

Q1 FY2026.3

Financial Results

ARE Holdings, Inc.

July 30, 2025

These forecast performance figures are based on information currently available to the company's management and certain assumptions judged rationally. Accordingly, there might be cases in which actual results materially differ from forecasts of this report.



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Agenda

1. Q1 FY2026.3 Financial Results
2. Appendix



1

Consolidated Results

	FY2025.3 Q1 Results	FY2026.3		FY2026.3 Forecast
		Q1 Results	YoY Change	
Sales Revenue	92.3 bn yen	137.1 bn yen	+44.8 bn yen	448.2 bn yen
Operating Profit	3.6 bn yen	5.9 bn yen	+2.3 bn yen	22.0 bn yen
Net Income	3.2 bn yen	3.6 bn yen	+0.4 bn yen	16.2 bn yen

2

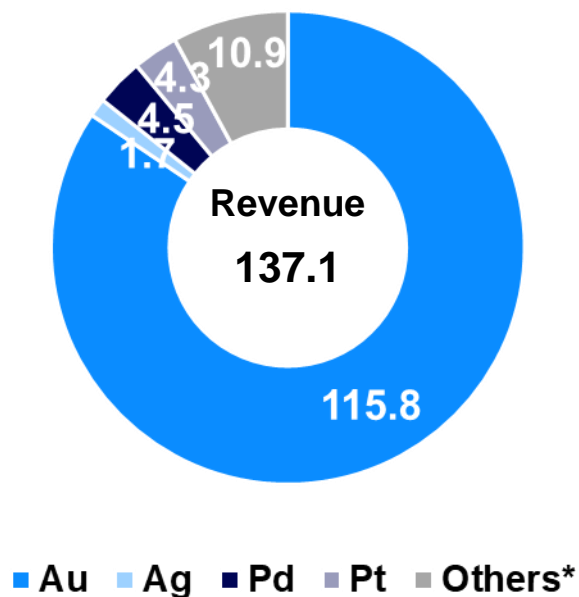
Results by Business Segments

	Precious Metals Business		Environmental Preservation Business	
	Q1 FY2026.3	YoY Change	Q1 FY2026.3	YoY Change
Operating Profit	5.6 bn yen	+2.4 bn yen	0.4 bn yen	-0.1 bn yen



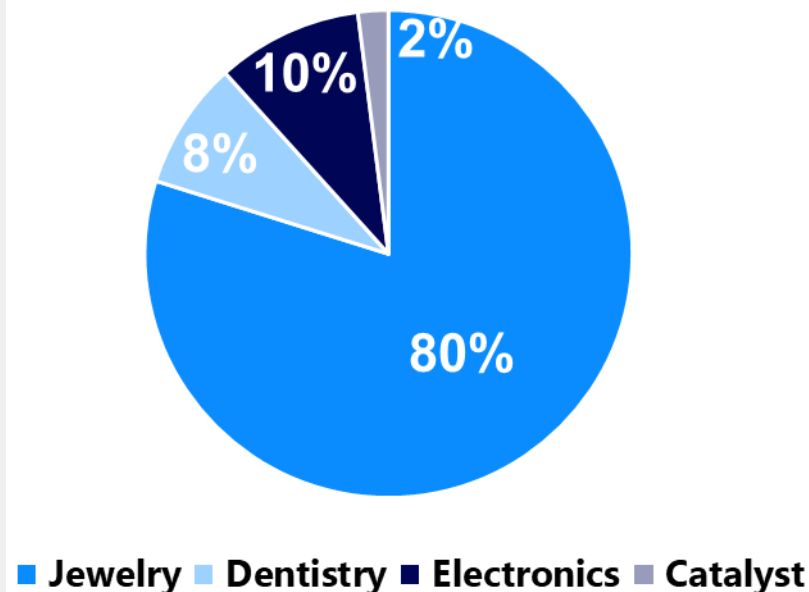
Breakdown of Sales by Metal Element

Unit: billion yen



*Includes Rh sales as well as the sales revenue from the North American refining business.

Breakdown of Sales by Business Sector

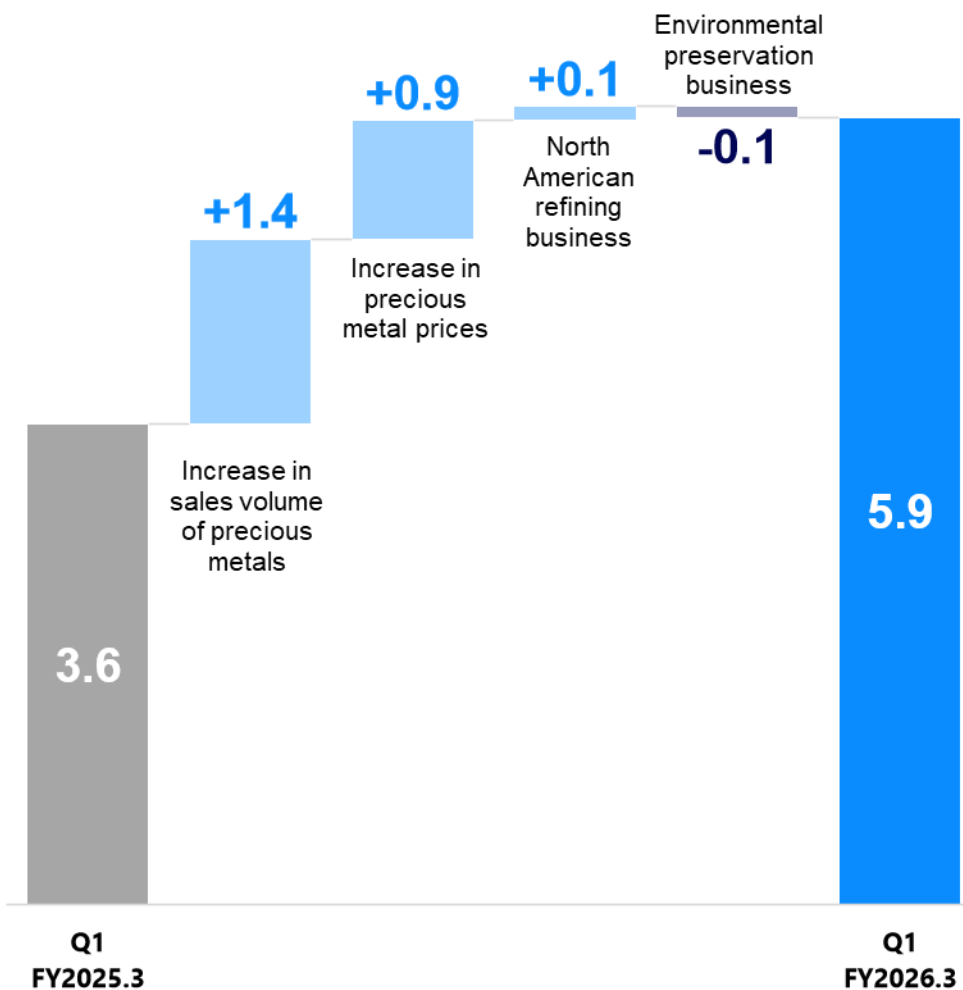


This figure shows a breakdown of sales by business sector in domestic precious metals recycling business and excludes sales revenue of North American refining business and domestic retail business.



Analysis of Change in Operating Profit (YoY Change)

Unit: billion yen



Main Drivers

Precious Metals Business | Profit Growth

The rise in both sales volume and precious metal prices drove growth in operating profit.

North American Refining Business | Profit Growth

Refining, warehousing, and trading businesses maintained their strong performance from the previous fiscal year, contributing to an increase in operating profit.

