LPPM Responsible Platinum and Palladium Guidance Compliance Report

The LPPM Responsible Platinum and Palladium Guidance version 4 and Responsible PGM Guidance version 5 (collectively the "LPPM Guidance") have been established for Good Delivery Refiners to adopt high standards of due diligence in order to combat systematic or widespread abuses of human rights, to avoid contributing to conflict, to comply with high standards of anti-money laundering and combating terrorist financing practice.

This report summarizes how ASAHI METALFINE, Inc., together with Asahi Pretec Corp., has complied with the requirements of the LPPM Responsible Platinum and Palladium Guidance version 4 for the period from April to December 2025 and the requirements of the LPPM Responsible PGM Guidance version 5 for the period from January to March 2026.

Table 1: Refiner's details

Refiner's name:	ASAHI METALFINE, Inc.
Location:	Sapia Tower 11F, 1-7-12 Marunouchi, Chiyoda-ku, Tokyo 100-0005, Japan
Reporting year-end:	March 31, 2026
Date of Report:	June 26, 2026

Senior management responsible for this report: Nobuo Tajima, Representative Director and President

Original Asahi Pretec had its Head Office in Tokyo and operated precious metal refining and manufacturing in Bando, Ibaraki for platinum and palladium. In addition, Original Asahi Pretec had the sales offices for collecting materials containing precious metals and the plants for treatment in Japan. Original Asahi Pretec was split into three entities effective from April 1, 2023. The environmental preservation business was transferred to Japan Waste Corporation, the precious metal refining, manufacturing and trading businesses were transferred to ASAHI METALFINE Inc., and the sales offices for collecting materials containing precious metals and the plants for treatment were succeeded by New Asahi Pretec. All entities are 100% owned by ARE Holdings Inc. which is listed on the Tokyo Stock Exchange.

On April 1, 2023, ASAHI METALFINE succeeded refining and manufacturing businesses at Bando Plant for platinum and palladium as well as sales and trading businesses at Tokyo Head Office. The LPPM Good Delivery status for platinum and palladium was transferred to ASAHI METALFINE.

Asahi Pretec succeeded the sales offices for collecting materials containing precious metals and the plants or treatment in Nagano, Amagasaki and Fukuoka. Asahi Pretec has its Head Office in Tokyo and operates collecting and pre-treatment of materials containing precious metals.

ASAHI METALFINE has its Head Office in Tokyo and operates precious metal refining and manufacturing of platinum and palladium at Bando Site. ASAHI METALFINE sources the materials containing precious metals mainly through Asahi Pretec.

ASAHI METALFINE's evaluation

Table 2: Summary of activities to demonstrate compliance

Step 1: Establish strong company management systems

Compliance Statement with Requirement:

ASAHI METALFINE has fully complied with Step 1: Establish strong company management systems

1.1. Adopt a company policy regarding due diligence for supply chains of Platinum Group Metal

We have adopted our policy and procedures regarding due diligence for supply chain of precious metals, which are consistent with the model set out in the Annex II of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (the "OECD Guidance").

In 2012, we completed and started applying the Basic Policy for Handling of Conflict Metal, which was based on our Code of Conduct "ARE Group Way". In 2018, we revised our policy and renamed it as "Responsible Precious Metals Management Policy" (the "Policy") and have made changes to the Policy regularly in response to the revisions to relevant industry guidance. The latest revision to the Policy was updated on January 1, 2026, in accordance with the LPPM guidance version 5.

We have added our commitment to automotive catalytic to the Policy as follows;

・We will undertake an enhanced due diligence on suppliers that have not committed to a responsible supply chain policy similar to, or based upon, our policy or OECD Annex II.
・We will refuse to make cash payments for autocatalytic material and work towards the elimination of cash payments from the industry. And We will cooperate with relevant authorities in seeking to end the trade in stolen PGM.
・We will cooperate with relevant authorities in seeking to end the trade in stolen PGM.

