

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Consolidated Financial Results for the Year Ended December 31, 2024 (Based on Japanese GAAP)

February 13, 2025

Company name: AMITA HOLDINGS CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 2195 URL <https://www.amita-hd.co.jp/>
 Representative: Chairman and Chief Visionary Officer KUMANO Eisuke
 President and Chief Integrated Operations
 Inquiries: SUETSUGU Takahide TEL 075-277-0378
 Officer
 Scheduled date of ordinary general meeting of shareholders: March 26, 2025
 Scheduled date to file Securities Report: March 26, 2025
 Scheduled date to commence dividend payments: March 27, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended December 31, 2024	4,931	8.7	473	0.3	557	5.1	423	37.2
Year ended December 31, 2023	4,536	(6.0)	472	(22.6)	530	(25.8)	308	(42.0)

Note: Comprehensive income Year ended December 31, 2024 ¥479 million [53.5%]
 Year ended December 31, 2023 ¥312 million [(44.6)%]

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended December 31, 2024	24.11	–	17.2	8.7	9.6
Year ended December 31, 2023	17.57	–	14.5	9.7	10.4

Reference: Share of loss (profit) of entities accounted for using equity method

Year ended December 31, 2024 ¥70 million
 Year ended December 31, 2023 ¥64 million

Note: Diluted earnings per share is omitted, because there are no potentially dilutive shares that have dilutive effects although there are potentially dilutive shares.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2024	6,594	2,733	40.5	152.01
As of December 31, 2023	6,175	2,266	36.6	128.77

Reference: Equity As of December 31, 2024 ¥2,668 million
 As of December 31, 2023 ¥2,260 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended December 31, 2024	474	(514)	(108)	2,729
Year ended December 31, 2023	725	(441)	754	2,829

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended December 31, 2023	–	0.00	–	4.00	4.00	70	22.8	3.3
Year ended December 31, 2024	–	0.00	–	4.00	4.00	70	16.6	2.8
Year ending December 31, 2025 (Forecast)	–	0.00	–	5.00	5.00		16.7	

3. Forecast of consolidated financial results for the year ending December 31, 2025 (from January 1, 2025 to December 31, 2025)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	5,296	7.4	653	38.0	757	35.7	526	24.4	29.98

4. Notes

(1) Significant changes in the scope of consolidation during the fiscal year ended December 31, 2024: Yes

Newly included: 2 companies (PT Amita Tamaris Lestari, PT Amita Prakarsa Hijau)

Excluded: 1 company (AMIDAO CORPORATION)

Note: For details, please refer to “3. Consolidated financial statements and primary notes, (5) Notes to consolidated financial statements, (Significant changes in the scope of consolidation during the fiscal year ended December 31, 2024)” on page 15 of the attached document.

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2024	17,556,360 shares	As of December 31, 2023	17,556,360 shares
-------------------------	-------------------	-------------------------	-------------------

Number of treasury shares at the end of the period

As of December 31, 2024	3,890 shares	As of December 31, 2023	3,890 shares
-------------------------	--------------	-------------------------	--------------

Average number of shares during the period

Year ended December 31, 2024	17,552,470 shares	Year ended December 31, 2023	17,552,085 shares
------------------------------	-------------------	------------------------------	-------------------

Reference: Overview of non-consolidated financial results

Non-consolidated financial results for the year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

(1) Non-consolidated operating results

Percentages represent year-on-year changes

	Operating revenue		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended December 31, 2024	1,249	13.9	(40)	—	(61)	—	(106)	—
Year ended December 31, 2023	1,097	44.2	142	729.9	115	—	90	—

	Earnings per share	Diluted earnings per share
	Yen	Yen
Year ended December 31, 2024	(6.08)	—
Year ended December 31, 2023	5.17	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2024	3,340	877	26.3	50.00
As of December 31, 2023	3,560	1,060	29.6	60.07

Reference: Equity As of December 31, 2024 ¥877 million
As of December 31, 2023 ¥1,054 million

Notes:

1. Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

2. Explanation on proper use of earnings forecast, and other special matters

Earnings forecast and other forward-looking statements in this material are based on data currently available to the Company and certain assumptions that the Company believes are reasonable. The Company gives no assurance that the Company will achieve such forecasts. In addition, actual results may differ significantly from these forecasts due to various factors. For details of the assumptions used in the earnings forecast and a cautionary note regarding their appropriate use, please refer to “1. Overview of operating results and others, (4) Business outlook” on page 5 of the attached document.

(Obtaining supplementary materials on financial results)

The Company plans to hold a financial results meeting for institutional investors and analysts on Thursday, March 13, 2025.

