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ARE Holdings, Inc.
(Stock code: 5857)

Notice of the 17th Annual General Meeting of Shareholders

Date and time:

10:30 a.m. on Tuesday, June 16, 2026

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: Election of Two (2) Directors (Excluding 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 5:40 p.m. on Monday, June 15, 2026.

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 17th Annual General Meeting of Shareholders to offer a short greeting.

In April of this year, the “Circular Economy Action Plan,” which encourages the recycling of critical minerals and metal resources as well as the utilization of recycled resources, was approved by the Cabinet. We recognize that the positioning of the circular economy as a national strategy is a significant step towards transitioning to a “circular economy” that harmonizes economic growth with societal sustainability. Looking globally, the risk of supply chain disruptions is increasing due to political tensions and the impacts of war, and there is a trend of resource nationalism where resource-producing countries are retaining their resources.

For nearly half a century, we have consistently upheld the purpose of “Totally Committed to Protecting the Natural Environment and Preserving Resources,” and have been engaged in the business of recycling, primarily in the fields of precious and rare metals. As society as a whole faces an urgent need to transition to a circular economy, we believe that the continuation and expansion of our business align with our social mission.

For the current fiscal year, our performance resulted in revenue of 569.9 billion yen and an operating profit of 37.0 billion yen. In our precious metals recycling business, we increased collection volumes mainly in the electronics sector, improved profitability in the jewelry sector, and made progress in raw material collection across Asia, including the establishment of a local subsidiary in India. Regarding our North American refining business, we increased refining intake volumes, which served as a foundation for growth in our product processing, warehousing, and trading businesses. As a result, both revenue and operating profit reached record-high levels.

Concerning dividends, under the policy of maintaining stable dividends with a target payout ratio of 40%, we have decided on a year-end dividend of 65 yen for this fiscal year, representing an increase of 25 yen compared to the previous fiscal year-end. We will continue to focus on our impact on society while striving to enhance corporate value and provide stable returns to our shareholders. We kindly ask for the understanding and support of all our shareholders.

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ARE Group Way

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

Dear Shareholders:

(Stock code: 5857)

June 1, 2026

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

ARE Holdings, Inc.

Tomoya Higashiura,

Representative Director and President

Notice of the 17th Annual General Meeting of Shareholders

This is to inform you that the 17th 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 5:40 p.m. on Monday, June 15, 2026, 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 16, 2026 (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 17th fiscal term (April 1, 2025 through March 31, 2026)
 - 2) Report on non-consolidated financial statements for the 17th fiscal term (April 1, 2025 through March 31, 2026)

Items to be resolved:

- Proposal: Election of Two (2) Directors (Excluding 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 17th 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 8, 2026

URL: <https://links-v.pdep.jp/5857/2026/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 a 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: 5:40 p.m. on Monday, June 15, 2026

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

Presentation of Electronic Gift

Shareholders who exercise their voting rights in advance via the Internet will be entered into a lottery, irrespective of whether they vote for or against the proposal, and 1,200 selected shareholders will receive an electronic gift (equivalent to 500 yen). For further information, please refer to the accompanying information sent together with this Notice of Convocation.

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 5:40 p.m. on Monday, June 15, 2026, 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.)

Please be advised that, starting this year, we will no longer be sending out a paper copy of the Notice of Resolutions of the Annual General Meeting of Shareholders. As part of our commitment to resource conservation with consideration for preserving the global environment, these notices will be posted exclusively on the Company's website. We appreciate your understanding in this regard.

Reference Documents for General Meeting of Shareholders

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

The terms of office of all two (2) Directors (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).

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

The candidates for Directors 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 meeting
1	To be Reelected	Tomoya Higashiura (January 26, 1961)	Male	Representative Director and President [Significant concurrent duties] Director of Asahi Pretec Corp.	8 out of 8 meetings
2	To be Reelected	Akinori Yamamoto (February 26, 1981)	Male	Outside Director [Significant concurrent duties] Representative of Yamamoto Certified Public Accountant Office Representative Director of GIP Co., Ltd. Outside Auditor of AIMECHATEC, Ltd.	8 out of 8 meetings

Candidate No.	Name (Date of birth)	Career, Position and Duties at the Company	Ownership of Shares
1	 Tomoya Higashiura (January 26, 1961) <u>To be Reelected</u>	April 1984: Joined NEC Corporation February 2001: Joined Asahi Pretec Corp. June 2006: Appointed as Director and General Manager of Administration Division of Asahi Pretec Corp. April 2009: Appointed as Director and General Manager of Corporate Development & Administration Division of Asahi Holdings, Inc. (currently ARE Holdings, Inc.) June 2010: Appointed as Director and General Manager of Precious Metal Recycling Business Division of Asahi Pretec Corp. April 2011: Appointed as Director of Asahi Holdings, Inc. (currently ARE Holdings, Inc.) June 2014: Appointed as Representative Director & President of Asahi Pretec Corp. April 2018: Appointed as Representative Director and President of Asahi Holdings, Inc. (currently ARE Holdings, Inc.) (to present) April 2018: Appointed as Director of Asahi Pretec Corp. April 2023: Appointed as Director of Asahi Pretec Corp. (newly established through an absorption-type split and change in the trade name) (to present) [Significant concurrent duties] Director of Asahi Pretec Corp.	110,000 shares