The Policy sets out our responsibility for promoting responsible precious metals management in the precious metals supply chain in order to avoid contributing to conflict, human rights abuses, money laundering, terrorist financing, corruption, fraudulent transactions, theft crime, and non-compliance with environmental and sustainability legal requirements.

We make clear in the Policy that we will avoid the following OECD Annex II risk factors and ESG factors.

・Human rights abuses associated with the extraction, transport or trade of minerals
・Direct or indirect support to non-state armed groups
・Direct or indirect support to illegitimate public or private security forces
・Bribery and fraudulent misrepresentation of the origin of minerals
・Money laundering
・Non-compliance with taxes, fees and royalties due to governments
・Other risks that adversely affect sustainability including ESG factors (Environmental, Social, Governance)

The Policy is reviewed by senior management annually and updated as necessary in response to the revisions to relevant industry guidance. The latest version of the policy is available in English on the website (https://www.asahimetalfine.com/en/responsible-sourcing/). The policy is thoroughly communicated to all relevant employees at both ASAHI METALFINE and Asahi Pretec through online training programs.

1.2. Set up an internal management structure to support supply chain due diligence

We have set up an internal management system to support supply chain due diligence to define the governance, roles and responsibilities, internal review, communication and senior management review.

Senior management retains the ultimate control and responsibility over the precious metals supply chain. We have established the Responsible Precious Metals Management Committee (the "Committee") composed of the Compliance Officer and experienced members. The Compliance Officer has been assigned by senior management to manage the process of due diligence and report directly to senior management. Both senior management and the Compliance Officer have sufficient skills and experience in the field of precious metals recycling, and training is provided to carry out its oversight of responsible sourcing activities effectively. The Committee is responsible for an ongoing assessment, monitoring, and providing training to

Board members and all relevant employees. The Business Division Manager is responsible for counterparty/supplier due diligence. The Plant Manager is responsible for traceability.

All due diligence processes are conducted by the Business Division (Sales team) and/or the Committee members, and the results are reviewed by the Compliance Officer and senior management. Both the Business Division (Sales team) and Committee members also have sufficient skills and experience in the field of precious metals recycling, and training is provided to carry out its oversight of responsible sourcing activities effectively. Asahi Pretec conducts its due diligence processes in the same manner as ASAHI METALFINE.

Both ASAHI METALFINE and Asahi Pretec have provided the following online training program for the reporting year.

・Internal regulatory update on our responsible precious metal management to Board members and all employees engaged in collecting, refining or producing of precious metals at Sales Offices, Plants, Business Divisions as of August 1, 2025, as well as all employees engaged in Administration Departments at Head Office.

・Procedures of due diligence to Board members and all employees engaged in collecting of precious metals at Sales Offices and Business Units as of March 1, 2026.

We make and receive payments through official banking channels for purchasing bullion and precious metal for recycling including automotive catalyst.

For bullion purchases of up to one million yen and dental scrap purchases, cash transactions are permitted on the condition that they have a rational reason and an in-advance-approval from the person delegated by senior management. Receipts from counterparty are required for all cash transactions.

For bullion purchases, all suppliers are required to submit identification documents. For cash transactions over one million JPY for dental scrap purchases, it is required to provide a government-issued identification.

No due diligence issues were identified for the reporting year for both ASAHI METALFINE and Asahi Pretec.

1.3. Establish a strong internal system of due diligence, controls and transparency over PGM supply chains, including traceability and identification of other supply chain actors

We only source from recycled precious metals supply chains. No mined precious metals supply chains are allowed. We source mainly industrial, jewelry and dental recycled materials.

Our traceability system has been well established on the grounds of our material receipt process and internal traceability program.

According to our material receipt process, inspection is performed whenever materials are received. After that, a unique identification number is assigned to each material. Those individual numbers with all material information verified after inspection are input into our internal traceability program. All individual numbers are traceable throughout the whole manufacturing process with records retained in our internal traceability program.

