

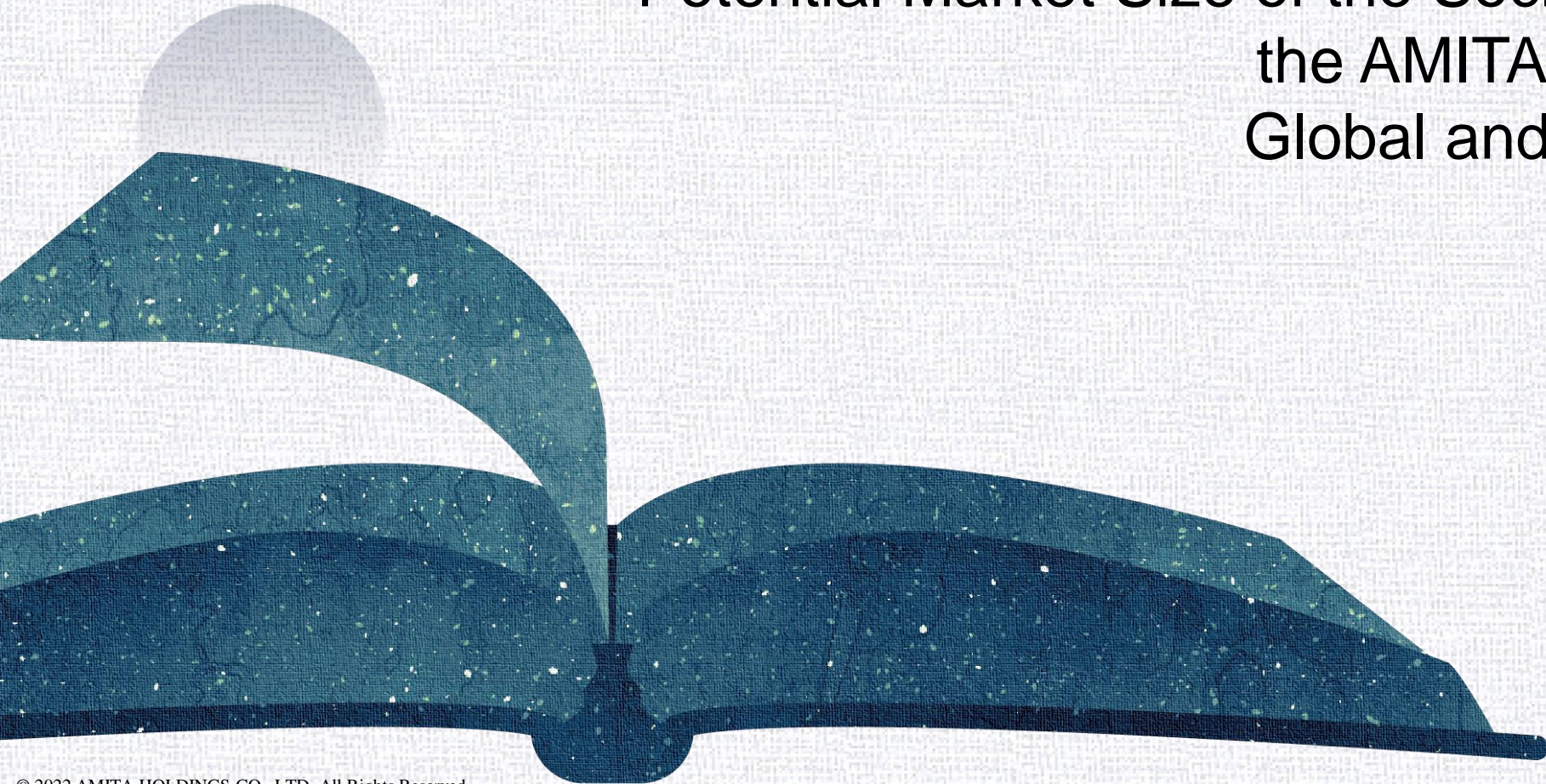
**Connecting people, nature,
tangibles, and information**

**AMITA's Initiative and
Commitment to Creating
an Ecosystem Society
by 2030**



Markets
by
the numbers

Potential Market Size of the Social Impact Business the AMITA Group is Pursuing: Global and Japanese markets



Global



Estimated market size of SDGs-related business

3,000 trillion plus yen in 2017

Basis of calculation: 1 USD = 120 JPY

Source: "Final Report on SDGs Business Potential and Rules Development," published by Deloitte Tohmatsu Consulting in 2018

Supplemental information: Global market size of key industries

Automobiles



354
trillion yen

2022 (estimated)

Smartphones



Global factory shipment

42.6
trillion yen

2022 (estimated)

Games



21.9
trillion yen

2021

Mobile apps

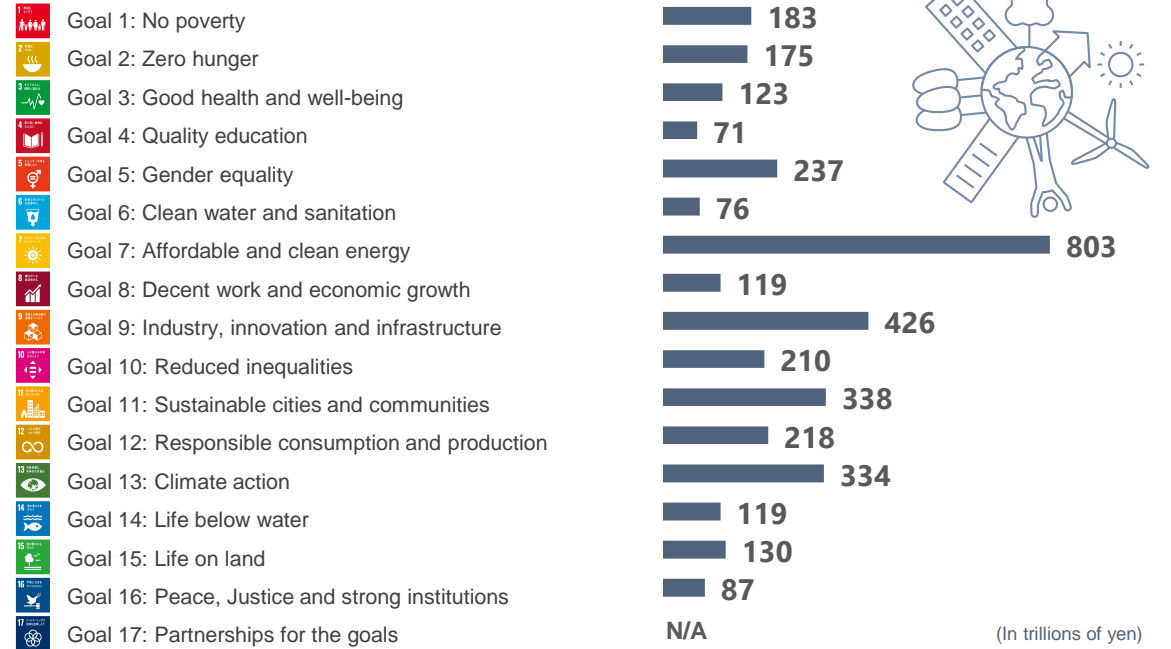


Including subscription fees and in-app purchases

15.9
trillion yen

2021 (estimated)

Estimated market size of SDGs-related business for Goal 1 through Goal 17 in 2017



Sources Automobiles: "Global Automotive Manufacturing Industry Revenue between 2019 and 2022," published by Statista
Smartphones: "2017 White Paper on Information and Communications," published by the Ministry of Internal Affairs and Communications of Japan
Games: Nikkei X Trend
Mobile apps: "Global Consumer Spending in Mobile Apps Reached \$133 Billion in 2021, Up Nearly 20% from 2020," reported by Sensor Tower

Market size of circular economy business

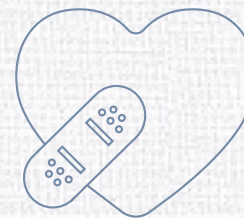


By 2030, it is projected to reach

540 trillion yen

Source: "Second Review of the Fourth Fundamental Plan for Establishing a Sound Material-Cycle Society and the Development of a Road Map for the Circular Economy," published by the Ministry of the Environment of Japan in September 2022

Market size for mental-health-care services



46 trillion yen
in 2020

64.5 trillion yen
in 2030 (projected)

Source: "Mental Health Market," published by Allied Market Research®

Market size of circular economy business



53.7 trillion yen
in 2019

80

trillion plus yen in 2030

The Japanese government seeks to boost the nation's circular economy by **30 trillion yen in 10 years.**

Source: "Second Review of the Fourth Fundamental Plan for Establishing a Sound Material-Cycle Society and the Development of a Road Map for the Circular Economy," published by the Ministry of the Environment of Japan in September 2022

Market size of global-warming-mitigation business



53 trillion yen
in 2050 (projected)

Source: "Report on the Market Size and Employment in the Environmental Industry," published by the Ministry of the Environment in June 2022

Market size for municipal waste-management services



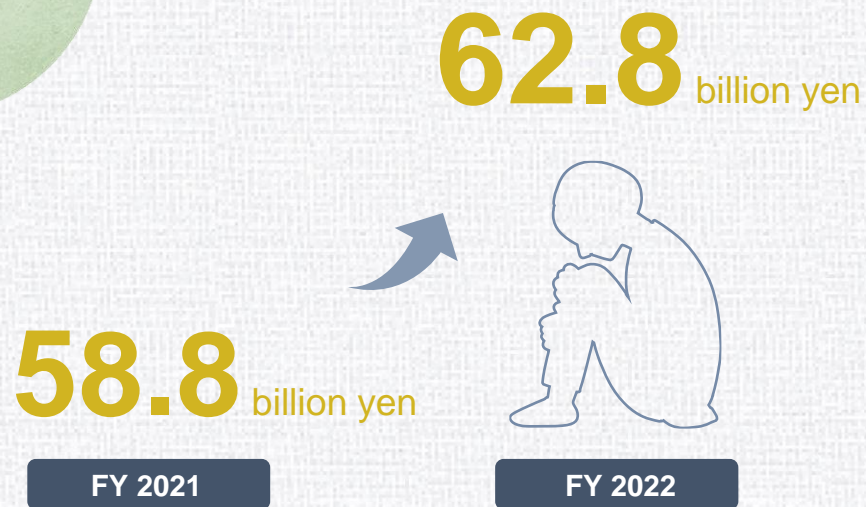
2.1 trillion yen,
or **16,800** yen per capita, in 2020



Source: "Research Findings on General Waste Management Services for 2020," published by the Ministry of the Environment

