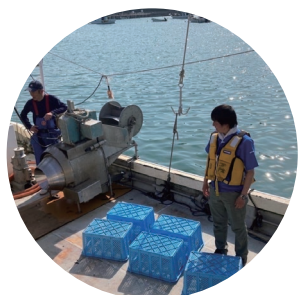




Annual Report 2022
Published July 2023

Creating Value, The AMITA Way



About this report

In this annual report, we discuss what the AMITA Group accomplished during the fiscal year ended December 31, 2022 (FY 2022), and present an overview of the Group's medium-term management plan for FY 2023-2025, which provides a basis for AMITA Vision 2030, announced in November 2022.

Today’s world faces many challenges—such as climate change, fast-depleting resources, pandemics, military conflicts, and loneliness epidemics and divisions among people. They are all intertwined with each other and must be met with a comprehensive, not isolated, approach. AMITA proposes that one such approach is to build an ecosystem society that draws inspiration from ecosystems in nature to thrive. We believe that an ecosystem society and ecosystem-driven business management define a post-SDGs society.

Since its founding in 1977, the AMITA Group has been providing industry-leading commercial solutions to unmet social needs. While this stance will remain unchanged, we need to keep pace with social and lifestyle changes in order to stay relevant in society for years to come. This report updates you on how we create value in our business and where we go from here as a future-design company.

We hope you embrace the concept of a social ecosystem and join us in our efforts to design and create an ecosystem society. Your feedback and suggestions are much appreciated.

July 2023
Editorial Team of AMITA HOLDINGS Co., Ltd.

The AMITA Group aspires to create an ecosystem society that brings people, nature, tangibles, and information all together.

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Social Ecosystem Defines Post-SDGs Society

AMITA pursues collaborative effort to create an ideal future

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

The AMITA Group believes in diverse engagement among people

Since its founding in 1977, the AMITA Group has been providing industry-leading commercial solutions to unmet social needs. To be sure, a modern industrialized society has brought monetary and material prosperity to a great many people. But at the same time, it has created wide-ranging social issues, including environmental pollution and deteriorating person-to-person relationships. In a society that blindly pursues economic growth, having considerable knowledge and skill at work is more valued than caring for and engaging with others or having the courage to venture into the unknown.

Moreover, when only people having above-average skills are respected, those who do not may be left to feel inferior or jealous. Today's society seems to be driving an increasing number of people to isolation because they refuse to be judged by others; they shut themselves off from person-to-person

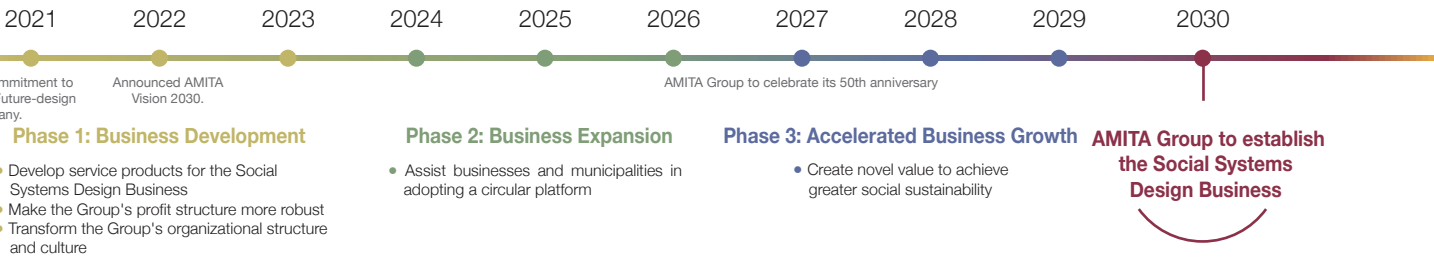
interaction. No degree of material affluence will bring happiness to people if they have to live in isolation.

We at AMITA have drawn inspiration from ecosystems in nature to put this misguided modern society back on the right track. In natural ecosystems, there is no such thing as “average,” as a variety of life forms with diverse individuality coexist and interact with each other. That has been how a natural world works all along. Individuality in this context is not the same as a self-centered individuality, where each person is entitled to do whatever they want at their own risk. We define an ecosystem society as one that emulates ecosystems in nature by facilitating engagement among its diverse members. The AMITA Group’s mission is to develop and provide solutions for achieving such a society.

Review of FY 2022: Challenging but rewarding second year of the Business Development Phase

In January 2021, the AMITA Group consolidated its B2B and B2C (community) businesses into the Social Systems Design Business, which addresses increasingly complex social issues from a broader perspective. The Group intends to grow its Social Systems Design Business into a core business line by 2030. In Phase 1, from 2021 through 2023, we have been laying the groundwork for the business. This includes developing new service products that help businesses and municipalities

achieve greater sustainability, establishing partnerships with other companies, local governments, and universities, and continuing to invest in making our operating foundation more solid. In Phase 2, from 2024 through 2026, we will continue developing the market for the new business, and in Phase 3, from 2027 through 2029, we will expand the service offerings to accelerate the growth of the business into a solid revenue and profit source for the Group.



During FY 2022, the AMITA Group continued to operate in a volatile business environment brought about by the COVID-19 pandemic and the prolonged military conflict between Russia and Ukraine. The Group missed its initial consolidated performance guidance for the year partly because corporate clients rescheduled the implementation of their ESG initiatives, due to this fast-changing operating environment, and delayed placing project orders with us.

On a positive note, we achieved a year-on-year increase in consolidated net sales, operating profit, and ordinary profit. This was primarily because of solid performance of our high-margin services, including consulting on corporate sustainability and recycling of silicon slurry waste. The Group's operating profit margin jumped from 10.9% for FY 2021 to 12.6% for FY 2022, and its equity capital ratio from 32.9% to 41.4%. This strong financial performance for FY 2022 enabled us to increase the dividend rate to 3.00 yen for the year, with a payout ratio of 9.9%.

Biomimicry is key to achieving a sustainable society

In November 2022, we announced “AMITA Vision 2030,” our strategic initiative and commitment to creating an ecosystem society by 2030.

In ecosystems in nature, 1.75 million species of plants, animals, and other organisms interact with and depend on each other for survival. Natural ecosystems are everywhere around us, varying in size from a small pond to a large rain forest to the entire earth. What can we learn from them? The AMITA Group looks at their three essential elements.

The first is circular design. Circular economy and circular society have become buzz phrases in today's business. The irony is that a poorly designed circular economy could do more harm to a sustainable society than a linear economy does. That is because the earth can accommodate a finite number of life forms and has a finite capacity for energy release, and the more materials are circulated above the threshold, the greater the chance of a breakdown in stability.

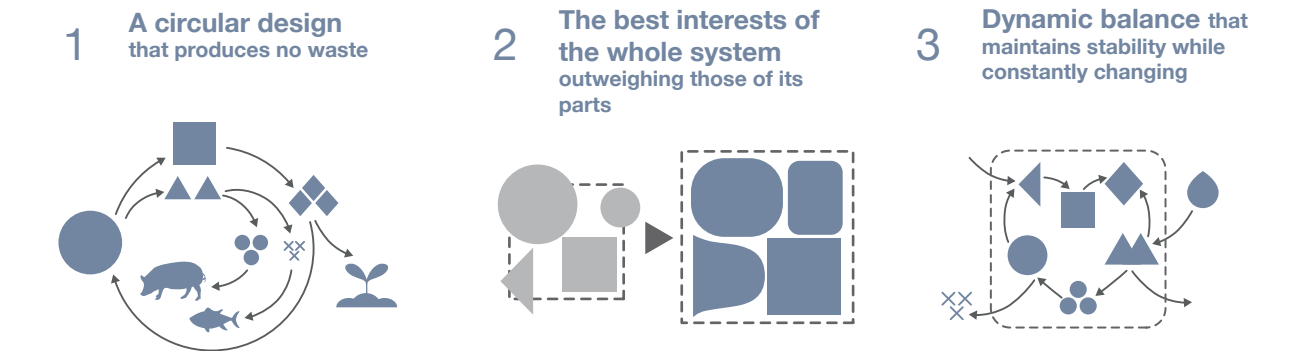
In circular ecosystems in nature, the metabolism in organisms collectively keeps the input and output of energy at an optimal level at all times to prevent an explosive release of energy into the environment. That is the second element of ecosystems in nature. When aged organisms wane, new organisms take over. This continuous circulation keeps the release of life forms and energy into a natural environment below the explosive level.

This process of discarding what is unnecessary to make room for its replacement is called maintaining a dynamic balance. Ecosystems in nature have a built-in mechanism for maintaining stability while constantly changing. That is the third element of natural ecosystems.

To summarize, ecosystems in nature have a built-in circular design mechanism that produces no waste. This circular process is supported by a mechanism for pursuing the best interests of the whole ecosystem that outweigh those of its parts, as well as by metabolism that maintains a dynamic balance. Interactions among all life forms drive this process of maintaining stability while constantly changing.

In a modern society, however, vested interest groups and organizations that bask in the glory of past successes tend to preserve the status quo and resist change. They refuse to innovate, content with only making small incremental changes. That is not the right way to keep up with fast changes taking place around them. We must embrace change to survive, just as natural ecosystems do. The first step to take is to increase the extent of interaction and engagement with others and give up the sense of individuality gained through past experiences. The second step is to rebuild from scratch through innovation to facilitate dynamic changes in a fast-changing environment.

Three Essential Elements of Ecosystems in Nature



An ecosystem society transforms industry and people's everyday lives

An ecosystem society draws inspiration from ecosystems in nature that maintain an optimal state as a whole while constantly and dynamically changing. It is a circular society that supplies just the right amount of goods to meet the demand and produces no waste. This is a radical departure from a traditional industrialized society characterized by mass production, mass consumption, and mass waste. To make a circular society work, compiling information and putting it to good use is critically important. If you collect and analyze real-world information for an extended period, regarding how much and how often local residents buy and consume which goods, you will be able to predict with reasonable accuracy local demand for those goods and residents' behavior patterns several weeks and months out. Businesses and municipalities can use this information to provide the right products and services in the right amount to local residents, free of waste.

Moreover, in an ecosystem society, consumers have easy access to sustainability information—including the content of recycled materials, supply-chain CO₂ emissions, and recycling

methods—and social value of products they buy. They can use this information to make socially motivated purchasing decisions on eco-friendly products that benefit their communities. Simply by buying and using goods every day, consumers can play an active role in helping to achieve a circular society.

Such a virtuous circle of production and consumption is supported by a circular platform that brings people, nature, tangibles, and information all together. Building a circular platform is the first step toward achieving an ecosystem society in which, as we live longer, work harder, sell more, and buy more, our interaction and engagement with each other becomes stronger and deeper and every aspect of nature becomes richer.



▲ Scan the code to watch a video of AMITA Vision 2030.



▲ Scan the code to visit a microsite for AMITA Vision 2030.



▲ Scan the code to access the presentation deck on AMITA Vision 2030 (PDF).

Our business strategy for developing and establishing a circular platform

The AMITA Group's business strategy is focused on developing and establishing a circular platform.

Social background for a circular platform

The market for consumer goods in Japan is no longer sustained by quantitative growth. This is partly because the aging and shrinking population, combined with the increasingly mature economy, has been diminishing domestic demand for consumer goods, and partly because the shrinking working-age population has resulted in a labor shortage and has continued to drive up labor costs. In addition, the global supply chain, having long served as a key growth driver for the Japanese economy, has lost its stability, causing prices of fuels and raw materials to skyrocket. As a result, the cost-of-goods percentage of products sold in Japan has continued to rise, forcing Japanese consumer-goods companies to slash their profit margins, which are already slimmer than those of their counterparts in Europe and the United States.

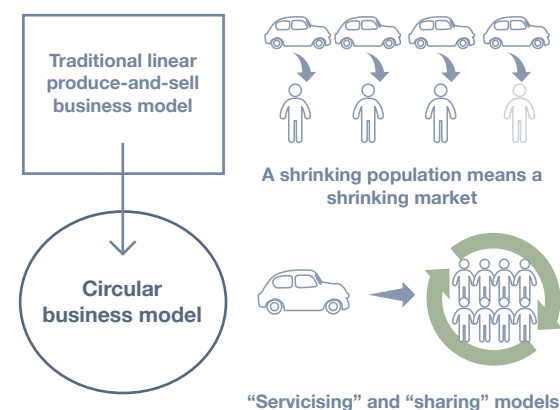
AMITA's recommended growth strategy for Japanese companies

To get out of this trap and sustain the growth of business, Japanese companies must drive their profit margins up by reducing per-unit fixed and variable costs. A traditional way of increasing sales of consumer goods in an unpredictable market was running mass print and TV advertising campaigns to create fuel demand. In a shrinking market, however, that is no longer a viable model. Total annual ad spending is 7 trillion yen in Japan,

part of which could be diverted to demand-prediction services. The AMITA Group intends to develop and establish a circular platform based on demand prediction.

By making a switch from a traditional linear produce-sell-and-consume business model to one that makes a circular use of materials and products based on reliable demand prediction, consumer products companies will have a greater chance to bolster their profit margins—even from a flat or declining volume of sales—by cutting back on ad budgets and personnel costs, as well as by curbing the rising cost of sales.

Transition from a Linear Business Model to a Circular One



Infrastructure to turn our business strategy into actionable steps

To make a circular platform work, we must have an infrastructure to compile and analyze relevant information, which enables us to turn the unpredictable into the predictable.

The AMITA Group has accumulated a solid track record in identifying unmet social needs and developing and offering services and solutions to manage the unpredictable.

They include:

1. Closed-loop resource-recycling services: **Using data-driven supply and demand prediction** to turn waste streams into value streams, converting industrial waste and byproducts of unpredictable quantity and quality into value-added materials to meet the needs of commercial users and optimize the supply-and-demand balance
2. Environmental assessment and certification services: **Visualizing traceability information** of products to enable end users to make well-informed product choices

Organizational strategy for creating greater value through deeper engagement with stakeholders

AMITA HOLDINGS made changes to its leadership team effective March 2023, as part of its efforts to drive a group-wide initiative to establish a circular platform. (See pages 40 and 41) I have assumed the position of the Chairman and Chief Visionary Officer, and my responsibilities include leading the AMITA Group's business development efforts to stay ahead of a fast-changing operating environment and enhance its longer-term enterprise value. I am also responsible for nurturing and developing relationships with a wide range of current and future stakeholders.

The primary role of the CVO is to bring all AMITA Group companies and their partners together toward building a better future. Our organizational strategy is to create greater value through interaction and engagement with stakeholders. As I said in the previous chapter, AMITA intends to retain its competitive advantage while partnering with other companies to create even greater value.

Effective January 2023, we switched to a shorter 32-hour workweek to bolster organizational efforts to create value. (See page 30) We made this change in the belief that, when employees have fulfilling lives away from work, they have a better chance of creating greater value at work. The switch to a three-day weekend is intended to provide employees more time to gather valuable information from around them for potential commercial application.

When like-minded people bring their strong wills together, we will have a better chance of creating an ideal society. At AMITA, we believe that a team of ordinary people can do something extraordinary. Please join us in our journey toward achieving an ecosystem society and building a better future.

3. Environmental management services: Assisting corporate clients in making better use of their environmental data **compiled by our digital ICT solutions**

By combining the value provided by these services, we can build an information-compilation infrastructure designed to handle a vast amount of data.

In addition, we have partnered with other companies to combine business expertise and technical resources and pursue more innovative and greater value. (See page 26)

To keep information flowing in a constructive way, we need to encourage continued participation and contribution of end users. The more residents use this platform, the higher quality of services businesses and municipalities can deliver for the benefit of their well-being. AMIDAO CORPORATION, an AMITA Group company established in January 2023, leverages Web3 technology to uncover implicit social relationships. The AMITA Group will use AMIDAO's expertise to build a system that leverages user information to help businesses and municipalities improve their service quality.

