

Last Update: July 30, 2025

ARE Holdings, Inc.

Tomoya Higashiura, Representative Director, President & CEO

Contact: Corporate Planning & Communications Department

Securities code: 5857

<https://www.are-holdings.com/english/>

The corporate governance of **ARE Holdings, Inc.** (the “Company”) is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

1. Basic Views

Basic Policies for Corporate Governance

ARE Holdings, Inc. (hereinafter referred to as “Company”) and our affiliates (hereinafter collectively referred to as “Group”) has, as our management philosophy, established the ARE Group Way consisting of Purpose as our raison d’être, Goals as our specific commitments to fulfill the Purpose, and Values as our behavior guidance. The directors and Group management will take the lead in practicing the ARE Group Way and familiarize all Group employees with it through the internal portal sites. Based on the ARE Group Way, Group has also established the “ARE Holdings Corporate Governance Policies” in purpose of clarifying, in written form, our basic understanding on corporate governance, systemic framework and specific actions, and building and maintaining our governance based on these.

To establish corporate governance and have it work effectively is a corporate social responsibility and contributes to more efficient and transparent management as well as to sustainable corporate value growth. The Company has been building the corporate governance that will respond to the confidence of shareholders, business partners, employees, local communities and other various stakeholders so as to fulfill our social mission and responsibility as a listed company. Also, we have been developing a top-management composition and a framework for business operations that will promptly respond to the management environment changes with emphasis on compliance aiming at sustainable corporate value growth.

* “ARE Holdings Corporate Governance policies” is posted on our website.

URL: <https://www.are-holdings.com/english/sustainability/governance/>

* For the details of basic views above, please refer to “ARE Holdings Corporate Governance Policies” (Chapter-I: General Provision and Annex document-1 ARE Group Way).

Reasons for Non-compliance with the Principles of the Corporate Governance Code

The Company has implemented all of the Principles of the Corporate Governance Code.

For the implementation status of each Principle of Corporate Governance, please refer to “Implementation status for the Corporate Governance Code”. *

* Please refer to attachment of this Report.

Disclosure Based on the Principles of the Corporate Governance Code UPDATED

The Company discloses information based on Corporate Governance Code revised as of June 11, 2021.

[Principle 1-4 Cross-Shareholdings]

The Company may hold cross-shareholding relationship if we consider that the shareholding contributes to the maintenance or increase of Group’s corporate value by enhancing and building a business relationship.

Based on our capital costs, we will deliberate every year whether or not it is reasonable to hold cross-shareholding relationship after having considered the medium- and long-term economic reasonability and future prospect. If reasonability of cross-shareholdings is lost, we will promptly sell them.

We will exercise the voting right for the cross-shareholding after having considered comprehensively whether or not we can expect the increase of corporate value of the issuer in addition to whether or not the proposal is consistent with our cross-shareholding strategy.

For details, please refer to “ARE Holdings Corporate Governance Policies” (Chapter- II: Relations with Shareholders and others / 6. Cross-Shareholding Strategy).

[Principle 1-7 Related Party Transactions]

Transactions of high importance with our Directors, Group's Officers, and their close relatives and main shareholders (who directly or indirectly hold the voting rights equal to 10% or more of all voting rights) will be escalated to the Board of Directors after an objective and comprehensive understanding of information, so that the detail of transactions and the reasonability of conditions may be deliberated. We will annually prepare a written confirmation for survey on whether or not any such transaction exists and will report all important facts, if any, to the Board of Directors. Please refer to "ARE Holdings Corporate Governance Policies" (Chapter- II: Relations with Shareholders and others / 5. Prevention of Related Party Transactions).

[Principle 2-4 Ensuring Diversity, Including Active Participation of Women]

[Supplementary Principle 2-4-1 Ensuring Diversity in the Promotion to Core Human Resources]

In accordance with the diversity, equity, and inclusion principle, we will operate the recruitment, assessment, and other relevant systems appropriately, so that a wide range of personnel may work exercising their characteristics and abilities irrespective of gender, age, race, nationality, religion, disorder and so that there is no inequality by reason of personal attribute. In particular, employees who display high competence and capability will be highly evaluated and rewarded.

We will provide all Group employees with an opportunity to participate in the training to obtain skill and capability required to be a professional in addition to an opportunity for personnel development training for each tier.

(1) Promotion of Women

We will also develop various frameworks to facilitate active participations by women and will promote a workplace environment where not just women but every employee, regardless of gender, can work and exercise abilities more. In particular, we have set the percentage of women in managerial positions as one of the "Priority SDG-related Goals" and the goal is to reach 7.0% on a consolidated basis in Japan by the end of FY2030. We are also working to raise career planning awareness to encourage many employees including women, to aim to take active role at company or office and to bring it to their action.

(2) Recruitment and Promotion of Foreign Nationals and Outside Personnel

The Company is driving creation of an environment in which diversified personnel can exercise their ability regardless of nationality or recruitment method, and working on proactive recruitment and promotion of foreign nationals and personnel with outside career. We recruit foreign nationals as our regular employee irrespective of recent graduate recruitment or mid-career employment. Mid-career recruitment from outside the Company has reached around 70% of our recruitment showing that the personnel from outside the Company occupies major part of our human resource pool.

We evaluate and treat these personnel fairly and equitably based on their expertise, experience, and performance in the same manner as all other employees. Accordingly, we do not set numerical targets for the promotion of foreign nationals or mid-career hires to managerial positions. At present, with the exception of targets related to the promotion of women, we do not establish goals based on any specific attributes. Going forward, we will continue to enhance support that fosters individual motivation and professional growth, while promoting the further integration of a culture of Diversity, Equity and Inclusion, to ensure that diverse talent can thrive and fully demonstrate their capabilities.

For details, please refer to "ARE Holdings Corporate Governance Policies" (Chapter-IV: Stakeholder Relationships / 4. Relationships with Employees).

[Principle 2-6 Roles of Corporate Pension Funds as Asset Owners]

In order to demonstrate the functions expected as an asset owner, the Company will manage the operation of corporate pension funds by asset management committee which composed by the head of finance department and the head of human resources department, in collaboration with a specialized external organization.

For details, please refer to "ARE Holdings Corporate Governance Policies" (Chapter-IV: Stakeholder Relationships / 6. Role of Asset Owner).

[Principle 3-1 Full Disclosure]

Our policy for information disclosure is to enhance management transparency through proactive dialogue with shareholders and investors, adhere to all applicable laws and regulations, and strive to build trust with various stakeholders by ensuring timely, appropriate, and fair disclosure of information.

In accordance with this policy, we disclose material information that may influence investment decisions by shareholders and investors in compliance with the Companies Act, the Financial Instruments and Exchange Act, and other relevant laws and regulations, as well as the "Rules on Timely Disclosure of Corporate Information by Issuers of Listed Securities" established by the Tokyo Stock Exchange.

Furthermore, beyond statutory disclosure requirements, we actively disclose both financial and non-financial information that we deem important or beneficial through our corporate website and other channels.

(i) Business principals, business strategies and business plans

The Company has established the "ARE Group Way" as our management philosophy. The ARE Group Way can be seen on our website, the convocation notice of General Shareholders Meeting, Integrated Report, etc. The Medium- to Long-Term Vision is also disclosed on our website, Integrated Report, etc.

* Management Philosophy

URL: <https://www.are-holdings.com/english/philosophy/groupway/>

* Medium- to Long-Term Vision

URL: <https://www.are-holdings.com/english/ir/management/strategy/>

(ii) Basic views and guidelines on corporate governance

Please refer to “ARE Holdings Corporate Governance Policies” (Chapter-I: General Provision / 2. Basic Policies for Corporate Governance).

(iii) Board policies and procedures in determining the remuneration of the senior management and directors

The Compensation Committee consisting of one (1) Representative Director and two (2) Independent Outside Directors will make proposals for the total amount of compensation of each Director excluding the Audit and Supervisory Committee Members and the basic system and level of compensation, which will be deliberated and decided at the Board of Directors meeting. For proposals by the Compensation Committee for individual assessment of Directors excluding the Audit and Supervisory Committee members, we will make a decision comprehensively by considering the annual and medium-term business prospect, level of individual contribution, dividend, balance with the compensation level of other companies, balance with the compensation level of senior management and employees, past payment, compensation system, etc.

For details, please refer to “ARE Holdings Corporate Governance Policies” (Chapter-V: Corporate Governance Structure / 9. Determining Procedure of Compensation for Directors, Annex Document -6: Compensation Policies for directors and key management), and “Corporate Governance Report” (II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management, 1. Organizational Composition and Operation, [Director Remuneration], Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods).

(iv) Board policies and procedures in the appointment/dismissal of the senior management and the nomination of directors

The Nominating Committee consisting of one Representative Director and two Independent Outside Directors will make proposals to the Board of Directors with respect to the nomination and dismissal of the next Representative Director and the Director candidates in accordance with the assessment of the candidates in terms of business performance and level of achievement of targets and their quality as a director. The Board of Directors will deliberate and make final decisions.

For details, please refer to “ARE Holdings Corporate Governance Policies” (Chapter-V: Corporate Governance Structure / 8. Procedure of Nomination and Dismissing of Directors, Annex Document -5: Nomination Policies and Dismissal Criteria for Directors and Key Management Candidates).

(v) Explanations with respect to the individual appointments/dismissals and nominations

The Company will disclose reasons for nomination of each director candidate on convocation notice of General Shareholders Meeting. We will also disclose reasons for nomination of each Outside Director on “Corporate Governance Report” (II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management, 1. Organizational Composition and Operation, [Directors]).

[Supplementary Principle 3-1-3 Initiatives for sustainability, investments in human capital and intellectual property, etc.]

<Initiatives for sustainability>

The Group contributes to effective use of resources and widespread environmental preservation based on Our Purpose of “Totally Committed to Protecting the Natural Environment and Preserving Resources.” We believe that our business activities are our contribution to sustainability, and that our business growth directly contributes to solving social issues. Based on this belief, we set out priority issues, themes, and goals and take proactive actions to achieve them.

In particular, as an initiative for climate variation, after announcing our goal to achieve carbon neutrality in 2050 and expressing our endorsement for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in December 2021, we have been implementing information disclosure in line with the TCFD recommendations.

These initiatives are driven by the Sustainability Committee held on quarterly basis. The Committee consists of the President & CEO, the Presidents of operating companies and top members of divisions covering technologies and administrations and is headed by the President & CEO. The Sustainability Committee deliberates on sustainability strategies, plans, policies, risk management and monitoring.

The details and the status of those initiatives are posted on our website and Integrated Report, etc.

* Initiatives for Sustainability

URL: <https://www.are-holdings.com/english/sustainability/>

<Investment in human capital, etc.>

The Group aims for medium- to long-term growth by promoting human resource policies that enable each and every employee to work vigorously while embodying ARE Group Way. As for our Medium- to Long-Term Plan & Aspiration, we use the results of surveys, such as employee engagement surveys, as indicators to stimulate the vitality of the entire organization and create a driving force for the company's growth. Furthermore, we are reforming the way we work by observing a “work-interval system” that requires employees to have at least 11 hours of uninterrupted rest between clock-out and clock-in, and by introducing a “designated rest day system” that allows employees to take 3 days off within a week at their discretion. The details and the status

of those initiatives will be updated on our website and in our Integrated Report as they become available.

