

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026

ARE Holdings, Inc. [IFRS]

May 1, 2026

Stock code: 5857
 Shares listed: Tokyo Stock Exchange - Prime Market
 URL: <https://www.are-holdings.com/english/>
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The Ordinary General Meeting of Shareholders: June 16, 2026
 Filing date of financial statements: June 15, 2026
 Start of dividend payment: June 2, 2026
 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 fiscal year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)

(1) Results of operations (Percentage: Changes relative to corresponding previous period)

| | Revenue | | Operating profit | | Profit before tax | | Profit | | Profit attributable to owners of parent | | Total comprehensive income | |
|-----------------------|-----------------|------|------------------|------|-------------------|------|-----------------|--------|---|--------|----------------------------|--------|
| The fiscal year ended | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| March 31, 2026 | 569,992 | 12.6 | 37,088 | 85.6 | 34,706 | 69.4 | 24,411 | 70.6 | 24,441 | 70.7 | 80,352 | - |
| March 31, 2025 | 506,211 | 57.1 | 19,984 | 61.6 | 20,483 | 64.8 | 14,310 | (41.6) | 14,319 | (41.5) | 6,636 | (74.7) |

| | Basic earnings per share | Diluted earnings per share | Profit to equity attributable to owners of parent | Profit before tax to total assets | Operating profit to revenue |
|-----------------------|--------------------------|----------------------------|---|-----------------------------------|-----------------------------|
| The fiscal year ended | Yen | Yen | % | % | % |
| March 31, 2026 | 315.49 | 287.15 | 13.7 | 6.3 | 6.5 |
| March 31, 2025 | 187.13 | 169.96 | 11.3 | 5.1 | 3.9 |

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

Fiscal year ended March 31, 2026 1,857 million yen;
 Fiscal year ended March 31, 2025 1,931 million yen

(2) Financial Position

| | Total assets | Total equity | Equity attributable to owners of parent | Equity attributable to owners of parent ratio | Equity per share attributable to owners of parent |
|----------------|-----------------|-----------------|---|---|---|
| As of | Millions of yen | Millions of yen | Millions of yen | % | Yen |
| March 31, 2026 | 615,388 | 230,555 | 230,555 | 37.5 | 2,682.61 |
| March 31, 2025 | 490,037 | 126,349 | 126,301 | 25.8 | 1,648.56 |

(3) Cash flows

| | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at end of the fiscal year |
|-----------------------|--------------------------------------|--------------------------------------|--------------------------------------|---|
| The fiscal year ended | Millions of yen | Millions of yen | Millions of yen | Millions of yen |
| March 31, 2026 | (99,385) | (349) | 91,878 | 10,336 |
| March 31, 2025 | 14,685 | 250 | (6,207) | 17,555 |

2. Dividend payments

| | Dividends per share | | | | | Total dividend payment (annual) | Payout ratio (consolidated) | Dividend to equity attributable to owners of parent (consolidated) |
|---------------------------------------|---------------------|----------------|---------------|----------|--------|---------------------------------|-----------------------------|--|
| | First quarter | Second quarter | Third quarter | Year-end | Annual | | | |
| | Yen | Yen | Yen | Yen | Yen | Millions of yen | % | % |
| Year ended March 31, 2025 | – | 40.00 | – | 40.00 | 80.00 | 6,193 | 42.8 | 4.9 |
| Year ended March 31, 2026 | – | 60.00 | – | 65.00 | 125.00 | 10,282 | 39.6 | 5.8 |
| Year ending March 31, 2027 (Forecast) | – | 65.00 | – | 70.00 | 135.00 | | 40.0 | |

(Note) The year-end dividend for the fiscal year ended March 31, 2026 will be finalized at a meeting of the Board of Directors to be held in May.

3. Forecast (From April 1, 2026 to March 31, 2027) (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 | % | Yen |
| Six months ending September 30, 2026 | 330,000 | 38.5 | 20,000 | 30.4 | 19,500 | 40.6 | 14,000 | 29.0 | 162.90 |
| Year ending March 31, 2027 | 680,000 | 19.3 | 41,000 | 10.8 | 40,000 | 15.5 | 29,000 | 19.0 | 337.43 |

* 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 end of year (including treasury stock)

| | |
|----------------------|-------------------|
| As of March 31, 2026 | 86,853,534 shares |
| As of March 31, 2025 | 79,708,688 shares |

(ii) Number of treasury stock at the end of year

| | |
|----------------------|------------------|
| As of March 31, 2026 | 909,016 shares |
| As of March 31, 2025 | 3,095,284 shares |

(iii) Averaged number of shares during the period

| | |
|---------------------------|-------------------|
| Year ended March 31, 2026 | 77,469,607 shares |
| Year ended March 31, 2025 | 76,519,846 shares |

(Reference) Summary of Nonconsolidated Results

1. Nonconsolidated results of the fiscal year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)

(1) Results of operations (Percentage: Changes relative to corresponding previous period)

| | Net sales | | Operating profit | | Ordinary profit | | Profit | |
|-----------------------|-----------------|------|------------------|------|-----------------|------|-----------------|--------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| The fiscal year ended | | | | | | | | |
| March 31, 2026 | 13,439 | 4.4 | 10,912 | 5.5 | 13,197 | 25.9 | 12,151 | 240.5 |
| March 31, 2025 | 12,879 | 22.8 | 10,345 | 24.6 | 10,480 | 17.3 | 3,568 | (61.7) |

| | Earnings per share | | Diluted earnings per share | |
|-----------------------|--------------------|--|----------------------------|--|
| | Yen | | Yen | |
| The fiscal year ended | | | | |
| March 31, 2026 | 156.86 | | - | |
| March 31, 2025 | 46.63 | | - | |

(2) Financial Position

| | Total assets | Net assets | Shareholders' equity ratio | Net assets per share |
|----------------|-----------------|-----------------|----------------------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| As of | | | | |
| March 31, 2026 | 249,092 | 110,931 | 44.5 | 1,290.73 |
| March 31, 2025 | 119,922 | 75,283 | 61.8 | 967.67 |

(Reference)

Shareholders' equity As of March 31, 2026: 110,931 million yen As of March 31, 2025: 74,136 million yen

* This report is not subject to audit procedures

* 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 2 "1. Overview of Consolidated Operating Results (1) Consolidated Business Performance for the Year Ended March 31, 2026" for the assumptions used and other notes.

