

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, 2024

To whom it may concern,

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

Status of Progress in Plan to Meet the Criteria for Maintaining Listing

ENVIPRO HOLDINGS Inc. announces the status of progress in its plan for compliance with the criteria for maintaining its listing as of the reference date, June 30, 2024 as follows. On August 22, 2023, the Company submitted this plan and disclosed its details.

1. Changes in the status of compliance with the criteria for maintaining listing and plan period

The status of the Company's compliance with the criteria for maintaining listing on the Prime Market as of June 30, 2024, including the changes thereof, is as in the table below. The Company does not meet the criteria for market capitalization of shares outstanding. Regarding the market capitalization of the shares outstanding that failed to meet the criteria, the Company will continue to take different steps to achieve compliance with the criteria for maintaining its listing on the Prime Market by the end of June 2025.

		No. of shareholders	No. of shares outstanding	Market capitalization of shares outstanding	Percentage of shares outstanding
Status of conformity of the Company	June 30, 2023	11,629	131,366 units	7.6 billion yen	43.6%
	June 30, 2024	12,173	133,077 units	6.8 billion yen	44.0%
Listing maintenance criteria		800 or more	20,000 units or more	10.0 billion yen or more	35% or higher
Plan period		-	—	June 30, 2025	—

Note: The Company's status of conformity is calculated based on the distribution of the Company's share certificates, etc. as understood by the Tokyo Stock Exchange as of the reference date.

2. Status of implementation and evaluation of initiatives to meet the criteria for maintaining its listing (July 2023 - June 2024)

(1) Implementation status of initiatives

The Company declared its basic policy for increasing the market capitalization of the shares outstanding in its plan for compliance with the criteria for maintaining its listing announced on August 22, 2023. The policy consists of three initiatives: (1) steady execution of Medium-Term Management Plan, (2) implement measures to return profits to shareholders and (3) strengthen information disclosure capabilities, including IR activities. The following describes the implementation status of initiatives in accordance with this policy.

(2) Evaluation of initiatives

1) Steady execution of Medium-Term Management Plan

The Company announced a rolling-style medium-term management plan with the fiscal year ending June 30, 2028 as its final fiscal year on August 22, 2023. In the Resource Circulation Business, the Company defines dismantling, polymer product manufacturing, and gold and silver sediment sludge collection from incineration ash and other materials as priority businesses. High growth rates have been achieved in these businesses. We are striving to change our business model in the Global Trading Business to improve its earning structure. An increase in net sales and profits were achieved and it is expected that the business will continue to grow. In the Lithium-ion Battery Recycling Business, the Company prepared for the opening of the Ibaraki Plant as planned to increase its market share in the growing market.

2) Implement measures to return profits to shareholders

For the fiscal year ended June 30, 2024, the dividend decreased due to extraordinary losses recorded due to a difference in views between the Company and a tax authority regarding export sales transactions and to a fire etc. For the fiscal year ending June 30, 2025, the Company expects to pay a year-end dividend of 15 yen per share in line with the consolidated payout target of 25% to 35% in the basic policy.

3) Strengthen information disclosure capabilities, including IR activities

The Company organized financial results briefings for institutional investors, one-on-one meetings, facility tours and business briefings for individual investors. It also enriched its disclosure of ESG data, receiving an A- score from the CDP. The Company's businesses are centered on solutions to issues for the realization of a circular society. It understands that its purpose and the growth of its business are in sync with social contribution activities. The Company will continue to actively engage in dialogue with investors to enable people to better understand its corporate value.

3. Future issues and initiatives based on the past status of the market capitalization of the shares outstanding

As in the previous fiscal year, the Company formulated a rolling-style medium-term management plan with the fiscal year ending June 30, 2029 as its final fiscal year. It set targets, including achieving net sales of 86 billion yen, ordinary profit of 4.7 billion yen, ROE of 14% and ROIC of 9% in the final fiscal year of the plan. Today, the Company passed a resolution on the Medium-Term Management Plan (Mid-Term Plan 2029) and published its action to implement management that is conscious of cost of capital and stock price. It will continue taking steps in line with its policy of (1) steady execution of Medium-Term Management Plan, (2) implement measures to return profits to shareholders and (3) strengthen information disclosure capabilities, including IR activities, with a view toward fulfilling the criteria for maintaining listing.

The Company will further enhance its IR activities to continuously increase its corporate value. The Company looks forward to the support and encouragement of its shareholders and many other stakeholders.