

Consolidated Financial Results for the Nine Months Ended December 31, 2025

ARE Holdings, Inc. [IFRS]

February 3, 2026

Stock code: 5857
 Shares listed: Tokyo Stock Exchange - Prime Market
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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 nine months ended December 31, 2025 (From April 1, 2025 to December 31, 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 nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2025	384,655	3.1	28,640	95.0	26,573	73.3	19,539	71.6	19,569	71.9	42,088	152.8
December 31, 2024	372,969	67.0	14,686	85.6	15,337	92.9	11,385	60.4	11,385	60.4	16,652	54.3

	Basic earnings per share		Diluted earnings per share	
The nine months ended	Yen		Yen	
December 31, 2025	255.41		229.81	
December 31, 2024	148.84		134.94	

(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	%
December 31, 2025	935,317	160,903	160,887	17.2
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
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2025	—	40.00	—	40.00	80.00
Year ending March 31, 2026	—	60.00	—		
Year ending March 31, 2026 (Forecast)				65.00	125.00

(Note) Revisions in dividend forecast in the current period: Yes

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
Year ending March 31, 2026	585,000	15.6	35,000	75.1	32,700	59.6	23,900	66.9
								311.90

(Note) Revisions in forecast in the current period: Yes

* 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 December 31, 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 December 31, 2025	3,079,484 shares
As of March 31, 2025	3,095,284 shares

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

Nine months ended December 31, 2025	76,621,390 shares
Nine months ended December 31, 2024	76,489,227 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 Nine Months Ended December 31, 2025

The financial results for the nine months ended December 31, 2025 were as follows.

Revenue	384,655 million yen	(a year-on-year increase of 11,685 million yen, or +3.1 percent)
Operating profit	28,640 million yen	(a year-on-year increase of 13,954 million yen, or +95.0 percent)
Profit before tax	26,573 million yen	(a year-on-year increase of 11,235 million yen, or +73.3 percent)
Profit attributable to owners of parent	19,569 million yen	(a year-on-year increase of 8,184 million yen, or +71.9 percent)

As for the precious metals recycling business, operating profit increased year on year. In the jewelry sector, the volume of platinum collected increased year on year. Although the volume of gold collected decreased year on year, efforts to improve profitability of each transaction led to an increase in operating profit year on year. Although the volume collected in the electronics and dental sectors remained at the same level year on year, operating profit increased year on year, mainly due to an improved cost structure. Although the volume collected in the catalyst-related sector remained at the same level year on year, operating profit decreased year on year. The sales volume of recycled precious metals sold at a premium remained at the same level year on year, while sales volume of gold, silver, and platinum for retail increased year on year.

As for the precious metals refining-related business in North America, operating profit increased year on year. In the refining sector, the incoming shipments of gold and silver raw materials increased year on year, and operating profit increased year on year. In addition, operating profit in the products, storage, and trading sectors all increased year on year due to the appropriate response to fluctuations in gold and silver supply and demand arising from international political and financial changes, based on the expanded scale of the refining operations.

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, increased significantly year on year. In the Environmental Preservation business segment, the share of profit (loss) of investments accounted for using equity method remained at the same level year on year.

(2) Overview of Consolidated Financial Position and Cash Flows for the Nine Months Ended December 31, 2025

As of December 31, 2025, total assets amounted to 935,317 million yen, up 445,280 million yen from the previous fiscal year end. This was mainly due to increases of 363,173 million yen in trade and other receivables and 56,649 million yen in inventories.

Total liabilities amounted to 774,413 million yen, up 410,725 million yen from the previous fiscal year end. This was mainly due to increases of 131,940 million yen in trade and other payables and 216,981 million yen in bonds and loans payable.

Total equity amounted to 160,903 million yen, up 34,554 million yen from the previous fiscal year end. This was mainly due to an increase of 42,088 million yen in comprehensive income and a decrease of 7,662 million yen used for dividends.

As a result, the equity attributable to owners of parent ratio changed to 17.2%, from 25.8% at the end of the previous fiscal year.

Net cash used by operating activities amounted to 111,298 million yen due mainly to 26,573 million yen of profit before tax, 2,135 million yen of depreciation and amortization, 56,651 million yen of increase in inventories, 281,717 million yen of increase in trade and other receivables, 202,321 million yen of increase in trade, loans and other payables, and 4,497 million yen of income taxes paid.

