

Financial Results Briefing Materials for the Nine Months Ended March 31, 2025

Envipro Holdings Inc.
(TSE Code : 5698)

May 13, 2025

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Consolidated Financial Results

Net sales

YoY
¥37,787 million **2.5% down**

Operating profit

YoY
¥857 million **17.5% down**

Ordinary profit

YoY
¥991 million **25.7% down**

Profit*

YoY
¥1,021 million **4.6% up**

【 Our Group's Business Environment 】

- The business outlook is uncertain due to China's overproduction of steel products and the turmoil caused by trade friction between the U.S. and China
- The average ferrous scrap price (Tokyo Steel Tahara Tokkyu Grade Seaborne Price) was **¥43,067/t** during the nine months ended March 31, 2025. (In the same period of the previous fiscal year ¥50,881/t)
- The prices of cobalt, nickel and lithium used in batteries were lower than in the same period of the previous year, while the gold and copper prices were higher than in the same period last year

【TOPICS】

- Shipping volume: **465,000 t** (YoY **2.4% down**)
- **LIB* Recycling Ibaraki Plant** began operating
- **Stable prices of ferrous scrap and other resources** from the second quarter led to **a recovery in business performance**

※Profit margin increased due to fire insurance claims received

*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/2024 1Q-3Q	June/2025 1Q-3Q		
	Actual	Actual	YoY	
			Increase/ Decrease	Ratio
Shipping volume (1,000t)	477	465	(11)	(2.4%)
Net sales	38,764	37,787	(976)	(2.5%)
Gross profit	6,246	6,557	310	5.0%
Operating profit	1,039	857	(181)	(17.5%)
Ordinary profit	1,334	991	(342)	(25.7%)
Profit before income taxes	1,346	1,331	(14)	(1.1%)
Profit*	976	1,021	45	4.6%
Marginal profit*	7,378	7,418	40	0.5%
EBITDA*	1,986	1,894	(92)	(4.6%)
Fixed costs*	6,363	6,710	346	5.5%

*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

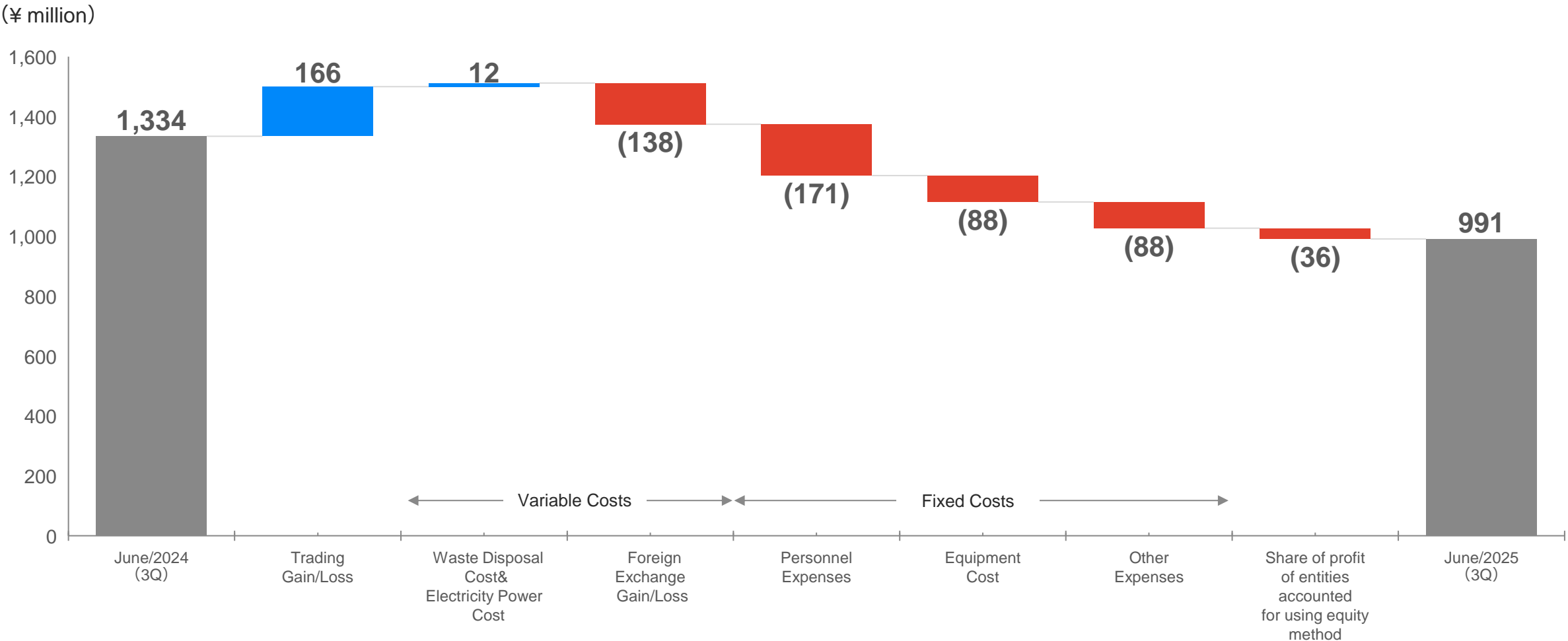
*EBITDA = Operating profit + Depreciation + Amortization of goodwill

*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 in Lithium-ion Battery Recycling Business because of new plant operation, etc.
- **Foreign Exchange Gain/Loss** : Foreign exchange losses due to unstable exchange rate fluctuations
- **Personnel Expenses** : Impact of personnel, regular salary and base salary increases



