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**ARE Holdings, Inc.**  
(Stock code: 5857)

## **Notice of the 16th Annual General Meeting of Shareholders**

Date and time:

10:30 a.m. on Tuesday, June 17, 2025

Reception opens at 10:00 a.m.

Venue:

KOBE PORTOPIA HOTEL

10-1, Minatojima Nakamachi 6-chome, Chuo-ku, Kobe-shi

“Kairaku-no-ma,” basement floor, Main Building

Proposals:

- Proposal 1: Election of Two (2) Directors (Excluding Directors Serving as the Audit and Supervisory Committee Members)
- Proposal 2: Election of Five (5) Directors Serving as the Audit and Supervisory Committee Members

Please exercise your voting rights:

Voting rights at the General Meeting of Shareholders are an important right of shareholders. Please make sure to exercise your voting rights. Please see pages 6 to 8 for details.

- If you are attending the General Meeting of Shareholders:  
Please submit the Voting Right Exercise Form at the reception desk upon arrival.
- If you are unable to attend the General Meeting of Shareholders:  
Please exercise your voting rights in writing or via the Internet, etc.

Documents must arrive before 5:30 p.m. on Monday, June 16, 2025.

## **Message from the CEO To Shareholders**

**Tomoya Higashiura,  
Representative Director and President**

I would like to express our cordial appreciation for your continuous support and loyal patronage.

I would also like to take the opportunity of sending this Notice of the 16th Annual General Meeting of Shareholders to offer a short greeting.

The Company's precious metals recycling business continues to recover, and for the fiscal year under review, it outperformed the previous fiscal year in all fields of our collection operations. Among these, the electronic industry field saw remarkable growth, driven by AI related semiconductors. Our total annual recycling production volume reached 39 tons (excluding the contribution of the North American refining business) and that is more than five times the annual production volume by the nation's largest gold mine. In other developments, we established a locally incorporated company in Thailand in October 2024, and we are scheduled to establish a locally incorporated company in India in June 2025. Through such activities we are steadily implementing our strategies for the entire Asia region. In addition, we have completed new construction of the Asahi Pretec Bando Plant, and begun operation there. The new plant is positioned to support the aforementioned growth in the precious metals recycling business in Japan and overseas.

In the second half of the fiscal year under review, trade policies of major countries became volatile, and we had been concerned about the impact such policies might have on the North American refining business, which receives entrusted raw materials for processing from various countries around the world. However, in the end, the North American refining business expanded business opportunities and outperformed its results of the previous fiscal year. We did experience an increase in consolidated total liabilities as a result of the growth experienced by the North American refining business, but the Company has obtained a rating of "A-" from Rating and Investment Information, Inc. in January 2025. Our borrowings in the North American refining business are backed by highly liquid precious metal commodities, which has led to an evaluation of high risk resilience.

For the 16th fiscal term, revenue was 506.2 billion yen, and operating profit was 19.9 billion yen. For the year-end dividend, we decided to pay 40 yen per share. Last year, a diverse team within the Company, representing various ages, genders, and job roles, revamped our former "ASAHI WAY" to create the "ARE Group Way." However, our Purpose remains unchanged. The preservation of natural capital is our *raison d'être*, and our mission is to safeguard what humanity hopes for in the future. We will strive even harder, together with our employees, to generate profits that reflect the value of our activities to address global and societal issues, and to sustainably enhance these profits. We kindly ask for your continued understanding and support.

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## **ARE Group Way**

<b>Purpose</b>	<p>Totally Committed to Protecting the Natural Environment and Preserving Resources</p> <p>We conserve limited natural resources, preserve the global environment, and contribute to the realization of a sustainable world.</p>
<b>Goals</b>	<ul style="list-style-type: none"><li>• Solving planet-wide problems and enhancing corporate value</li><li>• Achieving business growth for the benefit of all stakeholders</li><li>• Establishing a globally trusted corporate brand</li></ul>
<b>Values</b>	<p><b>Care for Others</b></p> <p>We will prioritize safety and health as we respect each other</p> <p><b>Take on Challenges</b></p> <p>We will fearlessly take on challenges and be innovative for the future</p> <p><b>Independent Initiative</b></p> <p>We will take actions based on actual facts, sites, and products while achieving total optimization</p> <p><b>Continuous Improvement</b></p> <p>We will keep searching for better technology, quality, and service</p> <p><b>Keep Learning</b></p> <p>We will learn and update ourselves for both our own and the organization's growth</p>

Dear Shareholders:

(Stock code: 5857)

June 2, 2025

4-17 Kano-cho 4-chome, Chuo-ku, Kobe-shi, Japan

**ARE Holdings, Inc.**

Tomoya Higashiura,

Representative Director and President

### Notice of the 16th Annual General Meeting of Shareholders

This is to inform you that the 16th Annual General Meeting of Shareholders of ARE Holdings, Inc. (hereinafter the “Company”) will be held at the following time and place.

In convening this General Meeting of Shareholders, the Company provides information contained in the Reference Documents for General Meeting of Shareholders, etc., (matters to be provided electronically) electronically and such matters are posted on the websites below. Please access either of them for confirmation.

[The Company’s website]

<https://www.are-holdings.com/ir/stock/meeting/> (Japanese only)

[The website for the General Meeting of Shareholders Materials]

<https://d.sokai.jp/5857/teiji/> (Japanese only)

**Instead of attending the meeting in person, you are entitled to exercise your voting rights via the Internet or in writing. You are kindly requested to read the reference documents and exercise your voting rights by 5:30 p.m. on Monday, June 16, 2025, in accordance with the instructions on the pages 6 to 8.**

#### Details of the meeting

- 1. Date and time:** 10:30 a.m. on Tuesday, June 17, 2025 (Reception will open at 10:00 a.m.)
- 2. Venue:** KOBE PORTOPIA HOTEL  
10-1, Minatojima Nakamachi 6-chome, Chuo-ku, Kobe-shi  
“Kairaku-no-ma,” basement floor, Main Building  
Please understand that souvenirs for shareholders who attend the meeting will not be provided.

### 3. Meeting Agenda

- Items to be reported:**
- 1) Business Report, the consolidated financial statements and the results of audits of the consolidated financial statements by the Accounting Auditor and the Audit and Supervisory Committee for the 16th fiscal term (April 1, 2024 through March 31, 2025)
  - 2) Report on non-consolidated financial statements for the 16th fiscal term (April 1, 2024 through March 31, 2025)

**Items to be resolved:**

- Proposal 1: Election of Two (2) Directors (Excluding Directors Serving as the Audit and Supervisory Committee Members)
- Proposal 2: Election of Five (5) Directors Serving as the Audit and Supervisory Committee Members

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- If you attend the meeting, please submit the “Voting Right Exercise Form” at the reception desk upon arrival.
- In principle, shareholders are asked to confirm matters to be provided electronically on the websites on the previous page and the paper copy shall be sent only to shareholders who have requested it by the record date. Of the matters to be provided electronically, the following items are not included in the paper copy to be sent pursuant to the provisions of laws and regulations and Article 14, Paragraph 2 of the Articles of Incorporation of the Company.
  - (i) Business Report: “Structure to ensure the appropriateness of business and status of operation of such structure”
  - (ii) Consolidated financial statements: “Notes to consolidated financial statements”
  - (iii) Non-consolidated financial statements: “Notes to non-consolidated financial statements”
 Accordingly, Business Report, consolidated financial statements, and non-consolidated financial statements included in the paper copy constitute part of the documents audited by the Accounting Auditor and Audit and Supervisory Committee when preparing the accounting audit report and audit report, respectively.
- Should the matters to be provided electronically are revised, a notice to that effect as well as the original and revised versions of the matters will be posted on the websites.

#### **Acceptance of Questions in Advance via Internet**

We will accept questions from shareholders regarding the 16th Annual General Meeting of Shareholders as follows. Among the received questions, those deemed to be of great interest to shareholders will be answered on the day of the Annual General Meeting of Shareholders. We will be unable to provide individual answers to any questions that remain unanswered, and appreciate your understanding in this regard.

**Deadline: Questions entered by 6:00 p.m. on Monday, June 9, 2025**

**URL:** <https://links-v.pdcp.jp/5857/2025/arehd/>

**How to log in:** The ID is the eight-digit shareholder number (half-width digits) and the password is the seven-digit zip code (half-width digits, no hyphen) of the shareholder’s address registered with us.

\* Please take note of your shareholder number before sending the Voting Right Exercise Form by post.

\* The website for accepting questions in advance is not available from 1:00 a.m. to 5:00 a.m. daily to accommodate maintenance and inspection.

## Guide to Exercising Voting Rights

### If you are attending the General Meeting of Shareholders:

Please submit the Voting Right Exercise Form at the reception desk upon arrival.  
In addition, please also bring this Notice.

### If you are unable to attend the General Meeting of Shareholders:

#### ● Exercising your voting rights via the Internet

Please refer to the “Procedure for Exercising Voting Rights via the Internet” on the next page, and input your vote for or against each proposal by the deadline for exercising voting rights below.

#### ● Exercising your voting rights in writing (Voting Right Exercise Form)

Please indicate your vote for or against each proposal on the Voting Right Exercise Form and return the Form by mailing it such that it arrives by the deadline for exercising voting rights below. If a vote for or against is not indicated for any proposal when exercising voting rights in writing (Voting Right Exercise Form), we will treat it as an indication of approval of the proposal.

### **Deadline for Exercising Voting Rights: 5:30 p.m. on Monday, June 16, 2025**

#### Treatment of Voting Rights Exercised Multiple Times

- If you have exercised your voting rights both via the Internet and in writing, those exercised via the Internet will be considered as valid.
- If you have exercised your voting rights multiple times on the Internet, the final vote will be considered as valid. If you have exercised your voting rights multiple times with computers and/or smartphones, the final vote cast will be considered as valid.

### **Electronic Voting Platform for Institutional Investors**

Nominee shareholders including banks specializing in asset and trust management/custody (including standing proxy) may use with prior application the “Electronic Voting Platform” operated by ICJ Inc. established by Tokyo Stock Exchange, Inc., and other entities, as a means to exercise their voting rights electronically and participate in the General Meeting of Shareholders of the Company.

## **Procedure for Exercising Voting Rights via the Internet**

If you intend to exercise your voting rights via the Internet, please pay attention to the following notes. If you are attending the meeting, no procedures to exercise voting rights in writing (Voting Right Exercise Form) or via the Internet are necessary.

### **1. Voting Rights Exercise Web Site**

- (1) The exercise of voting rights via the Internet is possible only by accessing the Voting Rights Exercise Web Site (<https://evote.tr.mufg.jp/>) designated by the Company either from a computer or a smartphone. (However, this Web site is not available from 2:30 a.m. to 4:30 a.m. daily.)
- (2) The exercise of voting rights using computers or smartphones may be disabled by operating environments, including the use of a firewall when accessing the Internet, the use of antivirus software, the use of a proxy server and/or if you have not designated the use of encrypted transmission (TLS transmission).
- (3) Although we will accept the exercise of voting rights via the Internet until 5:30 p.m. on Monday, June 16, 2025, we recommend voting as early as possible. If you have any questions, please contact our Help Desk.

### **2. Exercising Your Voting Rights via the Internet**

- (1) By computers
    - At the Voting Rights Exercise Web Site (<https://evote.tr.mufg.jp/>), use the “log-in ID” and “temporary password” given on the Voting Right Exercise Form and follow the on-screen instructions to indicate your approval or disapproval of each proposal.
    - To protect against illegal access by persons other than qualified shareholders (“spoofing”) and the manipulation of voting details, shareholders using the site may change their “temporary password.”
    - Whenever a meeting of shareholders is convened, new “log-in IDs” and “temporary passwords” will be issued.
  - (2) By smartphones
    - By scanning the “QR code for log-in” given on the Voting Right Exercise Form using smartphones, you can automatically access the Voting Rights Exercise Web Site and exercise your voting right. (There is no need to enter the “log-in ID” and “temporary password.”)
    - You may not be able to log in through QR code depending on a model of smartphone. When you cannot log in through QR code, please exercise your voting rights by computers as indicated in 2. (1) above.
- \*QR Code is a registered trademark of DENSO WAVE CORPORATION.

### **3. Treatment of Voting Rights Exercised Multiple Times**

- (1) If you have exercised your voting rights both via the Internet and in writing, those exercised via the Internet will be considered as valid.
- (2) If you have exercised your voting rights multiple times on the Internet, the final vote will be considered as valid. If you have exercised your voting rights multiple times with computers and/or smartphones, the final vote cast will be considered as valid.