Each step of the process, starting from receiving at the Plant until the first destination of each product shipment, is monitored in our internal traceability program and information of transaction number, date, customer name, shipping information, country of origin, type of material, quantity and assay could be retrieved anytime. We collect documents such as shipping invoice, packing list, B/L, and check if the material originates from or has been transported through the DRC and surrounding countries or the countries listed on the CAHRAs and Amber list.

No traceability issues related to the identification of counterparty and the origin of material over the supply chain were identified for the reporting year for both ASAHI METALFINE and Asahi Pretec.

1.4. Strengthen company engagement with PGM-supplying counterparties

We have established a KYC Procedure which is based on our RPM Policy and review it regularly.

We communicate the Policy in writing to our counterparties/suppliers to obtain their understanding and consent to it. We request all our counterparties/suppliers to consent to the Policy in accordance with our KYC procedures. In addition, we have published the newsletters to our counterparties/suppliers periodically explaining the importance of ensuring that the supplied materials have no connection with conflict, human rights abuses, money laundering, terrorist financing, corruption, fraudulent transactions, theft crime, and non-compliance with legal requirements of ESG factors, for both ASAHI METALFINE and Asahi Pretec.

1.5. Confidential whistleblowing and grievance mechanism

We have established a “Whistleblowing and Grievance Policy for Responsible Precious Metals Management”. We have provided two types of confidential grievance mechanism.

(i) ASAHI Hotline

The “ASAHI Hotline” allows all our group employees including overseas group companies to anonymously report organizational or individual concerns regarding violations on laws, corruption, human rights abuses including harassment, etc. It includes both internal and external contact points. The external contact point is at an external law firm to ensure independence where anonymous reports are also accepted. On the other hand, the internal contact point is set up for prevention purposes which every employee could feel free to use. No disadvantage shall result from reporting to either the internal or external contact points. All reported cases shall be kept confidential.

(ii) Inquiry Form on our website

(in English) https://www.asahimetalfine.com/en/contact/

(in Japanese) https://www.asahimetalfine.com/contact/

An external reporting point on our website that can be used anonymously by internal and external stakeholders for any concerns or issues related to "Responsible Precious Metals Management" has been established. Whenever senior management receives a grievance, it shall set up an investigation team composed of members in an impartial position.

We will respond to whistleblowing and grievances from internal and external stakeholders in accordance with the following procedures.

1. Examination of the content of the report

After receiving a report, the Department-in-charge will consider in a fair, impartial and sincere manner whether an investigation is necessary, and notify the Reporter of the results of the examination and future actions; provided, however, that this excludes cases where the contact information is unknown of an anonymous report.

2. Survey

The Department-in-charge will investigate the facts of the reported matter, and the Department-in-charge may have the relevant department conduct the necessary investigation depending on the content of the investigation. In this case, the relevant department in charge of the investigation will report the results to the Department-in-charge promptly after the completion of the investigation.

3. Corrective action

If a violation is revealed as a result of an investigation, the Department-in-charge will promptly implement

corrective actions and measures to prevent recurrence.

4. Reporting of results

Once the investigation is complete, the Department-in-charge will report the results and corrective actions or preventive measures to the reporter; provided, however, that this excludes cases where the contact information is unknown of an anonymous report.

5. Follow-up

After corrective action is completed, the Department-in-charge will confirm that no violations have recurred and that corrective actions and preventive measures are functioning effectively, and the Department-in-charge will take additional measures if necessary.

No grievance related to concerns or identified risks over the supply chain was received for the reporting year and there were no remaining concerns to be closed out for both ASAHI METALFINE and Asahi Pretec.

Step 2: Identify and assess supply chain risks

Compliance Statement with Requirement:

ASAHI METALFINE has fully complied with Step 2: Identify and assess risk in the supply chain

2.1. Identify risks in the PGM supply chain

We identify risks of the material, location and counterparty/supplier in the supply chain of precious metals.

