



Earnings Briefing

for the Fiscal Year Ended December 31, 2023 (FY 2023)

February 22, 2024

AMITA HOLDINGS CO., LTD.

(Stock code: 2195 on the Growth Market of the Tokyo Stock Exchange)

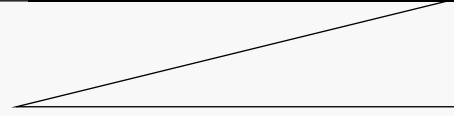
01

Review of the Business Development Phase from FY 2021 through 2023

KUMANO Eisuke

Chairman and Chief Visionary Officer (CVO)
AMITA HOLDINGS CO., LTD.

AMITA's Mission

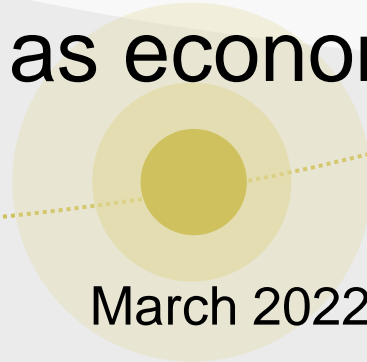


▶▶ AMITA is committed to achieving a sustainable society in which natural and relational capital will be enhanced in a virtuous circle as economy and society grow.



March 2011

Updated its Article of Incorporation to redefine the primary purpose of its business as increasing natural and relational capital.

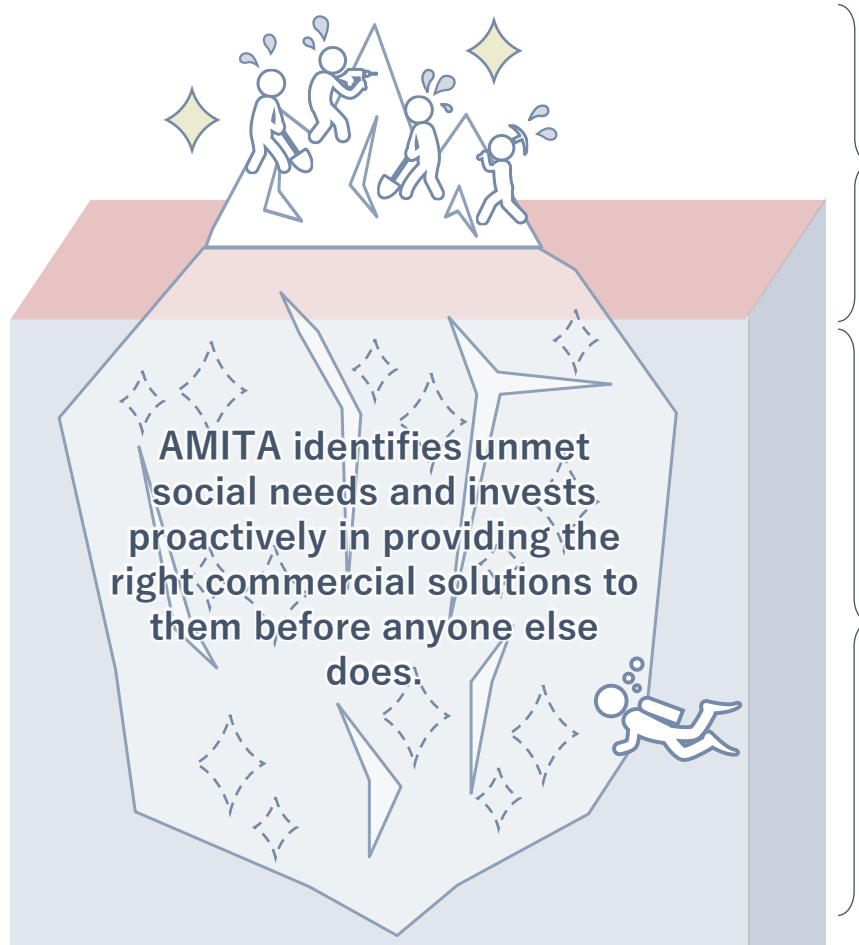


March 2022

Announced its commitment to pursuing stakeholder-centric business management. It is a commitment to collaborating with stakeholders to pursue the best interests of society as a whole and achieve a sustainable society.

AMITA's Long-Held Approach to Business Management

Invest proactively in developing and providing industry-leading commercial solutions to unmet social needs



Identified market needs
||
Intense price competition

Red ocean market

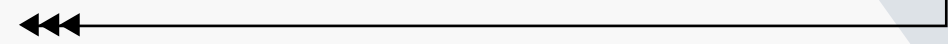


Unmet social needs
||
AMITA partners with others to jointly create greater value

AMITA's approach

Proactively invest in developing a blue ocean market

AMITA's History of Providing Industry-leading Commercial Solutions to Unmet Social Needs



1980



Increasing public demand for anti-pollution measures; soaring procurement costs of materials in a financial slump



Social needs

▶ **Alternative resources replacing natural resources**



Closed-loop recycling of industrial waste and byproducts

1990



Fast-paced deterioration of the natural environment; widespread depletion of natural resources



Social needs

▶ **Greater environmental performance**



Environmental assessment and certification service

2000



More rigorous enforcement of regulations and international standards on environmental management



Social needs

▶ **Balancing environmental risks and costs**



Cloud-based environmental management service
End-to-end environmental solutions service

2010

2020



Pervasive anxiety and loneliness among people



Social needs

▶ **Socially driven circular economy**



Assistance in developing a mutually-supportive circular community model

Cross-industry partnerships to promote circular economy

Assistance in transitioning to greater corporate sustainability

2022

2023



Increasingly stringent environmental restrictions; deepening global divide



Social needs

▶ **Achieving low-carbon business operations that meet globally accepted standards**
▶ **Visualizing and deepening engagement with stakeholders**



Low-carbon transition advisory

Token service enabled by Web3 technology

Review of the Business Development Phase from FY 2021 through 2023

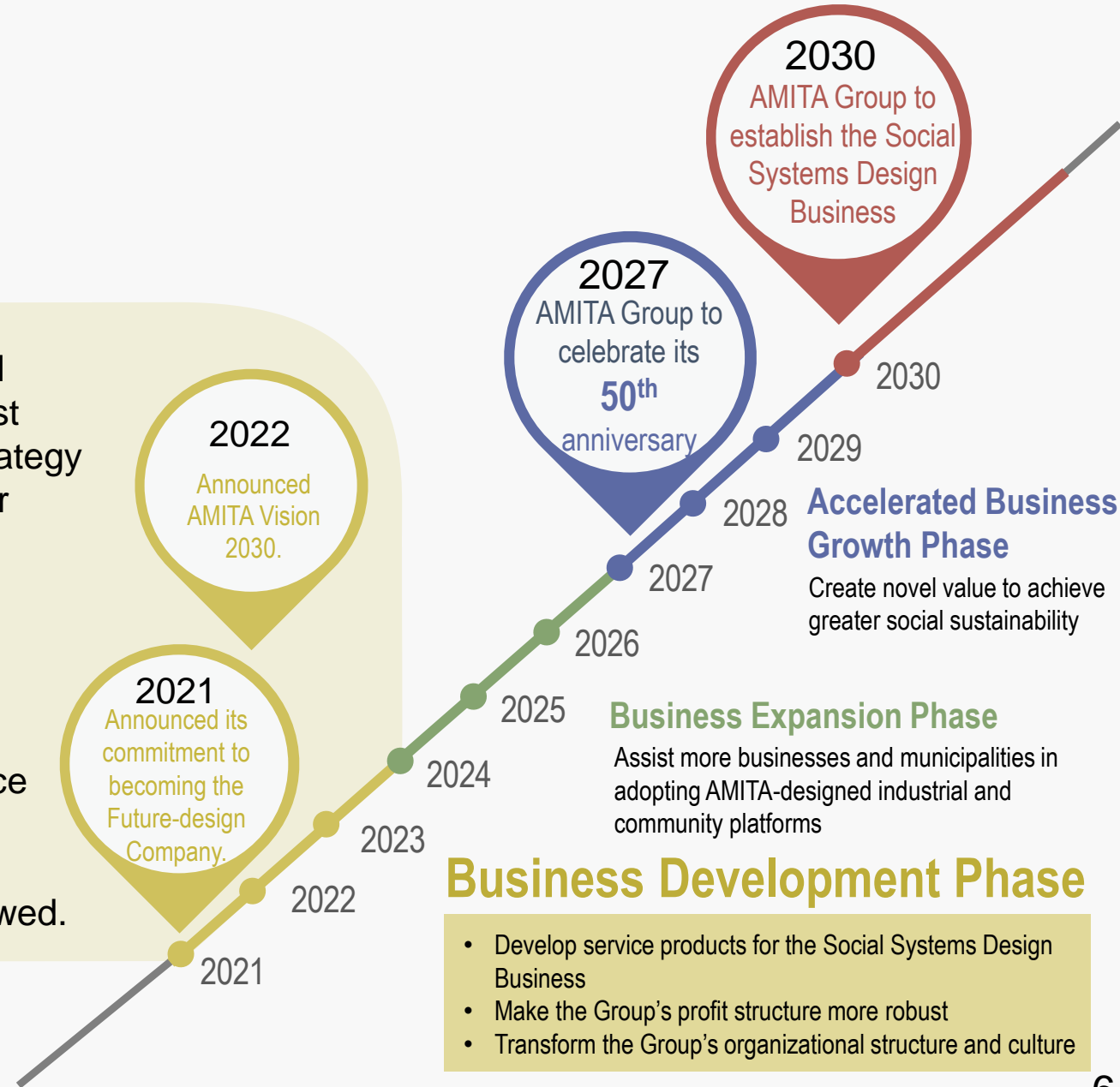
Achievements

We aggressively developed new service products and pursued strategic partnerships with others to step up our efforts to assist corporate clients in developing and implementing transition strategy for establishing circular business models and achieving greater corporate sustainability.

▶▶ **AMITA has established a leading position in the emerging circular market in Japan.**

Challenges

Amid growing social uncertainties throughout FY 2023, the pace of signing corporate clients to Cyano Project in our Social Systems Design Business and expanding the network of MEGURU STATION® community resource-collection sites slowed.



Changes in a Market Environment and Social Needs Emerging in Japan, Resulting from Social Volatility

Externally

Impact of increasingly serious climate change, resource depletion, and shrinking population

- ▶ **Disruption in supply and distribution chains** due to climate change, international conflicts, and resource depletion
- ▶ **Protective tariff barriers and trade restrictions** imposed by some countries
- ▶ **Shrinking market** resulting from the shrinking and aging population

Compounded by: From 2020 onward: **COVID-19 global health crisis**

From 2022 onward: **Russian invasion of Ukraine**

From 2023 onward: **Clash between Israel and Hamas**

- ▶ **Restrictive society**

Restrictions on social lives, economic activities, and trade

- ▶ **Teleworking** becoming a new normal

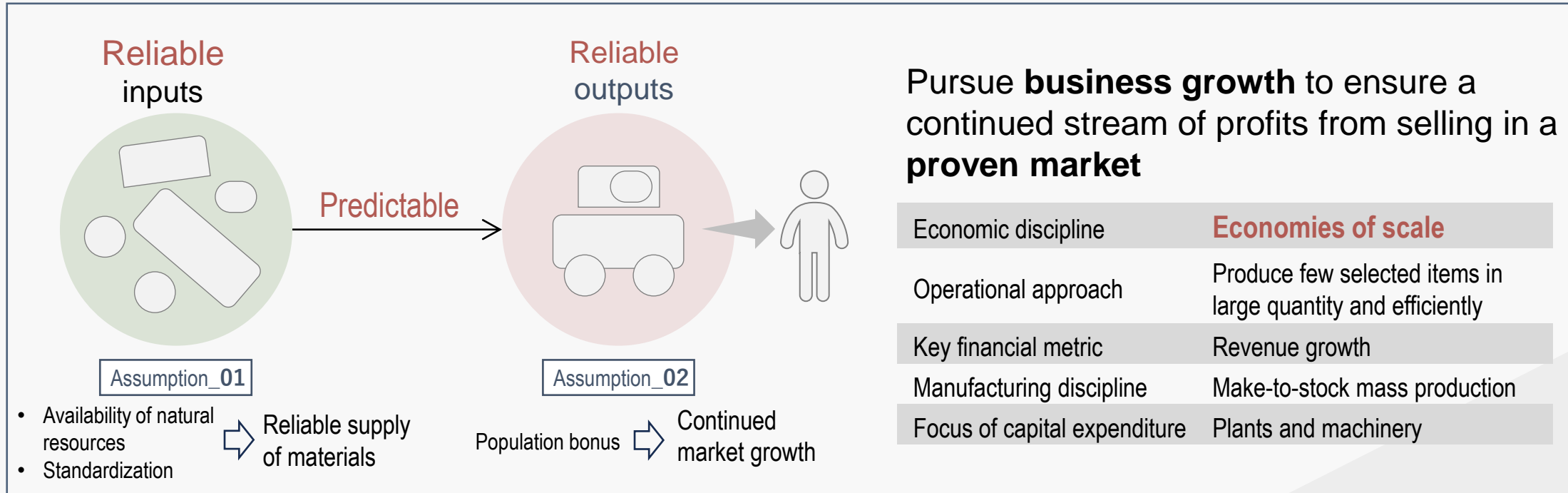
The global supply chain, once the primary driver for the Japanese economy, has fallen into uncertainty.

Pressed by the growing volatility and uncertainty, more and more people look for...

➔➔ **Security and Stability**

Linear Business Models that came into vogue during the post-industrial-revolution period...

Linear business model | **Industrial model** Found in the auto and steel industries **Reliable inputs continually generate reliable outputs.**

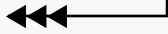


Assumptions

have lost their relevance...

- 01. Wide availability of natural resources and standardization of materials ensure **reliable supply of materials**.
 Growing uncertainties → Materials supply becoming less reliable
- 02. The population bonus drives **market growth**.
 Shrinking population → Market becoming smaller

and are being replaced by ecosystem-like **Nonlinear Business Models** that remain relevant even in an era of less reliable and stable supply of materials.



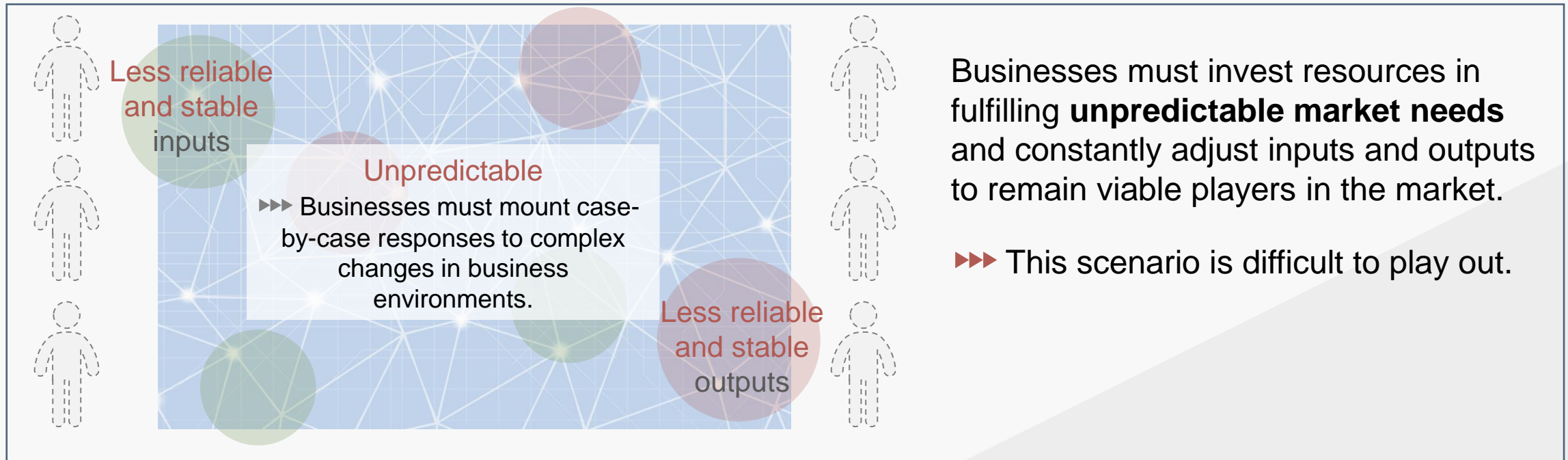
Emerging economic driver

Nonlinear business model

Ecosystem-like model

Found in e-commerce sites and matching services

Unreliable, unstable, and irregular: Characterized by a continuity of ambiguity and temporality, just as commonly observed in a natural environment



Businesses must invest resources in fulfilling **unpredictable market needs** and constantly adjust inputs and outputs to remain viable players in the market.

▶▶▶ This scenario is difficult to play out.

▶▶▶ But how can we manage them?