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1. Overview of Consolidated Operating Results

(1) Consolidated Business Performance for the Year Ended March 31, 2026

① Operating results

The financial results for the fiscal year ended March 31, 2026 were as follows.

| | | |
|---|---------------------|---|
| Revenue | 569,992 million yen | (a year-on-year increase of 63,781 million yen, or +12.6 percent) |
| Operating profit | 37,088 million yen | (a year-on-year increase of 17,103 million yen, or +85.6 percent) |
| Profit before tax | 34,706 million yen | (a year-on-year increase of 14,223 million yen, or +69.4 percent) |
| Profit attributable to owners of parent | 24,441 million yen | (a year-on-year increase of 10,121 million yen, or +70.7 percent) |

As for the precious metals recycling business, operating profit increased year on year. In the jewelry sector, as a result of efforts to improve profitability of each transaction, the volume of gold collected decreased year on year, but operating profit increased year on year. Although the volume collected in the dental sector decreased year on year, operating profit increased year on year, mainly due to an improved cost structure. Although the volume collected in the electronics sector remained at the same level year on year, operating profit increased year on year, mainly due to an impact of precious metals prices. Although the volume collected in the catalyst-related sector remained at the same level year on year, operating profit decreased year on year. In addition, the sales volume of recycled precious metals sold at a premium and the sales volume of precious metal products for retail increased year on year.

As for the precious metals refining-related business in North America, operating profit increased year on year. In the refining sector, the incoming shipments of gold and silver raw materials increased year on year, and operating profit increased year on year. In addition, by leveraging our status as the largest refiner in North America and effectively responding to fluctuations in gold and silver supply and demand arising from changes in U.S. trade policy and global financial conditions, operating profit in the products, storage, and trading sectors all increased year on year.

As a result, operating profit in Precious Metals business segment 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 Outlook

The Group will continue to strive to expand earnings and increase corporate value.

Business forecast for the next period is as follows: 680,000 million yen in revenue, 41,000 million yen in operating profit, 40,000 million yen in profit before tax and 29,000 million yen in profit attributable to owners of parent.

(2) Consolidated Financial Position and Cash Flows for the Year Ended March 31, 2026

As of March 31, 2026, total assets amounted to 615,388 million yen, up 125,351 million yen from the previous fiscal year end. This was mainly due to increases of 10,996 million yen in trade and other receivables, 71,236 million yen in inventories, and 44,088 million yen in other financial assets (current) and financial assets (non-current).

Total liabilities amounted to 384,833 million yen, up 21,144 million yen from the previous fiscal year end. This was mainly due to increases of 86,869 million yen in trade and other payables, 14,967 million yen in other financial liabilities, and 16,482 million yen in deferred tax liabilities, while bonds and loans payable decreased by 106,659 million yen.

Total equity amounted to 230,555 million yen, up 104,206 million yen from the previous fiscal year end. This was due mainly to an increase of 80,352 million yen in comprehensive income, 24,141 million yen in issuance of new shares, 7,286 million yen from the disposal of treasury stock and a decrease of 7,662 million yen used for dividends.

Net cash used by operating activities amounted to 99,385 million yen due mainly to 34,706 million yen of profit before tax, 2,978 million yen of depreciation and amortization, as well as the increase in inventories, the decrease in trade and other receivables, the decrease in trade, loans and other payables, and income taxes paid.

Net cash used in investing activities amounted to 349 million yen due mainly to 8,335 million yen of purchase of property, plant and equipment, and 2,493 million yen of other payments, despite 9,065 million yen of collection of loans receivable.

Net cash provided by financing activities amounted to 91,878 million yen due mainly to 23,741 million yen of net increase in short-term loans payable, 40,160 million yen of proceeds from long-term loans payable, and 39,833 million yen of proceeds from issuance of bonds, despite 7,662 million yen of cash dividends paid and 3,984 million yen of repayment of long-term loans payable.

As a result, cash and cash equivalents as of March 31, 2026 decreased by 7,219 million yen from March 31, 2025, to 10,336 million yen.

(3) Dividends

The Group strives to maintain a stable dividend payout ratio of 40%, while enhancing internal reserves necessary for capital investment and M&A activities for growth strategies.

Based on the above basic policy, the year-end dividend for the current fiscal year is planned to be 65 yen per share, and the annual dividend for the current fiscal year combined with the interim dividend is planned to be 125 yen per share. For the next term, we plan to pay an interim dividend of 65 yen and a year-end dividend of 70 yen (annual dividend of 135 yen).

(4) Business and Other Risks

Major risks that could affect the Group's operating results and financial condition include the following. We believe these matters could have a significant impact on investor decisions, but the categories below are limited to those that the Group is currently aware of; and not necessarily all risks are covered here.

① Precious metals prices and currency exchange rates

Precious metals and rare metals, which are the main products of the Group's Precious Metals business, are traded on international markets, and their prices fluctuate due to various factors worldwide, including international or regional supply and demand, political, economic and social trends, exchange rates and monetary policies, among others. Therefore, the Group basically hedges precious metal prices through forward transactions, etc. However, since rhodium is illiquid and hedging instruments are limited, the Group works to mitigate risk while also utilizing other methods. In addition, the Group provides timely reports on the status of price fluctuations, etc. for the main precious metals to management. The size of fluctuation in precious metals prices and currency exchange rates, the market conditions of forward transactions and other factors could affect the Group's operating results and financial condition.

② Laws and regulations

In the countries and regions where the Group operates business, various laws and regulations apply regarding matters such as permission to do business, rules for import/export/transport, commercial transactions, labor, taxation, intellectual property rights, and environmental preservation. Taking the stance that compliance is important, the Group has built a system for centrally managing information about revisions to laws related to all its business fields and ensuring that this knowledge is communicated without fail to the front lines, and carefully follows laws, regulations, and social rules. However, in the unlikely event that a situation arises where laws, regulations, and social rules cannot be followed, or if these laws, etc. undergo changes, including the introduction of new regulations or the strengthening of standards related to environmental and climate change measures by governments, in ways that cause business to be restricted, it could affect the Group's operating results and financial condition.