4. Costs Incurred in Accessing the Voting Rights Exercise Web Site

The costs incurred when accessing the Voting Rights Exercise Web Site such as Internet access fees will be the responsibility of the shareholder.

5. Method of Receiving a Convocation Notice

Beginning with the next meeting of shareholders, shareholders will be given the option of receiving their convocation notices via email. If you wish to receive your convocation notices in this manner, please use a computer or a smartphone to access the Voting Rights Exercise Web Site and take the procedures shown on the screen.

**For inquiries about the system or other matters, contact:**

Help Desk for voting rights exercise via the Internet, Mitsubishi UFJ Trust and Banking Corporation  
Phone: 0120-173-027 (Toll Free within Japan) (available from 9:00 a.m. to 9:00 p.m.)

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## Reference Documents for General Meeting of Shareholders

### **Proposal 1 Election of Two (2) Directors (excluding Directors Serving as the Audit and Supervisory Committee Members)**

The terms of office of one (1) Director (excluding Directors serving as the Audit and Supervisory Committee Members; the same applies hereinafter in this proposal) will expire at the close of this Annual General Meeting of Shareholders.

Accordingly, we propose the election of two (2) Directors (including one (1) Outside Director), increasing the number of Directors by one (1) in order to strengthen the management structure.

The Audit and Supervisory Committee has expressed no opinion on this proposal.

The candidate for Director to be elected is as follows.

Candidate No.	Name (Date of birth)		Gender	Position and Duties at the Company (Important concurrent assignment)	Attendance at the Board of Directors meeting
1	To be Reelected	Tomoya Higashiura (January 26, 1961)	Male	Representative Director and President  [Significant concurrent duties] Director of Asahi Pretec Corp. Director of Japan Waste Corporation Chairperson and Director of Renatus Co., Ltd.	7 out of 7 meetings
2	Newly Elected	Akinori Yamamoto (February 26, 1981)	Male	Outside Director (serving as Audit and Supervisory Committee Member)  [Significant concurrent duties] Representative of Yamamoto Certified Public Accountant Office Representative Director of GIP Co., Ltd. Outside Auditor of AIMECHATEC, Ltd.	7 out of 7 meetings

Candidate No.	Name (Date of birth)	Career, Position and Duties at the Company	Ownership of Shares	Convocation Notice
1	 <p>Tomoya Higashiura (January 26, 1961) <u>To be Reelected</u></p>	<p>April 1984: Joined NEC Corporation</p> <p>February 2001: Joined Asahi Pretec Corp. (currently Japan Waste Corporation)</p> <p>June 2006: Appointed as Director and General Manager of Administration Division of Asahi Pretec Corp.</p> <p>April 2009: Appointed as Director and General Manager of Corporate Development &amp; Administration Division of Asahi Holdings, Inc. (currently ARE Holdings, Inc.)</p> <p>June 2010: Appointed as Director and General Manager of Precious Metal Recycling Business Division of Asahi Pretec Corp. (currently Japan Waste Corporation)</p> <p>April 2011: Appointed as Director of Asahi Holdings, Inc. (currently ARE Holdings, Inc.)</p> <p>June 2014: Appointed as Representative Director &amp; President of Asahi Pretec Corp. (currently Japan Waste Corporation)</p> <p>April 2018: Appointed as Representative Director and President of Asahi Holdings, Inc. (currently ARE Holdings, Inc.) (to present)</p> <p>April 2018: Appointed as Director of Asahi Pretec Corp. (currently Japan Waste Corporation) (to present)</p> <p>April 2023: Director of Asahi Pretec Corp. (newly established through an absorption-type split and change in the trade name) (to present)</p> <p>March 2024: Chairperson and Director of Renatus Co., Ltd. (to present)</p> <p>[Significant concurrent duties] Director of Asahi Pretec Corp. Director of Japan Waste Corporation Chairperson and Director of Renatus Co., Ltd.</p>	100,000 shares	<p>Reference Documents for General Meeting of Shareholders</p> <p>Business Report</p> <p>Consolidated Financial Statements</p> <p>Financial Statements</p> <p>Audit Reports</p>

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Attendance at the Board of Directors meeting: 7 out of 7 meetings

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(Reason for nomination as a candidate)

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 therefore requests his election as a Director of the Company based on its judgment that his continued tenure of office as a Director is appropriate because his abundant experience in the Precious Metals Business and its global expansion would contribute to the sustainable enhancement of the corporate value of the Group.

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Candidate No.	Name (Date of birth)	Career, Position and Duties at the Company	Ownership of Shares
2	 <p>Akinori Yamamoto (February 26, 1981) <u>Newly Elected</u></p>	<p>April 2005: Joined Tohmatsu &amp; Co. (currently Deloitte Touche Tohmatsu LLC)</p> <p>April 2007: Joined GCA Corporation (currently Houlihan Lokey)</p> <p>January 2019: Appointed as Partner, Executive Director of GCA Corporation</p> <p>February 2022: Appointed as Executive Director of JPMorgan Securities Japan Co., Ltd.</p> <p>March 2023: Appointed as Representative of Yamamoto Certified Public Accountant Office (to present)</p> <p>June 2023: Appointed as Outside Director (serving as Audit and Supervisory Committee Member) of Asahi Holdings, Inc. (currently ARE Holdings, Inc.) (to present)</p> <p>June 2023: Appointed as Representative Director of GIP Co., Ltd. (to present)</p> <p>September 2024: Outside Auditor of AIMECHATEC, Ltd. (to present)</p> <p>[Significant concurrent duties]</p> <p>Representative of Yamamoto Certified Public Accountant Office</p> <p>Representative Director of GIP Co., Ltd.</p> <p>Outside Auditor of AIMECHATEC, Ltd.</p>	- shares

Attendance at the Board of Directors meeting: 7 out of 7 meetings

(Reason for nomination as a candidate for Outside Director and his expected roles)

Akinori Yamamoto has highly professional expertise concerning accounting systems, corporate finance, etc. as a Certified Public Accountant, as 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. In addition, as an Audit and Supervisory Committee Member of the Company, he has been conducting supervision and providing advice to business execution by Directors from objective and neutral standpoint. The Company expects that he will further provide supervision and advice based on his abundant insight and expertise toward sustainable enhancement of corporate value of the Company from a standpoint independent of management and therefore, the Company nominated him as a candidate for Outside Director.

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- (Notes)
1. There are no special interests between each candidate and the Company.
  2. Akinori Yamamoto is a candidate for Outside Director. The term of office of Akinori Yamamoto as Outside Director will be two years at the close of this Annual General Meeting of Shareholders.
  3. Attendance at the Board of Directors meeting for Akinori Yamamoto shows his attendance as an Audit and Supervisory Committee Member.
  4. The Company has entered into a contract with Akinori Yamamoto that limits his liability for compensation for damages set forth in Article 423, Paragraph 1 of the Companies Act under provisions set forth in Article 427, Paragraph 1, of the same Act. The limit amount of the liability for compensation for damage under such a contract is determined to be the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act. If Akinori Yamamoto is newly elected, the Company intends to enter into the same contract with him to limit his liability for compensation for damages.
  5. The Company has concluded a directors and officers liability insurance agreement provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The insurance agreement covers damages that may arise when the insured including the Company's Directors assume liability for the execution of their duties or receives a claim related to the pursuit of such liability. If the candidates are elected and appointed as Directors, they will be insured under the insurance agreement. Also, the Company plans to renew the insurance agreement with the same contents at the next renewal date.
  6. The Company has notified the Tokyo Stock Exchange that Akinori Yamamoto is an Independent Director as per the provisions of the Tokyo Stock Exchange, and he will continue to be an Independent Director if this proposal is approved and he assumes the position of Outside Director.
  7. Ownership of Shares refers to the number of shares held as of May 20, 2025.

**Proposal 2 Election of Five (5) Directors Serving as the Audit and Supervisory Committee Members**

The terms of office of all five (5) Directors serving as the Audit and Supervisory Committee Members will expire at the close of this Annual General Meeting of Shareholders.

Accordingly, we propose the election of five (5) Directors Serving as the Audit and Supervisory Committee Members.

This proposal has already acquired the approval of the Audit and Supervisory Committee.

The candidates for Director serving as the Audit and Supervisory Committee Members to be elected are as follows.

Candidate No.	Name (Date of birth)		Gender	Position and Duties at the Company (Important concurrent assignment)	Attendance at the Board of Directors and the Audit and Supervisory Committee meeting
1	To be Reelected	Yoshinori Hara (July 21, 1958)	Male	Outside Director (Audit and Supervisory Committee Member) [Significant concurrent duties] Professor Emeritus of Kyoto University Professor of School of Data Science, Osaka Seikei University Adjunct Professor of Graduate School of Management, Kyoto University	7 out of 7 meetings 9 out of 9 meetings
2	To be Reelected	Mitsutoshi Kagimoto (June 15, 1958)	Male	Director (Full-Time Audit and Supervisory Committee Member) [Significant concurrent duties] -	7 out of 7 meetings 9 out of 9 meetings

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Candidate No.	Name (Date of birth)		Gender	Position and Duties at the Company (Important concurrent assignment)	Attendance at the Board of Directors and the Audit and Supervisory Committee meeting
3	To be Reelected	Yuki Tsuru (May 16, 1969)	Female	Outside Director (Audit and Supervisory Committee Member) [Significant concurrent duties] Lawyer of Kyowa-Sogo Partners Law Office Member of Infringement Judgement Advisory Committee Customs Technical Advisors Part-time Auditor of National Institute of Technology and Evaluation External Director of Hankyu Hanshin Holdings, Inc. Outside Director of SUGIMOTO & CO., LTD Outside Director of JAMCO Corporation	7 out of 7 meetings 9 out of 9 meetings
4	Newly Elected	Toru Nakamura (October 25, 1968)	Male	- [Significant concurrent duties] Representative Partner of Japan Creas Tax Corporation Representative of Corporate Advisers Accounting Co., Ltd. Representative of Corporate Advisers M&A Co., Ltd. Outside Director of nms Holdings Corporation	- -
5	Newly Elected	Kaoru Katada (August 29, 1980)	Female	- [Significant concurrent duties] Executive Officer, CCO, CISO of LIFENET INSURANCE COMPANY	- -




Candidate No.	Name (Date of birth)	Career, Position and Duties at the Company	Ownership of Shares	Convocation Notice
1	 Yoshinori Hara (July 21, 1958) To be Reelected	<p>April 1983: Joined NEC Corporation</p> <p>August 1990: Appointed as Visiting Scholar at Stanford University</p> <p>July 2004: Appointed as Manager of NEC Kansai Research Laboratories</p> <p>April 2006: Appointed as Professor of Graduate School of Management, Kyoto University</p> <p>April 2018: Appointed as Dean of Graduate School of Management, Kyoto University</p> <p>June 2019: Appointed as Outside Director (serving as Audit and Supervisory Committee Member) of Asahi Holdings, Inc. (currently ARE Holdings, Inc.) (to present)</p> <p>April 2024: Appointed as Professor Emeritus of Kyoto University (to present)</p> <p>April 2024: Appointed as Professor of School of Data Science, Osaka Seikei University (to present)</p> <p>April 2024: Appointed as Adjunct Professor of Graduate School of Management, Kyoto University (to present)</p> <p>[Significant concurrent duties]</p> <p>Professor Emeritus of Kyoto University</p> <p>Professor of School of Data Science, Osaka Seikei University</p> <p>Adjunct Professor of Graduate School of Management, Kyoto University</p>	- shares	Reference Documents for General Meeting of Shareholders Business Report Consolidated Financial Statements Financial Statements Audit Reports
Attendance at the Board of Directors meeting: 7 out of 7 meetings Attendance at the Audit and Supervisory Committee meeting: 9 out of 9 meetings				

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(Reason for nomination as a candidate for Outside Director and his expected roles)

Yoshinori Hara has professional expertise and practical experience concerning development of service management personnel as a Professor Emeritus of Kyoto University, Professor of School of Data Science, Osaka Seikei University and Adjunct Professor of Graduate School of Management, Kyoto University. Although he has no experience of being engaged in corporate management other than serving as an outside director, he has used his abundant expertise and practical experience 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, and the Company expects him to continue to perform these roles. Therefore, the Company nominated him as a candidate for Outside Director (Audit and Supervisory Committee Member).