Fluctuations in Precious Metal Prices





Unit: yen

Precious metal prices (per gram)	Q1 FY2025.3	Q1 FY2026.3	
	Average price for the period	Average price for the period	YoY Change
Au	11,744	15,307	+ 3,563
Pd	4,994	4,652	- 342
Pt	5,001	5,078	+ 77
Rh	22,969	24,405	+ 1,436

【Reference】

Au...Quote from mining company, Pd...Nikkei low price, Pt...retail price (exclude tax), Rh...Metals Week NY Dealer Prices

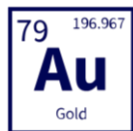


	Profit (YoY change)	Collection Volume (YoY change)	Business Environment
Dentistry	Growth 	Au 101%	Although material shifts continue to impact the recycling market, we maintained the same level of collection volume as the previous year due to improved sales structure and the implementation of new measures.
Jewelry	Growth 	Au 90%	Au collection volume decreased as we prioritized profitability.
Electronics	Growth 	Au 104%	While the slowdown in the Chinese market, the U.S. tariff policy, and the slowdown in demand for EVs had an impact, AI semiconductor-related products performed well, and the collection volume increased year on year.
Catalyst	Decline 	Pd 75%	The weak yen boosted demand for used cars overseas, intensifying competition. As a result, the volume of end-of-life vehicle catalysts generated in Japan declined, and collection volumes decreased.

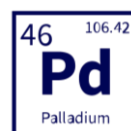
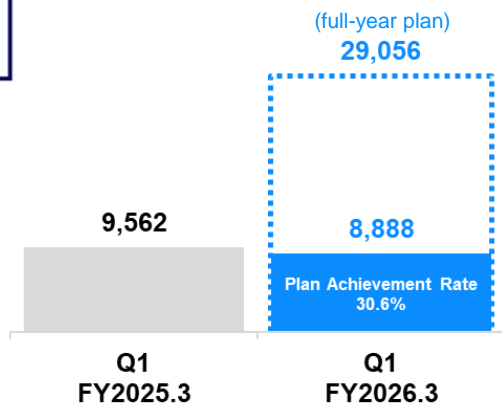
Note: Business environment commentary for each sector is compared with the same period last year.



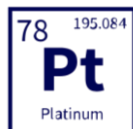
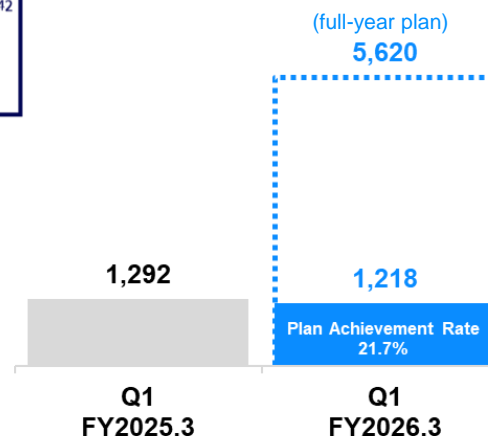
Collection Volume by Metal Element



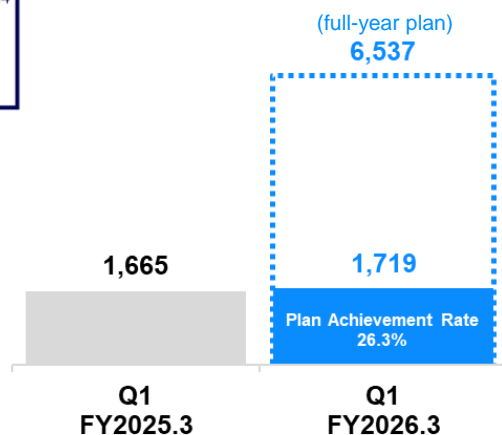
Unit: kg



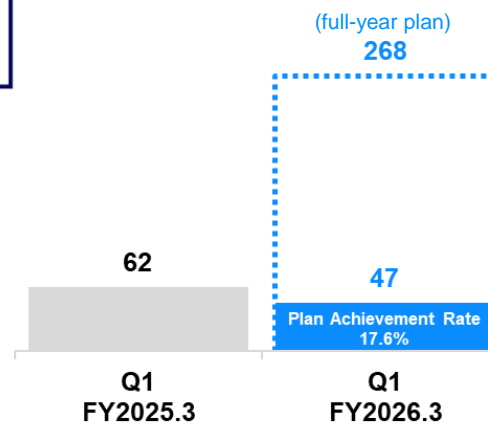
Unit: kg



Unit: kg



Unit: kg



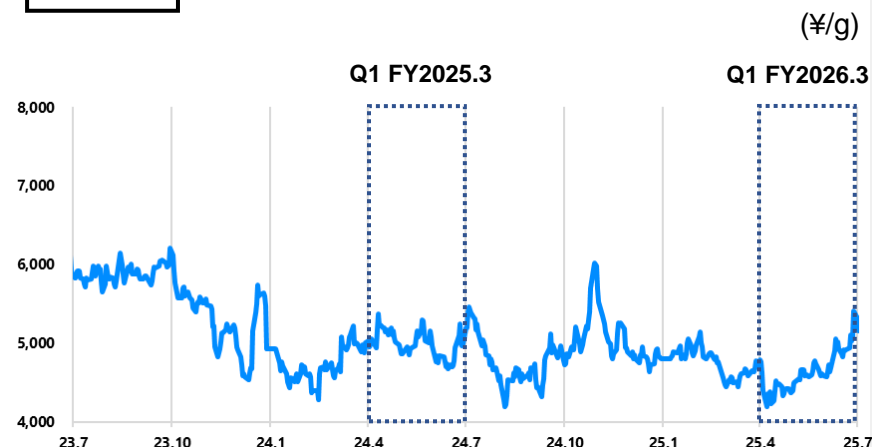


Au



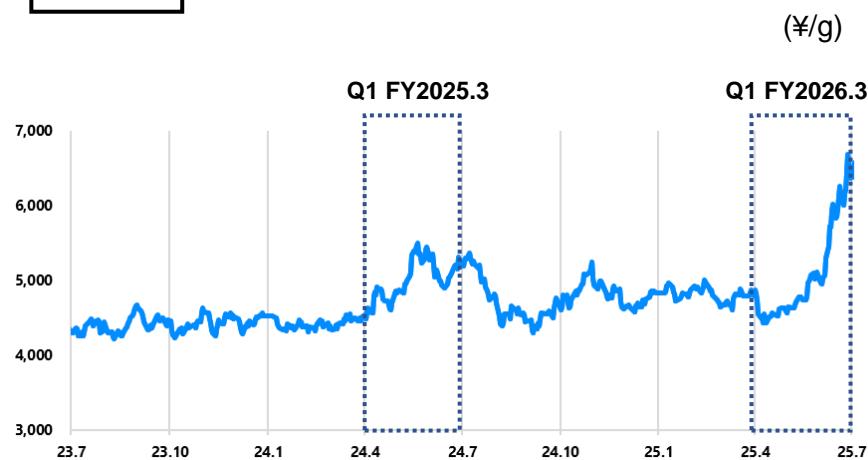
Reference: Quote from mining company

Pd



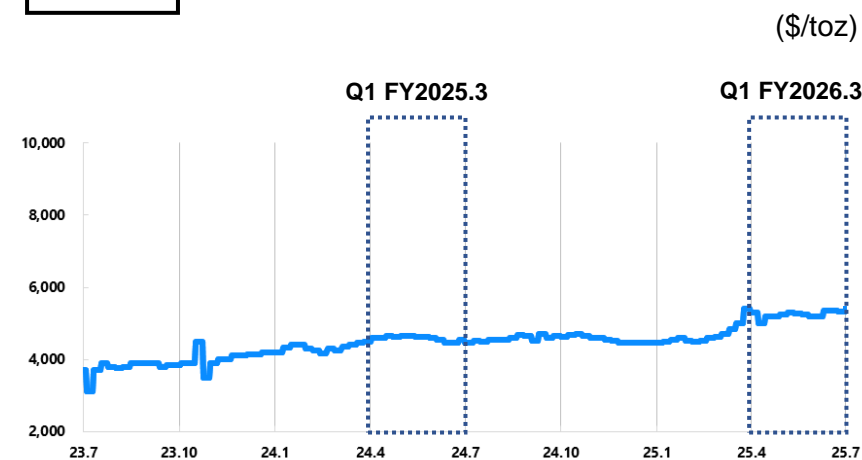
Reference: Nikkei low price

Pt



Reference: retail price (excluding tax)

Rh



Reference: Metals Week NY Dealer Prices



Completion of Bando Plant (2nd)

- Bando Plant (2nd) was completed in April 2025, and has started processing automotive and chemical catalysts.
- Operation for processing of electronics is planned to start around October 2025.
- Promoting automation and reduction of environmental impact while improving and optimizing production capacity.

