

## Financial Results for the Fiscal Year ended March 31, 2025

(Japan GAAP)

May 9, 2025

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 Shareholders' Meeting: Jun 26, 2025

Scheduled date of issue of audited financial statements: Jun 27, 2025

Scheduled date of payout of dividend: Jun 27, 2025

(Amounts less than one million yen are rounded down)

## 1. Consolidated financial results for the Fiscal Year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

## (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 the fiscal year ended March 31, 2025	2,554,514	5.0	61,532	23.8	59,746	23.8	45,482	18.4
ended March 31, 2024	2,431,980	(8.9)	49,722	(22.4)	48,276	(24.9)	38,417	(25.4)

(Note) Comprehensive income For the Fiscal Year ended March 31, 2025 43,027 million yen (20.6) %  
For the Fiscal Year ended March 31, 2024 54,198 million yen (24.0) %

	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)	(%)	(%)	(%)
For the fiscal year ended March 31, 2025	1,125.66	-	12.4	5.1	2.4
ended March 31, 2024	944.90	-	11.7	4.2	2.0

(Note) Share of profit of entities accounted for using the equity method

For the Fiscal Year ended March 31, 2025 2,604 million yen

For the Fiscal Year ended March 31, 2024 3,532 million yen

## (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, 2025	1,165,805	389,470	32.9	9,485.64
As of March 31, 2024	1,166,986	356,765	30.1	8,636.03

(Note) Shareholders' equity As of March 31, 2025 383,056 million yen

As of March 31, 2024 351,212 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)
For the fiscal year ended March 31, 2025	10,131	(21,837)	293	65,263
ended March 31, 2024	18,187	1,014	(26,319)	76,462

## 2. Cash dividends

	Cash dividends per share					Total amount of dividend (Annual)	Dividend payout ratio (Consolidated)	Dividend on shareholders' equity (Consolidated)
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Annual			
	(yen)	(yen)	(yen)	(yen)	(yen)	(Millions of yen)	(%)	(%)
Year ended March 31, 2024	-	85.00	-	100.00	185.00	7,523	19.6	2.3
Year ending March 31, 2025	-	105.00	-	120.00	225.00	9,086	20.0	2.5
Year ending March 31, 2026 (estimated)	-	125.00	-	125.00	250.00		25.2	

For details, please refer to the news release titled "Notice Concerning Dividends of Surplus (Increased)" announced today (May 9, 2025).

## 3. Forecast of consolidated financial results for fiscal year ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(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	2,600,000	1.8	55,000	(10.6)	55,000	(7.9)	40,000	(12.1)	990.52	

## Financial Results for the Fiscal Year ended March 31, 2025

## Notes:

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 4 Companies (Company name) SHINX Co., Ltd.

Other subsidiaries (3 companies)

Excluded: 2 Companies (Company name)

Ri Hong Stainless (Shanghai) Co., Ltd.

Other subsidiaries (1 company)

(2) 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

(3) Number of shares issued (common shares)

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

As of March 31, 2025	42,332,640 shares	As of March 31, 2024	42,332,640 shares
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2) Number of treasury stock at the end of the period

As of March 31, 2025	1,949,904 shares	As of March 31, 2024	1,664,411 shares
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3) Average number of shares during the period

For the fiscal year ended March 31, 2025	40,404,794 shares	For the fiscal year ended March 31, 2024	40,657,875 shares
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(Reference) Non-consolidated financial results for the Fiscal Year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(1) Non-consolidated operating results

(Percentage indicate a change from the previous year)

	Net sales		Operating income		Ordinary income		Net income	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
For the fiscal year ended March 31, 2025	1,898,922	3.5	41,960	6.7	42,708	16.9	35,138	35.1
ended March 31, 2024	1,833,926	(7.6)	39,307	(21.2)	36,539	(28.5)	26,005	(37.5)

	Net income per share	Net income per share(diluted)
	(yen)	(yen)
For the fiscal Year ended March 31, 2025	869.66	-
ended March 31, 2024	639.62	-

