REFINVERSE Group (TSE Growth・7375)

Record Operating Profit Just a Passing Point
Both Segments Expanded Profits, with Further Upside Potential

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Company Profile

Location	Marunouchi Chiyoda-ku, Tokyo
Representative	Akira Ochi
Established	July 2021
Capital	163 mln yen (as of end of June 2026)
Listed	July 1, 2021
URL	https://r-inverse.com/en/
Business	Services

Stock price data（closing price as of September 14, 2026 ）

Stock price	1,187 yen
Shares outstanding	3,348,821
Trading unit	100 shares
Market cap	3,975 mln yen
Dividend per share (est.)	― yen
PER (est.)	9.94 X
Actual PBR	8.50 X

Executive Summary

■ FY6/26 Material Business profit expanded about 4x YoY. Resources Business recorded highest number of orders, major customer agreements secured, but still at an early stage.

REFINVERSE Group, Inc. (hereinafter referred to as the Company) is a materials manufacturer spearheading the circular economy with unique perspectives and proprietary recycling technologies for over 20 years. Consolidated results for FY6/26: net sales 4,464 mln yen (+9.7% year on year), operating profit 320 mln yen (+75.9% YoY), ordinary profit 282 mln yen (+86.9% YoY), and net profit attributable to owners of the parent 255 mln yen (+74.9% YoY), double digits increase in all profits. Though it did not meet the original targets, operating profits and EBITDA were historical high. In the Materials Business, sales volume of Refine Powder, produced from recycled carpet tiles, remained high, segment profit expanded more than 4x YoY. The Resources Business also achieved a record number of orders about 48,000. While framework agreements with major clients advanced steadily, slower than expected rollout led to a 1Q shortfall versus guidance. Order growth is gaining traction, but this is only the beginning.

■ FY6/27 earnings are expected to reach a record high. Expansion of comprehensive agreements with major clients and new development initiatives support substantial further growth potential.

Consolidated FY6/27 forecasts call for 5,800 mln yen in net sales (+29.9% YoY) and 630 mln yen in operating profit (+96.6% YoY), ordinary profit 590 mln yen (+108.8% YoY), net profit attributable to owners of the parent 400 mln yen (+56.5% YoY), expecting to reach record high. This is underpinned by recent years profit margins improvement and enhanced earnings stability. From FY6/25 to FY6/26, segment profit margins improved from 3.8% to 15.6% in Materials Business and from 21.3% to 23.5% in Resources Business, supported by increased linked orders from major developers. With comprehensive agreements in place with major developers, the likelihood of converting these agreements into orders is high, and we expect the Company's services to steadily gain traction. Although the stock price is currently undergoing a correction, there are still many positive factors not yet priced in, and given the significant room for business growth, we assess the stock as an attractive investment opportunity.

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Full Year Review

☐ FY6/26 Full Year Business Performance: Both segments grew, improvement in productivity contributed

■ **Sales near record high despite missing initial guidance**
Operating profit reached a record high, up 75.9% YoY
■ **Order growth accelerated across both Materials and Resources Businesses from 2Q onward**

- FY6/26 consolidated results yielded strong growth, with sales rising 9.7% YoY to 4,464 mln yen and operating profit dramatically increasing 75.9% to 320 mln yen. The profit growth was driven by improved gross margins and higher productivity.

- Sales volume of refined powder in the Materials Business reached a record high. Looking at quarterly performance in FY6/26, sales from the CTR business* exceeded 300 mln yen in 2Q alone and remained at a high level through 3Q and 4Q. Segment profitability also improved steadily, highlighting the stable expansion of the business. *CTR (Carpet Tile Recycling)

- The Resources Business benefited from higher waste treatment orders linked to carpet collection, the number of orders for FY6/26 reaching a record of almost 48,000, up approx. 5,000 YoY, surpassing the previous record high set in FY6/25.

- Sales missed initial guidance due to slower than expected adoption under comprehensive agreements with major developers and contractors. Adoption took time due to the decentralized, site-based procurement structure of major contractors. However, awareness of the benefits of the Company's service has increased among major contractors, particularly during the second half. As awareness spreads within client organizations, utilization is beginning to increase, leaving significant growth potential from FY6/27 onward.

(in mln yen)	FY6/24	FY6/25	FY6/26	FY6/26 Chg YoY
Net Sales	3,852	4,070	4,464	+10%
Gross Profit	1,214	1,324	1,626	+23%
SG&A	1,181	1,141	1,306	+14%
Operating Profit	32	182	320	**+76%**
Operating Profit Margin	0.8%	4.5%	7.2%	**1.6X**
Ordinary Profit	6	151	282	**+87%**
Net Profit	4	146	255	**+75%**

Source: Compiled based on the Company's materials

Higher gross profit, supported partly by price revisions, more than offset a 14% YoY increase in SG&A expenses, resulting in 76% increase in operating profit.

