

# Overall view of our businesses Achievement of the circular economy that our group seeks

## Resource Circulation Business

By promoting the reuse, recycling, and remanufacturing of waste and resources, we tackle the effective use of limited resources and the reduction of waste, while also manufacturing recycled materials from waste to offer new value to the world.

## Global Trading Business

Along with the international distribution of metal scrap and other resources generated in Japan and elsewhere, we bring used items such as used cars and maintenance parts from Japan into global markets.

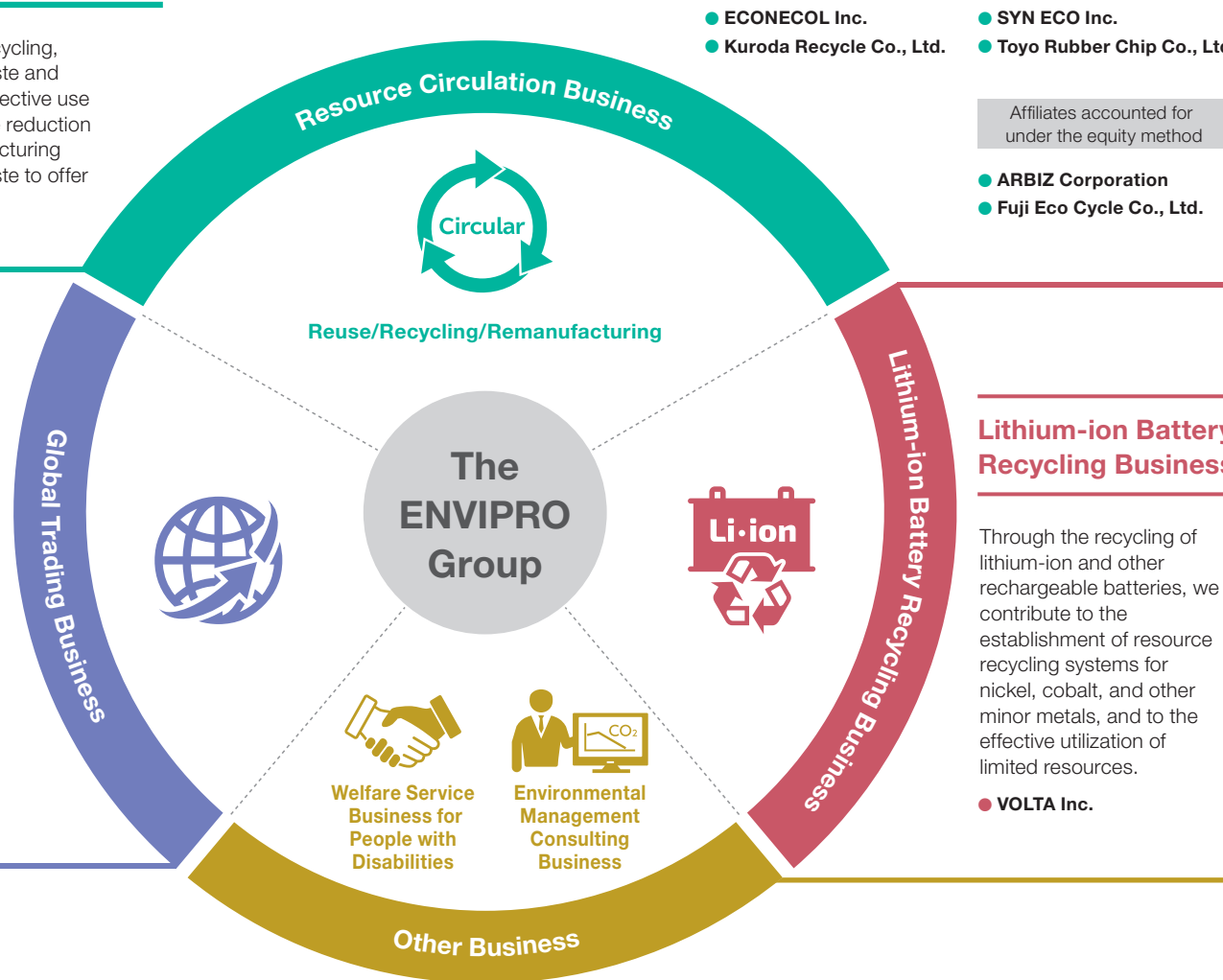
- NEWSCON Inc.
- 3WM Co., Ltd.

