

## Financial Results for the Second Quarter (Interim Period) ended September 30, 2024

(Japan GAAP)

November 8, 2024

Company name: **HANWA Co., Ltd.** Listed stock exchange: Tokyo  
 Stock exchange code: 8078 (URL <https://www.hanwa.co.jp>)  
 Representative: Yoichi Nakagawa President  
 Enquiries: Hisashi Honda Director, Managing Executive Officer Phone +81-3-3544-2000  
 Scheduled date of issue of semi-annual report: November 8, 2024  
 Scheduled date of payout of dividend: December 2, 2024  
 Supplementary documents to the financial results: Yes  
 Financial results briefing: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the Second Quarter (Interim Period) ended September 30, 2024 (April 1, 2024 to September 30, 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)	(%)
For Interim Period ended September 30, 2024	1,258,673	4.8	28,881	9.6	28,137	2.5	20,212	6.0
ended September 30, 2023	1,201,276	(10.3)	26,339	(36.3)	27,444	(48.2)	19,076	(48.7)

(Note) Comprehensive income For Interim Period ended September 30, 2024 18,627 million yen (37.9) %  
 For Interim Period ended September 30, 2023 29,989 million yen (47.6) %

	Net income per share	Net income per share(diluted)
	(yen)	(yen)
For Interim Period ended September 30, 2024	499.97	—
ended September 30, 2023	469.32	—

### (2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	(%)	(yen)
As of September 30, 2024	1,165,893	369,469	31.1	8,992.06
As of March 31, 2024	1,166,986	356,765	30.1	8,636.03

(Note) Shareholders' equity As of September 30, 2024 363,131 million yen  
 As of March 31, 2024 351,212 million yen

### 2. Cash dividends

	Cash dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Annual
	(yen)	(yen)	(yen)	(yen)	(yen)
Year ended March 31, 2024	—	85.00	—	100.00	185.00
Year ending March 31, 2025	—	105.00			
Year ending March 31, 2025 (estimated)			—	105.00	210.00

(Note) Changes in dividends forecast from the latest disclosed information: None

### 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

(Note) Changes in earnings forecast from the latest disclosed information: None

## Financial Results for the Second Quarter (Interim Period) ended September 30, 2024

## ※Notes:

- (1) Significant changes in the scope of consolidation during the interim period: Yes  
 Newly included: 4 Companies (Company name) SHINX CO., LTD.  
 Other subsidiaries (3 companies)  
 Newly excluded: 0 Companies (Company name)
- (2) Application of specific accounting of interim consolidated financial statements: Yes
- (3) Changes in accounting policies, accounting estimates and retrospective restatement  
 1) Changes in accounting policies based on revisions of accounting standards: Yes  
 2) Changes in accounting policies other than ones based on revisions of accounting standards: None  
 3) Changes in accounting estimates: None  
 4) Retrospective restatement: None

## (4) Number of shares issued (common shares)

## 1) Number of shares issued at the end of the period (including treasury stock)

As of September 30, 2024	42,332,640 shares	As of March 31, 2024	42,332,640 shares
--------------------------	-------------------	----------------------	-------------------

## 2) Number of treasury stock at the end of the period

As of September 30, 2024	1,948,994 shares	As of March 31, 2024	1,664,411 shares
--------------------------	------------------	----------------------	------------------

## 3) Average number of shares during the period

For the six months ended September 30, 2024	40,426,508 shares	For the six months ended September 30, 2023	40,647,445 shares
---	-------------------	---	-------------------

\* Review of the Japanese-language originals of the attached interim consolidated financial statements by certified public accountants or an audit firm: None

\* Explanation regarding the appropriate usage of financial forecasts and other special instructions

Forward-looking statements, such as financial forecasts, presented in this document are based on information available and certain assumptions the Company deemed to be reasonable at the time of publication, and the Company does not guarantee its future performance. Actual results may differ significantly due to various factors.

