May 12, 2026

Highlights of Consolidated Financial Results for the Fiscal year ended March 31, 2026

(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 31,2026

- During this consolidated fiscal year, net sales increased by 4% YoY, to 2,662.6 billion yen, because transaction volume mainly represented by Primary Metal business and Overseas Sales Subsidiaries increased. Operating profit decreased by 5% YoY, to 58.4 billion yen, mainly due to the deterioration in the profitability of the Metal Recycling business and increased personnel expenses. Also, ordinary profit decreased by 13% YoY, to 52.2 billion yen and net profit attributable to owners of the parent decreased by 16% YoY, to 38.2 billion yen.
- We plan to pay 290 yen as the annual (125 yen as the interim and 165 yen as the year-end) dividend. On April 1, 2026, the Company conducted a five-for-one share split of its common stock. For the fiscal year ending March 31, 2027 (forecast), the dividend amounts are shown after the stock split.

Operating Results	FY2024	FY2025	YoY Change	YoY Rate
Net sales	**2,554.5**	**2,662.6**	**108.1**	**4%**
Gross profit	**140.6**	**141.1**	**0.5**	**0%**
SG&A expenses	79.0	82.6	3.5	5%
Operating profit	**61.5**	**58.4**	**(3.0)**	**(5%)**
Non-operating income	12.3	8.6	(3.6)	(30%)
Non-operating expenses	14.1	14.8	0.7	5%
Ordinary profit	**59.7**	**52.2**	**(7.4)**	**(13%)**
Extraordinary income	6.1	1.3	(4.8)	(77%)
Extraordinary losses	0.4	0.8	0.4	91%
Profit before income taxes	**65.4**	**52.7**	**(12.7)**	**(19%)**
Income taxes	19.3	15.3	(3.9)	(21%)
Profit	**46.1**	**37.4**	**(8.7)**	**(19%)**
Owners of the parent	45.4	38.2	(7.2)	(16%)
Non-controlling interests	0.6	(0.8)	(1.5)	—
EPS (yen)	1,125.66	965.67	(159.99)	(14%)
Comprehensive income	**43.0**	**62.1**	**19.1**	**44%**

Main Factors

(Net sales)
Net sales increased by 4% YoY, to 2,662.6 billion yen, because transaction volume mainly represented by Primary Metal business and Overseas Sales Subsidiaries increased.

(SG&A expenses)
SG&A expenses increased by 3.5 billion yen YoY, with 1.9 billion yen of this figure deriving from newly consolidated subsidiaries. Cost of labor increased by 1.3 billion yen YoY, with 1.0 billion yen of this figure deriving from newly consolidated subsidiaries.

(Non-operating income/expenses)
Non-operating income decreased by 3.6 billion yen and non-operating expenses increased by 0.7 billion yen. The main impacts on ordinary profit were as follows.
Dividend income : decrease of 0.9 billion yen YoY
Interest expenses : decrease of 1.1 billion yen YoY
Share of loss of entities accounted for using equity method : increased by 4.2. billion yen YoY
Foreign exchange losses : increase of 0.7 billion yen YoY

(Extraordinary income/losses)
Gain on sale of investment securities：decreased by 3.8 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 non-current assets : 0.1 billion yen
Loss on sale of investment securities : 0.1 billion yen
Provision of allowance for doubtful accounts for subsidiaries and associates : 0.1 billion yen

Segment Information	Net sales FY2024	Net sales FY2025	Net sales Rate	Segment profit FY2024	Segment profit FY2025	Segment profit Rate
Steel	1,155.2	1,071.9	(7%)	33.1	38.7	17%
Primary Metal	184.2	244.1	33%	6.0	(0.1)	—
Metal Recycling	226.8	284.2	25%	3.0	1.3	(58%)
Foods	140.4	150.5	7%	2.3	3.0	32%
Energy& Living Materials	391.6	383.7	(2%)	10.4	8.5	(18%)
Overseas Sales Subsidiaries	441.3	517.7	17%	8.2	5.5	(33%)
Total for reportable segments	2,539.7	2,652.1	4%	63.3	56.9	(10%)
Other	133.7	133.9	0%	2.4	2.1	(11%)
Total	**2,673.5**	**2,786.1**	**4%**	**65.7**	**59.1**	**(10%)**
Adjustment	(118.9)	(123.4)	4%	(5.9)	(6.8)	14%
Consolidated	**2,554.5**	**2,662.6**	**4%**	**59.7**	**52.2**	**(13%)**

Main Factors

(Steel)
Net sales decreased, because prices of steel products and transaction volume of steel plates decreased.
On the other hand, segment profit increased, because profitability improved in some overseas subsidiaries and an increase in equity method investment income.
(Primary Metal)
Net sales increased, due to the steady sales of auxiliary materials.
On the other hand, segment profit decreased as the share of loss of entities accounted for using the 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 profitability of aluminum and other products.
(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 and segment profit decreased, due to the sluggish average crude oil prices during the period compared with the previous consolidated fiscal year and the deterioration in profitability of chemicals-related businesses.
(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.

*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.
- Feb Acquired 100% of the shares of MARUI HOLDINGS CO., LTD. and made it as a subsidiary of the Company. Also, made MARUI SATO KAISAN CO., LTD. of this company as subsidiaries of the Company.
  Acquired 30% of the shares of FUJISHO SUNMATECH LTD. and applied the equity method of the Company.
- Mar HANWA SINGAPORE (PRIVATE) LTD., a consolidated subsidiary of the Company, established its subsidiary, HANWA LOGISTICS SINGAPORE (PRIVATE) LTD.