③ Economic fluctuation

Manufacturing industries, which are among the transacting industries for the Group's two business segments: the Precious Metals business and the Environmental Preservation business, are affected by economic conditions not only in Japan but also in various other countries and regions. When demand from such industries

declines due to recession and so on, it could affect the Group's operating results and financial condition. Moreover, in the precious metals recycling business, the Group recycles precious metals contained in end products such as electronics-related equipment and automobiles, and is therefore affected by consumption trends. A decrease in personal consumption caused by a decline in the general level of consumption could therefore affect the Group's operating results and financial condition. In addition, funding requirements may increase due to raw material procurement in the Precious Metals business, forward transactions, growth investments, and M&A activities. While the Group is working to diversify its funding sources, factors such as the tightening of global supply and demand for precious metals, rising interest rates both domestically and internationally, financial market turmoil, and changes in financial institutions' lending policies could prevent the Group from securing the necessary funds on a flexible basis and under favorable terms, or could lead to increased funding costs. Such circumstances could affect the Group's operating results and financial condition.

④ Business environment

The Group's two business segments, the Precious Metals business and the Environmental Preservation business, face the possibility of major changes in customer needs due to changes in laws, regulations, and permits that concern a sector or faster-than-expected shifts overseas by corporate customers. Furthermore, industry reorganization and other major changes in the business environment are possible. In addition, the Group is taking on challenges in new businesses and fields. When implementing a new business, management conducts thorough discussions at executive committee meetings, etc. and puts in place risk management systems as necessary, but risks may materialize if the business environment differs from expectations. Furthermore, there is a risk that the business environment could change due to unexpected disruptions in the supply chains or compliance handling of the Group and corporate customers, resulting from heightened geopolitical tensions and stricter import and export controls on strategic materials imposed under various countries' economic security policies. These factors could affect the Group's operating results and financial condition.

⑤ Intensified competition

The Group's two business segments, the Precious Metals business and the Environmental Preservation business, face competition from various companies. The Group continues to make efforts to secure competitive advantages by accurately meeting customer needs through sales efforts and initiatives on technology, products, and cost responsiveness. Intensified competition from competitor companies, however, can force the Group's products and services into harsh price competition. The results could affect the Group's operating results and financial condition.

⑥ Overseas business deployment

One of the Group's growth strategies is expansion of its overseas business. In this regard, the Group carries out business in countries and regions in North America, Asia, etc. Political or economic phenomena unfavorable to business, including changes in tariff systems, labor disputes due to differences in labor environment, uncertainty in finding suitable local personnel, conflicts, terrorism, and other social disturbances, and unfair intervention by authorities due to underdeveloped business infrastructure in a country or region are inherent risks. In addition, changes in national policies and regulations (such as sanctions and tighter import and export controls, etc.) resulting from rising international tensions, as well as disruptions in global logistics networks, could also affect the continuity of our local operations. In the precious metals refining business in North America, we are using the refining business as a base from which to expand the precious metal storage business and value-added services, including trading and finance. As well as fully analyzing the risks associated with businesses, we have put in place a robust control structure, such as by involving the Risk Management Department and discussing issues on the Board of Directors, but these risks could crystallize in the event of a deterioration in the economic environment or in the credit status of our counterparties. If such situations occur, it could affect the Group's operating results and financial condition.

⑦ Corporate acquisition

The Group has worked to expand its lines of business and business scale through corporate acquisition and expects to take a forward-looking approach projects that will contribute to further growth in the future. In order to maximize the integration effect with target businesses and companies, the Group will attempt to integrate

and unify them with its business strategy and operations. However, if the integration of human resources and assets does not proceed as planned, it is possible that the expected integration and unification effects will not be realized. The results could affect the Group's operating results and financial condition.

⑧ Impairment of goodwill and fixed assets

When the Group acquired a company, it records goodwill arising from the acquisition, as well as various property, plant and equipment and intangible assets for business use. At the time of the acquisition, the Group carries out sufficient surveys from the financial, legal, human resource, and facility perspectives, among others, but if the acquired company and business do not achieve business results as initially expected due to changes in the market environment, etc., and the operating results and profitability deteriorate markedly, these assets may become impaired. If such situations occur, it could affect the Group's operating results and financial condition.

⑨ Natural disasters and infectious diseases

Natural disasters such as large earthquakes or typhoons or the outbreak of new infectious diseases could cause serious damage to the Group's production, distribution, sales, and information management facilities. The Group has implemented countermeasures such as building business continuity management (BCM), flood countermeasures, disaster readiness drills, and building an employee safety confirmation system. However, these are not able to completely eliminate damage due to natural disasters or unknown infectious diseases, etc. Therefore, if these should occur it could affect the Group's operating results and financial condition.

⑩ Health and safety

The Group works to strengthen its safety management system, and regularly carries out disaster/accident prevention activities such as holding Safety Promotion Meetings that are also attended by management and taking necessary measures in order to eliminate occupational and facilities accidents. However, there is no guarantee that they can be completely prevented or mitigated. Therefore, if a serious occupational or facilities accident should occur, it could affect the Group's operating results and financial condition.

⑪ Human resources

The Group believes that its medium- to long-term growth will be achieved by maximizing the productivity of the entire organization through having diverse employees collaborate, respectfully and with care for one another, think independently, actively take on challenges, and pursue innovation. Under this concept, efforts are focused on promoting diversity, equity, and inclusion as well as health management as a foundation, while working to create an environment where diverse talented individuals can achieve harmony in their work and overall lives in their own way. Specifically, the Group is promoting the employment of people with disabilities, promoting the empowerment of women, work style reforms such as a three-day work week model, and implementing recruitment activities and various human resource development programs to acquire core human resources over the medium to long term. However, if the Group is unable to secure high quality human resources and prepare the necessary talent for taking on challenges at the right time due to increased speed of business development, it could affect the Group's operating results and financial condition.

