

Directors and Officers



Tomoya Higashiura

Born January 26, 1961

Major Concurrent Positions

Director of Asahi Pretec Corp.
Representative Director of Waste System Japan Corporation
Chairperson and Director of RENATUS Co., Ltd.
Director of Japan Waste Corporation

Number of Shares Held100,000 shares
Board of Directors Meeting Attendance7/7

Reason for Appointment

Mr. Tomoya Higashiura engages in the management of the Group as a Representative Director of the Company and as a Director of the Group companies, having deep insight and abundant experience in overall management. The Company determined that he remains well-suited to continue serving as Director since his extensive experience in the Precious Metals Business and its global expansion will continue to contribute to the sustainable enhancement of the corporate value of the Group.



Akinori Yamamoto

Born February 26, 1981

Major Concurrent Positions

Representative, Yamamoto Certified Public Accountant Office
Representative Director of GIP Co., Ltd.
Outside Auditor of AIMECHATEC, Ltd.

Number of Shares HeldN/A
Board of Directors Meeting Attendance7/7

Reason for Appointment

Mr. Akinori Yamamoto has highly professional expertise concerning accounting systems, corporate finance, etc., as a Certified Public Accountant, since he was involved in many M&A projects inside and outside Japan for an investment bank after engaging in auditing services for an audit firm. He has provided oversight and guidance from an objective and impartial standpoint as a member of the Audit and Supervisory Committee. The Company appointed him as an Outside Director in anticipation that he will continue to provide independent supervision and expert advice to management, contributing to the sustainable enhancement of corporate value.



Yoshinori Hara

Born July 21, 1958

Major Concurrent Positions

Professor Emeritus at Kyoto University
Adjunct Professor at the Graduate School of Management, Kyoto University
Professor at the School of Data Science, Osaka Seikei University

Number of Shares HeldN/A
Board of Directors Meeting Attendance7/7
Audit and Supervisory Committee Attendance9/9

Reason for Appointment

Mr. Yoshinori Hara has professional expertise and practical experience in developing service management talent, serving as Professor Emeritus of Kyoto University, Adjunct Professor at the Graduate School of Management at Kyoto University, and Professor at the School of Data Science at Osaka Seikei University. The Company appointed him as an Outside Director (Audit and Supervisory Committee Member) since the Company expects that he will continue to provide supervision and advice to ensure the appropriateness and properness of decision-making of the Company's Board of Directors from a standpoint independent of management toward sustainable enhancement of corporate value of the Company.



Mitsutoshi Kagimoto

Born June 15, 1958

Major Concurrent Position

Auditor of Asahi Pretec Corp.

Number of Shares Held2,000 shares
Board of Directors Meeting Attendance7/7
Audit and Supervisory Committee Attendance9/9

Reason for Appointment

Mr. Mitsutoshi Kagimoto has abundant insight and experience concerning the Company's business, having been an employee of the Company for many years and engaged in the management of the Group as a Representative Director of a Group company, and, furthermore, in auditing of the Company as General Manager of the Secretariat of Audit and Supervisory Committee. Using his abundant insight and experience, he has provided supervision and advice to ensure the appropriateness and properness of decision-making of the Company's Board of Directors, and the Company expects him to continue to perform these roles. Therefore, the Company appointed him as a Director (Audit and Supervisory Committee Member).



Yuki Tsuru

Born May 16, 1969

Major Concurrent Positions

Lawyer at Kyowa-Sogo Partners Law Office
Member of Infringement Judgement Advisory Committee
Customs Technical Advisor
External Director of Hankyu Hanshin Holdings, Inc.
Part-time Auditor of National Institute of Technology and Evaluation
Outside Director of SUGIMOTO & CO., LTD.

Number of Shares HeldN/A
Board of Directors Meeting Attendance7/7
Audit and Supervisory Committee Attendance9/9

Reason for Appointment

Ms. Yuki Tsuru has highly professional expertise concerning laws as a lawyer and experience in supervision of management from an objective standpoint as an Outside Director of the other companies. The Company appointed her as an Outside Director (Audit and Supervisory Committee Member) since the Company expects that she will continue to provide supervision and advice in the aspect of legal and compliance to ensure the appropriateness and properness of decision-making of the Company's Board of Directors from a standpoint independent of management toward sustainable enhancement of corporate value of the Company.



Toru Nakamura

Born October 25, 1968

Major Concurrent Positions

Representative Partner of Japan Creas Tax Corporation
Representative of Corporate Advisers Accounting Co., Ltd.
Representative of Corporate Advisers M&A Co., Ltd.

Number of Shares Held7,500 shares
Board of Directors Meeting AttendanceN/A
Audit and Supervisory Committee AttendanceN/A

Reason for Appointment

Mr. Toru Nakamura has highly professional expertise in finance and taxation as a Certified Public Accountant managing a tax accounting firm. He also has extensive experience in providing supervision and advice to management from an independent standpoint. The Company appointed him as an Outside Director (Audit and Supervisory Committee Member) since the Company expects that he will contribute to the sustainable enhancement of corporate value by offering supervision and advice in the aspects of financial strategy, risk management, and compliance to ensure the appropriateness and properness of decision-making of the Company's Board of Directors from a standpoint independent of management.



