



SUSTAINABILITY REPORT 2023



## *Introduction*

# Make a Circle of Joy

As we strive to “make a circle of joy,” our times call for initiatives that transcend industry boundaries and roles.

As a leader in the resource recycling business, the ENVIPRO Group aims to contribute to create a sustainable society. In doing so, we strive to evolve beyond conventional boundaries. The collection and recycling of waste materials go beyond just reducing environmental impact. By circulating recycled resources, we aim to generate new manufacturing and revitalize local communities, ultimately bringing joy to all stakeholders.

The ENVIPRO Group is committed to being a driving force that drives this cycle of joy in the circular economy, looking into the future as we take on new challenges.

In the interest of “Make a circle of joy,” we aim to bring smiles to the faces of all as we work together toward a society of sustainability and abundance.





Circular  
Resource Circulation Business



Li-ion  
Lithium-ion Battery Recycling Business



Environment Management Consulting Business



Global Trading Business



Welfare Service Business for People with Disabilities

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### Editorial Policy

This sustainability report is issued by ENVIPRO HOLDINGS Inc. The report describes the corporate philosophy of the ENVIPRO Group and our overall activities in non-financial areas including business strategies and ESG aspects. Some business prospects, including future plans, are also presented here.

### Scope of Report

The report presents the activities of ENVIPRO HOLDINGS Inc. and the following 11 subsidiary companies: ECONECOL Inc., NEWSCON Inc., 3WM Co., Ltd., Cyterrace Co., Ltd., Kuroda Recycle Co., Ltd., SYN ECO Inc., ASTOCO Inc., Toyo Rubber Chip Co., Ltd., Nitto Kako Co., Ltd., Bright Innovation Co., Ltd., and VOLTA Inc.

### Reporting Period

July 2022 to June 2023 (The report covers some activities and plans outside this period.)



## Our Concept

### Mission Statement

# Contribute to Create a Sustainable Society

### Corporate Philosophy

#### Creative Company

Engage in the ongoing creation of businesses that society needs

- Engage in everyday work in the spirit with which the company was established
- Create new businesses in the spirit of the founder for generations to come
- Every employee to exert efforts to become the leading player of a business that suits them

#### Circular Company

Help others, get the best out of others, and share with others to make a constant loop of joy

- Help each other and lend a hand to others to make your work more pleasant
- Use every material repeatedly, preserving their value for as long as possible
- Share the profit and joy with the people you live with

#### Company Pursuing Virtue

Pursue the virtue of companies and people, in perpetuity

- Don't choose the easy path but choose the path which serves others
- Do what others don't do by taking advantage of your distinctive qualities
- Be grateful for your life and don't be arrogant

\* Supervised by Yoshiharu Shimizu, Mirai Design Institute, Enishiya Established on March 20, 2004

### The Key Values of the ENVIPRO Group, and Its Corporate DNA

Around 2000, the business environment began to undergo major changes. A growing awareness of a circular economy society and environmental issues spurred an understanding about the need for recycling and the establishment of various laws and regulations. The ENVIPRO Group is growing at an increasing rate. We are changing rapidly, and our employees are growing and beginning to expand across regions.

Around that time, I began to feel a vague sense of anxiety. Even though the company was beginning to develop well, I rediscovered what I had been searching for so long—that something that had been missing. The tree grows, and the trunk grows, and the roots that support it need to grow bigger.

In 2004, we established our corporate philosophy, rooted in a strong sense that we lacked a solid philosophy and principles that would remain unshaken by surface changes.

We spent about a year weaving together the founder's life philosophy, principles, and the habit of saying, the life philosophy and thoughts of the executives, and other ideas inherent in the company and making them all explicit.

This is how we have developed our corporate philosophy, our "most valuable idea." It serves as our code of conduct and will remain intact no matter how much the environment around us changes. We anticipate a permanence that will last for the next 2,000 years.


# History of the ENVIPRO Group

SANO MARUKA SHOTEN, the predecessor to the ENVIPRO Group, was founded in March 1950 by Katsuyoshi Sano (the father of Tomikazu Sano, the current president) in the city of Fujinomiya, Shizuoka Prefecture. Established as a ferrous scrap wholesaler, the Group has leveraged its strength in metal recycling to expand its operations. In recent years, the Group has taken on a host of new business challenges to make the circular economy a reality.

**A Base for Business Expansion**

1950 1960 1970 1980 1990 2000

**1950** ■Katsuyoshi Sano (father of Tomikazu Sano, president of ENVIPRO HOLDINGS Inc.) established SANO MARUKA SHOTEN as a ferrous scrap wholesaler in the city of Fujinomiya, Shizuoka Prefecture.




The company's founder, who bought a pile of auctioned properties from a closed foundry

**1989** ■Began management based on our management plan.

**1992** ■Launched a trading business.

**1997** ■Installed a large shredder at the head office plant.



Installation of large shredder

**The Group Continues to Expand**

**2000** ■Established Fuji Eco Cycle Co., Ltd. as a joint venture with Fujitsu General Limited.

**2003** ■Established ARBIZ CORPORATION as a joint venture with USS Co., Ltd.

**2004** ■Established corporate philosophy.

- Received ministerial authorization as a resource recovery facility for automobile shredder residue (ASR) pursuant to the Act on Recycling, etc. of End-of-Life Vehicles.

