

Q3 FY2026.3

Financial Results

ARE Holdings, Inc.
February 3, 2026

Prime Market of Tokyo Stock Exchange (5857)

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.



ARE
Think Circular

Agenda

1. Q3 FY2026.3 Financial Results
2. Appendix



1

Consolidated Results

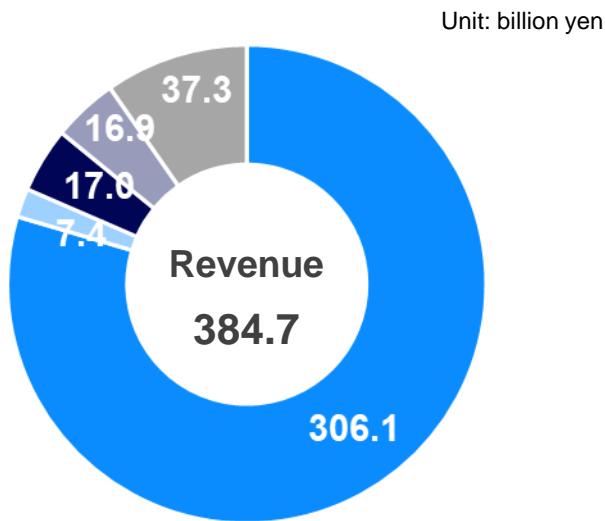
FY2025.3		FY2026.3		FY2026.3
	Q3 Results	Q3 Results	YoY Change	Revised Forecast
Sales Revenue	373.0 bn yen	384.7 bn yen	+11.7 bn yen	585.0 bn yen
Operating Profit	14.7 bn yen	28.6 bn yen	+14.0 bn yen	35.0 bn yen
Net Income	11.4 bn yen	19.6 bn yen	+8.2 bn yen	23.9 bn yen

2

Results by Business Segments

	Precious Metals Business		Environmental Preservation Business	
	Q3 FY2026.3	YoY Change	Q3 FY2026.3	YoY Change
Operating Profit	27.4 bn yen	+14.0 bn yen	1.3 bn yen	-0.2 bn yen

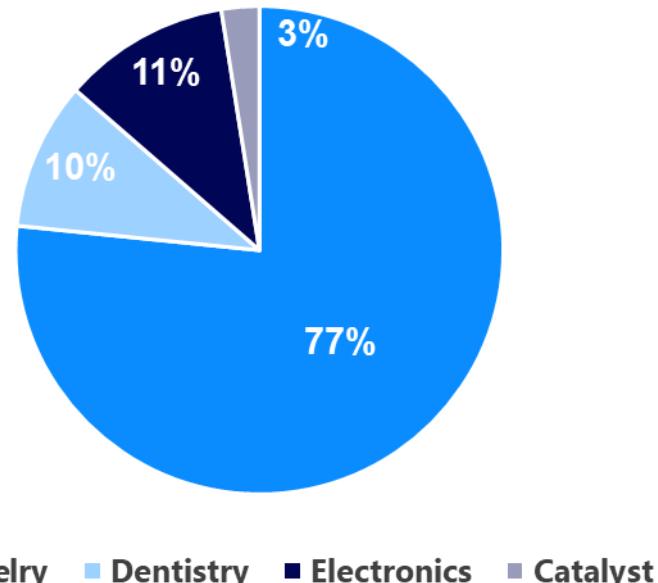
Breakdown of Sales by Metal



■ Gold ■ Silver ■ Palladium ■ Platinum ■ Others*

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

Breakdown of Sales by Business Sector



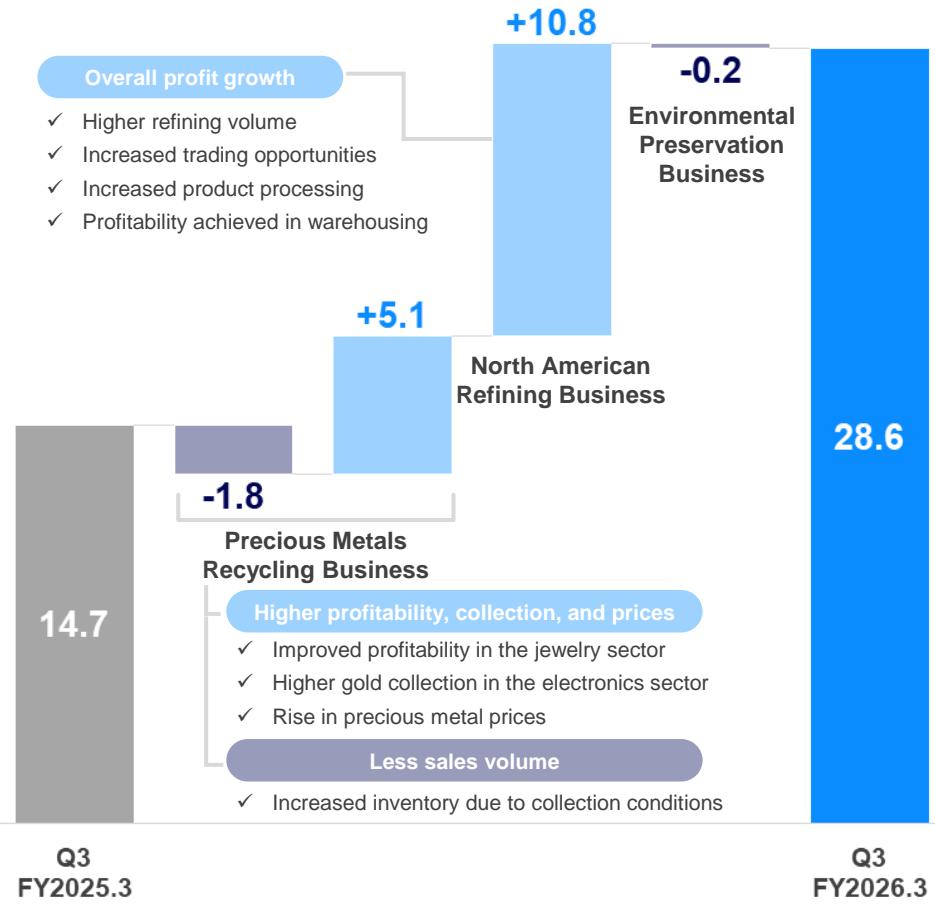
■ Jewelry ■ Dentistry ■ Electronics ■ Catalyst

Note: 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

Profit Growth in Precious Metals Recycling

- ✓ Profitability improved in the jewelry sector.
- ✓ An increase in gold collection volume in the electronics sector, driven by rising precious metal prices, contributed to higher operating profit.