## Financial Results for the Second Quarter (Interim Period) ended September 30, 2024

## 《Consolidated Balance Sheets》

(Amounts less than one million yen are rounded down)

*Millions of yen*

	March 31, 2024	September 30, 2024
<b>Assets;</b>		
<b>Current assets;</b>		
Cash and deposits	76,525	56,877
Trade notes, accounts receivable and contract assets	445,825	419,484
Electronically recorded monetary claims	95,615	102,859
Inventories	249,490	268,921
Others	51,406	56,248
Allowance for doubtful receivables	(1,694)	(1,768)
<b>Total current assets</b>	<b>917,168</b>	<b>902,623</b>
<b>Fixed assets;</b>		
<b>Property and equipment;</b>		
Land	37,401	40,458
Others	51,544	52,627
<b>Total property and equipment</b>	<b>88,945</b>	<b>93,085</b>
<b>Intangible assets</b>	<b>10,006</b>	<b>12,206</b>
<b>Investments and other assets;</b>		
Investment securities	106,062	115,473
Others	47,239	44,752
Allowance for doubtful accounts	(2,436)	(2,247)
<b>Total investments and other assets</b>	<b>150,865</b>	<b>157,978</b>
<b>Total fixed assets</b>	<b>249,818</b>	<b>263,270</b>
<b>Total assets</b>	<b>1,166,986</b>	<b>1,165,893</b>
<b>Liabilities;</b>		
<b>Current liabilities;</b>		
Trade notes and accounts payable	303,848	270,591
Electronically recorded obligations	46,879	37,982
Short-term loans payable	72,080	80,789
Income taxes payable	2,602	9,383
Accrued bonuses to employees	3,730	4,260
Provision for product warranties	95	66
Others	57,318	59,283
<b>Total current liabilities</b>	<b>486,555</b>	<b>462,358</b>
<b>Long-term liabilities;</b>		
Bonds payable	50,000	50,000
Long-term loans payable	239,957	251,581
Retirement benefit liability	1,353	1,782
Others	32,354	30,702
<b>Total long-term liabilities</b>	<b>323,665</b>	<b>334,066</b>
<b>Total liabilities</b>	<b>810,220</b>	<b>796,424</b>
<b>Net assets;</b>		
<b>Shareholders' equity;</b>		
Common stock	45,651	45,651
Capital surplus	1,301	1,384
Retained earnings	260,959	277,223
Treasury stock	(3,662)	(5,592)
<b>Total shareholders' equity</b>	<b>304,249</b>	<b>318,666</b>
<b>Accumulated other comprehensive income;</b>		
Valuation difference on available-for-sale securities, net of taxes	27,511	21,812
Deferred gains or losses on hedges, net of taxes	630	488
Land revaluation difference, net of taxes	1,966	1,966
Foreign currency translation adjustments	14,427	17,696
Remeasurements of defined benefit plans	2,426	2,501
<b>Total accumulated other comprehensive income</b>	<b>46,962</b>	<b>44,465</b>
<b>Non-controlling interests</b>	<b>5,553</b>	<b>6,337</b>
<b>Total net assets</b>	<b>356,765</b>	<b>369,469</b>
<b>Total liabilities and net assets</b>	<b>1,166,986</b>	<b>1,165,893</b>

## Financial Results for the Second Quarter (Interim Period) ended September 30, 2024

## 《Consolidated Statements of Income and Comprehensive Income》

(Amounts less than one million yen are rounded down)