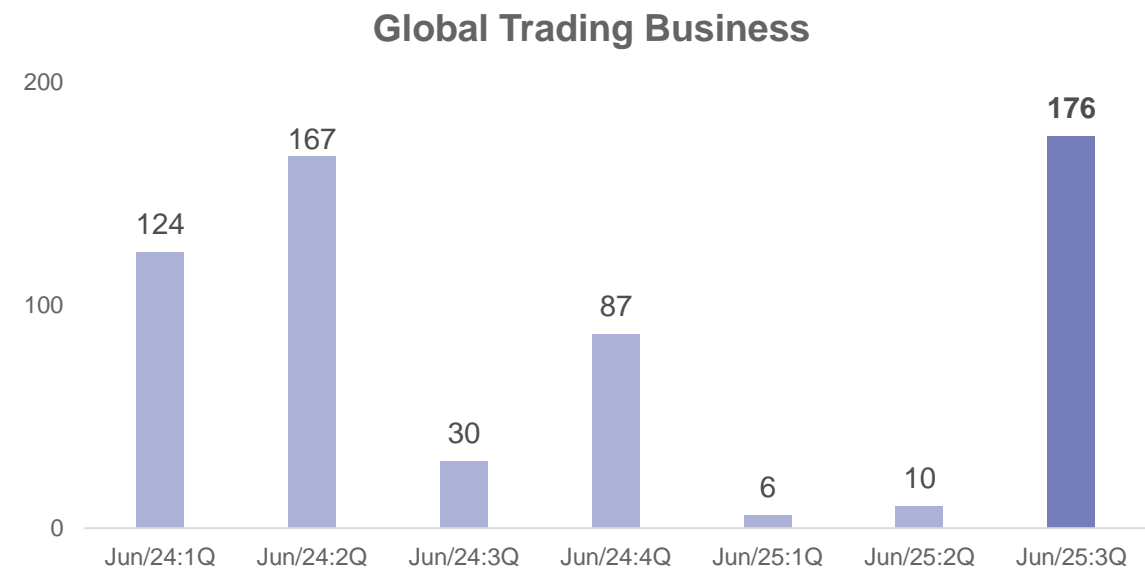
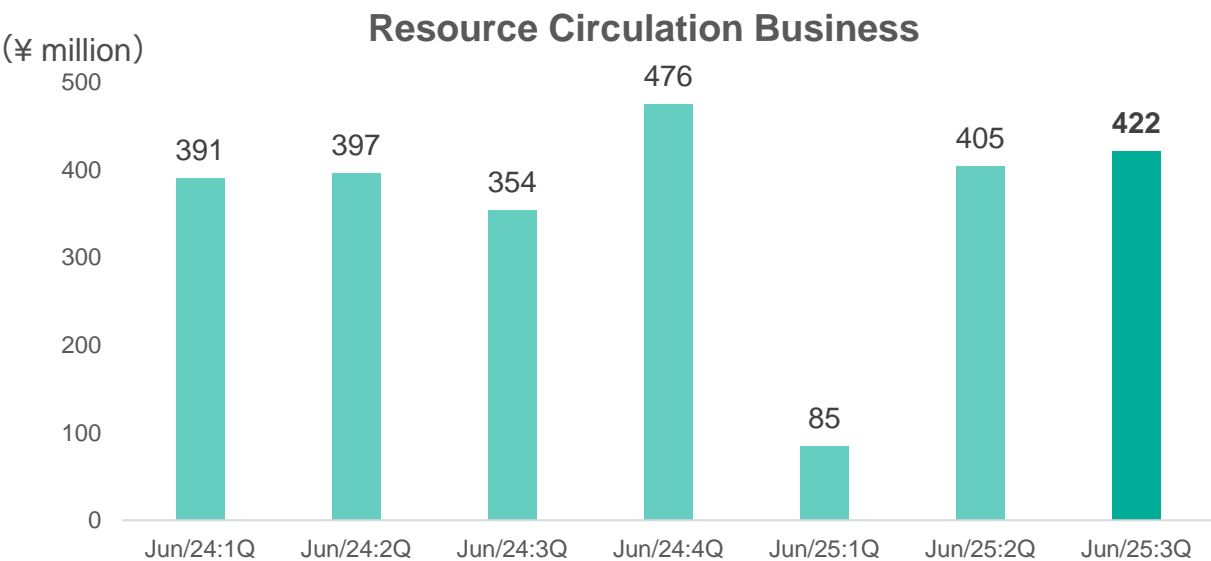
Summary of Business Results by Segment

		June/2024 1Q-3Q	June/2025 1Q-3Q		TOPICS		
		Actual	Actual	YoY			
				Increase/ Decrease			Ratio
Resource Circulation Business	Shipping volume (1,000t)	182	177	(5)	(2.7%)	<ul style="list-style-type: none">■ Stable prices of resources from the second quarter led to a recovery in business performance■ Non-metals and service-related businesses which are less susceptible to market conditions continued to perform well■ Profits declined due to an increase in fixed costs including personnel and facility expenses	
	Net sales	15,653	15,804	150	1.0%		
	Segment profit	1,144	912	(231)	(20.3%)		
Global Trading Business	Shipping volume (1,000t)	358	352	(6)	(1.7%)	<ul style="list-style-type: none">■ Solid performance in the logistics agency services■ Trading business of metal raw materials was strong in the third quarter by overcoming the effects of a temporary decline in scrap prices■ Enhancing its system for the consistent collection and sale of ferrous scrap in collaboration with domestic electric furnace makers	
	Net sales	25,888	24,372	(1,515)	(5.9%)		
	Segment profit	323	192	(130)	(40.5%)		
Lithium-ion Battery Recycling Business	Net sales	1,195	1,212	17	1.4%	<ul style="list-style-type: none">■ The market prices of rare metals used in batteries were lower than in the same period of the previous fiscal year■ Production volumes and sales increased compared to the same period last year resulting from the start of new plant operation and an increase in processing contracts■ Profit declined due to an increase in fixed costs from new plant operation	
	Segment profit	170	158	(12)	(7.5%)		
Others	Net sales	387	390	2	0.7%	<ul style="list-style-type: none">■ The Environment Management Consulting Business won more orders and achieved an increase in sales, although its profit decreased because of an increase in personnel expenses and other fixed costs■ Start of environment BPO (outsourcing) services■ Sales and profits declined slightly despite steady performance in the Welfare Service Business for People with Disabilities	
	Segment profit	107	93	(13)	(12.6%)		

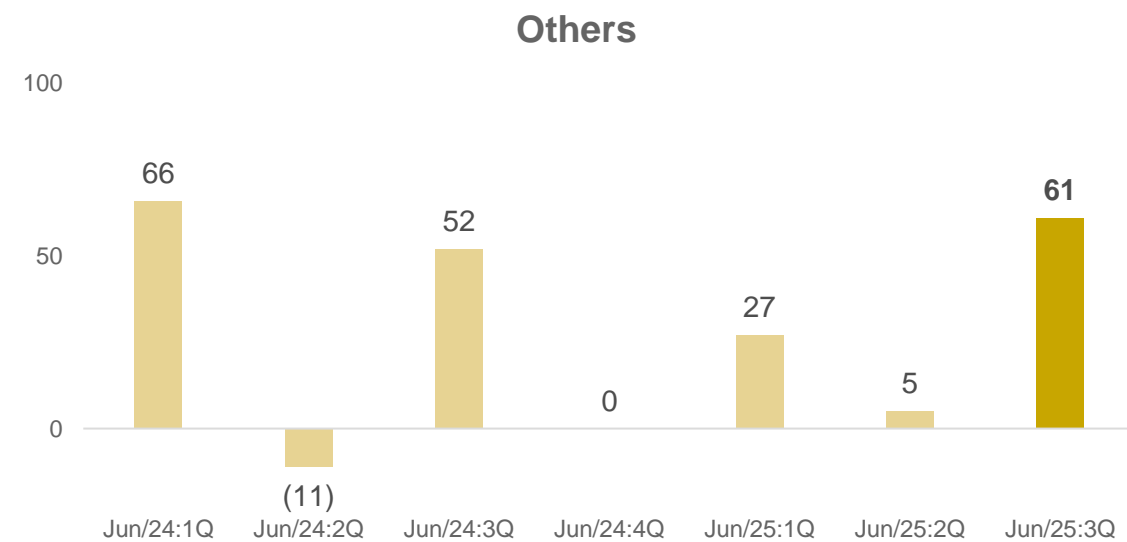
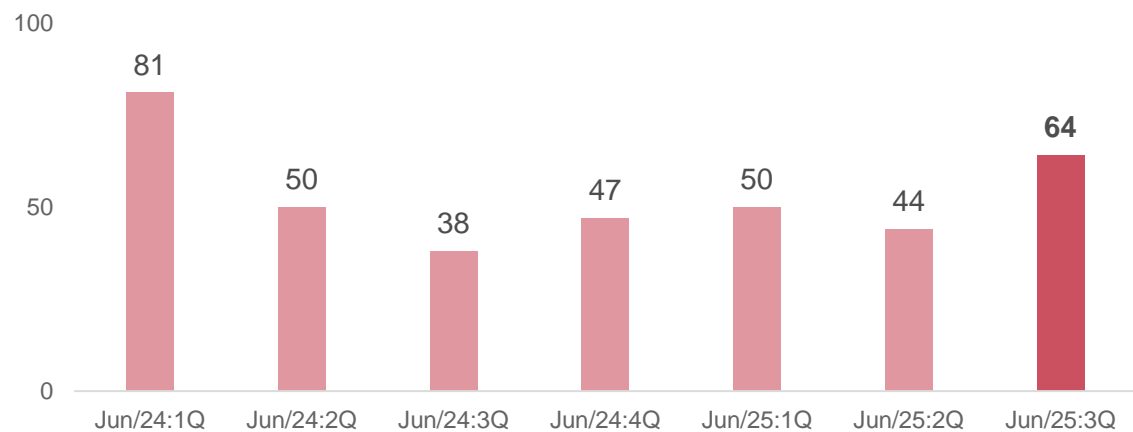
Quarterly Ordinary Profit by Segment



