Q1 FY2027.3

Financial Results

ARE Holdings, Inc.

August 4, 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.

FY2026 refers to the fiscal year ending March 2027 (FY2027.3), and FY2030 refers to the fiscal year ending March 2031 (FY2031.3). This convention applies throughout this material.

Financial Highlights

ARE Think Circular

Unit: billion yen

	Q1 FY2026.3	Q1 FY2027.3	YoY Change	FY2027.3 Plan
Revenue	137.1	197.2	+60.1	680.0
Gross Profit	7.6	14.4	+6.8	50.5
Operating Profit	5.9	12.3	+6.3	41.0
Precious Metals Recycling Business	3.8	9.2	+5.4	27.4
North American Refining Business	1.8	3.1	+1.3	13.3
Others	0.3	0.0	-0.3	0.3
Profit Before Tax	5.0	12.4	+7.4	40.0
Profit Attributable to Owners of Parent	3.6	8.6	+5.0	29.0

Note: "Others" includes the Environmental Preservation Business and other adjustments.

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Q1 FY2027.3 Financial Results

Appendix

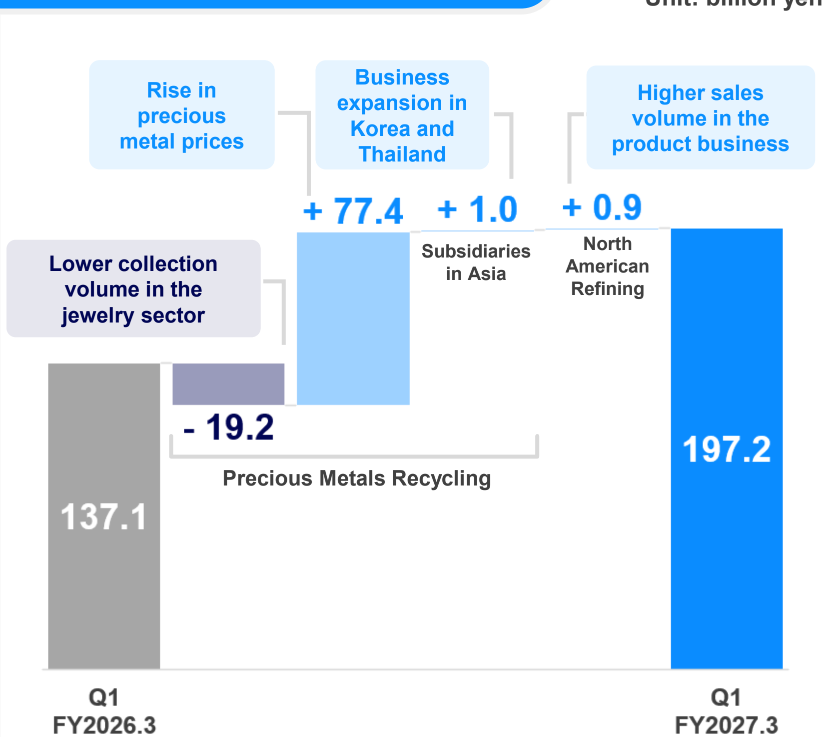
1. Progress of the Retail Business
2. Various External Evaluations
3. Update on Medium- to Long-Term Plan & Aspiration (Previously Disclosed)
4. Business Features:
   Precious Metals Recycling Business
5. Business Features:
   North American Refining Business

Revenue Breakdown and Changes (YoY)

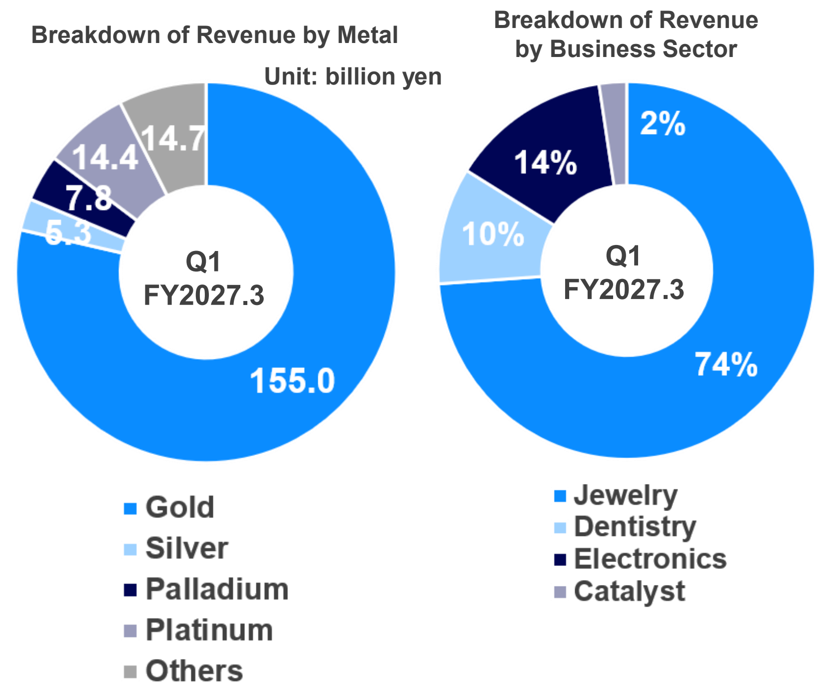
Unit: billion yen

	Q1 FY2026.3	Q1 FY2027.3	YoY Change
Revenue	137.1	197.2	+60.1
Precious Metals Recycling Business	129.7	188.9	+59.2
North American Refining Business	7.4	8.2	+0.9

Revenue Change Analysis (YoY)



Breakdown of Revenue



Note: "Others" includes the North American Refining Business.

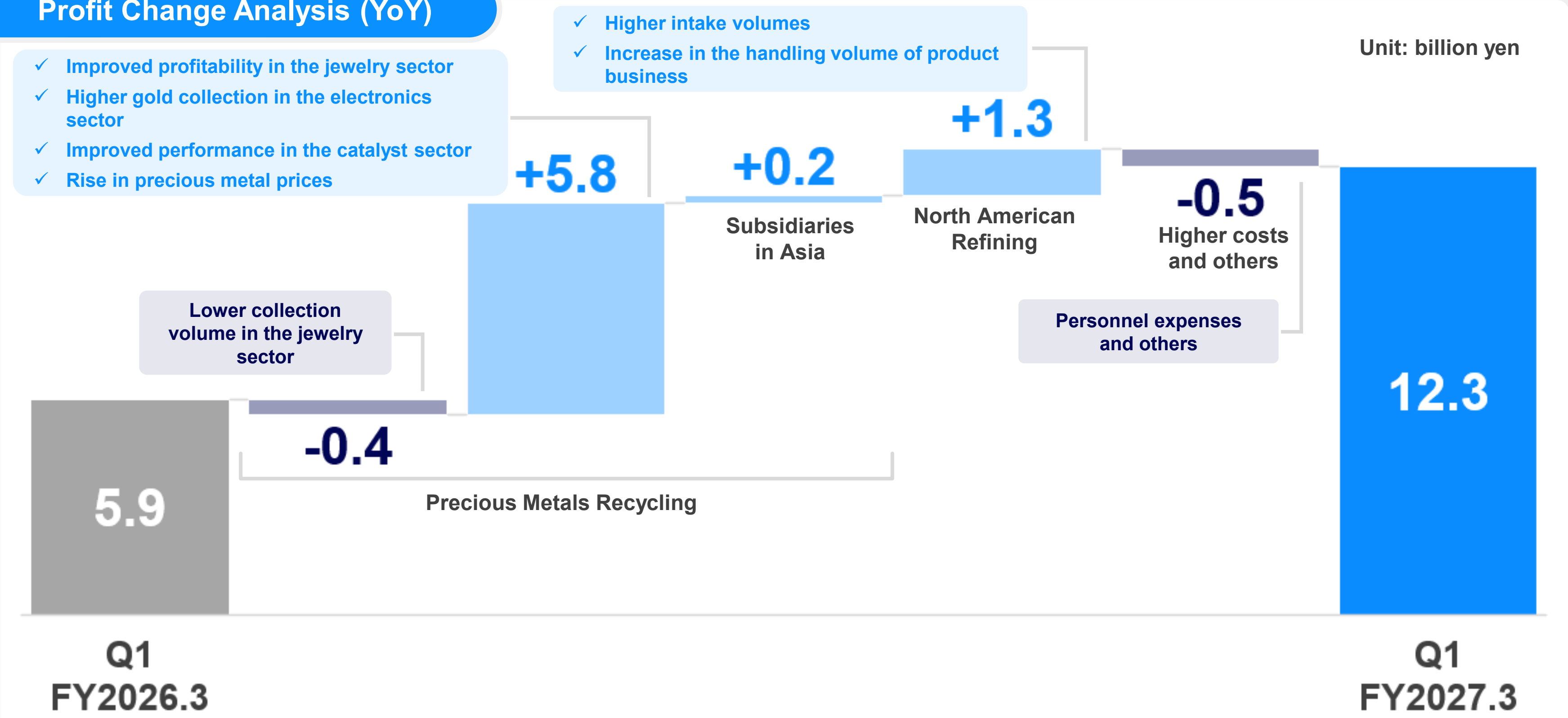
Profit Breakdown and Changes (YoY)

Unit: billion yen

	Q1 FY2026.3	Q1 FY2027.3	YoY Change
Operating Profit	5.9	12.3	+6.3
Precious Metals Recycling Business	3.8	9.2	+5.4
North American Refining Business	1.8	3.1	+1.3
Others	0.3	0.0	-0.3

Note: “Others” includes the Environmental Preservation Business and other adjustments.