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Candidate No.	Name (Date of birth)	Career, Position and Duties at the Company	Ownership of Shares
2	 <p>Mitsutoshi Kagimoto (June 15, 1958) <u>To be Reelected</u></p>	<p>April 1984: Joined TEIJIN LIMITED</p> <p>February 2006: Joined Asahi Pretec Corp.</p> <p>March 2009: Appointed as Assistant General Manager of Kitakanto Office of Asahi Pretec Corp.</p> <p>December 2009: Appointed as Representative Director and President of JW Glass Recycling Co., Ltd.</p> <p>April 2013: Appointed as General Manager of Purchase Division of INTER CENTRAL, INC.</p> <p>October 2015: Appointed as General Manager of Audit and Supervisory Committee Secretariat of Asahi Holdings, Inc. (currently ARE Holdings, Inc.)</p> <p>June 2021: Appointed as Director (Full-Time Audit and Supervisory Committee Member) of Asahi Holdings, Inc. (currently ARE Holdings, Inc.) (to present)</p> <p>[Significant concurrent duties]</p> <p>-</p>	2,000 shares

Attendance at the Board of Directors meeting: 7 out of 7 meetings

Attendance at the Audit and Supervisory Committee meeting: 9 out of 9 meetings

(Reason for nomination as a candidate)

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 Audit and Supervisory Committee Secretariat of the Company. 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 nominated him as a candidate for Director (Audit and Supervisory Committee Member).

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Candidate No.	Name (Date of birth)	Career, Position and Duties at the Company	Ownership of Shares
3	 <p>Yuki Tsuru (May 16, 1969) <span style="border: 1px solid black;">To be Reelected</span></p>	<p>April 2000: Registered in the roll of attorneys (joined Tokyo Bar Association)</p> <p>October 2007: Joined Kyowa-Sogo Partners Law Office (to present)</p> <p>April 2015: Appointed as Member of Infringement Judgement Advisory Committee (to present)</p> <p>February 2019: Appointed as Customs Technical Advisors (to present)</p> <p>June 2020: Appointed as External Director of Hankyu Hanshin Holdings, Inc. (to present)</p> <p>June 2021: Appointed as Part-time Auditor of National Institute of Technology and Evaluation (to present)</p> <p>June 2022: Appointed as Outside Director of SUGIMOTO &amp; CO., LTD (to present)</p> <p>June 2022: Appointed as Outside Director of JAMCO Corporation (to present)</p> <p>June 2023: Appointed as Outside Director (serving as Audit and Supervisory Committee Member) of Asahi Holdings, Inc. (currently ARE Holdings, Inc.) (to present)</p> <p>[Significant concurrent duties]</p> <p>Lawyer of Kyowa-Sogo Partners Law Office Member of Infringement Judgement Advisory Committee Customs Technical Advisors Part-time Auditor of National Institute of Technology and Evaluation External Director of Hankyu Hanshin Holdings, Inc. Outside Director of SUGIMOTO &amp; CO., LTD Outside Director of JAMCO Corporation</p>	- shares

Attendance at the Board of Directors meeting: 7 out of 7 meetings

Attendance at the Audit and Supervisory Committee meeting: 9 out of 9 meetings

(Reason for nomination as a candidate for Outside Director and her expected roles)

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 company. Although she has no experience of being engaged in corporate management other than serving as an outside director, the Company expects, based on the reason above, that she will provide supervision and advice on legal and compliance aspects toward sustainable enhancement of corporate value of the Company from a standpoint independent of management and therefore, the Company nominated her as a candidate for Outside Director (Audit and Supervisory Committee Member).

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Candidate No.	Name (Date of birth)	Career, Position and Duties at the Company	Ownership of Shares
4	 Toru Nakamura (October 25, 1968) <u>Newly Elected</u>	<p>October 1993: Joined Deloitte Touche Tohmatsu (currently Deloitte Touche Tohmatsu LLC)</p> <p>April 1996: Registered as a Certified Public Accountant</p> <p>September 2002: Appointed as Representative Partner of Nakamura Konin Kaikeishi Office (currently Japan Creas Tax Corporation) (to present)</p> <p>September 2005: Appointed as Representative of Corporate Advisers Accounting Co., Ltd. (to present)</p> <p>November 2009: Appointed as Representative of Corporate Advisers M&amp;A Co., Ltd. (to present)</p> <p>June 2016: Appointed as Outside Director of Nippon Manufacturing Service Corporation (currently nms Holdings Corporation) (to present)</p> <p>[Significant concurrent duties]</p> <p>Representative Partner of Japan Creas Tax Corporation</p> <p>Representative of Corporate Advisers Accounting Co., Ltd.</p> <p>Representative of Corporate Advisers M&amp;A Co., Ltd.</p> <p>Outside Director of nms Holdings Corporation</p>	7,500 shares

Attendance at the Board of Directors meeting: -

Attendance at the Audit and Supervisory Committee meeting: -

(Reason for nomination as a candidate for Outside Director and his expected roles)

Toru Nakamura manages a tax corporation as a Certified Public Accountant and has abundant experience and expertise concerning accounting and tax affairs. The Company expects that he will use his insight and experience to provide supervision and advice on financial strategies, risk management and compliance aspects toward sustainable enhancement of corporate value of the Company from a standpoint independent of management and therefore, the Company nominated him as a candidate for Outside Director (Audit and Supervisory Committee Member).

Candidate No.	Name (Date of birth)	Career, Position and Duties at the Company	Ownership of Shares
5	 <p>Kaoru Katada (August 29, 1980) <u>Newly Elected</u></p>	<p>April 2003: Joined Recruit Staffing Co., Ltd.</p> <p>April 2004: Joined Taisay Building Management Co., Ltd.</p> <p>February 2008: Joined Net Life Planning Co., Ltd. (currently LIFENET INSURANCE COMPANY)</p> <p>June 2018: Appointed as Executive Officer and Head of Customer Service Division of LIFENET INSURANCE COMPANY</p> <p>June 2021: Appointed as Executive Officer, CCO (Chief Compliance Officer), CISO (Chief Information Security Officer) of LIFENET INSURANCE COMPANY (to present)</p> <p>[Significant concurrent duties] Executive Officer, CCO, CISO of LIFENET INSURANCE COMPANY</p>	- shares

Attendance at the Board of Directors meeting: -

Attendance at the Audit and Supervisory Committee meeting: -

(Reason for nomination as a candidate for Outside Director and her expected roles)

As Executive Officer of LIFENET INSURANCE COMPANY, Kaoru Katada has insight into and experience of wide variety of businesses including legal affairs, personnel affairs and general affairs. Although she has no experience of being engaged in corporate management other than serving as an outside director, the Company expects, based on the reason above, that she will provide supervision and advice on legal and risk management aspects toward sustainable enhancement of corporate value of the Company from a standpoint independent of management and therefore, the Company nominated her as a candidate for Outside Director (Audit and Supervisory Committee Member).

- (Notes)
1. There are no special interests between each candidate and the Company.
  2. Yuki Tsuru's name on the family register is Yuki Itami.
  3. Yoshinori Hara, Yuki Tsuru, Toru Nakamura and Kaoru Katada are candidates for Outside Director.
  4. The term of office of Yoshinori Hara as Outside Director serving as the Audit and Supervisory Committee Member will be six years at the close of this Annual General Meeting of Shareholders. The term of office of Yuki Tsuru as Outside Director serving as the Audit and Supervisory Committee Member will be two years at the close of this Annual General Meeting of Shareholders.
  5. The Company has entered into a contract with each of Yoshinori Hara, Mitsutoshi Kagimoto and Yuki Tsuru that limits their liability for compensation for damages set forth in Article 423, Paragraph 1 of the Companies Act under provisions set forth in Article 427, Paragraph 1, of the same Act. The limit amount of the liability for

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compensation for damage under such a contract is determined to be the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act. If Yoshinori Hara, Mitsutoshi Kagimoto and Yuki Tsuru are reelected, the Company intends to continue said contract with each of them. If Toru Nakamura and Kaoru Katada are newly elected, the Company intends to enter into the same contract with each of them to limit their liability for compensation for damages.

6. The Company has concluded a directors and officers liability insurance agreement provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The insurance agreement covers damages that may arise when the insured including the Company's Directors serving as the Audit and Supervisory Committee Members assume liability for the execution of their duties or receives a claim related to the pursuit of such liability. If the candidates are elected and appointed as Director serving as the Audit and Supervisory Committee Member, each of them will be insured under the insurance agreement. Also, the Company plans to renew the insurance agreement with the same contents at the next renewal date.
7. The Company has notified the Tokyo Stock Exchange that Yoshinori Hara and Yuki Tsuru are Independent Directors as per the provisions of the Tokyo Stock Exchange, and they will continue to be Independent Directors if this proposal is approved and they assume the position of Outside Director. Toru Nakamura and Kaoru Katada satisfy the requirements of an Independent Director as per the provisions of the Tokyo Stock Exchange. Accordingly, if this proposal is approved and they assume the position of Outside Director, the Company intends to newly notify the Tokyo Stock Exchange that they are Independent Directors.
8. Ownership of Shares refers to the number of shares held as of May 20, 2025.



(Reference)

# Skill matrix of Directors and Corporate Officers

Position	Name	Business management	Industry knowledge	International experience	Sales	Technology and innovation	Administrative experience	Legal	Finance and accounting	Sustainability
Representative Director	Tomoya Higashiura	•	•	•	•		•		•	•
Director (Outside, Independent)	Akinori Yamamoto	•		•				•	•	
Director, Audit and Supervisory Committee Member (Outside, Independent)	Yoshinori Hara	•		•		•			•	
Director, Audit and Supervisory Committee Member	Mitsutoshi Kagimoto	•	•		•			•		
Director, Audit and Supervisory Committee Member (Outside, Independent)	Yuki Tsuru			•			•	•		•
Director, Audit and Supervisory Committee Member (Outside, Independent)	Toru Nakamura	•			•				•	•
Director, Audit and Supervisory Committee Member (Outside, Independent)	Kaoru Katada	•			•			•		•
Corporate Officer	Tsutomu Nakashima	•	•	•	•	•				•
Corporate Officer	Nobuo Tajima	•	•	•	•				•	•
Corporate Officer	Yoshihito Iwasa	•	•	•		•		•		•

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## 1. Current Status of the Group

### (1) Status of business for the fiscal year

#### 1) Circumstances and results of business

The Group's results in each business segment were as follows.

##### Precious Metals Business

Revenue: 506,130 million yen (Up 57.1% YOY)

As for the precious metals recycling business, the volume collected in the jewelry and electronics sectors increased year on year. The volume collected in the dental sector remained at the same level year on year and the volume collected in catalyst-related sector decreased year on year. As a result, the volume of gold collected increased year on year, the volumes of palladium and platinum collected were at the same level year on year, and the volume of rhodium collected decreased year on year. As for the North American refining-related business, the refining sector, which is the foundation of the business, was strong, but the market for processed gold and silver products such as 1 oz. coins continued to shrink. Therefore, the Company withdrew from the processing sector and closed Asahi Refining Florida LLC, and recorded an impairment loss on fixed assets, etc. in the same sector. On the other hand, operating profit in the trading sector increased as arbitrage opportunities increased toward the end of the fiscal year due to uncertainty about the future of gold and silver circulation, and operating profit in the products sector, such as 100 oz. gold bars, and the storage sector increased due to increased gold and silver inflows into the United States. As a result, revenue and operating profit in the Precious Metals business segment, which comprises the precious metals recycling business and the North American refining-related business, increased year on year.

##### Environmental Preservation Business

Revenue: – million yen (–% YOY)

In the Environmental Preservation business, while the revenue and operating profit of Japan Waste Corporation, which was classified as discontinued operations in the fiscal year ended March 31, 2024, are not included in the financial results, the share of profit (loss) of investments accounted for using equity method of Renatus Co., Ltd. is included in the operating profit.

As a result of the above, revenue during the fiscal year was 506,211 million yen, a year-on-year increase of 183,958 million yen (+57.1 percent). Operating profit was 19,984 million yen, a year-on-year increase of 7,617 million yen (+61.6 percent). Profit before tax was 20,483 million yen, a year-on-year increase of 8,057 million yen (+64.8 percent). Profit was 14,310 million yen, a year-on-year decrease of 10,180 million yen (-41.6 percent). Profit attributable to owners of parent was 14,319 million yen, a decrease of 10,171 million yen (-41.5 percent) year-on-year. By segment, revenue in the Precious Metals business was 506,130 million yen, a year-on-year increase of 183,912 million yen (+57.1 percent).