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Full-Year Financial Soundness Review

☐ As profitability continues to improve, the Company is preparing for future growth through aggressive investment

■ Operating income and EBITDA reach record highs

・The Company has also been making aggressive investments, and EBITDA has increased from 408 mln yen in FY6/25 to 528 mln yen in FY6/26.

(in mln yen)	FY6/25	FY6/26	Chg YoY(%)	Chg in amount
Sales	4,070	4,464	10%	394
Operating Profit	182	320	76%	138
E B I T D A	408	528	29%	120

Source: Compiled based on the Company's materials

■ BS（balance sheet）and CF（cashflow）

・FY6/26 was characterized by "proactive growth investment amid improving profitability". Increase in fixed assets primarily reflects investments in recycling facilities, including polyolefin feedstock production line at Chiba Refinverse Innovation Center. Gamagori Plant is scheduled to commence operations in September 2026. As these facilities ramp up, the expanded asset base should support top-line growth. The decline in cash holdings appears temporary, reflecting higher CAPEX, and underscores management's commitment to long-term growth investment.

(unit: mln yen)

	End of FY6/25	End of FY6/26
Current Assets	1,432	1,188
Of which: Cash and Deposits	692	274
Fixed Assets	2,029	2,446
Of which: Tangible Assets	1,752	2,028
Total Assets	3,461	3,634
Current Liabilities	1,108	1,266
Fixed Liabilities	2,079	1,833
Of which: Long Term Debt	1,782	1,463
Total Liabilities	3,187	3,099
Net Assets	274	534
Total Liabilities and Net Assets	3,461	3,634

Increased due to construction of recycling facilities for Polyolefins*
* Generic term for plastic resins such as polyethylene (PE) and polypropylene (PP)

Repayment of long-term debt

Net income increased, and Net assets also rose

(in mln yen)

	FY6/25	FY6/26
CF from operating activities	459	322
CF from investing activvities	-126	-283
CF from financing activities	-153	-456
Free CF	333	39
Cash and cash equivalents	678	261

Source: Compiled based on the Company's materials

Proactive investments aimed at meeting future demand growth

Repayment of long-term debt → Improved financial health

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Full Year Segment Analysis

☐ Materials Business and Resources Business: both yielded higher profit margins and improved productivity

- The Company has two segments: the Materials Business and the Resources Business. Below chart shows historical sales, composition, segment profits, profit ratios. In FY6/26, both segments saw improved productivity and higher profit margins compared to the previous year, confirming a steady stabilization of profit margins.

Sales and Profits Breakdown by Segments (in mln yen)

	FY6/24		FY6/25		FY6/26	
	Amount (in mln yen)	Composition in total sales / Profit margin	Amount (in mln yen)	Composition in total sales / Profit margin	Amount (in mln yen)	Composition in total sales / Profit margin
Materials Business						
Sales	1,391	35.5%	1,295	31.2%	1,362	29.9%
Segment profit	122	8.8%	49	3.8%	212	15.6%
Resources Business						
Sales	2,522	64.5%	2,850	68.8%	3,198	70.1%
Segment profit	486	19.3%	606	21.3%	753	23.5%

Focus on profit margin:
Materials Business: 3.8% → 15.6%, Resources Business: 21.3% → 23.5%

Source: Compiled based on the Company's materials

☐ Materials Business (Recycling carpet tiles and resin)

- **Sales 1,362 mln yen (+5.2% YoY), Segment profit 212 mln yen (4x from FY6/25)**
- **CTR* business exceeded 300 mln yen in Q2 and Q3, remained near 300 mln yen in Q4**
- **The high-performance resins business relocated its production base to Gamagori Plant to prepare for future demand**
- **Test marketing of new materials has also begun**

- In FY6/26, segment sales grew only marginally YoY, due to temporary disruptions related to plant relocations, including nylon recycling operations. In contrast, segment profit surged more than fourfold to 212 mln yen from FY6/25 of 49 mln yen, a sign that the business has entered a stable operating phase.
- Profit growth was driven by CTR*business, where quarterly sales exceeded 300 mln in 2Q and 3Q and remained firm thereafter. Demand continues to outstrip supply.
- Meanwhile, the polyolefin recycling business has expanded to a two-line production structure, Refineverse Innovation Center and Gamagori Plant, supporting future growth.
- Despite relocation-related headwinds, profitability improved sharply, supporting further margin expansion.