Kaoru Katada

Born August 29, 1980

Major Concurrent Position

Executive Officer of LIFENET INSURANCE COMPANY

Number of Shares HeldN/A
Board of Directors Meeting AttendanceN/A
Audit and Supervisory Committee AttendanceN/A

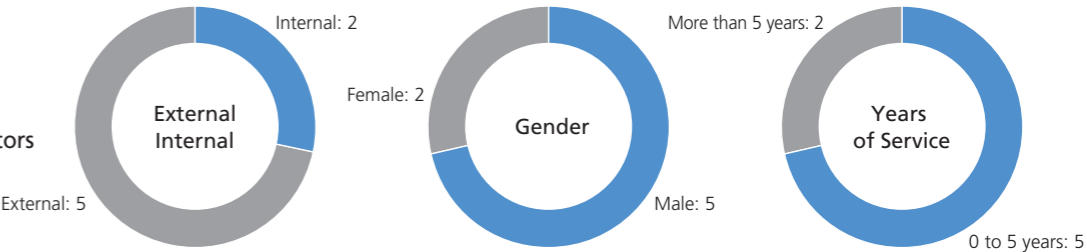
Reason for Appointment

Ms. Kaoru Katada has diverse expertise and experience in human resources, general affairs, and legal affairs. The Company appointed her as an Outside Director (Audit and Supervisory Committee Member) since the Company expects that she will contribute to the sustainable enhancement of corporate value by offering supervision and advice in the aspects of legal affairs and risk management to ensure the appropriateness and properness of decision-making of the Company's Board of Directors from a standpoint independent of management.

Skill Matrix of Directors and Officers

Name and Position		Management	Industry Knowledge	International Experience	Sales	Technology and Innovation	Government Experience	Legal	Finance and Accounting	Sustainability
Tomoya Higashiura Representative Director, President & CEO		✓	✓	✓	✓		✓		✓	✓
Akinori Yamamoto Director, Audit and Supervisory Committee Member	Independent Outside Director	✓		✓				✓	✓	
Yoshinori Hara Director, Chairman of Audit and Supervisory Committee	Independent Outside Director	✓		✓		✓			✓	
Mitsutoshi Kagimoto Director, Audit and Supervisory Committee Member		✓	✓		✓			✓		
Yuki Tsuru Director, Audit and Supervisory Committee Member	Independent Outside Director			✓			✓	✓		✓
Toru Nakamura Director, Audit and Supervisory Committee Member	Independent Outside Director	✓			✓				✓	✓
Kaoru Katada Director, Audit and Supervisory Committee Member	Independent Outside Director	✓			✓			✓		✓
Tsutomu Nakashima Corporate Officer		✓	✓	✓	✓	✓				✓
Nobuo Tajima Corporate Officer		✓	✓	✓	✓				✓	✓
Yoshihito Iwasa Corporate Officer		✓	✓	✓		✓		✓		✓

Composition of the Board of Directors



More details about our directors can be found here: <https://www.are-holdings.com/english/company/officer/>

