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November 7, 2025

Consolidated Financial Results for the Six Months Ended September 30, 2025 (Under Japanese GAAP)



Company name: HANWA CO., LTD.
Listing: Tokyo Stock Exchange
Securities code: 8078
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Scheduled date to file semi-annual securities report: November 7, 2025
Scheduled date to commence dividend payments: December 2, 2025
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2025	1,279,141	1.6	27,717	(4.0)	23,856	(15.2)	16,734	(17.2)
September 30, 2024	1,258,673	4.8	28,881	9.6	28,137	2.5	20,212	6.0

Note: Comprehensive income For the six months ended September 30, 2025: ¥ 14,964 million [(19.7) %]
For the six months ended September 30, 2024: ¥ 18,627 million [(37.9) %]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2025	417.90	-
September 30, 2024	499.97	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
September 30, 2025	1,128,782	396,029	34.6	9,844.54
March 31, 2025	1,165,805	389,470	32.9	9,485.64

Reference: Equity

As of September 30, 2025: ¥ 390,781 million
As of March 31, 2025: ¥ 383,056 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	105.00	-	120.00	225.00
Fiscal year ending March 31, 2026	-	125.00			
Fiscal year ending March 31, 2026 (Forecast)			-	125.00	250.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated financial result forecasts for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	2,600,000	1.8	55,000	(10.6)	55,000	(7.9)	40,000	(12.1)	990.52

Note: Revisions to the financial result forecast most recently announced: None

* Notes

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

Newly included: 3 companies(HANWA EUROPE B.V. and 2 other companies)
Excluded: 0 companies()

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates, and restatement

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2025	42,332,640 shares
As of March 31, 2025	42,332,640 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2025	2,637,406 shares
As of March 31, 2025	1,949,904 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2025	40,045,755 shares
Six months ended September 30, 2024	40,426,508 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

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.

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1. Business Results

(1) Overview of Operating Results

(Business environment)

During the six months of the consolidated fiscal year, the global economy remained highly uncertain due to factors such as developments in U.S. tariff policies, geopolitical risks centered on the Middle East and Ukraine, and shifts in monetary policy across major economies. In the United States, corporate profits were squeezed by the impact of tariff hikes, and personal consumption slowed due to worsening employment conditions. In Europe, although supported by factors such as increased fiscal spending, the economy was exerted downward pressure, particularly in the manufacturing sector, due to the impact of U.S. tariff policies. In China, although there were some signs of recovery backed by economic stimulus measures, concerns over trade tensions with the United States and prolonged downturn in the real estate market continued to constrain the pace of economic recovery. Among other emerging economies, growth remained relatively firm, particularly in Southeast Asia, although some regions experienced a slowdown due to the impact of United States tariffs. In the Japanese economy, although inbound consumption remained robust, the impact of developments in U.S. tariff policies led to sense of stagnation, particularly in the manufacturing sector.

(Overview of operating results)

In this business environment, during the six months of this consolidated fiscal year, net sales increased by 1.6% 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 4.0% YoY, to 27.7 billion yen, due to increased personnel expenses caused by employee increase and higher salaries. Also, ordinary profit decreased by 15.2% 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 17.2% YoY, to 16.7 billion yen.

(Segment information)

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. Net sales of this segment decreased by 7.4% YoY, to 540.6 billion yen, segment profit increased by 19.6% YoY, to 16.9 billion yen.

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. Net sales of this segment increased by 9.4% YoY, to 109.0 billion yen, segment loss is 1.2 billion yen (the YoY profit was 3.4 billion yen).

Metal Recycling

Net sales increased, because transaction volume of lead ores increased. Segment profit decreased due to the deterioration in the profitability of aluminum and copper. Net sales of this segment increased by 16.7% YoY, to 127.4 billion yen, segment profit decreased by 83.4% YoY, to 0.2 billion yen.

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. Net sales of this segment increased by 8.6% YoY, to 71.5 billion yen, segment profit increased by 127.5% YoY, to 1.8 billion yen.

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. Net sales of this segment increased by 0.8% YoY, to 185.9 billion yen, segment profit decreased by 22.9% YoY, to 3.9 billion yen.

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. Net sales of this segment increased by 19.1% YoY, to 245.3 billion yen, segment profit decreased by 9.7% YoY, to 3.3 billion yen.