*CTR Carpet Tile Recycling

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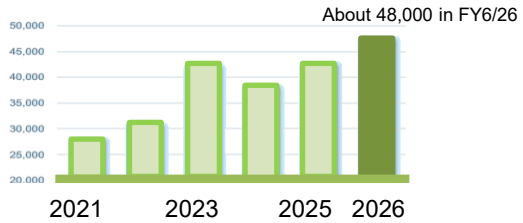
Full-Year Segment Analysis

☐ Resources Business (Processing contracting for carpet tiles, mixed waste treatment, etc.)

- **Record-high order: FY6/26 the number of orders reached an all-time high of 47,783**
- **Improving profitability: through operational efficiency, sales and profit per project continue to increase steadily through optimized operations**
- **One-stop solutions and waste visibility: differentiation through feedback on waste composition**
- **Agility from the customer's perspective: strong execution supported by operator availability amid industry wide shortage of crew at production site**

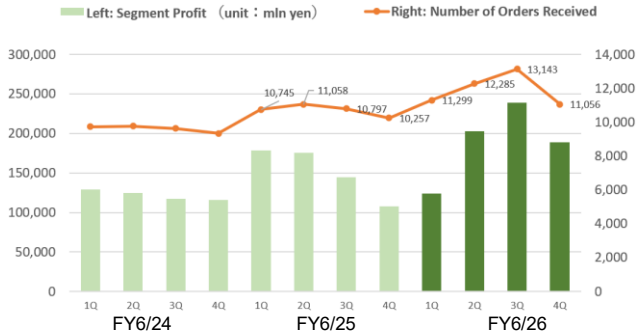
- Resources Business continued to gain traction, supported by comprehensive contracts with key customers, with quarterly orders exceeding 10,000 throughout FY6/26. Number of orders increased steadily from over 11,000 (1Q) to more than 12,000 (2Q) and over 13,000 in 3Q. While 4Q saw a modest decline due to seasonality, quarterly orders remained above 11,000. Full-year orders reached a record high of almost 48,000, up roughly 5,000 YoY.
- More notably (or what caught our attention) is the fact in FY6/26 orders indicated a clear improvement in "sales and profit per order" (higher pricing and margins). Profit per order in 4Q alone was about 1.6x from the 1Q level. We see this as a positive sign that ongoing price revisions, a strategic shift toward higher-margin customers, and operational efficiencies from comprehensive contracts are starting to drive earnings growth.

Resources Business Orders received (units：orders)



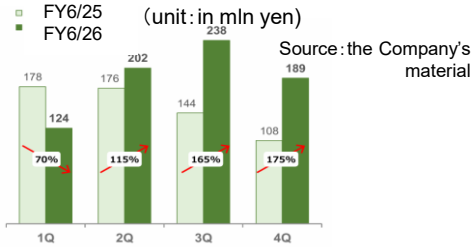
Source: Compiled based on the Company's materials

Resources Business：Segment profit, orders received by quarter（unit：in mln yen, orders）



Source: Compiled based on the Company's materials

Resources Business: Segment profit



Profit per order（index）(FY6/26,1Q＝100)

1Q	2Q	3Q	4Q
100	151	166	156

Source: Compiled based on the Company's materials

Profit per project has increased steadily, rising from an index of 100 in 1Q FY6/26 to approx. 156 in 4Q, more than 1.5x increase.

Order volume showed some softening in 4Q, however, this reflects normal seasonality, as 4Q tends to be weaker each year. For FY6/26, quarterly orders have remained above 10,000.

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Full-Year Segment Analysis

☐ Outstanding on-site operational capabilities supporting the Resources Business

- The Company's waste collection and recycling business is differentiated not only by its contribution to the circular economy, but also by its value beyond conventional industry frameworks and by outstanding operation driven by the widespread adoption of digital transformation (DX) at the site level.

- Strength 1: Value-added approach beyond conventional frameworks is characterized by two key elements: "expanding the scope of materials collected" and "providing waste visibility to customers". In addition to its core carpet tile recycling business, the Company has expanded its coverage to include a wide range of interior materials, with one-stop processing for mixed waste streams. Also, customers are offered detailed data on waste volumes, amount and recycling rates, increasing transparency where waste is often treated as a "black box" by competitors. This capability is closely linked to the Company's Materials Business and serves as a foundation for establishing its brand position not merely as a waste processor, but as a "practical partner in circular economy initiatives".

