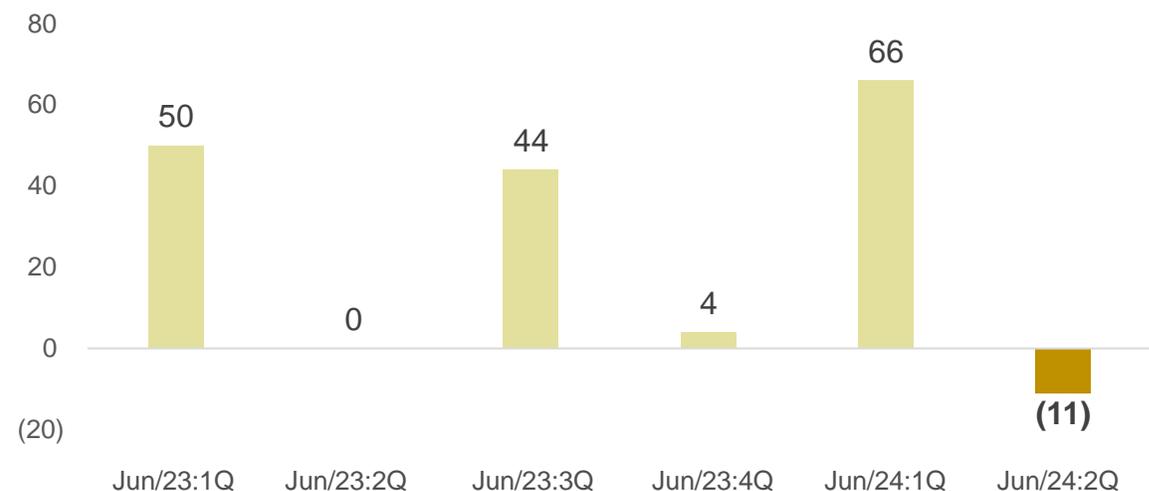
Global Trading Business



Lithium-ion Battery Recycling Business



Others



Summary of Consolidated Balance Sheets



(¥ million)

	As of Jun. 30 2023	As of Dec. 31 2023	Increase/ Decrease	TOPICS
Current assets	19,088	17,231	(1,856)	¥559 million in merchandise and finished goods -¥1,359 million in other current assets, -¥764 million in cash and deposits
Non-current assets	14,598	15,238	639	
(Property, plant and equipment)	10,844	11,241	396	¥556 million in machinery, equipment and vehicles, -¥61 million in construction in progress
(Intangible assets)	148	176	27	
(Investments and other assets)	3,605	3,821	216	¥220 million in investment securities
Total assets	33,686	32,470	(1,216)	
Current liabilities	10,415	9,223	(1,191)	¥178 million in income taxes payable -¥660 million in short-term borrowings, -¥586 million in other current liabilities
Non-current liabilities	6,446	6,101	(344)	-¥282 million in long-term borrowings
Total liabilities	16,861	15,324	(1,536)	
Net assets	16,825	17,145	320	¥276 million in retained earnings, ¥131 million resulting from the disposal of treasury shares -¥112 million in non-controlling interests.
(Equity)	16,386	16,826	440	Equity ratio 51.8% (48.6% as of June 30, 2023)
Total liabilities and net assets	33,686	32,470	(1,216)	

Summary of Consolidated Statements of Cash Flows



(¥ million)

	June/2023 1 st half	June/2023 Full year	June/2024 1 st half	TOPICS
Cash flows from operating activities	1,361	2,332	1,357	(inflows) ¥1,285 million in increase in other, net, ¥1,019 million in profit before income taxes, ¥73 million in decrease in advance payments to suppliers (outflows) ¥881 million in decrease in accounts payable – other, ¥155 million in decrease in trade payables, ¥97 million in income taxes paid
Cash flows from investing activities	(921)	(3,838)	(690)	(inflows) ¥54 million in proceeds from sale of property, plant and equipment (outflows) ¥688 million in purchase of property, plant and equipment, ¥39 million in purchase of intangible assets
Cash flows from financing activities	(2,015)	(92)	(1,411)	(inflows) ¥301 million in proceeds from long-term borrowings (outflows) ¥660 million in net decrease in short-term borrowings, ¥558 million in repayments of long-term borrowings, ¥415 million in dividends paid
Effect of exchange rate change on cash and cash equivalents	(62)	(62)	(19)	
Net increase (decrease) in cash and cash equivalents	(1,637)	(1,668)	(763)	
Cash and cash equivalents at beginning of period	8,913	8,913	7,245	
Cash and cash equivalents at end of period	7,275	7,245	6,481	

Table of Contents

1 . Financial Overview - FY2024 1st half

2 . Forecast - FY2024

3 . Future Initiatives

4 . Reference Data

Revision of Consolidated Financial Forecast

Net sales	YoY
¥54,000 million	9.8% up
Operating profit	YoY
¥1,330 million	13.8% down
Ordinary profit	YoY
¥1,700 million	10.6% down
Profit*	YoY
¥1,210 million	2.1% down

Factors behind the Revision of Financial Forecast

- Continued uncertainties resulting from the prolonged stagnation of the Chinese real estate market, the unsettled state of the world, and concerns about an economic downturn stemming from protracted global inflation, etc.
- In Resource Circulation Business, margins will decrease due to intensified domestic collection competition.
- In Lithium-ion Battery Recycling Business, margins will decrease in the second half of the year due to easing supply and demand for battery materials.
- In Global Trading Business, Deterioration of export environment due to high domestic prices and low overseas prices of metal scrap, etc.

Prerequisites of the Forecast

Ferrous scrap price	Electrolytic copper price	Gold price	Silver price	Nickel price	Cobalt price	Exchange rate
¥50,000/t	¥1,200/kg	¥9,000/g	¥100,000/kg	¥2,150/kg	¥4,000/kg	¥140/US\$

*Profit: Profit attributable to owners of the parent

Forecast for the Consolidated Results - FY2024



(¥ million)

	June/2023	June/2024			June/2024		
	Actual	Revised Forecast	YoY		Previous Forecast	Compared to Previous Forecast	
		(Feb 9, 2024)	Increase/Decrease	Ratio	(Aug 10, 2023)	Increase/Decrease	Ratio
Handling volume(1,000t)	625	693	67	10.8%	800	(106)	(13.4%)
Net sales	49,189	54,000	4,810	9.8%	58,000	(4,000)	(6.9%)
Gross profit	8,499	-	-	-	10,740	-	-
Operating profit	1,542	1,330	(212)	(13.8%)	1,800	(470)	(26.1%)
Ordinary profit	1,901	1,700	(201)	(10.6%)	2,250	(550)	(24.4%)
Profit before income taxes	1,759	-	-	-	2,250	-	-
Profit*	1,236	1,210	(26)	(2.1%)	1,670	(460)	(27.5%)
Marginal profit*	8,744	-	-	-	11,080	-	-
EBITDA*	2,475	-	-	-	3,150	-	-
Fixed costs*	7,364	-	-	-	9,332	-	-
ROE	7.7%	-	-	-	9.8%	-	-

*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]

Forecast for the Consolidated Results - FY2024



(¥ million)

Net sales	June/2023	June/2024	
	Actual	Revised Forecast (Feb 9, 2024)	Composition Ratio
Consolidated	49,189	54,000	100.0%
Resource Circulation Business	18,852	21,500	35.9%
Global Trading Business	34,485	36,500	60.9%
Lithium-ion Battery Recycling Business	1,635	1,450	2.4%
Others	463	500	0.8%
Adjustment	(6,247)	(5,950)	-

June/2024			
Previous Forecast (Aug 10, 2023)	Compared to Previous Forecast		Composition Ratio
	Increase/Decrease	Ratio	
58,000	(4,000)	(6.9%)	100.0%
25,000	(3,500)	(14.0%)	37.6%
40,000	(3,500)	(8.8%)	60.1%
1,000	450	45.0%	1.5%
500	0	0.0%	0.8%
(8,500)	2,550	-	-