Other

In housing materials section, net sales and section profit decreased, due to the deterioration in the profitability of European lumber. In machinery section, net sales and section profit increased, due to the increase of completion of the industrial machinery contracts compared to the same period of the previous fiscal year. Net sales of this segment decreased by 3.4% YoY, to 63.1 billion yen, segment profit decreased by 2.3% YoY, to 1.0 billion yen.

(2) Overview of Financial Position

(Financial Position)

Total assets decreased by 3.2% to 1,128.7 billion yen from the end of the previous fiscal year, mainly due to the decrease in inventories and trade receivables.

Liabilities decreased by 5.6% to 732.7 billion yen 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 5.4% to 361.6 billion yen, net debt-equity ratio was turned into 73% (*62%).

Total net assets increased by 1.7% to 396.0 billion yen 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 rose to 34.6% (*36.8%), from 32.9% (*35.0%) at the end of the previous fiscal year.

※Reflecting equity credit attributes of the subordinated loan

(Cash Flow)

During the six months of the consolidated fiscal year, cash flows from operating activities increased by 39.0 billion yen, mainly due to the decrease in inventories, trade receivables and contract assets. On the other hand, cash flows from investing activities decreased by 3.0 billion yen, due to payments for the acquisition of investment securities and short-term loans receivable. Cash flows from financing activities decreased by 28.1 billion yen, mainly due to repayments of borrowings.

As a result, cash and cash equivalents at the end of the six months of the consolidated fiscal year increased by 12.6 billion yen from the end of the previous fiscal year to 77.9 billion yen.

(3) Explanation of Consolidated Financial Future Forecast

We have not changed our consolidated future forecast announced on May 9, 2025.

2. Semi-annual Consolidated Financial Statements and Primary Notes

(1) Semi-annual Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	65,313	78,038
Notes and accounts receivable - trade, and contract assets	415,339	394,994
Electronically recorded monetary claims - operating	92,458	95,643
Inventories	279,179	257,879
Other	53,195	52,340
Allowance for doubtful accounts	(1,781)	(1,744)
Total current assets	903,705	877,153
Non-current assets		
Property, plant and equipment		
Land	40,461	40,165
Other, net	49,483	47,415
Total property, plant and equipment	89,945	87,581
Intangible assets	10,094	10,001
Investments and other assets		
Investment securities	116,299	119,869
Other	47,835	36,040
Allowance for doubtful accounts	(2,074)	(1,861)
Total investments and other assets	162,060	154,047
Total non-current assets	262,100	251,629
Total assets	1,165,805	1,128,782

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	268,513	256,010
Electronically recorded obligations - operating	39,874	37,083
Short-term borrowings	81,120	55,270
Current portion of bonds payable	15,000	25,000
Income taxes payable	12,320	7,973
Provision for bonuses	5,497	4,491
Provision for product warranties	53	44
Other	39,291	37,711
Total current liabilities	461,670	423,584
Non-current liabilities		
Bonds payable	45,000	35,000
Long-term borrowings	236,520	241,902
Retirement benefit liability	1,759	2,412
Other	31,384	29,853
Total non-current liabilities	314,664	309,168
Total liabilities	776,335	732,753
Net assets		
Shareholders' equity		
Share capital	45,651	45,651
Capital surplus	1,384	1,441
Retained earnings	298,252	310,768
Treasury shares	(5,593)	(9,663)
Total shareholders' equity	339,695	348,197
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	20,876	25,113
Deferred gains or losses on hedges	836	464
Revaluation reserve for land	1,941	1,941
Foreign currency translation adjustment	17,260	12,585
Remeasurements of defined benefit plans	2,446	2,478
Total accumulated other comprehensive income	43,360	42,583
Non-controlling interests	6,414	5,248
Total net assets	389,470	396,029
Total liabilities and net assets	1,165,805	1,128,782