*Millions of yen*

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
<b>Net sales</b>	1,201,276	1,258,673
Cost of sales	1,140,980	1,192,727
<b>Gross profit</b>	<b>60,295</b>	<b>65,946</b>
Selling, general and administrative expenses	33,955	37,065
<b>Operating income</b>	<b>26,339</b>	<b>28,881</b>
<b>Other income;</b>		
Interest income	2,734	1,974
Dividend income	1,759	2,170
Share of profit of entities accounted for using the equity method	2,080	1,206
Others	903	821
Total other income	7,477	6,172
<b>Other expenses;</b>		
Interest expenses	4,408	4,490
Foreign exchange loss	100	622
Others	1,864	1,802
Total other expenses	6,373	6,915
<b>Ordinary income</b>	<b>27,444</b>	<b>28,137</b>
<b>Extraordinary income;</b>		
Gain on sales of investment securities	—	1,552
Gain on sales of investments in capital of subsidiaries and associates	—	332
Total extraordinary income	—	1,884
<b>Extraordinary loss;</b>		
Loss on devaluation of investment securities	623	—
Total extraordinary loss	623	—
<b>Income before income taxes</b>	<b>26,821</b>	<b>30,022</b>
<b>Income taxes</b>	<b>7,147</b>	<b>9,524</b>
<b>Net income</b>	<b>19,673</b>	<b>20,497</b>
<b>Net income attributable to;</b>		
Owners of the parent	19,076	20,212
Non-controlling interests	596	285
<b>Other comprehensive income;</b>		
Valuation difference on available-for-sale securities, net of taxes	2,606	(5,686)
Deferred gains or losses on hedges, net of taxes	1,663	(141)
Foreign currency translation adjustment	4,941	1,932
Remeasurements of defined benefit plans, net of taxes	218	81
Share of other comprehensive income of entities accounted for using the equity method	885	1,943
Total other comprehensive income	10,316	(1,870)
<b>Comprehensive income</b>	<b>29,989</b>	<b>18,627</b>
<b>Comprehensive income attributable to;</b>		
Owners of the parent	29,209	17,715
Non-controlling interests	779	912

## Financial Results for the Second Quarter (Interim Period) ended September 30, 2024

## 《Consolidated Statements of Cash Flows》

(Amounts less than one million yen are rounded down)  
Millions of yen

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
<b>Cash flows from operating activities;</b>		
Income before income taxes	26,821	30,022
Depreciation and amortization	4,546	4,708
Amortization of goodwill	37	41
Increase(decrease) in allowance for doubtful accounts	293	(119)
Interest and dividend income	(4,494)	(4,145)
Interest expenses	4,408	4,490
Equity in earnings of affiliated companies (gain)	(2,080)	(1,206)
Gain on sale of investment securities	—	(1,552)
Loss on devaluation of investment securities	623	—
Arbitration related income	—	(332)
Decrease (increase) in trade receivables and contract assets	(45,274)	26,402
Decrease (increase) in inventories	6,886	(12,929)
Decrease (increase) in advance payment-trade	7,431	(5,090)
Increase (decrease) in trade notes and accounts payable	26,996	(46,397)
Increase (decrease) in deposits received	(12,811)	8,462
Increase (decrease) in retirement benefits and liability	334	197
Other, net	(13,442)	(4,718)
<b>Sub total</b>	<b>276</b>	<b>(2,166)</b>
Interest and dividends received	3,616	4,604
Interest paid	(3,851)	(4,536)
Income taxes (paid) refund	(15,163)	(2,280)
<b>Net cash provided by (used in) operating activities</b>	<b>(15,122)</b>	<b>(4,378)</b>
<b>Cash flows from investing activities;</b>		
Payment for time deposits	(3)	(3)
Proceeds from refund of time deposits	3	13
Payment for purchase of property and equipment	(6,938)	(5,515)
Proceeds from sale of property and equipment	259	11
Payment for acquisition of investment securities	(428)	(16,286)
Proceeds from sale and redemption of investment securities	2,009	2,185
Net increase (decrease) from acquisition of consolidated subsidiaries	—	(5,087)
Net decrease (increase) in short-term loans receivable	(959)	235
Increase in long-term loans receivable	(101)	(0)
Collection of long-term loans receivable	5,382	456
Other, net	(1,180)	41
<b>Net cash provided by (used in) investing activities</b>	<b>(1,957)</b>	<b>(23,949)</b>
<b>Cash flows from financing activities;</b>		
Net increase (decrease) in short-term loans payable	(5,603)	15,413
Net increase (decrease) in commercial paper	10,000	—
Proceeds from long-term debt	5,000	16,700
Repayments of long-term debt	(5,276)	(16,666)
Proceeds from issuance of bonds	19,909	—
Payment for redemption of bonds	(10,000)	—
Purchase of treasury stock	(0)	(2,004)
Dividends paid	(3,245)	(4,058)
Dividends paid to non-controlling interests	(93)	(126)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(46)	—
Other, net	(411)	(432)
<b>Net cash provided by (used in) financing activities</b>	<b>10,231</b>	<b>8,826</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(135)</b>	<b>(1,423)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>84,121</b>	<b>76,462</b>
<b>Increase in cash and cash equivalents from newly consolidated subsidiaries</b>	<b>286</b>	<b>1,286</b>
<b>Cash and cash equivalents at end of period</b>	<b>77,423</b>	<b>56,824</b>

