Consolidated Financial Results for the Three Months Ended June 30, 2026

ARE Holdings, Inc. [IFRS]

August 4, 2026

Stock code:	5857
Shares listed:	Tokyo Stock Exchange - Prime Market
URL:	https://www.are-holdings.com/english/
Representative:	Tomoya Higashiura, Representative Director, President & CEO
For further information please contact:	Jiro Saito, General Manager, Corporate Planning & Communications Department (Phone) +81–3–6270–1833
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 three months ended June 30, 2026 (From April 1, 2026 to June 30, 2026)

(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 three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	197,177	43.8	12,259	106.8	12,415	148.8	8,612	137.0	8,612	136.6	(194)	–
June 30, 2025	137,120	48.6	5,928	63.9	4,989	31.4	3,633	13.6	3,639	13.8	17,347	110.3

	Basic earnings per share	Diluted earnings per share
The three months ended	Yen	Yen
June 30, 2026	100.21	99.76
June 30, 2025	47.51	43.11

(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	%
June 30, 2026	637,866	224,920	224,920	35.3
March 31, 2026	615,388	230,555	230,555	37.5

2. Dividend payments

	Dividends per share				
	First quarter	Second quarter	Third quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2026	–	60.00	–	65.00	125.00
Year ending March 31, 2027	–				
Year ending March 31, 2027 (Forecast)		65.00	–	70.00	135.00

(Note) Revisions in dividend forecast in the current period: No

3. Forecast (From April 1, 2026 to March 31, 2027) (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
Six months ending September 30, 2026	330,000	38.5	20,000	30.4	19,500	40.6	14,000	29.0	162.90
Year ending March 31, 2027	680,000	19.3	41,000	10.8	40,000	15.5	29,000	19.0	337.43

(Note) Revisions in forecast in the current period: No

* 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 June 30, 2026	86,853,534 shares
As of March 31, 2026	86,853,534 shares

(ii) Number of treasury stock at the quarter end

As of June 30, 2026	909,016 shares
As of March 31, 2026	909,016 shares

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

Three months ended June 30, 2026	85,944,518 shares
Three months ended June 30, 2025	76,613,404 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.

【Appendix】

Table of contents of the appendix

1. Overview of Consolidated Operating Results

(1) Overview of Consolidated Operating Results for the Three Months Ended June 30, 2026

The financial results for the three months ended June 30, 2026 were as follows.

Revenue	197,177 million yen	(a year-on-year increase of 60,057 million yen, or +43.8 percent)
Operating profit	12,259 million yen	(a year-on-year increase of 6,331 million yen, or +106.8 percent)
Profit before tax	12,415 million yen	(a year-on-year increase of 7,426 million yen, or +148.8 percent)
Profit attributable to owners of parent	8,612 million yen	(a year-on-year increase of 4,972 million yen, or +136.6 percent)

As for the precious metals recycling business, operating profit increased year on year. In the electronics sector, the volume of gold collected increased year on year, and operating profit increased year on year. In the jewelry sector, the volume of gold collected decreased year on year, but as a result of efforts to improve profitability, operating profit increased year on year. Although the volume of gold collected in the dental sector decreased year on year, operating profit increased year on year, due to increased market share and an improved cost structure. In the catalyst-related sector, the volume of palladium collected increased year on year, and operating profit increased year on year. In addition, the sales volume of recycled precious metals sold at a premium and the sales volume of precious metal products 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 from mines increased, and operating profit increased year on year. In the products sector, sales volume increased year on year, and operating profit increased year on year. In the trading sector, arbitrage opportunities decreased year on year, and operating profit decreased slightly year on year. Operating profit in the storage sector remained at the same level as the previous period.

As a result, operating profit in Precious Metals business segment increased 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 Three Months Ended June 30, 2026

As of June 30, 2026, total assets amounted to 637,866 million yen, up 22,477 million yen from the previous fiscal year end. This was mainly due to an increase of 23,384 million yen in trade and other receivables.

Total liabilities amounted to 412,946 million yen, up 28,113 million yen from the previous fiscal year end. This was mainly due to an increase of 70,892 million yen in bonds and loans payable, despite a decrease of 29,524 million yen in trade and other payables.

Total equity amounted to 224,920 million yen, down 5,635 million yen from the previous fiscal year end. This was mainly due to a decrease of 5,586 million yen used for dividends.

As a result, the equity attributable to owners of parent ratio changed to 35.3%, from 37.5% at the end of the previous fiscal year.

Net cash provided by operating activities amounted to 57,069 million yen due mainly to 12,415 million yen of profit before tax, 852 million yen of depreciation and amortization, 14,741 million yen of decrease in inventories, 28,634 million yen of increase in trade and other receivables, 84,816 million yen of increase in trade, loans and other payables, and 5,500 million yen of income taxes paid.

Net cash used in investing activities amounted to 1,557 million yen due mainly to 1,395 million yen of purchase of property, plant and equipment.

Net cash used in financing activities amounted to 48,156 million yen due mainly to 18,000 million yen of net decrease in short-term loans payable, 41,003 million yen of repayment of long-term loans payable, and 5,570 million yen of cash dividends paid, despite 16,452 million yen of proceeds from long-term loans payable.