Profit Growth in North America

- ✓ Price differences between the New York and London markets led to profit growth by capturing arbitrage opportunities.
- ✓ Recasting demand increased; alongside higher volumes of gold transported between markets.

Fluctuations in Precious Metal Prices

Unit: yen

Precious Metal Prices (per gram)	Q3(Apr. to Dec.) FY2025.3		Q3(Apr. to Dec.) FY2026.3	
	Average price for the period	Average price for the period	Change	
Gold	12,225	17,423	+ 5,198	
Palladium	4,930	5,841	+ 911	
Platinum	4,841	6,732	+ 1,891	
Rhodium	22,421	30,845	+ 8,424	

Note: Gold (mining company quotes), Palladium (Nikkei low price), Platinum (retail price, excluding tax), Rhodium (Metals Week NY Dealer Prices).



Sales Revenue

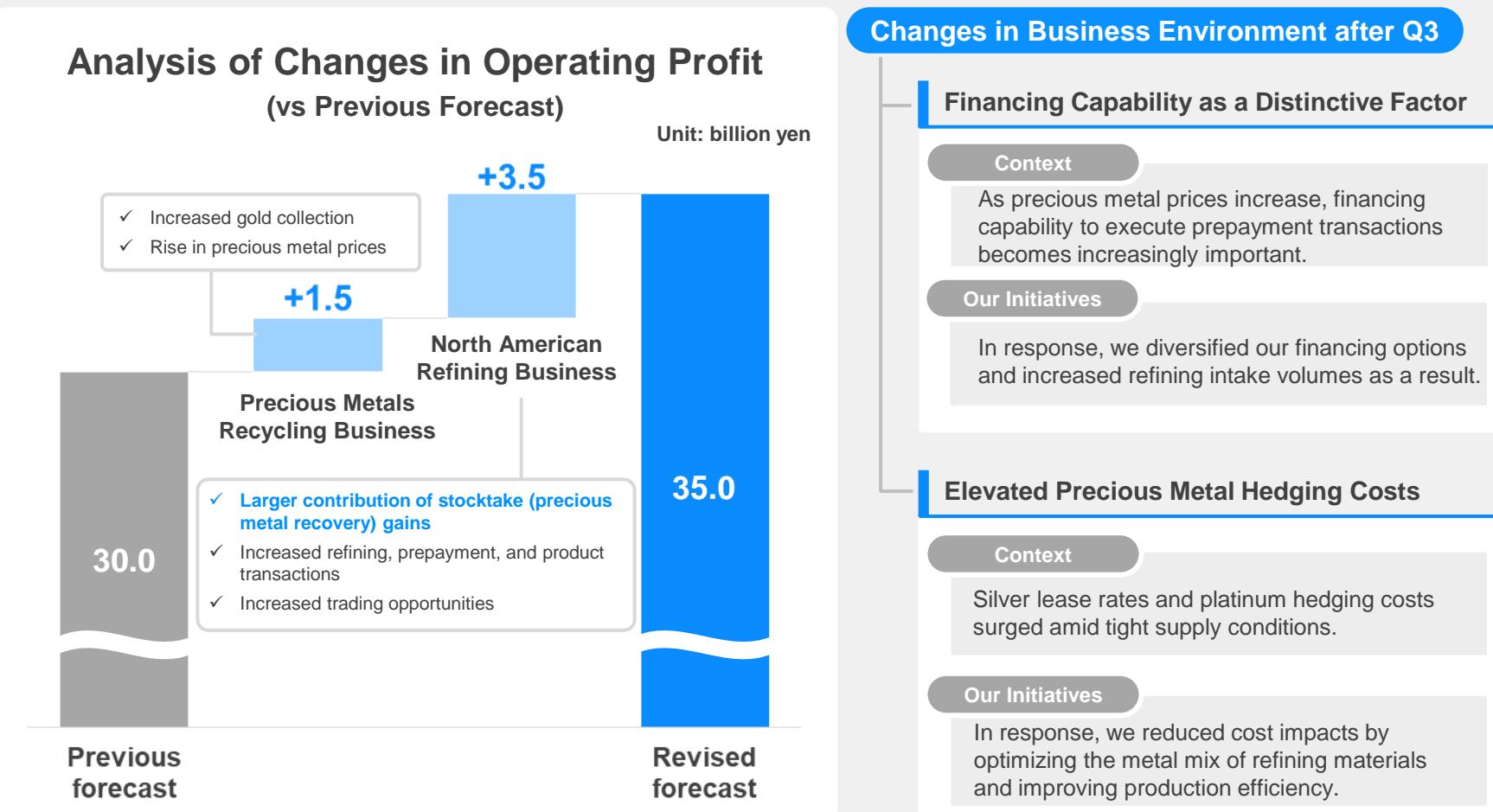
- Gold and platinum collection in precious metals recycling exceeded plan, and together with rising market prices, contributed to higher precious metal sales.

Operating Profit

- Operating profit is expected to reach a record high, driven by higher precious metal sales in the precious metals recycling business and supported by strong earnings in North America, including increases in gold refining volumes, processing fees, and trading profits.