The Company also plans to post financial results presentation materials for the meeting on its website promptly after the holding.

Table of Contents**Index**

1. Overview of operating results and others.....	2
(1) Overview of operating results during the fiscal year under review	2
(2) Overview of financial position during the fiscal year under review.....	5
(3) Overview of cash flows for the fiscal year under review	5
(4) Business outlook.....	5
2. Basic approach to the selection of accounting standards	7
3. Consolidated financial statements and primary notes	8
(1) Consolidated balance sheets	8
(2) Consolidated statements of income and consolidated statements of comprehensive income	10
Consolidated statements of income	10
Consolidated statements of comprehensive income	11
(3) Consolidated statements of changes in equity	12
(4) Consolidated statements of cash flows	14
(5) Notes to consolidated financial statements.....	15
(Notes on going concern assumption)	15
(Significant changes in the scope of consolidation during the fiscal year ended December 31, 2024).....	15
(Segment information).....	15
(Per share information).....	15
(Significant subsequent events)	16

1. Overview of operating results and others

(1) Overview of operating results during the fiscal year under review

During the fiscal year under review, the Japanese economy overcame rising prices to record a gradual recovery, reflecting enhanced business sentiment in both manufacturing and non-manufacturing industry, improvements in the employment environment and in income, and a pickup in consumption activity, including demand from inbound tourism. Conversely, we perceive the need to continue monitoring such issues as the currency market trends and slowdown of global economic growth, which are linked to monetary policy, the risk of persistently high prices for raw material and resources as a result of the prolongation of the situation in Ukraine and of military conflict in the Middle East, the impact of the economic and diplomatic policies of the new president of the United States, and global supply chain instability.

Under these circumstances, as a “designing a future company,” the Group develops and expands products aimed at establishing the Social Systems Design Business to provide comprehensive support to businesses and municipalities in achieving greater corporate and community sustainability, in preparation for achieving the Ecosystem Social Concept 2030 (“AMITA Vision 2030”), our business vision for 2030. Having designated the period from FY2024 to FY2025 a groundwork phase in preparation for market development, during the fiscal year under review we forged ahead with initiatives aimed at transforming the business and bolstering performance. The specifics are as follows.

<Domain of support for sustainable corporate management: Cyano Project integrated support services>

In the “Cyano Project,” which assists in transitioning to greater corporate sustainability, we have been offering our clients total support, from conception to construction and implementation, in proposing initiatives such as circular economy, carbon neutrality, and nature positivity from the perspective of total optimization. We are receiving many inquiries on support for circular economy initiatives and for other issues associated with disclosure of nature risks arising from corporate activity (TNFD: Taskforce on Nature-related Financial Disclosures), and continue to receive new orders, but in order to expand orders for transition strategy support from a more medium- and long-term perspective, we are working to rebuild our product design and to strengthen marketing and sales strategy. In relation to this, we are moving forward with initiatives that help invigorate the sustainability and circular market, for example by holding seminars on how to proceed with transition strategy and planning in the area of sustainability, and by developing new products, such as workshops to assist in developing a circular business, with external partners.

Against the background of the emergence of governance risks caused by shortages of human resources and issues of knowledge transfer at client companies, our Sustainable BPO services, which use ICT and BPO to support circular corporate management, are performing steadily. At Circular LinX CO., LTD., a joint venture between the Company and the Sumitomo Mitsui Finance and Leasing Group established on April 1, 2024, we are offering ICT and BPO services aimed at enhancing business efficiency and improving service quality, and are already seeing the emergence of effects linked to sales, such as a year-on-year increase in inquiries for services since April 2024.

In the Double Zero Emission Service, which promotes the shift to zero incineration, zero landfill, and zero GHG emissions through closed-loop resource recycling of industrial waste, demand for use of circulating resources (those that can be used as a substitute for natural resources) is strong, driven by the trend toward carbon neutrality and instability in global supply chains. There were increases in volume handled at the Himeji Resource Recycling Plant, and at AMITA Resource Recycling Partners’ AICHI KAIUN Co., Ltd. Gamagori Recycling S.C., centered on substitute fuels for cement. With regard to closed-loop resource recycling of silicon slurry waste liquids, with production in the semiconductor industry trending toward recovery, we began operation of new recycling facilities at the Kitakyushu Resource Recycling Plant in July 2024. In addition to the new facilities at this Resource Recycling Plant, automation of manufacturing processes and reduced use of labor at existing recycling facilities have led to increases in hours of operation and enhanced product value, resulting in volume handled trending upward compared to the previous fiscal year.