- Strength 2: The Company's key advantage lies in its "exceptional responsiveness and operational flexibility". Across the construction industry, labor and vehicle shortages have made delays commonplace, with waste collection often requiring "bookings up to a month in advance" and "scheduled pickup times frequently missed", resulting in lost business opportunities. The Company maintains KPIs, almost 99% in "collection rate on requested dates" and "on-time arrival rate". Its proprietary dispatch system also enables even "next-day and same-day services". To support future demand growth, the Company is committed to securing a sufficient workforce.

- A customer-first approach to operations is extremely valuable in the field, where structural labor shortages are a persistent challenge. Since truck drivers who collect waste serve as the point of contact with on-site clients, the Company maintains service quality through meticulous training and provides strong incentives to ensure that first-time customers become repeating customers. We believe the steady growth in the current order volume is leading to a qualitative shift effectively transforming the model into a recurring revenue business.

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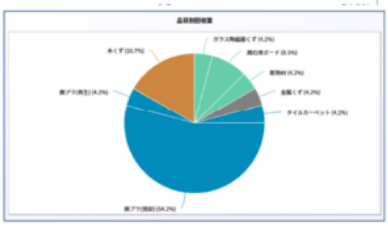
Full-Year Segment Analysis

☐ The outstanding operational capabilities on the site that supports Resources Business

Differentiating from competitors through Digital Transformation on the front lines

品目別回収量(t)

品目	回収量(t)	割合(%)
ガラス陶磁器くず	0.5	4.2%
廃石膏ボード	1.0	8.3%
断熱材	0.5	4.2%
がれき類	0.0	0.0%
分別不可混合	0.0	0.0%
金属くず	0.5	4.2%
業務用空調機	0.0	0.0%
紙くず	0.0	0.0%
繊維くず	0.0	0.0%
タイルカーペット	0.5	4.2%
廃プラ(焼却)		
廃プラ(再生)		
木くず		
アスベスト		
蛍光灯		
家電		
その他		
合計		





Source: the Company's material

Collected materials are visualized:

They are broken down into detailed categories, including not only carpet tiles but also glass, drywall, insulation, and wood chips.

Each driver logs all collected waste through the Company's proprietary mobile application. The system captures a wide range of data points, including waste categories, volumes, transaction values, and recycling rates, enabling comprehensive visualization and analysis.

These data are also shared with customers, ensuring transparency and full traceability throughout the waste collection and processing workflow.

While the waste management industry continues to rely heavily on manual and paper-based operations, the Company's data-driven operating model differentiates it from peers and serves as a key source of competitive advantage.

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FY6/27 Forecasts: Profits Expansion Continues

☐ FY6/27: Another Leap Forward Toward Record Earnings

■ FY6/27 Outlook calls for continued robust earnings growth
Sales at 5,800 mln yen (+29.9% YoY), Operating profit 630 mln yen (+96.6% YoY)
Ordinary profit 590 mln yen (more than 2x), EPS into 3 digits

Having delivered substantial earnings growth in FY6/26, the Company expects another year of double-digit sales growth and significant profit expansion in FY6/27. Management sees further room for demand growth across both the Materials and Resources segments. EPS is projected to rise sharply from 76.31 yen in FY6/26 to 119.45 yen in FY6/27, reaching triple digits.

FY	Net Sales	Chg YoY(%)	Operating Profit	Chg YoY(%)	Ordinary Profit	Chg YoY(%)	Net Profit	Chg YoY(%)	EPS (yen)	DPS (yen)
FY6/23	4,472	19.8	211	-19.7	176	-16.9	-504	—	—	0.0
FY6/24	3,852	-13.8	32	-84.5	6	-96.3	4	—	1.47	0.0
FY6/25	4,070	5.7	182	457.7	151	—	146	—	43.63	0.0
FY6/26	4,464	9.7	320	75.9	282	86.9	255	74.9	76.31	0.0
FY6/27 CE	5,800	29.9	630	96.6	590	108.8	400	56.5	119.45	—

(units: in mln yen, CE: company estimates, DPS: undecided)

Source: Compiled based on the Company's materials

Despite strong growth in FY6/26, we expect continued significant growth in FY6/27.

Used carpet tile procurement volume is a key KPI and it directly determines the success and outlook of the Material Business. The Company targets 24.5% YoY growth in procurement volume and a 34.5% increase in the number of orders received for Resources Business for FY6/27. By FY6/28, management aims to increase procurement volume to 35,000 tons and number of orders to 100,000. Given the rising profit generated per order, we believe investors should place greater emphasis on used carpet tile procurement volume than on order growth in the Resources Business when assessing the Company's earnings potential. Procurement volume is increasingly emerging as the primary driver of profit growth.

