

Highlights of Consolidated Financial Results for the Six Months ended September 30, 2025

(Japan GAAP)

HANWA Co., Ltd.

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

Outline of Financial Results for the Six Months ended September 30,2025

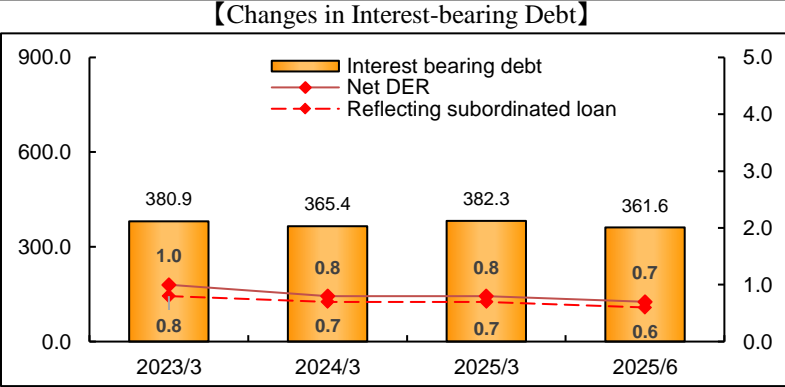
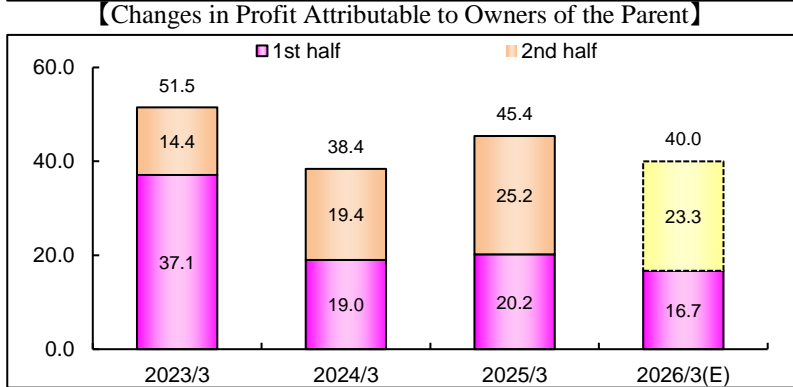
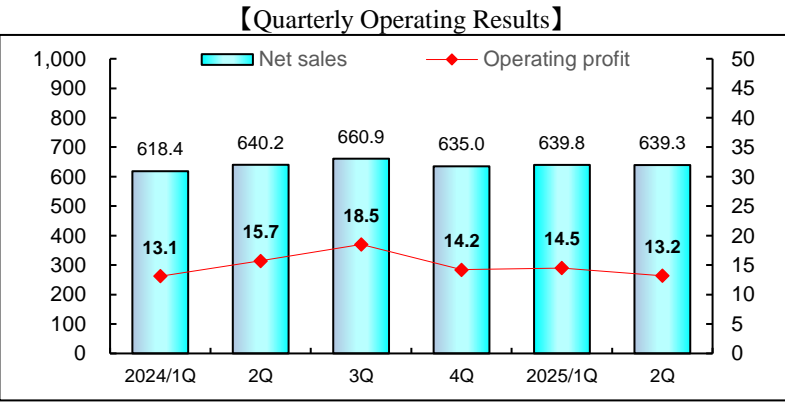
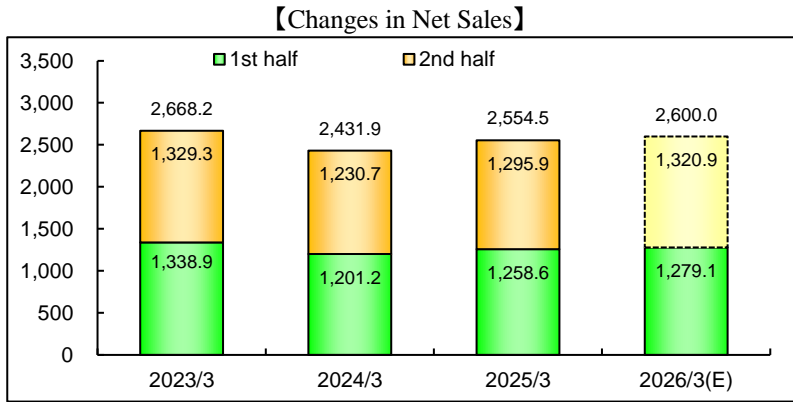
- During the six months of this consolidated fiscal year, net sales increased by 2% YoY, to 1,279.1 billion yen, because transaction volume mainly represented by Metal Recycling business and Overseas Sales Subsidiaries increased. Operating profit decreased by 4% YoY, to 27.7 billion yen, due to increased personnel expenses caused by employee increase and higher salaries. Also, ordinary profit decreased by 15% YoY, to 23.8 billion yen, because share of profit of entities accounted for using equity method in the Primary Metals business turned negative. Net profit attributable to owners of the parent decreased by 17% YoY, to 16.7 billion yen.
- We plan to pay 250 yen as the annual (125 yen as the interim and 125 yen as the year-end) dividend.