<Environmental certification assessment service>

Orders from new customers, especially for FSC® CoC certification and MSC/ASC CoC certification, have been increasing steadily. Delays in assessments caused by deficiencies in the systems of our FSC certification agency partner are in the process of being resolved but are still ongoing. As a result, sales associated with some

assessments that were scheduled to be recorded by the Group in the fiscal year ended December 31, 2024, are now expected to be recorded in the following fiscal year.

<Overseas business>

Primarily through AMITA CIRCULAR DESIGN SDN. BHD. (“ACD”), AMITA Group’s regional headquarters for the Asia-Pacific, we promoted the expansion of the Social Systems Design Business in the Asia Pacific region through such initiatives as expanding the closed-loop resource recycling business in Malaysia, and investigating commercialization in Indonesia.

- Malaysia

With regard to closed-loop resource recycling of industrial waste in Malaysia, there is strong demand for circulating resources locally and volume handled is exceeding previous-fiscal year levels. We are strengthening sales in order to win further new projects as they appear. Based on the memorandum of understanding for strategic business alliance that it concluded on September 2, 2024 with Cenergi SEA Berhad (Cenergi), which is engaged in the renewable energy business in Malaysia, the Company is moving forward with a commercial feasibility study on converting unused biomass materials in Malaysia into biofuels and developing a business model around them.

- Indonesia

On September 2, 2024, ACD established a joint venture with PT Tamaris Prima Energi, which is part of the Tamaris-Moya Group, which is engaged in the renewable energy and public water supply businesses in Indonesia and is itself part of the Salim Group, one of the largest conglomerates in Southeast Asia. The joint venture, which is named PT Amita Tamaris Lestari (“ATL”), is tasked with developing decarbonized, circular business models. Moreover, on October 7, 2024, ATL established a joint venture PT Amita Prakarsa Hijau, which is engaged in the closed-loop resource recycling business locally with PT Sari Bhakti Sejati, a subsidiary of leading Indonesian cement manufacturer PT Indocement Tunggal Prakarsa Tbk. We are forging ahead with initiatives to lay the business foundation, aiming to open a resource recycling plant in Indonesia by the end of FY2027 in preparation for the full-fledged development of the closed-loop resource recycling business.

- Business development in other countries

As measures related to the Ministry of the Environment’s “City-to-City Collaboration Program to Support the Decarbonization Efforts by Overseas Subnational Governments” initiatives for decarbonization in India, Indonesia, and Palau, which were adopted on April 1, 2024, we are conducting investigations, etc. in preparation for the commercialization of waste resource recycling in each country. Based on an agreement (concluded on May 1, 2024) with Ramky Group, a leading player in the Indian environmental industry and our partner for feasibility studies, to jointly conduct a comprehensive feasibility study on developing decarbonized societies and circular economies with a focus on India and other developing countries, as well as Singapore.

<Domain of support for sustainable corporate management: Co-Creation City>

We are moving forward with the development and deployment of the Co-Creation City initiative, which is intended to address the four major challenges faced by regional municipalities (population drain, aging and shrinking population, rising costs of social security programs, and declining employment opportunities) by facilitating greater engagement among residents and other stakeholders, and greater circulation of resources. Specifically, we have continued with the development of the MEGURU COMPLEX*1 resource recycling solution for municipalities, and maintained activities in Tachiarai and Buzen in Fukuoka Prefecture, Kobe in Hyogo Prefecture, Nara in Nara Prefecture (the Tsukigase district), and Nagakute in Aichi Prefecture, aimed at the geographical expansion of MEGURU STATION® community-type resource collection station.

Based on a project outsourced from Buzen in Fukuoka Prefecture, we opened two stations of MEGURU STATION® in December 2024, the first two in that city. Currently we are moving forward with initiatives for sustainable community development in Buzen, which include the implementation of a points system together with NEC Solution Innovators, Ltd. and Tsunaken Regional Connection & Development Organization, and other measures for regional revitalization.

Elsewhere, based on the Kameoka Future Creation Environmental Partnership Agreement concluded with Kameoka in Kyoto prefecture (September 9, 2024), we are working together on sustainable community development by building an ecosystem pivoting on resource circulation.

In terms of the initiatives related to construction of the MEGURU PLATFORM*2, we have continued our work to build and deploy a circular model for plastics based on MEGURU STATION®, for which we were selected by the Cabinet Office for the third phase of the Cross-ministerial Strategic Innovation Program (SIP), in July 2023.