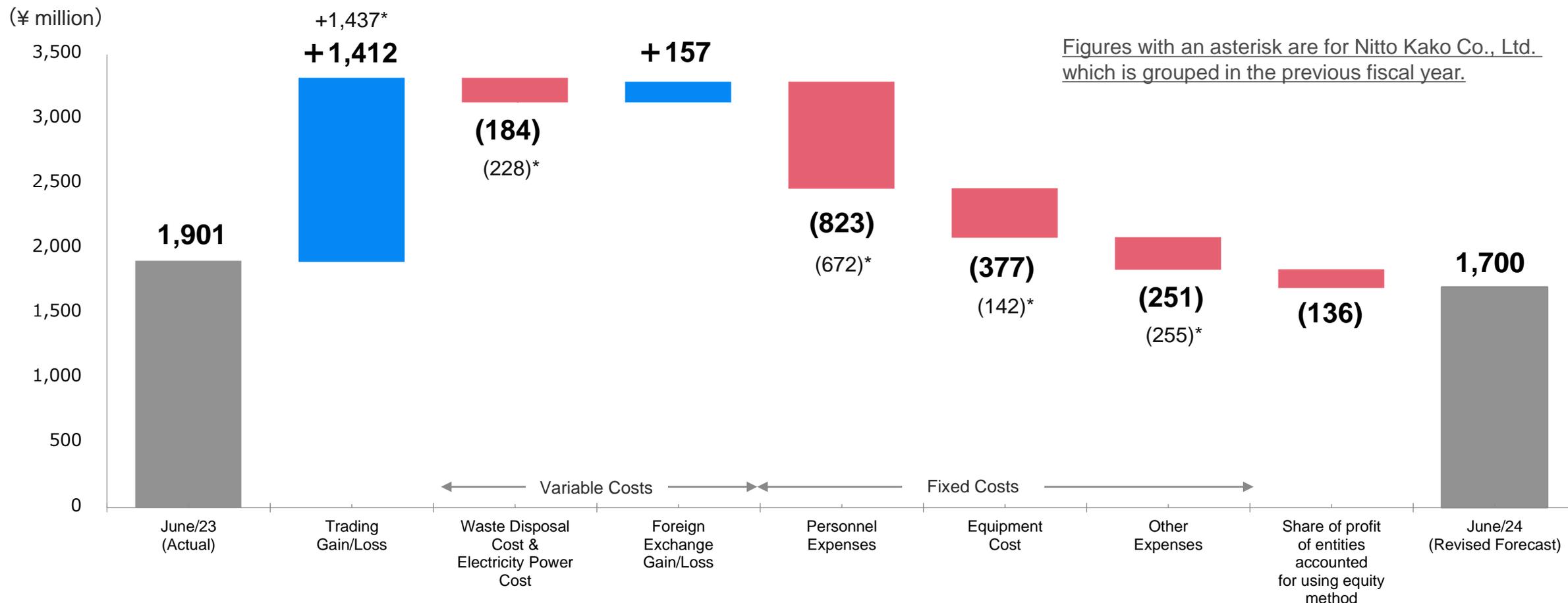
Segment profit	June/2023	June/2024	
	Actual	Revised Forecast (Feb 9, 2024)	Composition Ratio
Consolidated	1,901	1,700	100.0%
Resource Circulation Business	1,565	1,570	67.8%
Global Trading Business	220	510	22.1%
Lithium-ion Battery Recycling Business	575	135	5.8%
Others	99	100	4.3%
Adjustment	(558)	(615)	-

June/2024			
Previous Forecast (Aug 10, 2023)	Compared to Previous Forecast		Composition Ratio
	Increase/Decrease	Ratio	
2,250	(550)	(24.4%)	100.0%
2,070	(500)	(24.2%)	69.9%
750	(240)	(32.0%)	25.4%
60	75	125.0%	2.0%
80	20	25.0%	2.7%
(710)	95	-	-

Analysis of Difference in Consolidated Ordinary Profit (YoY)

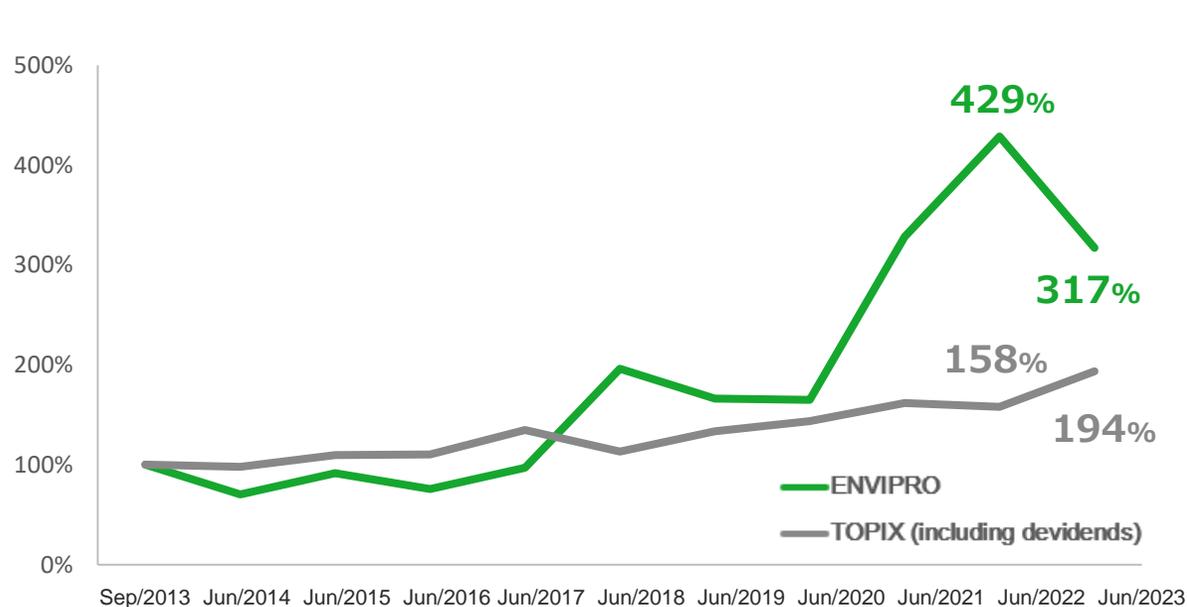


- **Trading Gain/Loss** : Increased due to grouping of Nitto Kako Co.,Ltd.
- **Personnel Expenses** : Human capital investment (hiring and training of business promoters, regular salary increases and base salary increases)
- **Equipment Cost** : Investment in new plants and new facilities (Gold, silver and copper sediment sludge collection, LIB recycling etc.)



Total Shareholder Return (TSR) since listing

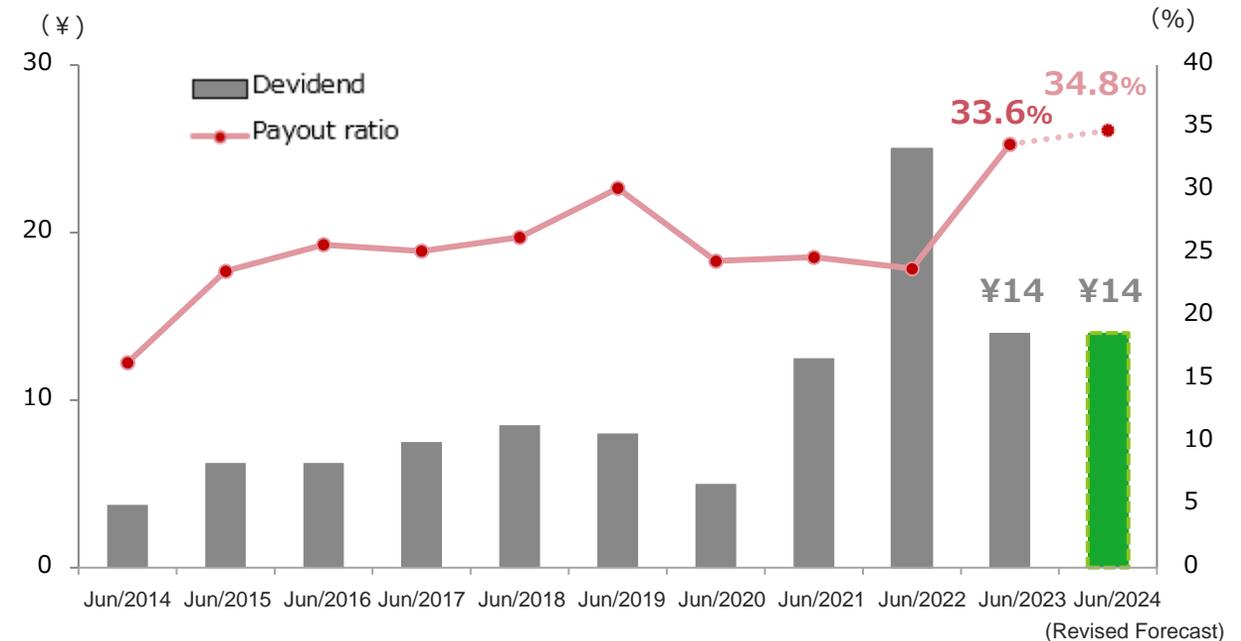
- **Outperformed TOPIX** in 10 year period



*The closing price on September 25, 2013 is regarded as 100.

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 set a target consolidated payout ratio of **25-35%** as an indicator of performance-based profit sharing.



*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 mentioned above has been in effect since before the fiscal year ended June 30, 2014.

(¥)

	Sep. 25, 2013 Closing price	Jun. 2014	Jun. 2015	Jun. 2016	Jun. 2017	Jun. 2018	Jun. 2019	Jun. 2020	Jun. 2021	Jun. 2022	Jun. 2023
Share price (End of June)	204	140	178	139	174	369	300	292	614	794	552
Dividends per share	-	3.75	6.25	6.25	7.5	8.5	8	5	12.5	25	14
Payout ratio	-	16.3%	23.6%	25.7%	25.2%	26.3%	30.2%	24.4%	24.7%	23.8%	33.6%

