

**Consolidated Financial Results for the Three Months Ended June 30, 2025**  
**ARE Holdings, Inc. [IFRS]**

July 30, 2025

Stock code: 5857  
Shares listed: Tokyo Stock Exchange - Prime Market  
URL: <https://www.are-holdings.com/english/>  
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Start of dividend payment: —  
Supplementary materials for the financial results: Yes  
Investor conference for the financial results: No

(Rounded down to the nearest million yen)

1. Results of the three months ended June 30, 2025 (From April 1, 2025 to June 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	
The three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2025	137,120	48.6	5,928	63.9	4,989	31.4	3,633	13.6	3,639	13.8	17,347	110.3
June 30, 2024	92,300	47.5	3,617	47.0	3,796	49.3	3,197	33.4	3,197	33.4	8,249	(22.8)

	Basic earnings per share	Diluted earnings per share
The three months ended	Yen	Yen
June 30, 2025	47.51	43.11
June 30, 2024	41.83	37.99

(2) Financial Position

	Total assets	Total equity	Equity attributable to owners of parent	Equity attributable to owners of parent ratio
As of	Millions of yen	Millions of yen	Millions of yen	%
June 30, 2025	505,985	140,672	140,633	27.8
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
Year ended March 31, 2025	Yen —	Yen 40.00	Yen —	Yen 40.00	Yen 80.00
Year ending March 31, 2026	—				
Year ending March 31, 2026 (Forecast)		40.00	—	40.00	80.00

(Note) Revisions in dividend forecast in the current period: No

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	%	Yen
Six months ending September 30, 2025	219,822	(8.5)	10,706	28.7	10,653	26.9	8,131	23.1	106.13
Year ending March 31, 2026	448,199	(11.5)	22,000	10.1	21,895	6.9	16,179	13.1	211.18

(Note) Revisions in forecast in the current period: No

\* 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 quarter end (including treasury stock)

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

(ii) Number of treasury stock at the quarter end

As of June 30, 2025	3,095,284 shares
As of March 31, 2025	3,095,284 shares

(iii) Averaged number of shares during the period (quarterly cumulative period)

Three months ended June 30, 2025	76,613,404 shares
Three months ended June 30, 2024	76,433,500 shares

\* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: No

\* 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 Three Months Ended June 30, 2025

The financial results for the three months ended June 30, 2025 were as follows.

Revenue	137,120 million yen	(a year-on-year increase of 44,820 million yen, or +48.6 percent)
Operating profit	5,928 million yen	(a year-on-year increase of 2,310 million yen, or +63.9 percent)
Profit before tax	4,989 million yen	(a year-on-year increase of 1,192 million yen, or +31.4 percent)
Profit attributable to owners of parent	3,639 million yen	(a year-on-year increase of 442 million yen, or +13.8 percent)

As for the precious metals recycling business, operating profit increased year on year. In the electronics and dental sectors, the volume collected and operating profit increased year on year. In the jewelry sector, as a result of placing greater emphasis on profitability, the volume of gold collected decreased year on year, but operating profit increased 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 year on year. The precious metals refining, product, storage, and trading businesses performed well on the back of increased flows of gold and silver raw materials and products into the United States. 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, significantly increased year on year.

In the Environmental Preservation business segment, the share of profit (loss) of investments accounted for using equity method remained flat year on year.

### (2) Overview of Consolidated Financial Position and Cash Flows for the Three Months Ended June 30, 2025

As of June 30, 2025, total assets amounted to 505,985 million yen, up 15,948 million yen from the previous fiscal year end. This was mainly due to increases of 9,704 million yen in trade and other receivables and 3,926 million yen in inventories.

Total liabilities amounted to 365,313 million yen, up 1,625 million yen from the previous fiscal year end. This was mainly due to increases of 2,200 million yen in bonds and loans payable, 16,523 million yen in other current liabilities and 3,779 million yen in deferred tax liabilities, while trade and other payables decreased by 6,845 million yen and other financial liabilities decreased by 12,286 million yen.

Total equity amounted to 140,672 million yen, up 14,322 million yen from the previous fiscal year end. This was mainly due to an increase of 17,347 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 27.8%, from 25.8% at the end of the previous fiscal year.

Net cash provided by operating activities amounted to 508 million yen due mainly to 4,989 million yen of profit before tax, 650 million yen of depreciation and amortization, 3,954 million yen of increase in inventories, 3,395 million yen of increase in trade and other receivables, 4,566 million yen of decrease in trade, loans and other payables and 1,600 million yen of income taxes paid.

Net cash used in investing activities amounted to 642 million yen due mainly to 3,115 million yen of purchase of property, plant and equipment, despite 2,695 million yen of collection of loans receivable.

Net cash provided by financing activities amounted to 813 million yen due mainly to 615 million yen of net increase in short-term loans payable and 7,133 million yen of proceeds from long-term loans payable, despite 3,853 million yen of repayment of long-term loans payable and 3,045 million yen of cash dividends paid.