Profit Change Analysis (YoY)



Precious Metals Recycling | Collection Volume by Metal

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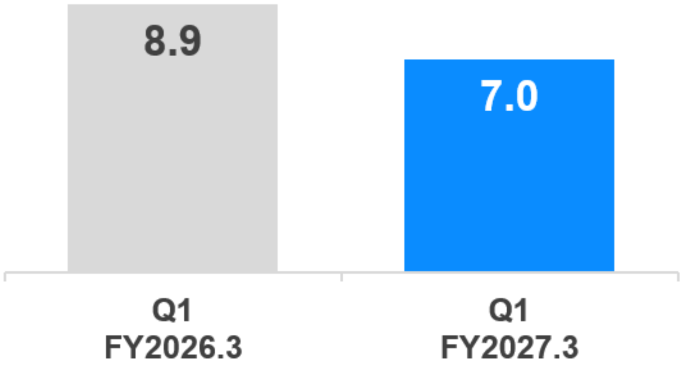
Gold

Unit: ton

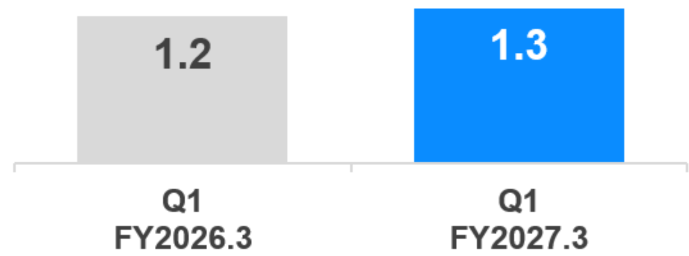
Annual Plan FY2027.3: 31.7 tons



Palladium

Unit: ton

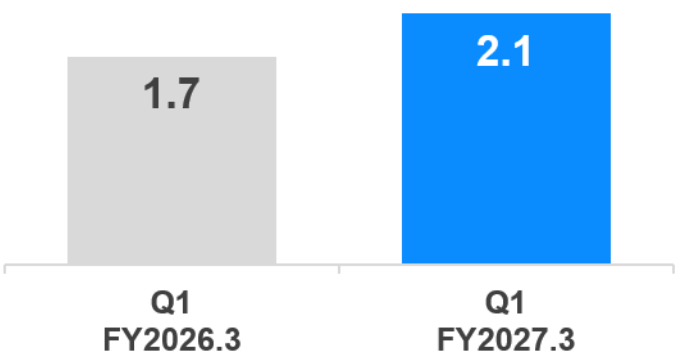
Annual Plan FY2027.3: 5.5 tons



Platinum

Unit: ton

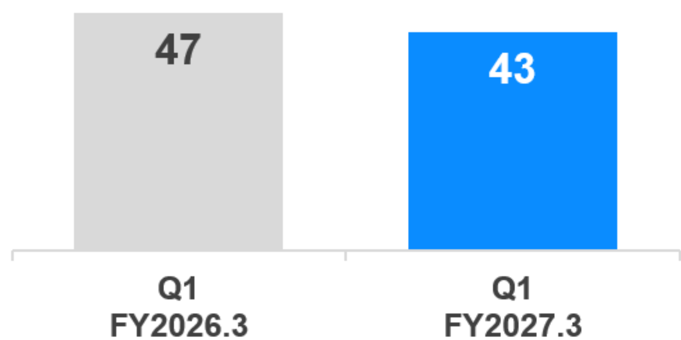
Annual Plan FY2027.3: 7.3 tons



Rhodium

Unit: kg

Annual Plan FY2027.3: 283 kg



Precious Metals Recycling | Overview by Business Sector

	Profit (YoY)	Collection Volume (YoY)	Business Environment
Dentistry	Growth	Gold -5.6%	➢ Steadily pursued our efforts to acquire new customers despite the continuing market contraction and mitigated the decline in collection volumes. ➢ Achieved higher profits compared with the same period last year, supported by the initiative to improve profitability and the positive impact of rising precious metal prices.
Jewelry	Growth	Gold -30.1%	➢ Achieved higher profits, driven by a review of our trading terms and improved market conditions. ➢ Aim to develop new customers and expand transactions with existing customers by enhancing the value we provide through our newly acquired capability to evaluate ruthenium.
Electronics	Growth	Gold +11.4%	➢ Demand related to AI data centers surged, and both collection volume and profit significantly exceeded those of the same period previous year. ➢ Demand for consumer equipment and automotive applications remained sluggish, with some exceptions.
Catalyst	Growth	Palladium +16.0%	➢ With increased inflows from overseas and the chemical catalyst sector, both collection volume and profit outperformed the same period previous year. ➢ Amid the weaker yen and a decline in platinum group metal prices, price competition in the domestic end-of-life automotive catalyst market has intensified further.

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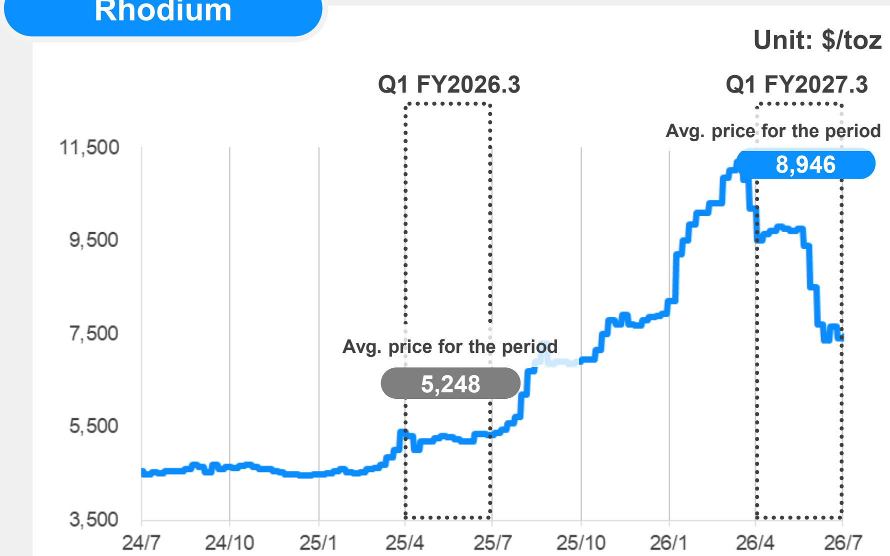
Gold

Palladium

Platinum

Rhodium



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

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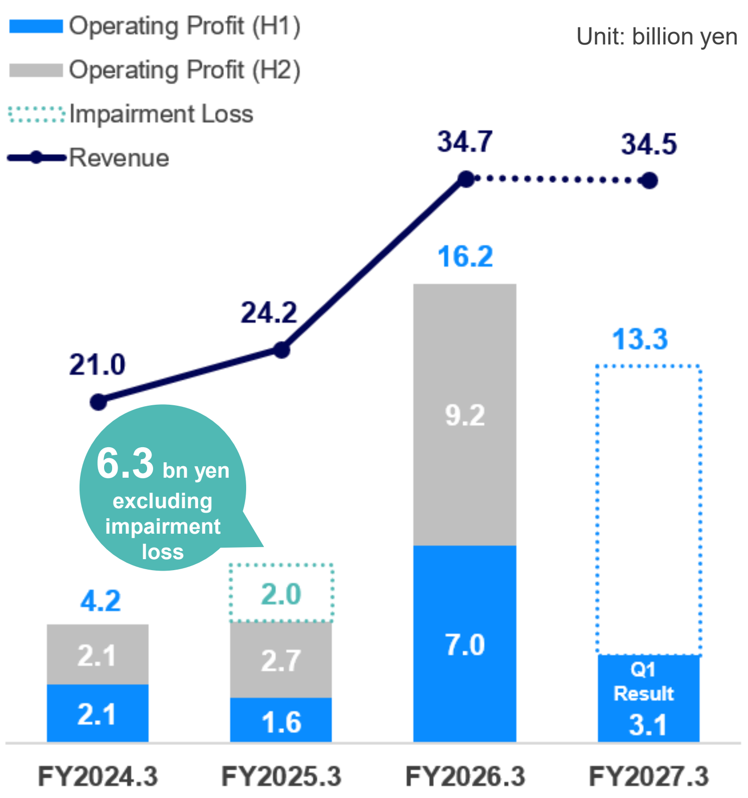
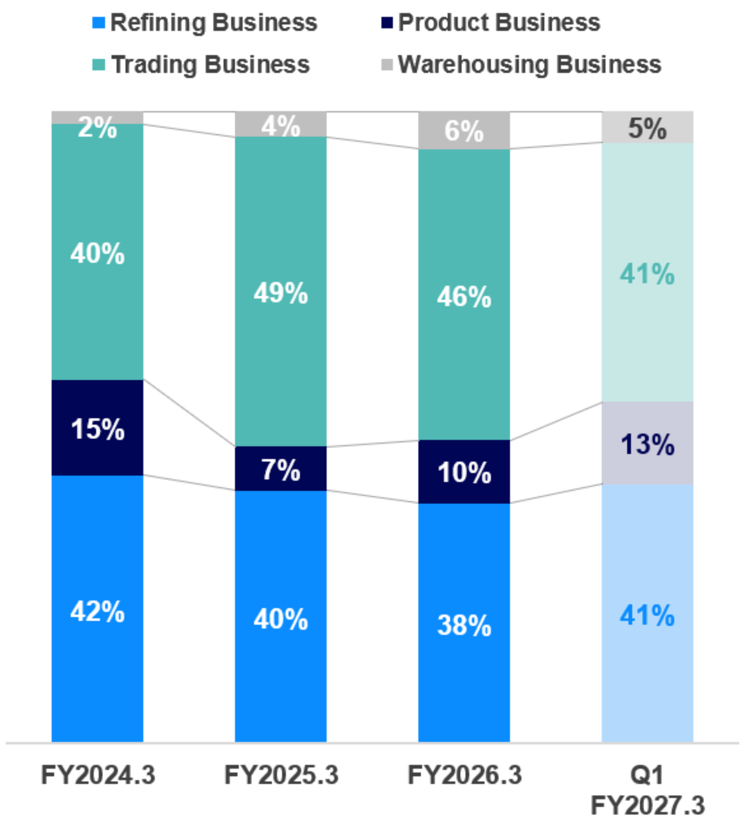
- Operating profit increased YoY due to higher intake volumes in the refining business and higher handling volumes in the product business.
- **The core refining business showed steady growth in scale,** driven by higher intake volumes of mined materials YoY.
- Although arbitrage opportunities in the trading business decreased, **operating profit exceeded the initial plan** by successfully capturing other profit opportunities.
- The profit environment improved due to lower silver lease rates.

