

# Financial Results for the Fiscal Year ended March 31, 2024

(Japan GAAP)

May 10, 2024

Company name: **HANWA Co., Ltd.**

Listed stock exchange: Tokyo

Stock exchange code: 8078

(URL <https://www.hanwa.co.jp>)

Representative: Yoichi Nakagawa President

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Scheduled date of Shareholders' Meeting: Jun 26, 2024

Scheduled date of issue of audited financial statements: Jun 27, 2024

Scheduled date of payout of dividend: Jun 27, 2024

(Amounts less than one million yen are rounded down)

## 1. Consolidated financial results for the Fiscal Year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

### (1) Consolidated operating results (Percentage indicate a change from the previous year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of the Parent	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Fiscal Year ended March 31, 2024	2,431,980	(8.9)	49,722	(22.4)	48,276	(24.9)	38,417	(25.4)
ended March 31, 2023	2,668,228	23.3	64,105	2.8	64,272	2.5	51,505	18.1

Note: Comprehensive income For the Fiscal Year ended March 31, 2024 54,198 million yen (24.0) %  
For the Fiscal Year ended March 31, 2023 71,336 million yen 41.9 %

	Net income per share	Net income per share(diluted)	Ratio of net income to shareholders' equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	(yen)	(yen)	(%)	(%)	(%)
Fiscal Year ended March 31, 2024	944.90	—	11.7	4.2	2.0
ended March 31, 2023	1,267.44	—	19.1	4.5	2.4

### (2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	(%)	(yen)
As of March 31, 2024	1,166,986	356,765	30.1	8,636.03
As of March 31, 2023	1,157,747	308,807	26.2	7,459.39

Note: Shareholders' equity As of March 31, 2024 351,212 million yen  
As of March 31, 2023 303,127 million yen

### (3) Consolidated cash flows situation

	Cash flows from Operating activities	Cash flows from Investing activities	Cash flows from Financing activities	Cash and cash equivalents at end of year
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Fiscal Year ended March 31, 2024	18,187	1,014	(26,319)	76,462
ended March 31, 2023	284,226	(6,539)	(351,835)	84,121

## 2. Cash dividends

	Cash dividends per share					Total amount of dividend (Annual) (Millions of yen)	Dividend payout ratio (Consolidated) (%)	Dividend on shareholders' equity (Consolidated) (%)
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Annual			
Year ended March 31, 2023	—	50.00	—	80.00	130.00	5,282	10.3	2.0
Year ended March 31, 2024	—	85.00	—	100.00	185.00	7,523	19.6	2.3
Year ending March 31, 2025 (estimated)	—	105.00	—	105.00	210.00		19.9	

\* For details, please refer to the news release titled "Notice Concerning Dividends of Surplus (Increased)" announced today (May 10, 2024).

## 3. Forecast of consolidated financial results for fiscal year ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(Percentage indicate a change from the previous year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of the Parent		Net income per share	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(yen)	
Annual	2,800,000	15.1	61,000	22.7	60,000	24.3	43,000	11.9	1,057.34	

## Financial Results for the Fiscal Year ended March 31, 2024

## 《Consolidated Balance Sheets》

(Amounts less than one million yen are rounded down)