Jun. 2024 (Previous Forecast)	Jun. 2024 (Revised Forecast)
-	-
16	14
28.5%	34.8%

Table of Contents

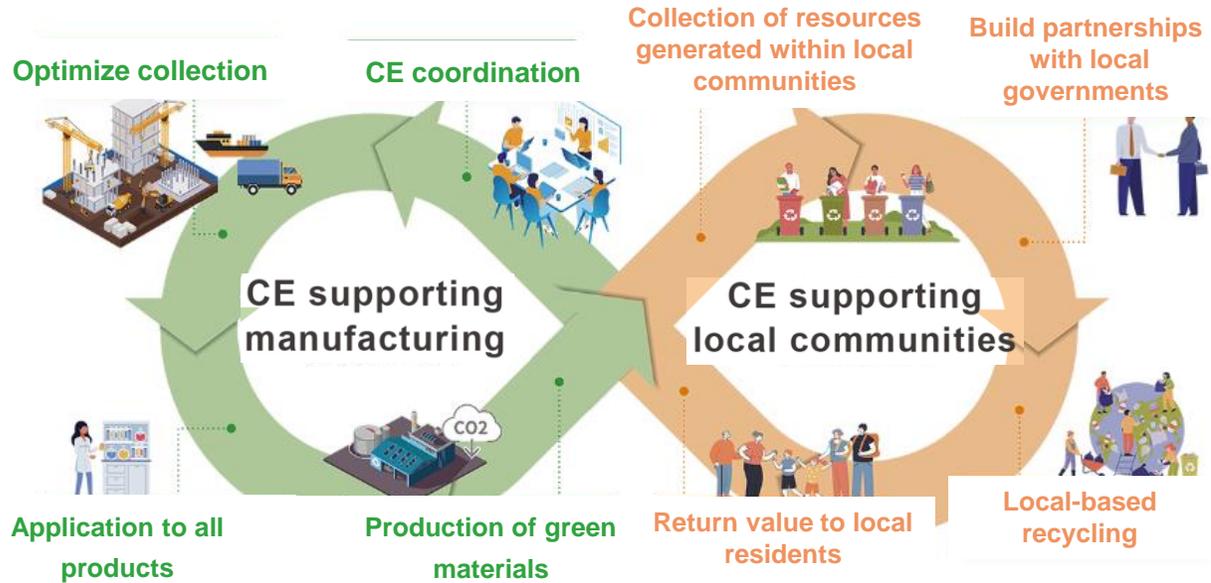
1 . Financial Overview - FY2024 1st half

2 . Forecast - FY2024

3 . Future Initiatives

4 . Reference Data

To achieve the Medium-Term Management Plan, the necessary parts to achieve CE are being aligned



In the Mid-Term Management Plan 2028, we set the realization of the Circular Economy (CE) as a strategic concept.

The following three are necessary to realize CE economically

1. Support the establishment of a CE supply chain and the development of product applications that utilize recycled raw materials and establish a system that attracts goods
2. Responding to the various needs of manufacturers and others by improving processing capacity and technology, as well as expanding the regions and products we can handle
3. Providing CE services with actual conditions through "visualization of circulation" such as traceability, etc.

1 LIB Circular

- Expand transactions with LIB manufacturers (handling volume: 1.7 times of the previous year)
- Establish a system for collecting used LIBs (portable LIBs, small LIBs from local governments, ESS LIBs).
- Research on new blackmass production equipment

2 Polymer circular

- Realization of rubber material recycling case studies (p.20)
- Opening of the Polymer Circular Laboratory (p.21)
- Research and Development for Tire to Tire

3 Waste incineration ash recycling

- Increase the market share of collection of gold, silver & copper sediment sludge from riddling ash (Number of contracted local governments: 35 to 39)
- Collection of gold, silver & copper sediment sludge from incinerator bottom ash and recycling the ash
- Installation of ash recycling line directly connected to incinerator

4 Cleaning and dismantling work nationwide

- Obtained large cleanup projects for hospitals, hotels, etc.
- Dismantling of wind power generators
- Realization of a wide-area dismantling scrap CE case in collaboration with electric furnace manufacturers

5 CE Consulting & Solution

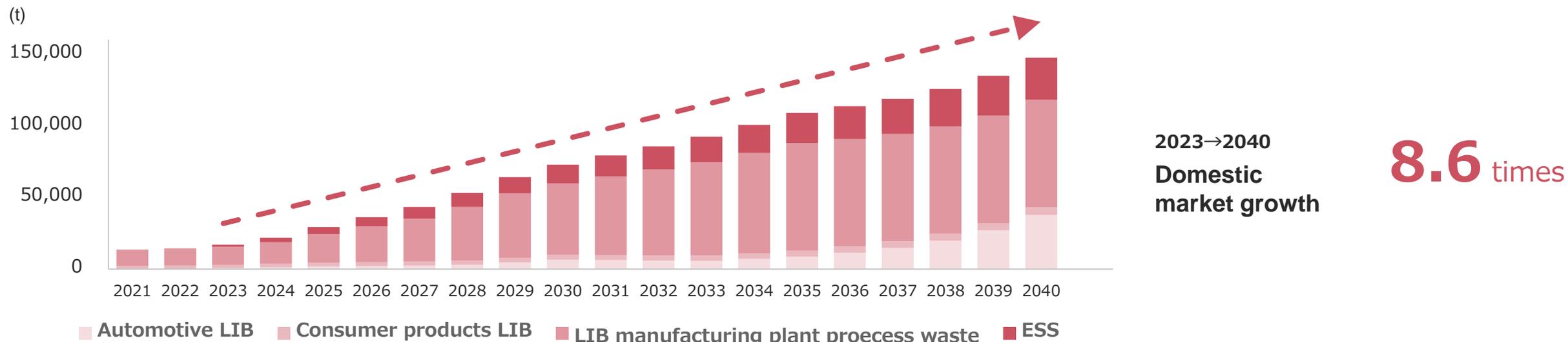
- Focus on circular economy consulting (p.24)
- Establishment of product circular economy model (collection logistics, and re-production) for major companies
- Promotion of DX of Circular Economy ("Visualization" of CE)

★ Received a score of "A-" in Climate Change Disclosure



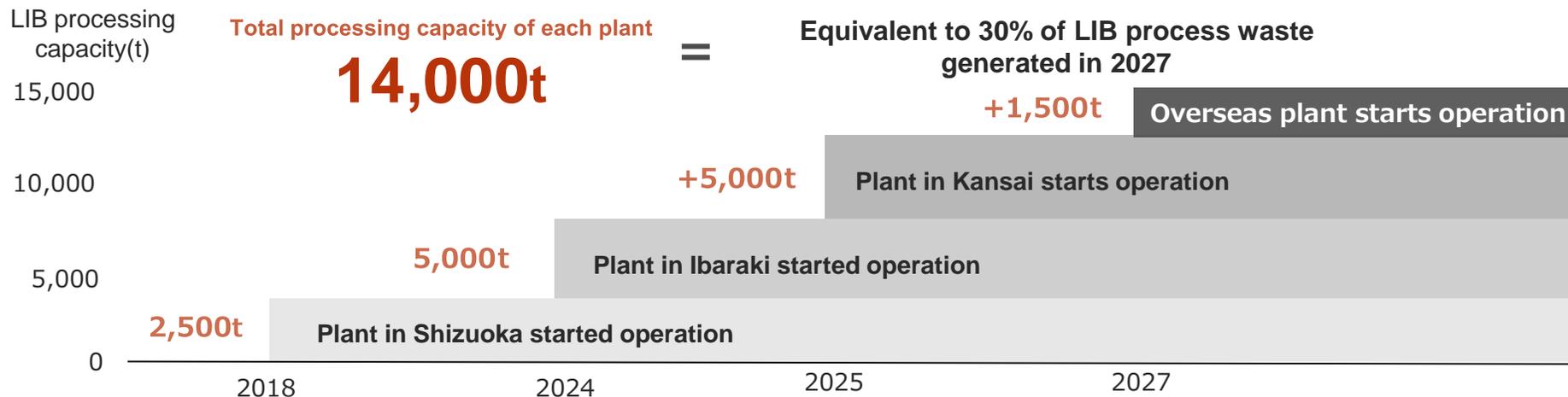
Received a score of **"A-"**, the second highest out of nine.

Process waste → ESS(Energy Storage System) → waste LIB ··· Respond flexibly to market growth



*Market forecast prepared by our company

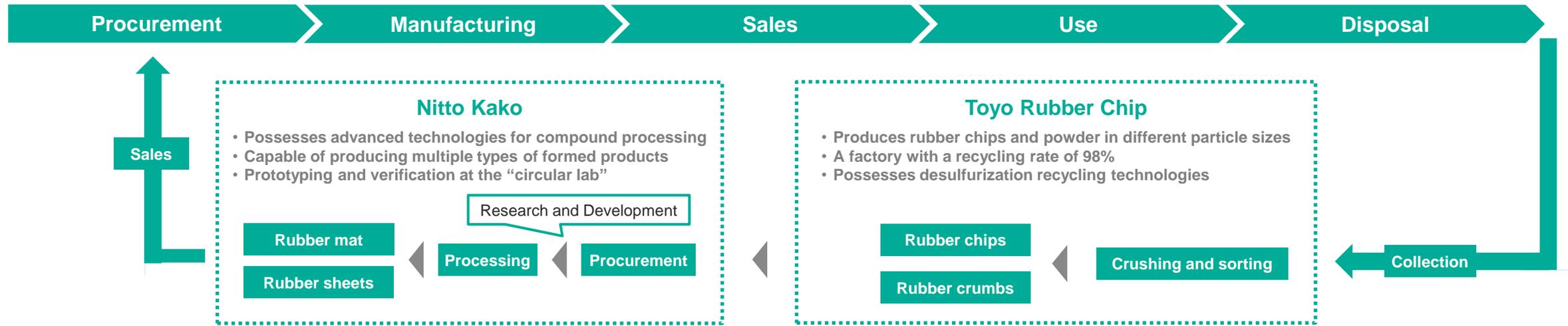
Expand production capacity to achieve the top share in a growing market



Future Growth

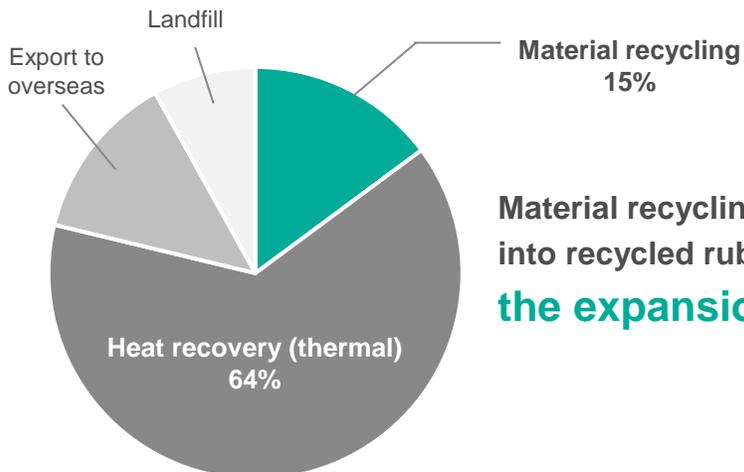
- (1) Commercialization of hydrometallurgy (The target for 2025 has been revised)
- (2) Acquisition of land for Kansai Plant
- (3) Research on graphite recycling
- (4) Crushing technology under nitrogen-filled conditions

The tender offer of Nitto Kako resulted in the completion of a carbon-free production scheme and paved the way for a rubber CE.