1 Performance Trends



2 Breakdown of Sales

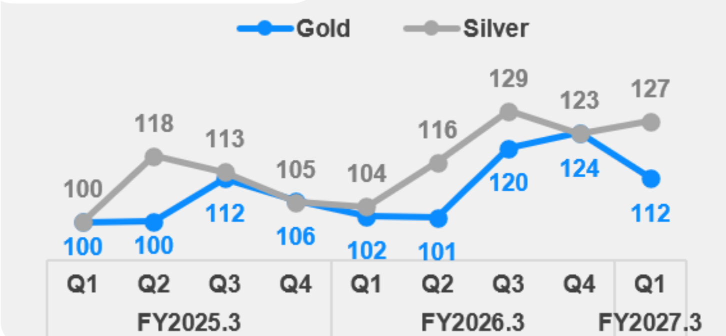


North American Refining | Intake Volumes and Warehousing Trends

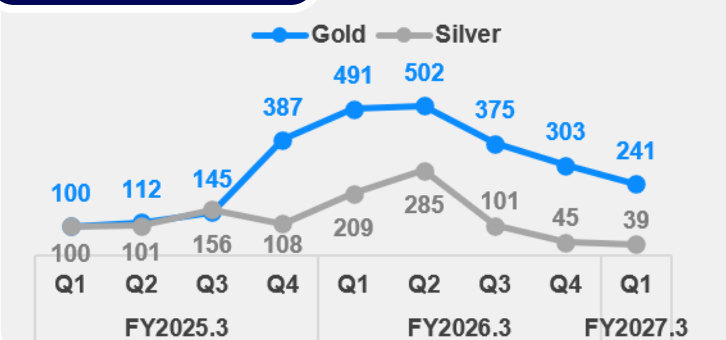
- **Maintained high levels** of inflows of mine-derived raw materials **for both gold and silver.**
- **Leveraging our geographical advantage of having the largest refining capacities in the Americas**, we aim to expand intake volumes amid rising geopolitical risks.
- **Strategically limited** the intake of scrap raw materials **to improve profitability through enhanced production efficiency and improved settlement terms.**
- Expanded product shipments to our own warehouse in response to the normalization of silver lease rates, resulting in a higher level of silver storage volume compared to March 2026.

1 Intake Volumes

Mined Materials

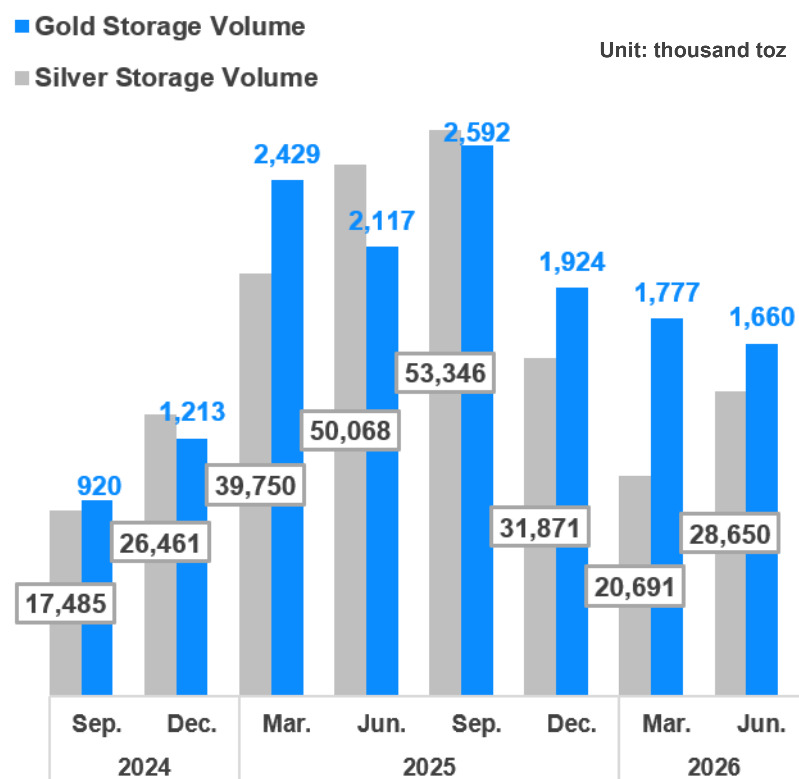


Scrap Materials



Note: Q1 FY2025.3 figures are indexed to 100.

2 Storage Volume Trends



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

Consolidated Statements of Financial Position

Unit: billion yen

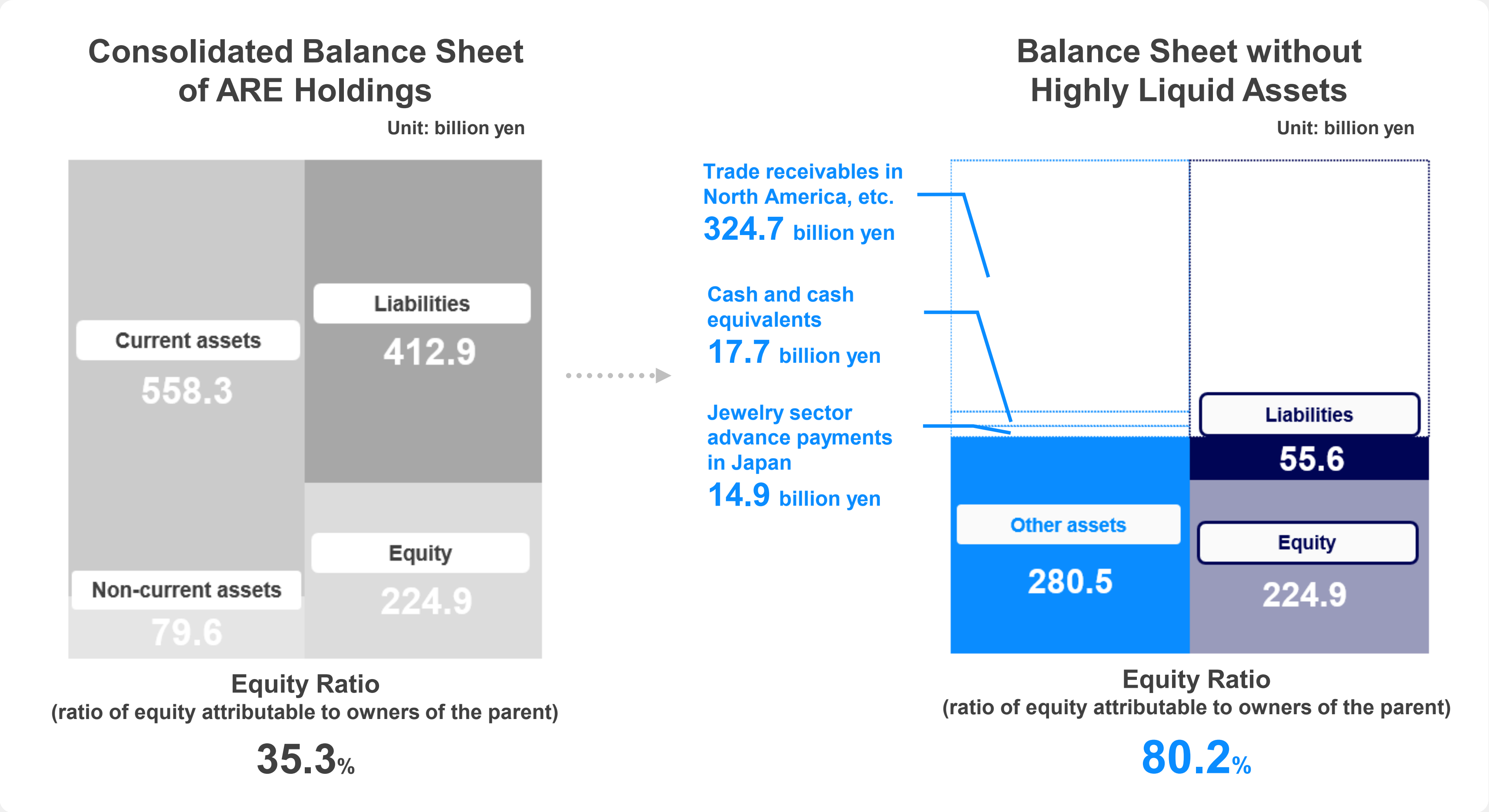
	Mar 31, 2026	June 30, 2026	Change	Main Changes	
Current assets	537.0	558.3	+21.3	Trade and other receivables Inventories	+23.4 -14.7
Non-current assets	78.4	79.6	+1.2		
Total assets	615.4	637.9	+22.5		
Current liabilities	276.9	291.0	+14.1	Trade and other payables Bonds and loans payable	-29.5 +54.6
Non-current liabilities	108.0	122.0	+14.0	Bonds and loans payable	+16.3
Equity	230.6	224.9	-5.7		
Total equity and liabilities	615.4	637.9	+22.5		

Point

- North American Refining Business: Both assets and liabilities increased due to an increase in prepayment transactions with mining companies.
- Domestic Precious Metals Recycling Business: Hedged inventory decreased due to lower precious metal prices and lower plant inventory volumes resulting from collection and sales conditions.

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. (This includes assets and liabilities related to prepayment transactions in the North American Refining Business. For details on prepayment transactions, see p.54.)
- We assess financial soundness using **an equity ratio that excludes highly liquid assets**.



Consolidated Statements of Cash Flows

Unit: billion yen

	Q1 FY2027.3	Main Changes	
Cash flow from operating activities	57.1	Profit before tax Changes in inventories Other increases and decreases in receivables and payables	+12.4 +14.7 +30.0
Cash flow from investing activities	-1.6	Purchase of property, plant and equipment (PP&E)	-1.4
Cash flow from financing activities	-48.2	Loans payable Cash dividends paid	-42.6 -5.6
Effect of exchange rate change on cash and cash equivalents	0.0		
Net change in cash and cash equivalents	7.4		
Cash and cash equivalents at end of period	17.7		

Point

- The decrease in inventory assets is due to lower plant inventory volumes resulting from collection conditions and declining precious metal prices.
- Financing activities mainly involved loan repayments and dividend payments.