<Partnership domain>

We participate in the Ecosystem Society Agency (ESA, founded on April 1) as a founding member. Based on the concepts of circulation and inclusivity, ESA is an organization that aims to be a platform where regional municipalities facing aging and shrinking populations and other newly emerging policy issues, and companies, etc. seeking to create new business models, can drive innovation from a comprehensive perspective to create social value. As of January 20, 2025, there were 16 municipalities and 71 corporates or groups participating in ESA, which will enable greater numbers of municipalities and companies than ever before to engage in co-creative activities, thus accelerating initiatives aimed at the realization of the Ecosystem Society of our 2030 vision.

To promote the circular economy, we are also proceeding with partnership and cooperative projects involving a variety of companies and municipalities. Specifically, in October 2024 we began a proof-of-concept field test in partnership with Ito-Yokado Co., Ltd., TOPPAN Inc., and Nichirei Foods Inc. for the in-store collection of frozen food packaging for recycling into plastic clips and other processed resin products. We also implemented an initiative with Kai Corporation to recirculate inventory and product returns destined for disposal, as well as kitchen knives and scissors collected from customers after use.

As a result of the above, net sales for the fiscal year under review were ¥4,931,476 thousand (up 8.7% or ¥394,976 thousand from the previous fiscal year) due mainly to an increase in the volume of substitute fuels for cement handled at the Himeji Resource Recycling Plant and at AMITA Resource Recycling Partners' AICHI KAIUN Co., Ltd. Gamagori Recycling S.C., an increase in the volume of silicon recycling at the Kitakyushu Resource Recycling Plant, and net sales associated with the Cabinet Office "Cross-ministerial Strategic Innovation Program (SIP)." Despite increases in cost of sales, and selling, general and administrative expenses caused by investments in human resources, activities to build relationships and implement strategies, and other factors, the increase in net sales resulted in operating profit of ¥473,480 thousand (up 0.3%, or ¥1,319 thousand YoY). Ordinary profit was ¥557,890 thousand (up 5.1% or ¥27,045 thousand YoY) due to an increase in share of profit of entities accounted for using equity method related to the Malaysian business and foreign exchange gains. Profit attributable to owners of the parent was ¥423,184 thousand (up 37.2% or ¥114,839 thousand YoY) due to an increase in ordinary profit and recording of income taxes - deferred (gain) as a result of an increase in deferred tax assets.

Statement by segment is omitted because the Group constitutes a single segment of the Social Systems Design Business.

*1 MEGURU COMPLEX:

MEGURU COMPLEX is a resource circulation solution for municipalities that embodies the Co-Creation City concept. By clustering a biogas power plant for flammable waste recycling together with facilities for recycling diapers and for pyrolysis, we aim to reduce waste incineration and landfill to zero.

*2 MEGURU PLATFORM:

MEGURU PLATFORM consists of MEGURU STATION® community-type resource collection station, and MEGURU FACTORIES, where quality resources and information are gathered and the collected traceable resources are turned into circular materials. In preparation for realizing the AMITA Vision 2030, we are working to build a framework to generate the optimal circulation of tangibles, information, and people's thoughtfulness.

(2) Overview of financial position during the fiscal year under review

As of December 31, 2024, current assets increased by ¥14,792 thousand mainly due to an increase in work in process (related to *the Cabinet Office “Cross-ministerial Strategic Innovation Program (SIP)”), and non-current assets increased by ¥404,323 thousand mainly due to increases in property, plant and equipment, shares of subsidiaries and associates, and deferred tax assets. As a result, total assets increased by ¥419,116 thousand from the end of the previous fiscal year to ¥6,594,824 thousand.

With regard to liabilities, current liabilities increased by ¥22,011 thousand mainly due to an increase in advances received, and non-current liabilities decreased by ¥70,449 thousand mainly due to the repayment of long-term borrowings. As a result, liabilities decreased by ¥48,438 thousand from the end of the previous fiscal year to ¥3,861,065 thousand.

Net assets increased by ¥467,554 thousand from the end of the previous fiscal year to ¥2,733,759 thousand mainly due to recording of profit and an increase in non-controlling interests.

(3) Overview of cash flows for the fiscal year under review

As of the end of the fiscal year under review, cash and cash equivalents (“funds”) decreased by ¥100,224 thousand from the end of the previous fiscal year to ¥2,729,355 thousand.

(Cash flows from operating activities)

Funds provided by operating activities amounted to 474,644 thousand (net outflow of funds by ¥250,828 thousand YoY). This was due to profit before income taxes of ¥500,446 thousand, depreciation of ¥187,389 thousand, and income taxes paid of ¥242,110 thousand.

(Cash flows from investing activities)

Funds used in investing activities amounted to ¥514,486 thousand (net outflow of funds by ¥73,453 thousand YoY). This decrease was mainly due to purchase of property, plant and equipment of ¥413,604 thousand.