	<i>Millions of yen</i>	
	March 31, 2023	March 31, 2024
<b>Assets;</b>		
<b>Current assets;</b>		
Cash and deposits	84,187	76,525
Trade notes, accounts receivable and contract assets	448,980	445,825
Electronically recorded monetary claims	55,570	95,615
Inventories	253,964	249,490
Others	87,333	51,406
Allowance for doubtful receivables	(1,295)	(1,694)
<b>Total current assets</b>	<b>928,741</b>	<b>917,168</b>
<b>Fixed assets;</b>		
<b>Property and equipment;</b>		
Buildings and structures	57,917	60,574
Accumulated depreciation	(31,360)	(33,155)
<b>Buildings and structures, net</b>	<b>26,557</b>	<b>27,419</b>
Land	36,786	37,401
Others	58,315	62,147
Accumulated depreciation	(34,542)	(38,022)
<b>Others, net</b>	<b>23,773</b>	<b>24,125</b>
<b>Total property and equipment</b>	<b>87,117</b>	<b>88,945</b>
<b>Intangible assets</b>	<b>10,807</b>	<b>10,006</b>
<b>Investments and other assets;</b>		
Investment securities	99,608	106,062
Long-term loans receivable	13,813	20,031
Retirement benefits assets	—	3,840
Deferred tax assets	1,261	3,128
Others	19,012	20,238
Allowance for doubtful receivables	(2,613)	(2,436)
<b>Total investments and other assets</b>	<b>131,082</b>	<b>150,865</b>
<b>Total fixed assets</b>	<b>229,006</b>	<b>249,818</b>
<b>Total assets</b>	<b>1,157,747</b>	<b>1,166,986</b>
<b>Liabilities;</b>		
<b>Current liabilities;</b>		
Trade notes and accounts payable	278,823	303,848
Electronically record obligations	36,701	46,879
Short-term loans payable	83,127	72,080
Commercial paper	30,000	—
Current portion of bonds payable	10,000	—
Income taxes payable	14,822	2,602
Accrued bonuses	4,355	3,730
Provision for product warranties	56	95
Others	101,103	57,318
<b>Total current liabilities</b>	<b>558,990</b>	<b>486,555</b>
<b>Long-term liabilities;</b>		
Bonds payable	30,000	50,000
Long-term loans payable	224,843	239,957
Deferred tax liabilities	10,017	15,913
Deferred tax liabilities by land revaluation	871	867
Retirement benefits liabilities	4,285	1,353
Others	19,932	15,573
<b>Total long-term liabilities</b>	<b>289,949</b>	<b>323,665</b>
<b>Total liabilities</b>	<b>848,940</b>	<b>810,220</b>
<b>Net assets;</b>		
<b>Shareholders' equity;</b>		
Common stock	45,651	45,651
Capital surplus	26	1,301
Retained earnings	228,920	260,959
Treasury stock	(3,730)	(3,662)
<b>Total shareholders' equity</b>	<b>270,866</b>	<b>304,249</b>
<b>Accumulated other comprehensive income;</b>		
Net unrealized holding gains on securities	23,972	27,511
Deferred hedge profit and loss	673	630
Land revaluation difference	1,975	1,966
Foreign currency translation adjustments	8,360	14,427
Remeasurements of defined benefit plans	(2,720)	2,426
<b>Total accumulated other comprehensive income</b>	<b>32,260</b>	<b>46,962</b>
<b>Non-controlling interests</b>	<b>5,680</b>	<b>5,553</b>
<b>Total net assets</b>	<b>308,807</b>	<b>356,765</b>
<b>Total liabilities and net assets</b>	<b>1,157,747</b>	<b>1,166,986</b>

## Financial Results for the Fiscal Year ended March 31, 2024

## 《Consolidated Statements of Income and Comprehensive Income》

(Amounts less than one million yen are rounded down)

	<i>Millions of yen</i>	
	Year ended March 31, 2023	Year ended March 31, 2024
<b>Net sales</b>	2,668,228	2,431,980
Cost of sales	2,539,686	2,312,135
<b>Gross profit</b>	128,541	119,845
Selling, general and administrative expenses	64,435	70,122
<b>Operating income</b>	64,105	49,722
<b>Other income;</b>		
Interest income	3,676	4,775
Dividend income	7,467	3,473
Equity in earnings of affiliates	4,194	3,532
Others	2,033	1,728
<b>Total other income</b>	17,372	13,511
<b>Other expenses;</b>		
Interest expenses	9,969	8,754
Foreign exchange loss	681	555
Commission fee	3,432	3,696
Others	3,121	1,951
<b>Total other expenses</b>	17,205	14,957
<b>Ordinary income</b>	64,272	48,276
<b>Extraordinary income;</b>		
Gain on sale of property and equipment	14,417	1,204
Gain on sale of investment securities	655	5,492
Gain on bargain purchase	722	—
Arbitration related income	268	—
<b>Total extraordinary income</b>	16,063	6,697
<b>Extraordinary loss;</b>		
Loss on devaluation of investment securities	—	1,085
Value added taxes for prior periods	4,375	—
<b>Total extraordinary loss</b>	4,375	1,085
<b>Income before income taxes and non-controlling interests</b>	75,961	53,888
Income, inhabitant & business tax – current	24,364	14,136
Income tax expense-deferred	(1,145)	387
<b>Total income taxes</b>	23,218	14,524
<b>Net income</b>	52,742	39,364
<b>Net income attributable to;</b>		
Owners of the parent	51,505	38,417
Non-controlling interests	1,237	946
<b>Other Comprehensive Income;</b>		
Net unrealized holding gains on securities	7,246	3,380
Deferred hedge profit and loss	1,674	(43)
Foreign currency translation adjustments	8,077	5,508
Remeasurements of defined benefit plans	625	5,143
Share of other comprehensive income of associates accounted for using equity method	970	845
<b>Total other comprehensive income</b>	18,594	14,834
<b>Comprehensive Income</b>	71,336	54,198
<b>Comprehensive income attributable to;</b>		
Owners of the parent	69,878	53,127
Non-controlling interests	1,457	1,070

