

TRANSLATION FOR REFERENCE PURPOSE ONLY

*This notice has been translated from the original Japanese text of the timely disclose statement and is for reference purpose only.
In the event of any discrepancy between the original Japanese and this translation, the Japanese text shall prevail.*

February 29, 2024

Company Name: **ARE Holdings, Inc.**
Representative: Tomoya Higashiura, President & CEO
(Code: 5857, Tokyo Stock Exchange - Prime Market)
Contact: Yoko Yanagida, Head of Corporate Communications
Corporate Planning & Communications Department
(Phone: +81-3-6270-1833)

Notice of Revision to Financial Forecast for the Year Ending March 31, 2024

ARE Holdings, Inc. (the “Company”) hereby announces that its Board of Directors has resolved today to revise its consolidated financial forecast for the year ending March 31, 2024, announced on October 26, 2023. The details are described below.

1. Revisions to consolidated financial forecast for the year ending March 31, 2024 (April 1, 2023 to March 31, 2024)

	Revenue	Operating profit	Profit before tax	Profit attributable to owners of parent	Basic earnings per share
Previous forecast (A) (Announced on October 26, 2023)	¥ million 290,000	¥ million 19,000	¥ million 18,500	¥ million 13,200	Yen Sen 172.23
Revised forecast (B)	315,000	10,800	10,800	9,600	125.26
Change (B–A)	25,000	△8,200	△7,700	△3,600	△46.97
Change (%)	8.6%	△43.2%	△41.6%	△27.3%	△27.3%
(Ref. 1) Results for the full year (FY ended March 31, 2023)	292,449	19,263	16,052	10,929	141.19
(Ref. 2) Revised forecast before split of discontinued operations (FY ending March 31, 2024)	331,500	14,000	14,000	9,600	125.26

2. Reasons for revisions and differences:

The impact of higher sales volume and price for gold, lower prices for rhodium and palladium, and slower recovery of electronics and catalyst-related transactions compared to our projections were taken into consideration for the precious metals business. In addition, an impairment loss of approximately 800 million yen for fixed assets associated with the closure of the Ehime Plant and Shikoku Office will be recorded because the Company has decided to relocate and consolidate the processing processes of catalyst at the Ehime Plant to the Bando Plant.

Furthermore, a share exchange agreement between our consolidated subsidiary, Japan Waste Corporation, and Renatus Co., Ltd. was concluded today, resulting in the Japan Waste Corporation being classified as discontinued operations from the fourth quarter of the fiscal year ending March 2024. Consequently, revenue and operating profit from continued operations will decrease by approximately 16,500 million yen and 3,200 million yen, respectively.

Share of profit (loss) of investments accounted for using equity method of Renatus Co., Ltd. will be reported as part of operating profit (loss) from the fiscal year ending March 31, 2025. There is no change in business segments from the Share Exchange and no change of dividend forecast for the fiscal year ending March 2024.

Please refer to the “Notice on Share Exchange between Japan Waste, Our Consolidated Subsidiary, and Renatus Co., Ltd., and Change of Status of a Specified Subsidiary” released today.