**Financial Results for the Second Quarter (Interim Period) ended September 30, 2024**

## (1) Note on a going concern

None

## (2) Note on significant changes in shareholders' equity.

The Company has acquired 309,000 shares of treasury stock during the interim period ended September 30, 2024, based on the resolution of the Board of Directors meeting held on May 10, 2024. As a result of this acquisition, the amount of treasury stocks increased by 1,929 million yen, resulting in treasury stock of 5,592 million yen as of September 30, 2024.

## (3) Application of specific accounting of the quarterly consolidated financial statements

## Calculation of tax expense

Income taxes are determined based on the amount of income before income taxes for the interim period ended September 30, 2024 multiplied by the effective tax rate, after application of tax-effect accounting, estimated for the entire fiscal year ending March 31, 2025. However, if using this estimated effective tax rate results in extremely unreasonable tax expenses, the statutory effective tax rate is used after adjusting net income (loss) before income taxes for material differences that are not temporary.

## (4) Changes in accounting policies

## Application of Accounting Standard for Current Income Taxes

The Accounting Standard for Current Income Taxes (ASBJ Statement No. 27; October 28, 2022; hereinafter, "2022 Revised Accounting Standard") has been applied since the beginning of the interim period ended September 30, 2024.

Revisions concerning the recognition classification of income taxes follow the transitional treatment set forth in the proviso of paragraph 20-3 of the 2022 Revised Accounting Standard and in the proviso of paragraph 65-2

(2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28; October 28, 2022; hereinafter, "2022 Revised Guidance"). This change in accounting policy has no impact on the interim consolidated financial statements.

Regarding the revisions related to the review of treatment in consolidated financial statements when conducting a tax deferral of gains or losses on sale arising from the sale of subsidiary shares, etc. between consolidated companies, the 2022 Revised Guidance has been applied since the beginning of interim period ended September 30, 2024. This change in accounting policy is applied retrospectively, and the consolidated financial statements for the previous year's quarters and the previous consolidated fiscal year are after retrospective application. This change in accounting policy has no impact on the consolidated financial statements for the previous year's interim period and the previous consolidated fiscal year for ended March 31, 2024.

## Financial Results for the Second Quarter (Interim Period) ended September 30, 2024

## (5) Segment information

1 Segment information by business category for the 2nd Quarter (Interim Period) ended September 30, 2023 and 2024, is as follows:

(Amounts less than one million yen are rounded down)

## Second Quarter (Interim Period) ended September 30, 2023

Millions of yen

	Reportable segment							Other business	Total	Adjustment	Consolidated
	Steel	Primary Metal	Metal Recycling	Foods	Energy & Living Materials	Overseas sales subsidiaries	Sub-total				
Net sales											
Customers	593,663	93,867	84,711	61,045	146,962	156,491	1,136,741	64,535	1,201,276	—	1,201,276
Intersegment	14,104	3,348	2,612	290	3,350	13,822	37,531	4,409	41,940	(41,940)	—
Total	607,768	97,216	87,323	61,336	150,313	170,314	1,174,272	68,944	1,243,216	(41,940)	1,201,276
Segment income (Loss)	13,052	6,700	1,363	(122)	1,458	4,485	26,938	1,995	28,934	(1,489)	27,444