CE example: A circular economy for tires

Sustainable market of tires for trucks and buses



Material recycling of rubber used for heat recovery into recycled rubber and rubber powder leads to **the expansion of the market.**

Strengths of Toyo Rubber Chip

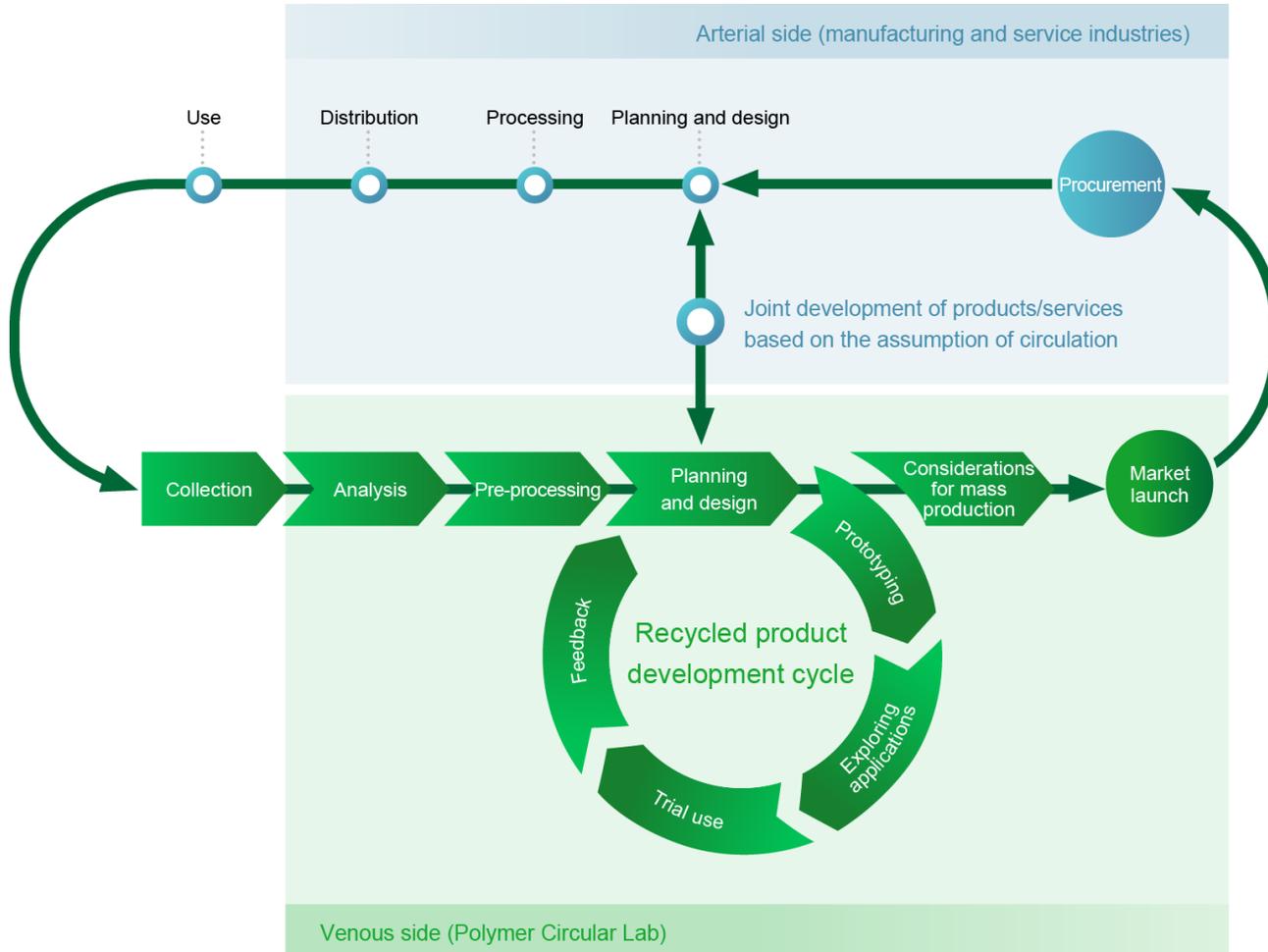
- Producing artificial turf infills and other sustainable products using waste tires with different formulae
 - *One of Japan's leading companies in terms of waste tire processing capacity and market share in the supply of recycled raw materials
- Developing and producing ultrafine particles derived from waste tires
 - The first in Japan to study tire crushing technologies using a refrigeration crushing technology

Strengths of Nitto Kako

- Production of rubber mats and other circular products from waste tire chips and tire powder
- Nitto Kako is processing ultrafine particles derived from waste tires produced by Toyo Rubber Chip into compounds
 - Aiming to produce raw materials for sustainable tires

Supporting the development of Circulation friendly products* catering to the CE era

Polymer Circular Lab (conceptual flowchart)



- Batch coordination of venous supply chain
- Support and contracted prototyping for development of circular products

- Acceleration of companies' circular product development processes
- Establishment of CE supply chains matching actual conditions

Various sorting, molding process, analytical equipment



Press molding machine



Shredding & optical sorting machine



Tensile testing machine



Injection molding machine

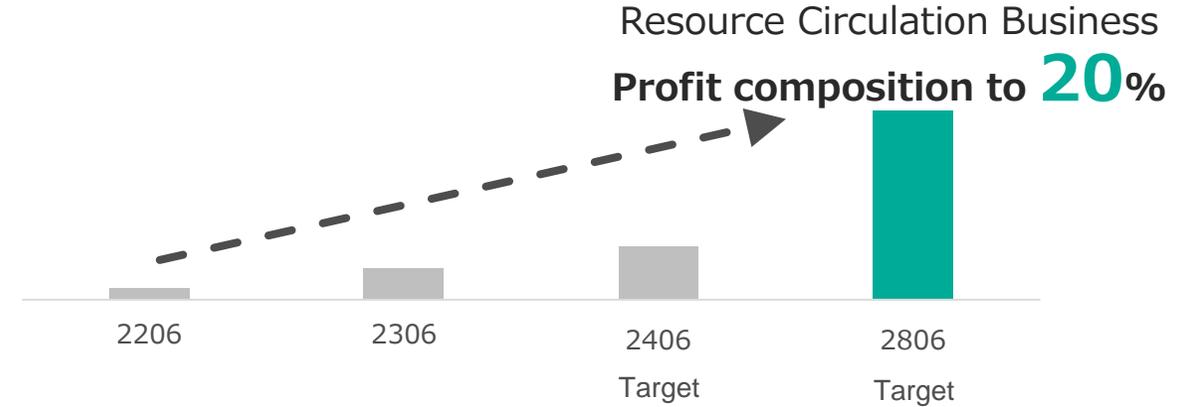
* Circulation friendly products: Products that are designed to facilitate the easy recycling of resources, such as designs that are easy to dismantle and which utilize single materials.

Increased demand for dismantling work due to the transition to decarbonization, partnerships with financial institutions and others accelerate business growth

Market Trends in Demolition Businesses Related to Decarbonization

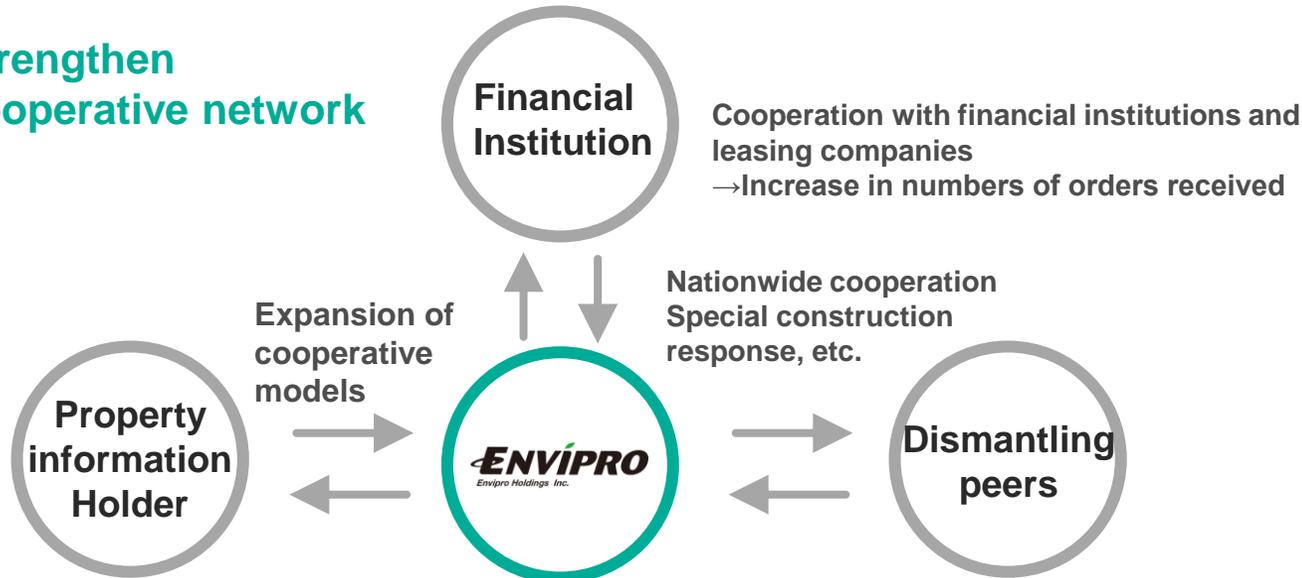
- 01 End of life coming for large facilities in early period of decarbonization.
 - Photovoltaic power generation equipment
 - Onshore wind power generation facilities, etc.
- 02 Restructuring of manufacturing and other businesses related to decarbonization
 - Automobile related
 - Petroleum related, etc.
- 03 New future demands related to decarbonization
 - Large storage batteries
 - Offshore wind power generation facilities, etc.