Attendance at the Board of Directors meeting: 8 out of 8 meetings

(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 enriched 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	 Akinori Yamamoto (February 26, 1981) To be Reelected	April 2005: Joined Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC) April 2007: Joined GCA Corporation (currently Houlihan Lokey) January 2019: Appointed as Partner, Executive Director of GCA Corporation February 2022: Appointed as Executive Director of JPMorgan Securities Japan Co., Ltd. March 2023: Appointed as Representative of Yamamoto Certified Public Accountant Office (to present) June 2023: Appointed as Outside Director (serving as Audit and Supervisory Committee Member) of Asahi Holdings, Inc. (currently ARE Holdings, Inc.) June 2023: Appointed as Representative Director of GIP Co., Ltd. (to present) September 2024: Appointed as Outside Auditor of AIMECHATEC, Ltd. (to present) June 2025: Appointed as Outside Director of ARE Holdings, Inc. (to present) [Significant concurrent duties] Representative of Yamamoto Certified Public Accountant Office Representative Director of GIP Co., Ltd. Outside Auditor of AIMECHATEC, Ltd.	- shares

Attendance at the Board of Directors meeting: 8 out of 8 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 Outside Director of the Company, he has been conducting supervision and providing advice to business execution by Directors from an 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 requests his election as a candidate for Outside Director.

- (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 three years at the close of this Annual General Meeting of Shareholders.
 3. 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 reelected, the Company intends to continue the same contract with him to limit his liability for compensation for damages.
 4. 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.
 5. 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.

(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	Nobuo Tajima	•	•	•	•				•	•
Corporate Officer	Yoshihito Iwasa	•	•	•		•		•		•
Corporate Officer	Ikuya Hirabayashi	•	•	•	•	•			•	

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: 569,863 million yen (Up 12.6% YOY)

Operating Profit: 35,424 million yen (Up 93.2% YOY)

As for the precious metals recycling business, operating profit increased year on year. In the jewelry sector, as a result of efforts to improve profitability of each transaction, the volume of gold collected decreased year on year, but operating profit increased year on year. Although the volume collected in the dental sector decreased year on year, the operating profit in the sector increased year on year, mainly due to an improved cost structure. In the electronics sector, operating profit increased year on year, mainly due to an impact of precious metals prices, despite the fact that the collected volume remained at the same level year on year. Although the volume collected in the catalyst-related sector remained at the same level year on year, the operating profit of the sector decreased year on year. In addition, the sales volume of recycled precious metals sold at a premium and the sales volume of precious metal products for retail increased year on year.

As for the precious metals refining-related business in North America, operating profit increased year on year. In the refining sector, the incoming shipments of gold and silver raw materials increased year on year, and operating profit increased year on year. In addition, by leveraging our status as the largest refiner in North America and effectively responding to fluctuations in gold and silver supply and demand arising from changes in U.S. trade policy and global financial conditions, operating profit in the products, storage, and trading sectors all increased year on year.

As a result, operating profit in Precious Metals business segment increased significantly year on year.

Environmental Preservation Business

Operating Profit: 1,845 million yen (Down 3.8% YOY)

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

As a result of the above, revenue during the fiscal year was 569,992 million yen, a year-on-year increase of 63,781 million yen (+12.6 percent). Operating profit was 37,088 million yen, a year-on-year increase of 17,104 million yen (+85.6 percent). Profit before tax was 34,706 million yen, a year-on-year increase of 14,223 million yen (+69.4 percent). Profit was 24,411 million yen, a year-on-year increase of 10,101 million yen (+70.6 percent). Profit attributable to owners of parent was 24,441 million yen, a year-on-year increase of 10,122 million yen (+70.7 percent). By segment, revenue in the Precious Metals business was 569,863 million yen, a year-on-year increase of 63,733 million yen (+12.6 percent).

Revenue and operating profit were composed of the following:

<Breakdown of revenue and operating profit>

Category	Revenue (Millions of yen)			Operating Profit (Millions of yen)		
	FY2023	FY2024	FY2025	FY2023	FY2024	FY2025
Precious Metals Business	322,218	506,130	569,863	12,716	18,339	35,424
Environmental Preservation Business	–	–	–	(0)	1,919	1,845
Other	34	80	129	(348)	(273)	(181)
Total	322,253	506,211	569,992	12,367	19,984	37,088

Revenue	569,992 million yen	Up 12.6% YOY
Operating Profit	37,088 million yen	Up 85.6% YOY
ROE	13.7%	Up 2.4% YOY

2) Capital expenditure

Capital expenditure made in the fiscal year totaled 8,837 million yen. The expenditure was primarily related to the establishment and enhancement of precious metals refining facilities.