Revenue and operating profit were composed of the following:

<Breakdown of revenue and operating profit>

Category	Revenue (Millions of yen)	Ratio (%)	YOY change (%)	Operating Profit (Millions of yen)
Precious Metals Business	506,130	100.0	57.1	18,339
Environmental Preservation Business	—	—	—	1,919
Other	80	0.0	135.3	(273)
Total	506,211	100.0	57.1	19,984

Revenue	506,211 million yen	Up 57.1% YOY
Operating Profit	19,984 million yen	Up 61.6% YOY
ROE	11.3%	Down 9.7% YOY

**2) Capital expenditure**

Capital expenditure made in the fiscal year totaled 8,240 million yen. The main expenditure was an investment in buildings, machinery and equipment.

**3) Financing**

Not applicable for the fiscal year

**4) Assignment, absorption-type split and incorporation-type split of business**

Not applicable for the fiscal year

**5) Acquisition of the business of other companies**

Not applicable for the fiscal year

**6) Succession of rights and obligations pertaining to the business of other corporations, etc., through an absorption-type merger or an absorption-type split**

Not applicable for the fiscal year

**7) Acquisition or disposal of shares or other equity or share acquisition rights of other companies**

The Company newly established Asahi Pretec (Thailand) Co., Ltd. as of October 24, 2024 and made it a subsidiary of the Company's subsidiary, Asahi Pretec Corp.

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**(2) Property and profit/loss**

Category	13 <sup>th</sup> term April 1, 2021 through March 31, 2022	14 <sup>th</sup> term April 1, 2022 through March 31, 2023	15 <sup>th</sup> term April 1, 2023 through March 31, 2024	16 <sup>th</sup> term April 1, 2024 through March 31, 2025 (Current fiscal year)
Revenue (Millions of yen)	192,442	274,209	322,253	506,211
Operating profit (Millions of yen)	26,446	16,282	12,367	19,984
Profit attributable to owners of parent (Millions of yen)	18,735	10,929	24,490	14,319
Basic earnings per share (Yen)	238.11	141.19	319.54	187.13
Total assets (Millions of yen)	298,387	287,448	317,998	490,037
Total equity (Millions of yen)	105,137	106,957	126,476	126,349
Equity per share attributable to owners of parent (Yen)	1,336.89	1,395.52	1,650.20	1,648.56

(Note) For the 15th term, businesses of Japan Waste Corporation have been reclassified as discontinued operations. Consequently, income from discontinued operations is presented separately from continuing operations in the consolidated statement of income. Accordingly, revenue and operating profit are presented in amounts from continuing operations. The figures for the 14th term have also been restated in the same way.

**(3) Major sales offices and plants (as of March 31, 2025)**

**ARE Holdings, Inc.**

Main office	4-17 Kano-cho 4-chome, Chuo-ku, Kobe-shi
Head offices	Kobe Head Office: 4-17 Kano-cho 4-chome, Chuo-ku, Kobe-shi Tokyo Head Office: 7-12 Marunouchi 1-chome, Chiyoda-ku, Tokyo
Overseas subsidiaries	Asahi Refining USA Inc. (the U.S.) Asahi Refining Canada Ltd. (Canada) Asahi Refining Florida LLC (the U.S.) Asahi Depository LLC (the U.S.)

**Asahi Pretec Corp.**

Main office	21, Uozakihamamachi, Higashinada-ku, Kobe-shi
Head office	7-12 Marunouchi 1-chome, Chiyoda-ku, Tokyo
Research laboratory	The Technical Research Center (Kobe-shi)
Sales offices	Sapporo (Sorachi-gun, Hokkaido) Aomori (Aomori-shi) Sendai (Miyagi-gun, Miyagi Pref.) Niigata (Sanjo-shi, Niigata Pref.) Kitakanto (Bando-shi, Ibaraki Pref.) Kanto (Kawaguchi-shi, Saitama Pref.) Yokohama (Yokohama-shi) Kofu (Chuo-shi, Yamanashi Pref.) Nagano (Tomi-shi, Nagano Pref.) Shizuoka (Yaizu-shi, Shizuoka Pref.) Nagoya (Komaki-shi, Aichi Pref.) Hokuriku (Toyama-shi) Hanshin (Amagasaki-shi, Hyogo Pref.) Kobe (Kobe-shi) Okayama (Okayama-shi) Hiroshima (Hiroshima-shi) Shikoku (Saijo-shi, Ehime Pref.) Fukuoka (Koga-shi, Fukuoka Pref.) Kagoshima (Kagoshima-shi) Okinawa (Itoman-shi, Okinawa Pref.)
Plants	Nagano (Tomi-shi, Nagano Pref.) Amagasaki (Amagasaki-shi, Hyogo Pref.) Ehime (Saijo-shi, Ehime Pref.) Fukuoka (Koga-shi, Fukuoka Pref.)
Overseas subsidiaries	Asahi G&S Sdn. Bhd. (Malaysia) Asahi Pretec Korea Co., Ltd. (Korea) Asahi Pretec (Thailand) Co., Ltd. (Thailand)

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**ASAHI METALFINE, Inc.**

Main office	7-12 Marunouchi 1-chome, Chiyoda-ku, Tokyo
Head office	7-12 Marunouchi 1-chome, Chiyoda-ku, Tokyo
Plants	Bando (Bando-shi, Ibaraki Pref.)

**Waste System Japan Corporation**

Main office	4-17 Kano-cho 4-chome, Chuo-ku, Kobe-shi
Head office	7-12 Marunouchi 1-chome, Chiyoda-ku, Tokyo
Domestic subsidiary	DXE INC. (Chiyoda-ku, Tokyo)

<b>(4) Significant parent company and subsidiaries</b>
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**1) Relationship with parent company**

Not applicable

**2) Significant subsidiaries**

Company name	Capital	Our voting right ratio	Major business
Asahi Pretec Corp.	110 million yen	100.0%	Precious Metals Recycling Business
ASAHI METALFINE, Inc.	110 million yen	100.0%	Precious Metals Refining and Manufacturing/Trading Business

**3) Specified wholly owned subsidiary**

Not applicable

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**(5) Principal businesses (as of March 31, 2025)**

The Group is mainly engaged in the Precious Metals Business and the Environmental Preservation Business.

**1) Precious Metals Business**

We collect scraps containing precious metals which are yielded from a variety of fields and recycle them.

In North America, we refine gold and silver from mines.

- Collection/reproduction and processing of precious metals (gold, silver, palladium, platinum, etc.) and other metals and refining of precious metals
- Purchase and sales of precious metals and other metals
- Manufacturing and sales of precious metal products for general and industrial use

**2) Environmental Preservation Business**

We operate DX business related to industrial waste.

In addition, through the business of an equity method affiliate, we promote detoxification and proper disposal of each type of industrial waste.

- Building digital platforms related to disposal of industrial waste

**(6) Employees (as of March 31, 2025)****1) Employees of the Group**

Number of employees	Change from the end of previous fiscal year
979 (70)	+27 (down 4)

(Note) The number of employees refers to the number of workers (excluding the staff seconded from the Group to companies outside the Group but including staff seconded from companies outside the Group to the Group) and for the number of part-timers and fixed-term employees, annual average number of persons are shown separately in brackets.

**2) Employees of the Company**

Number of employees	Change from the end of previous fiscal year	Average age	Average length of service
54 (6)	-1 (down 1)	42 years and 4 months	2 years and 5 months

(Note) The number of employees refers to the number of workers (excluding the staff seconded from the Company to companies outside the Company but including staff seconded from companies outside the Company to the Company) and for the number of part-timers and fixed-term employees, annual average number of persons are shown separately in brackets.



**(7) Major financial institutions with loans to the Company** (as of March 31, 2025)

Financial institutions	Loan amount
Sumitomo Mitsui Banking Corporation	89,712 million yen
Mizuho Bank, Ltd.	78,115 million yen
MUFG Bank, Ltd.	63,575 million yen
Japan Bank for International Cooperation	10,466 million yen
Syndicated loan	5,081 million yen

**(8) Other important matters relating to the current state of the Group**

Not applicable

**(9) Challenges to be addressed****1) Precious Metals Business segment**

As it is the Group's core business, the Group will take the following measures to expand earnings in this segment.

- By expanding precious metal recycling and improving the recycling process, promote the carbon-neutral strategy.
- Develop demand for precious metals in industrial fields such as the pharmaceutical sector and hydrogen manufacturing and promote business expansion into new fields.
- Further expand the North American refining business and the precious metals recycling business in Asia to strengthen overseas operations.
- Through a manufacturing and sales business of precious metal products focused on human rights and the environment, provide high value-added products to customers in Japan and abroad and aim to establish global-level branding.
- Conduct thorough "Responsible Precious Metals Management" and strengthen risk management.
- Utilize IT to establish an efficient sales structure and technical process and enhance competitiveness.

**2) Environmental Preservation Business segment**

As a stable growth business of the Group, we will manage the segment's business with an emphasis on growth and profitability. The Group will take the following measures to increase earnings in this segment.

- Promote DX in the industrial waste industry as a way of reducing the industry's overall burden on the environment.
- Enhance our digital platform's functionality and our service lineup to build a solid customer base.
- Promote a circular economy society achieved by cooperation between the artery and vein of industries through the business of our equity method affiliate.

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## ■ Medium- to Long-Term Plan & Aspiration for 2030

Vision 2030: To be a leader in creating a circular economy that connects society to the environment

### Performance targets

(Billions of yen)

	Fiscal year 2023 results	Fiscal year 2024 results	Fiscal year 2030 targets
Revenue	322.3	506.2	540.0
Operating Profit	12.4	20.0	38.0

### Financial targets

	Fiscal year 2023 results	Fiscal year 2024 results	Fiscal year 2030 targets
ROE	9.4%*	11.3%	13%
Equity Ratio	39.8%	25.8%	50% – 60%

(Note) ROE is calculated by excluding share exchange gains.

### Strategy Key Themes:

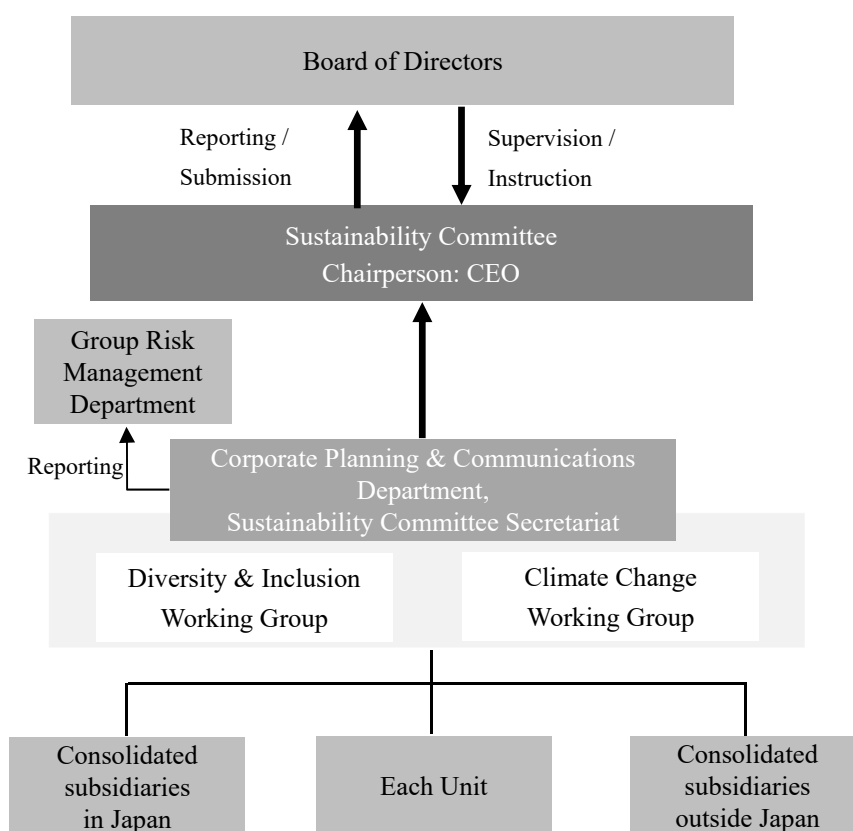
- Strengthen the business foundation to increase profitability
- Develop new fields in the Precious Metals Business
- Further promote globalization
- Develop human resources to support business development
- Optimize the balance sheet

## ■ Reference: Initiatives for sustainability

The Group contributes to effective use of resources and widespread environmental preservation based on its shared purpose of “A Total Commitment to Protecting the Natural Environment and Preserving Resources.” We believe that our business activities are our contribution to sustainability, and that our business growth directly contributes to solving social issues. Based on this belief, we set out priority issues, themes, and goals and take proactive actions to achieve them.