As a result, cash and cash equivalents as of June 30, 2025 decreased by 398 million yen from March 31, 2025, to 17,157 million yen.

### (3) Consolidated Performance Forecasts

No changes have been made to the forecasts going forward as they are in line with the financial forecast for the fiscal year ending March 31, 2026 announced in the “Consolidated Financial Results for the Fiscal Year Ended March 31, 2025” made public on April 25, 2025.

## 2. Condensed Quarterly Consolidated Financial Statements

### (1) Condensed Quarterly Consolidated Statements of Financial Position

	As of March 31, 2025	As of June 30, 2025
	Millions of yen	Millions of yen
<u>ASSETS</u>		
Current assets		
Cash and cash equivalents	17,555	17,157
Trade and other receivables	304,306	314,011
Inventories	51,178	55,105
Income tax receivables	—	26
Other financial assets	10,568	13,029
Other current assets	36,020	35,067
Total current assets	419,630	434,397
Non-current assets		
Property, plant and equipment	36,464	38,820
Goodwill	19	19
Intangible assets	1,439	1,547
Investments accounted for using equity method	29,610	29,977
Deferred tax assets	2,007	260
Net defined benefit asset	181	175
Financial assets	589	643
Other non-current assets	95	142
Total non-current assets	70,407	71,587
Total assets	490,037	505,985

	As of March 31, 2025	As of June 30, 2025
	Millions of yen	Millions of yen
<b>LIABILITIES and EQUITY</b>		
Liabilities		
Current liabilities		
Trade and other payables	45,096	38,250
Bonds and loans payable	246,400	279,101
Income tax payable	1,784	603
Other financial liabilities	13,822	3,689
Provisions	1,467	892
Other current liabilities	2,681	19,204
Total current liabilities	311,251	341,742
Non-current liabilities		
Bonds and loans payable	43,462	12,961
Deferred tax liabilities	6,324	10,104
Net defined benefit liability	108	109
Other financial liabilities	2,541	386
Other non-current liabilities	—	8
Total non-current liabilities	52,437	23,570
Total liabilities	363,688	365,313
Equity		
Capital stock	7,790	7,790
Capital surplus	12,080	12,120
Treasury stock	(6,066)	(6,066)
Retained earnings	121,679	122,253
Other components of equity	(9,182)	4,534
Total equity attributable to owners of parent	126,301	140,633
Non-controlling interests	47	39
Total equity	126,349	140,672
Total liabilities and equity	490,037	505,985

## (2) Condensed Quarterly Consolidated Statements of Income

	The three months ended June 30, 2024	The three months ended June 30, 2025
	Millions of yen	Millions of yen
Revenue	92,300	137,120
Cost of sales	(87,107)	(129,500)
Gross profit	5,192	7,620
Selling, general and administrative expenses	(2,092)	(2,082)
Other operating income	48	16
Other operating expenses	(3)	(11)
Share of profit (loss) of investments accounted for using equity method	473	385
Operating profit	3,617	5,928
Finance income	551	333
Finance costs	(372)	(1,273)
Profit before tax	3,796	4,989
Income tax expenses	(598)	(1,355)
Profit	<u>3,197</u>	<u>3,633</u>
Profit attributable to:		
Owners of parent	3,197	3,639
Non-controlling interests	—	(5)
Profit	<u>3,197</u>	<u>3,633</u>
Earnings per share		
Basic earnings per share (Yen)	41.83	47.51
Diluted earnings per share (Yen)	37.99	43.11



### (3) Condensed Quarterly Consolidated Statements of Comprehensive Income

	The three months ended June 30, 2024	The three months ended June 30, 2025
	Millions of yen	Millions of yen
Profit	3,197	3,633
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	20	(1)
Share of other comprehensive income of investments accounted for using equity method	—	(18)
Total items that will not be reclassified to profit or loss	20	(19)
Items that may be reclassified to profit or loss		
Cash flow hedges	3,399	13,324
Translation adjustments of foreign operations	1,631	408
Total items that may be reclassified to profit or loss	5,031	13,733
Other comprehensive income, net of tax	5,051	13,713
Comprehensive income	8,249	17,347
Comprehensive income attributable to:		
Owners of parent	8,249	17,355
Non-controlling interests	—	(8)
Comprehensive income	8,249	17,347

#### (4) Condensed Quarterly 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	—	—	—	3,197	—	—
Other comprehensive income	—	—	—	—	1,631	3,399
Total comprehensive income	—	—	—	3,197	1,631	3,399
Purchase of treasury stock	—	—	(999)	—	—	—
Dividends	—	—	—	(3,448)	—	—
Reclassified from other components of equity to retained earnings	—	—	—	20	—	—
Share-based payment transactions	—	120	—	—	—	—
Total transactions with owners	—	120	(999)	(3,428)	—	—
Balance at June 30, 2024	7,790	12,366	(6,925)	113,606	3,973	(414)

(Millions of yen)