## Financial Results for the Fiscal Year ended March 31, 2024

## 《Consolidated Statements of Changes in Net Assets》

(Amounts less than one million yen are rounded down)

	Millions of yen												
	Shareholders' equity					Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized holding gains on securities	Deferred hedge profit and loss	Land revaluation difference	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total valuation and translation adjustments		
<b>Balance at March 31, 2022</b>	45,651	26	180,119	(3,729)	222,066	16,725	(1,000)	3,191	(531)	(3,334)	15,050	3,379	240,497
Increase (decrease) during the term:													
Cash dividends paid			(4,063)		(4,063)								(4,063)
Change of scope of consolidated subsidiaries			246		246								246
Change of scope of equity method			(103)		(103)								(103)
Reversal of land revaluation difference			1,216		1,216								1,216
Net income attributable to owners of the parent			51,505		51,505								51,505
Purchase of treasury stocks				(1)	(1)								(1)
Deposition of treasury stocks													
Capital increase from purchase of stock of consolidated subsidiaries													
Net increase (decrease) during the term, except for items under shareholders' equity						7,247	1,674	(1,216)	8,891	613	17,209	2,300	19,510
<b>Total increase (decrease)</b>	-	-	48,800	(1)	48,799	7,247	1,674	(1,216)	8,891	613	17,209	2,300	68,310
<b>Balance at March 31, 2023</b>	45,651	26	228,920	(3,730)	270,866	23,972	673	1,975	8,360	(2,720)	32,260	5,680	308,807

	Millions of yen												
	Shareholders' equity					Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized holding gains on securities	Deferred hedge profit and loss	Land revaluation difference	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total valuation and translation adjustments		
<b>Balance at March 31, 2023</b>	45,651	26	228,920	(3,730)	270,866	23,972	673	1,975	8,360	(2,720)	32,260	5,680	308,807
Increase (decrease) during the term:													
Cash dividends paid			(6,707)		(6,707)								(6,707)
Change of scope of consolidated subsidiaries			262		262								262
Change of scope of equity method			58		58								58
Reversal of land revaluation difference			8		8								8
Net income attributable to owners of the parent			38,417		38,417								38,417
Purchase of treasury stocks				(1)	(1)								(1)
Deposition of treasury stocks		78		69	147								147
Capital increase from purchase of stock of consolidated subsidiaries		1,196			1,196								1,196
Net increase (decrease) during the term, except for items under shareholders' equity						3,538	(43)	(8)	6,067	5,147	14,701	(126)	14,575
<b>Total increase (decrease)</b>	-	1,275	32,039	68	33,383	3,538	(43)	(8)	6,067	5,147	14,701	(126)	47,958
<b>Balance at March 31, 2024</b>	45,651	1,301	260,959	(3,662)	304,249	27,511	630	1,966	14,427	2,426	46,962	5,553	356,765

## Financial Results for the Fiscal Year ended March 31, 2024

## 《Consolidated Statements of Cash Flows》

(Amounts less than one million yen are rounded down)