## Second Quarter (Interim Period) ended September 30, 2024

Millions of yen

	Reportable segment							Other business	Total	Adjustment	Consolidated
	Steel	Primary Metal	Metal Recycling	Foods	Energy & Living Materials	Overseas sales subsidiaries	Sub-total				
Net sales											
Customers	562,811	93,599	106,664	64,995	180,680	186,479	1,195,230	63,443	1,258,673	—	1,258,673
Intersegment	21,177	6,120	2,495	898	3,848	19,442	53,982	1,967	55,950	(55,950)	—
Total	583,989	99,720	109,160	65,893	184,528	205,921	1,249,213	65,410	1,314,624	(55,950)	1,258,673
Segment income	14,160	3,408	1,497	812	5,150	3,713	28,742	1,078	29,820	(1,682)	28,137

## (Notes)

1. "Other business" represents businesses such as the housing materials section and machinery section which are not included in reportable segments. From the beginning of the interim period ended September 30, 2024, we have changed the name of the lumber section to the housing materials section.
2. 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.
3. Segment income is adjusted between ordinary income or loss on the consolidated statements of income and comprehensive income.

## 2 Matters Concerning Changes in Reportable Segments

## Changes in the Classification Method of Reportable Segments

From the beginning of the interim period ending September 30, 2024, the Companies have changed their method of classification of business segments, integrating a part of the steel business into the primary metal business and the other business, and integrating a part of the primary metal business into the metal recycling business. Segment information of the Second Quarter (interim period) ended September 30, 2023 has been recomposed by the new classification method.

**Highlights of Consolidated Financial Results for the Second Quarter (Interim Period) of FY2024**

(Japan GAAP)

HANWA Co., Ltd.

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

**Outline of Financial Results for the Second Quarter (Interim Period) of FY2024**

• During the Second quarter (interim period) of this fiscal year, net sales increased by 5% YoY, to 1,258.6 billion yen, because transaction volume mainly represented by Energy & Living Materials business and Metal Recycling business increased. Operating income increased by 10% YoY, to 28.8 billion yen, because the profitability of Energy & Living Materials business and food business recovered, and ordinary income increased by 3% YoY, to 28.1 billion yen. Net income attributable to owners of the parent increased by 6% YoY, to 20.2 billion yen.  
 • We plan to pay 210 yen as the annual (105 yen as the interim and 105 yen as the year-end) dividend.