(Cash flows from financing activities)

Funds used in financing activities amounted to ¥108,993 thousand (net outflow of funds by ¥863,423 thousand YoY). This was mainly due to repayments of long-term borrowings of 285,082 thousand, which outweighed proceeds from long-term borrowings of 200,000 thousand

(4) Business outlook

Going forward, while the outlook for the Japanese economy is expected to maintain a moderate recovery driven by domestic demand, the instability in international affairs, including the situation in Ukraine and the Middle East, is projected to continue. Specifically, we believe that close attention must be paid to the continuation of global supply chain instability based on geopolitical risks, economic and diplomatic policies introduced by the new president of the United States, including the erection of tariff barriers, and the impact on the Japanese and other economies, and risks associated with abnormal weather and natural disasters, not to mention shifts in monetary policy and political trends. We also feel that technological innovation and the transformation of social values have brought us to a turning point that will result in significant changes in existing concepts and invested interests as they relate to politics, the economy, and society.

It was in this context that President Donald Trump immediately announced the withdrawal of the United States from the Paris Agreement on the day of his inauguration on January 20, 2025. Ahead of the commencement of the Trump administration, BlackRock, the world’s largest asset manager, withdrew from the Net Zero Asset Managers (NZAM), a group working on measures to counter climate change. This is increasingly leading to many large corporations in Japan and the United States reviewing their own ESG policies. In addition, the rules of the world economy are shifting away from a global market characterized by multilateral agreements and towards international markets based on bilateral agreements, such as the raising of tariffs on certain imports as a form of economic policy.

We believe that if such bloc economies gain ground going forward, and furthermore if we see an acceleration of global resource depletion coupled with the emergence of climate change risks, this will result in an acceleration of the trend towards demanding initiatives that transcend the defensive approach to ESG, with its emphasis on restricting the company’s own activities (Scope 3: indicators that enable companies to grasp the

emissions of the corporate supply chain as a whole), and shifting the focus to a more proactive approach to ESG (Scope 4: the benefits/reductions in emissions realized by products and services throughout their life cycle), which links more authentic corporate growth to an expansion in the activities of the company. In particular, while there are concerns that the withdrawal by BlackRock from NZAM will have an impact on ESG investment in the short term, our interpretation is that over the long term this will be a catalyst for companies and investors to focus on the move from Scope 3 to Scope 4, and to shift to what is shown to make a real contribution to decarbonization. For many years AMITA has argued for the necessity of a transition strategy for shifting away from defensive ESG and towards more proactive ESG. Since 2021 we have been offering the “Cyano Project,” which provides integrated support to client companies for business development aimed at rolling out their own products and services in a market where initiatives to address climate change and biodiversity are deemed necessary. In our view, current social trends have brought us to a place that is ideally suited to demonstrating the *raison d’être* of the “Cyano Project.”

Overseas, the promotion of the circular economy in the ASEAN region that includes Malaysia and Indonesia is forecast to give rise to a market of around \$420 billion, a trend that we believe will act as a tailwind for the Group.

Under these circumstances, as a “designing a future company,” the Group will continue to develop and expand products aimed at establishing the Social Systems Design Business in order to enhance the sustainability and engagement of society, in preparation for achieving the AMITA Vision 2030. In the Medium-Term Management Plan, 2025 is the year in which we complete the phase of groundwork in preparation for market development. While continuing to concentrate on developing and expanding services to support businesses and municipalities in achieving greater corporate and community sustainability, we will build and operate inbound marketing for end-to-end design of educational and public relations activities that contribute to everything from the development of the market to marketing and sales strategy, and continuously promote organizational reforms that help to enhance value creation capabilities. Through the expansion of our collaboration with citizens, municipalities, universities, and government agencies by promoting the building of strategic partnerships with corporations and co-creation businesses, and participation in the Ecosystem Society Agency (ESA), we will forge ahead with the laying of the foundation for growth in the Social Systems Design Business, and use this to achieve the AMITA Vision 2030. The specifics are as follows.

<Domain of support for sustainable corporate management: Cyano Project integrated support services>

As an inbound marketing measure that integrates education, public relations, marketing, and sales, we plan to hold symposiums and seminars that arouse the interest and attention of customers, thus leading to the winning of new clients. In addition to strengthening marketing by leveraging our network of group and partner companies and continuing to work on the rebuilding of product design, including development of new products in collaboration with external partners, we will strengthen our training programs in order to enhance our solutions capabilities. In our Sustainable BPO services, where performance has been strong and which use ICT and BPO to support circular corporate management, Circular LinX CO., LTD. is seeking to develop and provide new services in addition to those aimed at enhancing business efficiency and improving service quality. In the Double Zero Emission Service, which promotes the shift to zero incineration, zero landfill, and zero GHG emissions through closed-loop resource recycling of industrial waste, we will engage in a variety of initiatives. These include the development and offering of new circulating resources that contribute to carbon neutrality and nature positivity, the submission of comprehensive proposals for decarbonization of production facilities and sustainable procurement, the strengthening of closed-loop resource recycling of silicon slurry waste liquids at the Kitakyushu Resource Recycling Plant in anticipation of the recovery and expansion of the semiconductor industry, and investment in automation and mechanization of production functions to help address labor shortages and contribute to higher productivity.

