Q2 FY2026.3

Financial Results

ARE Holdings, Inc.

October 29, 2025

Prime Market of Tokyo Stock Exchange (5857)

Think Circular

Agenda

1. Q2 FY2026.3 Financial Results
2. Appendix

Financial Highlights of Q2 FY2026.3

1 Consolidated Results

	FY2025.3 Q2 Results	FY2026.3 Q2 Results	FY2026.3 YoY Change	FY2026.3 Revised Forecast
Sales Revenue	240.4 bn yen	238.2 bn yen	-2.1 bn yen	517.0 bn yen
Operating Profit	8.3 bn yen	15.3 bn yen	+7.0 bn yen	30.0 bn yen
Net Income	6.6 bn yen	10.8 bn yen	+4.2 bn yen	21.6 bn yen

2 Results by Business Segments

	Precious Metals Business		Environmental Preservation Business	
	Q2 FY2026.3	YoY Change	Q2 FY2026.3	YoY Change
Operating Profit	14.6 bn yen	+7.1 bn yen	0.9 bn yen	-0.1 bn yen

Breakdown of Sales Revenue

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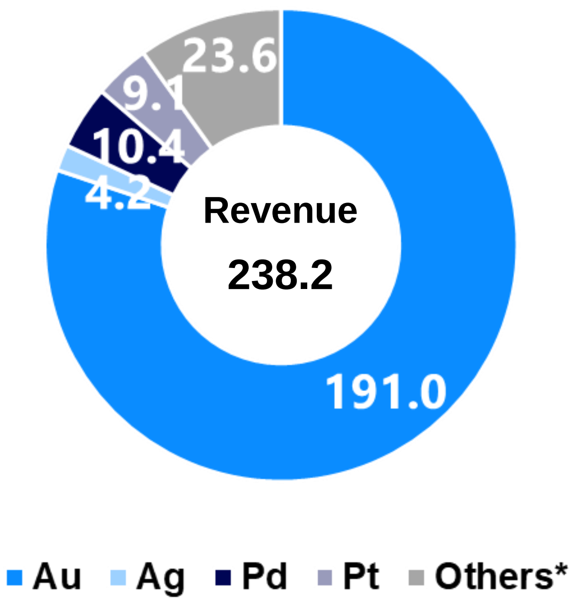
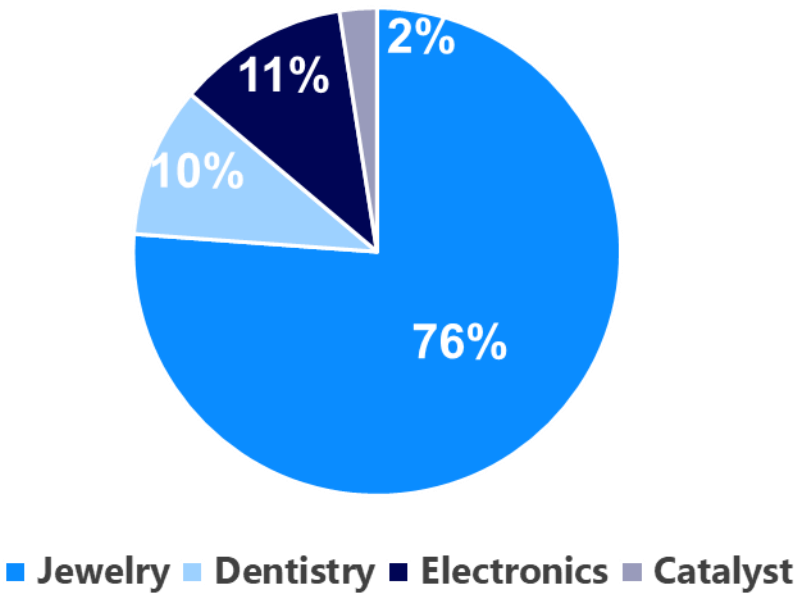
Breakdown of Sales by Metal Element

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.

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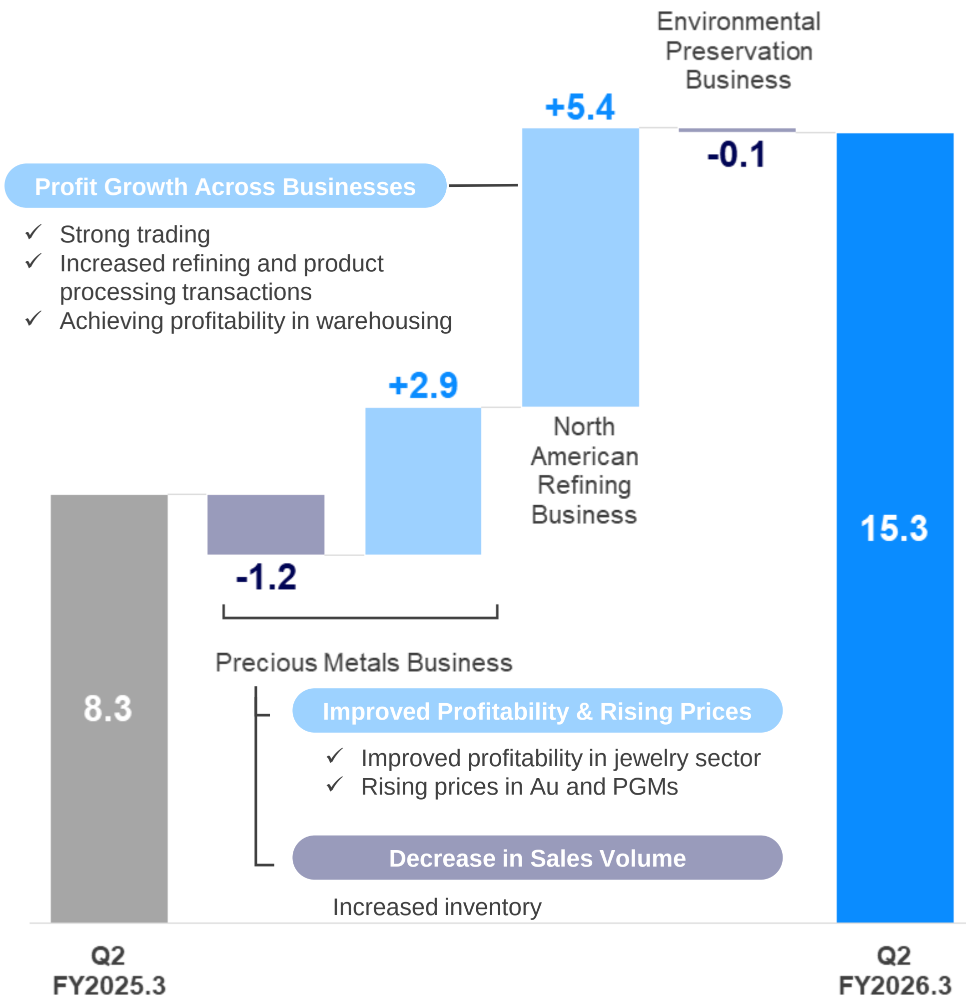
Analysis of Change in Operating Profit (YoY Change)

Unit: billion yen



Main Drivers

Precious Metals Business | Profit Growth

Despite a decrease in sales volume of precious metals due to factors such as increased inventory, profits increased significantly due to improved transaction profitability and rising prices.

North American Refining Business | Profit Growth

Strong performance across refining, product, warehousing, and trading businesses led to a significant increase in operating profit.

Fluctuations in Precious Metal Prices

Unit：yen

Precious Metal Prices (per gram)	Q2 (Apr. to Sep.) FY2025.3	Q2 (Apr. to Sep.) FY2026.3	
	Average price for the period	Average price for the period	Change
Au	11,813	15,845	+ 4,032
Pd	4,876	5,107	+ 231
Pt	4,858	5,885	+ 1,027
Rh	22,462	27,424	+ 4,962

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

Revision of Full-Year Consolidated Earnings Forecast

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Sales Revenue

➢ Collection of precious metals progressed at a pace exceeding the plan, and combined with the impact of rising prices, sales of precious metals increased.

Operating Profit

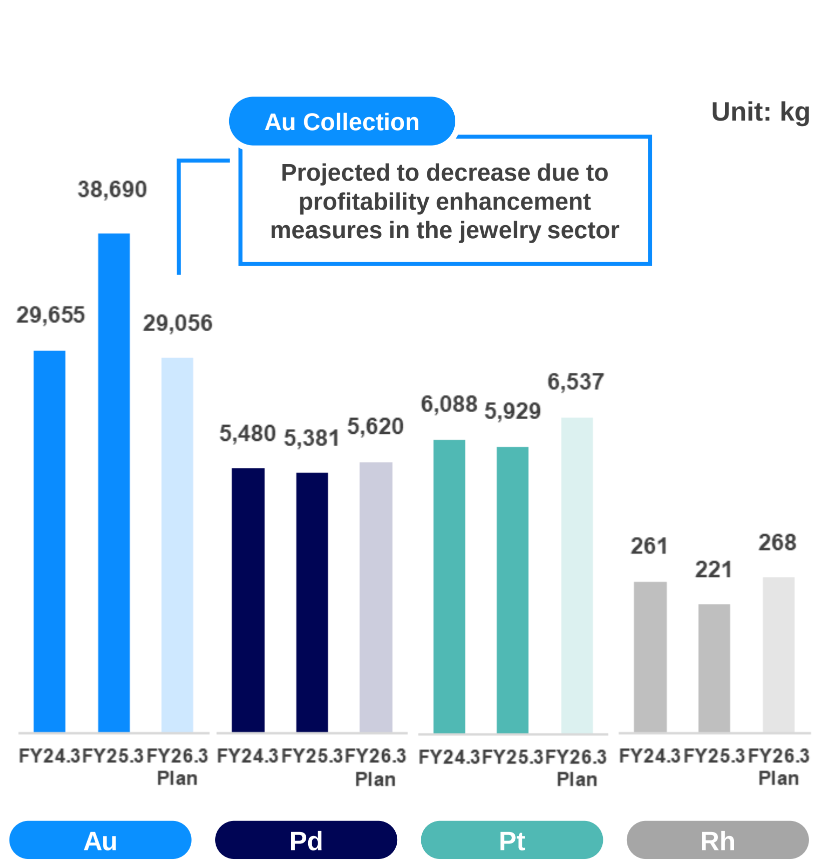
➢ In addition to revenue growth, overall profitability in the Precious Metals Business improved, and operating profit is expected to reach a record high.