Operating Results	Interim Period of FY2023	Interim Period of FY2024	YoY		Main Factors
			Change	rate	
<b>Net sales</b>	<b>1,201.2</b>	<b>1,258.6</b>	<b>57.3</b>	<b>5%</b>	(Net sales) Net sales increased by 5% YoY, to 1,258.6 billion yen, because transaction volume mainly represented by Energy & Living Materials business and Metal Recycling business increased.
<b>Gross profit</b>	<b>60.2</b>	<b>65.9</b>	<b>5.6</b>	<b>9%</b>	(SG&A expenses) SG&A expenses increased by 3.1 billion yen YoY, with 0.3 billion yen of this figure deriving from newly consolidated subsidiaries. Cost of labor increased by 2.2 billion yen YoY, with 0.2 billion yen of this figure deriving from newly consolidated subsidiaries.
SG&A expenses	33.9	37.0	3.1	9%	
<b>Operating income</b>	<b>26.3</b>	<b>28.8</b>	<b>2.5</b>	<b>10%</b>	(Non-operating income/expenses) Non-operating income decreased by 1.3 billion yen and non-operating expenses increased by 0.5 billion yen. The main impacts on ordinary income were as follows. Interest income : decrease of 0.7 billion yen(YoY) Dividend income : increase of 0.4 billion yen(YoY) Share of profit of entities accounted for using the equity method : decrease of 0.8 billion yen(YoY) Foreign exchange loss : increase of 0.5 billion yen(YoY)
Non-operating income	7.4	6.1	(1.3)	(17%)	
Non-operating expenses	6.3	6.9	0.5	9%	
<b>Ordinary income</b>	<b>27.4</b>	<b>28.1</b>	<b>0.6</b>	<b>3%</b>	(Extraordinary gain/loss) Gain on sales of investment securities : 1.5 billion yen Gain on sales of investments in capital of subsidiaries and associates : 0.3 billion yen Loss on devaluation of investment securities : decrease of 0.6 billion yen(YoY)
Extraordinary gain	—	1.8	1.8	—	
Extraordinary loss	0.6	—	(0.6)	—	
<b>Income before income taxes</b>	<b>26.8</b>	<b>30.0</b>	<b>3.2</b>	<b>12%</b>	
Income taxes	7.1	9.5	2.3	33%	
<b>Net income</b>	<b>19.6</b>	<b>20.4</b>	<b>0.8</b>	<b>4%</b>	
Owners of the parent	19.0	20.2	1.1	6%	
Non-controlling interests	0.5	0.2	(0.3)	(52%)	
EPS (yen)	469.32	499.97	30.65	7%	
<b>Comprehensive income</b>	<b>29.9</b>	<b>18.6</b>	<b>(11.3)</b>	<b>(38%)</b>	

