



**Tomoya Higashiura**  
Representative Director,  
President & CEO

We remain committed to tirelessly pursuing the balance between sustainable corporate growth and solving social issues.

My thoughts on the company and its business

**A company leading the reverse logistics sector in recycling and waste management, akin to the “veins” of industrial society, is essential for addressing global environmental issues.**

Following the split of Asahi Pretec Corporation into three entities on April 1, 2023, we conducted a share exchange between Japan Waste Corporation and RENATUS Co., Ltd.—both of which are companies engaged in environmental preservation—on March 31, 2024. Industries such as the automotive and electrical/electronics sectors can be compared to the “arteries” of manufacturing, while we represent the “veins” of the industry, focusing on waste management and recycling. Although we considered listing Japan Waste, which managed industrial waste within our Group, we realized that addressing the significant expectations society has for the “vein” sector to tackle global environmental issues requires a scale capable of leading these efforts. Believing that a company must meet societal needs to thrive, we arrived at this decision.

With various companies involved in waste management and resource recycling coming together under RENATUS, a new core entity in the “vein” sector has emerged. This is a groundbreaking development for the industrial waste sector, where there have been few major players in a market estimated to be worth approximately 5 trillion yen.

Environmental issues, particularly the impacts of climate

change, are increasingly evident in our daily lives. To mitigate climate change, we must transform industrial systems. Addressing this challenge requires an integrated approach that encompasses various perspectives such as carbon neutrality, circular economy, and nature-positive strategies. It also demands close collaboration with “artery” sectors, governments, and academic institutions to tackle these issues effectively. With this understanding, we view the establishment of RENATUS as the first step in establishing a counter-partnership in the “vein” sector.

For the ARE Group, the aforementioned share exchange has resulted in Japan Waste no longer being consolidated for accounting purposes and RENATUS becoming an equity-method affiliate. Moving forward, we aim for both the Company and RENATUS to leverage their respective strengths to become the two leading companies in the “vein” sector, working collaboratively to create a future where industrial activities are harmoniously aligned with the planet and society.

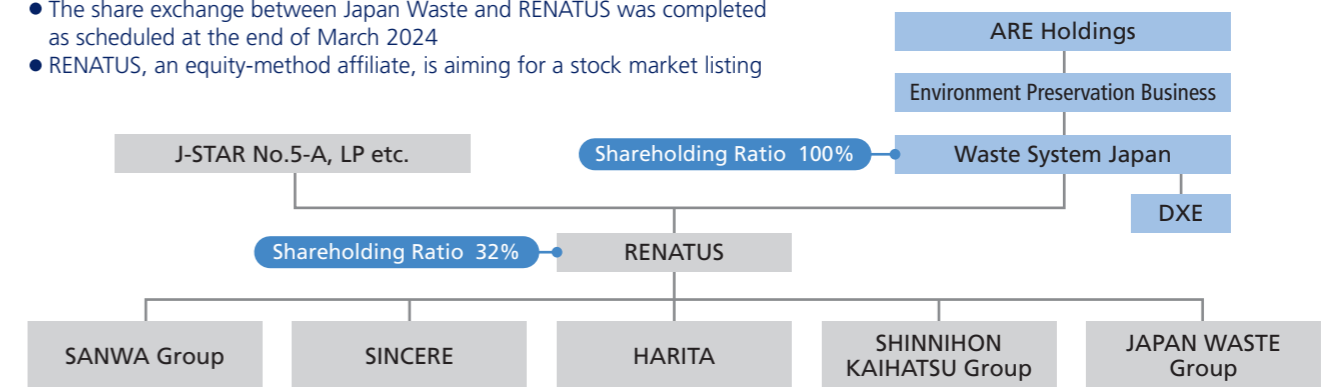
Challenges Towards 2030

**The ARE Group Way and ARE Medium- to Long-Term Plan & Aspiration were developed with clear foundational principles and background.**

Halfway through fiscal year 2023, we have begun developing the ARE Medium- to Long-Term Plan & Aspiration for 2030 and simultaneously initiated discussions on the current ARE Group Way. Both initiatives are designed to shape the

**Corporate Structure after Share Exchange**

- The share exchange between Japan Waste and RENATUS was completed as scheduled at the end of March 2024
- RENATUS, an equity-method affiliate, is aiming for a stock market listing



Company’s future, and to this end, we have sought to increase employee engagement at all levels, encouraging broader and more active participation than in the past.

Both the ARE Medium- to Long-Term Plan & Aspiration and ARE Group Way began with a re-examination of our purpose. Although we were open to changing our purpose, the multi-generational review process concluded that we wanted to uphold our purpose as being “Totally Committed to Protecting the Natural Environment and Preserving Resources.” We confirmed that there is a shared commitment within the Company to be a force dedicated to maintaining a safe and secure world for those who are already here and for future generations.