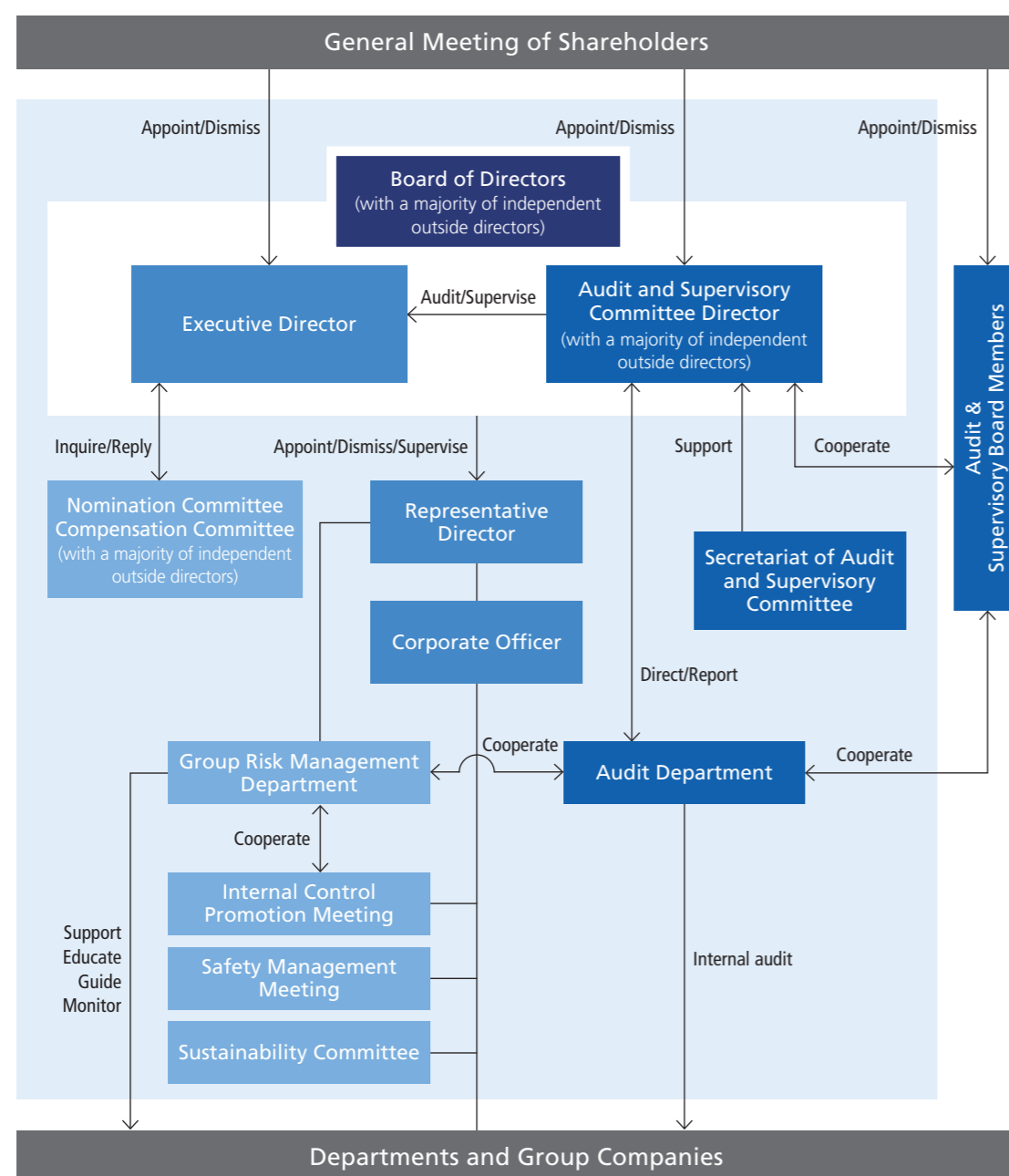
Corporate Governance

Basic Approach to Corporate Governance

Practicing effective corporate governance is a key part of our corporate social responsibility. Good governance enhances management efficiency and transparency, and helps ensure our corporate value keeps growing. The ARE Holdings Group practices corporate governance that seeks to earn the confidence of our shareholders, business partners, personnel, local communities, and other

important stakeholders. In addition to fulfilling the social mission and responsibilities of a publicly listed company, we aim to keep improving our corporate value by maintaining top management structure and business execution framework that can quickly respond to changes in the business environment while emphasizing the importance of compliance.

Corporate Governance System



Organization Design

Board of Directors

The Board of Directors comprises executive directors who have expert knowledge of their respective business, technical, or administration departments, as well as outside directors with various expertise essential to corporate management. To further enhance the objectivity and independence of the Board of Directors and ensure that discussions are lively and effective, the majority of members are independent outside directors. The Board consists of seven directors, including five independent outside directors.

The Board of Directors deliberates and decides on basic management policies, management strategies, our medium- to long-term plan, annual plans and other important managerial matters regarding our strategic direction. The Board of Directors met seven times during the fiscal year ended March 31, 2025, and all Directors attended all meetings.

Outside Directors

We have established independence criteria for outside directors and appoint independent outside directors with the capacity to perform their duties independently from the management of the company, considering their individual backgrounds and relationships with the Group. They attend Board of Directors meetings and fulfill their roles and responsibilities as directors. Outside directors also make efforts to attend management and other executive meetings of Group companies whenever possible, dedicating the necessary time and effort to gather information and freely express their opinions from a standpoint independent of management. In addition, in order to further strengthen cooperation between independent outside directors and executive directors and to establish a system that enables smooth communication and coordination, we have appointed one independent outside director to lead the independent outside directors.

Audit and Supervisory Committee

The main agenda items for Audit and Supervisory Committee meetings include, deciding audit policy and plans, auditing quarterly and full-year financial results, deciding whether to reappoint the accounting auditor,

approving compensation to be paid to the accounting auditor, deciding its opinion regarding personnel and remunerations to be paid to directors, auditing business reports and proposals for General Meetings of Shareholders, auditing the internal control system, conducting interviews regarding operations at overseas subsidiaries, and auditing important requests for approval, etc.

The Audit and Supervisory Committee met nine times during the fiscal year ended March 31, 2025, and all Audit and Supervisory Committee members attended all meetings.

Meetings with the audit firm that serves as our accounting auditor were held eight times, and we received regular reports from the Audit Department six times, signally the strengthening of collaboration.

Nomination and Compensation Committees

A Nomination Committee, consisting of one internal director and two independent outside directors, as well as a Compensation Committee, have been established as advisory bodies to the Board of Directors. The chairpersons of both committees are appointed from among the independent outside directors. The aim of these committees is to further enhance corporate governance by ensuring transparency, fairness, and objectivity when appointing and dismissing directors and key management team members and determining director remuneration.

Adherence to Japan's Corporate Governance Code

The ARE Holdings Group adheres to all the principles of Japan's Corporate Governance Code, formulated by the Tokyo Stock Exchange. We submit Corporate Governance Reports, which provide investors with 83 items of governance information in a standard format, to the Tokyo Stock Exchange, and we post reports on our website. In addition, we have formulated the ARE Holdings Corporate Governance Policies and are implementing each policy to ensure we continuously enhance corporate governance.

Remuneration for Directors

Policy for Determining the Details of Director Remuneration

Method for Determining the Remuneration Policy

The Board of Directors requests the Compensation Committee, which consists of three members, including two independent outside directors, to draft a recommendation for remunerating the directors of ARE Holdings. Based on this recommendation, the Board of Directors determines a policy detailing the remuneration for each director.

Overview of the Remuneration Policy

Director remuneration must be within the limits approved by the General Meeting of Shareholders. The Board of Directors determines the amount of remuneration within these limits, based on a recommendation from the Compensation Committee, which plays an advisory role. The remuneration system is designed to motivate directors to improve the Group's business performance. Their remuneration consists of basic compensation, performance-linked bonuses, and performance-linked stock-based compensation. However, directors who are Audit and Supervisory Committee members receive only basic compensation.