Capital Investment Progress

Unit: billion yen

	FY2026.3 Results	Q1 FY2027.3 Results	FY2027.3 Plan	Details of the Main Investment
Capital investment	8.8	1.3	10.2	
Precious Metals Business	8.7	1.2	10.1	
Precious Metals Recycling	5.6	0.8	4.7	Enhance production capacity at the Bando Plant: approx. 2.4 billion yen
North American Refining	3.2	0.5	5.4	Improve refining margins: approx. 2.9 billion yen
Others	0.1	0.0	0.1	
Depreciation	3.0	0.9	3.6	

Point

- The main investment targets for this fiscal year are the enhancement of production capacity at the Bando Plant and the improvement of refining margins in North America.

Shareholder Return

Shareholder Return Policy

Targeting **a 40% payout ratio** and **stable returns**

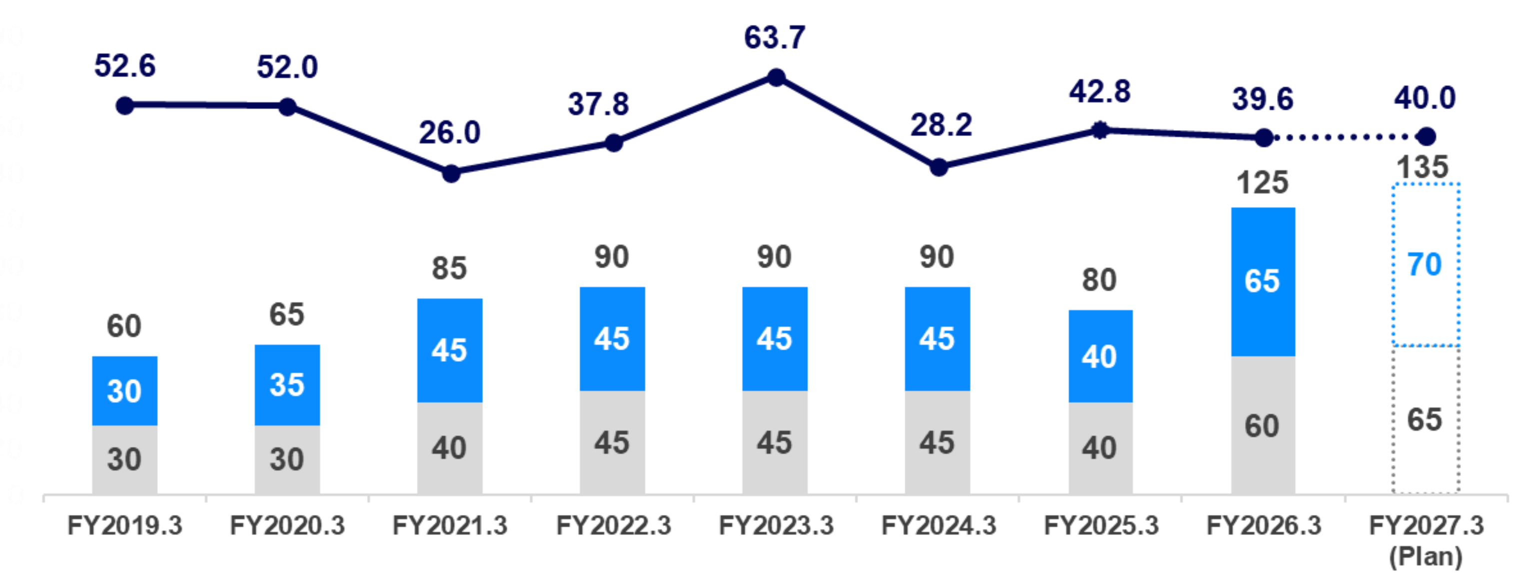
Dividend for FY2027.3

Interim Dividend **65 yen**
Year-end Dividend **70 yen**

Total Dividend **135 yen**

YoY **+10 yen**

Dividends Per Share



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ASAHIMETALFINE

1 Bando City's Hometown Tax Donation Program

Silver Granules

Silver Memorial Plate

Silver Celebration Set

Bando City, Ibaraki Prefecture → Donors to the Hometown Tax Donation Program

- In April 2026, Bando City commenced offering silver products recycled and manufactured by our company as return gifts under its Hometown Tax Donation Program.
- Through the Hometown Tax Donation Program, we aim to contribute to regional development while **widely communicating the value of high-quality precious metal products** manufactured in Japan.

2 Yokohama DeNA BayStars Sponsorship

©YDB

- We have entered into an official sponsorship agreement with the Yokohama DeNA BayStars and present the "Bay Diamond Seats," located in the area behind home plate at Yokohama Stadium, as the "ASAHI METALFINE Bay Diamond Seats".
- By supporting sports teams, we aim to strengthen our ties with the local community and **broadly communicate the value of precious metals recycling.** Through these efforts, we are committed to contributing to the realization of a sustainable society.

Retail | Sales Performance

1 Sales Performance

ASAHI Gold Club Membership
June 2026 (YoY)

4.0x

ASAHI Online Store Orders Received
FY2025 (YoY)

11.2x

2 Featured Products

Gold

ASAHI's MAMEKIN
(Gold Beans)

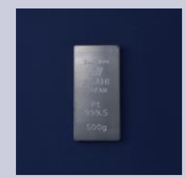
1kg Gold Bar

Silver

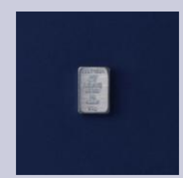
Silver Bar 5-Piece Set
(100g, 200g, 300g, 500g, 1kg)

1oz Silver Round

Platinum



500g Platinum Bar



50g Platinum Bar

Note: FY2025 refers to the fiscal year ended March 2026 (FY2026.3).

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Progress on Material Issues

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Expand precious metals recycling

Total volume of recycled precious metals	
FY2025	
Total	573 tons
vs FY2024	+34%
Gold	93 tons
vs FY2024	+39%

CO_2 reduction effect	
FY2025	1,210 thousand tons
vs FY2024	+37%
Equivalent to…	86.43 million trees

Reduce CO_2 emissions

CO_2 emissions: Scope1 and 2*

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

- Steady progress toward SBTi-certified greenhouse gas emissions reduction targets.

	FY2025	FY2030 Target
(CO_2 emissions)	17.0 Thousand tons	11.9 thousand tons
	(vs FY2024) -7%	(vs FY2023) -42%

Enhance work-life balance and employee diversity

	FY2025	FY2030 Target
Paid leave utilization rate	60.8%	70.0%
Percentage of women in managerial positions	5.4%	7.0%
Percentage of employees with disabilities	3.0%	2.5%
Achievement rate for rest intervals of at least 11 hours	99.9%	100%
Percentage of male parental leave childcare leave usage	100%	100%

Encourage and support SDG-related activities

Asahi Clean Project

Local Cleanup Activities during FY2025

52 initiatives

(total of 438 participants)

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

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

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

Evaluations by Third-Parties

Good Delivery Accreditations

LBMA GOOD DELIVERY REFINER

LONDON PLATINUM & PALLADIUM MARKET

As a Good Delivery refiner, our group companies have passed stringent assessments conducted by international accreditation organizations such as the LBMA and LPPM, covering product quality, precious metal assaying capabilities, and responsible sourcing system.

Note: LBMA = London Bullion Market Association; LPPM = London Platinum & Palladium Market

Acquisition of COP and COC Certifications

RESPONSIBLE JEWELLERY COUNCIL — CERTIFIED MEMBER 0000 6719

CHAIN OF CUSTODY — CERTIFIED NUMBER C0000 5457

As a responsible member of the precious metals supply chain, we hold COP and COC certifications granted by the Responsible Jewellery Council (RJC).

Note: COP = Code of Practices; COC = Chain of Custody

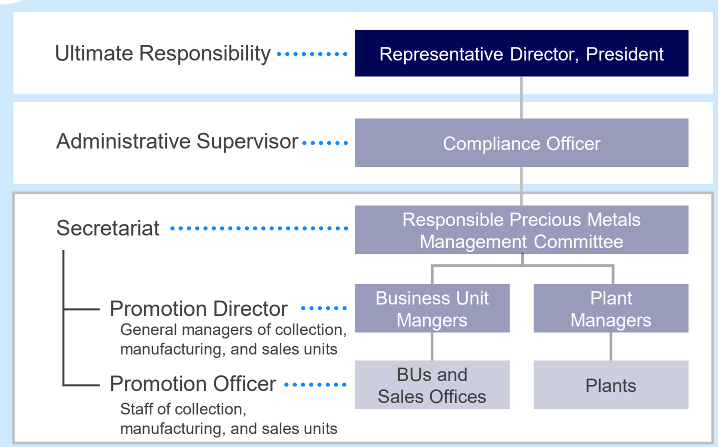
Our Initiatives for Responsible Management of Precious Metals

1 Responsible Precious Metals Management Policy

Objective

- Mitigate risks related to human rights abuses, terrorist financing, money laundering, and conflict
- Prevent sourcing associated with ESG risks
- Fulfill responsibilities for sustainability and environmental protection

2 Responsible Precious Metals Management System



Diversifying Financing Options

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- Financing demand, mainly for North American operations, increased due to a surge in precious metal prices and the expansion of prepayment transactions.
- By diversifying our financing options, we secured the necessary funds in a stable and flexible manner, supporting business expansion.

1 Maintaining and Obtaining Credit Ratings

Rating Agency	Rating Target	Rating	Rating Outlook	Obtained/Renewed
R&I Rating Investment Information, Inc.	Issuer Rating	A-	Stable	January 2026 (First obtained: January 2025)
	Commercial Paper	a-1	–	February 2026

2 Initiatives to Secure Funds

Issuance of the Public Bonds

	1st	2nd
Issue Date	October 23, 2025	March 5, 2026
Issue Amount	20 billion yen	20 billion yen
Maturity	3 years	3 years
Interest Rate	1.554% per annum	1.923% per annum
Credit Rating	A- (Rating and Investment Information, Inc.(R&I))	

Purpose of Issuance

Working Capital for North America

Allocate funds for working capital for North American Refining Business to support prepayment transactions and reduce group-wide financial costs.