At the time we began examining the ARE Medium- to Long-Term Plan & Aspiration, record-breaking heatwaves were occurring around the world, and the UN Secretary-General expressed grave concern, declaring that the era of global warming has ended, and we have entered an era of global boiling. Some commentators even likened the current state of the Earth to a large passenger ship that has already collided with an iceberg, sounding the alarm about the urgency of the situation. In Japan, the Ministry of Economy, Trade and Industry launched the Japan Partnership for Circular Economy in December last year, and in May of this year, the Ministry of the Environment’s Act Concerning Sophistication of Recycling Business, etc. to Promote Resource Circulation was passed

by the Diet. Against the backdrop of these national strategic laws and projects, the Company, which primarily focuses on the recycling of precious and rare metals, has a clear role to play. ARE Medium- to Long-Term Plan & Aspiration centers on reducing reliance on carbon-intensive natural mineral resource extraction and achieving sustainable growth that contributes to economic security and revitalization of local communities.

We have also been fortunate to see signs of accelerated growth. The raw materials for the precious metals we produce in Japan and Asia are sourced not from natural mines but from urban and industrial mines. Our gold production through recycling has doubled over the past three years, reaching 30 tonnes annually in the previous fiscal year. If we consider our Bando Plant, which handles the final processing, as a gold mine, it is comparable in scale to the fourth largest natural gold mine in the world.

Recycling is increasingly outpacing natural mining. This shift is driven by major companies across various industries pushing for carbon neutrality throughout their supply chains. Consequently, the price of recycled precious metals has risen above that of precious metals directly mined from natural sources. This new economic value is referred to as the green premium because recycling not only significantly reduces CO<sub>2</sub> emissions but also helps prevent the depletion of natural resources. This represents a leading example of the circular economy model, demonstrating how resource circularity and decarbonization can be effectively achieved together.

#### [Strategic Scenarios for Each Business](#)

**We will continue to pursue growth by exploring new markets and creating new businesses both domestically and internationally, using every available means.**

In the ARE Medium- to Long-Term Plan & Aspiration, we have anticipated upcoming environmental changes in each business area and explored a wide range of growth opportunities to harness our potential. Based on this, we have developed strategic scenarios through fiscal year 2030 and set a target to achieve a revenue of 540 billion yen and an operating profit of 38 billion yen by that year.

#### ▶ [New Frontiers in Precious Metals Recycling](#)

According to forecasts published by the International Monetary Fund, the world average economic growth rate is projected to be in the low 3% range by 2029. However, ASEAN major countries and India are expected to grow significantly above this average. There is no doubt that these regions will emerge as global growth centers. Semiconductor production, which utilizes advanced technologies, is also expanding in these areas. As industrial activities grow, demand for precious metals recycling is expected to increase accordingly.

We have local subsidiaries in Malaysia and South Korea for our precious metals recycling business. Building on these subsidiaries, we will expand collection activities in the electronics and semiconductor sectors across the ASEAN region. Additionally, we plan to establish a new business base in Thailand, which will strengthen our efforts to the ASEAN market and increase the collection of jewelry scrap within Thailand, where the jewelry business is concentrated. We will also initiate market development for automotive catalysts in India, where the automotive industry is experiencing significant growth.

In addition, both domestically and internationally, we will increase our share in existing sectors such as electronics and semiconductors, automotive catalysts and chemical catalysts, dentistry, and jewelry. Semiconductors, which are expected to grow significantly due to advancements in AI, will be a key focus area. Furthermore, we anticipate increased use of precious metals in emerging fields such as electric vehicles, synthetic pharmaceuticals, and hydrogen production processes, and we are beginning to target these new areas.

#### ▶ [Downstream](#)

In our factories, the recycled raw materials undergo preprocessing and refining processes to be reborn as high-purity bullion. Previously, our value creation process ended once the bullion was produced. This is no longer the case. We are now focusing on creating new value in the phase after processing the bullion, which we refer to internally as downstream. The green premium we discussed earlier, which we gain from our strength in recycled production, is one example of success in this downstream phase.

The ARE Group and our products are certified not only by the London Bullion Market Association (LBMA) and the London Platinum and Palladium Market (LPPM), but also by the Responsible Jewellery Council (RJC)'s Code of Practices (COP) and Chain of Custody (COC). These certifications ensure that we meet the conditions required for acceptance by globally reputable brands that emphasize credibility. Currently, in the jewelry industry, we are achieving a green premium not only for gold but also for other platinum group metals. Additionally, we are expanding our green premium in the supply of palladium for the automotive industry and gold and silver for the electronics industry.