⑫ Research and development

The Group conducts independent process technology development and analysis technology development aimed at effectively carrying out precious metals recycling. However, research and development of these new technologies is affected by various factors, such as changes in the market environment, competition, and the success or failure of commercializing development results. Therefore, it is highly uncertain whether the expenses used in research and development can be recovered. For this reason, if the results of research and development are not obtained as initially anticipated, it could affect the Group's operating results and financial condition.

⑬ Key intellectual property rights

In order to protect intellectual property rights important to business deployment, the Group carries out appropriate management. However, unforeseen leaks to outside parties can occur, and complete protection of intellectual property rights may be difficult in certain regions. Therefore, it may not be possible to effectively

prevent third parties from using the Group's intellectual property rights to manufacture and sell similar products and services. Moreover, the Group could be embroiled in a dispute if the products and technologies that it is developing for the future infringe unintentionally on the intellectual property rights of third parties, or regarding the ownership and compensation of workplace inventions in its relationships with employees. The results could affect the Group's operating results and financial condition.

⑭ Product quality assurance and product liability

Led by its Quality Assurance Division, the Group has acquired ISO9001 to provide products offering customers greater confidence and satisfaction, and makes continuous improvements to its quality management systems and strives to maintain and improve quality. Through such measures, the Group makes every effort with its product quality assurance system, but if a product produced by the Group causes damages, it could affect the Group's operating results and financial condition.

⑮ Environmental protection

Based on its Environmental Policies, the Group carries out various initiatives to protect the global environment. For example, it has established the Company-wide Environmental Goals (Annual Plan) and an Environmental Committee is set up at every business site. Through these and other efforts, the Group complies with environmental laws and regulations, revises its plans, deliberates about environmental education and so forth, and reports to management. However, there is no guarantee that all pollution and other environmental risk can be completely prevented or mitigated, so if the Group should cause serious pollution of the environment, it could affect the Group's operating results and financial condition.

⑯ Climate change

The adoption of the Paris Agreement at the 21st Session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 21), which has been ratified by every country, has sparked a global wave of initiatives aimed at reducing greenhouse gases deemed to cause climate change and global warming. The Group has made climate change initiatives one of its business material issues, and has set a target for 2030 of reducing CO₂ emissions by 42% from the 2023 level, and is making efforts toward reduction. In addition to declaring the Group's goal to be carbon neutral by 2050, the Group has measured its CO₂ emissions (Scope 1, 2, and 3) and received third-party verifications. Additionally, we endorsed the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), and have carried out disclosures and actions in line with their recommendations. As a result, the Group's operating results and financial condition could be affected from future climate change impacts if a carbon pricing system that includes a carbon tax were introduced (a transition risk), or if natural disasters were to become so severe due to extreme weather conditions that the Group's facilities and other assets were severely affected and business activities were suspended for a long period of time (a physical risk).

⑰ Information security

PCs and tablets used by the Group are equipped with maximum security countermeasures, and we implement information security measures to prevent system faults and information theft or loss during their installation and operation. We also conduct regular employee training aimed at enhancing information literacy. However, if system failures occur due to increasingly sophisticated cyberattacks, such as computer virus infections, hacking, or software defects, there is a possibility of unexpected situations such as the destruction, alteration, or leakage of important data, and the interruption of production and operations. Additionally, the use of new digital technologies such as generative AI may lead to the unintended external transmission of internal confidential information or decision-making errors based on incorrect AI outputs, resulting in unexpected situations such as the leakage of confidential information or the dissemination of false information, which could lower social trust. If these events occur, they could affect our Group's operating results and financial condition.

⑱ Lawsuits and other legal procedures

As the Group carries out business in Japan and overseas, it could be subjected to lawsuits and other legal procedures. The Group appropriately monitors major lawsuits that have already been instigated or have the potential to be instigated, and takes countermeasures as needed. However, if the Group becomes a party to such

action, it might have to pay large damages, etc. The results could affect the Group's operating results and financial condition.

⑱ Responsible precious metals management

To fulfill our social responsibilities, which include compliance with laws and regulations, consideration for human rights and labor standards, occupational health and safety, environmental preservation, and fair trade within the precious metals supply chain, the Group has established a responsible precious metals management system in accordance with international guidelines and undergoes audits by third-party organizations, obtaining and maintaining certifications. However, if serious compliance issues such as human rights violations, money laundering, terrorist financing, bribery, fraudulent transactions, or violations of economic sanctions occur or are discovered within the supply chain, or if we are unable to adequately respond to the strengthening or revision of relevant laws, regulations, or certification standards, it could hinder our ability to maintain certifications and continue business operations. If these events occur, they could lead to a decline in social trust, affecting the Group's operating results and financial condition.

2. Our Group

Our Group comprises of the pure holding company “ARE Holdings, Inc.,” “Asahi Pretec Corp.,” “ASAHI METALFINE, Inc.,” nine other consolidated subsidiaries, and an equity method affiliate. Our main businesses are Precious Metals business and Environmental Preservation business. The details are as follows:

(1) Precious Metals business

In the Precious Metals business, we sell precious/rare metal products such as gold, silver, palladium, platinum, and rhodium by recycling scrap containing precious metals, etc.

In Japan, Asahi Pretec Corp. and ASAHI METALFINE, Inc. collect scraps containing precious/rare metals from the electronics, dentistry, jewelry manufacturing and distribution, and automotive catalyst sectors. At factories around the country, it collects, separates and refines the scrap and sells high-purity metals to trading companies, jewelry makers, semiconductor/electronic component makers, etc. It also engages in precision cleaning and precious metal delamination of manufacturing equipment parts from semiconductor/electronic component makers, etc.

Overseas, Asahi Refining USA Inc. in the United States and Asahi Refining Canada Ltd. in Canada carry out the refining and processing of gold, silver, and other precious metals. Also, Asahi Depository LLC is engaged in the precious metal storage business in the United States. In addition, ASAHI G&S SDN. BHD. in the Malaysia/Singapore region, Asahi Pretec Korea Co., Ltd. in South Korea, Asahi Pretec (Thailand) Co., Ltd. in Thailand, and Asahi Pretec India Private Limited in India are engaged in the precious metals recycling business.