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

FTSE JPX Blossom Japan Sector Relative Index

2025 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

S&P/JPX Carbon Efficient Index

Climate CDP A List 2025

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

プラチナくるみん
子育てサポートしています

2026
健康経営優良法人
KENKO Investment for Health
大規模法人部門

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Agenda

Previously Disclosed

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Purpose

Totally Committed to Protecting the Natural Environment and Preserving Resources

1 Growth

- Acquisition of new markets
- Geographic expansion
- Enhancement of retail business

2 Financial

- Growth investments
- Shareholder returns
- Financial soundness

3 Human Capital

- Enhancement of organizational capabilities
- Human capital development

FY2030 Financial Targets	Sales Revenue	Operating Profit	ROE	EPS
	750.0 bn yen (vs initial plan +210.0 bn yen)	50.0 bn yen (vs initial plan +12.0 bn yen)	13%	420 yen

Previously Disclosed

ARE Think Circular

Strategies updated to reflect the current business environment

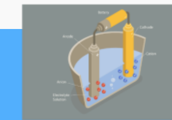
Growth Strategy 1

Expand into new areas through technology development

Aim for **expansion of collections from new areas** through precious metals recycling-related R&D.

AI semiconductors
(gold, palladium, etc.)

Synthetic pharmaceuticals
(palladium, etc.)



Hydrogen & ammonia production
(iridium, ruthenium, etc.)

Growth Strategy 2

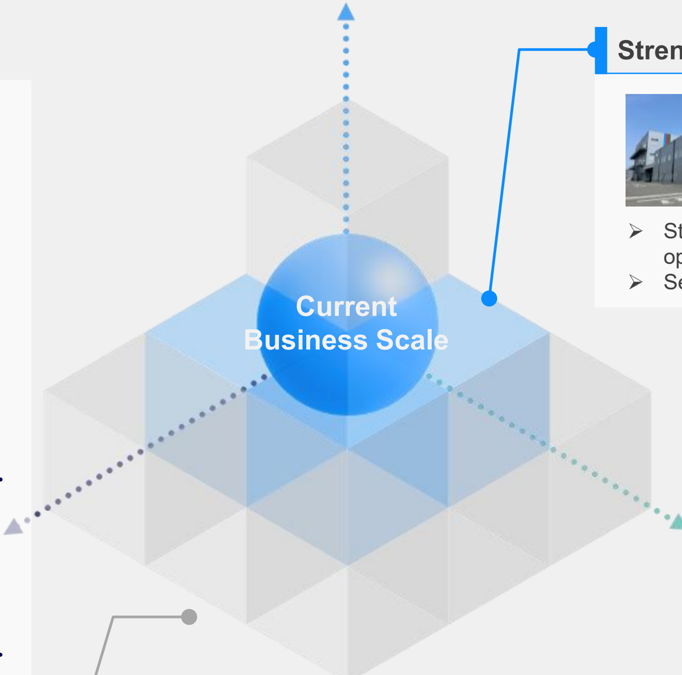
Geographic expansion of businesses

Precious Metals Recycling Business

Expand sourcing and recycling areas by accelerating expansion in Asia.

North American Refining Business

Drive further diversification and global expansion.



Strengthened production foundation

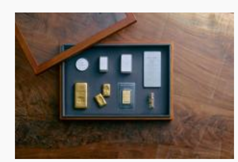
Bando Plant (1^{st})

Bando Plant (2^{nd})

- Strengthen the production foundation through phased operation of the Bando Plant (2^{nd}).
- Serve as a business base supporting three growth strategies.

Growth Strategy 3

Enhancement of retail business



- Strengthen customer retention through new product development.
- Expand into new markets through collaboration with local governments.
- Acquire new clients by offering new services.

Accelerated growth through M&A

Accelerate business growth and expand business areas through M&A that deliver strong synergies with existing businesses.

Previously Disclosed

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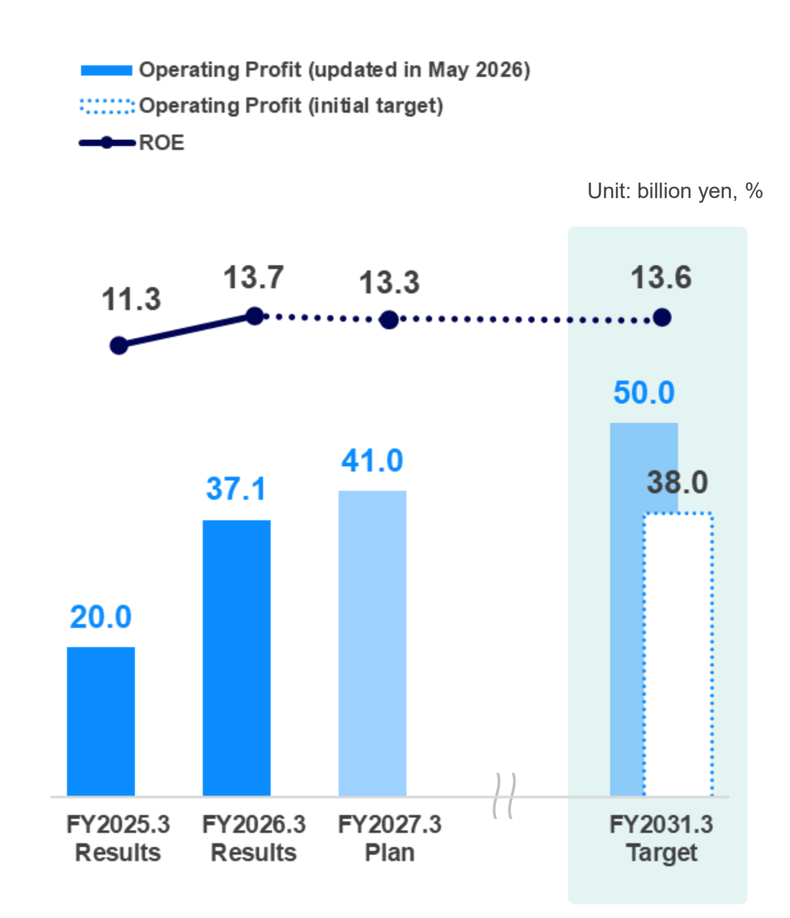
Operating Profit & ROE
(excludes M&A)



Main Growth Drivers for FY2030

1 Electronics Sector Expansion
- Enhance collections in domestic and overseas **AI-related areas**
- Improve productivity through new and automated facilities

2 Catalyst Sector Recovery
- Drive profit growth through **operation of the Bando Plant**
- Expand collections from the chemical and pharmaceutical sectors

3 Expansion into Asia
- Enhance collections in **the ASEAN region and India**
- Improve margins through the operation of the Thailand plant

4 Increased Handling of Iridium and Ruthenium
- Strengthen collection systems and technological foundations

5 Margin Improvement in North America
- Enhance productivity through the strengthening of silver refining facilities
- Improve margins through more favorable contract terms

6 Expansion of Precious Metal Premium Sales
- Expand the retail business through the launch of new products and services
- Increase global sales of green metals

Previously Disclosed

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Unit: billion yen

	FY2025.3 Results	FY2026.3 Results	FY2027.3 Plan	…………	FY2031.3 Target
Revenue	**506.2**	**570.0**	**680.0**	…………	**750.0**
Precious Metals Recycling	481.9	535.1	645.3	…………	719.0
North American Refining	24.2	34.7	34.5	…………	30.0
Operating Profit	**20.0**	**37.1**	**41.0**	…………	**50.0**
Precious Metals Recycling	14.3	19.9	27.4	…………	31.0
North American Refining	6.3	16.2	13.3	…………	17.0
Environmental	1.7	1.7	1.5	…………	2.0
Other Adjustments	-2.3	-0.7	-1.2	…………	—

Note: The figures of revenue do not add up to the total because data for the Environmental and other businesses is excluded.
Note: "Other Adjustments" for FY2025.3 includes an impairment loss related to the minting business in North America (2.0 bn yen).

Previously Disclosed

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Basic Financial Strategy Policy

- **Promote management mindful of both business growth and capital efficiency.**
- **Balance growth investments and shareholder returns, underpinned by stable cash generation and financial soundness.**

Growth Investments	➢ Margin improvements in existing businesses and new investments, including M&A
Shareholder Returns	➢ Stable shareholder returns with a target payout ratio of 40%
Financial Soundness	➢ Sustainable maintenance of financial soundness aligned with business characteristics ➢ Diversification of financing options and enhancement of financing efficiency

Cash Allocation

- **Focus on new business investments, including M&A, as CAPEX for existing businesses is expected to peak in FY2027.3.**
- **Continue to provide stable shareholder returns aligned with performance, while targeting a payout ratio of 40%.**
- **For excess funds, consider measures to improve capital efficiency while maintaining financial soundness.**

Total Cash Inflow Over 5 Years

Operating CF

~160.0 bn yen +

Total Cash Outflow Over 5 Years

Growth Investments

~100.0 bn yen +

- **New Investments including M&A : ~80.0 bn yen**
  - ➢ Expansion of Precious Metals Recycling Business
  - ➢ Geographic expansion of North American Refining Business
- **Investments in existing businesses : ~20.0 bn yen**
  - ➢ Enhancement of Bando Plant production capabilities
  - ➢ Enhancement of refining capabilities in North America