Financial Position	Mar. 2025	Mar. 2026	Comparison with Mar. 2025 Change	Comparison with Mar. 2025 Rate
Total assets	**1,165.8**	**1,212.6**	**46.8**	4%
(Current assets)	903.7	928.7	24.9	3%
(Fixed assets)	262.1	283.9	21.8	8%
Total liabilities	**776.3**	**779.7**	**3.3**	**0%**
(Interest-bearing debt)	382.3	357.0	(25.2)	(7%)
(Net interest-bearing debt)	317.0	271.4	(45.6)	(14%)
Net DER	83%/72*%	63%/54*%	(20pt)	—
Total net assets	**389.4**	**432.9**	**43.4**	**11%**
(Shareholders' equity)	339.6	360.2	20.5	6%
(Accumulated other comprehensive income)	43.3	67.2	23.9	55%
(Non-controlling interests)	6.4	5.4	(0.9)	(15%)
BPS (yen)	9,485.64	10,988.17	1,502.53	16%
Equity capital	383.0	427.4	44.4	12%
Equity-to-asset ratio	32.9/35.0*%	35.3/37.3*%	2.4pt	—

Main Factors

(Total Assets)
Total assets increased by 4% from the end of the previous fiscal year, mainly due to the increase in investment securities and cash and deposits.

(Liabilities)
Liabilities increased by 0.4% from the end of the previous fiscal year, mainly due to the increase in notes and accounts payable – trade and deferred tax liabilities. As interest-bearing debt decreased by 7%, net debt-equity ratio was turned into 63% （*54%).

(Net assets)
Total net assets increased by 11% 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 35.3% (*37.3%), which is 2.4 points higher than at the end of the previous fiscal year.

*Reflecting equity credit attributes of the subordinated loan

Cash Flow	FY2024	FY2025	YoY Change	YoY Rate
Cash flows from operating activities	10.1	74.3	64.2	634%
Cash flows from investing activities	(21.8)	(10.8)	10.9	(50%)
Cash flows from financing activities	0.2	(47.6)	(47.9)	—
Cash and cash equivalents at end of period	65.2	85.5	20.2	31%

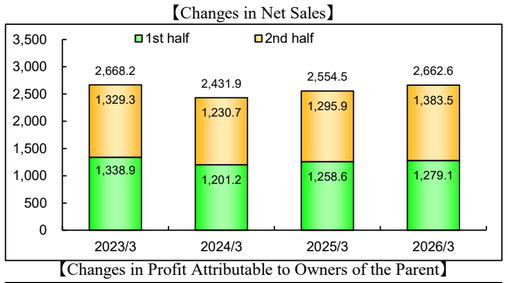
Main Factors

(Operating cash flows)
Due mainly to the decrease in trade receivables and contract assets, and the increase in trade payables.

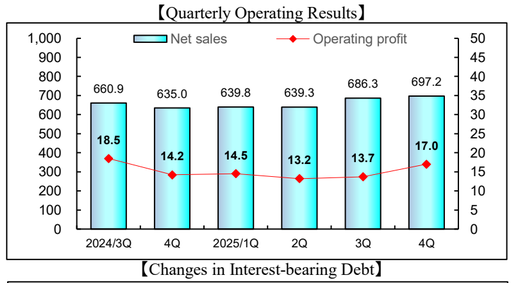
(Investment cash flows)
Due mainly to payments for the acquisition of investment securities and short-term loans receivable.

(Financial cash flows)
Due mainly to repayments of bonds and short - term borrowings.

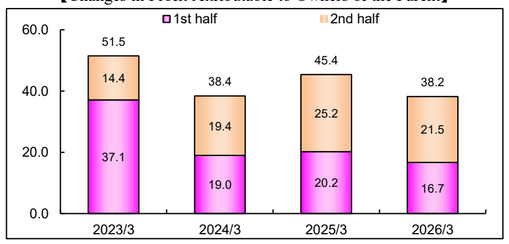
【Changes in Net Sales】



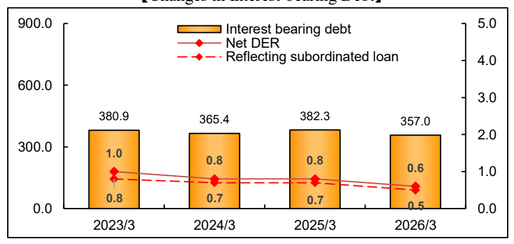
【Quarterly Operating Results】



【Changes in Profit Attributable to Owners of the Parent】



【Changes in Interest-bearing Debt】



Forecast (Annual)	FY2025	FY2026 (estimated)	change
Net sales	2,662.6	3,000.0	13%
Operating income	58.4	62.5	7%
Ordinary income	52.2	57.0	9%
Net income attributable to owners of parent	38.2	40.0	5%

Cash Dividends	FY2024	FY2025	FY2026 (estimated)
Interim (yen)	105.00	125.00	33.00
Year-end (yen)	120.00	165.00	33.00
Annual (yen)	225.00	290.00	66.00
DOE*	3.0%	3.4%	3.6%

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