	FY2025.3	FY2026.3		
	Results	Previous Forecast	Revised Forecast	Change
Sales Revenue	506.2 bn yen	448.2 bn yen	517.0 bn yen	+68.8 bn yen
Operating Profit	20.0 bn yen	22.0 bn yen	30.0 bn yen	+8.0 bn yen
Profit Before Tax	20.5 bn yen	21.9 bn yen	29.1 bn yen	+7.2 bn yen
Net Income (attributable to owners of the parent)	14.3 bn yen	16.2 bn yen	21.6 bn yen	+5.4 bn yen

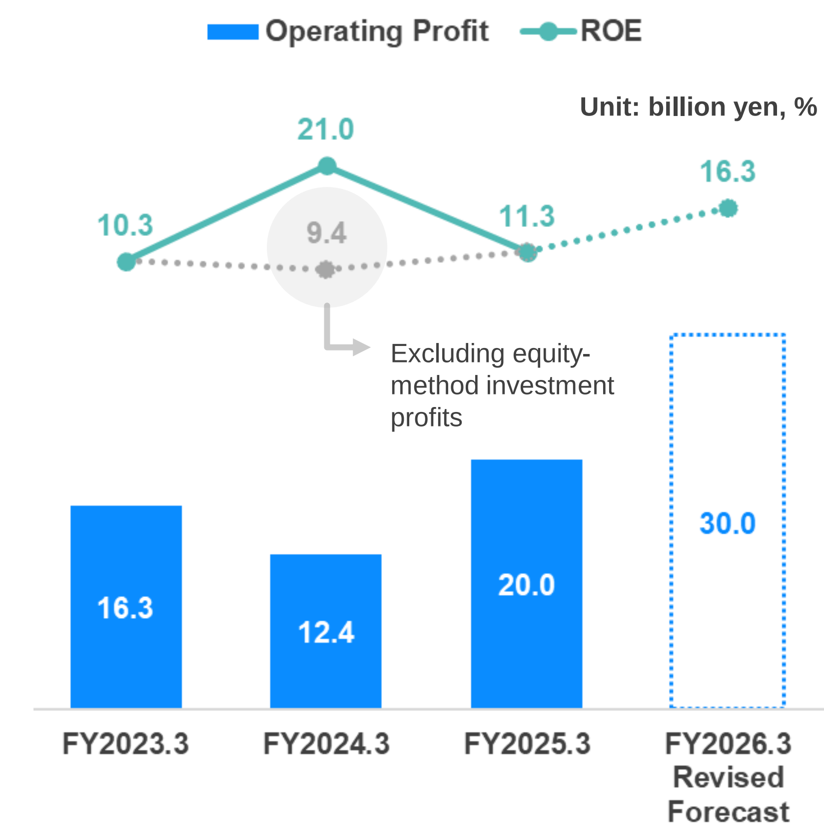
Performance Against Primary KPI

- Rather than sales revenue, which fluctuates with precious metal prices, **collection volume** is set as the primary KPI to enable stable performance tracking.
- Alongside prioritizing **operating profit** as a key management indicator, **ROE** -reflecting capital efficiency- is emphasized from a medium- to long-term perspective.
- During the current fiscal year, our price-to-book ratio (PBR) has generally stayed within the range of 1.1 to 1.3, consistently maintaining a level above 1.0.