(¥ million)



Lithium-ion Batteries Recycling Business



Summary of Consolidated Balance Sheets



(¥ million)

	As of Jun. 30 2024	As of Mar. 31 2025	Increase/ Decrease	TOPICS
Current assets	18,366	16,622	(1,744)	¥819 million in cash and deposits, -¥1,855 million in merchandise and finished goods -¥515 million in notes and accounts receivable – trade, -¥239 million in other current assets
Non-current assets	15,419	15,634	214	
(Property, plant and equipment)	11,175	11,188	12	-¥92 million in buildings and structures, -¥84 million in construction in progress ¥184 million in machinery, equipment and vehicles
(Intangible assets)	189	190	1	
(Investments and other assets)	4,054	4,255	200	¥240 million in investment securities
Total assets	33,786	32,256	(1,529)	
Current liabilities	11,090	8,974	(2,115)	¥202 million in provision for bonuses -¥1,390 million in other current liabilities, -¥817 million in accounts payable - trade
Non-current liabilities	5,657	5,508	(148)	-¥165 million in long-term borrowings
Total liabilities	16,747	14,483	(2,264)	
Net assets	17,038	17,773	734	-¥172 million following the purchase of treasury shares ¥840 million in retained earnings, ¥94 million in non-controlling interests.
(Equity)	16,719	17,360	640	Equity ratio 53.8% (49.5% as of June 30, 2024)
Total liabilities and net assets	33,786	32,256	(1,529)	

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Consolidated Financial Forecast (Feb.13 revised forecast)

Net sales
¥49,500million YoY **5.2% down**

Operating profit
¥1,000million YoY **29.1% down**

Ordinary profit
¥1,150million YoY **35.5% down**

Profit*
¥1,150million YoY **114% up**

Factors behind the Revision of Financial Forecast

- Although performance is on a recovery trend from the second quarter onward, the delay in the first quarter could not be offset, and sales and profits are expected to decline.
- In the metal Resource Circulation Business and Global Trading Business, the transformation of each business model is underway.
- Handling volume in the Lithium-ion Battery Recycling Business is expected to increase as planned, and logistics agency services also perform well

Prerequisites of the Forecast

Ferrous scrap price	Electrolytic copper price	Gold price	Silver price	Nickel price	Cobalt price	Exchange rate
¥40,000/t	¥1,400/kg	¥13,000/g	¥150/g	¥2,300/kg	¥3,300/kg	¥150/US\$

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

Forecast for the Consolidated Results - FY2025



(¥ million)

	June/2024	June/2025				
	Actual	Forecast (Feb.13)	YoY		1Q-3Q	
			Increase/ Decrease	Ratio	Actual	Progress Ratio
Shipping volume(1,000t)	648	617	(31)	(4.8%)	465	75.4%
Net sales	52,214	49,500	(2,714)	(5.2%)	37,787	76.3%
Gross profit	8,480	-	-	-	6,557	-
Operating profit	1,409	1,000	(409)	(29.1%)	857	85.8%
Ordinary profit	1,782	1,150	(632)	(35.5%)	991	86.2%
Profit before income taxes	816	-	-	-	1,331	-
Profit*	537	1,150	612	114.0%	1,021	88.9%
Marginal profit*	9,996	-	-	-	7,418	-
EBITDA*	2,680	-	-	-	1,894	-
Fixed costs*	8,683	-	-	-	6,710	-
ROE	3.2%	-	-	-	-	-

*Profit: Profit attributable to owners of the parent

*Marginal profit = Net sales - Variable costs

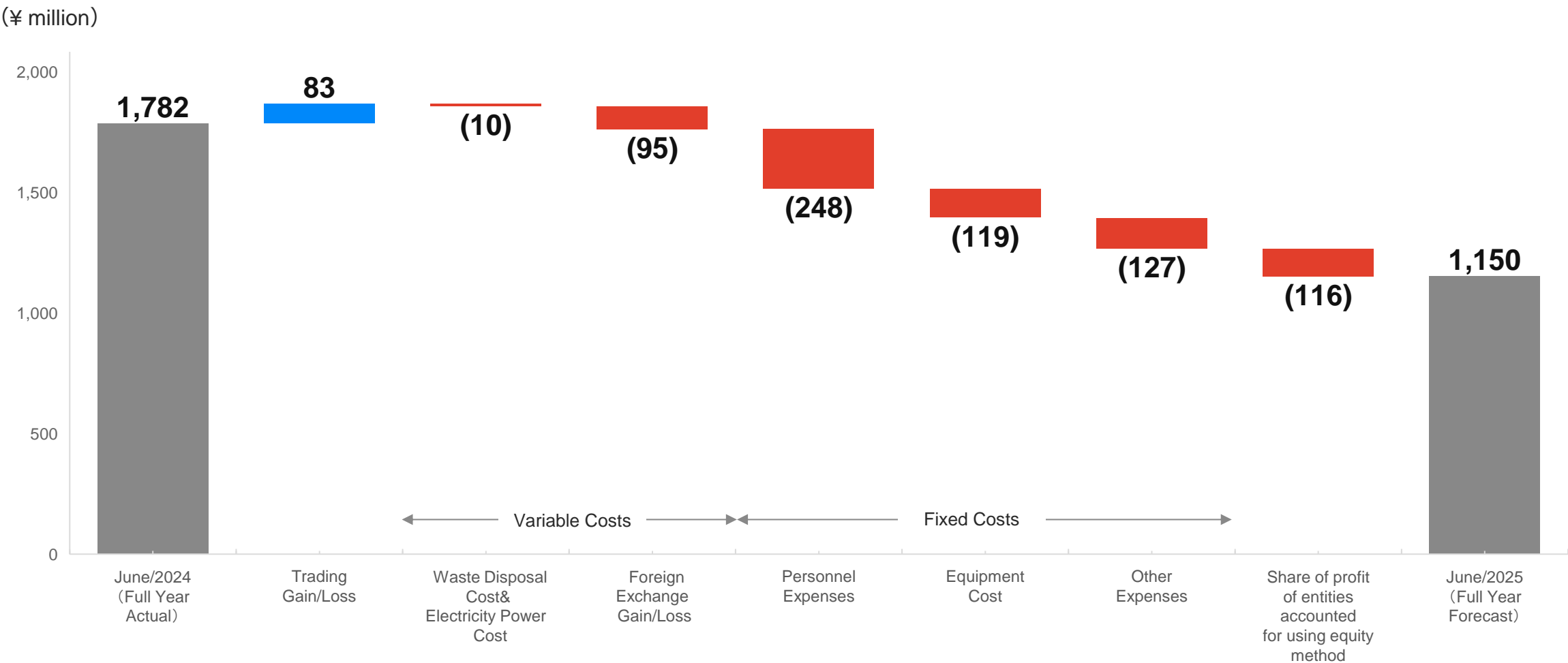
*EBITDA = Operating profit + Depreciation + Amortization of goodwill

