

Consolidated Financial Results for the Six Months Ended September 30, 2025

ARE Holdings, Inc. [IFRS]

October 29, 2025

Stock code: 5857
 Shares listed: Tokyo Stock Exchange - Prime Market
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 Filing date of semi-annual securities report: November 13, 2025
 Start of dividend payment: November 21, 2025
 Supplementary materials for the financial results: Yes
 Investor conference for the financial results: Yes (for institutional investors, analysts)

(Rounded down to the nearest million yen)

1. Results of the six months ended September 30, 2025 (From April 1, 2025 to September 30, 2025)

(1) Results of operations (cumulative)

(Percentage: Changes relative to corresponding previous period)

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Total comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
The six months ended September 30, 2025	238,239	(0.9)	15,332	84.3	13,869	65.3	10,831	64.0	10,849	64.3	9,834	39.6
September 30, 2024	240,357	66.7	8,317	45.9	8,392	42.3	6,604	25.6	6,604	25.6	7,047	(55.0)

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
The six months ended September 30, 2025	141.60		127.67	
September 30, 2024	86.41		78.46	

(2) Financial Position

	Total assets	Total equity	Equity attributable to owners of parent	Equity attributable to owners of parent ratio
	Millions of yen	Millions of yen	Millions of yen	%
As of September 30, 2025	671,509	133,199	133,172	19.8
March 31, 2025	490,037	126,349	126,301	25.8

2. Dividend payments

	Dividends per share				
	First quarter	Second quarter	Third quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2025	—	40.00	—	40.00	80.00
Year ending March 31, 2026	—	60.00			
Year ending March 31, 2026 (Forecast)			—	60.00	120.00

(Note) Revisions in dividend forecast in the current period: Yes

3. Forecast (From April 1, 2025 to March 31, 2026) (Percentage: Changes relative to corresponding previous period)

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of parent	Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ending March 31, 2026	517,000	2.1	30,000	50.1	29,100	42.1	21,600	50.8
								Yen
								281.90

(Note) Revisions in forecast in the current period: Yes

* Notes

(1) Significant changes in the scope of consolidation during the period: No

(2) Changes in accounting policies and accounting estimates

(i) Changes in accounting policies required by IFRS: No

(ii) Changes other than (i) above: No

(iii) Changes in accounting estimates: No

(3) Number of issued shares (common stock)

(i) Number of issued shares at the semi-annual end (including treasury stock)

As of September 30, 2025	79,708,688 shares
As of March 31, 2025	79,708,688 shares

(ii) Number of treasury stock at the semi-annual end

As of September 30, 2025	3,079,484 shares
As of March 31, 2025	3,095,284 shares

(iii) Averaged number of shares during the period (semi-annual period)

Six months ended September 30, 2025	76,617,462 shares
Six months ended September 30, 2024	76,426,800 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Statement regarding the proper use of financial forecasts and other special remarks

(Notes on forward looking statements, etc.)

These forecast performance figures are based on the information currently available to the Company's management and certain assumptions judged rational. Accordingly, there might be cases in which actual results materially differ from forecasts of this report. Please refer to page 3 "1. Overview of Consolidated Operating Results (3) Consolidated Performance Forecasts" for the assumptions used and other notes.

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1. Overview of Consolidated Operating Results

(1) Overview of Consolidated Operating Results for the Six Months Ended September 30, 2025

The financial results for the six months ended September 30, 2025 were as follows.

Revenue	238,239 million yen	(a year-on-year decrease of 2,117 million yen, or -0.9 percent)
Operating profit	15,332 million yen	(a year-on-year increase of 7,015 million yen, or +84.3 percent)
Profit before tax	13,869 million yen	(a year-on-year increase of 5,476 million yen, or +65.3 percent)
Profit attributable to owners of parent	10,849 million yen	(a year-on-year increase of 4,245 million yen, or +64.3 percent)

As for the precious metals recycling business, operating profit increased year on year. Although the volume collected in the electronics and dental sectors remained at the same level year on year, operating profit increased year on year. In the jewelry sector, while the volume of platinum collected increased year on year and the volume of gold collected decreased year on year, placing greater emphasis on the profitability of individual transactions led to a significant increase in operating profit year on year. In the catalyst-related sector, the volume collected and operating profit decreased year on year.