KPI	FY6/25 Results	FY6/26 Results	FY6/27 Plan	FY6/28 Targets	Chg from FY6/25 to FY6/28
Procurement volume of used carpet tiles (tons)	20,040t	22,473t	28,000t	**35,000t**	**Increase of more than 70%**
Number of received orders for Resources Business	42,857	47,783	64,300	**100,000**	**More than double**
Supply volume of chemical recycling feedstock (tons)	0t	100t	4,250t	**20,000t**	**Significant expansion**

Source: Compiled based on the Company's materials

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External Environment (Room for Growth)

Factors influencing the Company's environment include the government's initiatives toward a circular economy (national policy), office vacancy rates, and the domestic procurement of naphtha and other materials. This report examines the significance of office vacancy rates and the domestic procurement of naphtha.

■ Tokyo office vacancy rate: at a six-year low, to 1% range Expect growing demand for office relocations to be apparent as new offices open

・Tokyo office vacancy rates fell to 1.99% in June 2026, entering the 1% range for the first time in 6 years. Despite the return to in-office work trend, the rate has remained at low level since last year. And the inquiry to the Company remain strong, with the Resources Business posting a record number of orders.

・Large-scale office supply is set to increase in central Tokyo. With relocation demand steadily accumulating, new openings could unlock pent-up demand and spur a renewed wave of office relocations. The table below are some of the major redevelopment projects by developers that have signed disposal agreements with the Company. With more office relocations, the Company would likely increase waste collection volumes. Rising vacancy rates are expected to drive relocation demand, supporting growth in both raw material sourcing and product supply.

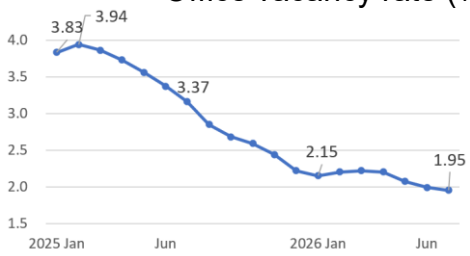
Major Redevelopment Projects in Tokyo (Over 50,000 m²): (Some of developer-led projects for which disposal agency agreements have already been signed)

Project Name	Major Developers	Total Floor (㎡)	Carpet Tile Usage (ton)
TOFROM YAESU TOWER	Tokyo Tatemono	225,000	900
Osaki Station West	Sumitomo R&D	53,500	214
Nakano M-SQUARE	Sumitomo R&D	91,200	365
Otemachi Gate Bdg	Mitsubishi Estate	85,300	341
Tokyo Midtown Yaesu	Mitsui Fudosan	386,700	1,547
Osaki Core Project	Tokyu Land Corp	69,100	276
Dogenzaka 2chome	Mitsubishi Estate	87,300	349
Akasaka 2 and 6-Chome District	Mitsubishi Estate	206,000	824
TOKYO TORCH Torch Tower	Mitsubishi Estate	551,000	2,204
Higashi-Ikebukuro 1-Chome	Sumitomo R&D	155,600	622
Yaesu 2-Chome Chuko District	Mitsui Fudosan Co.	389,300	1,557

Source: Compiled based on the Company's material, the Company compiled based on publicly available information. Carpet tile usage figures are the Company's estimates.

Vacancy rate falls to 1.9% range

Office vacancy rate (%)

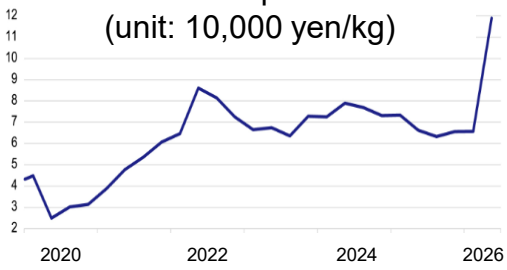


Source: : Compiled based based on various materials

■ Domestic naphtha procurement from BCP perspective

Domestic naphtha supply has stabilized, but prices rose sharply to over 110,000 yen/kg in April-June 2026, up more than 50,000 yen/kg from the previous quarter. Given geopolitical risks in the Middle East, securing feedstocks through domestic resource recycling is gaining importance from a BCP perspective.