*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]

Analysis of Difference in Consolidated Ordinary Profit (YoY)

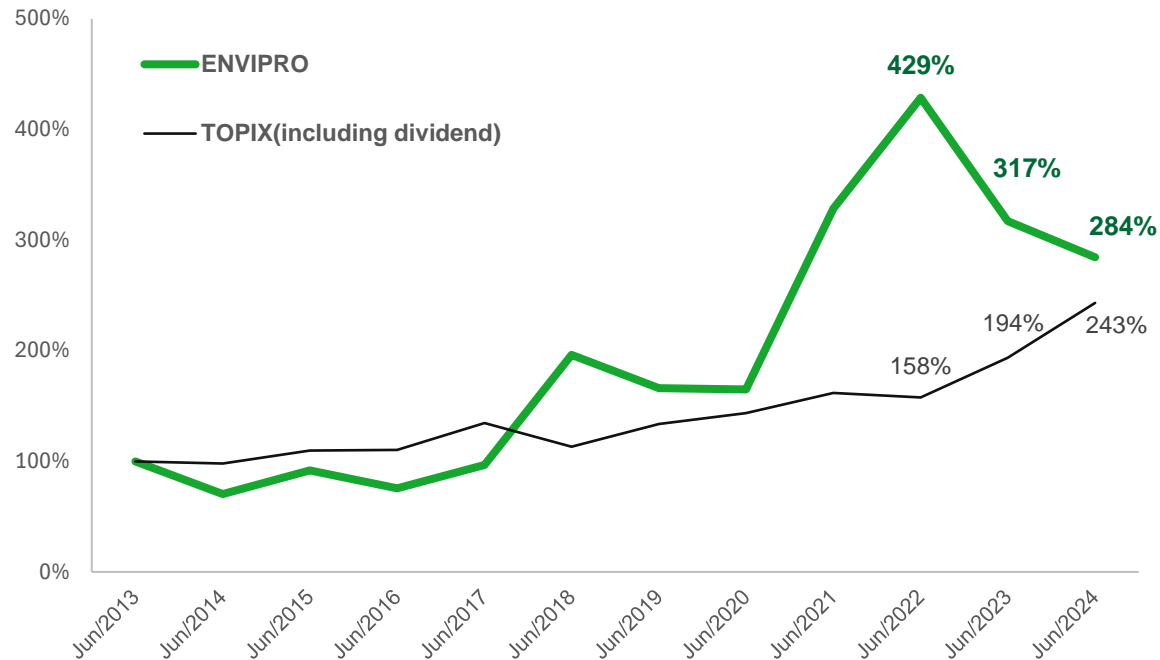


- **Trading Gain/Loss** : Despite the impact of falling ferrous scrap prices, maintained the same level as the previous fiscal year due to an increase in the service ratio, etc.
- **Personnel Expenses** : Impact of personnel, regular salary and base salary increases
- **Equipment Cost** : Investment in new plants and new facilities



Total Shareholder Return (TSR) since listing

■ Outperformed TOPIX in 10 year period



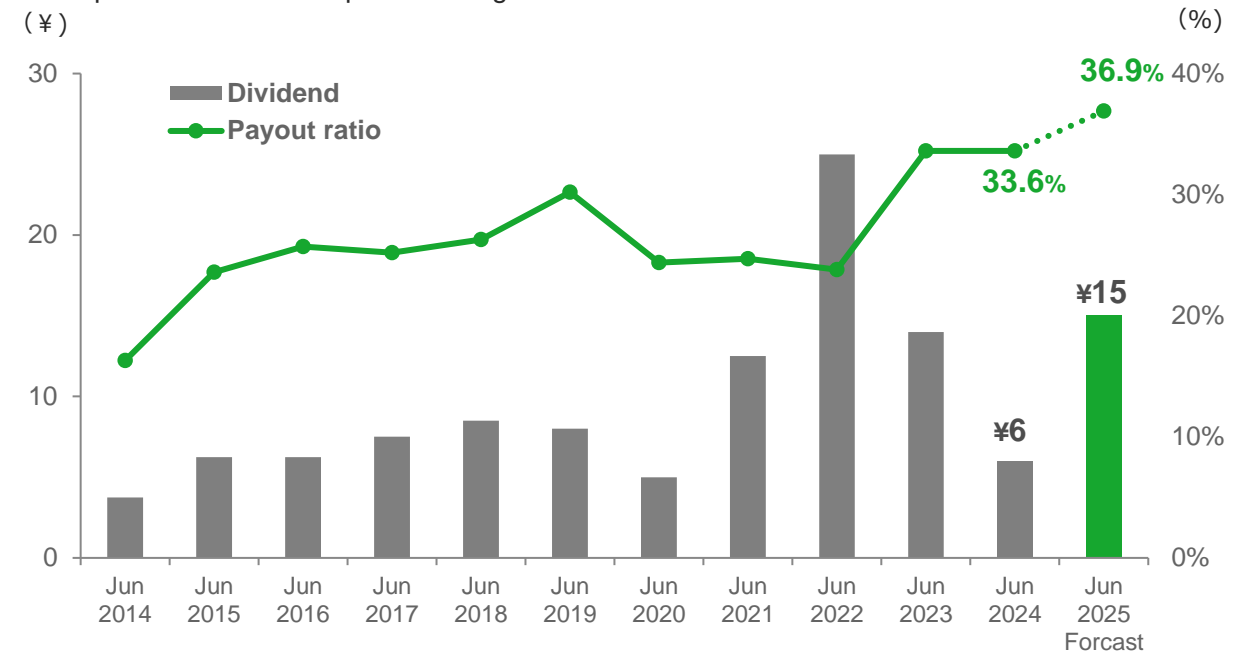
*The closing price on September 25, 2013 is regarded as 100.