As for the precious metals refining-related business in North America, operating profit increased significantly year on year. In the refining sector, incoming shipments increased year on year. Additionally, by expanding transactions with the jewelry industry across the United States, the resource recycling ratio was enhanced. In the products sector, the production volume increased, starting with 100 oz. gold castings. In the storage sector, the storage volume increased in line with increased flows of gold and silver into the United States. In the trading sector, supply and demand fluctuations in the United States and European gold and silver markets were leveraged to achieve record-high results in arbitrage while avoiding risk.

As a result, operating profit in the Precious Metals business segment, which includes the precious metals recycling business and the precious metals refining-related business in North America, increased significantly year on year. In the Environmental Preservation business segment, the share of profit (loss) of investments accounted for using equity method remained at the same level year on year.

(2) Overview of Consolidated Financial Position and Cash Flows for the Six Months Ended September 30, 2025

As of September 30, 2025, total assets amounted to 671,509 million yen, up 181,472 million yen from the previous fiscal year end. This was mainly due to increases of 165,569 million yen in trade and other receivables and 23,931 million yen in inventories.

Total liabilities amounted to 538,310 million yen, up 174,622 million yen from the previous fiscal year end. This was mainly due to increases of 48,593 million yen in trade and other payables, 84,890 million yen in bonds and loans payable, and 39,989 million yen in other financial liabilities.

Total equity amounted to 133,199 million yen, up 6,850 million yen from the previous fiscal year end. This was mainly due to an increase of 9,834 million yen in comprehensive income and a decrease of 3,064 million yen used for dividends.

As a result, the equity attributable to owners of parent ratio changed to 19.8%, from 25.8% at the end of the previous fiscal year.

Net cash used by operating activities amounted to 49,074 million yen due mainly to 13,869 million yen of profit before tax, 1,348 million yen of depreciation and amortization, 23,950 million yen of increase in inventories, 155,543 million yen of increase in trade and other receivables, 79,898 million yen of increase in trade, loans and other payables, and 2,123 million yen of income taxes paid.

Net cash provided by investing activities amounted to 737 million yen due mainly to 2,016 million yen of proceeds from sales of property, plant and equipment, 5,751 million yen of collection of loans receivable, despite 5,572 million yen of purchase of property, plant and equipment.

Net cash provided by financing activities amounted to 42,676 million yen due mainly to 19,781 million yen of net increase in short-term loans payable and 29,921 million yen of proceeds from long-term loans payable, despite 3,888 million yen of repayment of long-term loans payable and 3,064 million yen of cash dividends paid.

As a result, cash and cash equivalents as of September 30, 2025 decreased by 6,974 million yen from March 31, 2025, to 10,581 million yen.

(3) Consolidated Performance Forecasts

① Reasons for the revision of financial forecast

The consolidated financial forecast for the year ending March 31, 2026, as announced on April 25, 2025, has been revised as follows. For details, please refer to the “Notice Regarding the Difference between Consolidated Financial Forecasts and Actual Results for the Six Months Ended September 30, 2025, the Revision of Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2026, and the Revision of Dividends of Surplus (Interim Dividend) and Year-End Dividend Forecast” released today (October 29, 2025).

Revisions of the consolidated financial forecast for the year ending March 31, 2026
(April 1, 2025 to March 31, 2026)

	Revenue	Operating profit	Profit before tax	Profit attributable to owners of parent	Basic earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecast (A)	448,199	22,000	21,895	16,179	211.18
Revised forecast (B)	517,000	30,000	29,100	21,600	281.90
Change (B-A)	68,801	8,000	7,205	5,421	—
Change (%)	15.4	36.4	32.9	33.5	—
(Ref.) Results for the previous FY (FY ended March 31, 2025)	506,211	19,984	20,483	14,319	187.13

② Reasons for the revision of dividend forecast

The Company’s basic policy for shareholder return is to maintain stable dividends with a target payout ratio of 40%. Based on this policy, and after comprehensively considering the performance trends for the fiscal year ending March 31, 2026, the current business environment and other factors, the Company has resolved at its Board of Directors meeting held today to increase the interim dividend by 20 yen per share from the previous forecast, setting it at 60 yen.