3) Financing

The Company has issued bonds as follows to repay interest-bearing debt and to provide working capital for its North American subsidiaries.

Date of issuance	Company name	Type of bonds	Issue amount	Redemption date
October 23, 2025	ARE Holdings, Inc.	1st Unsecured bonds	20,000 million yen	October 23, 2028
March 5, 2026	ARE Holdings, Inc.	2nd Unsecured bonds	20,000 million yen	March 5, 2029

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

Not applicable for the fiscal year

(2) Property and profit/loss

Category	14 th term April 1, 2022 through March 31, 2023	15 th term April 1, 2023 through March 31, 2024	16 th term April 1, 2024 through March 31, 2025	17 th term April 1, 2025 through March 31, 2026 (Current fiscal year)
Revenue (Millions of yen)	274,209	322,253	506,211	569,992
Operating profit (Millions of yen)	16,282	12,367	19,984	37,088
Profit attributable to owners of parent (Millions of yen)	10,929	24,490	14,319	24,441
Basic earnings per share (Yen)	141.19	319.54	187.13	315.49
Total assets (Millions of yen)	287,448	317,998	490,037	615,388
Total equity (Millions of yen)	106,957	126,476	126,349	230,555
Equity per share attributable to owners of parent (Yen)	1,395.52	1,650.20	1,648.56	2,682.61

(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.

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(3) Major sales offices and plants (as of March 31, 2026)**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 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) Fukuoka (Koga-shi, Fukuoka Pref.) Kagoshima (Kagoshima-shi) Okinawa (Itoman-shi, Okinawa Pref.)
Plants	Bando (Bando-shi, Ibaraki Pref.) Nagano (Tomi-shi, Nagano Pref.) Amagasaki (Amagasaki-shi, Hyogo 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) Asahi Pretec India Private Limited (India)

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)

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(4) Significant parent company and subsidiaries**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.	860 million yen	100.0%	Precious Metals Refining and Manufacturing/Trading Business

3) Specified wholly owned subsidiary

Not applicable

(5) Principal businesses (as of March 31, 2026)

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

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

(6) Employees (as of March 31, 2026)**1) Employees of the Group**

Number of employees	Change from the end of previous fiscal year
998 (61)	+19 (down 9)

(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
59 (5)	+5 (down 1)	42 years and 4 months	2 years and 11 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, 2026)

Financial institutions	Loan amount
Mizuho Bank, Ltd.	45,781 million yen
Sumitomo Mitsui Banking Corporation	16,793 million yen
MUFG Bank, Ltd.	14,708 million yen
Japan Bank for International Cooperation	11,191 million yen

- (Notes) 1. The balance includes borrowings from overseas local subsidiary banks of the lenders.
2. In addition to the above, the balance of borrowings through a syndicated loan, which constitutes a major borrowing, amounts to 25,745 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**

Precious metals recycling business

- Utilize the Bando Plant as a foundation to respond to growth markets, including AI-related electronics and semiconductors.
- Strengthen the development of technology for platinum group metal recovery and expand business in fields such as catalysts, pharmaceuticals and agrochemicals, and hydrogen.
- Expand the international collection volume of precious metals through the construction of factories and enhanced sales efforts in the Asian region.
- Increase the sales of green metals to enhance the profitability of the precious metals recycling business.
- Expand the sales volume of precious metals in the retail sector.
- Mitigate risks in precious metals trading through the proper implementation of “Responsible Precious Metals Management.”

North American refining business

- Enhance North American refining facilities to further improve production efficiency.
- Increase the intake volume of refining materials while optimizing refining transaction conditions.
- Accelerate growth in warehousing and trading businesses.

2) Environmental Preservation Business segment

- Promote developments that contribute to the formation of a circular economy society through the business of our equity method affiliate.

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

ARE

Think circular

Purpose

Totally Committed to Protecting the Natural Environment and Preserving Resources

- | | | |
|--|--|---|
| <p>1. Growth Strategies</p> <ul style="list-style-type: none"> • Acquisition of new markets • Geographic expansion of business • Strengthening of retail business | <p>2. Financial Strategies</p> <ul style="list-style-type: none"> • Growth investment • Shareholder returns • Financial soundness | <p>3. Human Capital</p> <ul style="list-style-type: none"> • Strengthening organizational capabilities • Development of human resources |
|--|--|---|

Numerical Targets for Fiscal Year 2030

Revenue	Operating Profit	ROE	EPS
750.0 billion yen (+210.0 billion yen compared to initial plan)	50.0 billion yen (+12.0 billion yen compared to initial plan)	13%	420 yen