Align several nonlinear business models into a larger linear model and pursue the best interests of the whole

Aligning nonlinear business models into a larger linear model

Example: A customer-loyalty ecosystem

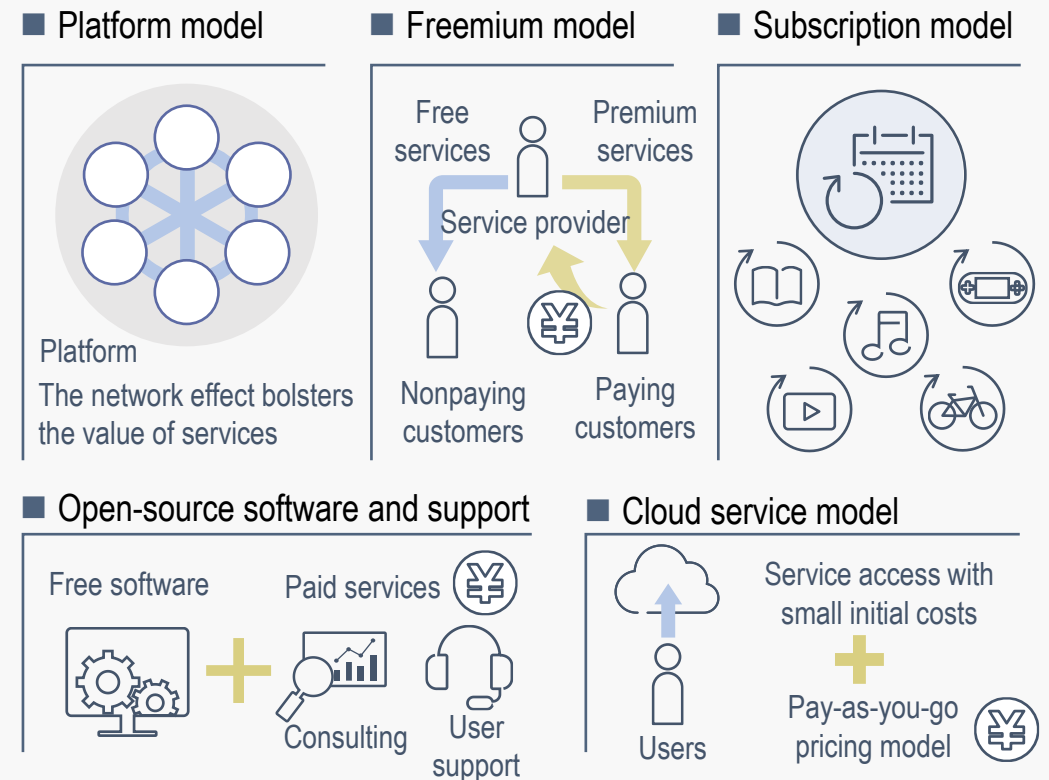
Bring nonlinear business models together to reduce risks and achieve greater synergy among them

Align and operate several nonlinear business models on a shared platform to **reduce common operating costs and pursue the economies of scope**

▶▶▶ Reduce business risks and achieve greater synergy to bolster profitability

Economic discipline	Economies of scope
Operational approach	<ul style="list-style-type: none"> ▶ Produce a wide variety of mutually complementary products to reduce business risks ▶ Make efficient use of common costs of producing a variety of products to bolster profitability
Key financial metrics	Operating profit margin, total asset turnover
Manufacturing discipline	Customize-to-order production, smart factory
Focus of capital expenditure	Building relationships with other actors

Examples of nonlinear business models aligned into a linear business model

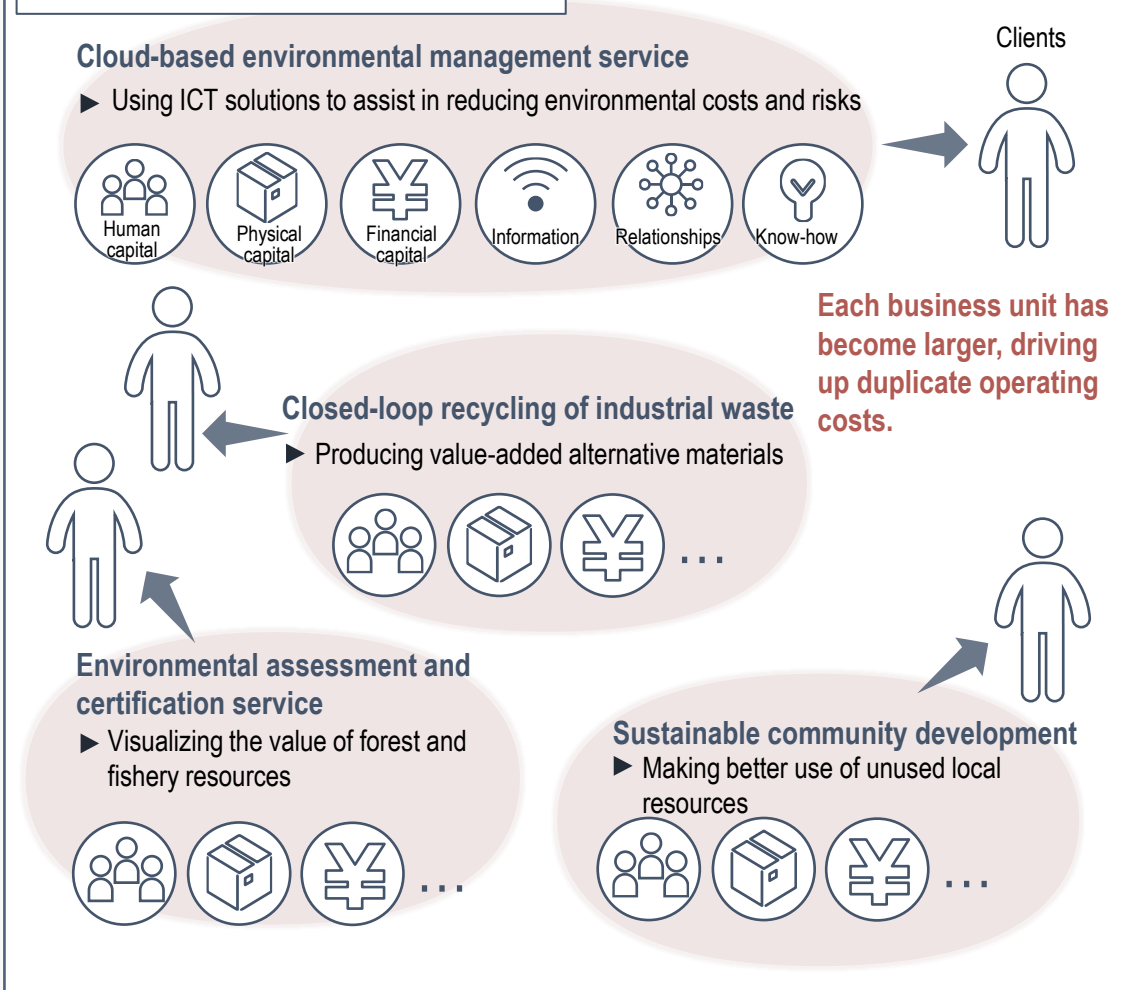


AMITA's strategy

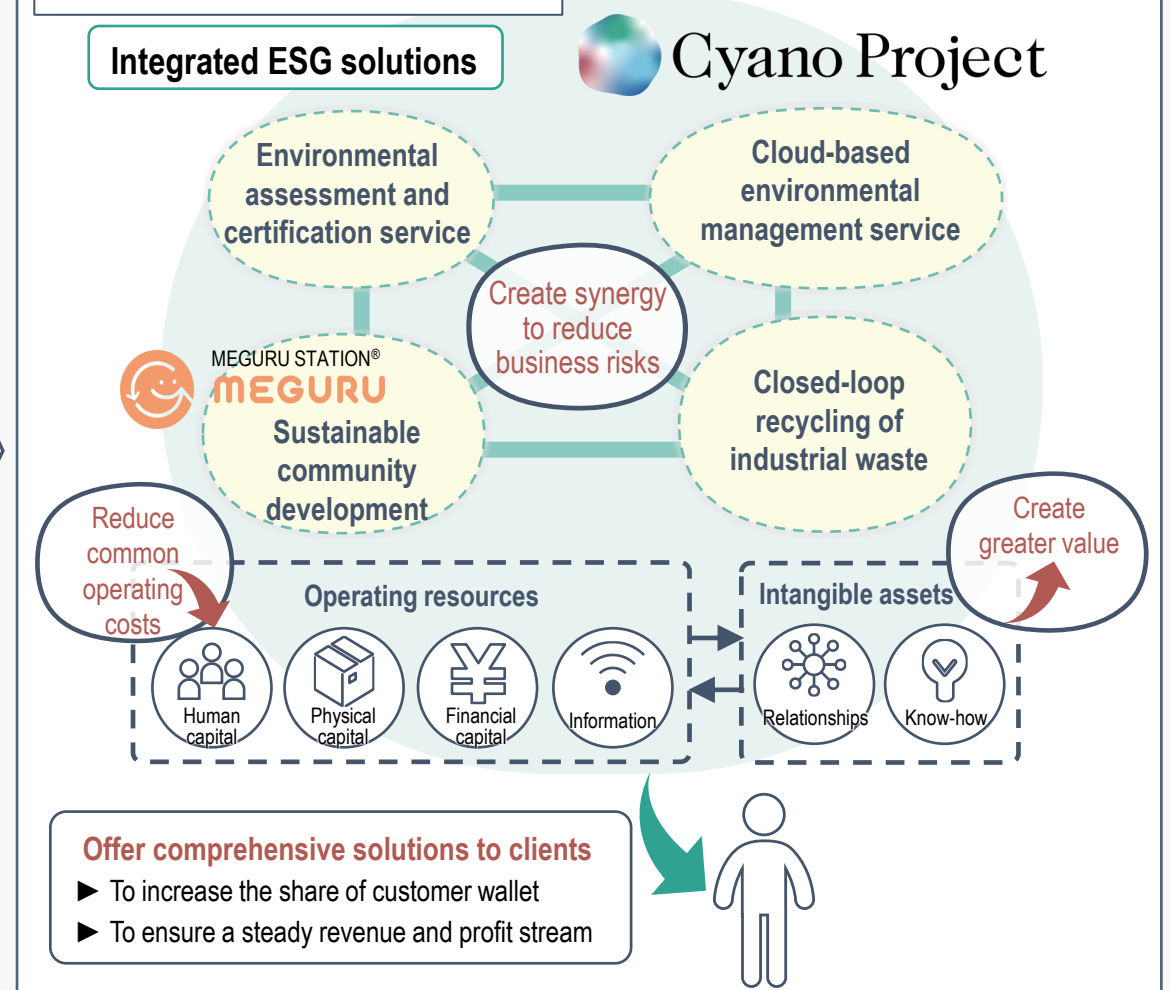
In FY 2021, we consolidated our legacy businesses into the **Social Systems Design Business.**

Integrating nonlinear business models to a **larger linear model** to achieve **maximum return on minimum investment**

AMITA's conventional business



AMITA's transformed business



Our two core solutions to develop a sustainable market

01



Cyano Project

Assisting businesses in achieving greater corporate sustainability and creating new businesses

All-embracing approach to CE, CN, and NP



End-to-end assistance, ranging from developing strategies to implementing them

Offer **circular design solutions** that address the following three key drivers:

- CE: Circular economy
- CN: Carbon neutrality
- NP: Nature positivity

AMITA is a "Do Tank" that goes beyond a think tank, assisting in not just developing but implementing and operating solutions.

AMITA's value proposition

Develop a **novel transition strategy** that converts costs into investments to serve **a client's best interests at a corporate level**, not at a department level

02



MEGURU STATION®
MEGURU

Resource-collection site that promotes mutually supportive engagement among community residents and provides comprehensive solutions to community issues

Mutually supportive community that facilitates greater engagement among residents across generations



Resource circulation for household waste brought in and sorted by residents

AMITA's value proposition



Municipalities

Reduce the cost of running social security and welfare programs



Businesses

Use information about consumer behavior and resource consumption



Residents

Make residents feel a part of the community



Municipalities

Reduce environmental management costs



Businesses

Reduce procurement costs and risks



Residents

Achieve a cleaner living environment and raise eco-consciousness

Five Key Strategies AMITA Pursued during the Business Development Phase from FY 2021 through 2023

Strategy **02** | **Sales strategy**

Make greater use of inbound marketing to step up inside sales efforts

Achievement ▶ Held seminars and distributed email newsletters to raise awareness of and interest in our services among businesses.

FY 2023

Our digital media to share sustainability information
Number of subscribers to our email newsletters: **20,000** plus

AMITA's corporate website
Number of annual page views: **2 million**

Maximize the sales opportunities for our service products and solutions

Strategy **01** | **Product strategy**

Convert sustainability needs into business opportunities

Develop and offer solutions to assist businesses and municipalities in achieving greater corporate and community sustainability

Achievement ▶ Signed more corporate clients to Cyano Project.
▶ Expanded the network of MEGURU STATION®.

Strategy **03** | **Organizational strategy**

Drive collective value-creation efforts

Achievement ▶ Introduced the OKR* management framework to set challenging objectives for employees.
▶ Replaced the employee performance appraisal process with a role-based grading system.

*OKR: Objectives and Key Results
A collaborative management methodology to define objectives and track key results, aligning and engaging teams and individuals to work toward common challenging goals.

Strategy **04** | **Accounting strategy**

Make effective use of management accounting practices

Achievement ▶ Tightly managed budget performance and costs to achieve a higher operating profit margin.

Operating profit margin
10.4% for FY 2023
(**6.3%** for FY 2020)

Strategy **05** | **Relationship-building strategy**

Invest proactively in relationship building

Achievement ▶ Aggressively pursued public-private-academic partnerships to jointly undertake ESG initiatives.

Market capitalization at the end of FY 2023
Increased 2.7 times from the FY 2020 level

Achievement in Relationship Building during the Business Development Phase

FY 2020

Established a **cross-industry corporate alliance** to drive a circular economy.



Japan Circular Economy Partnership (J-CEP) [See page 38](#)

As of May 2020*

11 corporate members

As of February 22, 2024



59 corporate members

*K-CEP, the predecessor of J-CEP, established.

and 9 observer members

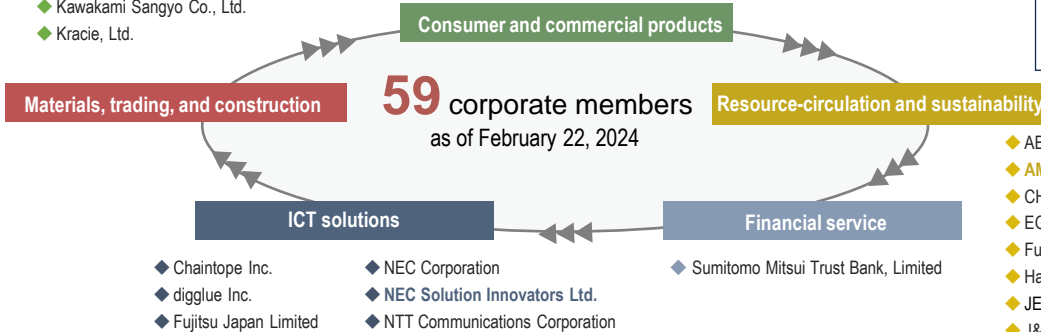
Corporate Membership List

(In alphabetical order, steering committee members in bold colors)

AMITA HOLDINGS chairs the J-CEP steering committee and manages its administrative office.

- ◆ Asahi Kasei Corporation
- ◆ Fujimori Kogyo Co., Ltd.
- ◆ Marubeni Corporation
- ◆ Marubeni Forest LinX Co., Ltd.
- ◆ Mitsubishi Chemical Corporation
- ◆ Mitsubishi Corporation Plastics Ltd.
- ◆ Mitsui Chemicals, Inc.
- ◆ Nagase Plastics Co., Ltd.
- ◆ Nihon Yamamura Glass Co., L TD.
- ◆ Nissha Co., Ltd.
- ◆ OBAYASHI CORPORATION
- ◆ SAKATA INX CORPORATION
- ◆ Sekisui Chemical Co., Ltd.
- ◆ Sojitz Pla-Net Corporation
- ◆ SUMITOMO CHEMICAL Co., Ltd.
- ◆ Toyota Tsusho Corporation

- ◆ Dai Nippon Printing Co., Ltd.
- ◆ DIC Corporation
- ◆ Kai Corporation
- ◆ Kao Corporation
- ◆ Kawakami Sangyo Co., Ltd.
- ◆ Kracie, Ltd.
- ◆ Lion Corporation
- ◆ Mandom Corporation
- ◆ Nestle Japan Ltd.
- ◆ POLA ORBIS HOLDINGS INC.
- ◆ Rock Paint Co., Ltd.
- ◆ Shabondama Soap Co., Ltd.
- ◆ S.T. CORPORATION
- ◆ Sunstar Inc.
- ◆ ThreeHigh Co., Ltd.
- ◆ TOPPAN Inc.
- ◆ UCC HOLDINGS CO., LTD.
- ◆ Unicharm Corporation



Observer members: 9 organizations

- Hokkaido University
- Kobe City
- Kobe University Graduate School of Human Development and Environment
- The Ministry of Economy, Trade and Industry
- The Ministry of the Environment
- National Institute of Advanced Industrial Science and Technology
- The Research into Artifacts, Center for Engineering, the University of Tokyo
- Smart City Institute Japan
- The University of Kitakyushu

- ◆ ABeam Consulting Ltd.
- ◆ AMITA HOLDINGS Co., Ltd.
- ◆ CHUBU NIHON PLASTICS CO., LTD.
- ◆ EGS Co., Ltd.
- ◆ Fuyo General Lease Co., Ltd.
- ◆ Harita Metal Co., Ltd.
- ◆ JECC Corporation
- ◆ J&T Recycling Corporation
- ◆ KANKYOU STSTEMS. INC
- ◆ Kowa Seiko Co., Ltd.
- ◆ nanoxi × group
- ◆ Oomotoshiroyo Co., Ltd.
- ◆ omron social solutions co., ltd
- ◆ Pantech Corporation
- ◆ Rise Consulting Group, Inc.
- ◆ Sanyu Kankyo Sogo Kenkyujo Co., Ltd.
- ◆ Sumitomo Mitsui Finance and Leasing Company, Limited
- ◆ TBM Co., Ltd.