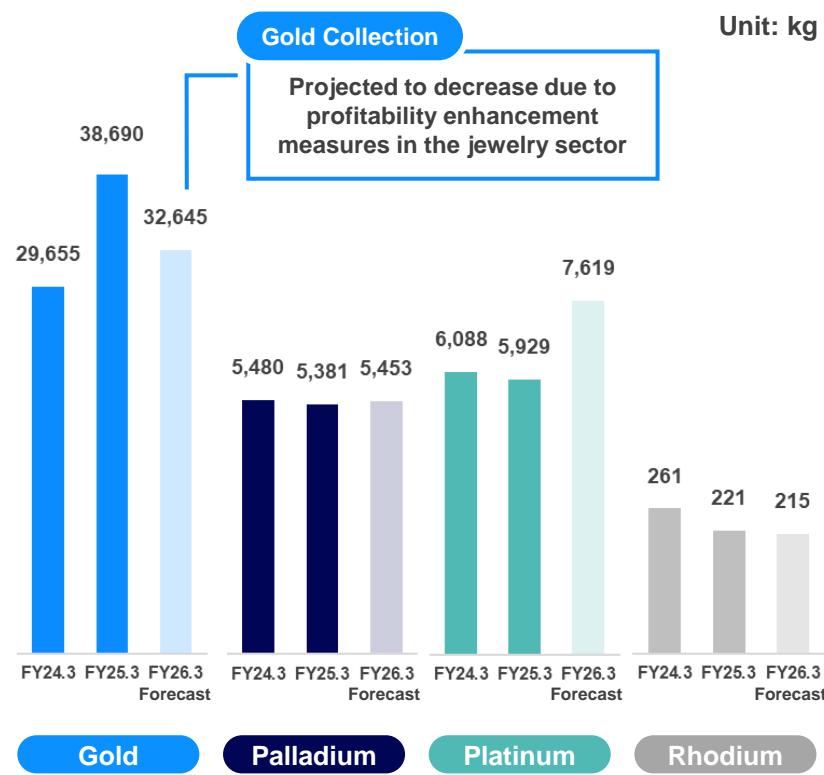
	FY2025.3 Results	FY2026.3		
		Previous Forecast	Revised Forecast	Change
Sales Revenue	506.2 bn yen	517.0 bn yen	585.0 bn yen	+68.0 bn yen
Operating Profit	20.0 bn yen	30.0 bn yen	35.0 bn yen	+5.0 bn yen
Profit Before Tax	20.5 bn yen	29.1 bn yen	32.7 bn yen	+3.6 bn yen
Net Income (attributable to owners of the parent)	14.3 bn yen	21.6 bn yen	23.9 bn yen	+2.3 bn yen

- Precious metal sales prices exceeded expectations due to a surge in precious metal prices since October 2025.
- Gold refining volumes, processing fees, and trading profits in North America increased.
- Profit from stocktake (precious metal recovery) in North America—only included in Q2 and Q3 this year—increased.
- The Q4 forecast reflects a surge in precious metal hedging costs as well as silver lease rates.**

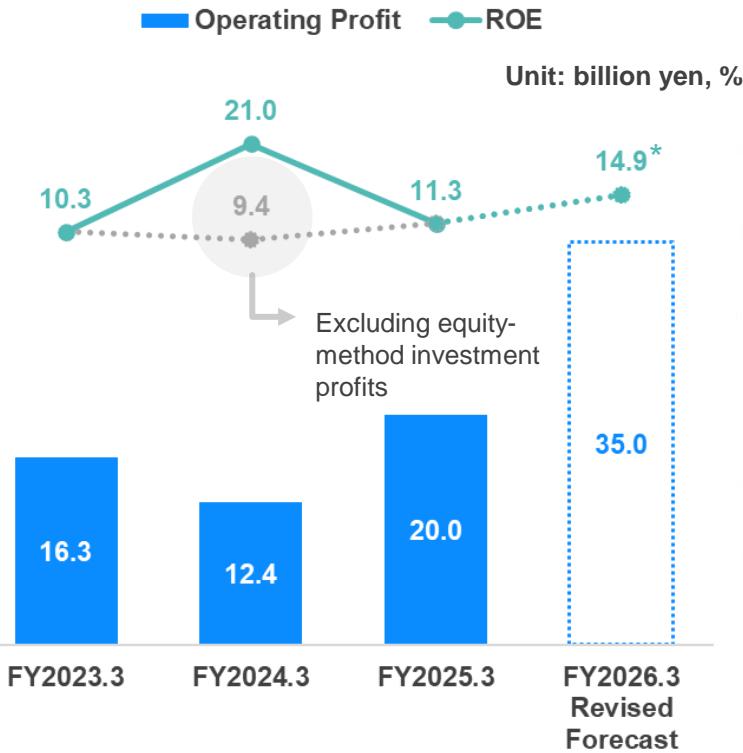


- Rather than sales revenue, which fluctuates with precious metal prices, **collection volume** is set as the primary KPI to enable stable performance tracking.
- Alongside prioritizing **operating profit** as a key management indicator, **ROE**—reflecting capital efficiency—is emphasized from a medium- to long-term perspective.
- Recently, our **price-to-book ratio (P/B ratio)** has generally maintained a level above 2.0.

1 Collection Volume



2 Operating Profit and ROE



The collection volume includes only recycling operations in Japan and Asia and excludes any recycled or mined volume from North America.

*Calculated using the ratio of equity attributable to owners of the parent as of December 31, 2025.

- 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.27.)
- We assess financial soundness using **an equity ratio that excludes highly liquid assets**.

Consolidated Balance Sheet of ARE Holdings

Unit: billion yen

Current assets	Liabilities
857.6	774.4
Non-current assets	Equity
77.7	160.9

Equity Ratio

(ratio of equity attributable to owners of the parent)

17.2%

Balance Sheet without Highly Liquid Assets

Unit: billion yen

Trade receivables in
North America, etc.

654.4 billion yen

Cash and cash
equivalents

7.3 billion yen

Jewelry sector
advance payments
in Japan

27.2 billion yen

Liabilities	Other assets	Equity
85.5	246.4	160.9

Equity Ratio

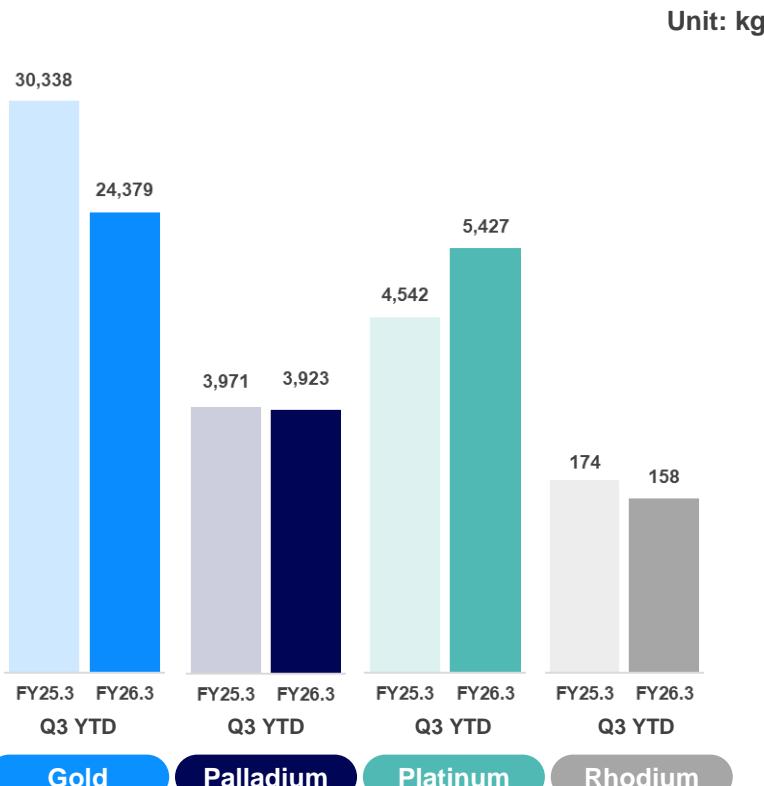
(ratio of equity attributable to owners of the parent)