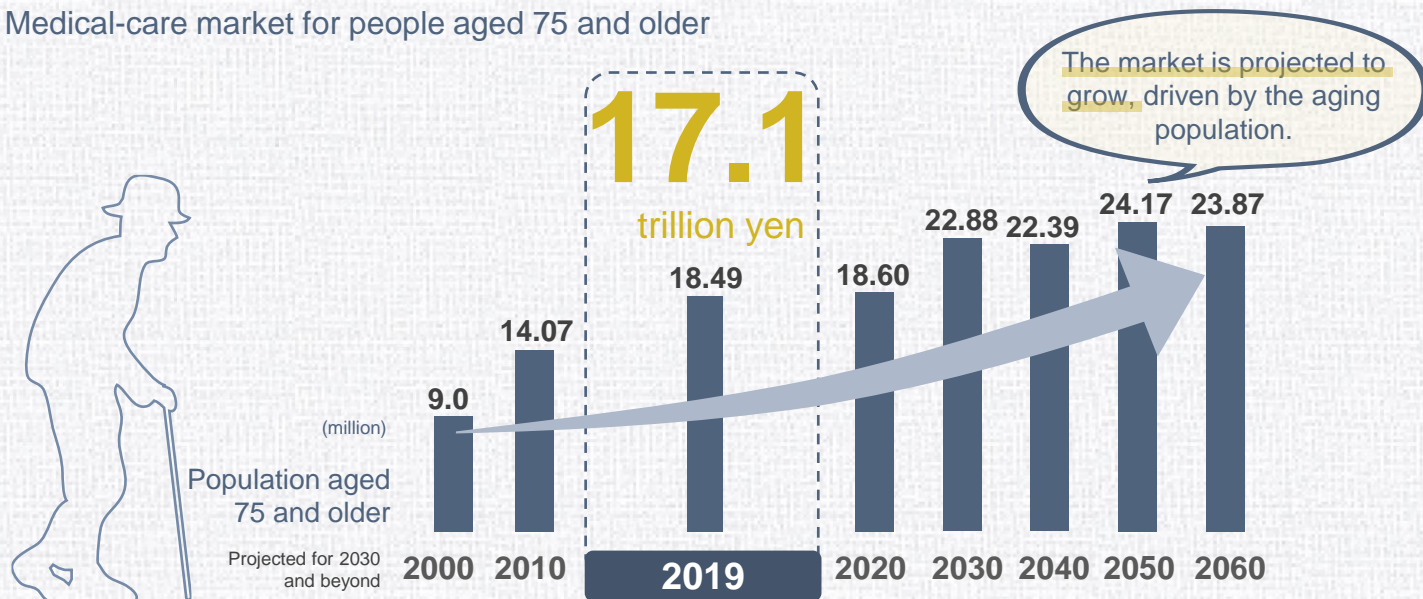
Japan

National budget for caring for people feeling isolated and lonely



Sources: "Overview of Proposed Budget for FY 2021" and "Overview of Proposed Budget for FY 2022," published by the Ministry of Health, Labour and Welfare

Medical-care market for people aged 75 and older



Sources: "Basic Data on Medical Insurance: Medical Expenses for FY 2019," published by the Ministry of Health, Labour and Welfare; "Annual Report on the Aging Society 2022," published by the Cabinet Office

Market size for municipal nursing-care services in metropolitan areas

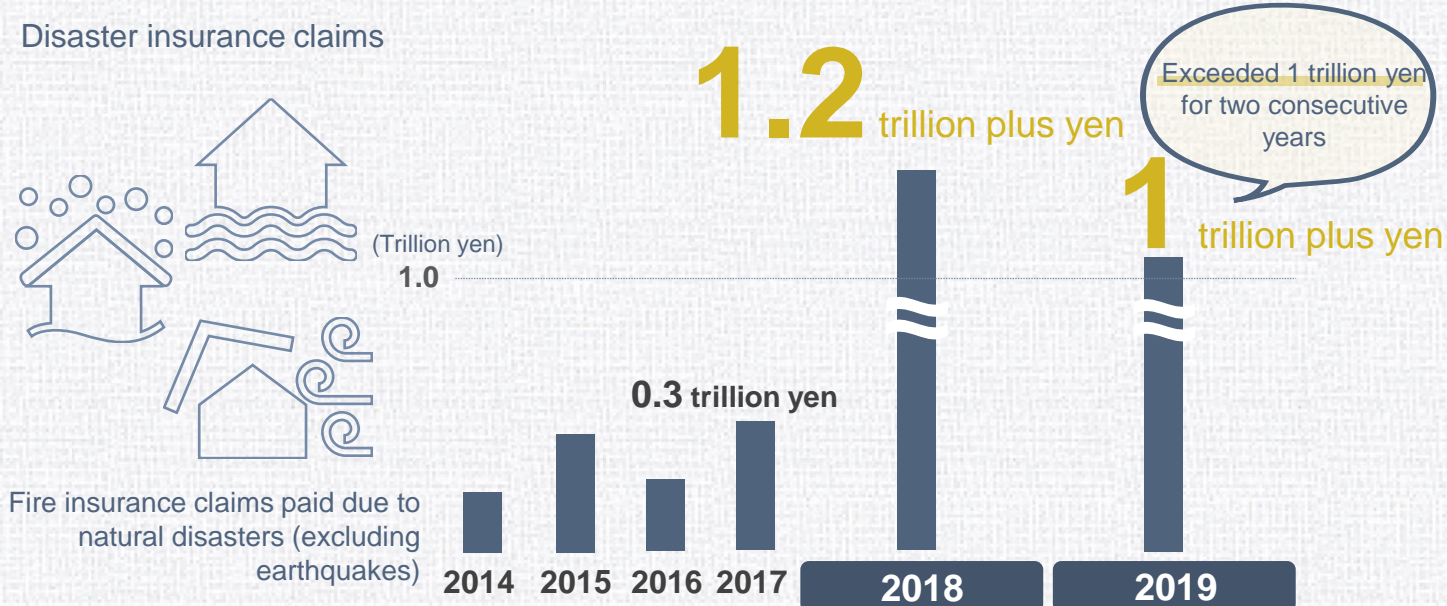
0.8 to 1 trillion yen in 2020



	(In billions of yen)
Tokyo	977.7
Osaka	792.7
Kanagawa Prefecture	672.1
Aichi Prefecture	519.3
Saitama Prefecture	488.9

Source: "Payments of Nursing-Care and Preventive Nursing-Care Insurance Benefits by Prefecture," published on e-Stat

Disaster insurance claims



Source: "Advisory Panel's Report on Flood Insurance Premium Rates," published by the Financial Services Agency



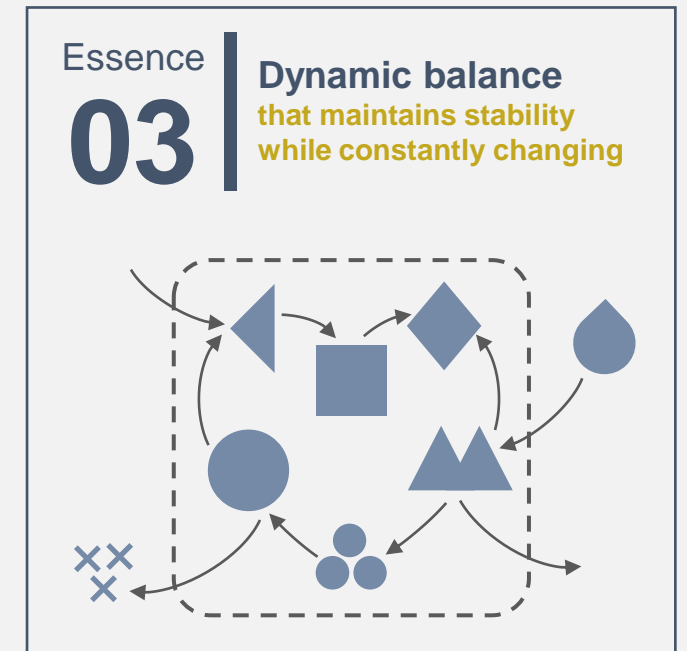
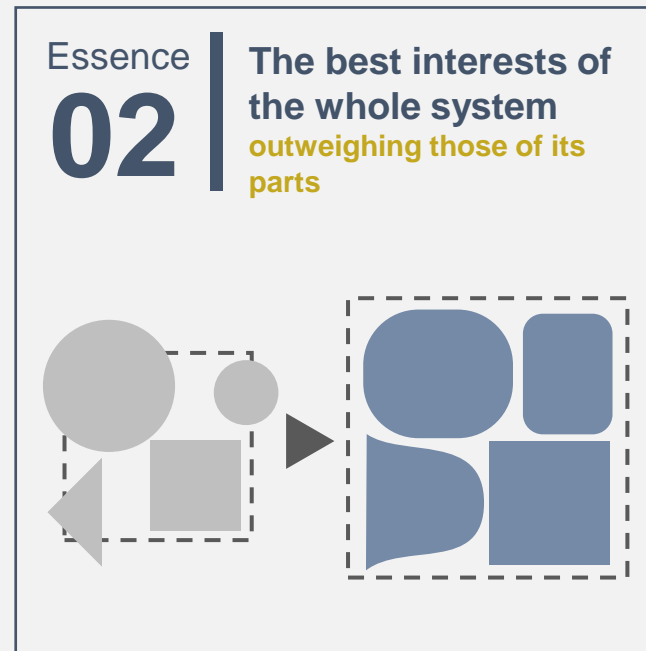
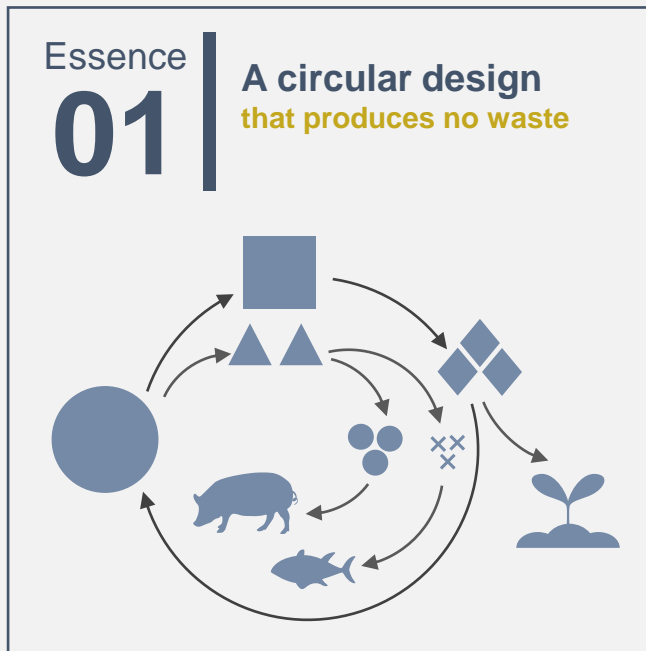
AMITA's social impact business is focused on establishing a community-based mutually supportive social system that operates without subsidies from or supervision by the national or municipal governments.

