

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%)	

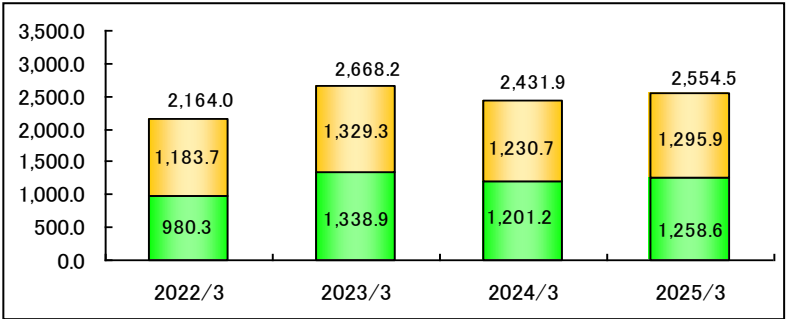
Segment Information	Net sales			Segment income			Main Factors
	FY2023	FY2024	rate	FY2023	FY2024	rate	
Steel	1,201.9	1,155.2	(4%)	24.5	33.1	35%	(Steel) Net sales decreased, because transaction volume of steel products decreased. On the other hand, segment income increased, because business in the highly 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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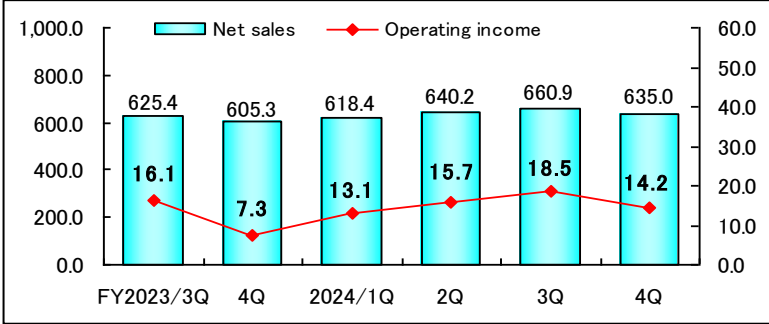
Financial Position	Mar. 2024	Mar. 2025	Comparison with Mar. 2024		Main Factors
			Change	rate	
Total assets	1,166.9	1,165.8	(1.1)	(0%)	(Total Assets) Total assets decreased by 0.1% from the end of the previous fiscal year, mainly because of a decrease in trade receivables and cash.
(Current assets)	917.1	903.7	(13.4)	(1%)	(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%).
(Fixed assets)	249.8	262.1	12.2	5%	
Total liabilities	810.2	776.3	(33.8)	(4%)	
(Interest-bearing debt)	365.4	382.3	16.8	5%	
(Net interest-bearing debt)	288.9	317.0	28.0	10%	(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
Net DER	82%/70*%	83%/72*%	1pt	1%	
Total net assets	356.7	389.4	32.7	9%	
(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	—	(Financial cash flows) Due mainly to proceeds from issuance of bonds.
Cash and cash equivalents at end of period	76.4	65.2	(11.1)	(15%)	

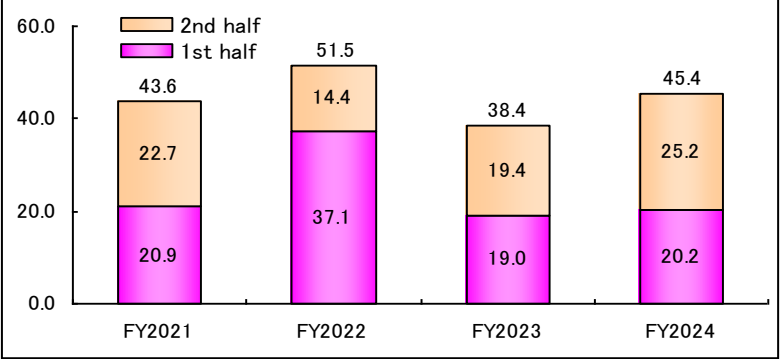
【Changes in Net Sales】



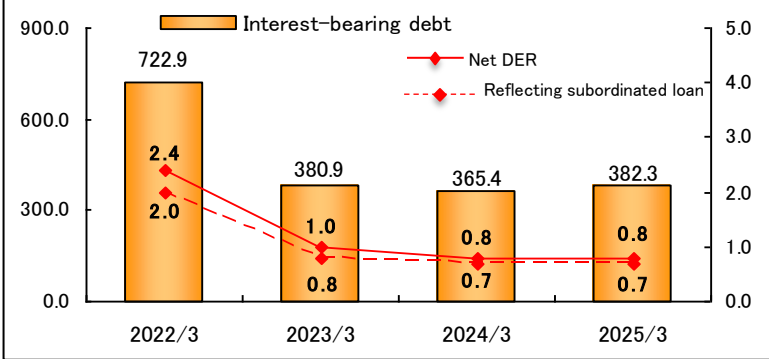
【Quarterly Operating Results】



【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