(2) Non-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, 2025	969,581	284,719	29.4	7,050.52
As of March 31, 2024	994,570	266,163	26.8	6,544.76

(Note) Shareholders' equity As of March 31, 2025 284,719 million yen

As of March 31, 2024 266,163 million yen

\* Audit of the Japanese-language originals of the attached consolidated financial results by certified public accountants or an audit firm: No

\* 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 Fiscal Year ended March 31, 2025

## (Consolidated Balance Sheets)

(Amounts less than one million yen are rounded down)

	<i>Millions of yen</i>	
	March 31, 2024	March 31, 2025
<b>Assets;</b>		
<b>Current assets;</b>		
Cash and deposits	76,525	65,313
Trade notes, accounts receivable and contract assets	445,825	415,339
Electronically recorded monetary claims	95,615	92,458
Inventories	249,490	279,179
Others	51,406	53,195
Allowance for doubtful receivables	(1,694)	(1,781)
<b>Total current assets</b>	<b>917,168</b>	<b>903,705</b>
<b>Fixed assets;</b>		
<b>Property and equipment;</b>		
Buildings and structures	60,574	61,950
Accumulated depreciation	(33,155)	(35,612)
<b>Buildings and structures, net</b>	<b>27,419</b>	<b>26,338</b>
Land	37,401	40,461
Others	62,147	63,501
Accumulated depreciation	(38,022)	(40,355)
<b>Others, net</b>	<b>24,125</b>	<b>23,145</b>
<b>Total property and equipment</b>	<b>88,945</b>	<b>89,945</b>
<b>Intangible assets</b>	<b>10,006</b>	<b>10,094</b>
<b>Investments and other assets;</b>		
Investment securities	106,062	116,299
Long-term loans receivable	20,031	19,888
Retirement benefit asset	3,840	3,648
Deferred tax assets	3,128	3,282
Others	20,238	21,016
Allowance for doubtful accounts	(2,436)	(2,074)
<b>Total investments and other assets</b>	<b>150,865</b>	<b>162,060</b>
<b>Total fixed assets</b>	<b>249,818</b>	<b>262,100</b>
<b>Total assets</b>	<b>1,166,986</b>	<b>1,165,805</b>
<b>Liabilities;</b>		
<b>Current liabilities;</b>		
Trade notes and accounts payable	303,848	268,513
Electronically recorded obligations	46,879	39,874
Short-term loans payable	72,080	81,120
Bond payable due within one year	-	15,000
Income taxes payable	2,602	12,320
Accrued bonuses to employees	3,730	5,497
Provision for product warranties	95	53
Others	57,318	39,291
<b>Total current liabilities</b>	<b>486,555</b>	<b>461,670</b>
<b>Long-term liabilities;</b>		
Bonds payable	50,000	45,000
Long-term loans payable	239,957	236,520
Deferred tax liabilities	15,913	13,767
Deferred tax liabilities by land revaluation	867	893
Retirement benefit liability	1,353	1,759
Others	15,573	16,723
<b>Total long-term liabilities</b>	<b>323,665</b>	<b>314,664</b>
<b>Total liabilities</b>	<b>810,220</b>	<b>776,335</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	298,252
Treasury stock	(3,662)	(5,593)
<b>Total shareholders' equity</b>	<b>304,249</b>	<b>339,695</b>
<b>Accumulated other comprehensive income;</b>		
Valuation difference on available-for-sale securities, net of taxes	27,511	20,876
Deferred gains or losses on hedges, net of taxes	630	836
Land revaluation difference, net of taxes	1,966	1,941
Foreign currency translation adjustments	14,427	17,260
Remeasurements of defined benefit plans	2,426	2,446
<b>Total accumulated other comprehensive income</b>	<b>46,962</b>	<b>43,360</b>
<b>Non-controlling interests</b>	<b>5,553</b>	<b>6,414</b>
<b>Total net assets</b>	<b>356,765</b>	<b>389,470</b>
<b>Total liabilities and net assets</b>	<b>1,166,986</b>	<b>1,165,805</b>