(¥)

	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	Jun. 2024	Jun. 2025 (Forecast)
Share price (End of June)	205	140	178	139	174	369	300	292	614	794	552	479	-
Dividends per share	-	3.75	6.25	6.25	7.5	8.5	8	5	12.5	25	14	6	15
Payout ratio	-	16.3%	23.6%	25.7%	25.2%	26.3%	30.2%	24.4%	24.7%	23.8%	33.6%	33.6%	36.9%

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.

Treasury Share Acquisition

- Plan to repurchase up to 2 million shares / 1 billion yen
- Period : From March 7, 2025 to August 7, 2025
- Total payout ratio is expected to be up to approximately 120%

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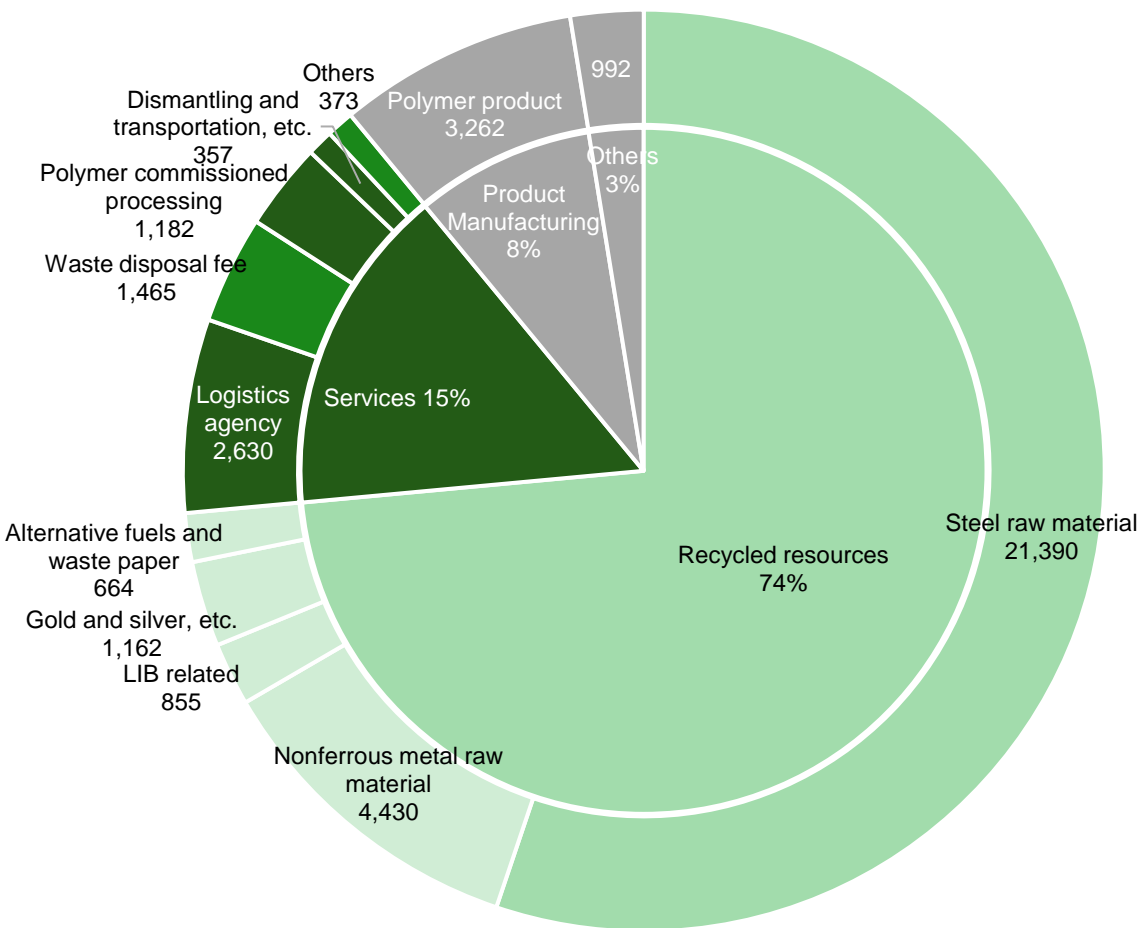
Segment : Net Sales by Material



Jun/24 3Q

Net Sales ¥38,764 million

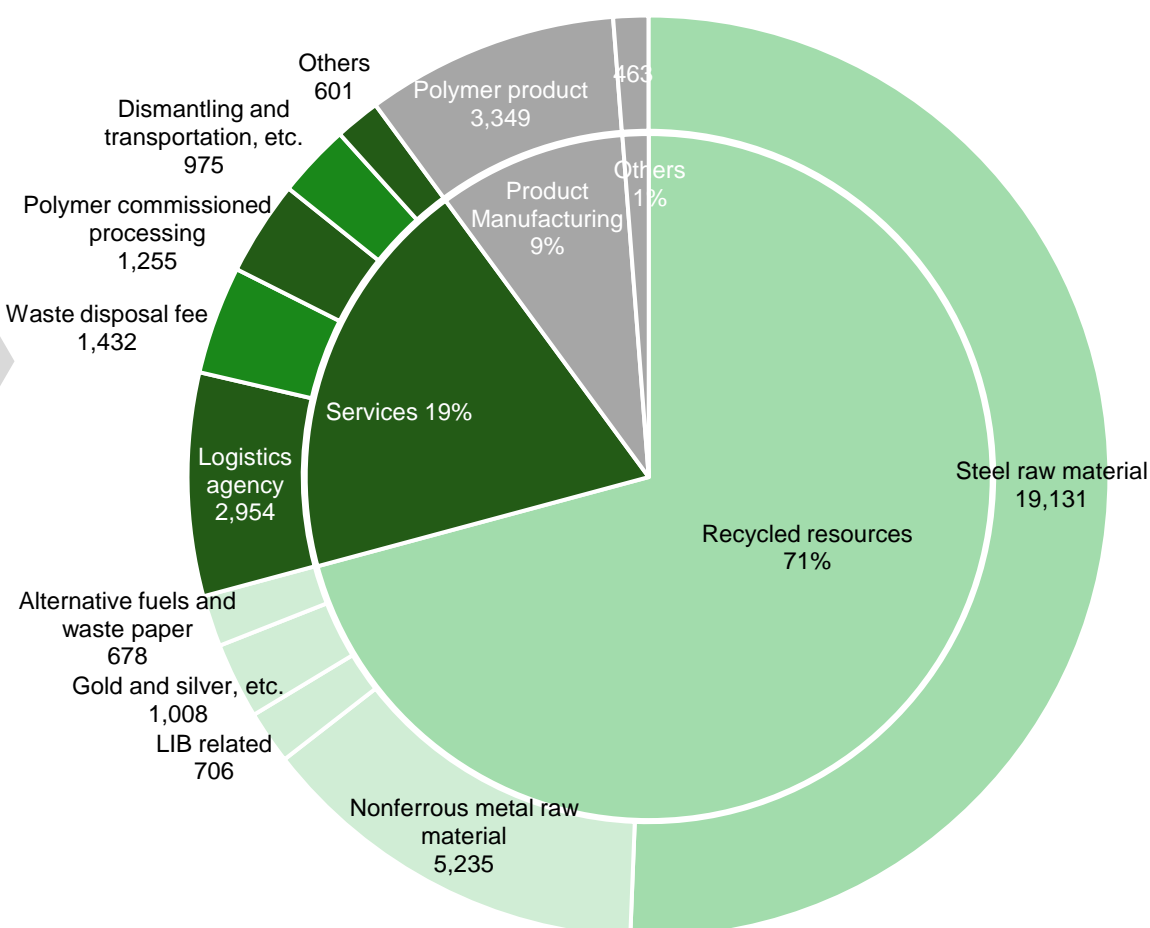
(¥million)