We are also expanding our value-added opportunities through physical processing. At Asahi Refining's facilities in Utah and Florida in the United States, as well as Ontario in Canada, we produce and sell cast products by pouring molten precious metals into relatively small molds, stamping certified marks on the cooled and solidified metal. We also manufacture and sell minted products by stamping and polishing rolled precious metals into small circles or rectangles,

often incorporating intricate designs. These minted products are sometimes produced under contract for government mints in various countries. Collectively, this can be referred to as our product business, which involves activities to earn processing premiums, including design fees.

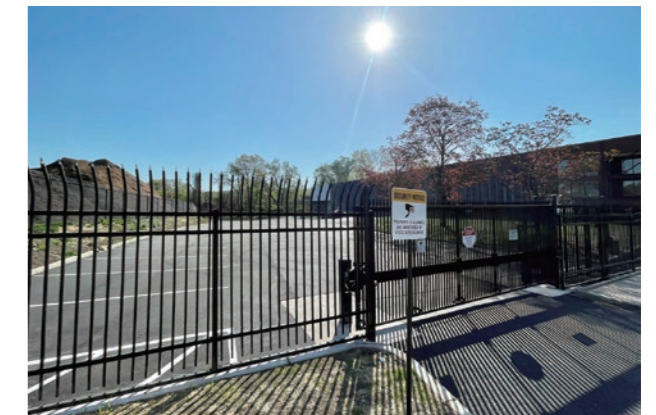
In Japan, we have also started our product business. To connect our value chain to the retail sector, we have independently developed an e-commerce site for direct sales. We encourage you to visit ASAHI METALFINE's product site.

#### ▶ [North American Refining and Warehousing](#)

Our goal is to double operating profit in the North American division by fiscal year 2030. A key component of this strategy is the precious metal warehousing business operated by Asahi Depository, opened last year in New York State. This warehouse is accredited by the Commodity Exchange, commonly known as COMEX. Consequently, futures transactions for gold and silver conducted on COMEX involve the transfer of ownership of the physical gold and silver in this warehouse. Entities or individuals who become owners through futures settlements on COMEX pay monthly storage fees to Asahi Depository. While owners can withdraw gold or silver from the warehouse, they will incur a withdrawal fee for such transactions.

The strategic importance of this warehouse is underscored by several factors. One key aspect is its strategic complementarity with the product business. The North American business is built on a foundation of large-scale refining activities and actively engages in the product business. While our product business has performed exceptionally well since fiscal year 2019, market conditions deteriorated sharply in the latter half of fiscal year 2023. Market cycles are inevitable, but it is crucial to avoid accumulating excessive inventory during downturns. This is where the warehouse serves as an important alternative outlet. During favorable market conditions for the product business, we can produce cast and minted products to capture processing premiums from the market. Conversely, during unfavorable market conditions, we can deposit bullion into our warehouse, earning storage fees and other revenues from owners who settle through COMEX.

The warehouse also serves as the foundation for several new business ventures currently under consideration in North America. One of the most straightforward plans is the pension asset custodial business. Given the numerous large pension funds in North America, we are planning to offer a service to protect and store physical precious metals held as pension assets. Naturally, this vault will be our warehouse. In addition to this, we have other business plans leveraging the warehouse, which are rather complex. Therefore, in September of this year, we reached out to institutional



Warehouse in New York State, U.S.

investors with whom we have connections and provided a detailed explanation of our North American business plans during a dedicated briefing.

#### [Results for Fiscal Year Ended March 2024 and Forecast of Fiscal Year Ending March 2025](#)

**Last fiscal year, we were impacted by the decline in platinum group metal prices. However, we have incorporated defensive measures to address this issue and anticipate a shift to increased revenue and profit this fiscal year.**

In the fiscal year ended March 2024, our performance was adversely affected by a significant drop in the prices of platinum group metals, including rhodium. In the precious metals recycling business, transactions are categorized into two types: purchasing and physical return. Physical return transactions involve minimal risk from price fluctuations, while purchasing transactions carry such risks. To manage this, we implement price hedging strategies at the time of raw material acquisition for purchasing transactions. This involves securing the right to sell the finished products at the price of the precious metals purchased as raw materials by acquiring a futures contract on the precious metals market in advance.

However, rhodium, being a metal with very low market liquidity, does not have an available market for price hedging. This structural limitation makes it impossible to mitigate price fluctuation risks for rhodium. As a result, the significant drop in rhodium prices had a substantial negative impact on our performance.

We are implementing both short-term and medium-term measures for rhodium. We are expanding our hedging strategy through forward transactions with clients who are end-users of rhodium. We also intend to significantly improve the recovery process for rhodium from automotive catalysts at Asahi Pretec's new Bando Plant, which is currently under construction. This enhancement will improve recovery rates and reduce lead times, thereby boosting the business's profitability and helping to mitigate price fluctuation risks.

For the fiscal year ending March 2025, we plan to achieve a recovery in performance with increased revenue and profit compared to the previous year. So far, each business segment is progressing largely in line with our plans.