## Financial Results for the Fiscal Year ended March 31, 2025

## (Consolidated Statements of Income and Comprehensive Income)

(Amounts less than one million yen are rounded down)

	<i>Millions of yen</i>	
	For fiscal year ended March 31, 2024	For fiscal year ended March 31, 2025
<b>Net sales</b>	2,431,980	<b>2,554,514</b>
<b>Cost of sales</b>	2,312,135	<b>2,413,907</b>
<b>Gross profit</b>	119,845	<b>140,607</b>
Selling, general and administrative expenses	70,122	<b>79,074</b>
<b>Operating income</b>	49,722	<b>61,532</b>
<b>Other income;</b>		
Interest income	4,775	<b>4,078</b>
Dividend income	3,473	<b>3,987</b>
Share of profit of entities accounted for using the equity method	3,532	<b>2,604</b>
Others	1,728	<b>1,705</b>
Total other income	13,511	<b>12,375</b>
<b>Other expenses;</b>		
Interest expenses	8,754	<b>8,715</b>
Foreign exchange loss	555	<b>2,367</b>
Others	5,647	<b>3,079</b>
Total other expenses	14,957	<b>14,161</b>
<b>Ordinary income</b>	48,276	<b>59,746</b>
<b>Extraordinary income;</b>		
Gain on sales of property and equipment	1,204	-
Gain on sales of investment securities	5,492	<b>5,203</b>
Gain on sales of investments in capital of subsidiaries and associates	-	<b>996</b>
Total extraordinary income	6,697	<b>6,199</b>
<b>Extraordinary loss;</b>		
Loss on retirement of property and equipment	-	<b>105</b>
Loss on devaluation of investment securities	1,085	<b>351</b>
Total extraordinary loss	1,085	<b>457</b>
<b>Income before income taxes</b>	53,888	<b>65,489</b>
<b>Income taxes;</b>		
Current	14,136	<b>19,215</b>
Deferred	387	<b>133</b>
Total income taxes	14,524	<b>19,349</b>
<b>Net income</b>	39,364	<b>46,140</b>
<b>Net income attributable to;</b>		
Owners of the parent	38,417	<b>45,482</b>
Non-controlling interests	946	<b>658</b>
<b>Other comprehensive income;</b>		
Valuation difference on available-for-sale securities, net of taxes	3,380	<b>(6,621)</b>
Deferred gains or losses on hedges, net of taxes	(43)	<b>206</b>
Land revaluation difference	-	<b>(25)</b>
Foreign currency translation adjustment	5,508	<b>1,935</b>
Remeasurements of defined benefit plans, net of taxes	5,143	<b>35</b>
Share of other comprehensive income of entities accounted for using the equity method	845	<b>1,356</b>
Total other comprehensive income	14,834	<b>(3,113)</b>
<b>Comprehensive income</b>	54,198	<b>43,027</b>
<b>Comprehensive income attributable to;</b>		
Owners of the parent	53,127	<b>41,880</b>
Non-controlling interests	1,070	<b>1,146</b>

## Financial Results for the Fiscal Year ended March 31, 2025

## (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, 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

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, 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
Increase (decrease) during the term:													
Cash dividends paid			(8,307)		(8,307)								(8,307)
Change of scope of consolidated subsidiaries			764		764								764
Change of scope of equity method			(646)		(646)								(646)
Reversal of land revaluation difference					-								-
Net income attributable to owners of the parent			45,482		45,482								45,482
Purchase of treasury stocks				(2,001)	(2,001)								(2,001)
Deposition of treasury stocks		80		70	150								150
Capital increase from purchase of stock of consolidated subsidiaries		2			2								2
Net increase (decrease) during the term, except for items under shareholders' equity						(6,634)	206	(25)	2,832	19	(3,601)	860	(2,740)
<b>Total increase (decrease)</b>	-	83	37,292	(1,930)	35,445	(6,634)	206	(25)	2,832	19	(3,601)	860	32,704
<b>Balance at March 31, 2025</b>	45,651	1,384	298,252	(5,593)	339,695	20,876	836	1,941	17,260	2,446	43,360	6,414	389,470