Sustainability promotion system:

The Group has set the following themes for its initiatives to be undertaken: “expansion of precious metal recycling” “supply of precious metals that is friendly to people, society and the environment” “reduction of CO<sub>2</sub> emissions” “enhancement of foundation for work-life balance and diversity” and “encouragement and support for SDGs activities.” We are advancing initiatives aimed at achieving each of these goals. Moreover, we are actively engaging in initiatives beyond these goals, such as announcing our goal to achieve carbon neutrality in 2050 and expressing our endorsement for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in 2021. Such initiatives are being advanced by the Sustainability Committee which is headed by the Representative Director and President. The Sustainability Committee deliberates on sustainability strategies, plans, policies, risk management and monitoring on a quarterly basis and reports the content of deliberation to the Board of Directors. On receiving this report of deliberation matters, the Board of Directors determines the important matters and supervise the overall sustainability promotion system.



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\* Details of the Company's sustainability initiatives are posted on the Company's website:  
<https://www.are-holdings.com/sustainability/>

## ■ Reference: Corporate Governance Structure

### Basic Policies for Corporate Governance

Corporate Governance Policies, etc. can also be found on the following website:

<https://www.are-holdings.com/sustainability/governance/>

To establish corporate governance and have it work effectively is a corporate social responsibility and contributes to more efficient and transparent management as well as to sustainable corporate value growth.

The Group will build our corporate governance that will respond to the confidence of shareholders, business partners, employees, local communities and other various stakeholders so as to fulfill our social mission and responsibility as a listed company. Also, we will develop a “corporate governance structure” that will promptly respond to the management environment changes with emphasis on compliance, aiming at sustainable corporate value growth.

Board of Directors	The Board of Directors is comprised of Executive Directors who are knowledgeable concerning their respective business, technical or administrative divisions, as well as Outside Directors with various types of expertise essential to corporate management. To enhance neutrality and independence of the Board of Directors and facilitate active, substantial and effective discussions at meetings, the Board of Directors consists of six (6) Directors, including four (4) Independent Outside Directors, with a majority of Outside Directors. All Directors share their opinions actively and freely on important subjects such as the Group’s management strategies and business plans.
Audit and Supervisory Committee	Under Japan’s Companies Act, the Group has elected to be a company with an Audit and Supervisory Committee, and has four (4) Independent Outside Directors. This structure has strengthened the supervisory function of the Board of Directors. It also delegates important business execution to the Executive Directors for quicker decision-making and improved management efficiency.
Nominating Committee/ Compensation Committee	A Nominating Committee, consisting of three (3) members including two (2) Independent Outside Directors, as well as a Compensation Committee, have been established as advisory bodies to the Board of Directors. The chair of both committees is elected from among Independent Outside Directors. The aim is to further enhance corporate governance by ensuring transparency, fairness, and objectivity for the appointment and dismissal of Directors and key management team members, as well as for the determination of Director remuneration.

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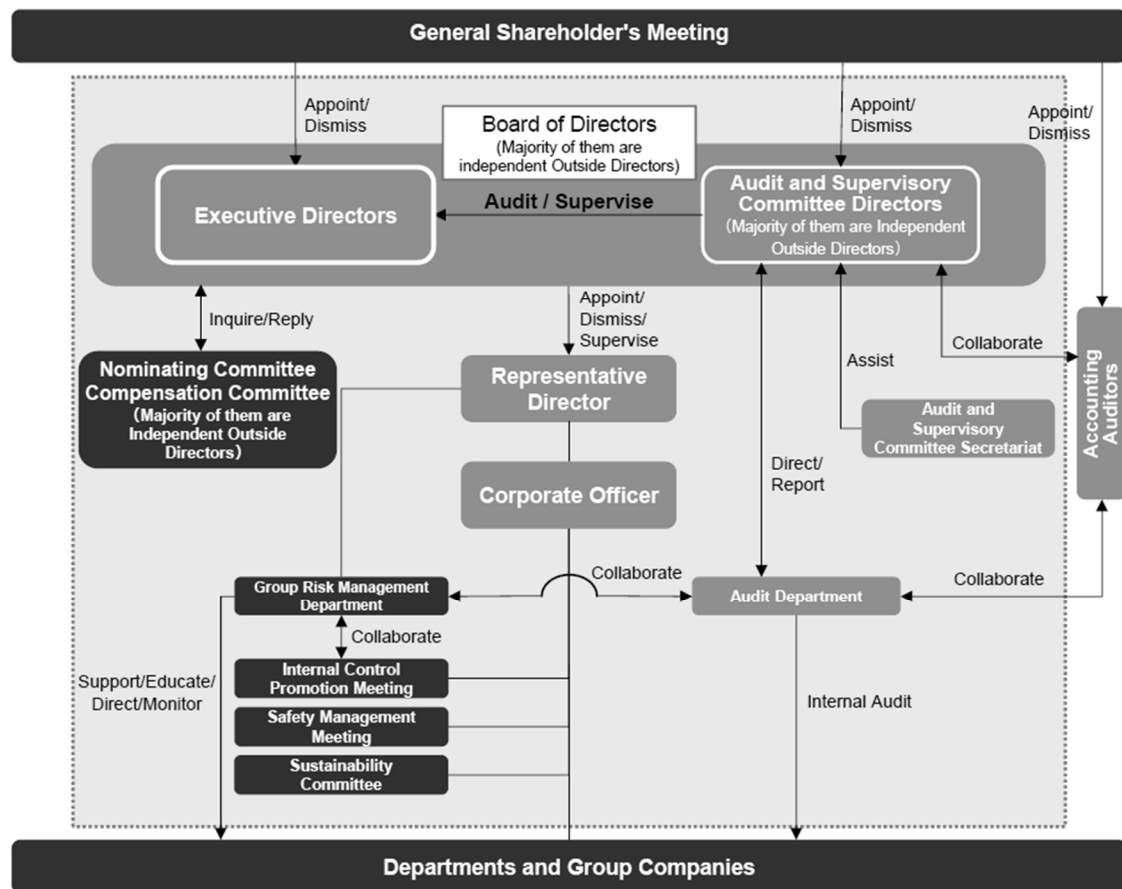
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## Corporate Governance Structure



## Evaluation of the Effectiveness of the Entire Board of Directors

Since the fiscal year ended March 31, 2016, we started the evaluation of the effectiveness of the Board of Directors to see whether the entire Board of Directors functions appropriately. Overview of Evaluation Results is disclosed on the Company's website.

## 2. Current state of the Company

### (1) Shares (as of March 31, 2025)

- 1) Number of shares authorized: 258,000,000 shares
- 2) Number of shares issued: 79,708,688 shares
- 3) Number of shareholders: 47,435
- 4) Major shareholders (top 10 shareholders)

Shareholders	Number of shares held (Thousands of shares)	Percentage of shares held (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	12,465	16.10
Custody Bank of Japan, Ltd. (Trust account)	5,328	6.88
Mitsuharu Terayama	1,802	2.33
Masamichi Terayama	1,404	1.81
STATE STREET BANK WEST CLIENT - TREATY 505234	1,161	1.50
CEPLUX-ERSTE GROUP BANK AG (UCITS CLIENTS)	1,044	1.35
STATE STREET BANK AND TRUST COMPANY 505001	1,034	1.34
JP MORGAN CHASE BANK 385781	978	1.26
MUFG Bank, Ltd.	900	1.16
STATE STREET BANK AND TRUST COMPANY 505223	829	1.07

- (Notes) 1. The Company holds 2,295 thousand shares of treasury stock, which is excluded from the major shareholders listed above.
2. Percentage of shares held is calculated by excluding treasury stock.

### 5) Status of shares granted to the Company's board members as consideration for execution of their duties during the fiscal year

	Number of shares (shares)	Number of recipients
Directors (excluding Directors serving as the Audit and Supervisory Committee Members and Outside Directors)	24,800	2
Directors serving as the Audit and Supervisory Committee Members	—	—
Outside Directors	—	—

- (Note) The details of stock compensation of the Company are provided in “(5) Compensation, etc., for Directors” under “(3) Board members and corporate officers.”

### Shareholder distribution

Individuals, others	34,928 thousand shares (43.82%)
Financial institutions	22,141 thousand shares (27.78%)
Foreign corporations, etc.	17,475 thousand shares (21.92%)
General corporations, other corporations	1,787 thousand shares (2.24%)
Securities companies	3,377 thousand shares (4.24%)

<b>(2) Share acquisition rights, etc.</b>
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- 1) Share acquisition rights granted to and held by the Company's board members as a consideration for execution of their duties on the end of the fiscal year under review  
Not Applicable
- 2) Share acquisition rights granted to the Company's employees, etc. as a consideration for execution of their duties during the fiscal year under review  
Not Applicable
- 3) Other status of share acquisition rights

Share acquisition rights by a resolution of the Board of Directors meeting as of February 25, 2021

- Allotment date                      March 15, 2021
- Allotment method              Allot all shares to Asahi Refining USA Inc. through a third-party allotment method

- Number of share acquisition rights                      2,000 units
- Class and number of shares for the purpose of share acquisition rights and calculation method thereof

The class of shares for the purpose of share acquisition rights shall be common stock of the Company and the number of shares per unit of the share acquisition rights shall be equal to that calculated by dividing 100,000 US dollars by the exercise price per share (value of the property to be contributed when the share acquisition rights are exercised or calculation method thereof are defined in (2); however, if two or more units of the share acquisition rights are exercised at the same time, the number equal to that calculated by dividing 100,000 US dollars which were multiplied by the number of the units exercised, by the exercise price per share). Any fractions below one share generated as a result of exercise shall be rounded down.

- Amount to be paid in for share acquisition rights or calculation method thereof and description that no payment is required

5,257 US dollars in cash per unit of share acquisition rights (total amount to be paid in for the share acquisition rights: 10,514,000 US dollars in cash)

- Value of property to be contributed when share acquisition rights are exercised and calculation method thereof

- (1) The property to be contributed when each of the share acquisition rights is exercised shall be cash, of which value shall be 100,000 US dollars.
- (2) The value of cash per share of the Company's common stock to be contributed when exercising the share acquisition rights (hereinafter the "Exercise Price per Share") shall be initially 42.94 US dollars (Note). The Exercise Price per Share shall be adjusted in accordance with the following rules. After the share acquisition rights are issued, the Exercise Price per Share shall be adjusted in accordance with the following formula if the Company issues the Company's common stock or disposes of the Company's common stock held by the Company with a paid-in amount below the market value of the Company's common stock. In the following formula, "Exercise price after adjustment" is the Exercise Price per Share after adjustment, "Exercise price before adjustment" is the Exercise Price per Share before adjustment, and "Number of shares already issued" is the total number shares of the Company's outstanding common stock (excluding those held by the Company).



$$\text{Exercise price after adjustment} = \text{Exercise price before adjustment} \times \frac{\text{Number of shares already issued} + \frac{\text{Number of shares newly issued or disposed of} \times \text{Amount paid in per share}}{\text{Market price}}}{\text{Number of shares already issued} + \text{Number of shares newly issued or disposed of}}$$

The Exercise Price per Share shall be also adjusted as necessary in case of a split or reverse split of the Company's common stock, a specific amount of dividend of surplus, and issuance of share acquisition rights (including those attached to bonds with share acquisition rights) by which granting of the Company's common stock can be requested at a price below market value of the Company's common stock, as well as when there are certain reasons by which the exchange value shall be adjusted for bonds with exchange rights (hereinafter the "Exchange Rights") into the Company's common stock (hereinafter the "Exchangeable Bonds") that are issued by Asahi Refining USA Inc.