The Company also plans to increase the year-end dividend by 20 yen per share from the previous forecast, setting it at 60 yen. As a result, the annual dividend forecast for the fiscal year ending March 31, 2026 is expected to be 120 yen per share.

For details, please refer to the “Notice Regarding the Difference between Consolidated Financial Forecasts and Actual Results for the Six Months Ended September 30, 2025, the Revision of Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2026, and the Revision of Dividends of Surplus (Interim Dividend) and Year-End Dividend Forecast” released today (October 29, 2025).

2. Condensed Semi-annual Consolidated Financial Statements

(1) Condensed Semi-annual Consolidated Statements of Financial Position

	As of March 31, 2025	As of September 30, 2025
	Millions of yen	Millions of yen
<u>ASSETS</u>		
Current assets		
Cash and cash equivalents	17,555	10,581
Trade and other receivables	304,306	469,876
Inventories	51,178	75,110
Income tax receivables	—	27
Other financial assets	10,568	6,656
Other current assets	36,020	34,312
Total current assets	419,630	596,565
Non-current assets		
Property, plant and equipment	36,464	39,550
Goodwill	19	19
Intangible assets	1,439	1,650
Investments accounted for using equity method	29,610	30,501
Deferred tax assets	2,007	1,375
Net defined benefit asset	181	149
Financial assets	589	1,555
Other non-current assets	95	139
Total non-current assets	70,407	74,943
Total assets	490,037	671,509

	As of March 31, 2025	As of September 30, 2025
	Millions of yen	Millions of yen
LIABILITIES and EQUITY		
Liabilities		
Current liabilities		
Trade and other payables	45,096	93,689
Bonds and loans payable	246,400	339,103
Income tax payable	1,784	2,356
Other financial liabilities	13,822	55,998
Provisions	1,467	1,235
Other current liabilities	2,681	4,833
Total current liabilities	311,251	497,217
Non-current liabilities		
Bonds and loans payable	43,462	35,650
Deferred tax liabilities	6,324	4,943
Net defined benefit liability	108	128
Other financial liabilities	2,541	354
Other non-current liabilities	—	16
Total non-current liabilities	52,437	41,092
Total liabilities	363,688	538,310
Equity		
Capital stock	7,790	7,790
Capital surplus	12,080	12,133
Treasury stock	(6,066)	(6,039)
Retained earnings	121,679	129,448
Other components of equity	(9,182)	(10,160)
Total equity attributable to owners of parent	126,301	133,172
Non-controlling interests	47	27
Total equity	126,349	133,199
Total liabilities and equity	490,037	671,509

(2) Condensed Semi-annual Consolidated Statements of Income

	The six months ended September 30, 2024	The six months ended September 30, 2025
	Millions of yen	Millions of yen
Revenue	240,357	238,239
Cost of sales	(228,707)	(220,116)
Gross profit	11,650	18,122
Selling, general and administrative expenses	(4,254)	(4,276)
Other operating income	88	800
Other operating expenses	(137)	(191)
Share of profit (loss) of investments accounted for using equity method	970	877
Operating profit	8,317	15,332
Finance income	666	62
Finance costs	(591)	(1,526)
Profit before tax	8,392	13,869
Income tax expenses	(1,788)	(3,037)
Profit	<u>6,604</u>	<u>10,831</u>
Profit attributable to:		
Owners of parent	6,604	10,849
Non-controlling interests	—	(17)
Profit	<u>6,604</u>	<u>10,831</u>
Earnings per share		
Basic earnings per share (Yen)	86.41	141.60
Diluted earnings per share (Yen)	78.46	127.67

(3) Condensed Semi-annual Consolidated Statements of Comprehensive Income

	The six months ended September 30, 2024	The six months ended September 30, 2025
	Millions of yen	Millions of yen
Profit	6,604	10,831
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	(21)	(16)
Share of other comprehensive income of investments accounted for using equity method	—	13
Total items that will not be reclassified to profit or loss	(21)	(2)
Items that may be reclassified to profit or loss		
Cash flow hedges	1,926	(1,702)
Translation adjustments of foreign operations	(1,461)	707
Total items that may be reclassified to profit or loss	464	(994)
Other comprehensive income, net of tax	443	(996)
Comprehensive income	7,047	9,834
Comprehensive income attributable to:		
Owners of parent	7,047	9,854
Non-controlling interests	—	(19)
Comprehensive income	7,047	9,834