Dismantling Business Results and Targets (Ordinary profit including equity in earnings)



Initiatives for Growth

Strengthen cooperative network



Research on Dismantling CE

- 01 Response to large-scale facilities through ocean transportation
- 02 Advanced recycling of wind turbine blades
- 03 Collection of minor metals and rare earths

Coordinating the distribution of dismantled scrap for wide-area projects in cooperation with electric furnace manufacturers

■ **Background**

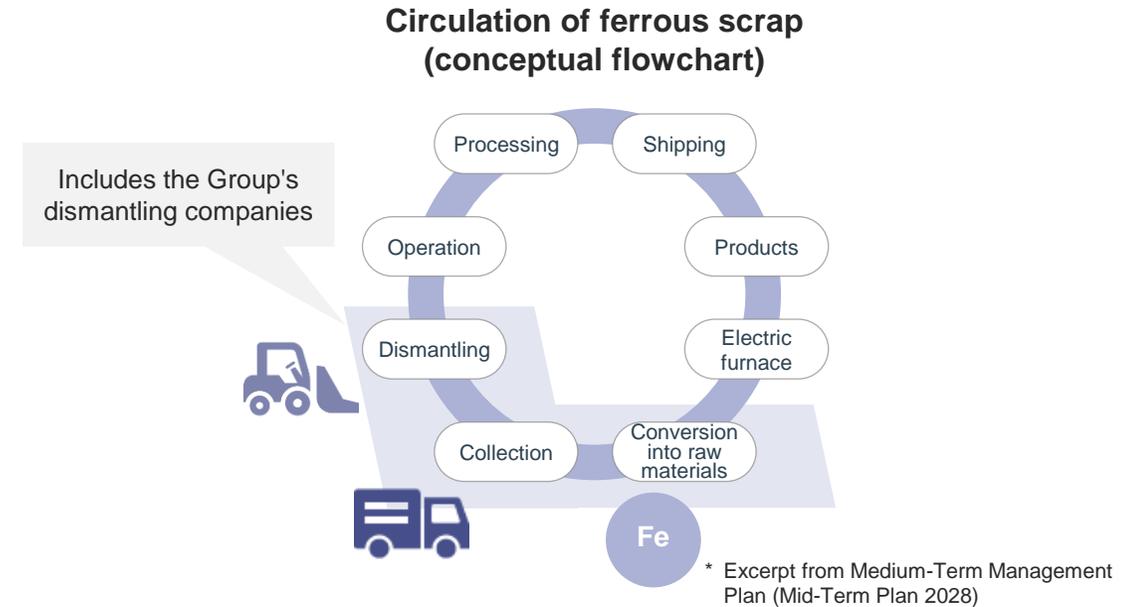
- The need for pickup by shipping will increase as a response to the 2024 problem.
- The need for the use of green steel* will increase as a means of achieving CN*.

■ **Collaboration with Tokyo Steel**

The ferrous scrap collection yard in Amagasaki, Hyogo, which is operated by the Tokyo Steel Group, is scheduled to begin operation as a Tokyo Steel Kansai Satellite Yard (as of May-June 2024).

■ **Customer benefits**

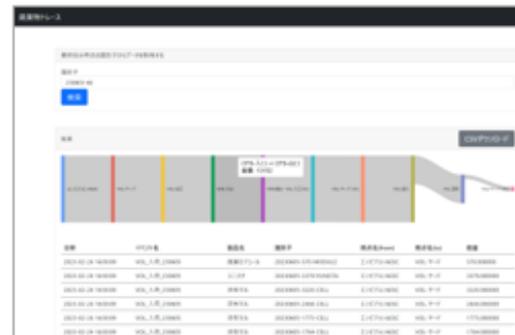
Omitting complicated customer contact point operations and visualizing circulation (see below)



● **Traceability systems**

Traceability functionality is required to centrally manage whether delivered metal scrap has really been circulated.

The Group applies its understanding of the commercial distribution of goods to fulfill this role.



● **CO₂ emissions calculation systems**

Visualizes the amount of CO₂ generated in the production processes for raw materials used in buildings.

Development is carried out in cooperation with the Group's consulting firms.



* CN: Carbon neutrality.
* Green steel: Steel materials with reduced CO₂ emissions during production.

Service	Details
<p>◆ CE type waste and recyclables collection model development</p>	<ul style="list-style-type: none"> ▶ Creating CE-oriented collection models for waste and recyclables (collection methods, collection contractors, and collection routes) ▶ Demonstrative testing of collection models and establishment of joint collection operations with joint collection partners
<p>◆ Recycling process verification and analysis</p>	<ul style="list-style-type: none"> ▶ Coordination of processing (shredding, pelletizing, etc.) for verifying recycling of product waste ▶ Verifying the possibilities of waste recycling processing and recycled raw material molding ▶ Composition analysis of recycled raw material prototypes
<p>◆ Waste pre-processing Recycled raw material manufacturing and molding</p>	<ul style="list-style-type: none"> ▶ Pre-processing of product waste (shredding, sorting, etc.) ▶ Coordination in establishing material recycling and chemical recycling models for recycling waste ▶ Recycled raw material manufacturing and molding processing
<p>◆ Procurement and sale of recycled raw materials</p>	<ul style="list-style-type: none"> ▶ Market research and procurement for recycled raw materials (recycled plastic raw materials, recycled mineral raw materials, etc.) ▶ Sale of recycled raw materials
<p>◆ Application development for recycled products</p>	<ul style="list-style-type: none"> ▶ Feasibility studies and joint development of applications for recycled products using recycled raw materials ▶ Planning and consideration of recycled products (finished goods)
<p>◆ Recycling technologies</p>	<ul style="list-style-type: none"> ▶ Provision of samples for verification of new recycling technologies (provision of samples, procurement of prototype materials, etc.) ▶ Joint development of new recycling technologies
<p>◆ Traceability</p>	<ul style="list-style-type: none"> ▶ Creation and provision of circular economy traceability systems
<p>◆ Visualization of CO₂ emissions</p>	<ul style="list-style-type: none"> ▶ Calculation of CO₂ emissions in circular economy processes ▶ Calculation of CO₂ emission reduction effects by using recycled raw materials (circular economy LCA)

New departments established to promote new initiatives and accelerate business growth

Establishment of CE planning department

Objectives Achieve specific examples of CE

Outline A planning department was set up within the metal resources company, to handle duties ranging from scheme proposal to hypothesis validation. It will work to speed up the process cycle.

■ Increase in number of inquiries

- Many consultations from major companies
- Recent issues include strengthening capabilities to respond to collaborative networks, and scheme leveling.

Establishment of DX promotion department

Objectives Improve productivity and promote CE utilizing DX

Outline In addition to developing CO2 emissions calculation systems and traceability systems, the department will also work to improve our internal systems.

■ Utilizing engineering division know-how

- Utilize extensive know-how on automation and efficiency improvement, accumulated by our in-house engineering division
- Accelerate system development capabilities and develop in line with actual conditions at factory sites

Establishment of overseas strategy office

Objectives Transform our overseas business portfolio during Mid-Term Plan 2028

Outline The department will utilize Group-wide assets and overseas bases to accelerate the overseas deployment of Japanese business models (outbound strategies) and import of overseas business models (inbound strategies).

■ Research on overseas CE-building opportunities, and domestic and international collaborations / wide-area recycling opportunities

- Commence efforts to validate hypotheses concerning overseas on-site CE business investment opportunities
- Pursue breakthroughs by introducing technologies through domestic and international collaboration and securing economic scale