Financial Results for the Fiscal Year ended March 31, 2025

(Consolidated Statements of Cash Flows)

(Amounts less than one million yen are rounded down)

Millions of yen

	For fiscal year ended March 31, 2024	For fiscal year ended March 31, 2025
<b>Cash flows from operating activities;</b>		
Income before income taxes	53,888	65,489
Depreciation and amortization	9,358	9,762
Amortization of goodwill	78	288
Increase(decrease) in allowance for doubtful accounts	60	(195)
Interest and dividend income	(8,249)	(8,065)
Interest expenses	8,754	8,715
Equity in earnings of affiliated companies (gain)	(3,532)	(2,604)
Gain on sale of property and equipment	(1,204)	-
Gain on sale of investment securities	(5,492)	(5,203)
Gain on sales of investments in capital of subsidiaries and associates	-	(996)
Loss on retirement of property and equipment	-	105
Loss on devaluation of investment securities	1,085	351
Decrease (increase) in trade receivables and contract assets	(29,736)	40,566
Decrease (increase) in inventories	11,516	(24,203)
Increase(decrease) in trade notes and accounts payable	29,442	(45,607)
Increase(decrease) in accounts payable-other	(32,165)	(12,032)
Increase(decrease) in retirement benefits and liability	619	429
Other, net	11,380	(6,196)
<b>Sub total</b>	<b>45,803</b>	<b>20,603</b>
Interest and dividends received	7,417	8,013
Interest paid	(8,227)	(8,949)
Income taxes (paid) refund	(26,806)	(9,536)
<b>Net cash provided by (used in) operating activities</b>	<b>18,187</b>	<b>10,131</b>
<b>Cash flows from investing activities;</b>		
Payment for time deposits	(13)	(3)
Proceeds from refund of time deposits	16	13
Payment for purchase of property and equipment	(9,629)	(8,494)
Proceeds from sale of property and equipment	1,888	64
Payment for acquisition of investment securities	(1,940)	(18,597)
Proceeds from sale and redemption of investment securities	8,997	4,708
Payment for purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(5,087)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	-	3,037
Proceeds from sale of investment in capital of subsidiaries resulting in change in scope of consolidation	-	705
Net decrease (Increase) in short-term loans receivable	(775)	765
Increase in long-term loans receivable	(2,649)	(120)
Collection of long-term loans receivable	7,603	1,647
Other, net	(2,482)	(477)
<b>Net cash provided by (used in) investing activities</b>	<b>1,014</b>	<b>(21,837)</b>
<b>Cash flows from financing activities;</b>		
Net increase (decrease) in short-term loans payable	(18,498)	818
Net increase (decrease) in commercial paper	(30,000)	-
Proceeds from long-term debt	92,000	26,700
Repayments of long-term debt	(72,131)	(26,733)
Proceeds from issuance of bonds	19,909	9,951
Payment for redemption of bonds	(10,000)	-
Purchase of treasury stock	(1)	(2,005)
Dividends paid	(6,696)	(8,291)
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	(762)	(19)
<b>Net cash provided by (used in) financing activities</b>	<b>(26,319)</b>	<b>293</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(827)</b>	<b>(1,073)</b>
<b>Net increase(decrease) in cash and cash equivalents</b>	<b>(7,944)</b>	<b>(12,485)</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>76,462</b>	<b>65,263</b>

**Financial Results for the Fiscal Year ended March 31, 2025****(Other information)****(1) Note on a Going Concern**

None

**(2) 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 fiscal year ended March 31, 2025.

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 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 the fiscal year ended March 31, 2025. This change in accounting policy is applied retrospectively, and the consolidated financial statements for the previous consolidated fiscal year are after retrospective application. This change in accounting policy has no impact on the consolidated financial statements for the consolidated fiscal year ended March 31, 2024.