• Period during which share acquisition rights can be exercised

Share acquisition rights may be exercised from March 29, 2021 to March 18, 2026. However, the period shall be 1) until the day that is nine business days (defined below) after the redemption date if the Exchangeable Bonds are redeemed early (excluding those that are selected not to undergo early redemption), 2) until the day that is 12 business days after the date on which the Exchangeable Bonds are cancelled, if the Exchangeable Bonds are purchased and cancelled, or 3) until the day that is 12 business days after the date on which the benefit of time is forfeited, if the benefit of time of the Exchangeable Bonds is forfeited. In any case above, the share acquisition rights cannot be exercised after March 18, 2026. Notwithstanding the above, if the Company reasonably determines that it is necessary to conduct an organizational restructure, etc., the share acquisition rights cannot be exercised during the period of within 30 days designated by the Company that will end within 14 days from the day after the effective date of the organizational restructure, etc. "Business days" refer to days on which commercial banks are open for business in Tokyo other than Saturdays, Sundays and public holidays.

• Conditions for exercise of share acquisition rights

- (1) Partial exercise of the share acquisition rights is not allowed.
- (2) Holders of the share acquisition rights may exercise the number of those corresponding to the Exchange Rights exercised, only when the Exchange Rights have been exercised in accordance with the guidelines of the Exchangeable Bonds.

(Note) The Exercise Price per Share has been adjusted to 21.47 US dollars as the Company conducted a two-for-one stock split as of April 1, 2021.

**(3) Board members and corporate officers****1) Directors (as of March 31, 2025)**

Position	Name	Responsibility and important concurrent assignment
Representative Director and President	Tomoya Higashiura	Director, Asahi Pretec Corp. Director, Japan Waste Corporation Chairperson and Director, Renatus Co., Ltd.
Director/Audit and Supervisory Committee Member	Yoshinori Hara	Professor Emeritus of Kyoto University Professor of School of Data Science, Osaka Seikei University Adjunct Professor of Graduate School of Management, Kyoto University
Director/Audit and Supervisory Committee Member	Miyoko Kimura	President and CEO, General Manager of R&D Division, KING JIM CO., LTD. Outside Director, JAPAN POST HOLDINGS Co., Ltd.
Director/Full-Time Audit and Supervisory Committee Member	Mitsutoshi Kagimoto	
Director/Audit and Supervisory Committee Member	Akinori Yamamoto	Representative, Yamamoto Certified Public Accountant Office Representative Director, GIP Co., Ltd. Outside Auditor of AIMECHATEC, Ltd.
Director/Audit and Supervisory Committee Member	Yuki Tsuru	Lawyer, Kyowa-Sogo Partners Law Office Member of Infringement Judgement Advisory Committee Customs Technical Advisor Part-time Auditor, National Institute of Technology and Evaluation External Director, Hankyu Hanshin Holdings, Inc. Outside Director, SUGIMOTO & CO., LTD Outside Director, JAMCO Corporation

(Notes) 1. According to a resolution at the 6th Annual General Meeting of Shareholders held on June 16, 2015, the Company made a transition to a Board with Audit and Supervisory Committee as of the same date.

2. Directors/Audit and Supervisory Committee Members Yoshinori Hara, Miyoko Kimura, Akinori Yamamoto, and Yuki Tsuru are Outside Directors.
  3. Director/Full-Time Audit and Supervisory Committee Member Mitsutoshi Kagimoto has been engaged in the management and audit of the Group for many years as a Representative Director of the Group companies as well as General Manager of Audit and Supervisory Committee Secretariat and possesses extensive expertise in the Company's overall business.
  4. The Company has a full-time Audit and Supervisory Committee Member to enhance the effectiveness of audits including information gathering and strengthen its auditing and supervisory functions.
  5. Director/Audit and Supervisory Committee Member Akinori Yamamoto holds a Certified Public Accountant qualification and possesses extensive expertise in finance and accounting.
  6. The Company designated Directors/Audit and Supervisory Committee Members Yoshinori Hara, Miyoko Kimura, Akinori Yamamoto, and Yuki Tsuru as Independent Directors under the provisions of the Tokyo Stock Exchange, and filed such status with the Exchange.
- 2) Directors who resigned during the fiscal year**  
Not applicable
- 3) Description of the limited liability contract**  
The Company and each Director (excluding any Executive Directors, etc.) signed a contract that limits the liability for compensation for damage set forth in Article 423, Paragraph 1 of the Companies Act under provisions set forth Article 427, Paragraph 1 of the same Act.  
The limit amount of the liability for compensation for damage under such a contract is determined to be the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act.
- 4) Overview of the directors and officers liability insurance agreement**  
The Company has concluded a directors and officers liability insurance agreement provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The insurance agreement covers damages that may arise when the insured assume liability for the execution of their duties or receives a claim related to the pursuit of such liability. However, there are certain exemptions; for example, damage caused as a result of any conduct committed while knowing that the conduct is in violation of laws and regulations shall not be covered. The insured of the insurance agreement are board members, corporate officers, executive officers and employees in managerial and supervisory positions of the Company and all subsidiaries under the Companies Act, and the Company bears the entire premium for all the insured.

## 5) Compensation, etc., for Directors

(a) Policy on decision of contents of the board members' compensation, etc.

- Decision method of the decision policy

The Board of Directors of the Company consults with the voluntary Compensation Committee that consists of three (3) members including two (2) Independent Outside Directors about preparation of a draft plan of the Company's Directors compensation, etc., and based on opinions received from the Committee, resolves a policy about decision on contents of compensation, etc. for each Director at a Board of Directors meeting of the Company.

- Overview of contents of the decision policy

The Company makes a decision within the maximum amount of the board members' compensation which was resolved at a General Meeting of Shareholders at the Board of Directors meeting based on opinions from the Compensation Committee that is an advisory body of the Board of Directors.

The compensation structure shall be developed so that incentives for improving business performance will be enhanced, and compensation for Directors (excluding those serving as the Audit and Supervisory Committee Members) consists of "basic remuneration," "bonuses" and "performance-based stock compensation." Compensation for Directors serving as the Audit and Supervisory Committee Members consists of "basic remuneration" only.

1) The amount of "basic remuneration" is determined for each Director in accordance with their duties and responsibilities.

2) The amount of "bonuses" is determined for each Director in accordance with their position points and contribution to business performance, after the total amount (including that for Corporate Officers and Directors of the Company's subsidiaries) is calculated by multiplying the consolidated operating profit of the relevant fiscal year by a specific ratio.

3) The purpose of "performance-based stock compensation" is to enhance incentives for improving medium- to long-term corporate value. Under the plan, points used as the basis for the number of shares to be granted are granted in accordance with the achievement level of business performance for each year, such points are increased or decreased according to the achievement level of TSR for the following two years, and shares are issued in accordance with the number of increased or decreased points. The basic policy is that performance-based compensation shall account for 30% to 70% of the total if business performance targets are achieved. The structure and level of compensation is determined with an importance placed on objectivity in consideration of the level of compensation for directors at other companies, etc., the balance with those of the Group's employees, and other factors.

- The reason that the Board of Directors considered that contents of compensation, etc. for each Director for the fiscal year comply with the decision policy

For decisions on the content of compensation, etc. for each Director, the Compensation Committee made a comprehensive review of the draft plan, including its consistency with the decision policy, and the Board of Directors respects its opinions and determines if the decision policy was complied with.

(b) Total compensation, etc., for the fiscal year

Category	Total amount of compensation, etc. (million yen)	Total amount of compensation, etc. by type (million yen)			Number of Directors subject to payment (persons)
		Cash compensation		Stock compensation	
		Fixed compensation	Performance-based compensation, etc.	Non-cash compensation, etc.	
Directors (excluding Outside Directors)	87	42	28	17	2
Outside Directors	24	24	–	–	4
Total	112	66	28	17	6

- (Notes)
1. The amount of compensation for Directors (excluding Outside Directors) does not include the employee salaries of Directors who serve concurrently as employees.
  2. The base for performance-based compensation (bonuses and performance-based stock compensation) is consolidated operating profits which are profits gained from the main business and we believe to be the most appropriate as a management benchmark; actual results were 19,984 million yen. The amount of performance-based compensation (bonuses) of the Company is determined for each Director in accordance with their position points and contribution to business performance, after the total amount (including that for Corporate Officers and Directors of the Company's subsidiaries) is calculated by multiplying the consolidated operating profit of the relevant fiscal year by a specific ratio.
  3. The performance-based stock compensation is a stock compensation plan (nonmonetary compensation, etc.) in which the Company's shares are granted to eligible Directors in accordance with their positions, the achievement level of business performance targets and other factors. The purpose of the plan is to enhance incentives for improving medium- to long-term corporate value. At the 14th Annual General Meeting of Shareholders held on June 20, 2023, a resolution was made on the introduction of a plan, in which points used as the basis for the number of shares to be granted are granted in accordance with the achievement level of business performance for each year, such points are increased or decreased according to the achievement level of TSR for the following two years, and shares are issued in accordance with the number of increased or decreased points.
  4. At the 6th Annual General Meeting of Shareholders held on June 16, 2015, it was resolved that the amount of cash compensation for Directors (excluding Directors serving as the Audit and Supervisory Committee Members) be up to an annual 200 million yen (not including the portion of salary as employees). The number of Directors (excluding Directors serving as the Audit and Supervisory Committee Members) was five (5) at the conclusion of said General Meeting of Shareholders.
  5. At the 6th Annual General Meeting of Shareholders held on June 16, 2015, it was resolved that the amount of cash compensation for Directors serving as Audit and Supervisory Committee Members be up to an annual 100 million yen. The number

of Directors serving as the Audit and Supervisory Committee Members was four (4) at the conclusion of said General Meeting of Shareholders.

6. At the 14th Annual General Meeting of Shareholders held on June 20, 2023, a partial amendment of the amount and details of the “performance-based stock compensation” plan, the amount of compensation, etc. and details thereof for the Company’s Directors (excluding Directors serving as the Audit and Supervisory Committee Members and Outside Directors) in office in a four-year period from fiscal year 2023 to fiscal year 2026 were decided. The number of Directors (excluding Directors serving as the Audit and Supervisory Committee Members and Outside Directors) was one (1) at the conclusion of said General Meeting of Shareholders. 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.

## 6) Matters related to outside board members

- (i) Important concurrent assignment at other corporations, etc., and relationship between the Company and the other corporations, etc.
- Director/Audit and Supervisory Committee Member Yoshinori Hara serves as a Professor Emeritus of Kyoto University, a Professor of School of Data Science at Osaka Seikei University and an Adjunct Professor of Graduate School of Management at Kyoto University. There are no special relationships between the Company and the institution where he has the concurrent assignment.
  - Director/Audit and Supervisory Committee Member Miyoko Kimura serves as the Representative Director of KING JIM CO., LTD. and the Outside Director of JAPAN POST HOLDINGS Co., Ltd. There are no special relationships between the Company and the corporations where she has the concurrent assignment.
  - Director/Audit and Supervisory Committee Member Akinori Yamamoto serves as the representative of Yamamoto Certified Public Accountant Office, the Representative Director of GIP Co., Ltd., and the Outside Auditor of AIMECHATEC, Ltd. There are no special relationships between the Company and the offices where he has the concurrent assignment.
  - Director/Audit and Supervisory Committee Member Yuki Tsuru serves as a lawyer (belonging to Kyowa-Sogo Partners Law Office), the Member of Infringement Judgement Advisory Committee, the Customs Technical Advisor, the Part-time Auditor of National Institute of Technology and Evaluation, the External Director of Hankyu Hanshin Holdings, Inc., the Outside Director of SUGIMOTO & CO., LTD., and the Outside Director of JAMCO Corporation. There are no special relationships between the Company and the corporations where she has the concurrent assignment.
- (ii) Kinship with a person executing business or an officer not executing business of the Company or specified related business operators of the Company
- Not applicable

### (iii) Main activities in the fiscal year

Category	Name	Activities and summary of duties performed in relation to expected role of Outside Directors
Director (Audit and Supervisory Committee Member)	Yoshinori Hara	He attended all the meetings of the Board of Directors and the Audit and Supervisory Committee held during the fiscal year. He has been performing his proper role to ensure the validity and appropriateness of making decisions on deliberations of agenda and other matters by, for example, conducting supervision and providing advice from a highly professional standpoint relating to service innovation.