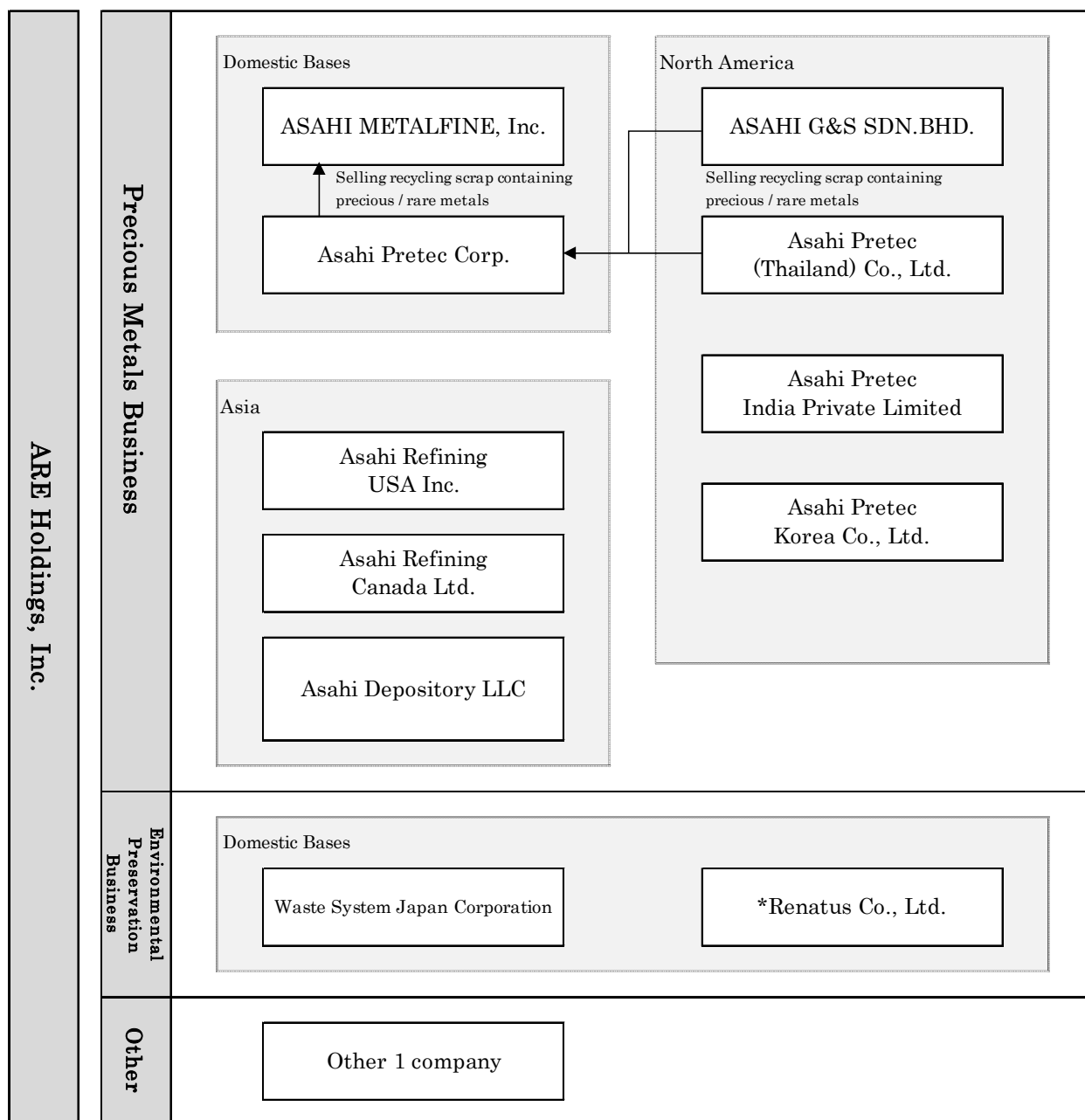
(2) Environmental Preservation business

The main line of our Environmental Preservation business is the collection, transport, and intermediate treatment of industrial waste.

Waste System Japan Corporation is operated as a holding company for the Environmental Preservation business.

[Group Business Organization Chart]

The aforementioned items are shown in the following group business organization chart.



(Note) Unmarked : Consolidated subsidiary
 * : Affiliates accounted for using the equity method

3. Basic Concept Regarding Selection of Accounting Standards

We have applied International Financial Reporting Standards (IFRS) from the first quarter of fiscal year ended March 31, 2017, with the objectives of enhancing our management base for global business development and enabling easier international comparison of financial information in capital markets.

4. Consolidated Financial Statements
(1) Consolidated Statements of Financial Position

| | As of March 31, 2025 | As of March 31, 2026 |
|---|----------------------------|----------------------------|
| | Millions of yen | Millions of yen |
| <u>ASSETS</u> | | |
| Current assets | | |
| Cash and cash equivalents | 17,555 | 10,336 |
| Trade and other receivables | 304,306 | 315,302 |
| Inventories | 51,178 | 122,415 |
| Income tax receivables | – | 250 |
| Other financial assets | 10,568 | 52,379 |
| Other current assets | 36,020 | 36,312 |
| Total current assets | 419,630 | 536,998 |
| Non-current assets | | |
| Property, plant and equipment | 36,464 | 41,800 |
| Goodwill | 19 | – |
| Intangible assets | 1,439 | 1,678 |
| Investments accounted for using equity method | 29,610 | 31,486 |
| Deferred tax assets | 2,007 | 204 |
| Net defined benefit asset | 181 | 224 |
| Financial assets | 589 | 2,866 |
| Other non-current assets | 95 | 129 |
| Total non-current assets | 70,407 | 78,390 |
| Total assets | 490,037 | 615,388 |

