





Formulation of a Medium-Term Management Plan (Mid-Term Plan 2028)

Financial Targets of Mid-Term Plan 2028

- Targets for the previous plan, Mid-Term Plan 2027, were net sales of ¥75.0 billion and ordinary profit of ¥5.0 billion.
- Mid-Term Plan 2028 targets net sales of ¥80.0 billion and ordinary profit of ¥5.0 billion
- The ordinary profit under Mid-Term Plan 2027 was postponed by one year, due to investment in human capital and soaring energy prices.
- In addition to ROE, Mid-Term Plan 2028 sets ROIC as a new target, placing greater emphasis on return on investment than ever before.

Notes: 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.

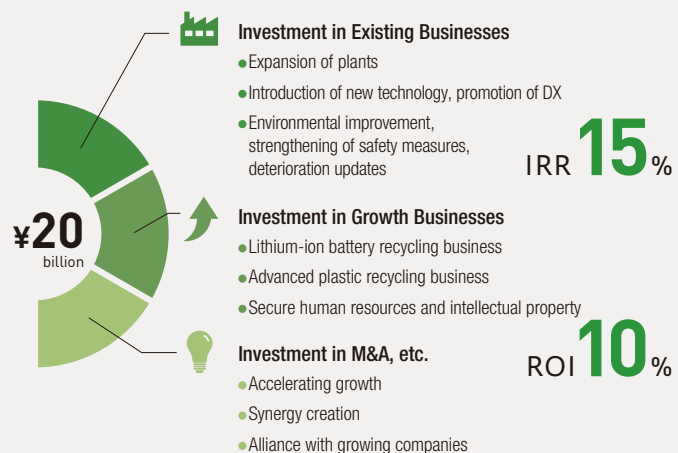
	 Net Sales	 Ordinary profit	 ROE	 ROIC
Year ending June 2028	¥80.0 billion <small>CAGR (2023→2028) 10%</small>	¥5.0 billion <small>CAGR (2023→2028) 21%</small>	13%	9%
Year ending June 2026	¥68.0 billion	¥3.3 billion	11%	-%
Year ending June 2024	¥58.0 billion	¥2.2 billion	10%	-%
Year ended June 2023	¥49.1 billion	¥1.9 billion	8%	6%

Assumptions (From July 2023)

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/USD

Investment Portfolio

- We aim to invest ¥20 billion over the next five years.
- Our investment criteria are an internal rate of return (IRR) of 15% and return on investment (ROI) of 10%.