How we fend off potential business risks associated with the delayed establishment of a circular platform

There is a risk that our proposed circular platform may not generate strong enough interest or demand among businesses and municipalities if society as a whole continues to follow the traditional industrialization path and is not ready to transition to circular business models or lifestyles.

One of the options we are considering in order to fend off this risk is to relocate our head office to a rural area and develop a circular community around it. This would serve as a model of a decentralized autonomous community in which natural and relational capital will be enhanced in a virtuous circle over time. This would be a showcase of a novel community, developed with the AMITA Group's wealth of know-how in circular design, and could be presented to municipalities and other communities as a real-life prototype of what we are aspiring to accomplish. This proposed community, as a product, will encourage residents to demonstrate mutually supportive engagement with each other and enable them to feel more secure and comfortable. MEGURU STATION® will be an integral part of the community.

If more of these model communities spring up around the country, extensive information about residents' behavior patterns will be compiled and analyzed on a circular platform and be used to help businesses achieve greater efficiency and accuracy in their sales and production planning.

We will consider putting this option into action when stagflation (a combination of slow growth and high inflation) hits the country. In times of stagflation, businesses and municipalities will likely become more conservative and less motivated to initiate change. We will seriously consider this option when overall inflation doubles year on year and temporary workers increase to account for more than 30% of the total workforce in Japan.

Note: This is one of many options under consideration to fend off potential business risks.

AMITA's Value

AMITA's History of Creating Value

Providing industry-leading commercial solutions to unmet social needs

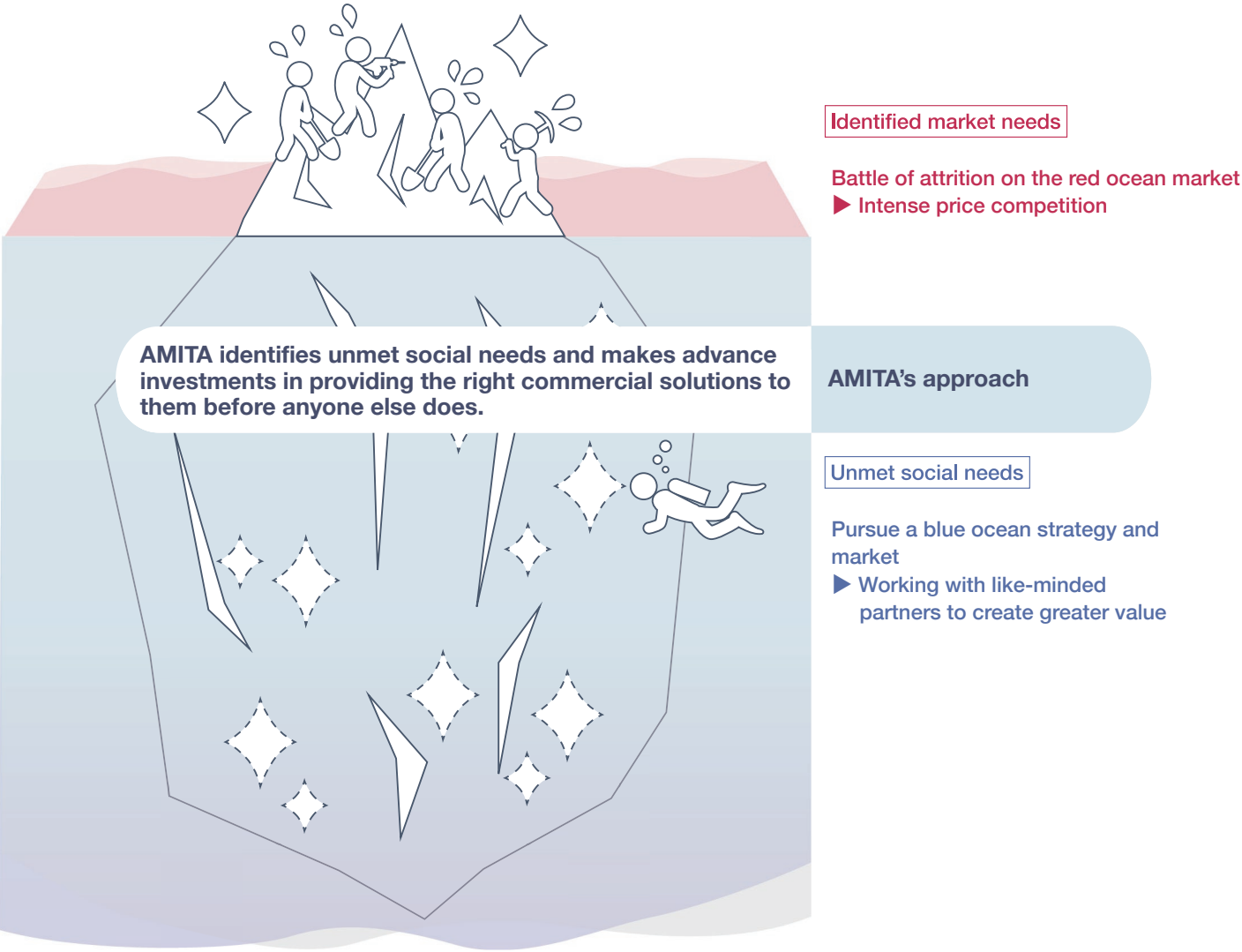
The AMITA Group's purpose is to identify intangible and unmet social needs and provide commercial solutions to them before anyone else does.

Our value proposition is resolving social issues and enhancing corporate and community sustainability. By developing and establishing a business model to fulfill people's inner hopes, we have been creating one new service after another that sustains our growth for today and tomorrow.

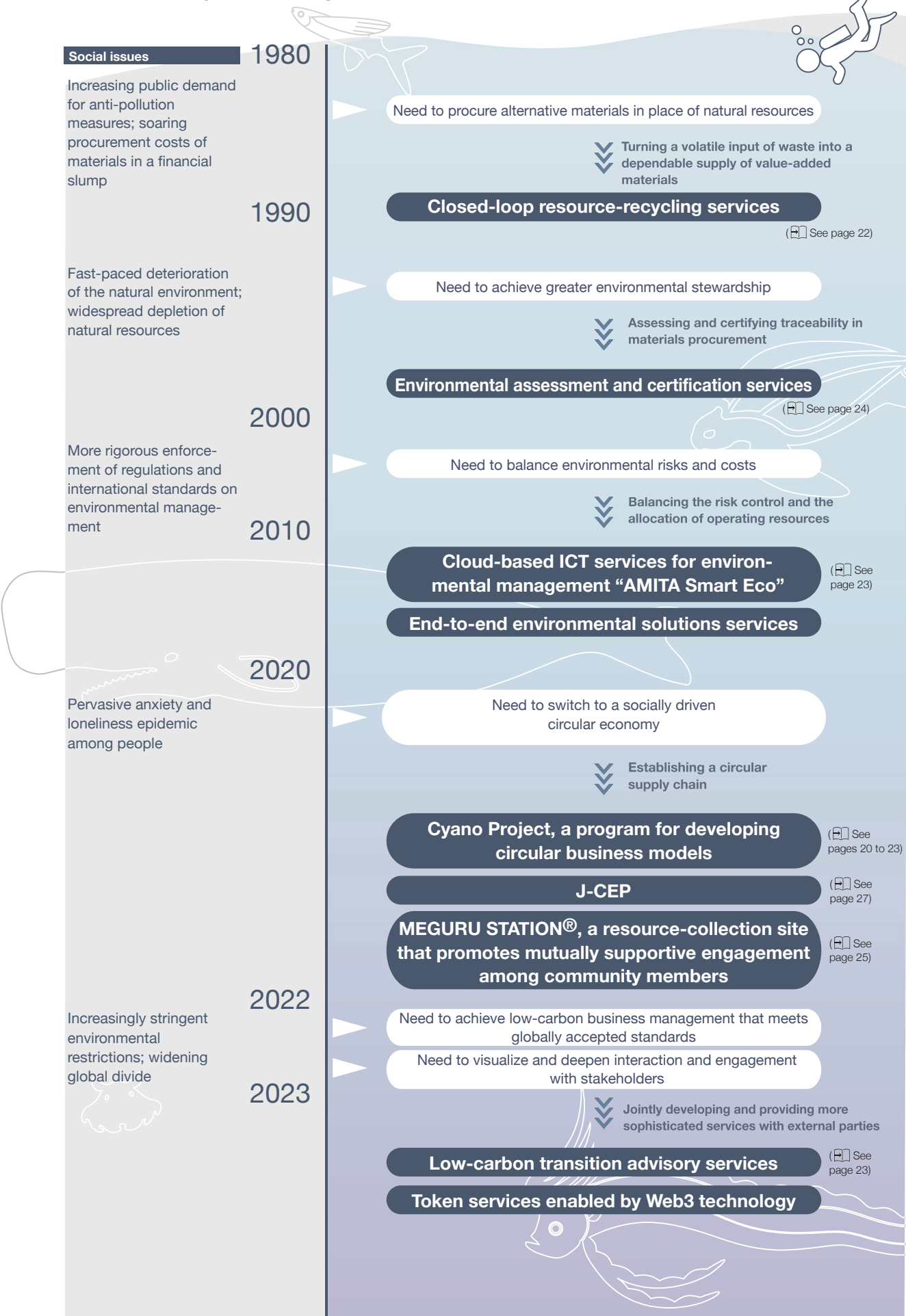
To identify unmet social needs, we must keep abreast of social and lifestyle trends and gain deep insights to identify underlying issues. Moreover, we at AMITA have a can-do spirit of never giving up, an innovative mindset, and teams of like-minded members, so that we can keep developing and delivering commercial solutions to social needs. To keep creating greater value, we place a high priority on driving employee talent development, as well as on pursuing partnerships with external parties that relate to AMITA's mission and business ventures.

(See pages 30 and 31 for details about AMITA's employee development programs)

(See pages 26, 27, 32, and 33 for details about AMITA's partnerships with external parties)

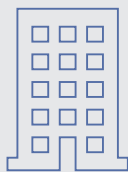


AMITA's History of Providing Commercial Solutions to Unmet Social Needs



AMITA Group by the Numbers

Group overview



Established

1977 | 47th anniversary



Stock listed on

TSE Growth Market

Stock code 2195



Employees

(As of May 31, 2023)

Number of employees
(consolidated)

241

Women

126

52%

Men

115

48%

Average age

41.0

Note: Corporate officers or temporary employees not included

Percentage of
women among
managers

20%



Percentage of employees who took parental
leave

during the past 24 months

Women

100%

Men

43%

Note: Percentage includes that of full-time employees who took a paid vacation to care for their children.



Percentage of employees who said they feel
proud of working for AMITA

(Finding from an employee survey conducted in the second half of FY 2022)

78%

"I feel somewhat
proud"

"I don't feel proud" and
no response combined

"I feel proud" 78%

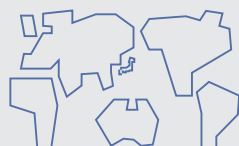
17%

5%

Annual employee
turnover rate

Average of the past
five years

8%



Offices and
facilities

(As of May 31, 2023)

Number of offices
and facilities

22

Note: Facilities operating on the
same premises and facilities
operated by partners included.



Offices

AMITA-operated
resource-recycling
plants and BIO facility

Partners' resource-
recycling plants

Japan

10

4

4

Overseas

3

in Malaysia, South Korea,
and Taiwan

1

in Malaysia



Financial
performance

for FY 2022

Net sales

4.8
billion yen

Operating profit margin

12.6%

Equity capital ratio

41.4%

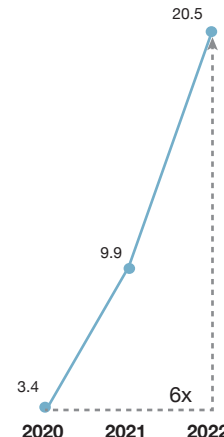
Return on equity (ROE)

30.8%

Return on assets (ROA)

11.0%

Market capitalization
(in billions of yen)



Note: Based on the closing quote of
the Company's stock as of the last
trading day of December each year.

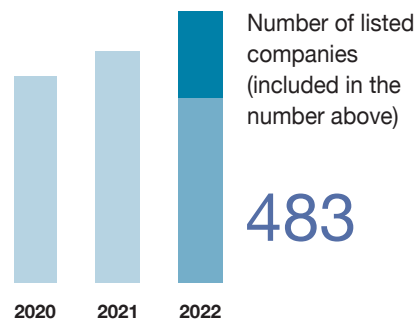


Clients

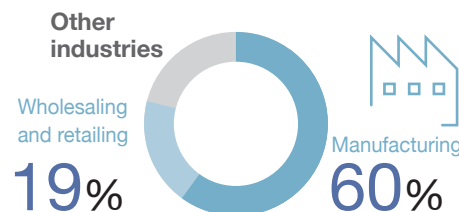
for FY 2022

Number of corporate and
municipal clients

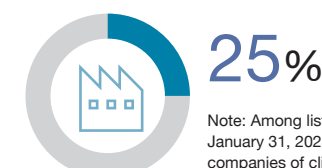
1,541



Type of corporate clients' business



Percentage of our clients among all
listed manufacturers



Note: Among listed companies as of
January 31, 2023, including parent
companies of clients

Partnerships (As of June 30, 2023)



Number of corporate
and municipal partners

12

(See page 26)



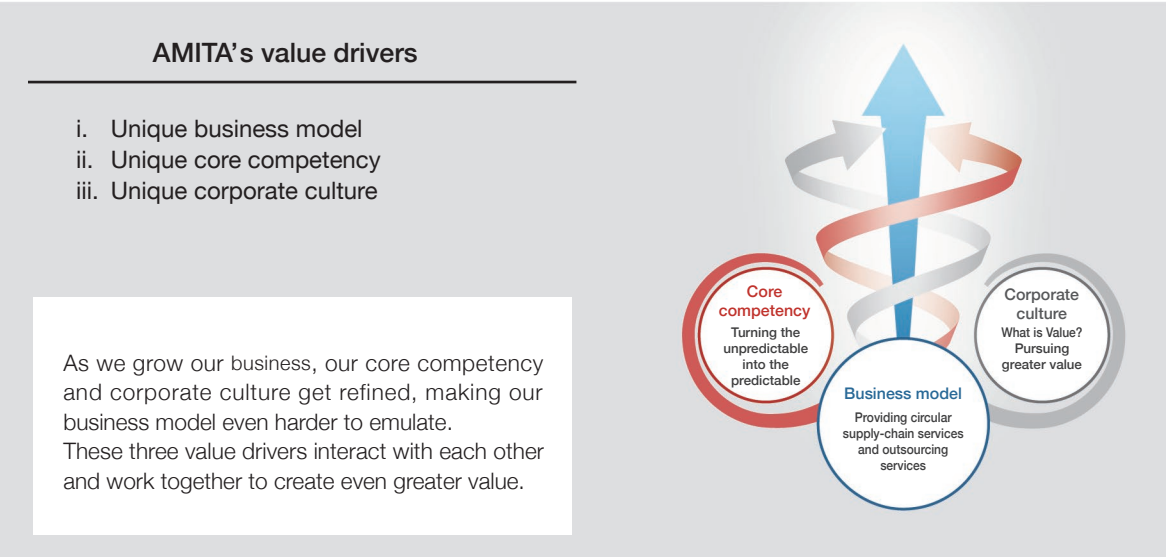
- Tachiarai, Fukuoka Prefecture
- Kakegawa, Shizuoka Prefecture
- MCP Japan Holdings
- NTT Communications
- Fuyo General Lease
- PT Indocement Tunggul Prakarsa Tbk.
- MUFG Bank*
- Kobe, Hyogo Prefecture
- Sanyu Plant Service
- Sumitomo Mitsui Trust Bank
- BELL Group
- Tokio Marine & Nichido Fire Insurance*

*Partnerships signed with Codo Advisory, 50% of which is owned by AMITA HOLDINGS

AMITA's Value Drivers

The AMITA Group has sustained the growth of its business by providing a series of industry-leading commercial solutions to unmet social needs. In this section, we discuss our three value drivers and how they work together to sustain our business growth.