Domestic Naphtha Price (unit: 10,000 yen/kg)



Source: : Compiled based on various materials

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Business Model (Technological Capabilities)

☐ A Unique Perspective and Business Model Differentiated from Peers

■ End-to-end operations, two core businesses, and a diversified network of raw material suppliers and material customers. World-first technologies that turn underutilized resources into valuable materials.

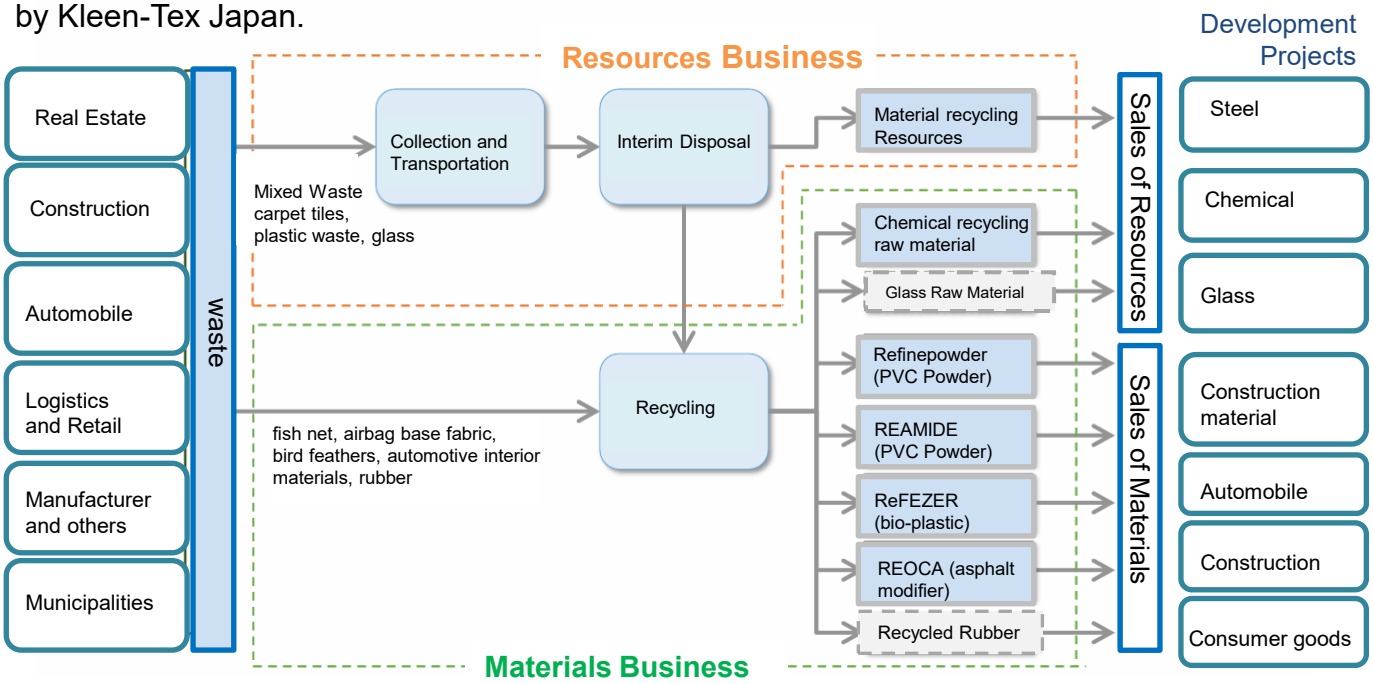
・The Company's competitive advantage lies in its proprietary resource-circulation technologies that convert underutilized waste streams into value-added materials. Notably, it has identified recycling opportunities in unconventional feedstocks including carpet tiles, fishing nets, bird feathers, and milk-carton films. Leveraging cross-segment customer development, the Company continues to broaden its industrial ecosystem and expand business opportunities.

・In FY6/26, the Company developed “REOCA”, an asphalt modifier produced through the material recycling of automotive interior-material waste in partnership with Toyota Boshoku. The innovation is believed to be a world first* and is currently undergoing field trials. Given the estimated annual generation of 140,000 tons of interior-material offcuts globally and 16,000 tons in Japan, the initiative highlights the potential to unlock a sizeable new recycling market. *from various sources

・The Company has also developed “RENAMY”, a recycled nitrile rubber product created by separating and reprocessing high-performance dust control mats supplied by Kleen-Tex Japan.



Source：the Company's material



Source: the Company's material

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Business Model (Technological Capabilities)

☐ A Unique Perspective and Business Model Differentiated from Peers

■ Chemical recycling lags behind in Japan: Shift from thermal to chemical recycling

・Around 8.5 mln tons of plastic waste are generated each year in Japan, but conventional material recycling remains limited by technical and quality constraints, processing only slightly more than 10% of the total. As a result, the vast majority of plastic waste is subjected to thermal recycling or incineration, which led to growing interest in a method known as chemical recycling.