1 Improving and Optimizing Production Capacity

Production capacity

1.5x

Workforce productivity

↑15%

Lead time

↓10%



Processing equipment for automotive catalysts



Automatic sampling device

- Achieved enhanced production capacity and efficiency by introducing processing equipment for automotive catalysts and automating sampling.
- Compared to before the transfer, personnel was reduced while production capacity increased, targeting a 1.7-fold increase in per-person productivity.

2 Reducing Environmental Impact

CO₂ emission

↓60%

Partially fueled from

H₂



Fueled by hydrogen produced using excess electricity from the industrial waste incineration process



- In addition to switching from fossil fuels to natural gas, CO₂ emissions are further reduced by partially replacing the fuel used with hydrogen (H₂).
- The waste disposal contractor supports resource recycling by using hydrogen produced from electricity generated during waste disposal.

Note: All figures are compared to before the transfer.

Sales Office

19

A comprehensive collection network across the country



Plant

4

Accumulated and consolidated technology and expertise

Site

● Sales office

● Plant

Sector

🦷 Dentistry

💍 Jewelry

🔌 Electricity

🔧 Catalyst

Hokkaido & Tohoku region

- Sapporo Office 🦷 🔌 🔧
- Aomori Office 🦷 🔌
- Sendai Office 🦷 🔌 🔧
- Niigata Office 🦷 🔌

Chubu & Hokuriku region

- Kofu Office 🦷 💍
- Nagano Office 🔌
- Nagano Plant 🔌
- Shizuoka Office 🦷
- Nagoya Office 🦷 💍 🔌 🔧
- Hokuriku Office 🦷

Kanto region

- Kanto Office 🦷 💍
- Yokohama Office 🦷 💍
- Kitakanto Office 🦷 🔌 🔧
- Bando Plant 🦷 💍 🔌 🔧

Bando Plant (1st)



Bando Plant (2nd)



Kyushu & Okinawa region

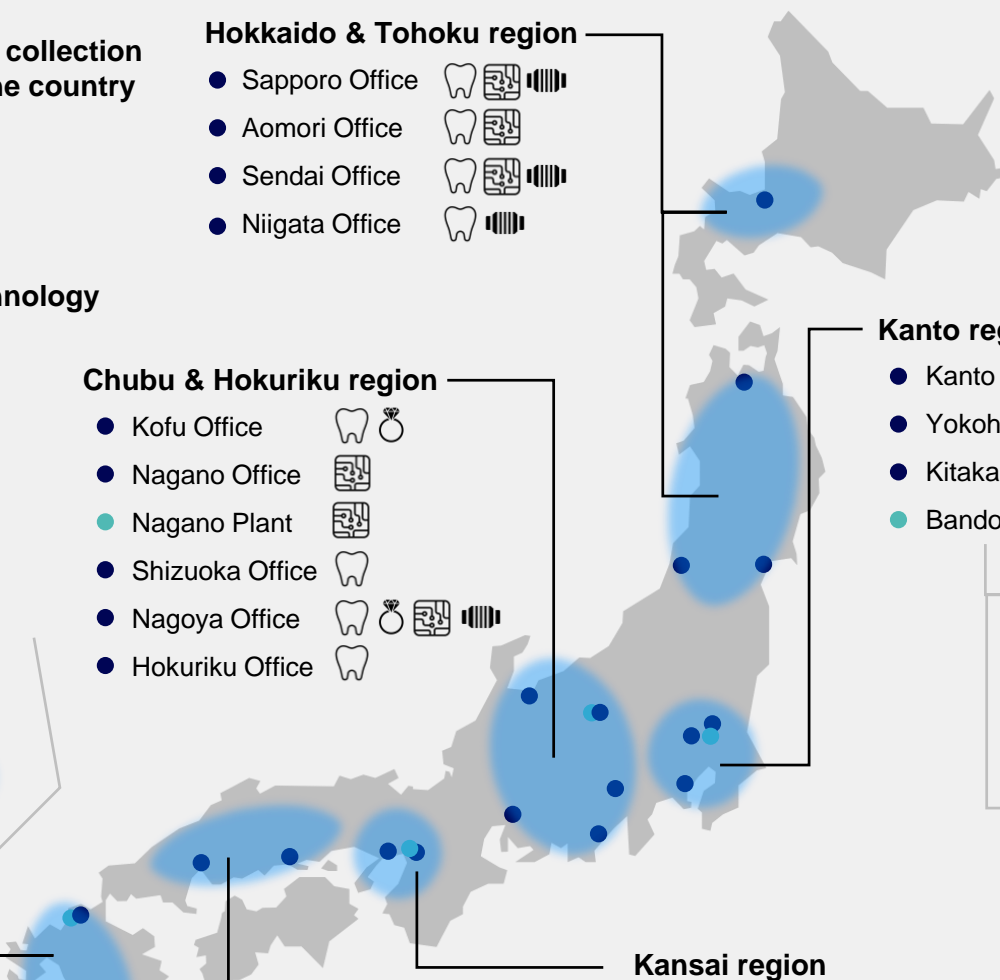
- Fukuoka Office 🦷 💍 🔌 🔧
- Fukuoka Plant 🔌
- Kagoshima Office 🦷 🔌
- Okinawa Office 🦷 🔌 🔧

Chugoku region

- Okayama Office 🦷
- Hiroshima Office 🦷 🔌 🔧

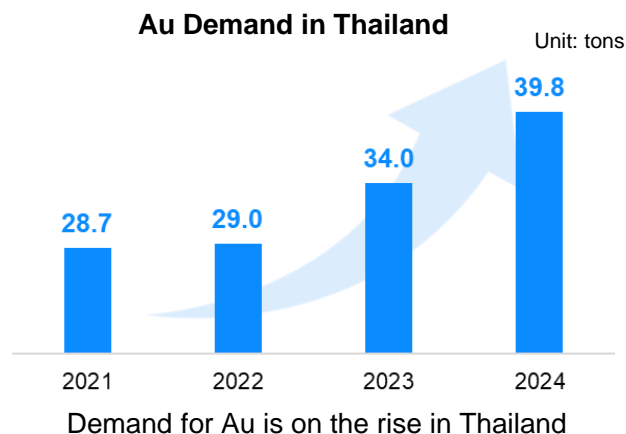
Kansai region

- Hanshin Office 🔌 🔧
- Amagasaki Plant 💍 🔌 🔧
- Kobe Office 🦷 💍





1 Expanding Demand for Au



Note: created based on data from the World Gold Council.