Total Amount of Director Remuneration

Profit Drivers	Total Amount of Remuneration (million yen)	Total Remuneration by Type (million yen)			Number of Applicable Directors
		Monetary Remuneration		Stock-Based Remuneration	
		Fixed Remuneration	Performance-Linked Remuneration	Non-Monetary Remuneration	
Directors (excludes outside directors)	87	42	28	17	2
Outside Directors	24	24	–	–	4
Total	112	66	28	17	6

Executive Remuneration System Incorporating TSR as an Evaluation Criterion

Performance-based stock remuneration, which forms part of the remuneration for Directors (excluding those who are Audit and Supervisory Committee members), is designed to incentivize medium- to long-term corporate value enhancement. Each year, points are awarded based on the achievement of performance targets, serving as the basis

for share allocation. These points are then adjusted over the following two years according to Total Shareholder Return (TSR), and shares are granted based on the adjusted total. The basic policy is for performance-linked remuneration to comprise approximately 30 to 70% of total remuneration when targets are met. Remuneration structure and levels are determined objectively, referencing compensation levels at other companies and maintaining internal balance with Group employees.

Notes: 1. The amount paid to directors (excluding outside directors) does not include employee salaries for directors who also serve in employee positions. 2. The indicator used for performance-linked remuneration (bonus and performance-linked stock-based remuneration) is consolidated operating profit, which is considered to be the most suitable management index for profits earned by the main business. In the fiscal year ended March 2025, consolidated operating profit was 19,984 million yen. Performance-linked remuneration (bonuses) is calculated by first multiplying the consolidated operating profit for the relevant fiscal year by a certain ratio to calculate the total amount for all directors including the corporate officers of ARE Holdings and the directors of ARE Holdings' subsidiaries. The amounts for each director are then determined according to the weighting for each position and the degree of individual contribution to business performance. 3. Performance-linked stock-based remuneration is a non-monetary remuneration plan in which ARE Holdings shares are granted to eligible directors according to their position and performance target achievement rates, aiming to provide an incentive to improve corporate value over the medium- and long-term. At the 14th Annual General Meeting of Shareholders held on June 20, 2023, the Company resolved to introduce a stock-based remuneration system. Under this system, points that serve as the basis for the number of shares granted are awarded annually based on the achievement of performance targets. These points are then adjusted upward or downward according to the level of Total Shareholder Return (TSR) achieved over the subsequent two years, and shares are granted based on the adjusted point total. 4. At the 6th Annual General Meeting of Shareholders held on June 16, 2015, the monetary compensation for directors (excluding directors who are Audit and Supervisory Committee members) was set at a total of no more than 200 million yen per year. (This does not include, however, employee salaries for directors who also serve in employee positions.) The number of directors (excluding directors who were Audit and Supervisory Committee members) at the end of that general meeting was five. 5. At the 6th Annual General Meeting of Shareholders, the amount of monetary remuneration for directors who are Audit and Supervisory Committee members was also set at a total of no more than 100 million yen per year. The number of directors who were Audit and Supervisory Committee members at the end of that general meeting was four. 6. At the 14th Annual General Meeting of Shareholders held on June 20, 2023, the amount and details of the performance-linked stock remuneration plan were partially revised. The amount and details of remuneration were determined for ARE Holdings directors (excluding directors who were Audit and Supervisory Committee members or outside directors) who held their positions for the four years from fiscal year 2023 to 2026. At the end of that general meeting, the number of directors (excluding directors who were Audit and Supervisory Committee members and outside directors) was one. Furthermore, the upper limit of the total number of shares that directors may be awarded per fiscal year shall be 70,000 shares, and the maximum number of the Company's shares to be issued to directors during the four fiscal years from the fiscal year ended March 31, 2024 to the fiscal year ending March 31, 2027 shall be 280,000 shares.

Maintaining an Internal Control System

Regarding internal controls, the internal audit department conducts audits based on the annual plan to enhance the effectiveness of internal checks and balances. The internal audit department assesses the appropriateness and effectiveness of operations, while also auditing compliance with laws, regulations, and company rules. It also gives advice and makes recommendations to each department, and promptly reports to senior management.

Evaluation of the Effectiveness of the Board of Directors

As part of its efforts to enhance corporate governance, the Company has been continuously working on analysis and evaluation of the effectiveness of the Board of Directors and consideration of measures to improve effectiveness. The Company has completed the analysis and evaluation for the fiscal year ended March 31, 2025 and discloses the overview of the results as described below. Note that the analysis and evaluation method and the method of disclosing the overview of evaluation results are also described in “ARE Holdings Corporate Governance Policies.”

Directors meetings, oversight of business execution has been performed in full measure. Continuous provision of such opportunities are expected.

1

Analysis and Evaluation Method for the Fiscal Year Ended March 31, 2025

Questionnaire survey sheets with evaluation items for each of the following six evaluation categories were distributed to all directors, including Directors who are Audit and Supervisory Committee members, and the answers were collected from all Directors. The evaluation results were reported and then discussed at the Board of Directors meeting.

2

Overview of Evaluation Results for the Fiscal Year Ended March 31, 2025

The overview of evaluation results concerning effectiveness of the entire Board of Directors is as described below.

1. Discussion of Corporate Strategies and Other Broad Directions

The Medium- to Long-Term Plan & Aspiration was established through discussions aimed at sustainable growth, allowing for sharing and deliberation of managerial direction.