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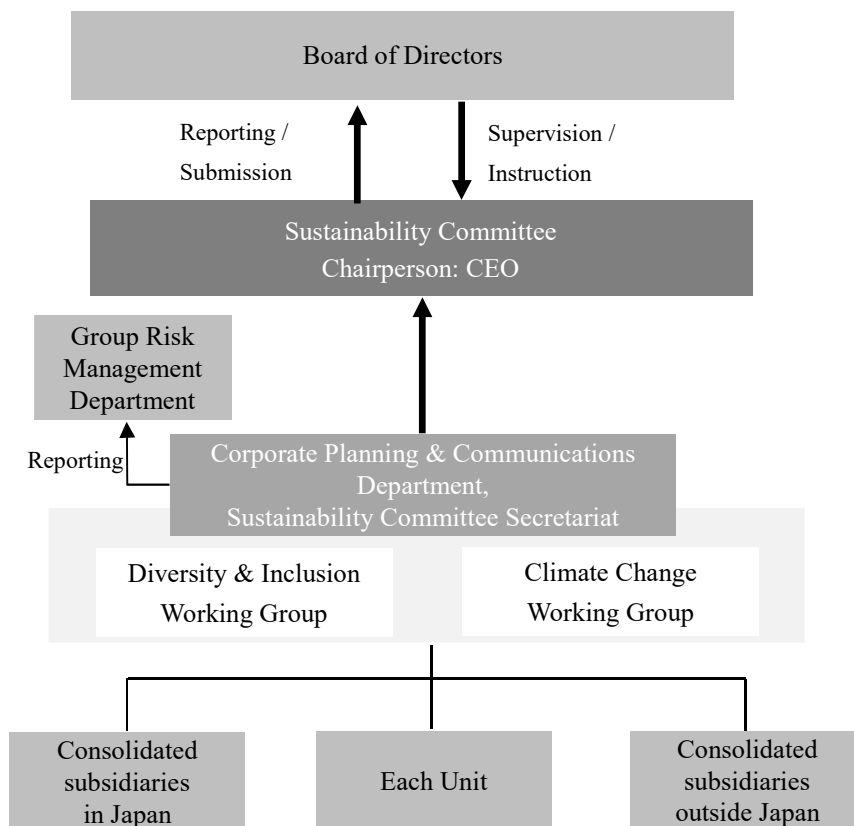
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■ Reference: Initiatives for sustainability

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 CO₂ 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.



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

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■ **Reference: Corporate Governance Structure**

Basic Policies for Corporate Governance

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

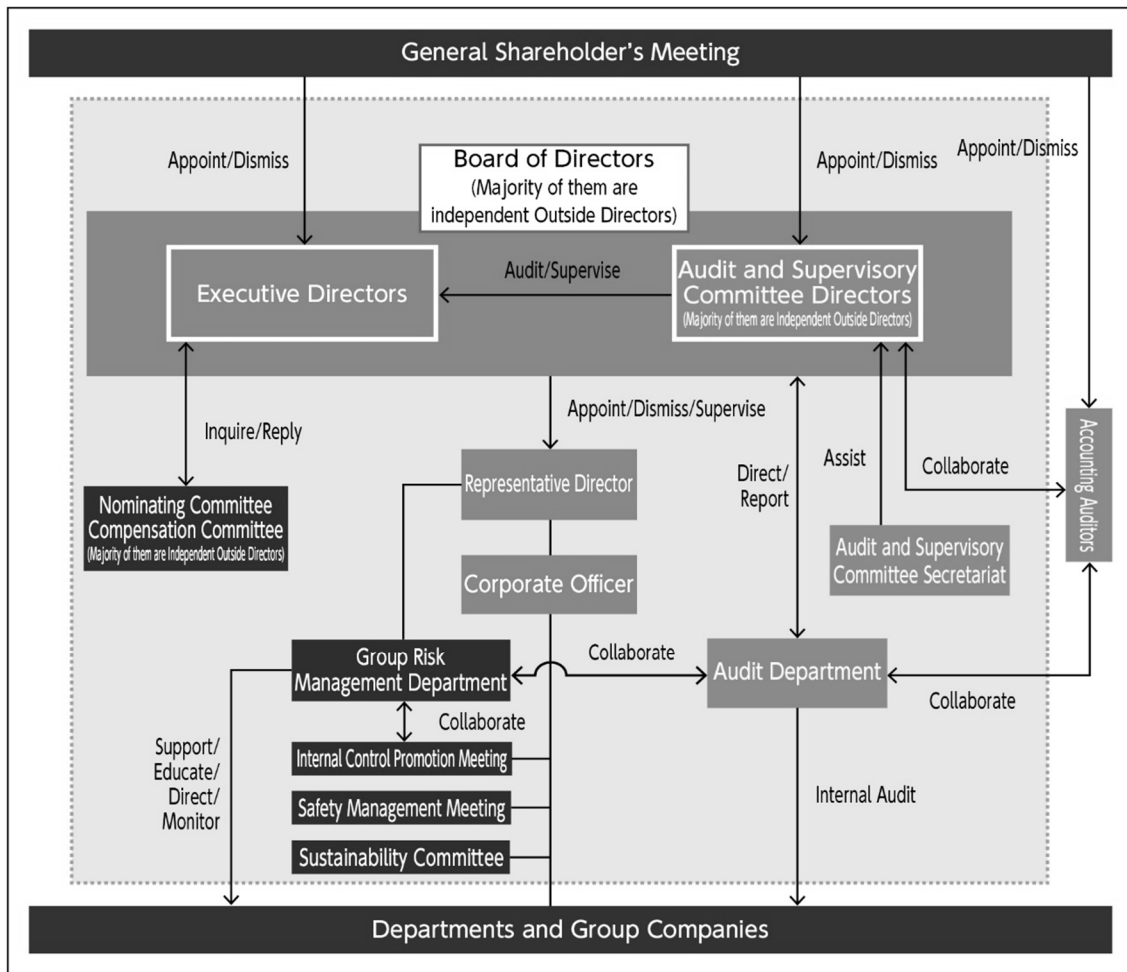
<https://www.are-holdings.com/sustainability/governance/>