AMITA's three interconnected value drivers



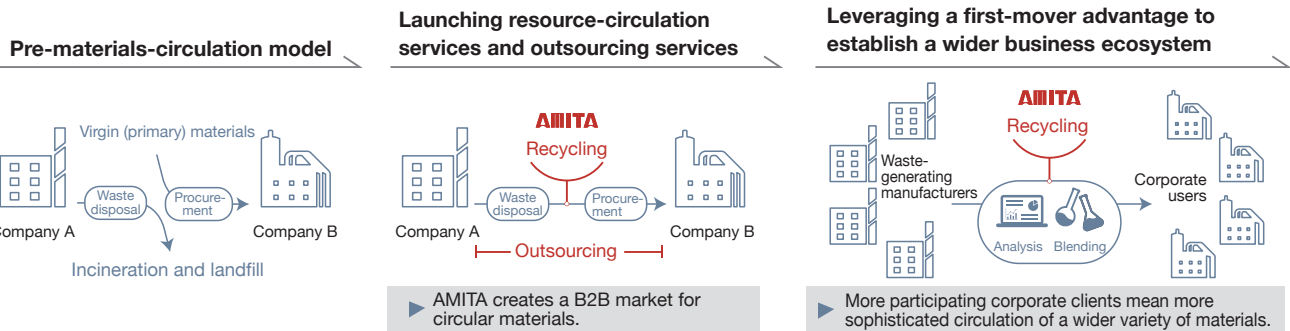
Circular supply-chain services and business-process outsourcing services

AMITA's hard-to-emulate business model

A supply chain is an uninterrupted flow of materials, components, and finished products, ranging from procurement to sales, in which manufacturers, suppliers, and contractors are involved. The AMITA Group has been providing closed-loop resource-recycling services, environmental assessment and certification services, and environmental risk management services, which all complement corporate clients' supply chains and enhance their sustainability. We also provide business-process outsourcing services.

For instance, AMITA became one of the first businesses in Japan in 1979 to offer circular supply-chain services. In this business model, we turn waste streams into value streams by repeating the process of converting industrial waste and byproducts supplied by manufacturers in diverse industries into value-added materials and providing them for other manufacturers to use in their operations. This business model is sustained by a business ecosystem that provides a win-win solution for both waste-generators manufacturers and corporate users of circular materials along the circular supply chain.

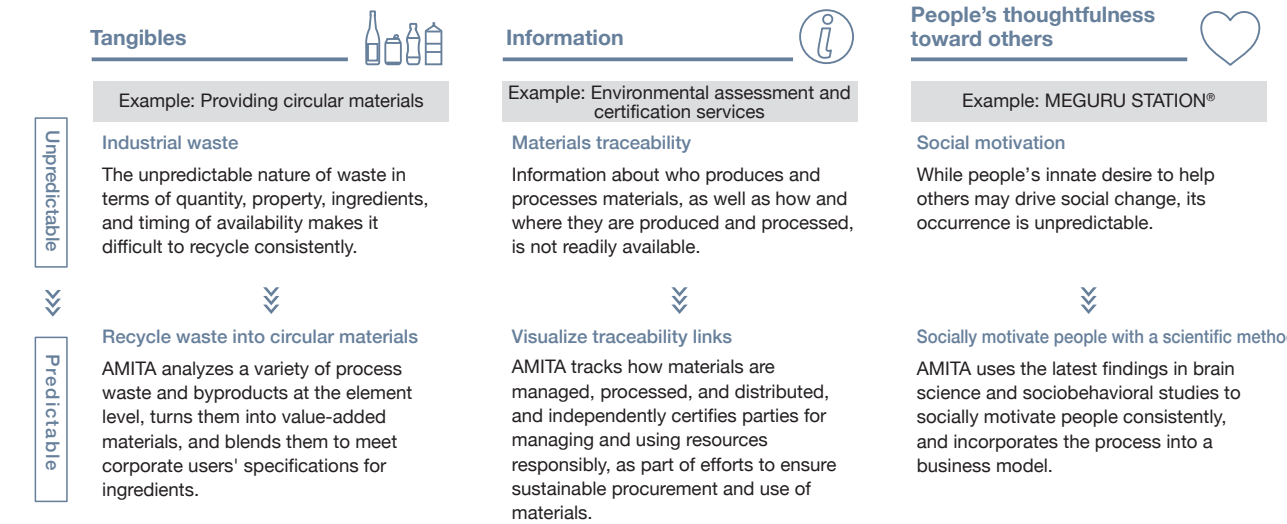
Manufacturers may find it challenging to recycle their industrial waste and byproducts on their own; businesses that use a large amount of underground resources may find it hard to procure alternative circular materials in large quantity on their own. That is where the AMITA Group come in. We leverage our nationwide materials-circulation network to assist corporate clients in switching to circular supply chains by providing closed-loop resource-recycling services and procurement services of circular materials.



Turning the unpredictable into the predictable

AMITA's hard-to-match core competency

AMITA's materials-circulation business model is made possible by our know-how and core competency in turning the unpredictable into the predictable. What makes AMITA's competitive advantage unique is that we apply this know-how not only to tangibles, such as industrial and household waste, but also to information and people's thoughtfulness toward others.



Our know-how in turning the unpredictable into the predictable uses informatics technology to compile, analyze, and apply information to create greater value.

What is Value?

AMITA's corporate culture of pursuing greater value

Nobody can predict the future. The future is for those who design and build it.

That is AMITA's stance. All our employees embrace AMITA's corporate culture of constantly asking themselves and society the true meaning of value in pursuit of a better future and a true sense of fulfillment. This corporate culture drives us to venture into the unknown.

AMITA values deep engagement with stakeholders more than anything else. Our corporate strategy, as well as business and organizational scheme, is to visualize this intangible engagement with stakeholders and enhance it into operating resources and social capital.

Becoming a provider and player of a circular platform

AMITA has been working to establish a circular supply chain that serves an entire society, including people's lifestyle. Our MEGURU STATION® is a case in point. It is a resource-collection site that promotes mutually supportive engagement among community residents, socially motivates them to bring in their household waste for recycling into value-added, high-quality materials for commercial use. We analyze data about household waste and residents' behavior patterns to predict consumer demand for products and behavior with reasonable accuracy. The insights and findings from the analysis are shared with businesses and municipalities so that they can optimize their production and sales plans and their community services.

We intend to establish the circular platform called MEGURU PLATFORM by 2030 and serve as its provider to residents, businesses, and municipalities—and as its player.

(See "Raising Funds to Achieve AMITA Vision 2030" on page 18)

How AMITA Creates Value

Maintaining deep engagement with stakeholders increases operating capital

AMITA maintains deep engagement with a broad range of stakeholders. Deep engagement with them wins their buy-in to our mission and business, increasing our operating capital, including financial, human, material, and information capital.

By investing acquired operating capital in our business to gain profit and reinvesting the profit in building even stronger relationships with stakeholders, we can win buy-in from even broader stakeholders. Thus, AMITA's enterprise value is continuously enhanced in a virtuous spiral as illustrated below.

Earning a maximum return on minimum investment

Working with the right partners helps realign the distribution of operating capital inside and outside the AMITA Group in response to a changing operating environment. As a result, we will be better poised to transform ourselves to create even greater value. Maintaining deep engagement with stakeholders enables us to make the most of available time and financial resources and earn a maximum return on minimum investment.

Case in point: Return on Invested Capital (ROIC)

$$ROIC = \frac{\text{Operating profit after taxes}}{\text{Invested capital (interest-bearing debt + shareholders' equity)}}$$

(AMITA Group's ROIC was 13.1% for FY 2022)

Profit generated from highly sustainable and high-margin business lines supported by a circular supply chain

Accumulation of robust operating capital enables making sound investment decisions and avoiding unnecessary investments

Input in FY 2022

AMITA's capital as of December 31, 2021

Financial capital

	For FY 2021
Net sales	5,157 million yen ¹
Operating profit	560 million yen ¹
Equity capital ratio	32.9%
Market capitalization	9.9 billion yen ¹

1. Amounts rounded down to the nearest million yen
2. Amounts rounded down to the second decimal place. Based on the closing quote of the Company's stock as of the last trading day of December 2021.

Human capital

Number of employees	222
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Tangible and intangible capital

- Network of more than 300 recycling service providers
- Infrastructure for gathering and managing information about industrial waste and recycled materials
- System for gathering information about residents' behavior patterns and waste disposal
- AMITA's website dedicated to sustainability solutions, attracting more than 100,000 visitors a month
- Collaboration with other businesses, municipalities, and universities

	For FY 2021
Corporate membership of J-CEP	32
Business partnership	1

Information capital

- Information about industrial waste and recycled materials, gathered from our recycling service network and information infrastructure
- Information about community residents' behavior patterns and waste disposal, gathered from MEGURU STATION®

Operating capital keeps growing through this spiral process

Raise operating capital from stakeholders that buy into AMITA's mission and business

Invest in establishing engagement with stakeholders

Examples: Forming strategic partnerships; establishing a collaborative network among businesses, municipalities, and universities
(See page 26)

Deeper engagement with a broad range of stakeholders

Core competency
Turning the unpredictable into the predictable

Business model
Providing circular supply-chain services and outsourcing services

Corporate culture
What is Value? Pursuing greater value

Activity

AMITA's value drivers

(See page 10)

Identify unmet social needs and formulate a next-phase market-development strategy

Natural capital and relational capital are enhanced in a virtuous spiral as our business grows, making society wholesome

Society Stakeholders

Outcome

- Help corporate clients optimize their supply chains to achieve carbon neutrality and drive a circular economy
- Produce circular materials and collect used materials to reduce waste bound for incineration and landfill and preserve natural resources
- Help corporate clients exercise responsible management and use of forest and fishery resources to preserve and restore natural capital
- Operate MEGURU STATION® to help residents extend their healthy life expectancy and build a mutually supportive autonomous community

Output in FY 2022

	For FY 2022	YoY change		For FY 2022
Net sales¹	4,824 million yen¹	- ¹	Number of employees	239
Operating profit	609 million yen¹	up 9%	Corporate membership of J-CEP	44 (cumulative)
Equity capital ratio	41.4%	+8.5 points	Business partnerships	9
Market capitalization	20.5 billion yen¹	up 107%		

1. Effective at the beginning of FY 2022, the Company adopted the Accounting Standard for Revenue Recognition. (See page 16)
2. Amounts rounded down to the nearest million yen. 3. Amounts rounded down to the second decimal place. Based on the closing quote of the Company's stock as of the last trading day of December 2022.

Overseas business

(See page 24)

- ▶ Operating resource-recycling business and import/export business for alternative materials in Malaysia

Circular materials produced in Malaysia	40,000 t
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MEGURU STATION®

(See page 25)

- ▶ A resource-collection site that promotes mutually supportive engagement among community residents and provides comprehensive solutions to community, business, and social issues

Number of locations	5 locations in 3 communities
Number of registered users	1,113
Household waste collected	22.4 t

Cyano Project

(See pages 20 to 23)

- ▶ Comprehensive ESG solutions that assist corporate clients in achieving greater corporate sustainability and developing circular business models

Number of corporate clients	38
Circular materials produced	144,000 t
Number of subscribers to our ICT services	5,032 offices*

* Subscribers to Smart Management services

Environmental assessment and certification services

(See page 24)

- ▶ Assessing and certifying adherence to standards established by internationally recognized ecolabels to ensure sustainable procurement of materials

Number of corporate clients assessed for forest certification	685
Number of corporate clients assessed for fishery certification	180

Note: Assessments extended to processing and distribution of materials.

AMITA's Social Systems Design Business

Our Social Systems Design Business provides transformative solutions to industry and people's everyday lives to achieve greater social sustainability as a step toward creating an ecosystem society.



Comprehensive ESG solutions based on a circular design approach

Cyano Project

Assistance in developing transition strategy

Consulting

Cyano Project is a centerpiece of our Social Systems Design Business. It provides comprehensive ESG solutions based on a circular design approach to assist businesses in achieving greater corporate sustainability and developing new business models. We offer end-to-end assistance that ranges from formulating strategy to developing circular business models and encompasses circular economy, carbon neutrality, and nature positive solutions. (See pages 20 to 23)

Operational assistance

Producing and supplying circular materials

ICT solutions for environmental management

Outsourcing services for environmental management

Installing operating a biogas facility as part of a materials-circulation infrastructure

Our consulting services include assistance in formulating long-term vision and strategy for greater corporate sustainability, developing circular business models, conducting feasibility studies, developing a materials-circulation scheme, and implementing a low-carbon transition strategy.

Convert industrial waste and byproducts into value-added circular materials, using our closed-loop recycling method and proprietary blending technique (See page 22)

Provide corporate clients with cloud-based environmental management services to reduce their environmental risks and administrative costs (See page 23)

Our experts handle corporate clients' environmental management tasks to reduce their risks and ease their staff shortage. (See page 23)

Operate a biogas facility in Minamisanriku, Miyagi Prefecture, to convert organic matter, such as food waste, human waste, and sludge, into biogas, as part of a community materials circulation scheme

All these services are driven by a circular design approach.

We provide customized products and services to meet clients' diverse needs.

Assisting municipalities in achieving greater community sustainability

Operate MEGURU STATION® resource-collection sites that promote mutually supportive engagement among community residents in order to address community, business, and social issues, and to achieve circular, autonomous communities

(See page 25)

Corporate alliance to achieve a circular society

Japan Circular Economy Partnership (J-CEP) promotes cross-industry and cross-sector collaboration to develop circular business models. AMITA HOLDINGS is one of its founding members and chairs its steering committee.