## Financial Results for the Fiscal Year ended March 31, 2025

## (3) Segment information

Net sales, profit, assets and others by reportable segment for the year ended March 31, 2024 and 2025 were as follows:

(Amounts less than one million yen are rounded down)

## Fiscal Year ended March 31, 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	1,178,176	178,759	176,081	122,113	338,607	312,437	2,306,176	125,804	2,431,980	-	2,431,980
Intersegment	23,753	8,713	4,733	828	7,894	26,479	72,402	7,488	79,891	(79,891)	-
Total	1,201,929	187,472	180,815	122,941	346,502	338,917	2,378,579	133,292	2,511,872	(79,891)	2,431,980
Segment income	24,547	8,451	2,167	1,331	6,563	7,820	50,881	3,865	54,746	(6,470)	48,276
Segment assets	602,549	124,051	49,591	70,901	69,605	76,006	992,704	45,310	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
Amortization 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
Share of profit (loss) of entities accounted for using equity method	(675)	3,094	59	-	117	936	3,532	-	3,532	-	3,532
Investment for entities accounted for equity method	8,770	7,018	582	-	1,059	4,693	22,125	-	22,125	-	22,125
Increase in property and equipment	7,660	90	623	139	580	1,813	10,906	976	11,882	497	12,380

## Fiscal Year ended March 31, 2025

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	1,112,851	170,363	218,755	138,213	383,776	400,473	2,424,433	130,081	2,554,514	-	2,554,514
Intersegment	42,393	13,857	8,084	2,273	7,879	40,846	115,335	3,662	118,998	(118,998)	-
Total	1,155,245	184,220	226,840	140,487	391,655	441,319	2,539,768	133,744	2,673,512	(118,998)	2,554,514
Segment income	33,130	6,084	3,098	2,306	10,425	8,278	63,324	2,402	65,726	(5,979)	59,746
Segment assets	542,535	127,129	62,987	80,527	70,371	110,009	993,560	44,009	1,037,569	128,236	1,165,805
Other											
Depreciation	6,282	121	467	191	535	861	8,459	699	9,158	603	9,762
Amortization of goodwill	41	-	-	-	-	-	41	246	288	-	288
Interest income	616	1,038	16	32	164	1,675	3,544	29	3,573	504	4,078
Interest expenses	4,727	1,451	566	905	284	1,914	9,850	333	10,183	(1,468)	8,715
Share of profit of entities accounted for using equity method	68	1,742	75	-	79	638	2,604	-	2,604	-	2,604
Investment for entities accounted for equity method	9,161	9,537	689	-	1,139	14,492	35,020	-	35,020	-	35,020
Increase in property and equipment	5,502	57	1,049	90	1,047	1,139	8,888	518	9,406	279	9,686

## Notes:

- "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 fiscal year ended March 31, 2025, we have changed the name of the lumber section to the housing materials section.
- Adjustments are as follows:
  - Adjustments of negative ¥5,979 million for segment income include intersegment elimination and Group costs that were not allocated to reportable segments. These Group costs consist mainly of expenses of administrative departments.
  - Adjustments for segment assets amounting to ¥128,236 million include Group assets that were not allocated to reportable segments. These Group assets consist mainly of cash and cash equivalents, investment securities and assets of administrative departments.
  - Adjustments for depreciation amounting to ¥603 million include mainly depreciation expenses of Group assets.
  - Adjustments for interest income and interest expenses net amounting to ¥1,973 million include intersegment elimination, income and expenses that were not allocated to reportable segments.
  - Adjustments for increases in property and equipment amounting to ¥279 million are increases in Group assets.
- From the beginning of the fiscal year ended March 31, 2025, 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 for the fiscal year ended March 31, 2024 has been recomposed by the new classification method.



Highlights of Consolidated Financial Results for the Fiscal year ended March 31, 2025

(Japan GAAP)

HANWA Co., Ltd.