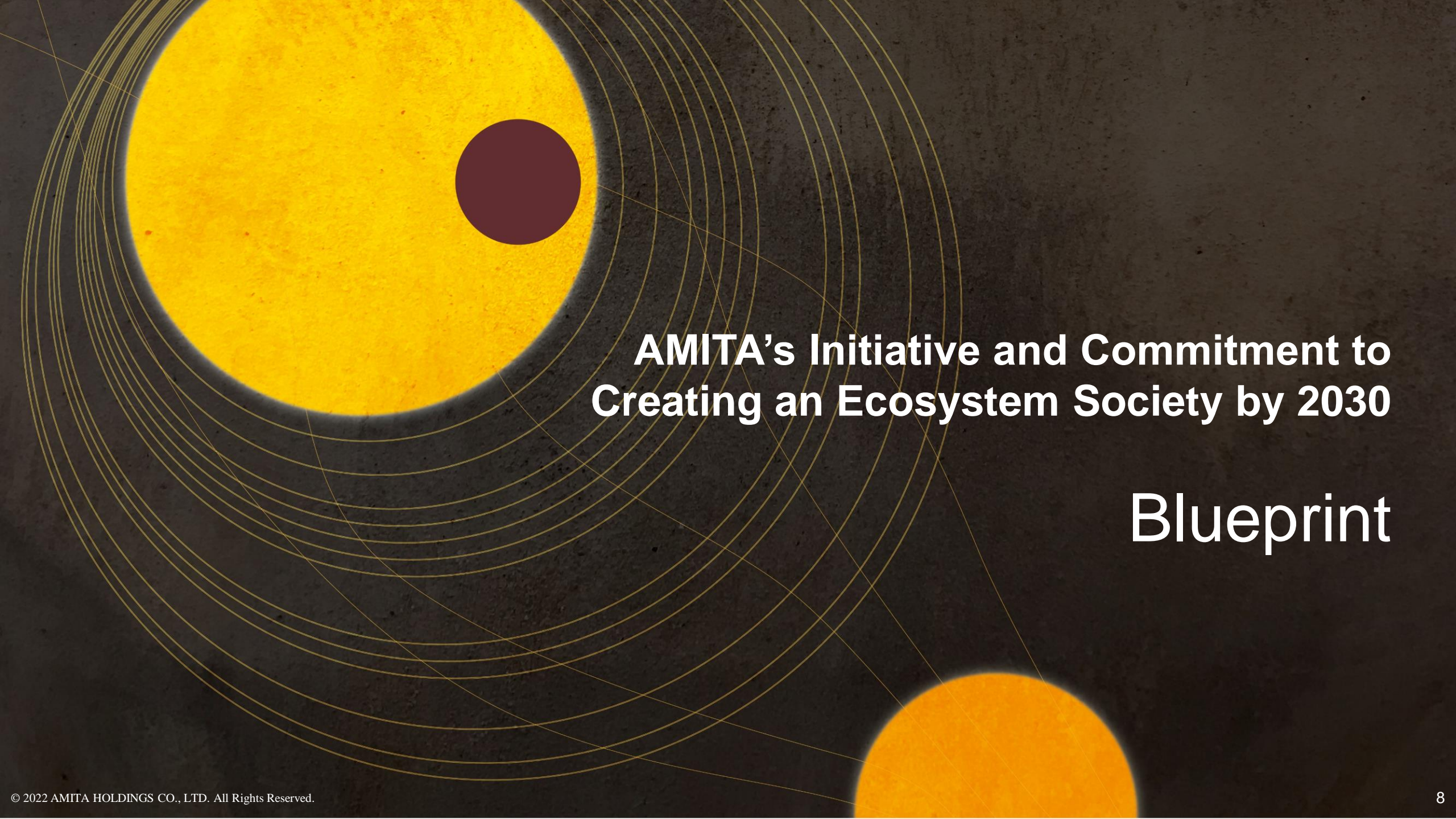
How do we do that?



By building **an ecosystem society** that **drives social innovation** to restore the sustainability of resources and the environment, as well as wholesome people-to-people relationships

Essence of an ecosystem





**AMITA's Initiative and Commitment to
Creating an Ecosystem Society by 2030**

Blueprint

AMITA's Vision of an Ecosystem Society in 2030



Ecosystem-driven business management

Operating change-resilient, profitable, and sustainable business models



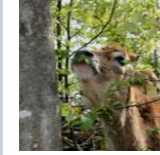
Zero product disposal

Using national resource-circulation data to predict demand and prevent overproduction and the disposal of overstocked items



Full self-sufficiency of energy

Domestic renewable energy sources fulfilling the nation's electricity needs 100%



Living in harmony with nature

Making sustainable use of ecosystem services to keep nature healthy and bountiful



Greater community engagement

MEGURU STATION® operating in every community, providing residents with a place and means to circulate resources, share information, and engage with each other



People living long and healthy

Every resident feeling secure and having a role and purpose to fulfill



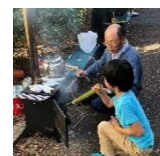
Healthy community management

Issues of population drain, declining employment opportunities, aging and shrinking population, and rising costs of social security programs resolved comprehensively



Zero waste incineration

More than 1,000 waste incineration facilities having ceased to operate around the country, replaced by a nationwide resource circulation program



People living free of loneliness

Nobody feeling lonely or isolated



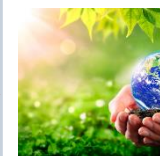
Living in harmony with forests

Marketing only sustainability-certified wood products



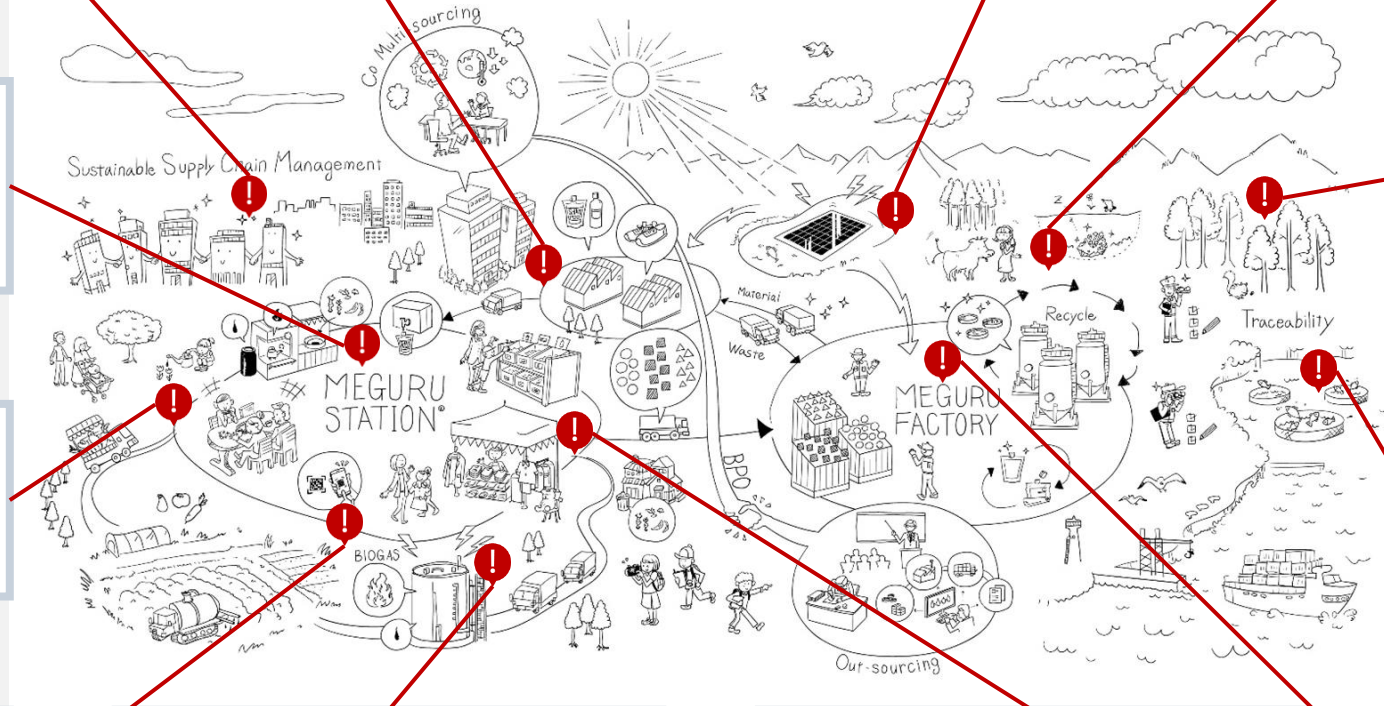
Living in harmony with the ocean

Marketing only sustainability-certified seafood



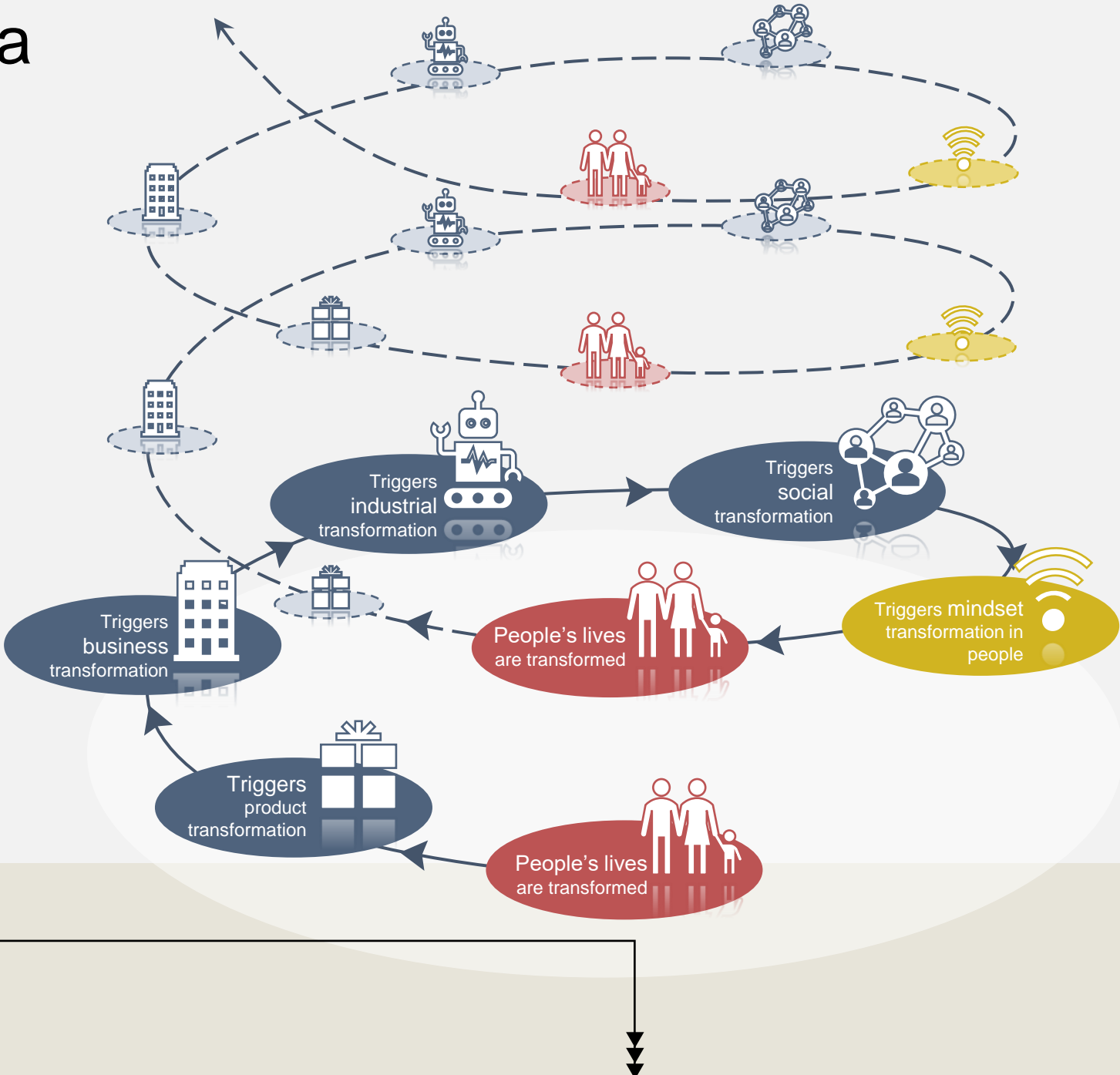
Greater resource circulation

MEGURU FACTORY operating in every prefecture, circulating resources collected from households and businesses