(See page 27)



Environmental assessment and certification services

Assess and certify adherence to standards established by internationally recognized ecolabels to ensure sustainable procurement of forest and fishery resources

(See page 24)

Overseas business

Leverage our resource-recycling technology, originally developed in Japan, to convert industrial waste and byproducts into value-added materials in Malaysia; import and export alternative materials and fuels; and conduct environmental risk assessments and business feasibility studies on behalf of corporate clients considering expanding their business into overseas markets

(See page 24)

Leveraging Web3 technology to provide a platform for creating an ecosystem society

Assist operators of office and commercial complexes in developing a token economy to encourage residents and customers to engage in socially responsible behaviors

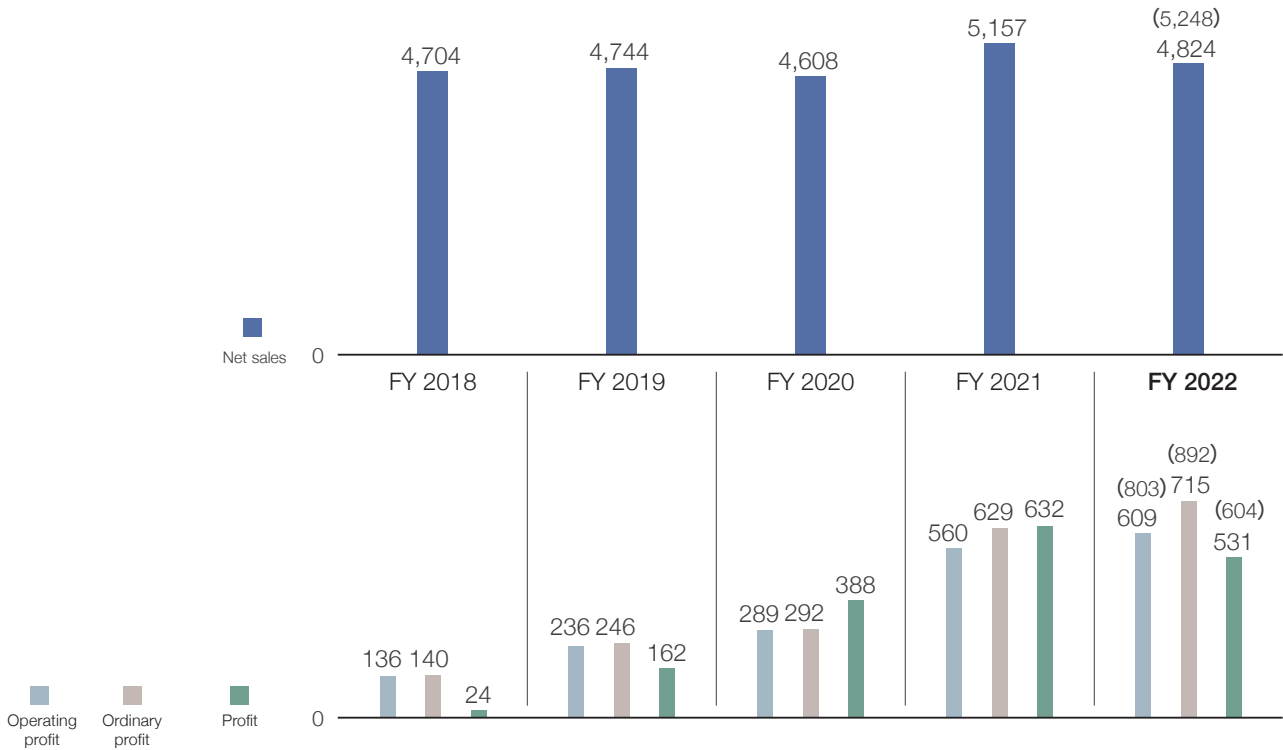
Financial Performance for FY 2022

Financial Highlights

Consolidated Financial Results

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

Note: Numbers in parentheses in this chart are the initial performance guidance the Company announced for the year.



While we missed the initial performance guidance for FY 2022 due to a challenging operating environment, we achieved a year-on-year increase in net sales*, operating profit, and ordinary profit.

The AMITA Group has maintained flat sales over the past five years, meeting growing needs for corporate and community sustainability among businesses and municipalities. Our operating profit, ordinary profit, and profit have been following an upward trend, due to improved profit margins on services business and growing revenue from high-margin services.

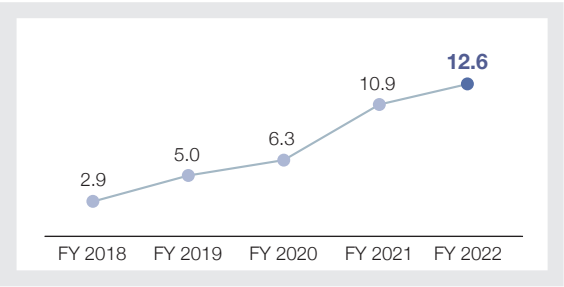
During FY 2022, the AMITA Group operated in a volatile business environment brought about by the COVID-19 pandemic, the prolonged military conflict between Russia and Ukraine, and surging prices of raw materials. The Group missed its initial performance guidance for the year partly because corporate clients rescheduled the implementation of their ESG initiatives and delayed placing project orders with us. Nevertheless, we achieved a year-on-year increase in net sales*, operating profit, and ordinary profit. As a side note, effective at the beginning of FY 2022, the Company adopted the Accounting Standard for Revenue Recognition and changed the way it records net sales and cost of sales in its financial reporting.

*Assuming that the same accounting standard applied to reporting net sales for FY 2021 and FY 2022

Net sales	Net sales reported for FY 2022 based on the newly adopted Accounting Standard for Revenue Recognition were 4,824 million yen; they would have been up by 172 million yen YoY if reported on the basis of the previous standard. Revenue increase came from the Cyano Project and environmental assessment and certification services, as well as from sales of recycled silicon. *Assuming that the same accounting standard applied to reporting net sales for FY 2021 and FY 2022
Operating profit	Operating profit for FY 2022 jumped to 609 million yen from the previous year, reflecting an increase in net sales before factoring in the impact of the application of the Accounting Standard for Revenue Recognition.
Ordinary profit	Ordinary profit for FY 2022 soared to 715 million yen, reflecting increases in operating profit and in the share of profit of entities accounted for by using the equity method from Malaysian operations (especially from a tax credit for green investment).
Profit	Profit for FY 2022 decreased to 531 million yen because a reduction in tax expenses associated with the absorption-type merger of subsidiaries that had taken place in the previous year was smaller, which more than offset an increase in ordinary profit.

Key Financial Metrics

Operating profit margin (%)



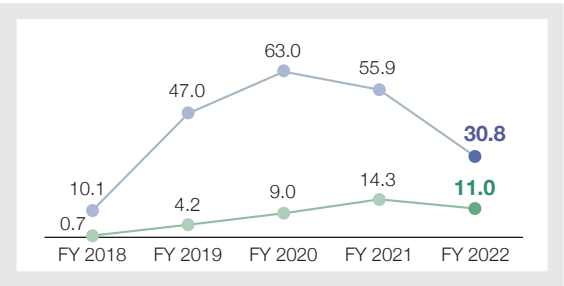
Note: Operating profit margin for FY 2022 would have been 11.4%, based on the previous accounting standard.

Results for FY 2022

- Effective at the beginning of FY 2022, the Company adopted the Accounting Standard for Revenue Recognition.
- Gross profit margin was up on revenue from the following services:
 - Closed-loop recycling, environmental assessment and certification, consulting, and ICT solutions
- Revenue grew from the following high-margin services:
 - Environmental assessment and certification, and consulting

Return on equity (ROE) (%)

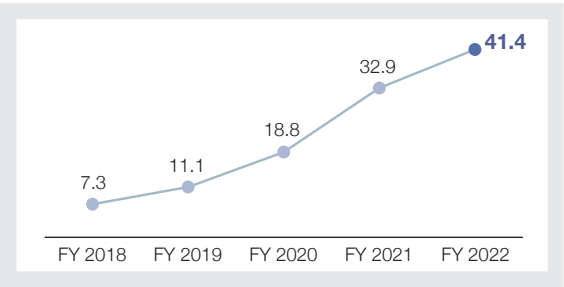
Return on assets (ROA) (%)



Results for FY 2022

- The posting of profit for the year bolstered retained earnings, which in turn increased equity capital.
 - We expect ROE and ROA for FY 2023 and FY 2024 to decline, as we have been raising funds through the issuance of share acquisition rights, which will bolster the equity capital level (net assets).

Equity capital ratio (%)



Results for FY 2022

- Equity capital (net assets) increased.
 - The posting of profit for the year bolstered retained earnings.
 - Raised funds through the issuance of share acquisition rights.

Cash Flows and Financial Position

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

		FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Cash flows	Net cash provided by operating activities	288	430	391	873	585
	Net cash provided by (used in) investing activities	(79)	(166)	(29)	(73)	(69)
	Net cash provided by (used in) financing activities	(159)	(152)	96	(649)	(142)
Financial position	Total assets	3,665	3,826	4,311	4,427	4,824
	Liabilities	3,398	3,402	3,502	2,972	2,823
	Net assets	267	424	809	1,455	2,001
	Retained earnings	(455)	(292)	96	728	1,225
	Shareholders' equity	264	426	815	1,448	1,955
	Equity capital	267	424	809	1,455	1,995

Raising Funds to Achieve AMITA Vision 2030

The AMITA Group announced in November 2022 AMITA Vision 2030, its initiative and commitment to creating an ecosystem society by 2030. This initiative is based on our conviction that a circular supply chain and a locally networked economy are the key drivers for economic and social growth. To support these growth drivers, we will establish the MEGURU PLATFORM, on which tangibles, information, and thoughtfulness to others are all circulated. AMITA intends to become a provider and player of this platform.

To invest in developing the MEGURU PLATFORM, we have been raising funds by issuing share acquisition rights through third-party allotment. As of June 30, 2023, 150 share acquisition rights have been exercised.

This fund-raising effort will enable us to increase our tradable share ratio to meet TSE's Continued Listing Criteria for tradable shares.

In addition, through borrowings from financial institutions, we have been making our financial foundation robust enough to sustain our business growth.



Scan the code to access AMITA Vision 2030.

Outline of issuance of share acquisition rights through third-party allotment

- Allotted party: Mizuho Securities Co., Ltd.
- Amount of funds to be raised: 2,284 million yen at initial exercise price
- Number of share acquisition rights: 20,000
- Exercisable period: 24 months from December 20, 2022, through December 19, 2024
- Minimum exercise price established.

Intended use of funds to be raised

- | | | |
|---|--|-------------------|
| 1 | Accelerate expanding the network of MEGURU STATION®, which is a resource collection site that promotes mutually supportive engagement among community residents and serves as the centerpiece of the MEGURU PLATFORM | 1,534 million yen |
| 2 | Develop a blockchain-based system that supports the MEGURU PLATFORM by sharing open sustainability information across a supply chain while ensuring the security of sensitive information | 300 million yen |
| 3 | Build an additional silicon-recycling line at our Kitakyushu Sustainable Resource Management Center, to meet the growing commercial needs for recycled silicon | 450 million yen |

Other Investor Relations Initiatives

Sharing a broader range of information with stakeholders

We share as much information as possible about the AMITA Group's business and financial performance with a broader range of stakeholders in Japan and abroad. We intend to step up our efforts in investor relations to win wider buy-in to our value-creation initiatives from stakeholders.

Number of IR releases published

FY 2021	FY 2022	H1 of FY 2023
28	39	30

- Providing overseas investors with corporate and financial information in English
 - ▶ Scan the code to visit AMITA's English-language Investor Relations page.
 - ▶ Publishing quarterly financial reports, annual earnings briefings, and annual reports in English
- Updating investors and analysts on AMITA's business initiatives
 - ▶ Sharing information in a timely and effective manner
- Sharing more information with private investors
 - ▶ IR briefings for private investors
 - ▶ Briefings on AMITA's medium-term management strategy



Making it easier to invest in AMITA

AMITA HOLDINGS enacted a stock split twice during FY 2022 to increase its tradable share ratio, attract a broader range of investors, and expand the shareholder base. We have 2,915 shareholders as of June 30, 2023, which is 11.7 times as many compared with the same day two years earlier.

2022	5-for-1 split		3-for-1 split	
	January before stock split	January after first stock split	January after first stock split	October after first stock split
Total number of issued shares	1,169,424	5,847,120		17,541,360
Total number of authorized shares	2,400,000	12,000,000		36,000,000

Dividends

Year-end dividend rates for FY 2022 and FY 2023 (projected) are shown in the table to the right. We intend to continue operating profitably so that we can return profit to our shareholders flexibly over the long term. For the Company's dividend policy, refer to the Company's annual securities report for FY 2022.

	FY 2021 (results)	FY 2022 (results)	FY 2023 (projected)
Year-end dividend rate	30.00 yen	3.00 yen	4.00 yen
Consolidated dividend payout ratio	5.5%	9.9%	11.3%

Note: The Company enacted a five-for-one stock split, effective January 1, 2022, and a three-for-one split, effective October 1, 2022. The dividend rate for FY 2021 represents a pre-stock-split amount. The dividend rate would have been 45.00 yen for FY 2022, and would be 60.00 yen for FY 2023 without a stock split.

Achievements in the Social Systems Design Business in FY 2022

The centerpiece of our Social Systems Design Business is the Cyano Project services, which assist businesses in achieving greater corporate sustainability and developing circular business models.

Cyano Project

Comprehensive ESG solutions based on a circular design approach



Our services

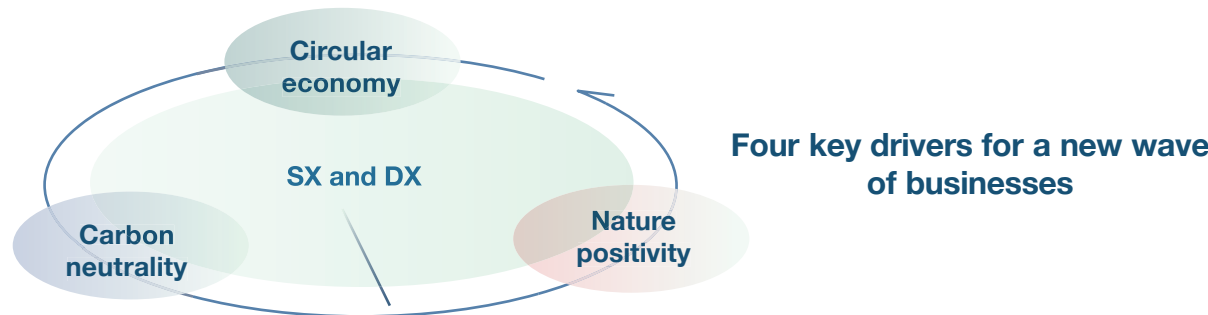
- Assisting in developing a transition strategy for sustainable, ecosystem-driven business management*
- Assisting in applying a circular design approach to legacy and new businesses
- Assisting in optimizing supply chain management
- Services for supporting the above solutions, including cloud-based ICT services, business-process outsourcing services, closed-loop resource-recycling services, and dependably supplying circular materials

*Ecosystem-driven business management: Business management concept of using a network of committed B2B relationships to fend off business risks, arising from a fast-changing operating environment and unpredictability, and turn them into business opportunities

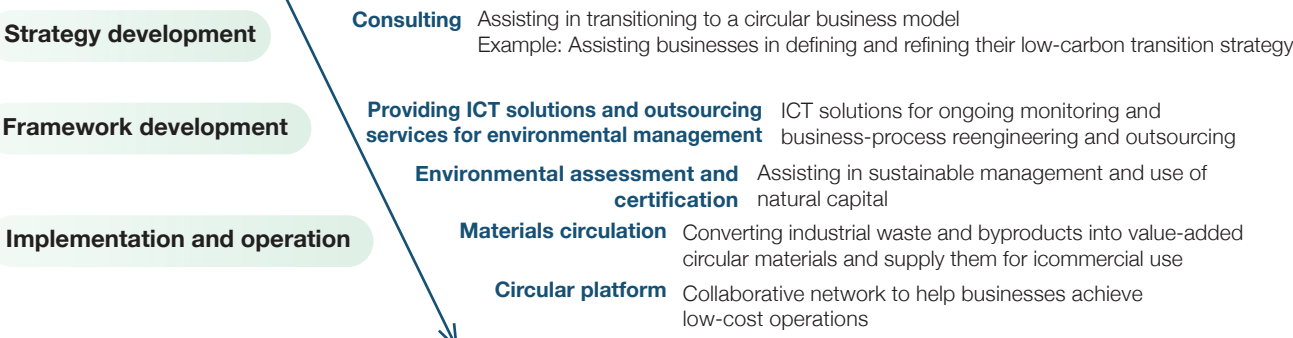
Our competitive advantages

- Assisting corporate clients in implementing ecosystem-driven business management that draws inspiration from ecosystems in nature
- Integrating the following four drivers to offer comprehensive circular design solutions
 - Circular economy
 - Carbon neutrality
 - Nature positivity
- SX and DX (SX: Transforming business to achieve greater profitability and ESG compliance; DX: Transforming business with ICT solutions)

From the perspectives of ecosystem-driven business management and circular design, AMITA assists corporate clients in enhancing their dynamic capabilities to keep creating value.