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Net sales	1,258,673	1,279,141
Cost of sales	1,192,727	1,211,607
Gross profit	65,946	67,533
Selling, general and administrative expenses	37,065	39,816
Operating profit	28,881	27,717
Non-operating income		
Interest income	1,974	1,933
Dividend income	2,170	1,343
Share of profit of entities accounted for using equity method	1,206	-
Other	821	1,069
Total non-operating income	6,172	4,346
Non-operating expenses		
Interest expenses	4,490	3,770
Share of loss of entities accounted for using equity method	-	2,746
Foreign exchange losses	622	549
Other	1,802	1,141
Total non-operating expenses	6,915	8,207
Ordinary profit	28,137	23,856
Extraordinary income		
Gain on sale of investment securities	1,552	123
Gain on sale of investments in capital of subsidiaries and associates	332	-
Total extraordinary income	1,884	123
Extraordinary losses		
Loss on sale of investment securities	-	197
Total extraordinary losses	-	197
Profit before income taxes	30,022	23,782
Income taxes	9,524	7,685
Profit	20,497	16,097
Profit attributable to		
Profit attributable to owners of parent	20,212	16,734
Profit (loss) attributable to non-controlling interests	285	(637)
Other comprehensive income		
Valuation difference on available-for-sale securities	(5,686)	4,081
Deferred gains or losses on hedges	(141)	(372)
Foreign currency translation adjustment	1,932	(2,717)
Remeasurements of defined benefit plans, net of tax	81	59
Share of other comprehensive income of entities accounted for using equity method	1,943	(2,184)
Total other comprehensive income	(1,870)	(1,132)
Comprehensive income	18,627	14,964
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	17,715	15,957
Comprehensive income attributable to non-controlling interests	912	(993)

(3) Semi-annual Consolidated Statement of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Cash flows from operating activities		
Profit before income taxes	30,022	23,782
Depreciation	4,708	4,539
Amortization of goodwill	41	284
Increase (decrease) in allowance for doubtful accounts	(119)	(182)
Interest and dividend income	(4,145)	(3,276)
Interest expenses	4,490	3,770
Share of loss (profit) of entities accounted for using equity method	(1,206)	2,746
Gain on sales of investment securities	(1,552)	(123)
Gain on sales of investments in capital of subsidiaries and associates	(332)	-
Loss on sales of investment securities	-	197
Decrease (increase) in accounts receivable - trade, and contract assets	26,402	15,103
Decrease (increase) in inventories	(12,929)	21,701
Increase (decrease) in trade payables	(46,397)	(15,939)
Increase/decrease in retirement benefit asset or liability	197	222
Other, net	(1,346)	(1,035)
Subtotal	(2,166)	51,789
Interest and dividends received	4,604	3,643
Interest paid	(4,536)	(3,725)
Income taxes refund (paid)	(2,280)	(12,616)
Net cash provided by (used in) operating activities	(4,378)	39,091
Cash flows from investing activities		
Payments into time deposits	(3)	(84)
Proceeds from withdrawal of time deposits	13	136
Purchase of property, plant and equipment	(5,515)	(2,187)
Proceeds from sale of property, plant and equipment	11	649
Purchase of investment securities	(16,286)	(6,217)
Proceeds from sale and redemption of investment securities	2,185	512
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(5,087)	-
Net decrease (increase) in short-term loans receivable	235	(6,070)
Long-term loan advances	(0)	(2)
Proceeds from collection of long-term loans receivable	456	10,437
Other, net	41	(190)
Net cash provided by (used in) investing activities	(23,949)	(3,018)

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	15,413	(18,158)
Proceeds from long-term borrowings	16,700	5,000
Repayments of long-term borrowings	(16,666)	(5,088)
Purchase of treasury shares	(2,004)	(4,163)
Dividends paid	(4,058)	(4,860)
Dividends paid to non-controlling interests	(126)	(100)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	(198)
Other, net	(432)	(537)
Net cash provided by (used in) financing activities	8,826	(28,106)
Effect of exchange rate change on cash and cash equivalents	(1,423)	1,927
Net increase (decrease) in cash and cash equivalents	(20,924)	9,892
Cash and cash equivalents at beginning of period	76,462	65,263
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	1,286	2,751
Cash and cash equivalents at end of period	56,824	77,907

(4) Notes to Semi-annual Consolidated Financial Statements

(Note on going concern assumption)

None

(Note to significant changes in shareholders' equity)

The Company has acquired 713,800 shares of treasury shares during the six months ended September 30, 2025, based on the resolution of the Board of Directors meeting held on May 9, 2025. As a result of this acquisition, the amount of treasury shares increased by 4,070 million yen, resulting in treasury shares of 9,663 million yen as of September 30, 2025.

(Application of particular accounting procedures for the semi-annual consolidated financial statements)

Calculation of tax expenses

Income taxes are determined based on the amount of income before income taxes for the six months ended September 30, 2025 multiplied by the effective tax rate, after application of tax-effect accounting, estimated for the entire fiscal year ending March 31, 2026. 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.

