ARE

Think Circular



INTEGRATED REPORT 2025

ARE Holdings, Inc.

Editorial Policy

This report is created as a way to convey an overall picture of ARE Holdings' business operations and approach in the hopes of helping stakeholders gain a broad and deep understanding of our activities. It focuses on the company's measures to address social issues through its business activities, as well as the kind of value it is working to create. By presenting specific Group activities and initiatives, the report also serves as a company profile.

Guidelines Referenced

- International Integrated Reporting Framework (International Integrated Reporting Council (IIRC, currently the International Financial Reporting Standards))
- Guidance for Collaborative Value Creation (Ministry of Economy, Trade and Industry)
- GRI Standards (Global Reporting Initiative)

Report Period

April 1, 2024 to March 31, 2025

Scope

In principle, this report covers the entire ARE Holdings Group, including ARE Holdings, Inc. and its consolidated subsidiaries.

Numbers and Graphs

The figures shown here are rounded off. Due to this rounding, totals may not agree with the constituent figures shown. The Group adopted the International Financial Reporting Standards (IFRS) in fiscal year 2016, and each financial-related item name basically follows the IFRS guidelines. The financial figures for fiscal year 2015 are also shown based on IFRS.

Note on Future Prospects

In addition to past and current facts about the Group, this report includes forecasts based on strategies, outlooks, and business plans. These forecasts were created based on information available at the time of writing. Therefore, it is important to note that actual performance and results may differ greatly from any forecasts presented here, and depend to a large extent on future changes in the business environment.

The Group Logo

The "A" in ARE stands for Asahi, "R" stands for Resources, and "E" stands for Environment.



The logo directly represents the company name while the "R" incorporates a circular motif.

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ARE Group Way

Why
Our raison d'être

The role and significance of business in society

Purpose

What
Our commitments

Specific commitments to fulfill our Purpose

Goals

How
How we act

Principles guiding employee actions

Values

Making the ARE Group Way the Foundation of Management to Achieve Medium- to Long-Term Plan & Aspiration

The ARE Group Way is the cornerstone of our corporate philosophy, embodying the spirit that has guided our Group since its founding.

We believe that when each employee embraces and practices the Way in their daily work, it drives sustainable business growth and helps us achieve our Medium- to Long-Term Plan & Aspiration.

We align all policies and initiatives to support and encourage every individual—and the organization as a whole—to put the Way into practice.



Purpose

Totally Committed to Protecting the Natural Environment and Preserving Resources

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

Goals

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

Values

Care for Others

We will prioritize safety and health as we respect each other

Take on Challenges

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

Independent Initiative

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

Continuous Improvement

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

Keep Learning

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



Rooted in the ARE Group Way, we foster organizational growth by empowering individual initiative.

Chiaki Omori　Manager of Human Resources Department

ARE Group Way reflects our core values and principles, guiding employees in their daily work. To deepen understanding and embed this mindset, we held workshops for managers, who are key drivers of corporate culture, to help them internalize its philosophy and communicate its intent through dialogue with their teams. Additionally, a handbook outlining expected behaviors and practical examples was distributed to support autonomous practice. Natural conversations referencing the Group Way are increasing on the ground, showing its gradual integration. Moving forward, we will link this initiative to our human resources system, fostering reflection and growth through goal-setting and one-on-one meetings. Our aim is to connect the permeation and practice of Group Way to value creation across the entire organization.



Guided by ARE Group Way, we will continue to take on challenges as one united team.

Kristin Miller　Senior Manager of Human Resources at Asahi Refining USA Inc.

In the U.S., we introduced the ARE Group Way to our employees then provided training to help them understand what each section of the Group Way means and the reasoning behind each piece of the purpose, goals, and values. Each employee was provided with an ARE Group Way card to keep with them, and the Group Way is displayed around the facility. We keep the ARE Group Way top of mind for all of our employees by discussing it frequently, including sharing examples of living the ARE Group Way in the morning production meeting every day called "ARE Group Way Shares" and reviewing it in the quarterly employee meetings. The ARE Group Way is an important way that we keep all of our employees aligned to the same purpose, goals, and values while being spread out around the world.

For over 70 years, our evolution has been driven by the founding spirit of Take on Challenges.

1952

The origin of our challenge: beginnings at Asahi Chemical Laboratory

In 1952, we began our business as Asahi Chemical Laboratory, recovering silver from photographic fixers. We achieved efficient, high-purity silver recycling through electrolytic methods. Against the backdrop of expanding demand for photographic and medical films, we established the foundation for our recycling business and significantly expanded our operations.

1971

Driving environmental innovation and expanding our impact nationwide

In response to stricter pollution control regulations in the 1970s, we obtained Japan's first license from Kobe City in 1975 to detoxify toxic waste liquids from photographic processes. This marked our full-scale entry into the Environmental Preservation Business. We refined our analytical and measurement technologies and expanded our industrial waste treatment operations. By establishing sales bases nationwide, we grew to become a pioneer in realizing a recycling-oriented society.



Equipment for Detoxification

Taking on new frontiers through diversification and global expansion

In addition to silver recycling, we expanded our scope to dentistry, jewelry, and electronic materials, driving diversification. We also entered the Asian market, establishing a foothold for future global expansion. The flexibility and commitment to technological innovation cultivated during this period paved the way for our subsequent dramatic growth.



Acid Stripping Facility for the Precision Cleaning Operations

1952 Asahi Chemical Laboratory founded in Joto-ku, Osaka City
Launched silver recycling business from photographic fixers
1964 Became *kabushiki gaisha* (stock-based company)



1972 Equipment for detoxification of photographic effluents installed at the Kobe Plant
1974 Fukuoka sales office opened
Sales offices began to be established across Japan
1975 Compact electrolytic silver collection equipment "PLATA" developed
Industrial waste disposal license acquired from Kobe City (detoxification of photographic effluent containing harmful substances)



"PLATA" Series

1978 Head Office building completed in Higashi-Nada-ku, Kobe City
Registered as an environmental measurement certification office
1982 Precious metals recycling business launched in the dentistry sector
1984 Precious metals recycling business launched in the plating solution sector
1986 Precious metals recycling business launched in the electronics and jewelry sectors
Compact electrolytic gold collection equipment "ZIPANG" developed
1990 Entered environmental preservation businesses beyond photographic effluents
1994 ASAHI G&S SDN. BHD. established in Malaysia

1996

Advancing to the next stage: public listing and stronger group management

The company went public in 1999, achieving listing on the Tokyo Stock Exchange Second Section in 2000 and the First Section in 2002. With growing trust from capital markets, we strengthened our governance and technological capabilities, while expanding into new sectors such as automotive catalysts and precision cleaning. We also established an environmental business company and transitioned to a holding company structure in 2009, laying the foundation for integrated group management.



Initial Public Offering (IPO) in 1999

2012

New philosophy, global expansion—a leap forward

In 2012, we established "The Asahi Way," codifying our employees' values. In 2015, we acquired gold and silver refining operations in North America, propelling us into a global recycling and refining company. In 2023, we changed our company name to "ARE Holdings," and in 2024, we formulated a new management philosophy, the "ARE Group Way," strengthening our foundation for the next stage of growth.

ARE
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Our New Logo



2025

Taking on the future: advancing a circular economy

Based on our purpose of "Totally Committed to Protecting the Natural Environment and Preserving Resources," we are accelerating initiatives toward our Medium- to Long-Term Plan & Aspiration for 2030. Through further evolution of precious metals recycling and enhanced global expansion, we will continue working toward the realization of a circular economy.

1997 Company name changed to Asahi Pretec Corp.
1998 Headquarters operations transferred to Chuo-ku, Kobe City
Technical Research Center opened in Nishi-ku, Kobe City
1999 Initial public offering (IPO) in 1999
2000 Listed on the 2nd Section of the Tokyo Stock Exchange
2002 Promoted to the 1st Section of the Tokyo Stock Exchange
2003 Precious metals recycling business launched in the automotive catalyst sector
2006 Asahi Pretec Korea Co., Ltd. established
2009 Asahi Holdings, Inc. established
2011 Precious metals recycling business launched in the e-scrap sector
Precious metals recycling business launched in the precision cleaning sector
2012 The Asahi Way established
Selected for inclusion in an ESG index by the Tokyo Stock Exchange
2015 Transitioned to a company with an Audit and Supervisory Committee system
Nominating and Compensation Committees established
Performance-based stock-option system introduced
U.S. and Canadian gold and silver refining subsidiaries acquired from Johnson Matthey (U.K.), and Asahi Refining USA Inc. and Asahi Refining Canada Ltd. established
2016 International Financial Reporting Standards (IFRS) adopted
2017 Capital increased through new share issue
2018 The Asahi Way underwent comprehensive revision
2021 Asahi Depository LLC established
DXE INC. established
2022 Transferred to the Tokyo Stock Exchange Prime Market
2023 Construction of the Bando Plant in Bando City, Ibaraki Prefecture completed
Company name changed to ARE Holdings, Inc.
ASAHI METALFINE, Inc. established
2024 ARE Group Way established
Reorganized industrial waste management business (share exchange conducted between Japan Waste Corporation and RENATUS Co., Ltd.)
Asahi Pretec Corp. established Asahi Pretec (Thailand) Co., Ltd.
2025 Asahi Pretec Corp. established Asahi Pretec India Private Limited

We deliver value to society by leveraging competitive advantages accumulated over our long history.

ARE Holdings upholds "ARE Group Way" as its corporate philosophy under the purpose of "Totally Committed to Protecting the Natural Environment and Preserving Resources." Building on a challenge-oriented philosophy and our long-cultivated strengths, we create sustainable value and a resilient business model. Through our operations, we promote industrial sustainability and reduce CO_2 emissions, contributing to the realization of a circular society.

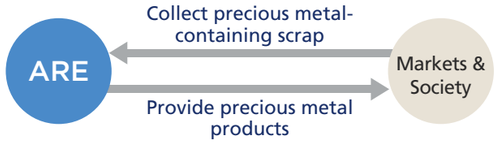
Business Overview

Value Creation

Precious Metals Business

Precious Metals Recycling Business

We collect and recycle precious metal-containing scrap generated across various industries. We recover and refine gold, silver, platinum, palladium, and other precious metals into critical products for manufacturing.



High-precision assay
+
Maximized efficiency in collection and refinement
+
Nationwide sales network in Japan
=
Competitive advantage

North American Refining Business

We refine gold and silver sourced directly from mines in the U.S. and Canada. We also provide financial services, manufacture high-value-added products, and store precious metals in an advanced, secure warehouse.



High-precision assay
+
Largest refining capacity and client network in North America
+
Diversified business portfolio
=
Competitive advantage

Advancing a circular society
Fostering industrial development
Reducing CO_2 emissions

Ensuring a stable supply of precious metals
Delivering high-value-added products and services
Enabling seamless, efficient trade

Environmental Preservation Business

Environmental Preservation Business

We provide a digital platform for industrial waste management companies to streamline their disposal operations.



Extensive, long-standing expertise in industrial waste management
+
Specialized digital services for DX
+
DX service infrastructure built on rich transaction data
=
Competitive advantage

Operational efficiency through the digital transformation of waste-management operations
Addressing labor shortages
Enhancing operational safety

Our Strengths

Care for Others



Preserving Trust and Connections

A trusting relationship with all members has undoubtedly supported the development of our company. We have gone through several phases: beginning as a family-run business focused on personal ownership (“My Company”); evolving into a business centered on communal ownership (“Our Company”), where we worked with all members to create new ventures in response to various changes; and finally transforming into a publicly listed company with external ownership (“Your Company”), placing a strong emphasis on all shareholders and other stakeholders.

Throughout this journey, we have actively recruited a diverse workforce with an eye toward future globalization. At the same time, we have upheld a strong sense of mission and high ethical standards by promoting “The Asahi Way,” which consolidates our management philosophy and code of conduct, reflecting our traditional values. These values have now been passed down to the newly formulated “ARE Group Way.”

At the same time, we have strengthened our sustainable relationship with members by improving compensation through fair and impartial evaluations and a performance-based system. Additionally, we introduced internal feedback systems and satisfaction surveys, paying close attention to job satisfaction and work-life balance. Hoisting “Care for Others” as the foremost value in ARE Group Way demonstrates our commitment to prioritizing physical and mental health. It is our collective of employees, who strive for mutual prosperity and business development, that forms the foundation for overcoming the challenges posed by changes in the business environment.

Strengths Rooted in ARE’s History

Eight Factors Supporting Value Creation

Ability to Adapt to Change

By paying close attention to the business environment and lifecycle and by practicing flexible thinking, decisive action, and quick decision-making, we have built original business models and quickly exited businesses in decline. With the ability to respond in this manner, we will continue to maintain growth.

Industry-Leading Unique Technologies

We are proud of the original technologies we have developed. These include the following technologies: recovering precious metals with high efficiency, advanced assay capabilities, and product development based on accurately ascertaining customer needs. Through constant research and development, the Group continues to enhance its unique technologies in each of its business fields.

Shared Sense of Value

The Group’s growth has been driven by our members, who embody the groupwide values of ARE Group Way. Our members prioritize caring for people and embrace the spirit of taking on challenges. We actively invest in our human resources to continue building an organization with a shared sense of values.

Good Relationships with Stakeholders

We actively engage in dialogue with investors and listen to our customers and business partners to strengthen governance and develop our products and services. We value our mutual trust with our employees and the local community as we work to increase our long-term corporate value.

Management Capabilities for the Regeneration of Business

Over the past 20 years, we have brought more than 20 companies into the Group through M&A, and we have improved corporate management. Thanks to our flexible management capabilities matched to specific business environments, nearly all of our companies perform better than they did prior to joining the Group. We will continue to improve performance.

Trusted Asahi Brand

The Group’s precious metal products are highly regarded throughout the world for their reliable quality. We are committed to building a trusted Asahi brand by continuing to provide high-quality products and services in all of our businesses.

Globally Expanding Network

Since establishing a local subsidiary in Malaysia in 1994, we have expanded into other Asian countries, with a primary focus on South Korea. In 2015, we acquired a refining business in North America through an M&A, globally expanding our target customer base.

Substantial Market Share

Our highest priority is to satisfy our customers and business partners, and we have worked hard to improve our products and services. Our sales and technical capabilities that meet a wide range of needs have earned us the trust of our customers and enabled us to acquire a strong market share.

Take on Challenges



Putting the Scrap and Build Business Approach into Practice

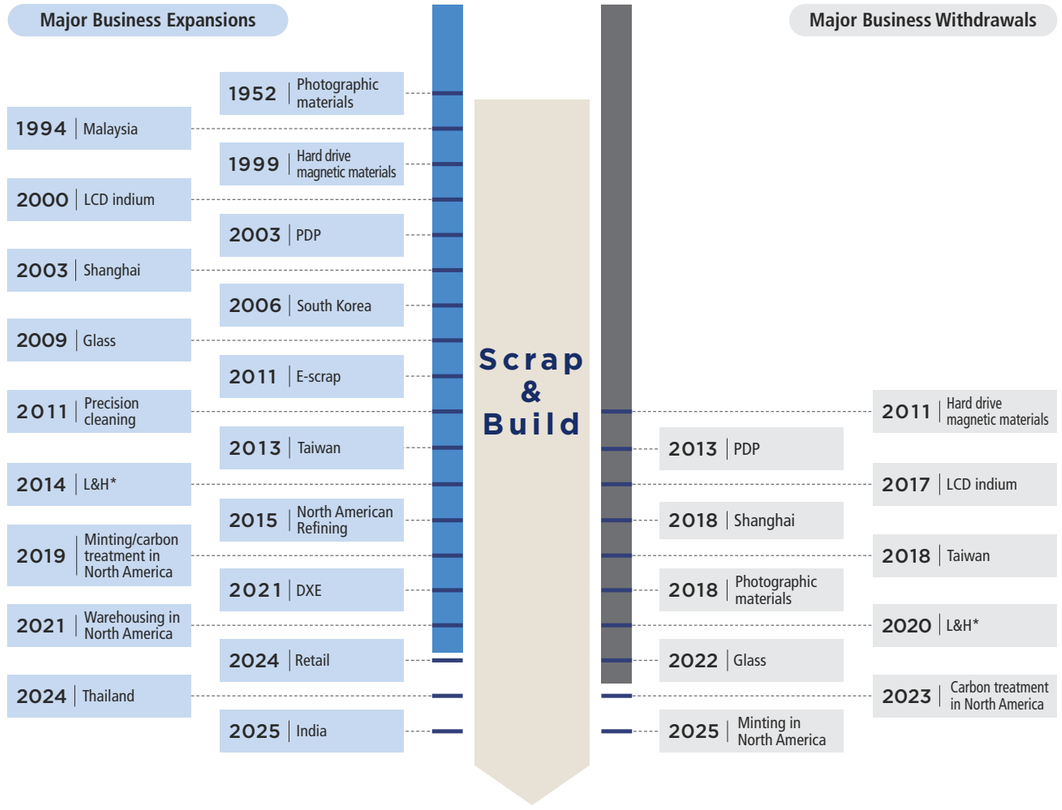
Since our founding in 1952, we have consistently promoted businesses that contribute to the creation of a circular society, and we have now developed into a company that operates on a global scale.

Looking back on our company’s history, our journey has been a series of “Take on Challenges.” Our roots lie in the original business of recycling silver from photographic fixers. In 1975, we became the first company in Japan to obtain an industrial waste disposal license from Kobe City, which is a license for detoxifying waste photographic fluid containing hazardous substances. This was the turning point for our business to expand nationwide.

Since then, while managing to overcome various difficulties, we have taken on the challenge of creating new businesses and expanding into new areas. We have expanded the scope of our precious metals recycling to metal types beyond silver by collecting recyclable materials from various industrial sectors, such as dentistry, jewelry, electronics, and catalysts. In addition, we have acquired more than 20 companies over the past 20 years, primarily in the Environmental Preservation Business. We have also obtained a North American refining company in a major acquisition, transforming our business portfolio. On the other hand, we did not hesitate to exit from businesses that we determined should not be continued from the perspectives of profitability, growth potential, and synergy. Our withdrawal from the photographic materials business and the Life & Health Business Segment, which were profitable at the time of withdrawal, are two such examples. Over the past 70 years since our founding, our Scrap and Build approach to business has allowed us to take on challenges.

Promoting Business Reform with an Emphasis on Speed

* Life & Health Business Segment



Value Creation Process

Over the years, we have achieved both business growth and solutions to social issues in our mission to be a leader in creating a circular economy that connects society to the environment.
Moving forward, we will strive to maximize the value created by our business activities.

Inputs

Long-Cultivated Management Resources Built on Assay Technology

Value-Creation Drivers

Totally Committed to Protecting the Natural Environment and Preserving Resources

- Sales professionals
- Highly efficient precious metals recovery technology
- A unique North American business portfolio
- Extensive expertise in industrial waste management

Financial Capital

Total capital
126.3 billion yen

Production Capital

Domestic sites
23
Overseas sites
13

Human Capital

Employees
979
Technical specialists
156

Intellectual Capital

Assay technology
Refining technology
Recycling technology

Raw Materials

Precious metal-containing scrap, doré (unrefined gold and silver bars), etc.

Natural Capital

Business Activities

Profitability Powered by New Market Development and Global Expansion

Medium- to Long-Term Plan & Aspiration

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

Promoting Environmentally Conscious Resource Recycling

×

Five Strategic Issues

Strengthen the business foundation to enhance profitability
Expand into new areas in the Precious Metals Business
Further promote globalization
Develop human resources to support business growth
Optimize the balance sheet

Precious Metals | North American | Environmental

Outputs

Enhancing Delivery of Environmentally Friendly Recycled Precious Metals

Solving Social Issues through Business Activities

Green Gold | Various Precious Metal Bullion | DXE Station

Material Issues

- Expand Precious Metals Recycling
- Supply Precious Metals in Ways That Are Friendly to People, Society, and the Environment
- Reduce CO_2 Emissions
- Enhance Work-Life Balance and Employee Diversity

Outcomes

Contribution to the Realization of a Circular Society

Social Value

Vision for 2030

Total volume of recycled precious metals	300 tons
CO_2 reduction effect	837 thousand t-CO_2

Shareholders and Investors

Improving corporate value over the medium to long term
Continuous and stable shareholder returns

Business Partners

Supplying precious metals in ways that are friendly to people, society, and the environment
Digital transformation for industrial waste management operations

Employees

Achievement rate for rest intervals of at least 11 hours	100%
Percentage of female employees in managerial positions	7.0%
Percentage of employees with disabilities	Meet or exceed the statutory employment rate
Annual paid leave utilization rate	70%
Percentage of male employees taking childcare leave	100%

Local Communities

CO_2 emissions (Scope 1 and 2) -42% compared to FY2023

Economic Value

Performance Goals for 2030

Revenue	540.0 billion yen
Operating profit	38.0 billion yen
ROE	13 %
Equity ratio	50-60 %

Enhancing Corporate Governance

Strengthening Human Capital Management

Reinvestment and Allocation of Capital

Social Changes

Increasing diversity in social values | Aging population | Growing environmental concerns | Digital transformation | Public health risks from infectious diseases



Tomoya Higashiura

Representative Director,
President & CEO

We strive to address social challenges through our business activities and contribute to the creation of a circular society.

ARE's Business Portfolio and Core Strengths Built Over Time

Building distinctive strengths over the long term through resource recovery and environmental preservation

ARE Holdings (ARE) has pursued sustainable growth and social contribution through its dual pillars of precious metals and environmental preservation businesses.

In 1952, we began operations recovering waste materials from processes such as photographic development. The origins of our two current core businesses lie in this founding endeavor.

One was silver recovery from photographic fixers. This was the starting point of our resource-circulation efforts and evolved into today's Precious Metals Business, with recycling at its core. The other was the detoxification of toxic waste liquids. Photographic developing solutions and similar materials contain hazardous substances requiring proper treatment before they can be returned to the natural environment. This led to today's Environmental Preservation Business, which handles industrial waste.

In our Precious Metals Business, we anticipated early that the market for photographic developing effluents would shrink with the advent of digital cameras. Consequently, we broadened our business into the dentistry, electronics, jewelry, and catalyst sectors. At the same time, our sales and manufacturing divisions worked closely together to develop in-house technologies and operations to recover not only silver but also gold, platinum, palladium, and their alloys.

In our Environmental Preservation Business, the enforcement of the Waste Management and Public Cleansing Act, together with subsequent amendments, has progressively tightened waste-treatment regulations aimed at reducing environmental impact. We have stayed ahead of these developments, adapting proactively and expanding our business across all industry sectors.