Our due diligence is carried out on a risk-based approach and follows our requirements as outlined in the Responsible Precious Metals Management Manual (the "Manual") before entering any business relationship. We obtain information on the origin of material, nature of business, beneficial owners, financials and other information about our potential counterparty/suppliers.

We conduct risk assessment based on our risk categories. Risk level is distinguished by assessing the industry sector and nature of business, country of origin, quantity of supply, and systematically apply them to all our counterparties/suppliers. Both ASAHI METALFINE and Asahi Pretec collect such information through the KYC Form, shipping documents and credit research service, etc.

On the other hand, we define the Conflict Affected and High-Risk Areas (the "CAHRAs") and the "Amber List" by establishing a Country/Region Score Table based on the criteria of Conflict, Governance, Human Rights, AML-CFT and Sanction. We use several reliable and independent information such as the Heidelberg Conflict Barometer, the Fragile States Index, the Human Freedom Index, the KnowYourCountry Ratings Table, the EU CHARA List, the US/UK/EU/UN Sanction Lists, the Section 1502 of the US Dodd-Frank Act, the Financial Action Task Force (FATF) and the Office of the High Commissioner for Human Rights (OHCHR) for analysis. Moreover, the Sourcing Advisory provided by LBMA has also been considered when constructing our CAHRAs and Amber list. The Amber list includes countries that are not defined as high-risk but have a potential high-risk related to conflict, governance, human rights, or money laundering. These lists are reviewed quarterly by the Committee and approved by the Compliance Officer of ASAHI METALFINE. The CAHRAs and Amber list applies to both ASAHI METALFINE and Asahi Pretec.

According to the Manual, any transaction with counterparty/supplier or material originating from the countries listed on the CAHRAs and Amber list shall be approved by the Compliance Officer.

2.2. Assess risks of their supply chain due diligence system

We assess the risks of our counterparties/suppliers and their materials in the supply chain of precious metals

according to the material type-specific criteria we specify. In order to assess risks for our supply chain, we make use of several reliable and independent information providers. All risk assessments are conducted by the Business Division (Sales team) and/or the Committee members. Corresponding results are reviewed by the Compliance Officer and senior management.

We consider the following materials, locations and counterparties/suppliers as “prohibited transactions (zero-tolerance)”.

- Mined material
- Smuggled material
- Theft material
- Material that originates from or has been transported through the Democratic Republic of the Congo and nine surrounding countries listed in Section 1502 of the US Dodd-Frank Act (the “DRC and surrounding countries”)
- Counterparty/supplier located in the DRC and surrounding countries
- Counterparty/supplier or their beneficial owner listed in the antisocial forces or sanctions lists
- Counterparty/supplier that has connection with conflict, human rights abuses, terrorist financing, money laundering, fraudulent transactions, or environmental destruction

We consider the following materials, locations and counterparties/suppliers as “high-risk supply chains”.

- Material from an Intermediate refiner (Non-GD refiner) in CAHRAs
- Material that originates from or has been transported through CAHRAs, including cases that are clearly suspicious.
- Counterparty/supplier and its shareholders, or their beneficial owner located in CAHRAs
- Counterparty/supplier in higher risk industry such as arms, gaming and casino industry, etc.
- Counterparty/supplier or their beneficial owner classified as PEPs
- Counterparty/supplier that has been known to have sourced from CAHRAs in the last 12 months
- Counterparty/supplier that has unexplained geographic routing for the transportation of materials
- Counterparty/supplier that has inconsistency in the provided KYC documents
- Counterparty/supplier is an intermediate refiner (Non-GD refiner) and pays in cash to their suppliers.
- Counterparty/supplier is an intermediate refiner (Non-GD refiner) or an trading company that is located in CAHRAs
- Counterparty/supplier of automotive catalyst who does not comply with our RPM policy or OECD guidance or adopts a similar supply chain policy (unless they have agreed to our RPM policy)

When a high-risk supply chain is identified, the Business Division Manager in charge is required to implement further investigation to determine whether to terminate or continue the business relationship. Identified risks shall be reported to and approved by the Compliance Officer.