FY 2023

AMITA selected to work on the **Strategic Innovation Promotion Program (SIP)**, sponsored by the Cabinet Office of the Japanese Government.

▶▶▶ A public-private-academic collaborative project to develop a circular economy model [See page 39](#)

AMITA has established a leading position in the emerging circular market in Japan.

Reassessing Our Sales and Product Strategies: Slow in signing clients to project contracts

Achievements and challenges in FY 2023

Our five key strategies **proved effective in creating the need for greater corporate sustainability among businesses.**

▶▶▶ While we received constant inquiries about Cyano Project, **we were slow in signing clients to project contracts.**

Factors

External

Businesses were increasingly concerned about their short-term financial performance given the disruption of global supply chains, and postponed decisions to invest in ESG initiatives.

▶▶▶ It took increasingly longer to negotiate contract terms of Cyano Project with clients.

Internal

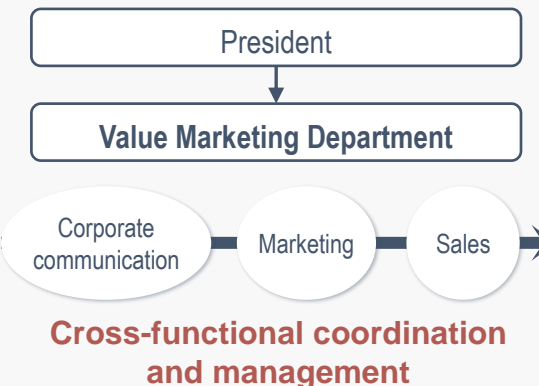
While businesses shied away from investing in ESG initiatives, our corporate communication, marketing, and sales teams did not coordinate with each other well to enlighten prospective clients on the benefits of Cyano Project and address their potential needs to make sales.

01. January 2024

The cross-functional **Value Marketing Department** was established under the president, responsible for **coordinating and managing AMITA's corporate communication, marketing, and sales.**

▶▶▶ Focused on raising awareness of and interest in corporate sustainability among businesses and establishing a framework for soft-selling and value-marketing approaches

02. Upgrade the value proposition of Cyano Project



Actions for FY 2024 and 2025

Reassessing Our Organizational Strategy: Slow in transforming AMITA into a solid profit-generating organization

Challenges in
FY 2023

Employees were **slow** in embracing the five strategies for better managing fast-changing business environments and in **shifting their mindsets to act on them**.

▶▶▶ We failed to meet organizational goals and bolster collective efforts to keep creating greater value.

Factors

▶▶▶ Caught in the innovator's dilemma; while employees managed to conceptualize the company's strategic goals, they failed to break themselves of the old habit of being narrowly focused on personal performance.

▶▶▶ While we discontinued employee performance appraisals in order to motivate employees to tackle challenging tasks without a fear of failure, many of them tended to set conservative goals well within their reach.

▶▶▶ The scope of a transition from financial accounting to management accounting was limited to As-Is analyses.

Actions for
FY 2024 and
2025

01. Foster a culture that motivates and develops employees to work as a team to keep creating greater value for the company and its stakeholders
02. Design and implement a role-based grading system and OKR framework to motivate employees to work collectively toward achieving company-level objectives
03. Design allowance and performance-based compensation schemes to motivate employees to keep creating greater value

▶▶▶ We place a top priority on taking these actions in FY 2024 and 2025, which is defined as the **Groundwork Phase**, to **bolster our business performance**.

02

Consolidated Financial Results for FY 2023

SUETSUGU Takahide

President and Chief Integrated Operations
Officer (CIOO)

AMITA HOLDINGS CO., LTD.

Financial Results for FY 2023: Updated Guidance

We downgraded our guidance for FY 2023 as shown below:

Factors

- ▶ As businesses rescheduled the implementation of their ESG initiatives due to changing business environments, we signed fewer corporate clients than expected to Cyano Project contracts. In addition, revenue from the sale of circular materials declined.
- ▶ Due to the sales downturn, we rescheduled the implementation of our investment plans and business development initiatives.
Operating profit declined, partly as the sale of recycled materials was weaker than originally planned in Malaysia.

(In millions of yen; amounts rounded down to the nearest million yen)

	Initial guidance for FY 2023	Updated guidance for FY 2023	Diff from initial guidance (Percentage diff)
Net sales	5,283	4,536	-746 (-14.1%)
Operating profit	774	472	-302 (-39.0%)
Ordinary profit	887	530	-356 (-40.2%)
Profit attributable to owners of parent	620	308	-311 (-50.3%)

Financial Results for FY 2023: YoY Changes

(In millions of yen; amounts rounded down to the nearest million yen)

	FY 2022 results	FY 2023 results	YoY change (Percentage change)
Net sales	4,824	4,536	-288 (-6.0%)
SG&A expenses	1,527	1,665	+137 (+9.0%)
Operating profit	609	472	-137 (-22.6%)
Ordinary profit	715	530	-184 (-25.8%)
Profit attributable to owners of parent	531	308	-222 (-42.0%)

Summary of financial performance for FY2023

Net sales

Net sales for FY 2023 decreased to ¥4,536M* due to: (1) a change in accounting treatment as a result of transferring business at our former Kawasaki Resource Recycling Plant to Sanyu Plant Service Co., Ltd.; (2) slower-than-expected signing of Cyano Project contracts; and (3) the weaker sales of recycled valuable and non-ferrous metal materials outside Japan.

* Gross profit was flat YoY at ¥2,137M for FY 2023, reflecting the increased sale of coal alternatives in the Circular Materials Business and price hikes of recycled materials.

Operating profit

Operating profit decreased to ¥472M due to an increase in SG&A, including additional investments in motivating employees to keep creating greater value.

Ordinary profit

Ordinary profit decreased to ¥530M, reflecting decreases in operating profit and in the share of profit of entities accounted for by using the equity method from our Malaysian operations* as a tax credit for green investment was no longer granted.

* Revenue from the sale of recycled materials was up YoY in our Malaysian operations.

Profit

Profit decreased to ¥308M, reflecting primarily a decrease in ordinary profit.

Financial Results for FY 2023: Year-end Dividend

We have set the year-end dividend rate at 4.00 yen for FY 2023, unchanged from the initial guidance.

	FY 2022	FY 2023
Record date	December 31, 2022	December 31, 2023
Dividend rate	3.00 yen (Dividend payout ratio: 9.9%)	4.00 yen (Dividend payout ratio: 22.8%)
Total amount of dividends	52,642,410 yen	70,209,880 yen
Effective date	March 24, 2023	March 25, 2024
Source of dividend payment	Retained earnings carried forward	Retained earnings carried forward

Our Policy on Shareholder Return and Dividend Payment

We have set the year-end dividend rate for FY 2023 at 4.00 yen, unchanged from the initial guidance, to meet shareholders' expectations. The Group intends to make its financial position well-balanced and make its operating foundation more robust, so that the Group will be able to achieve a dividend payout rate of 30% in the long term.

Abbreviated Consolidated Balance Sheet

(In millions of yen; amounts rounded down to the nearest million yen)

		As of December 31, 2022	As of December 31, 2023	YoY change
Assets	Current assets	2,769	3,838	+1,068
	Non-current assets	2,054	2,337	+282
Total assets		4,824	6,175	+1,351
Liabilities	Current liabilities	1,269	1,635	+366
	Non-current liabilities	1,554	2,273	+719
	Total liabilities	2,823	3,909	+1,086
Net assets	Share capital	480	483	+2
	Capital surplus	250	253	+2
	Retained earnings	1,225	1,480	+255
	Treasury shares	(0)	(0)	-
	Total shareholders' equity	1,955	2,217	+261
	Accumulated other comprehensive income	39	42	+3
	Share acquisition rights	6	6	-0
	Total net assets	2,001	2,266	+265
Total liabilities and net assets		4,824	6,175	+1,351

Abbreviated Consolidated Statement of Cash Flows

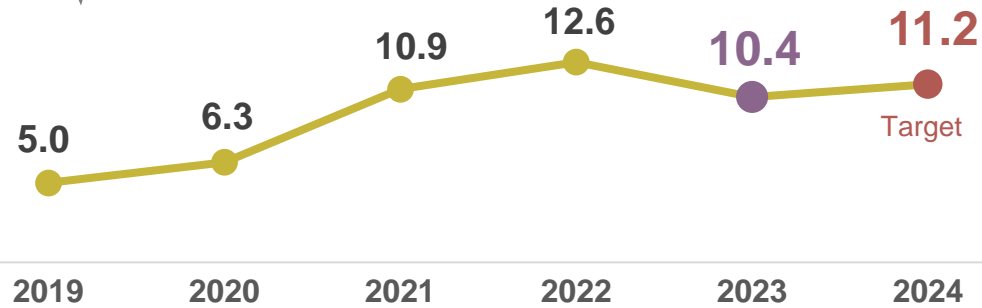
(In millions of yen; amounts rounded down to the nearest million yen)

	FY 2022 results	FY 2023 results	YoY change
Net cash provided by operating activities	585	725	+140
Net cash provided by (used in) investing activities	(69)	(441)	-371
Net cash provided by (used in) financing activities	(142)	754	+896
Change in cash and cash equivalents	389	1,049	+660
Ending balance of cash and cash equivalents	1,779	2,829	+1,049

Key Financial Metrics

Operating profit margin (%)

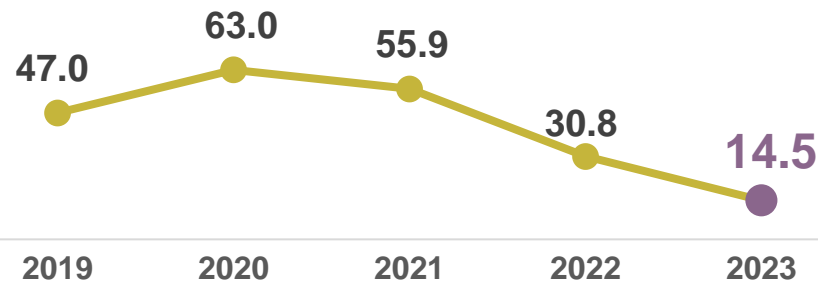
Note: Effective at the beginning of FY 2022, the Company adopted the Accounting Standard for Revenue Recognition.



FY 2023

- ▶ Operating profit was down YoY due to a decrease in net sales and an increase in SG&A.
- ▶ Revenue from high-margin Cyano Project decreased.

Return on equity (ROE) (%)

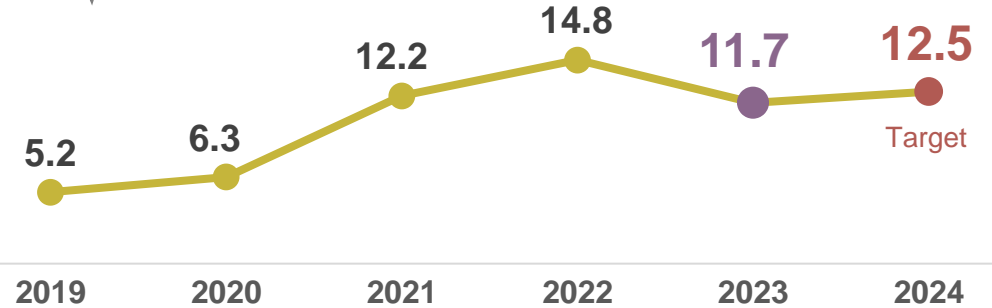


FY 2023

- ▶ An increase in retained earnings bolstered equity capital.
- ▶ Annual profit decreased.

Ordinary profit margin (%)

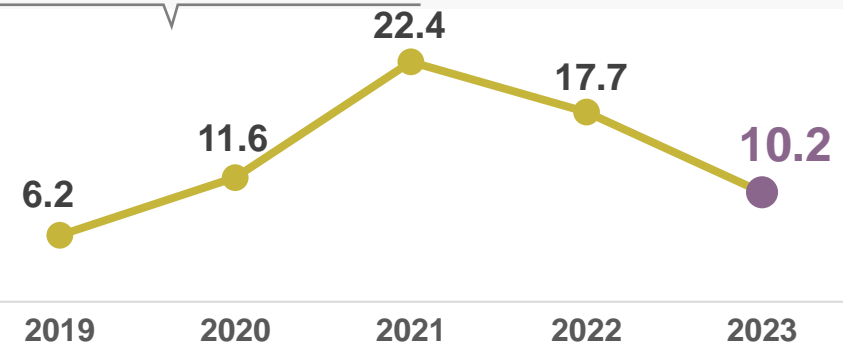
Note: Effective at the beginning of FY 2022, the Company adopted the Accounting Standard for Revenue Recognition.



FY 2023

- ▶ The share of profit of entities accounted for by using the equity method decreased from our Malaysian operations and Codo Advisory, Inc.

Return on invested capital (ROIC) (%)



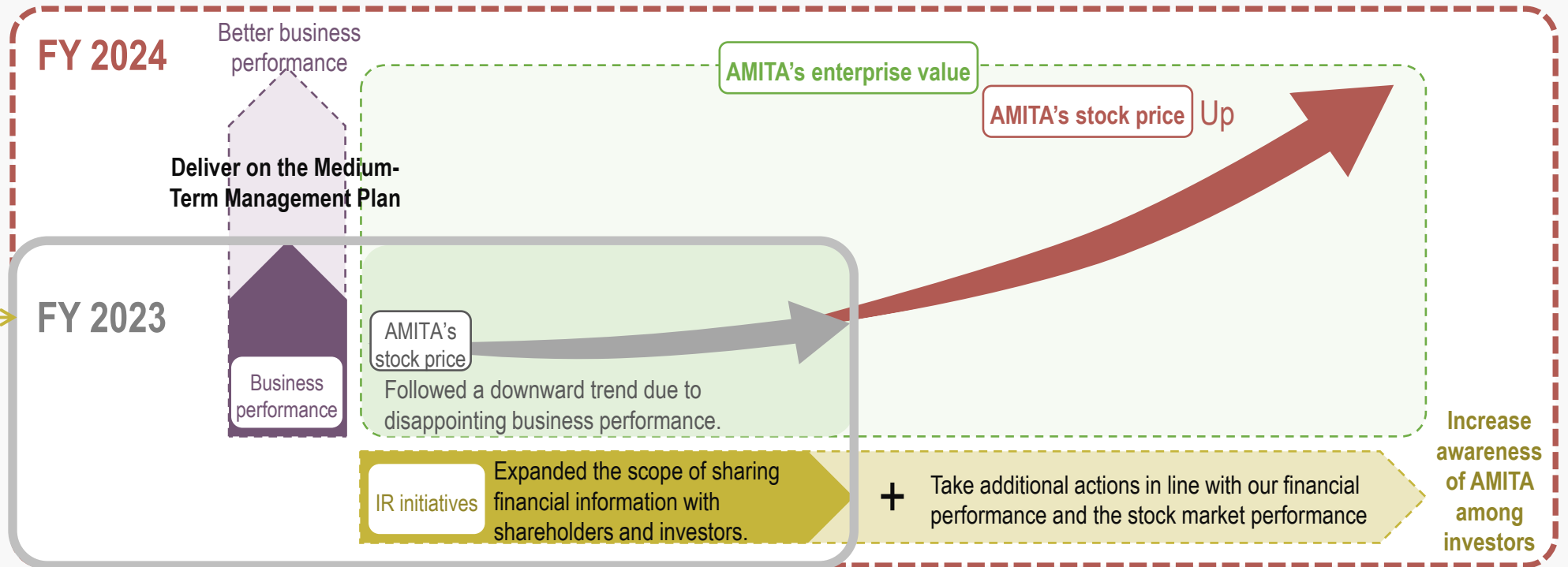
FY 2023

- ▶ Non-current assets increased as a result of expanding the silicon-recycling capacity.
- ▶ Operating profit decreased.

Note: The amount of invested capital was obtained by the following formula: (Trade receivables + Inventories - Trade payables) + Non-current assets, which looks at the lending side of cash.

Actions to Increase AMITA's Enterprise Value

We intend to **bolster our business performance** and **keep shareholders and investors well informed** as part of our efforts to increase our enterprise value.



Subject
01

AMITA has been chosen as **one of 200 constituents of the JPX-Nikkei Mid-and-Small Cap Index** for 2023.