Since our founding, we have consistently fulfilled two vital roles: recovering valuable resources and reducing the burden on the global environment. These principles are ingrained in our DNA and form the bedrock of our management. Over many years of steady effort, we have built distinctive competitive strengths that enable us to outperform our peers.

Our business does not source pre-standardized materials or components, but rather waste materials from factories, distribution centers, and medical facilities. We must accurately understand the diverse compositions and characteristics of these materials. This principle applies equally to both precious metals recycling and industrial waste processing. Absent this capability, neither efficient resource recovery nor effective detoxification is possible, and the risk of plant incidents and environmental contamination increases.

Particularly in the precious metals recycling business, it is essential to return the value of recovered materials to our clients. To achieve this, we must accurately assess value through rational sampling and assay of the recovered materials. Furthermore, depending on their properties, forms, and quantities, we must combine a range of processes such as extraction, dissolution, and roasting, and sequence them appropriately. Without this, high-efficiency recovery is not achievable. Such process optimization is far from simple, and there are no textbooks from universities or research institutions. Through repeated trial and error across our technical teams and the factory floor, we have independently built up practical knowledge to maximize actual yields relative to theoretical content while minimizing recovery lead times and costs. This is the core of our competitive advantage.

Furthermore, since our founding, we have placed great importance on serving clients directly. All business with factories and medical institutions are handled exclusively by our own employees; we do not rely on third-party vendors or agents. Precious metals, as their name implies, are noble and highly valuable resources. Therefore, we must thoroughly understand how they are preserved or lost across manufacturing processes using precious metals, or during the use of precious metal products, and provide responsible, expert advice. Moreover, given the daily volatility in precious-metal prices, we must support transactions tailored to each client's activities. For these reasons, our in-house employees—recruited and continually trained by ARE—build enduring trust with clients. They develop a deep understanding of our clients' businesses and challenges, enabling them to deliver meticulous service with deep expertise. This is another core strength of our Company.

Purpose-Driven Management

Our purpose and the path to a new industrial society

A widely used framework likens overall industrial activity to the blood circulation of vertebrates: sectors that transform natural resources into products are termed "arterial industries,"

whereas those that detoxify or reuse waste generated during production and consumption are known as "venous industries." Two companies from the venous industries, including ours, serve as Governing Board members in the "Circular Partners" (CPs) initiative, which was established in 2023 by the Ministry of Economy, Trade and Industry (METI) in cooperation with the Ministry of the Environment. At an early CPs meeting, it was stated that "the transition to a circular economy is a national strategy." This statement underscored the significant responsibility that venous industries bear in contributing to both society and the nation.

The circular economy and carbon neutrality are the two pillars of the European Green Deal. I believe that the circular economy must be achieved in tandem with carbon neutrality; otherwise, neither goal will be effective in practice. Precious metals recycling is integral to this, supporting the circular economy while also making a substantial contribution to carbon neutrality.

In the last fiscal year, ARE produced 39 tons of gold through recycling in Japan and Asia. We expect to achieve a similar level of production this fiscal year. This represents approximately six times the annual output of the largest gold mine in Japan, achieved through hydrometallurgical recovery processes that consume almost no fossil fuels. Our CO_2 emissions are one-fiftieth, or just 2%, of those from mining an equivalent amount. Producing 39 tons via recycling rather than mining is equivalent to reducing CO_2 emissions by the amount that would be absorbed by a forest with an area about one-third that of Lake Biwa (Japan's largest freshwater lake with an area comparable to that of Singapore).

Hydrometallurgical recovery relies primarily on acidic solutions rather than combustion-based processes. While some steps generate nitrogen oxides (NOx), these are contained within the plant and reprocessed in a closed loop, dissolved in water, and reused as nitric acid, thereby preventing releases to the atmosphere and associated climate impacts. These practices are not a peripheral social contribution; they are diligently carried out as an integral part of our day-to-day core operations. In 1978, amid a period of business expansion, we adopted "Totally Committed to Protecting the Natural Environment and Preserving Resources." Though nearly half a century ago, it remains our purpose today. Since the early 2000s, as climate change and resource dependence have come to be recognized as serious global challenges, we have increasingly seen our purpose aligning with the societal goals articulated in initiatives such as CPs.

Overview of Precious Metals Business

Overall performance remains strong in Japan and overseas; we have established a firm foundation to deliver on our vision

Precious Metals Recycling Business

The following provides an overview of the main business sectors of our precious metals recycling business.

The dentistry sector continues to expand its already substantial market share. It dominates its competitors through tangible and intangible resource advantages. Our sales teams propose sourcing raw materials from parts where even trace amounts of precious metals may remain, while our plants efficiently recover these metals based on their specific content. To meet the diverse needs of our clients who provide raw materials containing precious metals, we have enhanced the Asahi Metal Account, our digital client portal.

The electronics sector has returned to growth. We believe this recovery is driven by the spread of digital transformation (DX) and artificial intelligence (AI). Demand is rising for the data centers that support these technologies, as well as for end-user devices—such as smartphones and PCs—whose utility has been amplified by DX and AI. As a result, our business opportunities are expanding across manufacturing lines for electronic components and modules that enable the computational power required by large-scale language models and similar technologies. Our market share continues to increase steadily.

The jewelry sector continues to perform strongly. Leveraging the scale and efficiency of the first phase of the Bando Plant, completed in fiscal year 2022, the sector delivered rapid growth. In the current fiscal year, we are prioritizing optimization of the product mix to further enhance profitability. While maintaining the scale of collection that conserves natural resources, we are steadily increasing the sector's contribution to earnings.

The catalyst sector has come under pressure. While performance in chemical-related catalysts remains relatively stable, competition in automotive-related catalysts has intensified. To this end, we are rebuilding our competitive advantage, with the second phase of the Bando Plant, completed this spring, serving as the hub of these efforts. The efficiency of catalytic-converter dismantling has improved significantly. Furthermore, by consolidating processes previously dispersed across Japan in the Bando area, we have streamlined the value chain. We also plan to introduce innovative processes to increase recovery yields and reduce both costs and lead times in catalyst recycling.



North American Refining-Related Business

Our North American refining operations began in March 2015 following our acquisition of this business from Johnson Matthey, a U.K.-based multinational corporation. We operate refining facilities in Utah, U.S., and Ontario, Canada—the largest in their respective countries. The years following the business transfer brought a period of earnings pressure. To address this, we built a diversified business model centered on refining, integrating product processing, warehousing, and financing businesses. This integration and the interplay among these functions have expanded our earnings potential.

The product business has benefited from heightened two-way flows of precious metals into and out of the United States, which have created attractive revenue opportunities. To briefly supplement: the London Bullion Market Association's standard for gold is approximately 400 troy ounces (about 12.5 kg), whereas the Commodity Exchange (COMEX) standard for gold is 100 troy ounces (about 3.1 kg). Financial institutions and others also offer gold products, such as kilo bars (1 kilogram), for investment and wealth management purposes. Our Company earns fee income by processing products tailored to the diverse needs of these markets.

The warehousing business, launched just two years ago in the suburbs of New York City, will achieve profitability this fiscal year. This COMEX-licensed depository stores precious metals



that serve as the underlying assets for COMEX futures deliveries. Gold and silver stored at our warehouse change ownership in accordance with COMEX transactions, and we earn recurring storage fees from the current owners. We also receive withdrawal fees when metal is shipped from the warehouse.

The financing business, particularly trading, is performing exceptionally well, with strong prospects for the future. In March 2021, we opened a dedicated trading office in Toronto's financial district. We earn fee income by leveraging financial expertise, including by providing hedging solutions to mitigate downside price risk on sales of refined gold and silver, at the request of clients such as mining companies for whom we provide refining services. Arbitrage is a particularly important source of earnings. For instance, temporary price discrepancies can arise between gold markets worldwide, despite gold theoretically having a uniform value. Our strategy is to buy in the lower-priced market and sell in the higher-priced one to capture the spread. In fiscal years 2025 and 2024, significant price differentials repeatedly arose between the New York futures market and the London market, driven by volatility stemming from U.S. tariff policies. Fiscal years 2022 and 2021 presented similar opportunities as disruptions in gold and silver logistics during the COVID-19 pandemic.

Our Strategy and Vision

Beyond the world's largest gold mine—strengthening the global resource circulation

Vertical and Horizontal Growth

In our precious metals recycling business, we are pursuing vertical and horizontal growth.

Our vertical growth strategy aims to capture new markets through technological development. We are strengthening R&D related to precious metals recycling at our Technical Research Center in Kobe City, deploying the results at the newly completed first and second phases of the Bando Plant. This is our primary strategy for enhancing competitiveness. We currently identify electric vehicles (EVs), pharmaceuticals, and hydrogen and ammonia production as our next target markets.

The use of precious metals bears a systematic relationship to the performance requirements of industrial products. In the early stages of product development, particularly for those involving electronic circuits, the use of precious metals is subject to few constraints because achieving target performance takes precedence. However, as products become commoditized and price competition intensifies, continued reliance on precious metals is often limited by cost considerations. Our strategy focuses on sectors where the functional value of precious metals clearly justifies their cost. These include electric vehicles, which require highly reliable, fail-safe circuits to protect lives; financial terminals, which demand precision to protect assets; pharmaceutical manufacturing, which requires stable catalysts for consistent chemical reactions; hydrogen and ammonia production, where high-efficiency electrodes enable clean energy production. As demand for precious metals grows in circuits, catalysts, and electrodes, we are positioned to expand our collection volume and extend our capabilities to include new elements such as iridium and ruthenium.

Our horizontal growth strategy focuses on geographic expansion. By scaling our successful Japan-based precious metals recycling model internationally, we will drive overall business growth. Over the next decade, we expect Southeast Asia and South Asia to become global growth hubs and will prioritize these regions in our horizontal expansion. The ongoing supply chain realignment, driven by recent U.S.-China tensions, will likely position Southeast Asia and South Asia as increasingly vital regions from an industrial location perspective.

In addition to our existing sites in South Korea and Malaysia, we established a local subsidiary in the suburbs of Bangkok, Thailand in October 2024, and plan to launch a factory there in spring 2026. Furthermore, leveraging the Indian government's vehicle scrapping policy, we established a local subsidiary for automotive catalyst collection in the suburbs of Delhi, India, in June 2025. We plan to establish additional sites across ASEAN and will accelerate these initiatives.

Capturing Green Value

We will intensify our efforts to effectively convey the social impact of recycling-based production and to translate that impact into economic value. This is a common theme across our operations in Japan, Asia, and North America.

The value creation process of our precious metals recycling business once ended with collecting raw materials and producing high-purity bullion. Today, it extends beyond bullion output. This shift has been catalyzed by new demand from leading European luxury jewelry houses, which have adopted policies to prioritize recycled materials in their precious metal products and effectively incorporated this approach into their brand identity. Just as Kyoto-made textiles are featured in European luxury fashion, our precious metals are now widely used as high-end ornamental applications. The brands have not only shifted their sourcing of precious metals from mines to recyclers but have also attached a "green premium" to recycled precious metals. In other words, recycled (secondary) precious metals are now priced higher than mine-sourced (primary) precious metals. Consequently, profitability has strengthened, and we have been able to expand the scale of our collection activities.

Our North American refining business has been on a steady upward trajectory in recent years, becoming a significant driver of profit growth. At the same time, we recognized the importance of aligning this success with our corporate purpose and our sustainability commitments. To ensure that our values are embedded across the business, we implemented an integration initiative responsive to rising societal expectations for environmental responsibility. The "green premium" once again proved catalytic. Building on this momentum, we installed dedicated recycling lines at our North American refining facilities, intensified the collection of jewelry scrap from major cities such as New York and Los Angeles, and increased output of recycled precious metals eligible for that green premium.



This fiscal year, recycled gold production in North America is expected to exceed 50 tons. For the first time, this will surpass Japan's domestic recycled gold production. Furthermore, across Japan, Asia, and North America, combined recycled gold production this fiscal year is expected to exceed 80 tons. This would exceed the annual output of Nevada Gold Mines, the world's largest gold mining complex.

We will continue to further strengthen sales expansion to earn green premiums at our sites around the world. Since last year, we have been supplying recycled palladium and platinum to the Japanese automotive industry, at prices reflecting a premium. Platinum and palladium are precious metals that are critical to industrial applications, yet their primary sources are heavily concentrated in countries exposed to geopolitical risks. As a result, domestic recycling is widely regarded as a key contributor to supply chain stability from the standpoint of economic security. We see this as another important factor that enhances our value proposition in the Japanese market.

To Our Stakeholders

Maintaining capital efficiency through Scrap and Build, relentlessly pursuing the value society demands

For the fiscal year ended March 2025, our sales revenue reached 506.211 billion yen (+57.1% YoY), operating profit was 19.984 billion yen (+61.6% YoY), and pre-tax profit was 20.483 billion yen (+64.8% YoY). Net income attributable to owners of the parent was 14.319 billion yen. In March 2025, the Company exited the minting business, which produced small bars and coins and was part of the product business of its North American refining operations. Following prolonged market weakness since the latter half of 2023, the Company closed its minting facility in Florida, U.S., and recorded impairment losses on related fixed assets. However, the precious metals recycling business, primarily operated domestically in Japan, is largely on track for recovery. Excluding the minting business, the North American refining business performed well, enabling the Company to achieve increased revenue and profit on a consolidated basis. We plan to further enhance performance in the fiscal year ending March 2026.

As a side note, during the fiscal year ended March 2023, we withdrew from the precision casting business in North America, which produced industrial components using aluminum and other materials. This business, which was part of the original North American refining acquisition, consistently generated profits annually. However, it lacked synergies with our core refining operations. Consequently, we sold this business's facility in Ontario, Canada, close to the U.S. border. This occurred at a time when the imposition of tariffs on industrial material imports from Canada to the U.S. was utterly unforeseeable.

Meanwhile, we have launched a new retail business targeting individual customers as a fresh challenge. By offering high-purity bullion and its processed products, alongside bullion storage and buyback services, we are establishing a system that supports users' asset building while enabling resource circulation. This initiative extends the trust and quality we have cultivated to individual customers, and we believe it will also contribute to the realization of a sustainable society.

We believe that while continuously reviewing our business structure to improve performance, we must also steadfastly protect what people rightfully expect for the future. The Earth cannot endure unless we accelerate resource circulation and decarbonization. If it cannot endure, human society naturally cannot endure either. To prevent this, we must preserve natural and social capital. The tagline beneath our ARE logo is "Think Circular." We will advance while keeping circularity constantly in mind, balancing impact and profit. We sincerely hope for the continued understanding and support of all our stakeholders. Thank you very much.





Asahi 10 oz Gold Bar
Metal: Gold
Design: Asahi
Weight: 10 Ounce
Dimensions: 77×36×7 (mm)

Asahi 1 Kilo Silver Bar
Metal: Silver
Design: Asahi
Weight: 1,000 Grams
Dimensions: 122 x 56 x 8.9 (mm)

Asahi 100 oz Gold Bar
Metal: Gold
Design: Asahi
Weight: 100 Ounce
Dimensions: 166 x 61 x 17 (mm)

Asahi 100 oz Silver Bar
Metal: Silver
Design: Asahi
Weight: 100 Troy Ounces
Dimensions: 178 x 77 x 22 (mm)

As a Leader in Creating a Circular Economy

In April 2024, we announced our Medium- to Long-Term Plan & Aspiration for 2030. This vision directly addresses two major challenges facing modern society: the establishment of a circular economy and the achievement of carbon neutrality. We will proactively address each strategic theme and contribute to solving social issues through business development.

Backcasting to derive social issues

Our
Medium- to Long-Term Vision
& Aspiration

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

Our Mission

Promote resource circulation in consideration of the global environment

Decarbonization-oriented waste management

Where we stand today

Forecasting from our strengths and business trends

Fusion of Social Issues and Business

Our business areas are closely linked to the urgent societal issues at hand such as resource recycling and decarbonization. By leveraging our strengths such as high-precision assay and recovery technologies to further develop and promote our businesses (Precious Metals Business and Environmental Preservation Business), we aim to realize our vision of becoming a leader in creating a circular economy that connects society to the environment.

Strategic Issues

1	Strengthen the business foundation to enhance profitability
2	Expand into new areas in the Precious Metals Business
3	Further promote globalization
4	Develop human resources to support business growth
5	Optimize the balance sheet

Mission and Strategies

Promoting resource circulation and decarbonization-oriented waste management with consideration for the global environment is our key mission. To fulfill these objectives, we actively engage with our current strategic themes and aim for sustainable growth to achieve our ambitious performance targets for fiscal year 2030. Through this medium- to long-term vision, we will balance enhancing corporate value with fulfilling our social responsibilities, contributing to the creation of a sustainable future.

Performance Targets: Revenue and Operating Profit

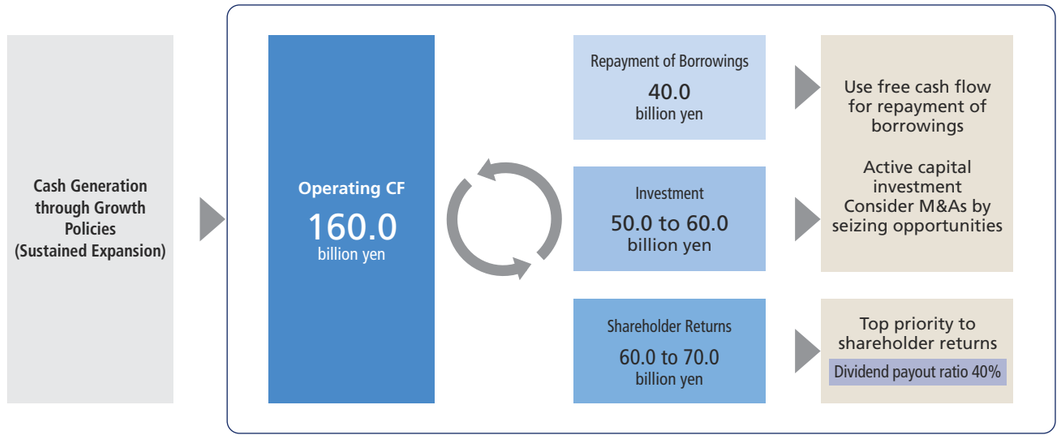
	FY2023 Results	FY2024 Results	FY2025 Forecasts	FY2030 Targets
Revenue	322.3 billion yen	506.2 billion yen	448.2 billion yen	540.0 billion yen
Operating Profit	12.4 billion yen	20.0 billion yen	22.0 billion yen	38.0 billion yen

Financial Policies

We expect to generate 160 billion yen in operating cash flow over the seven-year period from fiscal year 2024 to 2030, the Medium- to Long-Term Plan & Aspiration period. This will be driven by steady execution of our strategic vision and enhanced cash generation through improved profitability, global expansion, and new business development. Our cash allocation policy prioritizes shareholder returns alongside growth-supporting investments. Based on simulations using our long-standing guideline of a 40% dividend payout ratio, we plan to allocate 60-70 billion yen for shareholder returns. Additionally, with M&A in mind to support growth, we anticipate allocating 40 billion yen toward debt repayment. Shareholder returns remain our top priority, aligned with investments that support profitability and strengthen our business foundation. Surplus funds will be allocated to M&A and dept repayment.

	FY2023	FY2030 Targets
ROE	9.4%	13%
Equity ratio	39.8%	50% – 60%

ROE: Calculated by excluding the effect of share exchange gain.



Basic Policy on Shareholder Returns

The Group's policy is to maintain a stable dividend **payout ratio of 40%** while ensuring sufficient internal reserves to support its growth strategy, including capital investment and M&A activities.

Progress toward the Medium- to Long-Term Plan & Aspiration (FY2024-2030)

Strategic Issues

Achievements and Future Direction

1 Strengthen the Business Foundation to Enhance Profitability

To achieve sustainable growth, we aim to enhance the profitability of our existing businesses. By actively promoting the introduction of new technologies and digitalization, we will improve the competitiveness of our services and processes. Additionally, we will strengthen our business foundation through new capital investments to enhance productivity and enable flexible responses to market changes.

We established a specialized team within the facilities department to advance automation utilizing AI, ICT, and RPA. This team has implemented automated equipment across the entire process—from raw material intake and transportation to production. Moving forward, we plan to expand the team by gathering talent from diverse fields, and will continue pursuing further automation and systemization of our production facilities.

2 Expand into New Areas in the Precious Metals Business

In the Precious Metals Business, we will actively explore new market opportunities to accelerate growth and enhance sustainability. We will particularly strengthen our operations in growth sectors such as electronics and semiconductors, and catalysts. Aiming to secure new revenue sources beyond traditional frameworks, we will promote challenges in new areas.

With growth in the electronic semiconductor and catalyst industries, demand for products leveraging the properties of platinum group metals is rising, reflected in increased production and distribution volumes. In response, we have introduced advanced processes and equipment for in-house production, improving refining efficiency and expanding production scale. Looking ahead, we will continue to monitor market trends while investing in emerging areas.

3 Further Promote Globalization

We will accelerate our global expansion by exploring business opportunities in new countries and regions. In addition to further strengthening the operations of our overseas bases in Asia and North America, we will enhance the development of our precious metals recycling business in Southeast Asia.

In October 2024, we established a local subsidiary in Thailand, followed by another in India in June 2025. As a result of strengthened personnel training for overseas operations—both internally and externally—we have already begun to see an increase in the intake of precious metal scrap from overseas. We are also focusing on technological improvements at our overseas subsidiaries, fostering a system capable of supporting future new business initiatives.

4 Develop Human Resources to Support Business Growth

To support business growth, we emphasize investment in human capital. We aim to create an environment where diverse staff members can thrive while balancing work and life by promoting diversity, equity, and inclusion, as well as by implementing health and productivity management as the foundation for our human capital management.

We are addressing both structural and cultural aspects of the workplace to foster an environment where diverse talents can thrive and to implement a fair personnel evaluation system that supports employee development. Employee engagement has been prioritized as a key factor in driving productivity improvements, and our engagement scores have shown steady improvement over time.

5 Optimize the Balance Sheet

Optimizing the balance sheet is essential for sustainable growth. We have expanded our balance sheet to eliminate a credit risk even on prepayment transactions in the North American refining business. Moving forward, we will continue to actively invest in growth areas while increasing financial security and maintain a sound balance sheet.