### ESG Initiatives

**We will fulfill our corporate social responsibility at a high level across all aspects of environmental, social, and governance (ESG) criteria.**

#### ▶ On Environmental Issues

The wealth generated by industrial activities relies on the Earth's natural resources and human labor. Their depletion through exploitation threatens the potential for sustainable growth. We conduct our daily operations with the awareness that preserving the natural environment is fundamental to our business itself. In this effort, we reminded the importance of consensus on recycled value. For instance, as the raw materials of brands offering precious metal products increasingly come from recycled sources, it has been crucial for us, as the supply side, to enhance transparency throughout the entire value chain. This transparency fosters positive attitudes toward the use of recycled resources among brand managers, employees, customers, and investors on the demand side. Moreover, market principles are pivotal in driving these initiatives forward. Through consensus on recycled value, the value of the green premium has emerged, and the recycling engines of Asahi Pretec in Japan and Asahi Refining in North America are operating at full capacity.

In natural mining, the principle is that if the metal value of the products rises, production can be ramped up by investing more in deeper mining. The same principle applies to urban and industrial mines, where the green premium accelerates this process, enhancing the competitive edge of recycling over natural mining. To put it in broader terms, we feel we are at a historic turning point in the transition to a greener global economy.

#### ▶ On Social and Human Rights Considerations

Our business model is tierless. While our ESG score still has room for improvement, it genuinely and transparently reflects our practices. We have traditionally placed a strong emphasis on human resources and labor practices. Whether it is sales, production, or management, all functions are directly handled by our employees. As a result, our employment structure is simple, flat, and transparent. We do not create subsidiaries to offload work to restrict wages or rights.

Additionally, we plan to minimize the use of temporary staffing and outsourcing of certain administrative tasks to specialized agencies, shifting away from traditional economic rationality and toward building a fair, single-layer employment platform.

Moreover, we strive to improve working conditions, prioritize safety and health, and promote fairness, diversity, and inclusion. Here are three recent initiatives that illustrate our commitment.

First, we have significantly increased starting salaries, with the entry-level salary for a master's degree graduate joining in April 2024 set at 300,000 yen. We are planning another double-digit percentage increase in April 2026. Additionally, we are reviewing wage levels across all ranks, taking into account individual abilities and contributions.

The second is our dedication to employee health, demonstrated by recognition as a Health and Productivity Outstanding Organization in Japan for five consecutive years. We have established a comprehensive health check-up system that significantly exceeds legal requirements since the 2000s. Last fiscal year, we expanded our services by adding colonoscopy screenings for middle-aged and older adults and increasing support for re-examination costs.

The third key initiative is the enhancement of our engagement surveys. Since last fiscal year, we have increased the frequency of our surveys, with the support of external experts, to enhance both the physical and mental well-being of employees and improve labor productivity. We also conduct thorough follow-up sessions at the workplace based on the survey results to address and improve any identified issues.

The purpose of these human capital investments, so to speak, can only be fully realized through a unified and flat organizational structure, as previously mentioned. If we treat human resources merely as a cost and inclined to hierarchical or fluid employment frameworks, even with comprehensive health and wellness systems in place, only a select portion of the workforce would benefit within a group with shared objectives. From a human rights perspective, this fragmented approach is akin to a leaky bucket, compromising its overall effectiveness. We want Principles for Responsible Investment investors and young job seekers to understand our commitment to avoiding competition that undermines human rights or ecosystems.

#### ▶ On Corporate Governance

Our Board of Directors has earned recognition from financial institutions and other stakeholders for its advanced structure. However, this structure mustn't be just a formality. We believe that outside directors must have access to sufficient management-related information, as any shortfall in this regard could be detrimental. To ensure this, we not only provide comprehensive materials well in advance of institutional decisions but also hold timely briefings on the specifics of our business and investments. Additionally, acknowledging the importance of firsthand experience, we organize site visits to both domestic and North American

business locations. Through these initiatives, we aim to meet the expectations of stock exchanges by fostering management that is conscious of capital costs and stock prices, with continuous focus on improvement.

In the previous fiscal year, to strengthen our governance design with a focus on shareholder value, we implemented a new stock-based compensation system linked to Total Shareholder Return (TSR) for CEO and corporate officers. This initiative was funded by reducing cash bonuses, which are short-term incentives. The new system provides medium- to long-term incentives through stock grants that fluctuate based on stock price and dividend changes. If there is a decline of 25% or more in both stock price and dividends over the specified period, the stock compensation will be zero. We believe this standard is stringent compared to Western norms.