Table of Contents

1 . Financial Overview - FY2024 1st half

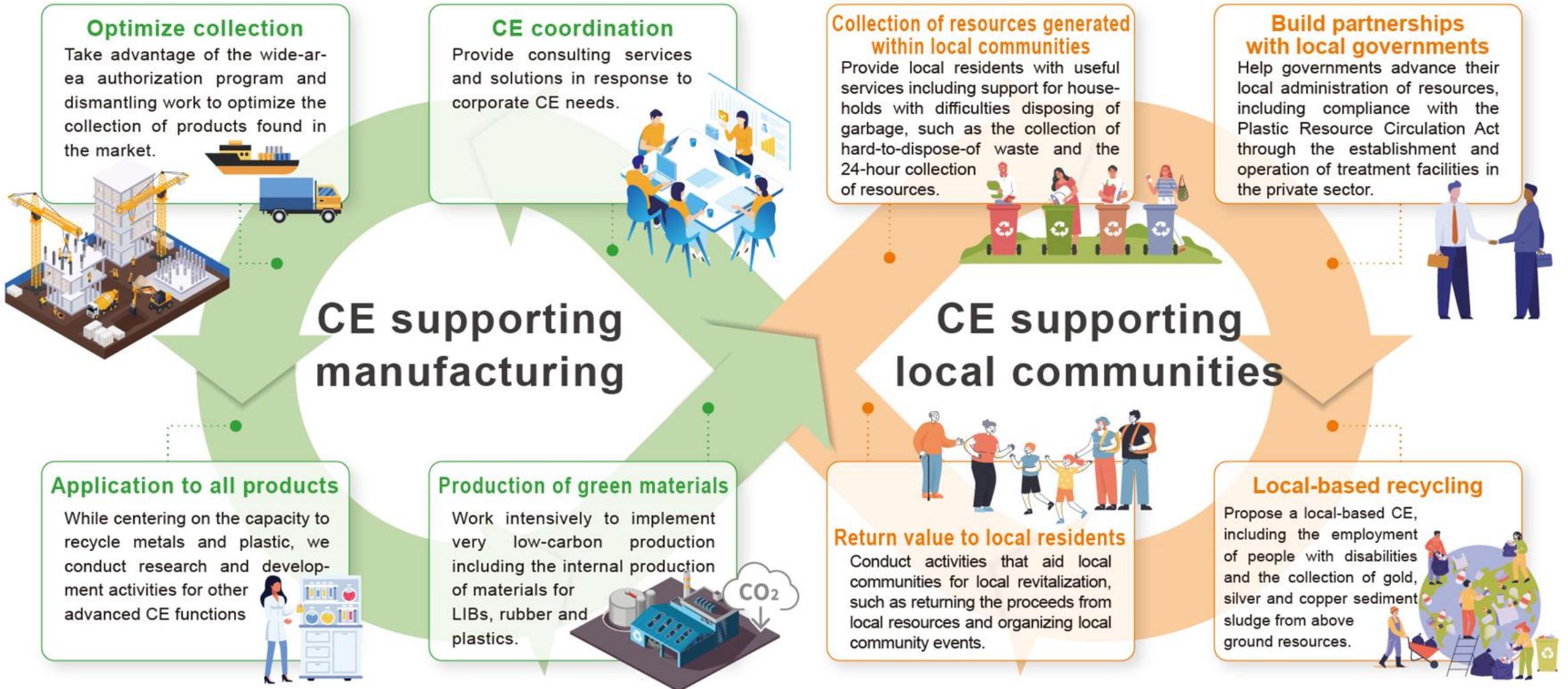
2 . Forecast - FY2024

3 . Future Initiatives

4 . Reference Data

Strategy Concept **Lead a circular economy**

Achieve a number of specific examples of “CE supporting manufacturing” and “CE supporting local communities” ahead of competitors. Take the initiative to increase the momentum of the circular economy across the country and contribute to a sustainable society.

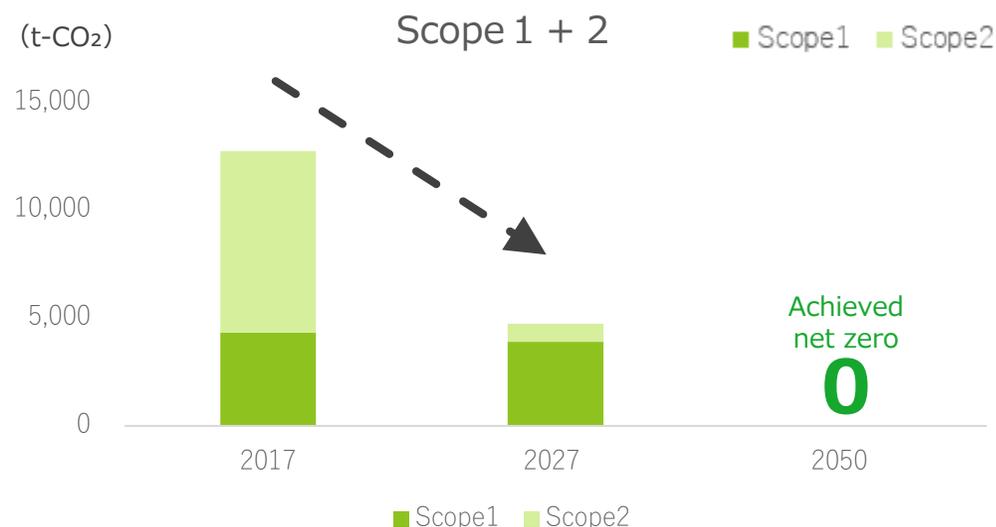


Realization of Decarbonized Society by 2050

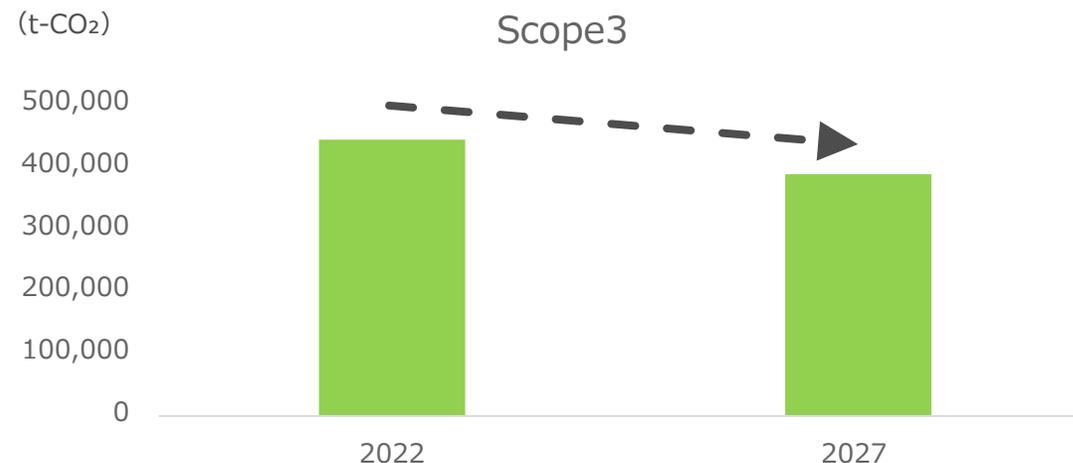


Transformation into a manufacturer of materials obtained from aboveground resources through low-carbon processes (QCDC)

To achieve levels of Q (quality), C (cost), and D (delivery time) that are comparable to a first-class manufacturing company. Moreover, to create a manufacturing process featuring an added factor, C (carbon neutrality).



Our target: **63%** reduction in Scope 1+2 (2017-2027)
50% reduced by FY2022 (compared to FY2017)



Our target: **12.5%** reduction in Scope 3 (2022-2027)
 Expansion of calculation categories from FY2022

Promoted RE100* and steadily reduced CO₂ emissions at plants

Production through low-carbon processes → Supply of low-carbon raw materials and fuels

*The reduction standards disclosed in the SBTs are for a 42% reduction in Scope 1 and 2 emissions over 10 years, and for a 12.5% reduction in Scope 3 emissions over five years.

*RE100: An international initiative for companies that aim to procure 100% of the electricity required for their business operations from renewable energy sources.

In July 2018, we became the world's first company in the recycling industry to join RE100.

*Renewable energy ratio and CO₂ emission reductions were revised in the previous fiscal year due to the effect of newly grouped company.

Mid-Term Plan 2028 Financial Targets



	Net sales	Ordinary profit	ROE	ROIC
Jun. 2028	¥80bn	¥5bn	13%	9%

*ROIC = (Ordinary profit x (1 - Effective tax rate)) / (Equity + Interest-bearing liabilities)
 *Equity and interest-bearing liabilities are averages of the beginning and end of the period.

Targets by Segments

Net sales		June/2028	Ordinary profit		June/2028
Consolidated		80bn	Consolidated		5bn
Resource Circulation Business		33bn	Resource Circulation Business		3.65bn
Global Trading Business		51.5bn	Global Trading Business		1.5bn
Lithium-ion Battery Recycling Business		2.7bn	Lithium-ion Battery Recycling Business		0.5bn
Others		0.9bn	Others		0.3bn

Prerequisites (August 22, 2023 As of the establishment of the Mid-Term Plan 2028)

Ferrous scrap price	Electrolytic copper price	Gold price	Silver price	Nickel price	Cobalt price	Exchange rate
¥50,000/t	¥1,200/kg	¥7,500/g	¥85,000/kg	¥2,800/kg	¥4,000/kg	¥130/US\$

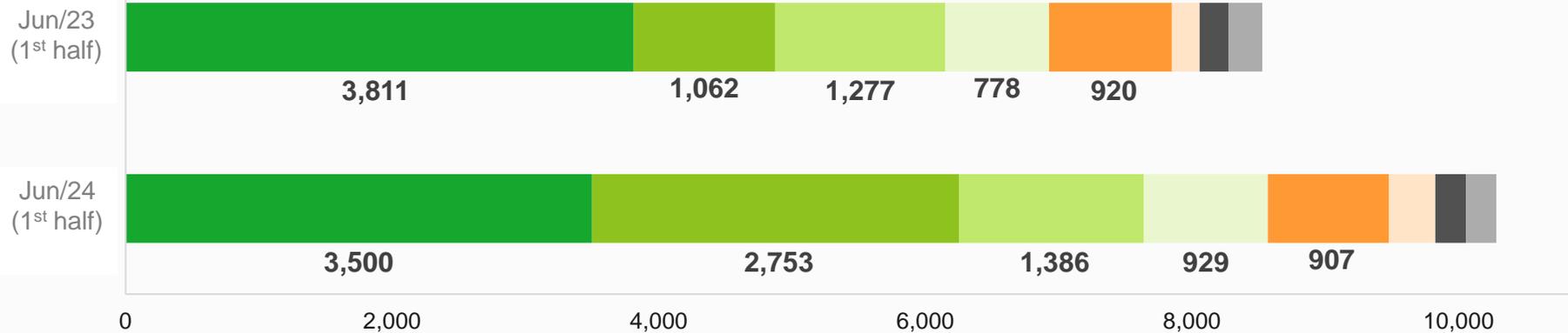
Segment : Net Sales by material



(¥million)