- ▶ AMITA met the following criteria to be chosen as a constituent of the JPX-Nikkei Mid-and-Small Cap Index: The average ROE and cumulative operating profit for FY 2021 through 2023; and the disclosure of financial information in English via TD-net. Constituents of the Index are perceived to have the potential to sustain the growth of their enterprise value.

Canceled Share Acquisition Rights to Raise Funds

We have canceled share acquisition rights after reviewing our capital policy and taking into consideration a projected market environment, our stock price performance, and the number of exercised share acquisition rights to date.

	Update
Amount of funds raised to date	17,235,000 yen
Number of exercised share acquisition rights to date	150 (15,000 shares)
Number of share acquisition rights to be purchased and canceled by the Company	19,850 (1,985,000 shares)
Date of purchase and cancellation	February 28, 2024
Number of remaining share acquisition rights after cancellation	0

How to fund the projects to be originally funded by raised funds

Expanding the network of MEGURU STATION®	To be funded by cash on hand and borrowing
Developing a blockchain-based system	Already funded by the 17,235,000 yen, raised through exercised share acquisition rights. The rest to be funded by cash on hand and borrowing.
Expanding the silicon-recycling capacity at the Kitakyushu Sustainable Resource Management Center	Already funded by borrowing from financial institutions. Work related to capacity expansion to be completed in July 2024.



03

Business Achievements in FY 2023

SUETSUGU Takahide

President and CIOO

AMITA HOLDINGS CO., LTD.

Major Business Achievements in FY 2023

01

Continued to provide businesses with integrated assistance in transition strategy, including Cyano Project for achieving greater corporate sustainability.

02

Entered into partnership in waste management to establish a joint venture with the Sumitomo Mitsui Finance and Leasing Group in April 2024.

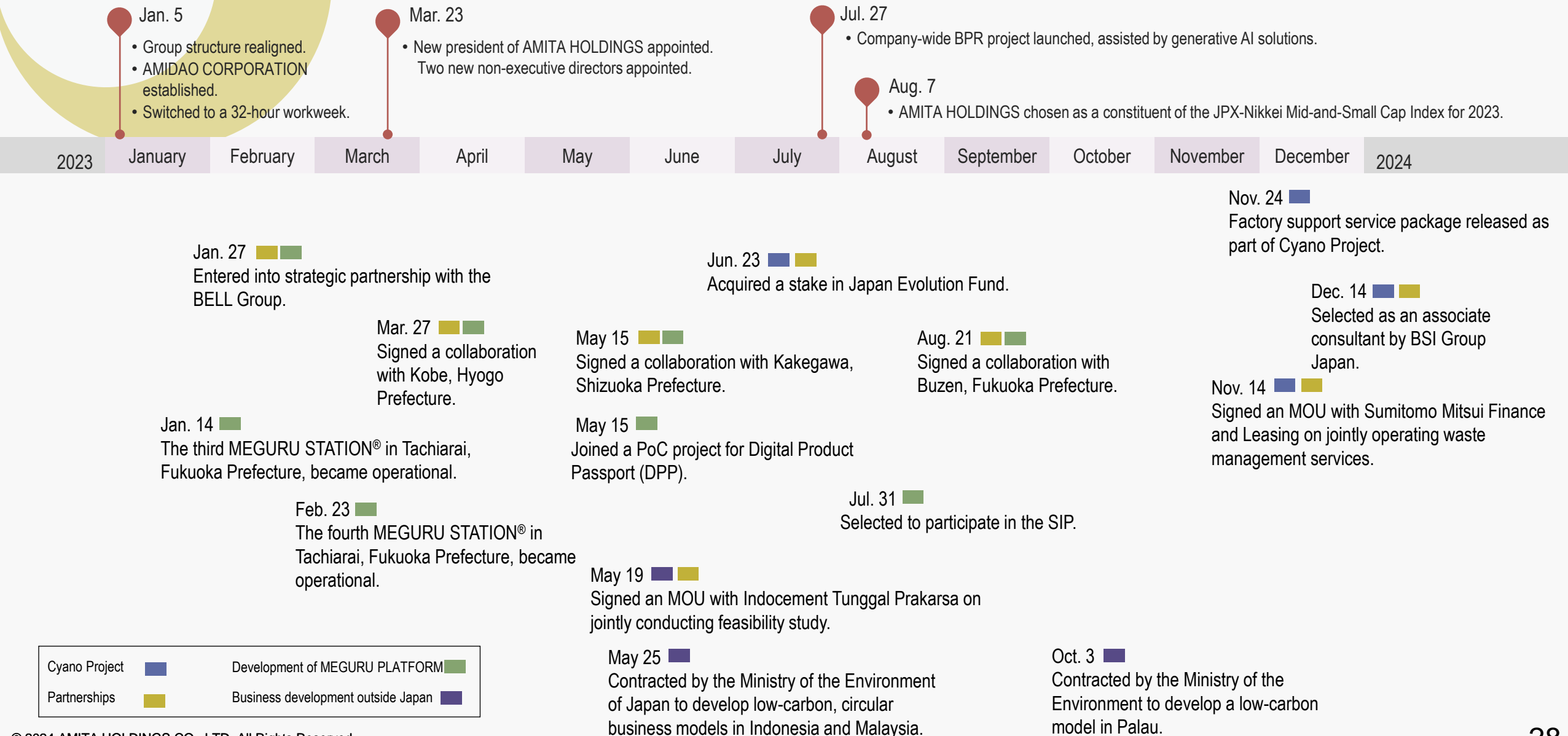
03

Laid the groundwork for developing the MEGURU PLATFORM, a circular model for tangibles, information, and people's thoughtfulness to others, jointly developed in public-private-academic collaboration.

04

Stepped up developing new business and pursuing partnerships outside Japan to bolster our legacy business and launch the Social Systems Design Business overseas.

AMITA Group's Key Initiatives and Actions Undertaken in FY 2023

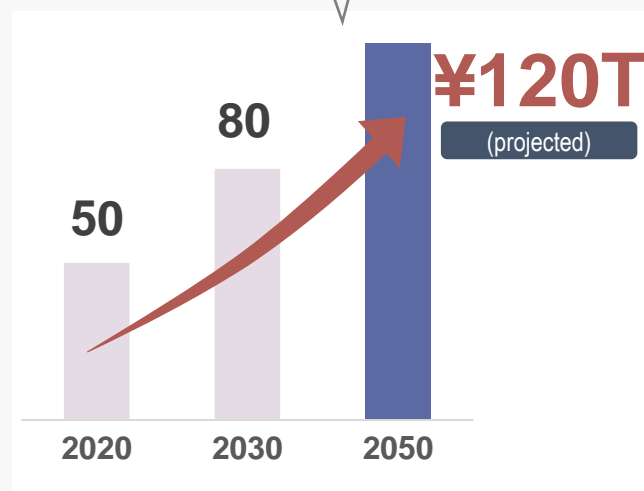


Japanese Market Updates

Background

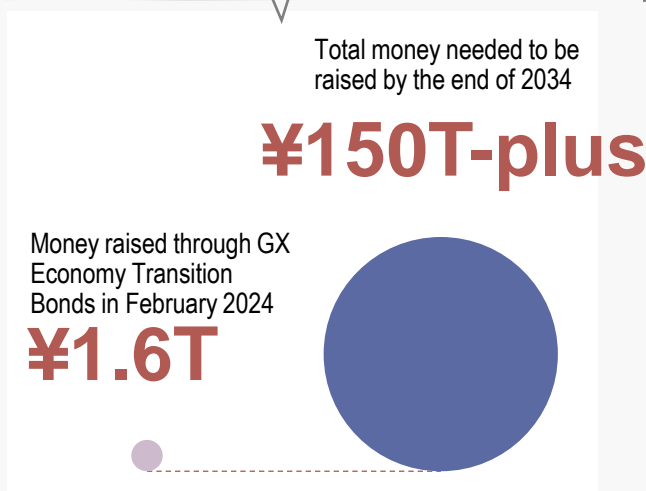
- ▶ In 2023, more businesses recognized circular economy (CE), carbon neutrality (CN), and nature positivity (NP) as the three key drivers for sustainable business.
- ▶ The need to comply with the TNFD (Taskforce on Nature-related Financial Disclosures) framework has been growing among businesses.

Projected circular economy market in Japan



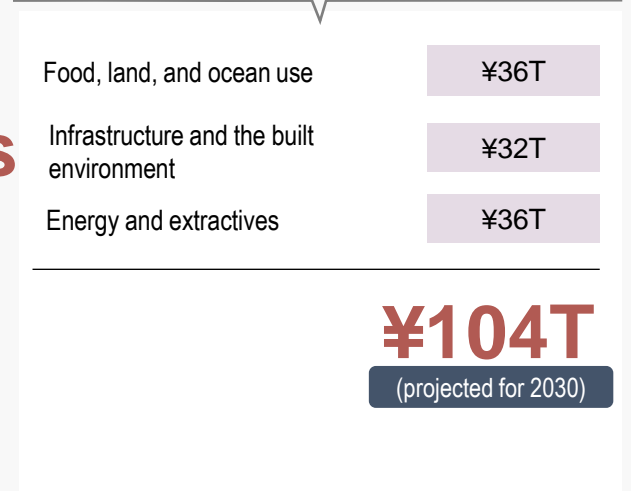
Source: "Strategy for Resource - Autonomous Circular Economy for Growth," published by the Ministry of Economy, Trade and Industry of Japan in March 2023

Scope of public-private investment needed to drive transition to GX economy in Japan



Source: "GX Economy Transition Bonds," reported by Nihon Keizai Shimbun in February 2024

Projected business opportunities by sector in Japan, created by the transition to a nature-positive economy



Source: "Impact of Transition to Nature Positivity on Japan," published by the Ministry of the Environment in November 2022



Assist businesses in transitioning to greater corporate sustainability with an integrated approach to CE, CN, and NP

Topic 01

Integrated assistance
in transition strategy
(1)

Assisted corporate clients in transition strategies to meet their growing need for greater corporate sustainability.



Providing end-to-end assistance in developing and implementing a transition strategy for greater corporate sustainability, including developing circular business models, designing their prototypes, conducting PoC field tests, and developing business plans

AMITA's value proposition

Pursue the best interests at the enterprise level, not at a department level

All-embracing approach to CE, CN, and NP



End-to-end assistance ranging from developing strategies to implementing them

Offer circular design solutions that integrate the following three key drivers to assist in transition strategy:

- CE: Circular economy
- CN: Carbon neutrality
- NP: Nature positivity

AMITA is a "Do Tank" that goes beyond a think tank, assisting in not just developing but implementing and operating solutions.

▶▶▶ Our approach to integrated assistance has been well received by clients.

AMITA's monetization model

- ▶ Providing end-to-end support that extends to implementation and operation of solutions, not just providing ad hoc consulting
- ▶ Building long-lasting relationships of trust with clients to drive repeat business

▶▶▶ We will be able to establish a consistent, reliable revenue stream.



Topic 01

Integrated assistance
in transition strategy
(2)

While slow in signing new clients to Cyano Project, we delivered on the signed contracts.

Data
01

It took increasingly longer to close contracts with clients, and we signed fewer clients to Cyano Project in FY 2023 than in the previous year.

Factors

External

- ▶ Businesses were increasingly concerned about their short-term financial performance given the challenging operating environments, and postponed decisions to invest in ESG initiatives.

Internal

- ▶ We did not do a good job of presenting a compelling business case for potential clients to justify their investing in ESG initiatives.

24 corporate clients signed up to Cyano Project in FY 2023, compared with 38 in FY 2022.

Project examples

- ▶ Client: Electrical equipment manufacturer
 - AMITA researched a concurrent-engineering design process and proposed a new business scheme.
- ▶ Client: Transportation equipment manufacturer
 - AMITA assisted in designing an internal resource-circulation scheme.

Contract negotiations underway with **33** companies as of January 31, 2024.

- ▶ They were seeking our assistance in meeting the TNFD requirements and in transforming their business operations in the long term.

Action for
FY 2024

- ▶ Revisit our sales strategy and service offerings and shore up our marketing to bolster the contract closure rate to

Sign more corporate clients to Cyano Project

Topic 01

Integrated assistance
in transition strategy
(3)

Started providing end-to-end support to clients' factory operations to assist them in reducing environmental impact and achieving greater sustainability across supply chains.

Overview

November
2023

Released the **Factory Support Service Package** as part of Cyano Project.

AMITA's value proposition

- ▶ Identify a client's supply-chain issues that affect manufacturing
- ▶ Assist in facilitating sustainable processes for product designing, materials procurement, manufacturing, and waste collection and recycling from the CE, CN, and NP perspectives

Potential market

Source: Industrial Statistics 2012 by Sector, published by the METI on April 11, 2014

- ▶ Nearly **3,100 large factories** are operating in Japan, with a total annual output of 150 trillion yen.
- ▶ Leading manufacturers spend **millions and billions of yen annually** in **environmental management**.

AMITA

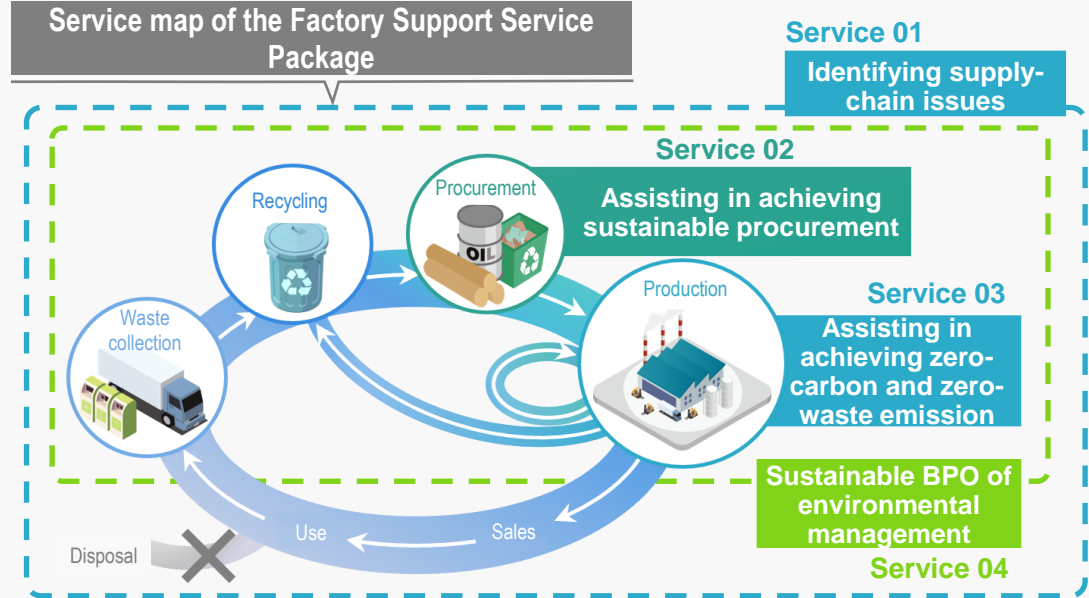
Provided closed-loop resource-recycling services to 813 factories around the country in FY 2023.

- ▶▶▶ Leveraged this nationwide network to sell this service package to prospective corporate clients.

Action for
FY 2024

Step up our efforts to sell the support service package to more corporate clients of our resource-recycling services

Service map of the Factory Support Service Package



Project example

- ▶ Client: Manufacturer in the chip industry
 - AMITA assisted in identifying opportunities for increasing the resource-circulation rate in its plants and in developing resource-circulation solutions.

Topic 01

Integrated assistance
in transition strategy
(4)

Stepped up the recycling of industrial waste into alternative fuels to meet growing need for sustainable procurement practices among businesses.

Background

- ▶ More and more manufacturers were seeking alternative raw materials and fuels to replace natural resources and achieve low-carbon operations.
- ▶ Manufacturers faced increasing risks in materials procurement amid the destabilizing international situation and surging materials costs.

Data 01

We sold a record-high volume of alternative cement fuels in FY 2023 as planned, helping cement producers reduce carbon emissions.

Recycled cement fuels produced by AMITA in FY 2023

97,000 t
(Up **15%** YoY)

Data 02

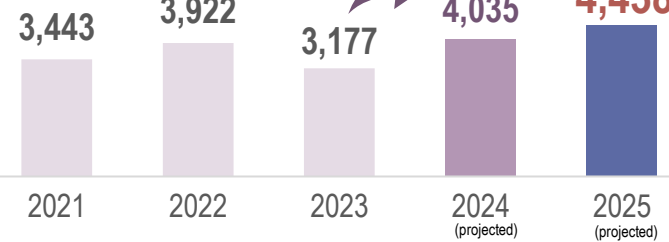
We sold 10% less recycled cement materials and non-ferrous metal materials than initially planned, due to a slowdown in the manufacturing sector.

Data 03

We recycled 3% less silicon in FY 2023 than in the previous year, due to a temporary slowdown in the chip market.

Sales of Semiconductor Manufacturing Equipment

Japanese Equipment Sales*
(In billions of yen)



Record high projected

Chip production is projected to return to growth, reflecting capacity-expansion plans announced by leading chip manufacturers.