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 seven (7) Directors, including five (5) 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.

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.

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2. Current state of the Company

(1) Shares (as of March 31, 2026)

1) **Number of shares authorized:** 258,000,000 shares

2) **Number of shares issued:** 86,853,534 shares

(Note) As a result of the exercise of share acquisition rights, the number of shares issued has increased by 7,144,846 shares.

3) **Number of shareholders:** 58,611

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)	12,654	14.59
Custody Bank of Japan, Ltd. (Trust account)	5,197	5.99
STATE STREET BANK WEST CLIENT - TREATY 505223	1,993	2.30
J.P. MORGAN BANK LUXEMBOURG S.A. 384513	1,886	2.17
Mitsuharu Terayama	1,802	2.08
Custody Bank of Japan, Ltd. (Trust account 4)	1,580	1.82
Masamichi Terayama	1,404	1.62
STATE STREET BANK AND TRUST COMPANY 505001	1,260	1.45
EUROCLEAR BANK S.A./N.V.	1,175	1.36
CEPLUX-ERSTE GROUP BANK AG (UCITS CLIENTS)	1,132	1.31

(Notes) 1. The Company holds 124 thousand shares of treasury stock.

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)	10,000	1
Outside Directors (excluding Directors serving as the Audit and Supervisory Committee Members; limited to Outside Directors)	–	–
Directors serving as the Audit and Supervisory Committee Members	–	–

(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	32,700 thousand shares (37.65%)
Financial institutions	23,585 thousand shares (27.16%)
Foreign corporations, etc.	24,693 thousand shares (28.43%)
General corporations, other corporations	2,259 thousand shares (2.60%)
Securities companies	3,616 thousand shares (4.16%)

(2) Share acquisition rights, etc.

- 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
The share acquisition rights based on the resolution of the Board of Directors meeting held on February 25, 2021 have been fully exercised as of March 5, 2026.

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(3) Board members and corporate officers**1) Directors (as of March 31, 2026)**

Position	Name	Responsibility and important concurrent assignment
Representative Director and President	Tomoya Higashiura	Director, Asahi Pretec Corp.
Director	Akinori Yamamoto	Representative of Yamamoto Certified Public Accountant Office Representative Director of GIP Co., Ltd. Outside Auditor of AIMECHATEC, 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/Full-Time Audit and Supervisory Committee Member	Mitsutoshi Kagimoto	Corporate Auditor of Asahi Pretec Corp.
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
Director/Audit and Supervisory Committee Member	Toru Nakamura	Representative Partner of Japan Creas Tax Corporation Representative of Corporate Advisers Accounting Co., Ltd. Representative of Corporate Advisers M&A Co., Ltd.
Director/Audit and Supervisory Committee Member	Kaoru Katada	Executive Officer, CCO, CISO of LIFENET INSURANCE COMPANY

(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. Director Akinori Yamamoto and Directors/Audit and Supervisory Committee Members Yoshinori Hara, Yuki Tsuru, Toru Nakamura, and Kaoru Katada 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 Akinori Yamamoto and Director/Audit and Supervisory Committee Member Toru Nakamura hold a Certified Public Accountant qualification and possess extensive expertise in finance and accounting qualification and possesses extensive expertise in finance and accounting.
6. The Company designated Director Akinori Yamamoto and Directors/Audit and Supervisory Committee Members Yoshinori Hara, Yuki Tsuru, Toru Nakamura, and Kaoru Katada 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

Upon the conclusion of the 16th Annual General Meeting of Shareholders held on June 17, 2025, Directors/Audit and Supervisory Committee Members Miyoko Kimura and Akinori Yamamoto retired upon the expiration of their terms of office. At the same General Meeting of Shareholders, Akinori Yamamoto was elected and assumed office as a Director who is not an Audit and Supervisory Committee Member.