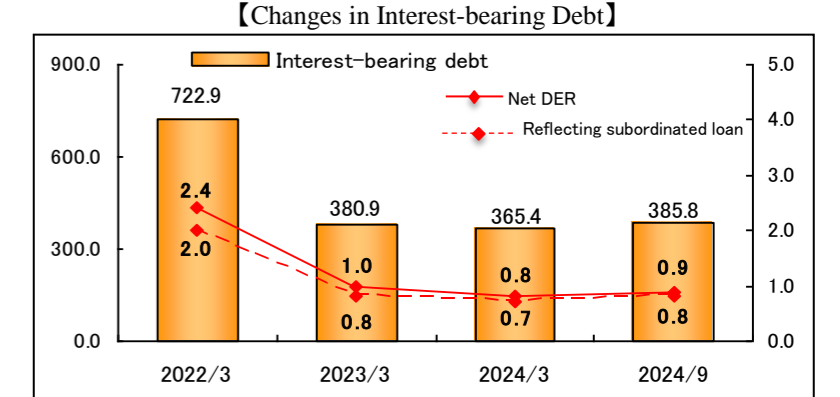
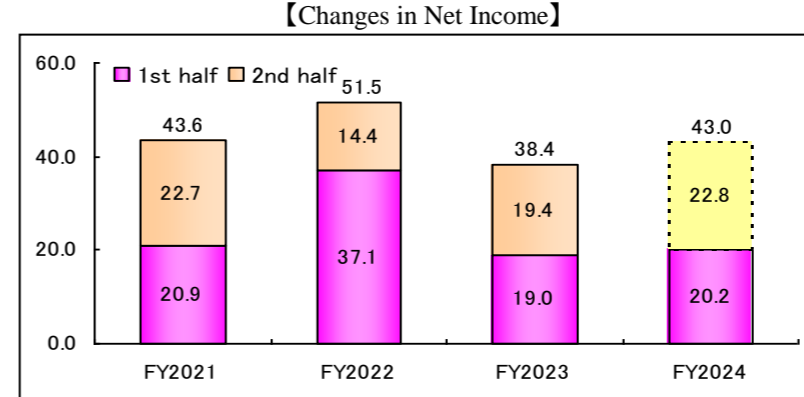
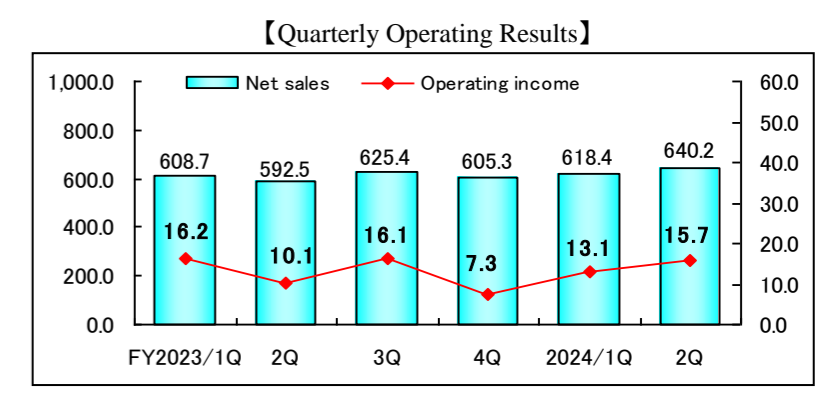
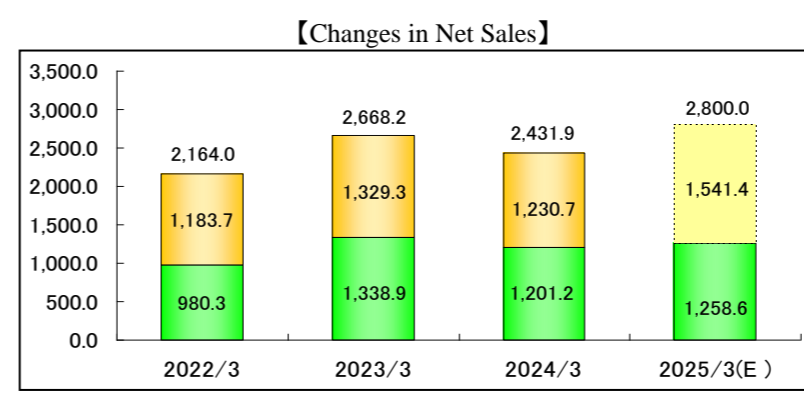
Segment Information	Net sales			Segment income			Main Factors
	Interim Period of FY2023	Interim Period of FY2024	rate	Interim Period of FY2023	Interim Period of FY2024	rate	
Steel	607.7	583.9	(4%)	13.0	14.1	8%	(Steel) Net sales decreased, because transaction volume of steel sheets and wire products decreased. On the other hand, segment income increased, because business in the highly profitable domestic construction sector remained strong and profitability improved in some overseas subsidiaries.
Primary Metal	97.2	99.7	3%	6.7	3.4	(49%)	(Primary metal) The overseas transaction volume increased. On the other hand, Segment income decreased, due to the result of lower market prices of various products and decrease of share of profit of entities accounted for using the equity method from SAMANCOR CHROME HOLDINGS PROPRIETARY LTD.
Metal Recycling	87.3	109.1	25%	1.3	1.4	10%	(Metal recycling) Net sales increased, because transaction volume of precious metals and aluminum scraps increased. Segment income increased due to the result of steady market prices of copper and aluminum, despite the result of lower market prices of nickel compared to the same period of the previous fiscal year.
Foods	61.3	65.8	7%	(0.1)	0.8	—	(Food) Net sales volume remained flat compared to the same period of the previous fiscal year. Net sales and Segment income increased because the market of foods represented by crab was higher compared to the same period of the previous fiscal year.
Energy& Living Materials	150.3	184.5	23%	1.4	5.1	253%	(Energy & Living Materials) Net sales increased, because transaction volume of bunker oil products increased significantly. In addition, net sales and segment income increased due to the transaction volume and sales price of chemical products increased.
Overseas sales subsidiaries	170.3	205.9	21%	4.4	3.7	(17%)	(Overseas sales subsidiaries) Net sales increased, because of the increase of new transaction in China and the newly consolidation of companies, which were accounted for the equity method in the previous fiscal year. Segment income decreased, due to the result of lower prices of steel products in Asia, compared to the same period of the previous fiscal year.
Total for reportable segments	1,174.2	1,249.2	6%	26.9	28.7	7%	
Other	68.9	65.4	(5%)	1.9	1.0	(46%)	
<b>Total</b>	<b>1,243.2</b>	<b>1,314.6</b>	<b>6%</b>	<b>28.9</b>	<b>29.8</b>	<b>3%</b>	
Adjustment	(41.9)	(55.9)	33%	(1.4)	(1.6)	13%	
<b>Consolidated</b>	<b>1,201.2</b>	<b>1,258.6</b>	<b>5%</b>	<b>27.4</b>	<b>28.1</b>	<b>3%</b>	