65.3%

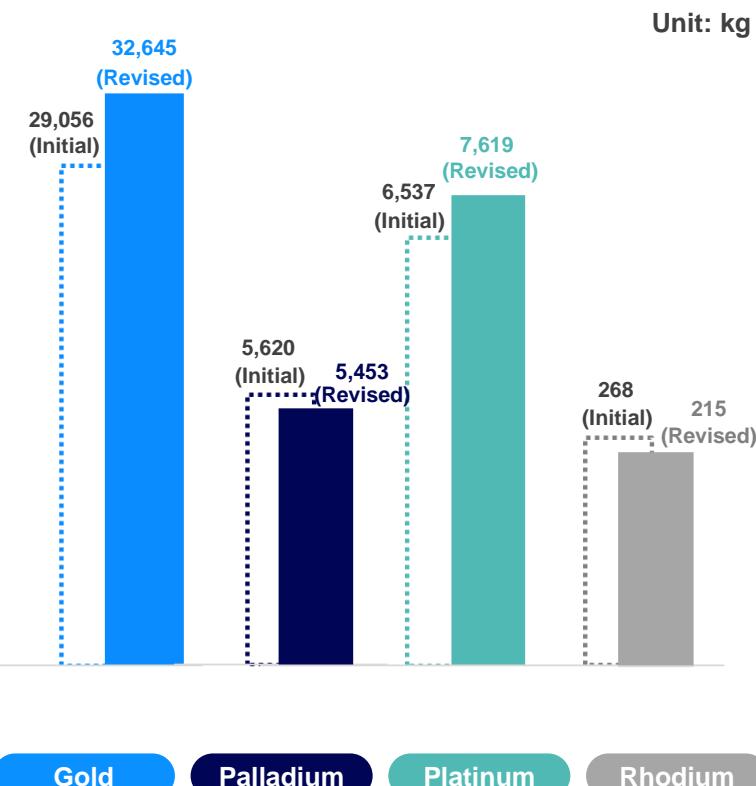


- Collection volume targets were updated to reflect collection conditions and the business environment through Q3 of FY2026.3.
- Gold and platinum collection volumes were particularly high in the jewelry sector due to a surge in prices.

1 YoY Change



2 Revision of Full-Year Target





	Profit (YoY change)	Collection Volume (YoY change)	Business Environment
Dentistry	Growth 	Gold 96%	Although material shifts continue to impact the recycling market, profit grew as collection volumes were maintained through new client acquisition and supported by rising gold prices.
Jewelry	Growth 	Gold 75%	Despite reducing gold collection volume to prioritize profitability, platinum collection volume surpassed the initial plan, driving an increase in profit.
Electronics	Growth 	Gold 102%	HV and automotive electronic components, as well as AI data center-related areas, experienced strong demand, while a slowdown in the Chinese market and BEV demand had a negative impact. As a result, both collection volume and profit increased year on year.
Catalyst	Decline 	Palladium 96%	Higher collections from the stable chemical catalyst segment and rising PGM prices were not enough to offset the struggling end-of-life vehicle catalyst segment impacted by the weak yen, resulting in a decline in both collection volume and profit.

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



- Gold price at the end of January 2026 stood at 26,480 yen/g, a **91%** increase YoY.
- Palladium price at the end of January 2026 marked 10,055 yen/g, a **102%** increase YoY.

Gold



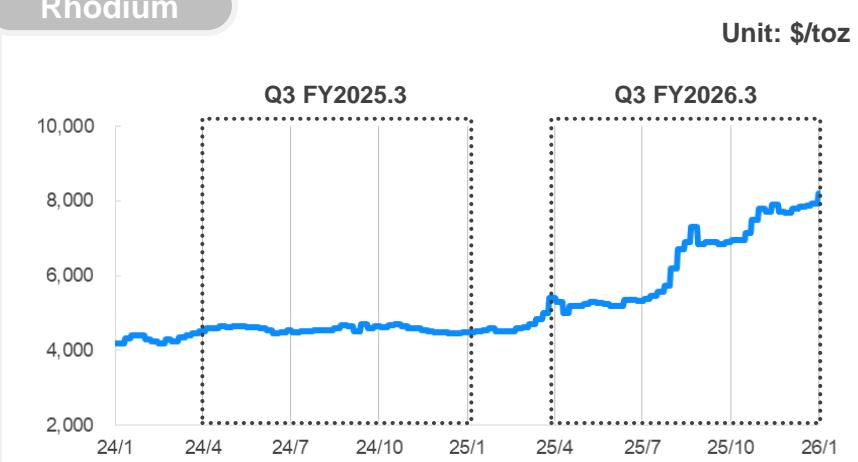
Palladium



Platinum



Rhodium



Note: Gold (mining company quotes), Palladium (Nikkei low price), Platinum (retail price, excluding tax), Rhodium (Metals Week NY Dealer Prices).

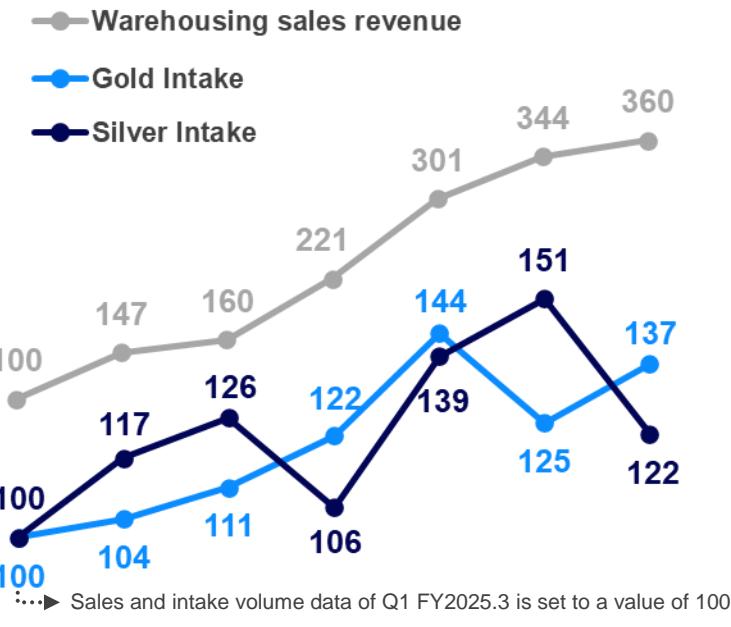


- As uncertainty surrounding U.S. tariff policy eased and silver inventories in London became tighter, gold and silver were increasingly transported from the New York market to the London market.
- As a result, on-hand storage volumes declined, while **warehousing-related sales increased, driven by higher withdrawal fee income.**
- In addition, **refining intake volumes for both gold and silver showed an increasing trend**, reflecting stronger demand for recasting arising from differences in market standards between New York and London.