Operating Results	Six months ended Sep. FY2024	Six months ended Sep. FY2025	YoY		Main Factors
			Change	Rate	
Net sales	1,258.6	1,279.1	20.4	2%	(Net sales) Net sales increased by 2% YoY, to 1,279.1 billion yen, because transaction volume mainly represented by Metal Recycling business and Overseas Sales Subsidiaries increased. (SG&A expenses) SG&A expenses increased by 2.7 billion yen YoY, with 0.7 billion yen of this figure deriving from newly consolidated subsidiaries. Cost of labor increased by 1.6 billion yen YoY, with 0.4 billion yen of this figure deriving from newly consolidated subsidiaries. (Non-operating income/expenses) Non-operating income decreased by 1.8 billion yen and non-operating expenses increased by 1.2 billion yen. The main impacts on ordinary income were as follows. Dividend income : decrease of 0.8 billion yen YoY Interest expenses : decrease of 0.7 billion yen YoY Share of loss of entities accounted for using equity method : increased by 3.9. billion yen YoY (Extraordinary income/losses) Gain on sale of investment securities : decreased by 1.4 billion yen YoY Gain on sale of investments in capital of subsidiaries and associates : decreased by 0.3 billion yen YoY Loss on sale of investment securities : 0.1 billion yen YoY
Gross profit	65.9	67.5	1.5	2%	
SG&A expenses	37.0	39.8	2.7	7%	
Operating profit	28.8	27.7	(1.1)	(4%)	
Non-operating income	6.1	4.3	(1.8)	(30%)	
Non-operating expenses	6.9	8.2	1.2	19%	
Ordinary profit	28.1	23.8	(4.2)	(15%)	
Extraordinary income	1.8	0.1	(1.7)	(93%)	
Extraordinary losses	—	0.1	0.1	—	
Profit before income taxes	30.0	23.7	(6.2)	(21%)	
Income taxes	9.5	7.6	(1.8)	(19%)	
Profit	20.4	16.0	(4.4)	(21%)	
Owners of the parent	20.2	16.7	(3.4)	(17%)	
Non-controlling interests	0.2	(0.6)	(0.9)	—	
EPS (yen)	499.97	417.90	(82.07)	(16%)	
Comprehensive income	18.6	14.9	(3.6)	(20%)	