* Work-Life Balance and Diversity, Human Resource Development, etc.

URL: <https://www.are-holdings.com/english/sustainability/social/>

<Investment in intellectual properties, etc.>

The Group's Technical Research Center has Research and Development Department and Production Technology and Engineering Department. The Center works with other technical and business departments to further contribute to society through improvements in quality and technological innovation and has created a large number of unique technologies in the fields of separation, recovery, and processing of precious and rare metals and the detoxification and recycle of waste. In addition, the Center has a great deal of expertise on as-yet-undisclosed technologies in refining and analysis, which supports the high quality of our products and the company's ability to handle wide-ranging scrap and waste materials. We will continue to contribute to the creation of a sustainable recycling-oriented societies through the development of new technologies.

The details and the status of those initiatives are posted on our website and Integrated Report, etc.

* R&D / Technology

URL: https://www.are-holdings.com/english/business/precious_metals/development/

[Principle 4-1 Roles and Responsibilities of the Board (1)]

[Supplementary Principle 4-1-1 Decision on the Scope of Matters Delegated to the Management and Disclosure of Summary]

The Board of Directors assumes responsibility for achieving the efficient and effective corporate governance under the entrustment of shareholders and for achieving Group's sustainable growth and increased corporate value over medium- to long-term. The Board will deliberate and decide important managerial matters regarding the management basic policies, management strategies, business portfolio, Medium- to Long-term Plan & Aspiration, annual plan, investment plan and other strategic directions. Important matters delegated, based on the company rules within the scope of laws and regulations and Articles of Incorporation, to Executive Directors are deliberated and decided by each group company in consultation with Executive Directors.

For details, please refer to "ARE Holdings Corporate Governance Policies" (Chapter-V: Corporate Governance Structure / 2. Board of Directors - Roles -).

[Principle 4-8 Effective Use of Independent Directors]

The Board of Directors comprises executive directors who are knowledgeable concerning their respective business, technical or administrative divisions, as well as outside directors with various types of expertise essential to corporate management. To further enhance the objectivity and independence of the Board of Directors and ensure that discussions are active and effective, the majority of members are Independent Outside Directors. The Board consists of one (1) Executive Director, one (1) Independent Outside Director who is not Audit and Supervisory Committee member, four (4) Independent Outside Directors who are Audit and Supervisory Committee members and one (1) full-time Director who are Audit and Supervisory Committee member, including two (2) of whom are women, for a total of six (7) Board members. All Directors share their opinions actively and freely on important subjects such as the Group's management strategies and business plans.

In addition, in order to further strengthen cooperation between Independent Outside Directors and the Executive Directors and to establish a system that enables smooth communication and coordination, we appointed one of the Independent Outside Directors to serve as the Head of Independent Outside Directors.

For details, please refer to "ARE Holdings Corporate Governance Policies" (Chapter-V: Corporate Governance Structure / 2. Board of Directors - Roles -, 3. Board of Directors - Composition -).

[Principle 4-9 Independence Standards and Qualification for Independent Directors]

In addition to the independence criteria stipulated under Japan's Companies Act and Tokyo Stock Exchange, the Company has independently established the "Independence Criteria for Independent Directors" and, given their backgrounds and relationship with Group, will appoint Independent Outside Directors able to fulfill duties required of an Outside Director in a position independent from the management of the Company.

For details, please refer to "ARE Holdings Corporate Governance Policies" (Chapter-V: Corporate Governance Structure / 6. Directors and Outside Directors, Annex Document -4: Independence Criteria for Independent Directors).

[Principle 4-10 Use of Optional Approach]

[Supplementary Principle 4-10-1 Policies, Authority and Roles Concerning the Independence of the Composition of the Nominating Committee and Compensation Committee]

The Company has established a Nominating Committee, consisting of one (1) Director and two (2) Independent Outside Directors, as well as a Compensation Committee, as advisory bodies to the Board of Directors. The chairpersons of both committees are appointed from among the Independent Outside Directors. The aim is to ensure transparency, fairness, and objectivity for the appointment and dismissal of directors and key management team members, as well as for the determination of director remuneration.

For details, please refer to "ARE Holdings Corporate Governance Policies" (Chapter-V: Corporate Governance Structure / 8.

Procedure of Nomination and Dismissing of Directors, 9. Determining Procedure of Compensation for Directors).

[Principle 4-11 Preconditions for Board Effectiveness]

[Supplementary Principle 4-11-1 Disclosure of View on Balance of Knowledge, etc., Diversity, and Scale of the Board of Directors as a Whole and a Policy and Procedures for Appointment of Directors]

The Board of Directors of the Company is operated by diversified personnel of an appropriate size, consisting of the Executive Directors who are familiar with the fields of businesses, technology and management and the Outside Directors who have the diversified expert knowledge necessary for the corporate management. We will select a person of superb personality and knowledge as a Director candidate irrespective of gender, nationality, work experience, age and any other personal attribute. The Executive Directors will consist of persons who are able to understand the Company's business well and to make decisions and who have achieved good business performance. The Outside Directors who are also the Audit and Supervisory Committee members will consist of persons who have diversified expert knowledge of finance, law, management, etc. in terms of achieving an optimum combination of knowledge and experience as an Outside Director in a supervisory position. Moreover, we will develop a "skills matrix" that lists the knowledge, experience, abilities, etc. of each director and disclose it on our website and Integrated Report.

For details, please refer to "ARE Holdings Corporate Governance Policies" (Chapter-V: Corporate Governance Structure / 3. Board of Directors - Composition -).

* Director Skill Matrix

URL: https://www.are-holdings.com/english/sustainability/governance/corporate_governance

[Supplementary Principle 4-11-2 Concurrent Positions of Directors]

A Director of the Company may concurrently serve as an Officer of no more than four (4) listed companies, including the Company. We will annually disclose how many and what companies each Director concurrently serves as an Officer for in a convocation notice of General Shareholders Meeting, securities report, etc.

[Supplementary Principle 4-11-3 Disclosure of Summary of Analysis and Evaluation Results Concerning Effectiveness of Board of Directors]

The Board of Directors of the Company will analyze and evaluate the effectiveness of the entire Board annually. Questionnaire survey sheets with evaluation items will be distributed to all Directors and their answers will be collected. Based on the aggregate results, discussions for analyses and evaluations will be held at the Board of Directors meetings. The summary of their results will be disclosed on our website and Integrated Report.

For details, please refer to "ARE Holdings Corporate Governance Policies" (Chapter-V: Corporate Governance Structure / 4. Board of Directors - Operation and Securing Effectiveness -).

* Evaluating the Effectiveness of the Board of Directors

URL: https://www.are-holdings.com/english/sustainability/governance//corporate_governance

[Principle 4-14 Director Training]

[Supplementary Principle 4-14-2 Disclosure of Training Policy for Directors]

The Company will regularly provide the opportunity to acquire knowledge, information, etc. necessary for the directors to play their roles and fulfill their responsibilities, by inside specialists and outside instructors. In the fiscal year ended March 31, 2025, the Company conducted the training under the theme of "Guidelines for Engagement with Equity Method Affiliates and Conduct in Corporate Acquisitions".

For details, please refer to "ARE Holdings Corporate Governance Policies" (Chapter-V: Corporate Governance Structure / 11. Policies of Training for Directors, Annex Document -7: Training Policies for Directors).

[Principle 5-1 Policy for Constructive Dialogue with Shareholders]

The basic policies of our company for information disclosure is to be compliant with laws and relevant regulations and to strive to build trust with different stakeholders surrounding us by timely, appropriate and fair disclosure of information, as well as to be committed to enhancing management transparency through proactive dialogue with shareholders and investors. We also disclose on our website our framework and initiatives to promote constructive dialogue with shareholders under the "Disclosure Policy".

Our IR activities are primarily conducted by the IR division under the supervision of the President & CEO. Depending on the attributes of the interviewees and the purpose of the dialogue, directors—including the President & CEO and outside directors may also participate in meetings. We also make continuous efforts to accurately understand our shareholder composition and actively promote global IR initiatives. Feedback and suggestions obtained through these dialogues are regularly reported to the Board of Directors and, when appropriate, are reflected in our management practices.

For details, please refer to "Disclosure Policy" and "ARE Holdings Corporate Governance Policies" (Chapter- II: Relations with Shareholders and others / 3. Dialogue with Shareholders).

*Disclosure Policy

URL: <https://www.are-holdings.com/english/ir/management/disclosure/>

[Management's focus on cost of capital and the share price] [\[English disclosure is also available\]](#)

(1) Disclosure Content: Disclosure of Initiatives

(2) English Disclosure: Available

(3) Update Date: April 25, 2025

(Explanation of Relevant Item)

Although our PBR has generally remained above 1x, the margin above this level has been limited. We recognize the need to further enhance our PBR in order to realize our Medium- to Long-Term Vision Toward 2030.”

To improve PBR, we believe it is essential not only to enhance ROE through improved net profit margins and optimization of total assets, but also to raise the PER through by deepening understanding of our long-term growth strategies and shareholder return policies.

Accordingly, we aim to enhance corporate value and achieve further improvement in PBR through the strengthening and steady execution of both financial and non-financial strategies, beyond simply improving profitability.

Details of these initiatives and our dialogue with shareholders and investors are available in the “Financial Results for Fiscal Year Ending March 2025 (FY2024)”.

URL: https://www.are-holdings.com/Portals/0/images/english/ir/library/account/202504_E.pdf

2. Capital Structure

Foreign Shareholding Ratio

20% or more and less than 30%

Status of Major Shareholders UPDATED

Name or Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. [Trust account]	12,465,000	16.10
Custody Bank of Japan, Ltd. [Trust account]	5,328,200	6.88
Mitsuharu Terayama	1,802,290	2.33
Masamichi Terayama	1,404,690	1.81
STATE STREET BANK WEST CLIENT - TREATY 505234	1,161,000	1.50
CEPLUX - ERSTE GROUP BANK AG (UCITS CLIENTS)	1,044,032	1.35
STATE STREET BANK AND TRUST COMPANY 505001	1,034,818	1.34
JP MORGAN CHASE BANK 385781	978,573	1.26
MUFG Bank, Ltd.	900,000	1.16
STATE STREET BANK AND TRUST COMPANY 505223	829,401	1.07

Name of Controlling Shareholder, if applicable
(excluding Parent Company)

None

Name of Parent Company, if applicable

None

Supplementary Explanation UPDATED

- The information is based on stock ledger as of March 31, 2025.
- The Company retains 2,295,434 shares as treasury stock, which is excluded from the Status of Major Shareholders. The percentage of shares held is calculated by excluding treasury stock.
- The large shareholding report filed by BlackRock Japan Co., Ltd. and four (4) other persons on December 21, 2021, which is open to the public, stating that they held shares of the Company as shown below as of December 15, 2021. However, these shareholdings were not included in the above Status of Major Shareholders because the Company could not confirm the number of beneficial shares as of March 31, 2025.

The content of the large shareholding report is as follows.