1 Collection Volume

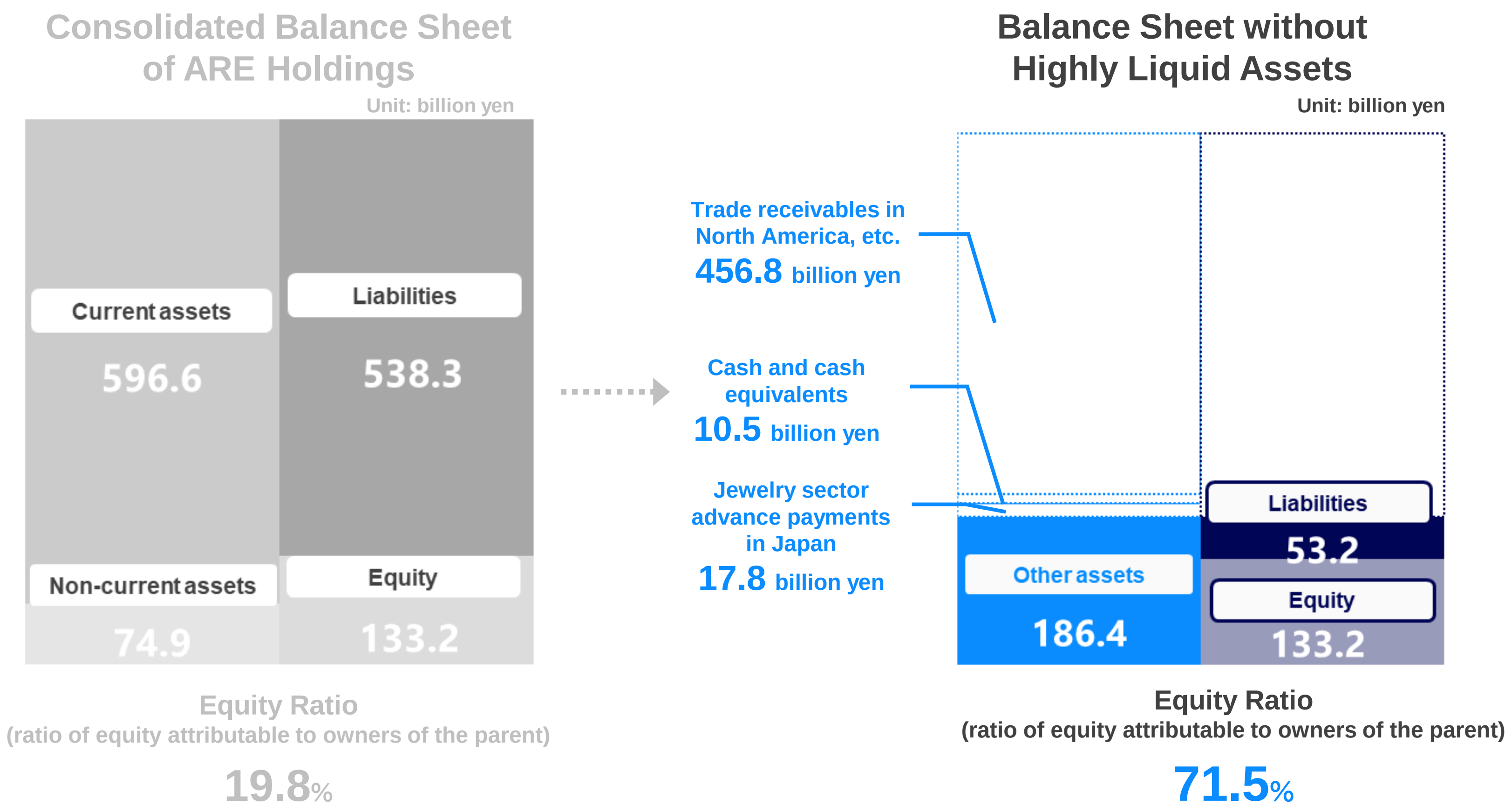


2 Operating Profit and ROE



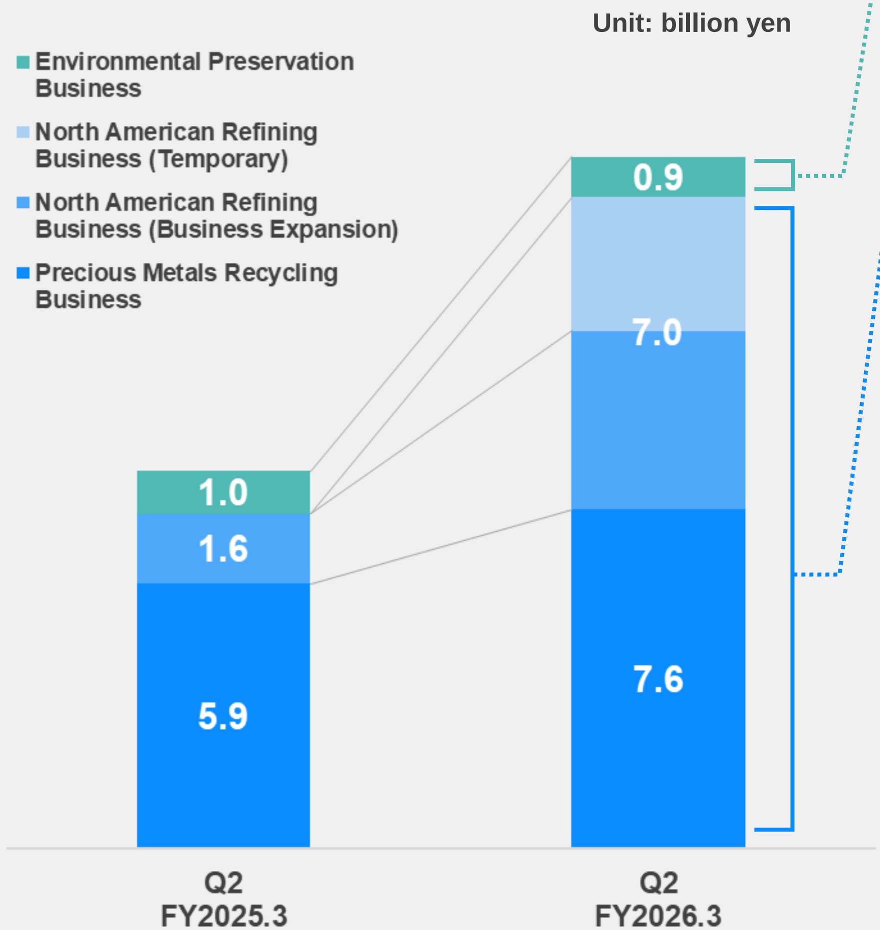
Approach to Equity Ratio

- Our balance sheet is largely composed of highly liquid assets such as precious metal raw materials, along with corresponding short-term interest-bearing liabilities.
  (Includes assets and liabilities related to prepayment transactions in the North American Refining Business. For details on prepayment transactions, see p.29.)
- We assess financial soundness using **an equity ratio that excludes highly liquid assets**.



Results by Business Segments

Breakdown of Operating Profit



Note: The graph does not include Others Segment.

Environmental Preservation Business

0.9 bn yen

Equity-method investment profit was at the same level as the same period last year.

Precious Metals Business

North American Refining Business

(Temporary)

～2.5 bn yen

Drivers
- Increase in arbitrage opportunities
- Higher inflow of Au and Ag into the U.S.
- Disposal of land and building assets

(Business Expansion)

～4.5 bn yen

Drivers
- Expansion of raw material intake for refining
- Achieving profitability across all businesses, including warehousing
- Improvement of business portfolio

Precious Metals Recycling Business

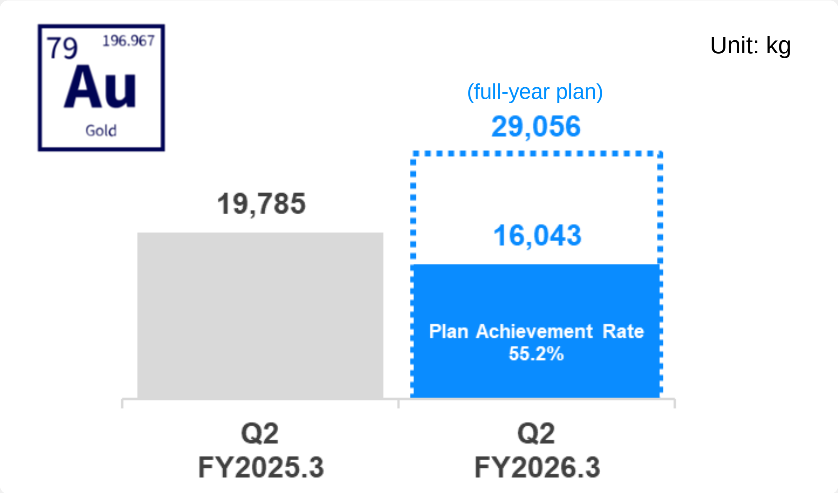
7.6 bn yen

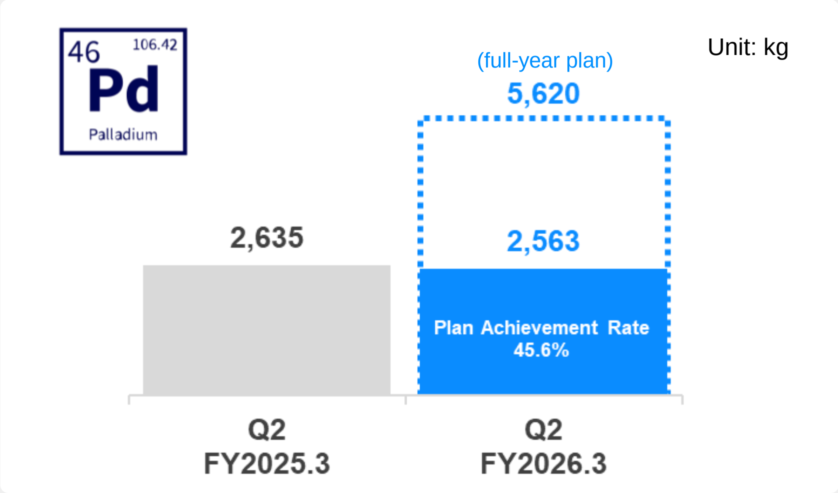
In dentistry, share-increase measures proved effective; in jewelry, profitability improved; and electronics continued to perform strongly.
All business segments except catalysts posted profit growth.

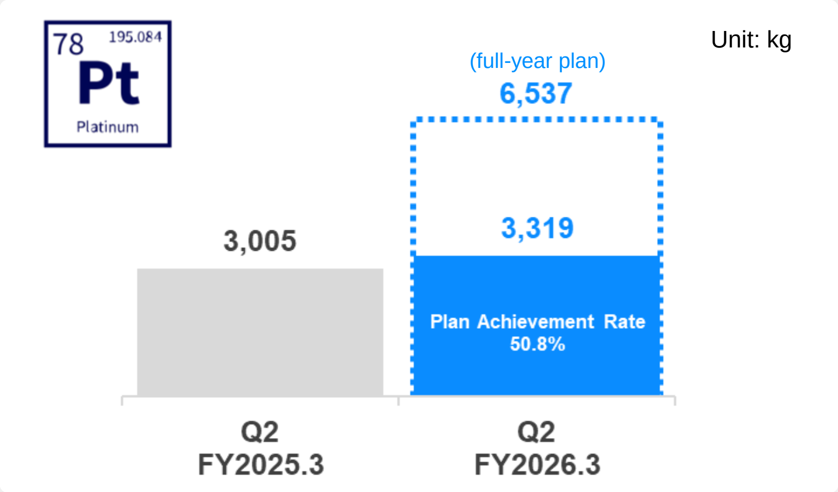
Overview by Business Sector

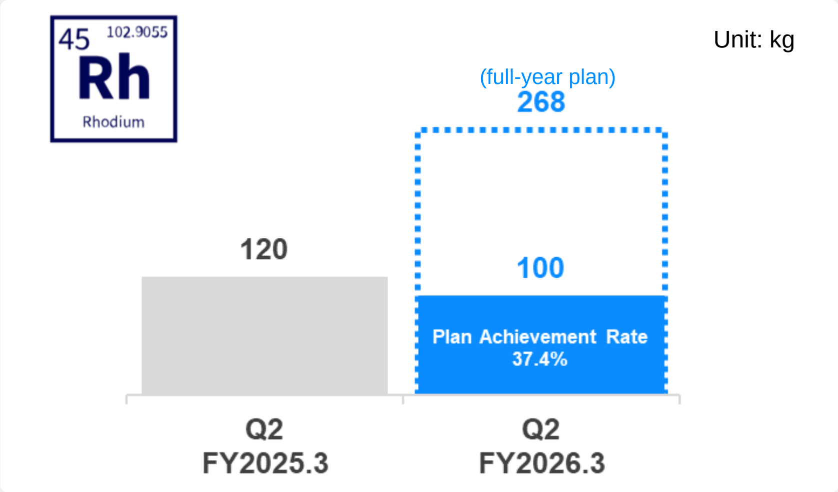
	Profit (YoY change)	Collection Volume (YoY change)	Business Environment
Dentistry	Growth	Au 98%	Although material shifts continue to impact the recycling market, we maintained the same level of collection volume as the previous year due to improved sales structure and the implementation of new measures.
Jewelry	Growth	Au 76%	Despite reducing Au collection volume to prioritize profitability, collection volume and profit margin surpassed the initial plan, driving an increase in profit.
Electronics	Growth	Au 103%	HV and PHV continued to drive strong demand, while a slowdown in BEV demand had a negative impact. Despite weakness in the Chinese market, the AI segment—mainly for data centers and high-speed, high-capacity communications—showed signs of recovery, leading to year-on-year increases in both collection volume and profit.
Catalyst	Decline	Pd 89%	The weak yen increased demand for used cars overseas, reducing the collection volume of end-of-life vehicle catalysts in Japan. Higher collection from the stable chemical catalyst segment and rising PGM prices were not enough to offset the decline in profit.