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

Outline of Financial Results for the Fiscal year ended March 31,2025

• During this fiscal year, net sales increased by 5% YoY, to 2,554.5 billion yen, because transaction volume mainly represented by Metal Recycling business and Energy & Living Materials business increased. Operating income increased by 24% YoY, to 61.5 billion yen, because the profitability of Steel business and Food business recovered, and ordinary income increased by 24% YoY, to 59.7 billion yen. Net income attributable to owners of the parent increased by 18% YoY, to 45.4 billion yen.
• We plan to pay 225 yen as the annual (105 yen as the interim and 120 yen as the year-end) dividend.

Operating Results	FY2023	FY2024	YoY		Main Factors
			Change	rate	
Net sales	2,431.9	2,554.5	122.5	5%	(Net sales) Net sales increased by 5% YoY, to 2,554.5 billion yen, because transaction volume mainly represented by Metal Recycling business and Energy & Living Materials business increased.
Gross profit	119.8	140.6	20.7	17%	(SG&A expenses) SG&A expenses increased by 8.9 billion yen YoY, with 1.7 billion yen of this figure deriving from newly consolidated subsidiaries. Cost of labor increased by 6.7 billion yen YoY, with 1 billion yen of this figure deriving from newly consolidated subsidiaries.
SG&A expenses	70.1	79.0	8.9	13%	(Non-operating income/expenses) Non-operating income decreased by 1.1 billion yen and non-operating expenses decreased by 0.7 billion yen. The main impacts on ordinary income were as follows. Interest income : decrease of 0.6 billion yen YoY Dividend income : increase of 0.5 billion yen YoY Share of profit of entities accounted for using the equity method : decreased by 0.9. billion yen YoY Foreign exchange loss : increased by 1.8 billion yen YoY Comission expense : decrease of 2.4 billion yen YoY
Operating income	49.7	61.5	11.8	24%	(Extraordinary gain/loss) Gain on sales of property and equipment : decreased by 1.2 billion yen YoY Gain on sales of investment securities : decreased by 0.2 billion yen YoY Gain on sales of investments in capital of subsidiaries and associates : 0.9 billion yen Loss on retirement of property and equipment : 0.1 billion yen Loss on devaluation of investment securities : decreased by 0.7 billion yen YoY
Non-operating income	13.5	12.3	(1.1)	(8%)	
Non-operating expenses	14.9	14.1	(0.7)	(5%)	
Ordinary income	48.2	59.7	11.4	24%	
Extraordinary gain	6.6	6.1	(0.4)	(7%)	
Extraordinary loss	1.0	0.4	(0.6)	(58%)	
Income before income taxes	53.8	65.4	11.6	22%	
Income taxes	14.5	19.3	4.8	33%	
Net income	39.3	46.1	6.7	17%	
Owners of the parent	38.4	45.4	7.0	18%	
Non-controlling interests	0.9	0.6	(0.2)	(30%)	
EPS (yen)	944.90	1,125.66	180.76	19%	
Comprehensive income	54.1	43.0	(11.1)	(21%)	