(Note to segment information)

Segment information by business category for the six months ended September 30, 2024 and 2025, is as follows:

Six Months ended September 30, 2024

(Millions of yen)

	Reportable segments							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 profit	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.
 2. Adjustments of ¥1,682 million for segment profit 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 profit is adjusted between ordinary profit on the consolidated statements of income and comprehensive income.

Six Months ended September 30, 2025

(Millions of yen)

	Reportable segments							Other business	Total	Adjustment	Consolidated
	Steel	Primary Metal	Metal Recycling	Foods	Energy & Living Materials	Overseas Sales Subsidiaries	Sub-total				
Net sales											
Customers	523,639	100,827	125,551	71,066	183,634	212,853	1,217,573	61,567	1,279,141	–	1,279,141
Intersegment	17,026	8,224	1,860	511	2,318	32,475	62,417	1,612	64,029	(64,029)	–
Total	540,666	109,051	127,411	71,578	185,953	245,329	1,279,990	63,180	1,343,171	(64,029)	1,279,141
Segment profit(loss)	16,932	(1,222)	249	1,848	3,969	3,352	25,129	1,053	26,183	(2,326)	23,856

- Notes:
1. “Other business” represents businesses such as the housing materials section and machinery section which are not included in reportable segments.
 2. Adjustments of ¥2,326 million for segment profit or loss 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 profit or loss is adjusted between ordinary profit on the consolidated statements of income and comprehensive income.

(Significant subsequent events)

Acquisition of treasury shares

The Company resolved, at the Board of Directors meeting held on November 7, 2025, to acquire its own shares under Article 156 of the Corporation Law of Japan, as applied pursuant to Article 165(3) of the Corporation Law, as follows:

1. Reason

To promote return to shareholders and improve capital efficiency.

2. Details of acquisition

- | | |
|--|---|
| (1) Class of shares to be acquired: | Common stock |
| (2) Number of shares to be acquired: | Up to 1,000,000 shares
(equivalent to 2.5% of the total issued shares) |
| (3) Total amount of shares to be acquired: | Up to 5 billion yen |
| (4) Schedule of acquisition: | From November 10, 2025 to September 30, 2026 |
| (5) Acquisition method: | Purchase on the Tokyo Stock Exchange market |

Stock split and partial amendment to articles of incorporation due to stock split

The Company resolved, at the Board of Directors meeting held on November 7, 2025, to conduct a stock split and to partially amend the Articles of Incorporation in conjunction with the stock split, as follows:

1. Stock split

(1) Purpose of stock split

By conducting stock split, we aim to improve the liquidity of our shares and expand our investor base by lowering the price per investment unit.

(2) Overview of stock split

i) Method of stock split

The Company shall conduct stock split at a ratio of five shares for every one share of common stock held by shareholders registered or recorded on the final shareholder register on Tuesday, March 31, 2026.

ii) Number of shares to be increased by stock split

Total number of outstanding shares before the stock split	42,332,640 shares
Number of shares to be increased by the stock split	169,330,560 shares
Total number of outstanding shares after the stock split	211,663,200 shares
Total number of shares authorized to be issued after the stock split	570,000,000 shares

(3) Schedule

Date of public notice of the record date	Monday, March 16, 2026
Record date	Tuesday, March 31, 2026
Effective date	Wednesday, April 1, 2026

(4) Other

There will be no change in the amount of share capital at the time of stock split.

2. Partial amendment to the Articles of Incorporation in connection with the stock split

(1) Reason for amendment to the Articles of Incorporation

In connection with the stock split, and pursuant to a resolution of the Board of Directors based on Article 184(2) of the Companies Act, part of our Articles of Incorporation will be amended as follows, effective Wednesday, April 1, 2026.

(2) Contents of amendment

(Amendment underlined.)

Current	As amended
(Total number of authorized shares to be issued) Article 6. The total number of shares the Company is authorized to issue shall be <u>114,000,000</u> .	(Total number of authorized shares to be issued) Article 6. The total number of shares the Company is authorized to issue shall be <u>570,000,000</u> .

(3) Schedule

Date of resolution by the Board of Directors	Friday, November 7, 2025
Effective date	Wednesday, April 1, 2026

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.