Name	Number of shares owned	Ratio of shareholding (%)
BlackRock Japan Co., Ltd.	986,000	1.24
BlackRock Asset Management Deutschland AG	280,900	0.35
BlackRock Asset Management Ireland Limited	476,644	0.60
BlackRock Fund Advisors	1,735,000	2.18
BlackRock Institutional Trust Company, N.A.	507,400	0.64

- The amendment to the large shareholding report filed by Sumitomo Mitsui Trust Asset Management Co., Ltd. and Nikko Asset Management Co., Ltd. on November 7, 2022, which is open to the public, stating that they held shares of the Company as shown below as of October 31, 2022. However, these shareholdings were not included in the above Status of Major Shareholders because the Company could not confirm the number of beneficial shares as of March 31, 2025.

The content of the large shareholding report (amendment report) is as follows.

Name	Number of shares owned	Ratio of shareholding (%)
Sumitomo Mitsui Trust Asset Management Co., Ltd.	3,012,400	3.78
Nikko Asset Management Co., Ltd.	1,215,300	1.52

- The amendment to the large shareholding report filed by MUFG Bank, Ltd and three (3) other persons on July 29, 2024, which is open to the public, stating that they held shares of the Company as shown below as of July 22, 2024. However, these shareholdings were not included in the above Status of Major Shareholders because the Company could not confirm the number of beneficial shares as of March 31, 2025.

The content of the large shareholding report (amendment report) is as follows.

Name	Number of shares owned	Ratio of shareholding (%)
MUFG Bank, Ltd.	900,000	1.13
Mitsubishi UFJ Trust and Banking Corporation	2,601,900	3.26
Mitsubishi UFJ Asset Management Co., Ltd.	751,400	0.94
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	175,341	0.22

6. The amendment to the large shareholding report filed by Nomura Securities Co., Ltd. and two (2) other persons on April 3, 2025, which is open to the public, stating that they held shares of the Company as shown below as of March 31, 2025. However, these shareholdings were not included in the above Status of Major Shareholders because the Company could not confirm the number of beneficial shares as of March 31, 2025.

The content of the large shareholding report (amendment report) is as follows.

Name	Number of shares owned	Ratio of shareholding (%)
Nomura Securities Co., Ltd.	1,698,411	2.11
NOMURA INTERNATIONAL PLC	29,544	0.04
Nomura Asset Management Co., Ltd.	2,866,300	3.60

3. Corporate Attributes

Listed Stock Exchange and Market Segment	Prime Market
Fiscal Year-End	March
Business Sector	Nonferrous Metals
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year UPDATED	Less than 1,000
Net Sales (Consolidated) as of the End of the Previous Fiscal Year	¥100 billion or more and less than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	10 or more and fewer than 50

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

None

5. Other Special Circumstances which May have Material Impact on Corporate Governance

None

II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

1. Organizational Composition and Operation

Corporate Governance System

Company with Supervisory Committee

Directors

Number of Directors Stipulated in Articles of Incorporation	10
Directors' Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	President
Number of Directors	7
Election of Outside Directors	Elected
Number of Outside Directors	5
Number of Independent Directors	5

Outside Directors' Relationship with the Company (1)

Name	Attributes	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Yoshinori Hara	Academic											
Akinori Yamamoto	CPA											
Yuki Tsuru	Lawyer								○			
Toru Nakamura	CPA											
Kaoru Katada	From another company											

*Categories for "Relationship with the Company".

(Use "○" when the director presently falls or has recently fallen under the category; "△" when the director fell under the category in the past; "●" when a close relative of the director presently falls or has recently fallen under the category; and "▲" when a close relative of the director fell under the category in the past.)

- Person who executes business of the Company or a subsidiary
- Person who executes business or a non-executive director of a parent company
- Person who executes business of a fellow subsidiary
- Person/entity for which the Company is a major client or a person who executes business for such person/entity
- Major client of the Company or a person who executes business for such client
- Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets in addition to director/Audit and Supervisory Board Member compensation from the Company
- Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business of the corporation)
- Person who executes business for a client of the Company (excluding persons categorized as any of d, e, or f above) (applies to self only)
- Person who executes business for another company holding cross-directorships/cross-auditorships with the Company (applies to self only)
- Person who executes business for an entity receiving contributions from the Company (applies to self only)
- Other

Outside Directors' Relationship with the Company (2) **UPDATED**

Name	Membership of Supervisory Committee	Designation as Independent Director	Supplementary Explanation of the Applicable Relationship	Reasons for Appointment
Yoshinori Hara	○	○		Mr. Yoshinori Hara has professional expertise and practical experience in the development of service management personnel and data science through his successful career as a former Dean and a current visiting professor at Kyoto University's Graduate School of Business Administration (MBA), a current professor emeritus at Kyoto

				<p>University, and a current professor at Osaka Seikei University. He is appointed as an outside director with the expectation that he will supervise and provide advice to ensure the adequacy and appropriateness of decisions made by the Board of Directors of the Company from a standpoint independent of the management team, contributing to continuous improvement of the corporate value of the Company.</p> <p>[Designation as Independent Director] Since he satisfies the requirements for an Independent Director as an Outside Director, who is unlikely to have conflicts of interest with general shareholders, the Company has judged that he is qualified to serve as an Independent Director, and designated him as such.</p>
Akinori Yamamoto		○		<p>Mr. Akinori Yamamoto has highly professional expertise concerning accounting systems, corporate finance, etc. as a Certified Public Accountant, since he was involved in many M&A projects inside and outside Japan for an investment bank after engaging in auditing services for an audit firm. The Company appointed him as Outside Director since the Company expects, based on the reason above, that he will provide supervision and advice in the aspect of finance and accounting to ensure the appropriateness and properness of decision-making of the Company's Board of Directors from a standpoint independent of management toward sustainable enhancement of corporate value of the Company.</p> <p>[Designation as Independent Director] Since he satisfies the requirements for an Independent Director as an Outside Director, who is unlikely to have conflicts of interest with general shareholders, the Company has judged that he is qualified to serve as an Independent Director, and designated him as such.</p>
Yuki Tsuru	○	○	<p>Ms. Yuki Tsuru is a lawyer at Kyowa-Sogo Partners Law Office, with which the Company has an advisory contract, and the Company has a business relationship with the firm regarding legal advice, etc. However, since its annual transaction value is less than 50 million yen</p>	<p>Ms. Yuki Tsuru has highly professional expertise concerning laws as a lawyer and experience in supervision of management from an objective standpoint as an Outside Director of the other company. The Company appointed her as Outside Director since the Company expects, based on the reason above, that she will provide supervision and advice in the aspect of legal and compliance to ensure the</p>

			<p>and less than 2% of the firm's consolidated revenue, the amount does not exceed the criteria stipulated in the Company's "Independence Criteria for Independent Directors", and therefore, the Company has determined that it will not affect her independence.</p>	<p>appropriateness and properness of decision-making of the Company's Board of Directors from a standpoint independent of management toward sustainable enhancement of corporate value of the Company.</p> <p>[Designation as Independent Director] Since she satisfies the requirements for an Independent Director as an Outside Director, who is unlikely to have conflicts of interest with general shareholders, the Company has judged that she is qualified to serve as an Independent Director, and designated her as such.</p>
Toru Nakamura	○	○		<p>Mr. Toru Nakamura manages a tax corporation as a Certified Public Accountant and has abundant experience and expertise concerning accounting and tax affairs. The Company expects that he will use his insight and experience to provide supervision and advice on financial strategies, risk management and compliance aspects toward sustainable enhancement of corporate value of the Company from a standpoint independent of management and therefore, the Company nominated him as a candidate for Outside Director, and designated him as such.</p> <p>[Designation as Independent Director] Since he satisfies the requirements for an Independent Director as an Outside Director, who is unlikely to have conflicts of interest with general shareholders, the Company has judged that he is qualified to serve as an Independent Director, and designated him as such.</p>
Kaoru Katada	○	○		<p>As Executive Officer of LIFENET INSURANCE COMPANY, Ms. Kaoru Katada has insight into and experience of wide variety of businesses including legal affairs, personnel affairs and general affairs. Although she has no experience of being engaged in corporate management other than serving as an outside director, the Company expects, based on the reason above, that she will provide supervision and advice on legal and risk management aspects toward sustainable enhancement of corporate value of the Company from a standpoint independent of management and therefore, the Company nominated her as a candidate for Outside Director and designated her as such.</p> <p>[Designation as Independent Director]</p>

				Since she satisfies the requirements for an Independent Director as an Outside Director, who is unlikely to have conflicts of interest with general shareholders, the Company has judged that she is qualified to serve as an Independent Director, and designated her as such.
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Supervisory Committee

Composition of Supervisory Committee and Attributes of the Chairperson

	All Committee Members	Full-time Members	Inside Directors	Outside Directors	Committee Chair
Supervisory Committee	5	1	1	4	Outside Director

Appointment of Directors and/or Staff to Support the Supervisory Committee	Appointed
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Matters Concerning Independence of Said Directors and/or Employees from Executive Officers

The Company has established and implemented each item below in “A Key Principle for Internal Control System”.

- 1) The Company assigns employees who assist the duties of the Audit and Supervisory Committee in the Secretariat of Audit and Supervisory Committee.
- 2) Appointment and relocation of the staff of the Secretariat of Audit and Supervisory Committee that assists such Committee in performing its duties requires prior consent of such Committee.
- 3) The Audit and Supervisory Committee shall have the right to direct and order the staff of the Secretariat of Audit and Supervisory Committee who assists the Committee in performing its duties to perform his/her duties.

Status of Coordination between Supervisory Committee, Accounting Auditor, and Internal Audit Department

The Company has established and implemented basic policies in “ARE Holdings Corporate Governance Policies” for appropriate cooperation and provision of information promptly among Audit and Supervisory Committee, Accounting Auditors and Audit Department.

For details, please refer to “ARE Holdings Corporate Governance Policies” (Chapter-V: Corporate Governance Structure / 7. Securing Proper Audit by Accounting Auditors / 10. Support for Directors).

Voluntary Established Committee(s)

Voluntary Establishment of Committee(s) equivalent to Nomination Committee or Remuneration Committee	Established
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Status of Voluntarily Established Committee(s), Attributes of Members Constituting the Committee and the Committee Chair (Chairperson)

	Committee's Name	All Members	Full-time Members	Inside Directors	Outside Directors	Outside Experts	Other	Chairperson
Voluntarily Established Committee Equivalent to Nomination Committee	Nominating Committee	3	1	1	2	0	0	Outside Director

Voluntarily Established Committee Equivalent to Remuneration Committee	Compensation Committee	3	1	1	2	0	0	Outside Director
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Supplementary Explanation **UPDATED**

Both Nominating Committee and Compensation Committee are composed of three (3) members, Mr. Tomoya Higashiura, Mr. Yoshinori Hara and Mr. Akinori Yamamoto, with Mr. Yoshinori Hara, who is the Head of Independent Outside Director, serving as the chair of the both Committees. As the Company's President & CEO, Mr. Tomoya Higashiura has extensive managerial knowledge and experience. Mr. Yoshinori Hara is Outside Director who has abundant insights and background in management, and Mr. Akinori Yamamoto is Outside Director who has abundant insights and background in auditing and corporate finance as a CPA.