(4) Condensed Semi-annual Consolidated Statements of Changes in Equity

(Millions of yen)

	Equity attributable to owners of parent					
	Capital stock	Capital surplus	Treasury stock	Retained earnings	Other components of equity	
					Translation adjustments of foreign operations	Cash flow hedges
Balance at April 1, 2024	7,790	12,245	(5,925)	113,837	2,341	(3,813)
Profit	—	—	—	6,604	—	—
Other comprehensive income	—	—	—	—	(1,461)	1,926
Total comprehensive income	—	—	—	6,604	(1,461)	1,926
Purchase of treasury stock	—	—	(1,000)	—	—	—
Disposal of treasury stock	—	(7)	325	—	—	—
Dividends	—	—	—	(3,448)	—	—
Reclassified from other components of equity to retained earnings	—	—	—	(21)	—	—
Share-based payment transactions	—	(148)	533	—	—	—
Total transactions with owners	—	(156)	(141)	(3,470)	—	—
Balance at September 30, 2024	7,790	12,089	(6,066)	116,971	879	(1,887)

(Millions of yen)

	Equity attributable to owners of parent			
	Other components of equity		Total	Total equity
	Remeasurements of defined benefit plans	Total		
Balance at April 1, 2024	—	(1,471)	126,476	126,476
Profit	—	—	6,604	6,604
Other comprehensive income	(21)	443	443	443
Total comprehensive income	(21)	443	7,047	7,047
Purchase of treasury stock	—	—	(1,000)	(1,000)
Disposal of treasury stock	—	—	318	318
Dividends	—	—	(3,448)	(3,448)
Reclassified from other components of equity to retained earnings	21	21	—	—
Share-based payment transactions	—	—	384	384
Total transactions with owners	21	21	(3,746)	(3,746)
Balance at September 30, 2024	—	(1,007)	129,777	129,777

(Millions of yen)

	Equity attributable to owners of parent					
	Capital stock	Capital surplus	Treasury stock	Retained earnings	Other components of equity	
					Translation adjustments of foreign operations	Cash flow hedges
Balance at April 1, 2025	7,790	12,080	(6,066)	121,679	474	(9,670)
Profit	—	—	—	10,849	—	—
Other comprehensive income	—	—	—	—	710	(1,702)
Total comprehensive income	—	—	—	10,849	710	(1,702)
Dividends	—	—	—	(3,064)	—	—
Reclassified from other components of equity to retained earnings	—	—	—	(16)	—	—
Share-based payment transactions	—	52	27	—	—	—
Total transactions with owners	—	52	27	(3,080)	—	—
Balance at September 30, 2025	7,790	12,133	(6,039)	129,448	1,184	(11,372)

(Millions of yen)

	Equity attributable to owners of parent					
	Other components of equity					Total equity
	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total	Total	Non-controlling interests	
Balance at April 1, 2025	13	—	(9,182)	126,301	47	126,349
Profit	—	—	—	10,849	(17)	10,831
Other comprehensive income	13	(16)	(994)	(994)	(2)	(996)
Total comprehensive income	13	(16)	(994)	9,854	(19)	9,834
Dividends	—	—	—	(3,064)	—	(3,064)
Reclassified from other components of equity to retained earnings	—	16	16	—	—	—
Share-based payment transactions	—	—	—	79	—	79
Total transactions with owners	—	16	16	(2,984)	—	(2,984)
Balance at September 30, 2025	27	—	(10,160)	133,172	27	133,199