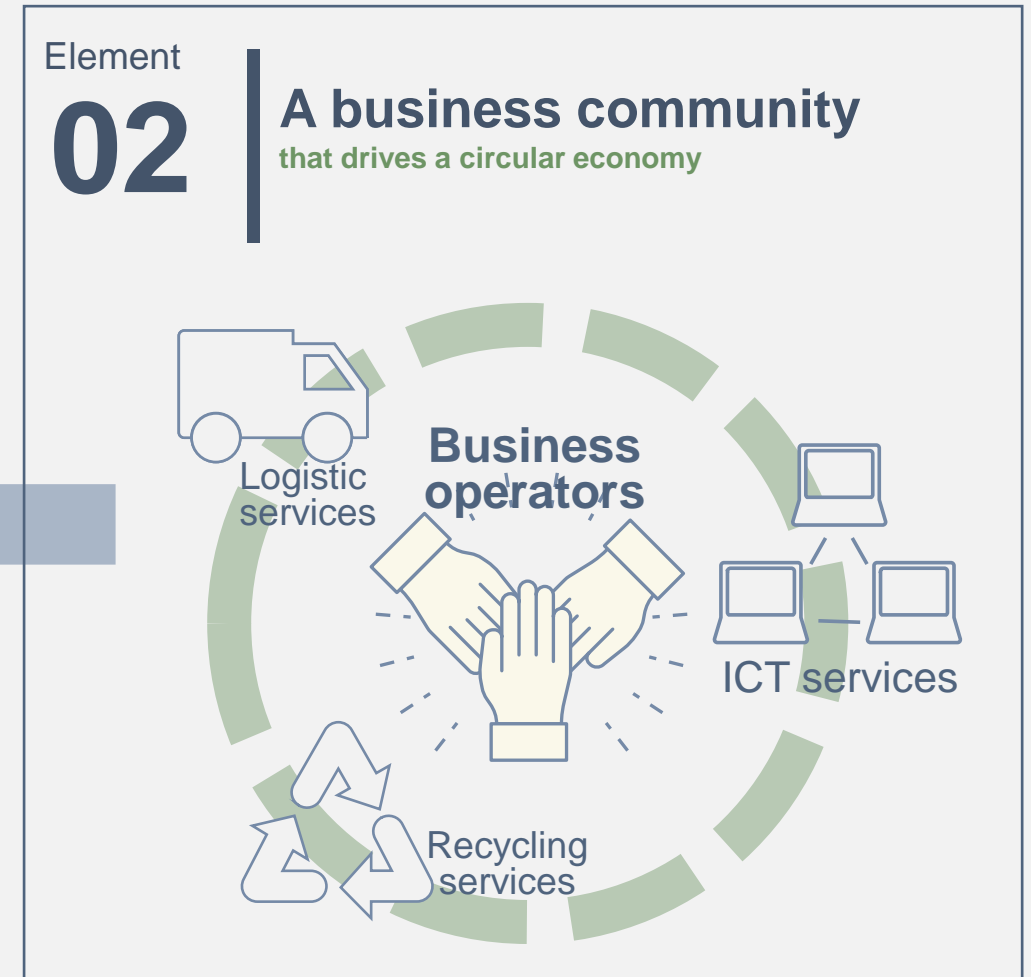
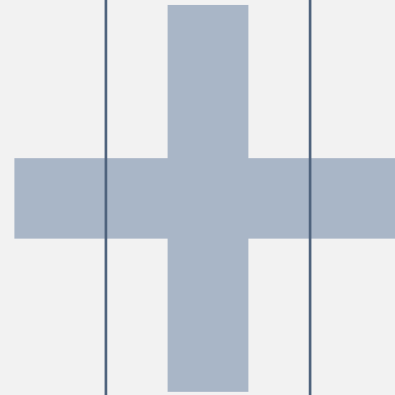
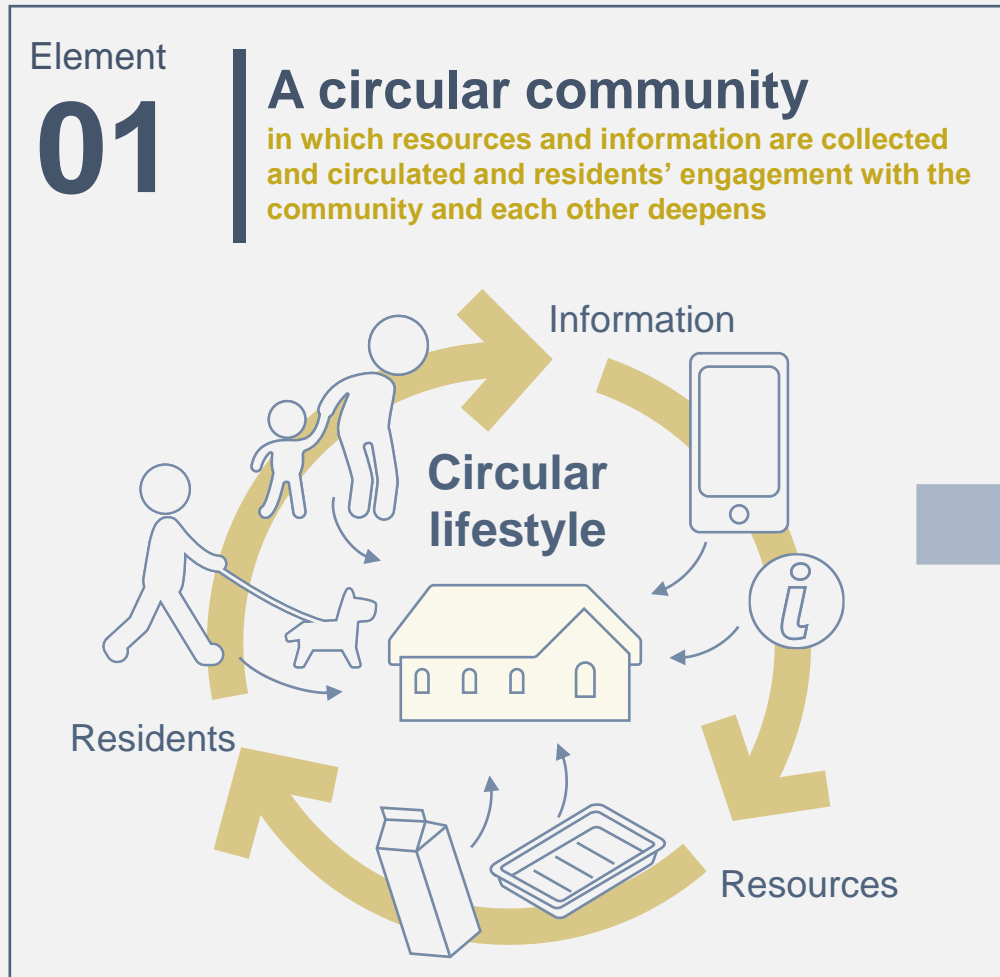
Innovation for Achieving a Better Society

The longer we live,
the harder we work,
the more we produce,
and the more we sell,
the deeper becomes our
social engagement.
How can we design
such social innovation?