*Millions of yen*

	Year ended March 31, 2023	Year ended March 31, 2024
<b>Cash flows from operating activities;</b>		
Income before income taxes	75,961	53,888
Depreciation and amortization	7,368	9,358
Amortization of goodwill	193	78
Increase(decrease) in allowance for doubtful receivables	805	60
Interest and dividend income	(11,144)	(8,249)
Interest expense	9,969	8,754
Equity in earnings of affiliated companies (gain)	(4,194)	(3,532)
Gain on sale of property and equipment	(14,417)	(1,204)
Gain on bargain purchase	(722)	—
Gain on sale of investment securities	(655)	(5,492)
Loss on devaluation of investment securities	—	1,085
Arbitration related income	(268)	—
Value added taxes for prior periods	4,375	—
(Increase)decrease in trade receivables and contract assets	88,701	(29,736)
(Increase)decrease in inventories	6,714	11,516
(Increase)decrease in accounts receivable—other	198,852	21,655
(Increase)decrease in advance payment	8,903	3,480
Increase(decrease) in trade payable	(116,530)	29,442
Increase(decrease) in accounts payable—other	33,282	(32,165)
Increase(decrease) in deposits received	(22,774)	(14,045)
Increase(decrease) in advances received	1,730	(7,452)
Increase(decrease) in retirement benefit asset or liability	706	619
Other, net	42,550	7,741
<b>Sub total</b>	<b>309,407</b>	<b>45,803</b>
Interest and dividends received	10,773	7,417
Interest paid	(9,790)	(8,227)
Income taxes (paid) refund	(26,431)	(26,806)
Arbitration related income	268	—
<b>Net cash provided by (used in) operating activities</b>	<b>284,226</b>	<b>18,187</b>
<b>Cash flows from investing activities;</b>		
Payment for time deposits	(49)	(13)
Proceeds from refund of time deposits	401	16
Payment for purchase of property and equipment	(12,858)	(9,629)
Proceeds from sale of property and equipment	17,566	1,888
Payment for acquisition of investment securities	(3,413)	(1,940)
Proceeds from sale and redemption of investment securities	1,331	8,997
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(7,400)	—
(Increase)decrease in short-term loans receivable, net	2,318	(775)
Increase in long-term loans receivable	(3,529)	(2,649)
Collection of long-term loans receivable	125	7,603
Other, net	(1,031)	(2,482)
<b>Net cash provided by (used in) investing activities</b>	<b>(6,539)</b>	<b>1,014</b>
<b>Cash flows from financing activities;</b>		
Increase(decrease) in short-term loans, net	(357,803)	(18,498)
Increase(decrease) in commercial paper, net	(10,000)	(30,000)
Proceeds from long-term debt	50,630	92,000
Repayments of long-term debt	(39,186)	(72,131)
Proceeds from issuance of bonds	19,911	19,909
Payment for redemption of bonds	(10,000)	(10,000)
Payment for cash dividends	(4,067)	(6,696)
Cash dividends paid to non-controlling interests in consolidated subsidiaries	(309)	(93)
Purchase of investments in subsidiaries resulting in no change in scope of consolidation	—	(46)
Other, net	(1,010)	(763)
<b>Net cash provided by (used in) financing activities</b>	<b>(351,835)</b>	<b>(26,319)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(7,279)</b>	<b>(827)</b>
<b>Net increase(decrease) in cash and cash equivalents</b>	<b>(81,427)</b>	<b>(7,944)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>165,083</b>	<b>84,121</b>
<b>Increase in cash and cash equivalents from newly consolidated subsidiaries</b>	<b>464</b>	<b>286</b>
<b>Cash and cash equivalents at end of period</b>	<b>84,121</b>	<b>76,462</b>

## Financial Results for the Fiscal Year ended March 31, 2024

## 《Segment information》

Segment information by business category for the fiscal year 2022 and 2023, is as follows:

(Amounts less than one million yen are rounded down)

## Fiscal Year ended March 31, 2023

Millions of yen

	Reportable segment							Other	Total	Adjustment	Consolidated
	Steel	Primary Metal	Metal Recycling	Foods	Energy & Living Materials	Overseas sales subsidiaries	Sub-total				
Net sales											
Customers	1,232,686	267,389	144,406	127,392	349,216	404,976	2,526,068	142,160	2,668,228	—	2,668,228
Inter-segment	29,444	6,647	2,784	1,186	11,759	44,233	96,056	3,880	99,937	(99,937)	—
Total	1,262,130	274,037	147,191	128,578	360,976	449,210	2,622,125	146,040	2,768,165	(99,937)	2,668,228
Segment income(loss)	28,477	13,934	6,135	(960)	11,574	7,278	66,439	3,083	69,522	(5,249)	64,272
Segment assets	589,143	156,421	45,586	66,113	57,355	87,403	1,002,025	43,615	1,045,640	112,107	1,157,747
Other											
Depreciation	5,523	25	285	108	234	577	6,754	499	7,253	114	7,368
Depreciation of Goodwill	193	—	—	—	—	—	193	—	193	—	193
Interest income	914	1,448	0	3	43	1,389	3,798	0	3,799	(122)	3,676
Interest expenses	5,711	10,052	831	699	547	1,351	19,193	317	19,510	(9,540)	9,969
Equity in earnings (losses) of affiliates	(419)	3,246	96	—	128	1,142	4,194	—	4,194	—	4,194
Investment in affiliates	8,007	4,229	484	—	942	3,514	17,177	—	17,177	—	17,177
Property, plant and equipment and Intangible assets increase	15,327	233	476	401	363	809	17,612	4,136	21,748	430	22,179