Cyano Project: All-encompassing and end-to-end assistance



Clients can transform their business models into circular ones

Achievements in FY 2022



We received inquiries into the Cyano Project from an increasing number of manufacturers that considered venturing into circular business models under a volatile operating environment brought about by the COVID-19 pandemic and the Russian invasion of Ukraine.

Actions we took during FY 2022

- Expanded the scope and scale of projects with an integrated approach.
- Raised project fees with improvement of project quality.
- Achieved greater productivity by optimizing project duration. (The number of projects to each of which a dedicated consultant was assigned increased.)

These actions enabled us to increase the total revenue from the Cyano Project, as well as per-project revenue.

Note: AMITA started offering the Cyano Project in FY 2020.

Project example

Cosmos More Co., Ltd., a Daiwa Group company specializing in designing and building offices, signed up for the Cyano Project. AMITA identified the stage in the client's supply chain with the highest level of CO₂ emissions and suggested a reduction target. Using that insight, AMITA assisted the client in transforming their legacy business models and developing a new one.

What we will do next

1. Offer a broader range of services to achieve nature positivity

When the TNFD* publishes its final framework in September 2023, a sizable number of companies are expected to start disclosing their financial performance in accordance with the framework. AMITA intends to offer a broader range of services to assist corporate clients in achieving nature positivity in their business operations. We will complete the development of service packages by the end of 2023.

*TNFD: Taskforce on Nature-related Financial Disclosures. It is an international initiative to provide financial institutions and businesses with a framework for disclosing business opportunities and risks from the perspectives of natural capital and biodiversity.

2. Expand the client base

Previously, we received project orders primarily from client companies' corporate planning and ESG promotion departments. These days, we have been receiving an increasing number of inquiries from manufacturers' factories and production management departments. Our resource management centers have been doing business directly with manufacturers for years. We intend to approach companies on their customer lists for potential business.

3. Expand service offerings

a. Training program for change agents

In summer of 2023, we will start offering a training program for change agents. This program is intended to develop innovative talent chosen from among corporate clients' team members, having a deep insight about sustainability and circular operations and capable of leading corporate transformation projects in their organizations.

b. Consultant staffing services

We contract professional consultants to temporarily work for our corporate clients on site, tasked with identifying bottlenecks in their business processes, moving forward with transformation projects, and offering solutions to sustainability issues. These consultants are expected also to identify clients' unmet business needs from an independent perspective and offer ideas to turn them into business opportunities for AMITA.



Observers of a trial training program for change agents

Assisting in transitioning to a circular economy

A supply chain is an uninterrupted flow of materials, components, and finished products, ranging from procurement to sales, in which manufacturers, suppliers, and contractors are involved. AMITA assists corporate clients in transitioning to a circular economy in their upstream and downstream supply chains.

Assistance in upstream supply chains

We weighed the potential for circular business models by quantifying corporate clients' extent of materials circulation and visualizing material flows of their products. We also assisted them in developing circular products and services, developing circular business models, and setting up materials circulation schemes.

Achievements in FY 2022

Won project contracts from
30 companies
including leading manufacturers

Project example

Client: A leading automaker

Objective
Apply a materials circulation scheme to its auto production

Outline

The client organized a project team of 13 members chosen from its environmental management, production, and business management departments. AMITA assisted the project team in weighing the potential for resource circulation in auto production and formulating an action plan.

Note: A circular economy project can be carried out most effectively when the team includes cross-department members all working together. AMITA recommends such an arrangement in the Cyano Project.

Assistance in downstream supply chains: Producing and supplying circular materials

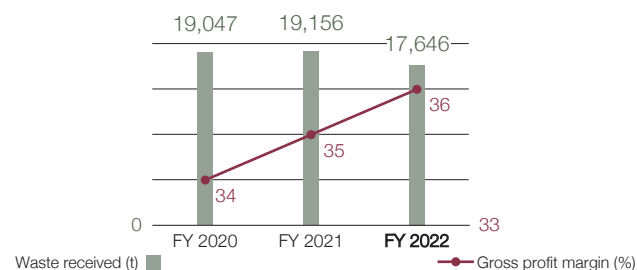
AMITA boasts proprietary resource circulation technology and a network of recycling service providers in Japan and abroad. We turn waste streams into value streams by converting industrial waste and byproducts into value-added circular materials and supplying them to corporate users as alternative fuels and materials. Today, businesses faces soaring prices of fossil fuels and other raw materials and have to deal with risks in procuring resources amid volatile international situations. Commercial demand for circular materials, which have been proven to help reduce supply-chain CO₂ emissions and restore ecosystem services, as well as for a materials circulation scheme, is likely to keep getting stronger among businesses.

Achievements in FY 2022

As Japanese manufacturers cut back their production volume during FY 2022 amid the destabilized international situation and surging prices of raw materials, we received less industrial waste to recycle than in the previous year. However, streamlined business processes drove the gross profit margin for our resource-recycling business up by one percentage point, even from a reduced volume.

We recycled 5% more silicon slurry than a year earlier, buoyed by robust semiconductor production in the industry. Our silicon-recycling business is expected to continue growing over the long term, keeping pace with the growth of the chip market. Our Minamisanriku BIO facility converted 6% more household food waste into biogas and liquid fertilizer than in the previous year.

Industrial Waste and Byproducts Received for Recycling and Gross Profit Margin for Our Resource-Recycling Business



What we will do next

To meet the growing social and commercial needs for circular materials and a materials circulation scheme, we will undertake the following three initiatives:

1. Develop and supply new circular materials that help reduce supply-chain CO₂ emissions

We will continue to provide alternative coal fuels and carbon reductant to the cement, non-iron smelting, and steel industries. In addition, we will develop new circular materials and establish a new industrial waste-collection network in order to assist corporate clients in significantly reducing their use of natural resources.

2. Offer a materials circulation scheme to chip makers and other manufacturers

We will assess manufacturing processes of corporate clients from the perspectives of circular and carbon-free operations. Based on assessment findings, we will recommend solutions for reducing industrial waste and CO₂ emissions, as well as for reducing business risks and operation costs.

3. Expand our silicon-recycling capacity

We will build an additional silicon-recycling line at our Kitakyushu Sustainable Resource Management Center to meet the growing industrial demand for semiconductors. When it becomes fully operational in 2024, the center's total silicon-recycling capacity will be up 50%.

Assisting in achieving carbon neutrality

Achieving carbon neutrality is at the top of the agenda for businesses seeking to enhance their corporate sustainability. To reduce Scope 1, Scope 2, and Scope 3 CO₂ emissions, businesses must take a comprehensive approach, which includes not only updating their manufacturing lines, switching to alternative fuels, and buying renewable energy, but also completely changing the way they procure raw materials and the way they deliver their products and services.

Achievements in FY 2022

We won project contracts from 19 corporate clients¹, assisting them in preparing for financial reporting based on the TCFD² framework, completing a questionnaire provided by CDP³, and reporting GHG emissions. In addition, we assisted with the development of carbon-neutral business plans, optimal supply-chain design, and decarbonization assessments of new business schemes.

1. Including Codo Advisory's clients
2. Task Force on Climate-related Financial Disclosures. It is an international initiative to provide businesses and financial institutions with a framework for disclosing information about their action against climate change and for reducing GHG emissions.
3. Carbon Disclosure Project. It is an international nonprofit organization that provides a platform for compiling, managing, and disclosing information about climate change and other environmental issues.

ACT ASSESSING LOW CARBON TRANSITION[®]

The Assessing Low Carbon Transition (ACT) international framework was jointly developed by the French Environment and Energy Management Agency (ADEME) and the CDP.



The Climate Fresh workshop to raise employee awareness of climate change

Codo Advisory established

In March 2022, AMITA HOLDINGS established Codo Advisory, Inc., jointly with MCP Japan Holdings of the MCP Group, one of the largest independent asset management firms in Asia. Codo Advisory uses the ACT framework, which was developed by the ADEME and the CDP, to assist corporate clients in developing and assessing their low-carbon transition strategy.

The company also has been providing Climate Fresh workshops to an increasing number of businesses to raise their organizational awareness and understanding of climate change. This is part of its efforts to extend its services to existing clients of the AMITA Group and expand its client base.

In November 2022, Codo Advisory entered into a cooperative business agreement with MUFG Bank and Tokio Marine & Nichido Fire Insurance. Under this agreement, the company will work with the two partners in leveraging combined business expertise to assist corporate clients in developing and assessing a low-carbon transition strategy.

Providing ICT solutions and outsourcing services for environmental management

As part of the Cyano Project, we also provide cloud-based ICT services for environmental management. AMITA's professional staff review documents prepared by clients on environmental management, including contracts with suppliers and service providers, as well as waste disposal permits. This service helps clients to reduce compliance risks and administrative costs and to prevent environmental management tasks from being assigned to selected few employees. In addition, we analyze clients' environmental management data to help formulate action plans to reduce waste and CO₂ emissions. Furthermore, an increasing number of clients have been signing up for our outsourcing services for risk-disposed, labor-intensive environmental management.

Achievements in FY 2022

Number of offices subscribing to our cloud-based ICT services:

Up by **613** offices YoY

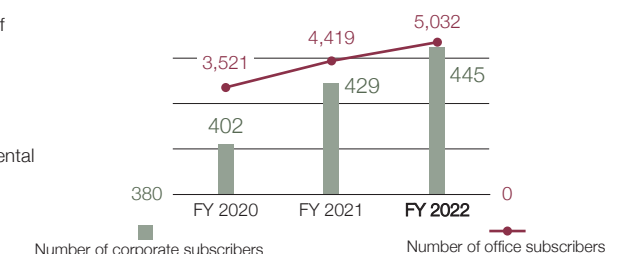
► Growth driver:
Wider use of non-contact management tools at the height of the COVID-19 pandemic

Number of corporate subscribers to our outsourcing services:

up **11** % YoY

► Growth driver:
Understaffing in clients' environmental management departments

Number of Corporate Clients and Offices Subscribing to our cloud-based Smart Management Services



What we will do next

We expect business needs for our ICT services to keep growing, as they help clients achieve greater operational efficiency while reducing environmental and regulatory risks, as well as helping to quantify CO₂ emissions arising from transportation and disposal of waste. We intend to bundle our ICT services with our other services—such as assistance in transitioning to low-carbon operations and developing a scheme for circular economy—and offer them to a broader range of the Group's corporate clients.



In our Social Systems Design Business, in addition to offering Cyano Project services, we provide environmental assessment and certification services to ensure sustainable use of natural capital, produce and supply circular materials in Asia, and develop and operate MEGURU STATION®, which offers comprehensive solutions to municipal issues.

Environmental Assessment and Certification

Forest and fishery resources are under threat of vanishing and depletion. Many businesses that rely on these resources seek sustainable sources of procurement and diversify risks in their supply chain management.

AMITA was one of the first companies in Japan to offer environmental assessment and certification services to ensure responsible management and use of forest and fishery resources. Our certification services include forest management (FM) certification, certification for sustainable fishery and marine culture, and chain-of-custody (CoC) certification for responsible management, processing, and distribution of certified forest and fishery resources.

Achievements in FY 2022

- **Forest certification:** Number of businesses AMITA assessed for CoC certification was up 23% YoY.
- **Fishery certification:** Number of businesses AMITA assessed for CoC certification increased steadily.



Number of businesses assessed by AMITA		FY 2020	FY 2021	FY 2022 YoY change in parentheses	AMITA's share of the Japanese market
Forest certification	FSC® FM certification	22	23	23	70%
	FSC® CoC certification	431	502	615 (+23%)	31%
	FSC® project certification	34	42	47 (+12%)	82%
Fishery certification	MSC/ASC CoC certification	151	156	166 (+6%)	50% (est.)
	ASC aquaculture certification	12	12	13 (+8%)	100%
	ASC-MSC seaweed certification	1	1	1	50%

What we will do next

The Marine Stewardship Council (MSC) was recognized as a global indicator for action on biodiversity loss by the UN Biodiversity Conference (COP-15) in December 2022. The Taskforce on Nature-related Financial Disclosure (TNFD) is scheduled to publish its official framework in September 2023, as part of its efforts to urge businesses to make sustainable use of natural capital. In addition, the restaurant industry is returning to its pre-COVID-19 level.

These developments are expected to drive the demand for fishery certification, and we intend to add more assessors and use IT solutions to meet increased demand.

For more information about the MSC, see page 28

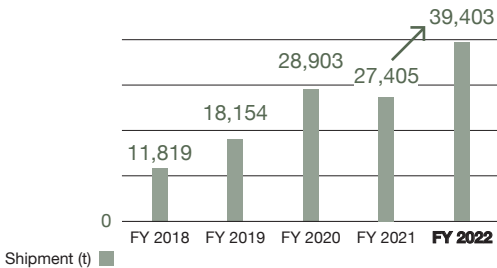
Overseas Business

AMITA and the Berjaya Group jointly established AMITA Berjaya in Malaysia in 2015, and started the closed-loop recycling of industrial waste and byproducts into value-added materials in 2017. It is a good example of extending to the overseas market the business and technical know-how that AMITA has amassed in Japan.

Achievements in FY 2022

- **AMITA Berjaya's shipment of circular materials jumped 40% year on year in Malaysia.**
 - ▶ Reason: The Malaysian economy got out of a slump caused by the COVID-19 pandemic.
- **The company's export of recycled nickel materials to Japan soared 20 times YoY.**
 - ▶ Reason: Increasing supply of source materials in Malaysia met surging demand in Japan.
- **Favorable financial impact**
 - ▶ The company received a preferential tax credit for green investment sanctioned by the Malaysian government.

Cement Alternative Materials Produced and Shipped by AMITA BERJAYA



What we will do next

Malaysia

We are considering developing and supplying additional types of alternative materials to meet growing industrial demand for socially responsible alternative materials and bolster our revenue. We are also preparing to build and operate MEGURU STATION® in Malaysia.

Indonesia

AMITA signed a memorandum of understanding with a leading cement manufacturer in Indonesia on May 19, 2023, to jointly assess the feasibility of carbon-neutral, circular business models in the country.

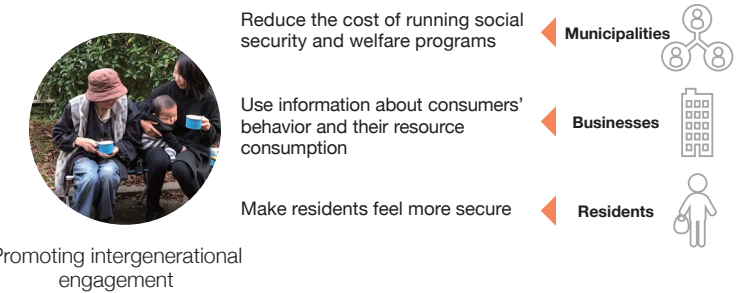
By the end of 2023, the two companies plan to complete evaluating the business feasibility of collecting industrial and municipal waste and converting it into value-added alternative fuels and materials for commercial use.

MEGURU STATION®

MEGURU STATION® is an AMITA-designed resource-collection site that doubles as a hub to promote mutually supportive engagement among community residents. It provides comprehensive solutions to the four major issues that many communities around the country face today: A population drain; declining employment opportunities; an aging and shrinking population; and the rising costs of social security programs. MEGURU STATION® also addresses materials procurement risks for businesses. It plays a critical role in our efforts to achieve AMITA Vision 2030.

MEGURU STATION®'s benefits to municipalities, businesses, and residents

Promoting a mutually supportive community



Achievements in FY 2022

We upgraded MEGURU STATION® based on the results of proof-of-concept field tests performed in several locations, and conducted a study on the station's commercial feasibility.

Number of locations

5 locations in
3 communities

Two in Kobe, Hyogo Prefecture
One in Ikoma, Nara Prefecture
Two in Tachiarai, Fukuoka Prefecture
Note: Locations include communities in which MEGURU STATION® opened in 2021 or earlier.