Net cash provided by investing activities amounted to 1,392 million yen due mainly to 2,098 million yen of proceeds from sales of property, plant and equipment, 8,958 million yen of collection of loans receivable, despite 6,958 million yen of purchase of property, plant and equipment.

Net cash provided by financing activities amounted to 102,610 million yen due mainly to 64,258 million yen of net increase in short-term loans payable, 30,058 million yen of proceeds from long-term loans payable, and

20,000 million yen of proceeds from issuance of bonds, despite 3,943 million yen of repayment of long-term loans payable and 7,652 million yen of cash dividends paid.

As a result, cash and cash equivalents as of December 31, 2025 decreased by 10,241 million yen from March 31, 2025, to 7,314 million yen.

(3) Consolidated Performance Forecasts

① Reasons for the revision of financial forecast

The consolidated financial forecast for the year ending March 31, 2026, as announced on October 29, 2025, has been revised as follows. For details, please refer to the “Notice Regarding the Revision of Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2026 and the Revision of Year-End Dividend Forecast” released today (February 3, 2026).

Revisions of the consolidated financial forecast for the year ending March 31, 2026
(April 1, 2025 to March 31, 2026)

	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
Previous forecast (A) (released on October 29, 2025)	517,000	30,000	29,100	21,600	281.90
Revised forecast (B)	585,000	35,000	32,700	23,900	311.90
Change (B-A)	68,000	5,000	3,600	2,300	—
Change (%)	13.2	16.7	12.4	10.6	—
(Ref.) Results for the previous FY (FY ended March 31, 2025)	506,211	19,984	20,483	14,319	187.13

② Reasons for the revision of dividend forecast

The Company’s basic policy for shareholder return is to maintain stable dividends with a target payout ratio of 40%. Based on this policy, and after comprehensively considering the performance trends for the fiscal year ending March 31, 2026, the current business environment and other factors, the Company plans to increase the year-end dividend by 5 yen per share from the previously released forecast, setting it at 65 yen. As a result, the annual dividend forecast for the fiscal year ending March 31, 2026 is 125 yen per share.

For details, please refer to the “Notice Regarding the Revision of Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2026 and the Revision of Year-End Dividend Forecast” released today (February 3, 2026).

2. Condensed Quarterly Consolidated Financial Statements

(1) Condensed Quarterly Consolidated Statements of Financial Position

	As of March 31, 2025	As of December 31, 2025
	Millions of yen	Millions of yen
ASSETS		
Current assets		
Cash and cash equivalents	17,555	7,314
Trade and other receivables	304,306	667,479
Inventories	51,178	107,828
Income tax receivables	—	326
Other financial assets	10,568	23,697
Other current assets	36,020	50,994
Total current assets	419,630	857,641
Non-current assets		
Property, plant and equipment	36,464	40,958
Goodwill	19	19
Intangible assets	1,439	1,576
Investments accounted for using equity method	29,610	30,981
Deferred tax assets	2,007	1,133
Net defined benefit asset	181	314
Financial assets	589	2,558
Other non-current assets	95	133
Total non-current assets	70,407	77,676
Total assets	490,037	935,317

	As of March 31, 2025	As of December 31, 2025
	Millions of yen	Millions of yen
LIABILITIES and EQUITY		
Liabilities		
Current liabilities		
Trade and other payables	45,096	177,036
Bonds and loans payable	246,400	452,215
Income tax payable	1,784	3,813
Other financial liabilities	13,822	69,107
Provisions	1,467	1,238
Other current liabilities	2,681	4,222
Total current liabilities	311,251	707,634
Non-current liabilities		
Bonds and loans payable	43,462	54,628
Deferred tax liabilities	6,324	11,655
Net defined benefit liability	108	128
Other financial liabilities	2,541	324
Other non-current liabilities	—	42
Total non-current liabilities	52,437	66,779
Total liabilities	363,688	774,413
Equity		
Capital stock	7,790	7,790
Capital surplus	12,080	12,182
Treasury stock	(6,066)	(6,039)
Retained earnings	121,679	133,684
Other components of equity	(9,182)	13,270
Total equity attributable to owners of parent	126,301	160,887
Non-controlling interests	47	16
Total equity	126,349	160,903
Total liabilities and equity	490,037	935,317

