

Highlights of Consolidated Financial Results for the Nine Months ended December 31, FY2025

(Japan GAAP)

HANWA Co., Ltd.

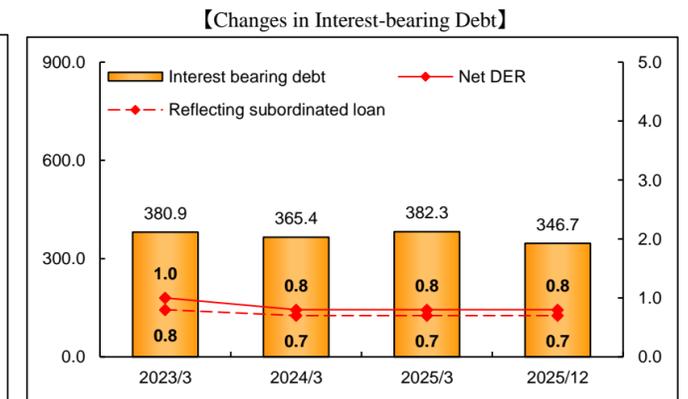
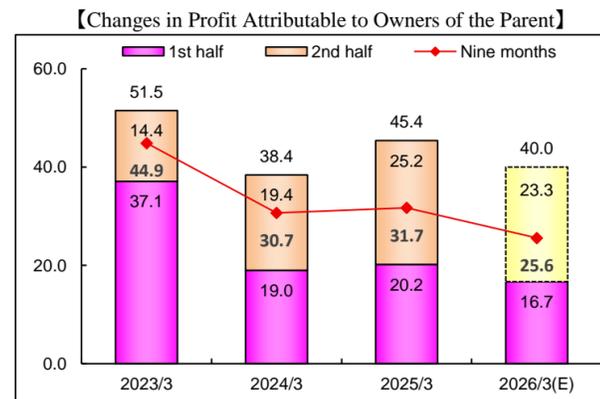
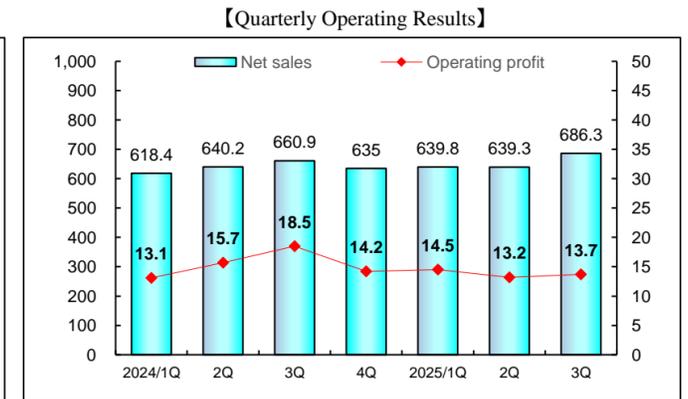
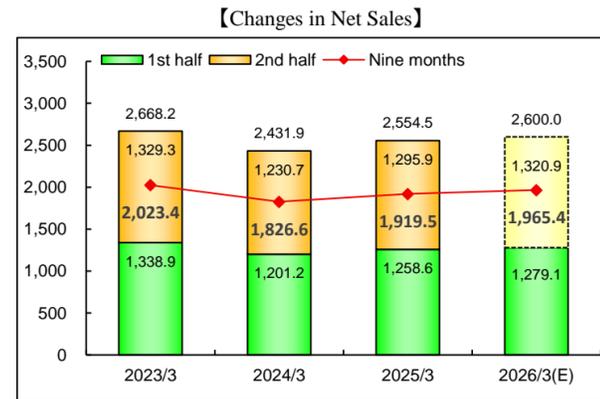
(Unit: billion yen, rounded down to 0.1 billions yen)

Outline of Financial Results for the Nine Months ended December 31, FY2025

• During the nine months of this consolidated fiscal year, net sales increased by 2% YoY, to 1,965.4 billion yen, because transaction volume mainly represented by Primary Metal business and Overseas Sales Subsidiaries increased. Operating profit decreased by 12% YoY, to 41.4 billion yen, mainly due to the deterioration in the profitability of the Metal Recycling business and increased personnel expenses. Ordinary profit decreased by 16% YoY, to 36.4 billion yen and net profit attributable to owners of the parent decreased by 19% YoY, to 25.6 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	Nine months ended Dec. FY2024	Nine months ended Dec. FY2025	Y o Y		Main Factors
			Change	Rate	
Net sales	1,919.5	1,965.4	45.8	2%	(Net sales) Net sales increased by 2% YoY, to 1,965.4 billion yen, because transaction volume mainly represented by Primary Metal business and Overseas Sales Subsidiaries increased.
Gross profit	103.8	102.3	(1.5)	(1%)	
SG&A expenses	56.4	60.8	4.3	8%	(SG&A expenses) SG&A expenses increased by 4.3 billion yen YoY, with 1.0 billion yen of this figure deriving from newly consolidated subsidiaries. Cost of labor increased by 2.6 billion yen YoY, with 0.6 billion yen of this figure deriving from newly consolidated subsidiaries.
Operating profit	47.3	41.4	(5.9)	(12%)	
Non-operating income	8.2	7.2	(0.9)	(12%)	
Non-operating expenses	12.3	12.2	(0.1)	(1%)	
Ordinary profit	43.2	36.4	(6.7)	(16%)	(Non-operating income/expenses) Non-operating income decreased by 0.9 billion yen and non-operating expenses decreased by 0.1 billion yen. The main impacts on ordinary income were as follows. Dividend income : decrease of 0.9 billion yen YoY Interest expenses : decrease of 1.0 billion yen YoY Share of loss of entities accounted for using equity method : increased by 2.4 billion yen YoY Foreign exchange losses : decrease of 0.6 billion yen YoY
Extraordinary income	2.7	0.1	(2.6)	(96%)	
Extraordinary losses	—	0.1	0.1	—	(Extraordinary income/losses) Gain on sale of investment securities : decreased by 1.6 billion yen YoY Gain on sale of investments in capital of subsidiaries and associates : decreased by 0.9 billion yen YoY Loss on sale of investment securities : 0.1 billion yen
Profit before income taxes	45.9	36.3	(9.6)	(21%)	
Income taxes	14.3	11.2	(3.1)	(22%)	
Profit	31.6	25.1	(6.5)	(21%)	
Owners of the parent	31.7	25.6	(6.1)	(19%)	
Non-controlling interests	(0.1)	(0.5)	(0.3)	—	
EPS (yen)	786.75	644.32	(142.43)	(18%)	
Comprehensive income	27.2	32.0	4.7	18%	