### To Our Stakeholders

**We create shared value in social and financial dimensions, thereby enhancing corporate value through our unique business position.**

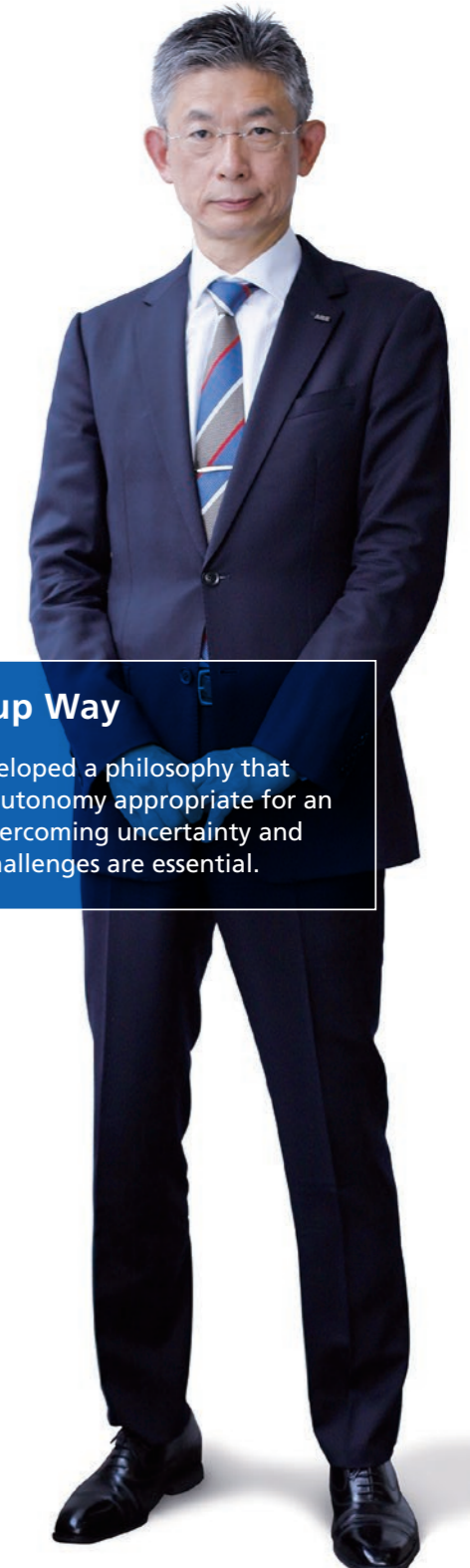
Our purpose and unwavering belief are to be "Totally Committed to Protecting the Natural Environment and Preserving Resources." While some U.S. state laws recognize the Public Benefit Corporation, a type of company that includes public welfare objectives in its articles of incorporation, Japan's company law does not have such provisions. Nevertheless, we take pride in considering ourselves a Japanese version of a Public Benefit Corporation.

We continuously apply an inside-out and outside-in approach at the operational level by addressing societal challenges with what we can do and integrating societal issues into our business activities. In the recycling and production sector, we not only suppress CO<sub>2</sub> emissions but also capture nitrogen oxides (NO<sub>x</sub>) generated during the acid treatment process and reuse them as nitric acid. In the waste treatment sector, we have been experimenting with decomposing organic fluorine compounds, such as perfluorooctane sulfonate (PFOS) and perfluorooctanoic acid (PFOA), using supercritical water.

Our mission is to continue growing with appropriate profits, as indicated by metrics such as ROE, while upholding our industry's conscience of protecting the irreplaceable natural environment and resources of our planet. Our value manifests at the intersection of our business and societal problem-solving initiatives, addressing both social and financial dimensions. Our Medium- to Long-Term Plan & Aspiration, aimed at fiscal year 2030, outlines concrete measures to achieve this.

To realize growth that makes a meaningful impact

toward a fair and sustainable society, we continue to seek the understanding of and support from all stakeholders.