Collection



Jewelry scrap in Thailand

Refining process



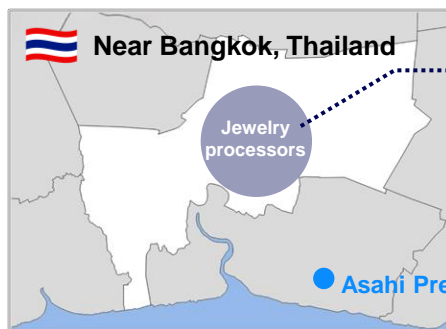
Product



LBMA-certified bullion

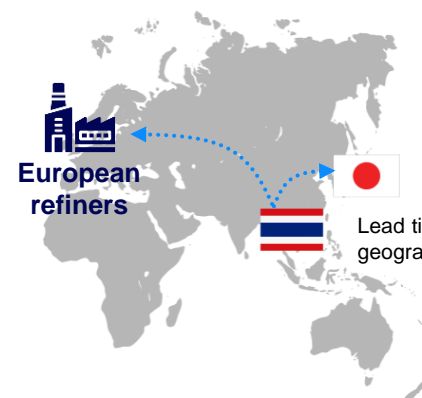
- We transport jewelry scraps purchased from local clients to Japan, refine them to high purity at Bando Plant, and make them available for purchase.
- We have begun receiving scrap materials from multiple companies and aim to secure larger orders following the start of operations at the local plant in April 2026.

2 Refining Platinum Group Metals



Planning the collection of polishing dust and scrap materials generated from jewelry-related factories

Asahi Pretec (Thailand) Co., Ltd.



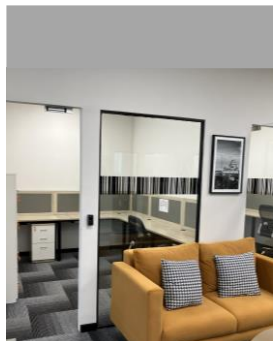
Lead time is shortened due to geographic advantages

As there are no local businesses capable of efficiently refining platinum group metals (Pt, Pd, etc.) from jewelry scrap, the refining process is outsourced to European refiners.

Our geographic advantages, combined with advanced assaying and refining technologies and accumulated expertise, help attract new clients.



1 Established a Local Subsidiary Near Delhi



Company Profile

Company Name	Asahi Pretec India Private Limited
Location	Gurgaon, Haryana, India
Capital	30 million yen
Investors	Asahi Pretec Corp. ASAHI METALFINE, Inc.

Established a local subsidiary near Delhi, India in June 2025.
The business base is being strengthened by hiring sales personnel.

2 Started Research for Expanding Business Field



Started market research for precious metal-containing scrap such as jewelry and e-scrap, in addition to automotive catalyst scrap, which is expected to increase in the near future.

Automotive Catalyst Scrap Market

Strong growth potential in the automotive market

Vehicle scrapping policy by Indian government



Economic growth



Increased vehicle owners



Vehicles that fail the fitness test will either be taken off the road or scrapped.

Collection of automotive catalysts is expected to grow in line with the rise in scrapped vehicles

Other Scrap Markets



Jewelry



E-scrap



Plant scrap

Ongoing research on recyclable scrap generated at plants, in addition to jewelry and e-scrap.

ASAHI Grellia Gate, our new service portal, was launched on July 1

1 Purchase

ASAHI's gold pellets

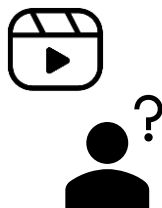
We have added a unique bean-shaped gold product to our lineup, which can be conveniently purchased in 1-gram increments, even by first-time gold buyers.



available
July 1~

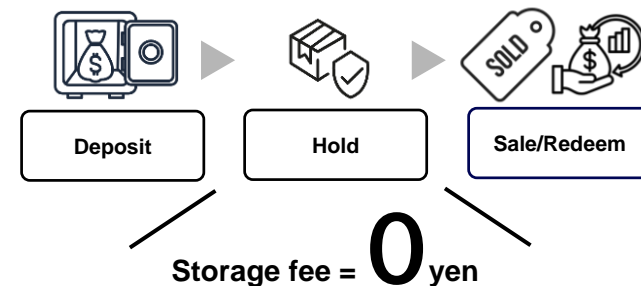
We sell "Green Gold," which is refined from recyclable raw materials and produced with reduced environmental impact, exclusively at the ASAHI Online Store.

3 Learn



We provide beginner's guides, columns, and other content that teach the basics of precious metal investment for those who are new to precious metal investment or are interested in learning more.

2 Deposit



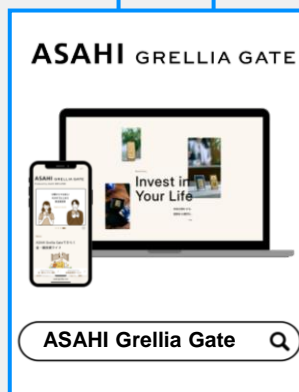
ASAHI Gold Club offers a service that allows users to hold gold bullion online as an asset.

Made available to the general public starting July 1

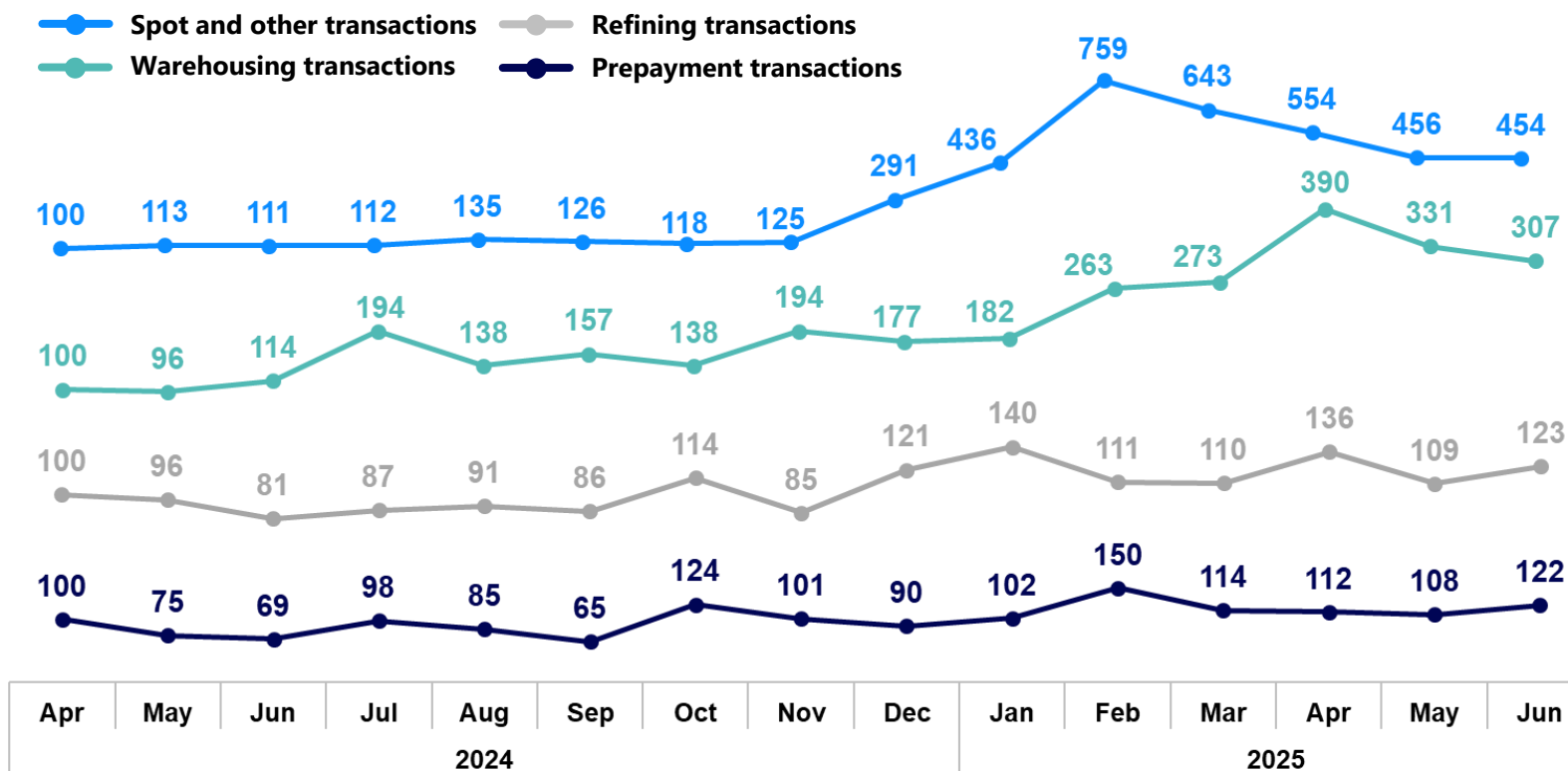
4 Know



Introducing our brand story behind recycled precious metal products, including the ASAHI brand and Green Gold.