We manage our equity ratio to accurately reflect our business realities, including adjustments for the impact of "prepayment transactions" which are backed by highly liquid assets and carrying no credit risk. As of March 31, 2024, our equity ratio remained high at 68.5%, and 79.9% as of March 31, 2025. We will continue to evaluate the optimal structure of our balance sheet to support sustainable growth.

Initiative Progress

Initiative 1 Building a Stronger Business Foundation through the New Bando Plant

Our company has historically dispersed production bases across various locations to enhance productivity and mitigate risks. However, in response to emerging challenges such as population decline, evolving work styles, and shifts in the supply chain, we consolidated our production bases to achieve economies of scale and streamline logistics. The newly completed Bando Plant, located in a disaster-resistant region, was designed to enhance both productivity and disaster preparedness. This initiative culminated in the plant's completion this fiscal year, significantly boosting our productivity. The facility has also been certified as a disaster evacuation site by Bando City and recognized for its disaster resilience. Moving forward, we will continue to strengthen our business foundation centered around the Bando Plant.



Initiative 2 Expanding Our Global Footprint in Asia

Asia, the world's most populous region, generates strong demand for precious metals recycling across sectors such as jewelry, catalysts, e-scrap, and semiconductors. Due to the limited development of local recycling technologies, the region presents an ideal opportunity to leverage the expertise and proposal capabilities we have cultivated over many years in Japan. However, strict regulations on the import and export of waste and precious metals in some countries can make processing in Japan challenging. Additionally, understanding local business practices and culture is essential for successful overseas expansion. To address these factors, we are actively promoting the establishment of local subsidiaries across Asia.



Initiative 3 Developing Global Talent through the Overseas Trainee Program

To cultivate future management talent from an early stage, we have continuously implemented our overseas trainee program since 2023, providing opportunities to foster cross-cultural understanding and a global perspective. Three young employees are stationed in North America, gaining hands-on experience to strengthen their capabilities for global success. One technical development trainee, who returned in May 2025, is now contributing to department-wide technical improvements by applying the expertise gained through their overseas assignment.

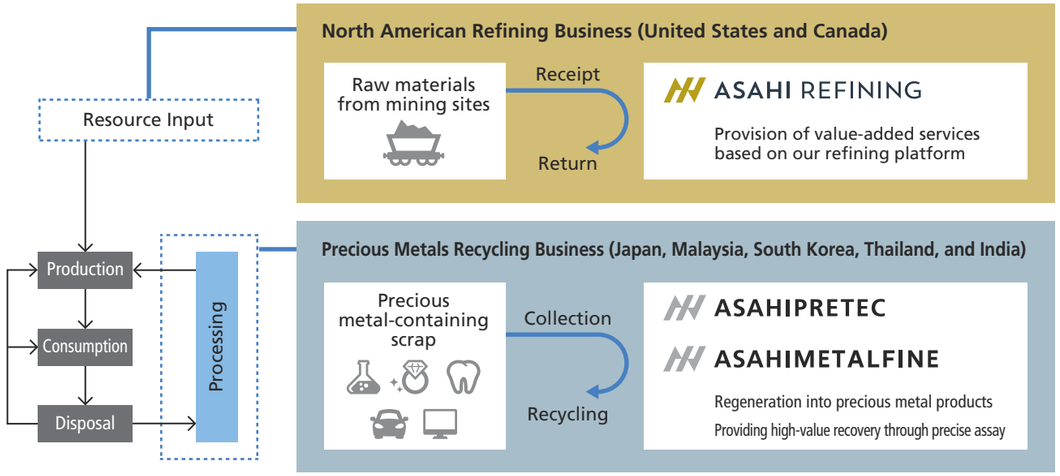


Business Strategy

Precious Metals Business

The ARE Group collects and recycles precious metal-containing scrap from several industrial sectors. By recovering and then selling gold, silver, platinum, palladium and other precious metals—indispensable to modern manufacturing—we are contributing to the effective use of resources and the development of industry.

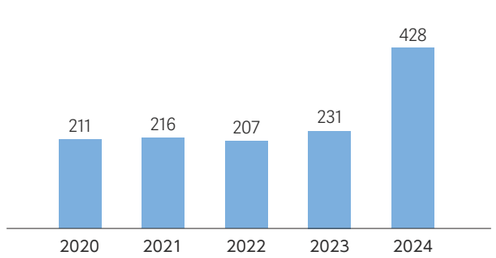
Business Domain



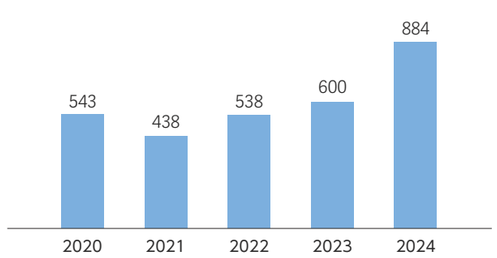
Strengths and Responses to Potential Risks

	Precious Metals Recycling	North American Refining
Strengths	(1) Ability to assay the precious metal content of recyclable materials (2) A sales force of about 200 people all over the country who are customer-focused and well-versed in IT (3) Sourcing raw materials with full awareness of human rights and environmental issues, along with traceability management	(1) The largest refinery in North America as our refining platform (2) Locations close to client mining companies (3) Our Group's creditworthiness and financing capacity
Responses to Risks	(1) Allocating resources to growing markets and new sectors (2) Growing market share by using proprietary systems in sectors with shrinking markets (3) Strengthening competitiveness through higher production efficiency (4) Improving green gold sales	(1) Expansion of value-added services based on our refining platform (2) Avoiding dependence on global supply chains

Volume of Recycled Precious Metals



CO_2 Reduction Effect



Precious Metals Recycling Business



Pursuing a Circular Society and Expanding the Possibilities of Precious Metals Recycling.

Yoshihito Iwasa
Representative Director, President of Asahi Pretec Corp.

Business and Market Environment

We recycle precious metals used across a wide range of sectors, including jewelry, dental materials, electronic components, and catalysts. To sustainably advance these recycling efforts, it is essential to establish diverse capabilities such as those listed below. These capabilities form the critical foundation of our competitive advantage.

- Accurately identify points of discharge and process stages for used precious metals to enable efficient pre-disposal collection
- Separate and extract precious metals embedded in various materials through optimized pre-treatment
- Apply advanced assay and separation/purification technologies to achieve high purity and regenerate them into finished products

Our Group has established collection sites nationwide to build an extensive collection network. By locating multiple pre-processing plants close to points where scrap is generated, we ensure efficient resource recovery. Final refining and processing are carried out at our manufacturing hub in Bando City, Ibaraki Prefecture, where recycled precious metals are transformed into high-quality products for our customers.

Environmental challenges, including global warming and climate change, have become key drivers of our business growth. Looking ahead, our Group will continue to accurately identify and respond to market needs, and through technological innovation, pursue further advancements in precious metals recycling while contributing to the realization of a sustainable society.

Review of the Fiscal Year Ended 31 March 2025 and Outlook for the Fiscal Year Ending 31 March 2026

For the fiscal year ended March 2025, a surge in precious-metal prices served as a tailwind, driving a significant increase in gold collection volume, particularly from the jewelry sector. By adapting flexibly to market changes, maintaining a stable recycling manufacturing system, and providing collection services optimized for specific points of generation and material types, we achieved strong business results.

For the fiscal year ending March 2026, uncertainty in the international trade environment, including U.S. tariff policies, remains a concern. However, demand for precious metals recycling remains robust. Our Group will respond strategically to the changing external environment by strengthening our domestic processing infrastructure through the operation of a new plant in Bando, enhancing our overseas sites, and improving our ability to respond to new markets.

Medium- to Long-Term Plan & Aspiration for 2030

We have established our Medium- to Long-Term Plan & Aspiration, centered on the following key strategies, to further advance our business focused on precious metals recycling and contribute to a sustainable society.

• Strengthening Our Business Foundation

With the full-scale operation of the second phase of the Bando Plant, we have enhanced our processing capacity for materials collected from the catalyst and semiconductor sectors. Furthermore, by introducing advanced technologies and accelerating digital transformation, we are striving to improve productivity, with the aim of further strengthening our business foundation and delivering sustainable growth.

• Expanding into New Areas

We are expanding our manufacturing capacity to enhance our capabilities in precious metals, including platinum group metals, where demand is projected to rise. As the use of precious metals accelerates in cutting-edge areas such as semiconductors, hydrogen energy, and medical and life sciences, we will focus our business development on these growth areas. We will strengthen our technological capabilities and supply infrastructure to meet these needs.

• Advancing Globalization

We are further strengthening operations at our existing overseas sites while expanding our precious metals recycling business across key economies in Southeast and South Asia. In October 2024, we established a local subsidiary in Thailand, and a new plant is scheduled to commence operations in 2026. By building local collection and processing capabilities, we aim to enhance our ability to serve the ASEAN market.

Furthermore, in India, we established a local subsidiary in June 2025 and initiated market research on precious metals recycling, with a focus on end-of-life vehicle catalysts. We are laying the groundwork for future business expansion. In addition to these initiatives, we are exploring entry into additional countries and regions, with the aim of building a global resource-circulation framework.

Business Fields Supporting Precious Metals Recycling

E-Scrap

Gold | Silver | Palladium



Electronic substrates used in personal computers, smartphones, and home appliances contain gold, silver, and palladium. We collect manufacturing process scrap and electronic substrates from used products. We process them, including crushing and sorting, to recover and recycle precious metals. Our precise sampling and advanced assay techniques are two of our strengths.

Catalysts

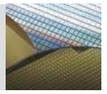
Platinum | Palladium | Rhodium



Automobiles have catalytic converters that detoxify harmful substances in exhaust gases, and some precious metals, such as platinum and palladium, are used in these devices. We apply our original technologies to recycle precious metals from automotive, chemical, and other catalysts.

Precision Cleaning

Gold | Silver | Platinum | Palladium



We ensure the quality of customers' equipment by regularly and carefully cleaning the electronic components and semiconductors that they manufacture. Customers entrust us with their equipment, and we strip and recover precious metals that have adhered to it during use. The recovered precious metals are then returned to customers.

Dentistry

Gold | Silver | Platinum | Palladium



Gold-silver-palladium alloys are some of the key materials used in dental prostheses such as crowns and inlays, and the percentage of precious metal content varies by type. Customers, such as dental clinics and laboratories, provide us with waste containing these metals and we recycle them. Our unique centralized management of collection, assay, and reporting ensures a high level of return for value.

Plating Treatment

Gold | Silver | Palladium



Since precious metal plating is an exceptional way to prevent corrosion and improve conductivity, it is used in numerous applications from industrial to decorative products. Using a proprietary electrolytic recovery system for precious metals, we recover and recycle the precious metals remaining in plating solutions. We also return the recovered materials to customers as a precious metal compound as requested.

Jewelry

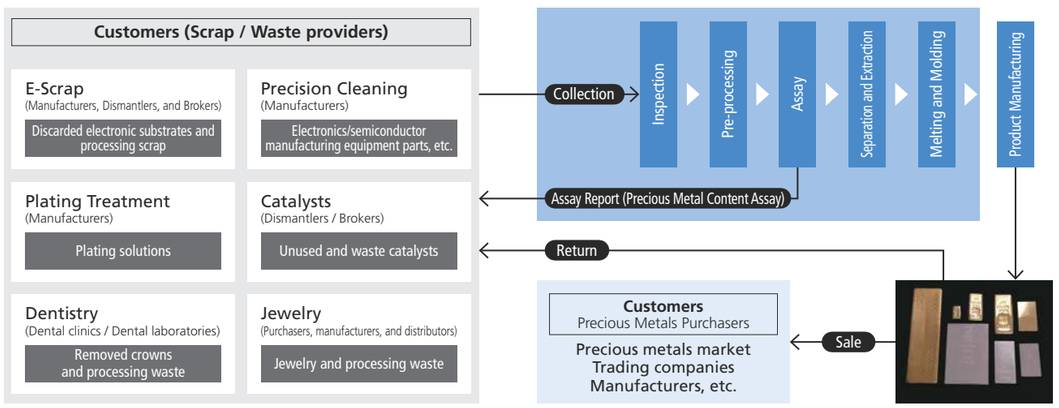
Gold | Silver | Platinum | Palladium



We collect and recycle precious metals from jewelry and ornaments, coming from purchasers, manufacturers, and processors, that are no longer needed as well as precious metal scrap generated during manufacturing. In addition to accurate assay, we produce high-quality precious metal bullion, while returning raw materials to customers for manufacturing and processing.

Collecting and Recycling Precious Metals

Our manufacturing operations in Japan and elsewhere in Asia ensure the most efficient recovery of precious metals and the optimal processing of recyclable materials, depending on the characteristics and admixtures in the business fields where we collect materials. We also meet customer requirements by fully using the best methods and most efficient refining plants for the type of precious or rare metal.



Global Expansion (as of September 1, 2025)

Our precious metals recycling operations in Asia have grown steadily since 1994, with a focus on the dentistry, electronics, and jewelry sectors. We tailor business models to local market conditions, while using the proprietary technology we have developed in Japan. We have expanded our operations into North America with the addition to the Group of Asahi Refining (North American Refining Business) in 2015.



Asahi Pretec Korea



Asahi Refining USA



Asahi Refining Canada



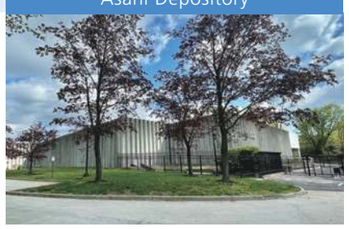
Asahi Pretec (Thailand)



ASAHI G&S



Asahi Depository



Name	Established	Location	Number of Employees*	Business Overview
Asahi Pretec	2023 (founded in 1952)	Chiyoda-ku, Tokyo	479	Precious metals recycling from dentistry, electronics, catalyst, and jewelry sectors
ASAHI METALFINE			90	Manufacturing and sales of precious metals
ASAHI G&S	1994	Penang, Malaysia	9	Precious metals recycling from electronics and jewelry sectors
Asahi Pretec Korea	2006	Chungju, South Korea	34	Precious metals recycling from dental and electronics materials
Asahi Pretec (Thailand)	2024	Samut Prakan, Thailand	2	Precious metals recycling from electronics and jewelry sectors
Asahi Pretec India	2025	Haryana, India	N/A	Precious metals recycling from electronics, catalyst, and jewelry sectors
Asahi Refining Canada	2015	Ontario, Canada	124	Gold and silver refining
Asahi Refining USA	2015	Utah, U.S.	142	Gold and silver refining
Asahi Depository	2021	New York, U.S.	16	Precious metal vaulting

* As of March 31, 2025

Refining Business in North America



Enhancing Our Business Foundation to Achieve Further Growth in North American Operations.

Chris Warner
CFO of Asahi Refining Canada Ltd.

Business and Market Environment

The North American Refining Business is strategically positioned to capitalize on an evolving and often volatile gold and silver market environment. With refining operations in Brampton, Ontario, Canada, and Salt Lake City, Utah, U.S. as well as a COMEX-approved warehouse in New York, U.S., the business is well-integrated across the value chain. Our strong and long-standing relationships with mining, secondary/recycling customers, and financial institutions further enhance our ability to respond to changing commodity prices and market conditions.

We continue to invest in modernizing our equipment and refining processes while expanding our financial services to deliver greater value to customers. Our operations remain firmly aligned with international regulatory requirements, including sanctions and anti-money laundering (AML) compliance. We maintain a rigorous approach to counterparty risk management and operational integrity, prioritizing employee safety, the environment, and responsible engagement with the communities in which we operate.

Review of the Fiscal Year Ended 31 March 2025

The fiscal year ended 31 March 2025 delivered a strong performance for the North American Refining Business, highlighted by a significant increase in operating profit. This was primarily driven by robust trading revenue arising from favorable arbitrage opportunities, particularly in the final quarter amid trade tensions involving the United States.

While weaker product markets and the strategic closure of the minting operations in Florida resulted in an impairment, core refining volumes from both mining and secondary/recycling sources remained stable. Operating expenses were effectively managed and remained within forecast levels. Additionally, the warehousing business achieved a key milestone by reaching cash flow break-even, supported by consistent growth in storage volumes and customer acquisition.

Outlook for the Fiscal Year Ending 31 March 2026

We enter the current fiscal year with strong momentum and positive expectations. Continued geopolitical uncertainties and volatility in precious metals markets are expected to support higher trading revenues. The significant increase in gold and silver prices has driven a notable uptick in secondary/recycling material flows, which is projected to enhance refining throughput and revenues.

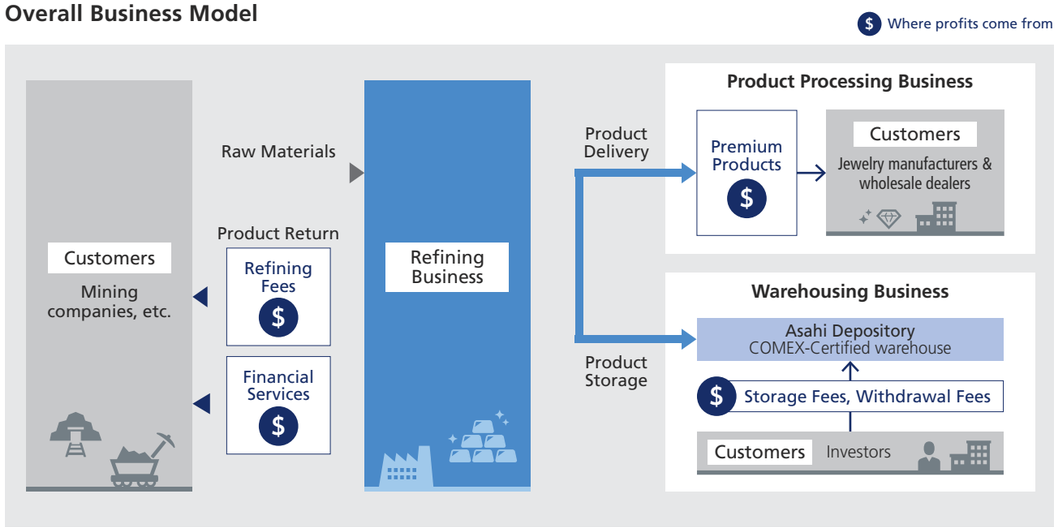
The warehousing segment continues to gain traction, with increasing storage volumes and service offerings contributing to profitability and cash generation. The development of our new silver refinery in Salt Lake City is progressing well, and we expect construction to be substantially completed by the end of the fiscal year. This facility will be a cornerstone of our future growth strategy, strengthening our refining capabilities and regional competitiveness in North America.

Medium- to Long-Term Vision for 2030

Looking ahead to 2030, our strategy is centered on delivering sustainable, long-term growth through disciplined investment and innovation. The new silver refinery in Salt Lake City and the expansion of our warehousing operations in New York are expected to be key growth drivers, enhancing operational scale and customer reach.

We are actively exploring additional financial service offerings tailored to meet the evolving needs of our clients. These initiatives will further diversify revenue streams and reinforce our market position. The business is also pursuing a pipeline of organic growth projects currently in various stages of evaluation, aimed at generating synergies and incremental earnings. In parallel, we continue to assess strategic merger and acquisition opportunities that align with our business model and could further strengthen our North American platform. Our long-term vision is to build a more resilient, diversified, and customer-centric refining and trading business capable of delivering consistent value to stakeholders.

Overall Business Model



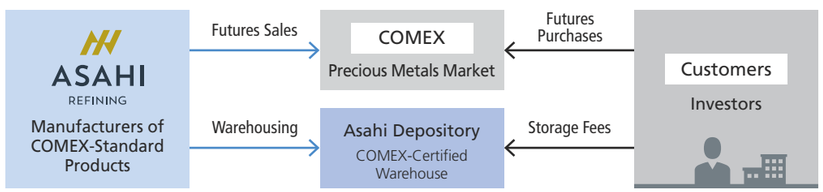
Process of Financial Services and Warehousing Business



Prepayment Transactions

Key Points of Revenue Structure

1. Shorten the delivery time from receiving raw materials to returning the finished products to customers.
2. Receive interest for the prepayment days from customers by delivering products before the contract's delivery date.
3. Since the prepayment is made after receiving the raw materials, there is no risk of bad debt.



Warehousing Business

Key Points of Revenue Structure

1. Manufacture products according to NYMEX (COMEX) standards at Asahi Refining.
2. Deposit the products at Asahi Depository and execute futures sales.
3. Deliver the products to the futures buyers and receive monthly storage fees.

R&D

Technical Research Center—Pursuing Original R&D

We conduct proprietary research and development and assay technology development in the fields of recycling of precious and rare metals, utilization of hydrogen and heavy water, and development of new business. We established the Technical Research Center in Kobe High-Tech Park to serve as our R&D hub. We are looking to take even greater strides forward as a company that contributes to society by improving quality and technical innovation.



Research and Development

We anticipate the needs of our customers and strive to create new products and business by applying our large body of elemental technologies and developing new technologies.

- Technology for separating and refining precious and rare metals
- Precious metals molding and refining technology
- Decarbonization technologies
- Hydrogen and heavy water utilization technologies

Refining Technology

In addition to hydrometallurgy-based precious metals refining technology, which is particularly effective for processing recyclable materials, the Group is developing pyrometallurgy-based precious metals refining technology effective for processing primary raw materials in North America. By advancing and combining both hydrometallurgical and pyrometallurgical refining technologies, we are creating effective precious metals refining techniques for handling all kinds of raw materials.

Release Technology

To collect precious metals adhered to the surfaces of parts and jigs, etc., used in the manufacture of electronic components and semiconductors, the Group is developing technology to chemically and physically exfoliate precious metals safely and reliably without damaging the parts and jigs.



Assay

The ARE Holdings Group's core assay function supports a diverse range of corporate activities using the latest assay equipment and high-level assay technology. In addition, we play an important role in maintaining and enhancing trust with the Group's customers.

- Development of new assay technology
- Technical guidance for assay groups at each plant
- Purity assay of precious metal products
- Environmental analysis of issues such as plant wastewater discharges
- Environmental measurement certification business

Engineering

Using cutting-edge technology, experts from each sector design, produce, construct, and provide maintenance of facilities at subsidiaries in and outside Japan, helping to support safe and stable operation of the facilities.