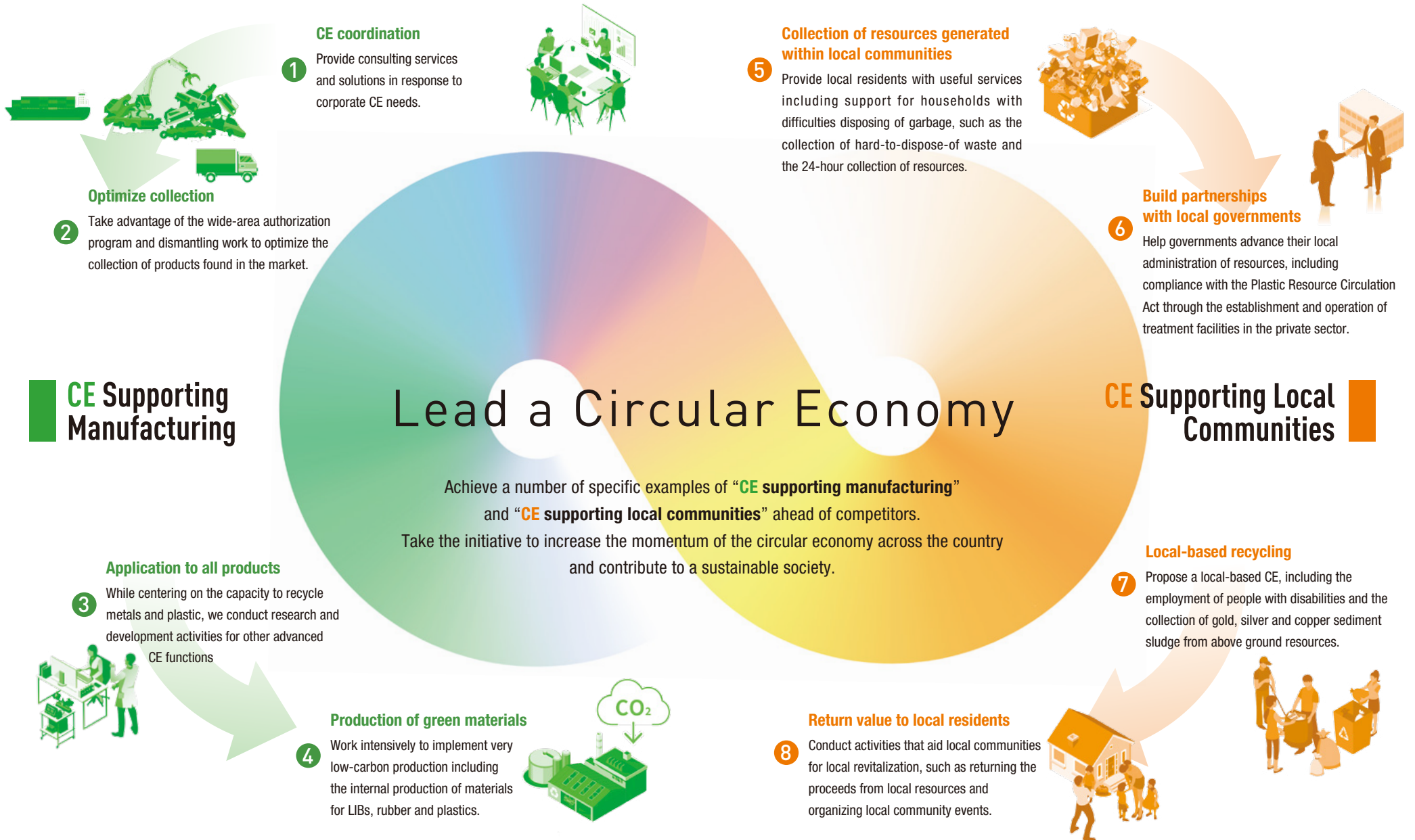


Investment in Human Capital

- We utilize a variety of recruitment methods, including new graduate and referral recruitment.
- We use “joy of development” as a KPI and are expanding our education program.
- In the previous fiscal year, we raised salaries by 6.44%, including regular salary increases and rises in base salary. We will continue to raise salaries at a stable and high level this fiscal year and beyond, and steadily return profits to employees.
- We focus on the active participation of women and foreigners. We have also set the number of women in management positions as a KPI.

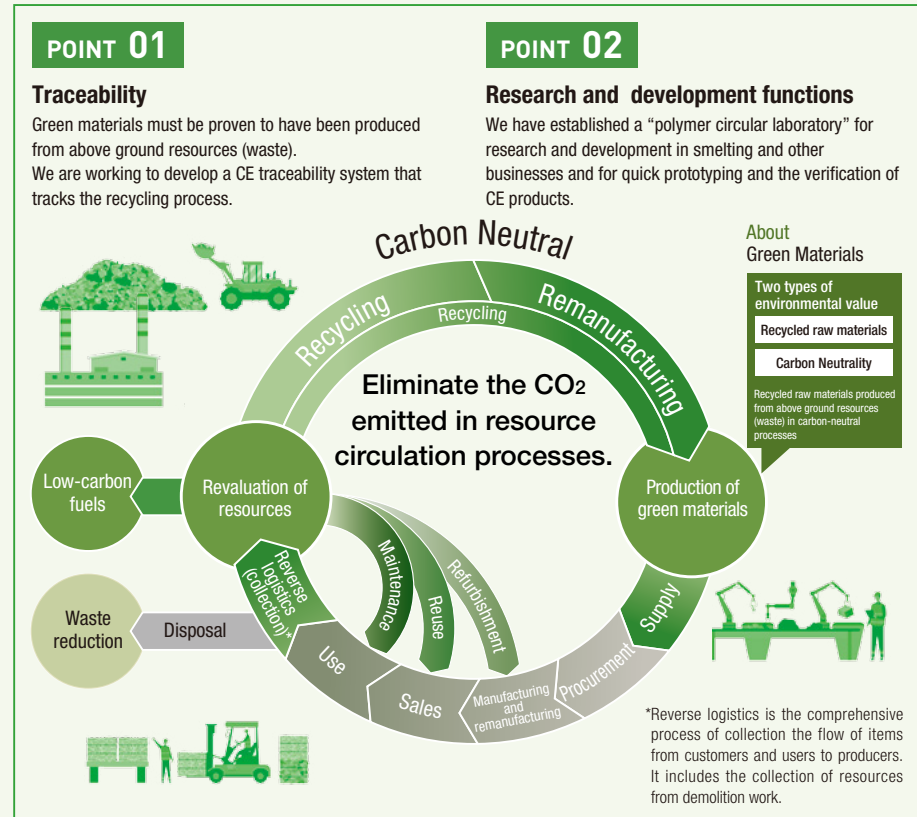
		KPIs	Progress (June 2023)	Targets (June 2028)
Recruitment	Mid-career employment and new graduate recruitment	Recruitment of business promoters	13 people	30 people
		New graduate recruitment	4 people (joined in April 2024)	40 people
	Diversification of recruitment methods	Recruitment of referred and retired personnel	11.2% of all employees	20% of all employees
Development	Personnel development	Development business promoters	9 people	40 people
	Sharing of knowledge within the Group	Level of satisfaction with business schools	94.9%	100%
		Joy of development	69.8% (June 2022)	90%
Retention	Employee satisfaction	Retention rate	89.7%	95%
		Annual wage increase and increase of base pay	6.44%	Over 3%/year
	Active roles for diverse human resources	Welfare facilities and systems	Satisfaction with the way of working -%	Satisfaction with the way of working 80%
		Ratio of females in managerial positions	8.4%	20%
		Ratio of non-Japanese nationals	4.0%	10%