*Japanese manufacturers' domestic and overseas sales combined

Source: "Market Forecast Report on Semiconductor and FPD Manufacturing Equipment," published by Semiconductor Equipment Association of Japan in January 2024



Actions for FY 2024

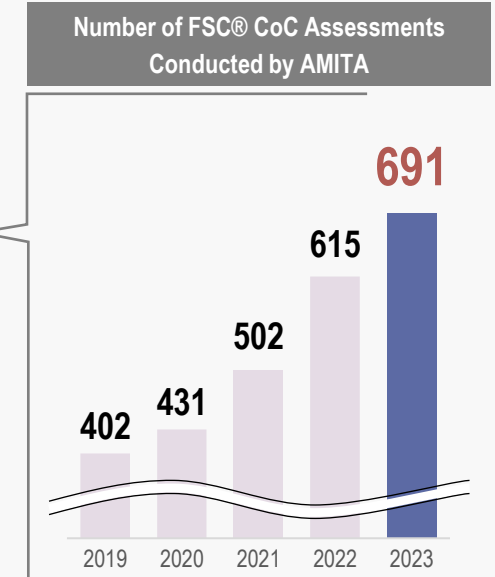
01. Offer the Cyano Project factory support service package to assist manufacturers in sustainable procurement
02. With an additional silicon-recycling line scheduled to become operational in July 2024, we project a **20% YoY increase in the volume of silicon recycling** for FY 2024.

Topic 01

Integrated assistance
in transition strategy
(5)

Conducted an increasing number of environmental assessments for clients to meet their growing need for sustainable management of forest and fishery resources.

Number of businesses assessed by AMITA		FY 2022	FY 2023	AMITA's share of the Japanese market
 Forest certification	▶ FSC® FM	23	23	68%
	▶ FSC® CoC certification	615	691	32%
	▶ FSC® project certification	47	53	80%
 Fishery certification	▶ MSC/ASC CoC certification	166	149	50% (estimated)
	▶ ASC aquaculture certification	13	15	94%
	▶ ASC-MSC seaweed certification	1	1	50%



Topic 01

AMITA participated in a project organized by WWF Japan to verify the **compatibility in methodologies adopted by FSC® and TNFD.**

Action for
FY 2024 and
beyond

Expand the scope of our environmental assessment and certification services to make them more relevant to corporate clients' business strategies and their need for broader disclosure of sustainability information

- ▶ Enhance our QCD performance and add more assessors to support the expansion of our services, including the **RFM (Responsible Fisheries Management) CoC** certification assessment service we launched in December 2023

Topic 02

Partnership for better waste management

Pursued partnerships that leverage our environmental management support services to assist businesses in switching to circular operations.

Background

- ▶ Corporate clients faced chronic labor shortages and were seriously in need of staff well-versed in waste management.
- ▶ They had an increasing need to switch to circular business models amid growing uncertainties over their operating environments.

Data 01

The number of offices subscribing to our cloud-based environmental management services in FY 2023:

5,634 (up 12% YoY)

Data 02

The number of corporate clients of our outsourcing services for environmental management in FY 2023:

28 (up 40% YoY)

Partnership

Background

November 2023

AMITA
AMITA HOLDINGS CO., LTD.

and

SMFL

Sumitomo Mitsui Finance and Leasing

- ▶ Signed an MOU on jointly operating waste management services.

Overview

April 2024

Joint venture **Circular LinX CO., LTD.** to be established

- ▶▶▶ Combine AMITA's strengths with the Sumitomo Mitsui Finance and Leasing Group's expertise and client base in the finance and sustainability fields, so that we can jointly build a robust information infrastructure for materials circulation and assist businesses in switching to circular operations

Action for FY 2024 and beyond

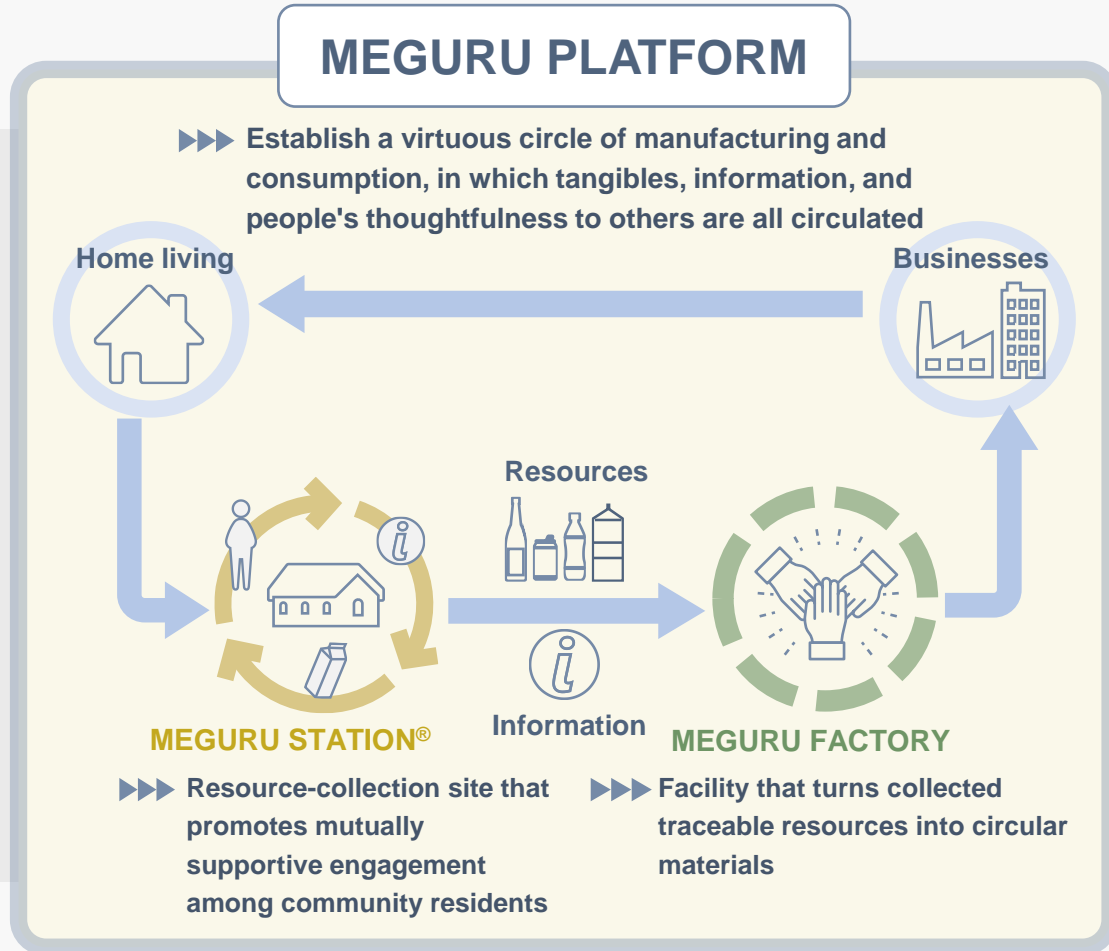
- ▶ Jointly develop and offer new services for assisting businesses in switching to circular operations

Revenue target: ¥1B-plus for FY 2028

Topic 03

Working toward establishing the MEGURU PLATFORM by 2030 (1)

Started developing a circular economy model in public-private-academic collaboration.



Key initiatives undertaken in FY 2023

01. Continued to expand the network of MEGURU STATION®, a scheme to collect resources and information.
02. Continued to promote circular economy through J-CEP, a scheme to process collected resources into usable materials.
03. Started to develop a circular model under the SIP, a scheme to compile and use circular information.

Topic 03

Working toward establishing the MEGURU PLATFORM by 2030 (2)

Operated MEGURU STATION® in three municipalities and began talks with another about its community-wide deployment.

Case

Tachiarai, Fukuoka Prefecture 4 locations

February 2023

MEGURU STATION® became operational in all its school districts, accessible to all its residents.



▶▶▶ Considering maximizing the usefulness of MEGURU STATION® in the four locations in preparation for transferring their operation progressively to residents

Case

Kobe, Hyogo Prefecture

2 locations*

March 2023

Signed a collaboration with Kobe City to jointly achieve a sustainable ecosystem community.

▶▶▶ Cross-industry partnerships and SIP-initiated projects underway in collaboration with Kobe City.

*AMITA provided MEGURU STATION® know-how to Kobe City when launching two of the 18 household-waste-collection sites operated by the city (as of February 2024).

Case

Buzen, Fukuoka Prefecture

August 2023

Signed a collaboration with the city and the Institute of Connected Community Development.

▶▶▶ Talks underway regarding a potential city-wide deployment of MEGURU STATION®



Case

Nagakute, Aichi Prefecture

June 2023

Set up a compact bioenergy generator MEGURU-BIO at an elementary school in the city to promote resource-circulation practice and greater community engagement.

▶▶▶ Taking actions to streamline its operation and make it more widely accessible to residents



Topic 03

Working toward establishing the MEGURU PLATFORM by 2030 (3)

Broader cross-industry public-private-academic collaboration in developing a circulation model for plastic waste



Japan
Circular
Economy
Partnership

Dozens of corporate members of J-CEP have joined forces to develop business models for circular economy in collaboration with community residents, municipal authorities, and universities.

Trial
01

Conducted a PoC field test of collecting, sorting, and recycling plastic bottle caps.

Project members: AMITA, Kai Corporation, Kawakami Sangyo, Kobe City, Mitsui Chemicals, and Nihon Yamamura Glass

- ▶▶▶ Recycled plastic caps into nail clipper holders and bubble pack sheets and explored other commercial application of recycled plastics.



Nail clipper holders made from recycled plastic caps were given to all elementary schools and schools for handicapped children in the city.



- ▶▶▶ Conducted a PoC* study on product traceability as part of cross-industry efforts to develop specifications for the Japanese DPP (Digital Product Passport) scheme.

* A process for verifying the feasibility of newly minted ideas and concepts



Clean Ocean Material Alliance

Japan Clean Ocean Material Alliance (CLOMA), which has 511 businesses and groups as its members as of January 30, 2024, promotes cross-industry collaboration in addressing marine plastic litter and other plastics-related issues.

Trial
01

Participated in the CLOMA_DX/SIP Platform Development Working Group.

Working group members: AMITA, Asahi Kasei, Kyoto University Graduate School of Global Environmental Studies, Mitsubishi Research Institute, and 25 other companies and groups

- ▶▶▶ The mission of the working group is to promote DX solutions along the entire life cycle of plastics.
AMITA president TABELI Shinichi was appointed as chair of the working group in 2023, working closely with other members to develop a circular economy model.

Topic 03

Working toward establishing the MEGURU PLATFORM by 2030 (4)

Participated in a national project to develop a circular economy model.

Overview

July 2023

AMITA selected to work on the SIP, sponsored by the Cabinet Office.



Tasked with coordinating with other businesses, groups, and municipalities to develop a circular economy model. More specifically, we are responsible for providing data, samples of circular materials, and testing fields as a basis for working on the R&D theme described below.

Develop a circular economy model

R&D theme

Establish a system for sorting used plastics collected by municipalities and supplying them for recycling

R&D project leader

AMITA HOLDINGS CO., LTD.

Conducting technology research

Supplying plastic materials

Project co-leader

Toray Industries, Inc.
Develop value-added technology to support recycling and upcycling practices

Project partners: Kobe City, J-CEP and CLOMA members (including brand owners, retailers, materials suppliers, recycling service providers), system vendors

Other R&D projects under the SIP

- Develop a Japanese DPP scheme (Project leader: NEC Corporation)
- Draw up rules for a Japanese DPP scheme (Project leader: Nomura Research Institute, Ltd.)
- Develop methods of environmental impact assessments to support the development of an environmentally friendly plastic circulation system (Project leader: National Institute of Advanced Industrial Science and Technology)

Collaboration

Topic 03

Working toward establishing
the MEGURU PLATFORM
by 2030 (5)

Working more closely with corporate partners, industry groups, and municipalities to develop a circular economy model

Actions for FY 2024

Leverage our role as a member of an R&D project under the SIP to bring together other SIP, J-CEP, and CLOMA members, as well as our corporate partners and municipalities, and

Accelerate developing a circular economy model

Actions to take

- ▶ Continue to play an instrumental role in cross-industry projects
- ▶ Coordinate the efforts of the SIP, J-CEP, and CLOMA to conduct PoC field tests at an accelerated pace and on a wider scale
- ▶ Evaluate the business case of AMITA becoming a provider of a circular platform

Topic 04

Develop and expand business outside Japan (1)

Sustainability needs growing fast globally

Background

- ▶ Asian countries place a high priority on achieving CE, CN, and NP, just as Japan does. Their pressing challenge is to achieve low-carbon operations in their industrial sectors, which supply products to the rest of the world.

Waste management market in the ASEAN region

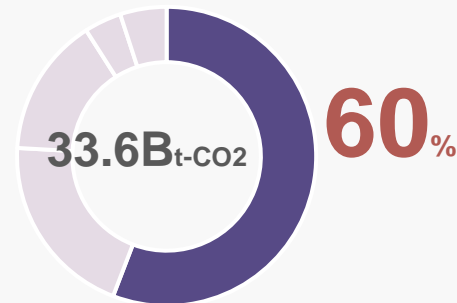
18B USD

in 2024
(projected)

- ▶ The ASEAN waste management market is predicted to grow at a CAGR of 7% from 2024 through 2029, driven by a burgeoning economy with rapid population growth, increased economic activities, urbanization, and industrialization.

Source: "ASEAN Waste Management Market Size & Share Analysis," published by Mordor Intelligence

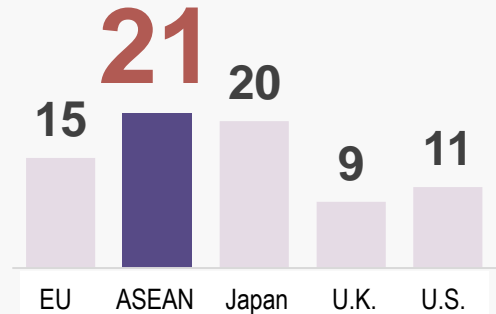
Asia's share of annual global energy-derived carbon emissions



- ▶ Fast-growing economy and energy demand have driven carbon emissions up sharply in many parts of Asia.
- ▶ The pressing challenge in Asia is to curb carbon emissions without checking population and economic growth.

Source: Modified from the table published by Mitsubishi Research Institute.

Manufacturing sector's share of GDP by country and region (%)



- ▶ The manufacturing sector's share of GDP in the ASEAN region is relatively high.
- ▶ Some industries in ASEAN countries have the considerable challenge of achieving low-carbon operations.

Source: "Realization of GX in Japan," presented by the Minister of Economy, Trade and Industry at the GX Implementation Council on December 15, 2023

Topic 04

Develop and expand
business outside
Japan (2)

Operating the Social Systems Design Business outside Japan

Action for
FY 2024

April 2024

To rename our Malaysian subsidiary to **AMITA CIRCULAR DESIGN SDN. BHD.**, which will serve as the Group's regional headquarters in the Asia-Pacific.

Objectives

- ▶ Accelerate the development of the Social Systems Design Business in the Asia-Pacific
- ▶ Facilitate faster business decision-making to better accommodate local market needs
- ▶ Pursue wider partnership opportunities with local businesses from around Asia, essential for accelerated business expansion
- ▶ Recruit talent from around Asia and pursue new business opportunities in the Asia-Pacific

Overview

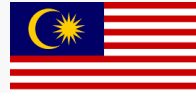
- ▶ To be established: April 1, 2024 (through a transfer of stocks from AMITA CORPORATION to AMITA HOLDINGS CO., LTD., upon an absorption-type company split)
- ▶ Leadership team: SATO Hiroyuki, Chairman
YAMATO Eiichi, Managing Director
- ▶ Head office: Kuala Lumpur, Malaysia

Topic 04

Develop and expand business outside Japan (3)

Updates on Our Business Development and Expansion in Asia

Malaysia



From 2017 onward

Operating the closed-loop recycling of industrial waste.

Data 01

While we received more industrial waste for processing from suppliers in FY 2023 than in the previous year, we sold 15% less recycled material than originally planned to corporate customers due to their cutbacks in production.

41,000 t (Up 10% YoY)

Primary factor

- ▶ Worked with local sales partners to sign up with additional suppliers of waste.

Action for FY 2024 and beyond

- ▶ Prepare to develop additional alternative materials, including biomass
- ▶ Partner with local universities to consider operating mutually supportive resource-collection sites in the country

Indonesia



May 2023

Signed an MOU with PT Indocement Tunggul Prakarsa Tbk., a leading cement producer in Indonesia.

May 2023

AMITA selected to participate in an Urban Collaboration Project for Achieving a Low-Carbon Society in Indonesia, sponsored by the Ministry of the Environment of Japan.

- ▶▶▶ Developing low-carbon, circular business models in Indonesia and Malaysia.

- ▶ Prepare to launch a materials-recycling business in the country in FY 2025 or later
- ▶ Develop a collaborative circular economy model with other members of the Indonesian Working Group under CLOMA

Palau



October 2023

AMITA selected to participate in an Urban Collaboration Project for Achieving a Low-Carbon Society in Palau, sponsored by the Ministry of the Environment of Japan, resuming a project to develop a resource-circulation scheme in the country following a suspension during the pandemic.