- Refining, product, trading, and warehousing businesses are all showing strong growth.
- The uncertainty around U.S. tariff policy increased arbitrage opportunities. Despite the decline in arbitrage opportunities due to the tariff exemption for precious metals, the overall sales trend remains robust.



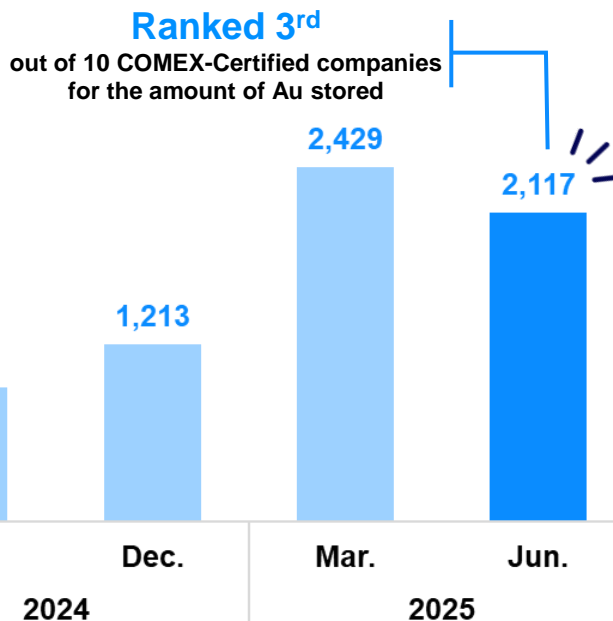
Note: Sales data of April 2024 is set to a value of 100.



- The amount of Au in storage has decreased as precious metals previously transported into the U.S. were shipped back overseas following the announcement of their exemption from tariffs.
- The amount of Ag in storage has steadily increased, supported by consistent deliveries from our own refinery.

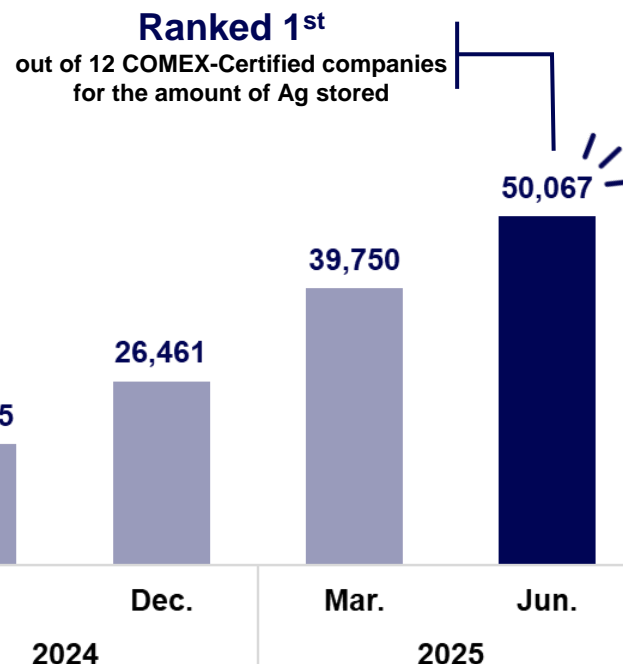
Au Storage Trend

Unit: thousand toz



Ag Storage Trend

Unit: thousand toz



Note: Created based on data from Daily Metal Stocks Report by COMEX and reflects Registered amount.



Unit: billion yen

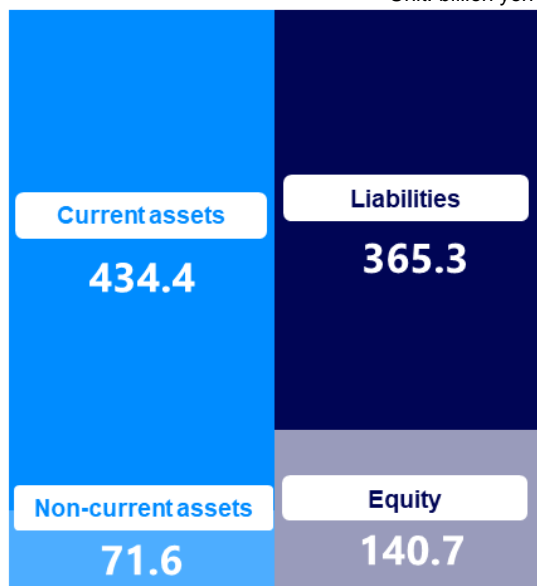
	Mar 31, 2025	June 30, 2025	Change	Main Changes	
Current Assets	419.6	434.4	+14.8	Trade and other receivables	+9.7
				Inventories	+3.9
Non-current assets	70.4	71.6	+1.2		
Total Assets	490.0	506.0	+16.0		
Current liabilities	311.3	341.7	+30.4	Transfer of borrowings from non-current liabilities	+30.5
Non-current liabilities	52.4	23.6	-28.8	Transfer of borrowings into current liabilities	-30.5
Equity	126.3	140.7	+14.4		
Total equity and liabilities	490.0	506.0	+16.0		

Point

For both the domestic recycling and the North American refining businesses, the rise in precious metal prices—among other factors—led to an increase in current assets.

Consolidated Balance Sheet of ARE Holdings

Unit: billion yen



Equity ratio
(ratio of equity attributable to owners of the parent)
27.8%

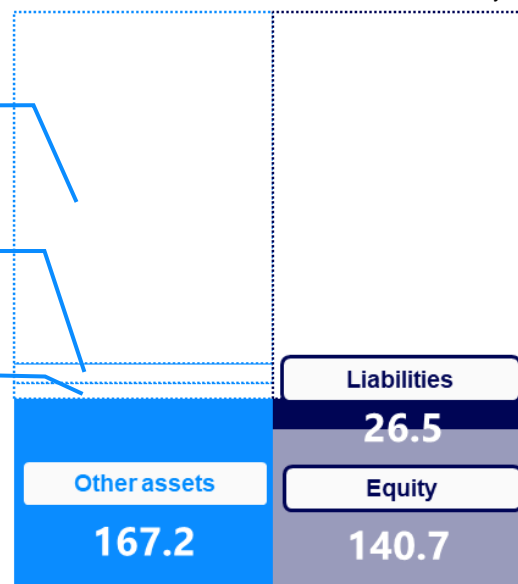
Balance Sheet without Highly Liquid Assets

Unit: billion yen

Trade receivables in North America, etc.
307.3 billion yen

Cash and cash equivalents
17.1 billion yen

Jewelry sector advance payments in Japan
14.4 billion yen



Equity ratio
(ratio of equity attributable to owners of the parent)
84.2%

Point

Most of the company's interest-bearing liabilities are backed by highly liquid assets.



Unit: billion yen

	Q1 FY2026.3	Main Changes	
Cash flow from operating activities	0.5	Profit before tax	+5.0
		Changes in inventories	-4.0
Cash flow from investing activities	-0.6	Purchase of property, plant and equipment (PP&E)	-3.1
		Changes in prepayment transactions, etc. in North America	+2.5
Cash flow from financing activities	0.8	Loans payable	+3.9
		Cash dividends paid	-3.0
Effect of exchange rate change on cash and cash equivalents	-1.1		
Net change in cash and cash equivalents	-0.4		
Cash and cash equivalents at end of period	17.2		

Point

Cash flow from financing activities was mainly driven by funding activities and dividend payments.