2. Environmental Development Supporting Appropriate Risk Taking

The Outside Directors had sufficient opportunities for being reported on the matters that had been thoroughly considered by the executive side and making inquiries. Continuous sharing of information for timely and unerring decision-making are expected.

3. Fulfillment of Highly Effective Supervision

As the Outside Directors and Executive Directors had opportunities for discussion in addition to the Board of

4. Appropriate Communication with Shareholders, etc.

The Company is more proactive to disclose its information on a voluntary basis to be compared to before. Investor relations activities are reported to the Board of Directors on a regular basis to share matters of interest or concern to shareholders and investors.

5. Composition of the Board of Directors

Individuals with diverse perspectives and skill sets have been appointed to the Board of Directors in a well-balanced manner. Materials for Board of Directors meetings are distributed in advance, allowing the Directors to review it thoroughly and attend meetings well-prepared. It would be more beneficial if there were opportunities to have on-site visits and to directly talk with the employees there for better understanding on actual situation on site.

6. Operation of the Board of Directors Meetings

Agenda items requiring deliberation are given sufficient time for discussion, and the frequency of meetings is also appropriate. It would be better if there are opportunities to reflect on progress of goal achievement to deepen discussion considering that the time allocation for reporting of the Sustainability Committee is slightly short.

3

Measures for Improving Effectiveness

The Company will further strive to improve effectiveness of operation of the Board of Directors and enhance its corporate governance by the following measures:

- Ensure appropriate information-sharing about execution status of duties to enhance effective discussion by arranging discussion meetings between Executive Directors and Officers and Outside Directors, and on-site visits for the latter.
- For matters that can potentially have a major impact on management, necessary resources should be prepared to enable proper risk assessment which will help discussions to be more active.

Compliance and Risk Management

To appropriately manage various apparent and latent risks relating to our corporate activities, the Group comprehensively identifies and evaluates risks, and implements mitigation measures. By promoting risk management, we strive to prevent risk materialization and minimize losses in the event of an incident.

Compliance

We consider compliance a priority issue in delivering fair business activities and ensuring legal compliance and high ethical standards. In particular, operations related to proper waste disposal are based on environmental laws and regulations as well as governmental licenses, and we require our employees to act with a highly compliant mindset at all times. We are conducting activities to raise the legal compliance awareness of each and every staff member through education and communication, along with rules and manuals related to compliance.

Internal Reporting System (Whistle-Blowing System)

To quickly identify and resolve problems such as unlawful or unjust behavior, we have set up the Asahi Hotline. All employees working at domestic and overseas Group companies can directly report to either our internal hotline or an external law firm anonymously. We take corrective action after investigating reports, taking care not to reveal the identity of the person reporting or the person being reported.

Business Continuity Management

Various factors such as large-scale disasters risk impairing the functions needed for business continuity. We have formulated a business continuity plan (BCP) as an action plan to achieve quick restoration of mission-critical functions after a disaster. We are also conducting systematic business continuity management activities to constantly improve the BCP and business continuity endeavors.

Information Security

Laptops and tablets used by the Group's sales force are equipped with the latest security measures. This means that, even if a device is lost or stolen, the possibility of information leakage is virtually zero thanks to technology such as remote data wiping.

Avoiding All Interactions with Organized Crime Groups and Other Anti-Social Forces

The following statement is part of our Corporate Governance Policies, and all our executives and employees are familiarized with this statement. "We will never have any relationship, including business relationships, with anti-social forces that threaten the social order and sound corporate activities. In the event of an illegal request, we will take a firm attitude and respond to it organizationally in accordance with the laws and internal rules."

Anti-Corruption Measures

As one of the Goals of our Group Philosophy, the ARE Group Way, we have declared the establishment of a globally trusted corporate brand. Group staff members endeavor to ensure that they do not engage in any transactions that could result in bribery, such as providing benefits to a business partner or competitor for personal gain. Moreover, the Group has established a Responsible Precious Metals Management Policy. It has declared and implemented a policy of avoiding transactions that could result in money laundering or fraudulent transactions in the precious metals supply chain. Asahi Pretec also conducts regular employee training on this topic.

Risk Management

Group-Wide Oversight and Auditing by Directors

ARE Holdings has established a system to appropriately oversee and audit Group companies from every angle to ensure they are operating properly. Important executive decisions by Group companies are carefully deliberated and determined by the Executive Committees of each Group company, of which the representative directors of the Group companies are members. Particularly important matters are submitted and reported to the ARE Holdings Board of Directors. Directors who are Audit and Supervisory Committee members also participate in management meetings at Group companies and actively provide input. The management situation and sales activities of Group companies are regularly reported to the Board of Directors of ARE Holdings. In addition, the company's Audit Department audits Group companies on a regular and ad-hoc basis, and the resulting audit reports are shared with the Audit and Supervisory Committee and relevant departments.

Strengthening Group Risk Management

Compliance is essential to maintaining trustworthy corporate activities. The Group therefore ensures legal compliance and thorough adherence to corporate ethics. While the ARE Group Way emphasizes taking on challenges and we continue to expand into new areas, we must also acknowledge the increasingly diverse demands and values of society. To pursue sustainable growth going forward, the Group must not only comply with laws and regulations, but also enhance management of all kinds of risks. While risk management is practiced at business locations, management standard-setting and location monitoring must be separated and performed independently. Recognizing this, ARE Holdings decided to enhance its organizational response capabilities by introducing a unified management framework for the Group. As a result, the Audit Department was placed under the Audit and Supervisory Committee to enhance the independence of the function responsible for checking and monitoring business execution. We have also established a General & Legal Affairs Department and taken other steps to bolster the framework to minimize various legal risks at our business locations. We will continue to further enhance our risk management system going forward.