Storage Volumes



Refining Intake Volumes / Warehousing Sales Revenue



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



Unit: billion yen

	Mar 31, 2025	Dec 31, 2025	Change	Main Changes	
Current assets	419.6	857.6	+438.0	Trade and other receivables Inventories	+363.2 +56.6
Non-current assets	70.4	77.7	+7.3		
Total assets	490.0	935.3	+445.3		
Current liabilities	311.3	707.6	+396.4	Trade and other payables Bonds and loans payable	+131.9 +205.8
Non-current liabilities	52.4	66.8	+14.3	Bonds and loans payable	+11.2
Equity	126.3	160.9	+34.6		
Total equity and liabilities	490.0	935.3	+445.3		

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 collection conditions and higher precious metal prices.

Unit: billion yen

	Q3 FY2026.3	Main Changes	
Cash flow from operating activities	-111.3	Profit before tax	+26.6
		Changes in inventories	-56.7
		Other increases and decreases in receivables and payables	-81.2
Cash flow from investing activities	1.4	Purchase of property, plant and equipment (PP&E)	-7.0
		Changes in prepayment transactions, etc. in North America	+9.0
Cash flow from financing activities	102.6	Loans payable	+90.3
		Corporate bond issuance	+20.0
		Cash dividends paid	-7.7
Effect of exchange rate change on cash and cash equivalents	-2.9		
Net change in cash and cash equivalents	-10.2		
Cash and cash equivalents at end of period	7.3		

Point

- The increase in inventory assets is due to higher plant inventory volumes resulting from collection conditions and rising precious metal prices.
- In the North American Refining Business, operating receivables and related items increased due to higher prepayment transactions with mining companies and rising precious metal prices.
- Financing activities mainly involved funding 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) has been starting its 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	6.9	10.4	
— Precious Metals Business	8.1	6.8	10.2	
— Domestic	3.3	4.3	5.9	Bando Plant (2nd) related: approx. 4.0 billion yen
— Overseas	4.8	2.5	4.3	Upgrading silver refining facilities in North America: approx. 3.0 billion yen
— Others	0.1	0.1	0.1	
Depreciation	2.7	2.1	3.0	



- The dividend forecast was revised to reflect updated financial projections and a return policy targeting a 40% payout ratio and sustainable, stable returns to shareholders.
- For FY2026.3, the total dividend will be 125 yen, with the year-end dividend increased by 5 yen from the previous forecast.

Dividend Forecast Revision

Previous Forecast

120 yen

Interim
Dividend
Year-end
Dividend

60 yen
60 yen

Revised Forecast

125 yen

Interim
Dividend
Year-end
Dividend

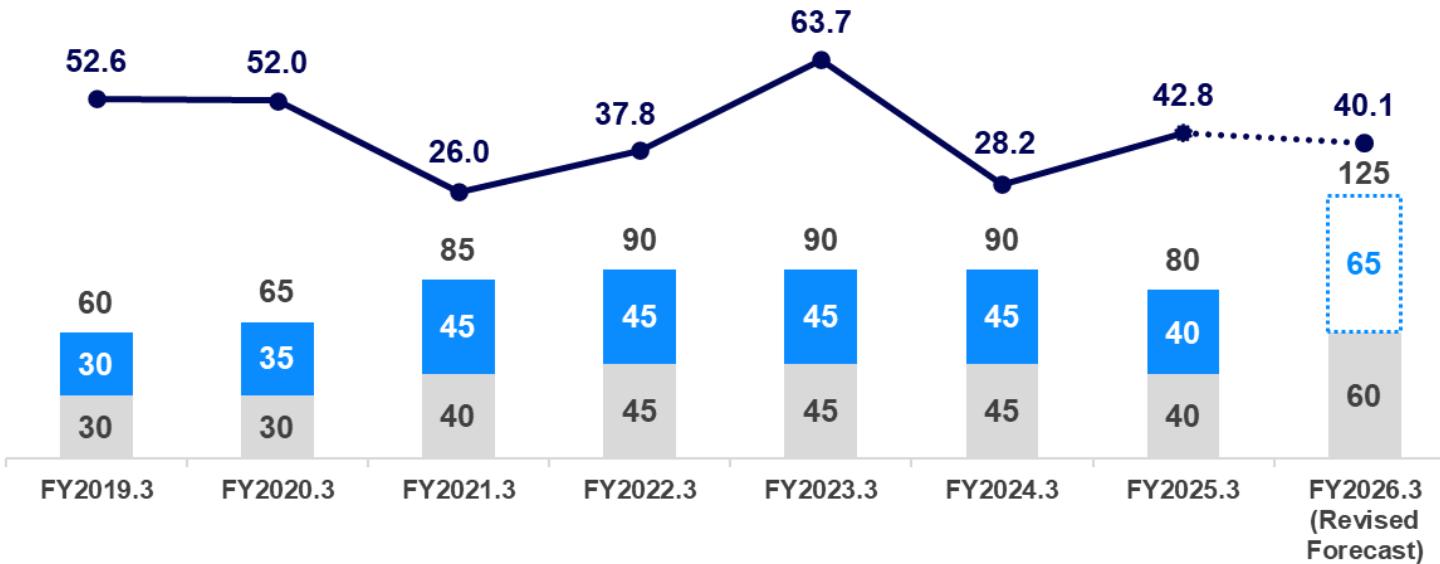
60 yen (Actual)
65 yen

Dividends Per Share

Interim dividend (yen)

Year-end dividend (yen)

Dividend payout ratio (%)





2025 CDP Results



- ARE Group was selected **on the prestigious A List** in the Climate Change category for the first time.
- Our environmental disclosure and performance were recognized as meeting leadership-level standards.
- Addressing climate change remains one of our top priorities, and we will continue contributing to the realization of a sustainable world by promoting resource circulation and proactively disclosing relevant information.