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

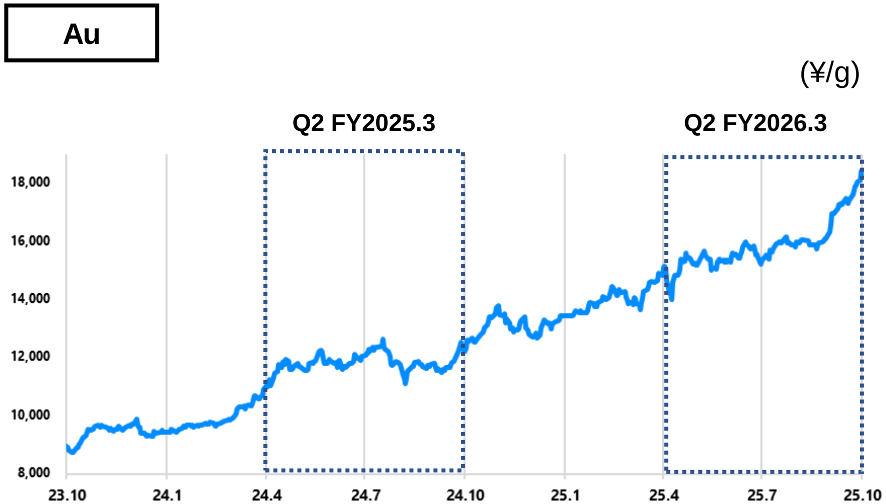

79
196.967
Au
Gold
Unit: kg
(full-year plan)
29,056
19,785
16,043
Plan Achievement Rate
55.2%
Q2
FY2025.3
Q2
FY2026.3


46
106.42
Pd
Palladium
Unit: kg
(full-year plan)
5,620
2,635
2,563
Plan Achievement Rate
45.6%
Q2
FY2025.3
Q2
FY2026.3

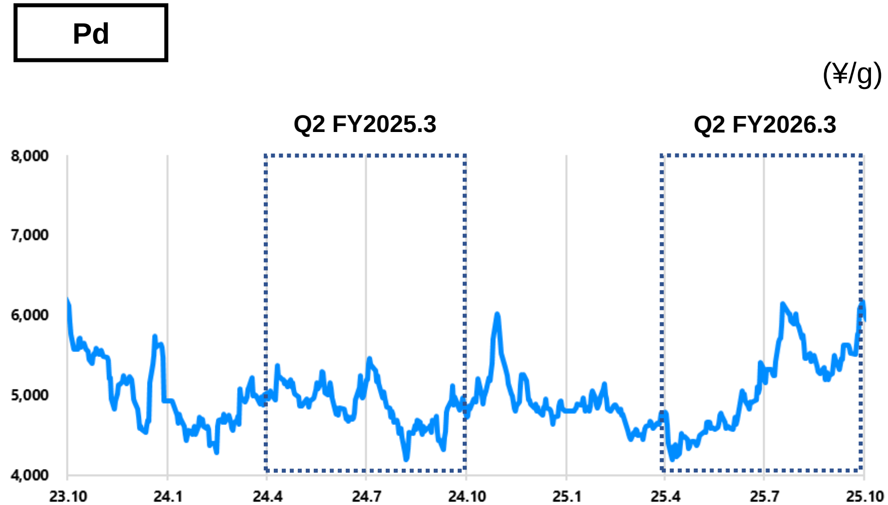

78
195.084
Pt
Platinum
Unit: kg
(full-year plan)
6,537
3,005
3,319
Plan Achievement Rate
50.8%
Q2
FY2025.3
Q2
FY2026.3


45
102.9055
Rh
Rhodium
Unit: kg
(full-year plan)
268
120
100
Plan Achievement Rate
37.4%
Q2
FY2025.3
Q2
FY2026.3

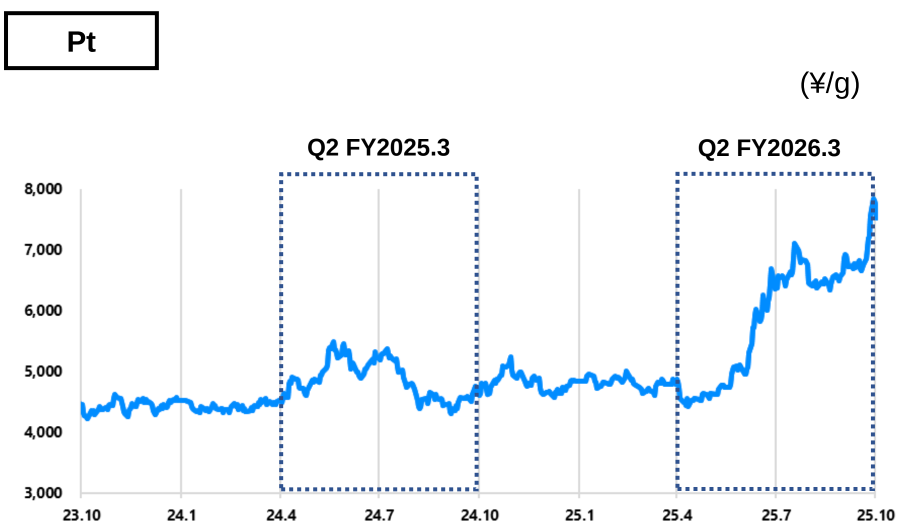
Precious Metals Recycling Business | Trends in Prices



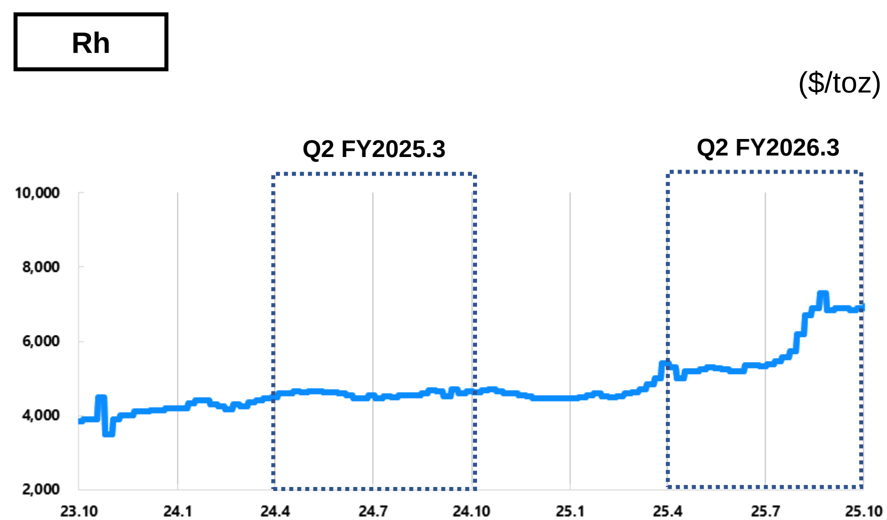
Reference: Quote from mining company



Reference: Nikkei low price



Reference: retail price (excluding tax)



Reference: Metals Week NY Dealer Prices

Precious Metals Recycling Business | Progress at Bando Plant (2nd)

- Achieved the highest BELS rating and obtained ZEB certification. Implemented operations that reduce environmental impact by utilizing 350 kW of solar power for production.
- Scheduled to begin processing in the precision cleaning sector for semiconductor components and other electronics in November 2025.
- A new facility aimed at expanding recycled elements will start operations around H1 FY2026, enhancing and streamlining production capacity.

1 Improving and Optimizing Production Capacity

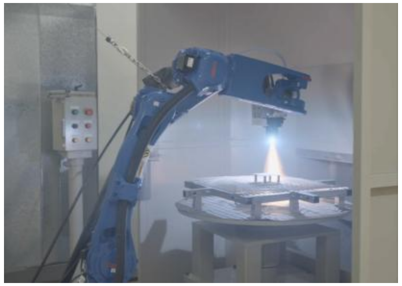
➢ With target capacity achieved (15% above existing facilities), automotive catalyst processing has started to drive earnings.

Catalyst Processing & Precision Cleaning Facilities

Precious Metals Processing Facility (Under Construction)

➢ New precision cleaning facility drives automation, reducing workforce requirements by 20% while fostering human–machine synergy.

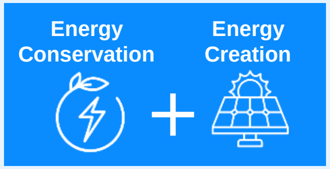
Automated Separation & Cleaning Equipment



Automated Thermal Spraying Equipment

2 Reducing Environmental Impact

Received highest BELS and ZEB certification



- ✓ High-efficiency air conditioning system
- ✓ High-insulation exterior walls
- ✓ Solar power generation

Energy consumption was reduced to…

Less than 0%

Note: All figures are compared to before the transfer.