**Topics**

- Apr Established HANWA BUSSINESS PARTNERS LTD. as a subsidiary of the Company.
- May PT. HANWA INDONESIA, a subsidiary of the Company, acquired 15% of the shares of PT GARUDA YAMATO STEEL.
- Jul Acquired 100% of the shares of SHINX CO., LTD. and made it as a consolidated subsidiary of the Company.
- Sep Acquired 80% of the shares of MARUGO FUKUYAMA SUISAN CO., LTD, and made it as a subsidiary of the Company.

Financial Position	Mar. 2024	Sep. 2024	Comparison with Mar. 2024		Main Factors
			Change	rate	
<b>Total assets</b>	<b>1,166.9</b>	<b>1,165.8</b>	<b>(1.0)</b>	<b>(0%)</b>	(Total Assets) Total assets decreased by 0.1% from the end of the previous fiscal year, mainly because of an decrease in trade receivables and cash and deposits.
(Current assets)	917.1	902.6	(14.5)	(2%)	
(Fixed assets)	249.8	263.2	13.4	5%	
<b>Total liabilities</b>	<b>810.2</b>	<b>796.4</b>	<b>(13.7)</b>	<b>(2%)</b>	(Liabilities) Liabilities decreased by 2% from the end of the previous fiscal year, mainly because of decrease in trade payables. As interest-bearing debt increased by 6%, net debt-equity ratio was turned into 91% (*78%).
(Interest-bearing debt)	365.4	385.8	20.3	6%	
(Net interest-bearing debt)	288.9	328.9	40.0	14%	
Net DER	82%/70**%	91%/78**%	9pt	10%	
<b>Total net assets</b>	<b>356.7</b>	<b>369.4</b>	<b>12.7</b>	<b>4%</b>	(Net assets) Total net assets increased 4% 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 31.1% (*33.3%), which is 1.0 percentage points higher than at the end of the previous fiscal year.
(Shareholders' equity)	304.2	318.6	14.4	5%	
(Accumulated Other Comprehensive Income)	46.9	44.4	(2.4)	(5%)	
(Non-controlling interests)	5.5	6.3	0.7	14%	
BPS (yen)	8,636.03	8,992.06	356.03	4%	
Equity capital	351.2	363.1	11.9	3%	
Equity ratio	30.1/32.2**%	31.1/33.3**%	1.0pt	3%	*Reflecting equity credit attributes of the subordinated loan

Cash Flow	Interim Period of FY2023	Interim Period of FY2024	YoY		Main Factors
			Change	rate	
Cash flows from operating activities	(15.1)	(4.3)	10.7	(71%)	(Operating cash flows) Due mainly to decrease in trade payables and increase in inventory.
Cash flows from investing activities	(1.9)	(23.9)	(21.9)	—	(Investment cash flows) Due mainly to acquisition of investment securities and tangible asset.
Cash flows from financing activities	10.2	8.8	(1.4)	(14%)	(Financial cash flows) Due mainly to financing through borrowing.
Cash and cash equivalents at end of period	77.4	56.8	(20.5)	(27%)	



Forecast (Annual)	FY2023	FY2024 (estimated)	change
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)
Interim (yen)	50.00	85.00	105.00
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