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," "performance-based bonuses," "ESG indicator achievement-linked bonus" 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 "performance-based 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 amount of "ESG indicator achievement-linked bonus" is determined in accordance with the level of achievement of each target related to the non-financial materialities set by the Company for that fiscal year, after the funding source is calculated by multiplying the consolidated operating profit of the relevant fiscal year by a specific ratio.

4) 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 Directors serving as the Audit and Supervisory Committee Members) (of which, Outside Directors)	156 (9)	39 (9)	62 (-)	54 (-)	2 (1)
Directors serving as the Audit and Supervisory Committee Members (of which, Outside Directors)	38 (26)	38 (26)	-	-	7 (6)
Total (of which, Outside Directors)	194 (35)	77 (35)	62 (-)	54 (-)	9 (7)

- (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 37,088 million yen. The amount of performance-based 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. The amount of the Company's ESG indicator achievement-linked bonus is determined in accordance with the level of achievement of each target related to the non-financial materialities set by the Company for that fiscal year, after the funding source 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 Akinori Yamamoto serves as the Representative of Yamamoto Certified Public Accountant Office, Representative Director of GIP Co., Ltd., and Outside Auditor of AIMECHATEC, Ltd. There is no special relationship between the Company and the organizations where concurrent assignments are held.
 - Director/Audit and Supervisory Committee Member Yoshinori Hara serves 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. There is no special relationship between the Company and the organizations where concurrent assignments are held.
 - Director/Audit and Supervisory Committee Member Yuki Tsuru serves as a 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., and Outside Director, SUGIMOTO & CO., LTD. There is no special relationship between the Company and the organizations where concurrent assignments are held.
 - Director/Audit and Supervisory Committee Member Toru Nakamura serves as the Representative Partner of Japan Creas Tax Corporation, Representative of Corporate Advisers Accounting Co., Ltd., and Representative of Corporate Advisers M&A Co., Ltd. There is no special relationship between the Company and the organizations where concurrent assignments are held.
 - Director/Audit and Supervisory Committee Member Kaoru Katada serves as an Executive Officer of LIFENET INSURANCE COMPANY. There is no special relationship between the Company and the organizations where concurrent assignments are held.
- (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

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(iii) Main activities in the fiscal year

Category	Name	Activities and summary of duties performed in relation to expected role of Outside Directors
Director	Akinori Yamamoto	He attended all the meetings of the Board of Directors 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 a Certified Public Accountant.
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.
Director (Audit and Supervisory Committee Member)	Yuki Tsuru	She attended 7 of the 8 meetings of the Board of Directors (88%) and 7 of the 9 meetings of the Audit and Supervisory Committee (78%) 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.
Director (Audit and Supervisory Committee Member)	Toru Nakamura	He attended all the meetings of the Board of Directors and the Audit and Supervisory Committee held during the fiscal year since assuming office on June 17, 2025. 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 a Certified Public Accountant.
Director (Audit and Supervisory Committee Member)	Kaoru Katada	She attended all the meetings of the Board of Directors and the Audit and Supervisory Committee held during the fiscal year since assuming office on June 17, 2025. 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 legal affairs and risk management.

(4) Accounting Auditor

1) Name of Accounting Auditor

Ernst & Young ShinNihon LLC

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

	Amount of compensation, etc.
(i) Amount to be paid by the Company	56 million yen
(ii) Total amount of money to be paid by the Company and the Company's subsidiaries and other benefits on property	85 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) Description of non-auditing services

The Company pays fees to Ernst & Young ShinNihon LLC for the preparation of comfort letters related to the issuance of corporate bonds.

4) 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.

(5) Policy to determine the distribution, etc., of surplus

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 enhancing internal reserves necessary for capital investment and M&A activities for growth strategies.

Consolidated Financial Statements

Consolidated Statement of Financial Position (as of March 31, 2026)

		(Millions of yen)	
Account	Amount	Account	Amount
ASSETS		LIABILITIES	
Current assets	536,998	Current liabilities	276,876
Cash and cash equivalents	10,336	Trade and other payables	131,965
Trade and other receivables	315,302	Bonds and loans payable	98,554
Inventories	122,415	Income tax payable	5,619
Income tax receivables	250	Other financial liabilities	31,041
Other financial assets	52,379	Provisions	1,934
Other current assets	36,312	Other current liabilities	7,761
Non-current assets	78,390	Non-current liabilities	107,956
Property, plant and equipment	41,800	Bonds and loans payable	84,648
Intangible assets	1,678	Deferred tax liabilities	22,806
Investments accounted for using equity method	31,486	Net defined benefit liability	156
Deferred tax assets	204	Other financial liabilities	289
Net defined benefit asset	224	Other non-current asset	55
Financial assets	2,866	Total liabilities	384,833
Other non-current assets	129	EQUITY	
Total assets	615,388	Equity attributable to owners of parent	230,555
		Capital stock	20,233
		Capital surplus	26,760
		Treasury stock	(1,657)
		Retained earnings	138,497
		Other components of equity	46,721
		Total equity	230,555
		Total liabilities and equity	615,388