In the fiscal year ended March 31, 2025, the Nominating Committee was convened two (2) times while the Compensation Committee met two (2) times. All members attended all the committee meetings during their term in office.

For details, please refer to "ARE Holdings Corporate Governance Policies" (Chapter-V: Corporate Governance Structure / 8. Procedure of Nomination and Dismissing of Directors, 9. Determining Procedure of Compensation for Directors).

Matters Concerning Independent Directors

Number of Independent Directors 5

Other Matters Concerning Independent Directors

All Outside Directors meet the requirements for Independent Directors under the provisions of the Tokyo Stock Exchange and filed such status with the Exchange.

Moreover, the Head of Independent Outside Director is elected from among the Outside Directors so as to further strengthen cooperation between Independent Outside Directors and Executive Directors, and to establish a system that enables smooth communication and coordination. Mr. Yoshinori Hara currently serves as the Head of Independent Outside Director.

[Independence of Outside Directors]

The Company secures independence of Outside Directors by establishing and observing "Independence Criteria for Independent Directors".

For details, please refer to "ARE Holdings Corporate Governance Policies" (Annex Document-4 Independence Criteria for Independent Directors).

Incentives

Implementation Status of Measures related to Incentives Granted to Directors Introduction of Performance-linked Remuneration Scheme

Supplementary Explanation for Applicable Items

The Company has "performance-based stock compensation plan" in place to enhance incentives for improving mid- to long-term corporate value and the number of shares to be granted is linked to the business performance target achievement ratio of "consolidated operating profits" of each fiscal year or other factors.

The base of performance-based compensation shall be consolidated operating profits which are profits gained from the main business and we believe it is the most appropriate as a management benchmark. The basic policy is that performance-based compensation shall account for 30% to 70% of the total if business performance targets are achieved.

The structure and level of compensation is determined with an importance placed on objectivity in consideration of the level of compensation for directors at other companies, etc., the balance with those of the Group's employees, and other factors.

For details, please refer to "ARE Holdings Corporate Governance Policies" (Annex Document-6 Compensation Policies for Directors and Key Management).

Persons Eligible for Stock Options None

Supplementary Explanation for Applicable Items

Not applicable

Director Remuneration

Status of Disclosure of Individual Directors' Remuneration

No Disclosure for any Directors

Supplementary Explanation for Applicable Items **UPDATED**

Total compensation, etc., for the fiscal year ended March 31, 2025, is as follows:

Category	Total amount of compensation, etc. (million yen)	Total amount of compensation, etc. by type (million yen)			Number of Directors subject to payment (persons)
		Cash compensation		Stock compensation	
		Fixed compensation	Performance-based compensation, etc.	Non-cash compensation, etc.	
Directors (excluding Directors serving as the Audit and Supervisory Committee Members) (Outside Directors)	75 (0)	30 (0)	28 (0)	17 (0)	1 (0)
Directors serving as the Audit and Supervisory Committee Members (Outside Directors)	36 (24)	36 (24)	0 (0)	0 (0)	5 (4)
Total (Outside Directors)	111 (24)	66 (24)	28 (0)	17 (0)	6 (4)

(Notes)

- 1) The amount of compensation for Directors (excluding Directors serving as the Audit and Supervisory Committee Members) does not include the employee salaries of Directors who serve concurrently as employees.
- 2) The base for performance-based compensation (bonuses and performance-based stock compensation) is consolidated operating profits which are profits gained from the main business and we believe to be the most appropriate as a management benchmark; actual results was 19,984 million yen. The amount of performance-based compensation (bonuses) of the Company is determined for each Director in accordance with their position points and contribution to business performance, after the total amount (including that for Corporate Officers and Directors of the Company's subsidiaries) is calculated by multiplying the consolidated operating profit of the relevant fiscal year by a specific ratio.
- 3) The performance-based stock compensation is a stock compensation plan (nonmonetary compensation, etc.) in which the Company's shares are granted to eligible Directors in accordance with their positions, the achievement level of business performance targets and other factors. The purpose of the plan is to offer incentives for improving medium- to long-term corporate value. At the 14th Annual General Meeting of Shareholders held on June 20, 2023, a resolution was made on the amount and details of a plan, in which points used as the basis for the number of shares to be granted are granted in accordance with the achievement level of business performance for each year, such points are increased or decreased according to the achievement level of TSR for the following two years, and shares are issued in accordance with the number of points reflecting the increase or decrease.
- 4) At the 6th Annual General Meeting of Shareholders held on June 16, 2015, it was resolved that the amount of cash compensation for Directors (excluding Directors serving as the Audit and Supervisory Committee Members) be up to an annual 200 million yen (not including the portion of salary as employees). The number of Directors (excluding Directors serving as the Audit and Supervisory Committee Members) was five (5) at the conclusion of said General Meeting of Shareholders.
- 5) At the 6th Annual General Meeting of Shareholders held on June 16, 2015, it was resolved that the amount of cash compensation for Directors serving as Audit and Supervisory Committee Members be up to an annual 100 million yen. The number of Directors serving as the Audit and Supervisory Committee Members was four (4) at the conclusion of said General Meeting of Shareholders.
- 6) At the 14th Annual General Meeting of Shareholders held on June 20, 2023, a partial amendment was made on the amount and details of the "performance-based stock compensation" plan. Separate from and in addition to the maximum amount of compensation as stated above, the amount of compensation, etc. and details thereof for the Company's Directors (excluding Directors serving as the Audit and Supervisory Committee Members and Outside Directors) that will be in office for four years from fiscal year 2023 to fiscal year 2026 were decided. The number of Directors (excluding Directors serving as the Audit and Supervisory Committee Members and Outside Directors) was one (1) at the conclusion of said General Meeting of Shareholders. Furthermore, the upper limit of the total number of shares that Directors may be awarded per fiscal year

shall be 70,000 shares, and the maximum number of the Company's shares to be issued to Directors during the four fiscal years from the fiscal year ended March 31, 2024 to the fiscal year ending March 31, 2027 shall be 280,000 shares.

Policy on Determining Remuneration Amounts and the Calculation Methods Thereof **UPDATED**

Established

Disclosure of Policy on Determining Remuneration Amounts and the Calculation Methods Thereof

1. Decision method of the decision policy

The Board of Directors of the Company consults with the voluntary Compensation Committee that consists of three (3) members including two (2) Independent Outside Directors about preparation of a draft plan of the Company's Directors compensation, etc., and based on opinions received from the Committee, resolves a policy about decision on contents of compensation, etc. for each Director at a Board of Directors meeting of the Company.

2. Overview of contents of the decision policy

The Company makes a decision within the maximum amount of the board members' compensation which was resolved at a General Meeting of Shareholders at the Board of Directors meeting based on opinions from the Compensation Committee that is an advisory body of the Board of Directors.

The compensation structure shall be developed so that incentives for improving business performance will be enhanced, and compensation for Directors (excluding those serving as the Audit and Supervisory Committee Members) consists of "basic remuneration," "bonuses" and "performance-based stock compensation." Compensation for Directors serving as the Audit and Supervisory Committee Members consists of "basic remuneration" only.

- 1) The amount of "basic remuneration" is determined for each Director in accordance with their duties and responsibilities.
- 2) The amount of "bonuses" is determined for each Director in accordance with their position points and contribution to business performance, after the total amount (including that for Corporate Officers and Directors of the Company's subsidiaries) is calculated by multiplying the consolidated operating profit of the relevant fiscal year by a specific ratio.
- 3) The purpose of "performance-based stock compensation" is to offer incentives for improving medium- to long-term corporate value. Under the plan, points used as the basis for the number of shares to be granted are granted in accordance with the achievement level of business performance for each year, such points are increased or decreased according to the achievement level of TSR for the following two years, and shares are issued in accordance with the number of points reflecting the increase or decrease. The basic policy is that performance-based compensation shall account for 30% to 70% of the total if business performance targets are achieved. The structure and level of compensation is determined with an importance placed on objectivity in consideration of the level of compensation for directors at other companies, etc., the balance with those of the Group's employees, and other factors.

3. The reason that the Board of Directors considered that contents of compensation, etc. for each Director for the fiscal year comply with the decision policy

For decisions on the content of compensation, etc. for each Director, the Compensation Committee made a comprehensive review of the draft plan, including its consistency with the decision policy, and the Board of Directors respects its opinions and determines if the decision policy was complied with.

For details, please refer to "ARE Holdings Corporate Governance Policies" (Chapter-V: Corporate Governance Structure / 9. Determining Procedure of Compensation for Directors, Annex Document -6: Compensation Policies for directors and key management).

Support System for Outside Directors

The Company has established the Audit and Supervisory Committee Secretariat as an organization that assists the Audit and Supervisory Committee to support the smooth operation of meetings of Audit and Supervisory Committee, etc. Also, in order to realize effective audit by Directors serving as Audit and Supervisory Committee, employees are assigned as staff to support such Directors by promptly providing necessary information to them.

For details, please refer to "ARE Holdings Corporate Governance Policies" (Chapter-V: Corporate Governance Structure / 10. Support for Directors).

Statuses of Persons who have Retired as Representative Director and President, etc.

Information on Persons Holding Advisory Positions (*Sodanyaku*, *Komon*, etc.) after Retiring as Representative Director and President, etc.

Name	Job title/ position	Responsibilities	Terms and Conditions of Employment	Date when former role as president/	Term
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			(Full/part time, with/without remuneration, etc.)	CEO ended	
Mitsuharu Terayama	Senior Advisor	Advice at the request of management	Full time employment with remuneration	June 20, 2023	Not applicable

Number of Persons Holding Advisory Positions (<i>Sodanyaku, Komon</i> , etc.) After Retiring as Representative Director and President, etc.	1
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Other Related Matters
None

2. Matters Concerning Functions of Business Execution, Auditing and Supervision, Nomination, and Remuneration Decisions (Overview of Current Corporate Governance System) **UPDATED**

For overview and actions to enhance corporate governance, please refer to “ARE Holdings Corporate Governance Policies” (Chapter-V : Corporate Governance Structure).

<Board of Directors>

The Board of Directors is comprised of Executive Directors who are knowledgeable concerning their respective business, technical or administrative divisions, as well as Outside Directors with various types of expertise essential to corporate management. To enhance the neutrality and independence of the Board of Directors and have an adequate number of Directors for active, substantial and effective discussions at meetings, the majority of members on the Board of Directors are Outside Directors and it consists of seven (7) Directors, including five (5) Independent Outside Directors. The Board of Directors deliberate and decide on important managerial matters regarding basic management policies, management strategies, Medium-to Long-Term Plan & Aspiration, annual plan and other strategic directions. The Board of Directors' meeting was held seven (7) times during the fiscal year ended March 31, 2025, and all Directors attended all the Board of Directors' meetings.

<Audit and Supervisory Committee>

The main agenda of the Audit and Supervisory Committee meeting are determination of audit policy/audit planning, audit of financial results, determination of reappointment or non-reappointment of Accounting Auditor, approval of compensation of Accounting Auditors, determination of the opinions regarding personnel and remunerations of Directors, audit of business report/agenda of AGM, audit of internal control system, hearing regarding operations of overseas subsidiaries, audit of important request for approval, etc.