Our CDP Scoring History

Score	Scoring Level	Year
A	Leadership	2025
A-		2023, 2024
B	Management	2022
B-		
C	Awareness	
C-		
D	Disclosure	
D-		



Companies that made the 2025 A List are among the **top 4%** of all corporate disclosers.



Expand precious metals recycling

Total volume of recycled precious metals

Q2 FY2025	FY2030 Target
341 tons	300 tons

CO₂ reduction effect

Q2 FY2025	FY2030 Target
640 thousand tons	837 thousand tons



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

Obtained certifications



We renewed our Code of Practices (COP) certification under the Responsible Jewellery Council.

Reduce CO₂ emissionsCO₂ emissions: Scope1 and 2*

Q2 FY2025	FY2030 Target
(CO ₂ emissions)	(CO ₂ emissions)
7.2 thousand tons (vs Q2 FY2024)	11.9 thousand tons (vs FY2023)

-6% **-42%**



Enhance work-life balance and employee diversity

Paid leave utilization rate

Q2 FY2025	FY2030 Target
35.3%	70.0%

Percentage of women in managerial positions

Q2 FY2025	FY2030 Target
5.6%	7.0%

Percentage of employees with disabilities

Q2 FY2025	FY2030 Target
2.7%	2.7%

Achievement rate for rest intervals of at least 11 hours

Q2 FY2025	FY2030 Target
99.9%	100%

Percentage of male parental leave childcare leave usage

Q2 FY2025	FY2030 Target
100%	100%



Encourage and support SDG-related activities

Asahi Clean Project

Local Cleanup Activities

43 initiatives

(total of 362 participants)



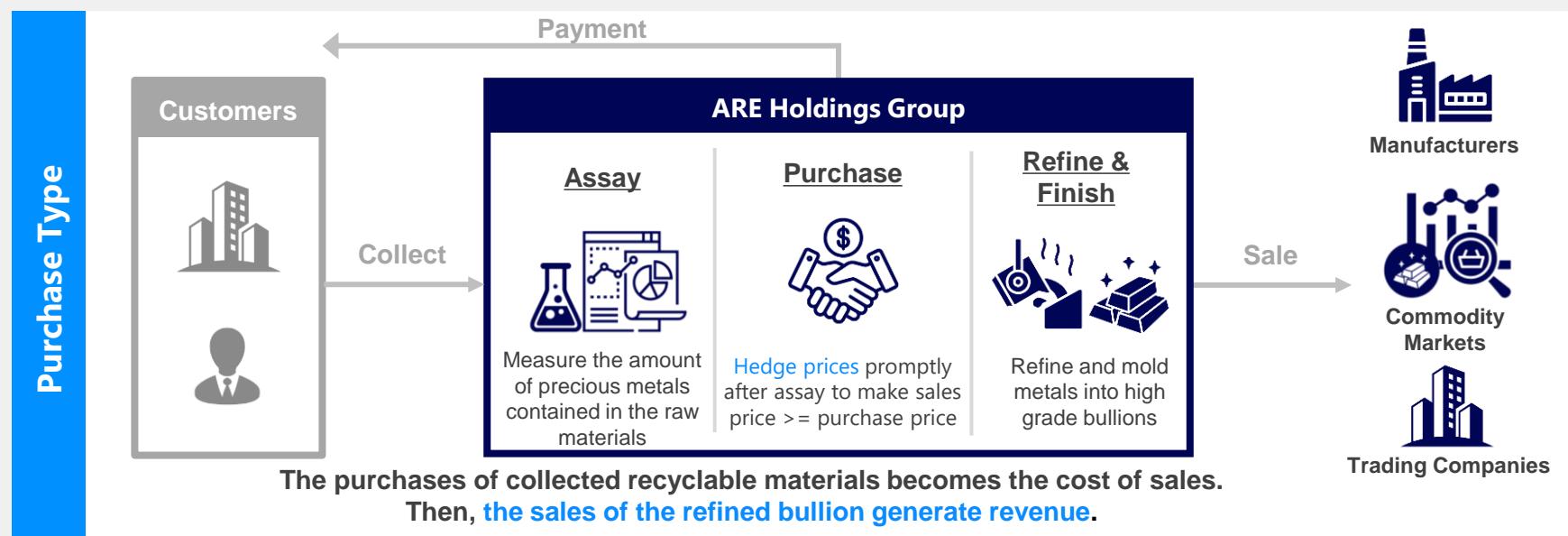
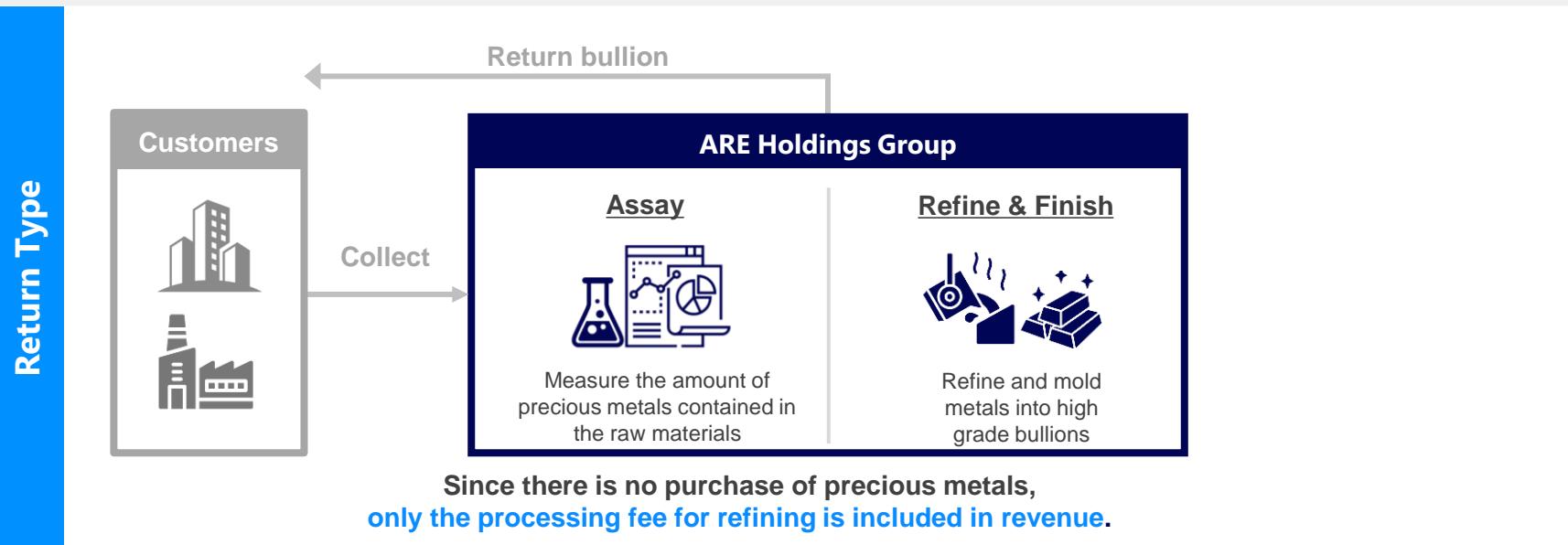
*Figures exclude businesses that were newly added or discontinued after FY2015.