Shareholder Returns

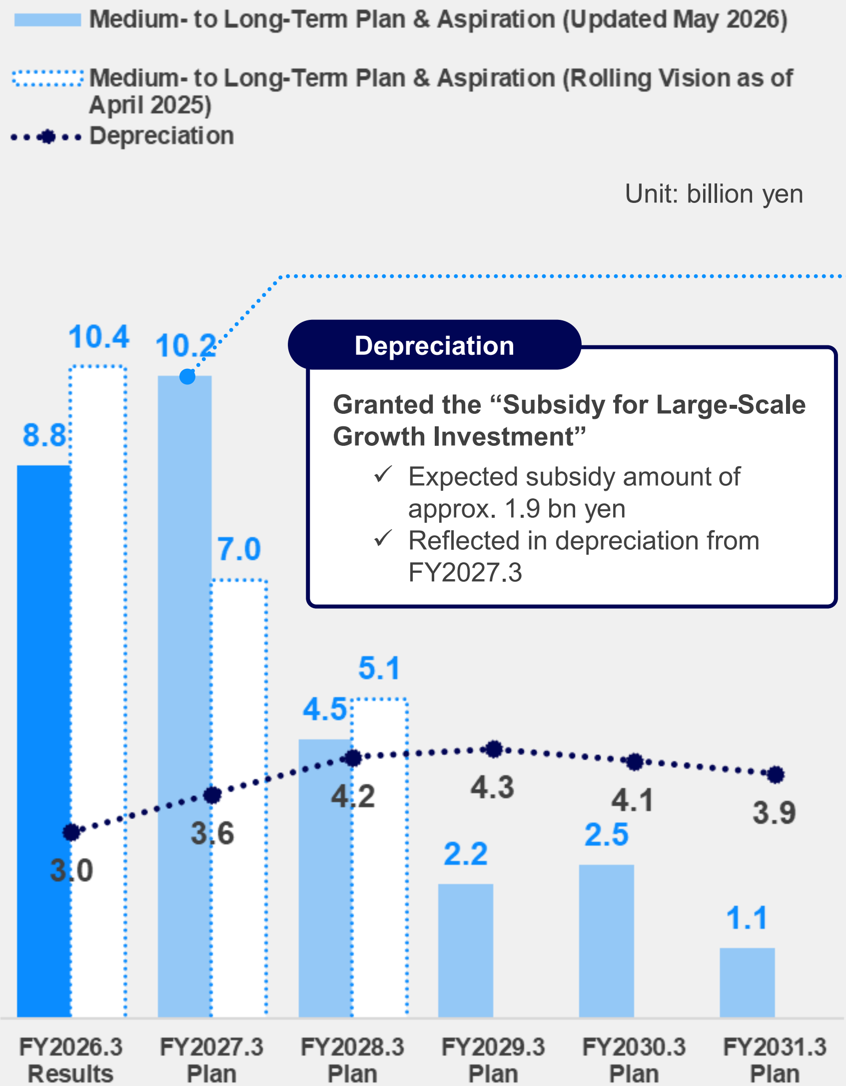
~60.0 bn yen +

- **Dividend payments aligned with the return policy**
  - ➢ Stable returns with a target payout ratio of 40%

Previously Disclosed

ARE Think Circular

Capital Investment & Depreciation



Depreciation

Granted the "Subsidy for Large-Scale Growth Investment"
- ✓ Expected subsidy amount of approx. 1.9 bn yen
- ✓ Reflected in depreciation from FY2027.3

Major CAPEX of FY2027.3

Precious Metals Recycling

Improve electronics and catalyst margins	2.8 bn yen
Enhance production capacity at the Bando Plant	2.4 bn yen
Enhance production capacity at the Amagasaki & Fukuoka plants	0.4 bn yen
Improve dentistry and jewelry margins	0.3 bn yen
Establish Thailand Plant	0.9 bn yen
Technology development	0.7 bn yen

North American Refining

Improve refining margins	2.9 bn yen
Automate silver product processing	0.7 bn yen
Expand gold warehouse capacity	0.4 bn yen

Previously Disclosed

ARE Think Circular

Rationale for Revisions

Align each employee's actions with the ARE Group Way to ensure steady execution of medium- to long-term growth strategies and sustainable corporate value creation.

Revisions to the Performance Evaluation System

1 Shared Values

- Use the five values of the ARE Group Way as the core evaluation criteria
- Align employee behaviors with the Medium- to Long-Term Plan & Aspiration and the enhancement of long-term corporate value

2 Support for Challenges

- Redesign the evaluation and bonus system to better reflect individual challenges, growth, and progress
- Build a system that recognizes and rewards independent thinking and willingness to take on challenges

3 Visible Growth

- Ensure bonuses clearly reflect each individual's role, growth, and achievements
- Provide sufficient, high-quality feedback from managers to foster well-reasoned, self-reflective, and sustained growth

Agenda

Q1 FY2027.3 Financial Results

Appendix

1. Progress of the Retail Business
2. Various External Evaluations
3. Update on Medium- to Long-Term Plan & Aspiration (Previously Disclosed)
4. Business Features:
   Precious Metals Recycling Business
5. Business Features:
   North American Refining Business

Precious Metals Recycling | Sites in Japan & Asia

Precious Metals Business

Asahi Pretec (Thailand) Co., Ltd.

Established: 2024
Location: Samut Prakan, Thailand

Precious Metals Business

Asahi Pretec Korea Co., Ltd.

Established: 2006
Location: Chungju, South Korea

Precious Metals Business

Asahi Pretec Corp.

ASAHI METALFINE, Inc.

Environmental Preservation Business

Waste System Japan Corporation

DXE INC.

Precious Metals Business

Asahi Pretec India Private Limited

Established: 2025
Location: Gurgaon, India

Precious Metals Business

ASAHI G&S SDN. BHD.

Established: 1994
Location: Penang, Malaysia

Extensive nationwide collection network built on long-standing technology and expertise

Extensive Nationwide Collection Network

Our in-house employees engage clients directly through a customer-centric, face-to-face sales model.

Long-Standing Technology and Expertise

Assay Techniques

- ✓ Representative samples are extracted by homogenizing collected materials through multiple processes.
- ✓ High assay accuracy is ensured through instruments and methods optimized for each raw material and composition.

Refining Techniques

- ✓ Precious metals are efficiently refined using processing methods optimized for each collected material.
- ✓ High recovery efficiency is achieved through long-standing expertise and automated, labor-saving facilities.

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Think Circular

STEP 1 Collect scrap containing precious metals from various industrial fields

STEP 2 Expertise in precise assay and recovery techniques built over the years

STEP 3 Return products to customers or sell them on the market

STEP1
Collection

Dentistry
- ✓ Dental Prostheses

Jewelry
- ✓ Jewelry (ring, necklace, etc.)
- ✓ Ornaments

Electronics
- ✓ Plating Treatment
- ✓ Precision Cleaning
- ✓ E-Scrap

Catalyst
- ✓ Automotive Catalyst
- ✓ Chemical Catalyst

✓ Collect scrap containing precious metals from various industrial fields

STEP2
Assay & Recovery

- ✓ High-precision sampling and assay technique
- ✓ Expertise in recovery technique built over the years

STEP3
Return or Sale

- ✓ Return products to customers
- ✓ Sell them on the market or to manufacturers

Collection from Dentistry Sector

Overview of Dentistry Sector

Sources ➢ Dental clinics, dental laboratories

Collected Items ➢ Removed dental crowns (e.g., silver teeth), material scraps from dental labs

Metals ➢ Gold, Silver, Palladium, Platinum

Business Characteristics

- ➢ High market share driven by a customer-focused sales approach
- ➢ Nationwide coverage through direct visits to dental clinics
- ➢ Efficient sales activities enabled through proprietary applications and other internally developed tools

Business Model

STEP1 Collection from Jewelry Sector

Overview of Jewelry Sector

Sources ➢ Jewelry buyers, jewelry manufacturers

Collected Items ➢ Jewelry bought for recycling, processing scraps generated at factories

Metals ➢ Gold, Silver, Palladium, Platinum

Business Characteristics

- ➢ Focused on collecting from high-margin customers, resulting in improved profitability
- ➢ Strengthened sales activities in Thailand and India to expand business scope

Business Model

STEP1 Collection from Electronics Sector

Overview of Plating Treatment

Sources ➢ Electronic component manufacturers, semiconductor manufacturers

Collected Items ➢ Electroplating waste solution

Metals ➢ Gold, Silver, Palladium

Business Characteristics

- ➢ Precious metal plating is widely used across industrial sectors
- ➢ We install our proprietary electrolytic automatic precious metal recovery system on customers' factory lines to efficiently collect precious metals

Business Model

Collection from Electronics Sector

Overview of Precision Cleaning

Sources	➢ Electronic component manufacturers, semiconductor manufacturers
Collected Items	➢ Vacuum deposition equipment, shield plates used in sputtering equipment
Metals	➢ Gold, Silver, Palladium, Platinum

Business Characteristics

- ➢ Remove and recover precious metals adhered to shield plates during the manufacturing process of electronic components and semiconductor products
- ➢ Receive shield plates from customers, restore their performance through precision cleaning, and return them

Business Model

Collection from Electronics Sector

Overview of E-Scrap

Sources
- Manufacturer of electronic components, semiconductor manufacturers, certified recycler for small home appliances, distribution companies

Collected Items
- Printed circuit board (PCB), factory scrap materials, connectors, circuit boards for information devices, automotive electronic components

Metals
- Gold, Silver, Palladium, Copper

Business Characteristics

- Collect scrap materials and defective products generated on factory production lines
- Recover electronic components and circuit boards from end-of-life products

Business Model

Collection from Catalyst Sector

Overview of Catalysts

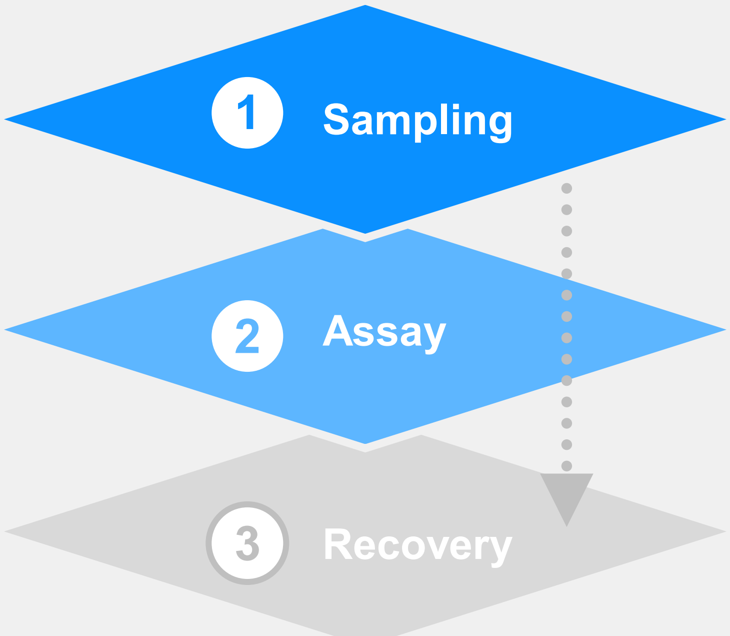
Sources	➢ Catalyst manufacturers, automobile manufacturers, automobile dismantling companies, chemical and pharmaceutical manufacturers
Collected Items	➢ Automotive catalysts, chemical catalysts
Metals	➢ Palladium, Platinum, Rhodium