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Director (Audit and Supervisory Committee Member)	Miyoko Kimura	She attended all the meetings of the Board of Directors and the Audit and Supervisory Committee held during the fiscal year. She has been performing her proper role to ensure the validity and appropriateness of making decisions on deliberations of agenda and other matters by, for example, conducting supervision and providing advice from a highly professional standpoint in the marketing field based on her experience as a corporate manager.
Director (Audit and Supervisory Committee Member)	Akinori Yamamoto	He attended all the meetings of the Board of Directors and the Audit and Supervisory Committee held during the fiscal year. He has been performing his proper role to ensure the validity and appropriateness of making decisions on deliberations of agenda and other matters by, for example, conducting supervision and providing advice from a highly professional standpoint relating to organizational accounting as an accountant.
Director (Audit and Supervisory Committee Member)	Yuki Tsuru	She attended all the meetings of the Board of Directors and the Audit and Supervisory Committee held during the fiscal year. She has been performing her proper role to ensure the validity and appropriateness of making decisions on deliberations of agenda and other matters by, for example, conducting supervision and providing advice from a highly professional standpoint relating to laws as a lawyer.



**(4) Accounting Auditor****1) Name of Accounting Auditor**

Ernst &amp; Young ShinNihon LLC

**2) Amount of compensation, etc., for the Accounting Auditor**

	Amount of compensation, etc.
(i) Amount to be paid by the Company	53 million yen
(ii) Total amount of money to be paid by the Company and the Company's subsidiaries and other benefits on property	82 million yen

- (Notes)
1. In the agreement between the Company and the Accounting Auditor, the amount of compensation, etc., for audit under the Companies Act and the amount of compensation, etc., for audit under the Financial Instruments and Exchange Act are not separated and may not be separated actually. Therefore, the total of those amounts is stated for the amount in (i) above.
  2. The Audit and Supervisory Committee provided its consent to the amount of compensation, etc., for the Accounting Auditor based on its verification as necessary of its auditing plan, the status of its execution of duties of accounting audits and the appropriateness of the basis for calculating its estimates.

**3) Policy for determining the dismissal or the refusal of reappointment of the Accounting Auditor**

When it is found that the Accounting Auditor falls under the items set forth in any of items of Article 340, Paragraph 1 of the Companies Act, the Audit and Supervisory Committee will dismiss the Accounting Auditor in accordance with the consent of all Audit and Supervisory Committee Members. In this case, the Audit and Supervisory Committee Member appointed by the Audit and Supervisory Committee will report the fact of the dismissal of the Accounting Auditor and reasons for the dismissal at the General Meeting of Shareholders convened for the first time after the dismissal.

When it is deemed necessary to change the Accounting Auditor in consideration of the status of the execution of its duties, the Company's auditing system and other factors, the Audit and Supervisory Committee will determine the content of a proposal concerning the dismissal or the refusal of reappointment of the Accounting Auditor to be submitted to a General Meeting of Shareholders.

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<b>(5) Policy to determine the distribution, etc., of surplus</b>
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We consider improving corporate value by maintaining stable profitability and sustainable growth as well as meeting the expectations of shareholders through a return of profits to be critical tasks of management.

We intend to maintain distribution of surplus, with a payout ratio of 40% as a guide, while strengthening internal reserves necessary for capital investment and M&A for growth strategies.

## Consolidated Financial Statements

### Consolidated Statement of Financial Position (as of March 31, 2025)

		(Millions of yen)	
Account	Amount	Account	Amount
<b>ASSETS</b>		<b>LIABILITIES</b>	
<b>Current assets</b>	<b>419,630</b>	<b>Current liabilities</b>	<b>311,251</b>
Cash and cash equivalents	17,555	Trade and other payables	45,096
Trade and other receivables	304,306	Bonds and loans payable	246,400
Inventories	51,178	Income tax payable	1,784
Other financial assets	10,568	Other financial liabilities	13,822
Other current assets	36,020	Provisions	1,467
		Other current liabilities	2,681
<b>Non-current assets</b>	<b>70,407</b>	<b>Non-current liabilities</b>	<b>52,437</b>
Property, plant and equipment	36,464	Bonds and loans payable	43,462
Goodwill	19	Deferred tax liabilities	6,324
Intangible assets	1,439	Net defined benefit liability	108
Investments accounted for using equity method	29,610	Other financial liabilities	2,541
Deferred tax assets	2,007	<b>Total liabilities</b>	<b>363,688</b>
Net defined benefit asset	181	<b>EQUITY</b>	
Financial assets	589	<b>Equity attributable to owners of parent</b>	<b>126,301</b>
Other non-current assets	95	Capital stock	7,790
		Capital surplus	12,080
		Treasury stock	(6,066)
		Retained earnings	121,679
		Other components of equity	(9,182)
		<b>Non-controlling interests</b>	<b>47</b>
		<b>Total equity</b>	<b>126,349</b>
<b>Total assets</b>	<b>490,037</b>	<b>Total liabilities and equity</b>	<b>490,037</b>

(Note) Amounts less than one million yen are omitted.

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**Consolidated Statement of Income** (April 1, 2024 to March 31, 2025)

(Millions of yen)

Account	Amount	
<b>Revenue</b>		506,211
<b>Cost of sales</b>		(477,267)
<b>Gross profit</b>		<b>28,943</b>
Selling, general and administrative expenses	(8,585)	
Other operating income	334	
Other operating expenses	(2,639)	
Share of profit of investments accounted for using equity method	1,931	(8,958)
<b>Operating profit</b>		<b>19,984</b>
Finance income	692	
Finance costs	(194)	498
<b>Profit before tax</b>		<b>20,483</b>
Income tax expenses		(6,172)
<b>Profit</b>		<b>14,310</b>
<b>Profit attributable to:</b>		
Owners of parent		14,319
Non-controlling interests		(8)

(Note) Amounts less than one million yen are omitted.

# Consolidated Statement of Changes in Equity (April 1, 2024 to March 31, 2025)

(Millions of yen)

	Equity attributable to owners of parent					
	Capital stock	Capital surplus	Treasury stock	Retained earnings	Other components of equity	
					Translation adjustments of foreign operations	Cash flow hedges
Balance at April 1, 2024	7,790	12,245	(5,925)	113,837	2,341	(3,813)
Profit				14,319		
Other comprehensive income					(1,867)	(5,856)
Total comprehensive income	–	–	–	14,319	(1,867)	(5,856)
Purchase of treasury stock			(1,000)			
Disposal of treasury stock		(0)	325			
Dividends				(6,513)		
Equity transactions with non-controlling interests						
Reclassified from other components of equity to retained earnings				35		
Share-based payment transactions		(164)	533			
Total transactions with owners	–	(164)	(141)	(6,477)	–	–
Balance at March 31, 2025	7,790	12,080	(6,066)	121,679	474	(9,670)

(Note) Amounts less than one million yen are omitted.

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(Millions of yen)

	Equity attributable to owners of parent				Non-controlling interests	Total
	Other components of equity			Total		
	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total			
Balance at April 1, 2024	—	—	(1,471)	126,476	—	126,476
Profit				14,319	(8)	14,310
Other comprehensive income	13	35	(7,674)	(7,674)	0	(7,673)
Total comprehensive income	13	35	(7,674)	6,644	(8)	6,636
Purchase of treasury stock				(1,000)		(1,000)
Disposal of treasury stock				325		325
Dividends				(6,513)		(6,513)
Equity transactions with non-controlling interests				—	55	55
Reclassified from other components of equity to retained earnings		(35)	(35)	—		—
Share-based payment transactions				369		369
Total transactions with owners	—	(35)	(35)	(6,819)	55	(6,763)
Balance at March 31, 2025	13	—	(9,182)	126,301	47	126,349

(Note) Amounts less than one million yen are omitted.

**Non-consolidated Financial Statements**  
**Balance Sheet (as of March 31, 2025)**

		(Millions of yen)	
Account	Amount	Account	Amount
<b>ASSETS</b>		<b>LIABILITIES</b>	
<b>Current assets</b>	<b>70,153</b>	<b>Current liabilities</b>	<b>7,508</b>
Cash and deposits	15,920	Short-term borrowings from affiliated companies	5,620
Accounts receivable - other	1,875	Current portion of long-term borrowings	1,000
Short-term loans to affiliated companies	53,123	Accounts payable-other	264
Other	92	Accrued expenses	371
Allowance for doubtful accounts	(858)	Provision for bonuses	36
		Provision for directors' bonuses	28
<b>Non-current assets</b>	<b>49,769</b>	Provision for management board incentive plan trust	29
<b>Property, plant and equipment</b>	<b>5,436</b>	Other	156
Buildings	2,083	<b>Non-current liabilities</b>	<b>37,130</b>
Structures	3	Bonds payable	5,000
Tools, equipment and fixtures	3	Long-term borrowings	23,551
Land	3,345	Provision for stocks payment	31
		Provision for management board incentive plan trust	27
<b>Intangible assets</b>	<b>129</b>	Derivatives liabilities	2,126
Software	112	Deferred tax liabilities	5,900
Trademark right	16	Other	493
<b>Investments and other assets</b>	<b>44,204</b>	<b>Total liabilities</b>	<b>44,639</b>
Shares of affiliated companies	26,575	<b>NET ASSETS</b>	
Long-term loans receivable from subsidiaries and associates	17,493	<b>Shareholders' equity</b>	<b>74,136</b>
Other	134	<b>Capital stock</b>	<b>7,790</b>
<b>Total assets</b>	<b>119,922</b>	<b>Capital surplus</b>	<b>27,473</b>
		Capital reserve	9,364
		Other capital surplus	18,109
		<b>Retained earnings</b>	<b>44,939</b>
		Other retained earnings	44,939
		Retained earnings carried forward	44,939
		<b>Treasury stock</b>	<b>(6,066)</b>
		<b>Share acquisition rights</b>	<b>1,146</b>
		<b>Total Net Assets</b>	<b>75,283</b>
		<b>Total Liabilities and Net Assets</b>	<b>119,922</b>

(Note) Amounts less than one million yen are omitted.

**Statement of Income (April 1, 2024 to March 31, 2025)**

(Millions of yen)

Account	Amount	
<b>Operating revenue</b>		<b>12,879</b>
<b>Operating expenses</b>		<b>2,533</b>
<b>Operating profit</b>		<b>10,345</b>
<b>Non-operating profit</b>		
Interest income	1,608	
Guarantee commission received	539	
Gain on derivatives	162	
Other	62	2,373
<b>Non-operating expenses</b>		
Interest expenses	1,242	
Guarantee commission paid	13	
Foreign exchange losses	117	
Provision of allowance for doubtful accounts	858	
Other	7	2,238
<b>Ordinary income</b>		<b>10,480</b>
<b>Extraordinary gain</b>		
Gains on sale of non-current assets	2	2
<b>Extraordinary loss</b>		
Loss on retirement of non-current assets	6	
Impairment loss	28	34
<b>Net profit before income taxes</b>		<b>10,447</b>
Income taxes-current	(1,539)	
Income taxes-deferred	8,418	6,879
<b>Net profit</b>		<b>3,568</b>

(Note) Amounts less than one million yen are omitted.



**Statement of Changes in Net Assets (April 1, 2024 to March 31, 2025)**

(Millions of yen)

	Shareholders' equity					
	Capital stock	Capital surplus		Retained earnings	Treasury stock	Total shareholders' equity
		Capital reserve	Other capital surplus	Other retained earnings Retained earnings carried forward		
Balance at April 1, 2024	7,790	9,364	18,109	47,973	(5,925)	77,312
Changes during the period						
Dividends from surplus				(6,602)		(6,602)
Net profit				3,568		3,568
Purchase of treasury stock					(1,000)	(1,000)
Disposal of treasury stock			(0)		859	858
Total changes during the period	—	—	(0)	(3,034)	(141)	(3,175)
Balance at March 31, 2025	7,790	9,364	18,109	44,939	(6,066)	74,136

	Share acquisition rights	Total net assets
Balance at April 1, 2024	1,146	78,459
Changes during the period		
Dividends from surplus		(6,602)
Net profit		3,568
Purchase of treasury stock		(1,000)
Disposal of treasury stock		858
Total changes during the period	—	(3,175)
Balance at March 31, 2025	1,146	75,283

(Note) Amounts less than one million yen are omitted.

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### Transcript of Accounting Auditor's audit report on consolidated financial statements

#### Independent Auditor's Report

May 19, 2025

To the Board of Directors of  
ARE Holdings, Inc.

Ernst & Young ShinNihon LLC

Tokyo office

Designated and  
Engagement Partner,

Certified Public Accountant

Hiroaki Hono

Designated and  
Engagement Partner,

Certified Public Accountant

Takamichi

Komiyama

#### **Audit Opinion**

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the consolidated financial statements, namely the consolidated statement of financial position, the consolidated statement of income, and the consolidated statement of changes in equity, and the basis of preparing consolidated financial statements and other notes of ARE Holdings, Inc. for the consolidated fiscal year from April 1, 2024 to March 31, 2025.