**2006** ■Established 3WM Co., Ltd. to engage in the used car and maintenance parts export business.

**2008** ■Acquired a 100% stake in Kuroda Recycle Co., Ltd., which engages in the resource recycling business, making it a subsidiary.

- 3WM Co., Ltd. established 3WM CHILE IMPORT EXPORT LIMITADA (Chile).


**Establishment of ENVIPRO HOLDINGS and Its IPO**

2010

**2010** ■Established ECONECOL HOLDINGS Inc. (current ENVIPRO HOLDINGS Inc.)

**2011** ■Acquired a 100% stake in Recycle Support Service LLC (present SYN ECO Inc.), making it a subsidiary.

**2013** ■Listed on the Second Section of the Tokyo Stock Exchange.



Listing on the Tokyo Stock Exchange

- Established ECOMMIT Inc. (present ASTOCO Inc.) to provide welfare services for people with disabilities.

**2015** ■Acquired a 100% stake in Toyo Rubber Chip Co., Ltd., which engages in waste rubber recycling and manufacturing/ marketing of rubber products, making it a subsidiary.

**Taking on New Business Challenges**

2020

**2016** ■Established Bright Innovation Co., Ltd. to develop the Environmental Management Consulting Business.

**2018** ■Established VOLTA Inc. to engage in the Lithium-ion Battery Recycling Business.

- Listed on the First Section of the Tokyo Stock Exchange.
- Joined the RE100 initiative.

**2019** ■Endorsed the TCFD Declaration

**2020** ■Took over the trading business of ECONECOL Inc. and established NEWSCON Inc.

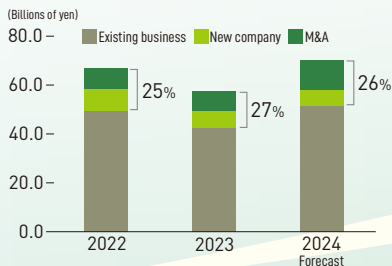
**2021** ■ECONECOL Inc. acquired a 100% stake in Fujimi BMS Co., Ltd. (currently ECONECOL Inc. Wood Recycling Center), a wood recycling company, and made it a sub-subsiary.

**2022** ■ECONECOL Inc. absorbed Fujimi BMS Co., Ltd. (currently ECONECOL Inc. Wood Recycling Center)

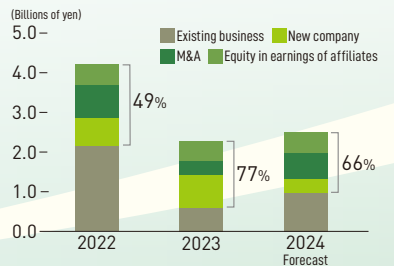
- Moved listing to the Prime Market of the Tokyo Stock Exchange.
- Established Cyt Terrace Co., Ltd. to take over the logistics agency business from 3WM Co., Ltd.

**2023** ■Acquired shares in Nitto Kako Co., Ltd., which manufactures and sells industrial rubber and plastic products, making it a subsidiary.

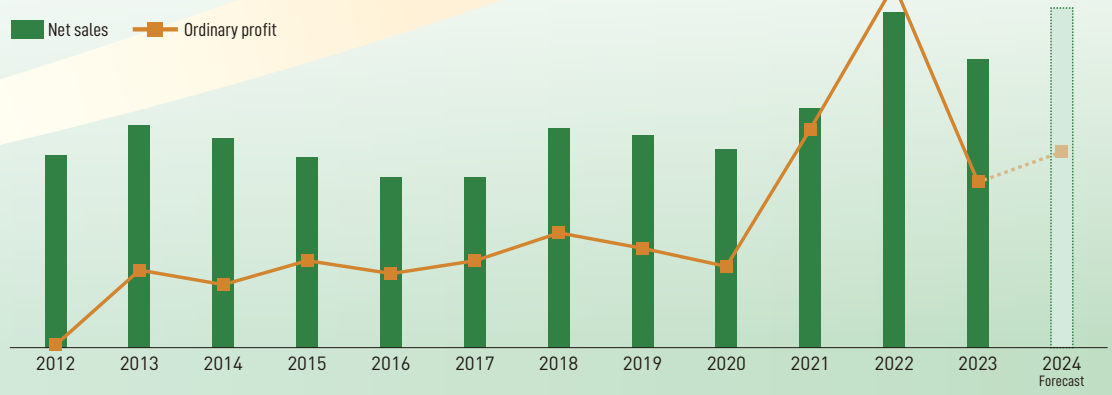
## Changes in the Composition of Net Sales



## Changes in the Composition of Ordinary Profit



## Net Sales and Ordinary Profit



The company entered the trading business in 1992 and installed a large shredder in 1997. These two events prompted mergers and acquisitions (M&A) and led to the establishment of new companies and joint ventures. The ENVIPRO Group has seen promising businesses emerge from ventures into successful new companies. Our M&A activities have focused on expanding into recycling sectors such as rubber and wood, as well as revitalizing businesses by leveraging the ENVIPRO Group's expertise. We will continue to actively pursue such initiatives to drive the Group's growth.