Establishment of a Group Risk Management Department

In April 2021, a Group Risk Management Department was created to properly identify potential risks in the Group's business execution processes and business structures, evaluate risks in business activities, and implement mitigation measures across the Group. The department implements compliance risk management for each business unit from an independent perspective, and strives to ensure appropriate governance in collaboration with the Audit Department. We have also established a compliance and safety system under which we hold Internal Control Meetings and Safety Management Meetings regularly to prevent risks from materializing.

Strengthening Risk Management in Our North American Refining Business

In our North American Refining Business, we are working to establish a model to expand our business into related areas, using refining as a platform. In particular, we will continue to aggressively promote financial services such as "prepayment transactions," and we will also develop new financial products. To do this, we first need to establish strong mechanisms to ascertain and monitor the credit risk of our business partners. In addition, identity verification (Know Your Customer, a.k.a. KYC) procedures are becoming increasingly important to prevent the funding of organized crime and terrorism. Accordingly, we will work to strengthen credit risk management of business partners and enhance systems at individual sites as we promote the expansion of our North American Refining Business, which is one of our growth drivers.

Messages from Newly Appointed Directors



Beyond “Your Company”: Advancing ARE Holdings’ Sustainable Development from a Governance Standpoint.

Toru Nakamura Director, Audit and Supervisory Committee Member

At age 33, I launched my own accounting firm.

Driven by a desire to

build a brand that offers a trusted brand for corporate clients, I expanded the organization. To meet client needs, we diversified our services and acquired and integrated over 20 accounting firms facing succession challenges. By 2025, the firm grew to over 500 employees. Throughout the acquisition process, the critical challenge was always how to integrate companies with distinct cultures and histories and ensure a successful PMI (post-merger integration). Through firsthand experience, I learned that the “quality of integration” in M&A plays a critical role in outcomes.

ARE Holdings has consistently pursued steady growth by executing M&A with a medium-to-long-term perspective, while inheriting DNA that values taking on challenges. Drawing on my experience, I believe I can

provide appropriate advice on various M&A-related challenges, including evaluating and analyzing acquisition targets and ensuring the smooth execution of integration processes.

It is said that corporate growth progresses through four distinct phases: “My Company,” “Our Company,” “Your Company,” and “Social Company.” ARE Holdings currently considers itself at the “Your Company” stage—a company that delivers value to diverse stakeholders. What is needed to advance beyond this? I hope to focus my management support efforts from such a perspective.

I have long regarded ARE Holdings as an attractive investment opportunity and have also taken note of President Higashiura’s exceptional management skills. As an outside director of this public-interest company, which bears the social mission of realizing a circular economy, I will contribute to its sustainable growth and the enhancement of governance effectiveness.



Delivering on Stakeholder Expectations through Monitoring and Advising as an Outside Director.

Kaoru Katada Director, Audit and Supervisory Committee Member

I participated in the launch of LIFENET INSURANCE, gaining

experience primarily in legal affairs, underwriting, and operations planning. Since 2018, I have served as an Executive Officer responsible for compliance, risk management, and human resources. Drawing on my experience from the founding phase of LIFENET INSURANCE, I hope to support the sound development of ARE Holdings.

The role of outside directors is to establish transparent governance and maximize value delivered to stakeholders through two functions: oversight and counsel. At the same time, I believe it is also a vital role of outside directors to pass on the cultivated corporate culture and organizational climate to the next generation.

ARE Holdings engages in socially significant businesses that contribute to building a sustainable society, such as precious metals

recycling and environmental preservation. We believe it is crucial to actively communicate the social significance of our business and our competitive strengths in the market to our employees, thereby further enhancing their engagement. Higher engagement should make it easier to gain understanding and empathy from young job seekers, which in turn should positively impact our recruitment efforts.

Furthermore, it is essential to carefully communicate ARE Holdings’ future vision and medium- to long-term strategy to external stakeholders. Sustainable corporate growth requires the support of diverse stakeholders, including our shareholders, customers, business partners, and local communities.

I will engage in sincere dialogue with our stakeholders and ensure that the insights gained from these discussions are fully reflected in my actions as an outside director.



Toru Nakamura
Director, Audit and
Supervisory Committee
Member
(Independent Outside Director)

Yuki Tsuru
Director, Audit and
Supervisory Committee
Member
(Independent Outside Director)

Yoshinori Hara
Director, Audit and
Supervisory Committee
Member
(Independent Outside Director)

Akinori Yamamoto
Director
(Independent Outside Director)

Kaoru Katada
Director, Audit and
Supervisory Committee
Member
(Independent Outside Director)

Outside Directors’ Dialogue

ARE Holdings has identified the strengthening of corporate governance as a key management priority and has worked to enhance the effectiveness of its Board of Directors. Believing that a sound and transparent management structure underpins sustainable growth, the Company is advancing a range of initiatives. This section features messages from five outside directors, presented in a dialogue format under three themes: “The Mission of Outside Directors,” “Assessment of ARE Holdings’ Governance,” and “The Board’s Role in Formulating and Executing the Medium- to Long-Term Strategy.”