- Design, production, construction, and maintenance of facilities and buildings
- Installation and maintenance of precious metal collection facilities for our customers
- Maintenance control of existing facilities
- Support for installation of robotics and IoT for equipment

Intellectual Property Strategy

Since its establishment in 1998, the Technical Research Center has developed numerous proprietary technologies in the separation, recovery, and processing of precious metals and rare metals, as well as the safe treatment and recycling of waste materials. These technologies are widely applied both domestically and internationally, supporting the growth of our precious metals recycling and environmental preservation businesses. Our intellectual property department secures patent rights for these technologies and manages trademarks and designs.

Cumulative Patent Applications 92 (as of March 31, 2025)

Assay Techniques

The Group is developing assay techniques using X-ray and inductively coupled plasma (ICP) optical emission spectrometry with the aim of conducting rapid and accurate transactions with customers.

We have obtained ISO/IEC 17025 laboratory accreditation from the Japan Accreditation Board (JAB) for gravimetric analysis of precious metal elements, demonstrating our capabilities in precious metal assay techniques. Moving forward, we will strengthen our analytical assurance system, covering everything from raw materials to final products across the entire Group.

JAB Testing LAB RTL05260

ilac-MRA

Accreditation Details

Applicable Accreditation Criteria		ISO/IEC 17025：2017 (JIS Q 17025：2018)
Scope of Accreditation	Name of Laboratory	Asahi Pretec Corp. Technical Research Center Research & Development Department, Analysis Group
	Field	Chemical Testing
	Name of Classification of Item to be Tested	Reagents and related products (Gold Solution, Silver Solution, Platinum Solution, Palladium Solution)
	Name of Technical Classification of Test	Gravimetric analysis (Gravimetric analysis by chemical reduction)
	Test Method	Determination of gold in gold-containing solutions
		Determination of silver in silver-containing solutions
		Determination of platinum in platinum-containing solutions
		Determination of palladium in palladium-containing solutions

Production System

First Phase of Bando Plant Achieving a one-stop process from reception to final product

Second Phase of Bando Plant Enhancing high productivity and sustainability through automation and labor-saving initiatives

Bando Plant

Production Flow

Inspection & Preprocessing

With our proprietary processing methods, we perform optimized pretreatment tailored to each raw material entrusted by our customers. By introducing advanced equipment and a closed-loop hydrometallurgical system that reuses chemicals, we reduce costs and minimize waste liquid generated at our facilities. These efforts support environmentally responsible operations.



Assay

We offer high-precision assay by using equipment and methods suited to the raw materials and compositions. Additionally, we respond flexibly to customer needs by selecting fast and accurate assay methods, while working to improve reliability and further advance the sophistication of precious metals assaying.



Refining

Using advanced separation and extraction technologies developed from our early experience, we refine various compositions generated during preprocessing to high-purity precious metals.

We have deployed automated equipment at the Bando Plant to ensure a safe and efficient working environment, while streamlining operations.



Melting & Molding

After using pyrometallurgical technology to remove impurities, we cast granules and bars to form high-quality precious metal bullion. The equipment is controlled by advanced robotics technology, enabling automated operation, and IoT technology is employed for operational monitoring, making nighttime automatic operations possible.



Product Manufacturing

High-purity precious metal bullion is processed into products with specifications and shapes that meet market and customer demands, and is then sold and delivered. The final products are assigned serial numbers for identification, and traceability management is implemented, covering raw material history, manufacturing history, weight values, product purity, and other relevant details.

Second Phase of the Bando Plant

The second phase of the Bando Plant (Bando City, Ibaraki Prefecture) was completed in April 2025. Equipped with high-efficiency air conditioning systems, highly insulated exterior walls, and solar power generation, achieving the highest environmental building rating, "ZEB" (Net Zero Energy Building).



* Compared to before the transfer

Benefit 1 Improving and Optimizing Production Capacity

We introduced dedicated processing equipment for automotive catalysts and automated operations up to the sampling stage, enabling enhanced production capacity and improved operational efficiency. Compared to the previous plant, we aim to increase per-worker output by 1.7 times by expanding production capacity while optimizing personnel deployment.



Benefit 2 Reducing Environmental Impact

We reduced CO_2 emissions by transitioning from fossil fuels to natural gas and partially substituting it with hydrogen. Additionally, by enabling our waste disposal contractor to utilize hydrogen produced from power produced during waste processing, we are contributing to resource circulation.



Empowering a Sustainable Future with Productivity Fueled by Innovation.



Masaki Fukushima
General Manager, Head of Technical Research Center at Asahi Pretec Corp.

Business and Market Environment

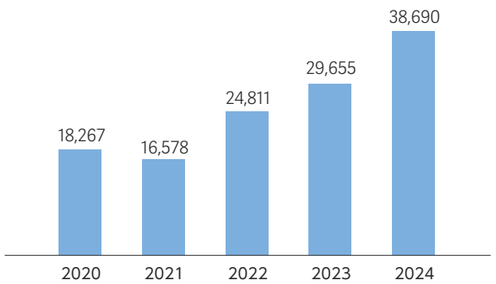
The second phase of the Bando Plant recycles various metals from raw materials such as automotive and chemical catalysts, as well as semiconductor components. Precious metals used in automotive and chemical catalysts are globally scarce and difficult to mine, yet essential for manufacturing non-electric vehicles. As a result, demand for recycling continues to rise. Market conditions are expected to improve as electric vehicle sales stabilize and hybrid vehicles gain traction.

Our precision cleaning sector focused on semiconductor components, provides services to both semiconductor equipment and device manufacturers. We selectively remove metal films adhered to components and return the cleaned components to our customers. In collaboration with our customers, we promote component reuse and reduced consumption, as well as the recycling of precious metals—scarce resources—thereby contributing to both business growth and a sustainable society. Market conditions remain robust, supported by strong demand from expanding industries such as AI and IT.

Review of the Fiscal Year Ended 31 March 2025

The second phase of the Bando Plant was completed in April 2025. Despite the implementation of work-style reform laws—referred to as the "2024 Problem"—which impacted the logistics and construction industries and posed challenges to construction, the second phase was completed as planned with the support of Bando City and partner companies. Furthermore, this plant has obtained ZEB (Net Zero Energy Building) certification, meaning it is designed to maintain a comfortable indoor environment while achieving net-zero annual primary energy consumption. This enables increased production with reduced CO_2 emissions and contributes to employee satisfaction and skill development through stable employment.

Gold Collection Volume



Outlook for the Fiscal Year Ending 31 March 2026

In the catalyst sector, we plan to reach 1.5 times the productivity of our existing plants by introducing advanced processes and automated equipment. In the precision cleaning sector, productivity will be enhanced through automated processing, and quality will be stabilized through automated inspection. Additionally, by implementing our proprietary production management system and digitally transforming the entire manufacturing process, we expect to reach 1.3 times the productivity of our existing plants, with consistent quality. In terms of environmental preservation, we plan to reduce CO_2 emissions by approximately 700 tons annually compared to our existing plants through improved combustion efficiency and the use of hydrogen as a fuel.

Medium- to Long-Term Plan & Aspiration for 2030

In both the catalyst and precision cleaning sectors, we are integrating automation technology with AI and IT to optimize processes and enhance productivity, aiming to become one of the industry's leading smart factories. Upon completion, we plan to further boost productivity and double the production volume compared to our existing plants. We will shorten lead times for processing various metals, thereby reducing precious metal hedging costs and improving profitability. For platinum group metals—where demand is expected to grow in advanced fields such as hydrogen—we will pursue further advancements in recycling technology. To realize these goals, we will actively deploy highly specialized personnel from our technical departments to the second phase of the Bando Plant and mobilize manufacturing, sales, and technology as an integrated team.

Retail Business



We pursue innovation in brands and services to deliver fresh, meaningful value.

Noriyuki Taguchi
Corporate Officer of ASAHI METALFINE, Inc.

Business and Market Environment

Leveraging the trust and track record the Asahi brand has built over many years in the B2B sector, we began evaluating entry into the retail business in April 2023, with the goal of offering a broad range of consumer services centered on the sale of precious metal products. In February 2024, we launched retail sales of gold, silver, and platinum bullion products, successfully entering this new market.

While the shift from savings to investment has long been advocated, the introduction of the New NISA program (Japan's tax-advantaged investment scheme) in 2024 marks a turning point. Anticipating a sharp rise in individual interest in asset building, we believe we launched our services at an optimal time.

Precious metals have long appealed to certain investor groups, but rising geopolitical risks have broadened demand for these safe-haven assets among individual investors. In addition, as environmental and ethical considerations gain prominence, our recycled bullion products—delivering both sustainability and reliability—are well positioned for further demand growth.

Review of the Fiscal Year Ended 31 March 2025

In our inaugural year of retail operations, the fiscal year ended March 2025, delivered steady performance, driven particularly by demand from affluent customers. Additionally, we leveraged social media and other platforms to reach new customer segments, including younger demographics and those in regional markets, driving the diversification of our sales channels. This resulted in a surge in demand, primarily for silver products, leading to robust sales that temporarily exceeded production capacity.

In the second half of the year, facility enhancements enabled a stable product supply, allowing us to significantly expand our base of repeat customers making regular purchases. At the same time, we pursued product development not only for investment purposes but also with a strong emphasis on design, exemplified by our five-stack silver cast bar, which earned high praise for its distinctiveness and beauty. Overall, we consider the first year of this new business a major success.

Outlook for the Fiscal Year Ending 31 March 2026

Looking ahead to the fiscal year ending March 2026, we will focus on enhancing brand awareness and diversifying our service offerings. In July 2025, we launched "ASAHI Grellia Gate," a comprehensive information website on precious metals, to expand customer touchpoints and create more opportunities for potential customers to experience Asahi's products and services.

Our initiatives extend beyond sales. We have launched "ASAHI Gold Club," a new service that allows customers to store precious metals—whether already owned or purchased from us—free of storage fees. This significantly enhances convenience for wealth building with precious metals. Through our existing e-commerce site, "ASAHI Online Store," will keep expanding our market reach by offering products and services that respond to evolving customer needs. This includes the introduction of "ASAHI's Gold Beans," a distinctive 1-gram bean-shaped gold product that further enhances our lineup.

Medium- to Long-Term Plan & Aspiration for 2030

We aim to broaden our retail customer base and grow ASAHI into a leading brand in the retail precious metals market.

The comprehensive information site "ASAHI Grellia Gate" will expand its services centered around four menus: "Buy," "Store," "Discover," and "Learn." This will create more opportunities for first-time precious metal investors to experience Asahi's products and appreciate their value, thereby expanding our customer base.

Furthermore, we will broaden our product lineup, collaborating with external partners as necessary, to respond to evolving market conditions, societal changes, and the diverse needs of our customers. In addition, focusing on asset building, we will develop a diverse range of financial services, with the goal of enabling ASAHI to grow sustainably together with our customers.

Launch of ASAHI Grellia Gate

We have newly launched "ASAHI Grellia Gate," a comprehensive service portal designed to support and educate individuals interested in precious metals. The site features beginner-friendly guides, personalized diagnostic tools for precious metal selection, market reports, and practical columns—offering an engaging and accessible platform for newcomers to deepen their understanding of precious metal investment.

We offer the ASAHI Gold Club, a convenient service that enables users to initiate bullion storage procedures online anytime, anywhere. In addition, the ASAHI Online Store provides access to exclusive ASAHI-branded products for direct purchase.

Begin Gold and Silver Investment Journey with ASAHI Grellia Gate

Easy Online Purchase of World-Certified Gold, Silver, and Platinum

"Invest in Your Life" Choose the Value that Reflects Brilliance Ahead

The majority of ASAHI's precious metals are sourced through recycling and are increasingly recognized as environmentally conscious materials, often referred to as "green gold." These metals are produced with consideration for both people and the planet, offering a reassuring choice for first-time buyers.



Explore ASAHI-Branded Products on the ASAHI Online Store

50g Gold Bars



Five-Stack Silver Bars



100g Platinum Bars



ASAHI Online Store

ASAHI METALFINE Online Shopping
https://ec.asahigrellia.com/
(Japanese version only)

Instagram

ASAHI Grellia Gate

ASAHI Gold Club — Gold Bullion Storage Service Launched

We have launched a new service, Asahi Gold Club, to meet our customers' needs. This service provides a comprehensive solution for the seamless process of purchasing, depositing, selling, and returning gold bullion.



Key Features

1 Flexible Operations

- Gold bullion purchased or deposited by customers is securely stored by us under a deposit for consumption.
- Customers can sell or return the bullion at any time.

2 Digital Management

- Manage your precious metals online.
- View real-time asset status and past transaction history.

3 Cost Efficiency

- No purchase or storage fees
- Efficient operation through online completion

4 Wide Range of Support

- In addition to our brand's gold bullion, customers can also deposit bullion from other specified brands.

Illustration of Usage

Purchase	No commission fees Minimum purchase: 1g
Deposit	ASAHI-branded products Available in 100g, 500g, and 1kg bars Minimum deposit: 1g plates (in 0.1g increments) Third-party brands Minimum deposit: 100g (in 100g increments)

Storage Fees **FREE**

Sale	For transactions settled by 3:00 PM, the same day's buyback price applies Minimum sale: 10g (available in 0.1g increments)
Return	Minimum return: 100g (available in 100g increments) Delivery within 5 days.

Bringing Gold Closer to Everyday Life

ASAHI's Gold Beans

Motivated by this commitment, we introduced a new product: ASAHI's Gold Beans. These charming 5mm, 1g pellets are crafted from 99.99% pure recycled "green gold"—a material that is conscious of both people and the planet. ASAHI's Gold Beans offer an accessible entry point for sustainable asset building, even for first-time buyers. Each pellet brings a sense of joy and satisfaction, encouraging customers to steadily grow their holdings over time.



Environmental Preservation Business

We offer a digital platform designed to streamline operations for industrial waste management companies. By digitizing all aspects of industrial waste management—including manifest management, administrative reporting, and electronic contracting—we aim to eliminate paper and waste and contribute to the realization of a circular society.

To Build an Infrastructure That Carries the Future

370 million tons per year
We digitally optimize industrial waste management, a vital foundation of society, to significantly reduce both on-site workloads and environmental impact.



Current State and Challenges in Industrial Waste Management

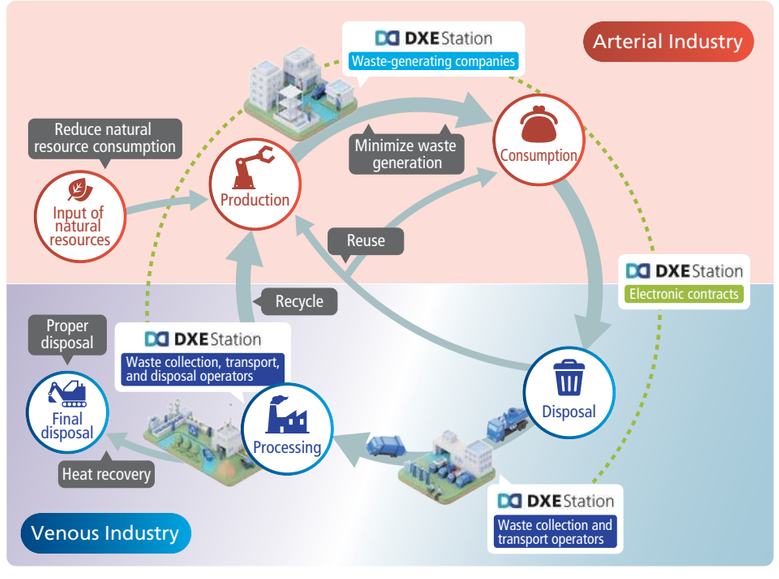
- Chronic Labor Shortages
- Inefficient Operational Systems
- Environmental Impact of Waste Processing

Redesigning Work Styles and Reducing Environmental Impact

- Improving the Industry's Public Image
- Enhancing Operational Efficiency through DX
- Mitigating Environmental Impact through Increased Efficiency

Business Domain

The industrial waste management industry—part of the recycling-oriented "venous industries"—plays a vital role in supporting society by collecting, transporting, and processing discharged waste. However, the industry faces several structural challenges, including an aging workforce, chronic labor shortages, and inefficiencies stemming from paper-based operations. DXE Station, a platform provided by DXE, one of our group companies, digitizes and streamlines a range of operations related to industrial waste disposal, including manifest management, contracting, and administrative reporting. By connecting operators within the circulatory sector through DXE Station, we facilitate streamlined operations and seamless, waste-free collaboration.





Driving Industry Innovation with Advanced Digital Transformation.

Itsuro Koyama
Representative Director, President of DXE INC.

Business and Market Environment

DXE INC. provides DXE Station, a cloud-based SaaS platform designed for the industrial waste management industry, supporting electronic manifests and digital contracts. The platform offers distinct advantages over competitors through its intuitive UI/UX, seamless integration with external systems, and robust customer support. In the approximately 5.3 trillion yen industrial waste management market, paper-based operations remain widespread, posing challenges to operational efficiency. Amid rising demands for environmental accountability, including Scope 3 compliance, the introduction of carbon taxes, and regulatory reforms, DXE is leading the industry's digital transformation. By digitally centralizing operations from waste generation to final treatment, we enhance operational efficiency and strengthen environmental responsiveness.

Review of the Fiscal Year Ended 31 March 2025

On the product side, we enhanced the feature set of our manifest management platform, adding features such as API integration with third-party cloud services, regulatory reporting to authorities, and paper manifest printing. On the sales side, beyond our high-touch support, our UI/UX design and usability were key factors in receiving the Good Design Award and earned strong customer acclaim. Furthermore, we have diversified our sales channels by strengthening inside sales and deepening strategic partnerships.

Monthly Churn Rate
0.25%

Service Site Sessions
260%

Net Promoter Score (NPS®)
+8.3 points

Conversion Rate
+11%



Outlook for the Fiscal Year Ending 31 March 2026

Among the approximately 280,000 waste generators using electronic manifests, more than 10% have already received and used manifests issued via our DXE Station platform through collection, transport, and processing companies, demonstrating growing industry adoption. In the current fiscal year, we are prioritizing the expansion of our target customer base, with plans to increase the addressable market size by more than tenfold. To strengthen our growth foundation, we are responding flexibly to customer needs, including new pricing plans and standalone sales of optional features, enhancing lead generation through webinars, and launching new capabilities such as mobile access and unified data management, including manifests issued via third-party services.

Medium- to Long-Term Plan & Aspiration for 2030

We aim to transform the industrial waste management industry by 2030 through a comprehensive digital rebuild. Centered on the continued evolution of DXE Station, including the expansion of customer touchpoints, we will pursue both greater operational efficiency and reduced environmental impact. Furthermore, we will create new value through initiatives such as Scope 3 reporting and the visualization of CO_2 emissions.

Our vision is to digitally connect all industry operators and evolve the industry into a more efficient infrastructure. By reducing the environmental impact of processing waste generated across all economic activities, we contribute to the creation of a more sustainable society. The act of transporting industrial waste—tangible remnants of the past—is becoming the infrastructure that carries the future of this nation. This is the future we envision for the industrial waste management industry.

DXE Business Strengths

We address the fundamental challenges facing the industrial waste management industry, paving the way for workplaces where people are truly motivated to work.

Challenges in Industrial Waste Management



Entrenched Paper-Based Practices

Paper continues to dominate the management of industrial waste manifests. However, the extensive time and labor required for manual entry, mailing, and physical storage pose significant challenges to operational efficiency.



Challenges in Transitioning to Digital Systems

Despite the Japanese government's introduction of an electronic manifest system in 1998, adoption rates remain low. Key barriers to widespread implementation include resistance to using computers and low awareness among waste-generating companies.



Aging Workforce and Shortage of Successors

The industrial waste management sector is facing serious issues, including an aging workforce and a lack of successors. With small and medium-sized enterprises accounting for half of the industry, intense competition and the burden of daily operations often hinder efforts to effectively address these challenges.

Solving Fundamental Challenges to Create Workplaces Where People Want to Work



Simple and Intuitive UI to Overcome Resistance to PC Use

We prioritized creating a user-friendly interface, offering a standardized and straightforward screen design, thereby ensuring the platform is accessible to users of all ages, from younger employees to older staff.



Empowering Waste Management Companies to Drive Digital Transformation

We have designed a system that enables even companies with low awareness of digital adoption to transition to electronic processes. By focusing not only on our direct clients (industrial waste management companies) but also on their clients (waste generators), we create mechanisms to drive behavioral change, aiming for transformation across the entire industry.



Reliable Support from Industry Experts from the Development to the Implementation Stage

Our Environmental Preservation Business is led by team members with extensive experience in the industrial waste management sector. Their expertise and knowledge are integrated into the services we offer. We have a deep understanding of the values and real needs of waste management companies, allowing us to deliver solutions that address fundamental challenges.

Service Overview of DXE Station

DXE Station enables digital management of industrial waste operations, covering the entire process from generation to disposal.

DXE Station – Features for Collection and Transport Operators

Manifest Management
Sales and Billing Management
Order Management
Vehicle Dispatch and Driver App Integration



DXE Station – Features for Waste-Generating Companies

Collection Requests
Manifest Management
(no administrative reporting required)



DXE Station – Electronic Contract Features

Creation and Execution of Consignment Contracts
Enhanced Compliance



Financial Strategy



The P/B Ratio (price-to-book ratio), which gained attention following the Tokyo Stock Exchange's March 2023 announcement on "Action to Implement Management that is Conscious of Cost of Capital and Stock Price," stood at 1.11 for our company as of March 2025. While this exceeds the commonly referenced threshold of 1.0—below which companies are often considered as undervalued—the ratio has trended downward since 2021 and has hovered around 1.0 over the past two years. We recognize the urgent need for concrete measures to improve this situation. Accordingly, we are advancing initiatives focused on ROE (Return on Equity) and P/E Ratio (Price-Earnings Ratio) as key drivers of P/B. In parallel, we are pursuing efforts aligned with our business realities to maintain a sound financial foundation.

ROE: Profitability Enhancement

In recent years, our ROE has remained above 10%, exceeding our estimated cost of equity of 7–9%. Under our Medium- to Long-Term Plan & Aspiration, we have set a target of 13% by fiscal year 2030 and aim to achieve this through further improvements in profitability. To enhance profitability, we are committed not only to executing our growth strategies, but also to regularly reviewing them from a business portfolio management perspective. Our company has a history of decisively implementing Scrap and Build initiatives in response to changing circumstances, and we believe this culture supports profitability improvements through portfolio management. A recent example is our minting business in North America, which had been earmarked for expansion under our Medium- to Long-Term Plan & Aspiration. However, due to a prolonged market downturn from the second half of fiscal year 2023 through fiscal year 2024 and a challenging outlook ahead, we decided to withdraw from the business at the end of fiscal year 2024. In turn, we have shifted our growth investment focus toward the warehousing and trading businesses in the same region, which show greater potential for future growth. We have already begun allocating the necessary funds for expansion in fiscal year 2025.