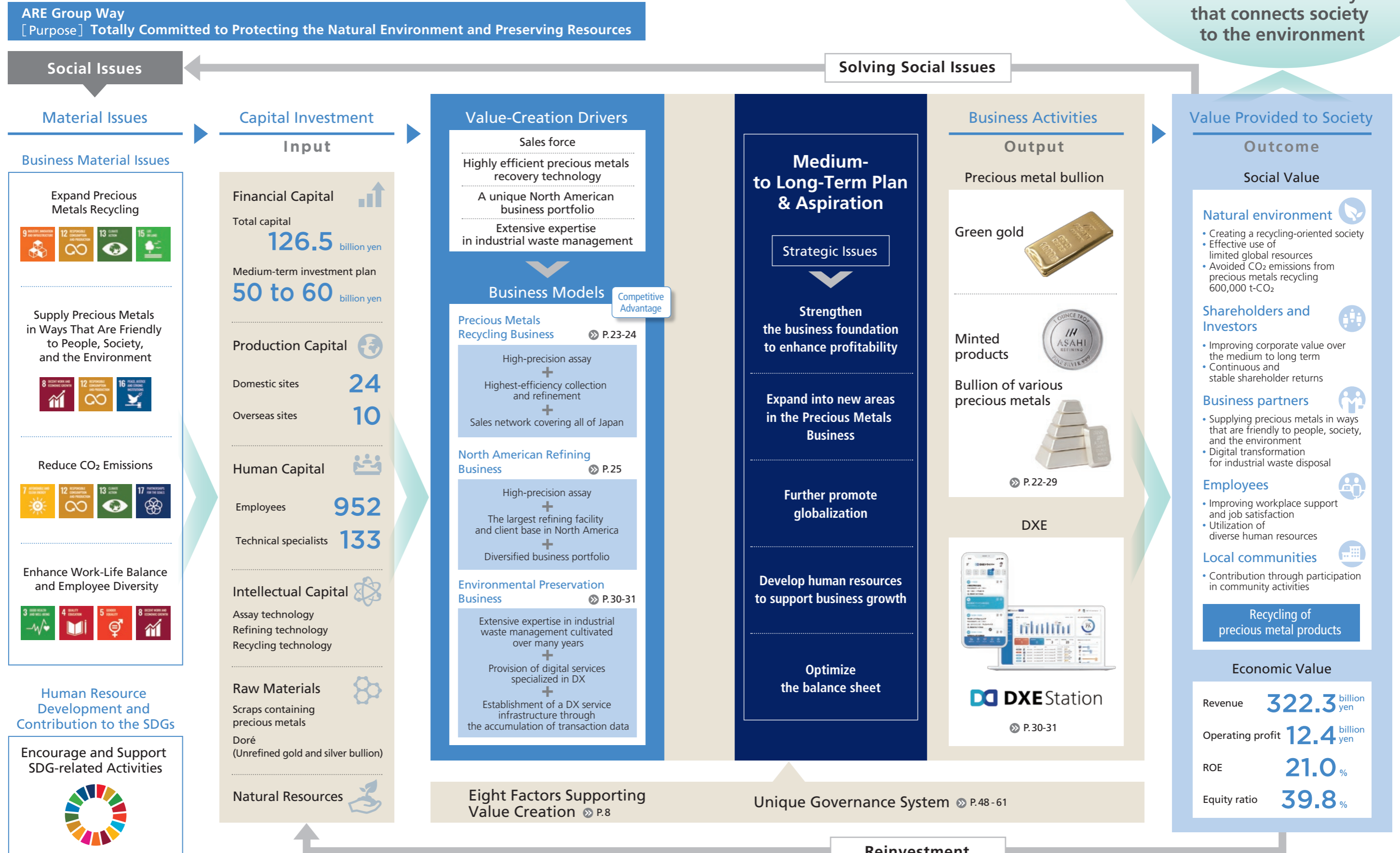


### ARE Group Way

We have developed a philosophy that encourages autonomy appropriate for an era where overcoming uncertainty and embracing challenges are essential.

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.

Realization of Our Long-Term Vision  
**To be a leader in creating a circular economy that connects society to the environment**



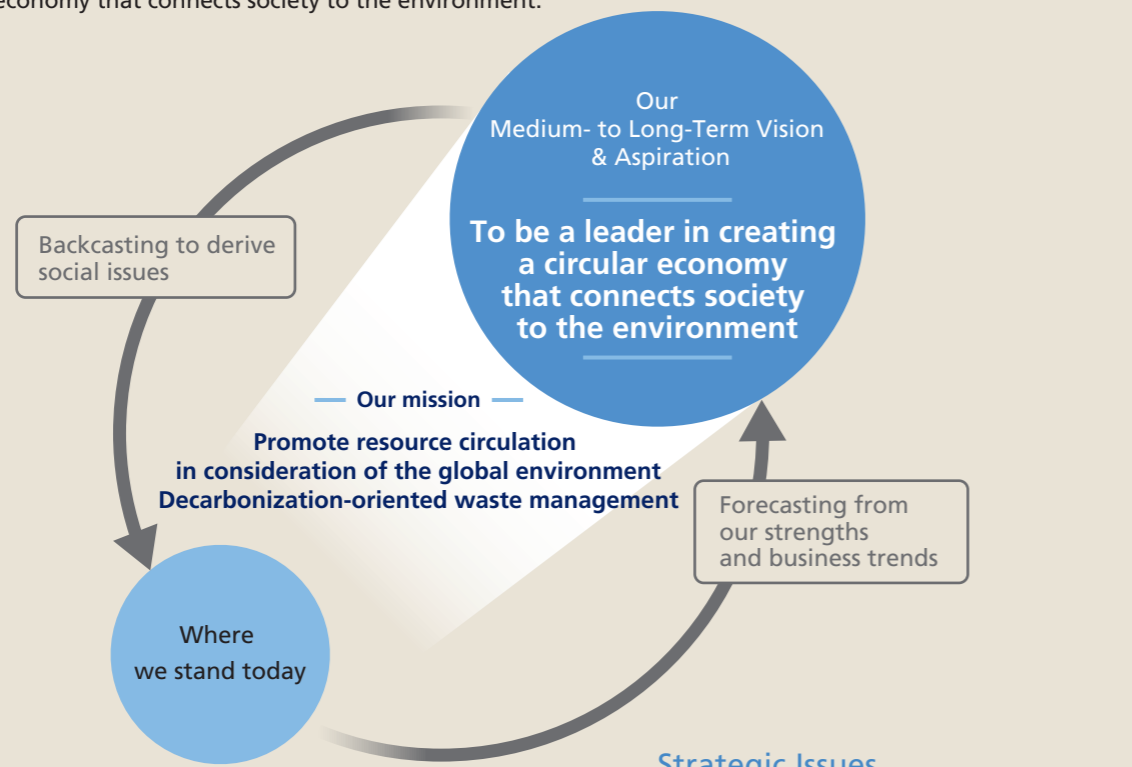
Medium- to Long-Term Plan & Aspiration for 2030