Jun/25 3Q

Net Sales ¥37,787 million

(¥million)



Consolidated: Shipping volume by material / Net sales by area



Shipping volume by material

(1,000t)

Item	June/2024 1Q-3Q	June/2025 1Q-3Q	YoY Ratio
Ferrous scrap	382	364	(4.6%)
Nonferrous metal scrap	14	24	71.7%
Gold, silver & copper sediment sludge*	3.1	1.7	(44.0%)
Polymer products	22	23	3.0%
RPF, Waste paper, etc.	40	38	(4.8%)
Black mass, etc.*	0.9	0.8	(16.5%)
Others	13	13	(0.6%)
Total	477	465	(2.6%)

(kg)

Item (Precious metals collected)	June/2024 1Q-3Q	June/2025 1Q-3Q	YoY Ratio
Gold	58	40	(31.0%)
Silver	924	776	(16.0%)

Net sales by area

(¥million)

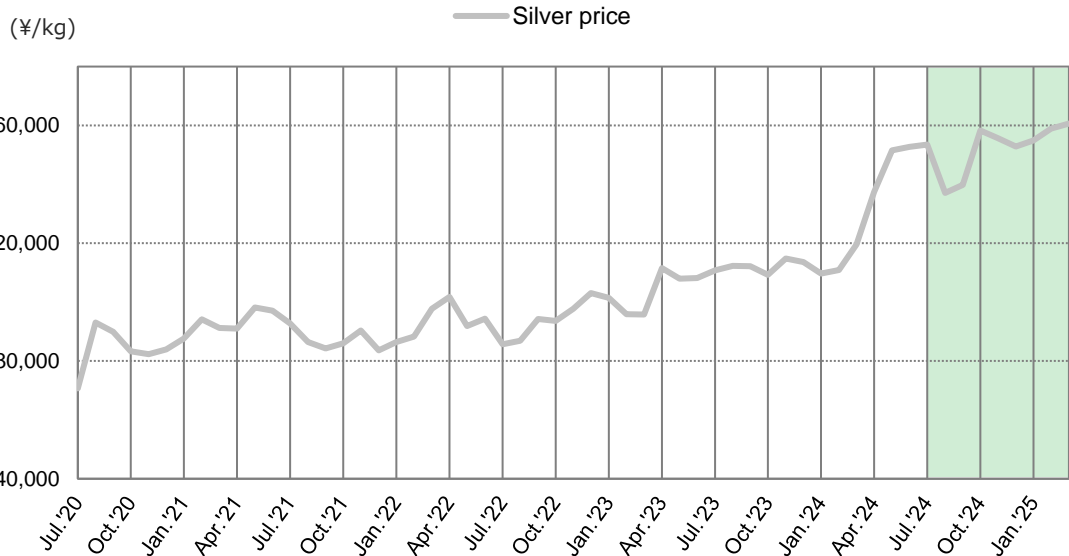
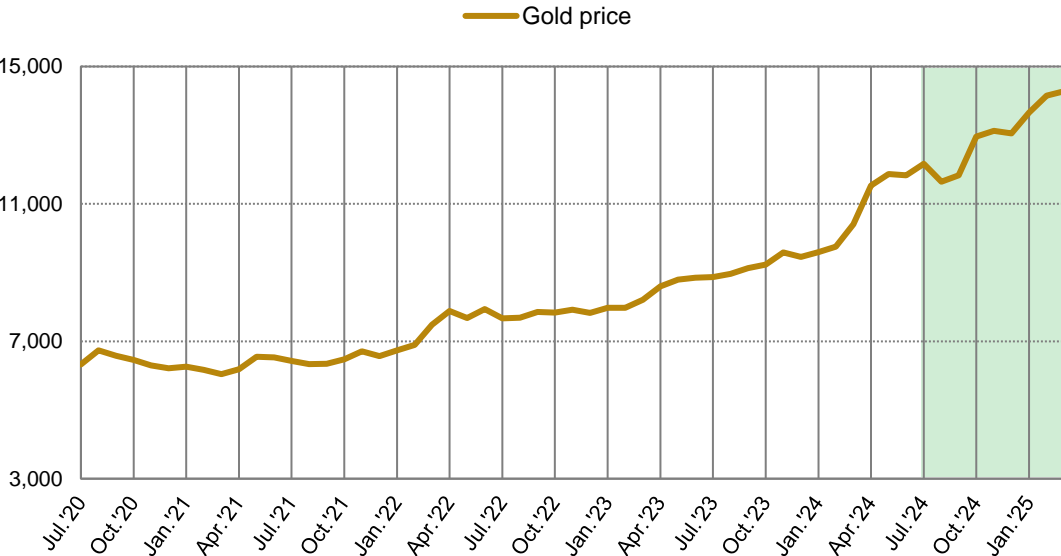
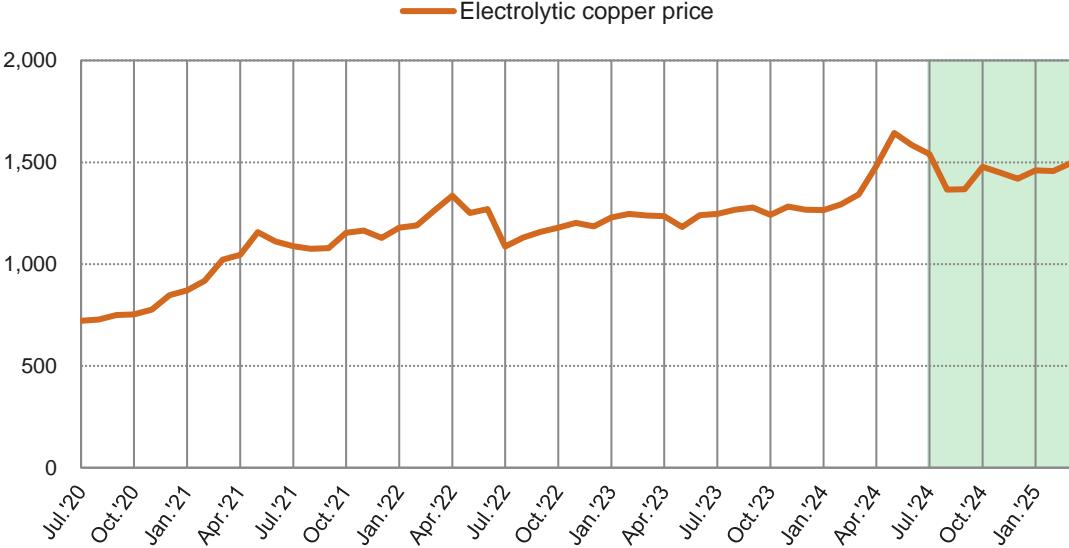
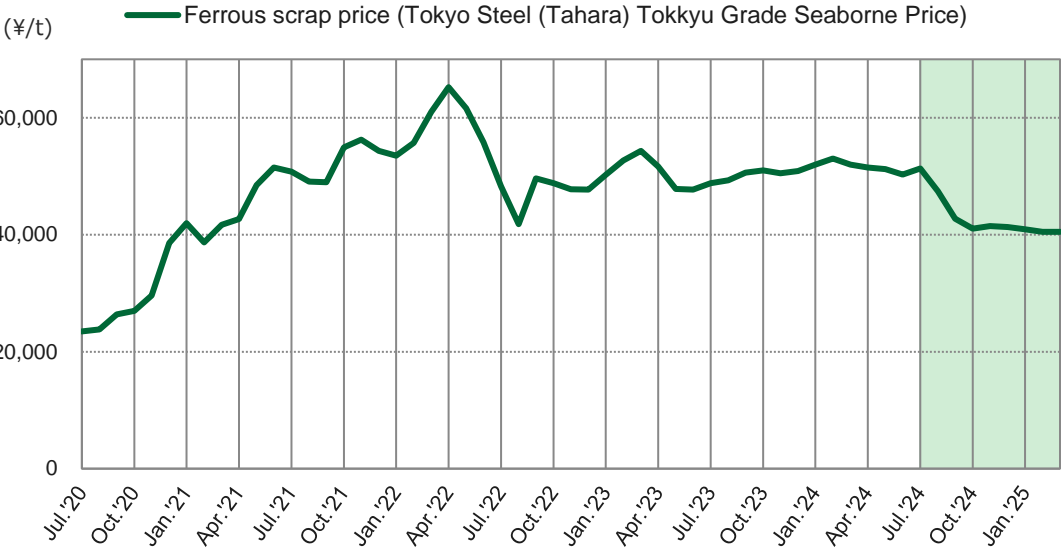
Area	June/2024 1Q-3Q	June/2025 1Q-3Q	YoY Ratio
East Asia	Japan	22,954	21,035 (8.4%)
	Korea	6,695	5,786 (13.6%)
	Taiwan	860	2,465 186.6%
	Others	1,135	1,412 24.4%
Southeast Asia	Indonesia	1,670	1,275 (23.6%)
	Vietnam	3,565	3,991 11.9%
	Others	600	507 (15.5%)
South Asia	India etc.	130	710 446.1%
West Asia	UAE etc.	152	62 (58.9%)
South America	Chile etc.	803	248 (69.2%)
Africa	Kenya etc.	10	0 (100.0%)
Others	—	183	296 61.6%
Total	38,764	37,787	(2.5%)