| | As of March 31, 2025 | As of March 31, 2026 |
|---|----------------------------|----------------------------|
| | Millions of yen | Millions of yen |
| <u>LIABILITIES and EQUITY</u> | | |
| Liabilities | | |
| Current liabilities | | |
| Trade and other payables | 45,096 | 131,965 |
| Bonds and loans payable | 246,400 | 98,554 |
| Income tax payable | 1,784 | 5,619 |
| Other financial liabilities | 13,822 | 31,041 |
| Provisions | 1,467 | 1,934 |
| Other current liabilities | 2,681 | 7,761 |
| Total current liabilities | <u>311,251</u> | <u>276,876</u> |
| Non-current liabilities | | |
| Bonds and loans payable | 43,462 | 84,648 |
| Deferred tax liabilities | 6,324 | 22,806 |
| Net defined benefit liability | 108 | 156 |
| Other financial liabilities | 2,541 | 289 |
| Other non-current liabilities | – | 55 |
| Total non-current liabilities | <u>52,437</u> | <u>107,956</u> |
| Total liabilities | 363,688 | 384,833 |
| Equity | | |
| Capital stock | 7,790 | 20,233 |
| Capital surplus | 12,080 | 26,760 |
| Treasury stock | (6,066) | (1,657) |
| Retained earnings | 121,679 | 138,497 |
| Other components of equity | (9,182) | 46,721 |
| Total equity attributable to owners of parent | <u>126,301</u> | <u>230,555</u> |
| Non-controlling interests | 47 | – |
| Total equity | <u>126,349</u> | <u>230,555</u> |
| Total liabilities and equity | <u><u>490,037</u></u> | <u><u>615,388</u></u> |

(2) Consolidated Statements of Income

| | The fiscal year ended March 31, 2025 | The fiscal year ended March 31, 2026 |
|--|---|---|
| | Millions of yen | Millions of yen |
| Revenue | 506,211 | 569,992 |
| Cost of sales | <u>(477,267)</u> | <u>(525,170)</u> |
| Gross profit | 28,943 | 44,822 |
| Selling, general and administrative expenses | (8,585) | (9,566) |
| Other operating income | 334 | 873 |
| Other operating expenses | (2,639) | (898) |
| Share of profit (loss) of investments accounted for using equity method | 1,931 | 1,857 |
| Operating profit | 19,984 | 37,088 |
| Finance income | 692 | 870 |
| Finance costs | <u>(194)</u> | <u>(3,251)</u> |
| Profit before tax | 20,483 | 34,706 |
| Income tax expenses | <u>(6,172)</u> | <u>(10,295)</u> |
| Profit | <u>14,310</u> | <u>24,411</u> |
| Profit attributable to: | | |
| Owners of parent | 14,319 | 24,441 |
| Non-controlling interests | <u>(8)</u> | <u>(29)</u> |
| Profit | <u>14,310</u> | <u>24,411</u> |
| Earnings per share | | |
| Basic earnings per share (Yen) | 187.13 | 315.49 |
| Diluted earnings per share (Yen) | 169.96 | 287.15 |

(3) Consolidated Statements of Comprehensive Income

| | The fiscal year ended March 31, 2025 | The fiscal year ended March 31, 2026 |
|---|---|---|
| | Millions of yen | Millions of yen |
| Profit | 14,310 | 24,411 |
| Other comprehensive income | | |
| Items that will not be reclassified to profit or loss | | |
| Remeasurements of defined benefit plans | 35 | 38 |
| Share of other comprehensive income of investments accounted for using equity method | 13 | 18 |
| Total items that will not be reclassified to profit or loss | 49 | 57 |
| Items that may be reclassified to profit or loss | | |
| Cash flow hedges | (5,856) | 49,631 |
| Translation adjustments of foreign operations | (1,866) | 6,252 |
| Total items that may be reclassified to profit or loss | (7,723) | 55,883 |
| Other comprehensive income, net of tax | (7,673) | 55,940 |
| Comprehensive income | 6,636 | 80,352 |
| Comprehensive income attributable to: | | |
| Owners of parent | 6,644 | 80,383 |
| Non-controlling interests | (8) | (31) |
| Comprehensive income | 6,636 | 80,352 |

(4) 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 | – | – | – | 14,319 | – | – |
| Other comprehensive income | – | – | – | – | (1,867) | (5,856) |
| Total comprehensive income | – | – | – | 14,319 | (1,867) | (5,856) |
| Purchase of treasury stock | – | – | (1,000) | – | – | – |
| Disposal of treasury stock | – | (0) | 325 | – | – | – |
| Dividends | – | – | – | (6,513) | – | – |
| Equity transactions with non-controlling interests | – | – | – | – | – | – |
| Reclassified from other components of equity to retained earnings | – | – | – | 35 | – | – |
| Share-based payment transactions | – | (164) | 533 | – | – | – |
| Total transactions with owners | – | (164) | (141) | (6,477) | – | – |
| Balance at March 31, 2025 | 7,790 | 12,080 | (6,066) | 121,679 | 474 | (9,670) |

(Millions of yen)

| | Equity attributable to owners of parent | | | | | |
|---|--|---|---------|---------|---------------------------|--------------|
| | Other components of equity | | | | | |
| | Financial assets measured at fair value through other comprehensive income | Remeasurements of defined benefit plans | Total | Total | Non-controlling interests | Total equity |
| Balance at April 1, 2024 | – | – | (1,471) | 126,476 | – | 126,476 |
| Profit | – | – | – | 14,319 | (8) | 14,310 |
| Other comprehensive income | 13 | 35 | (7,674) | (7,674) | 0 | (7,673) |
| Total comprehensive income | 13 | 35 | (7,674) | 6,644 | (8) | 6,636 |
| Purchase of treasury stock | – | – | – | (1,000) | – | (1,000) |
| Disposal of treasury stock | – | – | – | 325 | – | 325 |
| Dividends | – | – | – | (6,513) | – | (6,513) |
| Equity transactions with non-controlling interests | – | – | – | – | 55 | 55 |
| Reclassified from other components of equity to retained earnings | – | (35) | (35) | – | – | – |
| Share-based payment transactions | – | – | – | 369 | – | 369 |
| Total transactions with owners | – | (35) | (35) | (6,819) | 55 | (6,763) |
| Balance at March 31, 2025 | 13 | – | (9,182) | 126,301 | 47 | 126,349 |