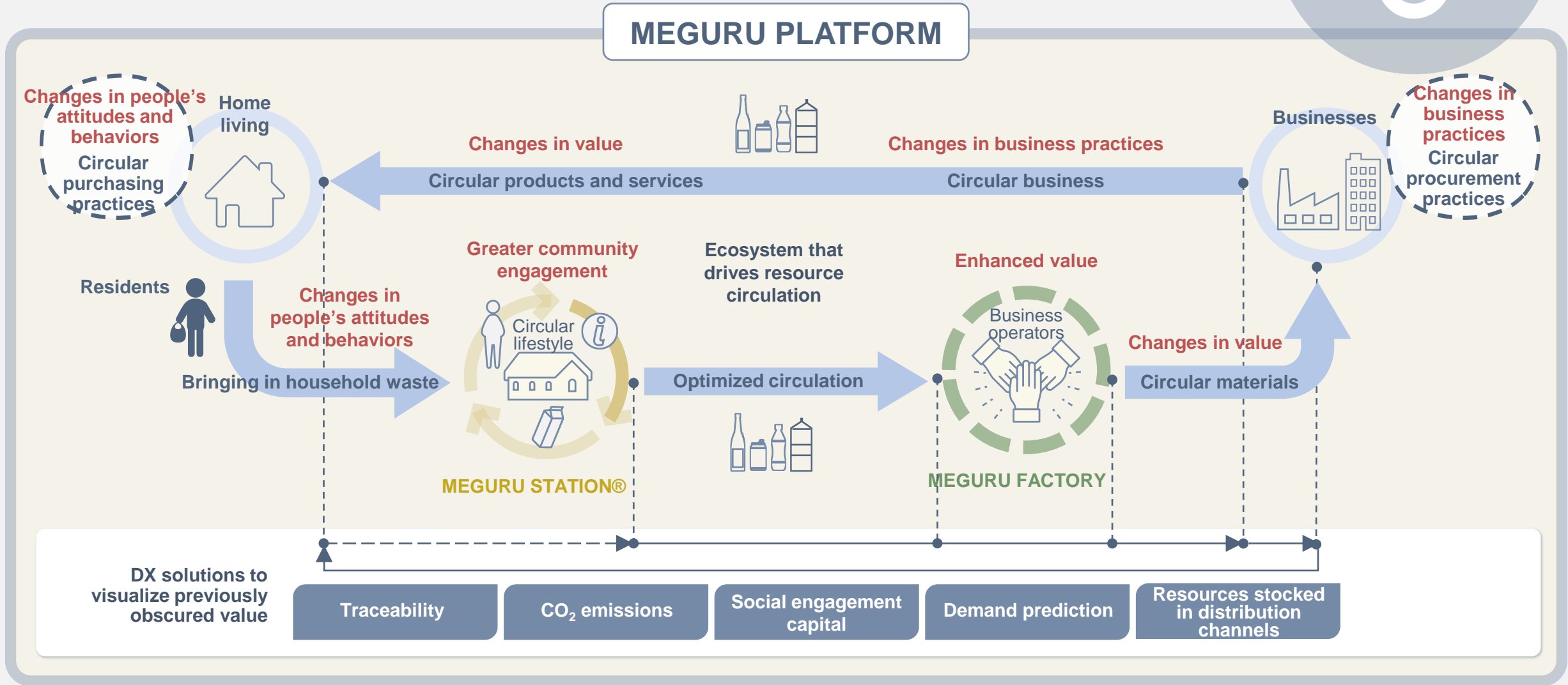


Designing an optimal social innovation

is establishing a mutually supportive social system

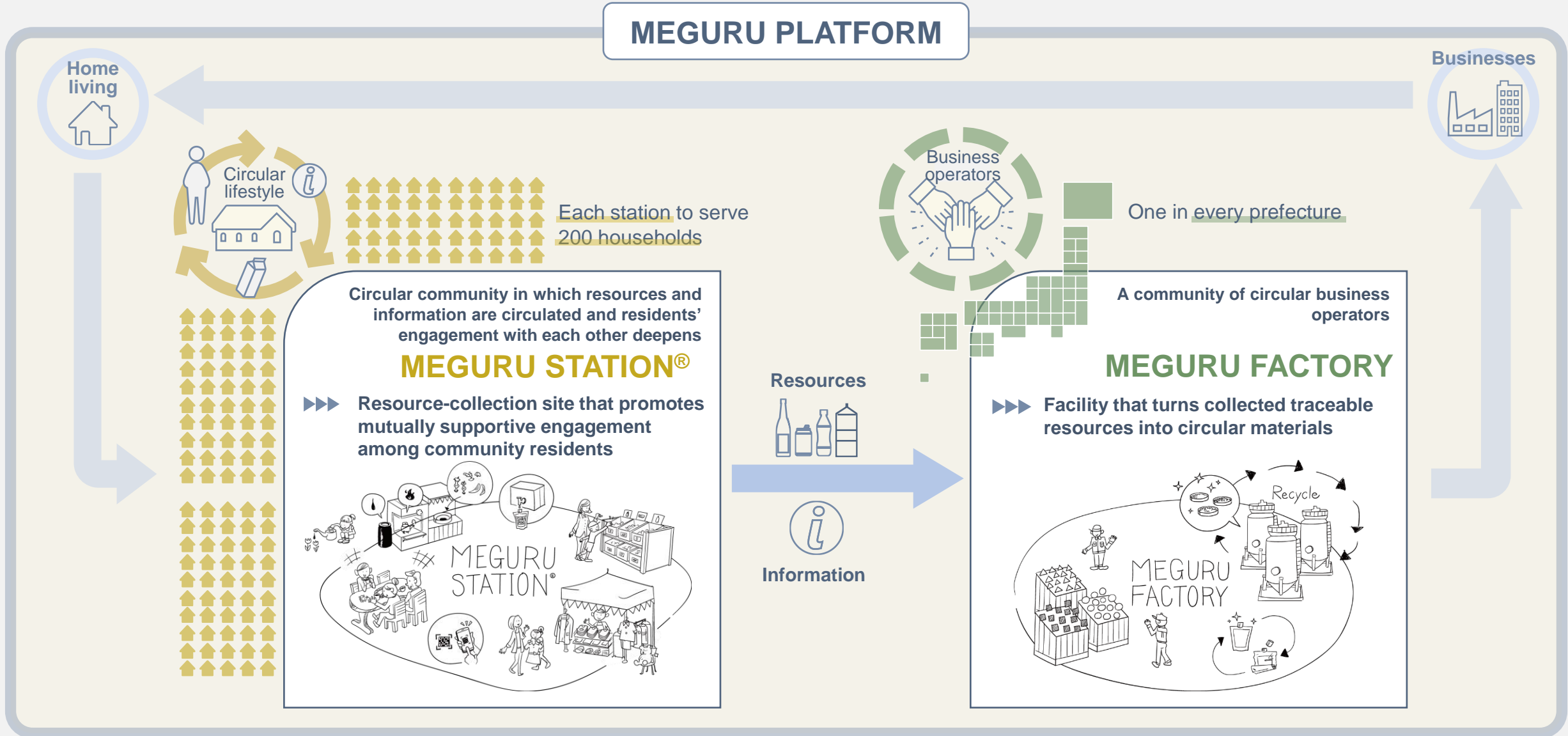


That is what AMITA's MEGURU PLATFORM is all about

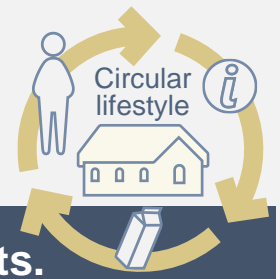


▶▶ Achieving a no-waste society that enriches people's lives and nature as people live longer and businesses sell more

Two Primary Components of MEGURU PLATFORM



MEGURU STATION® attracts people and resources



It is a resource-collection site that promotes mutually supportive engagement among community residents.

- ▶ Collecting sorted household waste and recycling it into value-added resources
- ▶ Building a mutually supportive community for residents around the station

- ▶ Using ICT solutions to encourage community residents to participate in resource-circulation efforts and engage with other residents
- ▶ Promoting local business and residents' well-being

Providing comprehensive solutions to all these challenges

Four major community challenges

- 01 Population drain
- 02 Declining employment opportunities
- 03 Aging and shrinking population
- 04 Rising costs of social security programs

Global environmental challenges

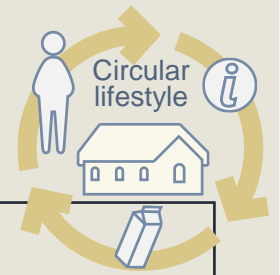
- 01 Depleting natural resources
- 02 Surging energy consumption
- 03 Climate change

Business challenges

- 01 Procurement risks
- 02 Business sustainability
- 03 Customer engagement



Primary Roles of MEGURU STATION®



Role

01

Promoting a mutually supportive community



Assisting in caring for and watching over children



Assisting in watching over the elderly Promoting intergenerational engagement among residents



Selling local specialties Offering trial use of new products

Benefits



Municipalities

Reduce costs of social security and welfare programs

- ▶▶▶ Including costs of medical care, caring for people feeling isolated and lonely, and watching-over services for children and the elderly



Businesses

Use information about consumer trends and resource consumption

- ▶▶▶ Predicting consumer demand to prevent overproduction



Residents

Make residents feel more secure

- ▶▶▶ Fulfilling their social and engagement needs

Role

02

Promoting resource circulation



Collecting sorted household waste



Flea markets for used items, everything-is-free stores



Manufacturers collecting used products and containers directly from end users for recycling

Benefits



Municipalities

Reduce environmental management costs

- ▶▶▶ Costs of collecting, transporting, and incinerating household waste



Businesses

Reduce procurement costs and risks

- ▶▶▶ Manufacturers collecting their own branded products and containers from consumers after use for recycling, and establishing a closed-loop resource procurement system

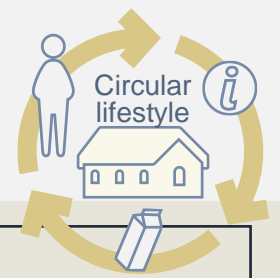


Residents

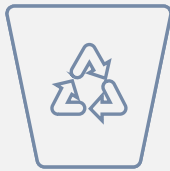
Achieve a cleaner living environment and raise eco-consciousness

- ▶▶▶ Discarding household waste any day of the week and living more ecological lives

MEGURU STATION® provides business solutions and opportunities



Solution 01 | No-waste resource circulation



MEGURU STATION® serves as a venue for manufacturers to collect used branded products and containers from residents



Collection box for used plastic bottles and containers MEGURU BOX®

Solution 02 | Sustainable product development



MEGURU STATION® serves as a venue for marketing sustainable products and services

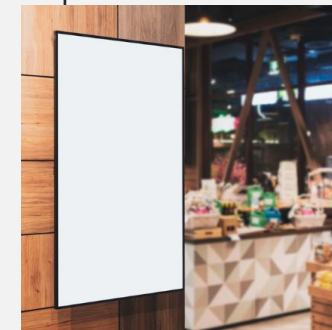


BYOB (bring your own refillable bottle) shop that sells household items such as shampoo and detergent in bulk (concept)

Solution 03 | Sharply focused sales promotion



MEGURU STATION® serves as a venue for running community-engagement ads and promotions for residents



Digital signage (concept)



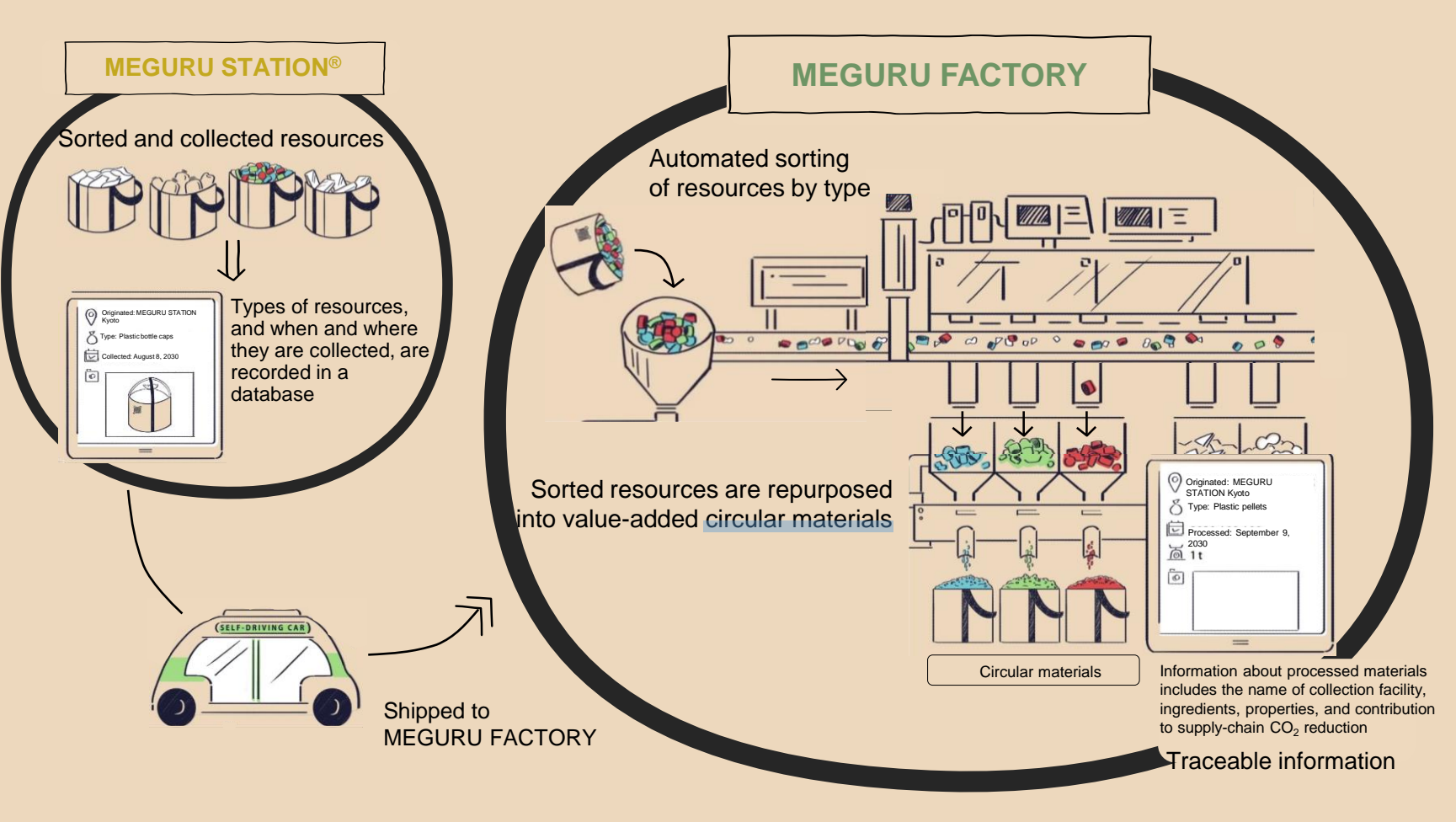
Community events and SDGs promotion activities sponsored by local businesses

and more

MEGURU FACTORY attracts resources and information



Turning collected resources into value-added circular materials



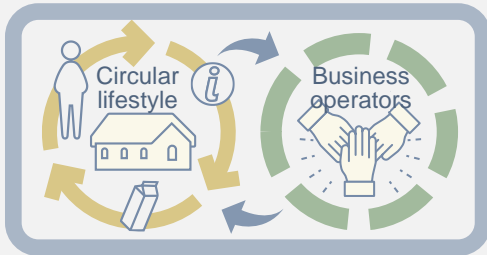
Role 01 | Producing circular materials

Circular materials (concept)