<Environmental certification assessment service>

With the market remaining strong, we seek to strengthen organizational structures and take other steps to grow new orders going forward.

<Overseas business>

Led by the Asia Pacific regional headquarters ACD, we will expand the closed-loop resource recycling business in Malaysia and develop new businesses such as converting unused biomass materials into biofuels, take measures to build the business foundation with the aim of beginning the full-fledged closed-loop resource recycling business at a joint venture in Indonesia in FY2027, as well as leverage the know-how we have developed in Japan to open up new markets associated with the creation of mechanisms for building recycling-oriented societies in the Asia Pacific region.

<Domain of support for sustainable corporate management: Co-Creation City>

In order to develop and deploy the Co-Creation City initiative, which is intended to address the four major challenges faced by regional municipalities by facilitating greater engagement among residents and greater circulation of resources, we will continue to develop the MEGURU COMPLEX resource recycling solution for municipalities, and the geographical expansion of MEGURU STATION® community-type resource collection station. With regard to the construction of the MEGURU PLATFORM, we will implement initiatives for building a digital information platform that adds value to consumption trends, traceability, and other resource information, and engage in activities that make use of MEGURU STATION® to build and deploy a circular model for plastics for the third phase of the Cabinet Office “Cross-ministerial Strategic Innovation Program (SIP)” that began in 2023.

<Partnership domain>

As a founding member of the Ecosystem Society Agency (ESA), we will actively participate in its activities and implement partnership and cooperative projects involving a variety of companies and municipalities.

Furthermore, as a management foundation to support the “Social Systems Design Business,” we will continue to work on building a framework for the amplification of quality management resources, including the fostering of our corporate culture (completing the new personnel system, taking on the challenge of a 32-hour work week, establishing an environment to enhance well-being), as well as developing organizational and human resources to enhance value creation capabilities, establishing strategic capital policies, and taking measures to strengthen relationships with shareholders and increase social recognition, etc.

Regarding the consolidated results for the year ending December 31, 2025, as a result, the Group forecasts net sales of ¥5,296 million (up 7.4% or ¥365 million YoY), operating profit of ¥653 million (up 38.0% or ¥179 million YoY), ordinary profit of ¥757 million (up 35.7% or ¥199 million YoY), and profit attributable to owners of parent of ¥526 million (up 24.4% or ¥103 million). The Group will pursue these measures above and proactively engage in creating an “Ecosystem Society” in tandem with other sustainability-oriented companies and municipalities.

2. Basic approach to the selection of accounting standards

The Group applies Japanese accounting standards for ensuring the comparability with other Japanese companies in the same industry.

3. Consolidated financial statements and primary notes

(1) Consolidated balance sheets

	(Thousands of yen)	
	As of December 31, 2023	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	2,829,579	2,729,355
Notes and accounts receivable - trade	708,362	726,843
Merchandise and finished goods	26,764	47,659
Work in process	27,117	71,046
Raw materials and supplies	8,893	14,484
Other	237,687	263,808
Total current assets	3,838,404	3,853,197
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	365,194	568,336
Machinery, equipment and vehicles, net	324,673	546,274
Land	752,187	752,187
Construction in progress	240,711	-
Other, net	38,885	50,106
Total property, plant and equipment	1,721,652	1,916,905
Intangible assets	88,413	76,170
Investments and other assets		
Investment securities	320,101	449,552
Deferred tax assets	45,352	144,045
Other	161,783	154,954
Total investments and other assets	527,237	748,551
Total non-current assets	2,337,303	2,741,627
Total assets	6,175,708	6,594,824

(Thousands of yen)