・Although thermal recovery captures energy “heat” from waste incineration, materials themselves are consumed rather than recirculated. Consequently, it is not recognized as “recycling” under EU waste standards. The Company collects materials from various industries and to the greatest extent possible, breathes new life into them through material/chemical recycling, enabling their use as resources and raw materials. At the recycling plants in which the Company invested during FY6/26, it conducts material and chemical recycling of polyolefins, using this as a stepping stone for future growth.

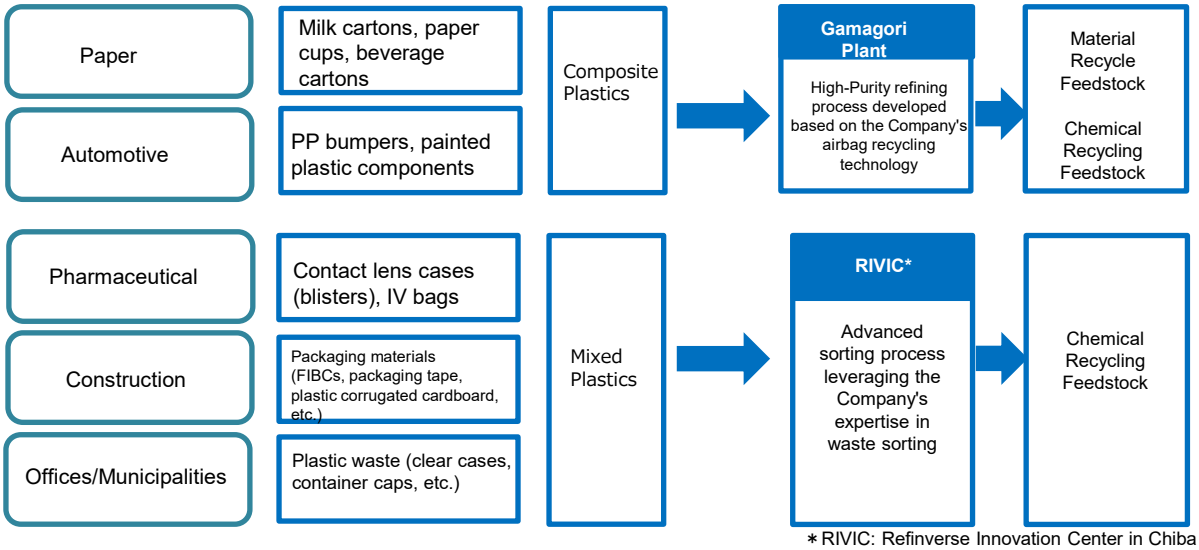
The Company’s technology enables both material recycling and chemical recycling.

Conventional Recycling Methods

Methods	Description
Material Recycling	Reusing waste as raw materials.
Chemical Recycling	Processing waste chemically to reuse it as raw materials or chemical substances.
Thermal Recycling (Energy Recovery)	Using heat generated during incineration as energy.

Note: The above provides general guidelines, actual practices vary depending on on-site and facility conditions. Source: : Compiled based on various materials

The Company's Polyolefin Recycling Process



＊RIVIC: Refinverse Innovation Center in Chiba
Source: the Company’s material

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Strengths Supporting Its Medium-Term Management Plan

☐ Key to achieve the “Growth100”

■ Volume of used carpet tiles procured and number of drivers on site

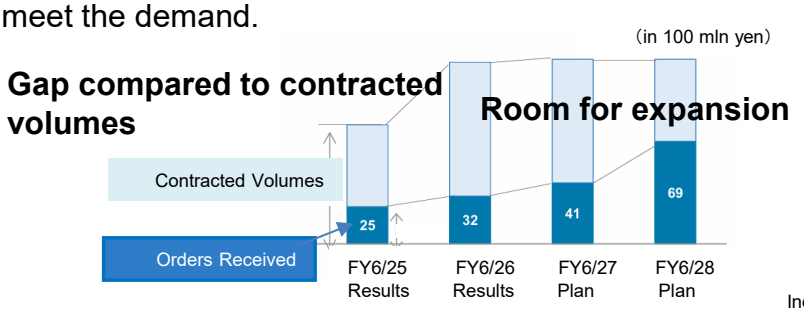
・Under the Medium-term Management Plan “Growth100”, which ends in FY6/28, the Company has set targets of 10 bln yen in sales and 2 bln yen in EBITDA for FY6/28. This indicates a proactive stance toward investing in future growth. Details regarding the investment strategy and plan were outlined in the previous report issued in April and will be omitted here.