Role 02 | Supplying raw materials consistently to businesses seeking their sustainable procurement

Materials supply (concept)

Primary Roles of MEGURU PLATFORM



Role 01 | Predicting product demand and residents' behaviors in a served area

Base information

Each MEGURU STATION® provides:

- ▶ Resource information 
- ▶ Information about residents' behaviors:
 - Frequency of visits
 - Duration of each visit
 - Purchasing behaviors
 - Amount of resources brought in




Using information to optimize the demand-supply balance in factories (concept)

Role 02 | Sharing prediction results and insights for business and social benefits

-  Sharing insights with businesses
 - ▶▶▶ Using them to match production to demand and eliminate the need to dispose of overproduced or overstocked items
-  Sharing insights with municipalities
 - ▶▶▶ Using them to keep the community safe and secure



Promoting residents' health and safety (concept)

Role 03 | Visualizing traceability information about finished products

Making traceability information accessible for each product, including:

- Ingredients
- Manufacturing processes
- Supply-chain CO₂ emissions
- After-use collection method
- Recycling method

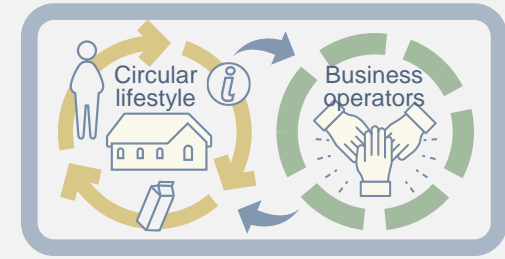


▶▶▶ Helping consumers make informed purchasing decisions




Providing product traceability information at retail (concept)

MEGURU PLATFORM transforms people's everyday lives



Transformation

01

Enabling consumers to make socially motivated purchasing decisions

I'm looking for eco-friendly products.

Socially motivated

I want to buy from socially responsible brands.

500 ml bottled mineral water
Smooth-tasting natural water sourced from a pristine mountain spring
Country of origin: Japan

Circulation rate of container: 100%

Ingredients, supply-chain CO₂ emissions, circulation process

CO₂ reduction 700kg-CO₂/t

Reproduced by: Company A

MEGURU FACTORY Kyoto

MEGURU STATION Kyoto

BUY

Consumers can check sustainability information labels on products when making purchasing decisions.

Transformation

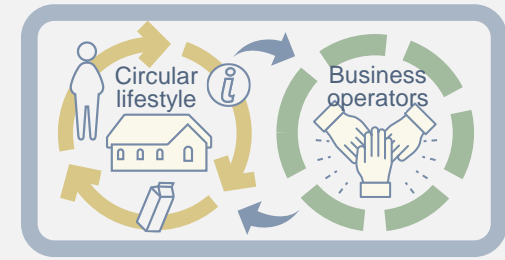
02

Enabling consumers to use circular materials to make things by themselves at home

Consumers can use a 3D printer to repair damaged products, repurpose used products, and create artwork.

REPAIR SHOP

And MEGURU PLATFORM transforms industry



Transformation
01 | **CO₂** ↓

Locally procure circular materials to reduce supply-chain CO₂ emissions and ensure stable supply of materials



Reducing supply-chain CO₂ emissions (concept)

Transformation
02 | **Use demand prediction data to control production and prevent overproduction or disposal of overstocked items**

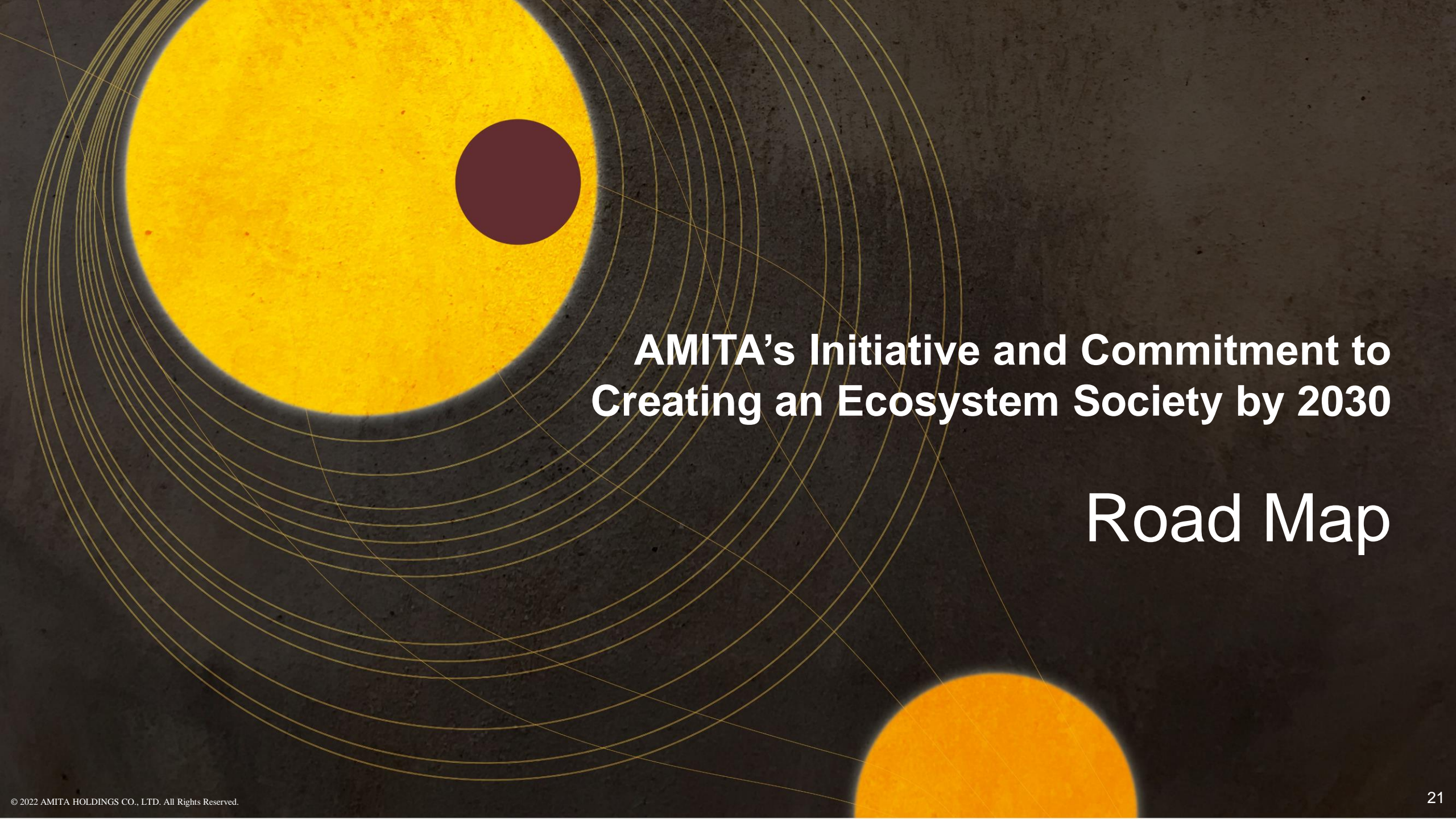


Optimizing production in factories (concept)

Transformation
03 | **Use prediction data on people's behaviors to optimize the schedules of public transportation, mobile catering, and mobile medical-care services or to switch them to unmanned operations**



Optimizing schedules of mobile catering and medical-care services or switch them to unmanned operations (concept)

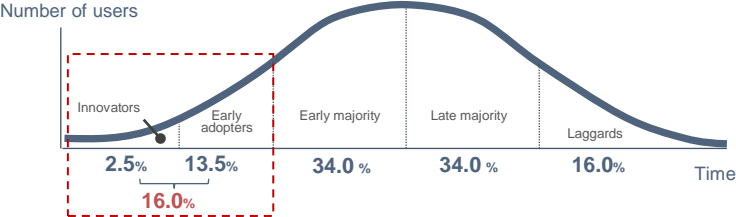


**AMITA's Initiative and Commitment to
Creating an Ecosystem Society by 2030**

Road Map

Road Map from 2021 through 2030

★ Diffusion of Innovation Theory
 16% Rule: When the adoption rate of a new product or service reaches 16% among innovators and early adopters, the product or service starts enjoying a broader acceptance among consumers.



Source: "Diffusion of Innovation Theory for Beginners," published by UTokyo Innovation Platform Co., Ltd.



MEGURU STATION®

Number of regions served	2 regions	3 regions	5 regions
Number of installations	2 locations	5 locations	50 locations

2021 2022 2023 2026 2030 2033 2036

Total number of users per year 0.6 million

Percentage of population covered



MEGURU FACTORY in
20 prefectures

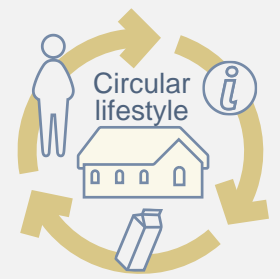
Coast-to-coast coverage

50,000 locations

Adoption rate
16%

From 2030 onward, MEGURU STATION® will be widely installed all over the country and provide a solid infrastructure for the social impact business.

MEGURU STATION[®] is operating in five locations in three municipalities (As of November 2022)



Case

Ikoma, Nara Prefecture

From 2019 to 2020

Proof-of-concept field test

December 2020

MEGURU STATION[®] became fully operational.

▶▶▶ **Has since been managed by residents.**



Case

Tachiarai, Fukuoka Prefecture Two locations in town

January 2022

MEGURU STATION[®] became operational in the Hongo school district under a comprehensive partnership between AMITA and the town hall.

September 2022

The second station was set up in the Ozeki school district.