As a result, cash and cash equivalents as of June 30, 2026 increased by 7,364 million yen from March 31, 2026, to 17,700 million yen.

(3) Consolidated Performance Forecasts

No changes have been made to the forecasts going forward as they are in line with the financial forecast for the fiscal year ending March 31, 2027 announced in the “Consolidated Financial Results for the Fiscal Year Ended March 31, 2026” made public on May 1, 2026.

2. Condensed Quarterly Consolidated Financial Statements

(1) Condensed Quarterly Consolidated Statements of Financial Position

	As of March 31, 2026	As of June 30, 2026
	Millions of yen	Millions of yen
ASSETS		
Current assets		
Cash and cash equivalents	10,336	17,700
Trade and other receivables	315,302	338,687
Inventories	122,415	107,687
Income tax receivables	250	211
Other financial assets	52,379	56,077
Other current assets	36,312	37,886
Total current assets	536,998	558,251
Non-current assets		
Property, plant and equipment	41,800	42,254
Intangible assets	1,678	1,656
Investments accounted for using equity method	31,486	32,009
Deferred tax assets	204	226
Net defined benefit asset	224	308
Financial assets	2,866	3,033
Other non-current assets	129	126
Total non-current assets	78,390	79,615
Total assets	615,388	637,866

	As of March 31, 2026	As of June 30, 2026
	Millions of yen	Millions of yen
LIABILITIES and EQUITY		
Liabilities		
Current liabilities		
Trade and other payables	131,965	102,440
Bonds and loans payable	98,554	153,175
Income tax payable	5,619	1,867
Other financial liabilities	31,041	29,693
Provisions	1,934	1,142
Other current liabilities	7,761	2,653
Total current liabilities	276,876	290,973
Non-current liabilities		
Bonds and loans payable	84,648	100,919
Deferred tax liabilities	22,806	20,566
Net defined benefit liability	156	152
Other financial liabilities	289	253
Other non-current liabilities	55	81
Total non-current liabilities	107,956	121,973
Total liabilities	384,833	412,946
Equity		
Capital stock	20,233	20,233
Capital surplus	26,760	26,906
Treasury stock	(1,657)	(1,657)
Retained earnings	138,497	141,586
Other components of equity	46,721	37,850
Total equity attributable to owners of parent	230,555	224,920
Total equity	230,555	224,920
Total liabilities and equity	615,388	637,866

(2) Condensed Quarterly Consolidated Statements of Income

	The three months ended June 30, 2025	The three months ended June 30, 2026
	Millions of yen	Millions of yen
Revenue	137,120	197,177
Cost of sales	(129,500)	(182,766)
Gross profit	7,620	14,410
Selling, general and administrative expenses	(2,082)	(2,675)
Other operating income	16	23
Other operating expenses	(11)	(24)
Share of profit (loss) of investments accounted for using equity method	385	524
Operating profit	5,928	12,259
Finance income	333	616
Finance costs	(1,273)	(460)
Profit before tax	4,989	12,415
Income tax expenses	(1,355)	(3,803)
Profit	3,633	8,612
Profit attributable to:		
Owners of parent	3,639	8,612
Non-controlling interests	(5)	–
Profit	3,633	8,612
Earnings per share		
Basic earnings per share (Yen)	47.51	100.21
Diluted earnings per share (Yen)	43.11	99.76

(3) Condensed Quarterly Consolidated Statements of Comprehensive Income

	The three months ended June 30, 2025	The three months ended June 30, 2026
	Millions of yen	Millions of yen
Profit	3,633	8,612
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	(1)	63
Share of other comprehensive income of investments accounted for using equity method	(18)	(1)
Total items that will not be reclassified to profit or loss	(19)	62
Items that may be reclassified to profit or loss		
Cash flow hedges	13,324	(9,012)
Translation adjustments of foreign operations	408	143
Total items that may be reclassified to profit or loss	13,733	(8,869)
Other comprehensive income, net of tax	13,713	(8,806)
Comprehensive income	17,347	(194)
Comprehensive income attributable to:		
Owners of parent	17,355	(194)
Non-controlling interests	(8)	–
Comprehensive income	17,347	(194)

(4) Condensed Quarterly Consolidated Statements of Changes in Equity

(Millions of yen)

	Equity attributable to owners of parent					
					Other components of equity	
	Capital stock	Capital surplus	Treasury stock	Retained earnings	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	–	–	–	3,639	–	–
Other comprehensive income	–	–	–	–	411	13,324
Total comprehensive income	–	–	–	3,639	411	13,324
Dividends	–	–	–	(3,064)	–	–
Reclassified from other components of equity to retained earnings	–	–	–	(1)	–	–
Share-based payment transactions	–	40	–	–	–	–
Total transactions with owners	–	40	–	(3,065)	–	–
Balance at June 30, 2025	7,790	12,120	(6,066)	122,253	885	3,654

(Millions of yen)