(in mln yen)	FY6/26 Results	FY6/27 Forecasts	FY6/28 Targets
Sales	4,464	5,800	10,000
EBITDA	528	1,000	2,000

Source: Compiled based on the Company’s materials

・Achievement of the “Growth100” targets will largely depend on the progress of KPIs: the volume of used carpet tiles collected and the number of contracts awarded in the Resources Business. In this regard, the Company has made steady progress in signing comprehensive agreements with leading developers. Given their exposure to large-scale urban redevelopment projects, these partnerships could serve as an important source of both feedstock procurement and business opportunities going forward. That said, major developers that have signed comprehensive agreements with the Company typically have numerous project managers operating across a wide range of construction and redevelopment sites. While framework agreements have already been secured at the headquarters level, many individual projects have yet to translate into actual orders, suggesting substantial room for further penetration. As shown in the graph below, a meaningful gap remains between the total contracted opportunity (light blue bars) and actual orders received (dark blue bars), indicating considerable untapped demand. Importantly, project managers that have used the Company’s services once tend to place repeat orders. In our view, the pace at which this untapped opportunity can be converted into actual orders will be a key determinant of the Company’s ability to accelerate earnings growth.

・Supporting this conversion from opportunity to actual orders is the quality and scale of the truck driver workforce. Amid persistent labor shortages across the industry, the Company has continued to recruit and train operational personnel on a regular basis, building a workforce capable of supporting future growth. As indicated in the lower-right graph, the number of frontline employees is projected to increase steadily, with the index (FY6/25 = 100) rising to 128 in FY6/26, 155 in FY6/27, and 186 in FY6/28. This expansion reflects the clear growth potential in demand and the Company’s efforts to ensure sufficient operational capacity to meet the demand.





Indexed with FY6/25 set as 100. Source: the Company’s material

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Stock Performance and Risks

- The stock was at 800 yen level at the start of the year which surged to 2,660 yen in April 2026.This surge was driven by Middle East-related oil price increases, which highlighted the value of the Company's circular business model that is less exposed to crude oil and naphtha price volatility, compared to their competitors who relied on virgin materials. The stock price went into correction after the sharp rise, and also due to weaker sentiment of the Growth market.

- Currently, operating income has reached a record high, and we expect this growth trend to continue. The Company's appeal lies in its "access to raw materials (IN)", which involves collecting materials from diverse industries such as real estate, construction, and the automotive sector, and its "diverse customer base (OUT)", which supplies high-value-added materials to a wide range of industries including steel, chemicals, building materials, and consumer goods, enabling an end-to-end circular platform. Recent signing of comprehensive contracts with major developers has led to actual orders (project base orders) but that has just begun. While labor shortages at construction sites are extremely severe, the Company collects waste at the necessary times, streamlining site operations and securing a steady stream of orders. The fact that there is ample "room for expansion" within the total contracted volume contributes to the certainty of securing orders towards achieving its Medium-term Management Plan, "Growth100" (FY6/28 target: sales10 bln yen and EBITDA 2 bln yen). The Tokyo office vacancy rate has fallen below 2%, however the Company has been receiving more orders. If office relocations increase in the future, the growth is likely to accelerate even further.

- The circular economy is a long-term structural theme backed by government policy. Even amid higher crude oil prices and naphtha shortages, the Company's recycling-based business model continues to demonstrate a competitive advantage. Growth drivers include the launch of new plants, progress in comprehensive agreements, stronger on-site operations, and margin improvement. Continued investment to expand topline further reinforces its medium- to long-term growth outlook. EPS for FY6/27 is expected to reach 119 yen, entering the triple-digit range, with the current stock price at 1,187 yen and P/E ratio (est.) of 9.94x (as of 9/14, 2026), the stock is in a correction phase. We believe the positive factors mentioned above are not yet fully priced in and therefore assess the stock to offer significant investment appeal.

- **Risks:** Office demand fluctuations, labor shortages and the labor risks involved in demolition work and waste sorting, trends in final disposal costs, and market liquidity.

Stock Price (historical)	
Year-to-date high	2,660 yen
Year-to-date low	765 yen
All time high	2,660 yen
All time low	550 yen

Stock Price (Weekly)



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Disclamation

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Finantec Co., Ltd. is providing IR support services to the Company as of the publication date of this report.

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