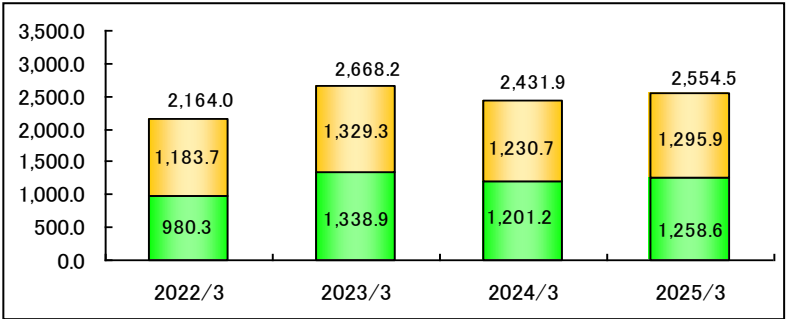
Segment Information	Net sales			Segment income			Main Factors
	FY2023	FY2024	rate	FY2023	FY2024	rate	
Steel	1,201.9	1,155.2	(4%)	24.5	33.1	35%	(Steel) Net sales decreased, because transaction volume of steel products decreased. On the other hand, segment income increased, because business in the highly profitable domestic construction sector remained strong and profitability improved in some overseas subsidiaries.
Primary Metal	187.4	184.2	(2%)	8.4	6.0	(28%)	(Primary metal) Net sales and segment income decreased, due to the result of lower transaction volume of various products and the result of lower market prices of nickel compared to the previous fiscal year. A decrease in share of profit of entities accounted for using the equity method from SAMANCOR CHROME HOLDINGS PROPRIETARY LTD. compared to previous fiscal year.
Metal Recycling	180.8	226.8	25%	2.1	3.0	43%	(Metal recycling) Net sales increased, because transaction volume of aluminum scraps increased. Segment income increased due to the result of steady market prices of copper and aluminum.
Foods	122.9	140.4	14%	1.3	2.3	73%	(Foods) Although transaction volume remained flat compared to the previous fiscal year, net sales and segment income increased because the market of foods represented by crab was higher compared to the previous fiscal year.
Energy& Living Materials	346.5	391.6	13%	6.5	10.4	59%	(Energy & Living Materials) Net sales increased, because transaction volume of bunker oil products increased. In addition, net sales and segment income increased because the transaction volume and sales price of chemical products increased.
Overseas sales subsidiaries	338.9	441.3	30%	7.8	8.2	6%	(Overseas sales subsidiaries) Net sales and Segment income increased, because of the increase of new transactions in China, scrap transaction to South east asia and the newly consolidation of companies, which were accounted for the equity method in the previous fiscal year.
Total for reportable segments	2,378.5	2,539.7	7%	50.8	63.3	24%	
Other	133.2	133.7	0%	3.8	2.4	(38%)	
Total	2,511.8	2,673.5	6%	54.7	65.7	20%	
Adjustment	(79.8)	(118.9)	49%	(6.4)	(5.9)	(8%)	
Consolidated	2,431.9	2,554.5	5%	48.2	59.7	24%	

Topics	•Apr Established HANWA BUSSINESS PARTNERS LTD. as a consolidated 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. •Mar Transferred 100% of the shares of HALOS CO., LTD, a consolidated subsidiary of the Company.
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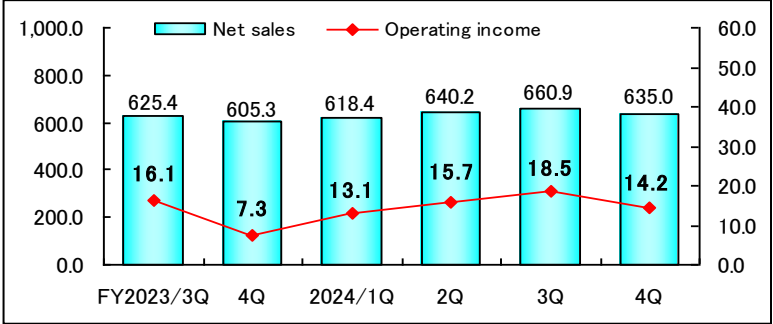
Financial Position	Mar. 2024	Mar. 2025	Comparison with Mar. 2024		Main Factors
			Change	rate	
Total assets	1,166.9	1,165.8	(1.1)	(0%)	(Total Assets) Total assets decreased by 0.1% from the end of the previous fiscal year, mainly because of a decrease in trade receivables and cash.
(Current assets)	917.1	903.7	(13.4)	(1%)	
(Fixed assets)	249.8	262.1	12.2	5%	
Total liabilities	810.2	776.3	(33.8)	(4%)	(Liabilities) Liabilities decreased by 4% from the end of the previous fiscal year, mainly because of a decrease in trade payables. As interest-bearing debt increased by 5%, net debt-equity ratio was turned into 83% (*72%).
(Interest-bearing debt)	365.4	382.3	16.8	5%	
(Net interest-bearing debt)	288.9	317.0	28.0	10%	
Net DER	82%/70*%	83%/72*%	1pt	1%	
Total net assets	356.7	389.4	32.7	9%	(Net assets) Total net assets increased by 9% 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 32.9% (*35.0%), which is 2.8 percentage points higher than at the end of the previous fiscal year. *Reflecting equity credit attributes of the subordinated loan
(Shareholders' equity)	304.2	339.6	35.4	12%	
(Accumulated Other Comprehensive Income)	46.9	43.3	(3.6)	(8%)	
(Non-controlling interests)	5.5	6.4	0.8	15%	
BPS (yen)	8,636.03	9,485.64	849.61	10%	
Equity capital	351.2	383.0	31.8	9%	
Equity ratio	30.1/32.2*%	32.9/35.0*%	2.8pt	9%	