## Fiscal Year ended March 31, 2024

Millions of yen

	Reportable segment							Other	Total	Adjustment	Consolidated
	Steel	Primary Metal	Metal Recycling	Foods	Energy & Living Materials	Overseas sales subsidiaries	Sub-total				
Net sales											
Customers	1,216,177	216,332	113,954	122,113	338,607	312,437	2,319,622	112,358	2,431,980	—	2,431,980
Inter-segment	23,957	6,720	2,748	828	7,894	26,479	68,628	6,929	75,557	(75,557)	—
Total	1,240,134	223,052	116,702	122,941	346,502	338,917	2,388,251	119,287	2,507,538	(75,557)	2,431,980
Segment income	25,694	8,670	1,134	1,331	6,563	7,820	51,214	3,609	54,824	(6,548)	48,276
Segment assets	627,492	115,035	40,371	70,901	69,605	76,006	999,412	38,602	1,038,015	128,971	1,166,986
Other											
Depreciation	6,395	100	382	186	376	667	8,109	658	8,768	590	9,358
Depreciation of Goodwill	78	—	—	—	—	—	78	—	78	—	78
Interest income	730	1,096	2	20	99	2,668	4,619	13	4,632	143	4,775
Interest expenses	5,646	1,519	571	753	450	1,857	10,797	220	11,018	(2,263)	8,754
Equity in earnings (losses) of affiliates	(675)	3,094	59	—	117	936	3,532	—	3,532	—	3,532
Investment in affiliates	8,770	7,018	582	—	1,059	4,693	22,125	—	22,125	—	22,125
Property, plant and equipment and Intangible assets increase	7,660	90	623	139	580	1,813	10,906	976	11,882	497	12,380

## Notes:

1. "Other" comprises businesses that are not included in reportable segments, such as lumber section and machinery section.
2. Adjustments are as follows:
  - (1) Adjustments for segment income include intersegment elimination and Group costs that have not been distributed to reportable segments. These group costs consist mainly of expenses of administrative departments.
  - (2) Adjustments for segment assets include Group assets that have not been distributed to reportable segments. These group assets consist mainly of cash and cash equivalents, investment securities and assets of administrative departments.
  - (3) Adjustments for depreciation include mainly depreciation and amortization expenses of Group assets.
  - (4) Adjustments for interest income and interest expenses include intersegment elimination, revenue and expense that have not been distributed to reportable segments.
  - (5) Adjustments for property, plant and equipment and intangible assets increase are increases in Group assets.
3. Segment income or loss is adjusted between ordinary income or loss on the consolidated statements of income and comprehensive income.

**Highlights of Consolidated Financial Results for the FY2023**

(Japan GAAP)

HANWA Co., Ltd.

(Unit : billion yen, rounded down to 0.1 billions yen)

**Outline of Financial Results for the FY2023**

- During the fiscal year, net sales decreased by 9% YoY, to 2,431.9 billion yen and operating income decreased by 22% YoY, to 49.7 billion yen, because prices of the products represented by steel, non-ferrous metal and crude oil were at lower levels on a year-on-year comparison and demand for steel and scrap decreased. Ordinary income decreased by 25% YoY, to 48.2 billion yen, mainly because dividend income from strategic investments decreased. Net income attributable to owners of the parent decreased by 25% to 38.4 billion yen.
- We plan to pay 185 yen as the annual (85 yen as the interim and 100 yen as the year-end) dividend.