Business Characteristics

- Automotive catalytic converters use catalysts to neutralize harmful substances in exhaust gases, and these catalysts contain precious metals
- In chemical and pharmaceutical manufacturing, precious metals are used as catalysts to accelerate chemical reactions

Business Model

High-Precision Assay and Recovery



Sampling Technique

Automated Sampling System

- Collected materials are homogenized through multiple processes, and representative samples are extracted
- Sample accuracy determines the precision of the analysis
- State-of-the-art factories have introduced automated sampling systems

Assay Technique

Assay Techniques Using X-Ray and Inductively Coupled Plasma (ICP)

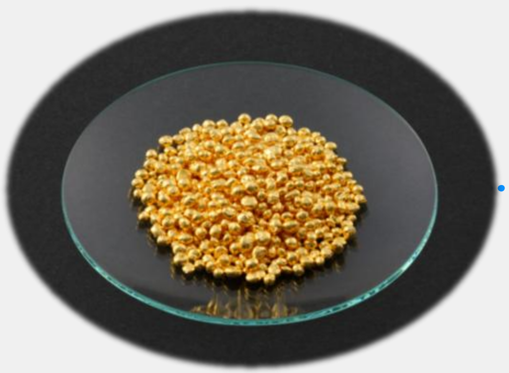
- Achieve high assay accuracy by using instruments and methods suited to each type of raw materials and composition
- Precise assay not only strengthens the company's competitiveness but also ensures customer trust

Point

- **Leverage years of expertise to accurately assess the value of collected materials through efficient sampling and assay**

STEP3 Added Value for Recycled Products

- ✓ **Green Premium evaluates environmental and social impact**
- ✓ **Starting with the jewelry industry, various sectors have announced procurement policies for recycled raw materials**
- ✓ **Launch of recycled platinum and palladium supply to the Japanese automotive industry**



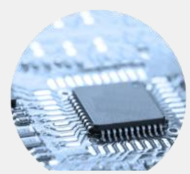
Green Premium

An additional premium granted to recycled precious metals, considered more valuable than those extracted from mines

Jewelry

Example ➢ BVLGARI

"Over 99% of gold sourced by Bvlgari comes from industrial recycling, effectively reducing the environmental and social impacts connected with mining operations."



Electronics

Example ➢ Apple

"All Apple-designed printed circuit boards will use 100 percent certified recycled gold plating by 2025."

Automotives

Example ➢ BMW Group

"The catalytic converter contains platinum, rhodium and palladium. All of these parts can be recycled."

Industrial Equipment

Example ➢ Siemens

"We want to proportionately increase our procurement of secondary metals and resins by 2030."

Notes: Quotes are sourced from websites and sustainability reports of each company.
The examples above do not imply any past or current business relationships with our company.

Metal Composition by Business Sector

	Composition Ratio of 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).

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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 bullion products

Since there is no purchase of precious metals, only the refining fees will be 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 bullion products

Sale

Manufacturers

Commodity Markets

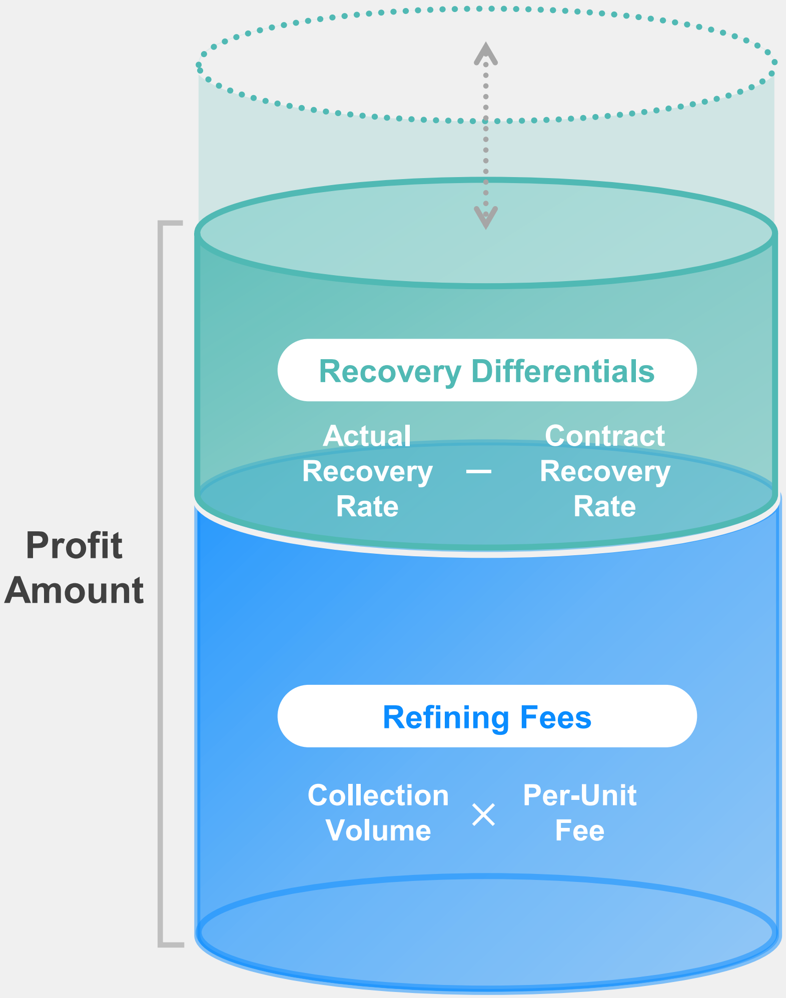
Trading Companies

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

Two Income Sources

- Income of the Precious Metals Business comprises **refining fees**, which provide stable earnings, and **recovery differentials**, which are impacted by precious metal price levels.
- **As precious metal prices are largely hedged, exposure to price fluctuations is limited.**

Illustrative Diagram of the Earnings Structure



Variable Profit

- ➢ The second source of profit arises from the difference between the actual recovery rate and the contract recovery rate, which represents the amount paid to or returned to clients.
- ➢ As recovery differentials are sold when payment is finalized, **profit increases if the spot price at the time of sale is higher.**
- ➢ Profit is maximized when a higher actual recovery rate increases the volume of free metal and when precious metal prices are at elevated levels.

Stable Profit

- ➢ Stable profit is generated from collection volumes across each sector and per-unit fee set for each contract.
- ➢ Per-unit fees are higher for raw materials that require more complex processing.
- ➢ **This profit source is not impacted by precious metal price fluctuations.**

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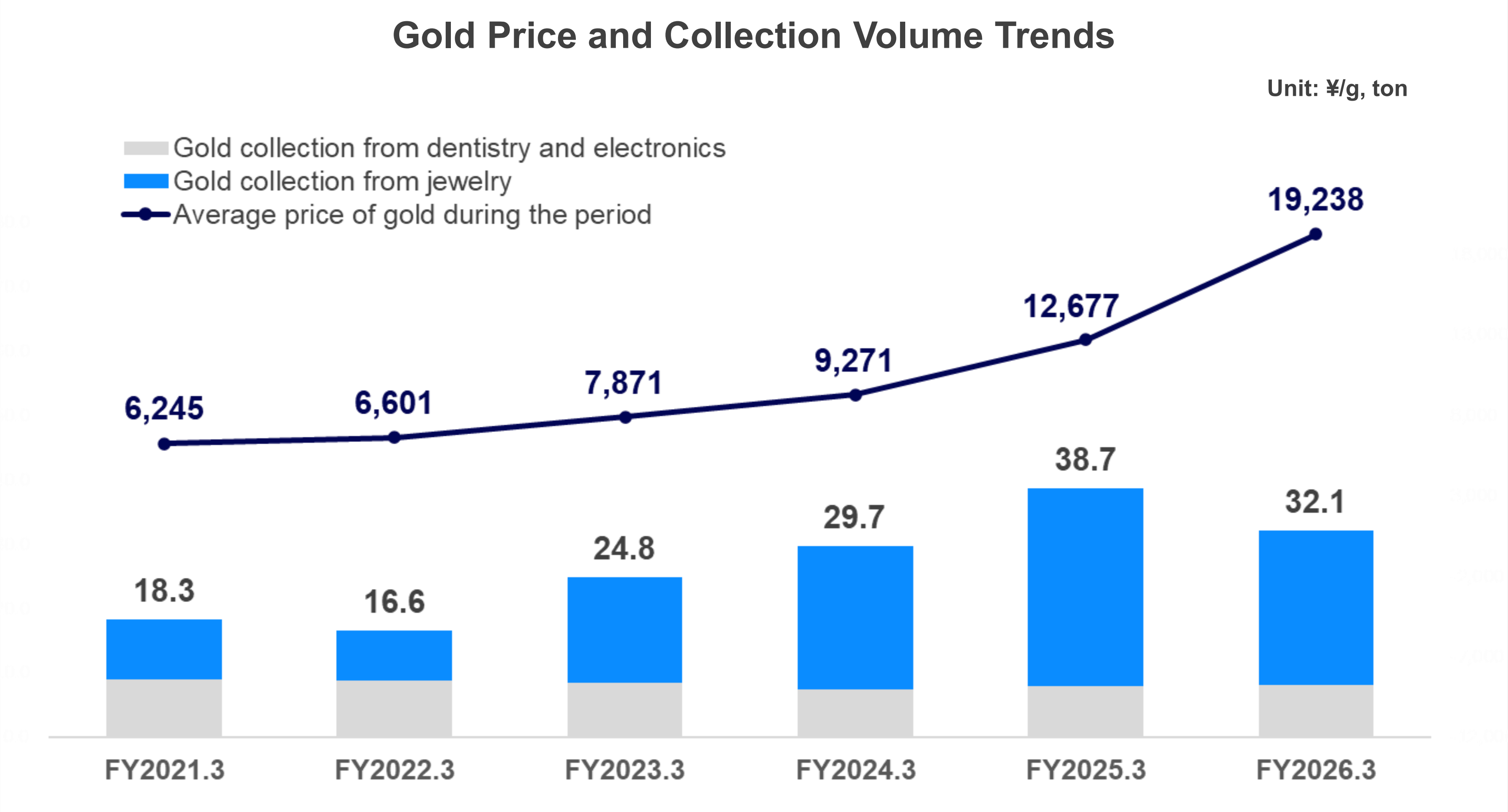
- Gold collection volume has increased every year since FY2022.3, mainly in the jewelry sector amid rising gold prices.
- Collection volume in FY2026.3 decreased YoY as a result of prioritizing profitability.