ROE: Financial Strategy Enhancement

We will use the operating cash flow we consistently generate as the primary funding source for both stable shareholder returns and investments to steadily execute the growth strategies outlined in our Medium- to Long-Term Plan & Aspiration.

Specifically, as shown in Table 2 below, we expect to generate approximately 65 billion yen in operating cash flow over the three-year period from fiscal year 2025 to fiscal year 2027. Of this amount, approximately 18 billion yen will be allocated to stable dividend payments, with a target payout ratio of around 40%. The remaining 47 billion yen will be directed toward growth investments to realize our Medium- to Long-Term Plan & Aspiration, with allocations to both existing businesses and growth areas. For existing businesses, we plan to make large-scale investments[1] primarily in precious metal production facilities in Japan and North America to enhance profitability and efficiency. For growth areas, we anticipate investments such as establishing new sites in Asia[2] and expanding business opportunities, including M&A, in Japan and North America.

P/E Ratio: Non-Financial Strategy Enhancement

We view the P/E as a reflection of market expectations for our future performance. To improve P/E, we believe it is essential that shareholders and investors have confidence in our growth strategy and understand the social value we create, including our ESG initiatives. Under the theme of "Non-Financial Strategy Enhancement," we are advancing the following initiatives: promoting dialogue with shareholders and investors; strengthening communication of our growth strategies; and accelerating ESG management.

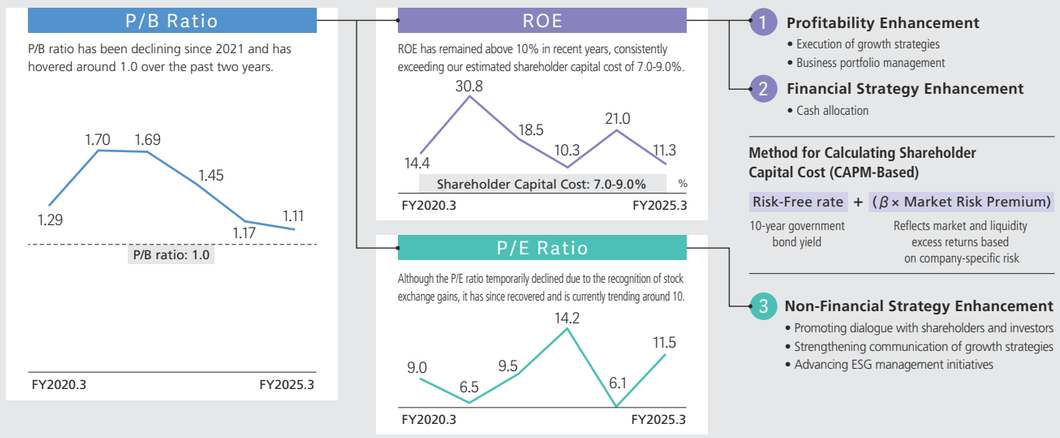
Soundness of Our Financial Foundation

From the perspective of maintaining a sound financial foundation, we monitor and manage our equity ratio to reflect the underlying economics of our businesses. In our North American Refining Business, expansion often requires substantial working capital. As shown in Table 3, the liabilities associated with "North American trade receivables and related items of 294.3 billion yen" on the balance sheet as of March 31, 2025, fall into this category. However, these interest-bearing liabilities are collateralized by highly liquid assets such as gold. Therefore, in addition to the conventional equity ratio (25.8% as of March 31, 2025) disclosed in our financial results and securities reports, we also calculate and disclose an adjusted equity ratio in our earnings presentation materials. This adjusted ratio is based on a balance sheet that excludes highly liquid assets and corresponding liabilities (see the right-hand side of Table 3), and it stood at 79.9% as of March 31, 2025.

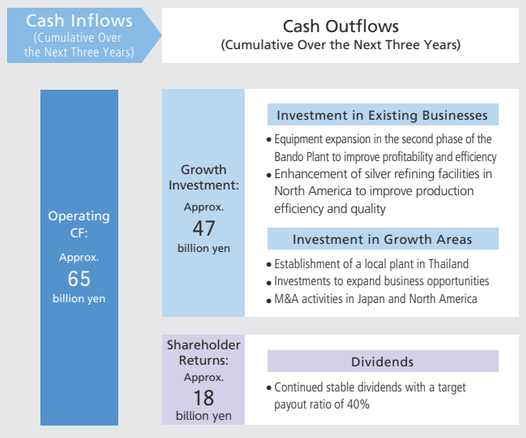
As part of our efforts to enhance financial stability through diversified funding sources, we are considering a public offering of straight corporate bonds. In January 2025, we received an "A-" credit rating from R&I (Rating and Investment Information, Inc.). This rating reflects our strong risk resilience, as many of our interest-bearing borrowings are backed by highly liquid assets such as precious metals. Looking ahead, we will continue to seek objective evaluations from third-party agencies to further strengthen management transparency and external credibility, while advancing the diversification and stabilization of our funding structure.

Notes:
1. Investment in certain areas has already been completed, and business and production activities are underway. In April 2025, part of the second phase of the Bando Plant was completed, and operations have begun for recycling precious metals such as Pd, Pt, and Rh from automotive and chemical catalysts.
2. In June 2025, Asahi Pretec India Private Limited was established near Delhi, India. We are currently building the business foundation, including staffing, in preparation for the full-scale launch of sales activities.

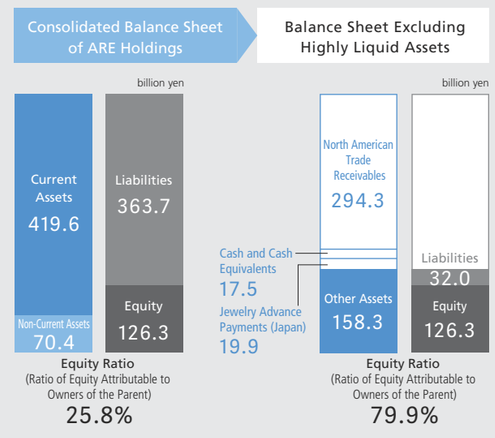
1 Situation Analysis and Issue Identification



2 Cash Allocation



3 Financial Foundation Backed by Highly Liquid Assets



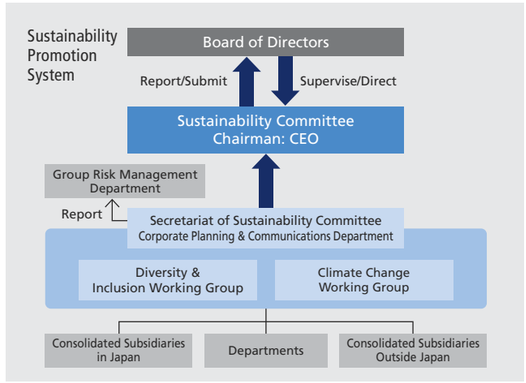
Sustainability Management

Our Approach to Sustainability

With "Totally Committed to Protecting the Natural Environment and Preserving Resources" as our Group's common shared purpose, we are committed to making effective use of resources and engaging in a wide range of environmental preservation activities. Based on the conviction that our business activities contribute to sustainability itself and that our business growth will directly help us to address social issues, we have established priority issues, themes, and targets, and are working hard to achieve them.

Sustainability Promotion System

Our Group's sustainability initiatives are driven by the Sustainability Committee, which convenes quarterly. The Sustainability Committee consists of the Representative Director, President & CEO; the presidents of our operating companies; and the heads and members of the technology development and administration departments, with the CEO serving as the chairman. The Sustainability Committee deliberates on sustainability-related strategies, plans, measures, risk management, and monitoring. In addition to reporting matters discussed by the Sustainability Committee to the Board of Directors every quarter, effective governance is ensured by having the Board of Directors pass resolutions on matters of import.



Stakeholder Engagement

The Group's corporate activities are built on relationships with a variety of stakeholders. We place special emphasis on maintaining good communication with stakeholders such as suppliers, shareholders, investors, employees and their families, and local communities, and strive to build strong relationships with them. The feedback we receive, including employees' voices, is incorporated into our business activities and management, contributing to the enhancement of corporate value.

Stakeholders	Key Activities and Opportunities for Dialogue	Activity Results		Reflection on Business Activities
With Our Customers	Sales Activities Exhibitions and Events Website and Social Media Provision of Information through Brochures, etc.	Quality Assurance System	For the Group, quality assurance is positioned as the core department, and it works closely with the sales, technology development, and product manufacturing departments. It shares customer feedback and market trends with these departments and cooperates with them to improve customer satisfaction. In addition, the ARE Holdings Group maintains ISO 9001 certification to ensure that its products deliver satisfaction and peace of mind to customers. We strive to continuously improve our quality management system and maintain the highest quality possible.	In the Group, all departments involved in sales, technology, product manufacturing, design, production, and services work together to understand customer issues and provide satisfying solutions. We also prioritize building trust with our customers through thoughtful communication.
Partnering with Suppliers	Engagement with Suppliers in Daily Purchasing Practices Conducting Surveys Collaborating with suppliers to share and strengthen effective responses to environmental changes	ARE Holdings Group Sustainable Procurement Policy	The Group regards it indispensable to create a sustainable supply chain to achieve the purpose. To ensure sustainable business development for our business partners and suppliers as well as us, we aim to fulfill social responsibilities regarding legal compliance, human rights, ethics, labor, health and safety, and the environment together with them. As part of the Group's fundamental approach to procurement, we have established the Sustainable Procurement Policy and, in addition, we have formulated material-and company-specific procurement policies to further realize this fundamental policy.	The Group aims for fair, just, and open transactions with our suppliers. We share feedback from our suppliers not only within the procurement department but also with related departments, striving to enhance both economic and social value throughout the entire supply chain beyond the Company.
For Shareholders and Investors	General Meetings of Shareholders Integrated Report Individual Meetings with Shareholders and Investors Financial Results Briefings Business Briefing for Investors Website (Investor Relations, Sustainability)	Constructive dialogue with shareholders and investors to enhance corporate value	We strive to enhance management transparency through timely and appropriate information disclosure, and we believe that building trust with our shareholders and investors through proactive dialogue contributes to sustainable corporate value enhancement. Specifically, we provide opportunities for dialogue, such as individual meetings with shareholders and investors (conducted over 150 meetings in fiscal year 2024) and business briefings. Valuable feedback from these discussions is reported to the Board of Directors as needed, facilitating our efforts toward sustainable corporate growth and further value enhancement.	Based on feedback from our shareholders and investors, we have enhanced the information in our financial results presentation materials and strengthened our communication of business opportunities, with a particular focus on our medium- to long-term vision. Additionally, we have expanded the content on our corporate website to improve information disclosure.
Employees and Their Families	Whistle-Blowing System Personnel Development System Intranet Portal Site Asahi Cheer-up Meeting Employee Survey Self-Reporting System Company Newsletters Female Employee Empowerment Training	Introduction of new work styles (three-day weekend model / designated 10-day annual leave model)	We introduced this program with the dual aim of maintaining and enhancing human productivity within our business activities while accommodating the diverse lifestyles of our employees. This not only covers childbirth, childcare, school runs, nursing care, medical treatments, and doctor visits, but also actively encourages the effective use of newly created time for re-skilling and personal development as well as for hobbies and leisure activities.	We have established an environment where a diverse range of staff members can grow and demonstrate their abilities in their day-to-day roles, grounded in our commitment to promoting diversity, equity, and inclusion, as well as health and productivity management. This approach enables them to achieve harmony between their work and overall lifestyle in a way that suits them.
Contributing to Local Communities	ARE Holdings SDGs Activities Participation in Social Contribution Activities	Utilizing the new plant in Bando City as a disaster preparedness base (evacuation shelter)	The Group prioritizes coexistence with local communities and will utilize the new plant in Bando City as a disaster prevention base. The plant that began operations in April 2025 opens its cafeteria and parking lot as evacuation shelters during disasters, accommodating approximately 70 households. With solar power generation and storage batteries, it will be capable of supplying power during a power outage. The new plant is situated on elevated ground, outside the flooding hazard area on flood hazard maps, ensuring safety against natural disasters. By leveraging this elevated location of the plant, we aim to contribute to the safety and security of the community.	As a responsible corporate citizen, the Group engages in various social contribution activities rooted in local communities, with a focus on environmental preservation. By collaborating with diverse stakeholders both within and beyond the company to address social issues, we aim to foster and retain talent that will contribute to the future of both our company and the region.

Material Issues and Progress

Business Material Issues

Expand Precious Metals Recycling

P. 44

We will expand our precious metals recycling globally to promote more effective use of limited resources.

	FY2030 Targets	FY2024 Results
Total volume of recycled precious metals	300 tons	428 tons
CO_2 reduction effect	837 thousand t-CO_2	884 thousand t-CO_2

Supply Precious Metals in Ways That Are Friendly to People, Society, and the Environment

P. 54-55

We will contribute to responsible management of precious metals by expanding the supply of precious metal products while protecting the environment and human rights. We will use precious metal-containing scrap and raw materials free from conflict minerals.

FY2024 Results
Compliant with UL2809 Standard (Gold Bar, Platinum Plate, Gold Granule)

Reduce CO_2 Emissions

P. 44-45

We will work to reduce CO_2 emissions group-wide by implementing energy saving activities at each site, switching to next-generation vehicles, and switching to low-carbon electricity plans.

	FY2030 Targets	FY2024 Results
CO_2 emissions (Scope 1 and 2)	-42% (compared to FY2023)	-10%

Human Resource Development and Contribution to the SDGs

Enhance Work-Life Balance and Employee Diversity

P. 48-52

We will strive to enhance job satisfaction by improving the system to help diverse human resources to succeed within the Group. This will be done by reforming working styles, implementing health and productivity management, and promoting diversity.

		FY2030 Targets	FY2024 Results
Achievement rate for rest intervals of at least 11 hours	every year	100%	99.9%
Percentage of female employees in managerial positions	by the end of FY2030	7.0%	4.7%
Percentage of employees with disabilities	by the end of FY2030	Meet or exceed the statutory employment rate (statutory employment rate for FY2024: 2.5%)	3.26%
Annual paid leave utilization rate	by the end of FY2030	70%	62.6%
Percentage of male employees taking childcare leave	by the end of FY2030	100%	100%

Encourage and Support SDG-Related Activities

P. 56-57

We will encourage and support employee activities outside the Group's main business areas that contribute to SDGs achievement, including individual and group volunteer activities. This initiative is called ARE Holdings SDGs Activities.

Business-Driven Solutions to Societal Issues

We aim to make effective use of limited resources through our business activities, reduce environmental impact, and contribute to the realization of a sustainable society. In our Precious Metals Business, we recover precious metals through the recycling of precious metal-containing scrap in Japan and Asia, as well as jewelry scrap in North America. In the industrial waste management segment, we are offering DX services across the industry to enable more efficient waste processing, thereby contributing to the advancement of a circular economy.

FY2024 Results

Inputs

Fuel Consumption

LPG	47 t
Urban Gas	2.60 million m³
Kerosene	296 kL
Gasoline	455 kL
Heavy Oil	424 kL
Light Oil	273 kL

Total Energy

Electricity	34.34 million kWh

Water Consumption

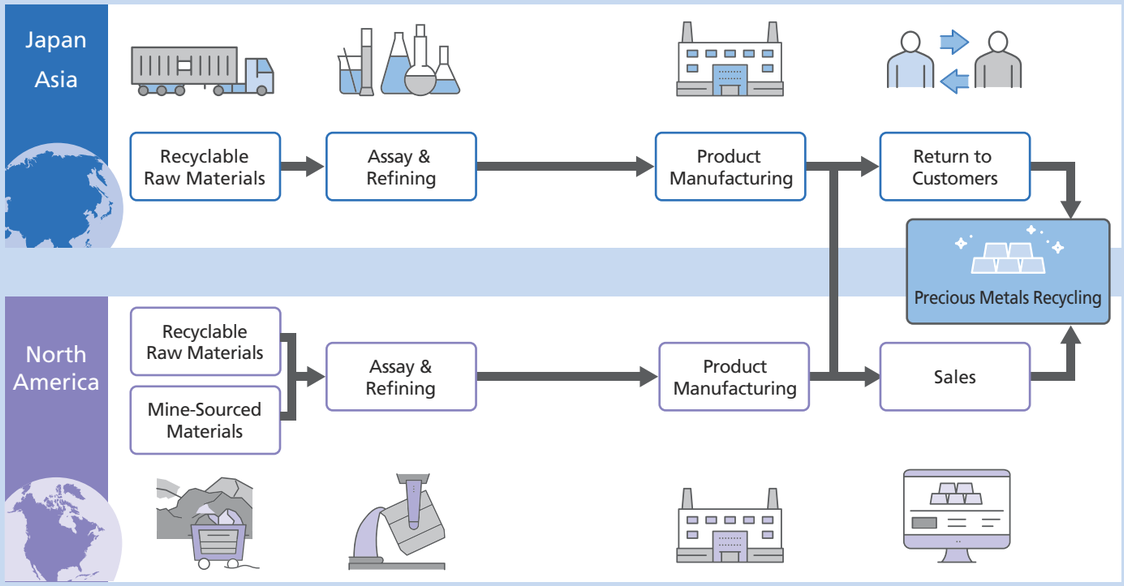
Total Water Withdrawal	97,217 m³
Surface Water	97,169 m³
Groundwater	48 m³

Others

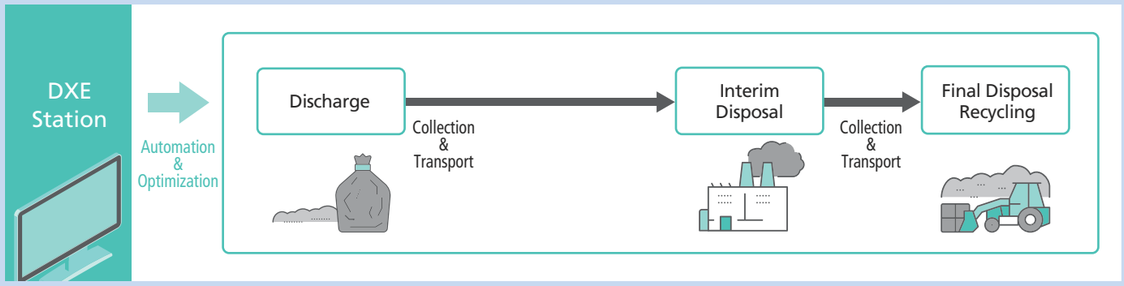
Waste Chemicals, etc.	3,994 t

Business Activities

Precious Metals Recycling & Refining



DX Services for the Industrial Waste Management Industry



Outputs

GHG Emissions (CO_2 Equivalent)

Scope 1	8,802 t-CO_2
Scope 2	9,430 t-CO_2
Scope 3	209,446 t-CO_2
Total	227,678 t-CO_2

Waste	9,685 t
Wastewater	43,924 m³

Outcomes

Volume of Recycled Precious Metals	428 t
CO_2 Reduction Effect	884 thousand t-CO_2

Addressing Climate Change

Climate change is a common challenge for humankind, and we believe it is one of our business materiality themes. We are committed to achieving a sustainable society through our businesses and by reducing our own CO_2 emissions.

Key SDG Targets

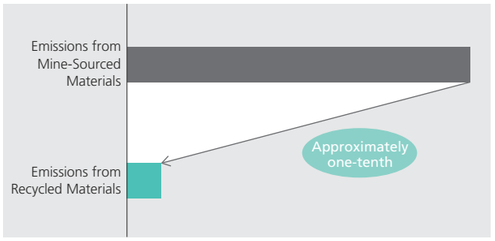
Reduce CO_2 Emissions

CO_2 Reduction Effect from Precious Metals Recycling

Precious metals recycling is recognized as having a lower environmental impact than producing new precious metals from virgin mining. For example, when comparing CO_2 emissions, gold is estimated to produce approximately one-tenth the emissions. Applying this ratio to our precious metals recycling volume would result in an indirect CO_2 reduction of 884 thousand t-CO_2, which is approximately 48 times the emissions of our Group. In addition to continuing its own efforts to reduce emissions, the Group remains committed to helping reduce CO_2 through precious metals recycling.

Note:
This CO_2 reduction effect figure does not represent emissions directly reduced by the Group.

CO_2 Emissions from Precious Metals Recycling



CO_2 Reduction Effect from Precious Metals Recycling	**884** thousand t-CO_2 Reduction effect: approximately 48 times
Emissions by the ARE Holdings Group	**18** thousand t-CO_2

Environmental Benefit of Precious Metals Recycling	
Equivalent to	**63.14** million trees
When expressed as the amount of greenhouse gases absorbed by forests, it equals	**37,141** hectares

Third-Party Verification of CO_2 Emissions

For our main product, 99.99% gold granules, we calculated the CO_2 emissions from raw material collection to product manufacturing (Cradle to Gate) and conducted third-party verification in accordance with ISO14040:2006 and ISO14044:2006. Our gold granule products made from recycled raw materials have been recognized for reducing CO_2 emissions generated during the manufacturing process by approximately 98% compared to bullion produced from mined raw materials. This value will be made available to the users of this product in a format suitable for use as primary data in calculating their indirect emissions.

Results and Plans for CO_2 Emissions

We have obtained certification from the Science Based Targets initiative (SBTi), an international climate change initiative, for our greenhouse gas (GHG) emission reduction targets through fiscal year 2030. These targets are recognized as Science Based Targets (SBTs) aligned with the Paris Agreement's "1.5°C goal." Following this certification, we have revised the numerical targets for one of our Key SDG Targets, "Reduce CO_2 Emissions" as outlined below. Additionally, we have declared our commitment to achieving carbon neutrality by fiscal year 2050.

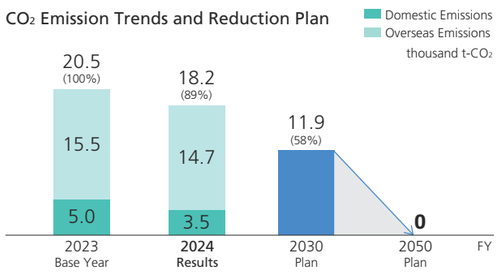
FY2030 Target

CO_2 Emissions (Scope 1 and 2): -42% compared to FY2023

The Group's CO_2 emissions for fiscal year 2024 decreased by approximately 11% compared to fiscal year 2023. Domestic emissions were reduced by approximately 31%, primarily due to changes in electricity suppliers, the transition to hybrid vehicles for business use, and fuel changes associated with plant relocations.