North American Refining Business | Expansion of Recycling

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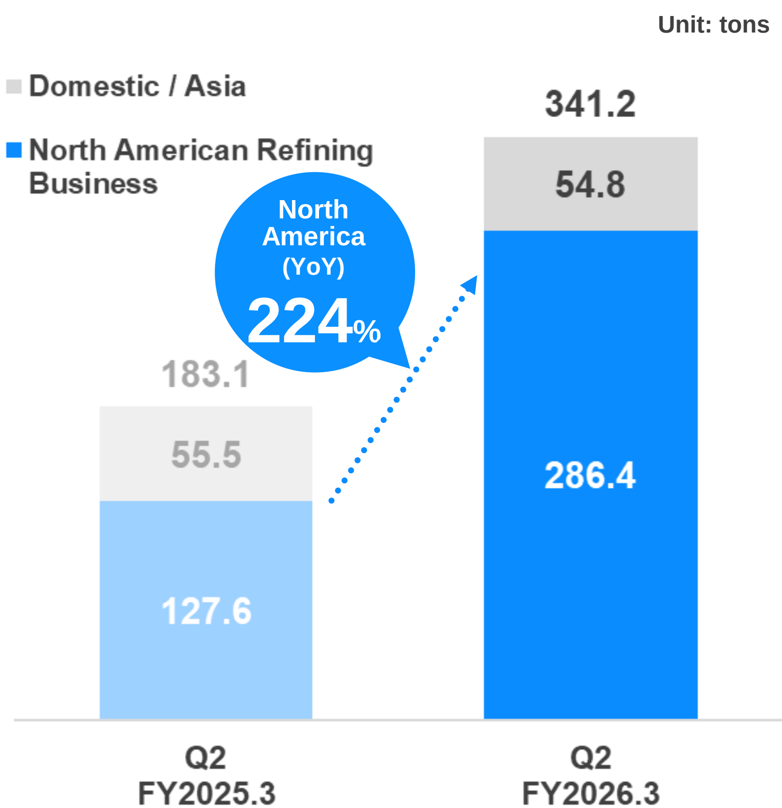
- The North American Refining Business has traditionally handled mainly mine-sourced raw materials, but in recent years has been strategically expanding its handling of recyclable raw materials such as jewelry scrap.
- As the North American Refining Business expands its recycling volume, both its performance and our environmental contribution grow in tandem.

Precious Metals Recycling Volume



Note: Domestic / Asia figures include Au, Ag, Pd, Pt, and Rh.
North America figures include Au and Ag only.

Point 1 Performance Impact

Revenue Growth Impact (YoY)

～0.8 bn yen

➢ Increase in recycling volume leads to an enhanced performance.

Point 2 CO_2 Reduction Impact

Q2 FY2026.3 Results

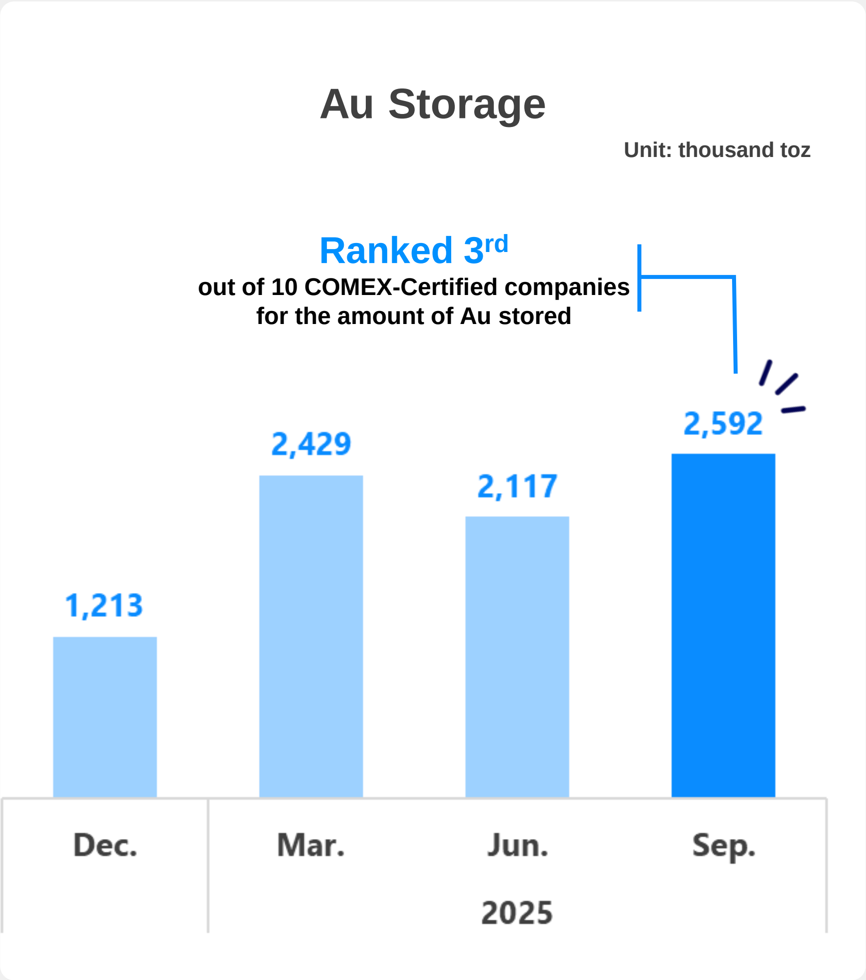
403 thousand tons

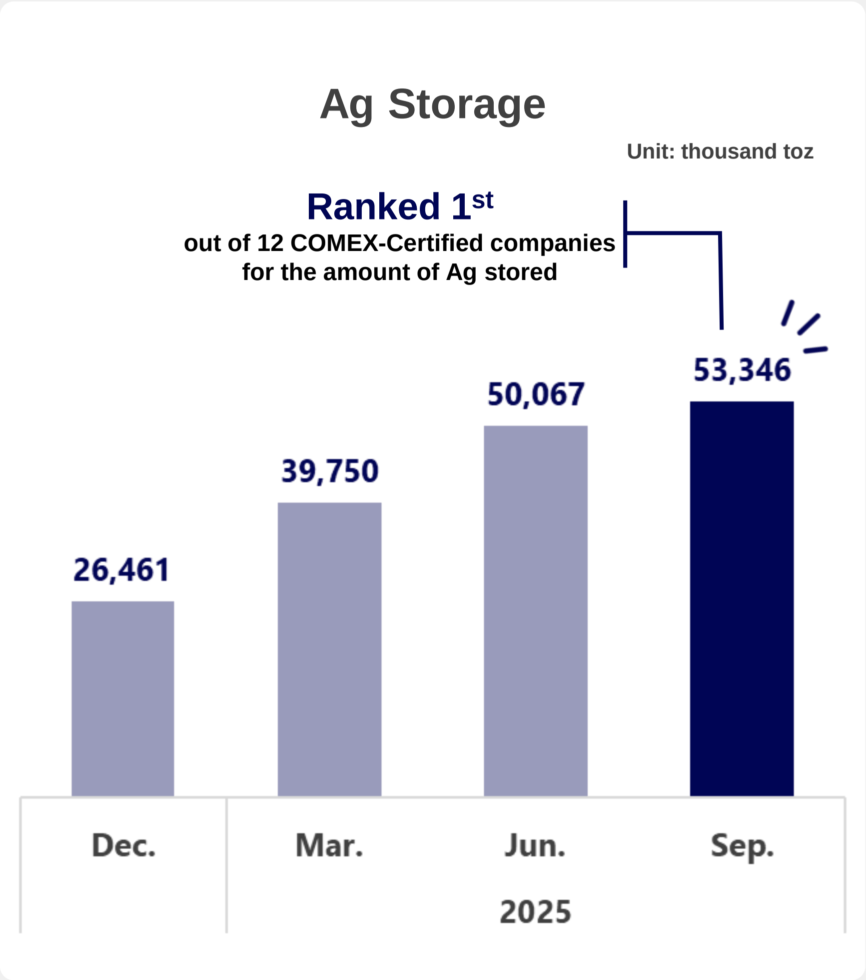
（YoY 409%）

➢ Increase in the proportion of recyclable materials in total inputs leads to enhanced CO_2 reduction.

Warehousing Business

- Although Au storage temporarily decreased due to reduced U.S. tariff-related concerns, consistent deliveries from our refineries drove an overall increase in storage volume.





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

Consolidated Statements of Financial Position

Unit: billion yen

	Mar 31, 2025	Sep 30, 2025	Change	Main Changes	
Current Assets	419.6	596.6	+177.0	Trade and other receivables Inventories	+165.6 +24.0
Non-current assets	70.4	74.9	+4.5		
Total Assets	490.0	671.5	+181.5		
Current liabilities	311.3	497.2	+185.9	Trade and other receivables Bonds and loans payable	+48.6 +92.7
Non-current liabilities	52.4	41.1	-11.3	Bonds and loans payable	-7.8
Equity	126.3	133.2	+6.9		
Total equity and liabilities	490.0	671.5	+181.5		

Point

- North American Refining Business: Higher prepayment transactions with mining companies and rising precious metal prices drove an increase in both assets and liabilities.
- Domestic Precious Metals Recycling Business: Hedged inventory grew as plant inventory volumes rose due to increased intake and higher precious metal prices.

Consolidated Statements of Cash Flows

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Unit: billion yen

	Q2 FY2026.3	Main Changes	
Cash flow from operating activities	-49.1	Profit before tax Changes in inventories Other increases and decreases in receivables and payables	+13.9 -24.0 -39.0
Cash flow from investing activities	0.7	Purchase of property, plant and equipment (PP&E) Changes in prepayment transactions, etc. in North America	-5.6 +5.8
Cash flow from financing activities	42.7	Loans payable Cash dividends paid	+45.8 -3.1
Effect of exchange rate change on cash and cash equivalents	-1.3		
Net change in cash and cash equivalents	-7.0		
Cash and cash equivalents at end of period	10.6		

Point

- Increase in inventory assets due to higher plant inventory volumes from intake and rising precious metal prices.
- In the North American Refining Business, operating receivables and related items increased due to more prepayment transactions with mining companies and higher precious metal prices.
- Financing activities mainly involved funding and dividend payments.

Capital Investment Progress

- 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	5.6	10.4	
Precious Metals Business	8.1	5.5	10.2	
Domestic	3.3	3.7	5.9	Bando Plant (2nd) related: approx. 4.0 billion yen
Overseas	4.8	1.8	4.3	Upgrading silver refining facilities in North America: approx. 3.0 billion yen
Others	0.1	0.1	0.1	
Depreciation	2.7	1.3	3.0	

Shareholder Return

- Dividend forecasts were revised to reflect updated financial projections and the return policy targeting a 40% payout ratio.
- For FY2026.3, we plan to pay a total dividend of 120 yen, with both interim and year-end dividends increased by 20 yen each.