Operating Results	FY2022	FY2023	YoY		Main Factors
			Change	rate	
<b>Net sales</b>	<b>2,668.2</b>	<b>2,431.9</b>	<b>(236.2)</b>	<b>(9%)</b>	(Net sales) Net sales decreased by 9% YoY, to 2,431.9 billion yen, because prices of the products represented by steel, non-ferrous metal and crude oil were at lower levels on a year-on-year comparison and demand for steel and scrap decreased. (SG&A expenses) SG & A expenses increased by 5.6 billion yen YoY, with 0.2 billion yen of this figure deriving from newly consolidated subsidiaries. (Non-operating income/expenses) Non-operating income decreased by 3.8 billion yen and non-operating expenses decreased by 2.2 billion yen. The main impacts on ordinary income were as follows. Interest income : increase of 1.0 billion yen(YoY) Dividend income : decrease of 3.9 billion yen(YoY) Equity in earnings of affiliates : decrease of 0.6 billion yen(YoY) Interest expenses : decrease of 1.2 billion yen(YoY) Foreign exchange loss : decrease of 0.1 billion yen(YoY) Commision fee : increase of 0.2 billion yen(YoY) (Extraordinary gain/loss) Gain on sales of property and equipment : decrease of 13.2 billion yen(YoY) Gain on sales of investment securities : increase of 4.8 billion yen(YoY) Gain on bargain purchase : decrease of 0.7 billion yen(YoY) Arbitration related income : decrease of 0.2 billion yen(YoY) Loss on devaluation of investment securities : 1.0 billion yen Value added taxes for prior periods : decrease of 4.3 billion yen(YoY)
<b>Gross profit</b>	<b>128.5</b>	<b>119.8</b>	<b>(8.6)</b>	<b>(7%)</b>	
SG&A expenses	64.4	70.1	5.6	9%	
<b>Operating income</b>	<b>64.1</b>	<b>49.7</b>	<b>(14.3)</b>	<b>(22%)</b>	
Non-operating income	17.3	13.5	(3.8)	(22%)	
Non-operating expenses	17.2	14.9	(2.2)	(13%)	
<b>Ordinary income</b>	<b>64.2</b>	<b>48.2</b>	<b>(15.9)</b>	<b>(25%)</b>	
Extraordinary gain	16.0	6.6	(9.3)	(58%)	
Extraordinary loss	4.3	1.0	(3.2)	(75%)	
<b>Income before income taxes and others</b>	<b>75.9</b>	<b>53.8</b>	<b>(22.0)</b>	<b>(29%)</b>	
Income taxes	23.2	14.5	(8.6)	(37%)	
<b>Net income</b>	<b>52.7</b>	<b>39.3</b>	<b>(13.3)</b>	<b>(25%)</b>	
Owners of the parent	51.5	38.4	(13.0)	(25%)	
Non-controlling interests	1.2	0.9	(0.2)	(24%)	
EPS (yen)	1,267.44	944.90	(322.54)	(25%)	
<b>Comprehensive income</b>	<b>71.3</b>	<b>54.1</b>	<b>(17.1)</b>	<b>(24%)</b>	