Note: FY2025 refers to the fiscal year ending March 2026 (FY2026.3). This convention applies throughout this page.



Agenda

1. Q3 FY2026.3 Financial Results
2. Appendix





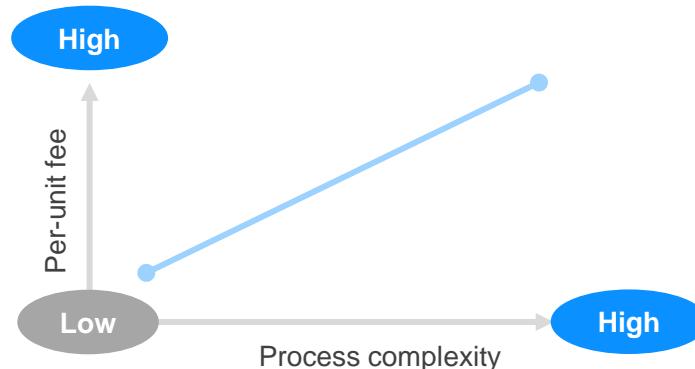
- Two primary profit sources of the Precious Metals Business are **refining fees** and **recovery differentials**.
- Exposure to precious metal price fluctuations is limited**, as prices are largely hedged.
- Refining fees **provide stable, recurring earnings**, while recovery differentials **contribute incremental upside**.

Refining Fees

Collection Volume



Per-Unit Fee



The Per-unit fee varies depending on the complexity of the required processing.

Recovery Differentials

Actual Recovery Rate

Contract Recovery Rate

High

Profit

Low

Spot price

High

Profitability improves when recovery differentials are realized at higher price levels.

Not impacted by precious metal price fluctuations

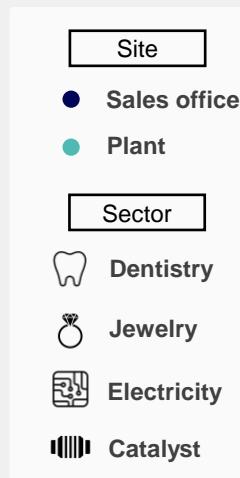
Sensitive to precious metal price fluctuations



A comprehensive collection network across the country



Accumulated and consolidated technology and expertise



Kyushu & Okinawa region

- Fukuoka Office
- Fukuoka Plant
- Kagoshima Office
- Okinawa Office

Chugoku region

- Okayama Office
- Hiroshima Office

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)



Kansai region

- Hanshin Office
- Amagasaki Plant
- Kobe Office



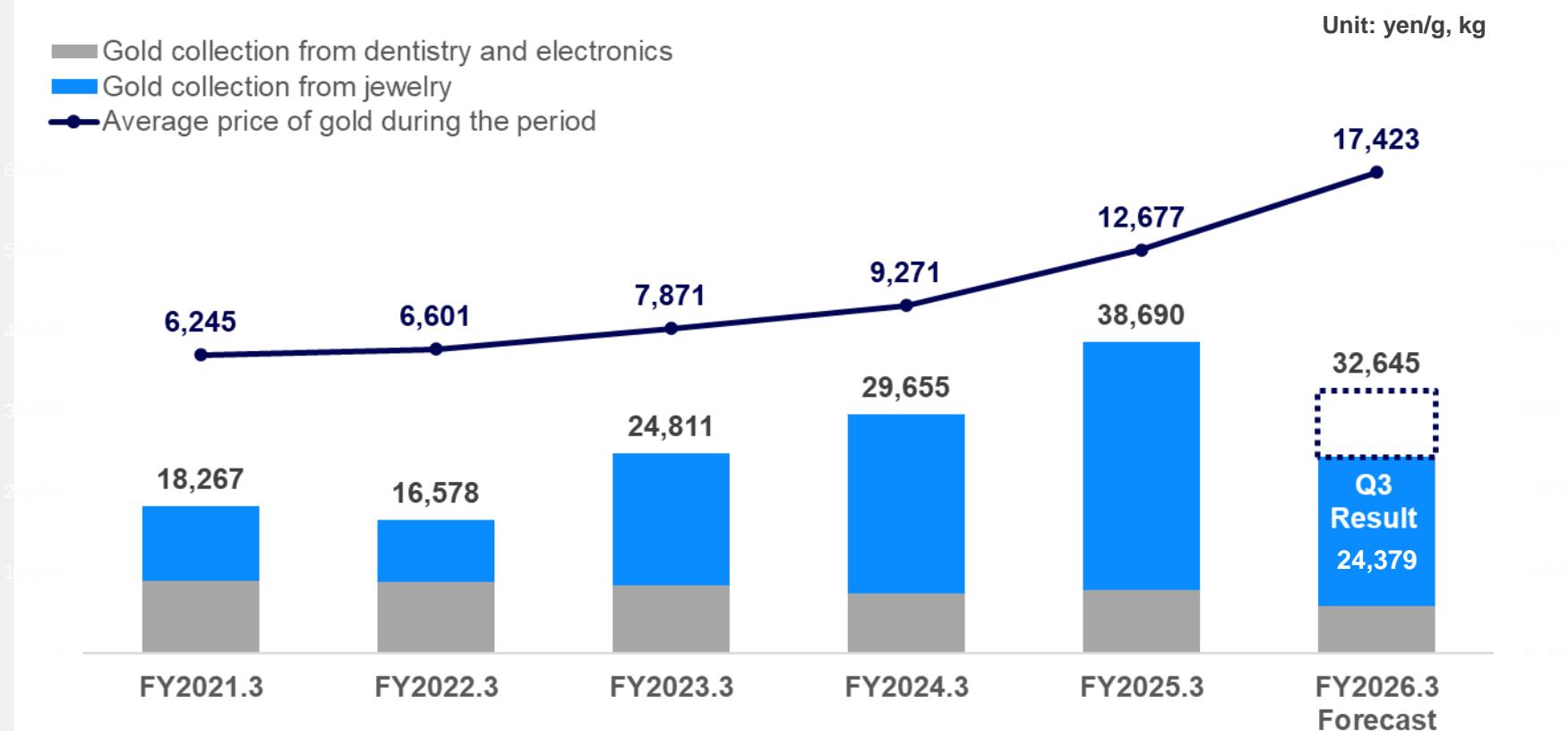
	Composition ratio by metal element			
	Gold	Palladium	Platinum	Rhodium
Dentistry	30 - 50%	50 - 70%	Less than 10%	—
Jewelry	Over 70%	Less than 10%	10 - 30%	—
Electronics	Over 70%	Less than 10%	Less than 10%	—
Catalyst	—	50 - 70%	30 - 50%	Less than 10%