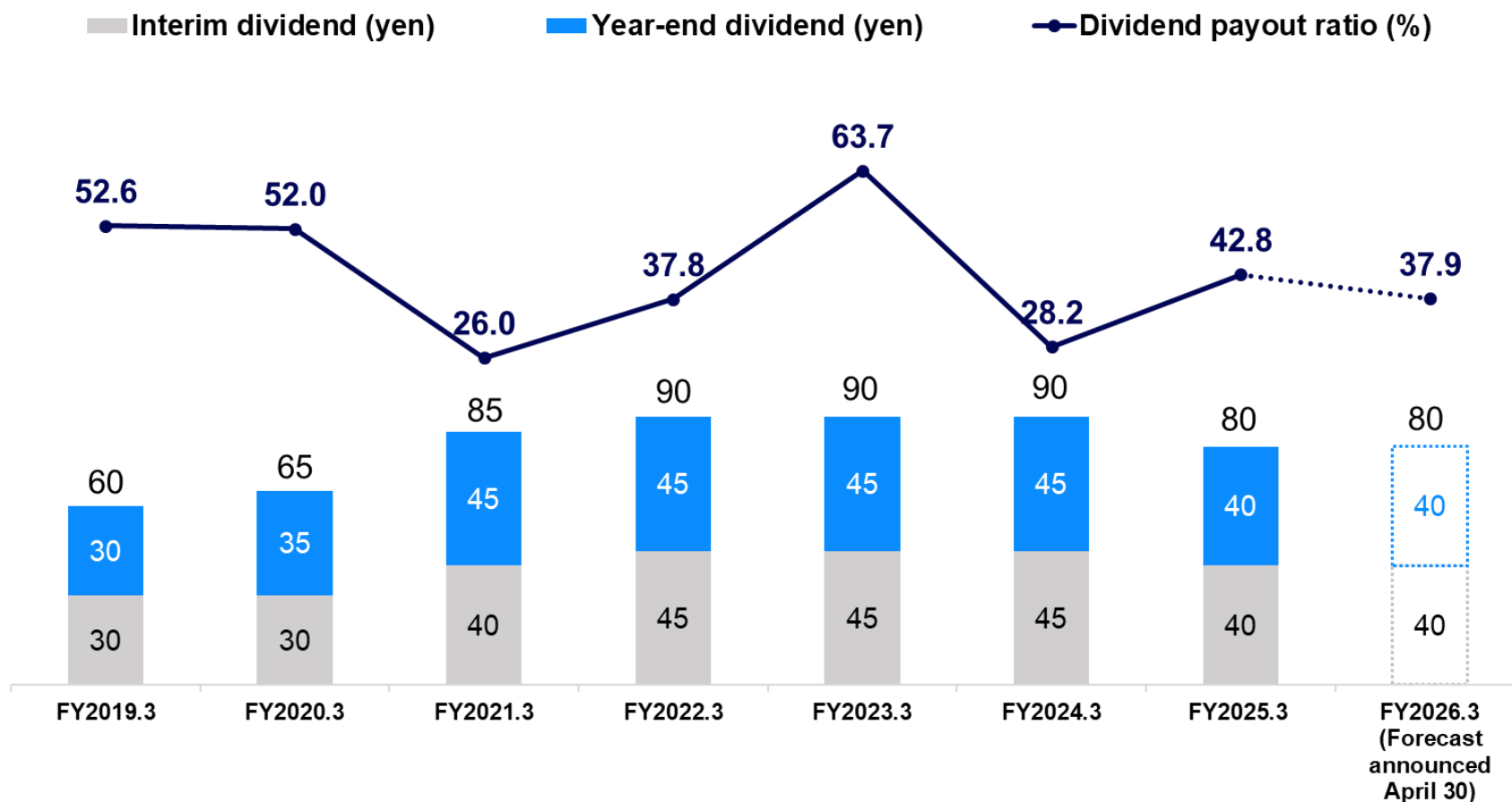
- The primary investment focus for FY2026.3 are Bando Plant (2nd) (approx. 4.0 billion yen) and upgrading refining facilities in North America (approx. 3.0 billion yen).
- Bando Plant (2nd) is expected to begin operations in multiple phases, with the majority of the planned capital investment to be completed within this fiscal year.

Unit: billion yen

	FY2025.3 Results	FY2026.3 Results	FY2026.3 Plan	Details of the Main Investment
Capital investment	8.2	3.5	10.4	
— Precious Metals Business	8.1	3.5	10.2	
— Domestic	3.3	2.4	5.9	Bando Plant (2nd) related: approx. 4.0 billion yen
— Overseas	4.8	1.0	4.3	Upgrading silver refining facilities in North America: approx. 3.0 billion yen
— Others	0.1	0.0	0.1	
Depreciation	2.7	0.7	3.0	



- Our shareholder return policy is to maintain stable dividends with a target payout ratio of 40%.
- We plan pay a dividend of 80 yen for FY2026.3, with an expected payout ratio of 37.9%.





Expand precious metals recycling

Amount of precious metals recycled

FY2025.3	FY2031.3 target
428 tons	300 tons

CO₂ reduction effect

FY2025.3	FY2031.3 target
884 thousand tons	837 thousand tons



Supply precious metals in ways that are friendly to people, society, and the environment

Obtained certifications

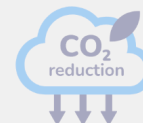


UL2809 Certification

A standard for evaluating and verifying the recycled content percentage in products.

Certified items

Au granules / Au bars / Pt plates



Reduce CO₂ emissions

CO₂ emissions Scope1+2*

FY2025.3	FY2031.3 target
(CO ₂ emissions)	(CO ₂ emissions)
18.2 thousand tons	11.9 thousand tons
(FY2024.3 comparison)	(FY2024.3 comparison)
-11%	-42%



Enhance work-life balance and employee diversity

Paid leave utilization rate

FY2025.3	FY2031.3 target
62.6%	70.0%

Percentage of women in managerial positions

FY2025.3	FY2031.3 target
4.7%	7.0%

Percentage of employees with disabilities

FY2025.3	FY2031.3 target
3.3%	2.5%

Achievement rate for rest intervals of at least 11 hours

FY2025.3	FY2031.3 target
99.9%	100%

Percentage of male parental and childcare leave usage

FY2025.3	FY2031.3 target
100%	100%



Encourage and support SDG-related activities

Asahi Clean Project

Local cleanup activities

54 initiatives
(total of **443** participants)



*Figures exclude businesses that were newly added or discontinued after FY2016.3.
FY2025.3 results are provisional and subject to change.

- The North American refining business has traditionally handled mainly mine-derived raw materials, but in recent years has been strategically expanding its handling of recyclable raw materials such as jewelry scrap.
- By increasing the handling of recyclable raw materials, we will make effective use of limited resources and further strengthen our contribution to resource recycling.

Rise in precious metals recycling volume



FY2024.3	FY2025.3
231 tons	428 tons

Precious metals recycling volume for FY2025.3 increased by 197 tons year on year, mainly driven by a significant rise in recycling volume in the North American refining business.

Growth in recyclable material proportion

	FY2024.3		FY2025.3
Au	6.4%	→	11.0%
Ag	9.0%	→	20.2%

The proportion of recyclable materials in total inputs for the North American refining business is showing a year-on-year upward trend for both Au and Ag. We aim to further increase this proportion going forward.

The North American refining business has been regarded as having a significant environmental impact due to its reliance on raw materials sourced from mines.

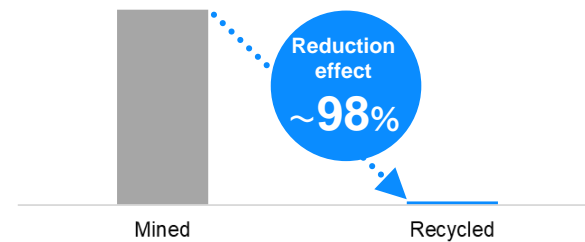
Going forward, we will increase the use of recyclable raw materials to enhance our environmental performance.