Strategic Concept: Lead a Circular Economy



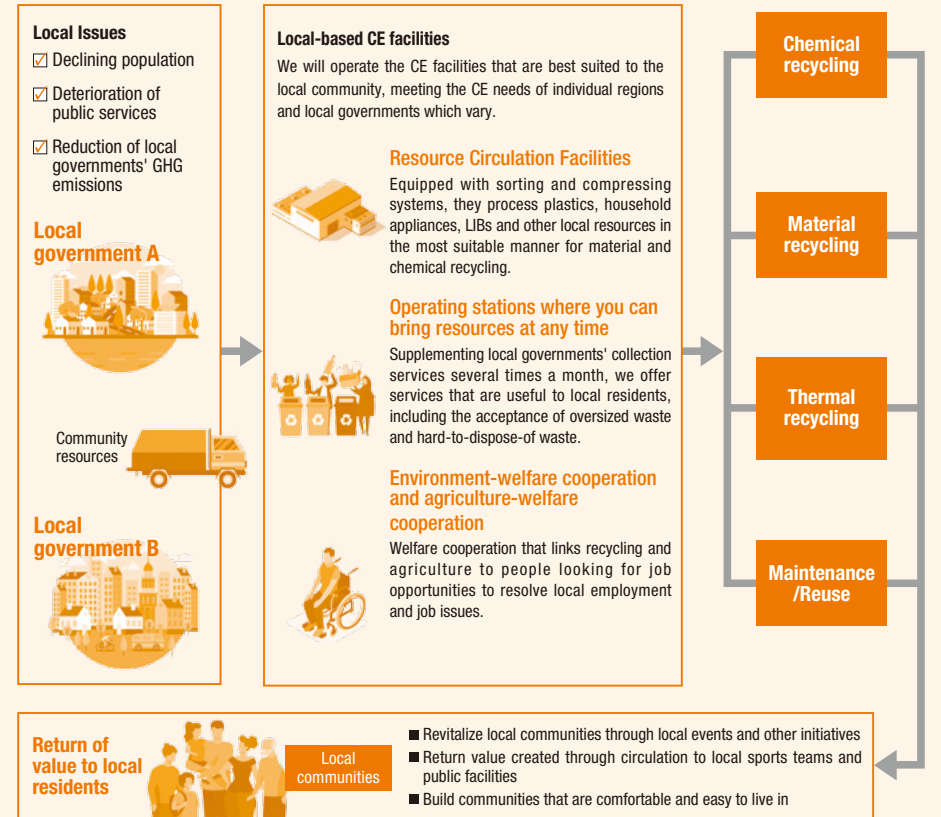
Two Categories of Activities for the ENVIPRO Group to Lead a Circular Economy

CE Supporting Manufacturing



- Collect resources and waste from customers in the manufacturing industry, maximize their value as products, and return them to the market
- Establish a recycling-oriented business model by connecting the value chain of arterial and venous industries
- Secure a stable supply of used products by strengthening partnerships with major companies and establishing a nationwide circular economy scheme
- Maximize product utilization and minimize leaks in resource value through various methods, including maintenance, refurbishing, reuse, remanufacturing, and recycling

CE Supporting Local Communities



- Our resource circulation center in the city of Azumino, Nagano Prefecture, provides a 24-hour collection service, collects resources from citizens, and realizes resource circulation.
- We achieve community-based resource recycling, such as by employing people with disabilities to conduct manual dismantling, and we work with local governments to revitalize the community through the circular economy.
- In the short term, the company will play a complementary role to municipal waste administration, and in the medium to long term, it will contribute to the establishment of a circular economy for urban waste through deep involvement in local governments' waste management efforts.

Business Goals

Segments	Targets of Mid-Term Plan 2028	Promoting Key Businesses (Years ending June 2024 to 2028)	Sales (Billions of yen)	Segment Profit (Billions of yen)
 Resource Circulation Business	Transition to a business model aimed at realizing a circular economy	<ul style="list-style-type: none"> Respond to trends for decarbonization-related dismantling, and research the circular economy for dismantling Realize examples of the circular economy in the manufacture of tires and other polymer products Promote the collection of gold, silver, and copper sediment sludge from incineration ash 		
 Global Trading Business	Reorganize the overseas portfolio and take on new business challenges	<ul style="list-style-type: none"> Promote new initiatives to reach 1 million tons handled Strengthen relationships with domestic electric furnace makers Withdraw from unprofitable businesses, and establish new business locations and commercial distribution channels 		
 Lithium-ion Battery Recycling Business	Expand plants and take up the challenge of hydrometallurgy to realize battery-to-battery recycling	<ul style="list-style-type: none"> Commence operations at Ibaraki plant Look for Kansai and overseas plant locations and commence operations Commercialize hydrometallurgy 		
 Welfare Service Business for People with Disabilities  Environment Management Consulting Business Other Businesses	Expand circular economy functions	<ul style="list-style-type: none"> Develop agriculture-welfare cooperation business and expand business bases Develop and expand environment-welfare Provide consulting service for circular economy Develop environmental DX system 		