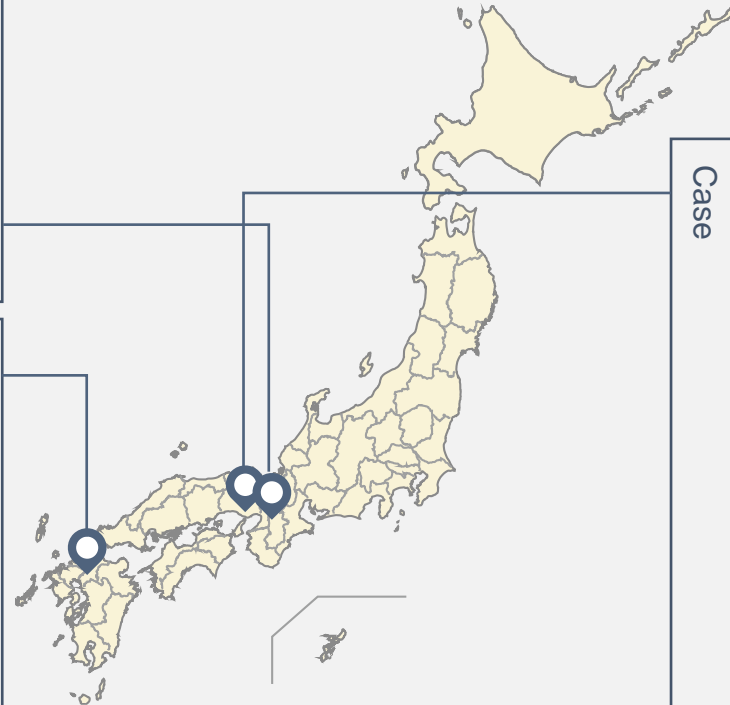


Hongo school district



Ozeki school district

▶▶▶ **Expanding locations into other school districts**



Case

Kobe, Hyogo Prefecture

Two locations in town

AMITA signed a contract with the Kobe City Hall.

November 2021

MEGURU STATION[®] became operational in Nagata-ku.

▶▶▶ Many NPOs and businesses assisted in its operation.

August 2022

The second resource-collection station was set up in Chuo-ku.

▶▶▶ Just like the one in Nagata-ku, the station received fact-finding visitors from other municipalities and businesses.



Nagata-ku



Chuo-ku

▶▶▶ **Expanding locations into other parts of the city**

Expansion Strategy for MEGURU STATION®



Strategy

01

As a first step,

Set up MEGURU STATION® in **small rural communities** facing four pressing challenges (see Page 14)

Challenges facing rural communities

- ▶ Small rural communities are among the first to face the issue of an aging and shrinking population.
- ▶ Even their elderly population is declining.

Municipalities are likely to **have an increasingly hard time maintaining the quality and scope of their community services.**

And as a second step,

Expand it into **urban communities** aging rapidly

Challenges facing urban communities

- ▶ They have not had the issue of an aging population until recently. Today, their elderly population is increasing.

The issue of the aging population is likely to become more serious down the road.

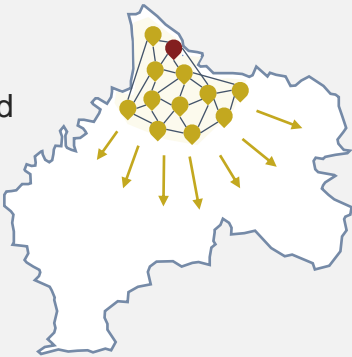
Strategy

02

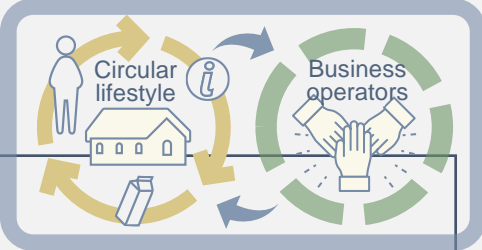
Instead of **setting up MEGURU STATION® here and there** around the country on an ad hoc basis,



We will gain footholds in selected communities and **expand the geographic coverage** of MEGURU STATION® from there into other municipalities.



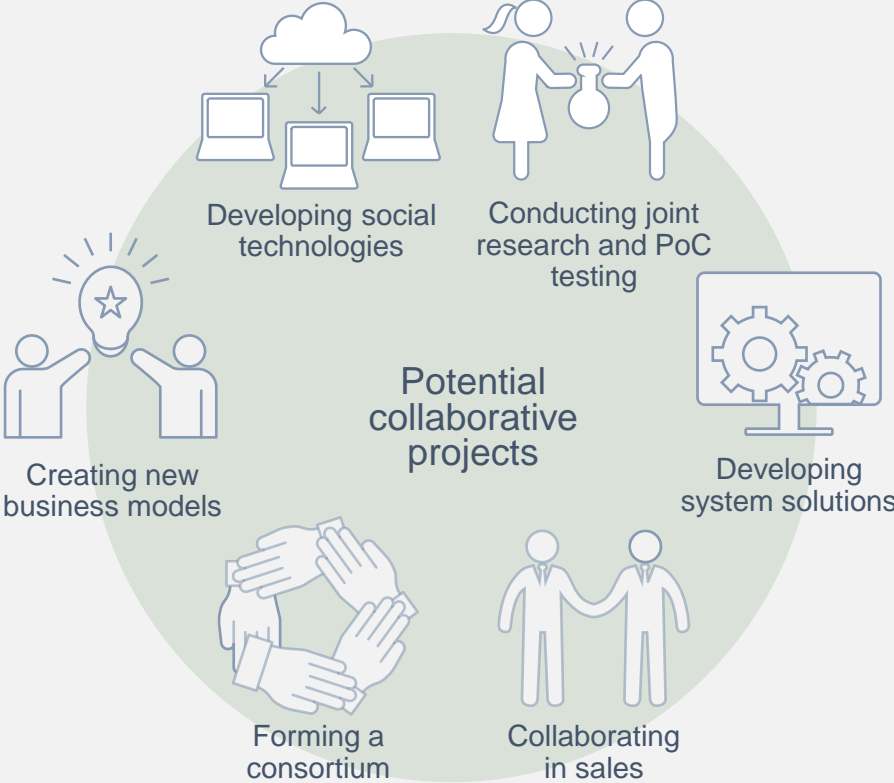
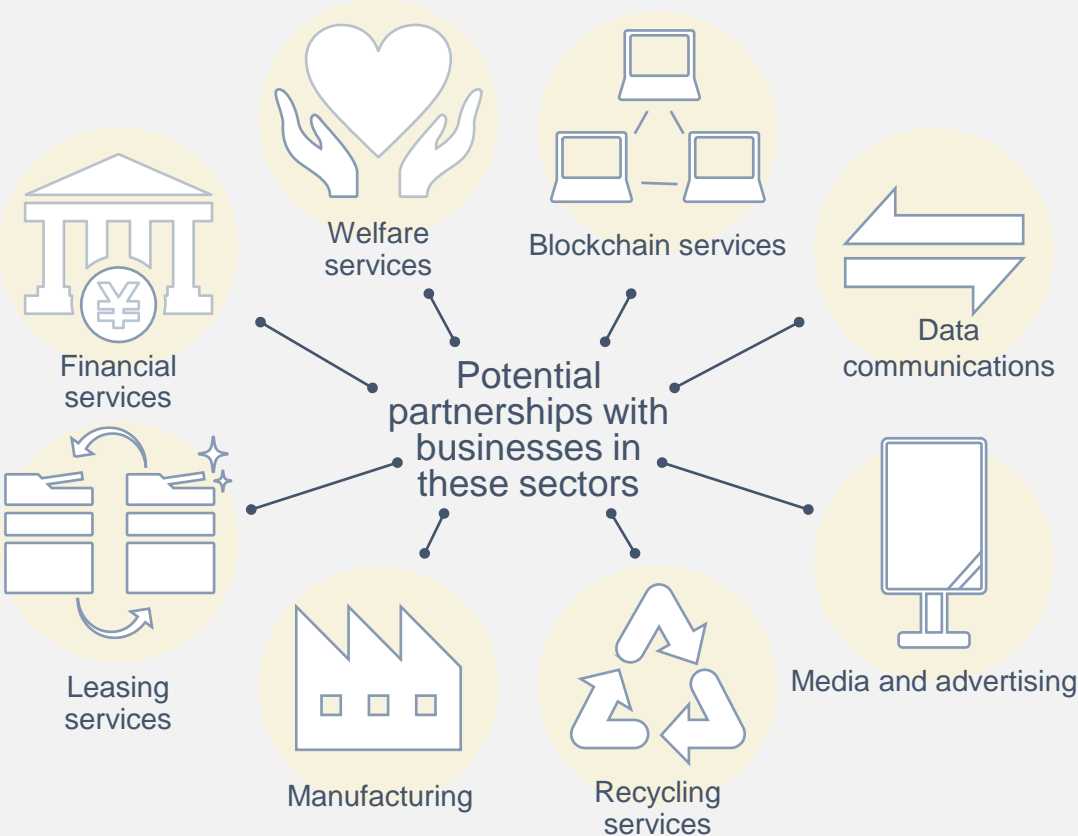
Expansion Strategy for MEGURU PLATFORM



Strategy

Facilitate strategic partnerships with businesses in diverse industry sectors

▶▶ Working with companies having the technologies and know-how essential to establishing and operating MEGURU PLATFORM



Case 1 Cross-industry Alliance that Drives a Circular Economy



Japan Circular Economy Partnership
(J-CEP)

Established in
October 2021

Observer
members

Hokkaido University; Kobe City; the Ministry of Economy, Trade and Industry; the Research into Artifacts Center for Engineering, the University of Tokyo; and the University of Kitakyushu

A cross-industry alliance in which member companies bring their information, knowledge, and network assets to circulate resources and create new business models

Topic 01 | J-CEP member manufacturers of daily essentials join forces to establish a horizontal recycling scheme

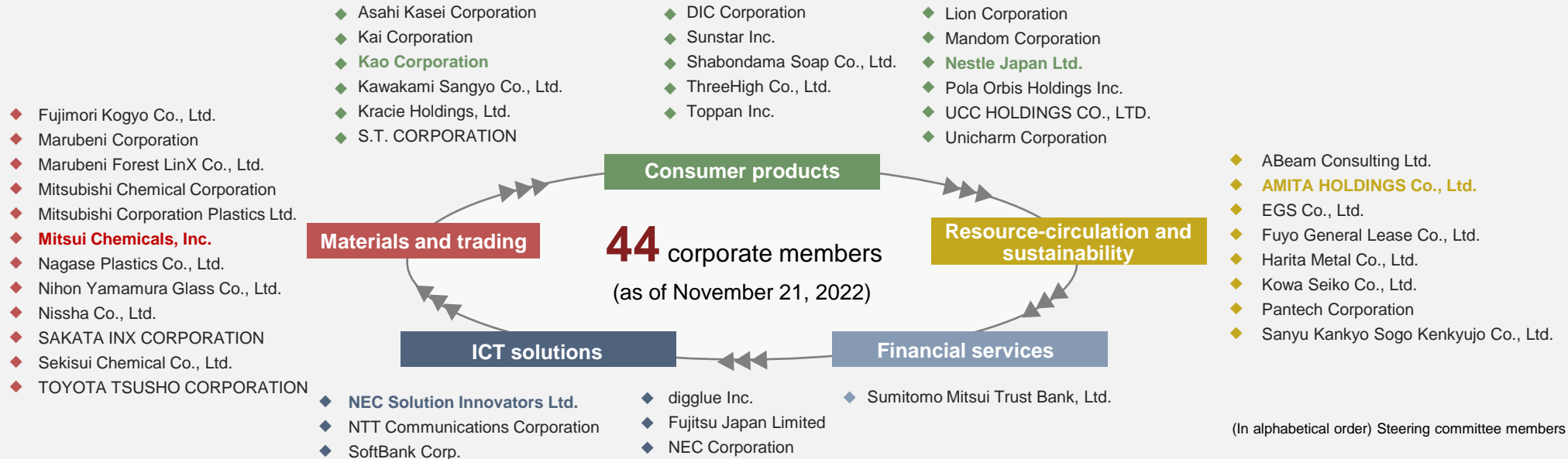
Location Kitakyushu, Fukuoka Prefecture **Project period** From July through December 2021

▶▶▶ Ten J-CEP member manufacturers of daily essentials undertook a joint project to establish a horizontal recycling scheme for plastics.