	As of December 31, 2023	As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	260,842	288,399
Current portion of long-term borrowings	266,756	286,748
Lease liabilities	10,466	7,039
Accounts payable - other	112,341	150,039
Income taxes payable	151,146	101,865
Provision for bonuses	85,675	93,352
Asset retirement obligations	4,310	–
Advances received	278,393	320,248
Deposits received	314,659	315,096
Other	151,353	95,167
Total current liabilities	1,635,945	1,657,957
Non-current liabilities		
Long-term borrowings	1,807,055	1,701,981
Lease liabilities	10,240	9,347
Retirement benefit liability	358,739	381,804
Asset retirement obligations	97,342	109,826
Other	180	150
Total non-current liabilities	2,273,557	2,203,108
Total liabilities	3,909,503	3,861,065
Net assets		
Shareholders' equity		
Share capital	483,560	483,560
Capital surplus	253,323	253,323
Retained earnings	1,480,808	1,833,782
Treasury shares	(482)	(482)
Total shareholders' equity	2,217,210	2,570,184
Accumulated other comprehensive income		
Foreign currency translation adjustment	42,959	97,957
Total accumulated other comprehensive income	42,959	97,957
Share acquisition rights	6,034	–
Non-controlling interests	–	65,616
Total net assets	2,266,204	2,733,759
Total liabilities and net assets	6,175,708	6,594,824

(2) Consolidated statements of income and consolidated statements of comprehensive income**Consolidated statements of income**

(Thousands of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Net sales	4,536,499	4,931,476
Cost of sales	2,398,545	2,705,034
Gross profit	2,137,953	2,226,441
Selling, general and administrative expenses	1,665,793	1,752,961
Operating profit	472,160	473,480
Non-operating income		
Interest income	121	243
Share of profit of entities accounted for using equity method	64,510	70,503
Foreign exchange gains	1,579	17,515
Other	16,239	26,988
Total non-operating income	82,451	115,250
Non-operating expenses		
Interest expenses	18,854	27,961
Share acquisition rights issuance costs	2,391	–
Other	2,520	2,878
Total non-operating expenses	23,766	30,839
Ordinary profit	530,844	557,890
Extraordinary income		
Gain on sale of non-current assets	250	4,106
Total extraordinary income	250	4,106
Extraordinary losses		
Impairment losses	24,399	60,445
Loss on sale and retirement of non-current assets	3,124	1,105
Total extraordinary losses	27,524	61,550
Profit before income taxes	503,570	500,446
Income taxes - current	205,441	176,294
Income taxes - deferred	(10,216)	(98,693)
Total income taxes	195,225	77,601
Profit	308,345	422,844
Loss attributable to non-controlling interests	–	(339)
Profit attributable to owners of parent	308,345	423,184

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Profit	308,345	422,844
Other comprehensive income		
Foreign currency translation adjustment	2,040	17,906
Share of other comprehensive income of entities accounted for using equity method	1,699	38,327
Total other comprehensive income	3,740	56,234
Comprehensive income	312,085	479,079
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	312,085	478,182
Comprehensive income attributable to non-controlling interests	-	896

(3) Consolidated statements of changes in equity

Fiscal year ended December 31, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	480,680	250,443	1,225,139	(482)	1,955,781
Changes during period					
Issuance of new shares - exercise of share acquisition rights	2,880	2,880			5,760
Dividends of surplus			(52,642)		(52,642)
Profit attributable to owners of parent			308,345		308,345
Decrease by merger			(33)		(33)
Net changes in items other than shareholders' equity					
Total changes during period	2,880	2,880	255,668	-	261,429
Balance at end of period	483,560	253,323	1,480,808	(482)	2,217,210

	Accumulated other comprehensive income		Share acquisition rights	Non-controlling interests	Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	39,219	39,219	6,049	-	2,001,050
Changes during period					
Issuance of new shares - exercise of share acquisition rights					5,760
Dividends of surplus					(52,642)
Profit attributable to owners of parent					308,345
Decrease by merger					(33)
Net changes in items other than shareholders' equity	3,740	3,740	(15)	-	3,724
Total changes during period	3,740	3,740	(15)	-	265,154
Balance at end of period	42,959	42,959	6,034	-	2,266,204

Fiscal year ended December 31, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	483,560	253,323	1,480,808	(482)	2,217,210
Changes during period					
Dividends of surplus			(70,209)		(70,209)
Profit attributable to owners of parent			423,184		423,184
Net changes in items other than shareholders' equity					
Total changes during period	–	–	352,974	–	352,974
Balance at end of period	483,560	253,323	1,833,782	(482)	2,570,184

	Accumulated other comprehensive income		Share acquisition rights	Non-controlling interests	Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	42,959	42,959	6,034	–	2,266,204
Changes during period					
Dividends of surplus					(70,209)
Profit attributable to owners of parent					423,184
Net changes in items other than shareholders' equity	54,997	54,997	(6,034)	65,616	114,580
Total changes during period	54,997	54,997	(6,034)	65,616	467,554
Balance at end of period	97,957	97,957	–	65,616	2,733,759