The Audit and Supervisory Committee meeting was held nine (9) times during the fiscal year ended March 31, 2025, and all Audit and Supervisory Committee Members attended all Audit and Supervisory Committee meetings.

The meeting with Accounting Auditor was held eight (8) times, and periodical report from Audit Department was delivered six (6) times, which strengthened the collaboration with them.

<Nominating and Compensation Committees>

A Nominating Committee, consisting of three (3) members including two (2) Independent Outside Directors, as well as a Compensation Committee, have been established as advisory bodies to the Board of Directors, and the Chairperson of the both Committees is elected from among Independent Outside Directors. The aim is to further enhance corporate governance by ensuring transparency, fairness, and objectivity for the appointment and dismissal of Directors and key management team members, as well as for the determination of director remuneration.

<Internal Audit>

The Company has established the Audit Department, consisting of six (6) members, as an organization that conducts internal audits. The Audit Department conducts internal audits of the Group on the adequacy of operations and organizational management, as well as the status of compliance with laws, regulations and internal rules, following its plans, covering the Company and its subsidiaries inside and outside of Japan, and valuing effectiveness of internal control. Based on the audit results, the audited organizations and related departments are requested to make improvements for matters that are required for correction, and then the Audit Department will follow up the implementation status. Audit results are directly reported to the Board of Directors and the Audit and Supervisory Committee by the Audit Department in attendance, and to the heads of related departments in writing. Furthermore, the Audit Department periodically exchanges information and opinions with Accounting Auditors as well as Audit and Supervisory Committee to enhance the quality of audit by mutual alignment.

<Accounting Audit>

The Company has selected Ernst & Young ShinNihon LLC as its Accounting Auditor. The continuous audit period, the names of certified public accountants who performed duties and the composition of assistants engaged in audit duties during the fiscal year ended March 31, 2025 are as follows:

* Continuous audit period: 19 years

* Names of certified public accountants who performed audit duties: Mr. Hiroaki Hono. Mr. Takamichi Komiya

* Composition of assistants engaged in audit duties: 14 certified public accountants and 22 assistants in other duties

<Limited liability contract>

The Company and each Director (excluding any Director with executive authority over operations, etc.) signed a contract that limits the liability for compensation for damage set forth in Article 423, Paragraph 1 of the Companies Act under provisions set forth Article 427, Paragraph 1 of the same Act.

The limit amount of the liability for compensation for damage under such a contract is determined to be the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act.

3. Reasons for Adoption of Current Corporate Governance System

The Company's organization design and basic framework of corporate governance are as below.

We believe that this is the most appropriate system to speed up the business operations and to enhance the function of supervising the business operations, giving the advice and supervising the conflict of interest.

- 1) By adopting a company with an Audit and Supervisory Committee as a form of organization under the Companies Act and appointing two (2) or more Independent Outside Directors, we have enhanced the functions to supervise the business operations, to give advice and to supervise the conflict of interest and, by appointing and empowering the Executive Directors, have accelerated the business operations.
- 2) The Company has established the "Compensation Committee" and "Nominating Committee" (the Chairperson of each Committee and the majority of which are elected from Independent Outside Directors) as an advisory body of the Board of Directors in order to further enhance corporate governance by securing transparency, fairness and objectivity in determining the amount of compensation of Directors and appointing and dismissing the Directors and key management candidates.
- 3) Important matters delegated, based on the company rules within the scope of laws and regulations and Articles of Incorporation, to Executive Directors are deliberated and decided by each group company in consultation with Executive Directors.

For details, please refer to "ARE Holdings Corporate Governance Policies" (Chapter-V: Corporate Governance Structure).

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Shareholder Meetings and Facilitate Exercise of Voting Rights UPDATED

	Supplementary Explanation
Early Posting of Notice of the General Shareholders Meeting	In order for shareholders to give enough thought to the items of the Shareholders Meeting, the Company seeks to conduct early posting and sending of notice of General Shareholders Meeting. Prior to sending the notice, the Company takes the electronic provision measures on the Company's website and the TDnet of the Tokyo Stock Exchange no later than three (3) weeks prior to the date of the Shareholders Meeting. * The commencement date of electric provision measures for the 16th General Shareholders Meeting in 2025: May 27, 2025
Scheduling of the General Shareholders Meeting During Non-Peak Days	General Shareholders Meeting takes place more than approx. seven (7) days prior to the peak day. * The date of the 16th General Shareholders Meeting in 2025: June 17, 2025
Electronic Exercise of Voting Rights	Electronic exercise of voting rights is available from the 7th General Shareholders Meeting in 2016.
Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance Environment for Institutional Investors to Exercise Voting Rights	The Company participates in electronic voting platform operated by ICJ Inc. from the 7th General Shareholders Meeting in 2016.
Provision of Notice (or Summary of Notice) of the General Shareholders Meeting in English	The full text of notice in English is posted on the Company's website and TDnet of the Tokyo Stock Exchange.
Other	None

2. Status of IR-related Activities

	Supplementary Explanation	Explanation by a representative director or a representative executive officer
Formulation and Publication of Disclosure Policies	It is available on our corporate website. URL: https://www.are-holdings.com/english/ir/management/disclosure/	
Regular Investor Briefings held for Individual Investors	Hold company briefings for individual investors regularly.	Held
Regular Investor Briefings held for Analysts and Institutional Investors	Hold explanatory meeting at time of full-year and interim business result. Information meetings, small meetings and plant tours are also held in a timely manner.	Held
Regular Investor Briefings held for Overseas Investors	Have dialogues with overseas institutional investors at time of full-year business result, mainly in Europe and U.S.A.	Held
Online Disclosure of IR Information	Stock information, dividend information, timely disclosure materials, press releases, financial information, financial statements, financial results briefing materials for analysts and institutional investors, securities reports and semi-annual reports, materials related to general meetings of shareholders, etc. are posted on the Company's website. English versions of above information are also available. URL: https://www.are-holdings.com/english/ir/	
Establishment of Department and/or Placement of a Manager in Charge of IR	Our IR activities are primarily conducted by the Corporate Planning & Communications Department as IR division under the supervision of the President & CEO. Following the Disclosure Policy, we have established internal structure to achieve timely and appropriate information disclosure in compliance with the Timely Disclosure Rules and other relevant laws and regulations etc.	
Other	None	

Status of Measures to Ensure Due Respect for Stakeholders UPDATED

	Supplementary Explanation
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	<p>In order to achieve sustainable corporate growth and increased corporate value over the medium- to long-term in accordance with its Management philosophy called ARE Group Way, the Group will fulfill its responsibility as a corporate citizen by meeting each stakeholder's expectations.</p> <p>For details, please refer to "ARE Holdings Corporate Governance Policies" (Chapter-IV: Stakeholder Relationships for the basic policies).</p>
Implementation of Environmental Preservation Activities and CSR Activities, etc.	<p>< Sustainability initiatives ></p> <p>With "Totally Committed to Protecting the Natural Environment and Preserving Resources" as our Group's common shared Purpose, we strive to contribute to the effective use of resources and broad environmental protection through the Group's Precious Metals Business and Environmental Preservation Business, and are actively engaged in CSR activities. Specific initiatives are as follows.</p> <p>(1) Sustainability Promotion System</p> <p>The Group is working to expand precious metals recycling, reduce CO₂ emissions, and enhance its work-life balance and diversity infrastructure as priority issues to be addressed ("Priority SDG-related Goals"). The Sustainability Committee overseen by the President & CEO promotes these initiatives. The Sustainability Committee deliberates on sustainability strategies, planning, measures, risk management, and monitoring on a quarterly basis and reports to the Board of Directors on matters deliberated by the Sustainability Committee. The Board of Directors receives the reports and discuss important matters in exchange of opinion primarily by the Outside Directors on each topic and goals for SDGs-related prioritized theme, to oversee the entire promotion of sustainability.</p> <p>(2) Response to Recommendations by TCFD</p> <p>In support of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), we have implemented measures based on the TCFD recommendations regarding "Governance," "Risk Management," "Strategy," and "Metrics and Targets." The Board of Directors and the Sustainability Committee are informed at least once a year of the status of the risks and opportunities identified in response to the TCFD.</p> <p>1) Strategy</p> <p>We extracted risks and opportunities relevant to climate change that will affect our Precious Metals Business (domestic and North American businesses) and Environmental Preservation Business in 2030. We qualitatively assessed them on three levels: "Large," "Medium," and "Small." At that time, we also considered the further impact of climate change from 2030 to 2050. As a result, "Policy and Regulation," "Market," "Technology," etc. were identified. There were no significant changes in the assessment of risks and opportunities during the review.</p> <p>2) Metrics and targets</p> <p>We have set CO₂ emission reduction as one of our business materiality issues and declared our goal to be carbon neutral by FY2050 (Scope 1 and Scope 2). We have also set an interim target of reducing Scope 1 and Scope 2 CO₂ emissions by 63% from the FY2015 level by fiscal 2030. To achieve this goal, we are switching to CO₂-free electricity, reducing fuel consumption, converting our sales offices to ZEB, and using renewable energy. In addition, third-party verification of CO₂ emissions in FY2023 has been conducted.</p> <p>(3) Other major initiatives</p> <p>1) Expansion of precious metals recycling</p> <p>About one-fourth of the world's gold supply comes from recycling. Recycled precious metals have minimal impact on the environment because they are not</p>

	<p>mined, and the metals can be repeatedly used, helping to promote sustainability. Furthermore, recycled precious metals play important roles in providing a stable supply that is essential for various fields.</p> <p>Our group aims to achieve an annual recycling volume of 300 tons by FY2030. In addition, since it is estimated that recycling emits about 1/10th the amount of CO₂ compared to mining, an increase in the amount recycled will also contribute to the reduction in global CO₂ emissions. The CO₂ reduction effect of the Group's precious metal recycling is approximately thirty times greater than its own emissions.</p> <p>2) Acquisition of Carbon Footprint Data for Gold Granule Products</p> <p>For our group's flagship product—99.99% gold granules—we have calculated the CO₂ emissions from raw material collection through to product manufacturing and conducted a third-party assessment in accordance with ISO 14040:2006 and ISO 14044:2006. The results confirmed that our gold granule products, made from recycled materials, can reduce CO₂ emissions during the manufacturing process by approximately 98% compared to bullion produced from mined raw materials. The calculated CO₂ emission data is provided in a format that allows users of our products to utilize it as primary data for calculating their own indirect emissions.</p> <p>3) Expansion of the Heavy Water Recycling Business</p> <p>We are promoting the expansion of our heavy water recycling business in collaboration with Japan Waste Corporation, Sumitomo Mitsui Trust Bank, Limited, Eiwa Corporation, and FC Development Co., Ltd.</p> <p>Hydrogen (H₂) is expected to play a key role in achieving carbon neutrality. Its isotope, deuterium (D₂), is being utilized and researched for various applications, including improving the emission efficiency and durability of OLED materials and enhancing the longevity of efficacy of and reducing the side effects of pharmaceuticals. Deuterium is also gaining attention as a potential fuel for future nuclear fusion. Heavy water, the raw material for deuterium, is extremely scarce in nature and subject to significant price volatility. In response, our group has developed a technology to co-produce hydrogen and heavy water under the Ministry of the Environment's FY2022 Regional Co-Creation and Cross-Sectoral Carbon Neutral Technology Development and Demonstration Project. This technology enables the recycling of spent heavy water, previously disposed of as industrial waste, making it reusable.</p> <p>By utilizing this technology, we aim to revalorize discarded heavy water and contribute to meeting domestic demand. Additionally, the sale of co-produced hydrogen will help reduce CO₂ emissions by lowering fossil fuel consumption.</p> <p>Please also refer to “ARE Holdings Corporate Governance Policies” (Chapter-IV: Stakeholder Relationships).</p> <p>* Sustainability Management URL: https://www.are-holdings.com/english/sustainability/</p>
Formulation of Policies, etc. on Provision of Information to Stakeholders	<p>In order to gain support of various stakeholders, including shareholders, the Group will make sufficient considerations to achieve the proper information disclosure.</p> <p>For details, please refer to “ARE Holdings Corporate Governance Policies” (Chapter-III: Proper Disclosure).</p>
Other	<p><Human Capital Management></p> <p>In order to achieve our Medium- to Long-term Vision, we believe that all employees need to understand our Purpose and the “ARE Group Way” and put them into practice. We believe that the productivity of the entire organization will be maximized when diverse employees take pride in their work and enthusiastically take on challenges for innovation based on trust and connections. For this reason, we position each and every employee as an important stakeholder and systematically invest in human capital.</p>