Financial Position	Mar. 2025	Dec. 2025	Comparison with Mar. 2025		Main Factors
			Change	Rate	
Total assets	1,165.8	1,145.6	(20.1)	(2%)	(Total Assets) Total assets decreased by 2% from the end of the previous fiscal year, mainly due to the decrease in cash and deposits and inventories.
(Current assets)	903.7	881.5	(22.1)	(2%)	
(Fixed assets)	262.1	264.1	2.0	1%	
Total liabilities	776.3	740.3	(35.9)	(5%)	(Liabilities) Liabilities decreased by 5% from the end of the previous fiscal year, mainly due to the decrease in short-term borrowings and bonds payable. As interest-bearing debt decreased by 9%, net debt-equity ratio was turned into 76% (*66%).
(Interest-bearing debt)	382.3	346.7	(35.5)	(9%)	
(Net interest-bearing debt)	317.0	303.7	(13.2)	(4%)	
Net DER	83%/72*%	76%/66*%	(6pt)	—	
Total net assets	389.4	405.3	15.8	4%	(Net assets) Total net assets increased by 4% 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 34.9% (*37.1%), which is 2.0 points higher than at the end of the previous fiscal year.
(Shareholders' equity)	339.6	349.3	9.6	3%	
(Accumulated other comprehensive income)	43.3	50.4	7.0	16%	
(Non-controlling interests)	6.4	5.5	(0.8)	(14%)	
BPS (yen)	9,485.64	10,177.82	692.18	7%	
Equity capital	383.0	399.7	16.7	4%	
Equity ratio	32.9/35.0*%	34.9/37.1*%	2.0pt	—	*Reflecting equity credit attributes of the subordinated loan



Segment Information	Net sales			Segment profit			Main Factors
	Nine months ended Dec. FY2024	Nine months ended Dec. FY2025	Rate	Nine months ended Dec. FY2024	Nine months ended Dec. FY2025	Rate	
Steel	873.3	806.8	(8%)	23.8	28.2	19%	(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	142.7	176.4	24%	2.9	0.3	(90%)	(Primary Metal) Net sales increased, due to the steady sales of auxiliary materials. On the other hand, segment profit decreased, because share of loss of entities accounted for using equity method from SAMANCOR CHROME HOLDINGS PROPRIETARY LTD. increased.
Metal Recycling	178.6	196.7	10%	2.9	(2.0)	—	(Metal Recycling) Net sales increased, because transaction volume of lead ores increased. On the other hand, segment profit decreased due to the recognition of loss on valuation of derivatives used to hedge inventory price fluctuation risk.
Foods	108.0	118.5	10%	2.2	3.3	49%	(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	284.3	279.4	(2%)	7.6	5.6	(25%)	(Energy & Living Materials) Net sales and segment profit decreased, due to the sluggish crude oil prices and the deterioration in profitability of chemicals-related businesses.
Overseas Sales Subsidiaries	322.2	381.2	18%	6.0	4.1	(32%)	(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.
Total for reportable segments	1,909.3	1,959.1	3%	45.6	39.5	(13%)	
Other	99.7	97.7	(2%)	1.5	1.4	(3%)	
Total	2,009.0	2,056.8	2%	47.1	41.0	(13%)	
Adjustment	(89.4)	(91.3)	2%	(3.9)	(4.6)	16%	
Consolidated	1,919.5	1,965.4	2%	43.2	36.4	(16%)	

Forecast (Annual)	FY2024	FY2025 (Estimated)	Change	Cash Dividends	FY2023	FY2024	FY2025 (Estimated)
Operating profit	61.5	55.0	(11%)	Year-end (yen)	100.00	120.00	125.00
Ordinary profit	59.7	55.0	(8%)	Annual (yen)	185.00	225.00	250.00
Profit attributable to owners of the parent	45.4	40.0	(12%)	DOE*	2.7%	3.0%	3.0%

*From the third quarter of financial year, following the share transfer from the Company to a consolidated subsidiary, the segment classification of COSMO STEEL HOLDINGS LTD., which formerly used to be classified in the "Steel" segment, has now been changed to the "Overseas Sales Subsidiaries" segment. Comparisons with the same period of the previous fiscal year have been made based on the new classification method.

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.

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