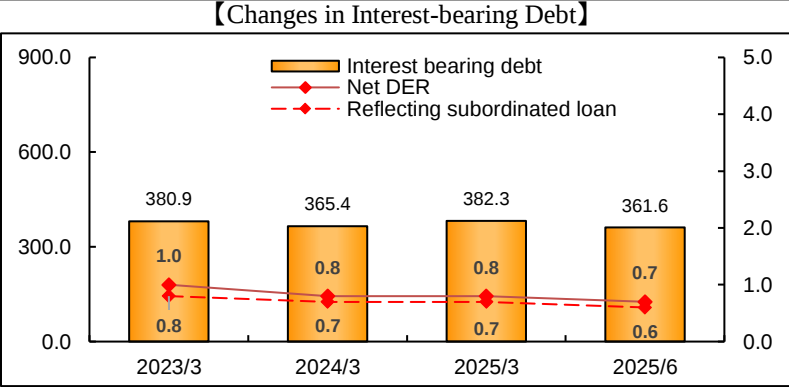
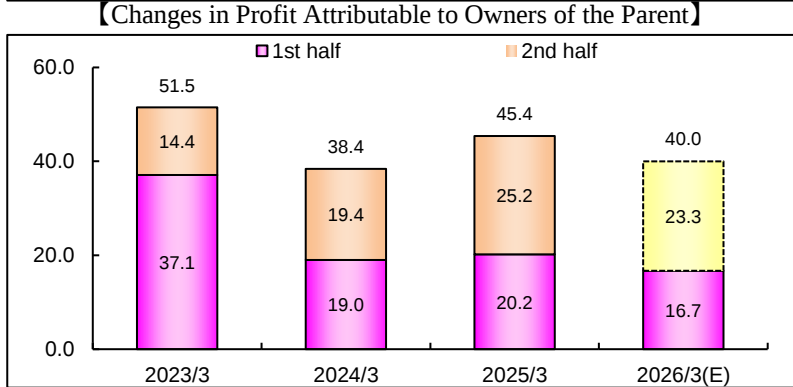
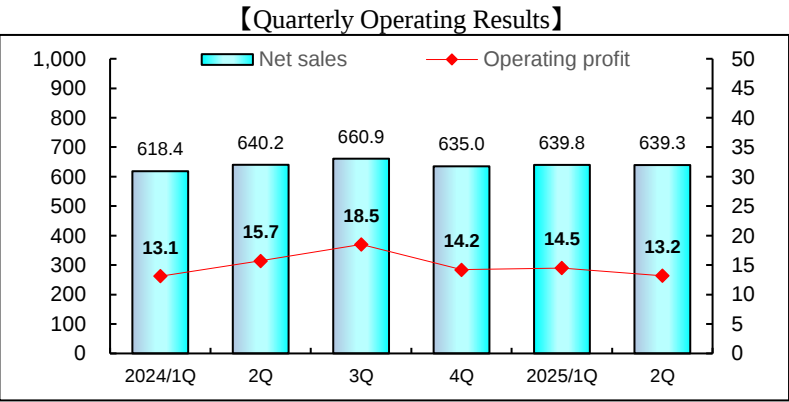
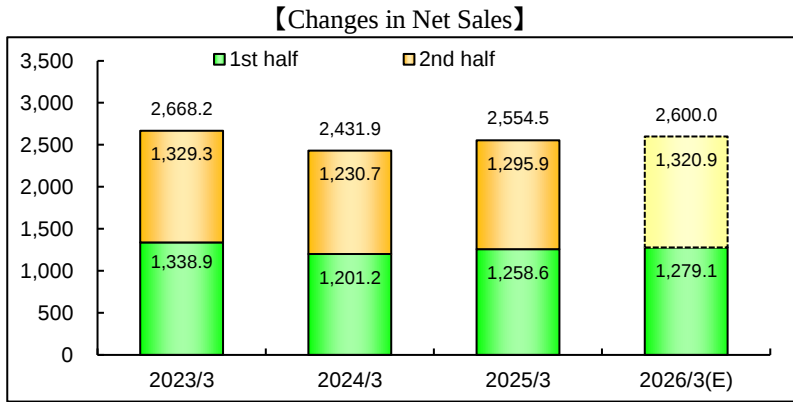
Operating Results	Six months ended Sep. FY2024	Six months ended Sep. FY2025	YoY		Main Factors
			Change	Rate	
Net sales	1,258.6	1,279.1	20.4	2%	(Net sales) Net sales increased by 2% YoY, to 1,279.1 billion yen, because transaction volume mainly represented by Metal Recycling business and Overseas Sales 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	—	

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)		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