Overseas emissions decreased by approximately 5%, driven by reduced consumption of city gas and LPG, as well as a lower CO_2 emission factor.

CO_2 Emission Trends and Reduction Plan



Scope of Data Collection

Scope 1 and Scope 2 emissions from the Company and its consolidated subsidiaries* (Recording period: April to March)
Note: The scope includes consolidated subsidiaries as of March 31, 2025. If a subsidiary is removed from the scope, historical data is updated retroactively. If a subsidiary is added, its data is included from the fiscal year it joined.

Response to Recommendations by the Task Force on Climate-Related Financial Disclosures (TCFD)

Governance

In December 2021, we endorsed the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and established a cross-company team for TCFD. This team included staff from the business, technology development, and administration departments who identified risks and opportunities related to climate change, assessed the medium- to long-term impact of climate change on our business, and considered countermeasures. Currently, this is carried out by the Climate Change Working Group of the Sustainability Committee, which is overseen by the Representative Director and President (CEO). The members include the directors in charge of the business, technology development, and administration departments, as well as others. The identified risks and opportunities are reviewed at least once a year and the status of responses is reported to both the Sustainability Committee and the Board of Directors. Critical matters are decided by the Board of Directors to reinforce governance.

Strategies

We identify risks and opportunities related to climate change that will affect our Precious Metals Business segment (domestic and North American refining businesses) as well as the Environmental Preservation Business segment in 2030. We separated the risks and opportunities into these categories: short-term (1 year or less), medium-term (over 1 year and up to 3 years), and long-term (over 3 years and up to 10 years), and we qualitatively assessed them on three levels: high, medium, and low. We also considered the further impact of climate change from 2030 to 2050. As a result, policy and legal, market, technology factors, etc., were identified.

Identification of Risks and Opportunities

Category			Description	2030 4°C	2030 1.5°C	2050	Mitigation Measures
Risks	Transition Risks	Policies and Regulations	• Increased costs due to the introduction of carbon pricing mechanisms, including carbon taxes.	—	High impact	↗	• Switching to CO_2-free power sources and replacing gasoline vehicles with EVs to meet FY2030 CO_2 reduction targets.
	Physical Risks	Acute	• Intensifying natural disasters, such as typhoons and floods, causing facility damage and prolonged operational disruptions.	—	—	↗ (4°C)	• Expanding BCM (Business Continuity Management) at plants identified as high-risk based on hazard maps. • Selecting disaster-resistant locations and implementing disaster mitigation measures for large-scale capital investments.
Opportunities	Transition Risks	Policies and Regulations	• Recycled metals with relatively low CO_2 emissions will be highly valued and gain competitiveness under carbon pricing mechanisms. • Compliance with regulations and enhancement of CO_2 emissions reporting.	—	High impact	↗	• Enhancing value-added sales of recycled metals by leveraging traceability. • Strengthening consulting services that provide value, such as CO_2 emissions analysis. • Expanding business by assisting companies that have difficulty complying with regulations.
		Market	• Growing demand for recycled products and expansion in the range of products targeted for recycling.	—	High impact	→	• Expanding the handling of low-grade scrap materials and increasing the range of metals recycled.
		Technology	• Greater incentives to accelerate the development and early commercialization of decarbonization technologies, such as hydrogen.	—	Medium impact	↗	• Promoting further utilization of hydrogen using surplus power and other renewable sources.

Results of Scenario Analyses

We chose two scenarios: one where the global average temperature is expected to increase by around 4°C by 2100, and another where the increase is 1.5°C by 2100, compared to pre-industrial levels. As a result, the 4°C scenario is where the current situation continues, and we found that there would be little impact on our operations as of 2030. On the other hand, as we move toward 2050, under this scenario, we anticipate an increase in a physical risk: the intensification of natural disasters such as typhoons and floods caused by severe weather.

For the 1.5°C scenario, strong policy measures are expected to be taken to achieve carbon neutrality by the mid-century. One of these risks is the introduction of carbon pricing, including carbon taxes. Being affected by cost increases will become a risk. On the other hand, in the Precious Metals Business segment, recycled metals, which emit relatively little CO_2 emissions, could gain a reputational and cost advantage. This is an opportunity for the Company, which has strengths in the production and traceability of recycled precious metals. In our Environmental Preservation Business segment, providing systems that reduce environmental impact presents an opportunity.

Risk Management

The Climate Change Working Group will compile the responses to risks and opportunities related to climate change and CO_2 emissions. The Sustainability Committee will monitor and evaluate them every year. The Board of Directors will also be informed of the contents for supervision and direction. In addition, the Group Risk Management Department is also informed of the risk management of the entire Group.

Indicators and Targets

One of our business materiality themes is to reduce CO_2 emissions, so we have set the following targets:

Final Target

Aim to reach carbon neutrality by FY2050 (targets are Scope 1 and 2)

Interim Target

Reduce CO_2 emissions by 42% compared to FY2015 by FY2030 (targets are Scope 1 and 2)

Utilizing Sustainable Resources

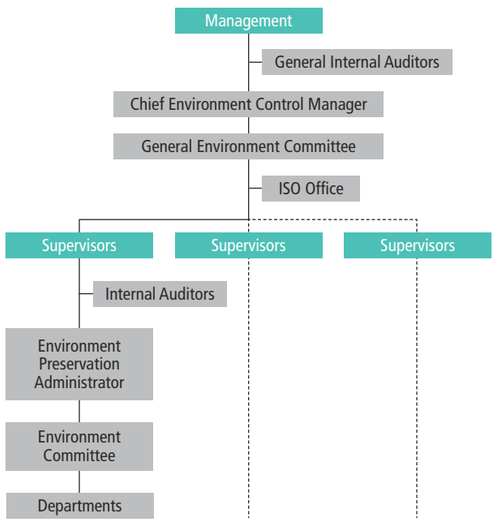
Environmental Management Promotion System

ARE Holdings Group contributes to protecting the earth's natural resources through precious metals recycling and environmental preservation. However, at the same time, we consume resources and energy.

Guided by our Environmental Policy to help minimize the environmental impact, we follow environment-conscious operations where an optimal balance can be achieved between limiting the environmental impact and generating economic value.

We are actively pursuing ISO 14001 certification, the international standard for environmental management, aiming to reduce our environmental impact globally. Each year, we establish company-wide environmental goals aligned with our Environmental Policy. At ISO 14001-certified sites in Japan, we also develop site-specific annual environmental goals. Each site appoints an environmental preservation administrator and establishes an environment committee. These committees ensure compliance with environmental laws and regulations, revise plans, and enhance environmental education. All such activities are reported to management. Additionally, we ensure full application of our Environmental Management System (EMS) across all sites.

Integrated Operational Structure for ISO14001 Certified Sites



Our Initiatives

ISO 14001 Certification Overview

In August 2018, we acquired ISO 14001 certification for our sites in Japan, including those at our subsidiaries. As of September 2025, we have been certified at 20 sites in two companies. Going forward, we will continue to focus on maintenance and improvements with an emphasis on extending certification to all sites.

ISO 14001 Certificate





Promoting Green Purchasing

The Group strives to help resolve serious environmental issues. This includes climate change caused by emissions from mass production, consumption, and disposal. To help build a sustainable society and protect the global environment, we have established guidelines for green purchasing that comply with Japan's Act on Promotion of Procurement of Eco-Friendly Goods and Services by the State and Other Entities (Green Purchasing Law), which encourages using products and services that help reduce impact on the environment.

Preferred Products

1) Products contributing to forest protection approved by the Program for the Endorsement of Forest Certification
2) Products that are certified by the Japan Environmental Association for their low environmental impact and usefulness for environmental conservation
3) Products that meet the criteria for specific procured products under the Green Purchasing Law
4) Products listed as eco-friendly by the Green Purchasing Network

Going forward, the Group will continue to vigorously follow green purchasing. We will carefully conserve limited resources and reduce waste, helping to build a recycling-oriented economic system.

Contributing to Biodiversity

Since launching our service for detoxifying liquid waste in the 1970s, the Group has dedicated over 50 years to environmental conservation. By effectively handling industrial waste, we contribute to preserving ecosystems, aquatic environments, and the oceans. We are aware that it is crucial to stop and reverse the loss of natural habitats, deliver outcomes that are beneficial to nature, and mitigate and manage natural risks for conserving biodiversity. We also believe that producing precious metals through recycling significantly contributes to biodiversity.



Water Stress

In our business operations, the Group is dedicated to reducing our environmental footprint by continuing to cut back on water use and to become more efficient. While we recognize the importance of managing stress on water resources alongside the efficient use of these resources, none of our business sites—in Japan and overseas—are in areas categorized by WRI Aqueduct as being at high risk or above. We have concluded that none of our business sites are exposed to water stress.



Utilizing Hydrogen to Reduce Environmental Impact



To advance our commitment to carbon neutrality, our company has begun industrial hydrogen utilization in the precious metals recycling process at our main Bando Plant. The combustion process in conventional precious metals recycling requires high and uniform temperatures and fossil fuels have traditionally been used, placing it in the "hard-to-abate" category where reducing CO_2 emissions is particularly challenging. Hydrogen, which does not emit CO_2 during combustion, is gaining attention as a promising alternative fuel for realizing a decarbonized society. We have therefore begun using hydrogen produced via waste-to-energy by an affiliated company, applying it to the combustion process in precious metals recycling. This has enabled us to reduce fossil fuel consumption. In addition to lowering CO_2 emissions in the manufacturing process, this initiative promotes the effective use of domestically sourced energy and supports local production for local consumption. Establishing an energy supply system based on regional resources also contributes to improving Japan's energy self-sufficiency and represents one of our key initiatives toward a sustainable society. Furthermore, the Bando Plant has obtained ZEB certification and is actively reducing environmental impact through both energy conservation and energy generation. We will continue to adopt new elements and technologies to drive environmental improvement and promote environmentally conscious manufacturing.

Human Capital Supporting Business Strategy

Message from the General Manager of Human Resources Department

Promoting Human Capital Management to Realize Individual and Organizational Growth.



Hidetsugu Okada
General Manager of Human Resources Department

Our Approach to Human Capital Management

In spring 2024, our Group accelerated efforts to realize the vision we aspire to achieve by the end of fiscal year 2030, as outlined in our Medium- to Long-Term Plan & Aspiration. Among the strategic issues outlined in the vision—"Expand into new areas in the Precious Metals Business" and "Further promote globalization"—progress is already underway, as evidenced by the launch of our retail business and expansion centered on the ASEAN. To ensure seamless execution of these strategies and achieve sustainable business growth, human resources are an essential factor, as emphasized in another strategic issue: "Develop human resources to support business growth."

Companies are often described as possessing four types of capital: financial, physical, human, and informational. While it may feel uncomfortable to place people in the same category as "things," when considered strictly in the context of production, human capital is the factor whose per-unit value fluctuates the most. The two key factors that determine this value are physical and mental well-being.

Physical well-being encompasses both the capabilities—such as skills and knowledge—and the physical health. Developing specialized capabilities, including foreign language proficiency and management skills, is vital for driving new business initiatives and global expansion. Equally essential is physical health—the foundation on which those capabilities can be fully exercised. Although the term "work-style reform" may now feel overused, our Company has long placed a strong emphasis on employee health and developing a safe and healthy working environment—even before the concept became widespread.

Mental well-being is just as important as physical well-being. It is widely understood that a person's mental state has a significant impact on productivity. Before mental health deteriorates and leads to mental illness, we prioritize early prevention. We have also long worked to foster employees' desire and motivation to contribute to society and the company, which is an effort now often referred to as "engagement." Additionally, qualities like integrity and sincerity, or the soundness of one's spirit, are indispensable human attributes for a company like ours that handles precious metals, resources we regard as noble.

When employees are placed at the center, these two elements—physical and mental well-being—can naturally be reinterpreted as the foundation of individual happiness. If we express the idea simply—that productivity and happiness are determined by the product of physical and mental well-being—then it becomes essential to prevent either from falling to zero or turning negative; a company's responsibility is to help both grow positively. The first value in the ARE Group Way is "Care for Others." While this may seem self-evident in writing, our company has elevated this principle into a distinctive culture and organizational capability through consistent, rigorous practice. It has become the core engine of our business.



Initiatives for Human Capital Management

As stated in the ARE Group Way, we aspire to be a company where all employees consistently embody the principles of "Take on Challenges," "Independent Initiative," "Continuous Improvement," and "Keep Learning," with "Care for Others" as the foundation of our shared values. To realize this vision, we position employees as vital stakeholders and actively invest in human capital. Above all, we prioritize physical and mental well-being. We are committed to pursuing healthy work practices and supportive workplaces, and we promote DE&I to foster a culture where employees with diverse values and backgrounds respect one another. In addition, we operate a performance-based evaluation system and set compensation levels that fairly reward employees who demonstrate the Group Way and deliver results. We also offer talent development programs to support those who seek growth. We believe that strengthening these initiatives will lead to higher employee engagement and enable the Company to grow stronger and more attractive.

Introducing New Work Styles

This program has been in place since October 2022, aiming to both maintain and enhance labor productivity in our business operations while accommodating the diverse personal lives of our members. This system has become firmly established as a framework for flexible working. It enables employees to make effective use of newly created time not only for childbirth, childcare, school drop-offs, caregiving, medical treatments, and doctor visits, but also for re-skilling (relearning through self-development) as well as hobbies and leisure activities—each in their own way.

Achievement Rate for Rest Intervals between Shifts	99.9%
Annual Paid Leave Acquisition Rate	62.6%

Overview of Flexible Work Arrangements

Programs	Details	Eligible Participants
New Work Styles	Options include a 3-day weekend model and a 10-day annual leave system. Time created through flexibility is used for childcare, caregiving, medical needs, reskilling, hobbies, and personal well-being.	Regular, contracted, and associate employees
Flexible Working Hours	Monthly working hours can be adjusted to accommodate individual constraints.	Shift workers, part-time workers, etc.
Shorter Hours (Childcare/Caregiving)	Up to 6 hours/day; available until child completes 6th grade	All employees
Work from Home (Childcare/Caregiving)	Up to 2 days/week	All employees
Special Leave (Childbirth)	Up to 3 paid days when a spouse gives birth	All employees
Nursing Care Leave	Up to 5 days/year per person; available in 1-hour units	All employees

Promoting Paternity Leave for Male Employees

Creating a workplace culture that supports diverse working styles and contributions requires more than just initiatives for female employees. In addition to raising awareness about paternity leave among male employees, we are promoting the creation of an environment where men can comfortably engage in childcare, including company-wide training for all managers (Asahi Learning). These efforts help promote fairness and inclusion across different work styles and roles.

Paternity Leave Acquisition Rate	100%

Increasing the Percentage of Women in Managerial Positions

We continue to strengthen support for balancing work and childcare through systems that enable flexible working arrangements. In response to the April 2025 revision of the Childcare and Family Care Leave Act, we have also begun enhancing support for employees managing caregiving responsibilities, including the introduction of services for caregivers and those likely to take on such roles in the future. To increase the number of women aspiring to management positions, we are actively recruiting young female employees, both new graduates and mid-career hires. The "Asahi Cheer-up Meeting," launched in 2022, remains an ongoing initiative that encourages vibrant participation by female employees through dialogue and peer engagement. In recognition of these and other efforts, Asahi Pretec Corp. received the "Platinum Kurumin" certification in 2024.

Percentage of Female Managers	4.7%

Promoting Employment for Individuals with Disabilities



Through our Sustainability Committee, we promote a company-wide culture and workplace environment where people with disabilities can thrive. Rather than treating disability employment as mere social obligation, we focus on enabling employees with disabilities to find fulfillment by contributing directly to our business. We prioritize assigning roles tied to core operations—not isolated tasks—and this approach is reflected in our achievement of the statutory employment rate.

Employment Rate of Persons with Disabilities	3.26%

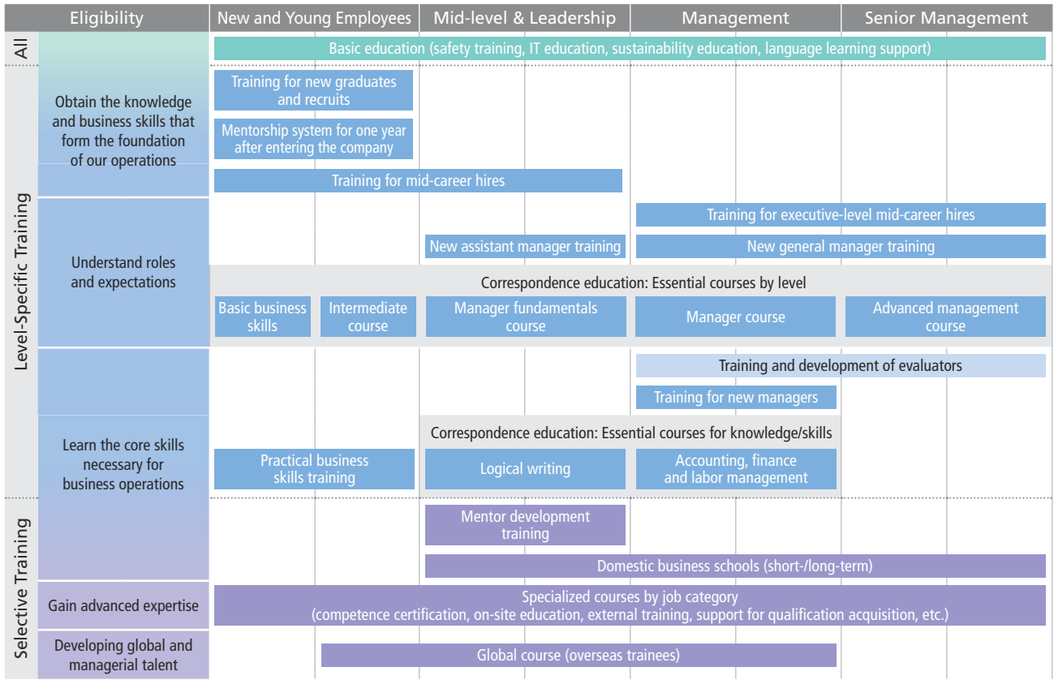
Improving Employee Engagement

It has been three years since we enhanced our engagement survey and made it an annual practice. Results are shared with all employees, and managers lead workplace improvements through the PDCA cycle. We provide ongoing practical training to managers to help them drive these efforts, strengthening organizational capabilities so employees can take ownership of engagement initiatives. In workplaces facing complex challenges such as cultural issues, the HR department provides direct and tailored support. Survey scores continue to improve, and we are seeing a clear rise in workplace vitality.

Human Resource Development

Training System Organization

We have implemented our own qualification systems and internal education courses with the goal of developing professional human resources who can operate on a global level, regardless of their position or occupation. We are also developing employees who enjoy taking on a challenge, using systems that fairly and objectively evaluate every employee's contribution to business performance.



Overseas Trainee Program

We have introduced this trainee program to better understand the diversity of cultures through firsthand experiences and to cultivate a global perspective. This is part of our strategy to nurture future managers who can perform on the world stage. Currently, three young employees stay in North America, with the goals of not only improving their technical skills but also of developing the ability to adapt to a global environment. We will keep working to support more employees in gaining overseas experience.



Training for New Managers

This program offers a structured approach to learning the knowledge, behaviors, attitudes, and mindset required for effective management. Rooted in the Values of the ARE Group Way, the program equips managers to practice these principles and foster a corporate culture aligned with the ARE Group Way.



Mentorship System

This system involves senior employees acting as mentors and providing structured on-the-job training (OJT), which facilitates rapid growth for new employees. Mentors undergo a year-long training, enabling them to develop foundational skills for managing and developing subordinates through OJT and OFF-JT. Additionally, this system aims to foster the mindset of continuous learning and independent initiative, in alignment with the principles of the ARE Group Way.

Increase in Starting Salaries for New Graduates

In light of the intensifying competition for human resource, we raised the starting salaries for new graduates joining in April 2024. To stay ahead of external salary standards, we launched our 2026 new graduate recruitment with the premise of implementing a salary increase in 2026. We will continue to strengthen our recruitment communication efforts and to increase student applications and attract top talent who will shape the future of our company.

	Current Salary	After Revision	Increase
Bachelor's Degree	280,000 yen	310,000 yen	30,000 yen
Master's Degree	300,000 yen	330,000 yen	30,000 yen

Health and Productivity Management

Our purpose is to be "Totally Committed to Protecting the Natural Environment and Preserving Resources," and we are committed to balancing the resolution of social issues with ongoing enhancements to our corporate value. As stated in the ARE Group Way Values, "Care for Others," we regard each employee as the driving force of our organization and a crucial management foundation. By promoting health and productivity management, we aim to address key management challenges, including the sustainable growth of the company, organizational revitalization, and increased productivity.

ARE Holdings Health Declaration

The ARE Holdings Group recognizes that every employee's mental and physical health are assets to the company and is working to enhance corporate value by building healthy, productive workplaces.

Tomoya Higashiura, Representative Director, President & CEO

Robust Health Exam Program that Exceeds Legal Requirements

Starting at age 35, a gastroscopic examination is recommended for employees, and advanced medical checkups including brain MRIs and PET scans are provided periodically starting at age 40. We have been recognized by Japan's Ministry of Economy, Trade and Industry as a Certified Health & Productivity Management Outstanding Organization for the sixth consecutive year. This recognition is given to corporations that are promoting employee health from a strategic business perspective.

Mental Health

Since good mental health is essential for improving productivity and vitality, employees are provided individual consultations and other services by industrial physicians specializing in mental health. In addition, stress checks are given to all employees at all sites including workplaces with fewer than 50 people. After the checks are carried out, we analyze the results for each site and improve workplaces to promote even more supportive working environments.

Creating a Safe Workplace

Initiatives under the Occupational Safety and Health Management System (OSHMS)

To reduce occupational accidents, it is essential to proactively mitigate the numerous risks that exist in the workplace. We have adopted the concept of OSHMS, a systemized approach to risk management, and established systematic safety processes to ensure ongoing health and safety management. Our goal is to improve workplace health and safety standards. Through initiatives such as risk assessments and hazard prediction training, we are strengthening accident prevention and safety education, with a focus on preventing serious accidents and disasters.