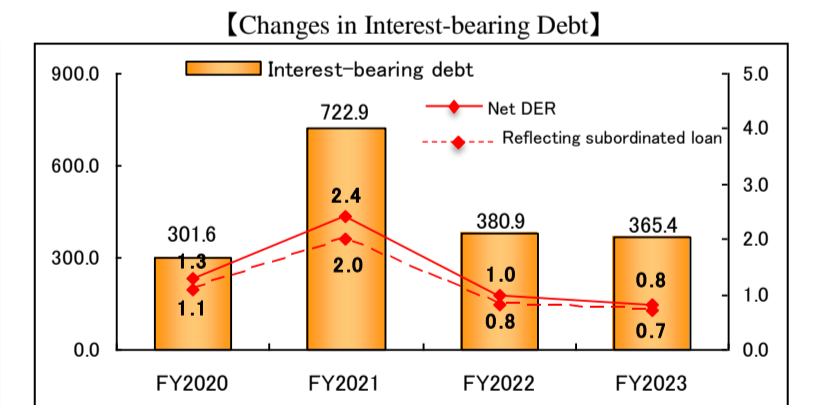
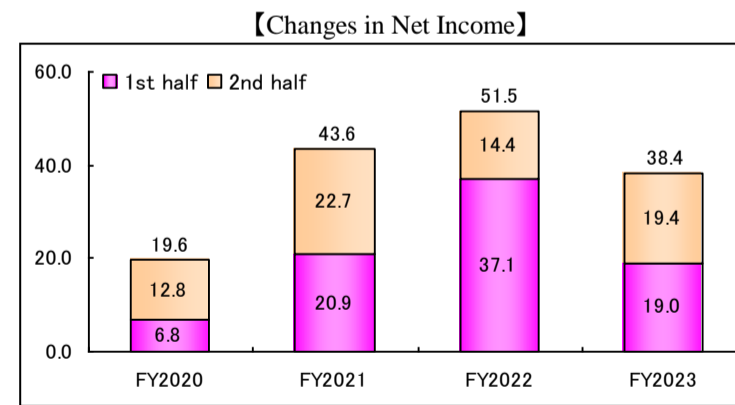
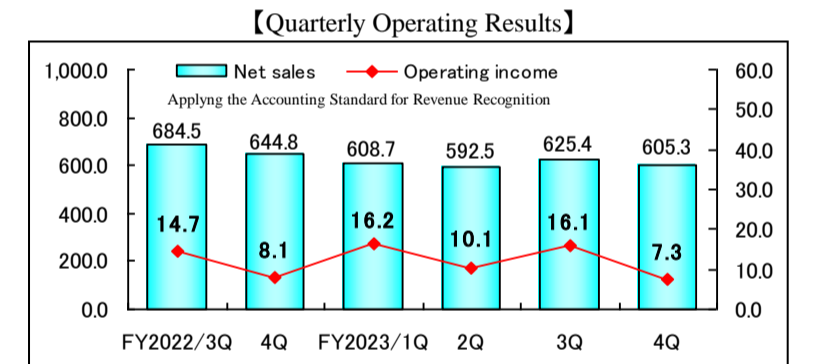
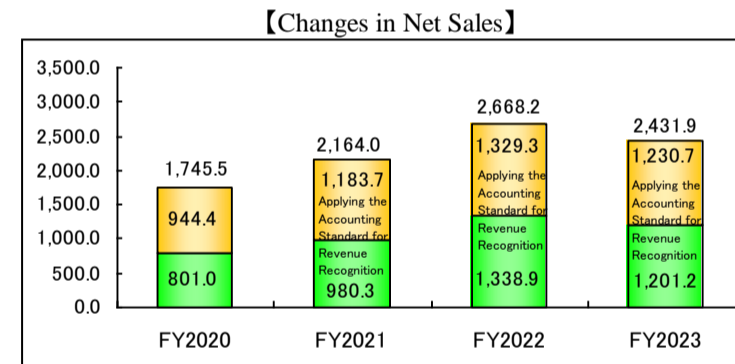
Segment Information	Net sales			Segment income			Main Factors
	FY2022	FY2023	rate	FY2022	FY2023	rate	
Steel	1,262.1	1,240.0	(2%)	28.4	25.6	(10%)	(Steel business) Net sales decreased. Transaction volume of steel decreased due to a decline in the number of new housing starts. In addition, segment income decreased, because the profitability of some construction projects deteriorated. (Primary metals business) Net sales decreased, because the transaction volume of stainless-steel products decreased, as well as current adjustment phase of various merchandises. In addition, segment income decreased due to falls in dividend income from strategic investments. (Metal recycling business) Net sales decreased, because prices of base metal were at a lower level on a global basis compared to the previous fiscal year, and transaction volume decreased due to weak demand for mainly stainless scrap. In addition, segment income decreased due to appraisal gain from commodity forwards contracts in hedge transactions shrunk. (Foods business) Net sales decreased, and segment income increased. Although the crab market prices remained low compared to the previous fiscal year, which pushed down profits, they have recently been on a gradual recovery trend. In addition, the purchase cost risings of salmon, prawns and chickens started to be sufficiently reflected in the selling prices. (Energy & Living Materials business) Net sales and segment income decreased. Although transaction volume of the products such as palm kernel shells (PKS) and wood pellet increased, lower petroleum product prices compared to the previous fiscal year had affected greatly on the business performance. (Overseas sales subsidiaries) Net sales decreased. Transaction volume at sales subsidiaries, mainly in Indonesia and U.S., decreased due to sluggish demand for steel in overseas markets. In addition, decreases in market prices of steel products and non-ferrous metal products. On the other hand, segment income increased mainly due to financial income from strategic investments.
Primary Metal	274.0	223.0	(19%)	13.9	8.6	(38%)	
Metal Recycling	147.1	116.7	(21%)	6.1	1.1	(82%)	
Foods	128.5	122.9	(4%)	(0.9)	1.3	—	
Energy& Living Materials	360.9	346.5	(4%)	11.5	6.5	(43%)	
Overseas sales subsidiaries	449.2	338.9	(25%)	7.2	7.8	7%	
Total for reportable segments	2,622.1	2,388.1	(9%)	66.4	51.1	(23%)	
Other	146.0	119.2	(18%)	3.0	3.6	17%	
<b>Total</b>	<b>2,768.1</b>	<b>2,507.4</b>	<b>(9%)</b>	<b>69.5</b>	<b>54.7</b>	<b>(21%)</b>	
Adjustment	(99.9)	(75.4)	(24%)	(5.2)	(6.4)	23%	
<b>Consolidated</b>	<b>2,668.2</b>	<b>2,431.9</b>	<b>(9%)</b>	<b>64.2</b>	<b>48.2</b>	<b>(25%)</b>	