- ▶▶▶ Develop a low-carbon, circular business model using locally available resources

- ▶ Apply a circular business model to be developed for Palau to other Pacific island nations that rely heavily on imported fossil fuels

AMITA Group Companies for FY 2024

Stock code: 2195 on TSE
Growth Market



AMITA

AMITA HOLDINGS CO., LTD.

Head office: Nakagyo-ku, Kyoto, Japan

Headed by: KUMANO Eisuke, Chairman and CVO

SUETSUGU Takahide, President and CIOO

Established: April 1, 1977

Capital: 483,560,300 JPY

Number of employees: 240 (consolidated, as of January 2024)

(Corporate officers and temporary employees not included)

Wholly-owned subsidiary

AMITA

AMITA CORPORATION

Transition strategy business

- ▶ Assist businesses in achieving greater corporate sustainability
- ▶ Assist municipalities in achieving greater community sustainability
- ▶ Develop the Social Systems Design Business outside Japan

Wholly-owned subsidiary

AMITA CIRCULAR

AMITA CIRCULAR CORPORATION

Circular materials business

- ▶ Provide end-to-end solutions for sustainable procurement and use of resources

Wholly-owned subsidiary (Company name effective April 1, 2024)

AMITA CIRCULAR DESIGN SDN. BHD.

Regional headquarters

- ▶ Assist in achieving greater corporate and community sustainability in the Asia-Pacific region

Joint venture

Established by ACD and the Malaysia-based BERJAYA Group

AMITA BERJAYA SDN. BHD.

Wholly-owned subsidiary

AMIDAO

AMIDAO CORPORATION

Ecosystem co-creation business

- ▶ Leverage Web3 technology to provide a platform for creating an ecosystem society

Joint venture

Established by AMITA HOLDINGS and MCP Japan Holdings

codo advisory

Codo Advisory, Inc.

Low-carbon transition advisory

- ▶ Assist businesses in defining and refining their low-carbon transition strategy

Joint venture to be established April 1, 2024

Established by AMITA HOLDINGS and the Sumitomo Mitsui Finance and Leasing Group

Circular LinX CO., LTD.

Circular management business

- ▶ Offer ICT and BPO solutions to assist businesses in achieving circular operations

Key Initiatives for FY 2024

01

Sign more corporate clients to **Cyano Project**

by revisiting our sales strategy and service offerings and shoring up our marketing to bolster the project contract closure rate

02

Develop and offer services for assisting businesses in achieving **circular operations**

by establishing joint venture Circular LinX between the AMITA Group and the Sumitomo Mitsui Finance and Leasing Group

03

As a member of the SIP project, work more closely with corporate partners, industry groups, and municipalities

to jointly develop a circular economy model

04

Establish regional headquarters **AMITA CIRCULAR DESIGN SDN. BHD. in Malaysia** to accelerate the development of the Social Systems Design Business in the Asia-Pacific region

04

AMITA Group's Updated Medium- and Long-Term Management Plan to support AMITA Vision 2030

KUMANO Eisuke

Chairman and CVO

AMITA HOLDINGS CO., LTD.

Themes of WEF* annual meetings in Davos for the past five years

*World Economic Forum



2024

Rebuilding Trust

Reinforcing the fundamental principles of transparency, consistency, and accountability

2023

Cooperation in a Fragmented World

Keyword

Polycrisis (a cluster of related global risks with compounding effects)

2022

History at a Turning Point: Government Policies and Business Strategies

Keyword

Permacrisis (an extended period of instability and insecurity)

2021

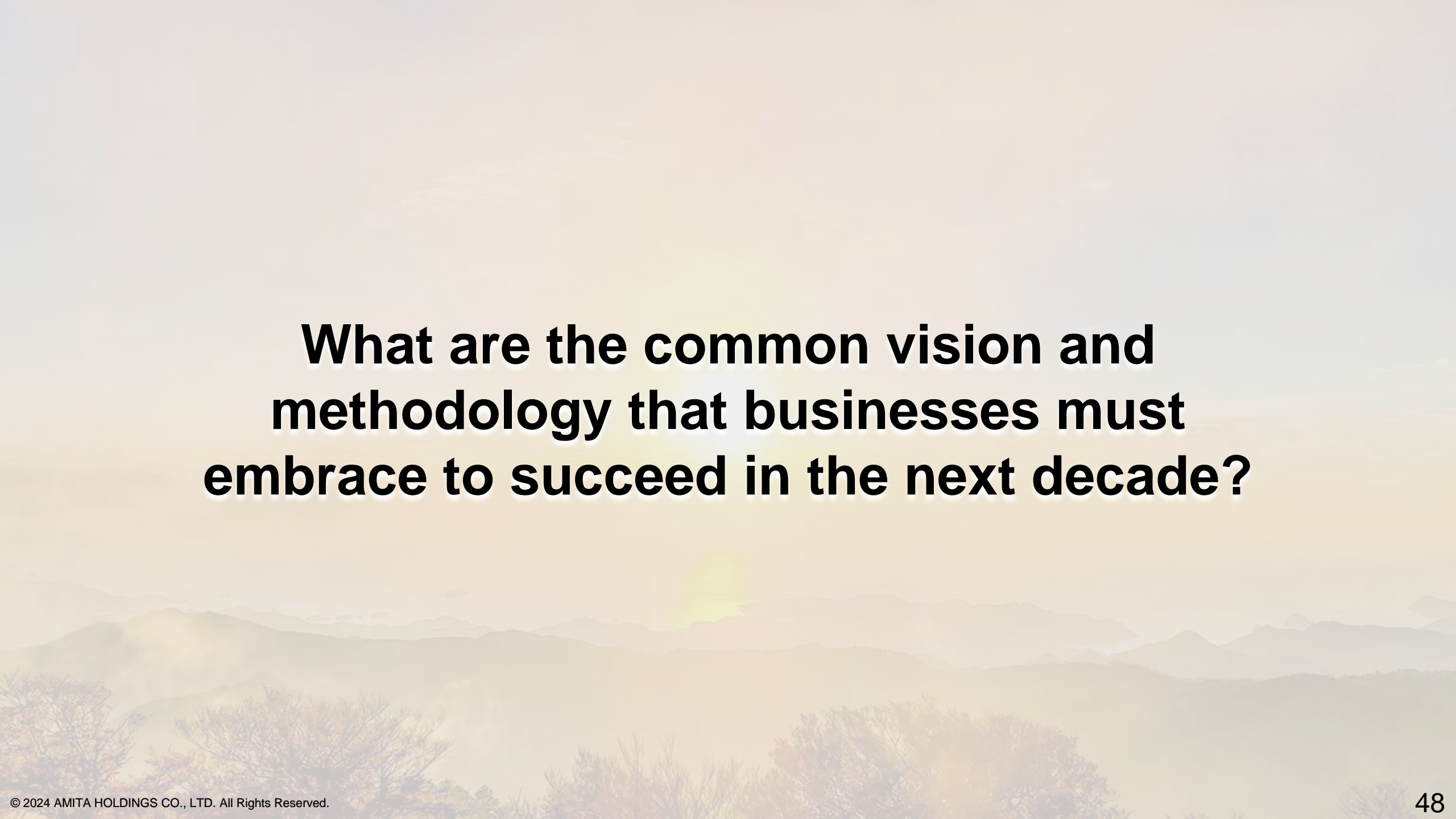
The Great Reset

A commitment to jointly and urgently build the foundations of our economic and social system for a more fair, sustainable, and resilient future

2020

Stakeholders for a Cohesive and Sustainable World

Renewing the concept of stakeholder capitalism



What are the common vision and methodology that businesses must embrace to succeed in the next decade?

Great realignment anticipated in the global business arena

Global supply chains to remain unreliable and unstable

In the past

A reliable supply of resources and materials has driven market growth.

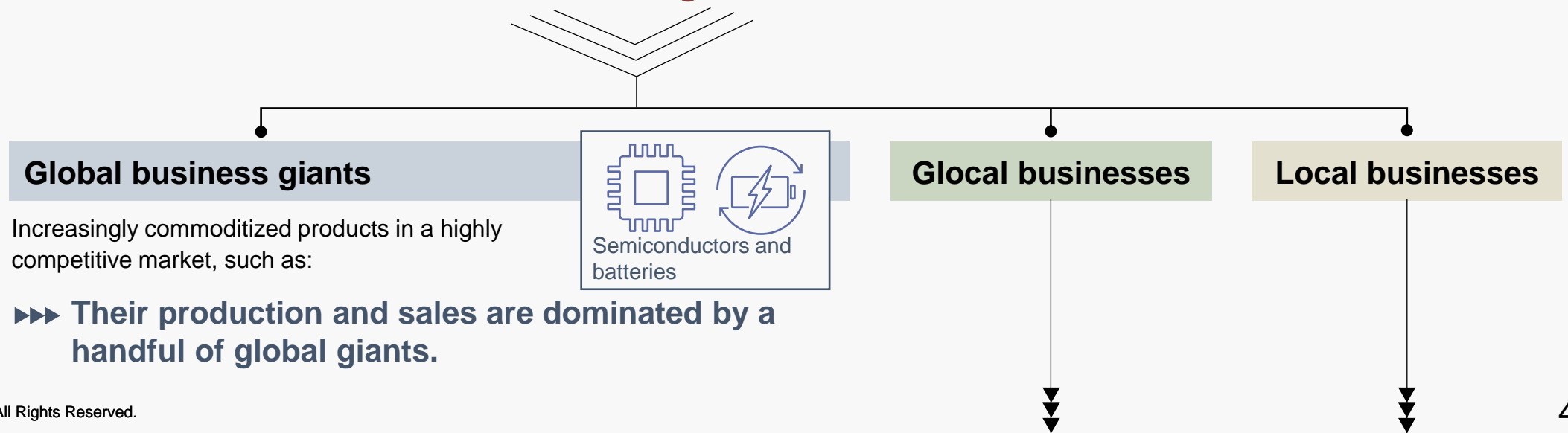
2024 and beyond

Shrinking markets **render the principle of the economies of scale irrelevant.**

Primary factors

- ▶ Increasingly serious climate change, resource depletion, and shrinking population
- ▶ Destabilizing international situation and growing geopolitical risks

Great realignment



▶▶▶ Glocal businesses



Procurement

- ▶ Procure a wide variety of ESG-compliant raw materials and components from local suppliers



Production

- ▶ Emerging smart factories
- ▶ Customize-to-order production using a wide variety of raw materials and components



Sales and customers

- ▶ Sell on the global market

▶▶▶ Unstable supply of materials is driving the **servitization of industries.**

Local businesses ◀◀◀



Procurement

- ▶ Procure traceable raw materials from established local producers and suppliers (culturally relevant procurement)



Production

- ▶ Produce products with an ESG-compliant quality using locally procured materials



Sales and customers

- ▶ Sell to other local businesses and glocal businesses pursuing ESG-compliant procurement

▶▶▶ Glocal businesses' growing need for local procurement drives the emergence of new local businesses. (e.g., community-based social impact business)

Increasingly popular ESG-compliant local procurement practices bolster supply-chain sustainability. At the same time, **the sustainable business of offering intangible value, such as stakeholder engagement and cultural relevance, is expected to gain momentum.**

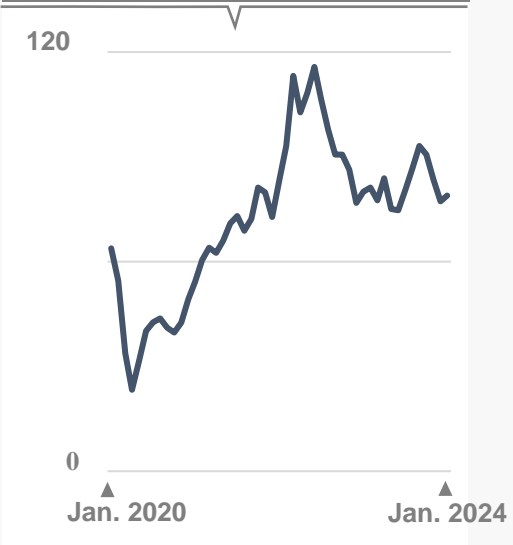
Mounting Challenges Facing Japanese Businesses

Challenge
01

Rising variable costs

Soaring materials prices, growing procurement risks

Crude Oil Price (in dollars per barrel)



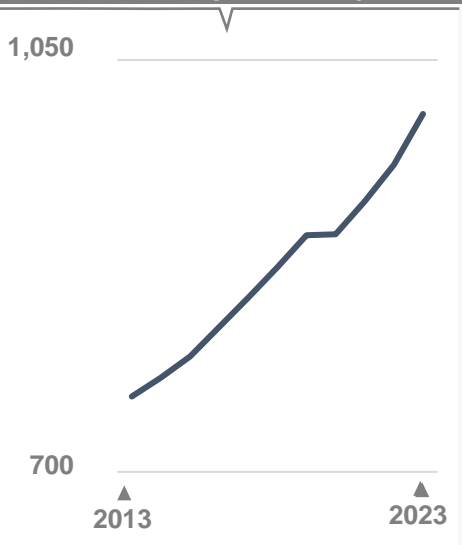
Source: "OPEC Basket Price," published by the Organization of the Petroleum Exporting Countries

Challenge
02

Rising fixed coast

Soaring labor costs

Minimum Wage in Japan (yen)



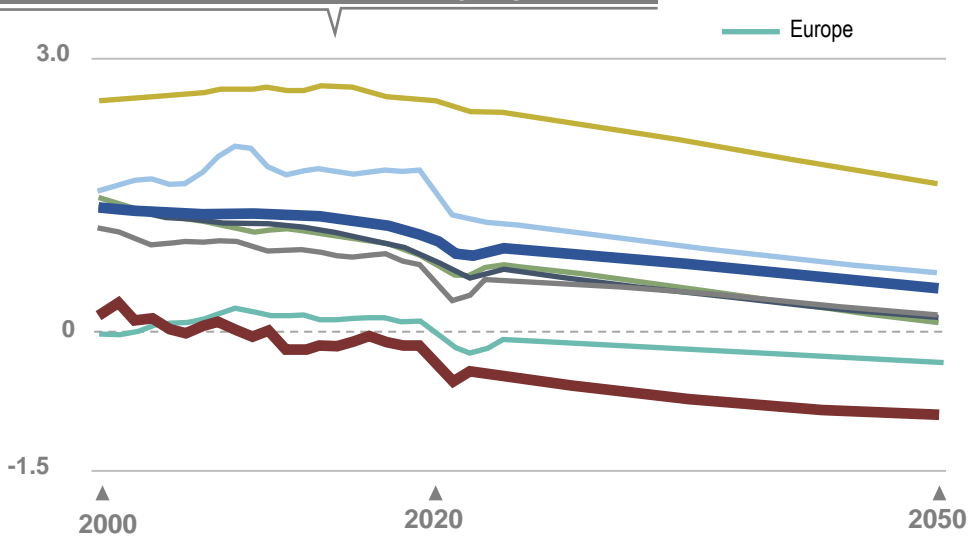
Source: "The Minimum Wage for FY 2023," published by the Ministry of Health, Labour and Welfare

Challenge
03

Shrinking market

Shrinking population

Annual Population Growth Rate by Region (%)



Source: "Global Statistics 2023," published by the Statistics Bureau of the Ministry of Internal Affairs and Communications



How can we sustain business growth in a shrinking market and with rising operating costs?

Apply a **circular design approach** to business to boost the turnover



Emerging enterprise needs

A novel strategy for a transition to a circular business model

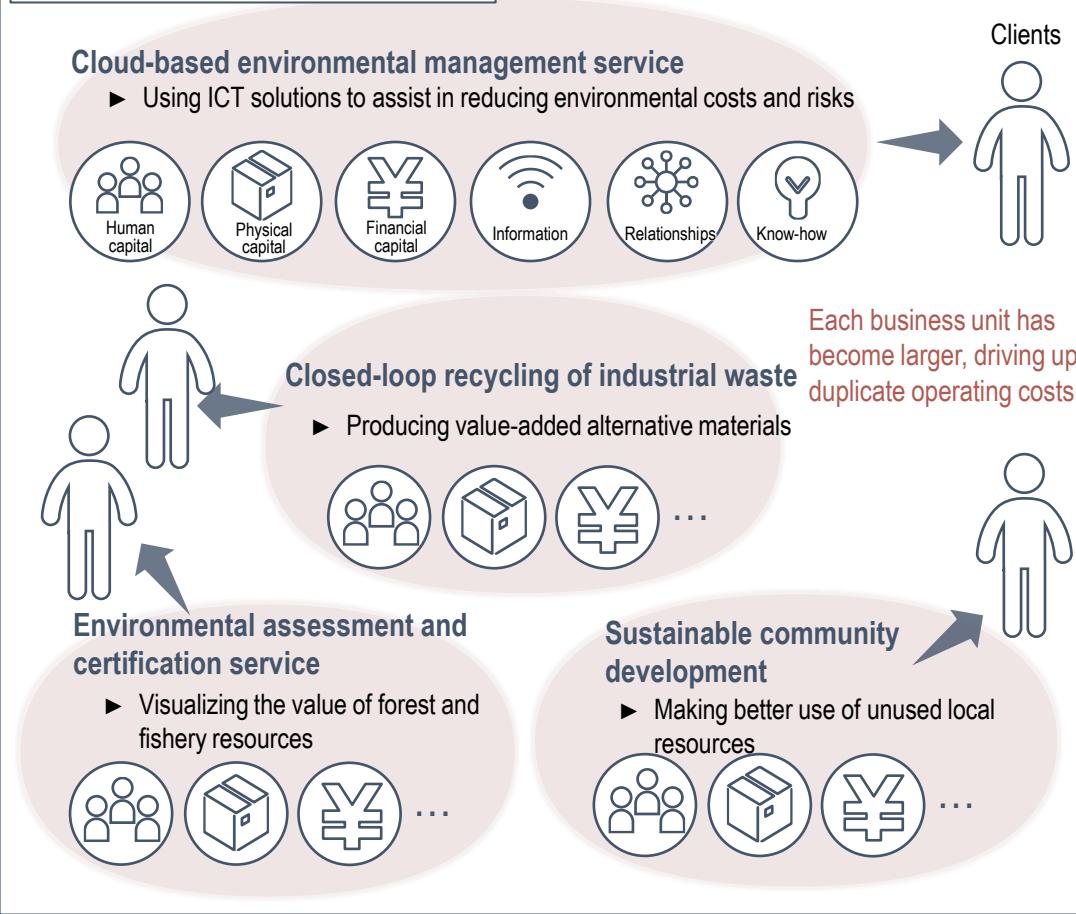
AMITA intends to play a leading role in **developing a circular market—a new and promising frontier**—in the geographically small Japan.