(1) Human Resource Strategy

Based on the promotion of diversity, equity & inclusion, and health management, where diverse employees can achieve harmony between work and life in their own way, we will develop an environment in which they can grow and demonstrate their abilities in their daily work.

In addition, in the labor market where the mobility of human resources is expected to progress further in the future, we believe that improving employee engagement will lead to retention of human resources. Therefore, by investing in human capital centered on “ARE Group Way”, we will improve employee engagement and enhance our human resource base.

(2) Metrics and Targets

The following indicators for our human capital management policy and human resources strategy are being set:

Items	Targets	FY2025.3 Results
Thorough implementation of the rest interval system (at least 11 hours rest)	100% each fiscal year	99.91%
Increasing the percentage of women in managerial positions	7.0% by the end of FY2030	Percentage of managers among women: 4.73%
Promoting the employment of people with disabilities	Equal to or higher than the statutory rate at that time by the end of FY2030	3.26% (Legal employment rate of 2.5% as of 2025)

* All participating entities are domestic group companies.

(3) Other major initiatives

1) Work-Life Balance Support

The Company is working to create workplaces where it is easy for employees to secure time off for family needs, such as childbirth, childcare, or home care for a relative. Our program providing shortened working hours after childcare leave can be used until the child graduates from elementary school, a benefit which greatly exceeds legal requirements. We have also introduced a telework system for employees who have young children, are providing home care, or are receiving medical treatment. This helps employees to work flexibly according to their life situation. We are also strengthening our supports to the employees who need to be involved in caregiving, which is expected to increase, by introducing end-to-end service from consultation by specialists to solution for issues.

2) Promoting Health and Productivity Management

The Company has developed health management strategy map and is promoting health and productivity management based on the map considering that the physical and mental health of every employee is a primary management concern. We have been providing enhanced medical examinations that substantially exceed the legal requirements, and the employee participation rate is very high. We have also improved the participation rate by supporting re-examination and implemented pre-emptive move to the risk in cooperation with our industrial doctor and health nurse. Based on recognition of these initiatives, the Company acquired certification from the Ministry of Economy, Trade and Industry as a 2025 Certified Health and Productivity Management Outstanding Organization. This has been a continuous acquisition over 6 years since 2020.

3) Kurumin Certification

On July 11, 2024, Asahi Pretec Corp. was awarded the “Platinum Kurumin” certification by the Minister of Health, Labour and Welfare. This is the highest-level recognition granted to companies that demonstrate outstanding efforts under the Next-Generation Development Support Action Plan which is

mandatory for companies with over 100 employees. Since Our group has been formulating and implementing such action plans since FY2016. Following our “Kurumin” certification in 2021, we have continued to promote a supportive work environment that enables employees to balance work and childcare responsibilities. This “Platinum” certification reflects our achievement of all action plan goals, as well as our exceptional performance in key areas such as high rates of paternity leave and childcare-related leave taken by male employees, measures to reduce overtime hours, and career development initiatives including leadership training programs for female employees.

IV. Matters Concerning the Internal Control System

1. Basic Views on Internal Control System and Status of Development **UPDATED**

We have established the followings in our “A Key Principle for Internal Control System” and implemented these.

1. Key principle

Taking corporate governance as one of the important matters for management, we will endeavor to enhance our compliance by taking various measures to fulfill a function to supervise the management, disclosing corporate information appropriately and in a timely manner, improving the corporate ethics and complying with the laws.

2. Implementation Status of Internal Control System

Our Company has established our framework to ensure that the performance of duties by the Directors and employees are compliant with laws and our Articles of Incorporation and secure the appropriateness of business of the corporate group consisting of the Company and our subsidiaries, as follows

Framework to ensure that the performance of duties by the Directors, Corporate Officers and employees of the Company and the subsidiaries are consistent with the laws and the Articles of Incorporation

- 1) To ensure that Directors, Executive Officers, and employees conduct business operations in compliance with applicable laws and regulations, the Articles of Incorporation, and internal policies, the Board of Directors establishes a range of governance-related policies. These include the ARE Group Way, which applies to Directors and employees, as well as the ARE Holdings Group Human Rights Policy and the Basic Policy on Corporate Governance, among others.
- 2) To ensure compliance with applicable laws and regulations, the Board of Directors shall disseminate relevant policies—including the ARE Group Way—to Directors and employees. Furthermore, the Internal Audit Department shall conduct operational audits and, through its findings, provide recommendations, guidance, and corrective measures to strengthen governance and internal controls.
- 3) To oversee the Group’s overall compliance framework, the company shall establish the Internal Control Promotion Committee, comprising officers and representatives from each department. This committee is responsible for promoting the development, maintenance, and enhancement of the internal control system.
- 4) To promote compliance, the actual situation of compliance is audited.
- 5) In order to respond appropriately to any legal violation or other doubtful act under the laws which maybe discovered by a Director or an employee, we have developed and are operating a whistle-blowing system.
- 6) We will never have any relationship, including business relationships, with anti-social forces which threaten the social order and sound corporate activities. In the event of an illegal request, we will take a firm attitude and respond to it organizationally in accordance with the laws and internal rules.

Framework for storage and management of information relating to business operations by the Directors and a framework for report to the Company about the matters relating to the performance of duties by the Directors and employees of the subsidiaries

- 1) Records and documents pertaining to the execution of duties and decision-making by Directors are appropriately stored and managed in secure environments, such as access-controlled folders and lockable cabinets. The relevant internal regulations governing these practices are subject to periodic review and revision, as necessary, to ensure continued compliance and effectiveness.
- 2) The Directors, Audit and Supervisory Committee Members and Accounting Auditor always have access to these information and documents.
- 3) Under the management philosophy outlined in the ARE Group Way, the Company oversees its group entities to ensure alignment with shared values and strategic objectives. Subsidiaries are required to report material matters to the Company in a timely and appropriate manner, thereby maintaining transparency and reinforcing effective governance across the group.

Rules and other frameworks for management for risk of loss in the Company and subsidiaries

- 1) The Company has established the risk management rules and built a risk management system in accordance with such rules.
- 2) In the event of unforeseen circumstances, deliberation and decision-making are conducted through the Business Execution Meeting or equivalent forums. Once decisions are made, the responsible management personnel promptly communicate the relevant instructions to each department and plant. These units are then expected to respond swiftly and appropriately to prevent the escalation of damage and to minimize its impact. A structured framework is in place to ensure effective and timely action.

Framework to secure the efficient performance of duties by the Directors of the Company and subsidiaries

- 1) Regular meetings of the Board of Directors are held at least once every three months. During these meetings, the Board makes decisions on key matters related to management policies and strategies, and supervises the execution of duties by directors to ensure sound and effective corporate governance.

- 2) In order to enhance the functions of the Board of Directors and improve management efficiency, the Board of Directors will hold an extraordinary meeting from time to time when needed in order to expeditiously make decisions on basic matters and important matters relating to the business operations.
- 3) The Board of Directors drafts a Medium- to Long-Term Plan and a budget for each fiscal year to set the business target and supervises the progress.
- 4) To ensure that the execution of duties based on resolutions of the Board of Directors complies with applicable laws and the Articles of Incorporation, the Company has established a robust internal control system. Through regular progress reporting and other monitoring mechanisms, the Company ensures that operations are carried out efficiently and in accordance with governance standards.

Framework to secure the appropriateness of business of the corporate group consisting of the Company and subsidiaries

- 1) The Company has built a system to manage the subsidiaries and developed a system to report their business results, business activities and the like to the Board of Directors on a regular basis.
- 2) A manager of the Company serves as an officer of the subsidiary and develops a system to observe the appropriateness of such subsidiary's business.
- 3) The Company's Internal Audit Department conducts audits on a regular basis or as necessary. A reporting framework is in place to ensure that the results of these audits are communicated to the President and CEO, the Audit and Supervisory Committee, and relevant departments in a timely and appropriate manner.

Framework to appoint an employee who assists the duties of the Audit and Supervisory Committee of the Company, and the matters relating to the independence of such employee from the Directors (except those who are Audit and Supervisory Committee Members) and the matters relating to the assurance of effective instructions given by the Audit and Supervisory Committee to such employee

- 1) The Company has assigned an employee who assists the duties of the Audit and Supervisory Committee in the Secretariat of Audit and Supervisory Committee.
- 2) Appointment and relocation of the staff of the Secretariat of Audit and Supervisory Committee that assists such Committee in performing its duties requires prior consent of such Committee.
- 3) The Audit and Supervisory Committee shall have the right to direct and order the staff of the Secretariat of Audit and Supervisory Committee office who assists the Committee in performing its duties to perform his/her duties.

Framework where the Directors (except those who are Audit and Supervisory Committee Members) and employees of the Company and the Directors, Corporate Officers, employees and Auditors of the subsidiaries or parties who receive a report from aforementioned persons report to the Audit and Supervisory Committee of the Company, and other matters relating to reporting to the Audit and Supervisory Committee

- 1) The Directors (except those who are Audit and Supervisory Committee Members) and employees of the Company and the Directors, Corporate Officers, employees and Auditors of the subsidiaries or parties who receive a report from aforementioned persons promptly report the important matters relating to, without limitation, the management, the accounting division and division in charge of compliance and awards and penalties to the Audit and Supervisory Committee of the Company, in addition to the matters which conflict with the laws and Articles of Incorporation and the matters which may remarkably damage the Company and the subsidiaries.
- 2) In order to grasp the important decision-making process and the situation of its business operations, the Audit and Supervisory Committee Members may attend important meetings in addition to the meeting of the Board of Directors, access important documents relating to the business operations and request a Director or an employee to explain the situation when needed.