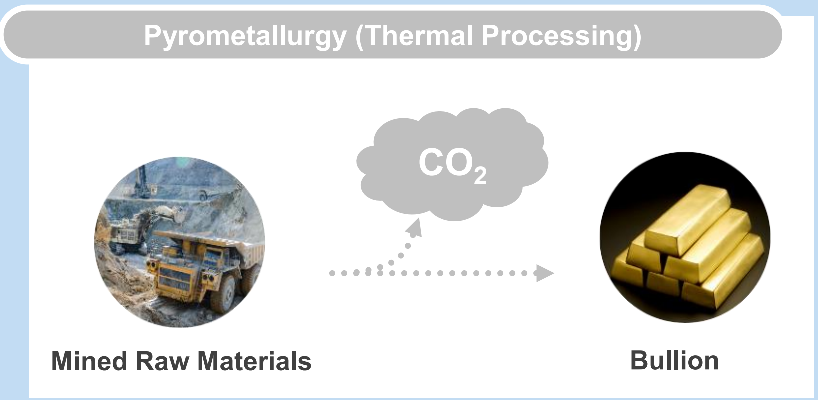


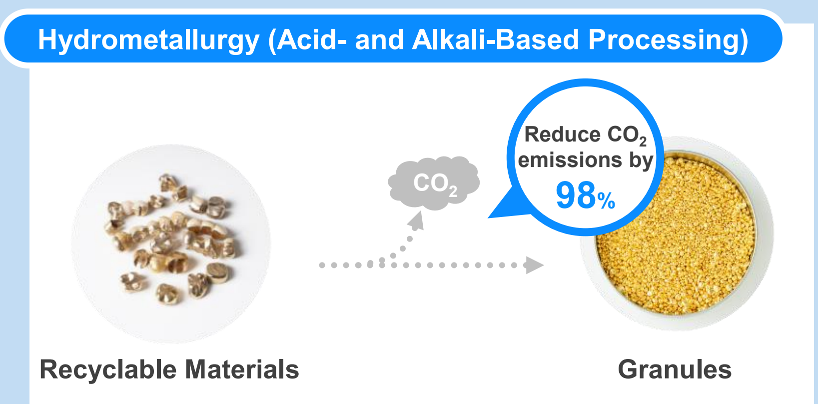
Note: Gold prices represent period averages based on mining company quotes.

ESG Recycling to Reduce Environmental Impacts

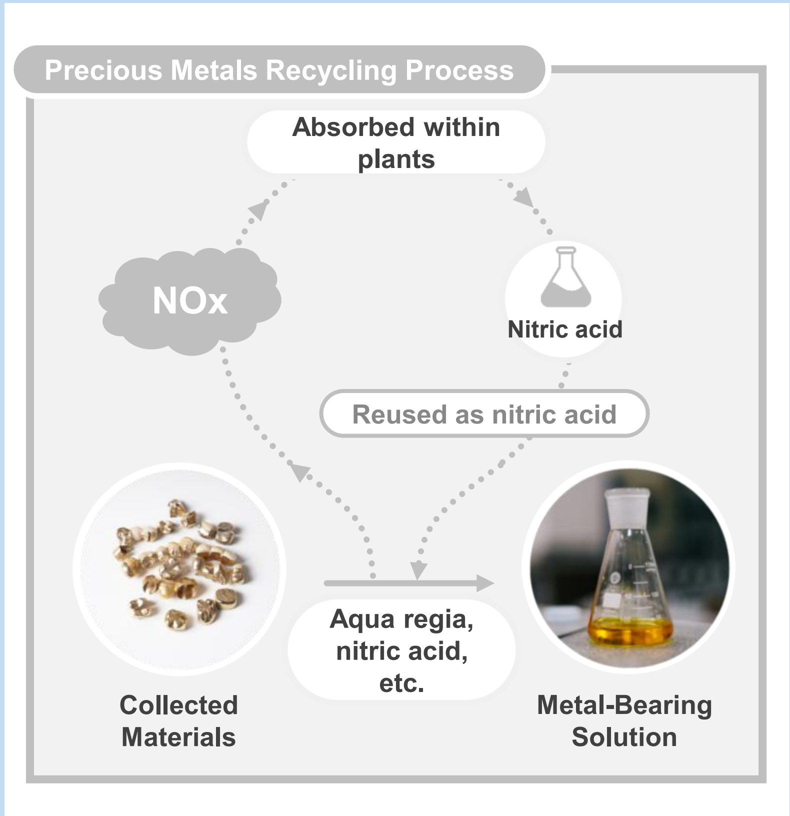
- Our products made from recycled materials can reduce CO_2 emissions during the manufacturing process by 98% compared to mined raw materials.
- We reduce environmental impact by absorbing NOx generated during the manufacturing process into water and reusing it as nitric acid.

Manufacturing Process with Reduced CO_2 Emissions





Reuse of NOx Generated During Manufacturing



Agenda

Q1 FY2027.3 Financial Results

Appendix

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4. Business Features:
   Precious Metals Recycling Business
5. Business Features:
   North American Refining Business

North American Refining | Sites in North America

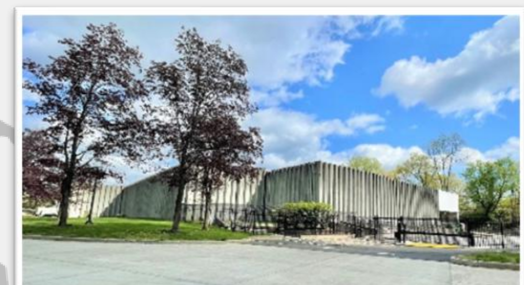
Asahi Refining Canada Ltd.

Established: 2015
Location: Ontario, Canada
Business: Gold and silver refining, trading, corporate functions

Asahi Refining USA Inc.

Established: 2015
Location: Utah, USA
Business: Gold and silver refining

Asahi Depository LLC



Established: 2021
Location: New York, USA
Business: Warehousing

2015	**Acquired refining business from Johnson Matthey in the UK**

- Asahi Refining Canada Ltd. established in Toronto
- Asahi Refining USA Inc. established in Salt Lake City

2019	**Acquired assets of Republic Metals Corporation of the United States**

- Asahi Refining Florida LLC established in Miami

2023	**Started a New Business Operation**

- Asahi Depository LLC established in New York

North American Refining | Core Refining Business

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Clients

Gold & Silver Mines
Jewelry Scrap Dealers

Collect

Return

Refining Business

Point

- ✓ The primary source of profit is refining fees generated when refining raw materials are entrusted by customers.
- ✓ We mainly handle doré (an intermediate product made by concentrating ore) delivered from mines.

Strength

- ✓ Improved refining capability and productivity, leveraging assay and refining expertise developed in Japan.
- ✓ Strong market share in the jewelry scrap market across North and South America.

North American Refining | Business Model

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Source of Profit

Main Business Partners in North America

Jewelry Scrap Dealers

Mining Companies

Financial Institutions

Receipt

Offer financial solutions

Return

Refining

➢ Refine raw materials received from mining companies and jewelry scrap dealers.

Refining Fee | Free Metal*

Assay | Refine

*difference between contract recovery rate and actual recovery rate

Trading

➢ Provide financial services to clients of our refining business

Spot Transactions | Arbitrage Transactions

Hedging Solutions | Prepayment Transactions

Includes advance and options transactions

See p.54

Inbound

Receipt

Return

Product

Recast

➢ Recasting to manufacture market-specific bars

Processing Fee

Produce Bullion

➢ Cast and process refined metals into bullion

Product Premium

Warehousing

➢ Move refined products into our company-operated COMEX-certified warehouse and continue storage and management even after product sale

Storage Fee

Delivery Fee

Store

Transport

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- Prepayment transactions are incorporated into refining contracts and help securing refining transactions.
- While prepayment transactions temporarily increase assets and liabilities, **they contribute to profit through interest income and also help strengthen long-term relationships with clients.**

Clients
(mainly mining companies)

Raw Materials

- Ship doré, concentrated ore, for refining.
- Request prepayment transactions to obtain early financing for raw materials.

Increase in Assets

Prepayment

- Provide prepayment to clients prior to finishing the refining process.
- **Credit risk is eliminated**, as assets are held as collateral.

ASAHI REFINING

Receipt **Assay**

- Receive to-be-refined gold and silver raw materials from clients.
- Determine precious metal content in raw materials through assays at our refineries.

Refining, Processing, Sale

- Refine and process raw materials into bullion products.
- Sell bullion in the market.

Financial Institutions

Increase in Liabilities

Loans for Prepayment

- Finalize the prepayment amount based on assay results and contract terms.

Decrease in Assets and Liabilities

Repayment

- Repay loans using proceeds from bullion sales.
- Profit arises from **interest during prepayment days** (prepayment interest rate exceeds lease rate).