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

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Consolidated Statement of Income (April 1, 2025 to March 31, 2026)

(Millions of yen)

Account	Amount	
Revenue		569,992
Cost of sales		(525,170)
Gross profit		44,822
Selling, general and administrative expenses	(9,566)	
Other operating income	873	
Other operating expenses	(898)	
Share of profit of investments accounted for using equity method	1,857	(7,734)
Operating profit		37,088
Finance income	870	
Finance costs	(3,251)	(2,381)
Profit before tax		34,706
Income tax expenses		(10,295)
Profit		24,411
Profit attributable to:		
Owners of parent		24,441
Non-controlling interests		(29)

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

Consolidated Statement of Changes in Equity (April 1, 2025 to March 31, 2026)

(Millions of yen)

	Equity attributable to owners of parent					
	Capital stock	Capital surplus	Treasury stock	Retained earnings	Other components of equity	
					Translation adjustments of foreign operations	Cash flow hedges
Balance at April 1, 2025	7,790	12,080	(6,066)	121,679	474	(9,670)
Profit				24,441		
Other comprehensive income					6,253	49,631
Total comprehensive income	–	–	–	24,441	6,253	49,631
Disposal of treasury stock		2,903	4,382			
Issuance of new shares	12,443	11,697				
Dividends				(7,662)		
Change in ownership interest of parent due to transactions with non-controlling interests		(43)				
Reclassified from other components of equity to retained earnings				38		
Share-based payment transactions		122	27			
Total transactions with owners	12,443	14,679	4,409	(7,623)	–	–
Balance at March 31, 2026	20,233	26,760	(1,657)	138,497	6,728	39,960

(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, 2025	13	–	(9,182)	126,301	47	126,349
Profit				24,441	(29)	24,411
Other comprehensive income	18	38	55,942	55,942	(1)	55,940
Total comprehensive income	18	38	55,942	80,383	(31)	80,352
Disposal of treasury stock				7,286		7,286
Issuance of new shares				24,141		24,141
Dividends				(7,662)		(7,662)
Change in ownership interest of parent due to transactions with non-controlling interests				(43)	(16)	(59)
Reclassified from other components of equity to retained earnings		(38)	(38)	–		–
Share-based payment transactions				149		149
Total transactions with owners	–	(38)	(38)	23,870	(16)	23,854
Balance at March 31, 2026	32	–	46,721	230,555	–	230,555

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

Non-consolidated Financial Statements
Balance Sheet (as of March 31, 2026)

		(Millions of yen)	
Account	Amount	Account	Amount
ASSETS		LIABILITIES	
Current assets	138,858	Current liabilities	43,828
Cash and deposits	6,247	Short-term borrowings	25,000
Accounts receivable - other	754	Current portion of long-term borrowings	17,277
Short-term loans to affiliated companies	114,017	Accounts payable-other	339
Current portion of long-term loans receivable from affiliated companies	18,705	Accrued expenses	530
Other	119	Provision for bonuses	54
Allowance for doubtful accounts	(987)	Provision for directors' bonuses	62
		Provision for management board incentive plan trust	51
		Other	513
Non-current assets	110,234	Non-current liabilities	94,331
Property, plant and equipment	4,856	Bonds payable	45,000
Buildings	1,822	Long-term borrowings	39,700
Structures	3	Provision for stocks payment	47
Tools, equipment and fixtures	8	Provision for management board incentive plan trust	34
Land	3,022	Derivatives liabilities	2,554
		Deferred tax liabilities	6,428
		Other	566
		Total liabilities	138,160
Intangible assets	214	NET ASSETS	
Software	199	Shareholders' equity	110,931
Trademark right	14	Capital stock	20,233
		Capital surplus	43,004
Investments and other assets	105,162	Capital reserve	21,807
Shares of affiliated companies	92,226	Other capital surplus	21,197
Long-term loans receivable from subsidiaries and associates	12,790	Retained earnings	49,350
Other	146	Other retained earnings	49,350
		Retained earnings carried forward	49,350
		Treasury stock	(1,657)
Total assets	249,092	Total Net Assets	110,931
		Total Liabilities and Net Assets	249,092

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

Statement of Income (April 1, 2025 to March 31, 2026)

(Millions of yen)