Respect for Human Rights

Guided by the ARE Group Way, our Group is committed to upholding high ethical standards and social responsibility. We strive to comply with laws and regulations and respect human rights across all aspects of our business activities, contributing to the development of a sustainable society. The following ARE Holdings Group Human Rights Policy (hereinafter "this Policy") outlines our approach to human rights and applies to all officers and employees within the Group. We pledge to uphold this Policy in all our corporate activities.

Furthermore, we support and respect international human rights standards, including the International Bill of Human Rights (the Universal Declaration of Human Rights and the International Covenant on Human Rights), the ILO Declaration on Fundamental Principles and Rights at Work, and the United Nations Guiding Principles on Business and Human Rights. We also expect all stakeholders involved in our Group's business to understand and practice respect for human rights in line with this Policy, and we aim to work collaboratively to promote human rights across our operations.

ARE Holdings Group Human Rights Policy

Prohibition of Discrimination	In accordance with the basic principle that all people are entitled to respect for their individuality and human rights, to fair treatment, and to equal opportunity, we do not tolerate any form of discrimination or disadvantageous treatment based on age, gender, nationality, race, religion, ideological beliefs, sexual orientation, gender identity, or disability. We promote a workplace environment in which diverse human resources are empowered to participate energetically, with equal opportunity in terms of recruitment, assessment, training, assignments and postings, and pay rises and job promotions.
Prohibition of Harassment	We do not tolerate any form of behavior such as sexual harassment and abuse of authority that offends the dignity of an individual or causes him/her discomfort. At the same time, we strive continually to prevent such harassment through employee education and other means.
Prohibition of Forced Labor and Child Labor	As part of our effort to defend fundamental human rights, we prohibit any form of forced labor, child labor, or hazardous work for children under 18 years of age in any place that we do business, making sure to always conduct our business activities in compliance with applicable laws and regulations.
Management of Working Hours and Pay	In accordance with the Labor Standards Act, labor-management agreements, and all applicable laws and regulations, we endeavor to prevent overwork and limit overtime work by carefully considering appropriate working hours and rest periods, appropriate overtime work, work-life balance, and the maintenance and promotion of employee health. In compliance with all legal requirements regarding minimum wages, statutory benefits and deductions, overtime work, etc., we establish salary regulations to ensure that we pay minimum wage or higher remuneration, taking into account the income necessary to ensure a stable livelihood. We also pay our employees directly.
Ensuring Employee Health and Safety	In accordance with all applicable laws and regulations relating to work safety and health, we strive to ensure and maintain a healthy and safe work environment so that each and every employee enjoys the peace of mind to work energetically and fully demonstrate their abilities.
Respect for Freedom of Association and the Right to Collective Bargaining	In compliance with all applicable laws and regulations, we respect the freedom of association and right to collective bargaining of our employees.

Human Rights Due Diligence

To promote initiatives based on our Human Rights Policy, ARE Holdings Group is working to identify human rights risks that could lead to violations through its business activities. For example, we have established a "Responsible Precious Metals Management Policy" to prevent human rights abuses in conflict zones, money laundering, fraudulent transactions, and the financing of terrorism. This policy is supported by a management system aligned with guidance from LBMA, LPPM and RJC. We also maintain and enhance this system through third-party certification and regular independent audits. As part of our commitment to one of the Group's Key SDG Targets—"Supply Precious Metals in Ways That Are Friendly to People, Society, and the Environment"—we strive to build and uphold the "Asahi Brand," assuring customers worldwide that our precious metal products are ethically and environmentally responsible.

Consultation and Reporting Desk

ARE Holdings Group has established the Asahi Hotline under its internal whistleblowing policy to directly receive reports from all employees across domestic and international Group companies. These reports may concern legal violations, misconduct, harassment, and other human rights issues. The hotline includes both internal and external contact points, with the external point managed by an independent law firm to ensure neutrality and allow for anonymous reporting. The internal consultation desk is also available for casual use, aimed at early prevention. All reports are handled fairly, investigated promptly and appropriately, and followed by corrective actions as needed. Confidentiality is strictly maintained, and no disadvantage will result from reporting or seeking advice. In addition, we have established an anonymous external reporting channel on our website for internal and external stakeholders to raise concerns related to "Responsible Precious Metals Management."

Supply Chain Management

The ARE Holdings Group is engaged in the global procurement of precious metals, which are essential for manufacturing products such as electronics, auto parts, and jewelry. We have established a management system that complies with guidance issued by relevant international organizations. As a member of the precious metals supply chain, we promote Responsible Precious Metals Management as a key element of fulfilling our social responsibilities. This includes compliance with laws, respect for international norms, human and labor rights, health and safety, environmental preservation, fair and impartial transaction, and ethics.

Key SDG Targets

Supply Precious Metals in Ways That Are Friendly to People, Society, and the Environment

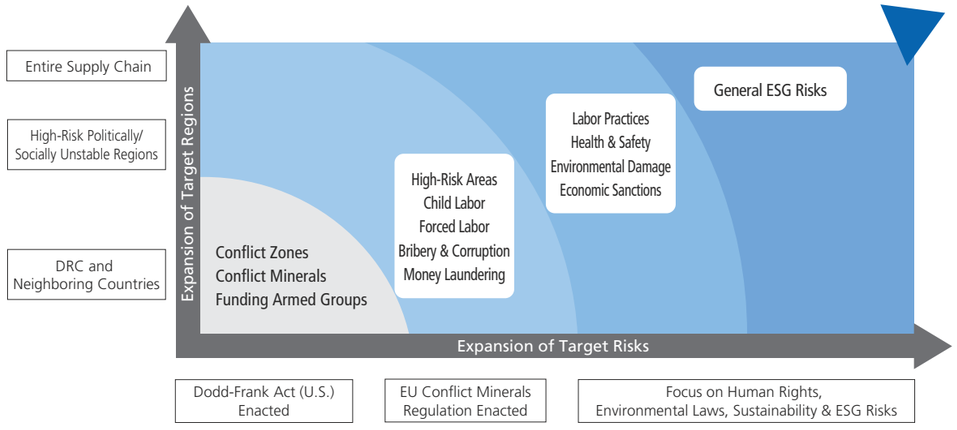
What Is Responsible Precious Metals Management

Responsible Sourcing of Minerals

The Dodd-Frank Act was passed in the United States in 2010 out of concern that mineral resources were being used as sources of funding for armed groups causing conflicts and human rights abuses. This act regulates the use of conflict minerals from the Democratic Republic of the Congo and nine surrounding countries. Companies that are publicly listed in the U.S. and which procure tin, tantalum, tungsten, and gold (called 3TG) are required to carry out due diligence, determine the country of origin, and report on the use of any conflict minerals.

The Organization for Economic Co-operation and Development (OECD) has issued Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance). This OECD Guidance sets out a five-step framework for companies: (1) establish strong company management systems; (2) identify and assess risks in the supply chain; (3) design and implement a strategy to respond to identified risks; (4) carry out independent third-party audits; and (5) report annually on supply chain due diligence.

The Conflict Minerals Regulation also came into effect in the European Union in January 2021. This regulation applies to importers of materials containing 3TG into the EU from conflict-affected and high-risk areas, and they are now required to carry out due diligence in their supply chain. As a result, responsible sourcing of minerals is expanding globally.



Responsible Precious Metals Management

Refiners who meet criteria in areas such as quality of products, assaying, and responsible sourcing, and which have passed testing procedures, are accredited by the London Bullion Market Association (LBMA) for gold and silver or the London Platinum and Palladium Market (LPPM) for platinum and palladium as Good Delivery refiners. ASAHI METALFINE has received Good Delivery accreditation for gold, silver, platinum, and palladium, while Asahi Refining (USA and Canada) has received the same for gold and silver. These accreditations ensure that the companies are trusted by customers in the global market.

To maintain Good Delivery accreditations, in addition to regular quality and technical testing, Good Delivery refiners are required to be audited annually by a third-party for the LBMA Responsible Gold and Silver Guidance (called LBMA Guidance), and the LPPM Responsible Platinum and Palladium Guidance (LPPM Guidance) in compliance with OECD Guidance.

In addition to avoiding conflict minerals, human rights abuses, money laundering, financing terrorism, and fraudulent transactions, the LBMA Guidance also now requires refiners to fulfill their social responsibilities for sustainability and the environment.

ASAHI METALFINE and Asahi Refining (USA and Canada) are also accredited by the Responsible Minerals Initiative (RMI) as conflict-free gold refiners that comply with the Responsible Minerals Assurance Process (RMAP).

Initiatives of Asahi Pretec and ASAHI METALFINE

Leveraging its sales network that covers all of Japan and its overseas sites in Asia, we collect and recycle precious metal-containing scrap from sources such as e-scrap, plating treatment, precision cleaning, catalysts, dentistry, and jewelry. By recycling gold, silver, platinum, palladium, and other precious metals essential to modern manufacturing, we contribute to the effective use of resources and the advancement of the industry.

ASAHI METALFINE's gold, silver, platinum, and palladium products are recognized worldwide. In addition to receiving Good Delivery accreditation from LBMA and LPPM, its products have also been approved for delivery by futures exchanges, including the Osaka Exchange (OSE) in Japan, the Commodity Exchange (COMEX) and the New York Mercantile Exchange (NYMEX) in the United States, establishing them as a globally recognized brand.

In July 2019, ASAHI METALFINE became the first Japanese refiner to receive the Responsible Jewellery Council (RJC)* Code of Practices (COP) certification. In July 2021, the company also obtained the Chain of Custody (COC) certification for its processing and distribution management. ASAHI METALFINE adheres to the RJC's strict standards for ethics, human rights, society, and the environment, as well as for due diligence and traceability. The company is committed to fulfilling its responsibilities as a member of the precious metals supply chain, including gold and platinum.

* A non-profit organization that promotes transaction transparency and responsible corporate behavior in the jewelry industry, targeting companies that handle precious metals and diamonds, from mining to retail.

Responsible Precious Metals Management Policy

Asahi Pretec and ASAHI METALFINE conduct environmentally and socially responsible business activities, contributing to a sustainable society.

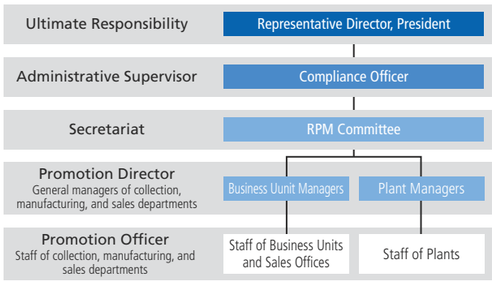
We have established a Responsible Precious Metals Management Policy for our supply chain to prevent human rights violations, terrorist financing, money laundering, illicit trade, and involvement in conflict. We actively promote responsible practices that uphold environmental and sustainability standards.



Responsible Management of Precious Metals

The Responsible Precious Metals Management Committee (RPM Committee) oversees both companies under the leadership of the Chief Compliance Officer, who is appointed by the President and CEO. The RPM Committee is responsible for making key decisions, including formulating and revising policies, developing management systems, monitoring implementation, educating employees, and reporting to senior management.

We evaluate transactions that adversely impact our precious metals supply chain as high-risk. The RPM Committee discusses these transactions, and additional due diligence is conducted as necessary to further strengthen the management system.



Supply Chain Management

Our due diligence process uses an approach that assesses the risks in the precious metals supply chain, such as conflict, compliance with laws, human rights, labor rights, health and safety, and the environment. By communicating with suppliers and through know-your-customer questionnaires, we gain an understanding of the transaction and the origin of materials; we then evaluate the risks for suppliers and materials. We sent a consent form to all of our suppliers, requiring them to confirm that they agree with our RPM Management Policy, and we request their understanding and cooperation in responsible precious metals sourcing. We establish relationships of trust with our suppliers and conduct continuing due diligence to mitigate risk in the supply chain.

1) Implementation of due diligence for suppliers
   (risk assessment based on information such as business type, location, types of materials, and origin)
2) Communicating our Responsible Precious Metals Management Policy to suppliers
3) Recording transactions and managing traceability
4) Providing training to employees on Responsible Precious Metals Management and due diligence
5) Monitoring implementation status and conducting management reviews
6) Conducting annual independent third-party audits

Coexisting with Society

Serving our Customers

Our motto is "the customer comes first," and we mean it. We do all that we can to provide finely tuned responses to the wide-ranging needs of our customers.

Fair and Impartial Transaction

The ARE Holdings Group is committed to upholding fair and impartial transactional practices and corporate ethics as we strive to achieve one of the ARE Group Way Goals: "Establishing a globally trusted corporate brand."

Quality Assurance System

At Asahi Pretec, quality assurance is positioned as the core department, and it works closely with the sales, technology development, and product manufacturing departments. Quality assurance shares customer feedback and market trends with these departments and cooperates with them to improve customer satisfaction. In addition, the ARE Holdings Group maintains ISO 9001 certification to ensure that all products deliver satisfaction and peace of mind to customers. We strive to continually improve our quality management system and maintain the highest level of quality.

Procurement Initiatives

As ARE Holdings Group sets being "Totally Committed to Protecting the Natural Environment and Preserving Resources" as our purpose, the Group sees creating a sustainable supply chain to achieve this purpose as essential. For our own sustainable business development as well as for our business partners and suppliers, together with them, we fulfill social responsibilities for legal compliance, human rights, ethics, labor, health and safety, and the environment. We have established the Sustainable Procurement Policy as our basic approach to procurement, and have also set up material- and company-specific policies to achieve the goals of the basic procurement policy.

Asahi Pretec and ASAHI METALFINE have established the CSR Procurement Policy as well for secondary materials such as chemicals and consumables used in business activities. The ARE Holdings Group fulfills all social responsibilities and improves corporate value for both suppliers and the Group through procurement that emphasizes seven perspectives: environmental protection, quality management, fair and impartial transaction, information security, risk management, social responsibility, human rights, and occupational health and safety.

ARE Sustainability Procurement Policy

1. Compliance with Laws, Regulations, and Social Norms
   We will comply with local and international laws, regulations, and social norms applicable to our business activities.
2. Respect for Human Rights
   We will eliminate all human rights violations, such as forced labor, child labor, harassment, and discrimination in our supply chain.
3. Occupational Health and Safety
   We will understand local and international labor conditions applicable to our business activities and strive to maintain and improve the working environment as well as health and safety.
4. Environmental Considerations
   We will take into consideration the impact on climate change and biodiversity, and promote procurement activities with minimal impact on the global environment.
5. Ensuring Quality and Safety of Products and Services
   We will ensure the quality and safety management of our products and services, and strive to continuously maintain and improve them.
6. Fair and Impartial Transaction
   We will conduct fair and impartial transactions in accordance with corporate ethics, sound business practices, and social norms.
7. Information Security
   We will properly manage confidential information and personal information obtained in procurement activities and strive to prevent leaks.

Engaging with Local Communities

The Group plays a critical role in the circular economy, functioning much like the veins in a circulatory system—a role that will grow increasingly important in the future. As our business recycles waste materials from local communities and companies into resources, strengthening our relationships with those stakeholders is essential. Accordingly, the Group actively participates in initiatives led by national and local governments as well as industry associations, while also engaging in its own social contribution and sponsorship activities.

Key SDG Targets

Encourage and Support SDG-Related Activities

ASAHI JEWELRY JOURNAL

Nowadays, all companies are expected to address environmental, social, and governance (ESG) issues. The Group recognizes the importance of not only pursuing its own initiatives such as Responsible Precious Metals Management, but also raising awareness and sharing knowledge of its efforts. In June 2020, Asahi Pretec launched the Asahi Jewelry Journal for its partners in the jewelry industry. Published regularly, it features SDGs initiatives and other timely topics.



Coexistence with Local Communities

Our company views harmony and development with the communities in which we operate as a key priority. Guided by this philosophy, we are implementing initiatives to enhance disaster preparedness in the local community. The Bando Plant is designed not only as a production facility but also as a hub that contributes to the safety and security of the community. To this end, we have signed a cooperation agreement with Bando City for disaster response, pledging to make parts of the plant's facilities available as an emergency shelter. Specifically, the plant's cafeteria (600m²) and parking area (1,400m², accommodating 90 vehicles) will be opened during disasters, with the capacity to shelter approximately 70 households. Additionally, the plant is equipped with a solar power generation system and battery storage to ensure electricity can be provided to evacuees even during power outages. Through these measures, we aim to support the local community during emergencies.

The new plant is located on elevated ground outside the flood-prone areas identified on the flood hazard map, ensuring safety from natural disasters. By leveraging this advantageous location, the plant will function as a disaster preparedness hub, contributing to the safety and security of the local community.

Participating in Social Contribution Activities

As a corporate citizen, the Group engages in social contribution activities rooted in local communities and environmental preservation.

TOOTH FAIRY Project

Asahi Pretec participates in the TOOTH FAIRY project, which is jointly managed by the Nippon Foundation and the Japan Dental Association. This initiative promotes the collection and recycling of gold, palladium, and other precious metals that have served their purpose at dental clinics across Japan.

Profits obtained from the sale of these recycled metals are used for social contribution activities, including supporting children with intractable diseases and their families. Asahi Pretec provides support by recycling the precious metals donated to the TOOTH FAIRY project.

Asahi Clean Project

The Group encourages and supports employee activities that contribute to the SDGs as responsible members of society, including individual and group volunteer efforts, under the ARE Holdings SDGs Activities. On April 1, 2021, we launched the Asahi Clean Project to promote cleaning initiatives, with a total of 1,991 employees and their families participating. These cleanup activities extend beyond our offices and sales locations to various communities.







Donation Activities at Overseas Locations

At Asahi Refining companies, employees collaborate on donation activities. Each year, a large amount of food and toys is collected and donated to food banks and other organizations.





Other Social Contribution Activities

- Support for the activities by nonprofits such as Médecins du Monde Japon
- Support for the activities by nonprofits such as the Japan Cleft Palate Foundation
- Donations to the Nippon Foundation through vending machines, etc.

Social Contribution Activities (Since 2018)
Total reported cases: 400

Directors and Officers



Tomoya Higashiura

Born January 26, 1961

Number of Shares Held	100,000 shares
Board of Directors Meeting Attendance	7/7

Major Concurrent Positions

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

Reason for Appointment

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



Akinori Yamamoto

Born February 26, 1981

Number of Shares Held	N/A
Board of Directors Meeting Attendance	7/7

Major Concurrent Positions

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

Reason for Appointment

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



Yoshinori Hara

Born July 21, 1958

Number of Shares Held	N/A
Board of Directors Meeting Attendance	7/7
Audit and Supervisory Committee Attendance	9/9

Major Concurrent Positions

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

Reason for Appointment

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

Skill Matrix of Directors and Officers

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



Mitsutoshi Kagimoto

Born June 15, 1958

Number of Shares Held	2,000 shares
Board of Directors Meeting Attendance	7/7
Audit and Supervisory Committee Attendance	9/9

Major Concurrent Position

Auditor of Asahi Pretec Corp.

Reason for Appointment

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



Yuki Tsuru

Born May 16, 1969

Number of Shares Held	N/A
Board of Directors Meeting Attendance	7/7
Audit and Supervisory Committee Attendance	9/9

Major Concurrent Positions

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

Reason for Appointment

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



Toru Nakamura

Born October 25, 1968

Number of Shares Held	7,500 shares
Board of Directors Meeting Attendance	N/A
Audit and Supervisory Committee Attendance	N/A

Major Concurrent Positions

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

Reason for Appointment

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



Kaoru Katada

Born August 29, 1980

Number of Shares Held	N/A
Board of Directors Meeting Attendance	N/A
Audit and Supervisory Committee Attendance	N/A

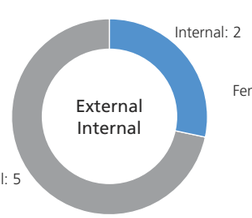
Major Concurrent Position

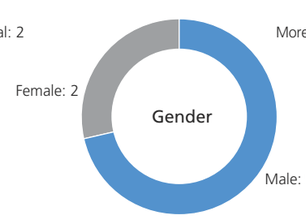
Executive Officer of LIFENET INSURANCE COMPANY

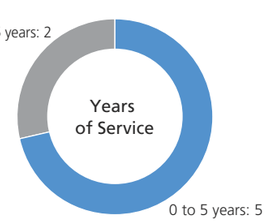
Reason for Appointment

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

Composition of the Board of Directors







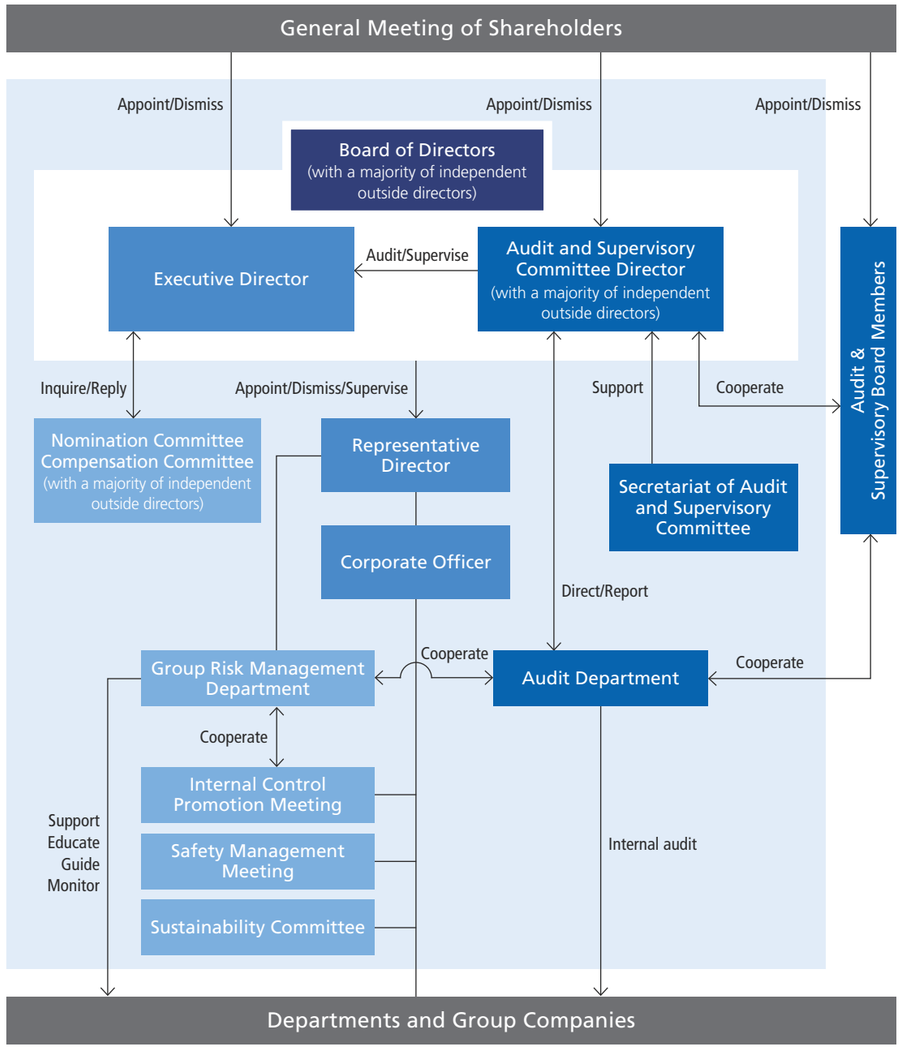
More details about our directors can be found here: https://www.are-holdings.com/english/company/officer/

Corporate Governance

Basic Approach to Corporate Governance

Practicing effective corporate governance is a key part of our corporate social responsibility. Good governance enhances management efficiency and transparency, and helps ensure our corporate value keeps growing. The ARE Holdings Group practices corporate governance that seeks to earn the confidence of our shareholders, business partners, personnel, local communities, and other important stakeholders. In addition to fulfilling the social mission and responsibilities of a publicly listed company, we aim to keep improving our corporate value by maintaining top management structure and business execution framework that can quickly respond to changes in the business environment while emphasizing the importance of compliance.