AMITA Group's Medium-Term Management Plan for FY 2024 and 2025

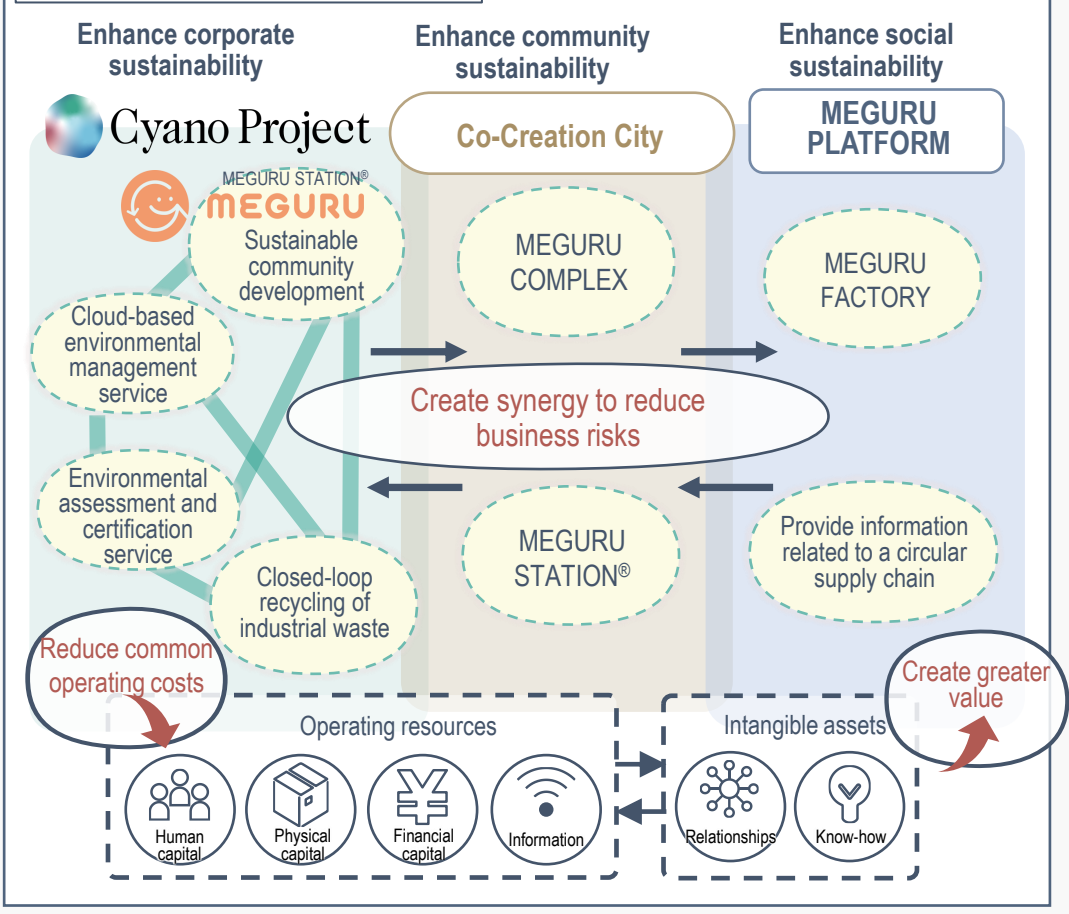
Transform our business by aligning nonlinear business models into a larger linear model

to make our revenue stream more robust and sustainable

AMITA's conventional business



AMITA's transformed business



In FY 2024 and 2025, we intend to follow through with our transformation initiatives launched in the Business Development Phase (FY 2021 to 2023) and focus on **laying a solid groundwork for future growth.**

Key Strategies for the Groundwork Phase in FY 2024 and 2025

Maximize the sales opportunities for our service products and solutions

Strategy

02 | Sales strategy

Upgrade our marketing operations

Actions to take

- ▶ Establish a cross-functional department responsible for coherently coordinating and managing AMITA's corporate communication, marketing, and sales
- ▶ Establish a **framework for soft-selling and value-marketing approaches**

Strategy

01 | Product strategy

Convert sustainability needs into business opportunities

Upgrade our solutions for assisting businesses and municipalities in achieving greater corporate and community sustainability

Actions to take

- ▶ Solutions for businesses
 - Upgrade the value proposition of Cyano Project
- ▶ Solutions for municipalities
 - **Develop Co-Creation City and MEGURU COMPLEX initiatives**

Strategy

03 | Organizational strategy

Find a way out of innovator's dilemma; transform the organization and culture to encourage employees to shift their mindsets to "out-of-the-box" thinking

Actions to take

- ▶ Offer performance-based compensation packages to employees
- ▶ Eliminate mid-level manager positions and replace them with a **self-organizing management style*** to encourage every employee to take leadership at work
- ▶ Design a **logic tree based on the OKR management framework** to visualize how an organizational objective and performance relate to each employee's objective and performance

Strategy

04 | Accounting strategy

Implement a management accounting system

Action to take

- ▶ Tightly manage our budget performance and costs to achieve a higher operating profit margin.

Operating profit margin
 FY 2025 target: **12.8%**
 (**10.4%** for FY 2023)

Strategy

05 | Relationship-building strategy

Pursue partnerships more aggressively

Actions to take

- ▶ **Establish a joint venture with the Sumitomo Mitsui Finance and Leasing Group in April 2024**
- ▶ Develop a circular market in Indonesia in collaboration with Indocement
- ▶ Participate in a **joint project to develop a platform shared by** businesses, municipalities, and government offices

TBA

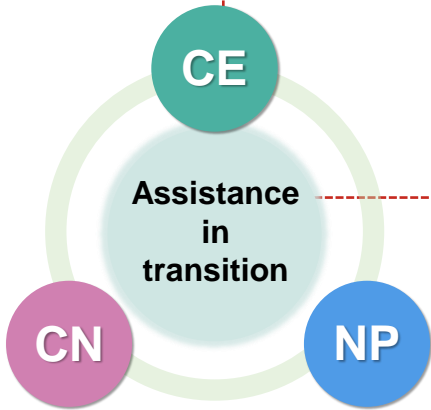
*Self-organizing dynamics is a phenomenon in which individual organisms behave independently of each other, without a big-picture perspective, but unconsciously form an orderly system as a result. A self-organizing management style encourages every employee to demonstrate ownership and leadership at work and keep creating greater value as a team

Expand the Advantage and Scope of Cyano Project

Step up corporate communication, including industry and public relations, to engage more corporate clients and develop long-term partnerships with them

AMITA plays the role of a circular "Do Tank"

Three key drivers for transition strategy



CE: Circular economy
CN: Carbon neutrality
NP: Nature positivity

Consulting service

Provide TCFD- and TNFD-compliance solutions and a factory support service package to provide integrated consulting to corporate clients on these three key drivers

Solution service

Assist in conducting a PoC assessment on business development, based on insights gained through consultation with clients

Operation service

Assist in providing, maintaining, and operating a new system to allow clients to focus on creating value in their core business operations

AMITA and client



Cross-functional task force

Assist the client's task force comprising members of corporate management, procurement, manufacturing, sales, public relations, and IR in developing and implementing a shared strategy for making a transition to a circular business model

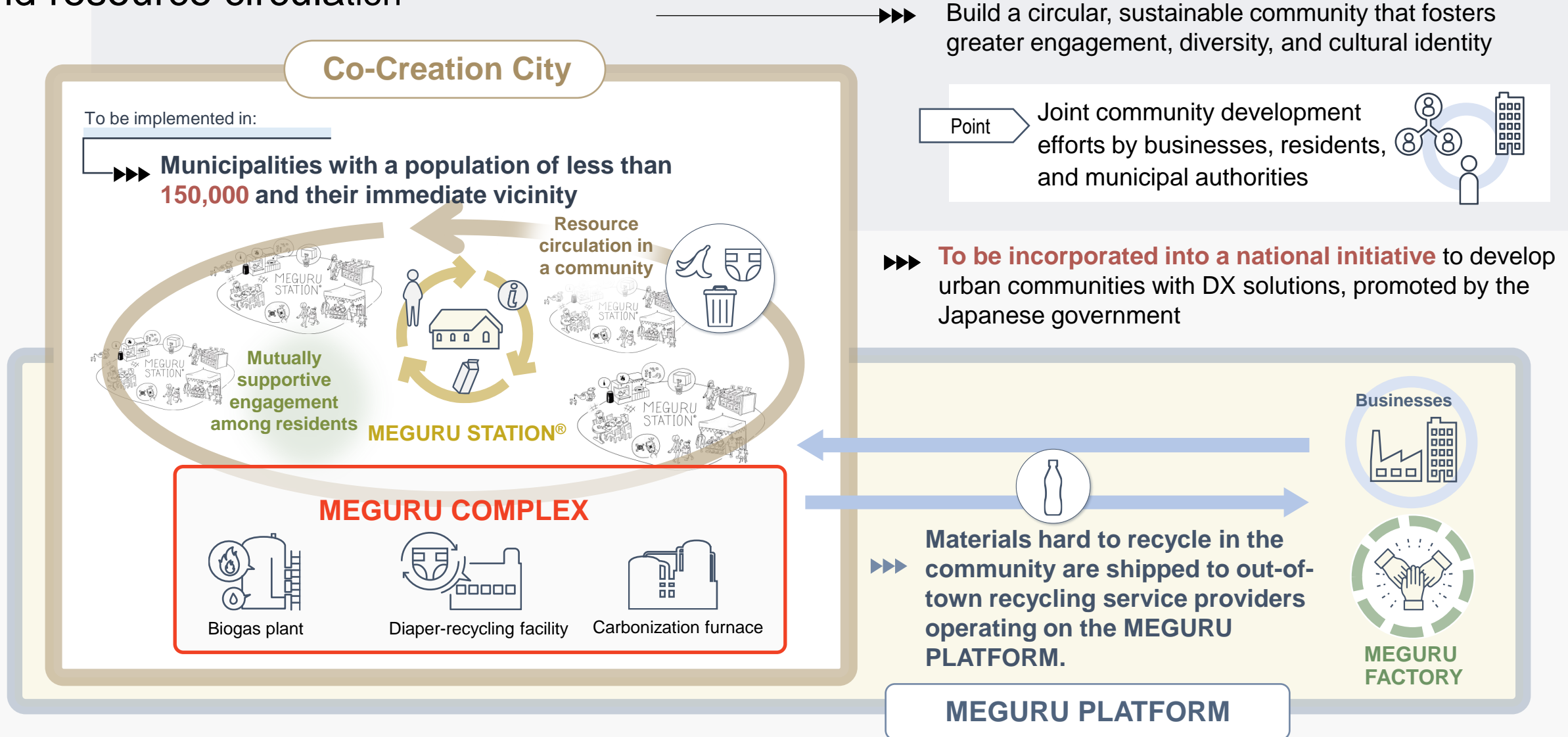
Fulfill the client's need to access ESG information and select a venue for conducting a field test to verify the business case

▶▶▶ **Use MEGURU STATION® as an information access point and a venue for a field test**

▶▶▶ Conduct a PoC assessment on AMITA's circular platform as part of assisting clients in fulfilling their circular business needs

Introducing AMITA's Co-Creation City Initiative

to build a sustainable community based on greater engagement and resource circulation



MEGURU COMPLEX

addresses communities' waste-management challenges

Communities' challenges

Incinerating municipal waste

- Incinerating water-containing waste, such as food waste (80% water) and used diapers (70% water), is energy-consuming.
- Incinerators are a major source of CO₂ emissions in the community.
- Financially challenged communities with a shrinking population do not have a sufficient budget for maintaining municipal incineration facilities.

Municipal incineration facilities

They need to be overhauled every 20 to 30 years to remain in operating condition.

650 of the 936 operating and non-operating municipal incineration facilities are **20 years old or older** in Japan.

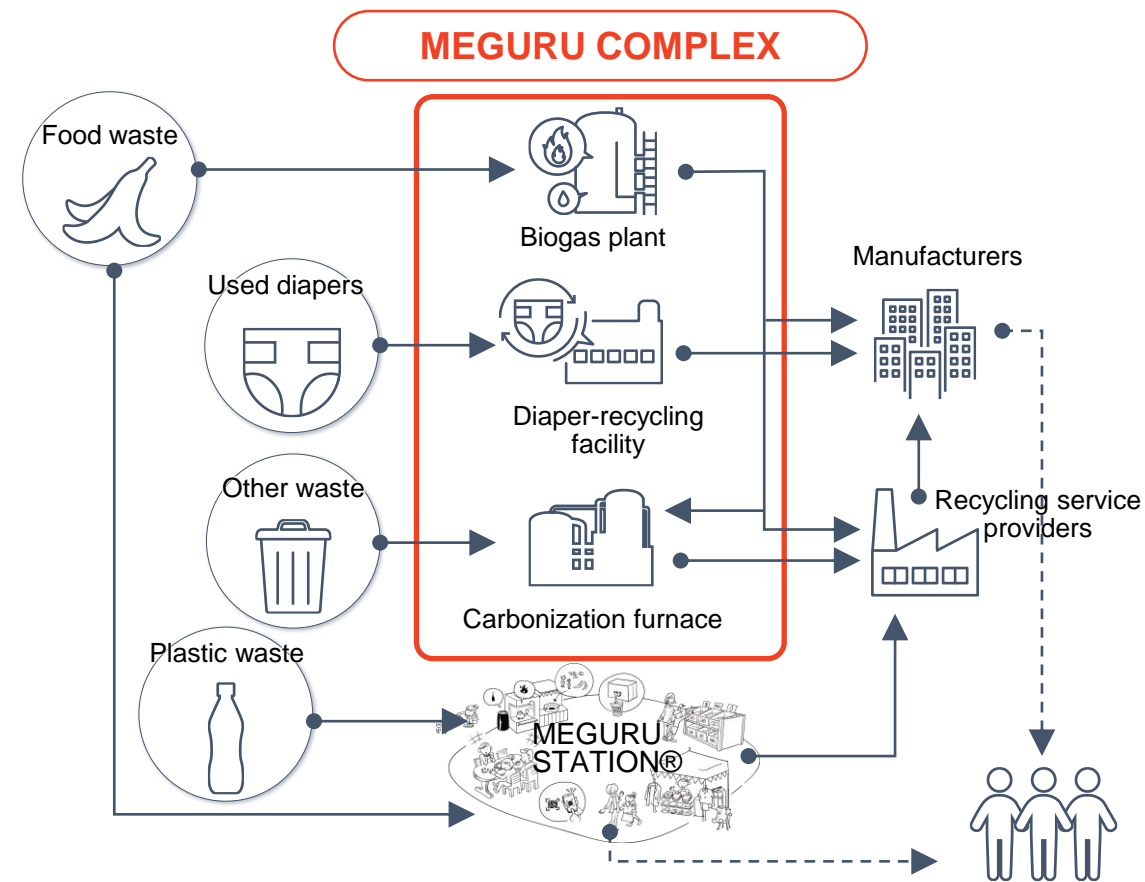
Combustible municipal waste by type

Food	Paper and textiles	Plastics	Wood and grasses	Other
28%	37%	15%	6%	15%

Used diapers: 5% (included below)