We constantly monitor all transactions which take place through the course of the entire business relationship, and we conduct appropriate scrutiny and monitoring of the counterparties/suppliers on a periodic basis. Asahi Pretec monitors all transactions in the same manner as ASAHI METALFINE.

No zero-tolerance and high-risk supply chain were identified for the reporting year for both ASAHI METALFINE and Asahi Pretec.

2.3. Undertake Enhanced Due Diligence for High-Risk supply chains

We perform enhanced due diligence (EDD) for high-risk supply chains. Where EDD is triggered, we undertake

an on-site visit conducted by competent in-house personnel, joint assessment team or external consultant, using the Site Visit Report for Recycled Material. An on-site visit is conducted before the start of business. However, they can be conducted within 6 months of the start of business if the compliance officer has given in-advance-approval. In the event of unavoidable circumstances such as overseas travel restrictions or a pandemic, we will discuss alternative arrangements, including web meetings and remote audits, on a case-by-case basis. An on-site visit for a high-risk supply chain is conducted at least once every 3 years.

For the intermediate refiners with high-risk supply chains, they are required to perform their supply chain due diligence procedures in line with the OECD guidance and obtain an independent third-party assurance on their supply chain due diligence. They are also required to provide with government-issued identification of their representatives.

As no counterparties/suppliers were identified as high-risk supply chains and no EDD were conducted during the reporting year for both ASAHI METALFINE and Asahi Pretec.

2.4. Recognition of other certifications to demonstrate compliance

ASAHI METALFINE is a certified member of the Responsible Jewellery Council (RJC). We have been certified under the Code of Practices (CoP) since 2019 and Chain of Custody (CoC) since 2021**.**

2.5. Continuous monitoring of risk management

Both ASAHI METALFINE and Asahi Pretec conduct appropriate scrutiny and monitoring as part of our ongoing customer due diligence procedures and undertake KYC updates and compliance checks on a periodic basis.

The Compliance Officer is responsible for monitoring and reviewing the effectiveness of our management system. The Compliance Officer is required to report the results to senior management at least once a year. The Compliance Officer is required to report any information related to prohibited transactions or high-risk supply chain of precious metals to senior management.

The Compliance Officer of ASAHI METALFINE reported the results of the due diligence for the reporting year ended March 31, 2026, to senior management in May 2026.

Step 3: Design and implement a management strategy to respond to identified risks.

Compliance Statement with Requirement:

ASAHI METALFINE has fully complied with Step 3: Design and implement a management strategy to respond to identified risks.

3.1 Devise a risk management strategy

We determine the acceptance of the materials according to our internal management system as follows.

(a) We shall immediately terminate business relationship with counterparty/supplier if any prohibited transaction is identified.
(b) When a high-risk supply chain is identified, we shall suspend the transaction and conduct enhanced due diligence in order to determine whether to terminate or continue the business relationship. We continue the transaction if we are able to mitigate the risk. We shall terminate the transaction if we are unable to mitigate the risk.

(c) When any doubt or concern of prohibited transaction or high-risk supply chain is identified, we shall suspend the transaction and conduct necessary investigation in order to determine the risk level. We shall continue the transaction if any doubt or concern of risk is determined not to be a high-risk as the result of confirming the risk level.
(d) Even if the transaction is identified as not high-risk supply chain, we shall mitigate the risk when any concern of negative impact on the supply chain is identified.

No instances to be reported to local government authorities were identified during the reporting year for both ASAHI METALFINE and Asahi Pretec.