Account	Amount	
Operating revenue		13,439
Operating expenses		2,527
Operating profit		10,912
Non-operating profit		
Interest income	2,230	
Guarantee commission received	1,168	
Foreign exchange gains	1,390	
Other	42	4,831
Non-operating expenses		
Interest expenses	1,634	
Provision of allowance for doubtful accounts	129	
Loss on derivatives	428	
Other	354	2,546
Ordinary income		13,197
Extraordinary loss		
Loss on retirement of non-current assets	1	
Impairment loss	430	
Other	18	449
Net profit before income taxes		12,747
Income taxes-current	67	
Income taxes-deferred	528	596
Net profit		12,151

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

Statement of Changes in Net Assets (April 1, 2025 to March 31, 2026)

(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, 2025	7,790	9,364	18,109	44,939	(6,066)	74,136
Changes during the period						
Dividends from surplus				(7,741)		(7,741)
Net profit				12,151		12,151
Disposal of treasury stock					27	27
Exercise of share acquisition rights (Delivery of treasury stock)			3,088		4,382	7,470
Exercise of share acquisition rights (Issuance of new shares)	12,443	12,443				24,886
Net changes in items other than shareholders' equity						
Total changes during the period	12,443	12,443	3,088	4,410	4,409	36,794
Balance at March 31, 2026	20,233	21,807	21,197	49,350	(1,657)	110,931

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

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	Share acquisition rights	Total net assets
Balance at April 1, 2025	1,146	75,283
Changes during the period		
Dividends from surplus		(7,741)
Net profit		12,151
Disposal of treasury stock		27
Exercise of share acquisition rights (Delivery of treasury stock)		7,470
Exercise of share acquisition rights (Issuance of new shares)		24,886
Net changes in items other than shareholders' equity	(1,146)	(1,146)
Total changes during the period	(1,146)	35,648
Balance at March 31, 2026	—	110,931

(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, 2026

To the Board of Directors of
ARE Holdings, Inc.

Ernst & Young ShinNihon LLC

Tokyo office

Designated and
Engagement Partner,

Certified Public Accountant

Takamichi
Komiya

Designated and
Engagement Partner,

Certified Public Accountant

Toshiyuki Hioki

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, 2025 to March 31, 2026.

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 and have fulfilled our other ethical responsibilities as an auditor in accordance with the provisions related to professional ethics in Japan (including the provisions applicable to audits of financial statements of public interest entities). 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

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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.

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Independent Auditor's Report

May 19, 2026

To the Board of Directors of
ARE Holdings, Inc.

Ernst & Young ShinNihon LLC

Tokyo office

Designated and
Engagement Partner,

Certified Public Accountant

Takamichi
Komiya

Designated and
Engagement Partner,

Certified Public Accountant

Toshiyuki Hioki

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 17th fiscal year from April 1, 2025 to March 31, 2026, 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 and have fulfilled our other ethical responsibilities as an auditor in accordance with the provisions related to professional ethics in Japan (including the provisions applicable to audits of financial statements of public interest entities). 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.

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 17th fiscal year (from April 1, 2025 to March 31, 2026), 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

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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, 2026

Audit and Supervisory Committee, ARE Holdings, Inc.

Chairman:	Yoshinori Hara
Audit and Supervisory Committee Member:	Yuki Tsuru (current surname: Itami)
Audit and Supervisory Committee Member:	Toru Nakamura
Audit and Supervisory Committee Member:	Kaoru Katada
Full-time Audit and Supervisory Committee Member:	Mitsutoshi Kagimoto

(Note) Audit and Supervisory Committee Members Yoshinori Hara, Yuki Tsuru, Toru Nakamura, and Kaoru Katada are Outside Directors set forth in Article 2, Item 15 and Article 331, Paragraph 6 of the Companies Act.

TOPICS

- **Retail Businesses**

In February 2024, we launched retail sales of gold, silver, and platinum bullion products, and during the fiscal year ended March 31, 2025, we steadily grew our sales performance, supported by increasing asset-building needs and rising precious metal prices.

As geopolitical risks have heightened interest in precious metals as a safe asset, we have also expanded our reach to new customers, including younger generations and those living outside major cities, who were previously less familiar with precious metals, through information dissemination via social media and other channels.

In July 2025, we launched “ASAHI GRELLIA GATE,” a comprehensive information website for precious metals, creating opportunities for potential customers to discover our products and services.

At the same time, through “ASAHI Gold Club,” we released a service that allows customers to safely store their precious metals with us, enhancing customer convenience in precious metal asset building.

In addition to our diverse product lineup on the “ASAHI ONLINE STORE” website, including the unique 1g granule “ASAHI no Mame-kin,” we began offering our products as gifts for the Bando City furusato nozei (hometown tax donation) program starting in April 2026.

We will continue to provide products and services that meet customer needs and work to expand our market.