CO₂ emission reductions from precious metals recycling

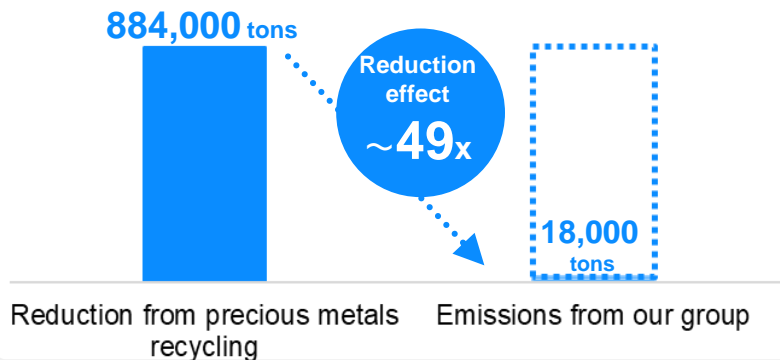
CO₂ emission reductions from precious metals recycling in FY2025.3 increased by 284 thousand tons year on year, primarily due to a higher volume of precious metals recycled.

**Point**

Some of our Au products made from recycled materials can reduce CO₂ emissions during production by up to 98% compared to those made from mined raw materials.

**1 Compared to total group CO₂ emissions...**

The indirect CO₂ emissions reduction during FY2025.3 amounts to 884,000 tons, which is roughly 49 times the total CO₂ emissions of our group.

**2 Converted to vehicle CO₂ emissions...**

The CO₂ emission 884,000 tons are equivalent to the annual emissions of 650 thousand vehicles.



~650,000 vehicles

Comparable to Singapore's total vehicle ownership (around 600,000 vehicles)

Note: Calculated based on data from MLIT and AIRIA.

- Our greenhouse gas (GHG) emissions reduction target has been certified as being aligned with the “1.5 °C goal” set by the Paris Agreement.
- To achieve the targets certified by SBTi, we will continue expanding the use of reusable energy, promoting energy conservation, and decarbonizing the entire supply chain.



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Our GHG emissions reduction targets that are certified by SBTi

Scope1+2

Reduce **42%** by FY2031.3 (vs. FY2024.3)

Scope3

Reduce **25%** by FY2031.3 (vs. FY2024.3)

Major steps toward target achievement

1 Promoting the use of reusable energy



- Promoting ZEB and ZEV at each site
- Promoting the use of hydropower at our sites in North America

2 Switching to environment-friendly energy



- Encouraging the transition to power sources with lower emission factors
- Using hydrogen fuel at Bando Plant (2nd)

1 Promoting diversity

**Asahi Cheer-Up Meeting**

In 2025, we held our third event aimed at supporting the education, growth, and networking of female employees, targeting all women at our domestic sites. Under the theme “Our Work in Life”, participants worked in groups to identify and explore their individual strengths.

Comments from the participants

- ✓ “I gained confidence by discovering strengths that I hadn’t been aware of before.”
- ✓ “I realized that by empowering each other’s unique abilities and strengths, we can improve collectively as an organization.”
- ✓ “This event has inspired me and given me motivation for the future.”

2 Realizing work-life balance

**Introducing new caregiving services**

We introduced “Wakaru Kaigo Biz”, a comprehensive support system that offers senior care services ranging from one-time checkups to problem solution. We encourage utilizing this service alongside our existing programs to foster a workplace that supports both work and caregiving.

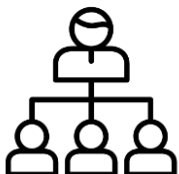
Caregiving Concierge Desk

Consultation and
insurance claim support services

**Wakaru Kaigo Biz**

Caregiving information website featuring
risk evaluation tools and other resources

3 Human resource development

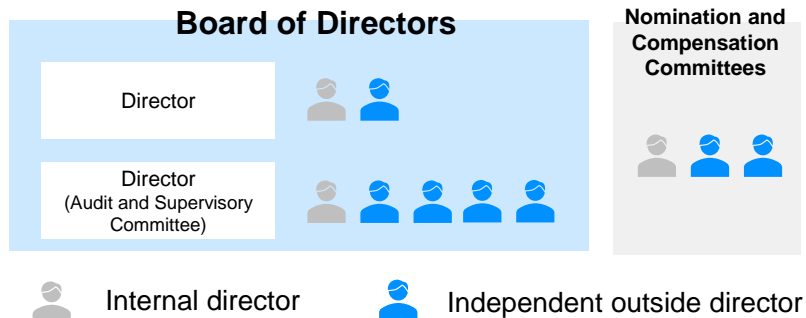
**Regular training for managers**

We conducted training sessions for managers focused on addressing issues highlighted by engagement surveys. Our goal is to cultivate a workplace with high psychological safety and to encourage assertive communication.



- Enhancing an impartial governance system by appointing independent outside directors and increasing their representation on the Board of Directors.
- Audit and Supervisory Committee, along with the Nomination and Compensation Committees, appoint an independent outside director as chairperson.

1 New structure of the Board of Directors (after the General Shareholders Meeting on June 17, 2025)



Percentage of outside directors **71.4%**

Number of female directors **2**













2 Skill matrix of Directors

	Name	Business management	Industry knowledge	International experience	Sales	Technology & innovation	Administrative experience	Legal	Finance & accounting	Sustainability
	Tomoya Higashiura	●	●	●	●		●		●	●
	Akinori Yamamoto	●		●				●	●	
	Yoshinori Hara	●		●		●			●	
	Mitsutoshi Kagimoto	●	●		●			●		
	Yuki Tsuru			●			●	●		●
	Toru Nakamura	●			●				●	●
	Kaoru Katada	●			●			●		●

A graphic on the left side of the slide, consisting of a solid blue vertical bar. Overlaid on this bar is a large, light blue circular arrow pointing clockwise. The word "Agenda" is written in white, bold, sans-serif font across the middle of the circular arrow.

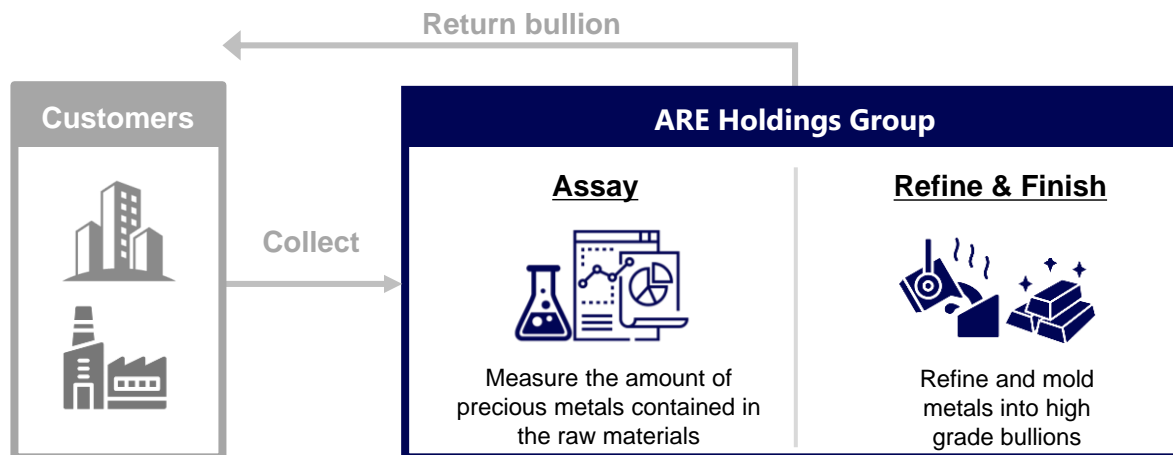
Agenda

1. Q1 FY2026.3 Financial Results
2. Appendix

	Composition ratio by metal element			
	Au	Pd	Pt	Rh
Dentistry	 30 - 50%	 50 - 70%	 Less than 10%	—
Jewelry	 Over 70%	 Less than 10%	 10 - 30%	—
Electronics	 Over 70%	 Less than 10%	 Less than 10%	—
Catalyst	—	 50 - 70%	 30 - 50%	 Less than 10%