# 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.

## Fusion of social issues and business

Our business areas are closely linked to the urgent social issues at hand. 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.



- 1 Strengthen the business foundation to enhance profitability
- 2 Explore 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

Performance Targets: Revenue and Operating Profit

	FY2023 (Results)	FY2024 (Forecasts)	FY2030 (Targets)
Revenue	322.3 billion yen	370.0 billion yen	540.0 billion yen
Operating Profit	12.4 billion yen	18.0 billion yen	38.0 billion yen

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.

## Strategic Issues and Initiatives/Approach

### Strengthen the business foundation to enhance profitability

- 1 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.

### Expand into new areas in the precious metals business

- 2 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 fields.

### Further promote globalization

- 3 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.

### Develop human resources to support business growth

- 4 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.

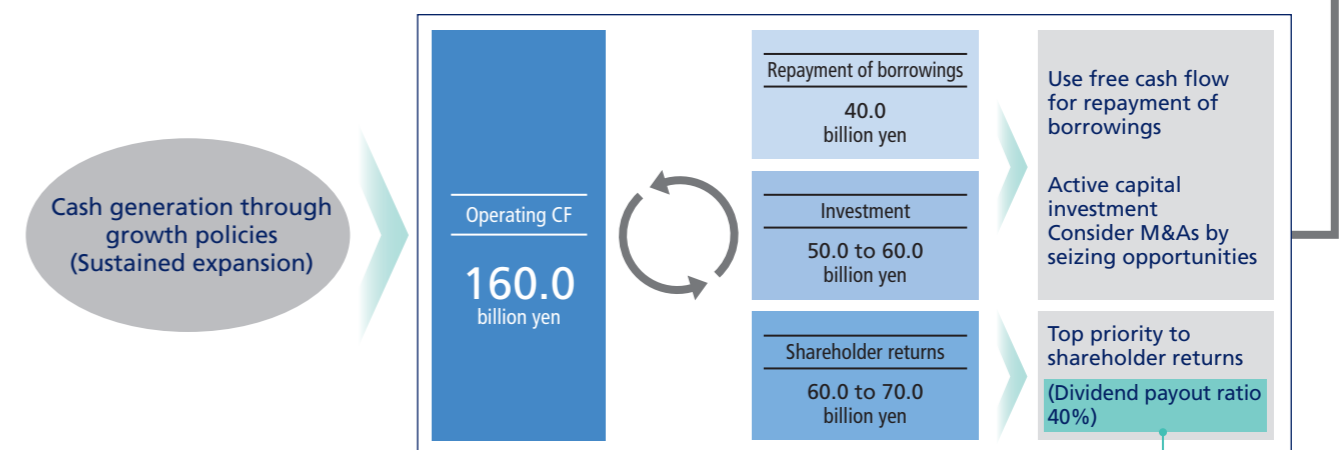
### Optimize the balance sheet

- 5 Optimizing (Soundness of) 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.

## Financial Policies

	FY2023	FY2030 (Targets)	
ROE	9.4%	13%	Improve profitability
Equity ratio	39.8%	50% – 60%	Reduce total assets