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

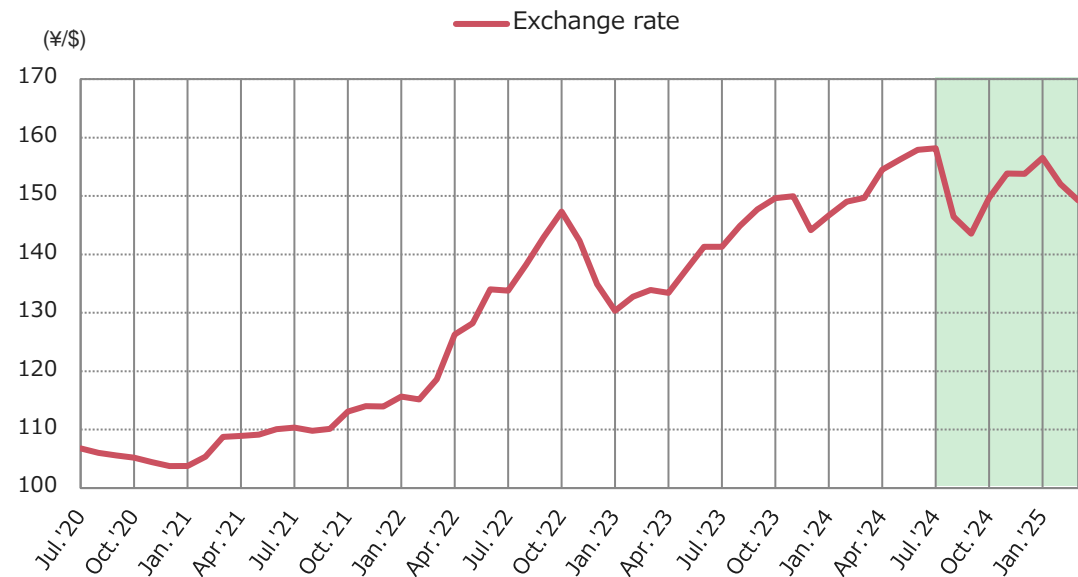
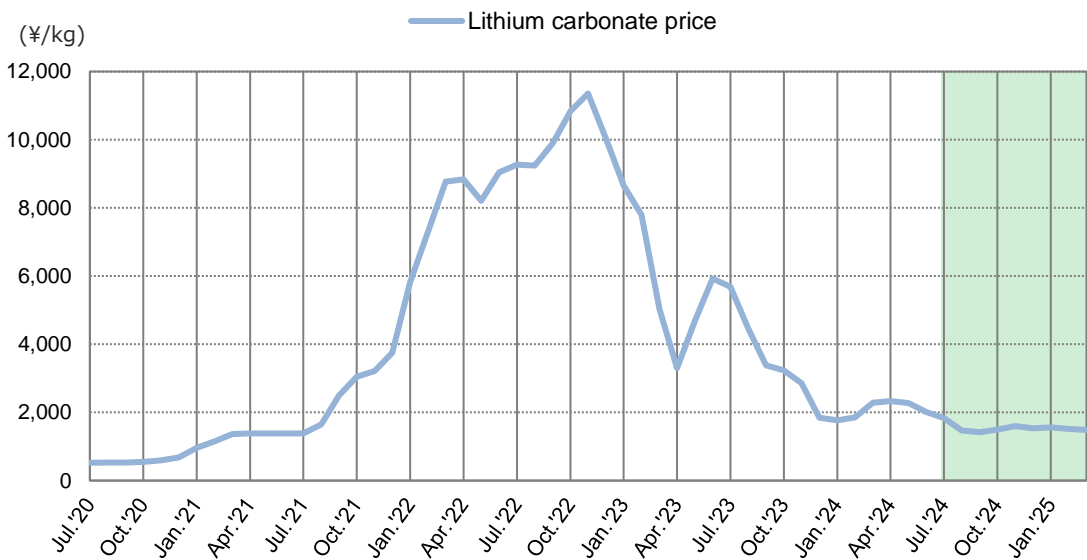
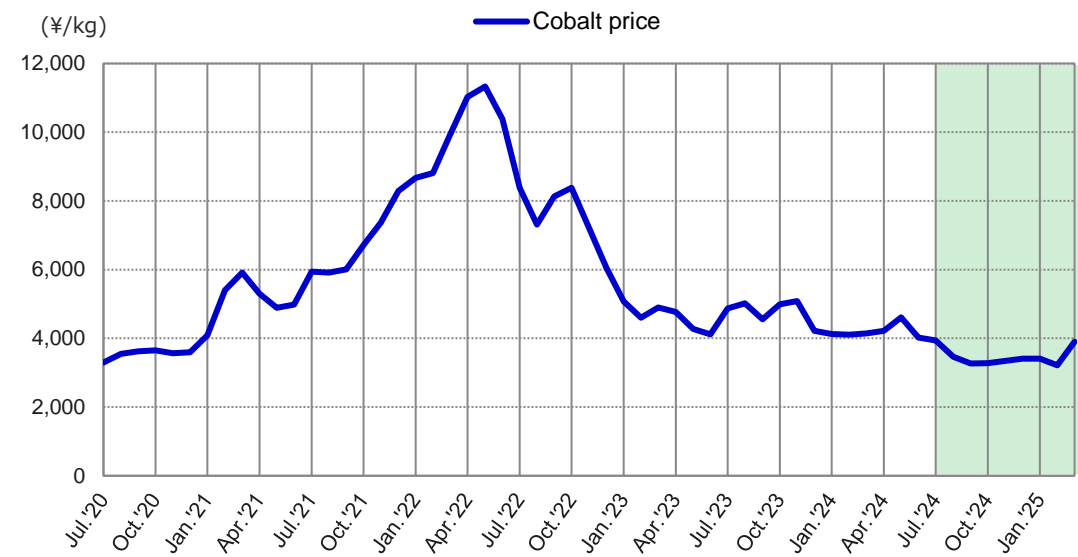
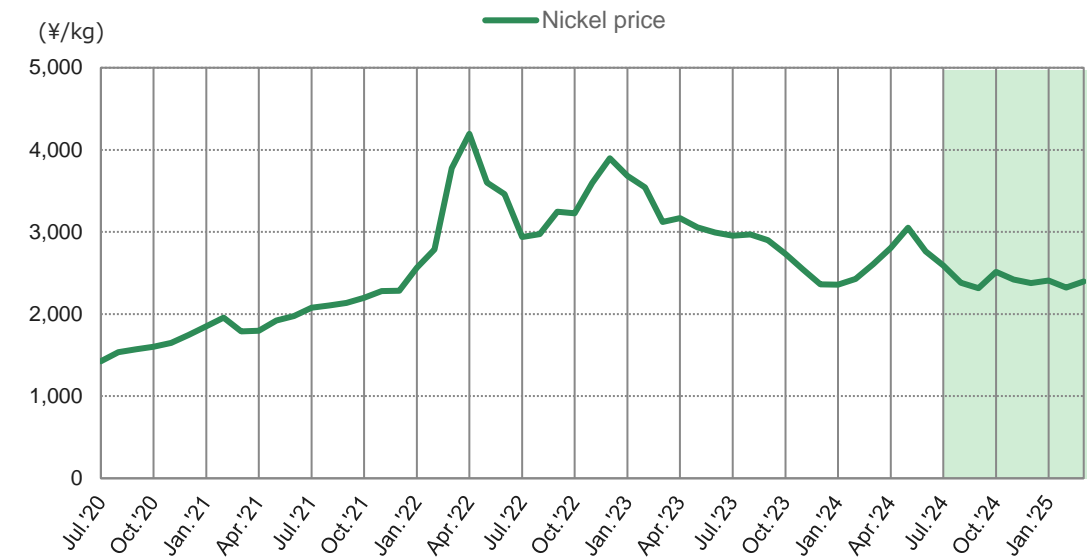
*Black mass: Concentrated residue of lithium, cobalt and nickel sorted from lithium-ion batteries that have been discharged, dried and crushed

Quarterly Business Results by Segment

Segment		June/2024						June/2025				
		1Q	2Q	3Q	4Q	Full Year	Composition Ratio	1Q	2Q	3Q	1Q-3Q	Composition Ratio
Resource Circulation Business	Shipping volume (1,000t)	57	64	61	67	249	-	53	63	61	177	-
	Net sales	4,916	5,367	5,370	5,600	21,254	36.0%	4,792	5,433	5,579	15,804	37.8%
	Ordinary profit	391	397	354	476	1,621	69.0%	85	405	422	912	67.3%
	Ordinary profit ratio	8.0%	7.4%	6.6%	8.5%	7.6%	-	1.8%	7.5%	7.6%	5.8%	-
Global Trading Business	Shipping volume (1,000t)	121	125	111	132	490	-	101	116	135	352	-
	Net sales	8,709	8,735	8,443	9,066	34,955	60.0%	8,051	8,035	8,286	24,372	58.3%
	Ordinary profit	124	167	30	87	411	17.0%	6	10	176	192	14.2%
	Ordinary profit ratio	1.4%	1.9%	0.4%	1.0%	1.2%	-	0.1%	0.1%	2.1%	0.8%	-