(4) Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Cash flows from operating activities		
Profit before income taxes	503,570	500,446
Depreciation	145,013	187,389
Impairment losses	24,399	60,445
Loss (gain) on sale and retirement of non-current assets	2,874	(3,001)
Increase (decrease) in provision for bonuses	8,827	7,676
Increase (decrease) in retirement benefit liability	9,390	23,064
Interest and dividend income	(121)	(243)
Interest expenses	18,854	27,961
Foreign exchange losses (gains)	(8,890)	(29,437)
Share of loss (profit) of entities accounted for using equity method	(64,510)	(70,503)
Share acquisition rights issuance costs	2,391	-
Decrease (increase) in trade receivables	36,609	(18,480)
Decrease (increase) in inventories	(442)	(70,415)
Increase (decrease) in trade payables	(32,448)	27,557
Increase (decrease) in advances received	127,241	41,855
Increase (decrease) in deposits received	102,701	436
Other, net	(34,324)	(12,034)
Subtotal	841,138	672,716
Interest and dividends received	55,536	73,124
Interest paid	(20,918)	(29,085)
Income taxes paid	(150,282)	(242,110)
Net cash provided by (used in) operating activities	725,473	474,644
Cash flows from investing activities		
Purchase of property, plant and equipment	(326,367)	(413,604)
Proceeds from sale of property, plant and equipment	250	1,513
Purchase of intangible assets	(71,757)	(10,513)
Purchase of investment securities	(27,835)	(94,898)
Proceeds from redemption of investment securities	-	1,000
Other, net	(15,322)	2,017
Net cash provided by (used in) investing activities	(441,033)	(514,486)
Cash flows from financing activities		
Proceeds from long-term borrowings	1,002,937	200,000
Repayments of long-term borrowings	(181,689)	(285,082)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	5,745	-
Payments for issuance of share acquisition rights	(2,391)	-
Purchase of treasury share acquisition rights	-	(6,034)
Dividends paid	(53,522)	(70,106)
Proceeds from share issuance to non-controlling shareholders	-	64,720
Other, net	(16,649)	(12,490)
Net cash provided by (used in) financing activities	754,430	(108,993)
Effect of exchange rate change on cash and cash equivalents	10,805	48,610
Net increase (decrease) in cash and cash equivalents	1,049,675	(100,224)
Cash and cash equivalents at beginning of period	1,779,633	2,829,579
Increase in cash and cash equivalents resulting from merger	270	-
Cash and cash equivalents at end of period	2,829,579	2,729,355

(5) Notes to consolidated financial statements**(Notes on going concern assumption)**

Not applicable.

(Significant changes in the scope of consolidation during the fiscal year ended December 31, 2024)

On September 2, 2024, we established PT Amita Tamaris Lestari as a joint venture with investments from AMITA CIRCULAR DESIGN SDN. BHD. and PT Tamaris Prima Energi, and the new company has been included in the consolidated results since the fiscal year ended December 31, 2024.

On October 7, 2024, we established PT Amita Prakarsa Hijau as a joint venture with investments from PT Amita Tamaris Lestari and PT Sari Bhakti Sejatii, and the new company has been included in the consolidated results since the fiscal year ended December 31, 2024.

AMIDAO CORPORATION, which was previously a consolidated subsidiary, was subject to an absorption-type merger with the Company in which the Company was the surviving company on December 1, 2024. As a result, AMIDAO CORPORATION has been excluded from consolidated subsidiaries since the fiscal year ended December 31, 2024.

(Segment information)

The statement is omitted because the Group constitutes a single segment, or the Social Systems Design Business.

(Per share information)

(Yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Net assets per share	128.77	152.01
Earnings per share	17.57	24.11

Notes: 1. Diluted earnings per share is omitted, because there are no potentially dilutive shares that have dilutive effects although there are potentially dilutive shares.

2. The basis for calculating earnings per share is as follows:

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Earnings per share		
Profit attributable to owners of parent (Thousands of yen)	308,345	423,184
Amount not attributable to common shareholders (Thousands of yen)	–	–
Profit attributable to owners of parent relating to common shares (Thousands of yen)	308,345	423,184
Average number of common shares during the period (Shares)	17,552,085	17,552,470
Summary of potential shares not included in the calculation of diluted earnings per share due to the absence of dilutive effects	1st Series Share Acquisition Rights (19,850 share acquisition rights/ 1,985,000 common shares)	1st Series Share Acquisition Rights (19,850 share acquisition rights/ 1,985,000 common shares) The abovementioned share acquisition rights were all purchased and canceled on February 28, 2024.

(Significant subsequent events)

Not applicable.