Theme
1

Mission of Outside Directors

The Board of Directors of ARE Holdings consists of seven directors with diverse ages, genders, and backgrounds. This section presents the perspectives of five outside directors on their mission.



Akinori Yamamoto
Director
(Independent Outside Director)

Oversight and Counsel to Support Sound Decision-Making

The mission of outside directors is to support sound corporate management through two core functions: oversight and counsel. A central part of this role is meeting the expectations of shareholders, our principal stakeholders. In recent years in Japan, management focused on capital costs and stock prices has gained prominence, and executives are increasingly held accountable for performance. To meet these expectations, it is essential to strengthen shareholder returns and communicate the Company's value creation initiatives, including their progress and outcomes. Drawing on their respective expertise, outside directors can deepen understanding and empathy among shareholders and investors, helping secure a fair valuation that reflects the Company's actual performance.



Yoshinori Hara
Director, Audit and Supervisory Committee Member
(Independent Outside Director)

For Current and Future Stakeholders

For many years as a university professor, I have researched Japan's long-enduring companies. Those that sustain growth share a common trait: they uphold their principles and purpose without rigidity, operating with appropriate flexibility. A company serves a broad range of stakeholders—not only shareholders but also customers, business partners, and employees. To meet evolving expectations, it is essential to remain agile in responding to external changes, while remaining true to its vision. Outside directors represent both current and future stakeholders. Our role is to support the executive team by applying diverse expertise to strengthen the Company's sustainability.

Leveraging Legal Experience and Expertise

Upon assuming the role of outside director, I thoroughly re-examined the Corporate Governance Code (CGC). My particular focus was on Principle 4.7, "Roles and Responsibilities of Independent Directors." This principle highlights the role of outside directors in promoting sustainable growth and medium- to long-term corporate value, as well as bringing stakeholder perspectives to the Board. In today's rapidly changing environment, what was once common sense can become unacceptable, and even minor compliance breaches can seriously erode trust.

Leveraging my legal expertise, I will promote appropriate responses to ARE Holdings' risks with a focus on compliance and dispute prevention.



Yuki Tsuru
Director, Audit and Supervisory Committee Member
(Independent Outside Director)

Bridging the Holding Company and Operating Companies to Drive Group-Wide Structural Optimization

The core role of outside directors is to ensure transparency and fairness in management. In a pure holding company like ours, an additional mission is to identify and develop future leaders for both the holding company and its operating companies. Since holding companies do not engage in direct business operations, and operating companies' executives do not automatically transition into group leadership, retaining business expertise at the holding level can be challenging. To address this, outside directors must lead the development and execution of a robust succession plan. As intermediaries between the holding company and the operating companies, we play a key role in driving group-wide structural optimization.



Toru Nakamura
Director, Audit and Supervisory Committee Member
(Independent Outside Director)

Oversight and Counsel The Two Wheels of Governance

Outside directors play two essential roles: providing independent oversight to ensure effective checks and balances and offering counsel to support sustainable growth. These functions, like the two wheels of a car, are both indispensable for smooth corporate operations. Outside directors also act as advocates, safeguarding the rights and interests of shareholders and other stakeholders, including customers, business partners, and employees. Meeting their expectations requires creating economic value and contributing to a sustainable society through environmentally responsible business activities. To that end, I will continue to challenge the executive team to focus on long-term corporate value rather than short-term gains at the expense of purpose and social value.



Kaoru Katada
Director, Audit and Supervisory Committee Member
(Independent Outside Director)

Theme

2

Assessment of ARE Holdings' Governance

What are the distinctive features and advantages of ARE Holdings' governance? Are management transparency and fairness ensured? We ask each outside director to share their impressions and assessments of governance effectiveness.



Akinori Yamamoto
Director
(Independent Outside Director)

A Governance Structure Aligned with Its Core Purpose

While many companies operate with large boards where outside directors are in the minority, ARE Holdings has adopted a governance structure aligned with its core purpose: a lean board with an outside director majority. This composition reflects the Company's ongoing self-transformation across management and operations. In addition to transparency and fairness, agility is a distinguishing strength. For example, the Company responded swiftly to developments in U.S. tariff policy; the executive team convened immediately and the outside directors were briefed promptly. I highly value the close coordination maintained between the Board of Directors and corporate officers.



Yoshinori Hara
Director, Audit and Supervisory Committee Member
(Independent Outside Director)

Ensuring Impartiality Through an Outside Director Majority

With five of seven directors serving as outside directors, our Board composition is a clear advantage for ARE Holdings and reflects a strong commitment to corporate governance. In addition, five directors serve on the Audit and Supervisory Committee, further reinforcing governance effectiveness and the Board's independence. The Board brings diversity of age, gender, and expertise, contributing to well-rounded perspectives in decision-making. It is reassuring to see that all members of management, whether directors or corporate officers, are actively engaged in enhancing corporate value, including efforts to elevate the ARE Holdings brand and improve the price-to-book ratio (P/B).

Leveraging Close Collaboration among Officers, Outside Directors, and the Internal Audit Department

The diversity of our Board—reflected in the skills, experience, and knowledge of our outside directors—together with close collaboration between the executive team and outside directors, is a key strength of ARE Holdings. Through management meetings, we gain a clear understanding of the executive team's perspectives. President Higashiura's regular emails ensure the prompt sharing of top management's views. In auditing, strong collaboration between the Audit and Supervisory Committee and the Internal Audit Department supports sincere and constructive dialogue. I believe this combination of transparent decision-making and swift, effective execution contributes significantly to ARE Holdings' growth.