Corporate Governance System



Organization Design

Board of Directors

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

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

Outside Directors

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

Audit and Supervisory Committee

The main agenda items for Audit and Supervisory Committee meetings include, deciding audit policy and plans, auditing quarterly and full-year financial results, deciding whether to reappoint the accounting auditor, approving compensation to be paid to the accounting auditor, deciding its opinion regarding personnel and remunerations to be paid to directors, auditing business reports and proposals for General Meetings of Shareholders, auditing the internal control system, conducting interviews regarding operations at overseas subsidiaries, and auditing important requests for approval, etc.

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

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

Nomination and Compensation Committees

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

Adherence to Japan's Corporate Governance Code

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

Remuneration for Directors

Policy for Determining the Details of Director Remuneration

Method for Determining the Remuneration Policy

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

Overview of the Remuneration Policy

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

Total Amount of Director Remuneration

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

Executive Remuneration System Incorporating TSR as an Evaluation Criterion

Performance-based stock remuneration, which forms part of the remuneration for Directors (excluding those who are Audit and Supervisory Committee members), is designed to incentivize medium- to long-term corporate value enhancement. Each year, points are awarded based on the achievement of performance targets, serving as the basis for share allocation. These points are then adjusted over the following two years according to Total Shareholder Return (TSR), and shares are granted based on the adjusted total. The basic policy is for performance-linked remuneration to comprise approximately 30 to 70% of total remuneration when targets are met. Remuneration structure and levels are determined objectively, referencing compensation levels at other companies and maintaining internal balance with Group employees.

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

Maintaining an Internal Control System

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

Evaluation of the Effectiveness of the Board of Directors

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

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

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

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

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

1. **Discussion of Corporate Strategies and Other Broad Directions**
   The Medium- to Long-Term Plan & Aspiration was established through discussions aimed at sustainable growth, allowing for sharing and deliberation of managerial direction.

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

3. **Fulfillment of Highly Effective Supervision**
   As the Outside Directors and Executive Directors had opportunities for discussion in addition to the Board of Directors meetings, oversight of business execution has been performed in full measure. Continuous provision of such opportunities are expected.

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

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

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

3 Measures for Improving Effectiveness

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

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

Compliance and Risk Management

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

Compliance

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

Internal Reporting System (Whistle-Blowing System)

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

Business Continuity Management

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

Information Security

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

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

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

Anti-Corruption Measures

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

Risk Management

Group-Wide Oversight and Auditing by Directors

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

Strengthening Group Risk Management

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

Establishment of a Group Risk Management Department

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

Strengthening Risk Management in Our North American Refining Business

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

Messages from Newly Appointed Directors



Beyond "Your Company": Advancing ARE Holdings' Sustainable Development from a Governance Standpoint.

Toru Nakamura Director, Audit and Supervisory Committee Member

At age 33, I launched my own accounting firm. Driven by a desire to build a brand that offers a trusted brand for corporate clients, I expanded the organization. To meet client needs, we diversified our services and acquired and integrated over 20 accounting firms facing succession challenges. By 2025, the firm grew to over 500 employees. Throughout the acquisition process, the critical challenge was always how to integrate companies with distinct cultures and histories and ensure a successful PMI (post-merger integration). Through firsthand experience, I learned that the "quality of integration" in M&A plays a critical role in outcomes.

ARE Holdings has consistently pursued steady growth by executing M&A with a medium-to-long-term perspective, while inheriting DNA that values taking on challenges. Drawing on my experience, I believe I can provide appropriate advice on various M&A-related challenges, including evaluating and analyzing acquisition targets and ensuring the smooth execution of integration processes.

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

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



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

Kaoru Katada Director, Audit and Supervisory Committee Member

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

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

ARE Holdings engages in socially significant businesses that contribute to building a sustainable society, such as precious metals recycling and environmental preservation. We believe it is crucial to actively communicate the social significance of our business and our competitive strengths in the market to our employees, thereby further enhancing their engagement. Higher engagement should make it easier to gain understanding and empathy from young job seekers, which in turn should positively impact our recruitment efforts.

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

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



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

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

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

Akinori Yamamoto
Director
(Independent Outside Director)

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

Outside Directors' Dialogue

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

Theme 1

Mission of Outside Directors

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



Akinori Yamamoto
Director
(Independent Outside Director)

Oversight and Counsel to Support Sound Decision-Making

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



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

For Current and Future Stakeholders

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

Leveraging Legal Experience and Expertise

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

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



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

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

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



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

Oversight and Counsel
The Two Wheels of Governance

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



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

Theme 2

Assessment of ARE Holdings' Governance

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



Akinori Yamamoto
Director
(Independent Outside Director)

A Governance Structure Aligned with Its Core Purpose

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



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

Ensuring Impartiality Through an Outside Director Majority

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

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

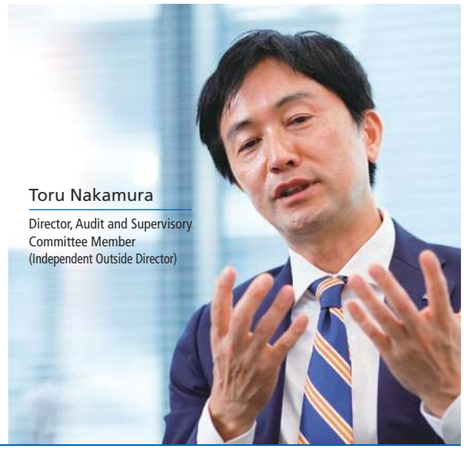
The diversity of our Board—reflected in the skills, experience, and knowledge of our outside directors—together with close collaboration between the executive team and outside directors, is a key strength of ARE Holdings. Through management meetings, we gain a clear understanding of the executive team's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



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

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

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



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

A Culture of Openness and Free Expression

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



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

Theme 3

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

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

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



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

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

The Key Is to Closely Track Post-Resolution Outcomes



Akinori Yamamoto
Director (Independent Outside Director)

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

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



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

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

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



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

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

Toward Truly Sustainable Management



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

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

10-Year Financial and Non-Financial Summary

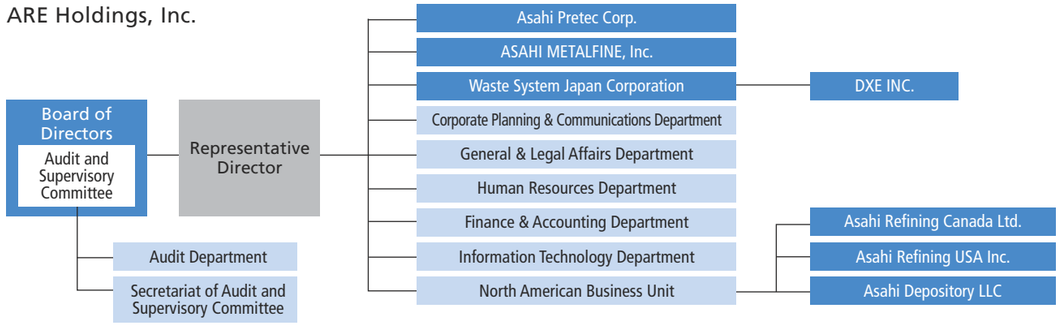
			Fiscal year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
				IFRS≫									
Financial Indicators [1][2][3][4]			Unit										
		Revenue	billion yen	119.4	106.8	115.8	110.4	135.6	164.8	192.4	274.2	322.3	**506.2**
		Operating profit	billion yen	6.1	2.0	13.8	13.4	18.0	25.1	26.4	16.3	12.4	**20.0**
		Pre-tax income	billion yen	5.9	1.8	13.4	12.4	17.7	26.1	26.4	12.6	12.4	**20.5**
		Income for the year attributable to owners of the parent	billion yen	2.9	-1.2	9.4	9.0	9.8	25.7	18.7	10.9	24.5	**14.3**
		Total capital	billion yen	48.6	44.3	64.4	67.8	69.2	97.9	105.1	107.0	126.5	**126.3**
		Total assets	billion yen	101.6	89.0	131.5	160.3	230.0	244.8	298.4	287.4	318.0	**490.0**
		Capital investment	billion yen	1.7	3.0	3.1	5.7	4.2	5.3	8.3	4.9	6.2	**8.2**
		Depreciation	billion yen	2.4	2.3	2.3	2.3	2.8	2.5	2.7	3.3	3.6	**2.8**
		R&D expenses	billion yen	0.51	0.51	0.51	0.37	0.35	0.32	0.36	0.41	0.43	**0.50**
		Cash flow from operating activities	billion yen	14.3	3.3	-13.4	-20.6	4.6	-33.4	11.1	36.8	12.6	**14.7**
		Cash flow from investing activities	billion yen	-1.9	-2.4	-2.8	-5.6	1.9	-2.8	-7.8	-3.9	-28.7	**0.3**
		Cash flow from financial activities	billion yen	-6.5	-6.6	29.8	18.3	0.3	24.4	-6.0	-23.8	7.1	**-6.2**
		Basic earnings per share (EPS) [5]	yen	43.74	-18.62	135.39	114.07	125.12	326.90	238.11	141.19	319.54	**187.13**
		Equity attributable to owners of the parent company per share (BPS) [5]	yen	745.28	679.51	813.6	861.58	879.00	1,244.06	1,336.89	1,395.52	1,650.20	**1,648.56**
		Dividend per share [5]	yen	30.0	30.0	31.5	60.0	65.0	85.0	90.0	90.0	90.0	**80.0**
		Operating profit margin	%	5.1	1.9	11.9	12.2	13.3	15.2	13.7	5.9	3.8	**3.9**
		Return on equity (ROE) attributable to owners of the parent	%	5.8	-2.6	17.3	13.6	14.4	30.8	18.5	10.3	21.0	**11.3**
		Pre-tax return on assets (ROA)	%	5.7	1.8	12.2	8.5	9.0	11.0	9.7	4.3	4.1	**5.1**
		Ratio of equity attributable to owners of the parent	%	47.8	49.8	49.0	42.3	30.1	40.0	35.2	37.2	39.8	**25.8**
		Payout ratio	%	68.6	-	23.3	52.6	52.0	26.0	37.8	63.7	28.2	**42.8**
Non-Financial Indicators [6]													
Environmental		Electricity consumption [3]	10,000 kWh	4,752	4,635	4,554	4,451	4,999	4,841	4,571	3,561	3,524	**3,434**
		CO_2 emissions [7]	1,000 tons	28.2	25.2	25.1	25.3	26.1	25.0	21.4	21.6	20.5	**18.2**
Social		Number of employees		2,005	1,961	1,928	2,042	1,574	1,510	1,457	1,467	952	**979**
		Percentage of overseas employees	%	18.4	17.5	16.7	21.2	23.6	24.7	23.1	24.5	38.3	**35.0**
		Percentage of employees with disabilities [8]	%	1.88	2.00	2.28	2.00	2.07	1.91	1.94	2.22	3.58	**3.26**
	Women in Leadership	Percentage of female employees	%	11.7	11.8	11.5	11.6	9.9	8.9	8.9	10.1	12.8	**13.4**
	Women in Leadership	Percentage of women in managerial positions [8][9]	%	0.7	0.7	0.7	0.6	1.3	1.1	2.1	2.9	5.0	**4.7**
	Parental Leave	Percentage of female parental leave usage [8]	%	100	100	100	100	100	100	100	100	100	**100**
	Parental Leave	Percentage of men taking childcare leave [8][10]	%	0.0	0.0	0.0	0.0	4.0	7.0	12.0	36.0	38.5	**60.0**
	Parental Leave	Percentage of male parental and childcare leave usage [8][10]	%	-	-	-	-	-	-	-	-	76.9	**100.0**
	Recruitment	Number of new hires		-	-	-	-	-	74	93	154	109	**115**
	Recruitment	Percentage of female new hires	%	-	-	-	-	-	10.8	11.8	20.8	23.9	**21.7**
	Recruitment	Number of mid-career hires		-	-	-	-	-	69	83	144	100	**97**
		Paid leave utilization rate [8]	%	64.3	65.2	60.6	57.2	81.1	67.2	66.3	64.7	58.8	**62.6**
		Average length of employment (men)	years	-	-	-	-	-	14.8	13.4	13.3	14.3	**14.1**
		Average length of employment (women)	years	-	-	-	-	-	13.1	10.8	9.1	9.3	**8.8**
		Gender pay gap (all employees) [8]	%	-	-	-	-	-	-	-	67.6	69.5	**71.9**
Governance	Directors	Number of directors		9	9	9	9	8	8	7	7	6	**6**
	Directors	Percentage of female directors	%	0.0	0.0	11.1	11.1	12.5	12.5	28.6	28.6	33.3	**28.6**
	Directors	Percentage of external directors	%	33.3	33.3	33.3	33.3	37.5	37.5	57.1	57.1	66.7	**66.7**
		Number of board meetings held		10	9	9	7	8	7	8	9	8	**7**
		Number of internal reports [8]		-	-	-	-	-	-	-	3	2	**3**
		Number of information security incidents [8]		1	0	0	0	0	0	0	0	0	**0**

Notes:
1. Since the Group adopted the International Financial Reporting Standards (IFRS) in fiscal year 2016, the financial figures for fiscal year 2015 are also shown based on IFRS.
2. The business operations of Fuji Medical Instruments Mfg. Co., Ltd., which was a consolidated subsidiary, were reclassified as non-consolidated business operations in fiscal year 2019. As a result, the related figures for fiscal years 2018 and 2019 have been reclassified to reflect this change.
3. Previously, interest expenses arising from advance transactions conducted by Asahi Refining were recorded as financial expenses. However, starting from fiscal year 2020, they have been reclassified as part of cost of sales. Accordingly, the relevant figures for fiscal year 2019 are presented based on the revised classification.
4. The operations of Japan Waste Corporation, which was a consolidated subsidiary, were reclassified as non-consolidated operations in fiscal year 2023. As a result, the related figures for fiscal years 2022 and 2023 have been reclassified to reflect this change.
5. On April 1, 2021, a stock split was conducted with a ratio of two-for-one, and the calculation is based on the assumption that the stock split was conducted at the beginning of fiscal year 2015.
6. The annual non-financial information is compiled as of March 31 and includes data for the entire Group, including overseas companies.
7. The data pertains to consolidated subsidiaries as of March 31, 2025. If a subsidiary is removed from the scope, historical data is updated retroactively. If a subsidiary is added, its data is included from the fiscal year it joined.
8. The proportion is calculated excluding overseas subsidiaries, focusing only on our domestic consolidated Group companies.
9. Calculated based on the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015). The number of workers is determined based on the number of working hours.
10. The percentage of employees taking childcare and caregiver leave is calculated in accordance with the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991) and the relevant Ordinance for Enforcement (Ordinance of the Ministry of Labor No. 25 of 1991) under Article 71-6, Paragraph 1.

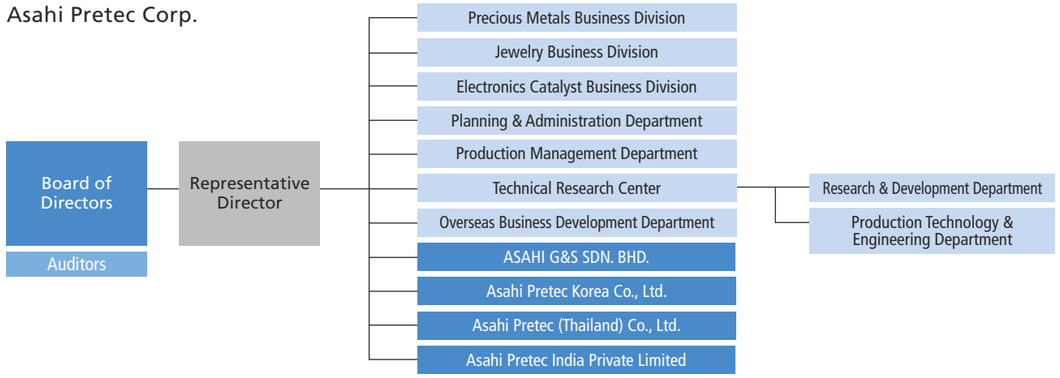
Corporate Group Overview

Group Company Structure (as of October 1, 2025)

ARE Holdings, Inc.



Asahi Pretec Corp.



ASAHI METALFINE, Inc.



Engagement with Shareholders and Investors (FY2024)

	Number of Meetings Held	Participants	Activity Summary
Earnings Briefings	2	Representative Director, General Manager of Finance & Accounting, General Manager of Corporate Planning & Communications (IR Lead)	Held at the end of Q2 and fiscal year. Delivered via online streaming and posted as recorded video on the corporate website.
Small Group Meetings	2	Representative Director, General Manager of Finance & Accounting, General Manager of Corporate Planning & Communications (IR Lead)	Conducted small group meetings with domestic and international investors. In response to investor interest, provided detailed explanations of the North American business and held Q&A sessions with 26 firms.
Investor Conferences	2	Representative Director, General Manager of Corporate Planning & Communications (IR Lead)	Participated in conferences for institutional investors (domestic and international), conducting one-on-one meetings.
One-on-One Meetings	152		
Domestic Institutional Investors	92	Representative Director, General Manager of Finance & Accounting, General Manager of Corporate Planning & Communications (IR Lead)	Led by the IR team. Discussions focused on progress against full-year plans, Medium- to Long-Term Plan & Aspiration, North American business, and ESG topics. * Includes one-on-one meetings held during conferences.
Overseas Institutional Investors	60	Representative Director, General Manager of Corporate Planning & Communications (IR Lead)	Online meetings primarily covered progress against full-year plans. During the annual overseas roadshow, in-person meetings were held in three European countries. Topics included Medium- to Long-Term Plan & Aspiration and ESG topics. * Includes one-on-one meetings held during conferences.

* Meeting participants may vary.

Corporate Group Overview (as of October 1, 2025)

ARE Holdings, Inc.

Established	July 1952
Incorporated	April 2009
Capital	7,790 million yen
Representative Director	Tomoya Higashiura
Head Office	Nissay Sannomiya Building 16F 4-4-17 Kanocho, Chuo-ku, Kobe, Hyogo 650-0001 Japan **Tel.** +81 78-333-5633 **Fax.** +81 78-333-5681
	Sapia Tower 11F 1-7-12 Marunouchi, Chiyoda-ku, Tokyo 100-0005 Japan **Tel.** +81 3-6270-1833 **Fax.** +81 3-6270-1859
Number of Employees (consolidated)	979 (as of March 31, 2025)
URL	https://www.are-holdings.com/english/
Subsidiaries	Asahi Refining Canada Ltd. Asahi Refining USA Inc. Asahi Depository LLC

Asahi Pretec Corp.

Business Activities	Precious metals recycling
Representative Director	Yoshihito Iwasa
Head Office	Sapia Tower 11F 1-7-12 Marunouchi, Chiyoda-ku, Tokyo 100-0005 Japan **Tel.** +81 3-6270-1820 **Fax.** +81 3-6270-1825
URL	https://www.asahipretec.com/
Subsidiaries	ASAHI G&S SDN. BHD. (Malaysia) Asahi Pretec Korea Co., Ltd. Asahi Pretec (Thailand) Co., Ltd. Asahi Pretec India Private Limited

ASAHI METALFINE, Inc.

Business Activities	Manufacturing and sales of precious metals
Representative Director	Nobuo Tajima
Head Office	Sapia Tower 11F 1-7-12 Marunouchi, Chiyoda-ku, Tokyo 100-0005 Japan **Tel.** +81 3-6270-1828 **Fax.** +81 3-6270-1813
URL	https://www.asahimetalfine.com/en/

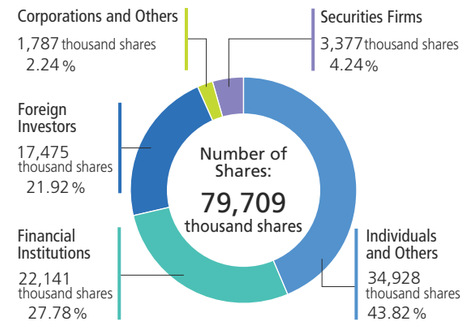
Share Information (as of March 31, 2025)

Major Shareholders

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

Notes:
1. The Company holds 2,295 thousand shares of its own stock, which are excluded from the list above.
2. The shareholding ratio is calculated excluding these own shares.

Stock Ownership by Types of Shareholders



External Evaluations

Added to the Following Indexes (as of October 1, 2025)

JPX-NIKKEI 400

JPX-NIKKEI Mid Small

FTSE Blossom Japan Sector Relative Index

S&P/JPX Carbon Efficient Index

2025 CONSTITUENT MSCI日本株女性活躍指数 (WIN)

Morningstar Japan ex-REIT Gender Diversity Tilt Index

ESG Related (as of October 1, 2025)

MSCI ESG RATINGS BBB

CCC B BB BBB A AA AAA

CDP Score A-

Think Circular

ARE Holdings, Inc.

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