(2) Condensed Quarterly Consolidated Statements of Income

	The nine months ended December 31, 2024	The nine months ended December 31, 2025
	Millions of yen	Millions of yen
Revenue	372,969	384,655
Cost of sales	(353,504)	(351,302)
Gross profit	19,465	33,352
Selling, general and administrative expenses	(6,242)	(6,514)
Other operating income	118	850
Other operating expenses	(157)	(397)
Share of profit (loss) of investments accounted for using equity method	1,502	1,350
Operating profit	14,686	28,640
Finance income	953	210
Finance costs	(301)	(2,277)
Profit before tax	15,337	26,573
Income tax expenses	(3,952)	(7,033)
Profit	11,385	19,539
Profit attributable to:		
Owners of parent	11,385	19,569
Non-controlling interests	—	(29)
Profit	11,385	19,539
Earnings per share		
Basic earnings per share (Yen)	148.84	255.41
Diluted earnings per share (Yen)	134.94	229.81

(3) Condensed Quarterly Consolidated Statements of Comprehensive Income

	The nine months ended December 31, 2024	The nine months ended December 31, 2025
	Millions of yen	Millions of yen
Profit	11,385	19,539
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	—	6
Remeasurements of defined benefit plans	80	97
Share of other comprehensive income of investments accounted for using equity method	—	13
Total items that will not be reclassified to profit or loss	80	117
Items that may be reclassified to profit or loss		
Cash flow hedges	5,339	17,201
Translation adjustments of foreign operations	(153)	5,229
Total items that may be reclassified to profit or loss	5,186	22,430
Other comprehensive income, net of tax	5,267	22,548
Comprehensive income	16,652	42,088
Comprehensive income attributable to:		
Owners of parent	16,653	42,119
Non-controlling interests	(1)	(31)
Comprehensive income	16,652	42,088

(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	—	—	—	11,385	—	—
Other comprehensive income	—	—	—	—	(151)	5,339
Total comprehensive income	—	—	—	11,385	(151)	5,339
Purchase of treasury stock	—	—	(1,000)	—	—	—
Disposal of treasury stock	—	(0)	325	—	—	—
Dividends	—	—	—	(6,513)	—	—
Equity transactions with non-controlling interests	—	—	—	—	—	—
Reclassified from other components of equity to retained earnings	—	—	—	80	—	—
Share-based payment transactions	—	(183)	533	—	—	—
Total transactions with owners	—	(184)	(141)	(6,432)	—	—
Balance at December 31, 2024	7,790	12,061	(6,066)	118,790	2,190	1,525

(Millions of yen)

	Equity attributable to owners of parent				
	Other components of equity		Total	Non-controlling interests	Total equity
	Remeasurements of defined benefit plans	Total			
Balance at April 1, 2024	—	(1,471)	126,476	—	126,476
Profit	—	—	11,385	—	11,385
Other comprehensive income	80	5,268	5,268	(1)	5,267
Total comprehensive income	80	5,268	16,653	(1)	16,652
Purchase of treasury stock	—	—	(1,000)	—	(1,000)
Disposal of treasury stock	—	—	325	—	325
Dividends	—	—	(6,513)	—	(6,513)
Equity transactions with non-controlling interests	—	—	—	55	55
Reclassified from other components of equity to retained earnings	(80)	(80)	—	—	—
Share-based payment transactions	—	—	349	—	349
Total transactions with owners	(80)	(80)	(6,838)	55	(6,783)
Balance at December 31, 2024	—	3,715	136,291	53	136,345

(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	—	—	—	19,569	—	—
Other comprehensive income	—	—	—	—	5,230	17,201
Total comprehensive income	—	—	—	19,569	5,230	17,201
Dividends	—	—	—	(7,662)	—	—
Reclassified from other components of equity to retained earnings	—	—	—	97	—	—
Share-based payment transactions	—	101	27	—	—	—
Total transactions with owners	—	101	27	(7,564)	—	—
Balance at December 31, 2025	<u>7,790</u>	<u>12,182</u>	<u>(6,039)</u>	<u>133,684</u>	<u>5,704</u>	<u>7,531</u>