Yuki Tsuru
Director, Audit and Supervisory Committee Member
(Independent Outside Director)

A Compact Board Structure Enabling Swift, Well-Informed Decision-Making

The current Board structure, with an outside director ratio exceeding 70%, is progressive. As ARE Holdings grows and accelerates its global expansion, maintaining a compact Board structure provides a competitive edge by enabling swift decision-making. I believe this reflects President Higashiura's candid leadership style and emphasis on speed, and it also embodies our unique culture of proactive adaptation to external change and pioneering new domains. Although I have yet to attend a Board meeting, I understand the Board of Directors encourages frank, open dialogue. I will remain vigilant to ensure that my addition does not lead to any perception of diminished governance effectiveness.



Toru Nakamura
Director, Audit and Supervisory Committee Member
(Independent Outside Director)

A Culture of Openness and Free Expression

I am surprised that a corporate group with a 73-year history and revenue exceeding ¥500 billion operates with such a compact governance structure. Despite its size, the Board's diversity—in gender, age, experience, and expertise—helps ensure that a range of perspectives is reflected in management decisions, supporting both effectiveness and transparency. Of course, sound decision-making depends not only on diversity but also on an open, speak-up culture where opinions can be shared freely. Conversations with corporate officers and corporate function leaders gave me the impression of a forward-looking and candid organization. I believe the effectiveness of ARE Holdings' governance owes much to this open and inclusive corporate culture that employees have passed down over time.



Kaoru Katada
Director, Audit and Supervisory Committee Member
(Independent Outside Director)

Theme
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The Board's Role in Formulating and Executing the Medium- to Long-Term Strategy

The Board of Directors serves as the foundation for sound corporate management and plays a vital role in advancing the Group's efforts to enhance corporate value through swift, well-informed decision-making. This section presents the outside directors' views on the roles of the Board and outside directors in formulating and executing medium- to long-term strategies.



Akinori Yamamoto
Director
(Independent Outside Director)

The Key Is to Closely Track Post-Resolution Outcomes

When reviewing investment proposals, it is essential for directors to weigh risk–return trade-offs carefully and deliberate thoroughly to ensure sound business operations. More important still is the continuous monitoring of approved proposals, coupled with the flexibility to revisit business strategy and course-correct project direction as needed. In formulating and executing medium- to long-term strategies, it is essential to secure an appropriate market valuation. While dividends and share buybacks are often emphasized, enduring shareholder value is created through sustained growth driven by strategic investment. We must continually test whether planned initiatives will enhance corporate value and be recognized by the market.



Yoshinori Hara
Director, Audit and Supervisory Committee Member
(Independent Outside Director)

Three Strategic Perspectives on the Roles of the Board and Outside Directors

I believe outside directors play three key roles in shaping medium- to long-term strategy. First, we must actively engage in decision-making, with voting rights equal to the CEO's. Second, we should advance sustainability reporting and disclosure, especially given ARE's leadership as an environmental company contributing to the realization of a circular economy; raising awareness across capital markets and society at large through environmental communications is essential. Third, we must work to maximize stakeholder value. While the interests of shareholders, customers, employees, and others may not always align, and trade-offs may arise, it is the Board's responsibility to balance these interests and pursue strategies that maximize overall value.

Strengthening the Effectiveness of Strategies and Initiatives with a Medium- to Long-Term Perspective

In April 2024, ARE Holdings announced its Medium- to Long-Term Plan & Aspiration, committing to address two major societal challenges: building a circular economy and achieving carbon neutrality. As someone involved in its formulation, I believe it is the Board's—and especially outside directors'—responsibility to monitor progress on these initiatives. For continued growth, it is essential to evolve a distinct value creation process together with our stakeholders. Our role as directors is to sustain this momentum by maintaining a medium- to long-term perspective, executing strategies steadily, and strengthening our presence across our industry and markets.



Yuki Tsuru
Director, Audit and Supervisory Committee Member
(Independent Outside Director)

Deliberating Board Agenda Items Through the Lens of Mission, Vision, and Values

Executives of listed companies often prioritize short-term profits over addressing longer-term challenges, owing to shareholder expectations and to market fluctuations in share prices and P/B ratio. However, from a long-term perspective, it is essential to take a step back and assess whether current strategies and initiatives genuinely enhance corporate value and align with the Company's "Mission, Vision, and Values." At Board meetings, where time is limited, votes on individual agenda items often take precedence, crowding out broader, longer-term strategic discussion. This is precisely why the Board—especially the outside directors—must go beyond mere approval or rejection of proposals and actively shape the Company's direction, grounded in its corporate purpose.



Toru Nakamura
Director, Audit and Supervisory Committee Member
(Independent Outside Director)

Toward Truly Sustainable Management

From my experience as an executive officer at another company, I have seen how an executive team can become short-sighted and overly focused on day-to-day operations. This is why outside directors must bring an external perspective, validate proposals, and ensure that those proposals support long-term growth. Assessing future business potential and investment risks, and challenging management to surface new insights, are key responsibilities of the Board. I view sustainability as encompassing not only environmental stewardship but also employee engagement, well-being, and growth. Through people-centered management and a focus on non-financial metrics and perspectives, I aim to contribute to ARE Holdings' further growth and development.



Kaoru Katada
Director, Audit and Supervisory Committee Member
(Independent Outside Director)