Dividend Forecasts Revision

Initial Forecast

80 yen

Interim Dividend 40 yen

Year-end Dividend 40 yen

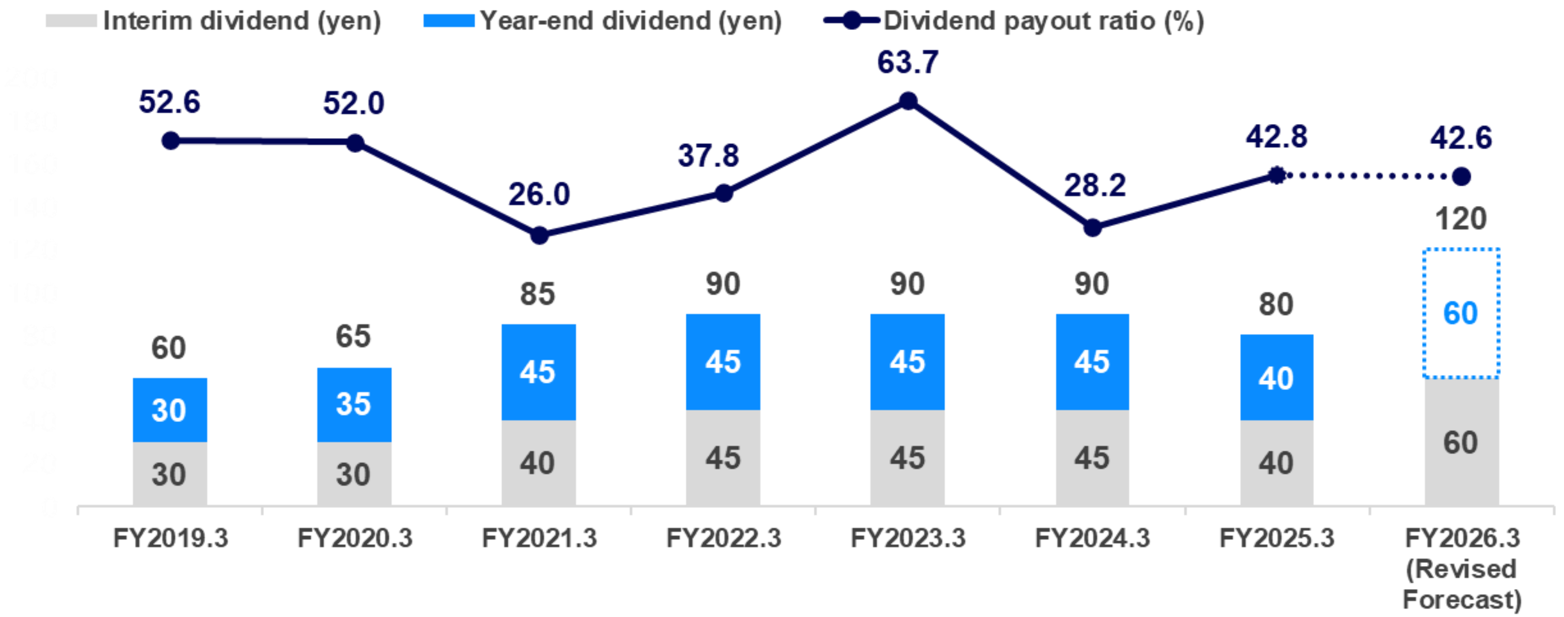
Revised

120 yen

Interim Dividend (Actual) 60 yen

Year-end Dividend 60 yen

Dividends Per Share



Issuance of the First Public Bonds

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- On October 17, 2025, the terms and conditions for the issuance of the first unsecured straight bonds (3-year bonds) were finalized.
- This marks ARE Holdings' first public bond issuance.
- We strengthen our framework for the stable funding required for business expansion by diversifying our financial methods.

Terms of the Bonds

Total Issue Amount

20.0 bn yen

Other Terms

Issuer Name	**ARE Holdings, Inc.**
Issue Amount	**20.0 billion yen**
Maturity	**3 years**
Interest Rate	**1.554% per annum**
Credit Rating	**A- (Rating and Investment Information, Inc.(R&I))**

Purpose of Issuance

Redemption

Allocate funds to redeem a portion of USD-denominated convertible bonds due 2026.

➢ No plans to issue convertible bonds.

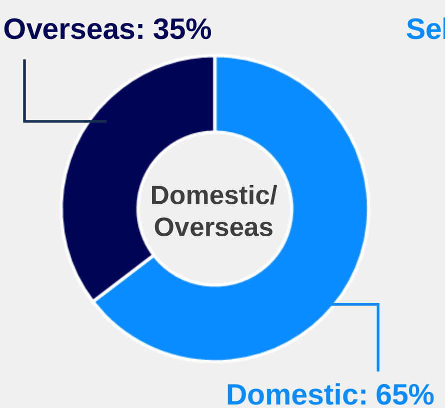
Working Capital for North America

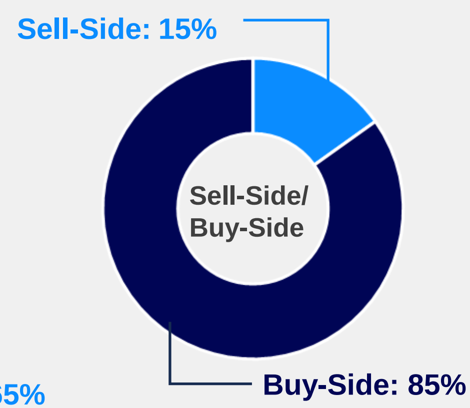
Allocate funds for working capital for North American Refining Business to support prepayment transactions.

Dialogues (FY2024)

	Events	YoY	Participants	Activity Summary
Earnings Briefings	2	-	◆ Representative Director, President ◆ General Manager of Finance & Accounting ◆ General Manager of Corporate Planning & Communications (IR Lead) *meeting participants might vary.	• Held at the end of Q2 and fiscal year. • Delivered via online streaming and posted as recorded video on the corporate website.
Small Group Meetings	2	-		• Conducted small group meetings with domestic and international investors. • Provided detailed explanations of the North American business and held Q&A sessions with 26 firms.
Investor Conferences	2	＋1		• Participated in conferences for institutional investors, conducting one-on-one meetings.
One-on-Ones	152	＋22		
Domestic	92	＋2		• Led by the IR team and conducted meetings with investors. • Main dialogue topics: Progress against full-year plans / Medium- to Long-Term Plan & Aspiration / North American Business / ESG / Shareholder return policy *Includes one-on-one-meetings held during conferences.
Overseas	60	＋20		• Online meetings: progress against full-year plans / growth strategy • Overseas Roadshow: in-person meetings covering Medium- to Long-Term Plan & Aspiration and ESG *Includes one-on-one meetings held during conferences.

Attributes of Dialogue Participants (FY2024)





Key Outcomes

Insights Gained

- **Enhanced disclosure for North America**
  - Disclosed half-term earnings of North America for the first time.
- **Disclosure of Capital Efficiency Outlook**
  - Clarified key KPIs and defined management indicators and targets.
- **Enhancement of Shareholder Returns**
  - Provide dialogue content to the Board and management to encourage constructive discussion.

External Evaluations and Ratings

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1 Inclusion in Stock Indices

JPX-NIKKEI 400

Selected for FY2020 - 2025

A stock index composed of 400 companies considered highly attractive to investors, meeting key requirements of global investment standards such as efficient use of capital and management perspectives focused on investor interests.

JPX-NIKKEI Mid Small

A stock index composed of 200 companies applying the concept of JPX Nikkei Index 400 to small- and mid-cap stocks—companies that efficiently utilize capital and practice investor-focused management.

2 ESG-Related Evaluations

MSCI ESG RATINGS BBB

CCC | B | BB | BBB | A | AA | AAA

CDP A-

External Rating of FY2023 Performance

2025 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

FTSE Blossom Japan Sector Relative Index

S&P/JPX Carbon Efficient Index

プラチナくるみん
子育てサポートしています

2025
健康経営優良法人
KENKO Investment for Health
大規模法人部門

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ESG Our Targets Obtained SBT Certifications

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- Our greenhouse gas (GHG) emissions reduction target has been certified as being aligned with the “1.5 ℃ 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 FY2030 (vs. FY2023)**
Scope3	**Reduce 25% by FY2030 (vs. FY2023)**

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)