Framework to ensure that no person who reported to the Audit and Supervisory Committee of the Company is treated disadvantageously by reason of the report

The Company will not treat any Officer or employee of the Company and the subsidiaries who reported to the Audit and Supervisory Committee disadvantageously by reason of such report.

Matters relating to the policies for settlement of expenses or debts associated with the procedures for prepayment or reimbursement of expenses incurred for the performance of duties by the Audit and Supervisory Committee Members of the Company (limited to the performance of duties of the Audit and Supervisory Committee) and the performance of other duties

The Audit and Supervisory Committee Members may request the Company to repay the expenses required for the performance of their duties (limited to the performance of duties of the Audit and Supervisory Committee.)

Other framework to ensure that the Audit and Supervisory Committee of the Company conducts audits effectively

The Audit and Supervisory Committee, Accounting Auditor and Audit Department cooperate with each other in audit tasks and the Director and the employees assist them in conducting audits efficiently.

3. Basic Views on Measures for Eliminating Anti-Social Forces and Status of Development

The Company maintains a strict policy of non-engagement with any anti-social forces or activities, and this principle is thoroughly communicated to all officers and employees. Furthermore, we have established a framework that enables prompt and effective response through close collaboration with external expert organizations.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted
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Supplementary Explanation for Applicable Items
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No anti-takeover measures are adopted in the Company.

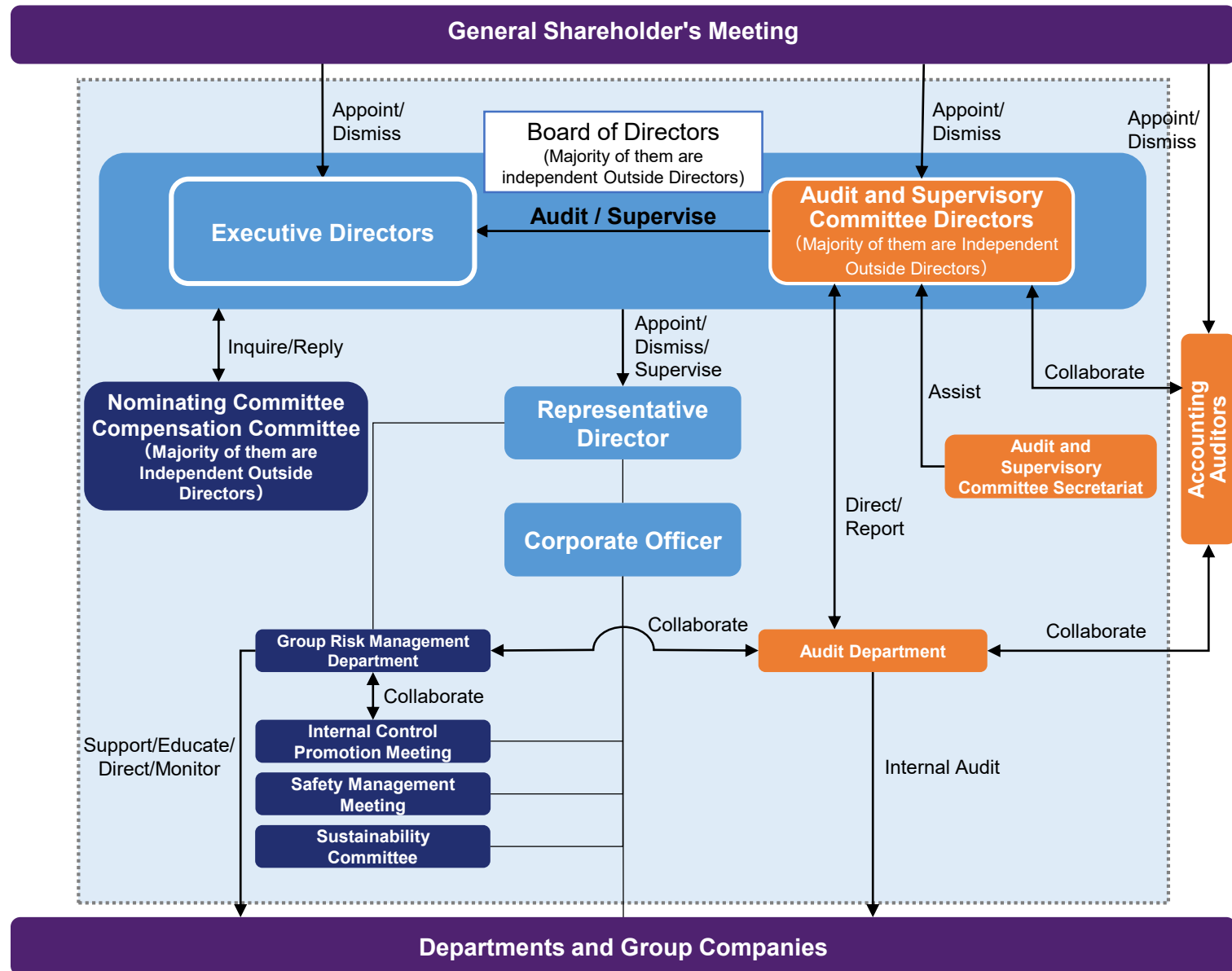
In the event that our stock is subject to a takeover bid, we will take the following actions.

- 1) Will request the takeover bidder, etc. to explain specific measures to increase Group's corporate value after the change of control.
- 2) Will explain to the shareholders the specific measures to further increase Group's corporate value so as to gain their support.
- 3) Will not unreasonably prevent the shareholders from accepting the takeover bid from a standpoint of respecting their rights.

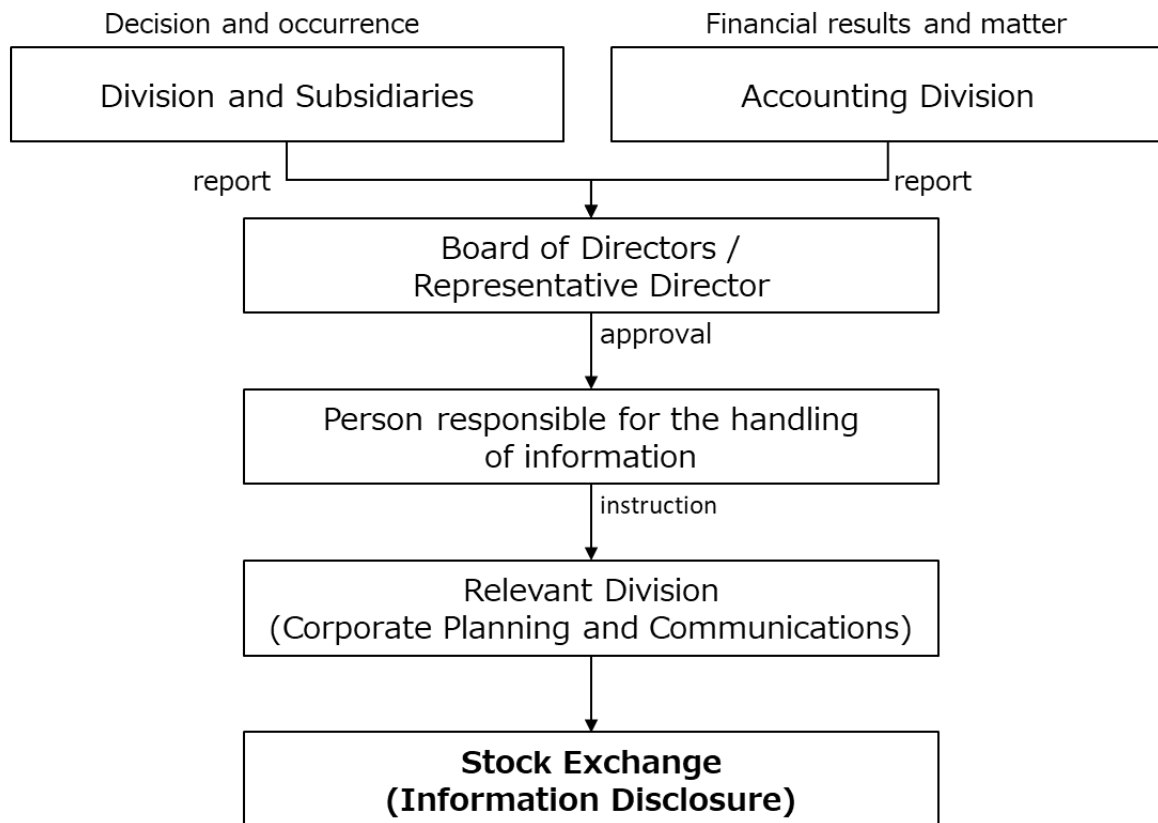
2. Other Matters Concerning the Corporate Governance System

None

Corporate Governance Structure



Overview of Timely Disclosure Framework



Implementation status for the Corporate Governance Code

*Our implementation status for each principle in the Corporate Governance Code is disclosed in "Asahi Holdings Corporate Governance Policies" as follows;

No	Corporate Governance Code			Status		Corresponding articles in Asahi Holding Corporate Governance Policies
				Comply	Explain	
1	Section 1 Securing the Rights and Equal Treatment of Shareholders	General Principle 1		●		Chapter-II: Relations with Shareholders and others
2		Principle 1.1 Securing the Rights of Shareholders		●		Chapter-II: Relations with Shareholders and others 1. Securing the Rights of Shareholders
3			1-1 ①	●		Chapter-II: Relations with Shareholders and others 2. General Shareholders Meeting
4			1-1 ②	●		Chapter-V: Corporate Governance Structure 1. Organization Design and Basic Framework 2. Board of Directors – Roles -
5			1-1 ③	●		Chapter-II: Relations with Shareholders and others 1. Securing the Rights of Shareholders
6		Principle1.2 Exercise of Shareholder Rights at General Shareholder Meetings		●		Chapter-II: Relations with Shareholders and others 2. General Shareholders Meeting
7			1-2 ①	●		Chapter-II: Relations with Shareholders and others 2. General Shareholders Meeting
8			1-2 ②	●		Chapter-II: Relations with Shareholders and others 2. General Shareholders Meeting
9			1-2 ③	●		Chapter-II: Relations with Shareholders and others 2. General Shareholders Meeting
10			1-2 ④	●		Chapter-II: Relations with Shareholders and others 2. General Shareholders Meeting Chapter-III: Proper Disclosure 2. Enhancement of Disclosure in English
11			1-2 ⑤	●		Chapter-II: Relations with Shareholders and others 2. General Shareholders Meeting
12		Principle 1.3 Basic Strategy for Capital Policy		●		Chapter-II: Relations with Shareholders and others 4. Basic Strategy for Capital Policy
13		Principle 1.4 Cross-Shareholdings		●		Chapter-II: Relations with Shareholders and others 6. Cross-Shareholding Strategy
14			1-4 ①	●		Chapter-II: Relations with Shareholders and others 6. Cross-Shareholding Strategy
15			1-4 ②	●		Chapter-II: Relations with Shareholders and others 6. Cross-Shareholding Strategy
16		Principle 1.5 Anti-Takeover Measures		●		Chapter-II: Relations with Shareholders and others 7. Anti-Takeover Measures
17			1-5 ①	●		Chapter-II: Relations with Shareholders and others 7. Anti-Takeover Measures
18		Principle 1.6 Capital Policy that May Harm Shareholder Interests		●		Chapter-II: Relations with Shareholders and others 4. Basic Strategy for Capital Policy
19		Principle 1.7 Related Party Transactions		●		Chapter-II: Relations with Shareholders and others 5. Prevention of Related Party Transactions
20	Section 2 Appropriate Cooperation with Stakeholders Other Than Shareholders	General Principle 2		●		Chapter-I: General Provision 1. ARE Group Way 2. Basic Policies for Corporate Governance Annex Document-1: ARE Group Way
21		Principle 2.1 Business Principles as the Foundation of Corporate Value Creation Over the Mid- to Long- Term		●		Chapter-I: General Provision 1. ARE Group Way Annex Document-1: ARE Group Way
22		Principle 2.2 Code of Conduct		●		Chapter-I: General Provision 1. ARE Group Way Chapter-IV: Stakeholder Relationships 4. Relationships with Employees Annex Document-1: ARE Group Way
23			2-2 ①	●		Chapter-IV: Stakeholder Relationships 4. Relationships with Employees