Segment Information	Net sales			Segment profit			Main Factors
	Six months ended Sep. FY2024	Six months ended Sep. FY2025	Rate	Six months ended Sep. FY2024	Six months ended Sep. FY2025	Rate	
Steel	583.9	540.6	(7%)	14.1	16.9	20%	(Steel) Net sales decreased, because prices of steel products and transaction volume of steel plates decreased. On the other hand, segment profit increased, because business in the construction sector remained steady and profitability improved in some overseas subsidiaries. (Primary Metal) Net sales increased, due to the steady sales of auxiliary materials. On the other hand, segment profit decreased, because share of profit of entities accounted for using equity method from SAMANCOR CHROME HOLDINGS PROPRIETARY LTD. turned negative. (Metal Recycling) Net sales increased, because transaction volume of lead ores increased. On the other hand, segment profit decreased due to the deterioration in the profitability of aluminum and copper. (Foods) Net sales and segment profit increased due to the sales growth to food service industry in an US subsidiary and the contribution from the newly included subsidiary. (Energy & Living Materials) Net sales increased, due to the result of sales of wood pellets and PKS(Palm Kernel Shell). On the other hand, segment profit decreased, because the range of fuel price fluctuations was narrowed. (Overseas Sales Subsidiaries) Net sales increased, due to the increase of scrap transaction to Southeast asia and the newly consolidation of companies. On the other hand, segment profit decreased due to the deterioration mainly in the profitability of steel products.
Primary Metal	99.7	109.0	9%	3.4	(1.2)	—	
Metal Recycling	109.1	127.4	17%	1.4	0.2	(83%)	
Foods	65.8	71.5	9%	0.8	1.8	128%	
Energy& Living Materials	184.5	185.9	1%	5.1	3.9	(23%)	
Overseas sales subsidiaries	205.9	245.3	19%	3.7	3.3	(10%)	
Total for reportable segments	1,249.2	1,279.9	2%	28.7	25.1	(13%)	
Other	65.4	63.1	(3%)	1.0	1.0	(2%)	
Total	1,314.6	1,343.1	2%	29.8	26.1	(12%)	
Adjustment	(55.9)	(64.0)	14%	(1.6)	(2.3)	38%	
Consolidated	1,258.6	1,279.1	2%	28.1	23.8	(15%)	

Topics	*Apr Acquired 100% of the shares of HKG TRADING CO., LTD., (formerly KANEMATSU TRADING CORP.) and made it as a subsidiary of the Company. Also, made 4 subsidiaries (KYOWA STEEL CO., LTD., EIWA METAL CO., LTD., KENKOSHA CO., LTD., KYOWA UNYU INC.) of this company as subsidiaries of the Company.
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Financial Position	Mar. 2025	Sep. 2025	Comparison with Mar. 2025		Main Factors
			Change	Rate	
Total assets	1,165.8	1,128.7	(37.0)	(3%)	(Total Assets) Total assets decreased by 3% from the end of the previous fiscal year, mainly due to the decrease in inventories and trade receivables.
(Current assets)	903.7	877.1	(26.5)	(3%)	
(Fixed assets)	262.1	251.6	(10.4)	(4%)	
Total liabilities	776.3	732.7	(43.5)	(6%)	(Liabilities) Liabilities decreased by 6% from the end of the previous fiscal year, mainly due to the decrease in short-term borrowings and trade payables. As interest-bearing debt decreased by 5%, net debt-equity ratio was turned into 73% (*62%).
(Interest-bearing debt)	382.3	361.6	(20.6)	(5%)	
(Net interest-bearing debt)	317.0	283.6	(33.4)	(11%)	
Net DER	83%/72*%	73%/62*%	(10pt)	—	
Total net assets	389.4	396.0	6.5	2%	(Net assets) Total net assets increased by 2% from the end of the previous fiscal year due to accumulation of retained earnings from net income attributable to owners of parent as well as the increase in valuation difference on available-for-sale securities. Equity-to-asset ratio was 34.6% (*36.8%), which is 1.7 points higher than at the end of the previous fiscal year.
(Shareholders' equity)	339.6	348.1	8.5	3%	
(Accumulated other comprehensive income)	43.3	42.5	(0.7)	(2%)	
(Non-controlling interests)	6.4	5.2	(1.1)	(18%)	
BPS (yen)	9,485.64	9,844.54	358.90	4%	
Equity capital	383.0	390.7	7.7	2%	
Equity-to-asset ratio	32.9/35.0*%	34.6/36.8*%	1.7pt	—	
*Reflecting equity credit attributes of the subordinated loan					
Cash Flow	Six months ended Sep. FY2024	Six months ended Sep. FY2025	YoY		Main Factors
			Change	Rate	
Cash flows from operating activities	(4.3)	39.0	43.4	—	(Operating cash flows) Due mainly to the decrease in inventories, trade receivables and contract asset.
Cash flows from investing activities	(23.9)	(3.0)	20.9	(87%)	
Cash flows from financing activities	8.8	(28.1)	(36.9)	—	
Cash and cash equivalents at end of period	56.8	77.9	21.0	37%	(Investment cash flows) Due mainly to payments for the acquisition of investment securities and short-term loans receivable.
					(Financial cash flows) Due mainly to repayments of borrowings.



Forecast (Annual)	FY2024	FY2025 (estimated)	change	Cash Dividends	FY2023	FY2024	FY2025 (estimated)
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