No business relationships were terminated, suspended or mitigated for the reporting year for both ASAHI METALFINE and Asahi Pretec.

3.2 Monitor risk mitigation and the improvement plan

Our risk mitigation steps for high-risk supply chains are as follows.

(a) Approach counterparty or supplier to obtain further information regarding the operation and development of AML-CFT, sustainability and ESG activities.
(b) Based on the results of the required additional inspection, an improvement plan is established, and the counterparty or supplier is required to implement the improvement plan with a reasonable timeline (within 6 months).
(c) If we determine that the counterparty or supplier has made good faith efforts to remedy the identified risk and has already mitigated the risk, we resume business relationship with approval of the Compliance Officer.
(d) If we determine that mitigation action is required for the identified risk, we continue business relationship with approval of the Compliance Officer, provided that the supplier implements the improvement plan with a reasonable timeline (within 6 months) and objectives.
(e) When mitigating the risk while continuing business relationship, the progress in implementing the improvement plan shall be monitored and reported regularly to the Compliance Officer, and additional measures shall be implemented as necessary in accordance with the progress.
(f) When the specified deadline arrives, we reassess the risk based on the progress and determine whether to continue or terminate business relationship.
(g) If we determine that it is difficult to mitigate the risk, we shall terminate business relationship.

No improvement plan was implemented to be monitored for the reporting year for both ASAHI METALFINE and Asahi Pretec.

3.3 Report findings to the Board Committee

The Compliance Officer is responsible for monitoring and reviewing the effectiveness of our management system. The Compliance Officer is required to report the results to senior management at least once a year. The Compliance Officer is required to report any information related to prohibited transactions or high-risk supply chain of precious metals to senior management.

The Compliance Officer of ASAHI METALFINE reported the results of the due diligence for the reporting year ended March 31, 2026, to senior management in May 2026.

3.4 Continuously monitor adequacy of risk management strategies

Both ASAHI METALFINE and Asahi Pretec conduct appropriate scrutiny and monitoring as part of our ongoing

customer due diligence procedures and undertake KYC updates and compliance checks on a periodic basis. The counterparties/suppliers defined as a high-risk are reviewed annually and required to be approved by the Compliance Officer. The counterparties/suppliers not defined ashigh-risk supply chains are also reviewed on a periodic basis by the Committee. All counterparties/suppliers are reviewed on an event trigger basis, such as ownership change and adverse media identified.

Step 4: Obtain independent third-party assurance on the supply chain due diligence

Compliance Statement with Requirement:

ASAHI METALFINE has fully complied with Step 4: Obtain independent third-party assurance on supply chain due diligence practices

We engaged the services of the assurance provider, KPMG AZSA Sustainability Co., Ltd., and their Independent Assurance Report is attached hereto.

In order to ensure the independence of the assurance engagement, we and the assurance provider confirm that there are no independence issues before the assurance engagement contract is signed. The final approval of the assurance service provider rests with senior management.

No high and medium-risk non-conformances were identified for the reporting year.

Step 5: Report annually on supply chain due diligence

Compliance Statement with Requirement:

ASAHI METALFINE has fully complied with Step 5: Report on supply chain due diligence

Our compliance report for the reporting year and related assurance report are available on our website. (https://www.asahimetalfine.com/en/responsible-sourcing/)

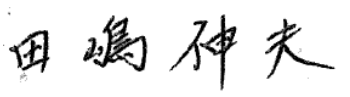
Table 3: Management conclusion

Is the Refiner in compliance with the requirements of the Guidance for the reporting period?

Yes. In conclusion, we implemented effective management systems, procedures, processes and practices to conform to the requirements of the LPPM Guidance, as explained above in Table 2, for the reporting year ended March 31, 2026.

Table 4: Other report comments

If users of this report wish to provide any feedback to us with respect to this report, they can contact our Compliance Officer at certification@asahimetalfine.com.



Nobuo Tajima
Representative Director and President