	Equity attributable to owners of parent					
	Other components of equity					
	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total	Total	Non-controlling interests	Total equity
Balance at April 1, 2025	13	–	(9,182)	126,301	47	126,349
Profit	–	–	–	3,639	(5)	3,633
Other comprehensive income	(18)	(1)	13,715	13,715	(2)	13,713
Total comprehensive income	(18)	(1)	13,715	17,355	(8)	17,347
Dividends	–	–	–	(3,064)	–	(3,064)
Reclassified from other components of equity to retained earnings	–	1	1	–	–	–
Share-based payment transactions	–	–	–	40	–	40
Total transactions with owners	–	1	1	(3,024)	–	(3,024)
Balance at June 30, 2025	(5)	–	4,534	140,633	39	140,672

(Millions of yen)

	Equity attributable to owners of parent					
					Other components of equity	
	Capital stock	Capital surplus	Treasury stock	Retained earnings	Translation adjustments of foreign operations	Cash flow hedges
Balance at April 1, 2026	20,233	26,760	(1,657)	138,497	6,728	39,960
Profit	–	–	–	8,612	–	–
Other comprehensive income	–	–	–	–	143	(9,012)
Total comprehensive income	–	–	–	8,612	143	(9,012)
Dividends	–	–	–	(5,586)	–	–
Reclassified from other components of equity to retained earnings	–	–	–	63	–	–
Share-based payment transactions	–	145	–	–	–	–
Total transactions with owners	–	145	–	(5,522)	–	–
Balance at June 30, 2026	20,233	26,906	(1,657)	141,586	6,871	30,947

(Millions of yen)

	Equity attributable to owners of parent				
	Other components of equity				
	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total	Total	Total equity
Balance at April 1, 2026	32	–	46,721	230,555	230,555
Profit	–	–	–	8,612	8,612
Other comprehensive income	(1)	63	(8,806)	(8,806)	(8,806)
Total comprehensive income	(1)	63	(8,806)	(194)	(194)
Dividends	–	–	–	(5,586)	(5,586)
Reclassified from other components of equity to retained earnings	–	(63)	(63)	–	–
Share-based payment transactions	–	–	–	145	145
Total transactions with owners	–	(63)	(63)	(5,440)	(5,440)
Balance at June 30, 2026	30	–	37,850	224,920	224,920

(5) Condensed Quarterly Consolidated Statements of Cash Flows

	The three months ended June 30, 2025	The three months ended June 30, 2026
	Millions of yen	Millions of yen
Cash provided by (used in) operating activities		
Profit before tax	4,989	12,415
Depreciation and amortization	650	852
Finance income and finance cost	(1,426)	818
Share of loss (profit) of investments accounted for using equity method	(385)	(524)
Decrease (increase) in inventories	(3,954)	14,741
Decrease (increase) in trade and other receivables	(3,395)	(28,634)
Increase (decrease) in trade, loans and other payables	(4,566)	84,816
Other, net	10,256	(21,527)
Subtotal	2,167	62,959
Interest and dividend income received	27	37
Interest expenses paid	(85)	(426)
Income taxes paid	(1,600)	(5,500)
Net cash provided by (used in) operating activities	508	57,069
Cash provided by (used in) investing activities		
Proceeds from withdrawal of time deposits	103	–
Purchase of property, plant and equipment	(3,115)	(1,395)
Proceeds from sales of property, plant and equipment	2	148
Purchase of intangible assets	(222)	(136)
Collection of loans receivable	2,695	–
Other, net	(106)	(174)
Net cash provided by (used in) investing activities	(642)	(1,557)
Cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	615	(18,000)
Proceeds from long-term loans payable	7,133	16,452
Repayment of long-term loans payable	(3,853)	(41,003)
Cash dividends paid	(3,045)	(5,570)
Other, net	(37)	(35)
Net cash provided by (used in) financing activities	813	(48,156)
Effect of exchange rate change on cash and cash equivalents	(1,077)	9
Net increase (decrease) in cash and cash equivalents	(398)	7,364
Cash and cash equivalents at beginning of period	17,555	10,336
Cash and cash equivalents at end of period	17,157	17,700

(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 three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

(Millions of yen)

	Reporting segment						
	Precious Metals Business	Environmental Preservation Business	Subtotal	Other	Total	Adjustments	Consolidated
Revenue							
External revenue	137,093	–	137,093	27	137,120	–	137,120
Intersegment revenue	–	–	–	–	–	–	–
Total	137,093	–	137,093	27	137,120	–	137,120
Operating profit by business segment	5,610	382	5,992	(64)	5,928	–	5,928
Finance income							333
Finance costs							(1,273)
Profit before tax							4,989

For the three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

(Millions of yen)

	Reporting segment						
	Precious Metals Business	Environmental Preservation Business	Subtotal	Other	Total	Adjustments	Consolidated
Revenue							
External revenue	197,140	–	197,140	37	197,177	–	197,177
Intersegment revenue	–	–	–	–	–	–	–
Total	197,140	–	197,140	37	197,177	–	197,177
Operating profit by business segment	11,788	521	12,309	(50)	12,259	–	12,259
Finance income							616
Finance costs							(460)
Profit before tax							12,415

Notes on assumptions for going concern

Not applicable

Significant subsequent events

Not applicable