## Other Business

We are developing a welfare service business that supports the independence of people with disabilities in finding employment and in community life, as well as an environmental management consulting business that provides support for companies' environmental strategies and CO<sub>2</sub> reduction plans.

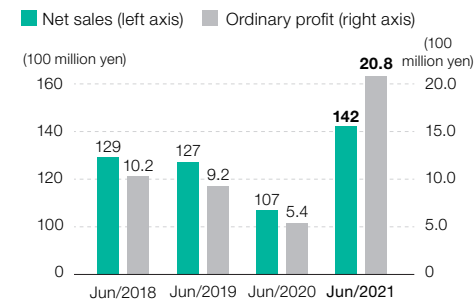
- Welfare Service Business for People with Disabilities**
- ASTOCO Inc.

- Environmental Management Consulting Business**
- Bright Innovation Co., Ltd.

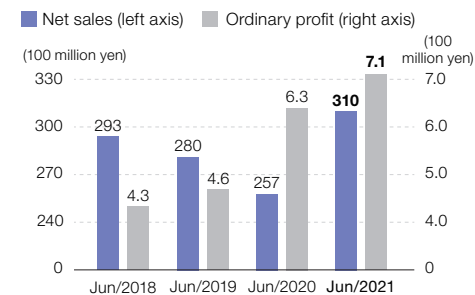


## Business results highlights

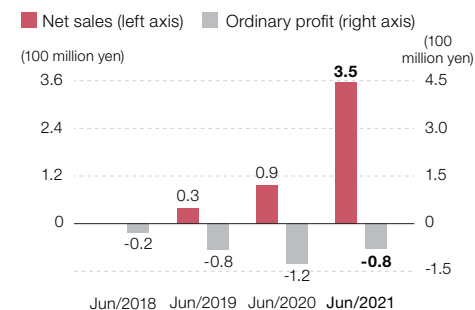
### Resource Circulation Business



### Global Trading Business



### Lithium-ion Battery Recycling Business



#### Changes in business segment categories

- By integrating the Global Resource Circulation Business and the Used Car-Related Business, which are overseas businesses, into the Global Trading Business, we have strengthened synergies.
- We made the Lithium-ion Battery Recycling Business independent from the Resource Circulation Business as a strategic business of the group, out of consideration for the content and scale of business, including hydrometallurgy, and the alliances planned for the future.

## ACTION PLAN

# Battery to Battery

## The dawn of a new era for lithium-ion batteries

The near-future depletion of cobalt, nickel, and other mineral materials used in lithium-ion batteries (LIBs) is cause for concern. For that reason, we are acting to strategically secure resources. "Battery to battery".

This is a circular system for LIBs, premised on recycling. The ENVIPRO Group has taken a major step in the direction of building a new circular economy model that integrates LIBs production and mineral resource recycling.



## Becoming an indispensable presence in the battery industry and supporting the next generation.

Today, the world is undergoing a major transformation aimed at securing mineral resources. The recycling of LIBs is an important key to protecting the resources of Japan and the planet. This recycling is also expected to grow further as a new pillar of business for the ENVIPRO Group. Our repositioning of the Lithium-ion Battery Recycling Business from one of our resource recycling businesses to an independent business segment from this fiscal year also indicates the importance of this business. Underlying this is the rapid proliferation of electric vehicles (EVs). As demand for LIBs takes off, the depletion of cobalt, nickel, and other raw materials in the near future is cause for concern. Minor metals are produced in a limited number of countries, creating a need to strategically secure domestic resources. The recycling of LIBs in Japan is currently at the point of collecting the concentrated cobalt and nickel sludge called black mass, which is exported overseas. The outflow of this valuable resource to destinations overseas will be a great loss for Japan. Preventing this calls for smelting black mass in Japan and supplying the remanufactured resources directly to domestic manufacturers. However, this entails considerable investment and determination. In addition to the cost of plant construction cost, the long time frame for realization of profit and the need to secure more material for smelting are among the difficult barriers that confront commercialization at the present stage. At this rate, many companies in Japan, including in the domestic battery industry and automobile industry, will lose competitiveness. While advancing constant research to achieve advanced smelting, our company is making steady preparations that include the planning of plant equipment and siting and alliances with battery manufacturers. We aim to complete a hydrometallurgical plant and begin full-scale operation in 2025, creating a new major pillar of business for the ENVIPRO Group. With this, our group will tackle the challenge of becoming an indispensable presence in the battery industry.

### Black mass

A mixture of cobalt, nickel, and other substances produced from the baking of lithium-ion batteries. Through smelting, recycled cobalt and nickel can be produced.