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

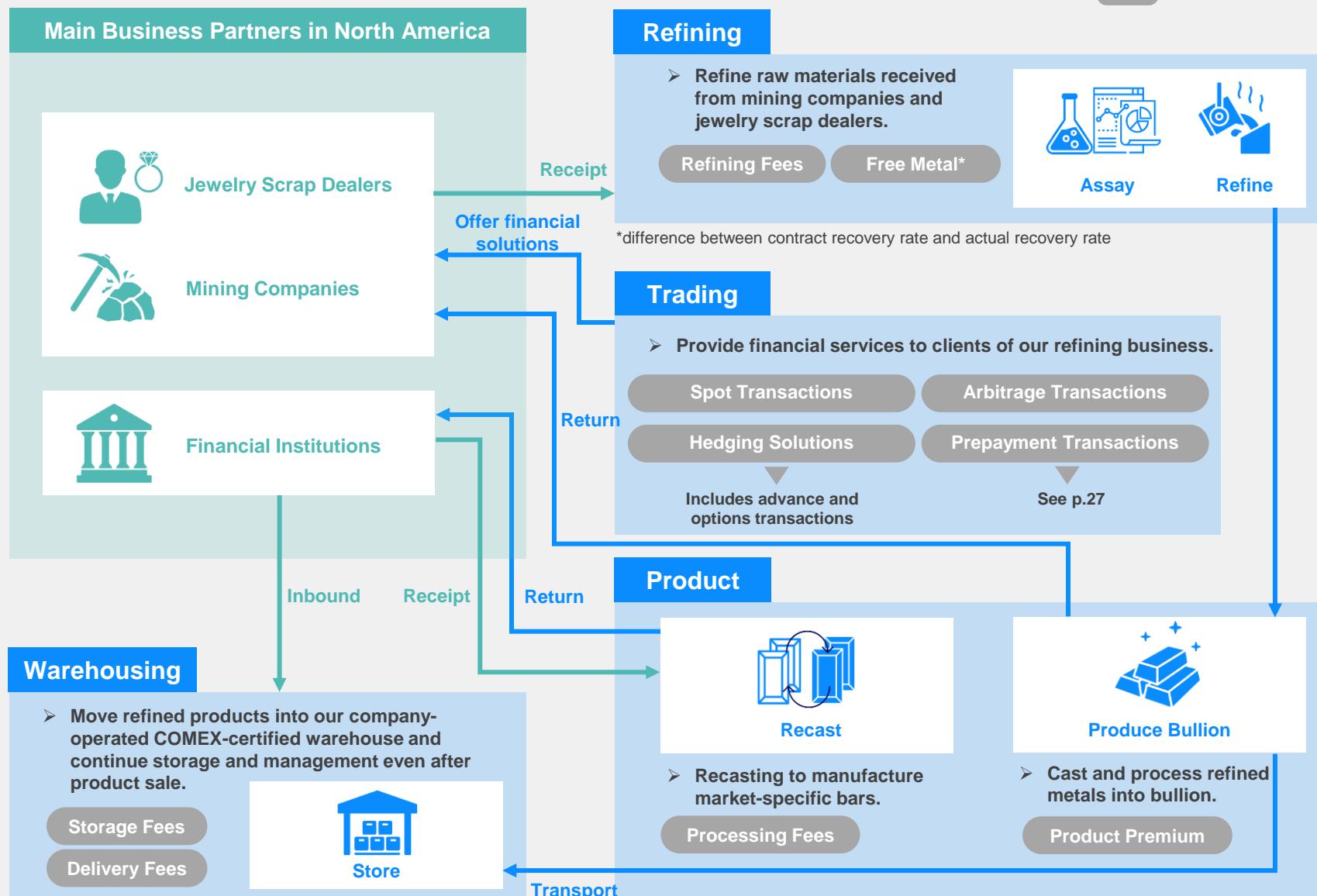


- Gold collection volume has increased every year since FY2022.3, mainly in the jewelry sector amid rising gold prices.
- For FY2026.3, gold collection volume is expected to decline YoY due to a focus on profitability.

Gold Price and Collection Volume Trends



Note: Gold prices represent period averages based on mining company quotes.
FY2026.3 reflects the average from April to December 2025.





- 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 gold and silver 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).



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.

● : Current position

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.

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.

Environmental Preservation Business (DXE)

ASEAN & India

Dentistry, Electronics, Catalyst

Precious Metals Recycling Business (domestic)

Jewelry

Business scale

Large



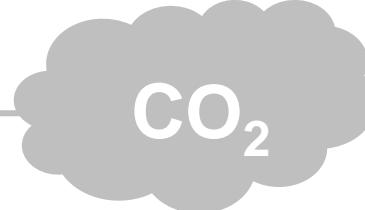


- For our main product, 99.99% gold granules, we have calculated CO₂ emissions from the collection of raw materials through product manufacturing and conducted third-party verification based on ISO 14040:2006 and ISO 14044:2006.
- Our granular products are made from recycled materials, and can reduce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



Raw materials from mines



Bullion



Recyclable materials



CO₂ emissions
98%
reduction



Granules