In our opinion, the above consolidated financial statements are prepared in conformity with the accounting standards stipulated by the provision of the second sentence of Article 120, Paragraph 1 of the Rules of Corporate Accounting, which allow partial omission of the disclosures required by the designated international accounting standards, and present fairly, in all material respects, the assets as well as income and losses in the period pertaining to consolidated financial statements of the corporate group which consists of ARE Holdings, Inc. and its consolidated subsidiaries.

#### **Basis for the Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

#### **Other Information**

Other information consists of the business report and supplementary schedules. Management is responsible for the preparation and disclosure of the other information. The Audit and Supervisory Committee is responsible for overseeing the Directors' performance of duties within the maintenance and operation of the reporting process for the other information.

The scope of our opinion on the consolidated financial statements does not include the other information, and we do not provide our opinion on the other information.

Our responsibility for the audit of the consolidated financial statements is to read the other information, and, in doing so, consider whether there is a material inconsistency between the other information and the consolidated financial statements or our knowledge obtained during audit, and give attention to whether there are any other indications of material errors in the other information aside from such

material inconsistency.

If, based on the audit work performed, we determine that there is a material misstatement in the other information, we are required to report such facts.

We have no matters to report with respect to the other information.

### **Responsibility of Management and the Audit and Supervisory Committee for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of consolidated financial statements in conformity with the accounting standards stipulated by the provision of the second sentence of Article 120, Paragraph 1 of the Rules of Corporate Accounting, which allow partial omission of the disclosures required by the designated international accounting standards. This includes the improvement and application of the internal control that management deemed necessary to prepare and fairly present consolidated financial statements that are free from material misstatements caused by fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in conformity with the accounting standards stipulated by the provision of the second sentence of Article 120, Paragraph 1 of the Rules of Corporate Accounting, which allow partial omission of the disclosures required by the designated international accounting standards.

The Audit and Supervisory Committee is responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

### **Auditors' Responsibility for the Audit of the Consolidated Financial Statements**

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the consolidated financial statements from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the consolidated financial statements.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the consolidated financial statements on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant

doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the consolidated financial statements in the audit report, or if the notes to the consolidated financial statements pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the consolidated financial statements. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.

- Besides assessing whether the presentation of and notes to the consolidated financial statements are in conformity with the accounting standards stipulated by the provision of the second sentence of Article 120, Paragraph 1 of the Rules of Corporate Accounting, which allow partial omission of the disclosures required by the designated international accounting standards, assess the presentation, structure, and content of the consolidated financial statements including related notes, and whether the consolidated financial statements fairly present the transactions and accounting events on which they are based.
- Plan and perform audit of the consolidated financial statements to obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to provide a basis for our opinion on the consolidated financial statements. The auditor is responsible for the direction, supervision, and inspection of the audit of the consolidated financial statements, and is solely responsible for the audit opinion.

The auditor reports to the Audit and Supervisory Committee regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards. The auditor reports to the Audit and Supervisory Committee regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence, and where applicable, the details of any measures taken in order to eliminate obstruction factors and any safeguards that have been applied to reduce obstruction factors to acceptable levels.

### **Interests**

Our firm and engagement partners have no interests in the Company or its consolidated subsidiaries requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

**Independent Auditor’s Report**

May 19, 2025

To the Board of Directors of  
ARE Holdings, Inc.

Ernst & Young ShinNihon LLC		
Tokyo office		
Designated and Engagement Partner,	Certified Public Accountant	Hiroaki Hono
Designated and Engagement Partner,	Certified Public Accountant	Takamichi Komiya

**Audit Opinion**

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the financial statements, namely the balance sheet, the statement of income, and the statement of changes in net assets of ARE Holdings, Inc. for the 16th fiscal year from April 1, 2024 to March 31, 2025, including notes to non-consolidated financial statements and accompanying supplementary schedules thereto. In our opinion, the financial statements and the accompanying supplementary schedules thereto referred to the above present fairly, in all material respects, the assets as well as income and losses in the period pertaining to such financial statements and the accompanying supplementary schedules thereto in conformity with corporate accounting principles generally accepted in Japan.

**Basis for the Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in “Auditor’s Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules.” We are independent of the Company in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

**Other Information**

Other information consists of the business report and supplementary schedules. Management is responsible for the preparation and disclosure of the other information. The Audit and Supervisory Committee is responsible for overseeing the Directors’ performance of duties within the maintenance and operation of the reporting process for the other information. The scope of our opinion on the financial statements does not include the other information, and we do not provide our opinion on the other information. Our responsibility for the audit of the financial statements is to read the other information, and, in doing so, consider whether there is a material inconsistency between the other information and the financial statements or our knowledge obtained during audit, and give attention to whether there are any other indications of material errors in the other information aside from such material inconsistency. If, based on the audit work performed, we determine that there is a material misstatement in the other information, we are required to report such facts. We have no matters to report with respect to the other information.

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## **Responsibility of Management and the Audit and Supervisory Committee for the Financial Statements and the Accompanying Supplementary Schedules**

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying supplementary schedules thereto in conformity with corporate accounting principles generally accepted in Japan. This includes the improvement and application of the internal control that management deemed necessary to prepare and fairly present financial statements and the accompanying supplementary schedules thereto that are free from material misstatements caused by fraud or error.

In preparing the financial statements and the accompanying supplementary schedules, management is responsible for assessing whether it is appropriate to prepare the financial statements and the accompanying supplementary schedules in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

The Audit and Supervisory Committee is responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

## **Auditors' Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules**

Our responsibility is to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the financial statements and the accompanying supplementary schedules from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the financial statements and the accompanying supplementary schedules.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the financial statements and the accompanying supplementary schedules is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the financial statements and the accompanying supplementary schedules on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to non-consolidated financial statements and the accompanying supplementary schedules in the audit report, or if the notes to non-consolidated financial statements

and the accompanying supplementary schedules pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the financial statements and the accompanying supplementary schedules. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.

- Besides assessing whether the presentation of and notes to non-consolidated financial statements and the accompanying supplementary schedules are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the financial statements and the accompanying supplementary schedules including related notes, and whether the financial statements and the accompanying supplementary schedules fairly present the transactions and accounting events on which they are based.

The auditor reports to the Audit and Supervisory Committee regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards. The auditor reports to the Audit and Supervisory Committee regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence, and where applicable, the details of any measures taken in order to eliminate obstruction factors and any safeguards that have been applied to reduce obstruction factors to acceptable levels.

#### Interests

Our firm and engagement partners have no interests in the Company requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

## **Transcript of Audit and Supervisory Committee's audit report**

### **Audit Report**

The Audit and Supervisory Committee audited the Directors' performance of their duties during the 16th fiscal year (from April 1, 2024 to March 31, 2025), and hereby reports the method and results of the audit as follows.

#### **1. Method and Content of Audit**

The Audit and Supervisory Committee received reports periodically from Directors and employees about the details of Board of Directors' resolutions concerning the matters set forth in Article 399-13, Paragraph 1, Item 1 (b) and (c), of the Companies Act, as well as the establishment and application of the internal control systems based on such resolutions, and then requested explanations as necessary, expressed opinions and conducted audits by the following methods.

- 1) In conformity with the Audit and Supervisory Committee Auditing Standards established by the Audit and Supervisory Committee and in accordance with the audit policies and important audit items, directing the Audit Department and cooperating with the internal control division, each Audit and Supervisory Committee Member attended important meetings, received reports on the status of performance of duties from the Directors and other employees and requested explanations as necessary, viewed important approval documents, etc., and inspected the status of the corporate affairs and assets of the Company. In addition, opinions were exchanged with Representative Director and President as well as Corporate Officers. Also, regarding the Company's major subsidiaries, each Audit and Supervisory Committee Member attended important meetings, received reports on businesses, requested explanations as necessary, and shared opinions with Directors, etc.
- 2) Each Audit and Supervisory Committee Member monitored and verified whether the Accounting Auditor maintained its independence and properly conducted its audit, received a report from the Accounting Auditor on the status of its performance of duties including its auditing plan, results of semi-annual review, results of audit at the end of the period and others, and requested explanations as necessary. Each Audit and Supervisory Committee Member was notified by the Accounting Auditor that it had established a "system to ensure that the performance of duties of the Accounting Auditor was properly conducted" (the matters listed in the items of Article 131 of the Rules of Corporate Accounting) in accordance with the "Quality Control Standards for Audits" (Business Accounting Council on March 12, 2024), and requested explanations as necessary.

Based on the above-described methods, each Audit and Supervisory Committee Member examined the business report and the supplementary schedules thereto, the financial statements (balance sheet, statements of income and statements of changes in net assets and notes to non-consolidated financial statements) and the supplementary schedules thereto, as well as the consolidated financial statements (consolidated statement of financial position, consolidated statements of income and



consolidated statements of changes in equity and notes to consolidated financial statements), for the fiscal year under review.

## 2. Results of Audit

### (1) Results of audit of business report, etc.

- (i) We acknowledge that the business report and the supplementary schedules thereto fairly present the status of the Company in conformity with the applicable laws and regulations and the Articles of Incorporation of the Company.
- (ii) We acknowledge that no misconduct or material fact constituting a violation of any law or regulation or the Articles of Incorporation of the company was found with respect to the directors' performance of their duties.
- (iii) We acknowledge that the Board of Directors' resolutions with respect to the internal control systems are appropriate. We did not find any matter to be mentioned with respect to the descriptions in the business report and directors' performance of their duties concerning the internal control systems.

### (2) Results of audit of financial statements and supplementary schedules thereto

We acknowledge that the methods and results of audit performed by the Accounting Auditor, Ernst & Young ShinNihon LLC, are appropriate.

### (3) Results of audit of consolidated financial statements

We acknowledge that the methods and results of audit performed by the Accounting Auditor, Ernst & Young ShinNihon LLC, are appropriate.

May 19, 2025

Audit and Supervisory Committee, ARE Holdings, Inc.

Chairman: Yoshinori Hara

Audit and Supervisory Committee Member: Miyoko Kimura  
(current surname: Sakagawa)

Audit and Supervisory Committee Member: Akinori Yamamoto

Audit and Supervisory Committee Member: Yuki Tsuru  
(current surname: Itami)

Full-time Audit and Supervisory Committee Member: Mitsutoshi Kagimoto

(Note) Audit and Supervisory Committee Members Yoshinori Hara, Miyoko Kimura, Akinori Yamamoto, and Yuki Tsuru are Outside Directors set forth in Article 2, Item 15 and Article 331, Paragraph 6 of the Companies Act.

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## TOPICS

### • Formulation of ARE Group Way

**Why** Our raison d'être  
The significance of a company's  
existence in society

**What** Our commitments  
Specific actions to fulfill our Purpose

**How** Behavior guidance  
Principles guiding employee actions

#### **Purpose**

Totally Committed to Protecting the Natural  
Environment and Preserving Resources

We conserve limited natural resources, preserve  
the global environment, and contribute to the  
realization of a sustainable world.

#### **Goals**

- Solving planet-wide problems and enhancing  
corporate value
- Achieving business growth for the benefit of  
all stakeholders
- Establishing a globally trusted corporate brand

#### **Values**

##### **Care for Others**

We will prioritize safety and health as we respect  
each other

##### **Take on Challenges**

We will fearlessly take on challenges and be  
innovative for the future

##### **Independent Initiative**

We will take actions based on actual facts, sites,  
and products while achieving total optimization

##### **Continuous Improvement**

We will keep searching for better technology,  
quality, and service

##### **Keep Learning**

We will learn and update ourselves for both our  
own and the organization's growth

On July 31, 2024, our management philosophy was renewed into the ARE Group Way.

ARE Group Way, which embodies numerous thoughts and meanings, including the spirit passed down since the company's founding and the values we cherish, consists of three components: Purpose, which is our raison d'être; Goals, which are specific commitments to realize our Purpose; and Values, which serve as guidelines for employee behavior.

With the wish to make it easily understandable to all stakeholders and resonant with employees who are responsible for the next generation, this philosophy was formulated after extensive discussions by a group of employees comprised mainly of younger and midcareer employees.

Under ARE Group Way, which is a philosophy that encourages autonomy appropriate for an era where overcoming uncertainty and embracing challenges are essential, our group will keep giving our utmost effort into both pursuing financial value and helping to resolve social issues such as circularity.