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



### Basic Policy on Shareholder Returns

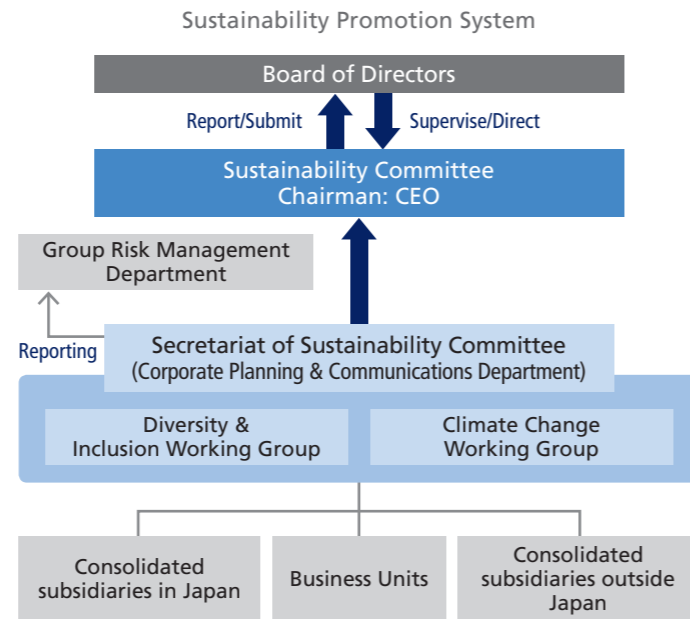
The Group's policy is to maintain a stable dividend payout ratio of 40% while ensuring sufficient internal reserves to support its growth strategy, including capital investment and M&A activities.

### 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 chairperson. 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	<ul style="list-style-type: none"> <li>Sales Activities</li> <li>Exhibitions and Events</li> <li>Website and Social Media</li> <li>Provision of information through brochures, etc.</li> </ul>	<p>Quality Assurance System</p> <p>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.</p>	<p>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.</p>
Partnering with Suppliers	<ul style="list-style-type: none"> <li>Engagement with suppliers in daily purchasing practices</li> <li>Conducting surveys</li> <li>Collaborating with suppliers to share and strengthen effective responses to environmental changes</li> </ul>	<p>ARE Group Holdings Sustainable Procurement Policy</p> <p>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-specific and company-specific procurement policies to further realize this fundamental policy.</p>	<p>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.</p>
For Shareholders and Investors	<ul style="list-style-type: none"> <li>General Meetings of Shareholders</li> <li>Integrated Report</li> <li>Individual Meetings with Shareholders and Investors</li> <li>Financial Results Briefings</li> <li>Business Briefing for Investors</li> <li>Website (Investor Relations, Sustainability)</li> </ul>	<p>Constructive dialogue with shareholders and investors to enhance corporate value</p> <p>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 120 meetings in fiscal year 2023) 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.</p>	<p>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.</p>
Employees and their Families	<ul style="list-style-type: none"> <li>Internal Reporting System (Whistle-Blowing System)</li> <li>Personnel Development System</li> <li>Intranet Portal Site</li> <li>Company Newsletters</li> <li>Female Employee Empowerment Training</li> <li>Employee Survey</li> <li>Self-Reporting System</li> <li>Asahi Cheer-up Meeting</li> </ul>	<p>Introduction of new work styles (three-day weekend model / designated 10-day annual leave model)</p> <p>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 includes not only 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—learning anew through personal development—as well as for hobbies and leisure activities.</p>	<p>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 &amp; 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.</p>
Contributing to Local Communities	<ul style="list-style-type: none"> <li>ARE Holdings' SDGs activities</li> <li>Participation in social contribution activities</li> </ul>	<p>Utilizing the new plant in Bando City as a disaster preparedness base (evacuation shelter)</p> <p>The Group prioritizes coexistence with local communities and will utilize the new plant in Bando City as a disaster prevention base. Scheduled to begin operations in April 2025, the plant will open 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.</p>	<p>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.</p>

### Priority Issues to be Addressed by ARE Holdings (Key SDG Targets)

#### Business Material Issues

#### Expand Precious Metals Recycling ▶ P. 32

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

#### FY2030 Targets

Total amount of recycled precious metals: **300 tons**

CO<sub>2</sub> reduction effect: **837 thousand tons**



#### Supply Precious Metals in Ways That Are Friendly to People, Society, and the Environment ▶ P. 33,44-45

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.



#### Reduce CO<sub>2</sub> Emissions ▶ P. 33-37

We will work to reduce CO<sub>2</sub> emissions group-wide by implementing energy saving activities at each site, switching to next-generation vehicles, and switching to low CO<sub>2</sub> emission power plans.

#### FY2030 Targets

CO<sub>2</sub> emissions (Scope 1 and 2): **-63%** (compared to FY2015)



#### Human Resource Development and Contribution to the SDGs

#### Enhance Work-Life Balance and Employee Diversity ▶ P. 41-43

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.



#### Targets

Achievement rate for rest intervals of at least 11 hours: **100%** every year

Percentage of female employees in managerial positions to all female employees: **7.0%** by the end of FY2030

Percentage of employees with disabilities: **Meet or exceed the legally mandated employment rate by the end of FY2030**

Annual paid leave utilization rate: **70%** by the end of FY2030

Percentage of male employees taking childcare leave: **100%** by the end of FY2030

#### Encourage and Support SDG-Related Activities ▶ P. 46-47

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.