Lithium-ion Battery Recycling Business	Net sales	356	361	477	374	1,570	3.0%	465	347	400	1,212	2.9%
	Ordinary profit	81	50	38	47	218	9.0%	50	44	64	158	11.7%
	Ordinary profit ratio	22.8%	14.0%	8.1%	12.6%	13.9%	-	10.8%	12.7%	16.0%	13.0%	-
Others	Net sales	157	85	145	103	491	1.0%	134	102	154	390	0.9%
	Ordinary profit	66	(11)	52	0	108	5.0%	27	5	61	93	6.9%
	Ordinary profit ratio	42.4%	(13.9%)	36.2%	0.8%	22.0%	-	20.1%	4.9%	39.6%	23.8%	-
Adjustment	Net sales	(1,326)	(1,573)	(1,461)	(1,693)	(6,056)	-	(1,183)	(1,394)	(1,416)	(3,993)	-
	Ordinary profit	(140)	(123)	(147)	(164)	(576)	-	(127)	(148)	(90)	(365)	-
Consolidated	Shipping volume (1,000t)	159	164	153	170	648	-	137	156	172	465	-
	Net sales	12,812	12,976	12,974	13,449	52,214	-	12,259	12,524	13,004	37,787	100.0%
	Ordinary profit	523	481	329	447	1,782	-	41	318	632	991	100.0%
	Ordinary profit ratio	4.1%	3.7%	2.5%	3.3%	3.4%	-	0.3%	2.5%	4.9%	2.6%	-



Sources: Tokyo Steel manufacturing Co., Ltd., JX Nippon Mining & metals Corporation, IRuniverse Co., Ltd.



Sources: IRuniverse Co., Ltd., MUFG Bank, Ltd.

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.



Inquiry desk about this material and IR

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