Resource Circulation Business

- Ferrous scrap
- Polymer products
- Nonferrous metal scrap
- Gold and silver, etc.
- Waste disposal fee
- Dismantling and cleaning etc.
- RPF, waste paper, etc.
- Others



Net sales **¥8,529**million
 Handling volume **129,000t**

Net sales **¥10,283**million
 Handling volume **121,000t**

Global Trading Business

- Ferrous scrap
- Nonferrous metal scrap
- Used car related
- Others



Net sales **¥16,831**million
 Handling volume **217,000t**

Net sales **¥17,445**million
 Handling volume **247,000t**

Consolidated: Handling volume by material / Net sales by area



Handling volume by material

(1,000t)

Item	June/2023 1 st half	June/2024 1 st half	YoY Ratio
Ferrous scrap	244	263	7.9%
Nonferrous metal scrap	10	8	(13.2%)
Gold, silver & copper sediment sludge*	1.4	2.0	42.0%
Polymer products	6	14	114.4%
RPF, Waste paper, etc.	27	25	(5.4%)
Black mass, etc.*	0.4	0.5	32.6%
Others	11	9	(20.6%)
Total	301	324	7.4%

(kg)

Item (Precious metals collected)	June/2023 1 st half	June/2024 1 st half	YoY Ratio
Gold	26	39	51.1%
Silver	458	557	21.5%

Net sales by area

(¥million)

Area	June/2023 1 st half	June/2024 1 st half	YoY Ratio	
East Asia	Japan	11,909	15,531	30.4%
	Korea	4,670	3,752	(19.7%)
	Taiwan	341	812	138.2%
	Others	640	502	(21.5%)
Southeast Asia	Indonesia	419	1,138	171.3%
	Vietnam	3,288	2,774	(15.6%)
	Others	843	483	(42.7%)
South Asia	India etc.	284	68	(75.9%)
West Asia	UAE etc.	499	110	(77.9%)
South America	Chile etc.	469	489	4.3%
Africa	Kenya etc.	70	10	(84.6%)
Others	–	145	113	(21.9%)
Total	23,582	25,789	9.4%	

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

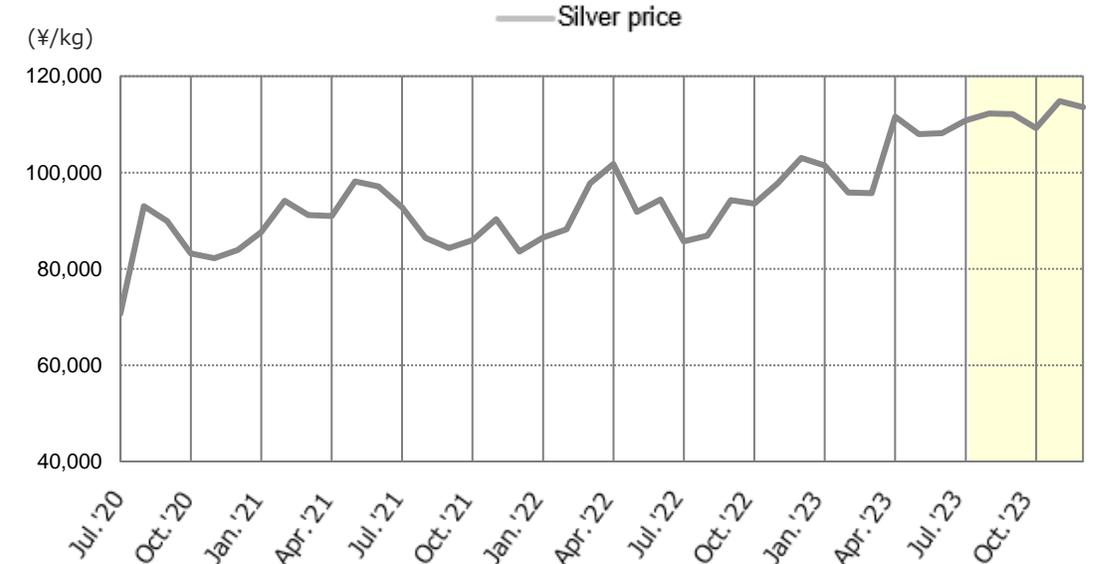
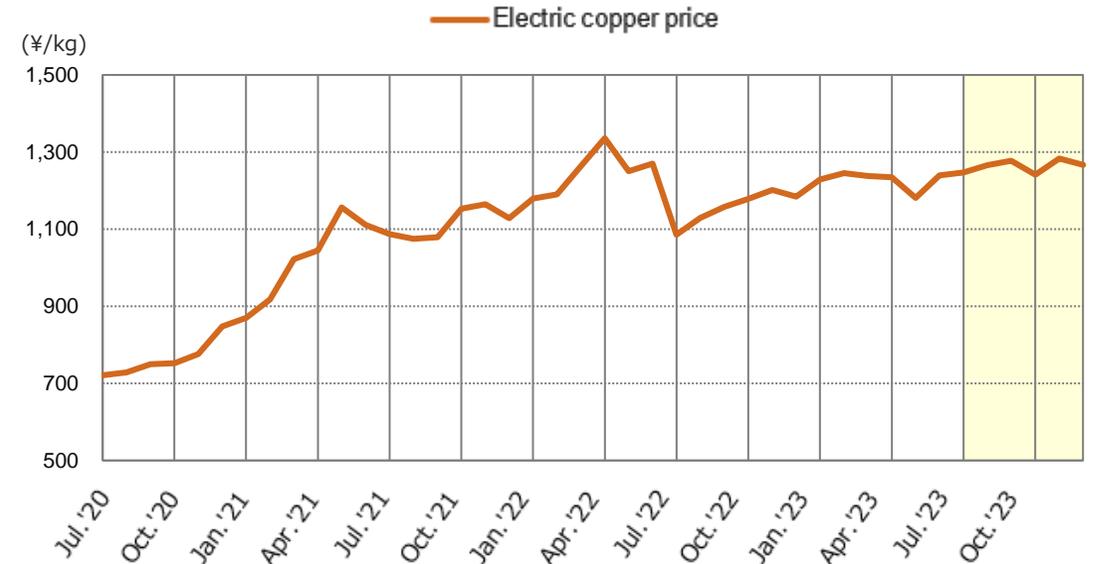
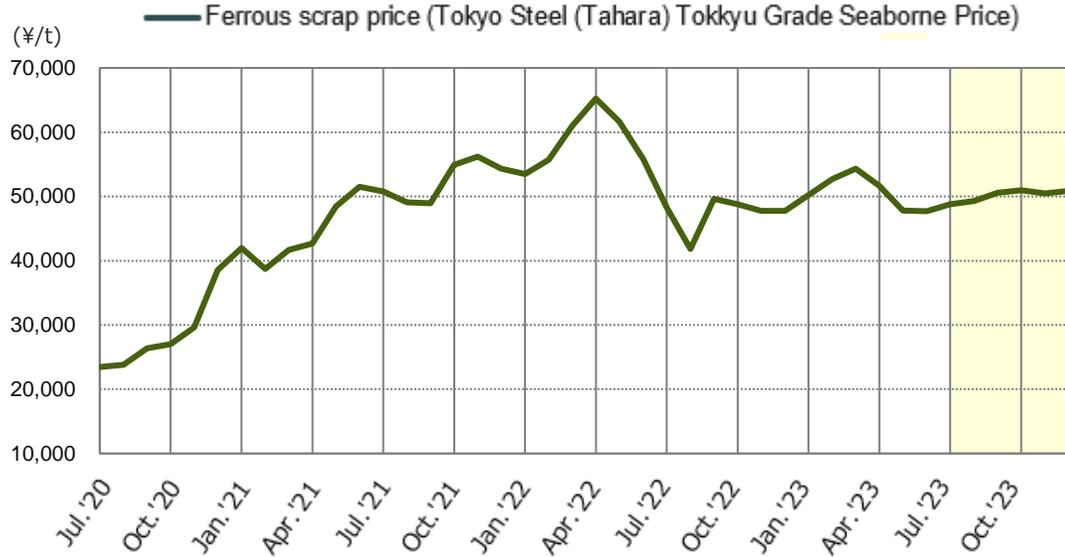
*Black mass: Concentrated residue of lithium, cobalt and nickel sorted from lithium-ion batteries that have been discharged, dried and crushed