MEGURU STATION®'s benefit to residents' well-being verified

Joint research by AMITA and the Center for Preventive Medical Sciences at Chiba University has found that MEGURU STATION® helps reduce nursing-care risks among its residential users. Nursing-care costs of an estimated 9.2 million yen would be saved over six years on 120 residents who regularly visit MEGURU STATION®.

Prototype compact bioenergy generator developed

AMITA has developed a compact bioenergy generator MEGURU-BIO that converts household food waste into value-added methane and liquid fertilizer. We have tweaked the design of the generator to make it easier and safer for residents to use and make it run more efficiently. The generator can be maintained by residents. Liquid fertilizer is made available to residents for use on their gardens and farms.



MEGURU STATION® in the Hongo School District in Tachiarai



Scan the code to watch a video of MEGURU STATION®



Promoting materials circulation



Achievements in FY 2023

February

- Opened MEGURU STATION® in all four school districts in Tachiarai.

March

- Expanded the scope of partnership with Kobe, to add more MEGURU STATION® locations in the city.

May

- Signed a partnership agreement with Kakegawa, Shizuoka Prefecture, to help develop a circular community.
 - ▶ AMITA became a council member to put the proposed initiative into action.

June

- Set up a compact bioenergy generator MEGURU-BIO at an elementary school in Nagakute, Aichi Prefecture.
 - ▶ To evaluate its benefit of helping reduce energy and resource use in the community

We intend to work with municipalities more closely to expand the network of MEGURU STATION® into 50 locations in 5 communities by the end of 2023.

Working with Corporate Partners to Create Greater Value

To expand our business and develop new services and markets, the AMITA Group has been aggressively pursuing partnerships with other businesses having professional expertise and networks with key industry players.

Strategic Partnerships

Achievements in FY 2022

Communications and information service



October: NTT Communications Corporation

Signed a memorandum of understanding on establishing a circular platform to create a new market. Agreed to work together to facilitate a circular economy transition.

Update

We are considering quantifying implicit value streaming into the MEGURU PLATFORM and developing business models that leverage gathered information.



Financial service



November: Sumitomo Mitsui Trust Bank, Limited

Signed a memorandum of understanding on jointly conducting an impact assessment of the MEGURU STATION® business. Agreed to develop a logic model for evaluating and quantifying MEGURU STATION®'s social impact.

Update

After having designed evaluation criteria and method for MEGURU STATION®'s social impact by the end of 2022, we are planning to conduct on-site evaluations by the end of 2023.

Leasing service



November: Fuyo General Lease Co., Ltd.

Signed a memorandum of understanding on jointly developing circular economy business models, using a leasing scheme to assist recycling service providers in switching to circular business.

Update

We are considering leasing battery-operated heavy machinery with low CO₂ emissions to recycling service providers to assist them in achieving carbon neutrality.

Achievements in FY 2023

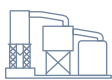
Emergency-readiness service



January: BELL Group

Agreed to work with the BELL Group to leverage its emergency stock management platform to create a business model that brings greater safety and security to communities. This includes optimally stocking up MEGURU STATION® and developing a mutually supportive scheme for residents that works in the event of a disaster.

Manufacturing



May: PT Indocement Tungal Prakarsa Tbk.

Signed a memorandum of understanding on conducting a joint feasibility study as a basis for pursuing a partnership in the resource-recycling business in Indonesia. By the end of 2023, the two companies are to complete evaluating the business feasibility of collecting industrial and municipal waste and converting it into value-added alternative fuels and materials for commercial use.

What we will do next

We will undertake the following three key initiatives to expand the scope and scale of our legacy services and achieve AMITA Vision 2030.

1. Establish a collaborative platform on which businesses, municipal authorities, and universities can work together to design and materialize a sustainable society
2. Partner with companies specializing in Web3 technologies, such as enterprise blockchain solutions, that manage material flows of products and relevant information and predict materials demand and community residents' behavior patterns
3. Accelerate expanding our overseas business by partnering with local businesses and municipal authorities

Japan Circular Economy Partnership (J-CEP)

Under J-CEP, dozens of corporate members have joined forces to promote a circular economy in collaboration with community residents, municipal authorities, and universities. AMITA played a leading role in establishing it in October 2021. Members carry out joint research projects on the needs for circular business models and pursue commercial opportunities.



J-CEP corporate membership

Membership

(As of May 31, 2023)

52

(including 28 founding members)

Steering committee members

AMITA HOLDINGS Co., Ltd.,
Kao Corporation, Mitsui Chemicals, Inc.,
NEC Solution Innovators Ltd., Nestle Japan Ltd.



Photo taken at the first anniversary gathering on October 27, 2022

Achievements in FY 2022

J-CEP launched three joint projects to pursue a circular economy, including a project to develop alternative ways to design products and procure materials.

Project to develop recyclable film pouches

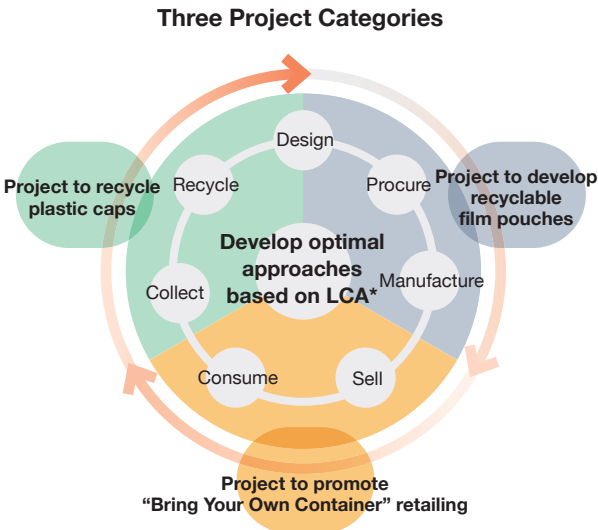
Redesign hard-to-recycle, laminated film pouches for food to make them easier to recycle

Project to promote "Bring Your Own Container" retailing

Allow consumers to bring their own containers to stores and fill them with shampoo, sugar, and other consumables to reduce the use of single-use plastic containers

Project to recycle plastic caps

Establish a collecting and recycling scheme for plastic caps to meet commercial demand for recycled plastics in quantity and quality



*LCA: Life cycle assessment. A method to quantify environmental loads of products and services.

What we will do next

J-CEP plans to conduct feasibility studies on the three projects described above and perform proof-of-concept field tests on proposed new business models. In addition, J-CEP will start a DPP* workshop and a nature positivity workshop.

*DPP: Digital Product Passport. It is a product-specific data set, or identifier, that establishes a product's sustainability across its value chain, including information about its manufacturer, materials used and their recyclability, and method of scrapping. It has been progressively introduced to key industries in the EU.



AMITA HOLDINGS has participated in J-CEP's DPP Project, launched in May 2023

In this project, AMITA can learn how to build a circular platform and will provide materials information to be fed into a DPP scheme. More specifically, we provide information about plastic caps collected at MEGURU STATION® and supplied as source materials for recycled plastics.

Nonfinancial Information for FY 2022

As its articles of incorporation state, the primary purpose of the AMITA Group's business is to increase natural and relational capital. Accordingly, we are focused on enhancing three key drivers of sustainability—natural capital, human capital, and social engagement capital.

Natural Capital

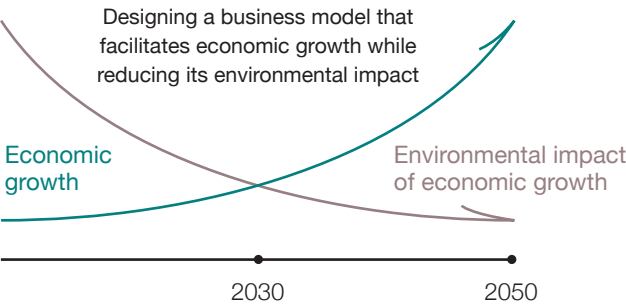
This section explains how AMITA enhances natural capital in its Social Systems Design Business.

Cyano Project: Comprehensive ESG solutions based on a circular design approach

Our Cyano Project services take a circular design approach to providing end-to-end assistance to corporate clients in developing and implementing a transition strategy for sustainable ESG-driven business management, as well as in creating new business models.

(See pages 20 to 23 for more information)

Circular business models that the Cyano Project helps create offer a greater opportunity to make sustainable use of finite resources, achieve a national target for carbon neutrality, and preserve and restore biodiversity. They can transform an industry landscape to enable the growth of natural capital in proportion to economic growth.



Project example

Client: Leading steelmaker

Objective

Create a business model for carbon circulation and neutrality

Project outline

Outcome

AMITA assisted the client in developing a business plan and a supply-chain management scheme, preparing for TCFD*-compliant financial reporting, and procuring and evaluating alternative non-carbon materials.

*Task Force on Climate-related Financial Disclosures. It is an international initiative to provide businesses and financial institutions with a framework for disclosing information about their action against climate change and for reducing GHG emissions.

- Developed a business case to serve as a basis for investment decisions.
- Developed a materials procurement scheme for new business.
- Evaluated the proposed new business model for its carbon-neutrality performance.

As more and more businesses switch to circular business models, natural capital increases in society.

Environmental assessment and certification services

AMITA was one of the first companies in Japan to offer environmental assessment and certification services to ensure responsible management and use of natural capital. Our services help prevent overharvesting of forests and the overexploitation of marine products and play an instrumental role in preserving and restoring sustainable natural capital.

Topic for FY 2022: The MSC received greater international recognition

The MSC's fishery certification program was recognized as a global indicator for action on biodiversity loss by the UN Biodiversity Conference (COP-15) in December 2022.

AMITA started MSC CoC assessment services in 2006 and became the first MSC CoC certifying authority in Asia in 2010.

MSC-certified fishery is recognized as being environmentally responsible and sustainable and is expected to maintain a healthy population size of fish and shellfish and minimize its impact on endangered marine species.

Number of assessments AMITA conducted in FY 2022 for MSC/ASC CoC certification

166 AMITA's share of the Japanese market: 50% (estimated)

► For assessments for FSC and other certification, see page 24

Producing circular materials

AMITA recycles industrial waste and byproducts into value-added circular materials as part of its efforts to preserve natural resources and reduce energy use.

Recycled cement fuels produced by AMITA = Equivalent to 362,860 t of mined coal which is 3.8 times as much as circular materials produced
96,641 t¹ in FY 2022

Recycled materials, such as nickel, produced by AMITA and used for producing special steel = Equivalent to 27,026 t of mined nickel Which is 6 times as much as circular materials produced
4,452 t² in FY 2022

Recycled copper produced by AMITA = Equivalent to 24,437 t of mined copper Which is 48.5 times as much as circular materials produced
504 t in FY 2022

► (See page 22 for total production)

AMITA's environmental performance

Post-recycling waste disposed of by incineration or as landfill: 0 g
Consumed energy³: 6 GJ per 1 million yen of net sales net sales, which is half of the industry average⁴
Water discharged from manufacturing: 0 m³
GHG emissions³: 0.5 t-CO₂ per 1 million yen of net sales, which is one-twelfth of the industry average⁴

Reporting period: From January 1 through December 31, 2022

1. Alternative cement fuels include SlurMix®. 2. Applicable to nickel alternative materials

3. Data compiled from our plants in Ibaraki, Kawasaki, Kitakyushu, Himeji, and Minamisanriku BIO 4. Based on data published by the National Institute for Environmental Studies.

MEGURU STATION® (See page 25 for more information)

MEGURU STATION® serves as a mutually supportive community hub for materials circulation and helps increase natural capital in the community.

Collecting household waste at MEGURU STATION® for recycling

Example: 13 t of household waste collected at MEGURU STATION® in Tachiarai, Fukuoka Prefecture, during the twelve months from January through December 2022.

MEGURU-BIO compact bioenergy generator converts household food waste into value-added liquid fertilizer, which is made available to farmers as part of a materials circulation scheme

Example: 5.4 t of household food waste was collected and 10.8 t of liquid fertilizer was produced by MEGURU-BIO in Tachiarai, Fukuoka Prefecture, during the twelve months from January through December 2022.

MEGURU STATION® helps raise community residents' environmental awareness

Example: Nearly 70% of residential users of MEGURU STATION® in Kobe said they have better awareness about household waste and the environment than before.

Key initiatives to achieve the Group's climate-positive targets

We established the AMITA Climate-Positive Promotion Committee in 2021 and announced AMITA Climate-Positive Targets in 2022, as long-term targets for achieving carbon neutrality. We have made the following progress:

1. Developed a transition strategy for achieving the targets

With the assistance of Codo Advisory, an AMITA Group company, we have been reevaluating risks and opportunities and developing a transition strategy based on the ACT* international initiative.

* For more information about ACT, see page 23.

2. Reduced Scope 2 GHG emissions down to zero

We signed a corporate power-purchase agreement in June 2022 and switched all electricity used in our own plants to renewable energy. For our offices and other facilities, we purchased non-fossil certificates and reduced GHG emissions associated with the purchase of electricity essentially down to zero.

Human Capital

AMITA develops talent capable of better adapting to a changing operating environment and working autonomously to create value.

Switching to a 32-hour workweek to give employees more time off from work to make the most of their lives

Outline

Effective January 2023

AMITA offered a shorter 32-hour workweek to full-time employees so that they can enrich their lives away from work and better help the company increase its enterprise value.

Background

We believe that employees' source of value creation comes not just from the knowledge and experience gained at work, but also from interaction and engagement with people outside the company in their everyday lives.

Assumption

When employees have more time (up to 8 hours more a week) off from work and spend that time educating themselves, gaining new experience, or interacting with people outside work,

they are likely to have better-rounded skills and make a greater contribution to the company's value-creation efforts.

Achievements during the trial period from July through December 2022

Overtime

Down 22%*

Average actual working hours per week

Down 10%*

*Compared with the previous 24 months

Number of cases of employee receiving a subsidy for self-development

174

for full FY 2022, up 110% from FY 2021

Changes in employees' mindset

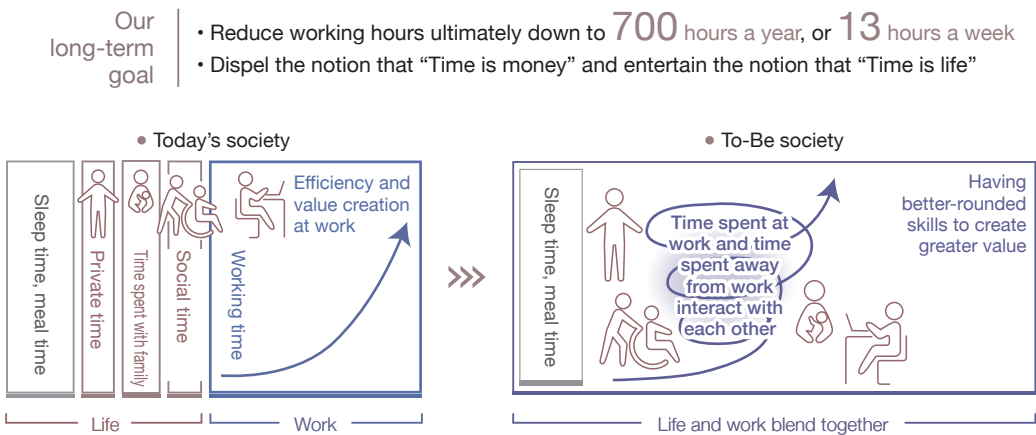
Self-development allowance program

AMITA subsidizes employees for the costs of taking external training courses, acquiring professional qualifications, going to museums, and buying educational books in order to assist them in developing better-rounded skills.

Findings from an employee survey

Employees changed the way they did their jobs, made better use of working time, became better team players, and developed a greater sense of well-being.

- Social recognition
AMITA's program for enhancing employees' well-being was included in case studies on corporate special leave programs, conducted by the Ministry of Health, Labour and Welfare.