**Topics**

- Apr Established HANWA AUSTRALIA PTY LTD. as a subsidiary of the Company.
- Established HANWA PHILIPPINES CORPORATION as a subsidiary of the Company.
- Acquired 80% of the shares of TOHO METAL Co., Ltd. and made it a subsidiary of the Company.

Financial Position	Mar. 2023	Mar. 2024	Comparison with Mar. 2023		Main Factors
			Change	rate	
<b>Total assets</b>	<b>1,157.7</b>	<b>1,166.9</b>	<b>9.2</b>	<b>1%</b>	(Total Assets) Total assets increased by 1% from the end of the previous fiscal year, mainly because of an increase in electronically recorded monetary claims and investment securities. (Liabilities) Liabilities decreased by 5% from the end of the previous fiscal year, mainly because of redemption of commercial paper, as well as a decrease in income taxes payable after payment of taxes including corporate tax in which the business results of the previous fiscal year were reflected. As interest-bearing debt decreased by 4%, net debt-equity ratio was turned into 82% (*70%). (Net assets) Total net assets increased 16% from the end of the previous fiscal year because of accumulation of retained earnings from net income attributable to owners of parent as well as a fluctuation in foreign currency translation adjustments. Shareholders' equity ratio was 30.1% (*32.2%), which is 3.9 percentage points higher than at the end of the previous fiscal year. *Reflecting equity credit attributes of the subordinated loan
(Current assets)	928.7	917.1	(11.5)	(1%)	
(Fixed assets)	229.0	249.8	20.8	9%	
<b>Total liabilities</b>	<b>848.9</b>	<b>810.2</b>	<b>(38.7)</b>	<b>(5%)</b>	
(Interest-bearing debt)	380.9	365.4	(15.5)	(4%)	
(Net interest-bearing debt)	296.7	288.9	(7.8)	(3%)	
Net DER	98%/83%*	82%/70%*	(16pt)	(16%)	
<b>Total net assets</b>	<b>308.8</b>	<b>356.7</b>	<b>47.9</b>	<b>16%</b>	
(Equity capital)	270.8	304.2	33.3	12%	
(Valuation & translation adjustments)	32.2	46.9	14.7	46%	
(Non-controlling interests)	5.6	5.5	(0.1)	(2%)	
BPS (yen)	7,459.39	8,636.03	1,176.64	16%	
Shareholders' equity	303.1	351.2	48.0	16%	
Shareholders' equity ratio	26.2/28.3%*	30.1/32.2%*	3.9pt	15%	

Cash Flow	FY2022	FY2023	YoY		Main Factors
			Change	rate	
Cash flows from operating activities	284.2	18.1	(266.0)	(94%)	(Operating cash flows) Due mainly to increase in trade payables and decrease in accounts receivable-other. (Investment cash flows) Due mainly to sale and redemption of investment securities and collection of long-term loans receivable. (Financial cash flows) Due mainly to repayment long-term debt and redemption of commercial paper.
Cash flows from investing activities	(6.5)	1.0	7.5	—	
Cash flows from financing activities	(351.8)	(26.3)	325.5	93%	
Cash and cash equivalents at end of period	84.1	76.4	(7.6)	(9%)	



Forecast (Annual)	FY2023	FY2024 (estimated)	
		change	rate
Net sales	2,431.9	2,800.0	15%
Operating income	49.7	61.0	23%
Ordinary income	48.2	60.0	24%
Net income attributable to owners of parent	38.4	43.0	12%

Cash Dividends	FY2022	FY2023	FY2024 (estimated)
Year-end (yen)	80.00	100.00	105.00
Annual (yen)	130.00	185.00	210.00
DOE*	—	2.7%	2.8%

\* DOE (Dividend on equity ratio) = Total dividend / Beginning total shareholders' equity