(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 | – | – | – | 24,441 | – | – |
| Other comprehensive income | – | – | – | – | 6,253 | 49,631 |
| Total comprehensive income | – | – | – | 24,441 | 6,253 | 49,631 |
| Disposal of treasury stock | – | 2,903 | 4,382 | – | – | – |
| Issuance of new shares | 12,443 | 11,697 | – | – | – | – |
| Dividends | – | – | – | (7,662) | – | – |
| Change in ownership interest of parent due to transactions with non-controlling interests | – | (43) | – | – | – | – |
| Reclassified from other components of equity to retained earnings | – | – | – | 38 | – | – |
| Share-based payment transactions | – | 122 | 27 | – | – | – |
| Total transactions with owners | 12,443 | 14,679 | 4,409 | (7,623) | – | – |
| Balance at March 31, 2026 | 20,233 | 26,760 | (1,657) | 138,497 | 6,728 | 39,960 |

(Millions of yen)

| | Equity attributable to owners of parent | | | | | | |
|---|--|---|---------|---------|-------|---------------------------|--------------|
| | Other components of equity | | | Total | Total | Non-controlling interests | Total equity |
| | Financial assets measured at fair value through other comprehensive income | Remeasurements of defined benefit plans | Total | | | | |
| Balance at April 1, 2025 | 13 | – | (9,182) | 126,301 | 47 | 126,349 | |
| Profit | – | – | – | 24,441 | (29) | 24,411 | |
| Other comprehensive income | 18 | 38 | 55,942 | 55,942 | (1) | 55,940 | |
| Total comprehensive income | 18 | 38 | 55,942 | 80,383 | (31) | 80,352 | |
| Disposal of treasury stock | – | – | – | 7,286 | – | 7,286 | |
| Issuance of new shares | – | – | – | 24,141 | – | 24,141 | |
| Dividends | – | – | – | (7,662) | – | (7,662) | |
| Change in ownership interest of parent due to transactions with non-controlling interests | – | – | – | (43) | (16) | (59) | |
| Reclassified from other components of equity to retained earnings | – | (38) | (38) | – | – | – | |
| Share-based payment transactions | – | – | – | 149 | – | 149 | |
| Total transactions with owners | – | (38) | (38) | 23,870 | (16) | 23,854 | |
| Balance at March 31, 2026 | 32 | – | 46,721 | 230,555 | – | 230,555 | |

(5) Consolidated Statements of Cash Flows

| | The fiscal year ended March 31, 2025 | The fiscal year ended March 31, 2026 |
|---|--|--|
| | Millions of yen | Millions of yen |
| Cash provided by (used in) operating activities | | |
| Profit before tax | 20,483 | 34,706 |
| Depreciation and amortization | 2,764 | 2,978 |
| Impairment loss | 2,038 | 494 |
| Finance income and finance cost | 681 | 2,751 |
| Share of loss (profit) of investments accounted for using equity method | (1,931) | (1,857) |
| Decrease (increase) in inventories | (17,242) | (71,191) |
| Decrease (increase) in trade and other receivables | (183,858) | 46,295 |
| Increase (decrease) in trade, loans and other payables | 178,214 | (110,263) |
| Other, net | 1,058 | 4,749 |
| Subtotal | 2,207 | (91,335) |
| Interest and dividend income received | 17,425 | 73 |
| Interest expenses paid | (220) | (1,642) |
| Income taxes paid | (4,917) | (6,480) |
| Income taxes refunded | 190 | 0 |
| Net cash provided by (used in) operating activities | 14,685 | (99,385) |
| Cash provided by (used in) investing activities | | |
| Payments into time deposits | (221) | (105) |
| Proceeds from withdrawal of time deposits | 110 | 210 |
| Purchase of property, plant and equipment | (7,423) | (8,335) |
| Proceeds from sales of property, plant and equipment | 218 | 2,123 |
| Purchase of intangible assets | (299) | (814) |
| Payments for loans receivable | (11,442) | - |
| Collection of loans receivable | 19,307 | 9,065 |
| Other, net | 0 | (2,493) |
| Net cash provided by (used in) investing activities | 250 | (349) |
| Cash provided by (used in) financing activities | | |
| Net increase (decrease) in short-term loans payable | 72 | 23,741 |
| Proceeds from long-term loans payable | 6,000 | 40,160 |
| Repayment of long-term loans payable | - | (3,984) |
| Proceeds from issuance of bonds | - | 39,833 |
| Redemption of bonds | (5,000) | - |
| Proceeds from sales of treasury stock | 325 | - |
| Purchase of treasury stock | (1,000) | - |
| Proceeds from share issuance to non-controlling interests | 55 | - |
| Payment to acquire interests in subsidiaries from non-controlling | - | (60) |
| Cash dividends paid | (6,510) | (7,662) |
| Other, net | (151) | (150) |
| Net cash provided by (used in) financing activities | (6,207) | 91,878 |
| Effect of exchange rate change on cash and cash equivalents | 1,945 | 637 |
| Net increase (decrease) in cash and cash equivalents | 10,674 | (7,219) |
| Cash and cash equivalents at beginning of period | 6,881 | 17,555 |
| Cash and cash equivalents at end of period | 17,555 | 10,336 |

(6) Notes on Assumptions for Going Concern

Not applicable

(7) Notes on Consolidated Financial Statements

1. 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 fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

| | Reporting segment | | | | Total | Adjustments | (Millions of yen) Consolidated |
|---|--------------------------|-------------------------------------|----------------|-----------|----------------|-------------|-----------------------------------|
| | Precious Metals Business | Environmental Preservation Business | Subtotal | Other | | | |
| Revenue | | | | | | | |
| External revenue | 506,130 | – | 506,130 | 80 | 506,211 | – | 506,211 |
| Intersegment revenue | – | – | – | – | – | – | – |
| Total | <u>506,130</u> | <u>–</u> | <u>506,130</u> | <u>80</u> | <u>506,211</u> | <u>–</u> | <u>506,211</u> |
| Operating profit by business segment | 18,339 | 1,919 | 20,258 | (273) | 19,984 | – | 19,984 |
| Finance income | | | | | | | 692 |
| Finance costs | | | | | | | <u>(194)</u> |
| Profit before tax | | | | | | | <u>20,483</u> |
| Others: | | | | | | | |
| Depreciation and amortization | 2,764 | – | 2,764 | 0 | 2,764 | – | 2,764 |
| Impairment loss | 2,038 | – | 2,038 | – | 2,038 | – | 2,038 |
| Share of profit (loss) of investments accounted for using equity method | – | 1,931 | 1,931 | – | 1,931 | – | 1,931 |

(Note) Please refer to Note “2. Impairment loss” for details on impairment loss.