At AMITA, a team of ordinary people can do something extraordinary.

Training in critical, deeper thinking

Outline

Getting ahead of social and economic changes

In the belief that the future is not something to be sought, but is something to be created, AMITA trains all its executives and employees in practicing critical, deeper thinking about the true meaning of value, as well as in having an unselfish mindset.

▼ Training programs

Executive training

Training in management philosophy

- Training themes

AMITA's approach to upholding the dignity of human lives
AMITA's approach to creating value

All-employee training

Group training in critical thinking

- Assignments

"What is post-modern democracy?"
"How does DX relate to war and peace?"

New-hire training

Raison d'être* training

- Assignment

"Define equality, fairness, individual, individuality, rights, duties, freedom, and independence, and how they all relate to each other"

* The most important reason or justification for someone's or something's existence

Workplace in which employees get their motivation from embracing the AMITA Group's mission

Outline AMITA encourages employees to use the company as a vehicle to pursue the greater good for their team members and society. We also encourage management and employees to embrace change by establishing common ground.

▼ Actions taken

Dialogues between the President and employees

AMITA HOLDINGS president Suetsugu held employee meetings at all AMITA offices and plants to share the Group's business strategy and receive input from employees.

Employee-engagement survey*

Management and employees have the common understanding about employees' morale as a basis for reassessing corporate culture and the way employees work.

* Respondents: 190 AMITA Group employees, out of 242 on payroll
Survey period: From December 14, 2022, through January 9, 2023

Supporting employee projects for enhancing AMITA's corporate culture

- Project examples

Online radio talk shows "Close Up AMITA," MC'd by an AMITA employee
Employee-managed cultural and recreational clubs

Some findings from the survey

"I embrace the company's mission and philosophy."

86%

Up 4 points YoY

• We intend to continue frequent engagement between management and employees.

Feedback from employees

- "It's good that AMITA's executives make themselves accessible to us."
- "If the company offers employees' family members more opportunities to learn about AMITA, it will benefit the company in the long run."

"Management thoroughly briefs employees on the company's business decisions and policies."

61%

Up 5 points YoY

Social Engagement Capital

The AMITA Group announced its commitment to pursuing stakeholder-centric business management in March 2022. It is a commitment to seeking the best interests of society as a whole in our business.

Achievements in FY 2022 and the first half of FY 2023



Scan the code to access our news and press releases.

	2022 January	February	March	April	May	June	July	August	September	October	November	December	2023 January	February	March	April	May	June
All stakeholders			<ul style="list-style-type: none"> AMITA HOLDINGS' Japanese website was completely redesigned. 			<ul style="list-style-type: none"> Chairman Kumano published the third edition of his e-book "Intelligent Company." 		<ul style="list-style-type: none"> WE, a mutual-aid association for social workers, established. 					<ul style="list-style-type: none"> Announced AMITA Vision 2030. 					
Shareholders and investors			<ul style="list-style-type: none"> Held an earnings briefing session for investors. Held a general shareholders meeting. Held an IR briefing session for private investors. 			<ul style="list-style-type: none"> Published Annual Report for FY 2021. 							<ul style="list-style-type: none"> Published a new edition of AMITA's newsletter for shareholders. 			<ul style="list-style-type: none"> Held an earnings briefing session. 		
Businesses			<ul style="list-style-type: none"> Signed a partnership with MCP Japan Holdings. 			<ul style="list-style-type: none"> AMITA HOLDINGS and MCP Japan Holdings jointly established Codo Advisory, Inc. 	<ul style="list-style-type: none"> Signed a partnership with Sanyu Plant Service. 		<ul style="list-style-type: none"> President Suetsugu started a series of talks with heads of "zebra companies." 				<ul style="list-style-type: none"> Signed a partnership with NTT Communications. 		<ul style="list-style-type: none"> AMIDAO CORPORATION established. AMITA CORPORATION split into AMITA CORPORATION and AMITA CIRCULAR CORPORATION. 	<ul style="list-style-type: none"> Signed a partnership with BELL Group. 		<ul style="list-style-type: none"> Participated in J-CEP field test of DPP scheme.
Municipalities			<ul style="list-style-type: none"> Signed a collaboration with Tachiarai, Fukuoka Prefecture. 				<ul style="list-style-type: none"> Signed a collaboration with Kobe, Hyogo Prefecture. 									<ul style="list-style-type: none"> Expanded the scope of collaboration with Kobe, Hyogo Prefecture. 	<ul style="list-style-type: none"> Signed a collaboration with Kakegawa, Shizuoka Prefecture. 	
Students							<ul style="list-style-type: none"> Released a hands-on educational program on ecosystems for junior high and high school students. 						<ul style="list-style-type: none"> AMITA executives started online talk shows with Generation Z students. 				<ul style="list-style-type: none"> Presented a compact bioenergy generator to an elementary school in Nagakute, Aichi Prefecture. 	
Communities																	<ul style="list-style-type: none"> Donated part of proceeds from our overseas business to Medecins Sans Frontieres Japan. 	
Employees					<ul style="list-style-type: none"> Held management-employee sessions at all offices and plants. 		<ul style="list-style-type: none"> Ran a trial program for a shorter 32-hour workweek with the pay scale intact. 						<ul style="list-style-type: none"> Switched to a 32-hour workweek for all full-time employees. 		<ul style="list-style-type: none"> Held management-employee sessions at all offices and plants. 			

Summary

All stakeholders

- Announced AMITA Vision 2030.
- Shared AMITA's corporate mission, philosophy, and business strategy.

Redesigned AMITA HOLDINGS website. Uploaded interview articles and videos.

Shareholders and investors

- Held a briefing session on AMITA's medium-term management strategy for shareholders.
- Launched an English-language IR website.
- Expanded the scope of other IR programs.

Number of IR releases published
▶ 39 in FY 2022, 30 in the first half of FY 2023

Businesses and municipalities

- Accelerated the pace of establishing cross-industry, cross-regional collaboration

Collaboration signed
▶ 3 municipalities
Business partnerships signed
▶ 9 companies¹
MEGURU STATION® in operation
▶ 6 locations in 2 communities²
Corporate membership of J-CEP
▶ 52² (See page 27)

1. Including partnerships signed by AMITA Group companies 2. As of May 31, 2023

Students

- Invested in developing talent in the long term by working with universities and providing CSR programs for junior high and high school students.

Opened courses at Meiji University and Kyushu Institute of Technology.

Communities

- Encouraged employees' participation in social programs.

Number of employees who took paid leave to participate in volunteer activities
▶ 55 in FY 2022

Employees

- Implemented employee programs to put into practice the idea that fulfilling lives and fulfilling work go hand in hand.

Switched to a 32-hour workweek following a trial run.



I’m excited to fulfill my responsibilities as Chief Integrated Operations Officer

SUETSUGU Takahide
President and Chief Integrated Operations Officer (CIOO)
AMITA HOLDINGS Co., Ltd.

■ My responsibilities as Chief Integrated Operations Officer

At AMITA HOLDINGS general shareholders meeting held on March 23, 2023, I was appointed as the Company’s President and Chief Integrated Operations Officer (CIOO).

To put it simply, the CIOO plays the role of a chief operating officer (COO) and a chief financial officer (CFO). The CIOO’s responsibilities include overseeing the AMITA Group’s day-to-day business operations to achieve its medium-term management plan, and developing the Group’s medium- and long-term growth strategy, based on dialogues with investors, analysts, and financial institutions about social trends and a changing business environment.

My primary missions for FY 2023

- 1. Achieve the objectives for the first year of the medium-term management plan for FY 2023-2025
- 2. Undertake key strategic initiatives to lay the groundwork for business growth for FY 2026 and beyond
- 3. Upgrade IR programs to bolster the Company’s stock price and raise funds through the issuance of share acquisition rights
- 4. Pursue greater organizational excellence to achieve these three missions

The Group’s consolidated business performance for the first quarter of FY 2023 were down nearly 40% from the same period the year before. To bolster our performance and meet the expectations of our stakeholders, I am at the forefront of transforming the Group’s business structure and putting a turnaround strategy into practice across the Group.

■ How we are rising to the challenges

The AMITA Group does not go after a competitive red ocean market, but pursues a blue ocean strategy for providing industry-leading commercial solutions to unmet social needs. (See pages 6 and 7) While this approach has the following advantages:

- Sustain business growth by continually creating a new market
- Enjoy a first-mover advantage and sustain a steady revenue stream
- Continually increase social engagement capital

it poses the following challenges:

- Take longer to recoup initial investments
- Go through a complicated and challenging commercialization process
- Resort to a contingency plan to fend off unforeseeable changes in social needs or business environments

We will undertake the following three key initiatives to tackle these challenges during FY 2023:

(1) Establish a more robust group company structure

In January 2023, AMITA CORPORATION was split into two entities, each specializing in developing and providing unique services and solutions. This realignment was intended to:

- Enable each of them to make faster business decisions and become more flexible in collaborating with external parties
- Enable each of them to better manage their profit-and-loss performance and business processes to make it easier to identify issues and risks and take corrective actions faster and more effectively

As a result, both of them have streamlined business management and have become more agile in adapting to changes in an operating environment.

Also in January 2023, another AMITA Group company, AMIDAO CORPORATION, was established, which designs and develops token economy models using Web3 solutions. AMIDAO and Codo Advisory, AMITA’s joint venture specializing in low-carbon transition advisory, offer cutting-edge problem-solving methods and professional solutions. The addition of these entities allows the AMITA Group to pursue broader partnerships outside the Group, which is key to offering greater value and accelerating the pace of new business development.

(2) Invest aggressively in enhancing our legacy revenue-generating business

The circular materials business, which produces circular materials to substitute natural resources, is one of our core business segments. To enhance this business, we have been taking the following actions:

- Improve and upgrade production processes
- Streamline and automate plant operations
- Develop a next-generation system for materials circulation, using big data and AI solutions

In addition, to meet the growing need to recycle an increasing amount of silicon slurry generated in a robust semiconductor industry, we will build an additional silicon-recycling line at our Kitakyushu Sustainable Resource Management Center. When the additional line becomes fully operational in 2024, the center’s silicon-recycling capacity will be up 50%.

(3) Consolidate and streamline back-office functions and reassign employees to revenue-generating departments

We will consolidate administration, legal affairs, human resources, and other back-office support functions across the AMITA Group and achieve greater operational efficiency by employing conversational AI and DX solutions, as well as considering business-process-outsourcing options. This will enable us to continually reassess the effectiveness of our corporate strategy to better adapt to a fast-changing operating environment. At the same time, we will reassign some of the employees from back-office departments to sales and business development departments and other revenue-generating departments, in order to accelerate the pace of recouping investments and achieve greater service quality.

■ Developing long-lasting, trusting relationships with corporate partners

The key to getting solid results out of these three initiatives is to develop long-lasting, trusting relationships with corporate partners.

Since 2020, AMITA has been entering into partnerships with businesses in diverse industries, including financial, communications, and emergency-readiness services. We have also formed a cross-industry alliance with like-minded corporate partners.

In May 2023, AMITA agreed to work with Indocement, a leading cement company in Indonesia, to conduct a joint feasibility study on low-carbon, circular business models in the country.

We will continue working with the right partners to establish a business ecosystem that provides us with a better opportunity to expand our legacy businesses and enter into new ventures. This will enable us to attain ambitious goals that we cannot possibly achieve by going alone.

We appreciate your continued support.

SUETSUGU Takahide’s profile

- Born in Fukuoka Prefecture in 1981.
- Personal motto: Happiness will come in to a merry house.
- Favorite phrases: Laugh out loud; Smile a beaming smile
- Dreadful word: Purine
- Favorite pastime on weekends: Have fun with my kids
- Personal concern: I can’t stick to a diet.
- Aspirations: To see MEGURU STATION® operating all over the country

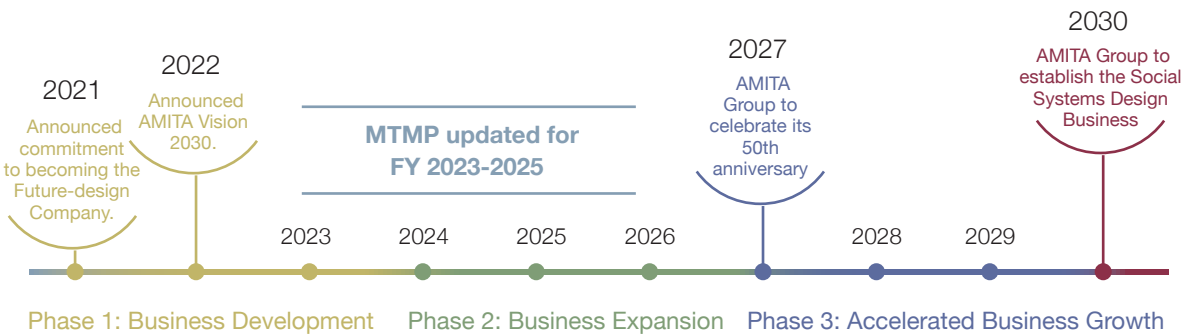
SUETSUGU Takahide started his career at AMITA CORPORATION in April 2005. His responsibilities at AMITA, spanning nearly two decades, have included establishing and operating the company’s resource-recycling facilities, developing a community materials circulation model, and providing integrated solutions for recycling industrial waste and byproducts. In March 2023, he was appointed as President of AMITA HOLDINGS. Leveraging his wealth of experience in business and client development, manufacturing operations, and B2B sales, he plays an instrumental role in increasing the AMITA Group’s operating capital and enhancing the effectiveness of its business strategy.

Key Concept and Initiatives behind the Medium-Term Management Plan for FY 2023-2025

▼ MTMP updated for FY 2023-2025

The updated MTMP covers the third year of Phase 1 (Business Development) and the first and second years of Phase 2 (Business Expansion).

During this three-year period, we will develop and offer services and solutions for redesigning industry and people's lifestyles to expand the scope and scale of our Social Systems Design Business.



▼ Financial targets

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

	FY 2022 (results)	FY 2023 (targets)	FY 2024 (targets)	FY 2025 (targets)
Net sales	4,824	5,283	6,010	8,400
Operating profit	609	774	1,040	2,100
Ordinary profit	715	887	1,230	2,300
Profit	531	620	860	1,600
Operating profit margin	12.6%	14.7%	17.3%	25.0%

- FY 2023**
- There has been a growing corporate need to switch to circular business models amid surging materials and energy costs. We intend to increase operating profit by 20% YoY to 774 million yen, with an operating profit margin of 14.7%, by leveraging Cyano Project services to assist businesses with their transition strategies and meet their needs for circular design solutions.
 - We will make advance investment in accelerating the geographical expansion of MEGURU STATION® locations and establishing a business model around it.
- FY 2024**
- We intend to achieve an operating profit of 1.0 plus billion yen, and a higher operating profit margin than a year earlier, by further growing the legacy business and achieving greater profitability in new business ventures.
- FY 2025**
- We will establish the MEGURU PLATFORM to move forward with partnership arrangements with other businesses. This will enable us to expand the scope and scale of our business and achieve a much higher level of revenue and profit than in the previous year.