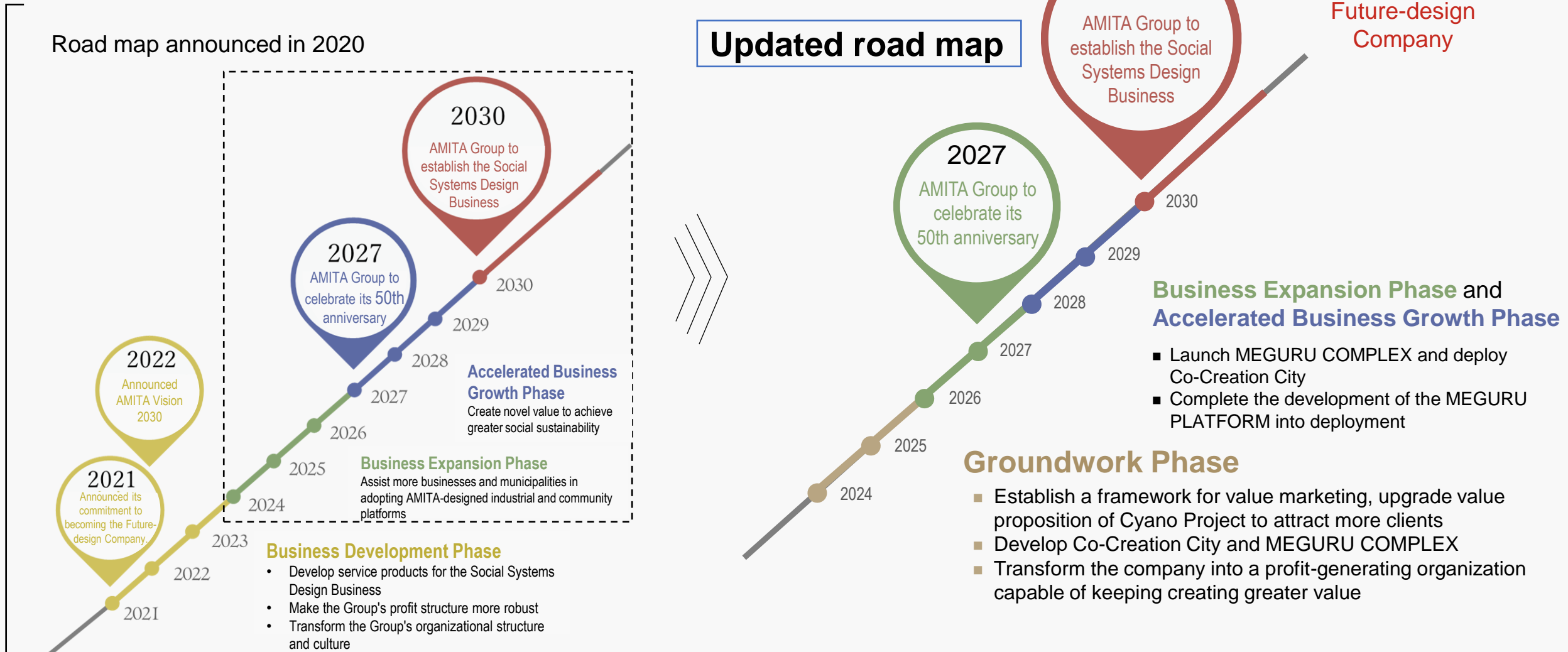
Source: "A Report on the Use and Disposal of Containers and Packages in the 8 Largest Cities in Japan in 2022" and "A Report on the Recycling of Used Diapers in 2022," published by the Ministry of the Environment

Recycle combustible municipal waste into usable resources, eliminating the need for incineration and land-filling



The combination of MEGURU STATION® and other integrated solutions assists in the closed-loop recycling of waste and streamlined waste management.

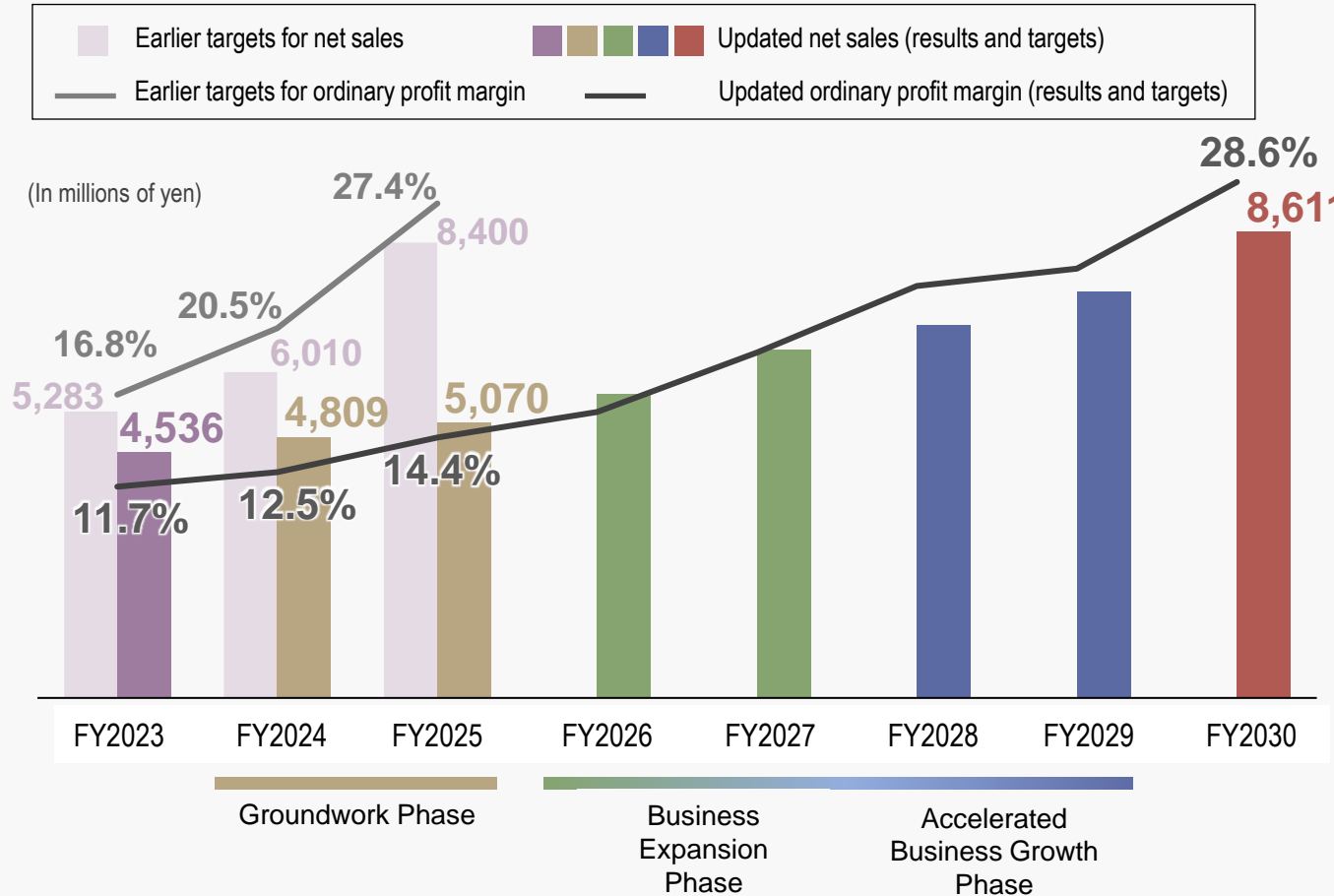
AMITA's Updated Road Map through 2030



During the Groundwork Phase in FY 2024 and 2025, we focus on transforming the Group's organizational structure, bolstering its financial performance, and preparing for business expansion. We will enter the Business Expansion Phase in FY 2026 with the goal of achieving an ecosystem society in FY 2030.

Six-Year Management Plan for FY 2025 through 2030

We have updated our revenue and profit targets as shown below, reflecting changes in our operating environment brought about by recent geopolitical developments, including the Russia-Ukraine conflict and the clash between Israel and Hamas.



FY 2024 and 2025

- Establish a framework for value marketing, upgrade value proposition of Cyano Project to attract more clients
- Drive the growth of our silicon-recycling business by tapping into the solid growth of the chip industry
- Launch the Social Systems Design business in Malaysia
- Develop new business at Circular LinX Co., Ltd.

FY 2026 through 2030

- Cyano Project to drive the Group's revenue growth
- Grow the service business at Circular LinX
- Monetize the resource-recycling business in Indonesia
- Launch MEGURU COMPLEX
- Establish the MEGURU PLATFORM

AMITA aspires to become a leading circular platform player by FY 2030, capable of envisaging and designing a sustainable future.

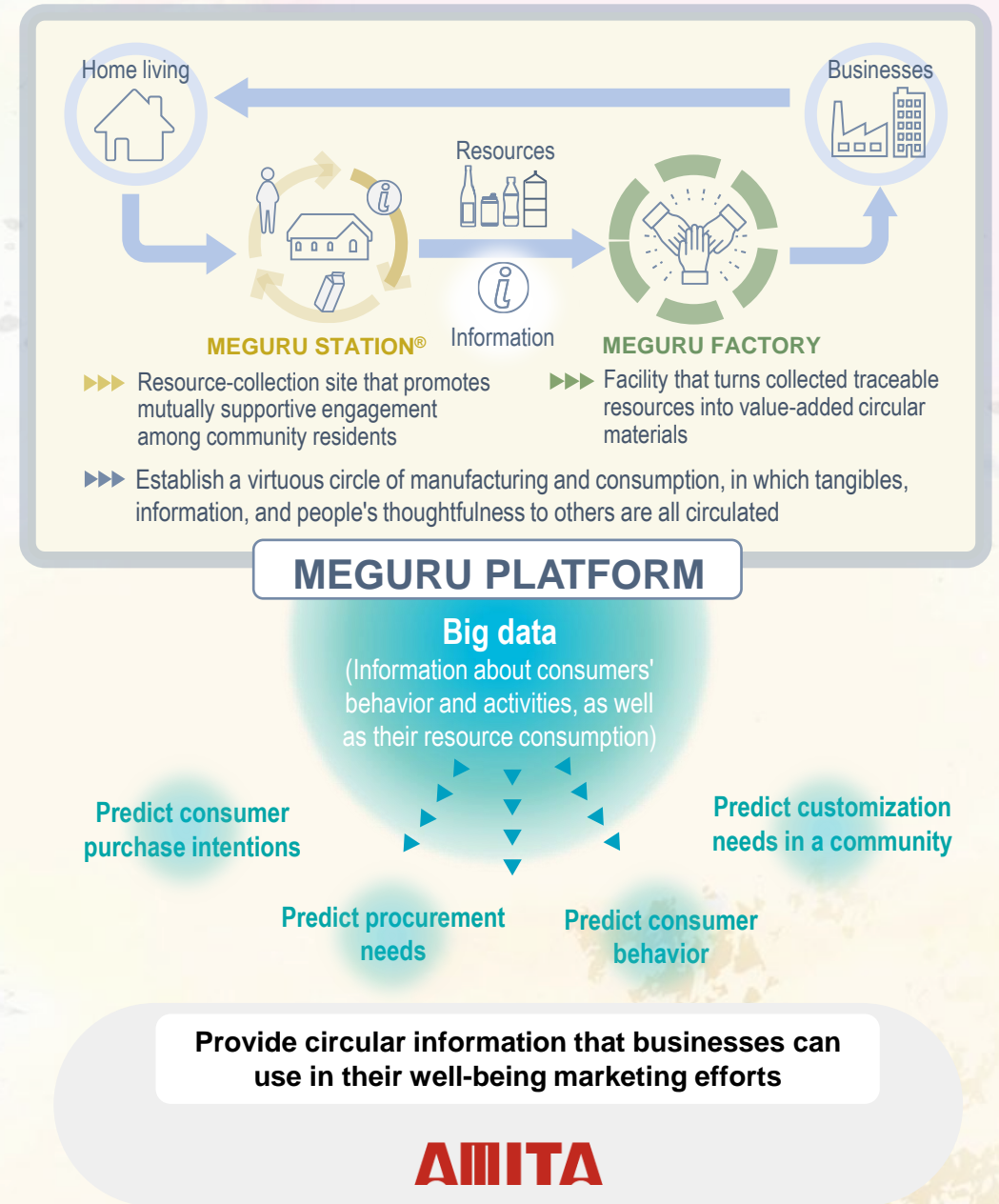
Financial Targets for the Groundwork Phase in FY 2024 and 2025

(In millions of yen; amounts rounded down to the nearest million yen)

	FY 2023 results	FY 2024 targets	FY 2025 targets
Net sales	4,536	4,809	5,070
Operating profit	472	540	651
Ordinary profit	530	599	731
Profit	308	371	489
Operating profit margin	10.4%	11.2%	12.8%
Ordinary profit margin	11.7%	12.5%	14.4%

In FY 2024 and 2025, we intend to follow through with our transformation initiatives launched in the Business Development Phase and **focus on laying the groundwork for growth and bolstering our financial performance.**

By FY 2030, AMITA aspires to become a leading circular platform player that compiles circular information from residents, businesses, and municipalities for community and commercial use.



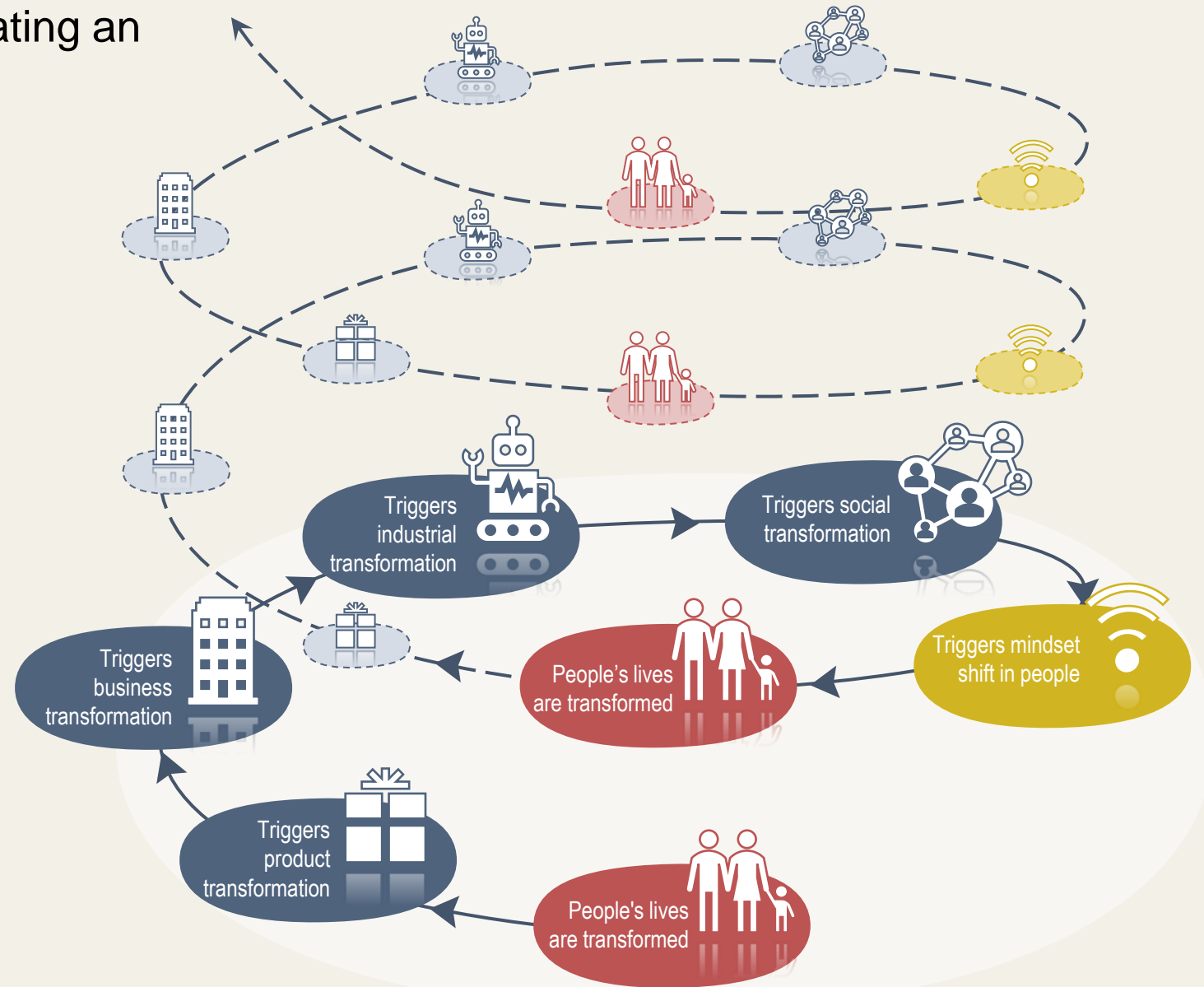
AMITA Vision 2030:

AMITA's initiative and commitment to creating an ecosystem society by 2030

An ecosystem society is a circular society that promotes the circular use of land and resources to maximize their value.

It is a relationship-driven society in which natural and relational capital will be enhanced in a virtuous circle as it grows.

AMITA spurs social innovation that brings people **maximum happiness** with **minimum consumption**.



AMITA's Five Commitments to Earn and Retain Public Trust

1. AMITA delivers on "Our Mission."
2. AMITA remains autonomous.
3. AMITA delivers social good in the belief that a team of ordinary people can do something extraordinary.
4. AMITA stays at the forefront of achieving an ecosystem society in which every member plays a leading role, as well as a supporting role.
5. AMITA pursues business to increase natural and relational capital and upholds the dignity of all life forms.

For inquiries about this document, send emails to the Investor Relations Section of
AMITA HOLDINGS CO., LTD. at ir@amita-net.co.jp

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