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No	Corporate Governance Code			Status		Corresponding articles in Asahi Holding Corporate Governance Policies
				Comply	Explain	
24	Section 2 Appropriate Cooperation with Stakeholders Other Than Shareholders	Principle 2.3 Sustainability Issues, Including Social and Environmental Matters		●		Chapter-IV: Stakeholder Relationships 2. Relationships with Communities and Activities on Environment
25			2-3 ①	●		Chapter-IV: Stakeholder Relationships 2. Relationships with Communities and Activities on Environment
26		Principle 2.4 Ensuring Diversity, Including Active Participation of Women		●		Chapter-IV: Stakeholder Relationships 4. Relationships with Employees
27			2-4①	●		Chapter-IV: Stakeholder Relationships 4. Relationships with Employees
28		Principle 2.5 Whistleblowing		●		Chapter-IV: Stakeholder Relationships 5. Whistle-blowing System
29			2-5 ①	●		Chapter-IV: Stakeholder Relationships 5. Whistle-blowing System
30		Principle 2.6 Roles of Corporate Pension Funds as Asset Owners		●		Chapter-IV: Stakeholder Relationships 6. Role of asset owner
31	Section 3 Ensuring Appropriate Information Disclosure and Transparency	General Principle 3		●		Chapter-III: Proper Disclosure
32		Principle 3.1 Full Disclosure		●		(ALL) Chapter-III: Proper Disclosure (i) Chapter-I: General Provision 1. ARE Group Way Chapter-II: Relations with Shareholders and others 3. Dialogue with Shareholders (ii) Chapter-I: General Provision 2. Basic Policies for Corporate Governance (iii) Chapter-V: Corporate Governance Structure 9. Determining Procedure of Compensation for Directors Annex Document-6: Compensation Policies for directors and key management (iv) Chapter-V: Corporate Governance Structure 8. Procedure of Nomination and Dismissing of Directors Annex Document-5: Nomination Policies and Dismissal criteria for directors and key management candidates (v) Chapter-V: Corporate Governance Structure 8. Procedure of Nomination and Dismissing of Directors
33			3-1 ①	●		Chapter-III: Proper Disclosure 1. Basic Policies for Information Disclosure
34			3-1 ②	●		Chapter-III: Proper Disclosure 2. Enhancement of Disclosure in English
35			3-1 ③	●		Chapter-III: Proper Disclosure 1. Basic Policies for Information Disclosure Chapter-V: Corporate Governance Structure 2. Board of Directors – Roles - Chapter-II: Relations with Shareholders and others 3. Dialogue with Shareholders
36		Principle 3.2 External Auditors		●		Chapter-V: Corporate Governance Structure 7. Securing Proper Audit by Accounting Auditors
37			3-2 ①	●		Chapter-V: Corporate Governance Structure 7. Securing Proper Audit by Accounting Auditors
38			3-2 ②	●		Chapter-V: Corporate Governance Structure 7. Securing Proper Audit by Accounting Auditors

Implementation status for the Corporate Governance Code

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No	Corporate Governance Code			Status		Corresponding articles in Asahi Holding Corporate Governance Policies
				Comply	Explain	
39	Section 4 Responsibilities of the Board	General Principle 4		●		Chapter-V: Corporate Governance Structure 1. Organization Design and Basic Framework 2. Board of Directors – Roles -
40		Principle 4.1 Roles and Responsibilities of the Board (1)		●		Chapter-V: Corporate Governance Structure 2. Board of Directors – Roles -
41			4-1 ①	●		Chapter-V: Corporate Governance Structure 2. Board of Directors – Roles -
42			4-1 ②	●		Chapter-V: Corporate Governance Structure 2. Board of Directors – Roles - Chapter-II: Relations with Shareholders and others 3. Dialogue with Shareholders
43			4-1 ③	●		Chapter-V: Corporate Governance Structure 8. Procedure of Nomination and Dismissing Annex Document-5: Nomination Policies and Dismissal criteria for directors and key management candidates
44		Principle 4.2 Roles and Responsibilities of the Board (2)		●		Chapter-V: Corporate Governance Structure 2. Board of Directors – Roles -
45			4-2 ①	●		Chapter-V: Corporate Governance Structure 9. Determining Procedure of Compensation for Directors Annex Document-6: Compensation Policies for directors and key management
46			4-2 ②	●		Chapter-V: Corporate Governance Structure 2. Board of Directors – Roles -
47		Principle 4.3 Roles and Responsibilities of the Board (3)		●		Chapter-V: Corporate Governance Structure 2. Board of Directors – Roles - 9. Determining Procedure of Compensation for Directors Annex Document-6: Compensation Policies for directors and key management Chapter-III: Proper Disclosure 3. Supervision by Board of Directors for Proper Disclosure Chapter-II: Relations with Shareholders and others 5. Prevention of Related Party Transactions
48			4-3 ①	●		Chapter-V: Corporate Governance Structure 8. Procedure of Nomination and Dismissing of Directors Annex Document-5: Nomination Policies and Dismissal criteria for directors and key management candidates
49			4-3 ②	●		Chapter-V: Corporate Governance Structure 8. Procedure of Nomination and Dismissing of Directors Annex Document-5: Nomination Policies and Dismissal criteria for directors and key management candidates
50			4-3 ③	●		Chapter-V: Corporate Governance Structure 8. Procedure of Nomination and Dismissing of Directors Annex Document-5: Nomination Policies and Dismissal criteria for directors and key management candidates
51			4-3 ④	●		Chapter-V: Corporate Governance Structure 2. Board of Directors – Roles -
52		Principle 4.4 Roles and Responsibilities of <i>Kansayaku</i> and the <i>Kansayaku</i> Board		Not applicable	Not applicable	
53			4-4 ①	Not applicable	Not applicable	
54		Principle 4.5 Fiduciary Responsibilities of Directors and <i>Kansayaku</i>		●		Chapter-V: Corporate Governance Structure 6. Directors and Outside Directors
55		Principle 4.6 Business Execution and Oversight of the Management		●		Chapter-V: Corporate Governance Structure 2. Board of Directors – Roles -
56		Principle 4.7 Roles and Responsibilities of Independent Directors		●		Chapter-V: Corporate Governance Structure 6. Directors and Outside Directors
57		Principle 4.8 Effective Use of Independent Directors		●		Chapter-V: Corporate Governance Structure 3. Board of Directors – Composition -
58			4-8 ①	●		Chapter-V: Corporate Governance Structure 6. Directors and Outside Directors
59			4-8 ②	●		Chapter-V: Corporate Governance Structure 6. Directors and Outside Directors
60			4-8 ③	Not applicable	Not applicable	

Implementation status for the Corporate Governance Code

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No	Corporate Governance Code			Status		Corresponding articles in Asahi Holding Corporate Governance Policies
				Comply	Explain	
61	Section 4 Responsibilities of the Board	Principle 4.9 Independence Standards and Qualification for Independent Directors		●		Chapter-V: Corporate Governance Structure 6. Directors and Outside Directors Annex Document-4: Independence Criteria for independent directors
62		Principle 4.10 Use of Optional Approach		●		Chapter-V: Corporate Governance Structure 1. Organization Design and Basic Framework
63			4-10 ①	●		Chapter-V: Corporate Governance Structure 6. Directors and Outside Directors 8. Procedure of Nomination and Dismissing of Directors 9. Determining Procedure of Compensation for Directors
64		Principle 4.11 Preconditions for Board and <i>Kansayaku</i> Board Effectiveness		●		Chapter-V: Corporate Governance Structure 3. Board of Directors – Composition - 4. Board of Directors – Operation and Securing Effectiveness - 5. Audit and Supervisory Committee
65			4-11 ①	●		Chapter-V: Corporate Governance Structure 3. Board of Directors – Composition -
66			4-11 ②	●		Chapter-V: Corporate Governance Structure 3. Board of Directors – Composition -
67			4-11 ③	●		Chapter-V: Corporate Governance Structure 4. Board of Directors – Operation and Securing Effectiveness -
68		Principle 4.12 Active Board Deliberations		●		Chapter-V: Corporate Governance Structure 4. Board of Directors – Operation and Securing Effectiveness -
69			4-12 ①	●		Chapter-V: Corporate Governance Structure 4. Board of Directors – Operation and Securing Effectiveness -
70		Principle 4.13 Information Gathering and Support Structure		●		Chapter-V: Corporate Governance Structure 10. Support for Directors
71			4-13 ①	●		Chapter-V: Corporate Governance Structure 10. Support for Directors
72			4-13 ②	●		Chapter-V: Corporate Governance Structure 10. Support for Directors
73			4-13 ③	●		Chapter-V: Corporate Governance Structure 2. Board of Directors – Roles - 10. Support for Directors
74		Principle 4.14 Director and <i>Kansayaku</i> Training		●		Chapter-V: Corporate Governance Structure 11. Policies of Training for Directors Annex Document-7: Training Policies for directors
75			4-14 ①	●		Chapter-V: Corporate Governance Structure 11. Policies of Training for Directors Annex Document-7: Training Policies for directors
76			4-14 ②	●		Chapter-V: Corporate Governance Structure 11. Policies of Training for Directors Annex Document-7: Training Policies for directors
77	Section 5 Dialogue with Shareholders	General Principle 5		●		Chapter-II: Relations with Shareholders and others 3. Dialogue with Shareholders
78		Principle 5.1 Policy for Constructive Dialogue with Shareholders		●		Chapter-II: Relations with Shareholders and others 3. Dialogue with Shareholders
79			5-1 ①	●		Chapter-II: Relations with Shareholders and others 3. Dialogue with Shareholders
80			5-1 ②	●		Chapter-II: Relations with Shareholders and others 3. Dialogue with Shareholders Chapter-III: Proper Disclosure 1. Basic Policies for Information Disclosure
81			5-1 ③	●		Chapter-II: Relations with Shareholders and others 3. Dialogue with Shareholders
82		Principle 5.2 Establishing and Disclosing Business Strategies and Business Plans		●		Chapter-II: Relations with Shareholders and others 3. Dialogue with Shareholders
83			5-2 ①	●		Chapter-II: Relations with Shareholders and others 3. Dialogue with Shareholders