Agenda

1. Q2 FY2026.3 Financial Results
2. Appendix

Extensive Collection Network and Advanced Facilities

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Sales Office
19

A comprehensive collection network across the country

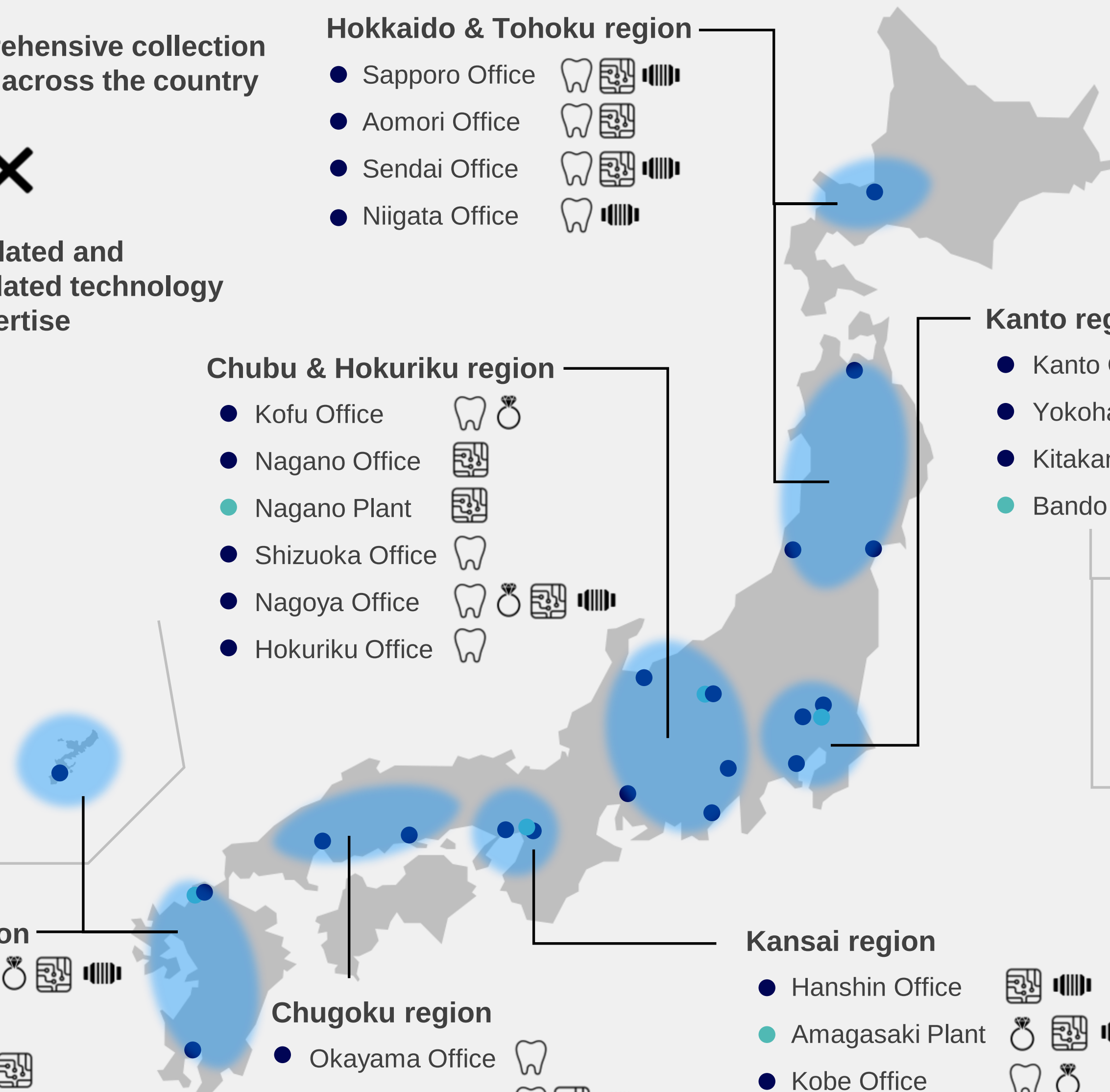
×

Plant
4

Accumulated and consolidated technology and expertise

Site	
●	Sales office
●	Plant

Sector
Dentistry
Jewelry
Electricity
Catalyst



Hokkaido & Tohoku region

Site	Dentistry	Jewelry	Electricity	Catalyst
● Sapporo Office	✓		✓	✓
● Aomori Office	✓		✓	
● Sendai Office	✓		✓	✓
● Niigata Office	✓			✓

Chubu & Hokuriku region

Site	Dentistry	Jewelry	Electricity	Catalyst
● Kofu Office	✓	✓		
● Nagano Office			✓	
● Nagano Plant			✓	
● Shizuoka Office	✓			
● Nagoya Office	✓	✓	✓	✓
● Hokuriku Office	✓			

Kanto region

Site	Dentistry	Jewelry	Electricity	Catalyst
● Kanto Office	✓	✓		
● Yokohama Office	✓	✓		
● Kitakanto Office	✓		✓	✓
● Bando Plant	✓	✓	✓	✓

Bando Plant (1st)

Bando Plant (2nd)

Kyushu & Okinawa region

Site	Dentistry	Jewelry	Electricity	Catalyst
● Fukuoka Office	✓	✓	✓	✓
● Fukuoka Plant			✓	
● Kagoshima Office	✓		✓	
● Okinawa Office	✓		✓	✓

Chugoku region

Site	Dentistry	Jewelry	Electricity	Catalyst
● Okayama Office	✓			
● Hiroshima Office	✓		✓	✓

Kansai region

Site	Dentistry	Jewelry	Electricity	Catalyst
● Hanshin Office			✓	✓
● Amagasaki Plant		✓	✓	✓
● Kobe Office	✓	✓		

Transaction Types for Precious Metals Business

ARE
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Return Type

Return bullion

Customers

Collect

ARE Holdings Group

Assay

Measure the amount of precious metals contained in the raw materials

Refine & Finish

Refine and mold metals into high grade bullions

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

Purchase Type

Payment

Customers

Collect

ARE Holdings Group

Assay

Measure the amount of precious metals contained in the raw materials

Purchase

Hedge prices promptly after assay to make sales price >= purchase price

Refine & Finish

Refine and mold metals into high grade bullions

Sale

Manufacturers

Commodity Markets

Trading Companies

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

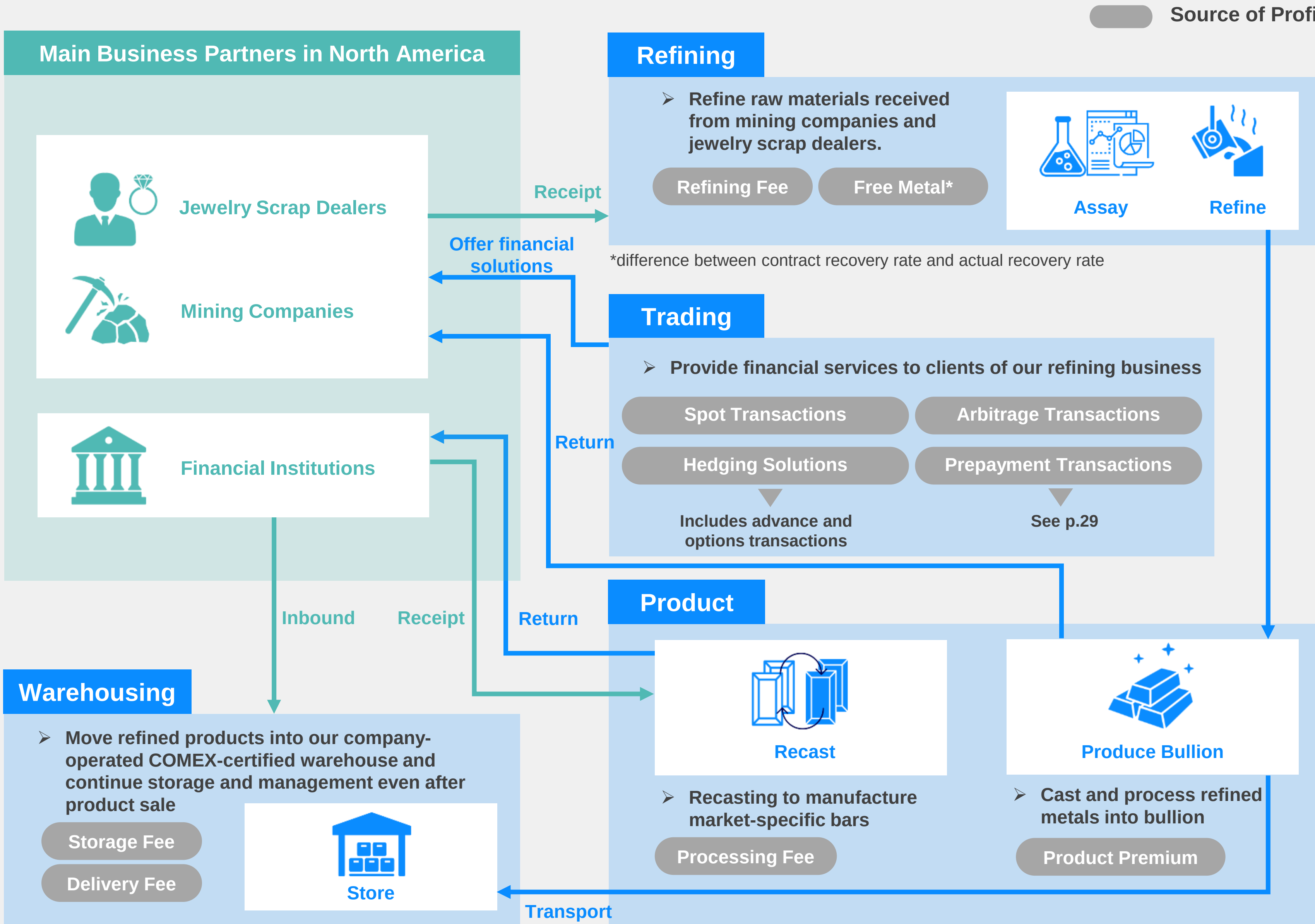
Elemental Composition Ratio by Business Sector

	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).