(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	—	—	—	19,569	(29)	19,539
Other comprehensive income	20	97	22,549	22,549	(1)	22,548
Total comprehensive income	20	97	22,549	42,119	(31)	42,088
Dividends	—	—	—	(7,662)	—	(7,662)
Reclassified from other components of equity to retained earnings	—	(97)	(97)	—	—	—
Share-based payment transactions	—	—	—	128	—	128
Total transactions with owners	—	(97)	(97)	(7,533)	—	(7,533)
Balance at December 31, 2025	<u>33</u>	<u>—</u>	<u>13,270</u>	<u>160,887</u>	<u>16</u>	<u>160,903</u>

(5) Condensed Quarterly Consolidated Statements of Cash Flows

	The nine months ended December 31, 2024	The nine months ended December 31, 2025
	Millions of yen	Millions of yen
Cash provided by (used in) operating activities		
Profit before tax	15,337	26,573
Depreciation and amortization	2,070	2,135
Impairment loss	—	56
Finance income and finance cost	1,606	1,321
Share of loss (profit) of investments accounted for using equity method	(1,502)	(1,350)
Decrease (increase) in inventories	(17,482)	(56,651)
Decrease (increase) in trade and other receivables	(73,097)	(281,717)
Increase (decrease) in trade, loans and other payables	68,715	202,321
Other, net	5,606	1,527
Subtotal	1,253	(105,783)
Interest and dividend income received	17,389	68
Interest expenses paid	(135)	(1,086)
Income taxes paid	(3,820)	(4,497)
Income taxes refunded	171	0
Net cash provided by (used in) operating activities	14,859	(111,298)
Cash provided by (used in) investing activities		
Payments into time deposits	(225)	(104)
Proceeds from withdrawal of time deposits	112	209
Purchase of property, plant and equipment	(4,542)	(6,958)
Proceeds from sales of property, plant and equipment	11	2,098
Purchase of intangible assets	(232)	(625)
Payments for loans receivable	(11,477)	—
Collection of loans receivable	17,070	8,958
Other, net	(80)	(2,184)
Net cash provided by (used in) investing activities	635	1,392
Cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	79	64,258
Proceeds from long-term loans payable	1,000	30,058
Repayment of long-term loans payable	—	(3,943)
Proceeds from issuance of bonds	—	20,000
Proceeds from sales of treasury stock	325	—
Purchase of treasury stock	(1,000)	—
Proceeds from share issuance to non-controlling shareholders	55	—
Cash dividends paid	(6,503)	(7,652)
Other, net	(105)	(111)
Net cash provided by (used in) financing activities	(6,149)	102,610
Effect of exchange rate change on cash and cash equivalents	1,007	(2,945)
Net increase (decrease) in cash and cash equivalents	10,353	(10,241)
Cash and cash equivalents at beginning of period	6,881	17,555
Cash and cash equivalents at end of period	17,234	7,314

(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 nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

	Reporting segment			Other	Total	Adjustments	(Millions of yen) Consolidated
	Precious Metals Business	Environmental Preservation Business	Subtotal				
Revenue							
External revenue	372,913	—	372,913	56	372,969	—	372,969
Intersegment revenue	—	—	—	—	—	—	—
Total	372,913	—	372,913	56	372,969	—	372,969
Operating profit by business segment	13,405	1,493	14,898	(212)	14,686	—	14,686
Finance income							953
Finance costs							(301)
Profit before tax							15,337

For the nine months ended December 31, 2025 (from April 1, 2025 to December 31, 2025)

	Reporting segment			Other	Total	Adjustments	(Millions of yen)
	Precious Metals Business	Environmental Preservation Business	Subtotal				Consolidated
Revenue							
External revenue	384,562	—	384,562	92	384,655	—	384,655
Intersegment revenue	—	—	—	—	—	—	—
Total	<u>384,562</u>	<u>—</u>	<u>384,562</u>	<u>92</u>	<u>384,655</u>	<u>—</u>	<u>384,655</u>
Operating profit by business segment	<u>27,440</u>	<u>1,341</u>	<u>28,781</u>	<u>(140)</u>	<u>28,640</u>	<u>—</u>	<u>28,640</u>
Finance income							210
Finance costs							<u>(2,277)</u>
Profit before tax							<u>26,573</u>

Notes on assumptions for going concern

Not applicable

Significant subsequent events

Not applicable