(5) Condensed Semi-annual Consolidated Statements of Cash Flows

	The six months ended September 30, 2024	The six months ended September 30, 2025
	Millions of yen	Millions of yen
Cash provided by (used in) operating activities		
Profit before tax	8,392	13,869
Depreciation and amortization	1,373	1,348
Impairment loss	—	56
Finance income and finance cost	(1,109)	(223)
Share of loss (profit) of investments accounted for using equity method	(970)	(877)
Decrease (increase) in inventories	(3,408)	(23,950)
Decrease (increase) in trade and other receivables	(70,555)	(155,543)
Increase (decrease) in trade, loans and other payables	68,295	79,898
Other, net	(5,529)	38,708
Subtotal	(3,511)	(46,713)
Interest and dividend income received	17,292	32
Interest expenses paid	(94)	(269)
Income taxes paid	(2,663)	(2,123)
Income taxes refunded	151	0
Net cash provided by (used in) operating activities	11,175	(49,074)
Cash provided by (used in) investing activities		
Payments into time deposits	(226)	(103)
Proceeds from withdrawal of time deposits	112	207
Purchase of property, plant and equipment	(3,246)	(5,572)
Proceeds from sales of property, plant and equipment	9	2,016
Purchase of intangible assets	(187)	(408)
Payments for loans receivable	(3,049)	—
Collection of loans receivable	11,098	5,751
Other, net	92	(1,153)
Net cash provided by (used in) investing activities	4,603	737
Cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(2)	19,781
Proceeds from long-term loans payable	—	29,921
Repayment of long-term loans payable	—	(3,888)
Proceeds from sales of treasury stock	318	—
Purchase of treasury stock	(1,000)	—
Cash dividends paid	(3,445)	(3,064)
Other, net	(71)	(74)
Net cash provided by (used in) financing activities	(4,201)	42,676
Effect of exchange rate change on cash and cash equivalents	918	(1,313)
Net increase (decrease) in cash and cash equivalents	12,496	(6,974)
Cash and cash equivalents at beginning of period	6,881	17,555
Cash and cash equivalents at end of period	19,377	10,581

(6) Notes on Condensed Semi-annual Consolidated Financial Statements

Segment information

(1) Overview of reporting segments

The Group's business segments are those Group constituent units for which separate financial information is obtainable, and which the Board of Directors subjects to regular examination in order to decide the allocation of management resources and evaluate business results.

As a pure holding company, the Company is in charge of overall strategic function for the Group, whereas operating companies of the Group engage in the precious and rare metals recycling business and the refining and processing business, industrial waste management and other environmental preservation business.

Therefore, the Group is composed of product and service segments based on business sectors. The two reporting segments are the Precious Metals business and the Environmental Preservation business.

Meanwhile, these reporting segments are not aggregated.

The Precious Metals business engages mainly in recycling and selling precious and rare metals such as gold, silver, palladium, platinum, and rhodium from scrap containing precious metals, as well as refining and processing of precious metals centered on gold and silver. The main work of the Environmental Preservation business is the collection, transport and intermediate processing of industrial waste.

(2) Segment revenue and performance

Revenue and other performance of each reporting segment of the Group are as follows.

For the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

	Reporting segment				(Millions of yen)		
	Precious Metals Business	Environmental Preservation Business	Subtotal	Other	Total	Adjustments	Consolidated
Revenue							
External revenue	240,325	—	240,325	32	240,357	—	240,357
Intersegment revenue	—	—	—	—	—	—	—
Total	240,325	—	240,325	32	240,357	—	240,357
Operating profit by business segment	7,498	964	8,463	(145)	8,317	—	8,317
Finance income							666
Finance costs							(591)
Profit before tax							8,392

For the six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

	Reporting segment			Other	Total	Adjustments	(Millions of yen) Consolidated
	Precious Metals Business	Environmental Preservation Business	Subtotal				
Revenue							
External revenue	238,179	—	238,179	59	238,239	—	238,239
Intersegment revenue	—	—	—	—	—	—	—
Total	<u>238,179</u>	<u>—</u>	<u>238,179</u>	<u>59</u>	<u>238,239</u>	<u>—</u>	<u>238,239</u>
Operating profit by business segment	<u>14,575</u>	<u>870</u>	<u>15,446</u>	<u>(114)</u>	<u>15,332</u>	<u>—</u>	<u>15,332</u>
Finance income							62
Finance costs							<u>(1,526)</u>
Profit before tax							<u>13,869</u>

Notes on assumptions for going concern

Not applicable