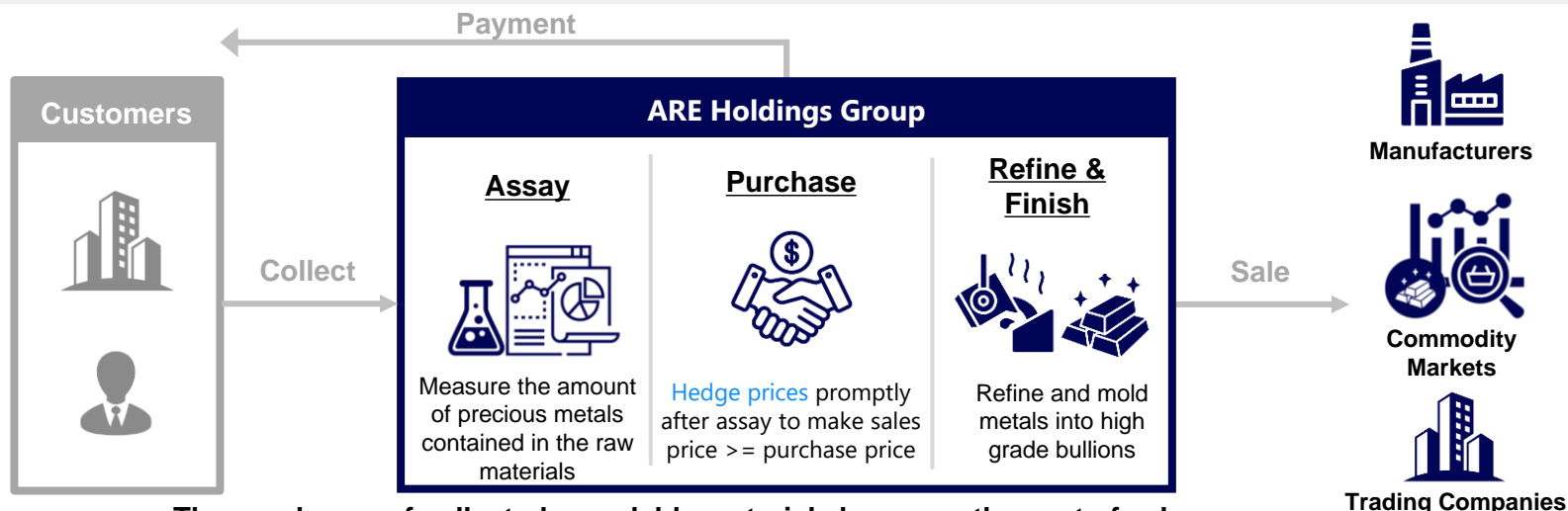
Note: The figures in the table indicate the percentage of each element in the total collection volume of each sector (excluding Ag and Cu).

Return Type



Since there is no purchase of precious metals,
only the processing fee for refining is included in revenue.

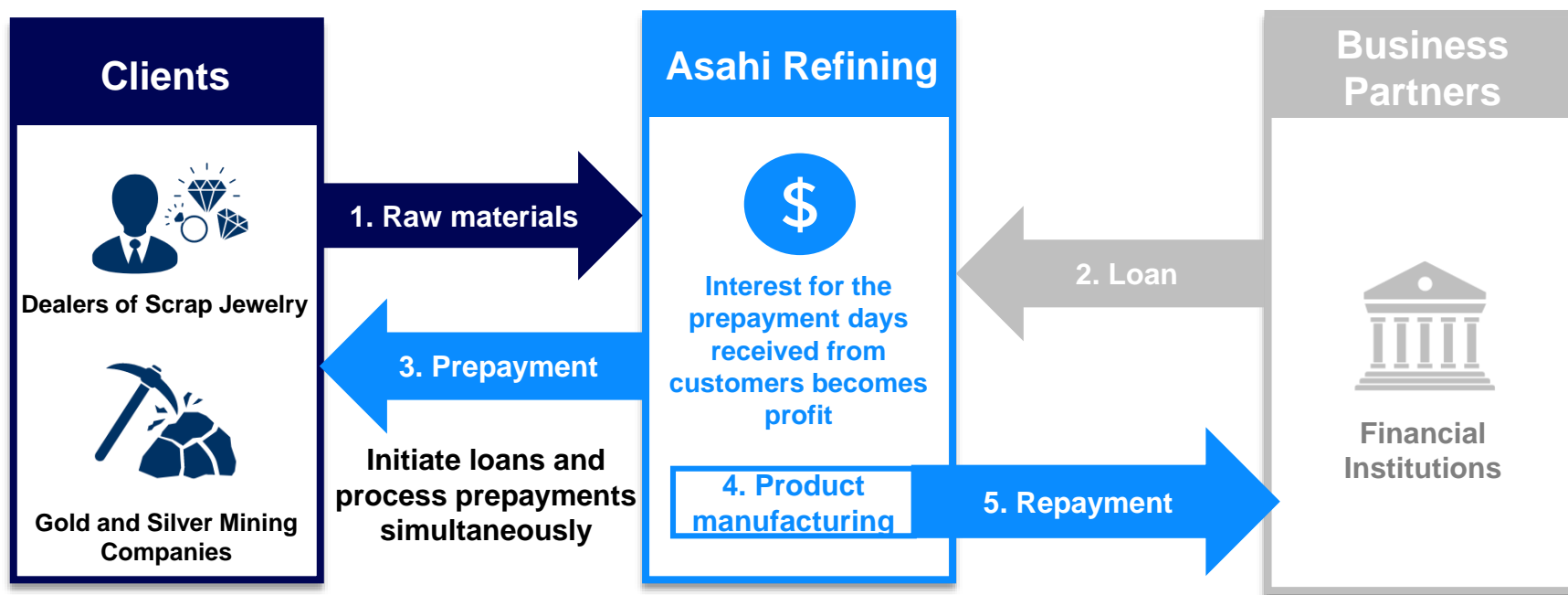
Purchase Type



The purchases of collected recyclable materials becomes the cost of sales.
Then, the sales of the refined bullion generate revenue.



- Shorten the delivery time from receiving raw materials to returning the finished products to customers.
- Receive interest for the prepayment days from customers by delivering products before the contract's delivery date.
- Since the prepayment is made after receiving the raw materials, there is no risk of bad debt.
- An expansion of the balance sheet is driven by this type of transaction because it requires the recognition of both assets and liabilities.





Profitability

High

Improving profitability

Improve customer satisfaction and broaden our target audience by expanding our service offerings and improving manifest features.

Scaling the business and improving profitability

Expand the trading and warehousing businesses, leveraging the stable revenue generated by the refining business.

Scaling the business and improving profitability

- Maximize utilization of the newly operational Bando Plant (2nd) to increase collection volume and improve profitability.
- Expand market share in each sector by revising sales strategies and leveraging digital tools.

● : Current position

North American Refining Business

Korea & Malaysia

Scaling the business

Expand business scale by enhancing sales activities in Thailand and India, and launching local plant operations.

Dentistry, Electronics, Catalyst

Precious Metals Recycling Business (domestic)

Jewelry

Environmental Preservation Business (DXE)

ASEAN & India

Business scale

Large

- For our main product, 99.99% gold granules, we have calculated CO₂ emissions from the collection of raw materials through product manufacturing and conducted third-party verification based on ISO 14040:2006 and ISO 14044:2006.
- Our granular products are made from recycled materials, and can reduce CO₂ emissions during the manufacturing process by approximately 98% compared to bullion made from mined raw materials.

Obtained Carbon Footprint (CFP) for Gold Granule Products