▼ Key strategic initiatives for FY 2023-2025

Build the MEGURU PLATFORM as a basis for achieving AMITA Vision 2030

1. Accelerate the geographical expansion of MEGURU STATION® locations and establish a business model around it
2. Use DX solutions to develop, implement, and monetize an information platform
3. Work with other businesses, municipalities, and universities to establish a circular industrial ecosystem, including MEGURU FACTORIES



Opening ceremony for MEGURU STATION® in Tachiarai, Fukuoka Prefecture



Community residents segregating household waste at MEGURU STATION®



Online browser for a system to visualize a materials flow (concept)

Provide Circular Design solutions to maximize the Group's profitability

1. Accelerate assisting businesses with their transition strategy to address wide-ranging issues on carbon neutrality, circular economy, and nature positivity (See pages 20 to 23)
2. Expand silicon-recycling capacity at AMITA's Kitakyushu Sustainable Resource Management Center to promote a circular approach in the chip industry (See pages 22)
3. Achieve greater profitability by capturing a larger share of customer wallet and increase the average customer spend
4. Expand AMITA's business in Malaysia; develop new markets in Indonesia and other fast-growing Asian countries (See page 24)



Seminars on carbon neutrality for corporate clients



AMITA's sustainability website (attracting 90,000 visitors a month)



Signing an MOU with a leading cement company in Indonesia

Establish industry-leading ecosystem-driven business management before celebrating the Group's 50th anniversary in 2027

1. Split existing subsidiaries and establish new ones, to achieve greater agility in corporate decision-making and develop next-generation leadership (See pages 34, 35, 40, and 41)
2. Switch to a 32-hour workweek, to provide employees with a greater opportunity to create value (See page 30)
3. Increase robust operating capital, including the human, financial, and social engagement capital, that is necessary to achieve AMITA Vision 2030, by partnering with a broader range of businesses, municipalities, and universities (See pages 32 and 33)



Split a subsidiary into two entities and establish a new one in January 2023



Used plastics that residents brought in to a materials collection project



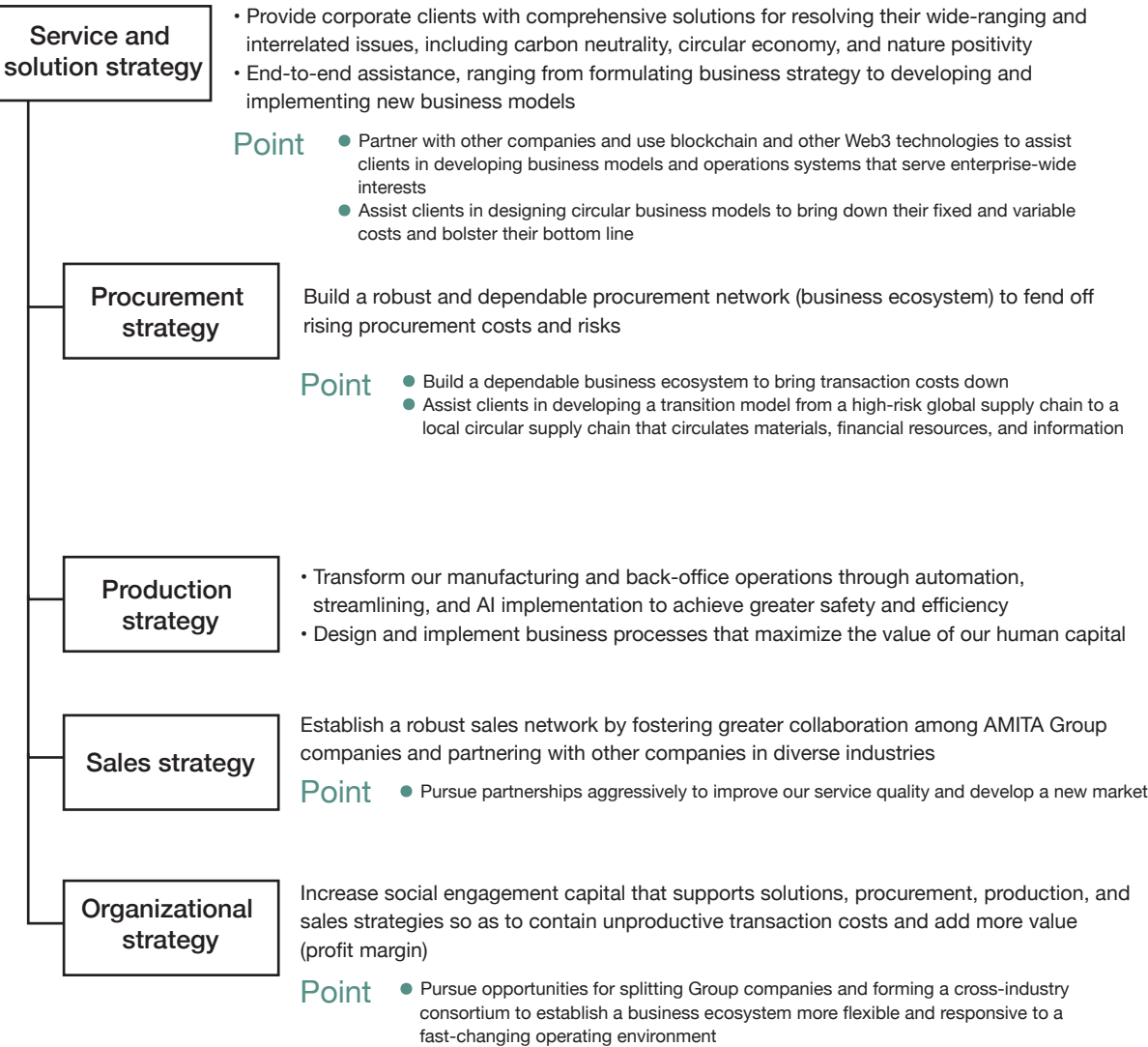
A social study course Web3 Lab at Kyushu Institute of Technology

MTMP for FY 2023-2025: How we can expand the scope and scale of our business with circular design solutions

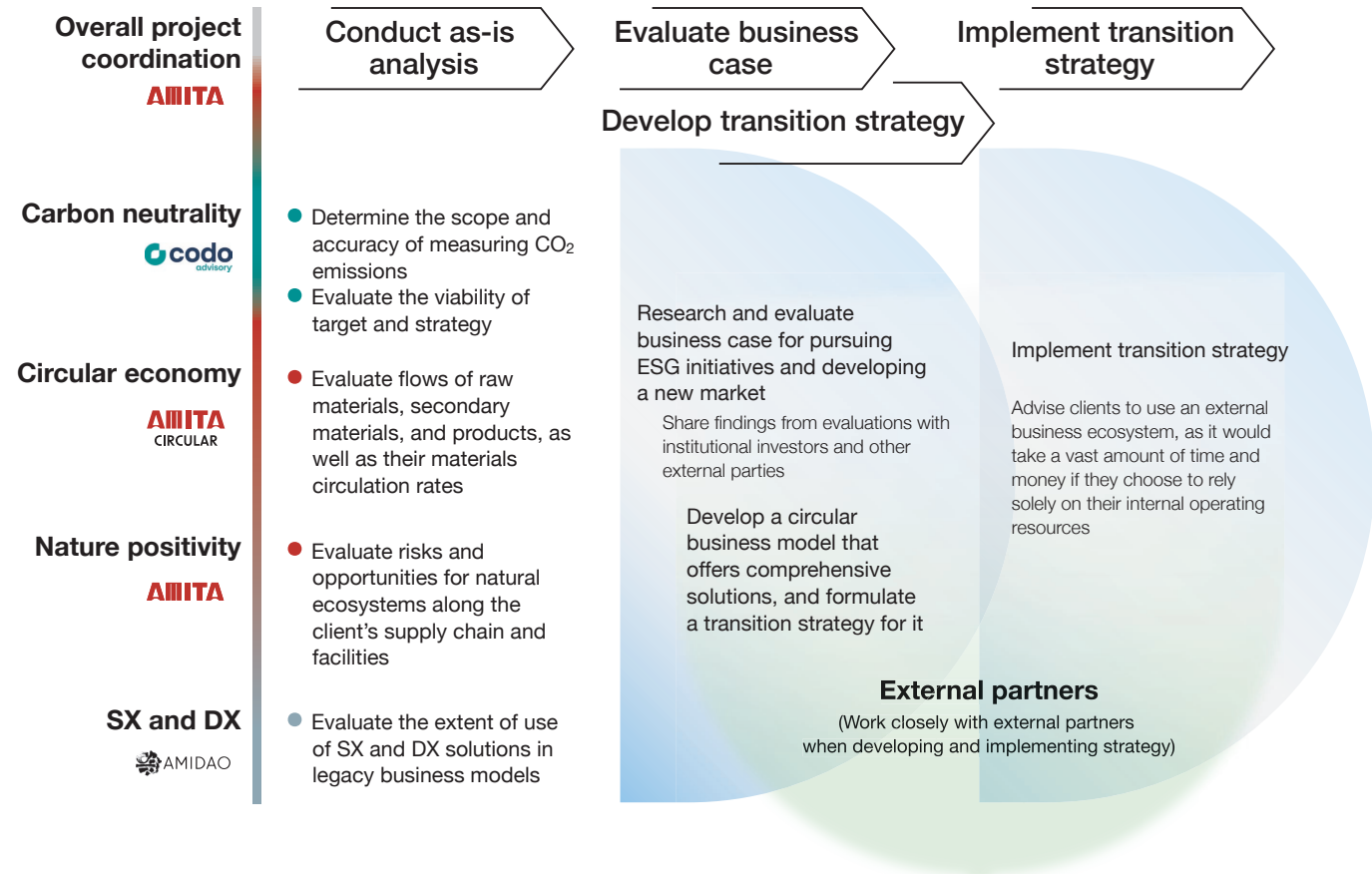
▼ Key concept of our business expansion for FY 2023-2025



▼ Five strategies to drive our business expansion



▼ How AMITA offers circular design solutions to assist corporate clients in transitioning to ESG-driven business management



AMITA's broad range of extensive expertise and integrated, end-to-end solutions are essential to helping corporate clients implement ESG-driven business management.

▼ What happened to corporate clients before and after successfully switching to a circular design approach

	Before	After
Sales	Sales were falling in a shrinking market.	Sales are flat, or up with added value.
Cost of sales	Raw materials and labor costs fluctuated at short intervals on a fundamentally upward trend.	Circular business models keep these costs from fluctuating and place them under better control. Cost reduction through local procurement of circular materials ⇒ Flat or improved profit margin
SG&A	Time and expenses, such as for business process outsourcing and advertising, increased to develop new business and enhance enterprise value.	A dependable business ecosystem helps ease the burden of SG&A expenses and achieve greater agility. Trial-and-error costs for increasing social engagement capital change in nature from expenses to investments.

Our Leadership

AMITA Group's Leadership Teams for FY 2023

Ready to lead the AMITA Group to a new level of excellence in a volatile operating environment

Working together toward a shared goal of creating greater value

Coordinated approach to achieving stakeholder-centric business management

AMITA HOLDINGS Co., Ltd. leadership



Scan the code for more information about each member of the leadership team

KUMANO Eisuke	Chairman and Chief Visionary Officer (CVO)
SUETSUGU Takahide	President and Chief Integrated Operations Officer (CIOO)
SATO Hiroyuki	Vice Chairman and Chief Engagement and Partnerships Officer (CEPO)
OKADA Kenichi	Director and Chief Strategy Officer (CSO)
KARAKAMA Shinichi	Director and Chief Growth Officer (CGO)

TAKANO Masaharu	Non-executive Director
SHIMIZU Nahoko	Non-executive Director
HASEGAWA Takafumi	Audit & Supervisory Board Member
NAKAHIGASHI Masafumi	Audit & Supervisory Board Member
YAMOTO Hironori	Audit & Supervisory Board Member

On the AMITA HOLDINGS leadership team, KUMANO Eisuke, who serves as Chairman and CVO, leads the Group's business development efforts to enhance its longer-term enterprise value. He is also responsible for developing relationships with a wide range of future stakeholders.

SUETSUGU Takahide, who serves as President and CIOO, oversees the Group's day-to-day business operations and financial management, implements its long-term growth strategy, and engages with investors, analysts, and financial institutions.

The AMITA HOLDINGS leadership team fulfills its duty to increase the Group's enterprise value, which represents the sum of the value of its operations provided to all its stakeholders.



KUMANO Eisuke

Chairman and CVO

- Develops long-term Group management strategy and business ideas.



SUETSUGU Takahide

President and CIOO

- Develops and implements integrated business and financial strategies.



SATO Hiroyuki

Vice Chairman and CEPO

- Coordinates engagement with internal and external stakeholders.



OKADA Kenichi

Director and CSO

- Turns corporate strategy into business strategy.



KARAKAMA Shinichi

Director and CGO

- Develops and implements short- and long-term growth strategy.



TAKANO Masaharu

Non-executive Director (newly appointed)

- Brings wealth of experience and expertise in ICT solutions and publishing business to help design a circular social infrastructure.

2021 Director of SIP, Inc. (current)
Director of SVI Promotion Council (current)
2019 Director of Mirai Fes (currently Participatory Society Academy) (current)
President of SDGsTech Co., Ltd. (current)
2000 President of Bitmedia Co., Ltd. (current)



SHIMIZU Nahoko

Non-executive Director (newly appointed)

- Brings a network of key players and a wealth of expertise in creating an inclusive society to help design a mutually supportive society.

2021 Member of Readership and Reporting Committee organized by Kumamoto Daily (current)
2018 Auditor of Arts and Sports for Everyone (current)
2016 Joint Representative of Kumamoto Children & Women Support Network (current)
2013 Representative Director of Yuzuriha (current)
1996 Joins AMITA CORPORATION (leaves in 2000)

AMITA Group companies' leadership teams

AMITA CORPORATION

Wholly owned subsidiary of AMITA HOLDINGS

TABEI Shinichi	President
SUETSUGU Takahide	Director
OKADA Kenichi	Director
HASEGAWA Takafumi	Audit & Supervisory Board Member
YAMAMOTO Shigeki	Audit & Supervisory Board Member



TABEI Shinichi

Engages in the Social Systems Design Business, which redesigns industry and community to assist businesses and municipalities in achieving greater corporate and community sustainability.

AMITA CIRCULAR CORPORATION

Wholly owned subsidiary of AMITA HOLDINGS

TSUCHIMOTO Kenji	President
SUETSUGU Takahide	Director
OKADA Kenichi	Director
HASEGAWA Takafumi	Audit & Supervisory Board Member
YAMAMOTO Shigeki	Audit & Supervisory Board Member



TSUCHIMOTO Kenji

Upgrades closed-loop resource recycling method to produce circular materials proven to reduce supply-chain CO₂ emissions and help restore ecosystem services.

AMIDAO CORPORATION

Wholly owned subsidiary of AMITA HOLDINGS

KUMANO Eisuke	President and Chief Ecosystem Organizer (CEO)
HAYASHI Atsushi	Chief Director
OKADA Kenichi	Director and Organizer
HASEGAWA Takafumi	Audit & Supervisory Board Member



KUMANO Eisuke

Uses Web3 technology to design and develop a token economy as part of creating an ecosystem society.

Codo Advisory, Inc.

Joint venture between AMITA HOLDINGS and MCP Japan Holdings

SUZUKI Kaori	Representative Director & CEO
FUJII Shun	Representative Director
OCHI Tetsuo	Director
SATO Hiroyuki	Director
YAMASHITA Keisuke	Director
TABEI Shinichi	Director



SUZUKI Kaori

Assists corporate clients in developing and assessing a low-carbon transition strategy.

Leadership team effective August 1, 2023

Our Mission II

Wisdom and Life are Infinite.

Through changes in our surroundings and the evolution of sympathy, the formation of
external and internal relationships creates us.

There are no stable phenomena; the universe is in flux.

Because we are who we are, we need to have a good relationship with infinite life.

Our hearts hold everything that humanity seeks.

What humanity seeks is to protect the dignity of our future children.

We have the passion to give this goal a form and offer it.

We declare:

To attest that life is capital to create value, To give priority to building cyclical
relationships for realizing a sustainable society, To conduct only business that
contributes to increasing natural capital and relational capital,
and To protect the dignity of living systems.

AMITA AMITA HOLDINGS Co., Ltd.

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