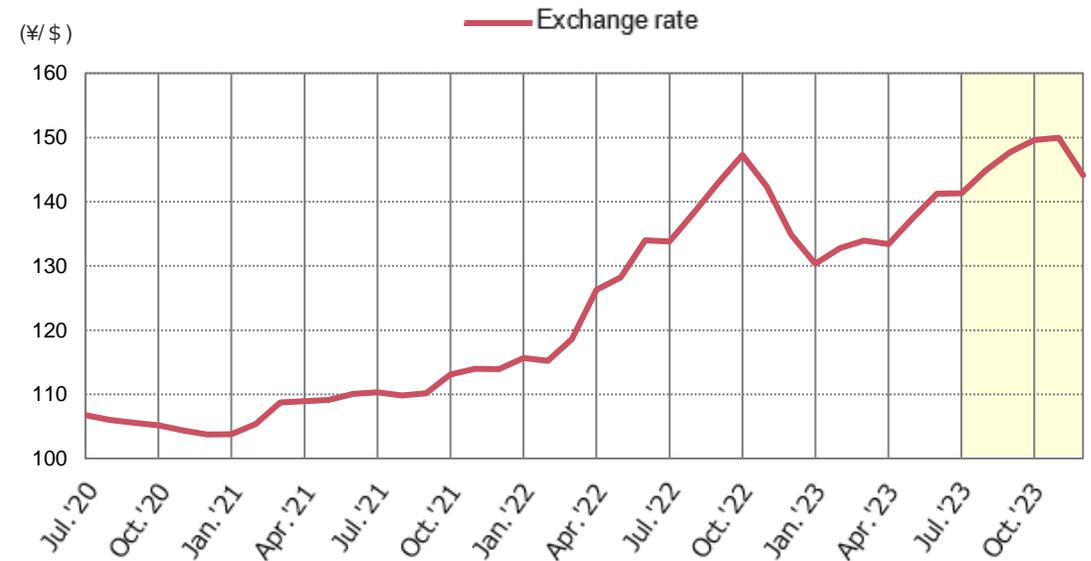
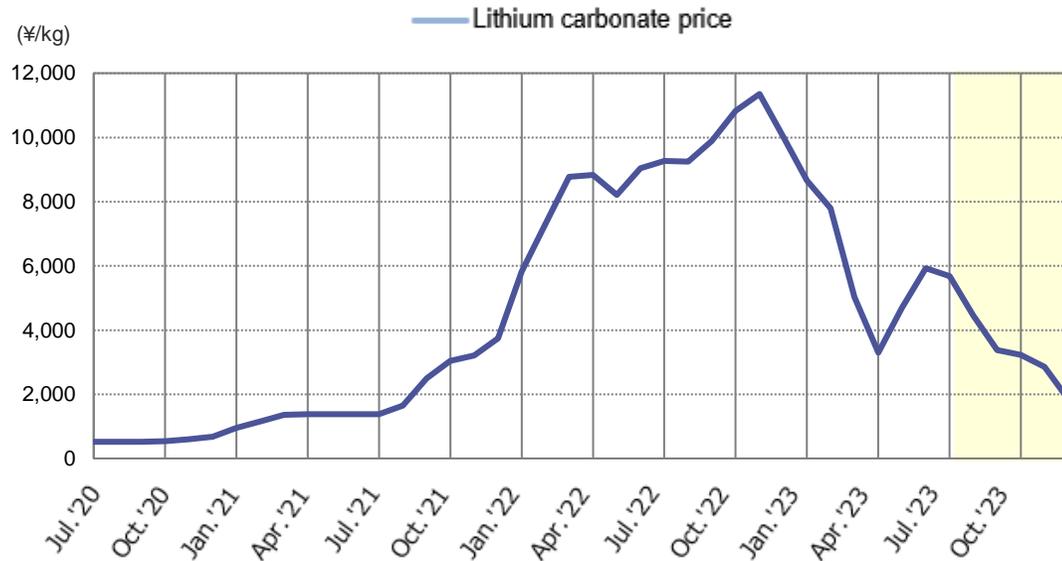
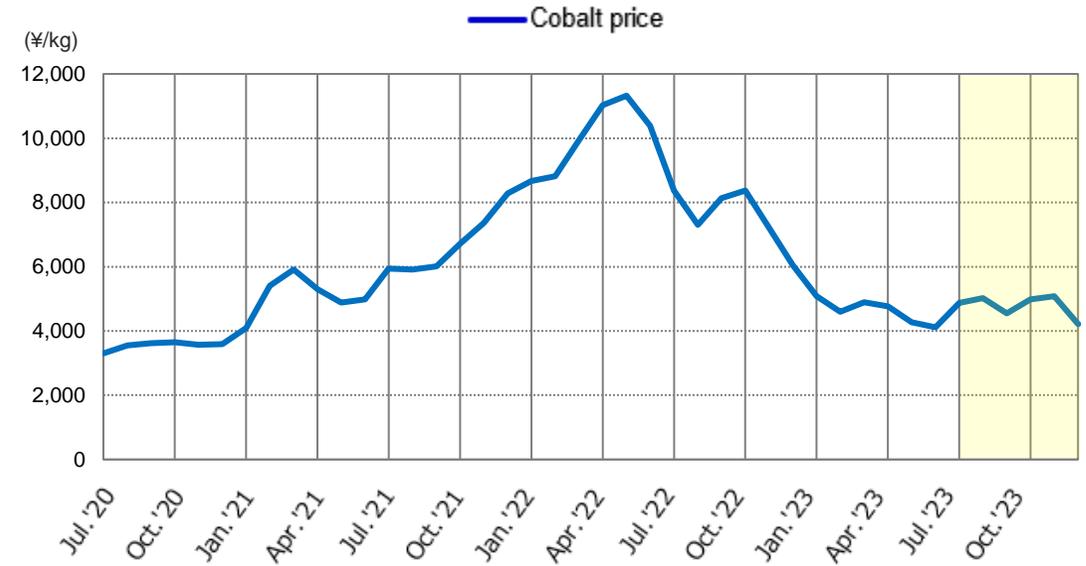
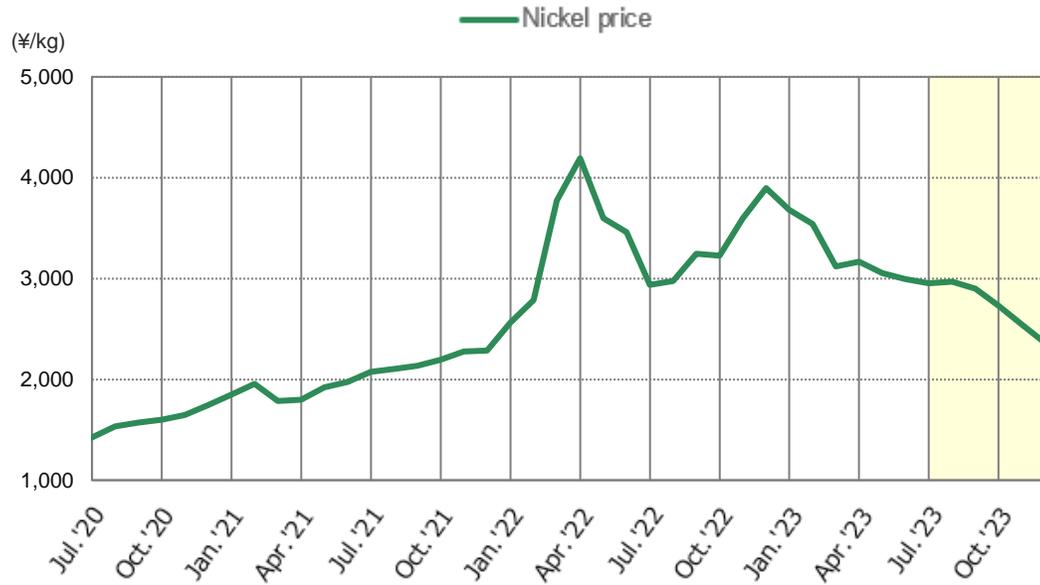
Quarterly Business Results by Segment



Segment		June/2023					June/2024				
		1Q	2Q	3Q	4Q	Full Year	Composition Ratio	1Q	2Q	1 st half	Composition Ratio
Resource Circulation Business	Handling volume (1,000t)	64	65	64	67	262	–	57	64	121	–
	Net sales	4,179	4,349	4,697	5,625	18,852	34.0%	4,916	5,367	10,283	35.8%
	Ordinary profit	364	383	418	398	1,565	63.6%	391	397	789	62.2%
	Ordinary profit ratio	8.7%	8.8%	8.9%	7.1%	8.3%	–	8.0%	7.4%	7.7%	–
Global Trading Business	Handling volume (1,000t)	99	117	111	136	465	–	121	125	247	–
	Net sales	7,872	8,958	8,045	9,608	34,485	62.2%	8,709	8,735	17,445	60.8%
	Ordinary profit	156	(43)	112	(5)	220	9.0%	124	167	292	23.1%
	Ordinary profit ratio	2.0%	(0.5%)	1.4%	(0.1%)	0.6%	–	1.4%	1.9%	1.7%	–
Lithium-ion Battery Recycling Business	Net sales	326	448	525	334	1,635	3.0%	356	361	718	2.5%
	Ordinary profit	104	183	207	78	575	23.4%	81	50	132	10.4%
	Ordinary profit ratio	32.0%	41.0%	39.5%	23.6%	35.2%	–	22.8%	14.0%	18.4%	–
Others	Net sales	135	87	131	109	463	0.8%	157	85	242	0.9%
	Ordinary profit	50	(0)	44	4	99	4.0%	66	(11)	54	4.3%
	Ordinary profit ratio	37.7%	(0.4%)	33.6%	4.3%	21.5%	–	42.4%	(13.9%)	22.5%	–
Adjustment	Net sales	(1,340)	(1,435)	(1,619)	(1,851)	(6,247)	–	(1,326)	(1,573)	(2,900)	–
	Ordinary profit	(107)	(77)	(287)	(85)	(558)	–	(140)	(123)	(263)	–
Consolidated	Handling volume (1,000t)	141	160	150	173	625	–	159	165	324	–
	Net sales	11,174	12,408	11,781	13,826	49,189	100.0%	12,812	12,976	25,789	100.0%
	Ordinary profit	569	445	494	392	1,901	100.0%	523	481	1,004	100.0%
	Ordinary profit ratio	5.1%	3.6%	4.2%	2.8%	3.9%	–	4.1%	3.7%	3.9%	–

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





Important notes about this material

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.



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