North American Refining Business | Business Model

ARE
Think Circular



Prepayment Transactions

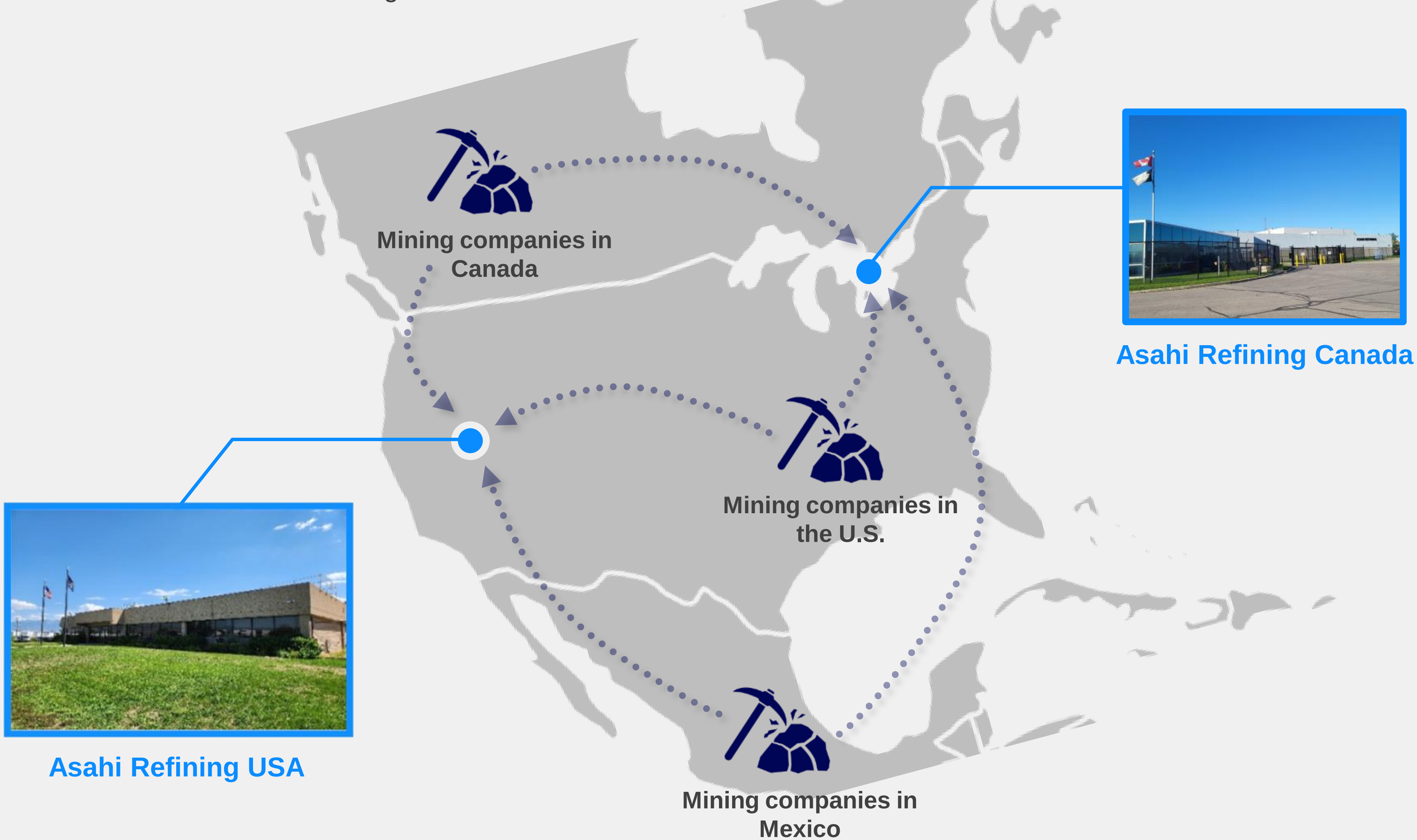
- Prepayment transactions are conducted as part of refining operations in the North American Refining Business and serve as a mechanism to ensure stable funding of refining transactions.
- Although prepayment transactions temporarily increase assets and liabilities, they contribute to profits through interest income and help strengthen business relationships and maintain competitiveness.

– Prepayment Transaction Process –

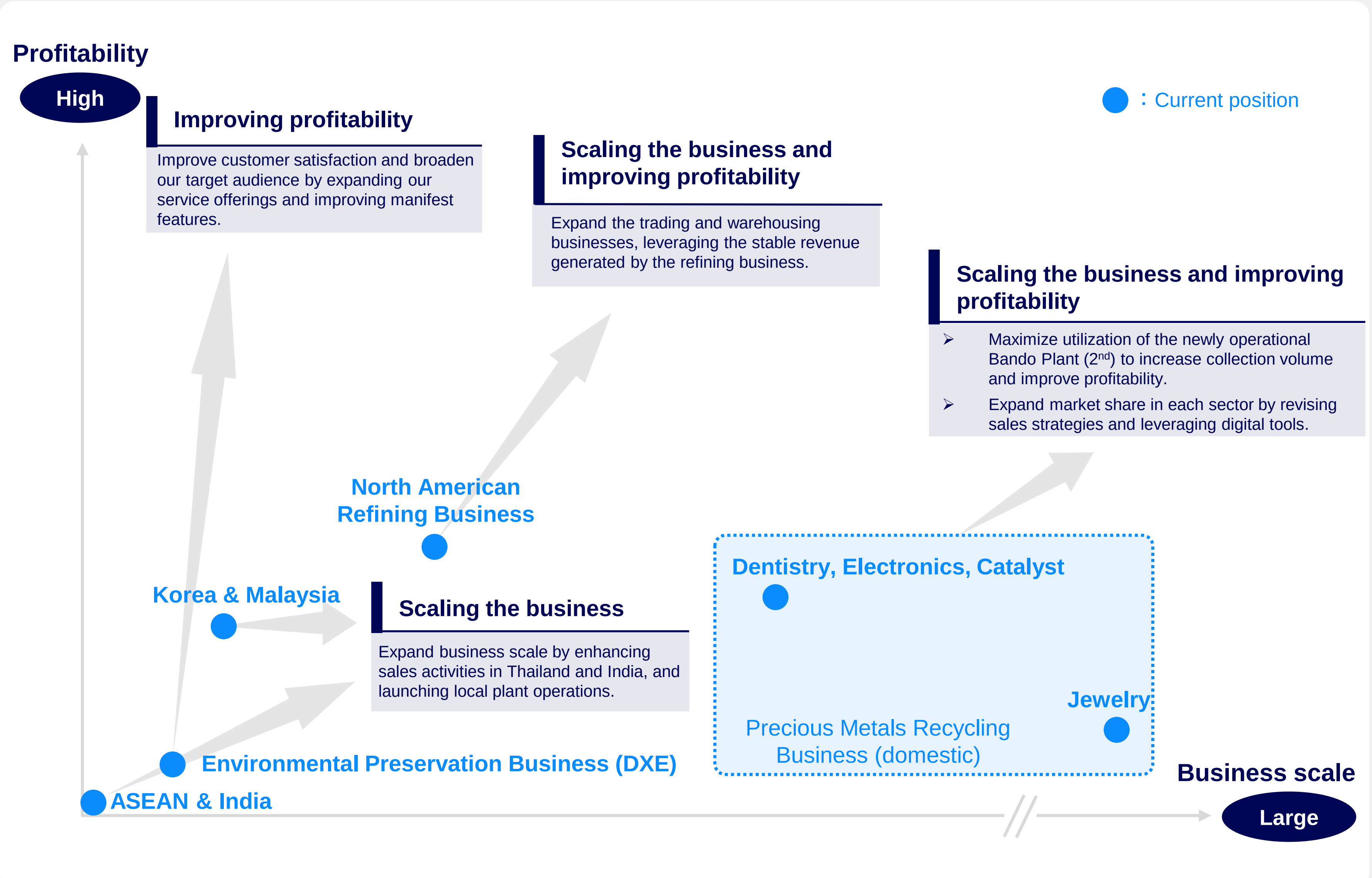
STEP1	Receipt of Unrefined Raw Materials		Receive to-be-refined Au and Ag raw materials from clients such as mining companies.
STEP2	Assay Precious Metal Content		Determine precious metal content in raw materials through assays.
STEP3	Secure Financing for Prepayment	Rising liabilities	Finalize prepayment amount based on assay results and contract terms; secure loans from financial institutions to fund prepayment.
STEP4	Prepayment in Cash or Metal	Rising Assets	Provide prepayment in cash or metals, within the assessed metal content limit, before refining (eliminating credit risk).
STEP5	Refining and Bullion Production		Complete refining and process raw materials into bullion
STEP6	Loan Repayment	Asset & Liability Drop	Repay loans using proceeds from bullion sales. Profit arises from interest during prepayment days（prepayment interest rate exceeds lease rate）.

Impact from U.S. Tariff Policy

- **No impact from tariffs on transporting raw materials and products** in North American sites; Au and Ag remain exempt under U.S. tariff policy, and Canada's retaliatory tariffs have also been removed.
- However, ongoing tariff concerns create positive effects for our business, including arbitrage opportunities and increased demand for recasting.



Profitability of Each Business



Verified CO_2 Emissions Reduction

- For our main product, 99.99% gold granules, we have calculated CO_2 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 CO_2 emissions during the manufacturing process by approximately 98% compared to bullion made from mined raw materials.

Obtained Carbon Footprint (CFP) for Gold Granule Products