Cash Flow	FY2023	FY2024	YoY		Main Factors
			Change	rate	
Cash flows from operating activities	18.1	10.1	(8.0)	44%	(Operating cash flows) Due mainly to decrease in trade receivables and contract asset.
Cash flows from investing activities	1.0	(21.8)	(22.8)	—	(Investment cash flows) Due mainly to acquisition of investment securities and tangible asset.
Cash flows from financing activities	(26.3)	0.2	26.6	—	
Cash and cash equivalents at end of period	76.4	65.2	(11.1)	(15%)	(Financial cash flows) Due mainly to proceeds from issuance of bonds.

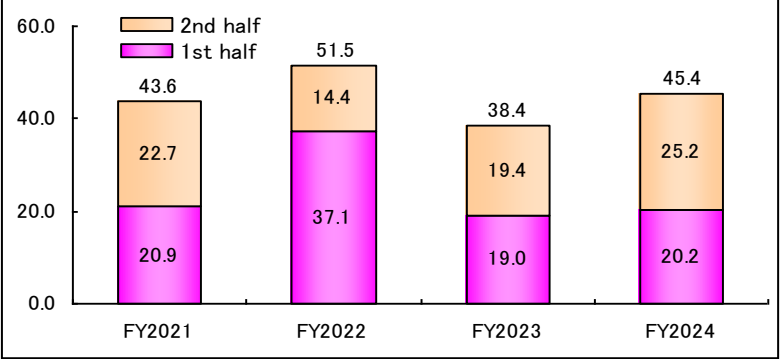
【Changes in Net Sales】



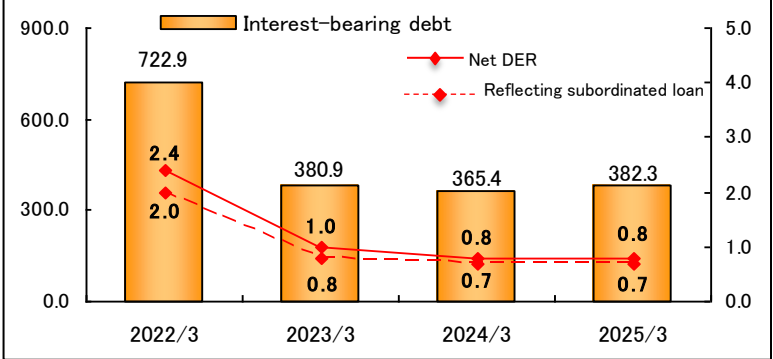
【Quarterly Operating Results】



【Changes in Net Income】



【Changes in Interest-bearing Debt】



Forecast (Annual)	FY2024	FY2025 (estimated)		Cash Dividends	FY2023	FY2024	FY2025 (estimated)
			change				
Net sales	2,554.5	2,600.0	2%	Interim (yen)	85.00	105.00	125.00
Operating income	61.5	55.0	(11%)	Year-end (yen)	100.00	120.00	125.00
Ordinary income	59.7	55.0	(8%)	Annual (yen)	185.00	225.00	250.00
Net income attributable to owners of parent	45.4	40.0	(12%)	DOE*	2.7%	3.0%	3.0%

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