For the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

| | Reporting segment | | | Other | Total | Adjustments | (Millions of yen) Consolidated |
|---|--------------------------|-------------------------------------|----------------|--------------|----------------|-------------|-----------------------------------|
| | Precious Metals Business | Environmental Preservation Business | Subtotal | | | | |
| Revenue | | | | | | | |
| External revenue | 569,863 | – | 569,863 | 129 | 569,992 | – | 569,992 |
| Intersegment revenue | – | – | – | – | – | – | – |
| Total | <u>569,863</u> | <u>–</u> | <u>569,863</u> | <u>129</u> | <u>569,992</u> | <u>–</u> | <u>569,992</u> |
| Operating profit by business segment | <u>35,424</u> | <u>1,845</u> | <u>37,270</u> | <u>(181)</u> | <u>37,088</u> | <u>–</u> | <u>37,088</u> |
| Finance income | | | | | | | 870 |
| Finance costs | | | | | | | <u>(3,251)</u> |
| Profit before tax | | | | | | | <u>34,706</u> |
| Others: | | | | | | | |
| Depreciation and amortization | <u>2,978</u> | <u>–</u> | <u>2,978</u> | <u>0</u> | <u>2,978</u> | <u>–</u> | <u>2,978</u> |
| Impairment loss | <u>494</u> | <u>–</u> | <u>494</u> | <u>–</u> | <u>494</u> | <u>–</u> | <u>494</u> |
| Share of profit (loss) of investments accounted for using equity method | <u>–</u> | <u>1,857</u> | <u>1,857</u> | <u>–</u> | <u>1,857</u> | <u>–</u> | <u>1,857</u> |

(Note) Please refer to Note “2. Impairment loss” for details on impairment loss.

2. Impairment loss

For the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

The impairment loss of 2,038 million yen on property, plant and equipment, intangible assets, etc. recognized during the fiscal year ended March 31, 2025 is recorded in “Other operating expenses” in the Consolidated Statements of Income. This impairment loss mainly relates to reduction of the book value of property, plant and equipment, etc., which are scheduled for retirement due to the closure of Asahi Refining Florida LLC in the Precious Metals Segment, with book value reduced to the recoverable amount, and the amount of reduction recorded as a loss (1,994 million yen).

For the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

The impairment loss of 494 million yen on property, plant and equipment, intangible assets, etc. recognized during the fiscal year ended March 31, 2026 is recorded in “Other operating expenses” in the Consolidated Statements of Income. This impairment loss mainly consists of a loss (142 million yen) for the reduction of the carrying amount of land and buildings, etc. of ARE Holdings, Inc., in the Precious Metals Segment, and the carrying amount of machinery and equipment of Asahi Prettec Corp., to the recoverable amount due to their scheduled disposal and retirement as a result of the closure of the Nagano Plant and Nagano Sales Office following the relocation and consolidation of the cleaning process to Bando-shi, Ibaraki Prefecture, and a loss (275 million yen) for the reduction of the carrying amount of land and buildings of ARE Holdings, Inc., to the recoverable amount due to their scheduled disposal and retirement for the reconstruction of industrial waste treatment facilities at the Ijuin Plant.

3. Per share information

The basis for calculating basic earnings per share and diluted earnings per share attributable to common shareholders is as follows.

(1) The basis for calculating basic earnings per share

| | Year ended March 31, 2025 | Year ended March 31, 2026 |
|---|---------------------------|---------------------------|
| Profit attributable to owners of parent (Millions of yen) | 14,319 | 24,441 |
| Profit not attributable to common shareholders of parent (Millions of yen) | – | – |
| Profit used for calculation of the basic earnings per share (Millions of yen) | 14,319 | 24,441 |
| Weighted average number of common stock (Shares) | 76,519,846 | 77,469,607 |
| Basic earnings per share (Yen) | 187.13 | 315.49 |

(2) The basis for calculating diluted earnings per share

| | Year ended March 31, 2025 | Year ended March 31, 2026 |
|---|---------------------------|---------------------------|
| Profit used for calculation of the basic earnings per share (Millions of yen) | 14,319 | 24,441 |
| Adjustments of profit for the year (Millions of yen) | 307 | 308 |
| Profit used for calculation of the diluted earnings per share (Millions of yen) | 14,626 | 24,749 |
| Weighted average number of common stock (Shares) | 76,519,846 | 77,469,607 |
| Increase in number of common stock Share acquisition rights (Shares) | 9,542,161 | 8,722,451 |
| Weighted average number of diluted common stock (Shares) | 86,062,007 | 86,192,058 |
| Diluted earnings per share (Yen) | 169.96 | 287.15 |

4. Subsequent events

Not applicable

5. Others

(1) Amounts of sales

| | Year ended March 31, 2025 | | Year ended March 31, 2026 | |
|-----------|-----------------------------|---------------------|-----------------------------|---------------------|
| | Amount (Millions of yen) | Year-on-Year (%) | Amount (Millions of yen) | Year-on-Year (%) |
| Gold | 424,852 | 181.9 | 450,530 | 106.0 |
| Silver | 6,973 | 102.2 | 13,122 | 188.2 |
| Palladium | 21,077 | 84.6 | 27,011 | 128.2 |
| Platinum | 17,200 | 102.8 | 29,045 | 168.9 |
| Other | 36,107 | 89.8 | 50,283 | 139.3 |
| Total | 506,211 | 157.1 | 569,992 | 112.6 |