	Equity attributable to owners of parent		
	Other components of equity		Total equity
	Remeasurements of defined benefit plans	Total	
Balance at April 1, 2024	—	(1,471)	126,476
Profit	—	—	3,197
Other comprehensive income	20	5,051	5,051
Total comprehensive income	20	5,051	8,249
Purchase of treasury stock	—	—	(999)
Dividends	—	—	(3,448)
Reclassified from other components of equity to retained earnings	(20)	(20)	—
Share-based payment transactions	—	—	120
Total transactions with owners	(20)	(20)	(4,327)
Balance at June 30, 2024	—	3,559	130,397

(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	—	—	—	3,639	—	—
Other comprehensive income	—	—	—	—	411	13,324
Total comprehensive income	—	—	—	3,639	411	13,324
Dividends	—	—	—	(3,064)	—	—
Reclassified from other components of equity to retained earnings	—	—	—	(1)	—	—
Share-based payment transactions	—	40	—	—	—	—
Total transactions with owners	—	40	—	(3,065)	—	—
Balance at June 30, 2025	7,790	12,120	(6,066)	122,253	885	3,654

(Millions of yen)

	Equity attributable to owners of parent					
	Other components of equity			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	—	—	—	3,639	(5)	3,633
Other comprehensive income	(18)	(1)	13,715	13,715	(2)	13,713
Total comprehensive income	(18)	(1)	13,715	17,355	(8)	17,347
Dividends	—	—	—	(3,064)	—	(3,064)
Reclassified from other components of equity to retained earnings	—	1	1	—	—	—
Share-based payment transactions	—	—	—	40	—	40
Total transactions with owners	—	1	1	(3,024)	—	(3,024)
Balance at June 30, 2025	(5)	—	4,534	140,633	39	140,672

# (5) Condensed Quarterly Consolidated Statements of Cash Flows

	The three months ended June 30, 2024	The three months ended June 30, 2025
	Millions of yen	Millions of yen
Cash provided by (used in) operating activities		
Profit before tax	3,796	4,989
Depreciation and amortization	692	650
Finance income and finance cost	1,981	(1,426)
Share of loss (profit) of investments accounted for using equity method	(473)	(385)
Decrease (increase) in inventories	(23,354)	(3,954)
Decrease (increase) in trade and other receivables	(48,312)	(3,395)
Increase (decrease) in trade, loans and other payables	42,451	(4,566)
Other, net	8,717	10,256
Subtotal	(14,502)	2,167
Interest and dividend income received	17,204	27
Interest expenses paid	(40)	(85)
Income taxes paid	(2,161)	(1,600)
Net cash provided by (used in) operating activities	499	508
Cash provided by (used in) investing activities		
Payments into time deposits	(223)	–
Proceeds from withdrawal of time deposits	111	103
Purchase of property, plant and equipment	(833)	(3,115)
Proceeds from sales of property, plant and equipment	3	2
Purchase of intangible assets	(67)	(222)
Payments for loans receivable	(3,164)	–
Collection of loans receivable	5,364	2,695
Other, net	68	(106)
Net cash provided by (used in) investing activities	1,259	(642)
Cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	11,118	615
Proceeds from long-term loans payable	–	7,133
Repayment of long-term loans payable	–	(3,853)
Purchase of treasury stock	(999)	–
Cash dividends paid	(3,426)	(3,045)
Other, net	(37)	(37)
Net cash provided by (used in) financing activities	6,654	813
Effect of exchange rate change on cash and cash equivalents	(774)	(1,077)
Net increase (decrease) in cash and cash equivalents	7,638	(398)
Cash and cash equivalents at beginning of period	6,881	17,555
Cash and cash equivalents at end of period	14,520	17,157

## (6) Notes on Condensed Quarterly 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 three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

	Reporting segment				(Millions of yen)		
	Precious Metals Business	Environmental Preservation Business	Subtotal	Other	Total	Adjustments	Consolidated
Revenue							
External revenue	92,285	—	92,285	14	92,300	—	92,300
Intersegment revenue	—	—	—	—	—	—	—
Total	92,285	—	92,285	14	92,300	—	92,300
Operating profit by business segment	3,225	472	3,697	(79)	3,617	—	3,617
Finance income							551
Finance costs							(372)
Profit before tax							3,796

For the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

	Reporting segment			Other	Total	(Millions of yen)	
	Precious Metals Business	Environmental Preservation Business	Subtotal			Adjustments	Consolidated
Revenue							
External revenue	137,093	—	137,093	27	137,120	—	137,120
Intersegment revenue	—	—	—	—	—	—	—
Total	<u>137,093</u>	<u>—</u>	<u>137,093</u>	<u>27</u>	<u>137,120</u>	<u>—</u>	<u>137,120</u>
Operating profit by business segment	<u>5,610</u>	<u>382</u>	<u>5,992</u>	<u>(64)</u>	<u>5,928</u>	<u>—</u>	<u>5,928</u>
Finance income							333
Finance costs							<u>(1,273)</u>
Profit before tax							<u>4,989</u>

*Notes on assumptions for going concern*

Not applicable

*Significant subsequent events*

Not applicable