Topic 02 | J-CEP members jointly design sustainable products and create a collection scheme for used products

Location Community center in Kobe, Hyogo Prefecture **Project period** From November 2021 onward

J-CEP members assisted in operating MEGURU STATION® in Kobe.
▶▶▶ Designed a resource circulation scheme and operated a community engagement space.



Case 2 AMITA's Strategic Partnerships

AMITA has formed strategic partnerships with these companies to accelerate the establishment of MEGURU PLATFORM

Partnership

Communications and information services



with
NTT Communications Corporation

Announced October 13, 2022

Signed a letter of intent on establishing a circular platform to create a new market.

- ▶ Scope of partnership: To establish a platform that drives a circular economy and addresses municipal and community issues in order to create a new market and develop new business models

Press release:
https://www.amita-hd.co.jp/news/221013_amita-nttcom.html

Partnership

Financial services



with
Sumitomo Mitsui Trust Bank, Limited

Announced November 18, 2022

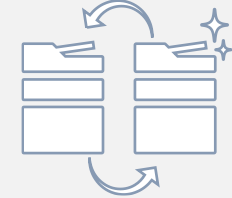
Signed a memorandum on jointly conducting an impact assessment of the MEGURU STATION® business.

- ▶ Scope of partnership: To jointly conduct a social, environmental, and economic impact assessment of MEGURU STATION®, a resource-collection site that promotes mutually supportive engagement among community residents, using the bank's know-how in assessing the feasibility of impact investing

Press release:
https://www.amita-hd.co.jp/news/221118_amita-SMTB.html

Partnership

Leasing services



with
Fuyo General Lease Co., Ltd.

Announced November 22, 2022

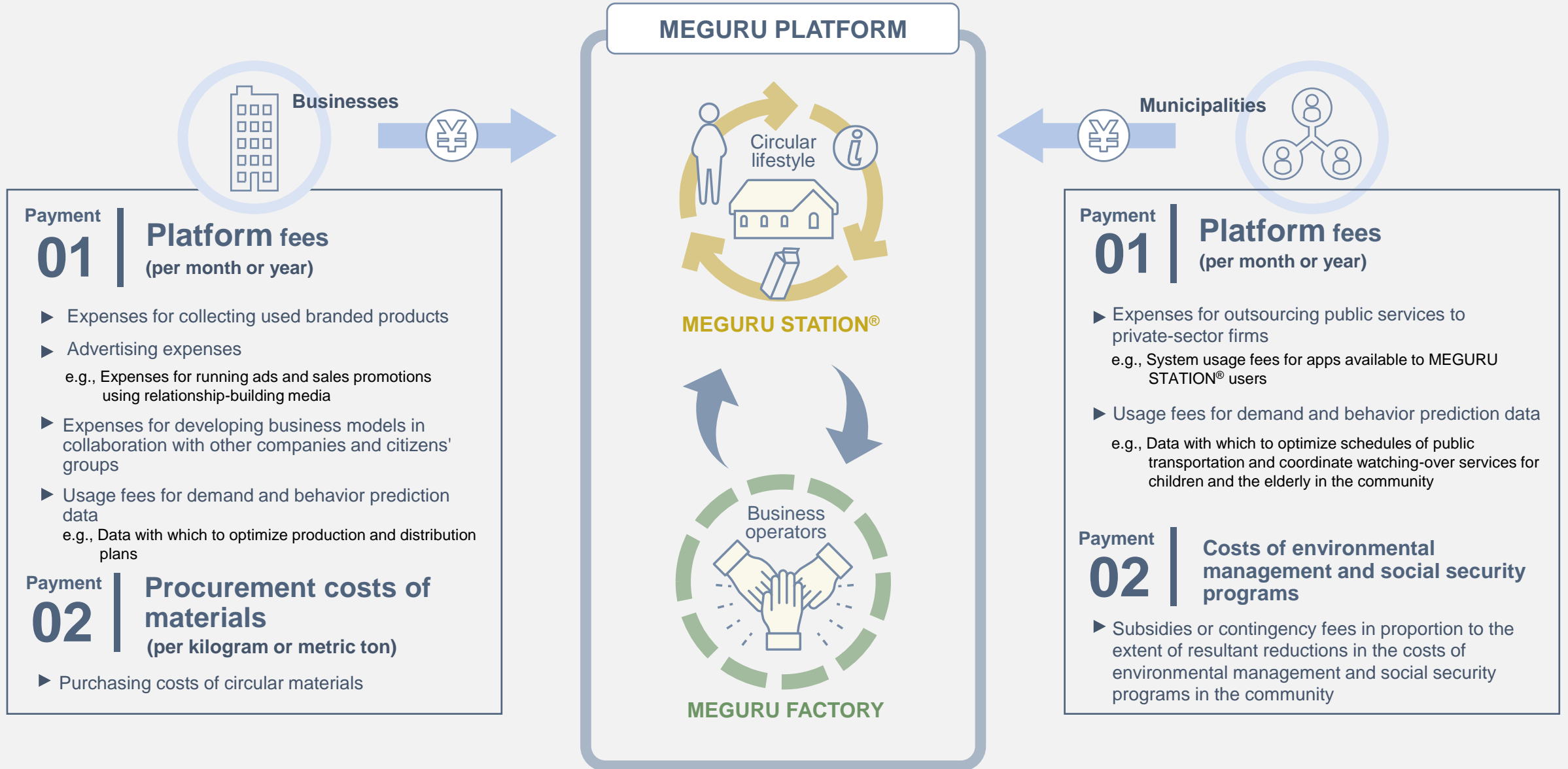
Signed a letter of intent on developing circular economy business models

- ▶ Scope of partnership: To develop and commercialize services that transition from the recycling business to the circular business; encourage community waste-management and recycling service providers to adopt a circular service business model based on a leasing scheme

Press release:
https://www.amita-hd.co.jp/news/221122_amita-fuyo.html

▶▶ AMITA intends to aggressively pursue partnership opportunities with businesses in diverse industry sectors in 2023 and beyond.

MEGURU PLATFORM's Revenue Structure



Payment

01

Platform fees
(per month or year)

- ▶ Expenses for collecting used branded products
- ▶ Advertising expenses
e.g., Expenses for running ads and sales promotions using relationship-building media
- ▶ Expenses for developing business models in collaboration with other companies and citizens' groups
- ▶ Usage fees for demand and behavior prediction data
e.g., Data with which to optimize production and distribution plans

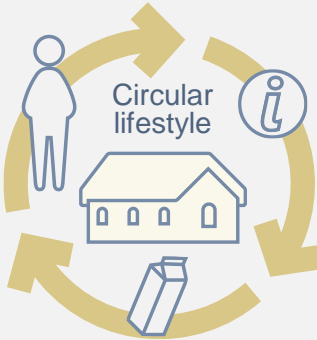
Payment

02

Procurement costs of materials
(per kilogram or metric ton)

- ▶ Purchasing costs of circular materials

MEGURU PLATFORM



MEGURU STATION®



MEGURU FACTORY

Municipalities

Payment

01

Platform fees
(per month or year)

- ▶ Expenses for outsourcing public services to private-sector firms
e.g., System usage fees for apps available to MEGURU STATION® users
- ▶ Usage fees for demand and behavior prediction data
e.g., Data with which to optimize schedules of public transportation and coordinate watching-over services for children and the elderly in the community

Payment

02

Costs of environmental management and social security programs

- ▶ Subsidies or contingency fees in proportion to the extent of resultant reductions in the costs of environmental management and social security programs in the community

Potential Market Size of the Social Impact Business in Japan to Be Addressed by MEGURU PLATFORM

MEGURU PLATFORM



Medical-care market for people aged 75 and older

17.1 trillion yen in 2019

Source: "Basic Data on Medical Insurance: Medical Expenses for FY 2019," published by the Ministry of Health, Labour and Welfare



National budget for caring for people feeling isolated and lonely

62.8 billion yen for FY 2022

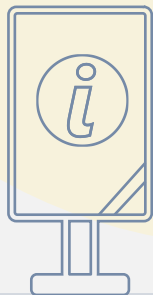
Sources: "Overview of Proposed Budget for FY 2022," published by the Ministry of Health, Labour and Welfare



Market size for watching-over services for the elderly

38.1 billion yen in 2030 (projected)

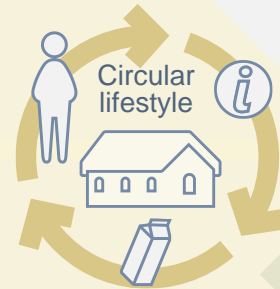
Source: "Market Trend and User Needs of Watching-over and Emergency-Alerting Services for the Elderly 2020," published by Seed Planning, Inc.



Digital signage market

180 billion yen in 2025 (projected)

Source: "Digital Signage Market 2019," published by Fuji Chimera Research Institute, Inc.



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- ▶ Address four major community challenges (see Page 14)
- ▶ Establish a zero-emission society free of waste incineration and land-filling



Market size of circular economy business

80 trillion plus yen

(Japanese government's target for 2030)

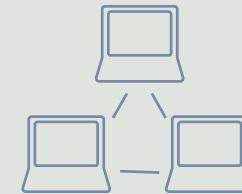
Source: "Second Review of the Fourth Fundamental Plan for Establishing a Sound Material-Cycle Society and the Development of a Road Map for the Circular Economy," published by the Ministry of the Environment



Market size for municipal waste-management services

2.1 trillion yen in 2020

Source: "Research Findings on General Waste Management Services for 2020," published by the Ministry of the Environment



Market size for blockchain services

724.7 billion yen in 2025 (projected)

Source: "Blockchain-Employed Services Market 2021," published by Yano Research Institute Ltd.



Market size for recyclable plastics and other materials

504 billion yen in 2035 (projected)

Source: "Market for Recycled Plastics in Japan," published by Fuji Keizai Co., Ltd.

MEGURU STATION® in your neighborhood.
MEGURU STATION® in your community.
Always at your service.





The AMITA Group is committed to achieving a society in which people's relationships with others and with nature will be enhanced in proportion to economic development.

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